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SENATE—*Friday, August 6, 1976*

The Senate met at 9 a.m. and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God of our lives, we thank Thee for Thy care of us day and night, for work and for rest, for sorrow and for joy, for laughter and for tears, for silence and for song, for every experience by which we have been taught and by which life has been enriched. Be with us to renew us that we be not weary or vexed or discouraged and leave our work poorly done or half completed. Grant us wisdom to learn new ways, to do new things, to find new solutions, to do our work better, and to walk with Thee more closely. Keep us and this Nation under Thy sovereign rulership. When the day ends may we have no regrets and hearts at peace with Thee and with one another.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 6, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, August 5, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the calendar, beginning with "New Reports."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of Defense.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. ARMY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The second assistant legislative clerk read the nomination of Rear Adm. Thomas J. Bigley to be vice admiral.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the Coast Guard, the Navy, and the Marine Corps placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TAX REFORM ACT OF 1976

Mr. MANSFIELD. Mr. President, I suggest that attaché on both sides get on the hotline and tell the Members that very likely, starting off as we are at full speed, we will vote around 9:30.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business——

Mr. HUGH SCOTT. Mr. President, I am entitled to be recognized at this time.

First, I yield to the Senator from Louisiana.

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. LONG. Mr. President, do we have a unanimous-consent agreement to vote on the pending amendment today at a time certain?

The ACTING PRESIDENT pro tempore. There is no such agreement.

Mr. LONG. Mr. President, it was agreed informally last night that we would have a 1-hour limitation; so I ask unanimous consent that time on the pending amendment be limited to 1 hour, to be divided one-half to the proponents and one-half to the opponents.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. PACKWOOD. I object.

The ACTING PRESIDENT pro tempore. Objection is heard. The Senator from Pennsylvania is recognized.

Mr. HUGH SCOTT. Mr. President, I think most of us would like to believe that this is the last day on the tax bill. We have gone on interminably, for hours and hours. We have promised the people of this Nation that there would be effective tax reform in this session of Congress. We have seen an endurance contest going on here between different points of view. We have met early and stayed late. We have worked hard. The Senate has expressed its will in a great many rollcall votes—in my judgment, altogether too many.

I think the whole system of rollcall votes is being overextended, to say the least. If every Senator did nothing else, the time and study devoted to each bill, is now 2.3 hours per rollcall, as against more than 10 hours per rollcall a few years ago. With so many amendments it is difficult to know what we are voting on, or to have an opportunity for reflection.

It is my strong hope that we can end this tax debate and vote on the bill by the end of the session today, because next week we go on to other matters with record votes coming up, and for a few days there is a recess for a meeting of the people who will select a standard bearer to serve as President next year. It seems to me a little tolerance here, a little give and take, a little mutual understanding, a little less pushing for advantage, a little more consideration for one's colleagues, and a greater desire for results could bring us to the end of this seemingly interminable situation.

So I do hope that Senators will join together in a common determination to give the people of the country the tax bill we promised them. We ought to do it, and we ought to stop racing around.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. HUGH SCOTT. Did the majority leader wish further recognition? The Senator from Louisiana wants me to yield to renew his request.

Mr. LONG. Mr. President, I renew my request that the time on the pending amendment be limited to 1 hour, to be equally divided between the proponents and the opponents of the amendment.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

OKLAHOMA ELECTION DISPUTE REIMBURSEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1099, Senate Resolution 404.

The resolution (S. Res. 404) to reimburse contestants for the Senate seat from Oklahoma for expenses incurred that were not reimbursed from other sources, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate is authorized and directed to reimburse Ed Edmondson and Henry Bellmon for the expenses which (1) were incurred by them or others on their direction as a result of and in connection with the consideration by the Committee on Rules and Administration and by the Senate of the recent contested election for a seat in the Senate from the State of Oklahoma, and (2) the Committee on Rules and Administration finds were reasonable and necessary for the proper consideration by that committee and by the Senate of such contested election and were not reimbursed to them from any other source or paid by any other person; and be it further

Resolved, That payments under this resolution shall be made from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Rules and Administration.

AMENDMENT OF UNANIMOUS-CONSENT AGREEMENT—S. 3084

Mr. MANSFIELD. Mr. President, the other day the leadership obtained a unanimous-consent agreement, but unfortunately it either forgot or was not informed that the distinguished Senator from Illinois (Mr. STEVENSON) should have been included. So I ask unanimous consent that the unanimous-consent agreement on Calendar No. 872, S. 3084, be amended to include a 2-hour amendment by Mr. STEVENSON, the time to be divided in the usual manner.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, I yield back the remainder of my time.

TAX REFORM ACT OF 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, H.R. 10612, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment on title XXVII. Who yields time?

Mr. LONG. Mr. President, if neither side is willing or prepared at this moment to proceed, I ask unanimous consent that I may be able to suggest the absence of a quorum, the time to be charged equally against both sides.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, in behalf of the opponents of this amendment, I yield myself 5 minutes at this point.

I realize that only a relatively handful of Senators will be impressed by budgetary arguments against this amendment. Yesterday's votes suggest that, at least. But, being a stubborn State of Mainer, I persist in making that argument.

Second, there are some arguments on the merits which I should like to make and which perhaps will be timely.

On the budgetary side, again, like some of the amendments I opposed yesterday, this one was carefully tailored to take effect in fiscal year 1978, thus avoiding any impact in fiscal year 1977, in an attempt to dilute the budgetary arguments against it. However, this is a costly amendment; and although its impact in fiscal 1977, for the reason I have said, is zero, beginning in fiscal year 1978, there is a budgetary impact which in fiscal year 1981 amounts to $870 million, on an annual basis.

I do not think it is much good, Mr. President, to balance the budget for fiscal 1977 if, in the process of doing so, we are making it impossible to balance the budget in 1981. That is the effect of the amendments—three of them—which I described yesterday, totally an out-year, 5-year projected cost of almost $12 billion.

It was said that the Budget Committee has no business worrying about that, that we have a budget resolution that affects only this fiscal year, and that that is the Budget Committee's business.

Mr. President, if the Budget Committee is to endure for only this fiscal year, let us acknowledge that and get rid of it; but let us not pretend or operate under the illusion that the Budget Committee should not be concerned about the budget years 1978, 1979, 1980, 1981, and 1982. This amendment would cost $870 million by 1981.

Now I would like to say something on the merits of this amendment, Mr. President, just to make it clear. I think I can do it very simply.

Capital gains are now subject to tax at only half of the ordinary rate of tax. The committee amendment would continue this treatment for all property owned 5 years or less. However, for property held for more than 5 years, the 50-percent deduction would be increased by 1 percent for each additional year of ownership up to 25 years. Thus, for example, the rate of tax on an asset sold after 25 years would be only 30 percent of the ordinary rate of tax.

The amendment would be effective only for assets sold during taxable years beginning in 1978, as I have pointed out.

Let me make four other points, Mr. President. First, often, inflation gains, and this is intended as an anti-inflation amendment, are not related to the period of time an asset is owned. For example, a recent important study which adjusted capital gains for inflation found that gains on stocks purchased in 1956 were less affected by inflation than were stocks purchased in 1971. Yet, under the proposal, stocks purchased in 1956 would be given more preferential treatment than those purchased in 1971.

The second point:

No other aspect of the income tax law takes account of inflation, and the proposed adjustment for capital gains deals with only a small part of the inflation problem.

For example, the other day, the Senate discussed indexing the income tax rates in order to avoid the automatic increase in tax rates imposed upon taxpayers as a result of inflation. The Senate rejected that amendment, and I thought it was wise to reject it, because to accept it would have meant that income tax rates would automatically have been reduced—reduced—in response to inflation. The chairman of the Committee on Finance has told me that indexing would have cost us $5 billion a year. But, Mr. President, that amendment would have helped the so-called little fellow, who was the subject of so much compassion on the Senate floor, the day before yesterday.

Well, we rejected this relief for the little fellow. But now we have this amendment that helps the big fellow, helps the big fellow, you know, to offset the impact of inflation.

So, I repeat, Mr. President, that no other aspect of the income tax law takes account of inflation. But we are going to do it here.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. MUSKIE. Five more minutes, please.

In fact, Mr. President, on page 604 of the tax reform bill report, the Senate Committee on Finance instructed the staff of the Joint Committee on Taxation to make a study of the possibility of generally adjusting income taxes for inflation.

Mr. President, if we are going to subject the inflation problems of the little fellow to a study before we act to give him relief, why do we not do the same thing for the big fellow, and refer this particular subject to that same staff for that same study?

This is the third point I make, Mr. President:

Since a decrease in the capital gains tax based on the length of the holding period confers the greatest benefits on those taxpayers who hold assets the longest, a sliding scale would act as an incentive to holding assets for longer periods. This would substantially reduce the mobility of capital and, therefore, provide taxpayers incentives to maintain investments which, absent tax considerations, they would terminate for other investments.

So this is an anticapital mobility amendment and not a procapital mobility amendment. Its only purpose is to provide relief for those taxpayers who need it much less than the average taxpayers of this country. It is a classic example of the kinds of tax loopholes or tax expenditures which have triggered the cry for tax reform across this country. I understand that none of those three phrases is popular in the Senate—at least, they do not seem to be. But they are in the country.

The fourth point, Mr. President, and I shall close:

In addition to the foregoing considerations which relate solely to the sliding scale aspect of capital gains, there are persuasive arguments for not reducing further the tax preference provided capital gains generally. These include the fact that capital gains now benefit the wealthiest segment of our population. A recent Treasury study indicates that over 62 percent of the tax saving resulting from the favorable tax treatment of capital gains go to the 1.2 percent of all taxpayers with adjusted gross income in excess of $50,000.

Mr. President, for these reasons, in closing, I again emphasize that the budgetary impact, which seems to be of less and less concern to a majority of the Senate, is a serious reason, in and of itself, to reject this amendment. In the direct spending budget, we have said no, over and over again, to worthwhile projects which, on their merits, could justify the support of a majority of the Senate, because we said we could not afford to spend the money. Mr. President, all I am asking the Senate to do is apply the same steps to tax spending proposals, whatever their merits, because of budgetary considerations.

I have made the arguments on the merits because I think they need to be perceived, but I understand that, on the merits, there can be honest differences of opinion among Senators. Taking that into account, I urge my colleagues to vote against this amendment because of its budget implications.

The picture that we are painting for the whole country in connection with this tax bill is that half of the budget, the revenue half, is not covered by the restraints of the budget process. I doubt very much that upon mature reflection, the Senate would like that message to get out to the country and to be impressed indelibly on the impressions that the country has of this Senate and this Congress.

The ACTING PRESIDENT pro tempore. The Senator's additional 5 minutes have expired.

Mr. LONG. Will the Senator yield to me?

Mr. HANSEN. I am happy to yield.

Mr. LONG. Mr. President, I wish to address myself only to the budgetary aspect.

It always seemed to me, from the very beginning of this budget process, that by establishing it we were not trying to say that the Senate and the House could not vote for a tax reduction in future years. My impression of all this was that we would propose to balance the budget year by year.

Year by year, under the leadership of the Budget Committee, we would look to see what revenues would be, and we would look to see what expenditures could be afforded, based on the income that would be available to us.

Now I, for one, have endeavored to live within the budget targets, and we recommended a bill well within the budget targets, so much so that we could even be criticized for being too far below the budget targets in what we reported to the Senate.

Now, we propose to follow the budget targets year by year. Each year, looking at how much we expect to spend, we should plan to raise enough revenue to pay for whatever the Senate, under the leadership of its Budget Committee, would recommend we should raise.

That, I think, the Senate can live with, and Senators are willing to live with. But I do not think Senators are willing to restrict themselves on the future tax changes they may vote for merely because someone does not agree with their particular view on the budget issues.

As I say, I would propose that we should move toward balancing this bill in conference to take into account the fact that the Senate has loaded this bill with far more tax reductions than the budget can afford for this fiscal year. That is fine, and I am happy to work toward this objective. But I think we have enough of a job to balance the budget year by year, much less trying to say that we will try to balance it 2, 3, 4, or even 5 years in advance. It is all right with me to talk about what our budget problem might be 5 years down the road, but we should meet it when we come to that situation.

If we are ever going to balance this budget—and the Budget Committee is not recommending this at this time nor is any responsible economist, we are going to have to balance it by not only an improvement in economic conditions but by some major tax increases.

As manager of the bill, I voted for $3 billion or $4 billion of additional taxes beyond what the Senate was willing to vote for, and so have most Senators, each choosing his own combination of things he thinks he can vote for and vote against.

But to achieve those kinds of major tax increases that would balance a budget $70 billion in deficit is going to require the leadership of a President, the support of the Budget Committee, and the support of a taxwriting committee, and we do not have that situation now. The President of the United States thought we ought to cut taxes $10 billion more than we are cutting taxes. The Budget Committee did not agree with that, and the Senate went along with the Budget Committee, and so we are not cutting taxes by the additional $10 billion the President recommended.

What we are doing right now is doing the best each of us can under the circumstances where the President recommends a $10 billion tax cut beyond what the Budget Committee recommends to us, and the Senate—the committee stays well within the target—takes us way over the target. We will try to move back as near as we reasonably can to the target set by the Budget Committee and agreed to by Congress, so that we will cooperate with the Senator in his noble endeavor to protect the fiscal solvency of the country. But we cannot do this by each Senator surrendering back his conscience on tax laws 4 and 5 years in advance.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LONG. Yes, I yield to the Senator. I have been told by the Senator from Wyoming that I cannot yield on his time, but I can yield on the time of the Senator from Maine.

Mr. MUSKIE. I would be glad to comment on my time.

Mr. LONG. Yes.

Mr. MUSKIE. In the first place, Mr. President, the whole budget process requires that, to some degree, each Senator surrender his prerogatives, his personal prerogatives, to the overall necessity for discipline in Government spending.

Does the Senator think the message I am preaching is different on the revenue side than on the spending side? On the spending side I understand down there in the spring when the budget resolution was up and we opposed things I was for and supported things I was against in order to maintain a discipline. The Senator knows, because I have known him for a long time, that if this body operates only in response to the consciences of each individual Senator there will be no discipline.

The second point I would make is the Senator says all we are required to do is balance the budget from year to year, one year at a time. But, Mr. President, the uncontrollables on the spending side of the budget have climbed from 56 percent a few years ago to 77 percent this year. So if we were to have no concern for the foot-in-the-door kind of legislation that means spending in the out years, even though it does not hit the current year, the Senator's philosophy will mean that although we may temporarily balance the budget by those kinds of gimmicks in the long run we are abandoning budget discipline.

The Senator said something yesterday on page 25919 of the RECORD that I think exactly describes what we are doing. He said:

> Mr. President, we are proceeding about the same way that we did before we ever had any Budget Committee.

And that is exactly right. That is exactly the way we are proceeding on the revenue side of the budget. We are proceeding differently on the direct spending side. I concur wholeheartedly in that statement of the Senator from Louisiana, and I know it is the way he has operated for years. It is a way which he has tried to use consistent with the public interest. I mean, it is the way that was forced upon him, given the undisciplined way in which Congress, as a whole, dealt with the Federal budget, and he did it in accordance with his conscience and his best view of what the public interest requires.

But where he and I part is in this: We are trying to institutionalize restraint in the budget. We are trying to institutionalize in a way that will put the pressure and the burden on every Senator and every Congressman, because we found that no one man, however able, even if he is as able as the Senator from Louisiana is, can effectively ride herd on the Federal budget in such a way as to make it a responsible budget.

So what I have been saying about the budget is no attack on the Senator from Louisiana. I understand he is a man of enormous ability. He has his own sense of values, as we all do, he is a committed public servant. I do not challenge him in that respect. There are those who have a certain sense of cynicism, and I say that in all good will, about the operation of Democratic institutions. It is their view, which I am sure is not shared by Senator LONG, that people move only in response to their self-interest and their selfish interests, and that you have to take account of that, and you have to use those motivations in order to get a final product. We cannot afford to continue to operate in such an ad hoc way. The Budget Act is designed to force each of us to make spending decisions openly and consistently with public interest goals clearly specified in the budget resolution. The Senator and I disagree on that point.

Mr. LONG. I am not going to attribute unworthy motives——

The ACTING PRESIDENT pro tempore. The Chair requests who is yielding time at this point?

Mr. HANSEN. How much time do I have?

The ACTING PRESIDENT pro tempore. Who is yielding time? The Senator has 16 minutes.

Mr. HANSEN. I yield to my chairman.

Mr. LONG. Two minutes.

Mr. President, I am not attributing unworthy motives to the Senator, and he should not attribute them to me. I seek the guidance of the higher power, and the Senator, I am sure, does the same. I do as the higher power gives me the light to see it.

Mr. MUSKIE. Mr. President, did I not say that about the Senator?

Mr. LONG. Well, anyone can read the Senator's words and interpret them however he wants to, and I am not here to pick a quarrel with the Senator. I will let the Senator choose the best he can with his conscience, and I will choose the best I can with mine.

Now, Mr. President, what we are seeing here is that the budget process does not work very well when the Budget Committee is not working with the other committees but working at cross-purposes with another committee or vice-versa.

It has worked very well, may I say, as far as the Finance Committee and the Budget Committee matters have been concerned up until this measure came up. I suspect that one reason it has not worked very well in this case, in fact it worked very poorly, has been that the chairman and a number of members of the Budget Committee simply have a philosophical difference with regard to measures in this bill. And so we find ourselves working on a bill where the President, the executive branch, has a different view toward the whole matter of taxing and spending, different from Congress as a whole, and within the Congress, the tax-writing committee, at least in the Senate, has a different view philosophically on how the bill should be structured, what should go in it, and what should be in it, a view that is different than the view of the Budget Committee.

Now, we have had these arguments, and it will continue to be so. But when we are able to agree on what we are trying to do—regardless of whether we can agree upon the general philosophical thrust of a bill—I believe we will have better success in working together because we have had, from my point of view, wonderful success prior to the emergence of this particular bill.

When we have something less controversial, where there is more of a compatibility in our views on what the mix within the bill should be, my guess is that we will be able to work better on these matters.

Mr. HANSEN. Mr. President, I yield myself 5 minutes.

Mr. President, there are two very compelling and persuasive reasons for the adoption of this committee amendment.

In the first place, investment by individuals is critically low while capital needs of key industries continue to rise.

Examples of this need for additional capital can be found in the steel industry. Most jobs in America are related either directly or indirectly to steel, yet we are importing a greater percentage of that steel from foreign countries year after year after year.

We need more money to be invested in paper production. We have great need for more money to be invested in chemicals.

Much of our drugs come from abroad. We are dependent in an unquestionable amount upon foreign countries for the supply of chemicals that this Nation desperately needs.

We need more money to be invested in pollution controls. We have been debating the clean air amendments for several days. The key to cleaner air is not that we should turn this country back 50 or 100 years to be operating like we were before the car and the airplane and the electirc lights. But rather, that we update our pollution control equipment.

Everyone knows, everyone understands, that this year when we will be importing over 41 percent of all of the oil that we use in the United States we must do something to gain greater self-sufficiency in energy.

These are costly ventures, every one of them. It is important that we do something about it because it not only undermines the security of America, but it is vital to the job levels and the numbers of jobs that spell the difference between happy, satisfied, productive, self-assured Americans, on the one hand, and people who are adding to relief rolls on the other.

I point out, Mr. President, that in 1975, only 8.3 percent of taxable personal income the average American had was invested or was saved. Our tax laws are such that more and more of that money is drydocked.

What this amendment does is say to a person who has had an asset for more than 5 years, beyond the 5 years' time he will get a 1-percent increase in the amount of the sale of that that will not be chargeable on the present tax returns.

That will unlock the capital that is desperately needed in America now in order that we can get on with the job of making this a stronger, more productive, more healthy nation.

Mr. President, how much time do I have left?

The ACTING PRESIDENT pro tempore. Nine minutes remain.

Mr. HANSEN. I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CURTIS. Will the Senator give me 1 minute?

Mr. HANSEN. I yield 1 minute to my distinguished colleague from Nebraska.

Mr. CURTIS. Mr. President, I want to commend my distinguished colleague from Wyoming.

The need for capital is very great.

Somebody has to invest a lot of money to create one job, and anything that we can do to stimulate the investment into productive enterprise is for the good of our country.

What the distinguished Senator from Wyoming has done is contribute to that problem. This amendment was his. The Committee on Finance adopted it.

I commend it to the Senate and hope it will be approved here and by the conference.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. KENNEDY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts has 6 minutes and the Senator from Wyoming has 8 minutes.

Mr. KENNEDY. Mr. President, I wish to direct a couple of questions to the floor manager of the bill.

Mr. HANSEN. On the Senator's time?

Mr. KENNEDY. On my time, yes.

Under present law, 50 percent of long term capital gains are excluded from adjusted gross income and are therefore exempt from tax.

Under the committee bill, the 50 percent exclusion is increased by 1 percent for each year over 5 years but not over 25 years in which the taxpayer held the asset. The total exclusion may not exceed 75 percent of the net capital gain.

The revenue cost is $719 million in fiscal year 1979; $791 million in fiscal year 1980; and $870 million in 1981. The effective date is set at January 1, 1978, obviously to avoid any revenue effects in fiscal year 1977 and 1978.

At a time when the concern of the vast majority of citizens is for tax relief and tax reform, it makes no sense for Congress to increase still further the tax preference that is already available on capital gains, and thereby widen the capital gain loophole.

Real tax reform in the area of capital gains lies in the direction of narrowing, not widening, the current preference.

Under present law, one of the principal tax preferences accorded to capital gains is that only 50 percent of the gain is included in taxable income. Under the committee proposal, the proportion of capital gain included in taxable income would be reduced by an even larger amount, depending on the length of time the asset is held. Under this proposal, the exclusion would be reduced by an additional 1 percent for each year the asset is held, up to a maximum of 20 years.

The effect of this proposal would be to provide a major new tax cut for the wealthiest individuals in the Nation. At the present time, the tax on capital gains for those in the highest—70 percent—tax bracket is only 35 percent—that is, since a tax rate of 70 percent is applied on half the income from capital gains, the rate is equivalent to a tax of 35 percent on the full gain.

Under the committee proposal, however, the top tax rate on capital gains would be reduced to 17 percent—70 percent of 25 percent—if the asset is held for 25 years. Ironically, this 17 percent tax rate is precisely the rate that is now imposed on individuals in some of the lowest tax brackets.

The large revenue loss makes this proposal one of the biggest budget busters in the bill. If enacted, Congress will be mortgaging future budgets to pay for tax relief for wealthy investors.

Capital gains already enjoy two important advantages over other kinds of income under the Federal income tax.

First, a major preference enjoyed by capital gains is the advantage of tax deferral—the tax on a capital gain is deferred until such time as a sale of the asset actually takes place. The income represented by the accumulating gain in the value of the asset goes untaxed, even over a period of many years, until it is finally sold.

For example, if an individual buys a share of stock for $100, holds it for 2 years while it appreciates by $20 in value each year, and then sells it for $140, a tax is imposed on the full $40 of gain in the year of sale, not just on the $20 of gain that occurred in the year in which the sale took place.

Thus, our present tax system recognizes that the increased value of the stock in the fisrt year constitutes income for the individual. But, the tax on the income is deferred until the year in which the stock was sold.

This deferral, a tax preference in its own right, has the effect of an interest free loan by the Government to the individual, in the amount of the taxes that are deferred year by year until the asset is finally sold. Thus, the taxpayer is entitled to take the funds that he would otherwise have paid in tax in these years, and invest them for additional current income.

The second tax preference for capital gains is the widely understood low tax rate applied when the income is finally taxed. Even when the sale of an asset occurs, only half of the gain is included in the taxpayer's taxable income. Thus, in the previous example, even though the taxpayer had $40 of gain on the stock, only $20 is included in his taxable income; the remaining $20 goes tax free.

In effect, then, not only does the taxpayer receive an interest-free loan from the Government when he invests in a capital asset, but half the loan is forgiven when the asset is finally sold, because he is required to pay taxes on only half the gain.

The proposal to increase the capital gain exclusion would continue the interest-free loan treatment available under present rules. It would also increase the amount of the income that goes untaxed, from the present bargain rate of 50 percent tax free to an incredible new rate of 75 percent.

In recent years, many tax experts have raised questions about whether the Federal Government should continue the tax practice of making interest-free loans to the Nation's wealthiest individuals, through the deferral of accrued tax on capital gains. Even assuming that the interest-free loan program should continue, however, it is clear that we should be moving in the direction of reducing, not increasing, the amount of capital gain that escapes the income tax.

The two principal arguments advanced for the proposal to expand the capital gains preference will not withstand analysis.

The first argument is that the capital gains tax is imposed partly on gains created by inflation, rather than on true economic gains. Therefore, say the sponsors of the proposal, the way to take inflation out of the tax base is to increase the amount of capital gains excluded from income.

There are two defects in this inflation argument. First, the remedy proposed bears no direct relationship to the inflation problem. Congress might well conclude that only true gains should be taxed. But increasing the exclusion percentage from 50 to 75 percent is no guarantee that true economic gains will in fact be taxed. In many cases, it may simply become another windfall for the wealthy.

If Congress wants a measure that will tax true gains, a simple cost-of-living adjustment to the basis of the asset is all that is required.

But such a cost-of-living adjustment may produce greater taxes for capital gains for some individuals and lower taxes for others compared to the present proposal, depending on the period of time the asset is held and the cumulative degree of inflation over the period. But a flat percentage exclusion will hardly ever—except in the most unlikely combination of events—correlate taxable gain with true economic gain, exclusive of inflation. If inflation is the problem, then a blunderbuss approach of expanding the current preference is not the answer.

The second defect in the inflation argument is that the proposal deals with the inflation problem only for wealthy citizens. At the present time, the various tax preferences for capital gains produce an annual revenue loss of about $10 billion. Nearly one-third of this amount goes to the tiny fraction of families that have incomes in excess of $100,000 a year.

What is being proposed under the guise of tax "reform," therefore, is that the few thousand wealthiest families in the Nation are entitled to have their tax burden adjusted for inflation, but that the other 70 million low- and middle-income taxpayers are not entitled to any adjustment in their own tax burdens for inflation.

One of the most important assets held by low and middle income taxpayers is their savings account. Obviously, inflation eats away at a savings account each year. Under the theory advanced by the proponents of greater preferences for capital gains, we should also be giving a tax preference to persons whose primary asset is a savings account. The same is true of investments in U.S. savings bonds; with inflation, the principal amount of the bond is worth less each year.

But we hear no tax reduction proposals to compensate for those losses to inflation that affect so many of our citizens.

In short, we are being told that inflation is a problem in the tax system, but it is a problem that should be solved only for the wealthiest citizens in the country. The low and middle income taxpayers, as usual, are left to fend for themselves and to combat inflation as best they can.

The second argument advanced by those who favor an increase in the tax preference for capital gains is that it will reduce the so-called lock-in effect of capital gains by inducing more frequent sales of capital assets. This argument is impossible to accept. The real cause of the lock-in effect in our tax system today is the failure to tax capital gains on property transferred at death.

Under present tax rules, the gain on assets held by a taxpayer at death is never subject to income tax. If taxpayer holds stock that he purchased at $100 until death, at which time its value was $140, the $40 in gain would be completely free of the income tax. This is the real cause of lock-in for capital gains—the incentive to holders of assets to retain them until death. The solution to the lock-in problem is to tax these capital gains at death.

The current proposal to expand the capital gains preference might well increase the existing lock-in effect, rather than reduce it, since investors will be encouraged to retain their stock and other assets for longer periods of time, in order to enjoy the increasingly lower capital gains rates that would become available. And, once the assets has been held for 25 years, the wealthy investor would then be faced with the choice of selling it and paying 17 percent tax, or holding it until death, and avoiding the tax altogether.

Indeed, if the proponents of the capital gain proposal are serious about reducing the lock-in effect, they would join in efforts to tax capital gains at death. This reform would eliminate the present very strong incentive for wealthy individuals to hold assets until death, even though nontax considerations would clearly require that the asset should be sold.

In sum, the proposal represents no reform at all. It is simply another effort to provide an increased tax preference for the wealthy, at the expense of the millions of low- and middle-income individuals who already bear too heavy a burden with the tax laws.

With the Dow Jones average pushing 1,000 additional tax relief for capital gains is not the first priority of Congress.

As I understand it, under the tax expenditures, according to Treasury figures there are now $6 billion being spent for the capital gains item, which is a tax expenditure item. Is that correct, under present law?

It is $6 billion in tax expenditures under the capital gains provisions according to the Treasury figures. Am I correct on that?

Mr. LONG. Yes.

Mr. KENNEDY. A little over $6 billion.

Mr. LONG. About $6.5 billion.

Mr. KENNEDY. $6.225 billion to be specific, as I understand it.

Mr. LONG. Yes.

Mr. KENNEDY. This committee amendment increases that figure approximately $1 billion; am I correct?

Mr. LONG. $800 million.

Mr. KENNEDY. $800 million.

Could the Senator give us some idea of the distribution of that money among the various income groups? How is that benefit actually distributed among American taxpayers?

Mr. LONG. I do not have it at the moment. I will see what I can get for the Senator.

Mr. KENNEDY. I understand the data has been made available by the Treasury Department, at least for the present law, and that approximately 5 percent of the benefit goes to persons with adjusted gross income from the zero to $10,000; about 9.5 percent goes to those from $10,000 to $20,000; about 18 percent goes to those from $20,000 to $50,000; and 66 percent goes to those earning $50,000 or over.

Mr. LONG. The Senator can look at it that way if he wants to.

My attitude about this matter is that if a person buys something worth $10,000 20 years ago and today it is worth $20,000, he has not, in real terms, made any income at all. He has not made a penny.

So when he sells one assets and buys another, changes from a piece of property to some stocks or bonds, for example, it is often a fictitious gain. In real terms, he has not made a nickel.

We would be taxing him and assessing a levy upon the citizen because his Government failed to maintain the purchasing power of his currency.

One can look at it differently. I assume from the tenor of the Senator's questions that he does look at it differently, and he certainly has a right to look at it that way.

From the point of view of this Senator, this is an amendment to relieve taxation on income that, in a real sense, does not exist at all.

Mr. KENNEDY. The fact remains that, as I understand it, that of $6.2 billion in tax expenditures for capital gains today, 66 percent of the benefit, or about $4 billion, goes to those earning $50,000 a year or more. The committee proposes to add approximately $800 million to the pot.

Mr. LONG. That is the Senator's——

Mr. KENNEDY. Mr. President, if I have the floor, and I believe I do——

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts has the floor.

Mr. KENNEDY. Those figures are statistics provided by the Treasury Department, and 66 percent of the benefit goes to people in the top 1.2 percent of income in the United States at the present time.

In fact, what this particular provision does is to provide indexing for Wall Street, without providing any such indexing for the millions of ordinary people, who have their money in savings accounts.

It does not give them any kind of hedge with the problems of inflation. I think it is important that we try to look at what is the tax equity issue, the fairness issue, and the benefit issue in each of these particular areas; that we recognize that of the $800 million in additional tax expenditures, more than 66 percent is going to go to the top 1.2 percent of taxpayers, the richest individuals of this country.

It seems to me it is not fair and equitable, nor is it a situation where this high income group has been able to make the case that they need additional tax advantages.

Mr. President, I reserve the remainder of my time.

Mr. LONG. Will the Senator yield 30 seconds?

Mr. HANSEN. Yes.

Mr. LONG. The kinds of thing the Senator is talking about is the reason we put employee stock ownership into this bill, which will cost a lot of money as well. I cannot recall how the Senator voted on employee stock ownership, but that is one of the provisions that we have in the bill to help employees. We have not neglected this.

Mr. PERCY. Will the distinguished Senator yield?

Mr. HANSEN. I yield.

Mr. PERCY. I would like to ask a question of the chairman.

I would like to bring to the attention of the managers of the bill that Senator HUMPHREY and I introduced a bill last week entitled the Investment Policy Act of 1976. After hearings by the Joint Economic Committee, we determined that one of the grave problems facing America is investment capital for future growth and jobs.

We can see that today. One cannot get capital if they want to start a company in a new source of energy, such as solar energy, if they want to start a new business, or if they want to expand a business. A person has to figure out how they can make a profit at 10, 11, or 12 percent interest cost. They usually do not have enough money coming in.

It seems to me that any policy which is consistent with encouraging capital formation, encouraging savings, encouraging the American public to provide the capital for our own expansion, is desirable.

One problem I find is on pages 70 and 71 of the supplement where it refers to the revenue loss. That bothers me very much indeed. As the Senator knows, I intend to introduce an amendment which will raise revenues by $1 billion. I do not like to see a budget deficit.

Is it true that under this provision there is no loss in revenues to the Government in fiscal 1977 and fiscal 1978, that the loss would only start to occur in fiscal 1979?

Mr. LONG. This does not take effect until calendar year 1978.

Mr. PERCY. There is no loss in 1978.

Mr. HANSEN. That is right.

Mr. PERCY. There is none reported.

Mr. MUSKIE. Will the Senator yield?

Mr. HANSEN. I will be happy to answer that question.

Mr. LONG. There is no revenue loss until the fiscal year 1979.

Mr. MUSKIE. Will the Senator yield?

Mr. PERCY. I am sorry. We have very limited time.

We have this situation: If we adopt a policy to encourage savings, to give an incentive for savings then can we expect more capital to flow? Would not more capital flowing in, more capital formation here at home, cause downward pressure on interest costs? Even though there is a figure shown here of a budget deficit beginning in 1979, would that not be actually relatively small if we could get the interest cost down a half of 1 percent? That would affect everyone buying an automobile, everyone buying a home. It would affect the refinancing of the whole Federal Government. In the end, would not that lower interest cost really more than offset the budget deficit?

Mr. LONG. It would help bring the interest cost down. I do not know precisely how much.

Mr. PERCY. There would be downward pressure. Upward pressure on interest is caused by a shortage of capital and greater demand. This would cause more money to go into savings and thereby, I believe, be an offset. I believe the committee has thought this through carefully. It seems to me to be totally consistent with the concept that Senator HUMPHREY and I are trying to introduce now, that we should have an investment policy in this country which would encourage capital formation and that would somehow bring down the onerous cost of borrowing.

Mr. HANSEN. Mr. President, I yield myself such time as I may need.

The Senator from Illinois is exactly right. The fact is that in 1975 Americans saved only 8.3 percent of their disposable income, less than any other major industrialized nation in the world, underscoring the very point made by my good friend from Illinois. This would indeed tend to push interest rates down as more capital is available.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. HUDDLESTON). The Senator from Massachusetts has 1 minute. The Senator from Wyoming has 3 minutes.

Mr. KENNEDY. Mr. President, it is interesting to listen to the arguments about the lock-in provisions. The way this amendment is structured, the capital gains tax goes down the longer one holds the property. The current problem of lock in is caused by the failure of Congress to take any action on the loophole for capital gains at death, which is an enormous incentive to hold assets until death. This sliding scale amendment only makes the current lock-in problem worse.

Also, Rod Hills of the SEC points out that much of the risk capital these days is going into stock options. That vehicle is contributing little to responsible capital formation. That is where large amounts of resources are going; not to make the system more competitive, not to more machinery. They are going into the speculative high-risk area of options.

From a tax equity point of view, from the capital formation view, from the lock-in problem, Mr. President, it just does not make sense to provide $800 million more to the top 1.2 percent of the richest individuals in this country.

Mr. FANNIN. Mr. President, this provision is a necessary beginning to bringing equity to the tax treatment of capital in the United States. It also is a first effort at redirecting our tax policies toward encouraging all Americans to invest. Our present tax structure clearly encourages consumption and discourages investment by placing a heavier tax liability on dollars saved or invested than on dollars spent. This misdirected policy stifles the need for increased capital formation which is the fundamental prerequisite for sound economic growth. A new tax policy must be adopted to counter this trend and renew the interest and ability of individuals and corporations to invest in our Nation's future economic well-being. This committee amendment represents such a new direction.

Mr. President, regardless of the economic system employed by a society, the ability to employ its citizens in constructive jobs and improve the well-being of all its people is directly related to its savings and investment policies. Capitalist, Socialist, and Communist societies share this economic reality. A fundamental difference between these economic systems is the manner in which resource allocation decisions are made. Socialist and Communist economies utilize a central decisionmaking system in which the Government determines what portion of the national income is invested and what is available for consumption. Capitalist societies depend upon the market mechanism to allocate financial resources. National policies affect those market allocation decisions, but they do not mandate them. Individuals and businesses maintain the prerogative to invest or consume.

Mr. President, let us look at the harsh economic reality facing our Nation. The United States lags behind most industrial societies in both capital investment and productivity growth. The average annual rate of real economic growth during the decade of the 1960's for the 20 OECD nations ranged from a high of 11.1 percent for Japan to a median of about 5 percent for Australia, the Netherlands, and Norway, to a low of 2.8 percent for the United Kingdom. The United States during this time experienced an average growth rate of only 4 percent a year—17th among the 20 nations.

Capital investment is the key element influencing economic growth. The United States retains a position of economic leadership because it has enjoyed an adequate combination of several economic variables along with political stability and improving social mobility. However, a quick examination of the relative rate of capital investment in this country during the 1960's will illustrate that our present economic position is in jeopardy. The gap has increased between the U.S. level of investment, measured as a share of national output, and the commitment of other leading industrial nations. Treasury Department figures indicate that total U.S. fixed investment as a share of national output during the period 1960 through 1973 was 17.5 percent which ranks the United States last among a group of 11 major industrial nations. Our investment rate was 7.2 percentage points below the average commitment of the entire group.

I ask unanimous consent that this Treasury Department table be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Investment as percent of real national output 1960–73[1]

	Nonresidential fixed	*Total fixed*[2]
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
United States	17.5	13.6
11 OECD countries	24.7	19.4

[1] OECD concepts of investment and national product. The OECD concept includes nondefense government outlays for machinery and equipment in the private investment total which required special adjustment in the U.S. national accounts for comparability. National output is defined in this study as "gross domestic product," rather than the more familiar measure of gross national product, to conform with OECD definitions.

[2] Including residential.

Source.—U.S. Department of the Treasury.

Mr. FANNIN. Prof. Paul W. McCracken, former Chairman of the Council of Economic Advisors, has estimated that the amount of nonresidential capital formation per person during the 1970's is 22 percent below the level reported in the decade of 1956 to 1965. It is true that the United States still maintains a considerably higher capital to labor ratio than does Europe or Japan. However, our advantage has deteriorated as other nations have increased their capital investments per worker. The Commerce Department estimates that since 1960 the existing base of plant and equipment assets has nearly doubled in France and Germany and more than tripled in Japan. The United States experienced an increase of no more than 50 percent during the same period.

I ask unanimous consent that a table prepared by Dr. McCracken for use during his statement before the Committee on Ways and Means, January 29, 1975, be printed in the CONGRESSIONAL RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Gross nonresidential fixed investment per person added to civilian labor force

[In 1958 dollars]

Period:	*Amount*
1956–60	$49,500
1961–65	55,300
1966–70	46,400
1971–74	[1] 41,000

[1] Estimate based on incomplete data for 1974.

Mr. FANNIN. Mr. President, the problems addressed by this amendment are shared by individuals and corporations. Individuals add to the capital base by depositing money in a variety of savings institutions, purchasing various forms of securities and by investing in unincorporated business ventures. Corporations add to the capital base by actions similar to those taken by individuals with the emphasis on investing in actual productive capacity.

Mr. President, I encourage my colleagues to make this commitment to the health of America's future. Without adequate investment, which this amendment would foster, our Nation's competitive position in the world markets and the living standards of the American people will continue to decline.

Mr. HUMPHREY. Mr. President, I wish to voice my objection to the committee amendment which would provide for a sliding scale of long-term capital gains tax rates. I view this as simply one more in the series of measures in this year's Senate tax bill which would primarily benefit the wealthy. I am simply amazed that these continuous gifts to the rich can be contained in what was to be a major tax reform bill. My reasons for opposing this sliding scale amendment are simple, for it violates both of the two primary criterion for judging tax policy from an economic perspective: efficiency and equity.

It violates efficiency in that it is counterproductive through its further encouragement to what has been termed the lock-in effect. This refers to the fact that since rates on long-term capital gains are lower than those on assets held for a short period of time, investors are encouraged to hold on to their investments, even though returns may be higher on alternative assets. Introducing a sliding scale, which would make the tax payment smaller as the holding period increased, would only aggravate this adverse effect. It would further reduce the mobility of capital to flow to its highest return uses.

Proponents of the amendment stress the need to adjust for inflation as holding periods lengthen. They also emphasize the inequity of taxing long-accrued and large gains, when sold, all in 1 year at steeply progressive rates. What should be noted is that no declining scale tax structure is capable of adjusting even approximately for different rates of inflation over time. In addition, an explicit averaging scheme for long-term capital gains is already available to handle the so-called bunching problem when long-held assets are sold, and taxed, in just 1 year.

The equity violation of a sliding scale capital gains rate structure is straightforward. This is another disguised, though not well-disguised, tax break for the well-to-do. In fact, only those whose income levels are in the top 2 percent would benefit from this amendment.

I trust that we will not insert into the tax code provisions which so clearly violate the basic principles of tax efficiency and equity. And for that reason, I will vote against this committee amendment to impose a sliding scale structure on the capital gains tax. I urge my colleagues to do likewise.

Mr. BENTSEN. Mr. President, I support the Finance Committee provision for a graduated capital gains tax. This is an excellent provision to encourage the savings and investment needed for sustained, noninflationary economic growth.

Under the Finance Committee proposal, net long-term capital gains realized on the disposition of capital assets held from 6 months through 5 years would be taxed at the present rate. However, after 5 years, the present 50-percent deduction for capital gains would be increased by 1 percentage point for every year the asset is held up to 25 years. Accordingly, the deduction would rise to 70 percent for long-term capital gains on assets held for 25 years or longer. The committee also agreed that the 25-percent alternative capital gains tax rate would be repealed. The sliding scale would also apply to the deduction for capital losses.

Mr. President, there are three major reasons for enactment of this proposal.

First, it will encourage greater savings and investment.

Second, it will reduce the lock-in capital in our economy and provide essential liquidity in our markets.

Third, it will encourage the risk-taking spirit in America which is needed to provide capital for the creation of the "new IBM" and the "new Xerox."

GROWING CAPITAL REQUIREMENTS

As our economy recovers from the recession, we need economic and tax policies that will encourage industrial expansion and modernization, boost productivity and prevent inflationary bottlenecks and capacity shortages from developing in the future. This is essential to keep prices down for the American consumer. Increased productivity will enable employers to raise wages without raising prices to customers. Stable economic growth that puts more goods on the shelf is our economy's best defense against inflation.

Our capital requirements are very large and require much greater public attention.

Unfortunately today there is substantial evidence that the United States has not been keeping pace with other industralized nations with respect to economic growth and capital investment.

An important starting point in any discussion of capital formation is the pattern of economic growth. The average annual rate of real economic growth during the 1960's for the 20 nations belonging to the Organization of Economic Cooperation and Development—OECD—ranged from a high of 11.1 percent for Japan, to a median of about 5 percent for Australia, the Netherlands, and Norway, to a low of 2.8 percent for the United Kingdom. The United States, during this time experienced an average growth rate of 4 percent a year—17th among the 20 nations.

Of the many factors that influence economic growth rates, none is more important than the level of capital investment. A strong rate of new capital investment is required to generate sustained economic growth. However, during the 1960's, the United States had the worst record of capital investment among the major industrialized nations of the Free World. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output during the time period of 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of 11 major industrial nations; our investment rate was 7.2 percentage points below the average commitment of the entire group.

LOCK-IN AND EFFICIENT ALLOCATION OF RESOURCES

The capital gains proposals would also reduce the so-called lock-in of assets held for a long period of time and provide for a more efficient allocation of capital resources. Under our present law, individuals are discourage from selling securities that have been held for some time and if locked-in assets were sold, a great deal of additional tax revenue would be collected.

A graduated capital gains rate would help avoid tying an investor to investments that may not be the most suitable use of his resources. With millions of investors making tax decisions, rather than investment decisions, a substantial amount of available capital is being put to less than optimum use. We do not live in a static economy. The capital needs of different sectors of our economy change. One function of the stock market is to direct capital to where it is needed most and can earn the greatest return. Present tax provisions hinder this flow.

A reduction in the lock-in would provide greater liquidity in our capital markets and liquidity is vital to insuring that the price of stocks accurately reflects the value of the companies being brought and sold. Relative stock prices play an important role in the allocation of capital in our economy. Valuations—reflected in stock prices—govern the allocation of resources that produce the millions of different products and services turned out by the American economy. Whether a company is able to issue new stock or obtain additional loans to finance a new expansion, frequently depends upon what its stock is selling for. It is essential to the health of the company that its stock be accurately priced.

In order to achieve the most efficient evaluation of stock prices and hence the most efficient allocation of our financial resources, the securities market must have a multiplicity of decisionmakers—a large number of individual shareholders as well as institutional buyers and sellers.

Institutional dominance of the stock market clearly poses problems for established companies. When stock prices accurately reflect future earnings prospects, poorly managed companies experience low earnings, and, hence a low stock price. Thus, conditions are ripe for them to be taken over by people who will manage them more efficiently, raise earnings, and thus earn for themselves a capital gain. However, when stock prices become divorced from earnings and depend instead upon whether a company has attracted the favor of a few institutional investors, this process breaks down. Well managed companies find themselves threatened with takeovers by poorly managed ones who happen to be institutional favorites or even by foreign companies. Also, when corporate managers cannot raise their firms' stock prices and assure themselves capital gains in the shares they own, they lose a powerful incentive to manage efficiently.

THE RISK-TAKING SPIRIT

Economic growth in our Nation depends upon the availability of a sufficient supply of equity capital for the risk-takers and entrepreneurs who have the initiative to start new businesses and to develop imaginative new ideas.

The capital gains proposal would encourage this risk-taking spirit in America. It would offer potential investors the incentives to take the risks inherent in equity investing which is so important in expanding job opportunities and providing a larger tax base for our Government. Venture capital must be available so that today's new and promising company can—10, 20, or 30 years from now—become the "new IBM."

Testimony at the hearings of the Senate Financial Markets Subcommittee, of which I am chairman, has demonstrated the extent to which trading on our capital markets is dominated by large institutional investors who have replaced the individual investor. In 1963, 35 percent of the trading on the New York Stock Exchange was attributable to institutions. Today, that figure is over 70 percent—just double.

If the stock market continues to be dominated by large institutional investors, the American consumer and wage earner will eventually pay for it in terms of slower economic growth. America's economic growth depends heavily upon the rise of dynamic new companies, like Polaroid, Xerox, and IBM in the past 2 decades. Historically, firms of this type have been financed initially by individual investors. If the bulk of investment funds continues to flow through institutions which play "follow the leader" and concentrate their holdings in a few favored stocks, the dynamic young companies—the IBM's of the next generation—will not be able to get adequate capital.

Mr. President, in 1975, Americans saved only 8.3 percent of their disposable personal income. This rate is lower than that achieved by virtually every other major industrialized country. Meanwhile, the Nation has vast unmet investment needs. The Nation needs capital for expansion in industries where there have been shortages, such as the steel, paper, and chemical industries; for additional housing; for pollution control; and for greater self-sufficiency in energy.

A graduated capital gains tax will encourage individuals to save by purchasing assets on which they expect to receive capital gains, including common stocks. Additional equity investment is needed in the United States to finance new businesses, which traditionally rely on equity financing, and to enable existing corporations to reduce their debt-to-equity ratios, which have become dangerously high in recent years.

The lower capital gains rates will also improve the mobility of capital in the economy. Because capital gains on an asset are subject to taxation when the asset is sold, individuals are discouraged from selling assets in order to postpone their capital gains tax. This so-called lock-in effect means that some corporations, on whose securities there are substantial accrued capital gains, can raise capital more cheaply than other corporations, which causes inefficient allocation of capital between companies. The sliding scale should reduce this lock-in effect.

Mr. HANSEN. Mr. President, I rise to support section 2506 of the bill relating to sliding scale inclusion ratio for capital gains.

This amendment is intended to encourage individual savings, increase equity investment to finance new business, and improve the mobility of capital by removing the so-called lock-in effect.

Mr. President, in brief, the principal features of this amendment are:

First. The amount of capital gain which may be deducted in computing adjusted gross income will be based on the holding period of the asset, as follows:

Up to 6 months: no deduction.

Six months to 5 years: 50 percent.

Five years to 25 years: 50 to 70 percent.

This later provision is computed by adding to the existing 50-percent deduction an amount equal to 1 percent of an individual's capital gain on an asset multiplied by the number of years in excess of 5 years that the asset was held.

Second. The 25-percent alternative tax on the first $50,000 of the excess of net long-term capital gains over net short-term capital losses will be repealed.

Third. The capital gains deduction is to be available only for certain assets. These include securities, real property, partnership interests and business goodwill of proprietorship.

Fourth. The amendment will apply to all gains on assets sold during taxable years beginning after December 31, 1977.

Mr. President, let us examine the reasons why this amendment is vital to the economy.

Our economy faces a huge demand for new capital in the years ahead. Capital requirements in the environmental area alone are enormous. The Council on Environmental Quality and the Environmental Protection Agency estimated in March 1972, that meeting pollution standards between 1972 and 1980 would cost industry some $26 billion.

The New York Stock Exchange has estimated that our economy as a whole must generate $2.65 trillion for additions to plant, equipment, and inventory during the next 10 years. However, recent experience in our stock markets raise the prospect that American industry may not be able to raise anything approximating that figure. In fact, there are indications that the equity capital problem in America can be as serious as the energy crisis.

In recent years, our economy has experienced serious shortages and lack of capacity in a wide range of areas such as fertilizer, tubular steel and fuel. One of the causes of many of these shortages has been lack of capital needed for expansion and modernization.

The rate of savings and investment in the United States is lower than the rate of savings and investment in other industrialized nations.

Let us look at some figures.

Gross private investment in plant and equipment as percent of GNP is only 10 percent in the United States compared to 17 percent in West Germany, and 19 percent in Japan.

According to Commerce Department statistics, we save as a proportion of after-tax income at a rate lower than Britain's, at two-thirds of the rate in France, at just over half the rate in Germany, and only 40 percent of the rate in Japan.

Mr. President, this amendment will help correct this imbalance and increase the rate of savings and investment in our economy.

This will be accomplished by reducing the so-called lock-in of assets held for a long period of time and provide for a more efficient allocation of capital resources. Under our present law, individuals are discouraged from selling securities that have been held for some time but if "locked-in" assets were sold, a great deal of additional tax revenue would be collected.

Mr. President, the revenue estimates, on an initial impact basis, indicate that this provision will decrease budget receipts $719 million in fiscal year 1979, $791 million in fiscal year 1980, and $870 million in fiscal year 1981. However, Mr. President, I contend that this provision will raise revenue because the estimates do not take into account what taxpayers will do in response to the changes in their taxes. This amendment offers Congress a unique opportunity to increase tax receipts and at the same time help to regenerate investment opportunities.

For every billion dollars of gains unlocked as much as $200 million in new tax revenues might be gained. In 1966 it was estimated that there were $233 billion of unrealized capital gain in equities and that 90 percent of these assets had been held for more than 7 years. An earlier study put the unrealized gain at $558 billion. If we unlock even one-half of the dollars noted by the conservative figure and taxing them at 20 percent would produce over $20 billion in revenues for the Government that it is unlikely to otherwise receive.

A graduated capital gains rate would also help avoid tying an investor to investments that may not be the most suitable use of his resources. With millions of investors making tax decisions, a substantial amount of available capital is being put to less than optimum use. We do not live in a static economy. The capital needs of different sectors of our economy change. One function of the stock market is to direct capital to where it is needed most and can earn the greatest return. Present tax provisions hinder this flow.

Mr. President, in June of 1973, the Senate Finance Committee created the Financial Markets Subcommittee to study the important relationship between the stock market and the economy. My distinguished colleague from Texas, Senator **BENTSEN**, was chosen to chair this committee. He conducted several days of hearings at which a wide range of experts testified. As a result of these hearings he introduced a bill similar to the amendment approved by the Committee on Finance and I would like to thank my colleague for his efforts in this area.

In addition, my good friend and colleague, Senator **FANNIN**, has also introduced similar legislation in order to help American industry raise the money needed for expansion, to increase production, promote competition, and help moderate prices and provide jobs for a growing work force.

Mr. President, let me again emphasize what this provision will accomplish:

First, it will encourage greater savings and investment.

Second, it will encourage the risk taking spirit in America which is needed to provide capital for the creation of new IBM's, new Xeroxes, and new Polaroids.

Third, it will reduce the "lock-in" of capital in our economy and provide the liquidity in our markets.

Fourth, it will generate tax revenues.

Fifth, and most important, it will help American businesses raise the capital needed to provide jobs for our growing work force.

To emphasize the importance of this proposal, note the fact that several industrial nations give much more favorable treatment to capital gains than does the United States. The Federal Reserve Bank of Philadelphia has compiled information which shows that France, Germany, and Japan do not tax capital gains. Significantly, Great Britain, which faces similar capital formation problems to our own, has a capital gains tax structure much like our own. These figures furnished to the Finance Committee by the Treasury Department are telling as they demonstrate the negative results of inadequate capital formation.

(Information Submitted to the Senate Finance Committee by the Department of the Treasury:)

Investment as percent of real national output 1960–73 [1]

	Total Fixed [2]	*Nonresidential Fixed*
Japan	35.0	29.0
West Germany	25,8	20 .0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
United States	17.5	13.6
11 OECD countries	24.7	19.4

[1] OECD concepts of investment and national product. The OECD concept includes nondefense government outlays for machinery and equipment in the private investment total which required special adjustment in the U.S. national accounts for comparability. National output is defined in this study as "gross domestic product," rather than the more familiar measure of gross national product, to conform with OECD definitions.

[2] Including residential.

1. The U.S. Fixed Investment as a share of national output during the time period 1960 through 1973 was 17.5%. The U.S. figure ranks last among a group of major industrial nations.

Gross nonresidental fixed investment per person added to civilian labor force

[In 1958 dollars]

Period:	*Amount*
1956–60	$49,500
1961–65	55,300
1966–70	46,400
1971–74	[1]41,000

[1] Estimate based on incomplete data for 1974.

Source: Statement of Paul W. McCracken before the Committee on Ways and Means, January 29, 1975. Basic data from the Departments of Commerce and Labor.

2. The Department of Commerce estimates that since 1960 the existing base of plant or equipment has nearly doubled in France and Germany and more than tripled in Japan. The cumulative total of such assets increased at most by about 50% during the same period. Nonresidential capital formation per person added to the labor force in the 70's is 22% below that reported from 1956 to 1965.

AVERAGE ANNUAL GROSS SAVINGS FLOWS AS A PERCENT OF GROSS NATIONAL PRODUCT

	1955–59	1960–64	1965–69	1970–74
Gross private saving	15.9	15.4	15.9	15.8
Personal saving	4.5	3.8	4.5	5.5
Undistributed corporate profits	3.4	2.8	3.1	2.8
Inventory valuation adjustment	—.3	0	—.3	—1.2
Capital consumption allowances	8.3	8.8	8.7	8.7
U.S. Government surplus	—.1	.2	—.2	—1.1
State and local government surplus	—.3	.1	0	.5

Source: Department of Commerce, Bureau of Economic Analysis.

3. Despite our high per capita incomes, the accumulations of gross savings flows for capital investment are lower in the U.S. than elsewhere. It is important to note that the level of gross private savings in the U.S. has remained stable throughout the postwar period.

Productivity growth, 1960–73

[Average annual rate]

	(1)	(2)
United States	2.1	3.3
Japan	9.2	10.5
West Germany	5.4	5.8
France	5.2	6.0
Canada	2.4	4.3
Italy	5.7	6.4
United Kingdom	2.8	4.0
11 OECD Nations	[3]5.2	6.1

[1] Gross domestic product per employed person.

[2] Manufacturing output per man-hour.

[3] Average for 6 OECD countries listed.

4. This chart shows the negative results of inadequate capital formation.

COMPARATIVE COST RECOVERY ALLOWANCES FOR INDUSTRIAL MACHINERY AND EQUIPMENT

Country	Representative cost-recovery period (years)	Taxable year— 1st	1st 3	1st 7
Canada	2	50.0	100.0	100.0
France	8	31.3	90.3	100.0
Japan	11	37.1	63.9	88.1
United Kingdom	1	100.0	100.0	100.0
Western Germany	9	16.7	49.6	88.8
United States:				
With investment credit but without ADR (accelerated depreciation range).	13	21.7	47.9	80.1
Without either investment credit or ADR	13	7.7	33.9	66.1
With both investment credit and ADR	10½	23.5	54.7	88.5

5. As the heading indicates, this chart sets forth the Comparative Cost Recovery allowance for Machinery and Equipment of our major trading partners.

GROSS PRIVATE DOMESTIC NONRESIDENTIAL FIXED INVESTMENT

[In billions of current dollars]

	1974	1985	Cumulative, 1974–85
Total producer's durable equipment	$100.0	$276.7	$2,188.8
Nonresidential structures	54.7	151.3	1,197.3
Total	154.7	428.0	3,386.0

6. The Department of Commerce estimates that capital requirements for producers' durable equipment and nonresidential structures will total $3.4 trillion during the 1974–1985 period.

Savings and investment are absolutely essential if we are to generate the $3 trillion needed to assure the continued growth of our economy, Mr. John C. Whitehead, Chairman of the Securities Industry Association, testified before the Finance Committee and stressed the importance of our capital market system. He said:

> One of the most unique assets of the United States is its system of capital markets. Working through a delicately meshed combination of investment bankers, brokerage firms, stock exchanges and institutional investors, the American people have demonstrated a tremendous capacity to generate the savings and investment dollars necessary to fuel this economy, to provide new jobs for its youth, and to finance the needs of its people and governments. Capital is a valuable and scarce resource—one that is just as important but, at times, less understood than our other resources—land and natural resources, labor and management. Capital must be mobile, that is, be in the right places at the right time. It must be efficient, that is, produce as much as it can at as little cost. In an enterprise economy it must be available in ready supply at a fair price. In addition, as we expand the mobility and fluidity of our nation's financial wealth we also enlarge the tax base of this nation.
>
> There are disturbing signs that the savings and investment capital of this nation is not doing the job it can, should and must do for the American people if our economy is to continue expanding to provide more jobs and opportunities for our people and a larger tax base for our government.
>
> What can be done? First and foremost, we believe, it is imperative that this nation provide positive new incentives to encourage risk-taking by increasing numbers of individual investors. The willingness of Americans to take risk is atrophying. Many older investors are locked in and will not turn over their savings. Others are seeking safe rather than venturesome investments. We view the capital gains tax as a tax on progress. During the 1960's, and particularly after 1969, incentives offered individual Americans through the capital gains tax were reduced. They are now insufficient to attract Americans to risk-taking. The top rate on capital gains rose over 40%—from 25% to 36.5%.
>
> The ravages of inflation, the ups and downs of the market, the alternatives of high rate insured savings accounts at banks and savings institutions all prompt investors to look elsewhere. If these trends continue, this country simply will not have the capital to finance the expansion we need in corporate or municipal services. The institutional investor has shown little appetite for new issues. For individuals it comes down to this:

the risks of loss are simply not worth it if the government takes away up to 36½% of any profit—and more, when one considers state and city income taxes such as those in New York, California, and many other states.

The question of the capital gains tax is not a matter of "closing a loophole" which benefits only the wealthy. The issue is preserving the very essence of our free enterprise society, encouraging risk taking, and providing the incentives to prompt new capital formation for the benefit of all Americans. On this count there can be no conflict between the small investor, the big investor, and the noninvestor. The first incentive would be the introduction of a sliding scale in the amount of a capital gain to be taxed to an investor. Simply, the longer an investor held an asset, the lower the proportion of the gain he or she would be required to include in his taxable income. Such a sliding scale would help to recognize the inflationary facts of life—that $100 invested in 1947 has a real value of only $51.30 today and $100 invested even as recently as 1967 is worth only $80.60 today. Because gains due to inflation are lumped for tax purposes in the one year in which the stock is sold, the tax bite on inflation is all the more painful for those who have held assets for many years.

The downward sliding scale of inclusions, by unlocking locked-in assets, will mobilize capital as well as increase realization and government revenues.

If tax reform were to accomplish nothing other than to free the locked-in generation, it would be most constructive. New York Stock Exchange researchers estimate that persons over 65 own $275 billion, or 33 percent of all stock. Unless and until these gains are unlocked, the government gets no revenue from them. Nor do they become available for reinvestment in areas of new national need.

What kind of money are we talking about here? Estimates made in the mid 1960's placed unrealized capital gains in equities at between $233 billion and $585 billion. Since then, if anything, these unrealized gains have increased. Unlocking even half of these dollars (using the low estimate) and taxing them at say a 20 percent rate would produce over $20 billion in revenues the government would not ordinarily receive. These estimates do not include vast assets held in the form of land, real estate and other types of property.

Mr. Whitehead further pointed out to the House Ways and Means Committee the effect that liberalizing capital gains treatment would have on releasing funds and regenerating national wealth.

Excerpt from statement of John C. Whitehead, chairman, on behalf of the Securities Industry Association, before the House Ways and Means Committee:

REVENUE BENEFITS OF UNLOCKED GAINS

In these days of federal budget stringency, a liberalization of capital gains tax treatment offers this Congress a unique opportunity to increase tax receipts and at the same time help to regenerate the national wealth. For every billion dollars of gains unlocked, as much as $200 million in new tax revenues might be gained. Tax Analyst Nelson McClung, while a U.S. Treasury Analyst in 1966, estimated that there were $233 billion of unrealized capital gain in equities and that 90% of these assets had been held for more than 7 years. (Martin J. Bailey in an earlier study put the figure at $558 billion.) Unlocking even one-half the dollars noted by McClung's research and taxing them, at say, a 20% rate would produce over $20 billion in revenues for the government that it is unlikely to otherwise receive. Furthermore, there are likely to be even greater tax gains from locked-in real estate holdings, mineral resources and other forms of wealth.

Summing up to apply taxation principles to economic and political realities:

The capital gains tax is a tax on the net gains realized by the taxpayer from the sales of capital assets in a taxable year. The capital assets sold may have been bought many years earlier. The net realized capital gains in any year does not measure the increase in the taxpayer's net worth, but only the net gain on capital assets sold during the year. It is possible that the taxpayer may have a substantial decrease in his net worth in a year in which he has taken net capital gains, and conversely that he may have a substantial increase in his net worth in a year which he has taken net capital losses.

When a gain is approximately only the length of the present short term gain, it is politically understandable why the public cannot appreciate the difference and why administrators have difficulty.

But when we come to truly longer term capital gains, for example, 20, 15, 10, 5 years old, factors are involved that have little bearing on short-term capital gains. There is the secular trend toward inflation and the depreciation of the purchasing power of the dollar over the long term. For all but a few exceptional cases, there is bunching in one taxable year of capital gains gradually built up over many years.

There is the problem of not penalizing the investor and the Nation for the investor's willingness to accept smaller current yields on his investments than he could secure on triple-A bonds and for his willingness to accept the risks of staying with a good investment through periods of declining as well as rising earnings.

Depriving the investor of a substantial part of capital gains built up over the years may cause the investor to prefer bonds over stocks and make equity financing by American business increasingly difficult. The strength and resourcefulness of American business enterprise may be seriously impaired by having to finance growth and expansion by an excessive reliance on debt financing.

High taxes on long-term gains may cause many long-term investors to become short-term traders in their effort to ride up but not down with the market. This will increase the floating supply of stocks overhanging the market in periods of decline thereby accentuating and prolonging market declines and their effect on business and employment. Certainly, this has been the case with many mutual funds excessively concerned with their short-term performance.

Although corporate management of both our great and small business enterprises must have a sense of responsibility to all stockholders and employees, management in turn needs the support of a substantial body of long-term stockholders and employees concerned with the long-term standing, strength, and success of the country.

It should also be remembered that the capital gains tax affects not only those who invest in the list securities of our large corporations but many more moderate sized and small corporations which are owned and run by a few individuals who started their businesses by leaving most of their profits in them. As stated by Richard D. Turner in the July 1971 issue of the American Bar Journal:

> Small business represents a livelihood for approximately 60% of the population and accounts for more than 40% of the business activity in the United States.

While a capital gains tax may operate more or less harshly in particular situations, the tax obviously cannot be tailored to each individual case. But the various considerations referred to, however, do suggest that the tax on very long-term capital gains should be graduated downward. That is, the longer the capital asset has been held, the less should be the applicable effective rate of the capital gains tax.

In times of inflation, our citizens must still be able to find ways of saving and investing. The American Institute of Certified Public Accountants has suggested the way that more favorable treatment of capital gains might provide this beneficial effect.

THE IMPORTANCE OF INCENTIVES FOR CAPITAL INVESTMENT

The needs of our economy for capital investment during the next few years cannot be overemphasized. Economists and business surveys have estimated a capital spending requirement of at least $100 billion per year for the foreseeable future. In addition, expenditures for conservation and environmental programs will require many billions of dollars. Development of energy resources is critical. If the challenges of greatly increased foreign competition are to be met—both at home and abroad—and if domestic problems are to be solved—social, environmental, and economic—a tax structure must be developed that will encourage taxpayers to accumulate and invest capital.

To create or develop investment capital in the hands of individual citizens, funds must come from savings or from the conversion of other forms of capital. In one sense, all new capital must come from savings. For the most part, savings are derived from income sources that have been subjected to at least one level of taxation.

In addition, transfers of capital from one generation to another are usually subject to estate and inheritance taxes, which act to decrease the total pool of capital available for investment. It is difficult to determine accurately the "shortfall" of capital formation under present tax rules and economic conditions, but economists have estimated it at betwen $5 and $15 billion annually.

The need to generate and accumulate capital is demonstrated by Fortune magazine's surveys of our 500 largest industrial corporations. These surveys show that the average amount of assets per employee has risen from approximately $16,000 in 1957 to over $33,000 in

1972; total assets of these companies increased during this period from roughly $150 billion to over $485 billion. These amounts represent published financial statement data and are based on cost figures. As a result of inflation, replacement of this $485 billion of assets today would probably require at least an additional $200 billion of capital. In spite of this increase in capital investment, U.S. industry presently has the highest percentage of obsolete industrial facilities of any leading industrial nation, and our facilities are being replaced at a slower rate than those of other leading industrial countries.

One of the most significant factors in the growth of our economy has been the development of effective capital markets. The operation of the various stock exchanges and the broad base of corporate shareholders facilitate raising capital for new ventures and provide ready marketability for older issues. If the present tax treatment of capital gains is not changed, it could jeopardize these markets and cast serious doubt on our future economic growth.

THE IMPACT OF INFLATION

The impact of inflation on our tax system is of critical importance, and has commenced a broad study of the subject. It is important to emphasize that where assets held for long periods of time are sold, the accumulated effects of inflation are particularly acute.

The U.S. Department of Labor Consumer and Wholesale Price Indexes, using 1967 as the base year, indicate the following changes.

Year:	*Consumer Price Index*	*Wholesale Price Index*
1957	84.3	93.3
1962	90.6	94.8
1967	100.0	100.0
1972	125.3	119.1

Data released in 1974 indicates a rise of about 8½ percent for 1973. The Consumer Price Index has risen over 50 percent in the last 15 years, and over 30 percent in the last 5 years.

Applying this to investments in capital assets, if a person paid $100,000 for a corporate security in 1957 and sold it today for $160,000, he would be approximately even in terms of real value or purchasing power. Under our present capital gains tax structure, however, he could incur a tax of more than $15,000 on the sale. Thus, he would be in a worse position economically today, after making the sale at a "profit," than he was 15 years ago. In a very real sense, taxation of the $60,000 of appreciation in this example represents a tax on capital and not a tax on income or real gain.

The combined effects of inflation and taxation have clearly eroded the amount of capital gain available for additional investment and serve to underscore the need to retain our present system of capital gains taxation with some modification.

The PRESIDING OFFICER. All time of the Senator from Massachusetts has expired. The Senator from Wyoming has 3 minutes remaining.

Mr. LONG. Mr. President, at the conclusion of the vote on this matter we will then be considering the amendment of the Senator from Hawaii (Mr. Inouye). I ask unanimous consent that the time be limited to one-half hour, to be equally divided between the Senator who sponsored the amendment and the opponents of the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. PERCY. Reserving the right to object, and I do not intend to object, would this be an appropriate time——

Mr. KENNEDY. Mr. President, if I——

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. KENNEDY. I know Senator Haskell is interested in that amendment. If that time is fine with him, it would be fine with me.

Mr. LONG. I believe I have some time on the bill. I could assign Mr. Haskell some of the time on the bill if he would need more time.

Mr. KENNEDY. I do not think there will be any problem, but I would object until we had the opportunity to confer with Senator Haskell.

The PRESIDING OFFICER. Objection is heard. Who yields time?

Mr. PERCY. Mr. President, would this be an appropriate time to set a time limitation on a few of the amendments I have? I would be happy to accept a time limitation and get them in line.

The first amendment I have deals with tax treatment of closing transactions, which I think should not take very long. Five minutes on a side would be adequate for that unless it could be accepted.

Mr. LONG. The Senator is speaking of options?

Mr. PERCY. That is correct.

Mr. LONG. Mr. President, I ask unanimous consent that the time on that amendment be limited to 5 minutes on each side.

Mr. KENNEDY. Mr. President, objection. Maybe 20 minutes, with 10 minutes to each side.

Mr. LONG. Mr. President, I ask that it be 20 minutes, with 10 minutes on each side.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, will the Senator control the time on that one?

Mr. LONG. The Senator's people will control the time.

The PRESIDING OFFICER. The Chair is advised that all time has expired on the pending question. The question is on agreeing to the committee amendment on title XXVII.

Mr. LONG. Mr. President, I ask for the yeas and nays.

Mr. HANSEN. Yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on title XXVII. On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NELSON. Mr. President, the Senate is not in order. Members are standing in the aisles talking.

The PRESIDING OFFICER. The Senator's point is well then. The clerk will suspend calling the roll until order is restored. The clerk cannot hear the votes of Senators. The Senate will be in order.

The clerk may proceed.

The rollcall was resumed and concluded.

Mr. KENNEDY. Regular order, Mr. President.

The PRESIDING OFFICER. The regular order is called for.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from South Dakota (Mr. McGovern), the Senator from Montana (Mr. Metcalf), the Senator from Minnesota (Mr. Mondale), and the Senator from California (Mr. Tunney), are necessarily absent.

I also announce that the Senator from Delaware (Mr. Biden) and the Senator from Michigan (Mr. Philip A. Hart) are absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Beall), the Senator from Tennessee (Mr. Brock), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Nebraska (Mr. Hruska), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Virginia (Mr. William L. Scott), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Stevens) would vote "yea."

The result was announced—yeas 39, nays 44, as follows:

[Rollcall Vote No. 493 Leg.]

YEAS—39

Baker
Bartlett
Bentsen
Buckley
Byrd,
  Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Glenn
Griffin
Hansen
Hatfield
Helms
Inouye
Johnston
Laxalt
Long
Mathias
McClellan
McClure
McGee
Nunn
Packwood
Pearson
Pell
Percy
Randolph
Roth
Scott, Hugh
Sparkman
Stennis
Talmadge
Thurmond
Tower
Williams
Young

NAYS—44

Abourezk
Allen
Bayh
Bellmon
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Hart, Gary
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
McIntyre
Montoya
Morgan
Moss
Muskie
Nelson
Pastore
Proxmire
Ribicoff
Stafford
Stevenson
Stone
Symington
Taft
Weicker

NOT VOTING—17

Beall
Biden
Brock
Cannon
Fong
Goldwater
Gravel
Hart, Philip A.
Hartke
Hruska
McGovern
Metcalf
Mondale
Schweiker
Scott,
  William L.
Stevens
Tunney

So the committee amendment on title XXVII was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which title XXVII was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii is recognized.

Mr. LONG. Mr. President, I wonder whether we can obtain a limitation of time on this amendment. Can we agree to a limitation of 40 minutes, 20 minutes to a side, on this amendment?

Mr. HASKELL. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Judy Fox, of my staff, be accorded the privilege of the floor during the consideration of and votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 323

Mr. INOUYE. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Hawaii (Mr. Inouye) for himself and Mr. Goldwater, Mr. Gravel, Mr. Stevens, Mr. Fong, Mr. Fannin, Mr. Baker, Mr. Pastore, Mr. Pell, and Mr. Cranston, proposes an unprinted amendment numbered 323.

The amendment is as follows:

> At the end of the bill, insert the following:
>
> SEC. . DEDUCTIONS FOR ATTENDING FOREIGN CONVENTIONS.
>
> (a) IN GENERAL.—The Congress affirms that Regulation 1.274–4 prescribed by the Secretary of the Treasury to carry out the provisions of section 274(c) of the Internal Revenue Code of 1954 (relating to certain foreign travel) accurately reflects the intent of the Congress in enacting that section and represents a responsible limitation on the deduction of foreign travel expenses paid or incurred in connection with attendance at business meetings and conventions held outside the United States.
>
> (b) CONFORMING CHANGE.—Section 274 (relating to disallowance of certain entertainment, etc., expenses), as amended by this Act, is amended by striking out subsection (h) and redesignating subsection (i) as (h).

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. Senators conversing will please move to the cloakroom, and pages and staff members will observe the proper decorum.

Mr. INOUYE. Mr. President, my amendment No. 1829, as printed, would have struck the provisions of section 602 of title VI. In lieu thereof it would have added a provision affirming existing law.

At the request of the distinguished Senator from Louisiana, who is manageing H.R. 10612, however, I am offering an unprinted amendment in lieu therefore for parliamentary reasons.

Let me assure the six sponsors of my original amendment, as well as other Members of the Senate, that the effect of the unprinted amendment which I am proposing is identical to that of my printed amendment No. 1829.

Under the Internal Revenue Code, traveling expenses incurred in attending foreign conventions are tax deductible to the extent they are reasonable and necessary in the conduct of the taxpayer's business and directly attributable to his trade or business.

If the trip is primarily personal in nature, however, the traveling expenses to and from the destination are not deductible even if the taxpayer engages in business activities while at the destination.

Section 602 of H.R. 10612, however, would put a blanket restriction on tax deductions for expenses incurred in attending conventions held outside North America even if the agenda of the convention is so related to the taxpayer's position as to show that his attendance was for business purposes. Under certain circumstances, if the IRS were able to determine it was more reasonable to hold a convention outside of North America, the expenses incurred in attending would be tax deductible, however.

It would also deny a tax deduction for expenses incurred in attending any convention aboard a cruise ship.

In sum, Mr. President, the provisions of section 602 needlessly attempt to restrain travel abroad by Americans and offer the potential of serious harm to our economy without any corresponding justification. I shall, therefore, offer an amendment to negate those provisions and affirm existing law.

Section 602 needlessly attempts to restrict travel abroad by Americans because:

First. As the Finance Committee report indicates, there is no hard evidence of a widespread practice of claiming tax deductions for expenses incurred in attending foreign conventions held ostensibly for business purposes but which in reality are held primarily for recreation and sightseeing purposes.

Second. Existing law and IRS regulations do not allow tax deductions for such expenses. Thus, if the Internal Revenue Code and existing regulations are enforced, they are adequate to prevent any abuse that now exists.

Mr. President, this is a very important point. Some have contended that abuses have occurred. The Senator from Hawaii does not deny this, but I point out that the Internal Revenue Code and the existing IRS regulations are sufficient; and if properly enforced, they are adequate to prevent any abuses that may now exist.

Third. Since existing law is adequate to prevent abuses, if abuses although at first blush section 602 appears to benefit the domestic convention business and therefore our economy, this assumption and conclusion are erroneous because:

First. History will demonstrate that restrictions such as those in section 602 will not inhibit Americans from attending foreign conventions. Historically, Americans have strongly objected to restraints on travel, but those restraints have not deterred them from traveling.

Second. Comity, which is a fundamental principle of international law and influences the relations of one country with another, will most assuredly dictate that other nations retaliate if we attempt to restrict travel abroad by denying a tax deduction for expenses incurred in attending foreign conventions.

Currently, of the six countries supplying the major portion of foreign convention attendees to the United States—these are Canada, Mexico, Japan, United Kingdom, France, Germany—five have no restriction similar to that in section 602. The sixth, Canada, has a restriction which is much less severe than the one in section 602.

It should be noted that Canada has not really enforced its restrictions. Moreover, the Finance Committee's version of section 602 would not apply to Canada since North America, which includes Canada, is excluded from that provision.

So I think it would be safe to assume that if section 602 is adopted, the economies of some of our larger cities would be affected seriously.

Last year, convention business in the United States approximated $4 billion. In San Francisco, for example, convention expenditures amounted to $204 million. Foreign convention attendees accounted for 20 percent of that amount, or about $41 million.

The statistics for New York, Chicago, Las Vegas, and other convention cities throughout the United States are undoubtedly equally as impressive.

Finally, Mr. President, despite the probability of serious economic harm, section 602 offers no corresponding benefit to the American people.

First. Section 602 has no budgetary impact. Its proponents conceded this when they admitted it would bring in less than $5 million in Treasury receipts.

Second. Section 602 closes no loopholes in the tax law. All IRS need do is enforce existing law if there are abuses.

For the foregoing reasons, Mr. President, I move the adoption of my amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. INOUYE. I yield.

Mr. PASTORE. I agree with the Senator from Hawaii. If ever we had an example of biting your nose to spite your face, the committee amendment is it. What we are doing here is throwing out the baby with the bath water. The fact still remains that the solution to international relationship is person to person. That is what this amounts to.

I realize there are some abuses. Let us cut out the abuses. But the fact still remains that the advantage on the dollar is to the advantage of the United States of America. What we have been trying to do in the development of our tourism is get more foreigners to come to this country and visit us. We have made some progress. Other countries throughout the world spend I do not know how many times more than we do here in America to develop their tourism.

That is what the Senator from Hawaii is trying to do. He is telling us right here, flatly, that this matter should be gone into more deeply, more exhaustively, to find out the harm that we are doing with this committee amendment.

We have talked to these people. I have had to address them from time to time. In my own State, we are trying to develop tourism. As a matter of fact, it is, maybe, the second largest industry in my State. The point here is, if we begin to put the damper on all of this, if we begin to discourage people from coming to our country because we are prohibiting our people from going to their country, I am afraid we are doing ourselves irreparable harm.

I hope that this amendment on the part of the Senator from Hawaii will prevail.

Mr. INOUYE. The Senator from Rhode Island is so correct. I believe that it should be noted that tourism is not small business. Last year, it exceeded $70 billion. It sustained almost 5 million jobs in the United States. It was one of the top three industries in a vast majority of our States. Yet we have some difficulty convincing ourselves in Congress and convincing the administration that tourism is not only a viable industry, but an important one to our economy. As the Senator from Rhode Island pointed out, it would certainly be throwing out the baby with the bath water.

Mr. PASTORE. Will the Senator yield again?

Mr. INOUYE. I am happy to yield.

Mr. PASTORE. I want to point out to Members of the Senate that one of the most glorious things that has happened to my State in recent years has been the visit of the Tall Ships to Newport. The goodwill alone that was inspired by that spectacle of seeing those ships come into the harbor at Newport and then go up the Hudson—that is what we want to do, encourage people to come to America. If we begin to tell our people, "You cannot go abroad," how do we expect them to come to visit us? That is what this world needs.

This idea that you build up your bombs, you build up your missiles, you build up your submarines, you build up your aircraft carriers—yes, we might need them for our own security. I am not against that; I am for it. But I believe that if peace is ever to come to this world, we are going to have to build relationships people to people and nation to nation. That is the only real peace we will have in this world.

Mr. BAKER. Will the Senator yield?

Mr. INOUYE. I am happy to yield.

Mr. BAKER. I was pleased to cosponsor this amendment with the Senator from Hawaii. It is a very good and important amendment. We would be little short of foolhardy not to recognize the fact that one of the growing industries of the United States is tourism—not just tourism in the 48 contiguous States or Alaska or Hawaii, but tourism between this country and countries abroad. Our allies and even our erstwhile enemies have become more affluent and have more discretionary disposable income. Transportation is more convenient and people of these countries are intent upon finding out what has made America what she is today. What is the secret of the great economic prowess of this country? What is the grandeur of American scenery?

As sure as we stop the flow of our people to their countries, we shall stop the flow of foreign visitors to the United States. I could not agree more with the Senator from Rhode Island in his appraisal of the importance of this amendment. It is a significant amendment which I support without reservation.

Mr. GOLDWATER. Will the Senator yield?

Mr. INOUYE. I am most pleased to yield to my friend and colleague, the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I am pleased to join with the distinguished Senator from Hawaii (Mr. INOUYE) in offering an amendment to strike any new restrictions on attendance by U.S. citizens at conventions and seminars abroad.

I heard the distinguished Senator from Rhode Island speaking of the importance of tourism to his State. Tourism is the third or fourth biggest industry we have in my State and, if we properly handled it, I am sure it could be first. There were 80 million people—80 million people who attended conventions last year, not just in the United States, but all over the world.

Mr. President, the committee has approved an amendment which it claims is aimed at alleged abuses of present law. I believe it and the even stronger provision in the House-passed bill, are nit-picking efforts to gain a few dollars for the Treasury by people who do not understand the needs of American industry. Section 602 of the bill will make it harder for us to get along in Latin America and other areas that are important to us.

Our tax laws should continue to allow the deduction of travel expenses to attend professional seminars or conventions. They are a legitimate cost of doing business, whether they are held at home or abroad. They help to create a market for U.S. products and they promote the free interchange of important professional information. The fact that a world congress is going on at a foreign site is reason enough for a businessman to attend. It is the opportunity to exchange information in face to face meetings with others of his colleagues that justifies his attendance. Where else could he meet so many persons with related interests than at an international gathering of people from the same field?

I would oppose cutting down on the free exchange of ideas and knowledge however the provision was worded, but what makes the restriction especially objectionable is the way it openly discriminates against other countries. At a time when our negotiators are talking at Geneva about cutting away foreign trade barriers that impede U.S. commerce, here we are proposing to set up barriers of our own making that will seriously injure tourism, a major industry of several of our trading partners.

The section is openly discriminatory. For example, it says nothing about a businessman in Miami who may travel 2,800 miles to attend a meeting in Seattle, but it does discourage him from going half that far to Caracas. In other words, this businessman could deduct a $432 round trip economy ticket to Seattle, but could not deduct a $261 excursion fare ticket to Caracas.

Also, we must remember that American businessmen attend far more conventions in the United States than abroad. While we do not have exact figures on how many Americans attend foreign meetings, experts in the tourist industry estimate that of all conventions held by U.S. businessmen, only 1 percent are outside this country.

Foreign countries can point to this and say: "Wait a minute. If you are so concerned with correcting abuses, why don't you tighten the rules on the far greater travel expenditures within your own country that are tax deductible." They can call attention to the 14,743 conventions and seminars that were held in the United States last year and ask why the proposed restriction does not apply to any of these events. Frankly, I do not know how our country can defend such a restriction against the charge that it is a discriminatory nontariff barrier of the very kind our new trade law is designed to prevent.

What is truly ridiculous about this idea is that it will pick up so very little tax revenues. In fact, the House Ways and Means Committee reports the provision will result in added revenue of less than $5 million annually. The Senate Committee on Finance version would likely result in even less revenue. Yet for a tiny increase in taxes, we would risk injuring the economies of friendly foreign countries by hundreds of millions of dollars. This damage, so obviously the result of a discriminatory practice, would provide a serious cause for retaliation against our domestic travel industry. Remember, the American travel industry now receives over $300 million a year, spent by 400,000 foreign visitors who attend conferences in the United States. This $300 million is not to be confused with the even greater amount spent by regular tourists, but is the large expenditure made solely by professional people from abroad who attend conferences here. It reveals what is at stake when we risk retaliation.

Also, let us remember that in no free nation in Europe or Asia is there any law which discriminates against taxpayers who visit America the way section 602 would single out our taxpayers who travel outside of North America. Even if such a law might exist somewhere, we should negotiate to have it repealed, rather than to enlarge upon the precedent.

Finally, we should note that American-owned businesses might be as damaged by section 602 as foreign industries are. Northwest Orient, for example, reports that nearly $8 million of its revenues in 1974 were produced by Americans attending an international convention. Pan American reports it receives an even greater sum, $15 million annually, in receipts from Americans who attend foreign meetings. Add these revenues to the business of U.S.-owned hotels abroad and one can readily see that U.S. commercial operations will be adversely affected, as much as or more than foreign ones will.

Mr. President, in summary, I urge that the Senate drop all restrictions on business travel from the bill. The harm that they would cause to the spirit of a free exchange of ideas and to our foreign relations, as well as to our economic wellbeing, far outweighs what little revenue they might pick up.

Let me further conclude, Mr. President, with a little warning. If they get away with this, the next step—and mark my words, it will come—will be to abolish any deductions where conventions are attended within the United States. This is just another area that people who write taxes would see as a chance to enhance the revenue of this country, not realizing that it creates far, far more weath, it does far, far more good for the local people and State people, than disallowing them the right to subtract from their taxes what it costs.

I thank my friend from Hawaii, and I also thank him for introducing this amendment.

Mr. INOUYE. I thank my colleague from Arizona.

I would like to add that the Senator from Arizona is so correct. If section 602 of the bill is permitted to remain there, I am certain it will be just the first step.

Mr. LONG. Mr. President, will the Senator yield?

Mr. INOUYE. I would be very happy to yield.

Mr. LONG. Mr. President, the Senator and his colleagues have made some eloquent speeches here today and they have made a better case for their position than we were able to hear during the limited time we had to consider this bill.

Since we voted on this measure, we have heard from a lot of people who are in the tourist business, who have explained the same argument the Senator had in mind. I believe all Senators have heard from those concerned about it. They have heard from both sides. But, I believe, the great majority of communications we have had are from people expressing concern, and people who tend to agree with the Senator.

In order that the matter should be in conference in the event the Senate agrees with the Senator from Hawaii. I, for my part, feel we should not believe that we are locked into a position merely because it seemed the thing to do at the time, if someone can suggest a better argument.

So I will vote for the Senator's amendment when it comes to a vote, and I hope others will do so, so that we may continue to debate the pros and cons, the merits and demerits, of both sides of the argument in conference because the House has something in this area also.

Mr. INOUYE. I thank my chairman very much.

Mr. HATHAWAY. Mr. President, will the Senator from Hawaii yield for a couple of questions?

Mr. INOUYE. I would be very glad to.

Mr. HATHAWAY. I realize there is a lot of talk about how we are going to discourage foreigners from coming to the United States if they pass the Finance Committee's amendment. But is it not true that the vast majority, perhaps over 90 percent, of the foreigners coming to the United States are not getting a business deduction? They are tourists, so it does not make any difference to them what our business deduction rule is. For example, last year of the number of Japanese coming to Hawaii, 360,000 visitors, only 6 percent were there for business. So if Japan now has a wide open law on business deductions, and the Senator is saying if we pass this one Japan will reciprocate by making a tight law there, it will not affect that many visitors, and business will stay the same. As it happens, Japan's law on business deductions for foreign travel is very tight, according to Treasury.

Furthermore, I know that Canada has a limitation of only two visits a year on business conventions, and it has limitations similar to those in the Finance Committee's bill on conventions held abroad.

So I am a little bit curious to know just how this really is going to affect foreign travelers to the United States.

I would just like to make one more point before the Senator answers. Many of these countries have their biggest market here in the United States, whereas the reverse is not true. So the push to change their laws to discourage foreign travel would not be as great, because it is more to the advantage of the Japanese, for example, to visit the United States, where most of their markets are or a large part of their market is, than it is the other way around. On the contrary, there would be a strong business lobby in those countries to resist tightening up on their deductions for foreign travel. So even if we do pass a restrictive law, I do not think they are going to retaliate, because the businessmen there will lobby, I think effectively, to show that they need to have this tax break to go abroad to the United States and other countries where they have their markets.

Mr. INOUYE. I would be very happy to respond to the Senator.

It may be true that less than 10 percent of the people coming to the United States from abroad come for the purpose of participating in conventions. But let us consider that 10 years ago less than 1 percent of them participated in business activities or conventions. It is a growing business. Ten years ago tourism in the United States was less than $30 billion. Today it is over $70 billion. The convention business alone exceeds $4 billion. Last year, as I mentioned, convention attendees from abroad spent about $41 million in San Francisco.

I have been sitting here, like most of my colleagues, and I have listened to concern being expressed for industries that are affected by the tax laws, and the amounts being discussed are $5 million, $10 million, et cetera. We are talking about a $70 billion business, on the other hand, when we talk about tourism.

Second, of the six major countries that send foreign convention attendees to the United States—that is, Canada, United Kingdom, Germany, Japan, Mexico, and France—Canada is the only one with restrictions. But those restrictions have never been enforced, and they are less restrictive than the ones in section 602.

Furthermore, section 602, as passed, will not affect Canada because section 602 excludes "North America." It will affect the five other countries, however. I am certain the principle of comity in international law will work, and you may find one or two or all of the five countries considering restrictive language. I do not see why we should put a damper on our foreign convention business when it is growing.

Mr. HATHAWAY. Mr. President, if the Senator will yield; we do not know for sure it will put a damper on it. Earlier I mentioned it was in the interest of most of those countries' citizens to continue their foreign travel and, particularly, travel here to the United States, where a large market for their goods is. We should enact the Finance Committee provision because it is a good provision. The Treasury has indicated that the ordinary and necessary rule which they are now operating under is extremely difficult to enforce. Commissioner Alexander testified strenuously before the Ways and Means Committee to that effect. We should enact the committee provision, and try it out for a year or two and see if it does hamper the tourist industry. I do not think it will. It is highly speculative to say we are going to have this reciprocal action by these other nations. It seems to me the Finance Committee rule is very reasonable. Let me read from the Finance Committee's report:

> The factors to be taken into account are (1) the purpose of the meeting and the activities taking place at the meeting; (2) the purposes and activities of the sponsoring organizations or groups; and (3) the residences of the active members of the sponsoring organization and the places at which other meetings of the sponsoring organizations or groups have been or will be held.

We have to remember that it is the taxpayers who are really paying for these trips, and we have to be protective of their interests. We do not want to subsidize vacations for professional people and corporate executives, and that, in a large part, is what we are doing by allowing a deduction for these foreign travels.

Mr. INOUYE. The findings of the Finance Committee indicate the additional receipts to the Treasury, if section 602 were enacted, would be less than $5 million, at most.

Mr. STONE. Mr. President, will the Senator yield?

Mr. INOUYE. Before yielding I would like to point out one thing: The Senator indicated that I might be speculating. About 10 years ago Japan decided to place restrictions on travel abroad for its citizens because of problems with the yen. At that time, if you will go back 10 years, you will find there was a sudden drop from a high peak in tourism to Japan to almost nothing. This occurred over a period of 6 months. I am certain this will happen to the United States if restrictions are imposed on travel abroad.

I would be very happy to yield.

Mr. HATHAWAY. Mr. President, if the Senator will yield further, I have a final question, and then I have to go to a committee meeting. Is there any indication from businessmen in these other countries or from the governments of these other countries that if we do pass this they will pass a restrictive law? These countries are aware this is now being considered by Congress. I just wonder if we have had any feedback from those countries indicating they are going to retaliate.

Mr. INOUYE. These countries are not going to be ungracious enough to tell us "If you pass a restrictive law, we are going to retaliate by passing a restrictive law of our own." But I can assure the Senator several countries have communicated with us indicating grave concern.

Mr. HATHAWAY. Well, I think we have had communications from Canada, for example, on other matters that if we did such and such, they would take action.

It seems to me it would not be unrealistic or inappropriate for other countries to indicate that they would take retaliatory action if they really intended to do so.

Mr. INOUYE. The thing that is beyond me, and beyond my comprehension, is why this restriction at all. If the IRS enforcement efforts are weak, why do we not strengthen them? If the IRS is in need of more money to beef up its enforcement, why do we not give the agency more funds? We would be serving the taxpayers.

Mr. HATHAWAY. It is most difficult.

Mr. INOUYE. We are saving the taxpayers less than $5 million, and by doing that we may endanger a business of $70 billion, and I cannot see the mathematics in that.

Mr. STONE. Mr. President, will the Senator yield?

Mr. INOUYE. I would be very happy to yield.

Mr. STONE. When the Senator from Florida first heard of the committee provision he said, "Well, this is something that is going to help the Miami and other tourist centers in Florida," because it is logical that if it is not deductible to take a convention overseas, then the conventions are going to come to Florida, the No. 1 magnet for tourism on the continent.

Then I started to check with the people who are in the tourist business in Florida and found that, to an overwhelming degree the hotel and motel owners and the hotel and restaurant workers unions were in favor of Senator INOUYE's amendment and against the committee provision.

The reasons they uniformly advanced were that a gateway State like Florida, which attracts foreign charter groups and conventions by the thousands, to Disney World, to south Florida in general, to the Tampa Bay area, and all over Florida is so very important that it is incalculable.

Awhile ago—if the Senator from Florida will be indulged a little bit further—the country of Brazil imposed some restrictions on its outgoing tourists, and when Brazil sneezed, we felt the effects.

The same thing has been threatened by other Latin American countries because of their currency problems. They have balance of trade and currency problems much worse than we do and the slightest action gives them the excuse to clamp down on their outgoing tourists.

So whereas we might pick up a few million dollars—maybe, although I somehow doubt it—the loss to a tourist State like Florida would be in the hundreds and hundreds of millions of dollars throughout the summer season.

In Miami, which accomodates many tourists from Latin America what would happen if, in response to this kind of clampdown by the United States, Venezuela clamped down on their travelers, and Central America, and others?

Whereas the Senator from Florida thought, here is a windfall for Florida business, when he started checking he learned that not only would it not be a windfall, it would be a disaster.

After long study—and believe me, the Senator from Florida did not make up his mind until very recently on this—but after long study, it just was not even a close call.

Mr. INOUYE. I thank the Senator very much.

Mr. PASTORE. Vote. Vote.

Mr. HASKELL addressed the Chair.

The PRESIDING OFFICER (Mr. MORGAN). The Senator from Colorado.

Mr. HASKELL. Mr. President, I think it might be helpful to first find what the committee does.

The committee provision does not completely outlaw the deductibility of all travel to foreign lands for conventions. But it does say that there should be certain criteria that would permit the deductibility.

In response to the distinguished Senator from Hawaii (Mr. INOUYE) and to the chairman of the Finance Committee who was swayed by the Senator's arguement, I would point out that we are talking about deductibility.

We are not setting up barriers at our borders. Anybody can travel. The only thing is, if they go to foreign lands they can only charge the expense to the Treasury under certain circumstances.

Those circumstances are, according to the Finance Committee amendment, where the purpose of the meeting and the activities taking place at the meeting are related to the foreign land, or where the residence is and the active members of the sponsoring organization, and the places at which other meetings of the sponsoring organization have been held in the foreign land, and that the purpose of the meeting is reasonably related to the foreign land.

For example, archaeologists, it would seem to me, would very properly have a meeting in Mexico near the Mayan Ruins, or in Greece.

On the other hand, I wonder whether the Virginia Dental Association should be able to deduct a trip to Greece. I do not think so.

With regard to the Virginia Dental Association, for the benefit of the Senate I might read just a little bit:

> Dear Member: Don't you think it is about time for a real, honest to goodness vacation? Sure you do, and so do I. There is no greater vacation than—

Whatever that is, I guess that is the association.

> new trip called Grecian Carnival.
>
> P.S. The World Dental Congress will be meeting in Athens September 24, October 2, 1976, which would make this trip tax deductible for dentists.

I think it is great for dentists to travel. I am all for broadening the outlook of dentists. But I am not for charging the trips of dentists to the U.S. Treasury.

The bar association not long ago went to London. I was practicing law and I was thinking of taking advantage of it. But I thought of deducting the dollars, being directed to lawyers, might be a little burdensome, so I did not go. But there was the opportunity.

I could have charged my trip to London, my stay in the hotels, whether it be Claridge's, or some other place, presumably some of my trips to night clubs to broaden my mind, and I could have charged them to the Treasury.

All the Finance Committee is doing is saying, "Look, my friends, go abroad, go see people in other lands."

But please do not charge it to the public—please.

Right now, if any of us here are members of the D.C. bar, we can go to Costa del Sol in Spain and charge it to the rest of us—at least a portion of it.

Then there are other trips we can go on. Here is a brochure that says:

> Tax deduct a glorious vacation in the sun.

This is to Acapulco. Also to Montego Bay. This is a Medical Convocations International, Inc.

So, if one is a doctor, his education apparently would be improved in either Acapulco or Montego Bay.

I have been to Montego Bay and I think it is a fine place.

Mr. President, I think the distinguished Senator from Hawaii says, "Enforce the law." He says that the law now talks about ordinary and necessary business expense, and if it is not ordinary and necessary business expense for me to go to London, to Greece, to Montego Bay, let the IRS enforce it.

Very recently the Commissioner of Internal Revenue testified before the House Ways and Means Committee that it was absolutely impossible to police abuse of this deduction and people were getting away with these trips all over the world and charging them to the ordinary taxpayer.

For that reason, I would certainly hope that the Senate would support the Finance Committee, despite the conversion of its chairman to the other side. I would hope they would support the Finance Committee's position and not allow trips to be charged unless these criteria, written carefully into the Finance Committee bill, were met.

At a suitable point, I will make a motion to table the amendment of the distinguished Senator from Hawaii, but I will not do so until all Senators have finished speaking on the amendment.

Mr. President, I move to lay the amendment on the table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. RANDOLPH. The able Senator from Hawaii (Mr. Inouye) is a realist. He knows that travel means trade. In fact, Mr. President, I spoke 22 years ago on the subject "Travel Is Trade" in the annual convention of the American Society of Travel Agents.

There were not too many supporters of a sound tourism program as we have today. Now, we know that tourism is a $70 billion business. Employed in this vast industry are more than 5 million persons.

In that address in 1954, I said:

> One of the by-products of seeing the world—of traveling to places both far and near—is the trade which follows. It is *trade* with lands which you have visited—the purchasing of goods and services of those lands—which deepens *seeing* into *knowing*. This trade also constitutes a most important factor in developing a world community.
>
> Among the problems which impede travel and thus trade are the formalities which govern the movement of people and goods across borders. For years the airlines—and we are well aware of the cooperation we have had from travel agents in this matter—have favored the reduction to the minimum of fees, visas, the requirements for passports, health certificates, and other documents.
>
> Travel has advantages which should give it an important place in the drive for trade stimulation. It offers prospects of not only the greatest increase in dollar exchange, but it would require less of our national effort, and, also important to the voluntary adoption of the policies required, it would involve less sacrifice by our people.

Mr. President, the amendment will help to widen the horizons of living, through travel incentives.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Hawaii, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARY HART. Mr. President, may we have order in the Senate, please?

The PRESIDING OFFICER. The Senators in the aisle will please take their seats. May we have order in the Senate? The clerk will suspend until we have order. May we have order in the Senate, please?

The assistant legislative clerk resumed the call of the roll.

Mr. GARY HART. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order.

The clerk will not proceed until those who are standing in the aisles take their seats and until those who are conversing will retire to the cloakroom.

Will Senators in the aisle please take their seats?

Will those Members of the Senate conversing in the aisle please retire to the cloakrooms?

Will the Senate please come to order so we may proceed with the rollcall? Order has been called for.

The clerk may proceed.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Indiana (Mr. Hartke), the Senator from South Dakota (Mr. McGovern), the Senator from California (Mr. Tunney), and the Senator from Minnesota (Mr. Mondale) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Biden) and the Senator from Michigan (Mr. Philip A. Hart) are absent because of illness.

I also announce that the Senator from Missouri (Mr. Eagleton) is absent attending the funeral of Congressman Jerry Litton of Missouri.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Nebraska (Mr. Hruska), the Senator from Pennsylvania (Mr. Schweiker), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Stevens) would vote "nay."

The result was announced—yeas 28, nays 60, as follows:

[Rollcall Vote No. 494 Leg.]

YEAS—28

Abourezk
Bartlett
Bellmon
Buckley
Bumpers
Burdick
Clark
Culver
Durkin
Glenn
Hart, Gary
Haskell
Hathaway
Humphrey
Johnston
Kennedy
Leahy
Mansfield
McClure
McIntyre
Muskie
Nelson
Packwood
Percy
Proxmire
Roth
Stafford
Weicker

NAYS—60

Allen
Baker
Bayh
Beall
Bentsen
Brock
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Gravel
Griffin
Hansen
Hatfield
Helms
Hollings
Huddleston
Inouye
Jackson
Javits
Laxalt
Long
Magnuson
Mathias
McClellan
McGee
Metcalf
Montoya
Morgan
Moss
Nunn
Pastore
Pearson
Pell
Randolph
Ribicoff
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NOT VOTING—12

Biden
Cannon
Eagleton
Fong
Hart, Philip A.
Hartke
Hruska
McGovern
Mondale
Schweiker
Stevens
Tunney

So the motion to lay on the table was rejected.

ORDER LIMITING ROLLCALL VOTES TO 10 MINUTES

Mr. RIBICOFF. Mr. President, I ask unanimous consent that all further rollcalls on H.R. 10612 be confined to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL and Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

UP AMENDMENT NO. 324

Mr. HASKELL. Mr. President, I send a substitute amendment to the Inouye amendment to the desk and ask that it be stated.

Mr. PERCY. Mr. President, will the Senator yield for a unanimous-consent agreement?

Mr. HASKELL. I yield.

UNANIMOUS-CONSENT REQUESTS

Mr. PERCY. With the understanding of the Senator from Illinois that this amendment will be next, at this time I wish to obtain a unanimous-consent agreement on time limitation. The first amendment which I shall send to the desk on behalf of Senator Stevenson and myself deals with tax treatment of closing transactions in options. It is an amendment supported by the Treasury Department and not objected to by SEC. I ask unanimous consent that a time limitation of 20 minutes, 10 minutes to each side, be approved.

Mr. HASKELL. Mr. President, I have to object to that. For the benefit of the Senator from Illinois, after seeing the amendment, I might withdraw my objection. At this time, I enter an objection.

The PRESIDING OFFICER. Objection is heard.

Mr. PERCY. Mr. President, I ask unanimous consent that the amendment I shall send to the desk dealing with the creation of a mutual fund to deal in tax-free municipal bonds be limited to 20 minutes, 10 minutes on a side.

Mr. HASKELL. Objection under the same conditions.

The PRESIDING OFFICER. Objection is heard.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. HASKELL. I yield to the Senator from Arkansas for unanimous-consent request.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Bob Brown of my staff be allowed the privilege of the floor during debate of the tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, the Senate is not in order. We cannot hear the debate. I wonder if we could not have order.

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. The Chair cannot hear. Will Senators who are conversing please retire to the cloakroom and members of the staff who are not seated please take their seats? We will not proceed until there is order in the Senate.

Mr. NELSON. Mr. President, there is

not order in the Senate. Members are speaking over here. Senators and staff members ought to comply with the rule.

The PRESIDING OFFICER. Order has been called for.

Will Senators please retire from the aisles and go to the cloakroom? Staff members please take their seats and if they must converse please retire to the cloakroom.

Mr. DOLE. Mr. President, will the Senator from Colorado yield for a unanimous-consent request?

Mr. HASKELL. For a unanimous-consent request I yield to the Senator from Kansas.

Mr. DOLE. I say to the Senator from Colorado, with reference to the amendment I may have, he may interpose an objection. I have an amendment which is an important amendment. It is really very simple. It is to increase the personal exemption from $750 to $1,000. The Senator from Kansas believes it is basically understood by everyone in the Chamber. It could be disposed of with brief debate as far as this Senator is concerned, and I am willing to enter into a time agreement of 10 minutes on each side.

Mr. HASKELL. I object now. When we finish the pending Inouye amendment, may we discuss it at that time?

The PRESIDING OFFICER. Objection is heard.

I believe there is order in the Senate. The clerk may now state the amendment.

UP AMENDMENT NO. 324

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes unprinted amendment No. 324 as a substitute for the Inouye amendment No. 323.

At the end of the bill insert the following:

SEC. 2807. Deductions for Travel Overseas.—In general, there shall be allowed as a deduction for the expenses of travel to foreign countries if the taxpayer undertakes such travel for purposes of meeting people in foreign lands.

Mr. HASKELL. Mr. President, the compelling arguments in favor of the Inouye amendment made by the various proponents of that amendment have convinced me that there is a great deal of merit for U.S. citizens to travel to foreign countries for the purpose of meeting people in foreign countries. The only problem is that under the condition of the present law one has to be really a member of a learned profession, a so-called doctor, dentist, lawyer, or banker, who has conventions overseas, or he has to be employed by a corporation where his employer sends him overseas. Under those circumstances people can go overseas and they can charge the expenses of their trip to the taxpayers of the United States.

It just occurred to me in the course of debate that it was not really fair to limit this privilege to such a narrow and elite group of taxpayers in the United States. A great many people scrimp, save, and finally they are able to take their trip to Europe, South America, or Asia, and yet they have to pay for the whole thing themselves. They cannot charge it to the residual taxpayers of the United States.

It seems to me, Mr. President, that we ought to apply some kind of a rule of comity here, and we should not just allow this privilege to this narrow group of people.

For that reason, I have framed the amendment that is at the desk, and I hope it will receive support broadly across the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD certain material relating to this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VIRGINIA DENTAL ASSOCIATION,
Richmond, Va.

DEAR MEMBER: Don't you think it's about time for a real, honest-to-goodness vacation? Sure you do . . . and so do I! And, there's no greater vacation than AIT's new trip called . . . Grecian Carnival.

To start off with, we'll spend four days in the cosmopolitan and urbane city of Athens at the deluxe Sheraton Caravel Hotel. We'll enjoy luxurious accommodations along with breathtaking views of the city below. Next, we'll be whisked away on a three-day cruise through the blue Aegean Sea aboard a spacious cruise ship, the MTS Jupiter or MTS Orpheus.

To make our incredible week in Greece even more splendid, we'll never have to handle our luggage, tip a porter, make a reservation or worry about ground transportation. It's all arranged for before we arrive. Also, Continental breakfasts and dine-around dinners in Athens along with three meals a day aboard ship will be included.

Grecian Carnival is being made available to us at such a great price because we'll be traveling as a group and taking advantage of the low charter rates. Our price is only $674 complete per person double occupancy. Compare that to the regular round-trip coach airfare from Washington, D.C. alone, which is $1024, and you can see how much we save. And, our fare not only includes round-trip jet flights, but a host of other extras you'll find outlined in the enclosed brochure.

Look the brochure over. See for yourself just how tempting this offer is. Reservations are being accepted on a first-come, first-served basis, so send yours in as soon as possible. Don't miss out on this exciting experience that we'll cherish for a long, long time to come.

Sincerely,

PAT K. WATKINS,
Executive Secretary.

P.S.—The World Dental Congress will be meeting in Athens September 24–October 2, 1976, which would make this trip tax deductible for dentists.

TAX DEDUCT A GLORIOUS VACATION IN THE SUN

M.C.I. PROUDLY PRESENTS ITS EXCLUSIVE TAX DEDUCTIBLE DECEMBER VACATIONS, YOUR CHOICE OF JAMAICA OR ACAPULCO

The Club: Medical Convocations International is a club for doctors only. The purpose of the club is to arrange a variety of exciting trips throughout the year (at least one per month) and combine them with medical conferences so that the doctor may deduct the cost of the trip.

Future vacations: M.C.I. offers vacation-conferences with a wide and varied list of itineraries. M.C.I. will offer at least one trip per month and several during holidays and vacation seasons. M.C.I. is anticipating trips of varying types: long and short, conducted tours and simple vacations, to resorts and to places unique and exotic. M.C.I. looks forward to serving your travel needs while keeping you up to date on your profession.

AN EXCITING WEEK IN GLAMOROUS ACAPULCO

Acapulco: Mexico's gift to the jet-set and to anyone else who loves sand and sea. A lively town . . . yet with miles and miles of uncrowded beaches. Dance all night or retire early and be on the beach at dawn. Glittering sun, gleaming waters and beautiful people. Join us at Las Brisas . . . the jewel of Acapulco. Here you will enjoy your own private casita, with private terrace, bar, refrigerator and private (or sharing) pool. Las Brisas is situated on a bluff overlooking Acapulco Bay and you will enjoy the panorama from your own private terrace with your own private bar stocked with ice, soft drinks, alcoholic beverages and fresh fruit. After the sun has slipped into the sea, lively Acapulco awaits you. Join us . . . December 1–8.

SPLENDID, LUXURIOUS MONTEGO BAY YOURS FOR A WEEK

Jamaica: Translated means "land of wood and water." The legendary beauty of Jamaica is still unspoiled . . . tropical birds sing, exotic flowers and fresh fruit grow wild, sparkling rivers wind through blue-green mountains. Jamaica is the Old World, the New World . . . a world unto itself. Make it your world for one glorious week at the Half Moon Hotel and Cottage Club, in Montego Bay. This distinguished hotel boasts gourmet cuisine, a mile long beach, 60 exotic acres, an 18-hole golf course, 7 tennis courts, fishing and sailing. The Half Moon . . . where an exclusive club atmosphere is the keynote. . . . Jamaica . . . where everyone seems to be happy. Join us . . . December 10–17.

The details: Since these fabulous vacations are available only to M.C.I. club members, a fee of $50.00 will make you a member and enable you, your family and guests to enjoy these and/or any other M.C.I. vacations. Acapulco: Price is $257.00 per person, plus air fare and includes a double room at Las Brisas, continental breakfast, transfers and baggage, all taxes and gratuities, all seminars, and a special cocktail party for all club members.

Montego Bay: Price is $360.00 per person, plus air fare and includes double room at the Half Moon, breakfast and dinner daily, six days of green fees, transfers and baggage, all tips and taxes, all seminars and a special cocktail party for all club members.

Upon receipt of reservations, M.C.I. will arrange your air transportation from your home town. Air arrangements must be made through M.C.I. and our travel department will secure the most economical fares available.

Instructions: To join M.C.I., just fill out the top of the coupon and enclose a check or charge No. in the amount of $50 which is also tax deductible. To reserve space on this trip, fill out the entire coupon and enclose your $50 membership fee and a deposit of $100 per person travelling. We will immediately forward to you your Club membership kit and confirmations. Payment in full is due by October 15, 1973.

Mr. PASTORE. Mr. President, now we have distinctly gone from the sublime to the ridiculous, and I move to lay that amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Colorado.

The motion to lay on the table was agreed to.

Mr. PERCY addressed the Chair.

Mr. INOUYE. Mr. President, we have an amendment pending before us.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Hawaii.

Mr. HASKELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from California (Mr. TUNNEY), and the Senator from Minneosta (Mr. MONDALE) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

I also announce that the Senator from Missouri (Mr. EAGLETON) is absent attending funeral of Congressman Jerry Litton.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 58, nays 30, as follows:

[Rollcall Vote No. 495 Leg.]

YEAS—58

Allen
Baker
Bayh
Beall
Bentsen
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Gravel
Hansen
Hatfield
Helms
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
Montoya
Moss
Packwood
Pastore
Pearson
Pell
Randolph
Ribicoff
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevenson
Stone
Symington
Taft
Thurmond
Tower
Williams
Young

NAYS—30

Abourezk
Bartlett
Bellmon
Brock
Buckley
Bumpers
Burdick
Clark
Culver
Durkin
Glenn
Griffin
Hart, Gary
Haskell
Hathaway
Humphrey
Kennedy
McClure
McIntyre
Metcalf
Morgan
Muskie
Nelson
Nunn
Percy
Proxmire
Roth
Stafford
Talmadge
Weicker

NOT VOTING—12

Biden
Cannon
Eagleton
Fong
Hart, Philip A.
Hartke
Hruska
McGovern
Mondale
Schweiker
Stevens
Tunney

So Mr. INOUYE's amendment was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. I believe the Senator from Illinois sought recognition first.

Mr. PERCY. I shall be happy to yield to the Senator from Louisiana for a question.

Mr. LONG. Mr. President, I ask unanimous consent that the Senator may yield without losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I want to ask Senators, with the exception of those Senators who are floor managers of the bill, if they would look at the amendment and, if the amendment seems to be something that the Senate can very easily agree to, that we not be asked to agree to any more amendments of that nature, even though they be very meritorious amendments. I make the point that we shall have other revenue bills and these amendments that can be passed as unobjected-to amendments can also be added to other revenue bills that the House is sending up. We shall have about 20 more revenue bills on which the Senate can vote and at least one or two that we will have to pass, anyway.

I plead with the Senators not to ask us to go along with uncontroversial amendments that they might know of and would like to offer. We shall seek to accommodate them on some other revenue bills where we shall have amendments of the same nature that can pass by unanimous consent. Otherwise, Mr. President, we are going to be here late. Each one of these amendments will take time. I ask the Senators not to offer amendments other than those we have already committed ourselves to ask the Senate to consider, because this thing can go on indefinitely if we do that.

Mr. PASTORE. Will the Senator yield to me?

Mr. LONG. We have committed ourselves to the Percy amendment and the Sparkman amendment and there are a number of amendments by Mr. DOLE. I hope that we can get out of here before 5 o'clock today and we can, unless too many amendments come up—frankly, I have a couple of amendments that I have in mind that could be agreed to unanimously, I am sure, but I am not going to bring them up. I ask the Senators to do the same thing, if we could put them on some other bill. There are more than 20 revenue bills to come over here from the House.

Mr. PASTORE. Let me ask the Senator, if we heed the admonition of the Senator from Louisiana, is there a possibility that we might end with it today?

Mr. LONG. I believe if the Senators are willing to vote and accommodate each other, we can finish by 4 or 5 o'clock today and get out of here. I know the Senators would like to do that, but it takes consideration of one Senator for his colleagues, and vice versa, to make progress, and we can move on that way.

Another thing: On these situations where we have a motion to table and the motion to table fails by a large margin, we ought to be willing to agree that, in effect, the Senate intends to pass the amendment. We have had the message, and a voice vote should be sufficient thereafter. It will save another 15 minutes.

If we can accommodate one another on those things, Mr. President, we can finish voting on the bill today and everybody can go wherever he is required to go. I know Senators have commitments to do other things.

UP AMENDMENT NO. 325

Mr. PERCY. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER (Mr. MCGEE). The amendment will be stated.

The legislative clerk proceeded to read as follows:

The Senator from Illinois (Mr. PERCY) proposes unprinted amendment No. 325.

Mr. PERCY. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. 2808. TAX TREATMENT OF THE GRANTOR OF OPTIONS IN STOCK, SECURITIES, AND COMMODITIES.

(a) Section 1234 of the Internal Revenue Code of 1954 (relating to options to buy or sell) is amended to read as follows:

SEC. 1234. OPTIONS TO BUY OR SELL.

"(a) TREATMENT OF GAIN OR LOSS IN THE CASE OF THE PURCHASER.—

"(1) GENERAL RULE.—Gain or loss attributable to the sale or exchange of, or loss attributable to failure to exercise, an option to buy or sell property shall be considered gain or loss from the sale or exchange of property which has the same character as the property to which the option relates has in the hands of the taxpayer (or would have in the hands of the taxpayer if acquired by him).

"(2) SPECIAL RULE FOR LOSS ATTRIBUTABLE TO FAILURE TO EXERCISE OPTION.—For purposes of paragraph (1), if loss is attributable to failure to exercise an option, the option shall be deemed to have been sold or exchanged on the day it expired.

"(3) NONAPPLICATION OF SUBSECTION.—This subsection shall not apply to—

"(A) an option which constitutes property described in paragraph (1) of section 1221;

"(B) in the case of gain attributable to the sale or exchange of an option, any income derived in connection with such option which, without regard to this subsection, is treated as other than gain from the sale or exchange of a capital asset; and

"(C) a loss attributable to failure to exercise an option described in section 1233(c).

"(b) TREATMENT OF GRANTOR OF OPTION IN THE CASE OF STOCK, SECURITIES, OR COMMODITIES.—

"(1) GENERAL RULE.—In the case of the grantor of the option, gain or loss from any closing transaction with respect to, and gain on lapse of, an option in property shall be treated as a gain or loss from the sale or exchange of a capital asset held not more than 6 months.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) CLOSING TRANSACTION.—The term 'closing transaction' means any termination of the taxpayer's obligation under an option in property other than through the exercise or lapse of the option.

"(B) PROPERTY.—The term 'property' means stocks and securities (including stocks and securities dealt with on a 'when issued' basis), commodities, and commodity futures.

"(3) NONAPPLICATION OF SUBSECTION.—This subsection shall not apply to any option granted in the ordinary course of the taxpayer's trade or business of granting options."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to options granted by the taxpayer after September 1, 1976.

Mr. GARY HART. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. PERCY. I yield to the distinguished Senator from Colorado.

Mr. GARY HART. I appreciate the Senator's yielding.

Mr. President, I ask unanimous consent that Lehigh McDermott, of my staff, and John Quick, of Senator KENNEDY's staff, be permitted access to the floor during deliberation on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, this amendment is intended to close a loophole with respect to the tax treatment of closing transactions in options and of income from the lapse of an option. The amendment is supported by the Treasury Department. There is no objection from the SEC.

In the interest of the sentiments expressed by the floor manager of the bill (Mr. LONG), the Senator from Illinois would be happy to enter into a time limitation of any reasonable amount—10 minutes on a side, 20 minutes total—and would be satisfied with a voice vote, if that is acceptable.

I ask unanimous consent that we limit debate on this amendment to 20 minutes.

Mr. HASKELL. Reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. HASKELL. Yes; reserving the right to object.

I want to ask the Senator from Illinois two questions: First, does the Department of Treasury approve of the Senator's amendment?

Mr. PERCY. The Treasury Department approves of the amendment.

Mr. HASKELL. The second question: Have any of the tax public interest groups looked at the Senator's amendment, and if so, what is their reaction?

Mr. PERCY. To the knowledge of the Senator from Illinois, those public-interest groups that have contacted my office and the offices of other Senators have supported the amendment.

Mr. LONG. They testified in behalf of it.

Mr. HASKELL. I present no objection, Mr. President, to a time limitation.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. PERCY. Mr. President, this amendment was previously introduced as S. 3597 by Senator STEVENSON and myself. It was introduced in the House by Congressman MIKVA as H.R. 12224, which was reported unanimously by the House Ways and Means Committee and which passed the House on July 20 by a vote of 396 to 2.

Briefly, Mr. President this amendment deals with the tax treatment of closing transactions in options and with the treatment of income from the lapse of an option. The amendment is intended to close what could become a gaping loophole for dealers in options.

The IRS has ruled that when the writer of an option enters into a closing transaction, thus terminating his obligation under the option, he realizes ordinary income or loss based upon the difference between the amount of the premium which he received for the option he wrote and the premium he paid for the option which he purchased. The IRS has also ruled that income from the lapse of an option is to be treated as ordinary income.

Since the taxpayer generally decides whether to enter a closing transaction, there is a potential opportunity for some taxpayers to plan a strategy under which they realize ordinary loss on one part of the transaction while realizing long- or short-term capital gain on a second, related, transaction.

This amendment will close this loophole by providing that gain or loss from a closing transaction is to be treated as short-term capital gain or loss. By making the loss short-term captial loss, a taxpayer will no longer be able to write off the full amount of capital gain on the second transaction. I ask unanimous consent that an example demonstrating this potential loophole be printed at this point in the RECORD.

There being no objection, the example was ordered to be printed in the RECORD, as follows:

EXAMPLE

Suppose that we have a taxpayer in the 50-percent tax bracket who purchases 100 shares of stock at $200 per share, and at the same time writes a call on the stock at the same price, for a premium of $2,500. This allows the purchaser of the call to buy those 100 shares from our taxpayer for $200 per share, within a specified time period.

If the price of the stock then rises to $250, the taxpayer has two choices. If he allowed the holder of the call to exercise his option and purchase the stock at his original price of $200, his only gain on the transaction would be the $2,500 premium, which is added to the selling price of the stock and may therefore be considered long-term capital gain. This results in a tax—in the 50-percent tax bracket—of $625.

Suppose, however, that he were to sell the stock himself at the market price of $250 per share, realizing $5,000 profit on the sale, a capital gain. He would then enter a closing transaction by purchasing another call on the same stock at the price of $200 per share, which would require a premium of approximately $5,000. The net loss on the closing transaction, obtained by offsetting the $2,500 premium received against the $5,000 premium paid, is $2,500.

Under present law, this loss would be deductible as an ordinary loss, and would offset the entire taxable portion of the long-term capital gain. The taxpayer would therefore pay no tax at all under this procedure, rather than the $625 he would pay under the first procedure above, although his economic gain before taxes is $2,500 in each case.

The bill I am proposing would treat the $2,500 loss on the closing transaction as a short-term capital loss, which would offset only half of the $5,000 long-term capital gain, and would result in a $625 tax payment.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. PERCY. Yes.

Mr. LONG. Mr. President, this amendment could be described as a loophole closer. It is supported by the Treasury, and supported by the public interest groups, and we on the committee also support it. It is a revenue gainer for the Treasury, and I would hope we could vote on this, and I hope we can yield back the time.

Mr. PERCY. Mr. President, if there is no objection and no further explanation required I will accede to the request of the chairman of the committee.

Mr. LONG. I thank the distinguished Senator.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LONG. I yield back my time.

Mr. PERCY. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

AMENDMENT NO. 2035, AS MODIFIED

Mr. PERCY. Mr. President, I call up amendment No. 2035, as modified.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) proposes amendment numbered 2035, as modified.

The amendment, as modified, is as follows:

At the end of title XXVIII, insert the following new section:

SEC. 2809. EXEMPT-INTEREST DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) GENERAL.—Section 852(a)(1) of the Internal Revenue Code of 1954 (relating to regulated investment companies) is amended to read as follows:

"(1) the deduction for dividends paid during the taxable year (as defined in section 561, but without regard to capital gain dividends) equals or exceeds the sum of,

"(A) 90 percent of its investment company taxable income for the taxable year determined without regard to subsection (b)(2)(D); and

"(B) 90 percent of the excess of (i) its interest income excludable from gross income under section 103(a)(1) over (ii) its deductions disallowed under section 265 and section 171(a)(2), and".

(b) DIVIDENDS PAID DEDUCTION.—Section 852(b)(2)(D) of such Code (relating to taxable income) is amended to read as follows:

"(D) the deduction for dividends paid (as defined in section 561) shall be allowed, but shall be computed without regard to capital gain dividends and exempt-interest dividends."

(c) EXEMPT-INTEREST DIVIDENDS.—Section 852(b) of such Code (relating to method of taxation of regulated investment companies and shareholders) is amended by inserting after paragraph (4) the following new paragraph (5):

"(5) EXEMPT-INTEREST DIVIDENDS.—If at the close of each quarter of its taxable year at least 50 percent of the value (as defined in section 851(c)(4)) of the total assets of the regulated investment company consists of obligations described in section 103(a)(1), such company shall be qualified to pay exempt-interest dividends, as defined herein, to its shareholders.

"(A) DEFINITION.—An exempt-interest dividend means any dividend or part thereof (other than a capital gain dividend) paid by a regulated investment company and designated by it as an exempt-interest dividend in a written notice mailed to its shareholders not later than 45 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including exempt-interest dividends paid after the close of the taxable year as described in section 855) is greater than the execess of—

"(i) the amount of interest excludable from gross income under section 103(a)(1), over

"(ii) the amounts disallowed as deductions under section 265 and 171(a)(2),

the portion of such distribution which shall constitute an exempt-interest dividend shall be only that proportion of the amount so designated as the amount of such excess for such taxable year bears to the amount so designated.

"(B) TREATMENT OF EXEMPT-INTEREST DIVIDENDS BY SHAREHOLDERS.—An exempt-interest dividend shall be treated by the shareholders for all purposes of this subtitle as an item of interest excludable from gross income under section 103(a)(1). Such purposes include but are not limited to—

"(i) the determination of gross income and taxable income,

"(ii) the determination of distributable net income under subchapter J,

"(iii) the allowance of, or calculation of the amount of, any credit or deduction, and

"(iv) the determination of the basis in the hands of any shareholder of any share of stock of the company."

(d) TECHNICAL AMENDMENT.—Section 103 (e) of such Code (relating to exclusions from gross income of interest on certain governmental obligations) is amended by inserting after paragraph (23) the following new paragraph:

"(24) EXEMPT-INTEREST DIVIDENDS.—For treatment of exempt-interest dividends, see section 852(b)(5)(B)."

(e) DISALLOWANCE OF DEDUCTIONS.—Section 265 of such Code (relating to nonallowance of deductions for expenses and interest relating to tax-exempt income) is amended by adding at the end thereof the following new paragraphs:

"(3) CERTAIN REGULATED INVESTMENT COMPANIES.—In the case of a regulated investment company which distributes during the taxable year an exempt-interest dividend (including exempt-interest dividends paid after the close of the taxable year as described in section 855) that portion of any amount otherwise allowable as a deduction which the amount of the income of such company wholly exempt from taxes under this subtitle bears to the total of such exempt income and its gross income (excluding from gross income, for this purpose, net capital gain as defined in section 1222(9)).

"(4) INTEREST RELATED TO EXEMPT-INTEREST DIVIDENDS.—Interest on indebtedness incurred, or continued to purchase or carry shares of stock of a regulated investment company which during the taxable year of the holder thereof distributes exempt-interest dividends."

(e) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1975.

Mr. PERCY. Mr. President, once again I believe this amendment has been fully explained to the Senate and, to the best of the knowledge of the Senator from Illinois, no objection will be raised to it.

I therefore ask unanimous consent that a time limitation of 20 minutes, 10 minutes on each side, be ordered.

Mr. HASKELL. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator will state the objection.

Mr. HASKELL. I would like to ask the Senator from Illinois whether the Treasury Department is in favor of the proposed amendment.

Mr. PERCY. The Treasury Department has no objection to it.

Mr. HASKELL. Is that the same as being in favor?

Mr. PERCY. They accept it, but it has not been introduced in behalf of the Treasury Department.

I would, for the benefit of my colleague from Colorado, advise him that this amendment is supported by the National Governors Conference, the National Association of Counties, the Conference of Mayors, the American Federation of State, County and Municipal Employees, the Municipal Finance Officers Association, the Investment Company Institute, Roderick Hills, Chairman of the Securities and Exchange Commission, and the Council of State Housing Authorities.

Mr. HASKELL. This amendment then is the pass-through of interest, is that right, tax exempt?

Mr. PERCY. That is right.

Mr. HASKELL. I have no objection.

Mr. PERCY. Mr. President, this amendment allows mutual funds and other regulated investment companies to invest in tax-free municipal bonds and pass through to their shareholders the tax exempt status of the interest earned on those bonds.

Perhaps the most significant improvement this amendment provides is to expand the market for municipal securities. Many of our cities, counties and States are having difficulty raising revenue for capital improvements and other projects. This legislation will allow them to obtain funds from a significantly broadened group of potential investors.

The average yield on seasoned Aaa State and local bonds in March of this year was 5.99 percent. For an individual with a taxable income of $10,000, a 5.99 percent tax-free bond is equivalent in after-tax exempt earnings to an 8.21 percent taxable return. For a couple with a combined taxable income of $20,000, the after tax return on a 5.99 percent bond is 8.81 percent. Obviously, municipal bonds are a good investment for small and moderate investors. But under present law, moderate investors are able to invest in municipal bonds only with great difficulty if at all.

Municipal bonds are commonly issued in denominations of $1,000 and often have minimum purchase requirements of $5,000, preventing small investors from participating in the market. In addition, there are thousands of States, counties, and cities issuing tax-free bonds at a wide variety of interest rates and with varying degrees of risk.

It is effectively impossible for investors with limited resources and experience to engage in trading in these securities. This amendment allows small investors to invest in tax-free bonds with less individual risk and lower capital requirements, by sharing in a fund with a diversified portfolio under professional management.

Some partnerships and trusts are now able to pass through this tax exemption to their members, but this procedure also requires a large investment and is more cumbersome and involves greater potential risk than investment in an incorporated mutual fund.

This proposal is wholly consistent with the concept of a mutual fund, under which the shareholders of the fund are considered, for tax purposes, as the actual owners of the fund's holdings, and the direct recipients of their share of the fund's earnings. Mutual funds are now allowed to pass through dividends and capital gains earned by the fund, and this proposal would permit the same treatment for State and local bonds. Mutual funds would continue to pay whatever tax is due on their own retained earnings.

To repeat, this amendment is supported by the National Governors Conference; the National Association of Counties; the Conference of Mayors; the American Federation of State, County and Municipal Employees; the Municipal Finance Officers Association; the Investment Company Institute; Roderick Hills, Chairman of the Securities and Exchange Commission; and the Council of State Housing Authorities. The Treasury Department estimates that it will involve no revenue loss. I urge the Senate to adopt it.

The PRESIDING OFFICER. The Chair would ask the Senator from Louisiana is there objection to the amendment on the part of the committee?

Mr. LONG. No.

THE PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Illinois.

The amendment, as modified, was agreed to.

AMENDMENT NO. 2166, AS MODIFIED

The PRESIDING OFFICER. Does the Senator have a string of amendments?

Mr. PERCY. The Senator from Illinois has one last amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) proposes Amendment No. 2166, as modified.

The amendment, as modified, is as follows:

At the end of title XXVII, insert the following:

SEC. 2810. EXCISE TAX ON GASOLINE.

(a) Subpart A of part III of subchapter A of chapter 32 (relating to manufacturer's excise taxes) is amended by redesignating section 4084 as 4085, and by inserting after section 4083 the following:

"SEC. 4084. ADDITIONAL TAX.

"There is imposed on gasoline sold by the producer or importer thereof a tax of 1 cent per gallon with respect to gasoline sold after September 30, 1976.".

(b)(1) Section 4082(d) of the Internal Revenue Code of 1954 (relating to definition of wholesale distributor) is amended by inserting "or section 4084" after "section 4081" where it appears in paragraph (2).

(2) Section 4083 of such Code (relating to exemption of sales to producer) is amended by inserting "or section 4084" after "section 4081".

(3) Section 4101 of such Code (relating to registration) is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, section 4084, or section 4091".

(4) Section 4221(d)(6)(C) is amended by inserting "or section 4084" after "section 4081".

(5) Section 4226(a) of such Code (relating to floor stocks taxes) is amended by adding at the end thereof the following new paragraph:

"(8) 1975 TAX ON GASOLINE.—On gasoline subject to tax under section 4084 which on October 1, 1976, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 1 cent a gallon. The tax imposed by this paragraph shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline.".

(6) Section 6421(b)(1) of such Code (relating to allowance for local transit systems) is amended by inserting after "(A)" the following: "one-half of the tax paid under section 4084 for each gallon of gasoline so used on which tax was paid under such section and".

(c) The table of sections for such subpart A is amended by striking out the item relating to section 4084 and inserting in lieu thereof the following:

"Sec. 4084. Additional tax.
"Sec. 4085. Cross references.".

(d) The amendments made by this section apply to gasoline sold after September 30, 1976.

The PRESIDING OFFICER. Does the Senator from Louisiana agree to this last amendment?

Mr. LONG. Mr. President, will the Senator explain briefly what the amendment is?

Mr. PERCY. Yes. This amendment is a very simple amendment to understand, but it will be controversial and it may require a rollcall vote. The amendment simply provides, and I offer this with Senator STEVENSON as a cosponsor, to increase the gasoline tax 1 cent.

This is done, Mr. President, in the interest of answering all of those critics of this bill who have said that it is not in line with the congressional budget resolution to balance tax cuts with corresponding increases in Federal revenue.

Mr. LONG. Mr. President, will the Senator from Illinois send his amendment to the desk?

Mr. PERCY. I have sent it to the desk.

The Senator from Illinois will be very happy to enter into a time limitation agreement.

Mr. LONG. Mr. President, we cannot accept this amendment. The Senate would not let us accept this amendment. It is not that I do not sympathize with what the Senator wants to do, but I know the Senate will not accept it, and we are just wasting time on this amendment. There is no way to get this accepted by the Senate, and I will be compelled to move to table it.

Mr. PERCY. If every Senator was denied the right to offer an amendment simply because one Senator, even though he be the floor manager, is convinced the Senate will not accept it we could have saved 4 or 5 weeks of time.

The Senator from Illinois is concerned about allegations that this bill is irresponsible because it is $2 billion short of our budget goals. Here is $1 billion in additional revenue that could be provided by one simple amendment. We have not increased the gasoline tax in 23 years. It is now a far smaller proportion of the retail selling price than it was when it was imposed 23 or 24 years ago. I just think that if we are going to provide tax benefits to someone we are going to have to start to raise the money someplace. Those who choose to drive their cars and not use mass transit should be allowed to pay a price.

The PRESIDING OFFICER. The Chair was under the impression there was going to be negotiation for a time limitation on the amendment. If there is going to be debate on the amendment, we would have to have an agreement on time.

Mr. PERCY. I ask unanimous consent that there be a time limitation of 30 minutes, 15 minutes to a side.

Mr. LONG. Mr. President, all right. Can we make it just 5 minutes on each side? That is a simple enough amendment to understand, may I say to the Senator. Can we do that?

Mr. PERCY. The Senator's speech will take 7 minutes.

Mr. LONG. I will yield the Senator half of my time.

Mr. PASTORE. I think the Senator has told us what his amendment is all about. I understand it and I think everybody who is on this floor is intelligent enough to know what it is all about. The Senator is asking for a 1 cent increase in tax.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. ALLEN. Mr. President, reserving the right to object to the request, I have no personal objection, but the distinguished Senator from Colorado (Mr. HASKELL) had to leave the Chamber and he asked that I object for the time being to an unanimous-consent request.

Mr. PERCY. The Senator from Illinois' intention is to insert his statement and yield back his time.

Mr. LONG. Go ahead and make your speech.

The PRESIDING OFFICER. The Chair is not clear. Does the Senator from Illinois wish to make his speech a part of the record?

Mr. ALLEN. Mr. President, I object to a time limit for the reasons I stated.

Mr. PERCY. Mr. President, the Senate has been debating the tax reform bill for weeks now, and has yet to find an acceptable way to produce the Federal revenues recommended by the congressional budget resolution to balance various tax reductions. The initial estimate of Budget Committee experts that $2 billion of additional revenue would be raised by this bill has been reduced by slightly over $100 million, and we are faced with the perennial problem of having inadequate tax revenues to fund the programs that this Congress has approved.

It seems to me that the question faced by the Congress is quite simply one of fiscal responsibilitiy. With our national economy finally on its way to recovery, we are in an excellent position to make sure that Government revenues fall into line with expenditures. The bill before us was supposed to accomplish just that. We all looked to the tax bill to close some of the loopholes in the tax structure and thereby yield enough income to pay for ongoing programs and perhaps finance some new projects. However, it now seems that a day of reckoning is upon us; the need to tap new revenue sources to balance other tax cuts can no longer be averted.

The amendment I am offering to this bill should raise some of the additional needed revenue. At the same time, it offers the possibility of furthering the national goal of energy conservation. My amendment would levy an additional excise tax of 1 cent per gallon on all gasoline sold in the United States.

Mr. NELSON. Mr. President, will the Senator yield for a question?

Mr. PERCY. I would be happy to yield for a brief question.

Mr. NELSON. Did I understand the Senator to say the need for this is to raise additional revenue?

Mr. PERCY. That is correct. It also has side benefits obviously.

Mr. NELSON. I understand that.

Mr. PERCY. It is also a conservation measure to the extent that price depresses demand and creates a greater incentive to use mass transit. Our problem today is that it is cheaper to drive than it is to take mass transit for many, many commuters.

Mr. NELSON. This would be my question: If it is going to be of benefit to the budget does the Senator's amendment provide that revenue from the 1-cent tax goes into the general fund and not to the highway fund?

Mr. PERCY. That is correct.

Mr. President, officials in both the Department of the Treasury and the Department of Transportation have stated that such a tax would raise approximately $1 billion annually. If income tax writeoffs are taken into account, the revenue gained by the Federal Treasury would be at least $800 million. The amendment I am introducing provides that the revenues raised will not go into the highway trust fund, as do most current Federal gas tax moneys, but rather would become part of the revenue fund to be appropriated as the Congress saw fit.

Mr. President, I think this is in the direction——

Mr. President, could we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PERCY. Mr. President, I think this move would be a step in the right direction.

As the Senator from Illinois understands it, there are some $6, $7, $8 billion of unspent funds in the highway trust fund. We have a starving mass transit system. We know what is happening to many other forms of transportation. And we have a huge deficit facing this country again this year.

It is about time we stopped earmarking something like a gasoline tax and just simply put that money in the Treasury. We should start saying that we are going to reduce our debt by that amount and not have it go to some special interest group to spend only for spreading pavement over America, for encouraging the use of automotive transportation, and for using the very fossil fuels we are trying now to preserve.

In doing so, we have a totally inconsistent national policy.

It is about time we turned this around.

Thus, this small increase in the gasoline tax would supply a large share of the revenue that the tax reform bill would be otherwise unable to provide. But this is not the only reason that I urge the adoption of the amendment.

Mr. President, it seems to me that the American people think that the lessening of debate over the energy crisis corresponds to a reduction in the need for energy conservation. That is just not true.

This is simply not true, and anyone who has listened to the testimony in any of our committees, whether it is the Joint Economic Committee, the Foreign Relations Committee, Government Operations, would know that not to be true.

The Federal Energy Administration—FEA—reports that demand for gasoline has grown by almost 2½ percent over last year's figure, indicating that we are now consuming much more gasoline than we did before the oil embargo. A tax on gasoline, even an increase of a mere penny, would serve to reduce consumption to some degree and would indicate a willingness to address in a very concrete manner the vital problem of energy conservation.

Opponents of this measure make several arguments. First, they assert that such an excise tax would be inflationary, and therefore would have serious economic side effects.

Unfortunately, to my knowledge, studies have not been conducted which measure the impact on the Consumer Price Index of a 1-cent increase in the price of gasoline. However, the best information available from the FEA indicates that the effect would be negligible. Informal opinions from FEA analysts confirm that a 1-cent rise in gasoline prices would not affect inflation. Their opinions tend to be buttressed by a number of studies conducted by the FEA. One such study on the effect of a 2-cent increase showed the Consumer Price Index unaffected. A similar study by the FEA on a 1-cent rise in the price of middle distillates, although obviously not directly applicable to a rise in the price of gasoline, also showed no effect on inflation. Admittedly, neither of these studies is directly analogous to the effect of a 1-cent gasoline price increase, but they are the closest indicators we have to date and they show the inflationary effects of similar price increases to be negligible.

A second argument against a gasoline tax increase is that it would cause individuals in lower income brackets to pay proportionately more of their total income for gasoline than people who earn higher incomes. But my amendment involves an increase of only 1 cent per gallon, hardly an excessive burden for the American public when compared to the benefits it offers.

It should also be noted that since some cars consume gas more efficiently than others, this tax increase would amount to an encouragement of fuel economy. As such, it would serve the same purpose as fuel economy standards promulgated by this Congress in the Energy Policy and Conservation Act of 1975.

Finally, opponents of this measure argue against undue Government intrusion into the private sector. But the addition of 1 penny to the present 4 cents tax charged by the Federal Government would increase the percentage of the retail price of gasoline that goes into the Federal Treasury to only 8.5 percent. This figure is about the same as it has been on the average over the past 40 years. I ask unanimous consent that the following table illustrating that point be printed in the RECORD at this time.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Total retail gasoline price (regular) (cents)	Federal gasoline tax (cents)	Federal gasoline tax as percent of retail price
1932	17.9	1.0	5.6
1941	19.23	1.5	7.8
1951	27.15	2.0	7.4
1956	30.96	3.0	9.7
1959	30.49	4.0	13.1
1975	59.3	4.0	6.7
(1976)	[1](59.0)	[2]5.0	(8.5)

[1] Computed from FEA's figures for June 1976.

[2] Includes the proposed 1 cent tax increase.

Mr. PERCY. Mr. President, this table shows that even with the proposed tax increase the Federal Government's percentage share in the retail price of gasoline would actually be much smaller than it was in 1959, when it reached 13.1 percent. So the taxation of private gasoline consumption would be considerably less than it was in a year when the Nation did not face the crisis in energy policy that we are now experiencing.

Mr. President, I am convinced that we need a gasoline tax increase even though we may not like it. It would raise the revenue essential to sound fiscal management. It would contribute, albeit in a small way, towards energy conservation. And finally, it would accomplish both these ends without significant inflationary impact, without compromising the progressive goals of our tax system, and without unduly extending Government into the private sector.

I urge my colleagues to adopt this amendment increasing the Federal tax on gasoline by 1 cent.

Mr. President, the Senator from Illinois introduced legislation months and months ago calling for a larger increase in the gasoline tax. That measure was intended as a real shocker to the American public to help us all to recognize that we somehow have to become less dependent on the fossil fuels and gasoline consumption that this country's transportation system now requires.

Today I simply offer a 1 cent gasoline tax. We must somehow realize that foreign governments and local governments have already taken similar measures. Cook County increased their gasoline tax the other day, and I did not hear that they thought it was unreasonable or imprudent to raise such revenue to balance their budget.

We in the Federal Government also have a huge deficit. Are we so timid, are we so afraid of public reaction, and do we so underestimate the intelligence of the American people that we will sit here and vote against a 1-cent increase in gasoline, when anyone who travels abroad knows the cheapest gasoline outside Saudi Arabia and Kuwait is here in the United States even today?

Most countries of the world, including some in the Middle East pay $1.50 to $2 a gallon for gasoline.

I think it is about time we bite the bullet on this issue.

Mr. President, I am very happy to yield back the remainder of my time, and to do whatever the floor manager wishes.

Mr. LONG. Mr. President, reluctantly, realizing what I believe to be the mood of the Senate at this point, I must move to table the amendment.

Mr. PERCY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to table the Percy amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

I also announce that the Senator from

Missouri (Mr. Eagleton) is absent attending the funeral of Congressman Jerry Litton of Missouri.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Nebraska (Mr. Hruska), the Senator from Pennsylvania (Mr.) Schweiker), the Senator from Alaska (Mr. Stevens), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Stevens) would vote "yea."

The result was announced—yeas 65, nays 21, as follows:

[Rollcall Vote No. 496 Leg.]

YEAS—65

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Durkin
Eastland
Ford
Glenn
Gravel
Griffin
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Symington
Taft
Talmadge
Weicker
Williams

NAYS—21

Brooke
Burdick
Curtis
Dole
Fannin
Garn
Goldwater
Hansen
Hart, Gary
Javits
Mathias
McClure
Metcalf
Packwood
Pell
Percy
Stafford
Stevenson
Stone
Thurmond
Tower

NOT VOTING—14

Biden
Cannon
Eagleton
Fong
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Mondale
Schweiker
Stevens
Tunney
Young

So the motion to lay on the table was agreed to.

UP AMENDMENT NO. 326

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Gravel). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. Dole) proposes an unprinted amendment numbered 326: At the end of the bill insert a new title: Permanent Reductions in Individual Income Taxes.

Mr. Dole's amendment is as follows:

At the end of the bill, insert the following new title XXIX.

TITLE XXIX—PERMANENT REDUCTIONS IN INDIVIDUAL INCOME TAXES

Sec. 2901. Increase in Personal Exemption.

(a) In general.—Subsections (b), (c), (d), and (e) of section 151 (relating to allowance of deductions for personal exemptions) are amended to read as follows:

"(b) Taxpayer and Spouse.—An exemption of $1,000 for the taxpayer; and an additional exemption of $1,000 for the spouse of the taxpayer if a joint return is not made by the taxpayer and his spouse, and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

"(c) Additional Exemption for Taxpayer or Spouse Aged 65 or More.—

"(1) For Taxpayer.—An additional exemption of $1,000 for the taxpayer if he has attained the age of 65 before the close of his taxable year.

"(2) For Spouse.—An additional exemptional exemption of $1,000 for the spouse of the taxpayer if a joint return is not made by the taxpayer and his spouse, and if the spouse has attained the age of 65 before the close of such taxable year, and, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

"(d) Additional Exemption for Blindness of Taxpayer or Spouse.—

"(1) For taxpayer.—An additional exemption of $1,000 for the taxpayer if he is blind at the close of his taxable year.

"(2) For spouse.—An additional exemption of $1,000 for the spouse of the taxpayer if a separate return is made by the taxpayer, and if the spouse is blind and, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer. For purposes of this paragraph, the determination of whether the spouse is blind shall be made as the close of the taxable year of the taxpayer; except that if the spouse dies during such taxable year such determination shall be made as of the time of such death.

"(3) Blindness defined.—For purposes of this subsection, an individual is blind only if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

"(e) Additional exemption for dependents.—

"(1) In general.—An exemption of $1,000 for each dependent (as defined in section 152)—

"(A) whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than $1,000, or

"(B) who is a child of the taxpayer and who (i) has not attained the age of 19 at the close of the calendar year in which the taxable year of the taxpayer begins, or (ii) is a student.

"(2) Exemption denied in case of certain married dependents.—No exemption shall be allowed under this subsection for any dependent who has made a joint return with his spouse under section 6013 for the taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

"(3) Child defined.—For purposes of paragraph (1)(B), the term 'child' means an individual who (within the meaning of section 152) is a son, stepson, daughter, or stepdaughter of the taxpayer.

"(4) Student and educational institution defined.—For purposes of paragraph (1)(B) (ii), the term 'student' means an individual who during each of 5 calendar months during the calendar year in which the taxable year of the taxpayer begins—

"(A) is a full-time student at an educational institution; or

"(B) is pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational institution or of a State or political subdivision of a State.

For purposes of this paragraph, the term 'educational institution' means only an education institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on.".

(b) Technical and Conforming Amendment.—Section 6013(b)(3)(a) (relating to assessment and collection in cases of certain returns of husband and wife) is amended by striking out "$750" each place it appears and inserting in lieu thereof "$1000"; and by striking out "$1500" each place it occurs and inserting in lieu thereof "$2000".

Sec. 2902. Change in Filing Requirements to Reflect Change in Personal Exemptions

Notwithstanding any other provisions of this bill to the contrary, paragraph (1) of section 6012(a) (relating to persons required to make returns of income) is amended to read as follows:

"(1)(A) Every individual having for the taxable year a gross income of $1,000 or more, except that a return shall not be required of an individual (other than an individual to whom section 141(e) applies or an individual to whom section 142(b) refers)—

"(i) who is not married (determined by applying section 143), is not a surviving spouse (as defined in section 2(a)), and for the taxable year has a gross income of less than $2,700,

"(ii) who is a surviving spouse (as so defined) and for the taxable year has a gross income of less than $3,100,

"(iii) who is a married (as defined in section 143) individual filing a separate return and for the taxable year has a gross income of less than $2,050, or

"(iv) who is entitled to make a joint return under section 6013 and whose gross income, when combined with the gross income of his spouse is, for the taxable year, less than $4,100 but only if such individual and his spouse, at the close of the taxable year, had the same household as their home.

Clause (iv) shall not apply if for the taxable year such spouse makes a separate return or any other taxpayer is entitled to an exemption for such spouse under section 151(e).

"(B) The amount specified in clause (i), (ii), or (iii) of subparagraph (A) shall be increased by $1,000 in the case of an individual entitled to an additional personal exemption under section 151(c)(1), and the amount specified in clause (iv) of subparagraph (A) shall be increased by $1,000 for each additional personal exemption to which the individual or his spouse is entitled under section 151(c)".

Sec. 2903. Withholding Tax.

(a) Requirement of Withholding.—Subsection (a) of section 3402 (relating to income tax collected at source), as heretofore amended by this bill, is amended to read as follows:

"(a) Requirement of Withholding.—

"(1) General rule.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary. The tables so prescribed shall reflect the amendments made by sections 2601 (a) and 2603 of the Tax Reform Act of 1976 for taxable years ending after December 31, 1976. For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1)."

(b) Percentage Method of Withholding.—Section 3402(b)(1) of such Code (relating to percentage method withholding table) is amended to read as follows:

"(1) The table referred to in subsection (a) is as follows:

"Percentage method withholding table

"Payroll period:	*"Amount of 1 withholding exemption*
Weekly	$19.20
Biweekly	38.40
Semimonthly	41.70
Monthly	83.30
Quarterly	250.00
Semiannual	500.00
Annual	1,000.00
Daily or miscellaneous (per day of such period)	2.70"

(c) WITHHOLDING ALLOWANCES.—Notwithstanding any other provisions of this bill to the contrary, section 3402(m)(1) (relating to withholding allowances based on itemized deductions) is amended by striking out "$750" and inserting "$1,000" in lieu thereof.

SEC. 2904. EFFECTIVE DATE.

The amendments made by sections 2701 through 2703 shall apply to taxable years ending after December 31, 1976.

Mr. DOLE. Mr. President, if I may have the attention of the distinguished floor leader on the bill——

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, I say to the distinguished Senator from Louisiana, the Senator from Kansas offering this amendment is very willing to enter into a time limitation agreement. It is a very simple amendment.

Mr. LONG. Mr. President, I would suggest that we have a limitation of 10 minutes, to be equally divided between the sponsor and the manager of the bill, at the conclusion of which I would move to lay on the table. If the motion to lay on the table fails, then I say to the Senator I would have to oppose the amendment, but we could see whether we could proceed with the amendment after that.

The PRESIDING OFFICER. Is there objection?

Mr. HASKELL. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG. Go ahead and make your statement.

Mr. DOLE. Mr. President, as the Senator from Kansas has indicated, while far reaching in many respects, the amendment is easily understood. It simply raises the personal exemptions for a taxpayer and spouse, and for anyone over 65, blind, or dependents, from $750 to $1,000. The amendment I am submitting will permanently reduce income taxes to the level proposed by President Ford during October of 1975, by increasing the personal exemption from $750 to $1,000.

This change will take effect in 1977 and supplement the individual income tax reductions in the committee amendment for 1977 and years thereafter.

This individual tax reduction will provide relief for all taxpayers on a per capita basis. It will be particularly important for the middle-income taxpayers, who, because of the effect of inflation, have found that larger and larger tax bites are being taken from their paychecks. For this particular group of taxpayers, the rewards of enterprise, sustained effort, and the accumulation of capital have been eroded. The amendment will reverse this dangerous trend while providing gains for the low-income taxpayer as well.

I ask unanimous consent to have printed in the RECORD at this point a chart showing the distribution of benefits under the proposed amendment.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

About $250 for the average family of 4

Adjusted gross income class:	*$1,000 personal exemption*
Up to $5,000	515
$5,000 to $10,000	1,908
$10,000 to $15,000	2,548
$15,000 to $20,000	2,056
$20,000 to $30,000	1,867
$30,000 to $50,000	802
$50,000 to $100,000	330
$100,000 plus	80
Total	10,105

Mr. DOLE. Most of the benefits, I would add, would go to those with $5,000 to $10,000 of adjusted gross income, and the next higher bracket of $10,000 to $15,000 in adjusted gross income. The majority share of the benefits would go to the so-called middle-income taxpayers, who have been neglected, as far as this Senator is concerned, so far in this legislation.

The provisions in the amendment will reduce tax liabilities by an additional $10 billion, which is the full amount required to bring the tax cuts in the committee's bill up to the level recommended by the President last fall. At that time, the President also proposed an equivalent reduction in Federal expenditures. In essence, $10 billion would be taken from the Government and returned to the people, so that they could have a greater say in determining how their money should be spent.

I believe the choice is clear. Will we continue down the road to an even larger Government, and the accompanying deficits? Or will we decide now to restore to the American people a greater say in determining the use to be made of our country's resources?

There are a number of spending bills that have not yet been acted upon by Congress. So far, according to the latest Senate budget scorekeeping report, Congress has acted on only $294.5 billion of budget spending so far. Compared to the first budget resolution, that leaves $118.8 billion of possible spending which has not yet been acted on. Over $23 billion has not even been reported in the Senate.

So it is not too late to hold back on spending—as the President urged since last fall.

Although my amendment does not couple tax reductions with a comparable expenditure reduction, it is my hope and expectation that the Congress will recognize the need to bring a halt to the momentous growth of Government and deficit financing. As I have just indicated, it is not too late to do that. There has been a great deal of debate and rhetoric about special interest groups, and how this bill is designed to help special interest groups. This amendment is designed to help every taxpayer. Every taxpayer would benefit from the amendment directly and effectively in 1977.

It seems to me that we can begin now to forge a different economic policy—a different budget plan—one that provides more income and more spending for the taxpayer, for every citizen, and which allows less spending by the Government.

In answer to those who say, "Well, where are you going to find the $10 billion needed to offset the tax reduction," I remind them we have yet to authorize or fund the public works and countercyclical bill. There is $1.5 billion available there.

If we look at title VI in the Labor-HEW appropriations there is about $3.1 billion for CETA and other reductions that could be made there.

If we consider the stimulating effect and the feedback effect, it seems to this Senator we would recover nearly all the amount expended because of the tax reduction.

I am realistic enough to know that the Congress will probably not act to reduce spending by the full $7.1 billion amount of this tax reduction.

If the deficit as a result ends up larger, the responsibility lies firmly with Congress for its failure throughout this year to act on spending restraints suggested by the President.

I am realistic enough to know that we probably cannot act to reduce spending by the entire amount of the tax reduction, but it seems to this Senator that we could make a step in that direction.

Mr. President, I reserve the remainder of my time.

Mr. LONG. Mr. President, if we permitted this amendment to have the discussion that the amendment properly deserves, we would still be discussing this amendment at 6 p.m. this evening. The Budget Committee has taken a position diametrically opposed to the direction of the amendment. I do not think that the Senate will agree to the amendment, even if we did discuss it.

So reluctantly I must move to lay the amendment on the table.

Mr. MUSKIE. Mr. President, will the Senator withhold for 2 minutes?

Mr. LONG. Mr. President, I ask unanimous consent to yield to the Senator 2 minutes without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maine.

Mr. MUSKIE. Mr. President, the Senator wished to have my concurrence in what the Senator just said.

The Senate did reject the President's line item reduction tax program. In replacing it, in large part, we provided funds in direct spending in the budget for a wide host of programs.

As the Senator will remember, the President urged this kind of tax cut with regard to an outlay ceiling of $354 billion. The Budget Committee approved by Congress provided for an outlay ceiling of $412 billion. The difference is represented by the President's tax cut package.

The fiscal year 1977 impact on the budget of this amendment would be $7.1 billion.

We are already losing about $2 billion in terms of the budget resolution in this tax bill's revenues. This would add $7.1 billion. We cannot find it in the direct spending budget. That is clear. The Senator from Kansas, who is a member of the Budget Committee, understands how hard it was to arrive at the $412 billion outlay ceiling.

So there is no way to accommodate this amendment in this loss of revenue in the first concurrent resolution which Congress has approved.

Mr. LONG. Mr. President, I move to lay the amendment on the table.

Mr. DOLE. Mr. President, will the Senator from Louisiana yield for 1 second?

Mr. LONG. I yield for 1 second.

Mr. DOLE. Mr. President, I ask unanimous consent to add the distinguished Senator from New Hampshire (Mr. DURKIN) as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

Mr. LONG. Yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Kansas. The yeas and nays have been ordered.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Michigan (Mr. PHILIP A. HART) and the Senator from Delaware (Mr. BIDEN) are absent because of illness.

I also announce that the Senator from Missouri (Mr. EAGLETON) is absent attending the funeral of Congressman Jerry Litton of Missouri.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 57, nays 29, as follows:

[Rollcall Vote No. 497 Leg.]

YEAS—57

Abourezk
Allen
Bartlett
Bayh
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Eastland
Ford
Glenn
Gravel
Hart, Gary
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Sparkman
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Williams

NAYS—29

Baker
Beall
Brock
Buckley
Byrd, Robert C.
Dole
Domenici
Durkin
Fannin
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Jackson
Mathias
McClure
Metcalf
Montoya
Pastore
Pearson
Roth
Scott, Hugh
Scott, William L.
Stafford
Thurmond
Tower
Weicker

NOT VOTING—14

Biden
Cannon
Eagleton
Fong
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Mondale
Schweiker
Stevens
Tunney
Young

So the motion to table was agreed to.

UP AMENDMENT 327

Mr. STONE. Mr. President, I ask unanimous consent that it be in order to call up my amendment, in the sense that the committee will have the discretion, if this amendment is adopted, to insert the amendment at the end of the bill or wherever else the committee, in its discretion, chooses to insert the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. RIBICOFF. Mr. President, this has been agreed to all around.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. STONE) proposes unprinted amendment numbered 327.

Mr. STONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title XXVIII insert the following new section:

SEC. 2810. AMORTIZATION OF REPLACEMENT RAILROAD TIES.

Subsection (g) of section 263 (relating to capital expenditures), as amended by section 1701 of this Act, is amended to read as follows:

"(g) RAILROAD TIES.—In the case of a domestic common carrier by rail (including a railroad switching or terminal company) which uses the retirement-replacement method of accounting for depreciation of its railroad track, expenditures for acquiring and installing replacement ties of any material (and fastenings related to such ties) shall be accorded the same tax accounting treatment as expenditures for replacement ties of wood (and fastenings related to such ties).".

Mr. STONE. Mr. President, for a number of years the railroads in our country have been under a severe strain due in large part to their inability to improve the roadbeds upon which they operate. I have been interested for several years in any measures which would rectify this situation. Recently, I rode the Auto-Train from Florida and I was again reminded of how important it is for us to improve our railway system and to encourage the railroads to maintain their roadbed facilities in order to provide better and more comfortable service.

One of the critical elements in the roadbed is the crosstie. Over the years, railroads have experimented with railroad ties made of materials other than wood. For the most part, these experiments have been uniformly unsuccessful, the latest failure having occurred in Kansas in June of 1975. However, because of a shortage of wooden ties—some railroads were even importing them—several railroads, one of which is in my State, set out on a major program of replacing wooden ties with concrete ties. Unfortunately, about 3 years after the program was undertaken, the Internal Revenue Service suddenly issued a ruling which changed the manner in which concrete ties would be treated for tax purposes. I think there is unanimous consent outside of the IRS of course, that the position adopted by the Service is incorrect.

The ruling by the Internal Revenue Service had the effect of discouraging railroads from going forward with programs which are designed to improve the quality of their roadbeds through the use of nonwood ties, at almost precisely the same time that such programs were desperately needed. Moreover, the action by the Internal Revenue Service actually penalized those railroads which did attempt to improve the quality of their roadbeds through the use of nonwood ties. In the future, technological advances will undoubtedly permit even greater use of nonwood materials in crossties. However, the ruling of the Internal Revenue Service will continue to act as a deterrent to any railroad which is interested in taking advantage of technological changes.

Both the House bill and the Finance Committee bill attempt to rectify the situation but neither accomplishes the task completely. My amendment would resolve the problem by treating nonwood replacement ties exactly like wooden ties and would eliminate any injustice which resulted from the previous ruling of the Internal Revenue Service. I have been assured that the revenue impact of my amendment is extremely minimal since the only difference between my amendment and the Finance Committee amendment is one of timing, the total allowable deduction being the same.

It was my original intention to include language in this amendment making it retroactive in effect. However, upon thorough consideration, I determined that it was not necessary to do so. I say this because my amendment does not constitute a change in the law. Rather, it is a codification of what, except for an erroneous ruling by the Internal Revenue Service, would be standard railroad accounting procedure. It is important, I believe, to note that the ICC has adopted the position that all concrete ties are to be expensed in the year of installation.

It is my understanding that several railroads are contesting the position of the Internal Revenue Service with respect to this issue. My amendment is not to be construed as sanctioning what the Internal Revenue Service has done or attempted to do in the past with respect to concrete ties. On the contrary, I would expect that expenditures for concrete ties would be treated in exactly the same manner as expenditures for wooden ties for prior years. Under these circumstances, I see no need to make this provision retroactive in effect.

We are all in agreement that the railroads are a vital link in our transportation system and since there are many who are opposed to outright Federal contributions to the railroads to assist them in improving their roadbed facilities, I think that it is the least that this Congress can do to remove obstacles such as the one I have described which retard railway roadbed maintenance. Accordingly, I strongly urge my colleagues to agree to this amendment.

Mr. President, this is a prospective, not retroactive, amendment. It will afford the same treatment to nonwood cross ties and their improvement as for wood.

This amendment has been carefully drafted and cleared by a number of the Senators who otherwise might have objected to this—not to be retroactive.

This has been cleared by the Senator from Oregon (Mr. Packwood), who had a somewhat similar amendment, but relating more to improvements of cross ties.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 328

Mr. GARY HART. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. Gary Hart for himself and Mr. Kennedy, Mr. Moss, Mr. Brooke, and Mr. Hatfield) proposes an unprinted amendment numbered 328.

Mr. GARY HART. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

HEALTH PROTECTION TAX ON CIGARETTES

Sec. . Cigarette Excise Tax.

(a) Subsections (b)(1) and (2) of Section 5701 of the Internal Revenue Code of 1954, as amended, (relating to the rate of tax on cigarettes) is amended to read as follows:

"(1) All cigarettes.—

"(A) Imposition of tax. There shall be imposed on every cigarette, regardless of weight, which contains—

"(i) from 10.0 to 19.9 toxic units, a health protection tax of $0.0025;

"(ii) from 20.0 to 29.9 toxic units, a health protection tax of $0.0075;

"(iii) from 30.0 to 39.9 toxic units, a health protection tax of $0.015; and

"(iv) 40 or more toxic units, a health protection tax of $0.025.

"(2) For the purposes of paragraph (1), the number of 'toxic' units in a cigarette shall be calculated as the number of milligrams of 'tar' plus 10 times the number of the milligrams of nicotine which are contained in such cigarette.

"(3) The applicable tax rate provided in paragraph (1) shall be 40 percent of such rate during the calendar year 1977, at 60 percent of such rate during calendar year 1978, at 80 percent of such rate during the calendar year 1979, and at 100 percent of such rate during the calendar year 1980 and thereafter.

"(4) Determination of 'tar' and nicotine content.—

"(A) Testing by Federal Trade Commission.—The Federal Trade Commission (hereinafter referred to as the 'Commission') shall from time to time (but at least once each calendar year) determine or cause to be determined the 'tar' and nicotine content (calculated in milligrams per cigarette) of each brand of cigarettes manufactured in or imported into the United States. The conditions, methods, and procedures for conducting such determinations shall be promulgated by the Commission in regulations issued by it for purposes of this paragraph. Until such time as such regulations are first issued, the conditions, methods, and procedures for conducting such determinations shall be those approved by the Commission for formal testing which are in effect on the date of the enactment of the Tax Reform Act of 1976.

"(B) Certification to the Secretary.—During the last calendar quarter of each calendar year, the Chairman of the Commission shall certify to the Secretary of the Treasury or his delegate, the 'tar' and nicotine content of each brand of cigarettes manufactured in or imported into the United States. Such certifications shall be used by the Secretary of the Treasury to determine the rate of tax to be imposed on cigarettes for the period beginning with the first day of the calendar year beginning after such certification is made, and during such calendar year.

"(C) The Commission and the Secretary shall promulgate regulations for the purposes of testing, certifying, and imposing taxes under this subsection on new brands of cigarettes introduced for sale.

"(b) The amendments made by subsection (a) shall apply to cigarettes which the manufacturer or importer of such cigarettes removes (within the meaning of section 5702 (k) of such Code) after the dates specified in subsection (a)(3).

"(c) The Federal Trade Commission and the Secretary of the Treasury or his delegate shall promulgate regulations for the purposes of section 5701(b) of the Internal Revenue Code of 1954, as amended, within 60 days after the date of the enactment of the Tax Reform Act of 1976.

Mr. GARY HART. Mr. President, the modified version of the amendment 1945 makes on minor change on page 2, line 8, of the original amendment, by putting "$0.025" in lieu of $0.25". This modification is necessary because of a typographical error that occurred in the initial printing of the proposal.

Today, I am joined by Senators Kennedy, Moss, Brooke, and Hatfield in offering this amendment to the Tax Reform Act. Our amendment is designed to deal with the largest single unnecessary and preventable cause of illness and early death in the United States—cigarette smoking.

Perennial warnings about smoking, accompanied by threatened or actual tax increases which raise all cigarette prices, harry the habitual smoker but do not help him to reduce his consumption of cigarettes or help lessen his risk of disease.

Experts in the field, psychologists and economists among them, advise that in order to change smoking patterns, we must stop focusing on trying to diminish the total consumption of cigarettes. Instead, they suggest that we concentrate our efforts on reducing the harmfulness of what is smoked. Our amendment will do just that.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. GARY HART. I yield.

Mr. RIBICOFF. Mr. President, I wonder whether we can agree on a time limitation on this amendment.

Mr. GARY HART. I would be more than happy to agree to a time limitation on the amendment. The proponents of this amendment do not seek prolonged debate. However, none of the opponents is in the Chamber at this time.

Mr. DURKIN. Mr. President, I object to a time agreement.

The PRESIDING OFFICER. Objection is heard.

Mr. GARY HART. The Senator from New Hampshire objects.

Mr. President, medical evidence has made it increasingly clear that the risk of disease from cigarette smoking increases with the amount of tar and nicotine a smoker inhales. In order to encourage smokers to consume less of these harmful agents, our amendment provides for a differential tax, based on the tar and nicotine content of cigarettes. This differential tax will replace the current flat rate of Federal excise tax on cigarettes. Our proposal establishes a 5-bracket tax to be phased in over a 4-year period. In the first year, the tax will actually reduce the price of the so-called safer low tar and nicotine cigarettes by 8 cents per pack and increase the price of the most toxic "high" tar and nicotine cigarettes. By the fourth year, the tax will be completely phased in, and at that time, the tax will range from 8 cents less to 42 cents more per pack. Therefore, as it is proposed, the amendment will both dramatically decrease the current price of the safest low tar and nicotine cigarettes and substantially increase the price of the most toxic cigarettes. For the first time, smokers will be able to avoid all Federal excise tax merely by shifting to the so-called safe cigarette.

The revenue generated as a result of the tax will of course depend largely on the response of smokers and the tobacco industry to this new stimulus. Given the best possible response to our incentive, however, the tax revenues generated should not be substantially greater than those expected in 1976 under the current 8-cent Federal excise tax.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. Bumpers). The Senator's request is well taken. The Senate is not in order. The Senate will be in order and the Senator will suspend until it is in order. The conversations will cease. The cloakroom is empty for all those who want to converse.

The Senator may proceed.

Mr. GARY HART. I thank the Chair.

Mr. President, as I was saying, given the best possible response to our incentive, the tax revenues generated should not be substantially greater than those expected in 1976 under the current 8 cents per pack Federal excise tax. Indeed, the health protection tax which we proposed would be most effective if it raised no additional revenue.

It is most appropriate that our amendment be offered to the Tax Reform Act, because it makes a significant reform in the Federal cigarette excise tax which has not been revised or updated since 1952—24 years ago. I would like to emphasize, however, that our amendment is not an effort to raise cigarette tax revenues per se; rather it is a concentrated effort to better the health of millions of Americans. Enactment of our amendment will represent a major advance toward improving the health of our Nation.

Since the first Surgeon General's report was issued in 1964, 12 years ago, we have been all too aware of the health hazards of cigarette smoking. Yet we have been shamefully slow to act in our Nation's behalf.

In 1976, the issue of smoking and health remains of concern to all of us. The consequences of smoking have created a situation which we cannot afford to ignore, either in terms of human suffering or in terms of the attendant health care costs. Mr. President, it is my understanding that that health care cost, totally calculated, approximates about $12 billion a year. This is the amount of money we are talking about trying to deal with by this tax. That leaves aside the question that I have just mentioned, of the cost in human lives and suffering to the families of this country which result from the lung- and heart-related diseases.

I know that the Senator from Massachusetts has been extremely concerned about many of these health costs over the years. I think he is, as the chairman of the Senate Health Subcommittee, better equipped than I to address those health costs and to the effect on human lives. For that purpose, I am more than happy at this point to yield to the Senator from Massachusetts.

Mr. KENNEDY. I thank the Senator from Colorado.

Mr. President, I am pleased to join the distinguished Senator from Colorado and my other colleagues in sponsoring this amendment, which seeks to impose a differential tax on the tar and nicotine content of cigarettes. I want to make it very clear that while this amendment is being offered to the tax reform bill, and in fact, represents the first reform of cigarette taxes in almost 25 years, Senators should understand that this is less a tax measure than a health measure. In fact, it may well be one of the most important measures affecting the health of the American people that we will consider in this session of Congress. Our action on this amendment will literally affect the health and possibly, even the life, of some 60 million Americans.

It is clear that in our increasingly complex society, the average citizen is exposed more and more to a wide variety of environmental health, hazards. These include cancer-producing chemical additives and other toxic substances that find their way into our foods and animals, toxic substances in the exhausts of our factories and automobiles, and a growing recognition that some of the products and byproducts of our industry present significant health hazards to the worker in his workplace. As we learn more about these different environmental health hazards, we in Congress become increasingly aware that it is up to us to act to protect the health of the American people by legislating to remove, or at least to reduce, these hazards. Thus, we have charged the Food and Drug Administration to protect us in one area, the Occupational Safety and Health Administration to protect us in another area, and are beginning to deal with some of the other problems with legislation concerning clean air, clean water, among others.

But while all of these legislative activities are both necessary and commendable as important steps in making our environment safer for the average citizen, Senators should be aware that nothing has yet been done about the environmental health hazard that constitutes the single, leading preventable cause of death and disease in the United States today—cigarette smoking. Let me briefly review with you some of the most important figures provided by the U.S. Public Health Service, because they are, indeed, staggering in their implication.

I mention this, Mr. President: We spend hundreds of millions of dollars to be able to acquire the best information and study on various health issues, and we have been able to do that in the Public Health Service. I know that, during the course of this debate and discussion, there will be other statistics, other studies, other reports that will be put into the RECORD that will question whether we have been able to prove to an absolute mathematical certainty the connection between high tar and nicotine, and cancer of the lung, bronchitis, emphysema, and other problems that are associated with the hazards of high tar and nicotine in cigarette smoke. We shall have an opportunity, I suppose, to debate that.

Mr. President, if there is one matter which is convincingly clear, or should be convincingly clear, it is the absolute relationship which exists between the high use of tar and nicotine in cigarette smoking and the high incidence of cancer. We shall have a chance to debate it. It has been reasserted by every major study that has been done by the Public Health Service, by the Cancer Institute, and by the Heart and Lung Disease Institute. I shall mention some of those statistics:

Cigarette smoking causes well over 250,000 excess deaths in the United States each year;

Cigarette smoking is one of the leading identifiable causes of cardiovascular disease known to scientists today.

Cigarette smoking is the single leading cause of noncancerous lung disease in the United States today, causing tens of thousands of deaths or disabilities due to emphysema or chronic bronchitis.

Cigarette smoking is responsible for over 80 percent of all cancer of the lung, killing some 70,000 Americans each year in this country.

A 30-year-old American male who does not smoke can expect to live 5½ years longer than his counterpart who smokes one pack a day, and more than 8 years longer than the individual who smokes over two packs of cigarettes a day.

A male smoker, 45 to 64 years old has a death rate from all causes that is 90 percent higher than a nonsmoker; a death rate from lung cancer that is eight times greater than a nonsmoker, and a death rate from coronary heart disease that is twice that of the nonsmoker; and

The additional deaths and disease resulting from cigarette smoking adds over $11.5 billion to the already burgeoning costs of the health delivery system in the United States.

Mr. President, we are interested in trying to do something about the growth of health care costs in this country. Those are health care costs which are being underwritten by medicaid, by medicare, and by a variety of other and different programs supported by the taxpayers.

According to the Assistant Secretary of Health, this is costing $11.5 billion in terms of our health care system. It does seem to me, Mr. President, since it is a matter which all Americans are being called upon to pay for, that we, as a society and as a country, ought to try to minimize this cost.

Mr. President, I could go on with the statistics, but I think the point is made.

We can no longer afford, as a nation, to disregard these statistics and to disregard the appeal of the country's leading scientists and doctors that something be done about the problem of cigarette smoking. It is, indeed, the country's leading preventable cause of disease.

Mr. President, we listened to the debate and the discussion about how we were going to address the health care issues of this country, and we hope to hear some debate on that issue during the Presidential campaign about various insurance programs. But the one area which has been ignored for far too long, Mr. President, is in the area of preventive health care. This bill is the clearest, single most effective way of dealing with a preventable health threat to our society today.

I know the point will be made, "Well, if we are going to do this with regard to smoking, what are we going to do about the other kinds of preventable health care suggestions that have been made in various studies? What are we going to do about drinking, about weight, what are we going to do about exercise, and all the other factors?"

Obviously, we, as a country and as a society, ought to be doing a great deal more in all of these areas. But none of them lend themselves to the clear and convincing medical evidence that has been collected in this area, and none of them lend themselves to a remedy which is as available as the particular one that has been fashioned in the Hart amendment. This is to increase the tax on those cigarettes which have the highest tar and nicotine, and, in effect, discourage the use of high tar and nicotine cigarettes.

Mr. President, one other factor that I know will be raised during the course of this debate is the economic implications within a given community or State as a result of this particular amendment.

During the course of the hearings that we held, we learned that there has been some movement from high tar and nicotine to lower tar and nicotine cigarettes, with no adverse impact economically on the small farmers in those States which grow that particular crop.

I am sure we will hear the arguments made, "Well, we are moving in the cigarette industry toward lower tar and nicotine." That has been the case to a very modest degree. As a matter of fact, most of the magazines are filled with advertisements that they are moving in this direction. But still the percentage of cigarettes that are on the market, that have low-tar nicotine, that is extremely small.

But even in the area where there has been some movement toward the lower tar and nicotine, I have not been able to detect from those Senators or Representatives from tobacco States that this has had a serious adverse economic effect on the farmers or the producers of tobacco.

As a nation, we are investing billions of dollars each year in an impressive and productive biomedical research effort to learn how to prevent diseases whose cause we do not even yet understand. We can hardly afford not to do something in the area of disease prevention in a situation where we do know the cause of the diseases that I have mentioned above.

The cause of these diseases is quite clear: it lies in the complicated mixture which we call tar and in the nicotine present in cigarette smoke. While we do not understand yet what all of the substances are, and indeed how most of them work, there can be no question that tar and nicotine are responsible for most of the toxic and disease producing effects of cigarette smoking.

It is clear that we could not, and probably ought not, attempt anything so crude as a total ban of cigarette smoking: too many Americans enjoy the habit, and this is not our way in this country. What we should rather do is to attempt to cut down on the consumption of the toxic products of cigarette smoking—I want to stress that, Mr. President, the toxic products of cigarette smoking—and that is precisely what this amendment is intended to accomplish. Any reduction in the consumption of these toxic substances must inevitably show up as a reduced incidence of death and disease in the various categories I have described above.

Let no one doubt the payoff from such a reduction in tar and nicotine consumption. The dose-response data relating cigarette smoking to death and disease is quite clear on this point. If you are a 60-year-old American male, the death rate of your group goes up in proportion to the number of cigarettes you smoke. At one pack a day, the death rate among smokers is almost exactly twice as high as that of nonsmokers, and at two packs a day it is 2½ times as high. Among smokers who inhale deeply, the death rate 2½ times that of smokers who do not inhale at all.

Finally, the length of time that you have smoked is very important. Those starting to smoke at about age 15 have a death rate 30 percent higher than of those who start to smoke at age 25, and 150 percent higher than those who started to smoke only after age 30. Thus, it is clear that the consumption of toxic substances associated with cigarette smoking is cumulative and dose dependent. There can not be any question that more disease would be prevented and more lives would be saved by reducing the tar and nicotine content of cigarettes than by any other single measure that we can take in the area of controlling environmental pollution or in other areas of disease control.

Mr. President, the Health Subcommittee which I chair has held hearings on this subject throughoout the spring of year. We have received over 1,000 pages of testimony covering all aspects of the questions raised by this amendment, but with special emphasis on the scientific and health relationships between cigarette smoking and disease. We have heard from numerous doctors and scientists representing the Government, private health societies, and the tobacco industry. Each of these questions has been explored at length and at great depth, and we are prepared to discuss them more fully.

I do not pretend to be a scientist, although I have had extensive exposure to health matters during my 6 years as chairman of the Health Subcommittee. However, I can assure my colleagues in the Senate that I am now thoroughly convinced of the validity of the conclusions which we have heard in the Health Subcommittee that cigarette smoking is the leading preventable cause of disease in the United States today. We heard this not only from doctors representing the American Cancer Society, the American Heart Association, and the American Lung Association, but also from three of the country's leading Nobel prize winning cancer virologists and from the Government's leading doctors and scientists whom we pay to protect the health of the American people; the Assistant Secretary for Health, the Director of the Center for Disease Control, and the Directors of the National Cancer Institute and National Heart and Lung Institute.

Mr. President, the problem is extremely serious, and demands our attention. This cigarette tax amendment is designed to provide financial incentives for people to smoke cigarettes with lower tar and nicotine, that is, safer cigarettes. An important byproduct of this amendment will be to provide financial encouragement to the tobacco industry to accelerate the development of safer cigarettes. The tobacco industry has already made commendable strides in this direction, and we should act to further their efforts. I am assured that the technology now exists to accomplish this.

In this area I want to thank the distinguished Senators from Kentucky, Senator FORD and Senator HUDDLESTON, who arranged for me to have an extremely informative and valuable briefing upon what is being done in Kentucky by the Kentucky Tobacco and Health Research Institute on the work they have done in recent years. This is commendable.

There is no reason why we Americans should put up any longer with 70,000 lung-cancer deaths annually; with some 100,000 excess deaths from cardiovascular disease; with so high a cost in pain and suffering and so great a drain on our health care system—all attributable to the smoking of toxic cigarettes.

Mr. President, I urge my colleagues to support this amendment which will contribute significantly to the health of the American people.

In an unusual action, Mr. President, we welcome the support for this amendment by the National Cancer Advisory Board, which oversees the Federal way on cancer. They have endorsed this amendment.

What we are saying here, Mr. President, is that those scientists, researchers, medical, professional people, that are spending their lives in trying to study the problems of cancer, are uniform in their findings of the close relationship between the high tar and nicotine smoking and cancer.

One of the things that we are phasing out in this country and in our society is the situation with the proliferation of various pesticides, insecticides, herbicides, and the use of drugs in our society.

Those that are charged with protecting the American public health are constantly being asked, "Well, point out one single instance where you can show us where there is an absolutely provable case that this person died from this particular disease, or, otherwise, let us put this particular item on the market."

During the debate we had not long ago on food additives for cattle, diethylstilbestrol, and during the course of our hearings in the Senate Health Committee, we could show without reservation the absolute tie-in between the use of diethylstilbestrol by mothers during the time when they were carrying children and cancer of the cervix and the uterus in their daughters some years later. But others demanded absolute proof.

We have seen it with regard to other drugs. For example, the growth of the use of Primarin that has been discussed, approved, and on the market some 30 years. It has only been in a relatively recent period of time where we have seen studies from the prolonged use of this drug, reported in the New England Journal of Medicine, that it led to cancer of the breast and also cancer of the uterus among women.

What we, as a society, have to recognize is that as more and more additives, artificial coloring, sweetening agents, pesticides, herbicides, and insecticides come on, we are going to be constantly challenged, those of us who have responsibility in this area of the protection of the American public. We are going to constantly be challenged, to prove to a mathematical certainty that X, Y, or Z factor is absolutely an element of a given disease.

But I do not know of any instance where the case is so overwhelmingly demonstrated and shown and proved as in the relationship of nicotine and tar to the diseases of the lung.

I am sure we will have a chance to get into that during the course of this debate.

The steps which are being suggested by the Senator from Colorado's amendment are solely to try, through an incentive program, to discourage the higher utilization of tar and nicotine, and encourage those cigarettes with lower tar or nicotine. This is what would be achieved by this amendment.

I want to thank the Senator from Colorado for yielding to me for these comments and I look forward to participation.

Mr. GARY HART. I thank the Senator from Massachusetts for his excellent statement.

I will yield to the Senator from Utah, but I want to make a couple of observations before I do.

One is that amendment 1945, cosponsored by the Senator from Massachusetts, the Senator from Utah, and others, has support of the following groups, and I will just read a partial list of the organizations:

National Cancer Advisory Board.
American Cancer Society.
American Heart Association.
American Lung Association.
American Public Health Association.
American Nurses' Association.
National Kidney Foundation.
American College of Chest Physicians.
American Association of Neurological Surgeons.
American Medical Student Association.
Action on Smoking and Health.
Cystic Fibrosis Foundation.
GASP.
Metro-Washington Coalition for Clean Air.
National Health Federation.
National Health Education Committee, Inc.
D.C. Lung Association.
Cancer Institute.

I will say with regard to the Senator from Massachusetts that we found out only after we prepared this amendment for introduction that this was a matter that the former Senator from New York (Mr. Robert Kennedy) felt very strongly about himself and introduced legislation almost parallel to ours in 1968.

So 8 years ago, the distinguished former Senator from New York (Mr. Robert Kennedy) introduced legislation, and I am more than proud to have the Senator from Massachusetts as a cosponsor on this bill.

I yield to the cosponsor, the Senator from Utah.

Mr. MOSS. I thank the Senator from Colorado.

I have listened with great interest to what the Senator from Massachusetts had to say. He and I and his brother Robert have all collaborated in this effort to cut down on the smoking of cigarettes because of the health impact on our people.

Mr. President, I am pleased to be a cosponsor of the Hart amendment which would establish a differential tax on cigarettes based upon the content of the hazardous materials contained in each cigarette. This is sound public policy.

The American people bear a great cost for the habits of cigarette smokers. The death and disability level for smokers is considerably higher than for nonsmokers and all of the public must bear these costs. I believe that there is no reason for the smoker not paying his own "user" tax for cigarettes and the concomitant injury which will result from smoking.

The amendment which we have before us is the logical progression from the seed which was planted by the late Senator from New York, Robert Kennedy. At the World Conference on Smoking and Health in New York in September 1967, Senator Kennedy proposed that such a tax be levied on cigarettes. The data was in and there was no doubt that cigarette smokers were not paying taxes for the use of the product which matched the public expenditures necessary to support their disability, hospitalization, and welfare of their dependents. Since that time a number of us have introduced similar measures. Now we will have an opportunity to vote on them.

Much evidence has been accumulated. In 1967 and 1972 the Commerce Committee held hearings on the relative hazards of cigarettes higher in nicotine and tar. Earlier this year, the Health Subcommittee, under the leadership of Senator EDWARD KENNEDY held additional hearings. The time to act is now. Now we can take the public tax burden off of the nonsmoker or light, low tar and nicotine smoker, and to discourage the heavy smoker of higher tar and nicotine cigarettes.

Mr. President, ever since the report of the Surgeon General of 1964 we have known of the perils of smoking cigarettes and the incidents of death and disease that follow. There have been a series of reports issued regularly by the Department of Health, Education, and Welfare on this subject matter. There have been world conferences held. I have had the opportunity to attend three world conferences at which all of the developed countries of the world come together on this problem, which is not peculiar to the United States. It is a problem in Great Britain, in France, in the Scandinavian countries, Germany, and Poland. It is a problem even in the countries behind, what we call, the Iron Curtain. They come to these world conferences because everyone is trying to find a way to cut down, and eliminate if possible, the smoking of cigarettes.

Well, we have not found a way to do that, short of prohibition, which nobody wants to undertake because of other ramifications.

One of the ways we can make a considerable impact in this field is to force down the tar and nicotine content of cigarettes. Of course, the best incentive to do that is economic. If the taxation is higher on high tar and nicotine cigarettes, they will not enjoy the flavor as ones which are lower in tar and nicotine.

I must say the tobacco producers and the tobacco manufacturers have made considerable progress. The tar and nicotine content of cigarettes now has declined. It has declined very satisfactorily. But it still is not down to where it should be, and with all brands there are still many high tar and nicotine brands on the market. I believe with this sort of economic incentive we can bring them down, too. It has been proven that they can market cigarettes of that caliber.

I see on each of the Senator's desks a new draft report with selected chapters of the reports on smoking cigarettes and the consequences of so doing. Every Senator has before him a very thick, well-documented, and dramatic document to tell him what the consequences are.

Mr. President, I strongly support this amendment. I am pleased to cosponsor it. I hope that by this action today we can take one more step along the way to reduce, and hopefully finding the day sometime when we will eliminate, cigarette smoking.

I ask unanimous consent that a background fact sheet on "Health Protection Tax on Cigarettes" be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HEALTH PROTECTION TAX ON CIGARETTES

(Background fact sheet)

1. How much do Americans smoke?

In 1975, Americans smoked over 600 billion cigarettes. This corresponds to more than 200 packs or 4,000 cigarettes per person 18 years of age and older.

2. What are the health consequences of smoking?

There is overwhelming evidence linking cigarette smoking to illness and early death in the United States. The death rate for cigarette smokers is more than 70% higher than for non-smokers. Cigarette smokers have 70% more heart attacks than non-smokers. Eighty percent of all lung cancers are caused by cigarette smoking. Cigarette smokers are 10 times more likely to die from lung cancer than non-smokers. Cigarette smokers are 6 to 15 times more likely to die from chronic bronchitis and emphysema and much more likely to develop many other diseases than are non-smokers. In 1976, anywhere from one-fourth to one-half million Americans will die from these smoking induced diseases.

3. What are the health costs of smoking?

During hearings earlier this year before the Senate Health Subcommittee, the Assistant Secretary for Health testified that these smoking induced diseases now cost the American public in excess of $11.5 billion annually. Of course, this figure does not include the cost in human misery and suffering which is incalculably greater.

4. What is the purpose of this amendment?

This amendment will encourage public consideration of the significant health hazards associated with cigarette smoking. By reducing the current market price of less toxic cigarettes by 8 cents per pack, an incentive will be provided to smokers to switch

to less dangerous cigarettes. By increasing the tax on the most toxic cigarettes, a further incentive will be created to encourage manufacturers to develop and market less hazardous cigarettes, thereby substantially decreasing future threats to public health.

5. How will this affect the current Federal cigarette tax?

The Health Protection Tax is designed to replace the current federal tax on cigarettes, which has remained at 8 cents per pack (regardless of tar and nicotine content) since 1952.

6. What are the proposed Health Protection Tax Rates?

The amendment establishes five tax brackets for cigarettes, based on tar and nicotine. Each brand of cigarettes will be taxed according to the bracket into which it falls. The lowest tar and nicotine cigarettes will be exempt from the Health Protection Tax, the highest tar and nicotine brands will be taxed at the highest rates. During 1977, the Health Protection Tax will range from zero to 20 cents per pack. By 1980, when the tax is completely phased in, the Health Protection Tax will range from zero to 50 cents per pack. Thus, in four years, the price for a pack of cigarettes will be anywhere from 8 cents less than today's price to 42 cents more as a result of this amendment.

7. How much revenue will be generated by the Health Protection Tax?

This will, of course, depend on the extent to which smokers switch to lower tar and nicotine brands. Assuming there is a major switch to safer cigarettes, the Health Protection Tax will generate $2.8 billion in 1977, increasing up to $5.1 billion per year by 1980. In the unlikely event that there is no switch to "safer" cigarettes, the Health Protection Tax would generate $3.1 billion in 1977 and $7.6 billion per year by 1980. In either case, the tax compares favorably with the revenue generated by the current federal tax, which is estimated to generate approximately $2.6 billion during 1976.

8. How will the new Health Protection Tax revenues be collected?

The Health Protection Tax will be collected and deposited in the Treasury in the same general manner as is the existing federal cigarette tax.

9. Why does this amendment not include cigars and pipe tobacco as well?

Pipe and cigar smokers do have a slightly higher risk of death from coronary heart disease than non-smokers, but a much lower risk than cigarette smokers. This disparity has been attributed to the lower levels of inhalation that characterize most pipe and cigar smoking. In addition, procedures for determining the tar and nicotine contents of cigar and pipe tobaccos have not been routinely established at this time. For these reasons, a Health Protection Tax on these products has not been included in this amendment.

Mr. MOSS. I thank the Senator from Colorado for yielding.

Mr. GARY HART. Mr. President, I have some concluding arguments I would like to make. If other cosponsors would like to speak, I will be prepared to yield the floor after that time.

Before I complete my argument, I would like to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GARY HART. Mr. President, there have been a number of serious misconceptions regarding the objectives and mechanisms of this tax. I want to address myself to those.

I have reviewed the legislative history of the last legislation on cigarette taxes, some 24 years ago, and a review of that legislation included a number of these counterarguments. However, events of the past 24 years will show all of these counterarguments to be false—that a Federal excise tax on cigarettes would destroy the tobacco industry; that it will drive the small, independent farmers out of business and into the cities, increasing the number of urban farmers; that it will destroy the economy of the tobacco producing areas; that all kinds of dire consequences would result from that legislation of 24 years ago.

Obviously, none of those arguments have been borne out by the events of the last 24 years.

When others raise those same arguments again a quarter century later, we want to respond and show that none of them is true.

One argument charges that our efforts are Big Brotherism, that we are trying to tell people what they can and cannot do through the Tax Code.

The response to that, Mr. President, is obvious to all of our colleagues. First of all, the Tax Code contains many, many examples of incentive and disincentive taxes. The so-called Big Brother issue with regard to the use of Tax Code falls of its own weight. Examples of this are tariffs, things like the $200 dividend deduction, deduction of interest on mortgages, tax rebates, and on and on.

We have been here for 5 or 6 weeks enacting tax incentives and disincentives and nobody has talked about Brotherism, certainly not the proponents of those tax breaks.

As with these other examples, the individual under our amendment retains his freedom of choice and will continue to do so. This is not a Big Brother tax. Rather, as the original Federal excise tax on cigarettes was some years ago, it is an exercise of congressional discretion in legitimate legislative authority.

The fact of the matter is smoking results in excessive health care costs to the Government. We might as well face up to that. It is not just the cost to the individual, of which runs into billions of dollars, but there are tremendous health care costs to the Government.

The tobacco industry is the only industry that costs the American Government $11.5 billion in health care and $60 million in subsidy, as well as the loss of 77 million workdays, and 308 million days of restricted activity due to smoking related illnesses. More importantly, the health consequences of smoking are certain.

In the past, the Congress has identified harmful substances and has, through legislative activity, reduced the hazard to the public either through regulation or an outright ban. There is not an outright ban. In the case of cigarette smoking, we have known since 1964 what the hazards are and all the evidence since then has only confirmed that conclusion. Certainly, a ban would be undesirable and inappropriate, as the Senator from Massachusetts has said.

One additional point, a 1975 Health, Education, and Welfare survey shows that Americans want the smoking hazard reduced.

Others have charged that our tax will fall most heavily on smokers in the low-income group, that it is a regressive tax.

The fact of the matter is, Mr. President, smokers can avoid all Federal tax on cigarettes under our amendment merely by adopting the lowest tar and nicotine cigarettes. In that respect, it is a progressive tax. It changes the present law from 8 cents on all cigarettes to no Federal cigarette tax on the lowest tar and nicotine brand. One cannot correctly argue that this will fall most heavily on the low-income smokers.

More unimportantly, the tax will reduce health care cost to low-income smokers.

Thus from a health standpoint, the amendment is also progressive. Lower economic groups suffer more from the ill health related to cigarette smoking because they can least afford the resulting health care costs. Therefore, to the extent that this tax encourages individuals in these income brackets to reduce their risk of disease, the tax protects those individuals from unnecessary and preventive health care expenses.

Others have maintained that our amendment discriminates against a particular industry.

We are going to hear arguments shortly about the adverse effect of alcohol consumption in this country as an argument against passing this amendment. Why that follows, I do not know, but that argument has been made and it will be made again here this afternoon. It is ridiculous to argue, as our opponents do, that because we cannot solve every health and social problem, we should not try to solve one of the most serious.

Well, Mr. President, I think that kind of argument, that we deal only with one serious health problem, is a diversionary tactic. Our amendment is not a vendetta against the tobacco farmers or the industry. Instead our amendment is an effort to deal with one of the country's most serious health problems in a fair and effective way.

In focusing on this amendment, however, we should not forget that the Senate has consistently sought to insure the health of our people and to reduce the threat of hazardous substances, whether those substances are automobile, factory, exhaust fumes, and chemicals in our food.

Others have charged that our tax will destroy the tobacco industry and put tobacco farmers out of business.

The trend toward low tar and nicotine cigarettes in this country already taking place, although, as the Senator from Utah says, not rapidly enough, has not hurt the tobacco industry.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. GARY HART. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I am sure we will hear more from Senators representing those States, but as I understand, there really is no problem, in terms of technology, about turning from high tar and nicotine to low tar and nicotine cigarettes, in terms of tobacco growth and processing. So, as might be argued in other areas like the Clean Air Act, that we are setting arbitrary goals that the industry cannot meet, this is clearly an objective that can be realized and can be met, both as to industrial and agricultural technology.

Mr. GARY HART. The Senator from Massachusetts is exactly correct. The Senator from Colorado sees no evidence that dislocations in the tobacco industry or among tobacco farmers would occur because of a shift to low tar and nicotine cigarettes. I have seen no such evidence to date, and I have gone through the record made so far. As the Senator from Massachusetts has indicated, those in the tobacco business, those growing tobacco can continue to grow tobacco, and those in the tobacco business can continue to be in the tobacco business, and at the same time shift to the kind of product which causes the least health problem.

During the recent hearings on smoking and health held by the Senate Health Subcommittee, several witnesses, including representatives of tobacco producing States and the President of Lorillard—one of six tobacco companies—were asked if the recent trend toward lower tar and nicotine cigarettes by smokers and manufacturers had hurt the farmers or the industry. Their response was consistently "No." I think that is the best answer to the point made by the Senator from Massachusetts.

Our purpose is not to destroy the tobacco industry, and there is no proof that the amendment would have that effect.

We have a great deal of faith in the industry's ability to adjust to the marketplace and to the policies established by the Congress which are necessary to protect public health. This is not a tax on tobacco. It is a tax on tar and nicotine.

Some point out that the industry has already made efforts to have low tar and nicotine cigarettes available. And the industry has already made advances in this area; but our amendment will help speed up this progress, by encouraging the demand for the cigarettes with the lowest tar and nicotine content. A decade ago the tar and nicotine content of the average cigarette was twice that at present. But we cannot afford to wait for another decade to pass and hope that second shift will take place. There is only a 20 to 30 year lag time between the first year of smoking and the development of cancer. So we have to move as fast as possible.

I have noted some concern over the impact of our proposal on vending machine operators.

We recognize that although modern vending equipment can handle four prices, most older machines can deal with only two or three, and some of the oldest can sell at only one price. Despite this, however, it is important to note that less than 17 percent of all cigarettes sold in the United States are sold from vending machines, and the brands that account for approximately 87 percent of all U.S. cigarette sales are represented in two of our five tax brackets. Therefore, the majority of existing machines on location will be able to handle almost 90 percent of the market share. Further, in those machines that can handle only one price change, the vendor could price average.

There is one additional point to be made here. The total annual investment of vendors is approximately $500 million. The health costs to the Federal Government as a result of smoking is estimated by the Secretary of Health to be approximately $11.5 billion.

Vendors invest annually about $500 million. The health care costs are over $11.5 billion.

There has been some concern that the tax will be difficult to administer. Mr. President, there are no administrative problems. The tax will use the existing collection system.

This argument is ill-founded. Compared to most taxes, our tax will be easy and inexpensive to collect. Presently, all cigarettes sold in the country are subject to a flat rate Federal excise tax. Consequently, our cigarette tax can use the existing collection mechanisms, making only one minor change in stamping procedure.

The argument is made by certain of those who envision our tar and nicotine tax solely as a revenue-raiser, that the tax will not provide a dependable or sustained source of revenue. We think the revenue can be predicted and adjusted, over the long term, fairly accurately. Of course, exact predictions are impossible because the precise responses of smokers and the tobacco industry to a unique new stimulus are unknown. However, the rate of switching by smokers in response to the tax will probably be accurately indicated in the first year. Thereafter, the rate should hold relatively constant and reliable future estimates can be made. We have used data from experiences of other countries and the United States in predicting revenue from this tax. As I mentioned earlier, given the best possible response to our incentive the tax revenues generated should not be substantially greater than those expected in 1976 under the current 8 percent tax.

Critics have charged that our tax will reduce State and local cigarette tax revenues.

Again, I would like to make it clear that our objective is to reduce the harmfulness of what is smoked. State and local taxes are flat rate taxes and cigarette tax revenues are generated on the basis of the number of packs sold. We are shifting consumption patterns away from high tar and nicotine cigarettes to less hazardous brands, it is highly unlikely that overall consumption will drop.

Although, there are those who support our proposal who wish that were not the case, but we have no evidence to support that per pack consumption would decline.

Some fear the tax will cause a substantial increase in smuggling. Although cigarette bootlegging can be a serious problem for State and local governments, the fear of smuggling is not a problem on the Federal level, insofar as the Federal tax will be nationwide. Further, a Federal tar and nicotine tax can be collected from the manufacturers and a tax collected on this level is easier to enforce than one collected locally.

Some individuals have asked why we have limited the tax to cigarettes. I think that argument will be made at some length.

Both health and administrative reasons dictate that the tax be restricted to cigarettes. In terms of health, cigarettes comprise roughly 80 percent of all tobacco-related sales and they are the cause of 96 percent of all tobacco-related deaths. Administratively, it is easier to tax only cigarettes as a new tax can be collected through existing collection mechanisms, whereas taxes on other tobacco products would require the development of new collection procedures.

Mr. President, by enacting this tar and nicotine tax, the Government will be taking, in my judgment, a realistic step toward improving the public health. Our proposal is simply to reduce the harmfulness of what is smoked and thereby to help save millions from unnecessary disease and death. For over a decade Congress has ignored the health consequences of smoking and the American public has paid for that neglect in human lives.

Mr. President, I think the amendment the Senator from Utah, the Senator from Massachusetts (Mr. BROOKE), the Senator from Oregon (Mr. HATFIELD), and I have offered is a realistic, consistent, and timely approach to a problem that the Congress of the United States has not addressed in 24 years, and it certainly has not realistically addressed since 1964 the health impact of cigarette smoking on our society.

For the reasons I have outlined here today, we urge our colleagues to support this amendment.

Mr. TALMADGE. Mr. President, not too long ago I received a call from one of my friends who is a tobacco farmer in extreme south Georgia down near the Florida line, and he said:

> Herman, I hear that you people in Washington are about to outlaw tobacco and legalize marihuana, so I want you to get me a marihuana allotment.

No wonder he could reach that conclusion when we are seriously debating a provision here in the Chamber today to do by indirection, that is, by a confiscatory tax code, something which some people think the majority of Americans ought to conform to according to their notions of how we ought to live.

It is the Big Brother philosophy that is so prevalent in Washington today:

> We know best. You do not know best. We will use the power and the authority of the Federal Government, to wit, its Tax Code, to make you conform your habits in the way we think you ought to live.

What does this amendment do? First, let me say that there are 55 million Americans who smoke cigarettes in this country, more than one-fourth of the population of the United States. Maybe they ought not to smoke. But they think they ought to. So what we are trying to do here is make this tax so confiscatory that they cannot afford to.

What would happen? That would be the big brother philosophy of Government to make you conform whether you like it or not to what we decide to do in Washington by the way we use our tax code in Washington to make you conform to what we want you to do.

How would it affect these 55 million Americans? First let me say that the majority of the people who smoke cigarettes in this country happen to be of low or moderate income. This amendment would increase the tax on cigarettes at the Federal level from 8 cents a pack to as high as 50 cents a pack and in one category—and this must be a typographical error—on page 2, line 8, it would increase the tax on cigarettes to $5 a pack—Mr. President, from 8 cents a pack to $5 a pack.

How would this affect these 55 million Americans? Assuming that the average increased cost would be 42 cents a pack, if this became law, and assuming that an individual smokes one pack of cigarettes a day, it would increase his taxes on cigarettes alone to about $12.60 a month or $153.30 a year. And this would fall most heavily on those low income Americans who are already hard hit and can least afford it. That is what it would do for the taxpayers of this country.

NOT REDUCE SMOKING

How else would it affect them? Strangely enough, though this amendment is designed to reduce cigarette smoking, those who are knowledgeable figure that it would not.

I am informed that the modified amendment does correct the tax cost to 50 cents a pack, so I withdraw the comments on the $5 typographical error.

The amendment would increase the Federal tax take on cigarettes from $2½ billion a year to $8.400 billion a year, an increase of more than 500 percent on those who happen to prefer cigarettes.

Mr. President, strangely enough, cigarettes are not the only product that might be hazardous to health. I think most any knowledgeable authority would say that liquor is extremely hazardous to health. If we study the record we will find that cirrhosis of the liver to a very great degree is caused by the excessive use of alcohol. If we check the number of automobile accidents in this country we will find that a high percentage of them is related to excessive use of alcohol.

But the Senators who have offered this amendment have selected one product and one product alone to try to say, "We will make you conform to our standards of how you ought to live," to the exclusion of all others.

Liquor is not included, though liquor may be extremely hazardous to health. Sugar is not included, though sugar is entirely empty of calories, without any benefit whatever, contributes to obesity, and it is not taxed one thin dime. When we had the sugar bill we did have a 53-cent levy on sugar but when that died it left no Federal levy on sugar whatever. There are many other substances I could think of—junk food, with empty calories, yet none of them is taxed. They pick out cigarettes and cigarettes alone.

To carry the logic of the Senators who offered this amendment, it would say: "We are going to use the Government to make you not do anything that is injurious to your health."

Probably the most injurious factor to American health is the fact that so many of them are too fat, obesity. So if we carried it to its logical conclusion, we would pass a law and say on the first of every month we are going to weigh every American citizen and if he is overweight we are going to put a tax on the poundage that is above normal.

That is the logic of this amendment, and the same thing would be applicable in other instances. And if we would put a tax on obesity it would probably do more to protect the health of the American people than putting this exorbitant tax on cigarettes.

Who is involved here? Not only the 55 million Americans who smoke cigarettes, who would have an exorbitant tax of $153.30 a year added to their cigarette habit, but we have 600,000 Americans who grow tobacco for a living. Those Americans are largely in Appalachia. They have the lowest incomes of virtually any farmers in the country, and the farmers have the lowest income in our population. And if they were plowed under most of them would wind up on welfare.

What else would be affected?

Tobacco pays in taxes Federal, State, and local in this country, $6 billion annually. It is already the most heavily taxed commodity in America, despite the fact that those who offer the amendment want to increase the tax another 500 percent. What else would be affected? Last year we had a favorable balance of trade of tobacco exports of $1 billion. It helped us pay for the huge deficit on the blackmail prices that we had to pay on the importation of energy.

This is the same sort of logic we had back in the days of prohibition, with the Volstead Act, the 18th amendment, when they said, "Liquor is bad for you; you cannot have it," and finally the people in this country who were intolerant of the habits of others, adopted the 18th amendment. What happened?

It did not stop the use of liquor. It created rampant crime. Crime was rampant throughout America. Liquor was available, but, of the poorest quality. It killed hundreds and hundreds of thousands of citizens. And finally, after some 15 years of the experiment with intolerance, prohibition, the American people rose up in rebellion and struck down the 18th amendment, and we repealed it with the 21st amendment.

Mr. President, in due course after Senators make such remarks as they see fit, there will be a motion made to table this amendment. I hope we can expedite it and reach a speedy conclusion. It is unthinkable to me that this Senate will be so intolerant of the habits of others that they would say, "You shall not; we are going to stop it; we are going to stop you with a prohibitive tax."

Mr. HELMS. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Colorado. The language of this amendment is essentially that contained in Senate bill 2902, entitled the "National Health Research and Development Act," which has not been reported from the Subcommittee on Health of the Committee on Labor and Public Welfare.

The amendment now before us is most controversial because it would adversely impact upon many millions of Americans—including those thousands of farmers who grow tobacco, and the additional hundreds of thousands who are employed in the manufacture and merchandising of tobacco products. These are citizens who are striving in the face of continued inflation to provide a livelihood for their families and to educate their children so that the next generation can have a better life.

In addition to threatening the livelihood of those employed in the tobacco industry, the proposal now before us would also impose a heavy burden on the 60 million Americans who are consumers of tobacco products. The amendment proposes a new regressive tax that discriminates against the less privileged—those in lower income brackets. Of course, that regressive tax most seriously burdens the minorities and the disadvantaged of our land.

And, because the tax would be graduated according to the so-called tar content of the tobacco products, the less affluent Americans will not have the same level of freedom in the marketplace that will, under this legislation, be afforded to the wealthy of our Nation. Senators, high-paid professionals, and others who enjoy a substantial income will not be denied the freedom of individual selection that is now available to all consumers.

For example, if a consumer with an annual income of $5,000 paid $100 in tax under this legislation, the tax would equal 2 percent of that consumer's income. But, for a consumer with an annual income of $20,000, purchasing the same tobacco product and paying the same amount of tax, that new, regressive tax would equal only one-half of 1 percent of his income.

A citizen earning only one-fourth as much as his neighbor would be paying four times as much tax as his neighbor in terms of their respective annual incomes. Long ago, we amended the Constitution with respect to the Federal income tax to avoid that kind of discrimination against the less fortunate of our society. Yet, now, many years later, we find legislation being proposed that would perpetuate that economic bias.

LEGISLATION BASED ON UNPROVEN EVIDENCE

Further, Mr. President, I am appalled that the proponents of this amendment have obviously based their claim that it is needed upon such statements as "cigarette smoking is the largest single unnecessary and preventable cause of illness and early death in the United States." With respect, I am compelled to suggest that the statement is a gross exaggeration supportable by no more than inference and speculation.

Indeed, despite continuing research, no one has been able to assign any creditable validity to any such proposition. And, while I would not wish to debate or seek to resolve that question at this time, I do feel that it is important to note that a considerable body of medical opinion strongly disagrees with that contention. It should be recognized that there are wide ranges of opinion among those who are engaged in medical research on this subject.

In fact, I have written to several eminent and highly respected members of the scientific community to solicit their assessments of the most current research respecting the question of supposed harmful effects of tar and nicotine found in tobacco smoke. One of these gentlemen, Dr. Carl Seltzer of the Harvard University School of Public Health, has told me that such statements as quoted above are—

> Unproven, incompatible with much available scientific information, and in flat contradiction with a number of important studies.

Dr. Seltzer, and the others with whom I have corresponded, list many other conclusions and offer other evidence which strongly indicates that the fundamental assumptions of this amendment are faulty and based upon wholly inconclusive medical evidence.

Mr. President, I have made copies of this, and other, correspondence available to the Subcommittee on Health and they are part of the official record of the hearings held on February 19. Included are letters from Dr. Seltzer, and from Dr. Sheldon C. Sommers, director of laboratories at the Lenox Hill Hospital, New York, N.Y., and from Dr. Arthur Furst of the Institute of Chemical Biology, University of San Francisco, together with the related reports that were enclosed with them. This material, in my view, substantiates the fact that a wide diversity of opinion exists among informed, and highly respected professionals. Further, the material substantiates that such charges as previously quoted respecting tobacco products and health care are clearly not supportable.

I cannot believe that this Congress would consent to such an extensive proposal as the one before us when its fundamental premises are still a matter of considerable controversy. Indeed, Mr. President, Congress has repeatedly rejected such contentions. The amendment before us proposes to discourage higher levels of tar and nicotine in cigarette smoke by imposing progressively higher taxes upon those substances. As the Senators know, hearings were held in 1972 to determine whether Congress should legislate a maximum rate of tar and nicotine for cigarette smoke. The Congress could not establish a proper predicate for legislation then, and cannot do so now.

ANTICONSUMERISM AND EXORBITANT TAXATION

Mr. President, I reiterate that the proposed legislation is, frankly, an assault on the 60 million consumers of tobacco products all across the country. More than a century ago, Chief Justice John Marshall warned Americans that the power to tax is the power to destroy—the proponents of this amendment know that the discriminatory tax it would create is intended to effectively destroy the freedom of choice of tens of millions of American consumers as they enter the marketplace.

Not only would families and hard-pressed citizens suffer under the terrific burden of the excessive new taxation, but our cities, counties, and States would find that the Federal Government had effectively preempted another large portion of income resources, and had undermined the economic stability of our local units of government; the ones closest to the people.

To graphically illustrate the burden of the proposed new tax, let us accept the reasonable assumption that the consumers of the affected tobacco products are fairly evenly distributed across the Nation. In that event, by simply applying census figures to the $7.6 billion revenue figure the proponents of the legislation say it will generate, we can have a good estimate of what that tax will cost the various States and their citizens.

For example, the consumers in the State of Massachusetts would, under the new tax, pay an additional $240 million in taxes; consumers in Pennsylvania would send another $470 million to Washington; in New Jersey the proposed tax would cost the consumers $245 million. Of course, the list goes on for each State, but let me mention just a few more. The cost of that new tax to consumers in Missouri would be $180 million; in New York and California, consumers would pay about $765 million each; and in my own State of North Carolina, the increased tax burden would be to the tune of another $190 million.

And, Mr. President, the fact is that this enormous additional tax burden cannot be justified; it will be highly discriminatory; it will increase unemployment; and it will adversely impact upon millions of American consumers all across the Nation.

It is no secret that the tax burden on Americans is so excessive now that it serves to further undermine our citizens' faith in government. And, we are being told at every turn that the consumers are being "ripped off." I respectively submit that the amendment now before us is an example of the problem—not the solution.

Mr. HOLLINGS. Mr. President, my distinguished friend from Georgia about covered it. I got all steamed up until I heard him, and there is very little to add.

When I hear my colleagues talk of the cost, Mr. President, that "the American people know the great cost, and the users ought to pay the cost," and at another point about the Government supporting tobacco, I had a figure of the Government expenditure in behalf of the tobacco program of $39 million.

I just went to the back room and checked with Henry Casso, of the Senate Agriculture Committee, and found that these are the figures given by the Department of Agriculture in their financial report of the financial condition of the Department for the year ending June 30, 1975.

The tobacco support program costs $1,930,117 and, then on further inspection, that is just the support program. "You had millions for the tobacco support program," I hear my friend from Utah always saying, "How can we justify such a program?" We also have the market promotion program overseas which cost $100,000. We have the grading and inspection service which costs the Government approximately $5 million. And then, of course, there are sales under Public Law 480.

Those are the only Government programs I can find under Public Law 480. The actual figure for the past fiscal year is $17,678,721.

So generally that is a $25 million program, and the most recent figure I could find from the same audit reports of the city, county and State taxes of tobacco, that tobacco users are paying the Government, and the Government is being supported to the tune of $5.7 billion, whereas the program only cost about $25 million. So hundreds and hundreds of times, over and over again over and over again, tobacco is supporting Government, not that the Government is supporting tobacco.

I happen to believe in tobacco taxes at the State level. I have been the author and supporter of increases in the tobacco tax in South Carolina. So I am not necessarily fixed for the tobacco farmer or for that particular segment of our economy. I think it is important.

I think it is significant, and I want to give every consideration to them. But when they come with a tax of this kind, which cannot be put in any better context than that Big Brother knows best; that they are going to tell you how to live and what to do because they have a few health statistics, then it puts you to the task of comparing, on the one hand, what really is causing bad health, if they were sincere about it, and, on the other hand, how you stop it. To stop it, I am convinced that you could keep raising the tax and people are going to smoke.

We learned the same thing during prohibition, with liquor consumption.

What I have supported in order to bring home the idea of smoking causing cancer is every bit of increased appropriation we could possibly give, in my role on the Subcommittee on Health, Education and Welfare of the Committee on Appropriations. Everyone connected with the Cancer Institute will find no more loyal supporter, because I have supported amendments to increase those amounts with respect to public education and research.

We are not trying to spread cancer. We are trying to control cancer. This particular tax approach is a rather smug Big Brother way that I cannot appreciate. I do not hear them saying anything about old demon rum and liquor. [Laughter.] They are not going to come forward about liquor and about how many drunk drivers there are and how many families are broken up and how many people end up in the gutter and everything else. They do not think about increasing those taxes. They sit around and drink their drinks and say, "Ha, ha, we showed them about cancer, didn't we?" There is no increase in the taxes on liquor.

Incidentally, they try to bring in personalities here. My distinguished colleague to my left sits and smokes a cigar. I am happy, frankly, that we have a rule that we cannot smoke in the Senate, because I do not like smoking. I do not smoke. I think it does give you cancer. But I think he is entitled to smoke his cigar. If he does not have the money to pay the high cost of it, I do not think we should deny him that pleasure—or, more particularly, that segment of society that wants to light up and relax.

They do not have ski lodges. They do not have condimoniums at Hilton Head or in Colorado, or go to ski slopes. They do not have sailboats to go out and sail. They do not have a summer home to get away from the wife (laughter). They just light up a cigarette and relax.

I think they ought to have the right to sit up and light a Lucky and relax in their own homes in America. (Laughter) That is what they are really getting at. I suppose if we did solve the problem with these cigarettes, we would give it all over to the psychiatrists. Many a soul in this society has been saved by being able to sit and relax, rather than having to listen to all the noise and not being able to do anything else but consult these $100-an-hour psychologists and psychiatrists. We will have to increase all the appropriations and go into mental health, if they want this type solution for this type problem.

The fact is that this does not belong on a tax bill.

I can talk longer, and perhaps will, if they do not table it; because it is an absolutely outrageous approach to go from 8 cents a pack to $5. I did not read it. I wish I had all the figures.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. LONG. Mr. President, there were six of us at the restaurant downstairs who agreed that we would vote to table this amendment, if those who were speaking against it would be willing to withhold their speeches long enough for us to vote. If we did not have to hear all those speeches, we might table the amendment.

Mr. HOLLINGS. I will take the distinguished chairman's suggestion and hush. [Laughter.]

Mr. HUDDLESTON obtained the floor.

Mr. LONG. Mr. President, I would like to have an agreement with the Senator that he will yield to me after about 3 minutes so that I may make a motion. I hope we can find out what he and the Senate want to do about a motion to table.

Mr. DURKIN. Mr. President, I should like to say a few words.

Mr. LONG. Every Senator from a tobacco-producing State would like to say a few words.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, last February, in a hearing before the Senate Subcommittee on Health, I made the statement that the "question of smoking and health is still a question." That was where we were in February, and that is certainly where we are today.

I am aware that it is a widely held belief that tar and nicotine in cigarette smoke cause lung cancer. This belief is based on what I and many others feel is questionable evidence.

In preparing my testimony for hearings before the Health Subcommittee on S. 2902, the father of the amendment presently under consideration, I asked several scientists to prepare statements regarding the relationship of cigarette smoking and disease.

Dr. Theodore D. Sterling, a professor of the faculty of interdisciplianry studies and director of the computing science program at Simon Fraser University presented testimony, the conclusion of which I shall read:

> Science arrives at the truth by successive approximations. There is now a growing understanding of how many diseases are caused by toxic dusts, fumes, and chemicals, most of them of industrial origins. The belief that smoking is the major cause of mortality and morbidity from these diseases initially may have rendered a valuable service by convincing the public that pollutants in man's environment may present a serious public health hazard. The same belief today distracts from the real hazards to which we are exposed in our modern industrial society. A large number of employed Americans and Canadians who are exposed to toxic materials in their surroundings also smoke. As it is primarily the blue collar worker who smokes, decreasing the availability of cigarettes for such workers through taxation or outright prohibition constitutes a cruel hoax.

Also, Dr. Domingo M. Aviado and Dr. Hiram T. Langston, at my request, prepared testimony. Dr. Aviado, a pharmacologist at the University of Pennsylvania School of Medicine, has spent a great deal of time studying the disease emphysema. Dr. Aviado stated:

> In our laboratory, rats and mice exposed to cigarette smoke have not developed functional or pathological signs of pulmonary emphysema.

Dr. Langston, a clinical professor of surgery at the Abraham Lincoln College of Medicine, University of Illinois stated:

> I cannot agree with the hypothesis that cigarette smoking is the cause of cancer of the lung.

Mr. President, I ask unanimous consent that the statements of Dr. Sterling, Dr. Aviado, and Dr. Langston be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUDDLESTON. Mr. President, even if we were to assume strong evidence—convincing evidence—that cigarette smoking is related to disease and that tar and nicotine are the culprits—would we want the amendment to the legislation under consideration?

This amendment would repeal subsections (b) (1) and (2) of section 5701 of the Internal Revenue Code of 1954, as amended by replacing the repealed 8 cent per pack tax on cigarettes with a tax based on the tar and nicotine content.

I am told that the average sales weighted cigarette sold in the United States contains 18.5 milligrams tar and 1.2 milligrams nicotine. This means that according to the amendment under consideration the average Federal tax would increase to 30 cents per pack by 1980.

The increase to 30 cents per pack from 8 cents per pack is a 375-percent increase, a 375-percent increase in the Federal cigarette tax.

Tobacco and tobacco products are already highly taxed items. Last year the Federal Government collected tobacco tax revenues of almost $2.5 billion. State governments imposed taxes of nearly $3.5 billion while local jurisdictions collected $105 million. Totally, nearly $5.9 bilion was collected last year in taxes on tobacco. Simply this means that the taxes on tobacco are roughly 3 times the income the grower receives for producing the crop.

Mr. President, the Federal Trade Commission laboratory determines the "tar" and nicotine content of 145 varieties of domestic cigarettes. This information is subsequently published in the Federal Register. The last report was published during April 1976.

If the amendment we are considering were enacted, 3 of the 145 varieties of cigarettes tested would carry no Federal tax; 15 varieties would pay 5 cents per pack, 55 varieties would carry a tax of 15 cents per pack and for 58 varieties the tax would be 30 cents per pack. And the tax on 14 varieties would be 50 cents per pack.

Do we want to tax out of existence products which we would not directly prohibit? The very purpose of the distinguished Senator from Colorado's amendment is to decrease smoking. We will be saying to the public that while we are not willing to take direct steps to ban certain products we are willing to keep them out of the hands of those people who cannot afford them. There is no question that this amendment proposes a new regressive tax that would discriminate against those in the lower income brackets.

What do we want to call this legislation? If we want it to produce revenue then we want it to fail in all its so-called tar and nicotine reducing functions. Because the higher the tar and nicotine, the more the tax. On the other hand, if the sponsors want it to succeed as a public health measure, then its revenue producing potential would be considerably less.

In my judgment, the question has not been resolved regarding the relationship of cigarette smoking and disease. I am told by several scientists that the medical evidence available at this time is wholly inconclusive.

Some years ago our distinguished former colleague, Sam Ervin, stated that he had little respect for statistics, especially those regarding cigarette smoking. He related the following story about an old mountaineer in the South Mountains of the State or North Carolina who was accustomed to buying his groceries from a neighborhood grocery store on credit.

It seems the mountaineer decided it was about time to go in and pay his grocery bill. When he asked for the amount of it, the storekeeper gave him the figures, and it was more than the old mountaineer felt he justly owed, so he started to complain.

The storekeeper got out his account books and laid them on the counter and pointed out the account to the old mountaineer and said, "Here are the figures." he said, "Figures don't lie."

And the old mountaineer said, "I know figures don't lie, but liars sure do figure."

Mr. President, I come from a major tobacco producing State—the income from which all aspects exceeds a billion dollars a year.

Tobacco is a major agricultural commodity in the United States that over 600,000 farm families depend on for their livelihood. Tobacco is normally the forth or fifth most valuable crop produced in this country and accounts for 4 percent of cash receipts received by farmers.

In my judgment, the tax proposed by my colleague from Colorado (Mr. HART) is legislation based on unproven evidence, and I urge the Senate to defeat the amendment.

Mr. President, I recognize the problem that the distinguished floor manager of the bill is relating to.

The sponsors of this amendment absolutely have not made a case either from the standpoint of its revenue potential or from the standpoint of its potential improvement of our health in this country.

I find it incredible—particularly incredible that the Senator from Massachusetts, who has had such a long and distinguished career and experience in the field of health, would present to the Senate that cigarette smoking is the only known cause of injury to the health in this country.

There is no secret, there is no lack of evidence, there is no lack of scientific research, as to the potential hazards of cholesterol, the potential hazards of obesity, as already has been suggested here, or the potential hazards of other things that we are confronted with from day to day.

As a matter of fact, just last week, the distinguished Senator from South Dakota (Mr. MCGOVERN), as chairman of the Select Committee on Nutrition, conducted a hearing about what our diet is doing to us. I shall quote just one sentence from a news release that Senator MCGOVERN issued following the hearing.

> Dr. Cooper, our Nation's top health official, confirmed that six out of ten of the leading causes of death are diet related. Today it was said that diet causes more cancer than does smoking.

A Dr. John Yadkin, who is emeritus professor of nutrition of London University, believes that sugar's contribution to heart disease and other diseases is so clear cut that sugar should be banned.

No, Mr. President, there is no lack of evidence that a number of substances which we take into our body constitute health hazards.

So if the Senate today is going to adopt this radical philosophy of taxing products on the basis of their potential or imagined hazard to health, then it would be a travesty—indeed, it would be an unconscionable neglect of our responsibility—to focus on one product and exclude all the others.

Mr. LONG. Will the Senator yield for a question?

Mr. HUDDLESTON. The Senator will yield for a question.

Mr. LONG. Does the Senator not realize what some of us know, that if he will let us vote on a motion to table before all these speeches are made, he will get more votes than those who have all these speeches which they make us listen to?

Will the Senator be so kind as to yield to me, reserving his right to the floor thereafter? I would like to make a motion to lay this amendment on the table and the Senator's speech will read just as well in the RECORD after the motion to table as it will before the motion to table.

Mr. GARY HART. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. GARY HART. Is it appropriate, under the rules of the Senate, to make a tabling motion, reserving one's right?

The PRESIDING OFFICER. It takes unanimous consent. There has not been a unanimous-consent request made.

Mr. LONG. If the Senator will yield, I would like to move——

The PRESIDING OFFICER. Has the Senator from Kentucky yielded the floor?

Mr. HUDDLESTON. The Senator from Kentucky has not yielded the floor. I shall yield the floor, reserving my right to the floor after the Senator from Louisiana has completed.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

EXHIBIT 1

STATEMENT BY THEODORE D. STERLING, PH.D.

I am Theodore D. Sterling, Professor of the Faculty of Interdisciplinary Studies and Director of the Computing Science Program, at Simon Fraser University. Formerly, I was a Professor in the Department of Applied Mathematics and Computer Science at Washington University, St. Louis, Missouri. Prior to that, I was a Professor of Biostatistics at the College of Medicine, University of Cincinnati.

At various times, I have served as a consultant on Computer Data Management and Statistical Problems to the National Science Foundation, Veterans' Administration, U.S. Public Health Service, Department of Agriculture, Environmental Protection Agency, Federal Trade Commission, Environment Canada, and various industries. I have served as expert witness on certain environmental contaminants at various times to a Royal Commission in Canada and to committees of the U.S. Senate and State Legislatures.

My curriculum vitae and list of publications are attached.

I have also attached Appendices which discuss more fully some of the views presented in this statement.

The Field in which I teach and in which I conduct the majority of my research concerns the collection, processing, and interpretation of data. A large number of my research efforts have concentrated specifically on the analysis and interpretation of data concerning environmental health problems such as the effects of lead, radiation, air pollution, and herbicide exposures.

I was especially pleased to learn that this Committee plans to hold a series of hearings on Environmental Health Hazards, because I am convinced that numerous, highly toxic environmental carcinogens are receiving inadequate public attention. Nonetheless, I am opposed to the Bill under consideration by this Committee.

Firstly, the Bill provides for setting up yet one more cumbersome bureaucratic commission rather than furnishing much needed funds for the investigation of preventable environmental factors or lending much needed support to agencies that are now concerned with prevention and alleviation of environmental and industrial hazards and that have been rendered nearly impotent by lack of an adequate budget.

Secondly the Bill tends to reinforce the current penchant for attacking cigarette smoking as *the* major public health problem facing us today. It thereby distracts attention away from the serious effects of exposure to industrial, environmental, and occupational carcinogens. I am particularly concerned about this trend, because after extensive re-evaluation of the major statistical studies on which this current attitude is based, I have found errors, inconsistencies, and omissions of such proportions that they prevent a true assessment of how dusts, fumes, and toxic chemicals cause a large variety of preventable diseases and, at the same time, they seriously question smoking's role as a significant cause of lung cancer and certain other respiratory and cardiovascular diseases.

I shall address my remarks to several key, erroneous assumptions on which the health argument of Senate Bill No. 2902 seems to be based. These assumption may be summarized as two beliefs:

1. that smoking causes an increase in general mortality (especially from lung and coronary heart disease) whenever smokers and nonsmokers are compared and under whatever conditions such comparisons may be carried out;

2. that smoking is the major cause of lung cancer. As many as 85% of lung cancers are caused by smoking.

While these views are shared by some public health workers, they are considered with increasing skepticism by others. It is becoming increasingly clear that beliefs based on the 1964 report of the Surgeon General have to be modified in light of data accumulated since then. In order to provide a better overview of a complex issue, I shall briefly summarize the relevant findings of many new studies in this introductory comment section. Two appendices are included that present and discuss in detail these data and relevant studies.

DOES SMOKING CAUSE AN OVERALL INCREASE FROM MORTALITY?

Scientists always have been suspicious of results from studies based on answers obtained from self-selected individuals. Smokers and non-smokers are such self-selected groups. The decision to smoke or not to do so depends on many factors and some of the same factors that determine smoking habits also may determine other events including the selection of sick or healthy smokers for a study, the association between smoking and other exposures to environmental pollutants or toxic chemicals, or the compositions of groups of never, current, or former smokers with respect to other factors that affect the incidence of disease.

Many eminent statisticians have for years counselled caution because of the self-selection problem in smoking and health studies.[1] However, their warnings were ignored despite the fact that conclusions about the health effects of smoking have been supported almost exclusively by statistical population studies.

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[1] The list of these statisticians reads very much like a Who's Who in Statistics. They include Sir Ronald Fisher of Cambridge, commonly called the father of modern statistics; Joseph Berkson, formerly of the Mayo Clinic and the most eminent biostatistician in North America; Jerzey Neyman of Berkeley, the single most dominant figure in statistics in United States, Dr. Allen Wallis, President of Rochester University and previous chairman of the President Commission on Federal Statistics, and many others including K. A. Brownlees of Chicago, A. Feinstein of Yale, D. Mainland, now retired, and J. Yerushalmy of Berkeley.

THE FIRST MAJOR STATISTICAL PROBLEM CONCERNS THE INFORMATION THAT SHOULD HAVE BEEN BUT WAS NOT INCLUDED IN THE COMPARISON OF SMOKERS TO NON-SMOKERS

All members of the modern society are exposed to a large variety of toxic chemicals and dusts. There has been an unfortunate universal tendency to ignore some of the major sources of exposure to hazardous materials in all statistical smoking and health studies. This is true especially for occupation of smokers. In some studies, such as those conducted by Dr. Hammond of the American Cancer Society, information on occupation was not collected. Some studies, suh as the new Swedish study by Cederlof *et al.*, collected information on occupation but failed to analyze it. The same is true for the U.S. Veterans study which also collected information on occupation but never reported on it. It is not known if the important Japanese study by Dr. Hirayama collected information on occupation. He does not report on it. In general it is ironic that while studies of environmental or occupational health effects are constrained to take population smoking habits into account, studies on smoking effects seldom bother to search for a report on occupational exposures.

But smoking habits are not at all independent of such factors, especially of the smokers' type and place of employment. Two studies, largely ignored had reported that smoking is more frequent among blue collar workers, especially blue collar workers who may be exposed to intensive amounts of toxic fumes and dusts.[2] One other study even showed that smokers were often exposed to a variety of chemicals, fumes, sprays, dusts, extreme heat and loud noises than were non-smokers.[3] Unfortunately until recently information on smoking patterns by occupation was not even available.

Such information became available only in 1975 when the U.S. National Centre for Health Statistics released data on its Household Interview Survey of 1970. In that ongoing survey, a large probability sample of the U.S. population was queried about place of employment, type of work, and smoking habits during the 1970 survey. The recently completed computer and statistical analysis of these data by Dr. James Weinkam and myself shows that all aspects of smoking are heavily dependent upon type and place of employment. The pattern relating employment characteristics to smoking incidence clearly indicates that so-called smoking related diseases for the most part may be of occupational origin. The findings of this review are in the process of publication now (and are detailed in Appendix I). We shall briefly summarize the most relevant findings from this Household Interview Survey:

1. Any comparison between smokers and non-smokers actually compares two groups of which one (smokers) has a large proportion of blue collar workers and a small proportion of professionals, managers, and proprietors while the other group (non-smokers) has a large proportion of technical workers, professionals and managers and a small proportion of blue collar workers. But many blue collar jobs expose workers to toxic fumes and dusts that have been demonstrated to cause different cancers, coronary heart disease and mortality and morbidity from many causes. Thus differences observed in the incidence of any disease between smokers and non-smokers could just as easily be due to the differences in proportion of blue collar workers in these two groups.

2. The findings that smokers have a higher incidence of almost all diseases than do non-smokers is really not surprising because blue collar workers, who make up a large proportion of non-smokers and a smaller proportion of non-smokers, are exposed to a large variety of hazardous chemicals and dusts and may be expected to die from a large range of different diseases many of them caused by occupational exposures. (For example, cancer of the pharynx, bladder, liver, lung are common occupational causes of death.)

3. Populations of former smokers and non-smokers are similarly composed of a large proportion of teachers, welfare workers, managers and professionals and a small proportion of blue collar workers. The incidence of disease among former and non-smokers therefore ought to be similar, and indeed it is. This finding is of exceeding importance because the apparent decline of risk from mortality of former smokers to a risk equivalent to that of non-smokers was considered to be the very strongest support for the belief that smoking causes an increased risk from mortality. Yet this decrease in risk of former smokers now turns out to have a simple explanation that may have little or nothing to do with smoking.

4. Blue collar workers start smoking at a younger age than professionals, health workers, teachers, or managers. Therefore the increased mortality among individuals who start smoking earlier in life is most likely related to their occupation and has little or nothing to do with smoking.

5. There are fewer blue collar workers among women than men and the decrease in age specific mortality rate of women smokers compared to men smokers is probably related to the differences in the proportion of blue collar workers among them.

6. The increased incidence of mortality from many diseases but especially from cancer of the lung among black males is probably due to the larger proportion of blue collar workers among blacks.

7. Blue collar smokers smoke more than other smokers. Thus the apparent dose response relationship between amount smoked and risk from mortality is no more than a difference in the distribution of blue collar workers among individuals who smoke less or smoke more. Another important observation relating to an apparent dose response between smoking and disease is the observation that black smokers smoke 40% fewer cigarettes than white smokers. At the same time there is an increased cancer rate among blacks, especially from lung cancer.

8. There is a larger proportion of blue collar workers among smokers of regular than of filtered cigarettes (47% vs 42% among white and 58% vs 54% among black males). Therefore the apparent decreased mortality among smokers of filtered when compared to smokers of unfiltered cigarettes is most likely related to the smaller proportion of blue collar workers among smokers of filtered cigarettes and may have little or nothing to do with the decrease in tar and nicotine content of cigarette smoke due to filtering.

As a final conclusion, then the weight of evidence would appear to affirm that smoking has been a cover for many other types of exposures to hazardous and toxic materials to which smokers and non-smokers are subjected in different amounts.

THE SECOND MAJOR STATISTICAL PROBLEM CONCERNS INCOMPLETE AND/OR SELECTED STUDY POPULATIONS

Conclusions concerning the hazards of cigarette smoking in *Smoking and Health* and subsequent yearly reports on "The Health Consequence of Smoking" have been primarily based on seven prospective surveys. All these surveys share the common characteristics that their study populations were assembled by a succession of "selection factors" which depended heavily on the cooperation, availability, and ease of access to potential study subjects who also differed in crucial characteristics such as smoking habits, disease, occupational exposure to chemical carcinogens, and so on. It is true that the result of all these studies were uniformly alike and that is impressive. Whenever smokers and non-smokers were compared, smokers died with increased incidence from most diseases but especially from lung cancer. But to what extent were these similar results due to similar selection biases? In an analysis of the largest of these studies by the American Cancer Society of over a million men and women, I have shown that a tendency appeared to exist for volunteers of the American Cancer Society to select individuals who were already ill from lung and other cancers, heart diseases, and emphysema. These and other shortcomings of the major prospective smoking and health studies have been detailed in two recent articles[4] (both are enclosed).

SMOKING AS THE MAJOR CAUSE OF LUNG CANCER?

Various estimates have been advanced of the number of lung cancers caused by smoking to indicate the serious connection between smoking and lung cancer. Senators Hart and Kennedy quote a figure of 85% in their letter of January 26. President Nixon in his report on "Environmental Pollution Effects" transmitted to Congress in January 1972, attributed 95% of lung cancer to cigarette smoking. It concerns me that such claims may be used to divert funds from environmental research.

But such estimates are generated by the enthusiasm with which some proponents of a smoking/lung cancer link have pursued this claim. There simply is no basis in fact for them.

There are many risks from cancer in our society, especially from lung cancer. These risks are exhaustively summarized in the Proceedings of a conference convened by the National Cancer Institute in 1974 entitled "Persons at High Risk of Cancer: An Approach to Cancer Etiology and Control."[5] It is clear that there are so many competing conditions which result in lung cancer that it would be reckless and certainly foolish to claim that any one condition accounts for 80% or 95% or any other percentage of that disease. If the figures quoted by President Nixon, or by Senators Hart and Kennedy are taken seriously, then a curious question arises of why the many carcinogens in man's environment that readily cause lung cancer in animals should have no effect on man and only one carcinogen, cigarette smoke, should account for the vast majority of lung cancers? Especially, as despite many attempts it has not been possible to produce lung cancer experimentally in the laboratory using cigarette smoke.

We shall briefly review here the major observations that conflict with the claim that smoking is a major cause of lung cancer. (The technical discussions and references are summarized in Appendix II.):

1. The argument that primary lung cancers are limited largely to smokers is (1) simply not correct, and (2) an ingenious oversimplification of a complex set of relationships.

2. Patterns of lung cancer among many different population aggregates are incompatible with the hypothesis that cigarette smoking is a major cause of lung cancer.

3. While lung cancer is quite easily elicited in animals with a large variety of chemicals and particles, and while painting with tar and tobacco extracts has resulted in skin cancers, no experimental model thus far has been satisfactorily developed for the experimental production of lung cancer in animals using inhalation of cigarette smoke.

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[2] Dunn, J. E. *et al, Amer. J. Pub. Health*, 50:1475, 1960 and Higgins, M. W. *et al, Amer. J. Epid.*, 86:45, 1967.

[3] Friedman, G. B. *et al, Amer. J. Epid.*, 98: 1975, 1973.

[4] Sterling, T.D., *Amer. J. Pub. Health*, September 1975 and February 1976.

[5] Fraumeni (Ed), Academic Press, 1975.

4. So-called dose response relationships between smoking and the rate of cancer (and other diseases) are highly unreliable. In many instances, differences in rate of smoking are highly correlated with differences with which blue collar workers or other population aggregates are represented among smokers and non-smokers. In other instances claims about dose response effects are not supported by the data to which these claims refer.

5. Whether or not there is a benefit to giving up smoking is highly questionable. There is a definite self-selection factor involved in stopping to smoke. For instance, blue collar workers tend to make up a small proportion while individuals from teaching, welfare, professional, or managerial occupations tend to make up a large proportion of former smokers. Thus groups of former smokers are constituted of similar occupations as are groups of non-smokers. They ought to have the same disease incidence. And this they do.

6. In most instances where information is available of cancer incidence by smoking and occupation, the effect of occupation dominates the development of lung cancer while the possible effect of smoking may be slight or in many instances completely absent.

CONCLUSION

Science arrives at the truth by successive approximations. There is now a growing understanding of how many diseases are caused by toxic dusts, fumes, and chemicals, most of them of industrial origins. The belief that smoking is the major cause of mortality and morbidity from these diseases initially may have rendered a valuable service by convincing the public that pollutants in man's environment may present a serious public health hazard. The same belief today distracts from the real hazards to which we are exposed in our modern industrial society. A large number of employed Americans and Canadians who are exposed to toxic materials in their surroundings also smoke. As it is primarily the blue collar worker who smokes, decreasing the availability of cigarettes for such workers through taxation or outright prohibition constitutes a cruel hoax. Nothing will be done by Bill No. 2902 to lessen the burden on their health and well being except to support yet one more expensive bureaucratic commission.

With some charity I did not linger on the findings of the advisory commission to the Surgeon General of 1964 which found that neither environmental nor occupational exposure was a cause of lung cancer. Advisory commissions have sometimes not been useful tools in directing and initiating needed health research and there is good reason to expect that the proposed commission will not further the elimination of preventable hazards.

Finally, the new evidence is such that reasonable scientists and statisticians will agree that gross errors and omissions have occurred in the collection and evaluation of smoking and disease data. These errors will force a re-evaluation of unanimously accepted beliefs about the health effect of smoking within the next year.

Statement of Domingo M. Aviado

I am a medical doctor and professor of pharmacology at the University of Pennsylvania School of Medicine. A copy of my curriculum vitae is attached for the record.

I have spent much of my time studying the disease process called emphysema. Since the disease interferes severely with respiratory function, one can detect emphysema in test animals by measuring changes in this capability after exposure. In our own laboratory, rats and mice exposed to cigarette smoke have not developed functional or pathological signs of pulmonary emphysema.

In emphysema, as in many other diseases, the role of genetics has been under investigation. For example, one genetic defect, alpha-antitrypsin deficiency, has been identified, and, of course, there may be others. One cannot exclude the possibility that smokers who develop respiratory diseases have constitutional makeups or genetic characteristics that predispose them to acquire the smoking habit and at the same time develop respiratory disease.

Other researchers have exposed dogs to cigarette smoke through a surgical opening in the trachea. They did not measure pulmonary function but instead examined the lungs histologically. The lesions that they have interpreted as emphysema have been questioned.

With regard to coronary heart disease, there are marked geographical differences in its incidence that cannot be explained by smoking patterns. For example, the Japanese are among the heaviest smokers but have a low coronary heart disease rate.

"Tar" and nicotine in tobacco smoke have been singled out for special attention. In my native country, the Philippines, cigarettes are generally much higher in "tar" and nicotine than current U.S. brands. Yet the incidence of respiratory and heart disease is much lower than in the United States. I recognize that number comparisons cannot establish whether or not a causal relationship exists, but I do find it extremely interesting that while the average "tar" and nicotine content of Filipino cigarettes is 200 to 500% higher than U.S. cigarettes, the incidence of lung cancer is only 6% of that in the U.S. and the incidence of heart disease is only 4% of that in the U.S.

I would like to comment on one of Senator Hart's remarks contained in the Congressional Record regarding tobacco smoke and addiction. As a pharmacologist, I am concerned that there seems to be a growing popular belief that smoking is literally addictive. Even the 1964 Advisory Committee's report to the Surgeon General concluded that this was not correct. Further, from my review of the literature, it is apparent neither nicotine nor tobacco smoke should properly be considered addictive.

Also, I am familiar with the book upon which Senator Hart evidently based his remarks, and in my opinion, anyone reviewing the book completely would conclude that few scientists believe nicotine or tobacco to be addictive.

While I agree that good basic research is needed in many disease areas, for the several reasons which I have stated, I disagree with the implications and direction of the legislation here proposed.

Statement of Hiram Thomas Langston, M.D.

I am Hiram Thomas Langston, a thoracic surgeon in private practice of this specialty since 1941 and in the Chicago area continuously since 1952. Prior to that, my practice was interrupted by service in World War II with the Northwestern University affiliated unit, the 12th General Hospital. I am currently a clinical professor of surgery at the Abraham Lincoln College of Medicine of the University of Illinois.

I am grateful for this opportunity to present my views on Senate Bill 2902 and certain issues that relate to questions concerning smoking and health. I am fully aware of the enormous volume of statistical data that would link the consumption of tobacco with disease in humans. Out of this material I have been particularly interested in the statistical association of cigarette smoking to lung cancer because this is directly within my field of clinical interest.

The acquisition of such a large sum of money as specified by the proposed act devoted to health research would be most welcome, I am sure, and I can only hope that it would be appropriately directed. I do not feel myself qualified to comment upon the propriety of acquiring this funding through the taxation proposed. Specifically, since I do not smoke, this tax would be one that I personally need not bear.

I do, however, seriously object when such action is based upon the hypothesis that cigarette smoking is the cause of cancer of the lung. In addition to clinical observations refuting this hypothesis, there exists strong evidence that the incidence of lung cancer has crested and is turning down. Thus the rise and fall of the incidence of this disease is a biological phenomenon rather than a consequence of any action on our part. In this view I have the support of eminent physicians and statisticians.

Thus I cannot agree with the hypothesis that cigarette smoking is the cause of cancer of the lung. The net result of the enormous volume of statistical data that has been amassed has merely been to establish an association between the consumption of cigarettes and the development of lung cancer. I quite agree with Mr. Hart when he pointed out in the Congressional Record of January 29, 1976, that "Determining that the association between smoking and excess death rates is causal was a judgment made by DHEW after a number of criteria had been met." I emphasize, however, that the establishment of HEW's criteria merely represents a refinement of statistical manipulation which attempts to change the data reviewed from a statistical association to one of cause and effect.

It is my purpose herewith to offer data in support of my judgment that the *statistical* associations, however strong and however voluminous, do not represent a *causal* relationship. I have not sought to alter the conclusions derived from these statistical associations by further statistical manipulations. Even if I succeed, the end result would be inconclusive and would merely invalidate the method. I have consequently sought the basis for my opinion in the clinical area, observing the behavior of the disease in patients, rather than in statistical manipulations. There is an old adage, "It is the exception that proves (tests) the rule," that suggests to me that the clinical behavior of the disease offers sufficient exceptions to the statistical association that we should pay them heed.

The clinical behavior of this disease in my patients and as expressed in the literature from the experience of others can be clearly listed:

1. Lung cancer is predominately a disease of men. Although an increased incidence is reported in women, at least two studies from Iceland and England have shown that this increase is not due to the type of tumors usually associated with smoking; namely, the squamous cell and cat cell cancers (Kreyberg group I tumors). In fact, Dr. Jonas Hallgrimsson in the Icelandic study states "The ratio of Kreyberg group I to II has increased for males, but remains stationary for females, which throws doubt on the theory that the increase in female incidence can be attributed to smoking."

2. This disease has a very clearly defined age-incidence. The peak occurs between 55–70 years of age in the general population. As will be seen later this age-incidence is an important item.

3. In spite of statistical data to the contrary and arguments to support it, there is no clearly established dosage factor. The statistical associations generally point out that the more one smokes, or the longer that one has smoked, the greater is the statistical chance of developing cancer of the lung. It has not been shown that increased smoking is related to earlier onset. In fact, Professor

Passey clearly demonstrated that regardless of the amount or duration of smoking the victims of this disease developed their tumors at approximately 60 years of age, as expected. The lack of dosage factor emphasizes again the strict age-incidence distribution in the disease.

4. German pathologists, notably Von Kikuth, showed this disease to be increasing in frequency in autopsy material beginning around 1890. This was, of course, long before cigarettes became popular.

5. Cancer is a rarity in the windpipe or trachea, even though all of the inhaled smoke passes through this tube, and the material deposited in the mucous lining of the air passages also exits through the trachea.

6. It is also rare to have a lung cancer appear on both sides of the lung and particularly on both sides simultaneously. If smoke is evenly distributed during smoking, why should this be so?

7. It is of further interest that people who have survived the treatment of one lung cancer successfully do not appear to develop another in any significant proportion thereafter.

8. Cancer of the larynx or voice box is also a male disease and is conventionally related directly to smoking. However, this cancer has shown little increase in incidence despite the fact that the larynx is obviously much "closer to the fire." Certainly all inhaled "carcinogenic" material must enter and all material carried by the mucous must exit through this narrow portal between the vocal cords. Cancer of the larynx and cancer of the lung are supposedly caused by the same etiologic agent—smoking. Yet, how could the same agent cause little change in the incidence in laryngeal cancer and simultaneously cause an "epidemic" incidence in lung cancer?

9. Finally, it would appear that the generation principally affected by this disease and whatever caused it is the one born between 1890 and 1900. Predictions are offered that when this generation passes into history the incidence of this dreadful disease can be expected to turn down. This welcome turn of events should occur for white males in the United States around 1980.

I base my opinion in this area on a personal review of over 4,000 patients covering a period of thirty years in the Veterans Administration Hospital, Hines, Illinois. Broad epidemiological studies based on entire populations in the U.S., England, Wales, and Canada have confirmed the lowering rate of incidence of the disease in the younger age groups. The current wave of incidence is supplied by the older age groups primarily.

It is of great comfort indeed to find that Sir Richard Doll, the Regius Professor of Medicine at Oxford University commented in the June 23, 1972, issue of World Medicine that "Dr. Langston's observations on the incidence of lung cancer in the United States follows similar observations on the incidence of lung cancer in Britain and lead to similar conclusions."

More recently an eminent British thoracic surgeon, Mr. Belcher of the London Chest Hospital, reviewed the material available to him from personal work, the national figures for England and Wales, and the HEW data in this country and clearly confirmed the preceding observations. I quote from Mr. Belcher's article:

"It is interesting to speculate on the cause of these changes. Are they due to the discovery of the relationship of cigarette smoking to bronchial carcinoma and the subsequent national campaign against the habit? This seems a likely suggestion until it is realized that the fall in the percentage increase in the rate and eventually of the rate itself in the younger age groups was happening as long ago as 1950. It seems more likely that the fall in the percentage rate of increase which dates back for at least fifty years has eventually led to an actual fall in the rate itself. This process has progressed steadily for many years and represents the natural history of carcinoma of the bronchus."

In conclusion, I point out that the conventional hypothesis of lung cancer causation is so familiar that it may be difficult to accept the strong evidence to the contrary. I would like to call to your attention the fact that the incidence of cancer of the stomach in this country has exhibited a similar spontaneous decline. In 1949 the rate was 21 per 100,000 and by 1966 it had dropped to 10.7 per 100,000 for white males in the United States according to the Bureau of Vital Statistics. Just as in the case of lung cancer, there is no simple explanation of this phenomenon. In regard to the proposed bill, I cannot accept that such far-reaching legislation is based upon the easy answers of an unfounded hypothesis.

Mr. LONG. Mr. President, I move to lay that amendment on the table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Will the Senator yield to me?

Mr. LONG. I ask unanimous consent that I may yield to the Senator from South Carolina for 1 second.

Mr. GARY HART. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. Mr. President, at last we see the true intent of those proponents of what formerly was S. 2902 and is now an amendment to H.R. 10612.

For months now since this proposal was first tendered, we have been led to believe that its sole intent was the expansion of biomedical research and health education efforts which relate to smoking. The very title of the original legislation, the National Health Research and Development Act of 1976, suggests such a purpose, and the record will show hearings were held in February to bring out the facts concerning the legitimate need—or lack of one—for this legislation.

I gladly testified at those hearings because I believe if the health question is our most serious concern about tobacco, then health research is our sanctuary.

At the University of Kentucky, the Tobacco and Health Research Institute conducts 25 percent of all tobacco-related research in the world. I had the opportunity to participate in the creation of this program, a positive and beneficial approach to scientific studies of tobacco.

Millions of dollars have gone, and are going, into this research in a responsible manner, and like all who are concerned about the future of the tobacco industry, I welcome new and additional forums to find whether or not there are health factors related to smoking, and if so, how to correct them.

Now, however, those who had been operating under the guise of health research have revealed the true purpose of this legislation: and that is the imposition of another unjustifiable tax.

What they fail to recognize is that the tobacco industry and those people who use tobacco products have been heavily taxed for years. In 1975 alone, about $2.3 billion in Federal taxes and $3.3 billion in State and local taxes.

I ask my colleagues, what is the purpose of this legislation we are debating here today? Is it health research or is it tax reform?

The answer is simple and obvious, and I strongly oppose using the tax reform act of 1976 as a forum to discuss how diseases and maladies can be prevented or treated.

All through this week, we have sought to ease the tax burden on low-income Americans as a part of a fair system of taxation. This measure, if enacted, would place an additional tax of up to 50 cents per package on every pack of cigarettes purchased.

You and I know it is not just the wealthy who use tobacco products, but millions of moderate- and low-income persons as well.

Enactment of this amendment could mean the imposition of a substantial tax burden on the very individuals who are bearing the burden of this country's taxes, and would, in fact, be counterproductive to the very purpose of tax reform.

This tax will be in effect a tax increase of $2.8 billion in 1977, rising to $5.1 billion by 1980. We have been debating the cost of extending the $35 tax credit, and I support this extension because I do not believe that we have had a sufficient economic recovery.

To turn around and tax Americans $2.8 billion next year for using tobacco products would defeat our very purpose of providing relief to those individuals who most need it.

I cannot overemphasize the impact that a tax of this magnitude will have on our agricultural economy—our exports—and employment in the tobacco industry. The result will be the overnight demise of many small family farms in Kentucky and other States where the tobacco is the crop that makes the difference between a net profit or loss.

I also call to the Senate's attention the impossibility of the pricing structure working. It would assume that we would have a different price for each level of tar and nicotine. The low tar and nicotine cigarettes would cost less and as we went up in tar and nicotine the cost would also go up—we could have a package for 35 cents, another package for 50 cents; and yet another package for 65 cents. I might add at this area we might also have packages for 60, 75, and 90 cents.

Imagine a vending machine handling this variable rate. If we do not reduce the cost, we do not increase the incentive to purchase the low tar and nicotine cigarettes. Thus, the proponents' whole argument is negated. What in fact will likely occur is that the merchants will charge a higher price and simply make a greater profit.

Let me make one final point.

The supporters of this amendment argue that through such a tax, individuals would be discouraged from purchasing tobacco products.

If we are to base our tax structure and impose our tax laws on the basis of health and welfare. I would caution my distinguished colleagues from States where automobiles are manufactured to take heed.

I would caution my distinguished colleagues from the States where soft drinks are processed to take heed.

I would caution my distinguished colleagues from States where sugar is produced to note the article, inserted by Senator McGOVERN in a recent RECORD, which calls sugar a "menace to good nutrition" and take heed.

I would caution my distinguished colleagues from States where anything might be manufactured that could be construed by some as harmful to health, welfare, or morals, to take heed. If, and I repeat if, we are going to base our tax structure this way.

The whole thrust of the amendment we have been asked to consider run directly contrary to the purpose of tax relief and reform legislation. I urge my colleagues to recognize it in that light, and join me in defeating it.

Mr. BROOKE. Mr. President, I am pleased to join in cosponsoring an amendment to H.R. 10612, which deals with cigarette smoking—the biggest single cause of preventable disease and premature death in the United States.

This amendment, No. 1945, restructures the present system of taxation of cigarettes to consist of a graduated tax, based on the tar and nicotine content of cigarettes, instead of the current "flat rate" cigarette excise tax. The amendment, as proposed, will decrease the price of cigarettes with the lowest content of tar and nicotine, and substantially increase the price of the most poisonous cigarettes. The amendment establishes five tax brackets for cigarettes, based on tar and nicotine content. Each brand of cigarettes will be taxed according to the bracket into which it falls. The lowest tar and nicotine cigarettes will be exempt from the health protection tax, and those brands with the highest contents of tar and nicotine will be taxed at the highest rates. During 1977 the health protection tax will range from zero to 20 cents a pack. By 1980, when the tax is completely phased in, the health protection tax will range from zero to 50 cents per pack. Thus, in 4 years, the price for a pack of cigarettes will be anywhere from 8 cents less than today's price to 42 cents more as a result of this amendment.

This amendment is badly needed. The consequences of cigarette smoking in this Nation are health problems of catastrophic proportions. This assertion has been validated during the hearings on smoking and health which were held earlier this year.

Nearly 55 million Americans are smokers and approximately 800 of them die each day as a result. This amounts to about 2 million deaths in the last 10 years in which smoking was a causative factor.

Today almost 84,000 people die each year as a result of lung cancer, and 80 percent of lung cancers are caused by cigarette smoking.

Heart and blood vessel diseases are the main killers in our society, and the death rate from coronary heart disease among smokers is twice that of people who do not smoke. And reflecting the rise in the number of cigarette smokers and lung cancer, the number of cardiovascular deaths has increased from 500,000 per year in 1940 to more than 1 million deaths per year today.

These figures are grim reminders of sure death. They are reminders that cigarette smoking accounts for more than six times the deaths in our annual highway accident toll.

In dollar terms, the facts are equally grim. Dr. Theodore Cooper, Assistant Secretary for Health, has testified that medical costs of smoking are on the order of $11.5 billion per year. This is in addition to 77 million workdays lost per year and 308 million days of restricted activity due to cigarette smoking. Surely we can no longer afford to pay these prices.

The proposed amendment is not only sound in theory but also in its projected viability. The use of the graduated tax in discouraging consumption of high tar and nicotine cigarettes is an innovation which hopefully will prove extremely effective. Quite logically it appears to be a persuasive device in causing smokers to switch to a less harmful cigarette. At the same time, it will provide incentive not only to smokers but to tobacco manufacturers to develop new "safer" products containing less tar, nicotine, and other deadly ingredients.

This amendment has broad support. Consumer Federation of America, the Nation's largest consumer organization, wholeheartedly supports this amendment for a graduated tax on cigarettes. Action on Smoking and Health, the only national organization concerned primarily with the problems of smoking and health, has also endorsed the proposed amendment, stating in part:

> Such a tax would relieve, at least in part, an unfair and inequitable burden now borne by the overwhelming majority of Americans who choose not to smoke.

Many of the major health organizations are for this amendment and have expressed their view that it is a crucial piece of health legislation. A list of those organizations who have voiced their full support includes: The American Cancer Society, the American Lung Association, the American Heart Association, the American Public Health Association, the American Nurses Association, the National Kidney Foundation, the American Association of Neurological Surgeons, the Cystic Fibrosis Foundation, and the National Health Federation.

In addition, an amendment to discourage smoking is widely supported by the American public. When endorsing this amendment, Action on Smoking and Health cited as its most important reason the fact that the overwhelming majority of the public, smokers as well as nonsmokers, would welcome and favor the proposed amendment. A U.S. Public Health survey of the smoking habits and attitudes of a carefully selected random sample of approximately 12,000 adult Americans demonstrated clear and overwhelming support for such an amendment.

The survey's findings conclude that the vast majority of smokers would like to cut down their smoking, and both smokers and nonsmokers are very concerned about the problem and effects of smoking. In fact, the survey has found that 9 out of 10 smokers would like to stop smoking and are looking for help in doing so. A majority of all Americans, including almost a majority of all smokers, would favor Federal regulations directly concerning the smoking of cigaretts.

Thus the proposed tax for cigarettes would not be opposed by many smokers, but would most certainly be welcomed as a convincing incentive to help them cut their consumption of the deadly components of cigarettes.

In this amendment as originally introduced and in a similar bill which I introduced, the tax from the sale of cigarettes would have gone into a trust fund for medical research. In deference to the Appropriations and Budget Committees this provision has now been dropped. But surely the funds raised could go to no more apt purpose, and I hope that the Appropriations and Budget Committees will take note of the intent of the sponsors of this amendment when the time comes for appropriations for medical research.

Mr. President, this amendment is vitally needed. This amendment has broad and convincing support. I urge my colleagues to join with me in voting for its passage.

Mr. THURMOND. Mr. President, I wish to express my strong opposition to the Gary Hart, Moss, and Kennedy amendment to H.R. 10612. This amendment is designed to levy an excise tax on cigarettes according to the tar and nicotine level of the particular brand, instead of the uniform 8 cents per pack levy that now exists.

In the last few years, we all have been exposed to publicity regarding the connection between smoking and various diseases. Naturally, we are all concerned about the health of our famiy and friends. However, I seriousy question whether this measure would make any significant contribution toward reducing the number of deaths related to smoking. What would likely happen if this amendment should become law is that it would place severe economic burdens on many individuals in this Nation. Specifically, I am opposed to this unwise amendment for the following reasons:

First. Enactment of this amendment would pose serious threats to the 600,000 farm families dependent upon tobacco for their livelihood. To the extent that this tax would cause reductions in the use of tobacco products, and thereby reduce the demand for tobacco grown on American farms, persons involved in all phases of the tobacco industry would suffer. Since tobacco produced in foreign countries is often lower in tar and nicotine, a forced, abrupt shift to low tar-nicotine cigarettes—which the proponents of this amendment seek—would likely result in greatly increased tobacco leaf imports. Naturally, this would put American producers of tobacco at a distinct disadvantage, and it would negate the nearly $1 billion positive contribution tobacco has made to our balance of payments in each of the last several years.

Second. The amendment strives to meet contradictory goals. On the one hand, it attempts to discourage smoking; while on the other hand, it is designed to generate tax revenues. If it succeeds on one accord, it inevitably will fail on the other.

Third. To the extent the consumption of cigarettes is reduced, tax revenues of State and local governments will also be reduced. In 1975, taxes on cigarettes contributed nearly $4.5 billion to State and local government revenues. If State and local governments attempt to keep taxes from this source at a constant amount, an additional tax per pack must be added. This will cause the price to increase to an even higher level, possibly causing another drop in demand. Consequently, to keep tobacco tax revenues constant would mandate another tax increase. As is easily seen, a vicious circle would have been created.

Fourth. The tax, as designed in this amendment, is regressive and hits hardest at blue collar workers, service industry employees, and other working men and women who smoke. Figures show that the tax would cost the average smoker an additional 30 cents per pack, or about $150 to $165 per year.

Fifth. Finally, this amendment attempts to legislate personal habits and sets dangerous precedents. What would be next? There has been medical evidence that sugar, alcohol, and a variety of other products consumed by many Americans on a regular basis are linked to various health problems. Why are we singling out tobacco? Where do we draw the line?

Our great Nation was founded on the principle of individual rights. As our country has developed, we have realized that our individual rights at times had to be modified in consideration of others. However, this so-called health protection tax attempts to influence the personal choice of individuals, when the health effects of the decision—to smoke or not to smoke, and brand choice—will primarily impact on the individual consumer.

If the proponents of this amendment think the time has arrived to dictate such personal choices of the American people, they should take the more direct approach of making illegal those things they think undesirable, rather than advocating this "backdoor" approach of a regressive tax, which hits hardest the working individuals in this country.

In summary, I think this amendment is inappropriate and most unwise. I strongly hope that the Senate will reject it.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay this amendment on the table. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from California (Mr. TUNNEY), the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

I also announce that the Senator from Missouri (Mr. EAGLETON) is attending the funeral of Congressman Jerry Litton of Missouri.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from Pennsylvania (Mr. SCHWEIKER) the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 60, nays 25, as follows:

[Rollcall Vote No. 498 Leg.]

YEAS—60

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cranston
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Haskell
Hathaway
Helms
Hollings
Huddleston
Humphrey
Inouye
Laxalt
Long
Magnuson
Mansfield
Mathias
McGee
McIntyre
Montoya
Morgan
Nelson
Nunn
Pastore
Proxmire
Ribicoff
Roth
Scott, William L.
Sparkman
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams

NAYS—25

Bayh
Brooke
Burdick
Case
Church
Clark
Culver
Griffin
Hart, Gary
Hatfield
Jackson
Javits
Kennedy
Leahy
McClellan
McClure
Moss
Muskie
Packwood
Pearson
Pell
Percy
Randolph
Scott, Hugh
Stafford

NOT VOTING—15

Biden
Cannon
Eagleton
Fong
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Metcalf
Mondale
Schweiker
Stevens
Tunney
Young

So the motion to lay the amendment on the table was agreed to.

Mr. NELSON addressed the Chair.

The PRESIDING OFFICER (Mr. McCLURE). The Senator from Colorado.

UP AMENDMENT NO. 329

Mr. GARY HART. Mr. President, I have at the desk an unprinted amendment and I ask for its immediate consideration, and then I will yield to the Senator from Wisconsin. It is my understanding that this amendment is acceptable to the committee, there will be a voice vote, and it will take about 3 minutes.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk. We just do not have it.

Mr. MONTOYA. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GARY HART. Yes.

The PRESIDING OFFICER. The Senator will wait until the clerk reports the amendment.

The legislative clerk read as follows:

The Senator from Colorado (Mr. GARY HART) for himself, Mr. BUMPERS, Mr. MANSFIELD, Mr. DOLE, Mr. HUGH SCOTT and Mr. JAVITS proposes unprinted amendment No. 329.

Mr. GARY HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title XXVIII, insert the following new section:

SEC. . COMMISSION ON TAX SIMPLIFICATION AND MODERNIZATION.

(a) ESTABLISHMENT.—There is established the Commission of Tax Simplification and Modernization (hereafter in this section referred to as the "Commission").

(b) MEMBERSHIP.—

(1) The Commission shall consist of 9 members to be appointed as follows—

(A) three members appointed by the President of the United States,

(B) three members appointed by the President pro tempore of the Senate, upon the recommendation of the majority leader and the minority leader, and

(C) three members appointed by the Speaker of the House of Representatives, upon the recommendation of the majority leader and the minority leader.

(2) The members of the Commission shall be appointed within 30 days of the effective date of this section.

(3) The Commission shall select a chairman from among its members. A majority of the members of the Commission shall constitute a quorum thereof for the transaction of business; except that the Commission may fix a lesser number as a quorum for the purpose of taking testimony. Vacancies in the membership of the Commission shall not affect the authority of the remaining members to execute the functions of the Commission; but shall be filled in the same manner as the original appointments.

(c) FUNCTION AND DUTY.—It shall be the function and duty of the Commission to make a thorough and complete study and investigation of all matters relating to modernization and simplification of the internal revenue laws of the United States, including but not limited to—

(1) specific methods of modernizing, simplifying, and indexing such laws; and

(2) the desirability and feasibility of reducing rates of tax by repealing or modifying any or all tax deductions, exemptions, credits, or other provisions having impact on the rate of tax;

(d) POWERS AND ADMINISTRATION.—

(1) Meetings, taking of evidence.—For purposes of carrying out its functions under this section, the Commission may sit and act at such times and places and receive such evidence and testimony as it considers advisable.

(2) Assistance from agencies.—The Commission may secure directly from any department or agency of the United States information and assistance necessary to carry out its duties under this section. Each department or agency is authorized and directed, to the extent permitted by law and within the limits of available funds, to fur-

nish information and assistance to the Commission.

(3) Power of Member.—When so authorized by the Commission any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(4) Attendance by Members of Congress.—All meetings, hearings, conferences, or other proceedings of the Commission shall be open to the chairmen of the appropriate committees of the Congress or their designees and reasonable notice of such meetings or hearings shall be given to such chairmen or their desginees.

(e) Compensation.—

(1) Rate.—Except as provided in paragraph (2), members of the Commission each shall receive as compensation the daily equivalent of the annual rate of basic pay in effect for Grade GS–18 for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Commission.

(2) Officers and employees of the United States.—Members of the Commission who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Commission.

(3) Travel.—While away from their homes or regular places of business in the performance of service for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(4) Personnel.—The Commission may appoint and fix the compensation of such personnel as it considers advisable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and such personnel may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at a rate not to exceed the maximum rate authorized by the General Schedule. The Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for the maximum rate authorized by the General Schedule.

(f) Report.—The Commission shall report its findings, together with such recommendations for legislation as it deems advisable, with respect to the study and investigation under this section to the President and the Congress at the earliest practicable date, but not later than August 1, 1978.

(g) Termination.—The Commission shall cease to exist 60 days after the transmission of its final report under subsection (f) and all offices and employment under it shall then expire.

(h) Appropriations.—There are authorized to be appropriated such sums as may be necessary, but not exceeding $1,000,000, to carry out the provisions of this section.

(i) Effective Date.—This section shall take effect on February 1, 1977.

Mr. GARY HART. I yield to the Senator from New Mexico.

Mr. MONTOYA. Mr. President, I ask unanimous consent that Mr. Kenneth Kraft be allowed the privilege of the floor during the pendency of the amendment which I will offer in a few minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARY HART. Mr. President, title V of the tax bill contains a provision which calls for a study of the income tax system which has as its objective to simplify the code and to condense our Nation's tax laws into a more comprehensive and equitable form. The concept of this proposal is sound; I know of no one who could object to it.

In fact, Congress set out to accomplish such a goal 50 years ago. In 1926, the Congress passed a bill to create a special committee of its own, whose duties were to "investigate the operation and effects of the Federal system of internal taxes—and—measures and methods for the simplification of such taxes, particularly the income tax," among other responsibilities. The committee was to report periodically on the progress of its work. The Joint Committee on Taxation, according to the Finance Committee's report, was proposed as a substitute to the House version which would have established a 2-year commission—whose duties would have been the same as those of the joint committee—which was ultimately established.

The result was the complete rearrangement of the income tax laws in 1928, making them more complex and more technically dense than before. Since then, several reports have been prepared by the joint committee in compliance with its 1926 charter, none of which have offered a comprehensive study for broad reform. And in that time, the Nation's income tax system has undergone up to a dozen major reforms, each adding to its complexity.

Let us take a look at Congress' tally sheet for tax simplification over that past five decades:

First. The Revenue Act of 1926 numbered 136 pages. The index to the present-day Internal Revenue Code is 125 pages long; the code itself numbers 1,930 pages.

Second. In 1926, there were 19 so-called "tax expenditure" provisions, or provisions which provide special preferential tax treatment. Today there are over 80.

Third. In 1926, the 1040 tax return form was two pages long, with two additional pages of instructions. Last year, the same form was 13 pages long, with a 40-page booklet of instructions. In addition, there are no fewer than 37 special supplementary forms which the IRS lists as "commonly used." Altogether there are up to 100, including those less often used. The IRS also provides taxpayers with a list of its publications to assist them in filing their returns. That list contains 88 separate items.

Mr. President, we have been losing ground in our efforts to simplify the Nation's tax laws. But who really suffers the consequences of our failures? The corporate interest whose tax return is cluttered with various exemptions, credits, or deductions? No, it is the rank and file taxpayer who cannot take advantage of most of these special tax breaks.

In 1926, the taxpayer supporting an average family paid a rate of a quarter of 1 percent of his income in income taxes, or $40 on a $10,000 income. Today that same person pays $1,149. By comparison, the corporate tax rate in 1926 was 11 percent, or about 40 times greater than that of the average family. Today the effective tax rate of corporations is around 35 percent, or only three times more than the rate paid by the modest-income family today. I need not remind my colleagues that many of the wealthiest individuals in this country today pay no or very little income tax under the present system.

The discouraging fact, then, is that the majority of taxpayers, who do not benefit from those 80-odd tax expenditures, are the ones who pay for them. I believe that it is time Congress told the people that it is serious about enacting meaningful tax simplification and reform.

Mr. President, on behalf of my colleagues, Senators Bumpers, Hugh Scott, Mansfield, Dole and Javits, I am proposing an amendment to create an independent commission of experts to assist Congress in devising a more simplified and equitable system of income taxes. Our proposal is very simple, and I would like to take a few minutes to describe it for the Members.

The commission is to have nine members, three to be appointed by the President, and three each by the House and the Senate. The commission will be required to issue a detailed report of its findings and legislative recommendations within 18 months of its establishment, 60 days after which time it will be discharged from its duties. The objectives of that report will be to identify the best feasible methods of simplifying and modernizing the Nation's income tax laws, with a specific view to reducing tax rates by the repeal or revision of the special "expenditure" provisions of the Internal Revenue Code.

In pursuit of these objectives, the commission may accept testimony and assistance from executive agencies, from Committees of Congress, and from any other appropriate source. Any agency or department of the Federal Government should be prepared to provide whatever information and assistance as the commission may require. The Commission will be required to serve notice of their meetings to the appropriate congressional committee chairmen, who are urged to attend and to participate in such meetings in person, or by way of their designees.

Our amendment authorizes the appropriation of no more than $1 million to carry out the duties of the commission. In our view, this cost would be well worth it to the Nation's taxpayers, over 50 percent of whom have to pay tax specialists to figure out their tax returns every year.

Finally, we have written the amendment so that appointments to the commission will not be made until after the next administration is installed.

Mr. President, as I stated in my opening remarks, the objective of the amendment is not a new idea. From the earliest days of the income tax, Congress has stated its intention to give the taxpaying public a simple, effective, and equitable set of tax laws. And it is an idea which has been gaining the enthusiasm of the public in recent years, and one which has been brought up in every effort by this body to enact tax reforms. In fact, a prominent spokesman of tax simplification in recent years is the distinguished chairman of the Finance Committee, Senator LONG. In 1964, Senator LONG proposed legislation to simplify the income tax laws, at which time he made a forceful statement on this floor on this very issue. I would like to refer to a few of his statements in closing:

> It is time we began to reduce the premium enjoyed by the taxpayer who has tax lawyers and accountants to show him ways to avoid paying taxes to his Federal Government. It is time we make this first step toward encouraging taxpayers to report and pay on a fair and equitable basis those taxes which are properly due the Government.
>
> Furthermore, it is time we do something to relieve the tremendous pressure that is constantly upon the Congress and its committees dealing with taxes to write more gimmicks and more special interest provisions into the laws, favoring some groups while ignoring others. If a provision such as that which I am recommending should become law, it would be my purpose to resist with all of my energy and ability any efforts to make the system the subject of loopholes for the benefit of favored taxpayers. If this system should become law, it would be my purpose to seek to steadily improve upon it until a high percentage of taxpayers would prefer it to the complicated, unfair, and inequitable system that presently exists.

Mr. President, these are admirable convictions, and I commend their author. I hope that he will now join us in this effort to bring these noble goals to fruition.

Mr. President, on behalf of my colleagues, Senator BUMPERS, Senator HUGH SCOTT, Senator MANSFIELD, Senator DOLE, and Senator JAVITS, I propose this amendment which would establish no sooner than February 1, 1977, a nine-member tax commission for simplification and modernization of the tax laws.

If there is a single conclusion to be drawn from the past 4 or 5 weeks it is that the tax laws in this country are a mess.

Respecting the work, the enormous work, done by the Joint Committee on Revenue Taxation, by the Senate Finance Committee, and others, it is the strong feeling of the sponsors of this amendment that a nine-member tax commission drawn from appointees from the House, three from the House, three from the Senate, three appointed by the President of the United States, and given a mandate to report back to us after a period of no longer than 2 years on a simplified, modernized tax code. This would be of enormous benefit to this body and to the American people.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? I commend the Senator on his amendment, and I wonder if he would allow me to be a cosponsor?

Mr. GARY HART. I welcome the cosponsorship of the assistant majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, if the Senator will yield, I want to say, first of all, while this is the Hart-Bumpers amendment, it originated with my distinguished colleague from Colorado.

When he first brought it to me, I did not think it was workable, I did not think it would be accepted by this body. But as we collaborated and drafted it and talked about it more and more, and as we watched this body labor intensively with a great deal of dedication, I realized that the only way we will ever accomplish what some believe is a very naive thought, and that is a simple tax procedure, it occurred to me that this was the best way to do it.

This commission will not be beholden to any constituency. It will have the opportunity to look at it very objectively as this body and the various committees of this body could never do.

So while I am considered a coauthor of the amendment, I want to commend Senator HART for the amount of work he has put into it, for originating the idea which, I think, has great merit, and it certainly is worth trying.

Mr. GARY HART. I thank the Senator from Arkansas for his kind words.

Mr. HUMPHREY. Mr. President, I want to join with other Senators here, the Senator from Arkansas and the Senator from Colorado, in urging the adoption of the amendment. I think it is much needed. The deliberations these last few weeks in the Senate show the necessity for it.

I would be very privileged if the Senator will permit me to join him as a cosponsor, and I ask unanimous consent that that may be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARY HART. Mr. President, I thank the Senator from Minnesota.

I ask unanimous consent to add as cosponsors the Senator from Vermont (Mr. LEAHY), the Senator from Texas (Mr. BENTSEN), and the Senator from New Hampshire (Mr. DURKIN).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARY HART. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I am willing to take it to conference.

Mr. GARY HART. I cannot hear the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

Several Senators addressed the Chair.

UP AMENDMENT NO. 330

Mr. MONTOYA. Mr. President, I call up my amendment which is at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. MONTOYA) proposes an unprinted amendment numbered 330.

Mr. MONTOYA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is a follows:

At the end of title XXVIII insert the following new section:

SEC. . PARTIAL EXCLUSION OF UNITED STATES RETIREMENT BENEFITS FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as section 125 and by adding after section 123 the following new section:

"SEC. 124. PARTIAL EXCLUSION OF UNITED STATES RETIREMENT BENEFITS.

"(a) GENERAL RULE.—Gross income does not include amounts received by an individual for the taxable year as a pension, annuity, or other benefit under a retirement system maintained by the United States or any agency thereof which would be included in gross income but for this section, to the extent that such amounts do not exceed the maximum social security benefit for that year, as determined under subsection (c).

"(b) LIMITATIONS.—

"(1) REDUCTION FOR OLD-AGE INSURANCE BENEFITS.—The amount which an individual is allowed to exclude from gross income under subsection (a) shall be reduced by the amount of any old-age insurance benefit received or entitled to be received by such individual under title II of the Social Security Act for such taxable year.

"(2) 65 OR OLDER.—No individual shall be allowed to exclude any amount from gross income under subsection (a) unless such individual has attained the age of 65, on or prior to the last day of such taxable year.

"(c) MAXIMUM SOCIAL SECURITY BENEFIT.—For purposes of this section, the maximum Social Security benefit for a calendar year is the sum of—

"(1) the maximum amount of the old-age insurance benefit which could be paid for the calendar year under title II of the Social Security Act to any individual who attained age 65 in, and first became entitled to benefits for, the first month of such calendar year, and

"(2) the maximum amount of the earnings (as defined by section 203(f)(5) of the Social Security Act) which could be received in such calendar year by an individual who is entitled to old-age insurance benefits under title II of such Act, and who has not attained age 72, without a reduction in such benefits for any month of such calendar year.

In the case of a taxpayer whose taxable year is other than the calendar year, the amount determined under this subsection shall be determined in accordance with regulations prescribed by the Secretary.

(b) REDUCTION IN AMOUNT OF RETIREMENT CREDIT.—Section 37(b)(3)(C), as added by section 504(a) of this Act, is amended to read as follows:

"(C) otherwise excluded from gross income, including any amount excluded from gross income under section 124.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for part III of subchapter B of chapter 1 is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 124. Partial exclusion of United States retirement benefits.
"Sec. 125. Cross references to other Acts."

(d) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1975.

Mr. MONTOYA. Mr. President, the new amendment which I have sent to the desk is identical to my bill, S. 2870, and to printed amendments, No. 1819 and No. 1890, with certain technical and perfecting changes.

This amendment is intended to equalize our tax treatment of retired persons. It provides that Federal retirees will be given the same tax treatment as is now given to those who receive social security retirements. It changes the Tax Code to provide an exemption from taxation for retired Federal employees up to the amount of the maximum social security retirement.

Social security retirees and retired railroad workers receive retirement benefits which are exempt from taxation. Retirement programs for civil service retirees, however, are not exempt from taxation, following the final payment of dollars which have been previously contributed by the worker and which were taxed at the time of earning.

What this means is that we have been taxing senior citizens according to the source of their retirement income, with our own Federal employees being taxed most severely. My amendment will mean that retirees over the age of 65 will, from now on, receive the same tax exemption and the same tax treatment.

This amendment provides that exemptions will be allowed up to the amount of the maximum social security benefit. If a retiree receives a mixed retirement package; that is, if he receives a civil service retirement as part of his income and social security as another part of his income, then the total exemption would be the amount of the maximum social security benefit. In addition, the amount exempted under this amendment would be excluded from gross income in figuring retirement income credit, exactly as social security and railroad retirement benefits are excluded. No retired Federal employee will receive a double benefit through this amendment. What he will receive is equity—equal treatment under our tax laws.

Most retired civil servants have only their civil service retirement plus whatever income they derive from their savings or investments. Their average retirement is small—around $5,080. That represents 70 percent of the total income for the average civil servant. Many of these older citizens have planned for years to add to their retirement income through savings or investments. Inflation has destroyed the true value of those plans. If taxes are allowed to eat further into the income which has already been cut in value by inflation, the result is a serious injury to men and women who have spent a lifetime in dedication to duty as civil servants.

We owe these workers fair tax treatment. Workers in private industry who have made the same long-range plans usually have private pensions, or savings, to add to their social security benefits. Their total income may be the same as that of the retired civil servant—but because the social security portion of their retirement income is not taxed, their financial position is much better. My amendment will provide equity, and will tie that equity to social security tax exemption levels, so that it would not be necessary for us to come back to the Congress for a change in the code with every shift in the economic picture.

This is a simple, clear, and fair way to handle this problem. The revenue loss for this amendment is estimated by the Library of Congress to be under $200 million. Although they have stated that it is impossible to estimate the exact figure. There would be a 25- to 50-percent recoupment through feedback effects, of course.

I ask the Senate to consider this amendment favorably as part of this major tax bill. Since working on this amendment, I have received very favorable support from all retired citizen groups, and particularly from the National Association of Retired Federal Employees. They have, I believe, stated that this version—the Montoya version—is the one which they believe to be most fair.

I agree. I hope that I will have the support of every Senator for this attempt to correct a very serious flaw in our treatment of the elderly retired Federal workers.

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, I rise in opposition to this amendment. It will cost between $500 and $700 million a year. It is an addition to what the law already provides.

Some years ago, because social security payments were tax-free by act of Treasury and railroad retirement benefits were tax-free because of statute, the Congress enacted the retired income credit.

Several times we have raised that. It takes care of those civil service retirees receiving the lowest benefits.

This would add on to that. If we do this today, the time will be at hand when we will be asked to do it for all State and local retired employees.

The way it is written, it will give the maximum benefit to those who receive the highest on retiring.

Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table (putting the question).

The motion to table was agreed to.

Several Senators addressed the Chair.

Mr. MONTOYA. I ask for a rollcall vote.

Mr. CURTIS. The vote has been announced.

The PRESIDING OFFICER. The result has been announced.

Mr. MANSFIELD. Mr. President, I ask unanimous consent the Senator be accorded a rollcall vote.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the rollcall is concluded the Senator from Wisconsin (Mr. NELSON) be recognized.

Mr. NELSON. Is it too late to ask one question?

Mr. CURTIS. Regular order. Regular order.

Mr. TAFT. Mr. President, I object to that request.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the motion to table the amendment of the Senator from New Mexico. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

I also announce that the Senator from Missouri (Mr. EAGLETON) is absent attending the funeral of Congressman Jerry Litton of Missouri.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 45, nays 40, as follows:

[Rollcall Vote No. 499 Leg.]

YEAS—45

Abourezk
Bartlett
Bayh
Bellmon
Bumpers
Clark
Cranston
Culver
Curtis
Dole
Fannin
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Haskell
Hatfield
Hathaway
Helms
Javits
Kennedy
Laxalt
Leahy
McClellan
McClure
McIntyre
Morgan
Muskie
Nelson
Nunn
Packwood
Percy
Proxmire
Ribicoff
Scott, Hugh
Sparkman
Stafford
Stennis
Symington
Taft
Talmadge
Thurmond
Tower

NAYS—40

Allen
Baker
Beall
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Domenici
Durkin
Eastland
Hart, Gary
Hollings
Huddleston
Humphrey
Inouye
Jackson
Long
Magnuson
Mansfield
Mathias
McGee
Metcalf
Montoya
Moss
Pastore
Pearson
Pell
Randolph
Roth
Scott, William L.
Stevenson
Stone
Weicker
Williams

NOT VOTING—15

Biden
Cannon
Eagleton
Fong
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Mondale
Schweiker
Stevens
Tunney
Young

So the motion to lay on the table was agreed to.

Several Senators addressed the Chair.

UP AMENDMENT NO. 331

Mr. TAFT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Ohio (Mr. TAFT) proposes an unprinted amendment numbered 331: At the appropriate place, insert the following new section: Common Trust Fund Treatment of Certain Custodial Accounts.

Mr. TAFT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT's amendment is as follows:

END OF TITLE XXVII

At the end of Title XXVII, insert the following new section:

SEC. . COMMON TRUST FUND TREATMENT OF CERTAIN CUSTODIAL ACCOUNTS.

(a) IN GENERAL.—Section 584(a)(1) (relating to definition of common trust fund) is amended to read as follows:

"(1) exclusively for the collective investment and reinvestment of moneys contributed by the bank in its capacity—

"(A) as a trustee, executor, administrator or guardian, or

"(B) as a custodian of accounts—

"(i) which the Secretary determines are established pursuant to a State law which is substantially similar to the Uniform Gift to Minors Act as published by the American Law Institute, and

"(ii) with respect to which the bank establishes, to the satisfaction of the Secretary, that it has duties and responsibilities similar to duties and responsibilities of a trustee or guardian; and".

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. TAFT. I yield without relinquishing my right to the floor.

Mr. ROBERT C. BYRD. Mr. President, I rise at this time to inquire as to how many amendments remain to be offered, who plans to offer them, and a brief explanation of what they involve, and to attempt to see if we can get to an agreement as to a time on amendments, and as to a time for the final vote.

How many Senators have amendments? Mr. JAVITS, Mr. BARTLETT, Mr. BELLMON, Mr. MATHIAS, Mr. TAFT, Mr. KENNEDY, Mr. METCALF, Mr. BURDICK, Mr. GRAVEL, Mr. BUMPERS, Mr. NELSON, Mr. DOMENICI, and Mr. FORD.

I wonder if the manager of the bill is aware of each of these amendments, and knows what is involved.

Mr. LONG. Generally speaking, yes. Some of the amendments are relatively noncontroversial, and I would hope to take them if the Senate would let us take them.

Mr. ROBERT C. BYRD. I wonder if we could agree on not to exceed 30 minutes on any remaining amendments. Several of these amendments will be accepted, as I understand, by the chairman.

Mr. HASKELL. Mr. President, reserving the right to object, and I believe I would have to object merely on the grounds that I do not understand the amendments, if I knew what they were I might well not object, but not knowing what they are, I would have to object.

Mr. NELSON. Mr. President, I wonder if we could not have an agreement that if we had an objection to a particular amendment, we could drop that limit.

Mr. LONG. What about that? That sounds like a good agreement.

Mr. ROBERT C. BYRD. What was that?

Mr. NELSON. Why not consent to a 30-minute limit, and if there were one we thought would take more time, or if any single Senator says, when an amendment is called up, "I want to object to it," we will except that one. How does that sound, by way of a unanimous-consent agreement?

Mr. HASKELL. I would have no objection to that, Mr. President.

Mr. ROBERT C. BYRD. Very well.

Mr. ALLEN. Mr. President, reserving the right to object, does that mean that if anyone objects to an amendment the limitation will be lifted?

Mr. ROBERT C. BYRD. Mr. President, as I understand, what that means is that when an amendment is called up, and the Senate sees what it is, if at that point any Senator wants to object to the limitation on the time as to that amendment, he may object, and we will not have a limitation.

Mr. ALLEN. That is what I asked. Does that mean the limitation will be lifted if anyone objects?

Mr. MANSFIELD. Yes, but it may well be that the time would want to be extended to cover questions raised by a Senator on a particular amendment, but not do away with it entirely.

Mr. LONG. I would hope if anyone wants to object to the time limitation on an amendment, he would do it promptly when the amendment is called up. If we can get a gentlemen's agreement, anything is better than nothing, put it that way.

Mr. HASKELL. Mr. President, if I understand the agreement correctly, an individual Senator, after understanding the amendment, could then object and there would be no time limitation.

Mr. ALLEN. That is not what the majority leader says.

Mr. HASKELL. Or, in the alternative, if we could agree to it, a time certain understanding. But flexibility should be retained, Mr. President.

Mr. MANSFIELD. That is right. But no one Senator could have the power to say, "We are not going to consider this amendment under any circumstances."

Mr. HASKELL. Oh, Mr. President, I concur with the majority leader. Certainly. In considering the amendment, we would merely be lifting any time limitation; is that the understanding?

Mr. BUMPERS. But, Mr. President, reserving the right to object, we should have an understanding here as to at what point the Senator must raise the objection.

Mr. ROBERT C. BYRD. Mr. President, I would suggest that the Senator have 5 minutes into the discussion on any amendment to raise an objection.

Mr. HASKELL. Mr. President, I would hope we would not have a limit of 5 minutes. Some of us do not comprehend that quickly, I would say to the assistant majority leader, and it might be hard to find out what the amendment was all about.

Mr. ROBERT C. BYRD. Then I would say 10 minutes.

Mr. HASKELL. Predicated upon the amendment being lucid and concise——

[Laughter.]

Mr. ALLEN. Mr. President, reserving the right to object, as I understood the majority leader, a Senator could not object to there being a time limitation in some degree?

I feel a better plan would be that as each amendment comes up see if a limitation could not be agreed upon.

I shall have to object to a general blanket time limit.

The PRESIDING OFFICER. Objection is heard.

Mr. TAFT addressed the Chair.

Mr. ALLEN. I might state that I have no objection to any known amendment. I do not know what might come up.

Mr. PASTORE. Mr. President, will the assistant majority leader yield?

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. ROBERT C. BYRD. May we get a time limitation agreement?

Mr. LONG. Mr. President, might I suggest to the Senator that he might simply ask what Mr. NELSON suggested to begin with, and that is that we simply have a half-hour limitation with the understanding that any Senator can insist on lifting it.

Mr. ROBERT C. BYRD. That is a fair number.

Several Senators addressed the Chair.

Mr. PACKWOOD. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PASTORE. Mr. President, will the Senator please yield?

Mr. TAFT. I will yield without losing my right to the floor.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. PASTORE. Mr. President, may I ask the $64 question?

Mr. ROBERT C. BYRD. Yes.

Mr. PASTORE. May we have an agreement on final passage of the tax bill?

Mr. CURTIS. 3:15 p.m.

Mr. PASTORE. Is it possible? I am not being facetious.

Mr. ROBERT C. BYRD. Mr. President, there are Senators who have reservations on airlines that will leave this city at 6 and 6:30 p.m. this evening.

I ask unanimous consent that the final vote occur at no later than the hour of 6:30 p.m. today.

Mr. MONTOYA. Make it 5:30 p.m.

Mr. HUMPHREY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MONTOYA. It has to be earlier.

Mr. HUMPHREY. My plane leaves at 5:55 p.m.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent the final vote occur no later than 5 p.m.

Mr. ALLEN. Mr. President, reserving the right to object, this unanimous-consent request is much worse than any that has been requested up to now because this would permit at the last minute having all sorts of amendments before the Senate on which no debate would take place.

And obviously it would certainly allow any dog of an amendment to be offered and a vote obtained.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. I object.

Mr. WEICKER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Most Senators are agreeable to a time in order to work out something whereby we can see the end of the tunnel at a reasonable hour today.

It is the intention of the leadership to stay in until we complete this bill today rather than carrying it over until Monday or going into tomorrow.

I shall endeavor to get around to each Senator who has an amendment in order to find out what the amendment does and then I will be in a better position to explain to those who may wish to object at this time, and perhaps later we can get a general agreement.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. I appreciate the efforts of the distinguished assistant majority leader in trying to work this matter out.

Might I suggest, if it be agreeable with Senators, that we try to proceed on the basis that we had hoped to take the least controversial amendments first; that being the case, we can move on faster.

Mr. ROBERT C. BYRD. That is right.

Mr. LONG. That would keep moving us on down toward the point where when we get to something we cannot agree to anyhow perhaps we can decide how we are going to handle it, or whatever.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MANSFIELD. Mr. President, I only wish to reinforce what the distinguished assistant majority leader has said. It is the leadership's intention to stay in session no matter what the hour, if it is at all possible to finish this bill tonight—no matter what the hour.

Mr. ALLEN. That is all right with me.

Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I hope this amendment is going to be one that will only take a couple minutes. I do not think it should be controversial.

Most of the States, as I am sure Senators know, have a uniform gift to minor's statute under which there is provided a very convenient way of making gifts to minor children and having it taken out of the custody of the donor, out of the custody of the parent, and administered by a bank or by some other trustee.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield to the Senator.

Mr. LONG. Mr. President, I understand this amendment has no revenue impact. It is simply an amendment——

Mr. TAFT. If the Senator will refrain, I believe I can continue with this presentation.

Mr. LONG. Yes.

Mr. TAFT. I understand the matter is satisfactory to both Senators. As the distinguished chairman says, I do not anticipate any revenue impact.

This is really being done today, and it would not have a change in the current system of the tax law.

Under section 584(a)(1) of the Internal Revenue Code, common trust fund treatment is permitted to various types of investments so that a bank when it receives a small investment can put the money into a common trust fund without being endangered in that common trust fund of having that common trust fund considered as a corporation and having a tax as a corporation rather than a tax from the individual investor in the bank or in the common trust fund.

All this does is take the gift that is made under the Uniform Gift to Minors Act and say that it may go into this fund. There is not going to be, as I say, any adverse revenue impact. If we do not pass this, custodian funds under the Uniform Gift to Minors Act are not going to go into the common trust fund. It is simply a convenience, something that will make it a lot easier to use the Uniform Gift to Minors Act. I think it has been a very useful device over the years.

Mr. LONG. Mr. President, I know of no objection to the amendment. I hope the Senate will agree to it.

Mr. HASKELL. Mr. President, may I ask one question of the Senator from Ohio?

Mr. TAFT. I am glad to yield to the Senator from Colorado.

Mr. HASKELL. This would not change the rules on the——

The PRESIDING OFFICER. Will the Senator suspend? Let us have order in the Senate. Senators please take their conversations to the cloakroom. Senators cannot be heard.

The Senator may proceed.

Mr. HASKELL. I merely ask the Senator from Ohio the following: I assume this does not give an individual gift tax exemption where none existed before.

Mr. TAFT. No, there is no gift tax exemption change of any kind. There is no revenue change, as I can see, and the investment power is all conformed to and governed by the Uniform Gift to Minors Act anyway.

Mr. HASKELL. I thank the Senator.

Mr. TAFT. I thank the Senator from Colorado.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS and Mr. BARTLETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is listed next on the order here.

UP AMENDMENT NO. 332

Mr. BARTLETT. Mr. President, I call up my amendment No. 2173.

The PRESIDING OFFICER. The amendment will be stated.

Mr. BARTLETT. Mr. President, I find my amendment has not been printed. It was assigned a number which I believe to be 2173.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT), proposes an unprinted amendment numbered 332.

At the end of title XXVIII insert the following:

SEC. . TRANSFERS OF OIL AND GAS PROPERTY WITHIN THE SAME CONTROLLED GROUP OR FAMILY

(a) IN GENERAL.—Subparagraph (B) of section 613 A(c)(9) (relating to transfer of oil or gas property) as amended by this Act is amended—

(1) by striking out "or" at the end of clause (ii),

(2) by striking out the period at the end of clause (iii) and inserting in lieu thereof a comma, and

(3) by adding at the end thereof the following:

"(iv) a transfer of property between corporations which are members of the same controlled group of corporations (as defined in paragraph (8)(D)(i)), or

"(v) a transfer of property between business entities which are under common control (within the meaning of paragraph (8)(B)) or between members of the same family, or

"(vi) a transfer of property between a trust and related persons in the same family (within the meaning of (8)(C)) to the extent that the beneficiaries of that trust are and continue to be related persons in the family that transferred the property, and to the extent that the tentative oil quantity is allocated among the members of the family: *Provided, however,* that no transfer will be considered to have taken place pursuant to clauses (iv) or (v) only so long as the tentative oil quantity determined under the table contained in paragraph (3)(B) is allocated under paragraph (8) between the transferor and transferee.".

Mr. BARTLETT. Mr. President, when Congress passed the Tax Reduction Act of 1975, it repealed percentage depletion for oil and gas producers. A limited exemption was granted, however, for independent producers and royalty owners. The exemption was limited to independents who met certain requirements and to a volume of production specified in a declining production schedule.

The final legislation was drafted very quickly in the waning hours before the 1975 Easter recess. Because of technical problems in certain sections of the complex independent producer exemption, a number of independents have also lost percentage depletion. I do not believe Congress intent was to take depletion from these independents. The intent behind Congress action was to repeal depletion for the major oil companies.

Independents play a very important role in our Nation's effort to increase oil and gas production. They drill over 80 percent of the wells and discover approximately 50 percent of our oil and gas reserves. Percentage depletion enables independents to obtain investment capital from both internal and external sources and is an incentive to drill, complete, and produce oil and gas wells. Our Nation's oil and gas production would be greater if all independent producers received depletion. Some of them should not be denied percentage depletion because of technicalities in the quickly drafted, complex tax law.

One of the more troublesome sections in the independent producer exemption is the transfer of property provision. Basically, the transfer provision in the existing law denies percentage depletion on a proven oil or gas property if it is transferred after January 1, 1974, even if the transferee is otherwise qualified to receive depletion. An exception is provided in the case of a transfer of property at death.

The Senate Finance Committee added an additional exception to the transfer rule to permit a change in beneficiaries of a trust by reason of the death, birth, or adoption of a beneficiary if the transferee was a lineal descendant of the grantor.

I am pleased that the Finance Committee has chosen to address one of the problems in the transfer provision. However, additional problems still remain which I believe should be corrected.

On page 425 of the Finance Committee's report on the Tax Reform Act of 1976, the committee states:

> The rule prohibiting the percentage depletion deduction on proven property which has been transferred was intended to prevent a proliferation of the amount of proven oil and gas reserves that might be eligible for percentage depletion when produced.

If this is the case, the transfer provision in existing law, even as amended by the Finance Committee bill, is overkill.

My amendment will correct some of the remaining problems without going beyond what I believe to be the intent of Congress, which was to prevent proliferation. While I fully believe that additional improvements are still needed in this provision, my amendment will clear up many of the ambiguities in the existing law and facilitate a number of transfers which could not otherwise occur without loss of depletion.

In effect, my amendment would permit a transferred property to receive percentage depletion if the transfer occurred within the same controlled group, the members of which are subject to one limitation on depletion. In such a situation, there is no proliferation by definition.

For example, under existing law, the wife and minor children of a producer could not be transferred part ownership in a proven property without loss of depletion even though they are all treated as one taxpayer for depletion purposes. This could result in the ridiculous situation in which the wife of a living producer would be denied depletion on a transferred property, when she could receive if he died. My amendment would correct this.

Other examples would include transfers between business entities and under common control, between the same controlled group of corporations, and to a trust to the extent the beneficiaries of the trust are members of the family of the grantor of the trust.

I believe the amendment is equitable. Although it does not do as much as I would like, I am hopeful it would become law in this form.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

Mr. PASTORE. What is this going to cost?

Mr. BARTLETT. This would not cost anything, because the depletion already is being enjoyed by somebody.

What this means is that if the transfer would take place, a person would not be denied depletion.

For example, as I said, the wife and child could not receive a part of this producing property and receive depletion that they are receiving now or that the husband is receiving now. So it is only equity. It does not extend depletion to anyone. It does not proliferate depletion.

Mr. PASTORE. The fact remains that it is not being extended at the present time, under the law.

Mr. BARTLETT. At the present time, the wife and children would not be transferred an interest in this property and the husband would retain it.

Mr. PASTORE. If this does not change any money or does not affect the amount of money, then why do we need the amendment?

Mr. BARTLETT. We need the amendment in the interest of justice so that if the property is transferred, there will not be a reduction in the value of it.

Mr. PASTORE. In the value of what property?

Mr. BARTLETT. In the value of the producing property. It would not be worth as much if the royalty interest were not operable. If the royalty interest were denied, the person who received the transfer would not receive the full value of the property.

Mr. PASTORE. Is the Senator saying that where the husband has the right of a depletion allowance because he is an independent producer and something should happen to him and it passes on to his wife and children, it would carry over the same?

Mr. BARTLETT. I am saying that the wife and children could receive this property at death and receive the depletion allowance.

Mr. PASTORE. And under the present law, they will not receive it?

Mr. BARTLETT. Under the present law, if he transferred it to her while he was still alive, they would not receive the depletion allowance, so that the property would not be worth as much. I do not think this was the intent of Congress when this was passed. The intent was to deny the opportunity of major oil companies proliferating the ownership of leases, and hence qualifying under the limits of production, to qualify for depletion.

Mr. PASTORE. Therefore, in the situation the Senator mentions, it is when it is transferred within the immediate family?

Mr. BARTLETT. Right.

Mr. PASTORE. The right of depletion allowance the husband was entitled to passes on to his spouse and his children.

Mr. BARTLETT. Another example is one in which a group of corporations pay one Federal income tax. They could transfer without losing the depletion allowance. It is a very narrow amendment. It does not extend to any kind of broad definition, and it does not proliferate the depletion that would be permitted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

Mr. PROXMIRE. As I understand, the Senator has told the Senator from Rhode Island that this would not cost anything. It would not cost the Treasury any money. It would not result in any reduction in revenue. Is that correct?

Mr. BARTLETT. Let me answer that by saying this: If the transfer took place from the husband to the wife, the wife would not receive the depletion allowance; hence, there would be a loss.

The reason I answered it the way I did was that I do not think these transfers are taking place, the ones that normally would take place within a family or a group of corporations; because if the transfer does occur, there is a loss in value on that property because of the tax.

Mr. PROXMIRE. The Senator is saying that he does not think the transfer takes place. But there may be transfers that take place at death. Is that correct or not?

Mr. BARTLETT. At death, there is no penalty, but there is penalty while the husband is still alive.

Mr. PROXMIRE. Does the Treasury Department take a position on this amendment?

Mr. BARTLETT. The Treasury Department supports it. I am informed that they helped draft the language that finally was agreed to here.

Mr. PROXMIRE. I thank the Senator.

Mr. PASTORE. Was this matter brought before the committee?

Mr. BARTLETT. No, not in this form. It was suggested by me to two or three committee members in a broader form. A very narrow part, on transfers, was adopted by the committee, which would permit the change in beneficiaries of a trust by reason of death, birth, or adoption of a beneficiary if the transferee was a lineal descendant of the grantor. That is in this bill. That was adopted in the committee. It is very, very narrow. So are the three proposals that I am advancing. They are very narrow. But this was not presented to the committee.

Mr. PROXMIRE. As I understand it, this amendment was worked out with the Treasury and with the staff of the Finance Committee to their satisfaction. Is that correct?

Mr. BARTLETT. The joint committee, the Treasury, and my staff.

Mr. HASKELL. Mr. President, will the Senator yield for a couple of questions?

Mr. BARTLETT. I yield.

Mr. HASKELL. I have had the benefit of talking to the staff of the joint committee on this amendment. I should like to have verified in the RECORD their understanding, so that we have a proper legislative history of this provision.

First, as to corporations, my understanding is that this amendment retaining the depletion allowance applies only to transfers between corporations that file a consolidated return. Am I correct in that?

Mr. BARTLETT. That are under common control, whether or not they file a consolidated return.

Mr. HASKELL. So that the benefit of the depletion allowance would continue even though they are under common control and do not file a consolidated return.

Mr. BARTLETT. They are subject to the same limit on the depletion allowance which, as the Senator knows, right now is 1,800 barrels of production.

Mr. HASKELL. I wonder if the Senator will accept a suggestion? This is too complicated to come up on the floor of the Senate at the last minute. I would feel happier if the Senator would temporarily withdraw it and perhaps I could at least talk at greater length to a member of the staff of the Joint Committee and understand this more fully. I wonder if the Senator would do that. Otherwise, I shall have to make a motion to table, because, frankly, I am confused.

Mr. BARTLETT. I say to the Senator from Colorado that I shall be happy to lay this aside temporarily. I would like to have the right to bring it up, though, in comparatively short order.

Mr. HASKELL. I shall let the Senator bring it up when he wants to, but all I ask is to let me have an opportunity to talk to the staff about it.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendment is laid aside.

UP AMENDMENT NO. 333

Mr. BARTLETT. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes unprinted amendment No. 333.

At the end of Title XXVIII add a new section as follows:

SEC. 2813. Business use of homes includes in its meaning for the use of management, conservation, or maintenance of property held for the production of income, and which is the substantial business of the taxpayer.

Mr. BARTLETT. Mr. President, I am introducing an amendment to the tax bill in order to clarify a problem which has existed under the previous Code language concerning deductions for the use of a residence as a place of business. I am not talking about those individuals who use their homes merely as a ruse and a tax loophole, but those individuals who legitimately, as their sole business, manage their own property or properties from their home.

This question has been reviewed by both the Internal Revenue Service and the joint committee. In section 212 of the code, Congress has specifically provided that the management of one's own property is a legitimate business deduction; however, for a number of years, individuals who have been doing this in their homes, as their sole business, have been repeatedly harassed by Internal Revenue Service agents, who are insuring that these people are actually managing personal business properties from their homes.

My amendment is quite simple and, according to the joint committee, was discussed and agreed as the intention of the term "Business Use of Home." This amendment simply adds the code language of section 212(2), thereby specifically clarifying what is intended to be included as business conducted in a taxpayer's residence.

The joint committee specifically covered this matter in its hearings to develop the revisions but cases have often proven that legislative history is not necessarily followed by any agency, and particularly the Internal Revenue Service. This amendment should, once and for all, close the question of what the intention of Congress is concerning a business within an individual's home. This amendment will prevent a good deal of litigation over the bill's present language.

Obviously, the area of home use will still require considerable monitoring by the IRS because it is an area open to abuse, but I do not believe we should prevent any individual from the legitimate use of his home or areas within his home as a place of business. Many individuals, particularly those who have retired, do not wish to discontinue an active life in business. They continue to use sections of their home to manage the properties that they have accumulated during their lives working for other companies. This management is substantially a full-time business and is as legitimate as that of a major corporation which has seven or eight locations around this Nation, and for which they are allowed to deduct.

I hope that the distinguished floor manager of this bill will accept this amendment because I believe that it merely adds to the intention to clarify the "home business exemption."

Mr. LONG. Will the Senator yield?

Mr. BARTLETT. I yield.

Mr. LONG. What this amendment does is a very limited expansion of what the committee did in this area. We suspect that what the Senator does in his amendment is what the committee intended to do to begin with. Therefore, we would like to take the amendment to conference and hope that we can work it there consistent with what our intent was, which we believe is about what the Senator had in mind.

Mr. BARTLETT. I am very pleased to do that.

Mr. PROXMIRE. Will the Senator give us the cost of this amendment, if there is a cost available? What would be the cost to the Treasury? How much would it reduce revenues, if it would reduce revenues?

Mr. BARTLETT. It makes no change in what I understand the intent of the existing bill is.

Mr. LONG. We believe that there is no cost compared to what is in the House bill. What is in the bill is a revenue gainer. We believe that what the Senator had in mind is the same thing that we in the committee had in mind with our amendment. We would like to take it to conference and compare this with what the House has in the same area, because we believe this is an area where we ought to tighten up. But we believe our intent is the same as what the Senator had in mind.

Mr. PROXMIRE. Does the Treasury support the amendment?

Mr. LONG. They support the basic amendment. We do not know about these particular words, but they support the basic amendment. The whole thing is in conference with the House anyway.

Mr. HASKELL. Mr. President, will the Senator from Oklahoma yield for a comment?

I have had an opportunity to talk to the joint committee staff on the Senator's first amendment and I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LONG. Let us vote on the one that is here right now.

The PRESIDING OFFICER. The question is on agreeing to the Senator's second amendment (UP amendment No. 333).

The amendment was agreed to.

Mr. LONG. I suggest the Senator renew his first amendment. I think there is no objection to that.

Mr. BARTLETT. Mr. President, I renew my first amendment and move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the first amendment (up amendment No. 332).

The amendment was agreed to.

AMENDMENT NO. 2133

Mr. BUMPERS. Mr. President, I have a very short amendment, No. 2133, at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes amendment No. 2133.

Mr. BUMPERS. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

SEC. .

Section 152 of the Internal Revenue Code (relating to definition of dependents) is amended by striking the word "all" in subsection (e)(2)(B)(1) of said section 152 and inserting in lieu thereof the word "each".

Mr. BUMPERS. Mr. President, this amendment deals with the ability of a noncustodial parent to take an exemption for a child who is residing with the custodial parent. Typically, in a divorce case in this day and time, most decrees provide which parent will receive the exemption for the child as a dependent. That decree controls. But under the tax laws, section 152 of the Code, there is a provision that if a noncustodial parent—we shall say the husband—contributes $1,200 to the support of a child who is in the custody of its mother, then the law places the burden on the mother to clearly establish—and that is the language—to "clearly establish" that she has contributed more than $1,200 to that child's support.

The only flaw in this is that at present, the father gets the exemption for all of the children, no matter how many there are, if he contributes $1,200 for their collective support. What happens is that the only thing that will keep him from getting, say, four exemptions for four children by simply contributing $1,200 is for the mother to come in and clearly establish that she has contributed more.

My point is very simple: In these inflationary times, the father should not automatically get such an exemption for all the children. I think it ought to be $1,200 for each child before the wife has the burden of such proof.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. LONG. This is the kind of thing that ought to be considered in conference. There is merit to it. I would like to take it to conference if the Senate will let me take it to conference.

Mr. BUMPERS. I thank the Senator very much and move the adoption of the amendment.

Mr. PROXMIRE. Will the Senator indicate the cost of the amendment, the effect on revenues, if any?

Mr. BUMPERS. There is no cost, because it simply changes or provides for the opportunity for changing which parent will get the exemption. One of them is going to get it.

Mr. PROXMIRE. Is this supported by the Treasury Department? Does the Treasury Department have a position on it?

Mr. BUMPERS. I have not discussed it with the Treasury, quite frankly. To be candid, it seemed like such an egregious inequity, to force a woman to prove that she contributed more support for four children than her husband did.

Mr. LONG. The question is, when there is a marital breakup, which parent gets the deduction for child support. It is revenue-neutral. It is just a matter of deciding whether the man does what he claims he does.

Mr. PASTORE. If the Senator will yield, I think this is a fine amendment. What the Senator is actually saying is that it takes a lot more than $1,200 to bring up a child. The mere fact that the husband kicks in $1,200 because of the court's decree, the mother naturally—there are a lot of things she has to do, a lot of expenses that she could possibly never prove or document. I think this is a fine amendment. I think it should be taken to conference.

The PRESIDING OFFICER The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

UP AMENDMENT NO. 334

Mr. JAVITS. Mr. President, I have two amendments. I will not take more than 5 minutes on the first and 10 minutes on the second. I send the first amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS) proposes unprinted amendment No. 334.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of Title XVIII insert the following:
>
> SEC. . DISREGARD OF FEDERAL ASSISTANCE PAYMENTS UNDER EARNED INCOME CREDIT.
>
> (a) IN GENERAL.—Subsection (d) of section 2 of the Revenue Adjustment Act of 1975 is amended by adding at the end thereof the following: "Any benefits or assistance obtained by an individual under such a program shall be disregarded for purposes of determining whether that individual maintains a household (under section 214(b)(3) of the Internal Revenue Code).".
>
> (b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 1975.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? Mr. President, I heard the Senator say that he is willing to take 5 minutes on the first amendment and take 10 minutes on the second amendment. I ask unanimous consent that there be a time limit of 10 minutes on the first amendment and 20 minutes on the second amendment to be equally divided.

Mr. LONG. Mr. President, I wonder if we could consider this on a subsequent bill. This does not have to be considered on this bill, but it could be considered on another bill, and I am sure we are going to have later bills on which this can be considered.

Mr. JAVITS. Mr. President, may I say something? This is a matter of burning interest to the welfare authorities in my State. Will the Senator allow me to explain that? If he says he cannot deal with it now, I will simply abide by his wishes.

If it were not urgent I would not offer it. The welfare authorities of the city of New York and the mayor of the city of New York, have appealed to me to bring the amendment up because it is necessitous so far as they are concerned. Here is the issue which is involved, Mr. President.

The committee amendment deals with the earned income credit which goes to poor people, and they certainly are poor because it is a $4,000 limit, and it is phased up to $8,000 when it passes out entirely.

The problem appears to be that the IRS has ruled that if a child of that particular kind of family receives over one-half of its support from sources outside the family, then the whole family's earned income, which is this $4,000, loses the benefit of the earned income credit.

What has happened is that this has been widely applied by the IRS to children who are on AFDC, and this just again robs the poor of the incentive to work. It has apparently borne in very heavily on the welfare authorities.

I would greatly appreciate it because of its necessity, and the Senator knows as well as I do that if it does not stand up on examination in the conference, it will be dropped. We are not going to turn down the conference report on that account, and that is my reason for urging it.

If the Senator could take it to conference, I would greatly appreciate it. It is not my baby. It is the plea of the welfare authorities of my State.

Mr. LONG. Well, Mr. President, this is something that we ought to consider in connection with one of these later bills. There are some pros and cons to it, and the Senator knows I have equal sympathy with the Senator in helping the working poor. I would urge the Senator to withhold this now, and I will assure him I will see that this matter—I will join him, in seeing that this amendment—is considered in the bill that comes before us during the remainder of this session of Congress.

Mr. JAVITS. I have no other choice but to concur with the Senator. But I would hope what he has assured me of will be honored, especially in light of the kind of necessity involved.

Mr. President, I withdraw my amendment.

UP AMENDMENT NO. 335

Mr. JAVITS. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The Senator from New York is recognized for a second amendment which the clerk will report.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS) proposes unprinted amendment numbered 335, on behalf of himself, Senator HUMPHREY and Senator PERCY.

The amendment is as follows:

> At the end of title XXVIII insert the following new section:
>
> SEC. 2816. COMMISSION ON EXPANDED STOCK OWNERSHIP.
>
> (a)(1) ESTABLISHMENT.—There is hereby established the Commission on Expanded Stock Ownership (hereinafter in this section referred to as the "Commission"). The Commission shall be composed of 15 members, appointed as follows:
>
> (A) five appointed by the President, by and with the advice and consent of the Senate;
>
> (B) five appointed by the President Pro Tempore of the Senate; and
>
> (C) five appointed by the Speaker of the House of Representatives.
>
> (2) Any vacancy in the Commission shall not affect its powers and it shall be filled in the same manner as the original appointment.
>
> (b) The Commission shall conduct a comprehensive inquiry with respect to broadening stock ownership particularly with regard to employee stock ownership plans (as defined in section 4975(e)(7) of the Internal Revenue Code of 1954 and section 407(d)(6) of the Employee Retirement Income Security Act of 1974) and all other alternative methods for broadening stock ownership to the American labor force and others.
>
> (c)(1) For puropses of carrying out its

functions under this section, the Commission may sit and act at such times and places and receive such evidence and testimony as it considers advisable.

(2) The Commission may secure directly from any department or agency of the United States information and assistance necessary to carry out its duties under this section. Each department or agency is authorized and directed, to the extent permitted by law and within the limits of available funds, to furnish information and assistance to the Commission.

(3) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(4) All meetings, hearings, conferences, or other proceedings of the Commission shall be open to the chairmen and the ranking members of the appropriate committees of the Congress or their designees and reasonable notice of such meetings or hearings shall be given to such chairmen and ranking members or their designees.

(d)(1) Except as provided in paragraph (2), members of the Commission each shall reecive as compensation the daily equivalent of the annual rate of basic pay in effect for Grade GS-18 for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Commission.

(2) While away from their homes or regular places of business in the performance of service for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(e) The Commission may appoint and fix the compensation of such personnel as it considers advisable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and such personnel may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at a rate not to exceed the maximum rate authorized by the General Schedule. The Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for the maximum rate authorized by the General Schedule.

(f)(1) The Commission shall transmit to the President and to each House of the Congress such interim reports as it deems advisable and a final report containing a detailed statement of its findings and recommendations, together with any individual views on or before March 30, 1978.

(2) The Commission shall not be required to obtain the clearance of any Federal agency before the transmittal of its report.

(g) The Commission shall cease to exist 60 days after the transmission of its final report under subsection (f) and all offices and employment under it shall then expire.

(h) There are authorized to be appropriated to the Commission without fiscal year limitation, such sums as may be necessary to carry out the provisions of this subsection.

Mr. JAVITS. Mr. President, again I discussed this amendment with the Senator from Louisiana. This is an amendment to establish a commission for the purpose of considering employee stock ownership.

Mr. President, on employee stock ownership and broadened stock ownership, this amendment takes into consideration the matters which Senator Curtis raised by his amendment.

We had a very, very fiery debate on this subject here. The principal cause was the fact that a particular type of employee ownership stock plan was favored by our tax laws, although it was relatively little used, whereas the overwhelming majority of thousands of employee stock ownership plans were not given that kind of favorable consideration.

Senator Curtis then raised the issue of broadening among all Americans employee stock ownership.

Mr. LONG. I am willing to take the amendment.

Mr. JAVITS. I thank my colleague, and I yield back the reminder of my time.

Mr. HASKELL. Mr. President, I am sure the amendment is meritorious, but I would personally like to understand it a little more.

Mr. LONG. It provides for a study by a commission.

Mr. HASKELL. I see.

Mr. JAVITS. It is a commission of 15 composed of 5 appointed by the President pro tempore of the Senate, 5 by the Speaker of the House, and 5 by the President of the United States.

I am ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. MANSFIELD. Just a moment, Mr. President. May I ask a question? Is this the same amendment proposed by the Senator from Colorado (Mr. Gary Hart)?

Mr. LONG. No, it is not.

Mr. MANSFIELD. This is a different one.

The amendment was agreed to.

UP AMENDMENT NO. 336

Mr. LONG. Mr. President, on behalf of the Senator from Massachusetts (Mr. Brooke) I send to the desk an amendment. I believe we can promptly agree to it.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. Long) for Mr. Brooke proposes unprinted amendment No. 336.

Mr. LONG. This is a technical correction to the Haskell amendment and, I believe, should be agreed to.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. HASKELL. Mr. President, may I just find out what it is?

Mr. LONG. I suggest that the Senator read it. Show it to the Senator from Colorado (Mr. Haskell).

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

Mr. PROXMIRE. Let the clerk read the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask that the amendment be read.

The assistant legislative clerk read as follows:

At the end of title XXVIII add a new section as follows:

SEC. 2817. DEFINITION OF LOW- AND MODERATE-INCOME HOUSING.

Section 1039(b)(1) (relating to definition of qualified housing project) is amended to read as follows:

(1) QUALIFIED HOUSING PROJECT.—The term "qualified housing project" means a project to provide rental or cooperative housing for lower income families which constitutes property described in section 1250(a)(1)(C).

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. HASKELL. Mr. President, will the Senator yield for a question? I am familiar with this technical amendment that should have been made in that provision. This is probably a good time to make it.

I ask unanimous consent, Mr. President, however, that this be the only amendment permitted to that particular provision to which the Senator from Louisiana has referred.

Mr. LONG. Mr. President, I do not want to agree to any unanimous consent relating to other amendments. I do not have in mind any amendment to the Haskell amendment, but all we are doing is making the Haskell amendment what Mr. Haskell wanted it to be at the beginning, to begin with.

Mr. HASKELL. I might say to the distinguished manager of the bill I do not want to open that particular amendment up to further amendment because it has been passed and it is closed, and there might be people who would like to open it up. I would prefer to have it, if we cannot get unanimous consent along those lines, I would prefer to have this taken care of, this technical amendment taken care of, in conference.

Mr. BROOKE. Mr. President, I would like to ask the Senator if he will not reconsider that. It is a minor, but I consider a very vital, technical change in the Code. This clears up a section of the Code which defines "qualified" or low or moderate income housing.

I know the Senator does not want other changes to come up. I do not think this in any way affects the right of anyone else to bring up any additional amendment pertaining to that particular section, but it is so vital I would hope the Senator would let this amendment be accepted by the committee.

Mr. HASKELL. I would, however, ask unanimous consent that by my accepting this amendment I am not opening up the section to further amendment.

Mr. LONG. No problem.

Mr. PROXMIRE. Mr. President, will the Senator from Colorado yield? Would the Senator tell the Senate to what price house this would apply. He talks about low and moderate income housing. Can he give us some notion as to how this would work? Would it apply to rental units, for example, that cost $400 a month, $500 a month?

Mr. HASKELL. I am embarrassed, Mr. President. I cannot answer the Senator's question. I was told the exemption was put in—the amendment we are referring to was the wrong exemption. It did not refer to low and moderate income housing; that this, in effect, makes the change. I would prefer to have the Senator from Massachusetts explain this.

Mr. BROOKE. Mr. President, if the Senator will yield, I think the Senator from Wisconsin is really addressing what is called the so-called Sparkman amendment.

Mr. PROXMIRE. What does it do?

Mr. BROOKE. As it is presently constructed, it excludes most of the newest, most important, and most frequently utilized Federal and State subsidized housing programs.

Without this minor change, most State housing authorities and real estate developers who construct low and moderate income housing will be unable to continue projects currently underway, or to begin new projects.

That is the purpose for this technical change because the section of the amendment would really cure the obsolete section of the code which defines "qualified."

Mr. PROXMIRE. This does not apply to the proposal to shelter income.

Mr. BROOKE. No, it does not.

Mr. PROXMIRE. To be written off against low and moderate income housing.

Mr. BROOKE. That is included in the so-called Sparkman amendment, which is the amendment to which the Senator from Colorado was addressing his remarks about not opening it up at this time. This corrects a defect in the code.

Mr. PROXMIRE. As I understand it, it would tend to tighten it up.

Mr. BROOKE. Yes; that is correct, and I would ask if he would accept it. The distinguished chairman said he would.

Mr. HASKELL. The distinguished chairman said he would accept it.

Mr. LONG. Just to apprise the Senator of his rights, he does have a right to object to someone opening up that part of the bill in which his amendment appears. So that he would be fully apprised of his rights I ought to advise him that an amendment will be added at the end to nullify his amendment, and he ought to be aware of that. It has not been offered, but it could be offered.

I just wanted the Senator to know his rights.

Mr. HASKELL. I appreciate that.

The PRESIDING OFFICER (Mr. HATFIELD). The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

AMENDMENT NO. 2004

Mr. BURDICK. Mr. President, I call up my amendment No. 2004.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Dakota (Mr. BURDICK) proposes an amendment numbered 2004.

Mr. BURDICK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . INVOLUNTARY CONVERSIONS OF REAL PROPERTY.

(a) IN GENERAL.—Section 1033(g) (relating to involuntary conversions) is amended to read as follows:

"(g) CONDEMNATION OF REAL PROPERTY.—

"(1) SPECIAL RULE.—For purposes of subsection (a), if real property is compulsorily or involuntarily converted as the result of its seizure, requisition, or condemnation, or threat or imminence thereof—

"(A) subsection (a)(3)(A) shall be applied without regard to the requirement that replacement property purchased by the taxpayer be property similar or related in service or use to the property so converted, and

"(B) subsection (a)(3)(B)(i) shall be applied by substituting '4 years' for '2 years'.

"(2) LIMITATION.—Paragraph (1) shall apply with respect to compulsory or involuntary conversion of any real property only if the disposition of the converted property (within the meaning of subsection (a)(2)) occurs after December 31, 1974.".

(b) CONFORMING AMENDMENT.—Section 1033(a)(3)(C) is amended—

(1) by striking out "3 years" in clause (i) and inserting in lieu thereof "3 years (5 years in the case of real property to which subsection (g) applies)", and

(2) by striking out "3-year period" in clause (ii) and inserting in lieu thereof "3-year period (5-year period in the case of real property to which subsection (g) applies)",

(c) EFFECTIVE DATE.—The amendments made by this section apply to any condemnation proceeding beginning on or after the date of enactment of this Act.

Mr. BURDICK. Mr. President, this is a very simple amendment. It has no revenue impact.

Under condemnation proceedings where property is taken for public projects, such as a road or irrigation project, or whatever, under present law the owner is allowed 2 years in which to buy other similar property, in order to avoid a capital gains tax.

We find out, however, that a farm, for example, which has been condemned for a project, it is very difficult to replace within a 2-year period. We find, particularly in my State, that there is considerable difficulty in finding like property to replace the property that was taken.

All this amendment does is give that farmer or that property owner 2 more years, or 4 years, instead of 2 years, to get the exchanged property.

Mr. LONG. Will the Senator yield?

Mr. BURDICK. I yield.

Mr. LONG. Mr. President, in my judgment, this is a meritorious amendment and it should be considered in conference.

I hope the Senator will permit us to accept the amendment.

Mr. BURDICK. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment was agreed to.

AMENDMENT NO. 2003

Mr. BURDICK. Mr. President, I call up my amendment No. 2003.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Dakota (Mr. BURDICK) proposes an amendment No. 2003.

Mr. BURDICK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . EXEMPTION OF CERTAIN AGRICULTURAL AIRCRAFT FROM AIRCRAFT USE TAX.

(a) IN GENERAL.—Section 4493 (relating to special rules relating to tax on use of civil aircraft) is amended by adding at the end thereof the following new subsection:

"(c) EXEMPTION OF AIRCRAFT USED IN AGRICULTURAL OPERATIONS.—No tax shall be imposed by section 4491 on the use of any aircraft by a person who holds a certificate as an agricultural aircraft operator under part 137 of title 14 of the Code of Federal Regulations, if such aircraft is equipped for agricultural operation as provided in such part 137 and if such person uses it primarily for such agricultural operation.".

(b) CONFORMING AMENDMENT.—Section 6420(c)(3) (defining farming purposes) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection and section 6427(c), if (i) the use of any liquid as a fuel on a farm for farming purposes is in an aircraft and by an aerial applicator who was the actual ultimate purchaser thereof."

(e) EFFECTIVE DATE.—The amendments made by this Act shall take effect as of July 1, 1976.

Mr. BURDICK. Mr. President, this is another very insignificant amendment, in many ways. It really has no revenue impact. This deals with airplane sprayers. It provides that the operation be exempt from taxation, just like farm machinery.

Under the practice now, an operator will charge the farmer the tax, include that in his bill, and the farmer will then attempt to recover the tax. It is a very complicated provision and many times the farmers overlook it.

They are small amounts. If the operator himself is permitted in the first place to have this operation tax-exempt it would eliminate confusion and undo paperwork.

Mr. LONG. If the Senator will yield at that point, Mr. President, I have been studying this amendment. I am convinced this type amendment is something we ought to have a better look at, even though I believe it is meritorious and the Senate is going to want to agree to it after it has been studied.

I ask the Senator if he will withhold it at this time with the assurance that we will seek to offer him the opportunity to have it considered on one of the 20-odd bills the House of Representatives either is sending to us or one of those it has already sent to us.

As the Senator knows, this deals with agricultural aircraft and the aircraft use tax.

I hope the Senator will be willing to withhold it at this time and permit us to consider it in connection with one of the other revenue bills to follow.

Mr. BURDICK. Is it the opinion of the illustrious manager of the bill that this can be accomplished in 1976 before we leave here?

Mr. LONG. The Senate willing, it certainly is. That is the Senator's job, as well as mine, to persuade the Senate to be willing.

But frankly, I believe those of us on the committee owe it to the Senate to further look into this matter so we are more confident of our views on the subject before we urge the Senate to go along with it.

I hope the Senator will withdraw or

withhold it and let us consider it on another bill.

Mr. BURDICK. Before I do, I yield to my colleague from Nebraska.

Mr. CURTIS. Mr. President, I am for this exemption.

I want to cooperate with the chairman, I will do this, I will do everything I can to get this enacted before another crop year.

I do not think this bill will become law during any spraying season now, but I very much favor it and I want to see it disposed of this year.

Mr. BURDICK. With that assurance, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Chair recognizes the Senator from Indiana.

AMENDMENT NO. 2156

Mr. BAYH. Mr. President, I call up my amendment No. 2156 and ask unanimous consent it be considered in order at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 205, beginning with line 16, strike out through line 2 on page 206 and insert in lieu thereof the following:

"(d) WAGE CONTINUATION PLANS; CERTAIN DISABILITY PAYMENTS.—

"(1) GENERAL RULE.—

"(A) WAGE CONTINUATION PLANS.—

"(i) Gross income does not include amounts referred to in subsection (a) if such amounts constitute wages or payments in lieu of wages for a period during which the employee is absent from work on account of personal injuries or sickness.

"(ii) Clause (i) does not apply to amounts attributable to the first 30 calendar days in such period if such amounts are at a rate which exceeds 75 percent of the regular weekly rate of wages of the employee (as determined under regulations prescribed by the Secretary).

"(iii) If amounts attributable to the first 30 calendar days in such period are at a rate which does not exceed 75 percent of the regular weekly rate of wages of the employee, clause (i) shall not apply—

"(I) to the extent that such amounts exceed a weekly rate of $75, and

"(II) to amounts attributable to the first 7 calendar days in such period unless the employee is hospitalized on account of personal injuries or sickness for at least 1 day during such period.

"(iv) If such amounts are not paid on the basis of a weekly pay period, the Secretary shall by regulation prescribe the method of determining the weekly rate at which such amounts are paid.

"(B) CERTAIN DISABILITY PAYMENTS.—In the case of a taxpayer who—

"(i) has not attained the age of 65 before the close of the taxable year, and

"(ii) retired on disability and, when he retired, was permanently and totally disabled, gross income does not include amounts refererd to in subsection (a) if such amounts constitute wages or payments in lieu of wages for a period during which the employee is absent from work on account of permanent and total disability.".

On page 207, lines 17 and 18, strike out "subparagraphs (A) and (B) of paragraph (1)," and insert in lieu thereof "subparagraph (B) of paragraph (1),".

Mr. BAYH. Mr. President, this amendment will preserve the sick pay exclusion that is now part of our tax laws for taxpayers whose adjusted gross income is $15,000 a year or less. It would phase out the sick pay exclusion for individuals whose adjusted gross income is between $15,000 and $20,000 a year, and repeal the exclusion for taxpayers whose adjusted gross income exceeds $20,000 a year.

Under present law individuals who are unable to work because of illness or injury may exclude from their taxable income a maximum of $100 a week in sick pay. The purpose of the exclusion is to help taxpayers whose income is often reduced during illness and injury to cope with the squeeze created by that reduced income and added expenses associated with that illness or injury. In this regard, it is important to recognize that many of the low- and middle-income taxpayers who will benefit with enactment of my amendment do not itemize deductions when they file their income taxes. Thus they are unable to take advantage of the medical deduction on schedule A of the IRS Form 1040 and will receive no tax consideration for the cost of illness if the Finance Committee proposal to repeal the sick pay exclusion is permitted to stand.

I would like to emphasize, Mr. President, that the manner in which I propose to treat the sick pay exclusion—with existing benefits preserved for taxpayers whose AGI is under $15,000 and benefits repealed for taxpayers whose AGI is greater than $20,000—is precisely the same way the Finance Committee would provide a tax exclusion for income received by the permanently and totally disabled.

One of the main arguments against the sick pay exclusion has been that a disproportionate percentage of its benefits went to higher income taxpayers. Indeed, the Finance Committee went so far as to state that more than 60 percent of the benefits under existing law go to taxpayers whose adjusted gross income exceeds $20,000 a year. I am now advised that that figure is wrong, and that 61 percent of the benefit of the existing sick pay exclusion go to taxpayers whose adjusted gross income is less than $15,000.

This is consistent with the fact that in 1973, 66.5 percent of all taxpayers, 42.8 million out of a total of 64.3 million, had adjusted gross incomes under $15,000. These are the taxpayers who most need the tax relief provided by the sick pay exclusion, and they are the only taxpayers who would receive the full benefit of the existing law under my amendment. For those taxpayers whose AGI exceeds $15,000 a year the allowable sick pay exclusion would be reduced $1 for every dollar the AGI is greater than $15,000. This puts the benefits of the sick pay exclusion on a progressive basis and repeals the exclusion entirely for higher income taxpayers.

Since my amendment insures progressivity by limiting the benefits of the sick pay exclusion to the low- and middle-income taxpayers who need it, the only remaining argument against it is the cost. The Joint Committee on Internal Revenue Taxation estimates that my amendment will mean a revenue gain in fiscal 1977 of $118 million compared to present law. This is $229 million less than the projected gain in the committee bill. In consideration of the costs associated with my amendment several points need be kept in mind:

First. It does mean a gain in revenue compared to existing law.

Second. The beneficiaries are all low and middle income taxpayers, comprising more than two-thirds of all taxpayers.

Third. In 1973, only 34.6 percent of the $20.9 billion in income lost due to short term sickness was recovered by individual insurance, group benefits in private industry and Government sick leave. This makes it clear that sick pay benefits do not substitute for wages for most workers and further argues for the sick pay exclusion to help those who become ill cope with the squeeze between reduced income and the increased workers, costs associated with illness.

Fourth. A significant number of taxpayers who are eligible for the sick pay exclusion under my amendment do not itemize their deductions and thus receive no tax relief for the expenses of illness other than the sick pay exclusion.

Fifth. The cost of my amendment, for which tens of millions of taxpayers will be eligible, is far less than many special interest tax expenditures which benefit small numbers of influential industries. For example, the asset depreciation range system, utilized by a relatively small number of the largest corporations and wealthy individuals, costs the taxpayers $1.8 billion in fiscal 1977. Another example is deferral until repatriation of income tax on the profits of U.S. corporations abroad which will cost $365 million in fiscal 1977. We run the risk of further inviting public distrust of our entire tax system when we accept such extremely costly tax expenditures for a very few and, at the same time, seek to raise revenue by denying the traditional sick pay exclusion to tens of millions of low- and middle-income taxpayers.

Permit me a further moment, Mr. President, to discuss the historical basis for this amendment.

In 1954, in enacting the Internal Revenue Code, the Congress wisely decided to exclude from an individual's taxable income a portion of sick pay or disability pay received while a taxpayer was unable to work. This provision of the code, commonly referred to as the sick pay exclusion, appears in section 105.

The action taken in 1954 was consistent with tax policy and a number of earlier court decisions on the question of whether sick pay was to be considered taxable income.

For example, in 1952 the U.S. Court of Appeals for the Seventh Circuit upheld the exclusion of sick leave payments and observed that such an exclusion was:

> intended to relieve a taxpayer who has the misfortune to become ill or injured, of the necessity of paying income tax upon insurance benefits received to combat the ravage of disease or illness. (*Epmeier* v. *United States* 199 F. 2d 508).

Five years later in a separate case the Supreme Court upheld the tax exclusion for sickness disability benefits. In its opinion the Court observed:

> For reasons deemed satisfactory, Congress, since 1918, has chosen not to tax receipts for health and accident insurance. (*Haynes* v. *United States* 353 U.S. 81.)

Clearly, Mr. President, there is a historic and compassionate basis for providing taxpayers who are unable to work because of illness with the opportunity to exclude a portion of their sick pay from their taxable income.

There is also a sound economic basis in the need, discussed earlier, to help low- and middle-income taxpayers cope with the squeeze between reduced income during periods of illness and the increased expenses invariably associated with medical treatment. While it is unnecessary to provide such tax relief to higher income taxpayers the Finance Committee report is entirely correct in its discussion of the sick pay exclusion when it says on page 136 of its report, that "the exclusion allowed under section 105 should not have a regressive effect and that the provision should be amended to direct a fairer share of its tax benefits to low and middle income taxpayers."

However, this is not what the committee has done. Rather, the committee has effectively repealed the sick pay exclusion for all workers, preserving a very limited exception for the permanently and totally disabled. My amendment, while paralleling the committee treatment of the disability exclusion to assure proper distribution of the tax benefits, does amend the existing law so that low and lower middle income taxpayers can have the full benefit of the existing and limited sick pay exclusion.

It should be noted, Mr. President, that my proposal would preserve the present limitation of $100 a week on the sick pay exclusion. That figure was established in 1954 and its effect has been significantly eroded by inflation in the last 22 years. Indeed, the National Association of Retired Federal Employees has actually testified in favor of increasing the $100 weekly limit on the exclusion. While I am not prepared to recommend such a course of action, it is relevant to bear in mind as we seek to preserve the sick pay exclusion for the low and middle income taxpayers that the real benefit of the exclusion is significantly less than it was when it was enacted.

It is also important to bear in mind that collective bargaining agreements affecting millions of workers in many of our largest industries provide sick pay benefits at levels which take into account the existing sick pay exclusion. Repeal of the exclusion will, by making those sick pay benefits fully subject to taxation, have the direct effect of forcing real reductions in those benefits. In the short term this will mean a net cost to ill workers; in the long term it will likely mean negotiations leading to increases in sick pay benefits with the resulting impact on employer costs which will, in turn, be reflected in higher consumer prices.

Mr. President, I am convinced that repeal of the sick pay exclusion is an improper response to the regressive nature of the present law. I believe strongly that my amendment extending the full exclusion for taxpayers with adjusted gross income of $15,000 a year and less, and a phaseout of the exclusion for taxpayers whose adjusted gross income is between $15,000 and $20,000 a year is fair to needy taxpayers and responsive to the weaknesses in the present law. I urge its adoption.

Mr. President, it should not take too much longer to discuss the amendment. It is a very important amendment; it will affect the lives of a rather large number of people who are in the lower and middle income class.

The present law provides for up to $100 weekly exclusion from taxes of sick pay benefits. The committee would strike this exclusion.

The reason for striking this exclusion, I think, can best be understood by looking at what the report language itself says on page 136, and I will just read it for my colleagues' consideration:

> As a result, more than 60 percent of the benefits from this provision currently goes to taxpayers with adjusted gross incomes (including sick pay) over $20,000. Taxpayers who receive no sick pay, of course, receive no benefit at all. The committee believes that the exclusion allowed under section 105 should not have a regressive effect and that the provision should be amended to direct a fairer share of its tax benefits to low- and middle-income taxpayers.

Mr. ROBERT C. BYRD. Will the Senator yield for a question?

Mr. BAYH. I am glad to yield to the Senator.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator agree to a 20-minute time limitation on the amendment, equally divided?

Mr. BAYH. Yes; I agree.

Mr. ROBERT C. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. BAYH. Mr. President, I yield myself such time as I might need.

The committee said we should do away with the sick pay exclusion because 60 percent of it was going to taxpayers with AGI over $20,000 a year. Yet instead of directing its attention to how we could give more of this benefit to low and middle income taxpayers, the committee did away with the exclusion altogether.

On examining this, the joint committee said there was an error in the Finance Committee report; that really—and I think the Finance Committee staff agrees with this now—instead of 60 percent of this benefit going to taxpayers with AGI over $20,000, on reflection and study we found 61 percent goes to taxpayers with AGI under $15,000.

In essence, what we are doing here, by repealing the sick pay exclusion as the committee proposes, is taking away a benefit that is utilized primarily by low- and middle-income taxpayers.

To try to deal with the revenue problem, what my amendment would do would be not restore the complete exclusion as it now exists in the law, but restore the exclusion with what I think is a very important reservation.

If a taxpayer makes $15,000 or under, under my amendment, he gets the full $100 weekly exclusion now applicable under current law. If he makes from $15,000 to $20,000, up that sliding scale, for each $1 of additional income, he loses $1 of exclusion.

That is the same formula that is included in the committee bill, as far as disability payment exclusions are concerned.

So this amendment gives people with incomes from $20,000 down the same sick pay exclusion the bill now contains for disability pay.

We are restoring the sick-pay exclusion for lower and middle income taxpayers and denying it for those who have AGI's over $20,000.

This amendment would bring in $118 million more revenue in fiscal year 1977 than the present law. It would, in all honesty, let me say, bring in $229 million less than the committee bill brings in. I want to urge my colleagues to understand that most of this $229 million comes from taxpayers with incomes under $15,000 a year. So, in essence, to many lower and middle income taxpayers we are saying in this tax bill:

> We are going to give you a tax break by lowering your taxes. But we are taking away the sick pay benefits. If you happen to be one of those unfortunate souls who are sick and now have the advantage of that exclusion, this bill really is going to cost you more taxes instead of less taxes.

For us to pass a bill that is supposed to cut people's taxes and yet say to a significant number of people who are sick, "We are not cutting your taxes; we are going to increase them," I think is terribly inequitable.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I yield myself 3 minutes.

Mr. President, this amendment which the Senator has offered would strike one of the reforms in the bill which seeks to close down one of the main loophole areas. Labor has sometimes referred to this as their loophole. They say, "Yes, we know it is a loophole, but it is our loophole." That makes it different. I guess that is the way everybody feels about their loophole.

Under the sick pay law as it stands now, a situation exists where one could be encouraged to malinger. If a person is sick everybody agrees he ought to be able to deduct medical expenses beyond the small limit that is at the bottom. Generally speaking, his medical expenses are deductible. But if he also draws sick pay money, he can fill out a complicated form and pay no tax on the income.

If a person stays home rather than goes back to work, the income he gets by staying home, or if he chooses to malinger, is tax-free income. If he goes back to work, the income he makes at work will be taxable.

Almost all thoughtful students of the law agree this is a loophole and something ought to be done about it. The House committee as well as the Senate committee have measured up to the challenge. It may be unpopular in some labor circles, but we have undertaken to say that we will close down on this loophole so that a person would not be able to have both a deduction for the illness expenses and also an exclusion from taxes of the income he is drawing under the name of sick pay.

Incidentally, if this loophole is to remain open by virtue of this amendment, that means that all the revenue we have picked up in our long hours and days and weeks of work on this bill in the Finance Committee will be gone. That will be the end of it. We will now be in a negative balance for this fiscal year in spite of all the diligent efforts we made to try to pick up some revenue to help with fiscal and budgetary problems.

I would hope, Mr. President, that the Senate would not refuse to go along with the committee position that this, among a great number of other loophole areas, ought to be the subject of legislation, and that we should not have this sick pay type of income completely exempt tax, while, if a man went back to work, his earnings would be subject to tax.

As I say, a man gets the deduction for medical expenses. Should he also get an exclusion for the sick pay that is paid him while he is not working? I believe not. The committee had the courage to recommend that he should not. The House had the courage to measure up to this. It seems to me that the Senate ought to have the courage to do likewise. I would hope that this amendment would not be agreed to.

Mr. BAYH. Mr. President, I appreciate the concern of the chairman of the committee. I want to reiterate again, when the committee acted on this they acted on the assumption that 60 percent of this exclusion benefit was accrued to people with incomes over $20,000. Now we find out that the people who are really going to carry the burden are people with adjusted gross incomes under $15,000.

I want to deal with the malingering situation. In other words, they are going to stay on sick pay rather than go back to work? The statistics nationwide show that the various sick pay and insurance plans that provide this kind of benefit only cover 34 percent of the income involved. There are not very many Americans who can live on the income they make right now let alone, while they are sick and facing increased expenses, meet living expenses with only 34 percent of their income.

Second, if we are talking about deductions of medical expenses, most of us in this body, I suppose, can take the medical expense deduction, because we itemize. But of the 42 million taxpayers who have an adjusted gross income of under $15,000, two-thirds of them take the standard deduction. They cannot take advantage of the medical deduction that is available to the higher income brackets.

What I want to say is that here again for those under $15,000 and up to $20,000 we are treating sick pay exactly as the bill now treats disability pay. We are saying, "If you make over $20,000, all right, we are going to take away that exclusion."

If we are talking about loopholes, I will confess maybe this is a loophole. I am not going to take this Senate's time to go through the loopholes, item by item, that are in the bill for all sorts of other interests.

Nobody said anything about ADR. We got 15 votes when we tried to repeal a multibillion dollar loophole for the large corporations. There were loopholes for various interests. I supported some of them because I thought they were important, whether it was building hospitals or whatever, to have special incentive to accomplish certain things.

But for heaven's sake, at a time of economic inflation, with the average family having trouble making ends meet, let us not take away this one exclusion that is available to people in lower and middle income tax brackets when they are sick.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LONG. Mr. President, there are 49 provisions in this bill which seek to narrow loopholes or to reduce loopholes that exist in the law and which try to move toward more uniformity of taxes. The Senator, I am happy to say, has supported most of them, and so has the Senate.

This happens to be one of those loopholes that everybody agrees to be a loophole. This happens to be Labor's loophole. If we are going to do something about loopholes, we ought to be willing to do something about loopholes that affect labor just like loopholes that affect everybody else.

The Senator made an argument about something that we did not do in the committee report, which the committee did not discuss. The mere fact that we did not do something about everything does not mean we should not do something about this.

I hope the amendment will not be agreed to.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Indiana has 3 minutes remaining; the Senator from Louisiana has 7 minutes remaining.

Mr. LONG. I am willing to yield back the remainder of my time.

Mr. BAYH. I am prepared to go along with that. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. GOLDWATER. Regular order, Mr. President.

The PRESIDING OFFICER (Mr. BELLMON). The regular order is called for.

The second legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Georgia (Mr. TALMADGE) and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Michigan (Mr. PHILIP HART) are absent because of illness.

I also announce that the Senator from Missouri (Mr. EAGLETON) is absent attending the funeral of Congressman Jerry Litton of Missouri.

Mr. HUGH SCOTT of Pennsylvania. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senator from Hawaii (Mr. FONG), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 48, nays 34, as follows:

[Rollcall Vote No. 500 Leg.]

YEAS—48

Abourezk
Allen
Bayh
Beall
Bentsen
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Durkin
Ford
Glenn
Gravel
Hart, Gary
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Mansfield
Mathias
McGee
Metcalf
Montoya
Morgan
Moss
Nelson
Nunn
Pastore
Pell
Percy
Proxmire
Roth
Scott, Hugh
Sparkman
Stevenson
Stone
Williams

NAYS—34

Baker
Bartlett
Bellmon
Brock
Byrd, Harry F., Jr.
Curtis
Dole
Eastland
Fannin
Garn
Goldwater
Hansen
Haskell
Hatfield
Hathaway
Helms
Laxalt
Long
Magnuson
McClellan
McClure
McIntyre
Muskie
Packwood
Pearson
Randolph
Ribicoff
Scott, William L.
Stennis
Symington
Taft
Thurmond
Tower
Weicker

NOT VOTING—18

Biden
Cannon
Domenici
Eagleton
Fong
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Mondale
Schweiker
Stafford
Stevens
Talmadge
Tunney
Young

So Mr. BAYH's amendent (No. 2156) was agreed to.

AMENDMENT NO. 2148

Mr. HATFIELD. Mr. President, I call up my amendment No. 2148 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes amendment No. 2148.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . SALE OF RESIDENCE BY ELDERLY.

(a) IN GENERAL.—Section 121(b)(1) (relating to gain from sale or exchange of residence of individual who has attained age 65) is amended by striking out "$20,000" each place it appears therein and inserting in lieu thereof "$35,000".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to taxable years beginning after December 31, 1976.

Mr. HATFIELD. Mr. President, today I am offering an amendment to H.R. 10612 which would increase the exclusion from gross income gained from the sale or exchange of a residence by an individual who has attained the age of 65. This would involve a relatively minor change in the law and would not result in a serious revenue loss. The amendment is identical to my bill, S. 2242, cosponsored by Senators BEALL, HUMPHREY, and YOUNG. It would become a new section, 402, in title XIV of the bill.

The Revenue Act of 1964 added a new feature to our tax code which gives a $20,000 exclusion from capital gains tax for persons over 65 who sell their homes. As pointed out by the Senate Finance Committee when this provision was enacted:

> The elderly person whose family has grown and who no longer has need for the family homestead . . . may desire to purchase a less expensive home or move to an apartment or to a rental property at another location. He may also require some or all of the funds obtained from the sale of the old residence to meet his and his wife's living expenses.

This feature of the tax law has served retired people well during the past 10 years. At the same time it has not become a significant tax loophole. According to the Department of Treasury in its special analyses to the fiscal year 1977 budget, the cost of this exclusion in tax dollars not collected is only $50 million, a very small percentage of the total tax expenditures which reduce individual income tax payments.

The sale price of homes has gone upward along with the general price level since the senior citizen exclusion was instituted in 1964. According to the National Association of Realtors, the median sales price of existing single family homes in 1966 was $18,760. This figure reached $23,030 by 1970 and $32,040 in 1974. The most recent figure, for April, 1976, was $37,670. In other words, the sale price of homes has more than doubled since the exclusion was established.

Mr. President, to restore the senior citizens exclusion to its comparable level in 1964 and to achieve fairness to those who sell their homes after age 65, my bill would increase the exclusion to $35,000.

It should be noted that the House Ways and Means Committee in a report on August 22, 1974, indicated a tentative committee decision to extend the exclusion to $35,000. Although the House did not take action on that particular bill, I think it is time to update this provision of the tax code.

This change in the tax laws is not contrary to the spirit of income tax reform which I have advocated in connection with my simpliform tax plan, S. 802. The increase in the senior citizens exclusion would result in a revenue loss of $25 million, according to the Department of Treasury. It would restore the original intent of the law, that the average senior citizen would not pay capital gains tax on the sale of his or her home. Until we are able to eliminate other, more costly tax breaks, this provision of the law needs to be made more equitable.

Mr. President, this has to do with exclusion from capital gains tax for those who sell their homes after the age of 65. This was put in the Tax Code in 1964 recognizing the fact that many elderly people who are selling their homes at that time in their life are moving into apartments, retirement centers, and so forth, and so we gave a $20,000 exclusion from capital gains tax for such persons.

At that time the median price of our homes for sale in the market was about $18,750; today that sale price median has gone up to $37,300.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. RIBICOFF. We examined the amendment and we find it most meritorious. Speaking for the manager of the bill, the amendment is acceptable.

Mr. CURTIS. We are willing to accept it.

Mr. HATFIELD. I thank the Senator from Connecticut and the Senator from Nebraska.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. METCALF, Mr. ROBERT C. BYRD, and Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 1840

Mr. METCALF. Mr. President, I call up my amendment No. 1840.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. METCALF) proposes amendment No. 1840.

The amendment is as follows:

An Act to reform the tax laws of the United States, viz. At the appropriate place insert the following:

SEC. . EXEMPTION OF ELECTRICAL UTILITIES FROM INCOME TAX.

(a) IN GENERAL.—Section 501(c)(3) (relating to a list of exempt organizations) is amended by adding at the end thereof the following new paragraph:

"(20) A corporation engaged in the sale of electrical energy, if the rates for such sale have been established or approved by a State or political subdivision thereof, by an agency or instrumentality of the United States, or by a public utility or public service commission or other similar body in the District of Columbia or any State or political subdivision thereof.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 46(c)(3) (relating to public utility property) is amended by striking out "electrical energy," in subparagraph (B)(i).

(2) Section 167(1)(3) (relating to definition of public utility property) is amended by striking out "electrical energy," in subparagraph (A)(i).

(3) Section 247(b)(1) (relating to definition of public utility) is amended to read as follows:

"(1) PUBLIC UTILITY.—The term 'public utility' means a corporation engaged in the furnishing of telephone service or in the sale of gas or water if the rates for such furnishing or sale, as the case may be, have been established or approved by a State or political subdivision thereof or by an agency or instrumentality of the United States, or by a public utility or public service commission or other similar body of the District of Columbia, or of any State or political subdivision thereof.".

(4) Section 7701(a)(33) (relating to definition of regulated public utility) is amended by striking out "electric energy," in subparagraph (A)(i).

(c) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning October 1, 1977.

Mr. METCALF. Mr. President, as is usual with these amendments, this rather long amendment only refers to matters to be taken out of the bill.

The purpose of my amendment is to exclude from any income tax the utility corporations of America.

These are the biggest businesses in America. The greatest and largest business in America is the utility business. And more and more we have demonstrated that they are by tax investment credits, and others, not paying any tax. This is such a complex subject matter that I hesitate to bring it up in the Chamber today, except that I have not been able to get the chairman of the Committee on Finance to give me a hearing, and if the acting floor manager of the bill will simply tell me that he will give me an opportunity before October 2, or whenever we adjourn, to present my case to the committee, I will be delighted to withdraw the amendment.

Mr. RIBICOFF. It is very complex, and I can assure the Senator from Montana that the chairman of the Committee on Finance will hold a hearing on this subject before we adjourn sometime in September after the recess.

Mr. HASKELL. Before the Senator withdraws the amendment, this really is a very important amendment. I say to the distinguished floor manager of the bill that it is my understanding the FCC has made an extensive study and, as a result of a combination of the investment tax credit and accelerated depreciation, electrical utilities pay absolutely no tax now but worse than that, because of their method of accounting, they pretend they pay taxes and, therefore, their rates to the consumer are as if they paid taxes, whereas they pay none.

If that is the state of facts, and I am convinced from the material that I have read that the distinguished Senator from

Montana has supplied me, that that is the case, obviously the consuming public would be much better off if utilities were completely exempted from income tax. This I believe is the area in which the Senator from Montana is asking for hearings. I am delighted to hear the assurance of the distinguished floor manager of the bill that there will be hearings on the matter in September and prior to adjournment.

I thank the Senator.

Mr. METCALF. I thank the Senator from Colorado.

I seek to open up this whole matter, I say to my distinguished friend, but it is much too complicated to open up tonight in the Chambers. If we can have a hearing, I will withdraw my amendment. I ask unanimous consent that I be allowed to do so.

Mr. RIBICOFF. I thank the Senator very much.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 337

Mr. MATHIAS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes unprinted amendment No. 337.

Mr. MATHIAS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . VALUATION OF CERTAIN PROPERTY FOR PURPOSES OF THE FEDERAL ESTATE TAX

(a) IN GENERAL.—Subsection (b) of section 2032A of the Internal Revenue Code of 1954, as added by this Act is amended by:

(1) inserting after "decedent" in paragraph (1) (C) (i) "or a member of his family",

(2) by adding at the end of paragraph (1) the following: "For purposes of the preceding sentence, subparagraph (A) shall not apply to a qualified use referred to in paragraph (2) (D),",

(3) by striking out "pastoral" in paragraph (2) (C), and

(4) by striking out in paragraph (2) (D) "maintenance of historic values but only" and inserting in lieu thereof "any use".

(b) CONFORMING AMENDMENT.—Subparagraph (C) of section 2032A(c) (7), as added by this Act, is amended by striking out ", or discontinuance of maintenance of the historic values".

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1976.

Mr. MATHIAS. First of all, Mr. President, I congratulate the Finance Committee for its action in revising our estate tax laws to prevent these provisions from operating to encourage or require the destruction of open lands and historic places. For several years, I, along with many other Members of this body, have urged the Congress to examine present estate tax laws in the hope that it would see fit to adopt my bill, S. 80, and its predecessors, and revise those provisions which I believe presently compel the elimination of acres of agricultural and other lands throughout the United States.

Existing estate tax laws require valuation of farmland, woodland, and open space at its market value for estate tax purposes. This means that when a farmer dies, his land—that may be assessed at $500 an acre for agricultural purposes—will automatically be increased to a commercial market value of $2,000 to $3,000 or more per acre, if the land is close enough to a metropolitan area to be affected by speculative values. The farmer's heirs are forced to sell off the property to pay the taxes, even though they may wish to keep the land in agricultural production.

The very same problem exists for historical properties. This at a time when it is the stated Federal purpose through the National Register of Historic Places and other programs to preserve such valuable landmarks. Historic houses in cities, for instance, are destroyed because of appraisals for Federal estate tax purposes on the lot's value for high-rise apartments.

The following entirely realistic example illustrates the impact of the estate tax on farmland, woodland, open space, and historical property: Farmer Jones, a widower, dies, leaving his estate to his two sons, who wish to continue living on and farming the land. Farmer Jones' estate consists of his farm—300 acres—and farm equipment and other personal property valued at $50,000. Used as a farm, the land is worth $500 an acre. If the Federal estate tax were based on an assessment for that use, Jones' estate would be valued at $200,000 and the tax payable would be $32,700—a very large sum for the Joneses, but one which the family might be able to pay and still retain at least most of the farm. However, the farm is within 25 miles of a large city, and speculators and developers have driven up the current price of land in Farmer Jones' area to $2,000 an acre. Such prices, of course, assume conversion of the land to nonfarm use—a conversion which the Jones boys have no desire to see happen. Nonetheless, the Internal Revenue Service under existing law assesses the farm at $2,000 an acre. The result is a valuation of Jones' estate at $650,000 and a Federal tax payable of $117,200.

Obviously, the family is compelled to sell the farm, probably to a speculator or developer, in order to pay the tax. The result is a federally compelled destruction of farmland and open space in a critical environmental area on the border of a metropolitan region, and the acceleration of urban or suburban sprawl with no thought for proper land-use planning. If Farmer Jones' house is a historic one, the result is the federally compelled destruction of a historic house, or at least of its surroundings—the very thing the Federal Government is supposedly trying to prevent through its National Register and other programs. And the result for the individual family is the gross injustice of being forced off their farm and being compelled to pay an estate tax amounting to a confiscatory 89 percent of the value of what the estate is worth to them for the purpose to which they wish to put it.

By amending the Tax Reform Act of 1976, H.R. 10612, to provide, under certain circumstances, that real property, which is farmland, woodland, or open land and forms part of an estate, may be valued for estate tax purposes as its value as farmland, woodland, or openland, rather than at its fair market value, the Finance Committee has gone far toward meeting the provisions set forth in S. 80 and its predecessors and has substantially revamped our estate tax laws in a positive fashion.

The amendment which I now offer is aimed at further improving the present provisions of H.R. 10612 and at providing more equitable estate tax treatment of farmland, woodland, or open land. I have discussed this amendment with the distinguished chairman of the Finance Committee, and he has agreed to accept it.

Specifically, my amendment would:

Provide that the favorable tax treatment available for qualifying acreage under this provision will not be denied because of the premature death of a qualified heir. As now written, if a son who qualified under this section as a "qualified heir" upon the death of his father fails to live more than 5 years before he in turn dies, he would be unable to pass the land on to his child and have that child realize the tax advantages of Section 2032A. The same could be true for husband and wife and other close family members. The inequities of such a situation are enormous. I have proposed language that will protect the public from tax avoidance schemes while at the same time insuring that those who deserve tax relief get it and that the land is preserved.

Modify the definition of a qualifying use which presently reads "open pastoral space". While I concede the difficulty of defining "open space," it at least has the benefit of long continuous usage. This is not the case when the term "pastoral" is included. My proposal deletes "pastoral" in the interests of clarity and in the interests of saving as much good land as possible—modify the section 2032A (b) 1 (A and B) to insure that historical lands will not be unfairly excluded from the purview of the provision.

Modify section 2032A(b) 2(D) which requires "maintenance of historic values" over and above the test that the property be listed in the national register of historic places. The requirement that the Treasury provide an additional test of historic worthiness over and above that established by the national register of historic places would be duplicative and wasteful. The national historic trust is particularly vigilant in identifying and protecting historic values. The test should be to establish a "qualifying use" for the purposes of section 2032A. My amendment deletes "maintenance of historic values but only" and substitutes in place thereof "any use" so that the section now reads:

> Any use if such property is listed in the national register of historic places, either separately or as a part of the district so listed.

Modify section 2032A(c) 7(C) to conform this section to section 2032A(b) 2 (D), deleting "or discontinuance of maintenance of the historic values." I believe the Senate can place its trust in the National Register to remove those properties from the Register where historic values have not been properly maintained.

I urge my colleagues to adopt this amendment.

Mr. President, this amendment is a simplified version of amendment No. 2177, which has been printed. Its purpose is to modify and provide a more equitable tax treatment of farm land, woodland, and open land.

I have discussed the amendment with the distinguished chairman of the Finance Committee and with the ranking minority member.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. RIBICOFF. We have studied the amendment. We think it has merit and will be pleased to accept it.

Mr. PROXMIRE. Mr. President, will the Senator explain what this does in terms of revenue loss or gain?

Mr. MATHIAS. I believe it has no impact on revenue, or no appreciable impact on revenue, but it makes certain definitions. For example, the bill talks about pastoral open space. That is not a word of art; whereas, open space is a clearly defined word of art in dealing with property.

Mr. PROXMIRE. Is the Senator saying that no taxpayer would get a reduced tax burden because of this amendment?

Mr. MATHIAS. I can say that no taxpayer not contemplated in the legislation already adopted will get a tax break.

For example, one of the provisions here is to prevent duplication of effort and paperwork on the part of taxpayers, because the bill provides certain tests for what is a historical property. Under the amendment, we provide that the historical properties are those which are implicit in being registered as a historic place on the National Register; and that would be taken for tax purposes as demonstration of historic value, and the taxpayer then does not have to find some other basis for historic value.

Mr. PROXMIRE. Does the Treasury have a position on this amendment?

Mr. MATHIAS. I do not believe the Treasury has a position on this, but it is simply a refinement of the legislation which is already on the books.

Mr. PROXMIRE. Are they aware of the amendment?

Mr. MATHIAS. Frankly, I cannot answer the Senator's question. I do not know. The amendment has been printed in its original form, and they should be aware of it.

Mr. PROXMIRE. I ask the manager of the bill if he is satisfied that this will have no significant effect on revenue.

Mr. RIBICOFF. I talked to Mr. Woodworth, and while he cannot assure that there will not be some revenue loss, it is his impression that it will be very little, that it will not be of any significance. That is Mr. Woodworth's assurance.

Mr. MATHIAS. My staff assures me that it would be a deminimus loss in revenue.

Mr. HASKELL. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. HASKELL. I am not going to ask for a vote on the Senator's amendment, and I am not going to object to it. However, I hope the Senator from Maryland will agree to ask the Treasury for any official view and position on the amendment, and a critique, so that it would be available prior to conference.

Mr. MATHIAS. I will be happy to do that. I am sure the distinguished chairman of the committee will do that, anyway. If he does not, I will. We will get their position for the conference, I am assured by the committee staff.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2170

Mr. MATHIAS. Mr. President, I have another amendment, with which the committee is fully conversant, No. 2170, which I call up on behalf of myself, the distinguished Senators from North Carolina (Mr. MORGAN and Mr. HELMS) and the distinguished Senator from Maryland (Mr. BEALL).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS), for himself and the Senators from North Carolina (Mr. MORGAN and Mr. HELMS) and the Senator from Maryland (Mr. BEALL), proposes amendment No. 2170.

Mr. MATHIAS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . AMENDMENT OF SECTION 501 OF THE INTERNAL REVENUE CODE OF 1954.

(a) IN GENERAL.—Section 501(c)(14) of the Internal Revenue Code 1954 relating to certain organizations exempt from income tax is amended by adding at the end thereof the following new subparagraph:

"(D) Corporations or associations without capital stock organized before January 1, 1969, and operated for mutual purposes and without profit for the purpose of providing reserve funds for, and insurance of shares or deposits in either or both of—

"(i) credit unions described in subparagraph (A), and

"(ii) domestic building and loan associations described in subparagraph (B)(i).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1975.

Mr. MATHIAS. Mr. President, I yield to the Senator from North Carolina for such explanation as he wishes to make.

Mr. MORGAN. Mr. President, in the preparation of the amendment, there were some technical errors, and I should like to modify it, and I send a modification to the desk.

The PRESIDING OFFICER. The amendment will be so modified.

The modified amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . EXEMPTION FROM TAXATION FOR CERTAIN MUTUAL DEPOSIT GUARANTEE FUNDS.

(a) EXEMPTION.—Subparagraph (B) of section 501(c)(14) (relating to exemption from taxation for certain mutual deposit guarantee funds) is amended—

(1) by striking out "September 1, 1957," and inserting in lieu thereof "January 1, 1969,";

(2) by striking out the word "or" at the end of clause (ii);

(3) by striking out the period at the end of clause (iii) and inserting in lieu thereof a comma and the word "or"; and

(4) by adding at the end thereof the following new clause:

"(iv) credit unions described in subparagraph (A).".

(b) EFFECTIVE DATE.—the amendment made by this section shall apply to taxable years beginning after December 31, 1975.

Mr. MORGAN. Mr. President, this amendment would do the following: At the present time, there is a tax exemption for nonprofit mutual guarantee corporations that were organized prior to September 1958, for the purpose of insuring savings and loan associations. This would update that.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. MORGAN. I yield.

Mr. RIBICOFF. Mr. President, this amendment would place Maryland and North Carolina in the some position as other States. We will be more than pleased to take this amendment to conference and study it. We think it has merit. The Senators can be assured that it will have a most sympathetic hearing by the Senate conferees.

Mr. MORGAN. I thank the Senator.

Mr. MATHIAS. Mr. President, I am pleased to cosponsor this amendment with my colleagues, Senators BEALL, MORGAN and HELMS, which adds Maryland and North Carolina to the list of States whose nonprofit savings insurance corporations receive tax exempt treatment.

The Maryland Savings Share Insurance Corporation—MSSIC—was established to insure deposits in savings and loan institutions in Maryland that are unable to qualify for Federal Savings and Loan Insurance Corporation coverage. MSSIC insures savings accounts on deposit in member associations through a central insurance fund and provides for the liquidity of its member associations through a central reserve fund. Its earnings must be accumulated and no part of the earnings is returned to any member savings and loan association. MSSIC has insured over 150 savings and loan associations in Maryland without a single loss.

The associations covered by MSSIC are small urban and rural neighborhood institutions, which fill the gaps left by the large statewide and national savings and loan companies. They provide vital services for thousands of people in Maryland. MSSIC's success can be measured by the fact that depositors have increased their savings in MSSIC-insured institutions from $108 million in 1962 to $854 million in 1974.

Many other States have similar nonprofit corporations enjoying an exemption from Federal income taxes. The funds saved by the tax exemption for MSSIC will be used to further increase its reserves, thereby strengthening the savings of Maryland citizens. MSSIC has proven its value to the people of Maryland, and I therefore urge the adoption of this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 2076

Mr. NELSON. Mr. President, I call up my amendment No. 2076, and I present it to the desk as modified.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON), for himself, Mr. MUSKIE and Mr. BELLMON, proposes amendment numbered 2076, as modified.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Does that require unanimous consent?

The PRESIDING OFFICER. No. The amendment has been modified.

Mr. NELSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section.

SEC. . SUBCHAPTER S MODIFICATION.

"(a) ESTATE OF DECEASED SPOUSE NOT TO BE TREATED AS SHAREHOLDER.—Subsection (c) of section 1371 of such Code (relating to stock owned by husband and wife) is amended to read as follows:

"'(c) STOCK OWNED BY HUSBAND AND WIFE.—For purposes of subsection (a)(1), stock which—

"'(1) is community property of a husband and wife (or the income from which is community income) under the applicable community property law of a State,

"'(2) is held by a husband and wife as joint tenants, tenants by the entirety, or tenants in common.

"'(3) was, on the date of death of a spouse, stock described in paragraph (1) and (2), and is, by reason of such death, held by the estate of the deceased spouse and the surviving spouse, or by the estates of both spouses (by reason of their deaths on the same date), in the same proportion as held by the spouses before such death, or

"'(4) was, on the date of the death of a surviving spouse, stock described in paragraph (3), and is, by reason of such death, held by the estates of both spouses in the same proportion as held by the spouses before their deaths,

shall be treated as owner by one shareholder.'

"(b) BROADENING CLASSES OF PERMISSIBLE SHAREHOLDERS TO INCLUDE CERTAIN TRUSTS.—

"(1) Section 1371 of such Code (relating to definitions for purposes of subchapter S) is amended by adding at the end thereof the following new subsection:

"'(c) CERTAIN TRUSTS PERMITTED AS SHAREHOLDERS.—For purposes of subsection (a), the following trusts may be shareholders:

"'(1) A trust all of which is treated as owned by the grantor under subpart E of part I of subchapter J.

"'(2) A trust created primarily to exercise the voting power of stock transferred to it.

"'(3) Any trust with respect to stock transferred to it pursuant to the terms of a will, but only for the 60-day period beginning on the day in which such stock is transferred to it.

In the case of a trust described in paragraph (2), each beneficiary of the trust shall, for purposes of subsection (a)(1), be treated as a shareholder."

"(2) Paragraph (2) of section 1371(a) of such Code is amended by striking out '(other than an estate)' and inserting in lieu thereof '(other than an estate and other than a trust described in subsection (e))'.

"(d) NEW SHAREHOLDERS MUST AFFIRMATIVELY ELECT TO TERMINATE ELECTION.—Paragraph (1) of section 1372(e) of such Code (relating to termination of election) is amended to read as follows:

"'(1) NEW SHAREHOLDERS.—

"'(A) An election under subsection (a) made by a small business corporation shall terminate if any person who is not a shareholder in such corporation—

"'(i) on the first day of the first taxable year of the corporation for which the election is effective, if such election is made on or before such first day, or

"'(ii) on the day on which the election is made, if such election is made after such first day,

becomes a shareholder in such corporation and affirmatively refuses (in such manner as the Secretary or his delegate shall by regulations prescribe) to consent to such election on or before the 60th day after the day on which he acquires the stock.

"'(B) If the person acquiring the stock is the estate of a decendent, the period under subparagraph (A) for affirmatively refusing to consent to the election shall expire on the 60th day after whichever of the following is the earlier:

"'(i) The day on which the executor or administrator of the estate qualifies; or

"'(ii) The last day of the taxable year of the corporation in which the decedent died.

"'(C) Any termination of an election under subparagraph (A) by reason of the affirmative refusal of any person to consent to such election shall be effective for the taxable year of the corporation in which such person becomes a shareholder in the corporation and for all succeeding taxable years of the corporation.'"

"(e) EFFECTIVE DATES.—The amendments made by this section apply to taxable years beginning after December 31, 1976.

"(F) CONFORMING CHANGE.—The amendment made by subsection (c) of section 1315 of this Act is repealed.

Mr. NELSON. Mr. President, this amendment is requested by the Treasury. It has no fiscal implication. It has been cleared with the staff.

The amendment would substitute the Ways and Means approved language for the present subsection of section 3815, which would prevent an estate from becoming——

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. RIBICOFF. We have studied this matter. This amendment does not involve any money. It clarifies a situation with respect to shareholders. Both the staff and the Treasury have recommended this. It should be in the bill, and we are pleased to accept it.

Mr. NELSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

UP AMENDMENT NO. 338

Mr. FORD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. FORD) proposes an unprinted amendment numbered 338.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place amend section 1207(g)(3) of title XII, which sets forth the effective date for the application of the withholding tax on certain gambling winnings, to read as follows:

"(3) Subsection (e).—The amendments made by subsection (e) shall apply to payments of winnings made after September 30, 1977."

Mr. FORD. Mr. President, I have discussed this matter with the floor manager of the bill and the staff.

As Senators know, we have already excluded lotteries, keno, bingo, and slot machines from this bill.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. FORD. I yield.

Mr. RIBICOFF. We think this amendment is a fair one. It extends to September 30 the reporting requirements. It is going to take 30 days to set up all the procedures. We feel that this is an acceptable amendment, and we are pleased to accept it.

Mr. FORD. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the IRS.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, D.C., August 4, 1976.

Hon. WENDELL FORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FORD: In connection with section 1207(e) of H.R. 10612 (the Tax Reform Act of 1976), you have inquired as to whether persons withholding tax, as required by this section of the bill, would be required to continue to file, as they are now, a Form 1099.

In response to your inquiry, let me make it clear that no dual reporting requirement will be required by the Service if this provision is enacted. In situations in which payors are required to withold by this provision they will report to the Service only once on a form specified by the Service. The Service will change the regulations required under section 6041 of the Code to provide that the Form 1099 is no longer required in situations covered by this provision and that such reporting to the Service shall take place on a form specified by the Service.

I hope this adequately responds to your inquiry.

With kind regards,
Sincerely,
DONALD C. ALEXANDER.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. FORD. I yield.

Mr. PROXMIRE. Is it true that all this amendment does is to extend the time?

Mr. FORD. That is correct. It extends the time, with the acceptance by the IRS.

Mr. PROXMIRE. At the request of the Internal Revenue Service?

Mr. FORD. Yes, I have a letter from Donald Alexander that agrees to delete the form 1099 for winning over $1,000 if this provision is accepted. In fact, I will give the Senator a copy of it, if he wishes. He accepted it so that the tracks and the IRS can gear up to administer the deduction without an administrative burden. It is going to cost the track some $2 million to install this bookkeeping system. They think they should have the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 2171

Mr. GRAVEL. Mr. President, I call up my amendment 2171.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. GRAVEL. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. . Credit for purchases of matter which can be recycled.

(a) Allowance of Credit.—Paragraph (1) of section 46(a) (relating to amount of credit) is amended by adding at the end thereof the following new subparagraph:

"(E) Amount for qualified recycling purchase.—The amount of the credit allowed by section 38 for the taxable year shall be the sum of—

"(i) the amount determined under the preceding provisions of this paragraph, plus

"(ii) an amount equal to the qualified recycling purchase (as defined in subsection (g)) of the taxpayer for the taxable year.".

(b) Qualified Receiving Purchase Defined.—Section 46 is amended by adding at the end thereof the following new subsection:

"(g) Qualified Recycling Purchase.—

"(1) In general.—

"(A) Qualified recycling purchase defined.—For purposes of this subpart, the term 'qualified recycling purchase' means, with respect to any taxable year, the sum of—

"(i) a percentage (determined under paragraph (2)) of that portion of the amount paid or incurred by the taxpayer to purchase recyclable solid waste material, which is recycled within the United States by the taxpayer during the taxable year, and

"(ii) 5 percent of the amount paid or incurred by the taxpayer to purchase fuel or steam produced from solid waste processed by a resource recovery center,

which is in excess of the base period amount of the taxpayer.

"(B) Exports disregarded.—In determining the amount of the taxpayer's qualified recycling purchase for the taxable year and for any preceding taxable year, amounts of recyclable solid waste material a substantial portion of the materials resulting from the recycling of which is exported by the taxpayer from the United States or sold by the taxpayer for eventual export shall be disregarded.

"(2) Determination of amount.—The percentage of the amounts paid or incurred by the taxpayer with respect to recyclable solid waste material to be taken into account for purposes of paragraph (1)(A) of this subsection is—

"(A) in the case of ferrous or nonferrous metals, a percentage equal to one-half of the percentage prescribed under section 613 for the allowance for depletion under section 611 in the case of the original recovery of such metals,

"(B) in the case of textile and paper waste, and glass and plastics, 10 percent.

"(3) Limitations.—

"(A) Precious metals.—No amount is allowable in the case of gold, silver, platinum, or other precious metals.

"(B) Paper waste.—The amount of the qualified recycling purchase determined with respect to amounts paid or incurred by a taxpayer with respect to paper waste shall not exceed an amount equal to $8 per ton nor be less than an amount equal to $5.50 per ton.

"(C) Inflation adjustment.—

"(i) Changes in amount.—Before the beginning of each calendar year, as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the percentage difference between the price index for the most recently ended adjustment year and the price index for the base period. Both dollar amounts listed in subparagraph (B) shall be increased or decreased, as may be appropriate, by such percentage difference and, as increased or decreased, shall be the amount in effect for taxable years beginning during the calendar year following the adjustment year for which such report is made.

"(D) Definitions.—For purposes of subparagraph (C)—

"(i) Price index.—The term 'price index' means the average over a 12-month period of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"(ii) Base period.—The term 'base period' means the period beginning on July 1, 1975, and ending on June 30, 1976.

"(iii) Adjustment year.—The term 'adjustment year' means the twelve-month period beginning on the first day of July of 1976 and of each subsequent calendar year.

"(4) Base period amount defined.—

"(A) Initial period.—Except as provided in subparagraphs (B) and (C), the base period amount is—

"(i) in the case of taxpayers who had qualified recycling purchase for a calendar year prior to 1974, 75 percent of the average annual amount of recyclable solid waste material consumed by the taxpayer in calendar years 1973, 1974, and 1975; and

"(ii) in the case of all other taxpayers, 75 percent of the average annual amount of recyclable solid waste material consumed by the taxpayer for the 3 years commencing with the year in which the taxpayer first had qualified recycling purchase.

"(B) Permanent base period.—For taxable years beginning after December 31, 1980, the base period amount of a taxpayer is 75 percent of the average annual amount of recycling purchases of the taxpayer for the 3 preceding taxable years.

"(C) Special rules.—

"(i) If a taxpayer made recycling purchases for only a portion of a year which is taken into account in determining his base period amount, the taxpayer's purchases for that year shall be treated as having been made on an annual basis by increasing the amount of such purchases, for purposes of determining the taxpayer's base period amount, to an amount which bears the same ratio to the actual amount of such purchases as the number of days in the period during which such purchases were made bears to 365. The amount so determined may be increased or decreased by the Secretary if he determines that the application of the preceding sentence results in a material distortion of the amount of such matter the taxpayer would have purchased during such year if he had made purchases of such matter over the entire year.

"(ii) In cases of transfers of facilities used for the purpose of recycling solid waste material, the Secretary shall prescribe by regulation rules to provide for the allocation of base period amounts among such transacting parties.

"(5) Recycling purchases.—The term 'recycling purchases' means qualified recycling purchases determined without regard to base periods and substituting 100 percent for any percentage prescribed under paragraph (2).

"(6) Phase-in of credit.—Notwithstanding any other provision of this subsection, the amount of the qualified recycling purchase of a taxpayer for the taxable years referred to in subparagraphs (A) and (B) which may be taken into account for purposes of subsection (a)(1)(e)(ii) shall be—

"(A) 25 percent of the amount of such purchase (determined without regard to this subparagraph) for taxable years beginning after December 31, 1976, and before January 1, 1978, and

"(B) 50 percent of such purchase (as so determined) for taxable years beginning after December 31, 1977, and before January 1, 1979.

"(7) Recyclable solid waste material.—For purposes of this subpart, the term 'recyclable solid waste material' means material which has been used by an ultimate consumer and which has no significant value or utility except as waste material. For purposes of this paragraph, the use of any material in the further manufacture of a significantly different article by a person shall be treated as a use by an ultimate consumer, but only if such person cannot reuse the recyclable solid waste material in such further manufacture and only if neither such person nor any related person is engaged in the manufacture of such material or in the processing of such material. The term 'recyclable solid waste material' does not include any material which becomes a component part of property which is section 38 property in the hands of the taxpayer who recycles such used matter.

"(8) Recycle.—For purposes of this subpart, the term 'recycle' means to subject a treatment which alters the composition or physical properties of a material and which transforms such material into a material a product which does not constitute recyclable waste material. The term does not include a process consisting merely of sorting, shredding, stripping, compressing, and packing for storage or shipment.

"(9) Purchase.—For purposes of this subpart, the term 'purchase' has the meaning given such term by section 179(d)(2).".

Mr. ROBERT C. BYRD. Mr. President, could we get a time limit on this?

Mr. TAFT. Mr. President, I shall be constrained to object to a time limitation on it. I do not know what is in the amendment. I would like an oportunity to see if I have any objection to it.

Mr. GRAVEL. I shall explain what is in the amendment. That is all we need before a vote.

This is the recycling tax credit as it came out of the committee, plus the addition of the Tunney amendment, which added a 5-percent credit for fuel, and the Allen amendment, which the Senate accepted. That is essentially the amendment.

We had a vote at 11 o'clock the other evening. We had 30 Members absent at the time. We tried to postpone that vote. Some were not willing to postpone it. I do not care to debate the issue any further. All I want is the clear-cut wish of the Senate—nothing more, nothing less. I do not think that is asking a great deal in this regard.

Mr. RIBICOFF. Mr. President, there was a long debate on this matter and some modified recycling amendment. The amendment was defeated the night before last. I do not think there is any need for us to debate the issue again. I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. GRAVEL. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been asked for. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ABOUREZK. Mr. President, I have a live pair with the distinguished Senator from California (Mr. Tunney). If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. WILLIAMS (when his name was called). Mr. President, I have a live pair with the distinguished Senator from Indiana (Mr. Hartke). If he were present and voting he would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Indiana (Mr. Hartke), the Senator from Louisiana (Mr. Johnston), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from Georgia (Mr. Talmadge), the Senator from California (Mr. Tunney), and the Senator from Utah (Mr. Moss) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Biden) and the Senator from Michigan (Mr. Philip Hart) are absent because of illness.

I also announce that the Senator from Missouri (Mr. Eagleton) is absent attending the funeral of Congressman Jerry Litton.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Michigan (Mr. Griffin), the Senator from Nebraska (Mr. Hruska), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Vermont (Mr. Stafford), the Senator from Alaska (Mr. Stevens), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Stevens) would vote "nay."

The result was announced—yeas 50, nays 30, as follows:

[Rollcall Vote No. 501 Leg.]

YEAS—50

Baker
Bellmon
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Culver
Curtis
Dole
Domenici
Durkin
Eastland
Fannin
Garn
Glenn
Goldwater
Hart, Gary
Haskell
Hathaway
Helms
Huddleston
Humphrey
Javits
Kennedy
Laxalt
Leahy
Long
Mansfield
Mathias
McClellan
McIntyre
Muskie
Nunn
Pearson
Pell
Percy
Proxmire
Ribicoff
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevenson
Stone
Taft
Tower

NAYS—30

Allen
Bartlett
Bayh
Beall
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Cranston
Ford
Gravel
Hansen
Hatfield
Hollings
Inouye
Jackson
Magnuson
McClure
McGee
Metcalf
Montoya
Morgan
Nelson
Packwood
Pastore
Randolph
Roth
Symington
Thurmond
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Abourezk, for.
Williams, for.

NOT VOTING—18

Biden
Cannon
Eagleton
Fong
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Mondale
Moss
Schweiker
Stafford
Stevens
Talmadge
Tunney
Young

So the motion to lay on the table was agreed to.

UP AMENDMENT NO. 339

Mr. HELMS. Mr. President, I have an amendment at the desk which I call up and ask it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. Helms), for himself and Mr. Morgan, proposes unprinted amendment No. 339.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title XXVIII, insert the following new section: "Sec. 28—. Section 219 (c) of the Internal Revenue Code of 1954 (relating to definitions and special rules for retirement savings deductions) is amended by adding at the end thereof:

'(4) Participation in government plans for volunteer firemen.—A member of a volunteer fire department is not considered to be an active participant in a plan described in subsection (b)(2)(A)(iv) for a taxable year solely because he is a member of a volunteer fire department, or because he is an active participant in a plan established for volunteer firemen by a State or political subdivision thereof or by an agency or instrumentality of a State or political subdivision thereof.' ".

ADDITIONAL COSPONSORS OF UP AMENDMENT NO. 329

Mr. GARY HART. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HELMS. I yield, gladly, to my able friend.

Mr. GARY HART. Mr. President, I ask unanimous consent that the following cosponsors be added to the amendment previously agreed to to create a Commission on Tax Simplification and Modernization. I will send this list to the desk. But it includes, in addition to the original cosponsors, Mr. Bumpers, Mr. Mansfield, Mr. Dole, Mr. Hugh Scott, Mr. Javits, Mr. McIntyre, Mr. Mathias, Mr. Hollings, Mr. Domenici, Mr. Hathaway, Mr. Pearson, Mr. Baker, Mr. Williams, Mr. Randolph, Mr. Philip A. Hart, Mr. Robert C. Byrd, Mr. Humphrey, Mr. Bentsen, Mr. Leahy, Mr. Durkin, Mr. Haskell, Mr. Nelson, Mr. Burdick, Mr. Allen, Mr. Ribicoff, Mr. Stone, Mr. Ford, Mr. John Glenn, Mr. Kennedy, Mr. Bayh, Mr. Huddleston, Mr. Harry F. Byrd, Jr., Mr. Muskie, and Mr. Cranston.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Howard Shuman of my staff be permitted to remain on the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I make the same request as to Frank Ballance of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the manager of the bill will accept or is inclined to accept the pending amendment.

REQUEST FOR TIME-LIMITATION AGREEMENT

I ask unanimous consent that there be a time limitation thereon of not to exceed 2 minutes to be equally divided, and that the next amendment be——

Mr. PROXMIRE. Mr. President, will the Senator explain these amendments before we give unanimous consent? I would like to know what they are.

Mr. ROBERT C. BYRD. Fine. May I proceed? I ask unanimous consent that following the disposition of the amendment by Mr. Helms, Mr. Dole be recognized to call up an amendment which concerns a hearing, and which would not take over 5 minutes and, therefore, that the time on that amendment be limited to 5 minutes, to be equally divided in accordance with the usual form; that Mr. Nelson be recognized to call up his amendment, on which there would be a time limitation of 30 minutes, to be equally divided.

Mr. NELSON. No. I thought 28 minutes for the proponents and 2 for the opponents on the ground that they will be filibustering after 1 minute if they are talking on the merits. [Laughter.]

Mr. ROBERT C. BYRD. Is the Senator agreeable to 30 minutes?

Mr. NELSON. Yes.

Mr. ROBERT C. BYRD. And that on the disposition of the Nelson amendment, Mr. Kennedy be recognized to call up his amendment on which there be a time limitation of 30 minutes to be equally divided.

Mr. ALLEN. Reserving the right to object, what is the last one? I do not believe we have had the nature of that amendment explained. I object.

Mr. ROBERT C. BYRD. I delete the last amendment from my request.

Mr. NELSON. Which amendment was the Senator asking about?

Mr. ALLEN. I would also like to ask what the Senator's amendment is.

Mr. NELSON. This is an amendment I am proposing which is a revised DISC amendment. Everybody is familiar with the last one. This one simply provides for a $2 million exemption of earnings, an incremental DISC.

Mr. HANSEN. Did the Senator say revived or revised?

Mr. NELSON. Revised.

Mr. RIBICOFF. May I say on this one we had a long debate, a long discussion, went to a vote. This is a revised amendment involving the same issues, and I am sure 15 minutes on each side will be sufficient to clarify it for all the Members.

Mr. ALLEN. Since there has been no explanation of the Kennedy amendment I think we should withhold that.

Mr. ROBERT C. BYRD. I would do that.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. As I understand the request it is the Helms amendment which includes volunteer firemen, is that correct? Is that a revenue loser?

Mr. HELMS. At the most, only minimally.

Mr. PROXMIRE. The loss to the Treasury is what?

Mr. RIBICOFF. I would say it would be de minimis. What it provides is if a volunteer fireman has a voluntary retirement plan with some governmental agency, that does not prevent him from setting up an IRA individually under the statute. There is practically no loss of revenue, and we will accept the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HASKELL. Reserving the right to object, I know what the Helms amendment is, and I know what the Nelson amendment is. I do not know what the other amendments are.

Mr. CURTIS. Just one.

Mr. RIBICOFF. We are just talking about Helms.

The PRESIDING OFFICER. The unanimous-consent request applies only to two amendments, the Helms and the Nelson amendment.

Mr. HASKELL. Fine.

Mr. ROBERT C. BYRD. And the Dole amendment.

The PRESIDING OFFICER. Dole.

Mr. HASKELL. What is the Dole amendment?

TIME-LIMITATION AGREEMENT ON AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—let me change my request—that Mr. DOLE be recognized following Mr. HELMS. I am not asking for a time limitation on Mr. DOLE. That upon disposition of the Dole amendment, Mr. NELSON be recognized to call up his amendment, and that there be a limitation of 30 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished acting floor manager (Mr. RIBICOFF) has stated the case on my amendment. I have cleared it on both sides. I see no point in further consuming the time of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment was agreed to.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 2113

Mr. DOLE. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Kansas (Mr. DOLE), for himself and Mr. McGOVERN, proposes an amendment numbered 2113.

The amendment is as follows:

SEC. 1326. EXEMPTION OF FARM AND SOIL AND WATER CONSERVATION TRUCKS FROM CERTAIN TAX.

(a) EXEMPTION.—Section 4483 (relating to exemptions from tax on use of certain vehicles) is amended by adding at the end thereof the following new subsection:

"(d) FARM AND SOIL AND WATER CONSERVATION TRUCKS.—Under regulations prescribed by the Secretary, the tax imposed by section 4481 on the use of a highway motor vehicle shall not apply to a vehicle owned by an individual who is the owner, tenant, or operator of a farm if such vehicle is used primarily for farming purposes (within the meaning of section 6420(c)(3) or for transporting agricultural or horticultural commodities, livestock, bees, poultry, or fur-bearing animals or wildilfe, or supplies and equipment used in connection with such farming purposes, between his farm and other places; or used in soil and water conservation practices or in the transport of equipment used for soil and water conservation. This subsection does not apply to a vehicle registered in the name of a corporation the gross receipts of which for the last taxable year exceeded $950,000, or which derived more than 50 percent of its gross receipts for such taxable year from activities other than farming or soil and water conservation."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to uses after June 30, 1976.

Mr. DOLE. Mr. President, Senator McGOVERN and I have both introduced S. 2897 and S. 17, designed to remedy inequities in the way in which the highway use tax currently applies to vehicles used for agricultural and closely related purposes. Amendment No. 2113 combines these two bills into one amendment.

I ask unanimous consent that my full statement explaining the amendment be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

I understand that the floor manager of the bill objects to this amendment and I would be willing to withdraw the amendment if the chairman of the Finance Committee will assure Senator McGOVERN and I that the committee will fully explore the amendment with a view to possible action on another revenue bill later this year.

EXHIBIT 1

HIGHWAY USE TAX EXEMPTION

Mr. DOLE. Mr. President, I call up amendment number 2113. Senator McGovern and I have both introduced bills—S. 2897 and S. 17—designed to remedy inequities in the way in which the highway use tax currently applies to vehicles used for agricultural and closely related purposes. Amendment number 2113 combines these two bills into one amendment.

The use tax was designed to generate highway trust fund revenues in order to offset increased road construction and maintenance costs associated with heavy vehicle operation. [Some critics argue that the rates are too low—$3 per year for each 1,000 pounds of taxable gross weight or fraction thereof on vehicles with a taxable gross weight of 26,000 pounds or more—but there are few who would quarrel with the principle of a use tax.]

The overwhelming majority of those who pay the use tax are commercial truckers. As regular users of the road system, it is entirely appropriate to expect these truckers to contribute toward public expenses which are necessary to sustain their own industry.

Unfortunately, however, the current language of the law is so broad that it extends user tax liability to those relatively few persons who make very limited use of the public road system for agricultural rather than commercial purposes. In one case with which I am familiar, for example, the IRS found a farmer fully liable for the use tax on his truck despite the fact that he operated 90 percent of the time on township roads or on his own farm. To make matters worse, this individual, as well as others from whom we have heard, had no idea that he might have to pay the tax until he received a bill from the IRS some 18 months after he registered the truck. Senator McGovern's bill, S. 2897, was intended to exempt farm vehicles from the use tax.

In addition, the IRS has also found that vehicles used exclusively in soil and water conseravtion activities are liable for this tax. In spite of the fact that a recent survey showed that the average conservation vehicle travels only 3,000 miles a year—and 80 percent of that on state and county roads—these vehicles continue to be subject to an average Federal tax of $175 per year. My bill, S. 17, attempted to correct this unjust situation.

Mr. President, I do not think that it makes sense to treat these vehicles in the same way we treat commercial trucks for highway user tax purposes. I do not believe that it was the intention of the Congress to equate the farmer handling his own supplies or the small businessman engaged in soil and water conservation with a long-distance trucker moving the Nation's freight.

Our amendment will correct this situation by adding heavy trucks used for farm and soil and water conservation purposes to the list of exemptions from the highway use tax under section 4483 of the Internal Revenue Code of 1954. The amendment specifically excludes vehicles registered in the name of any corporation with gross receipts for the last taxable year in excess of $950,000 or which derived more than 50 percent of its gross receipts in that taxable year from activities other than farming.

If enacted, this measure will have a minimal effect on highway trust fund revenues. The gross amounts with farm trucks involved are so small that the Internal Revenue Service does not bother to segregate income from this source in compiling its own internal data. It can be argued that the cost of collecting the tax from farmers probably comes to a significant percentage of the total income generated by this means.

I submit that this tax is little more than a nuisance. It penalizes farmers and small businessmen unfairly, produces little revenue, and absorbs IRS time and and energy which could better be expended elsewhere, I see no good reason to retain this discriminatory tax.

Mr. DOLE. Mr. President, I would like to have the attention of the distinguished chairman of the committee.

This matter has been discussed at staff level, discussed with Senator ROBERT C. BYRD.

Senator McGOVERN and myself both offered similar bills with reference to the use tax.

It is my understanding, as it relates to certain vehicles, that we do not believe they should pay the use tax.

I understand the floor manager objects, and on behalf of Senator MCGOVERN, who is not here, we have agreed, if there is some assurance of hearings on this measure, that it might be added to some later revenue bill, we will withdraw it.

Mr. LONG. I give the Senator that assurance.

Mr. DOLE. I thank the distinguished chairman.

I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from Wisconsin.

Mr. NELSON. Mr. President, this is an amendment proposed by Senator BELLMON, Senator MUSKIE, and myself. Senator BELLMON is presiding and was to make the opening remarks. I wonder if the leadership could provide us with a replacement for Senator BELLMON?

(At this point, Mr. PEARSON assumed the Chair.)

AMENDMENT NO. 2157

Mr. BELLMON. Mr. President, I call up amendment No. 2157, as modified.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON), for himself, Mr. MUSKIE, and Mr. BELLMON, proposes an amendment numbered 2157, as modified.

The amendment is as follows:

At the end of title XXVIII insert the following:

(a) IN GENERAL.—Section 995 (relating to taxation of DISC income to shareholders) is amended—

(1) by redesignating subparagraphs (D) and (E) of subsection (b)(1) as subparagraphs (E) and (F), respectively, by striking out "and (C)" in subparagraph (E) of that subsection (as so redesignated) and inserting in lieu thereof "(C), and (D)", and by inserting after subparagraph (C) of that subsection the following new subparagraph:

Mr. BELLMON. Mr. President, my remarks will be brief. I think the Members know what it is about. I join with my distinguished colleagues, Senator NELSON and Senator MUSKIE, as a cosponsor of the pending DISC amendment for several reasons.

First, I would like to explain briefly what the amendment does. There are two parts. The first part preserves present DISC treatment for the initial $2 million of a company's export earnings. This $2 million would be treated exactly the same as under the current law. Thus, if a firm has $2 million of export earnings, half or $1 million can be allocated to the DISC. Taxes on half of that $1 million can be deferred. Ninety percent of all firms having a DISC earn $2 million or less and would thus be covered by this amendment. I want to emphasize, this amendment covers 90 percent of U.S. exporting companies and only 10 percent of the largest companies are affected.

The second part of the amendment deals with export earnings in excess of $2 million. On those export earnings greater than $2 million, a firm will receive a DISC benefit on the amount by which those earnings exceed the average earnings of the last 3 years for nonagricultural, and 5 years for agricultural, commodities.

This amendment encourages companies to continue to expand their overseas operations and their overseas earnings.

To give an example of the workings of the amendment, assume a firm earns $5 million in its export sales. If the firm averaged $5 million of export profits in the previous 3 years, then the firm would receive a DISC benefit on only the first $2 million.

If, however, the $5 million is earned in the current year and $3 million is the average of the past 3 years' export profits, the firm will receive DISC benefits on $4 million. It receives, as always, benefits on the first $2 million, and then it receives DISC benefits on the additional $2 million by which its export profits of $5 million exceeded the $3 million base 3-year average export earnings.

Thus the amendment amounts to a strong incentive to expand export sales and profits and provide more jobs for American workers. The present provision allows the company to continue to enjoy DISC benefits even though its sales are static and its earnings do not go up.

Mr. President, I am as much in favor of exports and job promotion as any Senator. Thus, I believe that it is appropriate that there should be action to stimulate exports. And, the present amendment does just that; it provides a direct incentive for firms to increase exports, not simply to stand still. After the base level of DISC benefits for the first $2 million of export profits, exporters will get DISC benefits for export earnings that are made over and above the average export earnings of the last 3 years for industrial exports and 5 years for agricultural exports.

This provision will serve as a distinct, important incentive for firms to expand their export business. The first $2 million of export profits of all exporters will continue to receive the DISC benefits as in current law. The effect of this provision is to continue to encourage firms to get into the export business and grow. In this way, we can help expand employment in the United States.

Finally, I find it difficult to accept, as a matter of tax justice, that export promotion which occurred years and years ago should continue to receive tax advantages now and into the foreseeable future.

The amendment before us very much serves to encourage firms to begin exporting; it encourages exporting firms to expand their exports and it removes the Treasury from the business of subsidizing permanently markets for goods and services which were established years ago.

I urge my fellow Senators to support this amendment.

Mr. JAVITS. Will the Senator yield for one question?

Mr. BELLMON. I am glad to yield to the Senator.

Mr. JAVITS. Two questions, which I would like to ask.

One, is there a ceiling on the DISC benefit according to the Nelson amendment?

Mr. BELLMON. There is no ceiling on the DISC benefit, or any benefit.

Mr. JAVITS. I understand.

Second, how recurring is the question of improvement; in other words, assuming this is permanent law, do we pick it up for increase every 3 years, or what?

Mr. NELSON. Every 3 years.

Mr. BELLMON. A 3-year base.

Mr. NELSON. They have the option, selecting a base period of 3 years and picking 2 out of the 3, except agriculture, which is 5, because of greater implications.

Mr. JAVITS. And then it is a moving base thereafter?

Mr. NELSON. Yes.

Mr. BELLMON. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. NELSON. Mr. President, I am well aware that most of the Members are well informed about what this amendment is about. I will try to avoid repeating the presentation already given by the distinguished Senator from Oklahoma.

This is a provision which, as the Senator from Oklahoma said, will exempt the first $2 million of earnings of all exporters using DISC corporations. When we do that, we exempt 90 percent of all DISC's in the country. This provision then aims toward the problem of the smaller and intermediate size corporation.

What it means is that if a firm has $2 million of exports earnings, $1 million is presumed to be earned by the parent company and $1 million earned by the DISC. The $1 million of DISC income is then divided, $500,000 of it taxable and leaving $500,000 tax free. At a 50-percent tax rate that means the benefit is $250,000 in tax relief to that corporation with earnings of $2 million. That is a good fund to be used by the smaller businesses in promoting their overseas sales.

This is a much better provision for small business and intermediate-sized business than the Finance Committee bill, because the Finance Committee bill does not apply DISC benefits 100 percent against the first $2 million of income. It applies the benefit against only 40 percent of the earnings of any company that is not growing. So this amendment applies DISC benefits to 100 percent of the first $2 million of earnings, compared to as little as 40 percent of earnings that get the benefit under the Finance Committee proposal.

That means that $2 million of export earnings under the Finance Committee proposal would receive a benefit of about $115,000 for an exporting from this size, a small to middle-sized corporation, as contrasted with a benefit of $250,000 for this same size exporting firm under our provision.

The $2 milion of earnings is the limit for the full DISC benefit. Beyond that we apply the DISC benefit only to the increment or increase in earnings. This means that when a firm expands, if they expand by 10 percent, 20 percent, or 50 percent, in any particular year, the DISC benefit is applied against the amount of the expansion.

What we would not continue is the unjustifiable application of the tax relief of DISC against sales and earnings that they have already made in previous years. That was the tragic mistake in the beginning, when we had $49 billion of exports in 1971 and applied DISC benefits to all of it. What we were doing was paying exporters for doing what they were already doing. It was a relief program to large, profitable corporations and it was unjustified.

I point out that overseas sales by U.S. exporters produced a profit on average across the board, of 17.3 percent on gross sales as contrasted with 8.5 percent in the domestic market. Most of these exporters do not need any subsidy at all, really. What they are getting here is a gift beyond which we should not go.

It is interesting to note all the argument that this is to promote competition, to make us competitive in the foreign market, but this is plain nonsense. The devaluation of the dollar is what escalated the sales of American exports in recent years, and the proof is in the pudding. There were $44 billion worth of DISC export sales made in the last year reported by Treasury. On that $44 billion in DISC sales, the amount of tax benefit was about $700 million. So they have total DISC benefits amounting to 1.7 percent on their export sales.

At best, if the entire benefit was used to reduce prices, it could have a 1.7 percent impact, when the devaluation of the dollar was over 15 percent in less than 2 years.

This is enough of a subsidy. We have a whole bunch of new, modern, Robin Hoods and Friar Tucks around here now but they are a different kind than in the old days. In Nottingham they used to rob the rich and give to the poor. We have a whole bunch down here, a whole passel of Robin Hoods, robbing the poor to give to the rich.

I am not suggesting that we steal from the rich to give to the poor. I am just saying let us steal a little less from the poor and give a little less to the rich.

That is the whole story. There is no sense in continuing a tremendous windfall to the top 10 percent of the DISC exporters, which are the largest corporations in this country, who are already highly profitable without any DISC benefit. They would not seriously feel it one way or another without the DISC at all.

What is the cost of this program?

Well, by 1986 this DISC program is going to cost, continued as the Finance Committee wants to continue it, the same amount as the entire B-1 bomber system—$22 billion.

It will cost almost that much under this modest reduction that we are proposing. It is a waste of money. It ought to be stopped. But at least let us plug up a little more of the loophole.

On the differential in cost, this proposal will save an average of $340 million per year above the Finance Committee proposal, which will save $660 million a year over the current law. In 5 years this amendment will save the Treasury $1,700,000,000. It makes good sound sense. It favors smaller and intermediate size businesses. It helps them get into the international market and build up their sales organization to promote their product. But it takes the windfall out of the balance of the DISC benefit to the largest, already highly profitable exporters.

I think it is time that we cut back on some of the giveaways that we are engaged in.

Mr. President, in this last stage of the tax debate, I am again introducing an amendment concerning the DISC program of tax benefits to U.S. exporters. This is a completely new DISC proposal that I am offering today on behalf of myself, Senator MUSKIE, and Senator BELLMON.

There are two purposes to this amendment. First, it will achieve a more rational and effective distribution of the well over $1 billion in DISC tax benefits than the bill before us would accomplish. Second, it will avoid the substantial growth in the overall size of DISC benefits that otherwise will occur under either the House or the Finance Committee provisions, while nevertheless retaining a very substantial DISC program into the foreseeable future.

This amendment will preserve intact every basic and essential aspect of the DISC program of tax benefits to U.S. exporters. It answers every argument raised in the earlier debate by the proponents of a broad DISC. But it achieves the purposes of the DISC tax benefit to American exporters in a decidedly more effective and efficient way than the present bill, and as a result it realizes a substantial revenue saving over the coming years.

The amendment we are offering will accomplish the following things:

First, it will assist small firms as much, and medium-sized to moderately large U.S. exporters substantially more, than either the House bill or the Finance Committee bill would do.

Second, it will provide equal or greater benefits than either the House or Finance Committee bills to more than 90 percent of all U.S. exporters in the DISC program.

Third, it will provide full DISC benefits on the actual current expansion in export sales for all firms with growing exports, thus fully retaining the "growth incentive" aspect of the DISC program.

Fourth, it will eliminate the purely "windfall" element of the DISC benefit for about 700 to 800 of the highest-profit U.S. exporters, while retaining the growth-incentive portion of the benefit for these large exporters—and still giving this top 10 percent of all DISC firms approximately 68 percent of the total program benefits; they now get 83 percent.

Fifth, it will maintain whatever international "bargaining chip" role DISC may be serving for U.S. negotiators in the Multilateral Trade Negotiations under GATT, through keeping the overall size of the program close to $1 billion over the next few years.

And sixth, it will achieve a 5-year total cost saving—or revenue gain—of $3.5 billion over present law—an average saving of $690 million per year—and a total cost saving—or revenue gain—of $1.7 billion over the committee bill—an additional average saving of $340 million per year.

This amendment has just two key elements.

First, it will retain the full DISC benefits of present law for all U.S. exporters, or related exporter groups, for up to $2 million of combined annual export profits. This ordinarily corresponds to $1 million of so-called DISC taxable income and $500,000 of tax-free current income through the DISC benefit.

According to the latest Treasury data on DISC, 89.6 percent of the 3,920 DISC's reporting income in 1974 were below this level. The proportion is probably higher now, due to the faster growth of DISC's among smaller exporting firms in more recent years—reaching a total of 8,382 active DISC's registered as of last February. So this provision will retain the full tax benefits of the present DISC program for more than 90 percent of all U.S. exporters using DISC's.

Under the Finance Committee bill, smaller to moderate sized firms that have gone into export trade for the first time in recent years will all experience substantial cuts in DISC benefits. Under this amendment, all such new exporting firms with export profits under $2 million annually will continue to receive full DISC benefits.

There will be no phase-out of this benefit for larger firms; all exporting firms or related groups of firms will qualify for full, present law DISC benefits on the first $2 million of their combined net income from exports.

Second, this amendment also will retain the so-called "incremental DISC" principle of the House and Finance Committee bills for those exporters with total annual export profits greater than $2 million. As of now, these account for about 800 firms or less—under 10 percent—out of more than 8,000 active DISC exporters.

These very large exporters—or related exporter groups—will thus receive full present-law DISC benefits on their first $2 million of combined export profits each year, along with all other firms, and in addition will receive full DISC benefits on any actual current expansion in their export sales and earnings over their average level of export sales established during the prior 3-year period.

In the case of agriculture, the base period for the additional "incremental DISC" benefit will be the prior 5-year period. Apart from that, agriculture will be treated the same as all other industries under this amendment—as in present law—and the terms for military sales eligibility for DISC benefits will remain the same as in the Finance Committee bill.

This amendment fully retains the actual growth incentive aspect of the DISC benefit, for firms of every size, and at the same time it fully eliminates the nongrowth, pure windfall element of the benefit for the 10 percent of very large firms that have received most of this windfall and will continue to do so under the Finance Committee bill.

This amendment and the committee's "incremental DISC" formula would provide the same benefit on the actual current growth portion of any firm's export earnings. But the committee formula also retains a substantial part of the pure windfall benefit to the top 10 percent of DISC exporters—that is, benefits allowed on their already established export volumes—whether these firms show any current export growth or not.

There is no useful purpose whatsoever served by this non-growth-related element of DISC benefits to large, established exporters retained in the Finance Committee's DISC provision. It simply retains and continues a substantial element of the pure windfall aspect of the DISC benefit.

No supporter of the DISC program and no supporter of the Finance Committee's complicated "incremental DISC" provision has given us a single argument as to why this pure windfall element included in the DISC benefit should be retained.

They have not given one justification for this specific windfall aspects of the benefit—especially when it goes to large established and already highly profitable exporters—because there is no justification that can be given.

The problem here has been clearly recognized by the principal supporters of the Finance Committee bill. In fact Senator LONG and Senator RIBICOFF have provided us with one of the very clear, accurate statements of the problem.

Their statement was circulated during the earlier debate on DISC and was entitled "Long-Ribicoff Answer to Nelson-Kennedy Proposal on DISC." In this statement, Senator LONG and Senator RIBICOFF described the problem as follows:

> One serious flaw in the present DISC program is that many companies, particularly the larger ones, would probably be exporting today even if the Congress had not created DISC.
>
> The portion of DISC benefits covering exports that would have existed without DISC does not accomplish any of the important purposes served by DISC as a whole. This part of the DISC program is a windfall for companies and a drain on the Treasury.

Mr. President, I submit that that statement describes the problem exceptionally well, and one main point of the amendment we are offering today is that it goes right to the heart of that problem.

This amendment tightens up on precisely that part of the DISC program that Senator LONG and Senator RIBICOFF have so well described for us here—the substantial nongrowth-related part of the benefit, going to large, well-established, and already highly profitable export firms whether they show any current export growth or not. In other words, it tightens up on exactly that part of the DISC benefit which Senator LONG and Senator RIBICOFF have called so accurately "a windfall for companies and a drain on the Treasury," and which the Finance Committee bill cuts back only in part while leaving a substantial part intact.

This amendment, by contrast, will entirely eliminate this gratuitous, nonfunctional, nongrowth-related part of the DISC benefits going to the most profitable 700 or 800 large export firms, but it will fully retain the DISC benefit to these large, established exporters on the full amount of their actual current growth in export sales and earnings. This amendment thus fully preserves the authentic growth-related incentive portion of the DISC benefit for the very largest U.S. exporters—and it does so in an effective and efficient manner. What it avoids, is a large, wasteful windfall element being included as well, and serving no good purpose whatsoever.

It also should be noted here again that the incremental DISC benefit to these highest-profit export firms under this amendment will be in addition to the full DISC benefits provided to each of them on their first $2 million of total export profits annually, along with every smaller to moderate sized DISC exporter.

Mr. President, I believe that this amendment clearly provides a more rational and justifiable basis for the DISC benefit than the Finance Committee bill does, and that it achieves a much fairer and more reasonable distribution of the overall DISC program benefits.

By fully eliminating the unnecessary, nongrowth-related portion of the DISC benefit to the relatively few very high-profit exporting firms—which the committee bill fails to do—we can afford to maintain full DISC benefits to the vastly greater number of small, middle-sized and even moderately large U.S. exporters—rather than substantially reducing the present DISC benefits to all these firms, as the committee bill would do.

And finally, this more efficient and more reasonably distributed DISC benefit that we are proposing can be obtained at an additional cost saving—or revenue pickup—over the Finance Committee bill amounting to a total of $1.7 billion over the next 5 years. That is an average cost saving, or revenue gain, over this period of more than $340 million annually over the Finance Committee's provision on DISC.

Mr. President, the following tables will illustrate some of the important quantitative aspects of our proposal as compared to the Finance Committee bill.

TABLE 1

	Relative share of disc benefits	
	Going to 90 percent [1]	Going to 10 percent [4]
Present law (according to latest Treasury Report on DISC)	17	83
Finance Committee bill (assuming no change in relative growth rates of large and small firms)	17	83
Proposed amendment (assuming same relative size distribution of firms as Treasury data)	32	68
Benefit on 1st $2,000,000	32	20
Incremental benefit		48

[1] 90 percent of exporters with profits below $200,000,000 (about 7,500 firms).

[2] 10 percent of exporters with profits above $2,000,000 (700 to 800 firms).

Table 1 shows the share of total DISC benefits going to the lower 90 percent of all export firms—those with annual profits below $2 million, presently about 7,500 firms—and the share of benefits going to the top 10 percent of firms—those with export profits above $2 million, presently about 700 to 800 firms. Under both the present DISC program and the Finance Committee bill, the lower 90 percent of all firms receive 17 percent of the total DISC program benefit, while the top 10 percent received 83 percent of the total benefit.

The Finance Committee bill does nothing to reduce this very high concentration of DISC benefits. In fact, if the large firms tend to grow faster than the smaller firms, the committee's "incremental DISC" will result in an even greater concentration of benefits to the top firms than under present law.

Under the amendment we are offering, by contrast, the share of DISC benefits going to the lower 90 percent of all exporters in the program would be nearly doubled, from 17 to 32 percent of the total while the share going to the top 10 percent of firms would be reduced from 83 to 68 percent of the total benefit.

Under this amendment, then, the total DISC benefit would be distributed much more broadly to the great majority of smaller to moderate-sized firms, although the top 10 percent of very large DISC exporters would still receive more than two-thirds of the total program benefit and more than twice the amount of aggregate benefit going to the lower 90 percent of all DISC exporters.

TABLE 2.—DISC BENEFITS TO DIFFERENT-SIZED FIRMS UNDER ALTERNATIVE PROPOSALS (CURRENT TAX SAVINGS DUE TO DISC)

	Size of firm by level of net export income and (percentage of all DISC exporters at that income level or below)			
	$200,000 (54 percent)	$2,000,000 (90 percent)	$4,000,000 (93 percent)	$10,000,000 (98 percent)
DISC benefit in 1977:				
Present law	$26,400	$264,000	$528,000	$1,320,000
Committee bill	14,520	145,200	290,400	726,000
Proposed amendment	26,400	264,000	311,520	448,800

	Size of firm by level of net export income (and percentage of all DISC exporters at that income level or below)			
	$200,000 (54 percent)	$2,000,000 (90 percent)	$4,000,000 (93 percent)	$10,000,000 (98 percent)
DISC benefit in 1981:				
Present law	38,652	386,522	773,045	1,933,000
Committee bill	24,351	243,509	487,018	1,217,790
Proposed amendment	38,652	282,161	355,601	541,240

Source of data on distribution of DISC exporters by size—latest Treasury Report on DISC (April 1976).

Table 2 shows the dollar amount of DISC benefits going to four different sized firms, as measured by their level of export earnings in 1976. The calculation assumes that each firm is growing at a steady 10-percent rate per annum, and that the tax rate for each is 48 percent. The dollar figures then show the amount of tax saving due to DISC that each of these firms would realize in 1977, and again in 1981, under the various DISC proposals.

The table also shows the percentage of all DISC export firms that fall at or below each of the indicated income levels. Thus, 54 percent of all firms using DISC's have $200,000 or less of total export profits, while 90 percent of all such firms have $2 million or less of total profits.

A firm with $2 million of export earnings in 1976, and growing by a normal 10 percent per year, would receive $264,000 of DISC tax saving in 1977 under present law and also under this amendment. Under the committee bill, this firm would receive only $145,200 of DISC benefit.

Looking at the firm that starts with $4 million of total export profits, by 1977 it would receive $528,000 of DISC benefit under present law, $311,520 under this amendment, and $290,400 under the committee bill. By 1981, however, this firm would be receiving a larger benefit under the committee bill, $487,018, than under this amendment, $355,601, and an unchanged present law DISC would give a larger benefit yet.

Table 3 shows the estimated revenue gain to the Treasury that would result from each of the DISC proposals before us. That is, these figures represent the expected cost saving in the DISC program under the various proposals.

TABLE 3.—ESTIMATED COST SAVING OR REVENUE GAIN OVER PRESENT LAW DISC

	Under House bill	Under committee bill	Under proposed bill
Fiscal year:			
1977	$454	$84	$149
1978	531	306	562
1979	512	431	864
1980	503	422	907
1981	550	495	976
5-yr total	2,550	1,738	3,458
5-yr average	510	348	692

Source: Joint Tax Committee.

The amendment we are offering would reduce the cost of the DISC program by about $3.4 billion over the next 5 years, compared with a revenue gain, or cost saving, of $1.7 billion under the Committee bill.

Table 4 shows the projected cost of the DISC program under present law and under the alternative proposals before us, as estimated by the Joint Tax Committee staff.

TABLE 4.—ESTIMATED COST OF DISC PROGRAM

[In millions of dollars]

	Present law				
	Treasury estimate	JCIRT estimate	Under House bill	Under committee bill	Under proposed bil
Fiscal year:					
1976	1,380	1,241			
1977	1,580	1,379	925	1,295	1,230
1978	1,740	1,439	908	1,133	877
1979	1,910	1,476	964	1,045	612
1980	2,100	1,529	1,026	1,107	622
1981	2,310	1,642	1,092	1,147	666
5-yr total	9,640	7,465	4,915	5,727	4,007
5-yr average	1,928	1,493	893	1,145	801

Source: All figures from Joint Tax Committee estimates, except for higher projection of future DISC growth based on Treasury figures and assumptions.

It is important to note that the Joint Tax Committee estimates may understate the projected cost of DISC by as much as $400 million per year over the next 5 years. The Treasury Department's cost estimates for DISC are based on the assumption that U.S. export sales and earnings will continue to show the same rate of normal growth as in recent years—10 percent per annum—and this leads to a total 5-year cost of DISC more than $2 billion higher than the JCIRT estimate.

The Joint Tax Committee's substantially lower DISC cost estimate is based on the assumption that growth in U.S. export earnings will slow down in the near future, rather than continuing at its present rate, as in the Treasury assumption.

It is very likely that the Treasury cost projections for DISC will turn out to be the more correct. If that is the case, then the Finance Committee bill will result in a steadily growing cost of DISC in future years, while our proposed amendment will result in holding the cost of the DISC program almost constant, at slightly more than $1 billion per year.

In general, our proposal can be thought of as maintaining a billion-dollar DISC program for the near future. Even if the Joint Tax Committee's assumption of a slowdown in U.S. export earnings turns out to be correct, our amendment would stay close to the billion-dollar level for several years.

TABLE 5.—*Estimated cost of DISC program based on Treasury growth assumption*

[Dollars in millions]

	Present law	Committee bill	Proposed amendment
Fiscal year 1976	$1,380		
Fiscal year 1977	1,580	$1,502	$1,410
Fiscal year 1978	1,740	1,393	1,084
Fiscal year 1979	1,910	1,380	854
Fiscal year 1980	2,100	1,534	920
Fiscal year 1981	2,310	1,622	1,010
5-Yr. total	9,640	7,431	5,278
5-Yr. average	1,928	1,486	1,056

SOURCE.—Derived from Treasury Report on DISC and Joint Tax Committee estimates.

Mr. President, several basic arguments have been made in favor of the DISC program of tax benefits to U.S. exporters.

For one, it has been argued that whatever else we think about the usefulness of DISC, we should retain the program for its value as an important "bargaining chip" in the multilateral trade negotiations presently under way among the GATT nations.

The DISC program can provide leverage, it is argued, for achieving an all-around reduction in the various export subsidies used by the major trading nations.

To whatever extent this is a valid argument—and I believe it does have some validity—then our amendment will fully retain the "bargaining chip" function of the DISC program. In fact, it ought to make the DISC program a better bargaining chip than the committee bill, since it will provide significantly greater DISC benefits than the committee bill to over 90 percent of our exporters, and will do a better job of helping additional U.S. producers get into export trade for the first time.

On strict cost grounds, our proposal is more economical than the Finance Committee bill, but it is also more cost effective. The part of the overall DISC program cost that is eliminated by our proposal is solely the nongrowth-related, nonfunctional pure windfall element. This gratuitous windfall element in the DISC benefit does not strengthen the strategic bargaining value of the DISC program. Rather, it is simply a useless and redundant cost element, and eliminating it will not diminish at all whatever useful bargaining role the DISC program is giving us in the multilateral trade negotiations.

Second, it has been argued for years that the DISC benefits led to expanded production for U.S. industry and expanded employment for U.S. workers. Now this argument is correct if we confine our attention to the direct effects on the directly benefited firms and industries only. There is no argument that those export industries receiving the DISC tax benefits are indeed directly benefited.

But this is only half the story, and we cannot validly or honestly ignore the rest of the story, because we know for a certainty that there are also important indirect effects resulting from any expansion of U.S. exports. And these indirect effects will be damaging to some extent to all those American business firms and workers in the numerous industries that not only do not receive any direct DISC benefits, but also have to face the competition of foreign-produced imported goods.

Every single expert that has addressed this question, without exception, has pointed out the indirect effect on U.S. imports that results from an expansion of our export sales under a regime of flexible international money exchange rates. Any expansion of our exports automatically causes the dollar to appreciate in value compared to foreign currencies, as foreigners bid for dollars with which to buy the U.S. goods. This means that every foreign-produced product is also cheaper now to American buyers, and in the absence of trade barriers it is absolutely predictable that imports for foreign goods into the United States will now expand.

So, while there may be a gain in production and jobs in our exporting industries as a direct result of the DISC benefit, there is very definitely another side to this same coin, which cannot honestly be ignored.

With flexible exchange rates, every expansion of our exports will be balanced by a nearly equivalent expansion of our imports. Our exporting industries will be benefited, our import-competing industries will be hurt. Employment will expand in the exporting sector, it will fail to expand normally, or even decline, in the import-competing sector.

The overall effect of the DISC benefit obviously depends on both sides of the coin. It is quite clear that on balance U.S. manufacturing industry as a whole may be hurt by DISC about as much as it is helped.

As for the net, overall employment effect of DISC, this actually could very easily be negative—that is, a net reduction in jobs as a result of DISC. This is because of the simple fact that our import-competing industries—textiles, clothing, shoes, food products, household equipment of all kinds—are much more labor-intensive than our export industries—heavy machine tools, electrical equipment, industrial chemicals, grains and soybeans. That is, for each $1 million of sales, the number of jobs created is significantly greater in our import-competing industries than in our high-technology, highly mechanized export industries.

So if our export industries expand their sales by $1 million as a direct result of DISC benefits, and our import-competing industries lose $1 million of sales as the indirect result of the same DISC benefits, the overall result for employment will be a net reduction in total number of jobs.

Third, and most important, those who have defended a large and growing DISC program have argued intensely that substantial tax benefits to U.S. exporters are essential in order to "put U.S. exporters on an equal footing with foreign competitors in the world market." In reviewing the earlier debate on DISC, this argument of "equal competitive footing" for U.S. exporters and foreign producers stands out as the predominant argument raised on behalf of maintaining a large DISC benefit.

But the argument itself was never really examined—it simply was repeated over and over: First, that a number of foreign governments provide special tax breaks, as well as various other types of subsidy to their manufacturing exporters; second, that U.S. exporters should have an even break with their foreign competitors; and then the conclusion, that therefore all U.S. exporters—whatever their size, whatever their condition, and whatever their profitability—also should receive a substantial special tax break on their export earnings.

Now, this is a naturally appealing argument and a plausible one: it appeals to our patriotism and sense of equity on behalf of American producers, and it appears to be simple and straightforward. But with just a little examination, the argument begins to appear more and more peculiar.

First, upon examination, the argument turns out to be a perfect non-sequitur. The argument is made that the DISC tax benefit is needed in order to enable U.S. exporters to operate on an "equal competitive footing" in the foreign trade markets—the implication being, of course, that without this extra tax benefit they would be just barely holding on with their toes and not able to compete successfully in these markets. But then, the DISC benefit itself is squarely based on the level of profitability that the firm already has achieved through competing successfully in the export market.

This is what makes this particular justification for a large DISC benefit such a nonsequitur. The larger the volume of export sales and profits earned, the greater the size of the DISC benefit. The more highly profitable and obviously successful a firm is as an effective competitor in the world market, the greater the DISC benefit it will receive. The highly profitable exporter, who clearly is succeeding competitively without any special tax break or other form of subsidy, then receives a substantial tax benefit. This DISC benefit—whatever other useful purpose it may be serving—clearly is not what is enabling the firm to compete effectively and successfully in foreign trade. Much more basic factors of productivity, cost, and technological superiority are responsible for the firm's competitive success.

At the same time, the struggling or marginal export firm with low or zero earnings, that clearly has not succeeded in establishing itself on a solid competitive footing in the foreign trade markets—and that very likely could use some extra help—will in fact receive very little if any help from the DISC benefit, based as it is on profits earned.

So the marginal firm that really needs help in achieving a successful competitive footing compared to foreign producers receives little or no benefit from the DISC program, while the already profitable exporter that does receive substantial DISC benefits is succeeding already as an effective competitor in the foreign trade markets.

This is not to say that the DISC benefit has no useful purpose, but rather that the argument advanced that U.S. exporters need this benefit in order to compete successfully in foreign markets looks more and more like a straw man.

Second, and closely related, the "equal competitive footing" argument completely fails to explain why U.S. exporters in general are supposed to need a substantial tax benefit—comparable to various foreign governments' subsidies to industry—in order to compete effectively in foreign markets, when these same U.S. exporters already are making an average 17.3 percent rate of profit on sales before receiving any additional tax benefit.

This is the average profit margin on sales—earnings as a percentage of gross receipts—for all U.S. exporters receiving DISC benefits according to the recent Treasury estimates. It is more than double the comparable profit margin for U.S. manufacturers and wholesalers combined on their domestic sales in the same lines of industry—estimated at 8.4 percent.

How does the "equal competitive footing" argument for a large additional tax break square with this exceptionally high before-tax profit margin for U.S. export trade as compared to domestic sales? The answer is, it does not even try to. Again, faced with the reality of a clearly highly competitive and successful overall U.S. export sector, this argument simply appears as a plain non sequitur. Given the actual real-world profitability of established U.S. exporters, the argument just does not fit.

Perhaps the problem here was correctly called by the Wall Street Journal in an editorial on DISC some time ago. The Journal wrote:

> There is a serious flaw in the idea that subsidizing industry somehow makes it more competitive. A subsidy supplies the means to become less, not more, competitive, as should have been adequately proved a long time ago by the heavily subsidized U.S. ocean-shipping industry.

In other connections, we readily recognize that heavily-subsidized European and other foreign industries are often much less productive or efficient than U.S. private enterprise. In these cases, no one would suggest that the existence of the foreign subsidy places the unsubsidized U.S. firm at a competitive disadvantage. If anything, quite the contrary, as the Wall Street Journal editorial points out.

Third, the argument that DISC is needed to establish "equal competitive footing" between U.S. exporters and subsidized foreign producers is highly anomalous in view of the fact that the effect of the DISC benefit is to establish sharply unequal tax treatment of income between two different branches of American industry.

Two American manufacturers may have equal production and sales costs, equal sales volumes, and equal levels of earnings but if one is selling for export he will receive the substantial tax benefit of DISC, while the other, selling entirely in the U.S. market receives no such tax benefit.

Moreover, these two firms are in immediate and direct competition with each other. They compete against one another for capital funds, they compete for managerial talent, they compete for skilled labor, and they compete for other resource inputs. They are selling in different product markets, but on the input purchase side they are in direct, close competition.

The principle of tax neutrality, or "equal competitive footing", maintained among different producers after the imposition of taxes is certainly violated here directly and blatantly by the DISC tax benefit granted the one producer and not to the other.

Again, this is not to say that the DISC benefit has no useful purposes, but simply that the "equal competitive footing" argument works against the DISC benefit much more strongly than it works in its favor. In fact, if that argument is applied in its own right, close to home, among the branches of American industry where the U.S. tax structure does have an important influence on resource allocation, it is a powerful argument for keeping the DISC benefit as modest and limited as possible while still serving its positive purposes.

Fourth, it should be noted that for one particular type of U.S. exporting firm, the "equal competitive footing" argument does indeed have validity. The serious defects in the argument all result from applying it in a crude, across-the-board way, making no distinctions whatsoever among the quite different circumstances of different export firms.

In particular, the simple version of the argument fails to distinguish between the large, well-established, highly profitable exporter that is a vigorous and successful competitor in foreign markets already—notwithstanding foreign producer subsidies—and the small- to moderate-sized new exporter that is not yet well established in the foreign trade field.

There is a good valid case to be made for providing special assistance to American producers that are getting into export trade for the first time. Firms that are making the effort to expand into foreign markets, where they have not operated before, and to establish themselves as successful competitors in these markets, face particular problems not present for the established exporter.

The new exporters, who may include new companies, but more likely will be small- to moderate-sized manufacturers lacking experience in foreign trade, will face extra and unusual costs for a considerable period. They will need to acquire information as to sales opportunities in the foreign markets, and that is costly. They need to acquaint themselves with foreign business practices and legal codes, and that is costly. They will have to establish business contacts overseas, and they may need to establish new overseas facilities, and all that is costly.

These so-called information costs and other entry costs of getting into foreign trade are considerable. They can very well block an otherwise successful producer from ever getting established in foreign trade, even when the firm would in fact compete quite successfully in the export market, if it could once make it over the initial hurdle posed by these substantial entry costs.

It is a valid and worthwhile objective to provide special government assistance to private firms in this situation. It is a legitimate use of a special tax benefit or other subsidy to help offset the unusual and extra "entry costs" that any firm faces in getting into successful export trade for the first time. The appropriate and legitimate element in the "equal competitive footing" argument for a special tax benefit to U.S. exporters applies to exactly this kind of firm.

In the absence of some special tax benefit or other subsidy, a number of potential U.S. exporters would never take the difficult step of expanding their sales activity into the foreign trade area. They would lose out—and the whole economy would lose out—on a profitable and valuable new area of business and a net new source of employment.

The cost of the benefit is thus a justifiable cost for the rest of the taxpaying public to bear. The economy and country as a whole would be the poorer if these firms were not subsidized in this specific way.

Finally, when the "equal competitive footing" argument is applied indiscriminately, across-the-board as an attempted justification for tax benefits to all export sales, it makes no distinction whatsoever between the growth-incentive element of the benefit and the pure windfall element going to established exporters on their already established export volumes. The argument thus cannot provide justification for the Finance Committee's "incremental DISC" provision, or for any other system of incremental benefits aiming to cut back or eliminate the nongrowth-related windfall element. In that sense too, then, the argument is simply irrelevant to the question before us of how to frame most effectively and economically the costly program of DISC tax benefits.

Mr. President, how much time remains on the proponents' side?

The PRESIDING OFFICER (Mr. PROXMIRE). The Senator from Wisconsin has 1 minute and the Senator from Connecticut has 15 minutes.

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

Proponents of this amendment are talking about taxes when the issue really is trade.

Let us get a few basic figures so we can understand this.

Mr. President, during 9 of the last 10 years, imports to the United States have exceeded U.S. exports. In the first 6 months of this year, we had a trade deficit of $5.3 billion, and since 1966 our trade balance has been $43.8 billion in the red. The U.S. share of free-world exports has declined from 15.9 percent in 1960 to 14.6 percent in 1965 to 12.4 percent in 1973. To me these figures are extremely disturbing.

While the U.S. share of world trade has been shrinking, many of our trading partners have significantly improved their position. In the last 6 years, while our trade deficit has totaled $33 billion, West Germany recorded a trade surplus of over $78 billion and Japan had a surplus of almost $31 billion.

A major reason for the declining U.S. share of world trade is that many other countries give their exporters subsidies, particularly tax exemptions and rebates of indirect taxes, like the value-added tax. For example, most Western European nations rely heavily on value-added taxes, and I understand that Japan will soon adopt this kind of tax system. When a company in one of these countries exports, it does not have to pay any taxes. But when a U.S. exporter wants to ship goods to countries that give these tax breaks to their own companies, he has to pay the additional tax at the border. On the average the value-added tax is about 15 percent. So, if the foreign exporter gets a 15 percent rebate and the American exporter has to pay the extra 15 percent, the competitive disadvantage facing our exporters is worth 30 percent of the value of their exports. The value-added tax, however, is only one of the benefits given many exporters abroad.

In France, for example, foreign branch and subsidiary income is not taxed, foreign source dividends are not taxed, and intercompany pricing rules are not enforced, in addition to the border tax adjustments and other export tax incentives. None of these tax incentives for exports are offered to American exporters.

The incentives offered exporters by many of our trade partners are not limited to tax incentives. Again, using France, as an example, there is a long list of nontax incentives that indirectly benefit exporters. A French exporter gets financing assistance at a 7.5 percent rate of interest. In insurance, the French exporter could have production risks, currency fluctuations, market developments and exhibition expenses all insured. But a U.S. company cannot insure against any of these things.

DISC was our response to foreign subsidy practices like the V.A.T. border adjustments. Congress created DISC to put American companies on an equal tax-footing with their foreign competitors in the export market. It was intended to counter the existing distortion in international trade and investment that has resulted from the wide range of subsidies offered to exporters by countries with systems of indirect taxes.

I think the concern currently demonstrated by the European Community over DISC is the best indication of its important role in countering the tax practices of other countries and in increasing U.S. exports from $44 billion in 1971 to over $107 billion last year. The EC has formally challenged DISC under the rules of the GATT in an effort to end the one export incentive the United States offers its companies. The reason for this challenge is clear. DISC has worked—it has helped neutralize the unfair advantage foreign exporters have had over American exporters.

If the United States is going to be successful in resolving the subsidies issue, it must have leverage both in the GATT DISC hearing and in the separate GATT trade negotiations on a new international subsidies code. Our case before the GATT DISC panel rests mainly on the premise that DISC is comparable to the tax practices of other nations. In the GATT trade negotiations, our bargaining position on subsidies is dependent on DISC, for it enables us to get concessions on foreign subsidies, including border tax adjustment, from other nations in return for potential compromises on DISC. DISC is important as a bargaining chip and Ambassador Dent, the President's Special Representative for Trade Negotiations, has argued strongly for retention of DISC on just these grounds. Mr. President, I ask unanimous consent that a letter written to me by Ambassador Dent appear in the Record, at the conclusion of my remark.

Mr. President, the latest proposal by Senator Nelson would sharply cut back DISC as an export incentive and it would reduce its value in Geneva. The Nelson proposal would substantially reduce DISC benefits for more than 80 percent of all U.S. exports. The theory is that these exports are generated by a few, very large DISC's. The problem though, is that DISC was created to balance the competitive situation between foreign exporters and American exporters and it was meant to increase the overall level of American exports. Congress never intended to discriminate against the exports of large American companies when it enacted DISC, but this is exactly what the Nelson proposal would do. Senator Nelson's proposal would cut DISC benefits to big companies in half while increasing them for medium-sized companies. If two companies export the same product to the same country, and one exporter is a large DISC and the other is a medium-sized DISC, then under his proposal, the medium-sized company would have a competitive advantage over the large company, because it could sell its product for less than a large American competitor could. We would be discriminating against certain exports simply because one company is bigger than another.

Senator Nelson's proposal would give this unfair advantage to any company whose export earnings total less than $2 million. This exception is meant to be for small companies, but frankly, I don't think that a company with $2 million in export income is very small. And for the really big DISC's that have 83 percent of U.S. exports, this proposal is discriminatory. Also, those large DISC's that handle most of our export volume are where the jobs are concentrated, so I think this proposal is counterproductive on all counts. It cuts back DISC to the point where it will lose a lot of its value in Geneva, it discriminates against large exporters, it cuts back the export incentive on most of our exports, and it will reduce the number of jobs generated by DISC.

There is another problem with the Nelson proposal. It would reopen the loophole in present law that was virtually closed by the Senate when it adopted the Finance Committee proposal on July 1. Under the Nelson proposal, companies with export income of $2 million or less would receive full DISC benefits on all of their export income, regardless of whether or not the company would have exported without DISC. So once again, we're making DISC inefficient by extending it to exports that would have existed without DISC. To me, closing this loophole was the major reason for changing DISC in the first place. Now, Senator Nelson wants us to reopen this loophole and make DISC inefficient as an export incentive again.

I believe it would be extremely unwise for the Congress to cut off DISC at this time because it is so crucial to a satisfactory resolution of the whole issue of subsidies. If we are to continue to have leverage in Geneva with DISC, we simply cannot cut it back any further than we already have. The way DISC works now, we can see that the Europeans are concerned, and that they are ready to negotiate seriously on a subsidies code. If we act unilaterally to reduce the effectiveness of DISC as an export incentive, we will be undercutting our negotiators at GATT, and we will be conceding our position at the important hearings on direct and indirect tax practices now underway in Geneva.

Last month, the Senate cut back DISC to eliminate the loophole that has existed, but we left the export incentive that has proved so effective and so valuable at GATT intact. I strongly support continuation of DISC as voted overwhelmingly by the Senate on July 1, 1976. DISC, as approved by the Senate, will continue to make exports viable for our companies while substantially reducing the cost of this export incentive to the Treasury. If we are to solve the problem of subsidies in world trade once and for all, we must retain DISC.

Mr. President, I think this is a bad proposal. A similar proposal was voted down overwhelmingly the other day, and I see no reason why the Senate should not vote again in support of its former position.

Mr. PASTORE. Mr. President, we have been over this territory several times before, and we have talked about Robin Hood, and Treasure Island, and all that sort of thing.

I would like to say to my friend from Wisconsin, talking about subsidies, there is not a consumer in America who takes a bite of cheese that comes out of the State of Wisconsin that the consumers in Rhode Island are not subsidizing. If we are going to start on all this subsidy business, we ought to start on agricultural products as well.

On all these things, it depends on whose ox is being gored. My State happens to be a manufacturing State. If we buy an apple, if we buy a carton of stringbeans, or a bushel of potatoes, no matter what you buy, no matter what you eat, the people of Rhode Island are paying a tax because it is being subsidized. Here we are faced with a proposition that we are dealing in international trade——

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BELLMON. There is no agricultural subsidy on apples and stringbeans.

Mr. PASTORE. I meant to say cheese and milk. If you take a bite of cheese, that is being subsidized. Will the Senator deny that?

Mr. BELLMON. There are only about four or five agricultural commodities that are subsidized. Cheese happens to be one of them.

Mr. PASTORE. Milk is subsidized, is it not?

Mr. BELLMON. I agree.

Mr. PASTORE. That is right; and that is what I am talking about. What do you think they make in Wisconsin? That is what I am talking about.

We make machinery. We make tools, and we have to sell them abroad. And we cannot sell them, because we cannot compete. Do you know why? Because the same tools that are being manufactured abroad are being subsidized by those countries.

Mr. RIBICOFF. Let me give an example——

Mr. PASTORE. Let me finish, please. So when our people go abroad to sell, they cannot beat the market. So what do you do?

You end up with bribery or some other subterfuge. That is what has happened in many instances. Now, because we were being muffed, and because we are losing the ability of competition in the world market, we came along with this idea of the DISC.

You can push it around any way you want; you can characterize it any way you care to.

The PRESIDING OFFICE. The time yielded to the Senator from Rhode Island has expired.

Mr. RIBICOFF. Two more minutes.

Mr. PASTORE. I have not hit my crescendo yet.

And we are coming along here, and we are saying, "Now, this is a Robin Hood; we are getting the money from the poor and giving it to the rich."

I say, "baloney." What we are doing is creating jobs. We are creating jobs, because if you export, you have got to have somebody to make it before you can sell it, and you cannot sell it unless you are competitive.

Why, we used to export about 15 percent of our production in textiles, and the Senator from Massachusetts knows that. Do you know where it is now? Down there at zero, that is where it is.

Our tools, we have not been able to sell them abroad. I heard from every manufacturer in Rhode Island; they praised me for my stand when I voted with the committee on DISC, and they know what they are talking about.

I am not finding fault with Wisconsin, but we have a parochial problem. We have a parochial problem in my State, and we have the highest unemployment rate in the whole country. A lot of the things we make we have got to sell abroad, and if we are not competitive we cannot sell, if we cannot sell we cannot produce, and if we cannot produce we put people out of work.

Mr. President, I cannot state it in any better way.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. PASTORE. That is the most simply understood way I can state it.

Mr. NELSON. Will the Senator yield for a question?

Mr. PASTORE. I did not interrupt you.

Mr. NELSON. It is not because you did not think it.

Mr. PASTORE. That is the problem today. It all depends on what you make. It all depends on where the shoe pinches, and it all depends on whose ox is being gored.

I would hope this: we defeated this amendment the other day by a vote of 58 to 30, and I would hope the Members of the Senate would understand what this is all about.

This is to enable the American manufacturer to compete with the foreign manufacturers all over the world.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. Two more minutes.

Mr. PASTORE. I got over my crescendo.

Mr. RIBICOFF. Mr. President, let me give an example of what the Senator from Rhode Island is talking about. Siemens Machine Tool, in West Germany, sends a lathe to Massachusetts. It is $1,000 in West Germany, but since there is a value added tax for exports, they cut off $150, so their machine lands in the United States at $850.

In the Senator's city of Providence is Brown and Sharpe Manufacturing Co. Its machine is also $1,000, but when it goes to West Germany, West Germany puts an extra 15-percent tax on that machine, so it lands in West Germany at $1,150. So the difference between the sale price of the Brown and Sharpe machine in Germany and Siemens machine in the United States, is the difference between $850 and $1,150.

That is one of the reasons West Germany has had a trade surplus of $78 billion over the last 6 years, and our trade deficit is $43 billion for the same period.

We have DISC to help American experts, to help produce American jobs, to help make sure the dollar is sound, and to help our balance of trade. It has worked, and that is why the European Community has brought a complaint against DISC.

But that is fine, because it gives us a chance to complain in Geneva against their subsidies, their value-added taxes, and other tax practices that distort trade.

What the Senator from Wisconsin is trying to do here is undercut the American position in Geneva by undercutting the best weapon we have. That is what Senator NELSON is trying to do, break our case in Geneva.

Mr. NELSON. Mr. President, will the Senator yield?

Does either one of the Senators dare yield for a question?

Mr. PASTORE. I yield for a question, on the Senator's time.

Mr. NELSON. I have only 1 minute left.

Mr. PASTORE. Well, you have 1 minute. Ask the question in a minute.

Mr. NELSON. I have promised to yield the Senator from Maine that minute.

Mr. PASTORE. I see. Let me ask the Senator one.

Mr. RIBICOFF. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Connecticut has 3 minutes remaining.

Mr. RIBICOFF. I promised to yield to the Senator from Arizona.

Mr. PASTORE. All I want to say is, if you are in doubt, if there is any doubt in anybody's mind as to how he should vote on this, consider what the Senator from Connecticut has just said.

Do you know who is objecting to this strenuously? Our competitors abroad. Why do you think they are objecting? Because we are now competing with them. We are now beating them at the game they taught us. If we learned this game, we learned it from them.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. FANNIN. Mr. President, adoption of the pending amendment would be very damaging to our export trade. Ambassador Dent begged us to not take legislative action such as this. I quote from a recent letter from the Special Trade Representative:

> I hope in considering tax revision you and your colleagues will consider seriously the importance of the DISC in current United States international trade policy.

Mr. President, should we not give our trade negotiators a chance to work with GATT to try to do something about, the value added tax impaired by other nations and which is very damaging to our Nation's international competitive position? What are we doing here now? We are voting on something that has already been defeated. Only this is worse.

The House bill percent loss of DISC benefits from present law is 43.6 percent. The Senate finance bill, reduced these benefits 44.1 percent. The proposed Kennedy amendment reduced it 55.1 percent. That was defeated, as the distinguished Senator stated, 58 to 30 on July 1.

Now what are we discussing? We are talking in the neighborhood of an 80 percent loss of DISC benefits from present law. How absurd can we be? We have letters from Ambassador Dent, and from the Secretary of the Treasury. These letters bring out the tremendously damaging effects that such legislation would have on our trade on our balance of payments situation.

Allow me to quote Secretary Simon:

> My position on DISC may be briefly summarized. DISC can increase U.S. exports $4.6 billion in 1973 and may raise exports by $9 billion in 1976, with approximately 300,000 jobs involved.

How can we replace those jobs that are being displaced when this particular amendment would take about 80 percent of the benefits that now go to DISC? It just is absurd that we would even consider doing this. We should not even be voting on it.

The PRESIDING OFFICER. The time has expired.

Does the Senator from Wisconsin yield a minute to the Senator from Maine?

Mr. NELSON. I yield.

SUMMARY EVALUATION OF DISC

Mr. MUSKIE. Mr. President, DISC is a complicated series of tax rules that, in general, allow U.S. companies to indefinitely defer tax on one-quarter of their export income. In cases where profit margins on export sales are relatively low, such as for most agricultural exports, DISC permits up to 50 percent of the tax on export income to be deferred indefinitely. DISC benefits can apply to all exports except energy resources, minerals that qualify for depletion deductions, and federally subsidized exports.

DISC was enacted as part of the Revenue Act of 1971. Its stated purpose was to stimulate exports and enhance the attractiveness of domestic manufacturing vis-a-vis manufacturing through foreign subsidiaries. At the time of enactment, it was estimated DISC would reduce annual revenue collections by about $250 million when fully implemented. The Treasury Department, the Joint Committee on Internal Revenue Taxation staff, and the Congressional Budget Office now estimate the annual revenue loss in connection with DISC between $1.4 and $1.6 billion.

First. There is no valid evidence DISC has increased exports. Claims that DISC markedly has increased U.S. exports have been either self-serving statements by companies that save substantial tax revenues through the use of DISC, or else, like a recent Treasury Department study, are based upon faulty methodology. The Treasury simply compared the rate of growth of exports made through DISC's to that of non-DISC exports and attributed the greater growth of the former solely to the existence of the DISC benefits. Obviously, other factors affected these different growth rates, the principal one being the likelihood that businesses using DISC were more export oriented than those that did not.

On the other hand, there is ample evidence that DISC provides substantial windfall benefits to established exporting companies because they get substantial tax reductions for exporting those goods they would have exported even without the existence of DISC. Le Morgan, president of Caterpillar Tractor Co., a leading export company, illustrated this fact in testifying before the House Ways and Means Committee that although Caterpillar had reduced its tax liabilities by $9,000,000 through DISC—

> I am not really sure that we did everything extra in order to generate additional exports. Not much has happened, at least at our company, in order to earn the tax deferral that has come from DISC.

Second. It is unreasonable to conclude DISC has any substantial impact in keeping investment in the United States. Several multinational companies that enjoy substantial DISC benefits assert the principal beneficial effect of DISC is to induce them to locate plants in the United States that would otherwise be established abroad. However, the likelihood that DISC actually plays a major factor in such decisions is extremely slight. Nontax considerations such as labor costs and accessibility to markets are almost always much more important. Moreover, the United States currently provides two major tax preferences for domestic investment over foreign investment that would encourage domestic production for export sales over foreign manufacture of the same products for foreign markets. Both the 10-percent investment tax credit and the ADR rapid depreciation provisions only apply to domestic investment.

Third. DISC is an inefficient job creator. Although DISC is defended as having created domestic jobs, in fact, DISC is among the least efficient means of creating employment. To the extent DISC allows exporters to reduce their tax liabilities, it has a stimulative impact on aggregate demand, production, and employment. Alternative measures such as Federal defense spending, individual tax cuts, and public service job programs, also have similar effects. But data from the Department of Labor show that the number of jobs per $1 billion of expenditures is substantially lower for export related jobs than for any of the foregoing major alternatives because exports are much less labor intensive than domestic demand sectors. Similarly, a study conducted by the National Association of Manufacturers estimated that the employment effects of terminating DISC would be less per dollar of revenue gain than for any of the other 14 possible tax increases surveyed.

The annual revenue loss and job creation effects resulting from DISC must compete with other Government programs for a place in the annual Federal budget, and cannot be considered apart from these alternatives. Viewed in this light, DISC is a relatively inefficient means of stimulating employment.

Furthermore, as described below, DISC encourages imports into the United States that reduce domestic employment. These reductions offset the already relatively low employment effects associated with DISC.

Fourth. DISC is outmoded and unnecessary. Basic recent changes in the international monetary system have eliminated the need for tax incentives to spur U.S. exports. In 1970–71 when DISC was being considered, the United States had a chronic balance-of-payments deficit. There was then a prevailing belief that the fixed dollar exchange rate could not be adjusted, and that it placed American firms at a competitive disadvantage. The situation in 1976 is entirely different. The dollar has been devalued twice, exports have grown rapidly in response, and balance has been restored to our international accounts. More important, the new floating rate international exchange system provides an adjustment mechanism that makes artificial props such as DISC unnecessary.

However, DISC proponents argue in response that the new system is a "managed float" because nations intervene to support their own currencies, thus necessitating maintenance of U.S. export incentives. It is true that under a managed float, transitional surpluses and deficits will occur periodically in the balance of payments. However, there is no reason to expect a chronic and continuing dollar overvaluation to return.

Furthermore, if exchange rates are roughly in equilibrium, DISC will not produce a balance-of-payments surplus in any case, since it would adjust the exchange rate so as to increase imports and/or capital outflows, and thus offset any increase in exports.

Fifth. DISC is an inequitable reduction in the corporate tax rate. If DISC has done little for export expansion and little to cause companies to invest in the United States rather than abroad, it is merely a camouflaged reduction in the corporate tax rate. However, it is an inequitable reduction because it benefits large exporting businesses proportionately much more than the great majority of U.S. businesses that are not engaged in substantial exporting.

A statement of David Garfield, vice chairman of Ingersoll-Rand and chairman of the Special Committee for U.S. Exports, in the October 1975 issue of Forbes, illustrates well the true light in which DISC is regarded by many corporate executives. With respect to continuation of DISC, Garfield said:

> I would be very happy to have an overall reduction in the corporate tax rate [instead]. But in all our talks with Congress, we have been told repeatedly that that alternative is not in the cards. Especially in an election year.

In reality, the significance accorded export promotion is a smokescreen for lower taxes in any form that is politically practical.

Sixth. High profit margins on export sales indicate either DISC is unnecessary or accounting techniques are being used to create windfall tax benefits. According to the latest Treasury Department annual DISC report, the combined pretax profit of DISC's and their parent companies from producing and exporting manufactured products was 17.3 percent of gross receipts. By contrast, the Treasury estimated the profit margin on the same types of manufactured goods sold for domestic consumption was 8.4 percent, less than half the combined profit margin for DISC's and their parent companies on export sales.

If the actual profit margin on DISC sales of manufactured goods is 17.3 percent and more than twice as high as the margin on domestic sales, then the added tax incentive for exporting provided by DISC must be generally unnecessary. On the other hand, there is reason to believe much of this gap is not actual higher profit, but is attributable to tax accounting techniques that allocate unreasonably large portions of indirect costs, such as research and development, home office expenses, and interest costs, to domestic sales and away from export sales. These techniques may as much as double the annual revenue cost associated with DISC.

Seventh. Any increases in exports and employment attributable to DISC must be largely or totally offset by increased imports into the United States. Given the present international managed floating rate monetary system, any increase in U.S. exports attributable to DISC will strengthen the dollar because foreign purchasers will offer more of their currencies to pay for more U.S. products. This will result in foreigners selling their goods in the United States for less dollars and thus increase U.S. imports. Thus, DISC subsidizes U.S. exports at the expense of increased pressure on our domestic industries most subject to foreign competition. Any increased imports caused by DISC will replace U.S. production and thus reduce U.S. employment.

Eighth. Tax subsidization for U.S. exports is inefficient public policy. Several consistent supporters of low taxes on business and investment income oppose DISC even though it reduces the level of business taxation because it inefficiently allocates national resources and capital to export operations. The Wall Street Journal strongly urges repeal of DISC on this ground. Norman Turé, a Washington economist who generally supports increased tax benefits to business and investment, strongly opposed enactment of DISC in 1970 as a member of the President's Task Force on Business Taxation. He concluded then that—

> A nation should export to enhance the efficiency with which it uses its resources. Increasing exports at the cost of reducing efficiency defeats the purpose of foreign trade and impairs our productivity.

To the extent DISC results in lower prices for U.S. exports, foreign consumers are benefited. If tax preferences are conferred on U.S. business that are reflected in lower costs to purchasers, United States rather than foreigners—as under DISC—should be the beneficiaries of these Government policies.

Ninth. DISC adds undue complexity to the revenue laws. There is widespread recognition that the tax law has become too complex. DISC is one of the most striking examples of this trend. The statute and long implementing regulations contain numerous complex rules, qualifications, and new concepts that must be carefully adhered to by companies seeking to use DISC. Many small exporters are precluded from using DISC because the nonproductive accounting and legal costs associated with DISC use are high. These costs will become even higher during the next decade when compliance with the qualified assets requirement will become increasingly difficult and important as cumulatively deferred DISC income for many companies approaches and exceeds the level of their qualified DISC assets.

Elimination of DISC would be a real step toward the important goals of simplicity and efficiency in our tax system.

Tenth. DISC should not be maintained solely as a "bargaining chip" in speculative international trade negotiations. Proponents argue DISC must be maintained to serve as a "bargaining chip" in current international trade negotiations to reduce export trade subsidies. However, it is unclear whether the United States successfully could extract additional concessions from other nations in exchange for DISC repeal. Moreover, international trade negotiations are extremely slow and often inconclusive; it could be years before these negotiations, if successful at all, would be concluded. In the meantime, DISC will continue to reduce U.S. revenue collections by over a billion dollars each year.

Even if other nations agreed to remove some of their trade subsidies in exchange for DISC repeal, there is no reason to believe Congress would be any more likely to terminate DISC at that time than now. Exporters probably would fight just as hard to keep DISC as they are fighting now. In general, they are not the same types of businesses as those subject to import competition that would benefit from a reduction of foreign export trade subsidies.

Eleventh. Inefficient tax expenditures such as DISC should be repealed to meet an important budget resolution target. The first concurrent budget resolution recently adopted by both the Senate and House set an overall revenue target for fiscal year 1977 of $362.5 billion. The accompanying Budget Committee and conference reports specify that $2 billion of this amount should be realized from changes in existing tax expenditure and related provisions.

This $2 billion revenue increase through tax reform is an important element of the 1977 congressional budget. It will constitute a vital step in controlling the recent rapid growth of tax expenditures. These expenditures must be subject to the same standards of review as are spending programs if the new congressional budget process is to have a positive effect over the complete spectrum of Federal budget management. The $2 billion target must be met if Congress is to keep the fiscal 1977 deficit to a minimum and yet provide for as many vital national goals as possible.

Mr. President, the Nelson amendment does not eliminate DISC. Under current law the conservative estimate of the joint committee staff is that the 5-year revenue loss attributable to DISC is $7.4 billion. The committee amendment reduces that to $5.7 billion. The Nelson amendment reduces it to $4 billion.

So, all these arguments which assume that the Nelson amendment would eliminate DISC are irrelevant to this amendment.

I think the Nelson amendment is a reasonable balance as between those who doubt its value and those who believe in its value, and the savings is $1.7 billion over a 5-year period.

The PRESIDING OFFICER. All time has expired.

Mr. PASTORE. Vote.

Mr. RIBICOFF. Mr. President, I move to lay on the table the Nelson amendment.

The PRESIDING OFFICER. The question is on the motion to lay on the table the amendment of the Senator from Wisconsin.

Mr. NELSON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), the Senator from Mississippi (Mr. STENNIS), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), and the Senator from Michigan (Mr. PHILIP A. HART), are absent because of illness.

I also announce that the Senator from Missouri (Mr. EAGLETON), is attending the funeral of Congressman Jerry Litton of Missouri.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY), and the Senator from Alaska (Mr. STEVENS) would each vote "yea."

The result was announced—yeas 50, nays 28, as follows:

[Rollcall Vote No. 502 Leg.]

YEAS—50

Allen
Baker
Bartlett
Beall
Bentsen
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Glenn
Hansen
Helms
Inouye
Jackson
Javits
Laxalt
Long
Magnuson
McClellan
McClure
McGee
Montoya
Morgan
Nunn
Packwood
Pastore
Pearson
Pell
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stevenson
Symington
Taft
Thurmond
Tower
Weicker
Williams

NAYS—28

Abourezk
Bayh
Bellmon
Bumpers
Burdick
Chiles
Church
Clark
Cranston
Culver
Durkin
Gravel
Hart, Gary
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Kennedy
Leahy
Mansfield
Mathias
McIntyre
Muskie
Nelson
Proxmire
Stone

NOT VOTING—22

Biden
Cannon
Eagleton
Fong
Goldwater
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Metcalf
Mondale
Moss
Percy
Schweiker
Stafford
Stennis
Stevens
Talmadge
Tunney
Young

So the motion to lay on the table the amendment of the Senator from Wisconsin was agreed to.

AMENDMENT NO. 2176

Mr. KENNEDY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes amendment numbered 2176.

The amendment is as follows:

At the end of the bill insert the following:

SEC. . MINIMUM TAX FOR INDIVIDUALS.

(a) IN GENERAL.—Part VI of subchapter A of chapter 1 (relating to minimum tax for tax preferences) is amended by amending section 56(a) to read as follows:

"(a) IN GENERAL.—Subsection (a) of section 56 (relating to imposition of minimum tax in general) is amended—

"(1) by striking out '10 percent' and inserting in lieu thereof '15 percent',

"(2) by striking out 'in excess of $30,000' in paragraph (1) and inserting in lieu thereof 'in excess of $10,000',

"(3) by striking out 'the sum of—' in paragraph (2) and inserting in lieu thereof '50 percent of—',

"(4) by striking out '; and' at the end of paragraph (2)(vii), and

"(5) by striking out subparagraph (B) of paragraph (2)."

(b) CONFORMING CHANGES.—

(1) Section 56(b) of such Code (relating to deferral of tax liability in case of certain net opearting losses) is amended—

(A) by striking out "$30,000" in paragraph (1)(B) and inserting in lieu thereof ""$10,000", and

(B) by striking out "10 percent" in paragraphs (1) and (2) and inserting in lieu thereof "15 percent".

(2) Section 56(c) (relating to tax carryovers) is repealed.

(c) ADDITIONAL TAX PREFERENCE ITEMS.—

(1) ADDITIONAL PREFERENCE ITEMS.—

(A) Section 57(a) (relating to items of tax preference) is amended by striking out the matter following paragraph (10) and inserting in lieu thereof the following:

"(11) EXCESS ITEMIZED DEDUCTIONS.—An amount equal to the excess itemized deductions for the taxable year (as determined under subsection (d)).

"(12) CONSTRUCTION PERIOD INTEREST.—With respect to each item of real property which is or will be either property described in section 1221(1) or property held for rental and which is not section 1245 property (as defined in section 1245(a)(3)), the amount of all interest paid or accrued on indebtedness incurred or continued to acquire, construct, or carry real property, to the extent such interest is attributable to the construction period for such property and is allowed as a deduction under this chapter for the taxable year. For purposes of this paragraph, the terms—

"(A) 'construction period' means the period beginning on the date on which construction begins and ending on the date on which the items of property is ready to be placed in service or is ready to be held for sale, and

"(B) 'construct' includes reconstruct and erect.

"(13) INTANGIBLE DRILLING COST.—With respect to all interests of the taxpayer in oil and gas wells, the excess of—

"(A) the excess of the intangible drilling and development costs described in section 263(e) paid or incurred in connection with oil and gas wells (other than costs incurred in drilling a nonproductive well) allowable under this chapter for the taxable year over the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in subsection (e)) had been used with respect to such costs, over

"(B) the aggregate amount of net income received or accrued by the taxpayer during such taxable year attributable to such interests. For purposes of this subparagraph, the term 'net income' means the excess of the aggregate amount of gross income from oil and gas properties over the sum of—

"(i) the amount of any deductions (other than the amount of any excess intangible drilling and development costs, as determined under subparagraph (A) allowable for such taxable year) allocable to such properties, and

"(ii) the amount of taxes imposed under this section (determined without regard to this part) allocable to such properties.

Paragraphs (1), (3), and (11) shall not apply to a corporation other than an electing small business corporation (as defined in section 1371(b)) and a personal holding company (as defined in section 542). Paragraph (12) shall not apply to any amount of interest paid or accrued before January 1, 1982, on indebtedness incurred or continued to acquire, construct, or carry real property described in section 1250(a)(1)(C).".

(B) Section 57(a)(3) (relating to accelerated depreciation on personal property subject to a net lease), is amended—

(i) by striking out "net" in the caption thereof, and

(ii) by striking out "net" in the text thereof.

(2) EXCESS ITEMIZED DEDUCTIONS DEFINED.—Section 57 is amended by adding at the end thereof the following new subsection:

"(d) EXCESS ITEMIZED DEDUCTIONS.—For purposes of paragraph (11) of subsection (a), the amount of the excess itemized deductions for any taxable year is the amount by which the sum of the deductions for the taxable year other than—

"(1) deductions allowable in arriving at adjusted gross income,

"(2) the standard deduction provided by section 141,

"(3) the deduction for personal exemptions provided by section 151,

"(4) the deduction provided by section 213,

"(5) the deduction for casualty losses described in section 165(c)(3), and

"(6) the deduction for interest which is excess investment interest (as defined in subsection (b)) to the extent that such interest is not included as a deduction under paragraph (1),

exceeds 60 percent (but does not exceed 100 percent) of the taxpayer's adjusted gross income for the taxable year. In the case of a trust or estate, any deduction allowed or allowable under section 642(d), 642(e), 642(f), 651(a), 691, or 661(a) for such taxable year and any deduction allowed or allowable under this chapter for costs paid or incurred in connection with the administration of such trust for such taxable year shall, for purposes of paragraph (1), be treated as a deduction allowable in arriving at adjusted gross income.".

(3) STRAIGHT LINE RECOVERY OF INTANGIBLES DEFINED.—Section 5.7 is amended by adding at the end thereof the following new subsection:

"(f) STRAIGHT LINE RECOVERY OF INTANGIBLES DEFINED.—For purposes of paragraph (12) of subsection (a)—

"(1) IN GENERAL.—The term 'straight line recovery of intangibles', when used with respect to intangible drilling and development costs for any well, means (except in the case of an election under paragraph (2)) ratable amortization of such costs over the 120-month period beginning with the month in which production from such well begins.

"(2) ELECTION.—If the taxpayer elects, at such time and in such manner as the Secretary may by regulations prescribe, with respect to the intangible drilling and development costs for any well, the term 'straight line recovery of intangibles' means any method which would be permitted for purposes of determining cost depletion with respect to such well and which is selected by the taxpayer for purposes of subsection (a)(12).".

(4) EXCESS INVESTMENT INTEREST IN CASE OF LIMITED PARTNER.—Section 57(b) (relating to excess interest) is amended by adding at the end thereof the following new paragraphs:

"(4) SPECIAL RULE FOR LIMITED PARTNER.—For purposes of paragraph (1), in the case of any taxpayer who is a partner in any limited partnership, as defined by regulations prescribed by the Secretary—

"(A) the excess investment interest attributable to such taxpayer for any taxable year with respect to all such partnerships is the aggregate amount of losses of all such partnerships allocated to such taxpayer to the extent such losses are attributable to investment interest expenses incurred by such partnerships, and

"(B) the net investment income attributable to such taxpayer for any taxable year with respect to all such partnerships is the aggregate amount of gain of all such partnerships allocated to such taxpayer.

The preceding sentence shall not apply to any amount of interest paid or accrued on indebtedness incurred or continued to acquire, construct, or carry real property described in section 1250(a)(1)(C), but only if construction of such property began before January 1, 1976, and section 163(d), as in existence on December 31, 1975, did not apply to such interest.

"(5) TRANSITIONAL RULE FOR LOW INCOME HOUSING.—For purposes of paragraph (2)(D), the term 'investment interest expense' does not include any amount of interest paid or accrued on indebtedness incurred or continued with respect to property described in section 1250(a)(1)(C) which was acquired or constructed pursuant to a written contract for the acquisition, construction, or financing of such property, which was, on or before December 31, 1981, and at all times thereafter binding on the taxpayer.

"(6) CONSTRUCTION PERIOD INTEREST EXCLUDED.—Section 57(b)(2)(A) is amended by adding at the end thereof the following new sentence: 'For purposes of this subparagraph, the term "investment expense" shall not include any deduction allowable for interest under this chapter which is included as an item of tax preference under paragraph (12) of subsection (a).'.".

(d) AMENDMENTS OF SECTION 58.—Section 58 (relating to rules for application of part) is amended by striking out "$30,000" wherever it appears and inserting in lieu thereof "$10,000", and by striking out "$15,000" wherever it appears and inserting in lieu thereof "$5,000".

(e) CONFORMING AMENDMENT.—Subsection (d) of section 443 (relating to adjustment in exclusion for computing minimum tax for tax preferences) is amended by striking out "$30,000" and inserting in lieu thereof "$10,000".

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to items of tax preferences (as defined in section 57(a) of the Internal Revenue Code of 1954) for taxable years beginning after December 31, 1975.

(2) TAX CARRYOVER.—The amount of any tax carryover under section 56(c) of the Internal Revenue Code of 1954 from a taxable year beginning before January 1, 1976, shall not be allowed as a tax carryover for any taxable year beginning after December 31, 1975.

(3) SPECIAL RULE FOR BANKS.—In the case of a taxpayer which is a bank (as defined in section 581 of the Internal Revenue Code of 1954), the amendments made by this section apply only to taxable years beginning after December 31, 1977.

(4) GAIN FROM TIMBER.—The amendments made by this section shall not apply to gains subject to subsections (a) and (b) of section 631.

(5) GAIN FROM SALE OR EXCHANGE OF RESIDENCES.—The amendments made by this section shall not apply to so much of the net long-term capital gain attributable to the sale or exchange of a taxpayer's principal residence as does not exceed $50,000.

(g) APPLICATION WITH PREVIOUS AMENDMENT.—The amendments made by section 301 of this Act shall not apply for any taxable year or portion thereof.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. ROBERT C. BYRD. Mr. President, I know of only the pending amendment and an amendment to the title by Mr. CLARK. Does any other Senator have an amendment?

Mr. KENNEDY. I do not know whether the Senator from South Carolina has an amendment. I believe he does. He is not in the Chamber at this time. He might have one.

Mr. ROBERT C. BYRD. Senator Hollings may have an amendment.

Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. CLARK to the title of 5 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, as I understand, there is a half-hour time limitation on this amendment. Is that correct?

Mr. ALLEN. That is not correct.

The PRESIDING OFFICER. There is no time limitation on this amendment. It was objected to.

Mr. KENNEDY. Fine.

Mr. President, may we have order?

The PRESIDING OFFICER. Will Senators kindly withdraw if they wish to converse, and will they clear the aisles? The Senate will be in order.

Mr. KENNEDY. Mr. President, this is a modified amendment on the minimum tax.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? I beg his pardon for interrupting.

Mr. KENNEDY. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on an amendment by Mr. SPARKMAN of 20 minutes, to be equally divided.

Mr. HASKELL. Mr. President, reserving the right to object——

Mr. KENNEDY. What is the amendment?

Mr. HASKELL. What was the request, Mr. President?

Mr. ROBERT C. BYRD. That there be a time limitation on the amendment by Mr. SPARKMAN later of 20 minutes, to be equally divided.

Mr. HASKELL. I do not believe I am aware of the nature of the amendment.

Mr. SPARKMAN. It is a housing amendment. It was all in the RECORD several days ago.

Mr. HASKELL. I would like to object now. I shall look at the CONGRESSIONAL RECORD, I say to the Senator from Alabama. Then I shall be able to be better informed on the subject.

Mr. SPARKMAN. I shall find it for you.

Mr. HASKELL. I shall find it, myself.

AMENDMENT NO. 2176

Mr. KENNEDY. Mr. President, this is an issue which has been debated and discussed at some length 5 weeks ago. It is an adjusted minimum tax amendment. It would provide that only 50 percent of the taxes paid are deductible against preference income in the minimum tax base. That is the prime difference between the amendment which I am offering now and the minimum tax provision which is currently in the Senate bill.

Let me briefly summarize the major provisions of the amendment, which I am offering on behalf of our tax reform coalition of Senators.

The current bill makes five major changes in the minimum tax. It increases the tax rate from 10 to 15 percent; it reduces the exemption from $30,000 to the greater of $10,000 or the amount of regular taxes paid; it adds several additional items of tax preference; it exempts timber and banks from the changes; and it applies changes to individuals at full level for 1976 and to corporations at half level for 1976.

Our compromise amendment is the same as the current bill, except for the following three changes: It exempts gains up to $50,000 on the sale of a principal residence; it applies the changes to corporations at full level for 1976; and it limits the deduction for taxes paid to 50 percent of such taxes.

The following table gives the revenue effects:

Revenue Gain ($ million)

	1977	1978	1979	1980	1981
Committee bill	980	1077	1187	1306	1437
Present bill	815	955	1099	1199	1310
Reform compromise	1289	1404	1650	1793	1950
Gain: Reform compromise over present bill	474	449	551	594	640

Mr. President, we debated this issue 5 weeks ago on a more substantial reform coalition amendment, which would have gained $1.8 billion over present law in fiscal year 1977. The committee reported out a provision with a gain of $980 million. The present gain in the bill's provision, after our floor action in June, is a gain of $815 million. The amendment which I offer would gain $474 million in 1977 above the committee bill, or about half the level we were trying to reach in June.

Mr. President, the only significant difference between my amendment and the current bill is on the issue of the deduction for taxes paid. Under present law, a full deduction is allowed for regular taxes. The committee bill makes no change here, yet the deduction for taxes paid is the largest single loophole in the minimum tax. The amendment which I have introduced permits only half of the taxes paid to be deducted against the preference income.

Very briefly, Mr. President, let us consider what the Senate Committee on Finance has done. They lowered the exemption from $30,000 to $10,000. That primarily affects the smaller gainer who pays the minimum tax. If a person has had some marginal preference income, that person will be caught by the reduction from $30,000 down to $10,000, because now, obviously, the amount of the exemption has been lowered. So some modest preference income will be caught in the new minimum tax. But it is coming largely from the relatively smaller persons, so to speak, who are always the committee's favorite targets when it comes to raising money.

Second, the Committee on Finance has raised the 10 percent rate to 15 percent. But the rate is a flat rate, which means the minimum tax is basically a regressive tax. We have refused to make the rates progressive. No matter how much preference income a person has, he pays a 15 percent rate.

The way the Committee on Finance has raised the $815 million is by lowering the exemption from $30,000 to $10,000, which is going to affect more modest taxpayers the most, and by raising the rate from 10 to 15 percent, which maintains the regressive nature of the rate. Those changes result in the recovery of some $815 million.

What did the House of Representatives do, as a point of information? Their actions help us to consider whether we are really acting out of line by limiting the deduction for taxes paid. The Committee on Ways and Means in the House allowed a 50-percent deduction for taxes paid. They put a limit on in the committee. Then the bill came to the floor of the U.S. House of Representatives. An amendment was offered there to eliminate the entire deduction. We are only talking about 50 percent here. It was reported out of the House Ways and Means Committee at 50 percent; an amendment was offered on the House floor to eliminate the whole deduction. That measure carried in the House by a vote of 334 to 85—334 to 85. And that was essentially the same reform amendment we debated 5 weeks ago. The House passed it 4 to 1, and the Senate turned it down. The proposal that I advance here would go halfway, and permit half of the amount of taxes paid to be deducted against preference income. The result is to increase the amount, the revenue gain, by $474 million over the committee bill.

Mr. President, we debated this at some length before. We spent the better part of a day and an evening discussing this amendment and the measures for it. It seems to me it is appropriate for the Senate to reconsider that matter now. At the time we discussed it earlier, the bill was in surplus by a billion dollars. Now we are down to zero. We have lost a billion dollars over the period of time of the last 3 weeks. This will gain some $474 million.

Mr. President, the minimum tax is the fairest and most equitable way to pick up revenues in tax reform. It does not levy any particular tax on any particular industry, or any particular special interest. It is broadly based, it is applied across this country to all who will fall within its provisions. It is the fairest, the most equitable way of recovering resources, and it is targeted on those who have the greatest ability to pay.

Mr. President, the concept has been debated and discussed. We faced this issue a long time ago, going back to 1969, when the concept of the minimum tax was first accepted by the Committee on Finance. The idea of including in that minimum tax the opportunity to deduct taxes paid on ordinary income against preference income was added here on the floor by the Senator from Iowa at that time, Mr. Miller, during the debate. It is an idea and a concept that we have voted on a number of different occasions. It is a concept which is, I think, familiar to the Members of this body. I hope that we shall be able to get at least this degree of recovery of $474 million from this amendment. It is the fairest and most equitable way to pick up the resources we need to comply with the budget resolution. At the present time, we are $300 million in the hole. We are $1.3 billion down from where we were at the time we began the debate some 5 weeks ago. This seems to me to provide the best opportunity to get at least part of our losses back.

Mr. LONG. Mr. President, I will try to be as brief as the Senator was—even briefer, in fact.

May I congratulate the Senator for an eloquent speech explaining his side of the argument.

This is a different philosophy, Mr. President. Those of us on the Senate Finance Committee take the view that if one views an excess interest deduction or if one views accelerated depreciation or the untaxed part of a capital gain as a quasi-loophole, then it is just as much of a quasi-loophole for somebody in the middle income tax bracket as it is for somebody in the upper income tax bracket.

The approach by the Senator is to increase the burden of this tax by about 50 percent, and then to concentrate that on those who are higher in the income tax scale.

Now, Mr. President, the average person making over $200,000, the group described by the Senator, where he was concerned that some of those people were not paying their fair share of taxes, are paying about 44 percent of their income, their overall income, in taxes. With this bill in effect they will be paying around 55 percent of their overall income in taxes. I am not talking about the top, I am talking about what they pay, all things considered.

This minimum tax will hit them hard, and it works out to be one geared to those people who are getting in that category.

Now, how hard do you want to hit them? Those who are paying 50 percent of their income in taxes, do you really want to slug them as hard as you can with that minimum tax or do you want to give them credit for the fact that they are paying half of their income in taxes already?

The Senator does not think you should do that. At least he thinks we ought to only give them credit for half the taxes.

Now, the theory we had was that we would take into account the amount that you are paying in taxes and reduce the so-called preference items by that amount. It works out to a deduction against a minimum income tax.

If you want to follow the concept that one who uses these tax shelters to the extent that he pays very little taxes, you should vote for the Kennedy amendment. But, on the other hand, if you want to take the philosophy, as the Senator apparently does, and the House did, that a capital gain is a loophole per se, even if you did pay a lot of taxes in other respects, and the excess interest expense is a limitation, regardless of how much taxes you may have paid, and if you want to take the attitude that accelerated depreciation is a loophole in itself no matter how much taxes you have already paid, then, of course, you would support the Senator's position that you would give a person credit or only half credit for the amount of taxes he paid.

In view of the fact that the House bill follows the Senator's philosophy and gives no credit for the very large amounts of taxes that a lot of these people have paid already—and keep in mind the average is 44 percent that they paid, although some have paid zero, as the Senator has so well pointed out—now, are we to give no credit to those who have paid a large amount, 50 percent of their income, in taxes? The House bill gives them no credit as far as those people are concerned. The Senate bill would give them credit.

If we go to conference with a 50-percent figure, that means, in effect, that the logical compromise, if we cannot get together on any other basis, would tend to be 25 cents on the dollar of the taxes they pay. Is that quite fair when you go to assess a tax on top of a tax that you only give a person 25 percent credit, 25 cents on the dollar for the taxes already paid? I do not think so, Mr. President.

Furthermore, Mr. President, it is going to be very, very popular to clobber and clobber again and raise this tax on a minimum up and up and up until it gets to be a 70-percent tax like the tax on certain types of other income, unless the tax is something that the rank and file of people, some of the middle-income tax people at least would understand, something that a Senator would understand, something that a Member of the House would understand so that if he became eligible to pay a modicum of that tax if they are very much favored taxpayers.

Therefore, Mr. President, I hope and urge the Senate to support the philosophy of the committee.

In view of the fact we were not able to obtain a unanimous-consent request, I move that the amendment be laid on the table, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. STONE). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana to lay on the table Mr. KENNEDY's amendment.

The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. McGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

I also announce that the Senator from Missouri (Mr. EAGLETON) is absent attending the funeral of Congressman Jerry Litton of Missouri.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 44, nays 35, as follows:

[Rollcall Vote No. 503 Leg.]

YEAS—44

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Church
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Hansen
Hatfield
Helms
Inouye
Laxalt
Long
Magnuson
McClellan
McClure
McGee
Montoya
Morgan
Nunn
Packwood
Pearson
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stevenson
Stone
Symington
Taft
Thurmond
Tower
Weicker

NAYS—35

Abourezk
Bayh
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Clark
Cranston
Culver
Durkin
Ford
Glenn
Gravel
Hart, Gary
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
Mansfield
Mathias
McIntyre
Metcalf
Muskie
Nelson
Pastore
Pell
Proxmire
Williams

NOT VOTING—21

Biden
Cannon
Eagleton
Fong
Goldwater
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Mondale
Moss
Percy
Schweiker
Stafford
Stennis
Stevens
Talmadge
Tunney
Young

So the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment of Senator HOLLINGS there be a time limitation of 30 minutes. This has been agreed to on the other side of the aisle and between the manager and author of the bill.

Mr. HASKELL. Reserving the right to object, could we have an idea what it is about?

Mr. HOLLINGS. Tax deferral, 15 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, did the Chair rule?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CURTIS. I am informed that under the generation-skipping provisions the very wealthy can avoid the generation-skipping tax in a number of ways. For instance, a person with $9 million could bequeath $3 million to his children, $3 million to his grandchildren, and $3 million to his great grandchildren, and there would be no generation-skipping tax imposed. Is that right?

Mr. LONG. Yes, that is correct. I would point out that under the amendment, a tax would at least be imposed on each $3 million when the children and grandchildren die. This would not be true under present law, if the grantor created a $9 million trust for the benefit of all three generations.

Mr. CURTIS. Also, he could establish a $3 million trust for each of these generations without a generation-skipping tax, provided never more than one younger generation had a beneficial interest or power in each trust. Is that right?

Mr. LONG. Yes, that is correct, but again when the children and grandchildren die, each $3 million will be subject to tax.

Mr. CURTIS. Also, a person with several million dollars could direct his executor to purchase an annuity to pay a certain amount monthly for his child and bequeath the remainder of his estate outright to his grandchildren without a generation-skipping tax. Is that right?

Mr. LONG. Yes, that is correct. This is because when there is an outright transfer, there is no splitting of benefits between generations.

Mr. CURTIS. So, the very wealthy can use various means to care for their children and grandchildren without a generation-skipping tax. On the other hand, I am informed that the person with modest wealth, say a widow with $500,000 who can only make her property "go around" in caring for her family by establishing a trust for her children and grandchildren would find her property subject to the generation-skipping tax. Is that right?

Mr. LONG. The whole theory of the committee amendment on generation skipping is to reach the situation where the man setting up the trust tries to have his cake and eat it too. This is the case where the child has benefits from the property through means of the trust, and then the property passes tax free to the grandchild. Where someone gives money directly to the grandchild, and the child receives no benefit, we do not treat this as a generation skipping trust because that situation lacks this element of trying to have it both ways.

Now some people have argued that the generation skipping tax will fall more heavily on the small estate than on the large estate. I would like to point out that in my opinion at least, this will not generally occur.

First of all, in the action which we took yesterday, we completely exempt from the estate tax, through means of a credit, an estate of $200,000. That is far more than the average estate. In fact, under this bill, only the top 1 or 2 percent of the population will pay an estate tax.

Now I do not understand the argument that somehow a person should be permitted to take more than that $200,000 and pass it completely free of tax, just because he uses a trust.

Under present law, it is the wealthy who tend to use these trusts the most. Our revenue estimators have calculated that when this tax on generation skipping transfers is fully effective it will raise about $280 million a year. Out of this amount, $250 million, or almost 90 percent, will come from estates of over $1 million, so it is obvious to me that the great bulk of this tax will fall on the wealthy.

Mr. CURTIS. I am informed that the generation-skipping provisions tend to malfunction when family members die out of the normal order. That is, a person establishes a trust by will, giving the trustee discretion to distribute income and principal to his spouse and child in accordance with their needs. On the death of the spouse the trust property is to go to the child if alive otherwise, to the child's issue. The child, with two children surviving, dies before the spouse. I am informed that a generation-skipping tax would be imposed on all the trust property upon the child's death. And this is true, even though the spouse is still alive and may need all the income to live on. Is that right?

Mr. LONG. I would point out to the Senator that if a man wishes to provide in trust for his widow, and leave the remainder to his grandchild, the trust is not treated as a generation skipping transfer under the amendment because the intervening generation, consisting of the children, do not receive benefits under the trust.

But if the children are covered under the trust, of course a generation skipping tax is to be imposed when they die; the child could have received benefits from the trust for 25 years and this should not escape tax simply because the widow also receives benefits under the trust and happens to live longer than the child.

I would also point out that where the child dies within a short time of his father, who set up the trust, the tax effect would be minimized because the trust would be entitled, under the committee amendment, to the previously taxed property credit for the taxes paid by his father's estate on account of the trust property.

Mr. CURTIS. I am informed that under the generation-skipping provision, in some cases a total tax of over 100 percent may be imposed on certain death time transfers. This results, I understand, from the fact that the income tax basis of property subject to the generation-skipping tax is not stepped-up and whenever the property is sold, either to pay the generation-skipping tax or later, a capital gains tax and minimum tax would be imposed on the appreciation. Thus, we could have a 77-percent generation-skipping tax topped by a 35 percent capital gains tax, topped by a minimum tax. And this does not even include State taxes. Is that right?

Mr. LONG. Yes, that is true, but only in the case where the child's estate and the generation-skipping trust is over $10 million. There seems to be agreement that property subject to generation-skipping tax should be treated the same as property subject to estate tax for purposes of basis adjustment. The House has already done so in its bill. That would solve the problem the Senator is referring to.

Mr. CURTIS. I am informed that the whole purpose of a generation-skipping tax as contained in the amendment is to prevent property passing between generations who enjoy its benefits without an estate tax being paid. Thus, the impact of the generation-skipping tax and the estate tax should be similar. Yet, I understand that a number of benefits available in the case of the estate tax would not be available in case of the proposed generation-skipping tax. For example, if a farmer left his farm in trust for his wife, children, and grandchildren, the farm might qualify for the 10-year deferred payment of the estate tax on his death, but later, when the generation-skipping tax, became due, the 10-year deferral provision would not be available. Is that right?

Mr. LONG. Yes; but I am told that this form of transfer rarely gets used in the case of farms. In fact, it is hard to see how any purpose—other than a tax avoidance purpose—could be served by setting up a generation-skipping trust for a farm. The farmer may leave the property to his son because he knows his son wants to be a farmer. But the man is not going to know whether his grandson or great-grandson wants to be a farmer. These people may not even be born yet.

Mr. CURTIS. Also, I am informed that administrative expenses would not be deductible in computing generation-skipping taxes as they are in computing estate taxes. Is that right?

Mr. LONG. Yes; that is basically true, but it is hard to imagine administrative expenses in computing a generation-skipping tax being anywhere near the size of the expenses of administering an estate, since the administration of an estate involves many duties and responsibilities in addition to the mathematical computation of tax liability.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I believe it is the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is next.

AMENDMENT NO. 2142

Mr. SPARKMAN. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alabama (Mr. SPARKMAN), for himself and Mr. BROCK, Mr. BROOKE, Mr. BENTSEN, Mr. HUMPHREY, Mr. JAVITS, Mr. MCINTYRE, Mr. TOWER, Mr. TUNNEY, Mr. CURTIS, Mr. MATHIAS, Mr. STONE, Mr. WILLIAMS, Mr. ALLEN, Mr. WEICKER, and Mr. MORGAN, proposes an amendment numbered 2142.

The amendment is as follows:

At the end of the bill, add the following:

"SEC. . EXEMPTIONS FROM ITEMS OF MINIMUM TAX PREFERENCE.

(a) CONSTRUCTION PERIOD INTEREST.—Section 57 (a) (relating to items of tax preference), as amended by section 301(c)(1)(A) of this Act, is amended by striking out the last sentence and inserting in lieu thereof the following: "Paragraph (12) shall not apply to any amount of interest paid or accrued before January 1, 1982, on indebtedness incurred or continued to acquire, construct, rehabilitate, or carry real property which is (i) property described in clauses (i) through (iv) of section 1250(a)(1)(C), (ii) residential rental property (as defined in section 167(j)(2)(B)) other than property described in the preceding clause, but only if the maximum monthly rent for 85 percent or more of the dwelling units (as defined in section 167(k)(3)(C)) in such property, which are available for rental during such taxable year, or which will be available for rental upon completion of construction, does not exceed 120 percent of the greater of the fair market rental for the taxable year in which construction of such property began or the fair market rental for any taxable year thereafter which the taxpayer elects to use in the computation of the 120 percent amount, as determined by the Secretary of Housing and Urban Development in accordance with procedures established pursuant to section 8 of the United States Housing Act of 1937, as amended, for newly constructed dwelling units of similar size and type in the market area in which such property is located, or (iii) real property described in section 1221 (1) held primarily for sale as dwelling units (as defined in section 167(k)(3)(C)).

(b) EXCESS INVESTMENT INTEREST.—Section 57(b)(5) (relating to transitional rule for excess investment interest), as added by section 301(c)(5) of this Act, is amended to read as follows:

"(5) SPECIAL RULE FOR LOW-INCOME HOUSING AND RESIDENTIAL RENTAL PROPERTY.—For purposes of paragraph (2)(D), in the case of any taxpayer (including any taxpayer who is a partner in a limited partnership), the term 'investment interest expense' does not include any amount of interest paid or accrued on indebtedness incurred or continued with respect to property described in clauses (i) through (iv) of section 1250(a)(1)(C) or residential rental property, which was acquired or constructed pursuant to a written contract for the acquisition, construction, or financing of such property, which was on or before December 31, 1981, and at all times thereafter binding on the taxpayer. For purposes of this paragraph, the term 'residential rental property' means property described in clause (ii) of the last sentence of section 57(a).".

(c) Conforming Amendment.—Section 57(b)(4) (relating to special rule for limited partner), as added by section 301(c)(5) of this Act, is amended by striking out the last sentence.

(d) Effective Date.—The amendments made by this section shall take effect on the day after the date of enactment of this Act and shall apply with respect to items of tax preference (as defined in section 57(a) of the Internal Revenue Code of 1954) for taxable years beginning after December 31, 1975.

Sec. . Certain Sales of Low-Income Housing Projects; Recapture of Depreciation on Real Property; Section 167(k).

(a) Definition of Low- and Moderate-Income Housing.—Section 1039(b)(1) (relating to definition of qualified housing project) is amended to read as follows:

"(1) Qualified housing project.—The term 'qualified housing project' means a project to provide rental or cooperative housing for lower income families which constitutes property described in section 1250(a)(1)(C)."

(b) Recapture of Depreciation.—Section 1250(a)(1)(C) (relating to special rule for certain low-income housing), as amended by section 201(a) of this Act, is amended to read as follows:

"(C) Special rule for housing.—For purposes of subparagraph (A), the term 'applicable percentage' means—

"(i) in the case of section 1250 property with respect to which a mortgage is insured under section 221(d)(3) or 236 of the National Housing Act, or housing financed or assisted by direct loan or tax abatement under similar provisions of State or local laws intended primarily to finance or assist housing for families or individuals of low or moderate income, and with respect to which the owner is, under such laws or regulations issued pursuant thereto, limited as to the rate of return or investment in the project, and limited as to rental or occupancy charges for units in the project—

"(I) 100 percent minus 1 percentage point for each full month the property was held after the date the property was held 20 full months if the construction or reconstruction of such property began before January 1, 1976, or

"(II) 100 percent minus 1 percentage point for each full month the property was held after the date the property was held 100 full months if the construction or reconstruction of such property began after December 31, 1975;

"(ii) in the case of dwelling units which, on the average, were held for occupancy by families or individuals eligible to receive subsidies under section 8 of the United States Housing Act of 1937, as amended, or under provisions of State or local law providing subsidies of a similar nature for families or individuals of low or moderate income, 100 percent minus 1 percentage point for each full month the property was held after the date the property was held 100 full months;

"(iii) in the case of section 1250 property with respect to which a loan is made or insured under title V of the Housing Act of 1949, 100 percent minus 1 percentage point for each full month the property was held after the date the property was held 100 full months;

"(iv) in the case of section 1250 property with respect to which a depreciation deduction for rehabilitation expenditures was allowed under section 167(k), 100 percent minus 1 percentage point for each full month in excess of 100 full months after the date on which such property is placed in service; and

"(v) in the case of residential rental property (as defined in section 167(j)(2)(B)) other than that described in clauses (i) through (iv), with respect to which for all taxable years to which this clause applies) the maximum monthly rent for 85 percent or more of the dwellings units (as defined in section 167(k)(3)(C)) in such property are available for rental during the taxable year does not exceed 120 percent of the fair market rental for the taxable year in which construction of such property began or any taxable year thereafter as determinted by the Secretary of Housing and Urban Development in accordance with procedures established pursuant to section 8 of the United States Housing Act of 1937, as amended, for newly constructed dwelling units of similar size and type in the market area in which such property is located, 100 percent minus 1 percentage point for each full month the property was held after the date the property was held 100 full months.

In the case of a building (or a portion of a building devoted to dwelling units), if on the average, 85 percent or more of the dwelling units contained in such building (or portion thereof) are units described in clause (ii), such building (or portion thereof) shall be treated as property described in clause (ii). Clauses (i), (ii), (iii), and (v) shall not apply with respect to the additional description described in subsection (b)(4)."

(c) Section 167(k).—Section 167(k) (relating to depreciation of expenditures to rehabilitate low-income rental housing), as amended by section 201(d) of this Act, is amended by—

(1) inserting immediately before "the Leased Housing Program" the following: "the policies of the Housing and Urban Development Act of 1968 and" in paragraph (3)(B) thereof, and

(2) by striking out "January 1, 1978" each time it appears in paragraphs (1) and (3)(D) thereof and inserting in lieu thereof the following: "January 1, 1982".

(d) Effective Date.—The amendments made by this section shall apply on the day after the date of enactment of this Act.

The PRESIDING OFFICER. Will the Senator kindly use his microphone?

Mr. SPARKMAN. Mr. President, I ask unanimous consent that Carl Coan of the committee staff be granted privilege of the floor during the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senate be in order? Will members of the staffs kindly take their seats?

Mr. SPARKMAN. Mr. President, my understanding is that the time limit is 10 minutes to a side.

The PRESIDING OFFICER. No, the Senator is not correct. That was objected to.

Mr. SPARKMAN. There is a time limitation?

The PRESIDING OFFICER. There is not a time limitation on the Senator's amendment.

Mr. ROBERT C. BYRD. I could not get one.

Mr. SPARKMAN. Mr. President, my amendment relates to housing. What I am hopeful we may be able to do is to take action tonight that will stimulate housing construction in this country.

Housing is at one of the lowest levels it has been in years. We need housing. We need housing to take care of our American families, good, decent, safe, and sanitary housing, as was pledged to the American people in the Housing Act of 1949, written largely, by the way, by Senator Bob Taft, the father of our colleague at the present time. Senator Bob Taft said that every American family is entitled to an opportunity to have a decent, safe, and sanitary home in a good environment.

That is what we are working for here and what we have been working for over the years.

Yet, starting with the early part of 1973, housing production has been going down, down, down.

I want to say that the committee, in its report and in this bill, made some provision for housing.

The chairman of the committee had a letter from Mrs. Carla Hills, the Secretary of the Department of Housing and Urban Development, in which she expressed disappointment that certain provisions were not included in the bill.

I believe later the committee did include those provisions, or some of them. But I want us to go further and develop a program that will produce housing for moderate-income American families.

Not only will this amendment help to have the kind of housing that was promised back in 1949 and again in 1968 when the pledge was renewed, and then again in 1974—not only is it important that the American people have decent, safe and sanitary housing in a good environment—but also the housing industry is one of the greatest producers of economic activity in this country that we have.

The number of people involved in that industry is vitally important to our economy.

I will present a full statement giving the details, but first I wanted to make these general remarks.

I believe my statement will explain the essence of the amendment.

The amendment would exempt for a 5-year period low- and moderate-income residential rental projects from application under the minimum tax provision for: First, construction period interest, and second, the excess investment interest attributable to the project as a result of mortgage interest payments. A low- and moderate-income project would include all subsidy projects under Federal and State programs as defined in section 1250(a)(1)(C), and unsubsidized projects with rents not exceeding 120 percent of the fair market rent for newly constructed rental dwellings in the market area as determined by the Secrtary of HUD.

May I say that 120-percent formula is in the law. It was in the Housing Act which was passed in 1974. It was worked out by the Congress in cooperation with the Secretary of HUD.

Mr. PASTORE. Will the Senator yield for a question?

Mr. SPARKMAN. Yes.

Mr. PASTORE. In the program that the Senator has just enumerated, how much of that is nonprofit and how much is profit?

Mr. SPARKMAN. How much is nonprofit?

Mr. PASTORE. How much is nonprofit? The Senator said low-cost housing. Are these entities that are nonprofit or would this be a profit institution?

Mr. SPARKMAN. My amendment would provide for low-income moderate-income housing.

Mr. PASTORE. And some of it could be private?

Mr. SPARKMAN. Yes.

Mr. PASTORE. The public housing, of course, would be nonprofit; it would not be involved at all.

Mr. SPARKMAN. That is correct.

Mr. President, the amendment is a modified version of my earlier amendment, No. 1891, which would restore to the bill some of the existing tax incentives which are vital to the construction of low- and moderate-income housing.

Construction of rental housing has dropped from an average of nearly 1 million units per year during 1971, 1972, and 1973 to an annual rate of less than 300,000 in 1976, the lowest level since 1961. With vacancy rates dropping and rents soaring, our Nation may be facing a serious rental housing crisis in the next year or so. My amendment would help prevent such a crisis.

A letter from the Honorable Carla A. Hills, Secretary of the Department of Housing and Urban Development, which I placed in the RECORD earlier, emphasizes the necessity for changes in the committee bill to continue some of the existing tax incentives for rental housing. She was very much distressed by the committee action and urged corrective action.

My amendment incorporates language which Mrs. Hills proposed to remedy the problem with respect to low-income housing, but I would broaden the coverage to include moderate-cost rental housing—those with rents not exceeding 120 percent of fair market rent in a market area. Thus, I would go further than the committee bill to encourage investment in the construction of unsubsidized moderate-cost housing to meet the needs of middle-income Americans who can afford such housing without rental subsidies. I leave unchanged the Finance Committee recommendations with respect to higher income rental housing and all nonresidential construction.

My amended version is a substantial cutback from my earlier version to meet a request to me by the chairman of the Finance Committee that I conform it more closely to the committee version. He was most concerned that my amendment not open up the tax law to allow high income taxpayers to avoid paying taxes. Consistent with this, I made the following changes:

First. I reduced the coverage of my amendment from all residential rental housing to only those projects which are built for low- and moderate-income families. Low income projects are defined in accordance with the Bentsen amendment adopted by the Senate on June 22, which included HUD's section 8 leased housing program and the Farmers Home Administration section 515 program. A moderate-income project is defined as one with rents not exceeding 120 percent of fair market rents for the market area in which the project is located. The amendment would now exempt from minimum tax liability only low- and moderate-income rental projects. High income projects and nonresidential projects would continue to be subject to the minimum tax.

Second. I set a 5-year time limit on the provisions of the amendment, identical to the committee bill. This will give HUD and the Congress an opportunity to review the tax laws in conjunction with the Federal subsidy provisions to establish the most rational and efficient system for providing Federal aids to family housing for low- and moderate-income families.

Many people have said that we should throw out the tax incentives and depend completely upon the subsidy provisions to help house these people. This may be true, but I doubt it. The President just signed into law, S. 3295, the Housing Act Amendments of 1976, and is about to sign the fiscal year 1977 HUD appropriations bill continuing section 8 assistance for housing. Do you know what the price tag is on that bill? The appropriations bill contains budget authority for housing of $15.6 billion. We do not expect that our housing tax incentive would be a substitute for section 8 assistance but I assure you that, unless we can attract sponsors and investors into the construction of rental housing, we will be forced heavier and heavier into Federal subsidies. My amendment would attract investments into conventional and HUD-assisted housing and take care of many housing needs which otherwise would require subsidy.

We need to study this more in depth and we need time to do it. With a specific 5-year deadline, we will be forced to come up with a new system.

Third. My amendment would extend the program for 5 years instead of 2 years as the committee bill does for accelerated depreciation for rehabilitations. Rehabilitation is very vital to the renewal of our cities. We are in the process of developing a rehabilitation industry, and the 5-year commitment in my amendment is needed to support our drive to develop such an industry.

Fourth. My amendment would provide a more strict recapture provision of excess depreciation for low-income housing than was contained in my original version. Both low-income housing and moderate-income housing would be placed on a 100-month to 200-month recapture schedule. This means that full recapture of excess depreciation would be required up to 100 months and a property owner selling his property would have to hold it 200 months, or 16⅔ years before he would be free of paying back excess depreciation.

I believe that I have gone very far in cutting down the amendment to meet the chairman's request. With respect to his concern about taxpayers escaping taxes by sheltering income under these provisions, I believe that, almost without exception, this would be impossible under my amendment.

In the first place, investing in rental housing is very risky. I cannot conceive of any taxpayer investing all of his excess income in this risky venture with the hope of avoiding a few dollars tax. A potential tax shelter would be useless if he loses his investment because the project went into foreclosure. Therefore, it would be an extremely rare case for anyone to use this to reduce his tax liability to zero.

Also, let me remind the Finance Committee chairman that my amendment does not shelter accelerated depreciation. A typical investor in rental housing is concerned about three tax preference items—construction period interest, excess investment interest and accelerated depreciation. My amendment would only affect two out of three of these items. The third, accelerated depreciation, is subject to the minimum tax. So, again, it would be an extremely rare case where the taxpayer would completely escape taxes by taking advantage of the first two but not the third tax preference item.

On the cost of my amendment, let me again remind the chairman that his staff placed a $25 million fiscal year 1977 revenue loss possible under my earlier amendment which covered all residential housing. With my cut-back to cover only low- and moderate-income housing, the loss over the committee bill would be substantially less. But, when you consider the added revenue resulting from the construction of 200,000 to 300,000 more units possible under my amendment, I estimate a net gain to the Treasury of over $900 million.

Mr. President, housing construction has been in the doldrums for several years. It has started to come back, but very slowly. Never before has any recovery been so slow as it affects housing. Part of the reason is the threat of this pending tax bill on housing investors. Unless we can assure these investors an opportunity of taxable gains in housing, they will turn to other investments. Shortages are already evident and rents are going up. The economic and social impact of the current trends in housing can be of serious proportions unless we provide relief.

I urge the Senate to accept my amendment.

I am glad to see Senator TOWER in the Chamber. Senator TOWER is the leading cosponsor of this legislation. We have 20 cosponsors of this amendment. I believe there are 16 who are listed in the RECORD and 4 have requested to be added since I introduced my amendment.

Mr. TOWER. Will the Senator yield at that point?

Mr. SPARKMAN. May I just announce these four? They are Senator CRANSTON, Senator BEALL, Senator TAFT, and Senator MORGAN. I yield.

Mr. TOWER. Mr. President, I rise in support of the amendment offered by my distinguished colleague, the senior Senator from Alabama and the chairman of the Senate Housing Subcommittee.

This amendment, among other things, would simply exempt from the provisions of the minimum tax, excess investment interest attributable to the construction of the vast majority of the apartments begun during the next 5 years.

While it is true that the committee bill provides for a partial exemption of such interest, it does not go far enough to insure that needed investments in low-income rental housing will be made during the next few years.

HUD Secretary Carla Hills feels that this particular part of the amendment is vitally necessary to encourage continued private investment in the section 8 rental housing assistance program. To include excess investment interest on low-income housing projects as a tax preference item at this time would only serve to discourage investors from providing funds for this type of construction.

I agree with the Secretary of HUD and the distinguished Chairman of our Housing Subcommittee that this assistance for low-income housing amendment is necessary and desirable, and I urge my colleagues to support it.

In addition to encouraging investment in low-income housing, the amendment would go far in providing assistance to nonsubsidized multifamily housing.

Mr. President, as the distinguished chairman of the Housing Subcommittee has stated, housing production is far from what it should be. While single family housing production is recovering quite nicely, it is multifamily housing production that is still in a depressed state. Currently, developers are impeded from developing this kind of housing because of the increased costs and risks which have developed due to higher utility rates, restrictive zoning, scarcity of land, Davis-Bacon requirements, EPA restrictions, and increased material costs. Removing tax advantages designed to encourage investment in multifamily housing can only result in further driving developers away. A most important part of our economy, housing production, will be further depressed. Unemployment in this industry will remain high, which will result in continued loss of revenues from taxes on income. The committee bill would do little to retain these inducements for the construction of multifamily housing. This amendment would help to rectify these problems, and I urge its passage.

Mr. BROOKE. Will the Senator yield?

Mr. SPARKMAN. I am glad to yield such time as he may require to the Senator from Massachusetts, who is one of the most able and consistent supporters of good housing in this country.

Mr. BROOKE. Mr. President, I thank the Senator for yielding.

I enthusiastically support this amendment. Like many Members of the Senate, I am greatly concerned about a tax system which generates loopholes and shelters that benefit the rich. Utilization of these provisions effectively places a disproportionate burden of taxation on the average, working taxpayer. Because of this concern, I joined with a majority of the Senate in voting for the Haskell-Kennedy amendment which applies the "at-risk" concept to syndicates and limited partnerships. I do not believe that past efforts in the Congress—in 1969, in 1975, and now again on this tax measure—come close to the achievement of real, rational, and far-reaching reform.

Since the passage of Haskell-Kennedy, many persons in the real estate industry have expressed their consternation over this amendment. Dire warnings about dislocation, unemployment, and collapse in the real estate industry have been pressed to individual Senators, and in the Special Finance Committee hearings last week.

No one can deny that the entire housing industry suffered severely in the recent recession. In my own State, one effect of this recession—widespread unemployment—is estimated to be 40 percent among construction workers. I believe that low- and moderate-income housing starts have been most seriously affected by the adverse conditions in the housing industry, because of the Federal freeze on subsidizing housing starts and because builders feel that this type of housing is the least profitable.

This amendment, therefore, may serve a dual purpose. First, we may stimulate housing starts for those Americans who most often suffer the effects of the shortages of quality housing which they can afford. And, second we may also increase employment opportunities in that sector of the work force which has had prolonged and serious unemployment.

The decay and blight in our cities, the substandard housing in many other areas, our small towns and rural areas, give the clearest proof that our amendment is necessary. However, economists disagree about the efficacy of using tax system incentives to stimulate private industry, capital formation, or job creation. Some feel that these incentives—obvious or hidden—have often been misapplied. Whatever view is most accurate, it is clear that our tax system is currently used to provide incentives. In the absence of a clear congressional policy on the utilization of our tax system for this purpose, we must be vigilant, insuring that the benefits and incentives we do provide are applied where they will do the greatest good. And I believe that the strongest case for this amendment is that it helps to meet the real need for housing in this country.

Many of us wish to end tax shelters and the abuse of our tax system. Many of us to correct its most glaring defects. Yet, it is my hope that the Senate will take a positive step and approve this amendment. By this action, incentives and benefits will be applied where they are most needed—to stimulate new housing starts for low- and moderate-income American citizens.

So, Mr. President, I strongly support the amendment of our distinguished colleague from Alabama (Mr. SPARKMAN), the chairman of the Senate Housing Subcommittee. As we all know, he has been truly a stalwart leader in housing in this country for many, many years.

The sole purpose of this amendment is to increase housing starts. I do not think anyone would deny that we are falling way behind in housing starts in our Nation. In my own State, it has even reflected itself in high unemployment rates, particularly in the construction industry, where some 40 percent, estimated, are unemployed at this time because we are so far behind in housing starts.

We have got to do something about it. We talk about it; everyone deplores it; we know we need new houses; we know we need young families buying houses. They cannot buy today, because the costs are too high: land costs, the materials and labor, inflation has eaten away, so our young families starting up today just have no houses they can buy, because they cannot afford to buy them. Most people living in houses today, if they had to buy them today, could not afford to buy them either.

We have done a lot in this tax bill for many different industries. We have given incentives, some in the open and some hidden, but we have given incentives. I say that there is no better way, or no industry, really, at this time, in the Nation, that needs incentives as much as doess the housing industry.

That is all that Senator SPARKMAN is trying to do with this amendment. I hope that the Senate, having inspected it, having reviewed it, having recognized the great need to increase housing starts, will support this amendment.

I could go on with other data. I am sure that we will have opposition to the amendment. We are prepared to respond to those questions, but, in the interests of time, I will close by urging upon my colleagues the crisis situation that exists in the housing industry, in houses to be purchased today and to be built today, new housing starts, and ask that Senators seriously consider the passage of this amendment.

I commend our colleague from Alabama for having introduced the amendbent. As he said, we have some 21 Senators now, I believe, who have signed as cosponsors of this fine amendment.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. Yes. I want to say that I thank the Senator from Massachusetts for his very fine statement. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I do not think there is any place in the country that is more impacted with the problems of insufficient and inadequate housing than my city and my State. We have 30 percent, I am told, unemployment in the construction industry, and great areas of New York are literally ravaged in terms of housing.

This amendment, I think, is indispensable because we still are dependent upon private initiative. Let us leave out any other consideration, whether it is insured or guaranteed or there are tax advantages; people still have to take the bit in their teeth and move forward. With the other attempts, the initiatives from various segments of the Government are not too appreciable, when you add them all up. I am advised by the very people who have these initiatives that this amendment to the tax law is absolutely indispensable. I am grateful to the Senator from Alabama for what he is doing, and I support him fully.

Mr. SPARKMAN. I thank the Senator from New York. Mr. President, let me just read off right quickly some of the organizations in this country that are supporting this amendment: The Council of State Housing Agencies, National Leased Housing Association, National Housing Rehabilitation Association, National Association of Realtors, National Apartment Association, National Corporation for Housing Partnerships, Ad Hoc Coalition for Low and Moderate Income Housing, National Housing Conference, the Association of Government Supported Housing, Inc., the Foundation for Cooperative Housing, Mortgage Bankers Association, and the National Association of Homebuilders.

Mr. President, I yield the floor.

WHY TAX SHELTERS ARE AN INEFFICIENT WAY TO PRODUCE HOUSING

Mr. PROXMIRE. Mr. President, I rise to oppose the amendment. I do so reluctantly because the Senator from Alabama (Mr. SPARKMAN) is Mr. Housing. He has done more for housing over a longer period of time than any Member of the Senate. So nothing I will say about the amendment is intended in any personal way nor is it intended to reduce my great admiration for him both as a person and as a champion of housing.

What the amendment would do would be to restore to the tax laws some of the provisions or tax incentives now in the law but which were reduced by the bill.

The fact is that tax incentives as a means of promoting low- and moderate-income housing work very inefficiently. They are now on the books yet we have had a record in the last 3 years of the lowest production of low- and moderate-income housing in the postwar era. We are producing less housing now than in any time since 1946.

These so-called incentives do not produce housing. What they produce are tax shelters for income received by doctors and lawyers and other high-income persons. that is my first objection.

The second objection I have is that such incentives or tax losses do not go to the poor or low-income families. They get the crumbs from the table. On the whole they help those who need it least.

It is a very inefficient way of producing housing. And the proof, again, is that while the incentives have been in the law they have produced only a trickle of low-income housing.

Third, the way to produce low-income housing is to do it directly through a direct subsidy. Under such a method we have control over who gets the subsidy. We have budgetary control over how much is spent. We have oversight over whether or not it works. Through both the legislative authority and the annual appropriations and budgetary review, we get an opportunity to review the program and to work the will of the Congress.

Under a tax incentive device, that is not true. It is put in the law. There is no annual review. There is little or no evidence that the poor reap the benefits and a great deal of evidence that they do not get the benefits but that they are paid out to investors to induce housing which is not produced.

Finally, even if such a method produced some housing, in my view it would still be the wrong method to do it. What we have done in the Tax Code is to allow a great many people with very high incomes to escape taxation on the grounds that what they are investing in has a social purpose—housing, exports, retirement, and so forth.

But the real effect of such provisions is to bring disrepute to the tax laws. Those with very high incomes have those high incomes sheltered so that they pay little or no taxes. Meanwhile the ordinary wage and salary earner in this country pays very heavy taxes—Federal income taxes, Federal excise taxes which are regressive. State income taxes most of which are not very progressive, State and local property taxes which are highly regressive, and State and local sales taxes which are also regressive and fall much more heavily on the low- and moderate-income groups than on those with large incomes.

And the one area where there should be a fair degree of progression, namely the Federal income tax, is so riddled with tax shelters that it is now almost neutral in its tax effects. And the reason for that is that the code is riddled with tax shelters.

This has led to a great concern in the country and to a sense of injustice and unfairness on the part of millions of people who pay their taxes and have no method to shelter their hard earned income.

For all these reasons I think we should have a good, tough, fair minimum tax and that the tax shelters which allow a very few high income people to avoid paying anything like their fair share of the taxes of this country, taxes which pay for our defense for foreign aid, for housing and health, and transportation and all the other services of the Government, should be greatly reduced.

This bill takes a modest step in reducing the income that can be sheltered which has brought such a stinging sense of injustice about tax policy.

This amendment would restore a part of the shelters. It would undo some of what little has been done.

Because of that fact and the fact that such shelters have produced almost no low- and moderate-income housing in the past, and because we have almost no control over such tax expenditures as to whether they work or not, I believe it would be unwise to restore some of the shelter for real estate as this amendment would do.

Let me say again that the Senator from Alabama is Mr. Housing. He has fought for public housing, for housing for the elderly, for moderate-income housing, and for FHA guarantee loans which have successfully housed the great mass of the American people in a way unprecedented anywhere else.

I support the programs he has championed. But I believe we make a mistake in offering tax shelters to the well to do as a means of providing housing for the poor.

That has not helped very much in the past and in my view it is the wrong way to proceed.

I might say the publicly subsidized housing is not affected by this amendment one way or the other. In the large cities, the amendment would add on 20 percent to the fair market rental level. In New York City, in other words, that represents $1,000 a month for a two-bedroom apartment, in Chicago $600 a month. That is for a luxury apartment.

For us to adopt an amendment tonight which would exempt from the minimum tax a subsidy for what really is luxury housing, in the view of most people, and cover in a tax shelter for the wealthiest people in our country so that they can escape from the minimum tax we have, it seems to me, would be a serious mistake.

So I reluctantly oppose the amendment of the Senator from Alabama, and I do hope we can table it or defeat it.

Mr. BROOKE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield to the Senator from Massachusetts.

Mr. BROOKE. Does the Senator realize that this 120 percent of fair market rental value is a ceiling?

Mr. PROXMIRE. Oh, sure. Of course it is a ceiling. That would still permit a $1,000 a month rent on a two-bedroom apartment in New York.

Mr. BROOKE. But that implies the range, within which these tax benefits will be available. It is not necessarily 120 percent of fair market value.

Mr. PROXMIRE. Well, 12 percent of the ceiling, that is correct, but they are available up to that point.

Mr. BROOKE. But the Senator talked as though we were talking about solely 120 percent of fair market value. But that is a ceiling, and we have a range within that, is that correct?

Mr. PROXMIRE. That is correct; and, of course, it is available to the landlord, not to the tenant.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. TAFT. The 120 percent could apply to the lowest rental value, is that right?

Mr. PROXMIRE. Yes, that is right.

Mr. TAFT. So no matter how low the rental is, the 12 percent could apply to it.

It applies in the low cost as well as the high cost areas.

The point I make is that we tried this route. It has not worked. It has been enormously costly. It is not getting the job done. The emphasis is overwhelming. The housing starts last year with the provisions in the tax law were the lowest we have.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. TAFT. The fact is, is it not, that building has been going on? It has been in the higher level, the higher level of the brackets. That is where the building has been going on. Where we have not had it is down in the lower brackets. Where this is going to have an application is at the lower level of the spectrum.

Mr. PROXMIRE. May I say to my good friend from Ohio that if that is where it would have the effect why has it not had the effect this year, last year, and the year before?

Mr. BROOKE. It has in higher brackets. They do not get the volume in higher brackets.

Mr. PROXMIRE. We have the same law in the Sparkman amendment as at the present time. What the committee had the good judgment and courage to do is to omit that exemption, stop it, close it off.

Mr. BROOKE. But it stops in the low brackets.

Mr. PROXMIRE. They changed the law. What the amendment of Senator SPARKMAN does is go back to present law, the present practice, which has not worked.

Mr. BROOKE. It is in the act. The Senator supported the act. This does not mandate 120 percent. It gives the Secretary of HUD flexibility and discretion in making her determination. Is the Senator aware of that?

Mr. PROXMIRE. Of course, sure. All I am saying is it can go up to 120 percent. The Senator does not deny the fact it could be more.

Mr. BROOKE. It could conceivably go up.

Mr. PROXMIRE. That is right. It could go up higher.

Mr. BROOKE. It is not mandated. The Secretary does have that flexibility.

Mr. PROXMIRE. She has that now, that is right.

Mr. HASKELL. Mr. President, will the Senator from Wisconsin yield for a comment?

Mr. PROXMIRE. I yield.

Mr. HASKELL. Mr. President, the staff of the Joint Committee indicates this could run into several hundreds of millions of dollars in revenue. I realize that the Senator from Alabama was originally informed that it might run to $30 million, but I wish the distinguished chairman of the Finance Committee would verify what I am saying or correct it. The estimate was upon an erroneous concept of the definition of "housing" and for that reason I impress on all of us that we are talking about a very major revenue loss.

I ask the distinguished chairman of the Finance Committee to either correct me or support me.

Mr. LONG. It is my understanding that the Senator is correct. That is what the staff of the Joint Committee advises me. It is my understanding, by virtue of the fact, that this would apply to a great deal of middle-income housing, and in some areas, as the Senator knows, that housing is expensive. For example, in New York this could apply to a two-bedroom house with a rental price of $1,000 a month and in Montgomery County it could apply to a two-bedroom house with rental price of $500 a month. So it could apply to housing that is of a substantial nature.

I regret that I am unable to support the amendment. I enormously admire the Senator. Some of the happiest days I have spent in this body were serving under him as one of the members of the Housing Subcommittee when I first came here, and he is one of the great leaders of all time in this Senate.

Unfortunately our situation is this: If this amendment carries, as far as two-thirds of the housing is concerned, even the minimum income tax would not apply in the Senate's point of view. I do not think we could sustain this in conference. I think the Members of the House of Representatives are taking the attitude that we do not want these people to pay a nickel, we simply do not want them to pay anything. Our staff tells me that this Government would make money if we simply said that for the first 16 years that for someone who owns any housing he would pay no tax, but he cannot use that to shelter other income. The Government would make money at it. So this is an area where, if this prevails, we could fully anticipate when the analysis of who paid no income tax comes in on the new law most of the people would be in the housing area.

As much as I want to help housing, I do not think we can do much more to help housing by the tax route. We are going to have to use some other route. We should do something about the interest rates or do something in terms of subsidy. But we have done about all we can do in terms of a tax advantage when we get down to the fact that, in the last analysis, they are paying us practically nothing when we look at how much income it is sheltering now.

Mr. HASKELL. Mr. President, we have this huge revenue loss. The Senator from Wisconsin has argued well that the present tax incentives have not helped housing. At some appropriate time I will make a motion to lay the amendment on the table.

I shall defer to the Senator from Alabama because he is nationally known in the housing field. He is nationally respected, and I do not wish to cut off debate unduly. I do intend to make the motion to lay the amendment on the table and will do so unless there is further debate from the proponents of the bill.

Mr. PROXMIRE. Mr. President, will the Senator yield for one more point?

Mr. HASKELL. I yield.

Mr. PROXMIRE. Let me point out the real problem is the precedent. If we are going to exempt this kind of investment, this kind of action from the minimum tax, it seems to me that it is a precedent that is going to haunt us. We saw how difficult it is going to be to include other preference income.

Mr. HASKELL. I agree and concur with the Senator.

Mr. PROXMIRE. Obviously time and time again people are going to say, "After all, if you exempt these people who take advantage of housing shelters and provide housing for middle income people as well as low income people, why should you not exempt us?"

We can say "no" here. In the long run that is going to be a very helpful decision in shoring up this loophole-ridden income tax law that we have.

Mr. HASKELL. As the Senator is well aware, low income housing is exempted from this provision until 1982, so unless there is some discussion from the proponents I shall yield.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. TAFT. Mr. President, two big factors are being forgotten in the discussion tonight. The first is that the housing industry is in a major depression. This has two effects. One is that we are not building any housing that is needed in this country. The second is that it is having a very depressing effect on the economy in general and, therefore, upon the revenues we are going to take in in our national revenue system.

I support the Sparkman amendment to restore more favorable tax treatment to investments in certain low- and moderate-income residential rental properties.

The idea of putting a label on it that it is somehow a high-rent district is completely wrong, in my opinion, because those are being built already. The market is taking care of that and nothing else.

Tax bills should not be passed in a vacuum. The internal beauty and consistency of the Tax Code must on occasion give way to the realities of the national economy.

Multifamily housing starts dropped from an average of 1 million units a year in the early 1970's, to less than 300,000 per year in 1975 and early 1976. It is plain that multifamily housing construction has simply failed to recover from the recent recession. This is in spite of a sharp drop in the national vacancy rate for rental housing, and in spite of the continuing need for an acceleration, not a reduction, in the construction of low- and moderate-income housing. To repeal the tax incentives which are designed to assist an industry with over 15 percent unemployment that is the average—in many areas it is up as high as 25 or 30 percent—would be sheer folly. The continued shortage of low- and moderate-income housing can only fail to cause great hardships, and sharply higher rents, for that segment of the population which is least able to bear these burdens.

I commend Senator SPARKMAN for his initiative in this matter, and I urge the passage of this amendment.

I suggest that this amendment has a great deal of merit. I believe it ought to be passed even at this late hour under these difficult situations because this seems to be the only way we are going to get some action on it this year.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield to the Senator.

Mr. BROOKE. This 120 percent of fair market value standard was overwhelmingly approved by the Senate in the Housing Communities Development Act of 1974, and overwhelmingly adopted by the Senate. Under this bill there is a 5-year limitation, and I do not understand the premise.

Could the Senator from Colorado give me the premise? What was the premise with the estimate he got on the—what was it—200 million? Was that the figure?

Mr. HASKELL. I received the estimate from the Joint Committee staff of revenue loss of several hundred million dollars.

Mr. BROOKE. Does the Senator know the premise on which that estimate was based?

Mr. HASKELL. It is really from the redefinition of low- and moderate-income housing. The committee exempts low-income housing until 1982. The amendment proposed by various sponsors would include housing that in some areas would rent for as much as $1,000 per month.

Mr. President, let us remember we are talking about a minimum tax assessed against builders incomes. The committee amendment insures they will pay some tax. The Senator from Alabama's amendment will insure a fresh crop of high-income individuals who will pay no income tax whatever.

Mr. BROOKE. Moderate income housing.

Mr. HASKELL. Moderate is a thousand dollars a month in certain places, $800 in others, and $500 in Washington.

Mr. ALLEN. Mr. President, if the Senator will yield, the Senator pointed out that this brings in a new level of housing—middle-income housing. I wonder if the Senator would be satisfied to offer an amendment to strike out the offending portion.

Mr. HASKELL. I prefer the committee amendment, which exempts from the operation of the minimum-income tax until 1982 low-income housing. I should like to get an expression of the Senate on the committee amendment as reported.

I make a motion to lay the amendment on the table.

Mr. SPARKMAN. Mr. President, will the Senator withhold that?

Mr. HASKELL. Yes.

Mr. SPARKMAN. We have had very little time to talk about this.

Mr. HASKELL. I certainly will withhold it, if the Senator requests.

Mr. SPARKMAN. Mr. President, government figures show, as I understand it, that for every rental unit constructed in this country, approximately one job is created, and for every dollar spent on construction of an apartment unit, approximately $2.50 of economic activity is generated.

If we just double the average starts level—this is my own statement now, not that of the Government—of 300,000, to add another 300,000 would result in putting another 300,000 people to work in this country and would add a billion dollars revenue to the Treasury. My amendment would not create a loss to the Government. It would be a profit.

It would put people back to work. Goodness knows, if there is anything we need right now, it is that. We have a new high level in the unemployment situation.

There were new figures yesterday, is this not true?

Mr. PROXMIRE. Yes, but it is not working. We have it now, and it is not working. We have a housing depression.

Mr. SPARKMAN. I know, and we are trying to pull it out of that depression, hire people, and put them to work.

Mr. PROXMIRE. It is not doing the job.

Mr. SPARKMAN. The Senator knows that the housing industry is one of the best employers in the country.

Mr. PROXMIRE. Of course, it is.

Mr. SPARKMAN. What we are trying to do is to make it possible to build these additional 300,000 units and put 300,000 people into jobs and pull down the unemployment level. What was the unemployment rate that was announced?

Mr. PROXMIRE. It is 7.8 percent—from 7.5 percent to 7.8 percent.

Mr. SPARKMAN. It is between 7.5 percent and 7.8 percent, at a time when we thought the country was recovering, when we thought that the President had succeeded in turning the economy around.

I ask the chairman: What was the lowest unemployment rate during this year?

Mr. PROXMIRE. It was 7.3 percent during this year.

Mr. SPARKMAN. It has been below that.

Mr. PROXMIRE. No. This year, since February, it has been on a plateau. It went up from 7.3 percent to 7.5 percent between May and June, and it is 7.8 percent today. Today, it was announced for July.

Mr. SPARKMAN. It is on an ascending scale.

Mr. PROXMIRE. That is right.

Mr. SPARKMAN. We are in accord with the President's idea of turning the economy around, yet unemployment is climbing month after month.

I think it is worthwhile to put 300,000 people back to work, to put people in jobs where they can earn money to feed their families and in many cases take their families off welfare. This will be well worthwhile to the economy in this country and, indeed, to the Treasury of the United States. I think the amendment should be adopted.

Mr. PASTORE. Mr. President, I think we all understand this amendment, and the time has come for us to vote—vote it up or down. Someone has made a motion to lay on the table.

Mr. HASKELL. I prefer to make a motion to lay on the table. I make the motion to lay on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Alabama. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Indiana (Mr. Hartke), the Senator from Louisiana (Mr. Johnston), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from Utah (Mr. Moss), the Senator from Mississippi (Mr. Stennis), the Senator from Georgia (Mr. Talmadge), the Senator from California (Mr. Tunney), and the Senator from Montana (Mr. Metcalf) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Biden) and the Senator from Michigan (Mr. Philip A. Hart) are absent because of illness.

I also announce that the Senator from Missouri (Mr. Eagleton) is absent attending the funeral of Congressman Jerry Litton of Missouri.

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), the Senator from Nebraska (Mr. Hruska), the Senator from Illinois (Mr. Percy), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Vermont (Mr. Stafford), the Senator from Alaska (Mr. Stevens), and the Senator from North Dakota (Mr. Young) are necessarily absent.

The result was announced—yeas 30, nays 47, as follows:

[Rollcall Vote No. 504 Leg.]

YEAS—30

Abourezk
Bartlett
Bellmon
Burdick
Chiles
Church
Clark
Culver
Curtis
Domenici
Durkin
Eastland
Fannin
Glenn
Hansen
Haskell
Hathaway
Huddleston
Kennedy
Long
Mansfield
McClellan
McGee
McIntyre
Muskie
Nelson
Proxmire
Ribicoff
Scott,
  William L.
Symington

NAYS—47

Allen
Bayh
Beall
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Cranston
Dole
Ford
Garn
Gravel
Hart, Gary
Hatfield
Helms
Hollings
Humphrey
Inouye
Jackson
Javits
Laxalt
Leahy
Magnuson
Mathias
McClure
Montoya
Morgan
Nunn
Packwood
Pastore
Pearson
Pell
Randolph
Roth
Scott, Hugh
Sparkman
Stevenson
Stone
Taft
Thurmond
Tower
Weicker
Williams

NOT VOTING—23

Baker
Biden
Cannon
Eagleton
Fong
Goldwater
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Metcalf
Mondale
Moss
Percy
Schweiker
Stafford
Stennis
Stevens
Talmadge
Tunney
Young

So the motion to lay on the table was rejected.

Mr. LONG. Regular order, Mr. President.

The PRESIDING OFFICER. Regular order is called for.

The question occurs on the amendment.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 340

Mr. HOLLINGS. I call up my amendment and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. Hollings) proposes on behalf of himself and

Senators HARTKE and DURKIN unprinted amendment No. 340.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title XXVIII, add the following new section:

SEC. . TAXATION OF EARNINGS AND PROFITS OF CONTROLLED FOREIGN CORPORATIONS.

(a) GENERAL.—Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by inserting after subpart II thereof the following:

"Subpart I—Controlled Foreign Corporations

"Sec. 983. Amounts included in gross income of United States shareholders.
"Sec. 984. Definitions.
"Sec. 985. Rules for determining stock ownership.
"Sec. 986. Exclusion from gross income of previously taxed earnings and profits.
"Sec. 987. Adjustments to basis of stock in controlled foreign corporations and of other property.
"Sec. 988. Special rules for foreign tax credit.
"Sec. 989. Election by individuals to be subject to tax at corporate rates.
"Sec. 990. Records and accounts of United States shareholders.
"Sec. 990A. Application of subpart to certain less-developed country corporations.

"SEC. 983. AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

"(a) AMOUNT INCLUDED.—

"(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, every United States shareholder of such corporation which owns (within the meaning of section 985(a)) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in its gross income, for its fifth taxable year following its taxable year in which or with which such taxable year of the corporation ends, its pro rata share of the corporation's earnings and profits for such year.

"(2) PRO RATA SHARE OF EARNINGS AND PROFITS.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 985(a)) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the earnings and profits of such corporation for the taxable year, as (ii) the part of such year described in subparagraph (A) (ii) during which such shareholder did not own (within the meaning of section 985(a)) such stock bears to the entire year.

"(3) LIMITATION.—In the case of a United States shareholder who sells, exchanges, or otherwise disposes of all or a part of such stock before the last day of such fifth taxable year, the amount included in gross income under paragraph (1) shall not exceed an amount which bears the same ratio to the pro rata share determined under paragraph (2) as the stock owned (or considered as owned under section 985(b)) by the shareholder on the last day of such fifth taxable year bears to the stock owned (or considered as owned under such section) by the shareholder on the last day of the taxable year in which or with which the taxable year of the corporation ended. For purposes of this paragraph, stock acquired by the United States shareholder after the close of the taxable year in which or with which the taxable year of the corporation ended shall be disregarded.

"(b) EARNINGS AND PROFITS.—For purposes of this subpart, under regulations prescribed by the Secretary, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m) (3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be reduced by the amount, if any, by which the sum of the deficits in earnings and profits of such corporation for any prior taxable years beginning after December 31, 1976, exceed the sum of the earnings and profits of such corporation for such prior taxable years,

"(3) shall not include any item of income from sources within the United States which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States,

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country but any such amounts shall be included in earnings and profits for the first taxable year in which such restrictions or limitations are terminated or modified to permit distribution of such amounts,

"(5) shall not include any amount of earnings and profits for a taxable year of a foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 951(a)(1), and

"(6) shall not include earnings and profits derived in the conduct of insurance of other than U.S. risks (as classified under Section 953) and other related insurance services, architectural and construction services, advertising services, engineering services, banking and other financial services, and travel or related services."

"(c) COORDINATION WITH ELECTION OF A FOREIGN INVESTMENT COMPANY TO DISTRIBUTE INCOME.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247 (c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) COORDINATION WITH FOREIGN PERSONAL HOLDING COMPANY PROVISIONS.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(d) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"(e) SPECIAL RULE IN CASE OF INDIRECT OWNERSHIP.—For purposes of subsection (b), if—

"(1) a United States shareholder owns (within the meaning of section 985(a)) stock of a foreign corporation, and by reason of such ownership owns (within the meaning of such section) stock of any other foreign corporation, and

"(2) any of such foreign corporations has a deficit in earnings and profits for the taxable year,

then the earnings and profits for the taxable year of each such foreign corporation which is a controlled foreign corporation shall, with respect to such United States shareholder, be properly reduced to take into account any deficit described in paragraph (2) in such manner as the Secretary shall prescribe by regulations.

"(f) CONSOLIDATION OF EARNINGS AND PROFITS FROM MULTIPLE FOREIGN CORPORATIONS.—Under regulations prescribed by the Secretary subsection (a) shall be applied to a United States shareholder who owns stock in more than one controlled foreign corporation by taking into account the aggregate earnings and profits and deficits of such corporations. The Secretary shall prescribe regulations for the computation of earnings and profits for purposes of subsection (a) with respect to distributions between controlled foreign corporations which are made before any amount thereof is included in the gross income of a United States shareholder.

"SEC. 984. DEFINITIONS.

"(a) UNITED STATES SHAREHOLDER DEFINED.—For purposes of this subpart, the term 'United States shareholder' means, with respect to any foreign corporation, a United States person (as defined in section 957(d)) who owns (within the meaning of section 985(a)), or is considered as owning by applying the rules of ownership of section 985 (b), 1 percent or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation.

"(b) CONTROLLED FOREIGN CORPORATION DEFINED.—For purposes of this subpart, the term 'controlled foreign corporation' means any foreign corporation—

"(1) of which more than 50 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 985(a)), or is considered as owned by applying the rules of ownership of section 985(b), by United States shareholders on any day during the taxable year of such foreign corporation, or

"(2) over which United States shareholders exercise actual control, as determined by the Secretary, from all facts and circumstances in the case.

"(c) LIMITATION ON ACTUAL CONTROL DETERMINATION.—In the case of a foreign corporation of which not more than 25 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 985(a)), or is considered as owned by applying the rules of ownership of section 985(b), by one or more United States shareholders on any day during the taxable year of such foreign corporation, the burden of proof in respect of the issue, for purposes of subsection (b)(2), as to whether such United States shareholders exercise actual control shall be upon the Secretary.

"SEC. 985. RULES FOR DETERMINING STOCK OWNERSHIP.

"(a) DIRECT AND INDIRECT OWNERSHIP.—

"(1) GENERAL RULE.—For purposes of this subpart, stock owned means—

"(A) stock owned directly, and

"(B) stock owned with the application of paragraph (2).

"(2) STOCK OWNERSHIP THROUGH FOREIGN ENTITIES.—For purposes of subparagraph (B) of paragraph (1), stock owned, directly or indirectly, by or for a foreign corporation of foreign estate (within the meaning of section 7701(a)(31)) or by or for a partnership or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(b) Constructive Ownership.—For purposes of section 984, section 318(a) (relating to constructive ownership of stock) shall apply to the extent that the effect is to treat any domestic corporation as a United States shareholder within the meaning of section 984(a), or to treat a foreign corporation as a controlled foreign corporation under section 984(b), except that—

"(1) In applying subparagraphs (A), (B), and (C) of section 318(a)(2), if a partnership, estate, trust, or corporation owns, directly or indirectly, more than 50 percent of the total combined voting power of all classes of stock entitled to vote of a corporation, it shall be considered as owning all of the stock entitled to vote.

"(2) In applying subparagraph (C) of section 318(a)(2), the phrase '10 percent' shall be substituted for the phrase '50 percent' used in subparagraph (C).

"Sec. 986. Exclusion From Gross Income of Previously Taxed Earnings and Profits.

"(a) Exclusion From Gross Income.—For purposes of this chapter, the earnings and profits for a taxable year of a foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 983(a) shall not, when such amounts are distributed directly, or indirectly through a chain of ownership described under section 985(a), to—

"(1) such shareholder (or any person which acquires from any other person any portion of the interest of such United States shareholder in such foreign corporation, but only to the extent of such portion, and subject to such proof of the identity of such interest as the Secretary may by regulations prescribe), or

"(2) a trust (other than a foreign trust) of which such shareholder is a beneficiary,

be again included in the gross income of such United States shareholder (or of such domestic corporation or of such trust).

"(b) Exclusion From Earnings and Profits of Certain Foreign Subsidiaries.—For purposes of section 983(a), the earnings and profits for a taxable year of a controlled foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 983(a), shall not, when distributed through a chain of ownership described under section 985(a), be also included in the earnings and profits of another controlled foreign corporation in such chain for purposes of the application of section 983(a) to such other controlled foreign corporation with respect to such United States shareholder (or to any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder in the controlled foreign corporation, but only to the extent of such portion, and subject to such proof of identity of such interest as the Secretary may prescribe by regulations).

"(c) Allocation of Distributions.—For purposes of subsections (a) and (b), section 316(a) shall be applied by applying paragraph (2) thereof, and then paragraph (1) thereof—

"(1) first, to earnings and profits attributable to amounts included in gross income under section 983(a), and

"(2) then to other earnings and profits.

"(d) Distributions Excluded From Gross Income Not To Be Treated as Dividends.—Any distribution excluded from gross income under subsection (a) shall be treated, for purposes of this chapter, as a distribution which is not a dividend.

"Sec. 987. Adjustments to Basis of Stock in Controlled Foreign Corporations and of Other Property.

"(a) Increase in Basis.—Under regulations prescribed by the Secretary, the basis of a United States shareholder's stock in a controlled foreign corporation, and the basis of property of a United States shareholder by reason of which it is considered under section 985(a)(2) as owning stock of a controlled foreign corporation, shall be increased by the amount required to be included in its gross income under section 983(a) with respect to such stock or with respect to such property, as the case may be, but only to the extent to which such amount was included in the gross income of such United States shareholder.

"(b) Reduction in Basis.—

"(1) In general.—Under regluations prescribed by the Secretary, the adjusted basis of stock or other property with respect to which a United States shareholder or a United States person receives an amount which is excluded from gross income under section 986(a) shall be reduced by the amount so excluded.

"(2) Amount in excess of basis.—To the extent that an amount excluded from gross income under section 986(a) exceeds the adjusted basis of the stock or other property with respect to which it is received, the amount shall be treated as gain from the sale or exchange of property.

"Sec. 988. Special Rules for Foreign Tax Credit.

"(a) Taxes Paid by a Foreign Corporation.—

"(1) General rule.—For purposes of subpart A of this part, if there is included, under section 983(a), in the gross income of a domestic corporation any amount attributable to earnings and profits—

"(A) of a foreign corporation (hereinafter in this subsection referred to as the 'first foreign corporation') at least 10 percent of the voting stock of which is owned by such domestic corporation, or

"(B) of a second foreign corporation (hereinafter in this subsection referred to as the 'second foreign corporation') at least 10 percent of the voting stock of which is owned by the first foreign corporation, or

"(C) of a third foreign corporation (hereinafter in this subsection referred to as the 'third foreign corporation') at least 10 percent of the voting stock of which is owned by the second foreign corporation,

then, under regulations prescribed by the Secretary, a domestic corporation shall be deemed to have paid the same proportion of the total income, war profits, and excess profits taxes paid (or deemed paid) by such foreign corporation to a foreign country or possession of the United States for the taxable year on or with respect to the earnings and profits of such foreign corporation which the amount of earnings and profits of such foreign corporation so included in gross income of the domestic corporation bears to the entire amount of the earnings and profits of such foreign corporation for such taxable year. This paragraph shall not apply with respect to any amount included in the gross income of such domestic corporation attributable to earnings and profits of the second foreign corporation or of the third foreign corporation unless, in the case of the second foreign corporation, the percentage-of-voting-stock requirement of section 902(b)(3)(A) is satisfied and, in the case of the third foreign corporation, the percentage-of-voting-stock requirement of section 902(b)(3)(B) is satisfied.

"(2) Taxes previously deemed paid by domestic corporation.—If a domestic corporation receives a distribution from a foreign corporation, any portion of which is excluded from gross income under section 986, the income, war profits, and excess profits taxes paid or deemed paid by such foreign corporation to any foreign country or to any possession of the United States in connection with the earnings and profits of such foreign corporation from which such distribution is made shall not be taken into account for purposes of section 902, to the extent such taxes were deemed paid by a domestic corporation under paragraph (1) for any prior taxable year.

"(3) Taxes paid by foreign corporation and not previously deemed paid by domestic corporation.—Any portion of a distribution from a foreign corporation received by a domestic corporation which is excluded from gross income under section 986(a) shall be treated by the domestic corporation as a dividend, solely for purposes of taking into account under section 902 any income, war profits, or excess profits taxes paid to any foreign country or to any possession of the United States, on or with respect to the accumulated profits of such foreign corporation from which such distribution is made, which were not deemed paid by the domestic corporation under paragraph (1) for any prior taxable year.

"(b) Special Rules for Foreign Tax Credit in Year of Receipt of Previously Taxed Earnings and Profits.—

"(1) Increase in Section 904 Limitation.—In the case of any taxpayer who—

"(A) either (i) chose to have the benefits of subpart A of this part for a taxable year in which he was required under section 983(a) to include in his gross income an amount in respect of a controlled foreign corporation, or (ii) did not pay or accrue for such taxable year any income, war profits, or excess profits to any foreign country or to any possession of the United States, and

"(B) chooses to have the benefits of subpart A of this part for the taxable year in which he receives a distribution or amount which is excluded from gross income under section 986(a) and which is attributable to earnings and profits of the controlled foreign corporation which was included in his gross income for the taxable year referred to in subparagraph (A), and

"(C) for the taxable year in which such distribution or amount is received, pays, or is deemed to have paid, or accrues income, war profits, or excess profits taxes to a foreign country or to any possession of the United States with respect to such distribution or amount,

the limitation under section 904 for the taxable year in which such distribution or amount is received shall be increased as provided in paragraph (2), but such increase shall not exceed the amount of such taxes paid, or deemed paid, or accrued with respect to such distribution or amount.

"(2) Amount of increase.—The amount of increase of the limitation under section 904(a) for the taxable year in which the distribution or amount referred to in paragraph (1)(B) is received shall be an amount equal to—

"(A) the amount by which the limitation under section 904(a) for the taxable year referred to in paragraph (1)(A) was increased by reason of the inclusion in gross income under section 951(a) of the amount in respect of the controlled foreign corporation, reduced by

"(B) the amount of income, war profits, and excess profits taxes paid, or deemed paid, or accrued to any foreign country or possession of the United States which were allowable as a credit under section 901 for the taxable year referred to in paragraph (1)(A) and which would not have been allowable for the inclusion in gross income of the amount described in subparagraph (A).

"(3) Cases in which taxes not to be allowed as deduction.—In the case of any taxpayer who—

"(A) chose to have the benefits of subpart A of this part for a taxable year in which he was required under section 983(a) to include in his gross income an amount in respect of a controlled foreign corporation, and

"(B) does not choose to have the benefits of subpart A of this part for the taxable year in which he receives a distribution or amount which is excluded from gross income under section 986(a) and which is attributable to earnings and profits of the controlled foreign corporation which was included in his gross income for the taxable year referred to in subparagraph (A),

no deduction shall be allowed under section 986 for the taxable year in which such distribution or amount is received for any income, war profits, or excess profits taxes paid or accrued to any foreign country or to any possession of the United States on or with respect to such distribution or amount.

"(4) Insufficient taxable income.—If an increase in the limitation under this subsection exceeds the tax imposed by this chapter for such year, the amount of such excess shall be deemed an overpayment of tax for such year.

"Sec. 989. Election by Individuals to be Subject to Tax at Corporate Rates.

"(a) General Rule.—Under regulations prescribed by the Secretary or his delegate, in the case of a United States shareholder who is an individual and who elects to have the provisions of this section apply for the taxable year—

"(1) the tax imposed under this chapter on amounts which are included in his gross income under section 983(a) shall (in lieu of the tax determined under section 1) be an amount equal to the tax which would be imposed under section 11 if such amounts were received by a domestic corporation, and

"(2) for purposes of applying the provisions of section 988 (relating to foreign tax credit) such amounts shall be treated as if they were received by a domestic corporation.

"(b) Election.—An election to have the provisions of this section apply for any taxable year shall be made by a United States shareholder at such time and in such manner as the Secretary or his delegate shall prescribe by regulations. An election made for any taxable year may not be revoked except with the consent of the Secretary or his delegate.

"(c) Surtax Exemption.—For purposes of applying subsection (a)(1), the surtax exemption provided by section 11(c) shall not exceed, in the case of any United States shareholder, an amount which bears the same ratio to the surtax exemption as the amounts included in his gross income under section 983(a) for the taxable year bears to his pro rata share of the earnings and profits for the taxable year of all controlled foreign corporations with respect to which such United States shareholder includes any amount in gross income under section 983(a).

"(d) Special Rule for Actual Distributions.—The earnings and profits of a foreign corporation attributable to amounts which were included in the gross income of a United States shareholder under section 983(a) and with respect to which an election under this section applied shall, when such earnings and profits are distributed, notwithstanding the provisions of section 986 (a)(1), be included in gross income to the extent that such earnings and profits so distributed exceed the amount of tax paid under this chapter on the amounts to which such election applied.

"Sec. 990. Records and Accounts of United States Shareholders.

"(a) Records and Accounts To Be Maintained.—The Secretary may by regulations require each person who is, or has been, a United States shareholder of a controlled foreign corporation to maintain such records and accounts as may be prescribed by such regulations as necessary to carry out the provisions of this subpart.

"(b) Two or More Persons Required To Maintain or Furnish the Same Records and Accounts With Respect to the Same Foreign Corporation.—Where, but for this subsection, two or more persons would be required to maintain or furnish the same records and accounts as may by regulations be required under subsection (a) with respect to the same controlled foreign corporation for the same period, the Secretary may by regulations provide that the maintenance or furnishing of such records and accounts by only one such person shall satisfy the requirements of subsection (a) for such other persons.

"Sec. 990A. Application of Subpart to Certain Less Developed Country Corporations.

"(a) General Rule.—Section 983(a) (relating to amount included in gross income of United States shareholders) does not apply with respect to the qualified earnings and profits of a controlled foreign corporation which is a less developed country corporation other than—

"(1) earnings and profits attributable to income derived from, or in conjunction with, the use (or hiring or leasing for use) of any aircraft or vessel in foreign commerce, or the performance of services directly related to the use of any such aircraft or vessel, and

"(2) earnings and profits attributable to income derived from—

"(A) the extraction (by the taxpayer or any other person) of minerals,

"(B) the processing of such minerals into their primary products,

"(C) the transportation of such minerals or primary products,

"(D) distribution or sale of such minerals or primary products, or

"(E) the sale or exchange of assets used in the trade or business described in subparagraph (A), (B), (C), or (D).

"(b) Definitions.—For purposes of this subpart—

"(1) Less developed country corporations.—The term 'less developed country corporation' means a foreign corporation which during the taxable year is engaged in the active conduct of one or more trades or businesses if—

"(A) 80 percent or more of the gross income of such corporation for the taxable year is derived from sources within less developed countries, and

"(B) 80 percent or more in value of the assets of such corporation on each day of the taxable year consists of—

"(i) property used in such trades or businesses and located in less developed countries,

"(ii) money and deposits with persons carrying on the banking business,

"(iii) stocks and obligations of any other less developed country corporation which, at the time of their acquisition, have a maturity of one year or more,

"(iv) an obligation of a less developed country,

"(v) an investment which is required because of restrictions imposed by a less developed country, and

"(vi) property described in section 956(b) (2).

"(2) Less developed country.—The term 'less developed country' means (with respect to any foreign corporation) any foreign country or possession of the United States with respect to which, on the first day of the taxable year, there is in effect an executive order by the President of the United States designating such country of possession as an economically less developed country for purposes of this subpart. For purposes of the preceding sentence, an overseas territory, department, province, or possession may be treated as a separate country. No designation may be made under this paragraph with respect to a country not located on the African continent or a country not located in Central America, South America, or the West Indies. After the President has designated any foreign country or any possession of the United States as an economically less developed country for purposes of this subpart, he shall not terminate such designation (either by using an executive order for that purpose or by issuing an executive order under the first sentence of this paragraph which has the effect of terminating such designation) unless, at least 30 days prior to such termination, he has notified the Senate and the House of Representatives of his intention to terminate such designation.

"(3) Qualified earnings and profits.—The term 'qualified earnings and profits' means earnings and profits attributable to income derived from the active conduct of a trade or business constituting the manufacture or processing of goods, wares, merchandise, or other tangible personal property, the processing of agricultural or horticultural products or commodities (including but not limited to livestock, poultry, or fur bearing animals), or the wholesaling of—

"(A) goods manufactured in a less developed country, or

"(B) in the case of goods not manufactured in a less developed country, goods sold for resale for ultimate consumption in a less developed country.

(b) Technical and Conforming Amendments.—

(1) Section 1016(a)(20) is amended by striking out "section 961" and inserting in lieu thereof "sections 961 and 987".

(2) Section 1246(a)(2)(B) is amended by inserting "or 983" after "section 951" and by inserting "or 986" after "section 959".

(3) Section 1248 is amended by amending subsection (d)(1) to read as follows:

"(1) Amounts included in gross income under section 951 or 953.—Earnings and profits of the foreign corporation attributable to any amount previously included in the gross income of such person under section 951 or 983, with respect to the stock sold or exchanged, but only to the extent the inclusion of such amount did not result in an exclusion of an amount from gross income under section 959 or 986.";

(4) Section 78 (relating to dividends received from certain foreign corporations by domestic corporations choosing foreign tax credit) is amended by striking out "or under section 960(a)(1)(C) (relating to taxes paid by foreign corporation)" and inserting in lieu thereof the following: ", under section 960(a)(1)(C) (relating to taxes paid by foreign corporation), or under section 988(b) (relating to taxes deemed paid by corporations)".

(c) Effective Date.—The amendments made by this section shall apply with respect to taxable years of foreign corporations beginning after December 31, 1976, and to taxable years of United States shareholders which end within or with such taxable years of such foreign corporations.

Mr. HOLLINGS. Mr. President, very simply, we are on an agreed time basis, 15 minutes to a side, and it could probably even be less time.

Mr. President, in the unavoidable absence of my friend and colleague, the senior Senator from Indiana (Mr.

HARTKE), I rise to offer and to support his amendment on the subject of foreign tax deferral.

This body has already discussed the subject of foreign tax deferral at length. A previous amendment by Senator HARTKE was defeated by a slim margin. The amendment being offered today represents a compromise position, satisfactory to a number of Senators who had reservations about the first proposal. It is my hope that the Senate will see fit to enact what is being presented here today.

Under present law, an American owned foreign subsidiary is subject to U.S. taxation. In the interest of fairness, however, we allow a dollar-for-dollar tax credit for any taxes paid to a foreign sovereign. Should the subsidiary be located in a country with a lower tax rate than the U.S. corporate tax rate, the Treasury rightly claims the difference. In the event that the subsidiary operates in a country which taxes at a higher rate than our own, we allow an excess tax credit that can be carried back 2 years or forward 5.

The principle that American-owned foreign subsidiaries are subject to American taxation is incontrovertible. It is also, in my view, fair and reasonable. However, this principle is subverted by the deferral provision which was enacted as an incentive for American investment to assist in the rebuilding of the economies of our war-torn allies following the Second World War.

Simply stated, deferral allows American corporations full latitude in choosing not only when, but if their foreign earnings will be subject to U.S. taxation. We do this by providing that foreign earnings will not be actually subject to U.S. taxation until they are repatriated. The decision as to when and if these earnings will be repatriated is left entirely to the corporations themselves. The net effect of this approach is to undermine the principle that foreign earnings are subject to U.S. taxation.

The ramifications of deferral are manifold, but there is little need to discuss them at length today. This has already been ably done by both Senators CHURCH and HARTKE during the original debate on deferral.

The central issue is that, as presently constituted, deferral serves as a tax loophole for multinational corporations. By giving them a holiday—the length of which is determined by them—from their U.S. tax liability, we create a set of incentives that work to the detriment of the American economy. The tax holiday can be viewed as an interest-free loan from the American people to the multinational corporations in the amount of the taxes they would otherwise owe.

It hardly seems appropriate, Mr. President, for the average American family, struggling to make ends meet in an economy beset by recession and inflation, to extend an interest-free loan to institutions that are among the most wealthy and powerful in the world. That misdirected policy thrust is further compounded by the fact that the loan we extend nibbles away at the economic and industrial foundations of the Nation.

Investment decisions are made by corporations on an after-tax basis. It is the purpose, after all, of their executives to maximize the profits of the company. When, therefore, they make a decision to invest in facilities, they must ask not merely which of their alternatives is more economically productive, but which will yield the greater rate of return after the payment of taxes.

It is at this point that deferral plays a pivotal role. If our tax laws provided an absolutely neutral investment climate, the sole consideration would be the productivity of the investment. But our laws are not neutral. Because of the deferral provision, we artificially make a foreign investment—other things being equal—more appealing than a similar domestic investment. If a company knows that it will be able to defer the payment of its U.S. tax liability for as long as it wants, perhaps even indefinitely, the difference between the U.S. rate of taxation and the foreign rate of taxation becomes extremely significant. Significant enough, in fact, to weigh the scales in favor of foreign investment.

The multinational corporations which argue in support of deferral—and I would argue in favor of deferral, too, if I could choose the time when my taxes were due—claim that their foreign investments and their reinvestment of foreign earnings abroad add to the American work force and strengthen the American economy. A proliferation of ever-increasing independent studies suggest the opposite. In fact, the list of independent economists who support the elimination of deferral reads like a "Who's Who" of the economic profession.

The most extensive of the recent studies takes into consideration all the factors claimed by the corporations to make foreign investment imperative—competition, market entry, markets, and so forth—and concludes that since 1967, deferral has cost America 2 million jobs. This is a net figure which includes the jobs claimed by the corporations to have been created in this country as a result of their foreign investment. In the context of 7 million unemployed Americans, the lost opportunity to create 2 million jobs at home is a tragedy.

The employment effect of deferral is only part of the total picture. Of more concern, in the long run, is the erosion of our industrial base, and the imperceptible steps we are taking toward becoming a rentier economy. The rate of foreign investment has been many times the rate of domestic investment among multinationals. What is occurring is the wholesale exportation of America's productive capabilities abroad. With those facilities goes the exportation of American know-how and American technology.

The idea of comparative advantage in world trade is as old as Adam Smith and David Ricardo. It means that each nation will emphasize the production of those goods which they can produce better and more cheaply than other nations. Until recently, America's comparative advantage was in high technology industries. But that is changing because those industries are being located abroad by American companies anxious to take advantage of deferral. America's technology is being exported, as gaged by the export of patents, at an alarming rate.

Paul Samuelson, the noted economist, has suggested that we are moving in the same direction as 19th-century England. We are slowly becoming a rentier economy; an economy that depends for its income on investments abroad. It seems to me, Mr. President, that as Professor Samuelson indicated, that takes a substantial act of faith in the future policies and practices of these countries.

The amendment being offered today seeks to reestablish a balance between domestic and foreign investment. It also seeks to create a balance of opinion among those who are anxious to eliminate deferral and those unwilling to go that far. It is designed to pull on the reins of foreign investment gently; to guide some capital back into the United States so that it can be put to use productively.

The amendment is, in concept, quite simple. It merely places a time limitation on deferral. The tax holiday period is defined, not left to the complete discretion of the companies. We are suggesting a 5-year holiday. Foreign source income can be deferred from U.S. taxation for a period not to exceed 5 years. At the close of that 5-year period, an accounting must be made. Earnings that have not been repatriated in the form of a dividend will be deemed to have been repatriated and whatever U.S. taxes are due must be paid. In no way does the amendment affect the foreign tax credit.

In keeping with the gentle nature of this amendment, there will be no revenue effect until 1982—5 years after 1977 earnings. Revenues generated will not be enormous, even then. The Joint Committee on Internal Revenue Taxation estimates approximately $120 million will be raised in 1982. This figure will continue to rise, of course, impinging most severely on companies which presently repatriated only a small fraction of their earnings and those without growth.

Incorporated into this amendment is an exception from its provisions which applies to certain types of U.S. subsidiaries operating in certain parts of the world. Inasmuch as this exception was suggested by the distinguished chairman of the Finance Committee, it is appropriate that he should explain its nature and purpose.

Mr. President, I would like to briefly describe how my amendment limiting the benefits of deferral is intended to operate. I shall ask to have printed in the RECORD three examples illustrating the principles.

First, the amendment does not require any distribution of earnings until 1982. This is the first year the amendment will have any impact on budgetary receipts.

Under the amendment, a foreign corporation has 5 years after earnings are derived to distribute its earnings to its U.S. shareholders. For example, amounts earned in 1977 need not be taken into income by the shareholders until 1982. Of course, if amounts are distributed in 1977 or in a subsequent year prior to 1982 out of 1977 earnings, then the amount left to be distributed in 1982 is reduced accordingly.

If, at the end of 5 years, all the earnings have not been distributed, then the amendment causes the shareholders to be taxed on a deemed distribution of the amount of earnings which should have been distributed. To prevent a double counting of earnings, the amendment provides that if a deemed distribution is made, then actual distributions for that year are to be counted as coming out of the amounts which have been deemed distributed; that is, the actual distribution is treated as satisfying the requirement that all the earnings of a foreign subsidiary are to be distributed by the end of the fifth year. For example, if in 1982 there remains to be distributed $20 from 1977, then there is a $20 deemed distribution in 1982. But if $20 is actually distributed in 1982, the actual distribution satisfies the required distribution. Thus, actual distributions will only be subject to tax where they exceed the deemed distribution.

The amendment does not apply to earnings from less-developed countries located in the Western Hemisphere or Africa if derived from manufacturing activities or retail or wholesale distribution in such a less-developed area. However, the amendment does apply to all shipping operations and to all extractive industries.

Finally, any distribution, actual or deemed, is to be entitled to the foreign tax credit.

Mr. President, I ask unanimous consent to have printed in the RECORD the material to which I have referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ILLUSTRATION OF 5-YEAR LIMIT ON DEFERRAL OF EARNINGS

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
$20 growth with 50-percent distributions:																
1. Earnings and profits	100	120	140	160	180	200	220	240	260	280	300	320	340	360	380	400
2. Distribution	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200
3. Deemed dividend (line 6 from 5th preceding year)	0	0	0	0	0	50	60	70	80	90	150	170	190	210	230	300
4. Taxable distribution from current year (line 2 — line 3)	50	60	70	80	90	50	50	50	50	50	0	0	0	0	0	0
5. Total income for year (line 3 + line 4)	50	60	70	80	90	100	110	120	130	140	150	170	190	210	230	300
6. Earnings and profits remaining to be distributed (line 1 — line 4)	50	60	70	80	90	150	170	190	210	230	300	320	340	360	380	400
7. Amount included in income in excess of present law (line 5 — line 2)	0	0	0	0	0	0	0	0	0	0	0	10	20	30	40	100
$20 growth with 25 percent distributions:																
1. Earnings and profits	100	120	140	160	180	200	220	240	260	280	300	320	340	360	380	400
2. Distribution at 25 percent	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
3. Deemed dividend (line 6 from 5th preceding year)	0	0	0	0	0	75	90	105	120	135	200	220	240	260	280	300
4. Taxable distribution from current year (line 2 minus line 3)	25	30	35	40	45	0	0	0	0	0	0	0	0	0	0	0
5. Total income for year (line 3 plus line 4)	25	30	35	40	45	75	90	105	120	135	200	220	240	260	280	300
6. Earnings and profits remaining to be distributed (line 1 minus line 4)	75	90	105	120	135	200	220	240	260	280	300	320	340	360	380	400
7. Amount included in income in excess of present law (line 5 minus line 2)	0	0	0	0	0	25	35	45	55	56	125	140	155	170	185	200
No growth; 50 percent distribution:																
1. Earnings and profits	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
2. Distribution	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
3. Deemed dividend (line 6 from 5th preceding year)	0	0	0	0	0	50	50	50	50	50	100	100	100	100	100	100
4. Taxable distribution from current year (line 2—line 3)	50	50	50	50	50	0	0	0	0	0	0	0	0	0	0	0
5. Total income for year (line 3+line 4)	50	50	50	50	50	50	50	50	50	50	100	100	100	100	100	100
6. Earnings and profits remaining to be distributed (line 1—line 4)	50	50	50	50	50	100	100	100	100	100	100	100	100	100	100	100
7. Amount included in income in excess of present law (line 5—line 2)	0	0	0	0	0	0	0	0	0	0	50	50	50	50	50	50

Mr. HOLLINGS. Mr. President, this is a repeal of a tax deferral for U.S.-controlled foreign subsidiaries. The Hartke amendment passed overwhelmingly in 1975 and failed earlier, in the very first days of the debate, by two votes. At that time, a big argument was made with respect to the trauma caused by just immediately repealing the tax deferral provision for American multinationals.

It would break faith in many countries with their investments, with their economic plans, and everything of that kind. As a consequence, we have a 5-year delayed period, a tax holiday, before the repeal of that tax deferral.

On the other hand, they said it would be a counterproductive policy to try to develop it in Latin America, in South America, and in the Third World, in Africa. So those particular areas, the Caribbean, Latin America, South America, and Africa are exempted from that repeal and the tax deferrals would be there permanently.

We tried in this amendment to bring in and focus the principal thrust in a tax reform bill in trying our level best to create jobs so this would, if you please, create tax revenues and, if nothing else, let us try to retain the capital for U.S. investments. That is why we are making a 10-percent investment credit for business and trying to make it permanent in this bill.

Now, in contrast to that, there is one thing that glaringly stands out, and that is this tax deferral provision. It says to American industry:

> If you stay here then you are going to have to pay taxes. There is no such thing as deferral for everybody seated around here in this room, an American industry operating within the continental limits of the United States.
>
> But if you can take your industry and go overseas and make a profit then you can continue to defer the taxes on that particular profit.

You get the foreign tax credit, and we can get into that argument and the accounting argument because I see my friend from Oregon is getting exercised up and down the middle aisle—we can debate those little nitpicky things. But the truth of it is if you keep your profits overseas, brother, you are really getting a tax exemption. You are getting a tax-free loan for the amount of money.

Look at the years 1970, 1971 and 1972, just in that 3-year period, 111 multinationals created—as they always use the argument about creating jobs—they created 90,000 jobs in America. But during that 30-year period with these tax deferrals for the foreign subsidaries they created 360,000 jobs overseas.

I saw it in my own home State as Governor. We had an industrial development program. We brought from Elgin, Ill., a little watchmaking plant, down to Blaney, S.C. We were worried about the acumen and the technical skills that they would have to have to make watches in South Carolina with these rural farm workers.

They told us at the time that they trained well, their productivity even exceeded the Elgin plant—incidentally, we changed the name of the town from Blaney to Elgin, S.C. But, may I say to the Senator from Oregon, we do not make watches at Elgin, S.C. In fact, we do not make Elgin watches in America on account of the Senator's tax deferral. They are all over in the low-tax area of Switzerland.

So that has been the story going on down the list.

They had, for example, in Philadelphia, Ford was going to build a Philco car radio plant there. We lost 1,600 jobs in Philadelphia when instead they pulled that plant and went to Taiwan.

You can go to RCA with their particular plant in Memphis, Tennessee, a 3-

year tax holiday for them in Korea, a color TV plant. RCA abandoned that 2-year-old plant in Memphis, Tenn., and moved it to Taiwan.

Simply put, the $160 billion foreign subsidiaries of multinationals in America, making $24.4 billion in 1974, paid $1.2 billion on their taxes for a rate of 5 percent.

Now, there it is. Are we going to continue to say as U.S. Senators under the aegis of what they are calling tax reform that here we want to export our jobs, export our capital and have a loss of tax revenue? I do not see how in conscience we cannot have just one more vote on this fundamental issue, giving industry plenty of time to plan ahead, a 5-year period. Instead of the original $365 million amount it will only bring in $120 million in 1982.

Mr. President, I reserve the remainder of my time.

Mr. PACKWOOD. Mr. President, would the Senator from South Carolina want my time to respond to a question?

Mr. HOLLINGS. Yes.

Mr. PACKWOOD. The Senator's question has been answered all day long by many of those opposed to the committee amendments.

Has the Senator asked the Treasury Department for an opinion on his amendment?

Mr. HOLLINGS. I will tell the Senator I do not want to be rude, but the heck with the Treasury Department. I know they have got their favorite economists. I know Paul Samuelson and all the expert economists who have ever come up and testified in our Budget Committee about the shortage of capital and everything else have recommended the repeal of this particular provision for tax deferral.

Mr. PACKWOOD. I asked a question. I am intrigued that you stole this plant from Elgin, Ill., and moved it down to South Carolina. Now you are mad because somebody else may have stolen it from South Carolina.

Mr. HOLLINGS. That is right. I want it in the United States.

Mr. PACKWOOD. Normally when you come into equity you come in with clean hands. If you want equity you give them them some kind of a tax break. You are mad that somebody else stole your plant.

Mr. HOLLINGS. Will the Senator yield, Mr. President? Does the Senator think it is dirty hands to maintain American industry? Is that the Senator's position?

Mr. PACKWOOD. I think it is dirty hands to steal it from Illinois and put it down in South Carolina.

Mr. HOLLINGS. We did not steal it at all.

Mr. PACKWOOD. I am not going to argue about that. Let us take some of the points the Senator voiced. We are talking about jobs and capital in this country. Let us take them point by point and let us ask why it is that American industry is overseas, to begin with. They are not overseas to escape the wage rates in this country. Five out of the principal industrialized countries in the world have higher rates than we do.

They are not overseas for some kind of tax dodge. They are overseas to serve overseas markets that they cannot serve in this country.

The testimony we had in the Finance Committee was that at best if we were to put up tariff barriers, bring the businesses back home, we could serve 10 to 15 percent of the markets overseas by exports, and the rest would be closed off to us.

To go on: The Japanese will beat us in Brazil and the Brazilians will beat us in Denmark, and the Danes will beat us in Australia, and we will be sitting here sucking our protected thumbs, thinking we are some kind of isolated bastion that can export everything from this country. We cannot.

We are going to lose all of the markets we have overseas. We cannot get into the Common Market, we cannot get into Japan unless we manufacture inside. So let us get rid of this idea that we are going overseas to send goods back to this country. Of all the goods we manufacture by American subsidiaries, 6.5 percent comes back to this country. Half of those come from Canada under the Canadian Auto Pact, and I have serious questions about whether we ever got the quid pro quo out of that deal.

But absent that 3½ percent from Canada, 3 percent of everything we manufacture overseas comes back here. It stays overseas, and we are not going to get that market for manufacture from this country.

Let us talk about taxes because let us face up to what Senator HOLLINGS is talking about. This is in 5 years a total phaseout of deferral. This is not a 50 percent 5 years from now. It is a 5-year putoff until 1981 when we will have a total elimination of the privilege of deferral. What that means is that if a company overseas makes money, an American subsidiary, they are going to be taxed the total corporate rate whether they bring the money back to this country or not. That is not going to produce an increase in revenues in this country. It is going to produce a loss.

I will quote from the Treasury Department's letter of June 14, although this was premised on the initial Hartke bill which eliminated the deferral privilege for all countries. The present Hollings amendment eliminates it for the major industrialized countries, and that is where two-thirds of our investment is. So it will reduce the loss by one-third because they are going to allow the deferral privilege for the less developed countries.

I am quoting:

> However, if in response to the termination of deferral, all profits of foreign subsidiaries were distributed to the U.S. parent firms—

and they might as well be, they are going to be taxed—

> or if foreign governments chose to impose their existing withholding taxes on constructive distributions to the U.S. parent firms—

which they will—

> then the revenue loss will be approximately $375 million.

We are not going to gain any money; we are going to lose jobs; we are going to put American business at a competitive disadvantage with every other business overseas because no other single country in the world, not one in this world, taxes the deferred income of its overseas subsidiaries; two, France and Holland do not even tax it when you bring it home.

The example I used when we argued this issue before was North American Philips, principally a Dutch company, two-thirds owned by Dutch citizens operating in this country.

I called their general manager in this country to get some background on why did they come to this country. It is a well-known company. They invented the tape cassette.

The PRESIDING OFFICER. If the Senator will suspend, who has yielded time for the Senator from Oregon?

Mr. LONG. I yield the Senator 5 minutes.

Mr. PACKWOOD. Five minutes.

I asked why they came to this country. Why not to Indonesia where they used to have a colonial empire? Why not the Philippines and export into the United States?

They said they wanted to be in this market. 31,000 people that come in this country. One of the best known products that they make is the Norelco razor. What is going to happen if that company and the Schick Co. decide they want to compete for business when the China market opens one day and off they go, North American Phillips, or their Dutch subsidiary operating in China, and they do not have to pay any taxes on deferred income.

But Schick will have to pay 100 percent total tax on its deferred profits, whether or not they think from a business judgment standpoint they would be better off to plow their profits back into that market.

They will be run out of the market.

Mr. CURTIS. Will the Senator yield for a question?

Mr. PACKWOOD. Yes.

Mr. CURTIS. Is it not true that in many of the businesses established in foreign countries at the present time, the local country requires a participation, sometimes which exceeds 51 percent, and the Americans do not have control, or at least full control over the payment of dividends back to the country?

Mr. PACKWOOD. It is getting more and more that way.

Fewer and fewer countries are willing to accept a 100-percent-owned subsidiary. They want some piece of the action, and they will be very unhappy when we take profits made in their country and tell them they are not being left with it.

Mr. CURTIS. Is it not also true that if this amendment prevails, accountants are advising their clients this tax is due down the road 5 years, that they have to set it up in reserve right now.

So it is equivalent of a tax as far as that is concerned, and also an invitation for the foreigners to raise their tax?

Mr. PACKWOOD. It has to be set up and set aside in a reserve right now because it is a tax that will become due.

The Senator from South Carolina talked about the flight of capital from this country. Dollars and dollars out, year after year.

I will take 1971 on, but all the years before that, 1951 onward are identical.

The net income from U.S. investments abroad: 1971, $8.5 billion came back.

How much direct investment went out? A sum of $4.9 billion, for a net flow of investment capital into this country over and above everything that went out of this country that year of $6.3 billion; 1972, $9.3 billion, money back to this country; $3.6 billion out, for a net of $5.7 billion.

The net in 1973 was $8.3 billion. Net 1974, $13.2 billion; $13.2 billion dollars more that came into this country than went out because of the investments overseas.

Sure, we can put up barriers and eliminate this deferral. This is the start down the road to protectionism. We can bring the businesses back, cause the Treasury to lose revenue.

One-third of the products we exported, over $100 billion. One-third of those went to affiliates of American subsidiaries.

That is roughly 2 million jobs going out the window when this is gone.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PACKWOOD. One more minute.

What on Earth are we doing, and why?

We are going to cause the Treasury to lose money, a loss of jobs in this country, a loss of net inflow of capital?

For what? That we can go back to the Hawley-Smoot tariffs and the 1890 position of the National Association of Manufacturers and be a fortress America?

It will not work.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I discussed this matter with the distinguished Senator from Indiana, who is unable to be here this evening.

I had thought we might be able to agree upon this as a more or less compromise position between the proponents and the opponents on the deferral issue.

The kind of problems that have been stated by the Senator from Oregon did not readily surface at the time we were discussing this, but information about our suggestion leaked into the press and I must say an explosion occurred as far as the business community is concerned.

Here is what we have, Mr. President.

There are problems that do not meet the eye on this, such as the fact the companies would have to set up this reserve 5 years in the future, for taxes due 5 years later.

This amendment will not get the Treasury one nickel for the next 5 years. It says they would pay 5 years later on income they earn this year. So they would have the benefit of a 5-year deferral.

We would not get a nickel out of this amendment for the next 5 years, and we would create a lot of problems for Americans doing business overseas.

What will happen if we do pass the amendment, or even if we do not? Congress will be looking at this next year. Mr. Carter indicated that if he becomes President, this is an area where he expects to make recommendations.

I assume when he does that, if Congress sees fit to go along with him, we would have voted such a tax long before the 5-year period is out.

I have done it many times myself, but I ask, why do we have to do this flying in the dark?

Why not take enough time to see what we are doing and the probable impact? Why can we not hold adequate hearings on something like this and have an adequate study by the Treasury, and others, where the Treasury can say with confidence, "This is something we think we can do, we think it would be good for the country"?

I assume if Mr. Carter becomes President he would do what he advised the business people in New York he would expect to do; that is, study this thing, know what he is doing, and what is the impact, and know whether Mr. PACKWOOD is right about the matter or whether Mr. HOLLINGS is right.

It seems to me we would do harm. I did not think we would by voting this—when I talked to Mr. HARTKE about it—but I am convinced that without knowledge, we would do harm and impede their effort to go overseas.

Mr. TAFT. Will the Senator yield?

Mr. LONG. Yes.

Mr. TAFT. It is not just 5 years, I would like to point out. There is the trouble of unbundling today. We have companies operating under this system today. There is nothing to prevent them moving out tomorrow. There is the Sea Containers case in the Wall Street Journal which was reported where an American company is unbundled and moving abroad.

Companies in this country today are in this business, and there is nothing to prevent them. We are not going to take where they are chartered, or whatever, and importing back into the United States. But we will push them out of the United States.

Mr. President, a considerable effort is now being made to eliminate or restrict deferral of taxes on foreign source income of American corporations.

The theory behind this move is, apparently, that this will somehow increase revenues to the U.S. Treasury, and close some sort of loophole for the American corporations with foreign operations. This theory is absolutely cockeyed.

This "Revenue Raising Measure" will cost this country some hundreds of millions of dollars each year, and an untold number of jobs. It will not raise one red cent. On the contrary, as pointed out in the attached material, it could cost as much as $375 million. All a foreign subsidiary would have to do to avoid this tax is to increase its dividend distributions to insure early write-offs of the foreign tax credit for dividend withholding taxes. Even worse, this measure might simply be offset by taxes levied by foreign governments, which might as well capture the tax increase themselves. The higher foreign taxes would provide a tax credit to offset higher U.S. claims on the firm, and the United States would gain nothing.

Have we not learned anything from what has happened in New York City? One of the lessons to come out of that experience, it would seem to me, is that no government can place a greater burden on its citizens than occurs under neighboring governments, unless it puts barbed wire all around its borders to keep its people in. When New York City introduced an increase in the transfer tax on securities as a "revenue raising measure," the city's brokerage houses began laying plans to move to New Jersey. The tax was withdrawn, because the city fathers, even in New York, were smart enough to realize that this would have been a "revenue losing measure" of great effectiveness.

Exactly the same situation applies internationally. Other developed nations allow deferral. They do not tax earnings of foreign subsidiaries until they are repatriated. What is there to keep a U.S. firm from changing its corporate citizenship to take advantage of this situation?

If a German firm is granted a deferral by the German Government on income it earns in the United States, and if an American firm doing business in Germany must pay German and U.S. taxes on its German profits, an amazing migration will take place. Corporate headquarters will close all over the United States, and corporate headquarters will spring up all throughout Germany. Corporate citizenship is as easy to change as personal citizenship. In fact, it is a great deal easier. If we think New York City has problems now with corporate headquarters fleeing to Connecticut, New Jersey, and Texas, wait until they start fleeing to Zurich, Paris, and Frankfurt. And if London is too foggy, or Paris is too expensive, there are always Bermuda and the Bahamas. Even closer to home would be Montreal or Toronto. Many American companies have been operating in Canada for years. They would feel quite at home with their corporate headquarters there.

Everything we tax tends to shrink. In this case however the shrinkage would be to the vanishing point.

UNBUNDLING

I mentioned Bermuda a moment ago. I would like to read you a very short article from the Wall Street Journal of June 9. It is entitled, "A Small Multinational 'Unbundles' To Elude U.S. Taxes and Restrictions."

You might call the arrangement Siamese shares. Sea Containers, Inc., a U.S.-based lessor of modular cargo containers and other equipment, is spinning off its Bermuda subsidiary as a stock dividend. After June 18, Sea Containers shareholders also will hold one share of the newly independent Bermuda concern for each Sea Containers share. In an unusual ploy, Sea Containers changed its bylaws to stipulate that the two stocks trade only in tandem. On that basis, the newly independent Bermuda company is being listed on the New York Stock Exchange along with its former parent. The new company's shares will be printed on the back of Sea Container certificates.

'One reason is to avoid U.S. corporate taxes on the Bermuda subsidiary's modest earnings. Its dividends will be taxed directly to its shareholders. But the key reason, says Sea Containers' annual report, is to avoid U.S. restrictions on multinational concerns. James B. Sherwood, president, fears that with the turmoil over improper payments, Congress will saddle U.S.-based multinationals with burdensome restrictions.

"We are no match for Congress, no matter how wrong they may be," Sherwood says. "We feel the best defense is to segregate out a portion of our foreign activities."

"How are we gonna keep 'em down on the farm" if they are denounced, defamed, and double-taxed? Are we going to pass a law nationalizing any company which dares to move its corporate headquarters overseas? Are we going to deny passports to corporate presidents, vice presidents, and accountants? Will we have mug shots of our Nation's industrial leaders posted next to the metal screening devices at the country's international airports? Will we have a 10 most wanted industrialists list posted on every coast guard patrol boat?

This provision will cost the United States output, jobs, and tax revenues. It will force U.S. corporations with foreign operations to change their corporate citizenship, or to spin off their foreign operations. One company, a small one, has already done this. The exodus has begun. If mere talk in the Congress can push firms into this type of move, I hate to think what actual passage of a provision such as this would produce.

I ask that these Treasury figures on foreign taxes paid by American firms, and revenue estimates on deferral, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM "U.S. TAXATION OF THE UNDISTRIBUTED EARNINGS OF CONTROLLED FOREIGN CORPORATIONS" PREPARED BY THE OFFICE OF INTERNATIONAL TAX AFFAIRS OF THE U.S. TREASURY DEPARTMENT—April 12, 1976

Revenue Impact. In general, revenue estimates are made to indicate actual or potential U.S. tax collections resulting from the existing tax structure or a change in that structure. . . . (Page 57). The estimates of possible revenue gains from the further termination of deferral are influenced both by the policy option chosen and by possible behavioral changes. . . . (Page 59).

(b) Behavioral Change. Revenue estimates are usually based on a standard assumption of no behavioral change. The standard assumption is useful in two respects: first, it is helpful to know the initial impact of a tax measure before adjustment occurs; second, the nature, extent and speed of behavioral changes are not easily forecast. Yet behavioral changes usually accompany any important tax measure. In the international tax area, not only will multinational firms adjust their dividend distribution rates, investment decisions, and financing policies in response to U.S. tax legislation, but also foreign governments may modify their own tax rules.

(i) Foreign subsidiaries might increase their dividend distributions in order to ensure and accelerate recognition of the foreign tax credit for dividend withholding taxes.

(ii) The extent of investment in foreign subsidiaries might be curtailed. At the same time, U.S. parent firms might increase their investment in the United States. The financing of foreign subsidiaries might be modified to reduce reliance on intrafirm equity, and increase reliance on intrafirm debt, and more importantly, external debt.

(iii) U.S. parent firms might place greater stress on minority participation in new ventures and they might attempt to "decontrol" some existing CFCs.

(iv) Foreign governments might selectively increase their own taxation of U.S. controlled foreign corporations.

Each of these reactions would affect the revenue implications of terminating deferral. Some would increase U.S. revenue; others would decrease U.S. revenue. The following paragraphs summarize the possible revenue consequences of these behavioral changes.

(1) Change in Distribution Rates. U.S. foreign subsidiaries typically distribute approximately 45 percent of their after-foreign-tax earnings. The revenue estimates in Table 7, 8 and 9 are based on this distribution rate. By contrast, Table 10 shows the revenue effect of increasing the distribution rate to 100 percent of foreign after-tax earnings. U.S. revenue gains would be substantially or completely eroded because foreign withholding taxes creditable under section 901 would be larger.[1] In fact, if the termination of deferral induced a 100 percent distribution rate, with an overall limitation on the foreign tax credit and worldwide consolidation of foreign subsidiary income, the U.S. revenue loss would be $375 million. Under a per-country limitation, the revenue loss would be $105 million. The revenue losses are calculated by reference to tax otherwise collected under subpart F, as expanded by the Tax Reduction Act of 1975. The reason for these revenue losses is that additional foreign withholding taxes would be credited against existing U.S. taxes collected both on subpart F income and on foreign source interest, rents, royalties, fees, and branch income.

The revenue losses would be more than proportional to any increase in dividend distributions from the current rate of about 45 percent to the hypothetical rate of 100 percent. Most of the loss would occur with the first increments in the overall dividend distribution rate, since additional dividends would presumably be distributed first from CFCs paying the highest foreign taxes. . . . (Pages 62–66).

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[1] The same revenue effects would result if foreign governments imposed withholding taxes on deemed distributions of foreign affiliates.

TABLE 7.—ACTUAL REVENUE FROM SUBPART F AND POTENTIAL REVENUE FROM TERMINATION OF DEFERRAL, WITH OVERALL LIMITATION ON FOREIGN TAX CREDIT IN MILLIONS OF DOLLARS

	1974 calendar year tax liabilities	Changes resulting from the Tax Reduction Act of 1975	1976 calendar year tax liabilities [1]
Total actual and potential revenue from current taxation of CFC retained earnings	615	(2)	615
Potential revenue from the termination of deferral, total [3]	590	−225	365
Mining	0	0	0
Petroleum and refining	0	0	0
Manufacturing	577	−215	362
Other	13	−10	3
Actual revenue from subpart F, total	25	225	250
Pre-1975 revenue	25	(2)	25
Tax Reduction Act changes [4]		225	225

[1] It is assumed that there was no change between 1974 and 1976 in corporate foreign source income affected by deferral.

[2] Not applicable.

[3] These estimates assume: (i) dividends from less developed country corporations are "grossed up" for purposes of calculating the tentative U.S. tax and the foreign tax credit; (ii) foreign subsidiary losses are fully offset against foreign subsidiary profits; (iii) all firms use the overall limitaton in calculating the foreign tax credit; (iv) no behavioral change.

[4] The Tax Reduction Act changes were: (i) eliminate minimum distribution ($100,000,000) (ii) eliminate the less developed country corporation xception ($15,000,000); (iii) change the 30–70 rule to a 10–70 rule ($75,000,000); (iv) repeal the shipping exclusion ($35,000,000).

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

SCHEDULE OF FOREIGN TAX RATES

[In percent]

	Corporate income tax rate	Dividend withholding tax rate	Treaty withholding tax rate	Combined effective rate to U.S. parent
Developed countries:				
Canada	49.0	15.0	15	56.6
United Kingdom	52.0	0	0	52.0
Belgium	48.0	20.0	15	55.8
France	50.0	25.0	5	52.5
Germany	[1] 36.0, 58.0	25.0	15	49.0
Netherlands	48.0	25.0	5	50.6
Switzerland	37.0	30.0	5	41.2
Japan	[1] 43.0, 56.0	20.0	10	49.0
Australia	45.0	30.0	15	53.3
Italy	47.0	30.0	5	49.7
South Africa	41.0	15.0	15	49.9
Less developed countries:				
Argentina	26.4	35.4	(2)	52.5
Brazil [3]	30.0	Graduated	(2)	70.0
Colombia	40.0	20.0	(2)	52.0
Mexico	42.0	20.0	(2)	53.6
Venezuela	30.0	15.0	(2)	40.5
India	70.0	25.0	(2)	77.5
Pakistan	60.0	22.0	22	68.8

[1] Rate varies according to amount of earnings distributed; lower rate applies if total earnings are distributed. Higher rate if there is no distribution.

[2] No treaty in effect.

[3] Certain rates are approximate to take into account graduated rates or other variables.

Mr. LONG. The point is that we Democrats have tendered for President a man who is very well ahead right now according to the polls. We would like the help of the next President of the United States. This is an area he expects to study and make recommendations. Why fly in the dark? Why not take long enough to look, especially at something where it would be 5 years before we would collect the first dollar of revenue?

Why prejudice and impede the efforts of Americans to make a legitimate profit doing business overseas with something that gives them all kinds of problems with bookkeeping, which I did not anticipate at the time I suggested we ought to consider a 5-year deferral?

Seeing the problems it would create, why do that, when it would not collect a nickel?

Why not wait until the next President and let him make recommendations in the area?

Several Senators. Vote! Vote!

The PRESIDING OFFICER. All time of the opponents has expired.

The Senator from South Carolina.

Mr. HOLLINGS. I am about to yield back most of my time, except for one second.

Mr. President, obviously, we hit a nerve when the distinguished chairman used the argument that we will have a Democratic President come in next year and, "Let's wait on him."

That is a pretty weak argument when the Senate spoke last year overwhelmingly about a split vote on these particular arguments we now remove.

Then when we remove their argument, it becomes doubts. We do not know what we are going to do, or what areas.

We all know what is happening. We know we have been exporting these businesses. The exportation of jobs, tax revenues, and the capital of this country. It is wrong.

Let us vote.

I yield back the remainder of my time.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina (Mr. Hollings). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Indiana (Mr. Hartke), the Senator from Louisiana (Mr. Johnston), the Senator from South Dakota (Mr. McGovern), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from Mississippi (Mr. Stennis), the Senator from Georgia (Mr. Talmadge), the Senator from California (Mr. Tunney), the Senator from Missouri (Mr. Symington), and the Senator from Alaska (Mr. Gravel) are necessarily absent.

I further announce that the Senator from Delaware (Mr. Biden), and the Senator from Michigan (Mr. Philip A. Hart) are absent because of illness.

I also announce that the Senator from Missouri (Mr. Eagleton) is absent attending the funeral of Congressman Jerry Litton of Missouri.

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), the Senator from Nebraska (Mr. Hruska), the Senator from Kansas (Mr. Pearson), the Senator from Illinois (Mr. Percy), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Vermont (Mr. Stafford), the Senator from Alaska (Mr. Stevens), and the Senator from North Dakota (Mr. Young), are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Stevens) would vote "nay."

The result was announced—yeas 31, nays 43, as follows:

[Rollcall Vote No. 505 Leg.]

YEAS—31

Abourezk
Bayh
Burdick
Byrd, Robert C.
Chiles
Church
Clark
Cranston
Culver
Durkin
Hart, Gary
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Kennedy
Leahy
Magnuson
Mansfield
McIntyre
Metcalf
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Sparkman
Stevenson

NAYS—43

Allen
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd, Harry F., Jr.
Case
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Glenn
Hansen
Hatfield
Helms
Inouye
Javits
Laxalt
Long
Mathias
McClellan
McClure
McGee
Morgan
Packwood
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Stone
Taft
Thurmond
Tower
Weicker
Williams

NOT VOTING—26

Baker
Biden
Cannon
Eagleton
Fong
Goldwater
Gravel
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Mondale
Montoya
Moss
Pearson
Percy
Schweiker
Stafford
Stennis
Stevens
Symington
Talmadge
Tunney
Young

So Mr. Hollings' amendment was rejected.

UP AMENDMENT NO. 341

Mr. LONG. Mr. President, I want to read this amendment, which I am sending to the desk, and I hope it will please Senators. I believe it will.

> It is the sense of the Senate that the conferees on the part of the Senate shall, to the extent practicable, reduce the revenue loss from the Act for the fiscal year 1977 to $15.3 billion.

In other words, Mr. President, it would be my purpose that we should seek in conference with the House to look at the pluses in the House bill, the pluses in the Senate bill, the minuses in the House bill, the minuses in the Senate bill, and seek to come back with a conference report that meets the budget target that was set by the Senate and by the House in the budget resolution.

We have not been able to have the kind of harmony and cooperation I would like between the Budget Committee and the Finance Committee on this bill. That sometimes will happen, I suppose, when there is a difference of philosophy about what the contents of the bill should be. It is much easier to get together on matters of that sort when we can agree philosophically on what we are trying to do than we can when we have a philosophical difference. I send this amendment to the desk——

The PRESIDING OFFICER. The Senate will be in order. The Senate is not yet in order.

The amendment will be stated.

Mr. MUSKIE. Mr. President, I want to say this is the briefiest possible way. I would do nothing more than what I am about to do with respect to the resolution which the Senator has described. The language the Senator has described, if accepted by the Senate and implemented by the conference committee, will not necessarily result in conformity with the budget resolution, in this Senator's point of view. What the Senator again is focusing on is simply the revenue totals and not the tax expenditure question.

It is not particularly material to me because I am going to vote against the bill on final passage in any case for reasons that will be included in my statement, which I assure my colleagues I will file. I know many Members are under a problem with their transportation schedules.

If the language the Senator has described is adopted it will not satisfy this Senator—I realize that is immaterial to anybody except this Senator—unless the result not only meets the $15.3 billion but also the $2 billion of tax expenditures, or at least closer to it than this bill does.

This bill is now $300 million below zero. We have lost the $2 billion; we have lost $300 million more. The losses escalate until 1981, when we will lose, under the provisions of this bill, $3 billion on an annual basis from the revenues we would otherwise realize in 1981.

It is principally for those reasons that I will vote against the bill on final passage. I have no objection to the consideration of this amendment, but I want the Senate to understand its shortcomings from my point of view.

Mr. LONG. I just want the Senate to understand two things: One, I am sure if we can do what we are speaking of doing here at least the Senator will be less unhappy with the bill than he is at the moment.

Mr. MUSKIE. It will not take much to make me less unhappy. [Laughter.]

Mr. LONG. That is point No. 1.

No. 2, the Senator from Louisiana feels, and I believe the majority of us in the Senate who have voted this way consistently, feel, when the budget resolution says $15.3 billion, or sticks to a specific figure, whatever it is, for revenue we estimate to take in, that is the figure by which we bind ourselves, and not by some language in the committee report that says $15.3 means $17.3 up and $2 down. It means what the budget resolution said, not what the fine print inside the Budget Committee report said. But that is something we have debated long enough. Everybody knows everybody's views. I thought the Senate would like to know that we have tried to balance this bill, and we will try.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. Long) proposes an unprinted amendment No. 341.

The amendment is as follows:

At the end of the bill add the following new section:

"Sec. . It is the sense of the Senate that the conferees on the part of the Senate shall, to the extent practicable, reduce the revenue loss from the Act for the fiscal year 1977 to $15.3 billion."

Mr. WEICKER. Mr. President, I rise in opposition. It was entirely consistent with what was said last night. The argument was, "Don't worry. You fellows do everything you want to outright. We will take it to conference and it will come out all right."

That may have been the old way of doing things but it is not the new way of doing things.

This will not salve my conscience and I do not think it will salve the conscience of anybody in the Chamber. The fact that it is going to conference with a resolution that makes it look all right is not all right with this Senator.

We formed a Budget Committee and we have the responsibility to go ahead and produce a fiscally sound bill. We have done neither.

After the disgraceful exhibition of some 100 amendments, or whatever it is, this sense of the Senate resolution does not make things all right. We have blasted our budget concept. We have absolutely destroyed the fiscal integrity of this country, and our political credibility is down the hole. No resolution is going to fix it.

I have said it all. As far as I am concerned I am against the resolution and I will certainly vote against the bill.

Mr. LONG. I hope the Senator will cease to blame me for what the Senate did. I voted for a lot more taxes than we have in this bill. I voted to keep a lot of tax increases in here which the committee recommended. I tried to do the best I could to make Senators happy, but I know how difficult it is.

Several Senators. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Several Senators. Third reading!

The PRESIDING OFFICER. If there are no further amendments——

Mr. HUMPHREY. Mr. President, I have an amendment I have discussed with the chairman. I send it to the desk in behalf of Senator McGovern and myself. The Senator from South Dakota is not here.

UP AMENDMENT NO. 342

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. Humphrey) for himself and Mr. McGovern proposes unprinted amendment No. 342.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following new section:

"Sec. . Livestock sold on account of drought.

(a) In General.—Section 451 (relating to general rules for taxable year of inclusion) is amended by adding at the end thereof the following new subsection:

"(e) Special Rule for Proceeds From Livestock Sold on Account of Drought.—In the case of income derived from the sale or exchange of livestock (other than livestock described in section 1231(a)(3)) in excess of the number the taxpayer would sell if he followed his usual business practices, a taxpayer reporting on the cash receipts and disbursements methods of accounting may elect to include such income for the taxable year following the taxable year in which such sale or exchange occurs if he establishes that, under his usual business practices, the sale or exchange would not have occurred in the taxable year in which it occurred if it were not for drought conditions, and that these drought conditions had resulted in the area being designated as eligible for assistance by the Federal Government.".

(b) Effective Date.—The amendment made by this section applies to taxable years beginning after December 31, 1975.

Mr. HUMPHREY. Mr. President, the amendment deals with the tax treatment of income from forced sales of livestock resulting from designated drought conditions.

As my colleagues know, drought conditions in the upper Midwest are the most severe in 40 years. Virtually every county in South Dakota, most in Minnesota, and many in Wisconsin, 134 in the three States, carry the Federal drought disaster designation. As a result of those drought conditions, many livestock producers have been forced to speed up the sale of their stock—often at sacrifice prices. In a great many instances, they are even selling their foundation herds.

The sale of foundation herds which can subsequently be replaced poses no particular tax problem. Already existing law gives those dairymen and beef producers a 2-year period in which to carry out the replacement. However, for the sale of cattle which are not to be replaced as part of the foundation herd, the forced sale aspect does pose a serious problem. In effect, the rancher is being forced to sell not only this year's cattle but next year's as well. Consider, for example, the situation of a livestock producer who might normally sell 400 to 500 yearling cattle in a marketing year. This same farmer from his foundation herds produces a number of young calves who normally would be pastured all during the current tax year and sold in the coming tax year. Due to a lack of feed he is forced to make an involuntary conversion this year of the young calves now selling for about $100 a piece. A typical example is a farmer making his normal sales of 400 to 500 yearlings and another 200 small calves giving him additional $20,000 of income in the current year which would normally be deferred until next year.

Similar problems arise with farmers who keep calves over as yearlings and then feed them out as fat cattle and sell them in the third year. This year they were forced to sell the fat cattle, the yearlings, and also the calves giving them effectively 3 years of income in the tax year.

This amendment would allow these involuntary conversions to be taxed in the year in which they would normally be sold. I would stress that it is carefully limited to droughts which are severe enough to warrant Federal designation and eligibility for assistance.

Mr. President, I would cite as a precedent for this sort of treatment the regulations on Federal crop insurance payments which allow the option of reporting insurance payments in the year in which the payment was received or the year in which the insured crop would normally be sold. It seems to me that our amendment amounts to providing the same sort of treatment to livestock producers. I hope that the Senate will agree and adopt this amendment.

Mr. President, this amendment simply says that in those areas that have been designated as drought emergency areas where farmers have been forced to sell their cattle because of no forage and no seed they will have an opportunity for 2 tax years in which to claim or declare their taxes. They have been under forced conversion, forced selling, and it is wrong to compel someone after they have been forced to sell due to an emergency.

Mr. LONG. Mr. President, I am happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

TECHNICAL AMENDMENTS

Mr. LONG. Mr. President, I ask unanimous consent that I might submit technical amendments required by the action of the Senate and ask that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. Long) proposes technical amendments.

The amendments are as follows:

On page 60, line 20, strike out "December 31, 1976," and insert in lieu thereof "December 31, 1975,"

On page 67, line 3, strike out "(b).".

On page 67, lines 4 and 5, strike out "paragraph (2)" and insert in lieu thereof "any other provision of this section".

On page 67, line 21, after "464(e)" insert a closing parenthesis and a comma.

On page 67, strike line 22.

On page 68, line 9, strike out "leased property" and insert in lieu thereof "property which is leased or held for leasing".

On page 69, line 5, after "apply" insert the following: "with respect to a production loan".

On page 69, line 5, after "elects" insert "(at such time and in such manner as the Secretary may prescribe)".

On page 70, line 5, strike out "paragraph" and insert in lieu thereof "subsection".

On page 76, line 24, before "as" insert an opening parenthesis.

On page 77, line 10, strike out "of" the second time it appears and insert in lieu thereof "or".

On page 78, line 17, strike out "of" the first time it appears and insert in lieu thereof "or".

On page 79, line 8, strike out "trees only" and insert in lieu thereof "only trees".

On page 80, line 25, strike out "(a)" and insert in lieu thereof "(c)".

On page 131, line 10, strike out "and 408 (f)" and insert in lieu thereof "408(f), and 501".

On page 137, line 2, strike out "section 641 (d), 641(e), 641(f)," and insert in lieu thereof "section 642(d), 642(e), 642(f)".

On page 138, line 10, before "partner" insert "limited".

On page 138, line 17, strike out "investment".

On page 138, line 24, strike out "The preceding sentence" and insert in lieu thereof the following: "Subparagraph (A)".

On page 142, line 17, strike out "58(b)" and insert in lieu thereof "57(e)".

On page 142, line 17, insert immediately after "years" the following: "beginning".

On page 143, line 17, strike out "1977" and insert in lieu thereof "1976".

On page 145, line 4, strike out "less" and insert in lieu thereof "lesser".

On page 145, line 12, before "for" insert "(under section 57)".

On page 145, line 19, strike out "402(c)" and insert in lieu thereof "402(e)".

On page 146, strike out lines 3 through 11, and insert in lieu thereof the following:

"(C) Married individuals.—This section shall apply to a married individual only if such individual and his spouse make a single return jointly for the taxable year.".

On page 154, line 23, strike out "by section 401(b) of" and insert in lieu thereof "to subsection (b) and (c) of section 141 by".

On page 158, lines 9 and 10, strike out "December 1" and insert in lieu thereof "December 31".

On page 192, line 1, before "ELDERLY" insert "THE".

On page 195, line 7, strike out "for purposes of" and insert in lieu thereof "under".

On page 195, line 15, before "allowed" insert "is".

On page 195, line 18, strike out "901(8) (A)" and insert in lieu thereof "901(a)".

On page 196, line 20, strike out "44A" and insert in lieu thereof "44C".

On page 211, line 21, strike out "limitation" and insert in lieu thereof "limitations".

On page 212, line 13, strike out "other" and insert in lieu thereof "(other".

On page 212, line 14, strike out "Alaska," and insert in lieu thereof "Alaska)".

On page 213, line 5, strike out "armed forces" and insert in lieu thereof "Armed Forces of the United States".

On page 214, line 15, strike out "511" and insert in lieu thereof "510".

On page 235, line 20, strike out "deduction" and insert in lieu thereof "deductions".

On page 239, line 13, insert immediately after "section" the following: "or section 183".

On page 245, line 23, strike out "(2)" and insert in lieu thereof "(2))".

On page 246, line 5, after "thereof" insert "shall be considered a legislative day".

On page 259, line 22, after "determined" insert "only".

On page 264, line 11, after "amounts" insert "properly".

On page 264, line 21 strike out "distributed" the first time it appears therein and insert in lieu thereof "properly paid, credited,".

On page 266, line 15, strike out "relating" and insert in lieu thereof "relating".

On page 287, line 20, strike out "Return" and insert in lieu thereof "Reform".

On page 291, line 15, strike out "306" and insert in lieu thereof "301".

On page 292, strike out lines 4 and 5, and insert in lieu thereof the following:

(b) Special Rules.—Paragraph (4) of section 46(f) is amended—".

On page 292, beginning with line 17, strike out all through page 293, line 13.

On page 293, line 14, strike out "Section" and insert in lieu thereof "(2) Section".

On page 293, strike out lines 20 and 21, and insert in lieu thereof "to be considered a permanent program merely because employer contributions under the plan are determined solely by reference to the amount of credit which would be allowable under section 46(a) if the employer made the transfer described in section 301(d)(6) of the Tax Reduction Act of 1975.".

On page 295, line 1, strike out "(b)" and insert in lieu thereof "(c)".

On page 296, line 5, strike out "taxpayer" and insert in lieu thereof "employer".

On page 296, line 14, strike out "1975" and insert in lieu thereof "1976".

On page 296, line 22, strike out "any" and insert in lieu thereof "that".

On page 297, line 10, strike out "subparagraph" and insert in lieu thereof "subparagraphs".

On page 297, insert between lines 10 and 11, the following:

"(B) If the amount of the credit determined under section 46(a)(1)(B) of the Internal Revenue Code of 1954 is recaptured in accordance with the provisions of such Code, the employer may reduce the amount he is required to transfer to the plan under paragraph (6) for the current taxable year or any succeeding taxable years by the portion of the amount so recaptured or the increase in tax which is attributable to the contribution to such plan.".

On page 297, line 11, strike out "(B)" and insert in lieu thereof "(C)".

On page 298, line 6, insert after the comma at the end thereof the word "and".

On page 299, lines 24 and 25, strike out "percent".

On page 300, line 4, strike out "percent".

On page 300, line 5, strike out "Technical Amendments" and insert in lieu thereof "Limitations on Contributions".

On page 300, line 6, strike out "employer" and insert in lieu thereof "employee".

On page 300, line 13, strike out "or plans".

On page 300, line 15, strike out "and forfeitures".

On page 300, strike out line 16, and insert in lieu thereof "allocated to the group of employees consisting of officers,".

On page 300, line 19, strike out "(iii)".

On page 301, line 11, strike out "described in" and insert in lieu thereof "within the meaning of".

On page 302, strike out lines 3 through 10, and insert in lieu thereof the following:

"(iv) an individual shall be considered to own more than 10 percent of the employer's stock if, without regard to stock held under the employee stock ownership plan, he owns (after application of section 1563(e)) more than 10 percent of the total combined voting power of all classes of stock entitled to vote or more than 10 percent of the total value of shares of all classes of stock.".

On page 302, line 11, after "(3)" insert "(B)".

On page 302, strike out lines 13 through 15, and insert in lieu thereof the following: "fraction) is amended by inserting '(determined without regard to paragraph (6) of such subsection)' after 'employer'.".

On page 308, lines 6 and 7, strike out "and the amendments made by subsection (d) (5)".

On page 308, line 9, strike out "b5" and insert in lieu thereof "(b)(6) and".

On page 308, line 13, strike out ", (3),".

On page 308, line 16, strike out "(13" and insert in lieu thereof "(13)".

On page 309, between lines 5 and 6, insert the following:

(7) The amendment made by subsection (b)(5) shall apply on and after March 29, 1975.".

On page 314, line 2, after "directors" insert a comma.

On page 314, line 4, strike out "Participation" and insert in lieu thereof "Participations".

On page 314, line 7, before "such" insert "each".

On page 314, line 13, strike out "participation" and insert in lieu thereof "participations".

On page 318, line 8, strike out "participation distribution" and insert in lieu thereof "partial dispositions".

On page 320, line 23, after "1975" insert the following: ", and with respect to which an election under subsection (e) (2) is not made".

On page 321, line 10, strike out ", subsection (d), and subsection (e) (2)" and insert in lieu thereof "and subsection (d)".

On page 321, line 16, after "1975," insert "and with respect to which an election under subsection (e) (2) is not made,".

On page 321, line 20, after "1975," insert "and as to which an election under subsection (e) (2) is not made,".

On page 323, line 22, strike out "applies" and insert in lieu thereof "shall apply".

On page 336, line 19, strike out " '(2)" and insert in lieu thereof "(2)".

On page 337, line 18, strike out "(b)" and insert in lieu thereof "(c)".

On page 337, line 20, strike out "(c)" and insert in lieu thereof "(b)".

On page 453, line 6, strike out "trust other than a trust (described" and insert in lieu thereof "trust (other than a trust described".

On page 462, strike out line 9, and insert in lieu thereof "(d) applies' and inserting in lieu thereof 'section 367 applies; or', and".

On page 462, lines 16 and 17, strike out "amount of and recognition of gain or loss)" and insert in lieu thereof "gain or loss on disposition of property)".

On page 463, line 3, strike out "amount of".

On page 464, line 6, strike out "Controlled" and insert in lieu thereof "controlled".

On page 464, line 11, before "considered" insert "is".

On page 473, strike out line 9, and insert in lieu thereof "amount deemed paid or accrued in any year may be availed".

On page 478, strike out line 22, and insert in lieu thereof the following:

"(C) derived 80 percent of its gross receipts from".

On page 478, beginning with line 24, strike out all through page 479, line 7, and insert in lieu thereof the following:

(D) made commitments for substantial expansion of such mineral extraction activities, The amendments made by this section apply to taxable years beginning after December 31, 1978. In the case of losses sustained in taxable years beginning before January 1, 1979, the provisions of section 904(f) of such Code shall be applied to any corporation to which this paragraph applies under the principles of section 904(a) (1) of such Code as in effect prior to the Tax Reform Act of 1976.

On page 480, line 7, strike out "831" and insert in lieu thereof "1031".

On page 480, line 13, insert a comma immediately after "year".

On page 486, line 3, strike out "and which" and insert in lieu thereof "and with respect to which the taxpayer".

On page 492, line 10, strike out "831" and insert in lieu thereof "1031".

On page 497, line 9, strike out "(g)" and insert in lieu thereof "(f)".

On page 497, line 10, strike out "(g)" and insert in lieu thereof "(f)".

On page 505, line 5, strike out "833" and insert in lieu thereof "1033".

On page 506, line 18, before "and" insert a comma.

On page 514, line 13, strike out "payments,".

On page 514, line 13, insert a comma immediately after "of".

On page 515, line 9, strike out "any," and insert "any".

On page 524, line 25, strike out "an action" and insert in lieu thereof "actual".

On page 526, line 3, insert before the comma the following: "of paragraph (1)".

On page 581, line 1, strike out "refund and insert in lieu thereof "refund".

On page 567, line 4, strike out "relating" and insert in lieu thereof "relating".

On page 558, line 10, insert a comma immediately after the word "company".

On page 558, line 14, strike out "section and insert in lieu thereof "section".

On page 558, lines 20 and 21, strike out "income taxes paid on".

On page 560, strike out line 4, and insert in lieu thereof the following: "poses of section 952(a) (3), the term 'international boycott' ".

On page 561, line 2, after "of" insert "the making of".

On page 561, line 9, strike out "Deductions" and insert in lieu thereof "Items".

On page 561, line 21, strike out "derived" and insert in lieu thereof "produced".

On page 562, line 4, strike out "derived" and insert in lieu thereof "produced".

On page 565, line 7, after "national" insert ", the".

On page 565, line 8, strike out the comma after "Secretary".

On page 565, strike out line 17, and insert in lieu thereof the following: "illegal bribe, kickback, or other payment (within the meaning of section 162(c)) either directly or indirectly to an official,".

On page 565, strike out lines 18 through 23, and insert in lieu thereof the following: "employee, or agent in fact of a foreign government, the".

On page 566, line 3, strike out "or such foreign corporation".

On page 566, line 4, after "taxpayer" insert "or such member".

On page 566, strike out line 5, and insert in lieu thereof "payment".

On page 567, line 16, before "to" insert "(or such member)".

On page 567. line 17, strike out "wtih" and insert in lieu thereof "with".

On page 568, line 5, after "imprisoned" insert "for".

On page 593, strike out lines 13 and 14, and insert in lieu thereof the following:

(1) for subsections (a), (b), (d) and (e).—The amendments made by subsections (a), (b), (d), and (e) shall".

On page 594, strike out lines 16 and 17, and insert in lieu thereof the following:

"(3) For subsections (c) and (f).—The amendments made by subsections (c) and (f) shall apply to taxable years".

On page 659, line 13, strike out "or" and insert in lieu thereof "and".

On page 659, line 18, strike out "defined".

On page 660, strike out lines 1 through 3.

On page 660, line 4, strike out "(3)" and insert in lieu thereof "(2)".

On page 660, line 13, strike out "(4)" and insert in lieu thereof "(3)".

On page 660, line 14, strike out "defined".

On page 661, strike out lines 4 and 5, and insert in lieu thereof "details of the person to whom the written determination".

On page 663, strike out lines 7 and 8, and insert in lieu thereof the following:

"(3) DISCLOSURE OF IDENTITY.—In the case of any written determination to which paragraph (1) applies, any person may file a petition in the United".

On page 663, line 16, after "exercised" insert "with respect to such written determination".

On page 663, line 18, strike out "the deletions required" and insert in lieu thereof "any other deletions made".

On page 663, line 23, strike out "subsection (d) (1) shall" and insert in lieu thereof "paragraph (1) shall be notified of the proceeding in accordance with subsection (f) (3) (B) and".

On page 664, line 5, strike out "letter".

On page 664, strike out lines 6 through 17, and insert in lieu thereof the following:

"(e) BACKGROUND FILE DOCUMENTS.—Whenever the Secretary makes a written determination open to public inspection under this section, he shall also make available to any person, but only upon the written request of that person, any background file document relating to that written determination.

On page 665, strike out lines 4 through 6, and insert in lieu thereof the following:

"(i) to whom a written determination pertains (or a successor in an interest,".

On page 665, line 8, strike out "recipient or".

On page 666, lines 5 and 6, strike out "subparagraph (A)" and insert in lieu thereof "clause (i)".

On page 666, lines 8 through 10, strike out "who receives any ruling or determination letter or to whom any technical advice memorandum pertains" and insert in lieu thereof "any person to whom a written determination pertains".

On page 666, lines 13 and 14, strike out "any person to whom the written determination pertains" and insert in lieu thereof "any such person".

On page 667, line 11, strike out "for" and insert in lieu thereof "to".

On page 669, line 1, strike out "3 years" and insert in lieu thereof "36 months".

On page 669, strike out lines 10 through 12, and insert in lieu thereof "possible.".

On page 670, line 12, before "determination" insert "written".

On page 670, line 22, after "by" insert "whom".

On page 670, line 23, after "the" insert "written".

On page 672, line 2, afer "706" insert a comma.

On page 673, line 8, after "file" insert "document".

On page 673, line 17, after "file" insert "document".

On page 673, line 22, after "or" insert "background file".

On page 673, line 24, after "recent" insert "written".

On page 674, line 20, strike out "ruling".

On page 674, strike out lines 21 and 22 and insert in lieu thereof "written determination may, within 75 days after".

On page 674, line 24, before "Tax" insert "United States".

On page 675, line 4, strike out "The" and insert in lieu thereof "If no petition is filed, the".

On page 675, line 25, strike out "to act".

On page 676, line 21, strike out "available for" and insert in lieu thereof "open to".

On page 677, line 6, strike out "any" and insert in lieu thereof "any general".

On page 677, line 12, after "any" insert "general".

On page 677, line 19, strike out "to" and insert in lieu thereof "than".

On page 678, line 11, strike out "rule" and insert in lieu thereof "file document".

On page 678, line 14, after "determination" insert "or background file document".

On page 679, line 12, insert after "to" the following: "any letter or other document issued with respect to".

On page 680, line 2, after "State" insert "or of any local welfare agency who has or had".

On page 680, strike out line 7 and insert in lieu thereof the following: "under subsection (e) (1) (D) (iii) or (n).".

On page 680, line 10, strike out "employer" and insert in lieu thereof "employee or otherwise".

On page 680, line 12, strike out "employer" each time it appears and insert in lieu thereof "employee".

On page 680, strike out line 15, and insert in lieu thereof "or information return, declaration of estimated tax, or claim for refund".

On page 680, strike out lines 17 and 18 and insert in lieu thereof "visions of this title which is filed with the Secretary by, on behalf of, or with respect to any person, and any amendment".

On page 681, line 12, before "existence" the first time it appears insert "the".

On page 681, strike out line 17, and insert in lieu thereof "any background file document relating to".

On page 682, line 16, after "means" insert "any of".

On page 682, line 19, before "and" insert "the Commonwealth of the Northern Mariana Islands,".

On page 683, line 13, strike out "or consent for or" and insert in lieu thereof "for or consent".

On page 683, line 18, strike out "that" and insert in lieu thereof "such".

On page 683, line 19, before "tax" insert "Federal".

On page 683, line 22, after "24," insert "44,".

On page 684, strike out line 14 and insert in lieu thereof "is not an employee or legal representative of such agency, body, or commission, or a person described in subsection (n).".

On page 684, lines 21 and 22, strike out "with respect to whom the return is filed".

On page 685, strike out lines 1 and 2, and insert in lieu thereof the following:

On page 685, strike out lines 1 and 2, and insert in lieu thereof the following:

"(A) in the case of the return of an individual—

"(i) that individual,

"(ii) if property transferred by that individual to a trust is sold or exchanged in a transaction described in section 644, the trustee or trustees, jointly or separately, of such trust to the extent necessary to ascertain any amount of tax imposed upon the trust by section 644, or

"(iii) the spouse of the individual if the individual and such spouse have signified their consent to consider a gift reported on such return as made one-half by him and one-half by the spouse pursuant to the provisions of section 2513;"

On page 687, line 10, after "shall" insert ", upon written request,".

On page 687, strike out lines 12 through 16, and insert in lieu thereof the following:

"(3) DECEASED INDIVIDUALS.—The return of a decedent shall, upon written request, be open to inspection by or disclosure to—"

On page 688, line 5, after "shall" insert ", upon written request,".

On page 688, line 11, after "shall" insert ", upon written request,".

On page 688, line 18, before "disclosed" insert "open to inspection by or".

On page 689, lines 8 and 9, strike out ", or duly authorized subcommittee thereof,".

On page 689, line 10, after "information" insert "specified in such request".

On page 689, line 13, strike out "or subcommittee".

On page 689, line 19, after "information" insert "specified in such request".

On page 689, lines 21 and 22, strike out "or subcommittee".

On page 690, lines 2 and 3, strike out "or subcommittee".

On page 690, line 17, before "any" insert "with".

On page 691, line 5, strike out "or subcommittee".

On page 691, line 8, strike out "right" and insert in lieu thereof the following: "authority".

On page 691, line 10, strike out "or subcommittee".

On page 691, line 14, strike out "relevant or useful" and insert in lieu thereof "return or return".

On page 691, line 15 strike out "or subcommittee".

On page 691, line 21, after "such" insert "return or return".

On page 691, lines 21 and 22, strike out "or subcommittee".

On page 692, line 1, strike out "or subcommittee".

On page 692, strike out line 12 and insert in lieu thereof the following: "as may be determined by such chairman and ranking minority member. Any return or return in-".

On page 692, line 18, before "sitting" insert "except that any return or return information which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer, may be furnished to the Senate or the House of Representatives, only when".

On page 693, lines 2 and 3, strike out "tax imposed by this title upon a".

On page 693, line 7, strike out the comma after "return" the first time it appears therein.

On page 693, line 8, strike out "are" and insert in lieu thereof "is".

On page 693, line 10, strike out ", returns".

On page 693, line 19, after "request" insert "from".

On page 695, line 8, strike out "requests" and insert in lieu thereof "any request".

On page 695, line 13, strike out "acting as such".

On page 695, line 17, after "years" insert "unless, within such period, the Joint Committee on Taxation determines that a disclosure to Congress is necessary".

On page 695, line 22, strike out "be open" and insert in lieu thereof a comma.

On page 695, line 23, after "request" insert ", be open".

On page 696, line 10, strike out "and" and insert in lieu thereof "or".

On page 697, line 7, strike out "and" and insert in lieu thereof "or".

On page 697, line 9, strike out "of" and insert in lieu thereof "from".

On page 697, line 24, strike out "or".

On page 698, line 15, strike out "to the extent that" and insert in lieu thereof "if".

On page 698, line 17, after "criminal" insert "tax".

On page 698, lines 20 and 21, strike out "a representative" and insert in lieu thereof "an attorney".

On page 699, lines 23 and 24, strike out "before any Federal grand jury or court".

On page 700, line 20, after "source" insert a comma.

On page 700, line 24, strike out "a" and insert in lieu thereof "the".

On page 701, line 1, strike out "The" and insert in lieu thereof "however, the".

On page 701, line 8, strike out "of" and insert in lieu thereof "from".

On page 702, line 13, after "to" insert "so".

On page 702, line 18, strike out "and" and insert in lieu thereof "or".

On page 704, line 7, after "subsection (f)(1)" insert "or the Chief of Staff of the Joint Committee on Taxation".

On page 705, strike out lines 10 through 19, and insert in lieu thereof the following:

"(B) such return information reflected on returns of corporations to officers or employees of the Bureau of Economic Analysis (or successor bureaus or establishments thereof) of the Department of Commerce,

as the Secretary may prescribe by regulation for the purpose of, but only to the extent necessary in, the structuring of synthesis in the national economic accounts, and related statistical activities to be conducted or prepared by such Bureau as authorized by law.

On page 706, lines 8 and 9, strike out "with respect to any tax imposed by this title upon a taxpayer shall, upon request," and insert in lieu thereof "shall".

On page 706, line 22, strike out "return" and insert in lieu thereof "a return".

On page 707, lines 15 and 16, strike out "is authorized to be disclosed as a matter of public record and".

On page 708, line 16, strike out "6694 or 6695", and insert in lieu thereof "6694, 6695, or 7216".

On page 708, lines 20 and 21, strike out "after a" and insert in lieu thereof "upon".

On page 708, line 22, before "officers" insert "be".

On page 708, line 24, before "under" insert "and used".

On page 708, line 24, strike out ", and may be".

On page 709, line 1, strike out "used only for,".

On page 709, line 9, strike out "may".

On page 709, line 16, after "as" insert "are".

On page 710, line 21, after "of" insert ", but only to the extent necessary in,".

On page 713, strike out line 8, and insert in lieu thereof "'(m) DISCLOSURE OF TAXPAYER IDENTITY INFORMATION.—".

On page 713, line 9, strike out ", upon written request,".

On page 713, strike out lines 14 and 15 and insert in lieu thereof the following:

"(n) CERTAIN OTHER PERSONS.—Pursuant to regulations prescribed by the Secretary, returns and return information may be disclosed to any".

On page 714, lines 2 and 3, strike out "a department, agency, or other executive establishment" and insert in lieu thereof "an agency (as defined in section 551(1) of title 5)".

On page 714, line 15, strike out "Request" and insert in lieu thereof "Requests".

On page 715, line 2, after "reproduction" insert "or certified reproduction".

On page 715, line 12, strike out "disclosing" and insert in lieu thereof "furnishing".

On page 716, line 5, strike out "reports" and insert in lieu thereof "requests".

On page 716, strike out lines 13 and 14, and insert in lieu thereof "of subsections (c), (e), (h)(1), (3)(A), or (4), (r)(4), (t)(1), (2), or (6), (l)(1), or (4)(B),".

On page 717, line 1, strike out "an annual" and insert in lieu thereof "a".

On page 717, line 2, strike out "annual".

On page 717, line 4, strike out "containing" and insert in lieu thereof "containing".

On page 717, line 9, strike out ", of" and insert in lieu thereof "of,".

On page 717, line 11, strike out "taxpayer" and insert in lieu thereof "individual".

On page 717, line 17, strike out "comimttee" and insert in lieu thereof "committee".

On page 717, line 18, before "The" insert "Public Report on Disclosures.—".

On page 717, strike out line 21, and insert in lieu thereof "a report with respect to, or sum-".

On page 718, line 3, strike out "State".

On page 718, line 3, after "commission" insert "described in subsection (d) or (l)(3) or (5)".

On page 718, strike out lines 5 through 9, and insert in lieu thereof the following:

"(I) requests for disclosures of returns and return information,"

On page 718, line 19, strike out ", or" and insert in lieu thereof "(1), (2) or (5),".

On page 718, line 20, before "the" insert "(l)(1), (2) or (5), or (o)(1) or (2),".

On page 718, line 21, strike out "(e)" and insert in lieu thereof "(l)".

On page 718, line 22, before "shall" insert "or (l)(5)".

On page 720, line 1, strike out "insuring" and insert in lieu thereof "ensuring".

On page 720, line 9, after "(d)" insert "or (l)(5)".

On page 720, strike out line 17, and insert in lieu thereof "subsections (h)(2), (i)(1), (2), or (5), (j)(1) or (2), (l)(1), (2), or (5), or (o)(1) or (2),".

On page 721, strike out lines 11 and 12, and insert in lieu thereof "the course of any judicial or administrative proceeding and made a part of the public record thereof. If the Sec-".

On page 721, line 17, strike out "(5)" and insert in lieu thereof "(6)".

On page 721, line 18, strike out "insure" and insert in lieu thereof "ensure".

On page 721, strike out lines 22 through 25, and insert in lieu thereof the following: been or will be met.

"(5) Report on Procedures and Safeguards.—Following the close of each calendar quarter, the Secretary shall furnish to each committee described in subsection (f)(1) a report which describes the procedures and safeguards established and utilized by such agencies,

On page 722, line 6, strike out "(5)" and insert in lieu thereof "(6)".

On page 722, line 12, strike out "(6)" and insert in lieu thereof "(7)".

On page 722, line 20, strike out "return or return information." and insert in lieu thereof "copy of the Federal return (or portion thereof) attached to, or the Federal return information reflected on, such State tax return.".

On page 723, beginning with line 17, strike out all through page 724, line 2, and insert in lieu thereof the following:

"(b) Special Statistical Studies.—The Secretary is authorized, upon written request by any party or parties, to make special statistical studies and compilations involving return information (as defined in section 6103 (b)(2)) and to furnish to such party or parties transcripts of any such special statistical study or compilation. A reasonable fee may be prescribed for the cost of the work or services performed for such party or parties.

On page 725, line 14, strike out "or make known in any manner".

On page 725, lines 17 and 18, strike out "and shall be".

On page 726, line 1, after "State" insert "AND OTHER".

On page 726, strike out line 4 and insert in lieu thereof "6103(b)(5)) or any local welfare agency to disclose".

On page 726, line 7, strike out "(1) and (2)".

On page 726, line 8, strike out "section 6103(b)" and insert in lieu thereof "section 6103(d) or (l)(5)".

On page 726, line 24, strike out "(1) and (2)".

On page 727, line 10, strike out "make known" and insert in lieu thereof "disclose".

On page 727, line 26, strike out "or makes known".

On page 728, line 1, strike out "in any manner whatever".

On page 728, line 2, strike out "(1) and (2)".

On page 728, line 3, before "such" insert a comma.

On page 729, strike out lines 12 and 13, and insert in lieu thereof "sections (d) (2), (3), and (4), and (g) of section 552a of title 5 shall not be applied, directly".

On page 729, line 16, before "fine" insert "interest,".

On page 730, line 8, strike out "prepares" and insert in lieu thereof "PREPARERS".

On page 733, line 22, strike out "the" the second time it appears therein and insert in lieu thereof "a".

On page 739, line 25, strike out "1976" each time it appears and insert in lieu thereof "1977".

On page 741, line 12, strike out "penality" and insert in lieu thereof "penalty".

On page 743, line 3, strike out each comma therein.

On page 745, line 21, strike out "under subsection (a)(1)" and insert in lieu thereof "under subsection (b)(1)(A)".

On page 747, line 8, strike out "1975" and insert in lieu thereof "1976".

On page 747, line 13, after "7429" insert ", as added by section 2107 of this Act,".

On page 759, line 1, strike out "of the Internal Revenue Code of 1954,".

On page 759, line 16, strike out "in" the second time it appears and insert in lieu thereof "of".

On page 763, line 21, before "action" insert "any".

On page 764, line 9, after "establishes" insert "that".

On page 764, line 17, strike out "that".

On page 764, line 18, strike out "examinor" and insert in lieu thereof "examination".

On page 764, line 18, strike out "or" and insert in lieu thereof "and".

On page 764, line 20, after "available" insert "from other sources".

On page 768, line 18, after "assessment." insert "Any reassessment of the tax with respect to which an abatement is made under this subparagraph shall be subject to the deficiency procedures prescribed by this subchapter.".

On page 770, line 10, strike out "(c)" and insert in lieu thereof "(3)".

On page 774, line 23, after "person" insert ", including the government of the United States, a State, or a political subdivision thereof, or any instrumentalities of the foregoing,".

On page 775, line 22, after "Lotteries" insert ", etc".

On page 776, line 20, before "Certain" insert "Federal Taxes on".

On page 778, line 14, before "by" insert a comma.

On page 779, line 1, strike out "recevies" and insert in lieu thereof "receives".

On page 779, line 19, strike out "part II" and insert in lieu thereof "part III".

On page 781, line 11, strike out "wagering transactions" and insert in lieu thereof "payments of winnings".

On page 781, strike out lines 14 through 23, and insert in lieu thereof the following:

(4) Subsection (f).—The amendments made by subsection (f) shall be effective with respect to services performed after December 31, 1971, and taxable years ending after such date.

On page 787, line 8, strike out "of" the first time it appears and insert in lieu thereof "or".

On page 788, line 7, strike out "(b)" and insert in lieu thereof "(c)".

On page 788, strike out lines 21 through 23, and insert in lieu thereof of the following:

(b) Effective Dates.—

(1) The amendments made by subsections (a) and (c) shall apply to reports submitted to the Joint Committee on Taxation after the date of enactment of this Act.

(2) The amendment made by subsection (b) shall take effect on January 1, 1977.

On page 809, line 23, strike out "subsections (a), (b), and (c)" and insert in lieu thereof "this section".

On page 824, line 10, after "required" insert "to report".

On page 829, line 20, after "receipts" insert "from the sale of such oil, natural gas, or any product derived therefrom,".

On page 830, line 11, strike out "in the case of".

On page 830, line 13, before "beneficiary" insert "vested".

On page 830, line 13, before "or" insert "of such trust".

On page 830, line 14, after "other" insert "vested".

On page 830, line 15, after "beneficiary" insert "of such trust".

On page 831, line 25, after "capital" insert "or income".

On page 833, strike out lines 10 through 17.

On page 833, line 18, strike out "(e)" and insert in lieu thereof "(d)".

On page 834, line 1, strike out "(f)" and insert in lieu thereof "(e)".

On page 842, line 6, before "or" insert a comma.

On page 855, line 20, strike out the period and insert in lieu thereof a comma.

On page 886, line 17, strike out "during the contribution period" and insert in lieu thereof "for a taxable year".

On page 891, strike out lines 5 through 9, and insert in lieu thereof the following:

"(4) Time when contributions deemed made.—For purposes of this section a taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than 45 days after the end of such taxable year.

On page 891, line 13, strike out "title 10" and insert in lieu thereof "title 10)".

On page 892, line 11, strike out "subsection (a)" and insert in lieu thereof "subsection (a))".

On page 892, lines 20, 21, and 22, strike out "or an amount contributed under section 219 (c)(3), 227(c)(7), or 221(c)(4),".

On page 899, lines 13 and 14, strike out "the taxpayer or his spouse" and insert in lieu thereof "owner".

On page 899, line 25, strike out "employee of" and insert in lieu thereof "employee or".

On page 899, after line 25, insert the following:

(6) Coordination with section 408(g).—Section 408(g) is amended by inserting "(except subsections (j) and (k))" after "section".

On page 900, line 17, after "which" insert "the".

On page 901, lines 3, 4, and 5, strike out "or an amount contributed under section 219(c) (5), 220(c)(7), or 221(c)(4),".

On page 901, line 6, strike out "in" and insert in lieu thereof "for".

On page 901, line 18, strike out "the" the second time it appears.

On page 902, line 24, strike out "register" and insert in lieu thereof "registered".

On page 903, strike out line 3, and insert in lieu thereof the following: "of the registered owner' each place it appears".

On page 905, strike out lines 7 through 10 and insert in lieu thereof the following:

(2) Section 4973 is amended by—

(A) striking out "219" each place it appears in subsection (b) and inserting in lieu thereof "219, 220, or 221", and

(B) striking out "such individual" in the last sentence of subsection (a) and inserting in lieu thereof "the individual to whom a deduction is allowable under section 219 (determined without regard to section 219 (b)(1)), section 220 (determined without regard to section 220(b)(1)), or section 221 (determined without regard to section 221 (b)(1)).";

(3) Section 3401(a)(12)(D) is amended by inserting "220, or 221" after "219";

(4) section 6047(d) is amended by inserting "220, or 221" after "219"; and

On page 905, line 11, strike out "(3)" and insert in lieu thereof "(5)".

On page 906, lines 17 and 18, strike out "without regard to the deduction allowable under subsection (a)) exceeds $15,000" and insert in lieu thereof "separately for each individual, without regard to any community property laws, and without regard to the deduction allowable under subsection (a)) exceeds $15,000".

On page 907, lines 18 and 19, strike out "during the contribution period" and insert in lieu thereof "for the taxable year".

On page 908, line 17, after "individual" insert a comma.

On page 913, line 11, after "amount" insert "of employer contributions and forfeitures".

On page 915, line 20, strike out "not".

On page 916, line 4, strike out "etc." and insert in lieu thereof "etc.)".

On page 916, strike out lines 5 through 24, and insert in lieu thereof the following:

(b) Conforming Amendment.—

(1) Section 219 is amended by—

(A) striking out "during" in subsection (a) and inserting in lieu thereof "for", and

(B) adding after paragraph (2) thereof the following new paragraph:

"(3) Time when contributions deemed made.—For purposes of this section, a taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than 45 days after the end of such taxable year.".

(2) Section 409(a) (4) is amended by striking out "in any taxable year" and inserting in lieu thereof "for any taxable year".

On page 920, line 9, strike out the period and insert in lieu thereof "and by striking out 'December 31, 1976' in subsection (e) and inserting in lieu thereof 'December 31, 1978'.".

On page 922, line 14, strike out "or 821".

On page 922, line 17, strike out "or 821".

On page 922, line 21, strike out "consolidated".

On page 922, line 22, strike out "or 821".

On page 923, line 1, strike out "or 821".

On page 923, line 6, after "subsection" insert ", in".

On page 923, line 19, strike out "2" and insert in lieu thereof "(2)".

On page 953, lines 15 and 16, strike out "sections 857(b) (2) (B) and 857(b) (3)" and insert in lieu thereof "section 857".

On page 953, line 20, after "of" insert a dash.

On page 954, strike out lines 2 and 3, and insert in lieu thereof "the excess of the net capital gain),".

On page 954, strike out lines 11 and 12, and insert in lieu thereof "the excess of the net capital gain over the".

On page 963, line 4, strike out "(4)" and insert in lieu thereof "(5)".

On page 963, line 4, strike out "(4)" and insert in lieu thereof "(5)".

On page 963, line 18, strike out "of" the second time it appears.

On page 965, strike out lines 12 through 15, and insert in lieu thereof "(E), without regard to any net operating loss deduction, and by excluding any net capital gain) and the denominator of which is the".

On page 966, line 4, strike out "taxes" and insert in lieu thereof "tax".

On page 972, line 22, strike out "or his delegate".

On page 979, strike out lines 3 through 5, and insert in lieu thereof "section 561) and by excluding any net capital gain); and".

On page 981, line 11, strike out "(A)" and insert in lieu thereof "'(A)".

On page 981, line 16, strike out "(B)" and insert in lieu thereof "'(B)".

On page 981, line 19, strike out "(C)" and insert in lieu thereof "'(C)".

On page 983, strike out lines 3 through 5, and insert in lieu thereof "section 857(b) (2) (B), and by excluding any net capital gain for the taxable year exceeds the amount of the".

On page 985, line 22, before "and" insert "and subsection (b), as added by section 1206 (b) of this Act,".

On page 987, lines 9 and 10, strike out "a new subparagraph (H) at the end thereof, to read as follows:" and insert in lieu thereof "at the end thereof the following:".

On page 987, line 11, strike out "(H)" and insert in lieu thereof "(I)".

On page 989, line 1, strike out "(H)" and insert in lieu thereof "(I)".

On page 989, line 3, strike out "(H)" and insert in lieu thereof "(I)".

On page 989, line 11, strike out "definition of capital gain divided" and insert in lieu thereof "imposition of tax on capital gain".

On page 989, lines 14 and 15, strike out "the net long-term capital gain of any" and insert in lieu thereof "a".

On page 989, line 16, strike out "exceeds the net short-term capital loss" and insert in lieu thereof "has a net capital gain".

On page 989, line 24, strike out "excess" and insert in lieu thereof "net capital gain".

On page 990, line 2, strike out "long-term".

On page 990, lines 2 and 3, strike out "the sum of the net short-term capital loss and".

On page 990, line 21, strike out "the excess, if any, of the net long-term" and insert in lieu thereof "any net".

On page 990, line 22, strike out "over the net short-term capital loss".

On page 991, lines 9 and 10, strike out "excess of the net long-term capital gain over the net short-term capital loss" and insert in lieu thereof "net capital gain".

On page 992, line 18, after "trust" insert "for such taxable years".

On page 1003, line 11, insert a parenthesis after "company".

On page 1003, line 15, strike out "(A)".

On page 1003, strike out lines 20 and 21, and insert in lieu thereof the following:

(b) TREATMENT OF CERTAIN RAILROAD TIES.—

(1) IN GENERAL.—Section 263 (relating to capital expenditures) is amended by

On page 1004, between lines 10 and 11, insert the following:

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to amounts paid or accrued after December 31, 1975, in taxable years beginning after such date.

On page 1004, line 11, strike out "(b)" and insert in lieu thereof "(c)".

On page 1004, line 18, strike out "railroad" and insert in lieu thereof "rail".

On page 1005, line 18, strike out "1976" and insert in lieu thereof "1975".

On page 1006, line 6, after "track" the first time it appears therein insert "assets".

On page 1006, line 7, insert a period after "costs".

On page 1006, strike out lines 8 through 11.

On page 1006, line 12, after "Railroad" insert "Track Assets".

On page 1006, line 15, strike out "1976" and insert in lieu thereof "1975".

On page 1007, strike out lines 12 through 14, and insert in lieu thereof the following: "property) is amended by—"

(A) striking out "or 188" each place it appears therein and inserting in lieu thereof "188 or 189", and

(B) striking out "section 185" each place it appears in subsection (a) (3) thereof and inserting in lieu thereof "section 185 or 189".

On page 1007, line 15, strike out "(c)" and insert in lieu thereof "(d)".

On page 1244, line 1, strike out "XIII" and insert in lieu thereof XIX".

On page 1244, line 8, strike out "1300" and insert in lieu thereof "1900".

On page 1244, line 14, strike out "1301" and insert in lieu thereof "1901".

On page 1244, line 16, strike out "Subscetion" and insert in lieu thereof "Subsection".

On page 1245, strike out lines 1 through 6.

On page 1245, line 7, strike out "(3)" and insert in lieu thereof "(2)".

On page 1245, line 10, strike out "(4)" and insert in lieu thereof "(3)".

On page 1245, line 16, strike out "(5)" and insert in lieu thereof "(4)".

On page 1246, line 1, strike out "(6)" and insert in lieu thereof "(5)".

On page 1247, line 1, strike out "(7)" and insert in lieu thereof "(6)".

On page 1247, line 10, strike out "(8)" and insert in lieu thereof "(7)".

On page 1247, line 14, strike out "(9)" and insert in lieu thereof "(8)".

On page 1247, line 17, strike out "(10)" and insert in lieu thereof "(9)".

On page 1247, line 21, strike out "(11)" and insert in lieu thereof "(10)".

On page 1248, line 12, strike out "(12)" and insert in lieu thereof "(11)".

On page 1248, line 22, strike out "(13)" and insert in lieu thereof "(12)".

On page 1249, line 17, strike out "(14)" and insert in lieu thereof "(13)".

On page 1250, line 3, strike out "(15)" and insert in lieu thereof "(14)".

On page 1250, line 6, strike out "(16)" and insert in lieu thereof "(15)".

On page 1250, line 11, strike out "(17)" and insert in lieu thereof "(16)".

On page 1250, line 14, strike out "(18)" and insert in lieu thereof "(17)".

On page 1250, strike out lines 23 and 24, and insert in lieu thereof the following: "by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.".

On page 1252, line 1, strike out "(d)" and insert in lieu thereof "(e)".

On page 1252, line 5, strike out "(19)" and insert in lieu thereof "(18)".

On page 1252, line 11, strike out "(20)" and insert in lieu thereof "(19)".

On page 1253, line 4, strike out "(21)" and insert in lieu thereof "(20)".

On page 1254, line 1, strike out "(23)" and insert in lieu thereof "(22)".

On page 1254, line 5, strike out "(24)" and insert in lieu thereof "(23)".

On page 1255, line 1, strike out "(25)" and insert in lieu thereof "(24)".

On page 1255, line 24, strike out "(26)" and insert in lieu thereof "(25)".

On page 1256, line 4, strike out "(27)" and insert in lieu thereof "(26)".

On page 1256, line 9, strike out "(28)" and insert in lieu thereof "(27)".

On page 1257, line 11, strike out "(29)" and insert in lieu thereof "(28)".

On page 1259, line 5, strike out "(30)" and insert in lieu thereof "(29)".

On page 1261, line 12, strike out "(31)" and insert in lieu thereof "(30)".

On page 1261, between lines 18 and 19, insert the following:

(31) REPEAL OF SECTION 187.—Section 187 (relating to rapid amortization for certain coal mine safety equipment) is repealed.

On page 1267, line 22, strike out "()" and insert in lieu thereof "(2)".

On page 1268, line 6, strike out "(31) (B)" and insert in lieu thereof "(32) (B) (i)".

On page 1274, between lines 23 and 24, insert the following:

(63) AMENDMENTS OF SECTION 410.—

(A) Subparagraph (C) and (D) of section 410(a) (5) (relating to breaks in service) are each amended by striking out "purposes of subsection (a) (1)" and inserting in lieu thereof "purposes of paragraph (1)".

(B) Paragraph (1) (C) of section 410(c) (relating to application of minimum participation standards) is amended by striking out "the date of the enactment of the Employee Retirement Income Security Act of 1974" and inserting in lieu thereof "September 2, 1974,".

On page 1276, strike out lines 15 through 19, and insert in lieu thereof the following:

(B) Subsection (h) (5) of section 412 is amended by striking out "the date of the enactment of the Employee Retirement Income Security Act of 1974" and inserting in lieu thereof "September 2, 1974".

On page 1277, line 11, strike out "(2)" and insert in lieu thereof "(3)".

On page 1304, line 6, strike out "realtng" and insert in lieu thereof "relating".

On page 1331, line 7, strike out "1" and insert in lieu thereof "(1)".

On page 1331, line 8, strike out "as" and insert in lieu thereof "(as".

On page 1332, line 10, strike out "1351" and insert in lieu thereof "1951".

On page 1330, line 22, strike out "(a) (29) (A) (i)" and insert in lieu thereof "(a) (28) (A) (i)".

On page 1331, line 7, strike out "163(b)1" and insert in lieu thereof "163(b) (1)".

On page 1331, line 8, before "as" insert an opening parenthesis.

On page 1332, line 10, strike out "section 1351(b) (8) (A)" and insert in lieu thereof "section 1951(b) (8) (A)".

On page 1333 between lines 5 and 6, insert the following:

(10) AMENDMENT CONFORMING TO THE AMENDMENT OF SECTION 172.—Section 374 (e), as added by this Act, is amended by striking out "section 172(j)" and inserting in lieu thereof "section 172(g)".

(11) AMENDMENTS CONFORMING TO REPEAL OF SECTION 187.—

(A) Section 48(a) (8) (relating to section 38 property) is amended by striking out "187,".

(B) The table of sections for part VI of subchapter (B) of chapter 1 is amended by striking out the item relating to section 187.

(C) Section 1082(a)(2)(B) (relating to basis for determining gain or loss) is amended by striking out "187,".

(D) Section 1245(a)(2) (relating to gain from dispositions of certain depreciable property) is amended by striking out "187," each place it appears.

On page 1333, line 6, strike out "(10)" and insert in lieu thereof "(12)".

On page 1333, line 23, strike out "(11)" and insert in lieu thereof "(13)".

On page 1334, line 3, strike out "(12)" and insert in lieu thereof "(14)".

On page 1335, between lines 18 and 19, insert the following:

(C) Section 374(c)(3) is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (b)(1)".

On page 1335, line 19, strike out "(C)" and insert in lieu thereof "(D)".

On page 1335, line 22, strike out "(D)" and insert in lieu thereof "(E)".

On page 1336, line 1, strike out "(13)" and insert in lieu thereof "(15)".

On page 1336, line 5, strike out "(14)" and insert in lieu thereof "(16)".

On page 1336, line 9, strike out "(15)" and insert in lieu thereof "(17)".

On page 1336, line 12, strike out "(16)" and insert in lieu thereof "(18)".

On page 1336, line 16, strike out "(17)" and insert in lieu thereof "(19)".

On page 1336, line 20, strike out "(18)" and insert in lieu thereof "(20)".

On page 1336, line 24, strike out "(19)" and insert in lieu thereof "(21)".

On page 1337, line 15, strike out "(20)" and insert in lieu thereof "(22)".

On page 1340, line 21, strike out "(21)" and insert in lieu thereof "(23)".

On page 1341, line 3, strike out "(22)" and insert in lieu thereof "(24)".

On page 1341, line 7, strike out "(23)" and insert in lieu thereof "(25)".

On page 1341, line 11, strike out "(24)" and insert in lieu thereof "(26)".

On page 1341, line 15, strike out "(25)" and insert in lieu thereof "(27)".

On page 1341, line 19, strike out "(26)" and insert in lieu thereof "(28)".

On page 1342, line 17, strike out "(27)" and insert in lieu thereof "(29)".

On page 1343, line 6, strike out "(28)" and insert in lieu thereof "(30)".

On page 1343, line 16, strike out "(29)" and insert in lieu thereof "(31)".

On page 1344, line 4, strike out "(30)" and insert in lieu thereof "(32)".

On page 1344, line 18, strike out "(31)" and insert in lieu thereof "(33)".

On page 1345, line 10, strike out "(32)" and insert in lieu thereof "(34)".

On page 1347, line 1, strike out "(33)" and insert in lieu thereof "(35)".

On page 1350, line 15, strike out "(ii)" and insert in lieu thereof "(iii)".

On page 1352, line 17, strike out "(34)" and insert in lieu thereof "(36)".

On page 1352, line 21, strike out "(35)" and insert in lieu thereof "(37)".

On page 1353, line 1, strike out "(36)" and insert in lieu thereof "(38)".

On page 1353, line 16, strike out "(37)" and insert in lieu thereof "(39)".

On page 1354, line 8, strike out "(38)" and insert in lieu thereof "(40)".

On page 1354, line 12, strike out "(39)" and insert in lieu thereof "(41)".

On page 1354, line 19, strike out "(40)" and insert in lieu thereof "(42)".

On page 1354, line 23, strike out "(41)" and insert in lieu thereof "(43)".

On page 1356, line 7, strike out "Sec. 1302." and insert in lieu thereof "Sec. 1902.".

On page 1359, in the matter appearing before line 1, strike out

"(9) For treatment of gifts and bequests for benefit

UNITED STATES CODE

and insert in lieu thereof the following:

UNITED STATES CODE

"(9) For treatment of gifts and bequests for benefit.

On page 1363, line 1, strike out "Sec. 1303." and insert in lieu thereof "Sec. 1903.".

On page 1364, line 20, strike out "Setcion" and insert in lieu thereof "Section".

On page 1374, line 7, strike out "SEC. 1304." and insert in lieu thereof "Sec. 1904.".

On page 1394, line 15, strike out "SEC. 1305." and insert in lieu thereof "Sec. 1905.".

On page 1395, line 23, after "(b)(3)" insert "is".

On page 1435, line 5, strike out "section 1301(a)(19)(A)" and insert in lieu thereof, "section 1901(b)(20)(A)".

On page 1438, lines 12, 13 and 14, strike out "sections 405(b), 1037(a), 4293, 4483(b), 4975(e)(2), 5551, 6057(f)(1), 6103(d), 6802(1)(B), 7801(b), 7802(a), 9006(a), 9006(b)," and insert in lieu thereof the following: "sections 4293, 4483(b), 5551, 6103(b), 7801(b), 7802(a), 9006(a), 9006(b),".

On page 1441, line 3, strike out "SEC. 1307." and insert in lieu thereof "Sec. 1907.".

On page 1443, line 5, strike out "SEC. 1351." and insert in lieu thereof "Sec. 1951.".

On page 1450, line 10, strike out "January 1, 1978," and insert in lieu thereof "January 1, 1977,".

On page 1455, line 17, strike out "SEC. 1352." and insert in lieu thereof "Sec. 1952.".

On page 1456, line 6, strike out "Secretary" and insert in lieu thereof "Commodity Futures Trading Commission".

On page 1480, line 2, after "equipment, in" insert ", on or connected to".

On page 1480, line 9, after "in" insert ", on, or connected to".

On page 1480, line 16, after "in" the first time it appears insert ", on, or connected to".

On page 1481, lines 1 and 2, strike out "interim or definitive performance criteria", and insert in lieu thereof "latest technical standards".

On page 1482, line 13, strike out "jointly".

On page 1484, strike out lines 4 through 8, and insert in lieu thereof the following:

"(e) Termination.—This section shall not apply to—

"(1) any qualified solar energy equipment expenditures or qualified geothermal energy equipment expenditures paid or incurred after December 31, 1980, or

"(2) any qualified heat pump equipment expenditures paid or incurred after December 31, 1978,

except in the case of amounts paid or incurred after such date pursuant to a binding contract entered into before January 1, 1979.".

On page 1485, line 3, strike out "(c)" and insert in lieu thereof "(d)".

On page 1485, between lines 18 and 19, insert the following:

(e) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after June 30, 1976.

On page 1487, lines 8 and 9, strike out "which is pre-1982 property".

On page 1487, line 17, strike out "(3) and (4)" and insert in lieu thereof "(3), (4), and (5)".

On page 1487, line 20, strike out "(5)".

On page 1488, line 20, strike out "May 25, 1976," and insert in lieu thereof "January 1, 1977,".

On page 1488, line 21, after "occurs" insert "after December 31, 1976, and".

On page 1488, between lines 22 and 23, insert the following:

"(B) the costs for which are paid or incurred after December 31, 1976, and before January 1, 1979,".

On page 1488, line 23, strike out "(B)" and insert in lieu thereof "(C)".

On page 1488, line 24, strike out "in or on" and insert in lieu thereof "in, on, or in connection with".

On page 1489, line 1, strike out "(C)" and insert in lieu thereof "(D)".

On page 1489, line 3, strike out "(C)" and insert in lieu thereof "(E)".

On page 1489, line 3, strike out "meets the criteria and standards" and insert in lieu thereof ", for residential structures, meets the latest technical standards".

On page 1489, line 6, strike out "or" and insert in lieu thereof "and, for business structures,".

On page 1489, line 7, strike out "criteria and" and insert in lieu thereof "technical".

On page 1489, line 16, after "prescribed" insert ", for residential structures,".

On page 1489, line 19, after "1974" insert ", and, for business structures, by the Administrator of the Energy Research and Development Administration".

On page 1490, line 10, after "water" insert "or steam".

On page 1490, line 16, after "Development" insert "or the Administrator of Energy Research and Development Administration".

On page 1491, line 10, strike out "(5)" and insert in lieu thereof "(4)".

On page 1491, line 11, strike out "(5)" and insert in lieu thereof "(4)".

On page 1495, lines 6 and 7, strike out "May 25, 1976" and insert in lieu thereof "December 31, 1976,".

On page 1495, line 13, strike out "May 25, 1976" and insert in lieu thereof "December 31, 1976".

On page 1495, line 15, strike out "May 25, 1976," and insert in lieu thereof "December 31, 1976,".

On page 1495, lines 19 and 20, strike out "May 25, 1976." and insert in lieu thereof "December 31, 1976.".

On page 1495, lines 24 and 25, strike out "May 25, 1976," and insert in lieu thereof "December 31, 1976,".

On page 1496, line 1, strike out "May 25, 1976," and insert in lieu thereof "December 31, 1976,".

On page 1496, line 5, strike out "May 25, 1976." and insert in lieu thereof "December 31, 1976.".

On page 1496, line 6, strike out "May 26, 1976," and insert in lieu thereof "December 31, 1976,".

On page 1497, line 3, strike out "H.R. 10612 folio 612B".

On page 1497, line 18, strike out "(d)" and insert in lieu thereof "(b)".

On page 1497, after line 22, insert the following:

"(i) beginning with fiscal year 1977, and for each fiscal year thereafter, the Corporation shall be entitled to a credit against the payments required as a return on the appropriation investment and power facilities, and the annual repayment sum established for such fiscal year in the first sentence of subsection (e) of this section, in an amount equal to the amount of credit to which the Corporation would be entitled under section 38 of the Internal Revenue Code of 1954 if the Corporation were liable for tax under section 11 of such Code, if the taxable year of the Corporation ended on the date on which such fiscal year ends, and if property described in sections 46A (b)(3), (7), (8), and (9) were the only section 38 property taken into account. To the extent that the amount of such credit exceeds the sum of such payments and repayments for fiscal year, the excess shall be carried over to the following fiscal year.".

On page 1498, strike out lines 1 and 2 and insert in lieu thereof the following:

Sec. 2004. Depletion of Geothermal Energy Sources.

(a) In General.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

On page 1502, line 11, strike out the opening quotation marks.

On page 1502, line 13, strike out "December 31, 1975." and insert in lieu thereof "December 31, 1976.".

On page 1502, beginning with line 14, strike out through line 5, on page 1503.

On page 1503, line 12, after "unit" insert "which is placed in service predominately for purpose of human comfort".

On page 1503, line 15, "the date of enactment of this Act" and insert in lieu thereof "December 31, 1976.".

On page 1504, line 14, after "year" insert "and".

On page 1504, line 19, after "material" insert "of which".

On page 1504, line 20, after "recycling" strike out "of which".

On page 1504, line 22, after "export" insert a comma.

On page 1505, line 1, strike out "(A)".

On page 1507, line 6, strike out "purchase" and insert in lieu thereof "purchases".

On page 1507, line 8, strike out "purchase" and insert in lieu thereof "purchases".

On page 1507, line 12, strike out "purchase" and insert in lieu thereof "purchases".

On page 1507, line 14, strike out "purchase" and insert in lieu thereof "purchases".

On page 1510, line 7, after "subject" insert "to".

On page 1510, line 9, strike out "a product" and insert in lieu thereof "or product".

On page 1510, line 11, after "consisting" strike out "of".

On page 1511, line 13, strike out "ending" and insert in lieu thereof "beginning".

On page 1512, line 7, strike out "is" and insert in lieu thereof "and subsection (g) of section 6416 are each".

On page 1512, line 8, strike out "of such subsection" and insert in lieu thereof "thereof".

On page 1512, between lines 8 and 9, insert the following:

(3) Section 6416(b)(2) is amended by striking out subparagraph (r).

On page 1515, line 2, strike out "and inserting in lieu thereof".

On page 1516, line 2, after "boat" insert "or for noncommercial aviation".

On page 1516, line 6, strike out "with respect to taxable years ending" and insert in lieu thereof "to uses of such special fuels".

On page 1518, line 4, strike out "section 101(1)" and insert in lieu thereof "section 101(b)(1).

On page 1519, line 16, strike out "FOUNDATIONS" and insert in lieu thereof "FOUNDATION".

On page 1521, line 1, strike out "setasides" and insert in lieu thereof "set-asides".

On page 1521, line 2, after "distributions" insert "in".

On page 1521, line 3, strike out "in".

On page 1521, line 7, strike out "a prior year or years" and insert in lieu thereof "one or more prior years".

On page 1523, line 13, strike out "Sec. 1203." and insert in lieu thereof "Sec. 2103.".

On page 1524, line 17, strike out "Sec. 1204." and insert in lieu thereof "Sec. 2104.".

On page 1525, line 15, strike out "Sec. 1205.". insert in lieu thereof "Sec. 2105.".

On page 1526, line 1, strike out "Sec. 1206.". and insert in lieu thereof "Sec. 2106.".

On page 1527, line 21, after "(3)" insert a comma.

The PRESIDING OFFICER. The question is on agreeing to the technical amendments en bloc.

The technical amendments were agreed to.

SEVERAL SENATORS. Vote!

ADDITIONAL STATEMENTS

Mr. MUSKIE. Mr. President, the mammoth tax reform debate of 1976 is coming to its end in the Senate 7 weeks after it began. It is a debate in which I have participated more than I personally would have wished—indeed more than many of my colleagues would have wished me to.

I have tried to relate the elements of this tax bill to the congressional budget we adopted in May at every major step of its evolution.

I argued in favor of a full-year extension of the general tax cut for all taxpayers, and finally we won that.

I have argued for the $2 billion in additional revenues we hoped to raise from tax reform when we passed the first resolution. We have lost that. Indeed this bill, instead of gaining $2 billion from tax reforms in fiscal 1977, will now lose about $200 million in fiscal 1977 and lose revenues in every subsequent year, rising to over a $3 billion loss by 1981.

It means that when we pass our second budget resolution on about September 15, the Congress may have to show the American taxpayers a 1977 deficit over $2 billion larger than it might have been.

I will vote no.

I will vote no because this Congress has scrimped and saved on the spending side of the ledger to come within its budget this year, and I cannot accept the failure of the Senate to act with similar restraint with respect to the revenue side of the ledger.

I will vote no because this bill mortgages the future—spends dollars for tax breaks in future years which we may want for other purposes—spend dollars which may prevent us from balancing the budget by 1980.

And I will vote no in sorrow and disappointment, I will confess. I had hoped that we could reverse the nibbling at the public purse—substantially trim back the Christmas tree that the Amercan Tax Code has come to represent. I had hoped for tax simplification and tax reform.

But what we have done belongs to the old and not to the new. It belongs to what the American people reject and not to their hopes.

The distinguished chairman of the Finance Committee, Senator LONG, is correct when he says there are provisions of merit in this over-1,500-page tax bill. There are many sections I would strongly support as individual pieces of legislation.

But these elements unfortunately are now clearly outweighed by costly new and increased tax expenditures that will not accomplish the worthy goals their proponents claim for them. The bill now contains a billion dollar a year tax credit for higher education that is likely to only increase tuition costs. The bill also contains the ESOP billion dollar a year Federal Treasury giveaway of corporate stock to the employees only of our capital intensive industries. The so-called estate and gift tax reforms adopted by the Senate will reduce revenue collections by over $2 billion a year by 1981. Smaller special interest revenue losing provisions are sprinkled throughout the Senate bill—new benefits for insurance companies, railroads, airlines, percentage depletion for geyser energy, tax credits for windmill energy. The list goes on and on.

Not only does the Senate bill include new and expanded revenue losing provisions, it fails to incorporate numerous revenue raising reforms that should and could have been included. The most pressing reform—to sharply reduce the use of tax shelters—is not adequately accomplished in the Senate bill.

A bill that would have on balance raised revenues and constituted reform was not some figment of a legislator's dream. By comparison to the Senate estate tax provisions that will lose $2 billion annually by 1981, the estate tax bill just reported by the Ways and Means Committee will increase revenues in the long run. The House-passed reform bill will raise $1.4 billion in fiscal 1977 and almost $2.2 billion in 1981. Just contrast those figures to the figures I mentioned earlier of minus $200 million and minus $3 billion for the same years under the Senate bill.

If the tax bill currently before the Senate is passed, I still would hope a bill will emerge from conference which more closely resembles the House-passed reform bill in its revenue effects and also preserves the fiscal policy of a full year extension of the general tax reductions. However, this hope cannot substitute for the actual provsions of the bill now before us. A bill, which in its present form, I find unacceptable.

During the debate on this bill, I have sounded harsh at times, perhaps. And I apologize to my colleagues for that. It was done sometimes for emphasis, sometimes in frustration. And I know we have all felt our own frustrations as this debate has gone on.

But I would like now to reflect in retrospect on what our experience with this bill may mean—for Congress, for the budget process, for the next administration, if it is to fulfill the hopes of the average American family for a tax code they can understand and whose fairness they can trust.

Last spring the Budget Committee, in preparation for reporting the first concurrent resolution, was coming to the conclusion that $2 billion in additional revenues through tax reform was a desirable goal. We managed to pare roughly $8 billion off the spending side of the budget—about 2 percent and we hoped to do as well with the hundred billion dollars of tax expenditures—2 percent or $2 billion.

My colleague, the distinguished chairman of the Finance Committee, came to the Budget Committee. He did not say our objective of $2 billion was wrong or unreasonable. He in no way suggested it was not within our power to recommend it if we wished. But he frankly said it could not be done.

He said that once you get into tax legislation, there is always a majority for "reform" but very seldom a majority—after the special interests have done their work—for any particular reform. It is easy to cut taxes, he told us—and we have—and very hard to close loopholes.

The chairman was absolutely right, it turns out. And no arguments of fiscal integrity or budgetary responsibility can change that reality in the Senate it seems. Put the public purse on the bench to patch it, and they will nibble holes in it faster than you can stitch.

I am not here to point the finger of blame for the outcome of the bill in the Senate. The majority has spoken.

Nor am I pessimistic about the future of the budget process in general. We set a target in May for revenues. In August the Senate now is voting for a tax bill which will reduce revenues about $2 billion below target. Some or all of this shortfall may be made up in the tax bill conference.

At the same time, however, the appropriations process is moving forward with record speed. On the spending side we are well within our targets. We have a second resolution ahead of us which will give us the option to modify our budget before the fiscal year begins, accommodating the savings we have made on the spending side, acknowledging what we have failed to do with revenues, and accept the resulting deficit.

But I hope our lesson—and the advice of the Finance Committee chairman—is not lost on future administrations or on the public.

Tax reform comes hard in the legislative branch—very hard, if at all. Inertia and the weight of special interests is enormous. Something bolder than the initiatives represented in the 1,500 page bill and all its inscrutable amendments is needed to keep faith with the American public.

In closing, I would like to say that our experience with this bill can only make the forces which brought about budget reform in the first place stronger than ever.

Public demand that Congress develop an explicit and responsive fiscal policy—and stick to it;

Public demand that Government become ever more watchful and more rational in its use of public resources;

Public demand that Congress reassert its constitutional mandate to control the public purse strings;

And not least, public demand that we begin to apply the same scrutiny, the same sort of equity, to tax expenditures, the whole $100 billion of them, that we do to direct spending.

Mr. **HASKELL**. Mr. President, several weeks ago, my colleague from Massachusetts made a motion to recommend H.R. 10612 and it failed as have several since. I suspect many voted against those motions because they cherished the hope that the bill could be salvaged, that its worst provisions could be stripped, that even if it were not tax reform at least it would not set tax reform back by a decade.

Those hopes must surely have vanished by now. In its lead editorial on Thursday, August 5, the Washington Post termed the tax bill "a disaster." I submit, Mr. President, that the Washington Post exercised a good bit of restraint in that characterization. For this bill is to a disaster what the Grand Canyon is to a chuckhole.

The measure, quite simply, is beyond redemption. On its least offensive day—the day it was reported from the Finance Committee—the bill still fell far short of the revenue raising target set in the budget resolution. Instead of raising $2 billion through the elimination of tax preferences, the bill as reported would have raised only $980 million—less than half the target amount.

And that was only for fiscal 1977. In each of the four succeeding years, the bill would actually have cost the Treasury money, up to $263 million in 1980.

To be sure, the bill was unappealing, even then. But if this long and tortuous trail of H.R. 10612 has taught me anything, it is this: no matter how bad a bill seems when it hits the floor, it can always get worse.

Sure enough, this one has. Almost daily, the revenue estimates have dropped until finally the latest staff estimates of the revenue impact read as follows:

For 1977, the bill would raise $100 million—a scant five per cent of the budget target; for 1978, it would lose $1.9 billion. The loss would climb steadily until by 1981, the provisions of this bill would result in a net loss of $3.7 billion.

Imagine all we have gone through to gain a mere $100 million in fiscal 1977—and worse, to lose as much as $3.7 billion by 1981. I doubt whether the bill would even pay for itself in the first year were we to consider the time the Senate, its staff and consultants and lobbyists have spent on the bill.

That brings us to another illustration of just how bad this bill is, Mr. President. There is so little to recommend it that proponents are beginning to cite as a reason for passage the tremendous time spent getting it to its present dismal pass. Like many of my colleagues, I have spent much of my time in recent months on this measure, fighting for or against this or that provision.

It is not surprising that some Senators think even an imperfect bill is better than none at all. I would probably concur if I were sanguine we could restore the bill to blessed imperfection. But we cannot. And there is little solace in the knowledge this bill is as close to a perfect calamity as we are apt to see in this Chamber any time soon.

There is a point at which personal commitment and pride of authorship become simple, garden-variety obstinacy. We have crossed that point. That is why I so strongly urge that we not allow our desire to salvage something from our hard work to blind us to the truth about this bill. And the truth about this bill we are so jealously refusing to ditch is that it serves no useful purpose.

Rather than put my colleagues through the futile exercise of guessing what mischief lurks within the 1,600 pages of this monstrosity, let me point out a few of the readily apparent flaws—each fatal in and of itself.

The first one I have already mentioned. H.R. 10612 as it stands today raises only a fraction of the revenue called for by the Budget resolution.

In place of the reform provisions one might expect from the name of this bill, we have instead a honeycomb of special interest favors. For all its length and complexity, it contains not a single major reform in the tax code.

The distinguished floor manager has claimed that the employee stock option plan provisions are the most meaningful part of the bill. But that section simply increases an existing program and spends more money into the bargain. Still, I voted with my committee's chairman on this provision because it is one of two—just two—provisions in the bill which have any direct impact on average taxpayers.

The other, of course, is the general tax cut which is also a continuation from last year, not a new provision.

There is not one new program in the bill to make the tax system fairer for working Americans who pay such an unconscionably high portion of their wages in Federal taxes. How many of them do you suppose would call this a tax reform bill? How many of them would view the 140 pages of foreign tax provisions as tax reform? How many do you think are concerned with easing the tax treatment of foreign oil income or making it possible for insurance companies to use more favorable bookkeeping methods? How many do you think own movie companies or invest in shipbuilding capital construction funds? And how many more would benefit from an additional loss carryover for regulated investment companies? Those are the provisions which typify this bill. I do not think most Americans define tax reform in those terms, Mr. President. I think they define it very simply: Let every taxpayer pay his fair share so no one must pay more than that.

This bill not only fails to help us toward that goal; it does not even try. It does not even qualify for the euphemism traditionally reserved for bad tax bills; a down payment on tax reform. It is, rather, a lien against taxpayer confidence.

There is not one of us here who has not stood before a group of average-income voters and talked in grandiose terms about tax reform. How many of us could stand before such a group today and defend H.R. 10612 as tax reform?

Now, the distinguished chairman of the Finance Committee says it all depends on how you define tax reform, that one person's equity is another person's loophole. Well, the Senate Finance Committee and the Senate have certainly been devout practitioners of that philosophy and its logical extension; every good loophole deserves another. Cloaked in that philosophy, we have been oblivious to the truth about this bill. And the truth is, it is an insult and an embarrassment to the Senate.

It is so embarrassing, in fact, that the committee pulled 14 of the special interest provisions out of the bill—this after it had been reported and was the pending business on the Senate floor. The harsh criticism of the bill's special interest provisions in both the press and from our colleagues in the Senate seems scarcely to have given us pause. Instead, much was made of the deletion of 14 special interest provisions. We did not make a dent in the mischief contained in this bill, Mr. President. How many special interest provisions remained?

It is time, Mr. President, for us to admit that for all our hard work, we have failed. There is no shame in that admission. The shame lies in clinging to a bill we know does not deserve to survive. We have crafted a sort of Bridge on the River Kwai. We can be forgiven our reluctance to see it fall. We can even be forgiven a perverse affection for it after all efforts. But we cannot be forgiven for ignoring the certain knowledge that H.R. 10612 is a dangerous piece of legislation and must be killed.

Mr. THURMOND. Mr. President, I have decided to vote in favor of the Tax Reform Act of 1976, H.R. 10612.

While I have significant reservations about parts of the bill, on balance, I believe the bill contains enough improvements over present law to merit support.

Mr. President, unfortunately, the bill limits the use of DISC incentives to encourage American business to build plants and factories in our country, thereby increasing our export potential. Instead, the bill encourages the building of factories abroad and thereby raises the significant possibility of exporting jobs. I consider this one of the most significant weaknesses in the bill.

Attempts to simplify the tax laws have been included in the bill, but I feel the simplification provisions could have gone further. No bill which contains over 1,500 pages and which has been debated on the Senate floor for over 2 months can be construed as a serious attempt at tax simplification. I am encouraged, however, by a provision in the bill to require a study on methods to simplify our tax structure.

Estate tax reform is one of the major strengths of the bill. I am pleased to have cosponsored legislation which eventually became the basis for the estate tax provision in the bill. The provision to increase the exemption by converting it to a credit will aid small farmers, small businessmen, and middle-income individuals.

Mr. President, the bill closes approximately $1 billion in tax shelter income loopholes. It provides for additional job incentives by virtue of tax credits. It encourages our energy independence by providing incentives for conversion to solar and geothermal sources of energy.

Finally, the bill provides an extension of the tax reductions first passed in 1975 through calendar year 1977. These provisions will further aid our economic recovery and growth.

Mr. President, I am not unaware of the arguments made about the potential revenue loss contained in the bill. In the final analysis, however, those who pay their way deserve a break. Any revenue losses can be adequately recovered by cutting some of the wasteful social welfare programs which usually pass by large margins.

Mr. President, in spite of the many shortcomings in the bill, I feel the merits outweigh the demerits and shall vote in favor of final passage.

Mr. CHILES. Mr. President, I am voting against the tax bill. This bill started out as a tax reform and revenue raising bill. But as the Senate has worked its will, amendment after amendment has been taken up and each in its own way has had great appeal. But at the end of the process, we have to take another look and ask ourselves, have we done what we set out to do? And I think the answer has to be "No."

We have passed the point in this bill where we are raising revenue and have gotten to the point where we are spending money by giving particular groups of people tax benefits. This bill would cost $17 billion more in reduced revenues than if we left the current law unchanged. This means that we would be adding $17 billion more to the national debt and to the Federal deficit by passing this bill than if we keep operating with the tax laws already on the books.

Of this $17 billion in fiscal year 1977, though, $14 billion will be in the form of a continuation of the tax cut of last year through the end of 1977 including the individual tax credit. I strongly support both of these measures. However, by fiscal year 1981 these measures will cost only $6 billion in reduced revenue whereas tax spending for particular groups through new tax benefits in this bill will be in the neighborhood of $14 billion.

This is the problem. Item by item, group by group, these amendments and provisions have merit. But we have to set another standard and consider what the total cost in reduced revenues will be and what the impact will be on our national budget and the national debt. Our congressional budget resolution required that we raise $2 billion in tax revenues in this tax legislation, but the Senate has failed to do it. I voted to send the bill back to committee to get the $2 billion but this also failed. I do not think it does any good to reform Federal spending if we let money out through the back door through tax spending.

Giving someone a tax expenditure has the same effect on the national budget as giving someone a direct appropriation of Federal money except for the very important difference that a tax expenditure does not have to go through the authorization process and does not have to go through the annual appropriations process either. This means that this spending through the tax system does not have to compete the way the spending through the appropriations process has to. I think if tax expenditures had to compete with other priorities, they would be more limited but as it is now tax spending does not have to pass the same muster that Government spending does.

We are trying to reform the regular process of Government spending through the Budget Impoundment and Control Act which established the new congressional budget process, by putting ceilings on Federal spending and the Federal deficit. I have been pushing legislation to require that the budget be submitted to Congress according to the missions and the purposes that spending is intended to fulfill so we can better judge how much we should be spending for particular purposes. I have also been supporting what we call Sunset legislation which will require that we reexamine every Federal program from the bottom up every 5 years to see if it is even worth continuing at all.

None of these established procedures and none of these new processes yet apply to tax expenditures. Therefore, in this bill spending through the tax system has gotten out of control. That is why I am voting against this tax bill.

I strongly support the provision in this bill which makes needed changes in the law with respect to estate and gift taxes. I have been especially concerned that the law is way out of date in the treatment of family farms. I think it is terribly important that the exemptions be raised considerably and that farms be valued at their productive value rather than their speculative value.

Because the House makes these changes in separate legislation, estate and gift tax reform will not be part of the House-Senate conference on this tax bill. The Senate will have an opportunity to consider and pass separate legislation on this later this year, and I plan to strongly support estate and gift tax reform again at that time.

Mr. STONE. Mr. President, my vote on this bill is affirmative only until the conference report on this bill is consummated. If then, the revenue raised is too substantially below the budget resolutions requirement I will then feel constrained to vote no.

PUBLISHERS' PREPUBLICATION EXPENDITURES

Mr. PERCY. Mr. President, the bill reported by the Finance Committee last June contained a provision, section 1305, which would prevent the Internal Revenue Service from retroactively changing the traditional and long-established tax accounting rules for publishers' prepublication expenditures. On Friday, July 23, the Finance Committee agreed to delete this provision from the bill, apparently on the ground that it had become controversial.

I believe that this controversy is based upon an unfortunate misunderstanding of the merits of this provision and the procedural due process which this provision would sustain.

Traditionally, most publishers have currently expensed most prepublication costs in accordance with accepted sound accounting practices. To do otherwise in my judgment would take the risk of misleading stockholders and the public in many cases.

An IRS ruling issued in September 1973 held that publishers must capitalize these expenditures and amortize them over whatever useful life the publisher can prove for the particular product. This ruling was issued without notice to the publishers or any opportunity to show that the ruling was contrary to established industry practices; moreover, what to me is incredible is that the ruling was actually applied retroactively.

It is a violation of due process and procedural fair play to allow the IRS to compel a drastic change in the established tax accounting practices of an entire industry without notice to, or an opportunity for a hearing by, representatives of the industry. This is particularly so when the change is retroactive.

Section 1305 of the bill, as originally reported by the Finance Committee, did not decide what tax rules for prepublication expenses must be followed in the future. This was left to prospective Treasury regulations, which would be issued with notice of proposed rulemaking and an opportunity for public comment. Section 1305 would merely prevent the retroactive application of the IRS ruling.

Some persons apparently believe that section 1305 was a last-minute committee amendment. This is not true. This provision was the subject of several bills introduced in both the House and the Senate for purposes of public scrutiny and evaluation by the Treasury and the congressional committees. The provision was approved by the Committee on Ways and Means was passed by the House. The Finance Committee approved it last December and again approved it last May.

Prepublication expenditures are the sometimes high risk research and development expenditures of the publishing industry. Other industries can currently deduct their research and development costs under section 174 of the Code. A bill to insure continuation of this same treatment for publishers was introduced in the House in February 1974 during the 93d Congress. In June 1974 Senators STEVENSON and JAVITS introduced a similar bill. At that time, Senators STEVENSON and JAVITS published in the CONGRESSIONAL RECORD their letter to Commissioner Alexander expressing concern, as a matter of practical administration of the tax laws, about the Service's attempt to compel a change in an established tax accounting practice of the publishing industry without notice or opportunity for a hearing. The reasons for these bills were fully explained in the CONGRESSIONAL RECORD when the bills were introduced.

During the 94th Congress, similar bills were introduced in the House by Congressman BURKE of Massachusetts and by Congressmen CRANE, MIKVA, ROSTENKOWSKI, and PICKLE, in an attempt to obtain public scrutiny of the problem. Senator BENTSEN introduced a similar bill in the Senate in September 1975.

During the hearings on tax reform before the Committee on Ways and Means a year ago last July, the committee considered Congressman BURKE's bill, H.R. 8736. The Association of American Publishers, representing publishers of 80 to 85 percent of the general books, textbooks educational materials produced in the United States, submitted a lengthy statement to the Ways and Means Committee in support of legislation to insure that the research and development expenditures of the publishing industry are accorded the same treatment as similar expenditures of other industries.

Last year, after due deliberation, the Committee on Ways and Means modified the publishers' proposed legislation. The committee decided not to establish the tax rules on prepublication expenditures for the future, but stated that they were to be the subject of prospective Treasury regulations, which would be published with notice of proposed rulemaking and an opportunity for the public to be heard. This modified provision, which was approved by the Committee on Ways and Means and passed by the House of Representatives, would merely prevent the retroactive application of the IRS ruling.

During the hearings before the Finance Commission last March, the Association of American Publishers again submitted a statement in support of the House-approved provision on prepublication expenditures. Representatives of the AAP testified before the committee on July 22. They assured the committee that the retroactive penalty imposed by the IRS ruling was not a one-company problem, but was industrywide. This conclusion was based on a comprehensive industry survey, the results of which had been furnished last spring to the Treasury Department, the Joint Committee on Internal Revenue Taxation, and the Finance Committee.

Mr. President, the publishers' prepublication expense provision cannot be fairly characterized as a midnight-special-interest loophole tacked onto the bill by the Finance Committee. This provision was given the most extensive public exposure its proponents could manage to provide.

Mr. President, the hour is late and I am aware that the Senate desires to comlete action on the bill tonight. I am aware of the value of time, and am also aware that it would be impossible to get a time agreement on this amendment. I wish to cooperate with the committee.

In light of the record we have written and will continue to write, and in light of the original recommendations of the Committee on Finance and the House action, I believe that we can rely with confidence on the work of the conference committee.

As my expression of that hope and belief, and in cooperation with the Senate's urgent need for time to act on the entire bill, Senator STEVENSON and I will refrain from offering the original Senate Finance Committee provision as a floor amendment to the bill.

Mr. BUCKLEY. Mr. President, the tax bill which the Senate considers today represents a breakdown of the legislative process. I will vote against the bill because it constitutes the worst possible collection of tax preferences for the lobbied interests while specifically excluding provisions which would have made life easier for those who make the system go, the taxpaying public.

It is true that this bill continues a tax reduction initiated 2 years ago. I support this extension, although the failure on the part of the Congress to make it permanent is itself a cynical move intended to give the Congress additional opportunities to make it appear concerned about the average taxpayer. But such important amendments as Senator TAFT's move to adjust the income tax table by changes in the cost-of-living index were defeated as was my move to extend some freedom of choice and financial relief to those parents and students who need the financial break to meet the mounting burden of rising tuition.

It is ironic that a businessman's and labor leader's martini is deductible while tuition payments made by parents are not. It is meanspirited of the Congress that it has indexed so much of the Government's expenditures but will not give the people, a similar low- and middle-income people, a similar break by adjusting tax collections to reflect the insideous consequences of inflation. The Senate which rejected these amendments had little trouble doubling the investment tax credit for certain favored industries.

One further thing needs to be explicitly stated. It is hypocricy to place a tax reform label on the hodge-podge package that has emerged on the Senate floor. In its concentration on creating or tearing down special provisions for well-organized interests, the Senate has forgotten the little people—the men and women whose only special interest is survival.

The conclusion of this element of the legislative process is enormously sad. There has to be a better way to achieve a rational, consistent approach to the taxing of business activities while recognizing the legitimate needs of an overtaxed public.

TAX CREDIT FOR HIGHER EDUCATION EXPENSES

Mr. DOMENICI. Mr. President, I wish to say a few words today regarding my strong support for the amendment adopted by the Senate last night. The provision would provide tax credits for higher education expenses, beginning with a $100 credit in 1977 and increasing by $50 per year to a $250 tax credit in 1980 and thereafter.

I understand the college tax credit was structured by the Finance Committee so as not to violate the present budget restrictions as it will not become effective until 1977 and will have no revenue impact in 1977. In 1978 the revenue loss is estimated to be $476 million and will ultimately raise to a maximum of $1,103 million in fiscal year 1981.

I believe there are compelling needs for the enactment of this amendment. It is no secret that in the past few years the cost of a college education has skyrocketed. According to a Library of Congress survey, the average annual total cost of a public university has increased 40 percent in the past 5 years, from $1,782 to $2,790. For a private university, the average annual total has increased 35 percent from $2,793 to $4,568. The increasing costs of tuitions, fees, and equipment are making it extremely difficult for more and more families to send their children to college. The increasing costs are making it particularly difficult for middle-income families to send their children to college. The Federal Government provides college assistance programs to lower-income families; higher-income families are able to afford college expenses. But there is a growing alienation among the millions of middle-income families who are ineligible for the Government assistance programs financed by their own taxes. It is more and more difficult for the many families who are paying taxes to educate their own children. Furthermore, there is every indication that the declining rate in the percentage of potential students between 18 to 24 years old is attributable to increased tuition costs. Surely, those families with more than one student in college at the same time are sorely affected.

We, in Congress, have often responded to an obvious problem by enacting legislation which would, hopefully, help alleviate the symptoms. Often that legislation is piecemeal and sometimes "too little, too late." This is certainly a case in point. Our higher education student loan programs need a fresh look in views of recent tuition cost increases. The role of the Government in our education programs on all levels need extensive review and changes. Nevertheless, while Congress dallies, millions of college students and their families are struggling with higher costs, financial hardship, and legislative apathy.

I feel that the enactment of this provision, coupled with necessary reforms in the student loan programs, to be vital to continuing viability of our Nation's higher education programs, and I am pleased the amendment was adopted.

Mr. EAGLETON. Mr. President, I understand that it is possible that later on today or perhaps tomorrow the Senate will complete action on the so-called, and I truly mean "so-called" tax reform bill.

Because I will leave shortly with a delegation from the House of Representatives to attend the funeral of Congressman Jerry Litton, his wife, and his children, in Chillicothe, Mo., I will avail myself of this opportunity to say a few words about this bill.

We are not merely discussing a few fine points of law. What we do with respect to this tax legislation could have a profound effect on the lives of our citizens.

A few blocks down Constitution Avenue from this Chamber is the office of the Internal Revenue Service, the agency which will carry out our bidding. Above the entrance is a quotation from a Supreme Court opinion of Oliver Wendell Holmes which should be our guiding light:

> Taxes are what we pay for civilized society.

Mr. President, though our society may be civilized, our tax laws are not. If we do not realize it ourselves, then we should listen more closely to what our constituents—our taxpayers, our employers—are saying. Between the laws that we pass and their subsequent execution by the IRS, there is ample cause for concern, even anger.

With this bill we add fuel to the discontent. With this bill, we would make the tax laws less equitable, less efficient, less comprehensible, and substantially more complicated. Individual taxpayers think they will bear all of the new taxes while all of the benefits go to the wealthy; they have a point. At the same time, businesses will say we are destroying incentives for growth and investment. I think they too have cause to complain.

Mr. President, I believe the bill as it stands before us now is nothing less than a disaster. We are better off without it, and I say that without denigrating the efforts of any Senator on or off the Finance Committee. I have voted for some of these amendments, and against others, as I saw the relative merits. I am sure other Senators have done the same. The result, gentlemen, is frankly not worthy of our efforts.

Too often, we have added amendments—I call them loopholes—to balance off provisions already in the code. Instead of repealing existing loopholes, we add more to equalize the tax treatment of all members of a group. We should not delude ourselves that this is "reform." Every time we add a loophole for a particular group, the burden shifts toward the wage earner who, as likely as not, takes the standard deduction and pays all of his taxes through payroll withholding.

Mr. President, "reform" means deleting special provisions from the tax law, not adding new ones. If we cut out some of the loopholes, we could afford to cut tax rates generally. I do not always agree with the chairman of the Finance Committee, but he is certainly correct when he says that lowering the tax rates would eliminate the attractiveness of many tax shelter arrangements. The chairman would say, "Lower the maximum rate of tax and the shelters will go away." Some of my more liberal colleagues would reply, "Do away with the loopholes first, and then we will see about lowering rates." I say we should do both at the same time.

If we fail to get true reform soon, there is going to be genuine rebellion. The taxpayers are getting frustrated and angry, and I do not blame them. My files are overflowing with letters from individuals excoriating the performance of IRS, Congress, or both. They think the tax laws are too complicated, arbitrary, and unfair—and they are right.

Finally, let me say this. I would like to think that in 1977 or 1978 Congress will be in a wiser frame of mind to achieve meaningful tax reform. I am convinced, in light of the bill before us, that Congress acting on its own is institutionally incapable of achieving meaningful tax reform. Frankly, 535 men and women march to too many different drums. We need a clear and distinct trumpet to get us together, and that can come only from the leadership of a President and a Treasury Department truly committed to tax reform. I am looking forward to the day when we have a tax reform act worthy of the name.

Mr. WEICKER. It is with unbounded enthusiasm that I cast my vote against the Tax Reform Act of 1976.

As considered, it has destroyed the political credibility of the U.S. Senate.

As passed, it would devastate the fiscal integrity of the United States.

The next step is to say that our political and fiscal panderings will not survive conference, therefore, no harm can come from reporting out the bill. I will not be part of such a charade.

Regardless of each Senator's degree of participation in this fiscal fiasco—and all, this Senator included, have participated—the time has come to draw the line and state clearly what has been done.

This is not tax reform; it is monetary mesmerizing that sticks it to the average American. Who is the average American? If you did not have a lobbyist in Washington during the past several weeks, check your wallet.

Second, the low- and middle-income taxpayers who have received the sympathy of every politician get nothing. What is given by individual section is taken away by the cumulative total of special interest giveaways.

Last, if the Nation is to grow, money not mirrors is what is needed. Instead of having the guts to ask for economic sharing and sacrifice, the Senate has economically gutted America.

Mr. CULVER. Mr. President, I am deeply committed to the cause of tax reform and only wish that the many hours and days of debate in this chamber has produced a bill worthy of the title, "Tax Reform Act." Although this measure contains some excellent provisions, and some much-needed changes in the tax code, I find too many features which are extremely costly and of dubious value. A large number of the bill's provisions will benefit only a few, and in some cases give certain interests or individuals an unfair windfall. On the whole, the bill will make our tax system less progressive. I have voted "no" because this is not a tax reform measure.

I regret having to vote against this measure, because its good features represent long-overdue adjustments to the tax code. Modification of estate tax laws is crucial to our long-term efforts to maintain family-owned farms and businesses. The entire tone of our culture is affected by the strength of independent ownership. Another point of considerable concern is the temporary antirecession measures this bill extends, these can and should be made permanent; they have been of considerable aid in pulling us out of the depressed economic situation from which our country still is suffering. But both the estate tax reform and the antirecession provisions have wide support in the Senate and the House of Representatives. I am confident they will pass as separate bills on their own merit.

I regret very much also having to vote against the Olympic tax credit amendment I sponsored and the Senate adopted last night. This proposal, along with the clarification of the tax-exempt status of amateur sports groups, would start us on the way to much-needed overhaul of our amateur sports system. But the price to get estate tax reform, antirecession tax extension, and Olympic tax credit was too great, and I feel confident the Senate would adopt all three of these proposals, independently, without the regressive provisions of the bill before us.

Early in every congressional session, we have had devout pledges by Congress, the administration, and public interest groups to the cause of tax reform. The realities of this bill do not measure up to those promises. This bill is not progressive and equitable tax reform and, in its present form, I cannot support it.

Mr. MANSFIELD. Mr. President, it is my intention to ask the manager of the bill after the bill is passed, as I assume it will be, that he appoint all members of the Committee on Finance as conferees to the conference and if not then I would suggest that he appoint Senators HATHAWAY and HASKELL.

Mr. LONG. I wish to think some of the rest of us would be on the conference, but that is all right.

Mr. MANSFIELD. The whole committee will go.

Mr. LONG. I will put those two on.

The PRESIDING OFFICER. The bill is

open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill, having been read a third time.

Mr. ROBERT C. BYRD. Mr. President, Senators should know there will be a rollcall vote after final passage on amendment to the title.

Mr. PASTORE. That is right.

The PRESIDING OFFICER. The question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD (after having voted in the negative). On this vote I have a pair with the distinguished Senator from New Mexico (Mr. MONTOYA). If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished Senator from Georgia (Mr. TALMADGE). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MORGAN (when his name was called). On this vote I have a pair with the distinguished Senator from Mississippi (Mr. STENNIS). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay."

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Mississippi (Mr. STENNIS), the Senator from Missouri (Mr. SYMINGTON), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

I also announce that the Senator from Missouri (Mr. EAGLETON) is attending the funeral of Congressman Jerry Litton of Missouri.

I further announce that, if present and voting, the Senator from Missouri (Mr. SYMINGTON) would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

On this vote, the Senator from Tennessee (Mr. BAKER) is paired with the Senator from Arizona (Mr. GOLDWATER). If present and voting, the Senator from Tennessee would vote "yea" and the Senator from Arizona would vote "nay."

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska Mr. STEVENS) would each vote "yea."

The result was announced—yeas 49, nays 22, as follows:

[Rollcall Vote No. 506 Leg.]

YEAS—49

Allen
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Case
Cranston
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Hansen
Hatfield
Hathaway
Helms
Huddleston
Humphrey
Inouye
Jackson
Javits
Laxalt
Long
Magnuson
Mathias
McClellan
McClure
McGee
McIntyre
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stone
Thurmond
Tower
Williams

NAYS—22

Abourezk
Bartlett
Buckley
Bumpers
Chiles
Church
Clark
Culver
Durkin
Garn
Glenn
Hart, Gary
Haskell
Hollings
Kennedy
Leahy
Metcalf
Muskie
Nelson
Stevenson
Taft
Weicker

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—3

Robert C. Byrd, against
Mansfield, against
Morgan, against

NOT VOTING—26

Baker
Biden
Cannon
Eagleton
Fong
Goldwater
Gravel
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
McGovern
Mondale
Montoya
Moss
Pearson
Percy
Schweiker
Stafford
Stennis
Stevens
Symington
Talmadge
Tunney
Young

So the bill (H.R. 10612) was passed.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I have a series of routine motions.

I move that the Senate insist on its amendments on H.R. 10612 and ask the Chair to appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, I object temporarily.

The PRESIDING OFFICER. Objection is heard.

UP AMENDMENT NO. 344

Mr. CLARK. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. CLARK), for himself and Mr. DURKIN, proposes unprinted amendment No. 344.

Amend the title so as to read: "To amend the tax laws of the United States.".

Mr. CLARK. Mr. President, this amendment does nothing to correct the innumerable mistakes that have been made over the 5 weeks during which this bill has been considered. It does not close any loopholes. It does not gain any revenue. All it does is restore a little bit of honesty to this process. It drops the word reform from the title of the bill.

Mr. President, it is bad enough that a 3-year effort to simplify the tax code, to make it more equitable, and to close loopholes is now ending in a bill so filled with new tax breaks that it will lose $5.5 billion in revenue a year by 1981.

It is bad enough that we have destroyed the revenue side of our own budget process in its first year. We began the year with a commitment to pick up $2 billion in revenue with tax reform. The bill that came from the House contained a modest but respectable $1.4 billion worth of reform. The Finance Committee cut the revenue gain down a little further and reported out a bill that picked up about $1 billion of reform revenue—although it was disappointing to some of us to find that reform did not mean ending tax shelters for the rich but in fact meant ending sick pay exclusion, gasoline tax credits, and disability benefits for average taxpayers. According to the distinguished chairman of the Budget Committee, as of last night, the bill contained a net gain of only $150 million for this year.

It is bad enough that the Senate has voted to retain the most notorious features of an unpopular Tax Code: tax sheltered investment, a weak minimum tax, DISC, deferral of taxes on foreign income, and unlimited interest deduction to name a few.

In the face of all this, we should not have to continue calling the tax bill a reform act. We should at least admit that the Senate has failed utterly in the effort to reform the Tax Code.

There have been numerous opportunities during consideration of this bill to at least make a beginning toward real reform. But as these opportunities presented themselves, it became evident that it is much easier to talk about reform than it is to do something about it. Somehow, loopholes became synonymous with American free enterprise. Ironically, the principle that government should not tinker with the free market economy was expanded to a maxim that the Government should not tinker with its own tax subsidies to the wealthy.

The Senate had a chance to adopt the reforms in tax sheltered investment that were recommended by the administration and supported by the House. But the tax shelters remain, practically untouched.

The Senate had a chance to put a most reasonable cap on interest deduction, the largest single deduction on the returns of those who have high incomes but pay little or nothing in taxes. No ceiling was imposed.

There was a chance to strengthen the minimum tax—to make sure that the wealthiest taxpayers and corporations paid at least as much on their preference income as the poorest taxpayers pay on their income. The minimum tax remains weak, and undoubtedly the number of wealthy Americans who pay little or no tax will grow.

There was an opportunity to return the maximum tax to its original 70 percent and to transfer the tax savings from the highest income Americans to those with the lowest incomes. The savings remained with those who need them least.

The Senate had an opportunity to end an outmoded and expensive subsidy to the largest corporations—DISC. It chose instead to keep DISC with less reform than the House had adopted.

There are numerous other examples of missed opportunities to reform taxes. But perhaps the final insult to the average American taxpayer was the failure to end Government-subsidized first class air travel. It is bad enough for the average taxpayer to know that he is paying his taxes in full while the high-paid corporate executive is paying little or nothing, but to be sharing the cost of that same executive's luxurious first class air travel at the same time is too much.

In action on this bill, the Senate has not only failed to adopt meaningful reforms. It has added countless new loopholes that will have to be taken out later when Congress decides to take reform seriously.

There is the sliding scale on capital gains taxes—an $800–$900 million boon for those who hold appreciating assets.

There are new tax breaks for practically every form of transportation—for the railroads, for the airlines, for shipowners.

There are new tax breaks for the largest insurance companies.

And there are the numerous tax breaks for energy investment.

There are additional tax benefits for companies that adopt employee stock ownership plans.

And there are numerous special interest tax break provisions.

Mr. President, I do not oppose every section of this bill. Indeed, I believe it has one major redeeming feature. It provides some tax breaks for those who really need them. It gives a tax break to the elderly on their retirement income which has been reduced by inflation. It gives a tax break to working mothers—especially to lower income working mothers—for child care expenses. And it gives families with small farms and small businesses the estate tax break many of them must have to stay in business.

This bill is not all bad because there are some loopholes created out of compassion for those in need. These make it a better bill. But they do not make it a reform bill—a bill which simplifies the Tax Code, makes it more equitable, and removes the loopholes which can be used by the privileged and economically powerful to avoid paying their proper share of the taxes.

Mr. President, most of the Senators here have expressed strong support for tax reform in their campaigns. Yet this body in 5 weeks has not been able to reform the Tax Code. Most have expressed a commitment to fiscal responsibility. Yet we have been unable in this bill to pick up the revenue to meet our own budget. The credibility of Washington and politicians, already at a low point, will not be helped by the passage of this bill. Let us not further stretch that credibility by calling this a tax reform act. Let us rather call it what it is—a tax act—and then try to defend the many loopholes left in and added as being more important to a healthy economy and good government than tax reform itself.

Mr. President, I ask for the yeas and nays.

Mr. DOLE. Mr. President, I move to lay that amendment on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. There is a 5-minute time limit on this amendment.

The yeas and nays are ordered.

Mr. CLARK. Mr. President, it will take only 20 seconds so I hope Senators will provide me that time.

My amendment is a very simple one. It neither adds nor subtracts any loopholes. It simply amends the formal title by dropping the word "reform."

So the vote on my amendment is a clear choice. If Senators feel the work we have done on this legislation for the last several weeks constitutes a reform, the vote on my amendment is "no." If, however, the majority of Senators believe we have not reformed the Tax Code, the vote is yes.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Time is yielded back.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana has 2½ minutes.

Mr. LONG. The Senator would seek to start a new precedent that as we passed a bill he would seek to amend the title, as though to make it say something that would reflect his views rather than those who passed the bill with that point of view.

I did not put the word reform in that title. The House of Representatives did.

Ordinarily my first motion would be to strike any word that would dictate to someone how he has to vote for it.

I am inclined to vote to strike the word reform. I think we set a bad precedent to quarrel about the title, especially on motions made by one who voted against the bill.

I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Iowa.

[Putting the question.]

The PRESIDING OFFICER. The yeas appear to have it. The yeas have it.

Mr. LONG. Mr. President, I ask unanimous consent for the bill to be printed with the Senate amendments.

Mr. ROBERT C. BYRD. Mr. President, a point of order.

Mr. GARY HART. Mr. President, a point of order.

The yeas and nays have been ordered on that.

Mr. LONG. They have not been ordered on the motion to lay on the table.

Mr. ALLEN. The yeas and nays have been ordered on the amendment.

The PRESIDING OFFICER. The yeas and nays were ordered on the amendment, not on the motion to lay on the table.

Mr. LONG. Mr. President, I ask for engrossment of the amendments of the Senate to the bill, that the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in subsection designations and cross-references thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask that it be in order to ask for the yeas and nays on the Clark amendment.

The PRESIDING OFFICER. The yeas and nays were ordered on the Clark amendment.

Mr. MANSFIELD. On the motion to lay on the table.

The PRESIDING OFFICER. The request is for the yeas and nays on the motion to lay on the table.

That being in order, is there objection?

Mr. FANNIN. I object.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the motion to lay on the table the Clark amendment was agreed to.

I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the motion to reconsider the vote by which the motion to lay on the table the amendment of the Senator from Iowa was agreed to.

Mr. HANSEN. I move to lay that motion on the table.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the amendment of the Senator from Iowa was laid on the table.

The yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Nevada (Mr. Cannon), the Senator from Florida (Mr. Chiles), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Louisiana (Mr Johnston), the Senator from Vermont (Mr. Leahy), the Senator from Washington (Mr. Magnuson), the Senator from South Dakota (Mr. McGovern), the Senator from New Hampshire (Mr. McIntyre), the Senator from New Mexico (Mr. Montoya), the Senator from Minnesota (Mr. Mondale), the Senator from Utah (Mr. Moss), the Senator from Wisconsin (Mr. Nelson), the Senator from Rhode Island (Mr. Pastore), the

Senator from Connecticut (Mr. Ribicoff), the Senator from Mississippi (Mr. Stennis), the Senator from Missouri (Mr. Symington), the Senator from Georgia (Mr. Talmadge), and the Senator from California (Mr. Tunney) are necessarily absent.

I also announce that the Senator from Delaware (Mr. Biden) and the Senator from Michigan (Mr. Philip Hart) are absent because of illness.

I also announce that the Senator from Missouri (Mr. Eagleton) is absent attending the funeral of Congressman Jerry Litton of Missouri.

I further announce that, if present and voting, the Senator from Missouri (Mr. Symington) would vote nay.

Mr. SCOTT of Pennsylvania. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Tennessee (Mr. Brock), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), the Senator from Nebraska (Mr. Hruska), the Senator from Kansas (Mr. Pearson), the Senator from Illinois (Mr. Percy), the Senator from Delaware (Mr. Roth), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Vermont (Mr. Stafford), the Senator from Alaska (Mr. Stevens), and the Senator from North Dakota (Mr. Young) are necessarily absent.

The result was announced—yeas 42, nays 20, as follows:

[Rollcall Vote No. 507 Leg.]

YEAS—42

Allen
Bartlett
Beall
Bellmon
Bentsen
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Church
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Hansen
Hatfield
Hathaway
Helms
Huddleston
Inouye
Jackson
Javits
Laxalt
Long
Mathias
McClellan
McClure
McGee
Morgan
Nunn
Packwood
Randolph
Scott, Hugh
Scott, William L.
Sparkman
Stone
Thurmond
Tower
Williams

NAYS—20

Bayh
Bumpers
Clark
Cranston
Culver
Durkin
Glenn
Hart, Gary
Haskell
Hollings
Humphrey
Kennedy
Mansfield
Metcalf
Muskie
Pell
Proxmire
Stevenson
Taft
Weicker

NOT VOTING—38

Abourezk
Baker
Biden
Brock
Brooke
Buckley
Cannon
Chiles
Eagleton
Fong
Goldwater
Gravel
Griffin
Hart, Philip A.
Hartke
Hruska
Johnston
Leahy
Magnuson
McGovern
McIntyre
Mondale
Montoya
Moss
Nelson
Pastore
Pearson
Percy
Ribicoff
Roth
Schweiker
Stafford
Stennis
Stevens
Symington
Talmadge
Tunney
Young

So the motion to lay on the table the motion to reconsider was agreed to.

Mr. LONG. Mr. President, somewhere in the motions that were made, one got lost. I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. Stone) appointed Mr. Long, Mr. Talmadge, Mr. Ribicoff, Mr. Bentsen, Mr. Gravel, Mr. Hathaway, Mr. Haskell, Mr. Curtis, Mr. Fannin, Mr. Hansen, and Mr. Packwood conferees on the part of the Senate.

Mr. CURTIS. Mr. President, the hour is late and I shall be very brief. The fact that I am brief does not indicate a lack of feeling and sincerity.

I commend the distinguished chairman of the Committee on Finance for a job well done and thank him for his unfailing courtesy. Also, I commend the work of the other members of the committee, and thank them for it.

I want to say something of particular appreciation for the staff. We have been working for months on this bill. A great deal of work has gone into it. A lot of midnight oil has been burned. These gentlemen have acted with professional competence. I wish to commend and thank all of them—Don Moorehead and George Pritts on this side, the distinguished Dr. Woodworth and all of his people, Mike Stern of the Committee on Finance and all of his people. They have done an outstanding job, worked on it a long time. The public will little know the dedicated work they do and their devotion to the task at hand and the professional competence that they apply to this very difficult, delicate, and complex job of writing tax law.

Mr. FANNIN. Mr. President, I would like to take this opportunity to express my appreciation to and admiration for the distinguished chairman of the Finance Committee (Mr. Long).

There may be chairmen who equal Senator Long's abilities, but certainly, none surpasses his ability to manage floor action. The Senate has seldom considered legislation as complex and massive as this tax reform bill. Senator Long's handling of the bill has been beyond comparison.

I would also like to extend my appreciation and admiration for the devoted service of Senator Curtis, the distinguished ranking minority member.

Mr. ROBERT C. BYRD. Mr. President, I commend the distinguished chairman of the Committee on Finance for his handling of this extremely complex bill. He has demonstrated supreme dedication and resourcefulness and ability, and although I voted against the bill on passage, I feel that all Senators on both sides of the aisle would agree that Mr. Long has performed superbly in carrying out a long and arduous task.

I also commend the ranking member on the other side of the aisle (Mr. Curtis) and those Senators who sought to bring about changes in the committee bill, whether their amendments were agreed to or not. In many instances, I voted for their amendments; in some instances I voted against them. But they are all to be commended.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MANSFIELD. I want to join the distinguished assistant majority leader in what he had to say about the chairman and the ranking Republican member, Mr. Woodworth and his staff, and those who offered amendments to the bill. Like the Senator from West Virginia, I was one of those who voted against the bill, but I certainly have to take my hat off and give credit to those who performed so well under adverse circumstances. That includes Members on both sides.

Mr. PROXMIRE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. PROXMIRE. I join with the majority leader and the majority whip and the Senator from Nebraska in what they said about the manager of the bill and others, but I want to single out one Senator who, in my judgment, made a remarkable contribution to the understanding of the Senate under very difficult circumstances. That is the Senator from Massachusetts (Mr. Kennedy). The Senator, day after day, sat in the Chamber and brought up some amendments which, in some cases were not very successful. He worked very hard. He was suffering from a back disability, which I think many have noticed, and I think he made a remarkable record here, that will last in the Senate, that is going to give heart to those who think we should have tax reform.

It is a record that has indicated to me, at least, that the Senator from Massachusetts has become the leader of the liberal forces in this country. He has done an outstanding job. I think he deserves credit for it.

Mr. MANSFIELD. I join with the Senator from Wisconsin, also, because the Kennedy performance was superb. He had done his homework, he was well prepared, he spoke well and ably on all subjects. I think it was a joy to see that type of leadership exhibited by the distinguished Senator from Massachusetts. I join with the distinguished Senator from Wisconsin in commending him.

Mr. PROXMIRE. I thank the majority leader. I would like to say one more thing: I was particularly impressed with the fact that Senator Kennedy, who is not on the Committee on Finance, showed such a remarkable grasp of the details of this tax legislation. It was not only a great performance in terms of personality, but a great performance in terms of intellectual capacity and ability. He deserves great credit.

Mr. ROBERT C. BYRD. Mr. President, I want, likewise, to commend Mr. Kennedy. I was amazed at his profound knowledge of the bill, and his efforts amend the bill in ways that he thought would improve the measure are to be commended. I voted with him in some instances, against his amendments in others, but I think he is entitled to the admiration and the commendation of all Senators. He is not a member of the Committee on Finance, as the distinguished Senator from Wisconsin has pointed out, and one simply has to admire this kind of dedication to duty and the amount of study that would be required in order to have such a grasp of details as the distinguished Senator from Massachusetts (Mr. KENNEDY) demonstrated on this occasion.

Mr. President, the Senate spent 25 days in consideration of this measure. It voted on 209 amendments or motions. It either agreed to or rejected 209 motions or amendments to the bill; and the total number of rollcall votes, including rollcall votes on motions to table, recommit, direct the Sergeant of Arms to carry out his duties, et cetera, in relation to this bill, totaled 129.

By the way, the Senator from Wisconsin (Mr. PROXMIRE) did not miss any of them. He was present on all of the 129 votes.

Mr. TOWER. Mr. President, if the Senator will yield, neither did the Senator from Texas.

Mr. KENNEDY. Mr. President, I appreciate the generous words of the majority leader, the assistant majority leader, and the Senator from Wisconsin.

I am proud of the leadership that both Senator MANSFIELD and Senator BYRD have given the Senate in this long and complicated debate. I think these 5 weeks of debate were carried out with an extraordinary degree of accommodation and understanding of the interests of all Senators, including our reform group. We had a full opportunity to raise and debate all our points of view, and the leadership has my respect and congratulations and thanks.

I want to emphasize that our reform effort was a joint effort by all the members of our coalition—not just myself, but also Senators NELSON, HOLLINGS, BROOKE, CLARK, HART of Colorado and HART of Michigan, HARTKE, HASKELL, HATHAWAY, HUDDLESTON, HUMPHREY, MATHIAS, MONDALE, and PROXMIRE. Obviously, I wish we could have come away with more victories on some of the issues we debated. But I think we are making progress on the general need for tax reform, and I look forward to the future with some optimism.

I also congratulate the distinguished chairman of the committee for his skill and ability in these debates and in managing this complex bill.

I also want to commend the many able staff people who have helped us in these debates. Dr. Woodworth and his staff have again earned their well-deserved reputation for high ability. And I also commend Paul McDaniel and Carey Parker of my staff, as well as Samantha Sanchez with Senator HASKELL, John Craford with Senator HATHAWAY, Gary Bickel with Senator NELSON, Romano Romani with Senator HARTKE, Mike Klipper with Senator MATHIAS, Brad Ferguson with Senator MONDALE, Howard Shuman with Senator PROXMIRE, Mary Jo Manning with Senator HOLLINGS, and Fran Farmer with Senator BROOKE. They all made major contributions to our reform effort, and they all deserve great credit.

Finally, I commend Bob Brandon and Bill Pietz of the tax reform research group and Tom Reese of tax analysts and advocates. These two public interest organizations have done an outstanding job in following this legislation through both the House and Senate and they have served the public well.

Again, I thank the Senators for their kind remarks.

Mr. CLARK. Mr. President, I am voting against the Tax Reform Act of 1976 because I feel strongly that the legislation does far more harm than good.

To me, the only section of any major positive significance in the bill is the estate tax section. That section does do a good job of correcting a serious inequity in our tax laws which is working an undue hardship on family farmers and small businessmen. I have strongly supported estate tax reform from the beginning—I was a major cosponsor of one of the original reform bills introduced during this session—and I continue to support it. I feel the estate tax reform proposed in the legislation we have before us today is far preferable to the estate tax measure pending in the House.

But the fact is that the legislation we have before us here is not going to advance the estate tax reform effort one iota, and I therefore cannot even begin to justify voting for the legislation on these grounds.

Representative ULLMAN, the chairman of the House Ways and Means Committee, has said flatly that he will refuse to accept the estate tax amendment we have adopted when this legislation goes to conference.

He feels—and with some justification—that estate tax reform should be considered as separate legislation and his committee has already reported out a measure to accomplish this. It is hoped that this measure will be considered by the full House before Labor Day, leaving ample time for the Senate to act in kind during the current session.

While the House Ways and Means Committee proposal may not contain everything we want, there is very strong support in the Senate for more comprehensive estate tax reform, and I am confident that we can reach agreement on a meaningful reform plan by using the House committee bill as our vehicle. So I do not feel that we will in any way endanger the estate tax reform effort by voting down this overall reform bill.

With regard to the remainder of this bill, I think it is best described as a disaster, and a farce.

In this bill, we have failed utterly to achieve tax reform. The effort begun 3 years ago to close the loopholes that enable the privileged to escape taxes has ended with a bill so filled with new loopholes that it will cost the Treasury over $5 billion a year in revenue by 1981.

We have destroyed the revenue side of our own budget process. We began the year with a commitment to pick up $2 billion in revenue with tax reform. The Finance Committee reported out a bill that picked up about $1 billion of "reform" revenue—although much of the reform, we discovered, came out of the pockets of the average taxpayer rather than through closing the loopholes most often used by wealthy individuals and corporations. According to the distinguished chairman of the Budget Committee, by last night, there was only $150 million of net revenue gain remaining in this bill for fiscal year 1977. And I am certain that we have chipped away further at that today.

In the voting on this bill, numerous efforts to at least make a beginning toward real reform have been defeated.

There was an opportunity to adopt the reforms in tax sheltered investment that were recommended by the administration and supported by the House. But the tax shelters remain, practically untouched.

There was a chance to put a ceiling—albeit a high one—on interest deduction, the largest single deduction on the returns of those who have high incomes but pay little or nothing in taxes. No ceiling was imposed.

There were numerous other chances to impose on the privileged few a fairer share of the tax burden—chances to strengthen the minimum tax, to raise the maximum tax to its former level, and to assure that executives did not receive Government subsidies for the luxury of first-class air travel. All these efforts were defeated.

The Senate also failed to close some of the best-known and most outmoded corporate tax loopholes; DISC, tax deferral on foreign earnings, and the asset depreciation range remain part of the tax code at the close of this reform effort.

Not only did we fail to make any meaningful progress in the direction of tax reform in this bill, we also added numerous loopholes that will have to be repealed when any real reform effort begins. For wealthier individuals, there are new tax breaks on capital gains. There are new tax breaks for industries: for railroads, for the airlines, for shipowners, for the largest insurance companies, for companies that adopt employee stock ownership plans, for various forms of energy investment, and for a range of special interests.

Mr. President, at a time when the American people are questioning the sincerity of Washington and politicians, we cannot afford to pass a tax "reform" bill which creates new loopholes, which complicates rather than simplifies, and which retains some of the most notorious features of an unpopular Tax Code.

At a time when people are asking for greater efficiency in Government, we cannot afford to break our own budget and enlarge the Government deficit with new tax expenditures. It has been easy during the course of voting on this bill to give new tax advantages and preserve old ones for both individuals and industry. But these gifts do not come free. Individuals and industry will have to pay for them. They will pay in higher interest rates at the bank and on the market because the Government will have to borrow more to make up for its larger deficit.

Mr. President, if this bill is defeated, as I hope it will be, these past 5 weeks will not have been lost. We have learned much about our Tax Code—about where our largest and least justifiable tax expenditures are. We have learned how hard it is to reform taxes, how easy it is to give new tax benefits for special interest groups that lobby persistently for them. Hopefully, what we have learned from this experience will be useful when we finally decide to do what we have been promising American voters we have been promising American voters we would do for years—reform our Tax Code.

OROVILLE-TONASKET UNIT EXTENSION, CHIEF JOSEPH DAM PROJECT, WASH.

Mr. JACKSON. Mr. President, I call up Calendar No. 1057.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 3283) to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes,

The Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with amendments as follows:

On page 3, line 20, after the period, insert the following:

The aforesaid contract shall provide that irrigation costs properly assigned to privately owned recreational lands shall be repaid in full within fifty years with interest.

On page 5, line 8, insert the following:

SEC. 7. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Oroville-Tonasket unit, are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of unit works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes as determined by the Secretary of the Interior.

On page 5, line 17, strike "7." and insert "8.";

On page 5, line 19, strike "$35,740,000 (January 1975 prices)," and insert "$39,370,000 (January 1976 prices),";

So as to make the bill read:

S. 3283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for purposes of supplying water to approximately ten thousand acres of land and for enhancement of the fish resource of the Similkameen, Okanogan, and Columbia Rivers and the Pacific Ocean, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the Oroville-Tonasket unit extension (hereinafter referred to as the project) shall consist of pumping plants, distribution systems; necessary works incidental to the rehabilitation or enlargement of portions of the existing irrigation system to be incorporated in the project; drainage works; and measures necessary to provide fish passage and propagation in the Similkameen River. Irrigation works constructed and rehabilitated by the United States under the Act of October 9, 1962 (76 Stat. 761), and which are not required as a part of the project shall be dismantled and removed with funds appropriated hereunder and title to the lands and right-of-way thereto which were conveyed to the United States shall be reconveyed to the Oroville-Tonasket Irrigation District. All other irrigation works which are a part of the Oroville-Tonasket Irrigation District's existing system and which are not required as a part of the project or that do not have potential as rearing areas for fish shell be dismantled and removed with funds appropriated hereunder.

SEC. 2. The Secretary is authorized to terminate the contract of December 26, 1964, between the United States and the Oroville-Tonasket Irrigation District and to execute new contracts for the payment of project costs, including the then unpaid obligation under the December 26, 1964, contract. Such contracts shall be entered into pursuant to section 9 of the Act of August 4, 1939 (53 Stat. 1187). The term of such contract shall be fifty years, exclusive of any development period authorized by law. The contracts for irrigation water may provide for the assessment of an "account charge" for each identifiable ownership receiving water from the project. Such charge, together with the acreage or acre-foot charge, shall not exceed the repayment capacity of commercial family-size farm enterprises as determined on the basis of studies by the Secretary. Project construction costs covered by contracts entered into pursuant to section 9(a) of the Act of August 4, 1939, as determined by the Secretary, and which are beyond the ability of the irrigators to repay shall be charged to and returned to the reclamation fund in accordance with the provisions of section 2 of the Act of June 14, 1966 (80 Stat. 200), as amended by section 6 of the Act of September 7, 1966 (80 Stat. 707). The aforesaid contract shall provide that irrigation costs properly assigned to privately owned recreational lands shall be repaid in full within fifty years with interest.

SEC. 3. Power and energy required for irrigation water pumping for the project, including existing irrigation works retained as a part of the project, shall be made available by the Secretary from the Federal Columbia River power system at charges determined by him.

SEC. 4. The provision of lands, facilities, and any project modifications which furnish fish and wildlife benefits in connection with the project shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213, as amended. All costs allocated to the anadromous fish species shall be nonreimbursable.

SEC. 5. For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949 (63 Stat. 1051; 7 U.S.C. 1421), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (62 Stat. 1251; 7 U.S.C. 1301), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 6. The interest rate used for purposes of computing interest during construction and, where appropriate, interest on the unpaid balance of the reimbursable obligations assumed by non-Federal entities shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption from fifteen years from the date of issue.

SEC. 7. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Oroville-Tonasket unit, are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of unit works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes as determined by the Secretary of the Interior.

SEC. 8. There is hereby authorized to be appropriated for construction of the works and measures authorized by this Act the sum of $39,370,000 (January 1976 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indices. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project.

Mr. JACKSON. Mr. President, I am certainly pleased with the Senate's timely consideration of S. 3283, a bill introduced by the Senior Senator from Washington State (Mr. MAGNUSON) and myself for purposes of authorizing the Secretary of the Interior to construct the Oroville-Tonasket Unit Extension of the Chief Joseph Dam project.

Let me say that I am personally familiar with the existing Oroville-Tonasket reclamation project and the great need for this legislation. I have been to the Okanogan Valley many times, and I have personally discussed the problems associated with the existing project facilities with local orchardists and officers of the Oroville-Tonasket Irrigation District.

The History of the district and irrigation in the area goes back to the early 1900's. Unfortunately, much of the present irrigation system also dates back to that time and that is the reason for my introduction of S. 3283. The present system delivers water to about 10,000 acres of productive apple orchards which are the mainstay of the area's economy. However, the existing irrigation system is not reliable and should the system fail during a critical time in the irrigation season, the effect on the economy would be disastrous.

S. 3283 would authorize the replacement of the existing water delivery facilities with modern pumps and pipe replacing wooden flumes and open ditches. Not only would the reliability of the system be improved, there would be other benefits as well, such as water conservation and fishery enhancement.

Certainly one of the more imaginative aspects of the proposed plan of development is the opening up of 40 miles of stream for anadromous fish propagation.

I can say without qualification this is a good project and that the benefits will accrue nationwide.

Mr. President, this has been cleared with the other side. It was reported unanimously from the Senate Interior and Insular Affairs Committee.

Mr. TOWER. It is my understanding it has been cleared, and there is no objection.

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 94–1122) explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE MEASURE

The purpose of S. 3283 which was introduced on April 9, 1976, by Senators Jackson and Magnuson of Washington State, is to authorize the construction, operation, and maintenance of the Oroville-Tonasket Unit Extension, Okanogan-Similkameen Division, Chief Joseph Dam Project in north central Washington State. Efforts undertaken will consist of replacement of an existing irrigation diversion and distribution system thereby increasing reliability of water service to 10,000 acres of productive agricultural lands and contributing to a substantial water saving as well as enhancement of fish habitat and water quality.

BACKGROUND AND NEED

In 1911, landowners in the Upper Okanogan Valley in north central Washington State joined together to form the West Okanogan Valley Irrigation District which later was expanded and became the Oroville-Tonasket Irrigation District. The main service canal was constructed in 1916 and additional service canals were constructed as additional lands were brought under irrigation. Major replacement of District facilities were made by the Works Progress Administration in 1940 and 1942. Additional repairs to the system were made by the Bureau of Reclamation in 1968.

In spite of the rehabilitation efforts, many of the facilities currently in use consist of wood flumes, wood-stave pipe, unlined canals, and deteriorated concrete canals. Some of the facilities still in use are over forty years old and contribute to water losses of 40% within the system. In addition, present diversion structures are subject to damage from periodic flooding and unstable soil conditions.

Water deliveries are not reliable and failure of the existing system at a crucial time during the irrigation season would be disastrous for approximately 10,000 acres of exceptionally high quality irrigated lands and would have a serious adverse impact upon the local economy.

Pursuant to Public Law 89-561, the Bureau of Reclamation has conducted a feasibility investigation of the replacement of the existing Oroville-Tonasket Irrigation District facilities.

DESCRIPTION OF THE PROJECT

Six pumping plants—one on the Similkameen River and five on the Okanogan—will lift irrigation water into eight adjacent closed pipe distribution systems. A series of thirteen relift pumping plants will provide pressure to serve higher benchlands. The distribution system will consist of 110 miles of pipe ranging from 33 to 4 inches in diameter.

Fishery enhancement will be accomplished by providing access to forty miles of potential spawning and rearing areas in the Similkameen River above the existing Enloe Dam and retention of certain existing irrigation canals which have potential as future fishery enhancement facilities. Enloe Dam and powerhouse were constructed in the early 1920's but use was discontinued in the early 1950's. Alternatives for providing fish passage at Enloe Dam include dam removal or fish laddering. It is expected that dam removal and/or laddering will be evaluated during the advanced planning process by the Bureau of Reclamation.

FINANCIAL AND ECONOMIC ANALYSIS

The total estimated construction cost of the Oroville-Tonasket Unit Extension is $39,370,000, based on January 1976 prices. In the economic analysis prepared for determining the feasibility of the project the construction cost is adjusted to include $1,187,000 which represents the share of the cost of the Federal Columbia River Power System that will be used in supplying pumping power for operation of the unit. The allocation of the resultant project costs excluding interest during construction is as follows:

Irrigation	$37,891,000
Fish and Wildlife	1,780,000
Archeological Studies	390,000
Preauthorization Investigations	496,000

Construction costs allocated to enhancement of anadromous fisheries will be nonreimbursable as are costs of preauthorization investigations and archeological studies.

Annual operation, maintenance, replacement, and power costs associated with the project are estimated to be $236,000. Of the costs allocated to irrigation, the local beneficiaries would repay all operation and maintenance costs as well as replacement and power costs as well as about 34% of the investment costs. The balance of the allocated irrigation costs would be repaid from net revenues of the Federal Columbia River Power System. The economic analysis presented by the Department indicates that the project has a benefits to costs ratio of 1.95 to 1.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to en bloc.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT ON REFERRAL OF S. 2925

Mr. GLENN. Mr. President, I thank the distinguished Senator from West Virginia.

Mr. President, the distinguished Senator from Maine (Mr. MUSKIE), on behalf of the Government Operations Committee, submitted to the desk S. 2925, relating to overlapping Federal programs, and I have a unanimous-consent agreement regarding S. 2925. It has been cleared on both sides of the aisle and with the appropriate committee chairmen, and they all have agreed to the unanimous-consent request.

I ask unanimous consent that S. 2925, as reported by the Committee on Government Operations, be referred simultaneously to the Committee on Rules and Administration and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. I further ask unanimous consent that under the terms of such referral the Committee on Rules and Administration be instructed to report the bill to the Senate no later than September 15, 1976 and that the Committee on Finance be instructed to confine its consideration of the bill to title V thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. I further ask unanimous consent that, if the bill is reported by the Committee on Rules and Administration and not by the Committee on Finance, that the Committee on Government Operations shall be deemed to have reported a clean bill which reads as S. 2925 as reported now reads minus title V. Such clean bill shall have all the sponsors and cosponsors of S. 2925 as of the date S. 2925 is reported by the Committee on Rules and Administration, and such bill shall be immediately placed on the calendar.

Mr. TOWER. Mr. President, reserving the right to object, and I shall not object, it is the understanding of the Senator from Texas this matter has been cleared with the appropriate Republicans on this side of the aisle who have an interest.

Mr. GLENN. That is correct. It has been cleared with Senator JAVITS, Senator CURTIS, and with Senator LONG of the Finance Committee; Senator MUSKIE, Senator RIBICOFF, and it has been cleared by all parties.

Mr. TOWER. I thank the Senator.

Mr. GLENN. I thank the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TULE ELK POPULATION IN CALIFORNIA

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the following measure has been cleared on both sides of the aisle.

I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1053.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The legislative clerk read as follows:

H.J. Res. 738, providing for Federal participation in preserving the Tule elk population in California.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senate will proceed to its immediate consideration.

Mr. CRANSTON. Mr. President, I commend the Senate for its swift and timely passage of House Joint Resolution 738, an act to provide for the preservation of the Tule elk, of California. I am especially pleased that the legislation as passed by the Senate, and previously by the House, is the product of a remarkable effort at reconciling widely varying views on a measure I first introduced in the Senate in 1969.

The passage of this consensus legislation is due to the tireless efforts of conservationists, others interested in the welfare of the Tule elks, legislators, and officials at various levels of government. I especially thank my colleague, Senator JOHN V. TUNNEY, for his cosponsorship and firm support of the Senate legislation; Congressman JOHN DINGELL for his early interest in the welfare of the Tule elk; Congressman ROBERT LEGGETT who skillfully guided the bill to House passage; and Congressman PETE McCLOSKEY, whose efforts at reconciling differences are largely responsible for congressional enactment of this important measure.

Most importantly however, congressional enactment of the Tule Elk Preservation Act, in my view, would not have been possible were it not for the dedication, boundless energy and limitless enthusiasm evidenced by Buela and Tasker Edmiston of California. The Edmistons—and I think especially Buela, who has made the survival of the Tule elk her life's first priority—are protectors of wildlife in the grandest sense of the term, for they care not only for the protection of the wildlife they cherish, but they also understand the need for public understanding of the reasons why protections must be provided.

The considerate efforts of Senator PHILIP A. HART, chairman of the Commerce Subcommittee on the Environment, and Senator WARREN G. MAGNUSON, Commerce Committee chairman, were essential to achieving the measure we enacted today. Proponents of the Tule elk owe them a great debt of gratitude. Kathi Korpon of the committee staff was especially skillful and knowledgeable in bringing the bill to fruition.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator TUNNEY.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR TUNNEY

Mr. President, today the Senate is scheduled to consider H.J. Res. 738, legislation to provide for Federal participation in preserving the rare Tule elk in the State of California.

Mr. President, the Tule elk is the smallest of the North American elk, and is native only to the central valleys of California. During the early 1800's these creatures numbered in the thousands and freely roamed the San Joaquin and Sacramento Valleys of California. However, during the gold rush, the Tule elk populations began to decline due to harvesting by trappers and goldminers for food and hides. In the 1870's the Tule elk populations reached a low of approximately 30 animals.

Since that time, due to the efforts of cattlemen and citizen groups, the Tule elk population increased to a level of approximately 550. By 1971, however, it became clear that the efforts of these individuals alone would not provide adequate protection for this rare species. Consequently, the California State legislature enacted a law which prohibits the taking of these animals until the total Statewide population exceeds 2,000 or until the State legislature determines that suitable areas cannot be found in the State to accommodate a population of 2,000 in a healthy condition.

Tule elk herds are currently found in four major areas: the Owens Valley in Inyo County, the Cache Creek-Swanson Range in Lake and Coulsa Counties, the California Tupman Elk Preserve in Kern County, and the San Luis National Wildlife Refuge in Merced County. The California State Fish and Game Department, however, estimates that none of these areas or other State lands being evaluated for Tule elk habitat are sufficient to restore these creatures to the level envisioned by the State legislature. If these magnificent animals are to be rescued from extinction, a fate that has befallen far too many of our wildlife species, additional habitat must be located. This is the purpose of H.J. Res. 738.

In contrast to the lack of adequate State-owned habitat, much of the land in California under the jurisdiction of Federal agencies, including the Departments of Interior, Agriculture and Defense, is not currently supporting Tule elk and could be utilized for this purpose. These areas include the Point Reyes National Seashore, various national forests and park lands, and several military reservations. H.J. Res. 738 directs these Federal agencies to make their lands available as habitat for the Tule elk. Since the fate of this species is of national concern, it is fitting that the Federal government assist the State in their restoration.

The resolution further recognizes that the protection and maintenance of these herds in a free and wild state is of educational, scientific and aesthetic value to the American people. So that the nation may be kept informed of the progress being made in restoring these herds, H.J. Res. 738 directs the Secretary of the Interior to submit to the Congress an annual report concerning the estimated size and condition of the various herds and their habitat. An evaluation of the effects of Federal, State and local land use practices on the herds and their habitat would be included in the report. In addition, the Secretary would be directed to make recommendations with respect to additional Federal actions which should be taken to protect the Tule elk.

In order to ensure that restoration of the Tule elk is carried out in an effective manner, the legislation directs the Secretary of the Interior to develop, in cooperation with other Federal, State and local agencies which have jurisdiction over Tule elk habitat, a comprehensive plan for the management of the species. The details of the plan should be included, to the extent possible, in the Secretary's first annual report to Congress, and should be updated in subsequent annual reports. Identification and evaluation of lands with potential for use as Tule elk habitat is an integral part of this management plan. Thus, the Commerce Committee has made clear in its report on the resolution that the Secretary's annual report should include information on the availability of additional habitat in excess of the carrying capacity of the Owens Valley.

Mr. President, I was pleased to cosponsor in the Senate with the distinguished senior Senator from California, Alan Cranston, S.J. Res. 20, legislation similar to that which we are considering today. H.J. Res. 738 provides an alternative acceptable to all concerned, including the California Congressional Delegation, the Conservation Community, the California State Fish and Game Department, the Los Angeles Water Department, and the communities bordering present and proposed Tule elk habitat. I believe its enactment will provide us with the framework needed for a comprehensive and coordinated Tule elk conservation program.

Mr. President, I would like to express my thanks to two individuals whose tireless efforts have been critical in the progress of this legislation. The first is the distinguished senior Senator and my colleague from the State of California, the Honorable Alan Cranston. Senator Cranston was among the first to discern the plight of the Tule elk and to recognize the need for a Federal role in the restoration of the species. Senator Cranston introduced the first Tule elk legislation in the Senate in 1969.

A second individual of special recognition is Mrs. Beula Edmiston, Secretary for the Committee for the Preservation of the Tule Elk. Mrs. Edmiston has been of invaluable assistance to the Commerce Committee during its deliberations on H.J. Res. 738. With the benefit of her vast knowledge of the Tule elk and their needs, we have developed a bill which will go a long way toward the protection and restoration of this species.

Finally, I would like to express my sincere appreciation to the thousands of individuals across the country who have taken the time and made the effort to inform me and other members of Congress of their support for this legislation.

In conclusion, I urge my colleagues to give their unanimous approval to this much needed conservation measure so that it may be forwarded to the President for his signature.

The joint resolution was ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON PROGRESS OF CYPRUS NEGOTIATIONS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Pursuant to Public Law 94–104, I am submitting my fifth periodic report on the progress of the Cyprus negotiations and the efforts this Administration is making to help find a lasting solution to the problems of the island. In previous reports I have emphasized my strong desire to see a just and lasting settlement. I have reviewed in detail the efforts this Administration has made to help realize that achievement, and the progress that has been made thus far. I have indicated that while a Cyprus solution cannot be dictated by the United States, or imposed by any outside party, there are certain elements which are considered essential to an equitable settlement. These I detailed for the Congress in my report of December 8, 1975.

These essential elements have not changed. Nor has my conviction, voiced in earlier reports, that real progress can be achieved provided mutual distrust and suspicions are set aside and both parties forego rhetoric which needlessly hinders the search for a just settlement.

We have lost no opportunity to contribute to our common goal of achieving a Cyprus solution. I have discussed the Cyprus problem at length with the Foreign Ministers of Greece and Turkey. At the Summit Conference in Puerto Rico in June 1976, I spoke about Cyprus with leaders of the major industrial nations. Secretary Kissinger has also devoted considerable effort to achieving a favorable atmosphere for discussions, continuing personally to press our views at the highest levels in Athens and Ankara. Our Ambassadors in Greece, Turkey and Cyprus have worked unstintingly to help bring the two sides together in an atmosphere of true negotiation; and we have strongly and continuously supported the efforts of United Nations Secretary General Waldheim to achieve this same end. In spite of all these efforts, we have been unsuccessful thus far in getting the parties to set aside procedural problems and to move on to discussions of the key substantive issues, such as territory.

The process of finding a solution to the Cyprus problem has been carried forward through intercommunal talks between the two Cypriot sides, under the aegis of Secretary General Waldheim. These talks have been in recess since February. Lower-level "humanitarian" talks, now also in recess, have produced limited progress on subsidiary issues, but have left the central points of contention unresolved. Meanwhile new frictions continue to arise on the island as each side seeks to maintain or improve its position, either locally on the island or on the wider international stage.

We continue to seek solutions for the ongoing humanitarian problems of those who were displaced from their homes on Cyprus by the conflict of 1974. The United States, through the UN High Commissioner for Refugees, has contributed some $25 million in each of the past two years to help to alleviate these problems. On Cyprus, new programs to provide housing for those displaced are underway. With these programs, we would hope that most of those Cypriots still living in temporary dwellings—now down to about 10 percent of the original number of refugees—could be in new homes by early next year. In support of this effort our program of humanitarian assistance will continue in the coming year.

Secretary General Waldheim's Special Representative on Cyprus, Ambassador Perez de Cuellar, has recently engaged in discussions in Ankara, Athens and Nicosia with a view to developing a basis for an early resumption of the intercommunal talks. The United States has strongly supported these efforts and will remain in close contact with the Secretary General in the days immediately ahead.

On July 29 of this year I met with Bulent Ecevit, the Turkish opposition leader, and stressed the compelling need for a more conciliatory approach by both sides. Moreover, we have again been active with our European allies to insure that all avenues are explored in the search for a settlement.

Though there are many proposals for a settlement of the situation on Cyprus, the only solution which will restore domestic tranquility for all the citizens of that island is one which they work out among themselves. We are dedicating our efforts to assisting in the resumption of negotiations which will achieve the goal we share—an equitable and just peace on Cyprus. This Administration, with the support of the Congress, will continue actively to encourage that process in every way possible.

GERALD R. FORD.

THE WHITE HOUSE, *August 6, 1976.*

MESSAGE FROM THE HOUSE

At 2:54 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House insists upon its amendment to the bill (S. 507) to provide for the management, protection, and development of the national resource lands, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MELCHER, Mr. JOHNSON of California, Mr. UDALL, Mr. PHILLIP BURTON, Mr. SEIBERLING, Mr. SANTINI, Mr. WEAVER, Mr. STEIGER of Arizona, Mr. DON H. CLAUSEN, and Mr. YOUNG of Alaska were appointed managers of the conference on the part of the House.

The message also announced that the Speaker has appointed as members of the National Transportation Policy Study Commission Mr. WRIGHT, Mr. ADAMS, Mr. HOWARD, Mr. ANDERSON of California, Mr. SNYDER, and Mr. SHUSTER.

The message further announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 9719. An act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE NATIONAL MARINE FISHERIES SERVICE

A letter from the Secretary of Commerce transmitting the National Marine Fisheries Service Report for Calendar Year 1975 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting, pursuant to law, a report entitled "Advisability of Regulating Electric Vehicles for Energy Conservation" (with an accompanying report); to the Committee on Commerce.

REPORT OF THE BOY SCOUTS OF AMERICA

A letter from the Acting Chief Scout Executive of the National Boy Scouts of America transmitting, pursuant to law, the annual report for the year 1975 of the Boy Scouts of America (with an accompanying report); to the Committee on Labor and Public Welfare.

ORDERS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered in certain cases in behalf of aliens (with accompanying papers); to the Committee on the Judiciary.

PUBLISHED REGULATIONS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Three letters from the Acting Director, Office of Regulatory Review, of the Department of Health, Education, and Welfare transmitting, pursuant to law, copies of published regulations relating to educational programs (with accompanying papers); to the Committee on Labor and Public Welfare.

CORRECTION IN PROPOSED REGULATIONS OF THE FEDERAL ELECTION COMMISSION

A letter from the Chairman of the Federal Election Commission setting forth a correction in the set of proposed regulations previously submitted; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

S. Res. 513. An original resolution waiving the provisions of section 402(a) of the Congressional Budget Act of 1974, with respect to S. 3554. Referred to the Committee on the Budget. (Rept. No. 94–1128).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 3477. A bill for the relief of Jeanette Green, as mother of the minor child, Ricky Baker, deceased, and as widow and administratrix of the estate of Enoch Odell Baker, deceased; and for the relief of Mary Jane Baker Nolan, individually, and as widow and administratrix of the estate of John William Baker, deceased (Rept. No. 94–1129).

S. Res. 378. A resolution to refer the bill (S. 2907) entitled "A bill for the relief of innocent victims of the occupation of Wounded Knee, South Dakota" (Rept. No. 94–1130).

S. Res. 457. A resolution to refer the bill (S. 3518) entitled "A bill for the relief of Sea Gate, Incorporated, a North Carolina corporation, and Charles M. Reeves, Junior" to the Chief Commissioner of the United States Court of Claims for a report thereon (Rept. No. 94–1131).

S. Res. 491. A resolution to refer the bill (S. 3690) entitled "A bill for the relief of R. Dean Dawes and others" to the Chief Commissioner of the United States Court of Claims for a report thereon (Rept. No. 94–1132).

H.R. 5752. An act for the relief of Lucie Stein (Rept. No. 94–1135).

H.R. 6156. An act for relief of Walma T. Thompson (Rept. 94–1136).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 2830. A bill for the relief of Fary A. Broyles (Rept. No. 94–1133).

S. 3146. A bill for the relief of Leo J. Conway (Rept. No. 94–1134).

By Mr. MUSKIE, from the Committee on Government Operations, with an amendment:

S. 2925. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes (title amended) (Rept. No. 94-1137).

HOUSE BILL REFERRED

The following bill was read twice by its title and referred to the Committee on Interior and Insular Affairs:

H.R. 9719. An act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality.

SENATE RESOLUTION JOINTLY REFERRED

Mr. BEALL. Mr. President, I ask unanimous consent that Senate Resolution 502, disapproving the deferral of budget authority for operating grants to the National Railroad Passenger Corporation, presently being held at the desk, be referred appropriately under the Impoundment Control Act of 1972.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 502) was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Commerce.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. INOUYE:

S. 3738. A bill to amend the Tariff Act of 1930 to exempt from duties and taxes supplies for certain additional classes of vessels. Referred to the Committee on Finance.

By Mr. BEALL:

S. 3739. A bill to amend section 1451 of title 10, United States Code, to change the offset for social security under the survivor benefit plan from 100 percent to 50 percent, and for other purposes. Referred to the Committee on Armed Services.

By Mr. INOUYE:

S. 3740. A bill to provide Federal programs of educational, employment, and other assistance to areas with heavy concentrations of foreign-born persons. Referred to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 3741. A bill to require the disclosure of payments to foreign officials and for other purposes. Referred to the Committee on Commerce.

By Mr. CLARK:

S. 3742. A bill for the relief of Eun Kyung Park and Sang Hyuk Park. Referred to the Committee on the Judiciary.

By Mr. HUGH SCOTT:

S. 3743. A bill to amend section 3102 of title 38, United States Code, relating to the recovery by the United States of certain payments made to veterans. Referred to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE:

S. 3738. A bill to amend the Tariff Act of 1930 to exempt from duties and taxes supplies for certain additional classes of vessels. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, the legislation which I introduce today is designed to effect a small but significant modernization in section 309(a) of the Tariff Act of 1930 and thereby increase the sales and profits of our bonded warehouses and foreign-trade zones. Specifically, this bill would exempt from duties and taxes supplies purchased in bonded warehouses and foreign-trade zones by additional classes of both foreign and domestic vessels.

Foreign-trade zones, you will recall, are a U.S. version of what are known internationally as free-trade zones. Located in or near U.S. Customs ports of entry, these zones are operated as public utilities by qualified corporations under Customs supervision.

Current tariff statutes limit the types of ships which can purchase duty- and tax-free supplies from bonded warehouses and foreign-trade zones. Only vessels operated by the United States, vessels of war of any nation, and foreign or domestic vessels employed in the fisheries or whaling business or actually engaged in foreign trade are afforded this privilege. Since the original tariff act was silent on other classes of vessels, they have been excluded from permission to purchase inbond supplies at U.S. ports, making it more economical for them to buy supplies during non-U.S. calls. One local supplier of duty- and tax-free ship's stores in Hawaii has estimated sales losses of $100,000 each year as a result of outdated tariff provisions excluding special-purpose vessels from duty- and tax-free purchases.

My bill would go a long way toward correcting this situation by extending the privilege to the following additional classes of vessels of the United States and foreign nations: naval and maritime training vessels, oceanographic research vessels, cable-laying vessels, vessels engaged in salvage operations in international waters, ocean mining vessels, ocean drilling vessels, vessels engaged in supplying other vessels or stations on the high seas, vessels and ocean stations engaged in power generation or communications relay, and vessels engaged in data collection from the sea or the air.

In drawing up this legislation, I reviewed hearings, reports, and floor debates on the Tariff Act of 1930 and subsequent amendments thereto, including the Customs Simplification Act of 1953 and Public Law 86-606. This research did not reveal any substantive support for restriction of the types of vessels which can use bonded warehouse and foreign-trade zone facilities. In fact, later amendments to the tariff law have all expanded rather than limited the types of vessels eligible for the privilege. The special purpose categories included in the original legislation, fishing and whaling, were simply the important ones in 1930. Today we have more diversified priorities.

Finally, in proposing this amendment to the Tariff Act I consulted with the appropriate divisions of the Treasury and Commerce Departments and neither agency voiced any objection to the expansion.

I think it is time to bring the Tariff Act of 1930 up to 1976 standards, to make the most of today's business opportunities in the international commercial sphere. I urge support of this bill.

By Mr. BEALL:

S. 3739. A bill to amend section 1451 of title 10, United States Code, to change the offset for social security under the survivor benefit plan from 100 percent to 50 percent, and for other purposes. Referred to the Committee on Armed Services.

Mr. BEALL. Mr. President, today I am introducing legislation to make major changes in the survivor benefit plan for military personnel, a plan which I authored in 1971, now Public Law 92-425. I am very proud of my work on this legislation and consider its enactment as a significant achievement.

This is a subject of utmost importance to the men and women, both active and retired, of the Armed Forces. The law, often referred to as the "widow's equity bill," provides for a permanent survivors benefit plan for dependents of retired military personnel. Retirees under this program are able to leave up to 55 percent of their retired pay to their survivors. Much credit for the enactment of this program must go to the many military and veterans organizations for their support, and particularly to the Fleet Reserve Association which, in 1969, completed a study which helped to spotlight the lack of an equitable survivor annuity program for military retirees. Also the many moving letters received by Members of Congress, plus the hearings we conducted, dramatized the woefully inadequate benefits available to survivors of retired personnel. The result of all of this action has proved beneficial to many retirees and their widows. Congress has acted justly in providing for a basic survivor protection for retired career personnel.

I am sorry to say, however, that many retirees have not taken full advantage of the program. During the initial enrollment period, the Fleet Reserve Association undertook a nationwide effort to inform the retired military community of the program, called Project Pass the Word. Although this was certainly helpful in increasing the numbers of participants, there are provisions in the law which have deterred full participation. One of these deterrents has been the social security "offset" provision. This provision offsets dollar for dollar that amount of the annuity which the widow receives when she reaches age 62 by the social security benefits to which she is entitled, based on the service of her spouse in the military after 1956. The program was established as an adjunct of the social security coverage provided for the serviceman, but, the offset provision has created a confusing block to full participation.

It is certainly easy to understand a military retirees' hesitation at enrolling in a survivor benefit plan. The offset provision creates a twofold problem. For many retirees the limited coverage provided as a result of the offset provision is insufficient to justify the many years of reduced annuity payments. Second, as we are all aware, more and more women are participating in the labor force, and are themselves often eligible for social security benefits. Under the present social security law, the widow has the opportunity to receive whichever benefit is higher, her own or her late husband's. The fact that the widow receives her own social security benefits; however, does not negate the offset for the survivor benefit annuity to which she is entitled. Thus, even though a woman is receiving social security benefits based on her own earnings and gets nothing from her spouse's account, she will not receive the full Survivor Benefit Plan annuity to which she is entitled, based on her late husband's military service.

My bill, which is identical to H.R. 6643, would change the offset provision from 100 percent to 50 percent and remove the offset if the widow is not actually receiving social security benefits based on her late husband's earnings. This reflects the views of the Defense Department during past hearings on the program and the results of a recent Defense Manpower Commission report.

In addition to the change in the offset provision, the bill I am introducing today corrects an unnecessary and unwarranted restriction on benefits received by widowed mothers. My bill revokes the offset of the "mother's benefit" when there is a widow under age 62 with only one child. Presently, the offset applies for a widow with one child, but not for a widow with two, three or more children.

I have also included a provision for reopening the enrollment period for another 9 months. It is only fair that we provide an opportunity for those who previously could not afford to enroll in the survivor benefit program to take advantage of the alteration in the plan resulting from my amendment.

Mr. President, the Nation is aware of the great sacrifices made by the Nation's career military men and the great debt we owe to them. Their daily duty is the defense and security of the Nation. The country is probably not as aware of the sacrifices and demands of the military wife.

The old saying that "behind every successful man is a successful woman" has a special truth for military wives. Long separations and months of loneliness, and frequent changes in duty stations, and the necessary family uprooting that often follows, are among the many problems with which the career serviceman's wife must cope. Added to this is the fear in the mind of the military wives that their husbands may not return at all. After standing alongside their husbands throughout their military careers, these brave and special breed of women should be assured of the best possible survivor's benefits.

I am convinced that a good survivor annuity program is important for the all-volunteer army concept to which the military has moved. The career military man shares the universal desire to provide adequately for his surviving loved ones after his death. The adoption of the survivors' benefit program certainly helps to make the military more attractive as a career, and I am encouraged by this. However, the problems that currently exist within this program must be corrected. I feel that this legislation will go a long way in this regard.

By Mr. INOUYE:

S. 3740. A bill to provide Federal programs of educational, employment, and other assistance to areas with heavy concentrations of foreign-born persons. Referred to the Committee on Labor and Public Welfare.

Mr. INOUYE. Mr. President, today I am introducing a measure which would provide Federal financial assistance to gateway cities and States with large numbers of foreign-born immigrants to meet their social, health, and economic needs.

Hawaii has become home for many foreign-born immigrants being 1 of the top 10 States in our country with the largest number of foreign-born residents, the three leading States being New York, California, and Pennsylvania. Thus, we have a situation in which a few States have been asked to bear a disproportionate share of a national responsibility.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "New Americans Education and Employment Assistance Act".

DECLARATIONS AND FINDING

SEC. 2. The Congress finds and declares that—

(1) many foreign-born persons in the United States lack sufficient education to function adequately in our technological society;

(2) the lack of adequate education prevents many such persons from having satisfactory employment opportunities;

(3) newly arrived foreign-born Americans also experience difficulty in such areas as food, housing, and health;

(4) the needs of newly arrived foreign-born Americans may place heavy financial strains on the communities in which they reside;

(5) a number of "gateway cities" exist where such persons reside in great numbers, thereby placing disproportionate burdens on particular areas of the country;

(6) the policies under which persons move to the United States are set and determined by the Federal Government; and

(7) the Federal Government therefore has a responsibility to assist those States and cities having concentrations of foreign-born populations in meeting the special needs thereby thrust upon such communities.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and American Samoa;

(2) the term "immigrant" means a foreign-born individual residing in the United States whose residence is based on a permanent residence visa (but does not include any person in the United States for purposes of representing other governments in a diplomatic or similar capacity) and American Samoans residing in any part of the United States, other than American Samoa; and

(3) the term "gateway city" means any city or unit of local government having a population of fifty thousand or greater, having more than 5 per centum of such population who are immigrants.

ENTITLEMENT

SEC. 4. (a) The Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary") shall determine the entitlement of each State and each gateway city under subsection (b) for each fiscal year at least six months prior to the commencement of that fiscal year.

(b)(1) The entitlement of each State for the purposes of grants under section 5 for each fiscal year shall be the number of dollars resulting from multiplying the number of immigrants who arrived in that State during the immediately preceding calendar year by $1,000.

(2) the entitlement of each gateway city within a State for the purposes of grants under section 6 shall be subtracted from the entitlement of that State and shall consist of that percentage of the State entitlement which is equal to the number of dollars resulting from multiplying the number of immigrants who arrived in that State during the immediately preceding calendar year who reside in such city by $1,000.

GRANTS TO STATES

SEC. 5. The Secretary shall make grants each fiscal year to each State, on such terms and conditions as he shall establish, to carry out the purposes of this Act, for programs in education, job training, counseling (including health counseling), orientation, and other similar activities for the benefit of immigrants. The total of such grants shall equal in the case of each State the entitlement of that State under section 4(b)(1) for such fiscal year, but if sufficient funds are not appropriated for that purpose the amounts of grants to each State shall be reduced pro rata by the Secretary.

GRANTS TO GATEWAY CITIES

SEC. 6. The Secretary shall make grants each fiscal year to each gateway city, on such terms and conditions as he shall establish, to carry out the purposes of this Act, for programs in education, job training, counseling (including health counseling), orientation, and other similar activities for the benefit of immigrants. The total of such grants shall equal in the case of each State the entitlement under section 4(b)(2) for such fiscal year, but if sufficient funds are not appropriated for that purpose, the amount of grants to each gateway city shall be reduced pro rata by the Secretary.

DISCRETIONARY GRANTS TO GATEWAY CITIES

SEC. 7. (a) The Secretary is authorized to make additional grants to gateway cities, on such terms and conditions as he shall establish in addition to the requirement of subsection (b), to carry out the purposes of this Act, for programs in education, job training, counseling (including health counseling), orientation, and other similar activities for the benefit of immigrants.

(b) No grant made under subsection (a) shall exceed 75 per centum of the cost of the total annual programs and activities conducted by such city under this section, but the remaining 25 per centum may be supplied by such city from funds granted under section 6.

EMPLOYMENT LOCATION ASSISTANCE

SEC. 8. (a) The Secretary is authorized to make grants of up to $250 to each immigrant arriving in the United States not more than one year prior to the making of the grant, to enable such immigrant to travel for the purpose of changing residence from any gateway city to any State other than that in which such gateway city is located, if an employer in the place to which such immigrant is to travel under the grant certifies that such employer will employ that immigrant. In addition, the Secretary is authorized to make grants of up to $250 to each member of an immigrant's immediate family to enable such member to accompany the immigrant in travel assisted under this subsection.

(b) The United States Employment Service is directed to establish and maintain programs in gateway cities of job referrals for immigrants to jobs available in States other than that in which such gateway city is located.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. (a) There are authorized to be appropriated such sums as are necessary for the purposes of grants under sections 5, 6, and 7. If sufficient funds are not appropriated for any fiscal year for the purposes of grants under sections 5, 6, and 7 no funds shall be allocated under section 7 until all funds available shall have been allocated under section 6, and no funds shall be allocated under section 6 until all funds available have been allocated under section 5.

(b) There is authorized to be appropriated the sum of $20,000,000, to remain available until expended, for grants and programs under sections 8(a) and 8(b).

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 3741. A bill to require the disclosure of payments to foreign officials and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce for myself and Mr. PEARSON, by request, a bill to require the disclosure of payments to foreign officials and for other purposes.

Mr. President, the Secretary of Commerce has submitted a letter and draft bill of proposed legislation entitled "Foreign Payments Disclosure Act." I ask unanimous consent that the text of the bill, an analysis of the bill, and the statement of purpose and need, prepared by the Department of Commerce, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Payments Disclosure Act".

DEFINITIONS

SEC. 2. For purposes of this Act:

(a) "person" means:

(1) an individual who is a citizen of the United States;

(2) an individual who has been lawfully admitted for permanent residence as described in section 101(a)(20) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101(a)(20)); or

(3) a legal entity, other than a noncommercial government entity, organized under the laws of the United States or a State or political subdivision thereof;

(b) "anything of value" means any direct or indirect gain or advantage, or anything that might reasonably be regarded by the beneficiary as a direct or indirect gain or advantage, including a direct or indirect gain or advantage to any other individual or entity;

(c) "foreign affiliate" means a legal entity organized under the laws of a foreign country, or political subdivision thereof, at least 50 percent of which is beneficially owned directly or indirectly by a person or persons subject to the provisions of this Act;

(d) "Secretary", unless otherwise specified, means the Secretary of Commerce;

(e) "foreign public official" means:

(1) an officer or employee, whether elected or appointed, of a foreign government; or

(2) an individual acting for or on behalf of a foreign government;

and includes an individual who has been nominated or appointed to be a foreign public official or who has been officially informed that he will be so nominated or appointed;

(f) "official action" means a decision, opinion, recommendation, judgment, vote, or other conduct involving an exercise of discretion by a foreign public official in the course of his employment;

(g) "State" means a State of the United States, the District of Columbia, Puerto Rico, or any territory or possession of the United States; and

(h) "foreign government" means:

(1) the government of a foreign country, irrespective of recognition by the United States;

(2) a department, agency, or branch of a foreign government;

(3) a corporation or other legal entity established or owned by, and subject to control by, a foreign government;

(4) a political subdivision of a foreign government, or a department, agency, or branch of the political subdivision; or

(5) a public international organization.

REPORTING REQUIREMENTS

SEC. 3. A person shall report to the Secretary, in accordance with regulations promulgated by the Secretary, payments hereafter made on behalf of the person or the person's foreign affiliate to any other individual or entity in connection with: An official action, or sale to or contract with a foreign government, for the commercial benefit of the person or his foreign affiliate.

RECORDING REQUIREMENTS

SEC. 4. In order to insure that a person who is required to report under section 3 of this Act has sufficient information in his possession to report accurately, the Secretary may promulgate rules and regulations requiring such person to keep such records, in the form and manner prescribed by the Secretary, as he deems necessary to carry out the purpose of this Act. In devising the recordkeeping requirements, the Secretary shall consult with other Federal agencies to eliminate unnecessary duplication in records required by the agencies. The agencies are authorized, where appropriate, to combine in a single form the records required under this Act and under any other Act.

ENFORCEMENT; COMPLIANCE WITH REQUIREMENTS

SEC. 5. To the extent necessary or appropriate to the enforcement of this Act, the Secretary, and officers and employees of the Department of Commerce specifically designated by the Secretary, may make such investigations and obtain such information from, make such inspections of the books, records, and other writings of, and take the sworn testimony of, any individual or entity. In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any individual or entity to appear and testify or to appear and produce books, records, and other writings, or both, and in the case of contumacy by, or refusal to obey a subpoena issued to, any such individual or entity, the district court of the United States for any district in which such individual or entity is found or resides or transacts business, upon application by the Attorney General, and after notice to any such individual or entity and hearing, shall have jurisdiction to issue an order requiring such individual or entity to appear and give testimony, or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

CIVIL REMEDIES

SEC. 6. (a) CIVIL PENALTIES.—A person who fails to file a report required under section 3 of this Act, or who fails to maintain the records required under section 4, or who files a report under section 3 but negligently omits information required to be reported under section 3 or negligently states false information required to be reported under section 3, shall be subject to a civil penalty of not more than $100,000.

(b) INJUNCTION.—Upon evidence satisfactory to the Attorney General that a person is engaged in an act or practice that constitutes a violation of this Act, the Attorney General may bring an action in a district court of the United States to enjoin such an act or practice, and, upon a proper showing, a permanent or temporary injunction or restraining order shall be granted by the court together with such other equitable relief as may be appropriate.

SEC. 7. (a) FAILURE TO FILE.—A person who knowingly: (1) fails to file a report required under section 3 of this Act;

(2) fails to maintain records required under section 4 of this Act; or

(3) omits required information from, or falsifies information in, records kept under section 4 of this Act;

shall be fined not more than $10,000 or imprisoned for not more than one year, or both, except that a legal entity shall be fined not more than $100,000.

(b) KNOWING FALSIFICATION.—A person who files a report required by this Act which he knows or should know contains a false statement, or which he knows or should know omits required information, shall be fined not more than $100,000 and imprisoned not more than three years, except that a legal entity shall be fined not more than $500,000.

DISSEMINATION OF REPORTS

SEC. 8. (a) DISSEMINATION WITH THE UNITED STATES.—The Secretary shall, upon receipt of a report, disseminate copies of the report to the Department of Justice, the Department of State, and the Internal Revenue Service. If the person who filed the report is subject to the jurisdiction of the Securities and Exchange Commission, the Secretary shall also transmit a copy of the report to the Securities and Exchange Commission. Until the report is released to the public, it shall be maintained in accordance with section 1905 of title 18, United States Code. The report shall be transmitted, upon request, subject to an appropriate arrangement to assure its confidentiality, to Committees of the Congress having legislative jurisdiction over the subject matter of the report. A report shall be made public one year after receipt in accordance with rules and regulations promulgated by the Secretary, unless the Secretary of State makes a specific determination in writing that foreign policy interests dictate against disclosure, or unless the Attorney General makes a specific determination in writing that the status of an ongoing investigation or prosecution dictates against public disclosure through other than conventional judicial processes.

(b) DISSEMINATION TO A FOREIGN GOVERNMENT.—The Attorney General, with the concurrence of the Secretary of State, may furnish any information contained in a report made under this Act to the appropriate law enforcement authorities of the foreign government concerned in accordance with applicable procedures and international agreements. The Secretary of State, with the concurrence of the Attorney General, may provide any such information to the foreign government concerned.

REGULATIONS

SEC. 9(a). PROMULGATION OF REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out the purposes of this Act. The regulations shall include:

(1) a requirement that the report include the name of every recipient who receives anything of value over a specified amount and the amount received by each such recipient;

(2) a requirement that the report include information concerning multiple payments

with respect to a single transaction which total over a specified amount; and

(3) a definiiton of certain types of payments which are not required to be reported because they are regular business payments not inconsistent with the purposes of this Act, or are bona fide payments to a foreign government, such as taxes or fees paid pursuant to duly promulgated laws, regulations, decrees, or other legal action.

(b) CONSULTATION WITH OTHER AGENCIES.—In devising the reporting regulations, the Secretary shall consult with other federal agencies to eliminate unnecessary duplication in reports required by the agencies. The agencies are authorized, where appropriate, to combine in a single form the reports required under this Act and under any other act.

CONFORMING AMENDMENT

SEC. 10. The provisions of this Act, other than section 9(b), shall not apply to payments made in connection with (a) sales of defense articles or defense services under section 22 of the Arms Export Control Act or (b) commercial sales of defense articles or defense services licensed or approved under section 38 of the Arms Export Control Act.

PROVISIONS OF LAW NOT AFFECTED

SEC. 11. (a) RIGHTS AND DUTIES UNDER OTHER LAWS UNAFFECTED.—Nothing in this Act shall be construed as affecting the rights or duties arising under the Securities Act of 1933, 15 U.S.C. 77a et seq., the Securities Exchange Act of 1934, 15 U.S.C. 78a et seq., the Public Utilities Holding Company Act of 1935, 15 U.S.C. 79a et seq., the Trust Indenture Act of 1939, 15 U.S.C. 77aaa, the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., and the Investment Advisers Act of 1940, 15 U.S.C. 80b-1 et seq., and any subsequent amendments thereto. Persons subject to this Act shall be required to make such public disclosure of the matters described in section 3 of this Act as may be otherwise required under the statutes listed above. Nothing in this Act shall preclude persons reporting pursuant to the provisions of this Act from making public disclosure of any payment described in section 3.

(b) AUTHORITY OF SECURITIES AND EXCHANGE COMMISSION.—Nothing in this Act shall be construed as affecting or conditioning the authority of the Securities and Exchange Commission to enforce the statutes listed in subsection (a) or to investigate violations thereof. The Commission shall have the authority to premise such enforcement or investigation on information received pursuant to section 8(a) of this Act.

RIGHTS AND REMEDIES PRESERVED

SEC. 12. The rights and remedies provided by this title shall be in addition to, and shall not be in derogation of, any and all other rights and remedies that may exist at law or in equity.

PROPOSED FOREIGN PAYMENTS DISCLOSURE ACT

SECTION-BY-SECTION ANALYSIS OF THE BILL

Short title

Section 1 of the bill provides that it may be cited as the Foreign Payments Disclosure Act.

Definitions

Section 2 defines certain terms used in the bill. "Person" is defined to mean individuals who are the citizens or resident aliens of the United States or legal entities organized under the laws of the United States or any state or political subdivision thereof. An exception is made for government entities which are not organized for commercial purposes. Federal, state or local government entities having commercial or trade promotion purposes would be subject to the Act.

"Anything of value" is defined broadly to include any direct or indirect gain or advantage to a direct beneficiary or to any third party beneficiary.

"Foreign affiliate" is defined to mean any legal entity organized under the laws of a foreign country, whenever it is at least 50 percent beneficially owned by persons subject to the Act. More complex definitions of ownership or control were rejected for the purposes of clarity and simplicity of administration.

"Foreign public official" is defined to mean an officer or employee of a foreign government, whether elected or appointed, or an individual acting for or on behalf of a foreign government. The term further is defined to include an individual who has been nominated or appointed to be a foreign public official but who has not yet formally entered office.

"Official action" is defined to mean any decision, opinion, recommendation, judgment, vote, or other conduct involving an exercise of discretion by a foreign public official in the course of his employment.

"Foreign government" is defined broadly to include any government of a foreign country; a department or agency thereof; a corporation or other legal entity under control of a foreign government; any political subdivision of a foreign government; and any public international organization.

Reporting requirements

Section 3 of the bill sets forth classes of payments which must be reported to the Secretary of Commerce in accordance with regulations promulgated by the Secretary. These include payments made, after passage of the bill, on behalf of a person subject to the Act or the person's foreign affiliate to any other individual or entity in connection with: an official action, or sale to or contract with a foreign government for the commercial benefit of the person or his foreign affiliate.

This reporting requirement will be further delineated by the issuance of regulations pursuant to Section 9(a) of the bill, which requires the Secretary, by regulation, to set a threshold amount below which payments need not be reported, and to define types of payments which need not be reported. Thus, while the reporting requirements of the bill will extend to proper as well as improper or illegal payments, the regulations issued by the Secretary will exclude from reporting certain regular business payments not inconsistent with the purposes of the bill and bona fide payments such as taxes.

The terms "individual or entity," as used in Section 3, refer to foreign public officials, foreign governments, and agents or intermediaries used in connection with covered transactions or official actions.

Recordkeeping requirements

Section 4 allows the Secretary of Commerce to promulgate rules and regulations prescribing record keeping, necessary to carry out the purposes of the Act. The Secretary is to consult in the design of these record keeping requirements with other federal agencies so as to eliminate unnecessary duplication of record keeping. It is anticipated that the SEC's record keeping requirements for firms regulated by the SEC may suffice for purposes of compliance with this bill.

Enforcement

Section 5 grants the Secretary of Commerce authority to inspect books and records, issue subpoenas and take sworn testimony as necessary and appropriate to the enforcement of the Act.

Civil remedies

Section 6 provides a civil penalty of not more than $100,000 for failure to file a report required by Section 3, failure to maintain records required by Section 4, or for negligent omission or inclusion of false information in a report required under Section 3. Section 6 also gives the Secretary the power to request the Attorney General of the United States to bring an action in federal district court to enjoin a person from continuing to engage in any act or practice that constitutes a violation of the bill.

Criminal penalties

Section 7(a) provides criminal penalties for knowing violations of the requirements of Sections 3 and 4 of the Act. Individuals may be fined not more than $10,000 or imprisoned for not more than one year, and a fine of $100,000 is provided for legal entities such as corporations. Section 7(b) penalizes as a felony, knowing falsification of reports required by Section 3. Individual offenders may be fined not more than $100,000 and imprisoned not more than three years. A legal entity is subject to a criminal fine of up to $500,000.

Dissemination of reports

Section 8(a) requires the Secretary, upon receipt of a report, to disseminate it to the Departments of State and Justice, the Internal Revenue Service and, where appropriate, to the Securities and Exchange Commission.

Section 8(b) states that the Department of Justice or the State Department can, as appropriate, relay information contained in such reports to authorities in foreign jurisdictions. Except for the aforementioned dissemination, the Secretary of Commerce must keep reports confidential in accordance with 18 U.S.C. § 1905, for one year from date of receipt. This one-year period will help protect business competitive information and lessen possible foreign relations problems. Reports are to be shared, however, upon request and subject to appropriate assurances of confidentiality, with Committees of Congress having appropriate legislative jurisdiction. After the expiration of the one-year period, reports are to be available for public inspection and copying, unless a specific determination is made in writing by the Secretary of State that foreign policy interests dictate against public disclosure, or the Attorney General makes a specific determination in writing that the status of an ongoing investigation or prosecution dictates against public disclosure through other than conventional judicial processes.

Regulations

Section 9(a) grants the Secretary of Commerce broad regulatory authority.

Regulations are to include a requirement that names of recipients of payments be reported. Further, they are to contain a difinition of types of payments not required to be reported because they are regular business payments not inconsistent with the purposes of the Act, or are bona fide payments to a foreign government, such as taxes or fees paid pursuant to law, regulation, decree or other action.

In addition, in accordance with Section 9(a)(1), the Secretary is to set a threshold amount below which payments need not be reported. An exception is made to this threshold concept for multiple payments totaling the threshold amount with respect to a single transaction. The purpose of this threshold will be to exclude so-called "grease" or "facilitating" payments, i.e., small payments made to expedite low level official actions such as customs processing. Reporting of such minor payments could create burdens far outweighing the benefits sought by the Act.

Section 9(b) directs the Secretary, in devising reporting regulations, to consult with other federal agencies to eliminate unnecessary duplication. Agencies are authorized, where appropriate, to combine in a single form, reports required under this bill and any other law.

Conforming Amendment

Section 10 states that the provisions of the Act, other than Section 9(b), shall not apply to certain salse of defense articles and services pursuant to the Arms Export Control Act. This exemption is based upon the fact that the Arms Export Control Act provides for comprehensive reporting to the State Department and the Congress of information regarding payments with respect to such transactions (Section 604 of P.L. 94–329).

Provisions of Law Not Affected

Section 11 makes clear that the requirements of the bill in no way alter or affect rights and duties arising under laws administered by the Securities and Exchange Commission. Similarly, it states that nothing in the bill is to be construed as affecting or conditioning the authority of the Securities and Exchange Commission. It provides further that the Commission shall have the authority to premise enforcement or investigative actions on information received under Section 8(a) of the bill from the Secretary of Commerce.

Rights and Remedies Preserved

Section 12 states that the bill does not take away any rights and remedies which may exist at law or in equity. Thus, nothing in the bill should be construed to affect rights and remedies of individuals who may bring shareholder derivative suits under state law.

PROPOSED FOREIGN PAYMENTS DISCLOSURE ACT: STATEMENT OF PURPOSE AND NEED

The proposed Foreign Payents Disclosure Act was prepared by the Cabinet-level Task Force on Questionable Corporate Payments Abroad, created by President Ford on March 31, 1976 to conduct a sweeping policy review of the questionable payments problem.

Based upon an interim report of the Task Force, President Ford on June 14 directed that legislation be prepared requiring reporting and disclosure of certain payments made in relation to business with foreign governments.

The proposed legislation is designed to help deter improper payments in international commerce by American corporations and their officers; to help restore the good reputation of American business; to help deter would-be foreign extorters from seeking improper rewards from American businessmen; and to set a forceful example to our trading partners and competitors regarding the imperative need to end improper business practices.

Most important, as stated by President Ford in his message to the Congress regarding this legislation, it: "will help restore the confidence of the American people and our trading partners in the ethical standards of the American business community. In so doing, it can yield substantial long-term benefits to American business, to American foreign policy, and to international commerce."

In deciding upon a legislative approach, the President and the Task Force: (i) reviewed the ongoing efforts of the Federal Government with regard to the questionable payments problem; (ii) analyzed the adequacy of current laws in dealing with the problem; and (iii) evaluated alternative means to strengthen deterrence of improper payments and to increase confidence in American business.

ONGOING APPROACH TO THE QUESTIONABLE PAYMENTS PROBLEM

The current Administration approach to the questionable payments problem includes both (a) vigorous enforcement of current law and (b) pursuit of effective international payments.

(*a*) *Enforcement of current law*

Investigative enforcement activities are being conducted by the audit agencies, the Internal Revenue Service (IRS), the Federal Trade Commission (FTC), the Department of Justice, and the Securities and Exchange Commission (SEC).

The investigative activities of all these agencies are ongoing—and the product of their investigations will continue to emerge in accord with fair and orderly legal process.

It is reasonable to conclude that the exposures to date have increased the attentiveness of responsible enforcement agencies in general—and that they have increased the deterrent effect of current law thereby. A particularly noteworthy example is provided by the IRS's guidelines of May 10, 1976—requiring affidavits concerning "slush funds," bribes, kickbacks or other payments regardless of form, made directly or indirectly to obtain favorable treatment in securing business or special concessions; or made for the use or benefit of, or for the purpose of opposing any government, political party, candidate or committee.

As is well known, the SEC has played a leadership role in this area. Its prompt and vigorous actions to discover questionable or illegal corporate payments and to require public disclosure of material facts relating to them, is contributing an important measure of deterrence to such practices.

(*b*) *Pursuit of International Agreements*

The recent Organization for Economic Cooperation and Development (OECD) Ministerial Conference adopted the following declaratory policy:

"Enterprises should:

(i) not render—and they should not be solicited or expected to render—any bribe or other improper benefit, direct or indirect, to any public servant or holder of public office;

(ii) unless legally permissible, not make contributions to candidates for public office or to political organizations;

(iii) abstain from any improper involvement in local political activities."

Ambassador Dent has asked the General Agreement on Tariffs and Trade to take up the questionable payments issue, as called for in Senate Resolution 265. The resolution proposes negotiation in the Multilateral Trade Negotiations of an international agreement to curb "bribery, indirect payments, kickbacks, unethical political contributions and other such similar disreputable activities." The U.S. has indicated that negotiation of such an agreement is a matter of top priority.

Most significantly, the U.S. has proposed negotiation in the United Nations of a treaty on corrupt practices. The proposal is for an agreement to be based on the following principles:

(i) It would apply to international trade and investment transactions with governments, i.e., government procurement and other governmental actions affecting international trade and investment as may be agreed;

(ii) It would apply equally to those who offer to make improper payments and to those who request or accept them;

(iii) Importing governments would agree to establish clear guidelines concerning the use of agents in connection with government procurement and other covered transactions, and establish appropriate criminal penalties for defined corrupt practices by enterprises and officials in their territory;

(iv) All governments would cooperate and exchange information to help eradicate corrupt practices;

(v) Uniform provisions would be agreed upon for disclosure by enterprises, agents and officials of political contributions, gifts and payments made in connection with covered transactions.

The proposal is currently under review in the UN Economic and Social Council (ECOSOC) with a strong U.S. recommendation that ECOSOC give the issue priority consideration.

The U.S. objective is to have ECOSOC pass a resolution on corrupt practices which will create a group of experts charged with writing the text of a proposed international treaty on corrupt practices and reporting that text back to ECOSOC in the summer of 1977. The U.S. goal would then be to forward an agreed text to the UN General Assembly for action in the fall of 1977.

It is the view of the President and the Task Force that the ultimate legal basis for adequately addressing the questionable payments problem must be an international treaty along the lines proposed by the United States. A treaty is required to make the "criminalization" of foreign bribery fully enforceable—for, in the absence of foreign cooperation, it would be extremely difficult, and in many cases impossible, for U.S. law enforcement officials and potential defendants to be assured of access to relevant evidence.

A treaty is also required to treat the actions of foreign as well as domestic parties to a questionable transaction. And a treaty is required to assure that all nations, and the competing firms of differing nations, are treated on the same basis.

In order to advance the prospects of favorable international action with respect to the U.S. proposal, the State Department has coordinated a special series of direct representations to foreign governments. We will continue to pursue a satisfactory international agreement by every appropriate means.

While continuing to pursue the long-term approach toward an international agreement, it is nonetheless necessary to supplement current U.S. law—as indicated by the following discussion.

SUFFICIENCY OF CURRENT LAWS

The Task Force undertook a review and analysis of the sufficiency of current laws to deal with the problem of deterring questionable payments by American businessmen and to restore public confidence in business standards. It concluded that current law, while providing a number of indirect means to deal with the problem was not fully sufficient.

It is clear that existing securities laws and the Internal Revenue Code can have important bearing upon the questionable payments problem—the former by requiring disclosure of "material" improper payments, and the latter by denying tax deduction of illegal payments. In addition, vigorous application of securities and tax standards is prompting increased internal corporate accountability.

Further, the Task Force identified a range of antitrust provisions which might be applied to questionable or illegal payments abroad. However, effective application of these laws to transactions involving foreign payments is problematical. Finally, the Task Force identified a number of certification requirements imposed on companies doing business abroad with federal assistance, such as that provided by the Export-Import Bank and the Agency for International Development. Deliberate falsification of such certifications can give rise to criminal liability. Nevertheless, these certification requirements can only apply to firms which avail themselves of these federal assistance programs.

The Task Force is persuaded that the SEC's system of reporting and disclosure offers substantial deterrence to future improper practices by SEC-regulated firms. To further strengthen the SEC's capacity to perform its vital functions, the Administration endorsed—and will continue to support the enactment of—legislation first proposed by Chairman Hills of the SEC. By making explicit what is already implicit in the SEC's authorities, this legislation can enhance the effectiveness of the SEC disclosure system as it pertains to SEC-regulated companies by assuring integrity of corporate reporting systems and the accountability of corporate officials.

However, by no means all firms engaged in international commerce are regulated under the securities laws and subject to the disclosure requirements of the Commission.

Also, the Commission requires disclosure of payments only when necessary or appropriate for the protection of investors. Further, it has not generally required reporting of the name of a recipient of a material, improper payment, a requirement which the Task Force believes can be an important deterrent to exporters. In addition, the Commission's system of disclosure—focusing as it does primarily on the interests of the investing public—is not designed to respond to some of the broader public policy and foreign relations interests related to the questionable payments problem.

Accordingly, the Foreign Payments Disclosure Act deals with all U.S. participants in foreign commerce—not just Commission regulated firms—and it calls for the active involvement of the Secretaries of State and Commerce and the Attorney General in administering a system which addresses the full range of public policy interests inherently involved in the questionable payments problem.

SELECTION OF "DISCLOSURE" RATHER THAN "CRIMINALIZATION" APPROACH

The Task Force considered two principal competing legislative approaches—a "disclosure" approach and a "criminalization" approach. While it is possible to design legislation which requires disclosure of foreign payments *and* makes certain payments criminal under U.S. law, the Task Force unanimously rejected this approach. The disclosure-plus-criminalization scheme would, by its very ambition, be ineffective. The existence of U.S. criminal penalties for certain questionable payments would deter their disclosure and thus the positive value of the disclosure provisions would be reduced. In the Task Force's opinion, the two approaches cannot be compatibly joined.

The Task Force carefully considered the option of "criminalizing", under U.S. law, improper payments made to foreign officials by U.S. corporations. Such legislation would have represented the most forceful possible rhetorical condemnation of such conduct. It would have placed business executives on clear and unequivocal notice that such practices should stop. It would have made it easier for some corporations to resist pressures to make questionable payments.

The Task Force concluded, however, that the criminalization approach would represent little more than a policy assertion, for the enforcement of such a law would be very difficult if not imposible. Successful prosecution of offenses—and fair defense in relation to such prosecutions—would typically depend upon access to witnesses and information beyond the reach of U.S. judicial process. Other nations, rather than assisting in such prosecutions, might resist cooperation because of considerations of national preference or sovereignty. Other nations might be especially offended if we sought to apply criminal sanctions to foreign-incorporated and/or foreign-managed subsidiaries of American corporations. The Task Force concluded that unless reasonably enforceable criminal sanctions were devised, the criminal approach would represent poor public policy.

Based upon analysis of the sufficiency of current law and of the options described above, the President decided to ask the Congress to enact legislation providing for full and systematic reporting and disclosure of payments in connection with their commercial relations with foreign governments.

PROPOSED LEGISLATION

The Foreign Payments Disclosure Act will require reporting to the Secretary of Commerce of certain classes of payments made by U.S. businesses and their foreign subsidiaries and affiliates in relation to business with foreign governments. Specifically, reports will be required of all payments made in connection with sales to or contracts with foreign governments or official actions by foreign public officials, where such are for the commercial benefit of the payor or his foreign affiliate.

The reporting requirement covers fees of agents and other intermediaries and political contributions as well as payments made directly to foreign public officials.

The legislation provides that the Secretary of Commerce shall issue regulations necessary to carry out its purposes. These regulations shall contain a requirement that reports include names of recipients of payments and shall establish a threshold amount below which payments need not be reported. An exception is made to this threshold concept for multiple payments totaling the threshold amount with respect to a single transaction. The purpose of this threshold will be to exclude so-called "grease" or "facilitating" payments, i.e., small payments to expedite low level official actions such as customs processing. Reporting of such minor payments could create burdens far outweighing the benefits sought by this legislation. The Secretary will further have the authority to define by regulation certain types of payments which will not be required to be reported because they are regular business payments not inconsistent with the purposes of the Act, or are bona fide payments to a foreign government such as taxes or other fees paid pursuant to law, regulation or other legal action.

The Secretary is also authorized to require, by regulation, the keeping of records necessary to carry out the purposes of the Act and to make investigations, inspect books and issue subpoenas as necessary and appropriate to the enforcement of the Act.

Civil penalties are provided for failures to report or maintain required records or negligent omissions or misstatements in reports filed. Criminal misdemeanor penalties are provided for knowing failures to file or to maintain records or to include complete or correct information in records. Filing of a report containing false statements of knowing omission of required information will be penalized as a criminal felony.

Reports filed pursuant to this legislation shall be kept confidential for one year from the date of filing so as to protect business proprietary concerns and to lessen possible foreign relations problems. On receipt, however, the reports submitted to the Secretary of Commerce would be made available to the Departments of State and Justice, the IRS and, where appropriate, to the SEC.

The Department of Justice or the State Department can as appropriate relay information contained in such reports to authorities in foreign jurisdictions. The reports will also be transmitted upon request and with appropriate arrangements for confidentiality to appropriate Committees of the Congress. After the expiration of the one-year period, reports will be made available for public inspection and copying unless a specific written determination is made by the Secretary of State that foreign policy interests dictate against public disclosure, or a specific written determination is made by the Attorney General that the status of an ongoing investigation or prosecution dictates against public disclosure through other than conventional judicial processes.

The bill will seek to avoid duplication of reporting and record keeping requirements. First, it exempts sales of defense articles or defense services under the arms Export Control Act from the reporting requirements. This exemption is based upon the fact that the Arms Export Control Act, as recently amended, provides for comprehensive reporting to the State Department and the Congress of information regarding payments with respect to such transactions. Second, the Secretary of Commerce is given authority to work with other agencies to eliminate unnecessary duplication in reports and records. The legislation explicitly states that it is not designed to amend in any way current legal requirements relating to reporting and disclosure, enforced by other agencies of government such as the SEC and the IRS.

By Mr. HUGH SCOTT:

S. 3743. A bill to amend section 3102 of title 38, United States Code, relating to the recovery by the United States of certain payments made to veterans. Referred to the Committee on Veterans' Affairs.

Mr. HUGH SCOTT. Mr. President, today I am introducing legislation that will correct a "Catch 22" situation in our Federal bureaucratic machinery. "Catch 22" is a phrase Joseph Heller used in his war novel of that name to refer to bureaucratic illogic from which the hapless victim has no escape.

Tragically, a particular "Catch 22" in our Federal regulations enmeshed a late constituent of mine, John W. Perkis, a captain in the Air Force Reserve, in its web of frustration and illogic. Captain Perkis was mustered out of the service in a reduction in force. At that time, he received a $15,000 stipend for readjustment to civilian life. With this money he bought a home for his wife and two children and began a job as a probation officer with the Pennsylvania Parole Board.

There was only one problem with this new life: Captain Perkis felt ill much of the time. A physical examination resulted in the diagnosis of leukemia. The doctor confirmed that he had contracted the illness 2 years earlier, and that it had gone undetected by routine Air Force physicals.

Captain Perkis applied for a veteran's disability pension and received it—$740 a month. But then the catch intervened.

The Government said that since he was receiving the disability pay he was required to return 75 percent of the readjustment stipend. That would be $11,250. His disability checks would be withheld until repayment was made. The Air Force, to its great credit, tried its best to help Captain Perkis, but it was blocked at every turn by the unambiguous language of the statute.

On December 4, 1975, shortly after he and his family were informed of the catch, Captain Perkis died of the illness, an entire year before he would have begun collecting his pension benefits.

Mr. President, I find it distressing that an American who has served his country so well was forced to suffer in such a heartless manner. My bill attempts to ease the hardship on the veteran and his family if this highly unusual situation occurs again. It provides that if, after honorable discharge as a result of a reduction in force and the payment of the readjustment stipend, a reserve serviceman is diagnosed to have a service-connected illness that results in 100-percent disability:

First, repayment of the readjustment stipend shall be extended over a 10-year period with no interest charge; and

Second, the outstanding balance will be forgiven if the serviceman dies as a result of the service-connected illness prior to repayment of the entire stipend.

I believe this legislation deserves our support. The current regulations cast the Government in a most unfavorable light. I know you would agree if you had had to explain to Mrs. Perkis and her two small children that they would have to wait more than a year before they could receive any money, notwithstanding the fact that her husband was mortally ill with a service-connected disability.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3743

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3102 of title 38, United States Code, is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by adding after subsection (b) a new subsection (c) as follows:

"(c)(1) In any case in which a veteran is determined to be entitled to compensation for a service-connected disability rated total in degree and the determination is made subsequent to the time such veteran was awarded a readjustment payment under section 687 of title 10 by the armed forces, the repayment of any amount of such readjustment payment required by law shall be made by the veteran over such period of time as the veteran may elect, not to exceed ten years from the date on which such veteran is first paid disability compensation. The veteran shall not be required to pay any interest on such readjustment payment.

"(2) In any case described in paragraph (1) in which the veteran dies as a result of his service-connected disability before the total amount of the readjustment payment has been repaid, the obligation to repay the unpaid balance shall be automatically cancelled.".

(b) Section 3102(e), as redesignated by subsection (a) of title 38, United States Code, is amended by striking out the period at the end of such section and inserting in lieu thereof the following: "or cancelled under subsection (c).".

SEC. 2. Nothing in this Act shall be construed to require the refund of any amounts repaid to the United States prior to the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 2925

At the request of Mr. MUSKIE, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 2925, the Government Economy and Spending Reform Act of 1976.

S. 3441

At the request of Mr. HUGH SCOTT, the Senator from Maryland (Mr. BEALL) and the Senator from New Mexico (Mr. MONTOYA) were added as cosponsors of S. 3441, relating to the Congressional Cemetery.

S. 3520

At the request of Mr. DOLE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3520, to extend the rural community fire protection program, and for other purposes.

S. 3606

At the request of Mr. INOUYE, the Senator from Tennessee (Mr. BROCK) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 3606, to amend part B of title XI of the Social Security Act.

S. 3665

At the request of Mr. BEALL, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 3665, a bill to amend the Internal Revenue Code of 1954.

AMENDMENT NO. 2155

At the request of Mr. FANNIN, the Senator from New York (Mr. BUCKLEY) and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of amendment No. 2155, intended to be proposed to S. 2657, the Education Amendments of 1976.

SENATE RESOLUTION 513—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 3554

(Referred to the Committee on the Budget.)

Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, reported the following original resolution:

S. RES. 513

Resolved, That the provisions of section 402(a) of the Congressional Budget Act of 1974 are waived with respect to S. 3554, a bill to establish a National Commission on Neighborhoods.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1977—H.R. 14262

AMENDMENTS NOS. 2180 THROUGH 2185

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER submitted six amendments intended to be proposed by him to the bill (H.R. 14262) making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes.

AMENDMENTS NOS. 2186, 2187, AND 2188

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER submitted three amendments intended to be proposed by him to amendment No. 2146, intended to be proposed to the bill (H.R. 14262), supra.

ADDITIONAL STATEMENTS

S. 3720—PROMOTION OF THE AMERICAN SHRIMPING INDUSTRY

Mr. LONG. Mr. President, I want to congratulate my colleague from Florida (Mr. CHILES) for the outstanding work he is doing in sponsoring S. 3720, to insure the survival and good health of the American shrimping industry. I thank the Senator for the explanation of the bill he gave the Senate yesterday and appreciate in every instance the points he has covered. I fully support his efforts in this regard, and I am honored to be joining the Senator as an active cosponsor on this legislation.

I think it is long overdue that we give the kind of protection offered by S. 3720 to our shrimp industry, the kind of sensible and enforceable protection which these independent hardworking, conscientious fishermen so richly deserve.

Mr. President, I ask the Senate to take note of the fact, as Senator CHILES pointed out yesterday, that our country represents a market for approximately $200 million worth of shrimp each year from Mexico. A considerable fraction of all Mexican seafood production comes into our markets.

However, in recent talks with Mexican officials, I am informed that our Government and its industry representatives have been faced with an inconsiderate and intransigent neighbor who has advised that it could care less of our interest and needs, or the fact that a valuable resource will waste because of its extremely short lifespan. The Mexican negotiations have merely pointed to hypothetical mathematical projections as justification for denying our fleets, many of which happen to be constituents of mine, access to traditional fishery grounds.

I have been told that the Mexican negotiators have ignored reasonable offers by U.S. negotiators. I understand they have cited our 200-mile economic zone provisions when it suited their cause, and ignored them when they tended to conflict with the Mexican interest.

Further, they have bluntly indicated a belief that the United States lacks the will and the backbone to enforce that law—as Senator CHILES stressed yesterday, the Mexican negotiators feel that we will be particularly hesitant in enforcing those provisions which require embargoing seafood products from countries which refuse to negotiate in good conscience to provide access to fishery surpluses.

Now, Mr. President, I do not think the Members of this body believe any such thing. This Senator certainly believes that the 200-mile economic zone provision, just like any other law, should be totally and fully enforced against all parties. It was intended as a comprehensive fisherman's protective act. As a cosponsor of the legislation, I certainly intended it as such. I agree with Senator CHILES that if it is not honored, if it is not fully enforced, it will be worthless and a fraud on the fishermen. Now that it is law, I will undertake every effort as chairman of the Finance Committee which has jurisdiction over trade legislation to see that it is fully implemented and stringently enforced—each and every aspect of it, may I emphasize.

Among other things, S. 3720 would provide for:

An annual quota on shrimp imports, on a country-by-country basis. Quota to equal the average of 1971, 1972, and 1973 imports from such country.

The annual quota would be further refined to prevent more than 10 percent of the annual quota in any 1 month.

Five and one-half percent duty to be utilized to improve and stabilize the market, establish research and consumer education programs. Additionally, establish funds—to be used to purchase shrimp or seafood surplus for school lunch programs—such as agricultural section 32 program whereby imports duties on foreign agricultural commodities are used to purchase domestic commodity surplus for the school lunch and food assistance programs.

The Secretary of Commerce could be authorized to adjust the quota levels annually or monthly as the market demand justified.

Mr. President, rather than discuss again the basic and compelling rationale which argues so strongly for this bill, I would like to comment further on one aspect of the subject discussed by Senator CHILES yesterday. That is the trade relationship which exists between this country and Mexico.

Frankly, I have long considered shameful the way we have refused to stand fast and to implement and effectively enforce our laws when dealing with foreign countries. We consistently impose unbelievable restrictions and regulations on our own citizenry and blast them into oblivion if they fail to heed each and every aspect of them.

But when we establish laws that have any impact on foreign nationals or country-to-country relationships, our State Department typically finds some way to back off and justify that country paying little or no attention to them. Further, we bend over backwards giving aid and comfort to every country in the world, some who merit it and some who do not, and when we ask what is only a reasonable recognition of well-established rights that we have long since deserved, which were developed and gained, they generally tell us they could care less. Typically we tuck our tails, come home and whimper.

The American people do not want us to act that way. I know for a fact they want us to stand and be counted like men. Two hundred years ago our forefathers fought and died to give us this country, we should not give it away—either in land or in rights, or in resources, or in access rights gained over the years.

The development and exploration costs which our fishing industry has expended to develop those fishing grounds has been tremendous. They have long fished those areas and have gained historical rights which must be recognized, especially those fishing grounds which are not overfished.

Many of these areas are not even fully fished. In fact, catch data indicates they have not come anywhere near the limits of their potential. In the case of shrimp, in particular, if they are not caught, they die and go to waste, and they certainly are not presently being caught by the Mexican fleet.

As I understand it, the Mexican fleet has no catch statistics to support that they are presently fully harvesting the shrimp, and their only argument is that mathematically they may be able to catch them if they move some more boats into the area.

I tell my colleagues that from my relationship with our great number of Louisiana fishermen there is a big difference between having a boat and a net, and catching shrimp, and if you do not believe it, I can show you a lot of "former fishermen" who can verify that taking a boat and a net out into the gulf does not guarantee you are going to come in with any shrimp.

Until the Mexicans can substantiate by catch statistics that they are, in fact catching the full quantity of shrimp that is available, and that no surplus exists, our people are entitled to go after that surplus of shrimp.

I for one am going to see that everything is done to insure that they have that right, and if that means the full implementation of an embargo measure, then so be it.

Yes, it is a matter of law, and that is why we put it into the law. Anyone who thinks we are not going to undertake to enforce every aspect of that law has another think coming, and he had better change his mind, quickly. I do not believe in passing laws if you are not going to implement them, and I do not believe in implementing them unless you are going to enforce them.

When you find someone who says he is not going to adhere to the law, you have to convince him. If we do not have backbone enough to do that, then we do not deserve to be in this Senate, and if any Mexican or Russian or any other foreign national thinks we're going to do otherwise, he has not talked to me lately. As far as this Senator is concerned, if we cannot go into that area after the shrimp that is available in surplus, then we do not need one shrimp in this country that comes out of that area. They can just keep it down there in Mexico and do anything they want to with it. One thing is for certain—I will not have the concern of going to the table in this country and eating a shrimp and wondering if it is coming from a country that is denying a livelihood to our American fishermen by allowing a surplus resource to die and waste away at sea.

FOOD PROSPECTS IN THE DEVELOPING WORLD

Mr. HUMPHREY. Mr. President, I wish to bring to your attention an August 3 article in the New York Times by Victor K. McElheny entitled "Doubling of Food Deficit of Tropical Nations Possible."

The article was based on a study by the Food Policy Research Institute, an organization formed after the World Food Conference of late 1974. The Institute estimated that, in contrast to the food deficit of 45 million tons of recent years in the food deficit countries, that level could rise to 95 to 108 million tons by 1985–86. I recall at the time of the World Food Conference that many experts had estimated that the food deficit could reach as high as 85 million tons.

The study of the Institute, under Dr. Dale E. Hathaway, formerly of Michigan State University and the Ford Foundation, pointed out that in the 15 years up to 1974, food production rose on an average of 2.5 percent per year, but in the last half of the period that rate had dropped to 1.7 percent.

If the more recent trends were to continue the food deficits could range as high as 200 million tons.

In this rather somber picture, one bright spot is the Asian wheat production, which has increased an average of 6.9 percent over a 15-year period ending in 1974, and these increases are based largely on the high-yielding wheat varieties developed at CIMMYT in Mexico under Dr. Norman Borlang.

The study did project that Pakistan, Brazil, and also the People's Republic of China could turn into food exporters by 1985–86.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOUBLING OF FOOD DEFICIT OF TROPICAL NATIONS POSSIBLE

(By Victor K. McElheny)

Food deficits in many poor tropical nations could be double those of the crisis year 1974–75 in less than a decade, according to a study by the International Food Policy Research Institute.

To overcome the expected shortages, the Washington-based institute estimates, nations with surpluses will be called on to make large increases in food aid, and deficit nations will be forced to attempt a doubling of their annual increases in food production, to four from roughly two percent.

In the 1974–75 span, food deficits in poor countries, largely in the tropics, totaled 45 million tons, the recently formed food policy institute said. In the 1985–86 period, depending on whether economic growth has been slow or fast, the deficits would be 95 to 108 million tons.

The report containing these forecasts was discussed at the annual meeting in Washington last week of the agencies that finance a group of international agricultural research centers. These aim to increase the yields of major food crops of the tropics. The meeting of the supporting agencies' Consultative Group on International Agricultural Research is known informally as "centers week."

Dr. Dale E. Hathaway, an economist formerly at Michigan State University and the Ford Foundation, heads the institute, which was formed in the aftermath of the World Food Conference in Rome late in 1974.

The institute's report said that the shortages it was forecasting could even be greater. In the 15 years ending in 1974, food production rose an average of 2.5 percent each year, but in the last half of the period—because of weather or other difficulties yet to be measured—the rate of increase dropped to an average of 1.7 percent.

The report called this drop in the rate of increased production "pervasive" among regions and major cereal grain crops. Thus, the report said, "it may well be difficult for developing, market-economy, food-deficit nations to maintain their longer-term production trends."

If the more recent trends prevailed, the food deficits of 1985–86 could add up to 200 million tons instead of 100 million, the report said.

The institute said this amount of food would be difficult to transport where it was needed, even if such surplus producers as the United States, Canada, South Africa, Australia and Argentina had enough to ship, and financing for all the needed food could be arranged.

The institute report said, "Such a large transfer of food, largely from developed countries, could well be unmanageable physically or financially."

The declining rate of increase in poor countries' food-grain production occurred in spite of widespread introduction of so-called "green revolution" varieties of wheat and rice, the report noted.

The only exception to this was the raising of wheat in Asia. Over the 15-year period ending in 1974, Asian wheat production increased an average of 6.9 per cent annually. In the last half of the period, starting in 1967, the rate jumped to 8.2 per cent.

It was in 1967 that large-scale growing of high-yielding wheat varieties, developed in Mexico, began in such regions as the Punjab in India and Pakistan.

Of the food deficits projected by the institute for 1985–86, about 40 per cent would fall in five areas; India, Bangladesh, Indonesia, Nigeria and a group of low-income nations south of the Sahara.

According to the institute, two food-importing market-economy nations of today, Brazil and Pakistan, could turn into exporters by 1985–86, and so could the People's Republic of China.

China, the institute suggested, might choose to use its surpluses to improve local diets or those of nearby Communist states rather than enter world export markets.

CLEAN AIR ACT AMENDMENTS OF 1976

Mr. CURTIS. Mr. President, I am not opposed to clean air. I think that the program implemented to date under the Clean Air Act has been most effective in cleaning up the Nation's air and in preventing air pollution. However, the Clean Air Act amendments which were passed by the Senate yesterday go far beyond what in my opinion is a reasonable and economically justifiable program for air pollution abatement.

Under the Clean Air Act, ambient air quality standards of two levels have been established to insure the health and welfare of the Nation. They are levels that have been deemed to be minimum air quality levels required to protect the health of human beings and welfare of animal and plant life around us. They include substantial margins of safety between actual levels of pollution that would endanger health and welfare, and the minimum pollution level standards. We are achieving the degree of health and welfare protection that has been our objective under the existing program.

But, the new standards which will call for a level of no significant deterioration to be added have ominous implications. Under this provision, the Environmental Protection Agency will proceed with plans to establish areas nationwide where no additional pollution of any significance will be permitted even though the areas may be virtually pollution free. Such areas will include much, if not all, of the Western States. Nebraska will be among those States.

The new standard will mean that no electric generating plant or other power production facility will be able to be built if it adds any pollution to the atmosphere; that no new manufacturing plant or industry will be allowed to be built if it cannot completely eliminate its discharges of pollutants into the air; that no new municipal solid waste or other waste treatment facility or utility will be permitted unless it is devoid of any air pollution.

I have heard many claims by proponents of this measure that it would not affect housing and normal business expansion and community growth. Yet, under the terms of the bill with its emphasis on the aspect of "significant deterioration," I fail to see where any area of growth or development would not have some effect on air quality by adding to air pollution. Just what amount of pollution will be considered "significant" we do not know.

Proponents of this new provision refused to consider the economic ramifications it would have in the floor debate. Their conclusion, from the remarks I heard and read, was that any price is worth paying to have completely pure areas maintained in the pristine and pollution-free West.

A major problem I have with that position relates to the fact that to date there has been no scientific development or technical achievement that can provide us with the devices necessary to keep our air absolutely pure. That leaves us without the ability to develop the critical energy production facilities that are needed to meet our future energy needs. And, as we may be able to develop such facilities the costs for our energy may quadruple in a short time because of the unreasonable expenses in cleaning up the last one-tenth of 1 percent or so of air pollution.

While it is admirable that we strive for absolute pure air, I think it is unreasonable to demand that we take a stand at this time against any and all pollution when we do not have the technological improvements necessary to achieve the goal and still allow for normal economic growth. The obvious result of this position will be economic stagnation.

We should be concerned about the severe energy crisis and its effect on our economy. As we spend hundreds of millions of dollars to install unproven and poorly functioning air pollution devices, and as other electric generation facilities cannot be built to meet growing needs, our dependence on foreign energy sources will increase. We are already running a deficit balance of trade for foreign oil purchases in the tens of billions of dollars.

There are other side effects that will be as disastrous to our economy. Money that will be used for short-term air pollution solutions will take away from the hundreds of millions of dollars that are needed in other segments of the economy to provide housing, business operating loans, capital expansion and individual and business credit, all of which spur the economy. The shortage of capital and the slowdown of energy production will adversely affect our employment situation.

Mr. President, hopefully the House of Representatives will give greater consideration to the impact of the no significant deterioration provision as it considers this bill. I think the Senate has unwisely passed another bill on the basis of emotion rather than reason. I remind my colleagues of past ill-conceived legislation that has returned to haunt us in the Congress.

One such bill is the Occupational Safety and Health Act of 1970. At the time we considered that legislation, we were all taken up with a concern for the safety and health of the Nation's workers. What could be less controversial than a measure to insure safety and health in the work place? Few members of Congress found any fault in that legislation, but few Members thought to consider the cost and effect of the legislation on the Nation.

What it boils down to is a need to apply the time-proven test of cost effectiveness. I am not saying that a price should be put on the level of safety we should seek for human beings. What I am saying is that we too often fail to consider the overall impact of legislation, both on the economy and on the people directly.

In the case of OSHA, little attention was paid to the impact the act would have on small businesses. As I recall, OSHA was primarily intended to get at large industries that had poor or no work safety and health programs and standards. Yet the act turned out to be a nemesis for small business and agriculture. Because Congress ambiguous approach to OSHA failed to consider the overall impact of the legislation, we have had regulations of such detail that the act has plagued the small business community ever since.

With the implementation of OSHA, many small businesses have been forced to close. Employment has been adversely affected. Yet we spend millions of dollars on publications of pamphlets such as that warning farmers that "manure is slippery and could cause a fall."

OSHA is not the only example of Federal law and regulation that has adversely impacted on the economy and employment. The air pollution programs being carried out by the Environmental Protection Agency have led to forced closings of businesses and have resulted in unemployment of thousands of persons as reported by the Labor Department.

Mr. President, at a time when we have been wrestling with high unemployment in the United States, I am amazed that Congress could enact laws that seem bent on a nonemployment course. When we enact legislation that leads to a drain on available capital, that results in job losses, that forces small businesses out of existence, and that adds another bureaucracy on top of our already too large Federal payroll, are we truly acting in the interest of the Nation?

No. We are only increasing the unemployment rolls and the need for welfare while decreasing the tax revenues of business and individuals which are necessary to meet those growing welfare costs. Where will it end? Truly the American taxpayer is becoming an endangered species, and just as truly our American way of life is being endangered.

I sincerely hope that our colleagues in the House will give the issue of significant deterioration the consideration needed to evaluate its impact on the citizens and the economy. If they should fail to weigh the disastrous effects of this bad legislation, I will urge the President to veto the bill.

Mr. President, if significant deterioration is implemented, I suspect that those of us who will be here in the 95th Congress will again be wrestling with the issue as the States and communities across the Nation begin to feel the impact of the program. It is inconceivable to me why we must establish programs only to have to spend our time and efforts to rectify our mistakes later, where in the first place we could have given careful consideration to all aspects of a bill and tailored it accordingly.

THE NATIONAL MEALS-ON-WHEELS ACT OF 1976

Mr. DOMENICI. Mr. President, I would like at this time to express my support for a measure of the most profound importance to millions of American citizens—the National Meals-on-Wheels Act of 1976.

The benefits of science have increased the life expectancy of Americans in general without, to any appreciable extent, diminishing the ravages of age. As a result, we have a vast and growing army of homebound elderly Americans denied association with the outside world, almost in the nature of persons imprisoned on a remote desert island. That is the giant social problem involved. But, there is also a giant economic problem.

A notable proposal to help solve this situation is S. 3685, a bill to amend the Older Americans Act of 1965 to provide a national meals-on-wheels program for the elderly. If enacted, this measure will rescue millions of our elderly from several enemies at once—malnutrition, poverty and loneliness.

The meals-on-wheels program will provide food and company to those unable, in consequence of infirmity and age, to seek it on their own, which expedites their institutionalization. Information gathered by the Senate Select Committee on Nutrition and Human Needs estimates indicate that as many as 3 to 4 million older persons—representing 1 out of 9 elderly—are unable to benefit from the regular meals-on-wheels program as offered by title VII of the Older Americans Act.

As matters stand today, under title VII, some 430,000 hot meals a day and various supportive services are available to persons able to attend a congregate setting. Unfortunately, this arrangement excludes the 3–4 million homebound elderly. Often the need for an adequate diet has forced many elderly into institutions or nursing homes—a most certain costly waste of dollars and human resources. Under the current congregate approach, feeding the estimated needy homebound would require a title VII program expansion in the area of 1,700 percent. Attempting to meet the need of the homebound elderly under the present design of title VII without a separate and additional commitment is impractical and highly unlikely.

I, therefore, wish to give my wholehearted support for S. 3685, the National Meals-on-Wheels Act of 1976, a community-oriented service project based upon the elements of kindness and concern that have rendered our country, not only the strongest in the history of man, but the best in every vital particular.

ACTIVITIES OF THE U.S. RAILWAY ASSOCIATION

Mr. STONE. Mr. President, I would like to commend Treasury Under Secretary Jerry Thomas, a fellow Floridian, for his effort on behalf of American taxpayers to scrutinize the activities of the U.S. Railway Association. The association is a public entity and is supported by taxpayer funds. Under Secretary Thomas, a member of the USRA board, requested an audit of the association's financial records when he heard allegations that high officials of the association were receiving special benefits at public expense. The Washington Star of August 6 reports the audit found "widespread misuse of Federal funds for uses ranging from golf club memberships to lucrative consulting contracts for ex-officials."

To its credit, the USRA board has tightened its procedures somewhat. But in one significant respect its response to the audit was in the worst tradition of know-nothingism and callus disregard for the fact that they are the servants, not the masters, of the taxpayers. The board promptly established a policy that no director undertake an independent audit of the association without the approval of the board. By that action, the USRA compounded its abuse of the public purse with a second abuse, this one of the public trust.

All of us in public life, elected or appointed, work for the citizens of this country. We must all become more accountable for our actions, not less accountable. Openness, candor, and an attitude which encourages public scrutiny are our public duties. The USRA board needs a lessen in remedial government.

MEETING FUTURE NEEDS OF MAN

Mr. MOSS. Mr. President, the accomplishments of the space program are numerous and widely acclaimed, but few space efforts have the almost universal appeal of NASA's Earth resources surveys from space. The first space system dedicated to surveying the Earth's resources is the Landsat system initially launched in 1972. The success of the Landsat mission has exceeded the most optimistic predictions; it has laid the groundwork for a global inventory of man's resources; and it is still going strong.

Nearly every State and scores of foreign nations are beginning to use the data. Brazil, Canada, and Italy have Earth resources data receiving ground stations; Iran will follow shortly. Intense interest and some concern have been expressed in the United Nations. Here at home numerous Federal, State, and private agencies are actively involved. Landsat contributions are of such magnitude that it now is apparent that we must move toward an operational system with the capability of integrating resource related data from other satellite systems. The result should be a major improvement in information concerning the use of man's critical resources.

In the beginning we had only dim perceptions of how this new form of data could be used. Scientists working with the Landsat sensor outputs learned in a relatively short time how to aid diverse interests, including: Agriculture, forestry and fishing industries, land use planners and geologists, hydrologists and oceanographers, pollution monitoring and highway planning, coastal zone monitoring and demography, and many others.

Particularly, in respect to agriculture and hydrology, threatened crises looming on the horizon have sparked great interest in the use of Earth resources type technology to help us cope with the problems heightened by growing populations and an apparently deteriorating world climate.

The unexpected success of the Landsat system at NASA has demonstrated that there is now in the embryonic stages an entire new industry, an industry as important to mankind as communications has been. This new industry could, by analogy, be compared to communications as it existed only in a printed form prior to the invention of the telegraph. However, the development of this new industry will not take nearly so long as did the development of communications. The new technologies available to us today as a result of the space program make it apparent that the interpretation of resource data and the management of resources will vastly aid mankind in the preservation, through efficient use, of Earth's resources. The Landsat program has clearly demonstrated such potential.

Mr. President, it would be sheer negligence to disregard the potential available to us. Landsat is only a small part of what can be done. We must establish an entire Global Resources Information System and on August 23 when the Congress reconvenes I intend to introduce legislation which will establish such a Global Resources Information System.

The proposed bill will authorize the establishment of a private corporation that will work with NASA, EROS, and industry in a validation phase of a Global Resources Information System. Such a validation period could be completed by 1985 and it is envisioned that successful completion of the phase will lead to an early operational phase and eventually to a fully operational Global Resources Information System by 1990.

The legislation will also create an Office of Earth Resources Policy in the Executive Office of the President which would have the responsibility to establish policy and insure a channel of continued interface between the newly formed private corporation and the associated Federal Government agencies.

Between now and the beginning of the validation phase the program will continue in an experimental mode. However, there are a number of very significant things that need to take place during this time period. Specific designation of requirements is just one of the activities that will be taking place before validation. Our third Earth survelance satellite, Landsat-C, is scheduled to be launched in the fall of next year, 1977.

Since Landsat I was launched, a definite need has arisen for a three-satellite confiiguration: two operating in orbit to provide coverage every 9 days and 1 on standby, capable of being launched within 120 days. This configuration would effectively allow an operational validation phase to come into existence.

As previously indicated, this bill provides for the progress toward a fully operational Global Resources Information System to follow three distinct phases of maturation. The first phase will be a validation phase during which time many of the problems associated with new systems and institutional arrangements can be ironed out. During this phase and other phases the Office of Earth Resources Policy will be responsible for overall policy information. NASA, in cooperation with industry, will manage all R. & D. activities and will manage the procurement and operation of the system during that same period.

Phase II is an early operational phase where lessons learned in the operational validation phase can be put to use. During this phase the newly formed private corporation would be managing every element of the system—for example, space segment production and operation, centralized data handling segment production and operation, and data interpretation and dissemination—except policy formulation and research and development.

Phase III is the mature operational phase where the private corporation and others in the industry are expected to develop a fully operational system.

Mr. President, I want to be more specific about what this bill will do. In the decades ahead, resource issues will become of increasing social and economic importance. There is evidence that profound global changes are occurring: climates are changing, resource prices rising, and world trade relations shifting. The danger of famine, depletion of mineral and other natural resources, and permanent changes in the ecology face us.

To meet these needs we must make accurate resource decisions but resource decisions need early and accurate inventories and projections. In many instances, the real economic problem does not arise in the production but in the distribution of information to those in need. During the 4 years since the launch of Landsat I, the emphasis has been on developing a deeper scientific understanding of the capabilities of this kind of spacecraft. Over 600 scientific groups have used Landsat I data. They have compiled an imposing list of worthwhile accomplishments. The list of potential applications benefits is staggering. Public support will increase as the transition from scientists to users takes place. We now have the technical ability to deliver real time data to users of the system, but what we need is to prove this to the potential user market.

Proof of large, real benefits will require an operational validation. The actual use of Landsat data to change the management of a resource is necessary to validate such a system before operational status can be assumed. Scientists and resource managers should work together in demonstrating the operational use of Landsat data. But now scientists must face real operational problems—they must qualify to a stated accuracy the observation of phenomena with a given reliability and timeliness.

Mr. President, presently no one can count on the continuity of Landsat-type data. As a result, prudent businessmen have not invested in applications on repetitive data acquisition. The act which I will introduce will assure private industry that there will be continuous data availability and that they need not be so cautious about investment in applications of Landsat-type data. It will also assure them of broader applications by a total GRIS.

Clearly there is need for action to make an Earth resources observational survey system a viable, beneficial operation. The consequences of full utilization of these technological resources can be very significant.

A wide variety of crops from Landsat images have been identified. Separate spectral signatures for the world's most important food have been identified. The availability of information regarding crop yield and production is a major step in preparing the first worldwide inventory of food resources. Using information provided by Landsat and processed by the centralized ground data handling center, the rising overhead costs of producing food should be reduced. With advanced knowledge of soil conditions, water supplies, and other physical factors affecting crop production, our Nation's farmers certainly should be much better prepared to realize maximum benefits. Reduced costs to farmers should in turn mean lower prices for consumers at the supermarket.

Likewise, this Nation is engaged in a program to increase farm production to assure not only that Americans receive the food they need, but also that the ever rising demands from the rest of the world for our agricultural products are met.

By utilizing the technological resources available—including the Landsat and other resources observations systems—this country has the capability to produce even greater amounts of grain and other food products to sell to the world.

NASA's Landsat is rapidly becoming an important tool for hydrologists as more and more data are returned from the spacecraft and analyzed in relation to present water resource management practices, which I understand permit man to extract water economically of only about 0.01 percent of the total global supply.

In industrial nations it is apparent that better utilization of water is a necessity. In the United States the per person demand in the larger cities, for example, is more than 20 times that required by a person living in some of the developing countries. Another example: Annual flood losses in the United States usually exceed $1.5 billion a year, and with further land development on flood plains this cost will continue to rise. On the other hand, many major cities are threatened with short water supplies and need new sources.

Landsat data can help in the management of these and other problems by observing and monitoring large areas on a repetitive basis to provide indices of the volume of water available in a particular region. For example, satellite observations of surface water and snow accumulation, or even possible location of subsurface water supplies in relation to urban centers, irrigated areas, and industrial development, make future planning more accurate, economical, and coordinated.

Mr. President, Landsat data is being used for water management; ground water level measurements; lake and dam counts; identification of current circulation patterns; pollution and sedimentation in estuaries and lakes; ice and snow coverage; even glacier and iceberg monitoring.

The requirement to address the need for permanent provisions for a Global Resources Information System is of utmost importance. Some are concerned over the "price tag" of such a system. In relative terms, the current system, everything inclusive, has been comparatively inexpensive. A total program cost of less than $200 million has been spent from inception to current status. The estimated annual cost to operate a Global Resources Information System is approximately $50 million. This cost is a small percent of the potential annual benefit. A NASA study shows that a cost-benefit would be realized. This $50 million annual operating cost should be largely realized from guaranteed sales to agencies who use the services of such a system. This arrangement will continue until operational status is reached and a larger clientele established.

Space flight is no longer surrounded by the glamour that accompanied the first satellite launchings, the manned missions to the Moon, or more recently the Viking mission to Mars. The public has, if anything, grown incredibly blase about space, accepting its daily satellite weather pictures and its television transmissions from China and Europe as a matter of routine, and seemingly paying only enough attention to such programs as to question their cost.

And yet the space program has been highly productive in yielding information that is of immediate value to the citizenry whose taxes support it. Landsat is perhaps the most exciting and "down to Earth" utilization of aerospace technology we have yet experienced.

The report of the Senate Aeronautical and Space Sciences Committee, upon which this bill is based, is currently being printed and will be available within the month. This report is by no means the last word on a Global Resources Information System. It is a preliminary effort. I have instructed the committee staff to solicit comments on both the report and this legislation from knowledgeable Government, academic, and industry sources. I have requested the Subcommittee on Aerospace Technology and National Needs, chaired by Senator Ford, to determine requirements of the states relative to Landsat and a Global Resources Information System and to provide for those requirements in the Senate bill. The subcommittee has been further requested to investigate organizational arrangements of other systems that might provide guidance on this bill. Based on the information gained, this study will be revised and issued in a second volume. In addition, I have instructed the staff to make recommendations for the bill that may arise as a result of the solicitations and conferences. At that point, I will call committee hearings, and I hope that we can report legislation to create a GRIS in the next session of Congress.

NEED FOR AN OPERATIONAL GLOBAL RESOURCES INFORMATION SYSTEM

Mr. FORD. Mr. President, in 1974 while Governor of Kentucky, I received a letter from Senator Moss asking about my views on the usefulness and value of the NASA Earth resources technology satellite—ERTS. I reported to Senator Moss that Kentucky had used ERTS data on a continuous basis since the satellite's inception for monitoring the State's natural resources and environmental protection efforts. Even then I was concerned about the need for an operational Earth resources system, and in fact I commented on what we felt would be appropriate legislation to establish a permanent ERTS system.

Since then ERTS has become Landsat, the Earth resources monitoring system is still pouring forth information valuable to users around the world, and I am still anxious to see an operational Landsat system established. In the past 2 years we have added an additional Landsat satellite, and under the leadership of Chairman Moss, the Committee on Aeronautical and Space Sciences has gathered support for a third satellite—Landsat C.

Many other Governors as well responded favorably about the value of Landsat and were also concerned about the continued assistance and availability of the ERTS data. Two years ago, then Governor Jimmy Carter of Georgia called for establishment of a coordinated effort on all types of civilian remote sensing systems currently operated by the Federal Government.

At that time, the States were waiting for a Federal commitment to an operational Landsat system; today the world is waiting for a commitment to such a system. Therefore, it gives me considerable satisfaction to work with Senator Moss in drafting legislation we will introduce after the upcoming recess. As Chairman Moss has said, we welcome the views and assistance of any interested parties. In particular, I will be interested in hearing from the States. The Subcommittee on Aerospace Technology and National Needs, of which I am chairman, will be holding hearings on just what are the needs of the States relative to an operational Landsat system. In addition, the subcommittee will examine other satellite programs that might provide insight in formulating an organizational arrangement. Based on these and other hearings we will improve our legislative proposal.

I urge my colleagues to give their support to the general effort to create a Global Resources Information System.

MORE ON THE SUCCESS OF RETURNABLE BEVERAGE CONTAINER LEGISLATION

Mr. HATFIELD. Mr. President, an article on the success of the Oregon "bottle bill" which appears in the July–August 1976 of the Sierra Club Bulletin and a press release from the Environmental Protection Agency regarding Yosemite National Park's experience with a beverage container refund system have come to my attention.

As I have done so often in the past, I would urge my colleagues to review this testimony as to the actual experience of returnable beverage container programs, similar to the one I brought to floor of the Senate recently, for evidence of its ability to reduce litter and solid waste as well as conserve energy. Mr. President, I ask unanimous consent that the two pieces to which I have referred be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

OREGON'S BOTTLE BILL WORKS

(By Nancie Fadeley)

Contrary to widely circulated rumors, we still drink beer and pop in Oregon, having found that they are just as refreshing in returnable containers as they were in the nonreturnables that used to litter the state.

Consumption of these beverages has continued to increase since October 1972, when the Oregon "bottle bill," which requires a deposit on all beer and soft-drink containers sold in the state, became law. The only pattern the Oregon Liquor Control Commission can find in the fluctuation of beverage sales relates not to the availability of returnable or nonreturnable containers, but to weekend weather: the hotter the weekends, the higher the sales.

Only once since the initiation of the bottle bill have sales dropped below the prenonreturnable era. That was in December 1972, a time distinguished by distinctly nonbeer-drinking weather. Beer sales in Oregon dropped almost thirteen percent that cold December; at the same time, the neighboring state of Washington—which has no bottle bill—experienced a twenty-percent drop in beer consumption.

Sales figures for soft drinks are harder to obtain because the Oregon Liquor Control Commission doesn't keep track of them, but available information suggests that consumption of carbonated beverages in Oregon continues to follow national trends.

Consumers benefit when they don't have to pay for nonreturnable containers. Gloomy forecasts that the bottle bill would cause prices to soar have proved to be incorrect. A bottle of pop does cost more in Oregon today than in pre-bottle-bill days—it also costs more in Washington, Idaho and California. Prices in Oregon are comparable to, or lower than, prices across state lines. Contrary to the insistence of the antibottle-bill lobby, which spends an estimated twenty million dollars annually to fight the spread of the bottle-bill idea, inflation and the soaring costs of sugar, not the bottle bill, have caused beverage prices to rise.

Forecasts that the bottle bill would hurt Oregon's economy also were wrong. In a study of the economic impact of the legislation, Charles Gudger and Jack Bailes, professors of business administration at Oregon State University, found that although some jobs were lost, twice as many were created. The emhpasis has been switched from manufacturing new containers to handling, recycling and refilling old ones—a turn from energy-intensive to labor-intensive activities.

The Oregon AFL–CIO, which opposed the bottle bill when it was introduced in 1971, no longer fights it. There have been no attempts at repeal. Instead, there is considerable talk about expanding the bottle-bill idea to other containers.

Bill Wessinger, who heads Oregon's major brewery, Blitz-Weinhard, has become one of the bottle bill's most enthusiastic supporters. "We haven't bought a new bottle since the bottle bill began," he said. Blitz refills returned bottles—ninety-six million a year—and passes some of the savings on to retailers to cover increased handling costs. Blitz isn't the only brewery to find that new beer is fine in old bottles. Others in the Northwest immediately discovered the savings resulting from reuse. Recently, Budweiser—bottled in Los Angeles— has begun paying a premium price for returnables, trucking them a thousand miles south for refilling.

In spite of inflation, litter pick-up costs in Oregon have not increased since pre-bottle-bill days; roadsides and recretion areas, while not immaculate, no longer look littered. Vacationing Oregonians return with reports that they are startled to see litter along roadsides in other states. Tourists vacationing in Oregon seem just as startled by the lack of litter and frequently write the governor to ask what secret method the state has for keeping its roadsides so clean.

Opponents of bottle bills in other states have played with Oregon's litter-count figures in an attempt to discredit such legislation as a way of reducing litter. They have been unwittingly assisted by the poor way in which the state's litter surveys were done. For example, some crews counted even twigs as litter; others did not distinguish between milk containers, which have no deposit, and beer bottles, which do. Another factor complicating before-and-after counts was the publication of which sections of highways were being monitored. Later, other sections had to be selected in order to avoid possible tampering which would affect results. Worst of all, it was only after the litter surveys were under way that those in charge realized that the total volume of litter was a more significant measure than the number of pieces. (A cigarette butt, for example, should not count the same as a beer bottle.) Other complications involved construction activities, snow cover, delayed pick-up dates, and discrepancies between counts in the field and those conducted at headquarters.

Nevertheless, analysis of reliable data shows significant decreases in beverage-container litter (by far the most conspicuous kind of roadside litter). Indeed, Oregon's roadsides look cleaner than those of other states. Comparisons of Oregon litter counts with those of neighboring states further confirm the value of the bottle bill in reducing litter.

Oregonians have also begun to realize that the bottle bill is energy legislation of the best sort: it takes less energy to recycle or reuse a container, even when it is shipped to Los Angeles for refilling, than it does to make a new one. At a time of increasing world shortages of various resources and commodities, the bottle bill provides a model for the kind of constructive legislation we can enact today. Last year, when home-canning jars were in short supply, America produced—and threw away—8.5 billion disposable soft-drink bottles, plus billions more for beer. At the same time, industries are threatened with shortages of aluminum, as well as the energy necessary to produce aluminum products, even as throw-away cans continue to fill up America's landfills—another lmited resource.

Ask any Oregonian and you'll learn that the Oregon bottle bill is the most popular piece of legislation ever enacted in the state. Young and old, indoor and outdoor types, liberals and conservatives—all know about and like to talk about the bottle bill. So much citizen awareness about a piece of legislation is truly unusual.

Recently, a survey was taken of 601 Oregonians to discover consumer attitudes about the bottle bill. Even though this survey began by pointing out objectionable features, such as the bother of returning containers and of paying deposits, ninety-one percent of those responding were in favor of the law. Only five percent of those questioned had any unfavorable reactions at all, and only two percent expressed outright opposition. Other public-opinion surveys reveal similar support.

Oregonians' enthusiastic endorsement of the bottle bill is a clear refutation of industry's insistence that Americans demand throw-away packaging. The returns from Oregon indicate that perhaps Americans have embraced the throw-away ethic largely because industry has not offered opportunities for return and reuse.

There is not a single Oregon politician who doesn't boast of his or her support for the bottle bill. Former Governor Tom McCall (a Republican) calls it "a rip-roaring success." Governor Robert W. Straub (a Democrat) has said, "Most Oregonians just wish it went further."

Yosemite Test of Beverage Container Refund

A test program to reduce litter and solid waste is being conducted at Yosemite National Park in California. The program involves the placement of a five-cent deposit on each can or bottle of beer or soft drink sold in the park. The deposit is refunded when the empty containers are returned to one of the 18 park redemption centers. The U.S. Environmental Protection Agency is monitoring the experiment by the park's concessionaire, the Yosemite Park and Curry Company.

At the latest count about 72 percent of all containers sold are being returned, a rate that compares favorably with experiences in Oregon and Vermont under their State laws requiring deposits refundable on return of empty containers. Last year the Yosemite Park and Curry Company ran a voluntary recycling center and collected about a ton of empty containers over the year. This year under the refundable deposit system about a ton of returned cans and bottles are collected each week.

Most beverages sold at Yosemite National Park are in aluminum cans, but some are in tin-coated steel cans and some in glass bottles, mainly nonrefillable. The Yosemite Park and Curry Company ships bottles and cans, along with old newspapers and cardboard, to Fresno, California, and sells them for recycling.

The test of the Yosemite refund system started May 17, 1976, and continues through September 19, 1976, or longer. The concessionaire company, to support this program, has news articles about the test running continuously in two park publications, the Yosemite Guide and the Yosemite Sentinel; posters are prominently displayed, and nightly talks by U.S. Park Rangers to park visitors incorporate information about the program.

The Environmental Protection Agency is preparing a guideline that would call for the establishment of similar returnable container systems at all Federal facilities that sell beverages in containers.

THE CRISIS OF YOUTH'S TRANSITION FROM SCHOOL TO WORK

Mr. HUMPHREY. Mr. President, I am confident that our Nation's economy will recover from the great economic losses of our recent recession, but there are millions of Americans who may never fully recover—the young American workers who vainly tried to find jobs during the past 2 years, who were cut off from a chance to develop job skills and earn an income, and who now almost certainly face a bleak future without skills, without productive work, without much hope of escaping a life of dependence and despair.

The recession will pass, but its scars will be with us for years and decades to come.

In a recent report, entitled "Rite of Passage: The Crisis of Youth's Transition from School to Work," the National Child Labor Committee argues that our failure to provide young people with meaningful jobs runs the risk of undermining a whole generation's preparation for life [and] ignores the costs to the Nation of frustrated hopes, lowered self-esteem, alienation, youthful antisocial behavior, and of institutionalizing the nonconforming, first as youths and later as adults.

The development of our younger Americans into responsible and productive adults requires jobs. But this administration has shown a callous disregard for the employment needs of youths. For example, this administration's abandonment of full employment as a national goal has been particularly disastrous for youths, as the National Child Labor Committee's report points out:

> In the middle 1960s, when unemployment varied from 4 to 6 percent, full employment as a Federal goal actually referred to 2 or 3 percent unemployment. Today, with unemployment around 9 percent, full employment is still a stated goal, but actually refers, under the Ford Administration, to 6 or 7 percent unemployment. In contrast, some European countries define full employment as a labor shortage, when virtually no one who wants to work is out of work. What the nation wishes to call full employment is particularly important for youth, since that determination, at whatever level, will signal the size and scope of the Federal government's commitment to groups with high unemployment rates. For example, if 7 percent unemployment is called full employment, then we can be certain that youth unemployment will be at least 15 percent, and considerably higher for minority youth.

In addition, the National Child Labor Committee points out that many of the job training programs for youths that were enacted in the 1960's have become unresponsive to the special labor market needs of youths as money for our manpower programs have been shifted to job creation programs needed to help unemployed adults maintain their incomes and their families.

The report, which is available from the National Child Labor Committee at 145 East 32d Street, New York, N.Y. 10016, is too long to print entirely in the Congressional Record. The sections on defining the problem, the youth labor market, and youth manpower programs, however, are informative and suggest areas where Congress can move to reduce youth unemployment.

Mr. President, I ask unanimous consent that these sections and the report's recommendations be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Rite of Passage: The Crisis of Youth's Transition From School to Work

INTRODUCTION

In many significant ways our society has failed young people. Youth are expected to assimilate themselves into adult society, but they are denied reasonable, sensible, and appropriate means for doing so. By relegating young people to situations in which they are denied mature responsibilities and from which they are expected not to intrude on the adult world, society predetermines that it will be extremely difficult for young people to become mature, self-reliant adults.

Individually and collectively these societal attitudes and policies seriously impair growth opportunities for youth. The ideology which gives lowest priority to young people is so deep-seated in the culture that even young people accept their disadvantaged status. Nevertheless, it is short-sighted and dangerous to ignore the evidence that this situation is not improving and is probably becoming more acute. It seems reasonable to project that some of the consequences of continuing to disregard the development of youth will be: an increasingly alienated work force; an increasingly dissatisfied and uninvolved electorate; and generations of increasingly disillusioned and cynical adults.

Indicators of our failure to prepare young people properly for adulthood include: the rising suicide rate among young people; the numbers of young people (approximately 1 million this year) who run away from home: the increase of juvenile crime by 1,600 percent over the last 20 years, and the high rate of unemployment among those 16 to 24 years old. Of these, youth unemployment appears to be most clearly susceptible to improvement, but in a period of widespread adult unemployment conventional wisdom tends to downgrade the significance of youth unemployment because it seemingly lacks a "misery component." The National Child Labor Committee does not subscribe to this conclusion and believes that the judgments underlying it deserve careful scrutiny.

There are many young people who need work so that they can earn the money that makes it possible for them to receive necessary education and training, to support themselves while they are improving their employability, or to contribute to the support of a family. But money, or the lack of it, is not alone a sufficient measure of "misery." Many more youth than just those who have immediate need for the earnings from employment are made "miserable" by unemployment.

Young people need real, meaningful work so that they can acquire the experiences that are a critical component of career development. Ability to take responsibility, ability to work with others, and other components of maturity requisite for such roles as citizenship and parenthood, as well as employability, are effectively imparted through work experience. Furthermore, an inflexible pattern of "learn first-work later," has been shown to be the least efficient way to impart them. A coordinated combination of learning and working is a much better approach.

A myopic perception of the misery component in youth unemployment runs the risk of undermining a whole generation's preparation for life. In focusing exclusively on immediate need for money, it ignores the costs to the nation of frustrated hopes, lowered self-esteem, alienation, youthful antisocial behavior, and of institutionalizing the nonconforming, first as youths and later as adults.

Clearly, the prevailing adult attitude that downgrades the seriousness of the misery component in youth unemployment reflects a problem that runs deeper than employment alone. As a society we have been unable to develop a consistently constructive policy and posture in relation to young people.

Before the 1930 Depression children and youth were widely employed as laborers at low wages and for long hours. Since that Depression, except for the years of World War II and in agriculture, there has been little need for the labor of children and youth. The alternative has been to keep them in school for longer and longer periods. For most young people, growing up in America today has meant prolonged dependence, isolation from the real world, being kept off the labor market, and being held in an aging vat called school. This policy has produced not one youth unemployment problem, but several.

The first, like the tip of an iceberg, stands out. It involves those youth who are out of school, out of work, and who experience the highest rate of unemployment of any age group in the population. In the last seven years unemployment rates for teenagers have averaged about five times the rate for workers 25 years old and older. The rate for young adults, 20 to 24 years old, has been about 2½ times that of older workers. In 1974 there were 4.2 million youth, 16 to 19 years old, out of school and in the labor force. Of them, 700,000 were unemployed, an unemployment rate of 17 percent. The situation worsened in 1975: 1.8 million teenagers and 1.9 million young adults were unemployed. For school dropouts and minorities the unemployment rate is even higher. For blacks it is over 35 percent, a rate which exceeds the unemployment rate of the Great Depression.

The second problem—the "hidden unemployed"—is less obvious. They are those who, discouraged at not being able to find a job, withdraw from the active search for one. If they are not actively seeking employment, they are not considered unemployed. Yet it is clear that many more than those now listed as unemployed would be seeking work if the prospect of employment were more favorable. Minorities tend to withdraw more readily than whites. For example, approximately 52 percent of both black and white teenagers sought employment in 1950 (participation rate). By 1974 the participation rate for whites had risen to almost 58 percent, but the rate for blacks had dropped to 41.5 percent. Combining official and hidden unemployment rates produces a teenage unemployment rate of 30 percent (one in three) and a rate for teenage blacks in excess of 50 percent (one in two).

The third problem affects the 3½ million teenagers employed full-time and not attending school. They have more than their share of problems on the job with respect to work satisfaction, opportunities for advancement, and a career development potential. Studies of job satisfaction indicate that about one-fifth of adult workers are unhappy about their jobs. It is safe to conclude that the proportion among youths is even higher, since they are more likely to be employed in menial jobs. A conservative estimate would be that about one-third of the employed youth have job problems, or some 1½ million young workers.

The fourth problem affects adolescents still in school who seek part-time employment either after school or during school vacations. In 1974 almost 4½ million persons 16 to 19 years old were in school and seeking part-time employment. Six hundred thousand of them were unsuccessful in their job search, an unemployment rate of 14 percent. This was in addition to the 700,000 out-of-school unemployed. Typically, blacks fared worse than whites. The 1974 unemployment rate for whites 16 and 17 years old attending school was almost 15 percent, while for blacks it was almost 37 percent. Youths seeking summer employment encountered similar difficulties: of those who wished to work during the summer of 1975, 3 million could not find jobs, an increase of 700,000 over the number during the summer of 1974.

The fifth problem affects the largest group—the millions of children and youth in the elementary and middle schools who sorely need work-related experiences to help them prepare for careers and for life. They need systematic programs to help them become aware of and explore a variety of occupations, to master educational and job skills, and to develop maturity for decision-making and adult roles. All children need this foundation; very few are getting it.

A number of factors are common to all five problems: There are not enough full-time and part-time jobs for the youth who are willing, able, and in need of work; while all youth are given a low priority for most available jobs certain youth, particularly minority youth, have less access to opportunity; the quality of most jobs available to youth is so low that continued employment is discouraged and less-than-meaningful experience is provided.

The business of youth is a "rite of passage"—making the transition to adulthood. Expanding current modes of employment would certainly help, but even full employment, if it is based on conventional job structure, will not totally solve the nation's youth employment problem. Young people need developmental work experiences while in school or while they are preparing for more advanced jobs. *All* children and youth, including those from the white middle class, require a systematic program of developmental education and work experience. Obviously, the need for help is much more acute for minority youth and school dropouts. To make a start toward providing this, far greater national commitment, vastly increased resources, and a variety of approaches will be required.

THE LABOR MARKET

Jobs

The statistical details of youth employment and unemployment can be studied and argued interminably. In the process it is possible to lose sight of the large facts:

A very large number of young people looking for jobs cannot find any;

A very large number of young people who find jobs do not like or have respect for what they do;

A very large number of young people are so demoralized and disoriented by their inability to find any job, or a satisfactory job, that they have given up looking.

Available numerical evidence does more to intimate than to define the scope of the problem, and can be variously interpreted. We will attempt to describe the issues through evidence and findings that transcend such debates. In so doing, it is not our intention to denigrate the very valuable statistical work being done, or needing to be done. Indeed, our conclusions stem from such work. We mean only to stress that to understand this problem it is not necessary to be a statistical or employment expert, and that frequently the available statistics, individually unassailable, are so unrelated that they can obscure rather than clarify an important question.

The kind of evidence useful for the task at hand is exemplified by the chart on the following page from the Bureau of Labor Statistics' *Employment and Earnings,* April, 1976. It illustrates, more succinctly than a recital of numbers, major issues to which this report would like to call attention:

If attention is focused not on the individual intersections of the graph, but on the other over-all picture that it gives, it will be seen that:

There is a large disparity between youth and adult unemployment;

The impact on youth unemployment of adverse economic conditions is greater than the impact on adult unemployment;

The burden of unemployment that youth bears in good times or in bad is disproportionate to the burden borne by adults; and

The slope of youth unemployment in the last two decades has been generally upward.

Although the chart illustrates major issues about youth in the labor market, there are unquestionably many more. Among the factors that should be understood if one is to appreciate the complexity of youth employment problems are:

In the two decades from 1952 to 1972, the absolute number of teenagers increased 100 per cent.

The severity of the youth unemployment problem, as now dealt with, is not likely to decrease before the end of the century even though the number of youths will decrease.

To the extent that national policy is focused on producing jobs, it is directed toward full-time jobs for prime-age, male heads of households.

The unemployment rate for prime-age, male, adult heads of households in March, 1976, was 5.5 percent, compared to 19.2 percent for white males 16 to 19, and 32.3 percent for 16-to-19 "other."

Job creation proposals, particularly of those kinds that might be most helpful to youth, are opposed by some as presenting threats of additional inflation.

Official policy emphasizes stimulating the economy rather than direct job creation.

Employer prejudice against youth as workers, compounded by such labor-market features as seniority provisions, reduces job opportunities for youth.

Labor unions, civil service, and professional associations tend to maintain rigidities in the labor market that have an adverse effect on job opportunities for youth.

Legislation designed to correct some social problems, such as laws relating to minimum age for employment, safety, compulsory education, and the prevention of all forms of discrimination, may under certain circumstances worsen the job situation for young people.

About one-third of youth described as jobless in official statistics are students looking for part-time work in an economy not structured to produce very many jobs of that kind.

The dropout rate among youth younger than 16 is rising.

Competition from adults for entry-level jobs has been increasing to the disadvantage of youth.

Technical and geographic dislocations in the structure of the labor market affect inner-city youth with particular severity.

Large numbers of young people have given up hope of finding employment.

Manpower policy is formulated on the basis of official statistics which consistently underestimate youth unemployment; data used to set job-related education and training policies are frequently inconclusive and incorrect.

Non-participation in the labor market through loss of hope for a job ("hidden unemployment") and under-utilization of time and skills ("subemployment") is more prevalent among youth than among adults.

Summer programs for youth employment have had value mainly in income-transfer, and many may have been counter-productive as work preparation.

Estimates of how many new full-time and part-time jobs would be needed to achieve full youth employment range from about 5 million to about 14 million.

In the absence of thorough and constructive employment policies and practices, significant segments of American youth appear to be headed toward designatiton as "surplus" in the labor market and toward permanent subsistence on some form of income maintenance. As human resources, they will be lost to themselves and to the society unless substantial reforms can be instituted in the schools, the manpower programs, the mechanisms for gathering labor-market data, and the inter-institutional linkages necessary for an efficient transition from youth to adulthood.

The most significant element in youth unemployment is that there are not now enough jobs for those who want them. If the situation is to be improved, changes will have to be made. The most obvious approach is to create enough jobs to satisfy the demand, but that is extremely difficult to do and may not even be possible if productivity as well as earnings are accepted as necessary job characteristics. Another approach is to decrease the size of the labor force, in which case serious questions arise about what will then be done with and for the people excluded from the job market. So far, insufficient consideration has been given to the apparent alternatives or to the formulation of new ones, and the first necessary step will have to be acceptance of the idea that the problem is worthy of a major effort toward a solution. The magnitude of that effort will in all probability be determined by what the nation is willing to accept as its definition of full employment.

In the middle 1960s, when unemployment varied from 4 to 6 percent, full employment as a Federal goal actually referred to 2 or 3 percent unemployment. Today, with unemployment around 9 percent, full employment is still a stated goal, but actually refers, under the Ford Administration, to 6 or 7 percent unemployment. In contrast, some European countries define full employment as a labor shortage, when virtually no one who wants to work is out of work. What the nation wishes to call full employment is particularly important for youth, since that determination, at whatever level, will signal the size and scope of the Federal government's commitment to groups with high unemployment rates. For example, if 7 percent unemployment is called full employment, then we can be certain that youth unemployment will be at least 15 percent, and considerably higher for minority youth.

Conventional prescriptions for increasing the number of available jobs employ at least four means, separately or in combination: redirected fiscal and monetary policies, tax incentives, public service employment, and voluntary private-sector efforts.

Some observers feel that the increased economic activity resulting from fiscal and monetary policies shaped to heat up the economy will automatically lead to an increased number of jobs. Others point out, however, that the problem with this kind of effort is that it may not work, or that it may be inflationary. Prudent fiscal policies may dictate a more cautious or limited approach. In addition, it has been said, the impact of such policies takes too long to trickle down to those most in need.

Another possible approach is providing tax incentives to the private sector for hiring and/or training entry-level workers. Such a device would almost certainly increase job opportunities for young people, but would also raise serious questions about (a) competition between youth and older workers, and (b) possible abuses by employers.

As either an alternative or a supplement to the above options, the creation of a substantial Public Service Employment Program has been suggested. Many people in fields related to youth employment see Public Service Employment as an essential ingredient of any effort to increase jobs—the only alternative which would not raise the specter of inflation—and as less costly than creating jobs through the private sector.

Such PSE programs could follow some precedents set during the New Deal in the 1930s, such as the Civilian Conservation Corps, and they might branch out to cover other specific societal needs (for instance, care of the sick and elderly). The need for jobs under such PSE social service programs spreads across all working age groups, but has a particular appeal for youth, as demonstrated by their proportionally high enrollment in such service groups as VISTA and the Peace Corps.

Along with Public Service Employment, legislation could authorize funds for Federally subsidized employment in the private sector, but this is a controversial concept, involving as it does public subsidizing of private, profit-making enterprises. However, those supporting the concept see an important advantage in involving private employers in the process of developing solutions to youth employment problems.

Additionally, there are alternative objectives available for PSE or subsidized employment programs. They could be transitional, providing young people with temporary jobs in which they could gain experience, develop skills, and prepare for future work; or they could be permanent, providing long-term job and career opportunities for young people. Such programs might be temporary, providing immediate assistance to one or two generations of out-of-work youth, or they could provide an institutionalized alternative resource for all young people over a period of many years. In all cases, PSE programs could be directed at important societal needs.

A supplement to other efforts, or a compromise alternative—one that has been generally approached within the private sector—is the redistribution of currently available jobs within the present labor force. This approach has taken such forms as splitting the work week and job-sharing. Under such plans, production time would be unchanged but individual workers would work shorter daily or weekly shifts. This, in turn, raises questions about the employees' ability to live adequately on reduced salaries. There has been some support for the position that these alternatives would help, during recessionary periods, to prevent layoffs of minority workers and youth—the first victims of "last hired, first fired" policies.

Most suggestions for increasing the job supply would place responsibility largely in the hands of the Federal government, either through such approaches as the Comprehensive Employment and Training Act or through some centralized program. Such an effort would require a substantial commitment from the Congress and a considerable outlay, at least initially, of Federal funds. Ongoing evaluation and research would be needed so that judgments of cost-effectiveness could be made.

One alternative to increasing the job supply is reducing the labor force. To some degree this approach has been practiced for many years in various ways. It could be used so that its direct objective would be a drastic reduction in the youth unemployment rate, but its use might require us to pay a heavy price by further isolating young people from the adult world.

The first and most commonly considered tool for this approach is increased education. If young people are held in school longer their active job-seeking is substantially delayed. Though some critics argue that we already hold many young people in school longer than is necessary and desirable, and that we wrongly encourage extended school for youth who do not benefit from it, others feel that an improved educational system at all levels from kindergarten on could be valuable to most young people.

The armed services offer another opportunity for keeping youth out of the labor market, and may at the same time offer opportunities for developing skills and gaining life experience. More active recruitment and encouragement of young men and women to enter the armed services or the reinstatement of the national draft would increase the "holding tank" capabilities of the armed services. Many observers object to this approach on the ground that our society should be directing itself away from military concerns, and on the ground that many young people will not accept military service as a reasonable alternative.

Another method for reducing the labor force is by earlier voluntary or mandatory retirement. In addition to decreasing the size of the labor force early retirement would open up more highly skilled and highly-paid jobs to young people, and would indirectly encourage employers' responsiveness to youth. However, this approach would undoubtedly create further problems for older workers.

Additionally, the suggestion has frequently been voiced that the Federal government should devote considerable effort to improving analysis of the future job market: which new industries are developing, which are fading out, where job needs will be five or ten years from now. Such intelligence would provide more reliable guidelines for training, geographic movement and general long term career opportunities for youth.

Whether the attempt is made to increase the job supply or to decrease the available labor force, almost everyone agrees that the millions of 16 to 21 year olds who seek and need work each year are necessarily dependent upon some clear course of action by all sectors, public and private.

A major commitment, backed by the means for making it a reality, is needed. The National Child Labor Committee feels that until the nation guarantees work for all young people who need and want to work, the society will suffer the ill effects of an underdeveloped youth population.

PREPARATION FOR WORK

Youth manpower programs

By the mid–1970's, youth programs costing billions of dollars had been, or were being, conducted throughout the nation. The return on this vast investment of talent, time, money, effort, and hope, has been inauspicious. In relatively few cases have such goals as careers, jobs, skills, or keeping young people out of trouble with the law, been achieved.

Specific criticisms of youth employment programs have been:

They lack clear, realistic, measurable objectives;

They rarely provide work experience valid for obtaining and retaining employment, and almost never for career employment;

Their on-the-job or institutional supervisors and trainers are usually unable or unwilling to motivate and instruct youth properly for success in the world of work;

The "work" they offer is too often meaningless and unchallenging;

They are not properly evaluated;

They lack continuity;

They have functioned as income-transfer, rather than jobs and skills-training programs.

After experimentation with such models as Manpower Development and Training Act, Neighborhood Youth Corps, Job Corps, and a variety of in-school and community-based programs, the youth manpower scene is now dominated by the 1973 Comprehensive Employment and Training Act (CETA), which became operational on July 1, 1974. Its major thrust was to shift the control and responsibility for both youth and adult manpower programs. Authority over some 10,000 categorical grants disbursed by the Department of Labor was moved from the Federal government to over 400 "prime sponsors" in a variety of local and state government units. Community boards are supposed to influence the utilization of the funds at the local level.

CETA contains six titles:

Title I, Comprehensive Manpower Services, sets forth a series of programs and services including on-the-job training, orientation, counseling and institutional skills training. Prime sponsors are directed to use their judgment in determining which mix of services best fits local needs.

Title I also requires that prime sponsors establish planning councils and make them broadly representative of clients, business, labor, and community agencies. In addition to helping establish goals and policies, the councils are responsible for program evaluation. The councils are purely advisory, however, and the making of final decisions is reserved for elected local officials.

In FY 75, about 2,000 organizations were funded directly by prime sponsors to deliver a variety of services. Through March 31, 1975, some 672,000 people had been served in these programs, 81 per cent in classroom training and work experience. In that group, 58 per cent were under the age of 22.

Titles II and VI provide for Public Service Employment. Originally only Title II, this area was expanded by a "new" Title VI under the Emergency Jobs and Unemployment Insurance Act of 1975. The rate and level of local unemployment determines the allocation of Title VI funds. Of the 278,000 persons hired under the two titles through March 31, 1975, only 22 per cent were under the age of 22. In part, this was because a section of Title VI requires prime sponsors to give consideration to individuals who have exhausted their unemployment insurance benefits.

Title III covers special Federal responsibilities and is a continuation of categorical grants made through the Secretary of Labor. It identifies special manpower target groups and proposes such programs as summer jobs for economically disadvantaged youth, and general jobs for migrant farm workers, native Americans, older workers, persons with a limited knowledge of English, and offenders.

In June, 1975, $456.3 million was appropriated for that year's summer jobs program. Its target was some 840,000 young people between the ages 14 and 21, focusing on youth from economically disadvantaged families. The definition of disadvantaged was an urban family of four with an adjusted annual income no more than $5,050, or a farm family of four with an income up to $4,300. Although now under CETA, the model is basically the same as that of the previous Neighborhood Youth Corps summer programs.

Title IV covers the Jobs Corps. It transferred the Job Corps from the Office of Economic Opportunity to the Secretary of Labor, formalizing what the Secretary had been doing operationally for some five years. The legislation directed the program's activities to low-income youth between the ages of 14 and 22 from culturally deprived or disoriented homes. The budget for FY 75 was $175 million.

Title V set up a 17-member National Commission for Manpower Policy and charged it with advising the Secretary of Labor on national manpower issues. The Commission was made specifically responsible for assessing the effectiveness of services and programs such as CETA and the Work Incentive Program.

EVALUATION OF CETA

The CETA legislation was a response to widespread criticism of the performance of previous manpower programs. It was, however, only a structural reform under which authority for decision-making and management of programs was given to state and local government officials, with advisory input from community-based groups. The act specified not what changes should be made, but who should be able to make them. The effectiveness of this approach in a program that is still very new is not yet entirely clear, but there are some indications of where CETA is going.

An evaluation of the first six months of CETA conducted by the National Academy of Sciences found some progress toward decentralizing control and making programs more responsive to local needs as enunciated through the political process. It also found the influence of community groups less than had been hoped, the continuity of effort no better than it had been previously, and that bureaucratic impediments remained a problem in both planning and implementation.

The evaluation found progress in some geographic areas toward better integration and coordination of manpower services, but noted that under CETA the "nature of manpower programs is changing from one directed to the chronic and 'structural' problems of the labor market to a program concerned mainly with the immediate cyclical problems of the unemployed." Since youth unemployment is a chronic and structural problem, it is receiving less attention as a result of CETA's re-direction.

Indicative of the latter conclusion, and based on Manpower Administration figures comparing clients under CETA's Title I with figures for 1974 (pre-CETA) manpower programs, were the findings that:

The proportion of economically disadvantaged enrollees dropped from 87 percent in 1974 to 77 percent under CETA.

Enrollees who had completed high school rose from 34 percent to 40 percent.

More specifically from the point of view of youth, the impact of CETA is indicated by the finding that:

The enrollment of youth dropped from 63 percent of all participants in 1974 to 58 percent under CETA.

Since so much of youth employment programming is of inadequate quality, it is difficult to argue that a 5 percent drop in enrollment is, in and of itself, a major disservice to youth. However, as an indication of the direction of planning and policy within CETA, the 5 percent decrease is a more disturbing figure since it indicates a willingness to disregard the importance of youth development in manpower considerations.

Of more deep-seated significance, however, is that the preliminary findings indicate that such chronic problems as youth employment are not likely to be confronted by such administrative changes as a shift from central to state or city control. Local government officials, given control of manpower programs can be expected to attend more to the problems of politically dominant and vocal groups, such as the cyclically-unemployed adults, women, organized minorities, the aged, and the handicapped.

Although such groups are unquestionably entitled to whatever share of public attention and activity they can attract, youth should not have to compete with them for its fair share. But whether in a centralized structure dominated by national politics, or in a decentralized structure controlled by local politics, this is the position in which youth have been placed.

The major lesson learned from manpower programs so, far, and highlighted by the CETA experience, may well be that youth cannot be lumped with other groups in a common manpower "pot." Youth needs allocations for programs that cannot be invaded by competing groups. Such a change would not preclude overall manpower planning. Decisions about proportions of effort for various needs could still be made. It would simply mean that after such decisions, the share for youth would have been removed from the competitive arena.

RECOMMENDATIONS

The following recommendations are presented initially as a group and then substantiated individually in the ensuing chapters. The first is probably the most difficult to implement. The others, although in some cases linked to the first, could with some or no modification be put in place independently, or with some variant of the first.

Recommendation 1

Starting at the highest level of national policy making, the developmental needs of youth need representation and advocacy so that youth may compete equitably with other segments of the population for a fair and socially-necessary share of resources, opportunities and attention.

We recommend the creation of a permanent Presidential Youth Commission (PYC), whose chairperson is appointed by the President, is designated Presidential Youth Adviser (PYA), has an office in the White House, and participates in Cabinet meetings when issues directly or indirectly affecting youth are considered. The PYA and the Commission would seek new legislation, procedural changes, and greater coordination of programs affecting youth within and among such operating departments as HEW, Labor, and Defense, and greater adherence by such departments to national objectives for youth. These objectives would be established by Congress and/or the Executive in response to recommendations by the PYC. They would include, but need not be limited to, an employment policy aimed at fulfilling the developmental needs of young people.

To provide accountability in addition to that due the President, the PYA's activities shall be guided by policies and objectives established periodically by a Presidential Youth Employment Conference (PYEC). The delegates to this conference shall consist of: representatives from a system of local and regional Community Education-Work Councils (see Recommendation 2); a national, continuing council of voluntary agencies concerned with policy or service involving youth; a representative sample of Federal, state and local government agencies providing service to youth; a similar sample of employers and unions involved with youth employment; and a representative sample of youth from definable interest-segments within the youth population.

Annually, and based on the work of the PYC, the President shall issue a Report on Youth, similar to the present Presidential reports on the economy and manpower.

Recommendation 2

That the Congress guarantee, as a right of all Americans, that in their youth they will have a properly developmental work experience. In conjunction with that guarantee, and until the PYC can propose a long-range, full-scale program, the Congress should launch a public and private job-creation program, to be overseen by a consortium of government, business and labor leaders on the national level, and by Community Education/Work Councils on the local level. A major requirement in the legislation should be that the jobs policy be flexible enough to allow for vocational experimentation and growth by the youth involved.

Recommendation 3

That the Presidential Youth Commission, in the course of its studies, pay particular attention to the possibility of designating certain sectors of the economy, or tasks within sectors, as "youth work." This would remove such activities and jobs from the competitive pressures of adult need and provide not only a base for youth employment, but also an area of societal activity that youth could take pride in because it is their own.

Recommendation 4

That the Department of Labor create a youth division that would devote itself exclusively to optimizing within currently-available legislation and administrative rulings the funding and implementation of developmentation work experience for youth.

Recommendation 5

That the Presidential Youth Commission, as one of its first and highest-priority tasks, undertake a comprehensive study of alternatives to conventional job structures that might be utilized to provide young people with developmental work experience.

Recommendation 6

That the Department of Labor, in cooperation with the Departments of Commerce and HEW, the Council of State Governments, appropriate professional societies, employer associations and labor unions, initiate a reexamination of hiring requirements based on credentials, by occupation and industry, in the public and private sectors.

Recommendation 7

That state legislatures reassess their child labor laws and, where called for, revise them in accordance with the Federal model.

Recommendation 8

That the forthcoming fourth edition of the Dictionary of Occupational Titles be supplemented by special publications devoted to entry-level positions for youth to make it more useful for education and manpower planners.

Recommendation 9

That the Department of Labor gather data measuring employment, underemployment, the nature of underemployment, and the conditions under which persons not in the labor market would enter it and accept employment. These data should be by census tract, race, sex, age, education, previous work experience, and usable skills.

Recommendation 10

That the Congress mandate the Departments of Labor and HEW to determine what additional data are needed for the development and evaluation of effective educational, training, counseling, and job-design programs.

That the President assist this effort by appointing a prestigious national commission to work with the two departments.

That the DOL undertake either to gather and provide the data found necessary by the study, or to encourage and help state Departments of Labor to do so. Also, that HEW encourage, assist, and provide guidance to state Departments of Education in the timely use of labor market data in educational planning, evaluation and counseling.

That the DOL, the Department of Commerce, and Federal purchasing agencies influence employers to restructure their work processes and redesign their jobs to make more efficient use of the skills available in the labor market. Recognizing the technical difficulties involved, we recommend that the DOL and state Labor Departments develop and test a variety of approaches.

Recommendation 11

That the Department of HEW create a youth employment division that will explore and consider ways to fund and implement, in education and training, an improved developmental approach to preparation for employment. A portion of this new approach would be career education.

Recommendation 12

That the Congress, in its legislation setting up manpower training programs, as exemplified by the CETA legislation, restore an emphasis on the preparation, training and development of youth.

Recommendation 13

That in the drafting of future manpower legislation affecting youth, care be taken to guarantee that allocations for youth programs, or proportions of general funding intended for youth, be fully protected against incursions by other interests.

Recommendation 14

That Community Education/Work Councils be formed on local and regional levels to serve as policy-makers, communications instruments, problem-solving forums, sites for articulation and resolution of grievances, and discussion groups for the classifications and development of new objectives. They would be pressure groups and youth advocates, bringing to local, regional and national attention the developmental work needs of youth.

Recommendation 15

That the appropriate committees in both houses of Congress set up permanent subcommittees on youth employment to study and recommend proposals consonant with all prior Recommendations, and any other questions bearing on the national need to enhance the utilization of employment for the development of youth.

Recommendation 16

That the national political parties signify their endorsement of the importance of youth development by incorporating policy declarations in their platforms, and by encouraging the principal candidates for public office to issue major policy statements on this subject.

INVESTMENT POLICY ACT OF 1976

Mr. PERCY. Mr. President, last week, Senator HUMPHREY and I introduced a Senate bill entitled "The Investment Policy Act of 1976" that has been referred to the Senate Committee on Banking, Housing and Urban Affairs for what we trust will be prompt approval. Just as the 79th Congress in 1946 is best remembered for its Full Employment Act, it is my opinion that in future years, if our free enterprise system is to grow and prosper and carry the burden of providing employment for our citizens and to pay for the services of government, some answer must be found to providing adequate capital for the future growth, expansion, modernization, and improvement programs that are essential to the growth and development of the private sector.

At this time, I should like to note for the record the initiative and creativity made toward the concept by Mr. Robert Galvin, chairman of the Board of Motorola. This is just the latest contribution, in a lifetime of public and private achievement to the strength, welfare and health of our Nation, made by Robert Galvin who, at an early age, became one of the most respected leaders of American industry.

Mr. Galvin is a member of the President's Foreign Intelligence Advisory Board. He was recently appointed by Speaker CARL ALBERT to the 15-member Commission on Administrative Review of the House of Representatives. Mr. Galvin is a former member of the President's Commission on International Trade and Investment, and also served as a director and president of the Electronic Industries Association. He currently serves on the board of directors of Chicago Junior Achievement and as a trustee of the University of Notre Dame and the Illinois Institute of Technology.

Mr. Galvin's perception that inadequate capital formation in the future would serve to undermine America's domestic and international strength is, in my judgment, a proper diagnosis of a present and potentially even greater problem that will require the attention of the President, the Congress and the leadership of our private sector. The inspiration that he has provided to Senator HUMPHREY and myself, which brought about the aforementioned legislation, is deeply appreciated.

RETIREMENT OF SGT. MAJ. B. T. BARNES, JR., FROM THE ARMY RESERVES

Mr. THURMOND. Mr. President, I rise to call to the attention of the Senate the retirement of Sgt. Maj. B. T. Barnes, Jr., from the Army Reserve.

After 34 years of distinguished service, Sergeant Major Barnes will be given the Army Commendation Medal on October 31, 1976, at the Clemson Army Reserve Center. Sergeant Major Barnes will be honored for his 34 years of perfect attendance and for driving over 100,000 miles to attend drills.

Mr. President, this is the type of dedication to our country which merits our attention and which should serve as an example for others to follow.

Mr. President, I want to commend Sergeant Major Barnes for this outstanding accomplishment, and I ask unanimous consent that the article in the July 14, 1976, Aiken Standard, entitled "Barnes To Call It Quits; 34 Years Perfect Attendance," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Aiken Standard, July 14, 1976]

BARNES TO CALL IT QUITS; 34 YEARS PERFECT ATTENDANCE

After 34 years of perfect attendance and driving over 100,000 miles to attend drills, Sgt. Maj. B. T. Barnes, Jr. of Aiken, will retire August 14, from the Army Reserve.

Barnes, an auditor for the S.C. Tax Commission's Sales Division in Aiken, first entered the Army in 1942 and served three years in Iceland. He joined the U.S. Army Reserve the day he was discharged from active duty (1945) but was recalled to active duty in 1950 for a year's service during the Korean War.

Barnes is a member of the 108th Division (Training), Army Reserve's 1st Brigade in Clemson, where he is currently undergoing two weeks of training.

His attendance record knows no equal in the Army Reserve and has been noted many times over during the past years. In 1968, Sen. Strom Thurmond (R-S.C.) made special note of Barnes' dedication with a "special salute" to Barnes in the Congressional Record.

Lt. Col. John W. Evans, executive officer of the 1st Brigade, said, "Sgt. Maj. Barnes has provided the 1st Brigade with many years of unselfish service and leadership. He will be missed."

The Army Commendation medal will be presented to Sgt. Maj. Barnes upon retirement.

"I'm proud to have been of service to my country," Barnes said.

In addition to his service in the Army Reserve, Barnes is active in civic and church affairs in Aiken. He also helped to organize the local Kiwanis Club and has served in numerous positions with the American Legion, including state vice commander.

Barnes hobbies include golf and raising prize-winning camellias.

FOUNDRIES AND THE OSHA ACT

Mr. McCLURE. Mr. President, almost every American industry has dealt with OSHA's labyrinth of unreasonable regulations and standards in some form or another. Not the least of which is the foundry industry—an industry crucial to the health of our economy and defense. Without the primary metals produced by this industry, our economic growth would soon cease, and our military's strength would be substantially undermined. Therefore, it is necessary that we closely supervise the Federal regulations which are imposed on foundries.

A discussion by Ms. Debbie Tennison on OSHA and its impact on foundries appears in the July–August 1976 issue of National Defense. This article accurately documents some of the consequences of the Federal controls on foundries. I believe that this information should be made available to my colleagues, and I ask unanimous consent that this article "Foundries and the OSHA Act—Problems and Some Solutions" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOUNDRIES AND THE OSHA ACT—PROBLEMS AND SOME SOLUTIONS

(By Debbie C. Tennison)

Help may be on the way for our Nation's foundries which are plagued by a myriad of problems—ranging from compliance with EPA and OSHA regulations to coping with materials shortages and import/export policies. Just what kind of help is involved, and who is behind the aiding actions?

Military—In the military where personnel realize the importance of foundries to our military-industrial base, there are many who support actions to aid the industry. Among the supporters is the Honorable Harold L. Brownman, Assistant Secretary of the Army for Installations and Logistics.

Government—In Government, a growing number of individuals and groups are supporting solution-making actions. Among these are senators, congressmen, and Department of Commerce officials.

Industry—In the foundry industry itself there are several groups in addition to individual foundrymen working on solutions. They include the Cast Metals Federation, the American Foundrymen's Society, the Steel Founders' Society of America, and the Iron Castings Society.

One of the foremost problems these individuals and groups are attempting to solve is compliance with noise and related health regulations promulgated by the Occupational Safety and Health Administration (OSHA) of the Department of Labor.

The OSHA act of 1970 requires costly engineering or administrative controls which are placing a burden on foundries, especially the smaller ones. Although the act originally was drafted to protect businessmen and employees, there are many who believe that it often has been unfair and unnecessarily punitive in much of its implementation.

One such believer is Sen. Pete V. Domenici (R-N. Mex.), who has joined 14 of his colleagues in sponsoring S. 454, a bill to require administrators of the act to evaluate the economic impact of OSHA regulations on the private sector before making rules permanent. The bill's 12 provisions include elimination of standards that require removing equipment from plants before normal usefulness has expired unless failure to do so would truly endanger employees.

The legislation also provides for elimination of surprise inspections so employers can have a qualified safety inspector observe employees during an initial inspection and not impose penalties until adequate notice and time are given to correct the hazard.

Under the measure, employers would have 30 days instead of the present 15 to contest the OSHA allegations. Exceptions for some standards would be allowed when it could be demonstrated that the regulation involved was not applicable to the work situation being investigated. Also, employers could put alternate protective measures into effect without being penalized.

Senator Domenici says he would support repealing the original OSHA bill if it can't be amended to be made more reasonable.

One congressman who would like OSHA abolished right now is Rep. John H. Rousselot, (R-Calif.)

"It has been shown that the Federal OSHA office is basically unnecessary," he says. Therefore I have introduced a bill (H.R. 4553) to abolish it. The State OSHA offices are enough."

Congressman Rousselot says 25 other members of Congress also want to abolish OSHA. But with the present Congress, which is so oriented to delegating powers to the Federal agencies, he doubts there is much of a chance of this.

Senator Domenici's proposed amendments and Congressman Rousselot's legislation to repeal the Federal OSHA statute are only two of more than 15 measures which have been introduced by concerned legislators in the 94th Congress. One OSHA reform bill passed in the House would provide a system of on-site consultation without penalties, ease the economic burden of compliance, and provide more equitable enforcement procedures. This bill, H.R. 8618, is identical to S. 3182, the Senate version being debated in the Senate Labor and Public Welfare Committee.

S. 3182 is supported by the National Association of Manufacturers, the Associated General Contractors of America, Inc., the Cast Metals Federation, the National Federation of Independent Business, the Printing Industries of America, Inc., the Can Manufacturers Institute, and the U.S. Chamber of Commerce, to name just a few. On the other side, unions oppose any measure they interpret as weakening OSHA's enforcement.

Foundry Society officials and others in the foundry industry recommend the following actions to ease the burden of complying with OSHA:

A 5-year moratorium, with qualification, on OSHA to provide valuable time needed to: (1) establish realistic standards; (2) determine whether other more serious problems such as energy shortages are created by compliance; (3) develop standards with reproducible results; and (4) permit capital to be invested in hardware and processes needed to gain the necessary productivity.

Along with this moratorium, foundrymen support the conduction of a sensible National Emphasis Program (NEP) by OSHA.

Secretary Brownman concurs with the idea of a moratorium. He also has another idea, which involves giving foundrymen special tax credits toward their capital investment to ease the economic burden of compliance. And he suggests having economic impact studies conducted by an agency other than that setting the standards. These studies should determine what level of efficiency is most practical to achieve. Further, Secretary Brownman supports establishing an industry advisory committee to work with legislators and implementors.

Responding to strong congressional pressures, OSHA is considering changes in its enforcement program with far-reaching implications for employers. For one thing, since the Senate Labor Committee criticized the high proportion of "nonserious" to "serious" citations, OSHA is considering proposals designed to focus more intently on serious hazards, with a proportionally less emphasis on nonserious ones (a source of criticism for "nit-picking"). Serious violations involve a mandatory penalty.

To accomplish its goal, OSHA will revise its Field Operations Manual to permit compliance officers to interpret "substantial probability" (of serious physical harm to employees) as meaning "a real or significant possibility." Included in the revision within the term "serious physical harm" would be such injuries as a deep cut.

Secondly, compliance officers would refer to a checklist of criteria for "serious" citations, a list of OSHA standards—violation of which "should generally be cited as serious"—and a list of working conditions posing "a significant possibility of death or serious physical harm."

Lastly, OSHA may revise its penalty system whereby serious violations involving a "low likelihood of occurrence" would be subject to a reduced minimum penalty. If adopted, these proposals would increase substantially an employer's chance of being cited for "serious" violations.

OSHA also is reexamining its guidelines for citations for "repeated" violations which carry civil penalties of up to $10,000. Discussions focus on guidelines under which a prior violation may constitute the basis for a repeat citation. Also under discussion by OSHA is the excessive burden of regulations on small businessmen as well as a simplification of OSHA standards.

Even more important to the foundry industry than the above-mentioned changes being considered by OSHA is the NEP. Described in the May-June 1976 issue of National Defense in "Foundries in Dilemma", this OSHA program is expected to be implemented this fall. It will provide on-site inspection by OSHA inspectors.

OSHA representatives say NEP is a major effort to make standards more reasonable, and exceptions are being considered for some industries with special compliance difficulties. Inspections won't be a surprise to foundrymen either, for all have been notified of the upcoming NEP.

Something in a related area which may help foundrymen is OSHA's effort to write "plain-language" versions of standards most frequently violated. Those in the industry will welcome this, for many now complain that they need a Wall Street attorney to figure out what the standards require.

OSHA also is expanding its general job safety and health educational opportunities through seminars at local colleges and other places in an effort to educate foundrymen and the general public about standards.

According to the National Safety Council, job accidents cost the United States some $14 to $15 billion annually. James Foster of OSHA says a good, strong safety and health program, not just standards—even though initially costly to implement—certainly won't require that kind of money. But, more important, he says, is that ultimately it will improve worker morale, reduce equipment losses, and enhance productivity.

"Certainly this is a belief every major corporation subscribes to," he says. "The outstanding ones have good health and safety programs, and it's safe to say that they won't spend the money if they don't think it is worth while. The big guys got big because they were careful and paid attention to detail, among which job safety and health programs were included."

Since OSHA realizes its standards have a substantial effect upon small businesses, Section 28 of the Occupational Safety and Health Act amends the Small Business Act. This authorizes the Small Business Administration (SBA) to make loans to assist small businesses in meeting standards under Section 6 of the OSHA act or under State laws. This help is available if SBA determines that a company is likely to suffer substantial economic injury without assistance. OSHA has made arrangements with SBA to help make such loans.

When To Apply.—An employer can make application either before being inspected, in order to come into compliance, or after being inspected, to correct alleged violations. An employer who has not been inspected by OSHA and requests a loan must submit to SBA: (1) a statement of conditions to be corrected; (2) a reference to standards that require correction; and (3) a statement of his financial condition that necessitates a loan.

Specifically, the employer should obtain from a licensed professional engineer and/or architect a report on the proposed work. This report should refer to existing conditions, standards that require work, and clear-cut plans and specifications to allow OSHA to determine readily that such work will bring the foundry into compliance.

Secondly, the foundryman should submit to SBA a copy of this report, along with any background material. The SBA then will refer the application to a regional office which will review it and make a decision.

When applying for an SBA loan after inspection, the procedure is the same as before inspection, except that the foundryman also must furnish SBA a copy of the OSHA citaton(s). It should be noted that submission of a loan application in no way affects the abatement period allowed for cited violations. However, OSHA will make allowances and grant an extension of the abatement period to allow the foundryman to plan and finance work to correct violations.

Should OSHA cite a foundry for alleged violations and should the employer contest the citation, neither OSHA nor SBA will take any action until the contest process has been completed and the Occupational Safety and Health Review Commission has issued a final order.

How Loans Are Used.—Foundrymen may use loans to construct new buildings, even in a new location; to replace an old building where remodeling is not feasible; or to replace rented quarters when needed upgrading cannot be arranged.

Secondly, bank loans may be refunded when loan terms (intended for permanent financing) are too burdensome for the borrower. Such a loan may not be used to affect a take-out from possible loss. Also, bank loans may be refunded when rushed through for short-term improvements to meet compliance requirements.

Thirdly, working capital may be applied to replace working capital used for compliance (such as meeting construction time limits). When operations are curtailed and construction is involved, it also may be used to meet continuing fixed costs such as payment on equipment notes and mortgages, for financing start-up costs, and to finance operating changes needed for compliance.

Finally, tenants may obtain loans to finance equipment purchases or to upgrade their plants.

Where To Apply.—SBA loans are made in cooperation with banks or other lending institutions or on a direct basis. Loan application forms may be obtained from any SBA field office.

Another avenue open to foundrymen burdened by OSHA regulations is to apply for a variance. Two types of variance are allowed—temporary and permanent. To be considered for either of these, an employer or class of employers must file an application with OSHA. No particular form need be filled out, but the application must be "clearly legible".

For a temporary variance, the applicant must show inability to comply with a standard or part of a standard by its effective date and clearly state the reason. He also must show that he is otherwise taking all available steps to protect employees against hazards covered by the standard. Finally, there must be an effective program and schedule for coming into compliance as quickly as possible.

To obtain a permanent variance, applicants must propose, in detail, alternatives for protecting workers to the same extent the standard does.

Foundrymen also can have a substantial impact on the standards-development process by commenting on proposed rules or by attending hearings. Hearings are held before the final rule (or determination that such a rule should not be issued) is published in the *Federal Register*. Even after the final rule is published, changes may be made based on new information.

How is this done? The affected party who feels the final rule is too burdensome, inadequate, or does not reflect the case record may appeal to the U.S. Circuit Court of Appeals. Several final rules have been appealed in this way, sometimes by both management and labor, and the courts have rendered decisions affecting subsequent rulemaking.

New Legislation.—The above-mentioned measures designed to help the industry aren't enough, according to Sen. Dewey F. Bartlett (R-Okla.). He wants to go one step further and is considering legislation relating to the detrimental impact of OSHA regulations on tank production. The Senator wants to draft legislation granting the President authority to suspend OSHA requirements where they are determined to be the major reason for critical shortages in production capacity by industries considered vital to national security. (Under current legislation, the Secretary of Labor, not the President, may allow suspension of act provisions he deems necessary to avoid serious impairment of the national defense).

Senator Bartlett explains that the phrase "critical shortages in production capacity" might be defined on the basis of critical capacity utilization, history of plant closings in the affected industry, pending import contracts for defense-related products which might otherwise be produced domestically, a combination of the above, or other criteria.

"For too long the stringent regulations of such agencies as OSHA have been applied to American industry without fairness or logic. In the case of foundries, it would seem that we are willing to destroy an industry in order to make it safer, healthier, or more environmentally acceptable," the Senator states, "The goals of OSHA are generally legitimate, but they cannot be placed blindly above the higher priorities of a strong economy and adequate military capability.

"I believe some action must be taken to resolve the very real conflict which now exists between the agency goals and the economic and national-security interests of the United States. The legislation I am considering would deal with what I believe to have been and what may again be the most urgent problem presented by the foundry industry's difficulty in expanding capacity of tank turrets and hulls."

National Views.—National bodies which are supporting OSHA reform include the U.S. Chamber of Commerce and the Department of Commerce. Deputy Assistant Secretary Samuel B. Sherwin, Director of the Bureau of Domestic Commerce, suggests that improvements must be made by OSHA to establish an adequate appeal mechanism for foundries and other businesses.

The U.S. Chamber of Commerce is supporting two of the major proposals being debated in the 94th Congress: S. 454 sponsored by Sen. Lawton Chiles (D-Fla.), and S. 3182 sponsored by Sen. Robert Taft, Jr. (R-Ohio). Both amendments are described above.

Regarding S. 454, the Chamber especially supports a Federally funded and administered program of free advisory inspections with no threat of penalty. The Chamber recommends that the program have a stature at least equal to the compliance program and that it should not be limited by employer size.

The Chamber supports S. 3182, with two reservations. First, the legislation does not make a consultant's recommendations binding on OSHA in the event of subsequent inspection.

Secondly, the Chamber alleges that a consultation should be just that, without a visit triggering a subsequent compliance inspection, except in the case of an imminent hazard.

It is hoped by foundrymen, some Government officials, and military personnel that many or all of the recommendations outlined in this article be implemented. Such actions would greatly help ease one of the major burdens to the foundry industry—that of compliance with OSHA regulations.

A discussion of solutions to other industry problems will be in the next issue of NATIONAL DEFENSE.

FINANCIAL RELIEF FOR THE U.S. POSTAL SERVICE

Mr. McGEE. Mr. President, the Senate will soon debate H.R. 8603, a committee bill which seeks to provide, among other things, some financial relief for the U.S. Postal Service. I remind the Senate that the issues surrounding the bill ought to be absolutely clear. Toward that end there are certain inexorable facts which we must keep in mind:

First. The Senate Post Office and Civil Service Committee reported the bill out with only one dissenting vote.

Second. The bill, as reported by the Senate committee, is the result of agreements reached by the chairmen and ranking minority members of both the House and Senate committees, by the White House, by the Office of Management and Budget, and by the U.S. Postal Service.

Third. As this tightly bargained agreement was being reached, the bills before the committee, including mine, relating to postal reorganization were necessarily discarded. By the time the committee went into markup, it was on its eighth committee print.

Fourth. To amend the committee bill in any substantive way will result in certain veto.

Fifth. Should a veto occur, the following consequences are inescapable: widespread closing of small post offices; postage rates will go up quickly; increased reduction in service.

Sixth. The issue at this point is not postal reform, it is instead an effort to provide necessary and immediate relief to the postal system. Just as imperatively, the committee bill provides time for the Congress to prepare for thoroughgoing and effective legislation to improve the service of the U.S. Postal Service.

What we have is the art of the possible at work. To amend the bill in any major way abrogates the agreement and puts us back at square one with a postal system accumulating even bigger deficits, wholesale closing of small post offices, immediate rate increases, service being radically curtailed, and our task early next year inevitably made much more difficult.

Even though a number of amendments currently being offered may, indeed, be attractive, they are nevertheless certain to be vetoed. Now is not the time for amendments, however well intentioned. Early next year is the time to examine carefully such proposals. Now is the time to gain time.

THE LAW OF THE SEA CONFERENCE

Mr. METCALF. Mr. President, on June 8, 1976, the Subcommittee on Minerals, Materials and Fuels of the Senate Committee on Interior and Insular Affairs held its fifth hearing on the status of the United Nations Law of the Sea Conference, again in session in New York.

Copies of the recent hearings are expected to be available late this month.

The witnesses included Ambassador T. Vincent Learson, Special Representative of the President to the United Nations Law of the Sea Conference, which had adjourned a month earlier, on May 7. At one point in his testimony—page 1613 of the hearing record—he said:

"We have not yet had the time to complete the highly detailed and complex articles and annexes," of the single negotiating text which had come out of the session ended a month earlier.

In intervening months, I hope our negotiators have been able to catch up on what happened in New York during the previous session. Some others have. President Frank N. Ikard of the American Petroleum Institute has shared with me API's analysis of the four-part single negotiating text, which came out of the Conference on May 7 and is now before the Conference.

I call this analysis to the attention of my colleagues seriously interested in this complex subject and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF REVISED SINGLE NEGOTIATING TEXT OF MAY 6, 1976 THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA

EXECUTIVE SUMMARY

This analysis, prepared in the light of the American Petroleum Institute's May 1975 "Statement of Policy on Jurisdiction Over the Natural Resources of the Ocean Floor" and the National Petroleum Council ("NPC") recommendations that it has endorsed, sets forth the Institute's objections to the four-part revised single negotiating text which is to serve as the basis of further negotiations in the August 2–September 17, 1976 session of the Third United Nations Conference on the Law of the Sea. It excludes from consideration non-petroleum issues such as fisheries, scientific research, military uses of the sea and access to the sea by land-locked countries. In the interest of brevity, it also excludes from consideration announced positions of the Administration with which the Institute is in accord, such as the Administration's insistence that the management and voting procedures of the International Seabed Authority (the "Authority") must reflect and balance the interests of the participating States, rather than being left to the total control of the developing countries on a one-country, one-vote basis.

I

Major objections to Part I, dealing with the international seabed area beyond the limits of national jurisdiction, are to:

1. The threat of an eventual de facto monopoly of deep seabed production in the hands of the Authority as a result of its being empowered through an arm called the Enterprise, to engage in operations for its own account while being, at the same time, the regulatory agency charged with authorizing and regulating the production activities of member countries and their nationals.

2. The threat that the economic viability of private production operations could be imperiled through the imposition of production controls on deep seabed production for the benefit of land-based producers (who would be given an umbrella over their prices) during a so-called interim period of 20 to 25 years.

3. The vulnerability of the operations of private producers to limitations on production under commodity agreements to be negotiated and enforced by the Authority rather than by the individual countries of which they are nationals, a provision signifying the sovereign status of the Authority over deep seabed mineral resources in derogation of the rights of individual countries developing these resources.

4. A number of provisions authorizing discriminatory treatment of developed countries and their nationals to the benefit of the developing countries, with the policies of implementation to be established on a one-country, one-vote basis, i.e., by the developing countries themselves.

5. The lack of clarity with respect to the availability of effective dispute settlement procedures both to prospective operators and to those under contract with the Authority.

6. The prospect that the United States itself could be called upon to provide a substantial share of the capital required to launch the Enterprise on the road complained of in Point 1.

The objectionable provisions of this part are of concern not only from the standpoint of potential petroleum development in the international seabed area but also from the standpoint of the precedent-setting impact that they would have on developing country policies with respect to operations within their national jurisdictions, should they be incorporated into the final treaty.

II

The analysis of Part II, which deals with a wide range of issues not covered in other parts, acknowledges a number of favorable developments, such as recognition of broad coastal State seabed resource jurisdiction over the entire continental margin, the provision of unimpeded transit of straits and archipelagic waters used for international navigation and the recognition of the exclusive jurisdiction of the coastal State over deepwater ports and other offshore economic installations. It points out, however, the need for:

1. Clarification of the rules of "innocent passage" of the territorial sea.

2. Reexamination of the U.S. position in favor of coastal State control over (vs. international standards for) the design, construction, manning and equipment of foreign flag vessels transmitting the territorial sea, a position which could lead to a proliferation of conflicting regulations and an undesirable increase in shipping costs for the entire world community.

3. Clarification of the applicability of international rather than national coastal State standards on such matters with respect to vessels transmitting the exclusive economic zone.

4. Adequate provision for the protection of the integrity of foreign investments in the economic zones of coastal States.

5. A readily workable formula for the delimitation of coastal State seabed resource jurisdiction over the continental margin where it extends beyond the 200-mile exclusive economic zone, it being recognized that the outer edge of the margin is a sound jurisdictional concept but is not identifiable with sufficient accuracy in many parts of the world to serve unaided as a basis for fixing precise boundaries. The formula proposed by the NPC on this point is recommended for further consideration and adoption.

6. Rejection by the United States of any obligation to share for international community purposes a portion of its revenues from the portion of the U.S. continental margin beyond the 200-mile economic zone unless all coastal nations are subjected without exception to a common obligation to share, under a formula applicable alike to developed and developing countries.

7. Insistence on the retention of the traditional concept of the outer limit of the territorial sea as the boundary of the high seas rather than substitution of the outer limit of the coastal State exclusive economic zone.

III

With respect to Part III, dealing with protection and preservation of the marine environment, marine scientific research and the development and transfer of marine technology, there is need for:

1. Clarification that, with respect to foreign flag vessels transmitting the territorial sea, standards and regulations for ship design, construction, manning and equipment should be established on an international basis rather than permitting a proliferation of national standards.

2. A requirement that imposition by coastal States of laws and regulations for the prevention of pollution from vessels in ice-covered areas of their economic zones be subject to the same right of verification of need by the competent international organization as is proposed for all other areas of the economic zone, where special problems exist.

3. An effective procedure for prompt release of vessels under bond or other security by ministerial act without consideration of the merits of the case, where the vessel charged with a pollution offense does not pose a clear and present danger of continuing injury to the environment.

IV

With respect to Part IV, dealing with the settlement of disputes, there is need for:

1. Substitution of a single system of dispute settlement for the dual system now prescribed in this part and in Part I.

2. Replacement of the proposed election of members of the Tribunal established under this part on a one-country, one vote basis (under provisions which, as now drafted, would permit the developing countries, if they wished, to elect only nationals of developing countries to the Tribunal) with a system assuring the balancing of interests of all countries, developing or developed, in the election of members.

3. Assurance that the jurisdiction of the dispute settlement mechanisms established by the Convention effectively extend to the abuse or misuse by a coastal State of its powers with respect to all matters within the purview of the Convention.

4. Provision of a system of mediation and conciliation followed, if need be, by compulsory and binding arbitration for the effective and expeditious disposition of all disputes of private parties arising under the Convention, whether with another private party, a State or an international organization or entity, the more formal forum of the International Tribunal being reserved for State-to-State or State-to-international agency disputes at the political level.

5. Adherence by the United States to its insistence on procedures and institutions for the peaceful, compulsory and impartial settlement of all disputes arising in connection with the Convention as a fundamental element of its negotiating position.

ANALYSIS OF REVISED SINGLE NEGOTIATING TEXT OF MAY 6, 1976 THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA

FOREWORD

This analysis is limited to matters of particular concern from the standpoint of the energy needs of the nation and excludes from consideration such matters as fisheries, scientific research, military uses of the sea and access to the sea by land-locked countries. Also, in the interest of brevity, it excludes points on which the American Petroleum Institute (the "Institute") is in agreement with the latest announced position of the Administration on open issues, such as the Administration's insistence that the management of the International Seabed Authority (the "Authority") and its voting procedures must reflect and balance the interests of the participating States, rather than being left to the total control of the developing countries, with their overwhelming numbers, on a one-country, one-vote basis.

The analysis is made in the light of the Institute's Statement of Policy of May 1975 on "Jurisdiction Over the Natural Resources of the Ocean Floor" and of the National Petroleum Council's (the "NPC") Supplemental Report of March 1971 on "Petroleum Resources Under the Ocean Floor" and its Report of March 1975 on "Ocean Petroleum Resources," to both of which the Institute has given its full endorsement.[1]

In the discussion to follow, the Third United Nations Conference on the Law of the Sea will be referred to as LOS-III. The Revised Single Negotiating Text will be referred to by its separate parts, Parts I, II, and III being U.N. Doc. A/CONF.62/WP.8/Rev.1/Parts I, II and III, 6 May 1976, and Part IV, the title of which is "Informal Single Negotiating Text," being U.N. Doc.A/CONF.62/WP.9/Rev. 1, 6 May 1976. References to an article or annex are to an article or annex in the Part under discussion unless the contrary is indicated. It may be noted that Part I deals with the international seabed area; Part III, with the protection and preservation of the marine environment, marine scientific research and the development and transfer of marine technology; Part IV, with the settlement of disputes; and Part II, with all other issues before the Conference. They will be discussed in the numerical order in which they appear in the revised single negotiating text. The length of the analysis of individual parts in this report is related to the number of problem areas involved and not to their relative importance from a petroleum standpoint.

PART I

As prescribed in Article 2(1), this part of the Convention applies to the seabed and the ocean floor and the subsoil thereof beyond the limits of national jurisdiction. The governing provisions for the fixing of the limits of national jurisdiction are found in Part II and will be discussed under that heading. It is gratifying to note, however, that there appears to be a strong consensus in LOS-III in support of the position taken by the Institute from the outset of the negotiations that the United States, in common with all other coastal States, now has, and should retain, exclusive jurisdiction over the seabed resources of its entire continental margin (see Part II, Article 64). Though the best available estimate is that only a very small proportion of the potential, ultimately recoverable offshore petroleum resources of the world will be found in the international seabed area (the "Area")[2] it is the position of the Institute that—

"An important petroleum interest in portions of the international seabed area beyond the limits of national jurisdiction should not be ruled out despite the fact that the primary petroleum interest for some years to come will be in the thick sediments of the continental margins within the seabed resource jurisdiction of the coastal nations. Accordingly, it is important from the standpoint of petroleum production as well as hard minerals mining that the United States continue to stand on its present position in the international negotiations."

The reference here was to the U.S. position as it stood at the close of the Geneva session of LOS-III in the spring of 1975. That position, as summarized in the Institute's policy statement, was:

"All subsea resources beyond the limits of national jurisdiction should be regulated under an international regime to be established by treaty for the benefit of all signatory nations. This regime should be regulatory in nature and not operational. It should not itself have the power to undertake the development of resources either directly or through service contracts or joint arrangements, but should instead encourage the competitive development of resources by others in the most efficient and timely manner. It should have no power over rates of production, prices or markets; but, instead, these matters should be left to individual signatory nations with respect to operations under their sponsorship.

"What portion of the continental rise will fall beyond national jurisdiction where the rise extends more than 200 miles from shore remains to be decided. It may be noted that approval of the provisions of Part II, Article 128 denying economic zone or continental shelf rights to rocks incapable of sustaining human habitation or economic life of their own might well bring additional potentially oil-bearing deep sediments into the Area, as would the relinquishment or adverse determination of present national claims to the deep sediments of Antarctica and its continental margin.

"The management of the international regime should be governed by a balanced board, representing a fair mix of interests of the developed and developing nations and should not be hampered from the outset with detailed specific leasing rules or other restrictions embedded in a treaty. It should operate on a nondiscriminatory basis with incentives for the attraction of capital and technology on a fair and competitive basis with adequate safeguards for the assurance of security of tenure and integrity of investment. Its objective should be the promotion of exploitation through terms and arrangements which would necessarily have to be at least as attractive to investors as those offered by coastal nations generally."

The Administration has subsequently made two proposals that raise serious questions. The first, announced by Secretary of State Kissinger in his Montreal speech on August 11, 1975, was agreement that so long as all countries and their nationals had the right directly to exploit deep seabed resources, the Authority could also have the right to conduct mining operations on behalf of the international community, primarily for the benefit of developing countries. Incorporated into this concession was the so-called "banking system", reflected in Article 22 and Annex I, paragraph 8(d), under which a prospective contractor must give the Enterprise the free benefit of his prospecting by applying for twice the area to be received by him, with the Authority retaining for the Enterprise, or for developing countries or entities sponsored by them working in association with the Enterprise, whichever half it wishes, meaning, of course, the half that it regards as the more promising.

Aside from the hidden subsidy to the Enterprise or those working in association with it involved in this procedure, it may be unrealistic to expect that there will be even-handed treatment by the Authority of the Enterprise and private contractors operating in competition with it. The Enterprise is but an arm of the Authority and there is reason to fear that the Authority may favor the Enterprise in countless ways, with a real danger that a de facto monopoly in the hands of the Enterprise will be the eventual end result.

The second proposal, announced by Secretary Kissinger in his New York speech of April 8, 1976, was that there could be production controls of deep seabed mining for the protection of land-based producers during an interim period (set at 20 years, with the possibility of a 5-year extension, in Article 9(4)(ii)), tied to the projected growth in the world nickel market, currently estimated to be about 6% per annum. While this should be of far greater concern from a hard minerals than a petroleum standpoint, by reason of the more imminent readiness of the hard minerals miners to commence operations in the Area, it would be a critical obstacle to anyone interested in deep seabed petroleum exploration and development during the interim period. Both Secretary Kissinger's speech and Article 9(4)(ii) are totally silent on the inapplicability of the proposal to petroleum or on the method of allocation of allowable growth rate among competing operators in the Area.

It is to be noted that the Chairman of Committee I of LOS-III in his Introductory Note to Part I (at par. 22) has stated that—

"Significant among [the important questions needing attention at the next session] is a method for assuring that the production limitation prescribed does not adversely affect the ability of the Enterprise to conduct activities on its own, or of developing countries in prescribed association with it, at the earliest possible date."

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[1] Two other reports of the NPC on the subject, that of March 1969 on *Petroleum Resources Under the Ocean Floor* and that of May 1973 on *Law of the Sea*, though never formally endorsed by the Institute, are in general harmony with the position of the Institute on the issues involved.

[2] The NPC Report of March 1975, *Ocean Petroleum Resources*, gives (at pages 16–17) a range of only 2–8% for the continental rise and 0–2% for the deep ocean area seaward of the rise but is unwilling to put the NPC imprimatur on an estimate of the total to which these percentages should be applied because of the inadequacy of information regarding vast areas of the ocean bottom. Even so, it may be noted that others have made estimates of total world ultimately recoverable offshore petroleum resources, including natural gas equivalent, ranging up to several trillions of barrels; see NPC Interim Report of July 4, 1974 on *Ocean Petroleum Resources* at page 4.

If this view is accepted by the Conference, developed country producers would have to bear the brunt of the cutback.

This or any less discriminatory method of allocation that would preclude production of a sufficient volume to assure an economically viable operation for even a much shorter period than 20 to 25 years would effectively bar American private enterprise from the Area for the continuation of the cutback. The provision of Article 9(4)(ii) that production levels under existing contracts shall not be affected by the interim limit would seem to provide protection only for contractors whose contracts with the Authority antedate January 1, 1980 or the first commencement of commercial production in the Area under a contract, whichever comes first. This is a protection that few if any contractors will be able to enjoy.

As a further comment, it is impossible to see the relevance of the growth in the world nickel market to the production of petroleum from the Area and such a limitation could only deter petroleum development.

Also of concern from a national interest standpoint is the obvious umbrella that will be placed over prices to be charged by land-based producers in a guaranteed market throughout the lengthy interim period, a problem to be judged in the light of the drastic increase in oil prices under the aegis of the Organization of Petroleum Exporting Countries (OPEC) following the outbreak of war in the Middle East in October 1973, and of the emergence of other like-minded, if not so heavily muscled, commodity groups, such as the Inter-Governmental Council of Copper Exporting Countries (CIPEC).

In addition to interim production controls for a 20- to 25-year period under Article 9(4)(ii), Article 9(4)(i) prescribes that the Authority shall represent all production in the Area in the negotiation of, and compliance with, international commodity agreements. Though it is prescribed that the Authority shall act in a manner consistent with the terms of existing contracts, there is nothing to prevent the inclusion in all contracts of a clause that they shall be subject to any international commodity agreements to which the Authority may subscribe or become a party.

The protection of the long-range interests of the United States and presumably of other countries as well in the hard minerals and hydrocarbons of the Area would seem to require that only nation states should be the spokesmen in the negotiation and administration of international commodity agreements covering production of commodities in the Area by them or their nationals; and an appropriate change in Article 9(4)(i) should be required. As it now stands, this article would establish the Authority's status as sovereign over all the mineral resources of the Area, a development which it is inconceivable would gain the general acceptance of States Parties to the Convention.

It has been a fundamental principal of U.S. negotiating policy that U.S. citizens should have unrestricted access to the Area on a nondiscriminatory basis. Consistently with this policy, all operators should compete on an equal basis regardless of nationality and any assistance to developing countries or their nationals should be on a governmental basis and not at the cost of the private sector. Articles 8 and 23(1) give lip service to the principle of nondiscrimination, but Article 23(2) largely negates it, prescribing that—

"Special consideration for developing countries specifically provided for in this Part of the Convention shall not be deemed to be discrimination."

An area of preferential treatment for developing countries is the requirement of Annex I, par. 10(b) that contractors draw up practical programs for the training of personnel of the Authority and developing countries, "including the participation of such personnel in *all* activities covered by the contract" (emphasis added). The text is totally silent on the matters of compensation and protection of proprietary information, yet unwillingness to meet the requirements of the Authority could be a ground of contract rejection under paragraph 8(a)(iii) of this annex. This seems to be fortified by the provision of par. 12(a)(3)(xii) which lists the transfer of technology to developing countries and their direct participation as one of the basic conditions for operations in the Area on which the Authority shall adopt and uniformly apply rules, regulations and procedures for implementation of Part I of the Convention.

Paragraph 15(a) also presents the possibility of calculated discrimination in favor of developing countries in the matter of contract revision. Moreover, paragraph 8(a)(iv), when read in conjunction with Article 9, could authorize denial by the Authority of a contract application by a U.S. operator on the ground that reservation of the proposed contract area for a contractor of another nationality would lead to "balanced growth in international trade" (Article 9(1)), would expand the opportunities for all States Parties to participate in the development of the resources of the Area (Article 9(2)), or would insure equitable sharing of the economic benefits of activities in the Area among States Parties (Article 9(6)). Laudable though these objectives may be, they should not be achieved through denial of equal access to the Area of all States Parties and their nationals. The risk in this regard is aggravated by the provision of Article 26(2)(x) vesting in the Assembly, on a one-country, one-vote basis, and not the Council, the power to set policies for implementation of Convention provisions calling for preferential treatment of developing countries.

Part I requires a basic revision to assure non-discriminatory access and contract administration of applicants of all nationalities. It will avail the United States little for our delegation to win out in its sound opposition to the imposition of quotas on contracts (noted as an open issue in Annex I, par. 8(e)), if it fails to close these dangerous loopholes.

Also in need of revision are the provisions of Part I relating to the settlement of disputes involving private parties. Under Annex III, par. 19(b), a private applicant denied a contract would have no standing to sue, however arbitrary the action of the Authority in taking such action. In harmony with this provision, Article 33(b) and Annex III, par. 17(a)(ii) extending the jurisdiction of the Tribunal to private parties in disputes with the Authority or the Enterprise "concerning the conclusion of any contract" might well be construed as not applying to unconcluded contracts. Though Articles 33(1)(c) and 36(2) and Annex III, par.17(a)(iii) point in the opposite direction, there is obvious need for clarifying language unequivocally assuring private parties access to an effective dispute settlement procedure with respect to all matters affecting their rights and interests under the Convention. Further suggestions on this point are made under Part IV.

Two recommendations flow from the requirement of Article 26(2)(iv) that States Parties meet the administrative budget of the Authority until such time as it has sufficient revenue to be self-supporting. The Authority includes an Assembly, a Council, a Tribunal, a Secretariat, an Economic Planning Commission, a Technical Commission and a Rules and Regulations Commission, along with an Enterprise with its own Governing Board, Director General and administrative and operating staff. It is difficult to foresee when there will be a sufficient volume of production from the Area to finance such an elaborate structure on a self-supporting basis without imposing charges of such magnitude on contractors as to destroy the economic viability of their operations. The first recommendation, therefore, is that study be given to the possibility of structuring the Authority along simpler lines, at least in its early years of operation.

On the second point, it is apparently visualized, though less than clearly spelled out, that any charge on the Authority for start-up costs of the Enterprise under Annex II, par. 6(a)(iv) that is approved by the Authority for inclusion in its own budget can be obtained from States Parties through the assessment process, with the United States bearing much the largest individual share, as it does in the United Nations financing generally. In the view of the Institute, the creation of an Enterprise is not essential to the attainment of the world community interest in the development of the mineral resources of the Area. If an Enterprise should evolve, contrary to the Institute's earlier recommendation on the point, it should receive its financing from revenues derived by the Authority from resource development in the Area or from international loans. The United States should demand a revision of Article 26(2)(iv) to make it clear that States Parties have no obligation to make any contribution to the start-up costs or other expenses of the Enterprise.

A policy of below-market-value sales by the Enterprise to developing countries, as authorized by Annex II, par. 7(e)(ii), might preclude its ever making a financial contribution to the Authority, no matter how successful it might prove to be in its exploitation activities. This whole complex of provisions calls for critical analysis prior to U.S. agreement on the final text of a convention.

To turn to another point, the provisions of Article 14(1) would appear to be clearly inapplicable to hydrocarbons. Under this article, coastal State consent would be required where activities in the Area might result in the exploitation of resources lying within national jurisdiction. Where a common reservoir of hydrocarbons lies across a boundary, a unitized operation on a basis that is fair to parties on both sides of the boundary is the proper solution and Article 14(1) should be revised accordingly. Under no circumstances should a coastal State that is unwilling to participate in a unitization agreement have the power to block production on the international side of the boundary.

Article 17 and Annex I, par. 18 both call for unlimited liability for the actual amount of any damage resulting from activities in the Area. The recommendation of the American Bar Association in its 1973 Resolution re Natural Resources of the Sea is that liability both for pollution by vessels and for pollution by seabed activities should be strict, but finite and insurable, with supplementation, if need be, by an international fund or funds.[3] This is the approach that has been followed in some of the IMCO conventions dealing with the pollution of the sea by ships and there is much to commend its application to seabed resource development, at least in the international seabed area.

As a final point on Part I, it may be noted that any features adverse to private investment that are incorporated in whatever regime is eventually agreed upon for the regulation of activities within the Area will inevitably serve as a precedent for the developing countries with respect to activities within their own national jurisdiction. It is therefore a matter of some urgency from the standpoint of U.S. petroleum interests throughout the world that the present critical deficiencies in Part I be corrected, regardless of the amount of recoverable petroleum that may ultimately be found within the Area.

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[3] Reproduced in 6 Natural Resources Lawyer 589 at 591 (1973).

PART II

A broad consensus in line with earlier recommendations of the Institute and the NPC appears to have developed on a number of the more important points covered in this part. As previously noted, Article 64 confirms the exclusive seabed resource jurisdiction of the coastal State to the outer edge of the continental margin wherever it extends beyond the 200-mile exclusive economic zone within which (under Articles 44–63) the coastal State would also have broad control over the fisheries resources of the water column. Articles 36, 37 and 42 confirm the nonsuspendible right of unimpeded transit passage through and over straits used for international navigation between one area of the high seas or an exclusive economic zone and another area of the high seas or an exclusive economic zone; and Articles 125 and 126 recognize comparable rights of passage through and over archipelagic waters. The exclusive right of the coastal State to construct and regulate deepwater ports (or other economic installations) off its shores is also confirmed in Article 48.

Part II corrects the most critical deficiency of the 1958 Convention on the Territorial Sea and the Contiguous Zone by prescribing, in Article 2, a fixed limit (of 12 nautical miles) within which each State has the right to establish the breadth of its territorial sea. It goes a long way toward correcting another deficiency of the 1958 Convention, the subjective test of what constitutes "innocent passage" of the territorial sea, by prescribing an extensive list of objective tests on the point. Unfortunately, however, it opens the door for the reintroduction of subjective tests by prescribing, in Article 18(1), that innocent passage "shall take place in conformity with the present Convention and *with other rules of international law*" (emphasis added).

The Institute is in wholehearted support of the rule of law in international relations. The proper course, however, for the achievement of this objective as regards the vital matter of the principles governing the passage of vessels through the territorial sea is to assure in LOS–III that the objective tests of "innocent passage" set forth in Article 18(1) and (2) are adequate of themselves to cover the matter, if they are not now so. Coastal States should not be provided the leverage of a reference to other, unspecified rules of international law as a basis of continuing subjective tests of what constitutes "innocent passage". Accordingly, it is urged that the U.S. Delegation insist on the deletion from Article 18(1) of the underscored words as quoted above.

Coastal States should be able to control the dumping of waste, the cleaning of tanks and the like in their territorial sea; but, in general, they should not be allowed to assert control over the design, construction, manning or equipment of foreign flag vessels not destined for their ports or internal waters. This distinction is recognized in Article 20 (1)(f) and (2), as it should be, for the reason that the arguments advanced so forcefully by the U.S. Delegation as regards vessel pollution in the economic zone apply with almost equal force to the territorial sea. Administration spokesmen have indicated, however, that, in opposition to other major maritime powers, they stand alongside a number of coastal States in favoring complete coastal State control of vessel pollution in the territorial sea, subject only to the right of innocent passage.[4] If this view prevails, Article 20(2) will be deleted.

It seems clear that all legitimate needs of the United States and other coastal States can be met through international standards on the matters exempted from coastal State control by Article 20(2) as it now stands and that its elimination could lead to a proliferation of conflicting coastal State regulations on the subject. This, in turn, would require numerous categories of special purpose vessels of limited utility with a resultant needless increase in ocean transport costs for the entire world. It is therefore urged that the Administration recede from its present position and join the other major maritime powers in supporting the retention of Article 20(2) in Part II and the modification of Part III to conform to that article.

As presently drafted, Article 44(1)(d) gives the coastal State jursidiction in its exclusive economic zone with regard to the preservation of the marine environment, including pollution control and abatement, without any clarification of its application to foreign flag vessels. It is correctly prescribed in Part III, Article 21(4) that any coastal State laws and regulations for the prevention, reduction and control of pollution from vessels in their economic zones must conform and give effect to international rules and standards established through the competent international organization or general diplomatic conference; and it seems obvious that Part II, Article 44(1)(d) should be qualified to conform to this requirement.

Protection of the integrity of investments has been a fundamental and oft-repeated part of the U.S. negotiating position on the law of the sea for more than six years. It is firmly believed that this principle should apply to the economic zone as well as to the deep seabed area beyond. It is therefore urged that this point be adequately covered in the final text of Article 44 dealing with the rights, jurisdiction and duties of the coastal State in the exclusive economic zone.

It is also urged that the underscored language in Article 46(3) as quoted below be deleted:

"3. In exercising their rights and performing their duties under the present Convention in the exclusive economic zone, States shall have due regard to the rights and duties of the coastal State *and shall comply with the laws and regulations enacted by the coastal State in conformity with this Chapter and other rules of international law.*" (emphasis added)

The underscored language provides dangerous leverage to the coastal State to assert unwarranted authority over non-resource-oriented activities in the economic zone. There is the same danger here as that discussed with respect to Article 18(1) above, and the objectionable words should be deleted in both instances.

Where the continental margin extends beyond the 200-mile limit and thus serves as the boundary between national and international seabed resource jurisdiction, it will be essential to anyone interested in the exploitation by hydrocarbons or hard minerals in the vicinity of the boundary that a precise method be prescribed for fixing it. The March 1969 Report of the NPC on Petroleum Resources Under the Ocean Floor points out (at p. 105) that the term "continental margin" is currently used with several meanings and (at pp. 73–74) that, for this reason, coastal States should be allowed to fix a precise boundary by a system of straight lines drawn within a zone of agreed breadth seaward of the base of the continental slope (itself a conspicuous and much more readily identifiable feature), connecting a minimum number of points fixed by coordinates of latitude and longitude. This recommendation, endorsed by the Institute, is set forth in greater detail in the March 1971 Report of the NPC at pages 20–26 and is reiterated in the March 1975 Report at pages 39–44.

Article 72 ignores the practical difficulties in fixing a precise boundary and leaves the location of the outer edge of the continental margin to the unguided discretion of the coastal State. Though Article 72 is admittedly more precise than the "adjacency" and "exploitability" tests of Article 1 of the 1958 Convention on the Continental Shelf, it is entirely inadequate as a basis for minimizing boundary disputes wherever international vs. coastal State jurisdiction over valuable hydrocarbon reservoirs of hard mineral deposits is at stake. It is therefore urged that further attention be given to the recommendations of the NPC as a sound basis for providing an essential degree of precision with respect to this matter.

Article 70 provides for revenue sharing by coastal States in an as-yet unspecified amount in respect of exploitation of non-living resources of the Continental Shelf beyond the 200-mile limit. If this article remains in the convention with provision of a contribution in a reasonable amount by coastal States themselves and not the private operators operating under them, it would be in line with the previous position of the NPC and the Institute that the decision on this point is one for governments to make. It should be emphasized, however, that any funds to be shared under this article should be derived from the normal revenues of coastal States from the area in question and should not be an added burden on the operators themselves.

There is no justification, however, for any difference in treatment of developed and developing States in the matter of their sharing with the international community their revenues from the portions of their continental margins beyond the 200-mile economic zone. The United States should insist that, if the United States is to share, all must share, under a common formula applicable to all alike. Accordingly, the United States should demand the deletion of Article 70(3), which authorizes preferential treatment of developing coastal States with respect to such payments. Also, the Authority is without special expertise in the determination of the relative needs of developing States or the best means for their development and is not a proper body to make allocation of funds on the basis of need. If the allocation is to be made on any basis other than a common formula applicable to all States Parties alike, it should be made by a competent body in the field of economic aid such as the World Bank and Article 70(4) should be revised accordingly.

Of course, everything that has been said about Article 70 would become moot if it is deleted in its entirety, as some delegations are understood to be demanding.

Article 75 would define the high seas as beginning at the outer limit of the economic zone, rather than at the outer limit of the territorial sea, as is prescribed in Article I of the 1958 Convention on the High Seas. The 1958 definition has not interfered in any respect with the full enjoyment of coastal State economic rights on the Continental Shelf, despite the unquestioned status of the Continental Shelf as a province of the high seas; nor would it interfere in any respect with the full enjoyment of coastal State economic rights in the proposed exclusive economic zone. Accordingly, there is no reason to modify the traditional limit of the high seas. To do so would open the door to undesirable extensions of coastal State authority, giving them a subtle but disturbing advantage in the determination of disputed issues under Article 47. It is therefore urged that the United States continue to press for the time-honored concept of the outer limit of the territorial sea as the only acceptable boundary of the high seas.

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[4] See statement of Ambassador T. Vincent Learson, Special Representative of the President to LOS–III, before the Subcommittee on Minerals, Materials and Fuels of the Senate Committee on Interior and Insular Affairs, Daily Transcript of Hearings for June 8, 1976 at p. 22.

PART III

Chapter I of this part, dealing with protection and preservation of the marine environment, is largely a call for State action on a national, regional and global basis to that end. There are, however, a few provisions warranting consideration from a petroleum standpoint.

Article 21(3), dealing with the pollution-prevention powers of a coastal State in its territorial sea, is silent with respect to standards and regulations on the design, construction, manning and equipment of vessels. Accordingly, this article should be clarified to eliminate any doubt as to its intent to impose the same restrictions on coastal State authority presently prescribed in Article 20(2) of Part II. For the reasons previously advanced in the discussion of that article, it is urged that the Administration reexamine and modify its negotiating position to accord with the views here expressed.

Article 21(4), dealing with the economic zone, recognizes the need for international standards with respect to all aspects of vessel-source pollution beyond the territorial sea and appropriately limits enforcement powers of the coastal States in their economic zones to actions conforming and giving effect, to international rules and standards.

Article 21(5) recognizes that there may be particular areas within the economic zone which require special mandatory methods for the prevention of pollution from vessels going beyond existing international rules and standards. In such instances, coastal States are given the power to impose their own laws and regulations, subject to requirements with respect to notification, delayed implementation, supporting proof of need, information as to any necessary land-based reception facilities and right of verification by the competent international organization of the grounds advanced.

In ice-covered areas within the economic zone where particularly severe conditions prevail, Article 43 yields authority to the coastal State to establish and enforce nondiscriminatory laws relating to vessel-source pollution, with due regard to navigation and the protection of the marine environment based on the best available scientific evidence. Unlike Article 21(5), there is no provision for the possibility of adequate international standards for the protection of polar waters and no provision for review by the competent international organization. In anticipation of the day when there will be substantial production and movement of petroleum in polar waters, there would appear to be strong reason for treating ice-covered waters as just another of the kind of special circumstances for which provision is made in Article 21(5), and providing the same type of protection for the international community interest that is prescribed in that article.

Article 36 recognizes the need for prompt action in the investigation of alleged pollution offenses by foreign flag vessels and their expeditious release under bond or other appropriate security, but a mere statement of the obligation of prompt release is not enough. As mentioned in greater detail in the discussion of Part IV, an international administrative procedure should be established by the Convention, under which the prompt release of a vessel could be obtained under bond or other security by a simple ministerial act without any consideration of the merits of the case. Costly delays of shipping, except in cases of clear and present danger, are against the interests of the entire world community.

There is nothing in Chapter II, relating to Marine Scientific Research, or Chapter III, relating to Development and Transfer of Marine Technology requiring consideration in this analysis. The latter chapter relates primarily to intergovernmental actions and Article 86, which imposes certain obligations on the International Seabed Authority with respect to training opportunities for nationals of developing States, speaks only in terms of the Authority and not its contractors and is subject to a proviso that all legitimate interests must be safeguarded, including, *inter alia,* the rights and duties of holders, suppliers and recipients of technology. Accordingly, it would seem to be the detailed implementation in Part I and not the provisions of this particular article of Part III that is the source of the objections that have been raised at an earlier point in this analysis.

PART IV

This part, dealing with the settlement of disputes, is subject to a number of serious objections. In the first place, it provides for an entirely separate Tribunal from that provided under Part I. There is no justification for this duplication and a single Tribunal should be established with competence over all issues with respect to the interpretation and application of the Convention and other disputes between States Parties or between them and international organizations with respect to Convention-related matters. For disputes involving private parties, a separate procedure is recommended below.

It is imperative that the members of the Tribunal be elected in a manner to reflect and balance the interests of all participating States, developed and developing, through a procedure comparable to that recommended by the United States for the management and voting procedures of the Authority. It may be noted, in this regard, that the Statute of the International Court of Justice prescribes (in Articles 3, 9 and 10) that its fifteen members shall be elected by an absolute majority of both the General Assembly and the Security Council of the United Nations without any provision for allocation of seats other than the requirement that no two members may be nationals of the same State and the obligation of the electors to bear in mind not only the personal qualifications of candidates but that in the body as a whole the representation of the main forms of civilization and of the principal legal systems of the world should be assured.

In contrast, Part IV prescribes, in Annex IC, Article 4(4), that the members of the Tribunal established under that part will be elected by a two-thirds majority of the States Parties to the Convention present and voting on a one-country, one-vote basis. Article 3(2) of this Annex calls for an allocation of seats by areas under which nominees from the Group of Western European and Other States, of which the United States is a member, would have only three, or even possibly only two, of the fifteen seats on the Tribunal. Through the combined effect of Article 3(2)(c) and Article 4 of this Annex, the developing countries, with their overwhelming numbers, could, if they wished, fill the entire membership of the Tribunal with nominees from developing countries. It would be foolhardy for the United States or other developed countries to accept these provisions.

It should be made abundantly clear in Article 10, prescribing the extent of jurisdiction, that the jurisdiction of the Tribunal and other dispute settlement mechanisms established by the Convention extends to the abuse or misuse by a coastal State of its powers and rights with respect to all matters within the purview of the Convention. Article 18 should be so revised as to assure that this jurisdiction is not defeated through the exception route.

The substantial activities of private parties in the exploration and exploitation of the resources of the sea and in ocean shipping require that they have direct access to a tribunal properly constituted for the effective and expeditious disposition of their disputes arising under the Convention or in connection with activities thereunder, whether with another private party, a State or an international organization or entity. The NPC Report of March 1975, "Ocean Petroleum Resources," proposed (at pp. 77–78) that a Disputes Settlement Center to be established under the Convention should first seek to effect a resolution of such disputes through the use of its good offices and through mediation and conciliation with the assistance of qualified experts on the subject matter of the dispute. If these efforts should fail, the next step would be compulsory and binding arbitration, the more formalized procedures of the international tribunal being reserved for State-to-State or State-to-international agency disputes at the political level. In the arbitration of disputes involving a private party, each party would choose from the Center's list of arbitrators an agreed number of arbitrators and the arbitrators so chosen, or in their inability to agree, the Secretary General of the Center, would choose another arbitrator from the list to serve an umpire. The decision of the arbitrator would be final and binding, with appropriate provisions for enforcement of the arbitral award prescribed in the Convention.

For interim emergency orders for the release of a vessel or cargo under bond or other security as previously discussed, under the NPC proposal the Secretary General of the Center would be empowered to act and States Parties would be obligated under the Convention to take the necessary action to give effect to his decisions.

The Institute urges that the United States continue to adhere to its insistence on procedures and institutions for the peaceful, compulsory and impartial settlement of all disputes arising in connection with the Convention as a fundamental element of its negotiating position and that the Administration give renewed consideration in this regard to the NPC proposal as outlined above.

THE RETIREMENT OF JOHN McGUINESS

Mr. WEICKER. Mr. President, on July 30, John McGuiness began his much-deserved retirement following more than two decades of service in the Office of the Attending Physician. Since his first assignment here in 1954 as a naval hospital corpsman, through his more than a dozen years of civilian service, John McGuiness, by his warmth, kindness and competence, has won the thanks of numerous Members, staff and visitors. I know that I speak for all of my colleagues in extending to John McGuiness our warm good wishes for his future happiness. I am proud indeed of my Connecticut neighbor.

INEFFECTIVENESS × DELAY = DANGER: A PUBLIC HEALTH EQUATION FOR FAILURE

Mr. INOUYE. Mr. President, like many concerned consumers in America, I have been following with great interest the news reports stemming from the recent

Senate hearings into the monitoring, testing, and regulation of drugs by the U.S. Food and Drug Administration.

These hearings, jointly held by the Labor and Public Welfare Health Subcommittee and the Judiciary Subcommittee on Administrative Practice, already have cast suspicion upon the relationship between drug manufacturers and FDA researchers and officials, and the quality of FDA-conducted laboratory tests on new drug products.

I am heartened to learn that FDA Commissioner Alexander Schmidt has said his agency will review promptly the research studies of Naprosyn, an anti-arthritic drug now under question as to its safety to humans, to determine if any regulatory action is required. But I am distressed to learn that this controversial chemical once passed FDA inspectors despite disturbing findings from research studies involving Naprosyn and laboratory rats.

In addition to the revelation that the early studies of this drug manifested serious health effects in animals—including death—it has been revealed that the FDA-supervised tests involved the use of faulty data and negligence in reporting and recording observations.

I wish to share with my colleagues an incisive article that appeared in a recent issue of Journal of Drug Issues that addresses the problem of FDA efficacy and FDA relations with the drug industry. One particular observation by the author that aroused my concern about drug safety was that the drug industry spends roughly $1 billion annually on advertising, a figure about four times greater than the expense for research. In light of recent revelations that the FDA relies heavily on industry-generated research to base its rulings, it is absolutely shocking to comprehend that more dollars are spent on promotion rather than research.

I hope the article, "Ineffectiveness × Delay=Danger," arouses many of its readers, prompting them to join the campaign to seek greater diligence and responsibility by our watchdog agency, the Food and Drug Administration.

I ask for unanimous consent to print this article in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Journal of Drug Issues, Vol. 6, No. 1, Winter]

INEFFECTIVENESS × DELAY=DANGER: A PUBLIC HEALTH EQUATION FOR FAILURE

(By Muriel Nellis) *

The Food and Drug Administration, legal watchdog of the country's collective health, is charged with ensuring that all drugs introduced into interstate commerce are safe, effective, unadulterated and properly labeled with clear listings of all ingredients and known side effects. The procedure for accomplishing this is cumbersome and slow-moving. The hazards of this dysfunction are increasingly apparent.

Delay's the name of the game on both sides of an FDA decision. FDA's creaking administrative machinery makes delay inevitable druing which time the safety of drugs may take a back seat to efficacy (although it is often hard to distinguish when an inefficacious therapy is tantamount to a hazardous hiatus and thereby synonymous with unsafe therapy).

However, delay is in the total interest of at least one segment of the community—the drug industry and those who benefit from its unfetered product distribution. FDA claims it has no real means (except protracted court procedures which may take longer than appropriate drug testing) for keeping potentially dangerous substances out of the consumer's reach. Has that dilemma been a catalyst to action for change? Has FDA sought new legal enforcement procedures with as much vigor as it has pursued more benevolent rationales? Consider these recent statistics: FDA's own records show how much softer the agency has become in dealing with violaters. In 1973, the agency brought 1,350 legal actions against alleged offenders. In 1974, the number dropped to 523, reducing many good cases to "warning letters." Even more shocking about the federal government's flimsy actions in the drug safety area is the agency's own activities in recent years in support of increased industry "voluntary self-regulation" which would act to reduce further FDA powers of legal sanction against violaters. The current system is so weakened by technical delay that the public interest is not being protected against inefficacious or dangerous drugs. When former HEW Secreary Weinberger stated that, among other things, the effectiveness of FDA depended upon "good management," he might have sought to assess the possibility of its existence, given the known and often reviewed confusion and inertia within that bureaucracy.

EXAMPLES OF FDA DELAY STRATEGIES

The responsibility for determination of the appropriateness of drug advertising resides with the FDA, as does the decision to act on that information. A 1962 amendment to the Food, Drug and Cosmetic Act defines a mis-branded drug as one for which the manufacturer fails to include "the drug formula ingredients, a brief summation of all side effects, contraindications and general information pertaining to the drug's effectiveness." How to determine that a problem may exist with any particular drug, in order to measure its compliance with the law, is a dilemma born of a variety of deficiencies.

In order to assure that drugs in the marketplace are literally as they are represented in their advertising, particular responsibility is vested in the Adverse Drug Reaction Monitoring Unit. In the process of meeting that responsibility, the Monitoring Unit is required to "develop sources of adverse drug reaction reports" and for "collecting, analyzing, centrally storing and forwarding the information" to FDA's regulatory (reporting) divisions.

In order for the reporting division to act, it must solicit relevant data from the monitoring unit. The monitoring unit must receive official requests for those specific adverse drug reaction reports. However, often when such information is requested, the monitoring unit may be unwilling to divulge all available information on the theory that many of its sources are confidential and certain of the significant data is considered "private property." That condition may be partly explained by the fact that 57 percent of all of the adverse drug reaction information collected by this unit is obtained from the drug industry. And to complete the circle, the same source, namely, the drug industry which originates the new drug applications, developed the data which derives from its own testing and is the original arbiter of the very product promotion which may eventually require scrutiny due to an alleged hazard.

In its March, 1974 report of the operational and functional systems within the FDA, the General Accounting Office (GAO) stated that "FDA's adverse drug reporting system has not been used adequately to regulate drugs." That report further discovered that within the FDA there were medical officers who had no knowledge of either the system or its proper operation. Some were characterized as uncertain of FDA's responsibility for having to prove whether or even that a specific drug caused any adverse reaction. These GAO investigations further found that not only were those who were unaware of the reporting unit or its mandate, but those who were unresponsive to the requirement to properly use, store or report relevant information. The GAO charged that FDA had failed to act even in those specific cases where its reporting system had succeeded in gathering information "associating adverse drug reactions with particular drugs." Fifty randomly selected drugs were traced through the system of monitoring and reporting. In that group, 222 adverse drug reactions were surfaced and nowhere found in the labeling of 26 drugs. According to the director of the Bureau of Drugs, many of the unlisted reactions would have required labeling changes. Among the symptoms were: double vision, convulsions, heart arrest, hallucinations, hypertension, and muscle coordination failure.

In the past, in those instances where misbranding was clearly determined, an effort was made at accommodation between the manufacturer, the agency and the physician's right to know. This device, alternately referred to as a remedial, "Dear Doctor," or throw-away letter, was a useful means for providing practitioners with pertinent drug information. It alerted them to misrepresentation resulting from defective advertising or other such representations. However, FDA has no statutory authority which would enable it to require the offending manufacturer to distribute such letters, and that lack of power could account for the decreased issuance of such sometimes valuable, though "voluntary," notification. Instead there has developed a debilitating process of negotiation with pharmacetical manufacturers, during which time there occurs intense haggling over the exact wording of promotional material. That process is often followed by ideological debates over the offending language questioning the relative interests to be served by the regulatory activity compared with those that may inhibit a vital industry. During all of this negotiation, however long it takes, the physician is subjected to potential charges of malpractice as he trustingly and perhaps harmfully pursues uncorrected prescribing habits. How is the industry affected? Consider the resolution of an action against Abbott and Company in August of 1975. After several years, and after an admission by the company that they had sold prescription drugs which were potentially harmful to the public, a modest fine was levied.

The tale of Phenformin serves as a dramatic example of FDA lethargy in the pursuit of an offending manufacturer where evidence indicates an imbalance in the "benefit-to-risk" theory. This oral diabetes pill, one of a number suspected as a lethal factor in the 10–15 thousand cardio-vascular disease cases each year, has been under scrutiny since 1961. The dangers of its use were publicized in 1970 after a nine-year study which stated that pilltakers were 2 to 3 times as likely to die of heart and circulatory diseases as other control groups. Yet, as recently as July 9, 1975, Dr. J. Richard Crout of FDA's Bureau of Drugs was being scored by members of the Senate Monopoly Subcommittee for his agency's neglect and inaction, even as to requiring the application of warning labels on these same oral diabetic drugs. Dr. Crout testified that while Phenformin "has no role in the treatment of diabetes and is so dangerous that it should be taken off the market," nothing could be done to halt the marketing of it until FDA's Metabolic and

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Endocrine Advisory Committee took action. Here we see administrative protocols being carefully observed, while business-as-usual continues in the manufacture and prescription of a drug which has been reported as having caused nausea, vomiting, coma and death.

Lobbyists, legally constituted and industry-dedicated, perform a significant function in the delay strategy. For 3 years, while administrative and industry haggling over wording of the Orinase label took place, FDA failed to force Upjohn to correct the impropriety and/or to halt the marketing of that oral antidiabetic which had been proven to have fetrocidal and teratogenic properties. During the time, the medical community remained naive as to the drug's threat to pregnant women. Both the 1964 and 1965 issues of the *Physician's Desk Reference* omitted references to those serious contraindications. Thus, this drug-industry-supported guidebook, which is probably used more often than any other information source by physicians, contained insufficient, and by its incompleteness, harmful advice. When is health compromised? And how many miscarriages must be counted before action is taken?

There is a clear need to require that all reference to prescription drugs, whether label or insert or advertising, be subjected to review *prior* to dissemination. That process should go beyond the existing guidelines for label pre-clearance. It should consider the appropriateness of subtle visual messages which often accompany the text and it should seek to ascertain what listed possible side effects and contraindications are required in the order of risk priority. The language of current legal requirements permits the "burying" of such serious reactions insofar as they do not specify prominent placement.

Given the highly developed state-of-the-art in advertising generally, and acknowledging that the target audience for drug advertising in particular is a busy medical profession which is no less susceptible than any other consumer to a sophisticated promotion campaign, it becomes a matter of serious concern that we, as the ultimate customer, require governmental vigilance and ourselves become vastly better informed than we are.

It has been estimated that the drug industry spends about one billion dollars annually on advertising. This figure represents a four-times greater expenditure for *promotion* than for *research*. As the result of an allocation of approximately $3,000 per doctor spent in prescription promotion (plus whatever the cost of the army of "detail" men), there are more than 2.5 billion prescriptions written, and at a cost to the consumer of over $5 billion. Industry spokesmen are variously inclined to positions that urge the need and right to inform, educate and sell, while simultaneously denying the significant impact of the techniques employed. Clearly, there is an enormous investment in the flow and growth of this enterprising industry. To the extent that any other purpose is given priority consideration which may affect the integrity of capital, the continuity of sales or the potential for expansion, industry's purpose will be thwarted. It intends to prevail. It is a formidable effort to oppose, especially for a government agency crippled by inept procedures, inexact authority and wracked by conflicts of interest.

A CALL FOR CONGRESSIONAL REFORM

The current incursion of Congress into FDA's legislative turf was inevitable and is considered by many to be long overdue. The time is soon approaching when Congressional inquiry will go to more than just one category of therapy at a time. In order to effectuate the original and continuing sense of the empowering legislation, Congress will have to assess, amend and remedy all of the disabling characteristics of FDA. Among its first efforts, Congress should act to prevent impropriety and its appearance, and pass legislation which would put an end to the continuing conflicts of interest manifest in an agency staffed by many persons with drug manufacturing backgrounds and medical personnel similarly afflicted by those conflicts. One way to handle this problem is to place a three-year limitation on any employee of FDA who wants to leave the agency and work for a regulated company. Conversely, those who have worked in the private sector should not be permitted to pass on the safety or efficacy of any product made or distributed by his/her former employer, nor any of its subsidiaries.

Legislation is needed which will *broadly* address the responsibility of drug manufacturers in assuring safety, proper labeling, ingredient listing, advertising and efficacy, but will *add* strong sanctions, including fines, loss of licensing, and even imprisonment for willful negligence or failure to live up to a strict standard of compliance. Equally important is an amendment (with teeth) that would provide a relatively simple procedure for the regulating agency to supervise drug advertising in any part of the media. The sanctions could provide for intentionally deceptive or misleading advertising designed to lure anyone (including the government or physicians) to use a product on the basis of insufficient or misleading statements made on its behalf by the manufacturer. The American people and their representatives must take whatever action is necessary to afford this nation protection from the inadequate and frequently negligent action or inaction which enables certain private enterprises to profit at the expense of the disability and death of an unsuspecting public.

POSITION OF SENATOR MOSS ON THE CLEAN AIR ACT AMENDMENTS

Mr. MOSS. Mr. President, on Thursday the Senate voted overwhelmingly in favor of final passage of S. 3219, the Clean Air Act Amendments of 1976. Though I generally supported the bill, I voted against its final passage. I wish to state my reasons why.

Let me first say that I fully supported the Public Works Committee position with regard to protection of the Earth's ozone layer, and also their position on compliance deadlines for the auto industry. In both cases, the committee bill realistically examined the issues and came up with workable proposals. I voted with a majority of the committee members and a majority of the Senate on these two environmentally sensitive issues.

I was opposed to the committee's final recommendations regarding section 6—the nondeterioration policy. I remain so. It is still inconceivable to me that the Senate should even be asked, let alone should pass, legislation of such overriding potential for economic dislocation, without an initial State-by-State and industry-by-industry analysis of what jobs will be lost, what natural resources will be eliminated from development, and what cumulative effect such one-way legislation will have. For this purpose I felt it necessary to register my protest by voting against final passage.

There has been some attempt already to label a vote against the committee position as a "dirty air" vote. I reject that labeling totally. To me, the significant deterioration policy was, is, and always will be, most importantly, an economic policy. I remain convinced that the country cannot presently afford the economics of such a policy. Solutions to the energy crisis and the employment problem are at least of equal importance with the immediate increasing of stringency of air quality standards. My amendment even would have allowed that increase, however, if all the facts regarding economics had been presented at the same time. Legislating in a data-vacuum never has and never will yield sensible, lasting, national policy.

I stand on my previous record on environmental matters. I have consistently voted for protection and preservation of our habitat. My vote on section 6 was a vote against irresponsible legislation, a vote against decisionmaking in a vacuum, and a vote against national policy making without consideration of competing State and Federal goals.

HEARINGS ON NUTRITION AND HEALTH

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of this body the recent hearings held by the Select Committee on Nutrition and Human Needs, regarding various problems resulting from a poor or inadequate diet.

These hearings were extremely interesting, and they highlighted a priority need of our health and medical system, The attention and the response which has been generated by these sessions has been most encouraging.

The lead off witness for these hearings was Dr. Theodore Cooper, Assistant Secretary for Health of the Department of Health, Education, and Welfare. Dr. Cooper's statement was a very comprehensive and impressive treatment of the subject and particularly as nutrition relates to mental development in infancy and, of course, disease at various stages throughout one's life.

Dr. Cooper's statement also indicated what many of us have believed for a long time: that nutrition and diet are important in terms of preventing disease and poor health.

I made it clear to Dr. Cooper during the question and answer session that HEW needed to play a more active role in coordinating its concerns and input with the Department of Agriculture in the women, infants, and children programs along with the school lunch program and the pilot nutrition education programs.

The thrust of Dr. Cooper's testimony was that while the experts are convinced of the importance of expanding our nutrition education activities, and they offer a great potential for improving the quality of life for our people, we have only really begun to scratch the surface on what can be done. I pointed out to Dr. Cooper that a great deal more can and needs to be done to bring good information to the American people so that they can make sound decisions on how to improve their health through better nutrition.

Mr. President, I ask unanimous consent that my statement and that of Dr. Cooper be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement of Senator Hubert H. Humphrey, Hearings on Nutrition and Preventative Health Care; Diet and Disease, Select Committee on Nutrition and Human Needs, July 27, 1976

I wish to commend Senator McGovern for scheduling these hearings involving nutrition and preventative health; diet and disease on the first day and cancer on the second day.

The witness list is a very impressive one, and I am hopeful that we can learn more about how to pull together a sensible nutrition program to improve the health of our people. With today's rapidly escalating medical costs, this should be a top priority.

We have good evidence of the value of sound nutrition. But putting together a sound program which is manageable, not overly complex, or too expensive has been an elusive goal.

I have been especially convinced that good nutrition is especially important for our young people. Several years ago, after demonstrating the critical importance of sound nutrition before and after birth, in terms of mental development, the W.I.C. program was launched.

We all are aware how that noble effort has been treated under the Nixon and Ford Administrations. Time after time the courts have intervened to force the Government to follow the directives of Congress in getting the program started and spending appropriated funds as directed.

I have been impressed with the recurring emphasis which educators at all levels have given to nutrition education. It is clear to me that an exciting nutrition education program could be developed to acquaint students with the characteristics, the qualities and importance of food.

Such a program is under way in St. Paul on a pilot basis. I am hopeful that it will be useful in learning more about approaches to a sound and effective nutrition education program.

I have introduced legislation to establish a universal school lunch program with nutrition education as an integral component.

In addition—and in part because of the arguments over the cost of the universal school lunch program—I have introduced nutrition education legislation which would authorize grants to train food service and education personnel and develop educational materials. These people would provide the basis for nutrition education programs in our schools.

In introducing S. 3449, I suggested the numerous economic reasons for improving our nutrition effort. I suggested:

Improved nutrition helps learning and the development of the brain;

Improved nutrition increases the capacity for work and raises the productivity and the motivation of workers;

Improved nutrition results in higher resistance to disease and lowers the severity of disease;

Improved nutrition decreases fetal, infant, child and even maternal mortality;

Improved nutrition among poor children would lead to a 10 to 30 percent higher mental achievement.

It has been estimated that eliminating malnutrition among 3.3 million poor children alone would produce a $6.3 to $18.8 billion increase in GNP over the lifetime of these children.

While we can and need to make a much greater effort to develop nutrition education programs for our youth, I also believe that we need to develop a balanced, comprehensive national food policy with nutrition as an integral feature. And I have introduced S. 3570 to achieve this goal.

Mr. Chairman, I look forward to hearing the ideas and recommendations of this distinguished group of witnesses.

Statement by Theodore Cooper, M.D., Assistant Secretary for Health Before the Select Committee on Nutrition and Human Needs, U.S. Senate, July 27, 1976

Mr. Chairman and members of the committee: I am delighted to appear before this Select Committee today to address the relationship between nutrition and health a subject which I regard as integral to present and future improvements in the health status of the American people.

In formulating future health policy, I believe that we have now reached a crucial point. Many of today's health problems are caused by a variety of factors not susceptible to medical solutions or to direct intervention by the health provider. Modern medicine has conquered smallpox, tuberculosis, pneumonia and other major diseases which once were the leading causes of death in this country. We have as yet no vaccine to prevent cancer or cure alcoholism, but we do know that to a substantial extent an individual's behavior is capable of both causing and preventing certain chronic disease problems.

We at the Department of Health, Education, and Welfare believe that we need to call public attention on the underlying conditions or antecedent causes of preventable diseases rather than concentrating on the diseases themselves. It is in the context of prevention, then, that I wish to focus my discussion this morning on diet and health. At the heart of our effort is the conviction that people throughout the country want and can benefit from more authoritative guidance about nutrition. We feel that there is much already known about nutrition and health which has not been transmitted effectively to the public. It is equally clear, however, that there are still major gaps in our understanding of nutrition and that these gaps must and can be filled by intensified research.

ROLE OF NUTRITION IN PREVENTIVE HEALTH CARE

While scientists do not yet agree on the specific causal relationships, evidence is mounting and there appears to be general agreement that the kinds and amount of food and beverages we consume and the style of living common in our generally affluent, sedentary society may be the major factors associated with the cause of cancer, cardiovascular disease, and other chronic illnesses.

In this country today, the classic nutrition deficiency diseases such as blindness due to lack of Vitamin A, scurvy, beriberi, or pellagra, no longer are the scourges that still unfortunately exist in too many of the developing countries of the world. The overwhelming majority of our population obtains enough of the essential nutrients which are critical in preventing these diseases and thus seem to be free of their threat. This is due to the generally high standard of food intake in the United States, the availability and extensive use of a large variety of wholesome foods in this country, and to remedial action such as fortifying or enriching certain foods with critical nutritional factors which otherwise might be in short supply in the diet of some individuals (for example, the addition of Vitamin D to milk and Vitamin A to margarine, certain B Vitamins and iron in flour and cereals, and iodine to salt).

We must, however, move much further in utilizing optimal nutrition as a preventive health measure. In many instances our knowledge is already adequate to permit us to utilize education as an important tool to prevent disease and to improve the well-being and longevity of our citizens by fostering more healthful food consumption practices. Here I am particularly referring to obesity, a widespread and most important nutritional disease and a public health problem of constantly growing proportions in the United States.

Since food patterns are established in infancy, parents and other caretakers of infants and young children must play a strong role in determining the nutritional health of children. Emphasis should be given to helping parents understand the nutrition needs of children and how best to meet them while, at the same time, developing sound food habits.

Over the long run, one of the most productive ways to improve the health status of the Nation is to increase nutrition education in the schools. We plan to enlarge our cooperative efforts with the Office of Education in the development of model curricula and specialized techniques to assist in the teaching of elementary and secondary school children about the role of nutrition in total health and how they can practice more healthful food purchasing and food consumption habits. Use of nutrition labeling of food as one focus for such programs and discussion of the nutritional basis for the selection of the components of school lunch programs can serve to reinforce desired practices with respect to diet and nutrition.

There are also under consideration proposals to develop public nutrition education programs to alert people to current, scientific information on the links between nutrition and health. The Food and Drug Administration, for example, already has under way a media-based program to educate the public on nutrition labeling. Meetings with nutrition authorities and media experts will help to establish the substantive content of such programs and to assist in the design of specific communication strategies. Groups such as the Advertising Council or the newly established non-Federal National Center for Health Education, or similar groups could be utilized to undertake some phases of the public education campaign.

NUTRITION IN THE LIFE CYCLE

One area which I view with particular concern and importance is the role of nutrition during various stages of the human life cycle. I would now like to focus briefly on this topic.

PREGNANCY AND LACTATION

Pregnancy is probably the greatest physiologic stress and the most common major alteration of the normal biologic life processes to which a woman is subjected during her lifetime. Because of the demands of the growing fetus and physiologic and metabolic changes which take place in the mother, different nutritional requirements apply to this period and to the subsequent period of lactation. There is a strong relationship between the nutritional status of the mother in the course of the pregnancy and the health of the infant. There are fewer stillbirths, premature births, toxemias of pregnancy, and illnesses in the newborn infant if the mother has consumed a balanced adequate diet before and during her pregnancy. Famine conditions during World War II in Holland and the siege of Leningrad led to the well-documented observation that severe undernutrition in terms of total calories also significantly reduces the birth weight of the full-term infant and decreases its body length markedly, though these do not change to an equal degree.

In this respect, pregnancy in adolescents is particularly critical. Because they are still growing, most girls under 17 have greater nutritional requirements relative to size than adult women of equal size, and pregnancy may compromise their growth potential and increase the risks in pregnancy of complications such as iron-deficiency anemia, fetopelvic disporportion, prolonged labor, or toxemia. The average birth weight of infants born to adolescent mothers is substantially lower, the proportion of infants with abnormally low birth weight (an index of risk) is greater, and infant mortality rates are higher. Though we are not certain that through nutritional intervention we can change the proportion of low birth weight infants in this age group, we are certain that lack of adequate nutrition complicates an already serious problem. In sum, special attention should be paid to fulfillment of the nutritional requirements of the adolescent mother and fetus particularly with respect to an adequate intake of calories, protein, calcium, iron, and folic acid.

INFANCY

In contrast with young animals, the human young take a seemingly infinite time to learn to feed themselves without outside help. For almost 3 years, the infant is dependent on its mother's ability to provide and select its food. The first 9 months of this period are spent in utero abstracting from the mother's bloodstream whatever nutrients are required. If the mother's diet is insufficient, her tissues may have to yield some of the missing nutrients, as in the case of calcium and phosphorus derived from the maternal skeleton. Thus, maternal nutrition affects the fetus long before it first encounters the perils of extrauterine life. Human breast milk may be considered the ideal starting food for the infant but a well-chosen bottle formula is a very satisfactory substitute. The degree of completeness of the infant's development subsequent to the first months on milk, with or without other food adjuncts, now depends on solid food to complete the diet from the nutritional standpoint.

If there is a continued pattern of deficient nutrition, the stage is set for sub-optimal development of the child; it will require many years of subsequent optimal nutrition to effect catch-up growth and development if indeed this is ever achieved.

CHILDHOOD AND ADOLESCENCE

The nutritional needs of children and adolescents are unique and increased over those of normal adults. These requirements are determined primarily by the need for building and maintenance of new body tissue, by the demands of a high order of physical activity, and to some extent by interrelated intrinsic and environmental factors, including emotional changes as the growing child reacts to his maturation and his surroundings. In general, adolescents require a high caloric intake because of strong physical activities and an abundance of good-quality protein and minerals because of rapid growth. The need for vitamins is enhanced beyond that of a sedentary adult because of the characteristic high metabolic activity of this period in the life cycle.

ADULTHOOD

As the individual reaches adulthood the body's nutritional needs for maintenance of health and optimum working capacity is uninfluenced by growth and development. The level of everyday physical activity plays an important role in determining the content of the daily diet, particularly the caloric content, which should decrease as physical activity diminishes. As an individual begins to grow older, the metabolic rate begins to slow down and energy requirements are similarly reduced. You will note that most of my testimony applies to "adults" under various circumstances of health and disease.

OLD AGE

Sound nutrition in the elderly is not fundamentally different from that in the mature adult. The basic requirements for satisfactory metabolism are essentially similar throughout life except that there appears to be an increase in the requirement for vitamins. However, certain characteristics inherent in the process of aging and peculiar to the elderly add unique facets to geriatric nutrition. Usually, less physical work is performed in advanced age and therefore the individual's caloric requirement diminishes. Dietary calories which are not used are stored in the form of body weight and individuals who continue the richer diet of their physically more active days will gradually become obese. The chances, however, for a development in the other direction, toward undernutrition, are equally great. Loneliness, economic strictures, inadequate dentition, decreased physical activity, diminished sensitivity to taste and smell—all work toward a pattern of a decreased food intake and deficit nutrition. Extrabiological factors, a sense of isolation and "uselessness," depression and poverty frequently set a dangerous trend which must be strongly counteracted to maintain the health of the individual during one's advanced years.

NUTRITION AND DISEASE

At this point, Mr. Chairman and Members of the Committee, I would like to deal briefly with specific diseases which can be brought about by faulty nutrition during any point in the life cycle.

MALNUTRITION

Those that come to mind first are the various classic deficiency diseases caused by the inadequate intake of essential nutrients which usually occurs over a prolonged period of time. Classic examples include such diseases as pellagra, caused by a deficiency in niacinamide; scurvy, the result of severe vitamin C deficiency; rickets, caused by a lack of vitamin D; beriberi, due to chronic vitamin B_1 deficit; iron deficiency anemia, caused by insufficient iron in the diet; and protein and calorie malnutrition, which I have mentioned earlier.

CORONARY HEART DISEASE

Nutrition research has taught us that the preceding cases involve specific relationships of cause and effect. The picture is not as clear with respect to other diseases where nutritional elements may be important contributing factors in the causation of the illness. I am referring here particularly to degeneration of major blood vessels of the body—atherosclerosis—and its most frequent clinical expression—coronary heart disease. We can cite multiple causes which induce atherosclerosis. It can be attributed to abnormal fat transport or metabolism, dietary habits, disorders of blood flow and blood clotting, hormonal imbalance, extensive or long-term use of nicotine, obesity, a sedentary mode of life characterized by habitual physical inactivity, or a stress-seeking personality type. Heredity is an important factor in individual susceptibility. Long-standing hypertension and diabetes constitute predisposing and contributing factors.

In recent decades a body of suggestive research evidence indicates that the nature and extent of fat intake, as well as fat transport and metabolism, are involved in atherogenesis in some as yet unclarified fashion. Patients with known advanced atherosclerosis or with established coronary heart disease very often exhibit elevated blood lipid and cholesterol levels. A relationship exists between the quantity of dietary fat and its qualitative makeup and the blood lipids. The isocaloric substitution of unsaturated fats in the diet for saturated fats results in a marked lowering of the previously elevated plasma cholesterol levels. Even more striking results are obtained if pure polyunsaturated fatty acid esters are administered. Conversely, plasma lipids arise when a diet rich in saturated fats is given. The mechanisms by which polyunsaturated fatty acids lower serum cholesterol are as yet poorly understood.

In brief, a correlation between dietary fat and certain features of the blood lipid picture has been established. A relationship between high blood cholesterol, B-lipoprotein, and triglyceride levels and atherosclerosis is strongly suggested. To date there is not enough *direct* experimental evidence to establish that the three factors are sequentially involved, i.e., that the dietary fat pattern leads through elevation of B-lipoprotein or cholesterol blood levels to the development of atherosclerosis. On the other hand, experimental evidence has been emerging during the last decade which seems to establish that maintaining a low serum cholesterol and serum triglyceride level with controlled diets for 5 to 10 years or more results in a reduced incidence of deaths from coronary artery disease.

I have dwelt at length on this particular subject because coronary heart disease is statistically our number one killer disease—and because altered nutrition has tremendous preventive potential in curbing coronary heart disease. To date we can only speak of this as a possibility. A great deal more nutrition research work both on a basic and applied clinical level will have to be conducted before one can speak with greater certainty concerning large-scale application.

OBESITY

In recent years obesity has become a public health problem of considerable importance in the United States. Approximately 20 percent of all adults are overweight to a degree that may interfere with optimal health and longevity. Obesity aggravates cardiovascular disease and osteoarthritis and increases the liability to hypertension, atherosclerosis, hernia, and gallbladder disease. Overweight also may facilitate the emergence of latent diabetes in predisposed individuals as they approach an advanced age and adds to the hazards of surgery ;it makes for postural derangement, and in extreme cases, it is the cause of obesity dyspnea with pulmonary insufficiency. It is also of interest that the mortality from cirrhosis of the liver in obese males is 249 percent of the expected.

Medicoactuarial statistics make it quite clear that the obese do not live as long as the lean. The chief causes of death among overweight individuals are cardiovascular-renal diseases, diabetes, and disorders of the liver and biliary tract. The burden of obesity is not borne equally among all segments of society. In the United States, it is more likely to be found in the lower socioeconomic strata; this association is particularly marked in poor women and to a lesser extent in middle class males.

Again, I would emphasize the statistical importance of obesity in our population and the strong need for and potential benefits of systematic preventive action beginning in early childhood.

I understand that the Subcommittee will be receiving testimony on the relationship between diet and cancer tomorrow; therefore, rather than addressing this topic, I would like to turn your attention to the subject of how diet can be used as a tool in the treatment of disease.

NUTRITION AND DIET AS A TOOL IN THE TREATMENT OF DISEASE

Nutrition, or rather altered nutritional intake in the form of special diets, also plays an important role in the treatment of certain diseases. With your permission, I would like to cite a few specific examples. Probably the best known of these is the special diet of patients afflicted with insulin-requiring diabetes (juvenile-onset diabetes). In addition to the daily injection of needed insulin, the patient's total caloric intake is regulated and the intake of refined carbohydrates is restricted to enable the patient to lead a near-normal existence and, hopefully, to postpone the premature onset of the grave complications of this disease. Possibly less familiar is the use of special diets in which the amount of protein and salt is regulated in patients with various kidney diseases. In chronic progressive renal diseases, a properly constituted diet can prolong the normally functioning life of the patient for months and years before the more heroic lifesaving measures of dialysis or kidney transplantation are resorted to.

An extreme form of special dietary treatment has come to the fore in recent years. I am referring to "total parenteral nutrition," a treatment method where all the nutritional requirements of the patient are satisfied through the intravenous infusion of chemically defined, specially constituted solutions. Total parenteral nutrition has been particularly successful in infants with congenital anomalies of the gastrointestinal tract which made normal nutrition (and thus continued survival) impossible. Such infants are now being fed parenterally for months (and grow and develop normally) until they are in an optimal state, and somewhat larger, for elective surgical repair of the defect.

The lifesaving effects of total parenteral feeding have been proven in many patients who could no longer be nourished by way of the gastrointestinal tract prior to contemplated surgery, because of malignant or other severe lesions. In other cases, after massive intestinal resections (which left the patient with an inadequate intestine) or in overwhelming cases of regional enteritis or ulcerative colitis, long-term parenteral nutrition has permitted gradual reassumption of function by the intestinal remnant.

DEPARTMENTAL GOALS

I am also interested in presenting to you our suggestions for modifying the educational, research, and health delivery systems to incorporate nutritional concerns.

Mr. Chairman, you are probably well aware of the March 1975 policy statement on the health aspects of nutrition which was issued by the Secretary of the Department. Since that time the Public Health Service has included within its Forward Plan a detailed statement of the range of nutrition activities carried on within the Public Health Service.

We have several major objectives for the coming years and we have begun to focus our resources toward our goals.

Our strategy has the following five aspects:

Research, monitoring, and nutrition surveillance;

Education of the public with special emphasis on children in schools, and professional health personnel;

Incorporation of nutrition services into the health care delivery system;

Regulatory efforts, including the food labeling activities of the Food and Drug Administration; and

Improved interdepartmental cooperation.

RESEARCH, MONITORING, AND SURVEILLANCE

Special emphasis will be directed at research to improve our knowledge of human nutritional needs, determine how nutrition affects cognitive development, improve our understanding of how nutrients interact with each other and with drugs (e.g., oral contraceptives) and the role of food fiber in our diets. In addition, we will be stressing studies on the biological as well as social and psychological aspects of overeating and how people can modify their eating practices toward more healthful patterns of behavior. We are continuing to monitor the nutritional status of the total United States population through the Health and Nutrition Examination Survey (HANES), which permits us to determine differences among subgroups of our population and to determine changes over time.

We are also planning over the next several years to expand our surveillance program operated by the Center for Disease Control (CDC) in nine States to a national nutrition surveillance program. This will enable us to maintain current information on the status of individuals and groups with nutrition problems in specific sections of the country and to design intervention programs (in collaboration with State and local authorities) to reduce the disease consequences of poor nutrition.

EDUCATION

Since I previously addressed our education goals as related to prevention strategy, I will not take additional time to discuss this in further detail.

NUTRITION IN THE HEALTH CARE DELIVERY SYSTEM

To make nutrition concerns an integral component of the Nation's health care system, we plan to assist State and local health agencies to establish and conduct nutrition education programs. Information on program planning techniques and background data on nutrition will be distributed to State and local planning agencies. It is also expected that the National Guidelines for Health Planning now under development will incorporate appropriate goals and standards on nutrition for the healthy as well as those in long term care facilities.

Another initiative, which I believe has significant implications, will be to develop model nutrition education programs for those in training for health professions to enable them to improve their patients' eating habits. Similar efforts will be made to design programs to improve the nutritional knowledge of currently practicing health professionals.

REGULATION OF FOOD INDUSTRY

A major nutrition function of the Federal government is surveillance of the nutritional quality of the national food supply as related to meeting the nutritional requirements of the population. The Food and Drug Administration has intensified efforts in recent years to effect modification of the nutritional quality of the national food supply so as to meet the nutritional needs of the population. The FDA will be intensifying research efforts on the biological activity and safety of vitamins and minerals used to fortify foods as well as dietary supplements. Another area which is receiving emphasis is determining the nutritional impact of changes in food processing technology. The knowledge from this research is being used to guide regulatory efforts for improving the nutritional quality of individual foods as well as the total food supply.

The FDA is continuing to work with industry to encourage the nutrition labeling of foods. Survey research has shown that over 50 percent of the consumers use this information for buying or planning purposes. Efforts are also underway to expand nutritional information on the label which will benefit those who use specific information. We look upon nutrition labeling as an effective way to provide the consumer with nutrition information about the food and we are supporting efforts which will expand one's ability to utilize this information to improve the nutritional quality of one's diet.

INTERAGENCY COOPERATION

The Department cooperates in the implementation of the Department of Agriculture's program to provide nutritious foods to pregnant women, infants, and children (WIC program) who are determined by health professionals to be nutritional risks because of inadequate nutrition and income. The well baby clinics supported by the Public Health Service are the sites of action for the WIC program. We are also now reviewing with the Department of Agriculture (USDA) how we can interrelate in a statistically useful way the nutrition component of the Health and Nutrition Examination Survey (HANES) with the food consumption survey of USDA. A joint work group is being formed to clarify the purposes of each survey, their mode of opreation, potential points of interaction, and to plan for cooperative analysis of their data.

CONCLUSION

Mr. Chairman, time constraints have not permitted me to engage in a discussion of various specific program activities relating to nutrition which have been undertaken by the six health agencies within the Department. I would therefore like to submit a detailed summary for the record.

In closing, Mr. Chairman, I would like to mention that enactment of P.L. 94–317, the National Consumer Health Information and Health Promotion Act of 1976 (signed June 23, 1976) should insure that the initiatives mentioned above will be kept on track. The Act directs the Secretary to establish in the Office of the Assistant Secretary for Health a new Office of Health Information and Health Promotion. The Office is to be responsible for coordinating DHEW activities relating to health information, health promotion, prevention health services, and education in the appropriate use of health care. While its responsibilities have not yet been decided, I expect that the Office will provide an organizational focus for interagency and interdepartmetnal concern about the coordination of nutrition policies and programs.

Thank you for the opportunity to appear before you today. My colleagues and I would welcome any questions from the Committee.

PUBLISHER HELEN COPLEY

Mr. PERCY. Mr. President, in the competitive field of journalism, it is not often that one newspaper finds the space to praise another. But the Chicago Tribune this week published a feature story that I would like to share with my colleagues on Mrs. Helen Copley, the doughty owner of the Copley Newspapers.

Though based in San Diego, the Copley chain is widely known in Illinois though such daily newspapers as the Springfield State Journal-Register, the Elgin Courier-News, the Aurora Beacon-News, the Wheaton Daily Journal, the Joliet Herald-News, and several weekly papers. The Tribune article, written by the paper's west coast correspondent, Michael Coakley, describes how Helen Copley has responded since she was thrust into command of the newspaper empire upon the death of her husband Jim in 1973.

In her own words, Helen Copley "took a 6-month crash course in how to run a newspaper." Since then, she has made the corporate and journalistic decisions that have maintained the vigor and integrity of the Copley papers in a manner very important to us in Illinois. The article goes on to describe how she has streamlined the corporate structure of the chain and upgraded the morale and effectiveness of her editorial staffs. Though it is considered old-fashioned these days to tip one's hat, I would like to tip mine to Helen Copley, who has met the challenge of her lifetime in a remarkable way and to the benefit of all of us in Illinois and California who read the Copley papers.

Without objection, I ask unanimous consent that Mr. Coakley's article be printed in the Record.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Chicago Tribune, Aug. 3, 1976]

HELEN COPLEY GIVES AN AILING GIANT NEW LIFE

(By Michael Coakley)

SAN DIEGO.—Helen Copley had been a newspaper publisher only 18 months when the phone rang late one night at her palatial mansion on her palatial estate called "Foxhall."

The call was from a reporter on the San Diego Union, the largest paper in Mrs. Copley's chain. Right away, the newswoman decided maybe it hadn't been such a good idea after all to drag the publisher out of bed.

But the boss urged her to speak her mind, requesting only a brief delay to light a cigaret and clear the sleep from her eyes.

What followed was a lengthy account of the frustration and low morale which had been building up for years on the Union's staff. That call was followed by others; Helen Copley's eyes had been opened plenty wide, and she decided to act.

The story of the late-night call frequently is described by Copley employees and outside observers as a turning point in the history of the company—and in the life of its rather remarkable top executive.

Helen Kinney was born 53 years ago in Cedar Rapids, Ia. Her parents were middle class; her position in society, after graduating from high school, was that of secretary.

She worked as a secretary most of her adult life, first in Cedar Rapids and then in San Diego, where she moved as a young divorcee with a son and a widowed mother to support.

All that changed in 1965 when she married Jim Copley, who had been her employer and who ran a journalistic empire which included 15 daily newspapers in California and Illinois and 32 weeklies.

The next eight years were idyllic for the new Mrs. Copley, traveling the world with her husband and presiding over elegant garden parties on the manicured grounds of Foxhall.

Then, in 1973, Jim Copley died of cancer. Suddenly, Helen Copley found herself in charge of all those newspapers, in charge of making tough decisions to ensure the continued vitality of the Copley chain.

Faced with estate taxes the exact enormity of which still hasn't been determined—some estimates range as high as $16 million—the former secretary realized that her company was in trouble. She started to prune.

Jim Copley was the son of Col. Ira C. Copley, a utilities magnate who bought the Aurora Beacon in 1905, beginning a series of newspaper acquisitions in Illinois which eventually included properties in Wheaton, Elgin, Joliet, and both papers in the capital of Springfield. In the late 1920s he expanded his base to San Diego.

When the colonel died, young Copley—who had been groomed for years—stepped in to continue the father's tradition of patriotism, conservatism, and Republicanism.

Copley's political zeal at times overshadowed his business sense. He founded the Sacramento Union in 1964, for example, so the California capital would have a conservative alternative to the liberal Sacramento Bee. The Union lost money but Copley held on, refusing to surrender a principle.

When the former secretary took over, one of her first acts was to sell the Union. This was followed shortly by the merger of the Springfield Journal and Register, the new owner ruling that "the town simply can't support two papers."

She also sold a group of failing weeklies in the Los Angeles area, along with ditching the company jet and the old family mansion in Aurora.

The overall Copley payroll was trimmed by 5 percent down to 3,600 persons. A number of those who were let go were highly paid corporate executives.

Within a year of her husband's death, the neophyte publisher had surprised even some of her closest friends. With no background in the newspaper business beyond the secretarial level, she had restored an ailing giant to health.

Helen Copley is a quiet woman. When she became publisher she had to hire a speech teacher to help overcome a paralyzing shyness. But she also is determined.

"That was really a remarkable period for me," she recalled in an interview. "I had to take a six-month crash course in how to run a newspaper."

The corporate decisions, tough as they were, didn't pose half the problem of the journalistic decisions—beginning with what to do about that late-night call.

Looking back on the incident, Mrs. Copley said she had been troubled for some time before talking to the first gutsy reporter. She had heard rumblings that her staff at the Union and at the Tribune, the company's afternoon paper in San Diego, were dissatisfied.

I'd asked the middle-level management about these reports and all they'd tell me was how great things were, how happy everyone was," she said.

After finally hearing firsthand that the opposite was true, she moved quickly. Four days after the initial call, the publisher was standing in the newsroom of the Union, answering questions and getting an earful from reporters on what was wrong with the paper.

The biggest gripe was over the so-called "sacred cows." Several staffers complained that they felt restricted in writing about topics close to the heart of Mrs. Copley's late husband, especially the huge military establishment in San Diego.

"I told them right there that if there had been any sacred cows they were now ex-sacred cows," she said. "I love the military, but if they do something wrong, I'm going to print it.

"Actually, I don't think the sacred cows existed in the first place, at least not in Jim Copley's mind. They were things built up over the years by somebody who was trying to read his mind. But when somebody on a newspaper thinks there are untouchables, it's just as bad as if there are untouchables."

Several other meetings followed the first. One reporter wanted to know why the Union couldn't run more local stories on the front page, a reaction to the paper's annoying habit of devoting prime space almost exclusively to national and foreign news.

"I don't see why we can't," Mrs. Copley had responded, ordering her editors to implement the change at once.

Since those initial encounters more than a year ago, there have been a number of changes at the Copley newspapers, particularly the Union, which Mrs. Copley oversees most closely.

The paper has reported on such vexing social issues as abortion and drug abuse, topics which rarely found their way into print under the old management. The military has been scrutinized, especially the Marine Corps and the controversial death of a young private during a training exercise at the San Diego Recruit Training Depot.

The editorial page also is changing somewhat. Mrs. Copley, who describes herself as a "moderate Republican," said she is striving for a page which is "brighter, less predictable and not preachy."

Earlier this year she hired Gerald Warren, a deputy press secretary in the Nixon White House, to be the new editor at the Union. Warren was regarded by reporters in Washington as a refreshing antidote to press secretary Ron Zeigler, whose arrogance and lack of candor only added to the Watergate trauma.

The Union still has its problems. Mrs. Copley's interest in hard-hitting investigative pieces has yielded some fruit, although not much. The makeup of the paper is as traditional as ever.

But there is the unmistakable feeling of life and progress.

"This place ain't great today: there's a lot we could do and aren't doing," said one veteran staffer, "But you should have seen us three years ago. There's no comparison."

The publisher professes pride in her product but admits it could always be better, that a newspaper has to constantly work to keep up with the community.

There are only a few major women publishers in the United States. The best-known of them, Katharine Graham of the Washington Post, is a good friend of Mrs. Copley, in spite of a few ideological differences.

The former secretary makes it clear that she is hardly an outspoken feminist. Yet in her quiet way she expresses concern that women in journalism still have obstacles, that they still have "a ways to go."

In an even quieter way, she has shown what one secretary can do—once she has to take charge.

BLACK MEDICS IN CONTROL

Mr. CULVER. Mr. President, the State of Iowa does not have as large and varied minority populations as many other States. Yet we do have a good multicultural cross section and we are deeply proud of the contributions made by blacks and other minorities to enhance the quality of living in our State. As an illustration of this point, I would like to share with my colleagues an article featured in the June 1976 issue of Ebony magazine, entitled "Black Medics in Control."

The article cites, in particular, the outstanding achievements of Doctors Percey G. Harris, Montague S. Lawrence, Kingsley B. Grant, Reid E. Motley and Biochemist Vernon Smith. It is a matter of particular pride to me, Mr. President, that these distinguished doctors practice their profession at St. Luke's Methodist Hospital in my home city of Cedar Rapids. I ask unanimous consent of my colleagues that the above mentioned article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BLACK MEDICS IN CONTROL

The last place most people would expect to find a group of high-powered, black, medical professionals is Cedar Rapids, Iowa, a relatively small, rural-oriented, politically conservative urban community of approximately 110,000 people (99 per cent of whom are white); yet four of the most influential professionals at St. Luke's Methodist Hospital, the city's largest medical center, are black. Dr. Percey G. Harris is president of the hospital's 216-member medical staff; Dr. Montague S. Lawrence is chief of surgical services and chairman of the credentials committee; Dr. Kingsley B. Grant is chief pathologist and director of laboratory services; and Vernon Smith is the biochemist and supervisor of special chemistry. Another black physician, Dr. Reid E. Motley, is also on the staff at the 580-bed facility but holds no other position. In all, there are four black doctors in the city (Smith has a master's degree in organic chemistry).

Perhaps the achievements of these men wouldn't seem so extraordinary if it were not for two widely held perceptions of places like Cedar Rapids—places located in the food-producing heartland of the nation. For whatever reason and whether it is a correct perception or not, many people consider Middle America a code name for bigotry and intransigent opposition to progressive social reforms. In other words, many black folk think of Cedar Rapids as enemy territory. The other popular perception of mid-America has to do with folkloric fantasies, nostalgia and cultural myths—the frontier, reverence for the land, rock-ribbed faith in the simple virtues like honesty, thrift and loyalty. The truth is probably more complicated than either description. Certainly, the achievements and experiences of the four black movers and shakers at St. Luke's do not fit either stereotype.

Of the four, only Dr. Harris and Smith have geographical reasons for being in Cedar Rapids. Smith was born in the city, and Dr. Harris, though born in Durant, Miss., grew up in Waterloo, Iowa, not far from Cedar Rapids. Grant and Lawrence, however, had to go out of their way to get to Eastern Iowa.

Dr. Lawrence was born in Laurel, Miss., and received his undergraduate degree from Alcorn State University in Lorman, Miss., and his M.D. from Meharry Medical College in Nashville, Tenn. In 1953, however, when he emerged from the armed services, ready to begin his residency training, there were very few places in the country able to train a physician interested in thoracic and cardiovascular surgery and even fewer willing to admit a black doctor. The University of Iowa at Iowa City, about 20 miles south of Cedar Rapids, was an exception. Dr. Lawrence says he remained on the medical school staff following his residency and was eventually appointed full professor. Although he still teaches at the University, he moved to Cedar Rapids in 1971 and entered private practice. The move, he explains, was a logical one, because most of his patients at the University live in the area.

Dr. Grant, a Howard University graduate from Belize (formerly British Honduras) in Central America, came to Cedar Rapids in 1959 to begin his internship. He says his application to St. Luke's was a matter of economics. "In looking around for a place to do my internship," he recalls, "St. Luke's was included just by chance, because at the time I was looking, hospitals weren't paying very much and St. Luke's had better salaries." He says he was unaware that Dr. Harris was in Cedar Rapids when he applied, though he had known him at Howard. After applying, however, Harris "wrote me and told me that he was in the area and that he had done an internship (at St. Luke's) two years before and had been satisfied with it (the hospital).

According to Dr. Harris, he was the first black intern at St. Luke's, but only the second in the City. Smith joined St. Luke's laboratory staff in 1956 after receiving his master's degree from the University of Iowa and battling polio for four years.

Smith is employed by the hospital and works under Dr. Grant, who has a contractual arrangement with the hospital which allows him to engage in private practice. Smith's specialty is toxic substances (poisons). Dr. Grant has supervisory control of all laboratory services at the hospital. As a pathologist, however, his function is to interpret and diagnose the changes caused by disease in tissues—i.e., to determine whether suspected cancerous tissue is malignant or benign.

Doctors Harris and Lawrence have no official tie to the hospital. "We are in private practice," Dr. Harris explains, "and we have privileges to practice at St. Luke's—it so happens that all of the physicians in this community practice at both hospitals. But aside from that, we have no direct tie or link with the hospital." The president of the medical staff, he says, and the chief of surgical services are selected by their colleagues to serve for a one-year period. The chairman of the credentials committee, Dr. Lawrence adds, is appointed by the president of the medical staff. Among its many responsibilities, according to Dr. Lawrence, the credentials committee decides who may enter or practice at St. Luke's. The committee, he says, also has a degree of disciplinary authority. The president of the medical staff, Harris explains, "is basically responsible for the professional conduct of the professional staff of the hospital."

All four men agree that Cedar Rapids took some getting used to, but not much. Of the four, Dr. Harris had the hardest go of it. "At first," he recalls, "I didn't get a lot of help from other physicians in this community. Basically, without the help of one man, Dr. Maurice Estes, I might not have survived in Cedar Rapids." Professionally, however, he says, "I could count on one hand the number of known instances of racial resentment I've encountered."

Dr. Lawrence and Dr. Grant agree, and Dr. Harris adds: "The disadvantages have not been very great. I've learned to like Cedar Rapids very much and sometimes I've said, facetiously of course, that I like the city so well that if God would make a deal with me I'd rather stay here than take a chance on heaven."

Smith has a theory about why it has been so relatively easy for black doctors to establish themselves in the basically conservative and overwhelmingly white comunity of Cedar Rapids: "I think we have to recognize that Cedar Rapids is an economically sound community with some good people living here, otherwise the community wouldn't thrive and do as well as it does. Consequently, if you have something to offer—I like the term marketable commodities—and certainly a physician, if he's good, has a marketable commodity, the make up of this community is such that it will recognize what you have to offer and utilize it."

It has not all been smooth sailing, however. "We've had our demonstrations," according to Dr. Grant, who served as chairman of the city's Human Relations Commission for two-and-a-half years. "They were small, it is true, but there were demonstrations and they brought to the attention of the white community the fact that things were not as the British would say 'approximately all right.' For instance, it has only been in the past two or three years that blacks have been shown homes regardless of the locale."

Dr. Harris has good reason to remember that "one of the biggest racial disputes" involved the property on which he built his home. The property, he says, was sold to him by the church he belongs to, "and the sale of that property to me nearly split that church. But, again, that was a long time ago, and there were people who were willing to take a stand. Enough, in fact, to make a difference."

Harris, who is the only medical examiner Linn County has ever had, explains that "one of the reasons why things have been fairly easy here is that there are so few blacks in the city—the small number does not pose such a threat. But there is another reason, which is perhaps a bit more intangible. It seems to me that in Cedar Rapids there are more than enough people who really care about their fellow citizens."

Professionally, there seems to be no mystery about why and how three black doctors, two of whom were born in Mississippi and the other in Belize, came to command so much respect and hold so much authority in a city like Cedar Rapids. The answer, according to just about everyone at St. Luke's, is that the three doctors and Mr. Smith are very, very good at what they do.

CAMPAIGN REFORM AT MIDSTREAM

Mr. CLARK. Mr. President, at least as important to the Nation as the outcome of the upcoming Presidential campaign will be the way in which that campaign is conducted. And in one respect, at least, this campaign is sure to be run differently than any in our history. The rich "fat cats" and special interest groups will be gone, knocked out of their dominant role in Presidential politics by the advent of public financing of elections. As Common Cause Vice President Fred Wertheimer points out in a recent article, the result will be that whoever enters the White House next January will do so free of "the financial hooks from vested interests that have accompanied our Presidents for generations."

Unfortunately, those hooks still will be deeply imbedded in the winners of this year's Senate and House campaigns. Wertheimer notes:

> It is a striking fact that while Members of Congress were willing to clean up Presidential elections, they stubbornly opposed a similar reform for congressional elections. As a result, the 1976 congressional elections will see the arms race mentality in political financing between business and labor continue to intensify. The number of interest group political committees, for example, has more than doubled during the past eighteen months. Until public financing is made available for House and Senate races, Congressional dependence on and dominance by special interest groups is bound to grow, much to the detriment of the political process.

That is why it will be so important for the 95th Congress to move as rapidly as possible to end the blatant double standard that now exists by enacting public financing of congressional campaigns.

Mr. President, I ask unanimous consent that the full text of Mr. Wertheimer's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAMPAIGN REFORM AT MIDSTREAM—1976

(By Fred Wertheimer)

One of the biggest news stories of 1976 is not one you are likely to see on television or read about in the newspaper. It's a "non-story"—a news event that is not happening. Big money is not dominating American Presidential politics. Powerful economic interests are not making enormous contributions. The "fat cat" patrons of American politics are not showing up with huge sums on contributor lists.

As we approach midstream in our Bicentennial election, we are in fact living through a quiet revolution in American politics.

At this stage, no one knows for sure who will face each other in the November Presidential election. But we do know that precisely the kind of political competition opponents argued could not occur under the new campaign reform law has occurred in the 1976 Presidential primaries. And it has all happened without Presidential candidates having to beg for or become dependent on the financial largesse of wealthy individuals or special interest groups.

Two years ago we were told by the opponents of the 1974 campaign finance reform law that a challenger could never compete with an incumbent President under the proposed new system, which combined the use of public funds with contribution and spending limits. Yet that is precisely what has happened, with challenger Ronald Reagan at one point hitting a string of six straight primary wins over incumbent Gerald Ford. Whether our sitting President is able to obtain his own party's nomination in 1976 is likely to remain unsettled until the final ballots are counted at the August convention.

We were also told that a little-known Presidential candidate could never emerge and become a national force as Eugene McCarthy and George McGovern—then relatively unknown—did in 1968 and 1972 under the old system. Opponents of the new law said that little-known candidates had to have access to "seed money"—large contributions from wealthy people—to have any chance to compete nationally.

Apparently no one told Jimmy Carter about this. Carter started out with even less national recognition than McCarthy or McGovern and captured the 1976 Democratic Presidential primary process. Morris Udall, equally unknown at the outset of the 1976 race, ran second in delegates in the primaries. They bested such well-established national figures as George Wallace and Henry Jackson in the process.

The old system is gone, and we are all better off for its demise. It was a system that in 1972 allowed 153 individuals to provide $20 million to Richard Nixon; a system that winked at massive illegal contributions from the largest corporations in America, that condoned the sale of ambassadorships to the highest bidder, and that invited pledges of million dollar campaign contributions in return for direct economic benefits. It was a system that contributed substantially to the arrogance of power that produced Watergate. It was also a system that encouraged the very wealthy in both major parties to believe that they had special rights in choosing our President for us.

In its place is a system based on limited private contributions and public funds derived from the voluntary dollar tax check-off. Tens of millions of citizens have become involved for the first time in the financing of Presidential elections through the check-off.

The new system recognizes that candidates need financial resources to communicate with voters. It wasn't designed to eliminate all money from politics—just the kind of money that corrupts the political process. As intended, it has resulted in candidates substantially broadening their financial base, by reaching out and involving tens of thousands of small private contributors. In each case, the only "large contribution" received by a 1976 Presidential candidate has come from the U.S. Treasury—in the name of the public rather than any private interest.

As of April 30, more than two months before the convention, Democratic candidates already had been able to spend some $31.5 million, compared with a total of $33 million spent during the 1972 Democratic nominating process. The 1976 Republican contenders had spent some $17 million compared with minimal sums spent during the primaries in 1972 when President Nixon was not seriously challenged. Approximately $16 million as of April 30 had been made available to the 1976 candidates in public matching funds.

In the general election each major party candidate will be entitled to full public financing to conduct his campaign.

Thus should Jimmy Carter win, he would enter the White House without the financial hooks from vested interests that have accompanied our Presidents for generations. The same would be true for Gerald Ford or Ronald Reagan. The next President will have opportunities for choice and change simply not available in the past under the old system of financing Presidential elections.

But this is just a start. It is a striking fact that while Members of Congress were willing to clean up Presidential elections, they stubbornly opposed a similar reform for Congressional elections. As a result, the 1976 Congressional elections will see the arms race mentality in political financing between business and labor continue to intensify. The number of interest group political committees, for example, has more than doubled during the past eighteen months. Until public financing is made available for House and Senate races, Congressional dependence on and dominance by special interest groups is bound to grow, much to the detriment of the political process.

In this first use of the new campaign financing system the most unfortunate development has been the disgraceful manner in which Congress and the President dealt with reconstituting the Federal Election Commission. While Congress and the President dawdled for more than three months, candidates in the heat of battle were suffering real hardships as a result of the delay in receiving their federal matching funds. Today the Commission and the public financing system are back on course. But the unexpected interruption in federal funds prevented the matching system from achieving its maximum performance in the initial test.

We can expect other rough spots as we go along in 1976. The Supreme Court decision, for example, upheld the key concepts of the 1974 campaign law—disclosure, contribution limits and public financing. But it also created a danger that individual "fat cat" would try to use their right to make unlimited "independent" expenditures for a candidate—buying $100,000 worth of ads in their own name, for example—as a way of evading the contribution limits. The new legislation just enacted by Congress contains a number of provisions designed to prevent evasions from occurring.

We must be prepared to learn from our experiences in 1976. As unexpected problems appear, effective new ways of dealing with them must be developed. But as we travel this path, we should never lose sight of the larger issues involved in campaign reform—to eliminate corruption and special interest domination, to enhance political competition and to make real the promise of "one person, one vote."

We created a political system 200 years ago to serve the people—all of the people. We wound up with one serving the privileged—the select few. Public financing heads us back to where we belong as a people. Just as in 1776, it's a revolution worth fighting for.

There are still among us those who would use their enormous financial resources to purchase the Presidency. Given the opportunity, they would be back in business in a minute. We must not allow that to happen. The fight to rescue the Presidency from the auction block is being won, but it's not over. The struggle goes on, and citizens must be ever vigilant. The stakes could not be higher.

JONATHAN NETANYAHU'S ODYSSEY: FROM HARVARD TO ENTEBBE

Mr. INOUYE. Mr. President, the impressive but daring rescue of 104 hostages by Israeli commandos at Uganda's Entebbe airport last month must, by now, be well known throughout the United States and the rest of the free world. From a military and strategic point of view, the rescue operation was precise and excellently timed, maximizing the element of surprise. From a political standpoint, the operations struck a strong and significant blow to international terrorism, violence and other illegal acts—senseless acts that accomplish little more than the discrediting of certain political groups.

I find it difficult to comprehend and view any radical terrorist organization as a legitimate representative and spokesman for large populations caught in international strife, whether in the Middle East or in Africa. I also look upon with disfavor any group that strongly adheres to Machiavellian tactics, believing that ruthless and violent methods used in our world community will force peace-seeking and peace-loving people to their knees.

At this moment, I would like to direct my remarks away from the issue of terrorism as a means to an end. Instead, I wish to focus on an extremely brave and dedicated man who gave his life in the campaign to rescue the hostages at Entebbe. That man is Lt. Col. Yonatan "Jonathan" or "Yoni" Netanyahu.

Mr. Netanyahu had dreams of pursuing a career as a physicist and of living the life of an academic like his father, who is a Judaic studies scholar and chairman of Cornell University's Semitic Languages Department. But training as a paratrooper in the Israeli army in the mid-1960's and a bitter experience in the 1967 Six-Day War convinced him that, for him, the defense of his country took precedence over his own intellectual aspirations.

It was Mr. Netanyahu, a Harvard-educated young man, who led the commando force into Entebbe. And it was Mr. Netanyahu who received a fatal gunshot fired by a Ugandan sniper at the airport—the only Israeli commando unable to return to the cheering throngs in Tel Aviv.

I wish to share with my colleagues and the public a touching and sensitive portrait of this courageous man which appeared in a recent edition of the Harvard Crimson. I hope we may be able to find time to reflect upon the contents of this story. A friend of Mr. Netanyahu is quoted as saying:

> One of the problems in America is that we are a nation of relatively uncommitted people. Yoni (Netanyahu) had an ideal, and when he died, it made you think about your own life. It's also a question of relative values. Yoni was willing quite literally to put his life on the line. That's quite unusual. And there are even fewer people who derive that devotion internally.

I ask for unanimous consent to print the Harvard Crimson story in the RECORD.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

[From the Harvard Crimson, July 13, 1976]

JONATHAN NETANYAHU'S ODYSSEY: FROM HARVARD TO ENTEBBE

(By Charles E. Shepard)

Jonathan Netanyahu was only a flash in Harvard's pan, an undergraduate for a year and a summer, a hard working student living off campus, remembered by only a handful of people in Cambridge. But for those few Jonathan Netanyahu—the sole Israeli commando to die in the July 4 assault on the airport in Entebbe, Uganda—was a man worthy of profound admiration, an extremely intelligent person who, in the words of his one-time adviser, had a "truly unique sense of dedication that you just don't find in people very often, regardless of their age."

Netanyahu's Harvard friends, like Seamus P. Malin '62, his adviser in 1967–68 and the current director of financial aid, are wary that their eulogies be mistaken for run-of-the-mill posthumous praise, and they offer eerily similar descriptions of Netanyahu's extraordinary qualities. "This place does attract some pretty unusual individuals," Malin say, "so it is not therefore a big deal to say you've come across somebody who is going to be a future senator or a bigwig in national or international life. But there are few people that you do meet whom you genuinely feel add to you as a person and really make being here and being associated with them in some way a fuller development of your own life."

In that sense, Malin adds, Netanyahu's death left an "emptiness because he was a person who lived a kind of exemplary personal life, without being schmaltzy about it, that made you kind of feel warm when you were with him. A conversation with him always made you think about your own life in a way you wouldn't have thought about it if he hadn't popped in to see you."

Netanyahu evoked the same reaction from Robert E. Kaufmann '62, the present assistant dean of the Faculty for financial affairs who during 1967–68 served as resident adviser in Peabody Terrace, where Netanyahu lived with his wife: "I don't think it's fair to portray that I knew him in a very intimate way, but he was a person about whom you had very, very strong feelings." There was, Kaufmann says, "the feeling that although he crossed your path only 10, 15 or 20 times, he really stuck there. He represented things many of us wish we were."

Although born in New York in 1946, Jonathan Netanyahu was raised from age two on in Israel, and his close friends remember him as "Yoni," a nickname derived from the Hebrew equivalent of his first name. In the early 1960s Netanyahu returned to the United States as his Polish-born father, a Judaic studies scholar who now heads Cornell's department of Semitic languages and literature, took a teaching position at Dropsie College in Philadelphia. But after graduating from a high school outside the city in 1964, Netanyhu returned to Israel and entered the Israeli armed forces as a paratrooper.

But Netanyahu had not decided to become an Israeli career officer. To the contrary, according to one of his closest friends at Harvard, Elliot Z. Entis '67, Netanyahu wanted very much to be a physicist before he came to Harvard and had not yet decided whether to settle in Israel or the United States. Netanyahu applied here, perhaps because of the presence of Entis, whom he had befriended at camp in New Hampshire during high school. Harvard accepted him enthusiastically; Kaufmann, who worked as an assistant director of admissions in 1967, describes Netanyahu as an "incredibly strong" candidate with a similarly impressive record and set of recommendations.

Netanyahu's smooth transition from soldier to academic was destroyed by the June 1967 Six Day War, an experience that "changed Yoni incredibly," Entis says. The sight of seeing many of his friends die set off a process of inner turmoil that ultimately would lead Netanyahu—who was himself seriously wounded in the left elbow during the fighting—to leave Harvard, to become a career officer, to "resolve that what he believed in he would have to live by," as Entis says.

Once at Harvard, Netanyahu devoted most of his energy to studying, "getting his marriage and economics off the ground," and "brooding" about the war, Entis says. There was no room left for extra-curricular activities, although Netanyahu ran every night and often took weekend trips in Vermont and New Hampshire.

But what sticks in everyone's mind is Netanyahu's overwhelming concern for Israel. Repeatedly, when he dropped in to chat with Malin, Netanyahu would say, "I just shouldn't be here. This is a luxury. I should be at home. I should be defending my country." Thus Malin was not surprised in the spring of 1968 when Netanyahu dropped in to announce his plans to return, explaining that "Harvard is a wonderful place to be, but I just can't justify being here."

As one of Netanyahu's closest friends, Entis has perhaps the most refined explanation of Netanahu's decision to return home. First, Netanyahu was strongly influenced by his father, Ben-Zion, whom Entis describes as a "cold warrior, a very intellectual one with strong ideas and ideals." This tendency to see conflicts as the battle of the forces of good and evil, put in "the crucible of war," Entis says, resolved Netanyahu's ambiguous feelings toward Israel. While very happy to return, he adds, Netanyahu was in a sense compelled to go back, forced by past, not current events.

That fall Netanyahu enrolled at Hebrew University in Jerusalem, but soon he was back in the army. He later wrote a friend in Cambridge, "Conditions in Israel at the time, however, were such to make the request for added military service which was then addressed to former officers, too difficult to ignore. Accordingly, on February 1, 1969 I volunteered for renewed service in the army, and I have stayed in it ever since. During this period my rank was raised from first lieutenant to captain, and will be raised again to that of major on April 1 of this year. I am presently serving as a commander of a highly selective unit in the paratroopers."

Entis visited Netanyahu in Israel in 1972 and found that he was largely unchanged. But the job had taken its toll; while Netanyahu had managed to avoid serious injury in his frequent anti-terrorist activity, his wife, Tooti, was soon to leave him. "It was really a question of a man's job getting in the way of his marriage," Entis says.

Despite his return to Israel and uncommonly rapid rise in the military ranks, Netanyahu never abandoned his hopes to return to Harvard. Repeatedly he wrote the College to check the procedures for re-entry, never completely accepting his friends' assurances that he would be welocme back any time. Finally in January, 1973 Netanyahu informed Harvard that he planned to resume his studies immediately after freeing himself from active duty the upcoming June.

And he did return that summer, enrolling in three half-courses—one over the conventional load. But, for reasons unknown, Netanyahu decided in August that he would not return in the fall. Less than two months later the October war erupted, again compelling, Netanyahu to postpone his Harvard education. That December and again last summer Netanyahu wrote Harvard to say he hoped to return to Cambridge within two years. His 1973 correspondence said:

"Only a few months ago I was still studying at Harvard and making plans for the following academic year. Obviously many things have changed since, and as a result I don't feel myself free to stick to the initial plans we formulated together. The October War wasn't the first war I went through, though it was certainly the hardest and most bitter. I came out of this round all in one piece (this time) though I lost many good and dear friends. Things aren't quite the same as they were before. . . . I still look forward to returning to Harvard sometime in the future, when things quiet down here. . . . Judging from my present work in the Israeli Armed Forces I believe that at least a year or two will pass (if not more) before we meet again. . . . I am working quite hard now; there is a lot to be done, a lot to reconstruct, a lot to reorganize, and there is little time for it. Perhaps peace will come after all."

As late as last month Netanyahu was still planning the rest of his Harvard education, although his designs had been transformed by the intervening years and his commitment to the army. In early June, by ironic coincidence, Netanyahu was picked to give Thomas C. Schelling, Littauer Professor of Political Economy, a day-long tour of the Golan Heights. A friend of Schelling—who was in Jerusalem as a visiting professor to Hebrew University—had arranged the tour; it was, Schelling said last week, "a case of an influential professor who needs a con job." So at 8:30 one morning Netanyahu showed up, having gotten a day's leave and a military car.

During the 300-to-400 mile-drive it came out, Schelling says, that the Israeli lieutenant colonel had studied at Harvard. The soldier, whom Schelling found to be an "exceptionally bright, devoted, intelligent and enthusiastic officer," an "extremely impressive man," confided to the professor that he still hoped to return to Harvard, perhaps with the financial help of the Israeli army. The two men exchanged addresses, Schelling offered his help in expediting Netanyahu's return to Harvard, and the professor left "looking forward to seeing him again."

Jonathan Netanyahu loved math, and half his freshman year courses were the natural sciences—Math 1a and 1b and Physics 1b and 12a. But, as he told Schelling during their day tramping around boulders, sitting atop tanks from a battalion Netanyahu had once commanded, and driving up the Jordan River valley to the Golan, there was not much he could do with math as a 30-year-old army officer. So Netanyahu hoped to concentrate on international relations when he returned, he told Schelling.

Signs of this shift were apparent in his studies in the summer of 1973. Netanyahu's three courses were all in Government—a survey of the history of political theory from Machiavelli to Marx, a conference course with Karl W. Deutsch, Stanfield Professor of International Peace, and a study of governments of the Middle East.

Netanyahu's grades—two A-'s and one A—were apparently typical of his performance at Harvard. Entis, like Netanyahu's other friends at Harvard, stresses that the Israeli was brilliant, an "incredibly good" chess player who intellectually "was a constant surprise."

The last time Robert Kaufmann saw Jonathan Netanyahu, during the Israeli's sojourn in Cambridge after a mysterious visit to Latin America, he explained to the administrator why he had shifted to an interest in Government courses. He realized, he told Kaufmann, that "the crisis now is military, but the future is diplomatic."

Jonathan Netanyahu's Harvard friends knew that he often spearheaded Israeli operations against Palestinian guerillas, and when they heard of such commando raids they usually thought of the short, stocky, thin-faced, steely-eyed Netanyahu, who, Malin say, "really looked the part of a guy you don't mess around with." But oddly enough, last week when those friends read about the raid that freed over 100 hostages being held by Palestinian sympathizers, their minds focussed on the liberated, not the liberators.

Enits, who now works in a District of Columbia management consulting firm, didn't consider that Netanyahu might have been involved until he saw his friend's name on the front page of The Washington Post, news that "hit me right between the eyes." But Entis' reaction—like that of Netanyahu's other friends who eulogized him last week—didn't stop with tears. Entis's devotion to his work in business is far weaker than Netanyahu's was to Israel, and his friend's death moved him to scrutinize his own life. "One of the problems in America is that we are a nation of relatively uncommitted people. Yoni had an ideal, and when he died, it made you think about your own life," Entis explains. "It's also a question of relative values. Yoni was willing quite literally to put his life on the line. That's quite unusual. And there are even fewer people who derive that devotion internally."

COPYRIGHT FOR 1976

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that an editorial entitled "Copyright for 1976" which appeared in this morning's New York Times be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Copyright for 1976

The contending forces—librarians, educators, public broadcasters and publishers and authors—are finally compromising their differences and the first major revision of the 1909 copyright law seems possible this year. The Senate has already approved its version; now the House Judiciary Committee ought to pass the measure before the Republican convention begins. Otherwise, the archaic law could become ensnared in party politics.

Under the revised law, literary and dramatic works would be protected for the life of their creator plus 50 years. This is the term already in effect in most Western nations. Bringing American copyright laws into closer alignment with the international scene would foster greater exchange of written and musical property between countries on a voluntary, negotiated basis, thereby encouraging international ideas to flow more freely.

On such nettlesome issues as photocopying in libraries and schools, guidelines have been set down for "fair use" of material. Authors and publishers have not attempted to halt limited duplication but instead have sought protection against indiscriminate infringements that add up to unfair use and, in extreme cases, piracy.

At the urging of the Authors League of America and of publisers, the House subcommittee on copyright has wisely removed a clause that would have allowed public broadcasters to use nondramatic literary works without the consent of the copyright owners. A similar clause in the Senate version should be excised.

The constitutional aim of granting authors "the exclusive right to their writings" for a limited time can help to promote "the useful arts." The marketplace of ideas in this nation and between nations requires a new copyright law that recognizes the vast changes in 20th-century communications.

KEEPING SCORE ON NATIONAL SECURITY

Mr. MONTOYA. Mr. President, in recent months we have seen a lot of "scorekeeping" on the crucial issue of our national security posture versus that of the Soviet Union. Unfortunately, much of this scorekeeping is based on rather simplistic assumptions derived from counting troops, tanks, missiles, and so on. These efforts, however well-intentioned, may be seriously misleading, even dangerous.

Therefore, I was pleased to read recently a much deeper and more thought provoking analysis of this issue. The article, published in the Army magazine was written by a highly respected member of the intelligence community who is also a long time Kremlinologist. The author, Brig. Gen. Ransom E. Barber, is the Director of Tactical/Strategic Intelligence, Office of the Assistant Chief of Staff for Intelligence, Department of the Army. General Barber dispels the myth of Soviet nuclear war strategy by refuting the widely accepted conventional wisdom on the military strategy and related force design of the Soviet Union. Simply stated, this conventional wisdom holds that the Russians are primarily structured for a wide variety of missions on the nuclear battlefield and that they are not geared for conducting sustained conventional operations. General Barber suggests that such notions are limited and misleading. He goes on to point out that the Russians are indeed capable of sustained conventional warfare and he cautions against merely accepting what the Soviets say they will do. He argues strongly and persuasively for maintaining and where possible, increasing our conventional military capabilities.

This is the reasoned, balanced approach toward our military posture of which I approve. In light of the fact that consideration of the fiscal year 1977 Defense appropriations bill will continue next week, I commend General Barber's article to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Army magazine, June 1975]

The Myth of Soviet Nuclear War Strategy

(By Col. Ransom E. Barber)

Among many of the Kremlinologists who practice their art in the United States, there seems to be a widely accepted conventional wisdom on the military strategy and associated force design of the Soviet Union. In its shorthand form, this wisdom suggests that the Russians have rejected the proposition that a war between major powers could long remain conventional or that once either side has resorted to the use of nuclear weapons, the nuclear battle could be limited.

According to this view, the Russians have created a large, balanced force that is primarily structured for a wide variety of missions on the nuclear battlefield. Along with this sort of thinking goes the conclusion that Soviet forces are not capable of conducting a sustained conventional campaign because their planners do not foresee the prospect of protracted operations.

Further, it is concluded that the Russians will do just what they say they will do in response to the first use by NATO of nuclear weapons—respond with a massive and theater-wide strike of their own.

Proponents of this brand of conventional wisdom point to the published works of Soviet strategists and responsible military spokesmen. In particular, Marshal V. D. Sokolovskii's *Military Strategy* is reckoned to be a Soviet-style *Mein Kampf*. One of the most frequently quoted passages from Marshal Sokolovskii's book states:

"The Socialist countries have at their disposal ground troops equipped with nuclear weapons, tanks, front-line aviation and other new military equipment and arms. The troops have the necessary combat qualities for conducting armed warfare in land theaters against a strong enemy. Their main task will be to utilize the results of nuclear attacks by rocket troops and aviation for the final defeat of enemy units in the theaters of military operation, the rapid capture (occupation) of enemy territory and the end of the war on the continent."

In 1962, Marshal R. Ya. Malinovsky posted a warning that an adversary should not count on being able to employ tactical nuclear weapons without courting massive retaliation. He wrote into his pamphlet, *Vigilantly Stand Guard Over the Peace*, a concise and unequivocal warning, "No matter where a 'tactical' atomic weapon might be used against us, it would trigger a crushing counterblow."

This theme has been relayed over and over again in all that has been written and said since 1962. At the 24th Party Congress in March, 1971, the Communist party's general secretary, Leonid Brezhnev, stated: "Any possible aggressor is well aware that should he attempt a rocket-nuclear attack on our country, he will receive an annhilitating retaliatory blow."

Thus, the picture of a massive Soviet armed force poised to execute a strategy of instant nuclear impulse is sharply engraved by what the Russians advertise as their war-fighting approach.

I suggest, however, that accepting these notions on face value can be dangerously misleading. In the first place, the passages cited represent a limited look at the full body of Soviet strategic thinking. The conclusions drawn from such statements could be a mile wide and an inch deep.

The fact is that there is a growing body of evidence suggesting that the Kremlin is accepting the idea that a war might be fought with conventional arms alone. These indicators have not attracted much attention, perhaps because they are not considered to be of the same gravity as is Soviet nuclear policy.

Secondly, Soviet doctrine for conventional war does not attract coverage in the media as it is not newsworthy. This is not to suggest that our national intelligence is formulated by the fourth estate. It is not. But, there are significant numbers of people, both in and out of government, who draw their basic knowledge of Soviet strategy from what they read in the press.

A further defect in the thumbnail sketch of Soviet strategy drawn by conventional wisdom is that it fails to take into account the broad sweep of Russian military capabilities which are far more extensive and varied than would be required to fight a nuclear war. Finally, accepting what the Soviets say they will do fails to recognize that any nation has two sets of doctrine, a "declaratory" doctrine and an "action" doctrine. Frequently, the two can be quite different.

Sometimes these differences emerge because the war you prepared for is not the war you end up fighting—witness U.S. ground divisions fighting insurgents in Vietnam even though they were designed basically to counter Warsaw Pact forces in Europe. In other cases, the variance between an advertised strategy and what you actually intend to do can be designed with premediation to create among your potential enemies a state of mind or an impression which will work to your advantage. In my view, Soviet doctrinal and strategic pronouncements have always had this sharp, declaratory ring to them.

In any event, assessing what the Russians might do on the basis of what they say they will do is not enough. All too often, the architects of our conventional wisdom base their case on Soviet writings or on Soviet force postures and designs; seldom are judgments based on both.

At the conclusion of World War II, the Soviet Union had the largest armed force in the world, while the United States enjoyed an absolute monopoly on atomic weapons. When President Harry Truman told Joseph Stalin at Potsdam that the United States had developed a weapon of mass destruction, Stalin professed indifference and his later public utterings continued to reflect this pose. In 1946, he ordered that "the whole preparation of the army and the further development of Soviet military science in the future must be conducted on the basis of a skillful mastering of the experience of the recent war."

Soviet military writings of that era totally excluded mention of atomic weapons and emphased that the permanently operating factors of war were morale, the state of the national economy, the size and quality of the armed forces and the ability of the command personnel.

In 1948, a responsible U.S. spokesman announced that atomic weapons were beyond the reach of Russian technology and industrial capabilities. Within a year, the Russians detonated their first atomic weapon. Thus, we know at the very time Stalin was publicly discounting atomic weapons as a useful military means, the Russians were embarked on a crash program to acquire this capability and end the U.S. monopoly. From this alone, it should be clear that the Soviets are fully capable of enunciating a military view that is purely declaratory and nothing more.

Even though the Soviet Union began its drive for nuclear power status as early as the end of World War II, discussions of nuclear warfare did not begin to appear until after Stalin's death in 1953. Fleet Adm. I. M. Kuznetsov opened the new era in July of that year with an article in the government newspaper Pravda (The Truth) which stated, "The experience of the Great Fatherland War alone is no longer sufficient."

In 1956, Maj. Gen. Pokrovsky, a military technologist, summed up the new basis for strategic thought:

"The appearance of atomic weapons, long-range rockets, guided missiles, supersonic aircraft, helicopters, nuclear-propelled warships, radar for reconnaissance and for bombing and many other things has so strongly affected the possible means of combat that contemporary military affairs are completely dissimilar to what they were in the period of the Great Fatherland War of 1941–45, or to what they were in recent times in military operations in Korea. Therefore, at the present time, the practical experience of the wars of the past can only be regarded as important historical landmarks and not as an unchanging dogma determining military affairs of today and tomorrow."

Soviet strategists were not prepared, however, to accept nuclear arms as the ultimate weapon. Defense Minister Marshal Georgi K. Zhukov made clear this basic theme in 1957 when he stated: "In the postwar construction of the armed forces we are proceeding from the fact that victory in future war will be achieved only by the combined efforts of all arms of the armed forces and on the basis of their coordinated employment in war."

Clearly, this kind of thinking was conservative along traditional lines and it came under serious assault from Nikita Khrushchev as he consolidated his political position. For world consumption, Khrushchev laid out a series of declarations that in some cases were perfectly consistent with Soviet capabilities, but in others far outreached Russian military means at hand. Aside from the bluster, Premier Khrushchev worked very hard to put his strategic concepts into effect within the councils of the Soviet Union and, in the process, created sharp divisions within the leadership.

These splits were not along the political versus military axis, but rather among three schools of thought which have been categorized as "modernist," "traditionalist" and "centrist."

The modernists believed in the supermacy of nuclear arms at the expense of conventional arms, while the traditionalists still thought that conventional forces would be the decisive factor in any future war. The centrists sought compromises. Although Nikita Khrushchev tried to placate the views of all three camps, he was finally forced to face up to the impossibility of compromise and thus stated his views in a watershed speech to the Supreme Soviet in January, 1960.

He made clear that he felt nuclear weapons would be the decisive factor in any future war and that certain types of conventional forces had become obsolete. He also expressed the idea that the initial phase of nuclear war would be critical and the war itself would be of very short duration. To implement his views, Khrushchev announced the creation of a new service, the Strategic Rocket Troops, and he decreed that the overall strength of the armed forces would be reduced by one third.

It should be obvious that Premier Khrushchev's pronouncements ruffled the feathers of many Russian strategists. These divergencies of opinion first began to appear when Minister of Defense Marshall Rodion Malinovsky addressed the 22nd Party Congress in October, 1961. Marshal Malinovsky made a *pro forma* bow of the head in Khrushchev's direction, but went on to point out that although nuclear weapons enjoyed a primacy, victory could only come through the coordinated use of all elements of the armed forces and that a multimillion-man army was still the cornerstone of Soviet strategy.

This synthesis of views or centrist position seems to have survived even until today, neither conventional nor nuclear forces to the exclusion of the other, but both.

During this same period, the key elements of Soviet strategy for war began to emerge. The basic Soviet view of war between NATO and the Warsaw Pact was that it would be nuclear from the start and of general scope. The first blow would be critical and would be followed by a theater war to mop up in th wake of the initial nuclear exchange. The struggle would be short and would involve more casualties than ever before encountered in the history of war.

The Soviet view of the enemy considered the primary threat to be the United States and its western "vassals" whose hostility is rooted both in history and in ideology. The Russians point to a number of manifestations of this hostility towards their country:

Intervention in the Russian Civil War of 1918–1921.

The withholding of diplomatic and trade relations until long after the revolution was over.

The inexcusable delay of the Western powers in establishing the Second Front during World War II.

The creation of NATO and rearming of West Germany.

The strategic encirclment of the Soviet Union by U.S. bases and forces.

The Russians said they believed that a conflict would begin with a deliberate surprise nuclear attack on the Soviet Union and its allies. Although this was, naturally enough, the most widely publicized projection, the Russians also took into account war by accident, uncontrollable escalation, actions of proxies, miscalculation and preemption on their part to foil an attack.

Their script for the theater phase of the war was somewhat of an update into the nuclear age of traditional Soviet doctrine for the conduct of offensive operations. Initial breaches in the enemy lines would be exploited by fast-moving columns of armor which would bypass pockets of resistance in a dash to the English Channel.

Follow-up Pact formations would neutralize isolated NATO forces while spearhead forces plunged on, substituting speed and shock effect for flank security. The entire campaign in Europe, said the Russians, would be over in three weeks.

This broad, sweeping, seemingly simplistic Soviet strategy for war has not changed very much since 1962, the year of the Cuban crisis, but there has been at least some shift of emphasis. The most commonly accepted appreciation of the crisis is that the Russians were made painfully aware of the inefficacy of playing brinksmanship when their nuclear arsenal was far inferior to that of their antagonist.

There is truth in that assumption and certainly the Russians have expended enormous resources and effort since that time in redressing the strategic nuclear balance. But, I submit that the Kremlin was also made aware that their conventional forces were also severely limited. In 1962, the Soviet Navy was a coastal rowboat and no match for the fleet units that the United States placed astride the sea-lanes leading to Cuba.

Since then, the Russians have built a navy that now has respectable open-ocean capabilities. The Russians also lacked the strategic-lift assets needed to bring to bear general purpose ground and air units in response to U.S. deployments along the Gulf Coast and in south Florida.

Finally, I believe that Russian strategists were forced to accept the proposition that conflicts and confrontations of lesser scope than global, nuclear and general war are in the cards and there was much they needed to do to prepare for them. Thus, Soviet literature began to reflect some rethinking.

One of the first of these articles appeared in *Communist of the Armed Forces* in May, 1963:

One ought not lose sight of the fact that the imperialists, fearing an inevitable retaliatory rocket-nuclear blow, might launch against us one form or another of war without employing nuclear weapons. From this comes the practical conclusion—our armed forces must be prepared to deal an appropriate rebuff also with conventional means, while keeping rocket-nuclear weapons in the highest state of readiness."

Another indication of a shift of emphasis came when Marshal Ivan Yakubovskiy wrote in 1967:

"These forces must be prepared to conduct operations without the use of nuclear weapons under various conditions, using normal, conventional, "classical" weapons—artillery, tanks, small arms and the like—these weapons have in no way lost their meaning. . . . This equipment increases the possibility of successfully conducting operations with and without the use of nuclear weapons."

From the timing of this last statement, one might draw the conclusion that the apparent shift in Soviet doctrinal thinking was a response to NATO's acceptance of the strategy of flexible response rather than an adjustment to lessons learned in Cuba. It's useless to argue that point. What matters is that there has been a shift from the seemingly unflinching idea that any major war of the future would quickly evolve into a devastating global war to the proposition that even nuclear powers might fight their battles with conventional means alone.

Clearly, there are significant gaps in what we can learn about their strategy from reading Soviet writings. We do not know if theater-wide nuclear war in Europe carries with it the certainty of a nuclear strike against North America. Perhaps we do not know because the Russians do not know. Further, we have no sure knowledge of whether the Russians have accepted the concept that a nuclear war can be limited or controlled.

Earlier, they rejected this formulation as ridiculous. But, Marshal Skolovskii's third edition, published in 1968, contained a newly introduced passage which discussed at some length Western concepts for limited nuclear wars and a few Soviet writers have suggested that such a form of war is at least possible. More than likely, this issue is still being debated within the Soviet leadership.

Finally, the literature contains not a mention of Soviet strategy for war with China. Despite the depth of the gap between Moscow and Peking, war-fighting doctrine for that quarter is still too highly charged a political issue to come into the public print of the Soviet Union. Some of these gaps can be filled by an analysis of Soviet force design.

The structure and deployment of Soviet armed forces seems to ratify the thesis that the Russians are prepared to execute their stated nuclear strategy, but they are also prepared to wage many other types of campaigns. The annual hearings on military posture held before the Committee on Armed Services in Congress give detailed and authoritative account of Soviet forces.

In this form, both the civilian and military leaderships of the U.S. defense establishment enter in the public record the best assessment of the threat posed by the Soviet Union that our multimillion dollar intelligence investment can buy.

With respect to strategic nuclear forces, the picture that emerges from the 1975 round of testimony is one of a "Mexican standoff"—partially institutionalized by SALT and more recently, at Vladivostok. One can get lost in the numbers games of nuclear superiority, dynamic parity, equivalence, sufficiency or what have you. The debate over megatonnage, systems reliability, targeting doctrine and the will to use nuclear weapons is a subject in its own right.

A quotation that comes to mind is taken from the remarks of a speaker at the National War College: "Nuclear war is an absurdity." If it is not an absurdity, it seems to me that we and the Russians have very likely reached the point of mutual deterrence where neither side can afford to initiate nuclear war without facing the sure prospect of suffering unacceptable damage.

This certainly can be argued and I have heard some pretty vivid discussion on the subject. Here is one American view:

"Do you think for a moment that the Soviets would hesitate to strike us if it served their ends? Don't you know the Russians have a callous disregard for human life and would willingly accept millions of casualties if, in the process, they could destroy the United States?"

And here is a Soviet argument I have heard:

"We are uncomfortable with the knowledge that the Americans possess the ability to kill millions upon millions of people when they have not the slightest idea what this means. We Russians have suffered famine, purge and two great world wars that have devastated our homeland and killed untold numbers of our men, women and children. The greatest tragedy you Americans know is the Johnstown Flood."

One does not have to accept this kind of debate and I would hope that you would not. All one must accommodate to is the thought that, if deterrence fails, a war might remain conventional due to the unattractive consequences that resort to nuclear weapons carries with it. Accepting this brings the balance of conventional or general purpose forces into focus.

The testimony also points out that the Russians have built a substantial open-ocean capability. In periods of relative calm, the Russians have even now begun to reap substantial benefit from this newly acquired asset. The passage of Soviet ships completely around the African continent making impressive port calls along the way is not without political currency for the Kremlin.

The presence of the Soviet Navy in the Indian Ocean and in the Mediterranean during the October, 1973, War added a new and vexing factor to the equation faced by U.S. crisis managers. Soviet fleet operations in American waters are also a new and troublesome aspect of Soviet diplomacy.

Granted, the Russians do not now have the ability to project ground forces ashore against significant opposition due to a shortage of fleet air cover and a rather small inventory of amphibious vessels. Nevertheless, the Soviet Navy is making itself felt and in wartime could pose a very serious threat to the Atlantic sea-lanes that link North America and Europe.

The tally sheet on ground combat divisions is particularly disturbing. The Russians have about 1.7 million men in their general purpose ground forces while the United States has reduced its Army and Marine ground strength to a total of about 900,000. In terms of divisions, the Russians have nearly 166 while the United States has an active force of 16; 13 Army and three Marine, with three more Army divisions in the process of activation. Almost one-third of the Russian divisions are combat ready while the others are reduced strength or cadre status and would require one to three weeks to ready for commitment.

Even counting our ready National Guard and Army Reserve divisions—there are eight of them—does not improve the picture and the Soviet ground strength is backed up by a growing force of modern tactical aircraft that is drawing abreast of our tactical air force in terms of quantity and quality.

The balance in ground combat divisions is somewhat more favorable when we take into account that Soviet divisions have fewer personnel than ours. There is little comfort in this, however, because the difference is primarily in combat support and combat service support troops; the Soviet divisions have about the same numbers of major items of combat equipment—tanks, artillery and armored personnel carriers.

What is more, the Soviet inventory of ground combat gear is marked by a growing number of new items which are excellent by any standards. Although their T62 main battle tank is a proved combat veteran, they also have a new medium tank in the works which promises to be even better. Their newest tactical air defense vehicles, the SA6 Gainful SAM and the ZSU23/4 AA gun system are of proved effectiveness.

In addition, the BMP and BMD armored personnel carriers carry enviable armanents and provide excellent mobility and troop protection. Finally, the Soviets are fielding in increasing numbers their new Mi-24 helicopter gunship which also carries eight to 12 men.

The lack of logistic support in the typical Russian division is not as serious as it seems. Russian soldiers are trained to forage for food and are told that ammunition comes first. They do not expect a case of Coke and a case of beer per month as do their opposite numbers in the U.S. Army.

The lack of a truly effective strategic-lift capability does, for now at least, restrict this large Russian ground force to the Eurasian landmass. But that is where Soviet interests are and that is where their allies are. Unfortunately, our interests are also heavily invested on the same landmass and that is where our NATO allies live. In fact, Europe is the best test tube for a critical assessment of how our strategy compares with that of the Soviet Union.

Former Defense Secretary Melvin Laird laid out a strategy of realistic deterrence where we seek to discourage strategic nuclear war, theater nuclear war, theater conventional war and subtheater or localized war. In short, we seek to defer war of any kind. To execute this strategy, we build forces in the context of total force planning, which means we depend on our NATO allies to carry their share of the burden.

Our specific doctrine is to apply just the right amount of force to defeat the enemy decisively while holding the line as far forward as possible to defend the territory of our West German ally. We have a substantial nuclear capability stationed in Europe which is backed up by the full might of our strategic arsenal.

To deter theater conventional war, we along with our NATO allies maintain a force of about 30 divisions in Europe. To counter this, the Russians station some 31 divisions in the Eastern European countries which when combined with the forces of those countries bring the total to over 58 divisions. The United States also maintains ground and tactical aviation forces at home that are committed to NATO and could be moved into play within a week or two.

Through their own mobilization and reinforcement capabilities, the Russians can bring to bear a total of about 80 divisions in two or three weeks. NATO also has mobilization systems. But in gross terms, the Warsaw Pact can field upwards of 140 divisions against a total NATO force of no more than 45 divisions or equivalents thereof.

But why talk of war in Europe? The winds of detente are blowing strongly. We are in an era of conciliation and negotiation. The possibility of war seems quite remote, particularly in the minds of our European friends. The point that deserves remembering is that political influence derives from the expertness of a nation's diplomacy and also from how the involved players assess the relative military power of the competitors. Not that war will occur, rather what would happen if it did? That assessment makes a difference—one that defines the amount of political clout that one side has over the other. So let's make an assessment.

Say, for whatever reason, war begins with a conventional attack by the Warsaw Pact that follows a period of increasing political tension. During this period, both sides have built their strength: 140 Warsaw Pact divisions and 45 NATO divisions. Because they have concentrated their forces, the Warsaw Pact captures substantial portions of West Germany. It is quite clear that NATO would be pushed far more quickly to the threshold of nuclear decision because of its commitment to a forward strategy. With a substantial advantage in conventional forces, the Russians could afford to bide their time.

Once at the decision point, NATO is at a disadvantage by its own nuclear consultative processes which may well be cumbersome to the point of being self-defeating. More important NATO decision-makers will have to reckon with the declaratory portion of the announced Soviet strategy. They will have to take account of Soviet "promises" to respond to the first NATO use of nuclear weapons with a theater-wide nuclear strike.

They will have to decide in their own minds if the Russians do, in fact, reject the proposition that the two sides can drop a "nuke" there and drop a "nuke" here until one or the other tires of the whole thing. I submit that the nuclear decision would be hard to come by in Brussels and, for that matter, in Washington. Meanwhile, NATO would be looking around for additional conventional forces to stem the tide. NATO would not find them and might well face a grim replay of World War II, trading space for time to build enough military power to halt and throw back the Warsaw Pact forces.

A grim prospect? Yes. A likely outcome? Probably not, because war simply does not seem to be the path to success for either side in the Europe of today. Remember, however, that the assesment of war's outcome, even if it never comes to pass, is also important.

If the Russians have formulated a strategy that forestalls nuclear war so that they can exploit their conventional advantage, they have perhaps come up with a winning gambit.

Is this a new concern? Not really. Military analysts have become increasingly aware of this possibility over the past five years, but none have perceived it so clearly and expressed it so persuasively as Defense Secretary James R. Schlesinger in this year's *Annual Defense Department Report:*

"The view of this department is that, within the framework of the strategic concept, we have two fundamental needs: the capacity for a successful strong initial forward defense based primarily on our active forces; and a long-war hedge that depends primarily on our guard and reserve forces and our production base.

"As has been stressed on a number of occasions, our first concern must be to dissuade a potential enemy from believing that, by means of a short, intense, fast-moving assault, he can either destroy our deployed defenses or gain a favorable territorial position from which to negotiate advantageous peace terms. Failure to deal with this contingency makes long-war preparations hopeless and pointless.

"However, once we have ensured our capability for a stout initial defense, we must hedge against the possibility that a conventional conflict could continue well beyond this first, intensive stage. Such an approach has met, and continues to meet, with something less than universal understanding. Some students of strategy argue that we should pour all our resources (including most support forces) into making certain that we can last as long as our opponent in the first phase of the conflict.

"Others assert that, given the high probability that a war among the great powers would rapidly escalate to nuclear exchange, any commitment of resources to an extended nonnuclear campaign would be wasted.

"Despite these arguments, it is worth remembering that previous calculations about the duration of a war and the nature of high policy decisions have usually been in error. According to most of the conventional wisdom available at the time, World War I should have ended after about six weeks, yet it went on for four more years.

"Britain supposedly should have come to terms with Germany after the fall of France in 1940; certainly Hitler thought she should. To her credit, she did not.

"As for an early use of nuclear weapons, that, too, is uncertain. Here as elsewhere, our responsibility is to present choices for the highest policymaker, not to trap him into decision by default. That is to say, depending on costs, we should have the option to continue a nonnuclear campaign for an indefinite period of time.

"To prepare otherwise could indeed lower the nuclear threshold. Alternatively, it might leave a vulnerability in our deterrent posture that a determined and well-supplied opponent might seek to exploit.

"How much we should invest in our long-war hedge is an issue that deserves the most serious consideration. That we should hedge to some degree against a long conventional war hardly seems to be a matter for dispute."

For what it may be worth, Mr. Schlesinger and this author reached their common conclusion separately and independently. The approach to the problem was also different. Secretary Schlesinger thought of how best to formulate our strategy. My viewpoint derives from an analysis of where the Soviet strategy leads them. The answer seems the same. The conventional wisdom that Soviet strategy is deeply rooted in nuclear arms may be quite wrong. It might be that their "real" military doctrine for Europe envisages conventional war, an area where we are least prepared to counter them.

This brings to mind immediately the question of what we should do and the answer is not very satisfying. Mr. Schlesinger has stated in clear terms what he calls the "competing national priorities." The sentiment of this country and the budget constraints we face simply preclude our fielding a massive ground and tactical aviation force to offset the Soviet conventional strength. Much the same can be said of our European allies who are faced with about the same set of "realities."

We can, however, insure that the active conventional forces we do maintain are well-armed, well-trained and capable of moving quickly into any situation. We can also make sure that we are well aware of this potential soft spot in our strategy. This awareness should absolutely convince the professional officer that he must work constantly and closely with all of those responsible for national security affairs in our own government and in the government of our principal allies to insure that the strategy we do have—constrained as it is by the "realities"—is the most effective course possible.

In the near term, the Department of Defense policy of improving the readiness and effectiveness of our National Guard and Army Reserve forces should be supported as the best hedge possible against the Soviet Army. But, a brilliantly conceived strategy and a well-prepared Guard and Reserve might not be enough and we would face the very same problem that confronted another generation of professional military men, Majors George C. Marshall, Dwight D. Eisenhower, Lyman L. Lemnitzer, *et al* of the 1930s.

These men, well aware that the United States might have to produce a huge armed force from a zero start, devoted much of their thinking and planning to the highly complex problem of how to call to arms, train and employ a citizen Army and how to convert a consumer-goods industry to a full wartime footing. Because of my particular concern over the advantages the Russians might extract from their conventional might, I find it distressing that current U.S. mobilization plans are either nonexistent or sketchy at best.

I recognize that the country is in no mood to spend the resources that would be required to pre-position tools and dies for tank and aircraft production at Chrysler and Boeing plants. That is an expensive proposition. Similarly, the U.S. shipbuilding industry is at a low ebb and we cannot afford the luxury of maintaining construction facilities on a standby basis.

Professional military planners of the 1930s did not have the money to spend either, but they at least did their homework and were able to both cadre and lead one of the most remarkable and effective mobilizations in recorded history. Could we of today's military generation do the same? We might have to.

But even these measures will fall short of protecting the national security if our leadership is compelled to cut further our conventional strength. Perhaps concern over this potentiality motivated Army Chief of Staff Gen. Ford C. Weyand to remark in his 7 February posture statement:

"I can summarize my message very succinctly. In a time of ostensible détente, we cannot ignore the reality that our principal potential enemy, the Soviet Union, has continued to maintain and improve his conventional force capabilities. In the face of that evidence, it would be ill-advised for our nation to resume the pattern of progressive reductions in the strength of its own ground general purpose forces."

Gen. Weyand calls it "ill-advised." I call it disastrous.

THE 31ST ANNIVERSARY OF THE HIROSHIMA BOMBING

Mr. HATFIELD. Mr. President, 31 years ago today the crew of the U.S. B–29 *Enola Gay* dropped an atomic bomb on the Japanese city of Hiroshima. Seconds later, more than 78,000 people were dead. Tens of thousands more were hideously burned or battered by the flying rubble. The city was a wasteland.

I was among the first Americans to enter Hiroshima after that dreadful day, and I will never forget it. Horrible as it was, I sometimes wish more could have been there. Perhaps there would be less glib talk today about "limited" nuclear war and more concerted efforts to disarm the world.

Next Monday, Mr. President, the Senate will resume consideration of the defense appropriations bill. That bill includes funds for more Minuteman III ICBM's with MIRV warheads, continued production of the Trident submarine and missile, ongoing development of the air-launched and sea-launched cruise missiles, and warhead accuracy improvements, including more work on the MARV "Evader." We are all concerned about what the Soviets are doing, we want to maintain our deterrent strength so that we can avoid war, but this is madness. We are embarking on a new cycle in the arms race, and only 31 years after we unleashed against fellow human beings the power of nature itself, and incinerated them.

Of course, we were at war. Honorable men made the decision to drop the bomb, and did so in good faith, believing it would end the war and prevent millions of casualties in an invasion of the Japanese homeland. The decision was by no means taken lightly, even though by today's standards of destruction the bomb was relatively small, only about 15 kilotons. Today we have sufficient megatonnage in our nuclear arsenal to build 655,000 Hiroshima bombs. Thirty-one years ago, Mr. President, the decision to drop the bomb meant the destruction of a city and its people. Today the decision to drop the bomb means the destruction of the world.

Nevertheless, we continue to hear from those who would try to make the inconceivable conceivable, with their talk about the possibility of nuclear war on some kind of "limited" basis. The launching of an ICBM, SLBM, or bomber attack against a carefully selected target is blandly discussed with the cool diffidence of a surgeon relating his latest successful appendectomy.

The assumption seems to be that selected targets could be obliterated by nuclear attack with little collateral damage to surrounding areas, like setting off a firecracker under a tin can. And it is assumed that those who suffer the attack will receive it calmly, as an understandable response to a similar limited attack, and will have no reason to escalate this saloon shoot-out into a war of global destruction.

This is frightening talk, risking the existence of this society and possibly the world on the assumption that everyone will behave rationally during a nuclear exchange. That is absurd. Nuclear war itself, in any form, no matter how limited, is irrational in the extreme. This remains true no matter how much the defense establishment attempts to cloak its counterforce programs and its dream of limited nuclear war in the respectability of "flexible response" and "acceptable damage."

The fact is, Mr. President, that there

is no such thing as acceptable damage in nuclear warfare. McGeorge Bundy, who is certainly not noted as a critic of the Defense Department and its programs, has correctly observed that—

> Think-tank analysts can set levels of "acceptable" damage well up in the tens of millions of lives. . . . They are in an unreal world. In the real world of real political leaders—whether here or in the Soviet Union—a decision that would bring even one hydrogen bomb on one city of one's own country would be recognized in advance as a catastrophic blunder; ten bombs on ten cities would be a disaster beyond history; and a hundred bombs on a hundred cities are unthinkable.

The advocacy of limited nuclear war must stop. The building of more and more weapons must stop. The senseless competition to determine who earns the dubious distinction of "No. 1" in the ability to destroy the world must stop. Surely the memory of Hiroshima should convince us of that, and remind us that nuclear war is unthinkable. Our indulgence in gadgetry and computer war games cannot alter that fact. "All my means and methods are sane," said Captain Ahab, "my purpose is mad." The rational discussion of strategic war options cannot obscure the fact that nuclear war is insane. We must stop trying to convince ourselves otherwise, and devote all our efforts to seeing that nuclear war never happens again. Then we will have at last learned the lesson of 31 years ago.

JULY UNEMPLOYMENT: WILL THE WARNING BE HEEDED?

Mr. WILLIAMS. Mr. President, the unemployment figures for July were announced today by the Bureau of Labor Statistics. The news can be expected to provoke anger and frustration, not only among the millions of jobless Americans, but among those Members of the Congress who have worked so hard for so many months to get the economic recovery back on track and give the American worker a chance to work.

Just last week, the Congress convincingly overrode still another Presidential veto of legislation to stimulate job expansion. In doing so, we do not claim clairvoyance. We simply saw the cold reality of the economic situation and voted to tell the President that his veto was wrong and at the wrong time.

Today's report on July unemployment confirms the wisdom of the Congress in demanding that the public works jobs bill become law. Construction unemployment, which would be directly attacked by the bill, stands today at 17.7 percent nationally—3.6 percent higher than it was in April of this year.

Overall, the unemployment rate increased three-tenths of a percent in July to the unconscionable level of 7.8 percent. A miracle would be required now, Mr. President, if we have any hope of dragging the rate down to the 6.9 percent level that administration economists have persistently forecast would be achieved by year's end.

The rate of unemployment is less meaningful than the harsh reality of the cold numbers. In July, 7,414,000 persons were counted as unemployed, an increase of 280,000 during the month.

There are those who will take comfort in the fact that total employment reached an all-time high and that participation in the labor force reached a record level.

But their optimism should be tempered by the fact that there were 280,000 more Americans who wanted work last month and could not find it. The Nation's economy failed to fulfill their desire to work.

The economic loss will be significant, not only the lost production, lost tax revenues, and lost purchasing power, but the cost of unemployment compensation as well. In the first week of July alone, the number of insured unemployed rose 59,000, increasing unemployment compensation payments by more than $4 million per week. Several thousand more will qualify for special unemployment assistance for uninsured workers, but those figures will not be available until later this month.

Mr. President, so that my colleagues may view the report of the Bureau of Labor Statistics issued today, I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAMS. Mr. President, last Monday, the Congressional Budget Office released an interim economic study entitled "Sustaining a Balanced Expansion."

In light of today's disheartening news about rising unemployment, I should like to address some reactions to the CBO report and, at the same time, call into question some of the optimism that the report has generated.

By way of background for my remarks, I would like to call attention to a number of disturbing facts and prospects.

In 42 States over the past 2 years, manufacturing employment has recorded no gains. In half of those States, employment on the whole stands far below prerecession levels.

New Jersey and New York, for example, have endured painfully slow recovery. In New Jersey, 143,700 fewer persons are employed today than in 1973. The comparable figure for New York is 400,000.

Too many continue to believe that high unemployment is a price that we must pay for stable, steady economic expansion. This is the doctrine of the Ford administration and its economic advisers.

What we are likely to get, instead of stable, steady economic expansion, is steady economic decline.

The average growth of the gross national product over the last five quarters has been 6.7 percent—within sight of the 7–9 percent growth range that leading economists say is a prerequisite for significantly reducing unemployment and building the foundation for stable growth.

The CBO evaluation of the economy traces a course through 1978 that is below the level of the most recent five calendar quarters. Thus, if we simply maintain current policy, we are bound to fall short of our employment goals and pay too great a price for doing so. The 6.7 percent growth of the last five quarters has only reduced unemployment 1.1 percent from its recession peak. By the end of 1978, unemployment will have been reduced another 1.4 percent from its July level, according to the CBO projections.

Today's announcement of a sharp rise in unemployment may render the CBO optimism inoperative altogether.

Recent gains in output, especially in manufacturing, have been the source of much of the current optimism. Manufacturing output has grown by 15.6 percent over the last year. But at the same time, there has been a decline in hours worked.

Fewer workers are being utilized to create more goods in less time. The result is greater profit, but if these profits are not reinvested, economic growth and the jobs it can produce suffer.

Real growth—the growth that makes a difference to people—depends upon the efforts of employees, adequately supplied with materials and tools, who are justly compensated so that they are able to participate in the marketplace.

The kind of growth projected by CBO is, in the words of the report, "expected to slow in the later stages of recovery."

Considering the evidence all around us at the present time, it would not be difficult to conclude that we are already in the "later stages" of the recovery, with a downhill skid in our immediate future.

By historical standards, the economy has by no means returned to normalcy. It is true that last year's tax cut stimulated consumer demand which, coupled with growing inventories and lower short-term interest rates, brought us a long way up from the depths of the recession.

But the growth that the CBO report projects in new plant expenditures and capital investment does not seem to be forecast by our major economic indicators. The trend of the last 10 years shows that increases in hourly output, hours worked, and real compensation have lagged behind price inflation.

Inflation had subsided to an annual rate of 2.9 percent in the first quarter of this year, but it ballooned to 6.1 percent in the second quarter, holding the 12-month average at 5.9 percent.

The spectre of inflation has given us considerable pause as we contemplate our next step on the road to recovery.

My concern is that the CBO report will contribute to the view that there is nothing we should now do to tinker with the economy. Such a do-nothing course will earn us a 5–7 percent inflation rate through the foreseeable future and leave untouched the roots of inflation: inadequate supplies, high interest rates, and monopoly in the marketplace. The heart of the problem continues to be lagging consumer demand, which discourages reinvestment and in turn stunts employment growth.

Lurking behind the overall figures is a real danger that a permanent corps of unemployed, economically disadvantaged persons is being created.

Through the last 55 weeks of recovery, unemployment has averaged 7.5 percent. The Congressional Budget Office predicts another 68 weeks, at least, of unemployment in excess of 6.4 percent.

It seems obvious to me that 123 weeks of unemployment for over 7 million persons cannot fail to produce a permanent segment of society—a subsociety of victims, of survivors forced to forgo personal development just to accrue the basic necessities of life.

Tragically, the core of this subsociety will be young, and at the core of the youth will be many victims of intolerance, negligence, racism. The National Urban League released a study of minority youth unemployment on August 2 that finds 64.5 percent of black youth unemployed. Said Dr. Andrew Billingsley, president of Morgan State University,

> We have young people in our black communities of 30 years or so who have never held a job.

I was sorry to find that CBO failed to address the need for helping the long-term unemployed and the permanently disadvantaged worker return to the productive mainstream.

Instead, the report devoted considerable space to a discussion of how the composition of the work force has changed over the past 20 years. Since women and teenagers, who are more prone to unemployment than the adult male breadwinner, have assumed a greater proportion of the labor force, the study concludes that today's unemployment would have been viewed as a 6.3 percent rate of unemployment in 1956.

Mr. President, this seems to me to be the sort of dismal reasoning that makes for dismal science. It gives too little attention to the plight of women who head households of their own and of teenagers upon whom the responsibility of a family has been thrust.

This Congress, Mr. President, has taken the initiative to create jobs—an initiative based upon our faith in American working men and women.

We understand the impact of current levels of unemployment only too well, from the strain it inflicts on public budgets at every level of government to the despair of those who have never had the chance for decent employment.

We also understand that if millions of idle workers do not recover soon from the indignities, miseries, and divisiveness of recession, all explanations of recovery are attempts to write off, rather than to cope with, our economic problems.

EXHIBIT 1

THE EMPLOYMENT SITUATION: JULY 1976

Both unemployment and employment rose in July, as the labor force expanded sharply, it was reported today by the Bureau of Labor Statistics of the U.S. Department of Labor. The unemployment rate increased for the second straight month, moving from 7.3 percent in May to 7.8 percent in July.

Total employment—as measured by the monthly survey of households—rose by more than 400,000 to a new high of 87.9 million. This continued the comparatively brisk pace of employment growth that has totaled 3.8 million since the March 1975 recession low.

Nonagricultural payroll employment—as measured by the monthly survey of establishments—rose by 220,000 in July and probably would have risen even more except for increased strike activity during the month. Payroll jobs were up by 2.8 million from the June 1975 low for this series.

UNEMPLOMENT

The number of unemployed persons increased by 280,000 in July, following a similar rise in the prior month. This brought the jobless total to 7.4 million. The rate of unemployment for all workers was 7.8 percent, up from 7.5 percent in June and 7.3 percent in May.

Most of the July increase was among adult women, whose unemployment level was up by 180,000. This brought their rate of unemployment to 7.6 percent from 7.1 percent in June. Adult male joblessness showed little change in July after rising in the preceding month. At 6.1 percent, their unemployment rate was at its highest point since last December. By contrast, the incidence of unemployment among teenagers has remained stable for several months.

The unemployment rate for white workers rose in July to 7.1 percent, with increases among both adult men and women. Among black workers, the only sizeable change was a decrease for teenagers, whose rate declined in July from 40.3 to 34.1 percent. The overall jobless rate of 12.9 percent for black workers has shown little change thus far in 1976.

Unemployment among household heads increased for the second month in a row, to 5.4 percent, with most of the July rise occurring among female heads. There were no substantial movements in unemployment among the major occupations and industries during July, but jobless rates were generally higher than in the prior month.

TABLE A.—HIGHLIGHTS OF THE EMPLOYMENT SITUATION (SEASONALLY ADJUSTED DATA)

Selected categories	Quarterly averages					Monthly data, 1976		
	1975		1976					
	II	III	IV	I	II	May	June	July
Thousands of persons:								
Civilian labor force	92, 531	93, 134	93, 153	93, 553	94, 546	94, 557	94, 643	95, 333
Total employment	84, 443	85, 138	85, 241	86, 402	87, 532	87, 697	87, 500	87, 907
Adult men	47, 286	47, 551	47, 540	47, 998	48, 504	48, 596	48, 391	48, 535
Adult women	30, 129	30, 537	30, 665	31, 234	31, 677	31, 664	31, 845	31, 958
Teenagers	7, 029	7, 050	7, 036	7, 169	7, 351	7, 437	7, 264	7, 414
Unemployment	8, 087	7, 997	7, 912	7, 151	7, 014	6, 860	7, 143	7, 426
Percent of labor force:								
Unemployment rates:								
All workers	8.7	8.6	8.5	7.6	7.4	7.3	7.5	7.8
Adult men	7.0	7.0	7.0	5.7	5.7	5.6	6.0	6.1
Adult women	8.4	7.9	7.9	7.4	7.1	6.8	7.1	7.6
Teenagers	20.2	20.2	19.5	19.4	18.7	18.5	18.4	18.1
White	8.0	7.9	7.8	6.9	6.7	6.6	6.8	7.1
Black and other	14.1	14.1	14.0	13.1	12.8	12.2	13.3	12.9
Household heads	6.0	5.9	5.9	5.0	4.9	4.8	5.1	5.4
Married men	5.5	5.4	5.1	4.1	4.1	4.0	4.4	4.5
Full-time workers	8.4	8.3	8.2	7.1	7.0	6.8	7.4	7.3
Weeks: Average duration of unemployment	13.8	15.6	16.5	16.3	15.8	15.0	16.9	15.8
Thousands of persons:								
Nonfarm payroll employment	76, 438	77, 004	77, 642	78, 392	[1] 78, 929	78, 923	[1] 78, 900	[1] 79, 121
Goods-producing industries	22, 300	22, 414	22, 690	22, 943	[1] 23, 113	23, 123	[1] 23, 073	[1] 23, 081
Service-producing industries	54, 138	54, 590	54, 952	55, 450	[1] 55, 815	55, 800	[1] 55, 827	[1] 56, 040
Hours of work:								
Average weekly hours:								
Total private nonfarm	35.9	36.1	36.3	36.4	[1] 36.1	36.2	[1] 36.1	[1] 36.2
Manufacturing	39.1	39.6	40.0	40.3	[1] 39.9	40.2	[1] 40.2	[1] 40.1
Manufacturing overtime	2.4	2.7	2.9	3.1	[1] 2.9	3.2	[1] 3.1	[1] 3.1
1967=100:								
Hourly Earnings Index, private nonfarm:								
In current dollars	170.7	174.3	177.8	180.6	[1] 183.5	183.7	[1] 184.5	[1] 185.6
In constant dollars	107.0	107.1	107.5	107.9	[1] 108.4	108.5	[1] 108.5	NA

[1] Preliminary.

NA=Not available.

Following erratic movements in May and June, the average duration of unemployment was 15.8 weeks in July, about equal to the levels which prevailed during March and April. While the number unemployed less than 5 weeks rose, there was a decline among the very long-term unemployed, those out of work 27 weeks or more.

TOTAL EMPLOYMENT AND THE LABOR FORCE

There was a strong increase in employment in July, following a small decline in the previous month. The 410,000 rise brought the total to 87.9 million, 3.8 million above the March 1975 trough. Most of the increase over the month was among adult men, whose employment had declined in June. Their employment level was up 260,000 to 52.5 million, about the same level as in April and May. Although the July change was small, women's employment continued on a generally upward course.

The civilian labor force grew substantially in July, as the numbers of adult men, adult women, and teenagers all increased. At 95.3 million, the civilian labor force was nearly 700,000 above June's level and 2.3 million larger than a year earlier. As a result of this growth, the civilian labor force participation rate for all workers rose to a new high in July of 61.9 percent.

INDUSTRY PAYROLL EMPLOYMENT

Nonagricultural payroll employment increased by 220,000 in July to 79.1 million, seasonally adjusted, after having been about unchanged since April. The payroll job count has grown by nearly 2.8 million since its June 1975 recession low. Over-the-month employment gains occurred in 60 percent of the industries that comprise the BLS diffusion index of nonagricultural payroll employment.

The largest over-the-month advance occurred in State and local government, where 90,000 employees were added to payrolls. This followed 3 months of little or no growth. Employment gains also took place in retail trade (60,000) and services (45,000). There would have been an even greater increase in the latter industry were it not for a strike among hospital workers.

Employment in manufacturing was unchanged in July, as generally small movements in durables and nondurables tended to offset each other. Since the July low of last year, factory employment has risen by 850,000, with two-thirds of the growth occurring in the durable goods industries.

At 3.4 million, the job count in contract construction was unchanged from July a year ago and was some 700,000 below the peak attained in early 1974.

HOURS

The average workweek for all production or nonsupervisory workers on private nonfarm payrolls was 36.2 hours in July, seasonally adjusted, remaining in the narrow 36.1–36.2 hour range that has held since March. The workweek was slightly above the recession low but had been as high as 36.5 hours last winter.

The manufacturing workweek edged down 0.1 hour to 40.1 hours in July, while overtime hours held steady at 3.1 hours. These indicators, however, were 1.3 and 0.8 hours, respectively, above early 1975 recession lows.

The index of aggregate hours of private nonagricultural production or nonsupervisory employees was unchanged over the month at 110.5 (1967=100) in July. It has shown relatively little change since January, after rising fairly steadily from its 1975 low point. The manufacturing index was down slightly over the month to 93.8, also little different from the first of the year.

HOURLY AND WEEKLY EARNINGS

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 0.4 percent from the June level (seasonally adjusted) and 7.0 percent over the last 12 months. Average weekly earnings advanced 0.7 percent over the month and 7.6 percent from last July.

Before adjustment for seasonality, average hourly earnings were $4.85, up 1 cent from June. Since July 1975, they have increased by 32 cents. Weekly earnings averaged $177.51 in July, up $1.33 from June and $12.62 over the year.

THE HOURLY EARNINGS INDEX

The Hourly Earnings Index—earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in hour-wage and low-wage industries—was 185.6 (1967=100) in July, 0.6 percent higher than in June. The index was 7.3 percent above July a year ago. During the 12-month period ended in June, the Hourly Earnings Index in dollars of constant purchasing power rose 1.1 percent.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention alone will not guarantee the protection of the rights of all national, racial, religious, and ethnic groups.

It represents, however, a meaningful step toward the universal establishment of human rights.

Ethically, the Genocide Convention codifies reverence for human life. Pragmatically, it is a path to peace.

This Nation has fought two world wars this century. Twice we watched helplessly as unchecked domestic oppression grew into unprovoked foreign aggression.

The lesson is inescapable. Human rights and peace are related and interdependent. When human rights are secure, there is peace. When these rights are threatened, peace is threatened.

The mere condemnation of the mass murder of a racial, religious, or ethnic group is not enough. These words must be matched by a positive action—the nations of the world joining together to outlaw genocide.

Pragmatic, as well as moral, considerations argue for the ratification of the Genocide Convention. I urge my colleagues to approve this treaty without delay.

RATE CUTTERS IN OUR FOREIGN TRADE

Mr. INOUYE. Mr. President, as you know, on February 27, 1975, in the 94th Congress, first session, I introduced a bill S. 868, designed to force the termination of predatory rate cutting of certain nonnational carriers in the foreign commerce of the United States.

Hearings were held on this bill and it was voted out by committee. The House in the meantime took up a companion bill, H.R. 7940, and extensive hearings were held in the House.

The legislation merely by its introduction had a salutary effect on many of the predatory rate cutters. Even then, however, many of the State-owned carriers did not get the message that the U.S. Government was serious. Up until just a few days ago, this was particularly true of those ships flying flags of the Communist bloc countries. On July 19, I was pleased to learn, on a visit from the Federal Maritime Commission Chairman, Karl Bakke, who had just returned from Moscow, that he was able to negotiate a memorandum agreement with the Soviet Government which it hopes will result in a termination of their predatory rate tactics.

In light of this agreement, so as not to undermine the fine efforts of the Federal Maritime Commission Chairman, I have asked the chairman of the Merchant Marine Subcommittee of the Committee of Commerce, to shelf the bill until the next session of Congress to give every opportunity for the State-owned carriers to show that they will comply with the position set forth in the memorandum agreement. Let there be no doubt about it that the U.S. Government will not tolerate any delay in total compliance with the memorandum agreement. It is my intent, upon the convening of the 95th Congress, to ask for an oversight hearing as to whether or not there has been total compliance with Mr. Bakke's memorandum agreement. If there has not, let those rate cutters in our foreign trade now know that either the present legislation or legislation with more stern implications will be introduced and will become the law of the United States.

Finally, Mr. President, I have written to Mr. Bakke setting forth certain questions which I would like to have answered to assist us in evaluating the success of the agreement when we go into a review of the agreement next January. I ask unanimous consent that the letter sent to Mr. Bakke be printed in the RECORD, along with a copy of the Federal Maritime Commission's news release of July 19 which includes the memorandum agreement signed by the Soviets.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C., August 6, 1976.

MR. KARL E. BAKKE,
Chairman, Federal Maritime Commission, Washington, D.C.

DEAR MR. CHAIRMAN: I congratulate you on your recent Memorandum Agreement with the Soviet Union Ministry of Merchant Marine which you announced on the 19th.

The signing of a memorandum of agreement by the U.S.S.R. is significant not only as acknowledgment by the Soviets of the existence of a critical problem, but as acknowledgment of the seriousness of Congress' concern about the problem. It is not beyond belief that their signing was motivated by a hope of disarming Congress and scuttling legislative efforts to thwart their aggressive practices.

In order that I may more fully evaluate the Agreement, I would appreciate your advice on the following points if they can now be answered:

1. Would the Agreement control or limit predatory Polish or other COMECON carriers?

2. How soon is "as promptly as it is feasible" in Paragraph 1 of the Agreement? Does that allow the Russians to continue to abide by long-term rate-cutting commitments until they expire?

3. What is a "rate in use"? Would a "paper" rate qualify, or would a certain amount of current activity at that rate for a specific commodity be required? If the latter, how much activity would be required and how would it be monitored?

4. How is the "lowest" rate of those "in use" to be determined? What methodology would be followed when weight/measure, FAK, volume, or other alternatives are present in the free market or used by the Russians?

5. Does the Agreement cover only vessel port-to-port rates or does it also cover terminal charges, port access orial charges, published allowances or discounts, or minilandbridge through rates?

6. Since Soviet rates are to be pegged against a floor established by any other "independent" in the trades, what will prevent the Poles, or Yugoslavs, or some other COMECON carrier from setting the floor?

7. How soon do you expect the Russians to complete action called for in Paragraph 1 of the Agreement?

8. If the Russians and the conferences reach agreement on Russian carrier membership in conferences on the basis of rate differentials or other concessions which require alterations of the terms of conference agreements, by what date will the FMC complete action on agreement modifications applications under Section 15 of the 1916 Act?

9. In view of prior testimony that existing statutory authority of the FMC to deal with predatory practices of state-controlled

carriers is inadequate to give effective or timely relief, what prompt and effective remedy will be available to American and other free world interests if the letter and spirit of the Agreement are not carried out by the Soviets in timely fashion and enactment of the pending controlled carrier legislation is delayed?

Your early response to these questions will be of great assistance.

Sincerely,

DANIEL K. INOUYE,
Chairman, Subcommittee on Foreign Commerce and Tourism.

[News release from Federal Maritime Commission, Washington, D.C., July 19, 1976]

COMMISSION CHAIRMAN BAKKE ANNOUNCES UNITED STATES-SOVIET MEMORANDUM AGREEMENT

Federal Maritime Commission Chairman Karl E. Bakke today announced signing of a memorandum agreement with the Soviet Ministry of Merchant Marine, concerning principles to govern participation of Soviet common carriers in the U.S. open cargo trades.

Chairman Bakke said: "This agreement marks that can be a significant turning point in competitive relationships in the common carrier ocean cargo trades of the United States, particularly where the activity involves service between the United States and countries other than the carriers' own. We are now on the threshhold of stability in those liner trades, with cooperation rather than confrontation, reasonable certainty rather than potential chaos, and a structure of ocean cargo rates that will better reflect the legitimate economic interests of carriers, shippers and consumers."

The agreement commits the good offices of the Commission and the Ministry to accomplish two results. First, Soviet carriers will raise, where necessary, and maintain ocean cargo rates at a level not lower than the lowest rate actually used for the same commodity by any non-Soviet carriers in the particular trade involved. Second, Soviet carriers will actively pursue membership, on equitable terms and conditions for all member carriers, in liner conferences covering the U.S. North Atlantic and Pacific ocean cargo trades.

Chairman Bakke said: "Implementation of these commercial solutions to a commercial problem will clearly be of benefit to all concerned. I am confident that necessary actions can be taken by all carriers in mutual good faith."

The agreement was reached and signed in Leningrad, climaxing a week of intensive discussions with representatives of the Ministry of Merchant Marine and of major Soviet ocean carriers. Chairman Bakke reported that in the course of those meetings—

"Certain definite principles emerged as the catalyst for agreement:

"The importance of a viable liner conference system in maintaining stability in the liner trades of the United States in which Soviet carriers participate;

"The legitimate economic interests of carriers, shippers, and consumers that are served by liner conferences in the United States ocean trades;

"The long-term benefits to commercial relationships between the Soviet Union and the United States that can be realized from stability of ocean cargo rates in those trades."

He also commented that: "The Soviet commitment to pursue liner conference membership in the U.S. Pacific trades was clearly influenced by the recent commitment of conference carriers engaged in those trades to end malpractices and henceforth to maintain an effective system of self-policing. Positive action in that direction has been initiated by the carriers involved, and it is significant that the Soviet carriers have not approached these important developments with a "let's see what happens" attitude. Rather, they also have committed to specific principles to govern their course of action in the U.S. liner trades on the basis that expectations of a commitment made in good faith will be observed in good faith. Soviet carriers should now be able to expect the same from other carriers operating in the U.S. liner trades."

Chairman Bakke concluded his remarks by saying: "When I assumed office as FMC Chairman in November 1975, there were two monumental problems facing the Commission: Malpractices in the U.S.-Pacific liner trades, and the rate policies of Soviet carriers in the U.S. liner trades. Action towards resolution of the first was set in motion at an owners' conference in Kyoto last April, and it appears that a basis for resolution of the second has now been established in the accord reached in Leningrad. 1 trust that both initiatives will proceed with gathering momentum."

The text of the Memorandum Agreement follows:

MEMORANDUM AGREEMENT

Having discussed fully and freely matters of mutual interest concerning the liner trades of the Soviet Union and the United States, and

Having agreed upon the importance of a viable liner conference system in maintaining stability in those trades, and

With due regard to the legitimate economic interests of carriers, shippers and consumers that are served by liner conferences in the United States ocean trades, and

With due regard to the long-term benefits to commercial relationships between the Soviet Union and the Untied States that can be realized from stability of ocean cargo rates in those trades,

The parties hereto have mutually agreed to utilize the good offices of their respective agencies to achieve the following:

1. All ocean cargo rates contained in tariffs of Soviet carriers now engaged as independents in the liner trades of the United States shall, as promptly as it is feasible, be adjusted to a level no less than that of the lowest rate in use for the same commodity of any other independent carriers in those trades,

2. Thereafter, prompt action shall be taken, as necessary, to maintain the foregoing relationship between ocean cargo rates of Soviet carriers engaged as independents in the liner trades of the United States and the ocean cargo rates for the same commodity contained in the tariffs of other independent carriers in those trades,

3. Discussions shall promptly be resumed concerning equitable terms and conditions for conference membership of Soviet carriers in the North Atlantic liner trades of the United States, with particular attention to the principle of temporary rate differentials for Soviet carriers in those trades based upon differences in the services offered by Soviet carriers and by other carriers in those trades, such rate differentials to be (a) reasonably related to the degree of differences in such services, and (b) to be promptly eliminated as the services in question reach a reasonable degree of comparability, and

4. Discussions shall promptly be initiated concerning equitable terms and conditions for conference membership of Soviet carriers in the inbound and outbound conferences serving Pacific liner trades of the United States in which the Soviet carriers are not now conference members, with particular attention to the principle of temporary rate differentials for Soviet carriers as set forth in paragraph 3 above.

The parties hereto have also mutually agreed that henceforth there must be closer working relationships between their respective agencies concerning exchange of factual information and policy questions, and that the necessary steps shall be promptly undertaken.

ENDORSEMENT OF NOMINATION OF DR. STEVER

Mr. PELL. Mr. President, I strongly endorse the nomination of Dr. H. Guyford Stever to head the Office of Science and Technology policy. I attended and participated in the confirmation hearings last week. At the hearings, Dr. Stever emphasized the importance of oceanographic research. Dr. Stever told the hearing—

> We still haven't done as much as we can with the ocean by any stretch of the imagination.

I have gotten to know Dr. Stever over the years as Director of the National Science Foundation. He has testified many times before the Special Subcommittee on the NSF on which I serve. I have always found him forthright. He is a distinguished scientist, leader, and educator.

I actively supported legislation to restore science to the White House and provide for a science adviser and the Office of Science and Technology Policy, which the science adviser will head. Dr. Stever is an outstanding choice and I commend him to the Senate.

COMPUTER ABUSE

Mr. RIBICOFF. Mr. President, computer abuse, in the Government as well as in the private sector, is a growing problem.

The Washington Post of August 4, 1976, for example, reported on an instance in which a Lanham, Md., computer expert who, having been convicted of gaining access to classified Federal data, is now offering his services to Government and industry as a security consultant. At my request, that Washington Post article was printed in the Record August 5, 1976.

A second equally informative article on computer abuse is in the August 9, 1976, issue of Newsweek magazine. Written by Allan J. Mayer, the article deals with a broad range of computer abuses.

The issues raised in these two articles are among those which are being examined by the Senate Government Operations Committee in its preliminary staff investigation into problems associated with computer technology in Federal programs and private industry. In preparation for public hearings on this subject, I, as chairman, announced the preliminary staff inquiry May 10, 1976. In June, the Government Operations Committee issued a 448-page committee print on this subject.

Mr. President, I ask unanimous consent that the Newsweek article by Allan J. Mayer of August 9, 1976, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE COMPUTER BANDITS

(By Allan J. Mayer)

For Milo, a bright young computer programmer with a habit of spending money he didn't have, things couldn't have worked out more conveniently. He had just been hired to computerize the check-handling system at the National City Bank of Minneapolis, the same bank where he kept his personal checking account. Milo diligently designed an elaborate program that would tell the bank's computer how to process checking transactions. But in the middle of the complex program, he slipped in an extra command of his own: the computer was instructed to ignore any of Milo's personal checks whenever his account didn't have sufficient funds. Milo got away with it for months, but then the computer broke down, forcing the bank to go back to processing checks by hand—and an ordinary clerk discovered the scheme.

Milo is just one of thousands practicing what U.S. attorney Terry Knoepp calls "the crime of the 1980's"—computer fraud. By using and abusing electronic brains, a new breed of white-collar criminal, skilled in the arcane lore of computer science, is costing banks, corporations and even the government uncounted millions in stolen goods, services and hard cash. Just how bad things have got is hard to say, since more than 85 per cent of all computer crimes may go undetected or unreported. In his recent book, "Crime by Computer," Stanford Research Institute's Donn B. Parker estimates the total take at about $300 million a year. That's small change compared to the $40 billion that was lost in 1974 from conventional fraud and embezzlement. Still, with more and more companies computerizing their operations—the U.S. computer population is expected to grow from about 150,000 now to more than 500,000 by 1980—the potential for electronic fraud is enormous.

STRUGGLE

As a result, computer manufacturers, auditors and lawmen are struggling to learn sophisticated ways to contain electronic breaking and entering. Just last week, a group of twenty Federal and state prosecutors met at the University of California campus in San Diego to study how computers work and to discuss methods of building better cases against electronic embezzlers.

It won't be easy. In part because people tend to accept any computer print-out as sacred truth, computer fraud is notoriously hard to detect if a criminal knows how to tell the computer to cover his tracks. A teller at New York's Union Dime Savings Bank, for example, embezzled $1.4 million over three years to pay his gambling debts—and was finally caught not by the bank's auditors, but when police raided his bookmaker.

There are several basic ways to manipulate computers. Most simply, an embezzler who knows how to write a program can just tell the computer to do his bidding. A California accountant, for example, looted more than $1 million from his company by recording higher payments for raw materials in the company computer than the firm actually paid. He programed the computer to put the excess cash in the accounts of dummy companies he had set up—and also to advise him on how much money he would withdraw from those accounts without attracting notice. Only when he began making withdrawals at the rate of $250,000 a year was he found out.

FAKE

A dishonest manager can also put false information into the computer's memory—as happened in the classic Equity Funding swindle in 1972. To pump up Equity stock, the insurance company's executives recorded the sale of 97,000 policies in their computer, when in fact they had sold fewer than 33,000.

A third form of computer crime involves plugging into a computer system by outsiders bent on "stealing" data. Last June, a former employee of the company that handles programing for the Federal Energy Administration was convicted of extracting the FEA's top-secret computer-operating program through a terminal attached to his telephone. With that program, the thief could have got access to much of the energy body's classified information.

Finally, the computer can be used to help crooks plan routine capers. Three years ago in Chicago, a ring of burglars recruited a computer to compile lists of prosperous targets, rather like an advertiser zeroing in on a rich market. With such electronic guidance, the gang stole more than $1 million in negotiable securities from private homes.

Since most computer frauds are perpetrated by "insiders," security specialists emphasize better screening of programers and tighter controls on users. The computer itself is quite capable of repelling attempted "break-ins" by outsiders—but it is helpless when the passwords that allow legitimate users access to a system fall into the wrong hands.

International Business Machines Corp. has developed perhaps the world's most sophisticated computer security system to safeguard its own administrative network—which contains salesmen's orders, customer lists and other valuable data. A fortnight ago IBM began selling a similar security system. As computer users tighten lax security, they may manage to curb the most obvious computer ripoffs. But as computers proliferate, so too will the number of well-trained crooks willing to match their wits with the computer.

ACCOUNTS OF THE RESUMPTION OF SPECIE PAYMENT—1879

Mr. HELMS. Mr. President, in my research on the effects of major monetary reforms in the history of our Nation, I came across a most interesting article by Prof. Donald Kemmerer.

In the Job Opportunity and Economic Reform Act of 1976, S. 3723, I propose a gradual phase-in of a fixed relationship between the price of gold and dollars. In my remarks when introducing the bill, I commented on the need to bring our Nation to the point at which the dollar does not constantly depreciate so that it can serve one of the most important functions of money—a stable store of value.

I propose in S. 3723, that after a period of time, the United States resume the sale and purchase of gold at the market price.

Professor Kemmerer has done some excellent research on what happened in 1879 when the United States began offering gold for the greenback dollar. His unexpected conclusion is that the resumption was greeted with a yawn.

If our Nation adopts sound economic policies such as those proposed in the Job Opportunities and Economic Reform Act of 1976, resuming gold sales and purchases would have a similar nondisruptive effect. It would, in addition, restore a degree of discipline in the implementation of national economic policy that has been lacking far too long.

Mr. President, I ask unanimous consent that Dr. Kemmerer's article, which first appeared in "Monetary Notes" in 1962, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Newspaper Accounts of the Resumption of Specie Payment in the United States on January 2, 1879

INTRODUCTION

Specie resumption in the United States in 1879 was much publicized. The United States had suspended specie payments on December 30, 1861, a few months after the outbreak of the Civil War. During the next seventeen years there existed a market for gold, carried on in the Gold Room, a part of the New York Stock Exchange. Here, gold was bought and sold in terms of legal tender paper bills, known because of their color as greenbacks. For example, in 1862, it required an average of $113.3 in greenbacks to buy $100 of gold, in 1863 the average price was $145.2, in 1864, $203.3. After that, it declined. By 1868 the price was $139.7, and, by 1874, $111.2. Resumption of specie payments could take place when the price of $100 of gold was $100 in terms of greenbacks. By the 1870's that possibility was no longer remote. Late in 1875 Congress passed a law calling for resumption of specie payments on January 1, 1879. It is the newspaper reporting of the execution of that law which concerns us here.

Rutherford B. Hayes became President of the United States March 4, 1877, and chose as his Secretary of the Treasury John Sherman. Sherman had introduced the Specie Resumption Act in the Senate in 1875. He now proceeded to make arrangements to carry out the terms of that act. This involved chiefly accumulating enough gold reserves in the Treasury to redeem a large quantity of greenbacks in gold, should the need arise, on the appointed day. By December he had about $114 millions of gold available. As January 1, 1879, approached the price of $100 gold in greenbacks declined from $111.5 in 1876 to $104.7 in 1877, and $101.1 in 1878. On December 17, 1878, two weeks before the official specie resumption day, the price of $100 in gold reached $100 in greenbacks, or par. There was no longer a premium on gold, and this remained the case for the next two weeks before resumption day. A number of banks exchanged gold for greenbacks, without charge, from that time on. Giving gold coins as Christmas presents in 1878 seems to have been a particularly fashionable thing to do.

New Year's Day was as usual a holiday, and therefore the first day of regular business in 1879 was Thursday, January 2. The news of resumption occupied the columns of most newspapers on Friday, January 3. These will be described by major cities.

RESUMPTION IN NEW YORK

The *New York Herald* relegated the story to page 3, and headlined it "Resumption—An Unexciting Event Throughout the Country." There were flags flying from many buildings on Wall Street, and a Navy Yard battery at ten o'clock officially announced the opening of the New York Subtreasury. This was the *only* place in the country actually required to exchange gold for greenbacks. Banks everywhere prepared to redeem greenbacks, however, as a matter of convenience. When the doors of the New York Subtreasury opened at ten, there were fifteen clerks inside ready to serve the expected crowd. "Behind the glass were piled immense quantities of gold in coins all the way from dollars to double eagles." Actually the "crowd" at the opening consisted of only one person who demanded gold for his $210 of greenbacks. No one else appeared for another half hour. There were only about 15 or 20 people altogether before half past one. By then the clerk had redeemed $3000 in gold, the most frequently requested amount being $50. Technically $50 was the smallest amount the Subtreasury was permitted to pay out under the Resumption Act. Some people came to the Subtreasury merely to collect monies owing to them by the government. Each was asked whether he wanted to be paid in gold or greenbacks, and most of them preferred greenbacks which were easier to handle.

One young man called at the Subtreasury and asked for $5000 in gold. He got a bag of it (weighing about 17 pounds) and handled it somewhat carelessly. Gold eagles were soon rolling in every direction. After gathering and recounting them he returned the gold and asked for "some currency that will not roll about."[1]

The *Herald* also carried an editorial which commented on the uneventfulness of specie resumption and attributed it to good preparations. The editor explained there was little likelihood that a great demand for gold would develop since the trade balance was in our favor. They concluded that there was a general feeling of congratulation that the currency was again on a sound basis. "No one who lends money or who sells property or goods on credit will any longer fear that he may be paid in money of less value than that by which the transaction is measured."[2]

The *New York Tribune* carried the story on the front page but also stressed the small amount of gold deposited and the lack of activity. It reported, "Messrs. Middleton and Company, bankers, who began giving coin about ten days ago to all who desired it, paid out about $5 in paper to $1 in gold. Some of the shopkeepers here even hesitate to receive gold coin as they are unable to judge of its genuineness, and some say they have already suffered loss by accepting coins that were light." Some banks reported that they had paid out more gold before Christmas than now.

A number of people asked at their bank whether gold was available and on being told it was seemed satisfied and did not want it. The reporter closed his story with the opinion that it seemed likely that the Treasury's supply of gold would grow.

The *Tribune*, and the other papers too, gave attention to the story that the Subtreasuries, of all places, did a reversal on resumption of specie payments on January 2. Up till then government bond coupons had been religiously paid in gold, now the Subtreasuries paid them in greenbacks. There were numerous complaints about this. For one thing, it was looked upon as a bad-example.[3]

The *Tribune's* editorial was flowery. It started off, "Yesterday closed in triumph the grandest page in the history of the United States. Resumption is the work of forty-eight millions of heroes." The writer went on to say that in American history the day marking the surrender of the Gold Room was greater than the day that Cornwallis surrendered at Yorktown. The success of resumption was the proof of the success of democracy. The editor paid tribute to Secretary of Treasury John Sherman, the hero of the hour, for bringing about resumption.[4]

An article in the *Tribune* the next day took an unusual approach. It said a great inflation had commenced—"all the coin in the country has now become money." The currency supply, it said, now consisted of about $1 billion of which $300 million was coin.[5]

Out in Cincinnati the *Cincinnati Daily* Gazette had a special dispatch from New York which reported most of the incidents already described from the *Herald* and the *Tribune* and some others in addition. For example, there was the episode of the private banker on Broadway who when greenbacks were first made legal tender framed one and surrounded it with a border of deep mourning. Under it he wrote, "Sacred to the memory of departed values. The person is not yet born who will see this note redeemed." The paper reported that he took the note down today and now the government has it, having redeemed it in gold.

A number of bankers were said to be "badgering" a well-known bank president who stated last summer that he would give $50,000 for a position at the head of the line at the Subtreasury on resumption day. Only one man, not he, was there. "The President of little faith was jokingly asked to redeem his promise."[6]

"At the Subtreasury today the men who presented gold certificates answered the clerk's question, 'Gold or Greenbacks' with 'Greenbacks are good enough for me' or 'Give me bills, what do I want of gold?' One German said 'Bills, bills, do you want me to lug coin around.' The clerk said two hours after he had begun paying gold out, 'Nobody wants it; we have received enormous quantities of gold certificates, and everyone of the messengers demanded either notes of large denominations or clearing house certificates . . . several bankers insisted that the Treasury gold balances would immediately increase instead of decreasing. One bank sent $100,000 in gold to the Subtreasury.' "

Almost every newspaper, including the Cincinnati one, spoke of the Gold Room where the clerks had been engaged in the sale of gold for years. These "looked very much discouraged." The scene was almost "laughable." They sat and looked as if they hoped some speculation would develop but all they saw was the one word "Par" on the board. No one came in to do business with them. Mr. Messereau, Registrar at the Gold Room for fourteen years, was there for the last time. He had been told by President Brayton Ives of the New York Stock Exchange that his services would no longer be needed. At twenty minutes before twelve, he shut and locked his big desk remarking "You've seen the end of it."[7]

RESUMPTION IN CINCINNATI

On January 2, the *Cincinnati Daily Gazette* ran an editorial on the resumption about to take place. "Resumption which practically goes into effect today will owe its success to the character of the paper money in existence . . . there is never a demand for it [coin] on the part of the people, except when confidence in paper money is disturbed. . . . In old State bank times, with every periodical disturbance in business, there was a run upon the banks for coin, followed usually by a suspension of specie payments. Now, however, there is absolute confidence in our paper money. No one apprehends loss by reason of a bank failure, because the banks rest not upon their individual credit, but upon the credit of the government. People will not, therefore, be moved by motives of safety to exchange paper for coin. . . . For months gold has been obtainable at par or a small fraction of 1 per cent premium; yet it has not been called for to any extent, nor will it be under the operation of the Resumption Act. Furthermore coin is coming out of its hiding places, and is being deposited with the banks at par."[8]

Reporting on the event itself the next day the *Cincinnati Daily Gazette* headlined its story, "Resumption, How It Stole Over Our City as a Dream. Gold Likely to be at a Discount and Greenbacks at a Premium." The article continued with the following account of resumption in Cincinnati.

"Among the banks resumption brought no sensation. There was really nothing for the banks to do about it. The National banks are charged with no new duty by the Resumption Act. Other banks could have no interest in the matter. Yet the resumption was so much talked about, and there was such a looking to the banks to prepare and assist, that most of them seem to have felt that a moral obligation rested upon them to be ready. The popular idea was that gold must flow from the banks as well as from the United States government. So they nearly all supplied themselves with gold, and were ready to meet any reasonable popular demand that might be made. But behold, the demand did not come. Less than $3,000 was paid out in gold in all the banks of the city, and no request for gold was refused. Of this sum $1,600 was paid by Espy, Heidelbach & Co. on two checks to parties who wanted gold for a special purpose. Eight hundred dollars more was paid out by the Fourth National Bank. The first National Bank paid out less than $200, and the Third less than $100 in several instances gold was refused in payment of checks, and in others it was mixed in small sums with greenbacks and was not refused!

"Bankers generally announced themselves ready to pay gold on checks to any reasonable amount. In one case this reasonable amount was defined to be not more than $5,000. . . .

"So far as heard there was but one man in the city who wanted to test resumption with a national bank note. He had a $20 bill issued by one of the banks in the city and with an uncertain air presented it to the cashier for redemption. In an instant a gold coin of equal value was given him to his utter astonishment, and he was still further surprised by the statement that if he had presented a check for $20 he could have gold for it.

"In the business houses there was very little gold visible. For the past two weeks it has not been an uncommon thing for payment to be made in gold in the retail stores, but yesterday there was less than usual. To all appearances resumption has brought out more greenbacks than gold, and it may be discovered now that gold is so cheap that greenbacks are more convenient for business purposes than the substantial yellow coin, and are more likely to command a premium."[9]

RESUMPTION IN CHICAGO

Farther west in Chicago the *Chicago Daily Tribune* headlined its story, "Resumption—How the Thing Came to Pass and Nobody was Hurt" and "Little if any Demand for Gold in the Great Commercial Centers."[10] On the second day of resumption the *Tribune* carried these comments, ". . . the bank officials are beginning to express fears that they will be glutted with gold, particularly small coin. There seems to be a special aversion to the gold dollar and to two and a half dollar pieces on account of the ease with which they are lost and of the facility with which they are confounded with other coins of less value.

There is absolutely no demand for gold. And an editorial remarked that the greenback, like the Bank of England note, will soon be "current" in the "remotest" parts of the world.[11]

Elsewhere the Tribune gloated, "It becomes interesting to know what the greenbackers propose to do, and how Judge Kelley and Tom Ewing will justify their prophecy that resumption would be a failure."[12]

RESUMPTION ELSEWHERE

The newspapers in the larger cities and even some of the smaller papers carried short articles describing resumption in various cities across the country. The following are either summaries of them or quotations from them.

Philadelphia

Bond holders who had previously collected their interest in gold were "aggravated" when told they must now take greenbacks. "They made it very hot for the clerks and assistant Treasurer Eyster, and he was glad when the day was over."

Toledo

The Banks were ready but only $600 in gold was asked for. The people did not like the coins. They could not tell a $5 from $10 gold coin and usually gave them back asking for paper.

Indianapolis

It was a very cold day. There was little activity and little interest in resumption.

St. Louis

Resumption was "entirely successful." Little gold was paid out.

Footnotes at end of article.

Springfield, Ill.

Resumption "has not created a ripple of excitement here in financial and business centers."[13]

Baltimore

There was a cordial feeling on the part of the Baltimore banks towards resumption but they are so little concerned that "they show no desire of having a great accumulation of gold in their vaults." The merchants were more concerned and some turned in gold to the banks to help out.[14]

St. Paul

The First National Bank paid out $1,500 in gold but had many refusals in favor of greenbacks. It appears that considerable gold will now come into use. One gentleman celebrated resumption by giving his sixteen-year old carrier boy an eagle. "The lad who had never seen a gold coin before, asked the first friend he met whether that temperance medal was worth anything."[15]

Terre Haute, Ind.

"We beg everyone to bear in mind that all the hard money newspapers in the United States promise and predict good times as the result of resumption. This promise and prophecy should be remembered that we may learn whether these newspapers are good or evil advisers." (From the Terre Haute Express, a pro-Greenback newspaper.)[16]

Washington

At Riggs and Company, the largest banking house in the city, $2 in gold had been paid out up till noon. The Treasury refused to redeem $50 in greenbacks for a Congressman who was quite "indignant." The order was that gold had to be paid out only at the New York Subtreasury and nowhere else. Probably Secretary Sherman will change this order shortly.[17]

New York

As reported in the Bloomington, Illinois, *Pantagraph:* In New York the flags are flying. It is "Investors Day" in Wall Street where the government, insurance companies and big corporations are all paying their interest and dividends in gold. But "It is noteworthy that a decided preference is given to the paper money." More gold was paid in than was paid out.[18]

The London Times reported. "Resumption began today without excitement or inconvenience. . . . Demands were light." The New York Gold Board has ceased business. The New York Subtreasury got more gold than it paid out. "The impression is universal that a permanent resumption has been successfully secured."[19]

Two weeks later *Frank Leslie's Illustrated Newspaper* ran a feature article on resumption, giving the background story and adding some comments. It quoted with approval a remark by Senator Charles Sumner, "Make our money as good as gold and the gold of the world will come to our assistance, helping all the demands of business, and adapting the currency to the occasion." Resumption it said, "came as quietly as the snowflake falls."

Taking a look across the world at other currencies the writer said, "National suspensions are 'big things' and oftener end in repudiation than resumption."[20] The United States, Great Britain and France have set fine examples. But Russia has been suspended for sixty years, Austria for nineteen, Brazil for about fifty, and Spain and Turkey will probably never resume. He regretted that the United States had not followed the example of France and resumed sooner.[21]

CONCLUSION

Resumption of specie payments was a much less dramatic affair than had been expected. To the newspapers it must have been a disappointment. The Treasury planned long and well for resumption. The accident of the greenback achieving par two weeks ahead of time was no doubt a help. The average man was less interested in this technical financial affair, despite all the newspaper publicity, than many had supposed. As long as the average man had confidence in the dollar, he was willing to let well enough alone. A few curious individuals sought to see the machinery of resumption operate at first hand, but most were content to read about it and were merely glad that it was working well. Within two or three days after January 2, 1879, resumption ceased to be "news."

FOOTNOTES

[1] *New York Herald*, January 3, 1879, p. 3.

[2] *Ibid.*, January 3, 1879, p. 6.

[3] *New York Daily Tribune*, January 3, 1879, pp. 1–2.

[4] *Ibid.*, January 3, 1879, p. 4.

[5] *Ibid.*, January 4, 1879, p. 4.

[6] Perhaps this was Frederick D. Toppen (1829–1902), president of the Gallatin National Bank from 1868 until his death. John Sherman mentions the incident in his *Recollections of Forty Years in the House, Senate and Cabinet* (Werner Co., New York, 1895), Vol. II, p. 650.

[7] *Cincinnati Daily Gazette*, Friday, January 3, 1879, p. 1.

[8] *Ibid.*, January 2, 1879, p. 4.

[9] *Ibid.*, January 3, 1879, p. 4.

[10] *Chicago Daily Tribune*, January 3, 1879, p. 1.

[11] *Ibid.*, January 4, 1879, pp. 1, 4.

[12] *Ibid.*, January 4, 1879, p. 4.

[13] *Ibid.*, January 3, 1879, p. 1.

[14] *Cincinnati Daily Gazette*, January 2, 1879, p. 1.

[15] *Chicago Daily Tribune*, January 3, 1879, p. 1.

[16] *Cincinnati Daily Gazette*, January 3, 1879, p. 5, col. 2.

[17] *Bloomington, Illinois, Pantagraph*, January 3, 1879, p. 1.

[18] *Ibid.*, January 3, 1879, p. 1.

[19] *London Times*, January 3, 1879, p. 3, col. 4. According to John Sherman the message from New York to Washington at the close of business on January 2 read as follows, "$135,000 of notes presented for coin—$400,000 of gold for notes" *Recollections of Forty Years*, II, p. 702.

[20] Of six previous 19th century resumption attempts, four succeeded and two failed. The successes were in England (1821), France (1850 and 1878), and Germany (1873–75). The failures were in Austria (1859) and Russia (1863). Outbreak of war was a major factor in both failures.

[21] *Leslie's Illustrated Newspaper*, January 18, 1879, p. 350.

THE MEDICINE BUSINESS

Mr. McINTYRE. Mr. President, I call to the attention of my colleagues an excellent eight-part series of articles on "The Medicine Business," by Morton Mintz, which appeared recently in the Washington Post.

The articles discuss some of the deficiencies in the health care field such as:

Insufficient training of medical students in pharmacology;

The intrusion by the drug industry into medical education;

False and misleading promotion of drugs to doctors;

The dependence of medical associations on drug-industry financing;

Inadequate and even fraudulent drug testing; and

The pill-for-every-ill message conveyed by drug advertising.

The Subcommittee on Monopoly of the Committee on Small Business under the chairmanship of Senator GAYLORD NELSON has been holding investigative hearings on this subject since 1967.

Under Senator NELSON's guidance the subcommittee has developed for the benefit of the Congress and the public an extensive and objective record of information about the pricing, marketing, use, safety, and efficacy of both prescription and nonprescription drugs. The information disclosed has in many cases changed drug use patterns.

One of the issues addressed during the hearings was whether the oral blood sugar lowering agents are safe and effective as advertised and are prescribing physicians being given sufficient information upon which to base a judgment as to whether the benefits outweigh the risks for these drugs. Medical experts testified that not only are these drugs ineffective for purposes indicated but that lives of patients using the drugs over a long period of time are shortened.

Hearings were also held on the promotion and labeling of drugs in Latin America vis-a-vis the United States. It was brought out in these hearings that claims for effectiveness and disclosure of hazards for drugs are not the same in all countries. A blatant example of the danger in this practice is that as a result of overuse of antibiotics and, consequently, a development of immunity to them, thousands of people died from typhoid fever in Mexico in the early 1970's.

In this area which affects all of us, that of health care, Senator NELSON has introduced 14 bills to establish much-needed and long-overdue corrective measures.

I ask unanimous consent that this series of articles be printed in the RECORD and that the issues presented be given careful consideration.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 27, 1976]

THE MEDICINE BUSINESS: RX FOR PERIL: PILLS FOR ALL ILLS

(By Morton Mintz)

In 1906, Congress passed a law to bar "poisonous or deleterious" medicines. But such drugs continued to be made or sold.

So in 1938, after 107 persons died from an "Elixir" that hadn't been tested even in animals, Congress passed a tougher law.

Then in 1962, after several thousand armless and legless babies had been born to women in other countries who had taken a tranquilizer called thalidomide, Congress passed an even tougher law.

Yet, a drumfire of grim findings about medicines persists. Last December was a particularly rough month:

Three reports strongly associated womb cancer with the estrogens then being used by 5 million to 6 million women to ease afflictions related to menopause.

Another report implicated the sequential type of birth control pills in the same disease. The Food and Drug Administration later forced these estrogen-only pills off the market. Up to 1 million women had been taking them.

Why do such things happen?

Not simply because Congress hasn't passed enough laws or because the FDA isn't doing its job adequately. Rather, there are a lot of inter-related reasons that grow out of a common seedbed: the way things are—"the system."

This series will discuss those reasons in

Footnotes at end of article.

detail, but here's a bare-bones list of some of them:

Deficient training of medical students in using drugs.

Massive post-graduate "education" of the medical profession by drug manufacturers—who profit from overprescribing and misprescribing.

False and misleading promotion of drugs to doctors.

The heavy dependence on drug-industry financing of the American Medical Association, the American Psychiatric Association, other elements of organized medicine, and the medical press.

The thousands of physicians who give less weight to scientific studies showing drugs to be unsafe or ineffective than to the unscientific impressions they get in their practices.

Conflicts of interest at every step of the process that takes drugs from the test tube into our bodies.

The comatose condition of the prevention ethic, as demonstrated by persistent underfunding of the kind of research that would find hazards in drugs before—not after—millions of people begin to use them.

Sloppy and fraudulent drug testing.

Justice Department refusals to prosecute FDA cases.

The pill-for-every-ill message in television commercials, in newspaper and magazine articles, in books and in pamphlets that manufacturers prepare and doctors pass out—a message that influences the public to press physicians to put pen to prescription pad.

What gets submerged in all of this is the double-edged nature of prescription drugs: they can injure as well as heal. Modern drugs have "awesome power," say Drs. Philip R. Lee and Milton Silverman, drug experts who were top officials of the Task Force on Prescription Drugs of the Department of Health, Education, and Welfare in the late 1960s. These drugs can even be "likened to nuclear weapons," they say.

At least 75 million adults take drugs regularly—usually daily, but at least once weekly. The most popular include non-prescription aspirin and antacid preparations—and potent chemicals, available by prescription only, that lower blood pressure or prevent conception. In terms of injury and death, how much of a problem does such massive use of drugs create?

Most drugs are "remarkably non-toxic," says Dr. Herschel Jick, a respected Boston authority. But, he says, some of them—particularly prescription drugs taken continually over long periods—are toxic enough:

To send about 300,000 persons a year to hospitals for treatment of adverse reactions. (An adverse drug reaction, or ADR, is usually defined as the unintended or unwanted effect of using a drug in a normal dose—not a trivial effect, but one that disables, requires admission to a hospital, or requires major changes in the strategy of treatment.)

To cause ADRs—usually no more serious than nausea, drowsiness, diarrhea, vomiting or rash—in about 3 million of the 10 million persons annually admitted to the medical wards of general hospitals.

To cause life-threatening reactions in about 90,000 of those 3 million hospital patients—and to kill about 29,000 of them a year.

These estimates are based mainly on the 10-year-old Boston Collaborative Drug Surveillance Program run by Jick and other scientists. The program is the country's largest, most thorough effort to pin down the frequency and severity of drug-induced disease and injury.

By 1974 the program had monitored 11,500 medical patients in six Boston-area hospitals. Of the 11,500, 0.29 percent suffered fatal ADRs. The estimate of 29,000 deaths nationally is a projection of the Boston experience.

It's worth a moment to look at criticisms of the 29,000 figure, because if it isn't solid we don't have a reliable fix on the size of the ADR problem.

The Pharmaceutical Manufacturers Association (PMA) has been telling people in the news business recently that the figure is way too high. The Boston data show only "between 6,000 and 11,000" fatal ADRs in hospitals, the PMA suggests.

Chopping down even that estimate, the PMA writes off at least two-thirds of the Boston patients on the ground that they had "critical or terminal illnesses." Therefore, the PMA says, it would be "reasonable to suggest a qualified annual estimate of 2,000 to 3,000 drug-related deaths in patients suffering from apparently nonlethal diseases."

The PMA figures were in a recent ad in the form of a 16-page "file folder" inserted in Broadcasting, Columbia Journalism Review and Editor & Publisher magazines.

At the opposite extreme, some physicians have extrapolated the Boston data into estimates of 140,000 or even 160,000 fatal hospital ADRs a year. In phone interviews, however, Jick and a former associate in the Boston program, Dr. Samuel Shapiro, scorned the low and high estimates as numbers games.

But standard counts of adverse reactions, even when as large as those developed by the Boston program, drastically understate the bad consequences for public health resulting from heavy use of drugs, particularly antibiotics.

For starters, these counts exclude, experts say, thousands of hospital patients who die annually from infections made difficult or impossible to treat because of misuse of the germ-killing agents.

Another example was the result of massive prescribing in the 1950s and 1960s of combinations of antibiotics such as the "pen streps"—mixtures of penicillin and streptomycin.

This over-use "almost led to disaster," because bacteria that resisted attack by any antibiotic exploded in number and threatened worldwide epidemics, Calvin M. Kunin, a world-renowned specialist in the treatment of infectious diseases told the Senate Small Business Monopoly Subcommittee in 1969.

But the near-disaster—the peril to what Kunin termed "all society"—did not show up in ADR counts.

Another reason to be wary of ADR counts is that the harm caused by drugs is often grossly under-reported. For example, what happened with an aerosol asthma drug may have been "one of the greatest recorded therapeutic disasters in modern history," in the judgment of Dr. Henry E. Simmons, former director of the FDA's Bureau of Drugs.

In the 1960s, presurized sprays containing a highly concentrated form of an asthma drug went on sale in several European countries. The drug, called isiprotonerol or isoprenaline, is also sold in the United States—but not in the same potent aerosol form.

Unaware that the aerosols posed a special hazard, physicians in England and Wales knew of and reported only a few deaths—six in 1965, for example—that they associated with the products.

But such figures turned out to be almost unbelievabe understatements, a study by Dr. Paul D. Stolley of Johns Hopkins School of Public Health showed.

Over seven years the number of "excess" deaths associated with the potent aerosols was 3,500, Stolley found. And, he said, the devices accounted for 7 per cent of all deaths of children in the 10-to-14 age range.

In addition to problems of this kind, the Boston program estimates are unrealistically low for other reasons.

Jick and his associates emphasize that they gathered no data on ADRs from medicines used exclusively in children or in surgical patients. They were unable to count the large number of elderly persons who get drugs while confined in nursing homes. They could not consider problems such as drug abuse.

And there was one more item that Jick termed of "great concern": the Boston program did not provide for identification of delayed bad reactions—those that do not reveal themselves until months or years after the victim has stopped using the drugs.

Thalidomide makes Jick's point. It caused an epidemic of limb deformities such as never before had occurred. Resolute medical detective work made the connection relative quickly. But if the sedative had caused cancer, which takes a long time to develop, rather than something as horrifyingly and immediately obvious as armless and legless babies, it might have escaped detection for decades—or forever.

Unlike thalidomide, most drugs cause diseases or injuries that are almost perfectly camouflaged because they look like diseases or injuries that have non-drug causes. Thus the hepatitis caused by a drug looks exactly like the hepatitis caused, say, by a contaminant in drinking water.

Blood-clotting diseases were superb camouflage for oral contraceptives, because such diseases occur naturally. The pill went on sale in 1960. Not until 1968 were studies published—by British scientists—showing that it caused serious, lifelong-disabling and fatal clotting at rates seven to 10 times normal.

In the eight years since then, researchers increasingly confirmed early suspicions that the pills can produce diverse other diseases, among them: sometimes irreversible high blood pressure, kidney and gall bladder disorders, heart attacks, and benign (but sometimes fatal) and malignant liver tumors.

As the story of the pills indicates, modern drugs are slow to reveal their toxic profiles, much as was Oscar Wilde's fictional portrait of Dorian Gray. Dr. Robert H. Moser, author of the ironically titled book "Diseases of Medical Progress," illustrated the point with the tetracyclines, the valuable antibotics.

Initially, adverse reactions from tetracycline "could almost be characterized as annoyances," Moser said. But over the years this toxic profile—highly abbreviated here—evolved:

Early 1950s. The count of white blood cells in a tetracycline user dropped ominously. Other users developed serious gastrointestinal disturbances. Internal bleeding occurred in elderly patients whose livers, for some reason, had been scarred after they went on tetracyclines.

Early 1960s: Rare cases were reported of allergic reactions—including severe skin outbreaks and rupturing of red blood cells with resultant anemia—and sudden cardiovascular collapse.

1963: Teeth-staining developed in children on tetracycline. And six pregnant women with kidney infections died five to 13 days after getting oversize tetracycline injections.

1964: Tetracycline given intravenously was found to interfere with blood coagulation.

The immediately obvious message conveyed by the Dorian Gray syndrome—under-recognition and under-reporting of adverse reactions, worldwide proliferation of treatment-resistant organisms, and related phenomena—is that modern drugs exact a price in disease and injury for the benefits they confer.

Some of the price surely must be paid. If there were no antibiotics to treat, say, typhoid fever, no adverse reactions would result from using them—but a lot of people would suffer and die from typhoid fever.

In the Boston drug-study project, a substantial number of the hospital patients who survived did so only because physicians administered the very drugs that caused other patients to die.

But are drugs exacting too high a price in disease and injury? In writing a staggering

1.4 billion prescriptions a year, are American physicians needlessly causing large-scale harm and imperiling public health?

Dr. Sidney Wolfe, director of the Health Research Group, which is financed by Ralph Nader's Public Citizen Inc., has examined manufacturers' sales data for many of the most widely prescribed drugs.

He says the data show that the vast majority of all new drugs coming on the market will be used in medical conditions in which they have not been shown to be effective, or in conditions in which the risks outweigh the benefits.

Another study shows that in hospitals, which account for about 40 per cent of all use of antibiotics in the United States at an annual cost of about $500 million, antibiotics are vastly over-prescribed.

This study was done by an expert committee organized by the American College of Physicians, the leading organization of doctors of internal medicine, and was paid for with a small HEW grant.

In 20 general hospitals randomly selected from 194 in Pennsylvania, more than one-quarter of all antibiotic use was intended to prevent—not treat—infections in connection with surgery, the committee found.

Nine times in 10, the duration of preventive treatment exceeded 48 hours. Yet, says committee chairman Edward H. Kass of Harvard Medical School, "no data" in surgical literature claim "any value" in using antibiotics preventively for longer than 48 hours.

Even advocates of preventive use of antibiotics advise a 24-hour time limit, Dr. Kass told the Senate Health subcommittee last January.

Suppose preventive treatment were held to a maximum of 48 hours—double the recommended maximum time limit?

The result would be a startling 20 per cent reduction in hospital consumption of antibiotics—and a consequent parallel reduction in serious and fatal effects and in proliferations of treatment-resistant bacteria, Kass said.

Aside from the health benefits, the cost savings would be "measured in terms of hundreds of millions of dollars annually," Kass testified.

In the case of the massive prescribing of the pen-streps and other antibiotic combinations that threatened to cause worldwide epidemics of treatment-resistant infectious diseases, experts on the diseases agree unanimously that such mixtures should not even have been on the market. Most persons who got mixtures of two or more antibiotics actually needed only one, if any, the scientists say.

The San Joaquin Foundation for Medical Care, which administered California's state Medicaid program for 42,000 aged, blind and totally disabled patients, found that one adverse reaction in four occurred in persons who had been given drugs that should not be taken together.

Using a computerized system to analyze 420,000 prescriptions written for the Medicaid patients in a 12-month period, San Joaquin researchers found that doctors had exposed the patients to potential interactions between one prescribed drug and another at the rate of 76 per 1,000. Sample findings:

Of 10,818 patients given tetracycline, 572—5 per cent—also were given antacids that greatly impair absorption of the antibiotic into the bloodstream.

Of 2,667 patients given hypoglycemic pills to lower blood sugar, 815—31 per cent—also were given a drug that altered the activity of the pills.

Of 183 patients given guanethidine to lower blood pressure, 14—8 per cent—also were given an antidepressant that tends to raise blood pressure.

Drs. Lee and Silverman, the former HEW officials, cite as an example of almost unbelievable over-prescribing the case of Vitamin B–12. It has been shown to be effective in only one medical condition: pernicious anemia. Yet, they wrote in their book "Pills, Profits, and Politics," physicians prescribe it "in quantities at least a thousand times the estimated amount needed for all pernicious anemia patients in the country."

In prescribing any drug they choose for any medical condition, even when they have no medical expertise in how to use a particular piece of chemical weaponry, physicians proclaim a "right" to do as they think best.

But this "right," says former FDA Commissioner Charles C. Edwards, has created "the single most important drug problem"—overuse and misuse of drugs by physicians.

[From the Washington Post June 28, 1976]

The Medicine Business: The Risk in Drug Ads

(By Morton Mintz)

Through most of this century consumers relied on manufacturers of prescription drugs to be truthful and balanced in advertising and promoting their products to physicians.

Both the Pharmaceutical Manufacturers Association (PMA) and the American Medical Association (AMA) acknowledged obligations to resist any overemphasis on benefits and underemphasis on hazards that deceive physicians at the expense of largely helpless patients.

In 1958, for example, the PMA adopted a "statement of principles of ethical drug promotion." The first said, "Prompt, complete, conservative and accurate information concerning therapeutic agents shall be made available to the medical profession."

And the AMA—the profession's premier organization—promised to keep misleading ads out of its journal (JAMA). "Every statement" made in an ad offered to JAMA "must be backed by substantiated facts . . . or we won't run it." the magazine told doctors.

The assurances were sometimes hollow. Serious abuses became commonplace. A stark example involved Norlutin, a Parke-Davis drug prescribed for menstrual difficulties.

An article on Norlutin in the March 5, 1960, JAMA reported a grim finding: 35 baby girls with male sexual characteristics had been born to women who had taken the drug while pregnant. The frequency of this occurence was high enough, the article said, to preclude its use or the advertisement of Norlutin as a safe hormone to be taken during pregnancy.

A Norlutin ad appeared in the same issue of JAMA. The ad did not mention the possibility that the drug could make it difficult to determine whether a newborn child was a girl or a boy. The ad ran unchanged in JAMA regularly over the next three months.

As the information in the JAMA article circulated in the medical profession, however, pressures began to build on Parke-Davis to recognize the hazard in its ads. The pressures intensified with publication of another article on the danger in a journal for obstetricians. About a year after the JAMA article appeared, the firm finally began to put a clear warning in its Norlutin ads.

To protect consumers from such promotion, Congress, in 1962 drug legislation, required that ads and promotional materials tell doctors the bad news as well as the good news about a drug—and tell them, too, the facts about its therapeutic usefulness.

Ads must be faithful to the official labeling—the prescribing instructions approved by the Food and Drug Administration and accepted as binding by the manufacturer—Congress said.

Congress directed the FDA to draw up regulations to enforce the law. The agency proposed initial rules in 1963 and made them final in 1964.

The FDA has broad powers to enforce its regulations, in regard to ads, they range from private letters of reprimand, to seizures of interstate shipments of misadvertised drugs, to criminal prosecutions.

But tut-tutting a company behind the scenes does nothing to erase deception of physicians by published ads they do not know were deceptive. And unless there is a reliable mechanism to tell doctors swiftly and systematically about criminal prosecutions or seizures, they cannot minimize possible harm to their patients.

By and large, the medical profession has heard little about many of the FDA's public actions against false or misleading ads. A major reason was that medical publications frequently did not recognize such actions as news. The possibility that the non-recognition was also influenced by drug advertising was raised by, among others, the Task Force on Prescription Drugs of the Department of Health, Education, and Welfare in the course of a 20-month study ending in February, 1969.

Almost all professional journals depend heavily on drug ads for revenues. Those that doctors get free of charge, called "throwaways," depend totally on such revenues. Large sums are at stake; medical publications receive a significant share of the estimated $1 billion a year—$5,000 for each of some 200,000 target physicians—that the industry spends to advertise and promote prescription drugs.

Recently, manufacturers canceled $500,000 worth of ads in Modern Medicine, a throwaway that ranks second in ad income among the 20 top medical publications and one that has a circulation of 160,000.

The cancellation followed a Jan. 28 New York Times article headlined, "Bad Prescriptions Kill Thousands a Year."

With physicians frequently unaware that they were prescribing drugs on the basis of misrepresentations, how could the FDA protect the public from unnecessary injuries?

Dr. Robert S. McCleery, the first chief of the FDA's Division of Drug Advertising, proposed—and then-Commissioner James L. Goddard approved—a device of wondrous simplicity: the remedial "Dear Doctor" letter.

In such a letter, a company repudiates a false or misleading ad and sets the facts straight. Then it sends the letter—at its own expense—to hundreds of thousands of prescribing physicians and others in the health professions.

To persuade an offending company to undertake such an embarrassing project, the FDA gives it a choice, usually implied: either send a corrective letter or face seizures of the mislabeled drug in such numbers that sales could be choked off.

Starting in 1965 by acting on ads for a Wallace Laboratories drug in JAMA, the FDA has criminally prosecuted six firms for false and misleading ads—enough it make it clear to the industry that the agency was taking a tough regulatory stance. Four, including Wallace, pleaded no contest, one was acquitted, and one won a dismissal. The agency also seized shipments of falsely promoted drugs from six companies.

Since the first corrective letter went out in 1967, the FDA has compelled manufacturers to retract misleading claims 41 times, and to publish corrective ads—another McCleery innovation—25 times. The number of private reprimands exceeds 400.

Two of the prosecutions that culminated in no-contest pleas, two of the seizure actions, and numerous corrective letters and ads grew out of false or misleading ads that had appeared in publications including JAMA. The AMA has apologized neither to its members who may have been misled nor to the patients they may have harmed inadvertently.

Monitoring of JAMA ads for "scientific accuracy" was done by the AMA until 1967, when, a spokesman said, the responsibility was assumed by the FDA.

The profits to be gained from expanding a market for a drug through deception are great enough that a few companies have become repeat offenders.

The Lederle Laboratories division of American Cyanamid Corp. first got into trouble in 1969, when it had to send a corrective letter and publish a remedial ad regarding Declomycin, a variant on the antibiotic tetraycycline.

In 1972, the FDA compelled Lederle to take back implied claims that Minocin, another tetracycline variant, was "superior" to other tetracyclines and was effective against a certain dread staphylococcus infection.

In 1975, the FDA again compelled Lederle to apologize for statements about Minocin—this time in 35 medical journals and in a "Dear Doctor" letter.

Meanwhile, Lederle had upset the FDA with an ad in 15 medical journals for Zorane, its brand of birth-control pills. The ad was rooted in heavy press publicity on a major study showing that women on the pills—regardless of brand—ran the risk of serious and fatal strokes 9 times higher than the risk run by non-users.

Building on the concern generated by the study, the ad featured a picture of a woman who was worried by an account of the study she was reading in a newspaper. For the physician-reader, the clear implication was that his patients wouldn't have to worry about strokes if he would prescribe Zorane.

Under FDA pressure, Lederle ran a corrective ad—with an inset photo of the worried woman—in the same 15 journals that had carried the first ad. The text said that the agency, being unaware "of any proof that . . . Zorane products are free from risk of strokes" considered the ad "misleading."

Surprisingly, Lederle then began to run Zorane ads similar in theme to the one it had repudiated. This time, a worried woman was shown reading a simulated general magazine articles captioned. "Pill-Takers Run the Risk of Stroke." The ad headline said, "Because Her 'Medical Journals' Alarm Her About the Pill."

On Christmas Eve, 1974, the FDA retaliated with a surprise seizure of 25 million Zorane tablets valued at $1.3 million—the largest seizure in agency history, said agency drug-ad chief Peter H. Rheinstein.

To retrieve the pills, Lederle agreed to publish a corrective ad in two successive issues of the journals in which the violative ads had run, issue a corrective letter, and clear with the FDA all Zorane ads for a year.

In Pearl River, N.Y., a Lederle spokesman said, in regard to all three drugs, that the firm had apologized "so we could stay in business." Saying that Lederle had thought in all cases that it was complying with FDA regulations, he said, "We think that there is an area where there can be honest and different interpretations."

What proportion of drug promotion to physicians is false or misleading? No one knows for certain, Rheinstein, a physician and lawyer, said in an interview.

Merely to check out a single promotion—which can be an exhibit at a medical meeting, a mailing piece, or a videotape, as well as an ad in a journal—sometimes takes days, Rheinstein said. He has a staff of four; soon it will be five. "If we had more staff, you'd see more actions," he said.

A clue to the extent of deception came a decade ago, when FDA physicians compared the official labeling with ads for the "Big Eight" new drugs that in 1965 had joined the ranks of the 200 most often prescribed medicines. Ads for all eight drugs made sometimes serious false, misleading or exaggerated claims, former FDA general counsel William W. Goodrich said in a 1966 speech.

One of the most serious promotional abuses concerns mind-affecting drugs that dozens of manufacturers market for use in the strains and stresses of ordinary life.

Eli Lilly & Co., for example, promoted Aventyl, one of the "Big Eight" of 1965, for "behavioral drift," which an FDA physician termed "a Madison Avenue description . . . not a bona fide psychiatric diagnosis." Currently, Merck & Co. urges Triavil, a potent antidepressant, for mothers suffering from the "empty nest syndrome."

Sandoz Pharmaceuticals passed the limits of FDA tolerance in 1971, when it ran ads in 17 medical journals—including JAMA and the prestigious New England Journal of Medicine—suggesting that doctors prescribe Serentil for, as the ad headline put it, "the anxiety that comes from not fitting in."

Serentil happened to be another powerful drug capable of causing serious injuries. The FDA had not approved it for the anxiety described in the ad, but for treatment of schizophrenia, and of symptoms associated with alcoholism.

The agency compelled Sandoz to apologize in the 17 journals for having suggested "unapproved uses . . . for relatively minor everyday anxiety situations encountered often in the normal course of living."

After President Nixon took office in 1969, such crackdowns became ensnared in bureaucracy. Private reprimands were used more often. A few months after the Serentil affair, for example, the FDA pleaded, in a letter to 67 producers of psychiatric drugs, for an end to claims of uses for which there is "no substantial proof of efficacy" and which encourage excessive consumption. The pleas had no discernible impact.

The possibility that the private sector may yet emerge as a powerful regulator of pharmaceutical promotion was raised recently by a California court decision that could make deception of physicians a high-risk financial venture for the drug industry.

The case began in September, 1968, in Sacramento when Kimberly Gerringer, 7, a carpenter's daughter, had a bike accident in which her left leg was gashed almost to the bone.

Apparently because there was little bleeding, her parents delayed a couple of hours before phoning Dr. Gordon G. Runnels, then 43, a general practitioner, and taking the child to his office nearby.

He decided that emergency suturing was necessary. He phoned Arcade Hospital to say that he was bringing Kimberly in, and he requested the services of an anesthesiologist. None was available because of the weekend schedule.

Runnels decided to use intravenous regional anesthesia (IVRA). In this technique, an entire limb is anesthesized after an inflatable tourniquet called a cuff is applied to prevent an anesthetic injected into a vein from flowing to other parts of the body.

He based the decision partly on recollections from "Blocking the Pathways of Pain," an advertising booklet published by Astra Pharmaceutical Products, Inc., of Worcester, Mass., which is owned by Astra Pharmaceutical of Sweden. Astra makes Xylocaine, an anesthetic which accounts for nearly all the firm's sales—$17.5 million worth in 1974.

In 1966, Astra sent the booklet to 141,000 general practitioners, surgeons, anesthesiologists, hospitals and medical schools. At the time, the FDA had approved Xylocaine only as a local anesthetic, that is, for injection into tissue rather than a vein. But the booklet promoted Xylocaine for IVRA—a promotion that obviously could enlarge its market. Yet eight years would go by before Astra would ask the FDA to approve Xylocaine for experimental use in IVRA.

In the operating room, Runnels raised Kimberly's leg so the blood would drain away from the vein injection site. A nurse applied the cuff, which then was inflated. Finally, he cut the vein open, inserted a catheter, and began injecting Xylocaine. Within a minute or two the child went into convulsions.

Runnels assumed the girl was having a respiratory failure, there being no reason to assume she was having a toxic reaction.

But Runnels did not know one vital fact because Astra had not told it to any of the doctors to whom it had distributed the pamphlet: at an IVRA promotional symposium at Astra Products in 1966, shortly after the pamphlet distribution, an anesthesiologist reported cases of "flow back," in which Xylocaine somehow crosses the tourniquet barrier in children.

Other anesthesiologists at the symposium warned the company that IVRA never should be used by anyone not specifically trained to use it. General practitioners such as Runnels were not so trained.

Runnels managed to halt the convulsions, but later, when he removed the cuff, they resumed. Kimberly suffered brain damage that left her severely retarded for life.

The family filed a lawsuit against Astra, Runnels and others. The lawsuit was settled on November, 1973, for $1.2 million.

Afterward, Runnels' insurer canceled his malpractice coverage, barring him from reputable hospitals. He went bankrupt. His wife got a divorce. When he saw his children (he has five) he tended to be reminded of Kimberly. He went for psychiatric treatment to Los Angeles, where ultimately he began three years of residency training for a new career in psychiatry.

Meanwhile, Runnels' lawyer, David C. Rust, filed an unprecedented suit to compensate Runnels for having been enticed into undertaking an experimental treatment by a company that knew of, but did not disclose, any hazard.

During the trial in Superior Court, Astra lawyer James Donahue argued that Runnels had failed to check easily accessible cautionary labeling, that he had used the double-size adult dose, that the cuff had been inflated to the wrong pressure, and that generally the fault lay not with IVRA ("a good technique"), but with the way he used it.

Rust argued that Astra was liable not only for failure to provide Runnels with adequate warning but also for fraud.

In instructing the jury, Judge Irving H. Perluss said that if it was to find for Runnels, it would have to determine that Astra had an "intent to defraud" by suppressing a material fact and that the doctor would have acted differently had he known of that fact.

Perluss also said that a manufacturer must give a warning against misuse of a drug by a physician if the manufacturer reasonably could have foreseen the misuse. And a manufacturer's "mere compliance" with FDA regulations, he added, "may not be sufficient" to immunize the firm when it knows of greater dangers than those in the agency's official labeling.

On May 14 the jury found for Runnels, declaring that Astra had committed fraud and that the firm was liable for having sold Xylocaine with insufficient warnings.

After a separate proceeding to determine damages, the jury on May 25 awarded Runnels $1.2 million—the same sum Astra had settled for in 1968. The award included $511,138 in punitive damages.

Astra said it will appeal. Regardless of the outcome of the appeal, however, the case is bound to have a restraining effect on loose pharmaceutical promotion because it raises the possibility that manufacturers may have to pay the bill for any malpractice they induce.

[From the Washington Post, June 29, 1976]

THE MEDICINE BUSINESS: FIRMS EXPAND THEIR MARKETS BY UNDERSTATING DRUG RISKS

(By Morton Mintz)

The business of a pharmaceutical manufacturer—selling drugs—sometimes conflicts with the mission of the medical profession. That mission is helping patients, some of whom may be more hurt than helped by a prescription.

Moreover, the market is a peculiar one, being limited less by purchasing power than by the extent of disease. Sometimes the market is expanded when the dangers of a drug are understated.

No one can reliably quantify the knowing understatement of dangers, but Dr. Sidney M. Wolfe, director of Ralph Nader's Health Research Group, says that "it has to be staggering."

He cites injuries to the fetus, including heart and limb defects, and latent vaginal cancer that may occur when a doctor prescribes sex hormones for a woman in early pregnancy—usually in the unsubstantiated belief that they avert a threatened miscarriage.

In 1972, the last year in which the official FDA labeling listed early pregnancy as a condition in which estrogens and progestogens could be used, doctors wrote 588,000 prescriptions in hopes of preventing miscarriages. In 1975, two years after that usage had been deleted from the labeling, they wrote almost as many—533,000.

Why? "Because," says Wolfe, "manufacturers did not include an affirmative warning in the labeling and the FDA did not require them to do so."

In 1974 physicians wrote 6.4 million prescriptions for Cleocin, the Upjohn Co. trade name for the antibiotic clindamycin.

Cleocin and a chemically similar Upjohn antibiotic, Lincocin, can cause an inflammation of the lower bowel called bloody colitis. By January, 1975, the Food and Drug Administration had received reports of 26 colitis deaths "possibly or probably related" mainly to Cleocin. In the same month there were these developments:

Medical specialists told the Monopoly Subcommittee of the Senate Select Committee on Small Business that 95 per cent of the persons who received Cleocin should not have, primarily because it is ineffective against the minor infections for which doctors had prescribed it.

Subcommittee Chairman Gaylord Nelson (D-Wis.) blamed the unwarranted prescribing largely on Upjohn which he said had "vigorously promoted" Cleocin for "routine general use" rather than seeking to confine it to its proper role as an emergency drug for particular life-threatening diseases.

The FDA tightened the official labeling.

The company acceded to an FDA request to suspend all advertising and direct promotion of Cleocin, and it agreed to undertake advertising designed to restrain physicians from overprescribing it.

But fatalities continued to increase. By June, 1975, the FDA knew of 45. This figure probably was low because, the agency has said drug deaths and injuries almost always are underreported. Sometimes they are not recognized for what they are. Some doctors, reluctant to incriminate their prescribing, blame other factors.

Although Upjohn had a major responsibility to try to curb misprescribing of Cleocin, the firm resumed heavy promotion of the drug.

A case in point was a four-page ad in the New England Journal of Medicine on June 19, 1975. The first two pages built up Cleocin with lavish color and open space. The third page made a hard sell for the effectiveness of the drug on a variety of serious infections.

Not until the final page was there a boxed warning—in small type—which began: "Clindamycin can cause severe colitis which may end fatally. Therefore, it should be reserved for serious infections where less toxic antimicrobial agents are inappropriate. . . ."

Another threat to the consumer is the suppression or underestimation of the frequency of adverse reactions. That is what happened in the case of Chloromycetin, an early "wonder" antibiotic effective in a broad spectrum of infections. Also known as chloramphenicol, it seemed to have the advantage of causing fewer minor side effects, such as a rash, than rival products.

In 1950, a year after Parke-Davis, a Detroit firm, began to sell Chloromycetin, it got the first reports on users stricken by aplastic anemia, a usually fatal disease that destroys the ability of the bone marrow to produce blood components.

At least 16 months passed before Parke-Davis notified the FDA. Meanwhile, Chloromycetin sales increased from $8 million in 1949 to $28 million in 1950 to $52 million in 1951. In 1952, the year in which the association of the drug with aplastic anemia started to become widely known, sales fell $5 million from the previous year's.

In June, 1952, the FDA halted shipments of the antibiotic pending the outcome of a study by an expert committee selected by the National Research Council (NRC), the operating arm of the National Academy of Sciences.

By August, the committee had "definitely" associated Chloromycetin with serious blood disorders in 177 persons, half of whom died. Many of the victims were children.

One was James Watkins, 10, of La Canada, Calif. Three months before he died, he had received Chloromycetin for an infection of the urinary tract. A Parke-Davis detailman—a salesman who calls on doctors—had assured the prescribing physician that the antibiotic was "perfectly safe."

The physician was the boy's father. "I might have done better had I taken a gun and shot him," Dr. Albe M. Watkins said in a letter to Parke-Davis. "At least he wouldn't have suffered."

The NRC committee advised the FDA to tighten the official labeling to warn physicians not to prescribe Chloromycetin "indiscriminately or for minor infections." The agency followed the advice, reasoning that the drug ought to remain available to doctors for "careful use."

But in letters to company detailmen, Parke-Davis president Harry J. Loynd claimed that the NRC and the FDA had "officially cleared Chloromycetin . . . with no restrictions on the number or range of diseases for which (it) may be administered."

The NRC-FDA review "resulted in unqualified sanction for all conditions in which (Chloromycetin) previously had been used," the company told the detailmen in a later letter.

In court cases brought by Chloromycetin victims or their survivors, the evidence established that Parke-Davis detailmen, programmed by such methods, easily overcame any apprehensions that physicians may have had about uninhibited prescribing of the drug.

As for the government warnings, Parke-Davis "nullified [them] by promotion," particularly promotion done through detailmen, the California Supreme Court said in 1973, when it upheld a $400,000 award to the husband and three children of a woman killed by Chloromycetin, prescribed—wrongly—for pneumonia.

In 1952, at the time of the NRC-FDA warning, Parke-Davis assessed the risk of fatal aplastic anemia at 1 in 400,000. This assessment did not deter overprescribing, with the result that over the next eight years the estimated number of Americans who got Chloromyectin was 40 million.

In 1960, however, the company acknowledged to the Senate Antitrust and Monopoly Subcommittee a risk almost twice as high as that cited in 1952: 1 in 225,000.

Later, a California State Department of Public Health study showed "positive and significant correlations" between sales of Chloromycetin and deaths from aplastic anemia.

In 1962, the department reported that the death rate in users of the drug was—"conservatively"—1 in 60,000. Not satisfied, the department made further studies.

In 1967, the department concluded that, depending upon the size of the dose, the death rate was 1 in 24,200 to 1 in 40,500.

These rates were 10 to 16 times higher than the firm had figured in 1952. All of its computations were based on reports made to it by physicians. Such reports usually underestimate hazards partly because physicians are not required to make the reports.

After a quarter-century of adverse publicity, much of it stemming from Nelson and hearings by his Senate subcommittee, prescribing of Chloromycetin last year dropped to a record low. Even so, an estimated 400,000 persons got it in the popular capsule form. In the judgment of medical experts, 360,000 to 390,000 of them should have gotten a safer drug or none at all. A computation based on the California risk estimates, which for years have been in the official FDA labeling, suggests that at least eight of those persons died needlessly.

Parke-Davis is one of about 300 pharmaceutical houses that together deploy some 24,000 detailmen—a major component of the estimated minimum of $1 billion a year spent to promote prescription drugs. While the FDA can monitor printed drug ads with relative ease, it has no way to monitor reliably what the 24,000 detailmen are saying in hundreds of thousands of conversations a year with doctors, nurses, pharmacists and others involved in prescribing and dispensing drugs.

"There is a simple maxim I learned from detailmen," the late Dr. A. Dale Console, a former medical director of what is now Squibb Corp., once said in Senate testimony. "'If you can't convince them, confuse them.'"

"Don't get involved in selling a basic clinical research program," Richardson-Merrell told its detailmen in 1960 when it was preparing to launch thalidomide, the sedative that turned out to cause birth deformities. "Appeal to the doctor's ego. . . ."

The detailman is pulled by a duty to sell the products of the firm that pays his salary and tugged by a moral obligation to warn physicians of the hazards of the very same products, if he knows of the dangers.

Usually, in addition to having a job he wants to keep, he has faith in his company, in its drugs and in the idea that society needs those drugs, former Merck & Co. detailman Bennett Wasserman has said. And it is this faith that keep hi msecurely on the company's side, Wasserman told the Senate Health and Administrative Practice and Procedure subcommittees. He went on to testify:

"There is a gospel to be spread; there is a mission to fulfill. It can only be achieved by increasing the number of prescriptions to be written for the products being promoted, and that means the rallying cry is 'sell, sell, sell.' To many detailmen, all is fair in their daily war with competition."

Sen. Edward M. Kennedy (D.-Mass.), the subcommittees' chairman, asked, "What do you mean by 'all is fair'?"

"The generally unethical marketing practices that some companies engage in," Wasserman replied. After three other former detailmen joined Wasserman in telling stories of a chain of people on the take—doctors, nurses, receptionists, pharmacists—Kennedy said, "It smacks of payola."

Starting in 1965, Merck's sales force pushed hard to sell Indocin, which was intended for the management of certain arthritis disorders, principally rheumatoid arthritis.

In Great Britain, where the drug was called Indocid, Merck warned regional managers that it "is going to be a tremendous success—if it isn't, then some heads will fall." In pamphlets for British detailmen, the firm said, "Develop eye-contact habits that help to signal sincerity . . . look your customer right in the eye. . . . Keep the sincerity flag of good eye contact flying."

In Los Angeles, the head of Merck's regional sales office said in a memo to detailen, "Indocin will work in that whole host of rheumatic crocks and cruds which every general practitioner, internist and orthopedic surgeon sees every day." When Nelson released the letter, Merck told reporters it had reprimanded its writer.

In 1968 FDA officials said that Merck sometimes was overstating safety and efficacy while omitting important warnings. Additionally, the FDA got reports of hundreds of adverse reactions, a few of them fatal, and, as a result, tightened the official labeling.

Were the risks worth running? Merck argued that they were, claiming that the world of medicine and science recognizes Indocin "as a creative masterpiece"—"a safe and effective drug that benefits hundreds of thousands. . . ."

But in 1967, three carefully controlled studies did not show Indocin to be better than plain aspirin in treating rheumatoid arthritis. A fourth study found that when used with aspirin, Indocin's effects, appeared to be the same as those of either a dummy pill or aspirin taken alone.

Some hospitals and medical schools, including the University of Virginia's, have taken steps to restrict the access of detailmen to medical staff and students.

A general restraint on detailmen's conduct was imposed in a 1969 decision by the U.S. Court of Appeals for the Eighth Circuit—a decision cited by the California Supreme Court four years later when it upheld the $400,000 award to the Chloromycetin victim.

The Eighth Circuit decision was that in promoting drugs to doctors, detailmen must tell them the bad news as well as the good.

The decision upheld an $180,000 award by a lower court to Irene M. Yarrow of Sioux Falls, S.D. After several years' use of the drug Aralen for rheumatoid arthritis, she became almost totally blind—unable to read sew, cook, drive a car, watch television or recognize people, including family members.

Yarrow was one of an estimated 300 persons blinded by Aralen. Another was Margaret B. Stumpenhorst, an Arlington woman who settled a suit against the manufacturer, Sterling Drug, Inc., for $175,000. The firm stopped selling the drug in 1970.

In the Yarrow case, the lower court had found that a Sterling detailman had introduced her doctor to Aralen in late 1957 or 1958, had called on him thereafter at intervals of four to six weeks, but "did not bring the side effects of Aralen to his attention" even though the firm "knew or had reason to know some persons would be injured."

[From the Washington Post, June 30, 1976]

The Medium Business: $1 Billion to Sell Prescription Drugs

(By Morton Mintz)

The symbiosis between drug producers and drug prescribers begins in the medical school cradle, where companies offer—and students accept—gifts such as black bags, drug samples, stethoscopes and free trips that include plush hotel accommodations, expensive meals, theater tickets and farewell presents.

The gifts are part of the estimated minimum tab of $1 billion a year the drug industry spends for advertising and promotion of prescription drugs. In contrast, annual spending to teach the science of pharmacology—the use of drugs—was estimated in 1974 at $5 million, or one 200th as much.

Not surprisingly, the result is a lack of knowledge and sophistication in the use of drugs that is, in the judgment of Dr. Jan Koch-Weser, formerly a Harvard pharmacologist, perhaps the greatest deficiency of the average physician. It is also a continuing menace to the average consumer who merely buys what the doctor orders.

Generally, the principal medical school course in pharmacology is taught in the second year. After that, the student usually absorbs what he or she can about pharmacology informally from a variety of courses in the several sectors of clinical medicine.

"Perhaps the most serious criticism of this informal exposure is that it fails to equip the soon-to-be physician with the essential scientific and critical attitudes towards the use of drugs and the evaluation of drug promotion," the Prescription Drug Task Force of the Department of Health, Education and Welfare said in its final report in 1969.

This promotion is "probably the most intensive to which he will be subjected for the rest of his professional medical career," the report said. Yet this same promotion is by and large beyond the regulatory reach of the Food and Drug Administration.

On starting medical practice, the physician typically has little time to keep up with the medical literature on prescription drugs. By 1973, an estimated 700 basic formulations were being sold under a bewildering array of 20,000 brand names.

In the mail each month doctors receive 50 to 60 medical publications. Nearly all are "throwaways," which are wholly dependent on drug advertising. The ads are subject to FDA regulation, but the editorial content, which often has a strong pro-drug bias, is not.

The mail also brings brochures and other promotions; invitations to industry-sponsored symposia, often in the Caribbean; assorted gifts; the Physicians' Desk Reference, the widely used prescribing guide that manufacturers pay for, and informational cassettes supplied by manufacturers for the physician's car's tape player.

A doctor can switch on the special FM office radio given free of charge by the Physicians Radio Network and hear round-the-clock broadcasts paid for by pharmaceutical companies.

At the hospital, he or she may go to the library where there is access to a wide choice of videotapes—all contributed by drug companies.

At professional meetings, the doctor will see medical exhibits that have been paid for mostly or totally by drug firms. In the hotel room, the television will play videotapes of sessions he or she may have missed—with drug houses again paying the bill.

In sum, says the FDA's Dr. J. Richard Crout, director of the Bureau of Drugs, drug companies have come to provide physicians with the bulk of their postgraduate education and may take it over totally and permanently.

For consumers, he told the Monopoly Subcommittee of the Senate Select Committee on Small Business in April, the problem is a major one because the industry is "consistently tilted" toward inducing physicians to prescribe, even for patients who don't need drugs.

Crout said the FDA is drafting "an extensive revision" of its controls on drug ads and labeling to try to curb at least some of the abuses. But regulation may not be the best approach for all industry supplied messages, he said.

"The idea of the federal government and Madison Avenue locked in eternal battle over every piece of educational material sent to physicians is not particularly attractive." Crout testified. "Neither of these parties should have primary control over educational materials. Such control properly belongs to the profession itself . . ."

The problem is not merely that a profession that is content to have the industry pay its bills is unlikely to assert such control, but also that consumers put great pressure on doctors to prescribe drugs, needed or not.

The public demand for drugs reflects a widespread faith that there is a pill for every ill, Indeed, says Dr. Sidney M. Wolfe, director of the Health Research Group, a Washington-based, public-interest organization, a patient who gets an expensive, time-consuming examination for, say, arthritic pain, may feel "cheated" if the doctor prescribes everyday aspirin rather than an expensive painkiller.

Excessive public faith in drugs has some traceable origins, a conspicuous one being the incessant bombardment of television viewers with commercials for over-the-counter (OTC) preparations. By promoting OTCs for symptomatic relief of tension, upset stomach, etc., the commercials may indirectly condition viewers to believe that drugs can cure or alleviate any serious medical or emotional problem.

The commercials for OTCs cost manufacturers about $300 million a year and reach a vast public, including an estimated 44 million children under 12, according to Robert B. Choate, chairman of the Council on Children, Media and Merchandising.

The public appetite for drugs was strong even before television came into being. A major reason was that they were heavily promoted in newspapers, magazines and books.

The publicity explosion was set off by the first of the "wonder" drugs—the sulfas introduced in the late 1930s for treating infections.

In 1963, a leading science writer warned his colleagues that 90 per cent of the new drugs they had written about "have gone down the drain as failures. We have either been deliberately led down the primrose path or have allowed ourselves . . . to be led down the primrose path," said Arthur J. Snider of the Chicago Daily News. "The remaining 10 per cent of the drug stories we've written have had to be subjected to re-evaluation."

As recently as last February, in an interview with U.S. News & World Report, FDA Commissioner Alexander M. Schmidt blamed excessive public faith in drugs partly on "years and years of the news media putting new medical discoveries on the front page."

Few drugs in modern times have had more diverse and sustained publicity—with more ominous results for millions of people—than estrogens, particularly those prescribed in the belief that they preserve youthful appearance after menopause or relieve afflictions related to menopause.

In building demand for estrogens, one of the most effective devices was the promotional pamphlets supplied by manufacturers to doctors who placed them—with obvious implied approval—in their patient waiting rooms.

Starting in 1969, S. E. Massengill (now Beecham-Massengill) Pharmaceuticals gave physicians 75,000 to 100,000 copies annually of such a pamphlet for its Menest Tablets.

Entitled "The Menopause: A New Life of Confidence and Contentment," the pamphlet has on each of its 34 pages a comic-strip drawing that contains a question asked and answered by Dr. Lindsay R. Curtis, an Ogden, Utah, obstetrician-gynecologist.

In one drawing, a plump matron is happily skipping while holding a bottle labeled "estrogen" in her left hand and popping a pill with her right hand. The caption is, "Does estrogen cause cancer?" The answer put in her mouth by Curtis was, "Only in mice." The text cited "some evidence" that suggests "a lower incidence of cancer in women taking estrogen."

Similarly, Harvard Medical School's Dr. Robert W. Kistner, in a 1969 interview with Ayerst Laboratories, maker of the best-selling Premarin brand of estrogen, said that "numerous observations of patients treated with estrogen for prolonged periods show a lower incidence of both" breast and womb cancer "than one might expect on the basis of chance alone."

Ayerst, a division of American Home Products Corp., which in 1975 accounted for $70 million of the $80 million in sales of estrogens, distributed the interview to hundreds of thousands of physicians, in brochure and audio cassette form. The firm prominently featured Kistner's Harvard affiliation. He retracted the "lower incidence" claim in a telephone interview last January.

Another big boost for estrogens came from Dr. Robert A. Wilson, a Brooklyn gynecologist who wrote a book, Feminine Forever, acclaiming the drugs. It sold 100,000 copies within eight months of its publication in January, 1966. Look and Vogue magazines excerpted it, and King Features syndicated it in newspapers.

Estrogens "provide probable protection against breast and genital cancers," Wilson wrote.

Uncritical publicity continued this year. In its February issue, for example, Woman's Day, a magazine with more than 8 million circulation, published an article claiming that "the preponderance of medical evidence today strongly indicates" no threat of cancer in estrogens. The writer, Dr. Alan E. Nourse, was unidentified. Through his literary agent, a reporter traced him to North Bend, Wash., where he said he is a general practitioner and medical writer.

Aided by such articles, estrogen usage tripled between 1965 and 1975. In the latter year, users—mostly post-menopausal women—numbered between 5 million and 6 million.

For decades, estrogens have been known to cause cancer in animals. Only careful, controlled studies could determine whether they promoted cancer in humans, or if, as advocates claimed, they prevented or had no effect on it.

Estrogen manufacturers did not undertake such studies and the FDA did not ask them to. But ultimately three teams of scientists did—on their own initiative and at a combined cost of less than $4,000.

In reports last December, the scientists said there was a strong probability that sustained estrogen use increased the risk of cancer of the endometrium—the lining of the uterus—to between 4.5 and 13.9 times normal.

Meanwhile, supporting evidence had come from the California State Department of Health. In a survey in the San Francisco-Oakland area, the department said, it found that between 1969 and 1974 there had been a 50 percent increase in endometrial cancer. The increase was confined to middle- and upper-class women—the ones most likely to ask for and take estrogens.

In post-menopausal women who have not had hysterectomies, the annual rate of endometrial cancer is normally 1 per 1,000. But in women using estrogens regularly it is 4 to 8 per 1,000—"an incidence greater than that for breast cancer," the FDA said in its February-March Drug Bulletin to physicians.

More disturbing news came last January, when Dr. Robert N. Hoover, head of the National Cancer Institute's Environmental Studies Section, testified before the Senate Health and Administrative Practice and Procedure subcommittees.

Hoover said that estrogens also have been incriminated in breast cancer, but declined to give details pending publication of the study on which the finding is based.

In an implied reference to the claims made by estrogen adocates such as Drs. Curtis, Kistner and Wilson, Hoover said that studies purporting to show a reduced rate of endometrial and breast cancer in estrogen users are "so heavily flawed in design, conduct and analysis as to make any conclusions reached from them meaningless." In a phone interview Wilson insisted it is "a myth" that the drugs cause cancer.

The Wilson Research Foundation, which the 81-year-old physician founded in 1963, has been a prolific source of materials intended to influence physicians to prescribe, and women to ask for estrogens.

Wilson has claimed that no woman using birth-control pills, which contain estrogen, "will ever experience menopause." In the book Feminine Forever, he said he had put a 72-year-old woman on a "crash program" of estrogens to ready her for her wedding night.

Although Wilson lacked satisfactory scientific evidence to document such claims, the FDA could take no legal action against him because the claims were not being made by the drug manufacturers the agency regulates.

Inquiries by The Washington Post show that some estrogen manufacturers made contributions to the Wilson Foundation.

From fiscal 1964 to fiscal 1973, when the foundation became dormant, its receipts totaled $1,325,326, according to reports filed with New York State authorities in Albany.

Asked about the sources of the contributions, Wilson said, "I can't tell you anything about the financing." Saying he knew of no reason for secrecy, he referred a reporter to the foundation's executive director, Leonard Brenner, a New York City lawyer.

Brenner refused to identify the sources of the money but conceded that it would be "fair comment" to say most of the cash had come from drug companies.

In the reports on file in Albany, the only explicit disclosures of industry contributions were in the report for fiscal 1964, which attributes $31,350 of total receipts of $34,078 to manufacturers, and in the report for fiscal 1972, which says that "grants from companies and institutions" accounted for $323,000 of $358,657 received in 1971 and 1972.

In a telephone survey of the leading estrogen-makers, six said they had given nothing to the Wilson foundation. They are Beecham-Massengill, Mead Johnson, Organon, Ortho, Shering-Plough and Syntex.

Two firms reported contributions in the early 1960s, but the sums accounted for a small fraction of the $1.3 million in receipts. G. D. Searle & Co. said that the Searle Foundation had given $42,000, and the Upjohn Co. said it had given $20,000.

That left only Ayerst Laboratories, which, as the maker of Premarin, has been the top beneficiary of the market expanding publicity showered on estrogens for afflictions related to menopause.

The foundation listed Ayerst for $8,750 in fiscal 1964. The firm did not respond to questions over the telephone about possible contributions since then, or to a follow-up letter from a reporter.

Among medical scientists there is no dispute about the usefulness of estrogens in some women for short-term management of menopausal "hot flashes," in which unpredictable changes in blood vessels in the head cause profuse sweating and other so-called vasomotor symptoms.

Each year approximately 1.5 million women enter menopause, but fewer than 750,000 of them visit physicians with menopausal complaints. Of those who do, "only a portion" have symptoms warranting use of estrogens, the FDA told physicians in the February-March Drug Bulletin. Consequently the agency said, estrogen use by more than 5 million women "appears to exceed by far that required for short-term management of the menopausal syndrome."

"This point is confirmed by a recent survey of estrogen use in several counties of Washington" State, the bulletin continued. "This survey found that about 50 per cent of the post-menopausal women had use an estrogen preparation for three months or more and that the median duration of treatment in users was somewhat more than 10 years. Only 43 per cent of the users reported 'much trouble' with hot flushing (flashes)".

The effectiveness of estrogens in promoting a sense of well-being and youthful appearance in post-menopausal women has "not been objectively documented," the FDA said.

Doctors also prescribe the drugs to prevent or delay coronary artery disease—although, the FDA said, "no satisfactory evidence" of effectiveness is at hand—and to delay a bone disease called osteoposis, for which evidence of effectiveness is still under review.

As for anxiety symptoms triggered by menopause, the FDA said, "these can often be managed with reassurance and, if necessary, with anti-anxiety medications."

To deter excessive use of estrogens, the FDA is preparing an official labeling reflecting the restraints urged in the Drug Bulletin. In addition, the agency said it intends to put a simplified version of the labeling into every package received by users.

For consumers, tracing an injury or disease to a drug and to the physician who prescribed it is often difficult if not impossible.

Why would a woman who developed endometrial cancer before the troubling reports of last December have suspected estrogens, since she had been assured that the drugs do not cause—and may even prevent—the disease?

[From the Washington Post, July 1, 1976]

BROAD CONFLICT OF INTEREST

(By Morton Mintz)

Conflicts of interest attend every stage of the process that brings drugs out of the laboratories, through the Food and Drug Administration, onto the market and finally into our bodies.

These conflicts contribute to a huge toll of needless drug injuries and deaths by impeding rational prescribing—the right drug at the right time in the right dose for the right person.

The process begins with research, much of it done in universities. Manufacturers pay some of the costs with gifts to research funds. The gifts obviously nourish medical academic life, former Harvard pharmacologist Dr. Richard Burack wrote in *The New Handbook of Prescription Drugs*. But a conflict may arise because the gifts incur a "personal or department or university obligation" that is "a natural enemy of objectivity," Burack wrote.

In 1972, the deans of two Ivy League medical schools tried to persuade an FDA advisory panel to lift a ban on Squibb Corp.'s Mysteclin-F, an antibiotic mixture. The deans—Robert H. Ebert of Harvard and Lewis Thomas of Yale—were at the time paid consultants of Squibb. Ebert also owned $15,000 worth of Squibb stock, and had been a paid director of Squibb. The panel unanimously rejected their advice.

A second area of potential conflict of interest looms when research produces a chemical promising enough to warrant testing. The public interest is reliably best served by testers who do not know the identity of the manufacturer and have no interest—financial or otherwise—in the outcome of their trials. This principle has been consistently violated.

Some drug investigators buy stock in the companies whose drugs they test—an "impropriety," in the long-standing view of the Department of Health, Education, and Welfare. But the American Society for Pharmacology and Experimental Therapeutics, an organization of medical testers, says a manufacturer "has no right" to tell an investigator not to buy its stock, because that would "invade [his] private domain."

A straight fee for testing also creates a problem. "The physician who is in the pay of pharmaceutical manufacturers is in no position to keep public confidence in his objectivity," Prof. William B. Bean, chairman of medicine at the University of Iowa, once said.

A third arena for conflict is the FDA, which must judge whether a company seeking to market a drug has provided substantial evidence that it is safe and effective in the uses for which the firm is promoting it.

For years, allegations of conflicts in the FDA had beset the agency like a persistent, low-grade infection. In August, 1974, however, such allegations were made under oath in a televised hearing. The witnesses were 11 Bureau of Drugs scientists and three bureau consultants who had been subpoenaed to testify by Sen. Edward M. Kennedy (D-Mass.) before his Health and Administrative Practice and Procedure Subcommittee.

The gist of their charges was that they operated under a double standard: when they approved actions sought by drug companies, they had no problems; when they resisted the companies they were harassed and punished by their superiors.

Dr. J. Marion Bryant said he had worked on an application by Parke-Davis for FDA approval of Dilantin for treatment of irregular heartbeat and had decided that the firm had failed to establish either its safety or effectiveness.

Although he had been a heart specialist for 30 years, he then was transferred out of the division responsible for heart drugs to duties in which there was no need for his speciality, Bryant testified.

Another case involved Dr. Carol Kennedy of the Division of Neuropharmacological Drug Products, and Cylert, a drug that Abbott Laboratories was seeking to have approved for the treatment of hyperkinetic children.

Kennedy found Abbott's data on Cylert inadequate. And, she testified, so did an FDA pediatric drug specialist and outside consultant, Gerald Solomons. Dr. Elmer Gardner, then the division chief, led her to believe he felt the same way, she said.

But after Abbott complained, she testified, Gardner and bureau chief J. Richard Crout formed a new advisory committee and ordered her not to communicate with it.

Then the FDA hierarchy transferred Kennedy, a psychiatrist, to review soft contact lenses. The second advisory committee vindicated her original finding: the Cylert data had been insufficient.

Meanwhile, the division asked Dr. Solomons to head a task force of three outside experts to develop guidelines for treating children with drugs such as Cylert.

Solomons testified that questions asked by Abbott of task force members led them to believe "that all our deliberations were being conveyed to the drug company . . ."

As a result of such testimony, Commissioner Alexander M. Schmidt—who came to the FDA after the episodes cited in the testimony—made a 14-month, $196,000 investigation. In a 906-page report last October, he said he "found no industry domination of the Bureau of Drugs or industry protection by the bureau or agency."

Following the hearing, HEW appointed a panel of seven leading scientists and lawyers to review the whole process by which the FDA regulates drugs and to assess the Schmidt report.

The panel chairman was Dr. Thomas C. Chalmers, a former official of HEW's National Institutes of Health, who is president and dean of the Mount Sinai School of Medicine in New York City. The executive secretary, Dr. Lionel M. Bernstein, is a longtime HEW official and friend of Chalmers.

Lawyers for nine of the FDA scientists alleged that a conflict existed. Chalmers and Bernstein were part of the HEW establishment, and leaders of the FDA also were part of that establishment, as they saw it. Moreover, they said, NIH in fiscal 1975 had made grants and awards—many of them subject to annual review—of $742,557 to Chalmers and $11,764,473 to his school.

Chalmers and Bernstein, in phone interviews, denied they had a conflict and said the FDA is too remote from NIH's grant and award mechanisms to be relevant to an impartial discharge of the panel's mission.

Last May, with Chalmers alone dissenting, the panel said that Schmidt did not find industry domination because "he did not seriously seek to discover whether such domination ever existed or presently exists."

Some allegations made by the agency scientists are "so serious that they generally are perceived to challenge FDA's integrity," the panel said.

It urged HEW Secretary David Mathews to appoint a special investigator to try to assess the allegations and to extend the panel's life from Sept. 30 to Dec. 31.

On June 3, Mathews rejected the requests without explanation, although he asked HEW's lawyers to make "a thorough analysis" to determine if there should be additional investigation and, if so, how to do it.

Four days later, panel Vice Chairman Norman Dorsen, a New York University law professor, attacked Mathews' action as a "triumph of bureaucracy over the people who put their careers on the line." Some panel members sought to have staff director Bernstein removed. Two days after that, chairman Chalmers, citing an "intolerable level" of discord, resigned. The prospect that the charges will be resolved is dim.

Like numerous other federal agencies, the FDA serves as a kind of cadet training school for companies it regulates. This violates no law, provided an ex-employee does not come before the FDA for a year, or ever in the case of a regulatory matter in which he had been involved.

Yet, the practice of FDA officials quitting the agency for lucrative jobs in the drug industry is "dangerous," Dr. Louis Lasagna, then of Johns Hopkins, wrote in his book *The Doctors' Dilemmas*. "It does not seem desirable to have in decision-making positions scientists who are consciously or unconsciously always contemplating the possibility that their futures may be determined by their rapport with industry," Lasagna wrote.

The exodus peaked in the 1960s. One key FDA official who quit was Dr. Joseph F. Sadusk Jr. As director of the Bureau of Drugs, he had made decisions—on birth-control bills, antibiotics and other drugs—that benefitted particular companies, including Parke-Davis. About a year after leaving the FDA, Sadusk became a vice president of Parke-Davis.

His deputy, Dr. Joseph M. Pisani, went to the Proprietary Association, trade group for makers of non-prescription drugs. Dr. Robert J. Robinson, who became deputy director of the bureau after Sadusk left, joined Hoffmann-La Roche. Morris Yakowitz, chief of case supervision, joined Smith, Kline & French.

The parade continues even now. A few weeks ago, Owen Lamb, compliance chief in the FDA's Chicago district, quit to go to work for G. D. Searle & Co.

Sometimes physicians are, unconciously perhaps, conditioned to favor certain drug firms because they began to take gifts from them as medical students.

At Harvard and a few other medical schools in the late 1960s, students revolted briefly against the practice. In 1972, however, some Harvard students petitioned Eli Lilly & Co., to revive its gift-giving program. With the approval of school authorities, the company told a reporter, it has been handing out free stethoscopes ever since to those students who want them.

Doctors who profit from prescribing have an obvious conflict. A study in an unidentified large city involved products containing penicillin, to which millions of persons are allergic or sensitive. Physician-owners of four firms that packaged the products under private labels prescribed them eight times as often as comparable doctors with no vested interest in such firms.

Senate Antitrust Subcommittee investigations in the 1960s turned up physician ownership not only of more than 100 such packaging businesses, but also of 2,200 pharmacies.

The Code of Ethics of the American Medicine Association once barred ownership of pharmacies. After it became popular, however, the AMA in 1955 changed the code to make ethical what had been deemed unethical.

The AMA is "in bed with the pharmaceutical industry," Sen. Gaylord Nelson (D-Wis.), chairman of the Senate Small Business Monopoly Subcommittee, charged at a 1972 conference.

Not so, Dr. William Barclay, the AMA's assistant executive vice president, told the meeting. The AMA, he said, has "one primary mission: to advance the art and science of medicine."

In 1906, the AMA established its Council on Drugs to bring to the profession advice of distinguished experts serving without fee. During the 1950s, the council became distressed about products combining two or more antibiotics in fixed ratios. These had been approved for sale by a former FDA official, Henry Welch, who turned out to have gotten $224,000 in honorariums from two journals that got virtually all of their income from makers of the mixtures.

Starting in 1956, the council urged the AMA Board of Trustees to reject advertisements for the combination, partly on the ground that they at least doubled the risk of adverse reactions without offsetting benefits.

In 1961, AMA executives assured the Senate Antitrust Committee that ads for the combinations in its Journal (JAMA) "will be gradually withdrawn . . . during the next two or three years." The ads ran for eight more years—until the products were banned.

In 1968, meanwhile, 30 experts in the treatment of infectious diseases, named by the National Academy of Sciences to review the products under a contract with the FDA, unanimously condemned the combinations and urged the profession to abandon them.

By providing more antibiotics than needed to treat infections, the combinations vastly expanded the peril of proliferations of treatment-resistant bacteria, the report said. It also rated the products ineffective on the grounds that they are no more effective than their ingredients used separately.

The experts offered the report to JAMA, which refused to publish it. The magazine was deriving a major share of its revenues from ads for the combinations, which had come to account for about 40 per cent of all prescriptions. The experts then offered the report to the New England Journal of Medicine, the nation's most distinguished medical publication, which published it on May 22, 1969.

Fulfilling an AMA commitment, the Council on Drugs, aided by 300 consultants, prepared "AMA Drug Evaluations: 1971." It cost $3 million, took five years, was a complete prescribing guide—and led to the council's demise.

Led by Dr. John Adriani, the council arranged for draft copies to go to, the Pharmaceutical Manufacturers Association, whose members accounted for most of the 14,830 ad pages in JAMA from 1968 through 1972.

In January, 1971, while the guide was awaiting binding, AMA Board Chairman Max H. Parrott came to a meeting of the council, according to an account given jointly to the Nelson subcommittee by Adriani, Dr. Harry L. Shirkey, his successor as chairman, and former council Vice Chairman Daniel Azarnoff. They said Parrott told them he wanted to delay publication so that "our friends"— the PMA— could review it.

The PMA then delivered "three or four crates full" of revisions, of which the council accepted a token 35, but, the witness said, it rejected a PMA proposal to delete the term "irrational" from the guide's discussion of heavily promoted combination products. The guide finally came out incorporating a letter from Dr. Parrott saying some combinations "may be justifiable."

In the fall of 1972 the AMA decided that its need for the council, "once compelling," had disappeared, because it said the FDA since 1962 had been responsible not only for the safety, but also for the effectiveness and promotion of drugs. A second edition of the prescribing guide was never published .

The three former council officials charged that the AMA had proved itself to be "a captive of and beholden to the pharmaceutical industry." The AMA denounced such talk as "inaccurate and irresponsible," saying a need to save money had forced it to drop three councils, of which that on drugs was but one.

Twice in the 1960s, the AMA assured Senate subcommittees that it had no investments in drug firms. In 1972, however, it began to invest retirement-plan funds in drug stocks and, within a year, had $10 million worth. After The Washington Post revealed this investment in June, 1973, the AMA disclosed that a few days earlier, at the request of its board, its Judicial Council had voided a 10-year-old conflict-of-interest ban on such investments.

Last summer an unidentified source gave newspapers reams of sensitive internal AMA papers, the authenticity of which the AMA did not dispute, dealing with its relationships with the drug industry. The papers disclosed that in 1962, while most companies and the AMA were futilely opposing drug-law reforms, 27 large drug firms began contributing money—secretly—to AMPAC, the AMA's political arm, for use in "political education campaigns." The contributions continued through 1965 and totaled $851,000.

Other papers dealt with AMA officials' position on hypoglycemic pills, which lower blood sugar in persons with mild diabetes. A major study financed by the National Institutes of Health had found that the cardiovascular death rate is almost 2½ times higher in long-term users than in nonusers relying on diet alone. It also had found that the pills lose their effectiveness in as little as two years.

The AMA endorsed the study—bad news for manufacturers grossing about $100 million a year from the pills and for publications, including JAMA, carrying ads for the drugs.

JAMA printed in its Feb. 10, 1975, issue not only a favorable assessment of the study, but also an editorial—by Mount Sinai's Chalmers—associating the pills with "10,000 to 15,000 unnecessary deaths" a year.

About two weeks before publication, AMA Executive Vice President James H. Sammons wrote some 400 officials of medical societies that "a considerable body of scientific opinion contradicts" the study. Diabetics, he wrote, "should not be influenced by press reports and should continue on whatever diabetic management program their own physician had prescribed."

The Upjohn Co., maker of two top brands, Orinase and Tolinase, asked permission to give copies of the letter to its salesmen. But AMA lawyer Betty Jane Anderson reminded Sammons of an AMA policy that its name "may not be used for trade purposes." She suggested an alternative: JAMA could publish criticisms of the study (it did so on March 17 and May 26, 1975). Undeterred, Sammons allowed Upjohn to circulate his letter to physicians.

[From the Washington Post, July 2, 1976]

Faulty Testing of Drugs

(By Morton Mintz)

Inadequate, low-quality and sometimes even fraudulent testing has been at the heart of several drug disasters. One of the worst involved MER/29, which lowered blood levels of a fatty substance called cholesterol.

For its manufacturer, Richardson-Merrell Inc., MER/29 had a seemingly dazzling potential: a $25 million annual market composed of persons whose arteries were clogged and whose hearts had to work extra hard to pump blood through them.

To prevent heart attacks, these persons could do things that don't come easy, such as going on a rigid diet. But with MER/29 (or so went the scenario), they could inhibit or even reverse hardening of the arteries simply by swallowing a 35-cent capsule once a day.

During the approximately two years in the early 1960s when MER/29 was sold, physicians prescribed it for about 400,000 persons. And at least 5,000 of them—ranging in age from 8 to 80—suffered injuries, according to Paul D. Rheingold, a plaintiff's lawyer who researched and wrote about the episode. Most of them suffered cataracts, loss of hair, and a skin disease.

When Merck & Co. had tried the drug, a number or rats and dogs developed cataracts, and several rats went blind. Merck warned Richardson-Merrell in January, 1961, and was ignored.

In Richardson-Merrell's own labs in Cincinnati, two dogs on MER/29 also had developed cataracts, as shown in an internal autopsy report. But the Food and Drug Administration charged that the firm did not report this finding to the agency, as required by FDA regulations.

And when a monkey on MER/29 lost one-quarter of its normal weight, the company recorded the weight loss on a chart. But the chart on the same monkey that the firm submitted to the FDA showed a gain in weight, the agency said.

Such allegations eventually led to an indictment. Pleas of no-contest were entered by the company, by its William S. Merrell division, and by three of the division's top scientists: vice president Harold Werner, Evert Van Maanen and William King. In June, 1964, in Washington, U.S. District Court Judge Matthew F. McGuire fined the company and the division $80,000 and put the three scientists on probation for six months.

MER/29 in fact lowered blood levels of cholesterol—but only by replacing it with desmosterol, another fatty substance that also is conducive to hardening of the arteries.

The FDA's position was—and is—that drug-induced lowering of blood cholesterol has been neither proved nor disproved to prevent heart attacks. Despite this, and despite the failure even of the company-manipulated data to establish MER/29's safety, the FDA had approved it for the market.

Richardson-Merrell then massively promoted it as a non-toxic near-miracle to a medical profession that massively prescribed it.

Of the approximately 5,000 victims, more than 1,500 sued. The company settled with more than 95 per cent of them for sums ranging from trivial to as much as $125,000 each.

Government regulation of drugs—and, for that matter, food additives and pesticides—is based on a presumption of absolute integrity in the testing done by manufacturers, or done for them by laboratories, physicians and scientists.

The presumption has been in trouble for a long time. Shortly after becoming commissioner of the FDA in 1966, Dr. James L. Goddard said he was "shocked" by the quality of test data manufacturers were submitting.

Among other things, he protested "conscious withholding of unfavorable" results and "the deliberate choice of clinical investigators known to be more concerned about industry friendships than in developing good data . . ."

Two years later, Goddard's successsor, Dr. Herbert L. Ley Jr., said that "poor quality" still was the main problem with industry data. Although the FDA frequently has rejected marketing applications based on poor data, congressional investigators repeatedly have found cases in which the agency has approved such applications.

Last July, the current FDA chief, Dr. Alexander M. Schmidt, said a question exists whether "a criminal withholding of data" had occurred in connection with three drugs: Ayerst Laboratories' Practolol, for correcting irregular heart rhythm; Lederle Laboratories' Triflocin, a diuretic, and Ciba-Geigy's Slow-K, which replaces potassium lost through use of diuretics.

Schmidt told the Senate Health and Administrative Practice and Procedure subcommittees that each time the FDA tried to determine whether to seek a criminal prosecution, its effort was "interrupted at a critical point through inaction or loss of a document" by the agency. Even so, he told Chairman Edward M. Kennedy (D-Mass.), he did not believe there should have been prosecutions.

In the case of Practolol, a British study raising the possibility that it was cancer-causing was known to some officials of Ayerst, which did not submit the study to the FDA, Schmidt testified. The Bureau of Drugs sent the Office of Compliance papers bearing on the possibility of a violation of reporting regulations, but they never arrived—disappearing "into some mysterious bottomless pit," he said.

In the case of Triflocin, the drug was given to rates in amounts comparable to those humans would take. Lederle killed the last of the rats in August, 1969. Before doing so, it had started 200 person, many of them prisoners, on the diuretic. Not until April, 1970, did the firm tell the FDA that cancer in some of the rats' bladders had been detected by microscropic examination and that it was ending human trials. One prisoner developed bladder, cancer, underwent surgery and, at last report, was alive.

In the case of Slow-K, Dr. F. Gilbert McMahon, then a Ciba vice president, warned his firm in January, 1965, that it caused uclers in animals. Ciba did not obey FDA rules requiring it to notify the agency. In May, 1972, however, McMahon himself notified the FDA. Agency lawyers decided a prosecution was unwarranted, but submitted evidence anyway to the Justice Department. Meanwhile, the FDA reprimanded Ciba in a private letter and, on the ground that Slow-K's benefits outweigh its risks, approved it for sale.

However, the Justice Department recently asked for more facts on the case. As a result, a reporter learned from a non-government source, the FDA has summoned Ciba to a closed hearing this morning at which it will be asked to state its side of the issue.

The biggest jolt to the presumption of integrity in testing came with disclosure starting last July about G.D. Searle & Co. and three of its top-selling drugs that were found to cause cancer in animals: Flagyl, prescribed for vaginitis, a minor vaginal infection, and

Aldactone and Aldactazide, which lower blood pressure.

After an eight-month investigation, an FDA task force said that Searle had "made a number of deliberate decisions which seemingly were calculated to minimize the chances of discovering toxicity and/or to allay FDA concern," such as "delaying the reporting of alarming findings."

Commissioner Schmidt told Kennedy in April that he would recommend a grand jury inquiry to determine if Searle's animal testing had violated criminal laws. The company blamed data discrepancies on "minor . . . and statistically insignificant errors."

Because of uncertanties about test data submitted by other companies and labs, Schmidt told Kennedy, the assumption must be that deficiencies of the kind found by the FDA at Searle "are an industry-wide problem until proven otherwise."

One of the most worrisome questions about drug testing is when it ought to begin in humans. The general assumption is that a new chemical should be fully tested in animals first. That assumption is the basis of FDA regulations designed to find out if in short-term use a drug causes acute effects—anything from nausea to impotence. But the agency has allowed human trials to begin before completion of animal studies intended to determine whether certain drugs in long-term use may cause cancer or other irreversible lesions, such as cataracts.

The FDA's rationale has been that allowing human trials to proceed confers benefits that outweigh the risks of waiting for the outcome of long-term animal tests that usually take one to two years. But the drugs involved commonly have not been advances over available products.

Merck & Co. gave MK-665, an experimental birth-control pill, to beagles, killed them in July, 1965, but, because of vacation schedules, delayed microscopic examination of the dogs' breast tissue until that December, and then found cancer. Meanwhile, in November, Merck had notified the FDA it was starting large-scale human testing.

Although the law requires immediate disclosure of "alarming" findings, Merck did not notify the FDA of the cancer finding for six weeks. Agency counsel William W. Goodrich sought a criminal prosecution but was turned down by the Justice Department on the ground of insufficient evidence.

Meanwhile the FDA halted tests of MK-665 in the 453 women who had gotten it. Merck said it was able to follow up on only about one-third of them. The FDA long has been cool to requiring universal long-term follow-ups, mainly on the grounds of practicality, but is considering requiring them when there is evidence of serious human hazard.

Over the past 12 years, the FDA has disqualified 21 physician-drug testers (disqualification does not mean that the tested drugs are bad; it is based on the tester's conduct). Of the 21 doctors, two—Bennett A. Robin of Silver Spring, and Wallace Rubin, an ear, nose and throat specialist who was formerly an associate professor at Tulane University Medical School in New Orleans—were criminally prosecuted. Each pleaded no contest to all five counts in an indictment.

Robin had reported favorable results from a children's drug. Entoquel with neomycin syrup. His data apparently aroused no suspicions at White Laboratories, the supplier, but on their face appeared suspect to Dr. John O. Nestor, an FDA physician who had been a pediatric cardiologist for 20 years. Robin's data were "completely at variance" with his experience, said Nestor.

Over a five-year period ending in 1963, the FDA charged, Robin had "tested" about 45 drugs for 23 firms without ever examining the patients he claimed to have tested.

In sentencing him on the fraud charges in 1964, Judge McGuire said he had "falsely reported . . . no or insignificant side effects and . . . good or excellent results." These reports had appeared in the Maryland State Medical Journal and elsewhere. His fees exceded $32,000.

McGuire, telling Robin that he had "brought obloguy" on his profession and lacked "any justification" for what he had done, fined Robin $5,000 on one count. He gave him a suspended fine and a suspended jail term (of two to six months) on each of four additional counts.

In the New Orleans case, it was the manufacturer, E.I. du Pont de Nemours, that became suspicious of Rubin. It told the FDA that his lab results were "consistent beyond probability," and that he claimed to have tested more patients than the quantity of drug Du Pont had supplied would have allowed, Dr. Frances O. Kelsey, director of the FDA's Division of Scientific Investigations, said in a memo.

On the basis of the Du Pont report and other charges, Rubin was indicted on charges of submitting "false, fictitious and fraudulent" data and drew a suspended one-year sentence in December, 1973.

Under the Freedom of Information Act, a reporter obtained files on the 21 physicians, including Robin and Rubin, whom the FDA has disqualified from drug testing. Among 15 who have not been reinstated, and have not applied for reinstatement, were the following, listed with the date of disqualification:

Dr. William A. Abruzzi, Jr. of Wappingers Falls, N.Y., 1966. In September, 1963, he was—according to his records—treating patients in his office with a Merck antidepressant and an Abbott Laboratories heart drug. Actually, the FDA said, he was in Austria at the time. Later, he became known as "the rock doc" for ministering to the fallen at rock festivals.

Dr. Leo J. Cass, of Cambridge, Mass., 1965. His Cass Research Associates tested for 28 companies. The FDA said it became suspicious when he tested a drug in which—because of a freak production error—the active ingredient was present in 10 times the proper amount. Cass reported zero adverse reactions in 29 patients; another doctor testing the same pills reported 29 adverse reactions in 30 patients.

Cass, retired director of the Harvard Law School Health Service, also tested two aspirin products, Chesebrough-Pond's Measurin and Abott's Stendin, in "patients" some of whom, the FDA said, were "deceased or not hospitalized."

He published articles in Current Therapeutic Research, which gets nearly all of its income from the sale of reprints of articles to manufacturers of the drugs the articles discuss.

FDA counsel Goodrich in June, 1966, prepared a draft indictment and supporting evidence for 10 counts, but, an FDA internal paper says, the Justice Department said the evidence "did not reveal knowledge or intent on the part of Dr. Case to submit false data." The department said more evidence was needed. FDA sources told a reporter the case could have proceeded only with a grand jury, which has subpoena power, but that the department refused to empanel one.

Sheldon R. Bender of Philadelphia, 1969. He tested an anti-psychotic drug, in 25 elderly patients in a nursing home. For unclear reasons, 12 died. Bender did not tell the FDA of five of the deaths until the FDA began an inquiry. He signed the death certificate for one patient, but, according to a form bearing her purported signature as witnessed by Bender, the corpse had agreed to participate in the study.

Joseph Sobotka of Phoenix, 1970. In a study for Lederle Laboratories, he listed three patients at addresses found by FDA investigator Alan Lisook to be "two vacant lots and a citrus grove."

Howard Balin of Philadelphia, 1975. G. D. Searle & Co. told the FDA he had not reported pregnancies and therapeutic abortions in three users of an intrauterine contraceptive device, the CU-7.

Lyman Smith, of Elgin, Ill., 1975. He pioneered injections of an enzyme called Chymopapain as an alternative to surgical removal of spinal disks, and helped to initiate a prohibition on reinjections, which are very hazardous. But, the FDA said, he arranged for Chicago White Sox third baseman William Melton to be "covertly reinjected," and, according to Travenol Laboratories, did two other reinjections. To "cover up" the reinjections, the FDA said, Smith "attempted falsification of the record . . ."

The late Leo Loewe, of New York City, 1966. The FDA said his DCF Research, Inc., claimed to have studied coughs in 26 patients with a device actually used in none and submitted test reports on two cough syrups that bore forged signatures of testers.

The world's largest uncontrolled medical experiment—never officially labeled that way—involves the ingestion of potent drugs 20 or 21 days a month by healthy, not sick, persons. Currently, an estimated 50 million women world-wide take the drugs—the oral contraceptives.

Searle's Enovid was the first Pill. The FDA released it in 1960 after testing in 132 women for a maximum of 38 consecutive menstrual cycles. As a base of long-term, widespread use, this sample was far too small, Commissioner Goddard publicly acknowledged later.

On Sept. 10, 1962, Searle convened 50 scientists to weigh the possibility that Enovid caused blood clots. At the time, Searle knew of nine fatal and 114 non-fatal cases. Such data permitted no conclusion as to a cause-effect association. Only a scientific study could determine whether the rate of clotting in Pill users was higher than in non-users.

But at the Searle meeting after a few hours' discussion, famed heart surgeon Michael E. De Bakey called for a vote to decide the issue. The scientists had seen not "a single shred of evidence" to show that the Pill caused clots, De Bakey said. With one dissent, the scientists agreed.

Three months later, the FDA asked a panel of nine outside consultants, led by Dr. Irving S. Wright, professor of clinical medicine at Cornell, to investigate. In its first major action, the panel gave up trying to determine if the Pill caused non-fatal clots, because it said available statistics were unreliable.

Even the data on fatalities were shaky, it said. No one knew, for example, how many women had been on the Pill in 1961 and 1962, the years at issue, or how many had been on it only part of the time. Finally, the panel announced a cautious conclusion: no significant increased risk of fatal clotting in Pill users had been "demonstrated" by the available data.

The panel recommended "a carefully planned and controlled" study, which would have cost an estimated $2.5 million and taken three years. The National Institutes of Health considered but rejected it on the ground that it had more urgent priorities.

Finally, British scientists undertook such a study and, in April, 1968, published their finding: the Pill multiplied the risk of fatal and non-fatal clots seven to 10 times. Specifically, the annual death rate per 100,000 women in the age group 20 through 34 was 1.5 among users, compared with 0.2 among non-users; in the 35–44 age range, 3.9 in users, 0.5 in non-users. The annual hospitalization rate, measured for the 20–44 age bracket, was 47 among users and 5 among non-users.

In 1973, an NIH-sponsored study showed a nine-fold increase in the risk of serious and fatal strokes among Pill users. And in May, 1975, British scientists reported that heart attacks, rare in young Pill users, occur more frequently with age, particularly in the final years of the child-bearing age span. The FDA advises women 40 and older to switch to other forms of contraception.

Last February, the Population Council announced results of computerized estimates of risks for various methods of contraception. One phase of the study concerned 100,000 women relying entirely on the Pill for 20 years starting at age 25. Pill-associated strokes, other blood-clotting diseases and heart attacks would kill 187.5 of them, with a disproportionately high toll in the late child-bearing years, the study estimated. If the women were to rely on IUDs instead, 20—one-ninth as many—would be killed by IUD-associated diseases, the analysis estimated.

[From the Washington Post, July 3, 1976]

FDA—PROTECTOR WITHOUT A SWORD

(By Morton Mintz)

The fundamental mission of the Food and Drug Administration is to provide consumers with protection they cannot provide for themselves.

To carry out its mission, the FDA is armed with a wide array of regulatory powers over drugs, vaccines, medical devices, food additives, food sanitation, and cosmetics.

For years, however, critics inside and outside the agency have charged that its leadership often has endangered the public by failing to exercise its powers in reasonable time if at all.

Last July, a Senate subcommittee summoned Dr. J. Richard Crout, director of the FDA Bureau of Drugs, to testify on the dangers of pills taken by persons with mild diabetes to lower blood sugar. In 1975 alone, physicians wrote 16.8 million prescriptions for the drugs, including 3.8 million for phenformin (Ciba-Geigy Corp.'s DBI and USV Pharmaceutical Corp.'s Meltrol). Phenformin is in a class of chemicals different from the other pills.

Crout testified that phenformin has a unique "clear added hazard": it can cause lactic acidosis, a complication that kills one in two victims. The complication in phenformin users "is not rare," FDA medical officer Robert Temple said in January, 1973, after surveying the evidence. Rather, he said, it is "rarely detected."

Why then does the FDA permit phenformin to remain on sale? asked Benjamin Gordon, economist for the Small Business Monopoly Subcommittee. Crout replied that as a medical scientist, he believes the drug "has no role" in the treatment of diabetes and should not be sold. But his "personal opinion" cannot rule his conduct as a federal official, he said. He pledged, however, that he would refer the issue to the FDA's expert outside advisers—the Metabolic and Endocrine Advisory Committee.

A year later, the FDA still has not referred the issue to the committee, but, an official told a reporter last week, will do so when the panel next meets in the fall.

In the nature of things, the FDA must act on issues that pit the public's need for protection against interlocked business, professional and political presures. Time and again agency leaders have tried to steer some kind of middle course. A classic case involved Panalba, an Upjohn Co. combination of two antibiotics: tetracycline and novobiocin.

Tetracycline, invaluable when properly used, is effective in a broad range of infections, novobiocin only in a narrow one. Indeed, the American Medical Association's respected Council on Drugs ruled out novobiocin as the best or second-best antibiotic "in any infection."

And the official labeling for novobiocin—agreed to by Upjohn in routine negotiations with the FDA—warned that some users would suffer liver damage or serious and even fatal blood disease, and that a significant proportion of users would develop allergic or hypersensitivity reactions.

In 1966, the FDA contracted with the National Academy of Sciences (NAS) to review the evidence of effectiveness available for all drugs that had entered the market before 1962, when, for the first time, the law started to require substantial evidence of drugs' efficacy. Panalba, introduced in 1957, was among 90 pre-1962 antibiotic combinations. These were assigned to NAS review panels composed of 30 specialists in the treatment of infectious diseases.

The panels concluded unanimously that the 90 products were hazardous, because they exposed users to more potent drugs than they needed. Harmful bacteria, they said, should be hit with a rifle shot—the right dose of the right antibiotic—rather than with a shotgun blast of right and wrong antibiotics. And, they said, the combinations are ineffective because they are no more effective than their ingredients used separately.

Their prime target was Panalba. It has "no place in rational therapeutics," the panels charged. But it had a major place at Upjohn, accounting in 1968—the year in which they made the charge—for sales of $18 million, or 12 per cent of the domestic gross of the Kalamazoo, Mich., firm. By 1970, American physicians had written 750 million prescriptions for it.

When the panels had completed their review, the responsibility to act fell on the FDA, then headed by Dr. Herbert L. Ley, Jr. Himself a specialist in the treatment of infections, he believed strongly that the combinations should not be sold, and he was deeply troubled by Panalba, which was to become the FDA's test case.

Ley told the Monopoly Subcommittee that without doing any good, Panalba's novobiocin component was causing "literally hundreds of thousands" of adverse reactions a year. Most, he said, were "merely irritating"—"you can't sleep for several nights or a week, or you may break out in a very unpleasant, uncomfortable rash." But a "smaller proportion" were "temporary but very severe" liver injuries, and a "still smaller number" were blood disorders, including 11 that were fatal.

On Christmas Eve, 1968, the FDA formally launched a regulatory action that, it hoped, would get Panalba off the market in reasonable time and, by doing so, set a firm legal precedent for swift removal of all the other antibiotic combinations the NAS had condemned. This decision allowed Upjohn, while fighting in administrative and court proceedings, to go on selling Panalba as before. Ley could have, but did not, stop sales at once by declaring Panalba an "imminent" hazard to public health.

On March 7, 1969, FDA Inspector Roy D. Sanberg, in an inspection of Upjohn files, found some studies that the company had sponsored on the amounts of tetracycline and novobiocin that enter the blood of Panalba users. The studies were reviewed by FDA medical officer Max B. McQueen, who made a startling discovery: tetracycline—almost invariably the needed antibiotic—appeared to be less effective in combination with novobiocin than when used alone.

In addition, the studies suggested, a chemical antagonism between the two antibiotics markedly lowered the amount of novobiocin that got into the blood, occasionally to zero levels. The message of the report was implied but clear: Panalba decreased the effectiveness of both of its components while needlessly exposing users to the hazards of one.

Upjohn had had the reports in its files for almost 10 years, but had not informed the 23,000 physicians who regularly prescribed Panalba. It also had not told the FDA, although a 1962 law required manufacturers to file summaries in 1964. Agency counsel William W. Goodrich told Monopoly Subcommittee chairman Gaylord Nelson (D-Wis.) in 1969 that a pending lawsuit filed by the drug industry challenging the filing requirement had restrained the FDA from punishing Upjohn.

While the legal battle over Panalba was under way, Upjohn vice president J. C. Gauntlett mass-mailed a letter to physicians in which he contended that the FDA was threatening the "right" of each doctor to prescribe any drug. This charge precipitated a deluge of 1,200 protests to the agency from physicians, who in every year since 1961 had made Panalba one of the 200 most prescribed drugs.

On April 30, 1969, Ley informed his boss, Health, Education and Welfare Secretary Robert H. Finch, he was going to take Panalba off the market immediately. Meanwhile, Upjohn enlisted Rep. Garry E. Brown (R-Mich.), a self-described "congressman ombudsman" for his corporate constituent. In turn, he recruited Finch, who ordered Ley to back down. But Finch changed his mind after investigators for the House Intergovernmental Relations Subcommittee discovered his intervention.

With the Pharmaceutical Manufacturers Association at its side, Upjohn also fought in federal court in Kalamazoo to go on selling Panalba pending an administrative hearing. The FDA resisted but was in an awkward position because it had not, months earlier, labeled the hazard of Panalba "imminent." The agency argued that the hazard was "serious"—and even "substantial," "unacceptable" and "unwarranted"—but not "imminent," the term the FDA needed to invoke to halt sales of the drug without waiting for a court order.

U.S. District Court Judge W. Wallace Kent allowed Upjohn to go on selling Panalba temporarily pending further FDA action. He put Ley in a difficult spot because of a special provision in the law applying only to antibiotics, not drugs generally: unless an antibiotic is certified by the FDA as safe and effective in a batch-by-batch inspection, not a single dose can be sold.

Consequently, Ley had to choose between disobeying a court order or continuing temporarily to certify as safe and effective a product he had said was neither.

Ley might have appealed the order, but FDA counsel Goodrich advised him not to. Goodrich said he had rated the chances of an appeal as "not good" and feared it would impede the FDA's effort to rid the market of the 89 other combinations by "the shortest and surest" route.

In hindsight, Goodrich said, to have declared Panalba an "imminent" hazard at the outset "would have been better." Ley acknowledged it might have worked.

At the time Ley had to make his choice, Richard Nixon had just been elected President. Nixon was reputed to be a close ally of the drug industry, partly because one of his closest friends was Elmer H. Bobst, the largest stockholder in the giant Warner Lambert Co.

Therefore, the FDA's top echelon was fearful of antagonizing the industry. Drs. Robest S. McCleery, then special assistant to Ley for communications, and B. Harvey Minchew, then acting chief of the Bureau of Drugs, charged in interviews. They said that the industry certainly would have been antagonized by an FDA ruling that Panalba was an "imminent" hazard.

McCleery accused Ley of having avoided such a ruling because "he wanted to keep his job," which he held at the pleasure of the President. In reply, Ley said he had better served the public interest by classifying Panalba's hazard as "serious," thereby taking an "intermediate" course between aides who had urged him to make a drastic move.

McCleery, the advocate of tough regulation, resigned in protest in February, 1969. Minchew resigned three months later. Ley was replaced in December, 1969.

Upjohn continued to sell Panalba while renewing its battle to extend its reprieve on the drug in the U.S. Court of Appeals in Cincinnati. Losing there, it carried the case to the Supreme Court, which ruled for the FDA in March, 1970. The ruling had no bearing on foreign sales, and Upjohn, like other makers of drugs banned here, went on selling Panalba abroad (as Albamycin-T).

To this day the FDA has never invoked its power to declare a drug an "imminent" hazard. Last February, Congress' General Accounting Office urged Commissioner Alexander M. Schmidt to invoke it for four nitrofurans, suspected cancer-causing drugs that have been added to the feed of billions of poultry, swine and cattle to stimulate growth and fight infections—and that leave residues in eggs, meat and milk.

On the eve of a hearing last March by the House Commerce Subcommittee on Oversight and Investigations, the FDA announced that it was moving to halt sales of the nitrofurans—but with a legal procedure, similar to that for Panalba. Sales will continue pending resolution of administrative and court challenges.

Dr. Schmidt and FDA counsel Richard A. Merrill said Congress had not intended that the "imminent" hazard power be used in a case such as the nitrofurans. But subcommittee chairman John E. Moss (D-Calif.) and his aide, Michael Lemov, cited congressional debate of the "imminent" hazard power as well as the FDA's own regulation, which they said showed the power could be used in such cases.

Perhaps it is "a general law of life" that the work of a public agency tends to deteriorate with time, former Sen. Paul H. Douglas (D-Ill.) wrote in his book "Ethics in Government."

The FDA's first chief, Dr. Harvey W. Wiley, had led a 25-year fight for the 1906 law that created the agency. A crusading reformer, he attracted ardent disciples who saw themselves as servants of a noble cause, were willing to work hard, and were almost indifferent to pay and perquisites.

The law gave the agency—in those days part of the Agriculture Department—little room for administrative buck-passing, delay or waffling.

On establishing a violation, the law said, the Secretary "shall at once" notify a U.S. Attorney. The prosecutor, in turn, "shall" start proceedings "without delay, for the enforcement of the penalties as in such case herein provided."

After a few years Wiley was out. The crusading spirit began to ebb. There set in an affliction common to regulatory agencies. Douglas called it "degenerative disease, 'administrativitis' ".

The law also became swollen. It sprouted arcane regulations, and the whole became a thicket all but impenetrable to anyone but an expanding corps of food and drug lawyers.

Burdened with more responsibilities to protect the public, the FDA rarely got support from the public. At the same time, it had to face daily pressures from regulated industries, sometimes registered through Congress and the White House, and from the medical profession.

Increasingly, the FDA delayed, fudged and vacillated on important issues. Tough enforcement policies also were dealt a blow by a citizens advisory panel named by the late Commissioner George P. Larrick, according to Gilbert S. Goldhammer, who was a top FDA enforcement official at the time and is now a consultant to the House Intergovernmental Relations and Human Resources Subcommittee.

The panel recommended in 1962 that the FDA seeks ultimately to put itself out of business by having food and drug manufacturers inspect themselves. Larrick judged this bad advice, but, Goldhammer said, told him and other aides that, having appointed the panel, he had no choice but to take its advice. The FDA then began to deemphasize enforcement.

In a 1970 hearing, Goldhammer's boss, Rep. L. H. Fountain (D-N.C.), threw cold water on the idea that more money would cure the FDA's enforcement problems. Fountain produced data contrasting enforcement actions in the years 1945 and 1968, when the population was 150 million and 200 million, respectively. Here are some of the data, supplemented by figures for 1975, when the population was 215 million:

Budget and employees: 1945, $3 million, 850 employees; 1968, $66 million, 5,100; 1975, $200 million, 6,200. Seizures of drugs: 1945, 594; 1968, 234; 1975, 72. Prosecutions for food violations: 1945, 278; 1968, 70; 1975, 43.

The 1945–1968 figures "do show an alarming decrease," then-Commissioner Charles C. Edwards conceded to Fountain.

The congressman, relying on interviews by aides with FDA employees, laid significant blame for the declines on "critically low" morale in the agency. And morale, he said, had been lowered by "frequent changes in leadership," "frequent reorganization, physical moves from one building to another, programs begun and not completed, fear of displacement because of frequent changes, and uncertainty as to FDA enforcement programs and policies."

A former FDA lawyer, who asked not to be named, sharply criticized some U.S. attorneys and the Justice Department. Together, he charged, they have blocked or severely cut back one of three cases the FDA has recommended for prosecution.

Other agency sources complained that the department, by refusing to empanel grand juries with the subpoena power the FDA lacks, have frustrated agency investigations of, among others, physicians suspected to have engaged in drug testing frauds.

A reporter who inquired about specific cases at the Justice department has been told each time that the FDA's evidence was insufficient.

The former FDA lawyer also charged that prosecutors sometimes have been cool to going after such FDA targets as the "pillars of the community who, say, own the biggest food warehouse, or who are presidents of supermarket chains—people like that."

"Nonsense," said an official of Justice's Criminal Division. "That's without substance. The department prosecutes regardless of social standing, where the evidence warrants."

In January, a General Accounting Office official, Gregory J. Ahart, told Sen. Edward M. Kennedy's Senate Health and Administrative Practice and Procedure Subcommittees that the FDA takes it largely on faith that the 12,000 physicians who test drugs in humans follow agency rules.

He also charged that the FDA sends "nice letters" to violators, has prosecuted only two violators for fraud since 1962, disqualified no drug-testers at all from 1971 through 1974 and inadequately protects the estimated 250,000 persons in whom drugs are being tested at any one time.

FDA Commissioner Schmidt, openly angry, at the charges, said, "To be criticized for failing to police 12,000 clinical investigators . . . when we have three specialists . . . responsible for monitoring all research, preclinical and clinical, is unrealistic, unwarranted and demoralizing." Such policing would require "several hundred people," he told a reporter.

Ahart said, however, that the need is simply for enough FDA surveillance "to create a climate" inducing drug testers to be careful. Similarly, the Fountain subcommittees Goldhammer says that just one criminal prosecution, especially if publicized, serves as "a deterrent." But Schmidt replies that by disqualifying unreliable testers the FDA has "put them out of business. That's all that's necessary."

Aharts investigation was one of 46 the GAO has made since 1970. Some have been "gross overkill." Schmidt said. On Capitol Hill, the FDA has appeared annually before 20 to 25 separate subcommittees in at least 35 formal hearings. This scale of congressional oversight is "quite obviously excessive and unnecessary," Schmidt contends.

He is deeply troubled about adverse publicity generated by the reports and hearings. The FDAs ability "to attract excellence to our staff or retain the excellence already there" could be badly affected, he says.

The staff numbers 6,400, including 101 physicians and 3,500 other scientists and professional personnel. In the FDA's jurisdiction are more than a half-million business enterprises and $200 billion in industrial output. Of every consumer dollar, more than 20 cents goes for products regulated by the FDA, which has a budget of $206 million. Sen. Kennedy agrees with Schmidt that the sum is too small.

Some FDA scientists who have been harassed and punished after offending regulated companies say Schmidt does not understand the real problem. One scientist, who asked not to be named, told a reporter: "Until we obtain leadership that has not been picked, promoted and indoctrinated by the food and drug industry, the problem will not be corrected, no matter how much money and people are provided, and no matter how many reorganizations occur."

DRUG MAKERS SEE LESS STRICT RULES

How does the Pharmaceutical Manufacturers Association feel about the Food and Drug Administration? Last January, PMA president C. Joseph Stetler told Scrip, a British publication for industry executives:

"I think the FDA's attitude toward industry is not a soft one, but the agency's capacity to regulate, and pressure from the White House and from us, will probably result in less drastic regulation in the future."

According to a PMA spokesman, Stetler merely "was expressing the hope that some of the federal agencies would start paying some attention to the White House policy of discouraging regulatory actions which needlessly contribute to inflation and stultify innovation."

[From the Washington Post, July 4, 1976]

Hill Weighing Sweeping Overhaul of FDA, Drug Laws

(By Morton Mintz)

Congress is considering a sweeping overhaul of the laws intended to assure the safety, purity and quality not only of drugs, but also of food and other products that consumers cannot reliably assess for themselves.

Part of the overhaul was completed last May, when Congress passed a law to assure the safety and effectiveness of all medical devices, including those implanted in women to prevent conception. Coming after years of inaction, the law may be a sign of Congress' will to act.

In addition, three key subcommittee chairmen—Sens. Edward M. Kennedy (D-Mass.) and Gaylord Nelson (D-Wis.), and Rep. Paul G. Rogers (D-Fla.)—are pressing hard for enactment in 1976 of bills with potentially great impact for consumers, not to mention the Food and Drug Administration, the medical profession and the drug industry. And the White House has weighed in with an FDA-originated bill of its own that Rogers has blended into his measure.

The first of two Kennedy bills—both introduced last year—would drastically enlarge the opportunity of a consumer of prescription drugs to get full, reliable information about them rather than the meager facts typed on the label by a pharmacist at the direction of a doctor.

Existing law requires manufacturers to disclose only to physicians such vital informotion as possible adverse reactions and the medical conditions in which a drug should or should not be prescribed. The FDA in 1970 did make a lone exception for oral contraceptives by adopting a regulation to require insertion of an informational leaflet in each package for the consumer.

The Kennedy bill would require each drug to come to the patient with a so-called package insert giving all pertinent information—in language "likely to be understood by the ordinary individual." A similar Rogers provision would permit the FDA to exempt certain drugs, such as those intended for mental patients, and would require an insert to list only "significant" rather than all known or possible adverse reactions.

The existing system for testing medicines has been a major concern of Nelson, who, as chairman of the Monopoly Subcommittee of the Senate Select Committee on Small Business began in 1967 to hold hearings on drug issues. Under the system, a manufacturer tests a drug it hopes to market and the FDA evaluates the test data to see if they establish safety and effectiveness.

Allowing companies that stand to profit from favorable results to control testing creates a conflict of interest—one that makes the system "fatally and inherently defective," Nelson charges. Under his bill, the FDA—or independent parties it chooses—would do the testing and manufacturers would pay for it.

As chairman of the Senate Health and Administrative Practice and Procedure subcommittees, Kennedy has been holding oversight and other drug-related hearings for three years.

His legislation would direct the FDA to assess prescribing practices annually and make a comprehensive study of ways to curb "inappropriate" prescribing. On this point, Nelson believes thtat the use of 20,000 brand names for some 700 compounds creates confusion in physicians' minds, and he would attack the confusion by prohibiting brand names for prescription drugs.

The Rogers bill would authorize up to $10 million for the National Institutes of Health, in consultation with the FDA, to conduct studies of the effect of long-term and short-term use of drugs, and studies comparing drugs. The NIH would have to make annual progress reports to Congress.

No single reference book provides all essential facts—including comparative prices—about every available drug. Kennedy and Nelson would have the government publish and distribute such a compendium, free of charge, to all doctors and other health professionals.

To assure the safety and effectiveness of antibiotics and insulin, the law requires the FDA to certify these products batch by batch. The Nelson and Kennedy bills would empower the FDA to require such certification for other drugs when necessary to protect public health.

An anomaly in the existing law allows manufacturers to export antibiotics that have been neither certified nor labeled with the restrictions imposed in the United States.

As a result, the FDA says, the law inadvertently contributes to hazardous use of antibiotics by foreign consumers and American citizens when they become ill abroad, and to proliferation of antibiotic-resistant bacteria that may be borne into the United States. The Rogers bill would require exported antibiotics to meet the same standards as those sold domestically.

Additional major provisions of the Kennedy bill, which is cosponsored by Sen. Jacob K. Javits (N.Y.), the Health Subcommittee's senior Republican, include:

Creation of a national center for clinical pharmacology, which would make grants to improve the education of doctors and other health professionals in the proper uses—and nonuses—of drugs.

Restrictions on false and misleading promotion in oral communications by drug-company detailmen, the salespersons who call on physicians.

A requirement that detailmen take an FDA-approved training course. Currently, the only systematic effort to train them on "neutral" ground outside their drug firms is at the University of Miami School of Medicine, where, on its own initiative, Hoffmann-La Roche Inc. is enrolling about 50 detailmen a year in a program led by pharmacologist Roger F. Palmer.

A requirement that detailmen give physicians a card summarizing appropriate and inappropriate uses, adverse reactions, warnings and cautions on drugs they are trying to sell.

A ban on gifts, drug samples, premiums or other prescribing inducements from manufacturers to physicians and others in the drug-prescribing chain. Such a ban was proposed in 1974 by the Pharmaceutical Manufacturers Association after the Library of Congress reported that in the year that ended in March, 1974, manufacturers had given away 2,062,953,486 pills or other dosage forms, spent $748,097 on tours, $2,724,697 on symposia, $5,534,426 on gifts, and $8,579,974 on pens, golf balls and other items intended to remind doctors of a company and its products.

A new power for the FDA permitting it to allow certain potent drugs to be prescribed only by doctors who are specifically qualified in their use, rather than by anyone who holds a medical degree.

As chairman of the House Commerce Subcommittee on Health and the Environment, Rogers is the pivotal figure not only for drug legislation in the House but also in determining whether Senate-passed drug and health bills will, in some form, be enacted.

Rogers introduced his bill last January. By then drug problems had been the focus of intensive news coverage and attention from consumer groups, including Ralph Nader's Health Research Group. They also had been the subject of hearings held by Kennedy, Nelson, and Rep. L. H. Fountain (D-N.C.), the FDA's longtime overseer in the House.

In different ways, a second Kennedy bill, introduced in November,.and the Rogers bill address some of the same major problems. One of them is that the FDA, while having tight controls over a drug before it goes on the market, has inadequate controls once it goes on sale.

"Physicians are free to use it in any way they want—for any purpose, in any dosage and for any condition," Kennedy said. "The victim is the patient. Redress can be sought, but only after harm is done. And often, the harm can never be undone."

Under current law, the FDA generally can move to suspend the approval it had granted for marketing a drug while allowing a manufacturer to continue selling it during litigation that may be prolonged. Or it can halt sales at once—without a hearing—by ruling the drug an "imminent" health hazard. The FDA has never invoked its "imminent" hazard power.

Under Rogers' proposal, the FDA would have a middle-ground alternative: It could halt sales of a drug when that is "necessary to reduce or eliminate a significant risk of illness, injury or lack of effective treatment"—but would be obligated to grant the request of a manufacturer to hold an "expedited" administrative hearing on the propriety of its action.

Under other key provisions in the Rogers bill:

Manufacturers and those who test drugs for them would have to report to the FDA new information on adverse reactions, precautions and dangerous usages not only for experimental drugs, as currently required, but also for marketed ones. If the information reasonably supports a conclusion that a drug may present a "significant" health hazard or may cause cancer in animals or humans, the manufacturer or tester would have to notify the FDA "immediately."

The FDA, upon learning that a commercially distributed drug may present significant health hazard, would send every physician a letter summarizing the information.

In approving, denying or withdrawing approval of an application to sell a drug, or in disapproving or suspending approval of an experimental drug, the FDA would make a summary of safety and effectiveness data publicly available.

As a condition for continuing to sell any of the relatively few remaining drugs in the group that first went on sale before 1938, when FDA premarketing clearance for safety first became mandatory, manufacturers would have to provide the agency with evidence of safety and effectiveness.

Consumer packages of prescription drugs would have to list the name of the medicine, its strength and quantity.

The Senate passed in 1974, and again in 1975, a Kennedy-sponsored bill to ban from livestock feed the growth stimulant DES, a cancer-causing chemical. Rogers had not acted on the bill, saying he thinks it unwise to legislate for a single product and that his omnibus bill would arm the FDA with all the legal weaponry needed to get DES swifty out of feeds.

To curb sloppy and fraudulent safety testing not only of drugs, but of food additives and pesticides as well, Kennedy, Javits, and Sen. Richard S. Schweiker (R-Pa.) sought an extra $25.8 million for the FDA so it could make annual inspections of all independent animal-testing laboratories. The White House Office of Management and Budget cut the figure to $16 million and Congress has approved the sum for fiscal 1977.

The FDA is "overextended and unable to do its work responsibly," Kennedy says. "These problems are serious. They stem from the agency's inadequate budget, its incredible range of unrelated responsibilities and its insufficient scientific expertise."

In another bill, Kennedy seeks to split the FDA into two independent units, one for food and comestics and the other for drugs and medical devices. The latter's powers would include limiting distribution of a drug before it gets full marketing approval. Replacing the FDA's much-criticized use of advisory committees would be a full-time national drug review board. Commissioner Alexander M. Schmidt strongly opposes a break-up of the FDA.

Former FDA official Robert S. McClerry, in his 1971 book, One Life—One Physician, contends that mis- and over-prescribing could be sharply curbed by another step, endorsed last March by former FDA Commissioner Charles C. Edwards, It would involve transferring the power to license physicians from the states, many of which have weak requirements, to a new federal health authority that could require applicants to demonstrate minimum prescribing knowledge and expertise before they could be licensed.

In addition to drug and medical-device legislation, a bill for a safe and wholesome food supply is pending on Capitol Hill.

The trigger for the bill—sponsored by Sens. Philip A. Hart (D-Mich.), Warren G. Magnuson (D-Wash.), and Frank E. Moss (D-Utah)—was a random survey by the General Accounting Office, Congress' investigative and research arm, of 97 food manufacturing and processing plants in 21 states.

On the basis of the 1972 survey, the GAO estimated that 18,000 of the nation's 80,000 food plants have "serious potential or actual food adulteration," and 14,000 more have unsanitary conditions.

The primary responsibility for assuring a wholesome food supply rests on the FDA, although the Agriculture Department has jurisdiction over meat and poultry products.

But Congress never gave the FDA strong powers to inspect food plants, even though it gave the agency such powers over drug plants in 1962.

At a prescription-drug plant, the FDA is empowered to make sweeping inspections not only of physical facilities such as machinery, but also of records, including complaints, which the law requires the firms to maintain.

At a food plant, however, an FDA inspector is limited to a visual check of facilities and cannot look at records—if any are reliably kept—of, say, supply sources or product formulations.

"This makes it virtually impossible for an FDA inspector . . . to detect microbiological contamination, the addition of unapproved additives or improper amounts of approved additives, or the truthfulness of many label claims," Commissioner Schmidt has said.

Drug plants are required to register with the FDA; plants in the food-supply chain are not—and the agency sometimes compiles inventories from such sources as telephone books and investment houses. The Federal Trade Commission since 1914 has been empowered to subpoena documents and witnesses, but the FDA, while having comparable powers for drugs, lacks them for foods.

Last March, after incorporating major provisions urged by the FDA, the Senate passed a bill not only to remedy such weaknesses, but also to empower the agency to order officials of processing plants or warehouses to hold back mislabeled or unsafe foods, and to require food labels that provide consumers with key facts about ingredients and nutritional value.

The bill went to the House, which referred it to the subcommittee. It is expected to devise a measure of its own. Prospects for enactment of a law this year are uncertain.

ADEQUATE COMMUNICATIONS FACILITIES AT REASONABLE RATES

Mr. INOUYE. Mr. President, the Communications Act of 1934 mandates the Federal Communications Commission to make available, so far as possible, to all of the people of the United States a rapid, efficient, nationwide, and worldwide wire and communication service with adequate facilities at reasonable charges.

Despite this unequivocable requirement of the law, interstate communications services between Alaska, Hawaii, Puerto Rico, and the mainland are about twice as expensive as rates for comparable services among the contiguous 48 States.

Moreover, many telecommunications services available to residents of those contiguous States are not available to the residents of Alaska, Hawaii, and Puerto Rico.

It has been rather frustrating at times to see the TV ads say: "Call your loved ones, call your sweetheart at a very low rate anywhere in the United States." Then a little line appears on the bottom of the ad saying "except in Hawaii and Alaska."

Hawaii and Alaska happen to be part of the United States.

Mr. President, blame for this discriminatory situation must be shared by the FCC and the voice and record common carriers serving Alaska, Hawaii, and Puerto Rico.

Over the years, the FCC has not developed policies in timely fashion so that all the people of the United States may benefit from new and advanced communications technology.

Furthermore, when it has adopted a policy such as it finally did with respect to the use of satellite communications for domestic commercial purposes, the Commission has often been less than diligent in implementing that policy.

The voice and record common carriers, on the other hand, have also been less than willing in some instances to subordinate their private interests to those of the general public.

My point is illustrated quite well, I believe, by the history and circumstances surrounding the establishment of domestic communications satellite facilities by non-Government entities. In other words, the establishment of domestic satellite systems.

Although communications technology made domestic satellite systems technically feasible at least 10 years earlier, it was not until 1972 that the FCC finally resolved the relevant legal and policy questions, and adopted a policy prescribing the terms and conditions for establishing domestic satellite systems.

In its decisioin adopting that policy, the Commission stated that, with the inauguration of domestic satellite services, there would be justification to integrate Hawaii, Alaska, and Puerto Rico into the established domestic rate structure.

To accomplish this objective, the Commission stated that it would condition any domestic satellite authorization to carriers serving these points upon a requirement that within 6 months they submit a specific proposal to integrate these three areas into the rate pattern for the conterminous States.

In the case of message telephone service, MTS, the rate integration proposal was to give maximum effect to the distance-insensitive cost characteristics of communications satellites.

In other words, the FCC said before it would authorize operation of a nationwide domestic satellite system, the carriers proposing such a system would have to file an acceptable plan with the Commission, which would provide service between Alaska, Hawaii, and Puerto Rico and all mainland points at rates and on terms comparable to those obtaining within the contiguous States and at the lowest possible cost.

In September 1973 the Commission advised the carriers which it had authorized to establish domestic systems that they were to develop and submit proposals for revised rates to accomplish rate integration by March 12, 1974.

Notwithstanding the requirements of the FCC's 1972 decision, and its September 1973 communication, the carriers did not file acceptable proposals on March 12, 1974.

Here matters more or less stood, and by the fall of 1975, it appeared that a domestic satellite would be launched before the carriers authorized to use it had filed the necessary rate integration proposal.

If this were done, many of us feared that the FCC would then authorize the system to become operational in spite of the requirement in its 1972 order that Alaska, Hawaii, and Puerto Rico first be integrated into a nationwide system.

As a consequence, on December 5, 1974, I introduced Senate Resolution 318, which expressed the sense of the Senate that in accordance with such previously announced policies the Federal Communications Commission should take such action pursuant to law as is necessary in order to provide that the advent of domestic communications satellite service will be accompanied by the integration of all interstate services between the mainland and Alaska, Hawaii, and Puerto Rico into an enlarged domestic rate pattern.

The Senate Commerce Committee held hearings on Senate Resolution 318, and invited A.T. & T. and other interested carriers to appear and testify on the requirements of the FCC's 1972 order requiring that Alaska, Hawaii, and Puerto Rico be integrated into the nationwide rate structure. None of these carriers accepted the committee's invitation to appear, however.

At that hearing I asked the Chief of the Commission Common Carrier Bureau if the FCC was satisfied that the communications common carriers were doing their best to come forth with a rate integration plan for Alaska, Hawaii, and Puerto Rico as required by the Commission.

He replied:

> I think it is clear that they have not been doing their best to come forth with a rate integration plan.

And, at those same hearings, the Honorable Wayen Minami, director of the department of regulatory agencies for the State of Hawaii told the committee that:

> Despite considerable public expense and effort, the State of Hawaii to date is uncertain whether the Commission will take appropriate steps to insure the enforcement of its 1972 policy requiring that Hawaii be integrated with the advent of domestic satellite systems.

On December 11, 1975, the Senate unanimously agreed to Senate Resolution 318.

Mr. President, it is the American public which suffers when the carriers are intransigent and the FCC is dilatory.

Within the past 8 months or so, however, I am happy to say there has been reason to believe the situation has improved.

Under the FCC's leadership and initiative the record carriers have reached an interim agreement among themselves, and after 4 years of continuous effort before the Commission, Hawaii now has mailgram service to and from the contiguous 48 States.

And, subsequent to the passage of Senate Resolution 318, the FCC on January 15, 1976, directed A.T. & T. and Hawaiian Telephone Co. to submit a formal rate integration proposal for Hawaii within 30 days.

The carriers complied, and it is that proposal as modified by the Commission which made possible the FCC's order of July 20, 1976, authorizing A.T. & T. and the GTE Satellite Corp. to provide message toll telecommunications service—MTS—and Federal Government private line service between the U.S. mainland and Hawaii via Comstar satellite.

Mr. President, I believe the FCC is to be commended for its willingness and initiative to carry out its statutory responsibilities toward all people of the United States.

I would remind the Senate and the Commission, however, that there is still much to be done.

Hawaii, for example, has yet to have wide area telephone service—WATS—as well as many other specialized services available on the mainland.

I also wish to commend the carriers for their cooperation in making MTS available. But I would also remind them that their track record to date has been less than exemplary with respect to cooperating with the Commission's 1972 domestic satellite order.

In view of the FCC's willingness to carry out its mandate to make available, so far as possible, to all the people of the United States a rapid, efficient, nationwide, and worldwide wire and communication service with adequate facilities at reasonable charges, it seems to me the carriers would be well advised to cooperate actively so that we may all benefit from communications technology.

WASHINGTON POST SERIES ON FREEDOM OF INFORMATION ACT

Mr. KENNEDY. Mr. President, last week Mr. George Lardner of the Washington Post wrote a series of articles which I believe accurately and perceptively present both the achievements and problems stemming from the Freedom of Information Act. I must say that from the perspective of the American public and press, the law seems to be accomplishing a large part of its objective. Hardly a day goes by without some news item appearing based on information obtained under the Freedom of Information Act. Thousands of people are finally getting glimpses into files that the Government has kept on them. Historians are opening old records for new analyses. And businesses are finding out more about the secret law applied by agencies.

The Post articles provide an excellent overview of this process, and I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FREEDOM OF INFORMATION ACT: BURDENSOME, COSTLY, MUCH USED

(*First of a Series*)

(By George Lardner Jr.)

Ten years ago on Independence Day, 1966, President Johnson signed the Freedom of Information Act with a ringing statement about the importance of openness in government.

The new statute went into effect a year later under Justice Department guidelines asserting that disclosure of government documents was to be "the general rule, not the exception."

"If government is to be truly of, by, and for the people, the people must know in detail the activities of government," Attorney General Ramsey Clark said at the time. "Nothing so diminishes democracy as secrecy."

The trouble was that the law didn't work. It contained no deadlines for compliance and no penalties for violation. With few exceptions, the federal bureaucracy responded with stalling tactics, excessive fees for copying and document searches and other dodges. Some critics began calling it a "freedom from information" law.

Congress tried again in 1974 with a string of amendments designed to close the biggest loopholes. The potential impact of the changes on bureaucracy's customary ways was reflected in the adverse reaction from the White House.

His promises of an "open" administration notwithstanding, President Ford vetoed the bill. He maintained that it would be unworkable and even "unconstitutional"—too much of a burden on government agencies and too much of an encroachment on executive authority.

The amended Freedom of Information Act was passed again over his veto, partly because of the Watergate scandal and other government misdeeds that had been kept from the public and partly because of the stubborn, protracted resistance that frustrated the intent of the original law. The amended law became effective Feb. 19, 1975.

Discomfiture over the Freedom of Information Act (FOIA) has become evident in almost every corner of the federal bureaucracy.

It is burdensome. It is costlier than expected. And it is working far more effectively than anyone imagined when Congress enacted it despite Mr. Ford's veto.

Compliance with the law is still far from a settled fact of government routine. Some officials act as though they never heard of it. Others complain at the very mention of it. Congressional investigators say that at one agency, there have been reports that requests under the law have been simply "trashed."

There are some 500 lawsuits currently pending over its application and meaning, and the Justice Department is struggling to weaken the FOIA's most pointed provisions.

For the first time, federal officials are supposed to respond, within fixed deadlines, to requests from "any person" for government documents. For the first time, officials face disciplinary action for any arbitrary or capricious withholdings.

Thus armed, the new law has led to the uncovering of thousands of hitherto secret documents on historic events and present-day controversies, from the Rosenberg spy case to the maneuvering behind India's 1974 atomic explosion.

A special body of secret law at the Federal Trade Commission, Alger Hiss' "Pumpkin Papers," long-classified National Security Council directives, Central Intelligence Agency records about assassinations at home and abroad—all these and more have been dredged up by freedom-of-information lawsuits.

The requests come in all shapes and sizes. The General Services Administration was asked how much toilet paper it buys each year for the supersecret National Security Agency. The CIA has been repeatedly importuned for everything it has about Amelia Earhart (the official response is "nothing").

Tens of thousands of freedom-of-information inquiries—there is no complete count—have poured into federal agencies in the past 17 months. Perhaps the best measure of its unexpected popularity lies in the costs attributed to it, although these, too, are incomplete.

Using the old law as its gauge, the House Committee on Government Operations had estimated—before their adoption—that the changes in the Freedom of Information Act would cost no more than $100,000 a year for the entire federal establishment.

The Defense Department says its expenditure alone in complying with the law for most of 1975 suggested a projected annual cost of $5.9 million.

The FBI says it spent $1.6 million last year and maintains it will need $3.4 million for FOIA and related Privacy Act requests in the coming fiscal year. The Treasury Department puts its expenses last year at $3.3 million, and Health, Education and Welfare said its costs were $2.36 million. The CIA calculated that it spent $1.39 million on salaries alone of employees coping with FOIA requests.

Preliminary compilations from the annual reports to Congress that the new legislation required show costs close to $20 million, without counting a number of Cabinet-level departments and federal agencies that didn't bother to make the calculations.

To suggestions that the law is costing too much, its advocates reply that the government spends far more on public relations puffery. With freedom of information requests, says chief counsel Thomas Susman of the Senate Subcommittee on Administrative Practice, "You know someone wanted the information enough to write in and ask for it.

"We don't know that about the movies, the booklets, the recordings, the cassettes and the pamphlets the government puts out by the billions and which cost far more than the Freedom of Information Act."

House Government Information Subcommittee staffer Ted Jacobs predicted the costs will go down once the backlog of requests is out of the way. He said of the claimed expenditures, many of which were attributed to the time spent by high-priced officials in reviewing requested documents: "I think, frankly, that these agencies have wanted to show how expensive Freedom of Information could be. But anyway, there are so many worthless tasks being done by the government. Here's a worthwhile one."

The top official in charge of the FOIA at the Justice Department, Deputy Attorney General Harold R. Tyler Jr., says he feels "there are valuable and important societal benefits embodied in the Freedom of Information Act."

But, he adds, "I am loath to believe that the tremendous diversion of resources to this area of operations, within the Department of Justice alone, is a reasonable price for our society to pay for the actual benefits being achieved or which can be realistically anticipated in the foreseeable future."

By contrast, the Defense Department, which has a much heavier freedom-of-information workload, reports no such misgivings. Officials there agree that the freedom-of-information law imposes heavy demands, especially on high-level officials whose expertise is needed to determine whether previously classified documents can be safely released. But they think it worth the effort.

"We're determined to make it work," Pentagon freedom-of-information director Charles W. Hinkle says of the law.

Last February, for instance, former Defense Department executive Morton Halperin asked for copies of what various Secretaries of Defense had said in their classified annual statements about Soviet and Chinese strategic forces.

It cost an estimated $16,688 in staff time for specialists who reviewed what was still sensitive and what could be made public, according to a Pentagon spokesman.

Because of past abuses, the new FOIA does not permit the government to charge for review time. Officials can charge for the expenses of finding and copying requested documents, but these, too, can be waived when disclosure is deemed to be "in the public interest." Halperin got his bundle of cleared material free.

The new law requires disclosure of investigatory files unless it would cause one or more of six specified hazards, such as depriving someone of a fair trial. The old law had exempted such files from disclosure.

A so-called "national security" exemption for classified documents was also trimmed back in response to a 1973 Supreme Court decision holding that not even federal judges could question the wisdom of the "top secret," "secret," and "confidential" labels on classified documents. In 1974 Congress passed freedom-of-information amendments authorizing judicial review to determine whether such documents are, in fact, properly classified.

Another key provision of the 1974 amendments called for disclosure of whatever documents and portions of documents that were "reasonably segregable" from otherwise secret records. Pages, paragraphs, even sentences must be made public, according to an updated set of Justice Department guidelines, if they are "at all intelligible."

The new rules produced a surge of demands throughout the government and proved especially unsettling at places like the FBI and the CIA, agencies that had been able in large measure to ignore the old law.

"We hit the peak in July of last year," says Gene Wilson, the CIA's Freedom of Information Act and Privacy Act coordinator. The report of the Rockefeller Commission on the CIA's domestic spying and harassment of American citizens had just come out. Congressional investigations were multiplying.

The backlog of requests waiting to be answered at the CIA reached 2,400—despite the new law's deadlines of 10 working days for the government's decision on whether to comply with a request and 40 working days for final administrative action on any appeals.

Wilson estimated that the CIA has the equivalent of 100 persons working full time on information requests, but he said it still takes one month to six weeks to respond to a routine request.

At the CIA, he said, "often the right hand doesn't know what the left hand is doing. You can't go to a computer and just push a button. You have to go off in four or five directions."

The CIA logged 6,609 Freedom-of-Information-Act requests last year and another 552 under the Privacy Act, which went into effect last September. It gives citizens a right to see and correct their own files (by and large, they already had a right to see them under the FOIA). The backlog has been cut down by now to about 1,000 cases, but Wilson said, "we'll never be current." He added that the agency has allocated what it thinks is a sufficient amount of money to the task and said it probably will not spend more to do it faster.

Under the new FOIA guidelines promulgated in February, 1975, Attorney General Edward H. Levi declared: "Needless to say, burden is no excuse for intentionally disregarding or slighting the requirements of the law, and, where necessary, additional resources should be sought or provided to achieve full compliance."

The Justice Department, however, appears to be taking that advice with a grain of salt. Instead of more money and manpower, Deputy Attorney General Harold R. Tyler spoke—in the department's first annual report on the new law—in terms of changing it.

Tyler said "reformulation" of the law was necessary to "permit a substantial portion of the personnel now working in this area to return to the traditional substantive missions of the Department of Justice, while continuing to meet the principal goals of the Freedom of Information Act."

Tyler did not spell out all the changes he thought were needed, but he made clear that he felt an easing of the deadlines—at least for complicated requests—was essential.

The Justice Department received some 30,000 disclosure requests in 1975 under the Freedom of Information and Privacy Acts, a number, Tyler said, "far in excess of what anyone anticipated." Of that total, 14,478 were addressed to the FBI. The pace, this year, has not subsided.

The bureau says it has nearly 200 persons, including 25 special agents, working full time on public requests for its documents. "That's larger than 50 of our field offices," says FOIA Privacy Section Chief James Powers.

Despite its large FOIA staff, the bureau is just now getting requests made last October and November. The mammoth logjam is getting worse rather than better. What was reported as a seven-month backlog in May is now approaching a nine-month backlog.

Nine members of the House with FBI oversight duties, led by Rep. Christopher J. Dodd (D-Conn.), have asked the General Accounting Office, Congress' investigatory arm, to probe "the FBI's difficulty in meeting its statutory requirement for timely processing." Rep. Bella S. Abzug (D-N.Y.), chairman of the House Government Information Subcommittee, asked the GAO to determine whether the FBI has engaged in "delaying tactics."

Assistant FBI Director John J. McDermott says, "We're not quite out to evade the law, but we have to prioritize our work." He maintained at a recent court hearing that the best solution would be a bill sponsored by Rep. Andrew J. Maguire (D-N.Y.) with drafting help from the Justice Department. It would permit slower reading at the FBI and any other agency devoted to "criminal investigation"—at the rate of 60 days for the first 200 pages of requested records and 30 days for every 200 pages after that.

"I can visualize that that would take 10 to 20 years for some cases." U.S. District Court Judge June Green retorted. "I like to move my cases a little faster than that. I think that would be a great relief to the FBI but as far as any other source is concerned, I don't think that would be any relief at all."

The Maguire bill would also accord blanket secrecy to any records of investigations "which are currently active or which have been active within the preceding two years."

Defense Department officials say they were able to process 44,403 freedom-of-information requests without any great crises. And unlike the FBI's statistics, the DOD total does not include the far more numerous requests for personal records under the Privacy Act.

During the last three months of 1975, for instance, the Army received approximately 3,400 freedom-of-information requests, another 13,000 requests for access to records under the Privacy Act, and another 10,000 inquiries under the Privacy Act about the existence of pertinent records—more than the FBI got all year.

Pentagon FOIA Director Hinkle said, "We have no backlog" of requests.

The policy at the Pentagon is to err on the side of disclosure. Hinkle added. The policy is to release even a record exempt from the law if no significant and legitimate government purpose is served gy keeping it secret. As a result, the Defense Department, the place with the most secrets, has the best reputation in the federal government among freedom-of-information advocates.

Officials at the FBI or in the upper echelons of the Justice Department say they have no intention of allocating much more money for the job. Critics of the FBI's performance suggest that more is needed than simply a bigger appropriation anyway.

"The FBI has instituted a system that guarantees frustration and delay," charges consumer advocate Ralph Nader. He said the bureau's freedom-of-information section, despite its size, does not have the authority to declassify sensitive documents. For this, several levels of review are required, including approval by FBI Director Clarence M. Kelley's office.

The basic trouble, U.S. District Court Judge William B. Jones has observed, is that the FBI and various other agencies "don't like the Freedom of Information Act."

FOIA's Nine Categories of Disclosure Exemptions

The Freedom of Information Act of 1966 and the amendments that became law last year contain nine exemptions to disclosure. This means that material in the nine categories may not be made public under an FOI request filed with a federal department or agency.

Because a document is exempt, however, does not mean that it must be kept secret. Government agencies are, as a general rule, free to disclose exempt documents. They must disclose nonexempt documents.

Also exempted, though not listed among the nine categories, is Congress. The Freedom of Information Act cannot be cited by persons seeking documents from Capitol Hill.

These are the nine categories of material exempted from the amended act:

National defense or foreign policy information that is properly classified.

Information that is related solely to internal personnel rules and practices of an agency or department.

Data specifically exempted from disclosure by another federal statute.

Trade secrets and commercial or financial information the government has obtained that is privileged or confidential.

Information that would be considered privileged in a civil suit.

Personnel, medical or other files that, if disclosed, would be considered an unwarranted invasion of personal privacy.

Investigatory files, but only to the extent that one or more of six specified forms of harm would result.

Certain bank records.

Data on oil wells.

Information Act: Years of Foot-Dragging Not Ended

(By George Lardner, Jr.)

When former antiwar activist Tom Hayden took the FBI to court this year for all its files about him, the bureau replied that it would take "approximately four years" to process his request.

U.S. District Court Judge William B. Bryant strenuously rejected the FBI's "extraordinary" bid for a stay. He said it was "completely out of line" with the goals of the Freedom of Information Act, which Hayden had invoked and which requires federal officials to answer requests from "any person" for government documents.

Although the law provides for some delay in unusual circumstances, Bryant ruled several weeks ago, it "was not intended to convert the federal courthouse into a refuge from the time pressures of the act, where stringent legal requirements are finally subordinated to administrative convenience."

What the judge called "administrative convenience" may still win out. Ruling in another case early this month, the U.S. Circuit Court of Appeals here dealt a serious blow to the deadlines Congress approved in 1974 in order to give muscle to freedom-of-information requests.

Enacted to counter what the House Government Operations Committee had criticized as "years of foot-dragging by the federal bureaucracy," the new law laid down a 10-day deadline for the government to make an initial determination of FOI requests and 20 days to resolve any appeals. Under "unusual circumstances," such as a request for a voluminous amount of records, either period may be extended for a combined total of 10 days at most.

FBI officials say it is now taking them as much as nine months to handle even routine requests. They say they are saddled with such "an exceedingly heavy volume" that it is impossible to avoid substantial delays although some other agencies such as the Pentagon report no such problems.

The Court of Appeals majority held that the FBI was working diligently to comply with the law. Under the "exceptional circumstances" facing the bureau, the court ruled, the rigorous deadlines set by Congress "become not mandatory but directory."

The case involved a request by a group of George Washington University law students called "Open America." The students asked the FBI last October for copies of all documents and files relating to former FBI Director L. Patrick Gray's role in the "Watergate affair." When the bureau replied that the inquiry would be stacked up behind thousands of others, Open American filed suit under provisions of the Freedom of Information Act making government failure to comply with the deadlines equivalent to denial.

Circuit Court Judge Malcolm Wilkey dismissed the notion that Congress meant to give priority to those who take their freedom-of-information cases to court. He held that individuals should be required to show "exceptional need or urgency" before getting to the head of the line.

Circuit Court Judge Harold Leventhal wrote a separate concurring opinion contending that the court should have simply given the FBI more time. He complained that the majority ruling "turns the burden of proof mandated by Congress upside down."

"No longer must the government make out a case of exceptional circumstances," Leventhal protested. "Instead the plaintiff will be required to show a genuine need and reason for urgency."

He said that Congress did intend to give priority to those who file lawsuits under the Freedom of Information Act and to grant that priority without any test of their motives or need. ". . . (I)f a debt is not paid when due, the creditor who goes to court will receive priority over a creditor who waits, for whatever reason," Leventhal observed.

Justice Department lawyers were delighted with the Wilkey opinion and vowed to apply it to all other applicable cases, including Tom Hayden's. (Hayden's lawyers said he filed suit only after discovering that the FBI had quietly abandoned work on his request last November after reviewing 900 pages of documents—out of 18,000.)

"We will be letting the courts know [about the decision] as soon as we can get it Xeroxed," Jeffrey F. Axelrad, chief attorney in the Justice Department's information and privacy section, said shortly after the ruling.

He said the lawyers in his section would renew their opposition to court-imposed deadlines in freedom-of-information cases wherever those deadlines do not give what the government considers enough time to permit "orderly processing of requests."

Freedom-of-information advocates acknowledged the circuit court ruling was a serious setback.

"It's going to cause a lot of problems," said Mark Lynch, director of the Freedom of Information Clearinghouse, which was established in 1977 as a part of Ralph Nader's Center for the Study of Responsive Law. Lynch said a major problem with the Open America case was the lack of any evidence about shortcomings of the FBI's methods.

"They've got a system that's guaranteed not to work within the time limits," Lynch contends. "They've got a never-ending succession of review . . . We've got to get a case where we can depose all those [FBI] guys and lay it all out."

Axelrad's section, which has nine lawyers, represents most government agencies in freedom-of-information litigation. He estimated that there are approximately 450 suits pending along with another 50 "reverse FOIA" cases where outside interests are suing the government to prevent the release of information.

"Only 20 percent of our FOI cases are for the FBI, but the bureau is still our largest single client," Axelrad says. "Next, I would guess, is the CIA."

Proponents of the new freedom-of-information law, which went into effect in February, 1975, say the new deadlines were one of the keys to shaking the government out of its long lethargy.

Another key, they said, was the "sanctions provision" calling for disciplinary proceedings by the Civil Service Commission whenever a judge has issued a written finding suggesting that government bureaucrats may have acted "arbitrarily or capriciously with respect to the withholding."

"It's the fear that does it," says Lynch. A lobbyist for the legislation in 1974, he credits Nader with pressing for the provision and selling Sen. Edward M. Kennedy (D-Mass.) on it. Kennedy steered the bill through the Senate as chairman of the Administrative Practice and Procedure Subcommittee.

"I don't know of any other provision Ralph was so determined about," Lynch recalls of the sanctions measure. "Tom Susman [Kennedy's chief counsel] said, 'Well, it'd be nice, but it could sink the whole bill.' Ralph talked to Kennedy about it and convinced him . . . Then Kennedy argued for it for three days in conference [with the House] . . . Kennedy knew the arguments. And he won."

Only one case has arisen so far in which the courts have recommended a Civil Service Commission inquiry. Justice Department lawyers are trying to prevent it from taking place.

The dispute involves a State Department official, Norman Holly, who was returning from the Far East on Dec. 29, 1974, when he landed at Seattle International Airport and was hustled off to an interrogation room by Customs agents.

According to Holly, he was forced to leave his baggage behind him where it could have been stolen, and then he was subjected to "degrading and abusive" interrogation about a minor discrepancy involving some articles he had bought overseas. He said one Customs agent confiscated his driver's license and automobile registration.

Holly demanded an investigation in a letter to Customs Commissioner Vernon Acree and then, in May of 1975, asked for the records of the inquiry.

Customs officials denied him the documents, saying it was "not our policy" to provide them. Holly kept pressing, capping the effort with an appeal to Acree last September stating, "I believe that your office has behaved in an arbitrary and capricious manner."

The Customs Service did not supply the records he sought until last January, about a month after he filed suit in U.S. District Court. Then they were turned over to him "subject to certain deletions." Among the deletions were the names of the Customs agents, which were withheld on the grounds that "their disclosure would endanger the life or physical safety of law enforcement personnel.

Holly's suit was assigned to Judge Bryant, who found no justification for these or several other deletions. In a ruling March 29, he also held that "the circumstances surrounding the withholding of this information raise questions as to whether agency personnel acted arbitrarily or capriciously with respect to the withholding of the requested information."

Accordingly, he ordered the U.S. marshal here to serve a copy of his findings on the chairman of the Civil Service Commission "so that he might promptly initiate a proceeding to determine whether disciplinary action is warranted against those primarily responsible for the illegal withholding . . ."

U.S. Attorney Earl Silbert and two assistants came back a few days later with an elaborate request for a modification of Bryant's order. They maintained that customs had exercised "utmost diligence" after receiving Holly's appeal and held "many inter-office meetings and exchanges of memoranda on the merits of the case . . ."

Holly said the government's "plaint" was full of errors. Judge Bryant denied the government petition for reconsideration this month. Justice lawyers are expected to appeal and ask the court to stay the Civil Service inquiry.

At the same time department officials deny any antipathy toward the spirit of freedom of information and openness in government, but gadflies such as Nader maintain that their antagonism toward the law is plain.

The Justice Department, Nader charged recently in a speech to the Federal Bar Association, is "dedicated to undermining rather than implementing" the act. He said the department often pursued litigation in defense of secrecy "when in many cases there really are no grounds for a legitimate defense."

"The charge is as valid as the source," replies Quinlan Shea Jr., head of the Justice Department's Freedom of Information Appeals Unit. "I consider it an invalid charge . . . He [Nader] is just shooting off his mouth."

Shea maintained that the Justice Department, including the FBI, was doing its best to comply with the law in the midst of a sea of sensitive documents.

"I'm not saying we're perfect." Shea said. "I'm not trying to be perfect. I'm not Mary Poppins." But he said there were "very few" withholdings for the sake of withholding in the Justice Department.

He acknowledged, however, that the government does sometimes make frivolous claims on behalf of secrecy and that the Justice Department does sometimes carry them into court on behalf of other agencies with a straight face. For instance, he said in an interview, he would not try to justify the National Security Council's insistence that not a line of its long-secret directives could safely be released.

Shea suggested that Justice Department support of wrong decisions is often inescapable.

"Everybody in government is constantly trying to get Congress to let his agency represent itself," he said. "Justice opposes that . . . What's a poor Civil Division lawyer [at Justice] supposed to do? He's not an expert on classification. Sure they [the NSC] were stonewalling. It's incredibly stupid. Sometimes we defend legal positions we wouldn't take for the [Justice] Department. But if you won't defend your client and you won't let your client defend himself, you've just got a lot of angry clients."

Only once, it seems, has the Justice Department used its clout on freedom-of-information issues and refused to represent a federal agency that persisted in withholding information.

According to a government lawyer familiar with the details the refusal occurred several years ago when the Agriculture Department refused to make public some statistics from tests on the fat content of hot dogs—on the grounds that the tests were investigative records.

Justice Department lawyers told officials at Agriculture to make the information public or take the risk of going to court without a lawyer. Agriculture ignored the warning and suit was filed. "Counsel was withheld," the government lawyer said, "and Agriculture had to give in."

Axelrad, however, apparently does not consider it his job to override the decisions of other agencies. He told the Federal Bar Association that he and his section simply did not have the personnel to make a complete review of the merits of every case that comes their way.

"The agencies are responsible for administering the act," he said. "We have no monopoly on knowledge at the Justice Department."

Use, Abuse of Freedom of Information Act

(By George Lardner Jr.)

Food and Drug Commissioner Alexander M. Schmidt is unhappy over the way the freedom of information law has worked at his agency.

About 90 per cent of the requests for disclosure of documents, according to Schmidt, support what he calls "industrial espionage—companies seeking information about their competitors—and not the public's right to know."

The charge that corporate America has commandeered the freedom of information law for its own purposes has become a common theme since the adoption of amendments in 1974 promised quicker and fuller access to government files.

"Open Files: Letting Exxon In," intoned a headline in The Washington Monthly. "Why Many Business Secrets Are Now in Danger," proclaimed one in the Nation's Business.

There is no question that American businesses and the Washington law firms they hire have been using the law extensively. But so has the general public, historians, scientists and public interest groups. The biggest abstainers, officials say, have been members of the press, apparently because the law is often too sluggish for them.

"I haven't had a newsman fighting a deadline ask a question yet," says Quinlan Shea, head of the Justice Department's freedom-of-information appeals unit.

Defenders of the Freedom of Information Act (FOIA) say businessmen are as entitled as anyone to use it. And they're more likely to march into court to sue for the files they want if the government turns them down.

"Sure, the squeaky hinge gets the oil," says Washington attorney James H. Wallace Jr. "Corporate use, either directly or through straws, represents a large percentage of the use of FOI." But he said that government actions affect corporations more directly and significantly than any other group.

Mark Lynch, an attorney at the nonprofit Freedom of Information Clearinghouse, says: "The government is engaged in a very systematic attempt to discredit the act on the grounds that corporations are using it more than anyone else. But to the extent that corporations are using it to get at secret law, secret decisions, they should be no more subject to all that than you or I. The fact they've got the resources to fight it is wonderful.

"To the extent that they tie up an agency, that is an abuse," says Lynch.

"Sure, it's unfair," Wallace agrees.

The question of who uses the law most depends on what agency is asked. At the Food and Drug Administration, whose jurisdiction includes 500,000 business enterprises and $200 billion in industrial output, the patronage is overwhelmingly corporate.

In general, says FDA spokeswoman Mary Carol Kelly, a drug company will "write in and want to know everything about another drug." FDA will then have to search its files, sometimes using highly paid professionals like microbiologists to review the documents and distinguish between what is a trade secret, and thus to be withheld, and what can be given out.

"Even with what we give out, that still gives them a lot. It puts them one up," she said.

The FDA estimates that it spent $1.2 million to administer the freedom of information law during the last fiscal year while collecting fees of less than $100,000. In 1975, it got 13,140 requests compared with 2,644 the year before. "It will probably keep increasing . . . it's growing by leaps and bounds," Kelly said.

Some figures would appear to be inflated. At the Defense Department, the Air Force said it had 85,479 initial freedom-of-information requests—on the theory (previously criticized by congressional investigators) that every public inquiry could be blamed on the law. The Pentagon revised the FOIA workload for the Air Force and put the total at 27,000.

In similar fashion at FDA, many documents that were routinely handed out in the past are now labeled FOIA reports, Kelly said. "Now we document who we're giving them out to, and we list it down. Before, we just gave them out."

Other FDA practices generate more business. Under administrative regulations adopted shortly before the new freedom-of-information amendments took effect in February, 1975, the FDA began maintaining a daily log, open to the public, of who wanted what under the FOIA.

"I think 40 per cent of the requests we receive are requests which have previously appeared on the log and are generated by the log itself," said FDA spokesman Wayne Pines.

"It's costing us $1 million a year and all the log is doing is increasing that business," he said.

The law has given birth to a tiny cottage industry, but its practitioners report mixed results.

One of the companies that sprouted up, Freedom of Information Services, Inc., of Rockville, trafficks heavily at FDA and offers a weekly index listing of FOIA requests—compiled from the daily FDA log—at the special yearly rate of $280."

"We're making a profit," says FOI Services' general manager, William Conley, whose firm has upwards of 200 clients. "I wouldn't call it a gold mine, but we're moderately successful."

Meanwhile, says FDA's freedom-of-information chief, Ed Costello, the clients of such companies remain anonymous. "That's what bugs me," he said.

Costello said various food and drug consulting firms routinely ask FDA for its "establishment inspection reports," which are compiled on food distributors, food warehouses, pharmaceutical manufacturers and the like. The drug companies also keep watch on the log.

If it shows, for instance, that Squibb has asked for material on Upjohn, other drug companies are likely to duplicate the request to see what it is that interests Squibb. Even Upjohn is likely to ask.

Another company that specializes in FOIA requests is headquartered in Crystal Bay, Nev., and has the same name as the first company: Freedom of Information Services, Inc. "We started sooner," said Conley, "so they've got a problem in their title."

The Nevada company, according to president Rainer W. Mahlmann, is running $100,000 in the red since it publicly launched itself last winter with an ad in The Sacramento Bee asking in boldface type: "Wouldn't you like to see what Washington has in its secret files on you? . . . We'll help you cut through the bureaucratic red tape."

It hasn't been easy, Mahlmann said in a telephone interview. He offered the firm's services at $15 for each earmarked agency, promising customers preprinted forms and follow-up services to obtain their files at any of 15 listed agencies, from the FBI to the U.S. Civil Rights Commission.

"Initially we thought there'd be 10 million people out there who wanted to see their files, but that isn't the case at all," he said. "There's a lot of paranoia out there. People say, 'Why should I see my file, it hasn't hurt me.' They ask, 'Will they create a new file on me?' They really are spooky about the federal government."

Mahlmann's biggest problems, he said, have been with the FBI. He said he has submitted between 500 and 600 requests to the bureau under the Privacy Act, but neither he nor his clients have received a single file back.

(An awkwardly drafted companion to the freedom-of-information amendments, the Privacy Act, which went into effect last September, creates, basically, a right to see and correct mistakes in one's files in the government. But many government files, especially investigative records, can be exempted from Privacy Act scrutiny. When that happens, individuals are supposed to be able to obtain copies of their files under the FOIA.)

As an example of what the government squirrels away about a person and why it's worth demanding a look-see, Mahlmann cites his Army Intelligence file. It was put together in 1963 when he was in the Army getting a security clearance.

"It said I owed 50 cents to my high school for not returning my locker key," Mahlmann recalled. "That shows you the kind of stuff your high school keeps. It said that I dated two or three times a week, but that I was never intimate with my dates. How did they know? It also said I was financially irresponsible because I owed $5 for a jaywalking ticket to the city of Seattle. The scope of trivia that goes into these things is absolutely mind-boggling."

If Privacy Act and freedom-of-information requests are counted together, individual inquiries for one's own records apparently far out-number those from corporations or any other single source.

"We get an awful lot from people doing research," says the CIA's freedom-of-information coordinator, Gene Wilson. "That's one of the problems of FOIA. Some people see it as a device to get the government doing research for them. In fact, for every request we get from a newsman, we probably get two from academics. But the biggest bulk is from John Q. Public."

The regulatory agencies, by contrast, get a bigger rush from corporations. It gives rise to special problems.

At the Federal Trade Commission, attorney Jeffrey S. Edelstein said companies often file massive requests that not only give them "double discovery" opportunities in FTC administrative proceedings, but serve to "harass agency complaint counsel" who are suddenly saddled with the chore of reviewing thousands of extraneous documents.

In one case, the FTC issued a complaint involving the alleged sale of millions of dollars of worthless land. "The company asked for all (FTC) documents relating to land sales," Edelstein said. "And the requester refused to narrow the request. It involves more than 400,000 documents. The agency counsel [assigned to the complaint] had to spend 75 per cent of their time [reviewing the documents] because only they were in a knowledgeable position to review them."

More than two-thirds of all freedom-of-information requests and more than 60 per cent of the administrative appeals at the FTC last year were made by corporations or law firms representing a corporate client. Individuals accounted for 12.5 per cent of the initial FOIA requests; state and local governments, 9.3 per cent; the press, 5.3 per cent, and public interest groups, 4.2 per cent.

Corporations as well as public interest groups have a right to look over the shoulder of regulatory agencies, says consumer advocate Ralph Nader.

"You can't have a double standard," he says. "Anything that can wake up the FTC at the early stages of their resolve is to the good."

Attorney Wallace, who makes extensive use of FOIA on behalf of corporate clients, points out that it also "permitted us to gain access to secret agency law" at the FTC.

"Until a year ago," he said, "the FTC had a whole body of law for quashing investigative subpoenas. But it was all secret. There were hundreds of these decisions with the basis for quashing and other details all laid out. How could we advise our clients, when they got subpoenas, whether they'd stand up or not? The decision, the precedents, were all secret. Now they're all in the public records room."

Indeed, despite the lamentation of FTC officials about the law, Wallace maintains they are often guilty of "indecent exposure," of letting out too much. On the secret body of law, he said, "we were willing to take the [FTC] decisions with the names [of the companies subpoenaed] excluded, so they wouldn't disclose who'd been under investigation. The FTC said, 'we're going to disclose the names anyway.'"

Wallace said the FOIA does pose hazards for corporations in that it could lead to the inadvertent disclosure of business information that ought to be kept confidential. A lot of the business community's FOIA requests, said Lynch of the Freedom of Information Clearinghouse, are made "in the hope that some tidbit will slip through."

Now, the Freedom of Information Act, aimed at cutting down the number of "classified" labels on government documents, is, Wallace reports, also causing corporations to buy their own rubber stamps for use on documents they give to Uncle Sam.

Said Wallace:

"What you do is before you supply the data, corporations flag it, mark it secret. The federal agencies don't have to honor that, but the hope is that they will. At least it brings it to their attention. [The practice] has mushroomed since the 1974 [FOIA] amendments. They stamp it, 'confidential,' or 'trade secret,' something like that."

A Penchant for Secrecy Remains

(By George Lardner Jr.)

Some federal agencies are still inventing their own excuses to duck the freedom-of-information law.

On March 8, the Selective Service System refused to make public even the annual report to Congress that the streamlined freedom-of-information law requires.

"The document requested is a statutory agency report," Selective Service officials decreed in weighty tones. "As such, it does not constitute, in our opinion, public information as contemplated by the Freedom of Information Act."

Furthermore, the Ohio University journalism professor who had asked for the report was informed, "we do not believe that release of such report by this agency would be proper. Your request is therefore denied."

It took a scathing Senate floor speech by Edward M. Kennedy (D-Mass.) to unplug the document, one of approximately 90 that federal agencies and departments has submitted to Capitol Hill. As chairman of the Senate Subcommittee on Administrative Practice and Procedure, Kennedy was one of the key architects—and remains a chief overseer—of the 1974 amendments to the Freedom of Information Act. The law is supposed to make disclosure of government documents the rule rather than the exception.

Kennedy said the Selective Service episode showed "so blatant a disregard of the law" that it could well warrant the bureaucratic penalties that the 1974 freedom-of-information amendments prescribed for "arbitrary and capricious" denials of information.

Although the law still permits withholding of records that fall into any of nine exempt defense to geological data—Kennedy caustically observed that "nowhere do I find an exemption for records, the release of which the agency does not consider proper."

Selective Service general counsel Petter T. Straub, whose office had made the initial denial, finally relented May 12, in a terse, two-sentence letter saying that the request had been "re-evaluated."

The Kennedy subcommittee's chief counsel, Thomas Susman, said the Selective Service incident was by no means unique. Although it has been more than a year since Congress sharply narrowed the old law's loopholes (for so-called "national security" and investigative files) and provided new ways of overcoming government foot-dragging, Susman said "the old practices [of secrecy] are alive and well."

He said the National Science Foundation also sought to keep secret part of its annual freedom-of-information report: a legal opinion from general counsel Charles F. Brown telling the National Science Board what it might have to make public under the new law. (Brown assured board members that "the bulk of the information at the executive session" meetings would continue to be "exempt from disclosure.")

The penchant for secrecy is reflected at other agencies in various ways. The Central Intelligence Agency, critics say, like to invoke the specter of search fees running into the thousands of dollars to discourage requests. The State Department seized on the Privacy Act as a classification device and tried to use it to restrict dissemination of a list of State Department employees who had authority to classify documents.

"They maintained the list shouldn't be released because that would somehow violate the Privacy Act," said Timothy H. Ingram, staff director of the House Subcommittee on Government Information and Individual Rights. He said the notion was absurd. "The list deals with the duties of employees in their official capacity," Ingram said. "That's got nothing to do with the Privacy Act."

At the CIA, the agency actually charged less than $2,000 in search and copying fees during all of 1975, but CIA freedom-of-information coordinator Gene Wilson acknowledges using the prospect of huge bills to trim back onerous demands.

"If no fee were involved, it would make it impossible to talk to a requester and get him to narrow his request," Wilson said. "For one particular request, we established that it would cost $60,000—just for the search alone. It involved going through mountains of documents to find just one. FOI, without some controls, could run away."

Last year, under Director William Colby, the CIA waived many fees in accordance with public interest provisions of the law applicable to disclosures that are deemed to benefit the general public. But fresh complaints are building.

"The CIA seemed to be making a serious effort at the start to comply—under Colby," said Mark Lynch of the nonprofit Freedom of Information Clearinghouse here. "But that's changed. Recently, they've started to charge search fees for every request, even for stuff they've already dug up for congressional committees."

Wilson insists that the CIA is improving even though outsiders might not notice. "They teach you here for 20 years how to keep information secret, how to keep it within the walls," he said "and then along comes a law that says, 'Turn around, review what can go out, make it public.'" He said the agency is starting to do that, although perhaps not too perceptively.

"If I were with the American Civil Liberties Union," Wilson allowed, "I'd say we were stonewalling."

Critics of the Internal Revenue Service say the IRS forces them to file lawsuits again and again to obtain essentially the same kind of documents the courts decreed they should have. The FBI, the National Security Agency and the Justice Department have all been accused of denying the existence of documents that have later been unearthed by other agencies.

For the government, the burdens imposed by the Freedom of Information Act remain considerable. Officials at the Office of Management and Budget acknowledge that they have thus far been trying to make government agencies "swallow the cost" of complying with the law. But few agencies seem inclined to ask for freedom-of-information money anyway, preferring instead to attack the 10- and 20-day deadlines in the law as impossible to meet.

(Despite the tight-fistedness at OMB, Congress recently allocated extra money for 202 additional positions at the FBI for the sake of "complying with the Freedom of Information Act and the Privacy Act." The bureau has a nine-month backlog of requests under the two laws, but rather than add more people, it apparently plans to use most of the extra money to refill the positions it had raided to put together the FOI unit it has now.)

"Mr. [Deputy Assistant Attorney General Harold] Tyler has said what's allocated now is more than a generous allocation of resources," Quinlan Shea, head of the Justice Department's Appeals Unit, said of the department's—and the FBI's—efforts. "That's it."

There are always some citizens who suspect the government of being out to "get" them. Now some officials are complaining that the Freedom of Information Act is being used to turn the tables.

"Certain groups that are objects of investigative interest are requesting their members to ask for their own [FBI] records," Shea said. "The plan is to put them all together, rent some computer time, and figure out who the [government] informers among them are."

Too Much FOI Laid To IRS

(By George Lardner Jr.)

Rep. Charles A. Vanik (D-Ohio) charged yesterday that the Internal Revenue Service improperly disclosed documents to an indicted Chicago lawyer in a freedom-of-information foulup.

Vanik said the attorney, Burton W. Kanter of Chicago, "appears to have received the fastest FOIA disclosure in the history of the IRS."

Vanik said Kanter was given 90 pages of investigatory documents that will "provide those under investigation with a blueprint on how to elude prosecution" in connection with the IRS probe of foreign tax havens for wealthy Americans known as Project Haven.

"The IRS charged Kanter $9 for the 90 pages of documents he received," Vanik said in a prepared House floor speech. "Because of this mistake, the government stands to lose millions in taxes and penalties," Vanik said.

Kanter and three other Chicago attorneys were indicted March 4 for conspiracy involving an alleged $700,000 tax-evasion scheme. They were accused of concealing the money through a trust account at a Bahamian bank, the Castle Bank and Trust Co., Ltd., where Kanter serves as U.S. counsel.

Vanik said that on Feb. 24 Kanter made a routine freedom of information request at a number of agencies. Because the law permits secrecy for investigatory files whose disclosure "would interfere with law-enforcement proceedings," Vanik said, Kanter was denied such documents except at IRS, which "complied with amazing speed."

The Kanter request reached the IRS's Freedom of Information branch March 3, the day before he was indicted by a federal grand jury in Nevada. He was sent the documents March 16, an aide to Vanik reported.

The IRS insisted that it was simply a big mistake and nothing sinister. "It was a goof-up," declared IRS spokesman Leon Levine. "It wasn't the first IRS ever made. It won't be the last."

Vanik said the IRS sent Kanter two dozen status reports on the Project Haven probe spanning a period of 16 months. He said the documents "will be very damaging to the government."

Kanter said in a telephone interview that he feels entitled to the documents and that "to my mind, what was provided to me merely confirmed some of the things I suspected or surmised."

The IRS attributed the foul-up to the fact that the same documents had already been supplied to the House Monetary Affairs Subcommittee, which has also been monitoring Project Haven.

The IRS yesterday refused to supply the documents in question to a reporter. "We certainly aren't going to compound the error by giving it out again," Levine declared.

FBI TOLD TO FREE INFORMATION

(By George Lardner, Jr.)

A House Judiciary subcommittee demanded yesterday that the FBI submit a detailed plan for clearing up its backlog of freedom of information requests.

It now takes the FBI approximately nine months to respond to routine requests for bureau documents although the law prescribes a 10-day deadline.

Rep. Don Edwards (D-Calif.), chairman of the Judiciary subcommittee having jurisdiction over the FBI, told bureau officials to come up with a step-by-step program, including a target date for ending the growing logjam, and to present it to the subcommittee within the next three weeks.

The orders came at the end of a hearing at which Rep. Robert F. Drinan (D-Mass.) sharply criticized bureau officials for failing to meet the deadline imposed by the Freedom of Information Act and failing to have a plan for full compliance with the law.

"I don't want to say you're stonewalling, but I don't see how you can be so unprepared," Drinan protested at one point to the chief of the FBI's Freedom of Information-Privacy Act Section, James M. Powers.

Powers said he felt sure the FBI would be able to make "a substantial reduction" in the backlog over the next year, but for the moment, he acknowledged, "it is going up, no question about that."

The FBI had a backlog of nearly 6,200 freedom of information requests waiting to be answered at the end of 1975; now it has more than 8,400 awaiting action, Powers testified.

Freedom-of-information amendments enacted in 1974 narrowed the exemption accorded to investigative files and led to a heavy influx of requests at the FBI, among other agencies. Powers said "the overwhelming majority" of the requests to the FBI are from individuals seeking their own records.

With his unit soon to be expanded from 194 to 220 persons, Powers said he felt it would be able to cut into the workload and eventually handle incoming requests on a current basis. But he said he could make no promise and give no target date.

In exasperated tones, Drinan complained that "no bank, no corporation would operate this way."

He called on the FBI to come up with a plan for eliminating the backlog altogether, including "goals, timetables (and) the need for additional funds and staff." Edwards, as subcommittee chairman, made the request formal.

Defending his section as one of the FBI's hardest working, including "nights and weekends on a continuing basis," Powers said one of its biggest problems is guarding against disclosures that would constitute an unwarranted invasion of privacy.

However, Drinan, brandishing his own 81-page FBI file which he said took him months to get, said the bureau was "ridiculously scrupulous" on that score. He said his file, which he called "irrelevant with respect to anything the FBI is supposed to be doing by law," even contained a New York Times article with the names of other persons mentioned in the story "blocked out."

MIGRANT FARMWORKERS

Mr. BAYH. Mr. President, the Senate and House conferees met this week on the Labor-HEW appropriations bill for fiscal year 1977. I applaud the members of this conference committee for their diligence and dedication toward meeting the educational, health, and social needs of the people of the United States. I am pleased that this appropriation bill includes $1 million for migrant programs in the Community Services Administration. I feel that this is a most important program. Other members of the conference—my distinguished colleague from Florida, Senator CHILES, and the distinguished Representative from California, Mr. ROYBAL—among others, supported my efforts to fund the program.

This program was originally administered by the Office of Equal Opportunity. The Congress supported those programs with a $37 million budget in 1973. After the Nixon administration dismantled OEO, these programs were transferred to the Department of Labor after assurances that they would administer the programs as well as OEO had done. Unfortunately, this has not been the case. Leaders for migrant groups and the Senate Subcommittee on Migratory Labor have recommended that the services be separated from the Department of Labor and placed in the Community Services Administration.

Migrant and seasonal farmworkers face unique problems. A migrant family of six earns approximately $2,500 a year. Living conditions are poor, health care is difficult to obtain, child care facilities are few, and immediate emergency problems frequently arise which go unresolved.

The programs which are needed to give support to our migratory work population should be administered by an agency focused on a range of community services, not one whose main emphasis is employment training.

Several newspapers have recently contained articles about the administration of Federal migrant programs in the Department of Labor. They have repeatedly reported on the lack of effectiveness within the Department. I find it most distressing that the Department of Labor is having a difficult time administering the programs which are supposedly within its expertise. If they could not adequately perform their primary function, how could they be expected to handle additional service programs outside their usual mandate? Mr. President, I congratulate the decision of the committee to resolve this inadequacy and separate the migrant program from the Department of Labor.

Mr. President, I ask unanimous consent that the text of three articles from the Washington Post be inserted in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 2, 1976]

FARM WORKERS AND THE LAW

Twenty months ago, when ordering the Labor Department to end its discrimination against migrant and seasonal farm workers, Judge Charles Richey created the legal means to guarantee that his decision not be shelved and forgotten. A group called the Special Review Committee was formed. Its purpose was accountability—to monitor compliance with the court order and periodically report back to the court on its findings. Life for many of the nation's estimated five million migrant and seasonal farm workers is bleak and harsh enough, the court argued, without the government adding its own weight. The discriminatory practices ranged from lower rates of job placement for farm workers than non-farm workers, to a lack of sanitation facilities in the fields. The Department of Labor, which fully funds the programs that states run, is the defendant in the case because it is charged with writing the regulations and assuring that they are carried out by the state employment service offices.

In recent weeks, the review committee has held hearings in various sites around the country. Its discoveries have not been encouraging. In Texas, it found the court order was still being violated. In Colorado, compliance was anything but widespread. In the latter state, for example, some job applicants who speak only Spanish were routinely refused assistance by officials in the employment service. In Texas, even when farm workers are not snubbed, many employment offices are not easily accessible because they are in the cities, not the rural areas through which the migrant stream passes. What the committee discovered in its field trips was a confirmation of what it had already noted in an April report to the court; it said that 10 states—California, Texas, Illinois, Indiana, Massachusetts, Washington, North Carolina, South Carolina, Minnesota and Michigan—were "significantly out of compliance" on several points.

Although improvements have been made in some places, the pattern of farm worker neglect continues. Are the violations part of the standard "change-doesn't-come-overnight" argument? Or is it because the Labor Department is not using the kind of firmness the situation calls for? The department can cut off employment service funds for a given state under the Wagner-Peyser Act and under the court order. As for where the abuses occur, state officials argue that since they were not the defendants in the Richey decision, little can be done in the field unless Labor officials in Washington take the initiative.

The situation would be ideal for buckpassing, except that in four months Judge Richey is scheduled to review the Labor Department's efforts to obey the law. It is true that with 2,700 employment service offices in 52 jurisdictions, compliance is neither simple nor automatic. But to date, the review committee has found little to suggest that the government is moving in the decisive ways that might have been expected 20 months ago. It is no immediate comfort to the farm workers who are still being victimized by discrimination, but for now they still have allies in Judge Richey, several members of the review committee, and some federal and state officials. When this alliance will make a difference in the lives of the farm workers is the question.

[From the Washington Post, July 31, 1976]

BENEFITS OF BUREAUCRATS

(By Jack Anderson and Les Whitten)

The American taxpayers contribute generously to a variety of worthy causes. But the deprived and the depressed, the aged and the ailing, usually wind up merely with ancillary benefits. The real beneficiaries, invariably, are the bureaucrats who manage the programs.

They pay themselves generous salaries, provide themselves fancy offices and surround themselves with secretaries and subordinates. The busy bureaucrats then form committees, hold meetings, conduct studies, write reports and issue statements. After all this has been paid for, only part of the money is left for the purpose that was intended.

We have taken up the typewriter, for example, to champion the migrant farm workers who toil under miserable conditions to make America the best fed nation in history. We sent our reporter, Hal Bernton, to live and work with them. He found them living in squalor, exploited by the planters, neglected by the government, ignored by society.

The bureaucrats would never let an opportunity like this go by. At the Labor Department, bureaucrats wangled $60 million from the taxpayers this year to help the migrant laborers out of the stream and to place them in career jobs. The bureaucrats sat at their desks and, with a great shuffling of papers and clacking of typewriters, drafted programs to rescue the lowly stoop laborers.

Yet these bureaucrats had never even met a migrant worker. The results are now in for the first half of fiscal 1976. A staggering $30 million, of course, went for the care and comfort of the bureaucrats.

Our columns about reporter Bernton's experiences among the migrant workers, meanwhile, brought down an avalanche of letters upon the Labor Department. The mail was so heavy that the secretaries had to use a form letter to respond to all the inquiries.

This has produced some favorable results. Labor Secretary W. J. Usery met with Agriculture Secretary Earl Butz to discuss what the Administration could do to help migrant workers. Our sources say that Usery sincerely wants to press for collective bargaining rights for farm workers. He also met with representatives of the National Association of Farmworker Organizations, a group that has been rebuffed by the Labor Department in the past.

As a direct result of our column, the Occupational Safety and Health Administration has also agreed to inspect five times more migrant housing next year. More comprehensive housing standards will also be issued.

[From the Washington Post, June 23, 1976]

FARM WORKERS' PLIGHT

(By Jack Anderson and Les Whitten)

The cumbersome federal machinery is beginning to move at last against A. Duda and Sons, whose vast agriculture empire has mistreated its lowly stoop laborers.

Last March, we sent our roving reporter, Hal Bernton, to southern Florida to investigate the plight of the migrant farm workers. Posing as a young drifter, he was picked up off the streets of Immokolee, Fla., and put to work in the fields of A. Duda and Sons.

He found the workers living in virtual bondage. They put in long, hot hours harvesting the farm's massive crop of ripening tomatoes. But nearly every dollar they earned went to pay for the overpriced food and illegal booze which Duda's strawboss provided.

Bernton's eyewitness accounts created a storm of controversy when we published them. Florida newspapers called for reforms, which were introduced in the Florida legislature.

But in Washington, the bureaucrats at the Labor Department merely squirmed uncomfortably and worried about how to stop the unpleasant publicity. Little was done to help the field hands whom the department was supposed to protect.

Now the situation is slowly reversing. The legislation to aid the migrant workers has been suppressed in Florida, and the federal authorities are preparing to crack down on A. Duda and Sons.

A federal investigation of Duda's farming operations has largely confirmed our allegations. Ronald J. James, who is in charge of federal employment standards, has reported "substantial violations of both the Fair Labor Contractor Act."

The federal investigators, for instance, uncovered "excessive charges for food and beverages." If these charges hold up in court, the Duda farm could be forced to close down its labor camps and pay back wages to its workers.

But the reform campaign has bogged down in Florida. At the request of State Sen. Jack Gordon, we sent Bernton to Tallahassee to testify about his experiences among the stoop laborers. He found the plush, red-carpeted hearing room packed with migrant farm workers.

Men, women and children had taken off a precious day from the field work and had driven all night to attend the hearings. They don't get paid, of course, when they don't work.

The growers and their lawyers were also in attendance. They huddled together in small knots. They wore expensive suits and jeweled wristwatches. Most of the field hands never owned a suit and can't afford a wristwatch.

Florida House Agriculture Chairman Wayne Mixon rapped for order. One by one, the growers told how rosy life was down on the corporate farms. There was no need, they declared, for any additional legislation. Indeed, the bill could "kill the goose" that laid Florida's "golden eggs," they warned gravely.

Bernton responded with an eyewitness report on the oppression he had found. He produced additional testimony that Duda had previously employed two vicious strawbosses to oversee the labor camp, one now convicted of manslaughter, the other himself murdered by a migrant worker in North Carolina.

After Bernton sat down, the farm hands themselves stepped up to the rostrum to tell about the conditions they worked under. The committee responded by voting unanimously to kill the reforms.

The migrant workers didn't seem surprised. They slowly shuffled out of the hearing room and made their way to a nearby church where they dined upon beans and soup.

The plight of the migrant workers has never attracted much attention in the Florida legislature. The Agriculture Committee members have been too busy with the problems of the large planters. In some cases, the members are large planters.

ACTING ON ENERGY

Mr. KENNEDY. Mr. President, yesterday the Senate approved the conference report on H.R. 12169, which contains important conservation measures to eliminate needless waste in the use of energy. Today the lead editorial in the New York Times notes the importance of this effort in stretching out our energy supplies.

I hope that the House will soon act also to support the conference report and that President Ford will sign it into law.

I ask unanimous consent that this New York Times' editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, August 6, 1976]

ACTING ON ENERGY

Congress has now brought to the verge of enactment a set of far-reaching energy conservation measures, providing tangible financial inducements for householders and businessmen who take positive steps to save energy.

To the surprise of some energy planners in the executive branch, who theoretically support the bulk of the program, a House-Senate conference approved the conservation measures largely intact last Friday, as part of an Administration bill to prolong the life of the Federal Energy Administration. The final legislative hurdle is to be faced within the coming week when both houses have to vote on the conference report.

Energy conservation is a complex and poorly understood process, involving many small and often seemingly insignificant steps, and clashing directly—for all their lip service to the contrary—with the natural tendencies of powerful vested interests. The present bill falls far short of a comprehensive blueprint for achieving maximum energy savings. But it represents a significant approach to conservation in commercial establishments and residential housing, a sector which consumes 29 percent of all energy in the United States.

Rebates and loan guarantees are authorized for individual initiatives to retrofit existing structures—insulation, installation of efficient heating and cooling equipment and such—and low-income families could receive direct grants up to a total of $200 million for weatherizing their homes. Loan guarantees would also be authorized for larger businesses and nonprofit institutions embanked on capital improvements for energy conservation. A series of related tax incentives cleared the Senate Tuesday in a separate but complementary action.

A breakthrough of principle was achieved in the mandating of energy-efficiency standards for all new construction, though as a sop to the building industry there is a further opportunity for Congress to veto the enforcement of these national standards once they are drawn up.

The Federal Energy Administration has estimated that a variety of conservation steps, including those in the present bill, could cut in half the rate of growth of energy demand in the household and commercial sector over the decade immediately ahead. And, as the Energy Research and Development Administration argued, "in many instances, it will cost less to save a barrel of oil (for instance, through more energy-efficient home heating) than it will to develop a new barrel of supply."

Advocates of energy conservation, which include almost every expert on the subject outside the boardrooms of the oil industry, have a more complicated message—and far less political clout—than corporations whose natural interest is to produce, and sell, ever more oil. Perhaps this is why, rhetoric aside, meaningful conservation measures have such a slippery path through the political thicket, particularly in an election year.

In this legislation, both the Democratic Congress and the Republican Administration can take satisfaction in their efforts to start cutting out the waste in the use of this country's dwindling energy supplies.

ARMS SALES TO AFRICA

Mr. KENNEDY. Mr. President, on April 27, Secretary of State Kissinger spoke in Lusaka, Zambia, and set forth a bold and imaginative new U.S. policy toward southern Africa. Along with many other Senators, I have supported the basic themes and directions of this speech, and regret that it has not received wider attention and support.

Soon thereafter, however, Secretary of Defense Rumsfeld also visited Africa, and in two countries—Zaire and Kenya—left behind pledges of military assistance. I am bound to say that I am less enthusiastic about the approach of the Defense Secretary than about Secretary Kissinger's effort to set a new direction for our African policy.

Indeed, it is hard to reconcile the two approaches: the one seeking to reduce the impact of superpower politics on the African Continent, and to emphasize political and economic relations; and the other seeming to continue a long tradition of relating local issues and problems to a global and often inappropriate framework, while emphasizing military instruments of policy and relations with local states.

A month ago, on July 7, the State Department sent to the Congress a formal letter of offer for the sale to Kenya of 12 F–5 aircraft, at a cost of $70.6 million. In terms of arms sales in other parts of the world, this amount may seem to be unimportant. But in terms of the African continent, in both symbolic and tangible terms, this sale—along with new sales to Ethiopia—is a significant departure for the United States.

To be sure, Kenya faces particular problems, relating to its future independence and security as a nation—especially after the events of July 4. To be sure, many arguments are advanced as to why this sales agreement is in our interest as well as Kenya's.

To be sure, the Soviet Union has been involved in supplying arms to Kenya's neighboring states of Uganda and Somalia—though I believe it is highly misleading for the Secretary of Defense to cite a $3 billion Soviet military program in Africa, when 77 percent of those arms has gone to Libya and Egypt. And I have been deeply troubled by the administration's refusal—despite a clear congressional mandate—to seek negotiations with the Soviet Union on arms control in the Indian Ocean.

But whatever the validity of arguments for the sale of F–5's to Kenya, I believe they miss the essential point: the need for overall U.S. policies toward African States, under which military issues and any arms sales will be clearly and firmly subordinated.

I do not seek today to debate the merits of this particular transaction. And I support the fostering of close ties with Kenya—though I believe that these ties should focus primarily on Kenya's economic development. But I do want to call attention to what appears to be a serious vacuum in U.S. policy. There is the all-too-familiar theme: arms go to one country, with some sort of justification; then they go to another, and another. Very soon, we find that we are spreading arms all over the place, with little sense of the basic objectives of policy, with military programs coming to dominate foreign policy considerations, and with a new competition with the Soviet Union for presence and influence.

Could that competition be avoided? What is the nature of our basic interests? And what are the prospects for limiting military involvement with individual countries? All these questions go unanswered, or are overtaken by events, as a creeping policy of arms sales transforms and helps to militarize the politics of an entire region. Only this week the Foreign Relations Subcommittee on Foreign Assistance has issued an excellent report on Iran, which illustrates how a policy of virtually uncontrolled arms sales in the Persian Gulf has created grave implications for the future of U.S. involvement there. We must not make the same mistake in Africa.

Mr. President, the United States has only recently "discovered" black Africa, in terms of recognizing the need to work out policies toward that region that make sense for us and for the nations involved. This is the new and growing area of U.S. interest, as we have turned away from Southeast Asia. But as we approach this long-neglected continent, we have both an opportunity and an obligation to avoid the mistakes of the past:

A wholesale importing of attitudes and methods from other parts of the world, without proper attention to the real issues and problems of Africa;

A tendency to believe that our involvement will be—or at least should be—decisive in the evolution of relations among local States;

A largely unexamined willingness to transfer local issues to the realm of superpower politics, while exaggerating "security" problems;

The transfer of bureaucratic attitudes and behavior to decisions about Africa, particularly on the part of the Department of Defense and the Government's arms salesmen, without an adequate understanding of: First, overall foreign policy objectives; second, the way in which military programs relate to these objectives, if at all; and third, tight and complete political control over military programs and the defense bureaucracy itself.

An improper balance between political and economic relations with local States on the one hand, and defense relations—if at all—on the other; along with a rehashing of old and largely discredited attitudes about buying "influence" with arms programs, and arguments that "if we don't sell arms, others will."

And a failure to consider seriously the prospects for arms control, in whatever form, until it is too late.

Mr. President, at great cost we have learned lessons from mistakes like these in other parts of the world. It is vital that we avoid these same mistakes in Africa as we turn to this new area of interest. Otherwise, the nations of black Africa may one day wish that we had left the African Continent "undiscovered," and simply stayed away.

There are ways in which we can make a genuine contribution to Africa, both in our interest and that of local countries themselves, while minimizing the risks of superpower competition there.

We should begin by recognizing the need for policies and attitudes based on the realities and the needs of the 1970's, not on past practices and outmoded beliefs.

We should follow the policies set forth by Secretary Kissinger toward Rhodesia—Zimbabwe, Namibia, and South Africa, in order to speed the gaining of majority rule. This approach has become even more critical as fighting increases in Rhodesia, and as racial violence flares in South Africa. We need also to define our relationship with liberation groups involved in the three countries.

We should increase our commitment of resources to economic development of the African Continent. In particular, we should help in crisis areas like the Sahel; emphasize the poorest of the poor and efforts to help meet their specific problems; and work primarily through multilateral institutions like the International Development Association and the African Development Fund;

We should demonstrate greater respect for, and understanding of, the individuality of each African nation, and full awareness of their own hopes and aspirations.

We should keep our direct involvement in African States to a minimum, and related to specific needs such as helping with economic development.

And we should seek in every possible way to minimize military approaches to involvement, not only by the United States, but also by other nations including the Soviet Union.

Mr. President, I believe that an approach like the one I have outlined can serve our Nation well in Africa, and the countries of that Continent, as well. This is the larger issue that is at stake in the arms sales agreement to Kenya. Therefore, while I am not introducing a resolution to disapprove the sale of F–5's to Kenya—an opportunity for congressional action which expires tomorrow—I believe it is critical that this sale not become just the first step onto yet another slippery slope. This must become the occasion for building new policies for Africa—policies that among other things put military involvement in proper perspective and under complete control. The benefits to be gained by all are enormous; but so are the penalties—both in relations among States and in the lives of individual people—if we pass up this unique chance to put our relations with African states on a proper footing, within a clear definition of sensible policies.

I ask unanimous consent to have printed in the Record a memorandum on the Kenya arms sales agreement by the Washington Office on Africa, and I commend it to my colleagues.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

The Washington Office on Africa,
Washington, D.C., August 3, 1976.

To People concerned about U.S. Africa Policy.
From Washington Office on Africa.
Re Arms Sale to Africa.

On July 7 the Department of Defense notified Congress of the proposed sale of 12 Northrup F–5 fighter planes, worth $70.6 million, to the Government of Kenya. Congress has 30 calendar days in which to stop the sale if it so desires, through a concurrent resolution. On July 29, Representative Michael Harrington introduced such a resolution of disapproval. The Subcommittee on International Political and Military Affairs (chaired by Representative Dante Fascell) of the House International Relations Committee is considering holding hearings on the resolution this week. Unless both houses of Congress pass disapproving resolutions before August 7, the Kenyan sale will be finalized.

The planned sale to Kenya is by far the largest military transaction ever undertaken by the U.S. with that East African country. Moreover, the deal is not an isolated occurrence, but part of a major escalation in U.S. arms transfers and military aid to the African continent. Zaire, a major recipient of U.S. aid in the 1960's is assuming that role once more: the country received $3.5 million in arms in 1975, some $19 million in 1976, and is already scheduled to receive $28 million in fiscal year 1977, all for military credit sales. In addition, plans are well advanced for a further sale (probably also on credit) of over $50 million in ground equipment for Zaire. Ethiopia's military relationship with the United States is expanding dramatically: it bought $7.5 million in U.S. arms in 1974, $28 million in 1975, has bought $100 million since last October, and another $100 million is in the works.

Congress has expressed its intention to limit U.S. military involvement in Africa by retaining a $40 million annual limit on direct military aid—mostly credit sales of arms—to African countries, despite the Administration's efforts to delete the provision. President Ford waived this limit in late fiscal year 1975, when credit sales totaled $54.3 million. He has waived it again for fiscal year 1977, when credit sales to African countries will total approximately $88.5 million—not including the latest $50 million deal with Zaire, which may also be concluded in fiscal 1977. All told, the U.S. will sell for cash or credit between $300 and $400 million to African countries this fiscal year, at least $200 million of it to sub-Saharan nations.

These moves constitute another side to the Administration's newly-aggressive African policy. The most recent Kenya and Zaire transactions were arranged during Defense Secretary Rumsfeld's trip to those nations in May—the first time a U.S. Secretary of Defense has ever visited Africa.

Like the more publicized initiatives of Secretary of State Kissinger in southern Africa, the U.S. arms policy seems designed not so much to meet the need of most Africans, but to counter an alleged Soviet threat. The Pentagon is going to great lengths to substantiate this threat; Rumsfeld refers to "$3 billion" in Soviet aid to Africa, and maps showing 16 air and naval "access facilities" (other commentators call them "bases") on the continent have been distributed. This is not the place to attempt a full analysis of these claims, but they surely deserve a closer look than they have received so far. For instance, according to the Pentagon's own figures, 60 percent of the Soviet military aid has gone to Egypt, and another 17 percent to Libya; it would seem obvious that this aid is much more related to the Middle East than to Africa. It might be added that Egypt is perhaps the classic example of Soviet inability to buy lasting influence in underdeveloped countries through aid.

As for Soviet access facilities or bases, the impression is given that these are always available to the Soviets, and that the U.S. has nothing comparable. Yet two of the Soviet naval access facilities listed by the Pentagon—Conakry, Guinea and Mombasa, Kenya—were visited by U.S. warships in the last three months. The warship which recently went to Mombasa was dispatched from the major U.S. Navy Indian Ocean base of Diego Garcia. Two Navy planes were also recently sent to Kenya from here. Thus Diego Garcia already represents a significant counterweight to any Soviet "access" to eastern Africa.

The point is that a tragic regional arms race is now underway in a continent which was until recently relatively free of this deadly problem. Thus far the only U.S. response has been an escalation of our role as arms supplier. So far as we are aware, no efforts have been made to discuss restraints or consequences with the Soviet Union or the Organization of African Unity.

The International Security Assistance and Arms Export Control Act of 1976, which recently became law, contains the following statement on arms sales policy: "It shall be the policy of the United States to exert leadership in the world community to bring about arrangements for reducing the international trade in implements of war and to lessen the danger of outbreak of regional conflict and the burdens of armaments... It is the sense of the Congress that the President should seek to initiate multilateral discussions for the purpose of reaching agreements among the principal arms suppliers and arms purchasers and other countries with respect to the control of the international trade in armaments..."

Unfortunately, the new arms sales policy toward Africa is not being developed in this spirit. Now is the time for a Congressional examination of our growing military role in Africa. As Senator Proxmire said last week, in reference to the African sales, "We now share the responsibility for arms races between underdeveloped nations that are in no position to allocate their present level of funding to defense without neglecting other social-economic duties." Uncritical acceptance of this role is a disservice to ourselves and to Africa.

We urge the International Political and Military Affairs Subcommittee to hold hearings on the proposed Kenyan arms sale this week. We hope that the international relations committees of both houses will undertake a full investigation of increasing U.S. military involvement in Africa in the fall.

ORDER WAIVING CALL OF CALENDAR UNDER RULE VIII AND A PERIOD FOR THE TRANSACTION OF ROUTINE BUSINESS ON MONDAY, AUGUST 9, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday the call of the calendar under rule VIII be waived and that after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

Mr. TOWER. Mr. President, reserving the right to object, and I shall not object, is the Senator from Texas correct in understanding that the pending business, the amendment of the Senator from Colorado to the Defense appropriation bill, will not be taken up until 9 o'clock?

Mr. ROBERT C. BYRD. It would be around that time, with the two leaders who would have their normal 10 minutes each, if they sought to utilize the full time, and then there would be——

Mr. TOWER. The Senator would not expect it to come before 9?

Mr. ROBERT C. BYRD. No, no. There would be up to 15 minutes for routine morning business.

Mr. TOWER. I thank the Senator from West Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF H.R. 14262 ON MONDAY, AUGUST 9, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the routine morning business has been closed on Monday the Senate proceed to the consideration of H.R. 14262, the defense appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VITIATING RECOGNITION OF SENATOR PELL ON TUESDAY, AUGUST 10, AND RECOGNIZING SENATOR PELL ON MONDAY, AUGUST 23, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. PELL on Tuesday, August 10, be vitiated, and that Mr. PELL be recognized after the two leaders or their designees have been recognized under the standing order on Monday, August 23, 1976, for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business?

Mr. ROBERT C. BYRD. Yes, Mr. President.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet on August 9 and 10 for oversight hearings on the Grumann Corp., and consideration of nominations and international commodity agreements; and that the Committee on Banking, Housing and Urban Affairs be authorized to meet on August 9 and 10 to hold oversight hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Committee on Public Works be authorized to meet on August 10 to consider legislation matters relating to the water pollution program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 514

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. KENNEDY, of Massachusetts, I offer a resolution and ask that it be stated by the clerk.

The PRESIDING. OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

> *Resolved*, That the Committee on Labor and Public Welfare be discharged from the further consideration of S. 3735.

Mr. ROBERT. C. BYRD. Now, Mr. President, on behalf of Mr. KENNEDY, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

Mr. ALLEN. Reserving the right to object——

Mr. TOWER. Reserving the right to object——

Mr. ROBERT C. BYRD. The resolution would provide for the discharge of the swine flu legislation from the Committee on Labor and Public Welfare. It is my understanding, from talking with Mr. KENNEDY, this has been cleared with Mr. WILLIAMS, the chairman of the committee.

Mr. ALLEN. I have no objection.

Mr. TOWER. Will the Senator withhold that request for a moment and, perhaps, put in a quorum call?

Mr. ROBERT C. BYRD. Yes. I leave the request in but I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I temporarily withdraw my request.

Mr. ROBERT C. BYRD. Mr. President, I renew my request on behalf of Mr. KENNEDY and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, this will leave open to any Senator the opportunity on Monday to move to reconsider the vote by which the resolution was agreed to, if any Senator is so disposed.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 8:30 a.m. on Monday next.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The call of the calendar under rule VIII has been waived.

Upon the conclusion of routine morning business, the Senate will resume consideration of the Defense appropriation bill (H.R. 14262). The pending question at that time will be on the adoption of the amendment by Mr. GARY HART of Colorado, amendment No. 2146, and there is a limitation of debate on that bill of 90 minutes. The yeas and nays have already been ordered on the amendment.

On the disposition of the Hart amendment, Mr. LEAHY's amendment No. 2145 will be called up, and there is a time limitation on that amendment of 2 hours, with an additional hour, if needed, in accordance with an order that was entered. The yeas and nays have been ordered on the Leahy amendment.

At no later than 2:30 p.m. on Monday, the bill (H.R. 14262), the defense appropriation bill, will be up for passage and a rollcall vote will occur on passage.

Mr. TOWER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. I would hope that on Monday morning we can secure an agreement to put votes off until after 12:30.

Actually, the vote on the most controversial amendment, I would say, the amendment by the Senator from Vermont (Mr. LEAHY), will occur, if all time is used up, after 12:30. I can assure the Senator from West Virginia that it probably will be.

I would ask that those who want to express themselves on the nonnuclear LANCE, which is the amendment of the Senator from Colorado, which is somewhat less controversial, could have the opportunity to be here. A lot of Senators travel in on Monday mornings, and it is difficult for them to get back at the earlier hour, on both sides of the aisle.

So I hope the Senator from West Virginia will join with me on Monday morning next in trying to secure that kind of agreement.

Mr. ROBERT C. BYRD. Mr. President, I will certainly be glad to make the effort on Monday. Certain Senators were approached today about the prospect of delaying votes on Monday until 12 or 12:30, and the indication was in the negative.

However, I will be glad to renew my efforts in that direction on Monday.

Mr. TOWER. I thank the Senator from West Virginia. He is always most cooperative.

Mr. ROBERT C. BYRD. The Senator is always most courteous.

ADJOURNMENT TO 8:30 A.M. ON MONDAY, AUGUST 9, 1976

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 8:30 a.m. on Monday next.

The motion was agreed to; and at 8:35 p.m. the Senate adjourned until Monday, August 9, 1976, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 6, 1976:

U.S. PAROLE COMMISSION

Curtis C. Crawford, of Maryland, to be a Commissioner of the U.S. Parole Commission for the term of 6 years (new position).

Dorothy Parker, of Virginia, to be a Commissioner of the U.S. Parole Commission for the term of 6 years (new position).

Paula A. Tennant, of California, to be a Commissioner of the U.S. Parole Commission for the term of 6 years (new position).

IN THE JUDICIARY

James A. Anderson, of Washington, to be U.S. district judge for the eastern and western districts of Washington vice William N. Goodwin, decreased.

EXPORT-IMPORT BANK

Margaret W. Kahliff, of Ohio, to be a member of the board of directors of the Export-Import Bank of the United States, vice Mitchell Kobelinski, resigned.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Robert G. Beabout, [redacted].
Maj. Robert L. Hutten, [redacted].
Maj. Frederick R. Keith, [redacted].
Maj. Donald G. Lanke, [redacted].
Maj. Bobby J. Ockerhausen, [redacted].
Maj. James R. Randall, [redacted].
Maj. Clark A. Rosenberger, [redacted].
Maj. Russell L. Sartain, [redacted].
Maj. Charles K. Shoemake, [redacted].
Maj. Austin P. Snyder, [redacted].
Maj. James E. Terrell, [redacted].
Maj. William Tomasi III, [redacted].
Maj. Robert E. Tracy, [redacted].
Maj. Bobby J. Ward, [redacted].

MEDICAL CORPS

Maj. James D. Key, [redacted].

MEDICAL SERVICE CORPS

Maj. George W. Pate, [redacted].
Maj. David J. E. Strate, [redacted].

IN THE NAVY

The following-named line officers of the U.S. Navy for appointment in the Supply Corps as permanent lieutenants (junior grade) and temporary lieutenants:

Beckman, Robert J.
Groman, Mark S.
Locke, James W., Jr.
Sauer, George E., III
Schmitt, Michael K.

The following-named line officers of the U.S. Navy for appointment in the Supply Corps as permanent ensigns and temporary lieutenants (junior grade):

Ayres, William T., Jr.
Keener, Phillip D.
Kissinger, Donald J., Jr.
Mawson, John, III
Zeni, Joseph F.
Radosevich, Joseph P.

The following-named line officers of the U.S. Navy for appointment in the Supply Corps as permanent lieutenants (junior grade):

Foster, Robert L.
Hains, John P.
London, Susan J.
Sullivan, Nicholas M.

Ensign Robert H. Bancroft, U.S. Navy, an officer of the line, for appointment in the Supply Corps as permanent ensign.

Lt. Comdr. Danny E. Glenn, U.S. Navy, an officer of the line, for appointment in the Civil Engineer Corps as a permanent lieutenant commander.

The following-named line officers of the U.S. Navy for appointment in the Judge Advocate General's Corps as permanent lieutenants (junior grade) and temporary lieutenants:

Bloxom, Richard R.
Trask, Gordon W., II
Harrison, John G., Jr.

The following-named line officers of the U.S. Navy for appointment in the Judge Advocate General's Corps as permanent lieutenants:

Thompson, Paul B.
Vinson, John C.

Lt. (junior grade) Jonathan J. Bridge, U.S. Navy, an officer of the line, for appointment in the Judge Advocate General's Corps as a permanent lieutenant (junior grade).

CONFIRMATIONS

Executive nominations confirmed by the Senate August 6, 1976:

DEPARTMENT OF DEFENSE

Robert Nelson Smith, of Ohio, to be an Assistant Secretary of Defense.

Fred P. Wacker, of Virginia, to be an Assistant Secretary of Defense.

M. Alan Woods, of Missouri, to be an Assistant Secretary of Defense.

Juanita Ashcraft, of California, to be an Assistant Secretary of the Air Force.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Frederick Carlton Weyand, [redacted] Army of the United States (major general, U.S. Army).

Gen. Bernard William Rogers, [redacted] Army of the United States (major general, U.S. Army), for appointment as Chief of Staff, U.S. Army, under the provisions of title 10, United States Code, section 3034.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general

Brig. Gen. David E. Grange, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Arthur J. Gregg [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. James L. Kelly [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Albert B. Crawford, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Thomas U. Greer, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Bennett L. Lewis, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Robert G. Gard, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Paul F. Gorman [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. John A. Wickham, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Wallace H. Nutting, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert J. Lunn [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. William W. Palmer, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Richard G. Trefry, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. James M. Lee, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Volney F. Warner, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Charles F. Means, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. John J. Koehler, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Eivind H. Johansen, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. William R. Todd, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Fred C. Sheffey, Jr., [redacted], Army of the United States (colonel, U.S. Army).

IN THE NAVY

Rear Adm. Thomas J. Bigley, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE COAST GUARD

Coast Guard nominations beginning Michael L. Hunt, to be lieutenant (jg.), and ending John H. Williams, Jr., to be lieutenant (jg.), which nominations were received by the Senate and appeared in the Congressional Record on August 3, 1976.

IN THE ARMY

Army nominations beginning Floyd C. Adams, to be colonel, and ending Mary G. Young, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on July 19, 1976.

Army nominations beginning Raymond A. Bragalone, to be colonel, and ending Robert C. Todd, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on July 22, 1976.

IN THE NAVY

Navy nominations beginning Rex T. Aaron, to be lieutenant (jg.) and ending Susan B. Zysk, to be lieutenant (jg.) which nominations were received by the Senate and appeared in the Congressional Record on July 19, 1976.

Navy nominations beginning Lyle N. Aardhal, to be chief warrant officer, W–3, and ending Harry B. Zinn, to be chief warrant officer, W–4, which nominations were received by the Senate and appeared in the Congressional Record on July 22, 1976.

Navy nominations beginning Bruce A. Graham, to be ensign, and ending Jimmie L. Burk, Jr., to be commander, which nominations were received by the Senate and appeared in the Congressional Record on July 23, 1976.

IN THE MARINE CORPS

Marine Corps nominations beginning Freedie M. Morgan, to be captain, and ending David A. Kelley, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on July 22, 1976.

EXTENSIONS OF REMARKS

CAMP ROY-EL

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, August 5, 1976

Mr. GRIFFIN. Mr. President, 25 years ago a remarkable couple in my hometown, Roy and Ellen Brigman, had a dream. In their dream, physically handicapped children went to summer camp, at no cost, and did all the things that unafflicted children do at camp.

The Brigmans were in their thirties then. Roy was a physical therapist at Munson Hospital in Traverse City; Ellen was an elementary grade school teacher and she ran the local Girl Scout camp.

Both of them had seen the effects of misfortune and disease on young people, particularly the ravages of polio during those postwar years when it was at its worst.

According to Roy:

> Ellen and I figured if we could start a camp for youngsters, all handicapped, some hopeless wheel-chair cripples, some even destined to die before they were 15 years old, that this intermingling would provide a healthy atmosphere for both body and soul. Here each youngster would soon realize he wasn't the only one who'd been victimized by fate, and that he too could have some measure of fun.

In 1952 after a lot of planning and hard work on their part, Roy and Ellen Brigman finally saw their dream come true. Camp Roy-El opened its doors at Gilbert Lodge on the beautiful Twin Lakes, just 6 miles west of Traverse City in the scenic Northwest of Michigan's Lower Peninsula.

There for 2 weeks each year—usually the last week in July and the first week in August—approximately 100 campers between the ages of 8 and 21 come from communities in the northernmost 29 counties of lower Michigan.

Each of the young campers has a handicap or disability. They call themselves "handicampers."

Camp Roy-El has become an institution in the Grand Traverse area. It is supported so actively that no fund-raising drive has ever been required. Some financial support has come from groups and organizations, but most of it has been donated by individuals without fanfare or public notice. All money is used for the youngsters; none is used for administration.

Twelve couples from the Traverse City area make up the camp committee, the camp's governing body. Some have served Camp Roy-El since its inception. The committee meets several times during each year to review the last camping session and to plan for the one ahead.

Teenage volunteers who call themselves "Teenaiders"—one for each Handicamper—are the "backbone of the camp." They serve as aides and companions to the Handicampers, assisting their individual charges in every possible need—pushing wheel chairs, putting on braces, feeding or dressing, serving as partners in chess games. Because of the Camp Roy-El experience, many of these Teenaiders have chosen careers in occupational therapy, physical therapy, education of the blind and related fields.

Community volunteers drive the 20 or more cars needed for out-of-camp excursions, and provide resources for fishing trips, bowling, picnics, horse shows, or similar outings.

Other volunteers and service organizations provide picnics, desserts, and work in the camp kitchen.

Through the years, literally hundreds of teenagers and adults have donated thousands of hours to the Camp Roy-El experience.

Why is Camp Roy-El supported so enthusiastically? A good friend and Traverse City neighbor of mine, Dr. Robert H. Chase, wrote about it as follows in an article that appeared several years ago in Lady's Circle magazine:

> Well, where else could you shoot an actual submachine gun, if you're blind, that is, with a Michigan State Trooper as your instructor? Where else could you make a wallet for your father in the craft shop, particularly when you have no forearms or hands, but prosthetic devices instead? Where else could you square-dance to a real live polka band, where else indeed except at Camp Roy-El, on square dance night, all squares are composed of kids in wheel chairs, with Teenaiders pushing them through the dosey-do's? Where else could you go on excursions like boat rides on yachts in Grand Traverse Bay and "dunesmobile" rides over the Sleeping Bear Sand Dunes . . .? Where else a train ride with a real steam engine, complete with a real live hold-up along the way? Or where else could you go on a fishing trip to a privately stocked trout pond where you fished till you caught something, and they had it cooked for your supper?
>
> Where else could all this happen but at Camp Roy-El? . . . It's here at Camp Roy-El that, at least for a week, you can leave your world behind and join your fellow handicapped in fun, crafts, excursions, sports and games . . . It's here you do everything an unafflicted child can do, and more. To you, Camp Roy-El is a little bit of heaven, a little bit of something to look forward to for 11 months. It's really the beginning and end of everything in your young life.

This evening my wife, Marge, and hundreds of others will attend a dinner at Gilbert Lodge to celebrate the 25th anniversary of Camp Roy-El. It is a pleasure for me to call the attention of Congress to the wonderful work and community leadership of Ellen and Roy Brigman, whose initiative, compassion and dedication have produced a dream come true—for them and for so many others.

Camp Roy-El stands as an ongoing tribute, not only to "Mr. and Mrs. B." but also to hundreds of volunteers, Teenaiders and Handicampers who have enriched each other's lives through the Camp Roy-El experience.

SENATE—*Monday, August 9, 1976*

The Senate met at 8:30 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou in whom we live and more and more have our being, deliver us from the clash and clamor of life, from the contentions and confusion of these days that for a moment we may be still and know that Thou art God.

For this land of our heritage we pray. Open to all people an era when justice and truth and righteousness may prevail everywhere.

While we pray for this land we pray also for others beyond our shores, the rich and the poor, the overfed and the underfed, the oppressed and the war weary, the victims of tyranny and bad government.

"Not for this land alone.
But be God's mercies shown
From shore to shore:
And may the nations see
That men should brothers be
And form one family
The wide world o'er."
—WILLIAM E. HICKSON, 1836.

Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, August 6, 1976, be dispensed with.

Mr. TOWER. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

The clerk will read the Journal.

The legislative clerk proceeded to read the Journal of Friday, August 6, 1976.

During the reading of the Journal, the following proceedings occurred:

Mr. GARY HART. Mr. President, I ask unanimous consent that further reading of the Journal be dispensed with.

Mr. TOWER. I object.

The ACTING PRESIDENT pro tempore. Objection is heard. The clerk will resume the reading.

The reading of the Journal was continued.

At a later point during the reading of the Journal, the following proceedings occurred:

Mr. GARY HART. Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor——

Mr. TOWER. Mr. President, a point of order.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TOWER. Is it in order for that request to be made at this time?

The ACTING PRESIDENT pro tempore. The Senator's request is out of order during the reading of the Journal.

Mr. GARY HART. Mr. President, I ask unanimous consent that further reading of the Journal be dispensed with.

Mr. TOWER. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

The reading of the Journal was continued and concluded by the Journal clerk, Mr. Bernard V. Somers.

DEPARTMENT OF DEFENSE APPROPRIATIONS

The ACTING PRESIDENT pro tempore. Does the Senator from Montana desire recognition?

Mr. MANSFIELD. Yes, Mr. President. First, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I do not desire any time.

The ACTING PRESIDENT pro tempore. Does the acting minority leader desire recognition?

Mr. TOWER. Mr. President, I desire recognition.

I should like to propound a request. There are a number of Senators on both sides of the aisle who wanted the opportunity to cast a vote on the question of the nonnuclear Lance. Some of them will not be here until after 12 o'clock. It seems reasonable to me that we could follow a procedure that we have followed so many times in the past; that is, to proceed with debate and discussion of this amendment and other amendments that might be offered and then agree to vote, back to back after 12 or 12:30, on the amendment relating to the nonnuclear Lance and the amendment relating to the aircraft carrier, and then seek to achieve passage, which I think can be achieved even earlier than the 2:30 which was agreed upon.

I propound this request because I see no reason why we cannot follow this procedure that we have followed so many times in order to accommodate our friends, many of whom have to travel very long distances indeed to get to the Senate. I know that a number of both Democrats and Republicans are not present this morning who would like to vote on this issue. Therefore, I ask unanimous consent that the votes on the amendment of the Senator from Colorado (Mr. GARY HART) and the vote on the amendment of the Senator from Vermont (Mr. LEAHY) occur after the hour of 12:30 and no later than the hour of 2:30.

Mr. MANSFIELD. Mr. President, I am forced to object. A request of that nature is usually one made by the leadership. The leadership, unfortunately, was not consulted on the move made by the Senator from Texas this morning. As far as I am concerned, the rights of the Senator from Colorado are going to be fully protected, and if it means going beyond the hour of 10:30 that will be done as well.

I would point out to the acting Republican leader that the reason we are meeting today at this hour was for the convenience of the ranking Republican member of the Appropriations Committee (Mr. YOUNG), who makes very few requests of the leadership. He had a good and sufficient reason.

The question was put to the Senate. The Senate agreed unanimously, and here we are faced with a situation not of the leadership's making, I want to assure, not of the chairman of the committee's making, the distinguished Senator from Mississippi (Mr. STENNIS)—that is, the Senate Armed Services—and not of the making of the distinguished chairman of the Committee on Appropriations nor the ranking Republican member, Senators MCCLELLAN and YOUNG.

Mr. ROBERT C. BYRD. Nor that of the majority whip.

Mr. MANSFIELD. Nor the majority whip; nor the majority leader nor anybody on this side that I know of. It was an agreement reached unanimously by the Senate.

The only move I would make at this time is I would have to object to a back-to-back vote at 12:30, and that we now proceed under the rules with the consideration of the amendment by the distinguished Senator from Colorado (Mr. GARY HART) and let it run its time; vote on that and then turn to the Leahy amendment.

Mr. TOWER. Mr. President, I think I should be remiss if I did not say that what has occurred——

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. MANSFIELD. I reserve the right to object so that the Senator can further explain.

Mr. TOWER. I would like to advise the Senate what has occurred here this morning I take full responsibility for myself. It is something I did on my own initiative, and I did it in an effort to protect a few Members who wanted to vote on this issue, who will not be back here in time to vote on it if a vote occurs before noon.

I refer to both Democrats and Republicans. I thought this could be worked out in a way that these things usually are, but they cannot be worked out.

I will not detain the Senate any longer. I will not use any more dilatory tactics. I do not want to inconvenience or discomfort my distinguished friend from Mississippi and, therefore, we can, as far as I am concerned, proceed.

Mr. MANSFIELD. I appreciate that. Nor do I want to see the chairman of the committee or the ranking Republican member embarrassed or inconvenienced either.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. MANSFIELD. The Senator withdrew his unanimous-consent request.

Mr. TOWER. Yes, he did.

Mr. STENNIS. Mr. President, may I be recognized for just 1 minute?

I appreciate the problem the Senator from Texas is up against. I did not agree with him in his conclusion. I know he is acting in good faith. We all know what a responsible Member and leader he is in this body. But I stand on this proposition: We have made the agreement, I have conferred with many Senators who want to be here and get an early vote and leave early, and others who want to have the vote later and get here later.

I think the only thing to do is to just ride the agreement that has already been made, Lance first and carrier second, and then others. I am figuring on this because the Senator from Arkansas, the chairman of the Appropriations Committee, had asked me last week to get in on this carrier matter and to be floor leader for that.

I thank the Chair.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

GOVERNOR CARTER'S STATEMENTS ON FOREIGN POLICY MATTERS

Mr. MANSFIELD. Mr. President, during recent months, former Gov. Jimmy Carter has made a number of significant statements on foreign policy matters.

These statements constitute a clear and lucid exposition of both the principles which govern his thinking on America's relations with the world and of his views on a number of specific foreign policy issues. In a speech to the Chicago Council on Foreign Relations on March 15, he said that the basic concepts which should guide our foreign policy were:

> First, our policies should be as open and honest and decent and compassionate as the American people themselves are. Our policies should be shaped with the participation of Congress, from the outset, on a bipartisan basis. And they should emerge from broad and well-informed public debate and participation.
>
> Second, our policies should treat the people of other nations as individuals, with the same dignity and respect as we demand for ourselves. No matter where they live, no matter who they are, the people of other lands are just as concerned with the struggles of daily life as you and I. They work hard, they have families whom they love, they have hopes and dreams and a great deal of pride. And they want to live in peace. Their basic personal motives are the same as ours.
>
> Third, it must be the responsibility of the President to restore the moral authority of this country in its conduct of foreign policy. We should work for peace and the control of arms in everything we do. We should support the humanitarian aspirations of the world's people. Policies that strengthen dictators or create refugees, policies that prolong suffering or postpone racial justice weaken that authority. Policies that encourage economic progress and social justice promote it. In an age when almost all of the world's people are tied together by instant communication, the image of a country, as seen through its policies, has a great deal to do with what it can accomplish through the traditional channels of diplomacy.
>
> Fourth, our policies should be aimed at building a just and peaceful world order, in which every nation can have a constructive role. For too long, our foreign policy has consisted almost entirely of maneuver and manipulation, based on the assumption that the world is a jungle of competing national antagonisms, where military supremacy and economic muscle are the only things that work and where rival powers are balanced against each other to keep the peace.

These speeches show clear thinking about America's future role in the world, a commitment to policies which would, as he so succinctly stated it, "replace balance of power politics with world order politics." They show a dedication to trying new approaches, if needed, to improving proven policies of the past, and to making our foreign policy reflect the best of the character and spirit of the American people.

He has set a high standard for the discussion of foreign policy issues in the months ahead.

I ask unanimous consent that the four statements by Governor Carter be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

ADDRESS BY GOVERNOR JIMMY CARTER TO THE CHICAGO COUNCIL ON FOREIGN RELATIONS

I am pleased to speak to you today. This council is the oldest, the largest, and the most active organization of its kind in the country. For over fifty years you have helped make this city and this region better informed about a world which the St. Lawrence Seaway now brings to your doorstep. Men like Adlai Stevenson, Paul Douglas, and Frank Knox studied the world through this council and went on to make history.

I want to take this opportunity to explain how I shall approach the problems of foreign policy if I am elected President:

How I see our international situation today;

What our role in the world should be;

How we should approach our relationships with different kinds of international neighbors;

What kinds of policies, and what kind of policymakers we shall need so that our international relations can be true expressions of the goals and the character of the people of our country.

Our recent foreign policy, I am afraid, has been predicated on a belief that our national and international strength is inevitably deteriorating. I do not accept this premise.

The prime responsibility of any president is to guarantee the security of our nation, with a tough, muscular, well-organized and effective fighting force. We must have the ability to avoid the threat of successful attack or blackmail and we must always be strong enough to carry out our legitimate foreign policy. This is a prerequisite to peace.

Our foreign policy today is in greater disarray than at any time in recent history.

Our Secretary of State simply does not trust the judgment of the American People, but constantly conducts foreign policy exclusively, personally and in secret. This creates in our country the very divisions which he has lately deplored. Longstanding traditions of a bi-partisan policy and close consultation between the President and Congress have been seriously damaged.

We are losing a tremendous opportunity to reassert our leadership in working with other nations in the cause of peace, and progress. The good will our country once enjoyed, based on what we stood for and the willingness of others to follow our example, has been dissipated.

Negotiations with the Soviets on strategic arms are at dead center, while the costly and dangerous buildup of nuclear weapons continues.

The policy of detente, which holds real possibilities for peace, has been conducted in a way that has eroded the public confidence it must have.

The moral heart of our international appeal—as a country which stands for self-determination and free choice—has been weakened. It is obviously un-American to interfere in the free political processes of another nation. It is also un-American to engage in assassinations in time of peace in any country.

The people of other nations have learned, in recent years, that they can sometimes neither trust what our government says nor predict what it will do. They have been hurt and disappointed so many times that they no longer know what to believe about the United States. They want to respect us. They like our people. But our people do not seem to be running our government.

Every time we have made a serious mistake in recent years in our dealings with other nations, the American people have been excluded from the process of evolving and consummating our foreign policy. Unnecessary secrecy surrounds the inner workings of our own government, and we have sometimes been deliberately misled by our leaders.

For many nations, we have two policies: one announced in public, another pursued in secret. In the case of China, we even seem to have two Presidents.

No longer do our leaders talk to the people of the world with the vision, compassion and practical idealism of men like Woodrow Wilson and John Kennedy and Adlai Stevenson.

Our foreign policy is being evolved in secret, and in its full details and nuances, it is probably known to one man only. That man is skilled at negotiation with leaders of other countries but far less concerned with consulting the American people or their representatives in Congress, and far less skilled in marshaling the support of a nation behind an effective foreign policy. Because we have let our foreign policy be made for us, we have lost something crucial in the way we talk and the way we act toward other peoples of the world.

When our President and Secretary of State speak to the world without the understanding or support of the American people, they speak with an obviously hollow voice.

All of this is a cause of sorrow and pain to Americans, as well as to those who wish us well and look to us for leadership. We ought to be leading the way toward economic progress and social justice and a stronger, more stable international order. They are the principles on which this nation was founded two hundred years ago, by men who believed with Thomas Paine that the "cause of America is the cause of all mankind."

Every successful foreign policy we have had—whether it was the Good Neighbor Policy of President Franklin Roosevelt, The Point Four of President Truman or the Peace Corps and Trade Reform of President Kennedy—was successful because it reflected the best that was in us.

And in every foreign venture that has failed—whether it was Vietnam, Cambodia, Chile, Angola or in the excesses of the CIA—our Government forged ahead without consulting the American people, and did things that were contrary to our basic character.

The lesson we draw from recent history is that public understanding and support are now as vital to a successful foreign policy as they are to any domestic program. No one can make our foreign policy for us as well as we can make it ourselves.

The role of the United States in the world is changing. For years we were the only free nation with the military capacity to keep the peace and the resources to insure world economic stability. Japan and Western Europe would never have been able to achieve their economic miracles without our help. Nor could world exports have risen to their present level of three-quarters of a trillion dollars had not international trade and investment been backed for so long by the American dollar.

These were historic and generous accomplishments, of which we can be justly proud. But we also had the power to make or break regimes with adroit injections of money or arms and we sometimes used this power in ways that are less commendable.

The world is different now. The old postwar monopolies of economic resource and industrial power have been swept aside and replaced by new structures. The Common Market countries and others like Japan, Mexico, Brazil, and Iran are strong and self-sufficient.

We have learned that we cannot and should not try to intervene militarily in the internal affairs of other countries unless our own nation is endangered.

Over 100 new nations have come into being in the past 30 years. A few have wealth, but most exist in bitter poverty. In many, independence has set loose long-suppressed emotions and antagonisms. In Uganda and Angola, Bangladesh and Lebanon—and recently in the United Nations—we have seen what can happen when nationalist and racial passions, or tribal or religious hatreds, are left to run their course.

We cannot isolate ourselves from the forces loose in the world. The question is not whether we take an interest in foreign affairs, but how we do it and why we do it.

In the last few years, I have travelled in foreign lands, and met with many of their leaders. I have served on international bodies, such as the Trilateral Commission, which makes recommendations on some of these problems. I have given thought to the structure of what our foreign policy should be.

There are certain basic principles I believe should guide whatever is done in foreign lands in the name of the United States of America.

First, our policies should be as open and honest and decent and compassionate as the American people themselves are. Our policies should be shaped with the participation of Congress, from the outset, on a bi-partisan basis. And they should emerge from broad and well-informed public debate and participation.

Second, our policies should treat the people of other nations as individuals, with the same dignity and respect as we demand for ourselves. No matter where they live, no matter who they are, the people of other lands are just as concerned with the struggle of daily life as you and I. They work hard, they have families whom they love, they have hopes and dreams and a great deal of pride. And they want to live in peace. Their basic personal motives are the same as ours.

Third, it must be the responsibility of the President to restore the moral authority of tihs country in its conduct of foreign policy. We should work for peace and the control of arms in everything we do. We should support the humanitarian aspirations of the world's people. Policies that strengthen dictators or create refugees, policies that prolong suffering or postpone racial justice weaken that authority. Policies that encourage economic progress and social justice promote it. In an age when almost all of the world's people are tied together by instant communication, the image of a country, as seen through its policies, has a great deal to do with what it can accomplish through the traditional channels of diplomacy.

Fourth, our policies should be aimed at building a just and peaceful world older, in which every nation can have a constructive role. For too long, our foreign policy has consisted almost entirely of maneuver and manipulation, based on the assumption that the world is a jungle of competing national antagonisms, where military supremacy and economic muscle are the only things that work and where rival powers are balanced against each other to keep the peace.

Exclusive reliance on this strategy is not in keeping with the character of the American people, or with the world as it is today. Balance of power politics may have worked in 1815, or even 1945, but it has a much less significant role in today's world. Of course, there are rivalries—racial, religious, national, some of them bitter. But the need for cooperation, even between rivals, goes deeper than all of them.

Every nation has a stake in stopping pollution of the seas and the air. Every nation wants to be free from the threat of blackmail by international terrorists and hijackers. Every nation, including those of OPEC, sits on limited resources of energy that are running out. The vast majority of countries, including the Soviet Union, do not grow enough food to feed their own people. Every nation's economy benefits from expanding two-way trade. And everyone—except perhaps the speculator—has a stake in a fair and reliable international monetary system.

Our diplomatic agènda must also include preventing the spread of nuclear weapons and controlling the flow of narcotics.

In the future, we must turn our attention increasingly towards these common problems of food, energy, environment, and trade. A stable world order cannot become a reality when people of many nations of the world suffer mass starvation or when there are no established arrangements to deal with population growth or environmental quality. The intensity of these interrelated problems is rapidly increasing and better mechanisms for consultation on these problems that affect everyone on this planet must be established and utilized.

While the American people have had their fill of military adventurism and covert manipulation, we have not retreated into isolationism. We realize that increased anarchy will not reverse the progress toward peace and stability that we have made, but also strengthen the hand of our adversaries.

That is why we must replace balance of power politics with world order politics. The new challenge to American foreign policy is to take the lead in joining the other nations of the world to build a just and stable international order.

We need to reorder our diplomatic priorities. In recent years, we have paid far more attention to our adversaries than to our friends, and we have been especially neglectful of our neighbors in Latin America.

It is important to continue to seek agreements with the Russians and the Chinese, especially in the control of weapons. Success there could mean life instead of death for millions of people. But the divisions between us are deep. The differences of history and ideology will not go away. It is too much to expect that we can do much more in these relationships than reduce the areas of irritation and conflict and lessen the danger of war.

Our nation should coordinate its policy with our friends—countries like the democratic states of Europe, North America and Japan—those countries who share with us common goals and aspirations. We should work in concert with them. Ours are the fortunate countries of the world. But our continued prosperity and welfare depend upon increased coordination of our policies. If we can work together on goals which reflect the common needs and shared values of our people, we can make our societies the strong and stable inner core around which world cooperation, prosperity and peace can develop.

If we believe in the importance of this effort, we should make some changes. We must both lead and collaborate at the same time. We must consult with others more about our plans. The days of "Nixon Shocks" and "Kissinger Surprises" must end. Our goal should be to act in concert with these countries whenever we can.

And we must have faith in their commitment to democracy. We do not need to preach to the western Europeans about the dangers of communism as the Secretary of State did last week. Their traditions and political good sense are not inferior to ours.

Our policies toward the developing countries also need revision. For years, we have either ignored them or treated them as pawns in the big power chess game. Both approaches were deeply offensive to their people. The oil embargo taught us that even the least developed nation will eventually have control over its own natural resources and that those countries which, alone or together, can control necessary commodities are a force that can neither be ignored nor manipulated.

An attitude of neglect and disrespect toward the developing nations of the world is predicated in part on a sense of superiority toward others—a form of racism. This is incompatible with the character of American people.

We need to enlist the cooperation of the developing nations, for when we speak of the tasks of a stable world order, we include preventing the spread of nuclear weapons, policing the world's environment, controlling the flow of narcotics and establishing international protection against acts of terror. If three-quarters of the people of the world do not join in these arrangements, they will not succeed.

Our policies toward the developing world must be tough-minded in the pursuit of our legitimate interests. At the same time, these policies must be patient in the recognition of their legitimate interests which have too often been cast aside.

The developing world has, of course, a few leaders who are implacably hostile to anything the United States does. But the majority of its leaders are moderate men and women who are prepared to work with us. When we ignore the Third World, as we have for so long, the extremists will usually have their way. But if we offer programs based on common interests, we can make common cause with most of their leadership.

Our program of international aid to developing nations should be redirected so that it meets the minimum human needs of the greatest number of people. This means an emphasis on food, jobs, education, and public health—including access to family planning. The emphasis in aid should be on those countries with a proven ability to help themselves, instead of those that continue to allow enormous discrepancies in living standards among their people. The time has come to stop taxing poor people in rich countries for the benefit of rich people in poor countries.

In our trade relations with these nations we should join commodity agreements in such items as tin, coffee and sugar which will assure adequate supplies to consumers, protect our people from inflation, and at the same time stop the fluctuation in prices that can cause such hardship and uncertainty in single-commodity countries.

The burden of economic development is going to be a heavy one. There are many countries which ought to share it, not only in Europe and Asia but in the Mideast. Today, a greater proportion of royalties from oil can be channelled to the Third World by international institutions. Tomorrow, they can receive a part of the profits from the mining of the seas. The purpose of such development is not to level the economic lot of every person on earth. It is to inject the wealth-creating process into countries that are now stagnant: it is to help developing countries to act in what is their own best interest as well as ours—produce more food, limit population growth, and expand markets, supplies and materials. It is simply to give every country a sufficient stake in the international order so that it feels no need to act as an outlaw. It is to advance the cause of human dignity.

We must also work with the countries of the Communist World. The policy of East-West detente is under attack today because of the way it has been exploited by the Soviet Union. The American people were told it would mean a "generation of peace," at no risk to the nation's vital interests. And yet, in places like Syria or Angola, in activities like offensive missile development, the Soviets seem to be taking advantage of the new relationship to expand their power and influence, and increase the risk of conflict.

I support the objectives of detente but I cannot go along with the way it has been handled by President Nixon and Ford. The Secretary of State has tied its success too closely to his personal reputation. As a result, he is giving up too much and asking too little. He is trumpeting achievements on paper while failing to insist on them in practice.

The relationship of detente is one of both cooperation and competition, of new kinds of contacts in some areas along with continued hostility in others. In the troubled history of our relationships with the Soviet Union, this is where we have arrived. The benefits of detente must accrue to both sides, or they are worthless. Their mutual advantage must be apparent, or the American people will not support the policy.

To the Soviets, detente is an opportunity to continue the process of world revolution without running the threat of nuclear war. They have said so quite openly, as recently as a month ago at their 25th party congress. To the Soviet Union, with our acquiescence, detent is surface tranquillity in Europe within boundaries redefined to their benefit, together with support for wars of national liberation elsewhere. It is having the benefits of the Helsinki Accords without the requirement of living up to the human rights provisions which form an integral part of it. This is not the road to peace but the bitter deception of the American people.

But while detente must become more reciprocal, I reject the strident and bellicose voices of those who would have this country return to the days of the cold war with the Soviet Union. I believe the Ameriacn people want to look to the future. They have seen the tragedy of American involvement in Vietnam and drawn appropriate lessons for tomorrow. They seek new vistas, not a repetition of old rhetoric and old mistakes.

It is in our interest to try to make detente broader and more reciprocal. Detente can be an instrument for long-term peaceful change within the Communist system, as well as in the rest of the world. We should make it clear that detente requires that the Soviets, as well as the United States, refrain from irresponsible intervention in other countries. The Russians have no more business in Angola than we have.

The core of detente is the reduction in arms. We should negotiate to reduce the present SALT ceilings on offensive weapons before both sides start a new arms race to reach the current maximums, and before new missile systems are tested or committed for production.

I am not afraid of hard bargaining with the Soviet Union. Hard bargaining will strengthen support for the agreements that can be reached, and will show that we, as well as they, can gain from detente. We can increase the possibility that the fear of war and the burden of arms may be lifted from the shoulders of humanity by the nations that have done the most to place it there.

Our vision must be of a more pluralistic world and not of a communist monolith. We must pay more attention to China and to Eastern Europe. It is in our interest and in the interests of world peace to promote a more pluralistic communist world.

We should remember that Eastern Europe is not an area of stability and it will not become such until the Eastern European countries regain their independence and become part of a larger cooperative European framework. I am concerned over the long-range prospects for Rumanian and Yugoslavian independence, and I deplore the recent infliction upon Poland of a constitution that ratifies its status as a Soviet Satellite. We must reiterate to the Soviets that an enduring American-Soviet detente cannot ignore the legitimate asipirations of other nations. We must likewise insist that the Soviet Union and other countries recognize the human rights of all citizens who live within their boundaries, whether they be blacks in Rhodesia, Asians in Uganda, or Jews in the Soviet Union.

Our relations with China are important to world peace and they directly affect the world balance. The United States has a great stake in a nationally independent, secure, and friendly China. The present turmoil in Chinese domestic politics could be exploited by the Soviets to promote a Sino-Soviet reconciliation which might be inimical to international stability and to American interests. I believe that we should explore more actively the possibility of widening American-Chinese trade relations and of further consolidating our political relationships.

The Middle East is a key testing area for our capacity to construct a more cooperative international system. I believe deeply that a Middle East peace settlement is essential to American interests, to Israel's long-range survival and to international cooperation. Without a settlement, the region will become increasingly open to Soviet influence and more susceptible to radical violence. I believe that the United States should insure Israel's security while at the same time encourage both sides to address themselves to the substance of a genuine settlement.

There is no question that both Africa and Latin America have been ignored since the presidencies of John Kennedy and Lyndon Johnson. These areas should become, and indeed will become, increasingly important in the next decade. Our relationships with these must abandon traditional paternalism. The United States-Brazilian agreement, signed recently by Secretary of State Kissinger on his trip to Latin America, is a good example of our present policy at its worst. Kissinger's remarks during his visit that "there are no two people whose concern for human dignities and for the basic values of man is more profound in day-to-day life than Brazil and the United States" can only be taken as a gratuitous slap in the face of all those Americans who want a foreign policy that embodies our ideals, not subverts them.

If our aim is to construct an international order, we must also work through the international bodies that now exist. On many of these issues, they are the only places where nations regularly come together. We have all been deeply disturbed by the drift of the United Nations and the other international organizations, and by the acrimony and cliquishness that seems to have taken hold. But it would be a mistake to give up on the United Nations.

In the future, we should make multilateral diplomacy a major part of our efforts so that other countries know in advance the importance the United States attaches to their behavior in the United Nations and other international organizations. We should make a major effort at reforming and restructuring the U.N. systems.

We should undertake a systematic political and economic cost-benefit analysis of existing international institutions in the United Nations systems and outside, with a view to determining the appropriate level of United States support. We should end the current diplomatic isolation of the United States in international forums by working more closely with our allies and with moderate elements in the developing world on a basis of mutual understanding consistent with our respective national interests.

A stable world order cannot become a reality when people of many nations of the world suffer mass starvation, when the countries with capital and technology belligerently confront other nations for the control of raw materials and energy sources, when open and non-discriminatory trade has become the exception rather than the rule; when there are no established arrangements for supplying the world's food and energy, nor for governing control and development of the seas, and when there are no effective efforts to deal with population explosions or environmental quality. The intensity to these interrelated problems is rapidly increasing and better mechanisms for consultation on these problems that affect everyone on this planet must be established and utilized.

For it is likely that in the future, the issues of war and peace will be more a function of economic and social problems than of the military security problems which have dominated international relations since 1945.

Finally, I said I would touch on the kind of people we need to administer our foreign policy. I believe that the foreign policy spokesman of our country should be the President, and not the Secretary of State. The conduct of foreign policy should be a sustained process of decision and action, and not a series of television spectaculars. Under the current administration, the agencies which are supposed to conduct our foreign affairs have been largely wasted and demoralized. They must be revitalized and if necessary reorganized—to upgrade their performance, their quality, and the morale of their personnel.

In our search for peace we must call upon the best talent we can find in the universities, the business world, labor, the professions, and the scientific community. Appointments to our U.N delegation, to other diplomatic posts, and to international conferences should be made exclusively on a merit basis, in contrast to the political patronage that has characterized appointments under this administration.

The world needs a strong America and a confident America. We cannot and should not avoid a role of world leadership. But our leadership should not be based just on military might or economic power or political pressure, but also on truth, justice, equality, and a true representation of the moral character of our people.

From this leadership the world can derive mutual peace and progress.

Nuclear Energy and World Order

(Address by Gov. Jimmy Carter at the United Nations, May 13, 1976)

Mr. Chairman, Mr. Director-General, Captain Cousteau, Ambassador Akhund, Mr. Lehman:

I have a deep personal concern with the subject of this conference today—"Nuclear Energy and World Order."

I have had training as a nuclear engineer, working in the United States Navy on our country's early nuclear submarine program. I learned how nuclear power can be used for peaceful purposes—for propelling ships, for generating electric power and for scientific and medical research. I am acutely aware of its potential—and its dangers. Once I helped in disassembling a damaged nuclear reactor core in an experimental reactor at Chalk River, Canada.

From my experience in the Navy and more recently as Governor of Georgia, I have come to certain basic conclusions about the energy problem. The world has only enough oil to last about 30 to 40 years at the present rate of consumption. It has large coal reserves—with perhaps 200 years of reserves in the United States alone. The United States must shift from oil to coal, taking care about the environmental problems involved in coal production and use. Our country must also maintain strict energy conservation measures, and derive increasing amounts of energy from renewable sources such as the sun.

U.S. dependence on nuclear power should be kept to the minimum necessary to meet our needs. We should apply much stronger safety standards as we regulate its use. And we must be honest with our people concerning its problems and dangers.

I recognize that many other countries of the world do not have the fossil fuel reserves of the United States. With the four-fold increase in the price of oil, many countries have concluded that they have no immediate alternative except to concentrate on nuclear power.

But all of us must recognize that the widespread use of nuclear power brings many risks. Power reactors may malfunction and cause widespread radiological damage, unless stringent safety requirements are met. Radioactive wastes may be a menace to future generations and civilizations, unless they are effectively isolated within the biosphere forever. And terrorists or other criminals may steal plutonium and make weapons to threaten society or its political leaders with nuclear violence, unless strict security measures are developed and implemented to prevent nuclear theft.

Beyond these dangers, there is the fearsome prospect that the spread of nuclear reactors will mean the spread of nuclear weapons to many nations. By 1990, the developing nations alone will produce enough plutonium in their reactors to build 3,000 Hiroshima-size bombs a year, and by the year 2000, worldwide plutonium production may be over 1 million pounds a year—the equivalent of 100,000 bombs a year—about half of it outside of the United States.

This prospect of a nuclear future will be particularly alarming if a large number of nations develop their own national plutonium reprocessing facilities with the capacity to extract plutonium from the spent fuel. Even if such facilities are subject to inspection by the International Atomic Energy Agency and even if the countries controlling them are parties to the Non-Proliferation Treaty, plutonium stockpiles can be converted to atomic weapons at a time of crisis, without fear of effective sanction by the international community.

The reality of this danger was highlighted by the Indian nuclear explosion of May, 1974, which provided a dramatic demonstration that the development of nuclear power gives any country possessing a reprocessing plant a nuclear weapons option. Furthermore, with the maturing of nuclear power in advanced countries, intense competition has developed in the sale of power reactors, which has also included the sale of the most highly sensitive technologies, including reprocessing plants. With the spread of such capabilities, normal events of history—revolutions, terrorist attacks, regional disputes, and dictators—all could take on a nuclear dimension.

Dr. Alvin Weinberg, former Director of the Oak Ridge National Laboratory and one of the most thoughtful nuclear scientists in the United States was properly moved to observe: "We nuclear people have made a Faustian bargain with society. On the one hand we offer an inexhaustible supply of energy, but the price that we demand of society for this magical energy source is both a vigilance and a longevity of our social institutions that we are quite unaccustomed to."

Nuclear energy must be at the very top of the list of global challenges that call for new forms of international action. The precise form which that action should take is the question to be addressed by this distinguished group of scientists, businessmen, diplomats and government officials during the next four days.

I would not presume to anticipate the outcome of your expert deliberations. But I suggest that new lines of international action should be considered in three main areas:

(1) action to meet the energy needs of all countries while limiting reliance on nuclear energy;

(2) action to limit the spread of nuclear weapons; and

(3) action to make the spread of peaceful nuclear power less dangerous.

1. We need new international action to help meet the energy needs of all countries while limiting reliance on nuclear energy.

In recent years, we have had major United Nations conferences on environment, population, food, the oceans and the role of women—with habitat, water, deserts, and science and technology on the schedule for the months and years immediately ahead. These are tentative first steps to deal with global problems on a global basis.

Critics have been disappointed with lack of immediate results. But they miss an important point: a new world agenda is emerging from this process—an agenda of priority problems on which nations must cooperate or abdicate the right to plan a future for the human condition.

The time has come to put the world energy problem on that new agenda. Let us hold a World Energy Conference under the auspices of the United Nations to help all nations cope with common energy problems—eliminating waste and increasing energy efficiency; reconciling energy needs with environmental quality goals; and shifting away from almost total reliance upon dwindling sources of non-renewable energy to the greatest feasible reliance on renewable sources. In other words, we must move from living off our limited energy capital to living within our energy income.

Such a conference would have to be carefully prepared. Just as the World Food Conference provided us with a world food balance sheet, this conference could give us a world energy balance sheet. Just as the World Food Conference stimulated international cooperation in agricultural research and development, so a world energy conference could stimulate research and development in the field of energy.

Existing international ventures of energy cooperation are not global in scope. The International Energy Agency in Paris includes only some developed non-Communist countries. The Energy Commission of the Conference on International Economic Cooperation does not include countries such as the Soviet Union and China, two great producers and consumers of energy. And the International Energy Institute now under study does not call for a substantial research and development effort.

A World Energy Conference should not simply be a dramatic meeting to highlight a problem which is then forgotten. Rather, it should lead to the creation of new or strengthened institutions to perform the following tasks:

Improving the collection and analysis of worldwide energy information;

Stimulating and coordinating a network of worldwide energy research centers;

Advising countries, particularly in the developing world, on the development of sound national energy policies;

Providing technical assistance to train energy planners and badly needed energy technicians;

Increasing the flow of investment capital from private and public sources into new energy development;

Accelerating research and information exchange on energy conservation.

An international energy effort would also be the occasion to examine seriously and in depth this fundamental question:

Is it really necessary to the welfare of our countries to become dependent upon a nuclear energy economy and if so, how dependent and for what purposes? Surely, there is a moral imperative that demands a worldwide effort to assure that if we travel down the nuclear road we do so with our eyes wide open.

Such a worldwide effort must also provide practical alternatives to the nuclear option. Many countries, particularly in the developing world, are being forced into a premature nuclear commitment because they do not have the knowledge and the means to explore other possibilities. The world's research and devlopment efforts are now focused either on nuclear energy or on the development of a diminishing supply of fossil fuels.

More should be done to help the developing countries develop their oil, gas, and coal resources. But a special effort should be made in the development of small-scale technology that can use renewable sources of energy that are abundant in the developing world—solar heating and cooling, wind energy, and "bioconversion"—an indirect form of solar energy that harnesses the sunlight captured by living plants. Using local labor and materials, developing countries can be helped to produce usable fuel from human and animal wastes, otherwise wasted wood, fast growing plants, and even ocean kelp and algae.

Such measures would be a practical way to help the poorest segment of humanity whose emancipation from grinding poverty must be our continuing concern.

And all countries could reap benefits from worldwide energy cooperation. The costs to any one country would be small if they were shared among nations; the benefits to each of us from a breakthrough to new energy sources anywhere in the world would be great. We have tried international cooperation in food research and it has paid handsome dividends in high-yielding varieties of corn, wheat, rice and sorghum. We could expect similar benefits from worldwide energy cooperation.

The exact institutional formula for coping with energy effectively on a world level will require the most careful consideration. The IAEA is neither equipped nor staffed to be an adviser on energy across the board; nor would it be desirable to add additional functions that might interfere with its vitally important work on nuclear safeguards and safety.

One possibility to be considered at a World Energy Conference would be the creation of a new World Energy Agency to work side by side with the International Atomic Energy Agency in Vienna. A strengthened International Atomic Energy Agency could focus on assistance and safeguards for nuclear energy; the new agency on research and development of non-nuclear, particularly renewable, sources.

2. We need new international action to limit the spread of nuclear weapons.

In the past, public attention has been focused on the problem of controlling the escalation of the strategic nuclear arms race among the superpowers. Far less attention has been given to that of controlling the proliferation of nuclear weapons capabilities among an increasing number of nations.

And yet the danger to world peace may be as great, if not greater, if this second effort of control should fail. The more countries that possess nuclear weapons, the greater the risk that nuclear warfare might erupt in local conflicts, and the greater the danger that these could trigger a major nuclear war.

To date, the principal instrument of control has been the Non-Proliferation Treaty which entered into force in 1970. By 1976 ninety-five non-weapons states had ratified the Treaty, including the advanced industrial states of Western Europe, and prospectively of Japan. In so doing these nations agreed not to develop nuclear weapons or explosives. In addition they agreed to accept international safeguards on all their peaceful nuclear activities, developed by themselves or with outside assistance, under agreements negotiated with the International Atomic Energy Agency—a little appreciated, but an unprecedented step forward in the development of international law.

Important as this achievement is, it cannot be a source of complacency, particularly under present circumstances. There are still a dozen or more important countries with active nuclear power programs which have not joined the Treaty. Hopefully, some of these may decide to become members; but in the case of several of them, this is unlikely until the underlying tensions behind their decision to maintain a nuclear weapons option are resolved.

The NPT was not conceived of as a one-way street. Under the Treaty, in return for the commitments of the non-weapons states, a major undertaking of the nuclear weapons states (and other nuclear suppliers in a position to do so) was to provide special nuclear power benefits to treaty members, particularly to developing countries.

The advanced countries have not done nearly enough in providing such peaceful benefits to convince the member states that they are better off inside the Treaty than outside.

In fact, recent commercial transactions by some of the supplier countries have conferred special benefits on non-treaty members, thereby largely removing any incentive for such recipients to join the Treaty. They consider themselves better off outside. Furthermore, while individual facilities in these non-treaty countries may be subject to international safeguards, others may not be, and India has demonstrated that such facilities, may provide the capability to produce nuclear weapons.

As a further part of the two-way street, there is an obligation by the nuclear weapons states, under the Treaty, to pursue negotiations in good faith to reach agreement to control and reduce the nuclear arms race.

We Americans must be honest about the problems of proliferation of nuclear weapons. Our nuclear deterrent remains an essential element of world order in this era. Nevertheless, by enjoining sovereign nations to forego nuclear weapons, we are asking for a form of self-denial that we have not been able to accept ourselves.

I believe we have little right to ask others to deny themselves such weapons for the indefinite future unless we demonstrate meaningful progress toward the goal of control, then reduction, and ultimately, elimination of nuclear arsenals.

Unfortunately, the agreements reached to date have succeeded largely in changing the buildup in strategic arms from a "quantitative" to a "qualitative" arms race. It is time, in the SALT talks, that we complete the stage of agreeing on ceilings and get down to the centerpiece of SALT—the actual negotiation of reductions in strategic forces and measures effectively halting the race in strategic weapons technology. The world is waiting, but not necessarily for long. The longer effective arms reduction is postponed, the more likely it is that other nations will be encouraged to develop their own nuclear capability.

There is one step that can be taken at once. The United States and the Soviet Union should conclude an agreement prohibiting all nuclear explosions for a period of five years, whether they be weapons tests or so-called "peaceful" nuclear explosions, and encourage all other countries to join. At the end of the five year period the agreement can be continued if it serves the interests of the parties.

I am aware of the Soviet objections to a comprehensive treaty that does not allow peaceful nuclear explosions. I also remember, during the Kennedy Administration, when the roles were reversed. Then the U.S. had a similar proposal that permitted large-scale peaceful explosions. However, in order to reach an accord, we withdrew our proposal. Similarly, today, if the U.S. really pushed a comprehensive test ban treaty, I believe the United States and the world community could persuade the USSR to dispose of this issue and accept a comprehensive test ban.

The non-proliferation significance of the superpowers' decision to ban peaceful nuclear explosions would be very great because of its effect on countries who have resisted the Non-Proliferation Treaty's prohibition of "peaceful" nuclear explosives, even though they are indistinguishable from bombs.

A comprehensive test ban would also signal to the world the determination of the signatory states to call a halt to the further development of nuclear weaponry. It has been more than a decade since the Limited Test Ban Treaty entered into force, and well over 100 nations are now parties to that agreement.

It now appears that the United States and the Soviet Union are close to an agreement that would prohibit underground nuclear tests above 150 kilotons. This so-called threshold test ban treaty represents a wholly inadequate step beyond the limited test ban. We can and should do more. Our national verification capabilities in the last twenty years have advanced to the point where we no longer have to rely on on-site inspection to distinguish between earthquakes and even very small weapons tests.

Finally, such a treaty would not only be a demonstration on the part of the superpowers to agree to limit their own weapons development. As President Kennedy foresaw in 1963, the most important objective of a comprehensive treaty of universal application would be its inhibiting effect on the spread of nuclear weapons by prohibiting tests by every signatory state.

3. We need new international action to make the spread of peaceful nuclear power less dangerous.

The danger is not so much in the spread of nuclear reactors themselves, for nuclear reactor fuel is not suitable for use directly in the production of nuclear weapons. The far greater danger lies in the spread of facilities for the enrichment of uranium and the reprocessing of spent reactor fuel—because highly enriched uranium can be used to produce weapons; and because plutonium, when separated from the remainder of the spent fuel, can also be used to produce nuclear weapons. Even at the present early stage in the development of the nuclear power industry, enough materials are produced for at least a thousand bombs each year.

Under present international arrangements, peaceful nuclear facilities are sought to be safeguarded against diversion and theft of nuclear materials by the International Atomic Energy Agency in Vienna. As far as reactors are concerned, the international safeguards—which include materials, accountancy, surveillance and inspection—provide some assurance that the diversion of a significant amount of fissionable material would be detected, and therefore help to deter diversion.

Of course, as the civilian nuclear power industry expands around the globe, there will be a corresponding need to expand and improve the personnel and facilities of the international safeguards system. The United States should fulfill its decade-old promise to put its peaceful nuclear facilities under international safeguards to demonstrate that we too are prepared to accept the same arrangements as the non-weapon states.

That would place substantial additional demands on the safeguards system of the IAEA, and the United States should bear its fair share of the costs of this expansion. It is a price we cannot afford *not* to pay.

But in the field of enrichment and reprocessing, where the primary danger lies, the present international safeguards system cannot provide adequate assurance against the possibility that national enrichment and reprocessing facilities will be misused for military purposes.

The fact is that a reprocessing plant separating the plutonium from spent fuel literally provides a country with direct access to nuclear explosive material.

It has therefore been the consistent policy of the United States over the course of several administrations, not to authorize the sale of either enrichment or reprocessing plants, even with safeguards. Recently, however, some of the other principal suppliers of nuclear equipment have begun to make such sales.

In my judgment, it is absolutely essential to halt the sale of such plants.

Considerations of commercial profit cannot be allowed to prevail over the paramount objective of limiting the spread of nuclear weapons. The heads of government of all the principal supplier nations hopefully will recognize this danger and share this view.

I am not seeking to place any restrictions on the sale of nuclear power reactors which sell for as much as $1 billion per reactor. I believe that all supplier countries are entitled to a fair share of the reactor market. What we must prevent, however, is the sale of small pilot reprocessing plants which sell for only a few million dollars, have no commercial use at present, and can only spread nuclear explosives around the world.

The International Atomic Energy Agency itself, pursuant to the recommendations of the Non-Proliferation Treaty review conference of 1975, is currently engaged in an intensive feasibility study of multinational fuel centers as one way to promoting the safe development of nuclear power by the nations of the world, with enhanced control resulting from multinational participation.

The Agency is also considering other ways to strengthen the protection of explosive material involved in the nuclear fuel cycle. This includes use of the Agency's hitherto unused authority under its charter to establish highly secure repositories for the separated plutonium from non-military facilities, following reprocessing and pending its fabrication into mixed oxide fuel elements as supplementary fuel.

Until such studies are completed, I call on all nations of the world to adopt a voluntary moratorium on the national purchase or sale of enrichment or reprocessing plants. I would hope this moratorium would apply to recently completed agreements.

I do not underestimate the political obstacles in negotiating such a moratorium, but they might be overcome if we do what should have been done many months ago—bring this matter to the attention of the highest political authorities of the supplying countries.

Acceptance of a moratorium would deprive no nation of the ability to meet its nuclear power needs through the purchase of current reactors with guarantees of a long-range supply of enriched uranium. Such assurances must be provided now by those supplier countries possessing the highly expensive facilities currently required for this purpose.

To assure the developing countries of an assured supply of enriched uranium to meet their nuclear power needs without the need for reprocessing, the United States should, in cooperation with other countries, assure an adequate supply of enriched uranium.

We should also give the most serious consideration to the establishment of centralized multinational enrichment facilities involving developing countries' investment participation, in order to provide the assured supply of enriched uranium. And, if one day their nuclear programs economically justify use of plutonium as a supplementary fuel, similar centralized multinational reprocessing services could equally provide for an assured supply of mixed oxide fuel elements.

It makes no economic sense to locate national reprocessing facilities in a number of different countries. In view of economies of scale, a single commercial reprocessing facility and a fuel fabrication plant will provide services for about fifty large power reactors. From an economic point of view, multinational facilities serving many countries are obviously desirable. And the co-location of reprocessing, fuel fabrication and fuel storage facilities would reduce the risk of weapons proliferation, theft of plutonium during transport, and environmental contamination.

There is considerable doubt within the United States about the necessity of reprocessing now for plutonium recycle. Furthermore, the licensing of plutonium for such use is currently withheld pending a full scale review by the Nuclear Regulatory Commission of the economic, environmental, and safeguards issues. And there is a further question to be asked: If the United States does not want the developing countries to have commercial plutonium, why should we be permitted to have it under our sovereign control?

Surely this whole matter of plutonium recycle should be examined on an international basis. Since our nation has more experience than others in fuel reprocessing, we should initiate a new multinational program designed to develop experimentally the technology, economics, regulations and safeguards to be associated with plutonium recovery and recycle. The program could be developed by the U.S. in cooperation with the International Atomic Energy Agency.

If the need for plutonium reprocessing is eventually demonstrated—and if mutually satisfactory ground rules for management and operation can be worked out, the first U.S. reprocessing plant which is now nearing completion in Barnwell, South Carolina, could become the first multinational reprocessing facility under the auspices of the International Atomic Energy Agency. Separated plutonium might ultimately be made available to all nations on a reliable, cheap, and non-discriminatory basis after blending with natural uranium to form a low-enriched fuel that is unsuitable for weapons making.

Since the immediate need for plutonium recycle has not yet been demonstrated, the start-up of the plant should certainly be delayed to allow time for the installation of the next generation of materials accounting and physical security equipment which is now under development.

One final observation in this area: We need to cut through the indecision and debate about the long-term storage of radioactive wastes and start doing something about it. The United States could begin by preparing all high-level radioactive wastes currently produced from our military programs for permanent disposal. Waste disposal is a matter on which sound international arrangements will clearly be necessary.

The nuclear situation is serious, but it is not yet desperate. Most nations of the world do not want nuclear weapons. They particularly do not want their neighbours to have nuclear weapons, but they understand that they cannot keep the option open for themselves without automatically encouraging their neighbours to "keep options open" or worse.

It is this widespread understanding that it is not in the interest of individual nations to "go nuclear" which we must use as the basis of our worldwide efforts to control the atom. We must have negative measures—mutual restraint on the part of the producers and suppliers of nuclear fuel and technology. But these negative measures must be joined to the larger, positive efforts of the non-nuclear states to hold the line against further proliferation.

The recent initiative of the Finnish Government along these lines deserves commendation. The Finns have urged a compact among the purchasers of nuclear fuel and technology to buy only from suppliers who require proper safeguards on their exports.

This proposal would convert the alleged advantages to a supplier of breaking ranks and offering "bargains" in safeguards into a commercial disadvantage. Instead of broadening his market by lowering his standards, the supplier would narrow it. There would be fewer purchasers for his dangerous merchandise than if he maintained a common front on safeguards with other suppliers. There would be competition to offer to buyers the safest product at the best price.

Most important, the Finnish proposal would plainly put the full weight of the non-nuclear world into the effort against proliferation. It would make it evident that this struggle is not a struggle by the nuclear "haves" to keep down the nuclear "have-nots"; it would be a common effort by all mankind to control this dangerous technology, to gain time so that our political structures can catch up with sudden, enormous leaps in our technical knowledge, to turn us around and head us in the right direction—toward a world from which nuclear weapons and the threat of nuclear war have been effectively eliminated. That may be a distant goal—but it is the direction in which we must move.

I have talked to you today about the need for new international action in three areas—action to meet the energy needs of all countries while limiting reliance on nuclear energy, action to limit the spread of nuclear weapons, and action to make the spread of peaceful nuclear power less dangerous.

Of one thing I am certain—the hour is too late for business as usual, for politics as usual, or for diplomacy as usual. An alliance for survival is needed—transcending regions and ideologies—if we are to assure mankind a safe passage to the twenty-first century.

Every country—and the United States is no exception—is concerned with maintaining its own national security. But a mutual balance of terror is an inadequate foundation upon which to build a peaceful and stable world order. One of the greatest long-term threats to the national security of every country now lies in the disintegration of the international order. Balance of power politics must be supplemented by world order politics if the foreign policies of nations are to be relevant to modern needs.

The political leaders of all nations, whether they work within four year election cycles or five year plans, are under enormous temptations to promise short-term benefits to their people while passing on the costs to other countries, to future generations, or to our environment. The earth, the atmosphere, the oceans and unborn generations have no political franchise. But short-sighted policies today will lead to insuperable problems tomorrow.

The time has come for political leaders around the world to take a larger view of their obligations, showing a decent respect for posterity, for the needs of other peoples and for the global biosphere.

I believe the American people want this larger kind of leadership.

In the last two years, I have visited virtually every one of our fifty states. I have found our people deeply troubled by recent developments at the United Nations. But they do *not* want to abandon the UN—they want us to work harder to make it what it was created to be—not a cockpit for controversy but an instrument for reconciling differences and resolving common problems.

And they want UN agencies to demonstrate the same commitment to excellence, impartiality and efficiency they are demanding of their own government.

We want to cooperate—not simply debate. A joint program—whether on nuclear energy or other global problems—is infinitely preferable to sustained and destructive polemics. Our desire for global cooperation is prompted by America's confidence in itself, in our capacity to engage in effective cooperation, and upon the moral imperative that as human beings we must help one another if any of us is to survive on this planet.

The nuclear age, which brings both sword and plowshare from the same source, demands unusual self-discipline of all nations. If we approach these problems with both humility and self-discipline, we may yet reconcile our twin goals of energy sufficiency and world order.

ADDRESS BY JIMMY CARTER ON THE MIDDLE EAST, JUNE 6, 1976

I am very grateful to all of you for giving me the chance to meet this morning with your Mayor, Thomas Dunn, and those clergymen who could come here from throughout the State of New Jersey, and community leaders who have assembled here and others who have a deep interest in the attitude of our nation toward both domestic and foreign affairs.

For the last sixteen and one-half months, I have been campaigning around our country spelling out with increasing amount of attention among people my positions on issues that are important to you and also of importance to other nations in the world. This morning I wanted to take an opportunity, which is a fairly rare occasion for a candidate, to make a major policy statement in written form because if I do become President of this country I want it to be known very clearly what my policy will be throughout my administration representing you as a spokesman for this century as commander-in-chief of our armed forces, as a shaper and consummator of our foreign policy on the various important subjects of the Middle East.

The land of Israel has always meant a great deal to me. As a boy I read of the prophets and martyrs in the Bible—the same Bible that we all study together. As an American I have admired the State of Israel and how she, like the United States, opened her doors to the homeless and the oppressed.

I've traveled in Israel, visiting Jerusalem and Tel Aviv, the Golan Heights, the West Bank of the Jordan; visiting personally with Mrs. Meir, Prime Minister Rabin, Mr. Abba Eben, Finance Minister Sapir, and other Israeli leaders, as well. I have also had a chance to meet and talk and learn about Israel's people. Like all of you, I have been inspired by the optimism and courage and the hard work that I have seen in Israel.

When I announced my candidacy for the presidency in December of 1974, I said that the time for American intervention in all the problems of the world is past. I also said that we cannot retreat into isolationism. I pointed out that America must fulfill commitments and maintain its strength if world peace is to be preserved. I stressed also that the integrity of Israel as a Jewish State must be preserved.

Three months ago, in a foreign policy speech in Chicago, I said that balance of power politics should be replaced by a new effort to join with other nations to build a just and a stable world order, and that it is unfortunate that our own nation's foreign policy is being made and executed by just one man—the Secretary of State. I stressed my views that in a democracy a nation's foreign policy should be openly arrived at, and should reflect the essential decency and generosity and honesty of the American people.

I want to speak today about how these principles should apply to the situation in the Middle East.

This region has experienced a resurgence of the tension and conflict which has been its lot for decades and, indeed, for centuries. Since 1948, four wars have been fought there. Countless diplomatic initiatives have been launched. Yet peace seems no closer today than it was in 1948, and the possibility of the Middle East touching off a global war is still very much with us.

But even without war, terrorism runs rampant and the burden of arms bleeds the budget of every nation in the area.

Obviously, all people of goodwill can agree it is time—it is far past time—for permanent peace in the Middle East. A peace based on genuine reconciliation and respect between all the concerned nations there.

And in this quest for peace, the American people as well as the people of Israel and the Arab states look to the United States Government to help lead the way.

We have a unique opportunity to contribute to the solution of this conflict if we can maintain the trust of all sides. Our constant and unswerving goal must be the survival of Israel as a Jewish State, and the achievement for all people of a just and lasting settlement. As long as there is no such settlement, there can be no peace. There will only be periods of uneasy truce punctuated by border raids and terrorism while each side builds up forces preparing for another conflict.

A real peace must be based on absolute assurance of Israel's survival and security. As President, I would never yield on that point. The survival of Israel is not just a political issue, it is a moral imperative. That is my deeply held belief and it is the belief that is shared by the vast majority of American people.

Rarely in history have two nations been so closely bound together as the United States and Israel. We are both democratic nations, we both cherish freedom of the press, freedom of expression, and freedom of religion. We are both nations of immigrants. We both share cultural and artistic values. We are friends and we are constant allies. Ours was the first nation to recognize the State of Israel when it was formed and we must remain the first nation to which Israel can turn in time of need.

Just as we must be clear about our commitment for the preservation and well-being of Israel, we must also be clear about our commitment to meaningful and productive Arab-Israeli negotiations.

Only face-to-face communication can build a trust and insure the accommodations that will be needed. By insisting on these kinds of talks, by demonstrating the seriousness of our commitment to a real peace, we can use our influence to prepare all sides for the best way out of this tragic conflict.

I favor early movement toward discussion of the outline of an eventual overall settlement. I discussed this particular subject with Mrs. Golda Meir within the last few weeks—an early movement towards discussion of the outline of an eventual overall settlement. A limited settlement, as we have seen in the past, still leaves unresolved the underlying threat to Israel. A general settlement is needed—one which will end the conflict between Israel and its neighbors once and for all.

Now the guide to a general settlement is to be found in United Nations Resolution 242 which has been accepted by Israel and all her neighboring governments. It sets forth two main principles.

One of these is, and I quote, "termination of all claims on states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secured and recognized boundaries free from threats or acts of force." That is a very important commitment, which I repeat has been accepted both by Israel and all the surrounding nations.

This is the heart of the matter. Peace in the Middle East depends more than anything else on a basic change of attitude. To be specific, on Arab recognition of the right of Israel to exist as a Jewish State.

Now this change of attitude on the part of the Arab states must be reflected in tangible and concrete actions including first of all the recognition of Israel, which they have not yet done; secondly, diplomatic relations with Israel; third, a peace treaty with Israel; fourth, open frontiers by Israel's neighbors; last, an end to embargo and official hostile propaganda against the State of Israel.

In justifying these steps to their own people, Arab leaders will have to acknowledge that the Arab-Israeli war is over once and for all, that this is not just another armed truce. Without this basic change, no permanent peace is possible.

The other principle of the United Nations Resolution 242 calls for, and again I quote, "withdrawal of Israel's armed forces from territories occupied in the recent conflict." This language leaves open the door for changes in the pre-1967 lines by mutual agreement.

Final borders between Israel and her neighbors should be determined in direct negotiations between the parties and they should not be imposed from outside.

Now this general settlement we all want to see will take time to negotiate and even more time to implement. Its execution would probably come in stages. This would permit both sides to test the durability of the settlement, and it would give either side the opportunity to halt the process if it found that its own interests were being violated.

We are dealing with a deep and bitter legacy of hatred and distrust which can only be dissipated over time. This makes it all the more important now to lift the sights of all concerned by focusing on the long-term goal.

While we work toward peace, we must acknowledge the lessons of the past wars. Progress toward peace requires that Israel remain strong enough, that it can neither be overrun militarily nor isolated in the international community.

Israel has never sought American soldiers and in all of the many discussions I have had with top Israeli leaders in the present and past governments, in the Knesset, in the military; I have never heard an Israeli leader say they might some day need American troops. They seek only the tools to assure their own defense.

We should continue to supply, in the full amount necessary, economic and military aid so that Irsael can pursue peace from a position of strength and power.

We should continue to aid Israel's economy which has been strained to the utmost by the burdens of defense. Mrs. Meir told me that over 40% of Israel's total budget went for defense.

We must also continue to maintain our strong military presence in the Eastern Mediterranean under every circumstance, with a capacity to reinforce that presence powerfully, if need be, in order to deter outside interference in any local conflict.

Now none of this need prevent our maintaining good relations with the Arab states. Avoiding conflict and achieving a settlement is in their interest as well as in Israel's.

In assisting both sides' efforts to achieve such a settlement we not only fulfill our commitments to Israel, we strengthen the strong lines of friendship that have developed between us and the Arab countries over many years. The process of peace will be best served if these relations deepen—not at the expense of Israel—but in the interest of all countries involved. I do not believe it serves the cause of peace if we arm any country beyond its legitimate needs for defense. Local arms races, besides being very costly, increase the chances of war.

I said two months ago that I do not favor supplying offensive weapons to Egypt and I still hold to that view. We should help Egypt obtain housing and jobs and health care for its people, not such offensive weapons as tanks and attack planes and missiles. Investing in Egypt's economic development is an investment in peace.

We have already developed close ties of investment and economic aid with many Arab countries. This shows that economic interdependence can also be a foundation of peace, that Arab people are no less tired of war than Israel, no less weary of its burden and waste, and no less mournful of their dead. Some Arab states have set goals for economic development and education which are worthy of great respect as well as our aid and participation. But their dreams, like the dreams of Israel, will come true only if there is a lasting peace in the Middle East.

Unless there is peace the Arab countries will inevitably become radicalized, more militant, and more susceptible to Soviet re-entry, both politically and militarily. If that happens, Israel will be confronted with an even greater threat than she faces today.

Peace in the Middle East involves difficult, highly emotional issues. In face-to-face negotiations, if all parties will act with fairness and goodwill, the questions of boundary lines and the status of the Palestinians can be resolved.

There is a humanitarian core within the complexities of the Palestinian problem. Too many human beings, denied a sense of hope for the future, are living in makeshift and crowded camps where demagogues and terrorists can feed on their despair. They have rights which must be recognized in any settlement and the Government of Israel has made it clear that it is sensitive to that fact.

But those terrorists who wage war and deny the very concept of Israeli nationhood only undermine their own people's best interests. We must make it clear to the world that there can be no reward for terrorism.

I am going to speak to you of the Soviet Union. We want no clash with the Soviets, but we cannot accept the intervention of its combat forces into any Arab-Israeli conflict. Our naval and air presence in the eastern Mediterranean should make this clear. Mutual non-intervention by the superpowers serves these powers' interests and also the interest of all states in the area.

By the same token, I do not believe that the road to peace can be found by U.S.-Soviet imposition of a settlement. It would, however, be desirable to attain Soviet agreement and support for any settlement, since we do not want to give the Soviet Union any reason or excuse to subvert or undermine that settlement. We seek the support of the Soviet Government in the search for peace, but we will continue that search with or without her support.

We all want to see a Middle East dedicated to human progress rather than sterile hate. We want to see the desert bloom on both sides of the River Jordan, and along the Nile River, and everywhere that human beings hope for better life for themselves and for their children.

We must work towards these goals through international organizations, as well as bilateral negotiations.

This is a difficult time for Israel in the international arena, primarily because of the importance of oil to the world's developing nations. I deplore the actions taken recently in the United Nations. I reject utterly the charge that Zionism is a form of racism. Indeed, as you know, Zionism has been, in part a response to racism against the Jewish people. The concept of the State of Israel was born out of centuries of persecution of human beings because they practiced a different religion.

For those 2000 years, the Jewish people in century after century, in country after country, have faced propaganda, attempts at forced conversion, discrimination, pogroms, and death, until the ultimate horror of the holocaust. Surely the Jewish people are entitled to one place on this earth where they can have their own State on soil given them by God from time immemorial.

For years the vision of Israel has embodied the dream that there could be at least one place on earth where racism could never exist. Now that dream has come true. As a country founded upon religious freedom and dedicated to brotherhood, America has a special responsibility, not only to oppose this baseless charge wherever it appears, but to keep that dream alive.

Finally, I want to say that there have been far too many secret undertakings, covert assurances, contradictory promises, and diplomatic sleights of hand. Maneuvers of this kind are bound to produce, as they have produced, both failure in negotiations and suspicion among the participants.

American policy toward the Middle East and toward every other part of the world should be shaped with the knowledge of the Congress from the outset on a bipartisan basis. It would emerge from broad and well-informed public debate. Indeed, this is a necessity. In every foreign venture that has failed, whether it was Vietnam, Cambodia, Chile, Angola or in the excesses of the CIA, our government operated secretly, and forged ahead without consulting the American people. It did things that were contrary to our basic character.

Public understanding and support today are as vital to successful foreign policies as they are to any domestic policies. No one can make our foreign policy for us as well as we can make it for ourselves. It should be based not just on military might or economic power or political pressure, but also on truth, justice, equality and a true representation of our moral character and the compassion of our people. A policy of that kind will reflect the best in all of us. And that kind of policy can succeed.

Peace in the Middle East is not an impossible dream. It can be a concrete objective, and it is one to which the next President should direct his efforts from the date he takes office as a matter of the highest priority and the greatest urgency.

If I become your President, I will do everything in my power to make our nation an agent of peace in the Middle East; a just and lasting peace that will be in keeping with the teaching of Scripture, in keeping with our nation's best traditions and in fulfillment of the highest hopes of all mankind.

A Foreign Policy Address on Relations Between the World's Democracies, Delivered Before the Foreign Policy Association, Wednesday, June 23, 1976, in New York City

For the past seventeen months, as a candidate for President, I have talked and listened to the American people.

It has been an unforgettable experience and an invaluable education. Insofar as my political campaign has been successful, it is because I have learned from our people, and have accurately reflected their concerns, their frustrations, and their desires.

In the area of foreign policy, our people are troubled, confused, and sometimes angry. There has been too much emphasis on transient spectaculars and too little on substance. We are deeply concerned, not only by such obvious tragedies as the war in Vietnam, but by the more subtle erosion in the focus and the morality of our foreign policy.

Under the Nixon-Ford administration, there has evolved a kind of secretive "Lone Ranger" foreign policy—a one man policy of international adventure. This is not an appropriate policy for America.

We have sometimes tried to play other nations one against another instead of organizing free nations to share world responsibility in collective action. We have made highly publicized efforts to woo the major Communist powers while neglecting our natural friends and allies. A foreign policy based on secrecy inherently has had to be closely guarded and amoral, and we have had to forego openness, consultation and a constant adherence to fundamental principles and high moral standards.

We have often sought dramatic and surprising immediate results instead of long term solutions to major problems which required careful planning in consultation with other nations.

We must be strong in our internal resolve in order to be strong leaders abroad. This is not possible when Congress and the American people are kept in the dark. We simply must have an international policy of Democratic leadership, and we must stop trying to play a lonely game of power politics. We must evolve and consumate our foreign policy openly and frankly. There must be bipartisan harmony and collaboration between the President and the Congress, and we must reestablish a spirit of common purpose among Democratic nations.

What we seek is for our Nation to have a foreign policy that reflects the decency and generosity and common sense of our own people.

We had such a policy more than a hundred years ago and, in our own lifetimes, in the years following the Second World War.

The United Nations, the Marshall plan, the Bretton Woods agreements, NATO, Point Four, the OECD, the Japanese peace treaty—these were among the historic achievements of a foreign policy directed by courageous Presidents, endorsed by bipartisan majorities in Congress, and supported by the American people.

The world since that time has become profoundly different, and the pace of change is accelerating.

There are one hundred new nations and two billion more people.

East-West tensions may be less acute, but the East-West rivalry has become global in scope.

Problems between the developed and developing nations have grown more serious, and in some regions have come to intersect dangerously with the East-West rivalry.

Economic nationalism complicates international relations, and unchecked inflation may again threaten our mutual well-being.

Finally, such global dilemmas as food shortages, overpopulation and poverty call for a common response, in spite of national and philosophical differences.

It is imperative therefore that the United States summon the leadership that can enable the democratic societies of the world once again to lead the way in creating a more just and more stable world order.

In recent weeks, I have made speeches on the subject of nuclear proliferation and also on the Middle East. In the months ahead I will speak out on other subjects of international concern.

Today I would like to speak about our alliances, and ways they can be improved to serve our national interests and the interests of others who seek peace and stability in the world.

We need to consider how—in addition to alliances that were formed in years past for essentially military purposes—we might develop broader arrangements for dealing with such problems as the arms race and world poverty and the allocation of resources.

The time has come for us to seek a partnership between North America, Western Europe and Japan. Our three regions share economic, political and security concerns that make it logical that we should seek ever-increasing unity and understanding.

I have traveled in Japan and Western Europe in recent years and talked to leaders there. These countries already have a significant world impact; and they are prepared to play even larger global roles in shaping a new international order.

There are those who say that democracy is dying, that we live in the twilight of an era, and that the destiny of modern man is to witness the waning of freedom.

In Japan, Western Europe, Canada, some countries in Latin America, Israel and among many other peoples, I have found not a decline of democracy but a dynamic commitment to its principles.

I might add that I can testify personally to the vigor of the democratic process in our own country.

In addition to cooperation between North

America, Japan and Western Europe, there is an equal need for increased unity and consultation between ourselves and such democratic societies as Israel, Australia, New Zealand, and other nations, such as those in this hemisphere, that share our democratic values, as well as many of our political and economic concerns.

There must be more frequent consultations on many levels. We should have periodic summit conferences and occasional meetings of the leaders of all the industrial democracies, as well as frequent cabinet level meetings. In addition, as we do away with one-man diplomacy, we must once again use our entire foreign policy apparatus to reestablish continuing contacts at all levels. Summits are no substitute for the habit of cooperating closely at the working level.

In consultations, both form and substance are important. There is a fundamental difference between informing governments after the fact and actually including them in the process of joint policy making. Our policy makers have in recent years far too often ignored this basic difference. I need only cite the "Nixon shocks" and the abrupt actions taken by former Treasury Secretary Connally.

We need to recognize also that in recent years our western European allies have been deeply concerned, and justly so, by our unilateral dealings with the Soviet Union. To the maximum extent possible, our dealings with the Communist powers should reflect the combined views of the democracies, and thereby avoid suspicions by our allies that we may be disregarding their interests.

We seek not a condominium of the powerful but a community of the free.

I

There are at least three areas in which the democratic nations can benefit from closer and more creative relations.

First, there are our economic and political affairs.

In the realm of economics, our basic purpose must be to keep open the international system in which the exchange of goods, capital, and ideas among nations can continue to expand.

Increased coordination among the industrialized democracies can help avoid the repetition of such episodes as the inflation of 1972–73 and the more recent recessions. Both were made more severe by an excess of expansionist zeal and then of deflationary reaction in North America, Japan and Europe.

Though each country must make its own economic decisions, we need to know more about one another's interests and intentions. We must avoid unilateral acts and we must try not to work at cross-purposes in the pursuit of the same ends. We need not agree on all matters, but we should agree to discuss all matters.

We should continue our efforts to reduce trade barriers among the industrial countries, as one way to combat inflation. The current Tokyo round of multilateral trade negotiations should be pursued to a successful conclusion.

But we must do more. The international monetary system should be renovated so that it can serve us well for the next quarter of a century. Last January, at a meeting of the leading financial officials, agreement was reached on a new system, based on greater flexibility of exchange rates. There is no prospect of any early return to fixed exchange rates—divergences in economic experience among nations are too great for that. But we still have much to learn regarding the effective operation of a system of fluctuating exchange rates. We must take steps to avoid large and erratic fluctuations, without impeding the basic monetary adjustments that will be necessary among nations for some years to come. It will be useful to strengthen the role of the national monetary fund as a center for observation and guidance of the world economy, keeping track of the interactions among national economies and making recommendations to governments on how best to keep the world economy functioning smoothly.

Beyond economic and political cooperation, we have much to learn from one another. I have been repeatedly impressed by the achievements of the Japanese and the Europeans in their domestic affairs. The Japanese for example, have one of the lowest unemployment rates and the lowest crime rate of any industrialized nation, and they also seem to suffer less than other urbanized peoples from the modern problem of rootlessness and alienation.

Similarly, we can learn from the European nations about health care, urban planning and mass transportation.

There are many ways that creative alliances can work for a better world. Let me mention just once more, the area of human rights. Many of us have protested the violation of human rights in Russia, and justly so. But such violations are not limited to any one country or one ideology. There are other countries that violate human rights in one way or another—by torture, by political persecution and by racial or religious discrimination.

We and our allies, in a creative partnership, can take the lead in establishing and promoting basic global standards of human rights. We respect the independence of all nations, but by our example, by our utterances, and by the various forms of economic and political persuasion available to us, we can quite surely lessen the injustice in this world.

We must certainly try.

Let me make one other point in the political realm. Democratic processes may in some countries bring to power parties or leaders whose ideologies are not shared by most Americans.

We may not welcome these changes: We will certainly not encourage them. But we must respect the results of democratic elections and the right of countries to make their own free choice if we are to remain faithful to our own basic ideals. We must learn to live with diversity, and we can continue to cooperate, so long as such political parties respect the democratic process, uphold existing international commitments, and are not subservient to external political direction. The democratic concert of nations should exclude only those who exclude themselves by the rejection of democracy itself.

Our people have now learned the folly of our trying to inject our power into the internal affairs of other nations. It is time that our Government learned that lesson too.

II

The second area of increased cooperation among the democracies is that of mutual security. Here, however, we must recognize that the Atlantic and Pacific regions have quite different needs and different political sensitivities.

Since the United States is both an Atlantic and a Pacific power, our commitments to the security of Western Europe and of Japan are inseparable from our own security. Without these commitments, and our firm dedication to them, the political fabric of Atlantic and Pacific cooperation would be seriously weakened, and world peace endangered.

As we look to the Pacific region, we see a number of changes and opportunities. Because of potential Sino-Soviet conflict, Russian and Chinese forces are not jointly deployed as our potential adversaries, but confront one another along their common border. Moreover, our withdrawal from the mainland of Southeast Asia has made possible improving relationships between us and the People's Republic of China.

With regard to our primary Pacific ally, Japan, we will maintain our existing security arrangements, so long as that continues to be the wish of the Japanese people and government.

I believe it will be possible to withdraw our ground forces from South Korea on a phased basis over a time span to be determined after consultation with both South Korea and Japan. At the same time, it should be made clear to the South Korean Government that its internal oppression is repugnant to our people, and undermines the support for our commitment there.

We face a more immediate problem in the Atlantic sector of our defense.

The Soviet Union has in recent years strengthened its forces in central Europe. The Warsaw Pact forces facing NATO today are substantially composed of Soviet combat troops, and these troops have been modernized and reinforced. In the event of war, they are postured for an all-out conflict of short duration and great intensity.

NATO's ground combat forces are largely European. The U.S. provides about one-fifth of the combat element, as well as the strategic umbrella, and without this American commitment Western Europe could not defend itself successfully.

In recent years, new military technology has been developed by both sides, including precision-guided munitions, that are changing the nature of land warfare.

Unfortunately, NATO's arsenal suffers from a lack of standardization, which needlessly increases the cost of NATO, and its strategy too often seems wedded to past plans and concepts. We must not allow our alliance to become an anachronism.

There is, in short, a pressing need for us and our allies to undertake a review of NATO's forces and its strategies in light of the changing military environment.

A comprehensive program to develop, procure, and equip NATO with the more accurate air defense and anti-tank weapons made possible by new technology is needed to increase NATO's defensive power. Agreement on stockpiles and on the prospective length of any potential conflict is necessary. We should also review the structure of NATO reserve forces so they can be committed to combat sooner.

In all of this a major European and joint effort will be required. Our people will not support unilateral American contributions in what must be a truly mutual defense effort.

Even as we review our military posture, we must spare no effort to bring about a reduction of the forces that confront one another in central Europe.

It is to be hoped that the stalemated mutual force reduction talks in Vienna will soon produce results so that the forces of both sides can be reduced in a manner that impairs the security of neither. The requirement of balanced reductions complicates negotiations, but it is an important requirement for the maintenance of security in Europe.

Similarly, in the SALT talks, we must seek significant nuclear disarmament that safeguards the basic interests of both sides.

Let me say something I have often said in recent months. East-West relations will be both cooperative and competitive for a long time to come. We want the competition to be peaceful, and we want the cooperation to increase. But we will never seek accommodation at the expense of our own national interests or the interests of our allies.

Our potential adversaries are intelligent people. They respect strength, they respect constancy, they respect candor. They will understand our commitment to our allies. They will listen even more carefully if we and our allies speak with a comon resolve.

We must remember, too, that a genuine spirit of cooperation between the democracies and the Soviet Union should extend beyond a negative cessation of hostilities and reach toward joint efforts in dealing with such world problems as agricultural development and the population crisis.

The great challenge we Americans confront is to demonstrate to the Soviet Union that our good will is as great as our strength until, despite all the obstacles, our two nations can achieve new attitudes and new trust, and until in time the terrible burden of the arms race can be lifted from our peoples.

One realistic step would be to recognize that thus far, while we have had certain progress on a bilateral basis, we have continued to confront each other by proxy in various trouble spots. These indirect challenges may be potentially more dangerous than face to face disagreements, and at best they make a mockery of the very concept of detente. If we want genuine progress, it must be at every level.

Our democracies must also work together more closely in a joint effort to help the hundreds of millions of people on this planet who are living in poverty and despair.

We have all seen the growth of North-South tensions in world affairs, tensions that are often based on legitimate economic grievances. We have seen in the Middle East the juncture of East-West and North-South conflicts and the resultant threat to world peace.

The democratic nations must respond to the challenge of human need on three levels.

First, by widening the opportunities for genuine North-South consultations. The developing nations must not only be the objects of policy, but must participate in shaping it. Without wider consultations we will have sharper confrontations. A good start has been made with the conference in international economic cooperation which should be strengthened and widened.

Secondly, by assisting those nations that are in direst need.

There are many ways the democracies can unite to help shape a more stable and just world order. We can work to lower trade barriers and make a major effort to provide increased support to the international agencies that now make capital available to the third world.

This will require help from Europe, Japan, North America, and the wealthier members of OPEC for the World Bank's soft-loan affiliate the International Development Association. The wealthier countries should also support such specialized funds as the new International Fund for Agricultural Development, which will put resources from the oil exporting and developed countries to work in increasing food production in poor countries. We might also seek to institutionalize, under the World Bank, a "world development budget", in order to rationalize and coordinate these and other similar efforts.

It is also time for the Soviet Union, which donates only about one-tenth of one percent of its GNP to foreign aid—and mostly for political ends—to act more generously toward global economic development.

I might add, on the subject of foreign aid, that while we are a generous Nation we are not a foolish Nation, and our people will expect recipient nations to undertake needed reforms to promote their own development. Moreover, all nations must recognize that the North-South relationship is not made easier by one-sided self-righteousness, by the exercise of automatic majorities in world bodies, nor by intolerance for the views or the very existence of other nations.

Third, we and our allies must work together to limit the flow of arms into the developing world.

The North-South conflict is in part a security problem. As long as the more powerful nations exploit the less powerful, they will be repaid by terrorism, hatred, and potential violence. Insofar as our policies are selfish, or cynical, or shortsighted, there will inevitably be a day of reckoning.

I am particularly concerned by our Nation's role as the world's leading arms salesman. We sold or gave away billions of dollars of arms last year, mostly to developing nations. For example, we are now beginning to export advanced arms to Kenya and Zaire, thereby both fueling the East-West arms race in Africa even while supplanting our own allies—Britain and France—in their relations with these African States. Sometimes we try to justify this unsavory business on the cynical ground that by rationing out the means of violence we can somehow control the world's violence.

The fact is that we cannot have it both ways. Can we be both the world's leading champion of peace and the world's leading supplier of the weapons of war? If I become president I will work with our allies, some of whom are also selling arms, and also seek to work with the Soviets, to increase the emphasis on peace and to reduce the commerce in weapons of war.

The challenge we and our allies face with regard to the developing nations is a great one, a constant one, and an exciting one. It is exciting because it calls for so much creativity at so many levels by so many nations and individuals.

I have suggested steps which we and our allies might take toward a more stable and more just world order. I do not pretend to have all the answers. I hope you will help me find them.

What I do have is a strong sense that this country is drifting and must have new leadership and new direction. The time has come for a new thrust of creativity in foreign policy equal to that of the years following World War II. The old international institutions no longer suffice. The time has come for a new architectural effort, with creative initiative by our own Nation, with growing cooperation among the industrial democracies its cornerstone, and with peace and justice its constant goal.

We are in a time of challenge and opportunity. If the values we cherish are to be preserved—the ideals of liberty and dignity and opportunity for all—we shall have to work in the closest collaboration with like-minded nations, seeking, through the strength that follows from collective action, to build an international system that reflects the principles and standards of our national heritage.

The primary purpose of our foreign policy is to create and maintain a world environment within which our great experiment in freedom can survive and flourish.

Ours would be a chilled and lonely world without the other democracies of Europe, Japan, Australia, New Zealand, Israel and this hemisphere with whom we share great common purposes. There is a special relationship among us based not necessarily on a common heritage but on our partnership in great enterprises. Our present limits are not those of natural resources but of ideas and inspirations.

Our first great need is to restore the morale and spirit of the American people.

It is time once again for the world to feel the forward movement and the effervescence of a dynamic and confident United States of America.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Rear Adm. Alfred J. Whittle, Jr., U.S. Navy, to be vice admiral, which was referred to the Committee on Armed Services.

THE PRESIDENT'S REPORT ON OCCUPATIONAL SAFETY AND HEALTH—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

As required by section 26 of Public Law 91–596, transmitted herewith is the 1974 annual report to the Congress on activities under that law of the Department of Labor, the Department of Health, Education, and Welfare, and the Occupational Safety and Health Review Commission.

GERALD R. FORD.

THE WHITE HOUSE, *August 9, 1976.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 1:23 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the Speaker has signed the following enrolled bill:

S. 1689. An act to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended.

The enrolled bill was subsequently signed by the President pro tempore.

ENROLLED BILLS SIGNED

At 5:30 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the following enrolled bills:

H.R. 1394. An act for the relief of Suk Chin and Hae Suk Chin;

H.R. 1395. An act for the relief of Mee Kyung Cho and Hee Kyung Cho;

H.R. 1396. An act for the relief of Sang Kook Chung and Kwa Soon Chung;

H.R. 1397. An act for the relief of Ae Sook Song and Mi Yun Lee;

H.R. 1425. An act for the relief of Juliet Elizabeth Tozzi;

H.R. 1507. An act for the relief of Marisa Marzano;

H.R. 1645. An act for the relief of Kevin Patrick Saunders;

H.R. 2118. An act for the relief of Cheryl Lynn V. Camacho;

H.R. 2278. An act for the relief of Mrs. Mary Saxton (Mary Nuku);

H.R. 2399. An act for the relief of Leonard Alfred Brownrigg;

H.R. 2411. An act for the relief of Alinor Anvari Adams;

H.R. 2495. An act for the relief of Miss Malgorzata Kuzziarek Czapowski;

H.R. 2502. An act for the relief of Peter Olav Mesikepp;

H.R. 2565. An act for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Migual Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes;

H.R. 2940. An act for the relief of Maria Sylvia Macias Elliott;

H.R. 2941. An act for the relief of Susan Rosemary Harwood;

H.R. 3372. An act for the relief of Tze Tsun Li;

H.R. 4053. An act for the relief of Roderic Patrick Stafford;

H.R. 5052. An act for the relief of Yolando E. Vez;

H.R. 5500. An act for the relief of Rafael Strochlitz Wurzel;

H.R. 5648. An act for the relief of Violetta Cebreros;

H.R. 6093. An act for the relief of Maria D'Arpino;

H.R. 6392. An act for the relief of Koviljka C. Clendenen;

H.R. 6687. An act for the relief of Doo Hoon Park;

H.R. 7404. An act for the relief of Christina Donnelly;

H.R. 7494. An act for the relief of Luigi Santaniello;

H.R. 7832. An act for the relief of Miss Leonor Young;

H.R. 7908. An act for the relief of Edward Drag;

H.R. 8557. An act for the relief of Carmen Thomas;

H.R. 8695. An act for the relief of Eugene Homsy Phillips;

H.R. 10076. An act for the relief of Mrs. Kazuko Scillion;

H.R. 11076. An act for the relief of Ok Ja Choi;

H.R. 12944. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 6 months; and

H.R. 13121. An act to direct the Law Revision Counsel to prepare and publish the District of Columbia Code through publication of supplement V to the 1973 edition, with the Council of the District of Columbia to be responsible for preparation and publication of such Code thereafter.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. Metcalf).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Arms Control Impact Statements

A letter from the General Counsel of the Department of Defense transmitting secret Arms Control Impact Statements (with accompanying papers); to the Committee on Foreign Relations.

A letter from the Administrator of the Energy Research and Development Administration transmitting secret Arms Control Impact Statements (with accompanying papers); to the Committee on Foreign Relations.

Report of the Director of Selective Service

A letter from the Director of Selective Service transmitting, pursuant to law, the semiannual report of the Director of Civil Service for the period July 1, 1975 through December 31, 1975 (with an accompanying report); to the Committee on Armed Services.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting.

International Agreements Other Than Treaties

A letter dated August 5, 1976, from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into during the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

Reports of the Federal Energy Office

Two letters from the Administrator of Federal Energy each transmitting a report, pursuant to law, (1) relating to estimates of gallonage sales by marketing type of April 1976 and March 1976; and (2) relating to regional market share information on sales of No. 2 distillate fuel oil by refiner-marketers and independent marketers over the period 1972 through 1975 (with accompanying reports); to the Committee on Interior and Insular Affairs.

Report of the Secretary of Health, Education, and Welfare

A letter from the Under Secretary of Health, Education, and Welfare transmitting a report on the activities carried on under sections 314(a)(e) and title IX of the Public Health Service Act for fiscal year 1975 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions, which were referred as indicated:

A resolution adopted by the Council of the City of Pittsburgh, Pa., relating to the proposed Consumer Communications Reform Act of 1976; to the Committee on Commerce.

A resolution adopted by the Board of County Commissioners of Collier County, Fla., relating to payments-in-lieu of taxes; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry:

S. Res. 515. An original resolution relating to the consideration of S. 3081. Referred to the Committee on the Budget.

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3394. A bill to authorize engineering investigation, stabilization, and rehabilitation of the Leadville Mine draining tunnel and the construction of facilities for the treatment of the drainage effluent (title amendment) (Rept. No. 94–1138).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Res. 510. A resolution authorizing supplemental expenditures by the Committee on Government Operations (for an inquiry and investigation relating to section 8) (for inquiries and investigations) (title amendment) (Rept. No. 94–1140).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. 3669. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States as a permanent loan by the Board of Trustees of the National Gallery of Art (Rept. No. 94–1139).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, August 9, 1976, he presented to the President of the United States the following enrolled bill:

S. 1689. An act to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 3744. A bill to establish a program for repairing and replacing unsafe highway bridges. Referred jointly, by unanimous consent, to the Committee on Finance and the Committee on Public Works.

By Mr. DURKIN (for himself, Mr. McIntyre, and Mr. Bayh):

S. 3745. A bill to provide for the relief of the State of New Hampshire and its municipalities which incurred extraordinary expenses in the special senatorial election of September 16, 1975. Referred to the Committee on the Judiciary.

By Mr. CASE (for himself and Mr. Williams):

S.J. Res. 210. A joint resolution to authorize and request the President to issue a proclamation designating November 30 of each year as "Clara Maass Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 3744. A bill to establish a program for repairing and replacing unsafe highway bridges. Referred jointly, by unanimous consent, to the Committee on Finance and the Committee on Public Works.

Mr. HUGH SCOTT. Mr. President, this is a year in which we as a country have been able to sit back and reflect on the various components that make our Nation great. One of the most important of these components is our network of roads and highways, which literally makes our country flow. Unfortunately, our roads system, though one of the most important components of our Nation's vitality, is one of the most taken for granted components. Specifically, our Nation's bridges have been largely—and falsely—presumed to be safe.

The American people can no longer afford to rest on this presumption. Startling, the Department of Transportation has classified 89,800 of our country's 563,000 bridges as "critically deficient" structures. In other words, about one of every six bridges in the United States is a safety hazard—not a very pleasant statistic. More than 400,000 of these bridges were built before the implementation of uniform design and construction material specifications in 1935. Hence, many of them are unable to handle today's heavier traffic load.

Currently, $180 million a year is being spent for work on deficient bridges through the special bridge reconstruction and replacement program. This amount, though helpful, is inadequate. Estimates for the total cost of repairing or replacing our deficient bridges vary from $10 billion to $31 billion. Set against these estimates, $180 million is hardly sufficient.

Therefore, I am today introducing the Bridge Safety Act of 1976. The main provision of this bill is an amendment of the Federal Highway Act of 1976 increasing the special bridge reconstruction and replacement program's appropriation from $180 million per year to $720 million. Congressman JOHN HEINZ, Republican of Pittsburgh, Pa., has introduced a similar bill in the House. Only with this major step, I feel, can we satisfactorily address the great magnitude of this nationwide problem.

This bill does more than just provide money, however. It also extends the highway trust fund through 1990 and increases the Federal-State funding ratio from 75–25 to 90–10. One of the bill's greatest aspects is its sensitivity to particular problems. To begin with, it gives highest priority for funds to the areas with the greatest need. Second, the bill sets aside 10 percent of the annual appropriation for bridge repair and reconstruction for emergency assistance to counties regardless of the funding their States receive.

Mr. President, in introducing this bill, I am reminded of an old Pennsylvania Dutch saying: "May all the bridges you cross be happy ones." Today, we have an obligation to insure that bridge travel is safe for all citizens. This legislation fulfills that obligation—I am hopeful that it will receive swift and favorable consideration by the Senate.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that a bill introduced earlier by Senator HUGH SCOTT of Pennsylvania, relative to highway bridges and highway trust fund, be referred jointly to the Committees on Public Works and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

(By Mr. CASE (for himself and Mr. WILLIAMS):

S.J. Res. 210. A joint resolution to authorize and request the President to issue a proclamation designating November 30 of each year as "Clara Maass Day." Referred to the Committee on the Judiciary.

Mr. CASE. Mr. President, today I am introducing, for Senator WILLIAMS and myself, a joint resolution to have November 30 proclaimed Clara Maass Day.

Clara Maass was the dedicated nurse who volunteered in 1901 to prove that yellow fever was carried by a mosquito. Her subsequent death of yellow fever is recognized as a courageous sacrifice for the betterment of mankind.

Miss Clara Louise Maass was born June 28, 1876, in East Orange, N.J., the eldest of nine children. At 15, she went to work at the Newark Orphan Asylum for $10 a month—and, according to my information, most of this was sent home.

At 17, Miss Maass entered the Trefz Training School for Nurses at Newark German Hospital—a school of nursing later to be renamed in Clara Maass' honor. Two years later, in 1895, Miss Maass became one of the school's first graduates.

Clara Maass stayed at Newark Hospital for 3 years and was head nurse in 1898 when she signed up to serve at Army field hospitals during the Spanish-American war. Later she served at Army hospitals in the Philippines.

In 1900–01, Clara Maass once again volunteered for nursing duties in Cuba and through the spring of 1901 nursed the victims of yellow fever in Havana. Experiments to isolate the cause of yellow fever were being carried out during this period and in June of 1901, Miss Maass became a volunteer to test the mosquito-carrier theory.

She survived the first attack in June of 1901. Again on August 14, 1901, she submitted to the mosquito experiment and died 10 days later—the only woman to volunteer and the only American to die during the course of the tests.

I ask that November 30, 1976, be proclaimed Clara Maass Day in honor of this woman who exemplifies the American nursing profession.

ADDITIONAL COSPONSORS

S. 969

At the request of Mr. HARTKE, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 969, to amend chapter 34 of title 38, United States Code.

S. 1302

At the request of Mr. WILLIAMS, the Senators from Kentucky (Mr. HUDDLESTON and Mr. FORD) were added as cosponsors of S. 1302, the Federal Mine Safety and Health Amendments Act of 1976.

S. 2910

At the request of Mr. SCHWEIKER, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 2910, to establish the National Diabetes Advisory Board.

S. 2936

At the request of Mr. HANSEN, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 2936, to amend part B of title XI of the Social Security Act.

S. 3555

At the request of Mr. ABOUREZK, the Senator from Pennsylvania (Mr. HUGH SCOTT) was added as a cosponsor of S. 3555, the voluntary standards bill.

S. 3624

At the request of Mr. HATHAWAY, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 3624, to provide incentive loans to the commercial fisheries industry.

S. 3695

At the request of Mr. ABOUREZK, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 3695, to authorize the Secretary of Commerce to enhance and validate certain export expansion activities.

S. RES. 502

At the request of Mr. HARTKE, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of Senate Resolution 502, to disapproval of budget authority for the National Railroad Passenger Corporation.

SENATE RESOLUTION 515—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 3081.

(Referred to the Committee on the Budget.)

Mr. TALMADGE, from the Committee on Agriculture and Forestry, reported the following resolution:

S. RES. 515

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) are waived with respect to the consideration of S. 3081, a bill to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of a cooperative meat or poultry inspection program carried out by any State under such sections, and for other purposes. Such waiver is necessary to permit consideration of statutory authority to increase the maximum Federal contribution to the cost of any State meat or poultry inspection system and thereby encourage States to retain their inspection programs, rather than terminating their programs and obligating the Federal Government to perform the inspection and bear 100 percent of the costs.

AMENDMENTS SUBMITTED FOR PRINTING

INVESTMENT ADVISERS ACT AMENDMENTS OF 1976—S. 2849

AMENDMENTS NOS. 2189 AND 2190

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted two amendments intended to be proposed by him to the bill (S. 2849) to amend the Investment Advisers Act of 1940 to authorize the Securities and Exchange Commission to prescribe standards of qualification and financial responsibility for investment advisers, and for other purposes.

AMENDMENTS NOS. 2192 AND 2193

(Ordered to be printed and to lie on the table.)

Mr. FANNIN submitted two amendments intended to be proposed by him to the bill (S. 2849), supra.

EXPORT ADMINISTRATION ACT EXTENSION—S. 3084

AMENDMENT NO. 2191

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, today I am submitting an amendment to S. 3084, a bill to extend the Export Administration Act. This amendment would prohibit any restriction on agricultural exports for the purpose of controlling domestic inflation unless the Secretary of Agriculture—and agricultural producers—determine the commodity is in short supply.

Farmers throughout this country continue to be outraged about the Federal Government's inconsistent agricultural policies. In 1974 and 1975, farmers were asked to plant fence row to fence row for maximum production. Farmers complied with the understanding that they would have complete access to world markets if they cooperated. Unfortunately, though farmers upheld their end of the bargain, the Federal Government did not.

In October 1974, the administration began a system which required prior approval for exports of grains. Prices nosedived. Farmers and agribusinessmen throughout the Nation protested vigorously. Foreign customers began to have serious doubts about the reliability of the United States as a regular supplier of grain. Eventually, the administration was forced by the combined pressure from all segments of the agricultural community and from foreign customers to modify and, in some cases, eliminate the prior approval provision.

This, however, did not mean that the administration had used its entire bag of tricks with regard to export policy. In August 1975, the administration asked for "voluntary restraints" on purchases by foreign customers. Additional impetus for this action appeared to result from the Longshoremen's Union strike and from political pressure by union leaders. Though the voluntary restraints were supposedly imposed to await the outcome of 1975 crops, it is interesting to note that at the time the voluntary restraints began, a record wheat crop had already been harvested. Moreover, the Department of Agriculture was predicting a record corn crop and near record soybean production.

The effect of this action on grain prices was neither surprising nor unpredictable. Between September 15 and November 15, the average price received by farmers for wheat dropped from $4.11 per bushel to $3.58. During the same period, corn fell from $2.76 to $2.33 and soybeans went from $5.32 to $4.45.

Mr. President, I submit that the major reason for these drastic price declines was an uncertain foreign market brought about by the voluntary restraints—controls. Prior to the current fiscal year, wheat exports had exceeded 60 percent of production for several years. Soybean and corn exports had accounted for 40 and 20 percent, respectively, of the production in these two crops. It is easy to see why a restriction on exports had an immediate and substantial impact.

I do not believe, nor do the farmers of this Nation believe, that the President should be denied the right to stop exports because of a threat to the national security. The administration deserves that right and has that authority in the provisions of the Export Administration Act. The act provides for use of export controls on agricultural commodities "to the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities, and to the extent necessary to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States."

However, the act also provides that the desirability of subjecting particular items to export controls should be subjected to review by consultation with representatives of appropriate U.S. agencies and qualified experts from private industry. This act further provides that export controls shall not be imposed with respect to any agricultural commodity without the approval of the Secretary of Agriculture and that the Secretary shall not approve such action during any period for which the supply of such commodity is determined by him to be in excess of the requirements of the domestic economy except in the cases cited above—when the President determines that such controls are required for national security or to further significantly the foreign policy of the United States.

My point, Mr. President, is that "prior approval reporting" and "voluntary restraints" were not undertaken because of a threat to the national security. Other goods and services were not embargoed. It was an embargo of grain alone. Therefore, the sacrifice in the form of lower farm prices was borne by farmers alone—not by the business community as a whole—and not by the Nation. Our farmers believe in this Nation and in our economic system. They will bear their share of sacrifices in the national interest, but my legislation prevents them from being singled out to absorb the brunt of governmental actions which do not threaten the national security.

Mr. President, this amendment prohibits any action which would reduce exports of agricultural commodities for the purpose of controlling domestic inflation unless the Secretary of Agriculture—in consultation with producers—determines the commodity is short of domestic needs. In effect, it prevents any group from causing the executive branch to impose export restrictions—formal or informal—without first consulting agricultural producers.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2191

On page 8 between lines 4 and 5, insert a new section as follows:

SEC. 110. Section 4(f) of the Act is amended by adding at the end of paragraph (1), as designated by section 108 of this Act, a new sentence as follows: "Notwithstanding any other provision of law, neither the President nor any other officer, agency, or instrumentality of the Federal Government shall take action to reduce exports of any agricultural commodity during any period, for the purpose of reducing or otherwise controlling the rate of domestic inflation, on the basis of actions by labor unions or organizations representing consumers unless the Secretary of Agriculture determines—in consultation with the producers of the commodity—that the supply of the commodity is less than the amount needed to meet the requirements of the domestic economy.".

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I wish to give notice that a public hearing has been scheduled for Tuesday, August 24, 1976, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Richard M. Bilby, of Arizona, to be U.S. circuit judge for the ninth circuit vice Richard H. Chambers, retiring.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I wish to give notice that a public hearing has been scheduled for Tuesday, August 24, 1976, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Donald I. Baker, of New York, to be an Assistant Attorney General, vice Thomas E. Kauper, resigned (Antitrust Division).

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Dorothy Parker, of Virginia, to be a Commissioner of the U.S. Parole Commission for the term of 6 years (new position).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, August 16, 1976, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ANNOUNCEMENT OF HEARINGS

Mr. CHURCH. Mr. President, last year Senator DICK CLARK conducted a hearing for the Senate Committee on Aging on the subject of "The Older Americans Act and the Rural Elderly."

This year, Senator CLARK has suggested that the committee continue and broaden its concern about rural issues with hearings in the field and later in Washington, D.C.

I agree with Senator CLARK about the importance of such hearings. Approximately 8 million persons of age 60 or over, or more than 27 percent of that age group, live on farms or in small towns or in open country. The percentage, however, varies greatly by State. In eight States—Alaska, Arkansas, Mississippi, North Carolina, South Carolina, South Dakota, Vermont, and West Virginia—more than half the older population is rural. Twenty-one States have at least 40 percent of their older population in rural areas. There is good reason to believe that many of these rural elderly are served less adequately than other persons by Federal programs meant to serve them.

Accordingly, Senator CLARK will preside at the first round of rural hearings, now scheduled for:

August 16, 9:45 a.m., Madison County Multi-Purpose Center, 114 North Second, Winterset, Iowa.

August 17, 10 a.m., Municipal Building, Gretna, Nebr.

August 18, 9:30 a.m., Senior Services Senior Citizen Center, 132 South Dakota Avenue, Sioux Falls, S. Dak.

August 16, 2 p.m., Indian Hills Community Center, 105 Green, Ottumwa, Iowa.

August 17, 2 p.m., Ida Grove Community Hall, Third and Main Streets, Ida Grove, Iowa.

August 18, 2:30 p.m., United Methodist Church, First Avenue and Third Street NW., Rockford, Iowa.

ANNOUNCEMENT OF HEARINGS ON PRODUCT LIABILITY INSURANCE BY SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, the Senate Small Business Committee has within the past several months been contacted by many organizations and small businessmen urging that the committee look into the problem of the decreasing availability of product liability insurance.

Many small businesses are placed in the untenable position of having to pay insurance premiums that have jumped as much as 5,000 percent. Other businesses are finding it difficult to find an insurance company to underwrite their product liability. Small firms cannot afford to self-insure. Without product liability insurance they risk the assets of their businesses should claims for injuries be filed against them.

It appears that recent trends toward manufacturers being held strictly liable for product-related injuries regardless of negligence, and the resulting large increase in the number and size of court awards for injuries has forced many insurance cimpanies to raise their premiums drastically or to refuse to underwrite product liability insurance at all.

The implications of the product liability crisis are critical and deserving of the careful attention of the committee and Congress. The Small Business Committee is concerned that the very survival of many small firms is at stake. Accordingly, we have scheduled hearings beginning September 8. Senator WILLIAM D. HATHAWAY will chair the first hearing, which will be held in room 318, Russell Senate Office Building, beginning at 9:30 a.m. The second day of hearings will be held on September 10, chaired by Senator JOHN CULVER, in room 318, Russell Senate Office Building, also beginning at 9:30 a.m. Witnesses will be announced at a later date.

ADDITIONAL STATEMENTS

CUBAN POLICY OF EXPORTING REVOLUTION

Mr. THURMOND. Mr. President, the Baltimore Sun, Baltimore, Md., published an article July 20, 1976 entitled "Cuba Envisions Revolution as Most Important Export." Authored by Michael Parks, Sun staff correspondent, this aritcle points to the danger proposed by a Communist government operating in the Western Hemisphere.

Many fail to recognize that the embracement of communism by Cuba naturally brings Cuba into the business of spreading revolution. This is the tenet of any Communist state, especially those under militant leadership as is the case in this island republic.

Many in Congress are concerned about these activities by the Cuban Government and especially how they relate to the Republic of Panama. The frequent contacts between Cuban Communist Government officials and Panama are a cause of great concern to me and should be watched closely by the responsible officials in our executive department.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUBA ENVISIONS REVOLUTION AS MOST IMPORTANT EXPORT

(By Michael Parks)

HAVANA.—Encouraged by their success in Angola, Cuban officials are again hoping to make revolution their country's most important export.

"The duty of every revolutionary is to spread the revolution," says a big billboard at a Havana factory, and Cuban officials say candidly that they plan to keep their revolution fresh at home by extending their involvement abroad.

But officials emphasized repeatedly in interviews here that their military intervention in the Angolan civil war was a one-time affair. Cuba, they have assured worried neighboring and African countries, will not send troops abroad again.

What they will send in growing numbers, however, will be military and civilian advisers, doctors, technicians, teachers and construction workers. They also will provide limited material assistance to some revolutionary movements and governments.

Cuba's basic strategy for "exporting revolution," however, will be to prove that its own revolution is working—that its socialist economic development is improving living standards, that its Communist ideology does mobilize its people, that its alliance with the Soviet Union works to Cuba's benefit.

"At first glance, it may appear that Cuba is up to its old tricks—aiding guerrilla movements in Africa and Latin America, meddling in its neighbors' affairs and generally raising hell around the world," a Western ambassador commented.

"But in fact, the Cuban approach is a lot more low key now than in the past. They think they have a good product to sell, and they are trying to sell it on the basis of success at home."

But Cubans also feel that their success in installing a Marxist government in Angola has given them new prestige in Africa, Asia and Latin America and new credibility in the international arena despite American and other Western denunciations of their military involvement.

"I think the United States, whatever it says about our role in Angola, has new respect for Cuba," one official here commented. "There is no doubt that our influence has increased considerably after Angola."

Cubans, from Premier Fidel Castro down, assert that the decision to send troops to Angola—at the peak an estimated 17,500 were there—was made here, not in Moscow.

"Cuba made its decision completely on its own responsibility," Dr. Castro said in a speech here. "The Soviet Union . . . never requested that a single Cuban be sent. The Soviet Union is extraordinarily respectful and careful in its relations with Cuba. A decision of this nature could be made only by our party."

But senior Communist diplomats here readily acknowledged that Havana and Moscow were in close contact in early November when Cuba rushed a battalion of special Interior Ministry troops along with a platoon with antitank weapons from the regular Army to Angola to halt the advance of South African forces coming from Namibia.

Subsequent reinforcements of regular infantry, artillery and rocket artillery units—the 150,000-man Cuban armed forces (500,000 when fully mobilized) are Latin America's most powerful—also were agreed upon with Moscow, the diplomats said.

"Cuban soldiers are not, definitely not, Moscow's mercenaries," a West European ambassador commented. "This is something Cuba wanted to do, and the decision was very popular here. You could see lines outside Army offices of reservists volunteering to go fight."

But the success in Angola left Cuban diplomats with the problem of recovering the respectability Havana had worked hard to get after a series of unsuccessful efforts in the 1960's to "export revolution" by aiding guerrilla movements in Africa and Latin America.

West Germany held up promised development aid until Cuba's policy was clarified, and the Governor of Puerto Rico warned in Washington that Havana was bent on establishing its hegemony in the Caribbean region, starting with Puerto Rico.

To allay such fears, Carlos Rafael Rodriguez, a deputy prime minister and second only to Dr. Castro in formulating Cuban foreign policy, declared at a Tokyo press conference several weeks ago that "Cuba has no intention of launching military interventions against other countries . . . .

"It is just inconceivable that the same conditions [that led to the dispatch of Cuban troops to Angola] will exist again," even in Rhodesia and South Africa.

Premier Castro publicly has assured other Latin American countries that, "whatever their social system," they will not be the object of intervention.

"It is our most profound conviction that each people must be free to build their own destiny, that each people and only the people of each country must and will make their own revolution," he continued.

"The government of Cuba has never thought of taking revolution to any nation of this hemisphere with the arms of its military units. Such an idea would be absurd and ridiculous."

But Latin American diplomats and other observers here noted that Premier Castro and other Cuban officials deliberately distinguish between sending military units, as they did in Angola, and aiding revolutionary movements as they continue to do in southern Africa and Latin America.

"These reassurances are hard to accept when the distinction is so ambiguous," a Latin American ambassador here said.

"I know my government was surprised—but not necessarily upset—by the sending of troops to Angola, and I am sure that the prevalent feeling in Latin America is still, 'If they can send troops across the ocean to Africa, they can do even more here.' Cuba is going to be watched very closely as a result of Angola."

Cubans insist, however, that the days when they sent guerrilla leaders abroad to foment revolutions, as they did in several Latin American countries in the 1960's with little success, are over and that they now feel revolution cannot be "exported" in this way.

"We will provide all the assistance we can to revolutionary and progressive forces within and outside governments, but we are not—cannot, in fact—create revolutions from outside," a Cuban official said.

The roster of Cubans abroad now ranges from military advisers helping train Rhodesian guerrillas in southern Africa to mechanics helping maintain warplanes, tanks, antiaircraft missiles and other equipment in Syria, Southern Yemen, Guinea and Algeria to agronomists, teachers, doctors and economists in more than a dozen African and Caribbean countries.

Western estimates put the number of Cubans in Africa and the Middle East at nearly 4,000 now in addition to the approximately 14,000 still in Angola.

Cuban forces in Angola have begun returning home, sources here said, but large numbers of advisers and technicians, civilians as well as military, are being sent over, officials here indicated that a substantial portion of the troops in Angola will remain as long as rightist forces pose any threat to the Marxist government there.

Earlier, Cuban advisers had fought with liberation movements in the former Portuguese colonies of Mozambique and Guinea-Bissau.

A top adviser, wounded and captured in Guinea-Bissau, was elected to the new Cuban Communist party central committee in December, underlining Havana's continuing strong interest in helping revolutionary and liberation movements.

But Cuba now wants to put more emphasis on diplomatic initiatives, according to sources here, in an effort to establish its leadership in the third world.

"They realize that in the long run their influence depends not on today's revolutionaries but on the real rulers," a Western diplomat here said. "So they are trying to sell their philosophy, their system, their achievements, and they are having some success as these doctors and technicians go abroad."

Clearly, Cuba's long isolation internationally is over, and Havana today is filled with visitors from most Latin American, European, Asian and African countries, even the number of U.S. citizens, whose interests range from politics to business to cultural ties, is increasing monthly.

VIRGINIANS BELIEVE AGPLANE RESEARCH A WORTHY NASA PROJECT

Mr. MOSS. Mr. President, I have received a most thoughtful letter from the Honorable Earl J. Shiflet, secretary of commerce and resources, Commonwealth of Virginia, concerning Virginia's interest in agplane research.

Mr. Shiflet specifically mentions that "considerable work may be needed" to help solve "the primary problem in aerial application of pesticides [of] confining the application to the target area." Concerning the proposed research plan he said, "Sources I have contacted believe this would be a most worthy project for NASA."

Mr. President, I ask unanimous consent that Secretary Shiflet's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF VIRGINIA,
OFFICE OF THE GOVERNOR,
Richmond, Va., June 17, 1976.

Hon. FRANK E. MOSS,
Chairman, Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: Governor Godwin has asked that I respond to your letter pertaining to aerial application technology improvements and the merits of the program.

Investigation indicates that the primary problem in aerial application of pesticides is confining the application to the target area. It seems that considerable work may be needed in aircraft design, boom placement, boom length, nozzle placement, nozzle design as well as other considerations. However, I understand that if these problems can be overcome, and perhaps additional advances made in formulations for aerial application, a much wider use of this method would likely develop.

Sources I have contacted believe this would be a most worthy project for NASA. They have suggested that the committee contact Mr. A. Gieser, USDA, Plant Protection and Quarantine Programs, Aircraft Operation, Federal Building, Hyattsville, Maryland 20871, who is responsible for providing aircraft and supervising their maintenance for plant protection programs.

Virginia has a vast acreage of grazing land and cropland that could benefit from aerial applications of fertilizer and pesticides if the method was financially attractive and otherwise feasible.

Sincerely yours,

EARL J. SHIFLET.

THE SENATE'S LEGISLATIVE ACHIEVEMENTS

Mr. HUGH SCOTT. Mr. President, before adjourning for the Republican National Convention, we should reflect on our achievements in the Senate in this Congress.

Several weeks ago, President Ford voiced his serious and growing concern that time was running out on the 94th Congress, and that many important measures awaited action. Among those he considered especially noteworthy were tax reform, catastrophic health care programs, the swine flu program, school busing, crime control, regulatory reform, and energy. President Ford is correct in expressing his concern over lack of action on these important matters, and the Senate should heed his exhortation and act.

The Senate, of course, can be proud of its many notable achievements this Congress. In particular, I would cite the ConRail bill, by which the Federal Government stepped in to rescue the foundering U.S. railroad industry. This measure was an important step in the direction of restoring the vitality and health of a critical component of our industrial machine. Without it, the country as a whole, and my constituents in Pennsylvania, would have faced severe economic hardships.

Another major legislative milestone was the Hart-Scott Antitrust Improvements Act, which will enhance the efficiency of the free enterprise system by discouraging price fixing and other anticompetitive behavior. The alternative to a genuinely free market economy is increased governmental regulation of the economy, and I think we would all agree that the less unnecessary governmental involvement the better. Our bill, if enacted into law, will increase competition in the marketplace, and the consumer will benefit from increased competition, since it will keep prices low and quality high, and encourage the development of innovative products and improved service.

The Senate can also be proud of its action in the area of patents and copyrights. In both areas the Senate passed far-reaching, imaginative, and thoughtful legislation. The revolutionary patent bill, if acted on in the other House, will decrease the number of invalid patents and speed up the decisionmaking process when validity is contested. Since patents occasionally result in high prices and scarcity, the consumer will benefit from these improvements in the system.

The copyright bill, on which final action in the other House is imminent, represents a fair balancing of the various interests. We have protected the interests of the consuming public—the viewers, the readers, and the listeners—without encroaching on the rights of the creators—the writers, the composers, and the actors and directors. It will apparently rest with subsequent Congresses to act on legislation that I have championed for almost 30 years—the performance royalty bill. I hope and expect that Senator JAVITS will continue this worthwhile battle in the 95th Congress, for the performing artist is the only contributor on the recording scene who appears to have suffered neglect. Their cause is just and I know it will prevail.

Another noteworthy benchmark is the Clean Air Act amendments. These amendments sought to extend and clarify the clean air standards that had been imposed by the Clean Air Act. They also strengthened the enforcement capabilities of the Environmental Protection Agency. I believe these amendments inject an element of rationality into the continuing debate on pollution in our environment. We must all acknowledge that clean air will cost a great deal, and we must all sacrifice to achieve it.

These legislative achievements come at a great cost in time and effort. In addition to these milestones, we have acted on well over 100 other bills, all of uniformly high quality. Much of the credit for our achievements must go to Senator MANSFIELD and Senator BYRD, who have tirelessly and skillfully moved the Senate along despite a full calendar and a hectic political year. And thanks must go to all Members of the Senate—and the indefatigable and able staffers—for their contribution to the promotion of the commonweal.

We must not rest. Just one more legislative month remains between the Republican National Convention and the November election. Let us act on the important matters that remain undone. If Congress fails to act, the voters will hold Congress accountable.

GERTRUDE EDERLE; CHAMPION

Mr. McGOVERN. Mr. President, the August 9 issue of Newsweek carries a brief news item on Gertrude Ederle who, 50 years ago, became the first woman to swim the English Channel. Since then her life has been a story of living bravely with physical handicaps. I think this brief description of the manner in which she faces life will be of interest to all Americans. I ask unanimous consent that the Newsweek report about Miss Ederle be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Channel Swimmer

"I can't imagine how I went through it," says 69-year-old Gertrude Ederle. Fifty years ago this week, she became the first woman to swim the English Channel, and her fourteen-hour 31-minute crossing beat the existing men's record by more than two hours. "Trudy" Ederle came home to a heroine's welcome—complete with a ticker-tape parade in New York City and $900,000 in job offers.

But the glory days were over all too soon. "It was too much for me," Ederle remembers. "Appear here, appear there, attend a tea, talk at luncheons. Good-natured Trudy just couldn't refuse." Within two years, she suffered a nervous breakdown. Her already weak hearing, further damaged by swimming, deteriorated into almost total deafness. Then in 1933 she injured her spine in a fall down a flight of stairs, and spent more than four years in a cast. "You either have to put your chin up or collapse, so you put your chin up," Ederle says simply. "That's what athletic competition teaches you."

"You can't expect a brass band to play for you every day," Ederle says about her now-quiet life. "I've had my day, and I treasure it." She never married, and now spends most of her time reading and watching television at home in New York City. But she still steps out occasionally to help out at local swim meets and attend official luncheons. And on vacation every summer in Highlands, N.J., where she learned to swim. Gertrude Ederle still does 100 laps a day in the pool.

GLENN C. TAYLOR

Mr. FANNIN. Mr. President, last week Arizona and the Nation lost a great citizen in the passing of Glenn C. Taylor. He was one of the outstanding leaders of the Grand Canyon State. It was my good fortune to count him as a close friend and advisor on many subjects, especially those pertaining to State financial matters.

Mr. Taylor was a fine family man, being the father of our greatly admired incumbent mayor of the city of Phoenix, the Honorable Margaret Hance.

The Arizona Republic well expresses the impact of this fine citizen upon the State of Arizona.

Mr. President, I ask unanimous consent that an editorial from the Arizona Republic of August 4, 1976, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Here When Needed

The typical banker is supposed to have ice water in his veins. He reputedly can foreclose on a widow and dispossess orphans without a qualm. He is widely believed to be figuring compound interest on the church's mortgage while others are listening to the sermon.

Glenn C. Taylor was not that sort of a banker—if, indeed, anyone is. His death removes one of Phoenix's most effective civic leaders from the scene.

Glenn had been ill for several years, a recluse in an apartment close to the heart of the city he helped build. But the institutions he helped have continued to grow. First among them, of course, was the Valley National Bank. He was the head of its commercial loan department for years. He also formed the Bank of Mesa, which later was merged with the Arizona Bank.

But it was in the field of public service, in unpaid jobs, that Taylor really left his mark. He contributed to the development of Phoenix as a major health center by helping to organize Blue Cross of Arizona and by serving for 21 years on the lay advisory board of St. Joseph's Hospital and Medical Center.

He was the first chairman and a longtime member of the Phoenix Planning and Zoning Commission, treasurer of the Episcopal Mission District of Arizona, and a member of the board of trustees of St. Luke's Hospital.

Phoenix remains a city in which citizens are willing to volunteer their talents for the public good. But with the growth of the population it is no longer necessary for one man to work on as many projects as Glenn Taylor did. The city is lucky to have had this outstanding leader available when it needed him.

MOTHER TERESA: AN INSPIRATION TO HUMANITY

Mr. McGOVERN. Mr. President, for many years, I have admired the humanitarian work of Mother Teresa of Calcutta. I have known of this splendid woman's work since 1961 when I served as the head of President Kennedy's food for peace program.

I ask unanimous consent that an article by Mr. Kenneth A. Briggs in the August 3 issue of the New York Times, describing some of the work of Mother Teresa be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Missionary Nun Dramatizes Catholics' Hunger Fight

(By Kenneth A. Briggs)

Philadelphia, August 2.—The emergence of world hunger as a top Roman Catholic priority was dramatized today at the first full day of the 41st Eucharistic Congress when Mother Teresa, the celebrated missionary to Calcutta's poor, said a prayer over a table of loaves of round bread and then broke one to share with others.

The appearance of the diminutive nun, dressed in her conventional white Indian sari with blue border stripes, shortly after noon, gripped the audience of 6,000 seated in the Civic Center auditorium for the hunger symposium.

Following her lead, others on the platform took loaves and distributed them.

Mother Teresa has become the most magnetic figure at the congress. Wherever she goes, crowds follow her, hoping to touch her clothing or hear her speak.

The growing seriousness of nutrition as a church issue was the primary factor in placing the subject so high on the congress agenda. During the week, the assembly, which is expected to draw a million visitors, or "pilgrims," has scheduled symposia on the various physical and spiritual hungers of mankind.

PRINCESS GRACE SPEAKS

Among those addressing the hunger conference were the Very Rev. Pedro Arrupe, superior general of the world's Jesuits, Bishop James F. Rausch, executive secretary of the United States Catholic Bishops' Conference, and Archbishop Helder Camara of Brazil.

Meanwhile, a ship at a Philadelphia pier was being loaded with 2,000 tons of rice destined for Bangladesh as a gift from contributors of this area to Operation Rice Bowl, an agency that grew out of the planning for this congress.

At another conference on family life today, Princess Grace of Monaco, a native of this city, warned against permissiveness in child rearing and declared that "the Christian family is of utmost importance and can be a strong and vital force in today's society."

"But we need held," she continued, "and we look hopefully to the church for encouragement and guidance."

The princess was accompanied by her husband, Prince Ranier, who also spoke, and their two children, Princess Caroline and Prince Albert. They received a long, respectful ovation when escorted to their places with other dignitaries.

Visitors continue to pour into this city in growing numbers for the panoply of religious events. Fifty-five masses are planned at various locations during the week, devoted primarily to spiritual renewal.

In addition, conferences will underscore such issues as the search for justice, peace, and truth and a performing arts program will offer a wide choice of plays, concerts and ethnic festivals.

The hunger symposium heard speakers repeatedly tie the food problem to world economic and political policies.

REDUCE FOOD CONSUMPTION

Bishop Rausch urged his listeners to consider the issue "primarily in term of the demands of social justice in an increasingly interdependent world."

"Justice recognizes the rights of others and seeks various structural changes required to meet those rights," Bishop Rausch said.

He suggested that Christians give a "witness" by reducing their food intake and working for governmental reforms.

"Excessive habits of consumption of food that is already in short supply violates the most * * *

"Most of us have prayed the Lord's Prayer to give us our daily bread countless times," Bishop Rausch continued, "but few of us have ever known the reality of not receiving our daily bread."

Father Arrupe, after outlining the complexities of the hunger problem, suggested one response. Proposing that more Christians follow the example Rice Bowl, who fasted at least one meal a week, and donated the money to the church, Father Arrupe said;

"If this challenge were taken up merely by Roman Catholics and in the United States alone, and if the amount saved only averaged out at $1 per person per week, this would reach the huge sum of over $2.5 billion a year."

CRITICIZES AFFLUENT NATIONS

Archbishop Camara, a theologian of liberation and an outspoken critic of the Brazilian regime, was most critical of the affluent nations. Innumerating several "scandals" by which he said rich nations exploit and starve poor nations. Archbishop Camara declared. "There is no surplus production. There is under-consumption on the part of millions as a result of our super selfishness."

The family life conference spotlighted several aspects of marriage and child raising that have caused grave concern in the church, among them divorce.

After noting that social forces place obstacles in the way of a parent's role, Prince Ranier said, "There is no doubt in my mind that there is hope in the Christian family so long as we proclaim our want for it."

Not all discussion called for reaffirming the church's traditional views. The Rev. James J. Young, who works with divorced Catholics in the Boston area, told a gathering that the church should continue its re-examination of its rejection of divorce and made a plea for greater openness in the church for the estimated six million divorced Catholics in the nation.

Church people who believe in lasting marriage should acknowledge that there are many "adverse factors" that make it "impossible for large numbers of our people to find lasting marriages," Father Young said.

AGRICULTURE NEEDS A UNIFORM DISASTER POLICY

Mr. McGOVERN. Mr. President, a few weeks ago, my Subcommittee on Agricultural Credit and Rural Electrification held hearings on the responsiveness of the Department of Agriculture to the worst drought in 40 years in the Upper Great Plains. The hearings produced substantial evidence that present programs are fragmented, uncoordinated, and based on varying criteria within the Department of Agriculture and elsewhere in the Government.

One of the most eloquent witnesses at the hearings was Lt. Gov. Harvey Wollman of South Dakota. Harvey Wollman is the only lieutenant governor in the country who is a full-time farmer. He knows the subject matter as well as anyone I know from the standpoint of a farmer and he has long experience as a State legislator.

The August 1, 1976, edition of the Rapid City Journal contains an excellent editorial entitled "Agriculture Requires Integrated Aid Policy" which summarizes Lieutenant Governor Wollman's testimony and also agrees editorially with the stand he takes.

Mr. President, I ask unanimous consent that the editorial to which I have referred be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Agriculture Requires Integrated Aid Policy

The effects of the drought which has hit most of South Dakota this summer are going to be felt for some time to come.

And it isn't only the farmers and ranchers who will have to bear the brunt.

Main street business and state and local tax coffers are going to feel the impact of decreased farm income and reduced personal property inventories.

And what is happening in South Dakota this year happens someplace in this country almost every year. It isn't only drought. It can be a terrible blizzard, an insect plague or a severe frost.

But because a drought is incremental in nature, it doesn't always attract the same attention as other natural disasters such as flood, earthquake or hurricane. But its implications are probably far more serious.

This point was made recently by Lt. Gov. Harvey Wollman in testimony before a U.S. Senate subcommittee on agriculture.

Wollman urged that Congress take action to develop a coordinated plan for dealing with agricultural emergencies rather than constantly reacting to crisis.

Wollman was speaking from experience as a former state legislator, an official of state government concerned over the impact of drought on state revenue and from 23 years as a farmer.

Wollman told the subcommittee that planning for the future is what agriculture is all about. Yet he indicated that the Department of Agriculture does not have a single person or agency designated to deal with agricultural emergencies.

"We always have this, that or another agency involved," Wollman said.

He likened all the government agencies to having a million dollars in the bank and not knowing how to write a check. He pointed out that all the programs in the world aren't any good if they don't apply to a specific situation.

Wollman contended what is needed is a block of money and the administrative flexibility to deal with an emergency such as the South Dakota drought.

The farmer and rancher can't fight the battle for a comprehensive, integrated program to deal with agricultural emergencies alone. And since the emergencies which affect them have ripple effects through the entire economy, they deserve the support of everyone in urging development of such a program.

To be effective, that program must be long range so that the agricultural sector can depend on it to help it through emergencies over which it has no control.

YOSEMITE NATIONAL PARK TEST OF BEVERAGE CONTAINER REFUND

Mr. PACKWOOD. Mr. President, on July 20, 1976, the Environmental Protection Agency announced that Yosemite National Park in California is conducting a refundable beverage container program. It began on May 17, 1976, and will continue through the middle of September or longer. The reduction of litter and solid waste within the park is being studied.

The park's concessionaires charge a 5-cent deposit on all beverage bottles and cans; the deposit is refunded when the empty containers are returned at 1 of the 18 redemption centers in the park. The Park Service then sells the cans to a recycling center in Fresno, Calif.

I have often stated my views on this matter to my colleagues. Of the Western States, the State of Oregon and now part of California have adopted a ban on "no deposit, no return" bottles. Each and every effort which brings this country closer to a nationwide adoption of this program is a step towards better environmental quality.

So far, in Yosemite, about 72 percent of all containers sold are being returned. This is comparable to the beginning of the same project in Oregon. The latest figures in Oregon, however, show that 80 to 95 percent of all beverage bottles are being returned and 70 percent of all beverage cans are returned. Subsequently, this has done a great deal to help the highways of Oregon to be clean of litter. The incentive to consumers to return the cans and bottles is great enough to keep them from littering.

The Environmental Protection Agency has stated that if the program at Yosemite is a success, they would attempt to establish a similar policy for beverage containers sold in all Federal facilities. This effort by the Park Service is to be sincerely commended.

I ask unanimous consent that the news release from the Environmental Protection Agency which describes this program be printed in the Record.

There being no objection, the news release was ordered to be printed in the Record, as follows:

Yosemite Test of Beverage Container Refund

A test program to reduce litter and solid waste is being conducted at Yosemite National Park in California. The program involves the placement of a five-cent deposit on each can or bottle of beer or soft drink sold in the park. The deposit is refunded when the empty containers are returned to one of the 18 park redemption centers. The U.S. Environmental Protection Agency is monitoring the experiment by the park's concessionaire, the Yosemite Park and Cury Company.

At the latest count about 72 percent of all containers sold are being returned, a rate that compares favorably with experiences in Oregon and Vermont under their State laws requiring deposits refundable on return of empty containers. Last year the Yosemite Park and Cury Company ran a voluntary recycling center and collected about a ton of empty containers over the year. This year under the refundable deposit system about a ton of returned cans and bottles are collected each week.

Most beverages at Yosemite National Park are in aluminum cans, but some are in tin-coated steel cans and some in glass bottles, mainly nonrefillable. The Yosemite Park and Cury Company ships bottles and cans, along with old newspapers and cardboards, to Fresno, California, and sells them for recycling.

The test of the Yosemite refund system started May 17, 1976, and continues through September 19, 1976, or longer. The concessionaire company, to support this program, has news articles about the test running continuously in two park publications, the *Yosemite Guide* and the *Yosemite Sentinel*; posters are prominently displayed, and nightly talks by U.S. Park Rangers to park visitors incorporate information about the program.

The Environmental Protection Agency is preparing a guideline that would call for the establishment of similar returnable container systems at all Federal facilities that sell beverages in containers.

SOUTH DAKOTA'S CONCERN ON COAL DEVELOPMENT

Mr. McGOVERN. Mr. President, on July 29, South Dakota Gov. Richard F. Kneip spoke at the last energy conference sponsored by the University of Denver in Keystone, Colo.

In his address, Governor Kneip voiced many of the concerns that South Dakota has in relation to the development of the vast coal reserves in the Upper Missouri Basin.

As he suggests, we in South Dakota recognize that the coal must be mined, but we do want to insure that this is accomplished in a way that will minimize the adverse impact the extraction of this energy resource will have on States adjacent to the coal fields.

Mr. President, I ask unanimous consent that Governor Kneip's thoughtful remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY GOV. RICHARD F. KNEIP

The opportunity to address this last energy conference allows me to return to certain themes that I have stressed at other times and at similar conferences on energy issues. Those of you who have heard me address energy issues before, will find many of my remarks to be familiar. Such is the case because the challenges and opportunities confronting us are basically the same today as they have been for the past few years.

Although a national energy policy is still evolving through a combination of public discussion, congressional debate and administration proposals, portions of a program designed to achieve and maintain national energy independence have already been described by Congress and the Federal executive branch. Of immediate concern is initial action to accelerate development of the Nation's coal reserve to fill the gap between current shortages of petroleum and natural gas and the development of future energy supplies.

The most direct Federal influence in this program is a speeding up of the rate at which federally owned coal is developed. Since much of the Federal coal lies in the Western States—especially in the Northern Great Plains, even an imperfectly defined national energy policy causes a concentration of development in this region and takes on the appearance of a clear blueprint for the future development of the Northern Great Plains.

The impact of the new generation plants and the coal mining operators which supply them will provide both challenges and opportunities in this region. And a foremost challenge will be to ensure that developments ranging from coal mining and power generation to regional changes in economic life and environmental conditions are truly beneficial ones. Part of this challenge will be to provide some means for a continual assessment energy development impacts and to establish a means by which affected States and communities can plan for their orderly development, or for mitigation of any hardships which may occur.

The use of environmental impact statements to meet these challenges is perhaps inappropriate. Most environmental impact statements have been restricted to specific incremental actions rather than cumulative effects of many actions and their "spinoff" developments. Environmental impact statements have been limited by current perspectives on the size of affected areas and by the difficulty of predicting the future. Those actions charged with preparing environmental impact statements have been understandably frustrated by the great uncertainties involved as the scope of environmental and socio-economic analysis expands. The danger arises that "one shot" environmental and socio-economic analysis done today may seriously misdirect the policies which evolve in the future. Local governments, State governments, Federal agencies, and private individuals and concerns all need the benefit of continuing analyses of what is happening, what new questions are arising, and what new predictions can be made on the basis of new information.

We in South Dakota believe that we are in a unique position with respect to Northern Plains energy development, a position which enables us to take a broad view of the issues surrounding that development. I would like to briefly describe this perspective and underscore a proposal which will provide adequate energy development while at the same time providing protection of the environmental and traditional ways of life.

South Dakota, because of the hydro-electric power generated and marketed by the United States Bureau of Reclamation at dams along the Missouri River, is momentarily—and I stress this word "momentarily"—well supplied with electric power. Looking ahead at projections for energy use in the State after the year 1980, even with conservation measures, it is apparent that this supply must soon be augmented by new power sources.

South Dakota consumers not unlike other Americans can expect shortages in energy supplies and an increasing cost for energy used. While crude oil supplies appear to be stable ever increasing demands will eventually outstrip supplies. High volume interruptible natural gas customers will be terminated by 1978 and several hundred low interruptible customers will also be forced to seek alternative energy supplies. Also, with the termination of Canadian crude oil supplied to the midwest in the next three years, and, with the eventual termination of the mandatory allocation program South Dakota will face potentially large shortages of energy supplies in the foreseeable future.

To avoid these potential shortages from occurring it is necessary to adopt sound and meaning conservation efforts in residential and commercial use and industrial and agricultural consumption as well. Also, with the great abundance of renewable resources at our disposal, it is important that we apply to residential and commercial heating and cooling and to industrial and agricultural uses where it is feasible.

It is important however, to remember that while renewable resources can be applied for many uses it cannot alone fill the void between present and near future demand and supply.

Coal is by far a more abundant supply to satisfy our near future needs. Thus, Northern Plains Coal must be developed to serve both regional and national needs. We in South Dakota are not going to insist that energy development should be delayed until all conceivable questions about that development are answered.

South Dakota's agreement with the need for this development, however, does not diminish our concern over the impacts which may arise from energy development. A very basic concern is the possibility that even though South Dakota may be unable to exercise jurisdiction over energy development in adjoining States, the State may be called upon to provide services associated with that energy development. Thus the cost for providing roads, schools, recreational opportunities, housing and other facilities for regional energy development will be borne partly by South Dakota communities which have no power to tax energy development in an effort to balance these costs. Similarly, adverse environmental effects of energy development "upwind and upstream" from South Dakota may be felt by our citizens, even though they lack power to set control over emissions and pollutants.

We in South Dakota are vitally concerned that any potential harm to the States from concentrated energy development to the north and west be identified early and avoided through proper controls on that development. We have vigorously pursued Federal assistance in answering questions concerning the South Dakota impact of coal development. The Federal response to these requests have not always been as strong or complete as we may have desired.

Briefly, some issues concerning the secondary effects of energy development that we in South Dakota would like to see more aggressively pursued include the following: (1) The air pollution from power plants in Wyoming, Montana, and North Dakota which may have adverse effects on humans, plant life, animal life and soils and cause inadvertent modification of weather in parts of South Dakota; (2) The demands upon South Dakota ground and surface water for power plants, synthetic fuels plants and coal slurry pipelines; (3) population impacts, of either a positive or negative nature, on South Dakota communities; (4) potentials for upgrading of South Dakota rail facilities to meet projected increases in coal traffic; (5) the need for transmission corridors; (6) new development pressure in the Black Hills that could cause land use conflicts and environmental deterioration in the hills region, and (7) alternate methods of sharing northern plains energy development to benefit the economics of the States in the region and adjacent States in the upper Midwest.

At the present time, our knowledge of how the region's energy resources will be developed is based upon speculation. It is possible that the regions energy boom could be short lived and play out almost at its inception. It is also possible that the energy development in the northern great plains may create a regional market or form the basis for supplying the national market with goods manufactured in plants attracted to the region by abundant energy supplies.

Although information thus far reported in environmental impact statements and other studies of the effects of the regional energy development is useful to South Dakota and other States in the Northern Great Plains as they attempt to respond to Federal energy policy, it would be a grave mistake to assume that current knowledge is sufficient. We are not very good at predicting the future, and we even have difficulty responding to the challenges and opportunities of the present. Searching out these challenges and opportunities must be a continual process. As these matters which are speculative today become clearer probabilities in the future, we need to adjust our responses and push our speculative viewpoints farther ahead.

We are, therefore, proposing that as an integral part of its energy development policy, the Federal Government provides a means to continually monitor the multitude of effects resulting from that policy and make effects known to the States, local governments, and interested citizens in the region. For lack of a better term we have referred to this as a "continuous regional planning process." This does not, however, imply a Federal plan but rather a process by which the Federal Government provides support to States and communities which are directly or indirectly affected by Federal sponsorship of regional energy resource development.

This "continuous regional planning process" within the Northern Great Plains will hopefully include South Dakota in the decision making. That process must be complemented by mechanisms and procedures to implement only policy conclusions reached through the planning process. The leasing of coal by the Federal Government carries with it the responsibility for Federal funding of studies necessary to undertake and evaluate the continuing planning process and to provide for the projected public facilities and programs. Such a continuing planning process for the region is an essential mechanism to ensure that South Dakota and other affected States will have a voice in shaping regional events that affect it.

This joint Federal-State effort will be needed to identify emerging issues, collect new information, conduct expanded analyses, and to mitigate adverse impacts. We need a mechanism whereby the "playing out" of the Federal energy development policy may be monitored, its direct and indirect impacts identified, and appropriate responses made.

Basically, this regional planning process should be built around four basic steps; first, the effects of coal development will often be diffuse, unintended, delayed and cumulative and since communities and States at some distance from actual coal mines and power plants may undergo adverse changes in addition to receiving the benefits of increased electrical generating capabilities, it is necessary to identify the problems—the diffuse, delayed and cumulative problems. Thus step one consists of identifying the problems that exist. The next and second step would consist of determining available information as to the effects of coal development. Third, where there is a lack of information, fill in the gaps. Fourth, convene all relevant Federal, State, tribal and local elected and appointed officials to attempt to act in a cooperative manner to mitigate the adverse impacts and find solutions to problems created by energy development.

I wish to note that on February 24 of this year the Governors who comprise the Western Governors' Regional Energy Policy Office adopted "Public Policy Resolution 76–3." This resolution, which I sponsored, calls for the establishment of a Federal/State regional planning process to assess energy development impacts. Further, the establishment of this process has become the top priority work item of the Western Governors' Regional Energy Office staff.

Lest I be misunderstood, I will close by saying that I do recognize that future usage of coal in South Dakota, and the Nation as a whole, will require greatly increased refinement capacity. As petroleum and natural gas prices continue to climb we may expect that coal will be substituted for many operations which do not now depend upon them. This will be true even if strong conservation measures are adopted to control unnecessary consumption. In the near future, I anticipate that new coal fired generating and gasification plants will be needed to provide most of the increased demand.

States like South Dakota having communities far removed from the active coal mines will very definitely receive the positive impacts of additional electrical power capacity from the coal fired generating plants. I want to stress that point. But at the same time we must be aware of any negative impacts on the "down-wind," "down-stream" States—the so-called "fall-out" States—and attempt to gauge and mitigate these impacts.

Thank you.

NEW DIRECTIONS IN CONSERVATION

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues a recent address which I gave to the Soil Conservation Society of America at its convention in Minneapolis, Minn.

In my remarks to this group, I attempted to point out that conservation had today become a much broader subject involving man and all of his resources. Conservation has now become a matter of hard choices and trade-offs.

The renewed importance of conserving the soil and maintaining our agricultural production intact has become clearer and more evident than ever before.

With the world dependent on our agricultural productivity, maintaining our soil is of more than domestic interest and concern. The availability of energy for our agricultural production becomes an international concern. I suggested that we need a renewed dedication to conservation with the Soil Conservation Service playing a strong lead role.

Mr. President, I ask unanimous consent that these remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Hubert H. Humphrey

SOIL CONSERVATION SOCIETY OF AMERICA

A few short years ago, this convention would probably have been examining the importance of conserving our soil and natural resources.

Today in this Bicentennial year, conservation has come to mean much more. We must, as your theme suggests, consider carefully a wide variety of conservation choices.

While our views on the subject have changed greatly throughout history, it was an important issue even in the early days.

George Washington said, "Our lands were originally very good; but use and abuse have made them quite otherwise."

Ben Franklin wrote with great concern that Philadelphians had to travel over 100 miles for firewood. He invented his famous stove to make the wood go farther, but no one thought to manage the forests until 100 years ago when the American Forestry Association was founded.

That great conservationist Gifford Pinchot said, "The noblest task that confronts us all today is to leave this country unspotted in honor and unexhausted in resources . . . I conceive this task to partake of the highest spirit of patriotism."

That is a noble objective, but one not easily achieved. Conservation today involves hard choices which cost money.

But we could hardly expect the founding fathers to have the concern we have today over conserving soil, water, air, trees and even our human resources. The main concern of our settlers was to open up the land—even if it meant burning off the forests.

It took the dust bowl of the 1930's—blowing the topsoil of the Great Plains into the windows of Washington—to lead to the establishment of the Soil Conservation Service under the outstanding leadership of Hugh Bennett.

Bennett had a simple conservation philosophy:

Anchor the soil with plants and keep the water on the land.

More than 200 million trees were planted on the Great Plains to keep the soil and water on the land.

Under the direction of the S.C.S. and the Extension Service, farmers were taught contour plowing.

Wire fences were replaced with hedges that provided good wildlife cover and served as windbreaks. In addition, thousands of farm ponds were created—usually on the most badly eroded land.

Under the influence of Bennett, the American farmscape regained a beauty it had not had since before the Civil War.

When World War II came along, the world needed all the food which our rejuvenated soil could produce.

I recall that at that time the Soil Conservation workers carried portable rostrums with them from which they spoke to farm groups. These rostrums had a sign on the front that said, "Conservation Pays."

Our farmers found out that this was true. They became our nation's best conservationists out of enlightened self-interest.

After the war, the European nations began to rebuild, establishing strong protectionist agricultural policies. This was happening at the same time our farmers were setting unheard-of production records.

By the mid-fifties, we were building up huge surpluses.

Our farmers had produced this wonderful feast—a great banquet—and nobody came.

The signs which said "Conservation Pays" came down. Farmers began to wonder if perhaps conservation wasn't an enemy. Big crops meant less profit.

Our conservation workers were thrown into an identity crisis. More and more the farmer was left to his own devices—concentrating on rural development and similar programs.

The soil surveys were used more by real estate developers than by farmers. We should have been on the alert to what was happening as our population grew and much of our best land went into development.

Our nation was beginning the world's greatest mass migration as thirty million people fled to cities that were ill-equipped to deal with them other than through urban sprawl or the ghetto. We were on the way to becoming a Balkanized nation with the vast majority of our people living near the sea coasts and the Great Lakes.

Housing and development demands were rapacious on our flood plains and in already water-short areas. There weren't enough schools. Our zoning was inadequate, as were the water and sewer systems.

During the 1930's the experts had told us that our population would top off at 150 million. But by 1960 the population was approaching 180 million, and today we have around 215 million people.

At the global level, we reached four billion people this year. And it is expected that the total will approach seven billion people by the end of this century.

As a result, many countries today are experiencing economic and social crises. People everywhere want a better life.

This means an increased pressure on the supply of food and natural resources. Consequently, many nations have ignored sound conservation practices and neglected their soil and water resources.

Countries of South Asia, for example, are paying a price for over-cutting timber and over-grazing grasslands. These practices are costing India 30,000 acres of lost fertile land each year.

Today there are virtually no restrictions on planting, and our surpluses are gone. Food scarcity and volatile prices have now become the accepted rule.

And because of increased demand, farmers are getting better prices for their commodities and expanding their acreage—planting acres that they never would have bothered with in the past.

However, the drought also is back, and the dust is blowing once again, my friends.

A lot of our topsoil is gone too—gone with the wind—only to land 200 miles out in the Atlantic.

At the same time, we are cutting down our shelterbelts to plant more crops. This year 15 million acres were damaged by wind erosion.

Certainly we must do all we can to help the developing nations to protect their soil and water base. And we must help them to increase their own food production.

But hundreds of millions of citizens of this old earth are going to be relying on the American farmers for a long time to come.

Since the United States is the world's main food surplus nation, what we do can help start wars or stop them.

The Club of Rome and a number of other prognosticators have come up with some pretty dismal alternative futures for the world. It is clear that there will be a continued heavy strain on the world's resources as it struggles to satisfy the demand for food and other scarce commodities.

I certainly am not a prophet of gloom and doom. But many Americans will likely face the need to change their lifestyle as many non-renewable commodities become prohibitively expensive or not available to all.

This is not to say that we will go back to living in tents or driving stage coaches. But a lack of certain resources is going to force us to change our ways. We will have to adapt just as Dr. Franklin did by inventing his stove.

We also can get more mileage out of existing resources.

For years we have ignored wind power and solar energy. But now we are starting to invest research dollars in developing these energy sources.

We also have discovered additional acres of land for cultivation—111 million acres was the S.C.S. estimate—to help meet the world's needs for food and fiber.

And there are lands available in other nations which—at a price—can be opened up for production. In Africa, for example, controlling the tsetse fly would open up thousands of acres for production.

We are losing about 5 million prime acres a year in this country to urbanization and development. Therefore, we are going to have to manage our lands as serious conservationists.

I was very pleased to see the recent Department of Agriculture policy statement to the effect that everything possible should be done to protect our best agricultural land.

The only trouble is that the policy has no application to agencies outside of U.S.D.A.—such as H.U.D.—which need to get the message.

Another critical conservation concern—related to our land and foresty practices—is the management of water supplies. This area directly affects soil erosion and agricultural productivity.

This issue has become more serious as we have expanded our irrigated farming. In some Nevada counties the water table has gone down over 1,200 feet.

The General Accounting Office, in a report to Congress, states that half of the water provided for irrigation by the Bureau of Reclamation is wasted. Unfortunately, this story is repeated throughout the developing world, where water for irrigation is often not used efficiently.

The conclusion which is unavoidable is that many people have forgotten the basic importance of resource conservation. And the need is more critical than ever before.

I am concerned that our farmers—beguiled by the full production rhetoric and facing high production costs—are forgetting some of Hugh Bennett's lessons.

The S.C.S. people should consider putting a new sign on those portable rostrums—not "Conservation Pays," but "Failure to Conserve Costs Everyone."

While we have had serious drought in Minnesota and other parts of the world this year, it appears that we will have good crops, with record yields in some areas.

But we must not let this harvest lull us to sleep. The ticking population timebomb is real. One bad crop year would at a minimum disrupt the world markets. But two such harvests would lead to starvation for millions.

The weather is capricious and undependable. Climatologists believe that the world's weather patterns are undergoing long range changes which will mean greater instability.

In their view the world climate during the last 50 years has been mild and reasonably stable. They expect that the climate in the future will return to more "normal" volatile patterns.

And in many respects our ability to feed the world's population will depend on this one factor.

To do the job, we need to give priority attention to conservation. We must plan ahead. And we must be willing to invest some money.

In 1974 we took an important step in passing the Forest and Rangeland Renewable Resources Planning Act, a device which we expect to use to set policy and spending priorities for the U.S. Forest Service.

We also have spent a great deal of time this year in developing new forestry management legislation to guide the Forest Service operations and involve the public in the process.

We want to work with the Forest Service in a cooperative fashion in balancing the many competing demands placed on our National Forests.

The Senate this year has passed a bill, based on the Resources Planning Act, to bring some cohesion to our long range planning in our soil and water conservation programs.

This bill could be the beginning of a sensible conservation program. It requires S.C.S. to do periodic land inventory and monitoring so that Federal resources can be focused on the areas of greatest need.

But whether the bill moves ahead quickly or not, the Committee on Agriculture and Forestry also has begun an evaluation of all soil and water conservation programs within the Department of Agriculture.

Unfortunately, because Congress repeatedly must concern itself with protecting these programs from Administration budget cutters, there never seems to be time to take a hard look at priorities and programs.

Despite the hundreds of millions of dollars that we have spent every year, there still is too much silt running in our creeks and rivers. Farmers are waking up to find that their own chemicals have polluted their ground water supplies.

What I am saying again is that the conservation issues are increasingly complex and inter-related.

Unfortunately, the Soil Conservation Service in recent years has had an image problem. Some people have even felt that the agency's job is over.

In my view we need a renewed dedication to conservation. And we need to have the S.C.S. playing a strong lead role.

I recently introduced legislation to begin the process of developing a national food policy—directed toward balancing the needs of consumers and producers and at the same time helping to feed a hungry world.

Such a policy, it seems to me, also should include a major conservation component to help our farmers produce the abundant supplies of food and fiber we need.

The message before us is clear. The urgency is overwhelming. And the difficulty is awesome.

But let us get on with the task. I pledge my help, and I ask for yours.

GOVERNMENT REGULATION: THE CONSUMER GETS THE BILL

Mr. FANNIN. Mr. President, perhaps the most telling criticism of Government regulation is that the regulators fail to consider or measure the costs of such regulation against anticipated benefits. The result has been overregulation, where costs exceed benefits, an unfortunate situation which has proved disastrous for our country's industry and the economy, for the public and individual freedom.

In a recent article published by the Commercial and Financial Chronical, the distinguished economist Dr. Murray L. Weidenbaum, director of the Center for the Study of American Business at Washington University, discusses the problems of overregulation as they affect businesses and consumers.

As he points out, "It is the consumer who ultimately bears the burden of overregulation of business." He continues:

> Most of the time, the proponents of new government controls focus all of their attention on the potential benefits—and often those benefits can be real and substantial. But they overlook the large costs which are so often involved, costs to both the taxpayer and the consumer—and that, I find, is the Achilles heel of the regulators.

The regulatory costs to which Dr. Weidenbaum refers are more than the almost $3 billion a year required to support the burgeoning bureaucracy with a regulatory work force of 74,000 people. There is a "hidden tax" on consumers in the form of higher prices for goods and services the people need and shortages in essential products the people use, as a result of regulatory overkill. Consideration must also be given to the harmful effects of regulation upon productivity and unemployment. Regulation retards industrial innovation and investment. It hinders the introduction of new and better products and has a negative impact on capital markets and new capital formation. In addition to the "awesome power" exercised by regulators which substantially restricts the civil liberties and reduces the free market choices available to consumers, Dr. Weidenbaum warns of the dangerous shift of ordinary decisionmaking from local entrepreneurs concerned with profit and loss considerations to a faceless cadre of unelected and unresponsive bureaucrats in Washington. Mr. President, these are a few of the many factors which the Congress must keep in mind in assessing current Government regulatory policies and in considering improvements in the regulatory system.

Professor Weidenbaum offers an excellent legislative blueprint for reform. He says, and I quote:

> In legislating regulatory programs, there are very important questions which need to be faced and answered: what rules to set, how detailed to make them, and how to carry them out. Because of the very substantial and often adverse side-effects that they give rise to, society should take a new and hard look at the existing array of government controls over private business. A substantial effort should be made to eliminate those controls that generate excessive costs to the society. Rather than blithely continuing to proliferate government controls over the economy, alternative means of achieving important national objectives should be explored and developed, solutions that expand rather than reduce the role of the market. To the enthusiasts for more federal regulation, I urge that they stop, look, and listen—to the operation of existing federal rules and regulations, and see how the bright dream turns into ugly reality.
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> Whether we like the idea or not, we must realize that a massive expansion of government controls over industry is now under way. Government officials are playing a larger role in what traditionally has been internal business decisionmaking. But we also must recognize that it is difficult to criticize their basic mission. You have to possess the personality of Scrooge to quarrel with the intent of these new regulations. After all, who is opposed to safer working conditions, better products for the consumer, elimination of discrimination in employment, or reduction of environmental pollution? And in fairness we must acknowledge that the programs established to deal with these problems have yielded benefits to the nation.
>
> But at what costs? The costs of overregulation of business are felt by our citizens in many ways: Higher taxes to pay for the regulators. Higher prices of the products we buy as a result of the regulations. Loss of

productivity and jobs. A slower rate of introduction of new and better products. And less capital available for new undertakings. Let me cite some specifics.

Federal regulation adversely affects the prospects for economic growth and productivity by levying a claim for a rising share of new capital formation. This is most evident in the environmental and safety areas. Let us examine the flow of capital spending by American manufacturing companies just prior to the recent recession. This is very revealing. In 1969, the total new investment in plant and equipment in the entire manufacturing sector of the American economy came to $26 billion. The annual totals rose in the following years, to be sure. But when the effect of inflation is eliminated, it can be seen that four years later, in 1973, total capital spending by U.S. manufacturing companies was no higher. In "real terms," it was approximately $26 billion both in 1969 and 1973.

Weidenbaum recommends that each Federal agency be required to engage in the process of balancing the costs against the benefits of regulation, "to assess the impacts of its action on the Nation as a whole and particularly on the economy." Moreover, he suggests that we adopt a more realistic view of the limitations of Government regulation so as to avoid the pitfall of accepting "the totalitarian notion that the end justifies the means." A basic change in attitude is called for. The agencies must not resort to detailed regulation as a way of ducking hard policy decisions. It is more important that regulators keep in mind the overall regulatory objectives mandated by Congress—such as making the work environment safer, or the air cleaner—rather than concentrating on the particular methods used by businesses to accomplish those ends.

More specifically, Weidenbaum advocates that regulatory compliance be the joint responsibility of employers and employees—a notion which I wholeheartedly endorse and have included among the provisions of my own regulatory reform bill, S. 2792. As Weidenbaum notes, the purpose of regulation "is not to be harsh, but to set up effective incentives to achieve society's objectives."

Mr. President, Dr. Weidenbaum is one of our best informed commentators on the subject of Government overregulation and regulatory reform. I recommend that my colleagues peruse his article in the July 12 issues of the Commercial and Financial Chronicle and I ask unanimous consent that the complete text of that article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT OVERREGULATION—THE CONSUMER GETS THE BILL

(By Murray L. Weidenbaum)

The future of the private enterprise system in the United States for a long time is going to be determined by the outcome of the current debate that is now heating up about government regulation and deregulation. Frankly, do not get your hopes up too high. The vast regulatory apparatus that has developed in Washington over many years is not suddenly going to be dismantled.

But this new national debate does give us the opportunity for the first time to bring to everyone's attention some basic facts, facts known to every businessman, but not to the public. The single fact that I find most important—in getting the attention of the public—is that it is the consumer who ultimately bears the burden of overregulation of business. Most of the time, the proponents of new government controls focus all of their attention on the potential benefits—and often those benefits can be real and substantial. But they overlook the large costs which are so often involved, costs to both the taxpayer and the consumer—and that, I find, is the Achilles heel of the regulators. Let me give you some perspective.

That is not the end of the story, however. In 1973, a much larger proportion of capital outlays was devoted to meeting government regulatory requirments in the pollution and safety area—$3 billion more, to be specific. Hence, although the economy and its needs had been growing substantially in those four years, the real annual investment in modernization and new capital had actually been declining. The situation was worsened by the accelerated rate at which existing manufacturing facilities were being closed down because the rapidly rising costs of meeting government regulations meant that they were no longer economically viable. Specifically, about 350 foundries in the United States have been closed down in the past four years because they could not meet requirements such as those imposed by the Environmental Protection Agency and the Occupational Safety and Health Administration. This may help to explain why the American economy, for a substantial part of 1973, appeared to lack needed productive capacity, despite what had been large nominal annual investments in new plant and equipment in recent years.

The agencies carrying out federal regulations are proliferating. In the past decade alone, we have seen the formation of the CPSC, the EPA, the FEA, the CASB, the NBFP, the MESA, the NHTSA, and the OSHA. That's just some of the alphabet soup. The cost of maintaining this army of enforcers is huge. $3 billion a year of tax dollars is devoted to supporting a regulatory workforce in excess of 14,000 people. The costs of government regulation are rising far more rapidly than the sales of the companies being regulated. Regulation literally is becoming one of the major growth industries in the country. But this represents only the tip of the iceberg. It is the costs imposed on the private sector that are really huge, the added expenses of business firms which must comply with government directives, and which inevitably have to pass on these costs to their customers. One direct cost of government controls is the growing paperwork burden imposed on business: the expensive and time-consuming process of submitting reports, making applications, filling out questionnaires, and replying to orders and directives.

Here is a striking example. One large oil company is required to file approximately 1,000 reports annually to 35 different federal agencies including the Federal Power Commission, the Federal Energy Administration, the small Business Administration, and the Bureau of Indian Affairs. In the first half of 1975, the Standard Oil Company of Indiana had to add to its list of required paperwork 16 major new reports to be submitted on a regular basis.

Duplication inevitably occurs. The company must report its oil and gas reserves to the FEA, the FPC, the FTC, and the Geological Survey. Each report must take a somewhat different form. It requires 636 miles of computer tape to store the data that Standard must supply to the FEA. In total, Indiana Standard has 100 full-time employees whose work is centered around meeting federal regulations, at an annual cost of about $3 million.

Another hidden cost of federal regulation is reduced rate of introduction of new products. The longer that it takes for some change to be approved by a federal agency the less likely the change will be made. For example, as a result of the more liberal policy in the United Kingdom toward the introduction of new drugs, Britain has been able to introduce useful new drugs, either sooner than the United States or exclusively.

A recent case is the new asthma drug beclomethasome dipropionate (I call it BD). Although this drug has been used successfully by millions of asthma patients in England, it still has not received the approval of our Food and Drug Administration. BD is a safe and effective replacement for the drugs which are now given to chronic asthma patients, but without their adverse side effects. Unlike BD, the steroids now used in this country, such as prednisone, stunt growth in children, worsen diabetes, and increase weight through water retention. The delaying procedures of the FDA are not only increasing business costs but are preventing American consumers from having access to the newer and better product.

FDA DELAYS

The Food and Drug Act is delaying the introduction of effective drugs by about four years. As a result, we are no longer the leaders in medical science. The United States was the 30th country to approve the anti-asthma drug metaporoterenol, the 32nd country to approve the anti-cancer drug adriamycin, the 51st country to approve the anti-tuberculosis drug rifampin, the 64th country to approve the anti-allergenic drug cromolyn, and the 106th country to approve the anti-bacterial drug co-trimoxazole.

The regulators really seem to have the private sector scared. Take a recent example, the report last summer by the National Cancer Institute that the solvent trichloraethylene, known as TCE, may be a possible cause of cancer. TCE at the time had been used in decaffeinated coffee. It seems that the government used a rather generous dose of the chemical on the test animals. It was the equivalent of a human being drinking 50 million cups of decaffeinated coffee every day for his entire lifetime.

What was the industry's reaction? To laugh at this example of governmental nonsense? (After all, your bladder would give out or you would drown before you had to worry about cancer.) Hardly. With the cyclamate episode still firmly in mind, one major producer merely changed to another chemical. Frankly, I don't blame them, given the public atmosphere that has been created. But I do think that it is high time that we speak out on this issue.

It is inevitable, but the proliferation of government controls has led to conflict among controls and controllers. In some cases, the rules of a given agency work at cross purposes with each other. More serious and more frequent are the contradictions between the ruling of two or more government agencies where the regulated have little recourse. Obviously, you cannot build a factory if it violates the standards of the Environmental Protection Agency. You have to make sure, of course, that in cleaning up air pollution you do not generate water pollution.

For example, the desulfurization of coal—to reduce air pollution—requires a combination with lime. But in the process, you generate large quantities of solid waste, calcium sulfate. Disposing of calcium sulfate creates water pollution problems.

Let me cite another example. Federal food standards require meat-packing plants to be kept clean and sanitary. Surfaces that are easiest to clean are usually tile or stainless steel. But tile and stainless steel are highly reflective of noise. They may not always meet the standards set for occupational safety and health.

Each regulatory agency seems to be exclusively preoccupied with its own narrow interest, and is oblivious to the effects of its actions on the company, a whole industry, or even to society as a whole.

FIRE ANT TROUBLES

The action of the Environmental Protection Agency and fire ants offers a good case study. EPA told the Agriculture Department that it is imposing severe restrictions on the use of the pesticides which can kill fire ants. Agriculture has had a major program under way to get rid of those ants. EPA's ruling is preventing the Department from carrying out its eradication program.

The Agriculture Department believes that fire ants may spread over a third of the United States. The insects may not harm the environment as much as EPA thinks pesticides do, but their bite is very painful. It can even cause death. But in the traditional bureaucratic division of labor, EPA apparently is not concerned with the fact that fire ants can kill people. I suggest, facetiously, that the Agriculture Department try to breed a special strain of fire ants that only bite high-handed government regulators.

The instances of waste and foolishness on the part of government regulators pale into insignificance when we compare them to the arbitrary power that they can exert. Manv liberals are outraged by arbitrary "no-knock" powers of federal investigative agencies, yet they readily ignore the unchallenged no-knock power used by federal agencies in their regulation of private business.

The Supreme Court has ruled that air pollution inspectors do not need search warrants to enter the property of suspected polluters as long as they do not enter areas closed to the public. The unannounced inspections, which were conduced without warrants, were held not to be in violation of Constitutional protections against unreasonable search and seizure.

The inspectors of the Labor Department's Occupational Safety and Health Administration (OSHA) can go further. They have no-knock power to enter the premises of virtually any business in the United States, without a warrant or even prior announcement, to inspect for health and safety violations. Jail terms are provided in the OSHA law for anyone tipping off a "raid."

The awesome power exercised by government regulators often goes unappreciated by the public as well as by the regulators themselves. The case of the ban on spray adhesives is one that is worthy of some attention. On the surface, it appears to have been at most only a matter of excessive caution on the part of the Consumer Product Safety Commission.

On August 20, 1973, the Commission banned certain brands of aerosol spray adhesives as an imminent hazard. Its decision was based primarily on the preliminary findings of one academic researcher who claimed that they could cause birth defects. After more careful research failed to corroborate the initial report, the Commission lifted the ban on March 1, 1974. Why do I mention this case? Depriving consumers of spray adhesives for less than seven months does not seem to be too harsh in view of the desire to avoid serious threats to people's health.

In fact, the admission of error on the part of the Commission is commendable. Its prompt rescission of the initial action would seem almost to break speed records for a government agency. But there is more to the story. It seems that a number of pregnant women who had used the spray adhesives reacted to the news of the Commission's initial decision by undergoing abortions. They decided not to carry through their pregnancies for fear of producing babies with birth defects. The sadness of this case is hardly reduced by the fact that everyone involved was trying to promote the public health and safety.

TOTALITARIAN NOTIONS

This is not a general attack on all forms of government regulation of private activity. Unless you are an anarchist, you do believe that the government should set rules for society. But to concentrate exclusively on the well-intentioned objectives of government policies and to ignore their serious side is unwittingly to fall into the trap of adopting the totalitarian notion that the end justifies the means.

In legislating regulatory programs, there are very important questions which need to be faced and answered: what rules to set, how detailed to make them, and how to carry them out. Because of the very substantial and often adverse side-effects that they give rise to, society should take a new and hard look at the existing array of government controls over private business. A substantial effort should be made to eliminate those controls that generate excessive costs to the society. Rather than blithely continuing to proliferate government controls over the economy, alternative means of achieving important national objectives should be explored and developed, solutions that expand rather than reduce the role of the market. To the enthusiasts for more federal regulation, I urge that they stop, look, and listen—to the operation of existing federal rules and regulations, and see how the bright dream turns into ugly reality. But criticism and generalities do not suffice. If we are going to improve the situation, we are going to have to develop specific proposals.

A good beginning to streamlining government regulation, oddly enough can be based on the environmental regulations, themselves. We are now required to examine the impact on the environment of the various actions that we take. Sometimes it seems that you cannot sneeze without filing an environmental impact statement. Would it not also be appropriate to require each environmental agency to assess the impacts of its action on the nation as a whole and particularly on the economy? And to show that the benefits of its actions exceed the costs imposed on the public? Surely a cleaner environment is an important national objective. But it is not the only national objective, and certainly society has no stake in selecting the most expensive and most disruptive ways of achieving its environmental goals. I have in mind the recent case of the developer who felt obliged to include every type of weed in his environmental impact statement—and how to keep them. I am not advocating a green eye shade approach. Indeed, let us mourn for all the trees that have needlessly been cut down to provide the paper for all those overblown business reports to government.

We should require the same balancing of costs and benefits for the other regulatory programs, including product safety, job health, equal employment, energy, et al. As in most things in life, the sensible questions are not matters of either-or, but rather of more or less and how. To an economist, it seems proper that government regulation should be carried to the point where the benefits equal or exceed the costs—and no further. Overregulation—which I define as situations where the costs exceed the benefits—should be avoided. But if we ignore the costs, we are bound to operate in the zone of overregulation. What do we do about it? I do not expect the situation to really improve until consumers learn that it is they who ultimately pay the growing costs imposed by government regulation. And remember these costs hit the public in two ways: higher taxes to cover the expenses of the government agencies doing the regulating and higher prices of the products which are produced under government regulation.

Perhaps even more fundamental is the notion that government regulation is a powerful medicine. It needs to be taken very carefully, in limited doses, and with full regard for all the adverse side-effects. We must avoid unwittingly overdosing the patient. Better yet, we must quit following the advice of well-meaning individuals who do not understand the consequences of their proposals.

Basically it is attitudes that need to be changed. A case in point relates to what on the surface should be a matter relatively free of controversy, yet one which has become one of the sorest aspects of the entire business-government relationship—improving job safety. Surely, the society desires to reduce the accidents that occur on the job. To this end, the Congress established a new agency with thousands of employees and an operating budget of several million dollars. The agency in turn has promulgated an array of rules, regulations, and requirements which have resulted in literally billions of dollars in private sector outlays—and in more complaints by business than on almost any other government program.

What have been the results? More forms are now filled out. More safety rules are posted. More inspections take place. More fines are levied. But, as shown by the available statistics, there has been no reduction in accident rates in American industry. In the case of the job safety program, as in numerous other areas of government involvement, the important original concern of the public and the Congress has been converted to the bureaucratic objective of not violating the rules and regulations. "You won't get into trouble if you don't violate the safety standards," is the bureaucratic response, even if as many accidents occur as before. The emphasis shifts to such trivia as raising and answering these types of questions? How big is a hole? When is a roof a floor? How frequently must spittoons be cleaned? The results in terms of the safety objective are almost invariably disappointing. Yet, the reaction to this situation is virtually predictable: redouble the existing effort—more rules, more forms, more inspections, and thus higher costs to the taxpayer and higher prices to the consumer.

A more satisfying answer requires a basic change in attitude, and one that is not limited to the job safety program. Indeed, it is used here as an illustration. If the objective of public policy is to reduce accidents, it should focus directly on the reduction of accidents. Excessively detailed regulation often is a substitute for hard policy decisions. Rather than issuing citations to employers who fail to fill out the forms correctly or who do not post the correct notices, the emphasis ought to be placed on those employers with high and rising accident rates:

But the government should not be concerned with how a specific company achieves the objectives of a safer working environment. Some may find it more efficient to change work rules, others to buy new equipment, and still others to retrain workers. But that is precisely the kind of operational business decisionmaking that government should avoid, but which now dominates so many of these regulatory programs. Without diminishing the responsibility of the employers, the sanctions under the federal occupational safety and health law should be extended to employees, especially those whose negligence endangers other employees. The purpose here is not to be harsh, but to set up effective incentives to achieve society's objectives.

THE HANDGUN PROBLEM

Mr. McGOVERN. Mr. President, one of the most challenging artices I have read in many months was written by Mr. Richard Harris for the July 26 issue of the New Yorker. Mr. Harris gives special attention to the efforts of Nelson T. Shields III, who now heads the National Council To Control Handguns. I think every American who is concerned about the growing threat of unregulated handguns to American society should read this article. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A REPORTER AT LARGE

HANDGUNS

At a little before nine o'clock on the evening of April 16, 1974, a station wagon pulled up in front of a small apartment house on a quiet residential street in San Francisco. The occupants of the station wagon were two white men in their early twenties. One was Nelson T. Shields IV, a native of Delaware, who was in the area to spend a few days visiting friends before going back East to reenter college after having dropped out a year before. The other man was Jonathan May, whom Shields had met a couple of days earlier through the friends he was visiting and had also become friendly with—chiefly because he and May were both avid and expert lacrosse players. The two men had just finished coaching a group of boys in the game and had been heading for May's apartment when he remembered that he had promised to stop off to pick up a rug he had bought from an acquaintance. May, who was driving, parked and went into the building to get the rug, and Shields walked around to the back of the station wagon, opened the rear door, and began rearranging the litter of lacrosse equipment there to make room for the rug. Suddenly three shots were fired at close range into Shields' back, and he collapsed on the street. May heard the shots and hurried out of the building to see what had happened. Shields was dead. There were no witnesses to the crime, but the police ballistics division reported that the bullets that killed Shields had been fired from a .32 calibre pistol that had been used in several other apparently random murders and attempted murders of white people by a small group of black men—known by the police code name Zebra—who had been carrying on a campaign of racial terrorism in San Francisco for five months. Shields' death brought the toll attributed to the Zebra gang to seven people wounded and fourteen people killed. As it turned out, Shields was the last Zebra victim.

Shields' father, Nelson T. Shields III, who was a marketing manager in the consumer-products division at E. I. du Pont de Nemours and Company, in Wilmington, Delaware, flew out the next day to pick up his son's body. "Somehow the press got the idea that I was a vice-president of du Pont, and gave me a big play," he said recently. "I agreed to speak at a press conference, and the reporters there all seemed surprised that I was the only relative of a Zebra victim who didn't want vengeance, who didn't say, 'I'm going to get a gun and go find and kill the men who murdered my loved one.' I didn't feel that way at all. I was just full of sorrow and full of wonderment over how such a thing could have happened. When I got back to Wilmington, I had to face what I was going to do—go back to work and go to the same old cocktail parties and try to forget? But my boy's death made me wonder if I could do something to stop this from happening to somebody else's kid. 'Could I do something to help my society be better?' I asked myself. I'd never even thought of such a thing before. My friends felt that I was acting too emotionally, even though understandably, and they kept telling me to cool it. So I went back to work, but I spent all my spare time for a year reading up on guns and gun laws and gun-control proposals of all kinds. I kept asking myself during that year, 'What can be done? What can I do?' Much later on, I heard about a young man who had lived in Chicago and had been held up there one night in 1973 by a man with a gun. Well, *this* victim wasn't going to take it. Soon afterward, he moved to Washington, D.C., and one of the first things he did was try to join a national handgun-control organization. To his amazement, he found that despite all the havoc and grief created by handguns in this country, there wasn't a single national handgun-control lobby trying to do anything about it. Anyway, he and a few friends organized and incorporated the National Council to Control Handguns, in January, 1974. They spent months after that knocking on doors, trying to get operating funds and members to support a national gun-control lobby. By November, they had drummed up enough support and collected enough money to open a small office in Washington. Late that year, I heard about N.C.C.H. and went down to Washington to look into it. I discovered that the director was an old friend of mine—Edward Welles, a retired C.I.A. official, who was doing the job for nothing. He and one low-paid secretary were running the whole operation. I talked to them, and then I took a temporary leave of absence from my job so that I could attend a series of gun-control hearings held by Congressman John Conyers during February, March, and April of 1975. Early in May, I asked du Pont for an indefinite leave, and it became effective early in July. I went to work for N.C.C.H. full time then, and when Welles retired last September, I took over as director. My job is voluntary. I don't get paid by either du Pont or N.C.C.H. I figured that after working hard for twenty-six years and saving carefully, if I couldn't take at least a year off to do this for my son, for myself, for my country, I wasn't much of a man."

Not long ago, I went down to Washingington to talk with Shields about the operation of the National Council to Control Handguns. The outfit's office turned out to be a small, modestly furnished suite of rooms, and Shields turned out to be a gray-haired man of medium height in his early fifties who was wearing horn-rimmed glasses. He greeted me affably, and waved me to a chair in his office while he went off to get us some coffee. A poster on the wall near my chair had a black background and the white outline of an hourglass, in which various kinds of revolvers and automatics were flowing down from a half-filled top into a half-filled botom. Beside the hourglass were the words "In the eight seconds it takes to read this sentence, another handgun will have been produced in the United States. By the time you finish reading this poster, it will have been sold. Aren't things moving a little too fast?"

When Shields returned with the coffee and sat down behind his desk, I asked him why his organization was concentrating solely on handgun control, rather than on control of all kinds of firearms.

"There are forty to fifty million privately owned handguns in our country today, and of the million violent crimes committed here every year an estimated three hundred thousand are committed with handguns," he answered without hesitation. "The latest figures, for 1974, show that handguns were used in about a hundred thousand aggravated assaults, a hundred and forty-five thousand robberies, a couple of thousand accidental deaths, ten thousand suicides, and eleven thousand murders. To give you a better idea of what the murder figures alone mean, between 1966 and 1972, the peak years of the war in Vietnam, forty-four thousand Americans were killed in battle there. During the same period, fifty-two thousand people were murdered with handguns here at home. Or take the statistics on murder in this country by type of weapon. Five per cent of them were committed with rifles, nine per cent with shotguns, eighteen percent with knives, seven per cent with things like clubs or pokers or poison, eight per cent with hands or feet, and *fifty-four* per cent with handguns. Are we going to wait until there are eighty million or a hundred million handguns in the United States and a million handgun crimes a year before we do something? We've got to start—now!"

Shields' telephone rang, and after a brief conversation he turned back to me and said, "The total number of deaths by gunfire in this country is greater each year than it is in all the other free nations of the world combined. That's because they control guns—above all, handguns—and we don't. For instance, Japan prohibits the private ownership of handguns entirely. In 1971, when the crime rate here was far lower than it is today, there were one hundred and ninety-one times as many gun murders in the United States as there were in Japan." Breaking off while he searched through a stack of papers on his desk, he finally pulled out a sheaf of them and waved it at me. "This is a statement made by Louis Harris, the pollster, in testimony before the Senate Committee on Government Operations last fall," Shields said. "Harris had a poll conducted on guns at his firm's own expense, as a public service, and was testifying about the results. He found that by a majority of seventy-seven per cent to nineteen per cent the American people favor mandatory federal registration of all handguns. What's more"—here Shields paused and raised a forefinger for attention—"gun owners themselves favor mandatory registration of handguns by a margin of sixty-nine per cent to twenty-seven per cent. And even handgun owners, when considered separately, favor such controls by a margin of sixty-one to thirty-three per cent. Now, here's Harris's own conclusion based on his poll: 'These results are decisive and beyond any question of whether the American people favor gun control.' And he goes on to say that the American people 'view gun-control legislation as a necessary, critical, and primary first step.' Well, we at N.C.C.H. entirely agree with that conclusion. We don't believe that even the most stringent handgun controls will end violent crime. The causes of crime in this country are too deeply rooted in such complicated problems as our criminal-justice and penal systems, juvenile delinquency, the lack of jobs, and all the social and economic inequities that our society hasn't been able to adjust fairly. But we strongly believe that America simply cannot wait for broad social progress to reduce crime. Action—direct action—has to be taken now. And it's possible now. Once we sharply reduce the private possession of handguns, violent crimes in this country will start to be cut down dramatically."

Shields expended a long, breathy sigh as if in relief, leaned back in his chair with his hands cupped behind his head, and smiled broadly. "So much for the statistics," he said. "Now for the political realities." I had been about to bring up that subject, because the absence of any meaningful gun laws in this country—despite a dozen years of assassinations and attempted assassinations, riots, and the rapid rise in the nation's crime rate—had led me to wonder if we could ever have effective controls over firearms. The Washington-based National Rifle Association, I knew, was regarded in the capital as having the most powerful lobby in town. Members of Congress, it has often been said, tremble before the N.R.A.'s wrath whenever even the most modest gun-control measure is proposed in either house. I mentioned these factors, and Shields nodded. "We don't have any effective gun laws because of politics, and the only way we can get such laws is through politics," he said. "Since this country's staggering rate of violent crime deeply concerns the public, and since the handgun contributes a very large share to that crime rate, handgun control is a practical, realistic political issue. For instance, Louis Harris has also indicated that any candidate for public office who makes tough gun controls a major campaign issue will win. We believe he's right. So our primary task is to convince lawmakers that they stand to lose more votes by being for guns than they do by being against guns. In order to accomplish that, we have to create a coalition out of the great mass of the American people who are for strict gun controls—again, remember, that means between seventy and eighty per cent of all adults in this country—and get them to act, to speak out, to write and wire and phone their members of Congress and demand handgun controls. That's the only way we can persuade politicians to support gun controls."

Leaning forward, Shields went on, "Our movement has to be basic. It has to come from the grass roots of America. Part of our strategy is to serve as an umbrella organization for the dozen or so handgun lobby groups already in existence around the country. In June, there was a meeting of all state and local handgun-control lobbies, and they voted to set up a national coalition with N.C.C.H. as leader of the movement. We will give them advice and information, and urge their members, in turn, to support us so that we can organize more such groups elsewhere and really get this movement moving. There are also purely educational outfits, not lobbies, that inform the public about the dangers of guns and what can be done about them. We use some of their information, and they are in the process of setting up their own umbrella organization."

Not long before, I had read in the *Times* that the N.R.A. has over a million members and an annual budget of thirteen million dollars, nearly half of which was said to be spent on direct and indirect lobbying against gun controls throughout the United States. When I asked Shields about N.C.C.H.'s membership and budget, he smiled, leaned back in his chair again, and answered, "Of course, we've hardly begun. Since I took over last September, we've raised around forty thousand dollars—the first third of it from my friends." The total raised so far, he continued, had paid for office rent and salaries for an assistant director, a secretary, and a part-time bookkeeper. There were also an unpaid part-time specialist in membership enrollment, together with a fairly large number of other volunteers, including a couple of advertising and public relations men and fifteen lawyers from various law firms in Washington, who draft gun-control legislative proposals and advise N.C.C.H. on the legislation that is constantly being proposed, opposed, and revised on Capitol Hill. Whatever money is left over after basic expenses, Shields explained, is spent on direct-mail solicitation for support of the organization's goals and for donations to help it achieve them. "So far this year, we have sent out more than a hundred thousand pieces of mail—mainly soliciting new members," he said. "Next year, we hope to send out a million pieces of mail, and to continue on that basis, or better, annually. But we have to organize on a professional rather than a purely volunteer foundation if we're going to be really effective. And we can't do that—in fact, we can't do much of anything—without having money up front. That's what we need—money, money, money." As for N.C.C.H.'s membership, he told me, there were only four thousand members, while various state gun-control groups had perhaps fifteen thousand members altogether. "But I believe that if we get enough money to put out enough direct mailings, by the end of 1977 we'll have three hundred thousand to four hundred thousand members," he added. "Then we can really go to work. We plan to organize these members selectively, with emphasis on the congressional districts that are pivotal in House votes on the gun issue. Our goal is to enroll at least two hundred active workers in each pivotal district, in order to create the nucleus of a compaign organization when it comes time to act directly. At the appropriate time, we'll select from four to six congressional elections where we can get candidates to commit themselves to vote for handgun-control laws, and then we can measure the depth of voter feeling on the issue. Essentially, it's the same techniques used by the Dirty Dozen Campaign Committee. In the past three congressional elections, the committee has gone directly into the election districts of the twelve incumbents it chooses each year on the basis of their poor voting records on environmental issues. Nineteen of the committee's thirty-one targets have been defeated. We plan not only to duplicate this effort but to work with that committee and other public-interest committees, which are being set up more and more by groups of citizens across the country. By these means, we believe that we can prove to politicians that handgun control is crucial to any candidate's election or reelection."

A tall, black-haired man in his mid-twenties came into the office, excused himself for interrupting us, and asked if he could show Shields something in the outer office. Shields introduced him to me as Charles Orasin, assistant director of N.C.C.H., told me that he'd be back in a few minutes, and the two men started out of the room. Then Shields stopped, went back to his desk, and handed me a stack of papers to look through while he was away. Among the papers was a leaflet put out by the Crime and Justice Foundation concerning a drive to put a referendum banning private ownership of handguns on the ballot in Massachusetts for this year's election. The leaflet mentioned a state pro-gun faction called the Gun Owners Action League, or GOAL, and reported that GOAL had recently called for a boycott of all products made by the Gillette Corporation, because Gillette happened to be one of several corporations that had donated funds to the foundation. The leaflet also included a reprint of an editorial from the *Berkshire Eagle* for March 19, 1976, which stated, in part:

"After the Boston-based company drew the wrath of the state's Gun Owners Action League for contributing to a research foundation that supports gun controls, a Gillette spokesman stated flatly that the bully-boy tactics of the gun organization would not cause the firm to waiver one iota in its support of the Crime and Justice Foundation. . . . Too often, the targets of the gun lobby have simply knuckled under. Last fall CBS presented a documentary on hunting from which all but one of the expected sponsors were scared off by a threatened boycott of their products. At just about the same time, GOAL decided to try a squeeze play of its own and instructed its members to withhold contributions from Berkshire County churches that endorsed the initiative petition for a statewide ban on handguns. Fortunately, both CBS and the area church council refused to cave in under the pressure."

The material Shields had given me also included a sample map that N.C.C.H. sends out to its members in each state—in this case, a map of New York State, which was broken down into its thirty-nine congressional districts; below the map were lists of the state's thirty-nine representatives in the House, showing what district they were from and whether they were "for," "leaning for," "against," or had taken "no position" on the latest gun-control bill being considered in the House. The material also contained several anti-handgun appeals put out by another Washington outfit, called the National Coalition to Ban Handguns—one of the educational groups. And finally, I came upon some lists of the various committees being set up by N.C.C.H., among them a Business for Handgun Control Committee (headed by A. R. Marusi, chairman of the board of the Borden company), a Congressional Advisory Committee (headed by Representative Abner Mikva, Democrat of Illinois), a Law Enforcement Advisory Committee (whose members include Robert diGrazia, Police Commissioner of Boston, and Patrick V. Murphy, former Police Commissioner of New York), and an Entertainers-Sportsmen for Handgun Control Committee (with such members as Ellen Burstyn, James Whitmore, Arthur Ashe, and Dave Garroway). Among N.C.C.H.'s numerous sponsors, consultants, and directors I found the anthropologist Margaret Mead, William D. Ruckelshaus (the former Deputy Attorney General who resigned during the Saturday Night Massacre), Cyrus Vance (the former president of the New York City Bar Association and a high official in the Kennedy and Johnson Administration), Edmund G. Brown, Sr. (former governor of California and chairman of the National Commission on the Reform of Federal Criminal Laws), Dr. Russell Peterson (chairman of the National Advisory Commission on Criminal Justice Standards and Goals), and Dr. Milton Eisenhower (chairman of the National Commission on the Causes and Prevention of Violence).

I also found, to my surprise, that N.C.C.H. strongly supported the gun-control bill then being considered in the House—an exceedingly ineffectual measure by any standard and one that seemed certain to be rendered even more ineffectual once the N.R.A. went to work on it. When Shields returned to his office, I brought this up, and he conceded that the present bill was far from what he wanted to see enacted. Even so, he added, N.C.C.H. backed it all the way, "For the first time since 1968—when an even worse gun-control law was passed following the assassinations of Dr. King and Robert Kennedy—there is now a chance for some kind of a handgun-control law in this Congress," he explained. "I'm convinced that we have to have federal legislation to build on. We're going to have to take one step at a time, and the first step is necessarily—given the political realities—going to be very modest. Of course, it's true that politicians will then go home and say, 'This is a great law. The problem is solved.' And it's also true that such statements will tend to defuse the gun-control issue for a time. So then we'll have to start working again to strengthen that law, and then again to strengthen the next law, and maybe again and again. Right now, though, we'd be satisfied not with half a loaf but with a slice. Our ultimate goal—total control of handguns in the United States—is going to take time. My estimate is from seven to ten years. The first problem is to slow down the increasing number of handguns being produced and sold in this country. The second problem is to get handguns registered. And the final problem is to make the possession of all handguns and all handgun ammunition—except for the military, policemen, licensed security guards, licensed sporting clubs, and licensed gun collectors—totally illegal."

Like just about every other person in the country who can read, I said, I was aware of the N.R.A.'s ominous and incessant warnings about how the ultimate aim of gun-control advocates was to disarm the citizenry and thereby leave law-abiding citizens prey to armed marauders, including a Communist army attempting to invade our shores—all in violation of the Second Amendment's guarantee of the "right of the people to keep and bear Arms." Shields laughed, and took up the last point first. "At various times in the past century, federal courts, including the Supreme Court, have said that the Second Amendment was designed to guarantee the states the right to maintain militias, and that any state or the federal government can restrict or prohibit the private ownership of guns. As for our defending ourselves against the Red hordes with pistols, that's just plain silly. Defense is up to the Army, the Navy, and the Air Force—not to ordinary citizens armed with handguns they aren't trained to use and which aren't much good anyway against targets more than fifty feet away, least of all targets like trained soldiers armed with rifles and machine guns. The pro-gun crowd keeps arguing that people like me want to take all guns away from Americans. That's just not true, Sporting rifles and shotguns have their place. But the handgun has no purpose except to kill somebody. While it's true that criminals would still manage to get hold of handguns even if there were strict laws against their possession, the gradual reduction of handguns in general would make it much harder for them to get hold of guns. One of the greatest myths propagated by the N.R.A. is that armed homeowners often scare off or kill intruders, so many people go out and buy handguns to protect themselves. But the element of surprise in most criminal acts makes the victim's gun of little use, and more often than not it is a greater threat to its owner than no weapon at all would be. In a house where there is a gun, residents are four times more likely to be killed by that gun in an accident than by an armed burglar. Another danger is that a large proportion of guns in criminals' hands have come from burglaries of the homes of people who were away at the time, so these guns end up being used in other crimes. What's more, the N.R.A.'s constant talk about 'law-abiding citizens' ignores one overwhelming fact: nearly three-fourths of all murders are committed by people who know their victims, who are relatives or friends or acquaintances. These guns owners were law-abiding until they used their guns, mainly handguns. So if handguns were outlawed, gun accidents along with murders committed in a moment of passion—many of which wouldn't be committed if there weren't a gun handy and the passion had time to subside—would decrease sharply. And once handguns are outlawed, any criminal carrying one could be arrested and imprisoned simply for possession, before he got a chance to use it."

A little later, as I got up to go, I asked Shields if the murderer of his son had ever been found. "Four members of the Zebra gang were arrested, tried, convicted of murder, and sentenced to life in prison," he said. "None of them were charged with my boy's murder, because there hadn't been any witnesses to it, unlike the murders they were convicted for. The police found the gun that killed him—a Beretta automatic that had been used in all the Zebra attacks from January, 1974, on. It was traced back to a kid who had bought it as a lark in 1968. The gun had changed hands several times. It was lost in a poker game, it was sold for some heroin, and, finally, a burglar stole it and sold it to a man in a black self-help center in San Francisco where the four men convicted of the Zebra killings worked. The police tell me they're sure that one of those four killed my son."

Shields accompanied me to the door, and as we shook hands he said, "You know, the N.R.A. has announced that it's going to move its headquarters here out to Colorado. It seems there's too much crime in Washington."—RICHARD HARRIS.

BONNEVILLE TRICENTENNIAL COMMISSION

Mr. McCLURE. Mr. President, I ask unanimous consent to have a statement on the establishment of the Bonneville Tricentennial Commission printed in the RECORD.

It is not often you see patriotic enthusiasm like this. The Bonneville County (Idaho) Bicentennial Commission has decided to establish itself as the First Tricentennial Commission in America. Because of the tremendous success they have had with this year's celebration and the great community spirit planning the celebration developed, the Bonneville Bicentennial Commission wishes to continue its worthwhile work in preparation for our 300th anniversary.

Following is a statement by the Commission expressing its commitment to the democratic principles upon which this Nation was founded and the value of patriotic activities of the kind they have been involved in during our Bicentennial celebration. Mr. President, I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ESTABLISHMENT OF THE BONNEVILLE TRICENTENNIAL COMMISSION

Whereas, the Bonneville Bicentennial Commission was formed May 1, 1973, by resolution of the Board of Bonneville County Commissioners and area mayors and the city-county area was named the FIRST Bicentennial Community in Northwest America (Alaska, Washington, Oregon, Idaho, and Montana), and

Whereas, the Commission has been among the most active in America in promoting love of Country and the fact that the United States is not just territory, that it is a way of life and a state of mind, inculcated with those inalienable and divine rights of life, liberty, and the pursuit of happiness, and

Whereas, the Commission has derived its strength from the areas young and old people alike, represented the wide spectrum of community groups and activities, spearheaded countless patriotic activities and programs dedicated to love of Flag and Country, and made it known July 4th, 1976, was directly and exclusively the 200th birthday of the most important, God inspired proclamation of religious and political principals ever declared to be the foundation of a new Nation, and

Whereas, on the morning of America's third century there is a continuing need to reaffirm and pledge ourselves to activities that will unite the nation in purpose and dedication and advance human welfare and dignity, and

Whereas, the continuing goal of the Commission is to inculcate present area citizens and those of generations to come with a sense of the greatness of America and to imbue in their hearts and minds determination to never surrender the sacred rights of individuals set forth in the Declaration of Independence and guaranteed in the U.S. Constitution and the original Bill of Rights.

Now therefore be it resolved by the members that the Bonneville Bicentennial Commission on this 29th day of July 1976 that the Commission with the approval of the Board of County Commissioners and Mayors of our communities shall continue its programs as the Bonneville Tricentennial Commission, meeting and working as in the past to forge a new Spirit of '76.

THE RELIGIOUS AWAKENING

Mr. McGOVERN. Mr. President, Mr. Charles Colson, former White House counsel, has written a stimulating piece entitled "A New Awakening," which appears in the August 9 issue of Newsweek. In view of the quickening evangelical interest in the Nation, I ask unanimous consent that Mr. Colson's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW AWAKENING

(By Charles W. Colson)

"Mr. President, the fate of the nation rests on this decision." How often I heard those beguiling words from Dr. Kissinger, sometimes John Ehrlichman, others of us. The President's jaw would tighten, his stare turn distant. Then his somber words would break the suspenseful silence, pages of history in making flipping before us.

Yet almost as often within hours the decision was forgotten, reversed, thwarted by a heel-dragging Congress or defied by an entrenched bureaucracy. I once watched President Nixon pound his desk in fury when a Cabinet department failed to produce a simple Executive order he had called for a year earlier.

The vast majority of decisions that did stick proved hardly epochal, not the way we intended at least. Remember revenue sharing? White House publicists ballyhooed it as the most radical government reorganization in 200 years, revitalizing cities and states, curbing Washington's growth. Well . . . since then the nation's biggest city has almost gone under (others are close behind), and the Federal budget has nearly doubled.

The toughest decisions, which nearly consumed Mr. Nixon and his Presidency, involved Vietnam. Tragically, most of them were for naught: even after 55,000 lives and $150 billion, Saigon fell unceremoniously.

POLITICAL IMPOTENCE

And don't forget the Great Society of the '60s, though many politicians would like to. Its bankruptcy should have disposed of the myth that big government can solve all social ills.

In truth, only a few decisions of government truly change history. In truth, government is often astonishingly impotent. Yet the delusion persists: men in high office are deceived by the pretenses of power with which they are surrounded; and the public wants to believe that its President is guardian of the nation's morals, manager of the government and the one responsible for getting social-security checks delivered on time.

What holds our society together is not force or laws, but moral suasion. Presidents rule not by fiat but by the sufferance of free men. What happens in the hearts and minds of people is the real power.

It is this simple truth that eludes politicians, press and electorate in each even-numbered year, the season of bloated rhetoric and public expectations sent soaring by politicians' promises. Nineteen seventy-six is no exception.

A dispassionate appraisal of what government can (and cannot) do would be a healthy antidote to traditional election-year delirium. So would a hard look at what has happened when the spirit of a people has been truly moved.

America was, in fact, born in the cradle of a powerful spiritual revival. The great awakening of 1740, most historians agree, so implanted the desire for human freedom in the colonists' hearts that the founding of a free nation became inevitable. The awakening was sparked not by government or establishmentarians but by a 25-year-old British evangelist, George Whitefield, who traveled the colonies by canoe and horseback, preaching to open-air meetings of thousands the Good News—that man can be born again in the Spirit of God, that every individual is set free in Jesus Christ. Benjamin Franklin credited Whitefield's sermons with fueling the fires of independence.

SPIRITUAL FORCE

The belief that human freedom is an act of God's grace had deep roots in the American soil. The pilgrims first came to these shores to be free to live as disciples of Christ, believing in what is still the most revolutionary idea ever—that every man is sovereign in the eyes of a sovereign God. Our founding fathers rejected the idea that God endowed the head of state with divine power. Man-made governments, they protested, cannot dominate God-created individuals.

Many enlightened social and economic principles of the new nation were shaped by the great revival in England led by John Wesley. Despite powerful opposition from vested economic interests, the spiritual force unleased by Wesley's teaching led to the elimination of oppressive labor practices and the beginnings of a free labor movement.

One young enthusiast of the English revival, William Wilberforce, rose in the House of Commons to condemn the slave trade, a rich source of revenue to the empire. His lonely voice could scarcely be heard over the din of denunciation. But as the influence of the awakening spread and the hearts of the people changed, so was the government forced to change—and a most barbaric practice ended.

One hundred years ago, in a time of despair not unlike the present, when governmental corporation was rampant and the editorialists were predicting an early demise for our noble experiment, an obscure layman took literally God's word that one righteous man could change the world. D. L. Moody brought the simple message of God's redemption through Jesus Christ to millions. And out of this great revival of its spirit. America emerged into the twentieth century, strong and vibrant, ready to assume a major role in world affairs.

MOVING TO GREATNESS

More recently, Martin Luther King Jr. sparked an awakening of the consciences of Americans, blacks and whites alike, forcing a redress of 200 years of injustice. Even then it was the quiet efforts of men of goodwill, not court orders, that achieved the beginnings of new harmony among the races. And Billy Graham's message brings millions today to an awareness of their salvation.

I think back on the decade I spent in government—years in high office. Most of the energy of my eighteen-hour days was spent in making the machinery of government function. While electing good men is important and better men should give us better government, making the machinery run better is not going to change much. For the granite edifices along the Potomac cannot move peoples or nations to greatness. It is faith and the spirit of God that can move mountains.

There are sparks of revival all across America today. While all eyes are riveted on campaign pyrotechnics and the great electoral sweepstakes, I suggest we might learn what is really happening by dropping in on the congregation of the First Baptist Church of Dallas, the prayer groups meeting in the living rooms of Salina, Kans., or the clusters of steelworkers meeting for prayer each morning in the Pittsburgh mills.

A new Awakening has begun, and it is moving powerfully across the land.

PRODUCTIVITY ENHANCEMENT

Mr. PROXMIRE. Mr. President, I wish to make note of the action of the Senate Appropriations Committee in approving the $10 million account for each service relating to productivity enhancement programs.

"Productivity" is often an overlooked word in the Federal Government. Somehow, productivity is thought not to apply to Federal programs while it is the heart of many private financial decisions.

In the past several years the Comptroller General and the Productivity Commission have been urging Government agencies to measure and increase their productivity. As chairman of the HUD, Space, Science Appropriations Subcommittee, I have followed up on this emphasis by asking each of the agencies under this bill to yearly account for their productivity measurement and enhancement programs. Some agencies have done well, others have not.

The Defense Department also should be encouraged to emphasize productivity. The few programs already experimented with have resulted in dramatic savings for the taxpayers. For example, the Army allocated $500,000 for a fast payback capital investment at its Ammunition and Supply Agency in Joliet, Ill. The fast payback programs at Joliet returned more than $1.8 million in the first year. On a 10-year basis, that half-a-million-dollar investment by the taxpayers will bring $18 million.

At the present time there is an unfunded backlog of $106 million in fast payback investments waiting action in the Department of Defense. The Air Force has identified a backlog of $20 million in unfunded fast payback projects which would produce savings of $28.4 million in a 2-year period. The Army established a fast payback productivity enhancement program between 1973 and 1975 that produced savings of $17.8 million from an investment of $10.6 million. The Navy allotted $100,000 for a productivity enhancement program in 1975 and ended up with a return in savings of $300,000.

Mr. President, approving appropriations for these accounts is precisely what was recommended in a joint OMB/GAO/CSC study conducted in 1973. I am pleased that the Senate has gone along with these programs.

THE CONSERVATION OF ENERGY

Mr. McGOVERN. Mr. President, Mr. Denis Hayes, who does research on international energy issues at the Worldwatch Institute, has written a most thoughtful piece on the importance of energy conservation. Mr. Hayes' piece appears in the Saturday, August 7, issue of the New York Times. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Energy Growth, It Is Argued, Does Not Lead to More Jobs

(By Denis Hayes)

(Note.—Denis Hayes, who does research on international energy issues at the Worldwatch Institute, a private organization that studies global problems, is author of the forthcoming "Rays of Hope—A Global Energy Strategy.")

Washington.—Ronald Reagan recently told the Detroit Economic Club that a shift to energy-efficient small cars "would cost at least 200,000 Michigan workers their jobs." The executive council of the AFL–CIO has called for sustained energy growth in order to promote "high employment, a dynamic economy, and a prosperous and satisfying way of life." Advertisements by major energy companies have repeatedly asserted that reduced fuel consumption would generate widespread unemployment.

These assertions are rooted in a cannon myth: that energy growth leads to more jobs. In fact, however, the opposite is more frequently true. Now energy facilities are among the least labor-intensive investments a society can make. Moreover, the fuel such facilities produce is often in direct competition with labor. John Winger, vice president for energy economics at the Chase Manhattan Bank, points out that "over the years, we have substituted energy-powered capital equipment for people."

Not to put too fine a point on it, those who justify large-scale energy growth on the basis of jobs may be selling the public a bill of goods.

Analysts at the Federal Energy Administration and the Energy Research and Development Administration have concluded that it is generally cheaper to save a barrel of fuel than to discover, extract, refine and retail a new barrel.

The United States now uses about 75 quads of energy each year. (A "quad" means one quadrillion British thermal units, enough energy to provide every American with almost one barrel of oil.) Intelligent investments in energy-efficient technologies would allow us to reduce our fuel consumption to under 40 quads with only cosmetic changes in our style of life. Without building new energy facilities, we would then have 35 quads of energy available for other purposes.

Society has only a limited amount of capital to invest. Major investments in one sector of the economy necessarily foreclose options elsewhere. If huge streams of capital are channeled into directions they would not normally flow, other areas must suffer.

The proposed United States Project Independence effort would require $1 trillion by 1985, four-fifths of which would be earmarked for new, rather than replacement, facilities.

Under such a scenario, new energy plants would use two-thirds of all net capital investment during that period. This would reduce investments in industry, agriculture, transportation and housing—all of which provide more jobs than do energy facilities.

All these sectors will require major investments if they are to convert to more energy-efficient processes. Thus large-scale investments in new energy facilities will *guarantee* the failure of meaningful energy conservation.

Energy from conservation would be cheaper, safer, less environmentally disruptive, and more reliable than power from new sources. It would produce no radioactive wastes or bomb-grade materials. And it would provide for more jobs.

As a general rule, the more energy-intensive a product is, the less labor-intensive it tends to be. Services (other than transportation) require more labor and less energy than do physical commodities. Direct purchases of energy (gasoline or electricity) provide fewer jobs per dollars than anything else one can buy.

Large cars cost *much* more than smaller cars, but require only slightly more labor to produce. A person who buys a small car and spends his savings on anything else will almost certainly be providing more jobs than one who buy a big car. Insulating homes provides more jobs than building petroleum refineries to produce fuel oil, and the money saved every year on fuel bills will provide additional jobs when spent on food, clothing, recreation or health care.

To be sure, there are limits to what energy conservation can accomplish. However, those limits needn't be approached for at least 25 years. By the year 2000, we may have benign, renewable energy sources available, or we may have decided not to repeat the error of Babel—attempting to grow forever. For the next 25 years, we should fill our need for new energy from the 50 percent of our energy budget we currently waste.

TRAINS IN TROUBLE

Mr. McGOVERN. Mr. President, Mr. Tracy Kidder has written a fascinating article which appears in the August issue of the Atlantic on the deterioration of the American railway system and the current efforts to revive that system.

"In 1929," he writes, "private railroads operated nearly 20,000 trains a day. Amtrak dispatches about 250, and it rarely makes them run on time."

Mr. Kidder points out that whereas trains once dominated travel between American cities, trains today carry less than 1 percent of this business.

In March of 1975 the Amtrak system came under the leadership of Mr. Reistrup. Mr. Kidder traces his valiant and tenacious efforts to breathe new life into the American rail system.

As a strong believer in the importance of revitalizing the American railways I am grateful for Mr. Kidder's article. I ask unanimous consent that the article be printed in the Record and I commend it to my colleagues in Congress.

There being no objection, the article was ordered to be printed in the Record, as follows:

Trains in Trouble

(By Tracy Kidder)

Once, some 20,000 trains traversed the United States, many of them elegant hotels on wheels. Now, most of the great passenger railroads have withered and died and they have been replaced by Amtrak, which has mammoth troubles of its own. Is there any hope for a rail travel revival?

At 4:30 on summer afternoons, the New York, New Haven and Hartford Railroad's *Cape Codder* used to pull out of Grand Central Station bound for Woods Hole, where my grandmother kept a summer house. I rode up on the train several times in the late 1950s when I was a boy. Sleeplessness, the ritual of laying out my best clothes on a bedroom chair the night before preceded the adventure. At the last minute, when the black and orange engine stood throbbing at the platform, its contingent of stainless steel cars ranged behind, steam coming up from under the doorways, my mother would safety-pin an envelope of emergency money to the inner pocket of my seersucker jacket. Then the conductor would call.

A good-natured, cocktail-drinking crowd possessed that train. Once at a Connecticut stop, a man with an accordion got on. There was singing in the coaches. Holidays began en route. Faces shone. Salt air and pine tree smells came aboard near dusk, at the Cape Cod stations: Buzzards Bay, Monument Beach, Pocasset, Cataument, the Falmouths, and Woods Hole at the end of the line. I liked a window seat. The *Cape Codder* traveled right next to the ocean, woods, and back yards, the views from the window had both a remote and a close-up, sharply focused quality, like things seen through binoculars. One day, when the train had come out of the tunnel from Manhattan and I was sitting by the window, watching the Bronx flash by, I saw a group of boys about my age playing baseball on a weed patch set among some warehouses. I remember this scene clearly: the boys, all stationary at the moment, are at that old lethargic game in the yellow afternoon and I'm already passing them by. They are playing away a routine summer but I am bound on a substantial journey aboard the *Cape Codder,* an imposing procession of engine and cars. The train is rocking gently, clicking along, picking up speed to leave the city behind. And I feel enviable.

Once there were thousands and thousands of passenger trains in America. People thought of them as a national institution. To ride on the "limiteds" was the height of fashion. This was some of the "varnish" American railroads used to run: the *Twentieth Century Limited,* with barbers, ladies' maids, fresh- and salt-water baths, and stock market reports on board. Twenty-five thousand people came to see the *Century* pull out on its inaugural run in 1902. There was the *Super Chief,* which rambled across the Southwest while passengers in fancy clothes gorged on the champagne dinner or took in the scenery from the "Pleasure Dome Lounge Car." Within the memory of an old porter who still works on the train, the *Broadway Limited*—the *Century's* rival on the New York-Chicago run—had "drawing rooms and bedrooms finer than any hotel."

Now most of the old trains, elegant and ordinary, and the Cape Codder as well, have departed on what is known as the graveyard run. A generation of Americans is growing up in ignorance of passenger trains, which to all outward appearances have outlived their usefulness. Trains once dominated the intercity travel market. In 1976, the small fleet still in operation handles less than one percent of the business. Other things have declined. When the Cape Codder disappeared, automobiles invaded Woods Hole, bringing in traffic snarls, motels, and a particularly angry, harried breed of tourist. On my way to Woods Hole these days I sometimes find myself immobilized in traffic near the Cape Cod Canal. From there you can see the slivery railroad lift bridge, frozen in the open position.

Since 1971 the semi-public corporation called Amtrak has operated virtually all that are left of America's intercity passenger trains. Amtrak's system stretches nationwide, encompassing about 450 cities on 25,000 miles of railroad track. But the Amtrak route map looks barren beside a rail map from the 1920s. In 1929, private railroads operated nearly 20,000 trains a day. Amtrak dispatches about 250, and it rarely makes them run on time. In fact, it's a hell of a way to run a railroad, but for those who remember the great days of passenger trains, it's the only game in town.

Congress and the Nixon Administration created Amtrak in 1970 to take over intercity passenger operations from the declining private railroads. It was a hazardous mission. The law required that Amtrak run a "national, integrated" system, which meant trains running the length and breadth of the country along routes where the public had long ago gotten out of the habit of going by rail. In 1970 private railroads had lost an aggregate $400 million operating what was left of their passenger fleets, but Amtrak was supposed to operate its national system "for profit." Moreover, Amtrak remained at the mercy of the private railroads it replaced.

Under the Rail Passenger Service Act of 1970, private railroads—in exchange for freedom from their passenger obligations—were to pay Amtrak $200 million, let Amtrak use their roads on favorable terms until 1996, and provide (at cost) maintenance, operating crews, and myriad other personnel, facilities, and services. Although some companies—such as the Santa Fe, the Milwaukee Road, and the Union Pacific—served Amtrak well, the offenses of other lines were legion. They cut corners on maintenance, overcharged Amtrak, delayed Amtrak trains to let their own freights pass through. In 1973 the private railroads delivered Amtrak's trains late about 40 percent of the time.

Amtrak also suffered badly from the physical decline of a couple of the major railroads. Forty percent of Amtrak's trains used the deteriorating roads of the giant, bankrupt Penn Central. Diversifying their investments, the Illinois Central and the Penn Central had neglected their track; on the Illinois Central, the route of the Panama Limited was a ruin.

Schedules were slow throughout the Amtrak system, but on those two lines most trains never came in on time. Rides were so rough on one stretch of Penn Central rail that unwary passengers were sometimes tipped out of their dining car chairs.

Amtrak had internal problems as well. Its first president, Roger Lewis, was a former aerospace and airlines executive. Policies that worked aloft didn't always work on the rails. Crewmen felt misunderstood and called management "the airlines bunch." And neither Lewis nor his vice presidents ever rode Amtrak's system extensively to get a firsthand look at what was going on. What they would have seen was that the trains were falling apart. Amtrak had purchased its cars and locomotives from the railroads, the only possible source at the time, and the railroads hadn't invested in new passenger equipment since the middle 1950s. To repair and replace the worn-out fleet. Amtrak needed hundreds of millions of dollars more than the Rail Passenger Service Act had provided. But the predominant view in the Nixon Administration held that Amtrak was a passing phenomenon, a bridge to the graveyard for all but a few intercity passenger trains. The Administration opposed any substantial, permanent investment in it.

Roger Lewis also felt that Amtrak was temporary, or at best, an experiment. In the beginning, he spoke against buying any equipment at all. In late 1971 he modified his stance: he asked for a capital grant to make new equipment purchases. But when the Administration's Office of Management and Budget turned him down, Lewis toed the line. Senators found out about his request and voted him the capital grant. Lewis spoke out against the Senate's action, telling reporters. "We can't very sensibly commit that extra money," though he's been the one who had asked for it in the first place. Lewis did get Amtrak a computerized reservations system and some new freight locomotives, which, the Administration reasoned, could always be sold to the railroads. But for two and a half years Amtrak failed to order any of the new passenger cars it desperately needed.

The 1970 law gave Amtrak authority to start petitioning for the discontinuance of unprofitable routes in 1973. Amtrak didn't have any routes that weren't unprofitable, and when 1973 came around, the Nixon Administration began in effect to dismantle the new railroad. That was the year of an extraordinary bureaucratic merry-go-round. The Administration instructed Amtrak to file for the discontinuance of three trains. Amtrak filed. But Congress objected. Amtrak withdrew the petitions.

The Congress forbade the elimination of any routes for another year and increased Amtrak's loan authority. And, in the fall of 1973, Lewis began placing a series of large orders for new cars and locomotives; but the initiative had come from Congress, not from Amtrak.

It was at this time that the gasoline shortage began. Where it was acute, in the Northeast especially, people flocked to railroad stations only to find themselves left behind on the platforms or riding standing up or sitting in the dark, in cars without air-conditioning during the summer or heat during the winter.

Amtrak's shortcomings were now exposed

to general view. In 1974, an article in *Fortune* lamented the loss of "a phenomenal opportunity" and suggested that Congress find someone "with the stuff to run a better railroad." Lewis and most of his board were fired in late 1974.

In March 1975, a forty-four-year-old railroad executive named Paul Reistrup took command of Amtrak. A West Point graduate, Reistrup spent several years in the Army, but his entire business career has been in railroading. He has worked as a division engineer, as a trainmaster, and as an executive in railroad front offices, and he came to Amtrak with a reputation for being an "innovative" manager of passenger train operations.

In the mid-sixties, when Reistrup was director of passenger services for the B&O Railroad, the management decided to move toward the elimination of all the company's passenger trains. Reistrup was convinced that the situation had become "impossible for private enterprise," and he presided over discontinuances without visible qualms, but in fact Reistrup cares deeply about trains. "I seem to be able to separate my interest clearly from my business responsibility. I didn't hesitate at all to eliminate some flagship trains," he recalls. "But you didn't see me down at the depot to watch the last run pull out, because I don't think I could have stood it emotionally." Among the household possessions Reistrup brought to Washington is an HO model railroad. He built it as a boy in Sioux City, Iowa, and has kept it for his children, he says. They operate the trains. He performs the maintenance.

In his first meeting with Amtrak's board of directors, the earnest Reistrup tried to describe himself and his intentions by saying, "I'm a graduate of West Point *and* a former Eagle Scout." Two worldly board members piped up in unison, "Don't worry, Paul. We won't hold that against you."

Reistrup didn't seem amused. He took on the job with a sense of dedication. His Amtrak salary was a handsome $85,000 a year, but he had given up a secure, higher-paying position at the Illinois Central to take the Amtrak job. "I believe in a rule of service to the country," he says, and as he saw it, his mission was straightforward. People from both Congress and the Administration had recruited him, and Reistrup, who isn't humble about his abilities, had to take that as a sign that what everyone wanted now was "a fine rail passenger service."

But by the end of Reistrup's first year, President Ford's secretary of transportation, William Coleman, had begun calling Amtrak "a foolish waste of taxpayers' money." In the spring of 1976 the Administration began, as the Nixon Administration had three years before, to take Amtrak apart. So the battle lines were drawn.

Late in 1975 Reistrup filed his request for 1977 operating subsidies. He told Congress he'd need $440 million to keep all the trains running. The Department of Transportation submitted a much smaller figure, and Undersecretary John Barnum told Reistrup to make appropriate cuts in Amtrak's route system. In similar circumstances, Roger Lewis' reaction had been to bow to the Administration. Reistrup objected openly. In a letter to Secretary Coleman, he wrote, "We do not subscribe to the use of the budget process to make major policy decisions . . . [for] the National Railroad Passenger System. . . ." While going through the motions of following orders, Reistrup set about outfoxing the Department of Transportation paperpushers. He sent Congress and the Secretary a list of nineteen trains that would have to be eliminated if the budget cut were enacted.

Coleman was furious. He pointed out that Reistrup's disposal list included a number of trains that went through the home states and districts of some of the most powerful members of Congress. He said Reistrup had manipulated the list in order to make it as difficult as he could for the Administration to get the budget cut past Capitol Hill.

Two Amtrak trains go through Montana and the state of Washington, and only one gets substantial use. The other is known as "Senator Mansfield's" or "Senator Magnuson's" train. House Majority Whip John McFall has a train too: the San Francisco-Bakersfield *San Joaquin*. It ran with only 34 percent of its seats full on the average in fiscal year 1975.

Senator Robert Byrd's *Mountaineer* traveled between Norfolk and Chicago with an average load of only 31 percent. "The Harley Staggers Special"—the Washington-Cumberland, Maryland, train, named informally in honor of the chairman of the House committee that watches over Amtrak—operated with an average of 78 percent of its seats empty in 1975. Reistrup had spoken to Congress about these trains and had let it be known that he didn't think Amtrak routes should be chosen on the basis of where a senator or congressman happened to come from. He meant what he said, but he was also making a clever tactical move. Coleman was right in thinking that Reistrup was out to stop a drastic reduction in Amtrak's operation. Campaigning against the budget cut in a speech in Chicago and in a talk with railway labor leaders, Reistrup harped on Amtrak's "ancient equipment." Testified before the Senate, he said none of the trains had gotten a fair test yet, and he asked for time.

In some ways Reistrup's first year had been Amtrak's worst. Passenger volume was down, the operating deficit was approaching $.5 billion a year, and what a transportation committee staffer described as "a significant sector" in the House was asking whether the country needed Amtrak at that price. This was perhaps the beginning of a trend, but for the time being a majority in Congress sensed that America still loved the sound of a train whistle in the night, and still felt that the United States should have what Senator Magnuson wants: "a high-quality rail passenger system." By May 1976, it was clear that Congress would vote Reistrup most of the money he requested, at least for 1977.

The general feeling on Capitol Hill, according to staffers on the transportation committees in both the House and the Senate, was that Reistrup was the right man to rebuild passenger service. The staffers used words like "honest," "hardworking," "competent" to describe him. They said legislators were impressed by the way Reistrup came to Congress to testify, without bringing a guard of experts.

At Amtrak headquarters in Washington, executives in government affairs, scheduling, marketing, operations, and public relations also praised Reistrup. Some said, sotto voce, that he probably hadn't fired all the old executives he should have, but at least he had moved them out of positions of importance. Others said he had eliminated the "fear", and with it much of the "cover-your——— mentality" that had been rampant among middle-level managers. Everyone mentioned the reorganization. In his first week on the job, Reistrup found a bill for $9.49 lying on his desk awaiting his signature. He realized then that the Washington office was making even the smallest decisions for the entire railroad. So he decentralized the corporation, placing responsibility for operating decisions with various district headquarters, out where the trains were in fact being operated.

On the trains, some of the crewmen shrug about the change in management. But most agree with steward Michael Koch, who said, "Reistrup threw out all that airlines stuff, thank God," and with steward Henry Thompson: "You get the feeling somebody knows what he's doing for a change." Citing improvements in the cleanliness of cars to back up this conviction that a change was taking place, William Vickerstaff, a veteran porter on the *Broadway Limited*, said, "I know Reistrup's good from my Illinois Central days. See, I *know* he's good. He's a railroad man."

In Oklahoma City the railroad station is a small building of Spanish mission design at the edge of town. "SANTA FE" is written on its facade. Inside, it is quiet, nearly empty most of the day. The only other sign of the change in the old order of things is a small shingle with the Amtrak logo on it, hanging over the front door. I met Paul Reistrup there in the waiting room one evening last fall. He is of medium height, pale, rather slender, and balding. He was wearing a loose-fitting, somber suit, Army-style low quarter shoes, and a necktie with stars and eagles on it, which he called "my Bicentennial tie." Since taking over Amtrak, he had ordered all his vice presidents to start riding the trains and had set out himself on an intermittent journey across all 25,000 miles of the system. "I've ridden 23,300 miles," he told me, pulling out a worn copy of an Amtrak route map on which he'd recorded his progress.

Only one train visits Oklahoma City, Amtrak's Houston-Chicago *Lone Star*. It came in on time, its headlight pale in the dusk, two red, white, and blue engines hauling eight silvery cars. Smiling, Reistrup refused the red-jacketed porter's offer of assistance and carried his own luggage aboard. We rode north.

That night in the dining car, Reistrup and the steward traded reminiscences, the steward saying that he had worked on the Santa Fe's *Super Chief* in the good old days when every dish was cooked to order and served on silver. Reistrup recalled the *Panama Limited*. Food on board that train had been so fine, he said, people used to climb aboard and ride a few stops just to eat. The steward nodded in approval.

Those days are gone of course. But the Amtrak meal we ate was adequate—prices for dinner ranged from about $3 to $8. As for the train itself, Reistrup graded it, "A-minus." He had reason to be pleased.

Shoulders seesawing, he ambled down the aisles of the old coach cars and found the furnishings threadbare in places but clean. He went into the bathrooms and looked under the sinks—"They're keeping it clean from Houston"—through the lounge—"You can get snacks twenty-four hours a day"—the dining car—"Thirty-six seats, that's pretty good"—and past the open kitchen door—"The cooks are wearing their hats, which I like to see." Along the way some crewmen appeared and gathered around him, pumping his hand and grinning. This scene repeated itself several times, Reistrup and the men in their element, talking railroad on contemporary subjects like the "trainlining" of "bad-ordered" cars. There was traveling music in the background—rhythmic, distant-sounding rumbles, squeaks, rattles, and the horn blowing at grade crossings, a seaside sound, stretching out behind the train. This clean, well-lighted train made the right amount of noise and just enough jiggle and sway to give a journey substance. In the venerable sleeping cars, each compartment had its own armchair. A bed and sink were hidden in the walls, like utensils inside Swiss Army knives. Late that night, I turned out the lights in my room, pulled up the window shade, and for a long time lay on crisp sheets watching Missouri fields and farmhouses drift by in the moonlight. I woke up beside a bright yellow cornfield in Illinois. There was French toast for breakfast.

There was really just one thing wrong with the Lone Star: it lacked passengers; there were only twenty-six aboard. Later, writing stern instructions to his marketing department, Reistrup confessed, "It was sad." And as he toured the proud Lone Star, poking about, he recalled trouble elsewhere on the line.

A conductor Reistrup spoke to had had a suggestion and hadn't been able to bring it to management's attention. ("Wrote a letter about it, didn't get an answer," the conductor said.) Amtrak wasn't exercising effective control over the on-board personnel it hired directly. Trains carried polite porters one trip and surly ones who smoked marijuana in the bathrooms on the next. Conductors on some trains seemed to dislike having passengers aboard.

Amtrak had no direct authority over conductors or engineers and no direct line of communications with them. They were still being rented from the private railroads, and in most parts of the country probably always will be. This means, among other things, that Amtrak can't negotiate archaic union work rules, under which conductors get a day's pay for every 150 miles they travel. Reistrup recognized the problems. He hadn't solved them yet.

Using the butt of his pen for a key, Reistrup opened up electrical lockers. The cars on the *Lone Star* had been purchased from the Santa Fe. "The Santa Fe kept them in good shape," was how Reistrup accounted for the fact that all of them were functioning perfectly. But that wasn't the history of many of the cars Amtrak had bought from railroads.

Inside the electrical cabinet of the sleeper at the rear of the train, dust lay like fur on the bundles of wires. Reistrup said, "The last time I was on the *Broadway* I fixed one of these old cars myself." He had been putting mechanics on heavily traveled trains, he was trying to keep cars with chronic mechanical problems off the road, he was having some of the fleet rebuilt. But, he said, the railroad's future lay with new cars, because they are more reliable, cheaper to maintain, and with the larger seating capacities, more economical to run than reconstructed antiques. New cars cost from $400,000 to $600,000 apiece. Lewis ordered 727 before he left. Reistrup plans to order another 543 over the next five years and to retire all the old gear within ten. In the meantime, he will have to wage a holding action.

From the door of the electrical locker, Reistrup took a report form which listed the dates on which this old Pullman had received its treatment for vermin. "Interesting," he said, and made a few notes. This entry appears in his report on the *Lone Star*, his "debriefing":

"I am quite concerned about the increasing reports of roaches in the coaches and wish to report that in . . . the only locker I opened with a bug report in it, a notation had not been made since July. Are we getting every car each month?"

Then there was track. Out of the remains of the Penn Central and other eastern bankrupts, Congress had created Conrail, the vast freight-hauling railroad which was supposed to restore the parts of the road that Amtrak used. Under court order, the Illinois Central was repairing its track to 1971 condition.

Reistrup will probably have to sue the C&O/B&O to get it to do the same with its rapidly deteriorating right-of-way. He can insist on 1971 standards, but on 1971 track the trains won't be able to match the schedules in 1950's timetables. Reistrup estimates that it will cost $2.8 billion to bring about a renaissance in track. He believes the government should make the investment, for the sake of the freight-carrying railroads as well as passenger service.

Reistrup was peering out the window at the rear of the *Lone Star*, studying the Santa Fe's rails, which went shooting back, gleaming under the trackside lights. "It's in reasonably good shape."

Everything under the Santa Fe's control was satisfactory. The train made all its stops on time. When a minor problem developed outside of Wichita, a mechanic appeared at the next station and corrected it at once. But not long before, I had ridden through Penn Central territory in a lurching, overheated car that smelled like a public bathroom. When a woman had complained, the conductor had said, "Whataya want me to do about it?" No mechanics had ever appeared. To a great extent, the quality of a ride on Amtrak still depends on which railroad's territory your train is passing through.

Although Reistrup plans to buy $300 million worth of shops and commissaries from the railroads, and to take over all Amtrak's important maintenance work, he can't take all the track, dispatchers, and operating crews. Amtrak now owns the northeast corridor, the Washington-Boston line. Elsewhere, Amtrak operates in the shadow of the railroads.

A general design for a new American passenger railroad has been in circulation a long time. Reistrup and his planners are working on the particulars, some of which have been published in Amtrak's "Five Year Plan." Now and then pieces of his developing scheme pop out in conversation. At one point, on the train, Reistrup looked up from a magazine he'd been reading and said, "I'd kinda like to run a Turbo out of Kansas City in the morning, into Chicago. We'll run it 100 miles an hour. That'll really whip the automobile."

On the imagined railroad's route map, a basic network of completely re-equipped long-distance trains, carrying dining cars and both coach and first-class accommodations, would travel over smooth track at what Reistrup calls "the old express-train speeds of 85 miles an hour." The long-distance system would be only slightly larger than the 1976 network, but would penetrate all the contiguous states.

Sleek 100- and 120-miles-an-hour trains with automat food service would depart every couple of hours or so on journeys five hours long or less, through populous regions, between such cities as Los Angeles and San Diego, Chicago and Detroit, Pittsburgh and Cleveland, to name a few of the routes. How would these "emerging corridors" develop? In Reistrup's scheme, the Boston-Washington northeast corridor would become such a fine piece of passenger railroad that people in other parts of the country would grow envious and demand that their representatives get them a corridor, too.

Congress has passed legislation mandating the reconstruction of the northeast corridor, and has gone so far as to specify train speeds of 120 miles an hour, 99 percent on-time performance, and running times of two hours and forty minutes between New York and Washington, three hours and forty minutes on the New York-Boston leg. In 1976 new trains are replacing antiques throughout the corridor. The new cars, designed and ordered during Lewis' tenure, have snack bars and tray tables at their rather tightly spaced seats. The style is late American airplane expressed in the customary plastic. These aren't classic railroad cars. On the other hand, they work, and the seats are soft. In 1976 it is possible to catch any number of modern trains and ride between New York and Washington in about three hours. But the ride is rough. On the New York-Boston section, in the former domain of the New Haven Railroad, the track and roadbeds have been deteriorating for years. An average of nine trains a day serve this half of the corridor, and their scheduled running time at present is four hours and forty-five minutes.

Hundreds of bridges, some dating back to the nineteenth century, lie between New York and Boston. About 200 must be replaced. Down the length of the corridor, tunnels have to be repaired, electrification installed and revamped, track straightened, and 900,000 new track ties laid. The engineering alone will take a year or more. Running times will lengthen while the work goes on. Trains will be delayed. It will be 1977 before the frequency of service between New York and Boston begins to increase, 1979 before speeds begin to rise, and 1980 before all the work is done. Congress has authorized $1.6 billion for the job. The timetable in the Northeast coincides with Reistrup's overall five year plan. It will be 1980 before the railroad he contemplates can begin taking shape. The total price will be about $8 billion.

There is a substantial body of opinion opposed to Reistrup's plans. Reistrup says Amtrak can never break even. It will always need subsidies. Spokesmen for the National Association of Motorbus Owners and Department of Transportation officials argue that continuing "heavy" subsidization will allow Amtrak to compete unfairly, to engage in "predatory pricing" against private companies that "pay their own way."

Bus company owners might be richer if there were no Amtrak, but on the whole, the talk about unfair subsidies is nonsense. Other modes of transportation benefit from government munificence. Airlines get subsidies. And of the $430 billion local, state, and federal governments have spent since 1921 on the country's roads and highways, about one-third has come from general revenues, not from user taxes. The Federal Highway Administration estimates that the United States will have to spend another $400 billion or so on roads in the next fifteen years. Again, general revenues will pay at least a third of the bill.

Enemies of Reistrup's railroad of the future say it won't yield benefits commensurate with its cost. But the Department of Transportation estimates that once the northeast corridor is reconstructed, Amtrak trains will carry almost 20 percent of intercity corridor travelers. This contribution to that congested area's mobility will be achieved at a relatively modest price. New highway construction is far more expensive than rebuilding railroad rights-of-way. New York City's proposed West Way is admittedly a special project, but a highway nonetheless. It will be five and a half miles long and cost $1.2 billion. Fixing up the railroad's northeast corridor, which is 456 miles long, will cost $1.6 billion. Those are some of Reistrup's favorite statistics. No new land will have to be ripped up to redevelop passenger service in the Northeast and in the emerging corridors, and that seems important in view of the fact that the nation's roads have already put an area the size of six eastern states under pavement.

Opponents say that Americans are inveterate motorists and won't use the trains. In general, long-distance trains like the Lone Star have limited potential markets; they are much slower than airplanes and about as expensive, if you buy a sleeping car ticket; and they can't serve all their stops at convenient hours because they are one-a-day trains.

But they are important transportation for people who don't want to drive and hate the airplane and the bus, for residents of areas with marginal airline service, for people who live in places that get snowbound in the winter, for vacationers who want to see the country while riding in what rail fans call "rolling national parks." As for short hauls, demand for them hasn't materialized along many of Amtrak's routes, but there is evidence that the public will take to short-distance, emerging-corridor trains when service improves. In 1975, for instance, Amtrak put three new French Turboliners on the Chicago-Detroit run, and revenue passenger miles for the route jumped 68 percent. Amtrak should probably drop some trains, starting with the political ones. Others should be added. I have a candidate. It runs from New York City to Cape Cod.

Reistrup says Amtrak's passenger volume will double by 1980. The anti-passenger faction points out that doubled passengers will mean that after five years and billions of dollars, Amtrak will account for only 2 percent of total intercity travel. And Amtrak won't have the capacity to handle much more than that. "Taxation without transportation," says a PR man for the bus company lobby. "A step in the right direction," says Amtrak board member Edward Ullman.

To people who believe that the country must start luring some citizens from their cars for the sake of energy conservation, 2 percent by 1980 is a fair beginning. It is true, as the motorbus lobby eagerly asserts, that Amtrak's ponderous relics are less fuel-efficient than buses. Some of the old trains don't do their work much more efficiently than automobiles. The new equipment Roger Lewis ordered will reduce Amtrak's fuel consumption per passenger mile, but the new trains are heavier than they ought to be and don't match the trains of Europe or Japan for efficiency. That doesn't mean, however, that Amtrak can't become a tool for conservation. Behind bicycles and ski lifts, the railroad train is potentially the most efficient of overland travel modes.

Will America get a passenger train revival? Congress is committed to the northeast corridor project. On the other hand, some legislators seem to have just realized that Amtrak won't break even. When Reistrup delivered the news to a House subcommittee in 1975 that Amtrak would always lose money, a congressman from Kansas named Joe Skubitz said, "If I thought for a moment what you say is correct . . . I would be ready to vote you out of business." Reistrup has lost one important skirmish. The House and Administration killed a $700 million track improvement program which the Senate had designed, and which Reistrup had wanted badly. "You need track to run the trains," he'd said. Would Congress wait five years and come up with $8 billion? Could Reistrup solve Amtrak's problems soon enough to keep Congress interested in trains?

Uneasiness about the future was general around Amtrak headquarters. But Reistrup was full of cheer. "I am convinced that Amtrak will succeed," he was telling senators and anyone else who wanted to listen. On the *Lone Star*, he spoke optimistically to a very old porter, a black man who said he was going to retire soon, after more than forty years in service on the road. Reistrup told him, "We're making progress."

They faced each other near the baggage rack, in the dimly lit vestibule of a gently jiggling coach, in motion somewhere on the plains of Kansas. The red-jacketed porter looked at Reistrup and nodded gradually.

"I'd tell ya if I didn't think we were," said Reistrup, looking the old man straight in the eye.

"You got a big job," said the porter.

VERTICAL DIVESTITURE IN PETROLEUM INDUSTRY

Mr. ABOUREZK. Mr. President, the continuing discussion of vertical divestiture in the petroleum industry has helped familiarize the public with the structure of this crucial sector of the economy. But the discussion too often misses the point, at least in part because the major oil companies have carried on a massive and misleading campaign. They have oversimplified issues and tried to make people think that big is little, that corporate structure is irrelevant, and that profit levels indicate perfect competition. But the proponents of divestiture must share the blame for arguing on the companies' terms, rather than taking on the more difficult task of educating people to the real problems.

An article in the spring 1976, issue of Executive magazine argues among other things, that profit levels may tell us very little about competition or motives in the oil industry. The article lays out very succinctly some of the major themes of the divestiture argument.

Oil companies have become huge entities that wield enormous political power, both with regard to the Government and to the society at large. These companies no longer behave as we traditionally expect private firms in a market economy to behave—their institutional objectives have been transformed. Ms. Flaim writes, "firms may pursue growth and power as well as, or in place of, profit maximization."

In our analysis of how powerful private economic institutions can be made to serve the needs of the economy and the public, we must be very clear that we are looking at the right facts. I ask unanimous consent that this article by Flaim and Chapman be printed in the RECORD, since it pinpoints very clearly many of the facts that we often overlook in the divestiture discussion.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE U.S. PETROLEUM INDUSTRY AND NATIONAL ENERGY CONSUMPTION

(By Theresa Flaim and Duane Chapman)

As a result of the oil embargo and the energy crisis of the fall of 1973, the petroleum industry is currently undergoing its most intensive public investigation since the original Standard Oil Trust was dissolved in 1911. While most questions about the industry center around traditional concerns—for example, are the profits of petroleum firms excessive?—we wish to examine whether both the industry itself and government policy have contributed to current U.S. energy problems.

We will address three major areas of concern: the structure of the industry; governmental policy; and market control, firm growth and political influence. Before beginning with a discussion of the structure of the petroleum industry, it is appropriate, however, to state the measure by which we evaluate competitive performance.

Industry advocates would argue that the petroleum industry is *workably* competitive. And since most manufacturing industries in the U.S. do not meet the criteria of *perfect* competition, it is worth emphasizing what workable competition means. It is a term used to describe an industry which does not have all the classical properties of a perfectly competitive market, but for which no change in public policy could improve its performance. Most of the confusion surrounding whether or not the petroleum industry is workably competitive is really a misunderstanding about what the appropriate measure of performance should be. Historically, the measure of performance has been whether or not the industry provided an abundant supply of high quality petroleum products at relatively low prices, and generally the industry merited high marks. This criterion was certainly understandable when supplies of crude oil were thought to be abundant. But now that domestic reserves and production are being depleted, now that dependence upon imports is growing and foreign reserves are controlled by an international producer cartel, the earlier criterion of workable competition may be inadequate or even an irrelevant measure of performance.

INDUSTRY STRUCTURE

Given the classical definition of competition, it is easy to see why many people are so concerned about the number of firms in any industry. While not strictly accurate, it is generally true to say that the fewer firms existing in a market, the easier it is for them to cooperate instead of compete, to keep the price of a product high, to extract monopoly profits, and to create a socially inefficient allocation of resources by restricting production.

Is the petroleum industry characterized by too few firms to permit active competition? Mobil Oil Corporation in a recent advertisement points out that there are only 3 major television networks and these control about 75 percent of their market, while there are ". . . more than 8000 companies engaged in oil production, some 130 in refining and about 15,000 in wholesale marketing."

Petroleum is, in fact, one of the least concentrated of the big manufacturing industries. The problem is that concentration—the number of firms controlling a certain percentage of the market—is only an indirect measure of cooperation among firms.

The most dominant form of cooperation—and the least documented—is joint ventures among the industry giants. In spite of the lack of information about joint ventures, we do know from both public and private sources that almost all of the majors—the 20 or so largest firms—share in joint foreign operations and joint domestic pipelines with at least one other major and with many smaller firms as well. We know, for example, that both Texaco, Inc. (second largest by sales in 1974) and Standard Oil of California (fourth in 1974) own 50 percent of the Caltex Petroleum Corporation whose 1974 revenues were $4 billion. We know that British Petroleum might own as much as 54 percent of Standard Oil of Ohio by 1984. We know that joint ownership of oil wells, leases, and reserves is common and compatible with efficient production practices. And though the extent or effect on competition is unknown, we also know that "swapping" petroleum products is a prevalent practice among firms.

Viewed in isolation, these interrelationships would not be particularly objectionable. It is the combination of joint activities which we believe exists at many levels and in many forms in the industry that makes cooperation among firms so prevalent and competition so unlikely. The significance of joint activity is, then, that it renders the low national concentration of the industry meaningless as a criterion of competition since it necessitates cooperation rather than competition among firms. And it will be impossible to determine the real structure of the industry until it is required to report complete information about these joint activities.

In a competitive market, especially a market in which demand is growing as rapidly as the demand for petroleum has grown, one would expect that a dominant position in the industry would be difficult to maintain because it is easy for new firms to enter the market. For example, Exxon, in its testimony before the Senate Judiciary Subcommittee on Antitrust and Monopoly in January of 1975, stated that "the relative ranking of the largest [petroleum] companies has changed significantly over time, demonstrating the competitive vying among firms."

However, the facts portray stability rather than change.

According to *Fortune*, the top 20 petroleum firms—ranked according to sales in 1974—were Exxon, Texaco, Mobil, Standard Oil of California, Gulf, Standard Oil of Indiana, Shell, Continental, Atlantic Richfield. Occidental, Tenneco, Phillips, Union Oil of California, Sun, Amerada-Hess, Ashland, Marathon, Cities Service, Getty and Standard Oil of Ohio. An interesting picture emerges. The top 7 companies in 1974 were the same top 7 in 1954. The top 20 companies in 1954 were reduced—through various mergers and acquisitions—to 17 by 1974.

The impression of stability among the major firms is supported by the findings of a study covering an earlier period of the industry. Melvin de Chazeau and Alfred Kahn, in a book entitled *Integration and Competition in the Petroleum Industry*, reported that the top 16 gasoline marketers in 1926 were included in the top 19 in 1954. Moreover, the top 7 marketers in 1926 were the top 7 in 1954. Thus, they concluded that the period from 1927 to 1954 "showed far more stability than change in . . . [both] the identity . . . [and] the relative positions of the majors." Much of the change within industry leaders is, in addition, due to mergers and acquisitions.

But we cannot understand the structure of the petroleum industry simply in terms of joint ventures, or lack of change in company rankings. The structure of the industry is further complicated by the fact that the majors are vertically integrated. They are, in brief, involved in the production, transportation, refining, and marketing of petroleum products. The arrangement raises some discomforting objections. In the past, the strongest argument against vertical integration was that such firms would utilize tax subsidies to claim most of their profits at the production level and "squeeze" rivals in other activities. According to Thomas G. Moore, in an article in *The Structure of American Industry*, in 1967 the integrated firms in the industry claimed 63 percent of their profits from production, 6 percent from transportation, 21 percent from refining and marketing, and 10 percent from petrochemicals. A major question about vertical integration is whether the arrangement is more efficient than having separate firms involved in each of the industry's activities. While there are obvious advantages for the oil firms themselves, it is questionable whether vertical integration results in any cost saving for society as a whole.

GOVERNMENT POLICIES AFFECTING PETROLEUM

State and national policies have frequently been used as instruments to organize certain forms of cooperation. Prorationing was a state-enforced method of supply control developed in the 1930's and effectively eliminated in 1972. It was instituted to replace the disastrous law of capture which led to technically inefficient production practices and the "boom and bust" price cycles of the industry's early history. Under prorationing, production was allocated among producers and based upon monthly forecasts of the demand for petroleum. After World War II, cheap imported crude oil threatened the system of prorationing; import quotas (established in 1959 and eliminated in 1973) enabled producers to control supply and stabilize the price of petroleum.

Government tax subsidies, while not affecting cooperation among firms, affected both the structure of the industry as well as the level of production. The oil depletion allowance (eliminated for large companies in 1975) and other special tax credits available at the production level, provided multibillion dollar tax subsidies to those firms involved in the production of petroleum and almost certainly encouraged higher levels of production than would otherwise have occurred. The combination of tax subsidies and import quotas further accelerated the depletion of inexpensive domestic petroleum by stimulating production at home while limiting the amount of foreign petroleum that would enter the U.S.

Many independent analysts of the petroleum industry believe these Government policies created our current energy problems and in particular fostered unusually high dependence upon petroleum. But the industry sought these policies and encouraged the institution of import quotas, the depletion allowance, and other special tax provisions.

MARKET POWER, FIRM GOALS, AND POLITICAL INFLUENCE

Perhaps the greatest difficulty in analyzing the economic impact of any industry's behavior is that economists are trained to evaluate economic performance from the perspective that firms are basically competitive and concerned only with maximizing profits. Firms are not viewed as concentrations of economic power with considerable interest in, and influence upon, government policy. Nor is it generally believed that the firms may pursue growth and power, as well as, or in place of, profit maximization.

Many of the largest petroleum firms today are direct descendants of the old Standard Oil Trust which was dissolved in 1911. Exxon, for example, was formed from almost half of the assets of the original Standard Oil. Firms which have histories equivalent to many human generations may have conscious objectives about growth which may have priority over a desire to make as much as possible in profits during any one year.

Coupled with monopoly power, pursuit of growth as an objective can have undesirable effects. For instance, at least one major petroleum firm took steps to eliminate competing types of transportation. In his statement before the Senate Subcommittee on Antitrust and Monopoly on February 26, 1974, Bradford C. Snell detailed how Standard Oil of California, General Motors, and Firestone Tire bought and scrapped the electric transit systems in major cities throughout California. Snell relates that in April 1949, a "Chicago federal jury convicted General Motors of having criminally conspired with Standard Oil of California, Firestone Tire and others (including Phillips Petroleum) to replace electric transportation with gas or diesel-powered buses and to monopolize the sale of buses and related products to local transportation companies throughout the country." Securing future avenues for growth in automobile, bus, and gasoline sales, these companies worked actively to eliminate relatively pollution-free public transportation systems in major cities throughout the United States.

Petroleum firms are moving into uranium and coal, the two energy forms likely to experience the greatest future growth. Major oil companies account for 20 percent of domestic coal production, 30 percent of coal reserves, 25 percent of uranium milling capacity, and over 50 percent of uranium reserves, according to a 1971 report by the House Subcommittee on Special Small Business Problems. The same source reports that oil, natural gas and coal companies controlled 65 percent of uranium reserves and 69 percent of uranium milling capacity in 1970. Moving into coal and uranium production is a logical step for petroleum firms concerned with future growth. The danger, of course, is that it will eliminate interfuel competition by placing uranium and coal within the control of petroleum firms.

Troublesome issues of public accountability are raised by recent disclosures of the manner in which some of the major companies have worked to influence government policy. Proceedings before Federal courts, the Securities and Exchange Commission and elsewhere show that 5 percent of the major petroleum corporations have engaged in illegal contributions to political funds and to regulatory agency personnel in the United States. If our previous conclusion is correct—if government policies have, in fact, worked to promote excessive production and consumption of energy—then we must question the extent to which this end has been achieved through illegal or improper means. Though we have no unique insight to offer, we do insist that these actions raise issues which are basic to political democracy, and the resolution of these issues will influence the process by which future government policy is made.

MISSOURI RIVER WATER POLICY

Mr. McGOVERN. Mr. President, in conjunction with the 17th quarterly meeting of the Missouri River Basin Commission—MRBC—South Dakota Gov. Richard F. Kneip called a special meeting of the MRBC Governors to discuss water utilization and policy for the Missouri River.

I share Governor Kneip's concern over the unilateral aspects of the memorandum of understanding between the Departments of Army and Interior relative to water marketing from the Missouri River.

It is the contention of the Missouri upstream water storage States that waters should be under the control of the individual States provided that the basic requirements of the 1944 Pick-Sloan plan are met.

The Missouri River dams above Sioux City, Iowa, were authorized and constructed to meet several basic needs. Downstream States wanted flood control and the assurance of a steady discharge of water in the Missouri River to maintain navigation channels and to supplement Mississippi River flows. Power interests wanted to insure that the reservoir outflow would be sufficient to maximize hydroelectric power generation potential—with the understanding that sale of power would assist in repaying the Federal Government for its expenditures on the dams themselves.

These obligations have been—or are being—met. In return, the State of South Dakota, gave up over 500,000 acres of rich productive river bottom farm land for the Federal reservoirs. These acres were paid for on their assessed valuation at the time of taking—but their future production potential and the taxes they would have created have been lost forever.

Understandably, South Dakotans—and I believe residents of North Dakota and Montana as well—believe that the waters in the Missouri River surplus to the demands of the Pick/Sloan commitment should be reserved to the individual States for irrigation, stabilization of municpal water supplies and other consumptive uses. But it should be the State, not the Federal Government, that makes the ultimate decision on water utilization for the surplus waters stored in the reservoirs.

South Dakota is currently experiencing the worst drought since 1934 with a current estimated loss to farmers and ranchers in excess of $700 million. Ironically, the drought area is in essentially the same counties that would be served by the Oahe irrigation project, now under construction, and other projects which are still on the drawing boards or under discussion.

With these concerns in mind, South Dakotans are holding a series of meetings across our State to discuss a proper water policy for both the State and Federal Government in relation to Missouri River water. Included in these meetings is a major water policy conference I have called for Sioux Falls, S. Dak., on October 30.

When these policy oriented meetings have been concluded and the next session of our State legislature has an opportunity to more closely define South Dakota's water policy, I anticipate that we will be coming to the Congress and to the administration for appropriate action to recognize the interests of our State—and others in the Upper Missouri Basin—on the beneficial uses of this water.

Governor Kneip has sounded an important call for action on this matter in his address to the MRBC.

Mr. President, I ask unanimous consent that the Governor's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF GOV. RICHARD F. KNEIP

It is with pleasure, Governor Anderson, that we are meeting in your great State of Minnesota to talk water. What could be more fitting for the Land of 10,000 Lakes, or the Land of Sky Blue Water. Yet, I too know that it can be a land of drought and hardship as you are experiencing this summer. The drought conditions are causing all of us to reassess our water resources.

I recognize that only a small percentage, less than two percent, of the State of Minnesota drains into the Missouri River. This is hardly sufficient to be concerned about the water issues of the Missouri River Basin. Yet, it is fitting that many of the issues we will be discussing this morning are of vital interest to Minnesota, just as they are of vital interest to the other nine States in the basin. The issues of water for energy, water for agriculture, water for instream flows, all have a bearing on Minnesota's current and future styles of living. Electrical energy shipped into Minnesota from the main stem Missouri River dams helps power your farms, and towns, and factories. Wheat, corn and other agricultural products provide the raw goods for your processing plants and food for your people, as well as other people throughout this Nation. The economic and social ties between these great twin cities of Minneapolis and St. Paul and the towns and farms of the Dakotas, Montana, Wyoming and other basin States dictate that consideration be given to the water issues of the Missouri River Basin.

This same interdependence can be cited for other areas in and near the basin and indeed between the basin and the Nation as a whole.

It has been four years now since the Missouri River Basin Commission was established. In that short time we have seen some fundamental changes take place in the basin. We have seen the Nation go through an energy scare that forewarns of problems to come. We have seen the coal and other energy resources of the basin eyed by the rest of the Nation. We have seen a reversal in agricultural economics, and policy, leading to all out production. We have seen a phenomenonal increase in irrigation, if our experience in South Dakota is indicative of other States. And we have seen the continued desire to provide for the amenities of life; the quality of life that demands a free flowing stream, non-polluted water and a place to see and enjoy wildlife.

Our purpose in calling this conference has to do with these things I have just mentioned. We need to look at our water and related resource programs in light of these new and expanding demands. What better method than to bring the chief executives and the principal water administrators from the ten basin States together to discuss these critical water issues.

From time to time our predecessors met as the Missouri River States committee to discuss water development in the basin. As nominal head of that committee, I choose this opportunity to work with the M.R.B.C. chairman, John Neuberger, to arrange for this conference. Our objectives, hopefully are to bring about a better, more united, understanding of the water problems facing the States and to establish some coordinated policies that will be beneficial to the States and the people of the Missouri River basin.

CRITICAL WATER ISSUES IN SOUTH DAKOTA AND THE BASIN

Current problems

For the past three years South Dakota has experienced below normal rainfall amounts. This year we are currently in one of the worst droughts on record over three-fourths of the state. Fortunately, the Black Hills and Northwestern counties are receiving adequate precipitation. Other parts of the state. especially the northeast quarter and the south central portion have received less rainfall than occurred during the driest year of the 1930's drought.

I do not need to tell you of the hardships and damages this drought is causing—we see many farmers and ranchers selling off their foundation herds and plowing under their small grain. Others look to feeding their livestock for ten months, hoping the pastures will come back next spring. Even those relying upon irrigation are finding water supplies short in the James and Big Sioux Rivers and are forced to stop pumping. About 40 percent of our municipalities are on water restrictions and several city officials are wondering how they will provide water through the coming fall and winter months.

I need not tell you of the problems and hardships caused by lack of water or from too much water in the form of damaging floods. Most of you in this audience are in the water field and know what has to be done. But I am asking you to rededicate yourself to solving these current problems and the water problems we will be facing in the future.

Future issues

In looking toward the future I can foresee some serious interstate conflicts regarding the use of water from the Missouri River and its principal tributaries. In times of abundant flows these problems are overlooked. In times of scarce flows many of the conflicts can not be resolved in time but that somebody is hurt. I, therefore, urge that the States, with the help of the Federal agencies consider the future of the Missouri River basin and determine how we want to use our water, ten, twenty, fifty or a hundred years in the future.

The conflicts among various uses of scarce resources, such as water, become more intensified as that resource diminishes in relation to the demands placed upon it. This process is starting to occur in the Missouri River basin. Fortunately, we are still in a surplus condition in most years. But as demands for additional water for irrigation, demands for municipal, industrial and other uses continue to increase, conflicts are sure to happen.

In resolving these conflicts it would seem that our technical data and investigations must be the best possible. Knowledge of the quantities of water available, the quality of that water, the cost to pump and distribute that water, must be known if proper decisions are to be made. But just as important is the need to have adequate institutional arrangements to generate information, weigh factors, and make decisions. The relationships between local, State and Federal institutions and agencies have as much to do with proper water resources planning and management as does engineering designs and construction techniques.

I, therefore, urge that as we consider ways of resolving these conflicts in water use between agriculture, energy and instream flows that we not forget the need to develop and place into use the proper institutional units. We can not let one Federal agency dictate the decisions for an area or one single State.

I must say that I continue to remain somewhat hesitant to endorse the February 1976 "memorandum of understanding" between the Department of Army and the Department of the Interior relating to the marketing of Missouri River water. As I see it, this memorandum of understanding was promulgated and issued without the benefit of the State's perspective. This cannot happen again. More importantly, I continue to believe that the individual States must be able to determine their own priority uses of Missouri River mainstem water and in this way gain effective "claim" of this resource.

The Federal Government cannot be allowed to dictate how South Dakota, or any other state for that matter, will use Missouri River water; as long as we use it within the framework of pre-existing guides, such as the Pick-Sloan Act.

So in addition to the upstream/downstream conflicts over use of the Missouri River water between individual States and the Federal Government, there could also be serious conflicts between upper basin States as to the best use of the water. The 1944 Flood Control Act that provided protection of upstream consumptive use over navigation was a vital piece of legislation for the destiny of the upstream States. However, as that consumptive use continues to increase there needs to be a further agreement on the respective rights and claims of the various States to Missouri River water as well as a firm understanding between State-local regulation of that water and Federal regulation of the same water.

Interstate compact

I would like for you to examine the need and the possibility of an interstate compact at this time. Historically, an interstate water compact has been used to settle water use conflicts between States. Such devices are common already in the Missouri River Basin. In fact, two such compacts are represented on the basin commission.

I have not honestly determined to my own satisfaction if an interstate compact would be helpful at this time. Generally, sufficient water is available in the Missouri River to meet current needs and anticipated needs for the next ten to twenty years. These demands will put little strain on the system, even during extreme dry periods. Yet certain farsighted individuals and groups point to other rivers, the Colorado and the Arkansas, to show where interstate compacts have been developed and are working. They also point to the continued increase in water use and question if the Federal and State laws and policies under which we have operated for the last 30-years are adequate. We do know the water of the Missouri River is a limited and finite resource.

The mechanics of negotiating an interstate compact would be difficult, whether it be among the four upper basin States, or the seven States along the Missouri River, or all ten States in the basin. The lack of completed State water plans; the lack of completion of the Pick-Sloan Basin Plan; the continued authorization and development of Federal projects all combine, along with many other factors, to increase the difficulty under which a compact would be negotiated.

Nonetheless, the difficulty of the job should not deter us from discussing the problem and determining if the advantages are sufficient to embark upon such a venture. Compact negotiations cannot be guaranteed to be successful. My own State of South Dakota has, over the years, entered into at least four interstate water compact negotiations, only to have one successfully concluded.

MRBC

In light of these questions on interstate water use issues and need for an interstate water compact, I would also ask that consideration be given to the future role to be played by the Missouri River Basin Commission. The need for continued State-Federal coordination in the water field is obvious. But is the commission fulfilling that role adequately? Or should the commission be given a larger role in actually directing the planning and development of water and related resources in the basin. A larger role in the mold of an authority similar to the T.V.A. is a possibility, but has been rejected in the past. I am not proposing such an authority at this time, but I do believe it must be reserved as an alternative.

Another alternative is to go back to the old inter-agency committee with little or no power to coordinate activities or programs. This, too, was rejected in 1972 when the basin Governors requested a commission be formed. I concurred in that decision then and I still concur in the necessity of a commission in the basin.

My suggestion, however, is to give the commission more power and authority than it has had to date. This will mean a lessening of the power and prestige of some of the old line water agencies. But, in this day and age, do we need two or three more Federal agencies in a sub-basin trying to plan and develop the water resources? Too often wheels are spun just to try to coordinate the activities of from two to a dozen agencies rather than getting to the basic goal of providing water for use or reducing flood damages, or cleaning up the pollution. Too often in the planning arena we see the "buck" passed from one agency to another and nothing gets done. I can't say that the Federal agencies are all to blame either, for our State agencies often follow this same line of shirking of responsibilities.

However, before I conclude, please allow me to underscore what I have said earlier: If we are to go this route, the Missouri River Basin Commission would first and foremost have to take a "States-rightist" posture. I reiterate that I believe the individual States must have the upper hand in the matter of Missouri River water development.

I do not want to see our desires and prerogatives pre-empted by Federal action. I would, therefore, support strengthening of the role of the Missouri River Basin only if it would help the ten Missouri River Basin Commission States achieve this goal.

So if the Basin Commission is to become a viable organization in the planning and development of water and related resources in the Missouri Basin, then both the Federal Establishment and the States must make some changes.

From the Federal side I see the need to reduce inter-agency competition and to allow the Basin Commissioners to assume a greater role in centralized funding and study direction. On the State side I see a need for great commitment, both in money and manpower, to the Regional Basin Commission concept. The interdependence upon adjacent State's resources and activities leads me to this conclusion. *Summary*—In summary, let me challenge the other States and Federal agencies assembled here to work together in solving the opportunities presented by the future of the Missouri River Basin. If this drought should spread and continue for another year or two or three, a not unlikely possibility, governmental and water leaders of this basin will be facing a challenge every bit as difficult as those faced in the 1930's. Member agencies and State representatives to this Commission are capable of doing the necessary planning and making the necessary recommendations to meet this challenge and to provide the best water and related resource development for the basin. Get on with the job!

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention, adopted by the General Assembly of the United Nations and signed by the United States in 1948, was submitted for Senate ratification by President Truman in 1949. Under this Convention, the commission of specified acts with intent to destroy national, ethnic, racial or religious groups as such, is made a crime under international law.

The Genocide Convention has as its stated objective the preservation of man's most precious right: The right to live. When this Convention was first submitted, only five nations had ratified it, including all of our major allies.

It certainly seems to be mystifying that the United States has failed to ratify a convention which is so closely identified with its best traditions. Over the years our shores have been a beacon for human rights—the only hope of freedom for millions. It is important that the Senate again seize the initiative and ratify this Convention during the current session, thereby renewing our dedication to the cause of human rights.

Mr. President, I urge my colleagues to give this matter their most serious attention. The time has come for positive action on this very important issue.

THE CONTINUING DILEMMA OF THE WILD HORSE

Mr. PACKWOOD. Mr. President, on June 17, 1976, the U.S. Supreme Court handed down a decision declaring that the Wild Free-Roaming Horses and Burros Act of 1971 is constitutional. A Federal court in New Mexico held the act in February of 1975 to be unconstitutional because they believed the Constitution allowed Congress to regulate only public land and not the animals on private land. However, the Supreme Court reversed that decision based on the property clause of the Constitution to allow the continued protection of the Nation's wild horses and burros.

I ask that the syllabus of the opinion from the Supreme Court of the United States as well as a recent editorial on the decision from the Washington Post be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Supreme Court of the United States

Syllabus

KLEPPE, SECRETARY OF THE INTERIOR *v.* NEW MEXICO ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW MEXICO

No. 74-1488. Argued March 23, 1976—Decided June 17, 1976

The Wild Free-Roaming Horses and Burros Act (Act) was enacted to protect "all unbranded and unclaimed horses and burros on public lands of the United States" from "capture, branding, harassment, or death," to accomplish which "they are to be considered in the area where presently found, as an integral part of the natural system of the public lands." The Act provides that all such animals on the public lands administered by the Secretary of the Interior through the Bureau of Land Management (BLM) or by the Secretary of Agriculture through the Forest Service are committed to the jurisdiction of the respective Secretaries, who are "directed to protect and manage [the animals] as components of the lands . . . in a manner that is designed to achieve and maintain a thriving natural ecological balance on the public lands," and if the animals stray from those lands onto privately owned land, the private landowners may inform federal officials, who shall arrange to have the animals removed.

Appellees, the State of New Mexico, its Livestock Board and director, and the purchaser of three unbranded burros seized by the Board (pursuant to the New Mexico Estray law) on federal lands and sold at public auction, and whose return to public lands had been demanded by the BLM, brought this suit for injunctive relief and for a declaratory judgment that the Act is unconstitutional. A three-judge District Court held the Act unconstitutional and enjoined its enforcement. *Held:* As applied to this case, the Act is a constitutional exercise of congressional power under the Property Clause of the Constitution, which provides that "Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States." Art. IV. § 3, cl. 2. Pp. 5–17.

(a) The Clause, in broad terms, empowers Congress to determine what are "needful" rules "respecting" the public lands, and there is no merit to appellees' narrow reading that the provision grants Congress power only to dispose of, to make incidental rules regarding the use of, and to protect federal property. The Clause must be given an expansive reading for "[t]he power over the public lands thus entrusted to Congress is without limitations." *United States* v. *San Francisco*, 310 U.S. 16, 29, and Congress' complete authority over the public lands includes the power to regulate and protect the wildlife living there. Pp. 6–11.

(b) In arguing that the Act encroaches upon state sovereignty and that Congress can obtain exclusive legislative jurisdiction over the public lands in a State only by state consent (absent which it may not act contrary to state law), appellees have confused Congress' derivative legislative power from a State pursuant to Art. I, § 8, cl. 17, with Congress' powers under the Property Clause. Federal legislation under that Clause necessarily, under the Supremacy Clause, overrides conflicting state laws. And here, though the Act does not establish exclusive federal jurisdiction over the public lands in New Mexico, it overrides the New Mexico Estray Law insofar as that statute attempts to regulate federally protected animals. Pp. 11–16.

(c) The question of the Act's permissible reach under the Property Clause over private lands to protect wild free-roaming horses and burros that have strayed from public land need not be, and is not, decided in the context of this case. Pp. 16–17.

406 F. Supp. 1237, reversed and remanded.

Marshall, J., delivered the opinion for a unanimous Court.

Roaming Free

When Congress passed the Wild Free-Roaming Horses and Burros Act five years ago, it seemed that a blanket of federal protection had been placed over those animals who are regarded as elusive friends by lovers of nature—and as foes by many ranchers in the West. Unfortunately, the blanket never settled. Opposition to the law was widespread; wild horses continued to be trapped and slaughtered; and, eventually, a federal court in New Mexico held the Act to be unconstitutional. The court said that the Constitution gives Congress power to regulate wild animals and public lands *only* to protect the land and *not* to protect the animals themselves.

Last week, we are happy to report, the Supreme Court reversed this decision. It asserted that Congress does indeed have power to regulate and protect the wildlife living on public lands. That is not just good news for horses and burros—it is also good news for the country.

The high court's ruling removes any legal question about the right of the federal government to try to maintain some parts of the country in their natural state. And it turns back an attack on other federal wildlife protective laws, which would have been sure to come if the lower court had been upheld. Not all such laws are popular, of course, in every part of the country. Some are seen as unwise by the wildlife's human neighbors who often regard the animals as pure pests.

The case is also a useful reminder that federalism is still a large element in the manner in which the country is governed. The claim made by New Mexico that Congress was trying to usurp a part of its inherent power was not frivolous. The states have always had the major role in regulating wildlife and are likely to continue to have it. The Court upheld only that part of the wild horses act which protects the animals while they are on public land; it put off for another case the constitutionality of the protection the act gives to those animals when they roam onto private or state-owned land. We would not bet much on their chances there—either in fact or in court. So we wish that—some way or other—these survivors of the past who wander free in the West could get the message: Stay on Uncle Sam's land, he'll protect you.

Mr. PACKWOOD. Mr. President, now that the act has been declared constitutional, it is time to discuss the results since the passage of the act in 1971.

One good result is that the horses and burros are no longer being slaughtered. Yet, a Federal statute passed in 1959, which prohibited the use of aircraft and motorized vehicles, has made the rounding-up of the excess numbers of wild horses and burros difficult, time consuming and expensive.

The wild horse population is now growing at the rate of 20 to 30 percent a year. Nationwide, the horses and burros increased in number between January of 1974 to May of 1976 from 45,000 to 60,100. The wild horse population in my own State, Oregon, has doubled since the passage of the act in 1971. The horses have no natural enemies and because of the present methods of roundup, they are eating themselves, as well as many other animals out of food. Thus, the problem is worsening as the horses overgraze the Nation's rangelands, as well as endangering other species in competition for the dwinding supply of forage.

I ask unanimous consent that an article from the Arizona Daily Star, which describes the threat to the Bighorn sheep by feral burros, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Desert Bighorn Sheep In Conflict With Burros

Lake Havasu City.—What happens when feral burros invade desert bighorn sheep country?

The burro population explodes and the sheep population declines.

Just ask Rich Beaudry, wildlife manager for the Arizona Game and Fish Dept., stationed here for the past eight years.

"In 1970 we estimated there were 250 sheep in the mountains north of the Bill Williams River, excluding the Hualpais," said Beaudry. "Now our surveys indicated the total has dropped to about 125. In 1973 we had about 450 burros in the same area; that total has jumped to at least 750 this year."

In a recent 10-hour helicopter survey Beaudry counted 29 sheep and 70 burros in the Mohave, Chemehuevi, Casanitas and Rawhide Mountains and the Aubrey Hills.

"The main competition between sheep and burros is over water," said Beaudry. "Over the years more and more of the Colorado River has been blocked off as a watering source for sheep by the influx of trailer courts, cabins, boating and launching facilities, and other commercial enterprises. This situation makes more competition for the sheep for the low and high springs in the mountains and flats.

"It is a subtle displacement of sheep by burros at the waterholes and the sheep slowly get strangled. Over a period of a few years you notice fewer sheep and more burro sign around the water."

A female burro will have an offspring on the average of every 13 months, "so you can see the potential for a burro population explosion is very real," Beaudry said. The increase in the burro population is estimated at from 20 to 25 per cent each year.

Although the Colorado River area from the Grand Canyon south has been a historic range for bighorn sheep, the burros did not interfere much until about 1900. And burros were "controlled" to some degree up until the passage of the Wild Horses and Burros Act of 1971.

Beaudry believes the present law protecting the feral burros and wild horses is a bad law.

"If it is desirable to protect burros and horses, then a refuge should be established like we have them for sheep, antelope and other species," he said. "It is not a good idea to protect all free-roaming burros and horses as they do, or they can, displace the native wild animals who have a difficult enough time surviving in the desert.

"I don't object to a few burros but when their numbers increase to the point where they become a detriment to the sheep and other wildlife here, they should be controlled. It is not practical to capture and relocate large numbers of burros."

Most of the burro and sheep populations are on land administered by the U.S. Bureau of Land Management. The BLM several years ago contracted with Robert Ohmart, a zoologist at Arizona State University, to study the burro-sheep problem. The study has not yet been completed but preliminary comments by Ohmart showed he agreed that some control of the feral burro population must be done to preserve the wildlife of the region.

Burro meat is good and many oldtime residents through the time of the depression and beyond regularly had burro roast barbeques. During World War II the burros made good targets for aerial and ground gunnery practice. In the Grand Canyon the National Park Service killed at least 1,000 burros which had displaced sheep, especially along the Tonto Plateau. Other agencies also destroyed the invading burros.

"But that has all stopped now," said Beaudry. "Although the federal act does allow burros to be killed when they exceed a certain level, the administrative agencies will not do so because of the fear of adverse public opinion. So the burros are multiplying while the sheep are declining."

Bighorn sheep are subject to several diseases of domestic animals, and the lambs are sought after by predators. The lamb survival rate in sheep is about 20 per cent. Burros, on the other hand, apparently are not prone to domestic or other disease, and predation on their young is nil. The burro survival rate for the young is almost 100 per cent.

During the colder months the sheep get most of the water they need from the plants they eat. But in the hot summer the waterholes may mean the difference between life and death. Burros use waterholes all year long which puts the sheep at a disadvantage. Burros are known to physically defend a waterhole from other animals including sheep.

"Feral burros have to be controlled or we will lose even more of our native, wild sheep," Beaudry said. "Sport hunting seems to be the cheapest and easiest way to kill off excess burros."

Mr. PACKWOOD. The wild horses and burros are also posing a threat to ranchers. The growing number of wild horses are forcing ranchers to cut back the number of cattle on their ranges. The Bureau of Land Management, which is responsible for the protection, management, and control of the wild horses and burros, said that livestock reduction for 1976 will limit the amount of beef produced for consumers. However, the BLM must keep an optimum level of horses on rangelands even if it means cutting back the number of cattle. That is not a balanced management approach.

The present method of rounding up the excess numbers of horses and burros is by wranglers on horseback. This is due to the 1959 law limiting corralling techniques mentioned earlier. The roundups take place periodically when the BLM decides the number of animals has exceeded an optimum level.

The roundups seem to be extremely inefficient and quite costly. Many times a group of wranglers will ride for 3 grueling days and only corral three or four horses.

The expense of these operations are needlessly high when compared to the numbers of horses and burros captured. The average cost per horse corralled is roughly $300 to $400 per horse. Since passage of the 1971 act $2,328,295 has been spent on roundups. As mentioned before, the population of the animals, meanwhile, has grown by 15,100.

Thus, it is obvious that the present method of roundup is inadequate. While the amount being spent is increasing, these populations of horses and burros are not being maintained at stable levels. In addition, many times the dollar figures do not tell the whole story because ranchers often volunteer their time and effort during many of the roundups.

The appropriation figures for each year as well as the actual amount expended are as follows:

YEAR, AMOUNT APPROPRIATED, AND AMOUNT EXPENDED

1972, no funds allocated.
1973, $100,000, $400,000.
1974, $400,000, $700,000.
1975, $700,000, $1,000,000.
1976, $1,000,000, $1,228,295 as of May 31, 1976.

Mr. President, the present means of rounding up the excess numbers of these animals has created unwise imbalance between the horses and burros and their environment. There is simply an overabundance of these animals which is causing overuse of grazing lands in many Western States.

The House of Representatives recently passed its own version of the Bureau of Land Management Organic Act, which includes modifications to the 1971 Wild Free-Roaming Horses and Burros Act. I hope a careful review of these revisions will be afforded during the upcoming Senate-House conference on their respective Bureau of Land Management Organic Acts.

I ask unanimous consent that articles from the Klamath Falls Herald and News, the Oregonian the Oregon Journal, and the Medford Mail Tribune be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Wild Horse Situation Reaches Crisis Proportions—Sen. Robert Smith

Burns.—Orders by the Bureau of Land Management restricting domestic livestock use of ranges "will reduce the beef produced in an amount equivalent to beef use by 7,727 people for one full year," according to Sen. Robert Smith, R-Burns.

The figure was determined by what he termed an "interested nonstockmen's group," which also pointed out that this reduction will result in monetary damage to affected ranchers and increased beef cost in the market place. The reduction was ordered in face of a growing problem with wild horses on the range.

Officers from the BLM office in Burns have predicted that the livestock grazing restrictions "threaten the livelihood of many ranchers."

BLM has issued orders restricting domestic livestock use of the range by approximately 35 per cent for the 1976 grazing year.

Smith said excess numbers of free-roaming horses designated as "wild horses" under a federal act have brought about a "crisis situation."

BLM has been given responsibility to determine the optimum number of wild horses to be maintained in an area in harmony with multiple use relationships with other animals and to maintain wild horse numbers at the optimum number.

BLM is to provide range for the optimum number and, where necessary, is authorized to adjust and exclude domestic livestock in order to provide forage for the optimum number of wild horses and to preserve that range.

Smith said BLM has been unable to maintain wild horses at an optimum level "because the methods available . . . are limited and there have been inadequate funds provided . . .

"At the present," he said, "there are between 1,000 and 2,000 head of wild horses using range in Harvey County over and above the optimum number determined by the BLM."

He said existing control methods cost about $500 for each wild horse captured and removed from the range "which makes an immediate deficiency of $500,000 to $1 million," largerly because mechanized vehicles cannot be used in capture.

"Even if the BLM had adequate funds to remove the excess horses, it could not do so in time to save the range for this year because of the gathering restrictions. There are not sufficient men and animals available to gather the excess numbers of wild horses within a reasonable time frame," Smith said.

He pointed out it was "virtually impossible" to round up wild horses from horseback which also is dangerous to horses and riders.

"There is no true short-term solution to the problem except to kill the excess numbers of wild horses," Smith said. Solutions are further complicated by restrictions placed on wild horses, "expensive to locate custodial care for and to feed."

He suggests as one solution, an amendment to the law to allow roundup of wild horses by helicopter and mechanized equipment, then selling or giving them away as live horses to the extent possible and harvesting them for meat products to the extent they cannot be used as live animals.

On a short-term basis, Smith says BLM should be authorized "and directed to forthwith harvest excess numbers of wild horses by killing them and disposing of them as in the Wild Horse Act and regulations provided."

He noted that wild horse herds have "no natural enemies" and "are multiplying at the rate of approximately 20 to 25 percent per annum. Each wild horse consumers about two times as much graze as consumed by a cow. If immediate action is not taken to control wild horse numbers, all livestock will have to be removed from the range within a very short period of time," Smith warned.

"Livestock removal is not a solution since it does not comply with the multiple use theory of the statute and . . . would be only a short-range solution. . . ."

Cattle Crowded Out: Herd of Wild Horses Overgrazes Rangeland

(By Steve Erickson)

A 3,000-animal wild horse herd is overgrazing Harney County rangeland to such an extent private ranchers' livelihoods are threatened, says the Bureau of Land Management district manager. "I think things are going to get rather emotional before this is over," said Chris Vosler of Burns, "because we are reducing livestock numbers and we may put people out of business.

"At this point, because we haven't got money to gather these animals (wild horses), my only course of action is to take the livestock off," Vosler said. "We're putting livestock owners in the realm of possibility of going out of business."

The federal Wild Horse and Burro Law of 1971 prohibits killing individual wild horses, which Vosler said "multiply at the rate of 20 to 25 per cent each year and eat more forage each year.

"The law provides . . . that we (BLM) can destroy them," Vosler said, "but this is not a publicly acceptable solution. We can't use any motorized vehicles to gather them, it must be done by horseback and is very expensive.

"Our costs have run between $300 and $750 a head to gather them," he said, "and we're talking about taking off 2,000 horses to get them down to a reasonable number, in balance with available forage.

"We haven't been given adequate appropriations to control them (by the Interior Department)," Vosler said, "so our course of action is to reduce livestock numbers so there is no conflict between horses and livestock."

One Harney County rancher who has suffered because of the horses and the law protecting them, and who has taken corrective action, is 35-year-old Dick Jenkins of Diamond, 60 miles southeast of Burns.

Jenkins, whose family has been ranching in the Steens Mountain area since the 1890s, has filed a $46,000 claim with the BLM for damages to his private land done by wild horses.

Jenkins, whose private land is interspersed with public land, has been required to reduce his cattle herd from 900 to 150 head because of the increase in wild horse numbers.

The government also has cut one month per year off the time his herd is allowed to graze the area and informed him that in 1976 two months will be cut from even that.

Ninety per cent of water available in the area is on Jenkins' land, which is unfenced. If he fenced his land, wild horses would suffer from a lack of water. Jenkins said he does not want to do that.

"We went through the proper channels to the federal level" to obtain federal funds to control wild horse numbers, Jenkins said.

"Two days after we were notified the money had been made available we were told it had been diverted to the Vale and Prineville districts to remove horses" from a similar situation.

The diversion, Jenkins said, was because "they threatened to sue if the horses weren't removed.

"I'm being crowded out by the horses," Jenkins said. "They must be taken care of now. The problem is immediate, it won't wait until spring.

"Vosler told me that even if we had the money to start gathering the horses as soon as the weather breaks, damage to the range already has been done," Jenkins said, "and that I will still not be able to turn my cattle out at the usual time.

"If we don't get some federal action," he said, "we are not going to sit here after going through all necessary procedures to deal with this problem.

"If the $46,000 claim is not paid or we do not get some help in dealing with the wild horse problem, we intend to sue for trespass.

"As a rancher," Jenkins said, "I am not against wild horses or deer or antelope, but the wild horses are going to destroy the range for the deer, the antelope, cattle and the horses themselves if they are not controlled."

Wild Horse Problem Described as Requiring Management Plan

(By Joe Cowley)

The wild horse problem is a management problem, John Marvel, president of the Nevada Cattlemen's Association, told the directors meeting of the Oregon Cattlemen's Association Friday in Klamath Falls.

"There are simply too many wild horses for the range land," he said. "We are awaiting a decision from the supreme court now regarding New Mexico legislation. That would put it under state jurisdiction. Then the problem could be handled more expeditiously."

Nevada, and Malheur County, in Oregon, are two main areas where wild horses have been overloading the public grazing land, cattlemen have complained.

The Nevada cattlemen's president said his state has about 23,000 head of wild horses and 1,000 burros. At the present 20 per cent a year growth rate, by 1980 wild horses would consume all but 350,000 of the 1,900,000 animal units per month (AUM's) allowed for livestock grazing on public lands. After that the livestockmen would be out of business, Marvel said.

"These are descendants of horses which were turned loose by ranchers in the Great Depression years of the 1930's because they could no longer afford to feed them" the cattleman explained.

He related that Nevada cattlemen have water-hole-trapped wild horses with some success. But, the best means to do this would be with helicopters. Nevada, like Oregon, has areas of brush-covered streams where it is extremely difficult to trap horses, he noted. Helicopters can herd the horses into large pens. If fixed-wing aircraft are used the men have to use shotguns.

Ranchers have to get permits from federal officials to trap the horses. If they take the useable horses for their own purposes federal agencies will charge them with trespass. If they kill them without permission ranchers can lose their grazing permits and be fined heavily, the Nevada cattleman said.

Many of the horses are inbred and worthless. He said the overgrazing by wild horses has a tremendous impact upon wildlife. In Nevada when they speak of wildlife—they mean deer.

"Another problem is that during our severe winters nobody can get to the horses to take care of them. There are just too many," Marvel said. "All we are looking for is a proper balance. The big problem now is getting enough money for control."

"I think that in less than two years we could pretty well control them with everybody's cooperation," the Nevadan said. "We could reduce the trapping cost from $800 a horse to possibly $50 in places like Malheur County. In some instances, it could cost as high as $2,500 a horse."

He noted that in Ely, Nev. there was a plan to reduce permittee use of government grazing land so the horses would have more grazing. However, the cattlemen interceded and stopped it.

In Colorado one small ranch operator was put out of business, he noted. This is the ultimate end for all of the cattlemen in wild horse areas unless something is done, Marvel said. The Forest Service has been talking about restoring grazing for cattlemen in Nevada. The stockmen's main problem has been with the Bureau of Land Management (BLM), the Nevada cowman said.

ROUNDUP FIZZLES; THREE HORSES CAUGHT

PRINEVILLE.—A three-day roundup of wild horses ended as an embarrassment for the wranglers and a disappointment to the Bureau of Land Management—only three were captured.

"These horses know the country, and everytime we started heading them toward one of those traps they got wise and headed off toward another direction," Marvin Bagley, a BLM official, said Monday.

Bagley said the problem was trying to gather the horses into old existing traps that have been around for years.

"I have my doubts we will ever get them. The only way we will get them all is with the use of a helicopter, if that ever becomes legal."

Bagley's ire was directed toward the Wild Horse and Burro Act that prohibits the use of motorized vehicles in capturing the animals, and bans selling the animals. The so-called Wild Horse Annie Act was passed after complaints about wild horses being rounded up and sold for dog and cat food.

Bagley said they were planning to build new traps in different areas of the 80,000-acre region along the John Day River 45 miles east of here. He said they might be able to capture the estimated 100 horses in the area if the horses were not aware a trap was ahead of where the cowboys were driving them.

The roundup—third in the state since the act was enacted—resulted in a mare and colt being captured Friday and a yearling stud Saturday.

No animals were trapped Sunday despite 13 hours of riding as more than a half inch of rain fell.

BLM officials said they would try again next weekend.

No estimate of cost was available, but a spokesman said nine riders were out the first day, seven the next and four the last, for a total of 20 "rider days."

All but two of them were volunteers, the official said.

TAX ON TOBACCO

Mr. MORGAN. Mr. President, I would like to make a statement on the Hart-Kennedy-Moss tobacco tax amendment to the tax reform bill of 1976 (H.R. 10612), which was tabled Friday by a vote of 60 to 25.

The resounding vote by which this measure was tabled gives a good indication of the depth of opposition to the Federal Government's intervention into people's lives by means of a prohibitory tax such as the amendment would have imposed.

This amendment was a slightly altered version of S. 2902, also sponsored by Senators HART and KENNEDY. As originally conceived, S. 2902 was a health tax, now it is called a tobacco tax. I am happy to see it called by its proper name, for in actuality it is nothing but a prohibitory tax on smoking tobacco.

Mr. President, there is no point my going into all the details of the mechanics of this amendment. Senator TALMADGE of Georgia, the first speaker to rise in opposition to the amendment covered it about as well as possible. As a matter of fact his remarks on the Senate floor last Friday was one of the most eloquent denunciations of big brotherism at the Federal level I have had the pleasure to hear since coming to the Senate.

Much has been said about the supposedly detrimental effect cigarette smoking has on the human body, and about the effect of lung cancer—which has not been conclusively linked to cigarette smoking—on our national health costs. However, not much has been said here about alcohol and its effects on society as well as the human body.

If we are going to talk about legislating peoples' habits for the sake of health, let us start with alcohol, which has a negative impact on our economy of $25.4 billion annually. Each year we lose over $9.35 billion to lost production, over $8.3 billion in health costs, $6.44 billion in motor vehicle accidents, and more than one-half billion dollars in expenses incurred by our criminal justice system. All of this is due to the abuse of alcohol. This is not to mention the 28,000 people who died or were killed last year, or the 40 million human lives that are affected annually by alcoholics. How can we measure this heartache and grief?

The effects of alcohol have been known for thousands of years, while in my judgment the evidence against tobacco smoking is inconclusive at best. It seems to me that if we are going to legislate the health of the American people by a health tax or tobacco tax or by whatever name you choose to call this type of prohibitory taxation, that we should begin with a tax on alcohol.

For these reasons I was prepared to offer an amendment to the Hart-Kennedy-Moss amendment which would tax a proof gallon of alcohol at the rate of $40.95 by 1980. This amendment would have paralleled the Hart-Kennedy-Moss approach as closely as possible in regard to the percentage of tax increase.

However, due to the late hour and the time-frame for debate under which we were working, and the impact Senator TALMADGE's remarks had on the Senate, I did not introduce this amendment. We, the opponents of the tobacco tax amendment, felt we would fare better in the voting if we did not tie the Senate up with a long debate on this matter.

I feel that if in the future the Congress wants to place a tax on individual habits and social practices that we should start with alcohol.

Mr. President, I do not believe the Federal Government should try to interject itself into each and every aspect of an individual's life. And most assuredly, not with a prohibitory tax such as that proposed by the Hart-Kennedy-Moss amendment, which would hit directly at the lower income groups, who can least afford to rsist discriminatory taxation.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there any further morning business? There being no further morning business, morning business is closed.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 14262 which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 14262) making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 2146

The ACTING PRESIDENT pro tempore. The pending question is on the amendment by the Senator from Colorado (Mr. GARY HART), amendment No. 2146, which the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. GARY HART) proposes amendment No. 2146.

The amendment is as follows:

On page 15, line 10, strike out "$504,500,000" and insert in lieu thereof "$429,500,000".

On page 25, lines 17 and 18, strike out $2,250,961,000" and insert in lieu thereof "$2,250,311,000".

The ACTING PRESIDENT pro tempore. Time for debate on this amendment is limited to 90 minutes to be equally divided and controlled by the Senator from Colorado (Mr. GARY HART) and the manager of the bill.

Who yields time?

Mr. GARY HART. Mr. President, I yield myself as much time as I may require.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GARY HART. I yield.

Mr. MANSFIELD. In view of the fact that this will be somewhat drawn out, may I suggest, most respectfully, that the Senator come down here and present his arguments on his amendment. In the meantime, on his time, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GARY HART. Mr. President, I ask unanimous consent that Mr. Michael Toumanoff and Mr. Rick Indefurth of my staff be accorded the privilege of the floor during the consideration and vote on this amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GARY HART. Mr. President, this amendment would delete $75 million for the procurement of 360 nonnuclear Lance missiles, and terminate this program as recommended by the Senate Armed Services Committee and upheld by the full Senate earlier this year.

The proposed nonnuclear Lance system would use the same surface-to-surface missile as the current tactical nuclear Lance deployed in Europe, except that it would replace the tactical nuclear warhead with a conventional 1,000-pound cluster bomb. The Army has argued that equippinig our Lance batteries with a conventional version of the system would give our field commanders additional artillery surge capabilities, and in general would provide long-range fire support for our Army corps.

The fiscal year 1977 procurement is the first buy of a 2-year Army program. A total of 720 missiles will be bought for $150 million, giving a unit cost of over $205,000 to deliver a single 1,000-pound conventional bomb. This is obviously a highly expensive system, and it is worthwhile to review the history of its development in order to better understand just how we arrived at this present proposed buy.

A MISSILE IN SEARCH OF A MISSION

The Army's desire for a nonnuclear Lance is not new. In 1958 the Army first proposed developing a nonnuclear version of the weapon. However, since that time nonnuclear Lance has been a missile in search of a mission. In 1958 the missile was to provide a long-range capability against air defense missiles and armor. The current role of artillery surge was ignored due to a concern in the artillery community that missiles might replace cannon.

The results of this early effort were less than spectacular. According to the General Accounting Office, during the period 1963 through 1972, despite an expenditure of $23 million, the Army could not develop a nonnuclear warhead for Lance capable of defeating both armor and personnel. Thus, in 1972, the Army scaled down its warhead requirements. The Army stated that it now needed a warhead which would be capable of destroying only light material and personnel.

The primary mission for nonnuclear Lance was soon transformed into augmenting artillery firepower during surge conditions. In all probability, this change was also influenced by Air Force objections to Lance being used in an air defense suppression role, an Air Force mission. It would appear, therefore, that over the years nonnuclear Lance has been a developmental program in search of a mission, and that requirements have been modified to fit nonnuclear Lance's warhead capabilities and to meet Air Force objections.

Today, the Pentagon has apparently found a mission that is acceptable to all the services. The Army proposes to use nonnuclear Lance to provide a surge capability in support of artillery and in general to increase fire support.

The nonnuclear Lance also has, in its current incarnation, a secondary mission—to perform an air defense suppression role. Until 1975 the Air Force strongly objected to the deployment of nonnuclear Lance for air defense suppression from the standpoint of roles and missions. In response, the Army prepared a revised Defense Coordinating paper which was acceptable to the Air Force in June 1975. The Air Force now welcomes the collateral contributions which would be made by NNL to Air Force missions. This is a marriage not made in Heaven, but in the Pentagon.

Now I would like to take a few minutes to explain why I believe the nonnuclear Lance program is wasteful, unnecessary and even harmful to our overall defense capabilities in Europe.

NON-NUCLEAR LANCE CAPABILITIES

First, there appears to be some question about the capabilities of the nonnuclear Lance. No one argues that it can destroy tanks or similar hard targets—it cannot. However, the Army contends that the nonnuclear Lance missile can effectively destroy SAM's free rocket overground launchers, or FROG's, and cannon artillery. A report prepared by the Institute for Defense Analysis did not reach this same conclusion. On the contrary, it stated that nonnuclear Lance is very limited in its capability to destroy or disable SAM sites, helicopter landing sites, and cannon artillery batteries. Even more startling, the report concluded that nonnuclear Lance has no capability to destroy such critical targets as SAM control radars or FROG launchers.

I would have more sympathy with the Army's assessment of nonnuclear Lance capabilities if I could be assured that the incoming warhead would be dropped right on top of the proposed target. But that will rarely occur. A December 1975 DOD program/budget report cited the problem of finding the target, or target acquisition as it is called, as a significant area of concern for the nonnuclear Lance. The report stated that—

> There is little question that the target acquisition capability available to the Army does not present the timelines and accuracy required for deep targets.

The Army's claim that this is an all-weather day or night system is misleading. While the Lance missile can be fired in most conditions, it is largely dependent on airborne target location systems. These obviously, would be affected by bad weather. In Europe, it is estimated that darkness and inclement weather would preclude such operations a majority of the time. The Army has recognized these shortcomings and has asked IDA to conduct a study by late 1976 on the target acquisition problem, particularly at longer ranges.

In my judgment, Mr. President, this program should be delayed at least until that study later this year is completed.

To summarize, the effectiveness of nonnuclear Lance is largely dependent on minimal misdistance. Misdistance is influenced by the precision of the target acquisition system in locating the target. I have serious doubt whether present target acquisition systems are adequate to support the proposed mission of nonnuclear Lance.

COST EFFECTIVENESS

Since this delivery system is so expensive, over $205,000 per unit, after full acquisition of $150,000,000 is acquired, and its actual capabilities is questionable, the cost-effectiveness of the nonnuclear Lance has always been a key issue. In 1971 the General Accounting Office reported that Army and OSD-sponsored studies since 1965 had consistently shown that a nonnuclear Lance was not a cost-effective weapon. For example, an Army-sponsored study group, the Research Analysis Corp., also concluded in its June 1970 report that a nonnuclear Lance was not cost-effective. In 1972 the House Appropriations Committee directed the Institute for Defense Analysis—IDA—to conduct another study of the program. The IDA analysis compared nonnuclear Lance and several alternatives, including improved air-delivered and surface-to-surface weapons. IDA issued its report in April 1974 and again repeated the conclusion that a nonnuclear Lance simply was not cost-effective.

Various House and Senate committees through the years have also reached this conclusion. Let me quote from this year's Senate Armed Services Committee report:

> The unit cost of non-nuclear Lance is $200,000 per round, which is considerably more expensive than air-dropped cluster bomb munitions or air-launched stand-off glide weapons. The Committee believes that surface-to-surface missiles are not cost-effective when compared with comparable tactical aircraft-delivered weapons and recommends termination of the Army's non-nuclear Lance procurement program.

Mr. President, that is the report of the Senate Armed Services Committee this year.

Proponents of nonnuclear Lance charge that its critics have ignored the cost of aircraft attrition in making their cost-effective evaluations. They assert that only munitions costs have been taken into consideration.

Mr. President, this is simply not true. Every independent study of the cost-effectiveness of nonnuclear Lance, including those done by the Research Analysis Corporation and the Institute of Defense

Analyses, have factored in aircraft attrition rates. All have concluded that NNL was not cost-effective when compared to air bombing. For example, the 1974 IDA report concluded that the F-4 aircraft, equipped with the ARN-101 avionics system, using LORAN-D guidance and delivering PAVE-STORM weapons, is more cost-effective than nonnuclear Lance if normal aircraft attrition rates are factored in.

Moreover, the introduction of standoff, air-launched munitions, that are funded this year, will significantly lower the expected attrition rate of our tactical air forces, and shift the cost-effectiveness balance still further away from surface-to-surface missile systems, such as nonnuclear Lance.

The Senate Armed Services Committee concluded that the Air Force's SUU-54 cluster bomb, which has double the warhead weight of the same bomblets used in nonnuclear Lance, can be airdropped or sent in from stand-off distances equivalent to Lance using the MGGB glide bomb. Finally, Mr. President, the Air Force has thousands of Maverick guided stand-off missiles in its inventory to destroy tanks and other hard targets. Development of a laser-guided Maverick is nearing completion. In fiscal year 1977 the Air Force has budgeted $23.7 million to initiate production of the GBU-15 modular guided glide bomb, another stand-off weapon. The GBU-15 has a 2,000-pound warhead, has the approximate range of nonnuclear Lance, and costs about $70,000 to $90,000 each, depending on the model bought, versus $205,000 for nonnuclear Lance. The GBU-15 also uses bomblets as its warhead and has more than twice the number of bomblets than the nonnuclear Lance warhead.

All of this, Mr. President, is to say that surface-to-surface missiles are inherently more expensive than air-launched weapons. The Air Force has the capability and, in my opinion, the responsibility of performing the mission the Army wishes to assign to nonnuclear Lance.

Assigning this mission to the less capable, and more costly, system will be doubly harmful in future years since money that is spent for this non-cost-effective system will have to come from other parts of the budget. The proposed Lance buy in fiscal year 1977 and 1978 provides only a limited quantity of nonnuclear Lance missiles. If Lance enjoys a high priority in relation to other Army requirements in fiscal year 1979 the Army may decide to buy more nonnuclear missiles, and this will hurt other, better, and more worthwhile systems.

IMPACT ON OUR TACTICAL NUCLEAR CAPABILITY

The cost-effectiveness agreement is reason enough to reject nonnuclear Lance. But there is an even more serious drawback to the proposed system. The conversion of nuclear Lance to nonnuclear Lance will degrade our tactical nuclear capability in Western Europe.

The Army argues that we currently have six nuclear Lance battalions already deployed in Europe and that many experts feel that any tactical nuclear exchange in Europe will probably be preceded by a conventional struggle. During this phase of the battle these 2,500 men and their equipment would be left without a job to do. The Army quite naturally feels that equipping these Lance units with conventional missiles would allow these units to become engaged earlier, and would also provide additional surge and general fire support.

Although this move would provide some additional firepower—at whatever high cost—this marginal increase in our conventional capabilities would not be worth the serious deterioration in our tactical nuclear delivery capability that it would entail.

Nonnuclear Lance does not have the same range as does the nuclear Lance. Thus, to be effective, the nonnuclear Lance launchers must be considerably closer to the front lines, thus increasing its vulnerability to enemy attack. The house Appropriations Committee expressed its concern about this in this year's report. The Committee stated:

> . . . losses of Lance Launchers to enemy counter-fire after use in a nonnuclear role will seriously degrade our tactical nuclear capability if subsequently needed by our European commanders.

The simple fact is that non-nuclear Lance is more easily detected and more vulnerable to suppressive fire the closer it is deployed to the battleline. However, the Army has not even studied the potential adverse effect of using nuclear Lance in a non-nuclear role. In his testimony before the House Appropriations Committee on March 10, 1976, Maj. Gen. Phillip Feir stated:

> Lance launcher attrition is expected to be very low, but there are not solid quantitative estimates of what it might be.

Despite this lack of hard evidence, the Army has responded to this charge by pointing out that the Soviet Union will be trying to knock out all of our nuclear-capable units anyway, whether they are involved in the conventional phase of the battle or not. Therefore, any increase in vulnerability caused by conventional Lance will only be of marginal importance.

The Army's argument that these units are already vulnerable does not strike me as an adequate justification for equipping them with a marginal conventional capability which will further increase that vulnerability. The Army's argument does strike me as an excellent justification for changing the deployment of these units so they can stay in the rear where they are in less danger and be moved forward only when they are needed. Giving these Lance battalions a nonnuclear capability will only serve to lock us into a forward deployment which will increase this system's vulnerability to counterfire and possible capture.

In summary, if my amendment is not passed we will be purchasing only a marginal increase in conventional firepower at the cost of serious degradation in our tactical nuclear capability.

CONCLUSION

Let me summarize, briefly, the arguments I have made against nonnuclear Lance.

First, the actual effectiveness of nonnuclear Lance is in question. There are conflicting views as to whether it can destroy SAM sites and other such targets. To do this, precise target location information is necessary. The Army itself is concerned about the timeliness and accuracy of target location for nonnuclear Lance.

Second, nonnuclear Lance is not cost-effective. Air Force tactical aircraft weapons, either airdropped or delivered by standoff glide weapons, are considerably cheaper and more cost-effective than nonnuclear Lance.

Third, the number of missiles planned for procurement do not provide a meaningful supply of nonnuclear Lance missiles for Europe. The 360 nonnuclear missiles that we would purchase for our $75 million would not provide a sufficient supply of these weapons and so we would have to buy even more of them in the future if we were to provide our ground commanders with a meaningful capability.

And finally, nonnuclear Lance will degrade our present tactical nuclear capability in Western Europe. Nuclear Lance launchers will be used for nonnuclear Lance missiles. To be effective, these nonnuclear Lance missiles will have to be closer to enemy targets, thus increasing their vulnerability. When, and if, the time comes to use nuclear Lance missiles we will have fewer of them.

For all these reasons, I urge the Senate to vote to delete funding for the nonnuclear Lance program. We have done it once before when we passed the Defense authorization bill which deleted funds for nonnuclear Lance. I urge that we do it again.

Mr. President, I reserve the remainder of my time.

Mr. McCLELLAN. Mr. President, I yield 3 minutes to the distinguished Senator from Georgia.

Mr. NUNN. Mr. President, I rise in opposition to Senator HART's amendment. At a time of growing concern over the credibility of NATO's conventional deterrent, the nonnuclear Lance would release for conventional combat some 2,600 U.S. Army personnel in Europe who are now condemned to "sit out" the conventional battle because they are tied to a weapon system which cannot be employed until the nuclear threshold has been crossed. The effect of making the Lance a dual purpose system would be to add to our forces in Europe the equivalent, in terms of personnel, of 15 field artillery battalions.

I might say in response to Senator HART's argument about the conventional versus tac-nuke, I know we have problems on both fronts but our most serious problem by far is the lack of conventional fire power, not the lack of tactical nuclear firepower. If we had advantages over the Soviets, it is certainly in the tactical nuclear area. If they have advantages over us it is certainly in the conventional firepower areas. Even if the hard argument is correct that we will lose some of the effectiveness, possibly, of the tac-nukes, which I do not agree with, even if that would be correct, if there has to be a tradeoff I would far prefer to have conventional firepower so our decisionmakers would not have to turn to nuclear weapons at the very outset of any kind of confrontation in NATO.

Moreover, the nonnuclear Lance is essential if the organic firepower of our ground forces on the continent is to be accorded the range now enjoyed by the armies of the Soviet Union and their Warsaw Pact allies. Much of Soviet artillery currently outranges our own, making it impossible in certain situations for U.S. artillery to engage in counterbattery fire. This ability to pummel our forces with impunity is supplemented by the Soviet Army's vast array of tactical surface-to-surface missiles, most of which, unlike the Lance, can be used in either conventional or nuclear combat.

Mr. President, one of the Army's most competent field commanders, Lieutenant General Hollingsworth, has been in Europe for the past several months at the direction of General Weyand to conduct an assessment of the U.S. Army's current posture and immediate and future needs there. In one of many interim reports to General Weyand, General Hollingsworth focused on the urgent need for nonnuclear Lance. To paraphrase briefly that report, Hollingsworth states, and I quote:

> There is absolutely no question but that we must acquire a conventional capability for the Lance as quickly as we can. We cannot afford a single purpose weapon system which may never participate in the battle. This is particularly so in light of the shortage of conventional firepower.

Mr. President, to deny the Army the nonnuclear Lance is to deny the Army the "reach" to deal with the Warsaw Pact on even terms. It is also to deny NATO a painless and comparatively inexpensive opportunity to acquire additional forces for conventional combat, which all of us agree are in short supply.

Questions have been raised about the cost effectiveness of the nonnuclear Lance, compared to munitions delivered by tactical aircraft. Critics, however, do not take into account the fact that the Lance can be operated in any kind of weather—day or night, whereas most U.S. tactical aircraft in Europe do not possess this capability.

Moreover, critics have mistakenly compared the cost of the entire Lance weapon system to simply that of munitions for aircraft. A fair analysis of cost effectiveness could not fail to include the cost of the aircraft themselves which, if destroyed in delivering munitions to the target, would represent a loss of $10 to $20 million apiece. If this cost is included, and I think it should be, the nonnuclear Lance becomes very cost effective, indeed, even if we apply a very slight rate of attrition in terms of the loss of aircraft in carrying out the mission.

Moreover, unlike tactical aviation, the nonnuclear Lance, as is now the case with artillery, would be immediately responsive to the requirements of an Army corps commander. In this regard, it is interesting to note that the nonnuclear Lance is strongly supported by the Air Force.

Mr. President, I thank the Senator for the opportunity to present my views on a program which I believe is essential to a credible conventional defense of Europe.

Mr. STENNIS. Will the Senator yield for a brief question only?

The PRESIDING OFFICER (Mr. HASKELL). The Senator has used up his time. Who yields time?

Mr. McCLELLAN. Mr. President, I yield 1 minute.

Mr. STENNIS. I first commend the Senator for his interest in this matter and make this observation: I think the more we think of and try to deal with the proposition or the threat of a nuclear war, the more we realize that we ought to exhaust every effort in this nonnuclear field, anything that makes it less probable that a nuclear war would come. I know I feel more and more that way. The Senator has given a fine illustration of the kind of weapon that the Lance is.

Mr. NUNN. I thank the chairman. I agree that we must find ways to give decisionmakers at least a few days' time before we had to fire off tactical weapons.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCLELLAN. I yield 3 minutes to the distinguished Senator from Alabama.

Mr. ALLEN. I thank the distinguished chairman for yielding to me at this time.

Mr. President, we will be voting shortly on the Hart amendment to the defense appropriations bill which will call for the termination of the Army's request to field a nonnuclear capability for the Lance missile system. During the consideration of the bill to authorize appropriations during fiscal year 1977, I had cause to investigate in detail the Army's request, and the results of this investigation led me to strongly support it because I believe that the arguments used to seek to deter the army from deploying this capability are for the most part without substance. I previously have stated my findings on the questions of accuracy, lethality, and target acquisition; the argument that our nuclear force will be degraded by the fielding of this nonnuclear capability; the relationship of Air Force support; and the questions of cost effectiveness and need. I found in each case that a detailed analysis of the arguments led to the conclusion that the Army should be provided this much-needed capability. Failure on our part to do so led to the absurd situation in which over 2,500 men and 6 battalions of Lance equipment were left sitting around in Europe with nothing to do in the event of a nonuclear conflict. For less than a 10-percent increase in total program costs, they could be equipped with an already existing capability to significantly influence the outcome of such a conflict.

I have found that proponents of this amendment have surfaced several of the old arguments, which I shall not again address, and have added only a few minor points, which I shall briefly touch on.

First, as to the assertion that the Lance rate of fire is a serious limitation, I must say that those who use this argument obviously do not understand what a missile is and how it is employed. There has never been an attempt to employ a precision guided missile such as Lance in the same manner that you would employ cannon artillery with its higher rate of fire. Certainly the Honest John system, which Lance replaced, was never employed in this manner, nor will Lance be, even though its rate of fire is nearly double that of Honest John. Lance will be used against critical targets at critical times—a mission which not only answers the rate of fire question, but which addresses also the challenge that the army is not buying a meaningful number of missiles. To my way of thinking, attacking critical targets during the first stages of a European War is highly significant, and this is exactly the mission which the Army intends to assign to the nonnuclear Lance.

The only other new argument I have found in the proposed amendment concerns the statement that the nonnuclear warhead is not satisfactory because R. & D. funds have been requested. This statement demonstrates a lack of knowledge of the Lance system since any examination of the record will show that this nonnuclear warhead already has been proven fully capable of meeting or exceeding every accuracy and lethality requirement placed on it. In fact, so convincing are the devastating results of firing this warhead at enemy targets, that Belgium, the Netherlands, Israel, and Italy all have asked to buy this warhead even before a decision is reached by Congress. The funds requested by the Army for R. & D. are not to develop a new warhead. They simply are an extension of the Army's research and development program which is looking into the possibilities of significantly enhancing the capabilities of the submunitions which are placed inside this warhead.

Mr. President, if we are at all serious about the defense of Western Europe—which I think is most important to the defense of our Nation—and about providing our fighting forces with the ability to stop a potential first Soviet push, we should support the Army's request to field the nonnuclear Lance warhead as already authorized.

So I hope the Senate will vote down the amendment of the Senator from Colorado. I yield back the remainder of my time.

The PRESIDENT OFFICER. Who yields time?

Mr. McCLELLAN. I yield the distinguished Senator from South Carolina 3 minutes.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment.

Over the past 8 years we have witnessed the U.S.S.R. increase its conventional artillery force by 56 percent while the United States has maintained a relative status quo.

On a two-division front in Europe the Soviets outnumber the United States 42 conventional missile launchers to 0 employing capable SCUD and FROG missiles. The nonnuclear Lance is the only Army system that exists now that has the range and capability to provide the answer to these systems.

The Army needs a day/night, all-weather conventional fire support system to augment cannon artillery and to strike high priority targets beyond cannon range. Without the nonnuclear

Lance, the Army has no organic capability to do this.

Some of the Army's most respected and proven combat leaders have all expressed an urgent need for the increased conventional firepower of nonnuclear Lance. Among these are two U.S. Army Europe commanders, General Davision and General Blanchard; Lieutenant General Hollingsworth, a corps commander and highly regarded combat leader; and retiring Chief of Staff, General Weyand.

This system is available with no increase in force structure and at a cost increase of less than 10 percent of the overall Lance program.

Other countries are vitally interested in purchasing nonnuclear Lance. Belgium, Netherlands, Italy, and Israel have already made commitments to buy and other countries have shown great interest in this system.

The nonnuclear Lance will:

First. Fill the capacity gap left by inactivation of the Honest John Rocket system, nonnuclear and nuclear.

Second. Provide a badly needed increase in fire power to the conventional battlefield.

Third. Give additional capability to the 6 Lance battalions and prevent 2,500 men and their equipment from standing idly by at the outset of hostilities and thereby enhancing cost effectiveness rather than reducing it.

The nonnuclear Lance has been developed, tested and proven and is immediately available for procurement. The Army needs it now.

Mr. President, a letter to the chairman of the Appropriations Committee (Mr. McClellan) from General David C. Jones, the Chief of Staff of the Air Force, contains this excerpt:

> Lance will provide a highly valuable complementary capability which will benefit both Air Force and Army forces. Against a variety of targets, including SAM defenses, Lance can contribute significantly to the mutually supporting firepower of the air-ground team.
>
> In view of Lance's complementary contribution to both U.S. and Allied conventional defense capabilities, particularly in a high intensity NATO conflict, the Air Force supports its introduction.

Mr. President, another letter to the chairman of the Appropriations Committee (Mr. McClellan) from Gen. Walter T. Kerwin, Acting Chief of Staff of the Army, points out the cost effectiveness of NNL as follows:

> The cost effectiveness of NNL has been debated for years. The key point in this debate is that, when one considers aircraft attrition with the attendant loss of $10–15M per aircraft, the expenditure of from $200-400K for one or two Lance missiles can be attractive alternative. I might add that the Air Force has formally supported the procurement of NNL. Additionally, if we were to consider the alternative of increasing our artillery forces, we find that we would need 72 additional Howitzers and over 2,000 combat and support personnel per division to provide the same increase in conventional firepower provided by existing Lance units if equipped with NNL. The cost effectiveness is readily apparent.

Deputy Secretary of Defense W. P. Clements, Jr., in a recent letter to Mr. McClellan urged the adoption of nonnuclear Lance saying:

> With the addition of nonnuclear Lance to our inventory, for less than a 10% increase in the overall Lance program costs, these units can be given the ability to influence the outcome of the early battles in Europe.

Another letter, Mr. President, was written by Mr. Harry W. Graham, the president of the United Automobile, Aerospace, and Agricultural Implement Workers of America, which shows that the unions up in Michigan back this plan. An excerpt from that letter reads this way:

> The U.S. Army considers NNL one of its highest priority needs. The NNL procurement will help to offset the vastly depleted conventional fire power advantages enjoyed by the Soviet-Warsaw Pact armies. Non-Nuclear Lance will be required in the initial battle surge conditions against high priority targets.

Another excerpt reads as follows:

> I would like to point out to you that the proposed amendment to delete NNL would probably result in the shut-down of the Vought Corporation manufacturing operation located in the Michigan Army Missile plant, Sterling Heights, Michigan. This facility represents the only active Army missile production facility in the United States and the closing would result in the loss of approximately 1500 jobs.

Mr. President, I do not think we ought to develop any weapon just because it provides jobs, but certainly we need this weapon, and we need it badly. The Army says so, the President says so, and the authorization conference committee of the Senate and the House of Representative said so. The Senate Appropriations Committee says so. The generals in the field say we need it. By all means we need it, and incidentally it would help to preserve 1,500 jobs.

It would be a great mistake to eliminate this Lance nonnuclear weapon. It will only cost 10 percent more to provide this Lance nonnuclear capability, and then we will have both nuclear and nonnuclear capability. I hope the Senate will defeat the amendment.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. McCLELLAN. I yield 10 minutes to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, I first wish to commend the distinguished junior Senator from Colorado, who is a very valuable member of the Armed Services Committee.

The record should show clearly that the Senate Armed Services Committee did not support the nonnuclear Lance at the time of the conferences and markup. What concerned the Armed Services Committee was the expenditure of approximately $207,000 per missile.

But we did later recede, in conference, to the House arguments. The need for this system was further buttressed by the meeting that many of us had with General Hollingsworth which was alluded to by the distinguished Senator from Georgia (Mr. Nunn). I also attended that meeting.

I must say, Mr. President, that it has become very, very apparent that we need to increase our conventional fire power on the European front. Some of this is due to what I consider a lacking on the part of our NATO allies, but more importantly, I believe that this non-nuclear Lance is an air defense suppression weapon such as I have never seen before in my life.

After watching films of this nonnuclear missile, I personally would wish to be in a trench that was at least 5 feet deep and 2 feet wide. Its capability in air-defense suppression is such that it would effectively destroy SAM sites that our possible—and hopefully never—adversaries now possess in the NATO area.

I believe that the superiority of the surface-to-surface missiles possessed by our potential adversaries is so substantial that the nonnuclear Lance is exactly the weapon to bring into action at the initial part of a conventional outbreak. It would be extremely helpful to our forces.

I am not going to belabor any further except to say that I have taken another look at this weapon and I am convinced now that it was well worth the $75 million investment that we would have to put into it this year and the final investment of $75 million next year.

This nonnuclear Lance operates independently of tactical air but when used in conjunction with the Air Force's Lance can contribute significantly to the mutually supporting firepower of what I call the air-ground team.

In sum, I am grateful to the Senator for raising this issue. His amendment has forced me to step back and take a critical look at both the non-nuclear Lance program, and the alternative to it.

Mr. President, allow me to describe to my colleagues the United States urgent necessity for the additional conventional firepower which the nonnuclear Lance missile program is designed to provide. The U.S. Army has traditionally had a conventional firepower capability in the Honest John rocket system. This system was withdrawn from Europe in recent years due to its old age. Since the withdrawal of Honest John, which had both nuclear and conventional capabilities, only a nuclear follow-on had been fielded—the nuclear Lance.

The Department of Defense sees an urgent need for a supplement to the Army's cannon artillery with some capability which can strike high priority targets beyond cannon range. Much of this urgency is based on the fact that while the United States has no conventional surface-to-surface missile capability, the Soviets now outnumber us in a two division front in SS missile launchers by 42 to 0, employing the highly effective Frog and Scud missile systems.

This clearly demonstrated defense need is not what is at issue today. The issue is what is the most cost-effective and advantageous method of providing this additonal conventional firepower to our European forces.

The Department of Defense tells us that the only currently available system which meets every Army performance requirement for this important mission is the nonnuclear Lance. The Senator from Colorado has suggested that a more cost-effective method of meeting this firepower need would be air-delivered conventional munitions. He argues that the munitions used in an air-delivery system are far less expensive than the nonnuclear Lance system. At approximately $207,000 pr round, I agree that they are far less expensive than the nonnuclear Lance which is not cheap. But to compare that cost with the much cheaper price of the munitions he advocates be air-delivered is simply misleading.

This is comparing the cost of just the munitions, in the case of the air-delivered alternative, with the cost of the munitions plus the cost of the delivery system in the case of the nonnuclear Lance. The Lance missile itself, or, in other words, the delivery system, accounts for approximately 82 percent of the $207,000 cost per round, or, approximately $180,000. Thus, the cost of the munition itself in the nonnuclear Lance system, at approximately $12,000 per round, is in the same price range as the munitions suggested by the Senator from Colorado. Let us compare the delivery systems, apart from the munitions. Compared with the approximately $180,000 per round for the nonnuclear Lance missile, the Senator from Colorado would use fighter aircraft to deliver munitions to their targets. At the high aircraft attrition rate expected in the intense initial phases of a conventional war in Europe, the loss of one aircraft—at $10 to $15 million each—in delivering the munitions makes the Lance a very attractive system.

Clearly, the nonnuclear Lance program is cost-effective when compared with its primary alternative, that is, air-delivered munitions.

Additionally, when considering the costs of adding a conventional surface-to-surface capability to the U.S. forces in Europe, I ask my colleagues to keep in mind the following The nonnuclear Lance is immediately available for production, as it has already been developed, tested, and is in production for Israel, Italy, Belgium, and the Netherlands. With the United Kingdom and West Germany also considering procurement of this system, the nonnuclear Lance potentially represents another common system among United States and Allied forces in Europe.

Further, the nonnuclear Lance represents an enhancement of conventional capabilities with no cost in increased force structure or manning requirements. The United States already maintains in Europe four Lance battalions which have, at present, only a tactical nuclear capability. Field tests have shown that the addition of a conventional capability does not degrade the forces' nuclear capabilities.

Beyond the cost effectiveness of this system, however, the nonnuclear Lance offers our front lines in Europe several distinct advantages in the event of conventional conflict. This system is immediately responsive to Army corp commander requirements regardless of weather or time of day or night. The only U.S. aircraft currently available in Europe with this all-weather capability is the F-111, which would be very vulnerable to enemy air defense systems at a very high cost if the aircraft is lost.

Not only can the nonnuclear Lance operate independently of TacAir, but, when used in conjunction with air forces, Lance can contribute significantly to the mutually supporting firepower of an air-ground team. Thus, while Lance's primary mission is to augment cannon artillery striking high priority targets beyond cannon range, the nonnuclear Lance also has an excellent air-defense suppression capability.

For these reasons, the Air Force supports the nonnuclear Lance, noting that this system would not be publicative of aerial-delivered munitions; but, rather, would provide a highly valuable complementary capability which would benefit both the Air Force and Army forces.

Finally, no one should overlook one important characteristic of the nonnuclear Lance. It is a conventional system. In this age when at least this Senator shudders at the prospect of the United States using tactical or strategic munitions, an added conventional capability is added assurance that the Department of Defense does not intend to arm its forces in favor of tactical nuclear warfare. I know I am more at ease with the knowledge that our Lance battalions on the frontlines in Europe will have conventional munitions whereas at present, they have only tactical nuclear ones.

In sum, the nonnuclear Lance surface-to-surface missile has met or exceeded every Army performance requirement. It is cost-effective when compared with air-delivered munitions. The Air Force welcomes the Lance as a complementary air-defense suppression and firepower system, is immediately available at no additional cost in force structure.

I urge my colleagues to join me in supporting the Lance missile program, and opposing this amendment.

The PRESIDING OFFICER (Mr. FORD). The Senator's 3 minutes have expired.

Who yields time?

Mr. McCLELLAN. Mr. President, I yield 3 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 3 minutes.

Mr. TAFT. I thank the Chair for yielding.

Mr. President, I rise in opposition to the amendment of the Senator from Colorado.

I believe that nonnuclear Lance is a needed alternative to tactical aviation. Traditionally, we have relied on TAC air to perform the mission for which nonnuclear Lance is now being sought. We have been able to do that because, until the 1973 war in the Middle East, there were no highly effective ground-based antiaircraft systems. However, that conflict gave dramatic evidence that the Soviet Union has developed and deployed a ground-based antiaircraft system which is highly effective. The Israeli Air Force, often considered the best air force in the world, took such heavy casualties from the Soviet-supplied antiaircraft systems in the hands of the Arabs that they found it impossible to carry out many traditional tactical aviation missions.

It is because of this new development in antiaircraft systems that we need nonnuclear Lance. We need to be able to strike important targets without using aircraft. I point out that the Soviets plan to make heavy use of ground-to-ground missiles with conventional warheads in this role.

Although I support nonnuclear Lance, I do feel compelled to point out what I believe to be two questions in some arguments that have been advanced for the system. The first is the argument advanced by some that we do not, by purchasing nonnuclear Lance, imply any degradation in the importance of tactical air power. On the contrary, that is exactly what we imply, and I think we imply it correctly as far as some—although not all—tactical aviation missions are concerned. The fact is that the Soviet antiaircraft systems do seem to have altered the airpower/antiair balance. And we should study what alterations have taken place. While we should go ahead and acquire alternatives to tactical aviation, such as nonnuclear Lance, we should also ask ourselves whether we are allocating our resources correctly when we continue to provide the same amount for tactical aviation in terms of the traditional missions definitions.

The other arguments with which I have problems is that acquisition of nonnuclear Lance will be of significant assistance in rectifying the U.S.-U.S.S.R. imbalance in artillery, which the Senator from South Carolina mentioned. The Soviets outnumber us heavily in artillery. Quite correctly, they retain a mass fire doctrine, while we have a more sophisticated but I suspect less effective precision fire doctrine. Soviet artillery also outranges ours considerably.

This imbalance in artillery is one of my most serious concerns. Artillery is gaining, not losing in importance, especially since it is the main system for suppressing antitank defenses. But we are kidding ourselves if we think the current massive imbalance in this area will be significantly altered by a few hundred nonnuclear Lance missiles. The Lance is alternative to TAC air, not to conventional artillery. I feel compelled to point this out because I do not want any of us to dismiss the problem of the artillery imbalance because we acquire nonnuclear Lance.

As I said, the nonnuclear Lance is a vitally needed system, because of the degradation of TAC air capabilities in certain missions caused by Soviet developments in the area of antiaircraft systems. But while I hope we reject the amendment, I also hope we will study carefully the current roles, capabilities, and limitations of TAC air: and that we will not accept some rather questionable arguments that present nonnuclear Lance as solution to our massive needs in the area of artillery.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Who yields time?

The Senator from Colorado is recognized.

Mr. GARY HART. Mr. President, I yield myself such time as I may need.

We heard a number of distinguished Senators respond in support of this missile, and frankly with all due respect I do not believe that any of the arguments used have adequately responded to the five or six arguments that I have made as to why we do not need this system or why it is not cost effective.

The Senator from Georgia (Mr. NUNN) talked about the need to give these 2,500 people something to do. Why did we not think about that when we developed the nuclear Lance program in the first place? I do not remember any arguments being made, and I do not think there are any in the RECORD, that somewhere down the road, after the nuclear Lance was developed, we were going to have to find a mission for these battalions in case we did not have nuclear war. The Department of Defense did not make that argument at that time.

I think we have a situation here where the tail is wagging the dog.

The Department of Defense argues on behalf of a nuclear weapon system, saying, "We need it to protect ourselves in NATO, or somewhere else around the world."

The Pentagon buys that weapons system. We acquire the manpower or allocate the manpower to man that system, and then pretty soon someone says:

> If we do not have a nuclear war, we will have those people sitting around. We have to find something for them to do.

Then they come back in to develop a nonnuclear weapon to put those people to work.

There were a lot of quotes in the arguments of the Senator from Georgia from generals and people saying that this is a necessary weapons system to protect us in NATO and other places.

I do not remember those people or their counterparts making those arguments when the case for the nuclear Lance was presented to Congress. They did not say down the road somewhere we are going to have 2,500 people sitting around in Europe with nothing to do in a nonnuclear exchange. That argument was not made.

So we have this incremental development of weapons systems just to give people jobs in a different kind of military scenario.

I have already mentioned the Institute for Defense Analysis study which says that this weapons system in a nonnuclear mode is not cost-effective.

The Senator from Alabama responded to the argument which this supporter of my amendment did not make about the slow rate of fire. That is an additional argument against this system, but I did not make it.

The House Appropriations Committee thought that this argument was very relevant, but I did not make it and, therefore, I think the comments of the Senator from Alabama about rate of fire are somewhat irrelevant to our considerations here this morning. Of more importance is the fact that a number of institutions and thoughtful objective students of this subject have felt that the Tac-Air alternative mode of delivery system was much more effective than the surface-to-surface missile that the nonnuclear Lance would represent.

The Senator from South Carolina (Mr. THURMOND) raised the issue again about 2,500 people sitting around with nothing to do. I do not think again that argument was made while we are acquiring the Lance nuclear system.

He mentioned that several committees of the Senate and the House of Representatives have said that we need this. Several committees of the House of Representatives and Senate have said we do not, including the Senate Committee on Armed Services, on which the Senator serves, on which I serve, and on which a number of those who have spoken in favor of this system this morning also serve. They did not make those arguments when the Senate Committee on Armed Services issued its report earlier this year saying we did not need the nonnuclear Lance.

In response to the Senator from New Hampshire (Mr. MCINTYRE) who has seen the Army film and says this is a tremendously destructive weapon, I would say that if he likes this weapon, let me commend to him the GBU–15 bomb which is a glide weapon. It carries exactly the same submunitions only the warhead itself is twice as large. It has the same bomblets that dig the same size craters, only they dig more of them and dig them deeper. The GBU–15 is twice as large, will be twice as effective, and is much less expensive than the nonnuclear Lance. So if the Senator from New Hampshire is moved by the destructive capability of the nonnuclear Lance, I would urge him to take a hard look at the alternative, the GBU–15 glide system that can be launched from an aircraft and would do twice the damage.

Mr. McINTYRE. Mr. President, will the Senator yield for a question?

Mr. GARY HART. I yield for a question.

Mr. McINTYRE. Let us assume on the morning of the confrontation—and, I have to always put in parenthesis "I hope it never comes"—the weather is very poor and aircraft are grounded. How are we going to apply fire power or suppression to the SAM sites?

Mr. GARY HART. Let me answer the Senator's question with another question. Assume we have a nonnuclear Lance system which requires airborne target acquisition in order to launch. What if the same weather conditions exist? How are we going to launch the nonnuclear Lance if the aircraft to bring in the target acquisition to the batteries on the ground cannot find the targets?

Mr. McINTYRE. I think the answer to that is simple, because the targeting of the SAM site will already be in existence before any weather descends to interfere with the marksmanship.

Mr. GARY HART. Unless the Senator from Colorado is sadly mistaken, I think the testimony in the record from the Department of Defense is that this system is heavily, if not exclusively, dependent upon aircraft targeted acquisition. Preacquisition of targets is not going to make sense if the targets are moving around as they would be in actual combat. If we have bad weather conditions and the aircraft target acquisition cannot find the targets, the nonnuclear Lance is not worth the power it would take to blow it up.

Mr. McINTYRE. I read the testimony of General Weyland, in testimony in 1976 before the Armed Services Committee, in response to questioning by Senator CANNON.

> Senator CANNON. How dependent is the nonnuclear Lance missile on aircraft observation or reconnaissance and direction to perform its mission?
>
> General WEYLAND. Lance is not solely dependent on aircraft observation or reconnaissance to perform its mission. Lance employs all target acquisitions capabilities, including aircraft, to locate targets. Target acquisition support can be expected from Side-Looking Airborne Radar, Tactical Air Reconnaissance, Unattended Ground Sensors, Drones, Long Range Reconnaissance Patrols, and other assets.
>
> Lance is in no way dependent on aircraft direction. It is capable of striking targets under all weather conditions, without observation, and it is nearly invulnerable to enemy countermeasures while doing so.

So said General Weyland.

Mr. GARY HART. I wish the Department of Defense would speak consistently, because the evidence in other reports is otherwise. I read from a 1975 GAO report:

> Cost effectiveness of the nonnuclear Lance, because of its limited target destruction capability and relatively high cost, is largely dependent on minimal miss distance from the target.

That is, it has to be very accurate.

Parenthetically, I add that the argument of the Senator from New Hampshire and the argument of General Weyland are dependent on the fact that targets do not move. If targets start moving around—tanks, armored personnel carriers, troops, and everything else—then that argument by General Weyland goes out the window.

I continue reading from the GAO report:

> Miss distance will be influenced by both the accuracy inherent in the Lance missile and the precision of the target acquisition system in locating the target.
>
> Army officials stated that Air Force reconnaissance aircraft, intelligence sources, the Army's OV–1 Mohawk aircraft, forward observers, and long-range patrols would be used as target acquisition systems for the nonnuclear Lance. Army officials added that they are concerned whether the present systems are adequate in terms of accuracy, timeliness, and survivability, and because of this the Army has placed a high priority on development of future systems.

That is the Army. The Army will have to be consistent when they talk to all of us.

I also point out that a December 1975 program budget decision for nonnuclear Lance stated:

> . . . there is little question that the target acquisition capability available to the Army does not present the timeliness and accuracy required for deep targets.

The Senator's argument overlooks the other consideration which I have mentioned, and that is that the nonnuclear Lance has to be well forward of the nuclear Lance to be effective. That makes it much more vulnerable to counterfire from the enemy.

Mr. McINTYRE. Mr. President, will the Senator yield for a question?

Mr. GARY HART. I yield.

Mr. McINTYRE. Let us assume for a moment that an all-weather F–111 is over there and is all ready to go and it attacks the SAM sites that are so destructive. Let us say that misfortune befalls the F–111, that it is shot down by one of the missiles of our potential enemy forces. What does that do to the cost-effectiveness argument of the Senator from Colorado that the $207,000 missile is cost effective, when one F–111 must cost at least $10 million or $12 million?

Mr. GARY HART. The F–111 is not the only alternative to the nonnuclear Lance. There are other programs in development that will be available on the same timetable as the nonnuclear Lance, for the same mission, which are less expensive than the nonnuclear Lance. The two alternatives available are not the nonnuclear Lance or the F–111.

Mr. McINTYRE. I believe the Senator has effective arguments against this weapon, but they are overtaken and countered by the fact that we have to do everything in our power to make sure that our European forces are effective in the event of such a conventional confrontation.

Mr. President, I believe that the best way to do that is to continue with the air delivery of the glide bombs which the Senator from Colorado suggests, but also to complement it with the nonnuclear Lance.

I thank the Senator for yielding.

Mr. GARY HART. Mr. President, I have one other argument to make.

Each Senator has on his desk this morning a letter from the local UAW president in Michigan which goes to the heart of a problem we have in this country. The argument is made:

> This facility represents the only active Army missile production facility in the United States and the closing would result in the loss of approximately 1,500 jobs.

This gentleman goes ahead to deny that his support of this missile is directly related to employment, but I do not believe his letter would be on our desks if it did not have to do with those jobs.

We have argued at length in Congress the degree to which weapons construction and acquisition should be at the heart of our economy.

We are patching up the economy by weapons acquisition and are getting support for that on the ground of economic stimulation of the community or the continued economy growth of the community, by buying weapon after weapon. We either need the weapon or we do not need it for our national security, and we should not continue constructing the weapons on the ground that they are going to provide jobs. Either they contribute to our national defense or they do not.

The argument of the labor unions that we have to build a weapon in order to provide jobs is going to end up in one situation only—and that is armed conflict. I think that nonnuclear Lance is the place to take a hard look at whether we should justify weapons acquisition as an economic stimulant.

Mr. President, I reserve the remainder of my time.

Mr. McCLELLAN. Mr. President, I yield 3 minutes to the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I oppose the amendment offered by the distinguished Senator from Colorado to strike $75 million for the nonnuclear Lance missile.

There are many reasons I could reiterate to support my opposition. However, in the interest of time, I am only going to focus on a few of them.

The distinguished Senator has focused his argument in opposing this important program on the "cost effectiveness" of the missiles.

"Cost effectiveness" is a term that is used in appraising most of the missile programs or most of the procurement programs or research and development programs in the military, but it is not used at all in social programs. At this time, we have on the calendar the day care center bill, which contains $240 million for a program that was stricken from a previous bill that was vetoed and sustained successfully. So I think the cost-effectiveness argument is only used on military items, rather than on all programs, as it should be.

There are countering arguments to this contention—for example, that based on attrition of high cost tactical aircraft, in carrying out certain missions the Lance becomes effective, and so forth. This point was brought out in the debate with the Senator from New Hampshire—that the F–111, being a much more costly weapon, might be shot down.

The Senator from Colorado said in that debate that other programs are being developed which would be effective and would make the Lance unnecessary. He knows as well as I that development programs are now going on for the Lance to make it more effective. It already has been approved in its nonnuclear mode, so that it is a destructive weapon of great capability, but undoubtedly, as time goes on, it will be a more effective weapon.

Also, the argument by the Senator from Colorado that the Lance battalions in NATO should not have a conventional capability because they will be "more vulnerable since they will be under fire earlier" is spurious. It is naive to assume that these battalions would not be subjected to attacks during a conventional conflict, especially if they had no counterfire capability until the conflict extended to one involving nuclear weapons.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. BARTLETT. I ask for 1 more minute.

Mr. McCLELLAN. I yield 1 more minute.

Mr. BARTLETT. The Lance is effective against an array of targets: Surface-to-air missile—SAM—sites, helicopter parks, command and control facilities and supply points. It is the only weapon we have which can perform an artillery role beyond enemy lines at a distance of greater than 20 kilometers, a capability that cannot be taken lightly.

The important point in my mind is: "What alternative is there to the nonnuclear Lance?" The answer is: "There is none." Our forces in NATO and Korea need this weapon.

The military commanders there stressed this point time and time again. I think that certainly, they know what they need better than anyone.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. BARTLETT. If I may have 1 more minute.

Mr. McCLELLAN. I yield 1 more minute.

Mr. BARTLETT. It is not in the research and development state; it is fully developed, tested, ready for deployment in the field, and can be used with no increase in force structure.

Nonnuclear Lance is here now and is urgently needed by our forces. I urge the defeat of the Hart amendment and the overwhelming support of the Senate conferees to insure that the Army has this urgently needed capability.

The PRESIDING OFFICER. Who yields time?

Mr. GARY HART. Mr. President, will the Senator yield to me on my time for a question?

Mr. BARTLETT. Yes, I am happy to yield.

Mr. GARY HART. The Senator has suggested that my argument is specious.

Mr. BARTLETT. Spurious. I shall buy specious, though.

Mr. GARY HART. The best evidence is that the nonnuclear Lance would have to be placed well forward of the positions taken by the nuclear Lance battalions. Obviously, these are the same battalions, firing the same missile only with a different warhead out of the same launchers. Does the Senator from Oklahoma not agree that if you move 50 percent closer to the line of battle, you are becoming somewhat more vulnerable to enemy attack, if not 50 percent more vulnerable?

Mr. BARTLETT. I think that, obviously, their capability for retaliating is going to be increased if they have a nonnuclear capability. They are going to be, in a sense, defenseless if there is a nonnuclear confrontation. This is the purpose for having—I think they would much rather have a cap pistol than just to have the nuclear capability. They are close in, they are in the forward part.

Mr. GARY HART. Was that argument of vulnerability made when we acquired the Lance nuclear system?

Mr. BARTLETT. I think that, in any event, they wanted to develop a nonnuclear capability. I certainly do not think we should delay the nuclear capability because the nonnuclear capability has not been developed. But now it has been developed. I do not think, I say to my good friend from Colorado, that it is a perfect weapon or a perfect capability. I think it has already been improved considerably, I think it is certainly cost-effective. I think it is a good weapon. I think it will become even a much better weapon, because they are making it more powerful, more accurate, and a better weapon right now.

Mr. GARY HART. There is very little evidence to support that latter conclusion. But leaving that aside, does the Senator believe that the nonnuclear Lance is more cost-effective than the alternative of airborne delivery of glide-bomb weapons twice as destructive as the nonnuclear Lance?

Mr. BARTLETT. I think that is a term that is kicked around a lot, because we do not use it in other terms than military. I think if you were in a nuclear Lance battalion and did not have a nonnuclear capability and there was a nonnuclear confrontation, which is very apt to happen as compared to a nuclear confrontation, in my opinion, then I think that this obviously becomes cost-effective. It could perhaps even have a higher cost with a lower return and still be cost effective, because those troops will be able to inflict a nonnuclear amount of damage on the enemy. They are not going to be in the way; they are also not going to be vulnerable. They are going to be a part of the defensive system that is able to hit offensively.

Mr. GARY HART. I quarrel with the Senator on the grounds that they are not going to be vulnerable. They are going to be 50 percent closer to the line of combat and if that is not more vulnerable, I shall eat my hat.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield 3 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, I rise in opposition to this amendment. The Army's program to permit the Lance missile force to utilize a nonnuclear warhead will provide a substantial increase in the value and flexibility of the Lance missile system. The expenditure of funds requested by the Army and now recommended by the Committee on Appropriations to permit this proven system to have a conventional capability would appear to me to be a most prudent investment, that will greatly enhance the versatility and tactical value of a system which now is confined to a limited role in the NATO defense.

It has repeatedly been pointed out that we have, to date, invested $1.2 billion to develop the Lance. This bill would provide $75 million to make the Lance a system which could serve us and our NATO allies in the event of conventional hostilities in Europe.

Mr. President, much has been said over the past year with regard to the need to shore up our general purpose forces. We have heard repeated testimony from senior defense officials and uniformed officers who have warned that, in many respects, our general purpose forces are thin. As we consider requests to bolster the conventional capabilities of our land, sea, and air forces, it would seem logical for us to expand, where possible, the capabilities of existing weapon systems which could enhance our combat effectiveness in the event of hostilities not involving nuclear weapons. In this regard, one would think that those who criticize the development of new, more expensive missile systems would find it reassuring to see the Army strive to enhance the capabilities of an existing system, as is the case with the Lance.

Mr. President, I commend the nonnuclear Lance program as being a prudent and cost effective investment which will give a substantial boost to the strength of our NATO defenses. I urge defeat of this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Army Chief of Staff.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ARMY,
THE CHIEF OF STAFF,
June 1, 1976.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing at this time to state again the Army's need for a Non-nuclear LANCE (NNL) capability. It is recognized that the cost effectiveness of NNL has been an issue long debated in the Congress and even within the Department of Defense. Again this year it is an issue requiring resolution on the part of the Joint Conference on the DOD Authorization Bill.

In terms of cost effectiveness, numerous studies have been conducted and voluminous data collected. Based on the latest available data many who have previously opposed NNL now understand its value. The Secretary of Defense has placed in the budget request a modest procurement program and the Deputy Secretary of Defense, Mr. Clements, has reiterated Defense support in his letter of 12 May. Rather than provide a rehash of cost effectiveness data, I would prefer to focus on the requirement.

One of the Army's most competent field commanders, LTG Hollingsworth, has been in Europe for the past month at my direction to conduct, in conjunction with the commanders in Europe, an assessment of the U.S. Army Europe's current posture and immediate and future needs. In one of many interim reports to me, General Hollingsworth focused on the urgent need for NNL. To paraphrase briefly that report, Hollingsworth states:

"There is absolutely no question but what we must acquire a conventional capability for the LANCE system as quickly as we can. We cannot afford a single purpose weapons system (in this case nuclear only) in the division/corps area which may never participate in the battle. This is particularly so in light of the shortage of conventional firepower.

"Conceptually, I see the ground maneuver role as primarily one of forcing the enemy into killing zones and then clobbering him with artillery and tactical air. In the first few days of the war, we will see a fierce competition for critical air support assets. It becomes imperative that we have on the ground conventional longer range artillery, which can reach out into the enemy's rear area. I see Corps LANCE battalions positioned to be able to fire across the interzonal border at the moment of initiation of hostilities. This, complemented by the target acquisition capabilities of the all-weather Air Force Recce Wing in Europe, is an unbeatable all-weather team."

I emphasize that we can achieve this capability at no cost in force structure. NNL will be fired by our presently deployed LANCE Missile Force. Without NNL this force would not contribute to the conventional battle described by General Hollingsworth. I trust that General Hollingsworth's assessment of need for NNL will be useful in your deliberations. I personally remain convinced of the urgent requirement for this capability and its cost effectiveness and stand ready to discuss this further with you at your convenience.

Sincerely,

FRED C. WEYAND,
General, U.S. Army Chief of Staff.

Mr. TOWER. I want to note further that the reliance on air-to-ground weapons—this has been talked about here; why do we not use airborne weapons systems—proceeds on a rather dangerous assumption, in my view. That is that we shall enjoy tactical air superiority in the event of hostilities in Europe. I do not think we can proceed on that assumption, when we consider the enormous numbers and capability of the tactical air power of the Warsaw Pact nations.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. McCLELLAN. I yield 1 minute more.

Mr. TOWER. We cannot proceed on that dangerous assumption. Very likely, we shall be operating in hostile air space. General Hollingsworth, who is one of the greatest field soldiers I ever saw anywhere and has fought in every war this country has been involved in in the last 40 years, is quoted in the letter I submitted as having said this gives us the dimension that we absolutely must have to maintain a credible deterrent to aggression against Western Europe.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I yield 3 minutes to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, I oppose the amendment that would deny a nonnuclear capability for the Army's Lance missile system and I would like to discuss the Army's need for such a capability.

The Army has had the Lance missile system deployed in Europe since 1973. It replaced the aging Honest John and Sergeant missile systems, and provided a significant savings by replacing both systems with one. A very important part of the replacement, however, was never completed. When the Honest John was in Europe, it had the capability of supporting our forces with both nuclear and nonnuclear fires. As they are presently deployed in Germany, our six Lance battalions do not have the capability of supporting with nonnuclear fires, even though that capability exists, and could be provided today.

We are all aware of how the Soviets outnumber us in Europe, and we all know that should war start, our forces, both on the ground and in the air, will be faced with far more enemy and targets than they are going to have the ability to strike. The Army has a critical need to be capable of supporting our badly outnumbered cannon during the first Soviet push. It is during that first battle when so much depends on our ability to be capable of slowing and stopping the first enemy surge. The proposed amendment proposes that we relegate six battalions—over 2,500 men and their equipment—to the role of nonparticipating bystanders. That is exactly what they will be since they will have absolutely no capability to contribute to winning that battle.

While there are other compelling arguments in favor of fielding the nonnuclear warhead, such as the Army's need to be capable of striking targets beyond cannon range—a capability lost when Honest John was withdrawn—it is the need to be capable of utilizing every nonnuclear means available to us to limit a Soviet push that is by far the most important. That means is available to us today. The nonnuclear Lance warhead has been developed, has undergone very intense and highly successful testing, and is already in production for our allies.

Some have argued that our tactical air capability can replace the Army's need for its own nonnuclear missile fire support. We need reflect only a very short time on the lessons of the 1973 Mideast conflict to recognize the shortcomings of that argument and our Air Force has recognized it. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a memorandum from the Air Force Principal Deputy, Assistant Secretary of the Air Force, Research and Development, that supports the Army's intended employment of the nonnuclear warhead.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., June 19, 1975.

Memorandum for Assistant Secretary of Defense (Installations and Logistics).

Subject: Revision of DCP 72—Nonnuclear LANCE (NNL).

This memorandum is in response to Action Item 1 of the NNL DSARC held on May 8, 1975. The Army, after preliminary discussions with representatives of the Air Staff, has prepared a revised DCP 72 which more accurately reflects the Army's views as described at the DSARC. After incorporating certain changes subsequently suggested by the Air Staff, the draft DCP, as it now stands, is acceptable to both Services.

The Air Force recognizes the need to augment fire rates and ranges of tube artillery for high priority targets or for general use in short intense "surge" periods of combat as a major concern. The added utility of NNL to Allied Forces considering purchase of NNL is also recognized; it provides incentives to Allies to reduce their deficiencies in artillery fire-delivery capabilities.

In view of artillery deficiencies facing U.S. and Allied ground forces and the NNL contribution (as documented in DCP 72) to countering such deficiencies, the Air Force would support the introduction of NNL for the primary purpose of augmenting the fire rates and ranges of tube artillery. The Air Force welcomes the collateral contributions which would be made by NNL to Air Force missions.

JOHN J. MARTIN,
Principal Deputy, Assistant Secretary, Research and Development.

Mr. GOLDWATER. Mr. President, denying the use of these six battalions in the face of Soviet numerical superiority makes no sense when that capability has already been developed, tested, is in production, and is available for less than a 10-percent increase in overall Lance program costs. I urge that the amendment be defeated.

Mr. President, I just wanted to comment on the question of the Senator from Colorado to the Senator from Oklahoma about the vulnerability of the weapons system increasing as it is moved forward. I might say that this is true with any weapons system, just as it is true with any soldier or airman, any person engaged in ground combat. I do not care what the weapons system is, if they should go forward, their vulnerability increases. It does not increase in direct ratio. It increases in geometric ratio. What it is is hard to tell. There is no set formula we can use. But there can be no advancement made on the ground by any weapons system unless, in this case, you have ground superiority, or you have artillery superiority and the superiority of missiles if they are used. Also, you have to have tactical air in order to insure this.

So moving a weapons system forward or not moving it forward is a highly problematical thing. Is it needed, No. 1? I doubt that on a modern battlefield a Lance would need to be moved forward unless the enemy were in a massive retreat where the Lance was needed to further that retreat. So the argument that it would be difficult to move a Lance forward because of increased vulnerability is not a specific one. It applies to any missile whether it is a rifle or a large cannon.

Mr. President, the nonnuclear capability is needed. What I am afraid of is that we are slowly trying to make our military effort dependent on nothing but nuclear weapons.

I listened to the debate the other day of whether we would proceed with Minuteman III, and I would have to ask the proponents of an amendment like that do you want to depend upon that red button in the White House for any retaliation or are we going to increase and improve our regular means of contact with the enemy?

Knowing that the enemy is proceeding faster along the grounds of conventional weapons than we are, I think it is incumbent upon us to increase our conventional weapons, particularly in a field like the Lance missile, which is a new missile which will replace the other missiles we have been using. In fact, some of them have already been taken away from Europe.

So, Mr. President, I hope we can defeat this amendment. The Senator is correct in stating the position of the committee on the Lance. But since that time I think we all have to agree that things have changed, particularly in Europe. The Soviets have the ability to out-weapon us now on the ground as well as on the sea but, I thank the Lord, not in the air. So I urge defeat of the amendment.

Mr. GARY HART. Mr. President, with regard to the last statement of the Senator from Arizona, I would point out that since the Senate Armed Services Committee has reached its decision nothing has changed in Europe. I do not think we have received any new information that was not available to the Armed Services Committee.

I would like to also respond to an argument made by the Senator from Arizona that although there is risk in all sorts of battle, that any time you move forward the geometric chance of destruction of your capability exists. I think he is exactly right.

Why it is important in this case though is that we are using launchers to deliver these nonnuclear weapons that are also going to be necessary to deliver the nuclear weapons. We are taking away a capability for delivering the nuclear weapons, on which we have spent over a billion dollars, just to acquire nonnuclear weapons and move them 50 percent closer to the battle and thus subject them to the kind of geometric increase in vulnerability that the Senator mentioned.

We would be using a delivery device with a nonnuclear weapon that is also necessary for the nuclear delivery system. It seems to the Senator from Colorado that if you take that nuclear capability and subject it to substantially increased vulnerability, then you cannot be as confident that it would survive, to deliver a nuclear weapon if the battle escalates into a nuclear confrontation. You are taking a very strong risk that we may destroy the entire Lance nuclear capability if the delivery system, the launchers, were destroyed in the conventional battle delivering nonnuclear Lances.

In regard to the nonnuclear capability, I will cite the House committee report for fiscal 1977 in which it says:

> The number of missiles planned for procurement do not provide a meaningful supply of non-nuclear Lance missiles for Europe. Furthermore, losses of Lance launchers to enemy counter-fire after use in a nonnuclear role will seriously degrade our tactical nuclear capability if subsequently needed by our European commanders.

That, I think, is the sum and substance of my argument.

I yield the floor.

Mr. GOLDWATER. Mr. President, will the Senator yield for a half minute?

Mr. GARY HART. Yes, I yield.

Mr. GOLDWATER. I might point out that the decision to use nuclear weapons will probably never rest with us in its initial stage. We have war-gamed this and always on the assumption that the decision will be reached by the enemy first to use tactical nuclear weapons.

Now, if that ever happens then our entire force would go nuclear. The Air Force would be nuclear. They would use air-to-ground nuclear weapons. Everything we have that can carry a nuclear warhead tactically—I am not speaking of the ICBM—would be used. That is in our plan of battle, and if we did not respond that way we would not be in business whether we were in conventional weapons or nuclear weapons.

Mr. GARY HART. I understand that argument. But that further strengthens my case that if the decision in the field is made to go to a nuclear capability, and you do not have the launchers capable of delivering that nuclear capability, you are in a very difficult position. That is why I do not think we should subject the nuclear Lance launchers to this kind of conventional vulnerability before they would be needed for a nuclear exchange.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Arkansas has 14 minutes remaining. The Senator from Colorado has 6 minutes remaining.

Mr. McCLELLAN. I yield 3 minutes to the distinguished Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. GRIFFIN. Mr. President, I rise to register my strong opposition to the pending amendment, which would strike $75 million from the Defense Appropriations bill and terminate the nonnuclear Lance missile program.

There are, in my view, many reasons why this program should be continued. Last Friday I joined three of my colleagues who are members of the Armed Services Committee (Senators McIntyre, Nunn and Tower) in a "Dear Colleague" letter setting forth some of these reasons.

I ask unanimous consent that a copy of that letter be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. GRIFFIN. Mr. President, this morning I wish to comment briefly on two additional reasons why the nonnuclear Lance program should be continued.

As we plan the force structure for the defense of Western Europe, it seems logical to me that we should select those weapons systems which most cost-effectively contribute to deterrence and at the same time provide enough flexibility to keep the nuclear threshold as high as possible.

I believe we need to maintain a credible nuclear balance. In the final analysis, is probably that horrible power that is most effective in deterring large-scale aggression by any potential enemy.

But we must never forget the true nature of nuclear conflict. Thirty years ago today the horrors of nuclear warfare were vividly demonstrated at Nagasaki. So long as the memories of Hiroshima and Nagasaki remain, it should be unnecessary to emphasize the need to avoid this kind of warfare.

Yes, our security and our freedom depend in part on the readiness of our nuclear arsenal. We cannot at this time eliminate such weapons. But we can strive to place effective international controls on the development of these weapons, and it seems to me we can and should try to structure a NATO defense force that does not have to resort to so-called "tactical" nuclear weapons in the first hours of a conventional war.

In my view, the most important reason we spend billions of dollars on sophisticated weapons is not that we will be able to kill more enemy soldiers if a war breaks out. Rather, it is because by maintaining a credible defense force we can keep such a war from starting. It is weakness, not strength, that tempts aggression.

Since 1974, when the last Honest John rocket battalions were withdrawn from Europe, American Army missile units in NATO have been equipped only with nuclear weapons. All along, it was expected that the new Lance missile units would eventually be supplied with nonnuclear warheads as well. If the pending amendment were to be adopted, that would not happen.

Our enemies know of our strong desire to avoid the use of nuclear weapons—especially in response to something other than an all-out invasion. The credibility—and thus the deterrent value—of Lance is greatly enhanced by providing it with a nonnuclear warhead option. And equally important, in the event conventional warfare does erupt in the NATO theater, nonnuclear Lance will provide our soldiers with a very valuable conventional option before they are forced to respond with nuclear weapons. I cannot overemphasize the great importance which I place on keeping the nuclear threshold as high as possible. In my view, nonnuclear Lance has a major contribution to make in this regard.

Mr. President, I wish also to speak to the economics of the nonnuclear Lance missile. The point is simple—the least expensive program is not always the most economical.

We have already invested $1.2 billion in the nuclear-armed Lance missile. It is a good system, and it provides a way to fulfill a vital mission through the use of more than 2,500 American soldiers in Europe. But, at present, this is a system of very limited value except in a nuclear confrontation. For about 7 percent more money, we could give those 2,500 soldiers a very important nonnuclear option.

It is true that the nonnuclear Lance warhead is expensive. But to leave 2,500 U.S. combat soldiers idle during the critical early stages of a European war would also be "expensive." When we realize the decisive role that the first period of a conflict can play in determining whether nuclear weapons would be used, a very strong moral consideration must be taken into account in weighing the "expense."

It has been argued that nonnuclear Lance warheads are not cost-effective when compared with other types of conventional artillery or ordnance. This is a false comparison. In the absence of nonnuclear Lance, the job of suppressing enemy air-defense systems beyond the range of our conventional artillery—about 20 kilometers—would have to be borne by airpower. In the event of inclement weather or a night exchange, the only aircraft currently assigned to NATO with this capability would be the F-111. Not only are its bombs and rockets expensive, but the loss of only a few $10 million airplanes would demonstrate quickly the cost-effectiveness of nonnuclear Lance. As we learned from the Vietnam experience, aircraft attrition can be a very significant factor in determining cost-effectiveness.

The pending amendment has been presented as an economy move. To adopt it would be false economy.

This amendment would leave to our tactical aircraft—likely to be outnumbered, vulnerable to enemy air defenses, and in great demand for other missions by our military commanders during the critical first stage of a conventional war in Europe—the additional task of trying to neutralize enemy air defenses in forward areas. That would not be economy.

To adopt this amendment would be a foolish and very expensive mistake.

Exhibit 1

U.S. Senate,
Washington, D.C., August 6, 1976.

Dear Colleague: When Senate floor action on the Defense Department Appropriations bill (H.R. 14262) resumes on Monday, August 9, an amendment will be offered by Sen. Gary Hart to delete $75 million for the non-nuclear Lance missile program.

We believe this would be a grave mistake, and urge you to join us in opposing the amendment.

Here are a few of the reasons for our position:

At present, there are 16 Lance battalions in Europe, of which 6 belong to the U.S. 7th Army in Germany. In the American units alone, there are over 2,500 soldiers with only a nuclear capability. Considering the cost of manpower these days, it makes sense to give these units a non-nuclear role to perform in the event of a conventional conflict.

Since its inception, the Lance was designed to have both a nuclear and a non-nuclear capability. It was intended to fill the gap left when the Honest John battalions, which had nuclear and non-nuclear capabilities, were withdrawn from Europe between 1972 and 1974.

Today the U.S. has no capability to provide medium range conventional artillery fire support beyond 20 kilometers from the front lines. In contrast, the Soviet Union has 130 mm field artillery, and scores of highly effective Frog and Scud missile launchers.

Critics of non-nuclear Lance have charged that it is not a cost-effective weapon, based on a comparison of Lance cost and that of munitions for other systems. This is a false comparison, because it ignores the factor of aircraft attrition—a loss of $10 to $15 million per aircraft—in delivering the munitions to the target. When this cost is included, the non-nuclear Lance becomes a very cost-effective system.

Israel, Italy, Belgium and the Netherlands have already purchased the non-nuclear version of Lance, and several other countries have indicated a desire to acquire the system if the U.S. Army deploys it. Deployment of this system by our allies could make them less dependent on U.S. air support in the event of a conventional war.

The non-nuclear Lance is immediately responsive to Army Corps Commander requirements regardless of weather or time of day or night. The only U.S. aircraft currently in Europe with this all weather capability is the F-111, which would be much more vulnerable to enemy air defense systems.

Non-nuclear Lance has the strong support of the Army, the Air Force, and the Department of Defense.

We hope that you will join us on Monday in defeating this amendment and preserving the valuable non-nuclear Lance missile program.

Sincerely,

Thomas J. McIntyre.
Sam Nunn,
Robert P. Griffin,
John G. Tower.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield 2 minutes to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 2 minutes.

Mr. INOUYE. Mr. President, all of us here pray for that day when we can turn our weapons systems into plows and toys, but deep in our hearts we know that in our lifetime this will not happen.

If war is to come we pray that it will be a nonnuclear war, and I think the policy of this country has been to avoid nuclear confrontation if at all possible.

But if our planners and our strategists are to be given this flexibility to determine whether this war be nuclear or nonnuclear, it must be given a weapons system with options.

If our arsenals are to be topheavy with nuclear weapons then the choice may be too slim for them.

Therefore, I hope the Senate will provide the Army of the United States this nonnuclear warhead option, which I think is very important if this country is to carry out the policy of nonnuclear confrontation.

Mr. President, I will vote against the amendment.

Mr. STENNIS. Will the Senator yield to me?

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield the distinguished Senator from Mississippi 2 minutes.

The PRESIDING OFFICER. The Senator has 2 minutes.

Mr. STENNIS. Mr. President, does the Senator from Arkansas have time left for himself?

Mr. McCLELLAN. Yes.

Mr. STENNIS. Mr. President, just briefly, I am impressed here this morning with these two major amendments that are being debated and voted upon.

There is a great deal of emphasis placed upon the idea of having every reasonable alternative we can short of nuclear weapons.

That is going to be a big part in the argument, as I see it, with reference to this replacing one of our old carriers.

For what deterrence the carrier fleet provides—and I think it is our strongest deterrent—we must not let that weaken or lessen until more is known.

We are looking for alternatives to the nuclear weapon and I think that is one of the main, most forceful arguments for this nonnuclear Lance missile.

I hope that in this case this amendment will not pass and this item stay in the bill.

I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 4 minutes.

Mr. McCLELLAN. Mr. President, I would like to call attention to the fact that this is apparently not just an Appropriations Committee issue.

Nine Senators this morning not on the Appropriations Committee have sought time. Nine of those here, and some who are not here, had hoped to be able to address themselves to this amendment.

Mr. President, at the outset, it seems to me that this is a decision that is important. Until just recently we have had the capability in NATO of delivering a nonculear weapon from the Honest John launchers. We have withdrawn that weapon.

Now we have withdrawn the Honest John and we seek to replace it so that our surface-to-surface missile forces will continue to have a dual capability—both a nuclear and conventional capability.

Mr. President, I have a letter from General Kerwin, the Acting Chief of Staff of the Army, and I read excerpts from it:

> First and foremost, our forces deployed on the ground in Europe are significantly short of conventional firepower. In the last eight years the Soviets have increased their artillery and surface-to-surface missile capability by 56%, while we have maintained a relative status quo, adding only two artillery battalions. Additionally, we have zero conventional surface-to-surface missile capability with the phaseout of the Honest John system. In contrast, the Soviets now outnumber us on a two division front in SS missile launchers by 42 to zero, employing the highly effective FROG and SCUD systems.
>
> In this environment, where we are severely outgunned and outranged, the NNL, which is already developed, tested and in production for Israel, Italy, Belgium and the Netherlands, provides an immediately available capability to offset this shortcoming. I might add that this enables an enhancement of our conventional capabilities with no increase in the force structure.

Mr. President, we have the launchers. We have invested in them. They are there. All we need now is this additional capability.

It is suggested, "Well, you can do the same thing with an airplane, or maybe there is some other weapon system that possibly can do part of it or contribute something in the same area."

Yes, Mr. President, I suppose there are other ways that we possibly could get some of this needed capability. But I would submit that citing airplanes as an alternative tends to destroy any cost-effective argument that might be made against this weapon because the risk of loss taken in delivery of these missiles by airplanes far outweighs any risk of the destruction of a missile launcher. Furthermore, the cost of an airplane, if it is lost, would be far greater than the cost of a nonnuclear Lance missile.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. McCLELLAN. Mr. President, to me, looking at all aspects of this—with the conditions what they are today and with our desire to make every effort to contain the enemy, to compete in conventional warfare so as to avoid taking any additional risk that might bring about nuclear war—this is a small investment.

In my judgment, to deny funds for this munition—and all it is for is to buy a conventional warhead for weapons already in place—is to deny this country additional fire power that we need, Mr. President, and is penny wise and pound foolish.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCLELLAN. I hope we will not make that mistake.

The PRESIDING OFFICER. Who yields time?

Mr. GARY HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. GARY HART. Mr. President, I yield myself the remainder of my time.

The PRESIDING OFFICER. I believe the Senator has 6 minutes.

Mr. GARY HART. Mr. President, the argument against this amendment is being made here this morning as if it were completely a black and white situation.

I think it is important for the record to remind Senators that as recently as the preparation of this administration's budget for fiscal 1976, a recommendation was made to delete funds in the administration's own budget request for the nonnuclear Lance.

So there has been, up until the last few weeks or months, serious division within the administration over whether this weapon system was necessary.

This is certainly true also of the Congress since the Senate Armed Services Committee and the House Appropriations Committee, in their fiscal 1977 reports, had serious reservations about this system and refused to authorize or appropriate funds for it.

It is not, as those who have spoken this morning make it sound, as if this is all a black and white situation and if we properly understand the Soviet threat we can have no other alternative but to support the Lance nonnuclear system.

It is not a black and white situation that if we do not build the nonnuclear Lance, we would be making ourselves vulnerable in a nonnuclear war situation.

There are alternatives and I have already outlined what those are. So it is well to put aside the arguments that first, if we are for the defense of this country we cannot help but support funding for the Lance, and second, that if we do not fund the Lance, somehow we are making this country vulnerable to attack from our opponents.

I think a lot of us have been concerned over the past few years about the allocation of our resources to the nuclear capability in defense weapons systems, and we have talked about that. Now all of a sudden people are saying we have too many eggs in the nuclear basket; and that we have to put some more eggs in the conventional basket.

This is not a new argument. That argument has been made for a long time. I think it is unfortunate that those who are just coming around to that position, are those who have supported putting all the eggs in the nuclear basket all along; and now they are advocating putting some eggs in the nonnuclear basket.

Third, we hear a lot about the authority of committees around here. The committee which has authority over this area, the Senate Armed Services Committee, refused to authorize funds for this system. People keep talking about how we have to follow the recommendations of the committees that know about this.

The Senate Armed Services Committee, in spite of the fact that a number of its members have become advocates of this weapon for a variety of reasons in the last few hours and days, refused to authorize funds for the nonnuclear Lance when they had the opportunity months ago.

I think it is important to clarify the situation that this is not totally black or white.

Let me summarize the arguments on this amendment.

First, advocates of this system point out that it is more cost effective than adding additional artillery battalions, Mr. President. The point is that nonnuclear Lance and artillery battalions are both less cost effective than tactical airplanes carrying glide bombs that will be available just as quickly as nonnuclear Lance.

The Senator from Hawaii talked about flexibility. There will be that flexibility if we turn down this request. I do not think we should be locked into a purely nuclear strategy.

Second, it has been argued that the past cost-effective studies of the nonnuclear Lance did not take into account aircraft attrition rates. That is not true. Studies by the Research Analysis Corporation and the Institute for Defense Analysis both concluded that the nonnuclear Lance was not a cost-effective alternative to tactical aircraft even assuming unrealistically high aircraft loss rates.

Third, it is argued that since we have invested the $1.2 billion to develop the nuclear system of Lance, we should invest the $150 million to develop the nonnuclear Lance. This initial $150 million is not the end of it. It takes more than one missile for a target to assure a kill, and the Army has testified that more missiles will be required and budgeted in 1979 and beyond if they can be afforded.

Fourth, it is argued that it is inefficient and imprudent to have Lance missiles in Europe with only a nuclear capability. What about the Pershing missile? Will the Defense Department be coming in and asking for funds to build a nonnuclear Pershing? The same arguments apply to that.

Fifth, Mr. President, we have provided numerous other weapons systems that can fulfill the same conventional role at less cost, such as the A–7, the A–10, and standoff weapons, such as the Maverick and the GBU–15 I have already mentioned. The nonnuclear Lance is an unnecessary and costly duplication of effort.

Sixth, it is argued that the nonnuclear Lance is immediately responsive to Army corps commanders on the ground in whatever weather conditions and any time, day or night. This argument is misleading. Mr. President, while the nonnuclear Lance, as well as artillery, is an all-weather, day-or-night weapon, it is largely dependent upon airborne target acquisition. These systems for spotting targets obviously are affected by bad weather.

Finally, it is argued that the nonnuclear Lance has the strong support of the Army, the Air Force, and Department of Defense. What this argument fails to mention is that in 1974 then Secretary of Defense James Schlesinger directed the Army to cancel plans during fiscal year 1976 and 1977 for buying the nonnuclear Lance.

Finally, the nonnuclear Lance did not have, until very recently the support of the Air Force.

Mr. President, this is not a black-and-white picture. I urge my colleagues to support this amendment and defeat the appropriations for the nonnuclear Lance.

The PRESIDING OFFICER. All time of the Senator from Colorado has expired. The Senator from Arkansas has 1 minute remaining.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point certain letters to which I have referred in my debate.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., August 4, 1975.

DEAR COLLEAGUE: The Senate will resume consideration of the fiscal year 1977 Defense Appropriations Bill (H.R. 14262) at 8:30 A.M., on Monday, August 9. The pending business is the Hart (Colorado) amendment which would delete $75.0 million for the procurement of 360 non-nuclear warheads for the Army Lance surface-to-surface missile system.

The non-nuclear capability for the Lance missile system has been controversial, chiefly over concern as to its cost effectiveness. The Chairman of the House Committee on Armed Services has kindly provided the Senate Committee on Appropriations with an excellent staff report on the Lance program. The report concludes that non-nuclear Lance is a cost effective alternative to additional artillery battalions. A copy of Chairman Price's transmittal letter is attached, and the classified report is available in Room 1243, Dirksen Building, if anyone should desire to read this short report.

The Committee has recommended the full budget request and authorized amount for the following reasons:

It took an investment of $1.2 billion (FY 1975 dollars) to develop the Lance system. Now, for an additional $150 million, the nuclear system can be made adaptable for conventional conflict.

Six Lance battalions have replaced the previous Honest John and Sergeant missile units in Europe. Honest John had both a nuclear and non-nuclear capability. The Army missile units in Europe are now in position with only a nuclear capability.

Many experts feel that a conventional war in Europe is much more likely than a nuclear struggle. If a conventional war should occur, it would be inefficient and most imprudent to have over 2,500 highly trained men and six battalion sets of missiles and support equipment without a capability to contribute. These soldiers and their equipment could not be diverted to other missions since they would be required to be ready to deliver nuclear fire, if the situation should so dictate.

The above reasons confirm that, in the interest of cost effectiveness and preparedness, we cannot afford the luxury of a single purpose missile system which may never participate in the battle.

I ask that you support the Committee recommendation to provide funds for the nonnuclear Lance missile program. If you have questions, please call Guy McConnell of the Committee staff on extension 47253.

With kindest personal regards, I am
Sincerely,

JOHN L. MCCLELLAN,
Chairman.

Enclosures:

Letter from Congressman Melvin Price, Chairman, House Armed Services Committee

Letter from General Walter T. Kerwin, Jr., Acting Chief of Staff, U.S. Army

Letter from the Honorable W. P. Clements, Jr., Deputy Secretary of Defense

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COMMITTEE ON ARMED SERVICES,
Washington, D.C., July 12, 1976.

Hon. JOHN L. MCCLELLAN,
Chairman, Senate Appropriations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing for your information a copy of a House Armed Services Committee internal staff report on the Army's nonnuclear Lance program.

I am aware that your committee has, in the past, been concerned about the cost-effectiveness of Lance. Our study indicates that one of the primary uses of nonnuclear Lance is to fortify field artillery (cannon) during surge conditions. The fact that all of the personnel and most of the equipment are in place and paid for appears to make the nonnuclear Lance a cost-effective alternative to additional artillery battalions.

I hope that you and your staff will take the opportunity to read our report.

Sincerely,

MELVIN PRICE,
Chairman.

U.S. ARMY,
THE CHIEF OF STAFF,
August 4, 1976.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I understand the Senate will consider an amendment on 9 August to deny procurement funds for the Army's Non-Nuclear Lance (NNL). This letter is to present why the Army considers the NNL to be a critically needed capability.

First and foremost, our forces deployed on the ground in Europe are significantly short of conventional firepower. In the last eight years the Soviets have increased their artillery surface-to-surface missile capability by 56%, while we have maintained a relative status quo, adding only two artillery battalions. Additionally, we have zero conventional surface-to-surface missile, capability with the phaseout of the Honest John System. In contrast, the Soviets now outnumber us on a two division front in SS missile launchers by 42 to zero, employing the highly effective FROG and SCUD systems.

In this environment, where we are severely outgunned and outranged, the NNL, which is already developed, tested and in production for Israel, Italy, Belgium and the Netherlands, provides an immediately available capability to offset this shortcoming. I might add that this enables an enhancement of our conventional capabilities with no increase in the force structure.

The cost effectiveness of NNL has been debated for years. The key point in this debate is that, when one considers aircraft attrition with the attendant loss of $10–15M per aircraft, the expenditure of from $200–400K for one or two LANCE missiles can be an attractive alternative. I might add that the Air Force has formally supported the procurement of NNL. Additionally, if we were to consider the alternative of increasing our artillery forces, we find that we would need 72 additional Howitzers and over 2,000 combat and support personnel per division to provide the same increase in conventional firepower provided by existing Lance units if equipped with NNL. The cost effectiveness is readily apparent.

An additional criticism of te NNL is that it has a slow rate of fire. From a firing position, a single NNL launcher can fire the first missile in about three minutes, move one mile, reload, and fire a second missile in a total elapsed time of about 36 minutes; however, it should be noted that Lance is employed in batteries having two launchers each. I would also point out that this is a faster rate of fire than the Honest John system it has replaced.

There have also been challenges that the use of Lance in a conventional mode will increase losses and inhibit LANCE availability to fire in its nuclear role. I would point out that vast Soviet target acquisitioning resources will be devoted to locating Lance as well as other nuclear-capable units and that survivability is contingent upon mobility and is not measurably affected by whether or not Lance units participate in the conventional battle. Proper training and tactical employment further enhance this survivability.

Critics have also charged that the number we propose to buy is not meaningful. While the approved program is relatively small, only 720 missiles, this is sufficient to have significant impact during the first few critical days. In this regard, we have attempted to balance out capabilities between artillery, air support and Lance. If funds were unlimited, there is certainly ample justification for a large procurement.

The final point raised is with regard to whether the warhead is satisfactory in view of our efforts to develop a new warhead. I can say, without reservation, that we are satisfied with the warhead as it exists today. It was type classified standard, having met all Army requirements, in 1973. However, we also see an opportunity to vastly improve its performance at a modest cost and have initiated an R&D program for that purpose.

In summary, I reiterate the urgent need for NNL, and the fact that the Army can ill afford the luxury of 2,500 non-participants during the critical first days of war. Let me assure you that General Weyand believes so strongly in this issue that he would have personally signed this letter had he been in town. Your interest and support are greatly appreciated.

Sincerely,

WALTER T. KERWIN, Jr.,
General, U.S. Army Acting Chief of Staff.

THE SECRETARY OF DEFENSE,
Washington, D.C., May 12, 1976.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Department of Defense is seeking your support of the nonnuclear Lance program. The TACAIR Subcommittee of the Senate Armed Services Committee recommended in its recent markup of the FY 1977 DOD Authorization Bill that $75.7 million ($75.0M procurement and $0.7M RDT&E) for nonnuclear Lance be reduced to zero.

The Army has a requirement to augment our outnumbered cannon artillery during intense combat and to strike high priority targets beyond cannon range in a conventional battle environment. When Honest John with its nonnuclear capability was withdrawn from the field due to age, it was the Army's intent to replace that capability with nonnuclear Lance. Our currently deployed Lance battalions have only a nuclear capability. In the event of a conventional attack in Europe, these units will be unable to contribute to our combat power. With the addition of nonnuclear Lance to our inventory, for less than a 10% increase in the overall Lance program costs, these units can be given the ability to influence the outcome of the early battles in Europe.

It is during these first, intense battles that our outnumbered forces, both in the air and on the ground, are going to be faced with far more targets than they are going to have the ability to strike. Nonnuclear Lance is available, at no increase in force structure. The missile and warhead have met or exceeded all stated accuracy and lethality goals. The system has been shown to be cost-effective, compared to additional cannon artillery, in the role of increasing the fire support available for these intensive battles. We will be heavily dependent on tactical air support for both deep and shallow targets; however, Lance offers advantages over tactical aircraft in that it is all-weather and not subject to significant in-flight attrition. If aircraft loss rates are high, such as we expect may be the case in the early stage of a European war, nonuclear Lance compares favorably with tactical aircraft in cost-effectiveness.

I solicit your support in restoring the funds requested for the Army's nonnuclear Lance. We will be glad to assist you with further information on this program, if required. We appreciate your every considerationof this important matter.

Sincerely,

W. P. CLEMENTS, Jr.,
Deputy.

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE CHIEF OF STAFF,
Washington, D.C., August 6, 1976.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I understand there may be some concern by members of the Committee that the non-nuclear Lance would be duplicative of aerial delivered munitions. Although not an Air Force program, I would like to stress that Lance will provide a highly valuable complementary capability which will benefit both Air Force and Army forces. Against a variety of targets, including SAM defenses, Lance can contribute significantly to the mutually supporting firepower of the air-ground team.

In view of Lance's complementary contribution to both U.S. and Allied conventional defensive capabilities, particularly in a high intensity NATO conflict, the Air Force supports its introduction.

Sincerely,

DAVID C. JONES,
General, USAF Chief of Staff.

UNITED AUTOMOBILE, AEROSPACE,
AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW),
Sterling Heights, Mich., August 4, 1976.

Hon. HARRISON A. WILLIAMS,
U.S. Senate, Chairman of Labor Sub-committee, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR WILLIAMS: As President of the Union Auto Workers Local No. 809, I am writing to you on a matter of grave concern. It has been brought to my attention that on August 9 the Honorable Senator Hart of Colorado plans to introduce an amendment to the FY '77 Defense Appropriation Bill deleting $75M for Non-Nuclear Lance (NNL) production.

The request for NNL was contained in the FY '77 DoD budget as approved by the President and forwarded to the Congress. Non-Nuclear LANCE was subsequently approved as contained in the FY '77 Defense Authorization Bill signed by the President. The U.S. Army considers NNL one of its highest priority needs. The NNL procurement will help to offset the vastly depleted conventional fire power advantages enjoyed by the Soviet-Warsaw Pact armies. Non-Nuclear LANCE will be required in the initial battle surge conditions against high priority targets. The need for NNL has also been approved by the U.S. Air Force.

I would like to point out to you that the proposed amendment to delete NNL would probably result in the shut-down of the Vought Corporation manufacturing operation located in the Michigan Army Missile plant, Sterling Heights, Michigan. This facility represents the only active Army missile production facility in the United States and the closing would result in the loss of approximately 1500 jobs.

In summary, I reiterate the urgent need for NNL and strongly urge your support in maintaining our Nation's defense and preserving jobs so sorely needed in our Michigan economy.

Respectfully yours,

HARRY W. GRAHAM,
President.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield a half minute.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration and debate on this bill and the votes thereon that floor access be granted to William Ball and Bob Old of the Armed Services Committee staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I make a similar request with respect to Stephanie Flora and Brad Minnick of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time has expired.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Colorado (Mr. GARY HART). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. McCLELLAN. Mr. President, let us have order.

The PRESIDING OFFICER. The Senate will be in order. Senators talking in the aisles please retire to the cloak room. Senators will take their seats. Members of the staff will take their seats.

The clerk will hold the vote until the Chair receives the order that was asked for. The clerk will proceed.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CLARK), the Senator from Iowa (Mr. CULVER), the Senator from New Hampshire (Mr. DURKIN), the Senator from Missouri (Mr. EAGLETON), the Senator from Louisiana (Mr. LONG), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Connecticut (Mr. RIBICOFF) is absent on official business.

I also announce that the Senator from Massachusetts (Mr. KENNEDY), the Senator from Delaware (Mr. BIDEN), the Senator from Michigan (Mr. PHILIP A. HART), are absent because of illness.

On this vote, the Senator from New Mexico (Mr. Montoya) is paired with the Senator from Iowa (Mr. Clark). If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Iowa would vote "yea."

I further announce that, if present and voting, the Senator from Connecticut (Mr. Ribicoff), and the Senator from Rhode Island (Mr. Pastore) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Tennessee (Mr. Brock), the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Virginia (Mr. William L. Scott), and the Senator from Vermont (Mr. Stafford) are necessarily absent.

The result was announced—yeas 15, nays 62, as follows:

[Rollcall Vote No. 508 Leg.]

YEAS—15

Abourezk
Byrd, Robert C.
Church
Cranston
Hart, Gary
Haskell
Hathaway
Leahy
Mansfield
McGovern
Metcalf
Moss
Proxmire
Stevenson
Williams

NAYS—62

Allen
Bartlett
Beall
Bellmon
Bentsen
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hartke
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Laxalt
Magnuson
Mathias
McClellan
McClure
McGee
McIntyre
Morgan
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Randolph
Roth
Schweiker
Sparkman
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—23

Baker
Bayh
Biden
Brock
Chiles
Clark
Culver
Durkin
Eagleton
Fong
Hart, Philip A.
Javits
Kennedy
Long
Mondale
Montoya
Muskie
Pastore
Ribicoff
Scott, Hugh
Scott, William L.
Stafford
Tunney

So Mr. Gary Hart's amendment was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. McCLELLAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. Will those conversing in the Chamber please retire to the cloakrooms?

AMENDMENT NO. 2145

Under the previous order, the Senate will now proceed to consideration of the amendment by the Senator from Vermont (Mr. Leahy), No. 2145, which will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. Leahy) proposes an amendment numbered 2145.

The amendment is as follows:

> On page 19, lines 18 and 19, strike out "for the CVN nuclear attack aircraft carrier program, $350,000,000;".
>
> On page 20, line 9, strike out "$6,195,000,000" and insert in lieu thereof "$5,845,000,000".

The PRESIDING OFFICER. Time for debate on this amendment is limited to 2 hours, with an additional hour to be available if needed, to be equally divided between and controlled by the distinguished Senator from Vermont and the manager of the bill.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may designate the distinguished Senator from Mississippi (Mr. Stennis) to control the time and manage the amendment on the part of the committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, will the Senator from Vermont yield for a unanimous-consent request?

Mr. LEAHY. I yield.

Mr. TAFT. I ask unanimous consent that William Lind of my staff have the privilege of the floor during debate and vote on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who seeks recognition?

Will those who are conversing please retire to the cloakroom and others in the Chamber take their seats.

The Senator from Vermont is recognized.

Mr. STENNIS. Mr. President, if I may interrupt, may we have quiet? This is a highly important bill. To offer an amendment means a Senator has worked hard on it. He is certainly entitled to be heard by all Senators.

The PRESIDING OFFICER. Will the Senate be in order? Will the staff members please take their seats and Members of the Senate who are conversing please retire to the cloakroom? The Senate will not proceed until we have order.

Mr. BUMPERS. Will the Senator yield to me for a unanimous-consent request?

Mr. LEAHY. I yield.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Bob Brown of my staff be permitted the privilege of the floor during debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, my amendment would delete $350 million for long lead-funding for a fourth 94-000-ton *Nimitz*-class nuclear-powered aircraft carrier. Relative to the total funding level of this bill, the $350 million involved is small. But approving this $350 million will commit us to spending approximately $2 billion for the carrier alone, and about $17.5 billion over the life of the carrier. And that figure does not even allow for inflation or the procurement of escort vessels that are needed to protect the carrier. Those additional items will add additional billions of dollars to the cost of this one carrier alone. In my opinion, we are rushing into this program without proper consideration of the issues involved.

Mr. President, the administration exhibited admirable restraint in this regard earlier this year. The request for this ship was not included in the fiscal year 1977 defense budget presented to Congress in January. At that time, the long-lead funding request for the next carrier was scheduled to be included in the fiscal year 1978 budget. In January, Secretary Rumsfeld said that a National Security Council study of future Navy requirements and programs would be undertaken, with a consideration of the size of future aircraft carriers to be part of that study.

The additional costs incurred by delaying long-lead funding until fiscal year 1978 had been carefully considered, and the administration had obviously concluded that the delay for a thorough review of Navy programs by the National Security Council was justified in view of the enormous expense involved in building another large carrier.

However, that study was not completed by May 4, when the supplemental request that included these funds was presented to the Senate Armed Services Committee. It is still unfinished.

When that supplemental request was made, Secretary Rumsfeld testified that the "increment we propose isn't connected with a changed view as a result of additional intelligence information." In fact, no new information bearing on the military need for this carrier was provided to justify ignoring the ongoing National Security Council study and requesting the long-lead funding in fiscal year 1978 instead of fiscal year 1977.

Even before this poorly justified request was made, many Senators had expressed skepticism about the House Armed Services Committee action adding the long lead funding for this carrier. In a March 30 Dear Colleague letter to members of the Senate Armed Services Committee, the senior Senator from Ohio (Mr. Taft) suggested that the committee not include the long lead funding for this carrier. In his very well-reasoned letter, the Senator from Ohio said:

> It appears to me that one of the most important elements of the House action is the decision to provide lead procurement funding for an additional large nuclear-powered aircraft carrier of the Nimitz class. This decision appears to preempt the ongoing debate as to what role aircraft carriers will play in the future Navy, what size those carriers should be, and whether it is more important to have larger numbers of ships or more capable individual vessels.

The Senator from Ohio continued:

> I do not believe that this vital debate should be terminated so abruptly, before the questions involved can be studied systematically and conclusions can be drawn from the debate.

He then went on to recommend a thorough congressional review of the issues involved before any authorization or appropriation for the procurement of further aircraft carriers.

As a result of all this, the Senate Armed Services Committee rejected—rejected, Mr. President—by a vote of 11 to 5 an amendment to add the $350 million for the carrier to the fiscal year 1977 authorization bill. Opposing the aircraft carrier and the amendment were the distinguished chairman of the committee

(Mr. STENNIS) and Senators SYMINGTON, JACKSON, CANNON, MCINTYRE, NUNN, CULVER, HART, GOLDWATER, and of course, Senator TAFT and myself.

That decision was not challenged when the bill was debated on the floor. However, the full House, by a narrow margin, had supported the decision of the House Committee on Armed Services to add funds for the carrier. The authorization was then accepted by the conference committee.

The language of the Committee on Armed Services report clearly explains the position of the committee majority where it stated:

> Denial without prejudice of the request for $350 million for advance procurement of a modified repeat of the Nimitz class nuclear carrier . . . The Committee was advised on May 4, 1976 of the President's intent to request these long lead funds in Fiscal Year 1977 rather than in Fiscal Year 1978 as previously planned. The Committee notes that the National Security Council review of Navy Ship force requirements is not complete and is of the opinion that a comprehensive congressional review of the carrier element of future force requirements including alternatives to the current carrier task force concept is desirable prior to commitment to a specific program.

The committee went on to recommend a joint review by the Armed Services Committees of the House and the Senate of carriers and carrier task force requirements.

Mr. President, this amendment does not do away with the aircraft carrier. This amendment does not say that we shall never build another aircraft carrier. This amendment does not put us on record as having made the decision that the aircraft carrier may have reached the same point in our naval development that the battleship did shortly before World War II. This amendment does not even go into the question of whether we have too vulnerable a target to Soviet attack by having a $4 billion piece of hardware, with its airplanes, sitting out there in the middle of the ocean. It does not go into that question at all. All this says is that we will not go ahead and fund the long lead items this year until we have these final questions answered.

This recommendation by the Senate Committee on Armed Services was made because the timing of the May 4 request for the additional carrier had precluded any comprehensive study by the Armed Services Committees before the authorization bill had to be reported to the Senate.

Mr. President, my amendment will allow the National Security Council to complete its study so we may have the benefits of its conclusions before voting funds to procure another large-deck carrier instead of a smaller, less expensive carrier.

Rejecting my admendment will preempt the debate that the majority of the Senate Armed Services Committee had seen as so important.

Before we rush into a commitment to spend such a large amount of money, we should first consider the fact that the primary mission of the Navy is sea control; that is, maintaining U.S. supremacy of key shipping lanes that carry our supplies of raw materials and to maintain our defense links with NATO.

Recent dramatic improvements in the Soviet Navy directly challenge our ability to maintain that control. Committing ourselves to building another Nimitz-class carrier will deprive the Navy of the funds that could be better spent on procurment of greater numbers of smaller VTOL carriers, to enable us to patrol larger areas of the oceans, and more attack submarines, the best weapon to challenge the growing Soviet submarine force.

Various lobbyists for the Pentagon in their speeches to rotary clubs and businessmen's groups and whatever around the country, and a number of people on articles on the papers, keep talking about the growth of the Soviet Navy and the fact that we have to respond to it.

Mr. President, we should ask ourselves whether we respond to it by putting $4 billion into one single floating target.

The increased vulnerability of large carriers to the Soviet submarine threat and new Soviet antiship missiles is an issue that has been debated at length in the past. I will not go into it in depth at this time. But one point I do want to make is that the Navy is confident of the capabilities of our own antiship missile, the Harpoon. In testimony before the Senate Appropriations Committee last year, Adm. Frank Price said:

> It is reasonable to assume that a Harpoon hit would cause considerable damage to even the largest combatant (and) that a series of hits would result in complete neutralization or sinking.

Mr. President, the vulnerability of a small number of large and expensive carriers is a complex issue that deserves more study, and will hopefully be clearly addressed by the NSC study.

Mr. President, we do not show that we are carrying out a responsible attitude toward the defense of this country, a responsible attitude toward what we need in our military budget, simply by saying "Spend more money." That really is in many ways an easy way out. It probably sounds great in Fourth of July speeches, but it does not do anything for the defense of the country. For the defense of this country we should look at where we spend that huge defense budget and ask if we really are getting the most for our money.

Some have argued that we must build this large *Nimitz*-class carrier now, because smaller VSTOL carriers should not be built until VSTOL planes have been developed. That would make sense, of course, if we did not already have a VSTOL plane in our inventory. But we do—the British-built "Harrier" now being used by the Marine Crops. That argument also ignores the simple fact that the next carrier, regardless of its size, could not be launched until 1984 or 1985, by which time a program to improve the "Harrier" should be completed. In addition, the Navy is now actively pushing development of VSTOL technology.

A problem that must be considered when we are debating the question of putting off the procurement of this carrier until fiscal year 1978 is the unsettled claims situation at Newport News shipyard. That shipyard is the only one in the country that is presently capable of building large, nuclear-powered surface combatants. Because its long-standing claims against the Navy have not been settled, Newport News is threatening to stop work on the CVN–70 aircraft carrier, the last *Nimitz*-class carrier approved by Congress. In fact, the final contract on that carrier has not yet been signed and the final cost for the ship has not yet been determined.

Here we have a situation where the last contract has not been signed. We do not even know the cost of the last carrier we are going to build. The indications are that we cannot even finish building it. And yet, Mr. President, they are asking us to approve another one when we cannot even build, pay for, or know the costs of, the last one that is there. It is possible that Newport News will refuse to even bid on this next carrier. With no solution to this problem in sight, a delay of a year in this program would be prudent, allowing extra time for Newport News shipyard and the Navy to reach an agreement acceptable to both, and possibly preventing further problems from arising out of negotiations to build this next carrier.

Mr. President, I believe that we should delay the procurement of this carrier to allow the questions I have raised concerning the future of large aircraft carriers to be adequately explored by the NSC study, the Congress, and the Navy, which itself is not convinced of the need for continued procurement of Nimitz-class carriers. Earlier this year Admiral Holloway, Chief of Naval Operations, said "we are actively pushing" development of VTOL planes which would be able to operate off smaller carriers. He went on to say:

> I do not feel confident to say that we'll have to build *Nimitz*-class carriers on into the future.

I agree with Admiral Holloway that the future of the large aircraft carrier is uncertain. I believe that we are now at a point at which we should slow down and consider the questions involved. Yes, a delay of a year will mean a greater expense, if we eventually decide to proceed with construction of another large carrier. With a couple of billion dollars on the line for that one carrier, and $2 billion more to equip it, and $17.5 billion for the lifetime of that one ship, I think we should approve a delay of 1 year. But should the National Security Council eventually decide that another large carrier is necessary, then we will have wasted even larger amounts of money by committing ourselves to another *Nimitz*-class carrier now.

I would like to emphasize that approving this amendment would not mean that we will stop building aircraft carriers. I believe that aircraft carriers are vital to the Navy, if it is to accomplish its primary missions. I am merely suggesting that we not preempt the ongoing study and debate on the size of future carriers by now approving the expenditure of billions of dollars on a *Nimitz*-class carrier. The costs and questions involved are too great to rush headlong into this program.

Mr. President, I believe that delay is prudent, and I urge the adoption of my amendment.

I might say that I have been brought up in a State where fiscal conservatism is considered very much a hallmark of our politicians. I really do not consider it all that fiscally prudent to rush ahead, appropriate money for a ship that we cannot build at a time when we have not even decided whether we really need it or want to build it.

Mr. President, I reserve the remainder of my time.

The **PRESIDING OFFICER**. Who seeks recognition?

Mr. **TAFT**. Mr. President, I yield myself 10 minutes.

The **PRESIDING OFFICER**. The Senator from Ohio.

Mr. **TAFT**. Mr. President, the Senator from Vermont has laid out, I think, the issue pretty clearly for the Senate to decide upon on this ongoing carrier debate.

Many of the points he makes are points with which I find myself in agreement, as was clear from the quotations the Senator used from a letter that I wrote earlier this year on the subject at the time when the Senate acted first.

However, in the conference we had a good deal of additional discussion and weighed the overall shipbuilding program upon which we were embarked to try to assess where we stand vis-a-vis the Soviets, not only with regard to carriers but also with regard to surface ships and submarines as well, and I have become convinced that the authorization for this carrier at this time, the long-lead items, is a step we ought to take in a well-rounded naval building program.

Let us take a look at what the carrier situation is, has been for the U.S. Navy, and will be for the U.S. Navy, even going ahead with this carrier for which long-lead funds are authorized in this bill or appropriated for in this bill.

Back in 1962 we had 26 carriers in commission; we were down to 16 in 1973. It is now down to 13, and next year with the retirement of the *Roosevelt,* whose useful life is expended at that time, we will be down to 12. The long-range plans for the Navy at the present time call for continuing a level of 12 carriers.

In 1977 the *Roosevelt* will be retired. It takes several years to build a carrier. In 1985 the *Midway* will go into retirement. I am not sure whether we are going to continue the 12-carrier level for large carriers out into the indefinite future. Nobody can say that. But I think we can see that currently the Navy's plans and its requirements for a multiocean Navy, in keeping with the sea control that is necessary to carry out our naval mission, require that number of ships because of the number that have to be in port, and the number of various theaters in which we find ourselves committed to the job of sea control.

So I feel that this carrier should not be looked upon at this point as an additional ship in our Navy at all. Really what it amounts to is a continuation of the current level of carriers.

Now, admittedly there are many questions relating to the carrier task force and its future. First of all, the escort carriers appear to be less and less effective so far as surface ships are concerned, and any answer to the submarine threat the Soviets pose to other forces or to the carrier task force itself. The missile systems are not a very good defense—the missile systems we currently have are not a very good defense—against antiship missiles, particularly those launched against that class, and which may very well happen with submarines in today's theaters.

Yet the cost of the various ships are very costly.

For instance, the committee took out of the bill the strike cruiser, which was about $1.4 billion in its initial phase, simply $1.2 on the follow-on, simply because it was not convinced that there was a proper role for that ship or that its additional defenses for a carrier task force were as good as the carrier could provide for itself.

The most effective defense mechanism for a carrier today, beyond any doubt, is the carrying of aircraft.

I think the continuation of a task force does not imply we are not going ahead with taking a look at the escort carrier. I have urged very strongly that we should take a hard look at that.

For instance, I welcome the distinguished Senator from Vermont joining with me next year in pushing for the authorization for the first of a new class of carrier. I do not know what size the ship would be, but the Navy is doing some preliminary planning on this type ship and, indeed, in the future, in regard to the Soviet threat, we will have to have a great many of these.

In fact, I indicated that I would suggest we try to get as many, perhaps 30, aircraft platforms of this kind in a well-rounded fleet to make the Soviets' job more difficult in attacking these with their antiship missiles.

The carrier, per se, is one of the two type ships we have which the Soviets really fear.

I think having the additional carrier capability, to have any large and long-range carriers, the current capability of the aircraft is a vital part in this. Where the Soviets discuss it, they talk about two major threats of the Navy. One is the nuclear submarine and the other is the carrier, and they are not worried about much else in our Navy today.

They are effective because of the versatility of the aircraft. It can be used for air defense, air superiority, antiship strike, or antisubmarine warfare. Virtually anything. It makes it the most versatile of all systems.

Another aspect is its role in peacetime, not merely in a wartime situation. The very presence of a carrier with the naval aircraft involved in difficult areas has very often a stabilizing effect insofar as international relations are concerned. We have been using them quite effectively over the last few years and I think we should continue to have that capability.

Some say, of course, carriers have become more vulnerable with the antiship missiles. Certainly, this is true. The carrier is the least vulnerable of all the various surface ships.

As to the size of the carrier, as I say, there is no question, we need more, and smaller ones, as well as the large ones. I think we need some low mix, the high-low mix concept as Admiral Zumwalt suggested. I believe it has a good deal of merit and should be continued to be examined by the Navy.

The small carrier would be that low mix, and out front in the high mix areas, enabling us to keep the major strike force in less risk areas until actual confrontation occurred.

One thing that should be noted, of course, is that any shift over to the smaller carriers is dependent upon the VSTOL aircraft. They are not high performance, not as high performance as conventional landing and takoff aircraft.

We do not have, I think, a major threat there.

We are working on many projects, some of which have great promise and appear to be very interesting.

One very high performance VSTOL concept is clear. I think this means we are talking about, probably, a period of at least 5 and perhaps as long as 10 years before we can make the breakthrough necessary to have that VSTOL, the aircraft, in an operating mode, if they can do it in that time.

Meanwhile, I think a well-balanced defense system does require that we have a carrier capability we can only keep up with 12 major carriers.

I would like to read briefly from comments on Soviet naval aviation and their concept of the carrier.

> Admiral Sergei Gorshkov, Commander-in-Chief of the Soviet Navy, is a strong supporter of naval aviation and has long been an advocate of sea-based aviation to support at-sea operations.

We can see this, of course, in the Kiev which has appeared for the first time in the Mediterranean and is now about to be deployed into the northern theater. Whether she is just going there for training, no one knows.

The interesting thing is that there appears upon it a brandnew, apparently, highly effective VSTOL aircraft. Surprising as to what the navy had previously as the type of aircraft to be used on it.

Continuing with the article, which is appendix E:

> Gorshkov has been critical of the limitations of land-based aviation in supporting the Soviet fleet, declaring that during World War II: "Naval aviation was unable to successfully carry sufficient torpedoes against warships at sea which had been detected at long ranges for airfields. . . Due to short operating range, weak armament, and short endurance, naval fighter aviation was not in condition to reliably cover forces at sea even at relatively short distances from shore. This considerably limited the employment of major fleet surface forces in zones accessible to hostile aircraft."
>
> Gorshkov's writings regularly cite naval aviation as being a partner with submarines as the "main striking forces" of the Soviet Navy, an indication of his perception of the role of naval aviation.

> Drawing extensively on World War II experiences, Gorshkov relates in his writings the view that aviation is integral to virtually all aspects of naval operations. Citing Soviet naval science doctrine at the outbreak of World War II, virtually all aspects of naval operations. Citing Soviet naval science doctrine at the outbreak of World War II, he states: "It was clearly stressed in the speeches of the Navy leadership, in the pages of the press, and in the courses for the students at the Naval Academy (i.e., Naval War College) that no naval operation is conceivable without air forces." Turning to wartime experiences, he adds: "Aviation units which were included within the composition of the fleets operated significantly more effectively than those temporarily attached.

Then, again:

> Soviet naval aviation remains under absolute naval control and has progressed from a nadir of about 850 aircraft in the early 1960's to a current strength of over 1,200 aircraft.

So the threat from the Russians is increasing and would constitute a threat to us if we reduced the aircraft we have deployed in our various carrier task forces.

Mr. President, what I am saying is that we do need these carriers, but we need them as a supplement to the 12-carrier task force that currently are in the Navy plans.

I do not believe it would be wise at this point to make a decision to depart from that 12-carrier task force concept and to abandon the long leading items.

If we put them off at this point, we will simply delay replacement of ships overage in their current roles and I think it would dangerously threaten the capability of the force to carry out the naval mission.

Mr. President, I reserve the remainder of my time.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, this subject matter is of great interest—the carrier. It is regretable that we do not have large attendance to hear the salient facts. I am going to try to briefly hit some of the top points. But I will not do that without thanking the Senator from Vermont for his fine work on our committee in this field. This is not a come lately with him. He has been working on it.

And the Senator from Ohio, who for years and years has studied this navy matter, this problem, how to best use the money for carriers, ships, support, submarines and all.

This year, when we had three or four Navy plans before us, the Senator from Ohio was very helpful in coming forth with a plan that the committee adopted as a majority plan for our committee authorization bill.

Mr. President, let me point out, $350 million in this bill is solely for long- and time items for an additional nuclear powered carrier of the Nimitz type which will be used to replace the *Midway*, one of our present active carriers, in the year 1984, 8 years from now. At that time, the *Midway* will be 39 years old. I think that is a major point in the consideration of this particular carrier. It is not to add to the fleet, but to replace an old-aging—overage—carrier that by then would really pose a great question as to whether it should be continued when it is 39 years old.

Two, this money is not really a commitment to the procurement of this new carrier. No new carrier, as such, has been authorized. Money for it cannot be appropriated until it is authorized. This money is for long-lead time items only. If the money is appropriated and used for this purpose, still the Congress—both Houses—will have to authorize the carrier and appropriate the money.

I know it will be argued that this is a lead step, and so forth. But in this case the situation is very different. If these component parts are built but not used for this purpose, they will be available and can be used as spares somewhere along the line when needed for the Nimitz class carriers that we will have in the fleet.

That is a healthy situation.

What is the alternative? Our friend points to a study. It is all right to have these studies, and I hope they will always be having studies. But if we are going to wait for this group to make a final-final decision, and they do bring forth a new type carrier—and, Mr. President there have been no plans made for the new type of carrier yet, no plans or blueprints, as I recall it—it also means that it will take years for plans, specifications, blueprints, authorizations, appropriations, and trial and error to build the new carrier. That will also require a new type plane for this new carrier of the future.

We know from the F-14 and many others how long it takes to perfect those plans, blueprints, specifications, authorizations and appropriations. With all deference, that is something out in the future with reference to what may become the carrier in those years, around 1985 and 2000.

What are we going to be doing in the meantime so far as the old *Midway* is concerned, limping along, and lessening the strength of our carrier force, making it less of a deterrent?

Mr. President, there are those of us who have been here since NATO and the war in Korea.

Mr. President, how much time have I used?

The PRESIDING OFFICER (Mr. BUMPERS). The Senator has 41 minutes remaining.

Mr. STENNIS. I wanted to know how much time I have used, if I may.

The PRESIDING OFFICER. The Senator has used 7 minutes.

Mr. STENNIS. Mr. Prsideent, I yield myself 10 more minutes. Please advice me when I have used 10 minutes.

In the meantime, Mr. President, we must take a look. I am not a skeptic, but are things getting better in the Pacific where these carriers operate? No, they are not. There has not been time for a real reaction to the Indochina war, the end of the war in Vietnam. Is Taiwan better? No, I do not think so. In Korea, is the situation improving greatly? I do not think so.

There is the uncertainty.

We all know the situation with respect to Japan.

We are the only ones in the free world that can maintain and operate carriers. There is no argument about that. No one proposes that we not operate these carriers, or not continue operating them, on the trade routes in essential, necessary, and strategic positions in the Pacific, in the Atlantic, in the Mediterranean, and now in the Indian Ocean.

Is our situation getting better concerning the need for imported oil? No; it is becoming worse. We are becoming more dependent every day for these essential commodities. I wish that was not true, but it is true and we all know it.

I do not want to discount anything anywhere. In the Mideast we know there will not be any overnight settling down of the problems there; and in Africa, too. We know that.

We know that we are losing our land-based military installations in areas of the world where our safety, our security, and our economy are involved.

In Thailand, we are pulling out. Look at the situation in Turkey. From one viewpoint, our situation there almost makes me cry. Look at North Africa. We have lost our land bases there. It means we are more and more dependent on these carrier forces.

I say, Mr. President, I do not think we can seriously say that we will turn our backs on the needs of this old *Midway* carrier and not replace her. I am pleased that we are going on with a program that is constructive, and which I want to move faster, as fast as we can.

Something was said about how the committee voted. There was a great deal of conversation about these matters in the Armed Services Committee. The committee finally came with what I call the Taft package. Sitting around the table we more or less agreed on it. We had many sessions. We had about five different navies before us at one time and had to choose between them. Conditions were changing fast. The President came in with additional recommendations. The House had already passed the bill. At that time there was not time for much further consideration by the committee. The Budget Committee was saying, "Hurry up, hurry up" and rightfully so. The resolution of the Senate demanded we bring in a bill.

We voted and agreed around the table rather solidly on the so-called Taft package. Then Senator THURMOND asked that it be amended by adding a carrier and all the other major items that had also been considered. I have the record here.

I voted against the carrier at that time and stated, "I vote no on a priority basis. I think we ought to move with this bill."

And it finally came out that way.

Now, a little further about the history of this matter. In conference—and we had a whale of a conference with the House of Representatives—they had different ideas about the Navy for this year. Well, just to make a long story short, I was chairman of the Senate conferees, but I was not the only one. Several called up the Chief of Naval Operations. He is the man we look to as the man who is responsible out on the oceans. He is a man who has knowledge not even the President of the United States can possibly have.

We asked him, "Which one do you want now, the carrier or the nuclear strike cruiser?"

"Well," he said, "I want both."

I said, "That is not the question. There must be a choice here, and you are the man to say."

He said, "The carrier."

Well, there we are. He wanted both of them. We did not think we could do it all this year. Others on the committee, minority Members, asked the same question. Same answer.

The conference report came back here. There was not a murmur of objection that I heard then. Every single Member of our Senate conferees agree to that. I am not critical, now, of the Senator from Vermont; but all of those conferees, regardless of what position they had had before, "agreed to it and accepted it, brought it up here, and there were no complaints, no opposition that I heard.

The Appropriations Committee was weighing the matter all that time, and they met after the Armed Services Committee and finished their consideration of the matter they included the carrier in the bill; and it is in here now.

I am really glad we are going to vote on it. I am glad that it worked around to where we could act this year, and get these long lead time items, with just barely time now to get them.

There is no question about the position of the President of the United States. There is no question about the position of the Secretary of Defense. We have a letter from him. There is no question of the Chief of Naval Operations. I have a letter here from him that I am going to put in the RECORD.

I have used my 10 minutes. Mr. President, I hope to address the Senate further, but unless the Senator from Vermont wants to use some time now, I will yield time to someone else, if they wish.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. I am glad to yield to the Senator from South Carolina, the ranking Republican member of our committee.

How much time does the Senator require?

Mr. THURMOND. Ten minutes.

Mr. STENNIS. All right, 10 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment by the distinguished Senator from Vermont. This amendment would strike the $350 million for long lead funds for a fourth nuclear carrier. In my judgment, this would be a great mistake, for the following reasons:

Our Navy is now the smallest it has been since 1939. We have a total of 477 ships including 116 submarines of all types, both nuclear and diesel powered; 172 major combatants and 189 minor combatants and auxiliaries.

With the exception of aircraft carriers, where the Soviets have one in active service, we are outnumbered by the Soviets in every class of warship and auxiliary.

The aircraft carrier is the principal surface combatant in the U.S. Navy. We currently have 13 in commission. This compares with 23 active carriers the U.S. Navy had early in the Vietnam war.

Our current carrier force consists of the nuclear-powered U.S.S. *Nimitz,* the 14-year-old nuclear carrier U.S.S. *Enterprise,* eight oil-fired carriers of the *Forrestal* class ranging in age from 7 to 20 years, three *Midway* class carriers 28 to 30 years old.

Under construction are the *Dwight D. Eisenhower* to be delivered in 1977 and the *Carl Vinson* expected to be delivered in 1980, which are expected to replace the *F. D. Roosevelt* and the *Coral sea,* respectively, when they are about 33 years old.

To date, no U.S. carrier has seen active fleet service beyond the 31-year record recently set by the U.S.S. *Hancock* which was decommissioned in January of this year.

With the declining number of overseas land airbases, worldwide shortages of energy sources—particularly oil—and the threat to our sea lines of communication posed by the tremendous Soviet submarine fleet, it will be necessary to have a modern carrier force as the principal strike force for any military confrontation short of all-out nuclear war.

The Navy in January of this year completed a study which concluded that the most cost-effective carriers the Navy can build are carriers of the *Nimitz* class, such as the *Carl Vinson.*

This new Navy carrier study also pointed out that at least $178 million of the cost of building a new *Nimitz* class carrier could be saved if at least $350 million in initial long lead procurement were funded in fiscal year 1977 instead of fiscal year 1978.

It takes 8 years from initial funding to build a modern nuclear carrier such as the *Carl Vinson.* Thus, if initial funding is provided in fiscal year 1977, the Navy estimates that the ship could be delivered in October 1984 and relieve a carrier in the active fleet in 1985, at which time the *Forrestal* will be 30 years old and the *Midway* will be 40 years old—if she is still in service.

Mr. President, Adm. Thomas H. Moorer, who probably has had more experience in the command of carrier task groups than any other living naval officer, commented on title VIII in a memorandum to the Secretary of Defense, and these are his words:

> As you may know, I have long advocated that we provide nuclear propulsion for any new aircraft carriers and escorts we build for those carriers.

Listen to the positions this man has held; he has held just about every command position in the Navy in this country:

> My experience and responsibilities over the past decade as Commander in Chief, Pacific Fleet; Commander in Chief, Atlantic and Supreme Allied Commander, Atlantic; Chief of Naval Operations and as Chairman of the Joint Chiefs of Staff have reenforced my conviction that we should provide nuclear propulsion for naval strike force ship. . . .
>
> I am quite familiar with, and have personally participated in many of the studies and discussions over the years concerning this impotrant issue. As I leave this Office, I want you to know that it is my judgment that this policy, recommended by the House of Representatives is a sound policy. I urge that the Department of Defense adopt it and get on with the task of building nuclear powered naval strike forces which I sincerely believe will be essential in the years ahead. The experience of our Navy during the 1973 October War is providential warning—which appears already to have been forgotten—that the Navy strike forces must not continue to be dependent on oil for propulsion in an actual war situation.

Mr. President, Adm. H. G. Rickover, the father of nuclear propulsion in Navy ships, had this to say:

> For the forseeable future, the aircraft carrier will be the principal offensive striking arm of the Navy in a non-nuclear war. No other weapon system under development can replace the long range sustained, concentrated firepower of the carrier air wing. Torpedo firing nuclear submarines, cruise missile firing nuclear submarines nuclear cruisers with anti-air, anti-surface, and anti-submarine capabilities—all are needed to supplement and augment the capabilities of the nuclear carrier. But without the tactical air power provided by carriers all of our other surface forces would have greatly increased vulnerability.

Admiral Rickover further said in this statement, and incidentally this is the statement that he presented to the Committee on Armed Services, and these are his words:

> I note that the number of overseas air bases available to us continues to decline. Since there is no known alternative to carriers for providing significant tactical air power beyond the range of provisioned and protected land bases, and the capabilities of the Soviets to attack us at sea continue to increase, our need for carriers appears to me to be increasing rather than decreasing.

Mr. President, this is a man who knows what he is talking about.

Mr. President, the Chief of Naval Operations is very strong for this carrier. He has placed it as his No. 1 priority, and these are his words:

> The United States can maintain its margin of maritime superiority for at least the next ten years by maintaining a force of 12 deployable large deck carriers capable of operating the types of aircraft presently planned for procurement.
>
> It will be necessary to extend the service life of the *Forrestal* and subsequent carriers past thirty years to maintain 12 deployable carriers. This will require that the ships be sequentially decommissioned beginning in 1980 for extensive overhauls lasting about two years, therefore, not available for deployment.
>
> We must have this additional new carrier in order to have a sufficient inventory of carriers to extend the lives of the remaining ones while maintaining 12 deployable carriers.

Mr. President, the idea here is to delay this matter and defer it. Again, I wish to quote to Senators Admiral Rickover on this point:

> Deferral of advance procurement funds from FY 1977 to FY 1978 would delay delivery of the carrier to at least October 1985.

> The projected October 1985 delivery is predicated on the assumption that the shipbuilder would be able and would agree to provide the skilled manpower necessary to buid the carrier in this time period, even though most of the manpower used to build the *Carl Vinson* could be expected by that time to have been reassigned to other work, or laid off.

And he further states:

> In the past 25 years, the Newport News Shipbuilding and Dry Dock Company has been awarded contracts for the construction of eight aircraft carriers; the largest gap between these carriers has been four years. Therefore, the minimum five-year gap between the CVN 70 and the CVN 71, caused by deferral of long lead funds to FY 1978, would create greater disruption in the carrier building program at Newport News than has been experienced at any time during the last quarter century.

Mr. President, these are men who know what they are talking about. They are our experts in this question. They have convinced the President, I am sure, because the President sent down a special message and especially asked for that carrier. He says he needs it to protect the security of the country.

I do not see how this Senate can deny him of that request.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. THURMOND. Mr. President, will the Senator yield me two additional minutes?

Mr. STENNIS. I am short of time at this point.

Mr. THURMOND. One minute?

Mr. STENNIS. All right. The Senator could speak later for 2 minutes. I yield the Senator 1 minute at this time.

Mr. THURMOND. Mr. President, the Secretary of Defense has approved this carrier. He is very anxious for us to get it. The Secretary of the Navy, Mr. Middendorf, has approved this carrier. As I stated, the Chief of Naval Operations has put it as his No. 1 priority, and I have quoted to Senators from Admiral Rickover, the father of nuclear propulsion in naval ships.

Mr. President, I hope that the Senate will kill this amendment so that we can go forward with the long-lead items. We are not asking to go forward with the ship but only the long-lead items for the next fiscal year.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from New Hampshire.

Mr. McINTYRE. I thank my chairman for yielding.

To put this matter in perspective, we are talking about the fourth and last *Nimitz*-class carriers.

All carriers of this class are to be nuclear propelled.

The No. 1 ship, the *Nimitz*, is now 1 year old and it joined the fleet on July 1, 1976. The *Dwight D. Eisenhower*, No. 2, is in the final outfitting stage, and the *Carl Vinson*, is in the early stages of hull construction. No. 4 is the unnamed ship we are discussing.

Regardless of how I voted previously on this matter, I must oppose the amendment of my good friend, the Senator from Vermont, who, as the chairman, I and others know, is doing a tremendously wonderful job on the Armed Services Committee.

I wish to ask two questions that really concern me.

Does the distinguished Senator from Vermont believe that he has even a 50-50 chance that the National Security Council, which is to finish a study of our naval force requirements this fall, is going to say, "No, we do not need this fourth carrier?"

Mr. LEAHY. First, as I hear everyone who opposes my amendment praising me here, I feel a little bit like the line from Julius Caesar applies to me: "I come to bury Caesar, not to praise him."

And I am concerned as to which one is going to be done.

But on the question of the distinguished Senator from New Hampshire, as to whether I think the NSC may come back with a recommendation for a fourth Nimitz carrier, I tell the distinguished Senator that I am enough of a fiscal conservative that I am not willing to bet $350 million of the taxpayers' money about whether they will or not, and I am willing to wait before we spend that amount of money, which is, incidentally, more than we spend in the State of Vermont for all our government in a year's time. I am willing to wait and give them a chance to come back with an answer, especially considering the fact that we have two of these nuclear carriers on the ways, one that will not be down until 1977, and one that will not be down until 1981. As the Senator knows, it is just a case of whether we really even should go ahead. At this point we lose nothing by waiting, but we stand to gain about $350 million if we do wait.

I think perhaps those are some of the considerations that entered the mind of the senior Senator from New Hampshire when he originally voted against the aircraft carrier.

Mr. McINTYRE. Mr. President, as the good Senator knows on many of these issues it always is easy for the press to oversimplify such issues as whether or not the United States needs build another carrier. They are gray areas. There is nothing simple about defense.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, I yield an additional minute to the Senator from New Hampshire.

Mr. McINTYRE. I say to my good friend from Vermont that the chances are about 10 to 1 the National Security Council is going to say, "Yes, one more carrier." This amendment is agreed to, it will cost the taxpayers of this country an estimated $150 million to $200 million by delaying the long-lead nuclear propulsion components another year. The Senator might as well bite the bullet and decide we are going to have this fourth nuclear carrier.

Mr. LEAHY. I reply to the Senator from New Hampshire that there has been no estimate of what this delay might cost, if anything, but there is no question about the fact that if we go ahead, without even determining whether we need it, we are committing this country to an ultimate lifetime cost, on this one ship alone, of $17,500 million.

The PRESIDING OFFICER. The Senator's additional minute has expired.

Mr. CRANSTON. Mr. President, will the Senator from Vermont yield to me?

Mr. LEAHY. I yield to the distinguished Senator from California.

Mr. CRANSTON. Mr. President, first, I express my admiration for the Senator from Vermont for offering this amendment, for the expertise he has developed on the Armed Services Committee, for his willingness to challenge proposals like this one, which are highly questionable to say the least.

I want to note that what he actually is doing is taking a rather conservative position, because he is being tightfisted about the taxpayers' money in an area where we really need to look with far greater care and scrutiny at requests for military expenditures than we have done heretofore in this body.

I support this amendment to delete the $350 million recommended by the administration—but not recommended by our own Armed Services Committee—for procurement of long-leadtime items for a 94,000-ton nuclear-powered aircraft carrier. This giant *Nimitz*-class ship is described as an "all purpose carrier" designed to operate aircraft and engage in attacks on targets at sea and ashore.

I agree with Senator LEAHY that the funding for another supercarrier should be deferred until we have the benefit of the conclusions of the National Security Council study referred to by Secretary Rumsfeld in January of this year. That study, which was to consider the size of future aircraft carriers, was not completed by May 4 when the supplemental request for the carrier funds, nonetheless, was received by Congress.

Mr. President, the administration was wise, as was the Senate Armed Services Committee, in originally not seeking authorization of funds for another behemothlike carrier this year.

The carrier has been called a "behemoth." I looked up the word, seeking its origin, and that led me to the Bible and to Job. Even Job, in his wanderings, encountered nothing so big and powerful, and awkward and vulnerable, as these latest *Nimitz*-class carriers. Like Job's behemoth—perhaps a hippopotamus—this ship is capable of "drinking up a river." But to what purpose, under the conditions of modern warfare, I ask?

The carrier, especially the supercarrier, is a ship whose time in command of the seas is passing. The carrier is not essential in strategic warfare. The carrier's role, such as it was, has been displaced by ICBM's and SLBM's and long-range land-based bombers. Not needed in a major encounter with a superpower, the carrier is becoming primarily a weapon for projecting military power against nonnaval, inferior military powers when the United States is engaged in limited adventures in Southeast Asia or Africa, for example.

Since we hope that we are not going to be engaging in those adventures henceforth, let us give careful scrutiny to the advisability of creating yet another bit of encouragement for exactly such adventures.

These giant carriers would be sitting ducks in a strategic exchange with the Soviet Union—as would Soviet ships of this magnitude if we set our sights on them. A revolution in weapons technologies is occurring as seen in the case of precision-guided weapons—able from great ranges to detect virtually any target and to destroy with explosives almost any target they can detect. Advances in antiship missiles raise serious questions about aircraft carriers in a sea war scenario involving major powers.

A further reservation I have about this prospective carrier is its great cost. The $350 million in this bill is the tip of a $2 billion iceberg—counting construction costs alone and leaving out of the picture life cycle costs and other factors that Senator LEAHY has carefully pointed out.

If we continue to build this size carrier, the high procurement and life cycle costs will cut down on the number of the surface ships this country can put to sea. The primary mission of the surface Navy is sea control; this requires a large number of ships—both because of the wide expanses of ocean that must be covered and the large numbers of Soviet ships and submarines that roam the seas. If we continue to build the Navy around the *Nimitz* class carrier, we will continue to invest all too much money in what really amounts to simply providing the Soviets with a few convenient high-value targets. If the administration will not force some choices on the Navy, in terms of deciding to opt for smaller surface ships, then Congress will have to do the job. And it can start with this amendment, which is fully consistent with an earlier decision by the Senate Armed Services Committee.

Finally, Mr. President, after reviewing the merits of the case for another giant nuclear-powered carrier—or, rather the demerits—and recalling that the administration did not seek these funds in January, I have to conclude that a political shadow hangs over this supplemental request.

The Senator from Minnesota (Mr. HUMPHREY) alluded to analogous matters in recent debates on the floor of the Senate. It would appear once again, as was the case with other supplemental requests from the Department of Defense in the last spring, that the Republican primaries, featuring Ronald Reagan versus Jerry Ford, provided the motive and not the Russians. First, we had the "Republican primary missiles," the additional Minuteman III's, which Senator KENNEDY and Senator HUMPHREY talked about a week ago; and now we are considering an aircraft carrier that can be seen in the same light.

Why should the American people be called upon to spend over $600 million for this outdated defense menu? I find this a highly objectionable form of public financing for Presidential campaigns. I ask unanimous consent to have printed in the RECORD, just after my remarks, an article by John Finney entitled "Dreadnought or Dinosaur?" from the New York Times Magazine of January 18, 1976.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DREADNOUGHT OR DINOSAUR?

(By John W. Finney)

WASHINGTON.—Aug. 15, 1975, may some day be recorded as a historic turning point for the United States Navy. On that day, Adm. James L. Holloway 3d, the Chief of Naval Operations, walked out of the Pentagon office of Defense Secretary James R. Schlesinger with orders that the Navy drop plans for building a fleet of nuclear-powered supercarriers. Instead, the Navy was to draw up plans for a smaller aircraft carrier that would serve as the capital ship of the fleet into the 21st century.

It was a bitter defeat for Admiral Holloway and the rest of the "brown-shoe Navy" of naval aviators who, more than 30 years ago, took the helm away from the "black-shoe Navy" of battleship admirals and have ever since directed—some would say misdirected—the course of naval strategy. There was no great sadness among them, therefore, when Schlesinger was abruptly dismissed in the middle of the budget debate last November, to be replaced by Donald H. Rumsfeld, who, by coincidence, was once a naval aviator himself. It is no secret that these admirals hope that the change in Secretaries will give them a chance to reverse the Schlesinger decision. At issue is what kind of Navy the country is to have, and how many billions it is to cost.

The Army has succeeded in rebuilding itself after the Vietnam debacle and in reestablishing a conventional role, particularly in Europe. The Air Force goes winging along, secure—perhaps unduly so—in its strategic role, with its bombers and missiles. But the Navy, the most traditional of the services, is wallowing in surging ship costs, conflicting purposes and internal jealousies. In large measure, this is the price of the preoccupation with carriers, to the detriment and neglect of the rest of the surface fleet. Still to one side in the dispute is the third component of our sea force—the "felt-slipper Navy" of submarines (submariners wear felt slippers when at sea so that their footsteps do not reverberate in the water). But given the burgeoning role of our atomic-powered undersea deterrent, the submariners are bound to move into the center of the internal controversy over the Navy's future course.

From the time that a Navy collier was converted into the Langley, the first attack carrier, in 1922, naval aviation had years of slow, difficult growth. To the black-shoe admirals who were brought up to believe that naval power grew out of the 16-inch gun of a battleship, the carrier operation seemed bizarre. All that changed abruptly with World War II. The Japanese attack on Pearl Harbor demonstrated the carrier's ability to project air power against distant land objects. The sinking of two of Britain's newest ships—the battleship Prince of Wales and the battle cruiser Repulse—by landbased Japanese torpedo bombers the same month demonstrated that the battleship was no longer the invincible queen of the seas. The iconoclastic Billy Mitchell had said just that at his court martial for insubordination nearly 20 years earlier, and now his concepts were borne out. In the Battle of Midway in 1942, a turning point of the war in the Pacific, the carrier replaced the battleship as the Navy's capital ship. For the first time, carrier fleet met carrier fleet, and the Japanese retreated with four carriers sunk, never again to mount a serious naval offensive.

The Battle of Midway left an indelible impression on the carrier admirals. They continued planning for the day when naval air power would meet again, much as battleship admirals used to dream of the moment when they would "cross the T" of an opposing fleet. Yet, as strategic thinking after World War II shifted to nuclear bombs and missiles as the central weapons of a future major war, the carrier became, to some degree, a ship in search of a mission. The answer to the Navy's dilemma was the supercarrier—a ship with a flight deck large enough to handle attack planes capable of carrying atomic bombs against the potential enemy, the Soviet Union. The keel of the first supercarrier, the United States, was laid in 1949. The very next day, Secretary of Defense Louis Johnson canceled construction of the ship, contending that it would duplicate the strategic role assigned to the Air Force.

His action touched off a rip-roaring interservice fight. The Navy, probably the most political of the three services, stormed Capitol Hill with protests that the Air Force's B–36 strategic bomber was incapable of reaching targets in the Soviet Union. In the B–36 versus carrier controversy, the Air Force won out. Yet the Navy never abandoned its desire to be able to project air power against the Soviet Union. When the carrier demonstrated its usefulness as a mobile platform in the Korean War, providing tactical air support as airfields in South Korea were overrun by the Communist attack, the Navy quickly won permission to construct the Forrestal, which was designed along the lines of the canceled supercarrier. In effect, Louis Johnson's decision had been reversed.

A carrier boom followed. Five more ships of the Forrestal class were completed between 1955 and 1961. In the Vietnam war, carriers operating with impunity in the Tonkin Gulf were able to project air power against North Vietnam and lay the mines that finally sealed the port of Haiphong. Whether carriers were essential to the American prosecution of the war, what with the airfields in South Vietnam and Thailand, is another question; Defense Secretary Schlesinger, in his defense-posture statement last year, would say only that "they helped to split the [enemy] air defenses and control our losses." In any event, the growing size of the carriers that continued to come out of the shipyards after 1961 was dictated largely by a different consideration—the Navy's desire to have an ability to attack the Soviet heartland.

Today, the Navy has 15 carriers in operation—two nuclear-powered supercarriers, the 87,000-ton Enterprise and the 91,000-ton Nimitz, so big that they can barely squeeze into the principal ports of the United States; eight conventionally powered ships of the 78,000-ton Forrestal class (the Forrestal, Saratoga, Ranger, Independence, Kitty Hawk, Constellation, America and John F. Kennedy); three World War II carriers of the 64,000-ton Midway class (the Midway, Coral Sea and Roosevelt), and two 40,000-ton carriers of the Essex class, of the same vintage—the Oriskany and the Hancock. The last two are soon to be decommissioned, but are to be replaced by two supercarriers of the Nimitz class that are under construction—the Dwight D. Eisenhower and the Carl Vinson. By the somewhat flexible rule that a ship has a 30-year lifetime, the Navy faces bloc obsolescence of the Forrestal-class carriers in the coming decade, and it was the Navy's wish to start now on replacing those carriers with nuclear-powered supercarriers that brought to a head the issue of future construction plans.

One question Schlesinger had to ask himself when the issue was placed on his desk was why the Navy needed 15 carriers in peacetime. The figure is an outgrowth of tradition and requirements, two reasons that at times are difficult to disentangle. The tradition goes back to the Washington Naval Conference of 1921–22, which limited the United States to 15 battleships. The requirements are based on deployment practices. Since the Korean War, the Navy has customarily kept five carriers deployed in forward areas—two in the Mediterranean and three in the Pacific—and each of these five is said to require two in reserve for rotation and maintenance. Some strategists—not in the Navy, of course—argued that the carrier fleet could easily be reduced to nine by reducing the forward deployments, and Schlesinger tried to move in that direction by proposing that the number be reduced to 12, with deployments reduced to one in the Mediterranean and two in the Pacific. The White House approved the lower force total—provided the number of forward deployments remained unchanged; reducing them, Secretary of State Henry Kissinger felt, could project an image of American weakness. How the Navy will maintain the deployments while reducing this total remains unclear.

It may sound cynical—and it certainly would be denied by any admiral—but another reason the Navy wants 15 ships is that more carriers mean more commands and staff jobs for the carrier admirals. There is something in a carrier that fulfills the *machismo* of any man who has ever gone down to sea in ships, particularly one who is not only a sea dog but a naval aviator. It is a feeling that only a man who has been at the helm of a ship defying the challenging waves can really appreciate. On the bridge of a carrier, the captain, by tradition a naval aviator, stands in command of the most complex, most expensive ship ever made by man. Beneath him, on a carrier deck as large as five football fields, he controls a ballet of men and machines, as enlisted men in red and brown helmets direct the planes with stylized hand motions, and as the planes jump from the catapults, disappear momentarily beneath the clipper bow and surge upward in a whining climb. And for a finale, there is the landing operation, as the planes thump on the deck in a bouncing stop, as their tail hooks engage the arresting gear, and as the pilots emerge in smiling satisfaction at once again having defied a landlubber's rules of aerodynamics.

The supercarrier is like a large military base that somehow has been put to sea. It carries a crew of 6,000 officers and men who work and live in more than 2,700 compartments in the ship's 1,040-foot-long hull. When it sets sail, the carrier is loaded with 90 days' worth of provisions, including 90,000 dozens of eggs, enough ingredients for one million pancakes, and 243,000 pounds of meat. Its nuclear reactors generate more than 200,000 horsepower, which can drive the ship at more than 30 knots. Its mobility is global. With its nuclear power, the ship can steam for 13 years without refueling: in a conventional ship, that would be equivalent of consuming 1 million gallons of oil.

Another question Schlesinger had to face was why the carrier had to be so big. Admiral Holloway's answer is that the carrier must be capable of operating in "a high-threat environment." For "high threat," read "the Soviet Union." The Navy's original rationale for the supercarrier as a strategic weapon remains unchanged.

Yet this rationale poses a number of problems.

As the Soviet Union develops faster, longer-range aircraft and surface ships equipped with antiship missiles, the carrier becomes increasingly concerned about its own defenses and sacrifices some of its offensive power. (It can, in fact, be argued that the growth of the Soviet Navy has been influenced to some degree by a need for a defensive capability against carrier attacks.) Of the 100 aircraft carried by a supercarrier, only 36 are attack planes for striking at enemy targets. The rest of the aircraft are for defending the carrier and the attack planes. For all its huge investment, a supercarrier is capable of delivering a few hundred tons of bombs a day—not exactly an explosive punch when measured against the rule that it takes 10,000 tons to destroy a hardened target, such as would be encountered in the Soviet Union.

Even with nuclear propulsion, a supercarrier can stay on bombing station for only about 10 days before it has to withdraw to replenish its ammunition and aviation fuel.

Then, there is the effect of the carrier syndrome on the Navy as a whole. About 50 percent of the Navy's $26-billion budget goes, in one way or another, into supporting the carriers. One obvious result is that the Navy has not had enough money left over to maintain and rebuild the rest of the surface fleet, which helps explain why the size of the fleet has been declining. More and more, as the Soviet Navy has grown, the surface fleet has been given the assignment of protecting the carriers. The Navy now has whole classes of destroyers and frigates that are gunless wonders of modern technology. Instead of guns, they are armed with antiaircraft missiles (most of which, the Navy admits, do not work effectively) and sophisticated antisubmarine weapons—armaments designed primarily to protect the carrier. As a gunboat, the modern destroyer has about as much firepower as a PT boat of World War II; indeed, if PT boats could ever learn to shoot torpedoes or missiles straight—and that now seems possible with computer-age technology—they would be more than a match for most of the surface combat ships now the in the United States Navy.

In spite of all the missile-age defenses, the carrier is becoming increasingly vulnerable to the newest antiship missiles of the Soviet surface fleet—from Komar-class PT boats to the largest destroyers and cruisers. The Russians got a technological jump on antiship missiles—and here, too, the reason was the American obsession with carriers. The brown-shoe admirals decided long ago that the best "antiship missile" was the carrier-based plane, and that there was no reason, therefore, to develop such missiles for the surface fleet. The reasoning was that since the plane has a range of 1,000 miles while the Soviet antiship missile has a range of only 100 miles, the Soviet missile-launching ship must steam 900 miles, all the while subject to attack by the carrier's planes, before it can attack the carrier. The reasoning may apply when the opposing fleets are far removed, as they usually were in the war in the Pacific (although the logic of it might escape a destroyer captain far removed from the protection of carrier planes and confronted by a Soviet destroyer armed with antiship missiles). But it is questionable whether such reasoning applies in the Mediterranean, where the carriers are tailed by Soviet ships poised for a quick strike in the event of war. Indeed, there is a serious question as to how much longer carriers can operate with inpunity in the confined waters of the Mediterranean.

Third, there is the matter of cost. Admiral Holloway, whose advocacy of the supercarrier goes back to the Air Force-Navy clash of 1949, when he was a young naval aviator at Pensacola preparing material for the Navy's case, assumed a similar role, at a higher level four years ago, when he was placed in charge of the Navy's campaign to persuade Congress to build a third nuclear-powered supercarrier—the Eisenhower. What Admiral Holloway as Chief of Naval Operations has been proposing for the long term is that the Navy build a supercarrier every other year until it has 12—or, even better, 15—of the behemoths. The cost of his proposal is staggering to everyone but those in the Pentagon who toss billions around as though they were K-rations. Each of the supercarriers now costs $2 billion to construct; when the airplanes are included, the capital investment comes to around $5 billion—not to mention the cost of operating the ship over a 30-year lifetime.

Finally, there is the paradox of the Navy clinging to the carrier as a way of staying abreast of the Air Force in strategic warfare when it is already pulling ahead of the Air Force with the nuclear-powered submarine. The advent of first the Polaris, and then the Poseidon, and now the Trident missile-launching subs has given the nation its most nearly invulnerable strategic force, one that bids fair to become the pre-eminent weapon for retaliating against the Soviet Union. It is not so much of a paradox, however, when one considers the factionalism and jealousies within the Navy. The submariners remain outcasts, suspected of being too indoctrinated in the ways of Vice Adm. Hyman Rickover, whose prickly championing of the nuclear-powered submarine at the expense of surface vessels made him a villain in many admirals' eyes. (Rickover's recent espousal of the cause of the nuclear-powered carrier—his passion seems to be for nuclear power rather than underwater craft—has softened his image for many, but long-held attitudes are slow to change.) The naval aviators who fought so long for primacy in the Navy are not eager to relinquish it to a new claimant, rescued from obscurity by atomic power.

Schlesinger's skepticism about the carrier admirals' strategic ambitions was made clear in his defense-posture statement of February 1975. It is the missile-launching submarines, he observed, that should be regarded "as the Navy's main contribution to nuclear deterrence"; while other Navy ships, such as carriers, are able to carry nuclear weapons, "their main justification should be nonnuclear." Three decades after the first supercarrier was scuttled on the ways, another Defense Secretary felt compelled to bring the carrier's postwar rationale sharply into question.

But if the supercarrier does not have a strategic role, what is its mission? The admiral's answers, stripped of rhetoric, embrace the 19th-century concept of naval power expoundly by the great American naval strategist Admiral Mahan. Control of the seas is the resurrected slogan, its persuasiveness hitched to the growth of the Soviet Navy, although that growth has not been as rapid or as threatening as the Navy would have the Congress and the public believe. In words reminiscent of the jingoistic days of Manifest Destiny, the Navy, in its policy memorandums defending the supercarrier, describes the United States as "essentially an island lying between the Atlantic and Pacific Oceans. From our island position, the only way by which we can project our national power beyond the range of our land bases is through our Navy. For this, other than by all-out nuclear war, we must depend primarily on our attack aircraft carriers." Or, as Admiral Holloway puts it, "it is the carrier which maintains the supremacy at sea of the U.S. Navy."

But that claim too is open to question. What does "supremacy at sea" mean in an age of nuclear weapons? At times, the Navy seems to be thinking in terms of a major clash of fleets, reminiscent of the great World War II battles in the Pacific. In the nuclear age, this seems an unlikely possibility, if only because the Soviet Union would have to assume that a major Soviet naval assault could lead to nuclear retribution against its homeland. At other times, the Navy seems to be planning for refighting the World War II Battle of the Atlantic—keeping open the sea lanes to Europe in the face of the Soviet submarine threat. Of course, air power did not play much of a role in the Battle of the Atlantic, but, as envisioned by the carrier admirals, the next time will be different. Standing before a map of the world on the wall of this Pentagon office. Admiral Holloway foresees carriers moving up into the Greenland Strait, providing air protection against Soviet bombers equipped with antiship missiles, as the allied navies bottle up the Soviet submarine fleet in the Norweigian Sea.

There are just a few things wrong with such a scenario. First, the carriers themselves become extremely vulnerable to the bomber-launched antiship missiles. Second, there is the question of why such air cover could not be provided just as effectively by landbased aircraft. Third, there is the even more important question of whether the Navy is spending billions to prepare for a prolonged war in the Atlantic when the disposition of ground forces in Europe is shifting toward preparedness for a short war, measured in weeks.

At still other times, "control of the seas" is interpreted by the Navy to mean protection of vital sea lanes, such as those through which the oil of the Persian Gulf is carried to Europe, Japan and the United States. Assuming that there is a danger of the Soviet Navy's attempting to interdict critical sea lanes during some crisis—although once again it must be asked how far the Soviet Union would dare go in that direction—the question is whether the supercarrier is the right weapon to counter such a threat. The principal Soviet naval attack force is the large fleet of Soviet submarines. The most effective counter to submarines, however, is not the attack carrier but other submarines, surface ships and patrol aircraft.

With Schlesinger compiling a body of evidence that tended increasingly to undercut their claims, the brown-shoe admirals were being forced to the reluctant admission that the Navy could not build a new generation of nuclear-powered supercarriers and still have money to rebuild the neglected remainder of the surface fleet. Even for the Navy, which has been consuming 38 percent of the defense budget, more than any other service, there are limits to how much can be spent. Schlesinger's order of last August, killing the supercarrier construction program and asking for plans for a smaller carrier for the future, settled the issue. At least, it seemed to at the time. But new doubts quickly arose.

During his tenure as Secretary of Defense, Schlesinger, a former strategic analyst with the Rand Corporation, tended to raise all the critical questions but to refrain from pushing them to their logical conclusion at the cost of dissension within military ranks.

Characteristically, his decision to opt for a smaller carrier was a compromise. He had begun by talking in terms of a ship only slightly larger than the 40,000-ton Essex-class carriers of World War II, or about half the size of the four nuclear-powered supercarriers now in service or under construction. But as time went on, his guidelines were made more flexible, in order to get the Navy on board. Moreover, as a concession to the Navy and the Congressional supporters of Admiral Rickover, he agreed to have the so-called midicarrier nuclear-powered, thus probably adding 50 percent to its cost. By the time the Navy has finished juggling with "standard displacement" and "full load displacement"—terms that no one but admirals seems to understand—it will be no surprise if the midicarrier proposed by Schlesinger turns out to be as large as the 78,000-ton Forrestal, the supercarrier of an earlier day. In fact, the initial Navy studies, in reaction to the Schlesinger directive, came to the conclusion that it would be cheaper and more effective to continue building the supercarrier than to start on a new class of midicarriers. This conclusion so bewildered and confused everyone in the Pentagon and the White House that a decision on the size of the next carrier has been postponed until late 1976.

What the Schlesinger compromise did was to focus attention on the question of how many carriers the Navy needed, and of what size. Yet any satisfactory answer to that would have to lead to a fundamental reassessment of the role of the carrier in modern welfare—to the question of whether carriers are needed at all. How is such a reassessment likely to shape up?

If the carrier does have one seemingly unchallengeable military advantage it is as a mobile landing field for projecting tactical air to distant quarters of the world. It is an advantage that is becoming of increasing value as the United States loses access to overseas bases and as a world of bipolar alliances breaks down. Looking a decade or so ahead, however, there is a question as to whether the carrier will be the only way to project air power to distant quarters. As aerial refueling techniques improve and the range of land-based tactical aircraft increases, some Air Force planners foresee a day when the United States will be able to project tactical air power to virtually any corner of the world from American bases in the Pacific or from the continental United States.

Even assuming a continuing need for carriers to project tactical air power, the question remains whether large attack carriers are needed to fill that need. In a world in which alliances are increasingly replaced by a pattern of nonalignment, the major military problem probably will be in brushfire-war situations in which the United States will need to apply or demonstrate power against third-rate military powers. A sophisticated, expensive carrier designed to protect itself against Soviet attack is certainly not needed for limited operations of that kind. Even in the unlikely event of a general, conventional war with the Soviet Union, the carriers' main role would be to provide protection for amphibious operations designed to seize critical waterways, bases and strategic resources in areas far beyond the range of massed Soviet force.

It would seem, therefore, that the Navy's principal need is not for large, expensive carriers but for a greater number of less sophisticated ships able to project power in areas far from the Soviet Union. At one point, in fact, Adm. Elmo R. Zumwalt Jr., one of the few black-shoe admirals to have held the post of Chief of Naval Operations in recent years, tried to get the Navy thinking of smaller ships by proposing 14,000-ton "sea-control ships" which would carry helicopters and V/STOL (vertical and short take-off and landing) planes. Their proposed mission would be to provide air cover for convoys and amphibious operations in low-threat areas. Such carriers, however, were too small for the naval aviators, for whom pride in the United States Navy tends to be equated with bigness, and the Zumwalt project was quietly scuttled by a Congress that has its own infatuation with the supercarriers.

To the naval aviators, no carrier is worth its salt unless it is able to launch the Navy's largest, most sophisticated planes. This sets off a cycle of requirements in which it is difficut to tell whether the carrier or the plane comes first. The planes must become larger, so the carriers can stay out of range of Soviet land-based planes. But this means the carriers must be larger, so they can handle the planes. Meanwhile, the planes become ever more expensive as they are made more complex so that they can defend the carrier against a Soviet threat.

Interestingly, the Soviet Union, with its still incubating carrier program, may be going in the direction Schlesinger was trying to push the United States Navy. The Soviet Union has launched one aircraft carrier, the Kiev, and has two others under construction. By American naval definition, however, they are not attack carriers. Displacing about 45,000 tons, or roughly the size of the World War II Essex carriers, the Soviet ships do not have catapults and cannot launch long-range attack planes. Rother, they seem to be primarily defensive ships, carrying helicopters and V/STOL aircraft for protecting surface ships against submarines. In limited-war situations, they could also be useful for projecting air power and protecting amphibious operations.

A curious dichotomy develops whenever the Navy looks at the Soviet carriers. The Soviet program is cited as evidence that the Russians are trying to catch up with the United States in carrier power, thus providing ever more reason why the Navy should build more carriers. But the Navy seldom volunteers the information that it is constructing five 40,000-ton carriers that will carry helicopters and V/STOL planes, and that it has six 18,000-ton helicopter carriers in operation. When the Navy builds such ships, they are "amphibious assault ships" for the Marine Corps. But when the Soviet Union builds similar ships, they suddenly become "carriers" with an ominous potential. Midi or super, the question remains whether the carrier is a ship whose time in command of the seas is passing, as it passed for the battleship three decades ago. The carrier is no longer essential to providing air cover for the fleet, as it was in World War II. In strategic warfare, the carrier's role has been displaced by land-based missiles and missile-launching submarines. The carrier is becoming primarily a weapon for projecting military power against nonnaval, inferior military powers in this world.

Even the carrier admirals are beginning to admit to some doubts. Looking into the future. Admiral Holloway sees "a clear demand for carriers for the next 10 years, and a need for the 20 years after that." The problem is that in building carriers now, the Navy is making a multibillion-dollar investment in ships that are supposed to sail the seas for 30 or 40 years. The decision made now, therefore, will largely set the Navy's course well into the next century.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. I yield myself such time as I may need.

Mr. President, I thank the distinguished Senator from California. I know that he has given a great deal of consideration to this issue. He had studied it long before I came to the Senate. I appreciate very much his time, his effort, his help, and his support for my amendment.

I appreciate, also, the kind words the distinguished chairman, Senator STENNIS, has expressed about me. I have worked hard on this subject. He spoke of the Taft package of amendments on ships. I am sure the members of the Committee on Armed Services realize that I was one of those who worked very closely with Senator TAFT on that. In fact, Senator TAFT and I presented that package to the chairman.

I voted for that package in committee. Because I supported a large number of matters in the conference report, I voted for the conference committee report. However, as I stated in my vote at that time, I voted for it reluctantly, primarily because much of the Taft-Leahy, and others, agreement had been deleted in the conferencecommittee.

I stated, as I recall, that while I voted for the authorization, which contained many billions worth of items, that when the appropriations bill came up, I reserved the right to vote against certain items. The carrier certainly is one.

The distinguished ranking minority member, Senator THURMOND, has said that we face a threat to our sealanes from Soviet subs. I could not agree more.

I have stated this time and time again in committee and time and time again in the reports I have made. But I am not sure that putting $4 billion into one target is the proper way to go—with the other billions of dollars of weapons needed to protect it. We have here a ship which requires almost two-thirds of its airplanes just to protect itself; and because it is there, we need more ships to protect it, and more ships to protect those, until it is like a little doll that my daughter has. You open it up and there is another little doll inside, and you open that and there is another little doll inside, and you open that, and there is another little doll inside, and another one. The difference is that when I purchased that doll for her birthday, it cost me $3 or $4, and we are now talking about a task force costing billions of dollars.

I do not think that this is the way to protect the threat to our sealanes that we have to face from Soviet subs. We protect them with attack submarines, and with ships that are armed for antisubmarine warfare.

The distinguished Senator talked about experts in the Defense Department. I do not want to sound cynical about the experts in the Defense Department. If I were cynical, I would talk about the same experts telling us continuously how we were going to turn the corner in Vietnam—if I were cynical. If I were cynical, I would talk about the same experts wanting to continue the battleship after World War II. But I try not to be cynical.

Mr. President, if I were cynical, I would talk about those same experts who wanted the B-70 bomber; in fact, as was suggested at one point, to actually goldplate it as a heat resistant item.

Mr. President, if I were cynical, I would talk about those same experts who had the C-5A, with over 100 percent in additional costs in cost overruns; those same experts who now tell us, on the C-5A that we may have to spend over a billion dollars more to replace the wings. That plane now becomes the first airplane that has ever been bought where the wings are considered optional equipment. If I were cynical, Mr. President, I would talk about those experts. But I am not going to.

Mr. President, there have been discussions here that the presence of a carrier has a certain stabilizing effect in other parts of the world: That is true. Four billion dollars' worth of expenditure has to have an effect wherever it is made. But I am a little bit concerned about what kind of effect it might have if it is sunk by a $100,000 cruise missile. It might have a somewhat different effect than we had intended.

We have talked about the *Kiev*, the Soviets' new aircraft carrier. We refer to it sometimes as an aircraft carrier when we want to build a new aircraft carrier here, but when we say, "That is fine, let us build one like the *Kiev*," which is 30,000 to 35,000 tons, compared to the one we are talking about now, which is a 94,000-ton aircraft carrier, someone says that is too small. We say, "My gosh, the Russians have just built one, 34,000 tons; therefore, we need another one." If you come back and say, "You know, you have a point there, let us build one of those *Kievs* of our own, let us build a 35,000-ton carrier," they say, "Wait a minute, that is not an aircraft carrier, 35,000 tons; that is a Marine assault ship, and we have a whole bunch of them already."

When they want an aircraft carrier, the *Kiev* is an aircraft carrier. When we talk about building one of those, they say, that is not big enough to be considered an aircraft carrier.

I agree with Senator STENNIS that the old, aging *Midway* cannot continue to be operated much longer. But comparing that ship with this multi-billion-dollar *Nimitz* class aircraft carrier is making no comparison at all.

It has been stated here that this money is really not a commitment to procure. If it is not a commitment for procurement, Mr. President, there is no way in the world anyone is going to convince me to vote for $350 million if we are not absolutely sure just where it is going to go. If it is going to be for spare parts—spare parts for ships that have not even been built yet, spare parts that might not be used for 20 years, by which time our technology will change drastically—then I worry all the more about spending that $350 million. Again, my own Vermont frugality has to come through. I am kind of nervous about this sort of money being spent.

As Senator Dirksen used to say when he was here, we appropriate a billion dollars here and a billion dollars there, and after a while, it mounts up to real money.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, what remaining time is there?

Mr. LEAHY. For both sides, Mr. President.

The PRESIDING OFFICER. The Senator from Mississippi has 17 minutes remaining. The Senator from Vermont has 28 minutes remaining.

Mr. HUMPHREY. Mr. President, may I ask a question: What time is there on the bill? I have a matter I want to discuss on the bill.

The PRESIDING OFFICER. There is no time on the bill. The time we are talking about remaining is according to the consent agreement and, at the expiration of that time, a vote will be called for.

Mr. HUMPHREY. On this amendment?

The PRESIDING OFFICER. Yes.

Mr. HUMPHREY. Is there time on the bill?

The PRESIDING OFFICER. No, there is no time on the bill.

Mr. STENNIS. Mr. President, to continue the answer, by consent, the bill itself will be voted on at 2:30. What we might be able to do is conclude this debate at 1:30 on this amendment and have a rollcall and leave some time in between. The Senator from Ohio has another amendment. I have requests here from several Senators to speak, and I shall send and ask them to come.

Does the Senator have a question he wants to ask? I shall yield some time to him.

Mr. HUMPHREY. I understand that the Senator from Mississippi has less time than the Senator from Vermont. I have a matter on the overall defense bill that I want to discuss. It is relating to a certain section of law that has been conveniently ignored by the executive branch, to which I wish to direct the Senate's attention. It relates indirectly to the issue that we have here.

Mr. LEAHY. How much time does the Senator need?

Mr. HUMPHREY. Will the Senator give me 10 minutes to ask some questions on this amendment, as well as for a statement on the bill?

Mr. LEAHY. I am willing to yield that amount of time. I ask the Senator, because there were a couple of other people who may want to speak, that if it turns out that the Senator, if at all possible, can do it in less time, I would appreciate that.

Mr. HUMPHREY. I would like to ask the Senator a couple of questions, first.

Mr. LEAHY. Certainly, I yield for that purpose.

Mr. HUMPHREY. Do I understand correctly, so we get the record clear, that the Senator is not deleting the authorization for the carrier?

Mr. LEAHY. That is right. I am seeking to delete the appropriation of $350 million, at least until we have had the time to see what the National Security Council comes up with. I am just concerned because it commits the Senate to so much money down the road. I am concerned because we are now at a time when the U.S. Navy is having some severe budget problems in the areas of operations and maintenance, as was shown during the *Mayaguez* affair, when one of our carriers almost did not make it.

Mr. STENNIS. Mr. President, may I answer that further? There is no money in the bill for this carrier except the money that the Senator proposes to strike out.

Mr. HUMPHREY. I understand that.

Second, has the National Security Council given us any date, any time frame in which they intend to make a response on their study relating to their efficacy of the carriers?

Mr. LEAHY. Probably late in October. That, to me, does not seem like an undue delay, inasmuch as the two nuclear carriers presently on the ways are stalled, anyway, because of the debate over the payment of shipbuilding costs, and we have a statement from Newport News that they might not even want to continue with those, to say nothing of bidding on another one; also, in light of the fact that the contract for the last one has not even been signed yet.

Mr. HUMPHREY. Is it not true that there is a very serious debate going on in the military now—I suppose we would put it, as we would say, in the Pentagon—as to the type of Navy that our country ought to have?

Mr. LEAHY. Yes, sir, there is. I refer the distinguished Senator to the article by John Finney, which was in the New York Times in early January. The distinguished senior Senator from California put it into the RECORD this morning.

He details that debate in that article. Former Secretary of Defense James Schlesinger, a man who, I feel, took as in depth a view of the Department of Defense workings, certainly, as any Secretary of modern times, had never approved—in fact, this article points out that he rather actively opposed—these huge aircraft carriers, thinking the money could be better spent, either in mid-sized carriers or in other areas of naval warfare. So that debate is very definitely there.

What passage of my amendment would do is give those people within the Navy and within the Department of Defense who want to raise alternatives a chance to do so.

Mr. HUMPHREY. I thank the Senator.

Mr. STENNIS. Will the Senator yield to me and let me make a comment on that?

Mr. HUMPHREY. Yes. I have such limited time, but I surely shall not deny the chairman.

Mr. STENNIS. I was going to refer him to the Secretary's letter of August 6, which closes on that point.

Mr. HUMPHREY. I saw that.

Mr. President, this debate is one of the most important ones we shall have on the weapons system. I might add that most of us must feel some sense of inadequacy if we do not serve on the Committee on Armed Services, because to understand these complex matters requires a great deal of time. I believe, as I hear it, that what the Senator from Vermont is suggesting or proposing is merely the time that is necessary for the completion of a review study—very much along the line, may I say, of what happened on the B–1 bomber. There is an election. This matter of an aircraft carrier ought not to be involved, whether it is Republican or Democrat. This is national security. But the whole concept of national security is one that is of vital interest to the Commander in Chief of the Armed Forces of the United States, and there are honest differences of opinion as to what kind of Military Establishment we need, based upon what we consider to be our national security concepts and based upon what we believe to be our obligations or our alliances.

I think this requires the most careful consideration and, therefore, I have great sympathy for what the Senator from Vermont is proposing.

But I want to take this opportunity in the moment I have to tell the Senate that while we consider a defense appropriation bill which requests $104 billion for fiscal year 1977 an essential ingredient vitally needed for thorough congressional consideration of this measure has been withheld by the executive branch. I speak of the arms control impact statements mandated in Public Law 94–141 and which have not been submitted to the Congress.

I prepared this statement on Friday, it was typed up on Saturday, and I find out that this morning, at long last, the executive branch is sending over here sometime today to the Vice President's office a certain number of impact statements—not all that are required—giving us no time whatsoever to analyze them or evaluate them, giving no time to have them sent to the proper committees of Congress which, by the way, is mandated by law.

Mr. President, when we are considering a matter of $104 billion, and a policy question on weapons systems which has a great deal to do with the overall national security of this country, as well as its foreign policy, I believe the executive branch should obey the law and that law required that there would be arms control impact statements submitted to Congress, and prior to our action on this bill.

On November 29, 1975, President Ford signed into law legislation that required the executive branch to submit to the Congress what are called arms control impact statements when it makes budget proposals which meet certain threshold criteria stipulated in the law.

Now, the President might be able to say, well, he did not have time because November 29, 1975, came at a time when he signed the law where the budget for fiscal 1977 was pretty well wrapped up. But the President had time to submit supplemental requests in May, and this money for this aircraft carrier is in the supplemental requests just as those additional sums were for the ICBM.

If you have time to figure out that you need a new aircraft carrier, which the administration never asked for in its January budget and, in the meantime, I do not believe the Russians did that much to frighten us—if you had time to ask for additional ICBM's, all of which run into the hundreds of millions of dollars, you ought to have had time to fulfill a requirement of law, and the requirement of law has not been fulfilled.

Mr. President, I was the sponsor here in the Senate of this legislation. We held hearings on it. Congressman ZABLOCKI of the House of Representatives and from the State of Wisconsin was the orginator of this legislation in the House, and held months of hearings on this proposed legislation. It was finally fashioned in conference, so that it was a usable, workable policy instrument.

I charge on this floor that the Department of Defense has been dragging its feet, it has not been coming up with the information that the law requires. It is so busy asking for more money that it has not had time to obey the law that the Congress of the United States has passed.

I ask unanimous consent that the section of Public Law 94–141 of November 29, 1975, known as section 146, title III, of the Arms Control and Disarmament Act, and relevant portions of the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Arms Control and Disarmament Impact Statement

SEC. 146. Title III of the Arms Control and Disarmament Act (22 U.S.C. 2571–2575) is amended by adding at the end thereof the following:

"ARMS CONTROL IMPACT INFORMATION AND ANALYSIS

"SEC. 36. (a) In order to assist the Director in the performance of his duties with respect to arms control and disarmament policy and negotiations, any Government agency preparing any legislative or budgetary proposal for—

"(1) any program of research, development, testing, engineering, construction, deployment or modernization with respect to nuclear armaments, nuclear implements of war, military facilities or military vehicles designed or intended primarily for the delivery of nuclear weapons.

"(2) any program of research, development, testing, enginering, construction, deployment, or modernization with respect to armaments, ammunition, implements of war, or military facilities, having—

"(A) an estimated total program cost in excess of $250,000,000, or

"(B) an estimated annual program cost in excess of $50,000,000, or

"(3) any other program involving weapons systems or technology which such Government agency or the Director believes may have a significant impact on arms control and disarmament policy or negotiations,

shall, on a continuing basis, provide the Director with full and timely access to detailed information, in accordance with the procedures established pursuant to section 35 of this Act, with respect to the nature, scope, and purpose of such proposal.

22 USC 2575. PROGRAM ASSESSMENT AND ANALYSIS

"(b) (1) The Director, as he deems appropriate, shall assess and analyze each program described in subsection (a) with respect to its impact on arms control and disarmament policy and negotiations, and shall advise and make recommendations, on the basis of such assessment and analysis to the National Security Council, the Office of Management and Budget, and the Government agency proposing such program.

"(2) Any request to the Congress for authorization or appropriations for—

"(A) any program described in subsection (a) (1) or (2), or

"(B) any program described in subsection (a) (3) and found by the National Security Council, on the basis of the advice and recommendations received from the Director, to have a significant impact on arms control and disarmament policy or negotiations, shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations.

"(3) Upon the request of the Committee on Appropriations of the Senate or the House of Representatives, the Committee on Foreign Relations of the Senate, or the Committee on International Relations of the House of Representatives or the Joint Committee on Atomic Energy, the Director shall, after informing the Secretary of State, advise such committee on the arms control and disarmament implications of any program with respect to which a statement has been submitted to the Congress pursuant to paragraph (2).

"(c) No court shall have any jurisdiction under any law to compel the performance of any requirement of this section or to review the adequacy of the performance of any such requirement on the part of any Government agency (including the Agency and the Director).".

Appendix B

Arms Control Impact Statement

Congress has a Constitutional responsibility to share in the formulation of foreign policy. In order to fulfill that role properly and responsibly in the all-important area of proposed defense programs, it needs complete information—especially in terms of the impact of such proposals on U.S. arms control and disarmament policy and negotiations.

Thus, one key purpose of the legislation is to have a strengthened and more effective Arms Control and Disarmament Agency participate in a process of generating such information not only for the Congress but for certain significant offices of the executive branch as well. It would function in the following staged procedure:

(1) Any Government agency preparing any legislative or budgetary proposal for any program of research, development, testing, engineering, construction, deployment, or modernization for armaments, ammunition, implements of war or military facilities would be required to provide the Director of ACDA, on a continuing basis, with full and timely access to detailed information on the nature, scope, and purpose of such programs.

(2) On the basis of such information the Director would assess and analyze each such program with respect to its impact on arms control and disarmament policy and negotiations.

(3) On the basis of his assessment and analysis he would advise and make recommendations to the National Security Council, the Office of Management and Budget, and the Government agency proposing the program.

(4) Any request to the Congress for authorization or appropriations for any program within the specified funding limits and, in addition, any program found by the National Security Council, on the basis of the advice and recommendations from the Director of ACDA, to have a significant impact on arms control and disarmament policy and negotiations would include a complete statement assessing and analyzing such impact.

(5) Upon the request of any appropriate committee of Congress, the Director, after informing the Secretary of State, would advise the Congress on the arms control and disarmament implications of any program on which a statement has been submitted.

Programs affected would be those whose total estimated program cost exceeds $250 million or $50 million annually. For weapons programs which fall below the $50 million annual limit and policy issues with no expenditure such as, the legislation provides a discretionary authority for the Director to make an arms control and disarmament assessment and analysis identical to the procedure outlined above. The intent in providing this discretionary authority to the Director is to include programs which, regardless of cost, have a potentially significant arms control impact. Included in this intent are items of a "seminal" nature, such as major philosophical or doctrinal changes in defense posture or new weapons concepts in various stages of research and development—any of which could have far-reaching implications for arms control and disarmament policy and planning.

As noted, Section 103 provides that any request to the Congress for authorization or appropriations for such programs would include a complete statement assessing and analyzing its arms control and disarmament impact. Any such statement containing confidential or classified materials would be handled under an appropriate injunction of secrecy. While Congress expects good faith compliance with these procedures by all agencies involved it will exercise careful oversight review to assure effective operation of the procedure. At the same time, it is not the intention of Congress that there be any judicial enforcement of these provisions or any judicial review with respect to the adequacy of compliance with these provisions. Thus, the legislation contains an express provision to that effect.

The advice and recommendations of the Director furnished to various executive branch offices would not be available to members of the general public under the Freedom of Information provisions of Title 5 of the United States Code. At times, such advice and recommendations might include sensitive security information and accordingly would be classified and therefore exempted from disclosure by Section 552(b)(1)(A). More generally, the advice and recommendations furnished to the executive branch offices by the Director is the type of predecisional interagency advice furnished to assist in the decisionmaking process which is exempted from public disclosure by Section 552(b)(5).

Since the impact statements would contain information which for the most part is already gathered and analyzed by ACDA officials, the Committee does not believe this requirement should necessitate additional personnel nor funding for the Agency at this time.

SECTION-BY-SECTION ANALYSIS

TITLE I

Section 103.—Section 103 amends the Arms Control and Disarmament Act by adding a new section 36 which establishes a procedure under which the Director of the Arms Control and Disarmament Agency would assess and analyze the impact of proposed defense programs on arms control and disarmament policy and negotiations. This new section (1) stipulates the circumstances requiring such an assessment-analysis, (2) prescribes the procedure under which it shall be carried out, (3) specifies the offices and agencies within the Executive Branch which are to receive advice and recommendations from the Director, and (4) states the method and circumstances by which arms control impact statements would be sent to Congress. A central purpose of the reporting requirement is to provide the Congress and key agencies and offices in the Executive Branch with accurate and systematically-developed information on the arms control and disarmament implications of proposed defense programs. The Committee believes that such information would, especially in the case of Congress, facilitate independent appraisals and ultimately achieve a more integrated, effective, and balanced national security policy.

In outlining the circumstances requiring an assessment-analysis, section 36(a) stipulates that the procedure begins with and applies to "any Government agency preparing any legislative or budgetary proposal" involving certain specified program activities on new or ongoing defense programs. The language "any Government agency" is all-encompassing but is intended to specifically include the Department of Defense and the Energy Resource Development Administration (ERDA). The phrase "preparing any legislative or budgetary proposal" is conceived of as the process of developing materials and information which is and of themselves constitute or result in the submission to Congress of authorization and appropriation requests. Specifically included in the Committee's intent here is the on-going, year-long, constant procedure followed in the Department of Defense.

The specified program activities for which such legislative or budgetary proposals would be prepared include "research, development, testing, engineering, construction, deployment, and modernization with respect to armaments ammunition, implements of war, or military facilities."

In reference to the word "research," the Committee recognizes the need for a broad-gauged research program. Many ideas which anticipate larger expenditures are, of course, later permanently set aside in a competition among the various alternatives under study. In order to promote an environment in which tentative and exploratory ideas can flourish, we do not wish to constrain permaturely such ideas by subjecting them in their infancy to overly exacting analytical requirements. The more appropriate concern here, then, is with advanced research which is approaching the stake of being transformed into important new systems. In reference to the word "deployment," the Committee's intent is not to include the routine movement of existing military personnel and equipment, that is, operational deployments and redeployments.

The legislation specifies two program categories with respect to which the Director would in all cases be provided access to information which would form the basis of his assessment-analysis:

(1) those having "an estimated total program cost in excess of $250,000,000"; and

(2) those having "an estimated annual program cost in excess of $50,000,000."

In addition, recognizing that there are programs which, regardless of cost, have a potentially significant arms control impact, the legislation establishes a third program category on which an arms control and disarmament assessment and analysis may be necessary or desirable as determined by either the Director or the initiating agency. Thus, the legislation includes language which refers to "any other program involving weapons systems or technology which [the initiating] Government agency or the Director believes may have a significant impact or arms control policy or negotiations." The Committee's intent here is to provide an opportunity for an arms control and disarmament assessment and analysis of programs which fall below the $50 million annual limit and policy issues with no expenditure as such. Included in this intent are items of a "seminal" nature, such as major philosophical or doctrinal changes in defense posture or new weapons concepts in various stages of research and development. In reference to the word "negotiations," the Committee has in mind such formal arrangements as SALT and MBFR.

The language next prescribes the detailed procedure under which the arms control and disarmament assessment-analysis shall be carried out, including the nature of the relationship between the Director and the Government agency initiating the affected program. To that end it stipulates that the initiating agency shall, "on a continuing basis, provide the Director with full and timely access to detailed information, in accordance with the procedures established pursuant to section 35 of this Act, with respect to the nature, scope and purpose of such proposal."

The phrase "on a continuing basis" expresses the Committee's intent that the Director's access to information be on a regular on-going, uninterrupted basis as opposed to it being restricted to any specified time frame. The phrase is an improvement on and expansion of earlier language which merely required that information on affected programs be provided to the Director "not less than 30 days prior to requesting on authorization." It also takes into account the on-going, year-long, continuous nature of the budgetary preparation process followed in the Department of Defense. Finally, it accommodates, institutionalizes, and strengthens the established working arrangement whereby ACDA has taken part in that process on an informal basis.

The phrase "provide the Director" is intended to convey the Committee's intent that the Director's access to information be made in a cooperative and willing manner by the affected agency.

The phrase "with full and timely access to detailed information" expresses the Committee's intent that the information available to the Director be complete, accurate and current in every respect. It is also intended to convey the idea that the Director have ready and easy availability to such information and to the personnel responsible for developing, analyzing, or compiling it. Finally, the phrase is intended to convey the Committee's intent that this arrangement be carried out in a cooperative and responsive manner by all parties concerned.

The phrase "in accordance with the procedures established pursuant to section 35 of this Act" conveys the Committee's intent that the assessment-analysis procedure complement and extend the coordination responsibility outlined in that section.

Finally, the phrase "with respect to the nature, scope and purpose of such proposal" refers to the specific nature of the information to which the Director shall have access. The Committee's intent here is that the information include, but not necessarily or exclusively be limited to, detailed data and facts regarding such aspects of the proposal as its inherent character, range of operation, and intended objective, as well as such other information as would be pertinent to the Director's assessment-analysis.

Subsection (b)(1) of the new Impact Statement section specifies the procedure to be followed by the Director in assessing and analyzing affected programs. First, the phrase "as he deems appropriate" expresses the Committee's belief that he exercise prudent discretion in determining those programs whose impact on arms control and disarmament policy and negotiation is significant enough to warrant an assessment-analysis. Thus, the Committee's intent is to rely on his informed, professional judgment as to which program legitimately require such assessment-analysis. The phrase is also intended to convey the Committee's intent that he determine the extent and form of such assessment-analysis.

On the basis of such assessment-analysis the Director will "advise and make recommendations . . . to the National Security Council, the Office of Management and Budget, and the Government agency proposing such program." The Committee's intent is to make available to these offices and agencies the Director's judgment regarding the impact of affected programs on arms control and disarmament policy and negotiation. In the interests of achieving a more integrated, effective and balanced national security policy it is the Committee's expectation that the specified offices and agencies would take the Director's advice and recommendations into full account.

Subsection (b)(2) of the new section 36 outlines the conditions and procedure by which impact statements would be conveyed to Congress. It specifies that "any request to the Congress for authorization or appropriations" for any program within the specified funding limits would automatically include *"a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations."* In addition, those programs not within the specified funding limit would include an arms control impact statement whenever the National Security Council finds, on the basis of the Director's advice and recommendations, that they do have a significant impact on arms control and disarmament policy and negotiations. It is anticipated that any impact statement so included would be comprehensive, complete and substantive enough for Congress to exercise independent appraisals.

At the same time, we do not anticipate the need for massive and expensive documentation which would lead to the formation of additional bureaucracies in any involved agency, or would strain existing analytical capabilities. Nor is there any reason why this should occur, since it is hoped that arms control implications would be taken fully into account even in the absence of this legislation.

It is essential that the requirement for this statement not become an excuse for delays in the Congress' normal procedure of considering and acting upon authorization and appropriations requests.

Subsection (b)(3) of the new section 36 provides that the Director advise Congress on the arms control and disarmament implications of any affected program. By use of the word "request," the Committee's intent is that such requests can be conveyed either in writing or verbally during hearings. By the phrase "any appropriate committee of either House of Congress" the Committee's intent is to include those committees with proper jurisdiction: the House International Relations Committee, the Senate Foreign Relations Committee, the House Armed Services Committee, the Senate Armed Services Committee, the House Appropriations Committee, the Senate Appropriations Committee, the Joint Committee on Atomic Energy, and the House Government Operations Committee.

The language in this subsection complements the directive in Section 2 of this Act which stipulates that the Arms Control and Disarmament Agency must provide the Congress with recommendations concerning U.S. arms control and disarmament policy generally. Thus, the Committee does not intend this language to be interpreted in any way which would preclude the Director from advising the Congress regarding programs for which no impact statement has been provided.

Subsection (c) of the new section 36 expresses the Committee's intent that there be no judicial enforcement of these provisions nor any judicial review with respect to the adequacy of compliance with these provisions.

Finally, it is the Committee's intent to exercise full and careful oversight on the various procedures outlined above to assure that they are complied with fully, effectively, and accurately.

Mr. HUMPHREY. I am well aware that because the law was enacted at a moment in time when the President was well advanced in the process of developing his military budget proposals, that the procedures and requirements of Public Law 94–141 could not be fully met. But the executive branch, and specifically the National Security Council has taken advantage of the willingness of the Congress to grant it extra time so that it may establish the procedures for full compliance with the law.

Mr. President, I was the Senate sponsor of legislation along with Congressman ZABLOCKI of Wisconsin which establishes the requirement for arms control impact statements.

This effort had as its objective the analysis by the executive branch of the impact of certain military budget proposals on arms control and disarmament policy and negotiations.

I believe that such an analysis is vital to the legislative process. There is absolutely no reason why the Congress should authorize and appropriate funds for weapons systems and other significant military projects without information as to the effect of such systems on the general arms control environment.

The law was designed to give the Arms Control and Disarmament Agency full and timely access to detailed information on various weapons systems. The Director of the ACDA, on the basis of this information, is required to assess and analyze the impact of the program on arms control policy and negotiations. And he is required to advise and make recommendations to the National Security Council, the Office of Management and Budget and the agency which proposed the weapons system. A version of these impact statements is to be made available to the Congress at the time the program is actually submitted to us by the President.

There are two basic objectives of the law. The first is to increase within the executive branch an awareness of the arms control implications surrounding weapons systems. The second objective is to allow the Congress to receive information or the fruits of these internal assessments.

We have been deprived of these through either bureaucratic delay which is so extreme as to lead to the conclusion that the executive branch has delayed obeying the law until we conclude the appropriations process.

Such behavior works to the detriment of any trust and confidence between the two branches of Government.

Such behavior is a violation of the law.

We have been informed by the Executive Board that some of the impact statements will be delivered to the Vice President's office this morning. This leaves no time for analysis or evaluation of the arms control impact statements.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield the Senator from Virginia (Mr. HARRY F. BYRD, JR.) 3 minutes, glad to do that.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I oppose the amendment offered by the distinguished Senator from Vermont (Mr. LEAHY).

The Department of Defense, and the Congress, this year have devoted increased attention to the size and structure of U.S. Naval Forces. This attention has become necessary because of the growing military capabilities of the Soviet Union in seapower.

There is currently an extensive debate over whether the United States' so-called qualitative edge—and I use so-called qualitative edge advisedly, because by every measure Soviet naval power is impressive—compensates for the Soviet Union's numerical advantage over the United States.

The relevant point in this debate is not, however, so much what each side has, but rather what each side can do with the forces it has.

Thus, the critical question is, what does the U.S. Navy need to meet its mission requirements.

This question is critically important if we are to spend our limited defense dollars not only efficiently, but effectively.

The mission the U.S. Navy must fulfill today is to deny control of the seas to a potential adversary.

We must deny control of the seas to a potential adversary because of our country's dependence on the world's waterways for economy and defense.

I give just on example. We now import about 40 percent of our oil from abroad, so it is easy to see what would happen if this line were lost.

Similarly, our Navy is critical for projecting offshore power and providing forward basing, especially if we are to avoid the problem we encountered during the Arab-Israeli war—when we lost most of the base rights we needed for shipments to Israel.

It is increasingly apparent that we cannot depend on foreign nations for military bases. Thus, the aircraft carrier becomes increasingly important.

To meet the growing Soviet naval challenge, and to adequately represent U.S. foreign interests, we must have a balanced fleet.

The debate currently underway, in Congress and the U.S. Department of Defense, addresses the problem of what kind of fleet the U.S. Navy needs for the future.

This debate is necessary, and it is healthy, and it does not affect the funds which the Appropriations Committee has recommended for the 94,000-ton nuclear-powered carrier.

The Senator from Vermont proposes to delete $350 million in long leadtime funds for the proposed *Nimitz*-class nuclear-powered U.S. aircraft carrier.

Mr. President, this aircraft carrier is necessary, regardless of the outcome of the debate as to the future size and composition of the U.S. Navy.

The last of the large-class U.S. aircraft carriers—the *Vinson*—is scheduled for delivery in fiscal year 1981. Thus, with the retirement of the two remaining *Hancock*-class carriers in 1976—the United States will maintain a force of 13 operational carriers in fiscal year 1977, declining to 12 the following year.

For the United States to maintain 12 commissioned aircraft carriers, it is necessary to appropriate the long lead funds requested for the new *Nimitz* class carrier in this bill.

By appropriating these funds today, this new *Nimitz* class carrier would not be a fleet asset until 1984—nearly 8 years from now—when the *Midway* is scheduled to be decommissioned. The *Midway* will be 40 years old in 1984—the ship was commissioned in 1940. Thus, the new carrier would keep the U.S. aircraft carrier force at a level of 12 ships.

As a result of the reduction in carrier force levels, it may be necessary to to change the current deployment pattern of the U.S. carriers.

Since the Korean war, the United States has usually kept five or more carriers deployed in forward areas—two in the Mediterranean, and at least three in the Western Pacific.

Normally, with all carriers homeported in the United States, a total of 15 ships would be required to support 5 deployed forward in peacetime. Thus, having only 12 carriers will present new problems to the U.S. Navy.

These problems arise at a time when the Soviets have just launched their new *Kiev* class carrier and entered the aircraft carrier field.

The Soviets have clearly come to recognize the importance of the aircraft carrier for controlling the sea, and projecting power. As such, I think it would be a serious mistake not to provide the long leadtime funds recommended by the Appropriations Committee for a fourth *Nimitz*-class carrier, and I will oppose the amendment offered by the Senator from Vermont.

Let me conclude with an observation provided the Senate Armed Services Committee by Vice Admiral J. H. Doyle, the Deputy Chief of Naval Operations for Surface Warfare.

In his testimony before the Armed Services Committee, Admiral Doyle emphasized that the aircraft carrier is the principal ship of the surface fleet through which our Navy executes its sea control and projecting task, and he offered these comments:

> Present and foreseeable national strategy, erosion of our overseas base rights, the increasing Soviet threat including their impressive entry into the carrier field dictate continued reliance on the aircraft carrier as the essential ingredient of sea power.
>
> When we look at the steadily increasing age and obsolescence of our oldest carriers against the background of the need for aircraft carriers, it is clear that we must initiate a carrier replacement program.
>
> The Navy decision to recommend procurement of a fourth NIMITZ-class carrier was based on a thorough review of previous Navy studies and a just completed, in-depth study of nuclear powered carrier design alternatives possible for the future. The key conclusions of the study are:
>
> A fourth NIMITZ-class carrier is the most cost effective means of providing the needed combat capability in the next carrier.
>
> Nuclear powered carriers significantly smaller than the NIMITZ-class cannot support the practical minimum number and types of aircraft required to perform the multimission (sea control and power projection) role in the presence of an air threat.
>
> Each carrier must be able to provide a range of capabilities and this can most economically be provided in a carrier of NIMITZ size.

I support the long leadtime funds for a fourth *Nimitz*-class carrier, and I oppose the pending amendment to delete those funds.

Mr. STENNIS. I yield 2 minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, long leadtime money for the fourth nuclear carrier was put into this bill by the Appropriations Committee. I believe the committee approved this funding almost entirely, because of the urgent request by the President of the United States, the Department of Defense, the Chief of Naval Operations and the other services and, particularly, people like Admiral Rickover, one of the best authorities on naval warfare that I know.

Mr. President, for years we have spent huge sums of money on nuclear warfare and until recent past neglected conventional warfare. It is important that we did that as we now have the most powerful nuclear force in the world. I do not believe there will be a nuclear war so long as we have this superior capability. But recent wars have been wars using conventional weapons. If there is to be another war, I am sure it will be conventional. I am sure we will need more powerful conventional forces than we have today.

A nuclear aircraft carrier is probably the most powerful force in our conventional forces. When we are losing bases around the world, the nuclear carrier becomes more and more important. What a weak Navy we would have today if it were not for the powerful nuclear carriers that can cruise around the world for 13 years without refueling, and with the F-14 fighter, with its Phoenix missile, probably the best fighter plane in the world.

Mr. President, I think we must go forward with this fourth aircraft carrier. We are in an entirely different position than the Russians. They have access to the seas all around them but we have to keep the seas open for not only our own military security but for our own commercial interests.

Mr. STENNIS. Mr. President, I yield 10 seconds to the Senator from Virginia.

The PRESIDING OFFICER (Mr. STONE). The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Christopher Lehman of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from Rhode Island (Mr. PASTORE).

Mr. PASTORE. Mr. President, unfortunately, this matter of aircraft carriers, nuclear and conventional, has become a perennial struggle. I have been with it year in and year out. So much so that it was not too long ago when we were laying the keel in the authorization for the *John F. Kennedy*, which was authorized as a conventional aircraft carrier.

The Joint Committee on Atomic Energy took a very aggressive position in trying to have it made into a nuclear aircraft carrier.

At that time, it was announced by the Defense Department that what they needed immediately was the deck space. For that reason, they were satisfied to go along with it.

But the remarkable thing, Mr. President, is that the minute that the *John F. Kennedy* came down that runway it was obsolete.

It was obsolete, Mr. President.

We are not living in a dream world. I wish we were. I wish we were, but we have learned one lesson. I hope we have learned one lesson—that the only deterrent we have to avoid a nuclear or thermonuclear holocaust is to be strong.

To be strong, and I do not mean by that we have to waste our money in the defense posture of this country. I do not mean that for one minute.

We have cut out the fat whenever there was fat. We have always preserved the muscle, and we are talking here today about muscle. Muscle, that is what we are talking about.

Let us face it, Mr. President, it will not be long before we consume all our oil reserves. The Russians are coming along fast. They have got a lot more oil than we have. We are depending upon outside sources for our petroleum reserves and our petroleum requirements.

Here we are today, and what are we doing? We are not talking about laying the keel. We are not laying a keel for this aircraft carrier. What we are saying is that we want lead time for the components, the components of the nuclear reactor, and what goes along with it. That is what we are talking about.

We expect to have this aircraft by 1984. That is how long it takes. This is 1976. If we delay this, it might be 1990, and maybe the year 2000, before we get this aircraft carrier.

The Russians are coming along strong, Mr. President. We have been told every day, the chances are they may achieve superiority. And then I hear this argument, "Oh, I wish we had the aircraft carriers, let's have four or five other ships."

Whose word are we going to take? The word of the Senators on the floor of the Senate of the United States, or are we going to listen to the Joint Chiefs of Staff? Who are we going to listen to? Are we going to listen to the National Security Council? Are we going to go off half-cocked and say, "Let's do it our way, this is too expensive?"

Mr. President, if we cannot afford it, we ought to stand up and say it. But let no one say that we do not need it. Of course we need it. We need it so much we can afford it. We can afford it, Mr. President.

So I say to my colleagues, let us be careful what we do here. Put this off another year, an argument will be made next year—I will not be here, but I will be watching for it——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I yield the Senator 2 additional minutes.

Mr. HUMPHREY. May I ask the Senator a question?

Mr. PASTORE. Of course.

Mr. HUMPHREY. I am deeply interested in this. I know we are discussing something of vital concern.

Why was it the Armed Services Committee rejected this?

I mean, this is one of the things that bothers me. I really feel strongly about the necessity for naval power.

Mr. STENNIS. I will be quite brief. I was there. We adopted a package. Then, after we generally agreed on the package, we voted down these others.

I announced then that I was for the carrier.

Mr. HUMPHREY. I know the Senator was.

Mr. STENNIS. The priority. We will see in this vote today, I think we will see only four or five.

Mr. PASTORE. I was not there, but I can imagine what it was. Mr. President, it happens all the time. If we are going to begin to cut something down, we cut it down in the leadtime. That does not seem to hurt anybody. Cut down on that because we cannot see it. But some day it will come back to haunt us. That is the problem.

It is a package deal. But we had it before our committee. We had it before the Appropriations Committee and it was not lost there by 11 to 5. It was not lost there, it came out of there unanimously, practically.

Mr. HUMPHREY addressed the Chair.

Mr. PASTORE. I want to say to my friends——

Mr. HUMPHREY. May I say, I have been one who voted for these aircraft carriers, despite even a position of my esteemed colleague, because I believe in strong naval power. But I have had deep concern over these huge carriers.

By the way, the atomic element, I want to say to the Senator, I really agree with what he said about the atomic fuel, the energy element, in the power propulsion element. But I have been concerned about the argument made by the able Senator from Vermont, namely, that the National Security Council is reviewing this matter. And if it is reviewing the matter, are we getting ourselves locked in?

The PRESIDING OFFICER. The time has expired.

Mr. PASTORE. No, for the simple reason——

The PRESIDING OFFICER. The time has expired.

Mr. STENNIS. I yield 2 additional minutes, although I am about out of time.

Mr. PASTORE. I keep saying, all the time, I have not hit the crescendo yet.

Mr. HUMPHREY. I do not want to miss it.

Mr. PASTORE. Let me say this, the components we are talking about are compatible with the *Eisenhower*, they are compatible with the *Nimitz*, they are compatible with the *Carl Vinson*. So there is compatibility here and that is all we are talking about—leadtime for components.

There is nothing going to be lost because sooner or later we will need these parts for others as well, if we want to authorize it now. But the important thing is, we are losing our bases all over the world and then, where we are not losing them, we are being strangled about new contracts, a lot more money, "Oh, give us a lot of arms in order to compensate for the airfields we are missing or losing."

I just want to say to my colleagues here that this is important. This is absolutely important, and I beg my colleagues to vote against the amendment of my esteemed friend from Vermont. I only wish it were somebody else who was offering the amendment.

Mr. LEAHY. I stated earlier, Mr. President, the line from Julius Caesar. I think that it applies again.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. I yield myself such time as I need.

As always, I have enjoyed listening to my distinguished colleague from Rhode Island. As he knows, I used to sometimes cut classes at Georgetown Law School when I was a student to come and listen to him.

But I think, perhaps, he misses the point of my amendment.

I am not really saying that, if we go to a 94,000-ton carrier, it should not be nuclear powered. There are very solid arguments there. But that is not the question at all.

I am saying, we do not maintain a strong navy or military if we wreck our economy by putting our money into weapons systems that have increasing vulnerability, that have increasing inability to operate against a strong Soviet submarine threat.

They take increasing parts of the whole Navy budget because they require cruisers and all kinds of other ships to surround and protect them against a Soviet submarine attack. So that every time we put one in, we are tying up a larger and larger part of the Navy budget to protect it.

When we talk about replacing oil with nuclear power, that is great, but the airplanes are not nuclear powered and we still have to have the oil pipeline throughout the world to refuel the airplanes.

My distinguished colleague says it can be 1990 or the year 2000 if we go ahead with this. Why? By delaying until next year? By letting the same experts discuss it, as the distinguished Senator from Rhode Island wants? By giving them the chance? By letting the National Security Council, which hopefully can look at it more objectively than some of the admirals and would-be admirals in the Department of Defense look at it? Why not let them answer? Why not look to those generals and admirals who told us earlier this year that we did not need it in the first request that came from the President?

He said we did not need this. It was not even in the original authorization request. It came up some time after the Presidential campaigns got well underway.

As I stated before, I am not in any way going to take a cynical attitude toward this appropriation. I say let the experts answer, let the generals and admirals do it, but let us give them time before we lock ourselves into buying a ship that we have not decided we need. If we look at it as being for components, Mr. President, those are components that would not be used for 15, 20 or 25 years. I cannot believe but that technology will be a lot different then than it is now.

Mr. President, I reserve the remainder of my time.

Mr. STENNIS. Mr. President, I yield myself half a minute to comment on the Senator's remarks.

As I remember the record, the President, in the original budget in January, did not ask for the carrier then but expressly said that he might ask in the course of this calendar year. Within a very short time he did ask for those funds.

I yield 4 minutes to the Senator from Ohio, Mr. President.

Mr. TAFT. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator has a minute and a half remaining.

Mr. STENNIS. Mr. President, I yield under the start of the second hour.

The PRESIDING OFFICER. The additional hour has been reqeusted and it is appropriate and available under the agreement and order. The Senator from Ohio has 4 minutes.

Mr. TAFT. I want to take a minute to answer in more detail the inquiry of the Senator from Minnesota. I proposed not funding the carrier during the Senate markup for this reason, and I believe the others who went along were pretty much of the same opinion: I agreed with

Senator LEAHY on the need for a VSTOL carrier. I believe there is need for a VSTOL carrier, and I hope there will be one in the next budget.

I felt the only way to put the Navy on notice that they had to move on the VSTOL carrier was to take out the funding for this carrier in the Senate bill. It was already in the House bill at the time. It was obvious that we would go to conference on it. It was also obvious that the House would not give on this. We had been in these conferences with them before and knew how they stood. Really, the whole basis was to get going on the VSTOL carrier. That is what it was all about, and that is what the package encompassed when we were thinking about it. That was really behind the decision at that time.

A little note of politics seems to have been injected in here that somehow this carrier was brought in because of the primary contest in the Republican Party. Nothing could be further from the truth.

Mr. HUMPHREY. The Senator does not attribute that to me, does he?

Mr. TAFT. No. The Senator from California made that statement and the Senator from Vermont made a reference to it that I think it totally unjustified.

As the chairman said, at the time we first got the request from the executive branch as to the naval building program, it was said that the Navy was engaged then in a re-study of their entire shipbuilding program and they expected shortly to come up with it, which is what they did.

This is not a supplemental in the ordinary sense of the word. The chairman very properly had notice of that and told the Navy right away, "We are not even going to consider the program you propose here. It is a tentative program until you come up with the final program."

The carrier was not only in the program but the carrier was the No. 1 priority of the Navy when the program was brought forth.

Any talk that the White House put this in at a later point is totally aside from the fact. To put it another way, it has always been in the Navy request. I think OMB knocked it out of the first preliminary request that was to come to Congress. That is really what is behind all of this, why the matter came up and why we are here today.

I think it is absolutely essential that we go ahead and get these long lead items. Most of this is in the nuclear powerplant itself. I have talked to those manufacturing the vessel and doing the engineering in this area. I assure Members that it is important that we know, and know as quickly as possible, how much of a definite program we have ongoing in this area so the planning can be done, just as in the submarines.

Later I will propose one additional nuclear submarine for the same reason. We have to keep the ongoing planning on the powerplants going and it is a long lead item that is involved here.

I thank the Senator for yielding.

Mr. STENNIS. Mr. President, certainly our preference was to try to stay out of this additional hour, if possible.

This amendment proposes to strike from the bill $350 million for long leadtime items for a nuclear-powered carrier of the *Nimitz* class planned to be ready for the fleet in 1984 to replace the *Midway* carrier which will then be 39 years old. If for any reason further funds are not provided for this carrier all these leadtime items could be used as spares for present nuclear-powered carriers.

This is a replacement carrier for the *Midway*, which will be 39 years of age when this carrier joins the fleet in 1984, thus keeping complete the force of 12 deployable carriers considered necessary for us to carry out our naval mission since soon after World War II.

No one has seriously suggested that we abandon our use and mission of the carriers, or that we have a substitute therefor, or that they are not needed. Arguments are made that perhaps a different type of carrier is needed. However, no definite plans have been made, and no design is now available for a new type, or the new type planes to be flown therefrom. Those steps will take several years at best—in fact, readiness for such a new type is at least 10 and more years away. So the real question is, shall we let our present readiness diminish while waiting to decide what, if anything, shall be done about a new type of carrier? So those who would delete this money offer no alternate course, no real alternate plan except to put off decisions and do nothing in the meantime.

Basically, there is no weaponry in the free world today which exceeds, or in fact in my opinion, equals, our carrier forces spread along the naval routes of the world as a deterrent force against war and hence for peace.

In terms of deterrence there is no better way to show the flag than through a carrier task force. It is in effect a floating airbase which carries its own fuel and its own planes and fuel for the planes. It carries its own defense power. It is on duty every day and every night of every week of every year—endless days and nights, all over the world's trade routes and vital areas of the world.

What will the next 10 to 15 years bring? Who can say?

We are seeing a gradual lessening of our available airbases on land—Turkey, North Africa, Thailand.

Most unfortunately, we are in a time of tensions. Shall we expect quick settlement in the Middle East? I think not, even though we have hopes for the best, of course. In Africa, shall we have calm? We hope so, of course, but things are unsettled. In Asia? We hope for the best, but who can now evaluate the new conditions in the Indochina area? From time to time Taiwan and Korea loom in the news.

I repeat, we hope for the best, but we know many problems must be worked out the hard, long way and this requires time years and years.

The question today is, shall we neglect the needed replacement for this old carrier? This would start a lessening of our deterrent forces that protect us and the rest of the free world. To do so is to invite further chances of trouble. We are forced to at least keep up and avoid decreasing our highly effective deterrent forces. I have emphasized effective deterrent influences in times when a shooting war is not in progress.

Should an actual conventional war come anyway, our carrier task forces shall be of tremendous striking power with all the advantages of position and maneuver. I shall point out later what I believe to be the carrier's ability, within reason, to provide its own effective defenses.

Much is said about what would happen to the carriers if a nuclear war should start. The contention is made that they would be knocked out at once. To me, I believe such an argument is not sound. But if this should be the case, a nuclear war would have been already set off that could probably not be stopped or won, by anyone. There will be no effective complete defenses but merely a question of extent of losses by all sides. A hundred years could well be required to recover from an all-out nuclear war, if recovery is at all possible. This emphasizes the importance of deterrence forces and conventional capabilities.

This is one reason we must not delay this replacement for our carrier forces. I shall address the Senate further on these several points connected with the carrier.

Mr. President, I would like to cite to the Senate further relevant facts regarding the pending amendment which would delete from the defense appropriations bill the $350 million which would be used for long lead components only for a nuclear attack carrier.

This new carrier for which long lead funds are now being sought will not be completed and ready for service in the fleet until 1984. This new *Nimitz*-class carrier would replace the present carrier *Midway*.

In 1984, Mr. President, the *Midway*, which was commissioned September 10, 1945, will be 39 years old. Certainly 39 years is long enough to expect a conventional carrier to remain in active service in the fleet. Keep in mind, Mr. President, that at that time we can expect Russia with its growing naval technology to have extremely modern navy weaponry of every type.

I would like to raise a question: What is accomplished if the lead funds are deleted, as the amendment would provide. Even by delaying 1 year, the increased cost of the carrier is estimated by the Navy to be $178 million and would also result in retaining the *Midway* in the active fleet until it is 40 years old, rather than 39.

The issue has been frequently raised as to whether any more of the large *Nimitz*-size carriers should be constructed. This carrier, if eventually fully funded by the Congress, will be the fourth *Nimitz*-class carrier. This new, large-size carrier, Mr. President, is necessary in order for this Nation to have 12 deployable attack carriers during the 1980's and 1990's. These large deck carriers are essential in order to accommodate the type of aircraft which will be in the fleet over the next two decades.

With regard to this carrier in the bill, Mr. President, I would like to emphasize that the National Security Council as well as the President are firm on the need for this carrier. I have received letters from Secretary Rumsfeld and Admiral Holloway to this effect.

At the same time I think that it is generally conceded that this will probably be the last of the large-sized carriers. Much work and experimentation is expected on smaller type carriers to accommodate vertical-takeoff or short-takeoff aircraft. This change is many years ahead since the suitable aircraft themselves must first be developed.

Another point I wish to emphasize is that this $350 million request is for long lead components only: generators, turbines, various items which require lengthy periods to make, the principal elements of this carrier. The ship itself and all other aspects must be approved by the Congress in a future authorization and appropriation, presumably the next year.

One important aspect to remember is even if the Congress refuses to later appropriate the funds for the carrier, these lead fund components to be procured by this $350 million would not be wasted. They would be suitable and available for spare parts on the other Nimitz-class carriers.

Therefore, Mr. President, delay will serve no useful purpose. We need to proceed at this time with the job of replacing the carrier which in 1984 will be 39 years old. Mr. President, I do not wish at this time to debate at length the concept of the carrier, but I think the growing scarcity of land bases available to the U.S. armed forces is a fact we should not overlook.

For a number of years there has been a steady reduction in the number of military bases available to U.S. forces overseas. More specifically, the number of available bases has been reduced from 150 in 1953 to about 50 today, including Wheelus in Libya and Dhahran in Saudi Arabia.

On the other hand, not one aircraft carrier, which in fact constitutes mobile sovereignty afloat, has been lost for any reason—and especially because of the political changes which have been the principal cause of the loss of bases worldwide.

Furthermore, in every crisis involving the United States in recent years, such as India/Pakistan, Jordan/Palestinians, Israel/Arab, the aircraft carrier has been used by the U.S. Government as the primary military instrument to support U.S. foreign policy.

The real question is whether we need the tactical aircraft which fly from the carriers in the regional confrontations which we may well be obliged to face in the years ahead. It is clear to me that the U.S. base situation may get worse rather than better and under these circumstances the aircraft carrier offers the only politically unencumbered means of employing the aircraft and all else the carrier provides to protect U.S. interests on a worldwide basis.

Mr. President, I urge this amendment be defeated.

Mr. President, I ask unanimous consent to have printed in the Record at this point a letter dated August 6, 1976, from Admiral Holloway, covering the situation that I have been discussing; a letter of like date from the Secretary of Defense, in which he says that this continued study will not result in any adjustment to the fiscal year 1977 program, which does include this money we are discussing, and an additional letter from the Secretary of the Navy, dated August 9, 1976.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Chief of Naval Operations,
August 6, 1976.

Hon. John C. Stennis,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: My purpose in writing to you is to reaffirm the validity of the FY 1977 shipbuilding program contained in the President's Amended Budget Request. As you know, the Amendment submitted in May added four guided missile frigates and one oiler to the 16 ships in the original Budget Request, and included $350M for long lead time components for a nuclear powered carrier. These requirements are fully supported by the National Security Council on the basis of preliminary results of an ongoing study of U.S. maritime strategy and its impact on Navy ship requirements.

At the time of submission of the President's FY 77 budget, the Department of Defense's approved five-year shipbuilding program included two nuclear powered aircraft carriers, one each in FY 79 and FY 81. During the discussion and analyses conducted in connection with the President's NSC study and Naval requirements, it was determined that a force level of 12 deployable carriers could be maintained by the successive modernization, or service life extension, of the FORRESTAL class of carrier as they approach the normal end of useful service, and the construction of one additional nuclear powered carrier.

The plan to maintain the required force level of 12 carriers was presented to the President in the National Security Council, where it was accepted, on the basis of the analyses and conclusive evidence generated by the work done in the NSC study up to that date.

Mr. Chairman, I have been authorized to advised you that the President, strongly supports construction of a nuclear powered carrier, for which $350M has been included in the FY 77 SCN budget for long lead time components, as evidenced by his 4 May 1976 Budget Amendments.

Sincerely,

J. L. Holloway III,
Admiral, U.S. Navy.

The Secretary of Defense,
Washington, D.C., August 6, 1976.

Hon. John C. Stennis,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: As you know, the President directed the National Security Council to undertake a study of U.S. maritime strategy and its impact on Navy ship requirements for the period ahead. When he submitted his budget request for Fiscal Year 1977 in January, the NSC study was not complete. He, therefore, indicated then that he might want to amend his shipbuilding request later in the year. Such an amendment was submitted in May and called for an additional four guided missile frigates, one fleet oiler, and long-lead funding of $350 million for a nuclear-powered carrier. The amendment was based on results of the NSC study to that point.

Earlier this week, I sent you a summary of the conclusions we have been able to draw from the NSC study effort. The summary includes a five-year shipbuilding plan which should help the Congress put the amended FY 1977 request for new ships in context. The summary reaffirms the need for the ships requested in FY 1977, presents the rationale for maintaining a force of twelve large-deck carriers, and sets forth the explanation for why the additional carrier, for which we are requesting long-lead funding, is necessary to sustain that force.

The NSC study has yet to be completed, and it is possible that there will be additional conclusions. However, the final conclusions will, in our judgment, not vary significantly from those given in the summary. They would be in amplification, rather than in lieu of, what the President now has before the Congress and, as I have indicated previously, they will become a part of the basis for the FY 1978 budget and five-year plan. They will not result in adjustments to the FY 1977 program.

I assure you that the President and I fully support the shipbuilding request now before the Congress. In answer to the specific question you posed, this, of course, includes the request for $350 million for long-lead funding for the nuclear-powered carrier, as well as every other element of the shipbuilding program as set forth. I urge the Senate to act favorably on the shipbuilding program, as requested, as it considers the Senate Appropriations Bill next week.

Sincerely,

Donald H. Rumsfeld.

Department of the Navy,
Washington, D.C., August 9, 1976.

Hon. John C. Stennis,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This is in response to your question on how much of the $350M LL for the CVN could be recovered in spare parts for *Nimitz* class carriers if the LL were funded but the carrier was not authorized.

I can state that $82 million of the long lead funding will be spent for main engines and the large electrical steam turbo-generators required. The balance of the $350 million ($268M) will be spent for the heavy components needed for the *Nimitz* class two reactor system. All components to be procured with long lead funding are applicable to all three of the *Nimitz* class aircraft carriers authorized and funded by the Congress, and could be used as spares.

J. William Middendorf II,
Secretary of the Navy.

Mr. STENNIS. Mr. President, with that, I am ready to conclude, if the Senator from Vermont is. We can proceed to a vote.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 44 minutes.

Mr. LEAHY. I will not have to use that much time, but I think at this point in the Record it would be wise to have a short summary of the points I have tried to make in support of my amendment to delete $350 million for the long-leadtime items for this aircraft carrier.

I must echo and agree completely with the earlier statement of the Senator from Mississippi (Mr. Stennis) when he stated that it is unfortunate that so few of our colleagues are here. I wish we had been able to bring this matter up for a vote last Monday evening when I asked, because at that time I believe we had 50 or 60 Members of the Senate in the Chamber.

I would have pointed out that these funds were not requested in the original defense budget presented to Congress in January.

I would have pointed out that the National Security Council last December began a study of future Navy requirements, including the size of future carriers; that that study was not completed at the time the supplemental request for the carrier was presented to the Senate Armed Services Committee on May 4, 1976, and that it still has not been completed. I feel that the results of that study should be known before we appropriate funds for another *Nimitz*-class carrier.

I would have pointed out the fact that Secretary Rumsfeld could not cite any change in the Soviet threat to justify the supplemental request when he appeared before the Senate Armed Services Committee on May 4. I would have pointed out that this request was something that former Secretary of Defense James Schlesinger had not requested. Secretary Schlesinger was never reluctant to request funds for the Department of Defense when he felt, after his own careful study, that they were needed.

I would have pointed out that the Senate Armed Services Committee defeated an amendment to include these funds in the authorization bill by a vote of 11 to 5.

I would have pointed out that approving this request will lock us into a commitment to procure another *Nimitz*-class carrier which will cost $2 billion for the ship itself and $17.5 billion in operating costs over the life of the carrier.

I would have pointed out that the $17.5 billion does not allow for the effects of inflation and the cost of carrier escorts.

I would have pointed out that the Navy's primary mission is sea control. However, the large carrier is primarily a power projection platform, and larger than necessary for the sea control mission. That mission could be more effectively accomplished with more attack submarines and smaller carriers, which for the same amount of money can be procured in greater quantities than *Nimitz*-class carriers.

I would have pointed out that the increased vulnerability of carriers to increasing numbers of Soviet attack submarines and new Soviet antiship missiles is an issue that must be addressed by the National Security Council study.

I would have pointed out that Newport News Shipyard is threatening to stop work on the CVN-70 aircraft carrier, the last *Nimitz*-class carrier approved by Congress, because of unsettled claims against the Navy. It is possible that Newport News, the only shipyard in the country that can build large nuclear-powered surface combatants, will refuse to bid on this carrier.

I would have pointed out that it would be best to put this decision off until next year, as originally scheduled, to allow the National Security Council to complete its study, and to allow the Navy to settle its claims with Newport News Shipyard.

Mr. President, this amendment does not mean that we would stop building carriers. The ongoing debate is on the size of future carriers, not the need for some type of aircraft carrier.

Had we been able to have this debate as originally scheduled last Monday night, those are the things that would have been pointed out to a full Senate Chamber. But unfortunately, as happens so often in matters of major military appropriations, and other matters as well, as so often happens in the decisions that are really going to affect every one of us and our children and grandchildren, those decisions are made back in our offices, after talking with members of our staffs, and perhaps with some independent reading and talking with lobbyists.

The other day when this matter was supposed to come up, it was amazing to see the number of cars from the Defense Department that were parked outside, on a somewhat warm evening; that was probably the reason why they were all sitting there with their motors running, with the windows up, and nobody in them; because the Defense Department certainly would not want to have their lobbyists, already steamed up, have to sit in a warm car like the rest of us.

Mr. President, that is not the basis on which we should make these decisions. I have three young children who will live the majority of their lives in the next century. Many other Members of this body have children or grandchildren of the same age. The decisions we make here should not be just decisions for today, Mr. President, or yesterday. They should be decisions for the next century.

I really hate, at a time when we want to answer a threat or a perceived threat, to throw in money that would lock us into matters that will really affect the course of our Navy and our national defense well into that next century, without all the facts before us.

It is because of that, not because I am against the Navy, because I am not, for I see a very valuable role in the future for the Navy; not because I am against carriers, because I am not; and not because I am against national defense, because I am not; but because I want to determine that when we spend our money and when we plan for that national defense, that we do it having all the facts, and that we do it not simply as a reaction to the Russians, but in full knowledge that we are deciding what is best for our country and what is best for carrying out our commitments to our allies.

ADDITIONAL STATEMENTS

Mr. TOWER. Mr. President, I rise in opposition to this amendment.

I believe the arguments in favor of proceeding now with the construction of a fourth nuclear-powered aircraft carrier are compelling, and I can see nothing to be gained for either the navy or the American taxpayer by disapproving the long-lead funds needed for this ship.

Our surface forces today depend on the modern attack carrier to provide for both offensive striking power and fleet defense. Without the carrier, our surface navy would be largely defenseless. Without the carrier we would lose our ability to exercise sea control over vital areas of the world's oceans and our capability to project power ashore from mobile airfields at sea. There is no weapon in our arsenal that can have so many uses in both war and peace, that can perform such a wide range of missions of a tactical, strategic, or simply diplomatic nature. In terms of what it can do in support of our foreign policy and how it can be used to deter the outbreak of hostilities, I firmly believe that the aircraft carrier is by far the most versatile and cost-effective system we have at our disposal.

Today, our Navy is operating with a fleet of 13 carriers. In the near future that number will decline to 12. It was only 14 years ago that we operated 26 of these ships.

It is because of the ability of our larger carriers to support many different types of aircraft that the Navy has been able to make the modern carrier into a multimission platform. The Chief of Naval Operations, Admiral Holloway, has stated frequently that among the alternatives being considered for aircraft carriers to be constructed in the 1990's is a smaller design that would differ in many respects from the *Nimitz*-class ships. If we are to successfuly transition from the large carrier designs of today to a smaller version in the future, however, we must parallel that transition with the development of suitable, high-performance V/Stol aircraft. These issues are among those under the continuing review of the Navy, the Department of Defense, the National Security Council, and the President.

However, none of those involved in these studies has ever denied the need to build another large carrier. Simple arithmetic proves that a new carrier will be required if we are to maintain 12 deployable carriers through the 1980's. As it is now, the USS *Midway* will be 40 years old in 1984, when this fourth *Nimitz*-class ship would be delivered as her replacement.

If the *Midway* is not replaced, then we would drop from a force level of 12 carriers to 11. Perhaps the proponents of this amendment feel that 12 carriers are not necessary. Though 12 ships are, in fact, required to maintain 4 regularly deployed, it may be that the supporters of this amendment do not feel we should maintain 2 carriers in the Mediterranean or eastern Atlantic and 2 to 3 carriers in the waters of the western Pacific. They may be of the view that our commitments to Japan, the Philippines, South Korea, and our other Pacific allies have no relation to our need to sustain and operate the Pacific fleet.

They may similarly be of the opinion that our commitments to Israel and to the strength of NATO in Europe have no bearing on our support of the 6th Fleet—that our foreign policy would suffer no loss in credibility were we to permit the Mediterranean to become a Soviet lake.

If we are to continue our commitment to the free and unimpaired use of the sea by all nations, then we must provide and maintain a navy that can face the very real challenges we now face and meet the day-to-day commitments which our foreign policy requires. There can be no question but that we simply cannot successfully operate and defend our fleet without the aircraft carrier. And while smaller, less expensive carriers may become more desirable in the future as our aviation technology progresses, we can ill afford to idly await the day when such proposals become feasible, while our existing carriers grow old and are forced to retire from service.

Mr. President, there indeed may come a day when we find it no longer necessary to sustain elements of the U.S. Fleet in waters far from our shores. There may come a day when conflict and hostility among nations will be a state of affairs recorded only in the history books of our children. But I submit that we will never see this day if we decline to pay the price which our destiny requires.

Mr. President, I urge the defeat of this amendment.

Mr. MUSKIE. Mr. President, I rise in support of the amendment of my distinguished colleague from Vermont (Mr. LEAHY) to delete $350 million in advance procurement funds for the nuclear attack carrier from the Defense appropriation bill.

I fully recognize and support the need to maintain our naval forces at a level that assures supremacy of the seas as the United States carries forth its obligations for the free world. Carrier task forces are a vital segment of the forces required to achieve these objectives.

However, I am very concerned about the pressures being exerted on the Congress as we attempt to stay within the congressional budget targets established in the first concurrent resolution for the national defense function. I stated last Monday when the debate began on the defense appropriation bill that we were below our target for budget authority by $0.7 billion and at target for outlays. When I view the potential impact of not achieving all the proposed economies assumed in our first budget resolution and the potential import of the budget supplementals discussed by the Secretary of Defense, it will take considerable effort on the Congress part to stay within our targets, particularly the target for outlays.

Further, I am concerned that the Congress would commit itself to a $2 billion program at a time when no objective studies or analyses have been conducted by the Navy and presented to the Senate which could lead to a reasonable determination of required ship force size and mix. I am referring to the nuclear versus nonnuclear issue and the midi, minicarriers versus *Nimitz*-size nuclear carriers issue. Hopefully, the ongoing study under the guidance of the National Security Council will provide the Senate with a realistic assessment of naval ship force size.

Mr. President, for this reason and the fact that we are close to exceeding our budget targets, especially for outlays, I urge adoption of the Leahy amendment to assist congressional compliance with our mandated budget targets.

Mr. TOWER. Mr. President, our colleague from Ohio (Mr. TAFT) has written a very thoughtful article in the Washington Star and I ask unanimous consent it be printed in the RECORD during the debate on the aircraft carrier. It is a very thought-provoking article which questions the matter of numbers and quality of our fleet. I commend it to all of us.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Aug. 9, 1976]

[Letters to the editor]

THE DEBATE OVER NAVAL STRENGTH

Your article, "Numbers Alone Cannot Measure U.S., Soviet Navies" (July 28), was particularly timely in that it coincided with the entry into the Mediterranean of the first Soviet aircraft carrier, the Kiev.

It is quite true that numbers alone cannot compare naval strength—although numbers are one component. But if one looks at the U.S.-Soviet naval balance in terms of quality, the picture may be even more disturbing than it is on a purely numerical basis. It is useful to look at the qualitative balance from three different aspects: How do our big ships compare with their big ships? How do our big ships compare with their smaller ships? And how do our big ships compare with their submarines?

If we compare one of our typical big ships with one of theirs, we see some disturbing things. Let us compare our new nuclear cruiser, the California, commissioned in 1974, with their newest type of cruiser, the Kara, which went to sea in 1973:

Helicopters: U.S.S. California 0, Kara 1; antiship missiles: California 0, Kara 8; antiaircraft missile launchers: California 2, Kara 8; guns: California 2 5-inch, Kara 4 76-m.m., plus 4 30 m.m.; torpedo tubes: California 4, Kara 10; antisubmarine rocket launchers: California 1 8-tube, Kara 2 16-tube plus 2 6-tube.

The U.S.S. California is the larger of the two ships by about 2,000 tons. It is also undoubtedly the more expensive, since it is nuclear powered. But which is the more effective ship? Which of these two big ships counts for the most?

How do our big ships compare with their smaller ships? Small ships generally have some serious limitations, but in areas such as the Mediterranean they can be effective. It was in the Mediterranean that a small Egyptian missile boat sank the Israel destroyer Eilat in 1967. The Israel destroyer had 10 times the tonnage of the Egyptian Komar, but the Komar proved the more effective ship. If we look at the smaller Soviet ships today, we see some, such as the Nanuchka class corvettes, that are effective ships. The nanuchka class, of which there are at least 10, with more building, displace only 800 tons, less than a tenth what the California displaces. But the Nanuchka each carry six antiship missiles, each with a 1,100-pound warhead. The California's only antiship weapons are two 5-inch guns. The Nanuchka also carries on its 800 tons two antiaircraft missile launchers, two 57-millimeter guns, and one or two launchers for antisubmarine rockets.

In a one-on-one ship-to-ship engagement, the 800-ton Nanuchka would count for more than the 10,150-ton nuclear powered California.

Finally, how do our big ships compare with the Soviet's submarines, particularly with their nuclear-powered attack and cruise missile submarines? If we look at specific characteristics, we see that: (1) The submarine is generally faster than the surface ship. (2) The submarine can detect the surface ship before the surface ship can detect the submarine. And (3) if the submarine has cruise missiles, it can generally attack the surface ship before the surface ship can attack the submarine.

I have recently done some specific research into the vulnerability of the proposed strike cruiser to an attack from a Soviet Z "Charlie" class cruise missile submarine. The details of the research are classified, but they show that the strike cruiser, if built, would be very vulnerable to an attack from a "Charlie". This reinforces the opinion which I have long held, and which is shared by many of our submariners, that the whole cruiser-destroyer-frigate type of ship is of little use against a modern nuclear-powered attack submarine.

These few points just illustrate the basic fact that we cannot say "our ships count for more" simply because they are larger. Qualitative factors are of great importance, and they must be looked at before we comfort ourselves for having built more large ships than have the Soviets. While we have been building large and expensive nuclear powered cruisers, the Soviets have been building less costly but more effective ships.

In effect, we may have outspent them, but they may have outthought us. They have organized their fleet around a concept designed specifically to defeat our fleet; we retain a concept developed to defeat the Imperial Japanese Navy 30 years ago. We build more Californias, but the Soviets build far more nuclear-powered submarines than we do.

The qualitative balance is indeed disturbing.

ROBERT TAFT, Jr.,
U.S. Senate.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. LEAHY. Mr. President, I suggest the absence of a quorum, on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Vermont (Mr. LEAHY). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STENNIS. Mr. President, may we have quiet? We cannot hear the rollcall.

The PRESIDING OFFICER. The Senate will be in order.

The clerk may proceed.

The assistant legislative clerk resumed the call of the roll.

Mr. GOLDWATER (when his name was called). On this vote I have a pair with the distinguished Senator from Tennessee (Mr. BROCK). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The assistant legislative clerk resumed the call of the roll.

The PRESIDING OFFICER. The Senate will be in order.

Senators will clear the well and clear the aisles. Senators kindly take their seats.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa Mr. CLARK), the Senator from Missouri (Mr.

Eagleton), the Senator from Louisiana (Mr. Long), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Connecticut (Mr. Ribicoff) is absent on official business.

I also announce that the Senator from Massachusetts (Mr. Kennedy), the Senator from Delaware (Mr. Biden), and the Senator from Michigan (Mr. Philip A. Hart) are absent because of illness.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Ribicoff) would vote "nay."

On this vote, the Senator from Iowa (Mr. Clark) is paired with the Senator from New Mexico (Mr. Montoya). If present and voting, the Senator from Iowa would vote "yea" and the Senator from New Mexico would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), and the Senator from Virginia (Mr. William L. Scott) are necessarily absent.

The result was announced—yeas 35, nays 50, as follows:

[Rollcall Vote No. 509 Leg.]

YEAS—35

Abourezk
Bayh
Bellmon
Bumpers
Burdick
Byrd, Robert C.
Case
Church
Cranston
Culver
Durkin
Ford
Gravel
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Leahy
Magnuson
Mansfield
McGovern
Metcalf
Moss
Muskie
Nelson
Pell
Proxmire
Randolph
Stafford
Stevenson
Symington
Williams

NAYS—50

Allen
Baker
Bartlett
Beall
Bentsen
Brooke
Buckley
Byrd,
  Harry F., Jr.
Cannon
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Garn
Glenn
Griffin
Hansen
Helms
Hollings
Hruska
Inouye
Jackson
Johnston
Laxalt
Mathias
McClellan
McClure
McGee
McIntyre
Morgan
Nunn
Packwood
Pastore
Pearson
Percy
Roth
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Goldwater, for.

NOT VOTING—14

Biden
Brock
Clark
Eagleton
Fong
Hart, Philip A.
Javits
Kennedy
Long
Mondale
Montoya
Ribicoff
Scott,
  William L.
Tunney

So Mr. Leahy's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STENNIS and Mr. THURMOND moved to lay the motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 345

Mr. TAFT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Taft) proposes an unprinted amendment numbered 345.

The amendment is as follows:

On page 19, line 16, insert the following: Strike the figure "$958,700,000" and substitute the figure "$1,271,100,000".

Mr. McCLELLAN. Mr. President, is there a time limitation on this amendment?

The PRESIDING OFFICER. There is a 40-minute limitation, 20 minutes to a side.

Mr. TAFT. Mr. President, for the benefit of the Members of the Senate, I say that I am going to speak briefly on this amendment, and I do not expect to put it to a rollcall vote, for reasons I will explain.

Mr. STENNIS. May we have order, Mr. President?

The PRESIDING OFFICER. Members of the staff kindly will take their seats. Senators who wish to converse will please withdraw.

Mr. TAFT. Mr. President, as I made clear during the debate on the defense authorization bill, I am no blind supporter of the Pentagon's programs. I am willing to reject programs which do not promise to be militarily effective—and we have an alarming number of programs and elements of our force structure in that category at present. I have spoken here on the floor against some major Navy programs, such as the strike cruiser, which I believe to be reflective of obsolete concepts of naval warfare.

At the same time, as the Members of the Senate know, I am extremely concerned about the rapid increase of Soviet military capability compared to our own. I am concerned about the way the Soviets are outspending us for defense, and I am even more concerned with the way they appear to out-think us on many military questions.

The strength of the Soviet Navy is one of my greatest worries. Unlike the Soviet Union, we are dependent on free use of the sea; dependent economically and militarily. The Soviets have invested a great deal of money and a great deal of very competent thought into building a navy which can deny us use of the sea. Quite correctly, the Soviets have built much of their navy on the modern attack submarine concept.

Today, the Soviet Union has approximately 335 submarines of all types. All the rest of the countries in the world put together, including the United States, have 444. Of the Soviet total of 335, approximately 250 are attack submarines—submarines designed for antishipping warfare. Of these, 80 are nuclear powered.

Soviet submarines are the fastest in the world, by a considerable margin. The Soviets lead the world in communicating with submerged submarines, a key element in targeting. Only Soviet submarines today have the capability to fire antiship missiles.

In contrast, our submarines are quieter than the Soviets. But we only have 77 attack submarines, of which 65 are nuclear powered.

What is the significance of the attack submarine to us? Such submarines are significant to us because the best weapon with which to oppose a submarine is another submarine. The traditional destroyer/frigate type of ship which we have relied on in the past for much of our antisubmarine capability is not effective against a modern nuclear-powered attack submarine. The submarine is substantially faster than the destroyer or frigate; it can detect the surface ship under almost all conditions long before the surface ship can detect the submarine; under many sea conditions the submarine can close to attack range before the surface ship is aware there is a submarine present; and the submarine is less affected by bad weather conditions than is the surface ship.

Today, the only really effective antisubmarine system when dealing with nuclear, or even modern diesel-powered submarines in the open ocean, is another submarine or an antisubmarine aircraft. That is why we need more nuclear powered attack submarines: The greatest threat at sea we face is the Soviet submarine fleet, and the best answer to the Soviet submarines is more submarines of our own.

The 688-class submarine which we are speaking of here is of particular importance, in that it will narrow some of the qualitative gaps between our submarines and the Soviets. In particular, it will lessen the speed superiority of the Soviets, a factor which can be of great importance in many tactical situations.

Mr. President, in the past, I have asked my colleagues to join me in opposing Navy ship programs, such as the strike cruiser, which are clearly ill-conceived and do not promise to be militarily effective. Today, I ask them to join me in adding funding—funding which, of course, has been authorized—for a ship that is well conceived and that will be effective against the navy of the Soviet Union. If we are to meet the Soviet naval challenge, we must be willing to act when our action will be useful and effective. This is such a case, and I ask for the support of the Senate.

Unfortunately, Mr. President, as I indicated previously, I am not going to press this matter to a vote today for just one reason, which I want to point out to the Senate and call to the Navy's attention once more. We have only two yards today which are building these nuclear submarines. Our building capability is a much lesser rate than the Soviets already have and they seem to be increasing their capability for building submarines at the same time. I think it is essential to take a good hard look at the submarine building program and see if it might not be well to insist that another yard, or perhaps even two, for the building of submarines be opened by the Navy in one way or another. I do not know whether it should be a Government run yard if that becomes necessary or whether we can get other private contractors into this field. But the backlog at the present time of the Electric Boat Co. at Newport News, which is the yard which is building these submarines, is so great that the funding of this submarine now, I have become convinced, is pretty much a futile act this year. I hope when we get to next year's budget, we shall not find that situation to be true and some way will be found for getting ourselves a rate of building submarines that is going to be adequate to meet the threat that we face today.

I reserve the remainder of my time.

Mr. McCLELLAN. Mr. President, the reason that the committee bill has not included funds for a fourth SSN 688 class nuclear submarine in fiscal year 1977 is that the Commander in Chief has stated that the funds cannot be used in fiscal 1977 owing to shipyard capacity limitations, just as the distinguished Senator has pointed out. I do not think we are inclined to be opposed to this ship or this program, but we do not have the shipyard capacity. The President pointed out in his press release on July 14, this year, when he said:

"They," meaning Congress, added over $1 billion to the original budget request for items for which I did not request funds in fiscal 1977. For example, Congress added a fourth attack submarine for $357 million, for which funds cannot be used in fiscal 1977 owing to shipyard capacity limitations."

That is the reason, Mr. President, that the committee cannot accept the amendment or support it. I am sure the Senator understands and I appreciate his willingness, as indicated here, not to press for a vote on the amendment.

I share his views that, hopefully, we shall do something about our submarine-building capacity so that we might accelerate, to some extent, a shipbuilding program that is becoming more and more necessary in the light of the Soviets' actions.

Mr. YOUNG. Will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I commend the distinguished senior Senator from Ohio (Mr. Taft) for calling to the attention of the Senate and the Nation the comparable capability of the Russian submarines and our own, both in numbers and in our capability of building more. We should be in a position to build more. This is a very serious situation. If we had a real problem with the Russians in the future, we would not have the building capacity needed. I commend the Senator from Ohio for bringing this meritorious amendment to the attention of the Senate and the Nation.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. McCLELLAN. I yield.

Mr. FANNIN. I ask unanimous consent that Bernadette d'Epagnier of my staff be accorded floor privileges during debate and vote on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I have no intention of prolonging the debate. One thing I did fail to mention is that while we pretty much outlined here what the Russian capacity is today, I do not know how much longer we are going to be able to know that capacity, because one of the developments on the international scene is that the yards that are now being built are being covered over, acres and acres of shipbuilding capability, and we probably will have no more ability to know what their shipbuilding capability is.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Are there further amendments?

UP AMENDMENT NO. 346

Mr. TAFT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. Taft) proposes unprinted amendment No. 346.

On page 25, line 17, insert the following: Strike the figure $2,250,961,0000 and substitute the figure $2,252,961,000.

Mr. TAFT. Mr. President, this amendment would restore $2 million presently in the authorization bill for the Army Advanced Concept Laboratory expenditures. The amendment does not involve a great deal of money and I shall be brief with regard to it.

As I have noted on past occasions, one of our great problems is that the Soviets are not only outspending us in defense, they also appear to be outthinking us on a broad range of defense questions. In terms of land warfare, the Soviets, not the United States, were the first to field precision-guided antitank missiles in large numbers. The Soviets, not the United States, conceived and built the world's first effective total ground-based antiaircraft system. The Soviets, not the United States, have adopted and developed the maneuver doctrine of warfare while we stick to with the firepower-attrition concept which proved so disastrous for the French in 1940. Soviet, not American, ground forces, are fully mechanized for high mobility. Soviet, not American, ground forces are fully prepared for warfare in a tactical nuclear environment. Soviet, not American, ground forces were the first to conceive the great importance of electronic warfare, and to deploy large numbers of ECM systems with ground forces. The list goes on.

If we are to meet the Soviet military challenge successfully, and to spend our defense dollars wisely, we must break away from the hidebound attitudes too often prevalent in our military services. We must break away from the logrolling within the service which protects obsolete elements of our force structure and prevents the development of new concepts.

The advanced concept laboratory is an attempt to do exactly this. In this program, the army intends to go to independent, outside civilian consultants for new ideas on systems for armored warfare. This will short-circuit the Army bureaucratic resistance to change and give us a real chance to explore some new ideas objectively.

The money involved here is only $2 million, but the potential for increased effectiveness in the Army is great. We have an important principle involved here: The principle that we must draw on civilian resources more effectively if we are to develop the new military systems and concepts we need.

I would hope that my colleagues would feel they could support this amendment.

I reserve the remainder of my time.

Mr. McCLELLAN. Mr. President, my first reaction to this proposal, when first presented by the Defense Department, was to reject it, therefore, we did not place it in the bill when we reported this measure.

Subsequently, General Dean, Commander of the Army Materiel Command, and others, have undertaken to persuade us that this money is urgently needed, and in view of that I will, at least, accept the amendment and take it to conference. It is not in the House bill. I am willing to accept it, if that is satisfactory to my distinguished colleague on the minority.

Mr. YOUNG. This is a very meritorious amendment, and I hope it will be accepted.

Mr. McCLELLAN. Mr. President, I shall gladly accept the amendment and take it to conference.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. TAFT. I yield back my time.

Mr. McCLELLAN. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Senator Stennis and Senator Brooke be authorized to offer amendments to an area of the bill previously amended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 347

Mr. BROOKE. Mr. President, I call up an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. Brooke) proposes unprinted amendment No. 347.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, lines 17–18, strike the figure "$2,252,961,000" and insert in lieu thereof: "$2,253,461,000."

Mr. BROOKE. Mr. President, the House decision to cut the $500,000 requested for the Army contemporary issues program, if accepted by the Senate, will eliminate Army equal opportunity research. My amendment will restore this amount and allow the Army to continue in its efforts to improve race relations and provide equal opportunity programs in response to requirements defined by operational Army field units.

If this money is not restored, the Army has stated that the following will occur:

> The Army will be deprived of information that directly influences unit readiness.
>
> All Army research in race relations and equal opportunity would be completely eliminated.
>
> Evaluation of existing race relations and equal opportunity programs would be impeded.

Equally important to the potential effects of the cut on existing programs and needed research is the symbolism that will be attached to such a cut. I simply do not believe we can diminish our efforts in the crucial area of race relations in the Armed Forces without calling into question our continued commitment to solve this perplexing problem. This small amount of money must be evaluated in light of the overall problem of race relations within our society. We have made some progress, we have suffered some setbacks. But we must go on with the effort and I believe this Army component of the effort has merit and should continue to receive funding. Therefore, I hope the chairman and ranking minority members of the committee can accept my amendment.

Mr. President, this is an amendment which would restore $500,000 for the Army contemporary issues development program. I have discussed this matter with the distinguished chairman of the committee and the distinguished ranking minority member, and it is my understanding they will accept it.

Mr. President, I ask unanimous consent that various documents related to the Army contemporary issues development program be included in the RECORD at this point.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

FACT SHEET ON DOD APPROPRIATIONS BILL ITEM—ARMY CONTEMPORARY ISSUES DEVELOPMENT—$500,000

1. The Army request (see Exhibit A) explicitly:

(a) specified that this modest item would provide R&D support for the Army's race relations/equal opportunity programs in direct response to priority requirements from operational Army field units.

(b) provided a detailed account of the extensive utilization of prior work in this area—e.g., one relatively small study led to a complete revision of the Army's Affirmative Actions Plan (see Exhibit B).

2. The House Appropriations Committee recommended denial of the total request. In its report (Exhibit C), the Committee:

(a) made no mention of the fact that the denial would eliminate further research in support of the Army's Race Relations and Equal Opportunity Program. The words "race relations and equal opportunity" are never used.

(b) makes vague allusions to non-utilized research which, in the specific instance, is flatly contradicted by the detailed and specific statement of widespread utilization contained in the Army's request (Exhibit A).

3. The Army reclama (see Exhibit D) requested restoration of the total amount and made the following points:

(a) reduction would deprive the Army of information that directly influences unit readiness;

(b) all Army research in race relations and equal opportunity would be completely eliminated;

(c) evaluation of existing race relations and equal opportunity programs would not be possible;

(d) improvements in RR/EO programs depend heavily on such research; and

(e) the research is essential for informed policy decisions in the RR/EO field.

4. When the Appropriations Bill was read in the House, Congressman Dellums expressed his concern for this item and made the following points (see Exhibit E):

> This particular cut has symbolic importance far beyond its small size.
>
> At issue is the elimination of the entire Army research program dealing with racism, sexism, and ethnic identity.
>
> There is *no other* research program in this area and the Committee's assertion to the contrary is wrong.
>
> The research effort being eliminated seeks to answer perplexing problems that are exacerbated beyond the normal range of civilian society because of problems connected directly to the military complex.
>
> No hearings relating to this item were held.
>
> No way to find the information on which the Committee based its decision.
>
> Regular legislative procedures were ignored in making the decision to cut this item.
>
> Members of the Committee questioned were not aware that the item had been cut.

EXHIBIT A

FISCAL YEAR 1977 DESCRIPTIVE SUMMARY

[Program element: No. 6.37.44A; Category: Advanced development; Resources: Project listing; Title: Army Contemporary Issue Development; Budget activity: No. 7—Other equipment]

[In thousands of dollars]

Project No.	Title	Fiscal year— 1975	1976	197T	1977	1978	Additional to completion	Total estimated cost
	Total for program element	1,053	1,044	100	500	500	Continuing	Not applicable.
A769	Army contemporary issue development	1,053	1,044	100	500	500	do	Do.

Brief description of element: Consists of advanced development in improved means of assessing and sustaining individual and unit morale, improved adjustment of minority groups in the Army, and support of Army race relations/equal opportunity programs.

Basis for fiscal year 1977 RDTE request: This effort is in direct response to priority requirements from operational Army field units. Work under this program element was formerly conducted under Program Element 6.37.31A769.

Basis for increase in fiscal year 1977 over fiscal year 1976: Not applicable.

Personnel impact:

The average number of employees supported with requested fiscal year 1977 funds (RDTE and Procurement), is as follows:

Federal Civilian	*RDTE*	*Procurement*	*Total*
Employees	0	0	0
Contractor			
Employees	6	0	0
Total	6	0	6

Detailed background and description: This program is structured to complete analysis of data collected in prior years. It must be made clear that this R&D effort is directed toward improving the combat effectiveness of the individual soldier. This work is not aimed at a social change program. Specific data analysis will focus on (1) Assessing and sustaining individual and unit morale, motivation, and esprit de corps, (2) Assessing unit effectiveness as related to Race Relations/Equal Opportunity Programs, and (3) Validating concepts which relate soldier effectiveness to Army family life.

Related activities: This work is coordinated through DOD with the U.S. Navy and Air Force Race Relations/Equal Opportunity Programs. The U.S. Army plays the lead role for DOD in this area.

Work performed by: In-house research and development is performed by the U.S. Army Research Institute, Arlington, Va. Contracts will be performed by Galler Associates, Rockville, Md., Bendix Corp., Ann Arbor, Mich., and one additional contractor to be selected.

Program accomplishments and future programs:

1. FY 1975 and Prior Accomplishments:

a. FY 1974 and Prior Accomplishments:

An Army initiated study, commissioned by the Army Research Institute (ARI) in 1973, indicated a clear need to correct the institutional discrimination that was found to exist in most facets of career progression and opportunity. This effort, entitled, "Measuring Changes in Institutional Racial Discrimination in the Army," contributed significantly to the development of the new Affirmative Action Plan (AAP) by pointing out the need for a better minority management effort to improve race relations and equal opportunity in the Army. The new AAP supports the Army's commitment to equal opportunity by establishing positive actions, goals, milestones, and time-tables through 1975, with a projection into 1985. Army leadership will be able to use the AAP as a management tool, utilizing a management-by-objectives approach to assess the true status of RR/EO within the Army. As a result of earlier research, DA Pamphlet 600-16, Improving Race Relations in the Army: A Handbook for Leaders was distributed to the field. This was invaluable in aiding commanders in implementing Army policy with regard to one of the most sensitive and important problems facing the country today—the relationship between the various racial and cultural groups which comprise the American people. More than two years have passed since an initial survey of racial attitudes was conducted and many of the Army's race relations/equal opportunity programs which were just beginning to be implemented at that time have now been in operation for more than two years. The replication of that study occurred in the summer of 1974. Replication permitted assessing perceptions and differences between Blacks and Whites. The results of this study provided a basis for revision and improvement of the Army's RR/EO training program, and is the sole official document available to all DOD regarding race relations.

b. FY 1975 Accomplishments:

Technical report was cited by Secretary of Army as basis for the 1975 Army Affirmative Action Plan. Project conducted to evaluate the President's Clemency Program is included in the DOD report of that program. A DA pamphlet providing guidelines for commanders on ways and means to control alcohol and drug abuse was published and circulated for use by Army officers in executing this Army program.

2. FY 1976 and FY 197T Program: FY 76 and FY 7T work includes efforts in the areas of institutional discrimination and race relations at the unit level, problems related to Army families, and techniques for handling human resource problems through the chain of command. The focus of this effort is directed toward analyzing data collected and determining ways and means to utilize the information to improve the combat effectiveness of the individual soldier.

3. FY 1977 and FY 1978 Program: Efforts will focus on quantitative measures of discrimination against minority groups in the Army, identification of the dynamics of discrimination, and programs to correct discriminatory practices. Effort will also address Army family problems that impact on the attitudes, performance, and retention of Army personnel. Programs will also be developed for evaluating and improving morale and esprit de corps, to be used by the chain of command to improve individual and unit combat effectiveness.

4. Program to Completion: This is a continuing program.

NEW DEPARTMENT OF THE ARMY AFFIRMATIVE ACTIONS PLAN APPROVED BY SECRETARY CALLAWAY

Secretary of the Army Howard H. Callaway today announced that he had approved a new Department of the Army Affirmative Actions Plan (AAP) for immediate implementation throughout the Army. The new plan represents a dedicated effort toward building long-term management into the race relations/equal opportunity (RR/EO) programs of the Army. A central purpose of the new plan is to establish specific Army programs, objectives, responsibilities, and policies that contribute to racial harmony and to the improvement of the equal opportunity environment within the active and Reserve Components of the Army.

The New AAP supports the Army's commitment to equal opportunity by establishing positive actions, goals, milestones, and timetables through 1979, with a projection into 1985. The Army's policy that the Army should be representative of the American people is articulated throughout the AAP in addressing opportunities as well as the racial, ethnic, and female content of the Army. Army leadership will be able to use the AAP as a management tool, utilizing a management by objectives approach, to assess the true status of RR/EO within the Army. This management effort is aimed at increasing Army combat readiness through improved human readiness.

Major thrusts of the new AAP focus on: minority and female officer development and accession; career development and progression for minorities and females; content of the Army—racial, ethnic, and female goals; DA policy and guidance; Reserve Component direction; military justice and equal treatment; education and training; human readiness, unit readiness and assessment and management.

An Army initiated study, commissioned by the Army Research Institute (ARI) in 1973, indicated a clear need to correct the institutional discrimination that was found to exist in most facets of career progression and opportunity. This research effort, entitled, "Measuring Changes in Institutional Racial Discrimination in the Army," contributed significantly to the development of the new AAP by pointing out the need for a better minority management effort to improve race relations and equal opportunity in the Army.

Copies of the AAP and the ARI study are available for public review in Pentagon Room 2E641.

EXHIBIT D. RECLAMA: ARMY CONTEMPORARY ISSUE DEVELOPMENT

The Army requested $0.5 million for this program. The HAC recommended denial of the entire amount. The reduction will deprive the Army of sound information on important motivational factors that influence unit readiness. All Army research in race relations and equal opportunity (RR/EO) will be completely eliminated. Evaluation of existing RR/EO programs will not be possible. Lasting improvements in RR/EO programs depend heavily upon sound research results. These tests are critically needed by commanders and staff managers. This research looks for answers to perplexing problems that are exacerbated beyond normal considerations of society in the military arena. This research is essential to provide the basis for informed policy decisions in the RR/EO field.

Restoration of $0.5 million in FY 77 is urgently requested.

Appropriation: RDT&E.
Budget Request: $500,000.
HAC reduction: $500,000.
Appeal: $500,000.

[From the CONGRESSIONAL RECORD, June 17, 1976]

(Mr. DELLUMS asked and was given permission to revise and extend his remarks.)

Mr. DELLUMS. Mr. Chairman, due to the lateness of the hour I will not prolong this discussion. I find myself in a rather uncharacteristic posture and that is to be concerned about an item that has been cut from this extraordinary budget.

This particular cut has a symbolic importance that will tell us a lot about the priorities of the committee, and for this reason I wish to take some time in discussing it with my colleagues. What is at issue is the deletion of the entire Army human relations research program. I would like to give you some background on the program, and then ask some questions about the legislative procedures used in making the cut.

For the last 4 years the House Appropriations Committee has consistently reduced the military budget for human relations programs, cutting approximately $1.25 million in fiscal year 1974 and $1.5 million in fiscal year 1976. Each year we have heard new and conflicting arguments to justify this attempted destruction of the race relations/equal opportunity programs. This year, the committee seeks to eliminate $500,000 requested by the Army for its "contemporary issue developments program." If allowed to stand, this cut will eliminate all funds budgeted for research for the Army for human relations areas dealing with racism, sexism, and ethnic identity.

Despite the claim in the committee report, there are no other research programs in this area so that if this reduction is approved, the Army will be deprived of solid information on important motivational factors that influence readiness. Recent reports and news accounts indicate that the Defense Manpower Commission discovered pervasive racism and discrimination and recent House Armed Services Committee hearings revealed that the Marine Corps had instituted racial quotas for recruiters. We have been fortunate that there have been no recent outbursts within the military but if they ever do happen again the military may well be as unprepared now as it was 4 to 5 years ago and unable to react effectively.

The Army realize that lack of morale within our forces may be one of our gratest weaknesses and that lack of morale grows in part from persistent discrimination practices. This program attempts to address motivational factors and analyze data collected in earlier years. This research effort seeks to answer perplexing problems that are exacerbated beyond the normal range of civilian society because of problems connected directly to the military context. This research is essential to provide the basis for informed policy decision in the race relations/equal opportunity field.

I believe this is a worthy program and no doubt there may be Members who feel it to be a waste of money, and the usual method for making a decision when these kinds of differences arise is through careful, open hearings and investigations. But in this case, not only have the hearings not been careful or public, indeed there have been no hearings at all, by either the Appropriations Committee or the Armd Services Committee on which I serve.

I have been trying to find information on which the committee based its position, but this is harder than it sounds. In fact, I cannot find answers to the following questions:

First. What data was collected and used by the committee to document its charge that there is duplication of research effort in this area?

Second. Where else is the research being done, if this is the case?

Third. Did the subcommittee hear any testimony from anyone? If so, who?

Fourth. Where can an interested Member go if he is interested in the pros and cons of this issue?

Fifth. Has the committee published any information at all anywhere? The few hasty justifications given in the report itself are demonstratably not accurate.

These few questions show that regular legislative procedures were ignored in making a decision to cut this program. What I have been able to learn of the procedures actually used point to a different motive than can be termed "impartial" judgment of facts. For the last 2 years this program has been part of the larger programs budgeted of the Army Research Institute. This year the committee went to some trouble to ask the institute to separate the request for the program. It turns out this request was made for the specific purpose of targeting this one program on race relations and eliminating it, because that one item was cut in its entirety.

In trying to find out why this sudden and unexpected move was made. I have asked around and discovered that members of the committee were not even aware of the cut.

Several colleagues here can give you further insights into the meaning of this cut, and I will defer to them . . . but I ask you to reflect, for a second on the instincts of the committee, who when asked to make some sort of cut, no matter how small or token, immediately reached to throttle the human relations programs. But first, I would like to engage the chairman of the subcommittee in a colloquy around two specific questions.

Question No. 1, Mr. Chairman, is the committee attempting to prohibit the Army from continuing its research in the area of human relations by cutting $500,000 from its research money in this important and critical area?

Mr. MAHON. Mr. Chairman, if the gentleman will yield, the answer would be a categorical "no."

Mr. DELLUMS. Mr. Chairman, I thank the distinguished gentleman.

Mr. Chairman, one final question. If the Army decides in their determination of priority that it is important that a portion of the budget of the Army Research Institute be allocated to the area of human relations research, can those funds, indeed, be spent by the Army in this area?

Mr. MAHON. Mr. Chairman, if the gentleman will yield further. I would say that the Army could spend the funds for these purposes.

Mr. DELLUMS. Mr. Chairman, I thank the distinguished chairperson and yield back the balance of my time.

Mr. MAHON. I wish to emphasize that the committee fully supports research on human resources and manpower effectiveness. The bill carries about $20 million for such purposes specifically. There are many other projects and activities in which funds for human resources research are available if the Defense Department feels that a part of the funds should be spent in this way. The committee did make a reduction of $500,000 in the contemporary issue development program, not because it is against such research, but because of the funds available in other programs.

We do not need great numbers of paper studies in the area of human resources. While some studies are useful, too often studies are made and filed away, thus having no impact on real human problems.

Needed research in human resources is supported by the committee. We just want to be sure that the taxpayers get their money's worth in this area.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. McCLELLAN. Mr. President, Army Contemporary Issues Development is the newest of several research programs being conducted by the Army on human relations and manpower effectiveness. The program was eliminated by the House due to reservations over the effectiveness of these efforts in general and the questionable need for yet one more program. For the same reason, the committee recommended concurrence in the House action and did not restore associated funding of $500,000.

At this point, however, I can well appreciate the concerns expressed by the junior Senator from Massachusetts, and agree that the matter should be investigated more fully. In this context, I have no objection to accepting the amendment so that the subject can be satisfactorily resolved in conference with the House.

If there is no objection on the part of my colleague, the distinguished ranking minority member of the Appropriations Committee, I will be glad to accept the amendment and we will take the amendment to conference to see what disposition we can make of it.

Mr. YOUNG. I have no objection.

The PRESIDING OFFICER (Mr. CURTIS). The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

UP AMENDMENT NO. 348

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes unprinted amendment numbered 348.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, line 19, add the following: *Provided further*, That nothing contained in this section shall preclude the use of appropriated funds for the payment of transportation costs of goods to and in Alaska.

Mr. STEVENS. Mr. President, we previously adopted an amendment dealing with the question of transportation costs and it related to the commissary amendment.

The purpose of this amendment is to permit appropriated funds to be used to pay for the cost of commissary goods shipped to and within Alaska. That is, under this amendment, appropriated funds will be permitted to be used to pay for these transportation costs to the extent necessary to provide goods and supplies not otherwise available in Alaska.

We have very remote bases in Alaska; Adak, way out on the Aleutian chain, bases up in Kotzebue, Point Barrow, and those costs, including the cost to those bases after the goods reach Alaska, are quite important.

I am hopeful that the committee will accept this amendment.

Mr. McCLELLAN. Mr. President, as I understand it, all this amendment does is to permit the use of appropriated funds to pay for the cost of transporting commissary goods to Alaska, am I correct?

Mr. STEVENS. That is correct, to commissaries in Alaska.

Mr. McCLELLAN. To commissaries in Alaska, yes.

The Department of Defense has advised the committee that at the present time, appropriated funds are not used for this purpose even though appropriated funds are used to pay for the cost of utilities in Alaska.

Because Alaska is a unique situation, Mr. President, and commissaries are much more remote than those in the 48 contiguous States, I believe as far as transportation costs are concerned, that they should be treated the same as commissaries overseas.

The personnel who are assigned to a duty post in Alaska should not be required to pay the transportation costs of commissary goods if we are going to pay the costs of transporting commissary goods to our personnel overseas. It seems to me there would be a disparity in price unless this concession is made.

Unless there is objection, therefore, I will accept the amendment and take it to conference.

Mr. YOUNG. I have no objection. In fact, this matter was discussed between the various Senators, particularly the Senator from Alaska. He expressed concern when the bill was being considered last Monday on the question as to whether we needed an amendment for the purpose. I think it is fully justified.

Mr. STEVENS. I thank the Senator and I thank the chairman of our committee.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Mississippi wish to speak on this amendment?

Mr. STENNIS. I do not wish recognition.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

UNPRINTED AMENDMENT NO. 349

Mr. STENNIS. Mr. President, I thank the Chair and the minority Member for the unanimous-consent request they made.

I have an unprinted amendment, Mr. President. It does not involve a large sum.

The PRESIDING OFFICER. The clerk will report the amendment.

Mr. STENNIS. I ask that it be immediately considered.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. STENNIS) proposes unprinted amendment No. 349.

Mr. STENNIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, lines 17 and 18, strike out $2,252,961,000 and insert in lieu thereof $2,253,461,000.

Mr. STENNIS. Mr. President, this concerns research money, in the neighborhood of $1.5 million to $2 million that was thought to have been included in research money of the Department of Transportation or some other group. But I am checking out the law—it concerned a waterways experiment station for the U.S. Army Engineers near Vicksburg, Miss., for part of it. The other is another installation somewhere in Illinois or the Central Mississippi Valley anyway, and it is not otherwise covered.

PAVEMENT RESEARCH

Mr. President, the Army requested funding in this bill for two programs totaling $1,490,000 for pavement research. These programs were eliminated by the House because similar research was supposedly funded by the Federal Highway Administration.

These programs are unique to the Army and do not duplicate other research in pavement technology. The reduction would completely stop all Army research in important aspects of airfield and line of communication maintenance.

I urge that these funds be restored.

I ask unanimous consent to have printed in the RECORD a fact sheet relating to this matter.

There being no objection, the fact

sheet ordered to be printed in the RECORD, as follows:

FACT SHEET

AUGUST 5, 1976.

Subject: Congressional Action to Eliminate Pavement Research from the FY77 Army RDT&E Program.

1. Purpose. To provide information on the impact of Congressional action to eliminate $1.49M of Army RDTE in MILCON and Engineering Technology ($1.23M) and Operating Technology for Military Facilities ($.260M).

2. Facts.

a. Congressional rationale for the reduction, originated in the House, was ostensibly to eliminate duplication of pavement research funded by the Federal Highway Administration (FHA).

b. The reductions will seriously impact critical on-going Army research programs at the Waterways Experiment Station (WES), Vicksburg Mississippi ($1.23M) and at the Construction Engineering Research Laboratory (CERL), Champaign, Illinois ($.260M).

c. Only $0.157M of the $1.49M reduction is concerned with pavement research that could be related to FHA interests. In no case do our RDTE programs, underway or proposed, duplicate FHA research. The remainder of the funds are for improvement of military off-road mobility and related capabilities and Army capability to maintain and operate our posts, camps and stations.

d. A recap of the funding and personnel affected is:

(1) Waterways Experiment Stations, Vicksburg, MS

(Dollar amounts in millions)

		Personnel
(a) Pavement Systems Research	$426	16
Military Airfields	.344	13
Other pavements	.082	3
(b) Lines of communication and other military research	.804	31
Subtotal	1.23	47
(2) Construction Engineering Research Lab. Champaign, Ill.:		
(a) Pavement research	.075	2
(b) Facilities operation and maintenance	.185	7
Subtotal	.260	9
Grand total, both labs	1.49	56

c. Specific programs seriously impacted.

(1) WES: Military capability to move supplies from CONUS to the combat zone; logistics over-the-shore facilities; bomb damage repair to runways; military vehicular mobility studies; tactical bridge egress/access roads.

(2) CERL: Procedure for efficient allocation of facilities engineer resources; corrosion studies of installation facilities; facility energy conservation research in support of the Army energy investment construction program.

Mr. STENNIS. The program is unique to the Army and does not duplicate other research by the Department of Transportation.

On that basis, I ask that this amendment be accepted.

Mr. McCLELLAN. Mr. President, the Army requested funding in this bill for two programs totaling $1,490,000 for pavement research. These programs were eliminated by the House because similar research was supposedly funded by the Federal Highway Administration. Now we find out that that possibly is not true.

These programs are unique to the Army and do not duplicate other research in pavement technology. I am advised the reduction would completely stop all Army research in important aspects of airfield and line of communication maintenance.

I do not think we want to do that, so I will take the amendment. It will be in conference, and we can determine then if that is agreeable to my colleagues.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

UP AMENDMENT NO. 350

Mr. HUDDLESTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes an unprinted amendment numbered 350.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Proposed by Mr. Huddleston to H.R. 14262, an Act making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes, viz:

On page 8, line 5, strike out "$195,550,000" and insert in lieu thereof "$198,550,000".

On page 8, line 10, strike out "$2,691,600,000" and insert in lieu thereof "$2,694,660,000".

Mr. HUDDLESTON. Mr. President, I have discussed this amendment with the distinguished chairman of the Appropriations Committee, the floor manager of the bill. It would merely restore $3 million for the Defense Mapping Agency.

When the bill was written that is before us now, some $3.9 million was taken out of the appropriations for the Defense Mapping Agency on the assumption that the agency would close one or more field offices during 1977. Thus, affecting a similar saving.

However, the Agency is undertaking a study and survey to determine which of the field offices should be closed.

Also, the Defense Mapping Agency has indicated that even if an office were closed immediately, this kind of saving would not be available until the next fiscal year.

So by leaving this appropriation out of their budget, it would force the Agency to close immediately one or more field offices without benefit of the information that will be developed by the study that it is conducting.

This would merely restore part of that cut in order that they can wait until they have made a thorough study to determine which of the field offices should be closed.

I think it is appropriate that we do restore this fund and, as I say, the manager of the bill has read this, has agreed to it.

Mr. President, my amendment would restore $3 million for the Defense Mapping Agency. I believe this restoration is necessary for a number of reasons.

First, DMA has announced a study to determine the feasibility of closing one of more of its four topographic center field offices. That study is now underway, with completion expected at the end of October. In initiating the study, however, DMA contemplated that there would be no savings from a possible closing until fiscal 1978. By making a reduction in the appropriation for fiscal 1977, as the bill before us does, Congress could force the closing of not just one but possibly more of the field offices in fiscal 1977.

Second, such a closing, if the reduction remains, would have to be made regardless of what the study might show should be done. This, it seems to me, would be a case of the proverbial putting the cart before the horse.

Furthermore, after completing the feasibility study currently underway, DMA, pursuant to the provisions of Environmental Protection Act, must prepare an environmental assessment of each field office. The assessment will be filed with the Council on Environmental Quality, disseminated to all parties and published in the Federal Register. Thus, no decision to close a specific field office could be made until all aspects of the various studies were completed and analyzed. I believe that this procedure is absolutely necessary in light of the interest which has been generated in this issue.

It is my understanding that some 28 Members of Congress as well as numerous State and local officials have been assured by DMA that no decisions on any particular field office would be made until all studies have been completed and all interested parties have an opportunity to make an input to the studies and to review and comment on the final results of the studies.

I am one of those particularly interested in reviewing the final results of the studies. As I informed the Director of the Defense Mapping Agency in my letter of April 9, 1976, which was also signed by Senator FORD and Representative MAZZOLI—

> We wish to reiterate our very strong hope that the pending decision will be made on a substantive, factual basis and will not turn on partisan, political consideration.

However, if the proposed reduction is allowed to stand, it is unlikely that any of the called for analysis will ever take place. Consequently, I believe we should restore funding for fiscal 1977 but at the same time encourage DMA to complete the current study by October 31, which is the deadline they themselves have set, and to make available for review by interested parties and members of Congress the results of that study. In light of these and other actions which must be taken, it seems obvious that any immediate closings would be premature.

I think the distinguished floor manager of the bill for the time allotted, and I move for the adoption of my amendment.

Mr. McCLELLAN. Mr. President, I think the distinguished Senator from

Kentucky has stated the facts with respect to his amendment. We have the background information necessary for full consideration of it.

Mr. President, the amendment of the Senator from Kentucky would restore $3 million out of a $3.9 million reduction associated with consolidating or closing certain field activities of the Defense Mapping Agency. In essence, the committee simply recommended that actions already planned for 1978 be accelerated into fiscal year 1977.

Based upon subsequent information, however, it appears that the Senator's point is well taken that this action was, at least in part, premature and that the reduction could result in closures or consolidations beyond those addressed by the committee. I, therefore, have no objection to accepting this amendment and attempting to refine the specifics of the proposal in conference with the House.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 351

Mr. McCLELLAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. McClellan) proposes an unprinted amendment No. 351.

The amendment is as follows:

On page 6, lines one and two, strike out $7,829,135,000 and insert in lieu thereof $7,829,885,000.

Mr. McCLELLAN. Mr. President, this is a very simple amendment. It would increase the funding for the Army's operation and maintenance appropriation by $750,000 for the installation restoration program.

I would refer my colleague's attention to page 130 of the committee report, where we indicated that $6.6 million had been deleted for the installation restoration program since it had been improperly classified as operation and maintenance, when the work planned was of a research, development, test and evaluation nature.

Subsequent to reporting the bill, the committee was advised that the $6.6 million involves five projects. Three of them are definitely of a research and testing nature such as soil sampling and analysis to determine where there is contamination and hence are not appropriate for operation and maintenance funding. One project for $500,000 involves no test or evaluation, as on the others, but rather involves actual earth movement where there is known contamination. In addition, a small portion of the cost of the project manager's office is appropriate for operation and maintenance funding.

This amendment, therefore, restores to the bill the $750,000 which is properly classified as operation and maintenance.

I move the adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I yield 3 minutes to the distinguished Senator from New Hampshire.

Mr. McINTYRE. Mr. President, as chairman of the Armed Services Subcommittee on Research and Development, I rise in support of the Appropriations Committee's amendments to H.R. 14262, the Department of Defense appropriations bill for fiscal year 1977.

Since the conference on the military authorization bill, I have followed with interest the treatment of the research and development budget in the defense appropriations bill.

I am pleased to note significant agreement between the research and development program in the authorization bill and in the appropriations bill before the Senate today. I commend the efforts of my distinguished colleague from Arkansas, who serves as the chairman of both the Defense Appropriations Subcommittee and of the Appropriations Committee as a whole.

Mr. President, I would like to take a few moments to call my colleagues' attention to some of the important research and development programs which this appropriations bill funds at the same level as the authorization bill.

In the Army section of the R. & D. budget, the Appropriations Committee sustained the Armed Services Committee's restructured program for the advanced scout helicopter, ASH, and the advanced attack helicopter, AAH.

The bill contains the $130,801,000 for the advanced attack helicopter, providing for the competitive prototype development of avionics equipment common to both the advanced attack helicopter and the advanced scout helicopter. The bill also includes $2 million for the Army ASH program so the Army can more fully define the program by fiscal year 1978. Congress will then have an opportunity to consider this program on its merits next year.

I am also pleased to note agreement between the Armed Services and Appropriations Committees on the urgency of the Army's surface-to-surface missile program. The authorizing legislation and this bill add $4 million to the President's request for $1 million to accelerate development of a new surface-to-surface rocket system. The Army has stated the need for such a system but has been slow in developing one. I am glad for the Appropriations Committee's support for accelerated development for this important capability.

Mr. President, this bill also supports the position of the Armed Services Committee wih regard to cruise missles. The funding provided will support development of the tactical sea launched and the air launched cruise missiles while continuing development of the critical components of the strategic sea launched cruise missiles without committing the United States to full-scale development.

In the Navy program, the Appropriations Committee sustained the authorization bill's increase in funding of the tactical towed array sonar program, Tactas, by $8 million to the level of $22,262,000.

The R. & D. Subcommittee has been very interested in programs designed to counter the threat of the growing submarine strength to our fleet. The tactical towed array sonar program will significantly advance the U.S. antisubmarine warfare technology over conventional sensors now available. The additional investment of $8 million in fiscal year 1977 will accelerate introduction of this capability into our operational fleet.

The bill before us is also in agreement with Senate Armed Services Committee support for and funding of the Seafarer program. This extremely low frequency communication system will substantially improve the Navy's ability to communicate with its nuclear submarines in a secure manner and thus improve their survivability.

The bill does not, however, allow the use of funds for full-scale development of Seafarer in fiscal year 1977. I am hopeful that if the Navy fulfills the contingencies for going into full-scale development relating to completion of studies on the environmental and biological impact, site selection, and development of an installation schedule set out in the conference report, that the Appropriations Committee would reconsider its position on full-scale development in this fiscal year.

In the Air Force section of R. & D., substantial agreement is found in treatment of the advanced ICBM technology program, the M-X. This bill contains $69 million for that program, the same amount agreed to by the conferees on the military authorization bill, and a reduction of $15 million from the President's request.

The Armed Services Committee has given much attention to the matter of how best to insure the survivability of our land-based intercontinental ballistic missiles. Especially because of the high costs involved, Congress must be certain that specific programs it funds will move us toward the goal of a more survivable force.

At this point, more must be known about the costs and survivability of the various deployment modes the Department of Defense is considering before Congress can be certain. The authorizing legislation clearly spells out what information is needed for further consideration of the M–X program.

Again, Mr. President, I commend the fine work by my colleague, the Senator from Arkansas. Between the military authorization and appropriations bills, fiscal year 1977 looks like the year for a strong and balanced program of research and development.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who seeks recognition?

Several Senators. Vote! Vote!

The PRESIDING OFFICER. If there be no further amendments——

Mr. McCLELLAN. Mr. President, as far as I know, there is only one other amendment that has been suggested that may be offered, and I see the distinguished Senator is not on the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 352

Mr. ABOUREZK. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from South Dakota (Mr. Abourezk) proposes an unprinted amendment No. 352.

The amendment is as follows:

> On page 6, line 12, strike "$9,605,564,000," and insert in lieu thereof "$9,615,564,000,".

Mr. McCLELLAN. Mr. President, can we agree on the time? We have one Senator who wanted to have 3 minutes before the vote at 2:30.

Mr. ABOUREZK. It is all right with me, whatever the Senate wants to do.

Mr. McCLELLAN. The Senator has an amendment. Would he agree to 2 minutes on each side so we can give another Member a little time?

Mr. ABOUREZK. Well, no.

Mr. McCLELLAN. He says he does not want to divide the time, whatever is left between now and the vote.

The PRESIDING OFFICER. There are only 3 minutes left before the vote.

Mr. ABOUREZK. Mr. President, may I ask what is coming up at 2:30?

The PRESIDING OFFICER. A vote on final passage.

Mr. ABOUREZK. All right. I ask for the yeas and nays on my amendment, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ABOUREZK. Mr. President, this amendment will add $10 million to the appropriation bill. The specific purpose for which I am offering the amendment is to provide for the maintenance, the operation and the refitting of the hospital ship U.S.S. *Sanctuary*.

The PRESIDING OFFICER. If the Senator will suspend. The Chair must advise the Senator that the amendment is out of order. It amends a figure which has already been amended.

Mr. ABOUREZK. I ask unanimous consent that I be allowed to offer the amendment:

The PRESIDING OFFICER. Is there objection?

Mr. McCLELLAN. Reserving the right to object—and I do not object, Mr. President—but I do want to move on. We do not have time to discuss this amendment now.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ABOUREZK. The hospital ship U.S.S. *Sanctuary*, which was in Philadelphia during the inquiry I have made on this matter, would require about $6.2 million—that is a rough estimate—to get it operational and get it started, and about $3 or $4 million—and that is another rough estimate—would provide for the operation of the ship for about a year.

The specific and immediate purpose for offering this amendment now is to provide some kind of humanitarian help for the civil war in Lebanon. I have talked to Deputy Secretary of Defense Clements and the National Security Council staff, all of whom have indicated they like the idea. Unfortunately, the bureaucracy there is incongruous enough so that they have made no final decision yet. Everyone I have talked to in the administration thinks it is a good idea.

There are doctors, specifically a doctor in Pittsburgh and other doctors, who are willing to go out and round up a volunteer medical staff to staff the ship. We would anticipate getting medicines from voluntary contributions, both from people throughout the country and from pharmaceutical companies.

While the immediate need is for the civil war and the tragedy in Lebanon, the National Security Council has informed me that they want to work on something even more permanent than that, beyond the civil war in Lebanon, to use a hospital ship of this nature in natural disasters around the world, as a symbol of the great traditions of the United States in providing humanitarian assistance whenever people——

The PRESIDING OFFICER. Time has expired.

Mr. McCLELLAN. Mr. President, we had this amendment before the Appropriations Committee last year, at which time the committee rejected it. I do not believe it was offered on the floor. It was a similar amendment to make use of this ship.

Now we have it again.

I want to say first, Mr. President, if we are going to do this, the funding does not belong in this bill.

The PRESIDING OFFICER. The Chair would advise the Senator from Arkansas that all time has expired.

Mr. McCLELLAN. I ask unanimous consent to proceed for 1 minute.

Mr. MANSFIELD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Did the Senator want 1 minute?

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Senator from Arkansas have 2 minutes.

Mr. MANSFIELD. One minute, to compensate for the time lost.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana. What is the request?

Mr. MANSFIELD. One minute for the Senator from Arkansas to conclude.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. All I ask, Mr. President, is that this matter come before the committee to let us weigh it and evaluate it, and then let us appropriate money to the proper agency. It should not come from funds for the Department of Defense.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from South Dakota (Mr. Abourezk). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. Clark), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Connecticut (Mr. Ribicoff) is absent on official business.

I also announce that the Senator from Massachusetts (Mr. Kennedy), the Senator from Delaware (Mr. Biden), the Senator from Michigan (Mr. Philip A. Hart) are absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark) and the Senator from Connecticut (Mr. Ribicoff) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Hawaii (Mr. Fong), the Senator from New York (Mr. Javits), and the Senator from Virginia (Mr. William L. Scott) are necessarily absent.

The result was announced—yeas 42, nays 46, as follows:

[Rollcall Vote No. 510 Leg.]

YEAS—42

Abourezk
Allen
Bayh
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Cranston
Durkin
Eagleton
Glenn
Gravel
Griffin
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Jackson
Johnston
Leahy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Morgan
Muskie
Nelson
Pell
Percy
Randolph
Stevenson
Stone
Symington
Taft
Williams

NAYS—46

Baker
Bartlett
Beall
Bellmon
Bentsen
Buckley
Byrd,
  Harry F., Jr.
Cannon
Chiles
Church
Culver
Curtis
Dole
Domenici
Eastland
Fannin
Ford
Garn
Goldwater
Hansen
Helms
Hruska
Huddleston
Laxalt
Long
McClellan
McClure
McGee
Moss
Nunn
Packwood
Pastore
Pearson
Proxmire
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—12

Biden
Brock
Clark
Fong
Hart, Philip A.
Javits
Kennedy
Mondale
Montoya
Ribicoff
Scott,
  William L.
Tunney

So Mr. Abourezk's amendment was rejected.

Mr. PERCY. Mr. President, I ask unanimous censent that on rollcall vote No. 510, the Abourezk amendment, unprinted amendment No. 352, I be permitted to change my vote. It would not change the outcome of the final vote. I voted "nay," I would like to change that vote to "aye."

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing rollcall vote has been changed to reflect the above order.)

ADDITIONAL STATEMENTS SUBMITTED

Mr. STENNIS. Mr. President, I would like the record to reflect that there is one important sum of money in this bill that has been agreed to by both bodies and, therefore, will not be in conference. This is the $1.6 billion in the Navy procurement account which I have referred to as the "old money" and which is being appropriated to cover obligations which the Navy thinks it will need to pay out on contracts entered into prior to 1975, cost growth, and claims. In other words, this covers the inflation under the old contracts, the change orders under the old contracts and funds for settling the claims filed by the various shipbuilders which are now plaguing the Navy shipbuilding program.

I am among those who have taken the lead in urging that the full sum of $1.6 billion be approved as requested in the President's budget and I am glad that this is the case.

As I have stated before, it is essential that the claims matter be settled in the interest of the Navy and in the interest of national defense. Otherwise, it will pose a serious threat to the shipbuilding program for the construction of new ships.

As a matter of record I want to urge that all parties to this matter, both the Navy and the shipbuilders, proceed to negotiate in good faith and complete this task in a reasonable period of time. The Congress has completed its efforts on this matter for this year and, therefore, it is incumbent that all other parties to this problem proceed to work out this situation.

An overwhelming vote speaks for the Congress. Congress wants the just claims paid. These settlements are a necessary step, I think, to building a more modern Navy. There is no time to lose.

Mr. GLENN. Mr. President, I rise to commend the committee for its emphasis on improving the capability of the Department of Defense to rehabilitate personnel suffering from alcohol-related problems.

Alcoholism is a disease. It is a major cause of death—even accidental deaths where alcoholics die at a rate seven times higher than the general population. However, alcoholism not only creates individual suffering, it costs institutions billions of dollars in lost manhours. One study in a large private industry found that alcoholics had 2½ times as many absences and received 3 times as much in sick pay than their fellow employees. Therefore, we should, for both individual and societal reasons, seek the diminution of alcoholism.

The Department of Health, Education, and Welfare tells us alcoholism is a disease which has psychological, physiological, and sociological aspects. Now I should like to make clear that I am not singling out military personnel. For example, I deplore the inadequate study released in 1975 by the Vice President's Domestic Council on Drug Abuse. Mr. President, in those 116 pages only one single page mentioned alcohol. Civilian priorities also are misdirected—in 1975 we spent $114 million on alcoholism, but the National Institute on Drug Abuse spent $208 million. Yet, as the chairman of the American Medical Association Committee on Alcoholism recently noted, alcoholism was designated as our No. 1 health problem in 1975.

Although I recognize that GAO studies inevitably suffer from a time-lag, their recent analysis suggests the need for program modifications in the Defense Department. Obviously, if DOD is still spending six times more on drugs than alcohol, the situation must be corrected. This is especially desirable given the $69 million lost through reduced efficiency for the Army and Navy—GAO report. The rationale for increased attention rests on the simple premise that early identification for abusers and their return to duty results in dollar savings, enhanced productivity, lower accident rates, and, ultimately, lower health care expenses.

In particular, I question the cost effectiveness of worldwide random urine tests. For example, the Air Force spent $3,609,400 on this program between fiscal year 1973–75, yet identified only 973 clinically confirmed drug abuses—fiscal year 1974 2 percent; fiscal year 1975 3 percent—at an average cost of $3,710 per positive identification. These statistics, and the resentment of service personnel under age 25 over this program, makes this program questionable. In the same period the USAF budgeted $95,800 for commander directed and unit sweep tests that identified 1,142 abusers at an average cost of only $434 per positive. Because the vast majority of service personnel who are drug abusers are identified by commanders and law enforcement, I believe the funds spent on random urine tests should be shifted to improving the alcohol abuse programs.

Further, I should like to reinforce the apparent emphasis on refining management information systems that incorporate the use of medical and law enforcement data in identifying personnel with alcohol problems.

Let me assure my colleagues that funds spent on alcoholism are not wasted. Indeed, experience reveals that alcoholism can be treated, rehabilitated personnel have multiplier effects and treatment is thus truly cost-effective. Obviously the more successful the Department is at helping those with alcohol problems, the greater are the benefits to the Nation, the Department, and perhaps, most importantly, to the individual.

SENATE SUPPORTS B-1 DELAY

Mr. PROXMIRE. Mr. President, I think it appropriate to take notice of the fact that the full Senate today went on record as recommending a delay in the production of the B-1 bomber. The delay proposal is part of the fiscal year 1977 Defense appropriations bill passed today by the Senate.

The delay was added to the bill by the Senate Appropriations Committee. No attempt was made on the floor to delete or modify this proposal.

Mr. President, there is significance in this lack of action by the B-1 proponents. Very simply it means that they calculated that the B-1 supporters were not numerous enough in the Senate to win any vote on the matter. Therefore, they decided not to introduce such an amendment. The thinking seems to be that the Senate conferees will give up this amendment to the House position.

Actually, the lack of a Senate vote on this matter is a clear sign of weakness by the B-1 supporters. It is a statement of the obvious—that the Senate is opposed to the B-1 on its current schedule. As a result of not attempting to strike the B-1 delay from the bill, the full Senate is now on record as having supported the delay.

Mr. President this is even more significant than the earlier vote on the Culver B-1 delay. The Senate conferees will be reinforced with the awareness that the delay is the Senate position and has been backed not only in the Appropriations Committee but by the entire Senate.

Mr. LAXALT. Mr. President, I support H.R. 14262 the Department of Defense appropriation bill for fiscal year 1977. But, I wish to call particular attention to titles IV and V of this legislation, which provide funds for procurement and research, development, test and evaluation of weapons. Compared to last year's funding for weapons procurement and R.D.T. & E., the fiscal year 1977 appropriation provides substantial increases and allows for real growth in these critical areas. The $8.4 billion increase in weapons funding in fiscal year 1977—a 27 percent increase over fiscal year 1976—represents a long overdue response to the relentless growth of Soviet military power.

However measured, Soviet military strength is a formidable reality which this country cannot afford to ignore. Although efforts to assess the level of Soviet defense spending are seriously hampered by major differences in accounting methods, the artificial value of the ruble, and the lack of reliable data, the Central Intelligence Agency has recently concluded that defense efforts absorb 11 to 13 percent of the Soviet Union's gross national product. By comparison, U.S. defense efforts take only about 5.5 percent of our GNP.

Soviet defense programs have a major impact on the Soviet Union's industrial output, absorbing almost 20 percent of total production. And, that impact is increasing. In 1973–75, Soviet defense spending increased at an annual rate of 5 to 60 percent, when a new generation of strategic missiles was being deployed. Earlier CIA estimates of Soviet defense spending in the 1963–73 period had put the annual growth rate at about 3 percent, compared to about 1 percent for the United States.

The result of these rising Soviet defense expenditures has been a massive build-up in military strength as indicated by sharply increased development and production of nuclear and conventional arms during the past decade. Although

Western analysts disagree on some of the details and implications of Soviet Military capabilities, it is generally acknowledged that the Soviet Union has achieved parity with the United States in strategic nuclear weapons, while at the same time improving its ground forces, modernizing and expanding tactical air power, and projecting Soviet naval capabilities on a worldwide scale.

In strategic arms, Soviet capabilities have continued to grow during the years of détente. Today's strategic parity is based on the fact that, while the Soviets have larger nuclear warheads and more intercontinental ballistic Missile launchers and sea-launched ballistic missile tubes, the United States has more manned bombers and many more nuclear warheads—due to MIRV technology—and these weapons have greater accuracy than Soviet nuclear arms. If this rough parity of strategic capabilities is to remain in balance, U.S. strategic programs must continue to provide the critical element of qualitative improvement in our nuclear arms.

For example, the Trident submarine and the Trident I missile are being developed for deployment in the late 1970's in response to the Soviet Delta submarine armed with the 4,200-mile SS-N-8 missile which is already operational in the Soviet fleet. Because our present land-based ICBM's are increasingly vulnerable to preemptive attacks, with these and other strategic programs to improve the accuracy and survivability of U.S. nuclear weapons, we will be able to preserve the delicate balance on which our safety may depend in the years ahead. Another vital U.S. strategic program is the MX missile, a MIRVed ICBM which will be mobile to increase its survivability in a nuclear conflict. Without these programs, the possibility of nuclear blackmail are too real in the 1980's.

The massive buildup of Soviet general purpose forces and conventional arms inventories of Warsaw Pact forces that has occurred in the past decade has seriously affected the military balance in Europe. The British Ministry of Defense warned in its 1976 "Defense White Paper" that the imbalance in conventional ground and air forces has moved further in the Warsaw Pact's favor, and that new Soviet weapons currently being deployed in larger quantities and of much better quality are generally equivalent to and in some cases superior to those of NATO. Soviet and Warsaw Pact tactical air forces are being expanded and modernized with variable-geometry—swing-wing—aircraft having increased range and payload, such as ground attack and fighter versions of the Mig-23 Flogger and the supersonic Su-19 Fencer multirole attack plane. On NATO's central front, Warsaw Pact forces now outnumber NATO forces 1.4 to one in combat troops, 2.7 to one in main battle tanks, 2.5 to one in field artillery, and 2.3 to one in tactical aircraft. In the Eastern Atlantic, the Soviet fleet has an advantage of two to one in surface ships and 1.7 to one in submarines, according to British estimates.

Mr. President, the Soviet Union's military-industrial complex is currently producing more than 200 ICBM's plus a variety of other missiles; about 1,000 combat aircraft, most variable-geometry designs and some vertical-takeoff/landing types, and some 100 helicopters, 3,000 tanks, and 4,000 armored personnel carriers. While some of this arms production may be destined for foreign sales and the 500,000 Soviet troops along the Sino-Soviet border, most of the weapons will be deployed in European U.S.S.R. and Eastern Europe. Some 700,000 Soviet troops make up more than half of the Warsaw Pact's combat strength, and Europe remains the Soivet Union's primary military concern for a variety of historical, ideological, and economic reasons.

As the Soviet Union becomes more dependent on certain raw materials produced by African, Asian, and Latin American countries, Soviet military interests will be increasingly focused on these areas. This geo-political factor may have influenced the phenomenal expansion of Soviet naval capabilities that began in the early 1960's, when the Cuban missile crisis also pointed up the value of naval power. Last year, Mr. President, the Soviet Navy graphically demonstrated in its OKEAN 75 exercise that it can conduct coordinated naval operations on a worldwide scale, clearly challenging the U.S. Navy's previous domination of the world's seas. As a country dependent on foreign imports of many essential commodities, the United States cannot ignore the serious implications of Soviet naval power for our national security and domestic economy.

Today, the Soviet Union is clearly ahead in the production of smaller warships, including missile-armed patrol craft, although we still lead in production of larger warships, including aircraft carriers. On the strategic level, Soviet shipyards have recently been building more submarines armed with nuclear missiles. The recent deployment in the Mediterranean of the *Kiev*, the first of three small Soviet aircraft carriers currently nearing completion, underlines the growing challenge of Soviet maritime expansion in all types of naval vessels. Western analysts are divided in their assessment of the United States-Soviet naval balance and its combat significance, but most observers feel that the Soviet Union's enormous investment in naval power seriously threatens the non-Communist world's economic development and military stability.

Mr. President, I believe that the funding provided in the fiscal year 1977 Defense appropriation bill is essential to the security and welfare of this country as we enter our third century and confront the challenges ahead. The military balance between this country and the Soviet Union is at best precarious in light of the continuing buildup of Soviet arms and military capabilities that is increasingly apparent. We cannot trust our national security slogans on the virtues of détente. We need a strong and effective defense capability. In my judgment, H.R. 14262 is a necessary step toward providing that capability and I urge its support.

SECTION 744, FISCAL YEAR 1977 DEFENSE APPROPRIATIONS ACT

Mr. **STENNIS**. Mr. President, I rise for the purpose of calling the attention of the Senate to section 744 of the pending bill which is as follows:

> SEC. 744. None of the funds appropriated in this Act may be expended by the Department of the Army for the design, procurement of plant equipment, or construction of new ammunition plant facilities except in areas in which existing ammunition plant facilities are being closed, placed in layaway, or at which production has been curtailed.

An identical provision was inserted in last year's Defense appropriation bill as a result of an amendment offered by the distinguished Senator from California (Mr. TUNNEY) which was adopted by a vote of 40 to 39.

As a matter of principle and proper procedure, I think that it is mistaken and misguided legislative policy to include provisions of this nature in appropriation bills. There are certain matters which should be left to the discretion of the department which is charged with carrying out the executive functions.

Even though I am convinced that the Senate acted erroneously in adopting the amendment of the Senator from California last year, it at least had some point, purpose and practical effect, all negative in my opinion. I say this because the fiscal year 1976 Defense Appropriations Act included $45.2 for construction of the badly needed Mississippi Army Ammunition Plant, which is a facility designed for the production of the new and significantly improved 155 milimeter ammunition. The adoption of the amendment has prevented the expenditure of these funds and thus has had an adverse effect on the Army's procurement of more modern ammunition. So far as I know the amendment has not had any beneficial effect in any State.

This year, however, the situation is entirely different to the extent that including this provision in the bill is completely meaningless and useless. It is surplusage, pure and simple.

I say this because, according to the Department of the Army, this provision in the fiscal year 1977 bill will have absolutely no effect because there are no funds in the bill that would be affected by the restriction. Certainly there are no funds in the bill for construction of the Mississippi Army Ammunition Plant.

Therefore, even though I think this is a very poor way to legislate, I do not propose to take up the Senate's time in an effort to have this provision deleted. If it affected the Mississippi Army Ammunition Plant or the State of Mississippi in any way, I certainly would offer an amendment to eliminate it and fight as hard as I could for its adoption. The fact is, however, that the provision is a useless appendage to the bill and means nothing.

The **PRESIDING OFFICER**. The time has expired. The question is on engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The **PRESIDING OFFICER**. The bill having been read the third time, the question is, shall it pass?

On this question the yeas and nays

have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Connecticut (Mr. RIBICOFF) is absent on official business.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Delaware (Mr. BIDEN), and the Senator from Massachusetts (Mr. KENNEDY) are absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from New Mexico (Mr. MONTOYA) and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea".

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Hawaii (Mr. FONG), the Senator from New York (Mr. JAVITS) and the Senator from Virginia (Mr. WILLIAM SCOTT) are necessarily absent.

The result was announced—yeas 82, nays 6, as follows:

[Rollcall Vote No. 511 Leg.]

YEAS—82

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brooke
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary
Hartke
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Laxalt
Leahy
Long
Magnuson
Mathias
McClellan
McClure
McGee
McIntyre
Metcalf
Morgan
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—6

Abourezk
Haskell
Hatfield
Mansfield
McGovern
Nelson

NOT VOTING—12

Biden
Brock
Clark
Fong
Hart, Philip A.
Javits
Kennedy
Mondale
Montoya
Ribicoff
Scott,
  William L.
Tunney

So the bill (H.R. 14262) was passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McINTYRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make such clerical and technical changes in the engrossment of the Senate amendments to H.R. 14162 as may be necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. HANSEN) appointed Mr. MCCLELLAN, Mr. STENNIS, Mr. PASTORE, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MCGEE, Mr. PROXMIRE, Mr. MONTOYA, Mr. INOUYE, Mr. SYMINGTON, Mr. YOUNG, Mr. HRUSKA, Mr. CASE, Mr. FONG, Mr. STEVENS, and Mr. SCHWEIKER conferees on the part of the Senate.

Mr. McCLELLAN. Mr. President, I want especially to thank my colleagues in the Senate for their splendid cooperation in getting this bill through with as little difficulty and debate as we have had.

I also commend and thank these members of the staff of the Committee on Appropriations who have assisted so well in processing this legislation. Their work has contributed greatly to expediting this measure: Mr. Jim Calloway, Mr. Guy McConnell, Mr. Dick Lieberman, Mr. Douglas Allen, Mr. Jim Fellenbaum, Mr. Pete Bonner, Miss Jane McMullan, and Miss Judy Spahr. They have all, Mr. President, worked faithfully and contributed much toward the successful processing of this legislation. The committee is deeply grateful to them.

I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I join the distinguished chairman, (Mr. MCCLELLAN), in the commendations he accorded staff members. We do have great staff members, among the very best in the Senate, to help us. They work continuously all year on the defense bill and become experts on all aspects of the bill.

EXECUTIVE SESSION

Mr. McINTYRE. Mr. President, I ask unanimous consent that the Senate now proceed into executive session in order to consider the nomination of Mr. Stever for the office of the Director of the Office of Science and Technology Policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF H. GUYFORD STEVER, OF THE DISTRICT OF COLUMBIA, TO BE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY

The assistant legislative clerk read the nomination of H. Guyford Stever, of the District of Columbia, to be Director of the Office of Science and Technology Policy.

Mr. McINTYRE. Mr. President, is there a time limitation?

The PRESIDING OFFICER. There is a time limitation, I understand, of 30 minutes, to be equally divided.

Mr. GRIFFIN. Mr. President, will the Senator yield to me for a parliamentary inquiry?

Mr. McINTYRE. Yes, I yield.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. GRIFFIN. Mr. President, how is the time allocated and under whose control?

The PRESIDING OFFICER. It is between and under the control of the majority and minority leaders or their designees.

Mr. GRIFFIN. Assuming that the time allocated to the minority leader is the time in opposition to the nomination, I ask unanimous consent that the time for opposition be extended to 30 minutes and that it be under the control of the Senator from North Carolina (Mr. HELMS).

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MOSS. I yield myself not to exceed 15 minutes, and I hope it will be less than that.

Mr. President, as chairman of the Committee on Aeronautical and Space Sciences, I am happy to report that the committee unanimously supports the nomination of Dr. H. Guyford Stever to be Director of the new Office of Science and Technology Policy. As you know, the members of the committee represent a broad segment of the political spectrum, from conservative to liberal, and it is significant that all members were convinced that Dr. Stever is well qualified to fill this important new position.

The only regret that I have is that it has taken so long for us to arrive at this point and I hope that the Senate will move swiftly now to confirm this appointment.

I have known Dr. Stever for many years to be a fine man with an outstanding record of dedicated public service and I am certain that, if confirmed by the Senate, he will execute the duties of the office with competence and dispatch.

I am submitting two letters and a statement which strongly support this nomination and ask that they be printed in the RECORD. They are:

First. A letter addressed to me as chairman of the Committee on Aeronautical and Space Sciences by Dr. Stever consisting of five pages. The letter—copies of which were sent to seven other Senators—clearly refutes the allegations made in the material that has been submitted for the hearing record and, I think, on the desks of the Senators today.

The heart of the allegations of the Senator from North Carolina is statements made by Arthur Jones who is a reviewer at the National Science Foundation. In the letter it is pointed out that Mr. Jones clearly refutes the statements credited to him.

Second. I have received from NSF a statement of activities of Dr. Stever for 1975–76. The statement shows the extensive activity of Dr. Stever in taking care of management problems which existed at NSF. It gives great credibility to his management capabilities.

Third. A letter of support from the National Academy of Sciences.

Mr. President, I ask unanimous consent that all three of these letters and statements be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL SCIENCE FOUNDATION,
Washington, D.C., August 2, 1976.
Hon. FRANK E. MOSS,
Chairman, Aeronautical and Space Sciences Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to the letter to you dated July 28, 1976, from Senator Helms of North Carolina, enclosing a statement in opposition to my confirmation as Director of the new Office of Science and Technology Policy established by P.L. 94–282. I note that Senator Helm has included a similar statement in the Congressional Record of the same date.

I certainly respect the right and indeed the constitutional responsibility of Senator Helms to express his opinion as to my fitness for this position. I should like, however, to clarify for the record certain of the factual matters Senator Helms has raised.

The basis for Senator Helms' concern apparently has to do with the possibility of a "coverup" by high-ranking NSF officials in connection with the report of an internal NSF review team formed last year at my request to conduct a thorough study of NSF activities in precollege curriculum development, in response to the great interest in this subject expressed in the Congress and among segments of the press and the public. Subsequently, shortcomings were discovered in the work of the review team. It is the Appendix to the report which in particular may be the basis for Senator Helms' concerns.

Over the past year I have testified extensively on this matter before various committees of the Congress. I believe that a fair reading of my testimony will show that I have repeatedly acknowledged error in the NSF precollege curriculum area and in the report of the review team. I have consistently cooperated with the Congress in this matter. Furthermore, the National Science Board and I have worked diligently to change personnel, administrative practices, and management procedures to ensure that such mistakes will not occur again.

There are certain statements in Senator Helms' letter to which I would like to respond. Most disturbing is the statement that the report was rewritten so as not to reflect the finding of one of the review team members that misrepresentation had occurred in the presentation to the National Science Board of the peer reviews on one of the precollege curriculum projects selected for detailed case study. This was the Individualized Science Instruction System project (ISIS). Senator Helms' letter bases this allegation on the fact that the original draft material prepared by this team member included a section entitled, "ISIS: Problems Suggested by Detailed Review," which included certain paragraphs dealing with the misrepresentation to the National Science Board. These paragraphs are missing from the corresponding section in the final review team report.

It is true that in the editing process the paragraphs cited in Senator Helms' letter were taken out of this particular section of the report. However, the material dealing with the misrepresentation to the Board was included elsewhere in the ISIS portion of the report. The following statement appears in the final version of the report:

". . . In the written material presented to the National Science Board, reviewers' remarks concerning the original proposal could appear to be taken out of context and appear to be a misrepresentation of what the reviewers actually said. This is because the NSB writeup does not describe the negative comments, Dr. Burkman's detailed rebuttal, and the meeting between ISIS and NSF staff which dealt adequately, in staff's review, with reviewer criticisms."—Report of Science Curriculum Review Team, Vol. II, p. 106.

In the material which Senator Helms submitted for the record, the original "Problem" list or critique and that appearing in the final version of the report, are presented in a side-by-side comparison. Presenting these lists in this manner without mention of the above-quoted statement in the review team report is misleading.

In connection with this same material, Senator Helms' letter states that certain NSF officials pressured the responsible NSF review team member, Dr. J. Arthur Jones, to delete the referenced paragraphs from the critique. The letter also states that Dr. Jones confirmed this to be true in conversation with Congressman John Conlan's staff.

Dr. Jones, on his own initiative, after reading the statement by Senator Helms, has pointed out to NSF Deputy Director Richard C. Atkinson that the statement of his contact with Congressman Conlan's staff is in error. Dr. Jones confirms he received a call from a man who identified himself as a member of Congressman Conlan's staff. In response to the caller's questions, Dr. Jones confirmed that he was a member of the internal NSF review team and the author of the original "ISIS: Problems Suggested by Detailed Review." According to Dr. Jones, nothing more of substance was said on either side; in particular, there was no discussion of "pressures" that others might have put on him to change the list. Dr. Jones also categorically denies that any such pressure was put on him in connection with the review team report. He states that he in fact prepared, in accordance with general instructions from the review team leaders, the second version of the critiques referenced in Senator Helms' letter, as well as the first. Although I must say I am not in a position, for lack of direct personal involvement, to confirm these facts, such a statement is entirely consistent with one Dr. Jones made to me in the period shortly after the GAO report was sent to us in January, 1976.

By mentioning these points, I do not imply that there are no problems with the report of the precollege curriculum review team, or with the past management of our NSF program in precollege curriculum development. In July of 1975, in the course of the special oversight hearings on NSF peer review held by the House Subcommittee on Science, Research, and Technology, I stated that there certainly had been management and administrative slippage in the handling of the ISIS case. My testimony on this point may be found on pages 172–173 of the hearing record. I do not believe this record supports the statement in Senator Helms' letter that at these hearings I categorically denied misrepresentations of the peer reviews to the National Science Board. I believe the record there and in other testimony since shows that I have consistently acknowledged the breakdown in the grant award process that occurred in the ISIS case.

Also on this subject, Senator Helms' letter references a May 1975 article appearing in the National Observer. This article mentions that material concerning false editing of the ISIS peer reviews was omitted from a draft version of the ISIS report. Despite the problems with the later final version that have been subsequently discovered, I believe it was in fact a sharper and more critical document than the earlier draft. Since the focus of the present discussion is on the ISIS case study, I am submitting both of these versions for the record. They demonstrate that a steady dilution of the findings did not occur in the evolution of the final report.

There is no question, as I have repeatedly stated to the Congress, that we did not do a thorough job on certain aspects of the report. Mistakes were made in the case study compilations. For example, while the misrepresentations to the Board in the case of ISIS were discovered and reported, similar misrepresentations in the processing of other ISIS grant actions were not, as GAO subsequently discovered. Since the internal NSF report was quite critical of NSF practices generally in precollege curriculum development, and of the handling of ISIS in particular, I believed that all such problems had been identified at the time I received the report and sent it to the NSF's House oversight committee. As soon as I became aware from the GAO report that there were errors in our report, I examined the ISIS materials myself and realized GAO was right. I immediately initiated action to look into the other precollege curriculum projects to determine if similar problems existed that had not been reported. When our preliminary findings indicated that they did, I so informed Chairman Symington and Mr. Mosher of our House oversight committee. We agreed that a full GAO study of the preparation of the review team report would be the best way to clarify this matter.

Senator Helms' letter also states that the GAO findings on ISIS "pointed to obvious coverup by top NSF management to suppress the true facts from Congress." In an earlier letter sent to the President over Senator Helms' signature and cited in the instant letter, similar allegations were made to the effect that, "Now, with evidence that top NSF officials did know about the wrongdoing when they denied it to Congress, the GAO is again down at the Foundation investigating official coverup within NSF." In this connection, I note that the Comptroller General has stated that GAO is "in possession of no such evidence." I am enclosing a copy of the pertinent GAO letter for the record.

Let me again clarify my position with regard to cooperation with the Congress and the GAO. I have consistently taken the position that NSF will never withhold such information if requested by a committee of the Congress or the Congress as a whole. GAO has always had full access to all relevant documents, including peer reviews. We have withheld such reviews from individual members of Congress, believing that since reviews are solicited in confidence we owe it to our reviewers to maintain this confidentiality to the extent permitted by law. In this I am following the policy established by the National Science Board. This principle was effectively reaffirmed by a vote in the House in connection with the NSF 1977 authorization bill. But this practice of withholding reviews does not obtain in instances when they are officially requested by the Congress, or the Congress acting through GAO.

I believe that the record over the past year convincingly demonstrates our commitment to put NSF activities in order. The necessary corrective actions have been taken and new management procedures and a new management team installed in science education. Above all, I think it is clear that there was no deliberate attempt to withhold or otherwise conceal information from the Congress or the public at large about any of these activities. NSF management has been strengthened in general by the new procedures instituted as a result, among other things, of the deficiencies discovered in the curriculum area. I further believe that the NSF program in precollege science curriculum has been put on a much sounder basis. We have learned from our mistakes and deeply appreciate the understanding and confidence in us shown by the Congress and the scientific community.

I appreciate the opportunity to set forth my views. It is for the members of the Senate, of course, to determine whether I possess the requisite qualities for the position of Director of the Office of Science and Technology Policy. I am confident that your judgment will reflect a full and fair consideration.

Sincerely yours,
H. GUYFORD STEVER,
Director.

NATIONAL ACADEMY OF SCIENCES,
August 5, 1976.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS. I am very pleased that the President has submitted the nomination of Dr. H. Guyford Stever to be Director of the Office of Science and Technology Policy in the Executive Office of the President. In my view Dr. Stever is uniquely suited to fill this position. His administrative and management capabilities as Director of the National Science Foundation, and his intimate knowledge and broad grasp of the problems that will be faced in organizing that office well suit him to undertake this assignment.

I urge favorable and early action by the Senate so that the Administration may begin immediately to initiate the legislative policy established earlier by the Congress with the passage of the National Science and Technology Policy, Organization, and Priorities Act of 1976.

Sincerely yours,
PHILIP HANDLER,
President.

STATEMENT OF ACTIVITIES

(By Dr. H. Guyford Stever, 1975–76)

During the past year Dr. Stever has been heavily engaged in efforts to improve the management capacity of NSF and on important issues in science policy generally. As one illustration of Dr. Stever's activities, the record indicates he has testified 27 times before various committees of the Congress over the past 18 months. (A list of appearances is attached).

One critical issue of concern to Dr. Stever has been the Foundation's peer review system of proposal evaluation, which has occasioned much recent discussion within the scientific community, in the science press, and among concerned members of the Congress. Dr. Stever has put into motion over the past year an extensive analysis of peer review involving NSF staff, the National Science Board, the scientific community, and the Congress. Six days of hearings were held in July, 1975, by the House Subcommittee on Science, Research and Technology. Dr. Stever testified extensively at these hearings, and NSF staff worked closely with the House Committee staff in preparing for them. Dr. Stever and NSF have also initiated other analyses and special studies of peer review, including a study of the NSF peer review system by the National Academy of Sciences and a survey conducted jointly by the Congress and the National Science Board of approximately 4,500 people who have participated in the peer review process to obtain their views on strengths and weaknesses of current procedures.

Internal personnel and management matters have also occupied much of Dr. Stever's attention over the past year. Dr. Stever has attempted to broaden the management base of the Foundation and to provide a more balanced framework for the support of basic research. A distinguished social scientist has been brought in as Deputy Director and, as part of a general NSF reorganization, the NSF programs in the biological, behavioral, and social sciences have been elevated in status to a separate directorate with a Presidentially-appointed Assistant Director.

In particular, Dr. Stever has directed much time and attention to the Science Education area. While past mistakes have been corrected where possible, a more fundamental concern has been to prevent recurrence of similar situations in the future. Dr. Stever has installed a completely new management team in the Science Education Directorate. New Foundation-wide procedures have been adopted, such as the Action Review Boards, which review the integrity of the process for each proposed award.

Thus, the Foundation's program in Science Education has been put on a sound basis for the future, and the Foundation's management in general has been greatly strengthened.

In his capacity as the President's Science Adviser, Dr. Stever has also been called upon over the past year to deal with a range of critical issues. These include depletion of the earth's protective ozone layer, problems of energy research and development, prediction of earthquakes and mitigation of natural hazards, and proper allocation of funds for science and technology in the President's FY 1977 budget. In addition, Dr. Stever was personally involved in the formulation of the legislation embodied in P.L. 94–282, establishing the new Office of Science and Technology Policy in the Executive Office of the President. This legislation was requested by the President on June 9, 1975, and subsequently evolved over the succeeding year. Both as Science Adviser and as Director of the National Science Foundation, Dr. Stever had a major hand in the drafting of the initial legislation and in the subsequent evolution of the National Science and Technology Policy and Priorities Act of 1976.

This activity on a broad front reflects a concentrated effort both to strengthen the National Science Foundation and to assure the strength of the American scientific and technical structure and scientific institutions in general.

CONGRESSIONAL HEARINGS, 1975

February 5, 1975: Committee on Science and Technology, House of Representatives, FY 1976 Plans.

February 18, 1975: Subcommittee on Science, Research and Technology, Committee on Science and Technology, House of Representatives. Authorization for the NSF FY 1976 Program.

February 20, 1975: Subcommittee on Science, Research and Technology, Committee on Science and Technology, House of Representatives. Authorization for the NSF FY 1976 Program.

February 26, 1975: Subcommittee on HUD—Independent Agencies, Committee on Appropriations, House of Representatives. FY 1976 Appropriations.

March 3, 1975: Subcommittee on HUD—Independent Agencies, Committee on Appropriations, United States Senate. FY 1976 Appropriations.

March 14, 1975: Special Subcommittee on the NSF, Committee on Labor and Public Welfare, United States Senate. FY 1976 Authorization.

April 22, 1975: Subcommittee on Environment and the Atmosphere, Committee on Science and Technology, House of Representatives. Federal Program of Environmental Research and Development.

June 10, 1975: Committee on Science and Technology, House of Representatives. Regarding the establishment of a new Office of Science and Technology.

July 10, 1975: Subcommittee on Domestic and International Scientific Planning and Analysis, Committee on Science and Technology, House of Representatives. As Chairman of the Federal Council on Science and Technology to discuss the Federal Government's overall Research and Development Program.

July 23, 1975: Subcommittee on Science, Research and Technology, Committee on Science and Technology, House of Representatives. Review several aspects of the NSF's Decision Process.

July 31, 1975: Subcommittee on Science, Research and Technology, Committee on Science and Technology, House of Representatives. NSF Award Decision Process.

September 15, 1975: Subcommittee on the Upper Atmosphere, Committee on Aeronautical and Space Sciences, United States Senate. Public concern over possible reduction in ozone; concentration of the Stratosphere.

November 12, 1975: Committee on Aeronautical and Space Sciences, United States Senate. As Science Adviser and Director, NSF discussed question of national science policy and the pending legislation to establish an Office of Science and Technology Policy in the Executive Office of the President.

November 18, 1975: Subcommittee on Domestic and International Scientific Planning and Analysis, Committee on Science and Technology, House of Representatives. Programs of scientific and technical cooperation with the Soviet Union.

December 10, 1975: Subcommittee on Science, Research and Technology, Committee on Science and Technology, House of Representatives. Overview of NSF Programs.

CONGRESSIONAL HEARINGS, 1976

February 11, 1976: Subcommittee on Aviation and Transportation Research and Development, House of Representatives. As Science Adviser and Director, NSF discussed requirements for modernization of the Nation's aeronautical facilities in connection with the FY 1977 NASA Authorization.

February 25, 1976: Physical Resources Task Force, Committee on Budget, House of Representatives. Overview of the NSF's proposed program for FY 1977.

February 27, 1976: Subcommittee on Military Installation and Facilities, Committee on Armed Services, House of Representatives. As Science Adviser and Director, NSF discussed the proposed construction of a new aeropropulsion systems test facility at Arnold Air Force Base.

March 1, 1976: Special Subcommittee on National Science Foundation, Committee on Labor and Public Welfare, United States Senate. NSF's proposed program for FY 1977.

March 2, 1976: Subcommittee on HUD-Independent Agencies, Committee on Appropriations, House of Representatives. NSF's proposed budget for FY 1977.

March 31, 1976: Subcommittee on Military Construction Authorization, Committee on Armed Services, United States Senate. Submitted as Science Adviser and Director, NSF statement for the record on the proposed construction of a new aeropropulsion systems test facility at Arnold Air Force Base.

April 6, 1976: Subcommittee on Military Construction, Committee on Appropriations, House of Representatives. As Science Adviser and Director, NSF to discuss the proposed construction of the aeropropulsion systems test facility at Arnold Engineering Development Center.

June 8, 1976: Technology Assessment Board, United States Congress. As Science Adviser and Director, NSF to discuss technology assessment.

June 22, 1976: Subcommittee on Science, Research and Technology, Committee on Science and Technology, House of Representatives. As Science Adviser and Director, NSF to discuss Federal activities for reducing the hazards of earthquakes.

July 20, 1976: Subcommittee on Domestic and International Scientific Planning and Analysis, Committee on Science and Technology, House of Representatives. As Science Adviser and Director, NSF to discuss the coordination of research and development activities in the Federal Government.

July 21, 1976: Temporary Select Committee to Study the Senate Committee System. As

Science Adviser and Director, NSF to discuss Senate organization for handling Science and Technology.

July 28, 1976: Committee on Aeronautics and Space Sciences, Subcommittee on Science, Technology and Commerce, Committee on Commerce and the Subcommittee on the National Science Foundation of the Committee on Labor and Public Welfare, United States Senate. As nominee for Director, Office of Science and Technology Policy.

Mr. MOSS. Mr. President, I have been requested by the senior Senator from Massachusetts (Mr. KENNEDY) to submit for him a statement he has prepared supporting the nomination of Dr. Stever. Senator KENNEDY is chairman of the subcommittee that has jurisdiction over the operation of the National Science Foundation and the Office of Technology Assessment and, as such, he has worked very closely in this area. He was a cochairman of the committee that heard the testimony of Dr. Stever upon his nomination. There was no opposition from any member of that committee that I am aware of and, therefore, I urge that the Senate proceed to confirm Dr. Stever who has been nominated by the President to hold this important position.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR KENNEDY

On May 11th, the President signed the National Science and Technology Act into law, and for the first time in our history America has a workable framework of policy and priorities for science and technology. Today the Senate is taking the last step in the process whereby the nation will once again have a Science Adviser to the President.

This is deeply gratifying to me since it was over five years ago that I introduced the original version of the national science policy bill, and it has been a long, arduous process to perfect the legislation and enact it into law. I want to express my appreciation to all the members of the Senate on both sides of the aisle who have cooperated and contributed in helping reach this goal, and to the President for sending us the nomination of Dr. Guyford Stever for this important post.

However, in this time of public skepticism toward government officials and institutions, we should ask what this new law adds up to, what practical difference it will make to our nation and our citizens?

I personally believe it can make a great deal of difference in many ways:

Thus, the Science Adviser will provide the President—for the first time since the Kennedy Administration—with independent, objective analysis of military R&D programs. This should enable us to increase real national security while reducing defense expenditures;

And the Science Adviser's membership on the Domestic Council will give him a continuing role in dealing with domestic policy issues;

The two-year survey of Federal science and technology will enable us to streamline Federal programs while making them more responsive to emerging needs and opportunities. At the same time we can strengthen the nation's commitment to basic research and education in science and engineering;

The five-year outlook provision (section 206) forces us to look ahead and set future targets for current programs. This section also assures that the Science Adviser will play an integral part in the formulation of the Federal budget;

The establishment of an Intergovernmental Science and Technology Advisory Panel enables us to decentralize and distribute the benefits of science and technology more fully among all regions of the nation; and

Title I establishes as national policy that continued Federal funding for science and technology represents an investment in the future which is indispensable to sustained national progress, and the manpower pool of scientists, engineers, and technicians should be utilized to the fullest extent possible.

These policies and programs will have a profound impact on the individual citizen. For the President will now have a competent Science Adviser to turn to for help with decisions on when and how to:

Inoculate the population against potential epidemics;

Set automobile emission standards which are realistic and environmentally sound;

Ban toxic substances from water and air;

Eliminate unnecessary food additives and ineffective drugs;

Evaluate the risks and benefits of nuclear energy;

Develop solar and fusion power; and

Proceed with potentially hazardous research in fields like recombinant DNA.

These examples could be multiplied many times over; for we live in an age of science. This is what dominates our national security, our international affairs, our domestic economy, and the quality of our environment.

But science for most of our citizens is a mysterious code that can only be deciphered by specialists. The policy issues faced by the President involve too many complex technical factors for him not to have immediate access to the very best scientific advice available.

No single scientist can provide such advice. But a first-rate science adviser with outstanding staff and consultants can rapidly tap the topflight technical talent throughout our society—to provide the President with the best advice possible.

With such advice, and with the policy framework provided by this Act, we can chart the course of our third century. For science is the key to the future, and the President's Science Adviser is the link between science and national goals.

So it is with great pleasure that I welcome the nomination of Dr. Guyford Stever, the distinguished Director of the National Science Foundation, to serve as first Science Adviser to the President under this Act.

A joint hearing on the nomination was held last Wednesday by the Senate Committees on Labor and Public Welfare, Commerce, and Aeronautics and Space. The nomination was favorably reported by all three Committees, and is now before the Senate for final approval.

The naming of H. Guyford Stever to head the new White House Office of Science and Technology Policy insures that there will be continuity of experience in the science advisory activities at the highest level of the Government.

Dr. Stever has served as Science Adviser since July 1, 1973, when the former Executive Office of Science and Technology was abolished and its activities transferred to Dr. Stever as Director of the National Science Foundation. This was effected through Reorganization Plan No. 1 of 1973. At the time of that transfer Dr. Stever was also designated Science Adviser by President Nixon. The dual role of NSF Director and Science Adviser has been carried out by Dr. Stever in a most commendable fashion, and the reestablished White House science office will be in able, experienced hands.

The science policy analysis groups established by the National Science Foundation to carry out special studies and analyses in the past several years, as needed by the Science Adviser, will continue to function as backstopping groups to the new OSTP.

As Chairman of the Federal Council for Science and Technology since 1973—an important part of the responsibilities of the Science Adviser—Dr. Stever is well acquainted with every aspect of the Federal organization for science and technology. Under his direction a detailed study and reexamination was made of the functions and activities of the FCST since its establishment in 1959. This will be invaluable in organizing the successor to the FCST—the new Federal Coordinating Council for Science, Engineering, and Technology—into an even more effective coordinating mechanism for Federal science programs.

Dr. Stever who has been an active Chairman of the U.S.-U.S.S.R. Joint Commission on Scientific and Technical Cooperation also has a broad view of international science activities.

Mr. President, I urge my colleagues to support Dr. Stever's nomination so that the important new Office of Science and Technology can begin its work.

Mr. BROOKE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MOSS. Yes.

Mr. BROOKE. Mr. President, I ask unanimous consent that a statement of the senior Senator from New York (Mr. JAVITS) in support of the nomination be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR JAVITS

I commend to my colleagues Dr. H. Guyford Stever and urge the confirmation of his nomination as Director of the Office of Science and Technology Policy (OSTP). A native of New York, Dr. Stever is eminently qualified by education, training, and experience to serve as the Director of this Office.

Dr. Stever's nomination has been unanimously reported to this body by the Labor and Public Welfare Committee, the Commerce Committee, and the Aeronautical and Space Sciences Committee. His nomination has broad bipartisan support here in Congress, and wide support from the science and academic communities.

Dr. Stever has served as Director of the National Science Foundation since February of 1972. In June of 1973 Dr. Stever was designated Science Advisor to the President and Chairman of the Federal Council for Science and Technology.

Dr. Stever was born in Corning, New York, attended Corning public schools, and was a scholarship student at Colgate University, one of New York's great educational institutions. From Colgate, where he majored in physics, he journeyed West to the California Institute of Technology where he received his Ph. D in physics in 1941.

During World War II Dr. Stever was science liaison officer at the London Mission of the Office of Scientific Research and Development under Dr. Vannevar Bush. In 1945, Dr. Stever returned to the United States and for the next twenty years served in a variety of capacities at the Massachusetts Institute of Technology. His contribution to MIT has properly been dubbed almost a "one-man university". He served as professor, the Associate Dean of Engineering (1956–1959), Professor of Aeronautical Engineering (1956–1965), and head of the Departments of Mechanical Engineering, Naval Architecture, and Marine Engineering.

Yet, Mr. President, during these years at MIT, Dr. Stever continued to provide invaluable public service to the federal government. He was Chief Scientist of the Air Force (1955–1956), a member of the Defense Science Board (1959–1965), a member of the advisory panel to the House Committee on Science and Astronautics (1959–1972), and a member of thte President's Commission on the Patent System (1965–1967), upon which he served as Chairman of the Commission's ad hoc science panel.

Notwithstanding this pace of professional activity, Dr. Stever has found the time to publish over forty-five articles, and is the author, with James J. Haggerty and the editors of *Life*, of *Flight*, a volume in the Life Science Library.

Dr. Stever's nomination should be favorably received by the Senate for one other point which I feel to be critical. That is that Dr. Stever has enormous standing with his fellow scientists.

As Director of the National Science Foundation Dr. Stever has ably and responsibly led this agency through reorganization, growth, and examination of internal management problems. His tenure has seen a thorough reexamination of certain controversial social science research and development programs conducted by the Foundation, such as MACOS and ISES. Dr. Stever has been open and cooperative both with the Congress and the public with respect to the examination of these curriculum controversies, and has moved to correct any part of the programs in question in a swift and responsible manner. Dr. Stever's conduct during the examination of these controversial NSF programs, rather than to be a basis for which to question his capacity to serve as the Director of the Office of Science and Technology Policy, is a further commendation of his fitness for the post.

I ask unanimous consent to insert in the RECORD at the close of my remarks my letter of March 19, 1976 to Dr. Stever and his response to me dated June 17, 1976.

(See Exhibit 1.)

In the joint hearings on this nomination I questioned Dr. Stever on these matters and am satisfied that his concept of the role of the federal government in support of both science education and science research reflects a full and broad perspective which can bring much benefit to the decision-making process at the highest levels of government.

The President will be ably served by Dr. Stever as Science Advisor, and the Nation will certainly benefit. Therefore, I commend him highly to my colleagues and urge his confirmation.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., March 18, 1976.

Dr. H. GUYFORD STEVER,
Director, National Science Foundation,
Washington, D.C.

DEAR DR. STEVER: Thank you for your letter of March 3, 1976 in which you outline the 45 million budget request for the United States Antarctic Program for fiscal year 1977.

The role of the National Science Foundation as the administering agency for the interests of the United States pursuant to the Antarctic Treaty is, as you note, broader than that normally embraced within the framework of the Foundation's responsibilities. The budget for this program is properly segregated from budget requests for other NSF activities. I view the $45 million request, particularly in light of nonrepetitive aircraft acquisition cost of $18 million in FY 1976, as adequate to sustain a vigorous and visable United States scientific research program in Antarctica.

As you know, S. 3068, the Administration's NSF Authorization Bill which I introduced on March 3, reflects an increase in support for basic science research. It is my judgment that this increase is most proper, and deserves the full support of Congress. However, I am concerned that the increased funding for basic science research is being tied to a decrease in support for science education programs within the National Science Foundation.

The reticence of the Foundation and the Administration to firmly support science education programs may in part reflect political buffeting occasioned by certain social science research and development programs conducted by the Foundation, such as the recent MACOS and ISES curriculum controversies. Overreaction to such controversy tends to increase politicization of the Federal support of both social science and basic science research. Such politicization of federal support of science is, in my view, not in the national interest.

Just as the quality of life in the United States—environmental, health, economic, and social—is inextricably connected to the orderly and purposeful development and utilization of science and technology, such development is critically related to continued strengthening of the Nation's pool of scientific talent. Thus, in my judgment, it is imperative that increased Federal support in FY 1977 for basic science research should not come at the expense of already weakened science education programs.

As you know, §3(a) of the National Science Foundation Act of 1950 states in part that the Foundation is directed "to initiate and support . . . programs to strengthen scientific research potential and science education programs at all levels . . ." While I am heartened by, and fully endorse, the increased support for basic science research embodied in the Administration's 1977 NSF Authorization Bill, I feel that any effort by Congress, the Administration, or from within the NSF to lessen the Foundation's ability or resolve to fully and completely carry out its responsibility pursuant to §3(a) should be strenuously resisted.

I will take this opportunity to suggest that the Administration, as well as Congress, begin consideration of changing the requirement of §16(a) of the National Science Foundation Act of 1950 for annual reauthorization of NSF programs. The annual authorization process diminishes program stability within the National Science Foundation and consumes far more time than is necessary within the Congress and the Agency with routine reauthorization matters. A 2-year authorization should allow sufficient Congressional oversight of both Foundation programs and funding levels, while enabling the Foundation to devote more time to the proper management of those programs.

In view of your dual role as Science Advisor to the President and Director of the National Science Foundation, I am sure you share my concern that the long-term implications of shifts in our Nation's science policy must carefully be examined.

I look forward to receiving your views with regard to the proper federal role in science education, and of the efficacy of extending the authorizations period for National Science Foundation programs.

With best wishes,
Sincerely,
JACOB K. JAVITS.

NATIONAL SCIENCE FOUNDATION,
Washington, D.C., May 17, 1976.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for your letter of March 18, 1976 in which you expressed support for increased funding of basic science; the proposed Antarctic Program budget; and concern about the decrease in NSF funds for science education. You also requested my views on the education trend and on the suggestion that two-year authorization of the Foundation's programs replace the present annual reauthorization.

The decrease in funding of direct science education programs, both in dollars and as a percent of the total Foundation budget, reflects three judgments: (1) that many of the objectives of the original programs have been met; (2) that some programs were large, but not clearly effective; and (3) that an effective way to carry out science education is through participation in research programs.

The first judgment derives from data showing that we now have and will have an excess supply of scientists through 1985. Consequently, the need for large-scale Fellowship and Traineeship programs cannot be demonstrated, although some Fellowship programs have been maintained by the Foundation to maintain the quality of the scientific manpower pool. Fellowships in 1968 were $46.1 million and are $15.1 million in our FY 1977 request.

The second judgment applies primarily to retraining elementary and secondary school science teachers. While the retraining programs—the teacher institutes—were demonstrably popular with teachers, there was very litle evidence that they had an incremental impact on student performance. Some experiments and demonstrations to establish student effects may be warranted, but it is difficult to demonstrate that the 1968 level for institutes—$34 million—could or should be spent every year. We will be conducting a needs assessment on alternative ways of improving pre-college science instruction, including teacher institutes.

The reductions in Fellowships and teacher institutes more than account for the apparent dollar decrease in science education. But the dollar figures do not give an entirely accurate picture, since we should apply our third judgment to the increases requested for basic research. The increases in basic research requested by the Foundation imply an increase in science education activity not captured by our accounting systems. Since our basic research is carried out primarily in universities, and with the involvement of graduate students and assistants, the true proportion of science education activity supported by the Foundation is higher than the 10 percent reflected in the budget.

We do not know what the "optimal" percentage for science education should be. In the face of leveling enrollments, incentives and programs to enhance quality and efficiency in science education may be more important than the absolute dollar amounts.

There have ben compelling reasons for increases in NSF support of basic research. Not the least of these is the shared reluctance of the executive and legislative branches of the government to support research by mission agencies which is not clearly and directly related to the agency's mission. Despite my efforts and those of the National Science Board, there has been a trend away from mission agency support of basic science, a trend that has substantially increased the need for NSF research funds and contributed to the decline in the proportion of NSF funds devoted to science education.

I have considered the question of two-year authorization for NSF before and share your belief that both NSF and science would benefit from the increased stability such authorizations could provide. Although I welcome the opportunity provided by the one-year authorization to discuss annually the programs of NSF with Congress, I believe that the advantages of a two-year authorization are substantial. Now that there are indications that the trend toward detailed earmarking of funds has been reversed, providing NSF with the necessary flexibility to adjust to the changing requirements of science and science education, I would encourage both the Administration and the Congress to support the two-year authorization.

Both as Director of the National Science Foundation and as Science Adviser, I appreciate your continued interest in and support for NSF programs and for the health of U.S. science.

Sincerely yours,
H. GUYFORD STEVER,

Mr. BROOKE. Mr. President, the Senate is considering the nomination of Dr. H. Guyford Stever to be Director of the newly created White House Office of Science and Technology Policy. I am delighted not only to support this nomination, but also to congratulate the President for his excellent choice of a nominee. Dr. Stever is a distinguished scientist with a long record of public service to America's universities, to his country, and to the world of science.

Dr. Stever joined the faculty of MIT shortly after serving under Dr. Vannevar Bush during World War II. He remained at the university for more than 20 years, until he was spirited away by the Carnegie-Mellon University in Pittsburgh to be its president. While at MIT, Dr. Stever held positions which included the head of the Department of Mechanical Engineering, Naval Architecture, and Marine Engineering, professor of Aeronautical Engineering, and associate dean of Engineering.

Dr. Stever would probably be qualified to serve as the President's chief science adviser based on his MIT experience alone. Yet, during his career, which spans over three decades, he has served in positions and done work in areas that not only add to those qualifications, but also give him a perspective second to none. First, and foremost, Dr. Stever is currently serving as the President's unofficial Science Adviser. When former President Nixon abolished the White House post of Science Adviser in 1973, he selected Dr. Stever to serve in the dual capacity as unofficial Science Adviser and head of the National Science Foundation. Dr. Stever has held both positions with distinction, and when legislation created the new Office of Science and Technology Policy, President Ford was so impressed with his credentials that he asked him to remain in the science advisory capacity to the President.

While serving as unofficial Science Adviser, Dr. Stever has gained world-wide acclaim. He is aware of the tremendous role that science and technology have to play in the conduct of this Nation's foreign policy, for he has been the U.S. Chairman of the United States–U.S.S.R. Joint Commission on Scientific and Technical Cooperation, and a member and Chairman of the Board of Governors of the United States–Israel Binational Science Foundation.

In addition, Dr. Stever has traveled the world discussing the uses of science and technology in the developing nations. His confirmation will show the world that the United States does not intend to turn its back on the scientific problems facing the emerging nations.

Prior to his appointment as the head of NSF, he served on a number of boards and advisory committees to the Government. While at MIT from 1955–56, he was chief scientist to the U.S. Air Force, and from 1959–65, he served as a member of the Defense Science Board. He was on the advisory panel to the House of Representatives Committee on Science and Astronautics, and he was chairman of the Ad Hoc Science Panel of the President's Commission on the Patent System.

At a time when the Nation is facing a maze of scientific and technological problems, Dr. Stever brings experience and insight to the position of Director of the Office of Science and Technology Policy. As a physicist and aerodynamics specialist, he has served on a number of panels which have evaluated weapons systems. Consequently, he is well aware of the type of scientific examinations needed to determine exactly what level of defense R. & D. is needed if this Nation is to maintain a strong military posture. He has become deeply involved, through his service on the Federal Council for Science and Technology, in the ozone problem, or as the scientists like to call it, the inadvertent modification of the stratosphere. Certainly, one of the major decisions facing the President is what can be done to protect the world from inadvertent and potentially hazardous modifications of the natural environment. As Science Adviser, Dr. Stever will bring practical experience to the job.

Another area where the President's Science Adviser will be forced to do some hard thinking is in the energy R. & D. field, and here too, Dr. Stever brings a tremendous amount of expirence to the job. As head of NSF, he saw that agency administer Federal Government programs in the areas of solar and geothermal energy until ERDA was established. He is a member of the Energy Resources Council, and former Chairman of the Energy R. & D. Advisory Council.

In closing, I would like to once again state how delighted I am that the President has selected such an able and deserving candidate to serve in the newly created science advisory apparatus in the White House. By picking such a capable scientist as Dr. Stever, the President shows that he plans to use this office to its fullest extent possible. As Dr. Stever said at his confirmation hearing, the United States is currently "the most powerful nation in the world in science and technology. And one of the important tasks that we have is to insure that we keep it that way." With Dr. Stever at the helm, I firmly believe that our science and technology are in good hands.

Mr. MOSS. I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield myself such time as I may require.

So that the cloakroom can be advised there will be a rollcall on this, I am going to ask for the yeas and nays, knowing there is not a sufficient second at this time, but in the hope of getting a sufficient number of Senators here. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. HELMS. All right. Mr. President, in that light, I ask unanimous consent that at this time, with the time to be charged to neither side, we have a quorum call.

Mr. MOSS. I object to that, Mr. President. We have already extended an additional 15 minutes to the opposition, time that is not being taken by the proponents.

Mr. HELMS. I thank the Senator for his courtesy. We will do with whatever time we have available.

Mr. President, I hope that the Senate will today register its strong commitment to honesty and credibility in government by refusing to confirm the nomination of H. Guyford Stever as Science Adviser to the President of the United States.

If Senators were present, which they are not, and if they would read the documents which have been placed on the desk of each Member of the Senate, we could conclude this matter in short order. No debate of any consequence would be necessary—and I am confident this nomination would not be approved.

We should oppose Dr. Stever's appointment to this high-level job, because of his mismanagement of the National Science Foundation and his possible role over the past year in a serious official coverup operation within the Foundation.

Dr. Stever is currently Director of the NSF. Last year, during House oversight hearings concerning the Foundation's "peer review" system, it was revealed that several multimillion-dollar grant proposals were approved by the National Science Board on the basis of falsely edited and misrepresented evaluations of the proposals from scientists and educators.

These evaluations were solicited by NSF program managers, who later doctored them by deleting all negative criticisms of the grant proposal and forwarding only positive statements from these reviews when they presented their funding recommendation to the Board.

Dr. Stever steadfastly refused to turn over the disputed peer review documents to his congressional critics, so that the full extent of the grant manipulation and abuse of the peer review system could be determined.

He further stated during congressional hearings his categorical support of NSF program managers, and denied that any wrongdoing had occurred.

But the General Accounting Office reported 6 months later that the charges of peer review misrepresentation were true. Dr. Stever had therefore misled Congress about mismanagement and grant award abuse within the NSF.

What is worse, an official NSF study of science education grant programs submitted to Congress by Dr Stever in June 1975, contained none of the revelations about peer review misrepresentation, even though the project in question was subjected to in-depth review by NSF officials as a "cast study" for the report.

Dr. J. Arthur Jones, one of the NSF officials who did that particular case study, found and accurately reported the misrepresentation of peer reviews in funding the disputed grant project.

I might say, Mr. President, that there is no way to measure how much pressure has been administered in connection with this appointment since Dr. Jones wrote his first report.

But top management officials within

NSF, led by Dr. Joel Snow, executive secretary of the NSF review team, edited out these findings so that a laundered report was sent to the Congress by Dr. Stever.

This was obviously a carefully orchestrated coverup operation, which Stever is responsible for.

Mr. President, I spelled out the facts of this serious matter in my testimony submitted during hearings on Dr. Stever's nomination. That testimony appeared in a somewhat abbreviated form in the CONGRESSIONAL RECORD, page S12641, on July 28.

I do not wish to repeat all the details of that testimony, which I have provided to each Senator at his desk today. But the essential facts are that Dr. Stever and his top management at NSF continued to mislead and deceive the Congress with denials of wrongdoing, until the GAO report last January verified the charges and made it impossible for Stever and his subordinates to continue their deception.

The question as to whether Dr. Stever kept faith with the Congress hinges on whether the initial report make by Dr. Jones in April 1975, on the peer review misrepresentations was accurate.

The GAO report last January 12 verified that it was.

But just to make certain that there could be no misunderstanding, I had my staff contact Dr. Jones late last week. He again stated that all the facts that were in his initial report were true, contrary to what the able Senator from Utah just said, prior to the Senator hastily leaving the floor.

I repeat that Dr. Jones within the past week has again stated that all the facts that were in his initial report were true, that he would have signed his initial report when it was first submitted and would still sign that original 14-point report.

But Dr. Jones categorically stated to my staff late last week that he would not sign the laundered version edited by top NSF officials, and submitted by Dr. Stever to the Congress.

This raises the question, Mr. President, as to why the defenders of Dr. Stever have left the floor of the Senate while the matter is being discussed.

I submit that this matter will be handled in a predictable manner. Presently we will have a rollcall vote and Senators will come here, not knowing the facts, not having heard the debate, and they will approve this nomination.

I suggest that this is not a particularly admirable way to make a judgment of this importance.

What is most damaging in terms of Dr. Stever's credibility and sensitivity in this matter is that it was not until after the GAO had reported its findings in January 1976, that Stever even made a personal attempt to get the full facts for himself.

Dr. Jones told my staff last week that he was not asked by Dr. Stever for a full accounting of these facts until after the release of the GAO report—fully 8 months after the initial charges about peer review misrepresentation and grant award abuse were made in the Congress, and 6 months after Dr. Stever had denied in the House peer review oversight hearings that there had been misrepresentation and manipulation of peer reviews by NSF program officers.

To understand the importance and significance of this fact, one must realize that this controversy had subjected NSF to enormous political buffeting. Nationwide press coverage publicized the charges of abuse and manipulation of the NSF grant award process, and the coverup operation by top NSF management.

Articles in prestigious science journals had stated that the credibility of both Dr. Stever and his critics hinged on whether or not peer reviews had been misrepresented by NSF program managers to the National Science Board.

It is now clear that the critics, and not Dr. Stever, the nominee we are considering today, were proved correct.

The critics were correct. Dr. Stever, by any fair man's logic, has damaged his credibility.

Mr. President, the Congress is still being misled on this issue, because statements have been made and quoted in the press that the peer review manipulation verified by the GAO report is an isolated case.

But our investigation of the past several weeks indicate to us that it was not uncommon during Dr. Stever's administration of NSF for program officers to heavily edit and manipulate peer reviews of grant award proposals before they were sent on to the National Science Board, which by law must approve major federally funded science grant projects.

To determine the extent of this NSF practice of heavily editing and often misrepresenting grant proposal evaluation data will require an extensive GAO investigation and report. The GAO is currently investigating just one case of peer review misrepresentation, but GAO should investigate this serious problem across the world.

But one would think that a man of substantial qualifications necessary to be top science adviser to the President of the United States would not wait for a prolonged, full-blown investigation of this magnitude—this painful tooth-pulling—before he would advise the Congress about these practices, which are an affront to U.S. science and honesty in Government.

Dr. Stever has not so advised the Congress, and he does not therefore, embody the essential qualities of credibility, good judgment, perspective, sensitivity, and integrity to hold this important job.

There is an additional related development that casts further serious doubt on the credibility and judgment of Dr. Stever.

The NSF Director has just appointed Dr. Joel A. Snow to the highly important post as Director of NSF's Policy, Research, and Analysis Division.

This appointment by Dr. Stever makes Dr. Snow a key science policy adviser—not only to the NSF Director and the National Science Board, but also in a liaison capacity to the newly established Presidential Science Adviser.

In July 1975, Snow was forced to resign from his former NSF job as Director of the Foundation's Office of Planning and Resources Management.

I am told that this resignation came about because Dr. Snow, as Executive Secretary of the NSF Science Curriculum Review Team headed by Assistant NSF Director Robert Hughes, had orchestrated the suppression of facts about the multimillion-dollar grant award abuses that I brought to the Senate's attention on July 28, so that these abuses were not revealed to Congress last year in the Hughes report.

In effect, Dr. Snow was forced to resign his previous high position at NSF because of his actions. But it was widely speculated at the time that Snow was "taking the rap" for all NSF officials involved in the coverup—including Hughes and perhaps even NSF Director Stever himself.

Is it possible that Dr. Stever's recent appointment of Dr. Snow as NSF's chief science liaison official is a reward for his loyalty in the coverup operation?

If so, this is a variation of the "Peter Principle" at work—where a public official guilty of wrongdoing, rather than just plain incompetence, has been pushed upstairs to a higher position as a way to insure Snow's continued loyalty and prevent him from implicating other NSF officials in any wrongdoing.

This appointment of Dr. Snow certainly raises new and more serious questions about Dr. Stever's credibility as the President's nominee for White House Science Adviser.

Since the NSF position has key science policy responsibilities, one would naturally assume that the National Science Board, which is the policymaking body of NSF, would have been consulted about the appointment—especially in view of the controversy surrounding Dr. Snow.

I am told that the National Science Board was not consulted on this appointment. This is just another indication of the lack of sensitivity on the part of Dr. Stever to issues involving science policy.

But more importantly, how can the Senate confirm Dr. Stever, after he has elevated to a highly important science policy position a man of Dr. Snow's questionable integrity?

Mr. President, for the past several weeks the General Accounting Office has had more than six investigators working full-time down at the National Science Foundation gathering the facts of mismanagement and coverup during Dr. Stever's tenure as NSF Director.

I understand that the investigation will continue for the next several months.

In view of the evidence already uncovered, it seems clear that the GAO report findings are likely to be most critical—if the GAO does its usual thorough and objective job.

How can we Members of the U.S. Senate, in good conscience, play a game of Russian roulette by confirming a man as Science Adviser whose credibility has already been seriously impugned, and who at this moment stands under a dark cloud of suspicion concerning his integrity and forthrightness with the Congress, the scientific community, and the taxpaying public?

Mr. President, I urge a "no" vote on the question of confirmation of H. Guyford Stever.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McINTYRE. Mr. President, does the distinguished Senator from North Carolina request a rollcall?

Mr. HELMS. Yes; I would say to my friend from New Hampshire.

Mr. McINTYRE. The yeas and nays?

Mr. HELMS. Mr. President, I again ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

Mr. GOLDWATER. Will the Senator yield?

Mr. McINTYRE. I yield 2 minutes to the distinguished Senator.

Mr. GOLDWATER. Mr. President, I served on the committee and I have heard the charges against the doctor for quite some time. One of my Congressmen from Arizona (Mr. CONLAN) has been delving into his record for over 2 years.

But I have to say to my good friend from North Carolina, having sat through the hearings, having been able to study what was available about Dr. Stever, I was very impressed with his technical background, his grasp of the things that the President would need in being advised on scientific things, without any reference to what may or may not have happened during his tenure in office, when publications allegedly went out that were distasteful, and probably proven distasteful.

But I am backing him and I just want the Senator to know that one of his backers is here.

Mr. HELMS. I know that the distinguished Senator is not prepared to say of his own knowledge there was no coverup in this peer review report. I know the Senator from Arizona is a fair man and an honest man. He is impressed, perhaps, with what he perceives to be Dr. Stever's competence. What I question is Dr. Stever's credibility.

I do not know Dr. Stever. I have never laid eyes on him. But I have studied this matter carefully. I have tried to be fair to him in every possible way, and his credibility still comes up short insofar as I am concerned.

I know the Senator from Arizona intends to be entirely objective, as best he can, about this matter. But I disagree with him.

Mr. President, I yield to my able friend from Idaho such time as the Senator needs.

Mr. McCLURE. Mr. President, I do not believe this is a question of Dr. Stever's technical competence in the field of science.

Mr. HELMS. That is correct. What is at issue is his credibility.

Mr. McCLURE. The question is whether or not he participated in withholding evidence from the Congress and from the public, or whether he knew of such an effort being underway.

I share with the Senator from North Carolina the feeling that either he knew it and participated in it or he was extremely callous and unfeeling with regard to the concerns being expressed by Members of the Congress, not only the Congressman from Arizona, but I think the Congressman from Missouri (Mr. SYMINGTON) also had expressed some reservations about the peer review and findings of NSF projects.

Dr. Stever sought to withhold, and was successful in withholding, information from the committees and individuals within Congress that were seeking to review the programs.

I happen to believe the program was a disaster from the outset, but it goes beyond that.

It is not a simple question of content of that program, but the willingness of this man to participate in withholding the information, or his failure to participate in seeing the information was made public in an honest way.

There is no question that peer review brought out criticisms as well as supportive statements. There is no question that the statements in the peer review process that were available to the program were deleted from the report.

Those are absolutely irrefutable facts on the record. Regardless of Dr. Stever's competence in a technical sense, I just do not believe that is the kind of procedure those of us involved in Government want to see continued in Government.

It seems to me that a man who has the responsibility of a Government grant program also has the responsibility of utter candor with the public about what is in that program. Certainly, he has the responsibility to make certain that those adverse comments are not deleted from the reports that flow to the Congress, which has the oversight over the program. How else are we to judge? How else are we to be able to evaluate whether the programs go well if the very administrators charged with the duty of overseeing participate in removing salient facts from the reports that flow to Congress?

I commend my friend from North Carolina for having raised this issue. I intend to vote with him. I share with him the feeling that far too many Members of the Senate have not read the record, do not know what the issues are, and will not cast an informed vote.

Mr. President, as I said, I wholeheartedly share the concerns raised against this nomination by the Senator from North Carolina (Mr. HELMS) and join him in urging the Senate not to confirm Dr. Stever.

As the Senator stated in his letter to all Senators today:

> Stever's administration of the National Science Foundation has been caught up in a swirl of controversy for more than a year. The issues are not political. They involve credibility, integrity, and basic honesty in government.

The evidence is clear that the grant award system at the National Science Foundation has been seriously abused and at times manipulated by NSF officials.

This often unfairly discriminates against or harms good individual scientists or universities who are seeking research support from NSF.

It also sometimes unfairly helps some researchers and curriculum developers whose grant proposals do not warrant NSF funding—but who have an "inside track" with the NSF officialdom.

This seems to have been the situation with the disputed "Individualized Science Instructional System"—ISIS—curriculum project, that has been the center of the controversy over misrepresentation and abuse of NSF's grant award process.

Most grant proposals submitted to NSF for funding are sent out as soon as they are received to scientists or educators in the same or related fields of science as the grant applicant, for an objective outside evaluation by mail.

This so-called ad hoc peer review system is the heart of NSF's grant award decisionmaking process, and it involves tens of thousands of honest, hard-working scientists and educators in the granting of NSF funds.

These scientists and educators evaluate grant proposals submitted to NSF, at NSF's request, but with no compensation for their reviews.

The NSF program officers select the reviewers from their own lists in each particular field of science. Since the program officers have total control over who is selected to review NSF proposals, bias and unfairness can creep into the system. This kind of autonomy over the awarding of lucrative Federal grants can become a "buddy system"—an "old boy's club."

There is strong evidence—and ISIS is only one of many examples—that this "buddy system" is alive and has flourished at NSF under Dr. Stever's leadership.

In the case of ISIS, however, a more serious and disturbing problem has emerged. Scientists and educators who did evaluations of the original ISIS grant proposal 4 years ago expressed many serious criticisms and concerns about the proposed multimillion-dollar curriculum project.

At least two peer reviewers did not want the proposal to be funded at all. Others wanted the proposed ISIS budget substantially reduced.

The NSF program officer and the ISIS grant applicant got together after these peer reviews had come into NSF, decided that they would ignore the criticisms, and the NSF program officer simply edited out the negative peer review criticisms and concerns and quoted out of context only the positive statements when the funding recommendation for the multimillion-dollar project was sent for approval to the National Science Board.

There is evidence that this type of heavy editing of NSF peer reviews, which sometimes manipulates the grant award decisionmaking process, as it did in the case of ISIS, is a common occurrence at NSF under Dr. Stever's administration.

This means that many of the tens of thousands of honorable scientists and educators who send in evaluations of grant proposals to NSF sometimes get falsely edited and misrepresented, to support an NSF program manager's decision to approve or reject a proposal.

This also means that thousands of scientists applying to NSF for research support often get approved or rejected because of an NSF program officer's arbitrary editing—sometimes outright misrepresentation—of expert outside peer review evaluations.

This is a scandal of major proportions that Dr. Stever has not satisfactorily handled or forthrightly acknowledged as Director of the National Science Foundation.

In fact, as the Senator from North Carolina has adequately documented, there is strong evidence that Dr. Stever and his top management officials have orchestrated a careful coverup operation to try and prevent the full extent of this wrongdoing from becoming publicly known.

This situation is currently being investigated by the General Accounting Office. It would be most unwise, and contrary to the constitutional imperatives that this body act as a responsible check against injudicious executive appointments, to confirm Dr. Stever as science adviser unless he is first completely cleared by the GAO of any mismanagement or malfeasance.

Mr. President, I must take this opportunity to express some serious concerns about the public position that the General Accounting Office has taken concerning its current investigation of coverup within the National Science Foundation.

I express this concern, because this public postion of GAO could be an unfortunate indication of a lack of objectivity and determination to uncover and report the full facts in the NSF matter, which is the traditional hallmark of GAO investigations.

I and three other Senators wrote to President Ford on June 9, urging him not to nominate Dr. Stever as his science adviser, on grounds of the false editing and misrepresentation of peer reviews by NSF officials and the current GAO investigation concerning possible coverup down at NSF.

I ask unanimous consent that the letter to the President be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 9, 1976.

HON. GERALD R. FORD,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: We are most concerned about reports that H. Guyford Stever, Director of the National Science Foundation, may be appointed to the newly re-established position of Science Adviser to the President.

The General Accounting Office recently reported to the Congress that NSF officials have seriously manipulated and abused the NSF grant award process in connection with a multi-million dollar curriculum project long supported by the Foundation. Prior to the GAO report, Dr. Stever and other top NSF officials had repeatedly denied before Committees of the Congress that these abuses had occurred. Now, with evidence that top NSF officials did know about the wrongdoing when they denied it to Congress, the GAO is again down at the Foundation investigating official cover-up within NSF.

It would be most inadviseable, and in our judgement an affront to the Congress, for Dr. Stever to be appointed to another high position before this bad NSF situation has been completely investigated, and the full extent of official involvement is known. Such an appointment would bring great controversy and inevitable opposition to Dr. Stever's confirmation by the Senate.

Moreover, both Rep. James Symington and Sen. Edward Kennedy, NSF Subcommittee chairmen respectively in the House and Senate, failed to get to the bottom of this NFS matter, despite repeated insistence by Republican members that they do so, or to act firmly against wrongdoing in the awarding of Federal grants by this agency under their direct jurisdiction. Your appointment of Dr. Stever as the President's Science Adviser will make it most difficult for Republicans to call these Democrats politically to account for their error in judgment and lack of initiative in this important matter.

With best wishes,
Sincerely,

JESSE HELMS,
CARL T. CURTIS,
JIM MCCLURE,
CLIFFORD P. HANSEN.

Mr. McCLURE. On July 6, Elmer Staats, Comptroller General of the United States, who heads the GAO, wrote about the June 6 letter to the President, and sent copies of his letter to the other signatories and to the President himself.

Mr. Staats stated in his letter:

> Your June 9 letter states that "Now, with evidence that top NSF officials did know about the wrongdoing when they denied it to Congress the GAO is again down at the Foundation investigating official cover-up within NSF." We are in possession of no such evidence.

I was most surprised and disturbed by that statement by Mr. Staats. I was informed and have verified that Chairman JAMES W. SYMINGTON of the House Science, Research, and Technology Subcommittee was provided with such documentary evidence last February, which is what resulted in Mr. SYMINGTON's request for the current GAO investigation of NSF.

The evidence was the original ISIS "case study" report prepared by Dr. J. Arthur Jones of NSF, which was suppressed by NSF officials in the final report submitted by Dr. Stever to the Congress.

A side-by-side comparison of the original Jones findings that ISIS peer reviews had been falsely edited and misrepresented to the National Science Board, and the laundered official NSF version which deleted those findings and thus proves the coverup, was included in the CONGRESSIONAL RECORD—page 24254—by the Senator from North Carolina on July 28.

While it is true that Mr. SYMINGTON did not provide the GAO investigators with a physical copy of the documentary evidence of cover up in his possession, his staff did inform the GAO about the documents in question. I understand that GAO investigators had already found the documents in NSF files.

Obviously, Mr. Staats did not check with his own GAO investigators about this evidence of cover up within NSF before he made his incorrect and unsubstantiated statement in his July 6 letter to me.

Mr. President, it would be unfortunate indeed if votes of Members of this body on this science adviser nomination were influenced by an inaccurate statement by the Comptroller General that the GAO is in possession of no evidence of NSF coverup. I understand that his July 6 letter had wide circulation, and hope that Senators will recognize that this letter was in error on the most crucial point.

I hope that Mr. Staats' confusion in this matter does not portend a less than objective and thorough GAO investigation of the full facts in this ISIS situation at NSF.

I realize that Mr. Staats and Dr. Stever are good personal friends of long standing, and that they often jointly testify before committees of the Congress on matters of common interest.

But it would augur badly for the credibility and integrity of the GAO if this personal and professional relationship, or any other consideration, were to prevent the GAO from conducting an extensive and thorough investigation into this matter of possible coverup down at NSF—and making these findings known to Congress and the public.

I share the concerns of other Senators that we should not confirm this nominee until the GAO investigation is complete.

Dr. Stever's mismanagement of NSF, and the abuses in the NSF grant award process that have occurred during his administration of the Foundation, are sufficient reasons in themselves for a "no" vote on his appointment as science adviser to the President.

But there is a more vital consideration that should be foremost in the mind of all Senators as we take this action today.

That is the needed renewed emphasis on integrity and good, honest public service in Government that has come about since the unfortunate events of the past few years.

It would be a startling example of post-Watergate morality for any Senator to vote to confirm the appointment of any nominee about whom there is the slightest evidence or suspicion of wrongdoing, malfeasance, or involvement in Government coverup.

As the Senator from North Carolina aptly noted in his letter to all Senators today:

> Why should the Congress approve the appointment of a man whose credibility and forthrightness have been so seriously impugned by evidence already uncovered? The times demand that the United States Senate insist on the appointment of a Science Adviser with an unblemished record.

I urge the Senate to reject this nomination of H. Guyford Stever to be the President's science adviser.

ADDITIONAL STATEMENTS SUBMITTED

Mr. HUGH SCOTT. Mr. President, it is a pleasure for me to make remarks in support of Dr. H. Guyford Stever's nomination as Director of the New Executive Office of Science and Technology Policy.

Dr. Stever's career includes years of distinguished service to the State of Pennsylvania. He came to Pittsburgh from MIT in February 1965 to become president of Carnegie Institute of Technology. During his presidency—in 1967—

Carnegie Tech merged with Mellon Institute to form Carnegie-Mellon University, with a total endowment of almost $120 million. A new school of Urban Affairs was created to met the demand for persons capable of dealing with our growing urban problems. A college of Humanities and Social Sciences was also established. Significant changes in enginnering and science curriculums were made, and a major science building was erected.

While a resident of Pittsburgh, Dr. Stever's interests extended into many civic enterprises and educational activities beyond the university campus. He was a trustee of the Sarah Mellon Scaife Foundation and the Buckingham School; a director of the Pittsburgh Symphony Society, the Regional Industrial Development Corporation, the Pittsburgh-Allegheny County Chapter of the American Red Cross, and the Metropolitan Pittsburgh Educational Television (WQED).

A long list of honorary degrees held by Dr. Stever includes the following from Pennsylvania—Lafayette College, University of Pittsburgh, Waynesburg College, Allegheny College, Seton Hill College, Washington and Jefferson College, Widner College and Villanova University.

Dr. Stever's directorship of the National Science Foundation has likewise been marked by growth and expansion of the Foundation's activities. We can anticipate that under his direction the new White House science office will strengthen the role of science in relation to the national welfare and will increase the public's understanding of science as it affects important decisions. An important addition to the reestablished White House office will be a new Intergovernmental Science, Engineering, and Technology Advisory Panel, which will be established to help to solve regional, State, and local civilian problems.

Dr. Stever will bring to the new science office a background of varied and rich associations wtih educational institutions, government agencies, industry, international organizations, and professional societies. These represent many important facets of our country's scientific enterprise, and Dr. Stever recognizes the importance of cooperation with all of them.

Mr. GOLDWATER. Mr. President, I rise in support of the nomination of Dr. H. Guyford Stever to be the Director of the Office of Science and Technology Policy. In this capacity, Dr. Stever will be the principal science adviser to the President.

I believe any President should be allowed great latitude in organizing the White House according to his needs and his selection of advisers should receive sympathetic consideration from the Senate barring any serious objections.

President Ford wisely sought the partnership of Congress in creating the new Office of Science and Technology Policy thereby providing high visability and greater support for this new Office.

The importance of science, technology, and engineering to the future welfare of the United States and the whole world cannot be overestimated. If we maintain our national commitment to R. & D. I believe the next 50 years will bring benefits to mankind that are only dimly perceived today.

President Ford and the Congress have taken a step to insure continuity in our science programs. Moreover, the President has selected a very distinguished scientist and administrator to be the first Director of Science and Technology Policy. Dr. H. Guyford Stever has had a wealth of experience both in Government and out. I believe he is highly qualified to advise the President on a wide range of problems that require technical or scientific consideration.

Dr. Stever's nomination received the unanimous support of the members of the Committee on Aeronautical and Space Sciences.

I heartily endorse his nomination and hope the Senate will approve it overwhelmingly.

Mr. THURMOND. Mr. President, reluctantly, I will oppose the nomination of Dr. Stever.

It is my general view that the President should have the right to choose his key aides and top advisers. In this instance, I believe the most prudent course is for the Congress to deny confirmation until serious questions surrounding the nominee have been cleared up.

I am troubled by questions which the senior Senator from North Carolina (Mr. HELMS) and others have raised concerning the alleged withholding of key documents from Congress, as well as the alleged manipulation of the National Science Foundation grant process.

Mr. President, until these questions have been answered, I believe it is most prudent for us to withhold confirmation.

Mr. McINTYRE. Mr. President, I am prepared to yield back the remainder of the proponents' time.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of H. Guyford Stever, of the District of Columbia, to be Director of the Office of Science and Technology Policy. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from Louisiana (Mr. LONG), the Senator from New Mexico (Mr. MONTOYA), the Senator from California (Mr. TUNNEY), are necessarily absent.

I further announce that the Senator from Connecticut (Mr. RIBICOFF), is absent on official business.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Delaware (Mr. BIDEN), are absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), would vote "yea."

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Nebraska (Mr. CURTIS), the Senator from Hawaii (Mr. FONG), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Nevada (Mr. LAXALT), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Virginia (Mr. WILLIAM L. SCOTT), are necessarily absent.

The result was announced—yeas **78**, nays 6, as follows:

[Rollcall Vote No. 512 Ex.]

YEAS—78

Abourezk
Allen
Baker
Bayh
Beall
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Leahy
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tower
Weicker
Williams
Young

NAYS—6

Bartlett
Buckley
Helms
McClure
Morgan
Thurmond

NOT VOTING—16

Biden
Brock
Clark
Curtis
Fong
Griffin
Hart, Philip A.
Hruska
Kennedy
Laxalt
Long
Montoya
Ribicoff
Scott, Hugh
Scott, William L.
Tunney

So the nomination was confirmed.

Mr. CANNON. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER (Mr. BEALL). Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. CANNON. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair informs the Senator that there is no order of pending business.

CIVIL SERVICE ANNUITIES AND REEMPLOYMENT PAY AMENDMENTS OF 1976

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3650, which we have an agreement to proceed on at this time.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3650) to clarify the application of section 8344 of title 5, United States

Code, relating to civil service annuities and pay upon reemployment, and for other purposes,

The **PRESIDING OFFICER**. Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate proceeded to consider the bill.

Mr. McGEE. Mr. President, I suggest the absence of a quorum, so that Senator STEVENS might get here to manage the other side of the aisle.

The **PRESIDING OFFICER**. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. McGEE. Mr. President, the pending matter before the Senate is H.R. 3650. Under existing law, when a Federal civil service retiree and annuitant is reemployed by the Federal Government, his annuity is continued but an amount equal to his annuity is deducted from his salary. Thus, Federal agencies which reemploy an annuitant obtain his services at a reduced cost. In effect, the result is that those agencies bear only a part of the cost of his services. The full cost is shared with the civil service retirement fund.

Therefore, a major purpose of the pending legislation is to correct this factor. Accordingly, the bill provides that agencies reemploying annuitants will be required to deposit to the credit of the retirement fund the amounts of annuity deducted from the salaries of reemployed retirees.

Further, the bill makes clear the intent of Congress with regard to the conditions of the employment of reemployed annuitants whose annuities are based upon involuntary separation.

The law is silent on how reemployed involuntarily retired annuitants should be treated. Accordingly, the Civil Service Commission, in the absence of specific statutory language, has issued regulations governing this class of retirees. The Commission's regulations apply to two classes of employees who retired involuntarily:

First, an annuitant who retired involuntarily and is reemployed in a position subject to the civil service retirement law.

Second, an annuitant who retired involuntarily and is reemployed in a position not subject to the civil service retirement law, such as a temporary appointment.

In the case of the annuitant involuntarily retired who is reemployed in a position subject to the retirement law, the regulations provide that:

> The annuity is terminated upon reemployment;
>
> Retirement contributions are withheld from the pay;
>
> Future annuity rights are determined under the law in effect upon subsequent separation.

In the case of the annuituant involuntarily retired who is reemployed in a position not subject to the retirement law, the regulations provide that:

> The annuity continues;
>
> The salary is reduced by the amount of the annuity;
>
> No retirement deductions are made.

ANNUITANTS INVOLUNTARILY SEPARATED, H.R. 3650

In the case of an annuitant involuntarily separated who is reemployed in a position subject to the retirement law, H.R. 3650 affirms statutorially the practice established by civil service regulations. The annuity is terminated, retirement contributions are withheld, and future annuity rights are determined under the law in effect upon subsequent separation.

In the case of an annuitant involuntarily separated who is reemployed in a position not subject to the retirement law, such as a temporary appointment, H.R. 3650 provides the same terms for reemployment as those governing the reemployment of an annuitant voluntarily retired. Such a reemployed annuitant would continue to receive his full annuity, but his salary would be reduced by an amount equal to his annuity allocable to the period of actual employment. If such annuitant serves on a full-time basis for at least 1 year, or on a part-time basis for periods equivalent to at least 1 year of full-time service, the annuitant would be entitled to a supplemental annuity based on the period of reemployment. If the period of reemployment continues for at least 5 years, or the equivalent of 5 years in the case of part-time employment, the annuitant may elect to deposit in the retirement fund an amount computed in accordance with the provisions of law and have his annuity recomputed on the basis of his total service, including the period of reemployment. As noted above, under existing law the right to a supplemental annuity, or recomputation after 5 years of service, extends only to annuitants whose annuities are based on voluntary separations.

H.R. 3650 also amends existing law to alter the terms of reemployment for the following classes of annuitants:

A nonmember annuitant reemployed in a position subject to retirement coverage by Presidential appointment.

PRESENT LAW

Pay in the reemployment position is reduced by the amount of annuity allocable to the period of reemployment. No current retirement deductions are taken from pay. If the annuitant serves on a full-time basis for at least 1 year, he becomes entitled to a supplemental annuity; if the same annuitant continues to serve on a full-time basis for at least 5 years, he may elect to deposit in the retirement fund the retirement deductions which were not withheld from his pay and have a complete recomputation—new retirement rights—of his annuity.

H.R. 3650

Annuity is terminated. Retirement deductions are taken. If subsequent separation occurs before the 1 out of last 2 years covered service requirement is met, retirement deductions are refunded, and the terminated annuity is resumed in the same amount. If subsequent separation occurs after the 1 out of last 2 years covered service requirement is met, after reemployment, annuity is recomputed—new retirement right.

A member annuitant who is reemployed by Presidential appointment not requiring confirmation by the Senate.

PRESENT LAW

Annuity continues and the annuitant also gets full pay. Such cases have been rare. If reemployment is subject to retirement coverage, retirement deductions are withheld from pay and additional annuity benefits are earned. If reemployment is not subject to retirement coverage, retirement deductions are not withheld and no additional annuity benefits are earned.

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Annuity and pay would not be payable simultaneously and the member annuitant would be treated like any other retired Member of Congress who now becomes reemployed.

The committee is aware that the provisions of this bill will affect the allowances for administrative and clerical assistants to Senators and legislative assistance to Senators. Since this legislation requires that the appropriation accounts must be charged with the full salary costs, these allowances must also be charged with the full amount of the annual salary of a reemployed annuitant rather than the current practice of charging the allowances with the net amount after reduction for the annuity. However, it is the judgment of the committee that this matter should be reviewed and considered by the proper Senate Committee; namely, the Subcommittee on Legislative Branch Appropriations of the Committee on Appropriations inasmuch as that Committee considers all matters relating to senatorial allowances.

I urge the Senate to approve H.R. 3650 and permit the matters relating to senatorial allowances to be resolved by the appropriate committee, as the House of Representatives report indicates is also the intent in the other body.

The Congressional Budget Office reports that:

> Enactment of H.R. 3650 would result in a transfer of funds from Federal agencies employing civil service annuitants to the civil service retirement and disability fund. This transfer would create additional budget authority (income to retirement fund) of $45.5 million annually plus interest accrued.

AMENDMENT NO. 2169

Mr. President, a correction in the provisions of the bill is in order because of the provisions of the Budget Act. I call up amendment No. 2169, which is a technical amendment to amend the effective date of the legislation so that it would not become effective prior to the beginning of fiscal year 1977.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Wyoming proposes an amendment numbered 2169.

The amendment is as follows:

On page 5, line 6, insert after "Act" the following: "or October 1, 1976, whichever is later,".

On page 5, line 8, strike out "the date of the enactment of this Act" and insert in lieu thereof "such date".

On page 5, line 11, insert after "Act" the following: "or October 1, 1976, whichever is later,".

On page 5, line 12, strike out "the date of enactment of this Act" and insert in lieu thereof "such date".

Mr. McGEE. Mr. President, the technicality of the amendment speaks for itself. It is simply to adjust to the new budget procedure. Therefore, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STEVENS. Mr. President, I am not going to object to passage of the bill. This bill does, however, put the Federal Government in a different position from all other employers. Civil service retirees who go to work in the private sector or for a State or local government will not have to make this contribution.

In view of the status of the civil service retirement fund, it may be a well meaning proposition to assist in restoring moneys to that fund for those people who are given reemployment by the Federal Government. But I do think that it is going to be a deterrent to some areas of government which might reemploy those who are already retired in order to take advantage of their special skills and capabilities.

With that reservation, and in view of the status of the civil service retirement fund, we do not object to the passage of the bill.

Mr. McGEE. Mr. President, I suggest the absence of a quorum, with the time to be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quarum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STEVENS. I yield back my time.

Mr. McGEE. I yield back my time.

The PRESIDING OFFICER. The bill having been read a third time, the question is: Shall it pass?

The bill (H.R. 3650) was passed, as amended.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. McGEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GARN). Without objection, it is so ordered.

AUTHORIZATION OF PAYMENT FROM SENATE CONTINGENT FUND

Mr. MANSFIELD. Mr. President, I ask unanimous consent, under the suggestion previously made by the leadership, that the Senate now proceed to the consideration of Calendar No. 980, Senate Resolution 463.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (Senate Resolution 463) authorizing the payment out of the contingent fund of the Senate of the expenses incurred by Senator PROXMIRE in defending a civil action brought against him.

The Senate proceeded to consider the resolution which had been reported from the Committee on Rules and Administration with an amendment:

On page 2, at the beginning of line 2, insert "in an amount subject to the approval of the Committee on Rules and Administration,".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to suggest the absence of a quorum without the time being taken out of either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR McCLURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, Mr. McCLURE be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. TOWER. Mr. President, will the Senator withhold that?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. I wonder if we can get a lineup of the program for the remainder of the day and tomorrow.

Mr. ROBERT C. BYRD. I will ask the majority leader.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, it is the intention of the leadership to call up Calendar No. 839, H.R. 12987, on which there is a time limitation. The best I think we can do tonight is to get started.

Then we have bills to extend the Export Administration Act of 1969.

Mr. ROBERT C. BYRD. How about the swine flu bill?

Mr. MANSFIELD. There is a possibility that tomorrow we will take up the bill, Calendar No. 1072, S. 3735, the so-called swine flu bill, which has been reported from the committee and has been on the calendar since last Friday.

We had hoped we could bring up the military construction bill, but that will have to go over until after the recess.

I hope it will be possible tomorrow to take up Calendar No. 1063, S. 3737, a bill to authorize appropriations for purposes of making certain grants under the Indian Elementary and Secondary Assistance Act. The Senator from Arizona (Mr. FANNIN) has a great interest in that.

So I would say the prospects tomorrow are very good for taking up a swine flu bill, that we would continue with the consideration of the CETA bill, Calendar No. 839, and other matters as they come along, which we will bring to the attention of the Senate at that time.

Mr. TOWER. Mr. President, will the Senator yield? The Senator intends, after the consideration of Senate Resolution 463, we will turn to the consideration of Calendar No. 839, H.R. 12987, the CETA bill, is that correct?

Mr. MANSFIELD. That is correct.

Mr. TOWER. I thank the Senator.

Mr. MANSFIELD. I would point out that we have some very important pieces of legislation yet to be reported to the Senate, the rivers and harbors bill, the revenue-sharing bill, the legislative appropriation bill, and the District of Columbia appropriation bill, in addition to those on the calendar.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND CONSIDERATION OF H.R. 12987 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the order for the recognition of Mr. McCLURE tomorrow there be a period for the transaction of routine morning business of not to exceed beyond 15 minutes, with statements limited therein to 5 minutes each; at the conclusion of which the Senate will resume consideration of H.R. 12987, the CETA bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield me 1 minute?

Mr. CANNON. I yield to the Senator.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I am about to propose a unanimous-consent request which has been cleared all the way around, I think.

I ask unanimous consent that when Calendar No. 860 (S. 3091), a bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974, and so forth, which will be called up sometime after the conclusion of the Republican Convention, is called up, there be a time limit of 2 hours on the bill, 1 hour on amendments, 20 minutes on amendments to amendments, motions, and appeals, that rule XII be waived, and that it be in the regular order.

The PRESIDING OFFICER (Mr. Garn). Without objection, it is so ordered.

Mr. MANSFIELD. I thank the Senator.

The text of the agreement is as follows:

Ordered, That during the consideration of S. 3091 (Order No. 860), a bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35), debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled by the Majority and Minority Leaders, or their designees: *Provided*, That the said Leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

AUTHORIZATION OF PAYMENT FROM SENATE CONTINGENT FUND

The Senate continued with the consideration of the resolution (S. Res. 463) authorizing the payment out of the contingent fund of the Senate of the expenses incurred by Senator Proxmire in defending a civil action brought against him.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

To conserve the time of my colleagues, it will not be my purpose to provide a factual background behind this resolution because that is set forth in several paragraphs of the committee's report available for several days and now on your desks.

My explanation will be brief. It was the committee's judgment that the defense of this civil action wherein the distinguished senior Senator from Wisconsin is a defendant, should be wholly in the control of the legislative branch because the focus of this case concerns the parameters of constitutional rights, privileges, and obligations of all Members of Congress.

Traditionally, the Department of Justice has been called upon to carry on the defense of actions brought against Members of Congress wherein their official duties were involved. It was our committee's judgment that it would be more appropriate for the best interests of the legislative branch that the Senate provide funds for private counsel to protect the Congress from a constitutional attack against it rather than leave that task to the Department of Justice whose interest in the protection of legislative rights might not be quite as great, considering its executive department status.

One issue involved here is the proper scope of immunity provided to Senators and Representatives in Congress by the "Speech or Debate Clause" of the Constitution—article I, section 6, clause 1—which makes up a body of case law.

A second area involves the responsibility of Members of Congress under article I, section 9, of the Constitution relative to the rights and obligations of Senators and Representatives in carrying out the congressional appropriation function.

There is the further question in this civil action of the proper legal boundaries of immunity to protect acts of Senators and Representativs within "the sphere of legitimate legislative activity," also known in Court decisions as "general or official immunity" of public officials. There is support for one view that the trend of court cases in this area in recent years has been to narrow these boundaries by making relatively more precise the definition of "official duties" of Senators and Representatives. This is a major issue in the pending Common Cause against Bailar, and others, case involving the congressional franking law.

There is also the view that the dictum in the case of *United States* v. *Brewster* (408 U.S. at 512) should be clarified. In that case the Supreme Court said that "news releases" and "speeches delivered outside the Congress"—plus the preparation of newsletters—"although entirely legitimate activities are entirely political in nature rather than legitimate in the sense that term has been used by the Court in prior cases. But it has never been seriously contended that these political matters, however appropriate, have the protection afforded by the speech or debate clause."

The committee made the judgment that it was important for the Senate to protect by appropriate legal means the legislative safeguards built into our branch of Government by the framers of the Constitution in establishing the system of checks and balances. It was the committee's view that public funds should be approved for the legislative branch to undertake the defense of this civil action filed against the distinguished senior Senator from Wisconsin in order to protect those constitutional rights, privileges, and responsibilities from outside attack.

The purpose of the committee amendment was to keep nominal control over legal fees as submitted because precisely what the scope of this case may be cannot be foreseen at this early stage of legal proceedings. Additionally, it was the intention of the committee, in approving this resolution, that: First, such payments of expenses should be carried out periodically rather than in any lump sum amount and, second, that payment be limited only to those incurred in the defense of the civil action and not to include any amount that might possibly be obtained in the nature of a money judgment.

Mr. President, it was the committee's recommendation that the resolution, as amended, should be agreed to.

Mr. President, I reserve the remainder of my time.

Mr. ABOUREZK. Mr. President, as chairman of the Subcommittee on Separation of Powers, I support Senate Resolution 463. As is the case with much of the litigation which involves Members of Congress, the precedents which will be set in Hutchinson against Proxmire will affect the constitutional prerogatives of every other Member of Congress and of the institution of Congress itself. Because Congress has a direct interest in the precedents which will be set in this case, it is entirely proper for Congress to provide for Senator Proxmire's defense. I urge the adoption of this resolution.

I want to commend Senator Proxmire for his decision to entrust his defense to the Senate rather than to the Justice Department. After Mr. Hutchinson filed his complaint on April 16, 1976, Senator Proxmire wrote a letter to the Attorney General requesting his consideration in representing Senator Proxmire in the suit. Such requests are established practice. In the last 5 years alone, the Department has represented Congress in at least 55 cases.

In fact, Congress is almost wholly dependent on the Justice Department to provide such representation. In hearings before the Subcommittee on Separation of Powers on "Representation of Congress and Congressional Interests in Court," the Department repeatedly emphasized that they will represent a Member of Congress only "in suits brought against them because of activities performed in the course of, or related to, their congressional responsibilities"—hearings, at 4. When, on May 3, 1976, Mr. Rex Lee, Assistant Attorney General, Civil Division, informed Senator Proxmire that the Justice Department "will be happy" to take the case, I believe that the Department was making a clear statement of the Department's belief that Senator Proxmire was acting within the scope of his official duties.

Despite the Department's willingness to represent him, Senator Proxmire has declined the Department's offer. Senators Mansfield and Scott have endorsed this decision in a letter of June 11, 1976, to the

Rules Committee, wherein they state their belief that—

> It would be more appropriate for the Legislative Branch, in a suit of this nature challenging a constitutional right and privilege of a legislator, to undertake the defense directly so that the presentment to a court of the parameters of the Constitution would remain fully within the control of the Legislative Branch. Congress should not defer to the Executive Branch, which may not have the same interests in defending legislative rights as does the Congress.
>
> We believe the Senate should defend one of its own from an outside attack when the actions were taken within the scope of the Senator's responsibilities as defined by the Senate in both statute and its own rules. . . .
>
> [W]e think the Senate should not permit the Executive Branch to assume this defense in an area where new law might very well need to be made to protect each of us in the future.

Mr. President, I ask unanimous consent that the letters I have referred to be printed in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I fully concur with the assessment of the leadership and strongly endorse Senator Proxmire's decision to be represented by private counsel rather than relying on the Justice Department.

I gave a detailed outline of the problems of Congress relying on the Department to represent its interests in my statement on S. 495 on July 20, 1976—122 Congressional Record 22792–22797. I will not reiterate these reasons here except to observe that the Department has an institutional conflict of interest in defending congressional powers which are at issue between Congress and the executive branch.

Although I strongly endorse the decision of Senator Proxmire to seek reimbusement for private counsel rather than take the easier path or relying on the Department, retaining private counsel on an ad hoc basic is not an entirely adequate alternative to relying on the Department. In my statement on S. 495, I outlined the problems of Congress relying on private counsel. Private counsel are expensive and few have experience and expertise with the unique substantive legal issues which arise in congressional cases. It is quite inefficient repeatedly to subsidize private counsel for the time to reseach these issues. Even then private counsel will often lack invaluable expertise.

More important, retaining different private counsel to handle different cases provides for little if any consistency and coordination among the legal positions and approaches taken in the different cases. Private counsel may have little perspective and interest in how the long-range interests of Congress may be affected in any given litigation. Finally, there is always going to be substantial delay in locating qualified consel and obtaining funds from the Congress.

Having said this, let me emphasize that these remarks are no way intended as a criticism of Senator Proxmire's selection of counsel. My point is simply that relying on private counsel is not an adequate answer for the continuing need for permanent counsel to defend the constitutional prerogatives of Congress. I repeat, however, that relying on private counsel is better than relying on the Department.

The real answer to this continuing need for counsel is for Congress to establish a permanent law office in the Congress. As I mentioned, the Senate itself has recently voted to end its dependence on the Department and private counsel by adopting title II of S. 495, the Watergate Reform Act, which would create an Office of Congressional Legal Counsel to defend Congress in court. I was the author of one of the bills which forms the basis for this title of S. 495.

On December 2, 1975, I introduced S. 2731 which would create such a office—121 Congressional Record 38056–38058.

Then on March 31, 1976, I submitted an amendment in the nature of a substitute for S. 2731 which refined my earlier proposal based on the subcommittee's hearings—122 Congessional Record 4651–4654. The Committee on Government Operations adopted the concept and most of the language of S. 2731 as title II of S. 495. I strongly supported this bill when it was adopted by the Senate on July 21, 1976, by a vote of 91–5. I hope the House sees the wisdom of this legislation and will take action during this session.

I will close by quoting one of Senator Ervin's many warnings to the Congress:

> The congressional response to the erosion of its powers will inevitably determine the future role it will play in our system of government. Congress can either reassert its constitutional prerogatives and restore itself as a co-equal branch of government, or it can accede to the control of the executive branch. . . . Members of Congress may be content to let pass this impairment of their constituitonal rights and of the effectiveness of Congress. But if they do so, they profane their oaths to uphold the Constitution and invite the demise of our tripartite system of government. 59 *Virginia Law Review* at 194.

In this spirit I support Senate Resolution 463 and again express my hope that the House will take action to create an Office of Congressional Legal Counsel to represent Congress in these types of cases in the future.

Mr. President, I ask unanimous consent that various materials on the "informing function" of Congress be printed following these remarks. These materials describe the central legal dispute involved in the Hutchinson case.

There being no objection, the material was ordered to be printed in the Record, as follows:

[Correspondence Regarding Senate Defense in *Hutchinson* v. *Proxmire*]

April 20, 1976.

Hon. Edward Levi,
The Attorney General, Justice Department, Washington, D.C.

Dear Mr. Attorney General: I am writing to seek your consideration in representing me and my Legislative Assistant Mr. Morton Schwartz in a suit filed in Federal District Court in Madison, Wisconsin, by one Ronald R. Hutchinson, charging us with wilfully malicious statements.

The circumstances are that on April 18, 1975, I made a statement published in the Congressional Record and issued a virtually identical press release for the same date, in which I criticized the National Science Foundation, NASA and the Office of Naval Research for spending almost $500,000 over seven years for research grants to Dr. Hutchinson.

I subsequently commented on the research, once on the Mike Douglas Show from Philadelphia in November of 1975.

I believe that the comments were well within my official duties and that as such the Justice Department should represent me, as it would represent any other federal official, in any proceedings stemming from the suit.

I believe that my actions and those of Mr. Schwartz were a part of my official duties for the following reasons.

First, I made the basic original statement on the floor of the United States Senate. That statement, as well as a subsequent statement, is involved in Dr. Hutchinson's charges.

Second, the grants to Dr. Hutchinson were made in part by the National Science Foundation and by the National Aeronautics and Space Administration, over whose budget I have official jurisdiction as Chairman of the HUD-Independent Agencies Subcommittee on Appropriations of the U.S. Senate. I urged Congress and the Executive Branch to end funding in my statement.

Third, my comments were concerned with matters which the Constitution places under the jurisdiction of Congress, namely, the power over appropriations and spending provided under Article I, Section 9 of the Constitution.

Fourth, the matter of Dr. Hutchinson's funding was involved in the legislative process when on Monday, March 8, 1976, before his suit was filed, I raised the matter in a hearing of the Appropriations Subcommittee on HUD-Independent Agencies with witnesses from the National Science Foundation.

A very important issue is involved in this suit: namely, whether Senators and Congressmen shall be prevented from commenting on public matters, in this case contracts funded by the federal government, for fear that their criticism of government spending will be considered libelous. If that principle were carried forward, it could effectively muzzle comment from the legislative branch of the government.

In any case, my statements were made as a part of my official duties and involved the legislative process. In that respect I should be defended by the government as any other official would be defended.

Further, with respect to the defense of my actions I would suggest the following:

(1) That with respect to my statement in the Congressional Record there may well be immunity under Article I, Section 6 of the Constitution, which states that Senators and Representatives ". . . for any Speech or Debate in either House, . . . shall not be questioned in any other Place."

(2) That my statements which Dr. Hutchinson charges were "uttered and republished" may also be immune as "legislative acts" as defined in *Gravel* v. *United States*.

The majority in that opinion defined "legislative acts" as those which are ". . . an integral part of the deliberative and *communicative* processes by which Members participate in committee and House proceedings with respect to the consideration and passage or rejection of proposed legislation or with respect to other matters which the Constitution places within the jurisdiction of either House." (emphasis added)

(3) That the statements were fair comment on a public matter involving the spending of public funds and that the suit is frivolous.

I urge your immediate consideration of this request for representation in the Federal District Court in Madison, Wisconsin.

With best wishes.

Sincerely,

William Proxmire,
U.S. Senator.

DEPARTMENT OF JUSTICE,
Washington, D.C., May 3, 1976.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: We are writing in response to your letter of April 20, 1976, in which you requested the Department of Justice to represent you and your Legislative Assistant, Mr. Morton Schwartz, in the case of *Ronald Hutchinson* v. *William Proxmire and Morton Schwartz,* U.S.D.C. W.D. Wisconsin, Civil Action Number 76–C–257. This is to confirm that the Department will be happy to represent you and Mr. Schwartz in this action.

In order for us to represent your interests in this case most effectively, we would appreciate a report setting forth the facts involved in this matter. Specifically, a narrative description of the particular circumstances which gave rise to the allegations of the complaint or describes the involvement, if any, of yourself or Mr. Schwartz with the plaintiff would be useful. Finally, we would appreciate your views on the accuracy of the specific allegations in the complaint.

With your assistance, we hope to bring this matter to a successful conclusion as expeditiously as possible.

Sincerely,

REX E. LEE,
Assistant Attorney General.

U.S. SENATE,
COMMITTEE ON BANKING,
HOUSING AND URBAN AFFAIRS,
Washington, D.C., May 5, 1976.

Hon. EDWARD LEVI,
Attorney General,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: I am writing concerning my letter of April 20 requesting representation by the Justice Department in a suit brought against me by a man who is the recipient of government grants which I criticized.

I appreciate very much the willingness of the Justice Department to represent me in this case, but since that decision was made the Senate of the United States has determined that the issues are of such significant importance to the Senate and its Constitutional prerogatives that it has assigned counsel to represent me.

I would nonetheless appreciate any help the Department can give in this matter especially with reference to gaining quick access to materials and documents necessary to the case.

With best wishes.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., June 11, 1976.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, 305 Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: We have introduced the enclosed Senate Resolution which has been referred to the Rules Committee; we urge the Rules Committee to act upon this Resolution at its earliest opportunity. It addresses itself to the proper defense of the libel suit filed against Senator Proxmire for actions clearly within the scope of his Senatorial duties and undertaken pursuant to the rules and regulations adopted by the Rules Committee and the Senate itself.

Senator Proxmire, after investigation by his staff, made a speech in the Senate criticizing spending of over a half million dollars by agencies under his jurisdiction in the Appropriations Committee. He released this speech to the press through the Service Department of the Senate and under the regulations provided by the Rules Committee for such releases. Later, he made a most general reference on television to the situation, which probably did not contain any element of libel.

In any case, neither the speech, nor release, nor additional statements involved any personal or private matter, or any criminal matter, but appeared to be a proper part of Senatorial duties and involved the informing and investigative functions of Congress.

The Justice Department ultimately agreed to defend Senator Proxmire, but the joint leadership, with the unanimous concurrence of the Democratic Policy Committee and the Chairman of the Republican Conference, believed that it would be more appropriate for the Legislative Branch, in a suit of this nature challenging a constitutional right and privilege of a legislator, to undertake the defense directly so that the presentment to a court of the parameters of the Constitution would remain fully within the control of the Legislative Branch. Congress should not defer to the Executive Branch, which may not have the same interests in defending legislative rights as does the Congress.

We believe the Senate should defend one of its own from an outside attack when the actions were taken within the scope of the Senator's responsibilities as defined by the Senate in both statute and its own rules.

We should not attempt to decide this case. That is up to the court. As a matter of fact an unfavorable ruling by the Rules Committee based on an interpretation of the existing body of law by the speech and debate clause would probably prejudice any defense of this suit by Senator Proxmire. We understand that there are many possible defenses in addition to immunity, including First Amendment rights, the power of the purse strings under Article I, Section 9, and the legitimate legislation activity provided under the case law.

But, in any case, we think the Senate should not permit the Executive Branch to assume this defense in an area where new law might very well need to be made to protect each of us in the future. Because of time factors and legal deadlines, the defense of the Senator has already been undertaken at our suggestion by counsel.

For all these reasons we urge favorable action as soon as possible.

MIKE MANSFIELD,
Senate Majority Leader.
HUGH SCOTT,
Senate Minority Leader.

[Excerpt From the Dissenting Opinion of Justice Brennan in *United States* v. *Gravel,* 408 U.S. 606, at 649–662 (1972)]

I

In holding that Senator Gravel's alleged arrangement with Beacon Press to publish the Pentagon Papers is not shielded from extra-senatorial inquiry by the Speech or Debate Clause, the Court adopts what for me is a far too narrow view of the legislative function. The Court seems to assume that words spoken in debate or written in congressional reports are protected by the Clause, so that if Senator Gravel had recited part of the Pentagon Papers on the Senate floor or copied them into a Senate report, those acts could not be questioned "in any other place."

Yet because he sought a wider audience, to publicize information deemed relevant to matters pending before his own committee, the Senator suddenly loses his immunity and is exposed to grand jury investigation and possible prosecution for the publication. The explanation for this anomalous result is the Court's belief that "Speech or Debate" encompasses only acts necessary to the internal deliberations of Congress concerning proposed legislation. "Here," according to the Court, "private publication by Senator Gravel through the cooperation of Beacon Press was in no way essential to the deliberations of the House." *Ante,* at 19. Therefore, "the Senator's arrangements with Beacon Press were not part and parcel of the legislative process." *Ibid.*

Thus the Court excludes from the sphere of protected legislative activity a function that I had supposed lay at the heart of our democratic system. I speak, of course, of the legislator's duty to inform the public about matters affecting the administration of government. That this "informing function" falls into the class of things "generally done in a session of the House by one of its members in relation to the business before it," *Kilbourn* v. *Thompson,* 103 U.S. 168, 204 (1881), was explicitly acknowledged by the Court in *Watkins* v. *United States,* 354 U.S. 178 (1957). In speaking of the "power of Congress to inquire into and publicize corruption, maladministration or inefficiency in the agencies of Government," the Court noted that "[f]rom the earliest times in its history, the Congress has assiduously performed an 'informing function' of this nature." *Id.,* at 200, n. 33.

We need look no further than Congress itself to find evidence supporting the Court's observation in *Watkins.* Congress has provided financial support for communications between its members and the public, including the franking privilege for letters, telephone and telegraph allowances, stationery allotments, and favorable prices on reprints from the Congressional Record. Congressional hearings, moreover, are not confined to gathering information for internal distribution, but are often widely publicized, sometimes televised, as a means of alerting the electorate to matters of public import and concern.

The list is virtually endless, but a small sampling of contemporaneous hearings of this kind would certainly include the Kefauver hearings on organized crime, the 1966 hearings on automobile safety, and the numerous hearings of the Senate Foreign Relations Committee on the origins and conduct of the war in Vietnam. In short, there can be little doubt that informing the electorate is a thing "generally done" by the members of Congress "in relation to the business before it."

The informing function has been cited by numerous students of American politics, both within and without the Government, as among the most important responsibilities of legislative office. Woodrow Wilson, for example, emphasized its role in preserving the separation of powers by ensuring that the administration of public policy by the Executive is understood by the legislature and electorate:

"It is the proper duty of a representative body to look diligently into every affair of government and to talk much about what it sees. It is meant to be the eyes and voice, and to embody the wisdom and will of its constituents. Unless Congress have and use every means of acquainting itself with the acts and the disposition of the administrative agents of the government, the country must be helpless to learn how it is being served; and unless Congress both scrutinize these things and sift them by every form of discussion, the country must remain in embarrassing, crippling ignorance of the very affairs which it is most important that it should understand and direct." W. Wilson, Congressional Government 303 (1885).

Others have viewed the give-and-take of such communication as an important means of educating both the legislator and his constituents:

"With the decline of Congress as an original source of legislation, this function of keeping the government in touch with public opinion and of keeping public opinion in touch with the conduct of the government becomes increasingly important. Congress no longer governs the country; the Administration in all its ramifications, actually governs.

But Congress serves as a forum through which public opinion can be expressed, general policy discussed, and the conduct of governmental affairs exposed and criticized." The Reorganization of Congress, A Report of the Committee on Congress of the American Political Science Association 14 (1945).

Though I fully share these and related views on the educational values served by the informing function, there is yet another and perhaps more fundamental interest at stake. It requires no citation of authority to state that public concern over current issues—the War, race relations, governmental invasions of privacy—has transformed itself in recent years into what many believe is a crisis of confidence, in our system of government and its capacity to meet the needs and reflect the wants of the American people. Communication between Congress and the electorate tends to alleviate that doubt by exposing and clarifying the workings of the political system, the policies underlying new laws and the role of the Executive in their administration. To the extent that the informing function succeeds in fostering public faith in the responsiveness of Government, it is not only an "ordinary" task of the legislator but one that is essential to the continued vitality of our democratic institutions.

Unlike the Court, therefore, I think that the activities of Congressmen in communicating with the public are legislative acts protected by the Speech or Debate Clause. I agree with the Court that not every task performed by a legislator is privileged; intervention before Executive departments is one that is not. But the informing function carries a far more persuasive claim to the protections of the Clause. It has been recognized by this Court as something "generally done" by Congressmen, the Congress itself has established special concessions designed to lower the cost of such communication, and, most important, the function furthers several well-recognized goals of representative government. To say in the fact of these facts that the informing function is not privileged merely because it is not necessary to the internal deliberations of Congress is to give the Speech or Debate Clause an artificial and narrow reading unsupported by reason.

Nor can it be supported by history. There is substantial evidence that the Framers intended the Speech or Debate Clause to cover all communications from a Congressman to his constituents. Thomas Jefferson clearly expressed that view of legislative privilege in a case involving Samuel Cabell, Congressman from Virginia. In 1797 a federal grand jury in Virginia investigated the conduct of several Congressmen, including Cabell, in sending newsletters to constituents critical of the administration's policy in the war with France. The grand jury found that the Congressmen had endeavored "at a time of real public danger, to disseminate unfounded calumnies against the happy government of the United States, and thereby to separate the people therefrom; and to increase or produce a foreign influence, ruinous to the peace, happiness, and independence of these United States." Jefferson immediately drafted a long essay signed by himself and several citizens of Cabell's district, condemning the grand jury investigation as a blatant violation of the congressional privilege. Revised and joined by James Madison, the protest was forwarded to the Virginia House of Delegates. It reads in part as follows:

". . . that in order to give to the will of the people the influence it ought to have, and the information which may enable them to exercise it usefully, it was a part of the common law, adopted as the law of this land, that their representatives, in the discharge of their functions, should be free from the cognizance or coercion of the coordinate branches, Judiciary and Executive; and that their communications with their constituents should be of right, as of duty also, be free, full, and unawed by any: that so necessary has this intercourse been deemed in the country from which they derive principally their descent and laws, that the correspondence between the representative and constituent is privileged there to pass free of expense through the channel of the public post, and that the proceedings of the legislature have been known to be arrested and suspended at times until the Representatives could go home to their several counties and confer with their constituents.

* * * * *

"That when circumstances required that the ancient confederation of this with the sister States, for the government of their common concerns, should be improved into a more regular and effective form of general government, the same representative principle was preserved in the new legislature, one branch of which was to be chosen directly by the citizens of each State, and the laws and principles remained unaltered which privileged the representative functions, whether to be exercised in the State or General Government, against the cognizance and notice of the coordinate branches, Executive and Judiciary; and for its safe and convenient exercise, the intercommunication of the representative and constituent has been sanctioned and provided for through the channel of the public post, at the public expense.

* * * * *

"That the grand jury is a part of the Judiciary, not permanent indeed, but in office, *pro hac vice* and responsible as other judges are for their actings and doings while in office: that for the Judiciary to interpose in the legislative department between the constituent and his representative, to control them in the exercise of their functions or duties towards each other, to overawe the free correspondence which exists and ought to exist between them, to dictate what communications may pass between them, and to punish all others, to put the representative into jeopardy of criminal prosecution, of vexation, expense, and punishment before the Judiciary, if his communications, public or private, do not exactly square with their ideas of fact or right, or with their designs of wrong, is to put the legislative department under the feet of the Judiciary, is to leave us, indeed, the shadow, but to take away the substance of representation, which requires essentially that the representative be as free as his constituents would be, that the same interchange of sentiment be lawful between him and them as would be lawful among themselves were they in the personal transaction of their own business; is to do away the influence of the people over the proceedings of their representatives by excluding from their knowledge, by the terror punishment, all but such information or misinformation as may suit their own views; and is the more vitally dangerous when it is considered that grand jurors are selected by officers nominated and holding their places at the will of the Executive . . . ; and finally, is to give to the Judiciary, and through them to the Executive, a complete preponderance over the legislature rendering ineffectual that wise and cautious distribution of powers made by the constitution between the three branches, and subordinating to the other two that branch which most immediately depends on the people themselves, and is responsible to them at short periods." 8 The Works of Thomas Jefferson 322–327 (Ford ed. 1904).

Jefferson's protest is perhaps the most significant and certainly the most cogent analysis of the privileged nature of communication between Congressman and public. Its comments on the history, purpose and scope of the Clause leave no room for the notion that the Executive or Judiciary can in any way question the contents of that dialogue. Nor was Jefferson alone among the Framers in that view. Aside from Madison, who joined in the protest, James Wilson took the position that a member of Congress "should enjoy the fullest liberty of speech, and . . . should be protected from the resentment of everyone, however powerful, to whom the exercise of that liberty may occasion offence." I Works of James Wilson 421 (McCloskey ed. 1967). Wilson, a member of the Committee responsible for drafting the Speech or Debate Clause, stated in plainest terms his belief in the duty of Congressmen to inform the people about proceedings in the Congress:

"That the conduct and proceedings of representatives should be as open as possible to the inspection of those whom they represent, seems to be, in republican government, a maxim, of whose truth or importance the smallest doubt cannot be entertained. That, by a necessary consequence, every measure, which will facilitate or secure this open communication of the exercise of delegated power, should be adopted and patronised by the constitution and laws of every free state, seems to be another maxim, which is the unavoidable result of the former." *Id.*, at 422.

Wilson's statements, like those of Jefferson and Madison, reflect a deep conviction of the Framers, that self-government can succeed only when the people are informed by their representatives, without interference by the Executive or Judiciary, concerning the conduct of their agents in government. That conviction is no less valid today than it was at the time of our founding. I would honor the clear intent of the Framers and extend to the informing function the protections embodied in the Speech or Debate Clause.

The Court, however, offers not a shred of evidence concerning the Framers' intent, but relies instead on the English view of legislative privilege to support its interpretation of the Clause. Like the Court itself, *ante*, at n. 14, I have some doubt concerning the relevance of English authority to this case, particularly authority post-dating the adoption of our Constitution. But in any event it is plain that the Court has misread the history on which it relies. The Speech or Debate Clause of the English Bill of Rights was at least in part the product of a struggle between Parliament and Crown over the very type of activity involved in this case.

During the reign of Charles II, the House of Commons received a number of reports about an alleged plot between the Crown and the King of France to restore Catholicism as the established religion of England. The most famous of these reports, Dangerfield's Narrative, was entered into the Commons Journal and then republished by order of the Speaker of the House, Sir William Williams, with the consent of Commons. In 1686, after James II came to the throne, informations charging libel were filed against Williams in King's Bench. Despite the arguments of his attorney, Sir Robert Atkyns, that the publication was necessary to the "counselling" and "enquiring" functions of Parliament, Williams' plea of privilege was rejected and he was fined £10,000. Shortly after Williams' conviction James II was sent into exile, and a committee was appointed by the House of Commons to report upon "such things as are absolutely necessary for securing the Laws and Liberties of the Nation." 9 Grey's Debates 37.

In reporting to the House, the chairman of the committee stated that the provision for freedom of speech and debate was included "for the sake of one, . . . Sir William Williams, who was punished out of Parliament for what he had done in Parliament." *Id.*, at 81. Following consultation with the House of Lords, that provision was included as part of the English Bill of Rights, and the judgment against Williams was declared by Commons "illegal and subversive of the freedom of parliament." I Townsend, Memoirs of the House of Commons 414 (2d ed. 1844).

Although the origins of the Speech or Debate Clause in England can thus be traced to a case involving republication, the Court, citing *Stockdale* v. *Hansard*, 9 Ad. & E. 1, 112 K. B. 1112 (1839), says that "English legislative privilege was not viewed as protecting republication of an otherwise immune libel on the floor of the House." *Ante*, at 16. That conclusion reflects an erroneous reading of precedent. *Stockdale* did state that "if the calumnious or inflammatory speeches should be reported and published, the law will attach responsibility on the publisher." *Id.*, at 114, 112 K. B., at 1156. But *Stockdale* concerned only the publisher's liability, not that of a member of Parliament; thus it has little bearing on the instant case. Furthermore, contrary to the Court's assertion, *ante*, at n. 14, even the narrow result of *Stockdale* was repudiated 30 years later in *Wason* v. *Walter*, [1868] 4 Q. B. 73, for reasons strikingly similar to those expressed by Jefferson in his protest.[1]

In my view, therefore, the English precedent, if relevant at all, supports Senator Gravel's position here.

Thus, from the standpoint of function or history, it is plain that Senator Gravel's dissemination of material, placed by him in the record of a congressional hearing, is itself legislative activity protected by the privilege of speech or debate. Whether or not that privilege protects the publisher from prosecution or the Senator from senatorial discipline, it certainly shields the Senator from any grand jury inquiry about his part in the publication. As we held in *United States* v. *Johnson*, 383 U.S. 169 (1966), neither a Congressman, nor his aides, nor third parties may be made to testify concerning privileged acts or their motives. That immunity, which protects legislators "from deterrents to the uninhibited discharge of their legislative duty," *Tenney* v. *Brandlove*, 341 U.S. 367, 377 (1951) is the essence of the Clause, designed not for the legislators' "private indulgence but for the public good." *Id.*, at 377.

That privilege, moreover, may not be defeated merely because a court finds that the publication was irregular or the material irrelevant to leigslative business. Legislative immunity secures "to every member exemption from prosecution, for everything said or done by him, as a representative, in the exercise of the functions of that office . . . whether the exercise was regular, according to the rules of the house, or irregular and against their rules." *Coffin* v. *Coffin*, 4 Mass. 1, 27 (1808). Thus, if the republication of this committee record was unauthorized or even prohibited by the Senate rules, it is up to the Senate, not the Executive or Judiciary, to fashion the appropriate sanction to discipline Senator Gravel.

Similarly, the Government cannot strip Senator Gravel of the immunity by asserting that his conduct "did not relate to any pending Congressional business." Brief, at 41. The Senator has stated that his hearing on the Pentagon Papers had a direct bearing on the work of his Subcommittee on Buildings and Grounds, because of the effect of the Vietnam war on the domestic economy and the lack of sufficient federal funds to provide adequate public facilities. If in fact the Senator is wrong in this contention, and his conduct at the hearing exceeded the subcommittee's jurisdiction, then again it is the Senate that must call him to task. This Court has permitted congressional witnesses to defend their refusal to answer on the ground of nongermaneness. *Watkins* v. *United States*, 354 U.S. 178 (1957).

Here, however, it is the Executive that seeks the aid of the judiciary, not to protect individual rights, but to extend its power of inquiry and interrogation into the privileged domain of the legislature. In my view the Court should refuse to turn the freedom of speech or debate on the Government's notions of legislative propriety and relevance. We would weaken the very structure of our constitutional system by becoming a partner in this assault on the separation of powers.

Whether the Speech or Debate Clause extends to the informing function is an issue whose importance goes beyond the fate of a single Senator or Congressman. What is at stake is the right of an elected representative to inform, and the public to be informed, about matters relating directly to the workings of our Government. The dialogue between Congress and people has been recognized, from the days of our founding, as one of the necessary elements of a representative system. We should not retreat from that view merely because, in the course of that dialogue, information may be revealed that is embarrassing to the other branches of government or violates their notions of necessary secrecy.

A member of Congress who exceeds the bounds of propriety in performing this official task may be called to answer by the other members of his chamber. We do violence to the fundamental concepts of privilege, however, when we subject that same conduct to judicial scrutiny at the instance of the Executive.[2] The threat of "prosecution by an unwritten, the informing function acts to preserve the basic character of our constitutional government.[187] For a system of self-government to be viable, the people must be fully informed of the workings of their government so that they may meaningfully exercise their rights to vote and to "free public discussion of the stewardship of public officials." [188] Congressmen should thus be unhindered in perfriendly executive and conviction by a hostile judiciary," *United States* v. *Johnson*, 383 U.S., at 179, which the Clause was designed to avoid, can only lead to timidity in the performance of this vital function. The Nation as a whole benefits from the congressional investigation and exposure of official corruption and deceit. It likewise suffers when that exposure is replaced by muted criticism, carefully hushed behind congressional walls.

[Excerpt from Reinstein, Robert J., and Harvey A. Silverglate, "Legislative Privilege and Separation of Powers," 86 *Harvard Law Review* 1113, 1149–1153 (1973)]

The scheme of representative government envisaged by the Constitution presupposes an obligation on the part of a legislator to inform his constituents and colleagues about vital matters concerning the administration of government and national affairs.[185] The informing function plays a key role in our system of separation of powers, insuring that the administration of public policy by the innumerable nonelected officials of the executive department is fully understood by the legislature and the people.[186] In contemporary times, as much as when the Constitution was forming their duty of informing the electorate.[189]

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[1] In *Wason* the proprietor of the London Times was sued for printing an account of a libellous debate in the House of Lords. The Court agreed with *Stockdale* that the House did not have final authority to determine the scope of its privileges and thus could not confer immunity on any publisher merely by ordering a document printed and then declaring it privileged. Indeed the *Wason* Court gave its "unhesitating and unqualified adhesion" to *Stockdale* on that point. *Id.*, at 86. The only issue for the Court, therefore, was whether the publication "is, independently of such order or assertion of privilege, in itself privileged and lawful." *Id.*, at 87. On that issue the Court severely criticized the reasoning of earlier cases, including *Stockdale*, stating that two of the Justices in that case had expressed a "very shortsighted view of the subject." *Id.*, at 91. The Court held that so long as the republication was accurate and in good faith, it could not be the basis of a libel action; and the member himself was privileged to publish his speech "for the information of his constituents." *Id.*, at 95. Relying not on the Parliamentary Papers Act of 1840, which was enacted in response to *Stockdale*, but on the analogy to judicial reports and the need for an informed public, the Court stated:

"It seems to us impossible to doubt that it is of paramount public and national importance that the proceedings of the houses of parliament shall be communicated to the public, who have the deepest interest in knowing what passes within their walls, seeing that on what is there said and done, the welfare of the community depends. Where would be our confidence in the government of the country or in the legislature by which our laws are framed, and to whose charge the great interests of the country are committed,—where would be our attachment to the constitution under which we live,—if the proceedings of the great council of the realm were shrouded in secresy and concealed from the knowledge of the nation? How could the communications between the representatives of the people and their constituents, which are so essential to the working of the representative system, be usefully carried on, if the constituencies were kept in ignorance of what their representatives are doing? What would become of the right of petitioning on all measures pending in parliament, the undoubted right of the subject, if the people are to be kept in ignorance of what is passing in either house? Can any man bring himself to doubt that the publicity given in modern times to what passes in parliament is essential to the maintenance of the relations subsisting between the government, the legislature, and the counry at large?" *Id.*, at 89.

The fact that the debate was published in violation of a standing order of Parliament was held to be irrelevant. "Independently of the orders of the houses, there is nothing unlawful in publishing reports of parliamentary proceedings. . . . [A]ny publication of its debates made in contravention of its orders would be a matter between the house and the publisher." Id., at 95.

Whether *Wason* was based on parliamentary privilege or on an analogy to the publication of judicial proceedings is unimportant. What is important to the instant case is that *Wason* firmly rejected any implication in *Stockdale* that the informing function was not among the legislative activities that a member of Parliament was privileged to perform. Indeed that same conclusion was reached by Sir Gilbert Campion, a noted scholar, in his memorandum to the House of Commons' Select Committee on the Official Secrets Acts. After reviewing the republication cases through *Wason*, the memorandum concluded:

"If . . . a member circulated among his constituents a speech made by him in Parliament in which he had disclosed information [otherwise subject to the Official Secrets Acts], it might be held on the analogy of the principles which have been said to apply to prosecutions for libel that he could not be proceeded against for disclosing it to his constituents, unless, of course, the speech had been made in a secret session. Even if the suggested analogy is not admitted, it would be repugnant to common sense to hold that though the original disclosure in the House was protected by parliamentary privilege, the circulation of the speech among the member's constituents was not." Minutes of Evidence Taken before the Select Committee on the Official Secrets Acts 29 (1939).

[2] Different considerations may apply, of course, where the republication is attacked, not by the Executive, but by private persons seeking judicial redress for an alleged invasion of their constitutional rights.

Footnotes to excerpt at end of article.

The publication of congressional committee proceedings and their dissemination to the electorate play other important roles in representative government. The heart of representative democracy is the communicative process between the people and their agents in government.[190] By making accurate reports of these proceedings widely available, congressmen enlighten the electorate and at the same time insure that the people will inform them and their colleagues of their well-considered views on pending or potential legislation. Practically every careful student of Congress has observed this process and has also noted that committee hearings and the publication and distribution of speeches and committee reports form the principal avenue for achieving it.[191]

In examining whether informing constituents through publication is a "legislative act," it is also pertinent to note that congressmen understand both the utility and necessity of holding committee hearings and publishing their proceedings in order both to enlighten the electorate and affect future legislation.[192] Accordingly, Congress has provided a variety of financial and other supports for communications between a legislator and the public.[193] One study revealed that a majority of congressmen send newsletters to the public on a periodic basis,[194] and it has also been found that congressmen spend a substantial portion of their time informing the electorate.[195]

The informing function is a fact of life in the modern Congress, and it surely cannot be dismissed cynically as a mere device for congressmen to woo votes.[196] Many congressional hearings have been held and extensively publicized in order to enlighten the electorate about activities which were inimical to the general welfare, and have resulted in public pressure for the consequent passage of important legislation. A small sample might include the famous inquiries conducted by the Kefauver committees on organized crime and on dangerous drug practices,[197] by the Senate rackets subcommittee on the regulation of internal operation of labor unions,[198] by the LaFollette civil liberties committee,[199] by the 1965 Senate committee hearings on automobile safety,[200] and by the Fulbright committee on the Reconstruction Finance Corporation.[201] With respect to investigatiosn of executive conduct, one might add the Wheeler-Walsh exposure of scandal in the Harding administration,[202] the Truman-Mead hearings on national defense [203] and of course, many more recent hearings on the origins and conduct of the Vietnam War.[204]

The constitutional evil which would result from denying the privilege's applicability to the informing function of Congress should be apparent, particularly when this is done at the behest of the executive and with respect to material which is critical of executive behavior. If the executive branch may institute grand jury proceedings and interrogate witnesses about the publication of their speeches and committee reports which congressmen send to the electorate, legislators will inescapably be inhibited from communicating to constituents—in press releases, newsletters, and anything spoken outside of Congress. Fear of harassment, grand jury investigations, and even prosecutions will isolate congressmen from their constituents,[205] thus undermining an important legislative function.

The conflict over the informing function which was raised in the *Gravel* case is certainly not novel. Past disputes over the scope of legislative privilege have also centered on this very issue; the factual similarity of the *Gravel* case with the precedents of congressmen Cabell [206] and Lyon [207] in this country and Sir William Williams [208] in England is readily apparent. All involved attempts by legislators to inform their constituents of corruption or maladministration in the executive branch. The central purpose of the speech or debate privilege—to protect legislative functions in the system of separate powers—requires that attempts by the executive to stifle such communication between the people and their representatives in Congress should not be entertained in the courts; the contrary result, to quote Jefferson, would be "to leave us, indeed, the shadow, but to take away the substance of representation." [209]

FOOTNOTES

[185] This was recognized by the Supreme Court in Watkins v. United States, 354 U.S. 178 (1957). In speaking of the "power of Congress to inquire into and publicize corruption, maladministration or inefficiency in agencies of Government," the Court noted that "[f]rom the earliest times in its history, the Congress has assiduously performed an 'informing function' of this nature." *Id.* at 200 n.33.

[186] *See, e.g.,* W. Wilson, Congressional Government 303 (1885).

[187] The centrality of the informing function to democratic institutions has been emphasized even by those political theorists who, while doubting the capacity of legislative bodies to legislate, nonetheless believed that by overseeing the administration of government they would make an essential contribution to the protection of liberty. *See, e.g.,* J. S. Mill, Considerations of Representative Government 42 (People's ed. 1873).

[188] New York Times Co. v. Sullivan, 376 U.S. 254, 275 (1964).

[189] Wilson, *supra* note 186, at 303.

[190] *See, e.g.,* Selected Political Essays of James Wilson 169–70 (Adams ed. 1930).

[191] *See, e.g.,* J. Bibby & R. Davidson, On Capitol Hill 13 (1967); E. S. Griffith, Congress: Its Contemporary Role 249–53 (4th ed. 1967); J. P. Harris, Congress and the Legislative Process 41 (1967); The Reorganization of Congress, A Report of the Committee on Congress of the American Political Science Ass'n 13–14 (1945). *See also* H. Laski, The American President: An Interpretation 158 (1940). *Cf.* C. L. Clapp, The Congressman: His Work as He Sees It 100–of (1963).

[192] *See, e.g.,* Clapp, *supra* note 191, at 265–66; W. Morrow, Congressional Committees 91–97 (1969); O. Tacheron & M. Udall, The Job of a Congressman 117, 280–88 (1966).

[193] "Such provisions include the franking privilege for sending letters, the telephone and telegraph allowance, the stationery allotments, use of the Joint Senate-House Radio-Television facilities, free distribution of the *Congressional Record,* favorable prices on personal reprints from the *Record,* and free use of the folding rooms which collate, fold, stuff, package, and mail Congressional newsletters, polls and other communications directed to constituents."

C. Hawver, The Congressman's Conception of His Role, 54–55 (1963). *See also* Gravel v. United States, 408 U.S. 606, 650 (1972) (Brennan, J., dissenting); Clapp, *supra* note 191, at 58–60, 89.

[194] "In 1962 a confidential House survey showed that 231 of 437 members of the House used franked-mail newsletters, mailed weekly or on another periodic basis. Of the 231, some 15 Congressmen sent out 400,000 or more pieces of free mail each during the first seven months of the year while 19 sent out 300,000 to 400,000 pieces. . . . In the middle range, well scattered between 5,000 and 300,000 pieces, were 168 (about 73%), while only 29 sent out 5,000 pieces or less."

Hawver, *supra* note 193, at 56. The Post Office has reported that the amount of franked mail increased from 44.9 million pieces in 1955 to 63.4 million in 1958 and 111 million in 1962. Clapp, *supra* note 191, at 59.

[195] *See, e.g.,* the results of congressional surveys in Tacheron & Udall, *supra* note 192, at 280–88.

[196] *But see* United States v. Brewster, 408 U.S. 501 (1972), where the Court did just that. Chief Justice Burger distinguished "legislative" from "political" activities of congressmen. The latter, termed "legitimate 'errands' performed for constituents," were said to include "making of appointments with Government agencies, assistance in securing Government contracts, preparing so-called 'news letters' to constituents, news releases, and speeches delivered outside Congress . . . . They are performed in part because they have come to be expected by consttiuents, and because they are a means of developing continuing support for future elections."

Id. at 512. Senator Ervin has stated that these comments show a basic lack of respect for a coordinate branch of government and amount to a "serious affront." Ervin, *The Gravel and Brewster Cases: An Assault on Congressional Independence,* 118 Cong. Rec. S 13,610, 13,612 (daily ed. Aug. 16, 1972).

[197] *Hearings on Investigation of Organized Crime in Interstate Commerce Before the Senate Special Comm. to Investigate Organized Crime in Interstate Commerce,* 81st Cong., 2d Sess. (1950) & 82d Cong., 1st Sess. (1951).

[198] *Hearings on Violation or Nonenforcement of Government Laws and Regulations in the Labor Union Field Before the Permanent Subcomm. on Investigations of the Senate Government Operations Comm.,* 85th Cong., 1st Sess. (1957); *Hearings on the Investigation of Improper Activities in the Labor or Management Field Before the Senate Select Comm. on Improper Activities in the Labor or Management Field,* 85th Cong., 1st Sess. (1957) through 86th Cong., 1st Sess. (1959).

[199] *Hearings on Violations of Free Speech and Assembly and Interference with Rights of Labor Before a Subcomm. of the Senate Comm. on Education and Labor,* 74th Cong., 2d Sess. (1936) through 76th Cong., 1st Sess. (1939).

[200] *Hearing on Federal Role in Traffic Safety: Examination and Review of Efficiency, Economy, and Co-ordination of Public and Private Agencies, Activities and the Role of the Federal Government Before the Subcomm. on Executive reorganization of the Senate Comm. on Government Operations,* 89th Cong., 1st Sess. (1965).

[201] *Hearings on a Study of the Operations of the Reconstruction Finance Corporation Pursuant to S. Res. 219 Before a Subcomm. of the Senate Comm. on Banking and Currency,* 81st Cong., 2d Sess. (1950) & 82d Cong., 1st Sess. (1951).

[202] *See* Frankfurter, *Hands off the Investigations,* 38 The New Republic 329–31 (1924).

[203] *Hearings on Investigation of the Nation's Defense Program Before a Senate Special Comm. Investigating the National Defense Program,* 77th Cong., 1st Sess. (1941) through 80th Cong., 1st Sess. (1947).

[204] *See* The Vietnam Hearings (1966) (copyright and intro. by J. W. Fulbright); The Truth About Vietnam: Report on the United States Senate Hearings (F. Robinson & E. Kemp eds. 1966) (analysis by W. Morse; foreword by J. W. Fulbright). On the general importance of congressional hearings, see Black, *Inside a Senate Investigation,* 172 Harper's Monthly 275, 285–86 (1936).

[205] The holding in *Gravel* arguably does not undermine a congressman's obligation to inform his colleagues, since the specific holding is limited to "private" publication and not to congressionally authorized publications, which would include the *Congressional Record. See* Gravel v. United States, 408 U.S. 606, 626 & n.16 (1972). But the logic of the Court's holding may lead to the conclusion that even statements inserted in the *Record* are not privileged, since publication of proceedings in the *Record* may serve to inform constituents no less than Senator Gravel's publication of the subcommittee record, and

the Senator's action arguably also served to inform congressional colleagues no less than the *Record*. And logically, official authorization to "republish" should not affect the scope of the privilege. *See* pp. 1166–69 *infra*. But even if the privilige is held to apply to the *Record*, its publication does not obviate the effect of the decision in cutting off congressmen from their constituents. The *Record* has a very limited circulation, and most congressmen necessarily rely upon "private" publications and speeches outside the Capitol to inform their constituents. *See* pp. 1150–51 & notes 192–95 *supra*; p. 1168 & note 274 *infra*. Furthermore, congressmen do not enjoy an unlimited right to insert matters into the *Record;* a congressman must obtain the unanimous consent of his house in order to place a statement in the *Record*. Conversation with Murray Zweeben, Assistant Parliamentarian, United States Senate, April 19, 1973. On April 25, 1972, Senator Gravel asked for unanimous consent to insert into the *Record* a copy of National Security Study Memorandum No. 1, which contained analyses by the Defense Department, the State Department and the Central Intelligence Agency concerning the feasibility and likely consequences of an executive decision to bomb Hanoi and Haiphong and to mine the North Vietnamese harbors. Senator Griffin (R. Mich.) objected, 118 CONG. REC. pp. 14094–14096 April 25, 1972), and it was decided to resolve the matter in an executive session of the Senate. The session, held on May 2, 1972, lasted for 6½ hours, and it was ultimately decided, informally, that Senator Gravel would not place the memorandum in the *Record* and that a specially appointed committee would give the matter further study. The proceedings of the executive session were subsequently published in 118 CONG. REC. pp. 15287–15299; 15300–15308; and 15960–15972, May 1972).

[206] *See* pp. 1140–42 & notes 145–53 *supra*.

[207] *See* pp. 1142–44 & notes 154–70 *supra*.

[208] *See* pp. 1129–33 & notes 74–107 *supra*.

[209] 8 WORKS OF THOMAS JEFFERSON 326 (Ford ed. 1904). *See* note 150 *supra*.

AMENDMENT NO. 2096

Mr. BUCKLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. BUCKLEY) proposes an amendment No. 2096, as modified.

The amendment is as follows:

On page 1, strike everything after the title, and insert in lieu thereof the following:

Whereas a civil action has been filed against the senior Senator from Wisconsin (Mr. Proxmire) in the United States District Court for the Western Direct of Wisconsin (Hutchinson against Proxmire, et al., number 76C257); and

Whereas the civil action against the Senator from Wisconsin (Mr. Proxmire) seeks damages for actions that were performed within the scope of a Member of the Senate's duties and responsibilities under the Constitution of the United States; and

Whereas the junior Senator from New York (Mr. Buckley) filed a civil action challenging the constitutionality of Public Law 93–443; and

Whereas the civil action by the Senator from New York (Mr. Buckley) was brought pursuant to section 437h of title 2, United States Code, and in accordance with the intent of Congress manifested by that section that the constitutionality of Public Law 93–443 should be quickly and expenditiously determined; and

Whereas said civil action resulted in a decision, in Buckley against Valeo, that declared important sections of Public Law 93–443 to be unconstitutional and provided the necessary guidelines for its modification: Now, therefore, be it

Resolved, That the expenses, including attorneys' fees, in an amount subject to the approval of the Committee on Rules and Administration, incurred in the defense of the civil action brought against him shall be paid from the contingent fund of the Senate on vouchers signed by the Senator from Wisconsin (Mr. Proxmire) and approved by the Committee on Rules and Administration; and be it further

Resolved, That the outstanding expenses incurred in bringing *Buckley* v. *Valeo* ($11,599.33) shall be paid from the contingent fund of the Senate on vouchers signed by the Senator from New York (Mr. Buckley) and which shall be approved by the Committee on Rules and Administration.

Mr. BUCKLEY. Mr. President, the amendment I have sent to the desk is virtually identical to amendment No. 2096. There were a couple of technical changes that had to be made and I have sent a copy to the distinguished floor manager of the bill.

Mr. President, the effect of my amendment would be to add to the resolution authorization for reimbursement of a portion of the out-of-pocket expenses, incurred by my attorneys in the case of Buckley against Valeo, which defined the constitutional rights of participants in the political process.

On May 3, 1976, I petitioned the Senate Rules Committee for reimbursement of the outstanding balance of out-of-pocket expenses which I incurred during my participation in that case. This request for reimbursement was in the sum of $11,599.33. These expenses, for which I asked reimbursement, constituted only a small part of the $38,664 in expenses actually incurred.

This request was made subsequent to and in reliance upon a similar award of $4,907.27 to Archibald Cox to defray his out-of-pocket exprenses in representing the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Pennsylvania (Mr. SCOTT) in the BUCKLEY case. I believed at the time that our case for reimbursement was even more compelling than that which was presented on behalf of Mr. Cox. Our participation in that law suit resulted in the vindication of a number of first amendment and article two constitutional principles. Senators KENNEDY and SCOTT, on the other hand, were not the primary defenders of the statute, but rather two among a number of amici.

The papers filed in the case by Mr. Cox confirm the fact that he was intervening on behalf of two individual Senators acting not on behalf of the Senate, but in support of the constitutionality of legislation which they had cosponsored. Had they thought of themselves as in any way representing the Senate, that fact would surely have been set forth in their motion for leave to participate in oral argument.

Their interest in the case, I submit, was in no substantive way distinguishable from my own; and my service to the cause of assuring the constitutionality of our laws was demonstrably more significant. The extent to which the outcome of the Buckley case differs from what it would have been in the absence of their participation is indeterminate at best. The impact of my initiative in bringing the suit, on the other hand, is self-evident.

I do not suggest that the award of legal fees in the case of the Senators from Massachusetts and Pennsylvania be taken as a precedent for individual Senators who test and defend the constitutionality of legislation passed by the Senate. I do suggest, however, that the committee was under an obligation to deal even-handedly with all of the Senators involved in Buckley against Valeo. And, I might add, that the vindication of constitutional rights in that case should be viewed as no less important than the defense of unconstitutional provisions of the statute, particularly in view of the Senator's oath of office "to support and defend the Constitution of United States."

The Rules Committee nevertheless saw fit on the one hand to approve the reimbursement of the out-of-pocket expenses incurred by Mr. Cox and, on the other, to deny my request for funds sufficient to cover the remaining unreimbursed expenses incurred by my attorneys.

Immediately following its action in our case, the Committee voted six to one to underwrite the legal expenses which the Senator from Wisconsin (Mr. PROXMIRE) would incur in defending his defamation action arising from press releases, statements made to members of his staff, and remarks made on the "Mike Douglas Show," as described by the manager of the bill.

Mr. President, I am not quarreling with the action taken by the committee in the case of the Senator from Wisconsin, but I would point out that the acts giving rise to the legislation did not in any way constitute a "legislative act" of the kind which in the past has been considered the basis for the assumption of the cost of litigation on behalf of Members of the Senate. Once again, I see no legitimate basis for granting the Senator from Wisconsin's request while denying mine.

To be quite candid, I feel the committee's action has been discriminatory, suggesting that some Senators are more equal than others, that within this body there exists a club within a club that is unbecoming to the institution. I believe that either all of us are entitled to reimbursement of the expenses incurred, or none of us is. I appeal to the sense of fairness of the Senate, and ask that my amendment be approved.

Mr. ALLEN. Will the Senator yield for a question?

Mr. BUCKLEY. Gladly.

Mr. ALLEN. The Senator speaks of out-of-pocket expenses. Would the Senator mind saying out of whose pocket expenses?

Mr. BUCKLEY. As of the moment, out of the law firm's expenses, of some $40,000 of expenses.

We have various people interested in the case, have raised money, contributed money, solicited funds, but we are still $11,000 short.

Mr. ALLEN. So it would be some $38,000, is that correct?

Mr. BUCKLEY. That is correct.

Mr. ALLEN. And all paid but $11,000?

Mr. BUCKLEY. That is correct.

Mr. ALLEN. And no portion of this would be for attorney fees?

Mr. BUCKLEY. None whatever, no.

Mr. ALLEN. I would say I look with favor on the Senator's position and feel that the great constitutional issue is involved in this. Had not the Senator from New York and others taken the initiative to bring action to determine the constitutionality of the Federal election law, it is entirely conceivable that the matter would still be undecided up to now. I feel the Senator's request is reasonable, especially in light of the fact that other attorneys have had their out-of-pocket expenses paid when, as I see it, they had no greater standing than did the attorneys representing the distinguished Senator from New York, the only difference being, however, that they were representing the side that sought to uphold the law, whereas counsel for the distinguished Senator from New York were seeking to tear down the law.

Mr. BUCKLEY. Or to uphold the Constitution.

Mr. ALLEN. Or what?

Mr. BUCKLEY. Uphold the Constitution.

Mr. ALLEN. Uphold the Constitution. Very well. I do not believe the Constitution was in danger of being stricken down in this action.

I did not agree with all of the aspects of the Supreme Court decision in this matter. I think the one issue they decided, that a limitation can be placed on contributions which a candidate can receive, is certainly in the public interest. I can understand their reasoning, while I do not agree with it, in holding that a candidate cannot be limited as to the amount that he can spend. Still, I believe the Senator is responsible for much clarity being shed upon this issue. I feel this would be a mighty fine investment on the part of the Senate and on the part of the Nation, to pay this very small sum.

I have seen other issues decided, issues that went to litigation in the House, where several hundred thousand dollars were paid in attorney fees. Yet I understand the Senator is not asking for attorney fees, but, really, out-of-pocket expense, really only a little more than one-fourth of the total actual out-of-pocket expense. I think the request, as embodied in the amendment, should be agreed to and I will support it.

Mr. BUCKLEY. Mr. President, I thank my friend from Alabama for his understanding of our petition and for agreeing to its equity.

I would point out one further aspect of our intervention, whether it be against the law or in support of the Constitution. That is, there was sufficient doubt during the course of the debate on this legislation that a special provision was adopted by the Senate and subsequently by the conference permitting an accelerated appeal, an accelerated challenge. I do believe my coplaintiffs and I did serve the will of the Congress in securing as rapid a determination of this all-important legislation as we could get. We did act expeditiously. The decision did come down in time to clarify the constitutional framework within which this year's elections can proceed.

I thank my friend again. I would hope that the manager of the bill could accept this amendment.

Mr. CANNON. Mr. President, I yield myself 10 minutes or such time as I may need.

First, may I say to my distinguished colleague that I am unalterably opposed to this amendment. I shall explain why in a brief period of time.

May I summarize the background in this matter very briefly as it was considered at some considerable length by the Committee on Rules and Administration at a meeting last June 23. At that time, the committee considered a request from the distinguished junior Senator from New York wherein he asked that $11,599.33 be paid from the Senate contingent fund as the outstanding balance of out-of-pocket expenses incurred by the plaintiffs pursuing the legal action of Buckley against Valeo, et al.

The committee, by a negative vote of four nays, one aye, and one voting present, denied the request.

Again, to review the contentions of the distinguished junior Senator from New York at that time, the point was made that our committee was "under an obligation to deal even-handedly with all the parties involved in the Buckley case." Such made reference to approval by our committee on March 30, 1976, of a joint request by the distinguished senior Senator from Massachusetts and the distinguished senior Senator from Pennsylvania wherein the committee authorized the payment of $4,907.27 in out-of-pocket expenses for the Kennedy-Scott amicus counsel, Mr. Archibald Cox, for payment of travel, hotel, and legal copying costs.

We believe the two payments can be fully distinguished, and I believe our committee, in approving one and disapproving the other, made that judgment by noting distinct differences in the two matters.

In the case of the Buckley plaintiffs, an affirmative legal effort was being made to have declared unconstitutional certain legislative acts, and the Federal election campaign law, as passed by the Congress, declared unconstitutional. The Buckley plaintiffs, unsuccessful initially in getting Congress to adopt their views during the prescribed legislative process, sought to pursue their goal in a separate branch of the Government, namely the courts. Since plaintiffs were partially successful in their court effort, now they ask the Senate to authorize payment of expenses for that effort.

Mr. President, let me point out briefly what type of a precedent we would be setting if we started down this road. First, let me point out who the plaintiffs were in this action. The plaintiffs consisted of Senator JAMES L. BUCKLEY, Representative WILLIAM STEIGER, Senator Eugene McCarthy, Stuart Rollings Mott, whom I am sure needs help in paying expenses; the Committee for a Constitutional Presidency, the Conservative Party of the State of New York, the American Conservative Union, and Human Events, Inc., as plaintiffs, and subsequently thereafter three additional plaintiffs were added: the Mississippi Republican Party, the Libertarian Party, and the Conservative Victory Fund.

Mr. President, we would be establishing here, if we carried out this action sought by the Senator from New York, a very dangerous precedent of reimbursing any organization in this country who sought to raise a constitutional question on any legislation passed by the Congress if they were successful. Let us think a little about that.

Here is a legislative act passed by the Congress, enacted into law, and then organizations on the outside, the Republican Party, the Conservative Party of New York, the American Conservative Union, Human Events, and others, decide they want to contest the action. They contest it and are successful in saying that some part of a bill was not within the constitutional limits.

I find no provision in the law or otherwise for Congress to carry out that responsibility of reimbursing those people for the costs. Obviously, if they are reimbursed for the costs the next thing would be to reimburse them for the attorney fees, and so on, involved in making such an attack on legislative action.

Should such a position be upheld that the Senate has an obligation to pay such expenses, then we submit whether such would establish a precedent, as I said, that any plaintiff, whether a Member of Congress or not, seeking to overturn a congressional enactment hereafter, could turn to the Senate or turn to the House and expect reimbursement of legal expenses.

Personally, I am not prepared to open that door.

The resolution cites section 437H of title 2 of the United States Code, a provision of the Federal Election Campaign Act which is designed to expedite judicial consideration of declaratory judgment actions brought to construe the constitutionality of provisions of the act.

We certainly cannot adopt the rationale that this provision to expedite the movement of judicial challenges through the courts in any way infers or implies directly or indirectly that the Congress of the United States should authorize payment for legal expenses of plaintiffs challenging an act passed by both Houses of the Congress and signed into law by the President of the United States. The provision refers instead to permitting the U.S. court of appeals for the circuit involved to hear the matter sitting en banc and to take an appeal thereafter directly to the Supreme Court of the United States. That is legal procedural language only and not authorization for payment of legal expenses from public funds.

Now, as to distinguishing the request of the able junior Senator from New York from action taken by the Committee on Rules and Administration authorizing payment of out-of-pocket expenses for the amicus representation requested by the distinguished senior Senators from Pennsylvania and Massachusetts, may I make this argument?

The amicus position sought to defend the congressional enactment before the courts because the Department of Justice, traditionally the defenders of acts of Congress against attack in the courts, determined against fully doing that at that time.

The Department's unexpected move toward neutrality left Congress without "public counsel." Instead, defense of the act would be in the hands of counsel representing Common Cause, the Center for Public Financing of Elections, and the Federal Election Commission, but not Congress.

The Justice Department's position was criticized as "unprecedented" and left the act without a "public defender." Principal defense of the act passed to three private intervenors, the League of Women Voters, Common Cause, and the Center for Public Financing of Elections, who retained private counsel to defend the act. The Federal Election Commission also retained private counsel to represent its interests in light of the Justice Department's ambiguous position.

As the senior Senator from Pennsylvania told the Rules Committee, in supporting payment of expenses for Mr. Cox,

> It was this turn of events which led Senator Kennedy and myself to engage outside counsel to represent Congress' interest. Both time and the failure of Congress to adopt Senator Ervin's proposal for the provision of adequate counsel for Congress in court cases were factors in the joint decision to act in defense of action by the Senate and the House.

Even though advance approval had not been requested or granted for providing counsel or expenses for Senator KENNEDY's and Senator SCOTT's amicus position or as the only "public" counsel unequivocally defending the Senate and House enactment, the committee authorized payment of out-of-pocket expenses.

The Scott-Kennedy amicus brief, on the other hand, defended each of the provisions of the Federal Election Campaign Act, which both Houses of the Congress had approved. Subsequently, in oral argument, Mr. Cox took the chief responsibility for defending the contribution and spending limits of the act. The Senate, as a nondesignated party to the suit as such, had the Secretary of the Senate as a principal defendant in the suit. In a legal sense, Mr. Cox, even though acting as a legal counsel for the amicus parties, was in fact defending the actions taken by the Congress.

On the other hand, plaintiff's counsel, for whom the balance of out-of-pocket expenses is sought by this resolution, was attacking the actions of the Congress.

Certainly, it would seem highly unwise to establish a precedent, as this resolution would seek to do, whereby legal expenses for parties attacking the constitutionality of congressional enactments would be paid from public funds. This could open a door that could be embarrassingly difficult and expensive for the Congress to close.

Therefore, I urge the Senate to reject this amendment, and at such time as Senators have had the opportunity to speak on it, I intend to move to table, but I shall not do that until everyone has had the opportunity to speak on the matter.

I reserve the remainder of my time.

Mr. BUCKLEY. Mr. President, I would like to deal first of all with the arguments offered by the distinguished Senator in trying to differentiate my situation from that of the Senator from Massachusetts and the Senator from Pennsylvania.

In the first instance, our attorneys, Covington and Burling, have testified that they would have provided exactly the same services and incurred exactly the same costs had there been a single plaintiff; namely, the junior Senator from New York. So the fact that other parties chose to join in as parties plaintiff or file amici briefs does not in a single manner either increase the cost or diminish the fact that it was as a result of the initiative of the Senator from New York that this important constitutional question was tested. So I believe that there is no way in which one can distinguish substantively between the kind of costs for which I seek reimbursement and those costs for which the committee voted reimbursement in the case of the two Senators mentioned earlier.

Second, the distinguished chairman of the Rules Committee stated that the provisions of the law that provided for accelerated tests of the constitutionality provisions of the Election Act should not be considered as a precedent for the reimbursement of individuals who choose to exercise the rights conferred under the provisions for accelerated tests of constitutionality. Perhaps that is a correct statement, but the fact is that at least it offers more of a color of justification, more of a color of acting within the will of Congress, then the initiative taken by the distinguished Senator from Massachusetts and the distinguished minority leader in filing amici briefs. I am talking here in terms of fair play, in terms of even-handed judgment affecting Senators involved in the same litigation.

Third, it is stated that another factor in the case distinguishes the treatment that the Rules Committee adopted in the case of the petition by the Senators from Massachusetts and Pennylvania and the decision in my case. It was stated that although admittedly the Senator from Massachusetts and the Senator from Pennsylvania did not seek any authorization from the Senate to act as they did, they nevertheless felt compelled to, because the Justice Department had failed to do its duty in defending the constitutionality of this legislation.

I would point out that the Justice Department in fact did enter this case and upheld and argued for the constitutionality of every provision of the bill except solely the issue of the constitutionality of the Federal Election Commission itself. I would remind the distinguished chairman that there were 38 separate constitutional issues involved. The Justice Department argued on the constitutionality of 37 of them, and it is not as if that last issue was ignored, because Common Cause was there with superb counsel of its own, and also the Federal Election Office itself filed a 70-page brief on the exclusive point of the constitutionality of the Federal Election Commission.

And I might add that the Supreme Court found in our favor; so surely the intervention of Mr. Cox did nothing to save the legislation in the one area where the Justice Department felt that it could not act and could not support the constitutionality of the bill.

The PRESIDING OFFICER. All time has expired.

Mr. BUCKLEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second? There is not a sufficient second.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I move to lay the amendment on the table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUCKLEY. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from New York. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Rhode Island (Mr. PASTORE), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

I also announce that the Senator from Massachusetts (Mr. KENNEDY), the Senator from Delaware (Mr. BIDEN), and the Senator from Michigan (Mr. PHILIP H. HART) are absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), and the Senator from Rhode Island (Mr. PASTORE) would each vote "yea."

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from Kansas (Mr. DOLE), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Nevada (Mr.

LAXALT), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

The result was announced—yeas 47, nays 30, as follows:

[Rollcall Vote No. 513 Leg.]

YEAS—47

Abourezk
Bartlett
Bayh
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Johnston
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Moss
Muskie
Nelson
Nunn
Pell
Randolph
Sparkman
Stennis
Symington
Williams

NAYS—30

Allen
Beall
Bellmon
Buckley
Byrd,
Harry F., Jr.
Case
Curtis
Domenici
Garn
Hansen
Helms
Javits
McClure
Metcalf
Morgan
Packwood
Pearson
Percy
Proxmire
Roth
Schweiker
Stafford
Stevens
Stevenson
Stone
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—23

Baker
Biden
Brock
Clark
Dole
Eastland
Fannin
Fong
Goldwater
Griffin
Hart, Philip A.
Hruska
Inouye
Kennedy
Laxalt
Mondale
Montoya
Pastore
Ribicoff
Scott, Hugh
Scott,
William L.
Talmadge
Tunney

So the motion to table was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. JOHNSTON). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 353

Mr. DURKIN. Mr. President, I send an amendment to the desk and ask to have it considered at this time.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. DURKIN) proposes unprinted amendment No. 353.

After line 7, on page 2, insert the following:

Be it further resolved, That there be authorized to be paid from the contingent fund of the Senate a sum not to exceed $125,000 to reimburse New Hampshire's cities and towns for expenses incurred in preparing for and conducting the special U.S. Senate election on September 16, 1975, upon vouchers submitted by appropriate State and local officials.

Mr. DURKIN. I ask unanimous consent to add my senior colleague (Mr. MCINTYRE) and Senator BAYH as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Mr. President, as we all know, there was a long, drawn-out battle in the last session with respect to seat No. 100 of the U.S. Senate. Most of us are altogether too familiar with the history. In fact, the Senate itself was tied up at this time last year with that very question. What has been forgotten, I think, is the fact that the cities and towns in New Hampshire had to absorb the expense of the special election and that came out of the property tax, the very high property tax. of the State of New Hampshire. Consequently, I think it is only fitting that the U.S. Senate reimburse the cities and towns in the State of New Hampshire for the cost of preparing for and conducting the special election on last September 16. The cost would not exceed $125,000. We have asked the community, the cities and towns, to send us vouchers of the expenses incurred. To date the figure totals some $95,000. This would give the towns that have not sent in their figures a chance to do so and would reimburse the communities for an expense that was not programed, was not budgeted for, and really, they did not expect or want.

Mr. CANNON. Mr. President, Congress went quite far down this road, in the case of the New Hampshire elections, by undertaking to reimburse the contestants for their costs and fees in connection with the matter. The responsibility for carrying out elections—the time, the place, and the manner of holding elections—is to be prescribed in each State by the legislature. In New Hampshire, we ran into even one additional step, the proceeding to go before the Ballot Law Commission, which is not generally held in most States.

Furthermore, the New Hampshire authorities requested, in several instances, that this matter be sent back to them for another election. Most States have provisions for another election under certain circumstances, but there is certainly no obligation on the part of the Senate to reimburse them for those particular costs.

I point out to my colleagues that article I, section 4, of the Constitution sets out the States' responsibilities. The following section, section 5, sets out the responsibility and the obligations insofar as Congress itself is concerned. At the proper time, I shall raise a point of order on this matter. It is not germane, as I see it, to the bill, but I want to give everyone an opportunity to comment on it first.

Mr. ALLEN. Will the Senator yield for a question?

Mr. CANNON. Yes, I yield.

Mr. ALLEN. Did we not also find in the Committee on Rules, when we were considering this matter, that the laws of the State of New Hampshire fell one step short of deciding this issue and, really, in effect, dumped it over into the Senate's lap to conduct the contest, whereas it might well have been decided back in the courts of New Hampshire; but they made no provision for that under their statute. Did we not find that?

Mr. CANNON. The Senator is correct. Mr. President, if no one else has any comment on it, I raise the question, a point of order, that I believe this is not germane.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield back his 3 minutes? A point of order will not lie until the proponent's time is used up.

Mr. DURKIN. Mr. President, I do not need to use it unless the senior Senator from New Hampshire wants to add a comment. I think the situation is very clear. The communities were called upon, notwithstanding the fact that State officials did ask repeatedly that the election be sent back, the property taxpayers in the smaller communities and the cities were called upon to defray this expense. I think it will be not only just and appropriate but fitting for the Senate to underwrite that expense.

It is not setting any precedents. I think that whole election contest was an original. There is no copy, there are no precedents.

I am not going to belabor the point. I yield back the remainder of my time.

Mr. CANNON. Mr. President, I make a point of order.

The PRESIDING OFFICER. All time has been yielded back. The unanimous-consent agreement under which this matter is being considered, debated, provides for germaneness of amendments. This amendment clearly introduces a new subject matter and, therefore, the Chair sustains the point of order.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. CANNON. Mr. President, I am prepared to vote on final passage if there are no other amendments.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Rhode Island (Mr. PASTORE), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Delaware (Mr. BIDEN), and the Senator from Massachusetts (Mr. KENNEDY) are absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Rhode Island (Mr. PASTORE) would each vote "yea."

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from Kansas (Mr. DOLE), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Nevada (Mr. LAXALT), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "nay."

The result was announced—yeas 56, nays 20, as follows:

[Rollcall Vote No. 514 Leg.]

YEAS—56

Abourezk
Allen
Bayh
Beall
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Cranston
Culver
Durkin
Eagleton
Glenn
Gravel
Hart, Gary
Hartke
Haskell
Hathaway
Hollings
Humphrey
Jackson
Javits
Johnston
Leahy
Long
Magnuson
Mansfield
Mathias
McClure
McGee
McGovern
McIntyre
Metcalf
Moss
Muskie
Nelson
Nunn
Pell
Percy
Randolph
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Williams
Young

NAYS—20

Bartlett
Buckley
Byrd, Harry F., Jr.
Cannon
Curtis
Domenici
Ford
Garn
Hansen
Hatfield
Helms
Huddleston
Morgan
Packwood
Pearson
Proxmire
Taft
Thurmond
Tower
Weicker

NOT VOTING—24

Baker
Biden
Brock
Clark
Dole
Eastland
Fannin
Fong
Goldwater
Griffin
Hart, Philip A.
Hruska
Inouye
Kennedy
Laxalt
McClellan
Mondale
Montoya
Pastore
Ribicoff
Scott, Hugh
Scott, William L.
Talmadge
Tunney

So the resolution (S. Res. 463) was agreed to.

The preamble was agreed to.

The resolution as amended, with its preamble, reads as follows:

Whereas a civil action has been filed against the senior Senator from Wisconsin (Mr. PROXMIRE) in the United States District Court for the Western District of Wisconsin (Hutchinson against Proxmire, et al., number 76C257); and

Whereas the civil action against the Senator from Wisconsin (Mr. PROXMIRE) seeks damages for actions that were performed within the scope of a Member of the Senate's duties and responsibilities under the Constitution of the United States: Now, therefore, be it

Resolved, That the expenses, including attorneys' fees, in an amount subject to the approval of the Committee on Rules and Administration, incurred in the defense of this civil action shall be paid from the contingent fund of the Senate on vouchers signed by the Senator from Wisconsin (Mr. PROXMIRE) and approved by the Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President I move to reconsider the vote by which the resolution was agreed to.

Mr. ALLEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL ARCHIVES TRUST FUND BOARD

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate H.R. 10374, and that it be considered as having been read the first and second time, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title. The assistant legislative clerk read as follows:

A bill (H.R. 10374) to amend section 2301 of title 44, United States Code, to change the membership of the National Archives Trust Fund Board.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 10374) was read the third time, and passed.

COMMITTEE MEETINGS ON AUGUST 10, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on August 10 to consider a nomination and the Army's SM-1 tank program, and that the Committee on the District of Columbia be authorized to meet on August 10 to consider a nomination. I understand both of these requests have been cleared with the other side.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are several bills that have been cleared on both sides of the aisle. I ask unanimous consent that the Senate proceed to their consideration. They are as follows: Calendar Order No. 1056 and Calendar numbered 1065 through 1071.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL AGREEMENTS, OF CERTAIN CLAIMS INCIDENT TO THE NONCOMBATANT ACTIVITIES OF THE ARMED FORCES, AND FOR OTHER PURPOSES

The bill (H.R. 7896) to amend sections 2734(a) and 2734b(a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombatant activities of the Armed forces, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

REFERRAL OF S. 2907

The resolution (S. Res. 378) to refer the bill (S. 2907) entitled "A bill for the relief of innocent victims of the occupation of Wounded Knee, S. Dak.," was considered and agreed to, as follows:

Resolved, That the bill (S. 2907) entitled "A bill for the relief of innocent victims of the occupation of Wounded Knee, South Dakota", now pending in the Senate, together with all the accompanying papers, is hereby referred to the chief commissioner of the United States Court of Claims. The chief commissioner shall proceed with the same in accordance with sections 1492 and 2509 of title 28, United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal, or equitable, against the United States or a gratuity and the amount of any, legally or equitably due from the United States to the claimants. Such report shall specify the amount due to each of the claimants and the maximum reasonable attorney's fees that should be paid from such amount.

REFERRAL OF S. 3518

The resolution (S. Res. 457) to refer the bill (S. 3518) entitled "A bill for the relief of Sea Gate, Inc., a North Carolina corporation, and Charles M. Reeves, Jr." to the Chief Commissioner of the U.S. Court of Claims for a report thereon, was considered and agreed to, as follows:

Resolved, That bill (S. 3518) entitled "A bill for the relief of Sea Gate, Incorporated, a North Carolina corporation, and Charles M. Reeves, Junior", now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims; and the Chief Commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due from the United States to the claimant.

REFERRAL OF S. 3690

The resolution (S. Res. 491) to refer the bill (S. 3690) entitled "A bill for the relief of R. Dean Dawes and others" to the Chief Commissioner of the United States Court of Claims for a report thereon, was considered and agreed to, as follows:

Resolved, That the bill (S. 3690) entitled "A bill for the relief of R. Dean Dawes and others", now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims; and the Chief Commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions there as shall be sufficient to inform the Congress of the nature and charter of the demand as a claim, legal or equitable, against the United States or a gratuity in the amount, if any, legally or equitably due from the United States to the claimant.

GARY A. BROYLES

The Senate proceeded to consider the bill (S. 2830) for the relief of Gary A. Broyles, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert the following:

That notwithstanding any other provision of law, the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Gary A. Broyles, a minor, the sum of $120,000 in full settlement and satisfaction of all his claims against the United States for compensation for permanent personal injuries suffered by him as a result of surgical procedures performed at the United States Army Hospital, Fort Sill, Oklahoma, on or about January 27, 1965.

SEC. 2. No more than 10 per centum of the amount paid in settlement of this claim shall be paid to or delivered to or received by any agent or attorney on account of services rendered in connection with this claim. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor punishable by a fine not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

Mr. ROBERT C. BYRD. Mr. President, I ask that Calendar Order No. 1069 go over.

The PRESIDING OFFICER. Without objection, it is so ordered.

LUCIE STEIN

The bill (H.R. 5752) for the relief of Lucie Stein, was considered, ordered to a third reading, read the third time, and passed.

WILMA T. THOMPSON

The bill (H.R. 6156) for the relief of Wilma T. Thompson, was considered, ordered to a third reading, read the third time, and passed.

TIME LIMITATION AGREEMENT—S. 3735

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this request having been cleared with Senator WILLIAMS, the chairman of the Labor and Public Welfare Committee, and Mr. JAVITS, the ranking Republican member, that there be a time limitation on S. 3735, Calendar Order No. 1072, a bill to amend the Public Health Service Act to authorize the establishment and implementation of a national influenza immunization program and to provide an exclusive remedy for persons injured as a result of inoculation with vaccine under such program, the so-called swine flu bill, of 30 minutes, to be equally divided between Mr. Williams and Mr. Javits; that there be a limitation on any amendment thereto, debatable motion or appeal or point of order, if such is referred to the Senate, of 20 minutes, to be equally divided, and that the agreement be in the usual form.

Mr. CURTIS. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. CURTIS. Mr. President, I have just been informed that this matter has not been cleared, that there is not an agreement.

Mr. ROBERT C. BYRD. Very well, Mr. President. I withdraw my request for the time being.

(Later in the day the following proceedings occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a limitation of time for debate on S. 3735, a bill to authorize the establishment and implementation of a National Influenza Immunization Program, of 1 hour, to be equally divided between Mr. JAVITS and Mr. WILLIAMS; that there be a time limitation on any amendment thereto of 20 minutes, a limitation on any amendment in the second degree of 10 minutes, and a limitation on any debatable motion, appeal, or point of order, if such is submitted to the Senate, of 10 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

The text of the agreement is as follows:

Ordered, That during the consideration of S. 3735 (Order No. 1072), a bill to amend the Public Health Service Act to authorize the establishment and implementation of a national influenza program and to provide an exclusive remedy for persons injured as a result of inoculation with vaccine under such program, debate on any amendment in the first degree shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from New York (Mr. JAVITS) and the Senator from New Jersey (Mr. WILLIAMS): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

EMERGENCY JOBS PROGRAMS EXTENSION ACT OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration, without any further consideration today, of Calendar No. 839, H.R. 12987, the CETA bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Emergency Jobs Programs Extension Act of 1976".

SEC. 2. Title VI of the Comprehensive Employment and Training Act of 1973 is amended by striking out section 601 and inserting in lieu thereof the following:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 601. There are authorized to be appropriated such sums as may be necessary for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, and for fiscal year 1977, for carrying out the provisions of this title.".

SEC. 3. (a) Notwithstanding the provisions of sections 602(b), 203(b), and 208(a)(7) of the Comprehensive Employment and Training Act of 1973, not less than 85 per centum of funds allocated in accordance with and subject to the provisions of such Act which are used by an eligible applicant (as defined in section 602(e) of such Act) for public service employment programs under title II and title VI of such Act shall be expended only for wages and employment benefits to persons employed in public service jobs pursuant to such titles and the remainder of such funds may be used for administrative costs, including rental costs (within such reasonable limitations as the Secretary of Labor may prescribe with respect to the rental of space), and to obtain necessary supplies, equipment, and materials.

(b) Financial records of a prime sponsor relating to public service employment programs assisted under the Comprehensive Employment and Training Act of 1973, and records of the names, addresses, positions, and salaries of all persons employed in public service jobs assisted under such Act shall be maintained and made available to the public.

SEC. 4. (a) With respect to appropriations made by the Emergency Supplemental Appropriations Act of 1976, Public Law 94–266, for the purpose of carrying out activities authorized by title II of the Comprehensive Employment and Training Act of 1973—

(1) notwithstanding any other provision of law, funds made available under section 202(b) of such Act may be used in any areas qualifying under title VI of such Act to provide a continuation of public service employment activities under both title II and title VI of such Act; and

(2) in order to enable persons who are employed in public service jobs which are financially assisted under title VI of such Act to be transferred to jobs financially assisted under title II of such Act, the Secretary of Labor is authorized to waive the provision of section 205(a) of such Act requiring a thirty-day period of unemployment.

(b) Subsection (b) of section 603 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end of such subsection the following new sentences: "In distributing funds available for the discretionary use of the Secretary of Labor under this subsection, the Secretary is authorized to utilize such funds to assure a continuation of public service employment activities previously supported under this Act. In distributing such funds under this subsection to prime sponsors, the Secretary shall base allocations upon the public service employment activities sustained within the jurisdiction of each unit of general local government within the area served by each such prime sponsor in accordance with subsection (c) of this section. The Secretary of Labor is authorized to provide financial assistance, out of any funds remaining under this subsection, for the purpose of demonstrating the feasibility of new and innovative job creation approaches to public service employment programs.

SEC. 5. (a) Title VI of the Comprehensive Employment and Training Act of 1973, as amended, is further amended by adding at the end thereof the following new sections:

"EMPLOYMENT PROJECTS FOR LONG-TERM, LOW-INCOME UNEMPLOYED PERSONS

"SEC. 607. (a) Each prime sponsor shall, in accordance with regulations which the Secretary shall prescribe, utilize such portion of the allocation which it receives under this title, out of appropriations for fiscal year 1977, as may be necessary to enable the prime sponsor to sustain throughout such fiscal year public service jobholders supported under this title during fiscal year 1976.

"(b) The amount of each prime sponsor's allocation under this title remaining after funds are utilized for the purpose described in subsection (a) of this section shall be used to provide public service jobs for eligible unemployed persons (as described in subsection (c) of this section) in projects and activities carried out by project applicants (as defined in section 701(a) (15) of this Act). Such projects and jobs shall not exceed twelve months in duration and shall provide employment consistent with the aim of maintaining average federally supported wage rates for public service jobholders (adjusted on a regional and area basis) as set forth under section 209(b) of this Act.

"(c) In filling public service jobs with financial assistance available for the purpose described in subsection (b) of this section, each prime sponsor shall determine that any person employed in any such public service job (1) is an individual—

"(A) who has been receiving unemployment compensation for fifteen or more weeks;

"(B) who is ineligible for such benefits and has been unemployed for fifteen or more weeks;

"(C) who has exhausted unemployment compensation benefits; or

"(D) who is, or whose family is, receiving aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act; and (2) is not a member of a household which has a gross family income, exclusive of wages received by such individual under this title, exceeding 70 per centum of the lower living standard budget.

"(d) For purposes of this section, the term 'lower living standard budget' means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Bureau of Labor Statistics of the Department of Labor which is referred to by such Department as the 'lower living standard budget'.

"(e) In filling public service jobs, each prime sponsor shall take steps to insure that funds provided in accordance with subsection (b) shall be equitably allocated for jobs among the categories of eligible persons described in subsection (c) in light of the composition of the population of unemployed eligible persons served by the prime sponsor.

"(f) In providing public service jobs and determining hours of work for eligible persons with financial assistance provided in accordance with subsection (b), each prime sponsor shall take into account the household support obligations of the men and women applying for such jobs, and shall give special consideration to such alternative working arrangements as flexible hours of work, shared time, and part-time jobs, for eligible persons, particularly for parents of young children and for older persons.

"(g) The Secretary through the affiliated State employment security agency, shall take steps to assure that each recipient of unemployment compensation benefits shall, upon the twelfth week of continuing to receive such benefits, be notified of the potential eligibility of such recipient for a public service job established with financial assistance provided in accordance with subsection (b); but such notification shall clearly state that such recipient continues to be eligible for receipt of such benefits and that such notification is designed only to inform, and in no way to coerce such recipient, with respect to the potential availability of such jobs.

"(h) No funds under this Act may be used to provide public service, through a private or nonprofit organization or institution, which are customarily provided by a State, a political subdivision, or a local educational agency in the area served by the project.

"APPROVAL OF PROJECTS

"SEC. 608. (a) In order for a project application submitted by a project applicant to be approved by the prime sponsor for financial assistance provided in accordance with subsection (b) of section 607, copies of such application shall have been submitted at the time of such application to the prime sponsor's planning council established under section 104, for the purpose of affording such council an opportunity to submit comments and recommendations with respect to that application to the prime sponsor. No member of a prime sponsor's planning council shall participate in the deliberations of such council with respect to any project in which that member (or any organization with which that member is associated) has a direct interest, or cast a vote on any matter in connection with such a project.

"(b) Consistent with procedures established by the prime sponsor in accordance with regulations which the Secretary shall prescribe, the prime sponsor shall not disapprove a project application submitted by a project applicant unless it has first considered any comments and recommendations made by the prime sponsor's planning council and unless it has afforded an opportunity for a hearing prior to final disapproval of any such application.".

(b) The last sentence of section 606 of such Act is amended to read as follows: "In reallocating any such funds, the Secretary shall give priority first to other areas within the same State and then to areas within other States, taking into account the number of eligible unemployed individuals (as described in section 607(c)) in such areas.".

SEC. 6. (a) Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding at the end thereof the following new section:

"SPECIAL PROVISIONS

"SEC. 211. (a) DEFINITIONS.—For purposes of this section—

"(1) 'State' means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

"(2) 'compensation' means cash benefits payable to individuals with respect to their unemployment, and includes 'regular compensation', 'additional compensation', and 'extended compensation' as defined in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

"(3) 'public service job' means any public service job funded with assistance provided under the Comprehensive Employment and Training Act of 1973;

"(4) 'public service wages' means remuneration for services performed in a public service job;

"(5) 'base period' means the base period as determined under the State law;

"(6) 'Secretary' means the Secretary of Labor;

"(7) 'State agency' means the agency of the State or political subdivision which administers the State law; and

"(8) 'State law' means the unemployment compensation law of a State which has been approved by the Secretary of Labor under section 3304(a) of the Internal Revenue Code of 1954 (26 U.S.C. 3304(a)), the unemployment compensation plan of a political subdivision of a State, and, with respect to the Virgin Islands, the unemployment compensation law of the Virgin Islands.

"(b) PAYMENTS TO STATES.—(1) Each State and political subdivision shall be paid by the United States, with respect to each individual whose base period wages include public service wages, an amount which shall bear the same ratio to the total amount of compensation paid to the individual with respect to weeks of unemployment which begin on and after January 1, 1976, as the amount of the individual's public service wages in the base period with respect to the current benefit year (or most recent benefit year if there is no current benefit year) bears to the total base period wages used in the calculation of the individual's rights to regular compensation.

"(2) Each State and political subdivision shall be paid either in advance or by way of reimbursement, as may be determined by the Secretary, the sum that the Secretary estimates is payable to the State or political subdivision under this action for each calendar month. The sum shall be reduced or increased by the amount which the Secretary finds that his estimate for an earlier calendar month was greater or less than the sum which should have been paid to the State or political subdivision. Estimates shall be made on the basis of reports made by the State agency to the Secretary as prescribed by the Secretary.

"(3) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State or political subdivision the sums payable under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification, from the funds appropriated for the purposes of title II of the Emergency Jobs and Unemployment Assistance Act of 1974. Payment to a State shall be made by crediting the payment to the State's account in the unemployment trust fund.

"(c) REPAYMENT OF EMPLOYEES.—Notwithstanding the provisions of any other law—

"(1) a State or political subdivision shall repay to an employer liable for making reimbursements to the unemployment fund of the State or political subdivision the amount equal to the amount by which the sums paid to the State or political subdivision under subsection (b) of this section are duplicative of the employer's reimbursements to the unemployment funds; and shall not charge a reimbursing employer the amounts which are subject to payment by the United States under subsection (b) of this section: and

"(2) a State or political subdivision shall repay to an employer liable for contributions with respect to public service jobs and public service wages, the total amount of the contributions paid by the employer into the unemployment fund of the State or political subdivision with respect to public service wages paid for services performed in public service jobs on and after January 1, 1976, and shall not take into account, for the purposes of computing contribution rates for the employer, the compensation with respect to which payment is made under subsection (b) of this section, or the employment, wages, payrolls, or separations pertaining to such compensation.".

(b) The amendments made by this section shall take effect on October 1, 1976, with respect to compensation paid for weeks of unemployment beginning after December 31, 1975.

SEC. 7. Section 205(c)(24) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "job category" in both places where that term occurs in such clause and inserting in lieu thereof "promotional line".

SEC. 8. (a) Section 602(e) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "Indian tribes on Federal or State reservations" and inserting in lieu thereof "Indian tribes, bands, and groups qualified under section 302(c)(1) of this Act".

(b) Section 603(a) of the Comprehensive Employment and Training Act of 1973 is amended by redesignating paragraphs (1) and (2) thereof as paragraphs (2) and (3), respectively, and by inserting immediately after "(a)" the following: "(1) The Secretary shall reserve an amount equal to not less than 4 per centum of the amounts appropriated under section 601 for any fiscal year to enable Indian tribes, bands, and groups which are designated as eligible applicants under this title to carry out public service employment programs.".

(c) Section 603(a)(2) of such Act, as redesignated by subsection (b) of this section, is amended by inserting after "per centum" the following: "of the remainder".

SEC. 9. (a) The Secretary of Labor shall provide financial assistance under the Comprehensive Employment and Training Act of 1973 and shall assure that prime sponsors will provide financial assistance under such Act, for employment and training programs to be carried out by community-based organizations which have demonstrated their effectiveness in job creation and in placing disadvantaged persons in jobs with private industry and business or which provide full-time or part-time work for older persons and others for whom job opportunities are lacking. Emphasis shall be placed on the utilization of public works projects and other Federal financial assistance to local public agencies to increase the employability of unemployed individuals and provide opportunities for industry to create additional jobs for the unemployed in rural and urban communities.

(b) The Secretary of Labor shall seek the cooperation of the heads of other Federal agencies responsible for administering financial assistance programs having significant job-creating impact in order to assure that, to the maximum extent consistent with the laws authorizing such programs, special consideration shall be given to the utilization of community-based organizations for the provision of comprehensive employment services and job opportunities for unemployed persons. Such financial assistance programs shall include, but not be limited to, the State and Local Fiscal Assistance Act of 1972, title I of the Housing and Community Development Act of 1974, and any programs providing Federal financial assistance for public works and economic development, and rehabilitation projects designed to improve the Nation's railroads.

(c) Notwithstanding any other provision of law, funds allocated by a prime sponsor or an Indian tribe for the employment of individuals under the Comprehensive Employment and Training Act of 1973 may be expended in conjunction with funds from any other public or private source, but funds allocated under such Act may only be expended in accordance with the requirements of such Act.

(d) The Secretary of Labor is authorized to undertake projects (either directly or by grant or contract) for the purpose of demonstrating the feasibility of providing relocation assistance to unemployed workers residing in areas of substantial unemployment who would otherwise be eligible for public service employment under the Comprehensive Employment and Training Act of 1973. Such assistance shall be in such form and amount as the Secretary deems appropriate for demonstration purposes, except that he shall use as a general guideline the form and amount of relocation assistance available under title II of the Trade Act of 1974.

SEC. 10. Notwithstanding any other provision of law, employment and training services furnished under the Comprehensive Employment and Training Act of 1973 in connection with weatherization projects authorized under section 222(a)(12) of the Economic Opportunity Act of 1964 may include work on such projects for the near poor, including families having incomes which do not exceed 125 per centum of the poverty line as established by section 625 of the Economic Opportunity Act of 1964.

SEC. 11. (a) Section 605 of the Comprehensive Employment and Training Act of 1973 is amended by inserting after "projects and activities" a comma and the following: "including projects and activities to be carried out by project applicants as defined in section 701(a)(15) of this Act,".

(b) Section 701(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(15) 'project applicants' includes States and agencies thereof, units of general local government and agencies thereof, special purpose political subdivisions having the power to levy taxes and spend funds or serving such special purpose within an area served by one or more units of general local government, local educational agencies as defined in section 801(f) of the Elementary and Secondary Education Act of 1965, institutions of higher education as defined in section 1201(a) of the Higher Education Act of 1965, community-based organizations as defined in paragraph (1) of this subsection, community development corporations, nonprofit groups and organizations serving Indians or Native Hawaiians, and other nonprofit private organizations or institutions engaged in public service.".

SEC. 12. (a) Section 104(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567; 88 Stat. 1848) is amended by—

(1) striking out "by this Act" after "amended"; and

(2) inserting at the end of such subsection the following new sentence: "They shall also report to such committees on the same subjects not later than ninety days after the date of enactment of the Emergency Jobs Programs Extension Act of 1976.".

(b) Title I of the Comprehensive Employment and Training Act of 1973 is amended by—

(1) inserting at the end of section 105 (a)(3) the following "and (E) provides arrangements to promote maximum use of apprenticeship or other on-job training opportunities pursuant to section 1787 of title 38, United States Code;"; and

(2) by striking out in section 106(b)(5) "provide special emphasis" and inserting in lieu thereof "take affirmative action".

SEC. 13. (a)(1) The Congress finds and declares that—

(A) the reliable and comprehensive measurement of employment and unemployment is vital to assessing the Nation's economic well-being and the utilization of its work force, and is an important determinant of public policies toward job creation, education, training, assistance for the jobless, and other labor market programs;

(B) the allocation of billions of dollars of Federal funds on the basis of unemployment data is increasing, making even more crucial the timely, accurate, and uniform measurement of the labor force;

(C) the formulation of public policies to promote the most effective use of our human resources is hindered by inadequate information on the utilization and effect of education and training programs;

(D) in order for governmental and private sector policy decisions to have maximum effect upon reducing unemployment and stregthening the labor force, an accurate and precise system for measuring employment and unemployment and its impacts on particular segments of the potential work force is essential;

(E) the current method of data collection and the form of it presentation, at national, regional, and subregional levels, may not fully reflect unemployment and employment trends, and may produce incomplete and, therefore, misleading conclusions, thus impairing the validity and utility of this critical economic indicator;

(F) it is critical to retain public confidence in the procedures, concepts, and methodology of collecting, analyzing, and presenting employment and unemployment statistics; and

(G) objectivity is a necessity in considering reform of statistical processes.

(2) It is the purpose of this section to establish a National Commission on Employment and Unemployment Statistics to have responsibility for examining the procedures, concepts, and methodology involved in employment and unemployment statistics and suggesting ways and means of improving them.

(b)(1) There shall be established a National Commission on Employment and Unemployment Statistics (hereinafter referred to as the "Commission") which shall consist of nine members appointed by the President, by and with the advice and consent of the Senate. Seven of the members shall be selected on the basis of their knowledge of and experience in the procedures, methodology, or use of employment and unemployment statistics, and shall be broadly representative of labor, business and finance, education and training, economics and statistics, and State and local government. Two of the members shall be selected from the general public. The membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups. Any vacancy in the Commission shall not affect its powers as long as there continues to be at least five members; and any such vacancy may be filled in the same manner as the original appointment is made.

(2) The Secretary of Labor, the Secretary of Commerce, the Commissioner of Labor Statistics, the Director of the Bureau of the Census, the Director of the Office of Management and Budget, the Chairman of the National Commission for Manpower Policy, and a majority and a minority member each of the Committee on Labor and Public Welfare of the Senate and of the Committee on Education and Labor of the House of Representatives, or in each case a designee, shall assist and participate in the hearings, deliberations, and other activities of the Commission on an advisory basis.

(3) The President shall designate a Chairman from among the appointed members of the Commission.

(4) The Chairman, with the concurrence of the Commission, shall appoint an executive director, who shall be the chief executive officer of the Commission and shall perform

such duties as are prescribed by the Chairman or the Commission. The executive director may appoint, with the concurrence of the Chairman, such professional, technical, and clerical staff as are necessary to carry out the provisions of this section. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments to the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate of GS–18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Chairman, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. The Commission may utilize such staff, with or without reimbursement, from the Department of Labor, the Department of Commerce, and such other appropriate Federal agencies as may be available to assist the Commission in carrying out its responsibilities.

(5) The Commission shall determine its own internal procedures, including the constituting of a quorum.

(6) The Commission is authorized to accept and utilize voluntary and uncompensated services notwithstanding the provisions of section 665(b) of title 41, United States Code.

(7) Members of the Commission who are not officers or employees of the Federal Government shall be paid compensation at a rate of not to exceed the per diem equivalent of the rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the work of the Commission, including traveltime; and while serving away from their homes or regular places of business, shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as such expenses are authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(c) The Commission shall—

(1) identify the needs of the Nation for labor force statistics and assess the extent to which current procedures, concepts, and methodology in the collection, analysis, and presentation of such statistics constitutes a comprehensive, reliable, timely, and consistent system of measuring employment and unemployment and indicating trends therein; and

(2) conduct or provide (through contract with institutions, organizations, and individuals, or appropriate Federal or State agencies, or otherwise) for such studies, hearings, research, or other activities as it deems necessary to enable it to formulate appropriate recommendations. The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purposes of carrying out the provisions of this section, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(d)(1) The Commission shall make a report of its findings and recommendations to the President and the Congress within eighteen months after the date of appointment of five members of the Commission.

(2) In preparing its report, the Commission shall consider the following:

(A) The methodology of collection of employment and unemployment data at all levels, including National, regional, State, and local statistics.

(B) The methodology of analysis of such data, including its relevance and application.

(C) The methodology of presentation of employment and unemployment statistics, including the dissemination, current utilization, and application of such statistics.

(D) Alternative methods of such collection, analysis, and presentation.

(E) The need for additional special statistical surveys (including longitudinal studies) and reports on a continuing basis.

(F) The need for additional data and analysis on job vacancies, job turnover, job matching, discouraged workers, part-time workers, youth, minorities, women, and other labor force participants.

(G) Accuracy and uniformity of seasonal adjustments in all categories of labor force statistics.

(H) Methods of achieving current, accurate, and uniform employment and unemployment statistics on a State and local basis, including their use as a determinant of the allocation of Federal assistance.

(I) The need for, and methods to obtain, data relating employment status and earnings, economic hardship, and family support obligations.

(J) The extent to which employment and earnings data assist in determining the impact of public programs and policies upon persons who are economically disadvantaged, unemployed, or underemployed.

(K) The availability of and need for periodic information on education and training enrollments and completions in the public and private sectors.

(L) Statistical indicators of the relationship between education and training and subsequent employment, earnings, and unemployment experience.

(M) The value and usefulness of other statistics regarding employment and unemployment, such as those obtained through operation of the unemployment insurance system.

(N) The availability of and need for current and projected occupational information, particularly on a local basis, to assist youths and adults in making training, education, and career choices.

(O) Such other matters as the Commission deems appropriate or necessary, including such matters as are suggested by the President or by the Congress that the Commission deems appropriate.

(3) The Commission's report shall contain its findings and recommendations, including a feasible schedule for their implementation, cost estimates, and any appropriate draft regulations and legislation to implement such recommendations.

(4) The Commission may make such interim reports or recommendations as it may deem desirable.

(e) Upon submission of the Commission's final report, the Secretary of Labor shall take steps to ascertain the views of each affected executive agency and, within six months after the report's submission, shall make an interim report to the Congress on—

(1) the desirability, feasibility, and cost of implementing each of the Commission's recommendations, and the actions taken or planned with respect to their implementation; and

(2) recommendations with respect to any legislation proposed by the Commission, the need for any alternative or additional legislation to implement the Commission's recommendations, and any other proposals to strengthen and improve the measurement of employment and unemployment.

Within two years after submission of the Commission's final report the Secretary shall submit a final report to the Congress detailing the actions taken with respect to the recommendations of the Commission, together with any further recommendations deemed appropriate.

(f)(1) Each department, agency, and instrumentality of the Federal Government is authorized and directed to cooperate fully with the Commission in furnishing appropriate information to assist the Commission in carrying out its functions under this section.

(2) The head of each department, agency, or instrumentality of the Federal Government is authorized to provide such support and services to the Commission, upon request of the Chairman, as may be agreed between the head of the department, agency, or instrumentality and the Chairman.

(g) The Commission shall cease to exist one hundred and eighty days after submission of its final report as required under subsection (d)(1) of this section.

(h)(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

(2) Notwithstanding any other provisions of law, any funds appropriated to carry out this section which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged against the bill today.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, the Senator from Idaho (Mr. McClure) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each, at the conclusion of which period the Senate will resume the consideration of Calendar Order No. 839, H.R. 12987, a bill to authorize appropriations for fiscal year 1976 and for certain other periods, for carrying out title VI of the Comprehensive Employment and Training Act of 1973.

There is a time agreement on that measure. Rollcall votes will occur on the measure and on amendments and/or motions in relation to the measure, and upon the disposition of that measure it is the intention of the leadership to call up the swine flu bill, S. 3735.

There may be other measures ready for action tomorrow. Depending upon our progress tomorrow, and hopefully good progress can be made, but depending upon the progress that can be made tomorrow, it is quite possible or even probable that there will be no session on Wednesday.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. CURTIS. If we make the progress

it is hoped we will make tomorrow, is it the understanding that we will wind up the work for the week?

Mr. ROBERT C. BYRD. Yes, it is.

Mr. CURTIS. And that would be all that there would be before the recess?

Mr. ROBERT C. BYRD. Yes, it is.

Mr. CURTIS. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 6:04 p.m. the Senate adjourned until tomorrow, Tuesday, August 10, 1976, at 9 a.m.

NOMINATION

Executive nomination received by the Senate August 9, 1976:

IN THE NAVY

Rear Adm. Alfred J. Whittle, Jr., U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

CONFIRMATION

Executive nomination confirmed by the Senate August 9, 1976:

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

H. Guyford Stever, of the District of Columbia, to be Director of the Office of Science and Technology Policy.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, August 9, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be not overcome of evil, but overcome evil with good.—Romans 12: 21.

Eternal God, our Father, from whom cometh all things good and true, in the quiet of this hallowed moment we lift our hearts unto Thee. Thou art everywhere in this great universe in which we live and now in the silence we would become aware of Thy creative presence and open our hearts unto Thee.

> "Spirit of God,
> Descend upon our hearts;
> Wean them from Earth
> Through all their pulses more;
> Stoop to our weakness,
> Mighty as Thou art,
> And make us love Thee
> As we ought to love."

Strengthen Thou our hands, restore our faith, renew our courage, make us great in goodness and good in our greatness that we may not let evil overcome us but use goodness to overcome evil. In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries, who also informed the House that on August 6, 1976, the President approved and signed bills of the House of the following titles:

H.R. 2943. An act for the relief of the estate of James J. Caldwell; and

H.R. 7685. An act for the relief of Mildred N. Crumley.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 1394. An act for the relief of Suk Chin and Hae Suk Chin;

H.R. 1395. An act for the relief of Mee Kyung Cho and Hee Kyung Cho;

H.R. 1396. An act for the relief of Sang Kook Chung and Hwa Soon Chung;

H.R. 1397. An act for the relief of Ae Sook Song and Mi Yung Lee;

H.R. 1425. An act for the relief of Juliet Elizabeth Tozzi;

H.R. 1507. An act for the relief of Marisa Marzano;

H.R. 1645. An act for the relief of Kevin Patrick Saunders;

H.R. 2118. An act for the relief of Cheryl Lynn V. Camacho;

H.R. 2278. An act for the relief of Mrs. Mary Saxton (Mary Nuku);

H.R. 2399. An act for the relief of Leonard Alfred Brownrigg;

H.R. 2411. An act for the relief of Alinor Anvari Adams;

H.R. 2495. An act for the relief of Miss Malgorzata Kuzniarek Czapowski;

H.R. 2502. An act for the relief of Peter Olav Mesikepp;

H.R. 2565. An act for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes;

H.R. 2940. An act for the relief of Maria Sylvia Macias Elliott;

H.R. 2941. An act for the relief of Susan Rosemary Harwood;

H.R. 3372. An act for the relief of Tze Tsun Li;

H.R. 4053. An act for the relief of Roderic Patrick Stafford;

H.R. 5052. An act for the relief of Yolanda E. Vez;

H.R. 5500. An act for the relief of Rafael Strochlitz Wurzel;

H.R. 5648. An act for the relief of Violetta Cebreros;

H.R. 6093. An act for the relief of Maria D'Arpino;

H.R. 6392. An act for the relief of Koviljka C. Clendenen;

H.R. 6687. An act for the relief of Doo Hoon Park;

H.R. 7404. An act for the relief of Christine Donnelly;

H.R. 7494. An act for the relief of Luigi Santaniello.

H.R. 7882. An act for the relief of Miss Leonor Young;

H.R. 7908. An act for the relief of Edward Drag;

H.R. 8557. An act for the relief of Carmen Thomas;

H.R. 8695. An act for the relief of Eugene Homsy Phillips;

H.R. 10076. An act for the relief of Mrs. Kazuko Scillion;

H.R. 11076. An act for the relief of Ok Ja Choi; and

H.J. Res. 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California;

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12169) entitled "An act to amend the Federal Energy Administration Act of 1974 to provide for authorizations of appropriations to the Federal Energy Administration, to extend the duration of authorities under such act, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the bill of the Senate of the following title:

S. 1689. An act to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 5465. An act to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes.

H.R. 5503. An act for the relief of Divina Mamuad.

H.R. 7832. An act for the relief of Mrs. Jeanette Flores Byrne.

H.R. 10434. An act for the relief of Carlos Montenegro Gorbitz, doctor of medicine, Mrs. Gorbitz, and their 2-year-old son.

H.R. 10793. An act for the relief of Mrs. Afaf Kanafani Yassine, Najla Yassine, Walid Yassine, Mona Yassine, and Maher Yassine; and

H.R. 14298. An act to amend title 38 of the United States Code to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5465) entitled "An act to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McGEE, Mr. BURDICK, and Mr. STEVENS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1690. An act for the relief of Celedonio M. Gapasin and his wife, Dely P. Gapasin;

S. 1802. An act for the relief of Ashok K. Raina;

S. 1848. An act for the relief of Brigitte Marie Harwood;

S. 2481. An act for the relief of Oscar Rene Hernandez Rustrian;

S. 2605. An act for the relief of Si Kon Won, his wife, Wha Jo Won, and their children, Myung Kun Won and Myung Ae Won;

S. 2674. An act for the relief of Patricia Arias Garcia;

S. 2734. An act for the relief of Kendrick Gordon A. Bascom;

S. 2786. An act for the relief of Yon Jin Kim;

S. 2942. An act for the relief of Kenrick Withington Brookes (also known as Kenrick Withington Clifton);

S. 2956. An act for the relief of Teresa Marie Salman;

S. 2959. An act for the relief of Kelvin Siu-Min Chen.

S. 3040. An act for the relief of Dr. Antonio Panganiban Serrano, his wife, Dr. Lesley B. Tiongko Serrano, and their son, Kenneth Neil Serrano;

S. 3219. An act to amend the Clean Air Act, as amended;

S. 3283. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Wash., and for other purposes;

S. 3445. An act for the relief of Dr. Luarence T. Gayao, his wife, Edith Gayao, their child, Lorraine Gayao;

S. 3485. An act for the relief of Orlando Garzón;

S. 3682. An act for the relief of Dr. Oscar J. Briseno;

S. 3683. An act for the relief of Dr. Juan Bautista Lopez Ruiz; and

S. 3702. An act for the relief of Vojislav S. Bozic, Constantin A. Krylov, Abdurachman G. Kunta, Fatima S. Kunta, Nikolai I. Ozolins, Eugen E. Posdeeff, and Tatiana M. Wassiliew.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman tell us what they are?

Mr. BOLLING. Mr. Speaker, if the gentleman will yield, there are two matters. One is the rule on H.R. 8911, the SSI Act amendments, and the other is the rule on the conference report on H.R. 12169, the FEA Act amendments.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SCHEDULE OF COMMITTEE ON THE BUDGET FOR CONSIDERATION AND ADOPTION OF THE SECOND BUDGET RESOLUTION FOR FISCAL YEAR 1977

(Mr. ADAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADAMS. Mr. Speaker, I would like to announce for the benefit of all Members the House Budget Committee's schedule for consideration and adoption of the Second Budget Resolution for Fiscal Year 1977.

The schedule is as follows:

August 11: Dr. Alice Rivlin, Director, Congressional Budget Office, testifies before the House Budget Committee on the current status of the economy.

August 12–20: Republican Convention, congressional recess.

August 24 (afternoon): The House Budget Committee Steering Committee composed of task force chairmen and the chairman of the committee develops a working paper for consideration of the second budget resolution by the full committee.

August 26–27: Committee marks up second budget resolution and orders it reported.

August 31: Draft report to accompany the second budget resolution is distributed to members of the committee.

September 2: The second budget resolution is filed.

September 3–7: Labor Day recess.

To assure adoption of the second budget resolution by September 15, it will be necessary to seek an exception to the rule requiring a 10-day layover prior to House consideration of the resolution.

September 8: House consideration and approval of the second budget resolution.

September 10: Conference on second budget resolution.

September 11: Filing of conference report on second budget resolution by midnight.

September 15: Consideration and adoption of conference report in the House.

September 16–25: Congress completes action on any reconciliation bill or reconciliation resolution no later than September 25.

I realize that this is a very tight schedule. However, it is necessary so we may comply with the Budget Act deadline September 15 for adoption of the conference report.

MAJORITY WHIP JOHN J. McFALL SAYS MINORITY IMPEDES LEGISLATION BY DELAYING TACTICS

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, the minority party is hoisting the same old political road signs: "Stop." "Go Slow." "Detour." "Caution." "Do Not Enter."

The latest example is the post card registration bill. Last week, the minority used every parliamentary trick in the book to delay consideration of the bill.

Last Thursday, alone, they demanded two quorum calls, four yea-and-nay votes and three recorded votes that consumed more than 2 hours of our time. They insisted on rollcall votes on the adoption of routine rules that ended in votes as lopsided as 380 to 4 and 382 to 2. They raised frivolous points of order. And during this political stalling, incredibly, they accused the majority of foot dragging on priority legislation.

The minority tactics on the post card bill are understandable: the Republicans have good reason to fear the voters and to believe that there are too many registered already. For the signs are clear that in November, the people will reject the party that has so seriously and consistently mismanaged the economy and the affairs of the Nation.

Nor is it surprising in an election year that they accuse the majority, which has led the Congress in one of its most productive periods in history, of foot dragging.

But the record shows that this is the hardest working and most effective Congress in memory.

We enacted the tax cut that triggered our economic rebound. We enacted jobs and housing legislation, the comprehensive energy bill, improved veterans benefits, major health legislation, the public works-jobs bill, and much more.

And there is more urgent business ahead. The people will be well served if the minority will let us work, end its delay, and get out of the way.

THE UNEMPLOYMENT SITUATION MUST NOT BE IGNORED

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, any hopes that our Nation's unemployment problems have been solved were dashed last week when the national unemployment rate for July was announced. The figure now stands at 7.8 percent effectively wiping out the modest gains in employment made earlier in the year.

In my home State of California, unemployment is an even more pressing problem—well over 9 percent of the work force cannot find a job.

Inflation remains a problem, although the rate of increase has slowed dramatically. But the recent increase in unemployment simply points out the fact that it is a problem that cannot be ignored. Instead, Congress must continue to try to find solutions. It is obvious that the present administration is not going to provide leadership in the efforts to alleviate this situation.

In retrospect, the President's veto of the Public Works Unemployment Act was a serious mistake. Apart from the obvious human suffering inherent when people cannot find jobs, our Nation's economy simply cannot afford a prolonged period of such high unemployment. We simply cannot accept a 7.8-percent jobless rate as an unfortunate fact of life and turn our backs on it.

Instead, Congress must continue to do what it can to lower the rate. And if the administration cannot participate in that effort, let it at least should stop acting as a roadblock.

What is needed is positive action—not the negative refusal to act of another veto.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
August 6, 1976.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 10:15 a.m. on Friday, August 6, 1976, and said to contain a message from the President wherein he transmits the fifth periodic report on the progress of Cyprus negotiations and the efforts the Administration is making to help find a lasting solution to the problems of the island.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

FIFTH PERIODIC REPORT ON PROGRESS OF CYPRUS NEGOTIATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. No. 94-578)

The SPEAKER laid before the House the following message from the President of the United States; which was read, referred to the Committee on International Relations, and ordered to be printed:

To the Congress of the United States:

Pursuant to Public Law 94-104, I am submitting my fifth periodic report on the progress of the Cyprus negotiations and the efforts this Administration is making to help find a lasting solution to the problems of the island. In previous reports I have emphasized my strong desire to see a just and lasting settlement. I have reviewed in detail the efforts this Administration has made to help realize that achievement, and the progress that has been made thus far. I have indicated that while a Cyprus solution cannot be dictated by the United States, or imposed by any outside party, there are certain elements which are considered essential to an equitable settlement. These I detailed for the Congress in my report of December 8, 1975.

These essential elements have not changed. Nor has my conviction, voiced in earlier reports, that real progress can be achieved provided mutual distrust and suspicions are set aside and both parties forego rhetoric which needlessly hinders the search for a just settlement.

We have lost no opportunity to contribute to our common goal of achieving a Cyprus solution. I have discussed the Cyprus problem at length with the Foreign Ministers of Greece and Turkey. At the summit conference in Puerto Rico in June 1976, I spoke about Cyprus with leaders of the major industrial nations. Secretary Kissinger has also devoted considerable effort to achieving a favorable atmosphere for discussions, continuing personally to press our views at the highest levels in Athens and Ankara. Our Ambassadors in Greece, Turkey and Cyprus have worked unstintingly to help bring the two sides together in an atmosphere of true negotiation; and we have strongly and continuously supported the efforts of United Nations Secretary General Waldheim to achieve this same end. In spite of all these efforts, we have been unsuccessful thus far in getting the parties to set aside procedural problems and to move on to discussions of the key substantive issues, such as territory.

The process of finding a solution to the Cyprus problem has been carried forward through intercommunal talks between the two Cypriot sides, under the aegis of Secretary General Waldheim. These talks have been in recess since February. Lower-level "humanitarian" talks, now also in recess, have produced limited progress on subsidiary issues, but have left the central points of contention unresolved. Meanwhile new frictions continue to arise on the island as each side seeks to maintain or improve its position, either locally on the island or on the wider international stage.

We continue to seek solutions for the ongoing humanitarian problems of those who were displaced from their homes on Cyprus by the conflict of 1974. The United States, through the U.N. High Commissioner for Refugees, has contributed some $25 million in each of the past two years to help to alleviate these problems. On Cyprus, new programs to provide housing for those displaced are underway. With these programs, we would hope that most of those Cypriots still living in temporary dwellings—now down to about 10 percent of the original number of refugees—could be in new homes by early next year. In support of this effort our program of humanitarian assistance will continue in the coming year.

Secretary General Waldheim's Special Representative on Cyprus, Ambassador Perez de Cuellar, has recently engaged in discussions in Ankara, Athens and Nicosia with a view to developing a basis for an early resumption of the intercommunal talks. The United States has strongly supported these efforts and will remain in close contact with the Secretary General in the days immediately ahead.

On July 29 of this year I met with Bulent Ecevit, the Turkish opposition leader, and stressed the compelling need for a more conciliatory approach by both sides. Moreover, we have again been active with our European allies to insure that all avenues are explored in the search for a settlement.

Though there are many proposals for a settlement of the situation on Cyprus, the only solution which will restore domestic tranquility for all the citizens of that island is one which they work out among themselves. We are dedicating our efforts to assisting in the resumption of negotiations which will achieve the goal we share—an equitable and just peace on Cyprus. This Administration, with the support of the Congress, will continue actively to encourage that process in every way possible.

GERALD R. FORD.

THE WHITE HOUSE, *August 6, 1976.*

ANNUAL REPORT ON ACTIVITIES OF DEPARTMENT OF LABOR, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, AND OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

THE SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

As required by section 26 of Public Law 91-596, transmitted herewith is the 1974 annual report to the Congress on activities under that law of the Department of Labor, the Department of Health, Education, and Welfare, and the Occupational Safety and Health Review Commission.

GERALD R. FORD.

THE WHITE HOUSE, *August 9, 1976.*

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 616]

Abzug
Anderson, Ill.
Andrews, N.C.
Aspin
Badillo
Bevill
Biester
Boland
Brooks
Brown, Mich.
Burton, Phillip
Carney
Cederberg
Chappell
Chisholm
Cochran
Conable
Conlan
Conte
Conyers
Cornell
Dellums
Derrick
Diggs

Dodd
Downing, Va.
Early
Eckhardt
Emery
English
Esch
Eshleman
Evins, Tenn.
Fenwick
Findley
Fish
Flowers
Flynt
Ford, Tenn.
Forsythe
Giaimo
Gilman
Goldwater
Gonzalez
Green
Hall, Tex.
Hanley
Hansen
Harrington
Harsha
Hays, Ohio
Hébert
Heinz

Hinshaw
Holt
Holtzman
Howe
Ichord
Jarman
Jones, N.C.
Jones, Okla.
Karth
Landrum
Lott
McEwen
McKinney
Melcher
Metcalfe
Mikva
Milford
Mills
Mink
Moakley
Moffett
Moorhead, Pa.
Myers, Ind.
O'Neill
Passman
Paul
Randall
Rees
Rhodes

Richmond
Rosenthal
Ruppe
Sarbanes
Scheuer
Schroeder
Shuster
Sikes
Skubitz
Staggers
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Taylor, N.C.
Teague
Thone
Thornton
Treen
Tsongas
Udall
Vander Jagt
Vigorito
Waggonner
Weaver
Wiggins
Wirth
Wydler

The SPEAKER. On this rollcall 320 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ACADEMY HONOR CODE

(Mr. NEDZI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEDZI. Mr. Speaker, the House Armed Services Committee has been monitoring closely the cases of alleged violations of the honor code at West Point, particularly those involving some 213 cadets of the Class of 1977. Chairman Price has on three occasions strongly recommended that the Secretary of Defense appoint a special blue ribbon panel of distinguished citizens to investigate the entire matter, but that recommendation has not been adopted to date.

It appears that the problems are mounting and are aggravated by the inability of the Academy administration to cope with the requirements of thorough investigation, adequate follow-on hearings and expeditious resolution of each case. Further, it appears that these inadequacies have resulted in selective processing with many who are alleged to be involved not being required to make panel appearances.

Such serious matters require prompt resolution within the Department of Defense, but such actions are not apparent. Accordingly, as of this time it may be necessary for the Military Personnel Subcommittee of the House Armed Services Commitee, of which I am chairman, to schedule open hearings immediately following the August recess on those matters associated with the honor code problems which have not been the subject of congressional committee consideration to date.

VOTER REGISTRATION ACT

Mr. THOMPSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11552) to establish a Voter Registration Administration within the Federal Election Commission for the purpose of administering a voter registration program through the Postal Service, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. Thompson).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11552) to establish a Voter Registration Administration within the Federal Election Commission for the purpose of administering a voter registration program through the Postal Service, and for other purposes, with Mr. Natcher in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, August 5, 1976, all time for general debate on the bill had expired.

Pursuant to the rule, the bill is considered as having been read and open at any point for amendment under the 5-minute rule, and it shall be in order to consider en bloc the amendments printed on page 24222 of the Congressional Record of July 28, 1976, by Representative Thompson, and said amendments shall not be subject to a demand for a division of the question.

The bill reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voter Registration Act".

DEFINITIONS

Sec. 2. As used in this Act—

(1) the term "Administration" means the Voter Registration Administration;

(2) the term "State" means each State of the United States, the political subdivisions of each State, the Virgin Islands, Guam, and the District of Columbia;

(3) the term "Federal office" means the office of the President, the Vice President, an elector for President and Vice President, a Senator, a Representative, or a Delegate to the Congress;

(4) the term "Federal election" means any biennial or quadrennial primary or general election and any special election held for the purpose of nominating or electing candidates for any Federal office, including any election held for the purpose of expressing voter preference for the nomination of individuals for election to the office of President and any election held for the purpose of selecting delegates to a national political party nominating convention or to a caucus held for the purpose of selecting delegates to such a convention;

(5) the term "State election" means any election other than a Federal election; and

(6) the term "State official" means any individual who acts as an official or agent of a government of a State or of a county, town, village, city, borough, parish, or township election board, or township voter registration board, to register qualified electors, or to conduct or supervise any Federal election in a State.

ESTABLISHMENT OF ADMINISTRATION

Sec. 3. (a) There is established within the Federal Election Commission the Voter Registration Administration.

(b) The President shall appoint, by and with the advice and consent of the Senate and the House of Representatives, an Adminstrator and two Associate Administrators for terms of four years each, who may continue in office until a successor is qualified. The President shall submit his first nominations under this subsection to the Senate and to the House of Representatives no later than thirty days after the date of enactment of this Act. An individual appointed to fill a vacancy shall serve the remainder of the term to which his predecessor was appointed. The Associate Administrators shall not be members of the same political party. The Administrator shall be the chief executive officer of the Administration.

DUTIES AND POWERS

Sec. 4. The Administration shall—

(1) establish and administer a voter registration program in accordance with this Act for all Federal elections;

(2) collect, analyze, and arrange for the publication and sale by the Government Printing Office of information concerning elections in the United States (but this publication shall not disclose any information which permits the identification of individual voters);

(3) provide information to State officials concerning voter registration by mail and information relating to election administration generally;

(4) obtain facilities and supplies and appoint and fix the pay for officers and employees, as may be necessary to permit the Administration to carry out its duties and powers under this Act, and such officers and employees shall be in the competitive service under title 5, United States Code;

(5) appoint and fix the pay of experts and consultants for temporary services as authorized under section 3109 of title 5, United States Code;

(6) provide the Congress with such information as the Congress may from time to time request, and prepare and submit to the President and the Congress a report on its activities, and on voter registration and elections generally in the United States, immediately following each biennial general Federal election; and

(7) take such other action as it deems necessary and proper to carry out its duties and powers under this Act.

QUALIFICATIONS AND PROCEDURE

Sec. 5. (a) An individual who fulfills the requirements to be a qualified voter under State law and who is registered to vote under the provisions of this Act shall be entitled to vote in Federal elections in that State, except that each State shall provide for the registration or other means of qualification of all residents of such States who apply, not later than thirty days immediately prior to any Federal election, for registration or qualification to vote in such election.

(b) Whenever a Federal election is held in any State, the Administration may, upon the request of the State official responsible for conducting elections in such State, furnish officers and employees and such other assistance as the Administration and the State official may agree upon to assist State officials in the registration of individuals applying to register in that State under the provisions of this Act.

REGISTRATION FORMS

Sec. 6. (a) The Administration shall prepare voter registration forms in accordance with the provisions of this section.

(b) Printed registration forms shall be designed to provide a simple method of registering to vote by mail. Registration forms shall include matter as State law requires and as the Administration determines appropriate to ascertain the positive identification and voter qualifications of an individual applying to register under the provisions of this Act, to provide for the return delivery of the completed registration form to the appropriate State official, and to prevent fraudulent registration. Registration forms shall also include a statement of the penalties provided by law for attempting fraudulently to register to vote under the provisions of this Act.

(c) A registration notification form advising the applicant of the acceptance or rejection of his registration shall be completed and promptly mailed by the State official to the applicant. If any registration notification form is undeliverable as addressed, it shall not be forwarded to another address but shall be returned to the State official mailing the form. The possession of a registration notification form indicating that the individual is entitled to vote in an election shall be prima facie evidence that the individual is a qualified and registered elector entitled to vote in any such election but presentation of the form shall not be required to cast his ballot.

DISTRIBUTION OF REGISTRATION FORMS

SEC. 7. (a) The Administration is authorized to enter into agreements with the Postal Service, with departments and agencies of the Federal Government, and with State officials for the distribution of registration forms in accordance with the provisions of this section. The Administration shall not be required to reimburse the Postal Service for any transmission of such registration forms made by the Postal Service under sections 6 and 7 of the Voter Registration Act.

(b) Any agreement made between the Administration and the Postal Service shall provide for the preparation by the Administration of sufficient quantities of registration forms so that the Postal Service can deliver a sufficient quantity of registration forms to postal addresses and residences in the United States and for the preparation of an ample quantity of such forms for public distribution at any post office, postal substation, postal contract station, or on any rural or star route. Such agreements also shall provide for the preparation by the Administration, and bulk distribution by the Postal Service, of sufficient quantities of such registration forms to any individual, group, or organization requesting such registration forms for the purpose of conducting or participating in a voter registration program.

(c) The Postal Service shall distribute the registration forms to postal addresses and residences at least once every two years and before each Federal election but not earlier than one hundred and twenty days or later than sixty days prior to the close of registration for the next Federal election in each State.

(d) The Administration is authorized to enter into agreements with the Secretary of each military department of the Armed Forces of the United States for the distribution of registration forms at military installations.

(e) This section shall not be construed to place any time limit upon the general availability of registration forms in post offices and appropriate Federal, State, and local government offices pursuant to agreements made under this section.

PREVENTION OF FRAUDULENT REGISTRATION

SEC. 8. (a) In addition to taking any appropriate action under State law, whenever a State official has reason to believe that individuals who are not qualified electors are attempting to register to vote under the provisions of this Act, he shall notify the Administration and request its assistance to prevent fraudulent registration. The Administration shall give reasonable and expeditious assistance in such cases, and shall issue a report on its findings.

(b) (1) Whenever the Administration or a State official determines that there is a pattern of fraudulent registration, attempted fraudulent registration, or any activity on the part of any individuals or groups of individuals to register individuals to vote who are not qualified electors, the Administration or a State official may request the Attorney General to bring action under this section. The Attorney General is authorized to bring a civil action in any appropriate district court of the United States or the United States District Court for the District of Columbia to secure an order to enjoin fraudulent registration, and any other appropriate order. Any such civil action shall be brought in the district court of the United States within the jurisdiction of which the fraudulent registration occurred.

(2) The district courts of the United States shall have jurisdiction without regard to any amount in controversy of proceedings instituted pursuant to this section.

PENALTIES

SEC. 9. (a) Whoever knowingly or willingly gives false information as to his name, address, residence, age, or other information for the purpose of establishing his eligibility to register or vote under this Act, or conspires with another individual for the purpose of encouraging his false registration to vote or illegal voting, or pays or offers to pay or accepts or offers to accept payment either for registration to vote or for voting, or registers to vote with the intention of voting more than once or votes more than once in the same Federal election shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(b) Any person who deprives, or attempts to deprive, any other person of any right under this Act shall be fined not more than $5,000, or imprisoned not more than five years, or both.

(c) The provisions of section 1001 of title 18, United States Code, are applicable to the registration form prepared under section 6 of this Act.

FINANCIAL ASSISTANCE

SEC. 10. (a) The Administration shall determine the fair and reasonable cost of processing registration forms prescribed under this Act, and shall pay to each appropriate State an amount equal to such cost per card multiplied by the number of registration cards processed under this Act in that State.

(b) The Administration is authorized to pay any State which adopts the registration form and system prescribed by this Act as a form and system of registration to be a qualified and registered elector for State elections in that State. Payments made to a State under this subsection may not exceed 30 per centum of the amount paid that State under subsection (a) of this section for the most recent general Federal election in that State.

(c) Payments under this section may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

REGULATION

SEC. 11. (a) The Administration is authorized to issue rules and regulations for the administration of this Act. Such rules and regulations may exclude a State from the provisions of this Act if that State does not require a qualified applicant to register prior to the date of a Federal election.

(b) (1) The Administration, before prescribing any rule or regulation under this section, shall transmit a statement with respect to such rule or regulation to the Congress in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

(2) If the Congress approve, through appropriate action, any rule or regulation transmitted by the Administration under paragraph (1) no later than thirty legislative days after receipt of such rule or regulation, then the Administration may prescribe such rule or regulation. The Administration may not prescribe any rule or regulation which is not approved by the Congress under this paragraph. If any rule or regulation is not approved by the Congress during such period of thirty legislative days, the Administration may modify or amend such rule or regulation and transmit it to both House of the Congress for consideration in accordance with the provisions of this subsection.

(3) For purposes of this subsection, the term "legislative days" does not include any calendar day on which both Houses of the Congress are not in session.

EFFECT ON OTHER LAWS

SEC. 12. (a) Notwithstanding any other provision of this Act, any State that adopts the Federal assistance post card form recommended by the Federal Voting Assistance Act of 1955 (50 U.S.C. 1451 et seq.) with respect to any category of its electors (1) shall, insofar as such electors are concerned, be deemed to be in full compliance with the provisions of section 6 of this Act; and (2) shall be eligible to receive payments of financial assistance from the Administration, as provided in section 10 of this Act, on account of the simplified and greater voting opportunities thereby granted to such electors.

(b) Nothing in this Act shall be construed to prevent any State from granting less restrictive registration or voting practices or more expanded registration of voting opportunities than those prescribed by this Act.

(c) Nothing in this Act shall be construed to limit or repeal any provision of (1) section 202 of the Voting Rights Act Amendments of 1970 (42 U.S.C. 1973aa–1), relating to expanded opportunities of registering to vote and voting for electors for President and Vice President; or (2) the Federal Voting Assistance Act of 1955 (50 U.S.C. 1451 et seq.).

AMENDMENTS TO TITLE 39, UNITED STATES CODE

SEC. 13. (a) Section 3202(a) of title 39, United States Code, is amended—

(1) by striking out "and" at the end of clause (4);

(2) by striking out the period at the end of clause (5) and inserting in lieu thereof ": and"; and

(3) by adding at the end thereof the following new clause:

"(6) mail relating to voter registration pursuant to sections 6 and 7 of the Voter Registration Act.".

(b) Section 404 of title 39, United States Code, is amended—

(1) by striking out "and" at the end of clause (8);

(2) by striking out the period at the end of clause (9) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(10) to enter into arrangements with the Voter Registration Administration of the Federal Election Commission for the collection, delivery, and return delivery of voter registration forms.".

AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 14. Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(137) Administrator and Associate Administrators (2), Voter Registration Administration, Federal Election Commission.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. There are authorized to be appropriated such sums, not to exceed $50,000,000, as may be necessary to carry out the provisions of this Act and the amendments made by this Act.

EFFECTIVE DATES

SEC. 16. (a) Except as provided by subsection (b), the foregoing provisions of this Act, and the amendments made by this Act, shall take effect sixty days after the first Administrator and Associate Administrators of the Administration are confirmed by the Senate and the House of Representatives under section 3(b).

(b) The provisions of section 3 shall take effect on the date of the enactment of this Act.

The CHAIRMAN. The Clerk will report the committee amendment.

COMMITTEE AMENDMENT

The Clerk read as follows:

Committee amendment: On Page 7, line 3, strike the word "The" and substitute in its place the phrase "Notwithstanding any other provision of law, the".

The committee amendment was agreed to.

AMENDMENTS OFFERED BY MR. THOMPSON

Mr. THOMPSON. Mr. Chairman, pursuant to the rule, I offer the amendments to be considered en bloc printed in the Record on page 24222.

The Clerk read as follows:

Amendments offered by Mr. Thompson: Page 3, line 5, strike out "and the House of Representatives".

Page 3, line 6, strike out "two Associate Administrators" and insert in lieu thereof "an Associate Administrator".

Page 3, beginning on line 8, strike out "The President shall submit" and all that follows through line 10.

Page 3, line 11, strike out "date of enactment of this Act.".

Page 3, line 13, insert immediately after "The" the following: "Administrator and the".

Page 3, beginning on line 13, strike out "Administrators" and insert in lieu thereof "Administrator".

Page 3, immediately after line 16, insert the following new subsection:

(c) The Federal Election Commission shall carry out the duties and powers of the Administration and shall take such actions as may be necessary to carry out the provisions of this Act during the period beginning on the date of the enactment of this Act and ending on the date on which the first Administrator and Associate Administrator of the Administration are qualified under subsection (a).

Page 10, line 10, immediately after "shall" insert the following: ", subject to amounts appropriated under section 15,".

Page 11, line 14, strike out "approve" and insert in lieu thereof "does not".

Page 11, line 15, insert "disapprove" immediately before "any rule or regulation".

Page 11, beginning on line 19, strike out "not approved" and insert in lieu thereof "disapproved".

Page 11, line 21, strike out "not approved" and insert in lieu thereof "disapproved".

Page 12, beginning on line 21, strike out "section 202 of the Voting Rights Act Amendments of 1970 (42 U.S.C. 1973aa–1), relating to expanded opportunities of registering to vote and voting for electors for President and Vice President" and insert in lieu thereof "the Voting Rights Act of 1965".

Page 14, beginning on line 5, strike out Administrators (2)" and insert in lieu thereof "Administrator".

Page 14, strike out line 13 through line 21 and insert in lieu thereof the following new section:

EFFECTIVE DATE

Sec. 16. The foregoing provisions of this Act, and the amendments made by this Act, shall take effect on the date of the enactment of this Act.

Mr. THOMPSON (during the reading). Mr. Chairman, these amendments have been printed in the Record for some time and are familiar to the members of the committee, so I ask unanimous consent that the amendments be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON. Mr. Chairman, I would like to indicate the nature of the proposed amendments.

The first would eliminate the House of Representatives from the approval mechanism of the Administrators to conform the provision with the advise-and-consent clause of the Constitution. It would also provide for a single associate Administrator rather than two and would provide for immediate implementation of the act under the Federal Election Commission until such time as the Administrators are nominated by the President and confirmed by the Senate.

The second amendment would provide a reimbursement to the States only from amounts appropriated by the Congress to carry out the act.

The third amendment would conform the disapproval mechanism for any regulations issued by the administration to the disapproval mechanism for regulations issued by the Federal Elections Commission.

The fourth amendment is technical in nature and is directed to a statutory reference.

The fifth is a conforming amendment.

The sixth would make the act effective immediately following enactment.

Essentially, Mr. Chairman, these amendments, en bloc, are offered in order to comply with the United States Supreme Court decision in the case of Buckley against Valeo. I think that they are necessary. I think that they are sound.

Mr. Chairman, I hope that they are adopted.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, first, let me say that I wish to express my support for H.R. 11552, the Post Card Voter Registration Act. I am totally in favor of the concept. I believe that the Congress should do whatever necessary to facilitate the right of every citizen to vote.

However, I am somewhat leary about the effect that this legislation, as currently written, would have on those States which already have in place viable postal voter registration systems. Therefore, I may offer an amendment which would exempt from this act any State which has in effect on the effective date of this legislation any system of voter registration which permits registration through the use of the mails.

My colleagues, if the amendment as offered in court be an attempt to abort confusion in the voter registration process in those States with workable, operable programs, this amendment is an attempt to prevent what may turn out to be a penalization of those States with viable systems for mail registration by requiring them to comply with the provisions of H.R. 11552.

Mr. Chairman, I received a telegram from staff officials of the State of Maryland expressing concern that the enactment of this system of post card registration might jeopardize the Maryland postcard registration system. If that were the case, I should wish to introduce an amendment exempting Maryland and the other 15 jurisdictions which currently have registration by mail, from coverage under the act. Mr. Chairman, could you address that question?

Mr. THOMPSON. I will assure the gentleman that the act will not jeopardize the operation of the Maryland post card registration system, or the registration-by-mail system of any other jurisdiction. The act simply requires that an application received in the mail, and verified by the appropriate State authority, shall constitute a valid application to register to vote. No provisions of State law relating to the qualifications of electors will be affected.

Mr. MITCHELL of Maryland. Mr. Chairman, another concern expressed by State authorities is that those 16 jurisdictions with post card registration systems currently in force will not receive the "fair and reasonable processing costs," and the 30-percent bonus that other States, not having registration-by-mail systems, will receive under the act.

Mr. THOMPSON. I can tell my friend, the gentleman from Maryland, that the Administrator of the Voter Registration Administration will determine the "fair and reasonable processing costs." But to make the intention of the House perfectly clear with respect to reimbursement and the 30-percent bonus, let me say that I interpret the bill to apply equally to every State and Commonwealth. Although the Administrator has some discretion in the determination of the fair and reasonable processing costs, and the payment of the bonus, I would expect equitable treatment of all jurisdictions, irrespective of the laws in place at the time of enactment.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for that explanation; but let me be sure of one thing. On the 30-percent bonus there is nothing as presently written in the legislation which would guarantee my State that 30-percent bonus. The gentleman is assuming that the amendment will authorize it on a fair and equitable basis.

Mr. THOMPSON. The gentleman is correct. There is nothing in the bill now until the process is completed to provide that reimbursement.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for that response.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. Thompson was allowed to proceed for an additional 2 minutes.)

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Chairman, I have a concern. I am from the State of California. I think the answer of the gentleman from New Jersey to the gentleman from Maryland answers my question; but the situation is this. In California we do have a post card registration system which has been in effect since July 1. I inquired of the staff this morning; I understand that, rather than being exempted, we are going to be deemed to be in compliance with the law, as we have our own post card system.

It is my understanding, but I wish to be reassured, in the event that we are deemed to be in compliance with our own system, will our State and local authorities be reimbursed for, or otherwise provided with, postage to carry out the purposes of that act?

Mr. THOMPSON. Mr. Chairman, the State of California would be eligible, I say to my friend, in the same manner as every other State.

The gentleman from Washington (Mr. BONKER) has an amendment which will further clarify this question in the gentleman's mind, I am sure.

Mr. DANIELSON. But we will be held harmless as far as the postage is concerned?

Mr. THOMPSON. Yes, that is correct.

Mr. DANIELSON. Mr. Chairman, I thank the gentleman from New Jersey.

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENTS OFFERED BY MR. THOMPSON

Mr. FRENZEL. Mr. Chairman, I offer an amendment to the amendments.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL to the amendments offered by Mr. THOMPSON: In the amendment relating to section 16 of the act, insert immediately after "effect" the following: "on January 3, 1977, except that the provisions of section 3 shall take effect".

Mr. FRENZEL. Mr. Chairman, before I take up my amendment, I would like to speak to the remarks of the gentleman from New Jersey which were made in response to the queries of the gentleman from Maryland (Mr. MITCHELL) and the gentleman from California (Mr. DANIELSON).

I think that every member of this Committee should understand that the 30-percent bonus which is promised to the States is likely to be pie in the sky, because that bonus will be paid only after the Federal costs of administering the Federal system have been fully liquidated out of whatever funds happen to be appropriated by this Congress, or a successor Congress.

Based on the best estimates of the cost of the post card system, in my judgment it is unlikely that any funds will remain for the bonuses to the States. With that caveat, I would like to proceed to discuss my amendment.

On Thursday I explained that the reason that the Rules Committee made the Thompson amendments in order en bloc was an end run of the Budget Procedures Act. If the amendments had not been in order en bloc, individually the key amendments would have been subjected to a point or order which, in my judgment, could have been sustained. That is the only reason for writing the rule the way it was written. It is, in effect, a closed rule—or rather, more precisely, a waiver of points of order rule.

Therefore, I think that we need to amend the Thompson amendments so that we can isolate just what we are voting on. The Thompson amendments which change the number of personnel and make certain other changes to conform to the Supreme Court decision of early this year are responsible amendments, and should be adopted.

One particular phase of the Thompson amendments is not responsible, and that is the one that makes the act effective immediately on passage.

Mr. Chairman, there is no way this act could be made effective for the coming election. We have gone through that in our discussions of last Thursday, and pointed out all of the things that must be done prior to 60 days before the close of registration in the individual States.

Even if we could pass it, and even if it would not be filibustered in the other body, and even if it would not be vetoed, this bill could not be put into effect. Therefore, it seems to me that it makes a little more sense for us to make it effective after the first of the year. It will take us a full year to put it into operation anyway.

The thrust of my amendment is to delete the effective date part of the Thompson amendments so that the gentleman from New Jersey can then resubmit the amendment to this House, and we vote on this separately. If my amendment is accepted, I will, of course, support the Thompson amendments.

Mr. Chairman, I urge that my amendment be adopted.

Mr. ALBERT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this House is, on certain occassions, called upon to make decisions of a magnitude far above and of infinitely more significance than our customary legislative activities. Shortly, the House of Representatives, when we will be afforded the opportunity of approving H.R. 11552, the Voter Registration Act, will be required to make an historic and moral decision of this nature.

The history of the Republic is a record of the continuing broadening of the franchise. Our record has been one, almost without parallel, of the ever greater implementation of democracy by the inclusion of a larger and larger segment of our citizenry in the political decision-making process. Our forebears, endowed as they were with unique pragmatic political insight, succeeded in accomplishing the greatest revolution, bloodless or otherwise, ever experienced by mankind, translating into realities the democratic ideals of the Declaration of Independence. Swept into the dust bin of history have been religious tests for public office, property qualifications for voting, the indirect election of U.S. Senators, and bars to voting because of sex, color, ethnic origin, or youth.

The membership of the House is to be tested on the fundamental proposition of whether or not we possess a political sagacity and faith in the democratic way of life equal to our predecessors. When we vote on passage of H.R. 11552, the question will be simple and clear cut. Do we favor a broadened franchise—do we in effect truly believe in the democratic process?

Those opposing this historic reform, like those frightened men of the 19th century, who fought the repeal of property qualifications for voting, even if they refuse to admit it to themselves, are fearful of the further democratization of American society.

I do not know, no one can certainly know, to what extent the newly registered might participate in the political process and vote in 1976. The minority leader does not know either, but I think it is rather obvious that he believes that these people would not vote for President Ford and the Republican Party. He would greatly prefer, therefore, that they not be eligible to vote this November. Personally, I do not know whether these people will vote for or against the President. I do not really care. I do not regard this as a narrow partisan question. Should I be certain that the newly registered would vote Republican en masse, I would still earnestly and strenuously support this legislation. I would do so because this is a matter of equity and justice. To inject a scintilla of partisanship into this matter would be degrading and do a grave disservice to our finest traditions.

Mr. Chairman, I have made my decision. I have confidence in the people of this Nation. Not some of the people—all of the people. I favor extension of the franchise. The enactment of the Voter Registration Act is obviously prerequisite. I shall take my stand with democracy. I urge my colleagues on both sides of the aisle to do likewise in overwhelming numbers so that when historians write of this momentous decision, it may be recorded that the vast majority of the House of Representatives chose to take their stand on the side of freedom and the future.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, first of all, the idea that this cannot be put into effect in time for the election is not right. It is not true. It is not borne out by the facts.

Pennsylvania just put their own bill into effect last week, and in the first week over 1,000 new registrants registered in Allegheny County alone. In addition to that, there were quite a number, somewhere in the hundreds, who had simply failed to sign their applications and had printed their names, and they will have to be corrected. Otherwise, they had approximately 1,600 in 3 days of mailing. They distributed 50,000 in the county, and they expected before the end of the month to have a response of 35 to 40 percent.

Concerning the other argument that this would be a bonus, I am sorry the word "bonus" has been used in this case. There is really no bonus at all. It does not pay for all registrants, no matter how they register, only those by mail. We do not interfere in any way with the State registration laws or the method in which they register now.

Maryland, in addition to its mail system, has gone into the shopping centers and to every available place, house to house, and any way they can, to get registrations. It is a very good system.

But this is in addition to that, and they are going to be paid only for mail registrants. They are going to be paid compensation for the work they will have to do under the receiving and notification of the new registrants that come in under the mail system. They will be paid for just the work they are performing. The word "bonus" should not have been used in this instance, in my opinion.

So far as the amount of money is concerned, we are hopeful that in the first registration of this kind we will get one-third of the people to register under the registration by mail. If we get one-third response from unregistered voters the entire amount in compensation to States for their additional work will be a little over $2.5 million. If we get one-half of the unregistered voters to respond, which I think would be a very fine response, we will have $4 million of expenditure. If we get two-thirds in response to the mail that has been sent out, it will only cost around $5.3 million out of a total, for the entire cost of the whole operation, sending out the mail, getting back the answers, registering all of the voters, of $45,625,000.

Mr. Chairman, there is not a person in this Chamber that would say that that is an exorbitant cost to put within the reach of every citizen of the United States an opportunity to register, when we consider that all 50 States have some kind of restrictions against registration.

Registration is not an easy procedure in most States. Fifteen of the States, I understand, have now passed postal registration legislation, reaching for an answer that will give every person in the United States entitled to the franchise an opportunity to register and vote. We have not found any easy way to do it.

I remember when we had poll taxes to keep people from voting in our States, and it took a great many years to get rid of the poll tax. There have always been some kind of barriers put up against registration.

People will vote if we get them to register, and if we have a Government that is active and alive, they will vote in large numbers. For instance, in 1968 we voted 91.3 percent of the registered voters in the United States, those who went to the polls and who were registered.

Mr. Chairman, if we get them to register, they will vote. I urge the defeat of the amendment.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the chairman of the committee.

Mr. THOMPSON. Mr. Chairman, I thank the distinguished chairman of the subcommittee for his remarks, and I join him in his opposition to this amendment. I hope it is defeated. Its sole purpose, as the gentleman has pointed out, is to delay further the implementation of a postal registration system.

Mr. DENT. Mr. Chairman, I thank the gentleman for his very kind remarks.

Mr. MATHIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in response to the comments made by my distinguished friend, the chairman of the Subcommittee on Elections, I must point out there is no way by which the act that we now have before us can be implemented in time for this year's election.

I would like to invite the gentleman's attention to my remarks so that he can respond to this question as to just how it is to be done. I will just ask the distinguished chairman of the Subcommittee on Elections how this act is going to be implemented in time for the elections this year. I believe the gentleman said it could be done.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, the best timetable that we have been able to work out in the subcommittee and in the full committee—and the chairman of the committee has agreed—is this: That we can, if the cards are laid on the table, be ready for the mailing of registration forms some time during the third week of September. As to the sole remaining problem about which we are hearing complaints, I believe that is plenty of time to get the mail out and a return card back to get proper registration. That is why we are paying the cost of the registration in the different counties and jurisdictions.

Mr. MATHIS. In the amendments as proposed by the distinguished chairman of the full committee, is there not a provision that says the House and the other body have a veto right over the rules and regulations, and that they must act within 30 legislative days? Am I correct in my understanding of that provision?

Mr. DENT. Mr. Chairman, I am sure the chairman of the committee can answer that. We are setting that aside.

Mr. THOMPSON. Mr. Chairman, if the gentleman will yield, under the amendments, if there is not disapproval, the amendments or the regulations become effective in 30 days.

Mr. MATHIS. Then the Federal Elections Commission or the administrator of the post card provision under the Federal Elections Commission would have to wait 30 days, would he not, to know whether or not these proposed rules and regulations had been disapproved by either body of the Congress?

Mr. THOMPSON. No, I do not think that is necessarily the case at all, I will say to my friend, the gentleman from Georgia. He can implement any regulations.

Mr. MATHIS. He can implement any regulations, but I am asking for clarification of the amendments now.

Mr. THOMPSON. He can implement the act, I will say to my friend, the gentleman from Georgia, without drafting regulations. The act is clear and specific enough so that he can go forward immediately.

Mr. MATHIS. Mr. Chairman, I will say to my distinguished friend, the chairman of the committee, that if an act of this Congress could be implemented without rules and regulations, I am tempted to vote for it just on the basis of seeing that miraculous occurrence taking place. I do not think it is going to happen, and I do not believe the chairman of the full committee thinks it is going to happen.

Let me say to the members of this Committee that we do have legislative veto contained in the amendments proposed en bloc by the distinguished committee chairman. I presume that these amendments are going to be adopted by this Committee, and, therefore, I think that I should probably oppose the Frenzel amendment that would bring some degree of responsibility to this bill. I think I would have to oppose the Frenzel amendment on the simple basis of consistency.

There is nothing whatsoever responsible in this bill, and it would be totally out of character for us to then turn around and adopt an amendment that would be responsible. Therefore, I oppose the Frenzel amendment on the basis of its responsibility.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for yielding.

I would like to say that I agree completely with the substance of the cogent remarks made by the gentleman from Georgia (Mr. MATHIS), but I disagree with the conclusion he has come to.

I think we should support the Frenzel amendment because one of the charges made against this bill is that it is trying to have some partisan impact on this forthcoming election.

I agree in principle with making voter registration more accessible, and would likely vote for this legislation, but not in a way which might create administrative problems or which would tab it as being solely partisan legislation. Therefore, no harm would be done by delaying the effective date until after this election. Indeed, we should delay it officially even if it will be delayed unofficially anyway.

For that reason, Mr. Chairman, I support the Frenzel amendment.

Mr. MATHIS. Mr. Chairman, I appreciate the contribution of my friend, the gentleman from Georgia (Mr. LEVITAS). He and I agree on most issues, but I am afraid we disagree on this one.

I, too, support access by all American citizens to the process by which we elect public officials.

However, this is not going to do it. Anybody who believes that this particular bill is going to be implemented in time for the November elections is just full of garbage.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, I would like to ask the gentleman from Pennsylvania (Mr. DENT), the subcommittee chairman, whether there is ample time this year to allow the States to comply with the provisions of this act.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. MATHIS) has expired.

(By unanimous consent, Mr. Mathis was allowed to proceed for 3 additional minutes.)

Mr. BONKER. Mr. Chairman, if the gentleman will yield further, it is my understanding that inherent in this legislation is the requirements that States comply with the Federal format so that we avoid a dual registration system, where we have Federal electors to fill out these forms and qualify persons only to vote in Federal elections and those who register through the normal process are qualified to vote in all elections. It seems to me that the time span is so limited that we would not give States ample opportunity to comply with these provisions, and therefore avoid a dual registration system.

Mr. MATHIS. Mr. Chairman, to answer the gentleman, of course, the gentleman is right. There is no way in which it can be done, even in certain States; and there are certain numbers of us in States who have had to have dual registration laws for several years; but there is no way for this kind of thing to be implemented by the States within the time prescribed, I believe.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, of course, it will not be implemented if we do not want to implement it, if we sit around and look at the sky or something and do not act after the regulations are out.

We do not have to wait for 30 days. We can do it within 24 hours after the regulations come down, if they are good; and if they are bad, they ought to be vetoed.

We have done it before, and we can do it again.

Mr. MATHIS. How, Mr. Chairman, can we do it when the amendments offered by the distinguished gentleman say that we have 30 legislative days to disapprove? There is no mechanism contained in this bill by which we can approve rules and regulations. We have disapproval rights, but not approval rights.

Mr. DENT. Would the gentleman change his position if I amended it to make it "approved" instead of "disapproved"?

Mr. MATHIS. No. I would say to the distinguished chairman that I would be opposed to this legislation anyway.

It does not make any difference to me, but I am simply pointing out what the practical problems are for this body. I think it is irresponsible for us to delude the American people into believing that we are going to give them something that we, in fact, cannot deliver, and that is implementation of this act in time for this year's election.

Mr. Chairman, let me say one other thing: The distinguished Speaker of the House stood here and said that this is something we ought to act on with urgency.

However, this bill has been lying, as the gentleman from Pennslyvania (Mr. Dent) well knows, in the Committee on Rules for 6 months. Yet, we have to vote on it and act on it now in time for implementation in this year's election.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I appreciate that the gentleman from Georgia (Mr. Mathis) is generally very clear in his exposition of his position. However, in this case I am having extreme difficulty in understanding the gentleman's opposition to this legislation that he has set forth in the approximately 7 minutes during which he has been debating this legislation. He has been saying that it cannot be implemented by November 2.

Let us put that aside for a moment.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. Mathis) has again expired.

(On request of Mr. Dellums and by unanimous consent, Mr. Mathis was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, if the gentleman would yield further, the distinguished subcommittee chairman said, "Suppose I amend the amendment so that your major concern would be obviated." The gentleman from Georgia (Mr. Mathis) then said, "I still would not be in support of the legislation."

Mr. MATHIS. Yes.

Mr. DELLUMS. What the gentleman is trying to say is that he is opposing the legislation. However, let us not build a strawman on the floor of the Congress.

If the gentleman opposes it, then oppose it; but I do not see any need to oppose it on the basis that we cannot get it working in time.

Mr. MATHIS. Mr. Chairman, I reserve the right to oppose this and to say anything that I can and do everything in every way I can to oppose it, and so I oppose the amendments offered by the proponents, and if I can slow this down for 2 minutes, I will do so, and I reserve the right to do that.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. Of course, I yield to my distinguished subcommittee chairman.

Mr. DENT. Mr. Chairman, I think it is very plain that what we are seeing here in the amendment that is offered is that we are assuming that it cannot be put into practice and it is impractical to put it in effect. All we are saying is that in the amendments of the chairman of the committee we would like to have it become effective by January 3. Whether or not we can implement the bill in time can only be proven by passing the bill and if we do not implement it in time, we will still get it by January 3. So, all the gentleman is doing is saying that he is against the bill and he wants to delay it as much as he can.

Mr. MATHIS. That is exactly what I am saying to the distinguished chairman of the subcommittee.

Now does the gentleman from California desire me to yield further?

Mr. DELLUMS. Yes, if the gentleman will yield further, I would simply like to point out that this is ostensibly a democracy, a representative form of government, and the vote is the most important and precious expression of a human being's concern with respect to the issues that affect their lives and their daily business. I am not suggesting that this particular bill will give the franchise to all of the people, but it is a vehicle and it is a mechanism toward that end. I would suggest to my distinguished colleague that in the interest of freedom, in the interest of judgment, and in the interest of democracy we vote for this legislation.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. Mathis was allowed to proceed for 2 additional minutes.

Mr. MATHIS. Mr. Chairman, I would like to respond to my friend, the gentleman from California, by saying very sincerely that I will support any mechanism by which we can bring universal registration to this country, which is what the Presidential nominee of our party stated in Madison Square Garden in New York is what he wants. But this will not be universal registration, this merely creates another bureaucracy, another agency that is not going to deliver.

We have seen study after study by this subcommittee, and I believe the chairman will concur with this, and these studies say that these people who are not voting will not vote. You can register them from now until the cows come home, but they are not going to come out on election day and vote. We had one of the foremost labor leaders in this country come before our subcommittee and I asked him, "Why don't you attempt to negotiate a day for registration in your contracts?"

He said, "If we had it they would go to the beach." That is the exact answer that was told us by that gentleman.

I urge support for the Frenzel amendment and yield back the balance of my time.

Mr. STEIGER of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am delighted that the gentleman from Georgia (Mr. Mathis) clarified his position, I think. If I understand the gentleman's closing statement, the gentleman intends to support the Frenzel amendment, and I hope that is the case.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. Of course, I yield to the gentleman from Georgia, but I do so I must admit with some trepidation, I hope the gentleman understands.

Mr. MATHIS. I thank the gentleman from Wisconsin for yielding.

I said, I believe, that after careful consideration I think I will reverse my position and support the Frenzel amendment.

Mr. STEIGER of Wisconsin. I am delighted to get that clarification.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding. I simply want to comment that this amendment has been described as a means of deferral so that if we cannot get the system in operation, nothing will be lost.

On the contrary, the purpose of the amendment is to avoid “'lousing” up our registration system throughout all the States for the coming election. We cannot put mail registration in place for this election. Therefore we should not try. My amendment is simply designed to put mail registration in a time frame in which it can be done, well, or as well as possible, so that we can preserve the integrity of our voter registration system.

I thank the gentleman for yielding.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I just wish to say that I do not oppose the right of the gentleman from Georgia to change his mind. You know, Mr. Chairman, for many years we were told in this country that women always have the right and the prerogative to change their minds but since the passage of the equal rights amendment men enjoy that prerogative also.

Mr. STEIGER of Wisconsin. Mr. Chairman, I hope the Frenzel amendment is adopted.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL) to the amendments offered by the gentleman from New Jersey (Mr. THOMPSON).

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 34, noes 36.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 172, noes 199, not voting 60, as follows:

[Roll No. 617]

AYES—172

Abdnor
Alexander
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Blanchard
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conte
Cornell
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Dodd
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Eshleman
Fish
Fithian
Flowers
Foley
Fountain
Fraser
Frenzel
Frey
Fuqua
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Hagedorn
Haley
Hamilton
Hammerschmidt
Hannaford
Harsha
Heckler, Mass.
Hefner
Hillis
Horton
Hughes
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kastenmeier
Kelly
Kemp
Ketchum
Kindness
Krebs
Lagomarsino
Latta
Lent
Levitas
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
Madigan
Mann
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Pa.
Neal
Nichols
Obey
O'Brien
Paul
Pettis
Poage
Pritchard
Quie
Quillen
Railsback
Regula
Rinaldo
Robinson
Roush
Rousselot
Runnels
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Vander Veen
Walsh
Wampler
Whalen
Whitehurst
Whitten
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

NOES—199

Adams
Addabbo
Allen
Ambro
Anderson, Calif.
Annunzio
Ashley
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Biaggi
Bingham
Blouin
Boggs
Boland
Bolling
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Diggs
Dingell
Downey, N.Y.
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Flood
Florio
Ford, Mich.
Ford, Tenn.
Gaydos
Giaimo
Gibbons
Hall, Ill.
Hall, Tex.
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Helstoski
Henderson
Hicks
Hightower
Holland
Howard
Hubbard
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kazen
Keys
Koch
Krueger
LaFalce
Leggett
Lehman
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McFall
McHugh
McKay
Madden
Maguire
Mahon
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Rangel
Reuss
Riegle
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Ryan
St Germain
Scheuer
Schroeder
Seiberling
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Thompson
Tsongas
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waxman
White
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—60

Abzug
Anderson, Ill.
Andrews, N.C.
Aspin
Biester
Brooks
Brown, Mich.
Burton, Phillip
Carney
Chappell
Conable
Conlan
Derrick
Early
Emery
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Gonzalez
Green
Guyer
Hansen
Hébert
Heinz
Hinshaw
Holt
Holtzman
Howe
Ichord
Jones, N.C.
Landrum
Lott
McKinney
Mikva
Milford
Mink
Moorhead, Pa.
Myers, Ind.
Passman
Randall
Rees
Rhodes
Richmond
Ruppe
Sarbanes
Sikes
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Treen
Vander Jagt
Waggonner
Weaver
Wiggins
Wirth

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Moorhead of Pennsylvania against.

Mr. Waggonner for, with Mr. Richmond against.

Mr. Sikes for, with Ms. Holtzman against.

Mr. Rhodes for, with Mr. Carney against.

Mr. Conable for, with Mr. Phillip Burton against.

Mr. Forsythe for, with Mr. Wirth against.

Mrs. Fenwick for, with Mrs. Mink against.

Mr. Vander Jagt for, with Mr. Mikva against.

Mr. Brown of Michigan for, with Ms. Abzug against.

Mr. Passman for, with Mr. Rees against.

Mr. Anderson of Illinois for, with Mr. Sarbanes against.

Mr. Lott for, with Mr. Symington against.

Mr. Hansen for, with Mr. Early against.

Mr. LLOYD of California changed his vote from “aye” to “no.”

So the amendment to the amendments was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New Jersey (Mr. THOMPSON).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 93; noes 58.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 223, noes 148, not voting 60, as follows:

[Roll No. 618]

AYES—223

Addabbo
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bevill
Biaggi
Bingham
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Hall, Ill.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Helstoski
Hicks
Hightower
Holland
Howard
Hubbard
Hughes
Hungate

Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kazen
Keys
Koch
Krueger
LaFalce
Leggett
Lehman
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCloskey
McCormack
McFall
McHugh
McKay
Madden
Maguire
Mahon
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Rangel
Reuss
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Thompson
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Whalen
White
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—148

Abdnor
Alexander
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Blanchard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Eshleman
Fish
Fountain
Frenzel
Frey
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Harsha
Heckler, Mass.
Hillis
Horton
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kastenmeier
Kelly
Kemp
Ketchum
Krebs
Lagomarsino
Latta
Lent
Levitas
Lujan
McClory
McCollister
McDade
McDonald
McEwen
Madigan
Mann
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Pa.
Neal
Nichols
O'Brien
Paul
Pettis
Poage
Pritchard
Quie
Quillen
Railsback
Regula
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Walsh
Wampler
Whitehurst
Whitten
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—60

Abzug
Adams
Anderson, Ill.
Aspin
Biester
Brown, Mich.
Carney
Chappell
Conable
Conlan
Derrick
Early
Emery
Esch
Evins, Tenn.
Fenwick
Findley
Flynt

Forsythe
Fuqua
Green
Guyer
Hansen
Hébert
Heinz
Henderson
Hinshaw
Holt
Holtzman
Howe
Ichord
Jacobs
Jones, N.C.
Kindness
Landrum
Lott
McKinney
Mikva
Milford
Mink
Moorhead, Pa.
Myers, Ind.
Passman
Randall
Rees
Rhodes
Richmond
Sarbanes
Sikes
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Treen
Vander Jagt
Waggonner
Weaver
Wiggins
Wirth

The Clerk announced the following pairs:

On this vote:

Mr. Moorhead of Pennsylvania for, with Mr. Hébert against.

Mr. Richmond for, with Mr. Waggonner against.

Mr. Sarbanes for, with Mr. Passman against.

Ms. Holtzman for, with Mr. Sikes against.

Mr. Wirth for, with Mr. Rhodes against.

Mrs. Mink for, with Mr. Conable against.

Mr. Carney for, with Mr. Forsythe against.

Mr. Mikva for, with Mrs. Fenwick against.

Ms. Abzug for, with Mr. Vander Jagt against.

Mr. Adams for, with Mr. Brown of Michigan against.

Mr. Rees for, with Mr. Anderson of Illinois against.

Mr. Symington for, with Mr. Lott against.

Mr. Early for, with Mr. Hansen against.

Mrs. COLLINS of Illinois changed her vote from "aye" to "no."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HENDERSON

Mr. HENDERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDERSON: On page 7, strike out the last sentence of section 7(a) of the bill.

On page 13, amend section 13 of the bill by adding a new subsection at the end thereof as follows:

(c) Section 3206 of title 39, United States Code, is amended by adding the following new subsection:

"(e) The Voter Registration Administration shall transfer to the Postal Service as postal revenues out of any appropriations made to the administration the equivalent amount of postage, as determined by the Postal Service, for penalty mailings under clause (6) of section 3202(a) of this title.".

Mr. HENDERSON. Mr. Chairman, the purpose of my amendment is to insure that the Postal Service will be paid the equivalent amount of postage and other expenses that may be incurred in handling voter registration forms under this legislation.

Under section seven of the bill, as amended, the voter registration administration is prohibited from reimbursing the Postal Service for delivering voter registration forms through the mail.

The first part of my amendment will strike out the language of the bill with this prohibition. The second part of the amendment will add new language to title 39, United States Code, to require the voter registration administration to transfer amounts to the Postal Service equivalent to the postage for such matter handled as penalty mail.

Existing law (39 U.S.C. 3206) requires all Federal agencies to transfer to the Postal Service the equivalent amount of postage due for matter sent by the agencies through the mail as penalty mail.

Unless my amendment is adopted, this bill will establish a dangerous precedent contrary to the general requirement which applies to all other Government agencies which use penalty mail.

In connection with the requirements of section 7(c) of the bill for distribution of the forms at least once every 2 years, we envision that the Postal Service will enter into arrangements with the Voter Registration Administration to provide for the bulk delivery of voter registration forms at third-class rates rather than first-class rates. These forms are identical pieces and would be eligible for third-class handling. The estimated cost to the agency would be about $6 million rather than $10.5 million for first-class postage. When the forms are filled out and returned to local voter registration officials, they would go by first-class mail. The postage on all the mail and the other Postal Service costs involved under this legislation will increase the expenditures of the Postal Service several million dollars and the Postal Service will be left with no means of recovery unless my amendment is adopted.

I hope that this amendment will be adopted so that this new agency will reimburse the Postal Service in the same manner as all other executive agencies, and I strongly urge the Members of the House to support my amendment.

Mr. THOMPSON. Mr. Chairman, would the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, the gentleman from North Carolina and I have had a number of conversations relating to this matter. I am extremely grateful to the chairman of the Committee on Post Office and Civil Service for bringing this to our attention. The committee has no objection to the amendment, I might say to the gentleman and we merely wish to express our gratitude to him.

Mr. HENDERSON. I thank the gentleman very much.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the distinguished chairman of the Committee on Post Office and Civil Service for yielding.

Does the gentleman have an estimate of what the cost to the Post Office will be to carry out the effect of this bill?

Mr. HENDERSON. I do have detailed information on the cost. Of course, it has to be based on the assumptions of the responses to post card registration, but I think it is fair to say that using the best estimates, available the cost should not exceed $7,440,000.

Mr. FRENZEL. If the gentleman will yield further, is the gentleman aware that under the terms of the bill in any election year we will have to mail out one card for every eligible voter, and that is 140 million cards? Is the gentleman also aware that we will have to mail before each primary and special election one card to every eligible voter within the area in which the election is to be held?

I would think that for a general election alone it would run more like $8 or $9 million.

Mr. HENDERSON. I would like to make it clear, however, that we intend that the Postal Service deliver the first mailings of the forms, under a third-class permit, which they qualify for, and the uncertainty as to cost relates to the return registration cards which will be handled as first-class mail.

Mr. FRENZEL. In that case the cost is likely to double what the gentleman is talking about, if they are going to pay for the round trip for that card one way by third class and one way by first class. I do not want to sound like a hostile interrogator because I think the gentleman's amendment is a first-class amendment. I think it begins to make this bill look a little bit more sensible. It protects the Post Office from having extra costs laid on it for which it will get no revenue. But I think the point must be made for people like the gentleman from Maryland who are wondering what the State is going to get out of this. When we lay these extra costs on, there is not going to be much left for handling the cards.

I thank the gentleman for yielding, and I wish to tell him that I appreciate his amendment and am pleased he offered it.

Mr. HENDERSON. I thank the gentleman for his support.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. HENDERSON).

The amendment was agreed to.

The CHAIRMAN. Are there additional amendments?

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 2, beginning on line 4, strike out "an elector for President and Vice President".

Mr. FRENZEL. Mr. Chairman, this is a very simple amendment which deletes from the definition "Federal office" the office of elector for a President and Vice President.

The need for this amendment was brought to the subcommittee several years ago by my distinguished colleague, the gentleman from Minnesota (Mr. FRASER) who pointed out to our subcommittee that electors for President and Vice President have been held by the courts to be State officials rather than Federal officials. Rather than rewrite the case law of the United States, it seems to me would be well advised to strike this particular office.

Mr. Chairman, I yield back the remainder of my time.

Mr. THOMPSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the effect of the amendment offered by the distinguished gentleman from Minnesota simply to eliminate for all practical purposes the registration of persons who under the Constitution and our long established system are electors for the President and Vice President would be to effectively, therefore, negate the purpose, which is intended to allow many millions of people to register to vote for the President. I urge the defeat of the amendment, Mr. Chairman.

I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

The question was taken; and on a division (demanded by Mr. THOMPSON) there were—ayes 41, noes 61.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 2, beginning on line 13, strike out "and any election held" and all that follows through line 16, and insert in lieu thereof a semicolon.

Mr. FRENZEL. Mr. Chairman, this amendment is very similar to the last one. It deletes from the definition "Federal election" an election "held for the purpose of selecting delegates to a national political party nominating convention or to a caucus held for the purpose of selecting delegates to such a convention."

In addition to trying to make this law correspond to our case law, this amendment also serves a higher purpose. Under this bill, with this definition as it is in the bill, the Federal Election Commission/Voter Registration Administration would have to send post cards to every State whenever that State held a caucus for the purpose of electing delegates to a convention. It would also have to send post cards every time a congressional district held a caucus for the same purpose.

If my amendment is not accepted, it is likely under this law, as poorly as it is drafted, we will have to mail post cards into the same State on four or five occasions during each election year: for the district caucus, for the State caucus, for the primary elections, for the special elections, if any, and for the general elections.

If anybody in this room can tell me why we have to mail five sets of post cards to voters in those States which have caucus systems, I would like to hear from those persons.

I hope the amendment is agreed to.

Mr. DENT. Mr. Chairman, I rise in opposition to the amendment. If we are going to have registrations we will certainly have to hold them for all Federal officials. Very few States I know of have an election to elect caucus delegates for the purpose of choosing convention delegates, but if they do, it is just as important in that State as any other method is elsewhere. That is the manner in which they select their Presidential delegates. Certainly we would not want to have the Presidential campaign to be affected by not allowing a person to vote in that particular State because he registered by mail.

Certainly if he registers once by mail he should be permitted to vote in every instance where the voting is for the purpose of electing or selecting any Federal official.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

The question was taken; and on a division (demanded by Mr. THOMPSON), there were—ayes 40, noes 47.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 136, noes 242, not voting 53, as follows:

[Roll No. 619]

AYES—136

Abdnor
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conte
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Eshleman
Fraser
Frenzel
Frey
Fuqua
Ginn
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hall, Tex.
Hammerschmidt
Hannaford
Hillis
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Levitas
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Pa.
Natcher
Neal
Nichols
O'Brien
Pattison, N.Y.
Paul
Pettis
Poage
Pritchard
Quie
Quillen
Railsback
Regula
Robinson
Rousselot
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thone
Vander Jagt
Walsh
Wampler
Whitehurst
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—242

Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carr
Cederberg
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Haley
Hall, Ill.
Hamilton
Hanley
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson

Hicks
Hightower
Holland
Horton
Howard
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCormack
McDade
McFall
McHugh
McKay
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Rangel
Reuss
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—53

Abzug
Anderson, Ill.
Aspin
Bevill
Biester
Brown, Mich.
Carney
Chappell
Conable
Conlan
Early
Emery
Esch
Evins, Tenn.
Fenwick
Findley
Fish
Fithian
Flynt
Forsythe
Green
Gude
Guyer
Hansen
Hébert
Heinz
Hinshaw
Holt
Holtzman
Howe
Jones, N.C.
Landrum
McKinney
Mikva
Mink
Moorhead, Pa.
Myers, Ind.
Passman
Randall
Rees
Rhodes
Richmond
Sikes
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Treen
Waggonner
Weaver
Wiggins
Wirth

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Ms. Abzug against.

Mr. Waggonner for, with Mr. Carney against.

Mr. Sikes for, with Mr. Mikva against.

Mr. Passman for, with Mr. Moorhead of Pennsylvania against.

Mr. Anderson of Illinois for, with Mr. Richmond against.

Mr. Wiggins for, with Mr. Early against.

Mr. Hansen for, with Ms. Holtzman against.

Mr. Conlan for, with Mrs. Mink against.

Mr. Myers of Indiana for, with Mr. Rees against.

Mr. Rhodes for, with Mr. Symington against.

Mr. Steiger of Arizona for, with Mr. Wirth against.

Mr. TRAXLER changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT BY MR. MOAKLEY

Mr. MOAKLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOAKLEY: Page 6, line 11, insert "(1)" immediately after "(c)".

Page 6, immediately after line 22, insert the following new paragraph:

(2) Except as provided in paragraph (1), any information contained in a registration notification form may not be used to establish the identification, citizenship status, or age of the individual possessing such form. Possession of such form by any individual shall not be construed as evidence with respect to the identification, citizenship status, or age of such individual. Each such form shall include the following statement: "For use in voting only. Not valid for use as identification, proof of citizenship, or proof of age."

Mr. MOAKLEY. Mr. Chairman, the amendment which I offer for myself and the gentleman from California (Mr. SISK) will completely foreclose one potential area for abuse of the post card registration system.

I am frankly skeptical about claims made that this bill (H.R. 11552) would lead to widespread fraud. An illegal alien or minor who sent in a post card and obtained a registration card would be constrained from voting by the likelihood of being discovered at the polling place and by the stiff penalties provided in this bill.

My concern, Mr. Chairman, is over peripheral use of the registration system—the person who sends in to get a registration form, for its own sake, with no intention of exercising the franchise.

An illegal alien, for example, would find in such a card the perfect solution to his problems in finding employment. The same would even be true of a lawful permanent resident who would find the presumption of citizenship opened broader opportunities than the restrictions of a "green card."

And there are obvious attractions for young people in States where the voting and drinking age coincide.

The gentleman from California and I feel that our amendment will totally eliminate any possible abuses of this kind by rendering the registration notification cards useless for any purpose but voting.

We would establish the point in law that the cards are not valid for identification purposes and require each card issued pursuant to this act to bear the following statement:

> For use in voting only. Not valid for use as identification, proof of citizenship, or proof of age.

Presently pending for a rule is a bill (H.R. 8713), reported by the Committee on the Judiciary, which would make it unlawful for employers to knowingly hire illegal aliens. It seems likely that this bill will eventually be enacted but failure to accept our amendment would make the bill pointless before it is even considered.

If this amendment were not adopted, a voter registration card would constitute prima facie proof of citizenship and would constitute an adequate legal defense for any person charged, under the proposed law, with knowingly hiring illegal aliens.

But our amendment establishes the principle in law that these cards may not be used in this way and requires cards to carry fair and adequate notice to prospective employers of this principle.

I believe the amendment can be supported by Members on both sides of the question on the bill itself. It meets some of the objections of the bill's opponents and offers supporters a chance to tighten up one possible area of abuse without weakening the bill in any way.

I am aware of no objection to our amendment and I urge its adoption.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from California.

Mr. SISK. Mr. Chairman. I rise in support of my colleague from Massachusetts' amendment to H.R. 11552, the Voter Registration Act. This amendment addresses many of the concerns that I have had with this legislation. While all of us certainly support any effort to improve voter registration, I, along with many of my colleagues have questioned the possibility of fraudulent use of voter registration cards.

During hearings on this legislation, Dr. Richard G. Smolka, a professor of government and director of the Institute of Election Administration at American University, testified about the potential for abuse of voter registration cards.

He pointed out that although misuse might not affect elections illegal aliens in this country could use a voter registration card to obtain "instant citizenship" and thereby take employment away from American citizens and taxpayers. Furthermore, election officials would have no control over the misuse especially if the cardholder never comes to the polls.

Dr. Smolka further states that—

> Misuse of voter registration cards to establish citizenship, age or residence has become so frequent that the New York State Board of Elections has called the attention of the County Election Commissioner to the situation.

He also states that he found misuse of the card in both Maryland and New Jersey where mail registration made it easy to obtain.

If State governments have already experienced problems with the misuse of voter registration cards, stop and consider for a moment the potential for misuse when postcard registration is extended nationwide.

Estimates of the number of illegal aliens range in the millions. No one really knows just how many there are. But one thing is certain, this is not simply a problem with farmworkers in California. INS officials tell me that they have apprehended illegal aliens in practically every occupational category and in all walks of life. Frankly, I doubt that anyone knows the full scope of the problem. No one can accurately estimate the loss of jobs—even very well paying jobs—or the impact on unemployment of the illegal alien problem. No one can assess the total cost of increased public services—welfare, medical care, and educational expenses—for illegal aliens and their families.

As my colleagues know this is not the first time I have addressed the issue of illegal aliens on the floor of this House. While this amendment will not solve the illegal alien problem—and it is not really intended to do so—it will at least keep a very bad situation from getting worse. The amendment is designed to build some safeguards into the voter registration system so that illegal aliens may not use cards acquired through the mail as prima facie evidence of citizenship. It will provide that an effort to serve the citizens of this country is not subverted for fraudulent purposes.

The amendment requires that each voter registration card contain the statement:

> For use in voting only. Not valid for use as identification, proof of citizenship, or proof of age.

I do not contend that such a statement will, in all instances, preclude use of a voter registration card as means of identification or proof of citizenship. However, it will make it more difficult.

I support my friend from Massachusetts' amendment and urge my colleagues to do likewise. This amendment, I believe, offers the best possible safeguards while at the same time serving the best interests of our citizens nationwide.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, this is a matter which the gentleman from Massachusetts (Mr. MOAKLEY) brought up in the consideration of the rule.

The essential element of it is that under this registration system, no one will be able to use his or her registration card as evidence of citizenship or for any other purpose except that of voting.

Mr. Chairman, this amendment has great merit, and the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. DENT), and I have agreed to accept it.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, as I understand, the Moakley amendment is an attempt to discourage the use of the voter registration card as proof of citizenship, and I presume it is aimed at the illegal alien problem; is that correct?

Mr. MOAKLEY. The gentleman is correct.

Mr. FRENZEL. If the gentleman will yield further, the gentleman is aware that we have had complaints from many jurisdictions about voter registration cards being used to show proof of citizenship when, in fact, there has been no proof of citizenship. I hope the gentleman is also aware that under this system, when we mail a post card to any individual and that post card is mailed back in, we never see that individual. Therefore, he may be legal, illegal, fictitious; in fact, it may be the name of one's dog being mailed back on that post card.

Mr. Chairman, the gentleman from Massachusetts (Mr. MOAKLEY) is performing a noble service in bringing this amendment to the floor, but I must caution the members of the committee that this will not—repeat—will not keep people from trying to use these cards as proof of citizenship.

However, Mr. Chairman, I hope that this amendment will be a discouragement to some people, and the minority endorses the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. MOAKLEY).

The amendment was agreed to.

The CHAIRMAN. Are there any further perfecting amendments?

AMENDMENT OFFERED BY MR. BONKER

Mr. BONKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BONKER: Page 7, line 2, insert "and availability" immediately after "distribution".
>
> Page 7, beginning on line 2, strike out "accordance with the provisions of this section." and insert in lieu thereof the following: "post offices and appropriate Federal, State, and local government offices. Such registration forms shall be generally available, and this section shall not be construed to place any time limitation upon the duration of such availability."
>
> Page 7, strike out line 8 and all that follows through line 15.
>
> Page 7, line 16, strike out "route.".
>
> Page 7, strike out line 22 and all that follows through page 8, line 2.
>
> Page 8, line 3, strike out "(d)" and insert in lieu thereof "(b)".
>
> Page 8, strike out line 7 and all that follows through line 11.

Mr. BONKER. Mr. Chairman, I wish to offer this amendment to strike the mass-mailing feature from the bill.

I would first like to explain the difference between post card registration, which has been the label applied to this particular bill, and the mass-mailing feature which is incorporated in the bill.

Post card registration as we commonly know it and as it exists today in 17 States, is a method whereby we can distribute registration forms in a post card format that enable potential voters and electors to obtain these forms, fill out the cards and send them back into the election offices.

This program, as I mentioned, is in effect in 17 different States and in the District of Columbia. So far it has worked very successfully. There have been no problems of fraud and there has been no problem with election officials. It has instead demonstrated interest and a tremendous increase in voter registration. I think it is a laudatory program and one we should support at the national level.

In contrast to that, Mr. Chairman, is the mass mailing procedure which is incorporated in this bill. It is an entirely different concept because it provides for the mailing at the Federal level every 2 years to every household in this country registration forms. People then would be invited, I suppose, to fill out these forms and send them back to the local election offices.

Mr. Chairman, I submit that there are many problems associated with this concept. There are too many to enumerate in the short time I have in the well but I would like to suggest, first of all, it is going to be a costly program. We have heard from the distinguished chairman of the committee about the budget estimates that have come from the Budget Office in the amount of $47 million. But I suggest, Mr. Chairman, that that mailing estimate includes only the standard form that would be widely used throughout the country and every State. That is not going to be the case because most of the States will be permitted to continue their own unique registration forms, so if we are going to print these post cards at the national level we will need 50 different registration forms printed and distributed throughout the country.

I think the most disconcerting feature of this concept is the considerable waste that we will see if this program is implemented, because I submit that every 2 years these Federal Government registration forms will be mailed out to every household in the country. That is about 150 million forms. Someone has estimated that this would be comparable to 500 stacks each equal to the size of the Washington Monument. What concerns me is that 70 percent of the pepole in this country are already registered at election time. Thus, we have a built-in, 70-percent waste factor. Seventy percent of the people who receive these forms are already registered; yet they will be intrigued by the form and many will obviously fill them out and send them in. That will place a great administrative burden on the local election office.

Also, how do we accomplish the task of trying to mail registration forms to every single household? We know that many households may have anywhere from one to six potential, qualified voters. Are we going to send out six forms to every household or only one or two? This is going to be a challenging administrative task to try to produce a mailing that will accomplish all of these objectives. The administrative problems are enormous.

I submit further if this bill is passed and implemented we will end up with a dual registration program. Let me clarify that by saying that the Federal Government registration can apply only to the Federal elections. If the States do not move quickly to comply totally with the provisions of this act, we will end up with a dual registration program, one for those who are qualified through registration on this form to vote only in Federal elections, and those who register through the normal process who will be qualified to vote only in State and local plus Federal elections.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, will the gentleman from Washington explain to the Committee what mechanism for distribution of these forms would be used under his proposal?

Mr. BONKER. Under my proposal we would return to the traditional bulk distribution of registration forms. That is the method that clearly is in effect in most States that have adopted the post card registration forms. These States do it through the post office and through Federal and public buildings.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MATHIS, and by unanimous consent, Mr. BONKER was allowed to proceed for 2 additional minutes.)

Mr. MATHIS. Mr. Chairman, would the gentleman yield further?

Mr. BONKER. I yield to the gentleman from Georgia.

Mr. MATHIS. I thank the gentleman for yielding.

I would like to thank the gentleman for his explanation of the proposal and say that the gentleman in his appearance before the Subcommittee on Elections, I think, made an awful lot of sense when he tried to point out some of the problems that are inherent in this kind of proposal, that is, trying to increase voter participation in the way that we are doing here today.

The gentleman, as I understand it, was an auditor of the State of Washington previous to the time he was elected to Congress; is that correct?

Mr. BONKER. That is correct.

Mr. MATHIS. If the gentleman would yield further, would the gentleman—and I know that his modesty would probably prevent him from answering this question—consider himself to be an expert on local elections?

Mr. BONKER. In all modesty, I would hope to be considered an expert.

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield on that?

Mr. BONKER. I yield to the gentleman from Washington.

Mr. PRITCHARD. I thank the gentleman for yielding.

First, I want to compliment the gentleman from Washington, Mr. BONKER, for getting into this issue. I can tell the members, coming from the State of Washington, that I thought he was the outstanding official in our State on election reform with knowledge of how elections should be run. I do not believe there is anyone in Congress who understands the technical aspects of filing and of all the aspects of elections as he does. I think that the Members should listen to him because I think he is the one qualified person to talk on this subject.

Mr. BONKER. I thank the gentleman.

Mr. MATHIS. Mr. Chairman, will the gentleman yield further?

Mr. BONKER. I yield to the gentleman from Georgia.

Mr. MATHIS. I thank the gentleman for yielding.

I would like to thank the gentleman from Washington (Mr. PRITCHARD) for his bipartisan endorsement of the expertise of the gentleman from Washington (Mr. BONKER). Does the gentleman from Washington know of any local election officials in the country who are for this turkey?

Mr. BONKER. I would say in all honesty I know of only one, an election official from the State of Maryland. But I also point out that when I advanced election reforms in the State of Washington, I was unanimously opposed by election officials, so I should like to qualify that. They are generally against election reforms.

I might point out NACO representing State election officials, does endorse this amendment, which to them would make the bill more palatable.

Mr. MATHIS. They endorsed the gentleman's amendment, not the bill.

Mr. BONKER. Hopefully the bill as amended by this amendment.

I thank the gentleman from Georgia.

I would just like in conclusion to say that I am not against post card registration. I have always been for registration reform. I believe the Federal Government should shed its passive role with respect to registration procedures, but I do think the mass mailing feature in this is inherently wrong. It is going to create administrative chaos and voter confusion on election day.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMPSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Washington, whose credentials are, indeed, admirable, and I have discussed this amendment, and in that discussion we found ourselves in disagreement. In the first place, I know of no method by which every household can be reached except by the mass mailing, the cost of which was explained by the distinguished chairman of the Committee on Post Office and Civil Service, the gentleman from North Carolina (Mr. HENDERSON).

Mr. Chairman, very few people realize that about 20 percent of the American people move each and every year. This legislation calls for a mailing every 2 years. In the course of 2 years, almost 40 percent of all of the American people will have moved from one place to another, whether it be in another county, in another town, or to another State.

Since 1946 in each and every year I have conducted registration drives on a continuing basis. The statistics hold up. The fact is that the people do move. The fact is that in New Jersey, for instance, one must reregister if one has not voted in the past 4 years.

In Michigan one must vote every 3 years. The State laws vary substantially.

If we are going to undertake a national post card registration system, the way to do it in the first instance at the very least is to have a mailing to every household. I told the gentleman from Washington, and I repeat, that subject to the agreement of the distinguished chairman of the subcommittee, the gentleman from Pennsylvania, this matter can and will be reviewed in the near future. It may be that a finer system can be devised subsequent to the initial mass mailing. I, therefore, consider that the mass mailing is a sine qua non to the success of this legislation and I respectfully to my friend, the gentleman from Washington, urge the defeat of his amendment.

I yield to the chairman of the subcommittee.

Mr. DENT. Mr. Chairman, I do not know why the Members of the House are so upset about this mass mailing to postal patrons. At one time or another and consistently over the years most of the Members of this House have mass mailings. We far outnumber in total the amount of mailing that will be done by the Voter Registration Administration for registration.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Chairman, we have only one example of a mass mailing program in effect today and that occurs in the District of Columbia. On July 6, 587,000 forms were mailed to every household in the District, and those who live here remember getting those forms in the mail. In the course of 1 month only 6,000 were returned. Many of those are duplicates.

Can anyone tell me if we have a built-in waste factor if only 1 out of 1,000 are returned, whether that is worth the investment in this program?

Mr. DENT. The gentleman would not want to have the city of Washington be the criterion, would he? The city of Washington does not have a voting Member in the House. Most of the residents are Government employees. It is a poor example.

Mr. THOMPSON. Mr. Chairman, the District of Columbia has a permanent registration system. It is by no means typical for a great many reasons, not the least of which were explained by the subcommittee chairman. The fact is that States have regular purges and following the enactment of this law the administrator can design in cooperation with the State the purging with the administrators in the various States.

Certainly many election officials throughout the United States are not enthusiastic about this legislation because in a sense many of them are not going to be needed in their present employment. That I do not think is a very substantial reason to oppose this.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. THOMPSON was allowed to proceed for 1 additional minute.)

Mr. MATHIS. Mr. Chairman, if the gentleman will yield, I would say to the distinguished chairman that it is going to mean more work for every local election official, and that might be a valid argument, but I do not think the gentleman can say they are not going to be maintaining two voter registration lists and not one.

Mr. THOMPSON. I cannot agree there will be two separate lists. Under the bill most States would adopt the Federal system.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, participation in the electoral process is one of the most important duties of the citizens of the United States and I believe that we in Congress must do everything to encourage their participation.

In the last few years, we have witnessed a steady decline in the number of citizens taking part in our democratic election process. I am hopeful that passage of the Voter Registration Act, by making registration easier, while at the same time providing safeguards against fraud, will bring a greater voter turnout.

The State of Texas registration by mail program is a success and the abuses that were predicted prior to its enactment have not occurred. Sixteen States currently have mail registration programs and I believe that it is imperative that the Congress enacts into law H.R. 11552, the Voter Registration Act. This act with amendments will accept State forms designed to accomplish the same purpose and thereby continue good State programs.

Mr. Chairman, I give my support to this bill and I request my colleagues to join me.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to thank the gentleman for offering this attempt at rationality and sense to an otherwise senseless bill.

The bill is unworkable as it is. But we cannot possibly set up the machinery to put it into force and operation before the November elections, and I have some misgivings as to whether we should try to make this bill better or not, and if we did not maybe it would go down to defeat.

But the gentleman's argument is a valid one I think. If we want to make the cards available, let them be available in public places, whether it be in post offices or in the banks or wherever.

Organized labor can get them by the bale and hand them out to employees, so can chambers of commerce and other civic organizations. They can be made available.

I think that the distinguished chairman's argument about people moving every 2 years, 20 percent, is as telling an argument that can be made in behalf of the amendment. There is no way we can continually track and stay current. There is no way with our postal system the way it is and with people moving, that we can be assured that the mail is going to catch up with them.

For that reason, the forms are going to have to be made available in public places, anyway. If we can avoid the necessity of this mass mailing and the millions of dollars that are involved, as was pointed out, a built-in waste factor of at least 70 percent, it makes sense.

Mr. Chairman, I, for one, will support the amendment.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, we seem to be unaware of the real facts here. We do not interfere with any States election law whatsoever. They will continue the method that they are employing today. This is an assist, to see whether or not we can discover a route by which citizens will be franchised to vote. They are not being franchised now because of the difficulties in the system. If they live in a rural area, such as much of mine is, it is awfully difficult to get down to city hall and when the traveling registrars are around, they might be somewhere else and they miss again. Those that benefit from this are not the urban dwellers. It will be the rural dwellers. My State has its own methods which it employs and they will not have to change their methods. Once a person is registered by their methods or by our method, he will vote in all elections, as long as he is on the registry books. He will not be purged in a Federal off-election year. He can be on there the rest of his life.

So what we are trying to do is get the great numbers of Americans who do not have the time, who do not have the means of getting into central registration places, an opportunity to vote. This is all this is about. If we feel we have thrown $30 million or $40 million away in this country for less worthwhile adventures, if we fail we will know it after the very first registration; but if we succeed, we will do what we started out to do 200 years ago and that is to franchise the citizen voters to vote.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, the gentleman from Pennsylvania stated that he represented a substantially rural area. I do not think the gentleman from Pennsylvania represents one any more rural than I do.

Is the gentleman saying that the rural dwellers in his district have a lower voting capacity than the city dwellers?

Mr. DENT. They have a lower voting record than city voters. If we get a good rainy day, they will be in to register; but if they can harvest their crops, they will stay right on the farm, and the gentleman knows it, because they will not go to register; where they are registered by their own efforts. When we get them registered, we find that a larger percentage of persons will vote once they are registered.

Mr. KETCHUM. Mr. Chairman, if the gentleman will yield further, I would say to the gentleman that most of my life was spent on a farm. I never missed an election, never failed to vote, nor did any of my neighbors, nor, I am sure, do they in the area of the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I might say to the gentleman, rural does not always mean farms alone. Most of the coal miners in my State are in rural areas.

Many of our mines employ farmers in certain areas as well as full-time miners.

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. BONKER

Mr. FRENZEL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. BONKER: Page 7 beginning on line 17 after the word "Administration" strike out all that follows on line 17.

Page 7, line 18, strike out "Postal Service,".

Mr. FRENZEL. Mr. Chairman, I think that the gentleman from Washington probably intended that this phrase be also deleted. I think it is consistent with the intent of his whole amendment. If his amendment is successful, I will introduce some other technical amendments which refer to later portions of the bill to put it in, I think, the best possible shape.

My amendment strikes out another reference to bulk distribution of these cards by the Postal Service. I would also like to take this opportunity, in support of my amendment, to say that I think the amendment offered by the gentleman from Washington is right on.

I would call the attention of this committee to the fact that none of the States which have mail post card systems mails post cards blindly to every postal patron or boxholder in the State; yet, that is what this bill does. What the gentleman from Washington is trying to do is to let the States improve on the good systems that they have now without imposing a blind, 140-million-piece mailing on them, which may occur in bits and pieces or all together in one lump, five times during the year.

No registration official or secretary of state I heard before our subcommittee in 4 years of hearings has said that, without reservation, they approve of this mailing provision of the bill. I think the amendment of the gentleman from Washington is right on the mark.

Now, he also cites the mailing in the District of Columbia as being the only instance where a political jurisdiction mailed out post cards to the boxholders and potential registrants. Let me refresh the memories of the Members that about 570,000 cards were mailed out, and 1,000 cards came back. If ever there was a case of a scatter shot that did not hit anything, that has got to be it. That is exactly what is going to happen to us unless we adopt the Bonker amendment.

The mailing, as the chairman of the Committee on Post Office and Civil Service described to us—third class out and first class in—is going to cost at least $25 million. There is going to be no money left to the States to handle their handling costs.

The final point I would like to make is that people fail to register, not because somebody did not send them a post card, but for other reasons. If we really want to increase registration, we have got to take more positive steps than blasting 140 million post cards around the country. We need face-to-face registration techniques if we want to register those who are now unregistered.

Mr. Chairman, I hope that my amendment will be accepted.

Mr. DENT. Mr. Chairman, I rise to oppose the amendment.

Simply put, all the gentleman does is strike out the whole purpose of the act by taking the Postal Service out. Without the Postal Service, we would not have postal registration. That is the idea and purpose behind this act. We could do that more directly by going to a vote on the final issue without having all these interfering amendments which do not mean a darn thing because, if we are opposed to the so-called 140 million mailings, then we are opposed to the mailings of the Members of Congress, mailings which are not only done once a year, but every 2 or 3 months.

If mass mailing is no good for getting results for registration, then certainly it cannot be any good for getting votes for Members.

Mr. MATHIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Bonker amendment, which I think makes a great deal of sense. I also wish to applaud the arguments that have been made very eloquently by the gentleman from Washington (Mr. BONKER) and my friend from Minnesota (Mr. FRENZEL), relative to the amendment the gentleman has offered. I think we should, in fact, adopt it.

I would like to address myself to two points raised by my distinguished chairman of the Subcommittee on Elections, the gentleman from Pennsylvania (Mr. DENT). He says that the registrars in this country who are going to be charged under this bill with implementing this law are not going to be disturbed. I submit that they are going to be disturbed, because they are going to be required to enforce two separate laws for voting, and "there ain't no other way it goes down."

The gentleman also says that what we are trying to do is to assist local election officials in this country by passing this turkey. We are going to assist local election officials in this country just exactly like General Sherman assisted in the urban renewal of Atlanta.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL) to the amendment offered by the gentleman from Washington (Mr. BONKER).

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 62, noes 34.

RECORDED VOTE

Mr. THOMPSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 164, not voting 48, as follows:

[Roll No. 620]

AYES—219

Abdnor
Adams
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Boland
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conte
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan

Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dodd
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fish
Florio
Flowers
Foley
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hamilton
Hammerschmidt
Hannaford
Harsha
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hightower
Hillis
Holland

Horton
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Latta
Lent
Levitas
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Mahon
Mann
Martin
Mathis
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.

Neal
Nichols
Obey
O'Brien
Patterson, Calif.
Pattison, N.Y.
Paul
Pettis
Peyser
Poage
Pressler
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rinaldo
Robinson
Roe
Rostenkowski

Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shriver
Shuster
Sisk
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed

Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Vander Jagt
Walsh
Wampler
Whalen
Whitehurst
Whitten
Wilson, Bob
Winn
Wydler
Wylie
Yates
Young, Alaska

NOES—164

Addabbo
Allen
Ambro
Annunzio
AuCoin
Badillo
Beard, R.I.
Biaggi
Bingham
Blanchard
Blouin
Boggs
Bolling
Brademas
Brodhead
Brooks
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cotter
Danielson
Delaney
Dellums
Dent
Diggs
Dingell
Downey, N.Y.
Drinan
Early
Eckhardt
Edwards, Calif.
Eilberg
Fary
Fascell
Fisher
Flood
Ford, Mich.
Ford, Tenn.
Gaydos
Gibbons
Gonzalez
Hall, Ill.
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.

Hays, Ohio
Henderson
Hicks
Howard
Hungate
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Koch
LaFalce
Leggett
Lehman
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McFall
McHugh
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Milford
Miller, Calif.
Mills
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Morgan
Moss
Mottl
Murphy, N.Y.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Patten, N.J.
Pepper

Perkins
Pickle
Pike
Preyer
Price
Rangel
Reuss
Richmond
Riegle
Roberts
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roybal
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Shipley
Simon
Slack
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Thompson
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
White
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—48

Abzug
Anderson, Ill.
Aspin
Bevill
Biester
Brown, Calif.
Brown, Mich.
Carney
Chappell
Conable
Conlan
Esch
Evins, Tenn.
Fenwick
Findley
Fithian
Flynt

Forsythe
Green
Gude
Hansen
Hébert
Heinz
Hinshaw
Holt
Holtzman
Howe
Jones, N.C.
Landrum
McKinney
Mikva
Mink
Moorhead, Pa.
Passman

Rhodes
Risenhoover
Sikes
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Treen
Waggonner
Waxman
Weaver
Wiggins
Wirth

The Clerk announced the following pairs:

On this vote:

Mr. Waggonner for, with Ms. Abzug against.

Mr. Hébert for, with Ms. Holtzman against.

Mr. Sikes for, with Mr. Moorhead of Pennsylvania against.

Mr. Rhodes for, with Mrs. Mink against.

Mr. Anderson of Illinois for, with Mr. Mikva against.

Mrs. Fenwick for, with Mr. Carney against.

Mr. Conable for, with Mr. Symington against.

Mr. Forsythe for, with Mr. Wirth against.

Mr. RODINO and Mr. BIAGGI changed their vote from "aye" to "no."

Mr. EVANS of Indiana and Mr. JENRETTE changed their vote from "no" to "aye."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. THOMPSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the situation now, as I see it, is that the Committee has before it the amendment offered by the gentleman from Washington (Mr. BONKER) as amended by the amendment offered by the gentleman from Minnesota (Mr. FRENZEL). The effect of the passage of the Bonker amendment, as amended, were the Committee to adopt the Bonker amendment, would be simple. The very fundamental purpose of this legislation is to institute a national program of voter registration by mail through the Postal Service which will be reimbursed under the Henderson amendment. Were this amendment to be adopted, the entire concept of the legislation would be in effect totally changed. If the amendment is adopted, the effect would be without any question to destroy the concept and destroy the purpose of the legislation.

I respectfully urge my colleagues in the Committee to defeat the Bonker amendment, as amended.

Mr. Chairman, I yield back the remainder of my time.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Washington, the author of the amendment, Mr. BONKER.

Mr. BONKER. I thank the distinguished gentleman for yielding.

I respectfully disagree with the chairman of the committee that my amendment would in any way gut the registration program. I think that we should be aware that there are two concepts we are dealing with. The first is the post card registration program that is now in effect in 18 States and works extremely well with no problems that have been reported to the committee.

The second is the mass mailing feature which is incorporated in this bill, which calls on the Federal Government to mail to every household in this country every 2 years registration forms.

My amendment seeks to strike the mass mailing feature, but it also provides for the distribution of registration forms in post offices and appropriate Federal, State, and local government offices, and such registration forms shall be generally available. This section shall not be construed to place any time limitation on the duration of any such availability. It provides for the printing and distribution of registration forms but not the mass mailing, which all secretaries of state and election officials of this country oppose.

Mr. FRENZEL. I thank the gentleman for his contribution.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. I thank the gentleman for yielding.

To clarify, this is to send a post card to every family in this country, to every household?

Mr. BONKER. If the gentleman from Minnesota would yield, if my amendment is not adopted, the bill calls for the mailing of registration cards to every household in the country every 2 years.

Mr. BEARD of Tennessee. Every 2 years?

Mr. BONKER. Yes.

Mr. BEARD of Tennessee. What about projections as far as the cost is concerned?

Mr. BONKER. If the gentleman from Minnesota would yield further, there have been all sorts of estimates. The Budget Committee has estimated a cost of $47 million for the total program, but I differ with that because there are 50 different registration forms in effect in this country, and the Federal form would have to comply with that. I think the cost would be much greater.

Mr. FRENZEL. I thank both gentlemen for their contributions.

The Bonker amendment should be passed. In the first place, no State has a system for mailing as is provided in this bill. With the Bonker system, we can provide the same post card system, for Federal elections only, that many States now enjoy in every State.

It does not hurt the bill; it saves the one-time mailing of 140 million post cards as many as five times in an election year for district caucuses, for State caucuses, for primary elections, special elections, if any, and general elections. We can save ourselves $25 million and a great deal of confusion by voting for the Bonker amendment. The only jurisdiction which has ever mailed is Washington, D.C., which recently mailed 578,000 mailings and they got 1,000 of them back. What a waste of time and money and confusion. If we save this money it will allow more money to be reverting to the States under the 30-percent bonus clause of this bill.

I think there is nothing but good in the Bonker amendment. Nothing but harm can come out of the indiscriminate mailing of 700 million post cards which will only serve to louse up the mailing system of the United States.

I urge adoption of the Bonker amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. BONKER), as amended.

The question was taken; and the Chairman announced that the Chair was in doubt.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 255, noes 130, not voting 46, as follows:

[Roll No. 621]

AYES—255

Abdnor
Adams
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochan
Cohen
Collins, Tex.
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dodd
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fish
Fithian
Florio
Flowers
Foley
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hamilton
Hammerschmidt
Hannaford
Harsha
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hightower
Hillis
Holland
Horton
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Latta
Lent
Levitas
Lloyd, Calif.
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Michel
Milford
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell,N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nichols
Obey
O'Brien
Patterson, Calif.
Pattison, N.Y.
Paul
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Riegle
Rinaldo
Risenhoover
Robinson
Roe
Roush
Rousselot
Runnels
Ruppe
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sisk
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steiger, Wis.
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Tsongas
Ullman
Vander Jagt
Vander Veen
Vigorito
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Wolff
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

NOES—130

Addabbo
Allen
Annunzio
Badillo
Beard, R.I.
Bingham
Blanchard
Blouin
Boggs
Brademas
Brodhead
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Delaney
Dellums
Dent
Diggs
Dingell
Downey, N.Y.
Drinan
Early
Eckhardt
Edwards, Calif.
Eilberg
Fary
Fascell
Fisher
Flood
Ford, Mich.
Ford, Tenn.
Gaydos
Gibbons
Gonzalez
Hall, Ill.
Hanley
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Henderson
Hicks
Howard
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Koch
LaFalce
Leggett
Lehman
Lloyd, Tenn.
Long, Md.
Lundine
McFall
McHugh
Madden
Maguire
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Moakley
Moffett
Mollohan
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Patten, N.J.
Pepper
Perkins
Price
Rangel
Rees
Reuss
Richmond
Roberts
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowki
Roybal
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Simon
Slack
Spellman
Stanton, James V.
Stark
Stokes
Stratton
Studds
Thompson
Udall
Van Deerlin
Vanik
Wilson, Tex.
Wright
Yates
Yatron
Young, Ga.
Zablocki

NOT VOTING—46

Abzug
Anderson, Ill.
Aspin
Biester
Brown, Calif.
Brown, Mich.
Carney
Chappell
Conable
Conlan
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Green
Gude
Hansen
Hébert
Heinz
Hinshaw
Holt
Holtzman
Howe
Jones, N.C.
Landrum
McKinney
Mikva
Mink
Moorhead, Pa.
Passman
Rhodes
Sikes
Solarz
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Treen
Waggonner
Waxman
Weaver
Wiggins
Wirth

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Ms. Holtzman against.

Mr. Waggonner for, with Ms. Abzug against.

Mr. Sikes for, with Mr. Mikva against.

Mr. Rhodes for, with Mr. Solarz against.

Mr. Anderson of Illinois for, with Mr. Wirth against.

So the amendment as amended was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BUTLER

Mr. BUTLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUTLER: Page 6, line 1, strike out "include matter as State law requires and as the Administrator determines appropriate" and insert in lieu thereof the following: "be prepared so as to include such matter as would be required by all applicable State and Federal law if such forms were prepared by the State or a political subdivision thereof, and shall include such other matter".

Mr. BUTLER. Mr. Chairman, this amendment makes the bilingual provisions of the Voting Rights Act applicable to the administration as if the administration were a State or political subdivision covered under section 4(f)(4) or section 203(c) of the Voting Rights Act.

The bill, as drafted, would permit States or political subdivisions covered by the bilingual provisions of the Voting Rights Act to escape its burdensome requirements with respect to registration forms. All a covered State or political subdivision would have to do is to specify that registration for State or local elections would be accomplished exclusively by filling out the Federal post card. Since the post card need not be bilingual, the purpose of the Voting Rights Act would be subverted.

Mr. Chairman, I do not believe that the bilingual provisions of the Voting Rights Act justify the extraordinary cost imposed on covered States and political subdivisions. But if the States are to be held to bear the burden of those provisions, then the Federal Government must be accountable to the same standards. My amendment would accomplish that purpose. I urge its adoption.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Chairman, I would like to express my gratitude to the gentleman from Virginia (Mr. BUTLER) for having developed and shown this amendment to those of us on the committee. The chairman of the subcommittee and I are in agreement with the amendment and we will accept the amendment.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman of California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Chairman, I rise to support the amendment of my distinguished colleague from Virginia. H.R. 11552 is designed to diminish the barriers to and encourage effective participation of our Nation's citizens in the electoral process. The right to vote is precisely that—a right which must brook no infringement nor diminution. The Voting Rights Act, likewise, sought to remove the unconstitutional abridgments which had too long burdened the franchise of minority citizens. I am pleased, therefore, to urge my colleagues to support the amendment which brings the nexus of these two bills into alinement.

H.R. 11552 creates the Voter Registration Administration within the Federal Elections Commission. The Administration will be responsible for implementing a system of postcard registration for Federal elections. Under the provisions of the bill, the Administration will prepare the registration forms for distribution through the Postal Service. In establishing the content of the forms, section 6(b) of the bill provides that the materials will include matter as State law requires and as the Administration determines appropriate to prevent fraudulent registration.

H.R. 11552, however, neither authorizes nor requires the preparation of bilingual registration forms for distribution in areas with non-English-speaking populations. The omission of such a provision is clearly inconsistent with the basic thrust of the Voting Rights Act.

The act required certain States and political subdivisions to implement bilingual registration and election procedures to enfranchise citizens of four language minority groups which Congress determined had been excluded from the electoral process because of their inability to speak, write, or understand English. The rationale behind the imposition of this remedy is the same as the reasoning that required help for illiterate voters: meaningful assistance to allow the voter to cast an effective ballot is implicit in the granting of the franchise.

The administrative and financial responsibility for compliance with the act's mandate was lodged with the entities which oversee the electoral process; the State and its legal subdivisions. With the enactment of H.R. 11552, however, Congress establishes a Federal presence in certain of these procedures. The Voter Registration Administration will be distributing materials in every location in which Congress has made findings that bilingual efforts are necessary to insure language minority citizens free access to the franchise. The bill, however, makes no provision for the Federal Government to meet the same obligation which it has imposed on the State—one it deemed constitutionally mandated.

Congressman BUTLER's amendment would cure the inconsistency in H.R. 11552 while at the same time emphasizing that protection of the right to vote must be assumed by all levels of government. I urge, therefore, my colleagues to support the amendment.

Mr. BADILLO. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise to thank my distinguished colleague, Mr. BUTLER, for introducing his amendment to the Voter Registration Act, to bring it into conformity with provisions in the Voting Rights Act passed last year which mandate bilingual materials and procedures in districts where there is more than 5 percent of a language minority population. This is an amendment that I had planned to introduce myself, but the fact that it has been offered by a Republican vividly points up that increased access to the electoral process has no partisan political significance, and in fact, shows an awareness that the two-party system will only be strengthened when all who have the right to vote can take advantage of that right in the most expeditious way.

Although this bill will leave much undone in the process to create a truly simple and universal postcard registration process, I am gratified that the rights I fought so hard to win for language minority citizens—for Hispanics, Asian-Americans, Native Americans, and Alaskan Americans will now be extended to the registration process. For when we create easier access to the electoral process, we bring our country that much closer to a truly universal suffrage and a truly democratically selected community.

AMENDMENT OFFERED BY MR. FRENZEL TO THE AMENDMENT OFFERED BY MR. BUTLER

Mr. FRENZEL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL to the amendment offered by Mr. BUTLER: Strike the material to be stricken and insert in lieu thereof the following: "include matter as State law requires and as the Administration determines appropriate".

Mr. FRENZEL. Mr. Chairman, my amendment simply improves the Butler amendment in that it gives less discretion to the Federal agency to require the information which may eventually go on the card. It preserves the right of the State to determine by its own law who shall be eligible to vote, and it does nothing to weaken the thrust of the Butler amendment which provides the bilingual features that are already a part of our Voting Rights Act.

I think the amendment will simply mean that State jurisdictions will feel more comfortable if they know they cannot be pushed around, nor be forced, for instance, to require information on post cards such as social security numbers or telephone numbers which voters or potential registrants may not be willing to put on the card.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. FENZEL. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, I thank the gentleman for yielding.

I am of the impression that the gentleman's amendment does in fact strengthen my amendment, and I have no objection to it.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRENZEL) to the amendment offered by the gentleman from Virginia (Mr. BUTLER).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. BUTLER), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. BUTLER

Mr. BUTLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUTLER: On page 9, line 22, strike out "or votes more than once".

Mr. BUTLER. Mr. Chairman, this amendment deletes language from section 9 of the bill to avoid a conflict with the Voting Rights Act.

Section 11(e) of the Voting Rights Act provides that a person that votes more than once in a Federal election shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.

Section 9 of this bill would create a cumulative and alternative remedy that is inappropriate. My amendment leaves intact the existing remedy under current law and removes any ambiguity arising from a parallel punishment covering the same offense. Section 9 of the bill, as amended, will provide its less severe punishment for crimes less egregious than actually voting more than once in the same Federal election. The amendment should be adopted.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, is it my understanding that the gentleman is not removing the penalty for voting more than once?

Mr. BUTLER. The gentleman is correct.

Mr. THOMPSON. Would the gentleman from Virginia (Mr. Butler) explain the precise effect of his amendment?

Mr. BUTLER. Section 9 of this bill would create a cumulative and alternative remedy that is inappropriate. My amendment leaves intact the existing remedy under current law and removes any ambiguity arising from a parallel punishment covering the same offense.

Mr. THOMPSON. In effect, the existing remedy is stronger, and the gentleman would make it conform to the 1965 Voting Rights Act?

Mr. BUTLER. The 1975 amendments.

Mr. THOMPSON. Mr. Chairman, I agree with the gentleman's amendment.

Mr. BUTLER. Mr. Chairman, I thank the gentleman.

Mr. FRENZEL. Mr. Chairman, if the gentleman from Virginia will yield, the minority side believes that this is a good amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. Butler).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Frenzel: Page 10, line 13, immediately after "that State." insert the following: "The Administration is authorized to compensate any State which adopts a centralized accounting system for voter registration form processing costs."

Mr. FRENZEL. Mr. Chairman, this amendment would authorize the administration to compensate any State which adopts a centralized accounting system for voter registration processing costs.

Presently, there are over 7,000 cities, counties, and other units of local government involved in registration. This amendment is necessary to help insure that the Voter Registration Administration will not be forever stuck with the impossible chore of negotiating processing costs and consulting about other administrative problems with the over 7,000 election boards nationwide. This amendment will encourage States to implement a central accounting system, which will help reduce the number of agencies that the Voter Registration Administration will be forced to deal with. Such action by individual States would significantly ease the administration burden on the Voter Registration Administration.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, the majority sees no objection to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Frenzel):

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BONKER

Mr. BONKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bonker: Page 5, line 21, insert "(1)" immediately after "(b)".

Page 6, immediately after line 10, insert the following new paragraph:

(2) In any case in which a State uses a voter registration form which is prescribed by State law and which complies with the requirements of this Act and with rules and regulations issued by the Administration under this Act, the Administration shall permit such State to use such form in lieu of the voter registration form prepared by the Administration under subsection (a).

Page 10, line 15, strike out "the" and insert in lieu thereof "a".

Page 10, beginning on line 15, strike out "prescribed by this Act" and insert in lieu thereof the following: "approved by the Administration under this Act".

Mr. BONKER. Mr. Chairman, I offer this amendment to provide for the protection of States which have adopted postcard registration forms. It merely guarantees that with regard to States using the post card registration systems, the requirements of this bill would be allowed to remain in existence.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, the gentleman from Washington (Mr. Bonker) visited with me this morning and discussed this amendment in depth.

I think that the amendment is meritorious and that it does protect States which now have mail registration systems.

Therefore, Mr. Chairman, the majority is in agreement with it.

Mr. BONKER. I thank the chairman.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding.

I would like to tell him that, as with his other contributions, the minority side finds that this amendment is meritorious and agrees with it and urges its adoption.

Again, Mr. Chairman, I want to congratulate the gentleman from Washington (Mr. Bonker) for his fine work on the whole bill.

Mr. BONKER. I thank my colleague, the distinguished gentleman from Minnesota (Mr. Frenzel).

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Georgia.

Mr. MATHIS. Mr. Chairman, I have just one question so that I might understand fully what is in the amendment offered by the distinguished gentleman from Washington (Mr. Bonker).

It says that with regard to any State that now has a registration-by-mail program, we shall adapt our forms to meet that individual State's form, is that correct? Is that what the gentleman is saying?

Mr. BONKER. The amendment clearly recognizes that there are varying forms in the States having post card registration programs. The form, for instance, used in the State of Oregon is in three parts and three different colors. There is a simplified form being used in the District of Columbia.

What this merely provides is that those forms presently used in State registration-by-mail programs will be allowed to be continued to be used and will not be preempted by a new Federal form.

Mr. MATHIS. If the gentleman will yield further, who will defray the cost of printing these forms to conform to the Oregon form?

Mr. BONKER. The Oregon form will stay in effect as it is.

Mr. MATHIS. I understand, but who will pay for it?

Mr. BONKER. I imagine, unless someone wants to correct me, the State will pay the cost of printing its own forms.

Mr. MATHIS. So we will not have the Government Printing Office down here printing 18 different forms to be mailed out?

Mr. BONKER. No, Mr. Chairman, I think that we should make a correction at this point. The bill still provides for the Federal printing and distribution of forms. It merely recognizes that some forms on the part of the States are in existence and that they will be allowed to continue the use of those forms, but the forms printed at the Federal level will be paid for with Federal revenue.

Mr. MATHIS. What we will be setting up if the election officials in Georgia or Washington or wherever prefer the State type of form then that is going to be printed by the Government Printing Office in Washington and we will in effect be printing 18 different forms for distribution by the Federal Government.

Mr. BONKER. That is correct.

Mr. MATHIS. I thank the gentleman.

Mr. DENT. Mr. Chairman, if the gentleman will yield, as I read the amendment, it just insures that in adopting forms for the State registration or adopting the card form, that any State which has developed one is in compliance with the act and the regulations of the administration. It does not mean that any form that might be shown us from a State would be adopted. It must still comply with the rules and regulations and the form set up by the Federal administration, am I right?

Mr. BONKER. That is correct.

Mr. THOMPSON. Mr. Chairman, if the gentleman will yield further, the interpretation of the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. Dent) is exactly correct. One of the major effects of this amendment will be, in a sense, to guarantee that notwithstanding the variance in form from State to State, that those properly registered under existing State and Federal law will be eligible for local, State, and Federal elections.

Mr. BONKER. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. BONKER).

The amendment was agreed to.

The CHAIRMAN. Are there other perfecting amendments?

Mr. O'NEILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are all familiar with the statistics demonstrating the abysmal level of voter participation in this country in contrast to that in other democratic nations in Europe and elsewhere. Now it may surprise you, but this was not always the case. In the 19th century, Americans had an admirable record of participation in the Nation's election process, twice exceeding an 80-percent turnout. In the 20th century, in contrast, we have never equalled 70 percent. In 1972, barely 50 percent of those eligible voted. The obvious reason for the decline in voting since 1900 is the enactment in the various States during the latter part of the 19th century of voter registration statutes.

The proponents of voter registration laws at that time argued that they were necessary to insure honesty in elections. But for the most part, that was not the genuine reason. Voter registration came into being concurrent with a heavy influx of immigrants, especially immigrants from Eastern Europe.

The preponderance of historians take the view that the registration laws were intended to restrict the exercise of the ballot—to deny the vote to these new Americans, and to some who had been around a long time as well. That, my colleagues, is the unvarnished truth. It worked and it worked well, as our dismal record of voter participation clearly demonstrates.

This Nation has come a long way in the 20th century. I have no doubt but that descendants of some of the very immigrants at whom early registration laws were largely aimed, are sitting in this Chamber today. We have come that far. But those old laws are, in very many places, still working to restrict the access of many working people, of poor people, of aged people, of the infirm, and of rural people to the voting booth.

And this is so despite the fact that the Nation and this House have moved constantly toward an expansion of the franchise, toward a broadening of the base of our participatory democracy.

We are now celebrating the Bicentennial of the Declaration of Independence. Mr. Chairman, I can think of no better way to mark this occasion than to demonstrate at the polls that democracy has not withered but has grown. I hope for a record turn out of voters in this election year, and I believe this bill can facilitate the realization of that goal by making sure our citizens are not denied their rights as Americans.

Too often, we encounter officials who consider voting to be a privilege. It is not. It is a right firmly rooted in the Constitution. It is the right of every American 18 years of age or older. But for millions, it is a right difficult to exercise, because of archaic and obsolete registration laws. Registration laws are a means of restricting the electoral processes. They were a product of the same philosophy which produced restrictive immigration legislation. A decade ago we expunged the blot of the national origins quota system from the statute books. Let us now be done with restriction of our political system. It is time to take affirmative action to enroll all Americans in the system.

Mr. Chairman, let us reaffirm our commitment to the Declaration of Independence by overwhelmingly passing the Voter Registration Act.

Mr. THOMPSON. Mr. Chairman, I move the Committee to now rise.

Mr. FRENZEL. Mr. Chairman, would the gentleman from New Jersey withhold on his motion for the moment?

Mr. THOMPSON. Certainly I will withhold my motion that the Committee rise. It was this gentleman's understanding that there were no further perfecting amendments after the Chairman asked the question.

Mr. FRENZEL. But there are substitute amendments.

Mr. THOMPSON. Mr. Chairman, I withdraw my motion at this time.

The CHAIRMAN. The gentleman from New Jersey (Mr. THOMPSON) withdraws his motion.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. COUGHLIN: Strike out all after the enacting clause and insert in lieu thereof the following:

That no State may require any individual who otherwise is qualified to vote in a Federal election to register before the date of such election in order to be eligible to vote in such election. Any individual who establishes that he is qualified to vote in a Federal election shall be eligible to vote in such election whether or not he has registered to vote in such election before the date of such election, except that any such individual shall, at the time of voting, be required to (1) furnish positive identification and proof of residence; and (2) certify that such individual, by voting in the election involved, is not knowingly or willfully committing a violation of section 11 of the Voting Rights Act of 1965 (42 U.S.C. 1973l) or any State law relating to the regulation of Federal elections.

SEC. 2. (a) The Attorney General of the United States shall institute in the name of the United States such actions for declaratory judgment or injunctive relief as may be necessary to carry out the provisions of the first section of this Act.

(b) The district courts of the United States shall have jurisdiction of any action instituted under subsection (a) which shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28 of the United States Code and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

Amend the title so as to read: "A bill to permit individuals to vote in any Federal election whether or not such individuals have registered to vote before the date of such election.".

Mr. COUGHLIN. Mr. Chairman, we have heard a great deal of discussion today about making it easier to vote and about extending the franchise of voting to the maximum possible number of people. The amendment in the nature of a substitute which I am offering gets to the very heart of that issue because it would eliminate the requirement for prior registration in order to vote.

This is a serious amendment. North Dakota, Minnesota, and parts of Ohio have a similar requirement.

This amendment in the nature of a substitute would make voting registration much less susceptible to fraud than the post card voter registration proposed in the bill. It would mean that an individual would have to appear in person before his local election board to prove his identity and to prove his residence, rather than just simply file a post card. He would also have to certify that his voting in that precinct would not be in violation of the Election Code, and that he had not voted or would not vote at another location.

It would also be much less susceptible to manipulation by any special interest group than the post card registration bill, because any person could go to a voting place and register, and no special interest group could solicit only their own partisans and register only their own partisans.

Finally, my proposal would alleviate many of the objections raised against the post card registration bill. These include the staggering, yet undetermined costs ranging from $15 to $500 million, the new bureaucracy that would be created, and the extra problems that would be created at State and local levels.

This, indeed, does go to the heart of the issue to allow people to vote without prior registration, provided they can properly identify themselves as individuals and identify their residence.

Mr. Chairman, I yield back the remainder of my time.

Mr. THOMPSON. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

I have the gentleman from Pennsylvania's "Dear Colleague" letter in which he described his amendment.

My legislative assistant wrote in the margin a little note which I think sums up the whole problem. She points out that the criteria that would have to be established under his amendment, namely, proof of identity, proof of residence, and certifying that he would not vote in any other location, would all have to be established at the time of voting, and she says, "It would slow things up on election day terribly, I would think."

Mr. THOMPSON. The gentleman is precisely correct. In theory, as an advocate of giving everyone the opportunity to vote, I would be constrained to agree with the gentleman's purpose. However, one can just imagine the lines. If the genleman made provision to quadruple the number of available places in which to vote, then one would shorten the lines. The Members can imagine in the cities or in populous areas the identification process on election day and the time it would take. In effect, what the gentleman is doing is obliterating with respect to Federal elections all of the 50 States' laws. The legislation before us is, thanks to the Bonker amendment and certain parts of it, designed to coordinate with those laws.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. I thank the gentleman for yielding.

I might say we have checked with the election officials of the States of Minnesota, North Dakota, and Ohio where this is presently in effect. They find no particular problem either with the question of fraud or with undue backups on election day, because people who had previously voted at that particular precinct would already be registered in that precinct.

Mr. THOMPSON. That may be so in rural areas where the election board workers know all of their neighbors and the people in their precincts. But this is replete, notwithstanding the criminal penalties, with fraud possibilities and, to me, would make a total charade of a Federal election.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I think the key is the reference to "Federal election." The gentleman mentioned that we would have to quadruple the number of voting places to accommodate the time it would take for these nonregistered voters to vote. With the fact that voting for local and State candidates would be by voters registered, then a separate system, there would have to be a doubling of voting machines and ballots also.

Mr. THOMPSON. The gentleman is exactly correct, and therefore, the amendment, Mr. Chairman, should be defeated.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise with great reluctance to speak against the amendment because I think eventually what the gentleman from Pennsylvania suggests is the kind of registration that we are going to have in this country, and I believe that the sooner we have it, the better.

My own State uses a system such as the gentleman describes and uses it well. We are not jammed up on voting day. It takes a little longer to register and vote on the same day. The system works very well. It has worked in North Dakota for years and in those sections of Ohio outside the metropolitan areas very well.

The problem with the Coughlin amendment is that we would impose on all States a system that happened to work very well in a few States and it would be unfair to impose the Federal standards on those States which are not yet ready for those pioneering standards.

I applaud the gentleman for bringing the amendment to us. Again, I say it is something which has to happen in this country, but I am afraid it is premature today. To spring it on the States now would be counterproductive, especially since under the effective date of this bill, it would apply to the forthcoming elections.

I therefore oppose the amendment.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. Coughlin).

The amendment in the nature of a substitute was rejected.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Frenzel: Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Voter Registration Act of 1976".

Sec. 2. Federal Election Campaign Act of 1971 is amended by redesignating title IV as title V; but renumbering sections 401 through 408 as sections 501 through 508, respectively; and by inserting immediately after title III the following new title:

TITLE IV—ASSISTANCE FOR VOTER REGISTRATION

"SHORT TITLE

"Sec. 401. This title may be cited as the 'Voter Registration Act.'

"DEFINITIONS

"Sec. 402. As used in this title—

"(1) the term "State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States;

"(2) the term 'political subdivision' means any city, county, township, town, borough, parish, village, or other general purpose unit of local government of a State, or an Indian tribe which performs voter registration and

"(3) the term 'grant' means any grant, loan, contract, or other appropriate financial arrangement for the purpose of voter registration.

"ESTABLISHMENT OF GRANT PROGRAM

"Sec. 403. The Federal Election Commission shall, in accordance with the provisions of this title, make grants to the State to carry out programs to encourage voter registration.

"APPORTIONMENT OF GRANTS

"Sec. 404. Amounts appropriated to carry out the provisions of this title for any fiscal year shall be apportioned to each State in an amount which bears the same ratio to the aggregate amount so appropriated for such fiscal year as the voting age population in such State bears to the total voting age population in all the States.

"DELEGATION OF AUTHORITY

"Sec. 405. The chief election officer of each State shall be charged with responsibility for administering grants made under this title. The chief election officer may, after properly and equitably distributing each grant made under this title in accordance with State law, delegate all or part of his responsibility under this title to appropriate officials of the political subdivisions of the State to which any distribution of a grant is made.

"USE OF FUNDS

"Sec. 406. (a) Each State may in its discretion, allocate all or part of any grant made under this title to political subdivisions of such State. Each grant made under this title shall be used for programs related to voter registration including but not limited to—

"(1) programs to increase opportunities for voter registration, such as mail registration, expanded registration hours and locations, mobile registration facilities election day registration, re-registration programs, door-to-door canvassing procedures, and other methods which the State may deem appropriate.

"(2) planning, evaluating, and designing the use of electronic data processing or other appropriate procedures to modernize voter registration and make such registration more efficient with special emphasis on techniques which would allow voter registration closer to election day;

"(3) programs for the prevention and control of fraud.

"(b) No State or political subdivision thereof shall use all or part of any grant made under this title to finance any activity funded by such State or political subdivision on April 1, 1976, unless such State or local financing is continued at the same level as existed on such date.

"(c) Nothing in this title shall be construed to require action by any State or political subdivision thereof. In any case in which a State or political subdivision thereof does not use all or part of any grant made under this title to carry out programs authorized under this title, the unused portion of such grant shall be returned to the Federal Election Commission at the end of the fiscal year for which the grant was made and the Commission shall cover the funds so returned into the Secretary of the Treasury as miscellaneous receipts.

"REVIEW OF PROGRAMS BY THE FEDERAL ELECTION COMMISSION

"Sec. 407. (a) The Federal Election Commission shall disseminate to all the chief elections officers of the States a summary of the types of programs found to be most effective and found to be least effective.

"(b) The Federal Election Commission shall collect, analyze, and arrange for the publication and sale by the Government Printing Office of information concerning voter registration and elections in the United States.

"(c) The Federal Election Commission shall submit to the President and to the Congress annually a report concerning his activities under this title together with such recommendations as deemed appropriate.

"CENTRALIZED VOTER REGISTER LISTS AND CONFIDENTIALITY

"Sec. 408. (a) The Federal Government is prohibited from maintaining a centralized voter registration list.

"(b) Nothing in this title shall be construed as allowing the disclosure of information which permits the identification of individual voters.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 409. For the purpose of carrying out the provisions of this title there is authorized to be appropriated the sum of $35,000,000 for the fiscal year ending June 30, 1977."

Sec. 3. Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking out "title IV" and inserting in lieu thereof "title V".

Mr. FRENZEL (during the reading).

Mr. Chairman, I ask unanimous consent that further reading of the amendment in the nature of a substitute be dispensed with, inasmuch as the amendment appears on page 25104 of the CONGRESSIONAL RECORD of August 2, 1976.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRENZEL. Mr. Chairman, this is the rewritten substitute which in its original form was made in order the last time the House took up the matter of post cards. I offer it today as an alternative for those Members who are dissatisfied with post cards, and are nervous about the administrative difficulties, and the possibility of fraud, and the lack of efficiency of the post card system.

There are very many of us who believe post cards are not an effective way to register unregistered voters. We note in no post card system has there been an increase of registered voters over those registered in previous years. As a matter of fact, in the four States which used the system in 1974, there was a greater decline from the 1970 registration than in all other States together taken as a whole.

The post card registration has not proved effective for a variety of reasons. In the first place the foreign-speaking, the alienated, the disadvantaged, the illiterate, et cetera, do not normally rely on letters as a means of preferred communication. They think rather of a letter as likely to be a subpena or a notice to serve on a jury, or a past-due bill, or something like that. Therefore they do not respond well to that kind of communication.

It is my opinion we have improved this bill pretty well. But, although we eliminated the mailing feature, what is left in the bill does not get at the very low registration in the United States.

My bill supplies $35 million, a smaller amount than the proposed bill, to be given back to the States according to the population so the States themselves can improve their own voting systems. Whether it be post cards, whether it be face-to-face registration, whether it be mobile registration, whatever they have to do to get the most people to register, will be allowed under my bill.

Mr. Chairman, that is the sum and substance of it. I do not believe post cards are effective. I do believe this system whereby the States can choose their own method of improving registration is a States' rights kind of amendment which indeed is going to be much more effective. Besides, it will preserve the registration system which has served us tolerably well over all these years.

I would note the vote in the past 15 years, as registration barriers have fallen all over the country, registration has also fallen, and the voter participation is down, too. Every time we have made it easier to register, we have had less people voting. That has proven true since the Civil Rights Act in 1965. The only way to get these people voting is to go out and get them. This substitute will enable the States to use the most effective registration systems they find. I urge the adoption of my substitute.

Mr. THOMPSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, with all due respect to my friend, the gentleman from Minnesota, I am rather amazed that at this point the gentleman would offer this substitute amendment, and especially in light of the gentleman's statement that the gentleman feels very strongly that the post-card method is not a good one, after a relatively short time ago having succeeded in passing the Bonker amendment making post cards available throughout the land. The real effect of the gentleman's amendment is simple. The gentleman from Minnesota would, in effect, achieve something which perhaps should not be done, as the gentleman said about the Coughlin amendment earlier, in the future; but it would dump it on the States right now.

Mr. Chairman, in effect, the gentleman would take many millions of dollars, give it out to the several States and say, "Now, you people in the States, improve your registration system and we will not have any post cards until and unless you have expended all the Federal moneys which I am going to give you and you devise a system."

Mr. Chairman, the amendment should be defeated.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Minnesota (Mr. FRENZEL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 77, noes 313, not voting 41, as follows:

[Roll No. 622]

AYES—77

Abdnor
Bafalis
Bell
Brinkley
Broomfield
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Clausen, Don H.
Cochran
Cohen
Coughlin
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Downing, Va.
du Pont
Erlenborn
Fish
Frenzel
Frey
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hébert
Hillis
Horton
Hyde
Jarman
Johnson, Colo.
Johnson, Pa.
Kasten
Kemp
Kindness
Lagomarsino
Lujan
McCloskey
McCollister
McDade
McDonald
Madigan
Mann
Martin
Mathis
Miller, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Paul
Quie
Robinson
Ruppe
Satterfield
Schneebeli
Shuster
Smith, Nebr.
Spence
Stanton, J. William
Steiger, Wis.
Symms
Taylor, N.C.
Thone
Wampler
Whitehurst
Wilson, Bob
Wydler
Wylie
Young, Fla.

NOES—313

Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Badillo
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Broyhill
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cederberg
Chisholm
Clancy
Clawson, Del
Clay
Cleveland
Collins, Ill.
Collins, Tex.
Conte
Conyers
Corman
Cornell
Cotter
Crane
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Howard
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kelly
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McClory
McCormack
McEwen
McFall
McHugh
McKay
Madden
Maguire
Mahon
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moore
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Talcott
Taylor, Mo.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Whalen
White
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—41

Abzug
Anderson, Ill.
Aspin
Biester
Brown, Mich.
Carney
Chappell
Conable
Conlan
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Green
Gude
Hansen
Heinz
Hinshaw
Holt
Howe
Jones, N.C.
Karth

Landrum
McKinney
Mikva
Mink
Moorhead, Pa.
Passman
Rhodes
Sikes
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Treen
Waggonner
Weaver
Wiggins

Mr. PAUL changed his vote from "no" to "aye."

Messrs. SARASIN, WALSH, and CONTE changed their vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MATHIS

Mr. MATHIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHIS: page 8, line 11, add the following new subsection:

"The Administrator is authorized to place, or cause to be placed, unlimited quantities of voter registration forms at the entrances and exits of all cemeteries, graveyards, and other final resting places."

Mr. MATHIS. Mr. Chairman, in my opinion, we are overlooking in this postcard registration turkey a vast segment of the American people who have been in many instances, entitled to vote in previous elections.

I think my amendment speaks for itself. It simply provides that the Administrator shall place at the entrances and exits of all cemeteries, graveyards, and other final resting places in this country unlimited quantities of these voter registration forms.

Mr. Chairman, this has been accepted practice in some parts of the country in the past, and I think we all know it.

An occasion comes to my mind of two persons involved in a local voter registration drive in one of our sister States in the South; and of course, it was not Georgia.

At about 4 o'clock in the morning one of the fellows got ready to leave the cemetery, and he noticed his coworker in another corner having trouble making out the name on the tombstones. He called over to him, and he said, "You know that we ought to be going."

The other man said, "No, I am having trouble in making out these names. They have been erased by time, the weather, and the elements."

His companion said, "We do not need these names. We have more than enough names to successfully insure the election," to which the other fellow said, "I am not leaving these folks who have just as much right to vote as the other dead folks who will be voting in this election."

Mr. Chairman, I submit that we are disfranchizing a huge minority of potential American voters if we fail to enact this turkey without my amendment.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I just wanted to say that I will go along with the amendment, if the gentleman will allow me to talk, inasmuch as some people are never satisfied with leaving anything alone.

However, I wonder whether the gentleman would want to change the amendment by adding the word "gate" to protect voters who want to vote on their way out.

Mr. MATHIS. Mr. Chairman, I accept that.

At this point, Mr. Chairman, I would like to apologize to the distinguished gentleman from New Jersey (Mr. THOMPSON), my beloved friend, the excellent chairman of our committee, for calling his bill a turkey.

I think it would perhaps be more appropriate now to call it a duck, and I hope it is a dead duck.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. MATHIS).

The amendment was rejected.

Mr. SEBELIUS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate this opportunity to discuss H.R. 11552, the so-called Voter Registration Act.

I am in complete agreement with all Members of this body who are interested in increasing the participation of voters in the election process. However, I also believe there is clear evidence that shows post card registration as provided for in this legislation is not likely to produce new registrations or new voters.

My main objections to this bill is that it represents another so-called reform that will directly interfere with States rights and responsibilities with the likelihood of causing great harm. Some good things and some bad things have been done in the name of reform, but it seems to me that the worse thing has been to cloak any proposal for change in the guise of that often and ill-used word.

I talked to the Secretary of Sate of Kansas, the Honorable Mrs. Elwill M. Shanahan, last year when the Senate was considering this same question. Mrs. Shanahan pointed out then that Federal post card registration would create administrative chaos in Kansas. She also pointed out that prior to the general election in 1974, 75 percent of our eligible voters had registered.

Our greatest concern is that the bill makes no provision for permanent registration. Every 2 years the country will be flooded with post cards. Undoubtedly many people already registered in Kansas will send in cards. Local election workers, already pressed by tight budgets and late registrations, will be forced to hire additional clerks to sort out the duplications. A number of Kansas citizens do not have telephones or have unlisted numbers and it would be most difficult for local election officers to contact every person who send in an incomplete or illegible card. In this type of registration I can foresee many problems arising in preparing adequate registration books for each precinct.

The passage of this bill by Congress would require Kansas election officers to set up a duel system of registration. Federal post card registration permits an elector to vote only on Federal elections. Kansas registration law permits a voter to vote in all elections.

Election officers throughout the State provide many outposts such as schools, nursing homes, churches, grocery stores, banks and so forth, for the citizen to register. We in Kansas do not need to be flooded with post cards to cause confusion in our electoral process.

I urge you to vote against H.R. 11552.

Mr. BURKE of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to H.R. 11552—the Post Card Voter Registration Act. This legislation, if ever enacted, would unleash a kaleidoscope of effects and would in my opinion ultimately undermine one of our keystones of our American way of life—the election process itself.

Mr. Chairman, the basic rationale purportedly underlying this legislation is that it will increase participation in the electoral process by facilitating the mode of voter registration through a system of post card voter registration for Federal elections. Of the desirability of achieving greater participation in the free election process, there is no doubt.

What is questioned, however—and what will be questioned in the following remarks—is whether or not this legislation is proper to achieve increased participation. I believe the record will show that this measure is impractical and ill-conceived, and that it will not aid that which is desired. More importantly, I believe that H.R. 11552 will set loose forces which will have a detrimental impact on our institutional life—and detrimental to our Government itself.

The first point I make is that this legislation is totally unnecessary. Even a cursory reading reveals that this bill does not address itself to the heart of the voter registration problem—the unregistered voter. Instead it lumps all voters together by a system which will be highly wasteful and ineffective. If, on the other hand, efforts were made to concentrate on bringing the unregistered voter into the system, it would be possible to circumvent the need for this legislation.

What is the unregistered voter? Mr. Chairman, Dr. Richard G. Smolka, professor of government, and director of the Institute of Election Administration at the American University in Washington, D.C., has defined the unregistered voter as follows: He says:

> The "unregistered voter" is well-known and may be classified into three groups; those persons who become newly eligible by reason of age; those persons who have moved to a new county or state; and those persons who simply are not interested in registering and voting.

Dr. Smolka further suggests that the best and most efficient way to bring this group into the election process is through the utilization of already existing resources. First, the newly eligible voter could easily be registered through a program of registration in the high schools and colleges throughout the country; second, those who have moved to a new county or State could be registered through a system similar to that used by the Post Office to handle changes of address; and third, the alienated group could be more effectively registered through a door-to-door canvass than by way of an impersonal post card mail-in.

In other words, through means that are relatively inexpensive and largely existent, the unregistered voter could be reached and brought into the election process. And all of this Mr. Chairman, could be accomplished without the creation of a new bureaucratic machinery and the inevitable increase in the tax burden the American people would be called upon to bear. Unquestionably, the post card system of registration is unnecessary.

I am further concerned that the Voter Registration Act will, if implemented, actually reduce voter registration and turnout. There is considerable evidence which indicates that up to one-third of the post cards returned by registering voters will be illegible or incomplete. Based upon past experience, it is judged that this problem will be particularly acute among the poor to middle class voters, and these constitute the heart of the unregistered voter class. Many, for instance, believing that they will be registered simply by returning the card, will find out that they have in fact become disenfranchised only on election day. By then it will be too late to take any corrective measures; also the post card registration system will depend upon the efficiency of the U.S. Postal Service. Everyone in this Chamber has received letters suggesting the unreliability of our existing postal system. Mr. Speaker, still another source of disenfranchisement might well result from the fact that the States could decide to separate the Federal elections from State elections.

It is my opinion that this would tend to create a certain apathy. Also, being faced with two different kinds of election systems, the voter would become confused and distressed by what he views to be an unnecessary complexity. Finally, post card registration will eliminate the face-to-face contact which is central to the present system. The net result of this could be an increased voter alienation. In short, there are numerous reasons why the enactment of H.R. 11552 could lead to a reduction in voter participation and disenfranchisement.

I have no hesitancy in saying that this system of postcard registration will create a new bureaucracy having unlimited authority to spend huge sums of the taxpayers money. The estimates of the annual cost of a national post card registration system run all the way from $15 to $500 million, although in fairness most of the estimates fall into the $30 and $125 million range.

Regardless I am sure that even those that enthusiastically support the bill admit that it will be very costly. I contend that this burden is one that the American taxpayer can ill-afford especially now when deficit spending has reached such outrageous proportions.

Mr. Chairman, can we ignore the administrative nightmare which the passage of this bill would create? Imagine, for a moment—what is involved in sending through the U.S. Postal Service 100 million or more registration cards; each of these cards have to be properly delivered; and then returned and then State and local election officials must then process each of these 100 million cards. The magnitude of this operation gains perspective when it is realized that 150 million post cards stacked one on top of the other is the equivalent of 500 stacks of post cards each one the height of the Washington Monument.

But even more. Adding to this legistical problem, is the fact that the Voter Registration Administration would have to deal with 50 State agencies, and would have to exercise some degree of control over the more than 7,000 cities, counties, and other units of local government, 173,000 precincts and 1 million State and local election officials.

These facts alone are sufficient to conjure up in the imagination a state of chaos by mass confusion. When these are added to a series of other factors, such as a lack of commonality among the 7,000 election and registration boards, the problems of illegibly signed post cards, duplicacy of registration, insufficiently followed instructions, inadequacy of mailing addresses, dirty tricks, and numerous other potential sources of difficulty, it is easily seen that this system will easily get out of hand shortly after it is commenced. This bill—H.R. 11552—instead of helping to create greater participation in the election process, can be, if enacted, one of the major reasons for its decline and another chip to the decline and fall of our Republic.

In fact, nothing could be better created to undermine the faith of the American people, in their system of government, than this measure which is presently before us on this floor of the House.

This entire system of registration contains the widest possible invitation for fraud. This bill—H.R. 11552—mandates that the postcards be made available for registration drives to all organizations, in any quantity they may be requested and would allow individuals, who so desired, to fill out many post cards with fradulent names and addresses for fradulent purposes. Section 405(c) of the bill states that the mere notification form is prima facie evidence that the individual is qualified to vote. This provision effectively shifts the burden of proof with respect to citizenship, age, and residence from the applicant to the challenger. Thus, any individual could be allowed to vote as long as he presents a notification of registration when he goes to the polls and this provision does not stipulate that the individual must vote in a particular precinct or polling place. Certainly then this leaves open the possibility that the registrant could go to any precinct or polling place of his choice and vote. H.R. 11552 is a Pandora's box of fraudulent possibilities. The former distinguished Senator from North Carolina, Mr. Sam Ervin, said on the floor of the Senate during the last Congress: That the post card registration bill was one "to encourage and proliferate fraud and steal elections throughout the United States." There is no protection in the bill against fraudulent voting.

Mr. Chairman, before closing my remarks I should like to underscore an important point. H.R. 11552 is a bill designed and supported by the majority of the Democratic Members of the House. In fact, it is a piece of Democratic legislation not untypical of what the 94th Congress has become accustomed. Initially the legislative concept of the post card registration was introduced in the Senate in 1971. Since then, it has been defeated and re-reported many times in the House until finally on January 29, 1976, the Committee on House Administration reported the bill by a vote of 16 to 8. However, the Committee on Rules failed to act on that bill until the Democratic Presidential Candidate, Jimmy Carter, became interested in its future whereupon the leadership of the Democratic Party demanded quick action by the Committee on Rules and scheduled it for immediate House action. In other words, Mr. Chairman, the curious attention given to this measure by the majority party at this time bespeaks less of the merits of practical voter registration than it does of politics. To fail to see this motive underlying H.R. 11552 is to miss the real reason behind its present promotion.

Mr. Chairman, any reasonable man viewing the testimony and analyzing the concepts and procedures contained in this provision fairly should conclude that the House must once again defeat this bill. Although it may serve the immediate purposes of the majority party in their quest to gain greater control over the American governmental system, it certainly cannot be of ultimate benefit to the American people.

Mr. Chairman, I will vote against this bill. I hope it will be defeated because it tampers with the election process itself, and without a viable system of electing our public officials, the prospects of our democratic society enduring into perpetuity become greatly diminished.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in opposition to H.R. 11552, post card voter registration.

The shortcomings of this bill are many. It has far too great a cost; it duplicates existing registration efforts; it is based on a premise that has not worked in several States that have tried it. But by far the worst drawback is the open invitation to fraud presented by a centrally directed registration system.

All of us have heard of past voter registration abuses. Many long-buried individuals, along with assorted vacant lots, are reported to have regularly voted for the candidates of their choice. I have heard of one fellow who helped support himself during the depression of the 1930's by registering to vote in several wards in each election.

Because of the difficulty of monitoring a national mail registration system, the opportunity for these and other abuses is greatly magnified. And when abuse crops up, it will not be confined to one ward, one city, one county, or one State—it will be national in scope with repercussions I shudder to think of.

Make no mistake about it: Passage of this simplistic legislation will come back to haunt us.

Mr. Chairman, the threat to our experiment in democracy posed by this bill is awesome. I urge my colleagues to join with me in voting against this ill-considered legislation.

Mr. MILLER of Ohio. Mr. Chairman, although it is self-evident and every schoolboy knows it, we must reemphasize from time to time the fact that the foundation of our Republic is composed of the clear, accurate, and honest expression of the will of the electorate. This will is, of course, reflected in the voting process. All of our institutions rest upon this solid foundation.

Even the hint that the voting process is being manipulated and otherwise compromised is extremely dangerous because the people would lose respect for their own Government. Naturally such political instability would be intolerable. Our Republic is politically stable because the losers in a political contest have always accepted defeat because they have realized that the will of the people should and must prevail. The victors in a political struggle have always received respect and acclamation because they have received the approval of the majority of the citizens.

Mr. Chairman, I am interested in preserving the two-party system and the integrity of the election process and I am sure that all of my colleagues share this interest as well. The question is how to accomplish this. I feel that it would be unwise and precipitous to pass this national post card registration bill without even delving into the constitutional questions involved. And these are the reasons: The scheme in question not only hints of fraud and corruption but provides us with examples of actual fraud and corruption on the local level.

The following examples illustrate quite adequately, this clear and present danger of wholesale fraud: This bill calls for the general availability of literally millions of voter registration forms. Hundreds of thousands could legally be picked up from a post office by a political faction and then be used for large scale fraudulent registration which would then be voted by absentee ballot on election day.

A variation would be for a political faction to submit "change of address" forms for supporters of the opposing faction who would then find out too late on election day that they are no longer eligible to vote. We must not encourage these kinds of activities nor must we encourage voting by the dead and residents of buildings torn down years prior to the election.

We must unswervingly encourage integrity in our elections process if the two-party system is to survive and if the people themselves are to be the masters of their own Government according to the constitutional mandate.

It is said that we must accept this bill because it will encourage voter registration. It is my wish that every eligible voter would vote. Nothing would please me more. But this bill is not the answer to voter apathy. There is absolutely no connection between so-called easy registration procedures and voter turnout. Witness the Texas situation: Texas with a newspaper coupon voter registration scheme has one of the lowest registration and voting rates in the United States.

North Dakota which does not require prior registration for voting, had a 67.8-percent turnout in the 1972 Presidential election while neighboring South Dakota which does require registration has a comparable 68.7-percent voter turnout in the same election.

For all of these reasons, I urge that this bill be defeated.

Mr. MONTGOMERY. Mr. Chairman, I rise in strong opposition to H.R. 11552 and urge its rejection by my colleagues. While it is very commendable to want to increase voter registration and participation in all elections, this bill goes about it in entirely the wrong manner. It in effect imposes Federal standards and a Federal bureaucracy on a matter that rightfully should be left to local officials working within the confines of the U.S. Constitution.

I am not really sure that we have a problem with voter registration in this country. I surmise that it is more of a problem with voter participation which will not be increased by this bill. There are numerous examples throughout the Nation where registration is high, but actual participation on election day continues to be low. A perfect example of this is the State of North Dakota which has no preregistration requirement for its voters. The voters in North Dakota register at the same time they vote on election day. This is the simplest form of voter registration available and yet in 1972, 30.1 percent—nearly one-third—of the eligible voters did not vote.

Mr. Chairman, I do not feel we should impose Federal standards and guidelines for voter registration on local officials that go far beyond the intent and purposes of the Constitution. This would be big government at its worst.

I am also greatly worried about the cost of administering the program. The proponents of the legislation say it will only cost $50 million a year. I wish they were as conservative in their actions as they are in their estimations. While I do not necessarily agree with the estimate of a possible cost of $500 million, I do think we will quickly discover the total cost to be around $200 million or so. These will be tens of millions of dollars which the Federal Treasury does not have to spend.

Mr. Chairman, I feel our local government units throughout America are very much aware of the need to improve voter registration and have taken the necessary steps to see that eligible voters are given every possible opportunity to register. They along with local civic clubs and other groups have also been quite effective in encouraging people to participate in elections once they are registered. This is the American way of handling voting matters at the local level and not under the gun of a Federal mandate.

I urge my colleagues to defeat this bill and say loud and clear to the American people that they are not going to place another layer of big brother government on local elected officials.

Mr. McCLORY. Mr. Chairman, I rise in opposition to this bill. Post card registration was defeated in the 92d Congress, and should be defeated in this Congress for the very same reason—because it is based on the faulty assumption that a Federal system of post card voter registration will help to increase the rate of voter registration and turnout. I do not believe that this bill will accomplish that very worthwhile objective, because it does not deal with the real reasons behind declining voter registration in this country, which are voter apathy and mistrust of big government. Indeed, Federal post card registration would require the creation of yet another Federal agency—the Voter Registration Administration—to oversee State efforts to implement a mammoth program of mass mailing Federal voter registration forms.

This costly and cumbersome program would certainly be an administrative headache for State election agencies, and could result in a confusing process which would actually discourage voters from registering, or disqualify them entirely. And that is just one hazard we will face if this program is implemented. Another is the increased likelihood of fraud, which would be very difficult to combat under a Federal mass-mailing program. It seems to me that the States have done a commendable job of protecting this country from election fraud in the past, and that saddling them with such a broad responsibility at this time would be asking special interest groups and others to use this process to their advantage, corrupting the election process.

Mr. Chairman, a more constructive approach would be to encourage the States to develop more effective voter registration methods, allowing each State to select the techniques and programs that work for them. Certainly, our purpose here should be to encourage every eligible voter to register and vote—not to deter registration through a mismanaged Federal program. Therefore, I would urge my colleagues to support Representative FRENZEL's substitute measure, H.R. 6146, which provides financial assistance to the States for the implementation of voter registration, education, and participation programs—without creating a new agency, without burdening the Postal Service, and at a reasonable cost.

Mr. LEGGETT. Mr. Chairman, in acting on the sunshine bill last week, the House dealt with a fundamental right of citizens in a democracy—the right to know. Today we deal with a right and duty which is closely related but perhaps even more basic—that of voting. It is certainly true that if the people are going to participate effectively in the Government, it is vital that they know what is going on. But that knowledge will ultimately be futile if the people do not act on it. What could be more central than the right to say aye or nay to those who would lead them? In this edifice of government by consent, the right to free exercise of the ballot is the foundation.

It should be disturbing to us all that, however central elections are to the American system, the participation of our citizens in them has traditionally been lower than that of other Western democracies; and it is continuing to decline. The electoral participation of the voting-age population in European democracies has averaged 84 percent since World War II. If we look at the current trend in voter turnout of individual countries, Great Britain is on the low side averaging 70 percent, but West Germany and Sweden are above the overall average, with turnouts of 86 and 89 percent respectively. By contrast, in the close and hotly contested election of 1968, we saw only 61 percent of voting-age Americans participate. And the trend has been downward from that time. Less than 56 percent turned out for the 1972 election; in 1974, only 40 percent came out to vote. And we should keep in mind that in his landslide victory of 1972, Richard Nixon received the votes of only about a third of our voting-age citizens.

What are the causes of these disturbing trends? Is it really the result of apathy and disinterest on the part of our citizens? That they are important factors I do not doubt. But I am not convinced that they represent the sole ones. For the trend in voter registration is going in the same direction as electoral participation—down. In 1974, only 62 percent were registered, hardly more than the percentage which voted in 1968.

Studies have consistently shown that restrictive voting and registration procedures are a major factor in America's low voter turnouts. There is good polling data to the effect that most of those who do not vote would do so if they were registered. Thus, it is evident that the obstacles to registration posed by the various State laws on the subject have a lot to do with electorial nonparticipation.

In my view, liberalization and simplification of voting procedures is long overdue. The bill before us today, H.R. 11552, takes an approach to doing so—nationwide post card registration—which has been long discussed, and which was once before voted down on the floor of the House. In essence, it would legislate the States to adopt a post card registration system, unless they want to maintain dual registration and voting systems for State and Federal elections.

H.R. 11552 would create a Voter Registration Administration within the Federal Election Commission to administer a registration program for all Federal elections. VRA would be required to prepare registration forms for all the States, providing a simple method of registering by mail to vote. And it would also arrange with the Postal Service, as well as with State and Federal agencies, for distribution of the forms. The bill specifically requires VRA to conduct a mass mailing of the forms to all citizens at least once every 2 years.

The qualifications for voting would still be as set by the States. But they would be required to register all who meet them and apply more than 30 days before any Federal election. And State officials must return to the applicant that part of the form which advises him of the acceptance or rejection of the application. The bill also has several provisions, including civil and criminal penalties, to protect against fraud.

Mr. Chairman, I have long supported simplified voter registration by mail. My home State of California enacted such a system into law in 1975, and it is just now being put into effect. And I intend to support this bill. But I have reservations.

For one, the bill would make the system effective immediately, which means it would be applicable to the 1976 election. I am dubious of the ability of a new Federal agency to develop and distribute millions of registration forms, for 54 separate jurisdictions, in time for processing before November. We have waited over 10 years to do this. Why not wait long enough to plan and implement it with the care it deserves?

I am also unconvinced of the need for biennial mass mailings of the registration forms, which the bill requires. California's system does not have that feature, and neither do those of other States. The recent mass mailing of the District of Columbia, the only jurisdiction to have this procedure, was no more successful than other aspects of its lamentably inept electoral system. Why not test whether distribution through State agencies, banks, private organizations, et cetera, would be adequate before writing such a requirement into law?

I also question whether it is necessary to have a Federal entity design and prepare forms for the 54 jurisdictions which administer elections. Setting the qualifications for voters is a constitutional duty of the States, and they need not be uniform. What we should be doing, in my estimation, is setting standards which the States must meet in a post card registration system, not doing so much for them at the Federal level.

I am hopeful that these problems can be dealt with on the floor or in conference, assuming we pass this bill. And I would like to have the assurance of the managers of H.R. 11552, as part of its legislative history, that they regard effective post card registration systems such as California's to be consistent with the requirements of the bill.

Despite my reservations, I think the concept of simplified voter registration by mail is sufficiently important that I am prepared to support this bill. I urge my colleagues to do likewise.

Mr. STOKES. Mr. Chairman, I rise in support of H.R. 11552, the Voter Registration Act. Mr. Chairman, the Voter Registration Act was introduced to increase the number of registrants eligible to vote in Federal elections. Although H.R. 11552 provides technical and financial assistance to States to help them increase Federal voter registration, the main thrust of this measure centers on a system which mandates the mass mailing of postcard registration forms to every postal address in the country at least once every 2 years. The Federal voter registration forms would then be processed by the 50 State election agencies.

Mr. Chairman, H.R. 11552 represents the most significant advancement in the area of voter motivation and participation since the Voting Rights Act of 1965. Mr. Chairman, when it is realized that voter participation in Presidential elections had diminished from 64 percent of the voting age population in 1960, to 62.9 percent in 1964, 61.8 percent in 1968, and 55 percent in 1972, there is a pressing need for H.R. 11552.

Indeed, when it is remembered that in 1972 this Nation sat by while the President was elected by a mere one-third of the voting age population and again in 1976 only 30 percent of the voting population voted in 30 primaries, the time for postcard voter registration is now. Not insignificantly, the reason for this sparsity of voter participation is the direct result of arbitrary and restrictive registration requirements.

Mr. Chairman, despite the inequity in the registration process, despite these dreadful statistics, and despite the dismal prospects for future voter absenteeism the administration and its followers oppose H.R. 11552. This opposition is unfortunate for it has the potential of receiving broad dissemination. Mr. Chairman, to set the record straight it will be necessary for me to challenge these erroneous views.

According to the administration, national postcard registration would lead to considerable confusion in urban areas with highly mobile population groups and in poor neighborhoods where mail service is inefficient and unreliable. What the administration is saying is that the "mobile" are those least likely to maintain steady employment, so why should they need to vote, while the remaining poor need not vote because they probably would not receive their mail?

These views are clearly offensive to the democratic notion of equal voting rights irrespective of wealth, position, or status. Moreover, it advances the fallacious notion that postcard registration is a new idea. This is not so. Voters have been registering by mail for as long as 30 years in 16 States as well as such nations as Canada and Britain.

The proponents of the administration's view also contend that postcard registration invites widespread fraudulent registration. What they fail to realize is that H.R. 11552 has severe penalties for fraudulent registration. Additionally, the Voter Registration Administration can effectively monitor potential registration fraud by working with the States to prevent fraudulent activity. Of the 16 States that have registration by mail none have experienced widespread fraud. It must be remembered that electoral fraud is rarely a problem at the registration level, but at the voting booth and ballot box.

And finally, it has been suggested that H.R. 11552 would create administration problems. This argument is specious for the Voter Registration Administration, working with State and local elected officials, will have the necessary staff and equipment to cope with potential administrative problems. Moreover, because H.R. 11552 provides incentives for States to adopt postcard registration for State and local elections, this would increase uniformity in the entire election system, eliminate the problem of dual registration systems, and ease the administrative hurdles that accompany any registration system.

Mr. Chairman, it is obvious to me that there is no valid opposition to the voter Registration Act, the real basis for opposition to H.R. 11552, is the fear that the American ideal of full voter participation will become a reality. There is also a fear that the disenfranchised poor and minorities will now have the opportunity to avoid the barriers created by restrictive registration systems. This is a legitimate fear for these restrictions have had a deleterious effect upon blacks. Illustrative of this fact was black voter registration and participation statistics for the 1972 Presidential elections. A mere 45 percent of the eligible black population voted. This was 10 percent lower than the national ebb.

Mr. Chairman, unless and until, this untapped reservoir is given the opportunity to participate in the political process, the right to vote will be no more than one more unfulfilled promise in the Bicentennial Year. Mr. Chairman, and my distinguished colleagues, I ask you to support the Voter Registration Act as our predecessors supported the passage of the 15th amendment; the Enforcement Act of 1970; the Voting Rights Acts of 1957, 1960, 1964, 1965, and as we voted on July 28, 1975, to secure the passage of the 7-year extension to the Voting Rights Act of 1965. The Voter Registration Act is vital legislation.

Mr. **TAYLOR** of North Carolina. Mr. Chairman, the objective of increasing the number of registered voters is certainly worthwhile and supporters of this legislation are sincere; but I fear that we are not paying enough attention to election procedure problems at the grassroots level.

For 11 years before coming to Congress, I served as a county attorney and was attorney for and worked closely with the county board of elections. We had a problem because there had been many allegations of election fraud and some good citizens were refusing to vote, contending that they did not believe that their vote would ever be counted. We installed voting machines in every precinct to insure a quick and accurate count. Other changes were made so that North Carolina, like many other States, has accomplished unprecedented sophistications in the election process. We now have full-time registration available in all counties on a daily basis throughout every year. The post card type legislation would wreck the permanent looseleaf system now in effect in every county in my home State.

Every eligible voter is encouraged to register and vote. In addition to the right of any prospective voter to go to the office of the county board of election during normal business hours of any day in the year and register, the registrar and two judges in each precinct are subject to call and must be available to register anyone who requests it. Prospective voters may go to the homes of the registrar or judge at night. Frequent announcements are made when the registrar will be at a schoolbuilding or shopping center or other public location during certain hours. Frequently registrars go from house to house to get people registered.

But with each registration there is a live body and a signature on a master card and a precinct card and a definite address.

When a voter registers in a new precinct, he signs a cancellation card for the old registration so that all country records can be corrected. If the voter moves from one county to another, the same procedure is followed. Or if he moves into our State from another State, a cancellation of registration form for his old registration is sent to the Secretary of State where the voter was last registered.

Without being able to personally question a registrant, it is almost impossible to get and give all information needed to insure the voter's right to one vote. Each county board of elections receives copies of all death certificates for those of voting age and each month names of those who have died are removed from the list of eligible voters and records are kept as current as possible.

The combination of nonnotarized post card registration and absentee ballots appears to be tailored for fraudulent elections. Cards could be filled out with fictitious names and addresses. Pranksters could obtain hundreds of post cards and raise havoc with the registration system. A prankster could change the party affiliation of any Congressman here by merely signing his name on one of the post card forms.

The proposed changes would eliminate the safeguards that have so painstakingly fought for to protect voters from fraud. In an effort to make voting convenient for a few, we are endangering the rights of the many.

Mr. Alex K. Brock, Director of Elections, State of North Carolina, in a letter to me stated,

> "We urge you to assist us in putting into proper perspective the real cancer in our election process. The true weakness is apathy, the failure of persons who are registered to exercise their right to vote. We submit that simply registering more people by lottery tactics does nothing to improve the problem. Only after we have attained a continuing turnout of 80–90% of our registered voters should we attempt to go out and pull people out of the woodwork to simply fill up space on the registration books. In North Carolina our priority project is to increase voter participation first, then design programs to flush out other prospective voters."

This spring and summer many States held presidential preferential primaries. I contacted the board of elections in some of these States to determine the percentage of registered voters—not total eligible voters—but registered voters who voted. In New Hampshire, 48.5 percent of the registered Republicans and Democrats voted. In Florida, 56.48 percent of the registered Republicans and Democrats voted. In Massachusetts, the figure was 32.7 per cent. In North Carolina, 35.3 percent of the registered Democrats voted and 34.8 percent of the registered Republicans voted. According to an editorial in the Washington Star, "less than 20 percent of the city's 211,000 registered Democrats either found their way to the polls or thought the exercise was worthwhile." I quoted the figures to point out that the problem is voter apathy and not the difficulty of registration that is causing the low voter turnout.

Since the mechanics of elections must be left in the hands of those who are trained in election laws and who are responsible to the public for seeing that elections are conducted properly, and since this legislation will upset many State laws designed to place more integrity in the election process, I can't help but believe that this post card registration is a step in the wrong direction and one which should not be taken.

Mrs. **BURKE** of California. Mr. Chairman, our democracy is predicated upon and sustained by full and unfettered citizen participation. As we witness, however, the steady and drastic decline in the number of Americans who vote in national elections, it becomes increasingly more obvious that the very foundation of our system is being eroded.

There is, of course, no single and exclusive explanation for this growing political lethargy. Social class differences, lack of education, indifference to and distrust of government have all been variously singled out as the culprits. The predominant reason for voter apathy, however, has surfaced in virtually all the polls that have been conducted on this unfortunate phenomenon—the difficulty experienced by many in their attempts to register to vote.

A survey conducted by the Census Bureau revealed that 87 percent of the Nation's registered voters stated that they had cast their ballots in the last Presidential election. The public opinion research firm of Daniel Yankelovich, Inc., discovered that three-fourths of those who failed to vote in 1972 would have done so if they had been registered. One is left to infer from such findings that facilitating registration would lead to increased voter participation.

The United States is the only Western democracy that either requires registration or places the burden of registration on the individual rather than on the state. Not too surprisingly, our rate of voter turnout is woefully inferior to that of other Western nations.

Indeed, it is amazing that even two-thirds of eligible voters registered for the 1972 election when one considers the fact that:

In 76 percent of the Nation's voting districts, there is no Saturday or evening registration during nonelection months. In 20 States, no weekend registration is allowed at all, and in many others registration is permitted for only 1 weekend per year. Thus, workers, parents of small children and even students are all but discouraged from voting.

In many rural areas, registration booths are so widely dispersed that prospective voters are often forced to travel as far as 100 miles to register.

In still other voting districts, poor dissemination of registration schedules and data stymies citizens in their efforts to enjoy our most fundamental and treasured right—the right to vote.

Since the introduction of H.R. 11552, the Voter Registration Act, last year, criticism of the proposal has been launched from every conceivable angle. The bill has been termed administratively unfeasible, fraud-inducing and counterproductive.

All in all, however, the experiences of the 16 States that have already adopted some form of postcard registration are quite favorable. In the vast majority of instances, mail voter registration has been implemented with virtually no difficulty, and nowhere has voter fraud been in evidence.

Furthermore, statements by the opposition that postcard registration will diminish, rather than augment, voter participation are totally unfounded. This argument, based on the premise that difficulties in administering postcard registration will further alienate voters, is rendered moot by the fact that the envisioned administrative problems have not materialized in the States where such registration is practiced.

Moreover, to argue that registration requirements have no effect on voter participation is rendered erroneous when one compares the turnout rates in States with differing requirements. In Georgia, where rigid residency requirements are enforced, only 37.8 percent of the eligible voters participated in the 1972 Presidential election. In comparison, Utah, with more liberal requirements, enjoyed a turnout rate of 69.4 percent. Thus, there should be little doubt that restrictive registration regulations severely effect citizen participation in the electoral process.

The great majority and the most serious criticism of the bill, however, has been based on fiscal grounds. The measure has been called cost-ineffective, duplicatory and a usurpation of State authority. Again, I find such assertions erroneous.

Regarding the argument that the bill is inflationary, one should note that before the advent of mail voter registration, the average cost in the States that have now implemented such a procedure was $1.54 per registration. In 1974, after enactment of the measure, the average cost had been reduced to $1.08.

Furthermore, despite sponsoring an elaborate registrar orientation session, Maryland's Montgomery County Election Board managed to reduce registrar compensation from $33,547 in 1972 before the adoption of postcard registration to $8,070 in 1974 afterward. Although Montgomery County is indeed an affluent community where little difficulty was encountered in filling out the registration forms, the registrar savings were still quite significant and, I believe, quite indicative of the potential fiscal soundness of the system.

In addition, the mass mailing feature of H.R. 11552 has been criticized for its wastefulness. When one considers the alternatives to the mass mailing of registration forms—selected mailing, door-to-door canvassing, and so forth—it becomes increasingly apparent that mass mailing is the most practical and effective way to implement mail voter registration.

Opponents of the bill have suggested that civic groups be charged with the responsibility for signing up unregistered voters, that high schools and colleges be commissioned to register newly eligible voters. I feel, however, that placing such an awesome responsibility in the hands of private interest groups might invite the selective, biased registration that we are trying to avoid.

Finally, the argument that the bill is duplicative and usurps State authority must be addressed. For one, provisions in the bill insure that States shall maintain their historical rights as pertains to voter registration. The bill provides that each State will maintain the authority to determine for itself voter qualification guidelines and that each State will still be responsible for processing all voter applications. Thus, the two most basic founts of State election authority have been preserved intact.

Along the same line, I support attempts to define by colloquy the intent of this legislation that the programs of States which have already implemented acceptable voter registration systems are not to be dismantled or otherwise tampered with.

Similarly, I support section 11(a) of H.R. 11552 which establishes that any State that has no registration requirements for Federal elections may be excluded from the provisions of the bill. In my opinion, H.R. 11552 does anything but usurp State authority to administer its elections.

Before closing, I would also like to point out the benefits that could potentially be derived from the 30 percent bonus incentive that would be provided States which utilize the Federal postcard procedure to eliminate the dual, State/Federal election system. The taxpayer's election burden will be greatly reduced if this provision is adopted.

No one would dare claim that the Voter Registration Act is the long-awaited panacea that will reinstill the voter's faith and interest in government. It is a first step, however, and one we can realistically take. After that, though, it will be up to us, the people's representatives, to regain the public trust.

Thank you.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11552) to establish a Voter Registration Administration within the Federal Election Commission for the purpose of administering a voter registration program through the Postal Service, and for other purposes, pursuant to House Resolution 1444, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FRENZEL. Although it has been improved, Mr. Speaker, I am strongly opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. FRENZEL moves to recommit the bill H.R. 11552 to the Committee on House Administration.

The SPEAKER. Without objection the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 239, nays 147, answered "present" 1, not voting 44, as follows:

[Roll No. 623]

YEAS—239

Adams
Addabbo
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carr
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Gonzalez
Hall, Ill.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Holland
Holtzman
Howard
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCloskey
McCormack
McFall
McHugh
McKay
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Rangel
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes

Stratton
Studds
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Whalen
White
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—147

Abdnor
Alexander
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Fish
Flowers
Fountain
Frenzel
Frey
Fuqua
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Tex.
Hammerschmidt
Harsha
Hébert
Hefner
Hightower
Hillis
Horton
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Lott
Lujan
McClory
McCollister
McDade
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Paul
Pettis
Poage
Quillen
Railsback
Randall
Regula
Robinson
Rousselot
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Wis.
Sullivan
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Vander Jagt
Walsh
Wampler
Whitehurst
Whitten
Wilson, Bob
Winn
Wydler
Wylie
Young, Fla.

ANSWERED "PRESENT"—1

Rees

NOT VOTING—44

Abzug
Anderson, Ill.
Aspin
Biester
Brown, Mich.
Buchanan
Carney
Chappell
Conable
Conlan
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Green
Gude
Hansen
Heinz
Hinshaw
Holt
Howe
Jones, N.C.
Karth
Landrum
McKinney
Mikva
Mink
Moorhead, Pa.
Passman
Quie
Rhodes
Sikes
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Talcott
Treen
Waggonner
Weaver
Wiggins

The Clerk announced the following pairs:

On this vote:

Mr. Rees for, with Mr. Chappell against.

Mrs. Fenwick for, with Mr. Sikes against,

Mr. Heinz for, with Mr. Waggonner against.

Ms. Abzug for, with Mr. Rhodes against.

Mr. Mikva for, with Mr. Brown of Michigan against.

Mr. Carney for, with Mrs. Holt against.

Mr. Howe for, with Mr. Steelman against.

Mr. Moorhead of Pennsylvania for, with Mr. Treen against.

Mrs. Mink for, with Mr. Wiggins against.

Mr. Symington for, with Mr. Anderson of Illinois against.

Until further notice:

Mr. Aspin with Mr. Evins of Tennesee.

Mr. Green with Mr. Flynt.

Mr. Stuckey with Mr. Jones of North Carolina.

Mr. Weaver with Mr. Landrum.

Mr. Stephens with Mr. Passman.

Mr. REES. Mr. Speaker, I have a live pair with the gentleman from Florida (Mr. CHAPPELL). If he were present, he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 11552, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON PROFESSIONAL SPORTS

Mr. THOMPSON, from the Committee on House Administration, filed a privileged resolution (H. Res. 1408, Rept. No. 94–1387) to provide for the further expenses of the investigations and studies to be conducted by the Select Committee on Professional Sports, which was referred to the House Calendar and ordered to be printed.

PROVIDING ADDITIONAL FUNDS FOR AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

Mr. THOMPSON, from the Committee on House Administration, filed a privileged resolution (H. Res. 1414, Rept. No. 94–1398) to provide additional funds for the ad hoc Select Committee on the Outer Continental Shelf for the expenses associated with the completion of the legislative process on H.R. 6218, a bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, to amend the Outer Continental Shelf Lands Act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON H.R. 14973

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on International Relations have until midnight tonight, August 9, 1976, to file a report on H.R. 14973, implementing the agreement between Mexico and the United States with reference to the Tijuana flood control project.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON AGRICULTURE TO MEET FROM 11 A.M. UNTIL NOON TOMORROW DURING 5-MINUTE RULE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have permission to meet from 11 o'clock a.m. until noon tomorrow, August 10, 1976, during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Mr. Speaker, I am constrained to object.

The SPEAKER. Objection is heard.

PROVIDING FOR CONSIDERATION OF H.R. 13372, AMENDING THE WILD AND SCENIC RIVERS ACT

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1463 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1463

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271), and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

(By unanimous consent Mr. MADDEN was allowed to speak out of order.)

COMMITTEE ON RULES ANNOUNCES CUT-OFF DATE

Mr. MADDEN. Mr. Speaker, at the present time there are 22 bills pending before the House Rules Committee which have been reported by the legislative committees of jurisdiction but have not been granted rules. In addition, there are 10 rules reported which have not been considered by the House.

When we take into consideration the August recess for the Republican convention, the brief September recess for the Labor Day holiday, and the sine die adjournment target date of October 2, it becomes evident that there are fewer than 20 legislative days remaining. Thus, it will be impossible for the Rules Committee to meet on all of the pending bills.

Today, August 9, 1976, the Rules Committee adopted a motion providing "that after September 10, 1976, the Rules Committee will consider only procedural matters and matters determined by the Speaker to be of an emergency nature."

The SPEAKER. The gentleman from Indiana is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I yield 30

minutes for the minority to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1463 provides for an open rule with 2 hours of general debate on H.R. 13372, the New River legislation.

It is not a complicated bill. It simply assures the protection and preservation of the segment of the New River located in North Carolina as a wild and scenic river.

The only issue today is what is the best use of this beautiful, natural, free-flowing stream and who should decide it.

The Committee on Interior and Insular Affairs has studied this issue. Public hearings were held on the bill—and public hearings were held on the legislation during the 93d Congress. Everyone who came to testify was heard. The bill was thoroughly and fairly aired before the Committee on Interior and Insular Affairs made its recommendation.

What they learned is that geologists state that the New River is the oldest river in this hemisphere used by man for recreation and industry.

The river area involved in H.R. 13372 contains no major dams. It is free of impoundments and flows through the beautiful mountains of North Carolina without impediment.

They learned that there are thousands of people living along this river whose families have worked the soil for generations who want to continue living in their ancestral homes and continue farming. These people do not want the river destroyed. They want it left as it is—a natural stream.

The Interior Committee learned that there are people all over the country—from Maine to California and from Indiana to Florida—who want the Congress to preserve this scenic river. The legislation is supported by every major conservation organization and over 40 large daily newspapers have endorsed this bill.

As chairman of the Rules Committee, I have received thousands of letters from individuals, organizations, chambers of commerce, labor, and industry in support of this legislation to preserve the New River area for posterity.

I wish to close by incorporation with my remarks verbatim excerpts from a letter I received today from a citizen in Alexandria, Va., supporting H.R. 13372:

> Passage of the bill is necessary because the anticipated dam would:
>
> 1. Destroy the New River as it now flows;
>
> 2. Destroy approximately 40,000 acres of rich and productive farmland in North Carolina;
>
> 3. Destroy a livelihood and "home" for thousands of North Carolinians of past, present, and future generations;
>
> Destroy the natural beauty along the ancient river;
>
> 5. Destroy the river banks and surrounding area inhabited by the wildlife indigenous to the area;
>
> 6. Destroy the fish and rare, nearly extinct, varities of fauna found only in the New River area;
>
> 7. Destroy—or at least stifle—the variety of New River recreational facilities and activities; and
>
> 8. Destroy the wealth of history that emerged along the New River and its significance to later generations.

Before, I close, I just want to say a word or two about my friends from North Carolina—ROY TAYLOR and STEPHEN NEAL. ROY TAYLOR has been instrumental in creating more than 100 park and recreation areas in all parts of the country. Also Congressman KEN HECHLER from the neighboring State of West Virginia, an effective cosponsor of this bill.

Mr. Speaker, I do hope that this rule is adopted and that this legislation is approved by the vast majority of my colleagues in the Congress.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Indiana (Mr. MADDEN), has explained the provisions of the rule.

Let us not be mistaken about what we are doing here today. The bill which this rule makes in order makes 26 miles, more or less, of the New River a wild and scenic river. That provision is designed entirely to kill the construction of the Blue Ridge project which will supply peak loads of electricity, not only to the residents of my hometown, Kingsport, Tenn., but throughout the Appalachian Power System, the Kingsport Power System, and the parent company which operates these companies.

We have experienced a tremendous power shortage in the past, and those who should know say that the shortage will be worse in the years to come. There is no better way to produce electricity than by water. It is clean. In addition, it is reasonable in price when it comes down to the consumers of this country, and we all know that power rates are increasing.

Let us face the facts as they are. Let us consider this issue of the designation of 26 miles of this river, a small portion of it, as a wild and scenic river. Let us listen to those who say, as they said in the Committee on Rules and as Senator Ervin remarked, "The first stars of heaven shone down on New River."

It is beautiful. "I went down it the other day," as was testified by one Member of Congress, "and I am sold on the idea that that river should be protected."

Well, if it should be protected—and I will agree with that—why not make the entire length of the New River, from its beginning to its end, a wild and scenic river instead of going in and slashing out only 25 miles of it and then have Members stand up and say it is important to save the New River? If we are going to save it, let us make all of it a wild and scenic river. If it is truly the second oldest river in the world, then let us get down to the business of saving it.

Let us not do anything by subterfuge to stop the construction of the dam which would provide literally thousands of jobs, provide more electricity, and provide recreation for thousands of people who would come to the area and enjoy the beauty of the scenery enhanced by the lake created by the dam. That is one thing we have in our favor.

But if we are really serious about saving New River, let us save it all, from its beginning to its end, and not do anything by subterfuge.

Mr. Speaker, this measure was up on the floor of the House under suspension of the rules. It failed to get a two-thirds majority. When it was before the Committee on Rules 2 years ago, it only received two votes from the members of the Committee on Rules to report the bill to the floor of the House for action. Last week when it was up before Rules, it received a 10 to 6 vote to report it, and the argument used by the Members who came before the committee was: "Let us save New River."

Well, if we are going to save it, why not save it from its beginning to its end?

But, more importantly, the goal to be achieved for the benefit of the people of America is to have cheap electric rates, and I think that the dams that are constructed for power production provide that. In my district, the First District of Tennessee, there are six TVA dams constructed with tax dollars, and they are power-producing dams. But let me remind the Members that this dam will be constructed with private dollars, and I urge all the Members, when they consider the rules here today, to consider voting it down.

If it is not voted down, then if an amendment is offered to make all of New River a wild and scenic river, from its beginning to its end, then let us support it. If the conservationists and the ecologists believe it is truly one of the most sacred rivers in all of the world, then let us support making it a wild and scenic river, and I will go along with that.

Everyone knows my position. Everyone knows I am for more production of electricity and for energy self-sufficiency. I support nuclear powerplants. I support more strip mining. I support geothermal energy. I support more electric power production in order to make this Nation self-sufficient energywise, and I also support more domestic drilling for oil.

Therefore, in perspective, as we consider the facts, not the thought that we are saving the river. We are not. Out of its hundreds of miles in length, we are only saving 26 miles. This legislation is designed to kill the production of more electricity, designed to stop the construction of the dam, designed to prevent people from going to work, designed to keep nature lovers from enjoying the waters as created by the dam.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I am very intrigued by the amendment which the gentleman from Tennessee (Mr. QUILLEN) proposes to include the entire New River in the Wild and Scenic Rivers System. I would just like to ask the gentleman from Tennessee whether he appreciates the fact that passage of that amendment would eliminate strip mining in this area.

Is that what the gentleman from Tennessee wishes? I would like to go along with him, but I just want to make sure that he understands that.

Mr. QUILLEN. Mr. Speaker, I say to the gentleman from West Virginia (Mr. HECHLER) that I do not know that they strip mine under the river. If the gentleman could show me how they can do that, even within several hundred feet of a wild and scenic river, then I will be glad to listen to his argument.

I particularly want to preserve that beautiful river in the gentleman from West Virginia's district. I think that this amendment, if it is offered—and I have not said that I was going to offer it—will be supported by me because I want to save the New River.

However, can we strip mine under the river?

Mr. HECHLER of West Virginia. If the gentleman will yield further, I will simply indicate that there are a number of active strip mining projects and also those that have applied for permits within the boundaries of the watershed of the New River; and I am certain that those strip mines will be eliminated. That is why I am intrigued by the gentleman's amendment.

Mr. QUILLEN. Mr. Speaker, I have not been over the New River. I do not know where the watersheds are, but the watersheds are not included in the wild and scenic river designation as proposed by the amendment, which I have seen. The amendment, it would seem to me, would not prohibit strip mining. But if we are serious, if the bill is going to prohibit the construction of a dam, then why are we not serious about having all the river a wild and scenic river?

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Speaker, I was intrigued by the comments of the gentleman from Tennessee (Mr. QUILLEN) on the need for inexpensive power for the consumers. I concur with the distinguished gentleman from Tennessee on that.

However, is the gentleman aware that the Federal Power Commission records, or the briefing of the Commission's staff, shows that this is not the least expensive way to produce that power? As a matter of fact, they lost 25 alternative sites, and only 3 of those alternative sites are more expensive than this one in terms of kilowatt hours.

Mr. QUILLEN. To answer the gentleman, Mr. Speaker, I have seen that 1968 report that the gentleman is referring to and the staff comments of the Power Commission made in 1969. Whatever comparison that might have been valid during those years would not hold water today.

I live in an area where they produce electricity by water from dams.

I believe that the cost is lower than that for the production of most electric energy, and I believe that the gentleman from Illinois is the one who went down this beautiful river.

Mr. SIMON. That is correct.

Mr. QUILLEN. And the gentleman's comments before the Committee on Rules were that he wanted to save the river.

Mr. SIMON. That is correct.

Mr. QUILLEN. And that the gentleman wanted to do it now. In saving it, would the gentleman go along with the proposition of saving it from its beginning to its end?

Mr. SIMON. I would be happy first to get the rule passed and then the bill and then I would be happy to consider joining my distinguished colleague, the gentleman from Tennessee (Mr. QUILLEN) in such a vote.

Mr. QUILLEN. The gentleman from Illinois knows I have the utmost respect for him but this bill is designed to kill the construction of the proposed dam, not to preserve the New River, and is only a method to accomplish a goal by an end run.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, I think the record should show that the testimony of the Appalachian Power Co. is that the current estimated cost for construction of the Blue Ridge project is $843 million. If the bill that is being considered in this resolution subsequently passes the Congress and becomes law, the most feasible alternative to generate the equivalent energy that would be denied by rejection of the Blue Ridge project would be coal-fired steam-generating facilities. Again, according to the testimony of the Appalachian Power Co., this would cost an additional $500 million to construct the coal-fired steam-generating facilities.

I would say to my distinguished friend, the gentleman from Illinois (Mr. SIMON), that the gentleman knows who will pay for this additional cost and it is the consumers of this country.

Mr. Speaker, I receive more mail in my office from constituents concerned about the high cost of energy than perhaps any other one item that affects consumers.

How this House can take this course of action to increase the cost of energy is beyond me. And that is exactly what we will do if this bill is made in order and becomes the law of the land.

Mr. TAYLOR of North Carolina. Mr. Speaker, if the gentleman will yield, in regard to the increased cost of energy, the statement by the FTC and the Environmental Protection Agency that were filed, show that there are 22 sites on that river where dams could be erected to produce the energy at less cost than at this site. These would be smaller dams and would not be taking this acreage of farmland and putting it under water and would not do the damages and yet would generate the electricity at lower cost. This is one of the highest studies in regard to the cost of energy.

Mr. WAMPLER. Mr. Speaker, if the gentleman will yield further, can the gentleman from North Carolina (Mr. TAYLOR) assure the House if this bill becomes law, whether the same groups that are supporting this bill will not also oppose the approval of new sites for coal-fired steam-generating facilities.

Mr. TAYLOR of North Carolina. I would say that the power companies have alternate plans so that if this is turned down they would probably just as soon go to coal burning facilities. And that makes good sense because they are near the North Carolina coal mines. The cheapest electricity we can secure is from powerplants erected over coal mines.

As to whether the opponents would come in against the other sites, I do not know, but I do not know of any other plan that is as unnecessary to have as this plan is.

Mr. QUILLEN. Mr. Speaker, my good friend, the gentleman from North Carolina (Mr. TAYLOR), of course, is for the bill which this rule would make in order and we all owe him a deep debt of gratitude for his dedication and service in this Congress. It was with regret that we all learned that he was not seeking reelection and he will not be here to fight the battles if other power projects are brought in.

I would just like to repeat again that if the New River for 26 miles is so beautiful that the stars only shone down on that segment of the New River, then what about the rest of the river. I think the stars covered it all. They have shone down on all the rivers as they came into being since time began.

I do hope that an amendment will be offered to make all the river a wild and scenic river and I would support such an amendment. Water production of electricity is much cheaper. It is cleaner. It gets the job done and provides low-cost electricity. I think this is what this debate is all about today.

Mr. Speaker, I have some more requests for time, but I wonder if the gentleman from Indiana (Mr. MADDEN) has any requests he would like to honor.

Mr. MADDEN. Mr. Speaker, I yield 4 minutes to the chairman of the subcommittee, the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Speaker, I thank the chairman for yielding. I will not go into the details of the bill at this time except to answer a few statements that have been made and to point out that there are many people who support it.

The gentleman from Tennessee (Mr. QUILLEN) says, he would put the entire river, 253 miles of it, in the Wild and Scenic Rivers System.

In the last Congress we tried to provide for a study that would consider putting a much larger portion of the New River in the Wild and Scenic Rivers System, and the gentleman from Tennessee opposed it on the House floor and in the Committee on Rules. Even though we got a majority vote on the House floor, it did not become law because we had to come in under suspension, and some of the members on the Committee on Rules and the gentleman from Tennessee opposed it there. We did not get a bill before because of opposition in part by the gentleman from Tennessee.

This bill involves only a portion of the New River, and I think it should be passed as it is.

I agree with the gentleman from Illinois that if the gentleman from Tennessee is serious, I will be glad to join him in introducing a bill to put other segments of the New River into the Wild and Scenic Rivers System after an appropriate study is made by the Department of the Interior, and after hearings are held by our committee. I think additional portions should be included, and I think additional portions probably should be excluded. There are two existing large reservoirs further downstream which should be excluded.

The gentleman from Tennessee says the only purpose of this is to stop the power project. The purpose of this bill—like that of the Wild and Scenic Rivers Act—is to protect the outstanding natural streams from incompatible development. That is the fight we are making here today. If the Blue Ridge project is constructed as planned, this segment of the New River will be destroyed forever. The bill does not block the power project; it does not invalidate the license; it merely states that the powerplant pursuant to the license shall not inundate the river which has already been designated and set aside as a wild and scenic river.

Mr. Speaker, the question is, Shall we adopt a 2-hour, open rule in the usual form permitting the House to consider a bill that has both local appeal and strong national support.

I am asking you to adopt the rule and—

Support the House Interior Committee which approved the legislation almost unanimously by voice vote;

Support the Rules Committee which granted a rule by a vote of 10 to 6;

Support the Speaker who has not only endorsed this bill and the rule but has made many phone calls in its behalf;

Support President Ford who has given the bill a strong endorsement, and Secretary Kleppe whose official action created the segment of wild and scenic river involved;

Support Ronald Reagan who has endorsed the proposal; Minority Leader JOHN RHODES who supports this rule;

Support Jimmy Carter, MORRIS UDALL, and practically all of the other Democratic contestants for the Presidential nomination;

Support the entire North Carolina delegation, three Congressmen from Virginia, and one from West Virginia who are cosponsors of this bill;

Sustain action of the 93d Congress which approved similar legislation by a 3-to-1 vote in the Senate and by a vote of 196 to 181 in the House. But this vote came near the end of the session and a rule was not granted so the bill had to be brought up under suspension of the rules and we failed to get the necessary two-thirds vote.

Support every environmental organization in the Nation;

Support 200 newspapers—the large daily newspapers located in practically every State of the Union which have endorsed this legislation;

Listen to the problems of 3,000 people who will be forced to leave their ancestral homes if this bill is not passed.

Support the National Farmers Organization which in a letter to Steve Neal dated August 6, 1976, stated:

> We deplore the irresponsibility of a federal agency which would license a power project in total disregard for the rights of hundreds of farm families, and without considering the clear fact that the production from 44,000 acres of prime farm and timberland far surpasses in value the alleged benefits from Blue Ridge. We are advised that the Blue Ridge project, like all pump-storage projects, would be a net consumer rather than a producer of power. But even among projects of this class, it stands out as being both uniquely destructive and unusually inefficient. Of 25 other pump-storage projects considered as alternatives to Blue Ridge, 22 could provide peaking power at least cost per KW, some at under 50% the cost per KW. None of these alternatives involve mass displacement of farmers and destruction of farm land.
>
> It is incredible to us that Blue Ridge could have even been seriously considered. We trust and hope that Congress will move to put an end, once and for all, to this project and allow the people of this fine farming valley, in cultivation since before the birth of the Republic, to live in peace.

Surely we cannot say to all of these supporters that the House refused to even consider this important legislation;

Surely we have a duty to approve the rule and permit the legislation to be explained, debated, read for amendments, and voted up or down.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Indiana.

Mr. MADDEN. I thank the gentleman for yielding.

I wish to point out that our old colleague, the gentleman from North Carolina, Mr. Mizell, came all the way from North Carolina to testify. I ask our colleagues to support the position taken by Mr. Mizell, who was a Member of Congress 2 years ago, and who testified before the Committee on Rules last week.

The SPEAKER. The time of the gentleman has expired.

Mr. MADDEN. Mr. Speaker, I yield 2 additional minutes to the gentleman from North Carolina.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I thank the gentleman for yielding.

I point out also that both candidates for Vice President, Senator WALTER MONDALE of Minnesota and the only Republican candidate publicly named, Senator RICHARD SCHWEIKER of Pennsylvania both have indicated by their votes that they support saving the New River. In 1974, when the U.S. Senate voted 49 to 19 to include the New River in the National Wild and Scenic Rivers System, both Senators MONDALE and SCHWEIKER voted to save the New River.

Mr. TAYLOR of North Carolina. I appreciate those comments of the gentleman from West Virginia.

We cannot say "No" to all the supporters of the bill. We cannot say that the House refuses to consider this legislation. We have a duty to vote for the rule and consider the bill, and the amendments, and vote it up or down. I believe after the Members listen to the facts they will join these many supporters and approve the New River bill.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I commend the chairman of the subcommittee, the gentleman from North Carolina (Mr. TAYLOR) and also the chairman of the Rules Committee for the kind remarks they made concerning the hard work which has been done by Vinegar Bend Mizell, the work which he contributed in behalf of this project and in behalf of this bill when it was before us in the past and at this particular time. I too was going to mention the outstanding job that Vinegar Bend did, but since my colleagues have done a better job than I probably could do, I wish to associate myself with their remarks.

Mr. MADDEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. HALEY).

Mr. HALEY. Mr. Speaker, I rise to support the enactment of H.R. 13372 as recommended by the Committee on Interior and Insular Affairs.

First, I want to congratulate my colleague and friend the gentleman from North Carolina (Mr. TAYLOR) who has been an outstanding Member of Congress and leader in the field of conservation. It has been my pleasure to know and work with ROY TAYLOR for the past 16 years and I can assure my colleagues in the House that there is no Member more conscientious and fair than the gentleman managing this bill in behalf of the committee.

Since he first came to Congress he has helped work on projects in practically every State in the Nation. These are projects providing benefits to all people regardless of age, race, or religion. I know he is proud of the fact that over 100 areas of historical, natural, and recreational value to the American people have been created since he became a member of the Subcommittee on National Parks and Recreation.

All Americans—and all of his colleagues—owe him a debt of gratitude for his patience and hard work in making the protection of these places possible.

Mr. Speaker, I support the gentleman on H.R. 13372. This bill is a constructive effort to save a small part of an outstanding natural stream. Regretfully the Federal Power Commission licensed a power project which will destroy the scenic river if it is constructed.

I want to remind my colleagues that the Federal Power Commission totally ignored—yes, ignored—my request that action on the license be deferred while legislation was under active consideration in the Congress. Not only, did it not respond to my written request, included below, but it failed to send anyone to testify on the legislation this year or last Congress when it was under consideration. Instead of complying with the request, at the height of the controversy, the FPC issued the license and generously allowed us 6 months to enact legislation to undo the license which it issued.

Mr. Speaker, every Member of this House should be offended by the arrogant action taken by the Federal Power Commission. Certainly, we should not feel compelled to surrender our power to decide what uses should be made of our river systems. This is our job and our duty and I hope the Members of the House will support the Committee on Interior and Insular Affairs by approving H.R. 13372 as recommended.

I include the following letter:

JUNE 5, 1974.

Mr. JOHN N. NASSIKAS,
Chairman, Federal Power Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: As you know legislation has been introduced which would provide for a study of the New River of North Carolina, Virginia and West Virginia for potential inclusion in the National Wild and Scenic River System. This legislation has been approved by the Senate and has been the subject of a lengthy hearing before the House Subcommittee on National Parks and Recreation. The Federal Power Commission was invited to participate in that hearing; however, it elected not to send a spokesman.

In light of the fact that this legislation is under active consideration by the Congress, I would appreciate being advised that the Federal Power Commission will defer any further action on any applications for pending projects on the New River until the Congress has had a reasonable amount of time to complete its deliberations.

Your prompt response to this letter will be greatly appreciated.

Sincerely yours,
JAMES A. HALEY,
Chairman.

Mr. MADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, we are at the end of a long and rather bitter fight to save the New River and I believe we are on the verge of victory.

I would like to congratulate the Rules Committee for reporting this legislation and giving us an opportunity to vote on it.

As Members know in 1974 the bill got a majority of 196–181 in the House but not a two-thirds majority necessary under suspension of the rules.

Anyone who passes my office in the Cannon Building can see displayed on the door a sign which says: "The New River—like it is." God took 100 million years to fashion and develop this river. Let us save it and not destroy it as the power companies are attempting to do.

Mr. Chairman, I am convinced that a coal-fired plant would produce 1,000 to 1,500 more West Virginia coal mining jobs. The Department of the Interior has officially included the 26.5-mile North Carolina segment as part of the National Wild and Scenic Rivers System. That is not at all at issue here today. The legislation merely singles out the 26.5 miles in North Carolina and requires that this section not be inundated by the power company as a result of a Federal Power Commission license.

Mr. Speaker, I am convinced that justice and equity lie on the side of protecting the New River. This is not a North Carolina or Virginia or West Virginia issue. This is a national issue.

Mr. QUILLEN. Mr. Speaker, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, the gentleman from West Virginia referred to strip mining a moment ago. Is the gentleman for strip mining?

Mr. HECHLER of West Virginia. Mr. Speaker, I am for the abolition of strip mining, I would say to my good friend, the gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, if the gentleman will yield further, I understood that from prior debate on the floor. I just wanted to be sure the gentleman has not changed his mind.

Mr. HECHLER of West Virginia. Oh, no; I have not changed my mind. I am very intrigued by the inclusion of the entire New River in the National Wild and Scenic Rivers System, and I hope that will be fully debated.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. I wish to speak on this side in favor of this resolution granting a rule for H.R. 13372. At issue at this point is whether to adopt a rule so that a simple majority of the House can pass a bill to save the "New River: Like It Is," from being flooded by two power dams.

Two years ago, we came to the floor unable to get such a resolution from the Rules Committee, and had to proceed under suspension of the rules. Thus, even though a majority of the House voted for the bill, we were thwarted and frustrated, lacking the two-thirds necessary to suspend the rules and pass the bill.

This year, we were successful in winning a 10-to-6 margin in the Rules Committee, and I want to thank the committee. This involves bipartisan efforts to effectively make our case. I want to congratulate my colleagues from North Carolina for their work, especially the author of the bill, STEVE NEAL, and the distinguished chairman of the legislative subcommittee, ROY TAYLOR. I particularly want to add an appropriate tribute to our former colleague, Wilmer Mizell. The original sponsor of this legislation 4 years ago, he was the one who came here last week and did what others of us could not do: he personally persuaded two members of the Rules Committee (DEL LATTA and DEL CLAWSON) to reconsider their positions, and vote with us on the rule. Without that conversion, instead of a 10-to-6 victory the rule would have been lost on an 8-to-8 tie.

With that bipartisan support for a nonpartisan bill, I ask a vote of approval for this rule.

Mr. QUILLEN. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, I recognize that we have had a hard and long day. I hesitate to trespass on the time of the House; but I feel very deeply about this and I feel very strongly that this is a serious mistake, a serious policy mistake that the Congress is about to make.

I do agree that it is a fine tribute to our good and loyal friend, the gentleman from North Carolina (Mr. TAYLOR) and our good friend and former Member, Vinegar Bend Mizell, that we pass this legislation because of their support for it; but I sincerely urge everyone here to listen to what I have to say. This is an important event, because what we have before us is a validly issued license of the Federal Power Commission. The Federal Power Commission began its deliberations and consideration of this matter in 1962. Since that time there have been 7,709 pages of testimony. That is what these boxes are here, the transcript.

Now, contrast that with this one hearing, one day of hearings before our good and loyal friend, the gentleman from North Carolina (Mr. TAYLOR) and his subcommittee, and that is not altogether an objective analysis of the legislation.

Contrast that one day that is hearing of this body; that is the real total deliberation of this Congress.

That is what 7,000 pages of testimony by the duly-delegated authority of this body, the Federal Power Commission, looks like.

Now, Members of the House, this matter has been before the Federal Power Commission at every step of the way. The power company has complied with every step of all the legislation, all the environmental legislation. It has been the unanimous conclusion of every judicial tribunal before which this question has been argued, every single one of them; three separate administrative hearings, five members of the Federal Power Commission, three members of the Court of Appeals—every time this license has been sustained and has been granted unanimously. In 1974, this issue was before this House, before the final license was granted. At that time, the Federal Power Commission, in 1974, granted a license subject to the action of this Congress to be effective in January 1975. If this Congress had acted, the license would not have been valid, but it became valid in January 1975. This becomes a vested interest, a vested contract right for the power company.

It is a license under which they are now going forward at this very moment. The conditions of that license are being exercised and discharged by the power company. They are in the area now, making the preliminary archeological surveys and actions which are required by the license. At this moment, of course, there is a petition for certiorari before the Supreme Court of the United States, but that has not been acted upon so it is a valid, effective license, after taking all the steps.

Now, we are coming along and doing something that has never, never been done before. This Congress has never set aside a validly issued license of the Federal Power Commission before. Now, think of the implications of that for every single licensing project in the United States. Is there going to be any finality to it, ever? Are we ever going to be able to induce our power companies and utilities to develop new energy sources in the face of this? I call the particular attention of the Members to the provisions of the statute under which we act.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. I am just getting a little warmed up. If the gentleman will come back later, I would appreciate it. I will yield before I get through, but I am wrapped up in this thing.

Mr. TAYLOR of North Carolina. I thank the gentleman.

Mr. BUTLER. This is what section 28 of the Federal Power Act says:

> The right to alter is reserved to the Congress, but no such alteration, amendment or appeal shall affect any license theretofore issued under the provisions of this chapter or of any license granted thereunder.

That means that there was a no revocation provision in the Federal Power Act. This was unique. It says that one cannot repeal a license, once granted, so the only way you can do it is to come here for special legislative action and take it away. That is what the Members are trying to do here, but when they do that, they destroy the confidence in the statute. They raise serious questions about how we are going to induce power companies to go forward in the future. That is pretty important.

It has already involved $16 million in expenditure in this project to advance it to this point. The Appalachian Power Company put that money at risk because they rely on what the statute says.

Now, for the first time—for the first time in the history of our country—we are going to come along and set it aside. That violates the Constitution of the United States in this respect. The fifth amendment says:

> No private property shall be taken for a public purpose without just compensation.

That brings me to the second point which I think is most significant in this transaction. We cannot take this property for public use without just compensation. That is what it is. It is a valid, vested license, and when we take it, in this instance we have to pay for it. How do we figure what it is going to cost? I will tell the Members. The cost is the fair market value of the license. The fair market value of the license would generally be determined by what a license sells for. There is no market, so we look elsewhere—and this is well-established law—we look around to find what the cost to replace a comparable facility is. That would be the coal-burning operation my friend from West Virginia (Mr. HECHLER), would have us build. That costs $1 billion and $300 million. The present estimate for the cost of the hydro project is in the neighborhood of $850 million.

So that means when we take away this license, we make this power company go and find a different facility that costs one-half billion dollars more. So that is the exposure to liability of the Federal Government when we pass legislation like this. That is a taking. That is a taking without just compensation. If we are going to have just compensation, then we ought to know that we are leaving the Federal Government open to a bill for one-half billion dollars. And that is bad. That is bad policy. It is going to happen again and again if we let it happen this time, and that is not the way to legislate. We simply ought not to be doing this sort of thing in the Congress of the United States if we have any confidence at all in our regulatory agencies.

That brings me to the next point, which I think is probably controlling to the whole operation, and that is this: We are dealing with a project that, before we get through, will cost us $1 billion. That is a lot of money. But that is how much the power company is willing to invest in this operation, if they have to, to bring it forward. That is $1 billion in the private sector. We very often create public jobs, jobs with public money. This means jobs. This means material. This is a project of the private sector. And when we send $1 billion to create greater energy and greater use all over the eastern seaboard, indeed all over the eastern half of the United States, then we know that this is why the private sector functions, and this is so important.

Mr. Speaker, I appreciate very much the opportunity to share with the Members my thoughts on this project, because I think this is a very serious mistake we are about to make. For that reason, I urge the Members to reject the legislation and the rule so that we can continue with this project which can provide so many more jobs and economic activity.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. I thank the gentleman for yielding.

Mr. Speaker, the gentleman said a great deal since I requested the opportunity to answer him.

Mr. BUTLER. I think the question the gentleman is about to raise is whether this was a valid license. And, of course, the gentleman and I both know it has been validly affirmed by the court of appeals since the last time we were here on this issue. There was no valid license before, but now there is a valid license. I think that is the question the gentleman wanted to raise.

Mr. TAYLOR of North Carolina. The gentleman is correct. The license has been issued. It is on appeal now to the Supreme Court of the United States.

Mr. BUTLER. If the gentleman will permit me, I would like to correct the gentleman.

Mr. TAYLOR of North Carolina. The company has not started construction. The company has not been permitted to start construction because of the license. This is an unusual situation because the Secretary of the Interior has created a wild and scenic river as provided by law. The FPC has authorized a power dam. The two are in direct conflict. That creates an unusual situation.

Mr. BUTLER. Mr. Speaker, I would like to reclaim my time.

Mr. TAYLOR of North Carolina. This question should be resolved by the Congress.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. QUILLEN. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, I would like to say that the Secretary, Mr. Kleppe, expressly stated, when he made his designation, that that designation was subordinate to the license issued by the Federal Power Commission and that if the license were sustained by the court, the act of the Secretary was a vain one; and it is, I insist, a valid license.

Mr. QUILLEN. Mr. Speaker, I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I yield 3 minutes to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I profoundly respect the convictions and the intensity of feeling of the gentleman who just concluded. But sometimes hard decisions require a hard vote, and I think the law is that so long as there is an appealable order, there is no taking of another person's property. Once time has run on appeal, and as order is truly final, then it becomes certain and irrevocable; and there is no question here of a Declaration of Taking, a matter totally different in which damages will lie. Not so, here.

Mr. Speaker, about three years ago I devoted a full year, with my eminent friend, the gentleman from Idaho (Mr. SYMMS), and, I believe, the gentleman from California (Mr. KETCHUM), who was then a Member of the Committee on Interior and Insular Affairs, and my good friend, the gentleman from Kansas, (Mr. SKUBITZ). We labored long and hard on middle hydroelectric plant and dam on the Snake River in Idaho. It would have inundated less than 30 feet.

We lost that battle, even though it was tops in efficiency and would have taken less than 3,000 acres. I think it was less than 3,000 acres that would have been inundated. We lost it to the environmental interests, one of the most efficient hydro plants that could have been built.

We are now faced with an inundation—and this is not for 3,000 acres but 30,000 acres—for a pump storage plant, not a clean hydro dam. Pump-storage is clearly one of the least efficient methods of power generation that we have.

I hope that we will all consider the facts well, and that is why I think we should vote for the rule. I think the bill should be passed and the New River should be saved. I am only one Member of Congress, of course, and I know that the House will work its own will, but I do not think the position of some of the Members is valid just because a regulatory agency issued an order.

The Congress of the United States is the final authority over the orders of this Government in the establishment of law, not one of the created agencies or bureaus of the Government. And the Supreme Court is the final arbiter or authority of our actions, should they offend its ultimate authority, our Constitution. To argue that a Federal Power Commission order, still under appeal by application for a writ of review—certiorari—to the Supreme Court—is simply not a valid premise.

I urge adoption of the rule.

Mr. MADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. HALEY).

Mr. HALEY. Mr. Speaker, I wonder if the gentleman from Virginia who just preceded the last speaker is aware of the fact that I as chairman of the full Committee on Interior and Insular Affairs wrote the Chairman of the Federal Power Commission. I wrote a letter to the Chairman as follows:

JUNE 5, 1974.

Mr. JOHN N. NASSIKAS,
Chairman, Federal Power Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: As you know legislation has been introduced which would provide for a study of the New River of North

> Carolina, Virginia and West Virginia for potential inclusion in the National Wild and Scenic River System. This legislation has been approved by the Senate and has been the subject of a lengthy hearing before the House Subcommittee on National Parks and Recreation. The Federal Power Commission was invited to participate in that hearing; however, it elected not to send a spokesman.
>
> In light of the fact that this legislation is under active consideration by the Congress, I would appreciate being advised that the Federal Power Commission will defer any further action on any applications for pending projects on the New River until the Congress has had a reasonable amount of time to complete its deliberations.
>
> Your prompt response to this letter will be greatly appreciated.
>
> Sincerely yours,
>
> JAMES A. HALEY,
> *Chairman.*

Mr. Speaker, I never had the courtesy of a reply to that letter.

Mr. BUTLER. Mr. Speaker, if the gentleman will yield, what is the date of the letter?

Mr. HALEY. The date of the letter is June 5, 1974.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, let me just add something to what the committee chairman has said. We invited the Federal Power Commission to send a spokesman to appear before our committee to testify. They ignored the request and a few weeks later they licensed the project. Senator Sam Ervin said that was the most flagrant display of bureaucratic arrogance he had ever seen.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman in whose district the dam is located, the gentleman from North Carolina (Mr. NEAL).

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, I rise to correct the record concerning the statement just made by the distinguished chairman of the Committee on Rules. The gentleman is in error. The proposed Blue Ridge dams would be located in Virginia. and it would be located in the district of the gentleman from Virginia. I wish to have the record corrected in that respect.

Mr. MADDEN. Mr. Speaker, if the gentleman will yield, I thank the gentleman for the correction.

Mr. NEAL. Mr. Speaker, I rise in support of this resolution to set the terms of consideration for H.R. 13372, a bill to preserve the New River as a component of the National Wild and Scenic Rivers System. Unless this legislation is passed, the Nation's newest wild and scenic river will be destroyed by a twin-dam power project which has been licensed by the Federal Power Commission.

Opponents of this legislation have misleadingly attempted to portray the issue as a conflict between energy and jobs, on the one hand, and environmental protection, on the other—but this is not the case. The energy storage project which threatens the New River would be a net energy user, consuming more power than it would return for later use at peak demand periods. The project would be unnecessary if the power company would adopt a system of peak load pricing, or if it would simply use realistic assumptions in its projection of future energy demands. Thus, the issue here is not one of energy versus the environment: in fact, if we wish to make the most efficient use of our energy resources, then we must preserve the New River.

Opponents of this legislation have also urged that it be defeated because the proposed power project would create a substantial number of temporary jobs. Yet more jobs would be created if an alternative coal-fired plant were built. These jobs would be in construction, in coal mining, and in the operation of the plant and they would not be created at the expense of several hundred farm jobs which would be eliminated if the New River were flooded. If we are seriously concerned about employment, then we will create more jobs by saving the New River than by destroying it.

Opponents of the legislation have argued that it would make the Federal Government liable for compensation to the holders of the license. However, the Department of the Interior and the Library of Congress have each concluded that licenses issued by the Federal Government may be modified or revoked at any time without compensation.

Finally, opponents of this legislation have contended that it should be defeated because a case challenging the validity of the license is now before the U.S. Supreme Court. But the validity of the license is not what is at issue here. We have a situation in which there is a conflict between two agencies of the Government over the proper use of the New River. Under normal circumstances, a river which has been included in the Wild and Scenic Rivers System would be protected from this sort of threat. It is the right and, in fact, the duty of Congress to resolve this uncertainty by extending to the New River the full protection afforded to any component of the National Wild and Scenic Rivers System. Finally, there are those who say we should not intervene in a decision made by the Federal Power Commission. Yet the Federal Power Commission is a creature of Congress and has merely been delegated to exercise authority which ultimately belongs to the Congress. We would not now be considering this legislation if the Federal Power Commission had not attempted to set a limit on congressional deliberations of Wild and Scenic River status for the New River. Its issuance in 1974 of a license for the project at a time when Congress was considering a bill similar to the one before us today was an unparalleled act of administrative arrogance.

The fate of the New River should be decided, not by an arbitrary administrative body, but by the Congress. I therefore urge adoption of the rule to provide for consideration of the bill to save the New River.

Mr. MADDEN. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Speaker, as one of the cosponsors of the bill, I rise in support of the bill.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 371, nays 10, not voting 50, as follows:

[Roll No. 624]

YEAS—371

Abdnor
Adams
Addabbo
Alexander
Allen
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carr
Carter
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness

Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—10

Butler
Cederberg
Duncan, Tenn.
Harsha
McEwen
Matsunaga
Michel
Quillen
Robinson
Wampler

NOT VOTING—50

Abzug
Ambro
Anderson, Ill.
Aspin
Biester
Bowen
Brown, Mich.
Carney
Chappell
Conable
Conlan
Conyers
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Green
Hansen
Harrington
Hébert
Heinz
Hinshaw
Holland
Holt
Howe
Jones, N.C.
Karth
Landrum
McKinney
Mikva
Mink
Moorhead, Pa.
Passman
Rhodes
Richmond
Riegle
Sikes
Steelman
Steiger, Ariz.
Stephens
Stuckey
Teague
Treen
Waggonner
Waxman
Weaver
Wiggins

The Clerk announced the following pairs:

Mr. Waggonner with Mr. Anderson of Illinois.

Mr. Hébert with Mr. Esch.

Mr. Sikes with Mrs. Fenwick.

Mr. Passman with Mr. Rhodes.

Ms. Abzug with Mr. Aspin.

Mr. Richmond with Mr. Riegle.

Mr. Jones of North Carolina with Mr. Brown of Michigan.

Mr. Chappell with Mr. Wiggins.

Mr. Carney with Mr. Biester.

Mr. Bowen with Mr. Treen.

Mr. Harrington with Mr. Conyers.

Mr. Fountain with Mr. McKinney.

Mr. Moorhead of Pennsylvania with Mr. Evins of Tennessee.

Mr. Teague with Mr. Findley.

Mr. Waxman with Mr. Conable.

Mrs. Mink with Mr. Steiger of Arizona.

Mr. Mikva with Mr. Hansen.

Mr. Ambro with Mr. Steelman.

Mr. Howe with Ms. Holt.

Mr. Stephens with Mr. Conlan.

Mr. Stuckey with Mr. Green.

Mr. Weaver with Mr. Heinz.

Mr. Landrum with Mr. Forsythe.

Mr. Flynt with Mr. Holland.

Mr. MOFFETT changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid upon the table.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I take this time to refer to the legislation that is left for the remainder of the day.

I will offer a concurrent resolution for the recess.

Following that we will get back to the general debate on the wild and scenic rivers bill, the New River bill. At the conclusion of the general debate on the bill, the House will rise and meet tomorrow at 11 o'clock, at which time we intend to finish the wild and scenic rivers bill, the New River bill.

We will start off with the FEA conference report.

Then we will have the Wild and Scenic Rivers Act Amendments—New River—bill and finish that, finish the amendments and the bill; followed by H.R. 14232, Labor-HEW appropriations for fiscal year 1977.

Then we will consider the nine bills from the Committee on Ways and Means on suspension when we come back.

The remainder of the legislation will be held on the calendar until we come back, so we should be out of here at a reasonable time.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I wonder if the gentleman from Kansas (Mr. SKUBITZ) is here, because last week the gentleman expressed a desire that all Members be present at all times. I do not want the gentleman to miss any of this.

Mr. SKUBITZ. Mr. Speaker, if the gentleman will yield, I am here.

Mr. THOMPSON. I expect the gentleman from Kansas (Mr. SKUBITZ) to ask for a rollcall on this legislation.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, I was here when the gentleman from New Jersey was off the floor.

ADJOURNMENT OF CONGRESS FROM AUGUST 10 TO AUGUST 23, 1976

Mr. O'NEILL. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 707) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 707

Resolved by the House of Representatives (*the Senate concurring*), That when the House adjourns on Tuesday, August 10, 1976, and that when the Senate adjourns on Wednesday, August 11, 1976, they stand adjourned until 12 o'clock meridian on Monday, August 23, 1976, or until 12 o'clock meridian on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. During the adjournment of both Houses of Congress, as provided in section 1, the Secretary of the Senate and the Clerk of the House, respectively, be, and they hereby are authorized to receive messages, including veto messages, from the President of the United States.

The SPEAKER. Without objection, the previous question is ordered on the concurrent resolution.

There was no objection.

The SPEAKER. The question is on the concurrent resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MARTIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 1463, the resolution providing for consideration of the New River bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL MIDNIGHT FRIDAY, AUGUST 13, 1976, TO FILE TWO REPORTS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight Friday, August 13, 1976, to file two reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION (FOSSIL FUELS) OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO MEET DURING 5-MINUTE RULE ON TOMORROW

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research, Development, and Demonstration (Fossil Fuels) of the Committee on Science and Technology be permitted to meet during the 5-minute rule tomorrow, August 10, 1976, for the purpose of taking testimony.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

AMENDING THE WILD AND SCENIC RIVERS ACT

Mr. TAYLOR of North Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271), and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR).

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 1, not voting 80, as follows:

[Roll No. 625]

YEAS—350

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Cederberg
Chisholm
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Fary
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Latta
Leggett
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Paul
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Walsh
Wampler
Whalen
White
Whitehurst
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—1

LaFalce

NOT VOTING—80

Abzug
Allen
Ambro
Anderson, Ill.
Aspin
Biester
Blouin
Bowen
Broomfield
Brown, Calif.
Brown, Mich.
Carney
Chappell
Clancy
Clausen, Don H.
Conable
Conlan
Conyers
Daniel, Dan
Duncan, Oreg.
du Pont
Edgar
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Green
Hansen
Harrington
Hawkins
Hébert
Heinz
Hinshaw
Holt
Howe
Hutchinson
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Karth
Landrum
Lent
McKinney
Mazzoli
Mikva
Mink
Mitchell, Md.
Moorhead, Pa.
Passman
Patterson, Calif.
Pattison, N.Y.
Rhodes
Richmond
Riegle
Santini
Schneebeli
Sikes
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symms
Treen
Tsongas
Vanik
Waggonner
Waxman
Weaver
Whitten
Wiggins
Wilson, C. H.
Wright
Young, Alaska

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13372, with Mr. HAMILTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina (Mr. TAYLOR) will be recognized for 1 hour, and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 1 hour.

The Chair recognizes the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, first I would like to discuss for a minute the questions that will be raised by the gentleman from Virginia (Mr. BUTLER). The gentleman from Virginia (Mr. BUTLER) states that this legislation completely and fully violates the Constitution and does not provide just compensation so that the power company would have to pay it for its losses.

There are three questions involved here. The first question is: Does the power company own land in the area? And the answer is yes. The power company has acquired many acres of land in Virginia near the dam site but this legislation does not take 1 acre and there would be no liability since there would be no taking.

The second question is: Does the Appalachian Power Co. own the river? The answer is "No" and a resounding "No."

It is a well settled law that navigable streams like the New River are owned by the United States. That is the premise upon which the Federal Power Commission was based when it was created by Congress. We own the New River, all Americans own it and the Congress, not the Federal Power Commission, as its agent, has the job of determining how it should be used.

The third question is: Does the Appalachian Power Co. have a property right in the FPC license?

The answer is "No." Even the counsel for the Appalachian Power Co. testified that, to use his words, "There is no market for FPC licenses." But, more importantly, the U.S. Supreme Court has said there is no property right in a license issued by the Federal Power Commission. A license is just that, a license, a permit, at best. In a case involving the Appalachian Power Co. (311 U.S. 377) the Supreme Court held that a license to obstruct or use navigable waters may be granted, denied, or revoked by Congress according to what Congress determines to be in the public interest. And the Congress, the Court held in another case—*United States* v. *Commodore Park, Inc.*, 324 U.S. 386—incurs no liability on the part of the U.S. Government in exercising this power.

We requested the solicitor for the Department of the Interior for an opinion, and we asked the Library of Congress for an opinion and we requested our committee counsel for an opinion, and they all conclude that the Appalachian Power Co. would be entitled to no compensation if this legislation is passed.

Most all of the money spent was spent before the license was granted and the license is still in litigation. Most of the money was spent in land which can be sold at a profit and not at a loss.

Mr. Chairman, H.R. 13372 would assure the continued protection of that segment of the New River in North Carolina which has previously been included in the National Wild and Scenic Rivers System.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, I assume that the gentleman is moving on to another point and before the gentleman does that, does the gentleman agree that the license owned now by the Appalachian Power Co. is a value?

Mr. TAYLOR of North Carolina. The gentleman from Virginia is asking me does it have a value?

Mr. BUTLER. Does it have value?

Mr. TAYLOR of North Carolina. Yes, there is a value to the power company. They cannot sell it, or convey it, and it is not marketable. If they finally get approval as to whether or not they have a green light to build the project it will have a value to the company.

Mr. BUTLER. Will the gentleman from North Carolina agree if the Supreme Court affirms the license that it will then be vacating of this legislation?

Mr. TAYLOR of North Carolina. Certainly not. That is exactly what I said and what the Supreme Court said is not the law.

Mr. BUTLER. I tried to follow the gentleman's citation, but, returning once more to the point, the gentleman will agree with me that the license is a value to the licensee, the power company; is that correct?

Mr. TAYLOR of North Carolina. Yes, there is a value to the power company, if it is not stopped otherwise in going ahead and building the dams. It is not marketable, it has no market value. A witness from the company before our committee mentioned that.

Mr. BUTLER. Would the gentleman from North Carolina agree that if this legislation passes, the license will have no value?

Mr. TAYLOR of North Carolina. If this legislation passes the power company will not be permitted to construct a dam in such a way as to inundate this wild and scenic river. There are many other alternatives available to the power company such as building another dam further down the river, or a lower dam, or the power company may decide on building a coal-fired powerplant, but it would not be allowed to build this dam as presently planned.

Mr. BUTLER. The license will have no value to the power company if this legislation passes.

I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield, I might add that a driver's license is valuable but if your license is suspended, it is not a taking of property which, under the Constitution, must be compensated.

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, I commend the gentleman and the committee for bringing this legislation to the House and I rise in support of the legislation. But the question has been raised about a precedent for this legislation. Two weeks ago we dedicated the Hells Canyon National Recreation Area out in Oregon and Idaho. In this legislation it seems to me we established a rather clear precedent for what we are doing here. In 1964 the Federal Power Commission had licensed the High Mountain Sheep Project on the Snake River. The license was contested by the Department of the Interior and, although the Federal Power Commission was upheld in the Court of Appeals, the Department of the Interior won a reversal in the Supreme Court—Udall against Federal Power Commission, 1967.

In 1973 the Commission reopened the proceedings to license the High Mountain Sheep project. Subsequently the Hells Canyon National Recreation Area bill was introduced and passed to preserve the Snake River and to terminate further considerations by the Federal Power Commission of High Mountain Sheep and a second project that was under study.

The parallels between Hells Canyon and the present New River controversy are very striking and, in my judgment, this is sound legislation proceeding on a very sound principle.

I support the gentleman and commend him.

Mr. TAYLOR of North Carolina. I thank the gentleman from Oregon, the chairman of the Committee on Ways and Means, for his contribution.

Mr. Chairman, this bill, H.R. 13372, would assure the continued protection of that segment of the New River in North Carolina which has previously been included in the National Wild and Scenic Rivers System.

The protection of the New River constituted a hotly contested battle during the last session of Congress.

At that time, the Interior Committee reported legislation which would have included a segment of the New River in the study provisions of the National Wild and Scenic Rivers System. The Senate passed such a bill overwhelmingly by a 3-to-1 vote, and the House, by a majority vote, approved such legislation; but it was near the end of the session and we were denied a rule by the House Rules Committee. The bill then had to be taken to the House floor under a procedure which required a two-thirds vote and we were unable to get the two-thirds, the vote being 196 to 181.

Our situation today is somewhat different and I think stronger. The North Carolina State Legislature unanimously approved legislation creating a 26.5-mile segment of the river as a wild and scenic river to be administered by the State a no cost to the Federal Government. On April 13, 1976, the Secretary of the Interior designated this segment as a component of the National Wild and Scenic Rivers System, to be administered by the State pursuant to the provisions of the 1968 Wild and Scenic Rivers Act, which Congress passed.

Earlier the Federal Power Commission had issued a license to the Appalachian Power Co. for construction of a two-dam hydroelectric-pumped storage project which would inundate this scenic river. The legality of the license has been approved by the Court of Appeals of the District of Columbia and is now being appealed to the U.S. Supreme Court.

The decision of the Secretary conflicts with the action of the Federal Power Commission necessitating congressional action to prevent many years of litigation which neither side wants.

Let me point out that the bill before us which was passed overwhelmingly by a voice vote in the Interior Committee would allow the Blue Ridge project to be modified or relocated and constructed so long as it does not destroy or adversely affect the upstream segment of the river included in the National Wild and Scenic Rivers System.

There was much controversy 2 years ago as to whether or not this river qualified for admission into the Wild and Scenic Rivers System, but it is now a part of the system. That issue has already been resolved. It has been thoroughly studied by the Department of the Interior for its natural and recreational qualities and it has been designated by the Secretary on that basis. This is one of the oldest rivers in the world and is the oldest river in North America, so geologists say. It survived the ice age, survived glacier after glacier, and continued its flow in its established channel, being one of the few rivers in America that flows north.

I am convinced that the adverse consequences of the proposed Blue Ridge project far exceed the benefits.

This pumped-storage project would not only consume 4 units of electricity for every 3 produced but would flood 40,000 acres, displace 3,000 citizens, submerge 936 homes, 600 farms, 10 industrial buildings, 5 U.S. post offices, 15 churches, and 12 cemeteries.

The Federal Power Commission estimates that it would be 8 years before the electricity from this project would be on the market even if this bill is defeated. Modes of securing electricity are changing. We are now moving forward toward nuclear power and later probably to solar power.

Twenty-five years from now we may not need this power dam but we will continually need the farmlands—the 42,000 acres of farmlands, and timberland which would be destroyed. Farmland in our Nation is becoming scarcer and the need for this land is bound to increase with future years. The day may come when the need for productive farmland will be greater than the need for energy today. The life of the project is projected as 50 years but the need for farmland will be forever.

Some construction union spokesmen have expressed opposition to the bill and support for the power project because of the construction jobs involved. But I believe that the jobs issue has been blown out of proportion. It is true that some 1,500 or 2,000 construction jobs would be available during the 6-year construction period. Many of these would not last the entire period but would be of short duration. But once the project is built it would employ only 100 people as it would be highly automated.

Spokesmen for the power company at the hearing stated that if this project were not approved they would be compelled to build a more expensive coal-burning facility in the general area. The construction of this facility should provide a comparable number of construction jobs and, in addition, it would provide many West Virginia coal mining jobs which will reach into the indefinite future and will save 300 to 400 farm jobs which will be destroyed forever if the Blue Ridge project is approved.

The FPC points out that there are other river sites on which facilities can be constructed to provide the peaking power at a lower unit cost. There will be temporary construction jobs associated with any alternate facility that is constructed.

Much has been said of the recreation benefits of the proposed Blue Ridge project. Even the FPC states that—

> Viewed solely from the standpoint of production of power other sites would provide power at lower costs.

But the supposed recreation benefits of the project are expected to be a major factor in its favor.

The FPC states that the lower reservoir with planned fluctuations up to 43 feet would not make a major contribution to recreation but the upper 26,000-acre reservoir is expected to be a major recreational resource according to the FPC. American Electric Power is to purchase lands for both a North Carolina and Virginia State park on the upper reservoir.

The FPC projects an annual $6.1 million recreation benefit based on a projected annual visitation of 6.23 million people. This is a larger annual visitation than Yellowstone and Yosemite Parks combined.

The Interior Department which knows more about recreation than the FPC showed that this projection is very unrealistic and pointed out that there are now 450,000 acres of lake water available for recreation within 150 miles of the New River project. The Department of the Interior estimates recreation benefits at less than 50 percent of that claimed by the FPC.

The FPC gave no consideration to the loss of boating, rafting, and fishing on the present free-flowing stream which is one of the best trout and smallmouth bass fishing rivers in the Nation.

Lake Norman and most other lakes in the area are not pumped-storage lakes and do not have the mudflat problem. Shorelines on the Upper New River Lake would move an average of 5 feet for each foot of drawdown. As the water level goes down 3½ feet from Monday to Friday the average shoreline would retreat 17½ feet. The FPC license authorizes the company to provide a water fluctuation between Monday morning and Friday afternoon of as much as 10 feet in the water level. When use is made of this 10-foot fluctuation, if a person took his boat to the lake on Friday afternoon for a weekend of recreation, he would be confronted by 50 feet of mudflats around the lake waters. Fish lay their eggs in shallow waters. This constant fluctuation of water level will kill fish eggs and prevent normal fish procreation.

The recreation benefits have been greatly magnified by the power company and by the FPC.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I thank the gentleman for yielding.

I very strongly support this legislation, but I would like to concur with the gentleman completely that the FPC has already stated there are other potential pump storage sites which could provide the peaking power at lower cost than the Blue Ridge project. The only way they balance out a cost-benefit ratio is to say that it is needed for recreation.

Mr. Chairman, if the gentleman will yield further, what the gentleman from North Carolina says about the recreational potential for the river as it is and, of course, free-flowing streams in this country are becoming increasingly scarce, it way exceeds anything that would be created with a manmade lake that will go up and down 10 feet. We just cannot improve on nature and create a recreational resource.

Mr. Chairman, I hope this will be supported by the entire membership.

I would like to pay particular tribute to the chairman, the gentleman from North Carolina (Mr. TAYLOR) and his colleague from that State (Mr. NEAL) for bringing this legislation to the floor. I would also like to commend my colleague from West Virginia (Mr. HECHLER) for his extraordinarily effective work promoting this bill. My office is down the hall from his. Every day during this session I have observed the sign on his door reading "The New River—Like It Is!" That is the way we should assure it remains.

I would like to point out the dubious nature of the recreation benefits claimed for the proposed Blue Ridge project by its proponents. I have always been a strong champion of sound recreation resource development. However, I question the soundness of Blue Ridge. First of all, we must realize that pump storage projects such as Blue Ridge are not designed primarily for recreation. They are designed to store power and are drained periodically to release the power. When this occurs, the water level subsides and unsightly mud flats occur around the lake. Even if this should occur infrequently as AEP claims, it does introduce an uncertainty about recreation which might affect the recreational value of the project. In addition, since fish and other aquatic species lay their eggs in shallow water, we cannot be certain that fishing would continue to be productive. Currently the New River is one of the best small-mouth bass fisheries in the Nation.

The American Electric Power Co. has admitted that there are alternative sites which could produce power more cheaply than the Blue Ridge project. They have justified selecting the more expensive Blue Ridge site by claiming that it will become a major recreational attraction in the Southeastern United States with an annual average attendance of over 6 million people. Experts have raised good questions as to why 6 million people would single out Blue Ridge when there are numerous flatwater reservoirs nearby. Why would people bypass one, two, or in some cases three recreational reservoirs to visit one such as Blue Ridge where they might face mudflats—of up to 50 feet—surrounding the water?

I have here a letter dated August 3 sent to the House Rules Committee by the top recreation professional in North Carolina, Mr. Ron Johnson, director of State parks and recreation:

> Our Planning Staff has been involved with reservoir and state park studies for at least five years. A summary of results of studies includes the following:
>
> (1) A very comprehensive study of proposed reservoirs as they relate to unmet recreation needs shows the Blue Ridge project reservoir number 32 in a priority listing of 83 projects in North Carolina. The computer printout summary is attached.
>
> (2) State Park lands in region D, the location in which the Blue Ridge Reservoir would be located, exceed current needs by 2,648 acres as of the most recent computation, July 29, 1976, a summary copy of which is attached.
>
> (3) The population residing within 50 miles of the proposed project is 638,000. The 50-mile distance standard defines the area from which 90% of expected visitation will come. Accessibility within this region is such that the 50-mile figure may be in excess of the effective market area because of the character of the road system. The 50-mile standard has been established as a result of other studies including some by U.S. Army Corps of Engineers.
>
> (4) Lake Norman, a 35,000-acre reservoir with a population of 1,317,000 within 50 miles with a relatively stable water level on the Catawba River near Charlotte, North Carolina, is attracting approximately 2.2 million visitors annually.
>
> (5) As a result of state park studies, the existence of Mount Jefferson State Park in

Ashe County and the 12,000-acre Stone Mountain State Park in Wilkes County, both of which are within 35 miles of the Blue Ridge project, will be adequate to supply the demand for state parks within this region. Stone Mountain will eventually consist of 20,000 acres and is directly adjacent to the Blue Ridge Parkway, Doughton Park, the Thurman Chatham Game Lands (6,924 acres) and the Carson Woods Game Lands (1,079 acres).

In summary, there is an existing surplus of the type of recreation which Blue Ridge might provide. How could the project be a major recreational attraction in the whole Southeast when it would be a very mediocre one in North Carolina? The New River as a wild and scenic river would be a completely unique recreational resource for a large geographic area, and I strongly endorse its use as such.

North Carolina Department of
Natural and Economic Resources,
August 3, 1976.

Hon. Ray J. Madden,
Chairman, House Rules Committee, U.S. House of Representatives, House Office Building, Washington, D.C.

Dear Congressman Madden: The staff of the House Rules Committee has requested information regarding recreational aspects of the proposed Blue Ridge Reservoir project on the New River in North Carolina and Virginia.

Our Planning Staff has been involved with reservoir and state park studies for at least five years. A summary of results of studies includes the following:

(1) A very comprehensive study of proposed reservoirs as they relate to unmet recreation needs shows the Blue Ridge Reservoir number 32 in a priority listing of 83 projects in North Carolina. The computer printout summary is attached.

(2) State Park lands in Region D, the location in which the Blue Ridge Reservoir would be located, exceed current needs by 2,648 acres as of the most recent computation, July 29, 1976, a summary copy of which is attached.

(3) The population residing within 50 miles of proposed project is 638,000. The 50-mile distance standard defines the area from which 90 percent of expected visitation will come. Accessibility within this region is such that the 50-mile figure may be in excess of the effective market area because of the character of the road system. The 50-mile standard has been established as a result of other studies including some by the U.S. Army Corps of Engineers.

(4) As a result of state park studies, the existence of Mount Jefferson State Park in Ashe County and the 12,000-acre Stone Mountain State Park in Wilkes County, both of which are within 35 miles of the Blue Ridge project, will be adequate to supply the demand for state parks within this region. Stone Mountain will eventually consist of 20,000 acres and is directly adjacent to the Blue Ridge Parkway, Doughton Park, the Thurman Chatham Game Lands (6,924 acres) and the Carson Woods Game Lands (1,079 acres).

(5) According to our study, there is a deficiency in the district and county-wide site classifications amounting to 1,712 acres. These parks are intended to serve local recreation needs, and must be located where population centers exist, and would not be accommodated at the Blue Ridge site.

(6) Lake Norman, a 35,000-acre reservoir with a population of 1,317,000 within 50 miles with a relatively stable water level on the Catawba River near Charlotte, North Carolina, is attracting approximately 2.2 million visitors annually.

(7) The visitation figures of even one million days per year indicate the necessity of intensive recreation developments and support facilities which are not in keeping with natural quality adjacent to the New River and could result in damage to natural resources.

(8) In addition to preservation of the natural and scenic values of the South Fork New River, the outdoor recreation program of the State proposes recreational utilization of the river in an attempt to provide a balance of recreational alternatives which cannot be provided by state parks or flat water reservoirs.

In summary, the plan overstates the potential need for a state park at the site with visitation in excess of six million per year for the Blue Ridge project. Studies by the Division of Parks and Recreation conclude that state park lands in the area exceed current demand, and the reservoir proposed has a low priority for recreation in relation to other reservoir proposals.

The development of the New River in the North Carolina Natural and Scenic Rivers System will contribute toward a balanced recreation program for the people of North Carolina and their visitors.

Sincerely,

Ronald D. Johnson,
Director of Parks and Recreation.

Reservoir Study Methodology

The Reservoir Study was developed to find ways to define the relative need for recreation at reservoirs being proposed for construction in the State. The study has developed three values that are used to give a priority rating for each proposed reservoir.

The three values are:

(1) Relative Recreation Base Demand. To measure this value, consideration is given to three factors: population, distance (a factor to define the distance people live from the reservoir), and a socio-economic factor.

(2) Reservoir Supply Increase. This value considers the present supply of reservoir water in the study area. Highest priority is given to the area with the lowest supply.

(3) Unmet or Remaining Recreation Needs. This value is derived from a comprehensive study of needs and present supply of various categories of recreation sites.

Each of these three values is considered in the study to have equal effects on the relative need for recreation at the 83 reservoirs included in the study.

The results of the most recent computation are found on the attached computer printout:

PRELIMINARY RESERVOIR PRIORITY

Rank	Reservoir name	Relative base demand	Recreation need	Supply increase	Priority rating
1	Falls of the Neuse	2.91	1.69	2.31	11.34
2	Wilson Mill	1.41	2.36	2.11	7.02
3	Kornegay	.96	1.35	5.43	7.00
4	Randleman	4.18	1.18	.97	4.77
5	Goshen Main	.84	1.59	2.90	3.88
6	Junction	2.21	.60	2.91	3.86
7	Wiggins Mill	1.40	1.76	1.54	3.81
8	Styers	2.85	.82	1.60	3.72
9	Bakers Mill	1.44	2.18	1.12	3.52
10	Lower Donnaka	2.13	.39	2.98	2.49
11	Beulahtown	1.12	1.91	1.05	2.25
12	Cooleeme	1.59	5.1	2.59	2.12
13	Greater Blewett Fall	.58	.38	8.77	1.95
14	Buffalo Creek	1.28	1.82	.84	1.95
15	Great Swamp	1.24	1.67	.94	1.94
16	Hillsboro	1.58	1.62	.75	1.92
17	Crumps Ford	.64	.64	4.69	1.92
18	Schoolfield Reservoir	.85	1.08	2.01	1.85
19	Alamance Dam	2.91	1.67	.37	1.78
20	Altamahaw	2.24	1.90	.42	1.77
21	Stewarts Main Site	.72	1.30	1.86	1.73
22	Buckhorn	2.11	.64	1.28	1.73
23	Clinchfield	.81	.49	4.33	1.72
24	Beaver Dam Creek	1.58	1.35	.76	1.16
25	Stantonburg	1.33	1.86	.63	1.57
26	Lincolnton	1.28	.69	1.69	1.50
27	Benja	2.55	1.39	.38	1.33
28	Orange	1.68	1.80	.44	1.32
29	Spring Hope	1.17	1.85	.58	1.24
30	Longley	.92	1.12	1.03	1.07
31	Martin	1.44	.93	.78	1.04
32	Blue Ridge Reservoir	.36	.17	16.27	1.01
33	Loves Ford	.57	.48	3.61	.99
34	Grey Rock	1.33	1.36	.54	.97
35	Black Creek	1.27	1.85	.41	.97
36	Rockfish	.48	.61	2.86	.83
37	Morgantown	1.00	.29	2.71	.78
38	Howards Mill	1.10	1.90	.36	.76
39	Tarboro	1.10	1.21	.55	.74
40	Elkin	1.39	.59	.87	.71
41	Upper Little River	1.23	1.87	.27	.61
42	Walnut Cove	1.78	.64	.53	.61
43	Morven	.83	1.91	.37	.59
44	White Oak	.63	1.13	.75	.53
45	Mayo River	1.03	.69	.73	.52
46	Middle Creek	1.09	2.31	.19	.48
47	Crabtree Creek	1.42	1.87	.18	.47
48	Little Buffalo	1.20	2.07	.17	.43
49	Thoroughfare Swamp	.72	1.55	.33	.37
50	Gum Swamp	.97	2.44	.15	.37
51	Upper Dannoha	1.21	.17	1.58	.33
52	Wilson Water Supply	1.10	1.71	.17	.32
53	Swanonoa	1.85	.45	.38	.32
54	Coharie tributary	.63	1.73	.26	.28
55	Upper Little River	.87	2.04	.16	.28
56	County Line Creek	1.31	1.21	.17	.27
57	Nances Ford	1.10	2.08	.12	.27
58	South Country Line	1.23	1.48	.14	.26
59	End River	1.14	1.61	.14	.25
60	Fisher River	.92	.29	.90	.24
61	Aycock Mill	.79	1.75	.15	.21
62	Troublesome Creek	1.26	.67	.24	.21
63	Buck Creek	.68	1.78	.16	.19
64	Haw River	1.10	.69	.22	.17
65	Cane Creek	.84	1.68	.12	.16
66	Clear Creek	1.18	.45	.26	.14
67	Reedy Fork	.85	1.36	.11	.13
68	Buffalo Creek	.63	1.91	.10	.12
69	Roaring River	.85	.23	.61	.12
70	Grants Creek	.73	2.57	.06	.11
71	Little River	.80	1.32	.10	.11
72	Reddies	1.07	.38	.26	.11
73	Turkey Creek	1.13	.36	.24	.10
74	Indian Creek	.69	2.27	.06	.09
75	Mitchell River	.89	.22	.38	.07
76	Sandy Mush	.95	.39	.18	.07
77	Hunting Bear Creek	.63	1.07	.08	.05
78	Little River	.95	.39	.13	.05
79	Epic	.79	.49	.11	.04
80	Elk Creek	.63	.43	.16	.04
81	Ivy Da	.60	.35	.20	.04
82	Chocowinty Creek	.51	.57	.08	.02
83	Boyeston	.65	.39	.09	.02

NORTH CAROLINA OUTDOOR RECREATION NEEDS

The Outdoor Recreation Needs study is a continuing study of the Division of Parks and Recreation. It is updated at least annually to reflect changes in recreation sites in the State.

The study considers population and the present supply of recreation sites to determine recreation needs in the State by site category.

Gross needs

Gross needs are computed by applying planning standards (copy attached) to current population data for each county. The equation is:

Gross Need equals County Population divided by 1,000 times Planning Standard.

Present supply

The present supply of recreation sites, by county and site category, is derived from the North Carolina Outdoor Recreation Areas Inventory.

Net needs

Net needs are computed by subtracting present supply from gross needs. The equation is:

Net Need equals Gross Need minus Present Supply.

The summary of these computations for Region D are attached. A minus net need figure (−) denotes a surplus for the site category.

TABLE VI.—7 (61-3.00) OUTDOOR RECREATION AREA PLANNING STANDARDS

Outdoor recreation area category	BOR class	Planning standard, acres per 1,000 population
Neighborhood emphasis	I	2.5
Community emphasis	I	2.5
City park	I	5.0
Total BOR I		10.0
District park	II	2.5
County park	II	10.0
SORA—Low	II	8.0
SORA—Medium	II	20.0
SORA—High	II	2.0
Total BOR II		42.5
III SORA—Low	III	150.0
State park	III	15.0
Destination park	III	125.0
Total BOR III		290.0

REGION D SUMMARY—NORTH CAROLINA OUTDOOR RECREATION NEEDS, DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES

Park category	Acres, gross need	Acres, present supply	Acres, net need [1]	Percent, relative sufficiency	Estimated cost to meet net need (thousands)
Neighborhood	43	33	10	76.7	$146
Community	43	43	0	100.0	0
Citywide	88	0	88	0	1,054
Borough 1 total	174	76	98	43.6	1,200
District	333	0	333	0	8,341
Countywide	1,518	139	1,379	9.1	4,454
Special, low	1,212	6,498	5,286−	536.2	0
Special, medium	3,036	29,049	26,013−	956.8	0
Special, high [2]	301	75	226	24.9	0
Borough 2, total	6,400	35,761	29,361−	558.7	12,795
Special natural	22,770	102,498	79,728−	450.1	0
State park	2,275	4,923	2,648−	216.3	0
Destination Park [2]	18,973	26,986	8,013−	142.2	0
Borough 3, total	44,018	134,407	90,389−	305.3	0
Total	50,592	170,244	119,652−	336.5	13,995

[1] Negative values represent a surplus of the amount shown.

[2] No cost estimates made, cost totals exclude these park categories.

Mr. TAYLOR of North Carolina. Mr. Chairman, I thank the gentleman from New York.

The FPC apparently gave no recognition to this free-flowing aspect.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, it has already taken us 13 years to bring this project to this point. The gentleman points out that it will take 8 years to complete it. Has the gentleman's committee in the careful consideration of this legislation considered the alternatives that are available and how long it will take, or did they make any real effort to consider the possibility of alternatives?

Mr. TAYLOR of North Carolina. I am sorry. I did not hear the gentleman's question.

Mr. BUTLER. Did the gentleman's committee review the alternatives mentioned by the gentleman from New York (Mr. OTTINGER), who just spoke?

Mr. TAYLOR of North Carolina. We listened to the testimony of every witness who wanted to testify. We had a day of hearings in the 93d Congress. We had a day of hearings in the 94th Congress. We listened to all the people—everyone who came to testify—who had alternatives. The power company testified of its spokesmen that if it is not permitted to build this dam and carry out this project, it will build a coal-burning facility in this area.

Statistics have shown that the cheapest power on the market is that constructed by coal-burning facilities near coal mines where coal is available. That coal is available now.

Mr. BUTLER. Mr. Chairman, if the gentleman will yield further, would the gentleman tell me if the gentleman's committee reviewed the time it would take to start from scratch and build the alternative of a coal-burning plant they had in mind, wherever it would be located? Does the gentleman think the people who objected to this project would stand silent while the coal-burning facility was constructed?

Mr. TAYLOR of North Carolina. I cannot answer that, but we did invite the Federal Power Commission to come and testify and give us more information. They defiantly refused to come, and instead of coming to testify, they approved the license.

Mr. BUTLER. Mr. Chairman, if the gentleman will yield further, the gentleman is referring to a letter read in the RECORD by the gentleman from Florida awhile ago?

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself 2 additional minutes.

Mr. BUTLER. Mr. Chairman, will the gentleman yield further, so that I may conclude what I was asking?

Mr. TAYLOR of North Carolina. Mr. Chairman, I want to finish my statement before I yield further.

Mr. Chairman, I have been working with national parks, historic preservation, and outdoor recreation for the last 16 years. My entire congressional career has been devoted primarily to this field. As one who has studied and visited many of these areas, I believe that it is fair to say that the opportunities to protect and preserve the finest of America's natural and historic areas are decreasing every day and, that once lost, these areas are gone forever.

Since I became a member of the Subcommittee on National Parks and Recreation, over 100 new areas have been set aside for the use and enjoyment of the American people. New national parks, seashores, lakeshores, historic sites, and scenic rivers and trails have been established in almost every State in the Nation. I am proud of that record, and I know as participants in this process that many of you here are proud of it, too. Nearly every State has benefited, but I will be greatly disappointed if, as I close my congressional career, I must return to North Carolina without securing legislation to make certain that the New River which is, in fact, the second oldest river, is preserved for all the people and not destroyed.

Mr. Chairman, this is an issue that is important to me, personally, and to my State. It is important to the people of North Carolina and, in fact, to all people, because I do not believe that the Blue Ridge project is worth what it will cost in terms of the loss of a valuable natural free-flowing stream, in terms of the loss of farmland and farm jobs and the ancestral homes of those who would be forced to leave, and in terms of the net loss of energy, that will actually result if this project is constructed.

Mr. Chairman, I urge support for this legislation.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I am sorry that the gentleman from Virginia (Mr. BUTLER) has left the room, because the committee did hear testimony on the alternatives to this project. We did not have exhaustive hearings on all the alternatives and times of construction, because that is beyond the jurisdiction of our committee and is the job of the Federal Power Commission. The Federal Power Commission, however, is supposed to make a thorough study of the recreational and environmental costs of the project, and they failed to do so.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. TAYLOR) has again expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself 1 additional minute.

The CHAIRMAN. The gentleman from North Carolina is recognized for 1 additional minute.

Mr. TAYLOR of North Carolina. I yield further to the gentleman from Ohio.

Mr. SEIBERLING. We also had testimony, which has never been denied, that this power project would consume four units of energy for every three units it produced, which means that if we want to conserve energy, the project would be an energy-losing rather than an energy-conserving facility. So, the alternatives were weighed by the committee to the extent that it was within our power, and the fact is that there are alternatives. The time that it has taken to get to this point in the company's application for a license is no measure of the time to build, for instance, a steam-powered plant. The fact is that it took this long because the power company was trying to do something that should not have been tried in the first place, namely, to destroy some important environmental and recreational values, not to produce more energy, but to improve their profit picture.

Mr. TAYLOR of North Carolina. I thank the gentleman.

Mr. SEBELIUS. Mr. Chairman, I yield 5 minutes to the distinguished ranking minority member of the committee, the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, I want to say that I regret very much that the gentleman from New Jersey (Mr. THOMPSON) is not on the floor at this hour, 23 minutes to 7, when we are taking up this important piece of legislation. Because I wanted to thank him publicly and express my deep appreciation to him for spotlighting the fact that at 6:10 p.m., the hardworking gentleman from Kansas was on the floor taking care of the public's business. I am sure that my good people in Kansas will appreciate the fact that their Congressman was on the floor then, and is now taking care of his job.

May I say to my colleagues that the compliment he paid me by pointing out that I was here on the job was not solicited by me but it is appreciated.

Mr. Chairman, I rise in support of H.R. 13372, a bill to give statutory recognition to the inclusion of a 26.5-mile segment of the New River in North Carolina in the wild and scenic rivers system.

I do so with mixed emotions.

On the one hand the New River is an extremely rich resource, rich in its beauty, in its historic importance.

On the other hand, passage of this bill apparently would preclude the development of a hydroelectric project on the Virginia portion of the New River.

H.R. 13372 specifically forbids the inundation of the North Carolina segment by the reservoir created by the Blue Ridge project's dam.

The Appalachian Power Co., which was granted a license for the hydroelectric project, contends that it will be impossible if the reservoir cannot extend into North Carolina.

Mr. Chairman, this Nation needs electric power.

We need to do all we can to develop new sources of power.

And if we are ever to achieve energy independence, hydroelectric power will have to play an important role.

Nevertheless, I am persuaded to support this bill.

There is a viable alternative to the Blue Ridge hydroelectric project.

We are making excellent progress in the development and utilization of our Nation's abundant coal reserves.

More and more coal is being used in the production of electric power.

Coal is a resource we have in abundance.

Mr. Chairman, 3 years ago I might have opposed this bill. If the strip mining bill were passed, I would oppose this bill.

Today there remains few wild rivers.

On balance, therefore, I think this is a worthy piece of legislation, and I urge my colleagues to support it.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, this project would not generate additional power; it uses more power than it would produce. Is that substantially correct?

Mr. SKUBITZ. That is my understanding; yes.

Mr. HALEY. I thank the gentleman.

Mr. SEBELIUS. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, the legislation which we are debating today, H.R. 13372, would for the very first time revoke a license issued by the Federal Power Commission. The license was issued to Appalachian Power Co. for the construction of the 1.8 million kilowatt Blue Ridge hydroelectric and pumped storage project.

Mr. Chairman, Blue Ridge is a Virginia project. Both dams, both powerhouses, all transmission facilities, and two-thirds of the project lakes will be located in Virginia's Ninth Congressional District, the district which I have had the privilege of representing for almost 12 years. Virginia strongly supports this project on a bipartisan basis. Its Governor, its attorney general, its two Senators, and the great majority of its delegation in this body urge the prompt construction of Blue Ridge.

Mr. Chairman, during the course of this debate I think it has become rather obvious that many Members of the Committee do not understand the function of peak-hour responsibility. It is believed that the best way to meet peak demand is through a pumped storage project like the proposed Blue Ridge project, because the Blue Ridge project can provide electricity during the peak period, and then at night the water can be pumped back from the lower reservoir to the upper, with the electricity from the system's most efficient coal-burning plants.

So the Blue Ridge project then, conceptually, would be utilizing the surplus capacity from these plants which would otherwise operate less efficiently in lower load ranges. So with the pumped storage project in service, however, such units would be pumping energy and operating at a higher point of efficiency. Therefore, I think it points out that pumped storage projects tend to improve the overall efficiency of power systems and to conserve fuel resources.

Because this project is located in my district, it will clearly have a far more profound impact upon my district than it will elsewhere; and I therefore have studied this project long and hard and carefully, and I believe that it will result in very substantial net benefits, not only for Virginia's Ninth District, but for the entire project area, and, in terms of power and recreation, for a significant portion of the East-Central United States.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Does the gentleman know how many of the 3,000 farm families in the gentleman's district would be displaced by the lake which will be created by this project?

Mr. WAMPLER. I will respond to the gentleman by saying this: Since about two-thirds of the proposed reservoir area would be in Virginia, I would assume that that same ratio would hold.

Mr. SEIBERLING. If the gentleman will yield further, I assume most of those people object to the creation of this project?

Mr. WAMPLER. A portion of them do. It would be fair to say, there is a division of opinion in Grayson County. I am sorry that I cannot supply the gentleman with an accurate breakdown of that sentiment.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. I thank the gentleman for yielding.

How does the gentleman define "active cultivation"? I have driven through this beautiful river valley, and most of the land I see, both on the hillsides and in the valley, is in grass.

We see herds of dairy cattle and we see herds of beef cattle grazing. Does the gentleman class that as active cultivation?

Mr. WAMPLER. Mr. Chairman, I am citing the criteria used by the U.S. Department of Agriculture and by the Extension Service in the States of North Carolina and Virginia.

Mr. Chairman, the record in the Federal Power Commission proceeding also indicates that tourism and recreational pursuits have never really developed in the project area, and that recreation and tourist-related employment is not only insignificant at the present time but will in fact decline in the absence of the Blue Ridge project.

The Department of the Interior's Final Environmental Impact Statement indicates that inclusion of 26.5 miles of the New River and its South Fork in the National Scenic Rivers system would result in only 50,000 recreation visitations annually. This includes and is not in addition to the very limited recreational use presently being made of this reach of the river.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I have just counted the House, and there are 19 Members present. A good bit of work has gone into this bill.

Therefore, Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The gentleman from Kansas (Mr. SEBELIUS) makes the point of order that a quorum is not present.

Mr. SKUBITZ. Mr. Chairman, will the gentleman please withhold that request for the present?

The CHAIRMAN. Does the gentleman from Kansas (Mr. SEBELIUS) insist on his point of order that a quorum is not present?

Mr. SEBELIUS. Yes, Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 626]

Abzug
Adams
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Armstrong
Ashbrook
Aspin
Aucoin
Badillo
Bafalis
Baldus
Beard, R.I.
Beard, Tenn.
Bedell
Biester
Bingham
Blanchard
Boland
Bonker
Bowen
Brademas
Breaux
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Burgener
Burton, John
Burton, Phillip
Byron
Carr
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cochran
Conable
Conlan
Conyers
Corman
Coughlin
Daniel, R. W.
Dellums
Dent
Derrick
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
du Pont
Duncan, Oreg.
Edgar
Edwards, Ala.
Edwards, Calif.
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Ford, Mich.
Forsythe
Gaydos
Giaimo
Gibbons
Goldwater
Green
Guyer
Hall, Ill.
Hall, Tex.
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hébert
Heckler, Mass.
Hefner
Heinz
Henderson
Hinshaw
Holland
Holt
Howard
Howe
Hubbard
Hughes
Hutchinson
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Karth
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Levitas
Long, Md.
Lujan
Lundine
McCollister
McDade
McFall
McHugh
McKinney
Maguire
Mathis
Mazzoli
Meyner
Mikva
Miller, Calif.
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, N.Y.
Murtha
Nichols
Nix
Nolan
Nowak
O'Neill
Passman
Pattison, N.Y.
Pickle
Poage
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Risenhoover
Rodino
Rogers
Rose
Rosenthal
Runnels
Russo
Santini
Satterfield
Scheuer
Schneebeli
Schroeder
Sharp
Shipley
Shuster
Sikes
Slack
Solarz
Spellman
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symms
Teague
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Vander Jagt
Vander Veen
Waggonner
Waxman
Weaver
Whalen
Whitehurst
Wiggins
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Yates
Young, Ga.
Zeferetti

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAMILTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 13372, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 217 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. WAMPLER) for 4 minutes.

Mr. WAMPLER. Mr. Chairman, the Department of the Interior final environmental impact statement also indicated that these 26.5 miles of the New River and its South Fork in the National Scenic Rivers System would result in only 50,000 recreation visitations annually. These would be of the type of canoeing, backpacking, camping, which would result in virtually no economic benefit to the residents of the project area. No motel or other housing accommodations would be required to house them. No restaurants would be required to feed them. No marinas, no second homes would, or could, be built. No appreciation in land values would occur. In fact, scenic restrictions placed upon the use of land along the river would probably result in diminishing its value. From the point of view of the communities involved, the 50,000 annual visitations would constitute a burden upon the local existing highway, police, and sanitation systems, without producing any offsetting economic benefits. This would be true of Grayson County, Va., in my district, as well as Ashe and Allegheny Counties, N.C., because the downstream segment of the proposed scenic river ends at the Grayson County line and the recreationists would terminate their down-river journey in Grayson County.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, my understanding is that at the present time the New River in both Virginia and North Carolina is used extensively by river-boating enthusiasts and, obviously, they are going to continue to go down the river across the State line.

Mr. WAMPLER. Mr. Chairman, later in my remarks I will show how the construction at the Blue Ridge project would make recreational opportunities available to literally thousands of people, where the present use and the enactment of the wild and scenic rivers legislation would restrict it to a relatively few individuals.

Mr. Chairman, while the enactment of H.R. 13372 would perpetuate and perhaps even worsen the economic prospects of the project area, the construction of the Blue Ridge project would provide exactly the kind of "shot in the arm" that the local economy so badly needs.

First, there will be the immediate economic benefits resulting from the construction of the project. Approximately 1,500 workers would be employed during the peak construction period—the bulk of whom would be drawn from the local work force in Virginia and North Carolina. A construction payroll well in excess of $200 million would be spread over the 6- to 8-year construction period.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Chairman, is the gentleman familiar with the fact that the testimony before the committee shows that the power company testified that if they did not build this facility, they would build a comparable facility; chances are it would be a coal-burning facility.

Is not the gentleman familiar with the fact that if this construction facility is built, it would give an equal number of jobs; in addition, there will be jobs in the coal mines of West Virginia? In addition, the jobs of 600 workers at New River will be saved.

Mr. WAMPLER. I think I was present the entire time during the hearings before his subcommittee, and I think he and I were there by ourselves during most of those hearings. I appreciate the time the gentleman took, but nowhere in the testimony have I been able to discover testimony stating that a coal-firing steam-generating facility would be built in Grayson County Va., nor in North Carolina, because the Appalachian Power Co. does not have a franchise in North Carolina.

Mr. TAYLOR of North Carolina. If the gentleman will yield further, let me point out that hearings were held in the House both in the 93d and 94th Congress.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. SEBELIUS. Mr. Chairman, I yield 5 additional minutes to the gentleman from Virginia.

Mr. WAMPLER. In responding to my distinguished friend from North Carolina, I think he would agree that he and I were the only Members of Congress present during most of those hearings. Is that not correct?

Mr. TAYLOR of North Carolina. The House was in session during part of the time. There was a vote or two occurring. There were times when we were probably about the only Members there.

Mr. WAMPLER. I appreciate the gentleman's kindness in permitting me to be there, but again I point out that I do not think the hearings would reflect that a coal-fired steam-generating facility would be built in Grayson County, Va. I would say to my friend from North Carolina that it would be my expectation that if this bill does become law, that many of the same groups who are urging the enactment of this bill will be among those who will lead the fight to deny certification or approval of a site for generation for any type of power, coal-fired, oil-fired, gas-fired, or nuclear-powered.

The gentleman is aware of the very critical vote which occurred in this House last week when the distinguished Speaker cast a vote which broke a tie, which was a very significant vote. My concern is, where are we going to get energy? Unless the gentleman can show me some viable alternative which would produce the equivalent amount of energy at the same cost, I think we are making a terrible mistake.

Mr. TAYLOR of North Carolina. I say again that the Federal Power Commission in its report states that there are 22 other sites on this river where the same energy can be secured at a cheaper cost, and sold to consumers at a cheaper rate.

Mr. WAMPLER. The testimony of the Appalachian Power Co. is that today the proposed cost of the Blue Ridge project is about $845 million.

In all probability, before it was completed the cost would be in excess of $1 billion. To generate equivalent energy would cost, even today, $500 million more, and these are for proposed coal-fired, steam generating facilities. If the gentleman can point out the economics of where we can get cheaper energy I would like to hear it.

Mr. TAYLOR of North Carolina. I might state that in addition to the fact that there are other sites on the river, the power company did testify that if this project is not approved, in all probability it will turn to a coal burning facility and it will produce new energy. That will not be using four units for every three units produced. If every power company in the Nation consumed energy such as this, we would have a worse shortage than the Arabs could possibly bring to the country.

Mr. WAMPLER. I respect the distinguished gentleman from North Carolina. Perhaps he is an expert in this field, but the gentleman still has not answered how the consumer is going to benefit by an additional expenditure of $500 million. I think we should give the Appalachian Power Co. some credit. They are not going to make an investment of this magnitude, using stockholders' money, unless they believe in the feasibility of the Blue Ridge project. The feasibility, I think, has been approved by a unanimous vote of the Federal Power Commission.

The State of North Carolina and others appealed the decision of the Federal Power Commission to the U.S. Court of Appeals for the District of Columbia, and by a unanimous vote that court upheld the validity of the license. The State of North Carolina and others have asked for a writ of certiorari in the Supreme Court, where it is now pending. It seems to me that it is contrary to sound public policy for the Congress to legislate on a bill like this when a matter of this sort is before the highest judicial tribunal in the United States. I think we may be creating a very dangerous precedent here today, one that may haunt us in years to come.

I highly suspect that if this bill becomes law, never again will any private utility in this country make application for the construction of hydroelectric generating facilities.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Washington.

Mr. MEEDS. I thank the gentleman for yielding.

With regard to the additional cost of the project, I am reading from the FEC brief, where it says:

> The record also shows, see Appendix B, that in the region to be served by the proposed project, there are potential pure pumped storage sites which have significantly higher heads and, as would be expected, have lower capacity costs than the multipurpose Blue Ridge combination pumped storage project.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. SEBELIUS. Mr. Chairman, I yield 5 additional minutes to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, will the gentleman give me the date of the report he is referring to?

Mr. MEEDS. This is dated June 11, 1969.

Mr. WAMPLER. We have had a good deal of inflation since that time. I think the point the gentleman from Washington makes does not have much validity in view of inflation and other economic changes that have occurred since 1969—particularly in the field of energy.

Mr. Chairman, I think we should consider very carefully what we are doing here today. This is a classic confrontation between the need for electric energy and the environmental interest that was clearly demonstrated through the proceedings before the Federal Power Commission. The question is: Are we prepared on behalf of the American people to pay the price that would be attached to the legislation that is before us today?

I do not know about my colleagues, but as I indicated in the discussion in the consideration of the rule, the subject that I receive more constituent mail on, as it pertains to the interest of the consumer, is the cost, the ever-increasing and escalating cost of energy.

There are those in this country—and I realize that most of them are sincere—that are for zero growth, no more energy of any type.

I think we have some responsibility here today not only to look at legitimate achievable environmental goals, but also to help provide the means to produce the energy that is required if we are going to have sufficient energy to help provide jobs, and to produce an adequate supply of food and fiber in this country. It seems to me that hydroelectric generating capability certainly helps answer the environmental objections. As far as the Blue Ridge project is concerned, it could save the consumers of this country at least one-half billion dollars. The rate of increase in the cost of construction of coal-fired steam-generating facilities has far outstripped the increases in the cost of the proposed Blue Ridge project.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding.

Has the gentleman calculated or has the Appalachian Power Co. calculated the effect of a nationwide adoption of the concept of peak-load pricing and how much that would save the consumers?

Mr. WAMPLER. It is my understanding that the Appalachian Power Co. is studying the effect of peak-load pricing, as most utilities are, but it is also my understanding that this was not a part of the consideration in the proceedings before the Federal Power Commission.

Mr. MOFFETT. If the gentleman will yield further, I can certainly tell, from the gentleman's remarks, that he has put a great deal of study into this, much more than I have. But does the gentleman know, in the projections of the Appalachian Power Co., whether they have considered what the effect would be of adopting peak-load pricing and what the effect would be on this facility and others?

Mr. WAMPLER. Of course, when these proceedings began some 13 years ago I suppose the Appalachian Power Co. projected not only the increase in energy demands but also the reliability of the system, which can be just as important as the amount of energy that might be produced. If we go through another 13 years of proceedings of this type, I would say to the gentleman from Connecticut that his constituents might flick on a light switch and end up in the dark.

I do not know that will happen, just as I am sure the gentleman does not. What we must do is make a judgment today. If

Appalachian Power Co. would proceed forthwith with the construction of the project, we are talking about a completion date 8 or 10 years in the future.

Mr. MOFFETT. Mr. Chairman, I must disagree with the gentleman, and if I may just finish my point, let me say this:

Appalachia, just as most utilities, have taken their peaks as gifts coming from over the mountaintop staring them in the face. They have all been following these practices, and I think if we look at it in terms of shaving that peak, we can see that the future need is diminishing.

This project is not one for zero-energy growth. I do not think that many people want to see what the gentleman called zero-energy growth, but by determining the long-term need for this kind of capacity in energy, we can probably save the consumers money. I think the gentleman will agree that is one of our goals.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I was interested in the comments of my colleague, the gentleman from Connecticut.

The gentleman has been a great advocate of hydroelectric power because it is the cleanest form. Why does the gentleman oppose this measure? Does the gentleman know much about it?

Mr. MOFFETT. Mr. Chairman, if the gentleman from Virginia will yield, can the gentleman from California (Mr. Rousselot) cite me an example when I have been an advocate of hydroelectric power?

Mr. ROUSSELOT. Yes, many times when we have discussed these issues.

Mr. MOFFETT. Have I ever said that on the floor? I do not recall that I have.

The CHAIRMAN pro tempore (Mr. Ryan). The time of the gentleman from Virginia (Mr. Wampler) has expired.

Mr. SEBELIUS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Virginia (Mr. Wampler).

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. WAMPLER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I will ask the gentleman from Connecticut, is he or is he not an advocate of hydroelectric power?

Mr. MOFFETT. Mr. Chairman, if the gentleman will yield, in some cases, I am, but I think the Congress should ask whether or not the utility companies in their projections for the future have projected what in fact is the potential through conservation that might be achieved by reform of the rate structure, through conservation that might be achieved by shifting usage over peak-load periods and reducing prices. The price might be reduced by the utilities, and I am not sure that is the complete answer, but the whole notion of peak-load pricing promises tremendous savings in energy.

Mr. Chairman, that is the point I have been trying to make. We talk about energy independence, and we talk about the need for conserving energy. Some of our efforts reach that goal, that is true, in some cases, and in some cases that includes our best efforts, and I would endorse that. But in this particular case I am only asking this: What kind of consideration was given to the potentials?

Since this is a peak-power project, what kind of potential was examined in terms of the notion of peak-load pricing? The FEA tells us that we can save hundreds of thousands of barrels of oil by the end of this decade if the utilities across the country would embrace this notion.

Mr. WAMPLER. Mr. Chairman, let me reclaim my time.

Let me point out that I would hope the issue of peak load pricing is something Congress will address itself to.

This power project would enhance the reliability of electric service not only to Appalachian communities but to the entire eastern seaboard because of the interconnect that exists today. As a matter of fact, Appalachian Power Co. has on many occasions supplied power to New York City and to other large metropolitan areas during periods of peak power crises.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. Simon).

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I want to first extend my appreciation to the distinguished subcommittee chairman and other members who have given as much of their time to preserving the New River, especially to the gentleman from North Carolina, Mr. Neal) who has been an informed and tireless proponent of this measure among the newer Members of Congress.

If we reject this effort to preserve the free-flowing New River in its natural state, we will be saying that its preservation and the lives of the people around it are less important than the short-term peaking power capacity which the Appalachian Power Co. dams would produce.

Opponents of this measure most frequently rely on jobs and energy independence as their ammunition. My record in this Congress has been about as good as any Member's on jobs issues. But as national legislators, our primary responsibility is not to support a project simply because it will create jobs. I do not believe in voting for a weapons system of questionable merit because it will provide jobs in my district. And I do not believe in voting for a power project like Appalachian's because it will create jobs. I do not really blame the unions for pursuing jobs.

But our own job is to ask if the project is truly necessary, if its value clearly outweights the problems that it would create. In the case of the New River project, the alleged jobs-creating aspect is the only attractive point in an otherwise weak case.

The energy independence argument has now become routine in the 94th Congress. It is a nice-sounding term, but is rarely followed by anything but rhetoric, unless of course we count the oil soaked beaches, or strip mined countryside or destruction of land such as those near where the New River is located.

Let us look first of all at the argument that this project is needed for peaking power. We all know that utility companies have traditionally taken their peaks as a given, like mountains standing before them. Except that these mountains could grow. All you needed to do was some advertising about how people should buy more and more appliances, embrace a rate structure that rewards gluttony and punishes conservation, provide subsidies for electric heating and charge the same for a unit of electricity no matter what time of the day it was used.

Now there is a consensus developing, even among many utility companies, that an effort must be made to shift usage over time, to provide a break on rates for those who shift usage to off-peak hours.

The Federal Energy Administration estimates that hundreds of thousands of barrels of oil a day can be saved if this notion is generally adopted during the next decade. Currently, FEA demonstration projects in this area are in progress throughout the country. Already, they point to vast potential for energy savings. And, more importantly in terms of projects like the New River, they point to a reduction in the amount of capacity that needs to be added to utility systems.

We can lower that peak of Appalachian Power's. Ask the people of that area if they would wash their clothes in the off-peak hours in order to save the New River. Ask Appalachian's experts if peak-load pricing and a rate structure that rewards conservation could save the New River.

The answer to those questions is "yes." And this bill recognizes that we can drastically reduce our reliance on foreign imports, that we can utilize conservation as an additional source of fuel, that it is easier and cheaper to save a barrel of oil than produce one, and that we can do all these things without destroying the New River.

I urge adoption of this critical measure.

Mr. SIMON. Mr. Chairman, the distinguished gentleman from Virginia (Mr. Wampler), I think, put it very aptly. He said that this is a classic confrontation. It is a classic confrontation.

I am proud to be associated with the distinguished delegation from North Carolina, Steve Neal, Roy Taylor, Richardson Preyer, Jim Martin, and others, who have been fighting this cause. I commend them on both sides of the aisle. The gentleman from West Virginia (Ken Hechler) also has been fighting this battle for a long time.

I got one of these circulars through the mail about this project, and just out of curiosity I signed up for a trip down the New River and took my family along. I will say to the members that if any of them would have the chance to take that trip on the New River through North Carolina and Virginia, this area that is to be destroyed, there would be few if any votes against this bill.

Mr. BUTLER. Mr. Chirman, will the gentleman yield?

Mr. SIMON. I will yield at the end of my time. I have a few points I want to get through, and I will yield at the end of that time.

Second, what we have in this classic confrontation is a utility company that wants to get that power and wants to move away and change the lifetstyle of 3,000 people.

Do we have the right to impose this kind of change in the lifestyle of 3,000 people when there are reasonable alternatives that would not call for that? I think that is a fairly classic confrontation.

As to jobs, I think the gentleman from North Carolina (Mr. TAYLOR) has covered that subject very, very well.

Mr. Chairman, consumers will benefit by our passage of this bill because there are less expensive ways of achieving the same power. The Federal Power Commission's record is very clear on that.

Mr. Chairman, there are two other points. The two distinguished gentlemen from Virginia have given us a legal treatise on why this is unprecedented action by Congress and that we are moving precipitously in denying someone a license.

What happened was that there was precipitous action by the Federal Power Commission's moving in.

The CHAIRMAN pro tempore (Mr. RYAN). The time of the gentleman from Illinois (Mr. SIMON) has expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, let me finish two points very quickly.

When it was clear that a majority of the Members of the House and Senate favored this kind of legislation, then the Federal Power Commission and the utility company moved.

Even though I recognize the point that the gentleman from Virginia is going to make, that this has been pending for a long, long time, but all of a sudden, when Congress is about to act, then they move, the final point that I want to make is that the gentleman from Virginia, for whom I have great respect, made the point that if this is approved, then it is going to delay things. We are going to have to have all kinds of new plans drawn.

Mr. Chairman and Members of the House, these utility executives do not have their heads in the sand. They know what the score is. They have alternative plans. If this plan is defeated, the Members and I know that if the Supreme Court would rule in their favor, there would be other litigation immediately which would be initiated. This matter is going to be dragged out in the courts for a long, long time unless we make clear that this alternative is not available to them.

Mr. Chairman, we do not destroy this river. We do not destroy the way of life for 3,000 people.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, I thank the gentleman for yielding. Of course, I appreciate very much his kind comments about the nature of the area, but I ask him this question: Has the gentleman taken the time to go down the Tinker Creek in Roanoke County, or has he ever seen a mountain stream that was not really a nice little place to be in?

Mr. SIMON. I have not been on Tinker Creek; I have to tell the gentleman that. However, I have been on many mountain streams. I have been on a great many mountain streams. They do not have the kind of bluffs that are there. They do not have the scenic beauty that is there. I agree with the Secretary of the Interior on that.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. NEAL).

First, Mr. Chairman, will the gentleman from North Carolina yield to me?

Mr. NEAL. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Chairman, no one has ever worked harder than our colleague from North Carolina (Mr. NEAL) toward assuring the protection of this section of the New River.

Although he is a relatively new Member of Congress, he has done his homework. He has proven himself to be a very effective legislator. Certainly he has worked closely with me in developing this legislation and he has worked tirelessly in the effort to secure the rule for this bill.

I certainly commend my colleague for a great start as a Member of this body.

Mr. NEAL. Mr. Chairman, I thank the gentleman from North Carolina (Mr. TAYLOR) for those very kind remarks. I would like to also commend that gentleman for his many years of dedicated public service. ROY TAYLOR has been the champion of the American people and the champion of the New River. He has fought this fight for many years. The people of North Carolina and our Nation owe him a great debt of gratitude.

Mr. Chairman, the committee has before it a bill to protect a portion of the New River by assuring that it will not be flooded, but will remain a part of the National Wild and Scenic Rivers System. It has been given that status by the Secretary of the Interior, who made the designation under provisions of the National Wild and Scenic Rivers Act.

That notwithstanding, the New River will be destroyed unless the Congress acts to save it. The Federal Power Commission has issued to Appalachian Power Co. a license to build a twin-dam, pumped storage power project which would flood the entire scenic rivers segment. The question of precedence is an issue, and the matter may drag on in the courts for years, just as the licensing process was not completed for a dozen years. Indeed, although the FPC decision was ill-considered, there are strong indications it would prevail over the secretary's decision in the courts. If this is allowed to happen, the Nation's most recently designated wild and scenic river will be obliterated by the action of another Federal agency. Although such a development might be sanctioned by the courts, it would be a tragedy of major proportions.

It would be easy but misleading to portray the issue before this committee as a simple conflict between protecting the environment and producing energy. But, in fact, the fundamental question here is whether the New River should be afforded the same protection as any other component of the National Wild and Scenic Rivers System. Moreover, it is important that this decision be made, not by unaccountable bureaucracy, but by the elected representatives of the people. Both the Federal Power Commission and the courts have systematically excluded certain issues from consideration, choosing instead to base their decisions on narrow, technical criteria. But the fate of the river is a political issue in the best sense of the term, and it is proper that it be decided here in Congress where there can be a full discussion of all the relevant issues.

The New River and its valley possess unique qualities which make preservation of the river in its natural state preferable to any conceivable alternative use. Yet only one alternative use has actually been suggested, and thus, in order to preserve the river, only one competing use must be denied. With this in mind, I would like briefly to review what is at stake in deciding whether or not to give the New River the full protection to which a wild and scenic river is entitled.

As I previously stated, the issue is not a question of the desirability of protecting the environment versus the necessity of producing energy. Even if it were, I would still argue in the strongest possible terms that the merits of the New River demand its protection. But in fact, far from adding to our Nation's energy supply, the proposed power project will be a drain on it. As the committee knows, the project in question is a pumped-storage facility intended to provide peak load power. During periods of peak demand, water from the upper reservoir would be released and used to generate power. It would be impounded in the lower reservoir, and during periods of slack demand, power generated elsewhere would be used to pump the water back into the upper reservoir. Although a small amount of power would be genrated by the natural streamflow, energy losses during the pumping cycle would require the project to consume four units of power for each three units it generated.

Although the dams would be built by the Appalachian Power Co., the peak-load power they produced is to be transmitted to the Midwest for use by Appalachian's parent company, American Electric Power, the Nation's largest utility. Although AEP claims the project is needed to avert projected shortages in the 1980's, the company badly overestimated energy demand in the 1970's. In fact, last year, the AEP system sold 27 percent of its net generated power to other utilities, and from 1972 through 1974, it sold 23 percent of its net generated power outside its system. It is interesting to compare these figures with the 1.4 percent of its net generated power which Commonwealth Edison in Chicago sold to other utilities and with the 3.4 percent of its net generation sold by Pacific Gas and Electric in San Francisco. In view of these large sales of power to other companies and in view of the fact that it possessed a reserve margin of 18.3 percent last year, it is difficult to agree with the company's judgment that there is a pressing need for the peak-load power that would be provided by daming the New River. Moreover, AEP itself does not expect the project to provide a significant amount of peaking power over a long period of time. The company predicts that during the first 20 years of operation, the amount of power generated by the project will fall by more than one-half.

In attempting to plan for future peak load demands, a system of peak load pricing would be a much better alternative, but the Federal Power Commission did not seriously consider this approach when it decided to grant the license to Appalachian. On the other hand, the Federal Power Commission contended that the project should be licensed because it would save an estimated 6 million tons of coal during its 50-year lifespan. But in view of the fact that AEP already burns 33 million tons of coal each year—and that the Nation is estimated to have enough coal to last several hundred years—it is difficult to reason that conserving less than four-tenths of 1 percent of AEP's coal consumption would be a major accomplishment.

The record also shows that in the region to be served by the proposed project there are potential pumped storage sites which have significantly higher heads and, as would be expected, have lower capacity costs than the multipurpose Blue Ridge combination pumped storage project. In fact, the Federal Power Commission Exhibit No. 199 lists 22 other potential pumped storage sites which would have lower consumption costs than the Blue Ridge project. The Blue Ridge project was chosen because the Federal Power Commission desired to create flatwater lakes for recreation, but as we will see, that is a frivolous consideration. In fact, when the Blue Ridge project is compared with alternatives, we can see from the Federal Power Commission's own figures that it would require the destruction of much more acreage than reasonable alternatives; that it is of questionable recreation value; that it is of much greater cost in dollars; and because many more people would be moved than alternative sites would require, it is much more costly in terms of human suffering, not to mention the lost farm production, because the other sites are much smaller.

In order to generate this peak load power, the proposed project would flood 40,000 acres, of which 29,000 acres are under cultivation or in pasture. Several thousand more acres above the waterline would be rendered inaccessible by the reservoirs. The Agricultural Stabilization and Conservation Service estimated, in 1973, that the reservoirs would destroy $13.5 million in annual agricultural income, but at current prices, the value would be somewhat higher.

In comparison, the FPC estimated the total monetary benefits expected from the projects at $6.7 million per year. Yet only $3 million of that amount by their figures was attributed to savings which the power company would realize by not having to adopt the next most costly alternative method of power generation. Almost all the other benefits are attributed to "recreational benefits" which the FBC claims would result from the creation of the reservoirs.

In assessing these benefits it is important to remember that only the upper reservoir would be suitable for recreation, and it would be subject to a 10 foot drawdown during the pumping cycle. Moreover, maximum drawdown would occur on Friday evenings at a time when most recreational users would be arriving at the reservoir. They would be greeted by a shoreline ringed with broad mudflats. In addition, the FPC overlooked the recreational potential of the area as it now exists and disregarded the fact that the surrounding area abounds in flatwater recreational facilities in arriving at its calculation of recreational benefits. Finally, even if the dubious claims which support this $6.7 million estimate are accepted, this figure has to be compared with the $13.5 million of annual agricultural income which would be lost.

Proponents of the power project cite as another justification for this construction their claim that it would create as many as 1,500 jobs. However, these jobs would be available only during the 5 to 9 years of construction, and many of them would be seasonal. On the other hand, 3,000 people would be displaced by the project. If the dams are built, they will flood their land, their homes, their churches, their ancestral cemeteries. Their farms are more than a livelihood, they are a way of life. The overwhelming majority of these people are opposed to construction of the dams. They simply want to be left alone to continue their unique, peaceful way of life. The decision between the relative value of temporary jobs and the way of life of these people and their permanent jobs is one which properly should be made by the Congress and not by a body such as the FPC.

There is one other area of particular importance which should be assessed by the Congress rather than the FPC, and this is the question of assigning a value to the environmental and historical aspects of the river. The New River is considered by geologists to be 100 million years old and as such, the oldest river in North America and perhaps the second oldest in the world. Its valley was a migratory route for prehistoric man and is laden with archeological evidence of inhabitants dating back 10,000 years. This evidence was first discovered by two archeological surveys which the power company was required by the FPC to undertake during the 1960's. However, the results of these surveys were never shown to the FPC during the licensing hearings, and the FPC never asked to see them, despite the fact that by law it is required to consider such evidence in granting a license. In addition, earlier this year, the Director of the State of North Carolina's Division of Archives and History nominated 33 archeological sites along the river for inclusion in the National Register of Historic Places.

The New River Valley is also rich in the surviving remains of a more recent period. Although the findings of the survey team sent out by the Division of Archives and History are not yet complete, it appears that there are at least a dozen structures which could also be nominated to the National Register on the basis of their architectural characteristics.

The proposed dams would destroy 70 miles of the New River and more than 200 miles of its tributaries. According to the North Carolina Department of Natural and Economic Resources, the New River is the best smallmouth bass fishery in the State, and its tributaries abound with trout. It is a popular site for canoeists and campers because it provides relatively easy access and whitewater canoeing, which can be enjoyed throughout the year. Its zoological significance is supported by the U.S. Fish and Wildlife Service, which has identified eleven species of aquatic life in and along the river which exist nowhere else in the world.

One further environmental issue to which the FPC gave scant consideration is the question of the geological setting of the dams. In recent years, geologists have become increasingly concerned about the occurrence of minor earthquakes near large reservoirs. Although the site for the dams is considered to be geologically stable, the U.S. Geological Survey maps show a "major thrust fault" running through the area. The FPC devoted only one paragraph to the question of the geological setting of the dams despite the fact that the proposed reservoir is over twice as large as the Fontana Dam reservoir, the largest presently existing in North Carolina.

The distinctive characteristics of the river and its valley were recognized by the Department of Interior when it accepted the plan proposed by the State of North Carolina for managing a 26.5 mile segment of the river as a component of the Wild and Scenic Rivers System. Unfortunately, this plan will never be put into effect unless the Congress acts to prevent the river from being flooded as a result of the preexisting FPC license to build the dams. It should be noted that this license would never have been granted or have gone into effect if the FPC had not attempted to set a deadline for the Congress in its efforts to consider this issue in 1974. At that time, the FPC granted the license with the provision that it would become effective on January 2, 1975, if in the meantime the Congress had not acted to protect the river under the Wild and Scenic Rivers Act. Had the FPC not assumed for itself the responsibility for setting reasonable time limits to the consideration of this issue, we would not be considering this legislation. The fact that the FPC acted as it did does not, however, limit the Congress in the consideration of an issue that is properly its to decide. There is not doubt that the Congress has the authority to modify or even to revoke a license granted by the FPC or any other Federal agency.

Those who oppose this legislation have contended that if it should be enacted the Federal Government would be required to compensate the holders of the license. However, legal research done by the Interior Department and also the Library of Congress at my request indicates that a license issued by the Federal Government may be modified or revoked at any time without compensation. Obviously, modification of the license issued by the Federal Power Commission to this utility would not constitute a taking.

If the legislation before this committee is not enacted, then it is almost certain that the dams will be built and the New River will be destroyed.

It is up to the Congress to reaffirm the Secretary's decision and to modify the license so that the newest component of our National Wild and Scenic Rivers System and be preserved for the enjoyment of future generations.

Mr. PREYER. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Chairman, I, too, want to thank STEVE NEAL for his determination and dedicatedness with which he has pursued and protected this reservoir of history and this great link with our past.

Also let me say to our distinguished chairman, the gentleman from North Carolina, Mr. ROY TAYLOR, that we are certainly going to miss him. Any of the Members who have any question about the character, determination and steadfastness of the western North Carolinians I think can look to ROY TAYLOR as an example. I do not want this bill to be an acknowledgment that we should "Win one for the old Gipper" but this will be one of ROY TAYLOR's proudest achievements. So let us pass the bill and show the country that we are interested in preserving the good things as well as we are in building something new.

Mr. Chairman, North Carolina is a State that came late to the industrial revolution. Many of those who measure such things would say that for much of our history we have been a poor State.

Yet we have been the beneficiaries of two great sources of wealth: The human resources of our people and the natural resources of our land and water.

This bill before you seek to preserve a great natural resource and, in doing that, it serves also the preservation of that human resource as well.

It is a part of the character of our people that we have great respect for the land and for the water that nourishes that land. In the New River all of this—land, water, and people—is met in harmony that is lost for much of America. We ask you not to be a party to destroying that.

Others can better here argue the facts. You know of the antiquity of the river. Know also that a people who do not respect this kind of unique reservoir of time and history are a people who are destined to be not as great as they could be, not as proud as they ought to be, not as strong as those who have preserved the land and the river before them hoped they would be.

We are proud of the New River in North Carolina. It gives for those of us in our State, as I am certain it does for those in the other States through which it runs, a link with our past and satisfaction in the simple joys of living that is lost when such resources are destroyed or distorted.

What kind of price can you put on such a treasure? How can one measure it against the relative value of better energy or cheaper kilowatts?

That is a question that each man must answer for himself in his own life as he chooses what will be important to him, what value he will seek to preserve.

Clearly the people of our State have overwhelmingly said they choose to preserve the New River as it is.

It is a unity that is as real as it is rare. The effort to save the river brings together conservative Republicans and moderate Democrats. It is supported in my State—and I believe this fact needs special emphasis—it is supported in my State by organized labor. Few causes have so welded together people of divergent views and stations in life.

Look closely at the facts before you. You will find that contrary to what some have said alternate pumped storage projects will not cost more. You will find that other statements in support of the dam do not stand the test of review.

My colleagues, STEVE NEAL and ROY TAYLOR, have pursued the cause of the New River with a devotion and an imagination that is typical of the regions that they represent so ably in this House. If you want to know something of the strength, the determination and the good sense of the people of western and northwestern North Carolina, look at STEVE and ROY and their steadfastness in this effort. Give them your help.

Then someday they can take you to the New River and let you see that in our country preserving something good is just as important as building something new.

Mr. NEAL. Mr. Chairman, I would also like to recognize and point out to the Members the tireless efforts and the tremendous talent that our colleague, the gentleman from West Virginia, KEN HECHLER, has shown in fighting this battle for so many years. KEN HECHLER has been the champion for the people of his district. He has fought for the New River. I would only hope that every person in his district would know about the time and the effort that he has put into this issue.

Mr. SEBELIUS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, the time has come for this country to develop a balanced approach toward the conservation of our natural resources and the equally important development of energy from these same resources. Faced with increasing political and economic pressures from foreign sources, Congress cannot afford to continually defer development of justified energy sources if we are to remain serious about becoming independent from foreign nations. We can no longer afford to ignore this country's valuable energy potential by continuing to support an overprotective attitude toward each and every one of our country's available natural resources. What is needed is a balanced approach, an approach that blends the demands of this country's energy consumers with the demands of those who advocate the locking up of our Nation's natural resources forever.

Enactment of H.R. 13372 runs contrary to this much needed approach. Indeed, by designating 26.5 miles of the New River and its tributary in North Carolina as wild and scenic, the entire East-Central United States will be deprived of another valuable energy source. While enactment of this legislation will prohibit the construction of all dams that would affect only the designated 26.5-mile segment, rather than by specifically canceling an FPC license, the net results will be the same. Unfortunately, the net losses to this region of the country and to the Nation, as a whole, will also remain the same.

The Blue Ridge project is expected to have a generating capacity of 1.8 million kilowatts and produce 85 million kilowatt-hours of electricity during the term of the project license without consumption of our Nation's scarcest fuels—oil and natural gas.

Furthermore, passage of H.R. 13372 will slow our Nation's economic recovery at a time when the construction and employment opportunities represented by the Blue Ridge project are sorely needed. The $845 million Blue Ridge project will provide 1,500–2,000 jobs over an extended period and is expected to generate over $200 million in wage payments which, in turn, will generate additional economic benefits and construction related jobs for the local economy. Furthermore, Blue Ridge will provide extensive recreational, flood control and low flow supplementation benefits on the New River.

I want to direct the Congress attention toward one of the ridiculous charges which have repeatedly been brought against the Blue Ridge project—the accusation that this project will destroy the New River and its surrounding regions. Actually, Blue Ridge will eliminate a small segment of free-flowing river. However, this will be replaced by two large lakes in an attractive mountain setting and the recreation experts who have examined the project have concluded that, with these lakes, the project area will become one of the chief recreation attractions in the East-Central United States. So as to foster the development of this vast recreation potential, the company involved in construction of the Blue Ridge project is committed to donating 6,300 acres of land for North Carolina and Virginia State parks at shoreline sites already selected by these States. It will also provide overlooks—picnic areas at both damsites, canoe portages around the dams, 2 back fishing areas downstream, and at least 30 public access points to the lakes. Indeed, this seems to me a strange way to destroy a river and its surrounding regions.

This bill represents the second effort in the House to kill the Blue Ridge project. Although the arguments for and against this project are well known to this Congress, this legislation raises some new and very serious issues—whether Congress should for the very first time revoke or render valueless a license issued by the Federal Power Commission, whether enactment of this legislation would constitute a taking of vested property and contract rights of a private citizen, and the effect such a taking would have on the consumers of power in the several States to be served by the project. These are issues and questions which should be reviewed and deliberated by all three branches of our Government. The legislative and executive branches have already expressed their views; now it is time for the Supreme Court to review the validity of the FPC license before further action is taken.

No one denies Congress jurisdiction over the Nation's rivers or its authority to approve or prohibit any project on those rivers. The question here is not one of authority, but one of following an orderly process.

Congress delegated to the Federal Power Commission the authority to license hydroelectric projects on navigable Rivers. It established procedures in the Federal Power Act and in NEPA to be followed in considering such licensing. It also provided for court appeal of any final action. The provisions of the Federal Power Act and the National Environmental Policy Act were complied with during FPC consideration. Blue Ridge opponents then appealed the FPC license to the Federal courts. The license was unanimously upheld by a U.S. court of appeals and now a petition of certiorari is pending before the U.S. Supreme Court. Until the Supreme Court has made a disposition of the appeal, the judicial remedies for Blue Ridge have not been exhausted.

The overriding issue now before this body is whether the Congress should become involved in a important judicial question while that very question is being considered by the Supreme Court.

It seems clear that once opponents of the project decided to judicially test both the validity of the FPC license and the manner in which it was considered, Congress should permit this procedure to run its ultimate course. It seems only proper that the Supreme Court be given an opportunity to decide the legality of the question.

Should the Supreme Court grant certiorari it will then review the case on its merits. No construction will occur during this period and the river will remain in its present state. If the Supreme Court should overrule the lower court the license becomes null and void and there is no need for any legislation.

I urge, therefore, that we defeat this bill for the following reasons: First, I believe this legislation runs contrary to our Nation's long established conservation policies under which we have efficiently developed and prudently utilized our natural resources to promote the greatest public interest. Conservation of our energy resources by developing low-cost, self-renewing hydroelectric energy becomes increasingly important as our oil and natural gas reserves become more critical, although such hydro development must be accomplished in concern with the preservation of our Nation's natural beauty. The Blue Ridge project is a case in point. Here the energy, recreation, economic, flood control, and river regulation benefits of this project will far outweigh the other effects which inevitably result from construction of a project of this type.

Second, I believe it is unwise for Congress to legislate on a matter which is currently being considered in the Federal courts—in the instance of Blue Ridge the project license is on appeal to the U.S. Supreme Court. The Court is expected to render its opinion during the fall term. So as to insure that this issue receives the full and impartial consideration that it deserves from all three branches of Government, I strongly recommend that H.R. 13372 be defeated at this time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEBELIUS. I yield 1 additional minute to the gentleman from Illinois (Mr. MICHEL).

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. I thank the gentleman for yielding.

Let me point out that delay in this matter is to no one's advantage. The power company does not want it delayed. It is not an answer. They want to know in what direction they can go.

Mr. MICHEL. My suggestion here is we have got an orderly process underway, and the gentleman has to rely in the final analysis on what the Supreme Court rules in the case of Federal appellate court procedure, to appeal as it has through the regular judicial process. I am saying let us not jump the gun even though the gentleman says delay will be costly. Surely, it will; but the ultimate right answer, in my judgment, will then be made and, first and foremost, because we are breaking new ground, I have some apprehension of having every one of these projects in the next few years come before this body for a decision of this kind.

Mr. TAYLOR of North Carolina. If the gentleman will yield further, I might point out that this matter has been in controversy for 13 years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TAYLOR of North Carolina. I yield myself 1 additional minute.

I might state that for a period of 13 years a cloud has been over the homes, the farms, and the property of the New River Valley. The people there have not known this year whether or not they will be living there next year, the next year, and the year after that. If this matter is not resolved by Congress, it will be tied up and fought through the courts for the next 10 years, and a cloud will still hang over those people in the New River Valley, and the power company will still be wanting an answer and will want it decided so they know which way to go.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Chairman, I had not intended to take time tonight, but this question of precedent keeps popping up, and I think we really ought to put it to rest once and for all.

In a letter dated August 9, 1976, which I shall insert in the RECORD at the appropriate time, from the U.S. Department of the Interior, the Office of the Solicitor, in response to a question that was asked about precedent, they say—and this is cautionary:

> While we are unaware of an identical precedent for the proposed legislation, several legislative initiatives are of precedential value.

Then they talk about the Hells Canyon bill in which I was involved. The clearest precedent for the present legislation is the Hells Canyon High Mountain Sheep project on the Snake River:

> The parallels between Hells Canyon and the present New River controversy are striking. Section 3(a) of the Hells Canyon Act designated 68 miles of the Snake River as part of the National Wild and Scenic Rivers System, and section 4(a) expressly precluded the FPC from licensing any project on the designated segment.

Down further:

> Thus, the Act used the Wild and Scenic Rivers designation to halt any further consideration of the High Mountain Sheep Project, despite nearly two decades and large amounts of money spent by the Pacific Northwest Power Company in seeking a license for the project, and revoked FPC's previous authorization of the project.

I was personally involved in the High Mountain Sheep controversy, and I can say that it was a much better dam site than the one we are presently discussing. It had been in the courts and had been in litigation and had been in hearings before the Federal Power Commission for nearly 24 years, and this body determined by the passage of legislation on this floor to deauthorize the Asotin Dam and to prevent the FPC from licensing other dams in the area. So this bill is not precedent for anything except precedent to save the New River.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEBELIUS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, I am pleased to speak in favor of the bill H.R. 13372 and urge its passage so that this ancient New River can be saved. It has outlasted the scraping of continental glaciers in three ice ages and with our help it will outlast efforts to dam its watershed into miles of mud flats.

This legislation has the firm support of North Carolina. Our Governor, our State legislature, and our entire congressional delegation are solidly for the companion bills introduced by our colleague, the gentleman from North Carolina (Mr. NEAL) here in the House and by the senior Senator from North Carolina, JESSE HELMS, in the other body. Our support is bipartisan, notably including our former colleague Wilmer Mizell, who led the fight in the previous Congress. Without his recent persuasion, the rule would have been defeated in the Rules Committee with no better than an 8 to 8 tie—and that is a fact. Had that happened, we would not have beeen able to prevail this year with less than a two-thirds majority.

Now let me explain the equities to the Members.

Virginia and Tennessee will get electricity. All North Carolina will get will be mud flats and grief. The gentleman from Tennessee (Mr. QUILLEN) has suggested he may offer an amendment to convey the entire river, adding portions in Virginia and West Virginia to the scenic river system. While I have no objection to that I hope he will refrain, because my colleagues from Virginia are mad enough at us as it is. If they want to support such an amendment, that is fine. All I want is to keep the mud flats out of North Carolina.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I would like to point out the Appalachian Power Co. is a net supplier of power to the Duke Power Co. and Carolina Power & Light Co. in North Carolina. In the period 1966 to 1975, they delivered over 10 million kilowatts to North Carolina and there is every reason to believe if the Blue Ridge project is constructed then North Carolina, like many other States, can continue to share in that power.

Mr. MARTIN. Mr. Chairman, I appreciate the gentleman from Virginia is presenting that extraneous fact to us, but while that is historically correct there is no expectation on the part of anybody that North Carolina will benefit from the construction of the dams in Virginia. That is not expected by the American Electric Power Co.

I can appreciate also that the other gentleman from Virginia is trying to interupt me while I am trying to set the record straight. It is not anticipated by the Duke Power Co. or by the other power company because they want the necessary power facilities in our own State.

Let me proceed a little bit further and I will give the Members something further to shoot at.

There are many Members who ordinarily vote for power projects who have told me they will support this bill to halt this pair of dams because its claimed benefits are far outweighed by the loss of farmland and over $13 million of farm income which would be washed away.

That statement is from Minority Lead-gentleman from Arizona (Mr. JOHN RHODES) has given his support for this bill. He is in Kansas City today for the Republican National Convention. Had he been here he would have made the following statement:

> Mr. Chairman, I rise in support of H.R. 13372, the Wild and Scenic River System bill. I have been impressed by what I have read regarding the New River and by the large number of letters I have received from concerned residents in that area.
>
> The New River is reported to be the oldest in the Western Hemisphere. Since Secretary of the Interior Kleppe has designated the New River to be included in the National Wild and Scenic River System, I believe we should make every effort to protect and preserve the natural beauty of this river.
>
> I understand the controversy surrounding the proposed hydroelectric project and recognize the need to strike a balance between our environmental concerns and the economic needs and growth of our country. Due to the unique nature of the New River, I am convinced that in this instance we must be make every effort to preserve this irreplaceable natural resource for future generations.

That statement is from Minority Leader JOHN RHODES, the gentleman from Arizona. Although some of the Republican leadership may oppose this bill, it is noteworthy that both President Ford and Governor Reagan are publicly on record for saving the New River, as is Secretary Kleppe and the Minority Leader JOHN RHODES.

It would be another matter if the benefits of these dams outweighed the costs. This is not the case. This is the poorest case the utilities could choose to force such a confrontation. The fact is even the benefits claimed by the power company are based on a hyperinflated recreational potential.

Now I want to tell the Members about Lake Norman, where I live, in the heart of the most densely populated part of the Carolinas.

It gets 3 million visitors a year. I want us to keep that in mind when we are told that by flooding this gallant river in a sparsely settled area, served by two-lane roads, we are somehow miraculously going to attract twice as many people to half as much shoreline as Lake Norman: Over 6 million visitors a year.

Mr. Chairman, assuming a 6-month recreational season, that is 35,000 a day. That would average 3,000 arrivals, bumper to bumper, every daylight hour. If anyone can picture it, the sport fishermen would line those 425 lineal miles, one every 21 yards. If they really expect us to believe their claim there will be 13 million scouts out there in 2000 A.D., each of them will have 10 yards of mud flats to fish from, and they had better cast straight, or somebody is going to get hooked in the ear.

Mr. Chairman, finally I make this appeal on behalf of the people of North Carolina. A recent published poll, published by W. H. Long Marketing, Inc., shows our people are opposed to the dams from which North Carolina would get no benefit. They favor this bill's protection by 7 to 1.

So vote with us as we reject the arguments of those who would sell our priceless geological birthright for so small a mess of wattage.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Chairman, the arguments in favor of protecting the New River are very compelling, and I would like to bring them before this entire body for consideration.

H.R. 13372 would recognize that a portion of the New River is now included in the Wild and Scenic System, and would provide that no utilities project have an adverse effect on that wild and scenic section of the river. This plan would allow the project to be redesigned, rather than being scrapped entirely. And, it would allow the 26.5-mile segment of the river to be State-administered, at no cost to the Federal Government.

The State of North Carolina is behind this legislation 100 percent. The entire North Carolina delegation has cosponsored the bill, as well as three members of the Virginia delegation. The North Carolina General Assembly supported this action by majority vote. Others who have expressed support for this are the President, the Secretary of the Interior, over 200 newspapers across the country, and scores of environmental groups.

If the hydroelectric project is carried out, 40,000 acres of fertile farmland would be flooded. Forty-four miles of the river would be eliminated, as well as 212 miles of tributary creeks. The homes of 936 families would fall within the boundaries of the twin reservoirs. Ten industrial and 23 commercial establishments would be obliterated.

This is more than a local issue. And it is more than a question of big business versus the environment. Should the New River be afforded the same protection as any other wild and scenic river? Should these families be forced to move from the ancestral homes for the sake of a hydroelectric project that would not even benefit their State?

When the Federal Power Commission issued the license, it cited four major purposes for the project: Electric power, flood control capacity, enhancement of recreational potential, and encouragement of economic development in the area. At the time of the decision, the FPC stated the project

> . . . will improve system reliability and reserves to the benefit, *if needed,* of the entire Eastern seaboard and central United States. (Emphasis added.)

The phrase "if needed" is central to this question. Are we sacrificing forever a beautiful, free-flowing river to a utilities project for which the need is doubtful?

Also, as you know, the project is designed to produce peakload electricity, not constant service. Technical experts have shown that the project does not have a good energy production to consumption ratio, while producing three units of power, the project will consume four.

In licensing, the FPC estimated the project would save about 6 million tons of coal during its 50-year lifespan. At this time, the American Electric Power Co. already uses some 33 million tons of coal per year. Thus, the project would save only four-tenths of 1 percent of coal consumption over the next 50 years. Statistics have also indicated that last year the power company sold 27 percent of its net generated power outside the system.

Documents submitted to the Federal Power Commission have shown that Blue Ridge is not the cheapest alternative. As you already know, it is a net consumer of energy. Moreover, alternative pumped-storage sites were submitted to FPC officials by the power company, and a majority of them were cheaper. Many of the coal-fired alternatives are also cheaper. Out of 25 alternatives provided by the power company to FPC officials, 22 were cheaper. And some of these provided a larger storage capacity at one-half the cost of the Blue Ridge project.

The project will not enhance the recreational potential of the area. Proponents of the dams argue that these bodies of water would provide good recreational benefits, and even go so far as assigning a dollar amount to their value. Yet, I myself have seen numerous other lakes in that area, in even better locations. Doubts have also been expressed about the quality of the lakes, since the great drawdown during use would leave stretches of mudflats uncovered. This, in turn, would kill any fish eggs that become exposed, disturbing the ecological balance. Another doubt that has been shown is about projected yearly attendance. The power company has estimated that 6 million visitors will come to the new lakes on an average over the project's lifespan, although not even half that many currently visit the largest and most popular lake in North Carolina.

Those who have come to know and appreciate the New River in its free-flowing state are aware of the many varied sports it makes possible. Unlike most rivers in the Northeastern United States, the New River flows from south to north, crossing the mountains from east to west, and flowing across the mountain ridges instead of along them. Geologists express the opinion that this indicates the New River predates even the glaciers themselves, which helped form this mountainous area. In fact, it has been said that the New River is the second oldest river in the world. The twisting and turning flow of the New River produces some of the finest whitewater rafting and canoeing in the country. And, fishermen boast of the fine bass in the New River.

FPC officials have maintained that the project will create jobs. These temporary and seasonal jobs can in no way replace the livelihood of the farmers in the area. And what the FPC neglected to report was that the economic value of the inundated lands themselves is considerable. The value of raw agricultural products from the lands in question has been estimated to run into millions of dollars. Should we trade family farms that have sustained people for centuries for limited seasonal employment?

There are other economic considerations. Proponents of the dam have argued that if the Government halts the project, the power company must be reimbursed under the fifth amendment for a taking of property rights. By the same token, however, must not the residents of the flooded lands be reimbursed by the AEP for loss of productivity of their lands? The Library of Congress has done a thorough study on the question of reimbursement, and has concluded that no reimbursement to AEP would be necessary, should the project be discontinued.

Several other compelling factors must be considered. The New River is an excellent source of biological flora, due to a unique mixture of coexistent north and south vegetation produced by the glaciers. It is also a significant fishery—out of the 68 species of fish in the river, 11 are thought to be rare and endangered.

The New River is rich with archeological sites, many of which would be washed away forever by flooding. The division of archives and history in North Carolina has nominated over 30 archeological sites along the river for inclusion in the Interior Department's national register. While the Court has made some provision for study of these sites, all remaining antifacts would be destroyed.

I do not believe that those whose homes would be submerged under tons of water would be impressed by the two new lakes created instead. Nor are they encouraged by the fact that they have sacrificed their homes and their heritage for a utilities project about which the need, cost, and benefits have been questioned. No, I do not expect these people to look forward to paddling a canoe over the area where their homes once lay.

As the Secretaries of Agriculture and Interior said when the Wild and Scenic Rivers Act was enacted—

> America's rivers flow deep through our national consciousness. Their courses beckoned us to explore a new continent and build a nation, and we have come to know, depend on and love the rivers that water our land.

Before America's oldest river is sacrificed for the sake of two new dams, all doubts should be laid aside. I urge your support for H.R. 13372.

The CHAIRMAN. The gentleman from Kansas (Mr. SEBELIUS) has 22 minutes remaining, and the gentleman from North Carolina (Mr. TAYLOR) has 27 minutes remaining.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Chairman, I thank the gentleman from North Carolina for yielding me this time.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman from West Virginia yield to me?

Mr. HECHLER of West Virginia. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Chairman, I want to commend my friend, the gentleman from West Virginia (Mr. HECHLER), for his contribution as an ardent advocate for conservation of the Nation's outstanding natural areas. In the case of New River, no person has been more devoted to the preservation of this beautiful river from its headwaters in North Carolina through the New River Gorge in the State of West Virginia. It has been a pleasure to work with the gentleman in this endeavor over the years.

Mr. HECHLER of West Virginia. Mr. Chairman, I thank my good friend, the gentleman from North Carolina (Mr. TAYLOR), the chairman of the subcommitee, through whose tireless leadership this bill is being brought to the floor today. This is a crowning achievement in his illustrious career. The strong efforts of my good friend the gentleman from North Carolina (Mr. NEAL) who has been the principal sponsor of this bill, have brought us to the verge of victory my good friends on the Republican side of the aisle have worked hard to bring this bill to the point where I believe we are going to achieve victory in our vote tomorrow. We are going to win this fight, not only because we have strong support on both sides of the aisle, but we have strong support by people like former Congressman Vinegar Bend Mizell.

We brought around the gentleman from Kansas (Mr. SKUBITZ), who was opposed to this bill at one time.

We made a number of switches. The Committee on Rules voted 13 to 2 against this bill in 1974 and now 10 to 6 for it.

Governor Holshouser of North Carolina, the Republican Governor, has been actively campaigning for this bill.

The gentleman from North Carolina (Mr. NEAL) has done a yeoman piece of work, a real leader on behalf of this legislation.

The opposition is dwindling. Their arguments appear to be based mainly now on legalistic questions. I think we are going to win this fight also because the people of the Nation are aroused about the need to protect this free-flowing river.

I visited in Ashe and Alleghany Counties in the home district of the gentleman from North Carolina (Mr. NEAL). I remember a trip we took down to Raleigh in December 1974, just after the gentleman was elected, when we first aired this issue in North Carolina. Hamilton Horton and the National Committee for the New River, Jim Watkins and the Coalition for the New River have worked hard in North Carolina and West Virginia.

I have attended a number of meetings in both North Carolina, Virginia, and West Virginia, on saving the New River. My mail indicates, and the attitude of the Nation's press indicates that this is an issue which concerns people all over the country.

The gentleman from Oregon (Mr. ULLMAN) and the gentleman from Washington (Mr. MEEDS) mentioned the analogy of this legislation with Hell's Canyon Dam legislation, which I think is very appropriate.

Jobs have been argued here. The United Mine Workers of America are very strongly for this legislation.

I have a letter that just came to my attention from the Amalgamated Clothing and Textile Workers Union, AFL-CIO, from Raleigh, N.C.

Mr. Stephen L. Leech, manager of the Carolinas-Virginia regional board, Amalgamated Clothing and Textile Workers Union, AFL-CIO, said,

> With the perspective of a North Carolinian representing thousands of workers affiliated with the AFL-CIO and understanding the immediate need for additional jobs within this faltering economy of ours, I feel compelled to state that building these dams is as shortsighted as it is destructive.
>
> To further despoil our heritage and ruin the lives of thousands of New River Valley inhabitants cannot be justified under any banner.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. HECHLER of West Virginia. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding to me. The gentleman has referred to everybody in the world from North Carolina, from good old Vinegar Bend Mizell to the gentleman who presently occupies that seat, and the Governor of North Carolina. Could the gentleman tell me how the Governor of Virginia stands on this measure?

Beyond that, the gentleman mentioned, I believe, the Amalgamated Clothing Workers, AFL-CIO, but just this morning I got a letter from the AFL-CIO wanting me to vote no on this bill. Could the gentleman explain that?

Mr. HECHLER of West Virginia. The

North Carolina AFL–CIO, to which I referred, supports this bill.

The CHAIRMAN pro tempore. The time of the gentleman from West Virginia has expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 2 additional minutes to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Governor Holshouser of North Carolina is in favor of this legislation. The Governor of Virginia is opposed to it. The Governor of West Virginia is presently in favor of these dams, but he will go out of office at the end of this year. He will be succeeded by one of two people; either by John D. Rockefeller IV or Cecil Underwood, the Democratic and Republican candidates for Governor of West Virginia, both of whom have taken a position in favor of this legislation and against the dams.

I have many, many letters also from people in the State of Virginia indicating their support of this legislation.

Mr. KETCHUM. If the gentleman will yield further, the present Governor of Virginia opposes the legislation?

Mr. HECHLER of West Virginia. Yes.

Mr. KETCHUM. And the present incumbent Governor of West Virginia opposes it?

Mr. HECHLER of West Virginia. Who is going out of office.

Mr. KETCHUM. This administration is going out of office sooner or later.

Mr. HECHLER of West Virginia. But the people who speak through the Legislature of West Virginia are in favor of this legislation.

Mr. KETCHUM. But the Governor elected by those same people opposes it.

Mr. HECHLER of West Virginia. And the new Governor of West Virginia clearly is in support of this legislation, I reply to my good friend from California.

Mr. KETCHUM. I thank the gentleman.

Mr. HECHLER of West Virginia. The gentleman's colleague, the former Governor of California, Ronald Reagan, is strongly in support of this legislation.

Mr. KETCHUM. May I point out to the gentleman that I am a strong supporter of Governor Reagan, but I disagreed with him when I was in the Legislature of California and I would disagree with him now.

Mr. HECHLER of West Virginia. I would respect the gentleman's right to disagree. I would invite him to take a raft trip down the New River just like his colleagues, the gentleman from California (Mr. McClosky) and the gentleman from California (Mr. Van Deerlin). I also invite all Members of this Congress to take this raft trip down this fabulous New River Gorge. I know this legislation will receive overwhelming support from all those who experience the thrill of a raft trip down the New River Gorge.

All those who are interested in history, in the preservation of the very foundations of the land we love and in which we live, should pause and consider how important this bill really is. During most of the Paleozoic era, the New River Basin was a large saltwater sea—and as a result you had many fabulous deposits of sandstone, shale, and bituminous coal. Then, during the Mesozoic era the whole area underwent vast changes which resulted in draining the sea and creating great rivers. One of these rivers was called the Teays River. Long before the time of the glaciers, the Teays River used to flow northwestward toward the Great Lakes. Then during the Cenozoic era, the Teays River was destroyed by the glaciers of the Ice Age. Prior to its destruction, the Teays, which started as a smaller river, cut downward much as the Colorado River did in forming the Grand Canyon in Arizona.

Settlers first reached the banks of the New River prior to the Revolutionary War. The Indians used to call the New River the "River of Death" because of its treacherous rapids, and there were many superstitions about the river. The New River transects every ridge of the Alleghenies, and by cutting through these towering mountains the New River roars down through gorges and canyons and scenic rock formations which provide some of the most panoramic views in the entire Eastern United States.

Let me take you on a raft trip down the New River.

You assemble on the banks of the New River near the old once-booming coal-mining town of Thurmond. You put on lifejackets. You climb into a vulcanized neoprene raft along with seven others and two experienced guides.

Through the narrow, V-shaped New River Gorge, everybody works. You have to paddle faster than the swift-moving current, through the roar of the rapids, rushing downstream as the river falls 198 feet in 16 miles. Your raft, which is about 20 feet long and 8 feet wide, bobs and dips, the bow plunging into white foam as the stern bounces you up in the air.

Wild waves break 6 feet over the side, and you feel the delicious thrill of whitewater in your face. Soon you are sopping wet and loving every minute of it. You get through a difficult set of wild rapids and into an area which is relatively smooth and calm and put ashore where you can jump off 15-foot-high fossil rock and enjoy a swim before tackling the next set of rapids.

The most exciting set of rapids are right at the end of the raft trip, where in 8 seconds you drop 17 feet in a 50-yard stretch, the waves dash against the boulders and your raft bends, bucks, and plunges its way through the wildest whitewater east of the Mississippi River.

We have heard talk about the construction jobs that these dams would create. But in addition to the agricultural jobs which these dams would destroy, damming the New River could cost West Virginia between 1,000 and 1,500 West Virginia coal mining jobs. A coal-fired powerplant instead of this pump-storage hydroplant would actually create more employment among coal miners, and this is why the United Mine Workers of America is officially on record in support of this bill. The North Carolina AFL–CIO supports this bill also.

Supporters of these dams have contended that there are already several dams downstream of Blue Ridge which have not really hurt the river, or perhaps which do not qualify the New River as a wild and scenic river. First of all, the Department of the Interior has settled the issue of whether or not the New River qualifies squarely in the affirmative by the ruling of the Secretary of the Interior. Second, the two Blue Ridge project dams proposed by the Appalachian Power Co. have reservoir surfaces of over 40,000 acres—more than six times as large as the combined acreage of all the smaller impoundments below the Blue Ridge project in West Virginia. Even Bluestone and Claytor Lake are not big enough to handle the tremendous flow of water which would be released if the twin storage dams were built and their flood-like impact felt downstream in the New River Gorge.

We have heard a great deal of talk during this discussion of the need for energy, and how you weigh the energy crisis against the need for protecting this priceless river.

Mr. Chairman, the Ford adminstration could never be accused of being soft on energy. The President vetoed a strip mining bill because he said it would intrefere with coal production, despite the fact that strip mining bill was not a very strong bill. The Department of the Interior, which is charged with stimulating the production of minerals, has come down very hard and forcefully on behalf of saving the New River. In two sentences, the Department of the Interior weighed the need for energy against the need for protecting the New River, and made this statement on May 20, 1976:

> It is the long-standing policy of this Administration to balance the need for energy development with our concern for environmental quality. The Blue Ridge project, as presently conceived, would result in the unacceptable loss of a nationally significant natural resource.

The Department of the Interior notified the Congress:

> I am hopeful that you will conclude as we did that the loss of the New River in North Carolina is too high a price to pay for the Blue Ridge project.

Mr. Chairman, Tennyson wrote about the brook:

> For men may come and men may go, but I go on forever.

For 100 million years, the New River has freely been flowing, and men have come and gone, but now there are those who want to destroy the river.

Thomas Wolfe wrote in his classic work "Of Time and the River" and asked:

> Where can you match the mighty music of their names, the Monongahela, the Colorado, the Rio Grande, the Columbia, the Tennessee, the Rappahannock and others— these are a few of their princely names, these are a few of their great, proud, glittering names, fit for the immense and lonely land that they inhabit.

Do not destroy this great river. Keep the New River as it is by supporting the pending legislation, H.R. 13772.

Mr. SEBELIUS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Virginia (Mr. Butler).

Mr. BUTLER. Mr. Chairman, members of the committee, the committee has already heard from me earlier today during debate on the rule, and I will try to keep this short. Do not be misled—I am not quitting now, but I will try to wrap this up as briefly as possible.

Mr. Chairman, please understand that the principal offices of the Appalachian Power Co., are at Roanoke, Va., in my congressional district, and the Blue Ridge project has substantial economic implications for the area I represent. Inasmuch as the Federal Power Commission has resolved the question of need for the project, I will not address that question.

Let me begin by undertaking to clarify a few points. I call your attention to a brochure prepared by one of the proponents of the legislation entitled "River Story Told" and pictures included therein.

Exhibit I is a map showing much of the New River Valley from its origin to its juncture with the Kanawha River in West Virginia.

The photos shown in the brochure are also superimposed on exhibit I. You will please notice that the area photographed in fact lie in West Virginia well over 150 miles below the impoundments in question. Indeed, the portion of the New River shown on these photographs is the subject of other legislation to include it within the Wild and Scenic Rivers Act. We can only conclude that failure to include photos of the area in question arises from an inabliity to find the same pristine beauty there.

A number of suggestions have been made as to the wishes of the populace in the area in question. I have no survey at hand, but I do want to make you aware that within the last week petitions have been filed with members of this committee opposing this legislation and supporting the project by persons directly affected by the project from 527 residents in the North Carolina area involved and 1,217 from the Virginia area involved.

Exhibit I also shows existing impoundments on the New River, which, of course, flows north and is unique in this regard. The four major impoundments are circled in red: Claytor, Buck, Blue Stone and Byllesby. There are two lesser impoundments, Fries and Wilson Creek, one of which, Wilson Creek, is within the proposed Blue Ridge project impoundment itself.

As you know, the two proposed Blue Ridge dams are in Virginia. They are affected by this legislation only because it would prohibit the necessary impoundment in North Carolina.

The proposed legislation would designate the first 26 miles as a wild and scenic river. That is 5 miles of the main stem and 21 of the South Fork.

The North Fork is also proposed for impoundment but not for wild and scenic rivers designation. Earlier legislation would have included the North Fork until adverse effect upon existing establishments along the North Fork were discovered. I mention this so that you will be aware how pure the environmental heart must beat.

Exhibit II shows the roads in the area. The heavy line along the Virginia boundary is also the boundary of the proposed area. You will notice that there are 4 primary road crossings, 15 secondary road crossings—1 abandoned—scarcely a wild area.

Other arguments, however, are of greater significance.

Bear in mind that you have before you legislation which would effectively revoke a valid existing license granted after years of litigation, over 7,500 pages of testimony of expert witnesses, over 300 technical exhibits, $16 million in expenditures, countless accommodations and adjustments, total compliance with every applicable Federal and State statute, and unanimously affirmed by every tribunal before which it has been, including one administrative law judge who ruled three times upon it, the five Commissioners of the Federal Power Commission and three Federal judges of the U.S. Circuit Court of Appeals for the District of Columbia.

I object to this legislation because it constitutes a breach of faith.

The license in question was granted pursuant to a delegation of authority from Congress to the Federal Power Commission contained in the Federal Power Act. Section 822 or section 28 of the Federal Power Act reads as follows:

> The right to alter, amend, or repeal this chapter is expressly reserved: but no such alteration, amendment, or repeal shall effect any license theretofore issued under the provisions of this chapter, or the rights of any license thereunder. June 10, 1920, C. 285, section 28, 41 Stat. 1077.

This prohibition against alteration, amendment or repeal is unique to the Federal Power Act. It was made a part of the legislation to reassure public utilities willing to undertake and develop new energy resources that the products of their efforts would not be arbitrarily taken from them—and it has served our Nation well.

No one questions the power of the Congress, but you cannot ignore the policy implications of what is suggested.

The legislation is the wrong thing for Congress to do.

Not only would this action be a breach of faith: It is without precedent.

No Congress has done what this legislation proposes that you do.

You should also be aware of the exposure to liability for damages of the U.S. Government in the event that this legislation becomes law.

The fifth amendment to the Constitution of the United States says:

> Nor shall private property be taken for public use without just compensation.

To enact legislation with the stated objective to make it impossible to exercise this license is clearly a taking of property within the contemplation of those who wrote our Bill of Rights.

I am well aware of the inconclusive nature of the precedents on this, but I have no difficulty in concluding in my own mind that it is a taking when you render valueless that which was acquired after great expense in good faith in accord with statutory procedures in reliance on section 822 or section 28.

It is the presence of this section which is critical to my judgment that the revocation is a taking for which the Appalachian Power Co. would be entitled to compensation.

I think it most important for this committee to be aware of this exposure to liability for damages. If, in fact, this legislation would constitute a taking within the meaning of the fifth amendment and it is my opinion that it would be, then the measure of just compensation must be the fair market value of the license to be taken.

However, in the absence of comparable sales or transfers of licenses of this nature and there are surely none, then the courts will look at the cost of replacing this project with a comparable facility. That evidence is readily available in this instance. The uncontradicted testimony of the Appalachian Power Co. is that the cost of a steam generating power facility capable of producing an equal amount of electric power is $1,300,000,000.

Since a comparable facility would cost $1,300,000,000 and the estimated cost of this facility is $845,000,000 so the difference between these are approximately $½ billion, that is the value of the license and the exposure to liability for damages by the Federal Government in this instance. For that reason alone, this legislation should not be passed lightly after 1 day of committee hearings.

These then are the reasons I think the legislation should not pass: It is a breach of faith, it is without precedent, it is a taking in violation of the fifth amendment of the Constitution and it could be very costly to the U.S. Government and to the consumers in the affected area who must ultimately pay the cost of the additional facility.

But the controlling argument in this instance, in my judgment, is the cost of the project itself. The Appalachian Power Co. has expressed a willingness to invest an estimated $845 million in this project. At the rate which these estimates have been escalating we can reasonably anticipate that the ultimate cost of this project is going to be in the neighborhood of $1 billion. This is $1 billion of expenditure in and by the private sector of the economy to meet the energy needs of the Nation with all the implications that has for labor, for jobs, for industrial and economic activity within the entire Eastern half of our country.

Of course, a pump storage project of this nature is the cleanest and most efficient way to handle the peak load energy needs of the country.

My personal experience with the Smith Mountain Lake project on the Roanoke River—a pump storage project—indicates to me that it is one of the finest things that can happen to an area in terms of greater enjoyment for the greater number of people coupled with improved industrial and economic opportunity.

I urge rejection of this legislation so that the benefits of the Blue Ridge project may become a reality as soon as possible.

Thank you for your kind attention, and for the opportunity to appear before you.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I would be glad to yield if the gentleman will grant me more time.

Mr. SEIBERLING. I do not control the time, but I will yield to the gentleman some of my time.

I would just like to say that the Congress of the United States is not bound by the principle of stare decisis.

Mr. BUTLER. I thank the gentleman, and if I were a Latin scholar, I would like to discuss that further. I will just accept his verdict and ask him what relation that has to this later.

I would also like to say to the gentleman from North Carolina (Mr. MARTIN) that I appreciate his contribution.

I am indeed embarrassed that my colleague from Virginia (Mr. WAMPLER) made his first error when he suggested that there were 10 million kilowatt hours provided to North Carolina in the last 10 years. It is billion kilowatt hours.

If the gentleman will correct the RECORD at that point, I will appreciate it.

I have the 5-year summary of what has been provided for the Carolina Power and Light and Duke Power and Light, and it is 6½ billion kilowatt during that interval of time.

This is a peak load facility, so that the Appalachian Power Co. will have available additional power to sell in the area to provide the energy needs of the Nation, which are certainly expanding.

If I could have the attention of the Members for a moment, I will do the best I can to call their attention to this. But I want the Members to look at this chart, if they will. If we look at this chart, it will give us an opportunity to orient ourselves. It will orient the Members as to exactly what we are talking about.

The Members have been privileged to receive a brochure entailing some beautiful pictures of the New River. Those pictures are identified here, so if the Members will pull out their brochure they can look at it.

This also points to the place where the New River is located. These pictures were taken in West Virginia, where the gentleman from West Virginia (Mr. HECHLER) rode down the river on a raft, on the way to Charleston for whatever purpose he had in mind.

The gentleman from North Carolina (Mr. NEAL) has correctly explained that he did not intend to mislead anybody, and I accept that entirely.

The project in question is 150 miles away. It is on the headwaters of the New River. The New River, as we will see, flows north. It is unique in that regard. It ultimately drains into the Kanawha River and the Ohio River and the Mississippi River, and so forth.

What this bill would do is take out of the project and into scenic designation the south fork of the New River. Taking out the South Fork, of course, makes it impossible for the project to proceed. In all candor, we will have to explain that the earlier bill 2 years ago also included the North Fork of the New River, but somehow the heart no longer beats for the North Fork because there were several industries that would suffer there. So we are very selective about how we go about killing the project. But let us not kid ourselves. It substantially kills the project.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEBELIUS. Mr. Chairman, I yield 5 additional minutes to the gentleman from Virginia (Mr. BUTLER).

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. The point is that even though those pictures are in West Virginia, the project will affect the free flow nature of the New River in the New River Gorge.

Mr. BUTLER. That may be the gentleman's point, but it is not sustained in the court. That was considered very carefully in the environmental impact statements. It was at the insistence of the State of West Virginia that we have such an expensive project, so that in fact New River can be available now as helpful in cleaning up that area of the river.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield further?

Mr. BUTLER. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I thank the gentleman for yielding.

Yet the Department of the Interior indicated that the project would have an effect on the New River.

Mr. BUTLER. I think that was their conclusion, but they did not designate it as a scenic river project, as I understand it.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from North Carolina (Mr. NEAL).

Mr. NEAL. I thank the gentleman for yielding.

I would just like to point out that what we are talking about is a segment of the New River in North Carolina, which has already been declared a part of the national wild and scenic river system.

As interesting as all this is, it is not germane to the point. The point or the simple question is: Shall we or shall we not flood a component of the National Wild and Scenic Rivers System?

Mr. BUTLER. Mr. Chairman, if that is a simple point, we are indeed in trouble. The simple point is that if that is all the issue is about, we are on pretty thin ground.

That brings me, Mr. Chairman, to this point: How scenic is this area? How wild is this area?

I would like to take a brief moment to explain just exactly what the South Fork of the New River looks like. This map shows the Virginia boundary, and at this point, south along this South Fork, is the portion of the New River that is in question. Each one of these little red spots indicates a bridge or a crossing over the river.

There are 4 primary roads which cross this river, and there are 15 secondary roads through this brief 26-mile hitch, and that is supposed to be the wild area that is part of the Wild and Scenic Rivers Act.

Mr. Chairman, if we took enough care and we designated as wild and scenic every single creek in the mountains of North Carolina, Virgina, and West Virginia that has only one bridge and one crossing per mile, we would have to designate the entire State. I assure the Members that there are areas everywhere in these mountains that are far more beautiful and certainly just as beautiful as this area. This is just a little mountain stream at the headwaters of the New River, and we would jeopardize the whole principle on which the Federal Power Act is established with our actions today. We are jeopardizing the whole power project that is designed to meet the energy needs of the Eastern half of the country just to help out our friends, poor old ROY TAYLOR from North Carolina, and poor old Vinegar Bend down in North Carolina.

Mr. Chairman, this is just the wrong way to legislate. It is a serious mistake, and I urge the Members to vote against the bill. I thank the Members for listening to me.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, I think this is about the sixth forum in which I have advocated the construction of the Blue Ridge project.

If the last 2 years have taught us anything, they have taught us that this is an energy economy as well as a dollar economy. Nothing moves in the absence of energy. Somewhere along the way the American people are going to have to determine through legislation or otherwise whether or not we are going to agree with a policy of no economic growth or whether we are going to continue to go forward.

Mr. Chairman, a balance has to be struck between the requirements of the economy and the needs of the environment. I hope very much that this measure will be defeated.

Mr. SEBELIUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I look at it, I guess the quorum call was my responsibility. I felt the necessity of making the point of order after seeing all these statistics and all this hard work going down the drain after 9 years. Doubtless we would have had about 38 Members here who have heard this before or who have made up their minds, and, frankly, I have had mixed feelings on it myself.

During my time of serving with the gentleman from North Carolina (Mr. TAYLOR) in these last 2 years as the ranking minority member on the subcommittee, I have grown to respect the gentleman's ability, his judgment, and his work, and I will probably do that again tonight. However, also during this period of time I have tried to uphold the excellence of the National Park System and likewise the National Wild and Scenic Rivers System as designated by the act. I personally must conclude, as I weigh the definition of a wild river area, that the gentleman from Virginia (Mr. BUTLER) has put his finger right on the point—there are crossings all over the place.

It probably would not qualify as a wild and scenic river any more than would Prairie Dog Creek in western Kansas. However, from the definition of wild river areas, they should be free of impoundments—and that seems to be the whole substance of this entire debate—they should also be generally inaccessible except by trail, with watersheds and shorelines essentially primitive and waters unpolluted.

Scenic river areas are designed as being free of impoundments, with shorelines or watersheds largely primitive.

Mr. Chairman, this bill is marginal. It does not come up to ordinary standards.

The bill means two things. A lot of antipower people just do not want new power with any kind of impoundment at all. It also means a lot to the North Carolinians who just do not want to move from their lands. They do not want their lands muddied up, as the gentleman from North Carolina said. I can well understand that from my own point of view.

I personally would have been in Congress 10 years sooner than I was except for the fact that as the mayor of a downstream town, I advocated impoundment above my city. I got beaten by 51 votes in some 26 counties, and I lost all the votes in the township where I thought I was going to be successful.

Mr. Chairman, I shall vote for this bill tonight. It is not going to be because I think this is any great wild and scenic river. I think it is a marginal thing. However, I want the record to show that I hope we do not drag out this wild and scenic river question by continuing to fight about it when we should do it on the merits.

As far as the powerplants and other alternatives are concerned, I do not know what they are and how they should be handled.

Mr. Chairman, we have a wonderful national park system. We have a fine wild and scenic river bill here, and I do not like to see it diluted any more than it has been.

However, Mr. Chairman, on the basis that it is marignal, as I said, I will vote for it tonight.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

I really have two questions to ask. In view of the election which the gentleman lost as a result of his stand, does the gentleman from Kansas (Mr. SEBELIUS) think he was right in the position that he took?

Mr. SEBELIUS. I do not know.

Mr. KETCHUM. Then the gentleman cannot answer that one; obviously, somebody did not agree with the gentleman's position.

We have been involved with this bill for some time. As the gentleman knows, I sat on the subcommittee when the question was first discussed several years ago.

I am just wondering whether the action that we may be taking in the passage of this bill may not influence every private power company in the United States in its thinking about a project of this sort so that they will put it aside until a bill is sent to Congress and they see whether they can get the bill passed first rather than going to the Federal Power Commission.

Does the gentleman from Kansas not think that this might encourage that sort of activity?

Mr. SEBELIUS. I certainly feel it could do that. That is one of the things which weighs on my mind as I make this final statement.

I should also point out that I sit right next to the gentleman from Virginia, who is a ranking minority member on the Committee on Agriculture. I sit right next to him. I have a great deal of respect for him, for his ability, and for his sincerity. This project is in his district and that bothers me too.

My only conclusion is that it is marginal, but I think I will vote for it anyway.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. In reading the section on the Wild and Scenic Rivers Act, the section the gentleman from Kansas (Mr. SEBELIUS) read dealt with the wild river areas, those rivers or sections of rivers free of impoundments, with shorelines or watersheds largely primitive and shorelines largely undeveloped, but accessible in places by roads.

All of this river fits into either the wild river areas or the scenic river areas.

Mr. Chairman, let me point out to the gentleman that while we were arguing 2 years ago as to whether or not this river qualified as a wild and scenic river, that issue has been determined. It has already been found to qualify. The Secretary of the Interior found it to qualify only after he had polled other agencies involved, after he had listened to public comments for months, after he had filed an environmental impact study, and after the matter had been thoroughly studied.

Mr. SEBELIUS. I admit that, but I did mention the primitive part of it, and I did mention the shoreline.

In any event, I consider the bill marginal, but it appears that the general feeling here is that marginal or not, that is what we want to adopt.

Mr. Chairman, I voted for the bill last time. I will vote for it again, but I do not have any great pride in thinking I am doing anything great for the national park system or for wild and scenic rivers. I am probably doing something about a mudhole in North Carolina, and there is some question here as to whether or not we should do this and whether or not this is to be locked up forever if we let the powerplant be built. That is my personal feeling.

I apologize, Mr. Chairman, for the amount of time that I have taken and also for the amount of time the other side has consumed but I really do not think we should set these matters so that they come on late at night and we have to try to go into the merits, sell people on them, and do that when there are so few Members on the floor who are here to learn about these things and be able to vote on the legislation. If the choice had been up to us, we would have had them all stay here but we were unable to do that.

The CHAIRMAN. The gentleman from North Carolina (Mr. TAYLOR) has 18 minutes remaining.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, no person has been more patient and understanding than our friend and beloved Speaker. Next year, when the 95th Congress convenes many of you will be working hard to carry out the public interest, but neither I nor the Speaker will be here. If we are lucky, we will be somewhere enjoying a little rest and sunshine in a place that is peaceful and quiet. Perhaps we will be fortunate enough to be fishing or viewing this beautiful river and enjoying its serenity.

So as we go to our retirement, Mr. Speaker, I hope that we will be able to say to the American people that together, we helped to save the New River. Certainly, we in North Carolina and throughout the Nation owe you a real debt of gratitude for helping us to get the rule and, hopefully, the final approval of this legislation by the House.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I do not intend to take the full 5 minutes, but just let me say that we have been down this road before and that to say that this bill is an unprecedented thing is not entirely true.

We have a powerplant near Akron, Ohio, on a beautiful gorge, which is served by a dam that covers up what was once a scenic waterfall on the Cuyahoga River in the town of Cuyahoga Falls. Some years ago the president of the power company told me that the company now realized that they should not have built that dam and powerplant there, and that by doing so it had deteriorated the scenic and recreational assets of the area. He acknowledged that the dam and powerplant could have been built somewhere else and today would have been.

Three years ago I was in Page, Ariz., near Lake Powell, which is one of the most magnificently spectacular lakes in our country, and they were building a powerplant that had stacks some 750 feet high. I asked the chief engineer:

> Why did you build that plant so close to the lake where it could be seen by every tourist visiting that area, thereby spoiling a beautiful natural area?

He said:

> Well, you know, things are different today. If we had been thinking of the environment when we did this several years ago, we would not have put it here but we would have put it about 10 miles farther away from the lake so as not to destroy the natural beauty of this lake.

Mr. Chairman, do we have to go on making these same kind of mistakes over and over again and afterward having the presidents and the engineers of these power companies saying, "Well, we did make a mistake, we should not have put it here."

This project would not result in a net gain for our energy needs. Rather, from an energy production standpoint, it would be a net loss. It will consume four units of energy for every three it produces. So the Federal Power Commission did not base its decision on purely economic or energy factors. On the contrary, they focused on what they claimed were the recreational benefits of this project.

We have been down that road before too. We have a number of Corps of Engineer lakes that supply water power for industry in northern Ohio. When these lakes were built, some of the people owning land around them started a big promotion selling their land as potential sites for recreational homes. Some people were enticed into buying some of that land and building recreational homes. Some of them are constituents of mine.

Some of these constituents every year come to me and say, "This is terrible. Just at the height of the summer vacation season they drain water out of the lake and all we have is mud flats for 50 and 100 feet in front of our homes." Recently the Corps of Engineers even considered banning access to the shoreline because of the mud flats and the hazard there. Yet that is what will happen in this project every single day.

And what will it replace? It will replace not only the oldest river in North America, geologically speaking, but one which thousands of people—including, I am sure, many of your friends and constituents—use in the spring, summer, and fall for boating and rafting.

One of the principal outfitters and organizers of river trips on the New River is located not in North Carolina or Virginia but in Columbus, Ohio. So what do we do after we have let them build a dam and flood a great stretch of this river? Are we going to join someday the president of that company and the engineers saying, "Yes, we should have listened to those who said this would be a mistake but, of course, it is too late now; we have invested money in this; and we cannot afford to undo the harm that has been done."

Mr. Chairman, we should be grateful to people like ROY TAYLOR, STEVE NEAL, and KEN HECHLER for their leadership in keeping this issue before the Congress until we could at long last act to save this great recreational asset.

Mr. SEIBERLING. Mr. Chairman, much has been made of the recreation benefits of the proposed Blue Ridge project. Even the FPC states that "viewed solely from the standpoint of the production of power, other sites would provide power at lower costs." But the purported recreational benefits of the project are expected to be a major factor in its favor.

The FPC further states that the lower reservoir, with planned fluctuations of up to 43 feet, will not make a major contribution to recreation. But the upper 26,000-acre reservoir is promoted as a major recreational resource.

But even the upper reservoir has planned fluctuations of up to 10 feet for pumped storage power generations. And the pumped storage use is to occur from Monday through Friday of each week, so recreationists arriving in the area on Friday evening for a weekend limit will find the lake at its lowest level as they prepare to use it. The lake will then be recharged over the weekend, so it will reach full capacity just as the weekend users are leaving the area. I question just how "outstanding" a recreation resource such a reservoir will be.

Look at the way in which the recreation benefits of this project were determined. First, the existing average per acre use of several nearby lakes was computed, and then applied to the entire acreage of the upper development, plus adding an additional 10 percent for use of the lower reservoir. So the beginning level of use assumes that additional people will materialize out of nowhere to immediately use this reservoir to the existing level of surrounding lakes.

As the Department of the Interior points out, however, flatwater reservoirs suitable for recreation are becoming more and more numerous in this section of the country. In fact, there are nearly half-a-million acres of such reservoirs currently available within a 150-mile radius of the proposed development. But high-quality, free-flowing streams of the caliber of the New River are an increasingly scarce and highly valued resource. Construction of the dams would also mean giving up the significant smallmouth bass fishery on the New River for a reservoir of dubious biological productivity.

As far as the economic impact of the lake recreation on the local area is concerned, we should take note of a recent study of the local economic impact of reservoir recreation on Norris Lake in the State of Tenneseee. This study found that, although Norris Lake is a highly popular recreation area with over 2 million annual visits, there was little direct economic benefit in the local area. This is true because the recreationist makes his major investment—boat, trailer, fishing tackle, et cetera—near his own home, and contributes little other than minimum purchases to the economy of the reservoir area. This study also points out that construction of the Norris Dam caused a loss of productive farmland. The net effects of all this resulted in a population decrease in the local area from 1960 to 1970.

What are the implications of this for the counties directly affected by the Blue Ridge project? Over 40,000 acres of land, productive for farming and forestry, will be given up in exchange for doubtful recreation benefits of questionable value.

We should also consider what that 40,000 acres of productive land could contribute in terms of agricultural products in the years to come. We should also consider the economic loss and the human loss, if 3,000 people are displaced by construction of the Blue Ridge project.

How realistic is the assesment of recreation benefits given by the FPC? The Commission finds that, because Appalachian Power Co. will provide for portage paths around the dams, it will somehow be an advantage to canoeists to see over 90 miles of free-running river destroyed so that they may have the privilege of paddling along many miles of the reservoirs and carrying canoes around the dams. Such arguments would be laughable, except they are being used to justify the project, which even the FPC states is justified not on the basis of net power benefits, but because of recreation and related benefits.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I thank the gentleman for yielding.

I would like to add the names of two individuals who have been extremely helpful in this fight: Nathanial Reed and Doug Wheeler of the Department of the Interior.

Mr. SEIBERLING. I wish to commend the gentleman from West Virginia for joining the gentlemen from North Carolina (Mr. TAYLOR and Mr. NEAL) in this fight to save the New River.

Mr. RHODES. Mr. Chairman, I rise in support of H.R. 13372, the Wild and Scenic River System bill. I have been impressed by what I have read regarding the New River and by the large number of letters I have received from concerned residents in that area.

The New River is reported to be the oldest in the Western Hemisphere. Since Secretary of the Interior Kleppe has designated the New River to be included in the National Wild and Scenic River System, I believe we should make every effort to protect and preserve the natural beauty of this river.

I understand the controversy surrounding the proposed hydroelectric project and recognize the need to strike a balance between our environmental concerns and the economic needs and growth of our country. Due to the unique nature of the New River, I am convinced that in this instance we must make every effort to preserve this irreplaceable natural resource for future generations.

Mr. ULLMAN. Mr. Chairman, I rise in support of the enactment of H.R. 13372. This bill is drafted to accomplish one simple objective—namely, to preserve the segment of the New River located in North Carolina which the legislature of that State and the Secretary of the Interior decided merit inclusion in the National Wild and Scenic Rivers System.

We have heard it said that this legislation has the effect of reversing the action taken by the Federal Power Commission. Never before, we have been told, has the Congress asserted itself in matters of this kind. Indeed, it may be true that this is a unique situation.

This may be a unique situation not because of congressional intervention, but because the action of the FPC in this case amounted to an ultimatum to the Congress. In effect the agency gave Congress six months to act—the last 6 months of the 93d Congress. It took this action in spite of the requests of the chairmen of the Committees on Interior and Insular Affairs asking that the decision on the license be deferred until Congress had a reasonable opportunity to act. Certainly, it is not a common practice for an agency to require the Congress to reverse its action. It is even less common for an agency to tell the Congress that it has only 6 months to act—particularly in the final weeks of a session when so many issues are confronting Congress.

Now we are told that this action would be unprecedented. It might be accurate to say, though I am not sure it is, that the Congress has never revoked an FPC license.

But it does not matter, because H.R. 13372 does not revoke the license for the Blue Ridge project. Not one word in the bill suggests that the FPC license is not valid—though there is litigation pending in the Supreme Court as to whether it was validly issued.

All H.R. 13372 says is that no FPC license shall be implemented in a way which will cause the segment of the New River in North Carolina to be flooded and destroyed. Is it unprecedented for the Congress to intervene in cases of this kind? This Congress is the master, not the servant, of the Federal Power Commission. Nothing in the law says that the Congress is restrained from limiting the authority of the Commission.

Let us take the case of the Colorado River. In the Colorado River Basin Project Act we specifically provided that the Federal Power Act "shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress." The Congress has the power to determine how our great river resources are to be used.

In fact, Mr. Chairman, the Wild and Scenic Rivers Act provides that the FPC—

> Shall not license the construction of any dam, . . . reservoir . . . or other project works . . . on or directly affecting any river which is designated . . . as a component of the national wild and scenic rivers system or which is hereafter designated for inclusion in that system. . . .

That assertion of power by the Congress underscores the controlling relationship which it may exercise over its agent—the Federal Power Commission.

More pertinent, perhaps, is legislation enacted this Congress which involves an area that I am very familiar with—the Hells Canyon National Recreation Area. Within that area, applications for licenses at two power sites were under consideration by the Federal Power Commission. One Corps of Army Engineers project had already been authorized by the Congress. Notwithstanding this fact, this very Congress—the 94th Congress—determined that the Snake River should not be developed for its hydroelectric potential. It specifically deauthorized the Asotin project and specifically withdrew the authority of the FPC to license the construction of any new dam, reservoir, or project within the recreation area. Mr. Chairman, that is precisely what we did last year when we approved Public Law 94–199.

Mr. Chairman, we all recognize that in some instances there must be some trade-offs where there is more than one important, but conflicting, use of the same stream. When this happens, it is not a question of precedent, but a question of determining what is in the best public interest. Dam sites are never lost, but free-flowing rivers can be.

We have to make a decision. Sometimes it is not an easy decision, but when we weigh all of the factors our action should be to do that which represents the national interest in the long run. In this case, we are talking about the construction of a two-dam, pump-back storage project. While it will produce high value peaking power, it will actually consume more electricity than it produces. At best, the life of the project is expected to be 50 years. At best, it will produce a very minute portion of the electrical energy which the Nation will need in the years ahead.

On the other hand, we have the oldest river in the Western Hemisphere. It is a river rich in historical, cultural and archeological values, as well as being an area high in natural, scenic and recreational values. When we stop to think that we are trading one of the few remaining free-flowing streams on the Eastern Seaboard for a project that cannot be justified without taking into account some specious recreation benefits that everyone agrees are unrealistic, then, I think, the Congress has the responsibility to act.

In this case, Mr. Chairman, the costs are too high. We are getting too little in the way of energy and related benefits for the loss of a natural resource that is too precious to lose. If this action is unprecedented, and I don't believe it is, then so be it. If Congress had always relied on precedents we would still be trying to pass our first public law. Virtually every positive action resulted from a precedent-making situation.

Mr. Chairman, H.R. 13372 is a constructive solution to a difficult situation. I support the gentleman from North Carolina (Mr. TAYLOR) and urge its adoption by the House in the form recommended by the Committee on Interior and Insular Affairs.

Mr. BEDELL. Mr. Chairman, I rise in support of H.R. 13372, a bill which would designate a 26.5 mile segment of the New River as part of the National Wild and Scenic Rivers System. This legislation is necessary to retain the present course of the New River and maintain the current river valley use.

The opponents of H.R. 13372 have voiced concern about its impact on both employment and energy supplies. I share their concerns about our Nation's employment and energy problems. However, in my judgment, their arguments do not substantiate the case for the Blue Ridge project. In fact, a closer examination of the New River issue reveals convincing evidence that the energy and employment needs of the area would be better served by enactment of H.R. 13372.

The construction of the Blue Ridge project would have a devastating effect on the physical, social, and economic nature of the New River Valley. It would displace 3,000 residents of the area. It would destroy 40,000 acres of fertile bottomland. And it would result in an estimated loss of $13.5 million of annual agricultural income. And for what?

The economic benefits derived from the agricultural industry more than offset the benefits which the Federal Power Commission states will accrue from the Blue Ridge project. These benefits are estimated at $6.7 million a year, a figure well below the $13.5 million agricultural receipt.

Also, although the FPC has stated that the Blue Ridge project will create 1,500 jobs, these jobs are temporary. They will last only as long as it takes to build the Blue Ridge facility—from 5 to 9 years. At the same time, the project will force 3,000 residents to leave their homes, and it will destroy agricultural and other valley-related occupations. This is inexcusable. The term "progress" cannot be applied to a situation in which time-honored activities are replaced by short term job opportunities.

The project is also suspect on the basis of performance. In considering this issue, it is important to recognize the basic inconsistencies inherent in the proposed Blue Ridge project. It is an acknowledged fact that the project is not intended to be an energy generator but rather an energy consumer. The only planned use for the dam is for energy generation during peak periods, at which time the upper reservoir would be used. Four units of energy would be used for pumping water back to the upper reservoir for every three units generated during peak energy requirements.

In addition, the FPC has projected a substantial energy load growth for the future in the New River Valley area. Assuming this projection is correct, construction of a net energy consumer is indefensible. What is necessary is a facility which will generate power to help meet our future energy requirements, not one which is designed to consume energy.

And finally, the Appalachian Power Co. itself claims that the total life span of the dam is to be only 50 years, with the beginning effectiveness of the dam cut to less than one half after only 20 years. The power company already generates more power than it can utilize itself, selling 10 percent of its power to other utilities. If the purpose of the dam is generating for future energy needs, and if the dam becomes increasingly ineffective after a relatively short period of time following its construction, the justification for the Blue Ridge project becomes slight indeed.

In my view, the Blue Ridge project does not make sense on energy grounds. And, beyond that, it appears that the objectives of the project could be better achieved by alternative means. In particular, a coal-fired plant should be considered. Such a facility would be more economical to build, and it would create as many jobs in its construction as would the hydroelectric project. We must not allow ourselves to think that the Blue Ridge project is the only remaining avenue we have.

Several points should be made about the recreational implications of the Blue Ridge project.

The beauty of the New River Valley has made it a favorite spot for recreationists. It is appreciated for the fact that it is one of the few remaining free-flowing rivers in the Eastern United States.

In the proposed Blue Ridge project, the upper reservoir, the only one which could be used for recreational purposes, would be subject to 10 feet drawdowns of the water level during generating cycles, leaving the reservoir ringed by ugly mudflats. It is difficult to appreciate the recreational attraction of such an area in comparison with the scenic beauty of the present New River.

Finally, we cannot forget the invaluable geologic and environmental value of the New River Valley. This valley has been traversed by humanity for ten thousand years, leaving the area filled with archaeological artifacts. The river and valley contain plants and wildlife peculiar to that area alone. A dam project cannot replace the quality of life that exists in the New River Valley today.

In my opinion, the reasons for voting in favor of the bill H.R. 13772 are compelling, and I urge favorable action on this important piece of legislation.

Mr. TAYLOR of North Carolina. Mr. Chairman, people from all over the country are supporting this legislation. I just received a copy of a letter and an editorial which I think would be of interest to all Members.

Mr. Chairman, the House Rules Committee last week reported the New River bill out of the Rules Committee.

The House Chamber voted 371 yeas to 140 nays to adopt the rule and debate the legislation today.

I urge my colleagues to read the letter from Tom Dustin, leader of the Indiana Izaak Walton League and the editorial from the August 7 Indiana Fort Wayne Journal-Gazette newspaper on this legislation:

THE IZAAK WALTON LEAGUE
OF AMERICA, INC.,
Huntertown, Ind., August 7, 1976.

Hon. RAY J. MADDEN,
House Office Building,
Washington, D.C.

DEAR RAY: Anything I might say to thank you for your help on New River would be an understatement. They ought to call it the Ray J. Madden New River.

Now, it appears the House vote may take place Monday; and I'm attaching another Fort Wayne Journal-Gazette editorial on the issue. I hope you will help encourage the rest of the Indiana delegation to vote for the bill.

We, of course, are writing to them all—except Myers—to ask for their votes.

Again, many thanks for your actions.

Sincerley,

THOMAS E. DUSTIN,
Executive Secretary, Indiana Izaak Walton League.

NEW RIVER, CRUCIAL VOTE

The nation owes considerable gratitude to House Rules Committee Chairman Ray Madden. The retiring dean of Indiana's congressional delegation after 32 years in the House, Mr. Madden powered legislation from his committee to the House floor to save North Carolina's New River, the nations' oldest river, from impoundment for a hydroelectric project.

In supporting the New River bill against fierce opposition from the utility industry and organized labor, the rules chairman overcame intense pressure from his highly industrialized district and acceded instead to the higher loyalty of nature's creation. But the New River legislation still needs a majority vote on the floor to pass, and its special interest opponents are expected to apply maximum muscle to defeat the measure there.

Many House members already realize that converting the New River into a pumped-storage power project would destroy the waterway. The proposed project's twin power generating lakes eventually would fill with silt and become two enormous mudflats. The hydroelectric scheme would not only wipe out one of the nation's precious natural areas, but also would ruin a productive agricultural region dating back to colonial times.

Examining the environmental impact statement prepared for the Federal Power Commission (FPC), the House will discover another as yet undebated dimension of the New River project. The FPC contends that 21 of 25 alternative power projects would cost less per kilowatt to construct than the conceptually similar New River plan. Combinations of the smaller but cheaper projects yielding the same power output as the New River proposal would cost from $170 million to $350 million less.

Rate-paying logic would argue against the much more expensive New River plan and favor the less expensive alternatives, although it's very questionable whether any pumped-storage project is needed to supply the coal-rich American Electric Power system.

The FPC, however, is one of the federal bureaucracy's grand masters of regulatory glibness. The FPC makes the totally unsupported assumption that all the pumped-storage projects eventually will be required—including the 25 alternates and the New River proposal—so it doesn't really matter which plan begins first.

Hoosier customers of American Electric Power's subsidiary, Indiana & Michigan Electric, should not have to subsidize another rate-increasing boondoggle and ruin the New River in the process. Since the House vote is scheduled on Monday, it's absolutely essential that Indiana residents express strong opposition to the New River power project with telegrams to their Congressmen in Washington.

Mr. Madden made an important contribution to saving the New River, a fitting way to cap his distinguished congressional career. Members of the House should vote with equal distinction to save this natural heritage.

Mr. TAYLOR of North Carolina. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair Mr. RYAN, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271), and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 13372, the bill just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina.

There was no objection.

GOVERNOR CAREY DIRECTS INVESTIGATION INTO SEXUAL ASSAULTS IN THE CITY AND STATE PRISON SYSTEMS

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, I should like to apprise our colleagues of what is happening on the subject of sexual assaults in the prisons. Regrettably, the sexual assaults continue, as one can see from the appended August 4 news article reporting a sexual assault on a young man held in a detention cell in the criminal court building in Manhattan, New York City. He was assaulted by five fellow prisoners while awaiting arraignment. Now the good news. I received a letter this morning from Clarence J. Sundram, assistant counsel to the Governor, stating that the Governor's office has asked the independent New York State Commission on Correction to look into the matters I have raised with respect to sexual assaults in the State and city prison systems and to advise the Governor's office of what action, if any, should be taken by the Governor. The letter is appended.

For those who are interested in my prior statements on the need for such an investigation, I refer them to my earlier CONGRESSIONAL RECORD statements of April 5, page 9473; June 28, page 21061; and July 21, page 23212.

[From the New York Times, Aug. 4, 1976]

BOY, 16, SEXUALLY ATTACKED IN COURT CELL

A 16-year-old boy was sexually assaulted by five teen-age youths while awaiting arraignment in a holding cell just outside the courtroom at New York Criminal Court last weekend, the police said Monday.

The youth and his alleged assailants were being detained in one of five basement cells that are normally supervised by two correction officers. The attack reportedly took place between 2 P.M. and 3:30 P.M. Saturday.

A spokesman for the Department of Correction said that the incident was under investigation and declined to comment on whether two guards were on duty, as scheduled, in the cell area at the time of the alleged attack.

The 16-year-old boy, who was not identified because of his age and the nature of the assault, was treated at Beekman-Downtown Hospital. He was also treated for wounds of the head.

From the hospital, he was taken back to the court where he was arraigned on charges of possession and sale of hashish at a rock concert in Bryant Park last Friday night. He was released pending a court hearing Aug. 17.

Five youths charged in the alleged attack were identified by the police as Edwin Rivera, 17, of 548 West 164th Street, who had been awaiting arraignment on robbery charges; Elvin Charles, 18, of 158 West 164th Street, who was being held on rape charges; Marvin James, 17, of 158 West 164th Street, held on drug-possession charges; Kenneth Givens, 17, of 13 Fifth Street, Newark, being held on robbery charges, and Jerome Turnbough, 16, of 2900 Eighth Avenue, held on robbery charges.

Their alleged victim, who the police said worked as a service station attendant in Queens, was arrested at the rock concert by Police Officers Leonard Campanile and James Miller, who had been dressed like "hippies." The officers said the boy had less than an ounce of hashish in two tin-foil wrappers.

He was taken to the East 119th Street station where he spent Friday night. On Saturday, he was transferred to the Criminal Court holding pen at 100 Centre Street. When Officers Campanile and Miller arrived at 3:30 P.M. to complete the arraignment process, they found the youth, who told them of the attack.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, N.Y., August 2, 1975.
CONGRESSMAN EDWARD I. KOCH,
New York, N.Y.

DEAR CONGRESSMAN: On behalf of Governor Carey I acknowledge your letter of June 28, 1976 concerning sexual assaults in the prison system.

Governor Carey is seriously concerned about conditions in the prison system, particularly instances of assaults which exacerbate the already high level of tensions in individual facilities. I have referred your letter to the independent Commission of Correction which has statutory oversight responsibilities over state and local correctional facilities. I have asked the Commission to look into the matters referred to in your letter and enclosures and to advise the Governor's office of what action, if any, should be taken by the Governor.

I will keep you informed of the progress made in this respect by the Commission.

Thank you for calling these very serious allegations to the attention of Governor Carey.

Sincerely,
CLARENCE J. SUNDRAM, Esq.,
Assistant Counsel to the Governor.

ASHLEY CALLS FOR NORTHEAST-MIDWEST ECONOMIC COALITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 15 minutes.

Mr. ASHLEY. Mr. Speaker, over the past several decades the States of the Midwest and Northeast have increasingly experienced high unemployment, loss of population—especially the skilled labor force—and the flight of taxpaying, job-providing industries to the southern part of the country identified as the "Sunbelt." The situation in the industrial Midwest region has become so acute that one observer recently commented that "the region is bleeding to death and does not even know it."

Between 1970 and 1975 the population of the Sunbelt grew by more than 9 percent compared to the combined Northeast-Great Lakes growth rate of 1 percent. This shift in population to the Southern and Western States—the Sunbelt is defined as the arc of States reaching from southern California to Virginia—is to some extent inevitable as social and economic conditions improve in those areas. Additionally, the migration of rural poor out of the South and into the North has continued on a reduced scale, while the rate of outmigration from the Midwest and Northeast has increased.

The combined effect of this population shift has produced serious economic and social consequences for these northern regions. Metropolitan and industrial cities are suffering the worst repercussions. Many highly skilled, taxpaying professionals are moving out of the inner cities, and even out of the suburbs, to the rapidly developing South where conditions are more favorable. What formerly were economically thriving downtown areas of many northern industrial cities are now being abandoned by those who can afford to move elsewhere. As the middle-class population moves out, the local tax base is substantially weakened, and the cities find it increasingly difficult to bear the higher costs of public services. Caught in this fiscal dilemma, most of our midwestern and northeastern cities are deteriorating. And as they become unattractive to new investment or redevelopment, their financial plight is compounded.

According to a recent article in the National Journal:

> Between 1969 and 1974, total nonfarm employment rose approximately 20 per cent in the South, 33 per cent in the Mountain states and 13 per cent in the Pacific states. But it increased only 7.1 per cent in New England, 1.8 per cent in the Mid-Atlantic states, 6.1 per cent in the Great Lakes region and 12.7 per cent in the Plains states. . . . Cumulative figures for manufacturing alone in the 15 years between 1960 and 1975 show a decline of 9.0 per cent in New England and 13.7 per cent in the Mid-Atlantic states, increases of 3.2 per cent in the Great Lakes states and 19.8 per cent in the Pacific states, compared with growth rates of 43.3 per cent and 67.3 per cent in the Southeast and Southwest respectively.

Some of the difference in employment figures can be attributed to the changing character of our national economy. Most jobs were formerly centered in manufacturing but are shifting to the so-called service- and knowledge-based sectors of the economy. Clearly, as employment in manufacturing declines, the Nation's industrial heartland—the Midwest and Northeast—is hardest hit. Philadelphia, for example, lost 25,000 unskilled and semiskilled jobs last year, while many other industrial cities recorded similar drops.

A corollary factor contributing to the economic decline of the Midwest and Northwest is the specialization of many of the older cities in only one or two industries. Akron, which specializes in rubber, is one such example, and Youngstown—steel—is another. When manufacturing production falls off as it did during the recent recession, the oldest and least efficient facilities are the first to be closed. Since many of these plants are found in the older industrial cities of the North, they lose more jobs proportionately than other regions of the country, often putting the economic livelihood of the affected cities in jeopardy.

The Sunbelt, on the other hand, along with its growth in population is attracting new industry and capital. Many industries originally based in the North are chosing to relocate their corporate headquarters in the South. Obsolescence in the manufacturing plants of the North, combined with the advantages of cheaper labor and the more pleasant climate of the South, also tends to reinforce this trend. And additionally, industries seek to locate their plants in energy-exporting States of the South and West because of the rising cost of energy.

This economic pattern has not surprisingly resulted in sharp drops in per capita share of the national income for the Midwest and Northeastern States. Where these States lose, the Sunbelt States gain—per capita income has risen 25 percent in the South since World War II.

Along with the flow of population, wealth, and industry to the Southern States, taxing and spending policies of the Federal Government tend to aid these States and at the same time exacerbate the economic and social problems of the Midwest and Northeast. In this respect, the five Great Lakes States are the hardest hit. According to National Journal computations for fiscal 1975, they paid $62.2 billion in Federal taxes and received only $43.6 billion in Federal outlays, for an average of only 70 cents back on every dollar sent to Washington. Southern States on the other hand received $1.14 for every dollar in taxes paid, while Western States averaged $1.20. The 16 States of the South showed a balance of payments surplus of $11.5 billion, and Pacific and Mountain States came out ahead by $10.6 billion in their exchange with the Federal Treasury, all this of course at the expense of the Midwest and Northwest.

In Federal spending for research and development, the five Great Lakes States are receiving only 5 percent of total Government outlays. And between 1965 and 1975, the Northeast and Midwest combined received $541 million in Federal economic development assistance funds, barely half the $945 million allocated to the Sunbelt region.

Federal dollars thus appear to be flowing into those regions that are experiencing economic gains rather than toward the cities and States of the Midwest that badly need assistance. Furthermore, the States of the Northeast and Midwest pay more taxes on a per capita basis than the national average, while receiving less than the average in direct Federal aid. It hardly seems equitable that those States which impose the lightest tax burden in the Nation on their citizens for State and local government services are in the most favorable balance of payments position with Washington.

The underlying cause of this unequal distribution of Federal spending among States and regions is not entirely clear, although several partial explanations have been advanced. Defense spending, for example, is high in California because of the concentration of the aerospace industry in that State. Military bases tend to be situated in the southern tier of the country for reasons obviously related to the severity of the climate in the North. A greater portion of social security funds are paid in those States in the Sunbelt which have become increasingly popular with retirees, such as Florida and Arizona. And there is also an imbalance in other Federal income maintenance programs directed toward areas with large concentrations of poverty.

To deal with this range of economic problems confronting us in the industrial Midwest, we will need the coordinated efforts of private industry and State, local, and Federal public officials. Such an effort is already underway in the Northeast. House Members from the six New England States have established a New England congressional caucus which works on issues of regional significance with the aid of its research arm, the New England Economic Research Office.

It was my original intent to propose the creation of a similar Great Lakes caucus to pursue the interests of our Midwest States on a regional basis. However, after discussions with other Members who have become aware of and concerned over the regional nature of these problems, I now support a combined effort based upon mutual interest, and I, therefore, strongly advocate the creation of a Northeast-Midwest Economic Advancement Coalition.

A notice is consequently being sent to all Congressmen from the Northeast and the Midwest inviting them to attend an organizational meeting in late August to begin to address our shared concerns in a unified fashion. Now that we have begun to identify some of the economic problems we have in common, it is time for us to coalesce to work for adoption of national policies and programs to assist specific regions of the country which are experiencing economic reversals of the kind described above. Profound changes are occurring in this Nation, and we clearly need to effect a shift in Government policies to reflect the new realities by redirecting Federal spending patterns for the benefit of States and regions most in need. Nothing less than the survival of the great industrial cities of the Midwest and the Northeast is at stake.

TRIBUTE TO THE LATE HONORABLE JERRY LITTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. BOLLING) is recognized for 60 minutes.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of our late colleague from Missouri, Hon. JERRY LITTON.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, our late colleague, JERRY LITTON, was born near Lock Springs, Daviess County, Mo., May 12, 1937. He attended schools in Lock Springs and Chillicothe and graduated from the University of Missouri with a bachelor of science degree in agriculture journalism in 1961.

As a young man he was exceptionally active in both agriculture and politics. He served as Missouri State president and national secretary of the Future Farmers of America and as president of the Livingston County Young Democrats and the University of Missouri Young Democrats.

In association with his father, JERRY LITTON concentrated his tremendous energies to the highly successful breeding of Charolais cattle and edited a cattlemen's trade journal devoted to Charolais breeding. And before his election to the Congress, he served on the Governor's advisory council on agriculture and the Missouri State Council on Education and was a founder of the Agriculture Council of America.

On November 7, 1972, JERRY LITTON was elected to the 93d Congress. He immediately won election by his Democratic colleagues to the House Committee on Agriculture. On winning reelection to the 94th Congress, he became chairman of the Subcommittee on Forests of the Agriculture Committee.

As a candidate for the Democratic nomination for U.S. Senator from Missouri, JERRY LITTON was the clear winner in the Democratic primary on August 3 when the plane in which he was flying crashed and killed him, his wife and their two children. His wife was the former Sharon Summerville. Their children were Linda Lorraine, 13, and Scott Stuart, 12.

In addition to being a stark family tragedy the death of Congressman LITTON is a loss to the ranks of those of us who work in public service.

He left a highly successful private career to devote his single-minded determination to public life. His record in Congress reflected his intensity of effort and his successful campaign for the Senate nomination demonstrated he could attract the loyalty of a host of followers throughout the State.

Mrs. Bolling and I extend our deepest sympathy to JERRY's parents, and to all the surviving relatives of this terrible tragedy.

Mr. RANDALL. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Speaker, the plane crash at Chillicothe, Mo., last Tuesday evening, August 3, brought our Missouri primary election day to a tragic conclusion. What was to have been a victory celebration at the Plaza Inn in Kansas City that primary night was very sadly transformed into a wake when the word of the death of the entire JERRY LITTON family was finally confirmed.

The sad, sad fact, is that he died before he could taste the greatest triumph of his brief life. I know we all hope that before that plane went down he realized he was not only out in front of the race, but he had learned that he was almost the certain winner on that primary day.

JERRY LITTON's life is a story of success. His family suffered a lot of reverses during his childhood. While he was a youth, their home burned and their entire herd of hogs were wiped out by a disease. They faced impoverishment and JERRY LITTON knew what poverty was; but he helped his family. He leased some land on his own and was a successful farmer long before his successful Charolais cattle ranch venture.

The record will show that our colleague succeeded in almost everything he tried. He was a radio announcer. He earned fees by speaking to agricultural groups.

The Litton Charolais ranch was a great success. One bull commanded a price of $168,000 for a half interest.

JERRY LITTON was a boy who was born in a house without any plumbing or any electricity and yet sold his ranch in 1974 because as a member of the House Agricultural Committee, he did not want the appearance of any possible conflict of interest. It seems to me here is an excellent example, yes a perfect example of the man's personal integrity.

In Congress, we know JERRY was somewhat of an independent, and this may have displeased some of his fellow Member of Congress but greatly pleased his constitutents.

He started "Dialogue with Litton" because he said he was determined to bring Government to the people.

Well, like all else he did, this was a success. As many as 1,700 attended one "Dialogue with Litton" on the same afteroon as a pro-football game in Kansas City.

JERRY LITTON was a human dynamo, a man with incredible stamina. He was a hard worker. He drove his staff hard, but he was really not a driver. He was a leader. In fact, his staff could not keep up with the long hours that nearly always ran into 18 hour days, and during the campaign as many as 19 or 20 hour days.

The death of JERRY LITTON is a grievous loss to our State. In the judgment of all of us in the delegation, he was on his way to an impressive term in the U.S. Senate.

Mr. Speaker, may his good soul be at peace and at rest. Margaret and myself extend our deepest sympathy to Mr. and Mrs. Charley Litton, JERRY's parents, and to Mr. and Mrs. Summerfield, the parents of Sharon Litton.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, I thank the gentleman from Missouri, the dean of our delegation, for yielding.

Mr. Speaker, with deep mourning and still in shock we buried our colleague and friend, JERRY LON LITTON, on Friday. JERRY was young when death took him, his wonderful family and his pilot and pilot's young son in a tragic airplane accident on the eve of his greatest political victory. He was young and vital and had so much yet to offer and to give to his friends, to his colleagues, and to his much beloved State of Missouri. His death marks a great tragedy and brings heavy hearts and sadness to us all.

I had known JERRY since he was a young boy eager to serve his State and possessed of a particular love and understanding of rural America and its greatness and hardship. In his all too brief life JERRY's determination and hard work brought him not only great achievement in his first love of farming but also brought him to this House in 1972 with a resounding 78.9 percent of the vote of Missouri Sixth Congressional District where he continued his effective work on behalf of rural America through his outstanding service on the House Agriculture Committee.

With JERRY's untimely death on August 3 on the very eve of his great triumph at the polls in Missouri's Democratic primary race for the Senate, rural Americans throughout this Nation lost one of their strong voices in the House. Throughout the State of Missouri, the sorrow over JERRY's death is great. We mourn his death and the death of his beautiful wife Sharon and two young children Linda and Scott. Death has taken these friends from us, and we can now but thank God for that but brief time He shared them with us and try to carry JERRY's dreams and memory on.

At this point, Mr. Speaker, I would

like to share a litany by Marcellus Bosworth of Osage Beach, Mo., written in memoriam to JERRY LITTON. I would also share with JERRY's friends and colleagues three comments from papers in JERRY's State of Missouri.

IN MEMORIAM: LITANY FOR JERRY LITTON

(By Marcellus Bosworth, Poet Laureate of Osage Beach, Mo.)

At once—and in an awful moment's breath,
He met his instant rendevous with Death.
Gone, gone the hopes and dreams he vainly planned
To raise the aspirations of a waiting land.
Caught in the vortex of an unfair fate
That even God in horror must berate,
His love, his progeny—all whom he cherished most
Became part of the angel-host
Around The Great White Throne.

Small wonder fellow-creatures weep, bemoan
The senseless crash, the utter loss that came
To rob him of a well-deserving fame,
And erase from off the monument of Time
One destined for greatness long, before his prime.

Yet shall the torch he carried guide us when,
In moments of despair, we call to mind
The high esteem he favored for all men
And, unashamed and unafraid, left lesser things behind.

[From the Rolla (Mo.) Daily News, Aug. 5, 1976]

THE EDITOR SAYS

(By Edward W. Sowers)

The tragic death of Congressman Jerry Litton and his family Tuesday night will go down in the political history of Missouri and the nation as one of the most regrettable and inexplicable tragedies ever to happen.

Litton had the Democratic primary election to the U.S. Senate won—the polls were closed and early tallies of the votes placed him in the lead to stay—and then, suddenly and incredibly, the airplane carrying him and his lovely wife and their young son and daughter to a victory party crashed, carrying all of them, including his faithful pilot and young son, to a fiery death.

The ironical tragedy at Chillicothe sent shock waves of disbelief and then sadness across Missouri and the nation. It stunned thousands—those who didn't vote for the man as well as those who did—on this "morning after" the election, giving all of us perhaps a selfish sense of being cheated out of something important in the political future of this harried republic.

[From the Rolla (Mo.) Daily News, Aug. 5, 1976]

RECALLS LITTON'S LAST DAY

(By Matt Krueger)

(NOTE.—Matt Krueger, a 22-year-old political science graduate student at the University of Missouri-Columbia, spent the last three months traveling with Jerry Litton every day as his personal aide. Here is his account of his last day with Litton Tuesday.)

CHILLICOTHE, Mo.—We were really excited on Tuesday. We were in St. Joe (St. Joseph) early in the day; went over to the newspaper, hit the shopping centers and tried to get people out to vote. It seemed like everybody we talked to said they had already voted and they had voted for Jerry.

Jerry kept saying that everyone got behind him and he just couldn't believe it. We had known two or there weeks that there was every indication we would win.

We drove back to Chillicothe from St. Joe earlier than anticipated; drove out to the ranch, went in and had ice cream and cake and everything. Jerry had me hook him up to an inhalator device for treating an inflammation in his throat because he had gotten a cold over the weekend. I think he was pretty well over the cold, but it was a psychological sort of thing. He wanted his vocal cords to be ready.

Then he went in to the bedroom about 4:30 (p.m.) and slept til 7:15. Sherry (Litton's wife Sharon) woke him up and let him talk on the phone. I talked to Sherry and explained the arrangements and I said, 'See you in Kansas City.' That was the last time I saw her.

I drove (family friends) Maxine Lamb and her husband Paul (manager of the Litton ranch) down to campaign headquarters.

I was playing with Scott Tuesday afternoon. Scott (Litton's 12-year-old son) was really excited and everything. He was excited about taking a plane ride. We were sitting in front of a TV and he had a friend over. We were joking about how all the girls in Chillicothe thought Scott was so cute because his dad was running for senator.

The family was extremely close. Jerry and his dad worked together. They prospered and played together. He called his mom and dad just about every day to touch base. They're tremendously strong people. They're (his parents) going to take it pretty hard I think. Linda (Litton's daughter) was 13. She was a cutie, just like her mom.

I think the thing Jerry was really concerned with Tuesday was how strong the Democratic ticket would be in Missouri in November with (Jimmy) Carter at the head of the ticket. He was really looking forward to campaigning against (GOP Senate candidate John) Danforth. He thought it would be a very issues oriented campaign.

See, I was supposed to be on that plane. I was making all the arrangements. That was my job.

I talked to Sherry about 6:30 and she told me Charley and Mildred (Litton's parents) had already left. That left seven of us and I didn't think it would be a good idea to put that many on the plane. I had Charley's car and I said I'll just drive Maxine and Paul down to Kansas City.

We got to Kansas City close to 9:30. I called my grandmother to tell her I had returned safely because we had been gone three days. We were there at the campaign headquarters. We were taking phone calls and getting results. Then John Ashford came in and made the announcement.

I jumped into a campaign car and came up here. We were listening to the radio. They announced that Litton was declared the winner. That kind of hit me. But there was no time to get emotional last night. It hasn't hit me yet.

We became close friends in that time we were traveling together. I don't know how many times we were at plant gates at 5 a.m. and then we were driving in the car late at night by ourselves. He confided in me and I confided some things in him. I never met a more personable guy. He kind of reminded me of Bobby Kennedy almost. There was just a charisma about him.

I don't know how hokey it sounds, but he just believed in the people of Missouri. He believed in the people and felt that he had a message to communicate.

[From the Cuba (Mo.) Free Press, Aug. 5, 1976]

THE "DIALOGUE" IS OVER

Jerry Litton, 39 years old, Congressman from Missouri's 6th District, winner of the recent battle for the Democratic nomination for U.S. Senator, is dead. He won the election he wanted so badly, and lost his life almost immediately afterward. Also lost was his attractive young wife and their two children. All died in a fiery airplane crash on their way to a victory celebration.

This is a great loss to our state and our nation. This young man was destined for greatness in the political arena. There is no guessing how far he might have ascended except for this tragedy.

He was cut short in the very hour of victory. He had battled so hard to achieve this. He rose from a practical unknown to a man in which the great majority of Democrat party voters selected him over much better known names such as Symington and Hearnes.

He had a style, an appeal which attracted the average voter. He had a broad based appeal, with the exception of the metropolitan political hacks, which he disdained to the astonishment of his opponents who said "you can't win without the support of the big city ward heelers." But, he did. Yet, he lost.

Litton's greatest appeal to the people was his openness, his willingness—no, his demand—to conduct himself and his political activities in open view, before the eyes of the people he served. He carried this philosophy into his campaign—even inviting his opponents to sit in on his political strategy planning after announcing his entrance into the senatorial race.

He was famous for his innovative televised "Dialogue with Litton." This was very popular with the people of Kansas City, where he held this in an open forum before the people who attended. Then later conducted many of what he termed "Mini-dialogues" around the state of Missouri, which were enthusiastically received—again by the people. All these dialogues were so refreshing. How long has it been since we had a candidate who would open himself to the public in such a manner? How long will it be again until another man of Litton's calibre and his attributes of integrity, intelligence, and common sense appear on the stage of politics?

It is difficult to write about Litton in the past tense, for we had grown to admire the man a great deal. We had supported another underdog, Warren Hearnes, and he won. Again we supported an underdog, and he won—politically—but he lost his life.

He will be greatly missed and a vacuum is left for many of us who were grasping out for a fresh breath of air in politics, as Jerry Litton appeared to be.

A bright young star on the political horizon is now but a passing comet.

Mr. BOLLING. Mr. Speaker, I yield to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. Speaker, I thank my distinguished dean for yielding to me.

Mr. Speaker, we pause now to reflect on a brilliant life suddenly shadowed, on glowing hopes shattered, and an all-American family saddened beyond the power of mortal word or thought to repair.

I knew little about the private life of our lamented colleague other than the few moments of laughter we shared together, and the serene and graceful presence of his beautiful wife. His public life I knew quite well. His initiatives—in energy, resourcefulness and success—moved across the field of Missouri politics like one of those great combines that work our wheat country, mowing and leveling the ground before him. But before the reaping came the planning and the sowing.

JERRY LITTON planned his political career with the care and foresight of the most seasoned farmer, forecasting with unerring accuracy what the changing seasons would bring. There was no insurmountable obstacle to his steadfast pursuit of the harvest of voter support which came so bountifully to him. It took sustained hard work, great care, consummate skill, and all the virtues of the spirit that bring success to outstanding politicians as they do to outstanding farmers.

What can be said when men of the land have worked it so diligently from dawn to dusk only to have the fruits of their labor scattered by the intervention of the one power that is beyond us all? Tornado, drought, and flooding rains have broken many a golden dream and many a stout heart. We almost grow used to it. But what can be said of this unspeakable tragedy? There are human disasters for which there is no mortal relief. All the powers of man and his lofty governments are like will-o-the-wisps in the winds of God. We can only ask each in our own way what would God have us do? What remedial action can we take? What comfort can we offer and to whom?

Like many of you I went to Chillicothe last Friday. There, with you, I met surely the bravest and staunchest of God's children, JERRY and Sherry Litton's families. There in the living room of their home they stood and received us. They thanked us for coming—thanked us for coming—when it was their gracious fortitude that deserved and won the reverent respect of every person present. So we shook hands, embraced, and went on, as they must go on. As we all must go on calling on the might of God to sustain us, drawing on the beauty and grandeur of that Missouri countryside to refresh us, knowing that what was built there by the Litton family remains serenely constant just as his public dedication remains vivid on our minds.

Though there is no room in our hearts for humor now—we will remember, by and by, that our departed friend gave of this quality in generous measure to audiences and crowds all across this land. It was the balancing factor—and the cup that held his fervent messages. There were few among us who shared his gifts of expression and projection. But we all enjoyed them. And we will miss them. Beyond that, all who knew JERRY and Sherry and those beautiful children will know heaven has been enriched at our expense.

Mr. HUNGATE. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Missouri (Mr. HUNGATE).

Mr. HUNGATE. Mr. Speaker, Missouri is proud of what it produces. It was an outstanding Missouri Congressman from the southern part of the State, Mr. Vandiver, who boasted that he came from the State which produces corn, cotton, cockleburs, and Democrats.

We are certainly proud of JERRY LITTON and the work he has done and the leadership he has afforded in the Democratic Party, and indeed, beyond that, because people across party lines followed and treasured his leadership. Independents, Republicans people throughout our State, are poorer tonight and mourn the loss of JERRY LITTON and his family. He brought us, as has been indicated, humor. He brought energy. He brought a zeal to serve his country. May we all be guided by that example in developing those qualities. The sacrifice which he made and which his family made is something on which I would dwell and something on which I hope the country will reflect, because it is not the Member alone who makes some sacrifice to serve his country. The Members volunteer. But Sherry was at his side. Sherry was an official of the campaign organization and worked with him. We have seen her at meetings. And anyone who has had the privilege of filling out all of the forms which are now required for elective office knows that her part was a difficult one and one that was valuable.

I do not know what greater hostage any family could give to fortune for than their children; and in the case of the parents of JERRY LITTON, their son, their only son, their daughter-in-law and their only grandchildren.

It has been said that patriots are those who love America enough to see her as a model for mankind. JERRY LITTON saw this country as a model for the world. He left a mark high enough for those who come after to aim at, in the hope of improving our country and ourselves.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON. Mr. Speaker, this is indeed a difficult day for all Members of this body. It is hard enough when an aged Member who has lived his life and made his contribution, is without warning taken from our midst. The grief is compounded manifold when a young man in his prime is taken.

If there are any in this arena of national politics who are here because they cannot be a success anywhere else, JERRY LITTON could not be counted among them. Before he arrived here he had already left his indelible brand in the cattle industry. He had established a unique mastery in the breeding and development of the Charolais cattle herd.

Reaching the top of this profession at the age of 35, it was now time to assert supremacy in a different, but equally challenging field, that of national governmental leadership. JERRY and Sharon soon climbed the ladder of political success with a meticulous tenacity that is the envy of all of us of the political breed.

Early on the evening of Tuesday last, before he had attained his 40th birthday, Representative JERRY LITTON stood on the threshold of ascendancy to a seat in the U.S. Senate. But you and I know that would not have been the ultimate pedestal of his success. Before this tregedy we thought we saw promise and potential without boundary in this man. Now as we pause and reflect through the maze of our shock and despair we know that our earlier predispositions were correct; that but for this intercession by providence, which we do not understand, JERRY LITTON was indeed destined for greatness.

How does one say goodbye to a departed political brother? Many of us symbolically did this last Friday in Chillicothe. There we joined the family and friends and constituents of JERRY and Sharon and we all in unison said "goodbye." My colleagues and I were engulfed in the humble love and decency of an extraordinary people. Here perhaps was the explanation for why JERRY and Sharon and Scott and Linda were so special. They came from good stock.

Mr. Speaker, the world goes on. The Sixth Congressional District of Missouri must continue to move forward. JERRY and Sharon would have it no other way. As we all advance through the years and continue our responsibilities here, we will be ever mindful that our lives have been enriched, and our State and Nation blessed, by the contributions and accomplishments of JERRY and Sharon LITTON.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I just want to add my own personal sense of loss to the comments made by the distinguished Members of the Missouri delegation.

It may seem somewhat improbable that the paths of the gentleman from Maryland and the late gentleman from Missouri (Mr. LITTON) should have crossed in any personal sense, due to our different views but twice within the last year and a half the gentleman from Maryland had occasion to join the gentleman from Missouri (Mr. LITTON) in his travels. In my own State, on one occasion when he spoke to our annual Maryland agricultural dinner, and again when we both flew on a plane trip from Washington to Salisbury which is in my district, where he spoke to the Delmarva Poultry Institute. On both of these occasions the crowds numbered perhaps 2,000 or more people.

The gentleman from Missouri spoke with a fervor about the problems of agriculture and in fact laced his stories with witticisms and jokes, some of which the gentleman from Maryland plagiarized on later occasions. They were very humorous and very much concerned with the earthy farm life that the people in both of our districts share.

I also came to know the gentleman from Missouri here on the floor. I do not suppose there is much more that any of us in the House can say about a colleague after he passes, under these circumstances, except to say that in this particular tribute, we knew him as a good, dedicated, and conscientious, person, though we might not always have agreed with his stand on certain issues.

On this particular occasion I did not want it to pass without expressing the fact, that the sense of loss, of the people of Missouri, is also felt on both sides of the aisle and in other States beyond the borders of Missouri.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Maryland for his participation.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, I thank the distinguished gentleman from Missouri for yielding.

It was with a feeling of great personal loss that I learned of the untimely death of our late and beloved colleague, the gentleman from Missouri (JERRY LITTON). As the ranking member of the Committee on Agriculture, I suppose I was in somewhat of a unique position to observe and to appreciate the many fine attributes of this great man.

Mr. Speaker, JERRY LITTON made contributions to our committee, as he did in other areas of concern here in the Congress.

His unique agricultural background was very helpful to our committee in trying to find workable answers to many of the problems that plague the producers of food and fiber in our Nation today.

Mr. Speaker, it has already been alluded to that the gentleman from Missouri (JERRY LITTON) was an outstanding spokesman for agriculture.

I know that in my own State of Virginia he delivered an outstanding address before the Virginia Agribusiness Council, one of the most prestigious groups in our State. Even to this day, I still have many of my friends in Virginia commenting on his outstanding appearance on that occasion.

Mr. Speaker, I wish that words of mine would be adequate on this occasion to express my personal loss. I know that words appear shallow at a time like this, but a wise man once said that we never forget a person unless our hearts forget his greatness.

Mr. Speaker, if those words be true—and I am sure they are—those of us who were privileged to know JERRY LITTON will never forget him.

Mr. Speaker, I also recall another occasion when I was privileged to travel to Brazil with a number of my colleagues on the House Committee on Agriculture, and JERRY LITTON was in our party. I suppose that this was another rare opportunity that we sometimes get to know our colleagues better as we are privileged to travel from time to time, both in this country and perhaps abroad.

I think on that occasion I came to have an even greater appreciation for JERRY LITTON's talents and for his ability, particularly in the area in which he perhaps had the greatest expertise, that of breeding livestock.

I know that on this trip to Brazil he was very helpful in our discussions with the Minister of Agriculture and with those who were concerned about developing a viable livestock industry in that great country.

Mr. Speaker, I want to share with my colleagues of the Missouri delegation the expression of deep sympathy, not only of the Virginia delegation, but of all the people in Virginia who knew and respected JERRY LITTON.

I extend to JERRY's mother and father and to the other members of his family and to the family of his lovely wife my deepest sympathy, and I hope that God's blessing will be upon them during this trying time and that they can face the future knowing that JERRY LITTON was a great man who lived a good life.

Mr. Speaker, I am sure they have many pleasant memories to sustain them during this very trying time.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Virginia (Mr. WAMPLER).

Mrs. SULLIVAN. Mr. Speaker, the passing of a good friend is always a matter of deep sorrow, whether the person be young or old, robust or ill, prominent or obscure—a good friend is a jewel we treasure in a secure place in our heart.

JERRY LITTON was a good friend to all of the Members of the Missouri delegation in the Congress and to many, many of our colleagues from other States. And we shall all miss him greatly.

But the circumstances of his death were so shocking and incomprehensible that we are stunned, dumbfounded.

Here was a young man of 39, a driving force and rising star in Missouri and national politics, with an outstanding record already made in less than 4 years in the U.S. House of Representatives, the overwhelming victor in a hard-fought campaign for the Democratic nomination for the U.S. Senate, struck down in the moment of his greatest triumph—along with his loving wife and two young children. Tragedy ended not only a brilliant political career which had unlimited horizons, but his entire family as well.

This event summons each of us to call upon our deepest religious feeling for some understanding of the mystery of God's will in this great tragedy which claimed the lives of JERRY and Sharon, and their two children, Linda and Scott.

Mr. Speaker, there is no way of knowing how far JERRY LITTON would have gone in politics and in national life had he been spared. His election to the Senate at the age of 39 was a probability in our Democratic State. At the age of 19, he had been State president of the Future Farmers of America; by the age 20 he was national secretary of the FFA; by the age of 17 he was already active in politics as president of his county's Young Democrats and 6 years later he headed the Young Democrats at the University of Missouri. JERRY, as we all know and remember, was a "ball of fire" in the House, active, concerned, imaginative, resourceful, and effective as a legislator from earliest days here.

Missouri has lost one of our most promising political leaders and the Congress and the Nation have lost a man of unlimited potential. We mourn the passing of a good friend and pray for understanding of this terrible tragedy which has affected us all so deeply.

Mr. MORGAN. Mr. Speaker, the tragic news of the death of JERRY LITTON, his wife, and two children comes as a shock to us all.

In his service in the House which began in the 93d Congress, JERRY quickly won the respect of his colleagues as a likable and hard-working Member. An expert on agricultural matters, he became chairman of the Agriculture Committee's Forests Subcommittee and instrumental in new legislation in this field.

The untimely loss of this talented young man has cut short a promising career which would have been of outstanding benefit to our Nation. Equally saddening are the deaths of those in his family.

May the Lord's blessings be on them all.

Mr. RANGEL. Mr. Speaker, it was with heartfelt grief that I read last week of the tragic death of Congressman JERRY LITTON and his family. We all know that Mr. LITTON was a Congressman sensitive to the needs and concerns of the people of his district. As a result of this and his distinguished career in this House, he quickly earned the respect of his fellow Members, and more importantly, of the people of his home State, Missouri, for whom he did so much. We will all miss him dearly.

Mr. McCLORY. I join in this final tribute to JERRY LITTON, whose tragic and untimely death has shocked every Member of this House.

No Member of the U.S. House of Representatives, to my experience, brought more experienced judgment on issues relating to agriculture than our late colleague Congressman JERRY LITTON.

Mr. Speaker, I recall distinctly the hearings conducted by our Judiciary Committee on the subject of the causes of rising food costs, a subject of vital importance to every American family. Congressman LITTON's thorough knowledge of all of the elements which contribute to the cost of food provided the most balanced and useful testimony which our Judiciary Committee received.

Mr. Speaker, in my view, Congressman LITTON in his service to his constituents and to the Nation brought a wealth of experience and knowledge and displayed objectivity and a deep sense of conscientiousness in his important legislative service.

Mr. Speaker, my wife Doris had occasion to become well acquainted with Sharon Litton and they worked together on activities associated with our congressional lives here in Washington. I am convinced that Sharon Litton provided stalwart support to her husband, contributed to his legislative work and to his successful political campaigns.

Mr. Speaker, the tragedy was even deepened by the joy, anticipation and hope that preceded the airplane crash that claimed the lives of Congressman and Mrs. Litton and their two children as well as the pilot of the aircraft, Paul Rupp, and Mr. Rupp's son.

Mr. Speaker, by winning the Democratic nomination for the U.S. Senate in Missouri, JERRY LITTON had achieved his party's backing for a campaign for the U.S. Senate seat he wanted so much, and the family was en route from their Chillicothe home to celebrate that triumph in Kansas City.

Mr. Speaker, my wife Doris and I extend our deepest sympathies to the parents of both JERRY and Sharon Litton. While theirs is a personal loss, we in the Congress in our own behalf and in behalf of the entire Nation have undergone a loss of a colleague and a respected and capable representative of the people.

Mr. TAYLOR of Missouri. Mr. Speaker, we all mourn the death of our friend and colleague JERRY LITTON and his family. He, his wife, Sharon, and children, Scott and Linda, were struck down at a moment when he had attained a goal for which he had fought long and hard, nomination by his party to become the nominee for U.S. Senator.

Our condolences also go to the family of his pilot, Paul Rupp, Jr., and his son Paul Rupp III.

JERRY and I entered the Congress together in 1973 and while we sat on opposite sides of the aisle, we were good friends and always worked closely together on matters concerning the people of our State.

Jerry was a good Congressman. A strong and able advocate for his point of view. He was knowledgeable on the issues and a hard worker. He was a staunch supporter of the farmer and an eloquent speaker in behalf of the preservation of the family farm.

I do not know of anyone in our State, or for that matter the Nation as a whole who cared more for the soil than did Jerry Litton.

A farmer himself, Jerry was a successful cattle breeder. As a youth he was very active in the Future Farmers of America, serving as president of the Missouri chapter and later became the national secretary of that organization.

As a Congressman, Jerry's every minute was working for the farmer, relating to the consumer the importance of his work, and constantly describing how one was important to the other and how it was important for the farmer to be successful if the consumer was to have the food and fiber needed to feed and clothe his family.

He was innovative and imaginative. His "Dialogue with Litton" television programs were well received around the State of Missouri because of their unique format and wide range of subject matter.

Certainly no greater tribute could be paid to Jerry than the overwhelming victory that was accorded him by the people of Missouri when they cast nearly as many votes for his candidacy as the two other distinguished and well-known Missourians who contested him in the Democratic primary election for nomination to the U.S. Senate on Tuesday, August 3, 1976.

His presence will be missed in the House of Representatives and by the constituents he served so well.

I extend my heartfelt condolences to his mother and father who mourn his loss and to the parents of his wife Sharon, Mr. and Mrs. Summerville.

Mr. BIAGGI. Mr. Speaker, I wish to join with my colleagues in paying tribute to our colleague and friend Jerry Litton whose untimely death stunned us all. We saw a bright, successful young man's life snatched from him on the night he was about to share his single greatest political triumph, winning the Democratic nomination to become Senator from Missouri.

Jerry Litton may not have been in Congress for that long, but while he was here he made his presence known. Many of us were proud to call Jerry a friend. He was one of the brightest young men in the Congress and his future seemed unlimited. He was an extremely conscientious Member, and I recall reading with great interest his "Dear Colleague" letters which he would send to discuss some of the many fine legislative proposals he offered while here.

The shock of Jerry Litton's death will not fade away. Yet it is not for us to dwell on the tragedy; let us instead remember what Jerry Litton gave to the House and to the people of Missouri. He gave his all, and that is about as fine a legacy as any man can hope to achieve.

Mr. ALBERT. Mr. Speaker, I join fully in the many tributes and accolades paid to our late colleague, Jerry Litton over these past several days. Like all of you I was shocked beyond words by the tragic accident which took his life, that of his wife Sharon, his son Scott, and his daughter Linda.

Like most of you I have known Jerry for approximately 4 years. He was an extremely resourceful Member of Congress, very human and friendly and he had a tremendous following in his district, the Sixth District of Missouri. I have had occasion to visit with him in his district and participate in his many programs designed to make the workings of Congress more understandable to his constituents. It was one of the most professional programs that I have ever seen. It was an educational program which demonstrated not only his political skill and understanding of people but even more his genuine concern for their wellbeing.

He came from one small section of northwest Missouri. His life was a classic rags to riches story. Born not far from Chillicothe, Mo., in 1937, he worked with his father Charley to develop one of the largest and most successful cattle raising ventures in that State or any State.

Those who knew him best, other farmers and ranchers in that area, credit Jerry Litton with transforming cattle breeding into a highly developed science.

He brought the same intelligence, energy, and hard work into his love of politics. He was fond of telling the story of how one spring day in 1956 as a 19-year-old Missouri farmboy he had an appointment with former President Harry S. Truman. He was there to extend an invitation to Mr. Truman to address the 1957 National FFA Convention in Kansas City. Their common interest in politics stretched a 15-minute appointment into a 2-hour visit. As Jerry Litton would recall, the former President said:

> If you want to get into politics, you can do it as I did and go from precinct to President or you can prove yourself in another field and then seek a higher office the first time around.

Harry Truman was proud of his courthouse to White House journey but there were other ways to enter into politics and seek higher office.

Jerry Litton was a journalism graduate of the University of Missouri and became well known in the northwest part of the State through a television interview program called "Dialogue With Litton." In 1972 Jerry Litton won his first campaign of race for the House of Representatives from the Sixth District. He was reelected in 1974 by even a larger margin.

One of the great ironies of his death was that he had just swept to an upset victory in a four-man race for the nomination for the U.S. Senate from Missouri. Unofficial and incomplete returns showed Jerry Litton winning better than 50 percent of the four-way primary vote for the U.S. Senate.

Death is an inevitable process. It has been said, "He whom the Gods love dies young, while he is in health, has his senses, and his judgment sound."

Jerry had just won the most tremendous victory of his political life. He was a strong individual who was likely to go on to even further successes. His death is one of the most tragic things that has happened since I became a Member of Congress 30 years ago. As his colleague and competitor, Representative Symington said when the news reached him:

> It was a time for grief and nothing else.

We will miss him greatly. His contributions in Congress were already significant and he gave every promise of great contributions to come.

Life can be short, tragedy can come quickly. Let us take the example given to us by this outstanding young Congressman and attempt to contribute more and do better in terms of our contribution to the legislative process and the integrity of our country's Government.

Mrs. MINK. Mr. Speaker, I was deeply shocked and saddened to learn of the death of our dear friend and colleague, the Honorable Jerry Litton. The terrible tragedy which took the life of this distinguished gentleman from Missouri was all the more shocking in that he was on his way to victory in a primary election contest for the U.S. Senate which he entered with his usual zeal and enthusiasm.

What is even more tragic is that his entire family fell with him in the plane crash which also took the lives of two others. How can fate be so cruel to a family who has done so much for the people of Missouri and our Nation as a whole over these 4 years?

After one term in office, his colleagues in the Committee on Agriculture recognized his ability and devotion to duty, and duly appointed him as chairman of the Subcommittee on Forestry. At 39 years of age, he was in the prime of his life, emerging as a bright star on the National political scene.

As a successful cattle rancher and farmer, Jerry was close to the soil, having a deep respect for the wonders of nature. His commitment of time and energy to family, friends, the community, and his constituency will certainly live on and will long be remembered by all those who knew and loved him.

He was a man who possessed this innate ability "to bring out the most and best in all of us", and I am sure you will all agree that these hallowed halls will not be the same without Jerry Litton, Member of Congress from Missouri.

Mr. GINN. Mr. Speaker, I would like to take this opportunity to express my deep personal grief at the recent death of our colleague, Jerry Litton, together with his wife, two children, and his pilot and his pilot's son.

I have searched for the words to adequately reflect the depth of my feeling about this loss, but I cannot find them. The news of the airplane crash is still frozen in my mind as some kind of incomprehensible nightmare.

I met Jerry Litton shortly after I came to Congress in 1973. As fellow freshmen, we spent a good deal of time together as we journeyed through the hectic process of learning more about the task of serving as Members of Congress. My staff developed friendships with the LITTON staff, and I was privileged to travel with JERRY to Missouri one weekend to speak to his Congressional Club.

JERRY LITTON was a man driven by some unquenchable inner flame that led him to devote his entire energy to public service. His interest was first, last and always to make his district, his State, and his Nation a better place for all citizens. He was unique because this dedication was matched with a capacity for work that was almost beyond comprehension.

JERRY was an innovator—a man who always sought a new answer to problems that others had abandoned as insoluble. He was dedicated to bolstering our Nation's agricultural system. He devised one of the most effective constituent opinion survey systems that I have ever seen. He was a man who listened to the voice of his people, and yet he was a man who was also a natural born leader. He had confidence in himself, and he knew how to inspire others to have faith in themselves as well.

When I think of JERRY, I think of a man who personified life. I think of a man who had turned the full force of his energy to a new political objective, only to have his victory snuffed out in a matter of seconds.

We search for lessons at times like these. We turn to God and seek answers that are beyond our understanding. We are reminded of the transitory nature of life, and that in our lives we are the stewards of only a few fleeting moments of human history.

If any thoughts can be of comfort at a time of sadness such as this, it should be that JERRY LITTON could look back on a life and on a career in public service in which no moment was wasted. He lived life to the fullest. He has left a mark on his State and on the Congress that will be a monument for years to come. There is no greater tribute we could give than the record that JERRY has made himself.

On behalf of myself, Mrs. Ginn, and my staff, I express my deepest sympathies to the Litton and Summerville families.

Mr. JONES of Tennessee. Mr. Speaker, I share the feeling of remorse at the tragic loss of our colleague, honorable JERRY LITTON of Missouri, and his family.

The intelligence and drive which made JERRY a national officer in the Future Farmers of America as a young man and which later made him a personal fortune in the cattle business also made him a forceful and effective Member of this body.

JERRY's views were respected far beyond the limits of his own congressional district, particularly in agricultural matters. In fact, I accompanied him on one trip to Memphis, Tenn., where he was a well-received guest speaker at the Southern Farm Forum.

He was a man of integrity and good will, and he was a scrapper. It is sad that he never had the chance to savor the taste of his victory in his primary race for the Senate nomination.

The people of Missouri and the United States have lost an outstanding public servant, and we shall sorely miss him in the Halls of Congress.

Mr. HUNGATE. Mr. Speaker, to help fully appreciate the accomplishments of JERRY LITTON, I would like to call to the attention of my colleagues an article which appeared in the St. Louis Post-Dispatch giving some of the highlights of his remarkable career:

JERRY LITTON: A STORY OF RAGS TO RICHES

(By Richard K. Weil, Jr.)

Jerry Lon Litton, the millionaire United States Representative killed in a plane crash last night, devoted virtually every waking moment to politics and government.

When he was working on legislation or constituent business in the House, he would gulp down meals in five or 10 minutes and sleep less than six hours a night. A nondrinker, he shunned Washington's cocktail party circuit. He drove his staff mercilessly, although few could keep his hours.

In his campaign for the Democratic nomination for the United States Senate, Litton started out a year ago more than 25 percentage points behind his colleague, Representative James W. Symington of Ladue, in the polls.

But exactly one week before yesterday's primary, Litton told reporters he was ahead. "After eating dust for a year, it sure is good to breathe that fresh air out front," the 39-year-old legislator has exulted.

At 8:45 last night, just before leaving his parents' home in Chillicothe for the local airport, he confided over the telephone, "Everything's fallen together beautifully. We're going to win it easily."

But his chartered plane to Kansas City crashed, and he died before he could taste his greatest triumph.

Jerry Litton's life was a classic rags-to-riches story. He was born May 12, 1937, in a small house without plumbing or electricity in rural Lock Springs, not far from Chillicothe.

His father, Charley Litton, now 68, suffered a series of crippling accidents as a young farmer that left him unable to work for several years. Charley's wife Mildred helped out by selling milk from their 11 cows.

In 1945, the Litton house burned to the ground. In 1946, Charley Litton turned to raising hogs only to have his herd wiped out by a respiratory disease. The family remained impoverished.

In contrast, Jerry showed an early ability to succeed at almost everything he tried.

As a youth, he worked as a farmer, on land he leased himself, and as a radio announcer. He had saved $15,000 by the time he graduated from Chillicothe High School.

In high school and as an agriculture-journalism student at the University of Missouri at Columbia, he rose steadily in the Future Farmers of America organization, first becoming Missouri president and later National Secretary, the top student office.

He delivered speeches all over the country. For one two-week swing through Colorado, when he was a college student, Litton was paid $2850 in fees—enough for him to trade in his jalopy for a pink Ford Thunderbird automobile the day he returned to Missouri.

When he was still at the university, Litton persuaded his father to invest in Charolais cattle, an old French breed once used for work as well as production of meat and milk. For that purpose, they took out a $20,000 loan.

After Jerry graduated from college, the Littons purchased 500 acres just north of Chillicothe, which became their Litton Charolais Ranch.

Many ranchers credit Litton with having turned the art of cattle breeding into a highly developed science. He installed a computer at the ranch and used it to determine which animals were genetically superior and how they should be bred. As a result, Litton cattle broke all sorts of records for weight, progeny and quality of beef. They were sold for high prices. A half interest in one bull sold for $168,000.

Throughout it all, Litton reaped lavish publicity. He knew how to court the press, and he put out his own magazine, Bull-O-Gram, that was closely read by cattlemen all over the country. Many of these readers wound up contributing to Litton's congressional campaigns.

Early in 1974, Jerry Litton, after one year in Congress, and his father sold their ranch to an Arizona cattle family for $3,800,000. Litton said that in the wake of Watergate he wanted to prove he had no conflicts of interest. His money was put into a blind trust.

Litton was particularly sensitive to criticism that as a member of Congress he had received speaking fees from agricultural groups. He said his fees dropped considerably after he became a Representative.

But more important, he said, "By selling our ranch rather than holding on to it, we gave up a huge amount in taxes. If I'm willing to make a sacrifice like that, isn't it pretty obvious that a speaking fee isn't going to sway my vote?"

Litton traced his devotion to politics to a 1957 meeting he had with the late President Harry S Truman. But some who knew Litton liked to joke that his political instincts went back to the day he was born.

In 1960, Litton was president of Youth for Symington, a 38-state organization devoted to helping Senator Stuart Symington win the Democratic presidential nomination. Litton directed 600 volunteers in Los Angeles at the Democratic national convention. But Symington lost out to John F. Kennedy.

When Litton decided to take the plunge for the vacant Sixth District congressional seat in 1972, the farm boy who had made a fortune was a decided underdog in the primary behind Charles Broomfield, then a state Representative from North Kansas City, and state Senator Truman E. Wilson of St. Joseph.

The situation paralleled this year's Senate primary where Litton at the beginning was conceded strength in rural areas but was given little chance of building enough support in the St. Louis area to win.

In the 1972 campaign, Litton canvassed the huge Sixth District. He, his wife Sharon and—when school was out—their two children politicked out of a well-equipped camper.

Broomfield said of Litton in retrospect: "He told me early in the campaign exactly how he was going to beat me. But I didn't believe him until he did it."

In the final election, Litton won 54.6 per cent of the vote against Russell Sloan, a conservative Republican. Litton won re-election in 1974 with 78.9 per cent against token opposition.

Shortly after his election, Litton made national news when he vociferously opposed a one-week beef boycott engineered by consumer organizations across the country.

Litton said that consumer boycotts and the administration's freeze on the price of beef were self-defeating. They made farmers who raise cattle on a two-year cycle curtail beef production, perpetuating the shortages and the highprices, Litton said.

He worked in Congress to bring farmers and urban consumers together saying: "What is good for the consumer is good for the farmer and vice versa."

Perhaps Litton's most important activity in Congress stemmed from his discovery in 1973 that President Richard M. Nixon had signed an executive order allowing the Secretary of Agriculture free rein to examine the income tax returns of the nation's 3,000,000 farmers.

Litton opposed the move as an invasion of privacy, and the order was suspended temporarily. But as events connected with Watergate unfolded, it became obvious that the Nixon White House was making an even broader effort to gain access to individual Internal Revenue Service records.

Litton introduced a bill to change IRS regulations and denying access of federal agencies, including the White House, to individual returns.

But he didn't get very far until 1975 when Senator Lowell P. Weicker Jr. (Rep.), Conn., joined him in sponsoring the legislation.

The lesson was not lost on Litton, who commented often, "As a Congressman (representative) I just don't have the clout that a Senator does."

Litton was a genius at getting publicity. He was extremely well-informed on issues, and he had an Associated Press machine installed in his office, enabling him to give reporters instant reaction to news events.

Many of his colleagues in the Missouri congressional delegation confided their dislike for him. They viewed him as something of a publicity hog.

Another irritant to politicians was Litton's tendency to go off in his own direction, sometimes appearing disloyal in the eyes of fellow Democrats. In 1972, he refused to endorse George McGovern, the party nominee for President, contending that McGovern's policies were too radical. This year, he came out for Jimmy Carter for the presidential nomination on the same weekend that Senator Thomas F. Eagleton and other Missouri Democrats had decided to stick to an uncommitted stance.

But as much as he sometimes rankled the political professionals, out-state voters seemed to love Litton's independence.

In March 1973, Litton as a freshman member of Congress began monthly meetings with constituents that were later to become famous across most of Missouri under the name, "Dialogue With Litton."

It was a theater-in-the-round forum at which residents of northwestern Missouri would question Litton and a prominent guest from Washington.

Starting in March 1974, the two-hour sessions were recorded on video tape and then edited down to 30-minute versions that were carried free by several Missouri television stations as an entertaining way of fulfilling their public-service time requirements.

Litton described "Dialogue" as a way of "bringing government to the people."

By bringing in famous guests such as Carter, Representative Morris K. Udall, Senator Hubert H. Humphrey and Secretary of Agriculture Earl L. Butz, Litton built a large following for the forums.

Sometimes as many as 1700 attended, often on pro football Sundays.

But detractors said the television show constituted free advertising for future political campaigns. Litton made no attempt to dispute that.

Litton entered this year's race for Senator with characteristic optimism despite seemingly heavy odds against him.

His round-the-clock campaigning was important, of course. But it is questionable whether Litton could have achieved last night's victory without the help of the Supreme Court.

In January, the court struck down a post-watergate statute setting limits on campaign expenditures. The limit a candidate could spend on a primary in Missouri was about $350,000.

With the spending ceiling lifted, Litton was able to mount his $950,000 campaign that included lavish television advertising in the St. Louis area.

But money alone could not have won the Senate primary. Litton was a dynamo with incredible stamina. His plan last night had been to attend a victory party in Kansas City and then fly across the state to a second party at the Chase-Park Plaza Hotel in St. Louis.

"I won't get to bed tonight," he said in his last interview, "because I plan to be out at the General Motors plant gates to shake hands at 5:15 in the morning."

Mr. HUNGATE. Mr. Speaker, Missouri is not only the home of great politicians like the late Jerry Litton, but also the home of great writers such as Mark Twain, and I think this is shown in the many tributes to Jerry Litton.

The articles follow:

A Tribute to Jerry Litton

(By Representative Richard DeCoster)

Usual election eve jubilation was dampened, practically nullified, by the tragic news from Chillicothe just as the first meaningful election returns started to come in. I know I've been unable to dismiss the incident from my mind, and the words that keep recurring over and over are the words of Job, "The Lord giveth and the Lord taketh away."

Jerry Litton made more of a mark on this old world in his brief life time than most of us will make if allotted our full three score years and ten. He and his family represent the best of America, the best of human kind. As politicians go, he was not a carper but a rectifier. He worked to make right those things he perceived to be wrong.

Truly the Littons gave their lives for their fellow man. They had already acquired enough worldly wealth to keep them comfortable for the remainder of their lives. They could have been sitting back comfortably that Tuesday evening in their easy chairs bored with the interruption of their favorite program with those silly election returns. They could have joined the chorus, "it doesn't make any difference who's elected, they are all a bunch of crooks." They could have been vacationing in the mountains saying, "My vote doesn't count". But they weren't. As a family they were about the business of trying to make this a better place for their fellow man, especially for those less fortunate than themselves.

This state, this nation, this world is a better place as a result of the Littons having been a part of them. They leave a shining example for others to emulate.

[From Moberly Monitor-Index and Evening Democrat, Aug. 11, 1976]

Newsman's Ode to Litton

(By Mark Holland)

A young man they had never seen before stepped out of the mass of newspaper, radio, television and news services people at the Litton family funeral Friday in Chillicothe, tapped on the window of a car arriving near the church door and silently handed a folded bit of paper to Clifford Summerville, father of Mrs. Sharon Litton and the grandfather of Scott and Linda.

The Summerville and Litton families share that which was written by the newsman, a stranger.

ODE TO JERRY LITTON

Sitting by the hearse of Jerry Litton . . .
  I never knew the man
Yet by the tears, the embrace, the melancholy,
  He was a part of me and I a part of him
He was the rolling hills of Missouri
  Its flowing rivers
  Its children skipping stones across the rivers
  Its townfolk bustling to work; bustling back home again
  Its crops reaching toward the sun
    like fingers reaching to the skies
    like Jerry Litton reaching for Heaven,
    Or Heaven reaching to him
The grasp had finally come
  a direct line from Missouri, to who knows where
  by way of Jerry our grassroots connection . . .
With him will be his wife
With him their children and our souls

[From St. Charles Banner-News, Aug. 5, 1976]

Aide Recalls Jerry Litton's Last Day

(By Matt Krueger)

Matt Krueger, a 22-year-old political science graduate student at the University of Missouri-Columbia, spent the last three months traveling with Jerry Litton every day as his personal aide. Wednesday, he gave this account of his last day with the Litton family on Tuesday.)

Chillicothe, Mo.—We were really excited on Tuesday. We were in St. Joe (St. Joseph) early in the day; went over to the newspaper, hit the shopping centers and tried to get people out to vote. It seemed like everybody we talked to said they had already voted and they had voted for Jerry.

Jerry kept saying that everyone got behind him and he just couldn't believe it. We had known two or three weeks that there was every indication we would win.

We drove back to Chillicothe from St. Joe earlier than anticipated; drove out to the ranch, went in and had ice cream and cake and everything. Jerry had me hook him up to an inhalator device for treating an inflammation in his throat because he had gotten a cold over the weekend. I think he was pretty well over the cold, but it was a psychological sort of thing. He wanted his vocal chords to be ready.

Then he went into the bedroom about 4:30 (p.m.) and slept until 7:15. Sherry (Litton's wife Sharon) woke him up and let him talk on the phone. I talked to Sherry and explained the arrangements and I said, See you in Kansas City.' That was the last time I saw her.

I drove (family friends) Maxine Lamb and her husband Paul (manager of the Litton ranch) down to campaign headquarters.

I was playing with Scott Tuesday afternoon. Scott (Litton's 12-year-old son) was really excited and everything. He was excited about talking a plane ride. We were sitting in front of a TV and he had a friend over. We were joking about how all the girls in Chillicothe thought Scott was so cute because his dad was running for senator.

The family was extremely close. Jerry and his dad worked together. They prospered and played together. He called his mom and dad just about every day to touch base. They're tremendously strong people. They're (his parents) going to take it pretty hard I think. Linda (Litton's daughter) was 13. She was a cutie, just like her mom.

I think the thing Jerry was really concerned with Tuesday was how strong the Democratic ticket would be in Missouri in November with (Jimmy) Carter at the head of the ticket. He was really looking forward to campaigning against (GOP Senate candidate John) Danforth. He thought it would be a very issues oriented campaign.

See, I was supposed to be on that plane. I was making all the arrangements. That was my job.

I talked to Sherry about 6:30 a.m. and she told me Charley and Mildred (Litton's parents) had already left. That left seven of us and I didn't think it would be a good idea to put that many on the plane. I had Charley's car and I said I'll just drive Maxine and Paul down to Kansas City.

We got to Kansas City close to 9:30. I

called my grandmother to tell her I had returned safely because we had been gone three days. We were there at the campaign headquarters. We were taking phone calls and getting results. Then John Ashford came in and made the announcement.

I jumped into a campaign car and came up here. We were listening to the radio. They announced that Litton was declared the winner. That kind of hit me. But there was no time to get emotional last night. It hasn't hit me yet.

We became close friends in that time we were traveling together. I don't know how many times we were at plant gates at 5 a.m. and then we were driving in the car late at night by ourselves. He confided in me and I confided some things in him. I never met a more personable guy. He kind of reminded me of Bobby Kennedy almost. There was just a charisma about him.

I don't know how hokey it sounds, but he just believed in the people of Missouri. He believed in the people and felt that he had a message to communicate.

[From the Labelle Star, Aug. 11, 1976]

LITTON STOOD TALL WITH LEWIS COUNTIANS

(By Joan Searle)

It was 9:45 p.m. on Sunday, July 18. A Cadillac drove into the dark driveway at the Lewis County Fairgrounds. The driver said, "I have Litton here." The gatekeeper flashed a light into the passengers' faces until it stopped on a familiar face in the front seat of the car. Litton said, "Yes, that's me!" The keeper said, "Go on; you're late!" The sedan sped on to reach the grandstand where nearly 700 anxious people of various political affiliations had been waiting for his appearance since 8:30.

It had been over two hours since the emcee had walked on stage and announced that Jerry Litton would be late, due to stops he had made at events in four different towns throughout the afternoon. He said that an airplane had been sent to Monroe City to transport Litton to Lewistown and that upon arrival, the plane would fly over the fairgrounds before landing at the airport. Then the emcee introduced the LaBelle American Legion Post, Auxiliary and cast of 25 performers, who started the evening with a bicentennial program of narration, song and comedy, entitled, "The American Patriots."

At 8:30, the emcee introduced the Durham Community singers who presented an hour long program of gospel music. At 9:30, some of the people gave up hope of seeing Litton and started leaving the fairgrounds. Suddenly, an airplane could be heard and someone in the audience shouted, "There he comes now!" Everyone looked skyward as the plane with green and red flashing lights flew directly over the grandstand area while the Durham Community Singers were presenting an inspirational gospel selection, "Stepping on the Clouds."

Approximately 10 minutes or less passed, before Litton, tall and blonde and dressed in a light colored suit, jumped out of the car and hurried up on stage in front of the waiting throng. He told a joke and the people commenced laughing. He expressed ideas for some time and somehow as one watched, it became apparent that here is a man with great promise, a man who is capable of reaching a much higher position than the senate seat, if he chose to reach that high. He talked freely about different subjects with complete knowledge of each and he did not have references. His appearance was the same as was on his show, "Dialogue with Litton" only he was not sitting in a swivel chair, but standing. After what seemed a short time, a microphone was placed in front of the audience and Litton invited them to ask questions. Immediately, a man stepped forward and from then on, both men and women came to the microphone and asked questions on varied subjects. With self assurance, he answered them in an articulate manner. He had an excellent sense of humor and demonstrated his wit with the audience. After all, he had received the best of training for a man of his position, as he was a graduate of the University of Missouri in journalism. He had participated in many debates and most of the members of the Future Farmers of America in Missouri High Schools are aware of the fact that Litton was National Secretary of the FFA in his earlier years.

Litton, completing his second two-year term in the House of Representatives, had achieved wide recognition and popularity during his time in Congress. As a former farmer and cattleman, he was one of the most knowledgeable members of Congress on agricultural matters and exerted great influence as a member of the House Agriculture Committee. Litton started his farming and cattle operation on borrowed capital in the 1950s. His herd rose to prominence with the early growth of the Charolais breed and his father, who was a Hereford breeder, joined him in the Charolais venture. In January 1974, Litton and his father sold the Litton Charolais Ranch and cattle herd for $3.8 million. Litton sold the business because of demands on his time as Congressman and to avoid possible conflict of interest. A home on the farm was retained by the Littons for their use on vacations from Washington.

After the dialogue, Litton came off the stage and started shaking hands with men, women and children, joking and laughing with some and answering questions for others. One reporter asked him to pose for a picture to which he graciously consented. One surprise about the candidate, children were asking questions of him while shaking his hand. This was a TV star and they could understand him. One high school student asked, "How old are you?" "39", replied Litton.

As persons of all professions were greeting the Congressman, it seemed that Litton was already a U.S. Senator and one only had to wait for the election to confirm the results. Here was a former farmer and now a millionaire and Congressman staying around until the last person wandered off in the direction of home. He was not afraid of being alone, Litton climbed back into the sedan and the group left the fairgrounds for the airport at Lewistown, where he boarded the plane and headed to another destination.

A little over two weeks passed since he had been to Lewis County to help make the Fair a little more memorable. On Tuesday, August 3, Litton and his family, pilot and son boarded a twin-engine plane at Chillicothe to wing their way to his election headquarters in Kansas City, to hopefully celebrate a senatorial victory. The engine started and the plane raced down the runway. Soon the passengers were off of the ground and heading skyward into the darkness.

It was 9:15 p.m. Suddenly a light flashed and Litton said, "Yes, that's me!" The Gatekeeper said, "Come in; you're early!"

YOU CAN'T FIGHT CITY HALL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BROOMFIELD) is recognized for 5 minutes.

Mr. BROOMFIELD. Mr. Speaker, "You can't fight city hall," expresses the helplessness, frustration, and alienation many Americans feel when confronted by the immensity of the Federal Government.

This attitude has kept Americans from enforcing and defending their legal rights from an ever-encroaching Government, and it has allowed injustices to continue.

When a person, company, or State feels wronged by the Federal Government, he must decide whether he can afford the court costs and whether the returns will merit the effort.

The unfortunate reality is that a person is this situation usually decides that he cannot afford it. It is not worth the effort because the Federal Government, comparatively, has unlimited resources and a battery of lawyers on its side. In this acquiescence, injustice prevails.

Mr. Speaker, I have today, introduced a bill that would, if passed, adjust this resource imbalance and make it financially possible to take legitimate cases against the Federal Government to court.

The bill would require that a person, company, or State that successfully litigates against the Federal Government in civil cases or agency hearings, or is acquitted in a criminal proceeding, be awarded legal fees and other costs necessary in preparing the case.

This bill will not encourage bogus claims against the Government to be filed since the person must win in order to qualify for the return of legal fees and costs. It will encourage, however, those with legitimate grievances against the actions of the Government to seek redress.

The Federal Government is the most powerful and most pervasive institution in our society today. With its enormous bureaucracy, it proposes and enforces regulations that number in the hundreds of thousands. These regulations affect almost every aspect of our lives from social security entitlement and taxes to affirmative action programs and product safety standards.

To backup these regulations, the Federal Government has an army of lawyers and support staff and a portion of a department's budget specifically set aside to bring suits, to enforce the laws, and to implement social policies.

With these resources, the Government is able to overrule legitimate rights or interests because of its ability to prolong litigation. Under normal circumstances, such cases would be dropped as without merit or allowed to come to an early conclusion. In cases against the Government, however, they go on and on, and so do the expenses.

This situation puts the citizen, who has to go to court against the Government, in the ironic position of supporting, through taxes, the legal expenses of the adversary which wronged him and his own legal expenses to defend himself. He is forced to pay both sides in a litigation against the Federal Government.

The American middle class and the small businessman suffers the most from this inequity. The wealthy and the large corporations, though it is costly, have the resources to fight the Government. The poor usually qualify for free legal aid or are supplied with a court appointed attorney. The American in the middle class is the only one who is required to expend virtually all his assets in order to finance a defense in his case.

This inequality of resources must be adjusted and those with legitimate grievances against the actions of the Federal Government must be encouraged to seek redress. The correcting of an error on the part of the Government could have wide-ranging beneficial implications on other Americans. This task must not be allowed to rest wholly on the person who has the resources and the willingness to take the Government to court.

Mr. Speaker, if society has sufficient interests in an issue to channel thousands of dollars into the Government's case, society should have sufficient interest to insure that justice is done and the case is decided on a clear presentation of the facts. It must not be decided because one side had more money than the other.

THE ANTIGUN LOBBY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 20 minutes.

Mr. ASHBROOK. Mr. Speaker, there is an emerging antigun lobby which has been coalescing during the past few years. It is potent. It is determined. It must be feared because it is a vital part of the liberal coalition which has dominated our country's news media, its politics, its churches, its unions, its large corporations for the past decade.

Probably no area of study has been more specialized for me than the liberal coalition in our country. It spawns antiwar groups, amnesty coalitions, consumer groups, probusing groups, and various leftist causes. You can trace individuals like UAW President Leonard Woodcock and corporate executive like Cyrus Eaton on a chart through these causes and fronts.

The liberal coalition knows no boundaries. Business, labor, church, Republican, Democrat—some leaders from all of these areas work for the same socialistic anti-America goals.

Rank-and-file union members are strongly against gun registration and antigun legislation. Their leaders are not. Why? The liberal coalition comes first whether it is running against the grain on busing or on gun control. I have been particularly impressed with the work of the union membership in Ohio in fighting antigun legislation. Here is the resolution of the UAW in my area. The Mansfield and Marion UAW locals have been at the forefront of this fight:

Local 745, UAW, Marion, Ohio

The North Central Ohio C.A.P. Council recommends the approval of the following statement on gun controls:

We oppose any further restriction on the right of a free citizen to keep and bear arms. We believe that the Founding Fathers made the right to bear arms the second amendment to the Constitution because they felt that it was second only to the right of free speech and press. They felt that an armed citizenry was essential to discourage aggression from foreign powers and tyranny from our own government.

We feel that present gun laws are more than adequate if they were properly enforced. The only type of new law we would favor is a mandatory prison sentence for anyone committing a felony while using a firearm and a life sentence for second time offenders. This we believe would punish only the criminal and not the law-abiding public.

The executive committee of the UAW at the international level strongly favors gun control. They should listen to their Mansfield and Marion members.

It is important that the gun owner knows his enemies. The following list has been compiled so you will know who is working against your interests:

Groups Organized for the Primary or Major Purpose of Promoting Antigun Legislation

Civic Disarmament Committee for Handgun Control, 5532 S. Short Dr., 15F, Chicago, Illinois 61637, Laura (Mrs. Enrico) Fermi, Director.

Coalition for Handgun Control, 8455 Beverley Blvd., Los Angeles, California 90048. (now working on petition drive for 1976 referendum on banning handguns).

Mrs. Dee Helfgott, Chairman.

Committee for Handgun Control, Inc., 111 East Wacker Drive, Chicago, Illinois 60601. Mrs. Susan Sullivan, Chairman, Co-founders: Patricia Koldyke, Georgene Campion, Florrie McMillan.

Committee for the Study of Handgun Misuse, 111 East Wacker Drive, Chicago, Illinois 60601.

Front for Committee for Handgun Control?

Council for a Repsonsible Firearms Policy, Inc.

James B. Sullivan, Director, 826 First Street Southeast, Minot, North Dakota 58701.

Crime and Justice Foundation (formerly Massachusetts Council on Crime and Delinquency), 3 Joy St., Boston, Massachusetts 02108.

John Carver, Director, (same address as People vs. Handguns).

Detroit Handgun Crisis Task Force (Project of Detroit Urban League), 208 Mack Ave., Detroit, Michigan 48201.

Frank Kornegay, Phd., Executive Director. Albert J. Dunmore, President.

Disarm, 175 5th Ave., N.Y., N.Y.

Founders: Congressman Herman Badillo & Jonathan Bingham of New York. Barry Schwartz, Director. Howard Griessley, Chief Counsel.

The Fellowship of Reconciliation, Box 271, Nyack, New York 10960.

Gun Control Federation of Greater Cleveland, 1315 Terminal Tower, Cleveland, Ohio 44113.

President, Joseph B. Clough.

Handgun Alert, Inc., P.O. Box 6711, Providence, Rhode Island 02904.

Lillian K. Potter, Executive Director.

Michigan Citizens United to State Lives, Box 5038, Grosse Point Station, Michigan 48236.

Dwite Walker, Chairman, Rev. Gary Wheeler, Vice-Chairman, Mrs. Roberta Adler, Secretary, Terry Murphy, Treasurer.

National Coalition to Ban Handguns, 100 Maryland Ave., N.E., Washington, D.C. 20002.

Project of the United Methodist Church Chairman: Dr. John Elliott (Jack) Corbett,* Director of Church-Government Relations.

MEMBER ORGANIZATIONS

1. American Civil Liberties Union
2. Americans for Democratic Action
3. American Jewish Committee
4. Board of Church and Society, United Methodist Church
5. B'nai B'rith Women
6. Center for Social Action, United Church of Christ
7. Church of the Brethern, Washington office
8. Committee for the Study of Handgun Misuse (see p. 1)
9. Department of Social Development and World Peace, US Catholic Conference
10. Friends Committee on National Legislation
11. Jesuit Conference, Office of Social Ministries
12. International Ladies' Garment Workers Union
13. National Association of Social Workers
14. National Council of Jewish Women, Inc.
15. National Council of Negro Women
16. National Education Association
17. National Urban League, Washington Bureau
18. The Program Agency, Presbyterian Church (USA)
19. Union of American Hebrew Congregations
20. Unitarian-Universalists Association
21. United Synagogue of America
22. Womens Division, Board of Global Ministries, United Methodist Church
23. Young Women's Christian Association of the USA, National Board.

National Coalition to Ban Handguns was represented at the first conference of the National Council to Control Handguns, held in late 1975 in Massachusetts.

*National Committee to Control Handguns***, 1910 K St., N.W., Washington, D.C. 20036.

Represented by the national lobbying firm of National Counsel Associates, 421 N.J. Ave., S.E., Washington, D.C. 20003. President: Maurice Rosenblatt.

National Council for a Responsible Firearms Policy, Inc., 100 Maryland Ave., N.W., Washington, D.C. 20002.

James V. Bennett, President. David J. Steinberg, Exective Director and Lobbyist. J. E. Corbett, Secretary.

Directors are: former Mayors John V. Lindsay (N.Y.), Charles P. Taft (Cincinnati), former U.S. Senator Joseph S. Clark of Pa., and former Gov. Edmund (Pat) Brown, Sr. (Calif.)

National Council to Control Handguns, 1910 K St., N.W., Washington, D.C. 20036. (202) 872-1851.

Chairman, Mark Borinsky. Edward Welles, Executive Director (former CIA Agent).

Lobbyists (in addition to Borinsky and Welles): Nelson Turner Shields, III (former DuPont exec.) Judith Brody (also Board of Directors member), David F. P. O'Connor, Charles J. Orasin, Robert Pope, Nancy Altman, David Cynamon.

Also represented by National Counsel Associates, President Maurice Rosenblatt. See National Committee to Control Handguns, top of this page. National Counsel Associates consist of Mr. Rosenblatt and six consultants.

People vs. Handguns, 3 Joy Street, Boston, Massachusetts 02108.

Chairman: Sheriff John L. Buckley of Middlesex County.

U.S. Conference of Mayors (750 largest cities), Handgun Control Project, 1620 Eye St., Washington, D.C. 20006.

President: Mayor Joseph Alioto (San Francisco). Directors of Handgun Control Project: Joseph D. Aviani, William R. Drake. Handgun Control Project funded with a grant from the George F. Gund Foundation, Cleveland, Ohio, beginning April, 1975 for an 18-month, $173,000 public education program.

The political parties have been the constant target of the groups listed above, and I might add, with an unfortunately high degree of success. The Democratic platform takes an antigun position and the Republican platform writers are being assaulted by the same coalition. I hope they withstand the pressure but many here in Congress have already capitulated. Here is the language of the Democratic platform of 1976:

> Handguns simplify and intensify violent crime. Ways must be found to curtail the availability of these weapons. The Democratic Party must provide the leadership for a coordinated federal and state effort to strengthen the presently inadequate controls over the manufacture, assembly, dis-

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*See Nat. Council for a Responsible Firearms Policy.

**See National Council to Control Handguns, same address.

tribution and possession of handguns and to ban Saturday night specials.

Our churches, our political parties, our social organizations, the PTA, the National Education Association, our union leaders, our top business executives—these are a few of the targets of the anti-gun coalition which have been enlisted in varying degrees to their propagandistic drive. It is up to the average citizen to say "Stop."

AMERICANS MUST SUPPORT CZECHOSLOVAK ASPIRATIONS FOR FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, August 21 marks the eighth anniversary of the 1968 invasion of Czechoslovakia by the Soviet Union—an outrageous act of totalitarian oppression which again reminded the world that ideals of freedom and human dignity simply do not exist for the brutally cruel masters of the Kremlin.

The people of Czechoslovakia will again commemorate August 21 as a Day of Soviet Shame as will Americans who trace their ancestry to this captive nation. None of us as Americans must ever forget that a system of monstrous barbarity still rules in the captive nations and that all of us must continue our support for the Czechoslovak people in their just aspirations for self-determination and human dignity.

Mr. Speaker, at this point in the RECORD I wish to include a statement from the Czechoslovak National Council of America issued in commemoration of this sad day in the history of freedom-loving peoples everywhere.

The statement follows:

FREEDOM IS INDIVISIBLE

On this sad occasion of the eighth anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article 1, Section 2);

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and cooperation among all nations on the basis of true progress and humanity.

The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a Day of Soviet Shame in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve "the withdrawal of Soviet troops from Czechoslovakia."

August 21, 1976.

Czechoslovak National Council of America, Chicago, Illinois.

STATEMENT OF EXPENSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. FLYNT) is recognized for 5 minutes.

Mr. FLYNT. Mr. Speaker, when the House adopted House Resolution 1260 on June 10, 1976 the Committee on Standards of Official Conduct was instructed to report all funds expended in such investigation every 60 days in the CONGRESSIONAL RECORD. I herewith submit the following Statement of Expenses under House Resolution 1260 through August 9, 1976:

Consultant Fees:	
Investigation	$18,000.00
Legal	7,706.25
Members and Staff Travel	243.20
Miscellaneous & Contingencies	27.70
Total expenses	25,977.15

A TRIBUTE TO O. C. CARMICHAEL, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I take this time to pay tribute to the memory of an outstanding citizen of my home community of South Bend, Ind. and, indeed, our country, Oliver Cromwell Carmichael, Jr., who died on August 4, 1976.

Dr. Carmichael, born in Birmingham, Ala., was a citizen of South Bend for 30 years, since his marriage to another outstanding person, Ernestine M. Morris.

Dr. Carmichael was a highly respected leader in a number of important areas, business, education, and politics.

He had served as chairman of the board of the Associates Corporation of North America, FBT Bancorp, Inc., and other financial firms.

He was treasurer of the Republican National Committee and chairman of the Republican National Finance Committee.

A former college president, he continued during his career in business to be a strong champion of higher education.

In 1975, President Ford appointed Dr. Carmichael to serve as a member of the U.S. delegation to the United Nations.

I have known few people who gave so richly of their talents, energy, and resources to the service of their fellow men and women as did Mike Carmichael. I was glad to count him as a friend, and I extend to his wife, Ernestine, and the entire Carmichael family my profound sympathy.

My own home community and our country will be impoverished by the passing of this great citizen.

Mr. Speaker, insert in the RECORD two news articles following the death of Dr. Carmichael and an essay by Jack Colwell and an editorial.

[From the South Bend Tribune, Aug. 4, 1976]

AN ERA ENDS: O. C. CARMICHAEL DEAD AT 56

Dr. Oliver Cromwell (O. C.) Carmichael Jr., South Bend business and civic leader, died Tuesday after apparently suffering a heart attack while playing tennis on a private court behind his home at 110 N. Esther. He was 56.

Carmichael was dead on arrival at 5:17 p.m. at Memorial Hospital. A civic leader in the foremost sense of the words. "Mike" Carmichael was a key member of the South Bend community and a leader in the national and state Republican Party.

At the time of his death, he was board chairman of FBT Bancorp, Inc., the holding company for First Bank and Trust Co., and numerous other financial firms.

Born on March 10, 1920, in Birmingham, Ala., he came to South Bend through his marriage and a job with the Associates Corp. of North America. Carmichael technically was a man out of his element, an educator in the world of high finance. Yet from his management of the huge investment firm, one would never know it.

Reared in Montevallo, a small town south of Birmingham, he enrolled in Vanderbilt University in 1936 graduating in 1940 with a bachelor's degree.

His education was important, having been born into a family of prominent educators. His father, Oliver C. Carmichael, was one of 11 children of an Alabama cotton farmer and was a Rhodes scholar.

Seven of Carmichael's uncles held doctorate degrees in education, medicine or ministry; two of his aunts held doctorates in education and his father went on to be president of the University of Alabama.

After graduating from Vanderbilt, he went to Duke University Law School where he earned a juris doctor degree in 1942. He entered midshipman training at the University of Notre Dame and was commissioned an officer in the Navy with the first class of naval officers to graduate from Notre Dame. He later served as a commanding officer of light war craft in the Aleutian Islands and the Western Pacific theaters until 1945.

From 1945 until his release in March 1946 he served as legal officer at the Nashville, Tenn., separation center.

Carmichael joined Associates in 1946 about the time that he married Miss Ernestine Melvin Morris on Sept. 28, 1946. She was the daughter of Ernest M. Morris, who founded the South Bend-based Associates Corp. in 1919 and ran it until his death in 1951.

When Carmichael arrived at Associates in 1946 he served as assistant general counsel until 1949 when he left to continue his education. A master's degree followed in 1951 from Columbia University and he earned his Ph. D. in Public Law and Government in 1953, also from Columbia.

While completing his doctorate, he returned to Vanderbilt in 1952 as dean of students. Two years later, he was elected a director of Associates.

He resumed his career in education in 1955 when he was commissioned to survey various universities for the purpose of devising a plan for a development program for Vanderbilt. The result of the survey was the inauguration of the Vanderbilt University Foundation, of which he became executive director.

In 1956, Carmichael was elected president of Converse College, Spartanburg, S.C. He held that position until 1960 when he resigned to become Associates board chairman and chairman of First Bank and Trust Co.

From the time of E. M. Morris' death, that post had been held by Robert L. Oare, who was married to Ernestine's sister, Mary. But Oare was killed in 1960 in an airplane crash and Carmichael took over the reins of the company.

Associates was mired in the recession of the late 1950s at that time, although it still was the third largest independent sales finance company in the country. Some observers called the firm somnolent because it was relying on auto financing for the bulk of its transactions.

Carmichael immediately went to work realigning management, establishing profit centers, accelerating diversification in financial services the company offered and building a bigger reserve base.

In 1963, Carmichael led Associates into the acquisition of the First Bank and Trust Co. of South Bend, and in 1964 Associates dedicated its new complex in the 1700 block of Mishawaka, a complex that since has been sold to Indiana University at South Bend as Associates began its move to new corporate headquarters in Dallas. Carmichael apparently opposed that move and was retreating from leadership in the firm at his death. He served on the board of directors of Gulf and Western Industries, Inc., until 1971 when he resigned to devote more time to his association with First Bank. But recently he returned to board of Gulf & Western, the parent company of Associates.

At his death, Carmichael was the chairman of the board of directors of FBT Bancorp. and a member of the board of directors of the W. R. Grace Co., Inc. He was a member of many other boards of directors of banks and firms.

While his business accomplishments were numerous, his contributions to educational and civic activities were legion.

More than 12 years ago, he formed the Citizens National Committee for Higher Education to focus attention on the mounting problems of higher education and seeking solutions to them.

The Steering Committee on Higher Education in North Central Indiana was formed in late 1963 with Carmichael as general chairman.

In 1971, he was appointed the first chairman of the Indiana Commission on Higher Education, a post he held for two years.

Carmichael was a long-time supporter of Indiana University at South Bend, advocating during the early 1960s the expansion of the campus into a four-year, degree-granting institution. He also was a strong force behind the establishment of a medical school in the area.

In 1965, he was presented with the Community Service Award of the South Bend Junior Chamber of Commerce, the first award of its kind, which honored Carmichael for his "dynamic leadership" in business, education, finance and government.

Carmichael has served as a member of the board of trustees of Converse College, the University of Notre Dame, St. Mary's College, Vanderbilt University and Chatham Hall. He also was a member of the board of trustees of First Presbyterian Church.

As a civic leader, Carmichael served in such positions as a director of Junior Achievement, Inc., and a member of the national organization's executive committee. He was a trustee of the Independent College Funds of America, Inc., and was chairman of the Indiana Forum.

Carmichael was the general chairman of the successful Notre Dame SUMMA campaign that raised $52 million for the university.

He has served as a member of the executive committee of the National Consumer Finance Association, a trustee of the National Foundation for Consumer Credit and a member of the Advisory Committee on Truth in Lending of the Federal Reserve Board.

Carmichael was involved in civic activities including United Way, the United Negro College Fund, the South Bend-Mishawaka Chamber of Commerce, the St. Joseph County United Community Services and the YMCA.

Politically, there was no doubt that Carmichael was a Republican. Long active in local GOP activities, he was named head of the Republican National Finance Committee in 1975 after he was appointed the party's national treasurer. He bowed out of both posts later in the year after a bout with former National Chairman Mary Louise Smith over methods of financing and fund raising.

On Sept. 11, 1975, Carmichael was appointed by President Ford as a member of the 10-member U.S. delegation to the United Nations under Ambassador John Scali. Carmichael lived in New York during the three-month session of the General Assembly.

TIME, MONEY, EFFORT—MIKE A WILLING GIVER

(By Jack Colwell)

Mike Carmichael was a business executive who believed he owed something to the governmental and political system of the country which had afforded him his business opportunities.

And he contributed, in time and money.

He gave time to serve as a representative of the United States in the United Nations and as chairman of the Indiana Commission on Higher Education.

He gave his own money in campaign contributions to candidates he deemed worthy of support, mostly Republicans, but not to every Republican who came wandering by. He was selective, giving the most backing to moderate Republicans of the type who, in his belief, would help expand the base of the Republican Party and have a record of accomplishment in office.

More important than money, however, was his willingness to give of his own time to help with fund-raising efforts of his political party, on the state level, as campaign treasurer in the successful election effort of Gov. Otis R. Bowen, one of the people in politics for whom Carmichael had the highest admiration, and on the national level, too.

Carmichael was treasurer of the Republican National Committee and chairman of the Republican National Finance Committee.

He resigned from both of those national posts last summer, not because he was begging off on commitments of time, but because of a noted Carmichael characteristic. He wanted things done right.

National Republican finance efforts were not being handled the right way, not even approaching adequacy, in Carmichael's view. He warned that there was "an all new ball game" in fund-raising in the post-Watergate era and that the GOP had better be willing to formalize and streamline its fund-raising to make sure it stayed within strict, new regulations and took advantage of new opportunities as well.

Not everybody liked to hear what Carmichael had to say.

He once had the audacity to suggest that fund-raising should start with members of the Republican National Committee, all of whom, he felt, could well afford and should be willing to make a commitment to a specified minimum contribution. That did not go over with some who did not agree with the Carmichael philosophy of backing up words with action.

Republican National Chairman Mary Louise Smith and others in control of the National Committee operations didn't want to rock the boat, disturb the traditional ways of raising money, and Carmichael's plans for expanded fund-raising efforts were rebuffed.

So Carmichael informed President Ford, who had asked him to take the fund-raising positions, that he was resigning from them. And he did, late last summer, refraining from any personal attack on Mrs. Smith, but leaving recommendations which were never followed.

Just recently, still disturbed by the miserable state of GOP national fund-raising efforts, a plight which seemed to indicate Carmichael had been right, the South Bend executive made a pitch to the Republican State Central Committee, urging that it take the initiative in pushing the national organization into the kind of fund-raisng desperately needed by a party which had sunk, as he pointed out buntly, to a membership amounting to only about 22 per cent of Americans.

Carmichael said he would be willing, as was his characteristic, to put his own commitment of time and effort behind his words. He said he would be willing "to make myself available" to serve as national committeeman from Indiana.

He did not get the post. John Hart, who had been troubled by a heart ailment, assured the State Central Committee that his health now was fine and that he would carry the fight for improved fund-raising to the national level. And Hart was re-elected committeeman last month.

Carmichael was a long-time acquaintance and backer of President Ford, going back to days when Carmichael would introduce Congressman Jerry Ford to community leaders during a Ford visit to South Bend, and the local folks were much more interested in talking with Carmichael than with the visitor from Grand Rapids.

Even after leaving the national fund-raising posts, Carmichael remained a firm backer of Ford. He was to go to Kansas City about the end of next week to be a Ford delegate from Indiana at the Republican National Convention.

Some said Carmichael would have fared better in conglomerate politics and struggles for corporate control and the location of the Associates headquarters, if he had stuck to business interests instead of worrying about things like world peace and such at the United Nations and the fate of the two-party system.

Maybe. Maybe not. But Carmichael deeply believed that business executives should take some time from business to engage in governmental, political and civic activities. He put his time and his money where his mouth was.

TRIBUTE TO CARMICHAEL FLOWS FROM DIGNITARIES

Governmental, civic and religious leaders expressed shock and grief today at the death of O.C. Carmichael Jr., and sympathy to the Carmichael family.

A White House spokesman said President Ford, a long-time Carmichael acquaintance, "learned of the tragedy early today" and immediately sent flowers and a private message of condolence to the Carmichael family.

Gov. Otis R. Bowen said "Indiana and the nation have lost one of their finest citizens".

"O.C. Carmichael was an innovative man," the governor said. "He was a doer. He was a warm, compassionate man, always thinking of ways he could be of service to his community, state and fellow men. He will be sorely missed.

Mrs. Bowen and I are very grieved at his passing. We offer our deepest sympathy to Mrs. Carmichael, the children and grandchildren."

Rev. Theodore M. Hesburgh, C.S.C., president of the University of Notre Dame, said:

"Mike Carmichael's life was enmeshed with higher education. He came from a family of educators, followed his father's footsteps as a university president, and when his career shifted to the field of finance, his interest in higher education did not slacken. He pioneered attempts to focus citizen attention on the needs of higher education, and he used his influence to support intelligent planning and careful allocation of resources. His contributions to higher education, both independent and public, will have a continuing impact down through the years, and he would wish no more fitting memorial."

Hesburgh made his comments when contacted this morning by telephone in a remote area of Ecuador where he was attending a conference of the Overseas Development Council of which he is chairman. The conference is meeting 300 miles from Quito.

Rev. James T. Burchaell, C.S.C., provost, will attend the funeral in place of Hesburgh.

Franklin D. Schurz Sr., chairman of the board of South Bend Tribune, said:

"Mike Carmichael was perhaps the city's most influential citizen, almost from the day he came to South Bend. His role in many civic projects was even greater than people realize. When he moved here, the YMCA fund-raising campaign for its new building was failing. He took hold of the drive and made it succeed.

From then on, when money was needed for a civic project he was in the forefront, both in giving funds and raising them. We always went to Associates first when we started a project. His involvement in South Bend affairs was as great as ever at the time of his unexpected death. Had he lived, he would have contributed much more to our community. His death is a severe loss to South Bend."

Third District Congressman John Brademas, D-South Bend, said:

I am deeply shocked by the death of O.C. Carmichael Jr. Our entire community and our country will be impoverished by his passing. Few people gave so richly of their talents, energy, resources to the service of their fellow men and women as did Mike Carmichael. I was glad to count him a friend and I extend to his wife Ernestine and the entire Carmichael family my profound sympathy."

Mayor Pete J. Nemeth said South Bend "has lost a great friend who had a deep interest in the city's welfare."

Carmichael was one of the principal proponents for the development of the so-called superblock downtown and had been doing all he could in its behalf, added the mayor.

"It is sad and unfortunate that he will not be here to see its completion," said Nemeth, who noted that Carmichael was a civic leader with valuable connections with state and federal government that helped serve the interests of the community. He extended his sympathy to Carmichael's family.

State GOP Chairman Thomas Milligan said: "His loss to the Republican Party is only exceeded by the loss to the people of this great state who he had adopted and loved very much."

And former Gov. Edgar D. Whitcomb said of Carmichael's passing: "O. C. Carmichael made a substantial contribution to the Republican Party in time, effort and resources. . . . He was a highly intelligent man, admired and respected by all who knew him. He will be missed."

Lester M. Wolfson, chancellor of Indiana University at South Bend (IUSB):

"We received with great sorrow and shock the news of Mike Carmichael's untimely death. He was a great contributor to all manner of good things. We particularly value and remember his contributions to education, his role in the transactions between IUSB and Associates (in the purchase of the Associates property by IUSB), and his service as chairman of the Higher Education Commission."

Warren G. Wheeler Jr., president of South Bend Tribune:

"The loss of Mike Carmichael leaves a deep void in the South Bend community.

His dedication locally as well as to the state and nation, was immense and set an example which will be long remembered.

Whether it was our institutions, our organizations or our people, black or white, he recognized needs and fought to meet them. His generosity was great and he frequently used the 'challenge' technique to invoke the dollars and efforts of others for worthwhile purposes.

He displayed deep insight and innovative thought when faced with complex problems. And he followed up with his time, his effort and his money to successfully achieve new goals.

Most recently he was devoting unstinting energy to making a reality of the Superblock concept for downtown South Bend.

He was a man who used his wisdom and his wealth well. His leadership will be long remembered though his presence will be sorely missed."

[From the South Bend Tribune-Opinion, Aug. 5, 1976]

O. C. CARMICHAEL

Oliver C. Carmichael—"Mike" to many—was one of that breed of men sometimes called movers and shakers. When he became interested in a project, he didn't merely talk about it; he took hold and made it happen.

That was his style in business, in Republican politics and in community affairs. He painted with a broad stroke and imagination. As a result, he achieved much in all those fields and left behind him at his sudden death an impressive list of accomplishments, tangible and intangible.

Indeed, his generosity personally and with the corporate funds of the Associates Corp. of North America when he headed it made more community projects succeed in South Bend than was generally realized. He not only gave money. He worked vigorously to solicit it from others.

At the time he died, he was deeply involved in a major project for South Bend, creation of the much-discussed superblock in the city's downtown area.

Associates Corp. is moving to Dallas from its long-time home in South Bend, a corporate decision and not Carmichael's. He elected to remain in South Bend. As head of the FBT Bancorp, Inc., he was committed to life and work here, and undoubtedly he would have contributed much to the community during the coming years.

When a man is taken suddenly at his prime—he was 56—his family is stunned. So are his friends and the community. We sense our loss but cannot immediately comprehend quite how great it is.

TIME TO REAFFIRM HOUSE STAND AGAINST FEDERAL FUNDS FOR ABORTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. WAGGONNER) is recognized for 5 minutes.

Mr. WAGGONNER. Mr. Speaker, as a supporter of the Hyde amendment to the Labor-HEW Appropriations bill prohibiting the use of Federal funds to pay for or encourage abortions, I was disturbed, along with many other Members, when the Senate voted to continue this controversial practice.

The inconsistencies voiced during the Senate debate would be ludicrous, were it not for the fact that this subject is deadly serious and literally a matter of life and death for millions of Americans yet to be born.

It was argued that the right of a woman to take the life of her unborn child is a "private decision to be made by the woman and her physician" and "not the business of this Congress, this government, or of anyone else." This could be considered a persuasive argument by some, if the government, through HEW-funded abortions, had not already injected itself into the "private decision," using tax money to do it. Clearly, when public money is used to pay for a public service, which millions of Americans find morally and spiritually repugnant, it becomes a matter of legitimate concern for Congress.

Supreme Court rulings notwithstanding, Members can and must make the positions of the people they represent heard on this vital issue. As the distinguished Senator from Oklahoma, Senator BARTLETT, so accurately pointed out:

> Although the Supreme Court has ruled on the question of legality, it certainly did not and cannot mandate Congress to follow suit by spending taxpayers' dollars to pay for abortions. Hopefully, we have not arrived at that point that a legal right carries with it a concomitant legal duty of the Congress to pay for the exercise of that right.

He is, of course, absolutely correct, and the House in its votes on the Hyde amendment went on record supporting this position. Today, this House will have an opportunity to reaffirm its position on this important issue.

I urge my colleagues to retain the House position, prohibiting the use of public funds to be used under medicaid for purposes of abortion.

Mr. Speaker, I ask that related news clippings follow my remarks. In the first, syndicated columnist John D. Lofton, Jr., addresses the Senate's "double-think, proabortion arguments" with some words that bear repeating. The second, a letter from the coordinator of the Texas Baptists for Life, Bob Holbrook points out that the question of abortion on demand is not an issue limited to any single religious denomination. Significantly, on June 17, some 20,000 messengers representing 12,500,000 Southern Baptists voted to oppose nontherapeutic abortions because the practice "wantonly destroys fetal life, dulls our society's sensitivity, and leads to a cheapening of all human life."

I feel that the importance of this issue compels each of us to consider the full implications of this vote before casting it.

[From the Shreveport Times, July 10, 1976]

SENATE'S ABORTION VOTE

(By John D. Lofton Jr.)

The U.S. Senate—the so-called "world's greatest deliberative body"—deliberated greatly last week and voted 57–28 that the federal government (specifically the Department of Health, Education and Welfare) should continue to fund Medicaid abortions which annually snuff out the lives of over a quarter of a million unborn children at a yearly cost of between $45 million and $50 million, your dollars and mine.

In the course of the Senate debate, there were the usual pro-abortion and antiabortion argument. Sen. Ed Brooke, R-Mass., spoke in favor of Medicaid abortions involving the victims of rape and incest, who, of course, constitute only an infinitestimal percentage of those requesting these abortions.

Declining to discuss the mortality of abortion or the number of unborn children aborted each year, he warned his colleagues against getting into "an emotional debate." Emotion in the Senate, you see, is something to be reserved only when discussing things like the profits of big oil companies.

PERSONALLY OPPOSED

Sen. Birch Bayh, D-Ind.—"personally opposed" to abortion, naturally—declared that the fact is not whether we're going to have abortions but "whether they will be on the operating table in a doctor's office or in a back room on a butcher's block."

Sen. Dewey Bartlett, R-Okla., argued—persuasively, in my judgment—against Medicaid abortions, observing that just because the Supreme Court has ruled a woman has a qualified right to an abortion, this does not mean there is a correlative constitutional right to have the taxpayer pay for it.

But during this Senate debate, there was a pro-abortion argument offered which I find downright frightening in its implications. Citing "some facts" provided by HEW, liberal Republican Sen. Robert Packwood of Oregon pointed out that if most of the women who want Medicaid abortions are denied them, and instead have their babies, the cost to the federal government for the first year alone after birth for medical care and public assistance would be between $450 million and $565 million.

Now, what is so scary about this economic rationale for abortion is that it is value-free and ignores totally the moral issue of the worth of the life of the unborn child, the kind of thing written about so eloquently two years ago by Dr. Bernard Nathanson in the New England Journal of Medicine. Dr. Nathanson, who resigned as the director of the Center for Reproductive and Sexual Health, where 60,000 abortions had been performed, wrote:

"I am deeply troubled by my own increasing certainty that I had in fact presided over 60,000 deaths. There is no longer any serious doubt in my mind that human life exists within the womb from the very onset of pregnancy, despite the fact that the nature of the intrauterine life has been the subject of considerable dispute in the past. Electrocardiographic evidence of heart function has been established in embryos as early as six weeks. Electroencephalographic recordings of human brain activity have been noted in embryos at eight weeks."

ELIMINATE THE POOR?

Certainly if, as Sen. Packwood argues, it is cheaper to the state to kill the unborn children of the poor than it is to let them be born—and it undoubtedly is—then it is obviously even less expensive to the state to eliminate the poor themselves.

Many people will say this suggestion is absurd, that no one is even remotedly suggesting such a horrible thing. Well, this is true, no one is suggesting anything like this—not yet.

Another bizarre, double-think pro-abortion argument made by Sen. Packwood—incredibly while arguing for government-funded abortions—was that the right of a woman to choose to take the life of her unborn child is a "private decision to be made between the woman and her physician" and "not the business of this Congress, this government, or of anyone else."

This line was echoed by Naomi Levine, the executive director of the American Jewish Congress, in a wire to Senate GOP Minority Leader Hugh Scott and Senate Majority Leader Mike Mansfield. Supporting Medicaid abortions, she declared that this is an area where "the government must stay out."

But Ms. Levine and Sen. Packwood are talking out of both sides of their mouths. If they really believe abortion is a "private matter" between a woman and her doctor, and the government should stay out of this relationship, then the government has no business funding abortions! Let these women use their own money.

STRANGE TIMES

These are strange times we're living in. When the CIA tries to kill a Communist dictator like Fidel Castro, who brought the world to the brink of nuclear war by allowing the Russians to put offensive nuclear missiles in Cuba, the media goes berserk and congressmen fall over each other rushing to make statements before the TV cameras and scurrying to set up congressional investigations.

But this same Congress can openly and publicly vote to finance the killing of over a quarter of a million of God's most defenseless human creatures—unborn children—and this story makes page 33 among the furniture ads in the New York Times. Weird.

BAPTISTS REJECT ABORTION PRACTICE

BAPTISTS FOR LIFE,
P.O. Box 394,
Hallettsville, Tex.

Editor, The Times:

The aboration controversy, three years after the Supreme Court decision, is still being debated both pro and con. I am sure your readers will be interested in a resolution recently passed by the Southern Baptist Convention at its annual meeting in Norfolk, June 15–17.

The action is significant for two reasons. First, it represents a striking shift in the abortion stance of the nation's largest non-Catholic denomination. It is evidence that the issue is submitted to objective study the biblical and ethical response will call for protection for the unborn child. The same denomination which just two years ago called upon Southern Baptists to work for liberal abortion laws and endorsed abortion for "emotional" reasons now rejects "the practice of abortion for selfish nontherapeutic reasons" and "any indiscriminate attitude toward abortion, as contrary to the biblical view."

The second significant aspect of the Baptist action is that it further dispels the myth that opposition to abortion is the work of the Catholic Church alone. Southern Baptists number 12.5 million, and it must cause consternation to the abortion advocates to see them raise their voice against abortion on demand.

BOB HOLBROOK,
Coordinator.

The text of the resolution adopted by the Southern Baptist Convention follows:

Whereas, Southern Baptists have historically held a biblical view of the sanctity of human life, and

Whereas, Abortion is a very serious moral and spiritual problem of continuing concern to the American people, and

Whereas, Christians have a responsibility to deal with all moral and spiritual issues which affect society, including the problems of abortion, and

Whereas, The practice of abortion for selfish non-therapeutic reasons wantonly destroys fetal life, dulls our society's moral sensitivity, and leads to a cheapening of all human life,

Therefore, be it resolved, that the messengers to the Southern Baptist Convention meeting in Norfolk in June, 1976, reaffirm the biblical sacredness and dignity of all human life, including fetal life, and

Be it further resolved, that we call on Southern Baptists and all citizens of the nation to work to change those attitudes and conditions which encourage many people to turn to abortion as a means of birth control, and

Be it further resolved, that in the best interest of our society, we reject any indiscriminate attitude toward abortion as contrary to the biblical view.

Be it further resolved, that we also affirm our conviction about the limited role of government in dealing with matters relating to abortion, and support the right of expectant mothers to the full range of medical services and personal counseling for the preservation of life and health.

A REPORT ON THE ADMINISTRATION OF THE FREEDOM OF INFORMATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, I wish to share with my colleagues a report prepared by the Library of Congress for the Subcommittee on Government Information and Individual Rights, which I chair, concerning the administration of the Freedom of Information Act. The report is based on an analysis of information supplied to the subcommittee as required by the Freedom of Information Act. The statements required to be filed with the Congress by each agency under the amended FOIA are available in the subcommittee office. The attached is an analysis of some of that material.

It should be noted that several agencies contend they are not subject to the act, and that various agencies provide information in differing forms. In addition, various agencies cited statutes invoked pursuant to the third exemption of the FOIA in a manner which would seem to require more specific legal citation. I also want to call attention to the finding that some agencies "indicated a reliance upon certain statutory authority to withhold information at the administrative appeal juncture although these same statutes had not been invoked in initially denying a request."

Units engaging in this practice were the Department of Commerce, Department of Health, Education, and Welfare, Department of the Treasury, Civil Aeronautics Board, and Civil Service Commission. The Library of Congress report finds:

> This state of affairs prompts certain policy concerns: that, generally, this is not a proper practice in Freedom of Information Act administration in that, minimally, it appears to be a contrived way to withhold public records; that agencies are not always accurately citing intervening statutes (5 U.S.C. 552(b)(3)) until the administrative appeal state of FOI Act proceedings; and that litigation pursuant to the FOI Act will be adversely affected by confusion over the appropriate statute(s) being invoked in an information denial.

I also want to call attention to the finding that seven executive branch entities—the Department of Housing and Urban Development, Department of Labor, Commission on Civil Rights, Federal Energy Administration, General Services Administration, National Aeronautics and Space Administration, and Veterans' Administration—"cited the Privacy Act 146 times when invoking the FOI Act exemption pertaining to statutory prohibitions." Yet the Privacy Act specifically states that it was not intended to restrict access to records available under the Freedom of Information Act (5 U.S.C. 552a(b)(2)).

The information contained in this report and the additional materials supplied by the agencies will be the subject of oversight hearings on operation of the Freedom of Information Act as soon as it is possible to arrange such hearings.

The report follows:

THE ADMINISTRATION OF THE FREEDOM OF INFORMATION ACT: AN ANALYSIS OF EXECUTIVE BRANCH ANNUAL REPORTS FOR 1975

Premised upon the principle that all Government information should be available to the people, other than categories permissively exempted by the statute, the Freedom of Information Act (5 U.S.C. 552) provides the basic authority and procedure for the public to petition the Executive Branch for otherwise unreleased documents and records in its possession. Signed into law on July 4, 1966 (80 Stat. 250), the FOI Act was the result of eleven years of investigative hearings by the House Government Operations Committee's former Special Government Information Subcommittee (1955–1962) and legislative deliberations by the successor Foreign Operations and Government Information Subcommittee. It was also based upon studies and legislative proceedings conducted simultaneously during this period by subcommittees of the Senate Judiciary Committee.[1]

The new FOI Act repealed the so-called Public Information Section of the Administrative Procedure Act (last codified at 5 U.S.C. 1002) which had permitted Executive Branch agencies to withhold government records "for good cause found" and "in the public interest." If so good cause could be found for withholding information, the section allowed the bureaucracy to release information selectively to individuals "legitimately and properly concerned."

To explain the proper procedures for granting access to public records under the new FOI Act, the Department of Justice prepared a 47–page memorandum for all affected entities within the Executive Branch. The Attorney General's Memorandum, issued in June, 1967, indicated that the key concerns of the law are—

That disclosure be the general rule, not the exception;

That all individuals have equal rights of access;

That the burden be on the Government to justify the withholding of a document, not on the person who requests it;

That individuals improperly denied access to documents have a right to seek injunctive relief in the courts;

That there be a change in Government policy and attitude.

During the 92nd Congress, the administration and operation of the Freedom of Information Act came under detailed congressional scrutiny. During fourteen days of sworn testimony, the House Foreign Operations and Government Information Subcommittee heard various Government and private witnesses discuss their experiences and difficulties with the public access provisions of the statute.[2] The Congressional Research Service of the Library of Congress was asked to prepare an analysis, based largely upon the denial caseload, of administrative problems reflected in information requests for the past four years.[3] Then the Senate Administrative Practice and Procedure Subcommittee held hearings on FOI Act operations while efforts simultaneously got underway to amend the basic 1966 law. These activities culminated in 1974 with the adoption of legislation (88 Stat. 1561) reiterating congressional support for the people's "right to know" and strengthening the provisions of the FOI Act.[4] Contained in the 1974 amendments was language requiring an annual report from Executive Branch entities regarding their Freedom of Information Act administration and stipulating the type of information to be maintained for inclusion in this accounting.

As in the case of the initial 1966 Freedom of Information Act legislative history, no Executive Branch agency spokesman endorsed the 1974 amendments when they were being considered by Congress. Further, while President Johnson's support of the 1966 legislation was uncertain until he signed it into law, President Ford's opposition to the 1974 amendments was such that he vetoed the measure and Congress adopted the proposal through override action.

Effective as of the last week of February, 1975, the Freedom of Information Act Amendments were the subject of an Attorney General's Memorandum issued during that same month. In the Foreword to this document, Attorney General Edward H. Levi indicated the President "has asked me, in issuing these guidelines, to emphasize on his behalf that it is not only the duty but the mission of every agency to make these Amendments effective in achieving the important purposes for which they were designed."

REPORT DETAILS

Pursuant to the annual report requirement of the amended Freedom of Information Act (5 U.S.C. 552(d)), Chairwoman Bella S. Abzug (D.-N.Y.) of the Government Information and Individual Rights Subcommittee and Chairman Edward M. Kennedy (D.-Mass.) of the Administrative Practice and Procedure Subcommittee posed certain questions to the Executive Branch agencies regarding their response under the report provision. These interrogatories were framed as follows:

Each agency as defined in the Freedom of Information Act, as amended, shall provide on or before March 1 of each year the following information with respect to the prior calendar year:

1. Total number of initial determinations not to comply with request for records made under subsection 552(a).

2. Authority relied upon for each such determination:

(a) Exemptions in 552(b): Exemption invoked (by number). Number of times invoked.

(b) Statutes invoked pursuant to Exemption No. 3: Statutory citation. Number of times invoked.

(c) Other authority: (Specify by category or describe individually as appropriate—e.g., failure adequately to identify records; nonpossession of records; refusal to pay reasonable search or reproduction fees, etc.): Reason. Number of times invoked.

3. List names and titles or positions of each person who is responsible for the initial denial of records requested and number of instances of participation of each: Name, Title, Number of instances of participation.

4. Total number of intra-agency appeals from adverse initial decisions made pursuant to subsection (a)(6):

(a) Number of appeals in which, upon review, request for information was granted in full.

(b) Number of appeals in which, upon review, request for information was denied in full.

(c) Number of appeals in which, upon review, request was denied in part.

5. Specify authority relied upon for total or partial denials on appeal, using the same format as in 2(a), (b) and (c) above.

6. List names and titles or positions of each person who, on appeal, is responsible for the denial in whole or in part of records requested and the number of instances of participation of each: Name, Title, Number of instances of participation.

7. Provide a copy of each court opinion or order giving rise to a proceeding under subsection (a)(4)(F); a copy of the Civil Service Commission findings and recommendations on each such proceeding; and a report of the disciplinary action taken against the officer or employee who was primarily responsible for improperly withholding records or an explanation of why disciplinary action was not taken.

8. Provide an up-to-date copy of all rules or regulations issued pursuant to or in implementation of the Freedom of Information Act (5 U.S.C. 552). (Only amendments need be filed with reports for calendar years subsequent to the report filed for calendar year 1975).

9. Provide separately a copy of the fee schedule adopted and the total dollar amount of fees collected for making records available.

10. Pursuant to subparagraph (d)(7), furnish as a minimum the following information as indicative of efforts to administer fully this section.

A. Availability of Records. A list of all new categories or segregable portions of records now being released upon request. (See e.g., Attorney General's Memorandum, February 1975, pp. 14, 16–22.)

B. Costs. A statement of incremental costs incurred in administering the 1974 amendments to the Act. (See e.g., Attorney General's Memorandum, February 1975, Appendix III–B, p. 13).

C. Compliance with time limitations for agency determinations. Subparagraph (a)(6)(A) provides for an initial determination to be made on any request for records within 10 working days (usually two weeks) of its receipt. In case of an appeal from an initial denial, a determination on the appeal is to be made by the agency within 20 working days (four weeks) after receipt of the appeal. The amendments contain two provisions for extension of the foregoing time limits: (1) an additional 10 days in three types of unusual circumstances, and (2) where authorized by a court. (See the detailed discussion of these provisions appearing in the

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[1] Generally, see U.S. Congress. Senate. Committee on the Judiciary. Subcommittee on Administrative Practice and Procedure. *Freedom of information act source book; legislative materials, cases, articles.* Washington, U.S. Govt. Print. Off., 1974, 432 p. (93rd Congress, 2d session. Senate. Document no 93–82)

[2] Generally, see U.S. Congress. House. Committee on Government Operations. *Administration of the freedom of information act.* Washington, U.S. Govt. Print. Off., 1972. 96 p. (92nd Congress, 2d session. House. Report no. 92–1419)

[3] See *Congressional Record,* v. 118, March 23, 1972: 9949–9953; experience from this survey was useful for establishing the criteria statutorily set for Executive Branch annual FOI operations reports; the format of the 1972 analysis is continued in this study.

[4] Generally, see U.S. Congress. House. Committee on Government Operations. [and] Senate. Committee on the Judiciary. *Freedom of Information Act and Amendments of 1974 (P.L. 93–502).* Joint Committee Print, 94th Congress, 1st session. Washington, U.S. Govt. Print. Off., 1975. 571 p.

Attorney General's Memorandum, February 1975, Appendix III–B, pp. 2–7).

(I) Provide the total number of instances in which it was necessary to seek a 10-day extension of time, broken down as follows:

(a) The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.

(b) The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request.

(c) The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more components of the agency having substantial subject-matter interest therein.

(II) Provide the total number of instances where court appeals were taken on the basis of exhaustion of administrative procedures because the agency was unable to comply with the request within the applicable time limits.

(III) Provide the total number of instances in which a court allowed additional time upon a showing of exceptional circumstances, together with a copy of each court opinion or order containing such an extension of time.

D. Internal Memoranda. Furnish a copy of all unpublished internal memoranda or instructions setting forth procedures to be followed by agency personnel in administering the Act or defining its coverage, together with a statement indicating whether the memoranda or instructions are publicly available or, if not, the legal basis for nondisclosure of any such document.

To assist in the analysis of responses to these questions, the House Government Information and Individual Rights Subcommittee, on behalf of the Senate Administrative Practice and Procedure Subcommittee and itself, asked the Congressional Research Service, Library of Congress, to prepare a compilation of certain of the Executive Branch responses, to critique the nature of manner of response, and to offer such policy analysis as seemed appropriate.[5]

NATURE OF THE DATA

Most of the information sought in the above questions is required by the reporting provisions of the 1974 amendments to the Freedom of Information Act (5 U.S.C. 552 (d)). Only the material requested in question 10 was beyond the reporting obligations of the statute. A great majority of the Executive Branch agencies responded to this final question; many of those not responding indicated they did not have adequate records to address the points at issue.

Three Executive Branch entities indicated a belief that they were not within the jurisdiction of the Freedom of Information Act. The Council on International Economic Policy, located within the Executive Office of the President, said: "It is the opinion of our General Counsel that since the Council on International Economic Policy is not defined as an 'agency' in applicable statutory provisions, it is not appropriate that we submit the report. . . ." Similarly, the Federal Property Council, another Executive Office unit, provided the following response:

"The Federal Property Council is not an agency for the purposes of either the Freedom of Information Act [15 U.S.C. 552] or the Privacy Act [5 U.S.C. 552a], and therefore is not subject to the disclosure provisions of either act (see, *e.g.*, House Report No. 93–1380, 93d Cong., 2d Sess., p. 15). Consequently, no FOIA requests have been processed by the Council under the act."

And the Smithsonian Institution, relying upon a memorandum from the Office of Legal Counsel, Department of Justice, also regarded itself exempt from FOI Act jurisdiction. The Justice Department memorandum discussing the Smithsonian's obligations under the Freedom of Information Act, the Privacy Act, and the Federal Advisory Committee Act (86 Stat. 770) said:

"Although not free from doubt, it is our opinion that the Smithsonian is not an agency of the government of the United States of the type which Congress intended to fall within the coverage of those three statutes, and while the present voluntary compliance by the Institution with the spirit of the Acts is commendable in the spirit of public responsibility, it is not mandated by law. The Smithsonian is an establishment created by Federal statutes in order to fulfill a basic trust obligation originating in the will of James Smithson. But it is so uniquely distinctive a fusion of public and private cooperation and of joint action by all three traditional branches of government that it seems fairly evident that the Congress could not have meant it to be treated as a traditional agency covered by the three statutes."

Although queried by the House Government Information and Individual Rights Subcommittee, two Executive Branch units failed to supply any report on Freedom of Information Act operations. One of these, the Appalachian Regional Commission, is listed as an independent agency in government organization manuals but, in a communication to the Subcommittee regarding the 1972 survey of FOI Act administration, had offered the view that it was not within the scope of the Freedom of Information Act and had not, at that time, received any formal requests for access to records pursuant to the FOI law.

The other nonrespondent, the Energy Resources Council, was created by Executive Order (E.O. 11814) in the autumn of 1974 as an agency within the Executive Office of the President. Chaired by the Secretary of Commerce, the Council coordinates energy policy matters at the presidential level. While it too may regard itself as outside of the coverage of the Freedom of Information Act, no communication to that effect or report on FOI Act operations was received.

NATURE OF THE ANALYSIS

Generally, the analysis undertaken of these Executive Branch reports on Freedom of Information Act operations is statistical with slight commentary on the quality of the data and certain somewhat obvious policy implications. Efforts have been made to fairly compensate for literal errors discovered in the reports. However, when no information on a given point was provided, no entry was made with regard to the item; when information provided was confusing or not subject to fair interpretation, a question mark was entered for the item, signifying receipt of data but unclear meaning. In most instances, comparison of information on an agency-by-agency basis is valid. In a few cases, however, respondents supplied best estimates or reported data was not for the full calendar year due to the agency being newly created.

QUALITY OF DATA

Information supplied by the Executive Branch agencies and departments in their reports on Freedom of Information Act operations during calendar year 1975 was generally complete and detailed for most respondents. Nevertheless, there are a few reporting factors deserving of comment with a view to future refinement. With regard to statistical reporting, the vast majority of respondents provided aggregate data.

The Department of Interior, however, supplied most of its FOI Act report information on a case-by-case basis, necessitating the extraction of given items for aggregation and overall assessment. The Department of Health, Education, and Welfare provided certain statistical data on a subunit and Federal region basis, again necessitating secondary aggregation before trends could be discerned (in this case the Federal region data might have been collapsed into common categories). The Nuclear Regulatory Commission also utilized the case approach in reporting on FOI Act operations. Such detail exhibited in the reports of these agencies is not required by the statute or necessary to accurately portray administrative procedure. Hopefully, future Freedom of Information Act reports will universally provide statistical information in a largely aggregate format.

In a couple of instances, statistical and report quality was thought questionable. The Department of the Air Force, for example, acknowledged that, for the period from mid-February through June, it processed every public request for information as a formal request pursuant to the Freedom of Information Act. This same procedure seriously contaminated the Department's statistics for the 1972 FOI Act survey and agencies were cautioned against following this practice in the future. The Agency for International Development of the Department of State, on the other hand, failed to supply any statistics on the total number of initial denials for records made pursuant to the FOI Act, the other bases of authority (if any) for initially refusing access to documents, or the frequency with which FOI Act exemptions or other authority (if any) was invoked to deny administrative appeals under the Act. Hopefully, these problems will be eliminated by improved record-keeping procedures in the future.

While it was not required by the FOI Act reporting provision or otherwise requested by the oversight Subcommittees, a number of respondents provided a statistic for their total caseload under the statute. This is useful for computing the denial caseload percentage, thereby establishing some sense of the size of the denial instances.

A few agencies were rather general in their references to other provisions of statutory law impinging upon Freedom of Information Act requests. When citing statutes invoked pursuant to the third exemption of the FOI Act (5 U.S.C. 552(b)(3)), the Justice Department failed to provide precise U.S. Code references for Internal Revenue Code and Immigration and Naturalization Act sections utilized; the Energy Research and Development Administration made general reference to the Atomic Energy Act of 1954, as amended; the Civil Service Commission invoked Title 17, U.S. Code, the Copyright Law; the Veterans Administration cited "Florida Statute 471.211;" and the Department of Commerce included a general reference to Title 44, United States Code.

For purposes of accuracy and accountability, more specific legal citations would seem desirable. Further, in a situation when authority other than a Federal statute is relied upon—such as "Florida Statute 741.211"—some explanatory note would seem to be in order.

Similarly, various entities—the Department of Interior, Environmental Protection Agency, National Science Foundation, Postal Service, and Small Business Administration—cited their Freedom of Information Act regulations, or other agency regulations, as authority for withholding information requested under the FOI law. Recognizing the supremacy of statutory law in this policy sphere and the imperative of the Freedom of

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[5] Guided by a similar study completed in 1972 (see note 3 *supra*), the present analysis is limited to information provided in response to questions 1, 2, 4, 5, 9, 10B, and 10C; not considered was information provided in response to questions 3, 6–8, 10A, and 10D.

Information Act reporting provision that Executive Branch agencies supply data indicative of efforts to fully administer the Act, references to the basic authority of the FOI law would seem preferable to citations of regulations. Whenever regulations are invoked, the statutory source from which they derive might also be cited.

With regard to the obligation that agencies keep adequate records to properly evaluate their performance under the FOI Act, the Department of Health, Education and Welfare reported "no records available" on other authority besides the FOI law itself invoked to deny requests for documents. The omissions in the Agency for International Development report, noted above, also may well indicate a lack of adequate records on FOI act operations within that entity. And the National Labor Relations Board made a somewhat unusual qualification statement regarding statistics supplied in response to questions 1 through 6, saying they—

". . . do not reflect the essential nature of this Agency's experience under the Freedom of Information Act during the report year. As an agency wholly engaged in investigation and adjudication of alleged violations of the National Labor Relations Act, the only significant body of records it compiles and maintains are the investigatory and adjudicatory files pertaining to the cases it processes. Over the years the Board has consistently maintained, with equally consistent judicial approval, a policy of protecting the confidentiality of the contents of those files except as their contents are properly disclosed pursuant to the Board rules governing the conduct of the proceedings before it. During the past year, however, parties to proceedings before the Board have increasingly resorted to Freedom of Information Act procedures and law suits in an effort to obtain materials from the investigatory files—i.e., affidavits, attorney memoranda, etc.—not available to them at that time under agency procedures. Thus, almost 40% of the initial requests are from parties to a pending proceeding seeking records pertaining to the proceeding. (Another 50% of the initial requests cite the FOIA to obtain documents such as decisions, formal papers, etc., which have always been routinely available upon request and involve no exemptions considerations.) All but one of the 116 determinations on appeal were similarly from parties seeking investigatory file documents. By the end of the year such appeals were being received at the rate of about 50 per month and at year's end there were 44 appeals—none overdue a response—pending determination. This situation prevails notwithstanding that the Supreme Court in *Renegotiation Board* v. *Bannercraft* 415 U.S. 1 (1974), has made it clear that the FOIA was not intended to serve as a discovery tool and does not accord litigants any greater access to investigatory and adjudicative files than previously existed. See also *N.L.R.B.* v. *Sears, Roebuck and Co.*, 421 U.S. 132."

Hopefully this statement is not meant to convey that, because a major portion of the FOI Act requests received by the Board pertain to investigatory files which are usually exempt from disclosure (5 U.S.C. 552(b)(7)), such petitions are not being seriously regarded or that complete and accurate records are not being maintained on their processing.

POLICY IMPLICATIONS

There were certain trends or items of information contained in the Executive Branch reports on Freedom of Information Act operations which have implications for the administration of government information policy. It was noted, for example, that some respondents indicated a reliance upon certain statutory authority to withhold information at the administrative appeal juncture although these same statutes had not been invoked in initially denying a request. Units engaging in this practice were the Department of Commerce, Department of Health, Education and Welfare, Department of the Treasury, Civil Aeronautics Board, and Civil Service Commission. This state of affairs prompts certain policy concerns: that, generally, this is not a proper practice in Freedom of Information Act administration in that, minimally, it appears to be a contrived way to withhold public records; that agencies are not always accurately citing intervening statutes (5 U.S.C. 552(b)(3)) until the administrative appeal stage of FOI Act proceedings; and that litigation pursuant to the FOI Act will be adversely affected by confusion over the appropriate statute(s) being invoked in an information denial.

While the Privacy Act was not intended to restrict access to records available under the Freedom of Information Act (5 U.S.C. 552a(b)(2)), seven Executive Branch entities—the Department of Housing and Urban Development, Department of Labor, Commission on Civil Rights, Federal Energy Administration, General Services Administration, National Aeronautics and Space Administration, and Veterans' Administration—cited the Privacy Act 146 times when invoking the FOI Act exemption pertaining to statutory prohibitions on disclosing certain government information (5 U.S.C. 552(b)(3)). One of these units, the Department of Labor, acknowledged that it is now aware of this practice being an improper action.

Other minor policy points noted in the FOI Act annual reports include the following: denial of a request by the Department of Commerce because the requester failed to respond to a Department communication on the matter within a certain designated period of time; refusal of ten public information requests by the Department of the Treasury because the requesters failed to cite the FOI Act as the basis of their inquiry; seven cases of information denial at the Federal Energy Administration when the individual(s) responsible for this adverse action could not be named; the possibility of information being denied in a few cases at the Veterans' Administration because the "request did not specify reason" (need to know policy?); and the possibility that certain information requests from congressional committees and subcommittees and from Executive Branch departments and agencies to the Federal Trade Commission were wrongly (or perhaps rightly) regarded as official requests pursuant to the Freedom of Information Act.

OVERCOMING TODAY'S ECONOMIC WOES—AN OPTIMISTIC VIEW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 15 minutes.

Mr. WOLFF. Mr. Speaker, while there are visible bright spots in the present economy, the future viability of our Nation raises some serious questions that require prompt and decisive actions to avert what could be an impending economic disaster. The "band-aid" treatments and the ineffective approaches as administered by the Federal Government in recent years, have not worked to really restore this Nation's basic financial stability, nor renewed America's confidence in her future.

The enormity of the Federal debt—currently in excess of $600 billion—demands that cuts be made to eliminate waste and achieve cost savings in all Government programs.

Remember, too, that the interest we pay on the Federal debt costs us more than $40 billion a year—$125 million a day—more than twice the amount we spend on education, more than three times the amount we spend on community development and law enforcement, or nearly half of our defense budget for the coming year.

In the most simple terms, our Nation cannot afford to continue to pile up the Federal debt and budget deficits—otherwise, we surely will go the way of New York City.

The administration continues to accuse Congress of excessive spending practices, holding up for public scrutiny what it calls the "income security programs," a high sounding way of saying welfare. While it is quite true that Federal expenditures for welfare have tripled since 1969, the administration fails to point out that unemployment has been the single greatest cause of that increase.

It is just as feasible to effect 5 percent across-the-board cuts in Government as it is in any business in the private sector. We must trim away the fat that bloats the bureaucracy.

A balanced budget for the United States is not a pipe dream, it can be realized once again.

A balanced budget has not existed in the last 7 years, but Congress is not the villain. Declining revenues and increased expenditures, the direct result of unemployment, drove the Federal budget into deficit. Yet, when Congress tries to reorder spending priorities, the legislation to provide emergency jobs is vetoed as "inflationary."

If our Nation is to once again prosper, our single most important priority for the immediate future must be a total commitment to reducing the present intolerable unemployment level that has eroded our country's capacity and ability to achieve greater productivity.

We must increase this Nation's productivity or we will continue to flounder under the economic woes that engulf our country. More than 8 million Americans are out of work today and that figure does not include the underemployed, nor those who have exhausted their unemployment compensation, cannot find any kind of job and no longer "count" to the Labor Department's statistic takers. The measure of attendant human suffering and despair is beyond dimension.

Working Americans mean our Nation's productivity increases—more goods are produced, more services are provided. Working Americans mean more money is cycled back into the economy as consumer purchasing power increases. Working Americans mean greater tax revenues for Federal, State, and local governments to pay for needed services and capital improvements and vast savings in taxpayer dollars for unemployment and welfare assistance. Working Americans mean self-esteem and dignity, not hopelessness and fear.

The present devastating unemployment situation demands that public service programs—backed up with incentives to the private sector—be created and implemented to provide jobs and to cut back on the numbers of Americans compelled, by empty pockets, to seek subsistence benefits from the already swollen welfare rolls. Our resources must be invested in America's future productivity instead of welfare checks.

That our economy was declining and in grave trouble was evident when the dollar was first devalued abroad and lost the high degree of credibility it had enjoyed worldwide. As a result, foreign traders—including some of our "so-called" allies, like France, as well as the oil producing states of the Mideast—demanded gold in payment for their products instead of more shrunken dollars. The devaluation of the dollar was intended to increase markets for American goods and help our balance of payments, but soaring energy costs completely wiped out this advantage. American goods became cheaper in the world market as the price Americans paid for imported goods rose.

Then—beginning with the first wheat sale to Russia—the ill-conceived grain deals that depleted our domestic food supplies and forced up the cost of basic foodstuffs and related byproducts, meat, bread, cereal, dairy, set into motion the spiral of increased prices for nearly every commodity used by Americans.

Tight money in a fluctuating market, the drop in U.S. credit ratings and sharp increases in interest rates that placed ready mortgage funds beyond the reach of most middle and lower income families, brought about the crisis in the construction and housing industry.

The economic plight of New York City—one that will take years to effectively reverse—was precipitated in part by bad management, but peaked when the city was unable to market its securities, thus making debt control impossible.

During the recent years of rampant inflation, coupled with recession, Congress has borne the brunt of widespread criticism on the economic issue. I would like to set the record straight.

The 1969 Federal budget was the last budget to show a surplus—the year when the unemployment rate was 3.5 percent. Since that time, unemployment has averaged about 6 percent and there have been budget deficits every year—deficits directly attributable to high unemployment, not Federal spending.

In the last 8 years, the administration has accumulated a $235 billion budget deficit, a sum almost equal to the total budget deficit accrued during the previous 180 years put together.

I am not indicating that we should not reduce Federal spending. At our present rate, we are spending ourselves into oblivion, but we must reorder our spending priorities and put the needs and concerns of people first.

If the administration had supported congressional efforts to reduce unemployment there would have been budget surpluses in 4 of the last 7 years and for the next fiscal year. If unemployment were at the 1969 rate of 3.5 percent, the Federal budget would be nearing a $10 billion surplus. Just think, all these years we could have had surpluses even without cutting Federal spending by so much as $1.

Since 1969, the Nation's unemployment rate has risen from 3.5 percent to a record high of 8.9 percent and is now calculated at 7.8 percent nationwide—a figure that is still higher than in any other postwar recession.

In 1969, unemployment compensation cost $2.6 billion. During the subsequent 7 years the cost for unemployment compensation rose 650 percent—as much as the Federal Government spends on education, training, employment, and social services combined.

The present 7.8-percent national rate of unemployment is stifling America's ability to produce and is, in itself, inflationary. The bare fact is that for every 1 percent of unemployment, it costs the Federal Government $17 billion in unemployment compensation and welfare payments and in lost income and property tax revenues—$17 billion that might be spent on education, or health care, or crime prevention and law enforcement and could be spent if more Americans had jobs.

Consider for a moment that the cost of 1-percent unemployment—$17 billion—is almost three times the amounts that the Federal Government will spend this year on agriculture and law enforcement programs combined. The cost of 1-percent unemployment—$17 billion—is more than the Federal Government will spend this year on revenue sharing and community development, and more than the Federal Government will spend on programs to protect the environment and develop new energy sources.

If the unemployment rate were reduced by 3 percent, $51 billion—3 times $17 billion—would be removed from the Federal budget. A 5-percent, across-the-board cut in Government spending programs would remove another $10 to $15 billion from the Federal budget—considerable savings that could be put to productive use instead of handouts.

What this means is that a reduction of unemployment by 3 percent would add almost $1 trillion—based on the 1975 dollar value—to the national production of goods and services by 1981. Further, a 3-percent reduction in unemployment would add $300 to $400 billion in new tax revenues, at all levels, and lead us to the road toward economic recovery.

The negative economic policies of the 1969–75 era lost this country almost $1 trillion in production of goods and services—$6,000 for every man, woman, and child in the Nation.

Aside from the adverse effect unemployment has on the Federal budget and the economy as a whole, its most devastating impact is on human lives. At the height of unemployment in May 1975, there were 8.3 million persons out of work—three times as many as in 1969. Seventy million were members of families that had one or more persons unemployed. This intolerable strain on the American family has been a major cause of breaks in the structure upon which our society and life style is nurtured. As unemployment rises so does family instability, health problems, and incidence of crime. The waste in human resources under high unemployment is a national tragedy.

In the 10 years preceding the 1970's, America's annual rate of growth was approximately 5 percent a year. Since that time, the rate of growth has been hovering around 1.6 percent—graphic proof that American industry is operating far beneath its productive capacity.

In recent years, inflation has escalated at a rate three times faster than during the previous decade. In 1974–75, interest rates were the highest in more than 100 years. Today, localities, small businessmen, families, and individuals pay near bankruptcy rates to borrow funds.

Take for example the young couple looking for a house. They are faced with exhorbitant mortgage interest rates, plus points, of close to 10 percent nationwide, which means they will pay nearly double the price of the house in 10 years, or, even worse, four times the price under the old traditional 20-year mortgage—and many mortgages today are for a 30-year period.

Of course, this expense they will pay only after they have raised the necessary downpayment that could exceed 20 percent of the purchase price.

Then, if that hurdle is overcome, are they able to afford the carrying charges, the constantly rising taxes, utilities, insurance, repairs and maintenance costs at today's inflated prices?

In brief, these costs mean that 80 percent of Americans cannot afford to buy a house today. The skyrocketing housing costs have kept many potential buyers out of the market and prevented the construction and housing industry from realizing any comeback after a prolonged period of near total inactivity.

What is the answer?

I believe the Federal Government must provide tax incentives to the industry to open up the market in line with the purchasers' ability to pay.

There also must be an easing of interest rates or new Federal provisions instituted to help qualified borrowers obtain needed down payments, or a reactivation of the Federal program, "Freddy Mac," which acted as a secondary mortgage market and in effect subsidized interest rates on home mortgages.

The result of such action would be twofold. The now stagnant housing industry which registers one of the highest unemployment rates in the Nation—30 to 50 percent on Long Island—would have an infusion of new money to provide jobs while fulfilling the need and demand for new houses.

Is it not time we took care of our own at home instead of subsidizing interest rates on some imported purchases?

While "bigness" is no crime and in some instances is an advantage, the small business sector of our economy also is endangered. Big business has enjoyed innumerable advantages in recent years while small businesses have been shackled by Government over-regulation, endless paperwork and reporting requirements, and discriminatory tax treatment.

We are seeing the steady erosion of the small businessman who is losing out to an oligarchy of conglomerates and multinational corporations. If we are to have a fair competitive balance to the economy, we must reverse this trend and restore due opportunity to the small businessman.

We must recognize the difference between big and small business and accord equitable financing and taxation treatment. We must pump new life into the Federal loan program for small businessmen and streamline the Federal regulatory process to reduce paperwork requirements by at least 50 percent.

We must eliminate the obstacles that currently render the small businessman unable to bid competitively for government contracts, and we must insure that the independent business sector is adequately represented on the Federal level. The free enterprise system is one of the elements that made this country great.

Over the years, the administration talked about relying on the private sector to provide jobs even as it ignored the plight of the small businessman by not providing incentives. This was a key element in the failure of its program to stimulate the economy.

Another major aspect of an economic policy for a productive tomorrow must lie in greater assistance to State and local governments. The restrictive economic policy of the past 7 years has only served to intensify the financial plight of state and local government with the result that there have been widespread cuts in essential services and manpower. In turn, these cuts have adversely affected the private sector which serves as supplier for the public sector.

The Federal Government must assist State, city, and local governments by helping to restore essential services and personnel to generate new business activity in the private sector. We will never curb the crime that threatens the mobility of people until we have restored adequate complements of police and fire protection manpower. We will never infuse new vitality into our cities and suburbs unless a new working partnership with the Federal Government is realized.

I believe we must create work programs to initially provide jobs for a great number of our Nation's unemployed. There is much to do in this country to clean up our air, waters, and environment, to remodel our neglected cities and communities and transportation systems and build for the future. We have the technology, we have the resources; why not use it.

However Congress—as it did in the depression of the early 1930's—must provide the vehicles for people to work again, placing emphasis on areas vital to America's best interests. Putting our money into programs to get people working again and getting the job done is the soundest way for America to move ahead again.

While I believe Government should be the employer of the last resort, our economy today is in dire need of such immediate help, and while that initial cost may be substantial, the long range economic advantages will more than offset the price. Remember, Kennedy Airport, Jones Beach, the Long Island Parkways all were built under a public works program, the WPA.

The record of recent years clearly reveals the reasons for our economic slump. Policies of executive restraint and restriction have consistently blocked congressional efforts to relax monetary policy and bring down interest rates. Instead, the Federal Reserve Board, in secrecy and without accounting to the public, alined itself to these policies of restriction, altering its course only when it was politiclaly—not economically—advantageous to do so.

The recession was precipitated by the rapid reduction in purchasing power brought on by rampant inflation and high unemployment. People could no longer afford to buy goods and services, productivity and sales declined, unemployment increased, and the recession grew worse—a cycle of bad economic policy and mismanagement.

All congressional attempts to enact a tax cut to stimulate the economy and relieve the burden on the American consumer have been resisted. In fact, in 1974 the administration advocated a tax increase, a further example of the policy of scarcity. The tax cuts, finally enacted by Congress over veto, have been credited with keeping the economy from sinking into even deeper depression by increasing consumer purchasing power.

Congressional legislation to create jobs and curb the rising unemployment rate consistently has been opposed—and it is in this area of restrictive economic policy that the greatest damage was done. Had these congressional efforts to get the economy moving with increased employment been supported—rather than thwarted—we would not still be experiencing economic chaos.

We also must effect economies in the area of our foreign affairs.

To remain competitive in the world market, as we must, we cannot isolate ourselves but we must reexamine the return we are getting on our money shipped abroad.

If we are to regain our financial integrity as well as our moral leadership in the world, we must see to it that abuses are corrected. We must be firm with those who receive our dollars and continue to plague us with problems. I believe foreign aid must have strings attached.

For example, why is it the United States has not taken meaningful action against international terror? Why is it the United States continues to prop up corrupt foreign regimes with our dollars to enhance their economy while ours is faltering?

Is it not time we suspend our aid to such nations that do not cooperate with us in areas such as narcotic trafficking and energy supplies?

Foreign aid must be redirected. A new foreign policy must be initiated—based on a premise of American "self-interest." While we certainly cannot be isolationists for we live in too interdependent a world, we cannot be the policeman of the world, nor the banker of the world. It is time that Americans and America's self-interest became our first consideration.

This does not in any way preclude humanitarian assistance to the starving and hungry of the world, but we should remember America has hungry and needy people too.

A hard line, yes, but these are hard times and if the United States does not get its own house in order, we will never be able to help the unfortunates of the world who are dependent on us.

Of course foreign aid, limited to reasonable bounds and properly administered, is an essential weapon in our defense arsenal—but excessive deployment of our foreign aid dollars and programs is not in the best interests of the American people. This is commonsense.

There is no question that we must maintain our defenses—I believe in a strong and secure America—but our financial outlays would automatically decrease if our allies were compelled to increase their share of the overall mutual defense burden. We must demand that nations, whose security we are helping to insure, help pay for this protection by paying a greater part of the expense.

The defense of our Nation is a prime concern. However, it is essential that this defense not be undermined through wasteful spending on projects whose need is highly questionable. If we are to maintain the credibility of our defense establishment, it must be pared down so that it is an effective force to provide the security necessary for our country. Bloated budgets, harkening back to "the days of the battleship admirals", only continue to force this Nation to misspend funds on weaponry that has long since outlived its usefulness.

Spending money in this fashion is only self-defeating for—while it provides defense from attack externally—it denies to the Nation the funds necessary for her internal security that must be strengthened to prevent erosion from within. We must provide for the needs of the American people or no amount of defense equipment will save this Nation from self-destruction.

I am optimistic and have faith in the people of this country to surmount today's economic woes for they—the people—are our Nation's greatest resource. The year 1976 is ample evidence of the will to overcome setbacks and obstacles that would have caused the demise of less stable nations. I do believe the pioneering spirit of our Nation's birth in 1776 still lives in America and we can face the future with confidence in order to prevail.

PANAMA CANAL TREATIES: LETTER OF ALFRED J. SCHWEPPE ON U.S. CANAL ZONE TITLE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in the CONGRESSIONAL RECORD of July 20, 1976, pages 22923–22925, I quoted the full text of a thoughtful legal analysis of the sovereign rights, power, authority, and ownership of the United States over the U.S. Canal Zone and the Panama Canal by Alfred J. Schweppe, one of our country's ablest lawyers, who has studied the juridical questions involved.

The latest writing by Mr. Schweppe on this vital matter is his July 20 letter to Bob Quartel commenting on a May 28, 1976, letter by the latter to Donald L. Hill. In a point by point discussion. Mr. Schweppe defines the term "title," criticizes lawyers in the State Department as not having done "their homework for many years," and states that he has sent all his Panama Canal "material" to the major Presidential candidates.

In order that the indicated letter of Mr. Schweppe's may be available to the Congress as well as the public at large, I quote it and Mr. Quartel's letter as parts of my remarks:

JULY 20, 1976.

In re Panama Canal Treaties.

Mr. BOB QUARTEL,
Washington, D.C.

DEAR MR. QUARTEL: Through the good offices of Mr. Phillip Harman of Los Angeles, I have been given a copy of your letter of May 28, 1976 to Mr. Donald L. Dill.

As one familiar with the law of treaties who has recently researched the subject of the canal treaties at length and has written on the subject, as witness the enclosed paper "The Panama Canal Treaties" (draft of July 19, 1976—First draft was May 25, 1976, published in the *Congressional Record* of June 9 and since much improved) and as a life-long Republican, who wants Mr. Ford to handle this problem correctly, I feel it appropriate to comment on your letter.

You say (paragraph 4):

"If you recall your history, you will remember that the U.S. does not own, nor has it ever owned, the Panama Canal Zone. Rather, we have been granted the right to use the area as if we did own it. Nor is it '. . . like Alaska . . .' because children born in the zone, for example, are not U.S. citizens unless their parents are citizens—unlike a child born anywhere in the United States."

The sad fact is that I do not recall any such history. The history is exactly to the contrary and is correctly unfolded in the enclosed paper. The lawyers in the State Department just haven't done their homework for many years.

When Ronald Reagan raised the issue, and I then learned that our negotiator Mr. Ellsworth Bunker was claiming that the United States had certain "rights" but not "title," I took a look at the 1903 treaty in our Statutes at Large and immediately noted that Panama "grants to the United States in perpetuity the use, occupation, and control of a zone of land" and "all rights, power and authority within the zone," "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights."

There immediately flashed into my mind the definition of title given us in a real property class many years ago by one of the most distinguished property law professors in the country, Dean Everett Fraser of the University of Minnesota Law School (his son Donald is now in Congress).

Dean Fraser defined title as "a right to possession which no one can effectively deny" or put differently "a right to possession in perpetuity, good against all the world."

When I prepared my first paper of May 25 (referred to above), I, on this elemental reasoning, reached the conclusion that the United States had title, as good a title as to Alaska, and Louisiana and said so, even though the usual words of cession were not used. It wasn't until three weeks later that I came upon the great 1907 decision of the United States Supreme Court in *Wilson v. Shaw*, 240 U.S. 24, holding that Panama had "ceded" the Canal Zone and that the title of the United States was absolute and unqualified. I then said to one of my partners and to one of my correspondents a bit ruefully "There is really little new under the sun. Here the Supreme Court has anticipated my conclusions by 69 years, and in very succinct and pointed language." See page 5 of the enclosed memorandum.

I have sent all my Panama Canal material as it developed to Mr. Ford at the White House, to Mr. Jimmy Carter at Plains, Georgia, and to Mr. Ronald Reagan at his California headquarters.

You are probably aware that Mr. Jimmy Carter has already done his homework. On July 9, 1976, Mr. William Safire of the *New York Times* quoted Jimmy Carter as follows:

"I am not in favor of relinquishing actual control of the Panama Canal or its use to any other nation, including Panama."

In a letter to the White House I have urged Mr. Ford to correct his position, lest it smite him in the face. The mere fact that prior presidents beginning with Eisenhower were misled by careless State Department lawyers who apparently were not aware of the 1907 Supreme Court decision, and the fact that new treaty negotiations have been in progress beginning with President Johnson, is no reason why Mr. Ford should not set the record straight.

My analysis of the Panama treaties, a copy of the latest draft of which I have enclosed, is now widely circulated by a few persons deeply committed to the retention of United States sovereignty in the Canal Zone and opposed to the totalitarian regime in Panama. In regard to the latter, as I said on the last page of the enclosed article, I have no faith that Panama, if it ever gets the canal while it is still useful, will behave any better than Egypt after it illegally seized the Suez Canal in 1956, maybe not as well.

Sincerely yours,

ALFRED J. SCHWEPPE.

MAY 28, 1976.

Mr. DONALD L. DILL,
567 Forty Foot Road,
Hatfield, Pa.

DEAR MR. DILL: Thank you for your letter of April 27 to President Ford. I apologize for taking so long to respond.

Four previous Presidents have supported the Panama Canal negotiations now continuing under President Ford. These negotiations were first initiated under President Johnson in 1964 shortly after some 26 persons—including 10 Americans—were killed in riots in the Canal Zone. President Ford believes that the continuation of these negotiations is vital and necessary to the defense and operation of the Canal by the United States.

The Ford Administration is working, therefore, on a negotiated agreement which would accommodate the needs of both the U.S. and Panama. The President has reiterated that he will not propose any agreement to the Congress for eventual ratification which will not protect the vital interests of the U.S.

If you recall your history, you will remember that the U.S. does not own nor has it ever owned, the Panama Canal Zone. Rather, we have been granted the right to use the area as if we did own it. Nor is it ". . . like Alaska . . ." because children born in the zone, for example, are not U.S. citizens unless their parents are citizens—unlike a child born anywhere in the United States.

The attached comments by Senator Goldwater are also helpful in understanding that situation.

You have apparently received misinformation about the U.S. position with regard to Rhodesia and South Africa. The United States has not taken a "hostile attitude," but has, instead, said that it would no longer actively support minority governments. Rather, we have said that we will support democratic governments run by the majorities in those countries, as we do in our own country.

Again, our thanks for writing. If you have any other questions, please feel free to write us again.

Sincerely,

ROB QUARTEL.

SOVIET DAY OF SHAME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, during this Bicentennial summer, Americans from coast to coast proudly wave flags and beat drums in celebrating 200 uninterrupted years of freedom. I suggest that we listen also to the muffled drums of another democracy whose freedom was ruthlessly stolen nearly 8 years ago.

On that "Soviet Day of Shame," August 21, 1968, the courageous people of Czechoslovakia—cruelly outnumbered—watched relentless Soviet-led legions overrun and occupy their homeland.

The Soviet claim that they were "invited" to manage this takeover in order to preserve "socialism" is refuted by abundant evidence that virtually the entire Czech nation stood firmly behind Mr. Dubcek at the time, and opposed any foreign interference. Repeated questioning as to who extended the alleged invitation to invade remains unanswered by the Soviets.

Today, the Soviets continue to occupy Czechoslovakia in direct violation of the United Nations Charter. One wonders what the U.N. would do should another member, say the United States, invade a fellow member.

Six years ago, on August 16, this House of Representatives—with the Senate concurring—passed a resolution:

> That it is the sense of the Congress that, with respect to the Soviet Union and those states which participated in the intervention in Czechoslovakia, the President should take such steps as may be necessary—
>
> (1) to prohibit the extension of any Government trade credits or guaranties to any of the intervening states;
>
> (2) to prohibit sales, either for dollars or local currency, and grants under any title of the Agricultural Trade Development and Assistance Act of 1954, to any of the intervening states;
>
> (3) to suspend all commercial air traffic between the United States and the Soviet Union; and
>
> (4) to express support for the people of Czechoslovakia (as they commemorate August 21, 1970, as the "Soviet Day of Shame") in their efforts to achieve the withdrawal of the troops of the Soviet Union from Czechoslovakia.
>
> SEC. 2. It is further the sense of the Congress that the President, acting through the United Nations and other international organizations, should take such additional steps as may be necessary to end as quickly as possible the continuing intervention in Czechoslovakia by the Soviet Union.

Is it not high time that these congressional recommendations be followed by the administration?

The case of occupied Czechoslovakia—a country with 1,100 years of self-governing tradition—also belongs on the agenda of the "Talks on Mutual and Balanced Forces Reduction" currently meeting in Vienna. These negotiations to cut troop levels in Central Europe, after dragging on more than 2 years, have been stalemated since March. The Communists have failed to meet all reasonable criteria for a reduction of forces because they insist on remaining numerically superior to the West in ground forces. Since the occupation of Czechoslovakia upset the pre-1968 European balance of power, it seems only appropriate that a status quo ante the invasion should be the starting point for mutual withdrawals.

COMPARISON OF FEDERAL COAL LEASING AMENDMENTS ACT OF 1975 WITH OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 10 minutes.

Mr. MURPHY of New York. Mr. Speaker, the administration has criticized this Congress for not establishing a national energy policy. The fact is that Congress has sought to establish such a policy through comprehensive legislation—on strip mining, coal leasing, and offshore development, for example—but has been thwarted time and time again by Presidential opposition and vetoes.

Congress, however, has pressed and will continue to press for establishment of a national and rational energy policy.

On Wednesday, August 4, 1976, the House of Representatives wisely overrode the Presidential veto of S. 391, the Federal Coal Leasing Amendments Act of 1975 by an overwhelming vote of 316 to 85. The day before, the Senate, also by an overwhelming vote of 76 to 17, similarly overrode the President's veto. Thus, Congress has forced the Executive to accept a comprehensive and rational policy for the leasing of our coal reserves on Federal lands.

Earlier, on Friday, July 30, 1976, this House passed the Outer Continental Shelf Lands Act Amendments of 1976, H.R. 6218, seeking to establish a similar rational policy for the development of our oil and gas reserves in our Federal offshore lands. The Senate had earlier approved a similar bill, S. 521. Staff from the Ad Hoc Select Committee on Outer Continental Shelf and the Senate Interior Committee, are now meeting to see if differences between those two bills can be resolved.

The history of these two important pieces of energy legislation is similar. During the House debate on the veto override, the gentlelady from Hawaii, whose Subcommittee on Mines and Mining prepared the Federal Coal Leasing Amendments Act of 1975, described the extensive consultation with the executive branch that preceded final passage of that bill. S. 391 noted Mrs. MINK, was the "product of prolonged discussion and compromise with the administration." But "negotiation with this administration is a one-way street—the more we give, the more we are asked to give."

The experience of the OCS Committee with the administration is the same. H.R. 6218, now titled S. 521, is the result of full consideration of the administration's views, negotiations with administration representatives, and careful compromise as a result of that consideration and negotiation. Time after time, the committee requested and received recommendations from the administration and sat down with administration representatives in an attempt to work out the differences. In a letter dated February 19, 1976, the Secretary of the Interior recommended 14 changes in H.R. 6218 that "might make the bill acceptable." As a result of meetings and negotiations on these proposals, I proposed numerous amendments which were included in a staff draft. On April 22, 1976, the Secretary sent another letter complaining of other provisions "on which I did not comment in my earlier letter." This was followed by a meeting specifically raising 10 more objections. This was finally followed by submission of 39 amendments. Staff reviewed these recommendations, and I accepted, and successfully proposed as amendments on the floor, 15 of these amendments in total, and 6 more in part. Thus H.R. 6218 was, like S. 391, "already the product of prolonged discussion and compromise with the administration." Yet, even after the committee accepted, in markup, a number of the administration recommendations, and then later accepted even more during the consideration of H.R. 6218 by the whole House, the administration has stated that the Outer Continental Shelf Lands Act Amendments of 1976 will be vetoed. As with Mrs. MINK's experience with S. 391:

> Negotiations with the Administration . . . [were] a one way street—the more we [gave], the more we [were] asked to give.

The Outer Continental Shelf Act not only shares the same history as the Federal Coal Leasing Act, it also shares many of its procedures, policies, and standards.

1. BOTH BILLS PROVIDE FOR MORE LOGICAL LEASING OF TRACTS

Specifically, S. 391 grants discertion to the Secretary of the Interior to lease tracts "of such size as he finds appropriate and in the public interest and which will permit the mining of all coal which can be economically extracted in such tract." S. 521 grants the discretion to the Secretary to lease offshore oil and gas tracts of such size as "necessary to comprise a reasonable economic production unit."

2. BOTH BILLS PUTS LIMITS ON THE CONTINUING USE OF EXISTING BIDDING SYSTEMS

S. 391 provides that "no less than 50 percent of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment," and increases the minimum royalty to 12½ percent. S. 521 provides that, unless either House of Congress approves a reduction, no less than one-third of the frontier lease areas are to be leased on a basis other than the front-end bonus bid system.

3. BOTH BILLS IMPOSE DUE DILIGENCE REQUIREMENTS ON LESSEES

Specifically, S. 391 prohibits the issuing of a lease where a lessee has not been producing on other leases, while S. 521 prohibits a lease issuance or extension where the company has not been meeting due diligence requirements on other leases. Similarly, S. 391 and S. 521 both provide that due diligence requirements should be made a part of a lease.

4. BOTH BILLS PROVIDE FOR NECESSARY INPUT BY AFFECTED STATES AND COMMUNITIES

S. 391 requires any lease proposal for surface coal mining in a national forest to be submitted to a Governor of a State, for this Governor to have 60 days to comment on such leasing, for the Governor to be able to delay a lease sale for 6 months by objecting, and for the Secretary to reconsider the issuance of a lease if the Governor objects. S. 521 provides that the leasing program, exploration plans, and development and production plans, are to be submitted to a Governor of the affected State and any regional advisory board the Governors have established; that as to a leasing program, the Governor has 90 days to make his recommendations and the Secretary has to respond to those recommendations in writing; that as to a development and production plan, the Governor also has 90 days to make his recommendations, and the Secretary cannot reject such recommendations unless he finds it necessary to override it in the national interest.

5. BOTH BILLS PROVIDE FOR A COMPREHENSIVE PROGRAM TO BE ESTABLISHED FOR THE LEASING OF RESERVES

S. 391 provides that the Secretary of the Interior, or the Secretary of Agriculture, is to prepare a comprehensive land use plan wherever there is to be a substantial development of Federal coal leasing; that, in preparing such plans, the Federal agency must consult with the responsible State entities, the local governments, and the general public, and hold a public hearing; that the land use plan is to include an assessment of the amount of coal deposits on the land; and that leasing can only proceed in accordance with that land use plan. S. 391 also requires that, prior to the issuance of any coal lease, the Secretary is to consider the effects of mining on the impacted community area, including the impact on the environment, and other users and uses of the lands, and on public services.

S. 521 similarly requires an OCS leasing program to be prepared by the Secretary of the Interior, after consultation with relevant Federal agencies, the States, and local governments, and the general public; requires a public hearing; and requires leasing after establishment of the program to be consistent with that program. In addition, S. 521 requires a leasing program to consider the effects of OCS leasing on a particular area, on other users of the waters, and on the environment, on public services, on affected States, and requires that the program include estimates of the amount of resources in a particular area. Finally, S. 521 requires exploration and development to be based on plans sufficient to insure environmental safety and consistent with the Coastal Zone Management Act—the land use planning act for the coastal zone.

6. BOTH BILLS UPDATE AND MODERNIZE PROCEDURES FOR PRIVATE RESOURCE EXPLOITATION

S. 391 allows exploration, pursuant to a license, to be either before or after an area is leased; requires the exploration license to contain reasonable conditions to insure protection of the environment and compliance with all applicable State and local laws and regulations; provides that the exploration license can be revoked for violations of conditions or the laws; that the licensee is to furnish the Secretary copies of all data, which is to be maintained by the Secretary until after an area has been leased or until its release would not damage the competitive position of the licensee. S. 521 provides for exploration to occur, pursuant to a permit or regulation, either before or after an area is leased; that the permit is to contain provisions so as to protect the environment and to insure compliance with applicable law; that the explorer is to furnish the Secretary copies of all data; and that the Secretary is to maintain the confidentiality of data until after issuance of a lease or until he determines that making the data available would not damage the competitive position of the explorer.

7. BOTH BILLS PROVIDE FOR IMPROVED PROCEDURES INSURING MAXIMUM AND EFFICIENT RECOVERY

S. 391 allows the Secretary to establish a logical mining unit to be composed of more than one lease, and which is to be developed as a unit. S. 521 provides that the Secretary can require unitization or pooling agreements, and at the time of consideration of development and production plans, can require adjacent lessees to submit plans as to their offshore activities and their onshore impact. Moreover, S. 521 allows the Secretary to lease a geological structure or trap or area by percentages, form a joint working group, and be a nonvoting member of that group.

8. BOTH BILLS ESTABLISH IMPROVED PROCEDURES FOR AWARDING LEASES

S. 391 provides a lease term of 20 years and as long thereafter as coal is produced in commercial quantities, establishes annual rental and royalties, and allows royalties to be lowered in appropriate circumstances. S. 521 provides for a lease term of 5 years, which can be extended for 5 years in certain situations, which will automatically be extended as long as oil and gas is produced in commercial quantities; provides for minimum royalties, and minimum net profit shares, which can be reduced in appropriate circumstances.

9. BOTH BILLS PROVIDE FOR A "SECOND LOOK" AT LEASE ACTIVITIES AFTER EXPLORATION

S. 391 requires certain lessees to submit an "operation and reclamation plan" which is to be subject to approval, disapproval, or modification by the Secretary. S. 521 requires the lessee to submit a "development and production plan" which is to be reviewed by the Secretary and can be approved, disapproved, or modified.

10. BOTH BILLS MAKE CHANGES IN PRESENT EXPLORATION PROCEDURES

S. 391 goes much further than S. 521 in establishing a comprehensive program for evaluation of reserves. However, S. 521, like S. 391, authorizes the Secretary to conduct any type of drilling and encourages him to secure adequate information prior to lease sales, as to the extent and location of, and potential for recovery of, resources within lands subject to this act. Both bills provide for new procedures for stratigraphic drilling and information from such stratigraphic drilling.

11. PROVISIONS

Both bills provide, in almost identical terms, for an annual report to the Congress as to all activities on these Federal lands relating to Federal resources, so as to allow adequate oversight and for reports by the Attorney General as to the antitrust and anticompetitive effects of leasing activities.

12. BOTH BILLS CONTAIN IMPORTANT NEW PROVISIONS ENCOURAGING COMPETITION

S. 391 sets a 100,000 acres total limitation on ownership of Federal coal leases while S. 521 establishes a 1.6 million barrel per day limitation on joint bidding for oil and gas leases. Both bills, in substantially the same language, provide that in each stage of the formulation of activities and regulations and in the issuance or renewal of leases, the Secretary of the Interior is to consult with and give due consideration to the views and advice of the Attorney General. The Attorney General is is to make a report as to whether the lease would create or maintain a situation inconsistent with the antitrust laws and thereafter the Secretary cannot lease or renew a lease until there is a public hearing on the record.

Mr. Speaker, this Congress faces the same challenge and the same duty in considering and approving reforms to the Federal offshore oil and gas leasing procedures as it did when it overrode the President's veto and adopted reforms to the Federal coal leasing procedures.

Mrs. Mink's description of S. 391 can be equally applied to S. 521—

> It is the product of compromise, and represents a carefully reasoned and reasonable reform of the [present law]—a reform that accommodates the major Administration concerns with the [original] Act, and enacts important aspects of their very own leasing program.

Congress has acted responsibly, forcefully, and properly by detailing and establishing needed reforms in our Federal coal leasing system. We must, and can, do the same for the leasing of oil and gas on our Federal offshore lands.

CONGRESSMAN BONKER SOUNDS CALL FOR BETTER FISHERIES MANAGEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

Mr. AuCOIN. Mr. Speaker, a few weeks ago my friend and able colleague from the State of Washington, Mr. Bonker spoke to a group of sportsfishermen about an issue which is of tremendous importance to the Pacific Northwest, and, increasingly to the Nation.

I am talking about the management of our fisheries resource.

While always a subject of intense public interest, this issue has been the focus of public debate since two Federal judges ordered the States of Oregon and Washington give Indian fishermen the chance to take 50 percent of the harvestable fish each year. These decisions have raised difficult questions about the adequacy of our fisheries resource and the programs we have established to manage it.

Congressman Bonker's speech is significant because it addresses these questions with unique sensitivity and insight, and because his recommendation—to create a forum through which fisheries management can be debated, coordinated, and advocated—makes such eminent good sense.

For these reasons I want to insert Congressman Bonker's speech for the Record at this time. I strongly recommend it to the Members of this House, as one of the most thoughtful statements on the subject I have yet seen:

Who's Minding the Fish?

(Remarks of the Honorable Don Bonker before the Annual Convention of the Northwest Steelheaders Council of Trout Unlimited Olympia, Wash., July 31, 1976)

I am delighted to be here, and to share this evening with the Northwest Steelheaders.

You may or may not know, I am not an experienced fisherman. But what little I know comes from a first rate teacher—Larry Cassidy, I find that Larry is not rare among steelheaders. As I have come to know Larry and work with people like Gary Ellis, Chuck Voss, and Ed McNary it is obvious that you have an outstanding group and I am proud to be associated with you.

Actually, I want to say a word of thanks to everyone in this room and to all of your individual chapters for bringing to this moment of tension in the history of our fisheries resources a solid, calm, and thoughtful approach. The steelheaders have demonstrated unusual restraint in coping with the dislocations occasioned by the decision of Judge Boldt. Such restraint is not only admirable, it is probably essential to avoid disaster.

I am going to talk about the management situation we confront today in fisheries, focusing on the State of Washington. For those of you from Oregon, welcome to a preview, the problems as not now, or soon will not be, much different.

When I began looking for guidance on the problem of fisheries management, I reflected that the Lord created man with two ends—one to sit on and one to think with. Whether we preserve for posterity the benefits and joys of fishing depends on which end we choose—heads, we win; tails we lose.

It's also worth noting that the Lord created the world two-thirds water and one-third land, with the obvious intention that man should spend two-thirds of his time fishing and one-third working.

Confronting fisheries problems today reminds me of what John Gardner said, trying to be optimistic, when he took over HEW under President Kennedy: "We are faced with a series of great opportunities—all brilliantly disguised as insoluble problems."

Before I get into that infamous subject—the Boldt Decision—let me say a few things about the Courts. Our Federal courts, through interpretation of the Constitution, laws and agency regulations, have gone too far, as judges now appear to exercise powers that were traditionally regarded as the preserve of the legislative and executive branches. A. Cox writes: "Excessive reliance upon the courts instead of self-government through democratic processes may deaden a people's sense of moral and political responsibility for their own future."

* * * * *

Nothing would be politically more expedient than to stand here and rant and rail about the Boldt decision, to tell you that I am introducing legislation to repeal the decision, to abrogate the Indian treaties. To put it bluntly, that would be an act of moral treason, intellectual dishonesty, and political demagoguery.

These are the simple facts. The Boldt decision is based upon treaties, not laws of Congress. Congress cannot constitutionally wipe out those treaties or the fishing rights reserved in them without being liable under the Fifth Amendment to compensate the Indians for their lost fishing rights. Last year, the Congressional Research Service estimated the value of those rights to be at least $21 million annually. Remember that is a figure which would increase each year, and run for the duration of this republic.

Even more importantly, even with those magic legislative names Magnuson and Jackson, we do not have the political muscle in Congress to go around taking from people rights reserved in so solemn a document as a treaty with the original natives and owners of America.

I am not boasting when I say the Washington State delegation is pretty powerful. But when we recently had to go to the floor of the House to ask for an additional $1 million for the State to manage the Boldt decision, it took all seven of us using all the persuasion we had just to eke out a 31 to 26 vote. We might have lost that vote if someone had asked for a recorded vote of the full House.

Finally, the Supreme Court has had its shot at the Boldt decision, essentially letting it stand by refusing to hear the case.

So the decision is there. Any politician who says we can make it go away is guilty of deceptive advertising.

On the other hand, I certainly don't want to leave the impression that we have not done and cannot do anything.

In the past two years we have managed to get Congress to appropriate close to $10 million for management of the Boldt decision, including planning, monitoring, enhancement, and enforcement.

We have provided funds for the State to develop an integrated short-term and long-term enhancement program which has the potential to increase salmon and steelhead runs four-fold—four times what they are now. Once that plan is developed, the delegation will be united in pushing funding for the program through Congress.

We have appropriated $13.5 million to buy back gear and boats from commercial fishermen who cannot make it in the present circumstances. This goes right at the problem of too much gear chasing too few fish.

We have made an effort, which may or may not be successful, to get the Secretary of Interior to create a high-level advisory committee to come up with a management scheme to conform to the Boldt decision.

I have come to the conclusion—which I want to stress tonight—that we are going about things backwards at this point if the question we pose for ourselves is "What do we do about the Boldt decision?"

The proper question at this point, it seems to me, is "What do we do at this point in history to properly manage our fisheries resource?"

The perspective I am suggesting is the broadest one possible. Not one which looks at the individual pieces of the fishery resource. Not one which says what do we do about foreign fishermen, or what do we do about dams and stream degradation, or what do we do about enhancement of the resource.

It is a perspective which recognizes that fish are a limited, a finite but renewable resource subject to increasing demand and many sorts of allocation problems, not just the allocation problem raised by the Boldt decision.

In the commercial fisheries, for example, we have had a problem of too much gear chasing too few fish for some time. Legislation to limit entry to the off-shore fishery has been an issue before the State Legislature since 1962.

The problem of increasing demand on a finite and ecologically sensitive resource is certainly not unique to fish. The Forest Service and National Park Service are facing a near crisis in managing wilderness and park areas to meet burgeoning demand without destroying those very wilderness values which create the demand.

In fisheries, this problem is compounded by the system of non-management which we presently have.

Simply put, we have too many entities each with partial responsibility for and partial authority over a resource which unfortunately is quite mobile.

It is somewhat the mirror image of the situation we faced with air and water pollution prior to enactment of national policy. In the case of pollution, everyone wanted to get rid of their problem by shoving it off on someone else. With fish, everyone wants to get the resource back from everyone else who has access to it.

At some point in these sorts of games we end up having to appoint an umpire and agree to a common set of rules. With finite resources, just as with pollution, if everyone seeks only to maximize his own advantage, we all end up losing.

Not only is there no free lunch, we all have to share our lunches with everyone else. This is not a matter of equity or legal right. It is merely the law of nature.

That is why everything we do for our fisheries resource short of integrating or coordinating will fall short of meeting the problem.

We can pump money into new hatchery production, spawning ground improvements, "flip-lips" at dams, more enforcement personnel and better run predictions, but more is not better in this case if chaos still reigns.

Most, if not all, of you have a pretty good idea of the number of entities now having partial interest in or jurisdiction over a lovely steelhead attempting his miraculous commute.

The list includes the U.S. Fish and Wildlife Service, the U.S. Marine Fisheries Service, State Department of Game and Fisheries, numerous Indian treaty groups, the Canadian government, and now the new regional advisory councils created under the 200-mile limit law.

Each is ostensibly interested in preserving the species, but each responds to different pressures and is bound to protect its own position and prerogatives. Even with the best of intentions, with that many people on the dance floor, someone's toes are bound to get stepped on.

Under the best of circumstances we are asking for enormous duplication of effort. Under the worst of circumstances, we are asking for disagreement over factual data, conflicting regulations, inequities, misunderstandings, confused jurisdiction, and potentially outright hostile confrontations on the stream banks.

Given the allocation formula in the Boldt decision, agreement on factual data about escapement, run predictions, and regeneration of stocks is essential. It makes sense for one party to develop the capacity to provide accurate, politically neutral data.

An enhancement and propagation program tends not to work very well when it is so fragmented that someone downstream is turning loose the coho just in time to eat your chinook fry. And everyone is getting into the propagation business these days, from your local PUD to Weyerhauser.

In the areas of regulating the take and enforcing regulations, equity and fairness are paramount. We have lots of evidence from history that Americans are willing to sacrifice—whether during periods of wartime shortages or simply honestly reporting their income for tax purposes—as long as the rules are fair, and all cheaters get caught and punished equally.

When the rules are not fair, the enforcement not evenhanded, the rules get flouted and lose their legitimacy.

At a minimum, we must find a way to coordinate the rules of the different entities and insure equal enforcement.

The different functions, then, that a unified management must perform involve some degree of control over the resource, over the environment of the resource, and over the users or beneficiaries of the resource.

Control over the resource includes the basic data-gathering and informational functions and artificial propagation.

Control over the resource's environment includes some control over where and how dams get built and even over timber harvesting practices. We are making some progress here, but it is woefully late in coming.

Control over the users of the resource include the capacity to set seasons, and means of take and to limit entry and allowable takes. And as far as I can tell the environment we are talking about encompasses the off-shore waters as well as inland streams.

One specific beneficiary group deserves mention here. The Canadians appear to benefit from about 35 percent of Washington State hatchery salmon. Short of developing a species which knows how to turn left when it migrates downstream—that is teaching salmon it is fine to visit the Coast of Oregon as long as they don't stay—the only way we are going to solve this problem is to negotiate with the Canadians. As a result of the new 200-mile bill, the negotiations are serious for the first time in 10 years. That 35 percent represents a lot of fish, particularly since the Canadians do not have a propagation program of their own.

Having to this point explained what is or should be obvious, you should now expect my suggestion for getting a unified fisheries management.

At this point, however we are forced to deal in generalities and ask your help in putting the details together over the coming months.

Let me at the outset make it very clear that I do not myself, nor do I know anyone who does, want to see the Federal Government move toward complete responsibility for fisheries management. Nor do I want to take sides—with you, or the commercial fishermen, with the Indians, or anyone else. I'm not sure my sympathies don't lie with the fish.

No unified management scheme for fisheries can be based on a strict hierarchy with the State, or the Bureau of Indian Affairs or the Fish and Wildlife Service sitting on top. There are too many pieces to the puzzle. For instance, since we are concerned about dams and timber harvesting, the Corps of Engineers and the State Departments of Ecology and Lands should be involved, but nobody is going to set up a superbody on top of them.

It seems obvious that the key to any new management scheme is a cooperative arrangement with shared involvement, an established process for reaching decisions, and some ultimate means of resolving disputes.

We need a forum of some type in which participants can come together without feeling threats to their own jurisdiction and traditional roles. A forum which includes all interested parties. A forum which accepts that we are dealing with a finite renewable resource. A forum which operates with enough flexibility to thrash out problems but with enough authority and legitimacy to have its decisions accepted.

Most of all, a forum which works well

enough to demonstrate to the courts of this country that they do not have to manage our fisheries for us.

It is working through such a body or forum that we might advance one of the more hopeful ideas for making the Boldt decision work—agreement between the treaty groups and the state to swap rights to Steelhead for an equal increased right to take salmon, preserving the Steelhead in its traditional place as the game fish.

There are examples we can look to, examples of programs developed through a cooperative bottom-to-top process, sanctioned by the Federal Government, but with management left to local bodies.

We should look, for example, at the management of air and water pollution problems for instruction.

We should also examine the workings of the Regional Advisory Councils for the 200 mile fishing limit.

And we should be looking for a scheme which allows full sharing in the development of plans and regulations, which leaves actual development and enforcement with states and tribes as mandated by law and tradition, but one which is coordinated with national standards and the authority of the Federal Government, which does, after all, represent the broadest view of the public interest.

But now, most importantly, we look to you, the sports fishermen for guidance. Heads we win, tails we lose.

A HEARING IS NEEDED TO RESOLVE QUESTIONS ABOUT HUMAN RIGHTS AND CULTURAL FREEDOMS IN ROMANIA BEFORE MOST FAVORED NATIONS STATUS IS EXTENDED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on May 7, I placed in the RECORD a statement containing an advertisement which appeared in the New York Times of that day and which was sponsored by the Committee for Human Rights in Romania. This advertisement alleged that the Romanian Government was committing cultural genocide against the country's Hungarian, German, and other minorities and raised a number of particular charges.

On May 26 I entered into the RECORD the answers of the Ambassador of Romania and the U.S. Department of State to the questions I raised about the accuracy of the charges made by the Committee for Human Rights in Romania. As I said then, in a matter of this kind, I am not able to make an independent determination and must rely on the analysis provided me by our Department of State. However, I am concerned that I continue to read and hear from a number of sources that, despite the State Department's assurances, repression of ethnic minorities in Romania is increasing. I am also informed now that Romania's promise to promote free emigration is not borne out of the facts.

It is time that the present attitude of the Romanian Government toward emigration and toward its ethnic minorities received full examination. The President has recommended extension of the waiver of subsection 402(a) of the Trade Act of 1974 by which Romania was granted most-favored-nation trade status in 1975. The test for granting most-favored-nation status according to the subsection is limited to whether the nation practices free emigration, but the intent of the general purpose of the section "to assure the continued dedication of the United States to fundamental human rights" clearly indicates that the United States should look at all aspects of human rights treatment before granting or continuing most-favored-nation status. The President may waive application of this subsection if he reports to Congress that:

First, he has determined that such waiver substantially promote the objectives of this section; and

Second, he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the objectives of this section.

This the President has done, and unless the Congress approves or disapproves his action before September 3, the waiver will extend automatically for another year. After that time, unless specific disapproval by the Congress occurs within 45 days, the waiver will be continued.

Since there is controversy with regard to the basis of the President's recommendation, I call on my colleagues to investigate the matter as fully as possible before September the charges of repression against ethnic minorities within Romania as well as to look closely at emigration figures to determine whether indeed free emigration principles have been actually practiced in the months since Romania was granted most-favored-nation status. This can best be done by an open hearing in which all sides can present information bearing on these questions. I am recommending that the Subcommittee on Trade of the Ways and Means Committee call such a hearing this month and recommend to the Congress on the basis of these hearings the action it should take.

I want to make it clear that I have had and continue to have a high regard for the independence displayed by Romania under very difficult conditions considering its physical location. I have in the past supported most-favored-nation status for that country so as to show that the United States supports wherever possible such independence. But I have an obligation not only to my constituents but also to my conscience to make certain that we do not reward repression. Where charges of repression are made and where we are providing aid to the alleged oppressor, we have an obligation to investigate, and that is why I do not believe we should perfunctorily extend MFN. I do not want this statement to be considered as indicating that I accept the charges made against Romania. Without a full hearing I am not in a position to make such a determination. That is why I urge the Ways and Means Committee to hold such hearings. Since the deadline is September 3, those hearings must be held immediately after our return from recess, if they are to have any effect on this matter.

Recently I met with a group of constituents who told me about what I would consider to be a particularly egregious situation and that is the following: Ostensibly to promote efficiency in the allocation of educational resources, a minimum number of students speaking a given language is required, before classes will be taught in that language in the schools. However, at least 25 students at the grade school level and 30 students at the high school level are required to justify teaching a class in a minority language such as Hungarian, while only 2 students are necessary to start a class in Romanian. Previously only 15 students were required for a minority section. Once a section or a school has been designated as Romanian, the students are required to speak Romanian, even during recess.

I brought this matter to the attention of the Romanian Ambassador, Nicolae Nicolae and he has advised me that he will vertify the facts and advise me on this matter and look into the status of the pending applications for emigration status of those names listed in appendix I. It is my intention to work closely and cooperatively with the new Ambassador, and my impression of him on the two occasions, when we have met, was good. I trust that the desires of the American people in these matters which underly our willingness to cooperate in removing trade restrictions, will be heeded.

There are a number of areas of apparent contradiction between those who charge that Romanian repression is on the rise, most notably the Committee on Human Rights and the analysis of our State Department and the statements of the Romanian Ambassador. The ones which I believe deserve the special consideration of my colleagues are the following:

First. Foremost among the areas that concern me is the status of free emigration in Romania. However, the following figures obtained from best available sources and corresponding, where the same months are covered, to previously published State Department figures quoted in my May 26 statement, indicate that at least in the case of Romanian Jewish emigration to Israel there has been no improvement in emigration rates since the grant of most-favored-nation status:

Romanian Jewish Emigration Figures Comparison: with and without MFN

MFN extended beginning of August 1973

9 months since MFN extended—

1975:	
August	250
September	295
October	360
November	140
December	110
1976:	
January	350
February	243
March	103
April	51
Total	1,902

Corresponding 9 months prior to MFN extension—

1974:	
August	612
September	328
October	267
November	200
December	200
1975:	
January	70
February	45
March	100
April	80
Total	1,902

Thus, no difference in emigration performance with or without MFN.

Romanian Jewish emigration

1971	1,650
1972	2,650
1973	3,700
1974	3,700
1975:	
January	70
February	45
March	100
April	80
May	50
June	210
July	[1]430
August	250
September	295
October	360
November	140
December	110
Total	[2]2,140
1976:	
January	350
February	243
March	103
April	51

[1] At the end of July Congress approved MFN for Romania.

[2] The 1975 total is about 45% less than last year's figure of 3,700.

Average monthly emigration rate since MFN extended—210.

Projection for one year beginning of MFN extension August 1, 1975–August 1, 1976—2,520.

Projection for calendar year 1976—2,245.

Thus, the emigration total for 1975 (2,140) and the projected total for 1976 (2,245), with MFN in effect are substantially lower than the emigration figure of 3,700 in 1974 when MFN was not in effect.

In addition, the problems of Romanians who wish to come to the United States for various humanitarian reasons have been brought to my attention. When I met recently with the new Ambassador to the United States from Romania, Nicolae Nicolae, I asked him to review the status of those cases which had been brought to my attention. He indicated that he would review these matters, and I am appending the list of cases I presented to the Ambassador as appendix I at the close of this statement.

Second. Beyond the problem of emigration, which, of course, is a last resort for those who feel their rights are being violated, there are disturbing signs of increasing repression of all ethnic minorities by the Romanian Government. The Committee for Human Rights in Romania—CHRR—in an issue brief published in June 1976 and titled "Human Rights Violations against the Hungarian Minority in Romania," has detailed the major elements of repression. The quotes below of CHRR are from this booklet. Particularly striking to me are four rather recent developments in which the interpretations presented by CHRR differs markedly from the interpretation placed on the same developments by the State Department and by the Romanian Embassy in the letters to me quoted in the May 26 statement:

ROMANIAN POLICY ON MINORITY EDUCATIONAL INSTITUTIONS:

The Romanian Government reports:

In 1974/75 academic year there were more than 1,000 primary and secondary Hungarian schools with more than 160,000 students and more than 70 Hungarian high schools with more than 19,000 students.

In the same academic year there were more than 6,000 Hungarian undergraduate and graduate students in various universities, courses in Hungarian were delivered in 20 faculties. For instance, at the Babes-Bolyai University of Cluj-Napoca out of the total of 207 courses, 77 are in Hungarian.

The State Department report, prepared by Ambassador Harry G. Barnes, Jr. and attached to Mr. McCloskey's May 17 letter confirms the above information and adds:

Number of Educational Institutions which offer Subjects in Hungarian. The latest statistics available from the Romanian Statistical Yearbook, 1975, do not bear out the contention that there has been a precipitous decline.

Third. However, CHRR, using the same official Romanian figures, reports:

Official Romanian statistics indicate that of all pupils attending preschool institutions in Romania, the proportion of Hungarians dropped by over 50 percent from 14.4 percent in 1956 to 6.8 percent in 1975. The proportion of primary and secondary school students during the same period dropped from 9.5 percent to 5.6 percent, and of high school students from 8.0 percent to 5.5 percent. The total decline in this nineteen year period, therefore, was from 10.07 percent to 5.8 percent. The percentage of Hungarian students attending Hungarian vocational schools dropped by fully 75 percent from 6.1 percent in 1956 to 1.5 percent in 1975. The figures used to compute these percentages are presented in the table below.

	1956	1975
Preschool education:		
Total Romanian	275,433	770,016
Hungarian	39,669	52,765
Percent Hungarian	14.4	6.8
Primary and secondary education:		
Total Romanian	1,603,025	2,832,109
Hungarian	152,234	160,939
Percent Hungarian	9.5	5.6
High schools of general culture:		
Total Romanian	129,135	344,585
Hungarian	10,370	19,050
Percent Hungarian	8.0	5.5
Vocational education:		
Total Romanian	123,920	615,876
Hungarian	7,585	8,974
Percent Hungarian	6.1	1.5

These official Romanian statistics further show that approximately 20% of Hungarian students do not have the opportunity to attend Hungarian grade schools. Similarly, by official statistics, 35% of Hungarians eligible cannot attend primary and secondary schools. These calculations assume that the 8.5% official Hungarian population statistic is correct and that this percentage of students holds for each educational level.

If we use the corrected Hungarian population figure of 2.5 million, the lack of opportunity to attend will become even more striking.

b. Hungarian schools are appended to Romanian schools as sections and then phased out.

Since 1956 independent Hungarian schools have been systematically attached to Romanian schools as mere sections which, in turn, are gradually phased out.

This purpose is accomplished using a clever, legally sanctioned method. Decree Law 278/1973 calls for the merger of classes with insufficient number of students. The same decree also provides that every community with Romanian students, no matter how few, must establish a Romanian section. As most villages in Transylvania have only between 500 and 1000 inhabitants, there may very possibly not be enough Hungarian students for one class. As a result of this law which requires a Romanian section regardless of demand, the merger necessarily occurs at the expense of the Hungarian section. Once a school or section has become Romanian, students are not permitted to speak Hungarian even during recess.

The National Cultural Patrimony Law, Decree 206/1974 (under which the government nationalized all documents, official and private correspondence, memoirs, et cetera over 30 years old).

The State Department report of Ambassador Barnes:

Romania's national cultural patrimony law (October 1974) appears to have been designed to stem the illegal outflow of historical documents, art treasures, and artifacts abroad and to inventory and preserve better those which remain. The law has not been directed solely or discriminatorily against Magyars in Transylvania. Indeed, the scope of the law covers all citizens. In the application of the law, a clearly confiscatory or discriminatory pattern along ethnic limits is so far not at all evident in the Embassy's contacts with individual church officials and citizens of Magyar ethnic origin, although during the last two years some have expressed concern over possible future State action, theoretically permitted under the Law to remove certain artistic or historical objects from Magyar or German religious holdings. It appears that the churches have generally been willing to turn over documents of a civic nature while seeking to retain purely religious ones.

The CHRR reports:

The pretext was the protection of these documents but the real intent soon became obvious from the crude and summary manner by which the regulations were enforced. (and quoting the Swiss daily Neue Zurcher Zeitung:) "Here in the mother country of the Reformation in Transylvania, appeared officials from the State Archive, assisted by an authorized agent from the Department of Culture and a representative from the episcopate, who seized the archives of approximately two-hundred church communities and deaneries. The material was—in many cases without receipt—loaded onto trucks and carted away. The historical order of the archives has become completely disrupted in the process . . ."

The Archive Decree affects the Roman Catholic, the Hungarian Reformed and the German Lutheran churches considerably more than the Romanian Orthodox Church because the latter, as all Eastern churches, primarily cultivates the liturgy, and relies much less on a written firmly established historical tradition.

Decree Law 225/1975 (which prohibits the accommodation of non-Romanian citizens in private homes with the exception of immediate relatives):

The State Department report of Ambassador Barnes:

This law clearly was aimed at increasing the revenues of the hotel network and hence the Romanian State as well as reducing the contact of foreigners with the ordinary population. However, the law has been applied non-discriminatorily against all foreigners, not just Hungarians visiting Transylvania.

The CHRR report:

While the law was ostensibly created for the protection of the hotel industry and applies to all visitors, its discriminatory character becomes obvious in light of the fact that it is the 2.5 million Hungarian minority which has by far the greatest number of relatives abroad (the 10.5 million Hungarians of neighboring Hungary). Since relatives from Hungary are usually of modest means, and hotel facilities especially in rural areas are scarce, visits often become a practical impossibility.

Opportunity to maintain cultural identity through publications:

The Romanian Government:

Hungarian books are being published in 11 publishing houses. One of them, the Kriterion, founded in 1970 and enjoying generous support from the Romanian state has so far produced 1067 books, totalling ten million copies in Hungarian, Serbian, Croation, and Yiddish, and has sold abroad, including in the United States, more than three and a half million copies.

State Department:

Available data does not support allegations that the cultural situation of the Magyar minority is disastrous or critical . . . Recent statistics are available from Romanian sources about Magyar-language book publishing, periodical press, cultural and artistic institutions, theatres and adult education forces. Also, according to a Radio Free Europe research document, there is an "extensive Hungarian-language book program in Romania "although certain volumes are at times unavailable owing either to too small editions or to a bad distribution system (like the Romanian-language editions). Domestic book production in Hungarian, for example, was 11,831,000 copies in 1971–75, 1,684,016 copies in 1975. The number of titles in 1975 was about the same as in 1965. According to sample catalogs (1971–75) of the Dacia and Kriterion Publishing Houses, chief among the nine or so leading Romanian publishers of Magyar books, thirty periodicals are published, 82 million copies in 1975.

. . . one criticism levied by some in the United States is that Hungarian language books published in Romania contain too much Romanian official propaganda. This is true, but so do Romanian-language books and periodicals in Romania contain too much official Romanian propaganda. The feature is non-discriminatory. Another criticism, a fairer one, is that not enough Hungarian classics or material published in Hungary reach Romanian Magyar readers.

The CARR report:

Hungarian language publications are used by the State to further undermine the national identity of the minorities. Newspapers, magazines, and literary publications in Hungarian serve neither the political, economic, nor the cultural/spiritual needs of the Hungarian minority. Literary magazines are too a great extent devoted to the works of Rumanian authors in translation, and also deal with the activities of the Communist Party.

The number of Hungarian language newspapers, frequency of publication and number of pages were all officially curtailed in the last two years. For example, the six formerly daily Hungarian language newspapers are now published only weekly. Religious publications are practically non-existent. For example, for the 700,000 Hungarian Reformed Church members, there is only one bimonthly publication with a circulation of a mere 1,000. According to the official Rumanian propaganda booklet on the Hungarian minority, Hungarian books are published in 11 publishing houses. If we count propaganda brochures and flyers, this is literally true. However, there is only one completely Hungarian publishing house, Kriterion, which published only 940,255 copies in 1975. A significant portion of these were translations of Rumanian works, and such things as the collected works of Lenin and Ceausescu.

Works by writers in Hungary reach the minority in Transylvania very late if at all. For example, the most widely known novel by one of the greatest contemporary writers in Hungary, Lazlo Nemeth, published in 1948, was not distributed in Rumania until 1967.

In addition to the above stated issues, I have had reports of persecution of the churches and other restrictive practices which occur in other Communist countries as well.

The full spectrum of human rights in Romania should be investigated before we give our continuing stamp of approval to the Romanian Government in the form of continuation of most-favored-nation status. We must, however, realize that we are not dealing with a democratic state but one that is pursuing a policy of communism, and weigh the facts in light of whether present acts by the Romanian Government indicate a relative improvement for the cause of human rights or no progress. If the above-cited contradictions, after close investigation and a full hearing, are resolved in favor of the Romanian Government's interpretations, then in the interests of continuing discourse between our respective countries and further improvement in our relations we should continue our present trade relations. But, if not, we must reluctantly withdraw our granting of most-favored-nation status or make a mockery of the principles behind the granting of this status, which are the same humanitarian principles upon which our own country was founded 200 years ago.

Appendix I: Humanitarian Cases Referred to Ambassador Nicolae by Congressman Koch

1. Case of Marilena Grigore of Bucharest:

Theodoros Karavasilis of New York City wants to marry her. They have been engaged for 2 years and he has visited her four times.

On November 10, 1975 she applied for permission to marry. The application number is AC 2429/1975.

The request was denied in June, 1976.

We want to now why the request was denied and if the Romanian Government would reconsider their decision.

(We originally wrote to the Ambassador July 15th on this case).

2. Case of Anton Balta of Cluj, Romania:

Wants to come to the U.S. to complete his Ph.D. Many letters to the Romanian Government from Mrs. Phillips (our constituent) saying she'll sponsor him financially if he's granted the exit visa.

He returned to Romania in 1973 from being in school in the U.S. with the assurance from his government that he could return to complete his studies. Upon returning, however, he has been denied such permission.

(We wrote Angelescu April 16th on this case.)

3. Case of Lucretia Schiau of Ploiesti, Romania: (new)

Jon Schiau, our constituent, invited his parents to visit him in this country. Since 1972 their requests were refused. Finally, the father's application was accepted but the mother's was rejected.

The father has now come and gone, but the mother has been refused again for no apparent reason. Our constituent says she is being intimidated into not submitting another application.

4. Case of Dumitru Caranfil of Bucharest, Romania: (new)

He has leukemia and his sister, Victoria Caranfil, wants to get him to this country for treatment at her expense. Romanian government won't let him out.

5. Case of Petit Nicholae of Bucharest, Romania:

Has heart disease and has sought visitor's visa for medical treatment in the U.S. Applied Feb. 27, 1976. Request denied on July 6th. (We wrote the new Ambassador on July 23rd.)

Since my meeting with the Ambassador, two additional cases have come to my attention, about which I have written him:

6. Case of Mioara Naum of Bucharest, Romania:

Dr. Naum, husband of Mioara Naum, and the couple's son have been living in the United States since 1975. Dr. Naum has been trying to get his wife here to the United States since then, but has heard nothing from Romanian authorities since November, 1975.

7. Case of Yaakov Glancz of Oradea, Romania:

He requested permission to come to United States to pursue rabbinical studies. Romanian Government said in October 1975 that his application was approved, but he still has not been permitted to leave.

U.S. PASSPORTS SHOULD NOT REQUIRE "PLACE OF BIRTH"

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, a constituent brought to my attention that on every U.S. passport there is an item of information which states the place of birth of the U.S. citizen. The constituent stated that such information had no relevance because all U.S. citizens, regardless of their place of birth, should be treated equally insofar as the obligations and privileges provided to bearers of U.S. passports, and providing the information on birthplace has created problems for U.S. citizens who were born abroad.

I brought this matter to the attention of the U.S. State Department, and I indicated that I believed the comments of my constituent were meritorius. I received a response from the Assistant Secretary for Congressional Relations Robert J. McCloskey in which he admitted that such information may be harmful to a U.S. citizen. He states in his letter, "The Passport Office is aware that the statement of birthplace may be a source of inconvenience and occasional serious difficulties to foreign born citizens traveling to certain areas." And in that same letter he provides as the defense to the inclusion of the information that the Passport Office is simply following "international custom."

Let me point out some of the problems that an American citizen carrying such a passport might run into. He, she, or they, if born in a country which continues its own citizenship not withstanding the new citizenship of an individual, might be subject to military service in the event he or she were to visit the country of his or her birth. The notation on the passport puts the authorities on notice that the individual had been born in that country. Second, if an individual had been born in Israel, and seeks to enter an Arab country with his or her American passport he or she may be subject to harassment, denial of entry, or even terrorist attacks.

Or someone born in Greece and visiting Turkey during a particularly tense period might find him or herself in a perilous situation if the hotel proprietor and others who see the passport were to make that information known to others.

I am sure there are many other situations that one could cite where the birthplace notation on the passport could place an American citizen who was born abroad in a perilous or difficult situation which would not happen to an American citizen who was born in the United States. Therefore, I have urged the State Department to reconsider its position in the matter. If it does not, then it is my intention to introduce legislation which would bar the State Department from including such information on a U.S. passport. It is hardly likely that other countries will refuse entry of U.S. tourists who provide them with enormous income simply because the U.S. Government refused to include such information on a U.S. passport. And our Government acknowledges that such information "may be a source of inconvenience and occasions serious difficulties to foreign born citizens traveling to certain areas."

The correspondence follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 16, 1976.

U.S. STATE DEPARTMENT,
Congressional Liaison,
Washington, D.C.

DEAR SIR: Enclosed is a letter I received from a constituent of mine regarding passports of U.S. Citizens. I believe Mr. X raises a valid point in his letter, and would appreciate knowing the reason country of birth is placed on every passport, and the feasibility of having it removed.

Thank you for your assistance.

Sincerely,

EDWARD I. KOCH.

NEW YORK, N.Y.,
July 14, 1976.

DEAR MR. KOCH: In recent years there has been a growing trend to avoid discrimination between native born and naturalized citizens. There remains, however, one aspect of such discrimination, although it probably is not intended to be discriminating. I refer to the recording of the place of birth in US Passports. Passports are needed only for travel abroad, and it is there that US citizens need protection.

Unfortunately there is a hazard in today's travel. Innocent people are victims of terrorists of various kinds. Recording the place of birth gratuitously provides information helpful to the terrorists, who discriminate accordingly. This also denies the American citizens, who were born abroad, the full protection that their US Passport is capable of providing and thus they are in fact discriminated against, while at the same time this information does not really help the US authorities.

I am therefore writing to ask if you would be willing to initiate and undertake all the necessary steps for the removal of this information from the passport itself, although it could be retained in the application forms.

Thank you for your interest,

Yours sincerely,

—— ——.

DEPARTMENT OF STATE,
August 3, 1976.

DEAR MR. KOCH: Thank you for your letter of July 16 concerning Mr. X's request that the place of birth be removed from the descriptive data shown in the U.S. passport.

Section 101(a)(30) of the Immigration and Nationality Act defines a passport as ". . . any travel document issued by competent authority showing the bearer's origin, identity, and nationality if any, which is valid for the entry of the bearer into a foreign country."

The policy of the Passport Office to include the bearer's place of birth in a passport follows international custom and conforms with the recommendations of the United Nations Committee to Facilitate International Travel and the International Civil Aviation Organization. This recommendation was adopted by the United Nations.

The place of birth is not intended to indicate the former nationality of the bearer, or to distinguish between native-born and naturalized citizens. It serves as identification widely accepted in international circles. It is applicable to all passport bearers, whether they acquired citizenship by birth, by naturalization or by birth abroad of an American parent or parents. There are thousands of children born abroad each year who, although they are American citizens at birth, still have a foreign country shown as their place of birth in the passport.

The Passport Office is aware that the statement of birthplace may be a source of inconvenience and occasional serious difficulties to foreign born citizens traveling to certain areas. The problem, however, cannot be solved by unilateral action on the part of the Department. A passport, to be useful as a travel document, must have universal acceptability and a passport issued by this Government which omitted the place of birth would not be accepted by other governments who insist that the place of birth be shown.

I hope this information will be helpful in explaining why action cannot be taken on Mr. X's request at the present time.

Sincerely yours,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., August 5, 1976.

Ambassador ROBERT J. MCCLOSKEY,
Department of State
Washington, D.C.

DEAR AMBASSADOR MCCLOSKEY: I have your letter of August 3rd and I find it hard to believe that if the United States omitted the "place of birth" designation from passports that they "would not be accepted by other governments who insist that the place of birth be shown." Assume for a moment that some governments require that religion be placed upon the passport: would we accede to that? Indeed, I believe that was once asked by some governments. I would appreciate knowing how we responded at the time, if that was the case.

I want to make it clear that the problem relating to place of birth is not special to Jewish Americans. Rather, it is universal in its application as, for example, to a Greek American visiting Turkey. Indeed, your letter states that "the Passport Office is aware that the statement of birthplace may be a source of inconvenience and occasional serious difficulties to foreign born citizens traveling to certain areas."

I would be particularly interested in knowing what countries you have determined would refuse entry to a bearer of a United States passport not containing "place of birth".

As you concede in your letter, this is a real problem to some American citizens, surely, we cannot stand by and allow the situation to continue. If the State Department refuses to take action, then I shall pursue the matter legislatively.

Please advise.

Sincerely,

EDWARD I. KOCH.

ORPHANS OF THE EXODUS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Because the Soviet Union is not living up to that promise, Members of Congress are conducting a vigil on behalf of the families which remain separated.

A case history of these families entitled "Orphans of the Exodus" dramatically details this tragic problem. At this time I would like to bring to the Members' attention the situation of the Shekhtman family:

YURI ISAAKOVICH SHEKHTMAN

Birthdate: 1946.

Occupation: Electrical engineer (Unemployed since June 1973).

Marital Status: Married, one son.

Applied: 1973.

Refused: August, 1973.

Reason for Refusal: Secret classification of former job.

Family Left: August 1973.

Army Service: 1967–69.

Yuri Shekhtman, Khristo Boteva 21/81, Kishinev, Moldavia SSR, USSR.

Mother: Malia Shekhtman, 3/26 Raana St., Arad, Israel.

Yuri Shekhtman is a 29 year old "refusnik" from Kishinev. An electrical engineer by training, and former chief engineer at a research institute in Kishinev, he has not been able to secure work in his field since 1973 when he and his family applied for exit visas to Israel. Permission was received in 1973, but at the last moment, Yuri's visa was revoked.

In a letter dated, October 28, 1975. Yuri's mother, Malia Shekhtman wrote:

"I am directing myself to you with the request to help us in our misfortune. . . . On August 30, 1973, OVIR–MVD issued exit visas to me and my husband, but my son and his wife had their permit revoked. As our living quarters had already been rented out and our belongings sold, we felt obliged to leave the USSR for Israel. So our children remained without an apartment, without work and without means. All our petitions until now have not brought any results. For taking part in a demonstration of protest with other Jewish activists, my son was jailed 3 times for 15 days each time.

More than two years have already passed since our family has been separated. . . . My son worked as chief engineer in the Vniink Research Institute of Kishinev. This Institute is not a 'closed' establishment. From this same Institute, more than ten people have until now left for Israel and other foreign countries. My son has not worked in this Institute since 1972. His service in the Soviet Army ended in 1969. And besides, he did not serve in the army secret sections of the forces. As you can see, there are no objective reasons to keep him in the USSR. Nevertheless, until this time, in spite of our numerous appeals the USSR has not given them permission to reunite with our family although 35 European governments including the USSR have signed a document in Helsinki in which are mentioned the Rights of Man and the reunion of families. Until now, the USSR is not complying with this paragraph of the obligation on the basis of the above-mentioned facts.

I am asking you to appeal to the USSR authorities to allow the exit of my son and his family from the USSR in order to reunite our family in Israel, taking into consideration that my husband and I are retired, elderly people and the separation from our son has a bad influence on our health which is already poor.

With the hope that this appeal will deserve your attention and looking forward to an early reunion with my only son and his family."

SISTER CITIES AWARDS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I am very proud to have in my congressional district two cities which will be honored at the Sister Cities International Conference in Mobile, Ala., on August 28.

The city of Hialeah has been chosen for the fifth straight year for the award for the best single project in the 100,000 to 300,000 population category. This is an unprecedented record for consecutive awards and I know it will be with great pride that the distinguished mayor of Hialeah, the Honorable Dale G. Bennett, accepts this award on behalf of the people of his city.

The city of Coral Gables, in my district, also will be honored in the best single project category for cities under 50,000 population. It will receive a plaque for its excellent work with its sister city, Cartagena, Colombia.

Hialeah, under the leadership of Sister City Committee President Raymond R. Schultz, has developed an outstanding program of cooperation with Managua, Nicaragua. Some idea of this work is given in this news release from Hialeah, which I include in the RECORD at this point:

HIALEAH, Aug. 2.—The Hialeah-Managua Sister City Committee and Hialeah Mayor Dale G. Bennett will receive, later this month, an unprecedented, fifth-straight national award for the city's Sister City Program.

The award, for the Best Single Project in the 100,000–300,000 population category, will be accepted by Bennett and Sister City Committee President Raymond R. Schultz at the Sister Cities International Conference in Mobile, Alabama, August 28.

The annual Sister Cities awards program is sponsored by the Reader's Digest Foundation.

Joining Hialeah in the Best Single Project category for cities under 50,000 population, will be Coral Gables which will receive a plaque for its work with Cartagena, Colombia.

In a letter to Mayor Bennett, Sister Cities International President Louis Wozar said, "This honor is a tribute to you and the citizens of your community who have contributed so much to help further better understanding throughout the world through participation in the Sister Cities Program."

"The City of Hialeah and all its residents can be very proud of the tremendous work of its Hialeah-Managua Sister City Committee," said Mayor Bennett. "Even though the Committee has only 57 members, its annual success with worthwhile humanitarian projects is perhaps one of the greatest achievement stories in this history of the city and perhaps in the history of any similar program throughout the United States. Well-done, Sister City Committee," commented the Mayor.

Over the years, the Hialeah-Managua Sister City Committee has won awards for coming to the rescue of Managua, for such natural disasters as fires, volcanoes and for the disastrous earthquake of 1972.

The latest award indirectly was caused by the earthquake because the Committee helped establish Amigo Park in the downtown area of Managua, which was devastated by the earthquake.

More than $5,000 worth of playground equipment was raised by the local Committee for the park which was instituted, planned, developed and dedicated by the Hialeah Committee in cooperation with Nicaraguan officials.

One of the annual highlights of the Hialeah-Managua relationship is the presentation of the Roberto Clemente Humanitarian Award to the individual who best exhibits the qualities of the late baseball star who was killed while coming to the rescue of the earthquake victims in Managua.

The recipient this year was Caesar Murphy, a young Passaic, New Jersey humanitarian of Puerto Rican ancestry.

Schultz, who serves on the Sister Cities International Board of Directors, will chair a Latin American Workshop at the Mobile Conference on Friday, August 27.

SYNFUELS UPDATE: PRESIDENT CONFIRMS H.R. 12112 IS PART OF $6 BILLION LOAN GUARANTEE PROGRAM AND $100 BILLION ENERGY INDEPENDENCE AUTHORITY

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on December 11, 1975, the House of Representatives, by a vote of 263 to 140, deleted section 103 from the conference report on H.R. 3474. That section authorized a $6 billion loan guarantee program—$11.5 billion with price supports and construction grants—to subsidize oil and natural gas companies to build commercial scale plants that would otherwise be uneconomic.

In January 1976, the administration once again urged Congress to pass a loan guarantee bill, but indicated a willingness to settle for a smaller bite in fiscal year 1976 of $2 billion and the other $4 billion later.

H.R. 12112 was introduced as a $2 billion bill, but was soon expanded to $4 billion by the House Science and Technology Committee.

Throughout my discussion of this program two points have been stressed:

First, the total loan guarantee package is not $2 billion or $4 billion, but $6 billion, with another $4.5 billion in price supports waiting to be offered later.

Second, the proposal is clearly intended to be the forerunner of Vice President Rockefeller's Energy Independence Authority.

ERDA MISREPRESENTATION

The Deputy Administrator of ERDA Robert Fri during hearings before the Commerce Committee, asserted the $2 billion program was intended to be separate and stand on its own feet. He expressedly denied it was part of the original program.

This was refuted by testimony of the Administrator, Dr. Seamans, before the Science and Technology Committee. The fact that H.R. 12112 is intended as a part of the larger program was just dramatically reaffirmed, however, by President Gerald R. Ford in a July 22, 1976 Message to Congress giving his list of "musts" for the remainder of this Congress. See CONGRESSIONAL RECORD, July 22, 1976, page 23508. The President first expressed support for a $2 billion bill for fiscal year 1976 and then added:

> A total of $6 billion in loan guarantees is expected to be necessary over the 1976 to 1978 period in order to reach the 1985 objective of 350,000 barrels per day of synthetic fuel production capacity. With the enactment of the Energy Independence Authority legislation these ERDA projects will be transferred to the Energy Independence Authority.

H.R. 12112 is clearly only the beginning of a larger, more ambitious effort. The blatant misrepresentation of Deputy Administrator Fri on this vital multi-billion-dollar difference is outrageous.

All Members should be wary of this bill and its misrepresented dimensions. To help my colleagues better understand what the bill does, I am presenting an analysis of the principal provisions as compared to the defeated section 103 in the conference report of December 11, 1975. The analysis follows:

COMPARATIVE ANALYSIS OF THE PRINCIPAL PROVISIONS OF H.R. 12112—THE SYNTHETIC FUELS DEMONSTRATION PLANTS BILL

Section 103 of Conference Report 94–696 of December 11, 1975 *	H.R. 12112 as Reported by the House Science and Technology Committee, May 15, 1976	H.R. 12112 as Reported by the House Banking, Currency and Housing Committee on June 18, 1976	H.R. 12112 as Reported by the House Interstate and Foreign Commerce Committee on June 25, 1976
1. Added new section to Federal Nonnuclear Research and Development Act of 1974.	1. Same.	1. Same.	1. Committee amendment is in three titles; Title I is the same.
2. Purpose is: to foster commercial demonstration program to produce synthetic fuels; authorize loan guarantees for construction and start-up and related costs of commercial demonstration plants; and gather information about such plants and their impacts.	2. Same as Conference Report, but deletes any reference to "commercial" facilities.	2. Same as reported by Science Committee, but adds authority for price guarantees.	2. Purpose of Title I is to authorize a limited amount of loan guarantees for certain demonstration facilities.
3. Provided loan guarantees for: (a) High-Btu gasification; low- and medium-Btu gasification, oil shale, biomass, and other synthetic fuel plants; (b) Renewable resource plants; and (c) Energy efficient industrial equipment and facilities.	3. Same as Conference Report, except that no loan guarantee for full sized oil shale plant can be provided without first building a modular oil shale plant.	3. Same as reported by Science Committee.	3. Title I authorizes loan guarantees for: (a) modular oil shale, biomass and other domestic resource plants; (b) Renewable resources; and (c) Energy efficient industrial equipment and facilities. Loan guarantees are not authorized for high-, low-, or medium-Btu coal gasification plants.
4. Authorized a total of $6 billion for loan guarantees for an indefinite period, provided that up to $2.5 billion in such guarantees must be available for high-Btu gasification plants. (a) No allocation of loan guarantee amounts.	4. Authorizes $2 billion for loan guarantees in FY 1977 and 1978, for a total of $4 billion in two years and makes it clear that additional sums could be authorized after fiscal year 1978. (a) Allocates loan guarantee amount as follows: Not more than 50% for high Btu gasification. Not more than 30% for other fossil-based synthetic fuels; Not more than 50% for biomass, renewable resources, and industrial energy conservation.	4. Authorizes a total of $3.5 billion for loan guarantees in fiscal years 1977 and 1978. (a) same allocation as reported by Science Committee.	4. Authorizes $1 billion for loan guarantees in FY 1977 and 1978, for a total of $2 billion. (a) No allocation of loan guarantee amount.
5. Eliminated limitation of $25 million per project and $50 million per borrower for loan guarantees for commercial development of geothermal resource under section 201(e) of Public Law 93–410 of Sept. 3, 1974.	5. Same as Conference Report.	5. Same as Conference Report.	5. Same as Conference Report.
6. Authorized loan guarantees only for oil shale plants, but provided that the plant be no larger than necessary to demonstrate commercial viability of process.	6. Authorizes loan guarantees or up to 75% cost sharing grants for modular size oil shale plants. If modular is successful, also authorizes loan guarantees for the full scale commercial plant.	6. Same as reported by Science Committee.	6. Authorizes loan guarantees for modular size oil shale plants only. Also limits cost sharing grants for such plants to 50–50%. Specifies that no modular facility can receive both loan guarantees and other financial assistance.
7. Authorized guarantee of 75 percent of cost of the project (which is equivalent to guarantee of 100 percent of loan by lender), but this percentage could be increased to 90 percent.	7. Same as Conference Report.	7. Same as reported by Science Committee, except it eliminates 90% feature and limits guarantee of overruns to 60% of amount over estimated project cost.	7. Same as Banking Committee amendment.
8. Maximum maturity of obligation shall be 30 years, or 90% of useful economic life of project, whichever is less.	8. Same as Conference Report.	8. Maximum maturity of obligation shall be 20 years, or 90% of useful economic life of project, whichever is less.	8. Same as Banking Committee amendment.
9. No such provision.	9. No such provision.	9. Provides for amortization of obligation during guarantee period to preclude a balloon payment.	9. Similar to Banking Committee amendment.
10. No such provision.	10. No such provision.	10. After a minimum of 10 years, ERDA may, if project is capable of commercial operation and if Government has gotten all information it needs, consider terminating Federal guarantee after giving at least 2, and not more	10. No such provision.

Footnotes at end of table.

COMPARATIVE ANALYSIS OF THE PRINCIPAL PROVISIONS OF H.R. 12112—THE SYNTHETIC FUELS DEMONSTRATION PLANTS BILL—Continued

Section 103 of Conference Report 94–696 of December 11, 1975 *—Continued	H.R. 12112 as Reported by the House Science and Technology Committee, May 15, 1976—Continued	H.R. 12112 as Reported by the House Banking, Currency and Housing Committee on June 18, 1976—Continued	H.R. 12112 as Reported by the House Interstate and Foreign Commerce Committee on June 25, 1976—Continued
		than 3 years' notice. But if borrower cannot refinance loan, ERDA can continue with added fee.	
11. No such provision.	11. No such provision.	11. No such provision.	11. Prior to guarantee, Treasury must report on facilities including analysis of financing and tax benefits available to investors.
12. Provided for competitive impact review by Justice Department and Federal Trade Commission, but if either agency recommends against guarantee on anti-trust or other grounds, ERDA may override recommendation in national interest.	12. Same as Conference Report.	12. Same as Conference Report except the President, rather than ERDA, can override a Justice of FTC recommendation against making guarantee.	12. Provides that neither ERDA or President can override a Justice or FTC recommendation against making guarantee. If such a recommendation is made by either agency, ERDA cannot make the guarantee.
13. No such provision.	13. Where plant is to be located on Indian lands, requires written consent of Indian tribe and approval of Secretary of Interior.	13. Same as reported by Science Committee.	13. Same as reported by Science Committee.
14. Provision for Governor's review and veto of plant location with provision for override by ERDA of Governor's veto. Anyone, including governor, Indian tribes, and local communities may seek judicial review of ERDA decision to override.	14. Same as Conference Report, but limits judicial review to Governor only.	14. Same as reported by Science Committee.	14. Same as H.R. 12112, as reported by Science Committee, but provides disclaimer that nothing in section restricts right of judicial review by anyone under applicable law of any Federal or State action under this section.
15. No. such provision.	15. No such provision.	15. If ERDA makes a default payment, ERDA's rights to assets are superior to rights of any other person.	15. No such provision.
16. Provided that ERDA shall charge fees to recover Administrative costs of loan guarantees and probable losses. But fee for losses shall not exceed 1 percent of outstanding indebtedness.	16. Same as Conference Report.	16. Same as Conference Report, but eliminates maximum percentage on fee and establishes a minimum fee of 1% for all costs.	16. Same as Banking Committee amendment.
17. Provided up to 100% financial assistance of up to $350 million in loan guarantees for community impact to be administered by ERDA. This sum is part of the $6 billion authorized for the plants. Also authorizes loans and planning grants to communities.	17. Same as Conference Report, except that the sum which is part of the $4 billion authorization for loan guarantees is $300 million, and authorizes $2 million for planning grants in FY 1976 and the transition period.	17. Same as reported by Science Committee, but provides that the community assistance be administered by Secretary of Housing and Urban Development, rather than ERDA.	17. Same as reported by Science Committee.
18. No such provision.	18. Provides that title to community facilities shall vest in State, political subdivision, or Indian tribe as appropriate.	18. Same as reported by Science Committee.	18. Same as reported by Science Committee.
19. Provided for 90-day review by Congress of all guarantees and disapproval within that period by either House of Congress for projects costing more than $350 million.	19. Provides for 90-day review by Congress of all guarantees and cooperative agreements and disapproval within that period by concurrent resolution of both Houses of projects costing more than $200 million.	19. Same as reported by Science Committee.	19. Provides for 90-day review by Congress of all guarantees and disapproval within that period by either House of any demonstration facility, including modular oil shale facilities costing over $100 million.
20. No specific authorization for funds for administrative expenses of ERDA.	20. Authorizes $1 million in FY 1976 and $1 million in transition period and an unlimited sum each fiscal year thereafter for ERDA administrative expenses.	20. Same as reported by Science Committee.	20. Authorizes funds in fiscal years after FY 1976 and transition period for ERDA administrative expenses only to the extent specifically authorized by law and provided in appropriation acts.
21. Required that applicant seeking guarantee be a U.S. citizen or national and in the case of a corporation, the amount of interest required to be owned by citizens shall be 75%.	21. Same as Conference Report, but adds a provision allowing ERDA to waive this requirement for corporations, partnerships, firms, or associations the controlling interest of which is owned by citizens of foreign nations which are parties to International Energy Agreement.	21. Same as reported by Science Committee.	21. Same as reported by Science Committee.

COMPARATIVE ANALYSIS OF THE PRINCIPAL PROVISIONS OF H.R. 12112—THE SYNTHETIC FUELS DEMONSTRATION PLANTS BILL—Continued

Section 103 of Conference Report 94–696 of December 11, 1975 *—Continued	H.R. 12112 as Reported by the House Science and Technology Committee, May 15, 1976—Continued	H.R. 12112 as Reported by the House Banking, Currency and Housing Committee on June 18, 1976—Continued	H.R. 12112 as Reported by the House Interstate and Foreign Commerce Committee on June 25, 1976—Continued
22. Provided patent provisions of section 9 of Federal Nonnuclear Energy R&D Act shall apply to loan guarantees for synthetic fuels, but not for loan guarantees for geothermal resources.	22. Same as Conference Report.	22. Same as Conference Report.	22. Adds provision in the case of guarantees of more than $20 million that any proprietary or patented process used in the project, needed for general commercial application of technology, and which ERDA is aware of at time of guarantees shall be available for general commercial application at a fee to be determined in the guarantee.
23. Required that ERDA employees in policymaking positions who administer loan guarantee section shall annually file financial interest statements which are available to the public.	23. Same as Conference Report.	23. Same as Conference Report.	23. Same as Conference Report.
24. Provided that interest on obligations issued by State, local political subdivision, and Indian tribe in connection with biomass and other plants and community facilities shall be taxable to holder of obligations, but provides for interest differential payment to State, etc.	24. Same as Conference Report. Note: House Committee on Ways and Means strikes this provision from Science amendment to IRS Code, that income on obligations is taxable to holder. The Ways and Means Committee eliminates interest differential payment.	24. Same as Conference Report.	24. Same as Conference Report.
25. Provided that no guarantees can be committed or made before passage of Appropriation Act after this section.	25. Same as Conference Report.	25. Same as Conference Report.	25. Same as Conference Report.
26. No comparable provision.	26. Provides for nondiscrimination in administering this program.	26. Same as Science Committee amendment.	26. Same as Science Committee amendment.
27. No comparable provisions.	27. Provides that ERDA shall provide a realistic and adequate opportunity for small business concerns to participate in the program to the optimum extent feasible consistent with the size and nature of each project.	27. Same as Science Committee amendment.	27. Contains Science Committee amendment, but adds that no more than 75% of the aggregate amount of loans authorized to be guaranteed may be issued for demontration facilities the total cost of which exceed $10 million.
28. No comparable provision.	28. Provides for maintenance of records by those receiving guarantees and access to them by ERDA and GAO for audit purposes.	28. Same as Science Committee amendment.	28. Contains Science Committee amendment, but adds that GAO audit recipients of financial assistance every six months.
29. No comparable provision.	29. Makes Davis-Bacon Act applicable to demonstration and other facilities financed by loan guarantees or otherwise under this section.	29. Same as Science Committee amendment.	29. Same as Science Committee amendment.
30. No comparable provision.	30. No comparable provision.	30. No comparable provision.	30. Title II of Commerce Committee amendment provides for private financing of synthetic gas facilities through a structured regulatory program.
31. No comparable provision.	31. No comparable provision.	31. No comparable provision.	31. Interstate pipeline can apply for certificate from FPC to build and operate gasification plant to transport or sell gas directly to a user and pipeline firm can agree to price of gas and FPC does no review of the price. That volume of gas to be delivered from synthetic fuel plant is to be excluded from curtailments by FPC.
32. No such provision.	32. No such provision.	32. No such provision.	32. Such certificate does not relieve applicant of requirement to comply with other laws.
33. No such provision.	33. No such provision.	33. No such provision.	33. Authorizes eminent domain under section 7(h) of Natural Gas Act.

Footnotes at end of table.

COMPARATIVE ANALYSIS OF THE PRINCIPAL PROVISIONS OF H.R. 12112—THE SYNTHETIC FUELS DEMONSTRATION PLANTS BILL—Continued

Section 103 of Conference Report 94–696 of December 11, 1975 *—Continued	H.R. 12112 as Reported by the House Science and Technology Committee, May 15, 1976—Continued	H.R. 12112 as Reported by the House Banking, Currency and Housing Committee on June 18, 1976—Continued	H.R. 12112 as Reported by the House Interstate and Foreign Commerce Committee on June 25, 1976—Continued
34. No such provision.	**34. No such provision.**	**34. After September, 1977, Banking Committee amendment authorizes price guarantee contracts in support of synthetic fuel prices.**	**34. Title III of Commerce Committee Amendment authorizes price guarantees to build a demonstration facility to produce synthetic gas from coal or other hydrocarbons, but agreement may not at any time exceed 125,000 barrels per day of oil.**
35. No such provision.	**35. No such provision.**	**35. No such provision.**	**35. Authorizes purchase contract for demonstration facility for synthetic fuels other than oil shale. The purchase can cover all or part of output which may be resold by ERDA at market value, consumed by U.S. agencies or stockpiled. ERDA may also exchange synthetic gas for crude oil or refined products. The contracts may not be for more than 57,000 barrels per day of crude oil.**
36. No such provision.	**36. No such provision.**	**36. No such provision.**	**36. Title III must be administered in a manner consistent with price support provisions of Federal Nonnuclear Energy R,D&D.**
37. No such provision.	**37. No such provision.**	**37. No such provision.**	**37. No agreement may exceed 20 years.**
38. No such provision.	**38. No such provision.**	**38. Lets ERDA decide what safeguards applicable to loan guarantees shall apply to plants with price supports.**	**38. Specifies safeguards applicable to loan guarantees to be applied to price support plants.**
39. No such provision.	**39. No such provision.**	**39. No such provision.**	**39. Contracts subject to annual appropriation acts.**
40. No such provision.	**40. No such provision.**	**40. Authorizes $500 million for price guarantees but this sum may be exceeded by using some of the amount authorized for loan guarantees.**	**40. Total liability of U.S. in FY 1977 shall not exceed $250 million. Total liability of U.S. after FY 1977 shall not exceed $250 million.**
41. No such provision.	**41. No such provision.**	**41. No such provision.**	**41. Person cannot receive loan guarantee or direct grant and price supports or purchase contracts, i.e. no double dipping.**

***Section 103 was stricken from the Conference Report on December 11, 1975 by a vote in the House of Representatives of 263–140.**

PCB TIME BOMB

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, there is currently a great concern among our scientists and public health officials with the presence of polychlorinated biphenyls in the tissue of wildlife and men. The ubiquitous nature of this chemical in our waterways, soil, and air have prompted Mr. DINGELL and me to offer an amendment to the Toxic Substances Control Act to halt the further dissemination of this toxic material into our environment. The following article written by Thomas Jackson occurred in the July–August issue of Oceans and is an accurate description of the PCB problem:

SEA SENSE—PCB TIME BOMB

(By Thomas C. Jackson)

A new dangerous "ecological time bomb" threatens the aquatic environment. It menaces some of the nation's great commercial and sport fisheries. It has caused skin disease, reproductive failure and neurological disorders in human beings. During laboratory tests it has sparked a form of cancer in small animals.

It is polychlorinated biphenyl (PCB) pollution. Apart from DDT it is the most ubiquitous synthetic pollutant in the biosphere.

Wildlife from New England to the Great Lakes and part of the Pacific coast are tainted by significant PCB contamination. Measurable levels of this long-lasting industrial chemical can now be found in half the population of the United States. PCBs were first detected in 1966 by the Swedish scientist Soren Jensen who discovered traces of it in pike and, later, in the hair of his entire family. Howerever, only a fraction of the PCBs, produced domestically since 1929, is causing this crisis. Most of the chemical is either still in use, locked in landfills or lurking in the bottom mud of lakes and waterways.

Now used primarily in sealed electrical components, PCBs are valued as an insulating medium which will not burst into flame at high operating temperatures. As such, it has been used in up to 95 percent of all capacitors and five percent of the transformers manufactured in the United States. PCB parts are currently found in such common household appliances as air conditioners and fluorescent light fixtures. It is also used in certain marine caulking compounds and investment casting waxes.

This extreme stability is an attractive feature for industries and the characteristic which make PCBs an environmental time bomb. Once released into the environment, PCBs last for decades. Slowly the chemical rises along the food chain until contamination concentrations are massed in fish and predators which eat the fish. Incineration at temperatures exceeding 2,400° F is the only known disposal method for this tough toxic substance.

Faced with this hazard, electrical industry officials have agreed to stop using PCBs as soon as an "acceptable substitute" is available. The Monsanto Chemical Corporation, sole American manufacturer of the compound, has already agreed to phase out PCB production as new insulating fluids are developed. Five years ago this company voluntarily restricted PCB sales to "closed systems" such as electrical parts.

Switching to a new insulating fluid will not, however, end the PCB problem. Prior to 1971 this chemical was poured into a wide range of consumer products. Carbonless carbon paper, paints, textiles, hydraulic fluids and sealants often contained PCBs. Buried in landfills with decaying electrical machinery, these materials are believed to be a significant source of pollution.

Imports, which topped 300,000 pounds in 1974 alone, and direct PCB discharges from industry are two additional contamination sources.

PCB contamination in wildlife and man is measured in much smaller terms—usually parts-per-million. Low levels of this powerful pollutant are magnified by the natural process of bioaccumulation. Through this process. PCBs are concentrated in animal tissues at levels up to 40,000 times greater than those in the surrounding environment. Bioaccumulation can also account for a single factory fouling a major river system.

When released into the environment, PCBs wash into waterways where the contaminant settles to the bottom of the pond, stream or harbor. It is basically nonsoluble in water but is able to enter small marine life.

Owing to its insolubility in water, PCBs tend to accumulate in the fatty tissues of fish and other animals. As each predator eats a smaller organism it absorbs and retains the PCBs present in the smaller or weaker animal. By the time an osprey, gull or man feeds on the fish, PCB levels, which cannot readily be detected in the water, can have bioaccumulated to significant readings.

One of the first signs of growing PCB pollution came through nature's own early warning system—contamination of wildlife. Since 1970, pesticide monitoring by the United States Fish and Wildlife Service has reflected a deterioration of environmental quality.

Exceedingly high levels of PCBs are now found in fish from the Hudson River in New York; the entire Great Lakes system; New England's Merrimac and Connecticut Rivers; the Mississippi. Missouri and Ohio Rivers in the midwest; the northwest's Columbia River system; the Sacramento River in the west; the Rio Grande and other Gulf Coast streams; the Yukon River in Alaska and the waters of the Los Angeles bight.

"The omnipresence of PCB residues in our environment looms as a very dark cloud casting an ominous shadow upon all our fish and wildlife resources programs which depend on environmental quality and healthy habitats," said Assistant Secretary of the Interior Nathaniel P. Reed. "In particular, PCBs pose an immediate threat to our efforts to preserve and protect threatened and endangered species.

"Under present conditions, PCBs may very well pull the rug out from beneath us by destroying marginal species in spite of our best efforts for preservation." Reed warned.

Government efforts to restore the Atlantic salmon in the northeast as well as restoration of the Great Lakes fisheries—a seventeen-year project with a $33 million price tag—are jeopardized by this pollutant. Large lake trout and salmon from Lake Michigan have repeatedly surpassed maximum PCB limits for safe human consumption. Contamination of commercial species is also present in carp, chubs, smelt and alewives taken from this area, Reed affirmed.

Should the United States Food and Drug Administration cut its PCB maximum from 5 to 1 or 2 ppm. then virtually all species would be restricted and the entire Great Lakes fishery would be curtailed. These fisheries have an annual dockside value of $19 million and contribute some $95 million a year to the economies of Canada and the United States when processing, shipping and retailing are considered.

"Nothing short of immediate drastic action will enable us to raise anything better than lakes full of eunuchized fish," the assistant interior secretary said. "With the present preponderance of PCBs, the life span of Great Lakes fishery will be limited to a single generation.

"We must immediately respond to the dangers posed by PCBs. They represent an ubiquitous degenerate influence on our national health and well being."

A 1968 incident in Japan revealed the clear—and tragic—impact of this chemical on human health. For several months more than 1,000 unsuspecting people consumed rice oil accidentally laden with up to 2,000 ppm PCB.

Stillbirths, miscarriages, visual impairment, skin disease, neurological disorders, hearing loss, discharge of a cheese-like substance from the eyes, swelling of the eyelids, systemic gastrointestinal symptoms with jaundice—these were the primary symptoms manifested by Japanese victims. Scientists now call this disease the "Yusho syndrome."

"In some patients, symptoms persisted for three years after PCB exposure was discontinued," a background report on the incident by the National Institute for Occupational Safety states.

"Infants born to poisoned mothers had decreased birth weights and showed skin discoloration due to PCB placental passage," it continued.

Authorities say the contamination began when heat transfer pipes immersed in the oil during processing developed pin-size holes which allowed PCBs to mix with the product. Most patients suffering from the Yusho syndrome recovered very slowly, suggesting that the toxic compound remains in the body for a long time after it is first ingested.

But the full effect of this mishap cannot be gauged in scientific terms or measured in parts-per-million.

Kamino Rioko was twenty-eight years old when the poison struck. Skin lesions covered her body. Long after her exposure to the PCB-laden rice oil. Ms. Rioko suffered from nausea, a low-grade fever and monthly swelling of her face and lesions. She still carries the scars of PCB poisoning.

"After I was stricken. I began to envy my friends who have babies to take care of," Ms. Rioko said in a recent television interview. "Thinking of those happy women, I felt lonely and desperate.

"If I get married and my husband lets me have babies, they might be stricken too. That would be too much of a burden for my husband. So, if someone proposes to me, I won't accept. I can't marry unless I am completely cured.

"A number of my friends are married. They have one or two children already. Sometimes I visit them, but when I do, their children ask me, 'What happened to you? How did you get holes in your face?' Children are shocked when they see me. Children are honest and to them what's ugly is ugly."

Although PCB concentrations in this rice oil were unusually high, data on the incident was the best toxicological information available to the United States Food and Drug Administration (FDA) officials for establishing a limit for the compound in American foods. Some FDA scientists say use of this data led the agency to underestimate the effect of low-level PCB doses on human health. New studies suggest ingestion of this chemical at levels well below federal maximum tolerances may be harmful.

Factory workers in plants manufacturing PCB-filled capacitors and transformers have been exposed to this toxic substance at close quarters for long periods. As might be expected, the effects on health attributable to this compound have been studied by the industry and medical officials at agencies such as the National Institute for Occupational Safety and Health (NIOSH).

A NIOSH report on this compound states that "The known effects of PCBs in humans include an acne-like (skin) eruption—chloracne—pigmentation of the skin and nails, excessive eye discharge and distinctive hair follicles." "For a number of years, chloracne of the face and necks have been reported among workers exposed to chlorinated hydrocarbons (a chemical classification which includes PCBs)."

Other symptoms cited after PCB exposure include digestive disturbances, edema of the face and hands, burning of the eyes, impotence and hematuria.

"It's just like you have water blisters underneath the skin, and there's a lot of pussy blood," one man explained after working in a factory with PCBs for several years. Working with PCBs made one's hands sore. The skin would crack open and the fingers hurt. Gloves were needed to perform simple tasks. Two or three times a day the gloves had to be changed. They were full of blood and pus.

The long-term effects of PCBs may not be easily controlled. Recent experiments imply that the compound can even at low levels, wreak havoc on the health of laboratory animals.

At the University of Wisconsin Medical School, Dr. James Allen is probing the impact of PCB doses at and below the current FDA "safe limit."

Despite concentrations of only 2.5 and 5 ppm. Rhesus monkeys used in the tests had stillbirths and miscarriages and suffered skin lesions and hair loss. Allen's findings suggest an inverse relationship between PCB exposure and successful reproduction. After three matings with males. 12.5 percent of the monkeys exposed to 5 ppm PCB feed became pregnant. Three matings led to pregnancy among 37.5 percent of the animals eating 2.5 ppm PCB food. But in the control group—which did not consume any PCBs —90 percent became pregnant after three attempts.

Other similarities between test results and the Yusho syndrome surfaced in Allen's findings. Young born to PCB-infected mothers were smaller than normal baby monkeys. Because the reproductive system of the rhesus is similar to that of humans, this monkey is often used in medical experiments. Yet Allen and other researchers agree that current experimental data cannot be applied directly to man. Perhaps the most disturbing part of the new research being conducted is a study suggesting that PCBs can cause a form of liver cancer in some animals. Reported by Dr. Renate Kimbrough, of the United States Center for Disease Control in Atlanta. 184 female rats were used in the experiment. After ingesting food tinted with 100 ppm PCB for twenty-one months, twenty-six of the 184 rats had developed malignant liver tumors. Only one of the 146 control animals developed this disease. Of the 184 rats in the PCB group, 146 developed tumorous liver lesions.

Faced with this kind of data and increasing signs of continued PCB contamination in wildlife, Canada imposed, last fall, a new PCB limit in human foods. Set at 2ppm. Canada's limit is less than half the United States tolerance.

FDA officials are now in the midst of reviewing the American standard. Some admit there is little scientific basis for the current 5 ppm PCB figure. According to Staff Scientist A. Karim Ahmed, the Natural Resources Defense Council (NRDC) has petitioned FDA to set a new limit of zero for PCB contamination in human foods.

But, Dr. Ahmed admitted, the stricter the standard, the more severe the impact on sport and commercial fishing. Setting a limit close to zero—or even one or two ppm—would close some of the country's greatest fishing resources. It may take decades for natural purification of these fisheries. Until then the only way for many people to control their PCB intake may be to eat less fish.

PCBs are a global form of pollution. Though centered in urban areas. PCB pollution extends to the Chespeake Bay, Puget Sound, the Hudson River and the San Francisco Bay.

The range of wildlife affected by this potent pollutant includes one of America's favorite waterfowl—the canvasback duck. The canvasback likes to feed on small snails which absorb high levels of PCBs and are susceptible to other forms of contamination. Survival of the duck may be determined by the fate of these snails and their ability to stay alive despite the contamination of the environment.

Dr. Donald White, of the Patuxent Wildlife Research Center in Laurel, Maryland, reported that the duck wings from Massachusetts, Rhode Island, New York and Connecticut were the most contaminated of the samples taken from the fourteen Atlantic coast states tested. He found that some composite samples of wings registered twice the RDA limit for poultry.

Unfortunately, many Hudson River fish have been hit harder by PCBs than the fowl of the Atlantic flyway. Striped bass, rock bass, large-mouth bass, shiners, smallmouth bass, northern pike, sturgeon and white perch in this waterway all bear the mark of the chemical.

This pollution has closed a $1.25 million commercial striped bass fishery in the Hudson and endangered an even larger sphere of sport fishing. Owing to the migratory movements of striped bass, some scientists fear the contamination may spread to populations caught in Chesapeake Bay, Long Island Sound and the Delaware River.

PCBs in the Hudson appear to be concentrated near two General Electric (GE) factories in the Fort Edward-Hudson Falls area north of Albany. Environmental groups charge that the plants have dumped up to thirty pounds of the chemical per day into the river. Capacitors insulated with PCBs are produced in the two GE plants.

Composite values for fish caught near one GE facility registered typical readings near 20 ppm during New York State tests. The concentration of the chemical in an American eel exceeded 400 ppm. The PCB levels in striped bass caught near Albany ranged from twice the FDA limit to 89.76 ppm. Near West Point—some fifty miles above New York City—readings from striped bass ranged between 1.17 and 7.54 ppm. An American shad, taken near Poughkeepsie, registered 9 ppm PCB.

Based on this kind of data, Ogden Reid, then commissioner of New York's Department of Environmental Conservation, warned the public against eating striped bass from the river. Reid's move, according to some ecologists, ended a state cover-up of the problem. His action also began the current interest in PCB pollution and led to a series of state hearings on General Electric's discharges.

The first set of state hearings ended with a preliminary finding that GE had violated state laws regulating the discharge of toxic substances into New York waters. The hearing examiner ruled that General Electric had contributed to the Hudson's PCB contamination.

A second series of hearings on possible remedies for the problem have just concluded. One plan for purging PCBs from the waterway focuses on the dredging of bottom mud—where the nonwater-soluble chemical settles and slowly accumulates. This program could cost $30 million, and GE could be ordered to bear part of the expense.

This year, as a result of PCB contamination, New York closed the Hudson to all commercial fishing except for sturgeon, shad and goldfish. Federal scientists estimate it could take decades for an ecosystem, like that of the Hudson, to cleanse itself of this contamination. Sadly, significant PCB contamination of wildlife is not liimted to ducks or the Hudson River.

The same United States Environmental Protection Agency (EPA) study reports up to 350 ppm PCB in Hudson fish also includes readings as high as 165 ppm for samples from Lake Michigan. Since 1971 Michigan state authorities have warned against eating salmon or trout from the lake more than twice a week.

Last year 125,000 cans of coho salmon taken from the lake were seized and condemned by federal officials for exceeding FDA PCB limits. An additional 6,480 pounds of frozen coho and chinook salmon from the lake were confiscated for the same reason.

Tests, in 1974, by the Michigan Department of Natural Resources showed PCBs ranging from 10 to almost 25 ppm in Lake Michigan coho salmon and lake trout. Additional studies by the Wisconsin Department of Natural Resources revealed that this chemical also affected a wide variety of other fish. Readings from lake trout exceeded 40 ppm and from carp surpassed 50 ppm in these tests.

A few months ago, federal officials condemned and buried 20,000 pounds of carp taken from Lake Pepin, part of the Mississippi River downstream from the Twin Cities. Fish from this area contained as high as 40 ppm PCB.

Striped bass caught in the western end of Long Island Sound last fall came within 0.05 ppm of the FDA limit. Five years ago Dr. Robert Risebrough, of the University of California at Berkeley, found significant PCB contamination in fish from this area.

Canadian scientists say the chemical present in smelts and eels from Lake Ontario and eels from the Saint Lawrence Seaway frequently surpasses the country's 2 ppm PCB standard. Along with coho salmon from the Great Lakes, chubs from Lake Huron and lake trout from Lake Superior are also affected.

Although PCB pollution is still a problem, primarily in inland waters, deposits in harbors and along the coasts, particularly near river mouths, are significant. The chemical in fish taken off the coast of Southern California has exceeded the FDA maximum.

Moreover, PCBs have also been found in wildlife and fish from Holland, off the Scottish coast, Germany, the Baltic Sea and Japan during the past decade. They have been detected in marine life ranging from plankton to tuna.

Fish-eating birds have borne the brunt of PCB contamination in the aquatic environment. While studying them on Long Island Sound, Dr. Risebrough found PCB levels between 300 and 1,000 ppm in osprey and cormorants. He also concluded that deformities found in terns on Great Gull Island in the Sound could be caused by contaminants such as PCB compounds.

"Severe reproductive failure has been identified in herring gull colonies around Lake Ontario," Karl Bremer, of EPA's Chicago office, wrote recently.

"There is a positive correlation between early embryonic mortality and PCB concentration," he concluded. Birds like the osprey and gull suffer most from PCB contamination, for they stand at the top of a complex food chain which magnifies low-level PCB concentration up to 40,000 times in one step.

Research scientists in California found a correlation between high levels of DDT and PCBs in adult sea lions and aborted fetuses. While in 1969 the corpses of 12,000 sea birds washed up on the western coast of Britain showed considerable PCB contamination.

More significant, perhaps, was the discovery of PCBs in practically all specimens collected in a survey of the mid-Atlantic. Affected samples included phytoplankton, zooplankton, sargassum weed, flying fish, dolphins, and sharks. The plankton, in particular, contained about ten times as much in proportion to its weight as the other marine organisms.

After the 1968 rice oil incident, Japan moved quickly to ban PCBs. Now the chemical can neither be used in nor imported to the island nation. EPA Administrator Russell Train accepts United States industry claims that a similar move here would simply switch an environmental for a fire hazard.

Train said the key to controlling PCB contamination here rests with disposal practices for the 300 million pounds of the chemical now in use. Another 200 million pounds of potential contamination are buried in landfills.

At the heart of the PCB problem is the EPA's lack of jurisdiction. Until Congress approves a Toxic Substances Control Act, the agency is powerless to deal with nonpesticides in use or some of the 600 new chemicals introduced annually.

"PCBs are a significant hazard to human health and the environment," Train told a congressional subcommittee this year. "However, the PCB problem is but one dimension of a much larger picture of environmental degradation by toxic chemicals. We have no authority to control (non-pesticides) uses and must rely on the Federal Water Pollution Control Act and Clean Air Act to achieve pollution control."

Without additional protection, America will continue to use its citizens, fish and wildlife resources to learn what the nation's environmental problems are.

The only prospect on the horizon for control of this pervasive pollutant comes from the work of Dr. Dickson Liu at Canada's Center for Inland Waters in Burlington, Ontario. Dr. Liu found that a variety of common bacteria often present in sewage can reduce PCB concentrations from 300,000 to 20 parts-per-billion. The chemical is broken down into harmless carbon dioxide gas and lightweight organic acids normally found in nature. There is some question whether this process can be applied to large scale industrial polluters or in clean-up drives. A pilot plant testing Dr. Liu's theory is scheduled to open this summer in Canada.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. McKinney (at the request of Mr. Michel), for today, on account of a serious automobile accident involving a member of his family.

Mr. Jones of North Carolina (at the request of Mr. O'Neill), for August 9 and 10, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Bolling, for 60 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Kasten), to revise and extend their remarks, and to include extraneous matter:)

Mr. Broomfield, for 5 minutes, on August 9.

Mr. Broyhill, for 5 minutes, on August 10.

Mr. Railsback, for 5 minutes, on August 9.

Mr. Ashbrook, for 20 minutes, on August 9.

(The following Members (at the request of Mr. NEAL) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. FLYNT, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. WAGGONNER, for 5 minutes, today.

Ms. ABZUG, for 15 minutes, today.

Mr. WOLFF, for 15 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. VAN DEERLN, for 5 minutes, today.

Mr. MURPHY of New York, for 10 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. STOKES, for 60 minutes, August 10.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOCH, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $715.

(The following Members (at the request of Mr. KASTEN), and to include extraneous matter:)

Mr. HEINZ.

Mr. SNYDER.

Mr. GILMAN.

Mr. WYDLER in two instances.

Mr. WIGGINS.

Mr. BUTLER.

Mr. DERWINSKI in three instances.

Mr. LUJAN.

Mr. MICHEL.

Mr. LENT.

Mr. SARASIN.

Mr. CRANE.

Mr. RAILSBACK.

Mr. KASTEN.

Mr. COLLINS of Texas in two instances.

(The following Members (at the request of Mr. NEAL) and to include extraneous matter:)

Mr. BROWN of Califorinia in 10 instances.

Mr. ROGERS in five instances.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. REES.

Mr. AMBRO.

Mr. CHAPPELL.

Mr. REUSS.

Mr. STOKES in four instances.

Mr. EILBERG in 10 instances.

Mr. RUSSO.

Mr. DRINAN.

Mr WOLFF in two instances.

Mr. DINGELL in three instances.

Mr. HARKIN.

Mr. ROSE.

Mr EDGAR.

Mr. RANGEL

Mrs. LLOYD of Tennessee.

Mr. CONYERS.

Mr. KOCH in six instances.

Mr. WAGGONNER.

Mr. MOTTL.

Mr. HAWKINS in two instances.

Mr. MCDONALD in three instances.

Mr. HAMILTON in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1690. An act for the relief of Celedonio M. Gapasin and his wife, Dely P. Gapasin; to the Committee on the Judiciary.

S. 1802. An act for the relief of Ashok K. Raina; to the Committee on the Judiciary.

S. 1848. An act for the relief of Brigitte Marie Harwood; to the Committee on the Judiciary.

S. 2481. An act for the relief of Oscar Rene Hernandez Rustrian; to the Committee on the Judiciary.

S. 2605. An act for the relief of Si Kon Won, his wife, Wha Jo Won, and their children, Myung Kun Won and Myung Ae Won; to the Committee on the Judiciary.

S. 2674. An act for the relief of Patricia Arias Garcia; to the Committee on the Judiciary.

S. 2734. An act for the relief of Kendrick Gordon A. Bascom; to the Committee on the Judiciary.

S. 2786. An act for the relief of Yon Jin Kim; to the Committee on the Judiciary.

S. 2942. An act for the relief of Kenrick Withington Brookes (also known as Kenrick Withington Clifton); to the Committee on the Judiciary.

S. 2956. An act for the relief of Teresa Marie Salman; to the Committee on the Judiciary.

S. 2959. An act for the relief of Kelvin Sin Min Chen; to the Committee on the Judiciary.

S. 3040. An act for the relief of Dr. Antonio Panganiban Serrano, his wife, Dr. Lesley B. Tiongko Serrano, and their son, Kenneth Neil Serrano; to the Committee on the Judiciary.

S. 3445. An act for the relief of Dr. Laurence T. Gayao, his wife, Edith Gayao, and their child, Lorraine Gayao; to the Committee on the Judiciary.

S. 3485. An act for the relief of Orlando Garzón; to the Committee on the Judiciary.

S. 3682. An act for the relief of Dr. Oscar J. Briseno; to the Committee on the Judiciary.

S. 3683. An act for the relief of Dr. Juan Bautista Lopez Ruiz; to the Committee on the Judiciary.

S. 3702. An act for the relief of Vojislav S. Bozie. Constantin A. Krylov, Abdurachman G. Kunta, Fatima S. Kunta, Nikolai L. Ozolins, Eugene E. Posdeeff, and Tatiana M. Wassiliew; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1394. An act for the relief of Suk Chin and Hae Suk Chin;

H.R. 1395. An act for the relief of Mee Kyung Cho and Hee Kyung Cho;

H.R. 1396. An act for the relief of Sang Kook Chung and Kwa Soon Chung;

H.R. 1397. An act for the relief of Ae Sook Song and Mi Yun Lee;

H.R. 1425. An act for the relief of Juliet Elizabeth Tozzi.

H.R. 1507. An act for the relief of Marisa Marzano;

H.R. 1645. An act for the relief of Kevin Patrick Saunders;

H.R. 2118. An act for the relief of Cheryl Lynn V. Camacho;

H.R. 2278. An act for the relief of Mrs. Mary Saxton (Mary Nuku);

H.R. 2399. An act for the relief of Leonard Alfred Brownrigg;

H.R. 2411. An act for the relief of Alinor Anvari Adams;

H.R. 2495. An act for the relief of Miss Malgorzata Kuzmiarek Czapowski;

H.R. 2502. An act for the relief of Peter Olav Mesikepp;

H.R. 2565. An act for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes;

H.R. 2940. An act for the relief of Maria Sylvia Macias Elliott;

H.R. 2941. An act for the relief of Susan Rosemary Harwood;

H.R. 3372. An act for the relief of Tze Tsun Li;

H.R. 4053. An act for the relief of Roderic Patrick Stafford;

H.R. 5052. An act for the relief of Yolanda E. Vez;

H.R. 5500. An act for the relief of Rafael Strochlitz Wurzel;

H.R. 5648. An act for the relief of Violetta Cebreros;

H.R. 6093. An act for the relief of Maria D'Arpino;

H.R. 6392. An act for the relief of Koviljka C. Clendenen;

H.R. 6687. An act for the relief of Doo Hoon Park;

H.R. 7404. An act for the relief of Christine Donnelly;

H.R. 7494. An act for the relief of Luigi Santaniello;

H.R. 7882. An act for the relief of Miss Leonor Young;

H.R.. 7908. An act for the relief of Edward Drag;

H.R. 8557. An act for the relief of Carmen Thomas;

H.R. 8695. An act for the relief of Eugene Homsy Phillips;

H.R. 10076. An act for the relief of Mrs. Kazuko Scillion;

H.R. 11076. An act for the relief of Ok Ja Choi;

H.R. 12944. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 6 months; and

H.R. 13121. An act to direct the Law Revision Counsel to prepare and publish the District of Columbia Code through publication of supplement V to the 1973 edition, with the Council of the District of Columbia to be responsible for preparation and publication of such Code thereafter.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1689. An act to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92-578), as amended.

ADJOURNMENT

Mr. RANDALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 55 minutes p.m.) under its previous order the House adjourned until tomorrow, Tuesday, August 10, 1976, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3777. A letter from the President of the United States, transmitting a proposed appropriation language change for the Department of Health, Education, and Welfare (H. Doc. No. 94–579); to the Committee on Appropriations and ordered to be printed.

3778. A letter from the Acting Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed final regulations relating to the eligibility of part-time students and other administrative matters under the basic educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3779. A letter from the Assistant Secretary of Health, Education, and Welfare for Administration and Management, transmitting notice of a proposed new system of records for the Department, pursuant to 5 U.S.C. 552 a(o); to the Committee on Government Operations.

3780. A letter from the Chairman, Federal Election Commission, transmitting corrections of typographical errors in the proposed Federal election regulations submitted on August 3, 1976 (H. Doc. No. 94–573, pt. 2); to the Committee on House Administration and ordered to be printed.

3781. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Iran for permission to provide certain training for Pakistan pilots, pursuant to section 3(e) of the Arms Export Control Act; to the Committee on International Relations.

3782. A letter from the General Counsel of the Department of Defense, transmitting the arms control impact statements to accompany the proposed Department of Defense Appropriation Authorization Act, 1977, pursuant to section 36(b)(2) of the Arms Control and Disarmament Act, as amended; to the Committee on International Relations.

3783. A letter from the Administrator, Energy Research and Development Administration, transmitting the arms control impact statements to accompany the proposed legislation authorizing appropriations for ERDA for fiscal years 1977 and 1978, pursuant to section 36(b)(2) of the Arms Control and Disarmament Act, as amended; to the Committee on International Relations.

3784. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112 (b) of Public Law 92–403; to the Committee on International Relations.

3785. A letter from the Under Secretary of Health, Education, and Welfare, transmitting the annual report for fiscal year 1975 on comprehensive health planning, health services delivery, and regional medical programs authorized under sections 314 (a)–(e) of the Public Health Service Act, pursuant to section 227 of the act; to the Committee on Interstate and Foreign Commerce.

3786. A letter from the Administrator, Federal Energy Office, transmitting a report on changes in market shares for gasoline during March and April 1976, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

3787. A letter from the Administrator, Federal Energy Office, transmitting a report on regional market shares for sales of No. 2 distillate fuel oil by refiner-marketers and independent marketers over the period 1972 through 1975, pursuant to section 4(c)(2) (A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

3788. A letter from the Commissioner, Immigration and naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act [8 U.S.C. 1182(a)(28)(I)(ii)(b)]; to the Committee on the Judiciary.

3789. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens under the authority contained in section 13 (b) of the act of September 11, 1957, pursuant to section 13(c) of the act, 8 U.S.C. 1255b(c); to the Committee on the Judiciary.

3790. A letter from the President and Acting Chief Scout Executive, Boy Scouts of America, transmitting the annual report of the Boy Scouts for 1975 (H. Doc. No. 94–583); to the Committee on the Judiciary and ordered to be printed with illustrations.

3791. A letter from the Secretary of Commerce, transmitting the annual report of the National Marine Fisheries Service for the year 1975, pursuant to 16 U.S.C. 742h; to the Committee on Merchant Marine and Fisheries.

Received From the Comptroller General

3792. A letter from the Comptroller General of the United States, transmitting a report on Defense Supply Agency management of low-use supply items; jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NEDZI: Committee on House Administration. H.R. 13546. A bill to authorize the erection of a sculpture entitled "Delta Solar" on public grounds in the District of Columbia (Rept. No. 94–1394). Referred to the Committee of the Whole House on the State of the Union.

Mr. NEDZI: Committee on House Administration. H.R. 14803. A bill to provide for adjusting the amount of interest paid on funds deposited in the Treasury of the United States as a permanent loan by the Board of Trustees of the National Gallery of Art (Rept. No. 94–1395). Referred to the Committee of the Whole House on the State of the Union.

Mr. NEDZI: Committee on House Administration. House Joint Resolution 967. Joint resolution authorizing the acceptance by the Joint Committee on the Library on behalf of the Congress, from the United States Capitol Historical Society, of preliminary design sketches and funds for murals in the first floor corridors in the House wing of the Capitol, and for other purposes (Rept. No. 94–1396). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. House Resolution 1408. Resolution to provide for the further expenses of the investigations and studies to be conducted by the Select Committee on Professional Sports (Rept. No. 94–1397). Referred to the House Calendar.

Mr. THOMPSON: Committee on House Administration. House Resolution 1414. Resolution to provide additional funds for the ad hoc Select Committee on the Outer Continental Shelf for the expenses associated with the completion of the legislative process on H.R. 6218, a bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, to amend the Outer Continental Shelf Lands Act, and for other purposes (Rept. No. 94–1398). Referred to the House Calendar.

Mr. FASCELL: Committee on International Relations. H.R. 14973. A bill to provide for acquisition of lands in connection with the international Tijuana River flood control project, and for other purposes (Rept. No. 94–1399, pt. I). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 1467. A resolution providing for the consideration of H.R. 8911, a bill to amend title XVI of the Social Security Act to make needed improvements in the program of supplemental security income benefits (Rept. No. 94–1400). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. H. Res. 1468. House Resolution 1468. A resolution providing for the consideration of the conference report on H.R. 12169, an act to amend the Federal Energy Administration Act of 1974 to provide authorizations of appropriations to the Federal Energy Administration, to extend the duration of authorities under such act, and for other purposes. (Rept. No. 94–1401). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 15098. A bill to provide for equal access to courts in lawsuits involving the Federal Government, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 15099. A bill to provide that the Secretary of State, at the request of an individual issued a passport, not include in the passport the place of birth of such individual; to the Committee on International Relations.

By Mr. CARTER (for himself, Ms. Schroeder, Mr. O'Brien, Mr. du Pont, Mr. Simon, Mr. Wirth, Mr. Giamo, Mr. Vigorito, Mr. Heinz, Mr. Jones of Alabama, Mr. Russo, Mr. Mitchell of Maryland, Mr. Skubitz, Mr. Pickle, Mr. Guyer, Mr. Roberts, Mr. Snyder, Mr. Rooney, and Mr. Hall of Illinois):

H.R. 15100. A bill to establish the national diabetes advisory board and to take other actions to insure the implementation of the long-range plan to combat diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNING of Virginia:

H.R. 15101. A bill to amend the depository library program (44 U.S.C. secs. 1901–1915); to the Committee on House Administration.

By Mr. DUNCAN of Tennessee:

H.R. 15102. A bill to amend title 5, United States Code, to remove the restriction that survivor compensation to any widow or widower will be terminated if such widow or widower remarries; to the Committee on Education and Labor.

By Mr. HEINZ (for himself, Mr. Johnson of Pennsylvania, Mr. McDade, Mr. Shuster, Mr. Schneebeli, Mr. Vander Jagt, Mr. Lundine, Mr. Harkin, and Mr. Simon):

H.R. 15103. A bill to establish a program for repairing and replacing unsafe highway bridges; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. KETCHUM:

H.R. 15104. A bill to amend sections 206 and 208 of the Labor Management Relations

Act, 1947 to provide that the national emergency procedures thereunder may be applied to strikes or lockouts which will cause losses of agricultural crops; to the Committee on Education and Labor.

By Mr. OBEY:

H.R. 15105. A bill to amend title XIX of the Social Security Act to prohibit expenditures under approved medicaid plans for abortions except in cases of medical necessity; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY:

H.R. 15106. A bill to amend the Internal Revenue Code of 1954 to provide that amounts received under certain conditional scholarship or student loan programs will be exempt from taxation; to the Committee on Ways and Means.

By Mr. STOKES:

H.R. 15107. A bill to require that any person holding a federally related home mortgage shall provide certain services and follow certain procedures before instituting foreclosure proceedings with respect to such mortgage; to the Committee on Banking, Currency and Housing.

By Mr. ASHLEY (by request):

H.R. 15108. A bill to exempt insured loans from certain limitations of section 5(c) of the Home Owners' Loan Act of 1933; to the Committee on Banking, Currency and Housing.

By Mr. BOWEN:

H.R. 15109. A bill to modify the river navigation project for Yazoo River, Miss.; to the Committee on Public Works and Transportation.

By Mr. JOHN L. BURTON:

H.R. 15110. A bill to amend title II of the Social Security Act to provide monthly insurance benefits for certain dependent relatives of insured individuals; to the Committee on Ways and Means.

By Mr. DON H. CLAUSEN:

H.R. 15111. A bill to amend the Federal Aviation Act of 1958 to authorize reduced fare transportation on space-available basis for elderly persons, young persons, and handicapped persons; to the Committee on Public Works and Transportation.

By Mr. COHEN (for himself, Mr. Danielson, Mr. Gude, Mr. Maguire, and Mr. Railsback):

H.R. 15112. A bill to amend title 38 of the United States Code in order to provide that the fees payable to agents or attorneys who represent veterans in allowed claims under the veterans laws shall be paid by the Administrator rather than deducted from amounts awarded under the claims; to the Committee on Veterans' Affairs.

By Mr. COHEN (for himself, Mr. Danielson, Mr. Gude, Mr. Maguire, and Mr. Railsback):

H.R. 15113. A bill to amend title II of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under that title (or under title XVIII or such act), in cases where the claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare rather than deducted from the amounts awarded claimants; to the Committee on Ways and Means.

By Mr. FLORIO (for himself and Mrs. Meyner):

H.R. 15114. A bill to amend the Export Administration Act of 1969 to prohibit the exportation of horses intended for slaughter; to the Committee on International Relations.

By Mr. GUDE:

H.R. 15115. A bill to amend title 5, United States Code, to provide that Federal employees who are required to remain at work when other Federal employees are dismissed because of emergency or adverse weather conditions shall be entitled to overtime rates of pay; to the Committee on Post Office and Civil Service.

By Mr. HOWARD (for himself and Mr. Shuster):

H.R. 15116. A bill to amend the Federal-Aid Highway Act of 1976 to provide an obligation limitation for fiscal year 1977; to the Committee on Public Works and Transportation.

By Mr. KOCH (for himself, Mr. Biaggi, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Bedell, Mr. Brademas, Mr. Phillip Burton, Mrs. Collins of Illinois, Mr. Delaney, Mr. Downey of New York, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Fraser, Mr. Gilman, Ms. Holtzman, Mr. Lehman, Mr. Maguire, Mr. McHugh, Mr. Mitchell of Maryland, Mr. Murtha, Mr. Nix, and Mr. Ottinger):

H.R. 15117. A bill to amend the Vocational Rehabilitation Act of 1973, and for other purposes; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. KOCH (for himself, Mr. Biaggi, Mr. Rangel, Mr. Richmond, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mrs. Spellman, Mr. Stark, Mr. Traxler, Mr. Waxman, Mr. Charles Wilson of Texas, Mr. Wirth, Mr. Yatron, and Mr. Zeferetti):

H.R. 15118. A bill to amend the Vocational Rehabilitation Act of 1973, and for other purposes; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. LOTT (for himself, Mr. Whitten, Mr. Montgomery, Mr. Cochran, and Mr. Bowen):

H.R. 15119. A bill to authorize a project for channel deepening for navigation at Gulfport Harbor, Harrison County, Miss.; to the Committee on Public Works and Transportation.

By Mr. MAGUIRE (for himself and Mr. Madigan):

H.R. 15120. A bill to amend the Public Health Service Act to encourage the formation of comprehensive medical practices, to encourage the study of systems of delivery of health care, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER (for himself and Mr. Mikva):

H.R. 15121. A bill to amend chapter 21 of the Internal Revenue Code of 1954 and title II of the Social Security Act to provide that the payment of social security taxes by a nonprofit organization with respect to its employees shall constitute (for both tax and benefit purposes) a constructive filing by such organization of the certificate otherwise required to provide social security coverage for such employees if it has not received a refund of such taxes, and to require the filing of such a certificate by any nonprofit organization which paid such taxes but received a refund because it had not previously filed such certificate; to the Committee on Ways and Means.

By Mr. TAYLOR of North Carolina (for himself, Mr. Adams, Mr. Baucus, Mr. Bingham, Mr. Bonker, Mr. Broyhill, Mr. Burke of Florida, Mr. Byron, Mr. Carr, Mr. Don H. Clausen, Mr. de Lugo, Mr. Eckhardt, Mr. Edwards of Alabama, Mr. Flynt, Mr. Fuqua, Mr. Haley, Mr. Hicks, Mr. Johnson of California, Mr. Kastenmeier, Mr. Lagomarsino, Mr. McCormack, Mr. Mann, Mr. Meeds, Mr. Melcher, and Mr. Moore):

H.R. 15122. A bill to amend the National Trails System Act (82 Stat. 919), and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR of North Carolina (for himself, Mr. Neal, Mr. Nichols, Mr. Pritchard, Mr. Roncalio, Mr. Sebelius, Mr. Seiberling, Mr. Skubitz, Mr. Steelman, Mr. Stephens, Mr. Symms, Mr. Tsongas, Mr. Ullman, and Mr. Won Pat):

H.R. 15123. A bill to amend the National Trails System Act (82 Stat. 919), and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HAWKINS:

H. Con. Res. 708. A resolution expressing the sense of the Congress that experience in volunteer work should be taken into account by public and private employers in the consideration of applicants for employment; jointly, to the Committees on Post Office and Civil Service and Education and Labor.

By JOHN L. BURTON (for himself, Mr. Koch, Mr. Maguire, Mr. Studds, Mr. Hefner, and Mr. Hall of Illinois):

H. Res. 1466. A resolution amending rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution, and to provide for the addition and deletion of names of Members as sponsors after the introduction of a bill, memorial, or resolution; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 15124. A bill for the relief of Ernestina Rosales; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 15125. A bill to amend the United States Information and Educational Exchange Act of 1948; to the Committee on International Relations.

By Mr. LEGGETT:

H.R. 15126. A bill for the relief of Manuel Quindara Villanueva; to the Committee on Post Office and Civil Service.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

546. By the SPEAKER: Petition of Thomas C. Mathieu, Lansing, Mich., relative to an amendment to the Constitution of the United States to eliminate violence in broadcasting; to the Committee on the Judiciary.

545. By Mr. CLEVELAND: Petition of officers and members of credit unions in New Hampshire and Vermont, relative to the proposed "Financial Institutions Act of 1975"; to the Committee on Banking, Currency, and Housing.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 14032

By Mr. DINGELL:

Page 154, insert after line 21 the following:

"(e) Polychlorinated Biphenyls.—(1) Within 6 months after the effective date of this Act the Administrator shall initiate proceedings for the promulgation of rules to—

"(A) prescribe methods for the disposal of polychlorinated biphenyls, and

"(B) require polychlorinated biphenyls to be marked with clear and adequate warnings and instructions with respect to their processing, distribution in commerce, use, or disposal or with respect to any combination of such activities.

Requirements prescribed by rules under this paragraph shall be consistent with the requirements prescribed by or under paragraphs (2) and (3).

"(2) (A) Except as provided under subparagraph (B), effective one year after the effective date of this Act no person may manufacture, process, or distribute in commerce any polychlorinated biphenyl for any use other than a use in a totally enclosed manner.

"(B) The Administrator may by rule authorize the manufacture, processing, or distribution in commerce (or any combination of such activities) or any polychlorinated biphenyl for any use other than a use in a totally enclosed manner if the Administrator finds that such manufacture, processing, or distribution in commerce (or combination of such activities) will not cause or significantly contribute to an unreasonable risk to health or the environment.

"(C) For the purposes of this paragraph, the term "totally enclosed manner" means any manner which will ensure that any leakage of a polychlorinated biphenyl from its enclosure will be insignificant as determined by the Administrator by rule.

"(3)(A) Except as provided under subparagraph (B), effective two years after the effective date of this Act no person may manufacture any polychlorinated biphenyl, and effective two and one-half years after such effective date no person may process or distribute in commerce any polychlorinated biphenyl.

"(B) Any interested person may petition the Administrator for an exemption from the requirements of subparagraph (A) for a particular use of a polychlorinated biphenyl, and the Administrator may grant by rule such an exemption if the Administrator determines that—

"(i) the exemption is necessary for the protection of human health and

"(ii) good faith efforts have been made to develop a chemical substance which may be substituted for such polychlorinated biphenyl in such use and which does not cause or significantly contribute to an unreasonable risk to health or the environment.

An exemption granted under this subparagraph shall be subject to such terms and conditions as the Administrator may prescribe and shall be in effect for such period (but not more than one year from the date it is granted) as the Administrator may prescribe.

"(4) Any rule under paragraph (1), (2) (B), or (3)(B) shall be promulgated in accordance with paragraphs (2) and (3) of subsection (c)."

By Mr. HECHLER of West Virginia:

On page 208, between lines 19 and 20, insert the following new section:

"SUNSHINE IN GOVERNMENT

"SEC. 28. (a) Each officer or employee of the Administrator and the Secretary of Health, Education and Welfare who—

"(1) performs any function or duty under this Act; and

"(2) has any known financial interest (A) in any person subject to this Act, or (B) in any person who applies for or receives any grant, contract, or other form of financial assistance pursuant to this Act;

"Shall, beginning on February 1, 1977, annually file with the Administrator or the Secretary of Health, Education and Welfare, as appropriate, a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

"(b) The Administrator and said Secretary shall—

"(1) act within ninety days after the date of enactment of this Act—

"(A) to define the term 'known financial interest' for purposes of subsection (a) of this section; and

"(B) to establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator and said Secretary of such statements; and

"(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

"(c) In the rules prescribed in subsection (b) of this section, the Administrator and said Secretary may identify specific positions within the appropriate agency which are of a nonregulatory or nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

"(d) Any officer or employee who is subject to, and knowingly violates, this section or any regulation issued thereunder, shall be fined not more than $2,500 or imprisoned not more than one year, or both."

Renumber the succeeding sections.

By Mr. MOORE:

Page 210, after line 3, add the following new section:

"RULE REVIEW

"SEC. 30. (a) Any rule prescribed pursuant to this Act by the Administrator may by resolution of either House of Congress be disapproved, in whole or in part, if such resolution of disapproval is adopted not later than the end of the first period of 60 calendar days when Congress is in session (whether or not continuous) which period begins on the date such rule is finally adopted by the Administrator, Secretary of the Treasury, or Secretary of Health, Education, and Welfare, as the case may be. The authority which prescribes a rule pursuant to this Act shall transmit such rule to each House of Congress immediately upon its final adoption. Upon adoption of such a resolution of disapproval by either House of Congress within such 60-day period, such rule, or part thereof, as the case may be, shall cease to be in effect.

"(b) Congressional inaction on or rejection of a resolution of disapproval of a rule promulgated under this Act shall not be deemed an expression of approval of such rule."

Redesignate the succeeding section accordingly.

Page 103, insert after the item in the table of contents relating to section 29 the following new item:

Sec. 30. Rule review.

Redesignate the succeeding item accordingly.

By Mr. PAUL:

Page 112, after line 23 insert:

"(B) In determining test standards for chemicals produced in quantities less than 500,000 pounds per year, the Ames test or other equally effective and inexpensive tests may be considered proof of safety with regard to mutagenesis, carcinogenesis, or teratogenesis in the absence of other data."

Renumber subsequent sections.

Page 162, line 12, strike the phrase, "paragraph and paragraph (1).", and insert "paragraph, paragraph (1) of this section, and subsection (b) of section 26."

Page 205, line 11, after the word "person" insert the following: "(other than a small manufacturer or processor, as defined by a rule issued pursuant to Section 8(a)(3)(B) of this Act,".

Page 108, after line 5 insert:

"(9) The term 'research chemical' means any chemical used or distributed in commerce solely for research purposes."

"(10) The term 'formulation' means a mixture which contains no chemical substance listed under Section 4(e)."

Renumber subsequent subsections.

Page 105, after line 15 insert: "(ii) any formulation,"

Renumber remaining clauses.

H.R. 10498

By Mr. CHAPPELL:

SEC. 108. The Clean Air Act is amended by inserting a new section 315 and renumbering succeeding sections accordingly:

"NATIONAL COMMISSION ON AIR QUALITY

"SEC. 315. (a) There is established a National Commission on Air Quality which shall study and report to the Congress on:

"(1) the effects of any existing or proposed policy of prohibiting deterioration of air quality in areas identified as having air quality better than that required under existing or proposed national ambient standards on employment, energy, the economy (including state and local), the relationship of such policy to the protection of the public health and welfare as well as other national priorities such as economic growth and national defense and its other social and environmental effects;

"(2) any loss or irretrievable commitment of resources (taking into account economic feasibility), including mineral, agricultural and water resources, as well as land surface-use resources which may result from a policy of nondeterioration;

"(3) the effects of existing or proposed ambient air quality standards on employment, energy, and the economy (including state and local), their relationship to objective scientific and medical data collected to determine their validity at existing levels, as well as their other social and environmental effects.

"(b) Such Commission shall be appointed within 60 days of enactment of the Clean Air Act Amendments of 1976 and shall be composed of fifteen members, including the Chairman and the ranking minority Members of the Senate Committee on Public Works and the House Committee on Interstate and Foreign Commerce, who shall serve on such Commission ex officio and without vote, and eleven members of the public appointed by the President. The Chairman of such Commission shall be elected from among its members.

"(c) The heads of the departments, agencies, and instrumentalities of the executive branch of the Federal government shall cooperate with the Commission in carrying out the requirements of this section and shall furnish to the Commission such information as the Commission deems necessary to carry out this section.

"(d) A report, together with any appropriate recommendations, shall be submitted to the Congress on the results of the investigation and study as conducted under this section no later than one year after the date of enactment of the Clean Air Act Amendments of 1976.

"(e) The members of the Commission who are not officers or employees of the United States, while attending conferences or meetings of the Commission or while otherwise serving at the request of the Chairman shall be entitled to receive compensation at a rate not in excess of the maximum rate of pay for grade GS-18, as provided in the General Schedule under section 5332 of title V of the United States Code, including traveltime and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"(f) There is authorized to be appropriated, for use in carrying out this section, not to exceed $5,000,000.

"(g) In the conduct of the study, the Commission is authorized to contract with nongovernmental entities that are competent to perform research or investigations in areas within the Commission's mandate, and to hold public hearings, forums, and workshops to enable full public participation."

By Mr. KOCH:

Page 302, after line 7, insert:

CARBON MONOXIDE STANDARDS FOR SCHOOLBUS PASSENGER AREAS

SEC. 220. (a) Title II of the Clean Air Act (relating to emission standards for moving sources) is amended by adding the following new part at the end thereof:

"PART D—CARBON MONOXIDE STANDARDS FOR SCHOOLBUS PASSENGER AREAS

"ESTABLISHMENT OF STANDARDS

"SEC. 241. (a) The Administrator, in conjunction with the Secretary of Transportation, shall study the problem of carbon monoxide intrusion into buses and sustained-use motor vehicles. Such study shall characterize and quantify interior levels of carbon monoxide in such buses and vehicles and determine its effects upon the passengers. The study shall review monitoring procedures available and study the cost effectiveness of strategies for attaining and monitoring the standards promulgated under this section. Within one year the Administrator shall report to the Congress respecting the results of such study.

"(b) Not later than one year after the enactment of this part, the Administrator shall issue proposed standards setting forth the levels of carbon monoxide in the passenger areas of schoolbuses which are requisite to protect, with an adequate margin of safety, the health of passengers and to permit safe operation of such buses.

"(c) Pursuant to the requirements of section 307(d), the Administrator shall, by regulation, promulgate, with such modifications as he deems appropriate, final standards applicable to the presence of carbon monoxide in the passenger areas of schoolbuses establishing the level of carbon monoxide in such areas which are requisite to protect, with an adequate margin of safety, the health of passengers and to permit safe operation of such buses. Such standards shall be revised from time to time.

"COMPLIANCE

"SEC. 242. (a) Each State shall submit to the Secretary of Transportation an implementation plan which shall include such measures as may be required, under regulations promulgated by the Secretary, to prevent, in the case of any schoolbus, a violation of the standards established under section 241(c) to the extent that such violation is attributable to carbon monoxide from such schoolbus. Such measures shall be required to be implemented as expeditiously as practicable (but not later than three years after approval of the plan). Such measures shall include adequate monitoring and, not less frequently than twice during any 12-month period, inspection of such schoolbuses. Such measures shall apply to schoolbuses manufactured before the effective date of this part (buses in use) as well as to schoolbuses manufactured on or after such date.

"(b) The Secretary shall approve the plan submitted by the State under subsection (a) if such plan meets the requirements of subsection (a). Such plan shall be approved or disapproved in the same manner as plans approved or disapproved by the Administrator under section 110.

"(c) No schoolbus may be registered, or otherwise authorized to operate, by a State after the date 31 months after the date of enactment of this section unless such bus is in compliance with a plan approved under this section. The Secretary may commence a civil action for appropriate relief, including a permanent or temporary injunction whenever any person fails to comply with this subsection. Any action under this subsection may be brought in the appropriate district court of the United States, and such court shall have jurisdiction to restrain such violation and to require compliance.

"DEFINITIONS

"SEC. 243. For purposes of this part, the term—

"(1) 'person' has the meaning provided by section 302(e);

"(2) 'passenger' includes the driver of a schoolbus;

"(3) 'bus' means any passenger motor vehicle which is designed to carry more than 10 passengers in addition to the driver.

"(4) 'schoolbus' means a bus which the Secretary of Transportation determines is likely to be significantly used for the purpose of transporting primary, preprimary, or secondary school students to or from such schools or events related to such schools;

"(5) 'motor vehicle' means any self-propelled vehicle designed for transporting persons on a street or highway; and

"(6) 'sustained-use motor vehicle' means any diesel or gasoline fueled motor vehicle (whether light or heavy duty) which, as determined by the Administrator (in conjunction with the Secretary), is normally used and occupied for a sustained, continuous, or extensive period of time, including, but not limited to, taxicabs, and police vehicles.

"STATE LAW

"SEC. 244. Nothing in this part shall preclude or deny any State or political subdivision thereof the right to adopt or enforce any requirement applicable to the presence of carbon monoxide in the passenger areas of schoolbuses except that if any such requirement is in effect pursuant to this part no such State or political subdivision may adopt or enforce any such requirement which is less stringent than the requirement in effect pursuant to this part.".

(b) Each State shall adopt and submit a plan for the purpose of meeting the requirements of section 242 of the Clean Air Act not later than 27 months after enactment of this section. Not later than 4 months after submission of such plan, the Secretary of Transportation shall approve such plan or disapprove such plan.

Amend the table of contents on page 153 to insert the following item after the item relating to section 219:

"Sec. 220. Carbon monoxide standards for schoolbus passenger areas."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of August 5, 1976, page 25829:

H.R. 14791. July 21, 1976. Ways and Means. Amends the Internal Revenue Code to establish graduated corporate income tax rates. Increases the estate tax exemption and establishes a new rate schedule for the estate tax. Increases the gift tax exclusion and exemption and establishes a new gift tax rate. Provides special treatment for the sale of stock in a closely held corporation when sold to pay estate taxes. Redefines a subchapter S corporation. Allows tax credits for the hiring of new employees. Redefines section 1244 stock (small business stock, losses on which are treated as ordinary losses).

H.R. 14792. July 21, 1976. Banking, Currency and Housing. Declares that it shall be the policy of the United States to allow Americans to enter into contracts requiring payment in currencies of other nations, gold or gold coin.

H.R. 14793. July 21, 1976. Interstate and Foreign Commerce. Directs the Administrator of the Environmental Protection Agency to develop and promulgate criteria for identifying the characteristics of hazardous waste and to list particular hazardous wastes which shall be subject to the provisions of this Act. Prohibits the treatment, storage, or disposal of hazardous waste identified or listed by the Administrator unless a permit is issued pursuant to this Act.

Requires the Administrator, in consultation with the appropriate Federal and State agencies, to promulgate regulations establishing standards applicable to generators and transporters of hazardous waste, and to operators of hazardous waste treatment, storage, and disposal facilities.

H.R. 14794. July 21, 1976. Interstate and Foreign Commerce; Judiciary. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 to impose minimum penalties for specified opiate-related offenses. Amends the Federal Rules of Criminal Procedure to require a hearing to determine whether a term of imprisonment and parole eligibility is mandatory for an opiate-related offense.

Establishes considerations for judicial officers setting conditions for release of any person charged with an opiate-related offense. Makes proceeds of such offenses subject to forfeiture to the United States.

H.R. 14795. July 21, 1976. Judiciary; Rules; Standards of Official Conduct. Establishes, within the Department of Justice, the Office of Special Prosecutor, the Section on Government Crimes, and the Office of Professional Responsibility to investigate and prosecute violations of Federal law or standards of professional conduct by Federal employees and officials.

Establishes the Office of Congressional Legal Counsel as an office of Congress to represent Congress, either House of Congress, Members of Congress or Congressional employees in any court in the United States with respect to their constitutional authority.

Requires elected and appointed Federal officials, candidates for Federal office, and specified Federal military and civilian employees to file financial disclosure statements.

H.R. 14796. July 21, 1976. Banking, Currency and Housing. Amends the Federal Reserve Act to extend for five years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury.

H.R. 14797. July 21, 1976. Banking, Currency and Housing. Removes the requirement that the U.S. Treasury issue additional United States notes to replace United States notes which are retired.

H.R. 14798. July 21, 1976. Ways and Means. Amends the Internal Revenue Code to reduce the excise tax on beer for specified breweries.

H.R. 14799. July 21, 1976. Interior and Insular Affairs. Directs the Secretary of the Interior to perform a survey of the boundary between privately owned lands and national forest lands located within a specified section of Medicine Bow National Forest, Wyoming.

H.R. 14800. July 21, 1976. Interior and Insular Affairs. Permits any record owner of lands located within a specified area adjacent to Medicine Bow National Forest, Wyoming, who prior to 1976 either (1) constructed a valuable improvement on contiguous national forest land believed to be such owner's own or (2) purchased such land in good faith but subsequently discovered that valuable improvements on such land were located on national forest land, to purchase the national forest land occupied by such improvements.

H.R. 14801. July 21, 1976. Government Operations. Requires Members of Congress who but for an exemption conferred by Federal law would be required to pay State income tax to the State in which they reside for purposes of attending sessions of Congress to submit to such State a statement in lieu of a State income tax return indicating the amount of tax such Member would have been required to pay.

Authorizes the Secretary of the Treasury to pay to such State an amount equal to the amount of such unpaid tax indicated on such Member's statement and certified to the Secretary by the Governor or head of such State.

H.R. 14802. July 21, 1976. Post Office and Civil Service. Specifies the hourly overtime pay rate for employees of the Department of Agriculture, Animal and Plant Health Inspection Service, who occupy nonmanagerial positions at GS-14 or under. Excepts such personnel from limitation on premium pay.

H.R. 14803. July 21, 1976. House Administration. Establishes a flexible rate of interest for funds deposited with the Treasury of the United States as a permanent loan by the Board of Trustees of the National Gallery of Art.

H.R. 14804. July 21, 1976. Ways and Means. Interstate and Foreign Commerce. Amends the Old-Age, Survivors, and Disability Insurance and Medicare programs of the Social Security Act to specify the types of treatment, persons covered, and amount of coverage which will be provided with respect to treatment procedures and programs for end stage renal disease.

H.R. 14805. July 21, 1976. Interstate and Foreign Commerce. Amends the Medicaid program of the Social Security Act to direct the appointment of a "Special Auditor General for Medicaid Fraud and Abuse" within the Department of Health, Education, and Welfare.

States that any person convicted of fraud in connection with the receipt of Medicaid payments shall be ineligible for any such payments for two years from the date of conviction.

H.R. 14806. July 21, 1976. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 14807. July 21, 1976. Judiciary. Declares a certain individual eligible to receive veterans' educational assistance for a prescribed period.

H.R. 14808. July 22, 1976. Government Operations. Abolishes the Environmental Protection Agency and transfers its functions to the Departments of the Interior; Health, Education, and Welfare; and Transportation; and the Nuclear Regulatory Commission.

H.R. 14809. July 22, 1976. Veterans' Affairs. Provides that the fees payable to agents or attorneys who represent veterans is allowed in administrative or judicial proceed-be paid by the Administrator of Veterans' Affairs rather than deducted from amounts awarded under the claims.

H.R. 14810. July 22, 1976. Ways and Means. Amends the program of Old Age, Survivors, and Disability Insurance of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under that program or under the Medicare program of such Act, in cases where the claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare rather than deducted from the amounts awarded claimants.

H.R. 14811. July 22, 1976. Ways and Means. Amends the Internal Revenue Code to allow a tax deduction in an amount not to exceed $1,000 for amounts paid by the taxpayer to an eligible educational institution for tuition for the attendance of the taxpayer or any eligible dependent.

H.R. 14812. July 22, 1976. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax an amount equal to the qualified land conservation expenditures paid or incurred by the taxpayer.

H.R. 14813. July 22, 1976. Education and Labor; Judiciary. Amends the Walsh-Healey Act to permit employment not in excess of ten hours per day and not in excess of four days per week by employees of contractors of the Federal Government whose contracts exceed $10,000.

H.R. 14814. July 22, 1976. Judiciary. Makes it a crime to willfully injure or attempt to injure broadcasters and newspaper or periodical reporters for reasons connected with their work. Directs the Federal Bureau of Investigation to investigate violations of this act.

H.R. 14815. July 22, 1976. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax specified higher education expenses, including tuition and fees, paid or incurred by an individual during the taxable year for himself and for any dependent.

H.R. 14816. July 22, 1976. Post Office and Civil Service. Eliminates the one percent increase which is added to cost of living adjustments of Federal civil service annuities. Includes in the first annuity payment after such an adjustment an additional amount to compensate annuitants for increases in the price index for the three months immediately preceding the adjustment.

H.R. 14817. July 22, 1976. Ways and Means. Amends the Internal Revenue Code to establish graduated corporate income tax rates. Increases the estate tax exemption and establishes a new rate schedule for the estate tax. Increases the gift tax exclusion and exemption and establishes a new gift tax rate. Provides special treatment for the sale of stock in a closely held corporation when sold to pay estate taxes. Redefines a subchapter S corporation. Allows tax credits for the hiring of new employees. Redefines section 1244 stock (small business stock, losses on which are treated as ordinary losses).

H.R. 14818. July 22, 1976. Education and Labor. Authorizes the Commissioner of Education to award scholarships for undergraduate study at eligible institutions to dependents of public safety officers killed while engaging in the performance of their official duties.

H.R. 14819. July 22, 1976. International Relations. Directs the Secretary of Commerce to establish a program to gather information on the investments, sales, employment, research funds, and branch and affiliate location of multinational business enterprises whose aggregate assets exced $50,000,000. Requires that such information cover the two years preceding the date of submission.

H.R. 14820. July 22, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

EXTENSIONS OF REMARKS

GREECE PROPOSED AS PERMANENT SITE OF OLYMPIC GAMES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. DERWINSKI. Mr. Speaker, the example set by the Canadian Government creates necessary concern over the political games that the Soviet Union will play as host to the 1980 Olympics.

I remind the Members that the Prime Minister of Greece, Mr. Constantine Karamanlis, has proposed to the International Olympic Committee that Greece become the permanent seat of the Olympic Games. This would be consistent with the history of the Olympics, and as host, the Greeks would not permit the Olympics to become victim of a series of political power plays.

The Greek Star, voice of the Chicago Hellenic community, in a front-page editorial on August 5, addresses this subject:

KARAMANLIS MESSAGE TO LORD KILLANIN—GREECE PROPOSED AS PERMANENT SITE OF OLYMPIC GAMES

NOTE.—*With the close of the 21st Olympiad in Montreal, the Prime Minister of Greece, Mr. Constantine Karamanlis, has proposed that Greece become the permanent seat of the Olympic Games. This proposal does not, of course, affect any decisions already taken by the International Olympic Committee. In a letter delivered on the 31st of July, 1976, to Lord Killanin, President of the International Olympic Committee, Prime Minister Karamanlis writes:*

Lord Killanin
President, International Olympic Committee

Greece always follows the Olympic Games with lively interest and appreciates your efforts in safeguarding and developing the Olympic ideal. This ideal, born in this country 2500 years ago, has acquired, thanks to the constant efforts of the International Olympic Committee, the universal response and extent that befits it.

However, recent events before and at the outset of the current Olympic Games have revived older anxieties and created new sad thoughts. These events, which led to the cancellation of the participation of certain countries, have convinced us that acute political, and even racial, antagonisms have crept into the purely idealistic ream of the games and threaten to divert attention from noble competition to propaganda and disputes regarding national and other viewpoints.

It is evident that such deviations, irrespective of the justification of the disputes, are contrary to the Olympic Spirit and to its lofty standards. And if these attacks are intensified from one four-year period to the other as unfortunately it appears likely then the institution of the games will, sooner or later, receive the fatal blow.

On the other hand, experience has shown that other sad side-effects have made their appearance with ever-increasing intensity and threaten to adulterate the Olympic ideal; the conduct of the games contains more and more "para-athletic" (if not genuinely "anti-athletic") manifestations. The pure Olympic ceremonies are gradually being substituted by vain ostentations and advertising techniques that inevitably are tied with financial interests. The expenditures required tend to become colossal and, as these cannot be covered in advance, they have become prohibitive for smaller countries which have given up the ambition of organizing the games on their territory. The glorification of championship is rousing chauvinist feelings which the Olympic spirit specifically seeks to quell. And above all, not only is there no truce proclaimed in the course of the games as was the case when these were held in Ancient Olympia—but, on the contrary, the conflicts and disputes between nations appear sharper.

These conclusions, which are not only mine, neither do they spring solely from the special sensitivity of the Greek people towards the Olympic ideal, have led me to the decision to propose to you that Greece be designated as permanent seat for the holding of the Olympic games.

The revival of the Olympic Games in their ancient cradle (where the modern games were also inaugurated in 1896) will not merely be symbolical. It will enable the institution to rid itself of all those false elements that have gradually accumulated and threaten it with decay. In particular, the strict and pure athletic spirit the moving concept of the games for the games sake will be restored. Any kind of political or national antagonism as also any extra-athletic exploitation of sportsmanship, will be excluded. And if enforced truce is established as a prerequisite for participation in the Olympic Games, the Olympic ideal will be restored to its supreme, universal pedestal where its ancient creators had placed it and will assume the peaceful mission assigned to it for the benefit of all mankind.

Greece not only lends itself, from a historic and physical point of view, for the realization of such a decision that would give a new dimension and prestige to the Olympic ideal, but would strive with enthusiasm, under your guidance, for its full success. And I am certain that many countries will subscribe to this proposal which, I underline, is inspired by faith in the universal value of the Olympic ideal.

C. KARAMANLIS.

CONSERVATION AND THE FEA EXTENSION BILL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. DINGELL. Mr. Speaker, I should like to bring to the attention of my colleagues a timely editorial from the Friday, August 6 edition of the New York Times.

We have only lately begun to understand that we could best reduce our dependence on imported fuels through efficient energy conservation. Not only does conservation create a healthier environment, but it also preserves scarce resources for future generations. But, while we have been spending many Federal dollars on programs to increase supplies, there has been scant evidence of a comparable commitment to reduce unnecessary demand. Fortunately, this Congress has begun to reverse the trend.

The conference report on H.R. 12169, the FEA extension bill, will be up for floor consideration this week. The conference substitute provides for a wide range of energy conservation measures designed to take advantage of available, but currently untapped, opportunities for reducing the Nation's dependence on foreign energy sources by improving the efficiency with which we use our own energy.

It is high time for us to place such an emphasis on reducing wasteful consumption without detracting from continuing efforts to maximize domestic energy production.

With the coming floor debate on this important conference agreement in mind, I present the text of the Times editorial for your consideration:

ACTING ON ENERGY

Congress has now brought to the verge of enactment a set of far-reaching energy conservation measures, providing tangible financial inducements for householders and businessmen who take positive steps to save energy.

To the surprise of some energy planners in the executive branch, who theoretically support the bulk of the program, a House-Senate conference approved the conservation measures largely intact last Friday, as part of an Administration bill to prolong the life of the Federal Energy Administration. The final legislative hurdle is to be faced within the coming week when both houses have to vote on the conference report.

Energy conservation is a complex and poorly understood process, involving many small and often seemingly insignificant steps, and clashing directly—for all their lip service to the contrary—with the natural tendencies of powerful vested interests. The present bill falls far short of a comprehensive blueprint for achieving the savings that are possible by more efficient use of energy. But it represents a significant approach to conservation in commercial establishments and residential housing, a sector which consumes 29 percent of all energy in the United States.

Rebates and loan guarantees are authorized for individual initiatives to retrofit existing structures—insulation, installation of efficient heating and cooling equipment and such—and low income families could receive direct grants up to a total of $200 million for weatherizing their homes. Loan guararantees would also be authorized for larger businesses and non-profit institutions embarked on capital improvements for energy conservation. A series of related tax incentives cleared the Senate Tuesday in a separate but complementary action.

A breakthrough of principle was achieved in the mandating of energy-efficiency standards for all new construction, though as a sop to the building industry there is a further opportunuity for Congress to veto the enforcement of these national standards once they are drawn up.

The Federal Energy Administration has estimated that a variety of conservation steps, including those in the present bill, could cut in half the rate of growth of energy demand in the household and commercial sector over the decade immediately ahead. And, as the Energy Research and Development Administration argued, "in many instances, it will cost less to save a barrel of oil (for instance, through more energy-efficient home heating) than it will to develop a new barrel of supply."

Advocates of energy conservation, which include almost every expert on the subject outside the boardrooms of the oil industry, have a more complicated message—and far less political clout—than corporations whose natural interest is to produce, and sell, ever more oil. Perhaps this is why, rhetoric aside, meaningful conservation measures have such a slippery path through the political thicket, particularly in an election year.

In this legislation, both the Democratic Congress and the Republican Administration can take satisfaction in their efforts to start cutting out the waste in the use of this country's dwindling energy supplies.

RECOGNITION OF VOLUNTEER WORK BY EMPLOYERS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. HAWKINS. Mr. Speaker, it is with pleasure that I submit the following resolution endorsing the movement among many employers to include space on job applications where prospective employees might list volunteer work.

Many citizens have gained valuable experience through such work which they are unable to communicate to an employer on standard applications. Some people who are limited to low-level jobs because of a lack of education may have gained valuable expertise through nonpaid positions with public or private volunteer organizations. Such experience, if solicited by a job application form, might enable them to improve their job and economic status. Additionally, in encouraging this trend, we are recognizing the value of the service rendered by unpaid volunteers.

The resolution follows:

CONCURRENT RESOLUTION

Expressing the sense of the Congress that experience in volunteer work should be taken into account by public and private employers in the consideration of applicants for employment

Whereas individuals engaged in volunteer work are estimated to provide more than $68,000,000,000 in services to the people and communities of the United States each year, in addition to services provided in foreign countries through the activities of the Peace Corps and similar efforts;

Whereas volunteer work provides opportunities to every citizen for personal growth, career exploration, and civic contribution;

Whereas the Federal Government, State and local governments, and charitable and service organizations increasingly recognize the value of individuals engaged in volunteer work in connection with the development and operation of programs to meet the needs of American citizens;

Whereas the number of individuals engaging in volunteer work and the variety of services provided through volunteer work increase each year; and

Whereas the United States Civil Service Commission, together with a limited number of State and local governments, charitable and service organizations, and private employers, has provided for a listing and description of relevant volunteer work on employment application forms: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that experience in volunteer work should be taken into account by the Federal Government, State and local governments, charitable and service organizations, and private employers in the consideration of applicants for employment, and that provision should be made for a listing and description of volunteer work on employment application forms.

WHERE IS THE NEWS?

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. WOLFF. Mr. Speaker, today I wish to submit a newspaper column for the Record which speaks eloquently of the frustration felt by many American citizens who have tried to gain a hearing in our country for the troubled people of Northern Ireland. This particular column, by Mr. Andrew M. Greeley, in the New York Daily News, concerns allegations of brutality against two American citizens abroad. Both of our citizens were in Ireland. No word of their plight, no investigation of the truth of their stories, appeared in the American press at the time.

It is not my place to judge how or why this could happen, if it happened as Mr. Greeley reports.

But, Mr. Speaker, I can speak from firsthand experience at how censorship on matters pertaining to Northern Ireland is being carried out to this day. As I have noted in the past, the promise made to me that my Subcommittee on Future Foreign Policy would be allowed to hold hearings on civil rights in Northern Ireland has been consistently postponed. Preserving the image of Britain seems to be more important than shedding light on the truth, and that this will somehow help Britain solve her problems in Northern Ireland.

If we in this country have learned nothing else in the past few years of Vietnam and Watergate, it is that only those who violate their own standards of ethics, and only those who violate the laws of nations and those of mankind need fear the truth.

Like Vietnam in the American consciousness, the tragedy that is Northern Ireland will linger on until the truth is heard—the truth on all sides, minority and majority, Catholic and Protestant, Britain, Northern Ireland and Republic of Ireland. It does not do any good to anyone to pretend that the "Irish question" is merely an unpleasant aspect of British domestic affairs which is not suitable for a congressional hearing, or for the American press, for if we inquire into human rights elsewhere it is our duty to inquire from our allies as well.

Thank you, Mr. Speaker. I now submit for the Record Mr. Greeley's column:

What Happens to the News About Ireland?

(By Andrew M. Greeley)

Let me tell you about two things that happened not so long ago in a country under an oppressive military rule.

An American scholar (of Jewish background) was doing research among the oppressed. She was arrested, held in jail without charge, tortured and then released after several months. The American government did not intervene on her behalf and has not protested to the government whose troops were responsible. Nor has there been any effort to tell her story in the American press.

A mother of three children, still in her early 20s, was stopped at a military checkpoint and, without provocation, beaten bloody and unconscious by soldiers. She was dragged off to prison and would have bled to death if a kindly guard had not given her medical assistance. After several days she was released without apology and without explanation. Again no protests from the American government, even though the girl was an American citizen visiting her family.

What was the country you say? Chile, Cuba, Cambodia, Lebanon, Uganda? No, none of these; it was Ireland and the military guilty of both these atrocities were British soldiers.

You didn't read either of those stories in an American newspaper because none of the American papers carried them. There were no protests from any of the American groups who are so worried about torture and imprisonment around the world—but, then, such groups never protested what went on at the infamous Long Kesh concentration camp. Probably they never heard of it.

I mentioned these two incidents to the foreign editor of a major American paper. Are they news, I asked him? They are front page news, he told me; but the wire services never carried them, and no American editor ever heard of them. He didn't know why; and I'm not sure I do either. The last trace of vicious colonial oppression on the European continent, and military brutality and torture in one of the NATO countries; yet not a word about it in any American papers. It almost has to be a conspiracy.

But I don't think there is an explicit conspiracy; rather the silence of the American media on the horror of northern Ireland is the result of something almost as bad as a conspiracy—inattention. By definition, Ireland is unimportant and, equally by definition, it is impossible for the English—nice, civilized people—to commit atrocities of torture and brutality (even though their own press has vigorously exposed such things).

Besides, who is interested in Ireland? Rhodesia, Chile, Israel, Kenya—those are important countries and ones to which the press associations send correspondents, as do even some of the great national newspapers and journals. Who can spare a reporter for Belfast? Oh, maybe one stops in occasionally and has a drink in the bar where all the local newsmen hang out and then files a dispatch repeating the cliches about senseless religious conflict and birth control in the Republic of Ireland. But no one thinks that serious investigative reporting of British colonialism in Ireland is worth the effort.

Those who are concerned about Ulster (without necessarily supporting the IRA) have been told that it's our job to bring the issue to the attention of the American people the way, for example, American Jews have brought the issues of Israel to the attention of the public. But such advice makes the concerned Irish-American furious. They have been trying with all their might and no one in the media seems to be interested in listening. Is there a deep and subtle prejudice at work, however unconscious it may be? You bet your sweet life there is.

GOVERNMENT BUILDING COSTLY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. COLLINS of Texas. Mr. Speaker, today is the time we should take positive action to stop concentrating the Government in Washington. The city is becoming overcrowded and too expensive for building.

Reading the newspaper this weekend, I was amazed to see what it costs for construction here in Washington. Over near the railroad station, we are building a Visitors' Center parking garage. In May 1973 when this was established, Congress allocated $18 million. The plan was to build 1,800 parking spaces. The June 1976 figures are in, and they estimate the cost now at $40 million, with only 920 parking spaces. As you can see, we are spending twice as much, and only getting half as much in return which is about four times the cost to provide a parking space.

I have had all of this overrun in costs that I can see Congress justifying. We constantly hear about the Metro running far beyond any cost estimate. Costs in Washington have become so prohibitive, that the newspaper commented that it cost more for this construction which was $62 a square foot than it would to build most quality office buildings.

A decentralization program would improve immeasurably the efficiency and the control of our executive departments. For instance, the Interior Department could establish one division in Salt Lake City, and another division in Phoenix. We could have only the Secretary and his assistants in Washington. There is no advantage or need in having the administrative staffs in Washington. All that we in Congress see or contact is a handful of their liaison people. Let us decentralize and end this wasteful construction.

HARASSMENT FROM FEDERAL AGENCIES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. CLAY. Mr. Speaker, most Members of this distinguished body are quite aware of the harassment I have been subject to by Federal agencies in the last 2 years. For the benefit of those Members not aware, I am inserting a press release I recently issued.

Congressman William L. Clay accused the FBI, IRS, Justice Department, and the Globe-Democrat of colluding in a scheme to destroy his political career and and eventually to send him to jail. Clay said, "Not since Jimmy Hoffa was hounded and harassed by the Federal Government has an individual been so persecuted." He said Agents of government conniving with reporters of the St. Louis Globe-Democrat have predetermined that Bill Clay is guilty of criminal activity, therefore, he should go to jail." The Congressman stated, "The Federal Government attempted to frame him on a narcotics charge that completely fizzled; pursued vigorously an asinine accusation of campaign fund abuse only to be embarrassed; and attempted to illegally subpoena his records when no Grand Jury was investigating him."

"Now I find the FBI investigating me for criminal charges involving cheap allegations of filing fraudulent travel vouchers while the Justice Department has entered a silly suit on behalf of a law student to collect $180,000 in damages for official travel to my district, "said the Congressman. "During the five years in question the Federal Government paid me for sixty trips to St. Louis or a total of $15,321.00. But, I have provided proof to the FBI that during that five year period, I made 129 official trips to St. Louis at a cost of $24,654.00. Consequently, $9,351.00 was paid out of my personal income for official travel to St. Louis.

"The situation gets even worse when you note a grand jury in St. Louis with no obvious legal responsibility or jurisdiction is now investigating both my Congresesional travel and a former employee who has already been subjected to a 7 month grand jury investigation in Washington, D.C.," said the Congressman. "The only reason discernable for the St. Louis grand jury investigation is further harassment and intimidation. Apparently federal agencies feel a need to massage the ego of a publisher who seems to have a phobia about Bill Clay, "stated the representative.

Congressman Clay said, "I have done no wrong, committed no crime and will continue to fight those who conspire to destroy me with all the resources at my disposal."

IMPACT OF KISSINGER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. McDONALD. Mr. Speaker, in a statement in the Congressional Record of August 4, page 25736, "Cuba and the Panama Canal," I quoted the chapter on "Betraying Freedom in Latin America" of Gary Allan's recent book, "Kissinger: The Secret Side of the Secretary of State."

Another part of this book that is most impressive in its epilog entitled, "The Impact of Kissinger," in which its author summarizes the plan of our "shadow government" which would appear to bring about a surrender of U.S. sovereignty and to make the people of our country a part of some sort of world government which would benefit only the Communist part of our world.

Because of its timeliness, I quote the indicated epilogue as part of my remarks:

Epilogue: The Impact of Kissinger

The deteriorating world situation is one most people would rather not think about. Surely, somehow we will muddle through. Doesn't God watch over drunks, small children, and the United States of America? Our citizens have fretted about Communism for so long we are tired of fretting. The tragic Vietnam war drained our emotional reserves. Now most of us don't want to think about international affairs. Maybe detente will work. Maybe the Communists have lost their zeal and will settle for live-and-let-live coexistence with America. And maybe cows can fly.

Sure, we can dream. But dreaming is very dangerous while driving. We had better wake up before the national automobile goes careening off the road.

Let's look at what has happened during the eight years Kissinger has held the reins of power in Washington. We know that this protege of the Rockefeller family was carefully trained and coached by his oily benefactors for his position in the Nixon Administration. Remember that Nelson sent Henry off to Washington with a $50,000 "gift" in his wallet. Even if we dismiss the possibilities that Kissinger has been a double-agent, serving the Soviets since the end of World War II (and this is certainly a charge which merits thorough investigation), it is undeniable that Kissinger is a paid agent of the House of Rockefeller, and has been since his days at Harvard.

Moreover, it is beyond dispute that the chief goal of the Rockefeller family is the creation of what they call a "New World Order." This phrase is used over and over again by the Rockefellers and their agents and allies in the Shadow Government, including Henry A. Kissinger. Herr Henry can barely finish a paragraph, much less a whole speech, without using this key phrase two or three times.

The Rockefellers do not even bother denying that World Government is their goal. Nelson acknowledged as much in a book called The Future of Federalism, in which he boldly stated that national independence is outmoded and must be replaced by an international super-government. The book, first published in 1963, has been reissued since Rocky became Vice President. The Rockefellers do not need to keep their plans secret; they know that the mass media won't blow the whistle on them. When you own the refrees, you don't need to worry about the American public upsetting the game plan for a New World Order!

During his nearly eight years at the helm of American foreign policy, Kissinger has diligently pursued the Rockefeller plan for a Great Merger into a New World Order.

The master planners running the show know that Americans are not going to surrender their sovereignty—unless they feel there is simply no other alternative. In order to create the psychological atmosphere within America for acceptance of the New World Order, the Shadow Government has had to build the Soviet Union into a credible threat. Achieving this has taken bluff and bluster, and literally billions of dollars in aid and trade. But it has finally been accomplished. When Kissinger told Admiral Zumwalt that America is comparable to Athens, while the Soviet Union is Sparta, he was describing the position that he has labored to create! Once the machines of mass misinformation in the media convince enough Americans that this is indeed the case, the next step will be the argument that the best deal we as Athens can get is to merge in a world government with Sparta. And the trusting, guillible American public will reluctantly conclude that this must be true.

Kissinger has consistently promoted programs to build up the Soviet Union, by transferring critical technology to Russia and by making billions of dollars in loans and credits available to the Soviets. Once he had taken control of foreign policy, Henry the K could then hit freedom with a double-whammy. At the same time he was turning on the electricity to activate the Communist Frankenstein, he was turning off the current to the monster's victims. Or, to switch analogies in midstream, Henry has provided guns to the neighborhood hoodlums and then told the local merchants not to bother him with their new problems.

Most Americans still do not realize what Kissinger and his masters are arranging for them, or what they have already arranged for others. But when Vietnam was personally-giftwrapped for the Communists by our Nobel Peace Prize-winning Secretary of State, the non-Communists in Asia saw the Red handwriting on the wall. The fact that Henry was actually in Peking on the very day that the Nationalist Chinese—the staunchest anti-Communists in Asia, and our one-time allies—were kicked out of the United Nations, made the signals unmistakably clear. Japan, the Philippines, and other Asian nations, realizing the implications of their corner of the world being dominated by Maoland, began clamoring for the best deal they could get with the Communists. Free China is abandoned and stranded; the courageous people there are being left to turn slowly, slowly in the wind. With socialist Indian already a quasi-Soviet satellite, and the Suez Canal open to the Soviet fleet, the Indian Ocean is being turned into a Red lake. No opposition to Communist imperialism can be expected from that part of the world.

The ship of western civilization has been deliberately torpedoed in Africa, and is sinking now. Secretary of State Kissinger helped fire the crucial shot when he encouraged the fall of Portugal from the ranks of anti-Communist nations, thereby leaving the Portuguese territories in Africa ripe for plucking. Angola and Mozambique were swallowed almost at once. It is probable that Rhodesia will be the next to fall. And then beleaguered South Africa will be the only outpost against Communism on the continent, left without friends, without aid, and without hope; how long will it remain free?

The picture in Europe is hardly brighter. England is destitute and decadent, the victim of decades of socialism foisted upon it by limousine liberals and rule-or-ruin union leaders. In France, the Communists now have the country's second-largest political party and, through a coalition with other socialist parties, could come to power at any time. The same situation prevails in Italy. Thanks to our inept policies, the U.S. Navy is no longer welcome in Greece. As a result of the Soviet buildup and defaulting by U.S. policymakers, the Mediterranean is now thoroughly dominated by the Russian Navy.

What can one say about the Middle East? It is a riddle wrapped in a mystery inside an enigma. It is a pail of snakes and a bucket of worms. God knows how it will all end. But, one thing is certain: The Middle East is a time bomb ticking away, and the United States is arming *both* Israel and the Arabs with the world's most sophisticated weapons.

Henry Kissinger's Middle East peace plan calls for 200 Americans to staff three electronic warning stations located in the Sinai desert between the Arabs and Israelis. Could there be a better way to get us involved in a Mideast War? What happens if one side or the other attacks and kills those Americans? Or what if one side wipes out a town or a garrison on the other side—and the U.S. is blamed for not alerting the victims? Does it all sound too much like the Tonkin Gulf incident, which was used to ram through a House Resolution authorizing our involvement in Vietnam?

There is one continent where the Communists suffered defeats during the past eight years: South America. In both Brazil and Chile, openly Marxist rulers were tossed out and replaced by anti-Communists. You would think that America's leaders would be thankful; instead, Henry the K has criticized the new governments far more harshly than he did their Communist predecessors. And other countries, looking to see what the mighty colossus to the north will do next, are aware that Kissinger intends to legitimize the Castro regime and surrender control of our Panama Canal to Panamanian dictator Torrijos, a Communist puppet. Letting the Canal fall under anti-American domination will be the signal to other South American countries that they too had better scramble to get the best deal they can in the New World Order.

Take a look at the globe and you can see the kettle of fish Henry has prepared for us. The natural resources of the world and the sea lanes to transport them increasingly are controlled by the Communists. The implications of the Suez Canal, the Panama Canal, the Cape of Good Hope, the

Indian Ocean, and the Mediterranean Sea being closed to U.S. shipping are enormous. And, the Soviets are going for the jugular. When Argentina decides that Athens is capitulating to Sparta and elects to take sides with the apparent winner, the noose will be clinched.

Operating behind the cloak of *detente* the Soviets are expanding their spheres of interest and are devoting more and more of their resources to converting the technology *we* supply them into military goods and weapons. At the same time, more and more of our military budget is being spent on salaries and fancy padding, *not* weapons research and development.

In retrospect, it may turn out that the Vietnam War was the worst disaster ever to befall the United States. The war could have been won—or lost—very quickly. Even if we had decided to toss in the towel in Vietnam, as the French did before us, the United States still could have survived. But, to fight a war for twelve years—pulling our punches all of the time—and *then* to walk away, letting the Communists overrun the country, is unquestionably the worst of all possible worlds.

Look at what the "no-win" Vietnam war did to America. First, it badly dislocated our economy, triggering a wave of inflation with far-reaching consequences that are still hurting us. More important, the Vietnam War gave birth to and nurtured the "new morality" and the hippy subculture. It led millions of young people to hate and despise their country. In the long run, the drug-and-dropout culture spawned by the Vietnam War may prove more damaging to the United States than an atom bomb attack.

Moreover, the war discredited, discouraged, and demoralized our military in a way that no defeat on the battlefield ever could. The ultimate casualty, however, may have been America's conscience and spirit. Our will to resist Communism may have been buried beneath the frustration of the Vietnam war, while our dedication to the cause of freedom is mesmerized by Kissinger's siren song of *detente*.

At least this is what Henry Kissinger and his masters in the Shadow Government hope has happened. If America has lost the will to resist, then our collapse—and the triumph of Kissinger's New World Order—are inevitable.

To hasten the day when "Athens" is so weak and "Sparta" so strong that resistance is impossible, Henry the K has given the Communists the green light everywhere in the world. And their progress during the past eight years is nothing short of phenomenal. Yet thanks to the cloak of silence that is maintained around Communist advances by the mass media, their gains have passed virtually unnoticed by the majority of Americans.

It is not enough that Henry Kissinger be retired as Secretary of State, and allowed to retreat to some Ivy League citadel of illogic. Daily he becomes more controversial . . . but for all of the wrong reasons. Yes, he is arrogant. He is deceptive. He is an egomaniac. He is all the things that his political critics say he is. He will probably be gone by January 1977, as the Shadow Government offers up his departure to quiet the populace. But, the Insiders will move heaven and earth to perpetuate his policies.

Getting rid of Kissinger is important, yes. But if he is replaced by just another Rockefeller front man, the gesture will be meaningless. In order to survive, America must repudiate Kissinger's policies and restore its determination to remain free and independent. This means shutting off the transfer of money and technology to our avowed enemies, re-establishing our defensive capabilities, and encouraging other nations in the non-Communist world to defend themselves.

Under the present game plan there is no reason for the Communists to abandon their goals. Why should they, when they are winniig? But Communitm, for all its success (mostly sponsord by "our" government), is very fragile. Its economy is not self-sufficient and its satellites are not loyal. If we stopped rescuing Communism from its failures and propping up its slave system, the Soviet Union would have to practice *genuine* peaceful coexistence. It would have to stop its efforts to conquer others, and turn inward to solve its own problems or face some nasty revolts.

The road to true peace with freedom does not lie in disarmament and *detente,* but in strength and resolve. The United States stayed on that road during the Seventeenth and Eighteenth Centuries, and our policies made us the hope and envy of the world. It is not too late to switch paths; it is not too late to tell Henry Kissinger and his masters and mentors in the Shadow Government that we want no part of their New World Order.

But we must start now. And the order to change directions must come from *you.*

CONGRESSMAN PATTISON DISCUSSES OUR CITIES' FISCAL PROBLEMS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. DRINAN. Mr. Speaker, we are all aware of the severe financial crisis in New York City. The problems which plague New York, however, are not unique; in smaller but not less threatening dimensions, the same fundamental problems beset many of our Nation's large cities. We in the Congress must go beyond the specific and immediate problems of New York and recognize that the sources of that city's difficulties are also present in other urban centers. Unless the Federal Government addresses forthrightly the economic crisis in our cities, other cities will follow New York into conditions of near financial collapse. The enormous human and economic costs of the present crisis in New York clearly call for positive Federal action to prevent the recurrence of such a situation.

Congressman Edward W. Pattison, Democrat of New York, not himself a resident of an urban area, presented a cogent analysis of what he termed the Federal policy of "malign neglect" toward our Nation's cities in an article published in the August 8 Washington Star. Representative Pattison traced the fundamental causes of the economic crisis in our Nation's cities and described how the Federal Government systematically exacerbates, rather than alleviates, these difficulties.

Representative Pattison concluded his analysis with a call for the development of a comprehensive Federal urban policy. In order to facilitate the formulation of such a policy, Representative Pattison has introduced House Resolution 959, to establish a Select Committee on the Fiscal Problems of the Cities. This committee would be responsible for studying and developing policies to alleviate urban problems such as declining employment opportunities, the high cost of public services, rising crime rates, declining tax base, and the lack of new investment in housing. I have joined 57 Members of Congress in cosponsoring this resolution, which has also been endorsed by the U.S. Conference of Mayors.

I commend to the attention of my colleagues Mr. Pattison's article, which follows:

[From the Washington Star, Aug. 8, 1976]

A Small-Town Voice Speaks Against Policies Which Starve the Cities

(By Edward W. Pattison)

I'm not crazy about big cities. I live in a small town, and I represent a predominantly rural area. But I'm tired of being a silent witness to the slow death of America's metropolitan areas. I think it time the federal government stopped promoting the ruin of our cities.

This country has never developed an overall, planned urban policy. But that is not to say we have no federal policy at all with regard to our cities. We have a de facto policy that is destroying them financially.

The primary ingredient in this policy is malign neglect. The cases of the current fiscal crisis in cities are well known: declining tax base, increasing unemployment, rising crime rates, growing cost of public services. And it is generally agreed that while these problems are not unique to cities, they are concentrated there.

But there has been no serious effort to face these problems. On the contrary, the usual reaction of late has been to castigate municipal leaders for their financial sins: for not balancing their budgets or providing adequate social services.

Further, most discussion of the crisis has emphasized "mismanagement" or "waste," not the real and complicated problems cities face. There are contributing factors, and need to be stopped. But ineptitude is no more prevalent in municipal government than it is in federal government. Mismanagement and waste have not caused our urban fiscal problems any more than they have caused a large federal deficit or high unemployment. The real causes are much deeper.

As an example, look at part of one urban problem: increasing outmigration. Between 1970 and 1974, the five largest cities in America lost population. So did 70 per cent of our cities over one million. This exodus was sweetened by lower suburban tax rates, along with sizable federal subsidies in such areas as housing and transportation.

Most of these migrants are those who can afford to move: younger, better educated, more affluent people. As a result, the cities are left with an increasing percentage of poor, minority group, and aged residents. These are the people who provide the least amount of revenue and require the most in public services.

This strain is compounded by the fact that the costs of maintaining public services in declining metropolitan areas is greater per capita than in growing areas. An Urban Institute study of cities over 500,000 showed that in 1972–73 the 13 growing cities averaged $162 per capita for common local services, while the 14 declining cities average $258. (New York City, which had its own category, spent $363 per capita.) While pointing to contributing factors, such as larger work forces and the greater need for some services, the study concluded that "it is difficult to find causes for the higher outlays."

It is even more difficult to try to solve the problem. Confronted with this situation, cities have few choices. They can raise taxes, lay off personnel, cut services, or delay improvements. Last year, taxes at the state and local levels increased $3.6 billion, and services were cut by $3.3 billion. Another $1 billion of construction projects were deayed or cancelled.

But despite the savings, these actions help put cities right back into the cycle of decline. They drive out more of the middle class, and go directly against federal efforts to improve the economy by increased employment and lower taxes. And when Congress passed a bill to provide special countercyclical aid to offset this trend, the President vetoed it.

The one federal attempt to deal with these financial burdens has been general revenue sharing. This was initiated in 1972 as a way of putting money where it was needed most: in the hands of local officials. They could then decide how to spend it. But this has failed to make a significant difference to large cities.

For one thing, the funds are spread too thinly. Everybody gets some, from the most affluent suburb to the worst ghetto. For another, the two essential elements of the distribution formula—per capita income and tax effort—discriminate against urban areas.

In large cities, per capita income is a poor measure of prosperity. Cities have higher living costs than surrounding suburbs, and most people who live in cities by choice have incomes that are above average. At the other end are the poor, whose per capita income is skewed because they inhabit the same metropolis with many well-heeled neighbors.

In the 1970 census report on per capita income of the 50 states and the District of Columbia, the District ranked first by a considerable margin. Yet D.C. had a higher percentage of families earning less than $5,000 annually than the mainly rural states of Vermont and Utah, which ranked 36th and 40th respectively in per capita income. And this is a primary factor in distribution.

The other element, tax effort, is based on the ratio of individual taxes to personal income. This also hurts urban areas, since it takes into account all income, including welfare. But only income above this level can make a significant contribution to a city's capacity to raise taxes.

Earlier this year, the Congress voted for an extension of revenue sharing. There were amendments that would have given additional aid to metropolitan areas. But political reality is such that proposals to reduce grants for one area and increase grants for another had little chance for approval, especially in an election year. So the formula remained basically the same.

I'm not suggesting that we turn financially troubled big cities into spoiled children and give them all the money they need. But I am suggesting that we start doing something about the problem, instead of just describing it.

As time passes, our options with regard to the cities become fewer. We still have time to try to agree on some objectives: what we would like our cities to become, and how we might reach our goals. We can develop a comprehensive urban program with specific policies that can be examined, debated, and implemented. And, with a little luck, we might preserve some big cities.

We can also continue to ignore the problem—for the time being. But New York City has given us a look at the future; a chance to see what we are up against. We should at least acknowledge what will result from our inaction. We'll be the ones who pay for it.

SEAN KEATING TRIBUTE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. WOLFF. Mr. Speaker, I was saddened to hear of the death of a dear friend, Sean Keating, former Regional Director of the U.S. Post Office in New York and a prominent leader in Irish affairs, on July 2, in his home town of Kanturk, County Cork. He was 73 years old.

Mr. Keating came to the United States as a young man, after having become disappointed and frustrated as a Freedom Fighter in his homeland. He soon became successful in the lithography business. He was stunned by the massacre of 6 million Jews, and in 1948 he worked to get funds to arm the Irgun Zvai Leume in Jewish Palestine.

In 1950, Keating joined the revived League for an Undivided Ireland, and working for them he learned much about American politics. He also helped create the Irish Institute which has continued to contribute money to the Arts in Ireland. He was a leader in raising money to establish the Kennedy Memorial Park in Wexford.

Sean Keating achieved much success in American politics. He was appointed to the board of standards and appeals, and later to the post of commissioner of licenses by Mayor William O'Dwyer, and he remained in the latter position during the tenure of Mayor Impellitteri. Mayor Wagner appointed him to a position in his administration, putting him in charge of managerial appointments.

Mr. Keating's biggest achievement was receiving his appointment from President Kennedy to be Regional Director of the U.S. Post Office for New York. His first private directive, delivered to Keating by special messenger from the President, was to see that blacks were given fair treatment in promotions. He retired from this post at the end of the Democratic administration and returned to his home in Kanturk.

Sean Keating will long be remembered by those who knew him for his leadership, his devotion and his kindness. He worked hard for the benefit of the Irish, indeed for the benefit of all people; and he proudly served his homeland as well as the United States. I am proud to pay tribute to this fine man.

EXPLANATION ON ROLLCALLS

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. VANDER VEEN. Mr. Speaker, due to responsibilities in my district I was not able to be present to vote on matters before the Congress on Monday, August 2; Tuesday, August 3, and a part of Wednesday, August 4, 1976. Had I been present I would have voted as follows:

Rollcall No. 579, recorded quorum, "yes."

Rollcall No. 580, recorded quorum, "yes."

Rollcall No. 581, H.R. 12882, "yes.".

Rollcall No. 582, H.R. 10546, "yes."

Rollcall No. 583, H.R. 14566, "yes."

Rollcall No. 584, H.R. 14360, "yes."

Rollcall No. 585, H.R. 13489, "yes."

Rollcall No. 586, H.R. 14580, "yes."

Rollcall No. 587, H.R. 3605, "yes."

Rollcall No. 588, H.R. 14469, "yes."

Rollcall No. 589, H.R. 13676, "yes."

Rollcall No. 590, recorded quorum, "yes."

Rollcall 591, H.R. 14234, conference report, "yes."

Rollcall No. 592, recorded quorum, "yes."

Rollcall No. 593, H.R. 14234, amendment to H.R. 14234, "yes."

Rollcall No. 594, H.R. 11909, appropriations for Indian Claims Commission, "yes."

Rollcall No. 595, recorded quorum, "yes."

Rollcall No. 596, amendment to strike certain sections of H.R. 11909, "yes."

Rollcall No. 597, approval of Senate version (S. 2981) in lieu of H.R. 11909, "yes."

Rollcall No. 598, H.R. 12944, extension of Federal Insecticide, Fungicide, and Rodenticide Act, "yes."

Rollcall No. 599, recorded quorum, "yes."

Rollcall No. 600, Bingham amendment to H.R. 8401, Nuclear Fuel Assurance Act, "yes."

Rollcall No. 601, H.R. 8401, "no."

A NECESSARY GAS HIKE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. DERWINSKI. Mr. Speaker, I feel that the Chicago Daily News editorial of July 29 is a sound commentary on the Federal Power Commission's decision on natural gas pricing.

Obviously, higher prices are never a source of joy to anyone, but the alternative is much worse. Unless we develop new sources of natural gas and other energy sources, we will be faced with severe shortages in future years.

The editorial follows:

A NECESSARY GAS HIKE

The impact of the Federal Power Commission's decision on natural gas looks a lot worse than it is for consumers. The FPC allowed natural gas producers nearly to triple the prices they can charge, socking consumers $1.5 billion more in the first year.

If that's all there were to the FPC's decision, there might be some justification for delaying the hike, as several outraged groups have successfully done in a court challenge.

But the FPC's decision is more complicated than that, involving three separate price levels for various kinds of natural gas. The near-tripling of natural gas applies only to a small portion of recently discovered gas sold interstate. That price was allowed to rise to $1.42 per 1,000 cubic feet from the old fixed price of 52 cents. Another small category of gas was allowed to sell at $1.04. But the gas that accounts for about 75 per cent of all interstate sales remains fixed at 29.5 cents, until existing supplier contracts run out. Then the price will rise to 52 cents.

The net effect of the three-stage price adjustment will be to raise the national average homeowner's bill about 5.5 per cent, or $15.60 a year. In the Chicago area, the impact is stronger, but still modest, ranging from $18 to $30 a year. These increases undoubtedly will pinch some consumers, but they are not the kind of budget-busting price hikes that can bankrupt a family.

More important than the modest impact on consumers is the positive impact on the nation's total energy supplies. U.S. natural gas reserves have been plunging for years, with existing wells sucked dry and curtailments to industrial consumers commonplace. Gas producers have submitted credible figures showing that exploration for new supplies sold at 52 cents per 1,000 cubic feet is a money-losing proposition. The higher price for "new" gas should provide the incentive needed to produce more gas.

Consumers, meanwhile, attracted by unreasonably low natural gas prices, have squandered supplies on inefficient uses, such as utility companies' use of gas to produce electricity. Homeowners had little incentive—at the old fixed rate—to conserve gas by insulating their homes. Simply put, it has been cheaper to turn up the gas than buy storm windows.

Even at the new higher price, however, natural gas is still a better buy for the same amount of energy than other fuels, like oil. The FPC has wisely provided for gradual price increases over several years in an attempt to ensure adequate supplies.

Implicit in the FPC's decision is the assumption that consumers would rather have natural gas at $1.42 per 1,000 cubic feet than no natural gas at 52 cents. And that is an assumption all consumers can agree with.

POSTCARD VOTER REGISTRATION A BOONDOGGLE

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. RAILSBACK. Mr. Speaker, in today's Chicago Tribune Jack Mabley wrote an article regarding Postcard Voter Registration. This article best summarizes my objection to the bill and the problems I foresee with this legislation. The article is as follows:

CARTER IDEA BOONDOGGLE?

One of Jimmy Carter's stupidest ideas is the first order of business on the House calendar in Washington Monday.

It is a proposed law for postcard voter registration for federal elections. Administratively it would add hundreds of millions to the cost of government, create new bureaucracies, and duplicate state functions.

Philosophically it is even worse. I have long opposed "Get Out the Vote" campaigns on the grounds that anybody who is too indolent or uninterested to vote doesn't deserve the privilege.

Good citizens fight for the right to vote. I find repellent the idea of some dummy's being led to the polls by a federal persuader and casting a vote that offsets the one of a conscientious citizen who has studied issues and the candidates. We should make it harder to vote, not easier.

If the opposite philosophy prevails, this is how the postcard registration system would operate:

The Postal Service would mail registration forms to every postal address in the nation at least once every two years. The forms would have to be returned to state offices at least 30 days before the federal election.

A new federal agency would be created to administer this new governmental activity. Dealing with 50 state agencies and 7,000 local agencies, it would probably start with a staff of 500 to 1,000 and multiply from that.

The bill calls for an appropriation of $50 million. Estimates of the actual cost range from $30 million to $500 million annually. Whatever the cost, more will be spent on postage alone than all the state government's combined spend now on registration, according to opponents of the bill.

The bill would create dual state and federal registration lists. Former Sen. Sam Ervin of North Carolina said it would "encourage and proliferate fraud." People in Washington we talked with said the feeling is that the bill would be a gold mine for vote fraud in Chicago.

The mail would go in government postage-free letters and cards. The Postal Service would bear the cost, and it would provide convenient leverage for that agency to raise the cost of a stamp to 15 or 17 cents.

The Democrats are pushing the bill as part of Carter's program. Big labor is lobbying for it. The U.S. Chamber of Commerce is opposing.

If Carter plans to reduce the cost of government, this is a funny way to start. And he wants to get every boob-nik in America to the voting booth on election day, his political philosophies need closer scrutiny.

Free enterprise: This is an appropriate time to quote Prof. Edward E. Edwards of Indiana University Graduate School of Business, writing in the MGIC Investment Corp. newsletter (via the Wall Street Journal):

"Two ideas . . . now pervade political and social thinking. One is the idea that government can solve all problems; the second is the idea that all of our problems must be solved right now.

"Housing offers a good illustration. Unless a newly married young couple can buy a well-designed, well-built, and well-located new house, the American dream is supposedy shattered.

"It is no longer sufficient that the housing stock is both increasing in size and improving in quality or that most of today's newly married couples are living in houses or apartments that their parents hardly even dreamed about when they first married. Free enterprise has failed, or so it is said, the government must take action.

"Wanting things done now, and trying to get them done by government or government regulation, slows economic growth and creates capital shortages by bringing inflation.

"Here we have a strange sort of paradox. People want the government to do something, and do it now, but they do not want to pay for it. That, rather than the strong desire for action now, may be the real reason for turning to government.

"Who wants to pay for something they can get for nothing? Or rather, who wants to pay for something that can be charged to someone else, for that's what happens when each minority group in a society can pressure the government to do something for it.

"The fact that other groups are doing the same thing, thus eventually spreading the cost, is a poor argument against any one group's giving up the game. So is the more important fact that eventually no one is left with any ability to pay."

OCEANSIDE BEACON

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. WYDLER. Mr. Speaker, one of the outstanding newspapers in my area is the South Shore Record, a weekly newspaper serving the Five Towns, Valley Stream, and Lynbrook communities of my fabulous Fifth Congressional District. Under the direction of its publisher, Florence B. Schwartzberg and its managing editor, Jeffrey Wexler, the South Shore Record has achieved outstanding excellence. It is a credit to the community it serves, in the best traditions of freedom of the press.

Recently, these two good friends of mine, Florrie and Jeff, purchased the Oceanside Beacon, which also serves many of my constituents, the fabulous Fifth District. Mr. Speaker, I rise to salute these two journalists on their new venture and to wish them all good success and support. The Beacon, founded in 1948, is a well known and well liked newspaper. With Florence Schwartzberg and Jeff Wexler as its new editors and publishers, I am sure its future will see growth and excellence in news coverage, advertising, and graphic design. It is with great pride that I share these views with you, knowing that for the fabulous Fifth District, there is indeed good news today.

ECONOMY—LITTLE AMMO FOR CARTER CAMPAIGN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. MICHEL. Mr. Speaker, at the conclusion of my remarks I will insert in the RECORD three articles which might shed some light on the reasons that the Democratic nominee for President has found it necessary to raise a strawman when he alleged last week that the Republicans will embark on a campaign of slander and vilification toward him and his running mate after our convention is concluded.

He apparently feels that he must take this tack because he will not have anything to talk about with respect to the economy. The article by Sylvia Porter which appeared in the August 1, 1976, edition of the Washington Star points out that billions of dollars of foreign money are pouring into the U.S. stock market, and a key point being that these foreigners are buying shares for investment and not for control, which can only be construed as a vote of confidence in the American economy.

A second article from the August 3, 1976, edition of the Washington Star, written by Mr. Lee Cohn, outlines the latest economic forecast released recently by the Congressional Budget Office, CBO, and specific attention should be called to the comment of the CBO Director who told a news conference that the kind of moderate policy changes that Mr. Carter is discussing "would not make a significant difference" in improving the economy's performance.

And finally both Mr. Carter and his running mate, as well as many other Democratic candidates, continually refer to the unemployment rate, but interestingly enough never seem to make mention that we are really not doing too badly in that regard when you consider the tremendous numbers of young people who have been looking for jobs and finding them as a result of the population boom which began in the late 1940's and extended into the 1950's.

An editorial in the August 2, 1976, edition of the Peoria Journal Star entitled "Two Booms at Once," makes the very valid point that if our economy was not as strong as it is and thus able to absorb so many thousands of new workers, the unemployment rate could be much more critical than it is today.

I include these articles at this point in the RECORD:

[From the Washington Star Aug. 3, 1976]

Hill Unit's Assessment of Economy Gives Carter Little Campaign Ammo

(By Lee M. Cohn)

Jimmy Carter will not find much ammunition for attacking the Ford administration's economic policies in the Congressional Budget Office's latest forecast.

While the Democratic presidential nominee is calling for stronger action to boost the economy, the CBO said yesterday that the economy now is on a course that will sustain expansion at least through next year, without inflation accelerating.

CBO Director Alice M. Rivlin told a news conference that moderate policy changes—the kind Carter is discussing—"would not make a significant difference" in improving the economy's performance.

She also observed that the CBOs economic forecast is in line with the administration's current predictions of continuing growth and gradually declining unemployment.

"Through the end of calendar 1977, we don't see this recovery stalling out," Rivlin said. Although economic growth will not be "extraordinarily vigorous," she said, it will be "sufficient to lower unemployment."

Carter's chief economic adviser, Lawrence R. Klein, predicted last week that growth will drop in 1978 below rates required to continue reducing unemployment. He urged a $10 billion to $15 billion package of tax cuts and federal spending increases, along with "easier" credit, to prevent the predicted economic slowdown.

Rivlin said the CBO forecast does not look as far ahead as 1978. It is possible, she said, that indicators of an impending slowdown may emerge next year, leading Congress to consider more "stimulative" measures.

If the economy performs as well as predicted this year and next, the CBO report said, "it may be possible to sustain the expansion for some time beyond 1977."

About the only ammunition Rivlin provided Carter was her observation that the Democratic Congress last year cut taxes deeper than President Ford advocated, and this year has set the budget deficit target higher than Ford recommended. She said the congressional initiatives have strengthened the economic upturn.

Ford claims credit for the strength of the recovery, contending that his conservative policies have bolstered confidence and have restrained inflationary programs in Congress. Administration officials deny that enlargement of the tax cuts by Congress made a significant difference in the economy's performance.

Carter and Klein have indicated that they favor larger expenditures and bigger tax cuts than Congress has set as targets for next fiscal year.

The CBO was established to provide Congress with nonpartisan analysis of economic and budget issues. It does not make recommendations, but lays out and analyzes possible options. Rivlin avoided commenting directly on campaign arguments.

The report issued yesterday, updating the CBO's economic forecast, is intended to guide Congress as it considers revising budget targets this fall. If the preliminary targets set last spring were correct, Rivlin said, current economic developments do not suggest any need to make policies either more stimulative or more restrictive.

Doubts expressed a year ago about the strength of the recovery from the recession have been dissipated, the CBO said, and now attention is shifting to the question of "whether recovery can be sustained over several years without periodic slowdowns and without rekindling inflation."

Answering affirmatively, at least for the next year and a half, the report said that "the most likely economic prospect is for continued improvement in output and employment and no substantial change in the rate of inflation."

It predicted only a slight slowdown in economic growth—as measured by total output of goods and services—from an average annual rate of 6.7 percent in the first five quarters of recovery to an annual rate of 5 to 6.5 percent in the second half of this year and 4.5 to 6.5 percent next year. This would represent a pickup from the 4.4 percent rate recorded in the April–June quarter.

The unemployment rate will drop from 7.5 percent of the labor force at last count in June to between 6.9 and 7.3 percent at the end of this year and 5.8 to 6.4 percent at the end of next year, the CBO predicted.

Consumer prices will rise at an annual rate of 5 to 6 percent in the second half of this year and 4.7 to 6.7 percent next year, the report said. It observed that these inflation rates would be about the same as the current underlying rate (excluding erratic movements) of 5 to 7 percent.

With the projected rates of growth, the CBO said, there is little danger that wide spread bottlenecks or shortages of goods will emerge to accelerate inflation before 1978 at the earliest.

The CBO based its economic forecast on the assumption that Congress will stick to the tentative budget targets established in May for fiscal 1977, the year starting Oct. 1, and that the money supply will grow at a pace near the high end of target ranges announced by the Federal Reserve.

[From the Peoria (Ill.) Journal Star, Aug. 2, 1976]

Two Booms at Once

(By C. L. Dancey)

It does not compromise the central issue of how and where "new jobs" should be provided in our society, but the political dialogue, as usual, is incredibly exaggerated and incredibly misleading about the American job performance.

In the late 1940's and early '50's, this country experienced its most explosive "baby boom," shooting up the population with a hitherto unknown high proportion of it in the small children category.

This meant in the 1960's that our population curve was extremely "fat" and in record numbers in the college-age draft-age share.

We actually had a draft pool of 12 million young men.

Crudely put, that also meant that in the '70's we then needed 12 million *more jobs* in this country, all at once, for that continuing wave of young adults.

Indeed, that extraordinary need for expansion is only half the story because in the changing nature of jobs and changing social mores, we not only need millions more job opportunities for young men, but even at a 50 per cent rate, another six million more jobs for women.

All this unprecedented bulge in that age bracket of our society and the demand for women's employment hit at the same time!

What we have seen, in spite of the highly visible automotive lay-offs that followed the gas shortage crisis, is not what most people seem to perceive and what so many speakers at the recent Democratic convention so emotionally and dramatically portrayed at all.

What we have really seen is a record expansion in job openings, in fact, in spite of "recession" and in spite of the strong, popular drives in environment, etc., and "higher standards" and "more controls" which have tended to discourage, delay and restrict expansion.

And in spite of "automation!" Indeed, much of the expansion could be related to automation, and its role in the steady "breeding" of whole new industries.

The one figure on which all the assumptions have been based is the high unemployment figure, which did raise by a couple of million.

What was overlooked was that this was a "short-fall" that took place in a "more jobs" economy simply because the "more people" wave was such a tidal wave that even the millions of new jobs couldn't quite handle the entire youth-woman upsurge.

What is not appreciated is that what has been accomplished in the face of that tidal wave of demand has been amazing and without precedent here or anywhere else.

And what is hazarded by not looking at the whole picture as it really is can be "programs" which kill off these spectacular "job breeding" activities in an attempt to provide "make-work" for government.

There is the very real risk that such "make-work" programs would cause us to fall far shorter than we did or will; that they would dry up the vitality of funding new and useful activities while providing dead-end and unproductive "jobs" instead; and that the cost of messing things up that way would be abusive to all taxpayers and all consumers.

[From the Washington Star, Aug. 1, 1976]

World's Money Is Pouring Into Wall Street

(By Sylvia Porter)

Billions of dollars of foreign money are now pouring into the U.S. stock markets from foreign investors all over the globe—creating a floor of buying under our equities markets which few among even the most knowledgeable of American analysts foresaw a mere couple of years ago.

The influx signals a faith among foreigners in the economic future of the U.S. that should startle the pessimists among ourselves.

From Paris and the Persian Gulf, from Great Britain and the United Arab Emirates, the funds have been and still are flowing into our stocks in record totals. And these purchases, mind you, are over and beyond the huge direct investments by foreign corporations in building U.S. factories or sharing in established U.S. enterprises.

The direct investments are an entirely separate story—a reflection of the fact that the U.S. has become a low-cost producer with a government far more politically stable than those in many other lands and with unions felt to be much more responsible in contract negotiations than unions in other nations.

In the sphere of listed stocks, foreign institutions are concentrating, for instance, on shares of General Motors instead of Citroen. Individuals who once traded primarily on the Paris Bourse are shifting to the New York Stock Exchange, increasing their ownership of U.S. stocks from less than one-quarter to a full half of their nest eggs. And this is not "hot money;" it's considered long-term investing, represents a stunning reversal in foreign appraisals of us.

Why?

One explanation is the strength of the U.S. economy relative to the economies of other western lands. We were the first major nation to start out of the severe 1973–75 slump and the only one to reveal signs of approaching recovery at the end of 1974. Sensing our renewed power, foreign investors decided to bet on our growth by investing in our stocks.

Another, emphasizes NYSE chief economist William C. Freund, is the great liquidity of our markets (the ease with which buyers and sellers can match orders without fear of precipitous price changes). In terms of value of stock traded, the NYSE is larger than all the stock markets in the Common Market combined.

A third reason is the enormous financial importance of the oil-rich nations of the Persian Gulf: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. These investors bought $1.4 billion in U.S. stocks in 1975 alone, more than any other single group of foreigners.

As documentation, foreign commitments in U.S. stocks fell to $540 million in 1974, an eight-year low. But in just December 1975–January 1976 (latest available official figures) foreign commitments reached $1.1 billion!

In 1975 alone, foreign purchases exceeded sales by a record $4.4 billion, breaking the previous record of $2.8 billion net purchases set in 1973.

As of yearend 1975, foreign investors owned an estimated $37.2 billion of our stocks, up from $24.7 billion at yearend 1974. Of these equity holdings, 75 percent were held by investors in five countries: Switzerland, Great Britain, Canada, the Netherlands and France. (Swiss institutions frequently buy on behalf of other investors, most notably Persian Gulf nations.)

Yet, the Treasury studies underline the fact that these foreigners are buying shares for investment, not control—just as you and I buy. In fact, foreigners owned only about 3.7 percent of the total value of U.S. stocks at yearend 1974.

And now the New York Stock Exchange is moving to knock down the barriers that curb capital flows across national boundaries by making it easier for foreign corporations to list their stocks on the Big Board in New York. The easier rules, just adopted, "will go a long way toward expanding the New York Stock Exchange from a primarily domestic market to a genuinely international market," says Freund.

The result will be that Americans will find it simpler to invest in foreign corporations and foreign firms will find it easier to raise capital here. And this new step toward freer international money markets will enhance worldwide prosperity.

NATIONAL GOVERNORS' CONFERENCE APPROVES S. 391 VETO OVERRIDE

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. RONCALIO. Mr. Speaker, I want to extend my personal appreciation to the many organizations that gave strong support to the successful effort to override the President's veto of S. 391, the Federal Coal Leasing Amendments Act of 1975.

One of these, the National Governors' Conference, was inadvertently not mentioned earlier. I do now thank the Nation's Governors, and I include a letter from Vermont Gov. Thomas P. Salmon, chairman of the National Governors' Conference Committee on Natural Resources and Environmental Management:

NATIONAL GOVERNORS' CONFERENCE,
Washington, D.C., August 4, 1976.

Hon. TENO RONCALIO,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN RONCALIO: The NGC Committee on Natural Resources and Environmental Management, acting in behalf of the National Governors' Conference, has adopted the following Policy Position relative to S. 391 (Federal Coal Leasing Amendments Act of 1975):

The Congress is considering an override of President Ford's veto of S. 391 (Federal Coal Leasing Amendments Act of 1975). The Nation's Governors, recognizing the importance of establishing and maintaining a systematic process for mineral leasing, recommend that the Congress vote to override the President's veto of S. 391.

We understand and appreciate your concern in this matter and look forward to seeing this important legislation enacted.

Sincerely,

THOMAS P. SALMON,
Governor of Vermont, Chairman, NGC Committee on Natural Resources and Environmental Management.

OIL CONSPIRACY AND RHODESIA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. RANGEL. Mr. Speaker, the regime of Prime Minister Smith continues its iron grip on Rhodesia despite both domestic and foreign efforts to bring about majority rule in that nation. Recently released by the Center for Social Action of the United Church of Christ is a report which may begin to explain how this has been possible.

The report, a summary of which I have inserted below, explains in some detail the role of Mobil Oil Corp. in an "oil conspiracy" which has resulted in oil being supplied to Rhodesia in direct contravention of United Nations Sanctions Regulations. Already in the 1960's, the United States voted in favor of a Security Council resolution making clear our support of the employment of economic sanctions as a legislative means to bring pressure on Prime Minister Smith to allow majority rule. The most crucial portions of the sanctions were later signed into law by the then-President Johnson.

The Department of the Treasury and Mobil Oil Corp. itself are currently conducting investigations into this matter. It is my sincere hope that the inquiries, either through the revelation of violations of U.S. laws, for which Mobil must be prosecuted, or loopholes in those laws, which we must close, will result in a cessation of these unconscionable activities.

I recommend the following to my colleagues attention:

CHAPTER 1—SUMMARY

In 1973, Americans learned during the Arab oil embargo, just what a shortage of petroleum could do to their livelihod. Supposedly a much more serious trade embargo has been in force against Rhodesia's white minority regime for the past decade. But petroleum shipments to Rhodesia have continued almost without disruption, in spite of the mandatory United Nations sanctions which are aimed at achieving majority rule.

Today, the tiny white population of Rhodesia hangs onto power with a tenacity few could have foreseen. But no amount of determination by them could have kept their economy and military machine operating if they had not received a steady flow of oil supplies.

This report reveals—for the first time—how oil seems to be getting through and keeping white rule alive in Rhodesia. The Center for Social Action of the United Church of Christ has obtained a series of revealing secret documents, which appear to show that Mobil Oil Corporation's subsidiary in South Africa and its subsidiary in Rhodesia have jointly helped to plan and implement a decade-long campaign to provide Rhodesia's oil needs.

Mobil has repeatedly denied any sanctions-breaking activity. Mobil's Chairman, Rawleigh Warner, Jr., has said that since U.S. law forbids Mobil and its affiliates from engaging in any transactions involving goods destined for Rhodesia, "the management of Mobil's International Division has gone to considerable effort to make sure that we have complied fully with the restrictions imposed upon us by the U.S. Government in this connection."

Yet it would appear that if he consulted with his International Division Executive Vice President, who is also a director of Mobil (South Africa), he might learn what is explained in this report—namely, that a highly sophisticated scheme seems to have been operated by Mobil (South Africa) for ten years, whereby the latter has sold oil products to Rhodesia through an agreed chain of intermediary South African companies, most of which are in fact bogus. These products were ultimately retailed by oil companies within Rhodesia, including Mobil's Rhodesian subsidiary. The intention of the scheme seems to have been to allow oil products to get through this chain without the eventual destination being discovered by outside observers. But even if the destination were discovered, the scheme also seems to have been constructed to conceal from all but the most diligent researcher, that Mobil (South Africa) had any intention of selling goods which were bound for Rhodesia.

We believe that the documents presented herewith and other relevant evidence tends to establish at least on a prima facie basis that:

Mobil (Rhodesia) was asked in the mid-sixties by a secret Rhodesian government agency called Genta to set up a 'paper-chase' of intermediary companies, through which Genta could import all of Rhodesia's gasoline and diesel requirements from Mobil (South Africa);

Other oil companies in South Africa—Shell, B.P., Total and Caltex—have set up similar procedures to get other oil products to Rhodesia;

A confidential memorandum within Mobil (Rhodesia) stated:

"When orders for lubricants and solvents are placed on our South African associates [i.e. Mobil (South Africa)], a carefully planned 'paper-chase' is used to disguise the final destination of these products. This is necessary in order to make sure that there is no link between MOSA [Mobil (South Africa)] and MOSR's [Mobil (Rhodesia)'s] supplies. . . .

"This 'paper-chase' which costs very little to administer, is done primarily to hide the fact that MOSA is in fact supplying MOSR with product in contravention of U.S. Sanctions Regulations. . . ."

THE CARTER VISION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. HAWKINS. Mr. Speaker, I would like to share with the Members a letter submitted to the editor of the Washington Star by Mr. Charles E. Mueller of the Wage, Price and Law Economic Review. This letter was sent in response to the July 20, 1976 editorial entitled "The Carter Vision." As the letter points out and contrary to the conservative belief that those who are unemployed are really idlers whose lack of skills are due to character defects, Mr. Carter has asserted that a lack of adequate jobs is perhaps, the primary factor contributing to unemployment in the United States. Part of the conservative belief is that full employment is inherently inflationary, again, a position disputed by Mr. Carter. Mr. Carter is seen as an advocate of the view which is very much dedicated to the pursuit of equal economic justice for all citizens. The letter emphasizes that inflation cannot be checked by keeping people in unemployment lines. Instead, we must deal with the masses of accumulated power that clog our national economic arteries.

The letter reads as follows:

WAGE-PRICE LAW AND ECONOMIC REVIEW,
Washington, D.C., July 23, 1976.

The EDITOR,
Washington Star,
Washington, D.C.

Your editorial on "The Carter Vision" (The Star, July 20) was rather wide of the mark on the question of employment. You profess not to know who Mr. Carter had in mind when he mentioned in his acceptance speech a "system of economics" that "sees value or virtue in unemployment" and invited your readers to join you in asking if it wasn't "rather the case that while everyone sees the virtue of full employment, everyone also sees the vice of 'inflationary spirals' and differs as to how to strike the right balance?"

Let me help you out in identifying the mystery men who adhere to the system of economics Mr. Carter was talking about. Their names are, to give you a short list (I can also supply their addresses if you need further help), Gerald Ford, William Simon, and Alan Greenspan. And these men, to answer your second question, do *not* see the value of full employment. If they did, they would presumably have acted on that perception by now or at least confided in us that they were going to do so sometime over the next four years.

Now it is perfectly appropriate for The Star to balance its op-ed page with the economic idiocies of Greenspan & Company as filtered through the medieval myopia of William Buckley, James J. Kilpatrick, and George F. Will but do you have to let that kind of gibberish spill over into your editorial columns as well? These gentlemen never tire of telling us that full employment is inherently inflationary and that inflation inevitably produces recession. Since full employment must always end in recession (via inevitable inflation), it follows that full employment is necessarily a social vice. Catch-22 and all that.

The Star repeats this intellectual trash regularly, not only in its pundit columns but now, I'm beginning to note, in its news stories as well, e.g., in John J. Fialka's two recent pieces on the Humphrey-Hawkins "Full Employment Bill" (The Star, July 6, 7). Instead of trying to discredit the idea of full employment through an ad hominem attack on the "radical" origins of that proposed legislation, why not actually try to explain to your readers why Greenspan et al think it would be inherently inflationary (and hence ultimately recessionary) to let everyone work who wants to?

There is nothing particularly mysterious about inflation. All it means is that prices are higher in year two than they were in year one. If prices are higher, it's because someone raised them. And prices get raised for one of two reasons, either because labor costs per unit went up or because profit margins have been widened. Neither would be possible if we had the kind of competitive labor and product markets that Simon and Greenspan keep insisting we still have.

Controlling inflation is therefore not a matter of keeping a lot of people in unemployment lines. It is a matter, instead, of deciding what to do about the great globs of power that clog our national economic arteries.

Instead of coming to grips with this troublesome question of economic power. The Star contents itself with an occasional reference to the ubiquitous labor "bottlenecks" that are supposed to appear on certain sectors the moment the overall unemployment rate drops below 6% or so. Roughly translated, this means that General Motors can be depended upon to put its present assembly line operators on overtime—and pay them on "inflationary" time-and-a-half rate—rather than recruit and train new operators from among the currently unemployed women, teen-agers, and blacks, many of whom are now reaching their mid-20's without ever having held a job in their lives.

And you also mention from time to time, as a justification for keeping unemployment above the 4% figure that used to be considered full employment, the fact that we now have a larger percentage of these "marginal" or unskilled people in the labor force than we once had.

What you have not explained, however, is why our much-vaunted capitalistic free-enterprise system can't take all these minor irregularities in stride and adjust to them the way a competitive economic system is supposed to adjust. In competitive economic theory, a shortage of labor in one sector does indeed cause wages to rise there. But that wage increase is supposed to be *temporary* only. Higher wages in Sector A serve as a magnet attracting new workers and, as every first-year economics student knows by mid-semester, that in-flow of new workers into Sector A is supposed to continue until the wages there have been beaten back down to the competitive level that prevails in other sectors for comparable skills. How, then, do all those labor "bottlenecks" translate into the permanent inflationary spirals that The Star sees lurking behind every economic bush?

Those folks Mr. Carter was talking about in his remarks on unemployment have an explanation, of course. President Ford, for example, was recently reported as having told one of his Michigan constitutents that any unemployed person could "find a job if he wanted one," i.e., that the women, teen-agers, and blacks who make up the "marginal" portion of the labor force are really idlers whose lack of skills are due to character defects, not a lack of job opportunities. For the slow students in your class, that means Mr. Ford thinks we have 7 million lazy bums in the country who're lying to us when they say they want a job. Since they won't work, putting them on a payroll—private or public—would naturally be inflationary. They'll take the money but refuse to turn out enough goods to pay their wages.

Mr. Carter has a different vision of his fellow Americans. He doesn't believe there are 7 million lazy bums among us. He doesn't believe women, teen-agers, and blacks are any more inclined to be lazy bums than the rest of us. If he's right, putting them to work will not be inflationary. If he's wrong, it will be. (Paying a worker a $1.00 to turn out goods that can be sold for $1.00 is not inflationary. Paying him $1.00 to turn out $.50 worth of goods *is* inflationary.) Where Mr. Ford sees an epidemic of laziness, Mr. Carter sees a lack of economic opportunity, a condition that has been arranged in the first place by Mr. Ford and those other two great humanitarians, Simon and Greenspan.

That's the difference between the conservative vision of America and the populist vision. One is hard, narrow, and suspicious of those who haven't already made it beyond the bottom rungs of the economic ladder. The other is open, concerned, and confident of both the capacity and the will of those who haven't started their upward climb yet because their government has removed the starting rungs, those that are supposed to lead upward. It is a sorry business to turn one's back on the poor and call them names. It is an even sorrier business to do it in a country that calls itself the land of opportunity and professes to believe that all are entitled to an equal chance for a decent life.

It is no good to say one would be in favor of full employment if it wasn't inherently inflationary. Involuntary unemployment is not an available option in a decent society. It is an economic obscenity, a social crime of vast dimensions and one we will grievously pay for in the years to come. To say that American capitalism in 1976 is incapable of allowing every citizen who wants to work to have a job is to say a terrible thing about American capitalism in 1976. Elementary decency, not to mention ordinary patriotism, requires that one say, "Yes, I'm in favor of full employment. Yes, I'm a supporter of free enterprise. No, I don't believe the two are incompatible. One stands for opportunity, the other for freedom, and I'm not willing to give up either."

Full employment we must have first, because conscience demands it. And if inflation follows, we must deal with it on its own terms, sector-by-sector, industry-by-industry, firm-by-firm, union-by-union. The disease of unemployment is fatal to all we hold dear. If the medicine required to cure that great disease turns out to have a side-effect called inflation, then we must turn our energies to finding a medicine to cure that ailment. One does not let a diabetic patient die for lack of insulin out of a fear that, if saved by it today, he may give himself an overdose sometime in the future. One is a disease of pressing urgency, the other a challenge for tomorrow.

Our government is now run by men who feel no pain when the poor hurt. Mr. Carter says he will look out for those who have so far been left out in the cold, that he will make a place for all at America's great table.

For the first time in my memory we have a Presidential candidate who is apparently prepared to make this difference between the narrow meanness of orthodox conservatism and the populist vision of equal economic justice for every citizen the centerpiece of his candidacy and thus the principal issue in the coming campaign. In other words, we now have a candidate who is going to give America a chance to define itself again, to decide whether it still subscribes to all those noble words we've been mouthing for the past few weeks.

It grieves me that The Star is currently contributing so little to a real understanding of these great issues. Instead of forthrightly addressing the problem of how to control inflation after jobs have been offered to those who are willing to work, you simply keep on denying the seemingly self-evident proposition that it's better to have people working than on welfare. I share your lack of enthusiasm for the latter. But how one can logically be against welfare and against full employment is a mystery I have not yet been able to fathom. Surely it ill becomes a great newspaper like The Star to go on supporting a policy of sacrificing the pitiful wages and simple pride of the poor on the frightful premise that their immolation is the only way to appease the great god Inflation. They did not cause it and cannot cure it. We should let them go back to work.

Again, I had expected better of you.

CHARLES E. MUELLER,
Associate Editor.

A FINE BICENTENNIAL PROJECT

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. MOTTL. Mr. Speaker, public awareness and expression of ideas is vital to the proper functioning of our Government. That is why I would like to share with you the merits of a project recently undertaken by North Olmsted High School, in North Olmsted, Ohio, in my congressional district.

The high school held a Community Bicentennial Seminar, the North Olmsted Lyceum, in commemoration of our country's 200th birthday, and this encouragement of public discussion by the community of North Olmsted should be commended.

Forty-seven citizens of North Olmsted participated in a series of discussions, directed by Vern L. Ripley III, which dealt with nine topics concerning the position and direction of the United States. Both positive and negative aspects of areas such as "Human Liberty," "Work in America," "The Business Ethic," and "The American Women," were discussed. Problems facing us in each area as well as possible solutions were also examined.

In the seminar, the North Olmsted Lyceum expressed growing concern over several domestic issues such as diminishing individual privacy and Government secrecy. They recognized a need for a more active role in Government by individuals in order for Government to be limited in scope.

These citizens of North Olmsted clearly realize their individual responsibility to keep aware, informed, and active in public affairs, but they feel "it is the responsibility of Government to sustain a condition of affairs in which all people will find human dignity."

I feel that this worthy project is not only a tribute to our Nation's Bicentennial, but also to the fine citizens of North Olmsted who took the time to participate.

EXODUS OF CANAL ZONE EMPLOYEES UNDERWAY

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. SNYDER. Mr. Speaker, the administration continues to expend public funds and the time of public officials in carrying out the surrender of U.S. control over the Canal Zone and Panama Canal without the approbation of Congress.

In recent months, I have on numerous occasions addressed myself to this vitally important question in addition to offering amendments to legislation that would have prevented the expenditure of taxpayers' hard earned tax dollars for this giveaway.

The Panama Canal Subcommittee, on which I serve, continues to receive information about American canal employees and their families leaving or preparing to leave their important posts in the Canal Zone. We are in the beginning stages of an exodus that soon could leave the operations and maintenance of our vital waterway in the hands of a skeleton crew.

Morale in the zone, since the 1974 Kissinger tack eight-point agreement, has been diminishing at an alarming rate. And no wonder.

Mr. Speaker, our citizens in the Canal Zone currently see on every side increasing signs of a Panamanian takeover as our officials carry on the surrender of control. Yet that surrender has no sanction from Congress.

Information and documents have come into my possession reflecting the official expenditure of canal employees' time on studies and alternative plans for the implementation of Panamanian Government proposals that the United States provide storage space for their sugar and molasses on piers or other port facilities in the zone.

Although the Canal Zone Governor told our subcommittee in April of such proposals, Congress has received no reports of their implementation.

Mr. Speaker, all of this is being carried on, not under existing treaty agreements approved by Congress, but under the wholly unwarranted promises made by Secretary Kissinger to the Panamanian regime on February 7, 1974, promises backed up by the President that this country will give away the zone and canal. In the documents I just mentioned one can see the absolute conviction expressed by the Panamanian regime that we fully intend to surrender the Canal zone to their control. Their proposal relating to sugar and molasses storage is expressly based on the eight-point Kissinger tack agreements, and our Government not only has not refuted this claim, but is actively proceeding on their behalf in accordance with it.

On the other hand, one can plainly see the concern of zone personnel in their memoranda in his regard as they are forced to carry out the President's unauthorized surrender policy. They indicate the high cost of relocating U.S. facilities in order to accommodate the Panamanian wishes—cost running into millions of dollars.

The sugar and molasses in question is the expected production of government mills. American support for the entire process can only fill the coffers of the present dictatorial regime, thereby perpetuating the growing domination of Panamanian life by the Torrijos junta.

Mr. Speaker, once more I call upon this body to ask itself the question, "Does Congress truly desire to surrender our control of the Canal Zone and interoceanic waterway?"

How can the answer be yes, when the resounding answer of the people of this Nation is an overwhelming "no."

Yet we see each day that the administration by fait accompli is surrendering control piecemeal, one step at a time.

Mr. Speaker, Congress and the President have a grave responsibility to maintain the morale of our citizens operating and defending the Canal Zone and our canal.

Congress should demand that the President immediately order a halt to the expenditure of tax dollars under agreements made on or subsequent to February 7, 1974, in carrying on any studies or planning or otherwise implementing proposals that the U.S. Government make available storage space and facilities for Panamanian sugar and molasses or any other products.

THE OCEANSIDE BEACON

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. LENT. Mr. Speaker, in my Fourth Congressional District on Long Island, we take great pride in the weekly newspapers that serve to keep the people informed of local news which the big daily papers simply do not cover.

Recently, two well-known local journalists became the owners of the popular Oceanside Beacon. Florence B. Schwartzberg and Jeffrey Wexler have committed themselves to continuing a tradition of excellence as the new editors and publishers. They have a good track record in their much-admired management of the South Shore Record, where Florrie Schwartzberg is publisher and Jeff Wexler is managing editor, and I know they will bring those same skills and sensitivity to community problems to the Beacon.

I was born in Oceanside and, therefore, take the pride of a "native son" in welcoming the new owners. As a resident of East Rockaway, I have come to know the high quality of their work in the South Shore Record, and feel certain that the readers of the Beacon will benefit from the presence of Florrie Schwartzberg and Jeff Wexler at the helm.

In this Bicentennial Year, I believe it fitting to give special attention to the vital importance of a Free Press. Thomas Jefferson once wrote—

> If I had to choose between a government without newspapers, and newspapers without a government, I would invariably choose the latter.

Mr. Speaker, the new owners of the Oceanside Beacon are part of this heritage, and I know my colleagues from New York join me in wishing them well in their new venture.

EX-PRISONERS OF WAR CONVENTION

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. LUJAN. Mr. Speaker, last month a very special veteran's convention was held in Albuquerque, N. Mex. It was the Ex-Prisoners of War Convention.

These particular veterans, perhaps more then some others, suffered the additional deprivations of imprisonment in the course of their defense of our great country.

On July 15 the Honorable Richard L. Roudebush, Administrator of Veterans' Affairs addressed the ex-prisoners of war. He spoke not only of past accomplishments but of future veteran needs and the dedicated mission of the Veterans' Administration in meeting these needs.

I wish to commend Administrator Roudebush's remarks to my colleagues:

EX-PRISONERS OF WAR CONVENTION

First of all, I would like to thank you for the kind invitation to be with you here this morning.

I am enjoying visiting with you. I am enjoying being in Albuquerque. I think it was quite thoughtful of you to allow me to be a participant in these proceedings.

I would also like to express my pleasure that you are able to get together with each other once again and to wish you both a successful convention and a good time.

The delegates to this convention have much in common, experiences that will always be important to you. I know that you derive great satisfaction from the transaction of convention business and I know that you enjoy the company of your old comrades.

It is a particular pleasure for me to greet you at this special time in our history when we have just observed our Bicentennial . . . and are, in fact, still observing it with many events yet to come.

This is a time of joy and a time of pride. It is a period when we are more aware of our great national heritage and are more conscious of our blessings than we have perhaps ever been before.

I think that the Fourth of July weekend was a tremendous emotional experience for most Americans. Probably most of us didn't even know ourselves how deeply we feel about our country until the great celebrations were held and we were caught up in them.

We shared the enthusiasm of our countrymen and as we did so we became aware of how fortunate we are to be here, a free people in a free country. We are more grateful for who we are and what we have than we have ever been in the past.

President Ford said that the Bicentennial observance has had a stimulating and a unifying effect on the Nation. I agree and I believe that the American people are not only happier because of the celebration but are more in a mood to concentrate on the problems that face us, better prepared to make the future even better than the past.

It is fitting that so much attention has been paid the contributions of Americans who served in our armed forces during the last 200 years. It is appropriate that military heroes have been honored at our celebrations and that tribute has been paid to those who gave the Nation their youthful years, their health and their lives that it might endure.

America and the ideals on which America was built have been threatened during nearly every generation of our existence. We have been called on to fight often, although we have never wanted to fight.

We have existed for two centuries because we have responded when our freedom has been endangered. We have lasted because there have been those willing to bear arms when called on.

There would have been no Bicentennial if there had not been brave men willing to challenge their oppressors 200 years ago. There would have been no Bicentennial if there had not been Americans of later generations just as brave, just as fond of their independence, just as dedicated to their homeland.

You know as well as any group of Americans what the price of freedom is. You know of the vigilance and the work required and of the dangers and the hardships that result when we are less alert and less skillful in defending ourselves than we should be.

You know of the privations the destructiveness and the horror of war and are determined that we do all we can to maintain a just and honorable peace as we move into our third century.

More than forty million Americans have borne arms during our first 200 years. More than thirty million of them, veterans and those still in uniform, are alive today.

I think we can take pride and comfort in the attitude of the American people and their government today toward those who have served and defended our country. American veterans and their special problems and requirements have been remembered with a variety of programs that are more numerous, more carefully thought out, more generous in their application, more readily available and more productive than those provided by any other nation at any other time.

The attention given ex-servicemen has not always been good, or even always adequate, throughout our years as a nation. For much of our history it consisted of meager pensions paid to disabled veterans and homes to shelter those who were old and feeble and had nowhere else to go.

I think it is a mark of the success and progress of America that we have, over the years, become more aware of the needs of those who have served us in uniform and have developed and improved in the way we respond to those needs.

In fact, the growth and development of veterans' programs to their present level of volume and success is one of the achievements that we can point to with a great deal of satisfaction in this Bicentennial year.

Of course . . . like the other areas of achievement we note at this special time in our history . . . it is one to which we must pledge constant attention and devote ourselves to continued progress. We must not be satisfied.

I am sure that you as individuals and as members of a veterans' organization have your opinions as to the effectiveness of what is being done and that you have certain goals and intentions relating to improvement of programs and improvement of service.

We not only respect your opinions and your solicitations, we encourage them. It is through such interchange that progress comes about, that new ideas and procedures are pumped into our system of benefits and that veterans and their dependents and survivors are helped to meet problems that change with the times.

We long ago moved away from the old soldier's home concept of helping veterans that I mentioned earlier. We did so because it had become clear that we needed programs that were more humane, more comprehensive, more pertinent to need, more productive and a more accurate reflection of the gratitude we felt toward those who had served us well.

As World War II was being fought wholesale changes were being made in our thinking about how to compensate veterans for time, opportunity and health lost in service. The G.I. Bill and other developments of that time gave veterans' programs meaning and sophistication they had never had before.

We took giant steps during that period. Many of you were beneficiaries of these improved benefits and received help then and later that has affected your lives profoundly.

We have continued to build both in programs and facilities since that time and we will continue to do so, always seeking better provisions, better performance, better results.

The Veterans Administration is today the second largest federal agency in the number of employees, exceeded only by the Department of Defense. It is the third largest agency in expenditures, behind only the Departments of Defense and Health, Education and Welfare.

We have some 220,000 employees. This year our expenditures will be about $20 billion.

We are in all states, the District of Columbia, Puerto Rico and the Philippines with services and facilities of a wide range.

VA health care facilities are in 193 cities. VA medicine is affiliated with more than 100 of the Nation's leading medical schools. The VA medical budget is more than $4 billion a year.

VA provides education and training for more than two million persons annually. VA sends compensation and pension checks totaling $8 billion a year to some five million recipients. VA administers a life insurance program that has more than $100 billion worth of policies. VA has guaranteed loans of more than $122 billion during the history of its home loan program.

It is, of course, not surprising that VA is busy and that VA activities call for large amounts of money. In addition to the country's nearly 30 million veterans, there are some 70 million dependents and survivors of veterans . . . a potential VA clientele of nearly 100 million persons, more than 45 percent of the population.

I think it is clear that VA will continue to be busy for as far ahead as any of us can see at this time. We hope that there will be no more wars, that there will be no new war veterans, no more young men returning home with the injuries, the problems, the disabilities that many of you are familiar with.

But we have at the present a veteran population that represents five wars and a wide variety of needs. It is a population with a vast number of men and women who are reaching a time in life when it is likely they will need health and financial assistance they have not needed before.

There are more than 13 million veterans of World War II alone and they average nearly 57 years of age. The 4.7 million Korean Conflict veterans are not much younger.

Today there are also nearly 900,000 World War I veterans. Many of them have received VA assistance for years . . . and we hope we are privileged to continue serving them for a long, long time.

Service to our younger veterans and their dependents we know will go on far into the future. Since VA is still paying pensions to several hundred widows and children of veterans of the Civil War, a conflict that ended 111 years ago, it is reasonable to suppose that long after America has been through the ceremony and the celebration of its Tricentennial we will still be providing for survivors of Vietnam veterans.

But that is merely an interesting and intriguing thought that has no bearing on VA's mission of the present or near future. What is more important to you is that I pass along my expression of our determination that VA care and assistance will be as good and as helpful as we can provide. This I am glad to do.

It is our intention to always be ready when you and other veterans come to us . . . ready to make available all programs and activities that the American people have so generously provided.

We at VA consider it an honor to be entrusted with carrying out the people's mandate to serve you, a privilege to be the principles in this most important governmental function.

I have enjoyed my few minutes with you this morning. I have appreciated the opportunity to discuss with you briefly some aspects of veterans' affairs, past, present and future.

I appreciate, as a citizen as well as a public official, the service you have given your country. I join you in your desire that past deeds not be forgotten, that the American people always remember the price we have paid for the liberty and opportunity we enjoy today . . . and that those who made the greatest contribution always remain special in our memories.

I wish you well. Thank you for having me on your program.

HON. WILLIAM BARRETT

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. REES. Mr. Speaker, I join my colleagues in mourning the death of William Barrett. From my first freshman days in the House, Bill Barrett was a good friend and was of great help to a confused newcomer trying to learn the complicated ins and outs of the House.

I was privileged to be appointed to the Banking and Currency Committee where Bill assisted me in attempting to solve the housing problem in my Los Angeles district. His leadership as chairman of the Subcommittee on Housing and Community Development enabled millions of Americans to find adequate shelter. I can remember the dazzling array of housing programs: 221D3, 234, 236, section 8, and model cities. Some of them worked, others did not. Charman Barrett, though, was able to recognize shortcomings and to push ahead, so we could correct the problems and start anew.

I envy those who lived in his district because they had a Congressman who was a giant among us in serving his constituents. Every evening he was at his district office far into the night tending to the problems of his constituents. The next day he would travel back to Washington on the early plane from Philadelphia. Bill was from a tradition of politics which seems to be evading us in these days of high media exposure. He was dedicated to his constituents as individuals and he understood their problems. He left a legacy few of us can match.

We will miss Bill's calm approach and human understanding in these days of hectic activity.

FRANK E. MORRIS ON THE TAXABLE MUNICIPAL BOND OPTION

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. REUSS. Mr. Speaker, for a number of years I have supported the concept of offering State and local governments the option of issuing subsidized taxable bonds in lieu of tax-exempt issues. At a recent symposium on urban fiscal problems held in Washington under the sponsorship of the National Tax Association, a speech on the subject was given by Frank E. Morris, president of the Federal Reserve Bank of Boston. His speech, as set forth in the August 5, 1976, edition of the American Banker, is one of the most lucid and cogent expositions of this important topic that has come to my attention.

Mr. Speaker, I urge my colleagues to give careful attention to this well reasoned analysis of a timely and important issue:

THE TAXABLE MUNICIPAL OPTION: AN IDEA WHOSE TIME HAS COME

(By Frank E. Morris)

The taxable municipal bond option has been on the nation's legislative agenda for seven years. What I propose to do today is to set forth what I, as a longtime advocate of taxable bond option, think it would accomplish and to analyze the reasoning of those who have thus far succeeded in preventing its adoption. In so doing, I will be speaking only for myself and not for the Federal Reserve System.

The taxable bond option has become associated in the minds of some with other measures designed to alleviate the financial problems of our older cities. This is an improper association. The taxable bond option is a tool to improve the efficiency of our financial markets and, at the same time, to reduce substantially the element of inequity in our income tax system which stems from tax exemption. It will reduce the interest costs on municipal borrowings, but the benefits will accrue proportionately as much to cities with strong credit ratings as to those with serious financial problems. The case for the taxable bond option was just as strong back in 1969, before the urban financial crisis had manifested itself in its present proportions, as it is today.

The taxable bond option would accomplish four things:

(1) The efficiency of the muncipal bond market would be improved and the net interest costs on state and local borrowings would decline.

(2) The element of tax inequity stemming from tax-exempt bonds would be reduced substantially by widening the spread between taxable and tax-exempt yields.

(3) The efficiency of the present subsidy given through tax exemption would be improved; i.e., more of the benefits of tax exemption would accrue to state and local govenments and less to the bondholders.

(4) Everything else being equal, equity prices would rise relative to bond prices, strengthening our financial system.

The extent of these effects would depend on the level of the subsidy on taxable bonds, The process would be automatic and market determined, as market participants reacted to a new set of conditions.

There are three principal groups of buyers of tax-exempt municipal bonds; commercial banks, causualty insurance companies and well-to-do individuals. During the decade of the '60s the commercial banks were the backbone of the market, taking 63% of the new issue volume. The casualty companies typically move in and out of the market, depending on their need for tax-exempt income. Individuals have been the residual buyers, filling the gap when institutional buying was not sufficient to clear the market.

As long as institutional buying was substantial, as it was during most of the '60s, the market performed reasonably efficiently. The need to broaden the market now through the taxable bond option stems from the fact that the major institutional buyer of the past, the commercial banks, has largely withdrawn from the market. Nor are the banks likely to return to their buying habits of the '60s.

In the first quarter of 1976, commercial banks were acquiring financial assets at a $25.8 billion rate, while business loans were declining in volume. In similar periods of the past, commercial banks put a substantial part of their available funds into municipal bonds. However, in the first quarter of 1976 they actually liquidated municipals at a $2 billion annual rate.

In part, this reflects the fact that commercial banks had a poor earnings experience in the first quarter of 1976; but, more fundamentally, it reflects the fact that the banks are loaded up with municipals. In the preceding 15 years, commercial banks made a major portfolio shift out of United States Government securities into municipals. This was a one-shot deal which cannot be duplicated in the future. The commercial banks simply will not have the capacity to support the municipal bond market in the future to anywhere near the extent that they did in the 1960s.

When the commercial banks pull out of the market, the residual to be taken up by the individuals rises. To clear the market, interest rates on municipals have to rise relative to rates on Treasury and corporate securities in order to attract the marginal individual investor. When this happens, the high bracket individual investor receives a windfall, and the split of the benefits of tax exception is shifted toward the investor and away from state and local governments.

In the present market, there is no limit to the narrowness of the spread between tax-exempt and taxable yields. The spread must narrow to that point where the marginal individual investor can be persuaded to take up the remaining supply. With the taxable bond option, the interest subsidy rate would automatically limit the narrowing of the spread beyond a specific point. With an interest subsidy of 35%, for example, tax-exempt yields could never exceed 65% of the taxable equivalent. Whenever the tax-exempt market could not absorb the supply at that level, new issues would spill over into the taxable market.

To use a numerical example, let us assume that a municipality faced a market in which it could sell long-term bonds for 7½% on a tax-exempt basis and 10% on a taxable basis. With a 35% interest subsidy on taxable bonds, the municipality facing this choice would choose to sell the bonds on a taxable basis; since the net interest cost would be 6½%. Not until the available supply of tax-exempts had shrunk to the point where the marginal buyer would be willing to accept a tax-exempt yield of 6½% would this municipality again sell its bonds on a tax-exempt basis.

The first product of the taxable bond option, of course, is that the municipality saved 1% in interest costs. The second product is that the supply of tax-exempt bonds would shrink, driving the yield down to the 6½% level for this municipality. The resulting permanent widening of the spread between tax-exempt and taxable yields would reduce the element of inequity introduced into our income tax system by tax-exemption, since the size of the windfall to high-bracket investors is inversely related to the size of the spread between taxable and tax-exempt yields.

Furthermore, it would improve the efficiency of the present subsidy given through tax exemption. The most recent estimate I have seen is that tax exemption on municipal bonds cost the Treasury $4.8 billion in foregone tax receipts in fiscal 1976. Of this total, $3.5 billion was passed on to state and local government in the form of lower interest costs and $1.3 billion was retained by private investors. In other words, for every $1 of interest costs saved by state and local governments, the cost to the United States Treasury is $1.37. The taxable bond option would, over the years, work to improve this relationship substantially.

By reducing the level of yields on tax-exempt bonds, the taxable bond option will also have one other significant product; it will tend to raise the price of equities relative to the price of debt instruments. In a well-organized capitalist economy, wealthy individuals should be induced to invest in risk-bearing assets. Tax exemption on municipal bonds, to the contrary, provides extra incentives for the wealthy to invest in relatively risk-free assets. The more inefficient the municipal market, the stronger the incentive. A 7% municipal bond yield provides a 14% taxable equivalent yield to someone in the 50% bracket, more than 15% if the interest is also exempt from state income taxes. This is formidable competition for the stock market where the historic long-term yield has been 9%.

There is little doubt in my mind that the taxable bond option, by reducing the level of tax-exempt yields relative to taxable yields will drive some funds which would otherwise have been lodged in municipal bonds into the stock market. This would strengthen our financial system in a most fundamental way.

The Arguments in Opposition.

If the taxable bond option has the potential for accomplishing all of these things, why has it failed thus far to pass the Congress?

The principal arguments in opposition are the following:

(1.) The fear that the taxable bond option will inevitably lead to the elimination of the tax-exempt privilege, leaving state and local governments even more dependent on the Federal government than they are today.

(2.) The budget costs of the interest subsidy to the Treasury.

(3.) The notion that it would be difficult for municipal bonds to compete in the taxable market.

(4.) The contrary notion that so many taxable municipals would be sold as to drive up interest costs to the Treasury and corporate borrowers.

(5.) The concern that the taxable bond option will lead to self-dealing by state and local governments with their own pension funds.

Of these, only the first argument has much substance. Over the past four decades, state and local governments have become more and more dependable upon the Federal government. One of their most prized vestiges of sovereignty is their ability to issue tax-exempt bonds freely without reference to Washington. It is the fear that the taxable bond option will turn out to be a "Trojan Horse" rather than a "gift horse" that has led many state and local officials to oppose it.

How realistic is this fear? Since passage of the income tax amendment to the Constitution in 1913, the Treasury Department has, more or less continuously, been seeking to eliminate tax exemption on municipal bonds. Nonetheless, tax exemption has survived. How is this political phenomenon to be explained? The asnwer, I believe, is that state and local government officials, whenever they are firmly united on an issue, probably constitute the most powerful lobby in Washington. The lack of awareness of this political muscle among state and local officials stems from the fact that they are seldom firmly united on any issue. It is impossible to find a substantial community of interest between the officials of large cities and the administrators of rural counties on such issues as urban mass transit and welfare reform, or between northern and southern officials on the price of heating oil.

On the issue of municipal bond tax exemption, however, state and local government officials, from large cities and rural counties, and from North and South, have spoken with one clear voice to Congress. Tax exemption on their bonds is a universally prized privilege that they are not going to permit Congress to take away from them. Their unanimity on the issue has succeeded for more than 50 years in defeating efforts of tax reformers to eliminate the exemption. I see no reason to believe that they will be less successful in the future.

The cost of the direct interest subsidy is probably the second most influential argument used against the taxable bond option. Estimates of the cost of the subsidy will vary depending on the level of the subsidy and the set of assumptions used. Two things are certain: regardless of the assumptions used; any costs will be modest when compared to the cost of tax exemption and the interest cost savings to state and local governments will be a multiple of any costs to the Treasury. This subsidy, when used, would displace the inefficient subsidy now given through tax exemption—a subsidy through which the interest cost savings to state and local governments are substantially less than the costs to the Treasury. That there should be any substantial concern about the cost of the taxable bond option to the Treasury is a reflection of the fact that both the Congress and the Treasury assess direct subsidies much more carefully than they do tax subsidies.

The notion that the obligation of state and local governments, which by and large are high-grade credits, somehow cannot compete in a taxable market is absurd. It is true that the serial form of municipal bonds, which is the norm today, is not well adapted to the pension fund and life insurance market. This is going to require a shift to more single-maturity issues with sinking funds. Since this shift will also carry with it a better secondary market for municipals, it will be an independent factor working toward lower interest costs.

The contrary notion that so many taxable municipals would be sold as to drive up interest rates sharply on Treasury and corporate securities is vastly exaggerated. In 1975 the total of funds raised through debt instruments by the non-financial sectors of the economy was $194.6 billion, of which $15.4 billion were state and local obligations. Even if we assume that half of the state and local obligations were sold on a taxable basis, this would increase the total volume of taxable debt instruments by only 4.3%. A substantial part of this increase in taxable instruments would be financed by funds which otherwise would have gone into the displaced tax-exempt bonds. To the extent that some of these funds flow instead into the equity markets, causing an upward revaluation of equity prices relative to the prices of debt instruments, which I suspect would happen, I would consider that development a net plus for the financial system.

Finally, the concern that the taxable bond option might lead to self-dealing by municipalities with their own pension funds is something that can be dealt with by legislation. H.R. 12774, the taxable bond option bill voted out this year by House Ways and Means Committee, attempts to meet this potential problem by requiring that not less than 25% of the obligations sold must be acquired by persons who are not related entities. If this should prove insufficient to meet the problem, more restrictive legislation could be imposed.

Tallying up the modest potential costs of the taxable bond option against its very substantial potential benefits leads me to believe that it will ultimately become law. Since I first began writing about the taxable bond option in 1970, I have always concluded my remarks by stating that it was "an idea whose time had come." I have been a bit premature in this judgment, but with every passing year the logic of the proposal is gaining more adherents.

NONALINED SUMMIT TO RATIFY SOVIET AGGRESSION IN AFRICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. McDONALD. Next week the fifth conference of heads of state or government of so-called non-alined countries will take place in Colombo, Sri-Lanka. "Nonalined" in this case means "not alined with the United States" since the list of participants reveals an overwhelming number of Soviet client states who support the U.S.S.R.'s maneuvers in the United Nations and outright Soviet puppet regimes.

Among the nongovernments participating are terrorist "national liberation" movements such as the Palestine Liberation Organization, the African National Congress, and South-West African People's Organization which are receiving Soviet logistical and political support.

According to a Yugoslav Tanjug broadcast of August 4, 1976, the conference will consider world problems "particularly toward the introduction of a new equal and more just international economic order." The Yugoslav Communists have clever euphemisms for a world Communist dictatorship.

Other matters to be discussed include "the Middle East, Palestine, South Africa, Cyprus, Latin American problems, Korea, decolonization and many others."

"Palestine" can be translated as the destruction of the State of Israel and turning the country over to the Palestine Liberation Organization. "Korea" is the code word for "reunification" in the form of North Korean Communist military conquest of the South Koreans.

"South Africa" and "decolonization" are the code words for terrorist operations against an ultimate Communist conquest of South-West Africa, Rhodesia and South Africa. "Decolonization" also involves persuading the United States to abrogate the commonwealth status of Puerto Rico and turn it over to the Puerto Rican Socialist Party, a Castroite Communist Party which has been invited to the "nonalined" summit.

Information from Angola indicates that the Communist delegation from that country will propose a resolution thanking the Castro regime for supplying thousands of Cuban troops that were used to effect the Communist takeover of Angola. This resolution will in effect affirm the right of the Cuban Communist regime to permanently station troops in Africa to eventually be used in future combat against Rhodesia, South West Africa, and South Africa.

The permanent stationing of Cuban mercenary troops in Africa will be "justified" by U.N. Resolution 3328 of December 16, 1974, which said in part that all states should "provide moral and material assistance to all peoples under colonial and alien domination struggling for their freedom and independence, in particular to the national liberation movements of the Territories in Africa. * * *" According to the resolution, the particular targets were South Africa, Naimbia—South West Africa—and Zimbabwe—Rhodesia.

The use of Cuban troops in planned invasions of the countries of southern Africa was reportedly discussed during the visit of Angolan dictator Neto with Fidel Castro in July 26. The same matter had been discussed 2 months previously by Angolan prime minister Lopo Do Nascimento during his visit to the Soviet Union. On May 24 he met with Kosygin, Gromyko, and the new U.S.S.R. defense minister Dimitri Ustinov. The next day Do Nascimento held further talks with Brezhnev, Gromyko, Ustinov, and Boris Ponomarev who is in charge of controlling foreign Communist parties and is a principal Soviet ideologist. Accompanying Do Nascimento were Carreira, Angollan defense minister; Joao Martins, deputy head of the general staff of the Angolan Army; and Lopez, who heads the Angolan secret police and public information ministry.

The Soviet leaders promised their Angolan clients that they would be permitted to play a major role in the future controlling the African continent. In return the Angolans pledged complete subservience to the Soviet Union.

U.S. Secretary of State Henry Kissinger has promised massive financial support for the African states that are engaged in promoting terrorist operations against southern African countries. It will be difficult for him to complain when Cuban mercenary troops are used to effect the identical program.

THE SECOND ANNIVERSARY OF THE OCCUPATION OF CYPRUS

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. AMBRO. Mr. Speaker, this past July, the month of the United States' greatest birthday celebration in history, was also the month of a much less joyous anniversary. July 20, 1976, marked the second anniversary of the Turkish attack on Cyprus. For 700 days—2 long years—Turkish military forces have occupied Cypriot soil. The result: countless Greek Cypriots are dead and 200,000 more, including 50,000 children, are refugees in their own land.

It is difficult for Americans to comprehend the depth of feeling that accompanies the invasion of one's own land since the United States has not been invaded for over 150 years. In addition to the tragic loss of life and the wholesale destruction of property, a foreign occupation destroys the basic dignity of all the people of an occupied nation. This feeling was admirably expressed by an unknown Greek Cypriot who wrote:

> And our land, what has been left if, continues to embrace us . . .
>
> We've lived on this earth thousands of years and if we are refugees, we are refugees on our own land.
>
> And if we are doomed to die, in this earth we will be buried, erect . . . to grow again . . . It is not a matter of survival. It is a matter of dignity.

Mr. Speaker, the Turkish occupation of Cyprus is in violation of every principle of international conduct in which we Americans believe. The people of Cyprus have been denied the basic human rights of freedom and self-determination. I stand with all Cypriot-Americans, and indeed all Americans, in condemnation of the cruel deprivation of these inalienable rights.

NATIONAL COMMISSION ON AIR QUALITY

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. CHAPPELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: Soon amendments to the Clean Air Act are to be considered. H.R. 10498 is one of the most important bills which will be considered during this session, and I urge my colleagues to support my amendment to delete section 108—prevention of significant deterioration—and replace it with a new section 108, establishing a National Commission on Air Quality. The Commission would be directed to complete, within 1 year, an in-depth examination of this issue. The Commission's study would enable Congress to deal with this important question on the basis of scientific recommendations. If you believe, as I sincerely do, that section 108 of the bill will have far-reaching effects on economic growth, job creation, energy independence and social mobility, then I urge you to support my amendment.

The amendment attached:

SEC. 108. The Clean Air Act is amended by inserting a new section 315 and renumbering succeeding sections accordingly:

"NATIONAL COMMISSION ON AIR QUALITY

"SEC. 315. (a) There is established a National Commission on Air Quality which shall study and report to the Congress on:

"(1) the effects of any existing or proposed policy of prohibiting deterioration of air quality in areas identified as having air quality better than that required under existing or proposed national ambient standards on employment, energy, the economy (including State and local), the relationship of such policy to the protection of the public health and welfare as well as other national priorities such as economic growth and national defense and its other social and environmental effects;

"(2) any loss or irretrievable commitment of resources (taking into account economic feasibility), including mineral, agricultural and water resources, as well as land surface-use resources which may result from a policy of nondeterioration;

"(3) the effects of existing or proposed national ambient air quality standards on employment, energy, and the economy (including State and local), their relationship to objective scientific and medical data collected to determine their validity at existing levels, as well as their other social and environmental effects.

"(b) Such Commission shall be appointed within sixty days of enactment of the Clean Air Act Amendments of 1976 and shall be composed of fifteen members, including the Chairman and the ranking minority Members of the Senate Committee on Public Works and the House Committee on Interstate and Foreign Commerce, who shall serve on such Commission ex officio and without vote, and eleven members of the public appointed by the President. The Chairman of such Commission shall be elected from among its members.

"(c) The heads of the departments, agencies, and instrumentalities of the executive branch of the Federal Government shall cooperate with the Commission in carrying out the requirements of this section and shall furnish to the Commission such information as the Commission deems necessary to carry out this section.

"(d) A report, together with any appropriate recommendations, shall be submitted to the Congress on the results of the investigation and study as conducted under this section no later than one year after the date of enactment of the Clean Air Act Amendments of 1976.

"(e) The members of the Commission who are not officers or employees of the United States, while attending conferences or meetings of the Commission or while otherwise serving at the request of the Chairman shall be entitled to receive compensation at a rate not in excess of the maximum rate of pay for grade GS-18, as provided in the General Schedule under section 5332 of title V of the United States Code, including traveltime and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"(f) There is authorized to be appropriated, for use in carrying out this section, not to exceed $5,000,000.

"(g) In the conduct of the study, the Commission is authorized to contract with nongovernmental entities that are competent to perform research or investigations in areas within the Commission's mandate, and to hold public hearings, forums, and workshops to enable full public participation."

SOVIETS VIOLATE AGREEMENTS WHILE THE UNITED STATES LOOKS THE OTHER WAY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. CRANE. Mr. Speaker, the détente policy, as flawed as it is, becomes even more dangerous when we observe the manner in which the Soviet Union has violated the agreements it has entered into with impunity—and has been permitted to do so by the United States.

Since the signing of the SALT I agreement, it has become evident that the Soviets have been violating its key provisions. In testimony before the Congress on December 2, 1975, Adm. Elmo Zumwalt described in detail "the gross nature of the Soviet cheating." In a speech in New York on July 9, 1975, Alexandr Solzhenitsyn described the numerous Soviet violations of SALT. The authoritative Aviation Week and Space Technology, in its issues of November 24, December 8, 15, and 22 of 1975 and January 5, 12, and 19 of 1976, described the flagrant Soviet violation of SALT. The Wall Street Journal of December 19, 1975 presented a list of Soviet SALT violations.

Among these violations are the Soviet construction and operation of a giant phased-array ABM type radar in Kamchatka which is a key component of a Soviet ABM system, Soviet completion of 60 tests of their SA–5 missile in the ABM mode, and Soviet use of lasers to blind our reconnaissance and early warning satellites, contrary to the SALT prohibition of "measures which impede verification by national technical means."

Now we learn that on July 4, 1976, the Soviet Union conducted an underground explosion well over the limits agreed to by the United States and the U.S.S.R. An even larger underground explosion was detonated on July 29. Discussing the U.S. reaction to these violations, columnists Rowland Evans and Robert Novak note that, "As usual there has been no announcement or comment on the explosion except in classified documents. On the contrary, addressing Republican delegates in Jackson, Miss., July 30, President Ford praised Soviet compliance with past arms control agreements. Clearly, neither Mr. Ford nor Secretary of State Henry Kissinger wants any unpleasantness about Soviet treaty violations to interfere with their forthcoming big push for a new SALT agreement."

The unfortunate fact is, as columnists Evans and Novak conclude, that, "Mr. Ford has an obvious political stake in concealing another broken Russian promise."

Precisely the same thing is true with regard to the Helsinki accords, which are now 1 year old. The Soviets have violated these agreements in the same manner as they have violated the SALT agreement, and with the same indifference on the part of the United States.

Leonard H. Marks, chairman of the U.S. Advisory Commission on International Educational and Cultural Affairs declares that, "Soviet policy has been marked by tactics designed to minimize Russian compliance. Even more discouraging, the West has been reluctant to take strong initiatives. What we need is a positive policy backed up by concrete action, to challenge the U.S.S.R. on the real issue, the opening of all borders to more human and informational contacts."

It is a suicidal policy to enter into agreements and not utter a word of criticism when the other side violates these agreements. What is in the minds of our policymakers is difficult to understand. They should be compelled to respond to this very clear evidence of Soviet bad faith.

I wish to share with my colleagues the column, "Russia: Another Broken Promise," by Rowland Evans and Robert Novak, as it appeared in The Washington Post of August 5, as well as the article, "The Unfulfilled Promise of Helsinki," as it appeared in The Washington Post of August 1, and insert them into the RECORD at this time:

RUSSIA: ANOTHER BROKEN PROMISE

(By Rowland Evans and Robert Novak)

On the fourth of July, the Soviet Union exploded a little firecracker in honor of Uncle Sam's 200th birthday: an underground explosion well over the limits agreed to by the U.S. and the U.S.S.R. in their much publicized new treaty.

It was no accident. An even larger Soviet underground explosion was detonated July 29, just a week after the treaty was submitted to the U.S. Senate for ratification. Those two blasts infuriated U.S. scientists and military officers who understood the Russians had agreed to obey the initialed treaty even before U.S. ratification would formalize it.

"Mr. Ford was not about to record publicly that only the U.S., not the Soviet Union, is abiding by the treaty."

As usual, there has been no announcement or comment on the explosions except in classified documents. On the contrary, addressing Republican delegates in Jackson, Miss., July 30, President Ford praised Soviet compliance with past arms control agreements. Clearly, neither Mr. Ford nor Secertary of State Henry Kissinger wants any unpleasantness about Soviet treaty violations to interfere with their forthcoming big push for a new Strategic Arms Limitations Talks (SALT) agreement.

An honest division of opinion exists inside the administration over how serious the Kremlin's bad faith really was, particularly since chances of early Senate ratification are poor. Some hard-liners believe that Soviet fudging on this relatively minor, unratified treaty does not compare with flagrant cheating on the major, ratified SALT I Treaty (a violation again stubbornly denied by Mr. Ford in Mississippi July 30).

Nevertheless, serious government scientists closest to the program are infuriated. They say both the U.S. and the Soviet Union agreed to follow the 150 kiloton ceiling on peaceful nuclear explosions set forth in the treaty initialed by Mr. Ford and Chairman Leonid Brezhnev May 28. The U.S., in fact, obeyed that limit in its one explosion since then and will do so in the future.

Not so the Soviet July 4 blast. While publicly ignoring the explosion, the U.S. government was privately finessing it. Even secret documents circulated inside the government listed the blast vaguely as 100 kilotons-plus, in contrast to the past practice of precise estimates.

Such imprecision seems more the product of diplomatic subtlety than scientific caution. U.S. scientists, as familiar with the geologic formations of the Soviet underground testing areas as they are with the backs of their own hands are confident the explosion easily exceeded 200 kilotons.

Ignoring this excess, Mr. Ford on July 22 sent to the Senate for ratification two treaties: the peaceful Nuclear Explosion Treaty he had initialed in May and the Weapons Test Ban Treaty, also setting a 150 kiloton limit, that was initialed by Brezhnev and President Nixon July 3, 1974.

One week later came the July 29 blast, also exceeding 200 kilotons but at first confused by seismic experts with an actual earthquake near the Caspian Sea. Skeptical U.S. scientists believe the Soviets took advantage of the earthquake to detonate their device in hopes it would not be noticed, but knowledgable officials here scoff at this notion as carrying the conspiracy theory too far.

These officials, including some who have never been called soft-boiled, believe the Senate's disinterest in ratifying the treaties any time soon justified the Soviet action, even if it led the Russians into breaking an informal promise.

But even that does not explain the obvious intent of the administration to keep the underground explosions covered up. On the morning of July 30, Mr. Ford attended a National Security Council meeting dealing with arms control measures and presumably was filled in on the Soviet explosions. Yet, that afternoon in Mississippi, he delivered his euphoric declaration of faith in Soviet promises.

Having praised the peaceful Nuclear Explosion Treaty as a diplomatic breakthrough out of all proportion to its apparent worth, Mr. Ford was not about to record publicly that only the U.S., not the Soviet Union, is abiding by it.

Official U.S. reticence over publicizing Moscow's July 4 firecracker actually shrouds an intent going well beyond the question of limiting nuclear explosions, which is at best only a secondary aspect of overall arms control. With Dr. Kissinger pressing for a Salt II agreement following the Republican National Convention, Mr. Ford has an obvious political stake in concealing another broken Russian promise.

THE UNFULFILLED PROMISE OF HELSINSKI

(By Leonard H. Marks)

It is revealing to see what has happened to the "Basket III" provisions for human contact and informational and cultural exchanges in the "Final Act" of the Conference on Security and Cooperation in Europe, signed in Helsinki a year ago today.

The results are, in a word, disappointing—Soviet policy has been marked by tactics designed to minimize Russian compliance with these proposals. Even more discouraging, the West has been reluctant to develop strong initiatives to capitalize on Basket III.

As chairman of the U.S. Advisory Commission on International Educational and Cultural Affairs, I travelled to the Soviet Union and East Europe after Helsinki and returned with no illusions that there would be a dramatic increase in contacts. The Soviet Union had resisted the inclusion of specific, binding language. I doubted that the agreement's expression of good intentions would cause the U.S.S.R. to alter basic policies. Nevertheless, I felt that the agreement offered opportunities for positive action in this field. I made this point, together with specific recommendations, upon my return.

Since then, many of the fears about Soviet intentions have been realized. Soviet officials moved to muffle the reverberation of Basket III at home. They trotted out the old arguments against "ideological relaxation." A get-tough policy has just been instituted against dissidents or other Soviet citizens who had hoped that contacts with the West might be eased. For example, requirements for exit visas were changed; a Soviet citizen must now give up his apartment before applying to emigrate. So 15 Soviet Jews wrote U.N. Secretary General Kurt Waldheim: "If a visa is denied, which is the usual procedure of the Soviet government, the applying family is left . . . without shelter from the elements."

The Soviet government instituted a very selective policy of "compliance" with Basket III proposals. For example: Travel restrictions on foreign journalists were somewhat relaxed; they now have about as much freedom as diplomats—which is not excessive. (This, incidentally, is one Basket III issue on which the U.S. government has made strong, effective representations.) Copies of more Western newspapers have been put on sale at Moscow newsstands; this is a practice that predates Helsinki, but is now trumpeted abroad by Tass as a gesture "in the spirit of Helsinki."

At the same time, the Soviet Union has mounted a heavy propaganda campaign accusing the United States and other Western nations of violating the Basket III agreements. The campaign has included charges that we restrict circulation of Soviet films and books. And Soviet commentators have said with straight faces that U.S. shortwave news broadcasts beamed toward the U.S.S.R. are in violation.

Congress reacted to this situation several months ago. It established a 15-member commission to monitor the Helsinki accord: six congressmen, six senators, and three officials of the executive branch. Although the President signed the bill on July 3, the executive branch was clearly unenthusiastic.

While the congressional move is important, the basic initiative in this field must come from the executive branch. What can be done?

First, we should make clear that the United States gives the subject the very highest priority.

Second, we should put forward specific proposals for implementing Basket III. These proposals should be publicized widely in this country, in Europe, and to audiences in Communist countries. Our proposals should be more pragmatic, realizable, designed to attract the support of influential young professionals in Communist lands who want more "windows on the West."

What proposals?

Expanded cultural and educational exchange. Perhaps the clearest impression that I received in talks with Communist officials was their willingness to step up academic and other professional contacts. During the past year, however, there have been no proposals to expand significantly the State Department's exchanges with Eastern Europe and the Soviet Union. The administration pleads a tight budget and other priorities—and indeed knocked $5 million from the appropriation for the department's Bureau of Educational and Cultural Affairs.

Encouraging the flow of information. There is a tremendous demand for Western publications, films and other media in Communist countries. During the 1960s the U.S. Information Agency operated an innovative program known as the Informational Media Guarantee Program, which allowed some Eastern European countries to purchase American media materials with their own currencies, and at little or no cost to the United States. I recommended that this program be reinstituted. Subsequently, the proposal was endorsed by the Government Advisory Committee on International Book and Library Programs. But no implementation has been started.

Increased circulation of "America" magazine. This publication, put out by USIA, has been an effective interpreter of American ideas and events to the Soviet Union for over 30 years. Demand for copies far exceeds the supply we are allowed to sell (60,000 per month). It would seem logical to press the Soviets to allow, "in the spirit of Helsinki," an increase in circulation.

A "Western" book store in Moscow. When I raised this possibility with the U.S.S.R.'s Minister of Culture, he disarmingly replied that the U.S. could request permission to open a book store at any time, "but, of course, the Soviet government would control the selection of books." Perhaps the time is ripe to remind him that no censorship is imposed on Soviet books imported to the U.S. and that the Helsinki signatories specifically agreed "to promote wider dissemination of books."

Pressing on the human rights issue. The Helsinki accord stressed the need for free movement of people, as well as of informational materials, across national boundaries. Despite clear and copious documentation of Soviet violations of this part of the agreement, we have never insisted in the United Nations or other international forums that the Soviet Union be asked to explain its divergence from the principles of the Helsinki agreement.

Coordination with our allies. In the negotiations leading up to the Helsinki agreement, our European allies took strong positions in support to more human and informational contacts. Taken together, their contributions to the implementation of Basket III can be greater than ours. There has been little effort during the year to coordinate national initiatives designed to take advantage of the agreement's provisions.

Mobilizing private resources. The State Department has, I believe, done almost nothing during the past year to bring together representatives of American industry, public-service groups, labor unions, universities and other institutions to examine ways in which they can contribute to programs, or collaborate on activities, that might lead toward Basket III goals.

There are, of course, many other ways we can implement Basket III. There is now some urgency to our actions. Next year there will be a followup conference in Belgrade to review steps taken by all signatory countries to carry forward the recommendations made at Helsinki. A preparatory meeting to organize the follow-up conference is scheduled for June 15, 1977. The Soviet Union can be expected to present a well-documented case to demonstrate its "achievements" in complying with Basket III, and an equally shrill one on our alleged violations of it. We must be prepared to respond.

What we need is a positive policy, backed up by concrete action, to change the U.S.S.R. on the real issue, the opening of all borders to more human and informational contacts, which are central to the development of peaceful relations. Our purpose should not be simply to rack up a good score in the Basket III League. It should be to prove that we have put the Helsinki principles high on the agenda of East-West relations, not simply as a diplomatic exercise but as a part of our historic commitment to the free movement of men and ideas.

MARQUETTE PARK, ILL., AND ITS STRIFE

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. RUSSO. Mr. Speaker, recent disturbances in Marquette Park, Ill., are a matter of continuing concern to both whites and blacks throughout the community. Columnist Mike Royko, of the Chicago Daily News, with characteristic insight, presents an interesting and thought-provoking article on the racial tension. Today I would like to share his informative remarks with my colleagues:

[From the Chicago Daily News, July 30, 1976]

MARQUETTE PARK AND ITS STRIFE

(By Mike Royko)

The people who lead the marches into Marquette Park are fussy about who they will talk to, so I can't be certain about what their specific goals are supposed to be. I assume they have something specific in mind, because that's fundamental in any protest movement. Martin Luther King Jr. always knew exactly what he wanted, and he made it clear.

I hope the local marchers want to do something more than establish for the Sunday night TV audiences that Marquette Park has its share of racists. There's nothing new about that. As far back as I can remember, that part of the Southwest Side has been one of the most bigoted in the city.

I doubt it is going to change, so any time a group of blacks wants to establish that there are racists in Marquette Park, all they have to do is hold a march. I'm not sure what point there is to proving it over and over again, but I guess it is one way to spend an interesting Sunday.

I also get a vague idea that the marchers want better housing and the right to use Marquette Park—the park itself.

So before I say another word, let me emphasize that I'm 100 per cent in favor of blacks moving wherever they choose and can afford. I'm for everybody doing that. And I'm in favor of everyone being able to use the city's parks. Streets, too. Sidewalks. Everything.

Unfortunately, that's not always possible. There are parks on the South Side I wouldn't mind strolling in. However, if I do, it is quite possible that some young men will take offense at my white face and turn my stroll into a fast run. There also are many sidewalks in this city I'd like to walk on. But I can't, for the same reason.

I suppose I could go to a federal judge and ask him to order the city to provide me with police protection, but I'm really not that interested in making a point that is already obvious.

As for better housing, I think everyone agrees it is a worthy goal.

Fortunately, it doesn't appear to be a pressing personal problem for those who lead the march.

Two of the ministers live in the Avalon Park neighborhood. It's very nice. Neat as a pin.

Another lives in South Shore, which includes some of the most beautiful stretches of homes and streets in this city.

So I doubt if they, themselves, are interested in moving to Marquette Park. They already live in neighborhoods that are nicer, with higher real estate values and neighbors who have more advanced average education.

Also, if they wanted to, they could probably move to any number of nice suburbs. There are at least two organizations that provide help for blacks who want to become suburbanites. They say their problem is not hostility in the suburbs, but an unwillingness on the parts of blacks to make the move.

But the marchers seem to be obsessed with Marquette Park. And that's unfortunate, because the people in Marquette Park are obsessed with the area just east of theirs.

It's not like Avalon Park, or parts of South Shore, or any of the other fine, well-maintained residential areas where blacks live.

Here are a few examples:

5922 S. Honore. It used to be owned by Robert and Marion Horwath.

Mrs. Horwath recalls: "We bought the house in 1956 for $10,000, while we were engaged. My husband grew up around there and we liked it. When the neighborhood began changing, we wanted to stay.

"We got some mail from realtors, urging us to sell, but we threw it away. But then things began happening. I was going to the garage with my little girl one day, when a colored teen-age boy held a gun on me and took my purse. We decided to move. We found a buyer and sold through FHA. The house was in good shape so we didn't have to do much besides fix some wiring."

That was five years ago. Another look at the house, through FHA records: The new owner's payments were $144 a month. After 12 payments, they stopped. They lived in the house for another year before foreclosure was completed. The records say the reasons for default included: "Excessive obligations, including habitual non-payment of debts." The house is boarded up. Repairs will run about $6,000.

6228 S. Honore: John F. Cunningham used to own the 1½-story frame house. In 1963, he paid $16,000 for it.

He says: "We did a lot of work on it. Put in a new front and back porch, wrought iron railings, enclosed the back porch and used it as a family room. A modern gas furnace, new fixtures in the kitchen and bathroom. Finished the basement with a dry bar. New garage doors, new roof, new hot water tank. Floors were sanded and varnished.

"I believe blacks should have equal opportunities, so when they began moving in, I stayed. But there was a purse snatching on the block, we had a prowler, and houses started to deteriorate from neglect. We began to feel on the defensive."

In 1973, they sold the house for the same price they paid, and moved to a suburb.

FHA records show the new buyer remained in the house for a year and a half before defaulting and moving out. It's now boarded up. Repairs will cost about $3,000.

6442 S. Wood: Jim and Ann Pracher bought the house in 1956 for $10,000.

"While we had it," said Mrs. Pracher, "we put a porch and kitchen addition on, remodeled the bathroom, put new siding on the front, replaced the front porch with a new concrete porch. We put at least $5,000 into the place.

"When blacks moved into our block, they were nice. But the problem wasn't the adults. It was the kids, especially the ones who didn't live there. They would come in and hang around. One day they beat up my son. Then they broke our car windows. I couldn't go out at night. I can't live in that kind of atmosphere, so we sold in 1970. We got $14,000 for the house."

The family that bought the house eventually defaulted because of marital difficulties. According to FHA records, repairs now needed will cost about $5,000. The place is boarded up.

I have a large stack of notes about house after house. I could fill up this page, and probably this entire newspaper, with similar stories.

But the fact is, good solid housing has been available—and it has been treated badly.

So it still baffles me how the marchers expect the people of Marquette Park to react when they can see for their own eyes what has recently happened to neighborhoods just like theirs only a few blocks away.

Something else that baffles me is why the marchers are trying to act as if this is 1964, with the issues the same as they were in that year.

Laws have been changed. Institutions have been changed. The thinking processes of the vast majority of white Americans have changed.

So why have they singled out a neighborhood in which the pressures are unique and the response so predictable? Why do they pretend there aren't sensible alternatives?

Either they are dumb or they are getting exactly the response they wanted.

I don't think they are dumb.

THE DESIRE FOR LIBERTY CAN NEVER BE EXTINGUISHED BY OPPRESSORS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. KOCH. Mr. Speaker, on Sunday, July 11, I had the great pleasure of participating in ceremonies at Liberty Island at the foot of the Statue of Liberty in New York Harbor. The gathering commemorated the 18th annual observance of Captive Nations Week. About 5,000 people stood in line for hours to take the ferryboat across the harbor to participate in the ceremony. I was proud to address that audience.

It was particularly fitting that so many Americans should take a moment from the celebration of our Nation's 200th year of independence to pay tribute to the spirit of the people of the various captive nations. There was a strong message in the Bicentennial celebration: The desire for liberty can never be extinguished by oppressors. It may be caused to flicker, but the courage of those who live in the captive nations demonstrates that the will to live and live in freedom cannot be extinguished. It is important for those of us fortunate enough to live in this great Nation to remember those who are not so fortunate, for truly as long as any of us of any race, religion, or nationality are held in bondage, we are all in bondage.

The ceremonies of July 11 reflected that spirit; nearly 50 labor, ethnic, patriotic, fraternal, and other organizations in the Greater New York area participated. I would like to take this opportunity to share with my colleagues the remarks of one of the keynote speakers at that occasion, the Honorable Abraham Beame, mayor of New York City, who reminded us all that we must continue the struggle for self-determination around the world.

The mayor's remarks follow:

REMARKS BY MAYOR ABRAHAM D. BEAME AT THE BICENTENNIAL SALUTE TO THE CAPTIVE NATIONS OF THE NATIONAL CAPTIVE NATIONS COMMITTEE, LIBERTY ISLAND, N.Y., SUNDAY, JULY 11, 1976, 2:30 P.M.

Thank you, Mr. Edwards, Governor Carter, Lt. Gov. Krupsak, Senator Buckley, Mr. Meany, Dr. Dobriansky, Mr. Van Arsdale, Congressman Delaney, Congressman Biaggi, Congressman Flood, distinguished guests and members of the National Captive Nations Committee:

Thank you for the privilege of participating in this Bicentennial Salute to the Captive Nations.

The United States has just had a magnificent birthday party, celebrating two centuries of independence, and all year long we are rejoicing in our 200 years of freedom.

We have accepted the congratulations, praise and best wishes of many sovereign nations for our steadfast belief in the principles of liberty and in the concept that governments derive their powers from the consent of the governed.

How sad it is, and how ironic, that, even as we celebrate a revolution against tyranny and reaffirm our commitment to defend the rights, freedom and sanctity of the individual, many countries still mourn the loss of their sovereignty, many nations are held captive and whole peoples have been enslaved.

How fitting it is that we render a Bicentennial Salute to these Captive Nations, so that they can know they are not forgotten and they can still hope for the same kind of freedom and independence which we enjoy.

We will never forget the Captive Nations and, if sometimes the administration in Washington acts as if they did not exist, the United States labor movement, a large part of the Congress and The City of New York with its Statue of Liberty are here to remind the world that Americans will not rest easy until all people have governments of their own choosing.

For, if there is just one nation which is held captive, no nation, including the United States, can feel completely secure in its freedom and independence.

And that is the point of this Salute.

We shout across the waters to all lands that we do not agree with the Helsinki Agreement.

We do not agree with the notion that Soviet domination of Eastern Europe is moral and proper, just because there happens to be a de facto domination.

We do not agree that Europe's postwar boundaries are permanent and we wonder at the spectacle of a President of the United States who signs an agreement that recognizes those postwar boundaries and whose spokesman says the agreement is not binding.

Maybe the Soviets have lifted an Iron Curtain around the Captive Nations, but they have lowered a Detente Curtain in its place.

We do not accept this. We do not agree to it. And we will do everything we can to change it and to exercise that kind of courage and world leadership that will bring about a rebirth of freedom and self-government in all the Captive Nations throughout the world.

I am greatly honored now to proclaim next week as Captive Nations Week in New York City.

PROCLAMATION—CAPTIVE NATIONS

The Congress of the United States, by unanimous vote, has established the third week of July each year as Captive Nations Week, inviting the people of the United States to observe such week with appropriate prayer and ceremonies to express sympathy and support for the aspirations of the captive peoples.

Liberty of the individual is the rock on which the United States was founded 200 years ago. Since those early days, this country has supported movements that seek to remove thralldom from individuals.

New Yorkers, as Americans committed to the democratic ideal, naturally sympathize with the just aspirations of people in captive nations. Indeed, the people of the captive nations look to the United States as inspiration in their struggle for freedom.

Now, therefore, I, Abraham D. Beame, Mayor of the City of New York, do hereby proclaim the week of July 18–24, 1976 as Captive Nations Week in New York City and call upon all citizens to join with others in observing that week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

JCRC'S JEWISH MERCHANTS PROGRAM

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. EILBERG. Mr. Speaker, one of the continuing phenomena of our great cities is the changing character of our neighborhoods. As the people in an area grow older and their children mature and move away, younger people move in. These changes also tend to bring about a change in the ethnic, religious or racial characteristics of a neighborhood.

Far too often these changes have come about amidst strife and discord. However, in my city, Philadelphia, and in my district a program is underway to reduce conflicts. The Jewish Community Relations Council has established a program to help the transfer of businesses owned by older Jewish people who are retiring or moving, to young black businessmen who are just starting their careers.

At this time, I enter into the RECORD two articles about this program which appeared in the July 30 edition of the Jewish Exponent and the August 8 issue of the Philadelphia Bulletin:

MERCHANTS PROGRAM HITS 50—JCRC SHEPHERDS OAK LANE SALE OF HARDWARE STORE

A hardware store in West Oak Lane has become the 50th business to be sold by a Jewish merchant to a minority purchaser in a program operated by the Jewish Community Relations Council.

The settlement was announced by Charles Conston, chairman of JCRC's Jewish Merchants Program and vice president of the Federation of Jewish Agencies.

The business is a retail hardware and variety store—Shellee Hardware—at 6325 Stenton Ave. It was sold to Earl and Margaret Reid by Jean and Simon Matusow. The Matusow's operated the store since the early 1950s, and are planning to retire.

Conston said the business was transferred under a program launched by JCRC in 1969. The program is operated in cooperation with the Small Business Administration.

Under the program, JCRC locates Jewish businessmen and matches them with minority purchasers. JCRC then helps secure the necessary loans and arranges for final settlement. Since 1969, the program has seen more than $1 million in bank loans secured and guaranteed by the SBA.

The program helps maintain viable businesses in neighborhoods who have experienced some degree of change.

"Our hope is to assist merchants in securing a return for businesses in which they have invested their entire lives, and to help minority buyers launch a business career," Conston explained.

In each transaction, the buyer must be familiarized with the business before settlement, and the seller must take back as part of the purchase price approximately 20 percent in the form of notes to lessen the amount of loan needed by the purchaser.

The program grew from a 1969 survey conducted by JCRC and Temple University. That survey found a number of Jewish businessmen who desired to retire and sell their stores in changing neighborhoods.

Conston said Jewish merchants who operate businesses in changing neighborhoods and who are interested in selling to minority buyers should contact Burton Siegel, JCRC's director of urban affairs and social action, at KI5-8430.

JCRC'S JEWISH MERCHANTS PROGRAM

(By Sam W. Pressley)

The hand-lettered sign in the window of Shellee's hardware and variety store read simply: "For Sale."

But when they spotted it three years ago, Earl and Margaret Reid also got this message: "A dream coming true."

For seven years the couple had lived in Philadelphia's West Oak Lane section, where the store is located at 6325 Stenton ave.

"A friend told me the elderly Jewish couple (Simon and Jean Matusow) who owned the store wanted to sell out and retire and were looking for a buyer," the 36-year-old Reid recalled.

"He knew I always talked of someday owning a retail hardware store," added Reid, who by trade is an architectural designer. "I was waiting until the right opportunity and location came along."

And so the Jewish Community Relations Council (JCRC) entered the picture.

Under the JCRC's seven-year-old Jewish Merchants Program, the agency matches up Jewish business men who want to sell out with minority group members who want to buy businesses.

JCRC helps secure the necessary loans and arranges the final settlement, according to Charles Conston, the program chairman.

The program is operated in connection with the U.S. Small Business Administration, which provides federal loan guarantees.

Last June 15, when the Reids plunked down part of their savings as final settlement on the West Oak Lane hardware store, Shellee's became the 50th business in Philadelphia to be sold by a Jewish merchant to a minority purchaser under the JCRC program, according to Conston.

The program's aim, he says, is to help maintain healthy businesses in neighborhoods which have undergone racial change, like West Oak Lane, a formerly white neighborhood which is now predominantly black.

"Our hope is to assist merchants in securing a return for businesses in which they have invested their entire lives, and to help minority buyers launch a business career," Conston explained.

The program stems from a 1969 survey by JCRC and Temple University which found that a number of Jewish businessmen wanted to retire but needed help selling their stores in racially-changing neighborhoods, according to Burton Siegel, JCRC's director of urban affairs and social action.

And in the past seven years, JCRC has been able to help businesses change hands in many sections of Philadelphia.

A wide variety of enterprises have been involved: Grocery stores and dry-cleaning operations, auto-repair shops and restaurants.

"We (JCRC) are always updating our files on available small businesses for sale and are constantly looking for buyers," says Siegel.

In each transaction, he says, JCRC requires the potential buyer to become familiar with the business he wishes to purchase before making settlement.

This process includes, having the SBA make a study of the neighborhood and business to see if the transaction is sound.

"The area is changing but it is becoming more stable and will need a hardware store," says Reid, who, a year ago, took a business management course to prepare himself for his new venture.

"This is what I always wanted," he adds, "and I intend to make it work."

THE FPC AND YOUR GAS BILL

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. SARASIN. Mr. Speaker, I rise at this time to share with my colleagues an excellent editorial which appeared in the August 6, 1976, Washington Post entitled, "The FPC and Your Gas Bill."

It is indeed reassuring to find that there is a great deal of support for a concept whose time has not only come, it may soon pass. The longer we continue to attempt to maintain the illusion of artificially lower prices for natural gas, the more likely it is that we will significantly delay any attempts at exploration to discover new sources of natural gas and ultimately increase our dependence on imported foreign energy.

I strongly recommend that my colleagues take the time to read this excellent editorial:

THE FPC AND YOUR GAS BILL

The decision to raise natural gas prices is the right one, and it is, if anything, long overdue. The Federal Power Commission held off its ruling for months, perhaps hoping that Congress might abolish gas price regulation altogether. But the deregulation bill is stuck fast in the great national stalemate over energy policy. The Senate and the administration are for it, while the House is adamantly against it. There the issue has stood since last winter, and there it will doubtless stand until another administration takes office next winter. The FPC has now done what it can, although its decision is already becoming entangled in litigation of who knows what duration.

Meanwhile the country goes groping along with both gas and oil under price controls set at levels at which domestic production keeps falling and demand for energy is once again rising like a rocket. Conservation is not going to be effective as long as Congress persists in holding fuel prices artificially low. For the consumer, the FPC's decision—when and if it goes into effect—will mean a moderate and gradual increase in gas costs.

The FPC would triple the price of newly discovered gas at the wellhead, from the present 52 cents a thousand cubic feet to $1.42. But that price would apply only to gas that has come into the interstate market since the beginning of 1975. It would be mixed with cheaper gas from older wells. The bite on the average consumer would be $15.60 a year at first, rising as old gas wells are exhausted and new ones come on stream. Nationwide, the average residential customer is currently paying about $220 a year in gas bills; here in the Washington area it's more, about $365 a year, because we're farther from the wells. Some three-fourths of the average residential gas bill is the cost of transportation and distribution.

The FPC's proposed price would raise gas costs to all customers by $1.5 billion in the first year. Who would get that money? The biggest beneficiary turns out to be the U.S. Treasury, which, the FPC estimates, would scoop up 55 per cent of it. You will recall that early last year Congress abolished the famous depletion allowance for most gas producers. Congress was right to do it—but a substantial part of the depletion allowance's benefits were being passed on to consumers. If Congress raises sharply the taxes on the gas industry, it is reasonable to let the industry pass that tax increase on to the customers.

One of the FPC's members, Don S. Smith, has dissented from the proposed pricing because he believes that it overstates the cost of finding new gas. The argument here involves the statistical treatment of newly discovered reserves. Figures on the size of new reserves are notoriously soft and subject to manipulation, Mr. Smith is quite right about that. But the real trouble lies deeper. The whole theory of gas price regulation is based on an assumption that there is a clear and precise cost of production on which the FPC can base a fair price to the consumer. But the competition to natural gas is imported oil, which the OPEC cartel is selling for about twice as much as even the FPC's proposed price for gas. In order to make sense of this whole quarrel, you have to keep it in mind that the federal controls are keeping gas far cheaper than oil.

For that reason, production cost does not determine prices. It is precisely the opposite: The price allowed by the FPC will determine production costs. How deep do you drill for gas? How far offshore do you go? How far across the floor of the Gulf of Mexico will you lay a pipeline to bring gas ashore? All of those questions depend on the price that you can get for the gas. Gas exploration is a highly risky business. The higher the price, the more risks the industry will take.

The FPC hopes that a higher price will result in more discoveries and an increased supply. But there is a possibility that exploration will not be very successful. Perhaps there is less gas remaining to be discovered than the industry and the government expected. In that case a higher price is a necessary signal to the country that the shortage of gas is irreversible, and it is necessary to move more urgently than ever toward other sources of energy.

The under-pricing of gas—the cleanest and most efficient of fuels—is particularly foolish. But it is only a part of the country's continuing indecision over fuel and energy. The longer the basic decisions are delayed, the more painful and disruptive they are likely eventually to prove. The increase in gas prices. The increase in gas prices would be justified if it did nothinf more than give momentum to the foundering and ineffectual movement toward conservation.

LANDMARK JOB DISCRIMINATION CASE IN BIRMINGHAM, ALA.

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. CONYERS. Mr. Speaker, I want to bring to the attention of my colleagues a case now in Federal Court involving employment discrimination, the resolution of which will probably serve as a model for settlement of countless other discrimination suits pending in courts throughout the Nation.

The people involved are workers at the American Cast Iron Pipe Co.—ACIPCO—in Birmingham, Ala. In 1966, 718 black employees filed suit under title VII of the 1964 Civil Rights Act, asking for an end to job discrimination in the plant, and back pay and damages for the money they lost as a result of company policies. Throughout its history ACIPCO operated in a thoroughly segregated manner. Until 1935 a board of management, composed of corporate officers, and a board of operatives, composed of nonsupervisory personnel elected by employees, managed the enterprise. The board of operatives, which advised the company on matters affecting employee welfare, was, however, restricted to white workers. An auxiliary board was added to advise the company on the interests of black employees but it lacked the fiduciary standing of the other boards. It was not until January 1970, as a result of a district court order in response to the suit of black employees, that the segregated boards were abolished.

ACIPCO continued, however, to practice discrimination against its black workers in the areas of hiring, job promotion, training, and labor-management relations. Though black employees were no longer excluded from on-the-job training programs after 1961, as recently as 5 years ago the company used testing procedures that effectively excluded blacks from the craft departments, and which barred qualified workers from being promoted to supervisory and higher skilled positions. With few exceptions black applicants were denied entry to foreman positions, and none of the handful who served as foremen were permitted to supervise predominantly white bargaining units.

In April 1974, after years of litigation and appeal of an adverse district court ruling, the black employees, organized through the Committee for Equal Job Opportunity, won a favorable judgment in the Fifth Circuit Court of Appeals. "We think evidence indicating that out of about 100 foremen only 3 are black," the Court stated in one instance, "that 1 of 36 employees promoted to foreman since 1965 was black, and that white employees with less qualifications have been promoted to foreman positions presents a prima facie case of racial discrimination." The court ordered an end to the testing procedures, back pay for economic losses, and established a complaint procedure by which the aggrieved may challenge the interpretation or implementation of the district court's rulings.

Black employees at the American Cast Iron Pipe Co. are back in court, appealing the district court's consent decree involving a $1 million settlement on back pay—the plaintiffs had sued for $11 million—as well as what they perceive to be continuing discriminatory practices. In the interest of airing all sides to the dispute, a statement of the plaintiffs discussing the background of their suit and their legal demands is inserted in the RECORD at this point, which I commend to the consideration of my colleagues:

COMMITTEE FOR EQUAL JOB
OPPORTUNITY,
July 19, 1976.

DEAR CONGRESSMAN CONYERS: Until 1961 the American Cast Iron Pipe Company (ACIPCO), like all the other iron and steel plants in Birmingham, openly kept jobs divided into "white" and "colored". The Blacks, concentrated in a few departments, did unskilled and heavy labor jobs, while all the skilled and supervisory positions were filled by whites. As of 1963, only three Blacks earned more than any whites.

The 1963 demonstrations in Birmingham led by Dr. Martin Luther King aroused the Black workers to organize themselves. Five ACIPCO workers formed the Committee for Equal Job Opportunity (CEJO), which gradually grew to several dozen executive board members with several hundred more regularly attending the monthly general meetings.

CEJO appealed to the government to force the company to comply with the Civil Rights Act of 1964. Instead, an Army investigator helped management devise a plan to keep ACIPCO white supremacist.

Starting in 1965, all job applicants had to have finished high school and pass IQ tests to be hired. None of these diplomas or tests had much bearing on a person's ability to do a given job. But their built-in biases suited the company to a T. The testing standards were adjusted so that most whites would pass and most Blacks fail.

From 1965 to 1969 the number of Black workers at ACIPCO dropped by almost a hundred while the number of whites rose over 1200.

Aptitude tests were required for promotion as well. By the company's own admission in court, quite a few good workers who had been on higher jobs for years couldn't pass the tests.

Meanwhile, the Fifth District Court judge threw the case that the workers had brought against discrimination in the plant out of court. The company fired the chairman of the Committee and began harassment of the others. The government refused to intervene.

The Black workers stood firm. In 1969 they got the Fifth Circuit Court of Appeals to order a new hearing on the case and have the Committee chairmain rehired with full back pay—$15,000.

By now the company had been forced into making certain concessions. The lockers and lunchroom were at least partially desegregated. Testing was stopped in the lower pay groups and the number of Black workers rose slightly. All Black jobs were done away with.

But ACIPCO had given up one form of discrimination only to replace it with another. Two whites were hired for every Black, whereas before 1963 the ratio was about one to one. The newly hired whites were placed on the formerly "colored" jobs. They would only have to work on these jobs for a little while then they would get promoted over the senior Blacks. So hardly any Blacks moved into the better departments and higher rated jobs.

The company tried to buy off the Committee members with job promotions or extra pay. The Committee was forced to weed out those people who had gone soft on the struggle. Thus the company was never able to make a cheap deal or hide discrimination behind fake "opportunities".

The workers lost their suit in the Fifth District Court again, but won on appeal. The Circuit Appeals Court set up comprehensive guidelines including plantwide posting of job openings, plantwide seniority for promotions and layoffs, and back pay for discrimination suffered since 1965.

The court decision had some major weaknesses though. First, the Court said nothing about discrimination in hiring. Second, it sent its guidelines back to the lower Court to enforce. This was like asking Scrooge to hand out Christmas presents. Every decision that this judge had ever made in discrimination cases has been overruled—including three on the ACIPCO case alone.

The judge let the guidelines lie on his desk for a year. Finally 400 ACIPCO workers marched on the courthouse to demand action. Six weeks later, on June 12, 1975, the judge issued a Consent Decree. The judge and the company made a mockery of the Fifth Circuit Courts of Appeals' guidelines. Now the workers are appealing again.

In the long history of this struggle against discrimination and company racism, the government—that is the federal courts—have delayed and maneuvered to slow down the process of ending discrimination. We believe that the courts have acted contrary to the intent of Congress when it enacted the Civil Rights Act of 1964, and in particular Title VII which prohibits racial discrimination in employment. We understand that in our structure of government Congress has no right to intervene in the federal courts, but other areas of government could act to end discrimination promptly.

The Contract Employment Compliance Contract Administration Service is set up to insure that none of our tax dollars go to companies that practice any kind of discrimination. They have the power to withhold government contracts when they discover discriminatory practices. Their power could have been used long ago to end discrimination at ACIPCO. Instead Contract Compliance offices, both nationally and locally, have stuck their heads in the sand, ostrich style, and refused to act on documented discriminatory practices in the shop.

Their latest ploy is to say that they can't do anything about discrimination at the plant because the case is now in the hands of the federal courts. They maintain this stance despite the fact that we have pointed out to them specific instances of discriminatory practices not covered or even mentioned in the court decree.

The consent decree at ACIPCO is concerned with practices in the production areas of the plant, it does not cover discrimination in the offices and other related areas outside of production. Further it does not say anything about discrimination in hiring which is still a severe problem for Black workers.

We feel that the implications of our individual case goes far beyond ending discrimination in one plant and could affect all working people, Black and white. While some people with a narrow outlook might feel that discrimination helps white workers, as it does in the short run, in the long run we feel that any divisions among working people weaken our ability to work together for our overall common interests.

We feel that it is no accident that the companies and the courts have worked so hard for a substandard consent decree in the ACIPCO case. Already the precedent of ACIPCO has been cited in other consent decrees to help foist decrees on workers in smaller companies. Decrees that are no real threat to discriminatory practices by the complanies. This building of precedents can become a launching pad for attacks on better decrees, not only in the steel industry but also in other areas of the economy. This movement can turn back the clock on all Black and minority workers. From our experience it seems to us that the courts are slowly eating away at the historic acts of Congress (such as Title VII) to end discrimination in America.

For the Committee for Equal Job Opportunity,

ROBERT L. BATES, Sr.
HARVEY LEE HANLEY, Jr.
JESSE BLACKMON
HENRY F. BROOKE, Jr.

THE REGIONAL IMBALANCE OF FEDERAL SPENDING—A CRITICAL ECONOMIC ISSUE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. EDGAR. Mr. Speaker, the regional imbalance of Federal spending and taxing is an important economic issue which deserves more analysis. Recent studies have indicated that this problem impacts highly upon the decline of the Northeast, yet for many years, the trends which have signaled the economic deterioration of regions of this Nation have been ignored. Only within the last few years have some of our leaders awakened to the fact that strong action is needed to better geographically balance Federal spending.

The apparent inequitable distribution of Federal dollars documented by a recent and much-publicized study by the National Journal has led some to conclude that there is a demonstrable regional bias in the awarding of Federal funds. An article by Mr. Neal Peirce appeared today on the op-ed page of the Washington Post entitled "A New Federal Favoritism for the Sunbelt States." It details the most salient findings of the National Journal study. For those who are unfamiliar with it, the study was published June 26, 1976 and presented provocative conclusions based upon statistics of the regions of the country where fiscal year 1975 tax dollars were raised and expended.

The study should be very alarming to my colleagues who represent the Northeastern and Great Lakes States, for these areas fare the worst in balance of payments measured in the study. My State of Pennsylvania received over $2 billion less in Federal benefits than in taxes paid to Washington, and ranked 45th among the States in receiving benefits compared to tax payments. Such a record does little to reverse the high tax rates, high unemployment, and widespread urban decay that characterize many areas of regions which are adversely affected by the imbalance of Federal spending. High labor costs and ballooning costs for land and construction have exacerbated the flight of capital from the Northeast and Great Lakes to regions such as the South and Southwest which ironically are treated more favorably by Federal spending programs.

Mr. Speaker, the entire study by the National Journal was inserted in the RECORD by Mr. Harrington, and appears on page 21170 of the CONGRESSIONAL RECORD. The statistics developed in the study clearly underscore the need for affirmative and creative action to provide a more equitable distribution of Federal funds. More cooperation is needed by government leaders in those areas which are most negatively affected. Our colleagues who represent the Sunbelt States must be sensitized to the fact that in the long run the economic deterioration of any area of this Nation will have a direct and critical impact upon the entire economy. I believe that the article by Mr. Peirce should receive the attention of all of my colleagues for this reason, and I insert it at this point:

A NEW FEDERAL FAVORITISM FOR THE SUNBELT STATES

(By Neal Peirce)

The spending and tax policies of the federal government are causing a massive $30 billion annual drain on the economies of the nation's Northeast and Midwest.

Some of the money is siphoned off by the federal bureaucracy in Washington. But most of it is flowing south and west, to the fast-growing states of the South-Southwestern "sunbelt," as well as to the Rocky Mountain and Pacific coastal states.

These findings are based on an exclusive National Journal study of how much the federal government raised in taxes and how much it returned through various spending programs, in each region and state in fiscal year 1975.

The survey shows that federal policies are underscoring and furthering the increasingly rapid movement of wealth in the nation—a shift benefiting most states with booming economies, but threatening to undermine the economic base of the country's older, industrialized Northeast quadrant.

When the Northeast dominated the national economy, it made much sense in national policy terms to pump federal tax dollars into the South and West—to alleviate rural poverty, to build highways across wide open spaces, to construct dams, to build military and space facilities where there's plenteous land and a favorable climate.

The question now is whether the spending flow ought to be reversed, or at least equalized, because so many Northeast quadrant sites are on the economic ropes, hard put to finance essential local government services.

The Great Lakes states alone, according to the National Journal figures, have a negative balance of payments to Washington of $18.6 billion—$62.2 billion paid in federal taxes in 1975, with only $43.6 billion returned in total federal outlays.

The Mid-Atlantic states of New York, New Jersey and Pennsylvania are in almost as bad a position, losing $10 billion through their money exchange with the national government. The Great Plains states lose $1.5 billion, New England $762 million.

The contrast with the favorable position of the South and West could scarcely be more startling. The southern states receive back $11.5 billion more from Washington than they pay in taxes. California and the other Pacific states emerge with a net favorable balance of $7 billion. The Mountain states are $3.6 billion ahead.

A measure of "dollar returned for dollar paid" works out just as dramatically. For each $1 residents and businesses of the five Great Lakes states pay in federal taxes, they receive back a meager 70 cents in federal outlays. For the Mid-Atlantic the return is 83 cents, for New England 96 cents, for the Great Plains states 94 cents.

Yet for the Southern states, the average return from Washington is $1.14 for each tax dollar paid. For the Pacific states the figure is $1.17, for the Mountain states $1.30.

Illinois alone loses $5.3 billion through its annual dollar exchange with Washington. Michigan loses $5.0 billion, Ohio $4.6 billion, New Jersey $4.4 billion, New York $3.4 billion and Pennsylvania $2.2 billion.

But California comes out $3.7 billion ahead. Virginia gains $2.3 billion, Washington $2.0 billion, Mississippi $1.6 billion and Maryland $1.3 billion. Predicatably, the nation's capital is the biggest "winner" of all—$8.7 billion in 1975.

To calculate these figures, *National Journal* employed a sophisticated statistical technique that "balanced" total state-regional accounts with the federal government by adding to taxes a per capita allocation of the federal deficit incurred during the year. Without that adjustment, the states are in the same relative position to each other, but more appear to be "gainers." Interest payments on the national debt were excluded because most of them pour through the Federal Reserve Bank of New York, regardless of their ultimate destination.

What accounts for the immense differentials in regional and state balances of payments? The federal tax burden is part of the answer: It's significantly higher in the Northeast quadrant and in the Pacific states than elsewhere.

But the really big difference is in defense spending—for military bases, personnel and defense contracts. The government expends $623 per capita on defense in the West, more than triple the $207 rate in the Midwest. The

South gets $412 per person, the Northeast only $309 in defense dollars.

Only for a few programs—welfare in particular—are per capita federal payments higher in the Northeast than elsewhere. But the dollar advantage is slight, and welfare payments do little to stimulate the long-term growth of a local economy. The big benefit comes in jobs, and that's where the South and West profit so handsomely from federal spending. In the Northeast and Midwest, federally funded jobs, including those created by defense contracts, account for 5.7 percent of all wages and salaries. But in the South and West, the comparable figure is 15.6 per cent.

Those federally created jobs stimulate demand for major new capital items in the South and West, including new homes. Add that to the disproportionate share of federal money going south and west for public works—highways, sewer construction and the like—and one sees some justification for the older states' complaints that they are being forced to finance the development of their brash sunbelt competitors.

But can the older, industrialized states undertake concerted, unified action to stem the balance of payments deficit that is sapping their strength?

So far only New England, through a strong congressional caucus and research office—the only multi-state operation of its kind in Washington—has begun to "get its act together" in pressing for new energy policies and federal grant formula revisions that benefit the region.

In the Mid-Atlantic region, Gov. Hugh Carey (D-N.Y.), is sparking an embryonic effort to form a coalition of governors to exert influence on Congress.

Yet the Great Lakes region, hardest hit by the imbalance of payments, seems not to recognize the problem at all. According to president Ralph Widner of the Academy for Contemporary Problems, "The five-state area has 57 metropolitan areas. They don't even think in terms of a region. In Ohio, they don't even think in state terms."

Others point out that the declining states are often so busy pirating factories and jobs from each other that presenting a unified front will be difficult, even when common threats are perceived.

Nevertheless, the idea of a united Northeastern front is beginning to form. Rep. Michael Harrington (D-Mass.), urges a coalition of states from Wisconsin-Illinois to Maine and the Mid-Atlantic that could exert common pressure to turn federal policy more toward the new needs of older America. Harrington alleges that "federal discrimination against the Northeast has been going on for some time" and "is wholly inappropriate to today's needs." He favors congressionally authorized regional development banks that would make loans to high-risk enterprises in economically depressed areas.

Spokesmen for the Northeast quadrant fear they have little time to create national consciousness of their problem or to effect reforms. The reason: The very economic decline and population outflow that afflict the region are constantly reducing its political clout along the Potomac.

HOUSE FAIR EMPLOYMENT PRACTICES COMMITTEE

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. ROSE. Mr. Speaker, as of this morning 22 Members of the House of Representatives have signed an agreement not to discriminate in their employment practices and have further agreed to the establishment of a voluntary House Fair Employment Practices Committee.

The Members who have signed the agreement are:

Rep. Morris Udall (Ariz.), Rep. Helen Meyner (N.J.), Rep. Paul Simon (Ill.), Rep. Andy Maguire (N.J.), Rep. Herman Badillo (N.Y.), Rep. Robert Carr (Mich.), Rep. Pat Schroeder (Colo.), Rep. Joseph Fisher (Va.), Rep. Stanley Lundine (N.Y.), Rep. Bella Abzug (N.Y.), Rep. William Lehman (Fla.), Rep. Tom Downey (N.Y.), Rep. Shirley Chisholm (N.Y.), Rep. Berkley Bedell (Iowa), Rep. Martha Keys (Kan.), Rep. Charles Whalen (Ohio), Rep. Toby Moffett (Conn.), Rep. Yvonne Braithwaite Burke (Calif.), Rep. Louis Stokes (Ohio), Rep. Parren Mitchell (Md.), Rep. Romano Mazzoli (Ky.), and Rep. Charles Rose (N.C.).

The House Fair Employment Practices Committee will be comprised of three Members of Congress and three congressional employees of Members who have signed the agreement. The committee is empowered to hear employee compaints arising from employment situations involving Members who have signed the agreement. The committee may, by a two-thirds vote, implement a fact-finding procedure and may, by a further two-thirds vote, make recommendations to resolve the conflict. Members who have signed the agreement have agreed to abide by the committee recommendations. Strict confidentiality by Members and staff is to be maintained throughout the entire procedure.

Elections for members of this committee are now underway. Election day is September 9, 1976, in room H328. Elections begin at 9:30 a.m. for members and at 2 p.m. for staff.

Though Congress is exempt from title VII of the Civil Rights Act and the Equal Pay Act, it has become increasingly clear that congressional employees need some mechanism to insure their rights and improve Member and staff communication.

We believe that this committee will provide a much-needed source of advice and assistance for employees of the House of Representatives. It will also provide a meaningful degree of protection for Members of the House of Representatives.

We propose to operate the House Fair Employment Practices Committee for those Members and their staff which have agreed to this point to sign the agreement. Through the actual operation of this committee, we hope to be able to display to our colleagues in the House the usefulness of such a procedure. We hope that in the future many more of our colleagues will join us by signing the agreement and participate in the work of the committee.

The following is a copy of the actual agreement signed by the above-mentioned Members of Congress together with the rules for the implementation of the agreement.

U.S. HOUSE OF REPRESENTATIVES, HOUSE FAIR EMPLOYMENT PRACTICES AGREEMENT

We the undersigned, hereby agree that we will not fail or refuse to hire, discharge, or otherwise discriminate against, any individual with respect to his or her compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, national origin, age, parental or marital status, or handicap; or because she or he has opposed any practice, has made a charge, testified, assisted, or participated in any manner in any investigation or proceeding under this agreement.

We reserve the right to apply different standards of compensation, or different terms, conditions, or privileges of employment pursuant to a bona fide seniority or merit system, or a system which measures earnings by quantity or quality of production, provided such differences are not the result of an intention to discriminate because of race, color, religion, sex, national origin, age, parental or marital status, or handicap.

We further reserve the right to give and act upon the results of any customary or usual office-oriented tests, including professionally developed ability tests provided that such test is not designed, intended or used to discriminate because of race, color, religion, sex, national origin, age, parental or marital status or handicap.

We further understand that nothing in this agreement shall be interpreted to require the undersigned to grant preferential treatment to any individual or to any group because of the race, color, religion, sex, national origin, age, parental or marital status or handicap of such individual or group on account of any imbalance which may exist with respect to the total number or percentage of persons of any race, color, religion, sex, national origin, parental or marital status, age or handicap in the available work force within the area of employment.

We authorize the House Fair Employment Practices Committee (hereinafter HFEPC) to receive and investigate complaints of discrimination from persons employed by us and from application for employment with us; to cooperate fully with HFEPC in any efforts to investigate and conciliate such complaints; and to abide by the decisions and recommendations of the HFEPC.

We further agree to post in the offices under our jurisdiction, a copy of this agreement, along with the names, addresses and phone numbers of the HFEPC.

We further agree that members of the HFEPC shall have sufficient time and resources to implement this agreement.

HOUSE FAIR EMPLOYMENT PRACTICES COMMITTES—AGREEMENT RULES

1. Establishment. The House Fair Employment Practices Committee (hereinafter called The Committee) is established by the undersigned. The Committee shall consist of six (6) members, who shall serve for the duration of the Congress in which they are appointed. Three (3) members shall be Members of Congress elected by the undersigned. Three (3) members shall be staff employees working for the undersigned, selected by the following nomination and election procedures:

(a) Initial Election. A first election shall be held no later than 30 legislative days after this Agreement is signed by a minimum of three (3) Members of Congress, to follow enumerated nomination and election procedures below.

(b) Nominations of Members of Congress. For purposes of the first election, any participating member may nominate any other participating Member of Congress. The drafting committee will send nomination forms to each participating member and returns will be made by a date certain. The drafting committee will ascertain whether the member is willing to serve.

(c) Nominations of Staff. For purposes of the first election, any employee of participating Members of Congress may nominate any employee from their own or other staffs of all participating Members of Congress. The drafting committee will send nomination forms to each participating office and ascertain whether the nominee of the staff is willing to serve.

(d) Election of Members of Congress. When a list of nominated members has been established, the drafting committee will conduct an election by secret ballot. Each Member of Congress on the staff of participating Members will be allowed to vote for as many as three (3) Members of Congress to serve for the remainder of the 94th Congress.

(e) Election of Staff. When a list of nominees has been established, the drafting committee will conduct an election by secret ballot. Each employee on the staff of participating members will be allowed to vote for as many as three (3) members to serve for the remainder of the 94th Congress.

(f) Succeeding Elections. Succeeding elections for Members of Congress and Staff positions on the Committee shall be held no later than the end of the first full week of February of odd years and will be conducted by a nominating committee named by the Committee, the names of which nominees shall be drawn from participating Members of Congress and staff willing to serve on the Committee. No Member of Congress or staff shall hold more than two (2) consecutive terms on the Committee.

2. Duration. The Committee shall operate in perpetuity.

3. Funding. The Committee shall have the authority to determine a funding mechanism.

4. Vacancies. Vacancies are to be filled by majority vote of the remaining Committee members in a special election, to follow the above enumerated nomination and election procedures.

5. Authority. The Committee shall act on all matters by a ⅔rd's vote, after a quorum is present. A quorum shall consist of four (4) out of six (6) Committee members. In the case of vacancies, a quorum shall consist of at least three (3) members, representative of both Members of Congress and Staff.

6. Jurisdiction. The Committee shall have the power to receive and consider all complaints of adverse discrimination brought before it within fifteen (15) legislative days of a rejection of a staff or applicant for employment complaint against a participating Member of Congress. Proper complaints may be brought by any employee(s), or by applicants for, employment with any Member of Congress who has subscribed to this Agreement.

7. Complaint Procedure. The Complaint must allege that the employee or applicant has been discriminated against, with particulars, on the basis of race, color, religion, sex, national origin, age, parental or marital status, or handicap by the employer or employing Member of Congress. The Complaint must first be submitted to the charged Member of Congress within thirty (30) legislative days of the occurrence of the discriminatory conduct or action charged in the complaint for the express purpose of persuasion, conciliation and resolution by the Member of Congress with complainant. No matter of this proceeding shall be made public by either party.

8. Fact-Finding Procedure. Upon failure to persuade, conciliate, or resolve a charge of discrimination with the Member of Congress, within a reasonable time not to exceed fifteen (15) legislative days from the date of the filing of the complaint, the staff employee or applicant shall have the right to request a fact-finding inquiry from the Committee, said request to be filed no later than fifteen (15) legislative days from the date of rejection of the complaint by the Member of Congress.

9. Fact-Finding Panel. Upon receipt of the request by the charging party, the Committee may have the authority to designate a fact-finding panel from its membership, the make-up of which shall reflect at least one Member of Congress and one Staff Employee, said authority to be given after appropriate action upon a ⅔rd's vote of the Committee. No charge nor inquiry before the Committee shall be made public. The fact-finding panel shall have the authority to determine, upon reasonable cause, that the charge is or is not true, and upon the findings of its inquiry, shall attempt to eliminate the discriminatory conduct or condition by informal methods of persuasion, conference, mediation, or conciliation. Nothing said or done during any part of such endeavors shall be made public by the Committee, the Member of Congress, the complainant or the fact-finding panel.

10. Referral to Committee. If any method of resolution fails in the above procedures, the fact-finding panel shall turn over their findings, with such recommendations as it deems necessary and advisable, to the Committee within ten (10) legislative days of the date of their findings said Committee is then authorized to accept, study and submit its own proposal it deems necessary, after appropriate action, to the Member of Congress within ten (10) legislative days from receipt from the panel. The Member of Congress shall have ten (10) legislative days to accept or reject the findings, in writing, to the Committee.

11. Confidentiality will be maintained at every stage of the complaint procedure.

12. Hearings. The Committee is authorized to conduct hearings and to study and make recommendations to the House for changes in Congressional staff hiring policies, personnel practices, and working conditions.

13. Guidelines. The Committee shall adopt, within a reasonable time, procedural rules or regulations and guidelines consistent with the purpose and provisions of this Agreement to effectively carry out its functions.

14. Disapproval Authority. Signatories of the Agreement shall have the authority, through appropriate action, to disapprove any rules, regulations, or guidelines implementing this Agreement no later than thirty (30) legislative days after receipt of said rules, regulations, or guidelines, such determinations to be accomplished by a ⅔rd's vote.

15. Representation. The Committee shall preserve the rights of each complainant to adequate representation by a representative of the complainant's choice at all stages of its dispute resolution.

16. Amendment of Agreement. Signatory Members of Congress to this Agreement shall have the authority, through appropriate action, to amend any portion of this Agreement by a ⅔rd's vote of all signatories.

17. This Agreement shall be divisible.

GLAMOROUS NUCLEAR FUSION

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. HARKIN. Mr. Speaker, earlier this year the Energy Research and Development Administration in its revised national energy plan indicated it intended to accord fusion energy development a national priority in funds and resources equal to that committed to nuclear fission and energy conservation.

Many of my colleagues, and I include myself in this category, have viewed the development of nuclear fusion with some caution. An article which appeared in the July 23 issue of Science magazine appears to justify this view. We are told that thus far, fusion research, which has been supported with a total of about $800 million, has yielded only moderately encouraging results. The total cost of obtaining a 10-megawatt output by a fusion unit in 1990 has been estimated to be $10 billion. This is in the contrast to a cost of $100 million to reach the same energy output by a solar device or a breeder reactor.

I have repeatedly cautioned my colleagues both on the floor of the House and as a member of the Energy Research, Development and Demonstration Subcommittee that we must seek to achieve a greater balance in the commitment of Federal funds for developing alternative energy sources. The Science magazine article underscores this need. We have seen the bright hopes of the past for providing energy at competitive costs from the breeder reactor diminish considerably with the alarming cost overruns of the present.

Now we seem to be faced with similar uncertainties with regard to the potential cost competitiveness of fusion energy. I commend this article to my colleagues in the hope that the glamorous challenges of the high technology of fusion power will not be permitted to divert attention away from energy conservation and solar energy—two areas whose potentional return on the Federal energy investment continues to grow more impressive each day.

The article follows:

GLAMOROUS NUCLEAR FUSION

(By Philip H. Ahelson)

Viewed from a distance, energy from the fusion of light nuclei is a glamorous concept. Advocates have talked of obtaining unlimited amounts of cheap, clean energy from the virtually inexhaustible deuterium of the oceans. But looked at closely, deuterium fusion is far from practical application; if achieved it will be costly, and it will create large quantities of radioactive substances.

The radioactivity associated with fusion arises when neutrons produced by the reaction of deuterium with deuterium or tritium collide with wall and structural materials. In the generation of a given amount of energy considerably more neutrons are produced by fusion than by fission. This is true whether the fusion occurs in a magnetically confined plasma or is induced by lasers. Thus, shortly after a fusion device begins to generate energy in substantial amounts, the inner walls will become so radioactive as to prevent direct contact by workmen. With more lengthy exposures a radioactive waste disposed problem will ensue.

Neutrons undergo many nuclear collisions before they are absorbed. These encounters damage the crystalline structure of solids. In a practical fusion device each atom of the containing inner wall would be drastically displaced many times a year. Moreover, the very fast neutrons from deuterium-tritium reactions create hydrogen and helium within lattice structures, leading to embrittlement. These damaging effects would be likely to necessitate replacement of highly radioactive materials, requiring the use of complicated remotely controlled equipment.

To obtain a useful rate of fusion in the easiest case—deuterium plus tritium—energies of 10 kiloelectron volts, corresponding to 100,000,000° C, are required. The fusion device that is currently receiving most funding is the tokamak. This machine employs magnetic confinement to keep the hot plasma away from metal walls. To achieve production of practical amounts of energy, a very large volume of plasma and a correspondingly large magnetic field are required. But more than just any large magnetic field is needed and the problems of confining plasma of a useful density may never be solved. During the past 20 years, some of the world's most talented physicists have worked toward practical fusion. The outstanding lesson that they have learned is that hot plasmas are difficult to confine.

The U.S. contingent in fusion research has been supported with a total of about $800 million. Thus far the results, though moderately encouraging, are not impressive—to produce an output of 1 watt of fusion power requires an input of about 10^6 watts. To reach a break-even condition will apparently require building a succession of very large, very costly devices employing superconducting coils. The total cost of attaining a 10-megawatt output by a fusion unit in 1990 has been estimated to be $10 billion. This is in contrast to a cost of $100 million to reach the same energy output by a solar device or a breeder reactor.

Moreover, the tokamak device does not produce power continuously but must go through a cycle during which output falls to zero. Utility executives have enough headaches without trying to cope with that kind of source of power.

Nuclear fusion has been hailed as one of the world's three major long-term energy options along with breeders and solar energy. Ultimately, its great potential may be harnessed and this nation should continue to support efforts to reach the goal. However, thus far fusion has been like a pot of gold at the end of the rainbow. The beauty of the rainbow should not dazzle us into depending on riches we may never see. Nor should the glamor of the challenges of the high technology of fusion be allowed to keep attention away from such humdrum measures as conservation and the development of a practical photosynthetic energy source.

FORCEFUL LEADERSHIP ENABLES CLEVELAND NEWSPAPER TO MAKE JOURNALISTIC HISTORY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. STOKES. Mr. Speaker, during my remarks to my colleagues on the floor of the U.S. House of Representatives, I have frequently cited the distinguished editor and publisher of the Cleveland Call and Post newspaper, Mr. W. O. Walker. On occasion, I have also shared with you a number of interesting articles, feature stories, and columns written by Mr. Walker and his fine editorial staff which subsequently appeared in the Congressional Record.

At this time, Mr. Speaker, I am certain that my colleagues would be interested in knowing more about this remarkable journalist and his pioneering newspaper. The July 1976 newsletter of the Office of Minority Business Enterprise, "OMBE Comments for the State of Ohio," features an article on the history on the Cleveland Call and Post and W. O. Walker, and how it become the largest black newspaper in Ohio and one of the most prestigious weekly newspapers in the country.

Mr. Speaker, as you can see, I have great admiration and respect for Mr. Walker. His indomitable will and zeal for professional excellence has made the Call and Post a newspaper of which all Ohioans, both black and white, can be proud.

Therefore, Mr. Speaker, I submit to you the OMBE Comments article on Mr. W. O. Walker:

Walker Transforms Newspaper Into Complete Publishing Plant

"In the fall of 1932, a 36-year-old Alabama-born 'dreamer,' William O. Walker, walked into the dying newspaper to take charge of the 'interment'." *

Thus began a demanding but rewarding career for the editor and publisher of one of Ohio's most successful black newspapers, the *Call and Post*.

Seemingly, insurmountable problems welcomed Walker to his new position; the newspaper was heavily in debt, the corporation had lost its franchise for failure to pay state taxes, a former employee had won a judgment against the paper for unpaid wages and weekly circulation had diminished to 300.

Walker, along with Lawrence O. Payne, then a Cleveland councilman and a partner in the business, transformed the one-purpose newspaper into a full-service newspaper plant with headquarters in Cleveland and offices in Columbus and Cincinnati. (The partnership was incorporated as P. W. Publishing Company in 1940.)

However, this expansion was no easy task.

From the very beginning, Walker sought to obtain a professional staff equipped with the basic skills to publish a successful weekly newspaper.

The *Call and Post* was honored to have as one of its first employees probably the first black woman in Ohio and the United States to operate a linotype typesetting machine, Ida James. Throughout her employment with the newspaper, James trained several young apprentices to operate the machine and to edit copy.

Fortunately, this type of unselfishness and willingness to share knowledge and talents among employees have helped to create a skillful staff of 75 people.

During the earlier stages of the *Call and Post* expansion, Walker felt that a well equipped plant capable of producing the entire paper was an absolute must. Eventually, through a very trying process, this wish materialized.

Beginning in 1960, Walker purchased a new building in Cleveland at East 105th Street and Chester Avenue to house a $250,000 investment, a Goss Suburbanite offset press. The change to offset necessitated the purchase of new typesetting equipment, new methods of setting type and a change in the production of photos and headlines.

Then in 1970, the *Call and Post* purchased a more costly machine, the Harris Cotrell 845 press, in addition to the latest equipment available for high speed production of body type, headlines and display type used for advertising.

"With this updating of equipment and accompanying increase in the staff's production in composing, paste-up and in the photo lab, the *Call and Post* is one of the most completely modernized plants in Ohio and its weekly circulation has increased to 400,000 copies," Walker said.

Walker, 79, has not only been active as a journalist and publisher, but has been a forerunner in the civil rights movement and in politics.

An early effort in the civil rights movement came in 1921 when Walker joined in the crusade to oppose discrimination against black children at the Annual Easter Egg Rolling on the White House lawn. He also fought for jobs for blacks in Cleveland stores and utility companies.

Walker's life has been full of accomplishments and rewards.

He served as president of the Negro Business League, the Cleveland Urban League and the Cleveland branch of the N.A.A.C.P.

President Roosevelt selected Walker to tour military bases in Europe in 1945 to report on the treatment of black soldiers.

One of the highlights of Walker's career came in 1963, when he was appointed director of the Department of Industrial Relations by Gov. James A. Rhodes, thus becoming the first black to serve in a cabinet position.

In discussing the problems of minority-owned firms, Walker said, "Black business is facing a crucial hour because of the competition with majority firms for black talent. Black business owners are restricted in their development and expansion because they do not have the talent to increase their growth potential."

THE FEDERAL TAX DRAIN

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. KASTEN. Mr. Speaker, the Nation's unemployment problems, while affecting all parts of the country, hit hardest at the Northeast sector.

The older, industrialized States have experienced a drain of jobs, capital, and progressive industries to the less congested and lower taxed Southern and Western regions.

This morning's Washington Post carries a column by Neal Peirce discussing the most alarming drain from the Northeast and Midwest—that of Federal tax dollars.

The National Journal study, from which Mr. Peirce draws his material, puts statistics on a problem many of us from these States have observed for some time. It also is a cycle that is self-perpetuating unless Congress undertakes a commitment to equalize the dollar drain.

I include the article, "A New Federal Favortism for the Sunbelt States," to be printed at this point in the Record and I respectfully suggest that my colleagues, particularly those of us from the losing States, begin a mutual help effort for the economic good of the entire country:

A New Federal Favortism for the Sunbelt States

(By Neal Peirce)

The spending and tax policies of the Federal government are causing a massive $30 billion annual drain on the economies of the nation's Northeast and Midwest.

Some of the money is siphoned off by the federal bureaucracy in Washington. But most of it is flowing south and west, to the fast-growing states of the South-Southwestern "sunbelt," as well as to the Rocky Mountain and Pacific coastal states.

These findings are based on an exclusive *National Journal* study of how much the federal government raised in taxes and how much it returned through various spending programs, in each region and state in fiscal year 1975.

The survey shows that federal policies are underscoring and furthering the increasingly rapid movement of wealth in the nation—a shift benefiting most states with booming economies, but threatening to undermine the economic base of the country's older, industrialized Northeast quadrant.

When the Northeast dominated the national economy, it made much sense in national policy terms to pump federal tax dollars into the South and West—to alleviate rural poverty, to build highways across wide open spaces, to construct dams, to build military and space facilities where there's plenteous land and a favorable climate.

The question now is whether the spending flow ought to be reversed, or at least equalized, because so many Northeast quadrant sites are on the economic ropes, hard put to finance essential local government services.

The Great Lakes states alone, according to the *National Journal* figures, have a negative balance of payments to Washington of $18.6 billion—$62.2 billion paid in federal taxes in 1975, with only $43.6 billion returned in total federal outlays.

The Mid-Atlantic states of New York, New Jersey and Pennsylvania are in almost as bad a position, losing $10 billion through their money exchange with the national government. The Great Plains states lose $1.5 billion, New England $762 million.

The contrast with the favorable position of the South and West could scarcely be more startling. The Southern states receive back $11.5 billion more from Washington than they pay in taxes. California and the other Pacific states emerge with a net favorable balance of $7 billion. The Mountain states are $3.6 billion ahead.

A measure of "dollar returned for dollar paid" works out just as dramatically. For each $1 residents and businesses of the five Great Lakes states pay in federal taxes, they receive back a meager 70 cents in federal outlays. For the Mid-Atlantic the return is 83 cents, for New England 96 cents, for the Great Plains states 94 cents.

Yet for the Southern states, the average return from Washington is $1.14 for each tax dollar paid. For the Pacific states the figure is $1.17, for the Mountain states $1.30.

Illinois alone loses $5.3 billion through its annual dollar exchange with Washington. Michigan loses $5.0 billion, Ohio $4.6 billion, New Jersey $4.4 billion, New York $3.4 billion and Pennsylvania $2.2 billion.

But California comes out $3.7 billion ahead. Virginia gains $2.3 billion, Washington $2.0 billion, Mississippi $1.6 billion and Maryland $1.3 billion. Predictably, the nation's capital is the biggest "winner" of all—$8.7 billion in 1975.

To calculate these figures, *National Journal* employed a sophisticated statistical technique that "balanced" total state-regional accounts with the federal government by adding to taxes a per capita allocation of the federal deficit incurred during the year. Without that adjustment, the states are in the same relative position to each other, but more appear to be "gainers." Interest payments on the national debt were excluded because most of them pour through the Federal Reserve Bank of New York, regardless of their ultimate destination.

What accounts for the immense differentials in regional and state balances of payments? The federal tax burden is part of the answer: It is significantly higher in the Northeast quadrant and in the Pacific states than elsewhere.

But the really big difference is in defense spending—for military bases, personnel and defense contracts. The government expends $623 per capita on defense in the West, more than triple the $207 rate in the Midwest. The South gets $412 per person, the Northeast only $309 in defense dollars.

Only for a few programs—welfare in particular—are per capita federal payments higher in the Northeast than elsewhere. But the dollar advantage is slight and welfare payments do little to stimulate the long-term growth of a local economy. The big benefit comes in jobs, and that's where the South and West profit so handsomely from federal spending. In the Northeast and Midwest, federally funded jobs, including those created by defense contracts, account for 5.7 percent of all wages and salaries. But in the South and West, the comparable figure is 15.6 percent.

Those federally created jobs stimulate demand for major new capital items in the South and West, including new homes, Add that to the disproportionate share of federal money going south and west for public works—highways, sewer construction and the like—and one sees some justification for the older states' complaints that they are being forced to finance the development of their brash sunbelt competitors.

But can the older, industrialized states undertake concerted, unified action to stem the balance of payments deficit that is sapping their strength?

So far only New England, through a strong congressional caucus and research office—the only multi-state operation of its kind in Washington—has begun to "get its act together" in pressing for new energy policies and federal grant formula revisions that benefit the region.

In the Mid-Atlantic region, Gov. Hugh Carey (D-N.Y.), is sparking an embryonic effort to form a coalition of governors to exert influence on Congress.

Yet the Great Lakes region, hardest hit by the imbalance of payments, seems not to recognize the problem at all. According to president Ralph Widner of the Academy for Contemporary Problems, "The five-state area has 57 metropolitan areas. They don't even think in terms of a region. In Ohio, they don't even think in state terms."

Others point out that the declining states are often so busy pirating factories and jobs from each other that presenting a unified front will be difficult, even when common threats are perceived.

Nevertheless, the idea of a united Northeastern front is beginning to form. Rep. Michael Harrington (D-Mass.), urges a coalition of states from Wisconsin-Illinois to Maine and the Mid-Atlantic that could exert common pressure to turn federal policy more toward the new needs of older America. Harrington alleges that "federal discrimination against the Northeast has been going on for some time" and "is wholly inappropriate to today's needs." He favors congressionally authorized regional development banks that would make loans to high-risk enterprises in economically depressed areas.

Spokesmen for the Northeast quadrant fear they have little time to create national consciousness of their problem or to effect reforms. The reason: The very economic decline and population outflow that afflict the region are constantly reducing its political clout along the Potomac.

CLEVELAND POET SPEAKS OF THE BLACK BICENTENNIAL

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. STOKES. Mr. Speaker, many of America's most talented artists and writers have composed offerings in honor of America's Bicentennial celebration. Poet James C. Kilgore, of Cleveland, has done likewise, but with a slight twist. Mr. Kilgore's composition "A Black Bicentennial" is a saga of hardships, toil, brutality, and sorrow. But within this valley of tears which has been the black man's place in America, Mr. Kilgore has found much beauty and strength. His rendition of black life in white America, while critical of the past, holds much hope for the future.

Mr. Speaker, at this time I would like to share with you and my colleagues in the U.S. House of Representatives the poem "A Black Bicentennial," by James C. Kilgore. His eloquent phrases will reveal the painful truths and the joyful revelations of the black experience in America:

A BLACK BICENTENNIAL

(By James C. Kilgore)

(NOTE.—This work was originally commissioned by the Cleveland Area Arts Council.)

(Dedicated to my father)

A BLACK BICENTENNIAL

Mine has been a tortuous journey:
I cannot begin my celebration at 1776,
Though Crispus Attucks was the first to die by British fire,
Though Thomas Jefferson's Declaration thrilled the nation's ears for ninety-nine years before his words were whispered to me in Lincoln's Proclamation.
I was a slave, you see:
I cut the cane made the world bow down to cotton;
I built the plantations, laid the steel for the Rock Island Line, and fed the nation:
I waited at the shack when I was a baby while my mother nursed a century of children who screamed to life in the Big House.
Do you remember that first century?
And me—?
Do you remember me?
Sometimes I think you don't know how it was with me at all—
And that is why it is so difficult for us to talk:
You set me "free" in 1865.
Without a plow or an acre,
Without a Marshall Plan or a Union Plan,
Without a day's lesson in Arithmetic—
You told me I was "free and equal."
(Today when a man leaves prison,
They say you give him ten dollars and a suit.
Today when a family has no food,
You grant them
grudgingly
a life of poverty;
If there is a famine in West Berlin,
Your loaded cargo planes will be in Munich tomorrow.
Yet, if there is a Berlin of famine at home,
in Appalachia,
in New York City,
in Washington, D.C.,
or in San Antonio, Texas,
A strong ribbon of red tape,
will ground the planes,
will fog the fields,
will baffle the meek and prayerful people.)

But I was not without strength:
I knew how to plant and cook and deliver babies;
I knew how to build and sing and pray;
I knew how to walk on and wait:
I sharecropped in Free Enterprise.

You sold me seed,
Marked my debt in the Big Book,
And each year I owed you more in my free state than the land could yield.
When I tried to vote,
Men dressed in sheets rode by my shack,
Stood a flaming cross in American night.

My sister had not tried to vote;
She went to church and waited for God to send her a loving man.
But she fled when you ordered her to sleep with you when she had finished her washing, ironing, and cooking.
She fled North.
"Things," she said, "will be better there."

You have seen her in Harlem and Hough;
You saw her husband die in the flames of Detroit.

But she's gone home now.
She's left her sons and daughters in the cities
And packed her bag
to leave the wind and snow,
to go home to warm land.

It's been a long, tortuous journey
Walking toward "gradual freedom,"
But I prayed and dreamed and sang and staggered up the years; past three fifths of a man singing, "All men are created equal," past the blocked voting booth, singing, "We Shall Overcome!" past the war "to make the world safe for democracy" crying, with Claude McKay, when the riots came,
"If we must die . . .
Like men we'll face the murderous, cowardly pack."
I faced the wrath of the Third Reich and North Korea, believing, "Surely now you will know I'm equal; surely now you will trust me with freedom."

The church built my first school,
But later you built me one, too,
And you called it "Separate but Equal."
You called it that for ninety years;
There was no such thing as a neighborhood then;
My "residential area" was called "The Quarters,"
And from the rented quarters,
I muled to school;
But when the field needed the mule,
I footed my way to Separate but Equal;
It was later,
Much later,
That I rode the bus across the dusty red roads;
We had fun on that bus;
We were children:
We were not afraid of red dust.

Some of us were graduated;
When we did,
We were trained or bussed to Separate but Equal College—
That was then the State of educational Law—
And nobody screamed:
"Forced muling!"
"Voluntary footing!"
"Legislated bussing!"
"State's Right training!"
That was Law:
We called it Jim Crow and abided for the sake of life, home, and arithmetic, until May 18, 1954, when
The Supreme Court struck down Jim Crow—
At least, that's what we thought—
And we waited for the lightning of integration to flash across the land, even across Louisiana, Mississippi, and Alabama;
We waited for the thunder of justice
to strike across the prairies of Texas,
to strike through the villages
slumbering in the Ozarks,
in the cities sitting along the Mississippi,
the Great Lakes,
the Atlantic,
and the insomnious Pacific—
But no lightning flashed,
no thunder struck—
The sky just clouded.
Martin Luther King, Jr. lit my heart with new hope;
I believed that through his vision that
We together could see our nation meeting the challenge of Jefferson's Declaration, and the unequivocal applicability of our Constitution:
Martin went to Washington and the whole world saw the flames form his dream lighting weary hearts—
And then one April day, we went to Memphis;
From Montgomery, Birmingham, Selma, Chicago, Atlanta;
From Washington, D.C., he went to Memphis,
and watched an April sun set.
The day before Good Friday,
five years from Dallas,
nearly two centuries from Jefferson's Declaration,
The dreamer died on a pile of Memphis swill.

The daily news details stories of murder, burglaries and corruption;
Occasionally crime fighters arrest corporals of the underworld and the upperworld;
Regularly we see samples of oil
coming up from deep wells
of buried sources,
oozing out of wars and counter wars,
of movements and counter movements,
thickening legends of decadence . . .

I'm home now from Vietnam.
I'm home in the city facing the Saturday Night Special, a weapon that is more deadly for me and my brothers than the M-16 I took to Vietnam.
More of my brothers and sisters die in one weekend in our cities where there is no war than died in the last battle of Da Nang
I'm home now in the city losing my job because I've always lacked seniority,
And I watch my children die from drugs and bitterness and the perennial Saturday Night Special.

Yet I am not without hope, though the road ahead is dim,
Though the predictions I hear are dire—
I am not without hope,
For I know that day begins
When night is born,
That love rises with each new dawn.
As I listen to the Black past echoing on my ears,
I celebrate the lyrics I hear Jefferson singing:
I celebrate Lincoln's Emancipation Proclamation;
I celebrate the birth of the United Nations;
I celebrate the men and women who undergirded my psyche in poems and songs and inaugural addresses;
I celebrate all who have told me with James Weldon Johnson, to "march on 'till victory is won."

We are fifty states now,
But the world seems smaller;
Encircled by hostility,
The possibility of planetary doom;
We seek detente—
Not peace—
Detente.
We fear a deep look into the center of ourselves to find a fortress of peace—

I hesitate to use the word *love*:
It causes men to tremble;
It causes men to flee.
"Peace," my Uncle B. J. says, "begins when fear departs."
"Love," he contends, "blooms in its aftermath,"
And I believe him—
I celebrate him—

I believe we can find peace with love
When we celebrate our land
"From sea to shining sea,"
From urban factory to innocent sky;
I believe we shall find peace with love
When we implement the divine plans for a celebration of the human beauty in our rainbow-colored American selves;
We are a microcosm of universal life,
And we can show the world the way
to what Alfred Tennyson called "universal law,"
to what Martin Luther King, Jr. called love,
to what I call, simply, peace—

Yes, mine has been a tortuous journey—
But I celebrate you, America,
I celebrate the ancient dream of "the home of the brave and the land of the free."
I pray that some day freedom will reign,

That some day we shall know that no one is free
unless we are all free,
unless fear is driven
from our shores,
from our city streets,
from our barricaded homes,
from our cynical hearts.

I celebrate you, America!
I sing love songs to the white waves whispering on the Santa Barbara coast as the sun strums golden strings in a California evening;

I celebrate you, America!
I sit in the Garden of the Gods outside Colorado Springs and caress the blue aura of Pikes Peak looming in the low gray sky;

I feel a peaceful lull drifting through my soul as I remember the loping green Ozarks heading toward Fayetteville, Arkansas; as I hear the soft soul-song of the long Mississippi echoing in the deep black belly of Missouri's Boot Heel.

I celebrate your dream, America,
But I cannot celebrate Boston today;
I cannot sing love songs to Louisville this evening.

I detest the actions of any who would keep
little children from coming
unto educational justice,
unto friendship,
unto you.

Yet I can weep no more.
My eyes are tired and dried of tears;
I have cried from Jackson, Mississippi, to Dallas, Texas:
I have mourned from Memphis, Tennessee, to Los Angeles, California:
My life has been a river of tears—
And I have no more tears for any city
That would forbid little children to come unto legal liberty—
Even if they must be bussed to get there.
You don't understand my celebration:
I am not sure I do either—
But I understand the difference between spring and winter, for I love autumn;
I understand the difference between war and peace, for I love freedom.
I understand the difference between night and day, for I have gone without sleep for years trying to understand the midnights and noons of you.

I know that others love you and want you too,
Some would seduce you with brave promises
And then nullify the decrees of your courts,
And then flout the one national truth that makes you uniquely you:
You are a nation of laws, a nation of courts.
Permit anyone who says he loves you
to nullify and flout your truth,
And you are not you:
You are a nightmare, no more a dream.

The days rise painfully,
Aching toward a new century;
New York City, the doctor says, is in critical condition;
Yet I know you can save her:
Your own children lie down hungry
in Newark and Paterson, New Jersey;
in Harlem, New York City;
In Inner-City, U.S.A.;
Yet I know you can feed them:
You rebuilt Europe with your Marshall Plan;
Your ships still sail with wheat for Russia;
You have tested the soil of the lifeless moon;
You sent tanks full of dollars to South Vietnam:
I know you can save New York City,

That you can feed the children of your inner-
cities,
That you can light our way into the rising
century with the bright beams of self
love.

There is no more time for tears;
There is only time
to gather together all your children
and teach them of justice,
of equal human dignity,
of you;
Your future is in their trembling hands;
Perhaps they can forget the unfaithfulness
of yesterday and last night;
Perhaps they can become the Dream
written in your Declaration,
in your constitution—
And perhaps I, too, can forgive the unfaithfulness
of the first one hundred years
and the fickleness of the century since
I left the Big Plantation.

POWER ON MARS? IT'S A SNAP—SYSTEM FOR NUCLEAR AUXILIARY POWER

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. RONCALIO. Mr. Speaker, perhaps one of the first problems that confronted Viking mission scientists in their quest for Mars, was that of power to operate the laboratory aboard the landing craft. Solar energy was ruled out early because of Mars' unpredictable dust storms that would totally block out the Sun's rays for hours at a time, and cause serious damage to solar panels from blowing dust particles.

The conventional battery was also ruled out, since the life-span of these batteries does not go beyond 100 hours.

And so, as in a few space ventures in the past, scientists hit upon nuclear energy as the one source of energy that could be practically and efficiently used by the Viking's laboratory on Mars.

Since 1961, scientists have been engaged in development of what is called a system for nuclear auxiliary power, or SNAP. A nuclear power system was first used on a Navy satellite in 1961. A modification of SNAP was used on the Nimbus III satellite. SNAP-27 generators are now powering the five science stations left on the Moon by Apollos 12, 14, 15, 16, and 17. The two Jupiter fly-by mission spacecraft, Pioneers 10 and 11, are powered by SNAP nuclear generators.

The SNAP-19 is the system powering the scientific laboratories aboard the two Viking mission space vehicles. It consists of a generator called a radioisotope thermoelectric generator that uses plutonium-238 as fuel. This generator continuously converts heat from deteriorating plutonium into electrical power. The generator is capable of producing 35 watts each day. The SNAP-19 is 23 inches wide, 15 inches in length, and weighs 34 pounds. It is located atop the Viking Lander vehicle.

It is important for us to understand and appreciate the importance of nuclear power in space. Without it, we might not have the amazing data on the environment of Mars or the Moon that we now have, if a nuclear power system had not been developed for our space programs. As ERDA stated in an information sheet on the SNAP-19, "nuclear power makes possible the development of a long-lived reliable, rugged, relatively small, and lightweight electrical system for a variety of space uses including Earth orbital satellites, lunar missions and probes to distant planets."

Just as nuclear power has become a viable and practical form of power in space, so it will become a valuable and important source of power here on Earth, given the proper study and experimentation.

The Viking mission has given us valuable data on the planet Mars, its surface, atmosphere, wind velocity, organic compounds and ground movements, in addition to its first assignment: To obtain biological, chemical and environmental data relevant to the existence of life on Mars. These investigations would not be possible without nuclear power.

And so, in celebration of the Viking mission and in recognition of the remarkable and benevolent capabilities of nuclear power, I would like to insert the following two news items in the RECORD, with your permission, Mr. Speaker. One is an editorial from the Wall Street Journal, the other is a dispatch from United Press International. Each article notes the importance of nuclear energy in the successful operation of Viking I on the surface of Mars.

The articles follow:

VIKING I SPACECRAFT LANDS, STARTS TAKING PHOTOGRAPHS OF MARS

WEATHER MONITORS AND QUAKE DETECTOR AT WORK; SEARCH FOR LIFE TO WAIT 8 DAYS

PASADENA, CALIF.—Viking I rode a parachute and a cushion of rocket power to a smooth landing on Mars and discovered a rocky, rolling desert with sand dunes under an unusually bright late afternoon sky.

Its first two black-and-white pictures, displaying clarity never before seen from a robot explorer, appeared as if they had been taken at sunset in a Nevada desert.

"It's a very exciting place," said astronomer Carl Sagan. "Mars is extraordinarily interesting."

The seven-foot-tall spacecraft landed only 17 seconds late after an 11-month voyage from Earth, 214 million miles away. Viking was quickly transformed into a nuclear-powered science observatory bearing the flag of the U.S. and a bicentennial emblem honoring the nation's 200th birthday.

Weather monitors were programmed to begin operating shortly after landing and a Mars quake detector only a few hours later. Results from the experiments, however, weren't expected until later today.

Biologists will have to wait eight days before their three life-detection instruments get a sample of soil to begin their long-awaited quest for life on the fourth planet from the sun.

Thomas Mutch, chief of the photographic experiment, said it wasn't immediately obvious that water had a role in shaping the surface. Pictures from orbit suggested the landing area was in a drainage basin for once-mighty rivers that geologists believe existed a billion years ago.

The presence of water in the past would increase Viking's chances of finding evidence of life—a key objective to the $1 billion, two-part Viking project.

Geologists said the rocks littering the landscape were sharp chunks of dark and light color. Some were pitted, which would suggest they were evidence of one of probably many volcanic interludes in Mars' history.

The surface was obviously windblown. There were mounds of soil on sides of some rocks and other features typical of wind action in a desert. But scientists said wind apparently hasn't played a dominant role there.

Mr. Mutch said there was one mystery in the first picture—a dark line which he said apparently is a shadow from something.

He said one picture showed a middle altitude cloud layer on the horizon. And James Pollack said the sky was 100 times brighter than would be expected from Mars' atmosphere alone. This means, he said, many particles are suspended in the "air."

Viking is scheduled to take its first color picture today.

It was cold—scientists estimated 37 degrees below zero Fahrenheit—when Viking landed, and the atmosphere was much too thin to support animal life as it is known on earth. But scientists speculated that some microscopic forms of life might exist.

VISIT TO ANOTHER PLANET

Try as we might, we can't speculate with any confidence on why yesterday's Viking I landing on Mars was important. And yet we are confident that it was.

Technological advancement is that way. First comes the technology, primitive at first but gradually developing. Following along behind is the dawning awareness of how it is affecting our daily lives and perceptions of the universe. The effects are often pervasive and profound.

The testimony to that truth has become almost a cliche. We all know that Orville Wright in his flimsy flying craft, Charles Duryea in his gasoline-power buggy and Lee De-Forest fiddling with his audion amplifier went almost unnoticed by a public engrossed in such forgotten events as the Boxer Rebellion. And we all know what the airplane, automobile and television set are today. In keeping with honored tradition, the TV networks, which a week ago spent tedious hours broadcasting the dullest political convention on record, yesterday were preoccupied with game shows while the Viking was sending back its first pictures of the surface of another planet.

Of course, the conquest of space is no longer a new story seven years after Neil Armstrong set foot on the moon. That event hardly went unnoticed. The Viking trip, without that crucial element of human daring and risk, is a far less exciting story. It will no doubt remain so unless the Viking lander's camera picks up something interesting, like a local resident, as it scans the desert landscape of the Chryse Plain. Science often destroys rather than creates romance, which perhaps help explain public ambivalence towards it.

Yet, it is only necessary to recite what the scientists and engineers of NASA Jet Propulsion Laboratory and Martin Marietta have accomplished to recapture some of the excitement. They have designed a highly complex 7,700-pound laboratory to search for the most minute signs of life and observe weather, seismic activity and the like; lifted it out of the earth's atmosphere and sent it traveling 400 million miles through space to a precise rendezvous; separated a landing vehicle from an orbiter; executed a complicated set of maneuvers to set the lander down softly on a selected spot on the surface of Mars and put it to work sending back pictures and data to earth.

Unlike the experiments of the turn of the century, this one did not come cheap. It cost $1 billion. If the findings on Mars are unexciting, there will be many who will say that the money was wasted.

But they will be missing the point. At this stage of space exploration, the most significant discoveries probably are being made on earth, rather than in space. They are discoveries in the application of the most advanced technology to a single objective—miniature power plants using solar and nuclear energy; computers that can solve the complex problems of extraterrestrial navigation; materials that will withstand the dust, wind, heat and cold of the Martian climate; electronic signal transmission over vast distances to control and monitor events in another corner of the solar system.

Aside from the technology, the Viking project is a triumph of human organization. Benefits from the advancement of managerial skills can sometimes be as significant as scientific discoveries. It takes highly advanced skills to pull together all the disparate talents needed for a Viking project and insure what modern engineers call "zero defects" in the accomplishment of the project's goals. Space projects are in many ways simpler than earthbound managerial tasks—the running of New York City, for example—but it goes without saying that anything that might contribute to better management of human and material resources on earth is much to be desired.

Least ponderable of all are the psychic effects of the visit to another planet. The British scientist and author Fred Hoyle once theorized that the first pictures of earth taken from space spawned the environmentalist movement by emphasizing that our planet is both beautiful and finite. We will not dare to guess what impression the first pictures from Mars will leave on the human consciousness. But it must be true that after each leap deeper into space, nothing is quite the same again.

Meanwhile we will merely marvel at the biological yearnings for discovery that lead mankind ever further into the secrets of the universe. For those who view such yearnings with fear and skepticism, it is appropriate to remember that life would be dismal indeed if they didn't exist.

PLIGHT OF CAPTIVE PEOPLES REMEMBERED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. BIAGGI. Mr. Speaker, on July 11, I had the distinct privilege of being one of the guest speakers at the "Bicentennial Salute to the Captive Nations" rally held on Liberty Island in New York City. The rally was commemorating the annual observance of Captive Nations Week and much attention was focused on the continuing tragedy of the captive peoples of the world.

There were a number of addresses given that day. Certainly one of the most eloquent was delivered by Dr. Ku Cheng-kang, honorary chairman of the World Anti-Communist League. I intend to insert the entire text of Dr. Kang's remarks but one excerpt from the speech deserves special attention "Freedom is the inalienable birthright of the whole of mankind. We cannot tolerate a world half free and half enslaved, just as we cannot tolerate continued aggression and expansion of the Communists against the free world. The free nations should never recognize the fruits of Communist aggression. No people shall remain captive forever."

As this Nation celebrates 200 years of freedom let us not forget there are millions of people in the world who have never even enjoyed 1 minute of freedom. Let us continue to lend our support for the freedom struggles around the world and hope for a day when all men will be free.

The article follows:

ADDRESS BY DR. KU CHENG-KANG

Mr. Chairman, honorable guests, ladies and gentlemen: We stand today beneath the greatest symbol of man's struggle for freedom. The struggle for freedom for all men is the guiding spirit of the United States of America. It is what makes America great.

Here are gathered Americans who, having just celebrated their bicentennial, choose to reaffirm their support to the struggle of the captive nations of the world for their freedom. I salute them for this demonstration of moral strength and courage.

As chairman of the Republic of China chapter of the Asian People's Anti-Communist League, and honorary chairman of the World Anti-Communist League, I deem it a high honor and great privilege to participate in this noble action. Asians will join the peoples of America and the world in this common struggle for human freedom.

Freedom is the inalienable birthright of the whole of mankind. We cannot tolerate a world half free and half enslaved, just as we cannot tolerate continued aggression and expansion of the Communists against the free world.

The United States endeavors to seek freedom and peace for all. We agree. We want to remind our American friends that peace must be based on freedom and justice, and all men must be free before there can be true peace in the world.

My country—the Republic of China—and the United States fought alongside each other to defend freedom and peace; and we remain allies now, bound by a mutual defense treaty and cemented by close and inseparable ties. Because of this common interest, I ask my American friends—and through them the free nations of the world—to pledge anew that:

The free nations should never recognize the fruits of Communist aggression. No people shall remain captive forever.

The free nations should stand together, and allow no new nation to fall under Communist domination.

The free nations should support those peoples behind the iron curtain in Europe, in Asia, and in Latin America, who want to regain freedom.

The free nations should recognize the seething unrest on the Chinese mainland for what it is. It is the manifestation of anti-Mao Tse-tung and anti-Communist revolution on the part of one fourth of mankind. The least the United States should do is to suspend the process of normalization with their oppressors.

Mr. Chairman, we in free China are frankly surprised that, just when Chou is dead and Mao is dying, when the Communist regime in Peking is at its weakest in 27 years, there should be a small group of Americans who urge this great nation to pay the exorbitant price of selling a friend and an ally down the river, for the dubious gains of playing one Communist against another.

In spite of what these cynics think, morality is still what motivates peoples and nations. I, for one, am confident that the United States will not, whether in this bicentennial year or in the future, renounce a solemn treaty ratified by Congress, and will reaffirm its commitment to the spirit of the Statue of Liberty and the cause of freedom for all mankind.

ANTI-MARXISTS "ON TOP" IN ANGOLA'S GUERRILLA WAR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. McDONALD. Mr. Speaker, the war goes on in Angola and the Cubans are, evidently, having to take a refresher course in guerrilla warfare. Most of the veterans of the Sierra Maestra are now fat commanders of large wooden desks, so this new generation of Cubans will have to learn some things the hard way if they are not to return to Cuba in a coffin. Thus, it is obvious that the Cuban mercenary troop commitment will not lessen in the forseeable future, but may even increase. The article from the London Daily Telegraph of August 4, 1976, follows:

ANTI-MARXISTS "ON TOP" IN ANGOLA'S GUERRILLA WAR

(By Ray Kennedy in Johannesburg)

A bitter guerrilla war is raging in Angola, and the Communist-backed forces of the ruling Cuban-backed Popular Front (MPLA) are getting the worst of it, according to reports reaching Johannesburg.

Dr. Jonas Savimbi's Total Liberation (UNITA) movement is on the offensive, and is believed to be in effective control of large areas in the south of the vast country.

To some degree the resurgence of UNITA power may explain why South African troops have been able to claim an increasingly high "kill rate" of SWAPO (South-West African People's Organisation) guerrillas operating against South-West Africa from southern Angolan bases.

The South Africans officially withdrew from Angola in March. Since the beginning of this year they have claimed the deaths of more than 100 guerrillas for about 30 of their own men.

They have at least 5,000 troops on the South-West African-Angolan border as well as a considerable army reserve force and a highly effective air strike force at Grootfontein about 200 miles south of the border.

UNITA is led by the ubiquitous Dr. Savimbi who, according to reports in Johannesburg, is in the vanguard of continuous attacks on MPLA positions.

Oddly enough the UNITA groups have adopted a guerrilla technique the Cubans have learned and forgotten. They are sniping in small hit-and-run groups at MPLA positions in the south and tying up vast numbers of both MPLA and Cuban troops.

It is believed in Johannesburg that the visit to Cuba last month of the MPLA President, Dr. Neto, ostensibly to seal technical assistance agreements, was also designed to ensure that the promised phased withdrawal of 12,000 Cuban troops from Angola will not take place too quickly.

FIGHTING ON ITS FEET

In addition, it is believed that the UNITA forces have prevented the vital Benguela railway which straddles Angola from Zambia to the Atlantic coast from reopening.

The MPLA regime has every reason for bringing the railway back into operation because of its revenue-earning potential from hauling Zambian and Zairean copper. UNITA, on the other hand, has everything to gain from keeping it closed.

It is not entirely clear how UNITA is managing to keep going in southern Angola, but it is believed to be fighting literally on its feet, led by the charismatic Dr. Savimbi, who personally is leading many of its stinging raids.

It is believed that UNITA now has about 15,000 troops in the field, compared with about 40,000 when the movement was fully effective against the MPLA-Cuban forces before so-called independence last November. But the smaller army is proving far more effective.

Mercenary organizations are watching UNITA's performance carefully, and a strong suggestion in Johannesburg is that if UNITA can maintain its offensive, a well-organised mercenary-packed offensive could get under way by September.

TRACON FACILITY GROUNDBREAKING AT MITCHELL FIELD

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. WYDLER. Mr. Speaker, I recently attended the groundbreaking ceremonies for the new TRACON facility at the site of Mitchell Field, in my congressional district. The FAA facility will be staffed by some 400 to 450 air traffic controllers, engineers, and technicians working around the clock to move air traffic in and out of the New York area's three major airports.

When I first became a Member of Congress 14 years ago, the Federal Government was pulling out of Mitchell Field. What had been an active and booming Air Force base was being abandoned. Federal involvement in Nassau County was being phased out.

The most important event in my 14 years in Congress reversed this trend and saw the Federal Government take a big step back into our area.

I attended the groundbreaking for the new TRACON facility on the site of the former airfield. This new facility, the most modern FAA air traffic control center in the Nation, will cost $24 million to complete and provide Long Island with hundreds of construction jobs right now and hundreds of good paying permament jobs in the years ahead. It will help the Long Island economy to grow and prosper.

The start of this facility is a dream come true for me—or rather, part of a dream. The second part will be the construction of the Federal office building, about a mile away on another site at Mitchell Field. That building will cost $80 million and will firmly establish the new Federal recognition of the importance of the area.

These buildings are a sign of a strong return of economic growth in the Long Island region, which will be stimulated by activity in the construction trades.

The TRACON building alone will provide 10 times the financial benefit and jobs in the construction trades for Nassau County as will be given under the much-heralded public works bill passed by Congress.

The Federal Aviation Administration chose Nassau County for its new building because we had the best site available. I remember when the Federal Government was disposing of this land 12 years ago and announced it would get rid of it all. I fought the Federal bureaucracy and demanded that 50 acres be retained for future Federal use. At first, this was refused since I could point to no use for the land at that moment. I insisted that Nassau County, with its growth, would need Federal land in the years ahead, and I finally won.

That land is now the site for the "under construction" TRACON building, which I encouraged the FAA to build in Nassau County. A mile away is the site for the new Federal office building. Its day will come.

I believe we are on the way to recapture the forward momentum on Long Island. The Federal Government's renewed interest in the area is the start of something big.

The following are my comments at the groundbreaking of the TRACON facility that, with your permission, I would like to share with my colleagues:

COMMENTS OF HON. JOHN W. WYDLER

I feel particularly fortunate to be with you for this dedication at historic Mitchell Field. I believe this new facility is symbolic of the positive direction in which aviation can move in the New York area and around the Nation, despite the significant constraints on airport expansion. In locating this approach control facility here at Mitchell, I feel that we are indeed building the future on the firm foundation of the past.

On these Hempstead Plains, the cradle of American aviation, I look to a rebirth of the early spirit which led to the many triumphs of the first three-quarters of this century. As you know, I have been impatient with the slow rate at which advanced technology is implemented once it becomes available from government and industry programs. From my position as ranking Member of the Aviation and Transportation R&D Subcommittee, I have felt increasingly frustrated at our national inability to capitalize on government investment. This is particularly true in the case of the technology made available for more environmentally acceptable aircraft. We have seen too many of the fruits of NASA and industry research and development wither on the vine because government has just not provided the proper incentive for the private sector.

This kind of facility is a hopeful counterexample running against the sad trend which I have discussed. It represents the best technology available and yet its implementation provides for an even safer air transportation system in the face of ever-increasing traffic. Under its new Administrator, Dr. John McLucas, I look for the FAA to take an increasingly aggressive role in seeing that the products of advanced research are brought to the marketplace, from collision-avoidance systems to quieter aircraft engines. Our citizenry deserves a more productive harvest of technology's crops.

This field brings to mind three different figures in aviation; I think it is particularly appropriate that I mention them to you today.

Major John P. Mitchell, after whom this field is named, was the first coalition Mayor of New York and an Army aviator who died in a flying accident. There have been thousands such figures since Kitty Hawk, talented men who selflessly dedicated themselves to defending their country and expending the frontiers of flight. Aviation, in its seventy-third year, and the Republic, in its two hundredth, are both much the better because of what these men have contributed.

One can hardly forget Lieutenant Jimmy Doolittle flying out of here on September 24, 1929, in the first blind flight, using instruments developed by a small company just starting in Brooklyn, Sperry Gyroscope. Later, as a General, Doolittle led the daring B-25 raid on Tokyo during the Second World War. However, I don't simply remember Jimmy Doolittle as an engineering pioneer or a military aviator, but as the head of the President's Airport Commission which was set up by President Truman in 1952. The Doolittle Commission report, as it became known, foresaw and stated the airport siting problem so well—including the noise aspects—that it includes many solutions presently under consideration by EPA. Among them is the certification of airports for environmental acceptability. I think it is safe to say no similar study since 1952 has outlined the issues so clearly. Let us compliment General Doolittle on his diligence and foresight.

Mitchell Field became Headquarters for the first Air Force during the Second World War. The capability and performance of that Air Force was the culmination of the dream of another Mitchell, General William, better known as "Billy." "Billy" Mitchell had labored courageously as a prophet without honor to build an American Air Force after the First World War. He fought against petty rivals, interservice squabbling, and deep isolationism which refused to recognize the realities of a world that was arming itself for a new kind of war.

Mitchell, who was actually court-martialed in 1925 for his crusading efforts, was a rare individual who was able to work effectively outside the system. In the face of a lost career, he managed to catalyze bureaucracy from inertia to action. He was able to look beyond the present, a gift needed badly in aviation today.

I hope these figures from a dramatic and productive past can provide us with a renewed spirit to spur our efforts in assuring a hopeful future for aviation. These men had common bonds of selfless public service and innovative zeal. These are vital ingredients. Let's, all of us in the legislative and executive branches, make renewed efforts to solve aviation's problems so that it can't be said of us as Billy Mitchell said of his contemporaries, "It is difficult to get them stirred up."

This facility represents the start of something big for our Long Island area. It is built on a firm foundation in a community that is ready to lead our nation into a more confident future.

It is a symbol of what I think should be the motto for our Bicentennial year—"The Best is yet to come."

AMERICANS FOR FREEDOM OF CAPTIVE NATIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. DERWINSKI. Mr. Speaker, The Americans for Freedom of Captive Nations passed a resolution at the freedom rally held on Saturday, July 17, 1976, at the County Mall in Los Angeles. I am pleased to insert in the RECORD the resolution adopted on that occasion:

AMERICANS FOR FREEDOM OF CAPTIVE NATIONS

(Resolution of the Freedom Rally on Saturday, July 17, 1976, County Mall in Los Angeles)

Whereas, many nations throughout the world have been made captive by the imperialistic and aggressive policies of Soviet communism; and

Whereas, the peoples of the Soviet-dominated nations have been deprived of their national independence and their individual liberties; and

Whereas, the citizens of the United States are linked by bond of family and principle to those who love freedom and justice on every continent; and

Whereas, it is appropriate and proper to manifest to the peoples of the Captive Nations the support of the Government and the people of the United States of America for their just aspirations for freedom and national independence; and

Whereas, we celebrate our Bicentennial of Independence and President Gerald R. Ford has called on us, the people of the United States, to rededicate ourselves to the aspirations of all peoples for self-determination and liberty; and

Whereas, the President stated in his proclamation of Captive Nations Week: "The world should know that we stand for freedom and independence in 1976, just as we stood for freedom and independence in 1776." and "We do not accept foreign domination over any nation. We reaffirm today this principle and policy":

Now, therefore, we Americans for Freedom of Captive Nations and citizens of Los Angeles, resolve to so rededicate ourselves until freedom and independence have been achieved for all the captive nations of the world.

We further resolve, to call upon the President of the United States to induce steps toward an international censure of the Red Kremlin bosses for their aggression policies, for their reign of organized brutality, genocide and ethnocide, for their mismanagement of people and resources threatening famine in the Soviet bloc and posing a danger to the Free World.

We further resolve, to call upon the President of the United States to censure the Red bosses directly, in a way commensurate with their wild behavior and with the way in which U.S. disapproval was voiced toward the African country of Rhodesia.

We further resolve, to call upon the President of the United States to erase all traces of such naive and immoral formulations as the infamous "Sonnenfeldt doctrine" by stating that no normal relations are possible with the Soviet Union as it stands today—armed, dangerous and murdering.

We finally resolve, to demand through our Government that freedom of thought, conscience and religion as spelled out in the Universal Declaration of Human Rights and the final accord of Helsinki be granted throughout the Soviet bloc; and that all political prisoners suffering in slave labor camps and mental hospitals be given an unconditional amnesty.

We believe, that it is timely to call for a return to sanity throughout the world, even though it may be inconvenient to wielders of diabolical power used to force brutality, materialism and state atheism upon mankind.

PERSONAL EXPLANATION

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. HEINZ. Mr. Speaker, I regret that I was not present on Wednesday August 4, for all of the votes on H.R. 8401, the Nuclear Fuel Assurance Act, although I did arrive in time to join my colleagues in approving the bill for final passage.

Had I been present, I would have joined the successful vote of the House in ordering H.R. 8401 to be recommitted with instructions to be reported back immediately.

The changes made by Mr. ANDERSON and the House in limiting the Government's warranty under the bill to Government-furnished technology, along with the provision already in the bill that mandate ERDA review of all contracts, insures that the supply of uranium in this country can be expanded—by private industry as well as by Government—and that it will be done carefully and consistently.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 9, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on August 9, 1776, the Continental Congress appointed James Wilson, Thomas Jefferson, and Richard Stockton to a committee "to devise a plan for encouraging the Hessians, and other foreigners, employed by the King of Great Britain, and sent to America for the purpose of subjagating these States, to quit that iniquitous service."

Efforts to promote desertions among the mercenaries must have had some impact, since of the approximately 30,000 German mercenaries sent to America some 5,000 or 17 percent deserted.

Initially respected by the British and feared by the Americans, the German mercenaries soon became a subject of ridicule and contempt, failing to distinguish themselves in any way during the war.

SENATE—*Tuesday, August 10, 1976*

The Senate met at 9 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, we commit the work of this body to Thy keeping and to the judgment of history. Bring to fulfillment all that is wise and good. Revise and correct anything which has been wrong. Grant us the higher view to see life and its labor in eternal dimensions. May there arise in us, and in the people we serve, a new sense of national purpose sustained by faith in Thy sovereign purpose which abides all change.

Be graciously near the Members of this body and all who here labor as they separate at the close of day. Guard them as they travel. Strengthen them while they work and be with them as they play.

Grace, mercy, and peace from God the Father, Son, and Holy Spirit be with you henceforth and forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 10, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, August 9, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 1075, Senate Resolution 510.

Without objection, the Senate proceeded to consider the resolution (S. Res. 510) authorizing supplemental expenditures by the Committee on Government Operations—for an inquiry and investigation relating to section 8—for inquiries and investigation which had been reported from the Committee on Rules and Administration with an amendment to strike out all after the resolving clause and insert the following:

(1) in section 2, strike out the amount "$2,800,000" and insert in lieu thereof "$2,846,700";

(2) in section 8, strike out the amount "$250,000" and insert in lieu thereof "$296,700"; and

(3) in section 11, strike out the amount "$2,800,000" and insert in lieu thereof "$2,846,700".

The amendment was agreed to.

The resolution, as amended, was agreed to.

The title was amended so as to read:

Resolution authorizing supplemental expenditures by the Committee on Government Operation for an inquiry and investigation relating to Federal spending practices, efficiency, and open Government.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the majority leader desire further recognition?

Mr. MANSFIELD. No, I do not.

The ACTING PRESIDENT pro tempore. Does the acting Republican leader desire recognition?

Mr. DOMENICI. Yes.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from New Mexico (Mr. DOMENICI).

REVENUE SHARING

Mr. DOMENICI. Mr. President, I rise to discuss briefly a subject of great concern to myself and many Senators.

I say first to our distinguished leader that what I have to say is in no way intended to in any way impinge upon the tremendous leadership that has been given to us with reference to getting our work done here in the Senate. But I do wish to have printed today in the RECORD a letter, that was signed yesterday by 53 U.S. Senators, directed to the majority leader, the majority whip, the minority leader, and the minority whip. I shall briefly summarize.

Yesterday, I asked my fellow Senators if they would join me in a letter to our leaders stating our grave concern about general revenue sharing. I say to my good friend, the majority leader, with great ease 52 colleagues joined me in a letter to him asking that he do all that he can to expedite bringing to the floor of the U.S. Senate a general revenue sharing extension bill.

I repeat again we could not have worked harder in the last month, we could not have accomplished more, and we could not have had a calendar which more expedites the work of this Senate. In fact, I said the other day that when our distinguished leader some 2 months ago put in the RECORD a calendar saying what he intended to have us do for the remainder of this year, at least through Labor Day, and then indicated that that was not put in concrete but was the best we could do and that he hoped we could stay on it, I indicated to him and to our distinguished leader that our staffs and many Senators saw that calendar of his intended work for the next 2 months following it and were joyful, and they wished that it were in concrete so that we would know what we were doing and we could get on with the work of the Senate. I commend him for that.

I shall have the letter printed in the RECORD because it clearly indicates that 52 Senators and myself think that there is no legislation pending before this Senate of more importance than general revenue sharing, not that we say that it should pass, not that we say we know precisely the formula, but because our cities, counties, and States are there anxiously wondering come December 31 of this year as to the revenue which is in their budgets which they have been using for 5 years for various and sundry general service type appropriations whether or not it will be there. So I ask unanimous consent that this letter be printed in the RECORD, and in all concern and with genuine admiration for the leadership I ask that it be given every consideration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 6, 1975.

Hon. MIKE MANSFIELD,
Majority Leader, U.S. Senate.
Hon. HUGH SCOTT,
Minority Leader, U.S. Senate.
Hon. ROBERT C. BYRD,
Majority Whip, U.S. Senate,
Hon. ROBERT P. GRIFFIN,
Minority Whip, U.S. Senate.

TO OUR LEADERS: Among the many pieces of legislation pending before the Senate and its committees is H.R. 13367, which extends and revises the State and Local Fiscal Assistance Act of 1972. We would, at this point, like to make an urgent appeal for Senate consideration of this vital bill at the earliest possible moment.

H.R. 13367 would extend and revise the highly successful general revenue sharing program which expires on December 31, 1976.

We believe the reasons for rapid Senate action on this measure are obvious. With expiration of the existing revenue sharing legislation, many state and local governments, which are desperately struggling to make ends meet, will be deprived of an essential source of income. Revenue from this program has become an indispensible ingredient in providing services now being demanded by the citizens of this country; services which can only be provided at the state and local level.

By delaying action until this late date we have already fallen behind the budget cycle of many state and local government entities. Further delay will only create additional uncertainties and financial hardship at the state and local levels.

The Senate has already shown its interest in and concern for the serious financial plight of our state and local governments by providing funding for public works projects, public service jobs, countercyclical arrangements, and increased unemployment compensation. However, without the funds from revenue sharing, our cities, counties, and states will be in a desperate state.

For all these reasons, we urge you to make every possible effort to get the revenue sharing legislation to the floor as soon as possible. There is no pending legislation that is more urgent. The cities, counties, and states across the entire Nation now rely on this funding source to provide the continuity and consistency of Federal assistance available under no other program.

Sincerely,

Pete V. Domenici, Henry Bellmon, John Tower, Patrick Leahy, Sam Nunn, James B. Allen, John C. Stennis, Hubert H. Humphrey, Edward W. Brooke, and Floyd K. Haskell.

Dale Bumpers, Robert Taft, Jr., Strom Thurmond, Tom McIntyre, Paul Fannin, Clifford P. Hansen, Wendell H. Ford, Alan Cranston, Clifford P. Case, Walter D. Huddleston, and Frank E. Moss.

J. Bennett Johnston, Lloyd Bentsen, J. Glenn Beall, Bob Dole, Gaylord Nelson, Mark O. Hatfield, Paul Laxalt, Jake Garn, Mike Gravel, Milton R. Young, Lawton Chiles, Gary Hart, John Durkin, Gale W. McGee, and Lowell P. Weicker, Jr.

Ernest F. Hollings, Robert Morgan, Dewey F. Bartlett, James McClure, George McGovern, Roman L. Hruska, Bob Packwood, Howard H. Baker, Quentin Burdick, John Glenn, Birch Bayh, Jennings Randolph, Harrison Williams, Howard Cannon, Charles H. Percy, and Robert T. Stafford.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. MANSFIELD. Mr. President, I appreciate what the distinguished Senator from New Mexico has just said. I assure him that as far as the joint leadership is concerned we, too, have been anxiously waiting for a revenue sharing bill to come out of the Committee on Finance.

We have been in touch with Senator LONG and he has promised to do his best and to do it as expeditiously as possible in seeing to it that this legislation is reported out and placed on the calendar.

As the Senator indicated, he is most impartial. The Committee on Finance has been most busy for all of last month, almost all of this month up to last Friday, and also a portion of June.

I realize the importance of it, and it is the hope of the leadership that once we come back following the conclusion of the Republican Convention to take up the postal reform bill, which will be pending, to take up the rangelands bill, on which there is a time limitation agreement, and to take up the bill on higher education, which is on the calendar and needs action, and also the revenue sharing bill. There will be other matters, and we will do our best to keep the Senate informed on the basis of what the calendar contains as to what the leadership intends to do between the time of the conclusion of the Republican Convention and the beginning of a short Labor Day recess—I think it is only 1 day actually—and then from the conclusion of that recess until October 2 which the joint leadership still hopes to be able to make the sine die adjournment date.

I thank the Senator for raising this question. I think he was acting in the best interests of the Senate as a whole, and I assure him that as far as the joint leadership is concerned on both sides of the aisle he will have our full cooperation and understanding.

Mr. DOMENICI. Mr. President, I thank the distinguished majority leader for his remarks and share his genuine enthusiasm and interest in seeing that general revenue sharing gets to the floor of the Senate at the earliest practical date, and I am delighted that my good friend, the majority leader, takes this letter and the few remarks that I have made attendant therewith in the spirit that I intended it, certainly to buttress and assist our leadership in their efforts to expedite this very important legislation.

I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time in accordance with the previous order the Chair recognizes the distinguished Senator from Idaho (Mr. MCCLURE) for not to exceed 15 minutes.

ECONOMIC FORECAST

Mr. McCLURE. Mr. President, a year ago, I addressed the Senate on the subject of the future progress of our economy and related that progress to the budget resolution for fiscal year 1976. At that time I indicated that:

> In my view, the first concurrent resolution was based upon what has over the past few decades become the 'orthodox' economic way of thinking. This thinking suggests that Federal budget deficits are stimulative to the economy, and in addition, that large deficits are more stimulative than small ones. As a consequence, whenever the economy suffers a slowdown, massive doses of increased spending and tax cuts are called for to push the economy back to acceptable levels of growth and employment.

However, I also warned that:

> These new spending initiatives and tax cuts become permanent elements of the budget structure and contribute to the trend toward accelerating inflation-recession cycles, with each cycle being worse than the last. The economy has been locked into this trend because policy makers over-emphasize short-term goals at the expense of long-run stability.

I further stipulated that:

> If we are to establish the basis for a recovery designed to attain sustainable long-term growth without inflation, we must turn away from the older economic practice and avoid the policy mistakes of the past. Policymakers must come to terms with the true relationships that exist among unemployment, economic growth, Governent spending, Federal deficits, capital formation, interest rates, inflation, and growth of the money supply. Only then will the trend toward progressively worse inflation-recession cycles be reversed.

Again, in the debate surrounding the acceptance of the first concurrent resolution were misguided and ultimately both pernicious and contradictory. In each case, the basis for my opposition was only in part philosophical. My specific rejection of the resolutions and their accompanying deficits was founded upon my acceptance of an economic forecast which differed from that assumed within the budget resolutions. It was a forecast which, to my mind, revealed the true and predictable consequences of the large deficits supported by both budget resolutions.

Sufficient time has passed to enable the Senate to judge the reliability of that economic forecast and to appreciate both its short- and long-run implications. Let me briefly review the predictions which I made several months ago. At that time, I said:

> We can expect to see rates of real GNP growth in the 8–10 percent range for the remainder of FY 76. The rate of unemployment will fall but will probably remain in the area of 7 percent at the end of FY 76. Based on past experience, I expect that money growth will be much higher than many observers predict and that M_1 will grow by at least 8 percent between now and the end of FY 76.
>
> Businesses will also become active borrowers as they seek to build inventories, undertake modernization of equipment and reactivate expansion plans which had been put aside.
>
> At the conclusion of 1976, despite the fact that the unemployment rate will still be above 7 percent, economic growth may begin to falter. The rate of economic growth could decline basically due to the reversal of the inventory subcycle which had been a substantial factor contributing to the higher level of activity.
>
> Historically, the slowdown which follows the crest of these cycles may simply be a reduction in growth to a sustainable 4 percent overall rate or the emergence of a recession with its negative growth rates.

I then proposed an alternative policy which was and is consistent with sustainable noninflationary economic growth. I said:

> The correct policy response to the slowdown which will develop in 1977 would involve programs designed to increase corporate cash flow and to reduce the costs of borrowing. In short, monetary and fiscal policy must focus now on investment rather than consumption. Our failure to take such action will produce an increase in aggregate demand without a comparable increase in aggregate supply and will surely occasion the same kinds of shortages and price explosions which were evident in 1974.

The forecast further stressed the fact that popular estimates of the level of idle industrial capacity assumed in the resolution were faulty. These estimates overstated the amount of unused capacity and therefore understated the inflationary potential of high levels of fiscal stimulus. At the time I made my original forecast, I stated that:

> During 1977 serious shortages can be experienced despite the fact that manufacturing utilization rates are less than 90 percent. It should also be remembered that not all production capacity exists in the appropriate industries or at the proper stage of the production process. Capacity in the finished goods sector is useless if it is not balanced by complementary capacity at the basic production stage. These factors are especially disquieting when viewed in the context of our aging national capital stock. If capacity utilization were adjusted to reflect the factors discussed above, our current operating rates would be close to 80 percent of true capacity.
>
> While it is important to relate economic policy to the capacity of the nation's productive plant, it is equally as important to recognize the deterioration which has reduced the efficiency of our capital stock.

I went on to say:

> Investment as a percentage of GNP will over the time determine the rate of growth which can be achieved by any nation. During the period 1960–1973, the United States invested in new plant and equipment a lower percentage of its GNP than did most other industrialized nations. In percentage terms, Japan invested some 30 percent of its GNP in new plant and equipment while we committed only 12–13 percent of our GNP to such investment. In consequence the rate of growth in productivity was lower during that period in the U.S. than in other industrialized countries. The impact of this long period of minimal investment will render the United States less able to produce efficiently at home or to compete effectively in international markets. A continued budgetary emphasis on consumption rather than investment will result in rendering much of our capital stock obsolete in the near future.

A final key element of the economic forecast which I reported to the Senate concerned the outlook for changes in the rate of growth of labor productivity. At that time, I indicated that productivity growth would be at first rapid but then decline, forcing an increase in unit labor costs and providing yet another inflationary impetus for future periods.

The actual performance of the economy has followed the forecast in all respects except that business investment in new plant and equipment has lagged my expectations by 3 or 4 months. A few figures will illustrate the basic accuracy of my prior forecast. Money growth has accelerated dramatically, as predicted. M_1 has grown at rates of 10 percent and 8.6 percent for the first and second quarters respectively, while other monetary measures have increased even more rapidly. Real GNP growth has exceeded even the optimistic projections of the administration causing those growth rates to be revised upward for 1976 in its entirety. Productivity grew at an annual rate of 7.6 percent and then declined by more than 50 percent in the most recent quarter. The course of inflation has followed the forecast faithfully. That rate fell to 3.7 percent in the first quarter and then rose to 5.5 percent thereafter. Idle capacity has fallen as industrial operating rates have increased. It is also interesting to note that the Federal Reserve has now admitted that its index overstated idle capacity and the Board is in the process of revising the components of that index.

Finally, it should be noted that my view of the effectiveness or impact of deficits on economic activity has been sustained. You will recall that the budget for fiscal year 1976 was emphatic with respect to the need for a $76 billion deficit to sustain a modest economic recovery. In fact, the final deficit for the year will total $65 billion, demonstrating that the "conventional wisdom" as it relates to "stimulative" deficits is seriously in error. Unfortunately, much of the spending which was not undertaken in fiscal year 1976 will show up in the transition quarter. In the event that half of those outlays are carried over, the annualized deficit for the transition quarter will approach $88 billion.

My purpose today was only in part to demonstrate the accuracy of the economic projections which I brought to the floor some months ago. My real concern is not for what has been but rather for what will be. The future behavior of the economy as projected in my forecast is not desirable. Inflation rates will increase as will interest rates. Production shortages will appear as early as 1977 in some industries. Finally, money growth will be curtailed and the stage will be set for yet another recession in 1978. If we are to avoid this sad sequence of events, we must understand the impact of a Federal budget which includes a substantial deficit.

The Federal budget and its associated deficits do not reflect our economic difficulties but rather these deficits are the cause of those difficulties. If we are to avoid yet another round of inflation and recession in 1978, we must recognize the fact that future deficits will not create wealth but rather will erode wealth. They consume funds which are required for investment. They reduce the jobs creating potential of the private sector and ultimately destroy the income-producing ability of those who must generate tax revenues. Be assured that the deficit will not vanish in the face of rising revenues and an expanding economy. It may be reduced but with the next deficit-induced recession, it will balloon once more.

The vicious cycle of deficits, to rising interest rates, to credit crunches, to recession, unemployment, and yet larger deficits can and must be broken.

We must disabuse ourselves of the idea that continuing deficits can be productive in a positive sense. They will produce inflation and recession; they cannot produce economic growth and price stability.

Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD. Will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. MANSFIELD. Mr. President, we are aware of the fact that unemployment, for example, in the past month rose from 7.3, I believe, to 7.5 percent. I wonder if the Senator could give us the benefit of his knowledge as to what the percentage of inflation is at the present time or has been over the past 3 or 4 months.

Mr. McCLURE. It has been running at a rate as low as slightly below 5 percent at its lowest point on an annualized rate. That is lower than most of the forecasts.

Mr. MANSFIELD. Yes.

Mr. McCLURE. The unemployment figures for this last month were very, very disappointing. They partly reflect the overoptimistic adjustment, a rather statistical quirk that occurred 2 months ago, when there was a very large reduction in the rate of unemployment which was not a sustainable rate and was adjusted in the following month. This last month has a seasonal adjustment in it. I suspect that the unemployment rates for the months of August and September will look better than the ones we have just experienced. I do not think we can take any pleasure in any of those figures.

Mr. MANSFIELD. No. What I am trying to do is establish a ratio between the unemployment rate, or a comparison, rather, and the inflation rate. Is the figure I quoted, 7.2 to 7.5, correct?

Mr. McCLURE. 7.5 is correct for the preceding month. It is higher than that in this most current month.

Mr. MANSFIELD. Around 7.8?

Mr. McCLURE. Yes.

Mr. MANSFIELD. Is it the Senator's contention that at the present time, using the last 12 months as a basis, the inflation rate is approximately 5 percent?

Mr. McCLURE. That is the current rate. It has been higher than that. It has been declining steadily over a period of time.

Mr. MANSFIELD. I appreciate the statement. In connection with the unemployment rate, it is my understanding that a greater than anticipated influx into the labor market was in some part responsible for that labor rise.

Mr. McCLURE. I am sure that is true. As the Korean war generation moves into the labor market, as more and more women move into the labor market, the rate of job creation must increase if the unemployment rate is not to increase. That is one of the reasons that we must shift from a consumption-oriented economy to an investment-oriented policy, in order to produce the productive capacity to provide the jobs for all of these people.

There was a role, there can at some times be a role for consumption-oriented spending to stimulate the economy but, at a time when we are trying to build future jobs, we should not be concentrating on consumption spending, but should be concentrating on the capital spending that will create new job opportunities.

Mr. MANSFIELD. I thank the Senator.

Mr. McCLURE. I thank the Senator from Montana.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, according to the previous order, there will be a period of 15 minutes for the transaction of routine morning business, with the speeches of Senators limited to 5 minutes each.

Is there morning business to be transacted at this time?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:09 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has agreed to the concurrent resolution (H. Con. Res. 707) providing for a conditional adjournment of the House from August 10 until August 23, 1976, and the Senate from August 11 until August 23, 1976, in which it requests the concurrence of the Senate.

At 1:18 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 11552. An act to establish a Voter Registration Administration with the Federal Election Commission for the purpose of administering a voter registration program through the Postal Service, and for other purposes.

At 2:45 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12169) to amend the Federal Energy Administration Act of 1974 to provide for authorizations of appropriations to the Federal Energy Administration, to extend the duration of authorities under such Act, and for other purposes.

The message also announced that the House has agreed to concurrent resolution (H. Con. Res. 709) directing the Clerk of the House to make corrections in the enrollment of H.R. 12169, in which it requests the concurrence of the Senate.

At 3:59 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the concurrent resolution (H. Con. Res. 707) providing for a conditional adjournment of the two Houses from August 10 until August 23, 1976.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE EAST-WEST FOREIGN TRADE BOARD

A letter from the Chairman, East-West Foreign Trade Board, transmitting, pursuant to law, the fifth quarterly report of the East-West Foreign Trade Board (with an accompanying report); to the Committee on Finance.

REPORT OF NEW SYSTEM, SERVICE OFFICER DEMONSTRATION PROJECT, SOCIAL SECURITY ADMINISTRATION

A letter from the Assistant Secretary for Administration and Management, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report of a new system, Service Officer Demonstration Project, Social Security Administration (with an accompanying report); to the Committee on Government Operations.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the greater use of commercial distribution systems for minor, low-use supply items, Defense Supply Agency (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on problems found in the financial disclosure system for Department of Commerce employees (with an accompanying report); to the Committee on Government Operations.

REPORT ON RUNAWAY YOUTH

A letter from the Under Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on runaway youth (with accompanying reports); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 3273. A bill to authorize a study for the purpose of determining the feasibility and desirability of designating the Nee-Me-Poo Trail as a national scenic trail (Rept. No. 94-1141).

By Mr. STONE, from the Committee on Interior and Insular Affairs, without amendment:

S. 2486. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Florida Trail as a national scenic trail (Rept. No. 94-1142).

By Mr. JOHNSTON, from the Committee

on Interior and Insular Affairs, without amendment:

S. 2112. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Bartram Trail as a national scenic trail (Rept. No. 94–1143).

S. 2783. A bill to authorize a study for the purpose of determining the feasibility and desirability of designating the Daniel Boone Trail as a national scenic trail (Rept. No. 94–1144).

H. Con. Res. 225. A concurrent resolution to recognize the Washington-Rochambeau Historic Route (Rept. No. 94–1145).

By Mr. FORD (for Mr. Philip A. Hart), from the Committee on Commerce, without amendment:

S. 2951. A bill to authorize the documentation of the vessel, *Barbara Ann*, as a vessel of the United States with coastwise privileges (Rept. No. 94–1146).

By Mr. MANSFIELD (for Mr. McClellan), from the Committee on Appropriations, without recommendation:

S. 3735. A bill to amend the Public Health Service Act to authorize the establishment and implementation of a national influenza immunization program and to provide an exclusive remedy for persons injured as a result of inoculation with vaccine under such program (Rept. No. 94–1147).

By Mr. SPARKMAN, from the Committee on Foreign Relations, with amendments:

H.R. 13955. An act to provide for amendment of the Bretton Woods Agreements Act, and for other purposes (Rept. No. 94–1148).

By Mr. HATFIELD, from the Committee on Interior and Insular Affairs, without amendment:

S. 3528. A bill to authorize the Secretary of the Interior and the Secretary of Agriculture to conduct a study with respect to the feasibility of establishing the Desert Trail as a national scenic trail (Rept. No. 94–1149).

EXECUTIVE REPORTS OF THE COMMITTEE ON ARMED SERVICES

Mr. STENNIS. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of Vice Adm. Denis-James J. Downey, U.S. Navy, for appointment to the grade of vice admiral on the retired list; and Rear Adm. Clarence R. Bryan, U.S. Navy, for temporary appointment to the grade of vice admiral; and Rear Adm. Samuel L. Gravely, U.S. Navy, for temporary appointment to the grade of vice admiral. I ask that these nominations be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STENNIS. In addition, Mr. President, there are 89 in the Air Force for appointment in the grade of colonel and below (list beginning with Larry R. Bowman). Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of July 29, 1976, at the end of the Senate proceedings.)

Mr. HARRY F. BYRD, JR. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nomination of Lt. Gen. Daniel Orrin Graham, U.S. Army, to be placed on the retired list in the grade of lieutenant general. I ask that this nomination be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME FOR COMMITTEE ON COMMERCE TO REPORT S. 2028

Mr. MAGNUSON. Mr. President, S. 2028, a bill reported by the Judiciary Committee that applies a procompetitive standard to Government agencies, was referred to the Commerce Committee for 30 days, ending August 21, 1976. I have checked with the people involved and since we will be in recess at that time, I ask unanimous consent that the time be extended to September 15, 1976.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MANSFIELD:

S. 3746. A bill to amend section 11 of the Interstate Commerce Act to provide terms and conditions governing the designation of the Chairman and Vice Chairman of the Interstate Commerce Commission. Referred to the Committee on Commerce.

By Mr. MANSFIELD (for himself and Mr. Metcalf):

S. 3747. A bill to eliminate a restriction relating to certain lands granted to the State of Montana. Referred to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 3748. A bill for the relief of Joaquin T. Quijencio. Referred to the Committee on the Judiciary.

By Mr. ROTH:

S. 3749. A bill to reorganize the Executive Branch of the Government in order to improve the management of the Outer Continental Shelf. Referred to the Committee on Government Operations.

By Mr. BARTLETT:

S. 3750. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a ten-hour day in the case of a four-day workweek, and for other purposes. Referred to the Comimttee on Labor and Public Welfare.

By Mr. ABOUREZK:

S. 3751. A bill making further appropriations for foreign assistance and related programs for the transition quarter ending September 30, 1976. Referred to the Committee on Appropriations.

By Mr. BENTSEN:

S. 3752. A bill to amend certain provisions of title 18, United States Code, relating to the sentencing of defendants convicted of certain offenses. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3753. A bill for the relief of Miss Sunil Aiyadurai. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3754. A bill to amend the Internal Revenue Code of 1954 to allow a credit for amounts paid by certain individuals over age 65 for qualifying real property taxes and rent constituting real property taxes with respect to such individual's principal residence. Referred to the Committee on Finance.

By Mr. PEARSON (for himself, Mr. Magnuson, Mr. Moss, and Mr. Weicker):

S. 3755. A bill to aid in the enforcement of Acts implemented by the Consumer Product Safety Commission. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MANSFIELD:

S. 3746. A bill to amend section 11 of the Interstate Commerce Act to provide terms and conditions governing the designation of the Chairman and Vice Chairman of the Interstate Commerce Commission. Referred to the Committee on Commerce.

Mr. MANSFIELD. Mr. President, as my colleagues are aware, I have often been a critic of the regulatory agency system in our Federal Government and from time to time I have suggested ways which these agencies might become more responsive. Because the Interstate Commerce Commission has a great deal to do with my State of Montana, I noted with great interest in June the introduction of H.R. 14174 by Congressman Murphy of New York. This bill sets forth new policies regarding designation of Chairman and Vice Chairman of the Interstate Commerce Commission. The Commission, as we know, has 11 members appointed by the President and with advice and consent of the Senate for a term of 7 years. Not more than six of the members can be appointed from the same political party. Prior to 1970, the Chairman of the Commission served for 1 year, selected on an annual rotation from the 11 Commissioners.

The Reorganization Plan No. 1 of 1969 provided, among other things, for transfer of the function of choosing the Chairman from the Commission to the President. Also, it authorized the Commission to designate a Commissioner to be Acting Chairman during any period of time when no Presidential appointed Chairman was available to perform these functions. I firmly believe that the intent of this legislation would strengthen the professionalism and the responsiveness of the Interstate Commerce Commission. In addition, the Commission would be returning to the original intent as an arm of the Congress. I have introduced this legislation knowing full well that there is not sufficient time this year to consider the measure, but it is one I hope will be reviewed in the next Congress. The bill, if enacted, would not affect the authority of the next President but would apply in the years after 1979.

Mr. President, I ask unanimous consent that an editorial appearing in Traffic World several months ago be printed at the conclusion of my remarks, along with a letter submitted to the Chairman of the Select Committee on Presidential Campaign Activities in November, 1973, by Harold McCoy, retired Secretary of the Interstate Commerce Commission.

There being no objection, the material was ordered to be printed in the Record, as follows:

DECLINE OF REGULATORY AGENCY INDEPENDENCE

Numerous critics of transport regulation as exercised by the Interstate Commerce Commission were pleased when Congress chose not to upset former President Nixon's Reorganization Plan No. 1 of 1969 by which the President was empowered to appoint a "permanent" chairman of the Commission. Thus it was that the time-honored ICC practice of rotating the agency chairmanship by the election of a commissioner to that office annually by the 11 members of the ICC went into discard. Mr. Nixon on May 13, 1970, appointed George M. Stafford as the first "permanent" ICC chairman.

There must be many others besides us who have been amused by such use of the word "permanent," a word that to us has meant nothing less than "everlasting." But reference to an unabridged dictionary shows that "permanent" can also mean "intended to exist for a long, indefinite period." We would hope that for the sake of all seekers of eternal life in the Hereafter, the word "eternal" really does mean "everlasting" and not merely "intended to exist for a long, indefinite period."

When the proposal for vesting in the President, instead of in the Commission itself, the right to appoint the ICC chairman first came up, in the administration of President Harry S. Truman about 25 years ago, the voices of protest, particularly those of shippers, were sufficiently loud and numerous to persuade Congress to disapprove the idea as embodied in a Presidential "reorganization plan." The Congress, however, by inaction allowed certain other reorganization plans devised in the White House to go into effect, including plans that gave the President authority to appoint "permanent" chairmen of the Federal Maritime Commission and Civil Aeronautics Board.

Efforts by President Eisenhower, President Kennedy and President Johnson to gain acceptance of their proposals to have the say-so about the ICC chairmanship were fruitless, but by the time former President Nixon had gained White House tenancy most of the resistance by Congress to the acceptance of the battered reorganization plan involving appointment of the ICC chairman had evaporated, and the shipping public had become apathetic about the whole thing.

There were, after all, some rather persuasive arguments to support the giving to the President of the right to say who should be the head of the ICC and for how long. One of those arguments was that since the naming of the CAB chairman and the FMC chairman had been turned over to the President, consistency called for giving him the same power as to the ICC chairmanship.

There was the argument, too (among others), that a "permanent" chairman would acquire, over a period of time, greater managerial skills and greater overall understanding of the Commission's duties and responsibilities than the holder of such an office for only a one-year term could possibly acquire. And there were some who contended that the ICC, though in fact an "arm of Congress," should be held accountable to the President as well as to the Congress for its actions.

Well, we, having had many contacts with politicians early in our not very illustrious newspapering career in Indiana, had doubts from the outset about the wisdom of giving the Executive Branch a greater degree of control over a creature of the Legislative Branch than it already had. The President has the right and duty to nominate individuals for appointments as members of the regulatory bodies, but it does not follow that he should be privileged to designate the chairmen of those bodies for service at his pleasure, thereby placing the chairmen in the position of feeling beholden to the President and duty-bound to try to carry out the President's "requests" (which, of course, are tantamount to orders). The President thus may want the chairman to induce the agency to adopt such regulatory policies as may be politically expedient for the President. Whenever the ICC or any other regulatory agency becomes an instrument for advancement of political projects of a President, Congress will have abdicated its *vox populi* role and the agency will have become a medium for dispensation of political favors (or punitive action) rather than a medium for dispensation of justice.

The late Commissioner Joe Eastman may not have been the twentieth century's greatest repository of regulatory wisdom, but he came as close to being just that as any individual who has held high office in the federal government in the last 60 years. President Ford has seen fit to demote Mr. Stafford, who could not and would not conscientiously support the Administration's partly cockeyed deregulation proposals, from the ICC chairmanship to be a subordinate to a new chairman of the President's choice—a man said to be intellectually brilliant but certainly not qualified by experience or training to provide guidance for the other ICC members who have years of experience and familiarity with issues and controversies of the sort the Commission must decide. If the Senate accepts the President's choice for the ICC chairmanship, Congress will have surrendered more of its control over one of its very important "arms" and will have opened the door for use of the ICC by the President as a convenient political tool. The federal legislators should remain mindful of the first point made by the late Commissioner Eastman in his "primer" on regulation:

"With the country as big and complex as it is, administrative tribunals like the Interstate Commerce Commission are necessities. Probably we shall have more rather than less. To be successful, they must be masters of their own souls, and known to be such. It is the duty of the President to determine their personnel through the power of appointment, and it is the duty of Congress to determine by statute the policies which they are to administer; but in the administration of those policies these tribunals must not be under the domination or influence of either the President or Congress or of anything else than their own independent judgment of the facts and the law. They must be in position and ready to give free and untrammeled advice to both the President and Congress at any time upon request. Political domination will ruin such a tribunal. I have seen this happen many times, particularly in the states."

HAROLD D. MCCOY,

Arlington, Va., November 26, 1973.

Legislative proposal with multiple potentials for reform.

Hon. SAM J. ERVIN, Jr.,
Chairman, Select Committee on Presidential Campaign Activities, U.S. Senate, Washington, D.C.

DEAR SENATOR ERVIN: It respectfully is submitted that enactment of the proposal hereinafter outlined would: (1) in a modest way help to restore waning public confidence in the integrity of government, (2) strengthen our traditional system of checks and balances, (3) remove existing improper executive power and control over certain regulatory agencies, (4) improve the opportunity for quality performance by the members of the indicated agencies, and (5) by the proposed removal of the potential for political reprisal, to that extent reduce the occasions for solicitation of coerced campaign contributions. The proposal in question revives a recommendation made in 1955 by a House Subcommittee (*A-80*—see page 80 of item A in the appendix hereto):

"1. That the various reorganization plans (sometimes referred to as Hoover Commission plans) applicable to the different independent regulatory agencies such as the Federal Trade Commission, Federal Power Commission, Civil Aeronautics Board, and Securities and Exchange Commission be amended to the extent that the Chairman of such agencies be selected by the members thereof, and that the powers placed in the hands of the Chairmen by said plans revert to the members of the agencies acting as a body in accordance with usual agency procedure."

H.R. 10791, a bill to implement the foregoing recommendation, was introduced on April 25, 1956, in the 84th Congress by Congressman Joe L. Evins.

Ex-Senator Mead's role as witness. Several agency members testified at the hearings which formed the basis for the foregoing recommendations. A witness with particularly formidable credentials was the Honorable James M. Mead. By reason of his (*B-66*): (a) 28 years of service in Senate and House, (b) membership on the Hoover Commission, (c) service on the Joint Committee on Reorganization of Government, headed by Judge Vinson, (d) subsequent service as a member of the Federal Trade Commission, (e) later service as the first presidentially designated chairman of the FTC, and (f) subsequent FTC service but not as chairman, Senator Meed was in a unique and exceptionally broad experienced position to express a judgment and hope as follows (*B-68, 69, 73*):

I hope the day will come when the Federal Trade Commission and other commissions, regulatory commissions, will be as the courts today, devoid of politics, and free from the influence that creeps in when a Chairman is named by the will of the executive to be terminated whenever the executive sees fit to do so. I do know that under the rotating system, whereby we have Republican Chairmen, when we have Democratic Presidents, and vice versa, there is a minimum of politics and I would suggest we return to that system. . . . I believe every Chairman sooner or later, as well as the vast majority of the Commissioners, Republican and Democrat, will recommend that we go back to the old system of rotating Chairman. . . .

"Regulatory agencies must be kept independent"—Senator Magnuson.

In a 1955 report Senator Magnuson stated (C-5, 6):

". . . The first of the regulatory commissions, the Interstate Commerce Commission, was established in 1887. It was given specific law-enforcement duties and in addition was charged with specific judicial and legislative functions, the latter through its rule-making power and legislative advice to Congress. It had no direct relations with the Executive. As a matter of fact, he had not been involved in the movement that led to its creation. The Interstate Commerce Commission was the prototype of the other quasi-judicial arms of Congress that have been brought into being. A review of their history and the legislative debates leading to their creation makes it abundantly clear that *the prime reason for making independent commissions independent was and is to remove them from areas of partially, particularly political partiality*. Congress felt that the public would have greater confidence in the operation of agencies removed from the day-to-day policymaking decisions of political administrations. These regulatory agencies must be kept independent and directly responsible to Congress, free from interference by the executive branch of the government." (Emphasis supplied.)

Politics no concern of ICC in making staff appointments said Commissioner Eastman in 1935. In the matter of political impartiality what has been the historic situation within the ICC? Having retired from that agency at the end of 1964 I have no personal knowledge as to much matter since 1964, but I can speak for a long period preceding that year, having begun my service with the ICC in 1921. The general climate existing during that long period on the matter in question is well illustrated by the incident next described. Newly enacted legislation in the 1930's added substantial duties to the ICC necessitating the hiring of additional personnel. Chairman Farley of the Democratic National Committee protested when he learned that non-Democrats were among those being considered for appointment. Whereupon Commissioner Eastman in his letter to Chairman Farley of Nov. 15, 1935, stated (D–63):

". . . The Commission in making appointments to its staff, does not take politics into consideration, and never has. It does not even seek to ascertain the political affiliations of its staff and I hope it never will. . . ."

Justice Frankfurter commended "unblemished character" and "actual independence" of the ICC. The ability of the ICC over a long span of years to maintain a good record and policy of independence was the subject of a tribute in 1962 by a distinguished jurist, Mr. Justice Frankfurter. Was he qualified to express an informed opinion? Here are his own words, state on the occasion of the exercises in observance of the 75th anniversary of the ICC:

". . . I have lived through practically the whole effective existence of the Commission. . . . [T]he formative years of my professional life were preoccupied with the indispensable aspects of the Interstate Commerce Act, its criminal sanctions, rebate provisions, et cetera. My first years at the bar were devoted largely to such concerns. And, ever since, the life and activities of the Commission have continued to be one of my predominant concerns. . . ."

He went on to say (E–21, 22):

"[T]his Commission has had an unblemished character, . . . has maintained not merely formal independence, but actual independence of word and deed. . . ."

Recent contrasting situations in some other agencies functioning under White House designated chairmen. For instance, see charges in the May 10, 1973, indictment of Messrs. Mitchell and Stans involving a $200,000 political contribution in the Vesco matter, and note the resignation shortly thereafter of Mr. G. Bradford Cook, abruptly terminating his 75-day tenure as the presidentially designated chairman of the Securities and Exchange Commission. (New York Times, May 17, 1973, front page.) As to another agency: a $200,000 campaign contribution was "expected" from American Air Lines in connection with a merger proposal pending before the Civil Aeronautics Board, according to an article by Senator Mondale appearing on the editorial page of the Washington Post on Sept. 18, 1973. In another situation a $200,000 contribution to the Nixon reelection campaign is reported to have been made by rug makers interested in flammability standards which might be promulgated by the FTC. Such matter was the subject of consideration in the hearings in early October before the Senate Commerce Committee on the nomination of Miss Mary Elizabeth Hanford to be a member of the FTC. (See Washington Post for Oct. 5, 1973.)

Are the opportunities for political manipulation and resulting perversion of the regulatory function which flow from presidential power to designate agency chairmen too great any longer to be tolerated? What is the extent of the activities in question? It was stated in the Washington Post, p. 7, for Sept. 13, 1973, that "One of [Special Prosecutor] Cox's task forces is conducting a wideranging investigation of alleged misuses of executive power and government agencies". Bearing in mind the subsequent firing of Mr. Cox it remains to be seen how much of the work of the indicated task force will be salvaged. When all the evidence is in respecting campaign contributions it will be interesting to learn the aggregate amount of contributions made by individuals and corporations directly or indirectly subject to the jurisdiction of regulatory agencies, and to compare that sum with the total amount collected. An analysis of those figures may turn out to be of such significance as to accent the importance of the recommendation for legislation herein made.

"Agency heads" attending cabinet meetings? Speaking generally on the subject of "agencies" note the following from an article titled: "Haig: Nixon Staff Chief with New Style", appearing in the Washington Post on Sept. 30, 1973, the article purporting directly to quote General Haig as follows:

". . . . . There is more contact with the Republican Party. (National Party Chairman) *Bush sits in on all of the cabinet meetings. We bring in* "wild cards" *to the cabinet meetings—agency heads* who have never been there before—to give them a taste of what the cabinet is like. . . . . . (Emphasis supplied.)"

Regulatory commissions such as the CAB, FPC, ICC, and SEC are frequently referred to as "agencies". Hence, if General Haig correctly has been quoted above, then these seven questions arise: (1) Is the indicated direct exposure of agency heads to highest-level political deliberations consistent with the following previously-quoted statement of Senator Magnuson:

". . . . . Congress felt that the public would have greater confidence in the operation of agencies removed from the day-to-day policy making decisions of political administrations. These regulatory agencies must be kept independent and directly responsible to Congress, free from interference by the executive branch of the government?"

(2) By stating, as indicated above, that agency heads are being brought in to highest-level political deliberations, is not such declaration an indication that regulatory agencies are regarded as legitimate parts of the administration's political apparatus? (3) If it is appropriate for agency heads occasionally to be brought in to highest-level political deliberations would it also be appropriate for the Chief Justice of the United States similarly to be brought in? (4) If the answer to (2) is "yes". and the answer to question (3) is "no", what is the difference? (5) Does not one significant difference lie in the fact that by failing to disapprove the pertinent reorganization plans Congress thereby effectively clothed the executive with power to exercise unlimited political domination over the regulatory agencies? (6) If the answer to (5) is "yes", is there not a hazard that in the final consideration of an agency proceeding the agency chairman who previously has sat in a cabinet meeting where the subject matter of an agency proceeding was discussed, may vote, and encourage or coerce his agency brethren to vote likewise, in accordance with political considerations rather than to be bound by the sworn testimony which constitutes the record in the agency proceeding? (7) If the answer to (6) is "yes", does not this situation also tend to nullify the citizen safeguards which Congress had in mind in enacting the Administrative Procedure Act, 5 U.S.C. 701 et seq., and the functioning of administrative law judges thereunder?

Ongoing potential for undesirable political control of regulatory agencies not dependent on cabinet attendance. According to the previously-quoted news excerpt re General Haig, agency heads "have never been there before"—meaning attendance at cabinet meetings. Regardless of what interpretation is placed on the indicated news account, the fact remains that the solicitation of campaign funds in the previously-mentioned Vesco, American Air Line, and rug-maker matters, and any concurrent understandings which may or may not have been arrived at in connection therewith, all occurred prior to the coming to the White House of General Haig. Hence, wholly apart from any question of cabinet attendance of agency heads, it is apparent that power to exercise undesirable political control over regulatory agencies is a current and ongoing potential.

Fear of "blacklist or bottom of totem pole" treatment. The following is from a news account headed "Watergate Probe Told of Pressure for Funds" appearing in the WASHINGTON POST for Nov. 15, 1973:

Explaining why he decided to make the contribution to the Nixon re-election campaign, Wild said, "I arrived at the decision that if we wanted to be, were going to be treated in an equal way . . . if there was not some participation on my part, we may be, you know, on what, whether you call it a blacklist or bottom of the totem pole, I would just like somebody to answer my telephone calls once in a while and that may happen sometimes."

The reason for the indicated fear is obvious. Through the power politically to dominate, the White House is in a position to punish those who fail to comply with a demand to contribute. Remove the power to dictate to a regulatory agency and, with respect to those subject to its jurisdiction, the fear of reprisal is reduced accordingly thereby having a salutary end result as far as the general problem of campaign contributions is concerned.

The Senate and the 1950 reorganization plans. The true nature of a 1950 reorganization plan for the ICC was well understood by the Senate. In March of that year several reorganization plans by President Truman were the subject of hearings before a Senate Committee. Included was Plan 7 (*F–207*) which provided for a White House designated chairman of the ICC and centralization of control of the affairs of that agency in the office of the chairman. Testifying respecting such plans Senator Edwin ("Big Ed") Johnson, Chairman of the then Committee on Interstate and Foreign Commerce, stated (*G–14 et seq.*):

"No Member of Congress, Mr. Chairman, would agree, I am sure to let the President appoint the chairmen of the committees of Congress and give these chairmen the authority to hire and fire the committee staffs and direct their work and decide when and if hearings are to be held on legislation. And yet that is precisely what these reorganization plans do with the commissions which under law are arms of Congress. . . .

"If efficiency and streamlining is the goal, then the answer is the kind of government that Hitler and Mussolini tried and Stalin is [1950] employing now. . . . The statutes creating administrative agencies sought to temper efficiency with avoiding total control in one person. Thus the acts creating *these* Commissions provide that not more than . . . [a one-man majority of the members] may belong to the same political party. The law requires a quorum of the Commissioners to be present in order to act. These are safeguards against arbitrary rule by one man. To place control over the staff in the hands of the chairman is to make him all-powerful and thus virtually make the other commissioners figureheads."

Excerpts from 1950 Senate debate. Plan 7 and other plans were debated in the Senate on May 17, 1950 (*H–7155 et seq.*) Senator McClellan declared (*H–7171*):

"What is wrong with this agency, the ICC, that it must be reorganized? Mr. President, if you search the record of the testimony, you will find not one statement of inefficiency, you will not find any proof of lack of economy. What is the purpose of reorganizing it? All one needs to do is to read the plan itself, to find that the whole effect of it is to converge power. It is not to promote efficiency, it is not to reorganize in order to effect economies, but to concentrate more and more power. Where? Under the direction and control and authority of the Chief Executive of this Nation."

Senator Shoeppel argued (*H-7159-60*):

"The purpose [of the plans] is expressly stated to be to provide clearer lines of management responsibility in the executive branch. But as the decision of the [Supreme] court in the Humphrey case [295 U.S. 602] makes clear, the Interstate Commerce Commission is not in the executive branch, and should have no line of responsibility to that branch. The Chairman should not be made to hold office as such at the pleasure of the President, because, to quote from the language of the Court:

" 'It is quite evident that one who holds his office only during the pleasure of another cannot be depended upon to maintain an attitude of independence against the latter's will.'

"These proposals are all incompatible with the constitutional doctrine of separation of powers and the traditional system of checks and balances. They are designed to give the President an improper measure of control over the quasi-legislative and quasi-judicial functions of the Interstate Commerce Commission."

Senator Edwin ("Big Ed") Johnson warned (*H-7155*):

". . . Mr. President, lack of efficiency has never been the criticism made of totalitarian governments. But in this Republic we should not value our democratic institutions so lightly that we will sacrifice the safeguards of democracy merely for greater efficiency.

". . . Under the reorganization arrangement the supporters of Plan 7 are advocating, instead of a superman Chairman we are more apt to get a super politician in that office. . . .

"Make no mistake about it, Plan 7 is away from democratic institutions and is a long step toward malignant bureaucracy."

Role of Hoover Commission. During the Senate debate the role of the so-called Hoover Commission (Commission on the Organization of the Executive Branch of the Government) came under consideration. Both Senator Aiken and Senator McClellan had been members of that commission and Senator McClellan was at pains to point out (*H-7170*) that whereas a subordinate task force had recommended that chairmen of regulatory agencies be presidentially designated, the Hoover Commission itself did not make any such finding. Furthermore, Senator McClellan declared (*H-7171*):

"[I] t was never the intent of the [Hoover] Commission, by any language it used anywhere or at any time, to have these regulatory bodies tampered with through a reorganization which goes to the extent of having any effect, influence, control, supervision, or direction over their quasi-judicial or quasi-legislative functions. I am sure the Commission never had any such purpose, whatever language one may find in the report.

How Senate voted; listed are the seven Senators who participated and who still are serving. S. Res. 253, which opposed Plan 7, was approved (*H-7173*) 66–13. Among those thus voting in 1950 to reject Plan 7, and who still are serving, are Senators Aiken, Eastland, Fulbright, Long, McClellan, Stennis, and Young. Senator Magnuson was absent on leave of the Senate on official business.

Landis 1960 recommendation and a resulting historical study. In December 1960 Dean James Landis revived the idea of a White House designated chairman for the ICC in his (*item I*) "Report on Regulatory Agencies to the President Elect". Fearing that such recommendation might result in another reorganization order to implement such recommendation the undersigned in April 1961 prepared a study historically treating and defending the position of chairman of the ICC. That 75-page study (*item J*) includes numerous and liberal excerpts from a variety of pertinent source materials all identified and referenced by page numbers for ready verification. Embraced in such study are extensive excerpts from the testimony of Commissioners who had had experience in an agency—the Federal Trade Commission—which had fallen victim to a 1950 reorganization plan. Other agencies which similarly fell victim were (*A-21*) the Civil Aeronautics Board, Federal Power Commission, and Securities and Exchange Commission. The failure of Congress to disapprove the reorganization plans for the indicated agencies was (*B-66*) "a very serious mistake", according to Senator Mead. Evidence of such mistake, in terms of critical shortcomings and misuses of executive power, is summarized under several headings in the table of contents of the (*item A*) committee report. Many significant matters are treated in that 91-page report and a study of it is commended.

"One giant and four pygmies"; "administrative eunuchs". Reminiscent of Senator Johnson's previously-mentioned prediction of 5 years earlier—the prospective "figurehead" status of agency members if the reorganization plans were implemented—Commissioner Spingarn testified in 1955 that the FTC (*B-202*) "is now composed of one giant and four pygmies". He further stated (B-198):

". . . . With his power over appropriation requests, legislative recommendations, and utilization of the staff thus eliminated or sharply curtailed [under Plan 8], the Commissioners other than the Chairman have little else to do but render decisions on particular cases. But through his control of the staff the Chairman can effectively determine which [investigation] cases shall ever reach the Commission for decision. He does not need to give specific directions to the staff to accomplish this result. The staff's knowledge of his views on particular issues is quite enough.

"This is a far cry from the role of "body of experts" which the Commissioners were intended to be."

For a present-day example of the stated inclination of staff to function in accordance with what is assumed to be in the desire of any agency chairman, see the following from the "news analysis" appearing on page E8 of the Nov. 11, 1973, issue of the Washington Post:

"The FPC has its own mini-Watergate: an aborted effort by a low-level official to incinerate data on reserves supplied by 79 producers. He said under oath—and so did his superiors and colleagues—that he did what was almost universally believed to be what was wanted done by chairman John N. Nassikas and executive director Webster P. Maxson. Only they, under oath, disagreed."

Commissioner Spingarn at the 1955 hearing further elaborated on the staff angle as follows (*B-219*):

"The staff is now appointed and fired and promoted and demoted by the Chairman. If a minority Commissioner, a Commissioner who frequently disagrees with the Chairman's views, seeks out staff help, he finds that they are very unwilling and very reluctant to be associated with him in his endeavors because they are afraid they may be stigmatized; they may not be regarded as a member of the team, and that their promotional and other opportunities may be jeopardized . . . . I think that in any setup, it is important that the minority have equal access to staff help; otherwise the Commissioner is sort of thrust back into his office with his legal assistant and he is deprived of all the vast resources of staff knowledge and information that the majority has, and he is unable to support the minority view as effectively as he would be if he had the same access."

Characterizing Commissioner status as that of (*B-161*) "administrative enuchs", Commissioner Carson testified (*B-157*):

"It is an utterly unmoral plan [No. 8] where you place the responsibility on four Commissioners to enforce the law and then deprive them of the tools and opportunity to fulfill that obligation."

FTC staff morale. On the matter of staff morale Senator Mead referred to the situation under the "old system"—before the advent of the presidentially designated chairman—and testified (*B-66, 67*):

"It brought to the Commission a stability, a permanency. There was a feeling of confidence in the employees that they were career employees, that nothing could occur except their own mistakes that would interfere with their progress."

After listening to the evidence of Senator Mead and others, Congressman Joe Evans, who presided at the hearings, summarized contrasting aspects of the "after" situation—following advent of the presidentially designated chairman—as follows (*B-210*):

"Controversies within the Commission, disputes, internal difficulties, differences, factional political wars, disharmony among Commissioners, morale problems, personnel hovering in suspense, afraid to be seen, cowed, intimidated, fearing loss of jobs—this is not wholesome for efficiency in the important work of the Commission."

President Kennedy changed his mind. Returning now to the 1960 Landis recommendation for a presidentially designated chairman of the ICC. Acting on such recommenda- Special Message to Congress on April 13, 1961, stating his intention "shortly" to send recommendations which, inter alia, would provide for presidentially designated chairmen. But President Kennedy had second thoughts and subsequently refrained from submitting such a reorganization plan.

President Johnson also changed his mind. Likewise, after indicating on March 2, 1966, an intention (*L-250*) "shorty" to promulgate a reorganization order for a permanent-type ICC chairman, President Johnson also had second thoughts and he, too, subsequently refrained from submitting such an order.

President Nixon responsible for 1969 reorganization order. In 1969, however, President Nixon issued a new reorganization order for the ICC designed to and which did accomplish what had been so emphatically rejected by the Senate in 1950. In the absence of Congressional disapproval the Nixon order became effective Oct. 11, 1969 (*M-534*).

Wisdom and warning of Commissioner Eastman. It now is pertinent to quote from the famous "12-point primer" of the late Commissioner Eastman, a transportation statesman generally acknowledged to be among the most outstanding of ICC Commissioners (*N-92*):

With the country as big and complex as it is, administrative tribunals like the Interstate Commerce Commission are necessities. Probably we shall have more rather than less. To be successful, they *must be masters of their own souls, and known to be such. . .* Political domination will ruin such a tribunal. I have seen that happen many times, particularly in the States. (Emphasis supplied.)

Critical as is the above ominous ("will ruin") warning, attention here is directed to the above italicized text: "must be masters of their own souls, and known to be such". Public opinion polls show too large a segment of our people to be losing confidence in the integrity of government. It is imperative that confidence be restored and Congressional efforts toward that end are applauded. It is believed an additional modest step in that direction would be enactment of the proposal set out in the first paragraph hereof, appropriately expanded to include all regulatory agencies, including the ICC.

Conclusions. Elimination of presidential power to designate and remove chairmen of regulatory agencies would improve the status of agency members, other than the chairman, their impaired statute having been characterized by ex-Commissioners in the 1955 hearings as being situations of "one giant and four pygmies" and "administrative eunuchs". With the indicated presidential power eliminated agency members once again would be able to function independently and responsibly in accordance with the original intent of Congress. Contemporaneously, elimination of existing improper executive power would help to restore and strengthen our traditional system of checks and balances, and help to redeem waning public confidence in the integrity of government by removing the existing opportunity for an administration to obtain campaign contributions by politically perverting the integrity of the regulatory function.

Respectfully,

HAROLD D. MCCOY,
Retired Secretary of the Interstate Commerce Commission.

APPENDIX

Item and document

A. H. Rep. No. 2967, 84th Cong., 2d Sess., Organization and Procedures of the Federal Regulatory Commissions and Agencies and their Effect on Small Business, Subcommittee No. 1 on Regulatory Agencies and Commissions to the Select Committee on Small Business.

B. Hearings, H. of R., Organization and Procedures of the Federal Regulatory Commissions and Agencies and Effect on Small Business, Subcommittee No. 1 of the Select Committee on Small Business, Part I, Federal Trade Commission, 84th Cong., 1st Sess.

C. Investigations by the Committee on Interstate and Foreign Commerce, S. Rep. No. 19, 84th Cong., 1st Sess.

D. ICC Practitioners Journal, Vol. XXXIII, No. 1.

E. H. Doc. 492, 87th Cong., 2d Sess., Exercises in Observance of the 75th Anniversary of the Interstate Commerce Commission 1887–1962.

F. Public Papers of the Presidents.—Harry S. Truman, 1950.

G. Hearings, Senate Committee on Expenditures in the Executive Departments, 81st Cong., 2nd Sess., on S. Res. 253, 254, 255, and 256.

H. Cong. Rec., Vol. 96, Part 6.

I. Committee Print, Senate Judiciary Committee, 86th Cong., 2nd Sess., Report on Regulatory Agencies to the President Elect.

J. History of the ICC Chairmanship With Emphasis on Truman and Landis Proposals for a Presidentially Appointed ICC Chairman, including Documentation of Some Experience under Presidentially Appointed Chairmen Elsewhere. By Harold D. McCoy, April 4, 1961. Copy of this 75-page study is on file with the Congressional Reference Service, Library of Congress.

K. Public Papers of the Presidents—John F. Kennedy, 1961.

L. Public Papers of the Presidents—Lyndon Johnson, 1966.

M. Public Papers of the Presidents—Richard M. Nixon, 1969.

N. "Lives of the Interstate Commerce Commissioners" by C. A. Miller, 1946.

By Mr. ROTH:

S. 3749. A bill to reorganize the executive branch of the Government in order to improve the management of the Outer Continental Shelf. Referred to the Committee on Government Operations.

Mr. ROTH. Mr. President, I am today introducing a bill which I believe to be simple in both concept and execution, deserving of support and prompt approval by the other Senators and the committee or committees to which it will be referred.

Put at its simplest, if enacted, my bill would mean the following:

A person—whether the Governor of Delaware, a Sussex County commissioner, or the resident of a local environmental group—will be able to go to one office for information and guidance concerning development of the Outer Continental Shelf. Today he must go to 15 or more, shuttling between one and another.

One Federal officer—the Assistant Secretary of the Interior for Outer Continental Shelf matters—will be responsible for coordinating all decisions relating to the Outer Continental Shelf. Citizens and officials, whether Delawareans, Alaskans, or others, will be able to look to one person and hold him or her responsible. If development is proceeding too slowly, we will know who to turn to; if some of the wrong safety decisions are being made, we know who is responsible. It will not matter—as it does today—whether the fixture is onshore or offshore, on the platform or in the pipeline, early in the leasing process or late in it. The responsibility will be clear, and well defined.

To balance all interests relating to the Outer Continental Shelf—whether they are economic, environmental, or energy related—critical policy disputes will be resolved quickly by a high level policy council, instead of being subject to long and drawn out haggling between Federal agencies.

In short, my bill brings development of the Outer Continental Shelf into the open, focuses responsibility, and amplifies the voice of State and local officials in the decisionmaking process.

Briefly, the Outer Continental Shelf Management Act would accomplish the following:

At present, there are 4 different departments and at least 15 different sub-Cabinet and independent agencies involved in development of the Outer Continental Shelf. My bill would remove the responsibilities of some of those agencies and consolidate authority in an Assistant Secretary of the Interior for the Outer Continental Shelf. Since the Department of the Interior is the lead agency OCS development because of its jurisdiction over Federal lands, focusing responsibility there would minimize any confusion which might occur.

As drafted, my bill consolidates responsibilities from the following Federal agencies: The Federal Power Commission, the Interstate Commerce Commission, the Office of Pipeline Safety, the Corps of Engineers, the Bureau of Land Management, the U.S. Geological Survey, and the Fish and Wildlife Service. In addition, the bill establishes the new Assistant Secretary of the Interior as the focus for all Federal activity relating to the Outer Continental Shelf by requiring that he be notified of any Federal action which "has a direct and significant effect" on the shelf or its development.

If the Assistant Secretary disagrees with the proposed Federal decision, he or she can recommend a change or changes, thus forcing the decision to be made by the Outer Continental Shelf Council. This is a new Council, which my bill would create. Conversely, if the Assistant Secretary proposes to act in any of the areas where the responsibility was transferred to him, he or she must notify the agency which was previously responsible. The head of that agency can recommend a change or changes, thus forcing the decision to be made by the Outer Continental Shelf Council.

The new OCS Council itself is composed of five permanent and two rotating members. The five permanent members, who are selected to represent critical areas of expertise and interest, are as follows: the Assistant Secretary of the Interior for OCS matters; the Administrator of the Environmental Protection Agency; the Administrator of the Energy Research and Development Administration; the Chief of Engineers of the Corps of Engineers; and an Assistant Secretary of Commerce.

The two shifting members of the Council are selected to reflect the special concerns which will be before the Council from time to time. One of the shifting members will be the head of the Federal agency whose decision is being reviewed. The other will be the Governor of the State most directly affected by the proposed decision, or a representative Governor, if several States are affected equally. Because of their self-interest, these two members will insure a thorough examination of all aspects of a problem.

I believe this combination of permanent and temporary members, insures that the Council will be a high level, expert body capable of arriving at sound, reasoned, and respected decisions. Since the Council is required to make its decisions within 45 days, protracted delay is avoided. Indeed, in some circumstances, the presence of the OCS Council might very well expedite the decisionmaking process.

Lastly, my bill would require the Assistant Secretary to create an Office of State and local liaison, which would be responsible for all communications with officials of State and local government. By reducing the lines of communication my bill would amplify the voices of Governors, mayors, county executives and others in the Federal decisionmaking process.

Mr. President, in drafting this bill I have attempted to incorporate features which would attract wide, if not necessarily unanimous agreement. I have consulted with officers of State government, environmentalists located both here in Washington and in Delaware, researchers at the Office of Technology Assessment and members of various committee staffs. Nearly every person with whom I have spoken agrees with my intent in drafting this bill. Almost all of them agree with the mechanism I have adopted.

Such agreement reflects the seriousness of the problem which now exists.

Development of the Outer Continental Shelf is inevitable. But it must be done in a safe and orderly fashion, because the risks are enormous. It would be difficult for me to overstate the disastrous impact which a spill like Santa Barbara could have on the Delaware coastline. Yet this is merely the most obvious, not necessarily the most serious, of the possible impacts.

As I said earlier, the Department of the Interior is the lead agency in development of the Outer Continental Shelf. But there are numerous other agencies also involved, fragmenting responsibiilty and authority. Indeed, in an interview with a researcher, a Federal official said:

> It is not clear who is doing what and the States are bewildered. No one even knows for sure who is going to do what. It is a confused process.

Coordination, where it exists, strains against the ties of jurisdictional fights. State and local officials are left without any single person or office to approach.

For instance, at various points in the development of the Outer Continental Shelf, two agencies within the Department of Interior—the Bureau of Land Management and the U.S. Geological Survey—are both involved simultaneously. The BLM field office is in downtown Manhattan where the USGS field office is on K Street in Washington, D.C., even though the oil field itself is off Delaware. The Office of Pipeline Safety—which is part of the Department of Transportation—has a field office but it is a few blocks from here, while the Environmental Protection Agency's regional office is in Philadelphia. If it were a phase involving the Coast Guard, a citizen would deal with the captain of the Port of Philadelphia, whose office is located in Gloucester, N.J.

The lines of responsibility are also confusing and duplicative. Matters are so complicated that agencies have been forced to execute formal and complicated agreements, detailing where one's responsibility begins and another ends. A May 6, 1976, agreement between the Departments of Interior and Transportation goes so far as to include a schematic diagram showing that Interior regulates wellhead pumps and compressors, but that pipeline pumps and compressors would be handled by Transportation.

A 1971 agreement between the Coast Guard and the Department of the Interior lays out responsibilities in the event of a platform oil spill. Under its terms, oil spill operations will be handled not by one of the agencies, but by both. Each agency is to have a representative on the scence. The Coast Guard's representative will supervise the cleanup of the oil spill, but the Interior's representative will be responsible for stopping the leak.

These divisions of responsibility extend throughout the process.

Platform specifications, for instance, are critical to the safety and efficiency of exploration and production operations. Oil companies may use either fixed, floating, or "jack up" platforms, depending on local conditions. If the platform is fixed, it is governed by regulations of the U.S. Geological Survey. If it is portable, the Coast Guard's rules apply. Nobody seems to be sure which agency regulates for "jack up" platforms.

A local official attempting to find his way through the agencies would probably feel like a rat in a maze. If Delaware's Governor were concerned with maintaining safety, for instance, he would be faced with a whole range of agencies. If the conition were on a production platform, the Geological Survey would be responsible, while if it were a pipeline problem, the Office of Pipeline Safety would be responsible—unless it was an onshore pipeline, which would be the responsibility, in part, of the Environmental Protection Agency; or, if the question involved where to route the pipeline the Federal Power Commission and the Interstate Commerce Commission would have some jurisdiction, as well. A question of safety involving a transfer devise—like a hose between the platform and an oil barge—would probably belong to the Coast Guard, though nobody seems sure.

The OCS leasing process is confusing and time consuming without the involvement of so many Federal agencies. With them, the process become maddening. As one Delaware official told an OTA researcher:

> The Federal Government doesn't understand why we are being so dogmatic about some things. We have to be because they are so sloppy.

Recently, the Office of Technology Assessment released an interim report on the coastal effects of offshore oil and natural gas development. The report was based on data supplied by contractors and consultants; on earlier studies by Government agencies, private study houses and academic groups; and on workshops and interviews conducted during a public participation program.

The information drawn from these sources was used to chart hypothetical patterns of development and to project their environmental, economic, and social consequences for New Jersey and Delaware. Finally, OTA conducted extensive interviews with Federal, State, and local officials to trace institutional relationships under existing laws and practices. From this research emerged a series of issues and of options available to Congress for addressing those issues. Some of the OTA findings were as follows:

Despite the urgency attached to expanding offshore lease sales and petroleum production, the Interior Department has no full-time, policy-level coordinator with line responsibility for Outer Continental Shelf operations. I understand that no such consolidation of responsibility and accountability for OCS programs is contemplated.

In addition, clear lines of responsibility for OCS operations have not been established between Interior officials and officials of the Office of Coastal Zone Management, despite the fact that offshore development in the mid-Atlantic and other frontier areas could produce the most important impacts on coastal zones of any single new development since the Coastal Zone Act became law in 1972.

Line responsibility for OCS activities is divided within the Interior Department between two bureaus—the U.S. Geological Survey—USGS—and the Bureau of Land Management—BLM—both of which have a wide range of other activities that overshadow their OCS responsibilities in terms of manpower and budget.

During the 14 months ending January 1976, the Assistant Secretary for Program Development and Budget, Royston S. Hughes, was responsible for coordination of OCS activities at the Interior Department. It was an assignment in addition to his other responsibilities of managing the Department budget, supervising policy planning and analysis, conducting economic analyses of Department programs and dealing with environmental and natural resource policy issues. He was supported by a small staff headed by a Director of the Office of OCS Program Coordination. Officials in New Jersey and Delaware and at the Interior Department told an OTA researcher that the departure of Hughes from Interior disrupted progress toward opening lines of communications through which substantive issues could be argued to a conclusion. State officials also said that their relationship with Hughes was informal and personal. Thus, in the way in which Interior was organized to deal with the States, the lines of communication depended on the man and his position.

The flow of information from the Federal Government to the States since the 1974 decision to accelerate offshore leasing has been slow and uncoordinated. State officials say they are concerned about the flow because they need comprehensive and timely information in order to plan for coastal effects of offshore development.

Offshore energy development eventually may require construction of staging areas, pipelines, tank farms, gas processing plants.

State officials say they are concerned that onshore activities may require major investments of public funds that necessitate considerable advance warning and some assurance not only that the investments actually are required but that OCS-related revenues ultimately will support the expenditures. For example, Delaware officials say that there is presently a lag of 8 years between planning and completion of a major highway in the State.

State officials say, by and large, that they appreciate the fact that there are limits to the Interior Department's ability to provide some type of data. What concerns them, they say, is that the confusion that exists now in exchange of data will not be clarified by the time their needs for hard data become more than academic.

After management plans have been approved by Federal officials under the Coastal Zone Management Act, both States presumably would have a legal right under the act to "necessary information and data" about any Federal activity in their coastal zone, including activity related to offshore oil and natural gas development. However, the act does not specify whether the States or the Federal Government would interpret the word "necessary," which raises doubts that it will solve the States' information problems.

State officials have been concerned that such crucial decisions as sale of leases, enforcement plans and—until recently—review of development plans have been made unilaterally by the Federal Government even though all three decisions influence the eventual onshore impacts of OCS development. Lease sales, for example, set in motion a development process that can rarely be slowed or stopped under existing laws and regulations. The first development plan is the base on which decisions are made incrementally about locations of pipeline landfalls, staging areas and tank farms. Enforcement plans have a direct bearing on the care that will be exercised in drilling and production and an indirect bearing on the quantities of oil likely to be spilled offshore. This lack of State participation in early decisions has helped create an adversary relationship in which a State's only option for controlling onshore impacts may be to obstruct the process, thus bringing about the very kinds of delay in OCS development that the Federal Government wants to avoid.

A policy goal could be to create a framework for relationships between State and Federal Governments that would insure States full participation in major OCS decisions. One way to assure State involvement in those major decisions could be to make such involvement a legal right of a State rather than an option of Federal decisionmakers.

States already have the right through their riparian laws, environmental protection regulations and zoning powers to block or delay development once it involves State lands. However, State officials say they would prefer involvement in the planning process to exercising a veto in later stages of development.

Mr. President, I believe my bill is a sound and responsible way to solve the organizational problems which are complicating and hindering the leasing and development process. I ask unanimous consent that this bill be printed in the RECORD at this point, and I urge my colleagues to study it carefully and join me in supporting it.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Outer Continental Shelf Management Reorganization Act".

PURPOSE

SEC. 2. The purpose of this Act is to improve the administration of the development of the Outer Continental Shelf, including liaison activities with State and local governments, by reorganizing and centralizing such administration.

ASSISTANT SECRETARY OF THE INTERIOR FOR OUTER CONTINENTAL SHELF MATTERS

SEC. 3. (a)(1) There is established within the Department of the Interior an Office of Assistant Secretary for Outer Continental Shelf Matters (hereinafter referred to as the "Assistant Secretary"). The Assistant Secretary shall be in addition to those now provided for in such Department and shall be appointed by the President by and with the advice and consent of the Senate.

(2) Clause (18) of section 5315 of title 5 of the United States Code is amended by striking out "(6)" and inserting in lieu thereof "(7)".

(b) The Secretary of the Interior (hereinafter referred to as the "Secretary") shall make such transfers within the Department of the Interior as are necessary in order to carry out through the Assistant Secretary all of the Secretary's functions pursuant to the Outer Continental Shelf Lands Act, except such functions relating solely to surveying and preparing maps which may remain with the Geological Survey. In addition the Secretary shall carry out all functions transferred or given to him pursuant to this Act through the Assistant Secretary.

TRANSFERS TO THE SECRETARY

SEC. 4. (a) Except as provided in subsection (b) there are transferred to the Secretary, effective after 30 days following the date of enactment of this Act—

(1) such functions of the Federal Power Commission pursuant to the Natural Gas Act.

(2) such functions of the Interstate Commerce Commission pursuant to part I of the Interstate Commerce Act,

(3) such functions of the Secretary of Transportation pursuant to the Natural Gas Pipeline Safety Act of 1968, and

(4) such functions of the Secretary of the Army pursuant to the Act of March 3, 1899, (30 Stat. 1121), or any other provision of law,

as the Director of the Office of Management and Budget determines relate to the placing or use of any artificial island or fixed structure, including any pipeline, on the Outer Continental Shelf for the purpose of exploring for, developing, removing, or transporting resources therefrom, or to the placing or use of any such pipeline for such purpose through the navigable waters of the United States or the coastal zone, as established for the purposes of the Coastal Zone Management Act of 1972.

(b) Any action taken by the Secretary in carrying out any function transferred pursuant to subsection (a) shall be reported to the agency or official from which such function was transferred and such agency or official may, within thirty days of receiving such report recommend a change or changes in such action. Such recommendation shall be reported to the Outer Continental Shelf Council, established pursuant to subsection (c), and such Council shall make a decision, within 45 days of receiving such report, on such action to be taken. The decision of the Council shall be final.

(c)(1) There is established an Outer Continental Shelf Council which shall consist of—

(1) the Assistant Secretary;

(2) the Administrator of the Environmental Protection Agency;

(3) the Administrator of the Energy Research and Development Administration;

(4) the Chief of Engineers, Department of the Army;

(5) a representative of the Department of Commerce of at least Assistant Secretary level, appointed by the Secretary of Commerce;

(6) the head of the department or a member of the Commission whose recommendation is being reviewed pursuant to subsection (b); and

(7) The Governor of the State primarily affected by the action being reviewed, as determined by the Secretary, or in any case where a number of States are equally so affected the Governor of one such State selected by the Secretary to represent such States.

(2) The Secretary shall furnish to the Council such administrative assistance as it determines is needed to carry out its functions pursuant to this Act.

STATE AND LOCAL LIAISON

SEC. 5. The Secretary shall establish within the Office of the Assistant Secretary a Division of State and Local Liaison. All liaison with State and local governments in carrying out the Secretary's functions pursuant to the Outer Continental Shelf Lands Act and this Act shall be carried out through such Division.

OTHER FEDERAL ACTIONS HAVING DIRECT AND SIGNIFICANT EFFECT ON THE OUTER CONTINENTAL SHELF OR ITS DEVELOPMENT

SEC. 6. The head of any Federal department or agency who takes any action, other than pursuant to a function transferred in this Act or provided for in the Outer Continent Shelf Lands Act, which has a direct and significant effect on the Outer Continental Shelf or its development shall report such action to the Secretary and the Secretary may within thirty days of receiving such report recommend a change or changes in such action. Such recommendation shall be reported to the Outer Continental Shelf Council and such Council shall make a decision, within 45 days of receiving such report, on such action to be taken. The decision of the Council shall be final. In dealing with such proposed action the head of the department or agency initially proposing the action, if not a member of the Council, shall serve as such a member.

TRANSFER OF PERSONNEL AND PROPERTY

SEC. 7. (a) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of section 4(a), are transferred to the Secretary.

(b)(1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

SAVINGS PROVISIONS

SEC. 8. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this Act, by (A) any agency or office, or part thereof, any functions of which are transferred by this Act, or (B) any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any agency or office, or part thereof, functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the agency or office, or part thereof, before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary, by a court of competent jurisdiction, or by operation of law.

(c)(1) Except as provided in paragraph (2)—

(A) the provisions of this Act shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any agency or office, or part thereof, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any agency or office, or part thereof, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which a transfer pursuant to this Act takes effect, any agency or office, or officer thereof in his official capacity, is a party to a suit, and under this Act—

(A) such agency or office, or any part thereof, is transferred to the Secretary, or

(B) any function of such agency, office, or part thereof, or officer is transferred to the Secretary, then such suit shall be continued by the Secretary (except in the case of a suit not involving functions transferred to the Secretary, in which case the suit shall be continued by the agency, office, or part thereof, or officer which was a party to the suit prior to the effective date of this Act).

(d) With respect to any function transferred by this Act and exercised after such transfer, reference in any other Federal law to any agency, office, or part thereof, or officer so transferred or functions of which are so transferred shall be deemed to mean the department or officer in which such function is vested pursuant to this Act.

(e) Orders and actions of the Secretary in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary.

(f) In the exercise of the functions transferred under this Act, the Secretary shall have the same authority as that vested in the agency or office, or part thereof, exercising such functions immediately preceding their transfer, and his actions in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

By Mr. BARTLETT:

S. 3750. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. BARTLETT. Mr. President, I am introducing legislation to amend two sections of the United States Code that were adopted to protect and improve the conditions of American workers; but at the time they were adopted, the economic situation was much different than it is today. It is now time to amend the Walsh-Healey Act and the Contract Work Hour Standards Act to bring them into conformance with the present economic situation and current thinking about better working conditions.

Both of these acts provide overtime compensation to employees who are required to work on Government contract projects in excess of 8 hours in any day. The Walsh-Healey Act was passed in 1936, and the Contract Standards Act in 1962. The standards established were perfectly acceptable and improved the plight of American workers.

However, the intervening years have seen significant changes in the economics of industrial operations, particularly when related to energy consumption and scheduling work hours and work weeks. One of the more innovative developments is the 4-day, 40-hour workweek. The practice is quite popular with employees and has proven to be an energy-saving device for many industries. I ask unanimous consent that information from the Federal Energy Administration demonstrating these savings be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEASIBILITY STUDY OF A SYSTEM OF STAGGERED INDUSTRY HOURS

"A four-day week yields a gasoline saving for commuting of over 20% since one day of commuting is deleted and commuting on the other four days is partially off-peak. Savings in input energy at the electric utility range from four to ten percent. Space conditioning savings range up to 25%. Lighting savings range up to 7%. The four-day week pattern gives more of the energy savings directly to the participating firm than any other alternative pattern." (page E–7)

"The four-day, forty-hour work week was not analyzed in depth for all of the sectors studied in the project because most of the sectors studied would experience great difficulty in adapting their operations to this pattern. Tables 6 and 7 present the results of the analysis of this work pattern at the regional and national levels, respectively, for three sectors that are believed to be adaptable to it. The tables indicate that significant energy savings can be gained by instituting a four-day week in selected sectors where continuous processing and heavy capital investment do not make it uneconomic. Utilities could save about $57 million per year in fuel costs from only the three sectors shown, or the equivalent of about 6.4 million barrels of No. 6 oil per year. Total energy savings in utility fuel, space conditioning, lighting, and gasoline sum up to over $136 million per year at the National level. This is the equivalent of 13 million barrels of oil per year, or about 50,000 barrels per work day just from these three sectors." (pages E–14 and E–16; Tables 6 and 7, page E–17, follow)

". . . With the single exception of the four-day week pattern, the significant economic benefits go to the utility company and the individual employee while the firm must bear the added labor costs . . ."

TABLE 6.—REGIONAL SAVINGS FROM THE 4-DAY WEEK

[All figures are in dollars per day]

Sector	Utility	Space conditioning and lighting	Gasoline	Total
(27) Drugs	1,491	90	966	2,547
(39) Metal containers	692	296	685	1,053
(30) Paints and allied products	832	717	1,352	2,901
Total	3,015	1,103	3,003	6,501

TABLE 7.—NATIONAL SAVINGS FROM THE 4-DAY WEEK

[All figures are in dollars per day,

Sector	Utility	Space conditioning and lighting	Gasoline	Total
(27) Drugs	107,352	2,880	70,000	180,232
(39) Metal containers	46,364	19,774	46,000	112,138
(30) Paints and allied products	66,560	57,360	108,160	232,080
Total	220,276	80,014	224,160	524,450

Mr. BARTLETT. Certain companies which made this switch, with warm acceptance by their employees and savings in energy, found that they were suddenly violating the Walsh-Healey and Contract Standards Act. As an example of this, I would like to use Facet Enterprises, Inc., located in Tulsa, Okla.

Facet is active in the development of water pollution systems and monitoring devices which are purchased under Government contract. They also supply filtering equipment for military aircraft and fuel servicing operations.

Based on a number of factors, Facet's Tulsa operation went to a 4-day, 40-hour week in February 1972. This change was made with the approval of all employees and support by the local United Automobile, Aerospace and Agricultural Implement Workers of America and Amalgamated Local Union No. 73.

The experience of Facet has shown the following:

First. Employees have more free time with their families for recreation and other household chores.

Second. Employees who are engaged in farmwork are able to spend more consecutive hours on agriculture.

Third. Employees are estimated to save approximately 20 percent on gasoline because of the 4-day workweek.

Fourth. The company is able to be more competitive. Ovens may be shut down an extra day, thereby saving energy and preventing the waste of various "ingredients of manufacture" because there is one less startup and shutdown per week.

Fifth. The company's absentee rate has decreased.

Sixth. The company has experienced little personnel turnover since the adoption of the 4-day, 40-hour workweek.

After the adoption of the new workweek, the company found that they were in violation of the two previously mentioned statutes. Facet estimates that the cost to comply with Government contracts is approximately $500,000 annually, and to pay overtime on all projects would cost approximately $1 million annually.

The other choice for facet is to switch back to the 5-day week on either Government contracts or all projects. This would obviously be a very disruptive situation for their employees and would defeat all of the energy-saving and other benefits which they enjoy.

This is only one example, but it demonstrates the need to revise antiquated laws. We are all aware of amusing city ordinances, such as one which I discovered in a small community in Oklahoma requiring that, before a driver could enter the community, all persons in town must be notified that an automobile would be passing through the corporate limits. Just as these ordinances are repealed or updated, Federal statutes which do not recognize today's realties should be repealed or updated.

The Walsh-Healey Act and the Contract Work Hours Standards Act have served their purpose, and with the amendment that I am introducing today, will continue to improve the conditions for American workers. I would urge immediate consideration of this bill so that it may be passed before the end of this legislative session.

By Mr. ABOUREZK:

S. 3751. A bill making further appropriations for foreign assistance and related programs for the transition quarter ending September 30, 1976. Referred to the Committee on Appropriations.

Mr. ABOUREZK. Mr. President, I am today introducing legislation that would provide a supplemental appropriation for fiscal year 1976 transition quarter for section 214 of the Foreign Assistance Act of 1961, as amended—the so-called American schools and hospitals abroad. The purpose of this amendment is to provide funds to the State Department to be made available to the Department of Defense and the Navy to recondition, activate and operate the U.S.S. *Sanctuary*, the last active duty hospital ship the United States has.

As my colleagues are well aware, during the closing minutes of debate on the fiscal year 1977 defense appropriations bill yesterday, I offered an amendment that would have provided these funds directly to the Department of Defense and the Navy. Unfortunately, the Senate was operating under very tight time constraints and we did not have an opportunity to fully debate the merits of the amendment. Nevertheless, 41 other Senators supported this amendment.

What I am seeking to do is really quite simple. The Navy has on its roster the former hospital ship U.S.S. *Sanctuary*. That ship is now in the beginning stages of mothballing in Philadelphia. I would like to see that ship reactivated as a hospital ship that would always be available for U.S. humanitarian assistance around the world. This has been a plan that has the support of the State Department and the National Security Council. The first place I believe this ship could and should be used is in Lebanon.

The ship is available. It is my understanding that it could be put into operation within 90 to 120 days, if all goes right. Doctors have already volunteered to handle the medical requirements. But it is imperative that these funds be made available as rapidly as possible.

By Mr. BENTSEN:

S. 3752. A bill to amend certain provisions of title 18, United States Code, relating to the sentencing of defendants convicted of certain offenses. Referred to the Committee on the Judiciary.

FAIR AND CERTAIN PUNISHMENT ACT

Mr. BENTSEN. Mr. President, I rise today to introduce legislation to improve the process of criminal sentencing in America; to make punishment for the dangerous more certain; to make justice for all more just; and thereby to make our laws more worthy of the respect and faith that is essential to the maintenance of our free society.

The great American poet, John Greenleaf Whittier, once described justice as:

> The hope of all who suffer,
> The dread of all who wrong.

These simple lines remind us of the basic decency and soundness of American law. In this country we do try to punish the guilty and protect the innocent. We do try to see that justice is done. For this reason our system of government and laws has endured.

Mr. President, if we judge current sentencing laws by this standard—if we ask whether under them those who wrong actually dread punishment, or whether those who suffer look to them for hope—we must conclude that current sentencing laws are insufficient. The current system, indeterminate sentencing, is neither fair nor effective. It usually sets an upper limit of punishment, but no minimum level and no middle range punishment for the normal crime. The system lacks standards and guidelines. It places far too much discretion in the hands of judges and parole boards, who are left adrift in a sea of confusion, uncertainty, and whim.

Indeterminate sentencing has led to haphazard decisions, allowing too many criminals to escape unpunished, while imposing too great a burden on others. If justice is "the dread of all who wrong," indeterminate sentencing does not meet that standard of justice, because, with so many criminals escaping punishment, there is no certainty of punishment, no dread, no fear on the part of the criminal.

Mr. President, it is important to note that certainty of punishment can provide a deterrent to many forms of violent or criminal behavior. The criminal, or the would-be criminal, must fear that some punishment will be imposed. He need not fear that the punishment will be severe, only that some form of it will befall him. The sad state of events today leads many to believe that the probability of punishment is low, that the law need not be feared, that criminal conduct will be tolerated with little or no cost to the criminal. The legislation I introduce today should increase the deterrent by increasing the certainty that some punishment will be imposed. It will increase the cost of crime, and thereby state in clear and decisive terms that violence will not be tolerated, that justice will be the dread of all who wrong, far more than is the case today.

At the same time, Mr. President, we must insure that the punishment we impose reflects the underpinning of fairness that is the aim and hallmark of our society. If justice is "the hope of all who suffer," indeterminate sentencing does not meet that standard of justice because it has led to numerous and great injustices that often make a mockery of the standards that should guide us. How can we justify a system that allows two offenders who commit the same crime the same way to receive vastly different sentences? How can we justify a system that allows one of these offenders to languish in prison for a lengthy period of time—while the other receives no prison sentence at all? How can we justify a system that allows so many dangerous people to roam the streets without fear of punishment, terrorizing our communities—while the same system punishes others so unfairly?

Federal Judge Marvin Frankel, who has long studied sentencing, has said:

> Our sentencing laws are themselves essentially lawless, and this regime of unregulated power is a source of hatred and contempt, rather than respect, for the law.

Mr. President, I believe it is time to halt this regime of unregulated power, to make the commitment, spend the time, and engage in the effort to change these laws, laws which promulgate justice that is not just, punishment that often does not punish, and a system that cannot meet either the high ideals or the pragmatic method that America represents.

My legislation points sentencing policy in a new direction. It would maintain some discretion—but provide guidelines and standards to insure that such discretion will be exercised in a fair and reasonable manner. It will set a frame of reference in which sentencing decisions can be made. It will create a uniform standard of justice for all of our people, regardless of their background. It will set boundaries that will increase the certainty of fair punishment. It will increase respect for the law, for the would-be criminal who will no longer act without fear of punishment, for the inmate who will know that his punishment is fair, and for the society that will feel confident that its laws will be enforced.

Mr. President, my legislation delineates violent crimes, including second degree murder, manslaughter, rape, robbery, assault, burglary, and so forth, and proposes a system of presumptive sentences for these crimes. In the next Congress there should be hearings and debate on the sentencing question, and the legislation I introduce today can serve as one model formula for those deliberations. It is proposed with an open mind and clear goals, and will be reassessed as new information comes to light. There will be studies of the effect of sentencing reform on prison population, and a discussion of the advisability of a Federal sentencing commission. Throughout this process I will work for reform that will provide the certainty and fairness that I believe is a requisite for sound policy.

The legislation I introduce today is in line with the recommendations of the Twentieth Century Fund, the new approach currently being developed in Illinois, and the proposals of respected scholars such as Alan Dershowitz. I believe that this proposal will receive favorable consideration in the Senate, and I will submit it to people in my home State who have experience and ideas involving the criminal justice system. It would move in the following direction:

First. It establishes certainty of punishment by establishing the clear principle that those who commit violent acts must be punished. Under this legislation, no criminal can escape punishment unless the judge finds specific, extraordinary, mitigating circumstances that would make a prison sentence unfair or inappropriate. This finding must be made in a written opinion and may be appealed. If such mitigating factors are found the sentence may be suspended and the defendant placed on probation or parole. This formula maintains the certainty of punishment, yet is more fair than a strict mandatory minimum sentence.

Second. My legislation would establish a maximum sentence that is in line with current maximum sentences.

Third. It would create a middle-range sentence, a presumptive sentence, which will serve as the appropriate punishment for the normal crime. This sentence will serve as the basis for sentencing decisions, and will be imposed unless the judge finds specific factors that justify a higher or lower sentence. This will work toward the establishment of one standard of justice for all, and should serve to reduce the disparity of sentencing that has become perhaps the greatest single injustice in our criminal justice system. It should hold sentences to a fair range and move toward uniformity.

Fourth. If the judge wants to raise or lower the sentence, he will be allowed discretion to do so within limitations that should maintain the principles of fairness and certainty. Discretion is in two rings. The first will enable the judge to raise or lower the presumptive sentence by 40 percent if he finds aggravating or mitigating circumstances surrounding the commission of the crime that will so warrant. Second, he may raise the sentence to the maximum, or on rare occasions suspend it, if he finds extraordinary aggravating or mitigating circumstances that would warrant such a major departure from the presumptive sentence. These provisions will allow discretion for defined circumstances that will be generally spelled out in the legislation, which will maintain the fairness of the punishment while allowing sufficient discretion for the judge to make a sentencing judgment based on the facts of the case at hand.

Fifth. It provides for a sentencing hearing to allow both the prosecution and the defense an opportunity to enter all relevant evidence into the record to enable a fair sentencing decision to be made.

Sixth. It mandates that sentencing decisions must be made in a reasoned and specific written decision, which will be subject to appellate review if the prosecution or defense objects. This will safeguard against excessive leniency or harshness.

Seventh. It provides for increasing sentences for repeat violent offenders. For the second offense, the presumptive middle sentence will rise 50 percent, for the third 100 percent, for the fourth 200 percent, and so forth. Of course, if the facts of the case so warrant, the sentence may be as low as the minimum or as high as the maximum. The presumption will be, however, that those who repeatedly commit violent acts should be punished with increasing severity.

Eighth. It increases the certainty of punishment and emphasizes the single standard of justice by nearly eliminating parole as a means of early release. The offender will know where he stands when he is sentenced, and he will know why. He will not be left for years in a state of uncertainty. If he wants to enter a program for rehabilitation, he should do so because he wants to lead a legal and productive life, and not as a means of deceiving or cajoling parole officials into early release. The judge will have an opportunity to give an appropriate sentence based on the criminal's conduct at the time of the trial. He can go above or below the presumptive. But the decision should be made at trial. Our system of justice is not improved by the second-guessing between judges and parole boards, or by the bargain counter justice that this system often engenders. Nor is it improved by the uncertainty that this system breeds into prison life. My legislation would break with this unforunate policy.

Ninth. It restricts probation for the delineated violent crimes. Probation may be allowed for the less violent offenders, or in cases where the judge finds specific extraordinary mitigating factors that make it appropriate. However, it must be justified in a reasoned and written opinion that is reviewable. Specific reasons must be listed. This should lead to sound and fair probation decisions, and restrict those involving dangerous or repeat offenders.

Tenth. It maintains a fairly lenient schedule of good time off, slightly more lenient than the current system. This is fair to the inmate, and provides an incentive for good conduct.

Mr. President, when I look at rising crime rates and the danger that so often plagues our streets, when I see people, especially the elderly, so terrified by the threat of crime that they live in self-imposed prisons of fear, when I look at the poverty that leads some to a life of crime and the greed that leads others, at prisons that often do not rehabilitate and courts that often do not punish—I am deeply troubled. Certainly we can do better than this.

Crime cannot be willed away by the strident voice of the demagog or by well-intentioned but unfulfillable promises. We can, however, take serious steps to improve our criminal justice system. Ahead of us lies the hard work of a diligent pursuit of fair, efficient, and even-handed justice.

The legislation I introduced today, establishing a system of presumptive sentencing in the Federal jursidiction for the delineated violent crimes, is one step forward. I look forward to consideration of this bill and others, because the cause is an important one and the result we work toward is long overdue.

Let us work toward a system of criminal sentencing that can be the hope of all who suffer and the dread of all who wrong, a system that can incorporate the most important American beliefs in justice, respect for the law, and the honorable and orderly regulation of society. Let us create a system we can be proud of, and a system that works, a system that all of our people deserve, be they law-abiding citizens, victims of crime, law enforcement officials, prison inmates, or any other member of our society.

Mr. President, if we truly want to honor the principles we stand for, if we want to make a serious effort to combat crime, if we want to be honest with ourselves, and if we want to leave to our children a criminal justice system worthy of our Nation, we have no choice.

By Mr. BEALL:

S. 3754. A bill to amend the Internal Revenue Code of 1954 to allow a credit for amounts paid by certain individuals over age 65 for qualifying real property taxes and rent constituting real property taxes with respect to such individual's principal residence. Referred to the Committee on Finance.

PROPERTY TAX RELIEF FOR SENIOR CITIZENS

Mr. BEALL. Mr. President, I am introducing legislation which would, if enacted, provide property tax relief for lower and middle income senior citizens.

In recent years the demand for services at the State and local levels has dramatically increased. This increase has led to a corresponding increase in State and local taxes. Since the Federal Government has largely preempted the graduated income tax, local officials have had to rely primarily upon the property tax and the sales tax to meet their revenue needs.

We should not, however, overlook the very important role played by the general revenue sharing program. Over the last 5 years, State and local governments have received billions of dollars in Federal revenue sharing funds. This program has helped to moderate, somewhat, the rapid rise in local property tax rates by giving State and general-purpose local governments an additional source of revenue.

In spite of Federal efforts, the property tax rate and in some States increases in the property assessments have caused homeowners to bear an increasingly heavy tax burden. This burden falls most heavily upon retired senior citizens. Most of the present generation of older Americans sacrificed throughout their working lives to pay for their homes. Approximately two-thirds of our older Americans own their own homes. Their homes were the biggest single investment of their working lives, and they saw owning their home as a way of guaranteeing their safety and security in old age.

Once they retire, on fixed incomes, they are less able to meet the rapidly rising property tax and assessment rates. They are confronted by an ever tightening economic situation which forces them to make very difficult choices. They can cut back on all other expenditures—home maintenance, food, medical care, and so forth—or they can sell their homes and move into an apartment, a trailer, or other facilities. This uprooting process is especially difficult on senior citizens and it complicates their lives at a time when they deserve to be free of unnecessary hassles.

For some time I have been searching for a workable mechanism that would provide property tax relief for the lower and middle income elderly. I discovered former Treasury Secretary George Shultz had outlined an imaginative proposal in testimony before the House Ways and Means Committee in April 1973. The Treasury Secretary outlined the severity of the problem during his testimony as follows:

> The Advisory Commission on Intergovernmental Relations estimates that in 1970 the average homeowner paid about 3.4 percent of household income in property taxes, while homeowners age 65 or older paid on the average about 8.1 percent. Elderly homeowners with less than $2,000 income paid an average of 16.6 percent of family income, and in the high-tax northeast region such homeowners paid more than 30 percent of their meager income in property taxes. Elderly renters are also affected; many are paying an excessive portion of their income in rent.
>
> In scope and distribution this burden is a national problem. The imposition of excessive property taxes on the elderly undercuts social security and other Federal programs designed to provide retirement benefits, as well as a minimum of security for the aged.
>
> While many States have adopted measures to deal with this problem, the State response has generally proved insufficient. Fourteen States have adopted State-financed tax rebate provisions (called "circuit-breakers") that are specifically designed to relieve property tax overload situations. Only seven of these provide full coverage for renters, and the fourteen States vary widely in the amount of relief afforded.

Unfortunately, Secretary Shultz's proposal was never converted into legislation. The bill I have just sent to the desk is a modified version of his original proposal.

S. 3754 would provide relief for the property tax burden for people aged 65 and over through a refundable credit against their Federal income tax. The tax credit could not exceed $500 in any given year, and it would only apply if the real property tax constituted more than 5 percent of the senior taxpayer's adjusted gross income. The tax credit would be refundable so that it would offer real assistance even to individuals who do not pay Federal income tax. The credit would begin to phase out when the household's adjusted gross income exceeds $15,000 and the phase out would be complete when the household's income exceeds $25,000 per year.

Senior citizen renters would also receive relief under my proposal. They would be allowed to treat 15 percent of their base rent as though it was a property tax payment. This figure was selected because the best data available would indicate that, on the national average, 15 percent of rental payments on apartments and homes represented real property taxes. Thus we are allowing the elderly renter to claim a tax credit on this "passthrough" of real property taxes.

Mr. President, as a member of the Senate Budget Committee, I believe that tax expenditures—such as the one I am proposing today—should be periodically reviewed by the Congress to see if they are serving the purpose for which they were originally intended. Thus I have built a provision into this bill which will limit its benefits to 5 taxable years. At that point, in 1980, the Senate Finance Committee and the House Ways and Means Committee would review the operation of the senior citizen property tax relief program and determine whether and for how long it should be extended.

Mr. President, over the past year I have researched a number of different approaches to solving this problem. The concept I put forth today in S. 3754 is, I believe, practical and workable. I think it addresses a very serious problem which confronts a majority of our Nation's senior citizens. I hope that the Senate Finance Committee will give this bill prompt and favorable consideration.

Mr. President, the Congressional Research Service of the Library of Congress has prepared an analysis of this measure and I would ask unanimous consent that this analysis, the text of S. 3754, and a detailed explanation of the proposal which was prepared by the Treasury Department in 1973, be printed in the Record at the conclusion of my remarks.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44 the following new section:

"Sec. 44A. Credit for certain real property taxes paid with respect to principal residences.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount in excess of 5 percent of the household income of such individual which was paid or incurred by that individual for the taxable year for qualifying real property taxes or rent constituting real property taxes with respect to the principal residence of the individual if—

"(1) the individual has attained the age of 65 prior to or during such taxable year, and

"(2) the individual did not receive financial assistance in the form of a direct money grant under a State plan of public assistance to the poor, blind, or aged.

"(b) Limitations on Amount of Credit.—The amount of the credit allowable under subsection (a) shall—

"(1) be reduced (but not below zero) by an amount equal to 5 percent of so much of the household income of the individual for the taxable year as exceeds $15,000, and

"(2) not exceed $500 for any taxable year.

"(c) Definitions.—For purposes of this section—

"(1) Household income.—The term 'household income' means the adjusted gross income (as defined in section 62) of such individual plus unemployment benefit payments, monthly old age or survivor benefits under title II of the Social Security Act, old age or survivor benefits under the Railroad Retirement Acts of 1935 and 1974, and tax-exempt interest on governmental obligations.

"(2) Qualifying real property taxes.—The term 'qualifying real property taxes' means any real property tax imposed on the principal residence of an individual by a State or a political subdivision thereof. For purposes of this section, real property taxes paid by an individual for a period in which such individual received a financial subsidy under any program carried out by an agency or instrumentality of the Federal Government or of any State or local government which provides a mortgage subsidy, as determined by the Secretary or his delegate, are not 'qualifying real property taxes'.

"(3) Rent constituting real property tax.—The term 'rent constituting real property tax' means 15 percent of the rent paid by an individual with respect to such individual's principal residence, exclusive of charges for any utilities or services (other than incidental services supplied in connection with the management of the rental property) included in such rent. For purposes of this section, no part of the rent paid by such individual for a period in which such individual received a rent supplement under a Federal, State, or local housing program or occupied a tax-exempt or public rental unit shall be treated as 'rent constituting real property tax'.

"(d) Application With Other Sections.—

"(1) Deduction of taxes.—No credit is allowable under subsection (a) for any part of the qualifying real property taxes of such individual for which part a deduction is claimed under section 164(a)(1) or section 216(a)(1) for the taxable year.

"(2) Ordering with other credits.—In determining the credits allowed under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to investment in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs), and

"(E) section 41 (relating to contributions to candidates for public offices),

the tax imposed by this chapter (before any other reductions except the reductions allowed under section 42) shall be reduced by the credit allowed under this section.

"(e) Special Rules.—

"(1) Property used in part as principal residence.—In the case of property only a portion of which is used by the individual as his principal residence, there shall be taken into account, for purposes of subsection (a), so much of the qualifying real property taxes or rent constituting real property taxes paid or incurred by him with respect to such property as is determined, under regulations prescribed by the Secretary or his delegate, to be attributable to the portion of such property used by him as his principal residence.

"(2) Joint ownership.—In the case of property owned and used by two or more individuals (other than a husband and wife) as their principal residence, there shall be taken into account, for purposes of subsection (a), so much of the qualifying real property taxes paid or incurred or rent constituting real property taxes paid or incurred by him with respect to such property as is determined, under regulations prescribed by the Secretary or his delegate, to be attributable to the portion of his ownership or rental interest in such property.

"(3) COOPERATIVE HOUSING.—For purposes of this section an individual who is a tenant-stockholder in a cooperative housing corporation (as defined in section 216(b))—

"(A) shall be treated as owning the house or apartment which he is entitled to occupy by reason of his ownership of stock in such corporation, and

"(B) shall be treated as having paid or incurred qualifying real property taxes with respect to such house or apartment during the taxable year equal to the amount which represents the tenant-stockholder's proportionate share, as determined by regulations prescribed by the Secretary or his delegate, of the real estate taxes allowed as a deduction to the corporation under section 164 which are paid or incurred by the corporation on the houses or apartment building and the land on which such houses or building are situated.

"(4) CHANGE OF PRINCIPAL RESIDENCE.—If during a taxable year a taxpayer changes his principal residence, this section shall apply, under regulations prescribed by the Secretary or his delegate, to that portion of the qualifying real property taxes or rent constituting real property taxes paid or incurred by him with respect to each such principal residence as is properly allocable to the period during which it was used by him as his principal residence.

"(5) ADJUSTMENT FOR REFUND OF TAXES.—For purposes of subsection (a), the amount of real property taxes paid or incurred by an individual during any taxable year with respect to his principal residence shall be reduced by the amount of any refund of such taxes, whether or not received during the taxable year. In the case of an underpayment of the tax imposed by this chapter for a taxable year resulting from the application of the preceding sentence, no interest shall be assessed or collected on such underpayment if the amount thereof is paid within 60 days after the taxpayer receives the refund of qualifying real property taxes which caused such underpayment.

"(6) MARRIED COUPLES.—

"(A) The credit allowed under subsection (a) can be claimed by a husband and wife only if they file a joint return under section 6013 unless they are not allowed to file a joint return under that section.

"(B) Married couples filing a joint return are eligible for the credit if either spouse has attained the age of 65 before the close of the taxable year and are treated as a single taxpayer in the determination of household income and the limitations on the amount of credit under subsections (a) and (b).

"(C) Married individuals filing separate returns shall be treated as single taxpayers in the determination of household income and the limitations on the credit under subsections (a) and (b), but the credit allowed shall be apportioned, under regulations prescribed by the Secretary or his delegate, between husband and wife.

"(f) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) The table of sections for such subpart is amended by striking out the item relating to section 45 and inserting in lieu thereof the following:

"SEC. 44A. Credit for real property taxes paid with respect to principal residences.

"SEC. 45. Overpayments of tax.".

SEC. 2. (a) Section 6401(b) of the Internal Revenue Code of 1954 (relating to excessive credits treated as overpayments) is amended—

(1) by inserting ", 44A (relating to real property taxes paid for principal residences)" before ", and 667(b)", and

(2) by striking out "31, 39, and 43" and inserting in lieu thereof "31, 39, 43, and 44A".

(b) Section 6201(a)(4) of such Code (relating to assessment authority for erroneous credit under section 39 or 43) is amended—

(1) by striking out "or 43" in the caption of such section and inserting in lieu thereof "43, or 44A".

(2) by striking out "or section 43" and inserting in lieu thereof ", section 43", and

(3) by inserting "or section 44A (relating to credit for certain real property taxes paid with respect to principal residences) after "(relating to earned income)".

SEC. 3. The amendments made by this Act shall apply to taxable years beginning after December 31, 1975, and ending before January 1, 1981.

[From The Library of Congress Congressional Research Service]

ANALYSIS OF DRAFT BILL TO PROVIDE PROPERTY TAX RELIEF FOR SENIOR CITIZENS

(By Ann M. Marley, Analyst in Taxation and Fiscal Policy, Economics Division, March 11, 1976)

SECTION 1

General Rule: Provides a credit against Federal income tax for the amount of real property taxes or rent constituting real property taxes in excess of 5 percent of a taxpayer's household income which was paid or incurred for the taxable year on the taxpayer's principal residence. To be eligible for the credit the taxpayer (1) must have attained the age of 65 prior to or during the taxable year, and (2) must not have received financial assistance under a State plan of public assistance.

Limitations on Amount of Credit: Provides that the amount of the credit would be reduced (but not below zero) by 5 percent of the taxpayer's household income in excess of $15,000. The credit cannot exceed $500 for any taxable year.

Definitions:

1. Household income—A taxpayer's adjusted gross income plus unemployment benefit payments, social security benefits, railroad retirement benefits and tax-exempt interest on governmental obligations.

2. Qualifying real property taxes—Any real property tax imposed on a taxpayer's principal residence by a State or its political subdivision. Real property taxes paid by a taxpayer for a period during which he received a financial subsidy under any governmental program which provided a mortgage subsidy would not be qualifying real property taxes.

3. Rent constituting real property tax—15 percent of the rent paid by an individual for his principal residence, exclusive of charges for any utilities or services (other than incidental management services). No part of the rent paid by the taxpayer for a period during which he received a rent supplement under a governmental program or occupied a tax-exempt or public rental unit would be treated as rent constituting real property tax.

Application with Other Sections:

1. Deduction of taxes—No real property tax credit would be allowed for qualifying real property taxes which were claimed as a deduction under section 164(a)(1) or section 216(a)(1) for the taxable year.

2. Ordering with other credits—The credit for real property taxes would be applied to the taxpayer's income tax liability after it was reduced by the personal exemptions credit but before the reduction of tax liability by the foreign tax credit, the retirement income credit, the investment tax credit, the work incentive credit and the political contributions credit.

Special Rules:

1. Property used in part as principal residence—In the case of property that is used only in part as a principal residence, the credit would be allowed for that portion of property taxes that would be allocable to that part, under regulations prescribed by the Secretary of the Treasury or his delegate.

2. Joint ownership—In the case of property owned by two or more individuals (other than a husband and wife) as their principal residence, real property taxes taken into account for purposes of the credit would be allocated among the persons occupying the premises, under regulations prescribed by the Secretary or his delegate.

3. Cooperative housing—A taxpayer who is a tenant-stockholder in a cooperative housing corporation would be treated as owning the house or apartment which he is entitled to occupy because of his ownership of stock in the corporation and thus as having paid real property taxes on the house or apartment during the taxable year. The amount of real property taxes paid by the taxpayer for purposes of the credit would be the amount which represents his proportionate share of real property taxes allowed as a deduction to the corporation, under regulations prescribed by the Secretary or his delegate.

4. Change of principal residence—If during a taxable year the taxpayer changes his principal residence, the real property tax credit would be allocated to that portion of real property taxes paid with respect to each principal residence, under regulations prescribed by the Secretary or his delegate.

5. Adjustment for refund of taxes—For purposes of the credit, the amount of real property taxes paid by the taxpayer during any taxable year would be reduced by the amount of any refund of such taxes whether or not received during the taxable year. In the case of underpayment of income taxes for a taxable year resulting from the foregoing refund, no interest would be assessed or collected on the underpayment if it is paid within 60 days after the taxpayer receives the refund for real property taxes paid.

6. Married couples—In General, the real property tax credit can be claimed by a married couple only if they file a joint return. Married couples filing a joint return would be eligible for the credit if either spouse had attained age 65 before the close of the taxable year. They would be treated as a single taxpayer in the determination of household income and the application of limitations on the credit. In cases where a joint return could not be filed, the married individuals would be treated as a single taxpayer in the determination of household income and the application of limitations on the credit, but the credit would be apportioned between husband and wife under regulations prescribed by the Secretary or his delegate.

SECTION 2

Provides that the amount allowed as a credit for real property taxes would be refundable if it exceeds the taxpayer's income tax liability after it is reduced by other allowable credits. If the amount of the credit claimed for real property taxes is overstated, the amount overstated would be assessed by the Secretary or his delegate in the case of a mathematical error on the tax return.

SECTION 3

The provisions of this proposal would apply to taxable years beginning after December 31, 1975, and ending before January 1, 1981.

IV. PROPERTY TAX CREDIT FOR THE ELDERLY: GENERAL EXPLANATION

1. SUMMARY OF PROPOSAL

Under the proposal, low and middle income persons age 65 or over would be allowed a credit against their federal income tax in cases where the real property taxes that they pay on their principal residence are excessive in relation to their income. The credit would be allowed for the amount of real property taxes in excess of 5 percent of household income, subject to the limitation that the total credit could not exceed $500.

Those who rent instead of owning their homes would also be allowed a credit, subject to the same 5 percent floor and $500 maximum. For this purpose, renters would be considered to have paid real property taxes in an amount equal to 15 percent of the rent paid.

The restriction of the credit to low and middle income persons would be effected through a phase-out of the credit for taxpayers with household incomes in the range between $15,000 and $25,000. Under the phaseout, the maximum credit of $500 would be reduced by 5 percent of household income in excess of $15,000, so that a taxpayer with household income of $25,000 or more would get no credit.

The credit would be refundable. That is, a taxpayer would be entitled to a payment in the amount by which the credit exceeded any tax that might be due. Thus, a taxpayer with no taxable income would receive a payment in the full amount of the credit.

2. PURPOSE AND EFFECT OF PROPOSAL

The proposed property tax credit is designed to relieve the excessive property tax burden now borne by many of our low and middle income elderly. While the burden of property taxes is a matter of increasing concern to all of our citizens, it falls with particular force upon elderly taxpayers. The Advisory Commission on Intergovernmental Relations estimates that in 1970 the average homeowner paid about 3.4 percent of household income in property taxes,[1] while elderly homeowners (age 65 or older) paid on the average about 8.1 percent. Elderly homeowners with less than $2,000 income paid an average of 16.6 percent of family income, and in the high-tax northeast region such homeowners paid more than 30 percent of their meager income in property taxes. Elderly renters are also affected; many are paying an excessive portion of their income in rent.

In scope and distribution this excessive property tax burden is a national problem. The imposition of excessive property taxes on the elderly undercuts social security and other federal programs designed to provide retirement benefits, as well as a minimum of security for the aged.

While many states have adopted measures to deal with this problem, the state response has generally proved insufficient. Fourteen states have adopted state-financed tax rebate provisions (called "circuit-breakers") that are specifically designed to relieve property tax overload situations. Only seven of these provide full coverage for renters, and the fourteen states vary widely in the amount of relief afforded. For example, low income ceilings ($6,000 or less) in nine of the fourteen states deny relief entirely to the large number of middle income elderly now paying excessive property taxes.

For most of our low and middle income elderly homeowners, adoption of the proposal would mean that their property tax burden would be limited to 5 percent of their income, broadly defined to include items of income that are nontaxable but are nevertheless part of a household's economic income. For example, an individual with income of $2,000 and property taxes equal to 30 percent of income ($600) would be entitled to the maximum credit of $500 ($600, less 5 percent × $2,000). In some cases, the $500 limitation on the maximum allowable credit would mean that not all of an individual's real property taxes in excess of 5 percent of his income would be rebated, but even in these cases the proposed credit would provide very substantial relief from excessive property tax burdens.

Equivalent relief would be afforded under the proposal to elderly renters. Available information from real estate assessors offices and nation income statistics indicates that the amount of real property taxes paid on rented homes and apartments averages about 15 percent of rental value. The proposed credit would accordingly treat renters as having paid property taxes equal to 15 percent of their rental payments. In practice, elderly renters would become eligible for a property tax credit when their rental payments exceeded one-third of their income. For example, an individual with $3,000 in income and a monthly rent of $100 would be deemed to have paid $180 in property taxes ($100×12×15 percent) and would receive a credit of $30 ($180, less 5 percent × $3,000). Had the individual paid annual rent of only $1,000 (one-third of income), no credit would have been allowable.

3. TECHNICAL EXPLANATION

A. Persons eligible for the credit

In general, all citizens and residents of the United States who have attained the age of 65 before the close of the taxable year would be eligible, subject to the phaseout for household incomes in excess of $15,000, to receive the credit for excessive property taxes. But in order to prevent duplication of other forms of relief, the credit would not be made available to persons who are welfare recipients. Specifically, persons who receive financial assistance (as distinguished from other forms of welfare assistance, such as free medical care, and from unemployment benefit) under a state plan for public assistance to the poor, blind, or aged would be ineligible for the credit.

In the case of certain other persons who would technically be eligible for the credit, the credit would often not be available in fact because all or part of their rent or property tax payments would be disregarded in computing the amount of qualifying real property taxes and equivalent rent on which the credit would be based. This provision, which would affect persons living in publicly-supported housing or in tax-exempt housing, is discussed more fully below.

B. Credit base

The credit would be based on the amount of "qualifying real property taxes" and "rent constituting real property taxes" paid or accrued by the eligible taxpayer or his spouse during the taxable year with respect to such taxpayer's principal residence. In general, "qualifying real property taxes" would be all real property taxes imposed by a state or a political subdivision of a state, or by the District of Columbia, and would include, in the case of a tenant-stockholder in a cooperative housing corporation, the tenants-stockholder's proportionate share of taxes paid or incurred by such corporation.

The definition of the credit base in the case of renters presents particular difficulties in view of the great disparities that may exist in the services or other consideration provided in exchange for amounts denominated as "rent" by the parties. Thus, in one case a renter may receive only the bare premises, with perhaps some major appliances. In another case, such as a retirement home, the payment of rent may entitle the tenant to full board and complete medical care. Moreover, practices vary widely with respect to whether utilities are included in rent or are paid separately, and the cost of utilities will often be quite substantial in relation to the total cost of occupancy. It is accordingly necessary to provide that in certain cases sums denominated as "rent" must be allocated between amounts that should be considered true rent for purposes of determining the credit base and amounts that will not be so considered. Under the proposal, "rent constituting real property taxes" would be defined as being 15 percent of rent paid at arms length with respect to the individual's principal residence, exclusive of charges for any utilities or services (other than incidental services) furnished by the landlord as a part of the rental agreement (whether expressly set out in the rental agreement or not). The definition has been drawn so as to minimize the number of cases in which an allocation will be required. Thus, it is intended that no allocation would be required with respect to normal furnishings. Similarly, no allocation would be required with respect to the provision of incidental services that are supplied in connection with the management of an entire building or development, such as central heating or air conditioning, incinerator service, guard service, central telephone service, elevator service, recreational or social facilities, or maintenance of buildings or grounds. On the other hand, an allocation would be required, for example, with respect to the provision of board, maid service, and nursing or medical care. An allocation would also be required whenever payment for one or more utilities was included in rent. It is further intended that any reasonable allocation agreed upon by the tenant and the landlord would be accepted by the Internal Revenue Service.

As an exception to the general rules stated above, "qualifying real property taxes" would not include real property taxes paid on property with respect to which the taxpayer is receiving a financial subsidy or other benefit under a state, local, or federal housing program. This exception would apply to taxes paid for the period for which the financial subsidy or other benefit is granted. Similarly, a taxpayer would not be permitted to take into account rents that he paid or accrued for a period during which he was occupying tax-exempt housing or public housing, or was receiving a rent supplement under a state, local or federal housing program. Persons affected by these exceptions would, in effect, already be receiving relief from excessive property taxes.

If a taxpayer should change his principal residence during the taxable year, he would be allowed to take into account only the portion of the real property tax or rent paid or accured by him with respect to each such principal residence as is properly allocable to the period during which it is used by him as his principal residence. Similarly, if the taxpayer should sell or purchase a principal residence during the taxable year, he would take into account only the portion of real property taxes with respect to such property as would be treated as imposed on him under section 164(d) if he were deducting those taxes instead of crediting them.

Both "qualifying real property taxes" or "rent constituting real property taxes" would be determined on a net basis, after subtracting any refund of such taxes (or of such rent constituting real property taxes) received during the taxable year. For this purpose, a refund would include a credit or refund granted against other taxes or any payment to the extent such credit refund or payment was based on the amount of such property taxes paid (or of such rent constituting real property taxes). This provision is primarily designed to prevent double relief under, for example, both a state circuit-breaker property tax credit and the federal real property tax credit.

C. Credit limitations

The allowable credit would be subject to two limitations. First, the maximum amount of credit that could be obtained by an eligible single taxpayer or by an eligible couple would be $500. This maximum amount would be reduced by 5 percent of household income in excess of $15,000, so that no credit would be allowable to individuals or couples having household income in excess of $25,000. Second, the allowable credit would be limited to the portion of qualifying real property taxes and rent constituting real property taxes that exceeds 5 percent of household income—that is, to the portion of such taxes or rent considered as taxes that is excessive in relation to the affected person's income. The two limitations would be cumulative, so that the allowable credit would be the lesser of the applicable maximum amount limitation or the portion of taxes and rent considered as taxes that exceeds 5 percent of household income.

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[1] This is the median, which is considered by the ACIR to be most representative of the average burden on all taxpayers. The mean is 4.9 percent.

For purposes of determining both the applicable maximum amount and the credit limitation based on household income, "household income" would be the adjusted gross income of the eligible individual (or, in the case of a married couple, the adjusted gross income of the couple), plus unemployment benefit payments, old age or survivor benefit payments under the Social Security Act or the Railroad Retirement Act, and tax-exempt interest on governmental obligations.

To illustrate, an eligible individual who paid rent of $125 per month and received a monthly Social Security check for $200, but no other income, would be entitled to a $105 credit. For such individual, the amount of rent constituting property taxes would be 15 percent of the annual rent of $1,500, or $225; and the credit limitation based on household income would be 5 percent of $2,400, or $120. Thus, the amount of rent constituting property taxes would exceed the applicable limitation by $105, and a credit would be allowable in that amount.

D. Refundable credit

The credit would be refundable. That is, an eligible taxpayer would be entitled to be paid the amount by which the credit exceeded his federal income tax liability. Provision for a refundable credit is necessary if significant relief is to be afforded, since many of the low-income elderly most affected by excessive property taxes have little or no taxable income.

Overpayments made because of erroneous or fraudulent claims for credit would be recoverable in the same way as erroneous refunds under present law.

E. Harmonization of credit with deduction allowed under present law

The credit would be elective. Taxpayers who take the standard deduction in lieu of itemizing deductions for property tax, interest, etc., would be allowed the credit in addition to a full standard deduction. Taxpayers who itemize deductions would continue to be allowed a deduction for property taxes, limited to the noncreditable portion of such taxes.

F. Special rules

Special rules would be provided to deal with the application of the credit to married couples and to allocate real property taxes and rent between taxpayers jointly occupying a principal residence or between property occupied as a personal residence and property not so occupied.

1. *Married couples.*—For purposes of the credit, married taxpayers would be treated as a single household that would be eligible for the credit if either spouse had attained the age of 65 before the close of the taxable year. The spouses would also be treated as a single taxpayer for purposes of the maximum amount limitation, and the spouses' household income would be aggregated for purposes of the limitation based on household income and the phase-out of the credit for household incomes in excess of $15,000.

In general, a married couple could claim the credit only if a joint return were filed. In cases where a joint return could not be filed, as where one of the spouses was a nonresident alien at any time during the taxable year or where the spouses had different taxable years, the allowable credit would still be determined by treating the spouses as a unit, but the credit allowed would be apportioned between the spouses, under regulations to be adopted by the Secretary of the Treasury or his delegate.

Individuals would not be considered to be husband and wife if they were legally separated under a decree of divorce or under a decree of separate maintenance.

2. *Property jointly occupied.*—In the case of a principal residence that was jointly occupied by an eligible individual (or by an eligible couple) and by other persons, the real property taxes or rent paid with respect to such principal residence would be allocated, pursuant to regulations to be prescribed by the Secretary of Treasury or his delegate, among the several persons occupying the premises. The purpose of requiring such an allocation would be to prevent avoidance of the credit limitations through the devices of having real property taxes or rent paid or accrued by an individual who would not normally be expected to be responsible for such taxes or rent, or of having one individual pay or accrue the taxes or rent that would normally be borne by several persons. Allocation might be required, for example, where a home was the principal residence of two sisters, one or both of whom had attained age 65 before the close of the taxable year, and where the total real property taxes due with respect to such residence were paid by one of the sisters who had attained age 65. Similarly, an allocation might be required in the case of joint occupancy of a principal residence by a married couple, neither of whom had attained age 65 or older, and by a parent who was an eligible individual, to the extent the parent paid more than a fair share of the real property taxes or rent on the home. On the other hand, no allocation would be required in the case of joint occupancy of a principal residence by an eligible married couple and by their dependent minor grandchild.

3. *Property used in part as a principal residence.*—In the case of property that was used only in part as a principal residence, the taxpayer would take into account only so much of the real property taxes or rent paid with respect to the entire property as was properly determined, under regulations to be prescribed by the Secretary of the Treasury or his delegate, to be allocable to the portion of the property used as a principal residence. If the principal residence was located on a farm, no more than four acres of land would be considered to be part of such residence.

G. Timing problems

Because of the credit limitations it might be advantageous for a taxpayer to bunch property taxes or rent in a particular taxable year. Such a bunching problem could occur either because of prepayment of taxes or rent or through overpayment of taxes in one year and a refund in another (as where a taxpayer receives a state circuit-breaker credit in a subsequent year). While such distortions in the timing of tax and rent payments could be corrected through a recapture provision, the administration of such a provision would be burdensomely complex—particularly for the low-income taxpayers affected. Moreover, it is doubtful whether serious distortions would arise in practice. Accordingly, the proposal does not include any recapture provision, though refunds of taxes previously paid are, of course, deducted in determining the total real property taxes paid during the current taxable year. If cases of abusive prepayments of rent or taxes should arise, they would be handled under general doctrines relating to prepaid expenses.

H. Substantiation of claims

In order to permit eligible individuals to substantiate their claims for a credit based on rent constituting property taxes, provision would be made for landlords to furnish receipts indicating the amount of rent paid and the period for which paid. These receipts would be supplied at the request of a tenant who certifies that he has attained age 65.

The Secretary of the Treasury or his delegate would be authorized to specify requirements respecting the substantiation of claims of both homeowners and renters for the property tax credit. It is contemplated that in the case of renters this might entail the submission of the receipts to be supplied by landlords.

I. Effective date

The proposal will apply to taxable years beginning after December 31, 1973.

By Mr. PEARSON (for himself, Mr. MAGNUSON, Mr. MOSS, and Mr. WEICKER):

S. 3755. A bill to aid in the enforcement of acts implemented by the Consumer Product Safety Commission. Referred to the Committee on Commerce.

Mr. PEARSON. Mr. President, on July 26, 1976 the Comptroller General submitted a report to the Congress entitled, "Better Enforcement of Safety Requirements Needed by the Consumer Product Safety Commission." This report indicates that there are certain deficiencies with respect to the Commission's compliance and enforcement efforts. In response to a request made by me and Senators BUCKLEY, BEALL, WEICKER, and BAKER, Chairman MAGNUSON has agreed to schedule oversight hearings on the Consumer Safety Commission early in September in order to examine the issues raised in the report and the Commission's actions taken to correct the deficiencies noted.

Congress has charged the Consumer Product Safety Commission with the extremely important mission of protecting the public against unreasonable risks of injury that are associated with consumer products. If that mission is to be successfully carried out, it is vital that the Commission not only promulgate consumer product safety standards and ban hazardous products, but also insure that there is compliance with such requirements. It does little good to promulgate safety standards if those standards are not enforced. The Commission must have the resources to determine who is violating a safety requirement and those violators must be dealt with in a systematic and prompt manner.

Although it appears that a number of the shortcomings noted in the GAO report can properly be corrected by appropriate administrative action, there are areas which require legislative consideration. The bill which I am introducing today, along with Senators MAGNUSON, MOSS, and WEICKER, would strengthen the Consumer Product Safety Commission's ability to implement and enforce safety requirement compliance programs.

First, in order to adequately enforce safety requirements and protect consumers from hazardous products, the Commission should have the authority to assess civil money penalties for violations of safety requirements. Currently, civil penalties are available only under the Consumer Product Safety Act. The Comptroller General recommended in his report that the Commission be given authority to assess civil money penalties under the Federal Hazardous Substances Act and the Poison Prevention Packaging Act, both of which are administered by the Commission. The ability to impose civil penalties would provide the Commission with a very useful and effective enforcement tool. It would also give the Commission more flexibility in proceeding against violators than what is possible through use of criminal prosecution. The bill which I am introducing would provide the Commission with authority to impose civil penalties under the Federal Hazardous Substances Act, the Poison Prevention Packaging Act, and the Flammable Fabrics Act, and the Refrigerator Safety Act.

Second, the Consumer Product Safety Commission must have the capability to identify those manufacturers and distributors of products subject to safety requirements. According to the GAO, this has proven to be a substantial problem, since the Commission has no adequate procedures for finding out who is manufacturing or marketing a given product. Without this information it is difficult to determine whether or not safety standards are being complied with. The Commission presently has authority under the Consumer Product Safety Act to require manufacturers, private labelers, and distributors of consumer products to maintain records and make reports. However, the Commission does not have such authority under either the Federal Hazardous Substances Act or the Flammable Fabrics Act, both of which are also administered by the Commission. The bill would close this gap in authority and enable the Commission to identify those who are required to comply with safety standards established under the Hazardous Substances and Flammable Fabrics Acts and to systematically survey compliance.

Third, the bill would make the appointment of the Director of the Bureau of Compliance by the Chairman subject to approval of the other Commissioners in the same manner as is the appointment of five other key staff positions. The appointment of the Director of the Bureau of Compliance is of such importance that it should be given consideration by the entire Commission in order to insure maximum support and accountability for the Commission's compliance program.

Fourth, the Lead-Based Paint Poisoning Prevention Act was recently amended by the National Consumer Health Information and Health Promotion Act of 1976 to require the Consumer Product Safety Commission, after holding a hearing and considering all available information, to determine a safe level of lead in paint with respect to young children who might ingest the peeling or flaking paint film on residential structures. Paint above the safe level, which can be between 0.06 and 0.5 percent lead, will be classified as "lead-based paint" and its use prohibited in paint for residential structures acquired with Federal assistance, on cooking, drinking, or eating utensils, and on toys and articles of furniture.

Paint containing more than 0.5 percent lead and toys bearing such paint are already subject to regulations of the Commission under the Federal Hazardous Substances Act. To lower the level to 0.06 percent, or some level in between 0.06 and 0.5 percent, would require the Commission to specifically find that paint above that level is unduly hazardous, using the formal evidentiary rulemaking procedures contained in section 701(e) of the Federal Food, Drug, and Cosmetic Act.

Thus, the Commission is presented with the unique situation whereby provisions of two Federal statutes, utilizing separate procedures, could result in two different Federal levels for lead in paint. Section 5 of the bill I am introducing would prevent the waste of resources both to the Government and interested members of the public which would be required by having two separate proceedings on essentially the same issue and would prevent the possibility of two differing Federal standards from occurring.

It would amend the Federal Hazardous Substances Act to provide that whatever level of lead is determined safe under the Lead-Based Paint Poisoning Prevention Act proceeding will be considered the highest permissible level of lead in paint and other articles bearing such paint regulated under the Federal Hazardous Substances Act. No one's due process rights will be impaired because interested persons will be permitted to present information to the Commission both in writing and orally at the hearing under the lead-based paint proceeding.

It is exceedingly important for the public welfare that safety standards issued by the Commission be complied with. This legislation should assist the Commission in meeting its responsibility of protecting the consumer from unsafe and hazardous products.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That section 5 of the Federal Hazardous Substances Act (15 U.S.C. 1264) is amended by adding the following new subsections:

"(c) Any person who is found by the Commission, after written notice and an opportunity for a hearing, to have violated any of the provisions of section 4 of this Act or sections 403(n), 502(b) and 602(f) of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 343(n), 352(b) and 362(f)) shall be liable to the United States for a civil penalty not to exceed $2,000 for each such violation. Each distinct unit of product in violation of such provisions constitutes a separate offense for such purpose except that the maximum civil penalty shall not exceed $500,000 for any related series of violations. The Commission shall maintain a transcript of such hearing conducted pursuant to this subsection. The amount of such civil penalty shall be determined and assessed by the Commission, by written notice. Any civil penalty under this subsection may be compromised by the Commission, and may be deducted from any sums owing by the United States to the person charged.

"(d) Any person against whom a violation is found under subsection (c) may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing a notice of appeal in such court within 30 days from the date of such assessment and by simultaneously sending a copy of such notice by certified mail to the Commission. The Commission shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty assessed as provided in section 2112 of title 28, United States Code. The finding of the Commission shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2) (E) of title 5, United States Code.

"(e) In determining the amount of such penalty, the Commission shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, and history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(f) If any person fails to pay an assessment of a civil penalty after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the United States, the Commission shall recover the amount assessed in any court of appeals in which review may be sought under subsection (d). In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.".

Sec. 2. (a) Section 11 of the Federal Hazardous Substances Act (15 U.S.C. 1270) is amended by adding the following new subsection:

"(d) The Secretary is authorized to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Secretary reasonably may prescribe for the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Secretary may determine.".

(b) Section 4 of the Federal Hazardous Substances Act (15 U.S.C. 1263) is amended by adding the following new subsection:

"(i) The failure to submit in writing such reports and answers to questions within the period as prescribed by the Secretary pursuant to section 11(d) of this Act.".

Sec. 3. (a) Section 2(i) of the Flammable Fabrics Act (15 U.S.C. 1191(i)) is amended by striking "Federal Trade Commission" and by inserting in lieu thereof "Consumer Product Safety Commission".

(b) Section 5 of the Flammable Fabrics Act (15 U.S.C. 1194) is amended by adding the following new subsection:

"(e) The Commission is authorized to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may reasonably prescribe for the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine.".

(c) Section 7 of the Flammable Fabrics Act (15 U.S.C. 1196) is amended by adding after "section 3" the words ", section 5(e),".

Sec. 4. The Act to require certain safety devices on household refrigerators shipped in interstate commerce (15 U.S.C. 1211) is amended by—

(1) redesignating sections "3", "4", and "5", as sections "4", "5", and "6" respectively;

(2) striking the words "Secretary of Commerce" in newly redesignated section 4 thereof; and

(3) inserting the following new section 3 after section 2 thereof:

"SEC. 3. (a) Any person who is found by the Commission, after written notice and an opportunity for a hearing, to have violated any of the provisions of the first section shall be liable to the United States for a civil penalty not to exceed $2,000 for each such violation. Each distinct unit of product in violation of the first section constitutes a separate offense for such purpose except that the maximum civil penalty shall not exceed $500,000 for any related series of violations. The Consumer Product Safety Commission shall maintain a transcript of such hearing conducted pursuant to this subsection. The amount of such civil penalty shall be determined and assessed by such Commission, by written notice. Any civil penalty under this subsection may be compromised by such Commission, and may be deducted from any sums owing by the United States to the person charged.

"(b) Any person against whom a violation is found under subsection (a) may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing a notice of appeal in such court within 30 days from the date of such assessment and by simultaneously sending a copy of such notice by certified mail to the Consumer Product Safety Commission. Such Commission shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty assessed as provided in section 2112 of title 28, United States Code. The finding of such Commission shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2) (E) of title 5, United States Code.

"(c) In determining the amount of such penalty, the Consumer Product Safety Commission shall take into account the nature, circumstances, extent, and gravity of the violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(d) If any person fails to pay an assessment of a civil penalty after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the United States, the Consumer Product Safety Commission shall recover the amount assessed in any court of appeals in which review may be sought under subsection (b). In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.".

SEC. 5. Section 30(b) of the Consumer Product Safety Act (15 U.S.C. 2079(b)) is amended by adding the words "as amended," after the words "Federal Trade Commission Act,".

SEC. 6. Section 4(g)(1) of the Consumer Product Safety Act (15 U.S.C. 2053(g)(1)) is amended by adding after "a Director of Epidemiology", the words "a Director of Compliance".

SEC. 7. Section 2(q)(1) of the Federal Hazardous Substances Act (15 U.S.C. 1261 (q)(1)) is amended by striking out "or" at the end of clause (A) thereof, by striking out the period at the end thereof, and inserting in lieu thereof the following—

"; or (C)(i) any paint (other than artists paint and related materials) or other similar surface-coating material intended or packaged in a form suitable for use in or around the household, (ii) any toy or other article intended for use by children, or (iii) any article of furniture intended or packaged in a form suitable for use in or around the household, that is shipped in interstate commerce after June 22, 1977, and which contains (in the case of any product enumerated in subclause (i)) of which bears any paint or other similar surface-coating material containing (in the case of any product enumerated in subclauses (ii) or (iii)) lead compounds of which the lead content (calculated as the metal) is in excess of the level expressed as a percentage to be determined "safe" by the Consumer Product Safety Commission under proceedings conducted in accordance with the provisions of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) as amended by the National Consumer Health Information and of the total weight of the contained solids or dried paint film: *Provided*, That the Consumer Product Safety Commission, by regulation in accordance with 5 U.S.C 533 (notwithstanding the provisions of subsection 2(q)(2)), on its own initiative or upon petition of any interested person, may exempt from this clause any article declared a banned hazardous substance thereby upon a finding that such exemption would be consistent with protection of the public health and safety. Exemptions already proposed pursuant to clause (B) of this paragraph as of the date of enactment of this amendment may be made final by regulation in accordance with this clause.".

Mr. MOSS. Mr. President, I am pleased to join with the distinguished ranking minority member of the Senate Commerce Committee, Mr. PEARSON, in sponsoring these amendments to aid in the enforcement of the acts administered by the Consumer Product Safety Commission. This legislation stems from a report to Congress issued by the Comptroller General of the United States entitled "Better Enforcement of Safety Requirements Needed by the Consumer Product Safety Commission," dated July 26, 1976.

In the report, the GAO found that:

> Not all compliance activity was planned to ensure that manufacturers, packers, and importers were identified and notified of safety requirements;
>
> Follow-up inspections were not made to verify industry compliance or safety requirements after hazardous products were found; and
>
> Compliance actions were not adequately evaluated to determine their effectiveness.

The new Chairman of the Consumer Product Safety Commission, John Byington has pledged that there will be a major reorganization of the Commission which will, among other things, result in a more effective and efficient enforcement program. After carefully reviewing the GAO report, I have concluded that while many of the problems GAO cited can be resolved by action within the agency, some legislative modifications are needed. The GAO pointed out for example, that there is no civil sanction authority at all under the Federal Hazardous Substances Act, the Refrigerator Safety Act, or the Poison Prevention Packaging Act—which is enforced through the Federal Hazardous Substances Act, the Food, Drug and Cosmetic Act, and the Federal Insecticide, Fungicide and Rodenticide Act.

Additionally, a Georgia judge has recently ruled that the amendments to the Federal Trade Commission Act authorizing the assessment of civil penalties is not applicable to the enforcement of the Flammable Fabrics Act by the Consumer Product Safety Commission. Thus, due to this somewhat questionable decision, there is inadequate civil sanction authority for enforcement of the Flammable Fabrics Act.

The GAO also pointed out that when the time came to recall hazardous products, the Commission could not identify the names of manufacturers, distributors, or retailers who had in their possession the specific products subject to the recall campaign. While the Consumer Product Safety Act would empower the Commission to ascertain this information, similar authority is not contained in the Federal Hazardous Substances Act or the Flammable Fabrics Act.

These amendments will seek to remedy the problems crystallized in the GAO report. They would provide for civil sanction authority under the Federal Hazardous Substances Act, the Refrigerator Safety Act, and the Poison Prevention Packaging Act—to the extent that that act is enforced under the Federal Hazardous Substances Act and the Food, Drug and Cosmetic Act. Additionally, it would make clear that the civil sanction authority given to the Federal Trade Commission in Public Law 93–153 and Public Law 93–637 would be available to the Consumer Product Safety Commission in enforcing the Flammable Fabrics Act. Additionally, the amendments would modify the Federal Hazardous Substances Act and the Flammable Fabrics Act to empower the Commission to determine the names of manufacturers, wholesalers, or retailers who are selling specific products.

Finally, the amendments seek to resolve the somewhat unusual situation relating to lead-based paint poisoning. Since two different statutes are involved to address this issue—the Lead Based Paint Poisoning Prevention Act and the Federal Hazardous Substances Act—the Commission is in the unique situation whereby the provisions of two Federal statutes, utilizing separate procedures could result in two different Federal levels for lead in paint. This amendment would prevent this waste in resources while at the same time, allowing interested members of the public to participate through hearings and written comments in establishing the Federal standards. This is accomplished by amending the Federal Hazardous Substances Act to provide that whatever level of lead is determined safe under the Lead Based Poisoning Prevention Act proceeding will also be considered the highest permissible level of lead in paint and other articles bearing such paint regulated under the Federal Hazardous Substances Act.

While I recognize it is late in the legislative session to be considering these amendments, I believe that the GAO report has identified several important and pressing problems. I am pleased that these amendments are a bipartisan effort and I am hopeful that they will receive favorable Senate attention in the near future.

ADDITIONAL COSPONSORS

S. 2989

At his own request, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 2989, to increase the period during which veterans and certain wives and widows of veterans are eligible for educational assistance.

S. 3222

At the request of Mr. DURKIN, the Senator from Minnesota (Mr. MONDALE) and the Senator from Nevada (Mr. CANNON) were added as cosponsors of S. 3222, to amend the Veterans Readjustment Benefits Act.

At his own request, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 3222, supra.

S. 3226

At his own request, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 3226, to amend title 38, United States Code.

S. 3547

At his own request, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 3547, to amend title 38, United States Code.

S. 3661

At his own request, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3661, to amend title 18 of the Social Security Act.

SENATE RESOLUTION 516—SUBMISSION OF A RESOLUTION RELATING TO DECLARATION ON MULTINATIONAL ENTERPRISES

(Referred to the Committee on Foreign Relations.)

Mr. JAVITS (for himself, Mr. HUMPHREY, and Mr. PERCY) submitted the following resolution:

Whereas the twenty-four member countries of the Council of the Organization of Economic Cooperation and Development (OECD), at a ministerial level meeting on June 21, 1976, adopted a Declaration on International Investment and Multinational Enterprises, together with Guidelines for Multinational Enterprises and three Decisions on Inter-Governmental Consultation Procedures on the Guidelines, National Treatment and International Investment Incentives and Disincentives;

Whereas this Declaration and the related decisions of the OECD Council sets forth recommendations for the behavior of multinational enterprises as well as government treatment of those enterprises, and—

(1) urges that multinational enterprises take fully into account the established general policy objectives of the member countries in which they operate;

(2) affirms that governments should offer assurances of fair and equitable treatment to foreign investors;

(3) calls for increased cooperation in the area of investment aids and restrictions to avoid fragmented policies which threaten the benefits to the world economy of international investment;

(4) states that multinational enterprises should not render—and they should not be solicited or expected to render—any bribe or other improper gift, direct or indirect, to any public servant or holder of public office;

(5) maintains that through international direct investment multinational enterprises can bring substantial benefits to home and host countries by contributing to the efficient utilization of capital, technology and human resources between countries and can thus fulfill an important role in the promotion of economic and social welfare; and

(6) concludes that these and other provisions will be helpful to stabilize and clarify the legitimate expectations that governments and multinational enterprises have of each other's behavior;

Whereas the free flow across borders of capital investment and technology and the reduction of trade barriers is in the common interest of all nations; and

Whereas the economies of industrialized and developing countries have become closely linked with the growth of multinational enterprises and these enterprises therefore will help to determine the future of their economies and their interdependence: Now, therefore be it.

Resolved, That it is the sense of the Senate that—

(1) the voluntary guidelines for multinational enterprise annexed to the Declaration are commended to U.S. firms as reasonable standards of business practice, the observance of which will help strengthen public confidence in multinational enterprises;

(2) the consultation procedures established within the framework of the Committee on International Investment and Multinational Enterprises are an appropriate means for achieving the purposes of the Declaration; and

(3) the Senate welcomes the joining of the U.S. Government with other OECD countries in the Declaration on International Investment and Multinational Enterprises and the related decisions of the OECD Council.

Mr. JAVITS. Mr. President, on behalf of myself, Mr. HUMPHREY, and Mr. PERCY, I submit a resolution respecting the guidelines for multinational enterprises just established and promulgated by the Organization for Economic Cooperation and Development, of which the United States is a member.

Mr. President, I was a member of the United Nations Commission of 20 eminent persons who considered this question and came to the conclusion that we urgently needed a multinational agreement which would regulate the business climate for multinational enterprises.

A task force of the U.N. took up our work and is continuing with it to find some methodology for that form of regulation.

In the meantime, the OECD declaration, Mr. President, I find extremely helpful if it were followed by multinational enterprises as bringing about a species of self-regulation until some form of multinational control may be arrived at even on so simple a matter as the antitrust laws—I should not say simple, but rather such an important matter as the antitrust laws—which should be applied to multinational enterprises.

Mr. President, a quarter of the world's commerce one way or another is now involved in multinational enterprises, and it probably represents a decisive influence on what happens to the economy of the whole economic system.

In addition, it is a very gifted way in which nationalist borders, with all that they imply to international economics, may be leaped over by the urgent necessities of the international economic system, and especially to feed the hunger of the developing countries for more accelerated development.

It is all too often that we look at the multinational enterprises through the wrong end of the telescope, seeing their deficiencies, bribery, corruption, other problems, and failing to realize we owe them a great debt because they have tended to rationalize the national economy in a way by agreement of nations or international organizations which have proved inadequate for that purpose.

So, Mr. President, I hope very much this measure may be referred to the Foreign Relations Committee where, I understand, it will go, and I will do my utmost to bring about hearings and to concentrate attention on it.

I know of no single greater requirement for the international economic system than the rationalization and stabilization of the conditions under which multinational enterprises can operate. About half of them are located here in the United States, I might say. Nor do I know if it can result in constructive operation in the public interest of any single greater contribution to the satisfaction of the aspirations of the developing as well as the developed countries than this effort to stabilize and regularize the activities of multinational corporations.

DECLARATION ON MULTINATIONAL ENTERPRISES—OECD

Mr. President, during the past 18 months, the U.S. Government and the 23 other member countries of the Organization for Economic Cooperation and Development, OECD, have been intensively negotiating a comprehensive package of agreements and guidelines dealing with intergovernmental cooperation on investment policy. The OECD governments have made recommendations for the behavior of multinational enterprises as well as governmental treatment of those enterprises. The package consists of a Declaration on International Investment and Multinational Enterprises which calls on governments to take each other's interests into account in the field of investment aids and restrictions and reaffirms their obligations toward foreign investors. The declaration is accompanied by a set of voluntary guidelines for multinational enterprises, which member governments recommend to enterprises operating within their territory, and three complementary decisions dealing with governmental responsibilities to these firms, including intergovernmental procedures, national treatment, and investment incentives and disincentives.

Mr. President, the primary objective of U.S. international economic policy is to work for an open world economy with major reliance on market forces and a minimum of restrictions on the flow of goods, services, capital, and technology across international borders. Multinational enterprises, overall, play a major role in furthering the goals of economic growth and free exchange of goods and services. Their deficiencies and the political machinations of some multinationals should not obscure their basically sound economic performance. I believe that these OECD decisions will pave the way toward better relations between multinational enterprises and the governments of countries in which they operate and invest. The nations represented in the OECD have clearly stated in these documents that through international direct investment multinational companies can bring substantial benefits to home and host countries by contributing to the efficient utilization of capital, technology, and human resources. Certainly the presumption underlying open investment policies over the past 30 years has been that the international investment is crucial to the efficient use of the world's limited resources and that free flow of such investment serves to raise living standards in the developing world.

In recent years, however, the advantages of open international investment has come under attack by critics who maintain that government should selectively encourage or restrict both outgoing and incoming investment. The accusations of bribery and corrupt business practices, involving some of the world's most prestigious multinational enterprises, have strengthened the opponents of open investment policies.

I therefore welcome these guidelines on multinational enterprises, which represent the culmination of many long months of deliberation and negotiation, as providing an important new political impetus to maintaining cooperative investment policies among OECD countries.

The State Department, aware of the wide-ranging significance of this negotiation, has consulted widely with business and other private sector interests during the course of the talks. A public advisory committee was created which included representatives of the U.S. Chamber of Commerce, the National Association of Manufacturers, and other business organizations as well as representatives from labor, consumer groups, the academic community, and the legal and accounting professions. Drafts of the documents had been regularly provided to these private sector representatives at each stage of the negotiations and their comments were often incorporated in succeeding drafts.

Mr. President, I would like to review briefly the key elements of the OECD investment policy package which the foreign and finance ministers of OECD formally adopted in Paris on June 21 and 22. The documents clearly state that they are not conceived on the basis of being legally enforceable but are meant to insure that the operations of enterprises are in harmony with national policies of the countries where they operate and strengthen the basis of mutual confidence between enterprises and states. The distinction is important because similar efforts of the United Nations have centered on obtaining an enforceable code.

The declaration affirms the common aim of member governments toward international direct investment flow, seeking to "encourage the positive contribution which multinational enterprises can make to economic and social progress, and minimize and resolve difficulties which may arise from their various operations."

The first section sets forth general policy guidelines for the multinational enterprises including language strongly condemning both the offering and soliciting of bribes or other illicit payments. I am sometimes told that "improper" payments are a basic requirement of the societies in which they operate and represent centuries-old practices which no amount of indignation or legislation can alter and that these businessmen are reluctant to support either domestic or international legal action for fear that such measures would not only do no good, but would also inhibit commerce and serve as dangerous vehicle for selective application against individual corporations.

But an increasing number of businessmen are concluding that action is necessary to deal with the situation. The OECD statement is a significant step in this direction.

I am pleased that the President, in a message to Congress on August 3, has called for new legislation that would require reporting by U.S. businesses of all substantial payments made in foreign countries, designed to aid sales to foreign governments, whether "proper or improper."

The guidelines also call for disclosure of financial information even if not required by local law, including the publication of financial statements at least once a year in each of the countries in which multinationals operate. Other provisions deal with competition and restrictive business practices, financing, taxation information, employment and industrial relations, and science and technology. The specifics are set out in the actual text, which will be included in this RECORD at the conclusion of my remarks.

In the first of the related Council decisions, member governments agreed to establish consultative processes to review periodically experiences under this declaration. Specifically, the consultation process will review any violation of the national treatment principle and the guidelines of multinational enterprises.

In the second and third Council decisions, dealing with national treatment as well as international incentives and disincentives, member governments reaffirm their responsibilities toward treatment of incoming foreign investment, particularly the obligation to accord foreign controlled enterprises national, or nondiscriminatory, treatment. The decisions also include member governments' understanding that they should meet their other responsibilities to multinational enterprises, especially to treat them equitably and according to international law, to respect contracts concluded with foreign enterprises and to encourage use of international dispute settlements. Member governments agree to take each other's views into account in the area of investment aids and restrictions and to cooperate so as to avoid any beggar-thy-neighbor action which seriously affect investment in or out of their territory.

Mr. President, I believe that these agreements are significant and offer great promise of helping to strengthen and maintain an open international investment climate—which was indeed the original reason for U.S. participation in the effort. But they also must be viewed as a preliminary step. I expect that they will favorably influence the dialog which the United States is now promoting within the Economic and Social Council of the United Nations and the U.N. Commission on Transnationals, which finished its second session in Lima last March, as well as the Conference on International Cooperation in Paris. We clearly need coordinated action by all the parties concerned—multinational enterprises, developed countries and developing countries. I shall continue to watch the progress at the U.N., where I served as a member of the Group of Eminent Persons 2 years ago, of the newly established Intergovernmental Working Group. It is crucial that these four provide the basis, as needed, for further cooperative action, which may well include enacting domestic legislation and international treaties implementing the objectives of the OECD declaration, to address the underlying problem of public confidence in multinational enterprises.

I ask unanimous consent that certain supporting OECD documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DECLARATION ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES

The governments of OECD member countries.[1]

Considering—

That international investment has assumed increased importance in the world economy and has considerably contributed to the development of their countries;

That multinational enterprises play an important role in this investment proess;

That co-operation by Member countries can improve the foreign investment climate, encourage the positive contribution which multinational entreprises can make to economic and social progress, and minimise and resolve difficulties which may arise from their various operations;

That, while continuing endeavors within the OECD may lead to further international arrangements and agreements in this field, it seems appropriate at this stage to intensify their co-operation and consultation on issues relating to international investment and multinational enterprises through interrelated instruments each of which deals with a different aspect of the matter and together constitute a framework within which the OECD will consider these issues:

Declare—

GUIDELINES FOR MNE'S

I. That they jointly recommend to multinational enterprises operating in their territories the observance of the Guidelines as set forth in the Annex hereto having regard to the considerations and understandings which introduce the Guidelines and are an integral part of them.

NATIONAL TREATMENT

II. 1. That Member countries should, consistent with their needs to maintain public order, to protect their essential security interests and to fulfill commitments relating to international peace and security, accord to enterprises operating in their territories and owned or controlled directly or indirectly by nationals of another Member country (hereinafter referred to as "Foreign-Controlled Enterprises") treatment under their laws, regulations and administrative practices, consistent with international law and no less favourable than that accorded in like situations to domestic enterprises (hereinafter referred to as "National Treatment").

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[1] The Turkish Government was not in a position to participate in this Declaration.

2. That Member countries will consider applying "National Treatment" in respect of countries other than Member countries.

3. That Member countries will endeavour to ensure that their territorial subdivsions apply "National Treatment".

4. That this Declaration does not deal with the right of Member countries to regulate the entry of foreign investment or the conditions of establishment of foreign enterprises.

INTERNATIONAL INVESTMENT INCENTIVES AND DISINCENTIVES

III. 1. That they recognise the need to strengthen their co-operation in the field of international direct investment.

2. That they thus recognise the need to give due weight to the interests of Member countries affected by specific laws, regulations and administrative practices in this field (hereinafter called "measures") providing official incentives and disincentives to international direct investment.

3. That Member countries will endeavour to make such measures as transparent as possible, so that their importance and purpose can be ascertained and that information on them can be readily available.

CONSULTATION PROCEDURES

IV. That they are prepared to consult one another on the above matters in conformity with the Decisions of the Council relating to Inter-Governmental Consultation Procedures on the Guidelines for Multinational Enterprises, on National Treatment and on International Investment Incentives and Disincentives.

REVIEW

V. That they will review the above matters within three years with a view to improving the effectiveness of international economic co-operation among Member countries on issues relating to international investment and multinational enterprises.

Annex to the Declaration of 21st June, 1976 by Governments of OECD Member Countries on International Investment and Multinational Enterprises

GUIDELINES FOR MULTINATIONAL ENTERPRISES

1. Multinational enterprises now play an important part in the economies of Member countries and in international economic relations, which is of increasing interest to governments. Through international direct investment, such enterprises can bring substantial benefits to home and host countries by contributing to the efficient utilisation of capital, technology and human resources between countries and can thus fulfill an important role in the promotion of economic and social welfare. But the advances made by multinational enterprises in organising their operations beyond the national framework may lead to abuse of concentrations of economic power and to conflicts with national policy objectives. In addition, the complexity of these multinational enterprises and the difficulty of clearly perceiving their diverse structures, operations and policies sometimes give rise to concern.

2. The common aim of the Member countries is to encourage the positive contributions which multinational enterprises can make to economic and social progress and to minimise and resolve the difficulties to which their various operations may give rise. In view of the transnational structure of such enterprises, this aim will be furthered by co-operation among the OECD countries where the headquarters of most of the multinational enterprises are established and which are the location of a substantial part of their operations. The guidelines set out hereafter are designed to assist in the achievement of this common aim and to contribute to improving the foreign investment climate.

3. Since the operations of multinational enterprises extend throughout the world, including countries that are not Members of the Organisation, international co-operation in this field should extend to all States. Member countries will give their full support to efforts undertaken in co-operation with non-Member countries, and in particular with developing countries, with a view to improving the welfare and living standards of all people both by encouraging the positive contributions which multinational enterprises can make and by minimising and resolving the problems which may arise in connection with their activities.

4. Within the Organisation, the programme of co-operation to attain these ends will be a continuing, pragmatic and balanced one. It comes within the general aims of the Convention on the Organisation for Economic Co-operation and Development (O.E.C.D.) and makes full use of the various specialised bodies of the Organisation, whose terms of reference already cover many aspects of the role on multinational enterprises, notably in matters of international trade and payments, competition, taxation, manpower, industrial development, science and technology. In these bodies, work is being carried out on the identification of issues, the improvement of relevant qualitative and statistical information and the elaboration of proposals for action designed to strengthen inter-governmental co-operation. In some of these areas procedures already exist through which issues related to the operations of multinational enterprises can be taken up. This work could result in the conclusion of further and complementary agreements and arrangements between governments.

5. The initial phase of the co-operation programme is composed of a Declaration and three Decisions promulgated simultaneously as they are complementary and inter-connected, in respect of guidelines for multinational enterprises, national treatment for foreign-controlled enterprises and international investment incentives and disincentives.

6. The guidelines set out below are recommendations jointly addressed by Member countries to multinational enterprises operating in their territories. These guidelines, which take into account the problems which can arise because of the international structure of these enterprises, lay down standards for the activities of these enterprises in the different Member countries. Observance of the guidelines is voluntary and not legally enforceable. However, they should help to ensure that the operations of these enterprises are in harmony with national policies of the countries where they operate and to strengthen the basis of mutual confidence between enterprises and States.

7. Every State has the right to prescribe the conditions under which multinational enterprises operate within its national jurisdiction, subject to international law and to the international agreements to which it has subscribed. The entities of a multinational enterprise located in various countries are subject to the laws of these countries.

8. A precise legal definition of multinational enterprises is not required for the purposes of the guidelines. These usually comprise companies or other entities whose ownership is private, state or mixed, established in different countries and so linked that one or more of them may be able to exercise a significant influence over the activities of others and, in particular, to share knowledge and resources with the others. The degree of autonomy of each entity in relations to the others varies widely from one multinational enterprise to another, depending on the nature of the links between such entities and the fields of activity concerned. For these reasons, the guidelines are addressed to the various entities within the multinational enterprise (parent companies and/or local entities) according to the actual distribution of responsibilities among them on the understanding that they will co-operate and provide assistance to one another as necessary to facilitate observance of the guidelines. The word "enterprise" as used in these guidelines refers to these various entities in accordance with their responsibilities.

9. The guidelines are not aimed at introducing differences of treatment between multinational and domestic enterprises; wherever relevant they reflect good practice for all. Accordingly, multinational and domestic enterprises are subject to the same expectations in respect of their conduct wherever the guidelines are relevant to both.

10. The use of appropriate international dispute settlement mechanisms, including arbitration, should be encouraged as a means of facilitating the resolution of problems arising between enterprises and Member countries.

11. Member countries have agreed to establish appropriate review and consultation procedures concerning issues arising in respect of the guidelines. When multinational enterprises are made subject to conflicting requirements by Member countries, the governments concerned will co-operate in good faith with a view to resolving such problems either within the Committee on International Investment and Multinational Enterprises established by the OECD Council on 21st January, 1975 or through other mutually acceptable arrangements.

Having regard to the foregoing considerations, the Member countries set forth the following guidelines for multinational enterprises with the understanding that Member countries will fulfill their responsibilities to treat enterprises equitably and in accordance with international law and international agreements, as well as contractual obligations to which they have subscribed:

GENERAL POLICIES

Enterprises should—

(1) Take fully into account established general policy objectives of the Member countries in which they operate;

(2) In particular, give due consideration to those countries' aims and priorities with regard to economic and social progress, including industrial and regional development, the protection of the environment, the creation of employment opportunities, the promotion of innovation and the transfer of technology;

(3) While observing their legal obligations concerning information, supply their entities with supplementary information the latter may need in order to meet requests by the authorities of the countries in which those entities are located for information relevant to the activities of those entities, taking into account legitimate requirements of business confidentiality;

(4) Favour close co-operation with the local community and business interests;

(5) Allow their component entities freedom to develop their activities and to exploit their competitive advantage in domestic and foreign markets, consistent with the need for specialisation and sound commercial practice;

(6) When filling responsible posts in each country of operation, take due account of individual qualifications without discrimination as to nationality, subject to particular national requirements in this respect;

(7) Not render—and they should not be solicited or expected to render—any bribe or other improper benefit, direct or indirect, to any public servant or holder of public office;

(8) Unless legally permissible, not make contributions to candidates for public office or to political parties or other political organisations;

(9) Abstain from any improper involvement in local political activities.

DISCLOSURE OF INFORMATION

Enterprises should, having due regard to their nature and relative size in the economic context of their operations and to requirements of business confidentiality and to cost, publish in a form suited to improve public understanding a sufficient body of factual information on the structure, activities and policies of the enterprise as a whole, as a supplement, in so far as is necessary for this purpose, to information to be disclosed under the national law of the individual countries in which they operate. To this end, they should publish within reasonable time limits, on a regular basis, but at least annually, financial statements and other pertinent information relating to the enterprise as a whole, comprising in particular:

(i) the structure of the enterprise, showing the name and location of the parent company, its main affiliates, its percentage ownership, direct and indirect, in these affiliates, including shareholdings between them;

(ii) the geographical areas[1] where operations are carried out and the principal activities carried on therein by the parent company and the main affiliates;

(iii) the operating results and sales by geographical area and the sales in the major lines of business for the enterprise as a whole;

(iv) significant new capital investment by geographical area and, as far as practicable, by major lines of business for the enterprise as a whole;

(v) a statement of the sources and uses of funds by the enterprise as a whole;

(vi) the average number of employees in each geographical area;

(vii) research and development expenditure for the enterprise as a whole;

(viii) the policies followed in respect of intra-group pricing;

(ix) the accounting policies, including those on consolidation, observed in compiling the published information.

COMPETITION

Enterprises should—

While conforming to official competition rules and established policies of the countries in which they operate,

(1) Refrain from actions which would adversely affect competition in the relevant market by abusing a dominant position of market power, by means of, for example,

(a) anti-competitive acquisitions,

(b) predatory behaviour toward competitors,

(c) unreasonable refusal to deal,

(d) anti-competitive abuse of industrial property rights,

(e) discriminatory (i.e. unreasonably differentiated) pricing and using such pricing transactions between affiliated enterprises as a means of affecting adversely competition outside these enterprises;

(2) Allow purchasers, distributors and licensees freedom to resell, export, purchase and develop their operations consistent with law, trade conditions, the need for specialisation and sound commercial practice;

(3) Refrain from participating in or otherwise purposely strengthening the restrictive effects of international or domestic cartels or restrictive agreements which adversely affect or eliminate competition and which are not generally or specifically accepted under applicable national or international legislation;

(4) Be ready to consult and co-operate, including the provision of information, with competent authorities of countries whose interests are directly affected in regard to competition issues or investigations. Provision of information should be in accordance with safeguards normally applicable in this field.

FINANCING

Enterprises should, in managing the financial and commercial operations of their activities, and especially their liquid foreign assets and liabilities, take into consideration the established objectives of the countries in which they operate regarding balance of payments and credit policies.

TAXATION

Enterprises should—

(1) upon request of the taxation authorities of the countries in which they operate, provide, in accordance with the safeguards and relevant procedures of the national laws of these countries, the information necessary to determine correctly the taxes to be assessed in connection with their operations, including relevant information concerning their operations in other countries;

(2) Refrain from making use of the particular facilities available to them, such as transfer pricing which does not conform to an arm's length standard, for modifying in ways contrary to national laws the tax base on which members of the group are assessed.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Enterprises should—

Within the framework of law, regulations and prevailing labour relations and employment practices, in each of the countries in which they operate,

(1) Respect the right of their employees to be represented by trade unions and other bona fide organizations of employees, and engage in constructive negotiations, either individually or through employers' associations, with such employee organisations with a view to reaching agreements on employment conditions, which should include provisions for dealing with disputes arising over the interpretation of such agreements, and for ensuring mutually respected rights and responsibilities,

(2) (a) Provide such facilities to representatives of the employees as may be necessary to assist in the development of effective collective agreements;

(b) Provide to representatives of employees information which is needed for meaningful negotiations on conditions of employment;

(3) Provide to representatives of employees where this accords with local law and practice, information which enables them to obtain a true and fair view of the performance of the entity or, where appropriate, the enterprise as a whole;

(4) Observe standards of employment and industrial relations not less favourable than those observed by comparable employers in the host country;

(5) In their operations, to the greatest extent practicable, utilise, train and prepare for upgrading members of the local labour force in co-operation with representatives of their employees and, where appropriate, the relevant governmental authorities;

(6) In considering changes in their operations which would have major effects upon the livelihood of their employees, in particular in the case of the closure of an entity involving collective lay-offs or dismissals; provide reasonable notice of such changes to representatives of their employees, and where appropriate to the relevant governmental authorities, and co-operate with the employee representative and appropriate governmental authorities so as to mitigate to the maximum extent practicable adverse effects;

(7) Implement their employment policies including hiring, discharge, pay, promotion and training without discrimination unless selectivity in respect of employee characteristics is in furtherance of established governmental policies which specifically promote greater equality of employment opportunity;

(8) In the context of bona fide negotiations[2] with representatives of employees on conditions of employment or while employees are exercising a right to organise, not threaten to utilise a capacity to transfer the whole or part of an operating unit from the country concerned in order to influence unfairly those negotiations or to hinder the exercise of a right to organise;

(9) Enable authorised representatives of their employees to conduct negotiations on collective bargaining or labour management relations issues with representatives of management who are authorised to take decisions on the matters under negotiation.

SCIENCE AND TECHNOLOGY

Enterprises should—

(1) Endeavour to ensure that their activities fit satisfactorily into the scientific and technological policies and plans of the countries in which they operate, and contribute to the development of national scientific and technological capacities, including as far as appropriate the establishment and improvement in host countries of their capacity to innovate;

(2) To the fullest extent practicable, adopt in the course of their business activities practices which permit the rapid diffusion of technologies with due regard to the protection of industrial and intellectual property rights;

(3) When granting licenses for the use of industrial property rights or when otherwise transferring technology do so on reasonable terms and conditions.

Decision of the Council on Inter-Governmental Consultation Procedures on the Guidelines for Multinational Enterprises

The Council,

Having regard to the Convention on the Organization for Economic Co-operation and Development of 14th December, 1960 and, in particular, to Articles 2(d), 3 and 5(a) thereof;

Having regard to the Resolution of the Council of 21st January, 1975 establishing a Committee on International Investment and Multinational Enterprises and, in particular, to paragraph 2 thereof [C(74)247 (Final)];

Taking note of the Declaration by the Governments of OECD Member countries of 21st June, 1976 in which they jointly recommend to multinational enterprises the observance of guidelines for multinational enterprises;

Recognizing the desirability of setting forth procedures by which consultations may take place on matters related to these guidelines;

On the proposal of the Committee on International Investment and Multinational Enterprises;

Decides:

1. The Committee on International Investment and Multinational Enterprises (hereinafter called the "Committee") shall periodically or at the request of a Member country hold an exchange of views on matters related to the guidelines and the

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[1] For the purposes of the guideline on disclosure of information the term "geographical area" means groups of countries or individual countries as each enterprise determines it appropriate in its particular circumstances. While no single method of grouping is appropriate for all enterprises, or for all purposes, the factors to be considered by an enterprise would include the significance of operations carried out in individual countries or areas as well as the effects on its competitiveness, geographic proximity, economic affinity, similarities in business environments and the nature, scale and degree of interrelationship of the enterprises' operations in the various countries.

[2] Bona fide negotiations may include labour disputes as part of the process of negotiation. Whether or not labour disputes are so included will be determined by the law and prevailing employment practices of particular countries.

experience gained in their application. The Committee shall periodically report to the Council on these matters.

2. The Committee shall periodically invite the Business and Industry Advisory Committee to OECD (BIAC) and the Trade Union Advisory Committee to OECD (TUAC) to express their views on matters related to the guidelines and shall take account of such views in its reports to the Council.

3. On the proposal of a Member country the Committee may decide whether individual enterprises should be given the opportunity, if they so wish, to express their views concerning the application of the guidelines. The Committee shall not reach conclusions on the conduct of individual enterprises.

NOTE: Turkey abstained.

4. Member countries may request that consulations be held in the Committee on any problem arising from the fact that multinational enterprises are made subject to conflicting requirements. Governments concerned will co-operate in good faith with a view to resolving such problems, either within the Committe or through other mutually acceptable arrangements.

5. This Decision shall be reviewed within a period of three years. The Committee shall make proposals for this purpose as appropriate.

DECISION OF THE COUNCIL ON NATIONAL TREATMENT

The Council,

Having regard to the Convention on the Organisation for Economic Co-operation and Development of 14th December, 1960 and, in particular Articles 2(c), 2(d), 3 and 5(a) thereof;

Having regard to the Resolution of the Council of 21st January, 1975 establishing a Committee on International Investment and Multinational Enterprises and, in particular, paragraph 2 thereof [C(74)247 (Final)],

Taking note of the Declaration by the Governments of OECD Member countries of 21st, June 1976 on national treatment;

Considering that it is appropriate to establish within the Organisation suitable procedures for reviewing laws, regulations and administrative practices (hereinafter referred to as "measures") which depart from "National Treatment";

On the proposal of the Committee on International Investment and Multinational Enterprises;

Decides:

1. Measures taken by a Member country constituting exceptions to "National Treatment" (including measures restricting new investment by "Foreign-Controlled Enterprises" already established in their territory) which are in effect on the date of this Decision shall be notified to the Organisation within 60 days after the date of this Decision.

2. Measures taken by a Member country constituting new exceptions to "National Treatment" (including measures restricting new investment by "Foreign-Controlled Enterprises" already established in their territory) taken after the date of this Decision shall be notified to the Organisation within 30 days of their introduction together with the specific reasons therefore and the proposed duration thereof.

3. Measures introduced by a territorial subdivision of a Member country, pursuant to its independent powers, which constitute exceptions to "National Treatment", shall be notified to the Organisation by the Member country concerned, insofar as it has knowledge thereof, within 30 days of the responsible officials of the Member country obtaining such knowledge.

NOTE: Turkey abstained.

4. The Committee on International Investment and Multinational Enterprises (hereinafter called the "Committee") shall periodically review the application of "National Treatment" (including exceptions thereto) with a view to extending such application of "National Treatment." The Committee shall make proposals as and when necessary in this connection.

5. The Committee shall act as a forum for consultations, at the request of a Member country, in respect of any matter related to this instrument and its implementation, including exceptions to "National Treatment" and their application.

6. Member countries shall provide to the Committee, upon its request, all relevant information concerning measures pertaining to the application of "National Treatment" and exceptions thereto.

7. This Decision shall be reviewed within a period of three years. The Committee shall make proposals for this purpose as appropriate.

DECISION OF THE COUNCIL ON INTERNATIONAL INVESTMENT INCENTIVES AND DISINCENTIVES

The Council,

Having regard to the Convention on the Organisation for Economic Co-operation and Development of 14th December, 1960 and, in particular, Articles 2(c), 2(d), 2(e), 3 and 5(a) thereof,

Having regard to the Resolution of the Council of 21st January, 1975 establishing a Committee on International Investment and Multinational Enterprises and, in particular, paragraph 2 thereof [C(74)247(Final)];

Taking note of the Declaration by the Governments of OECD Member countries of 21st June, 1976 on international investment incentives and disincentives,

On the proposal of the Committee on International Investment and Multinational Enterprises;

Decides:

1. Consultations will take place in the framework of the Committee on International Investment and Multinational Enterprises at the request of a Member country which considers that its interests may be adversely affected by the impact on its flow of international direct investments of measures taken by another Member country specifically designed to provide incentives or disincentives for international direct investment. Having full regard to the national economic objectives of the measures and without prejudice to policies designed to redress regional imbalances, the purpose of the consultations will be to examine the possibility of reducing such effects to a minimum.

2. Member countries shall supply, under the consultation procedures, all permissible information relating to any measures being the subject of the consultation.

3. This Decision shall be reviewed within a period of three years. The Committee on International Investment and Multinational Enterprises shall make proposals for this purpose as appropriate.

NOTE: Turkey abstained.

AMENDMENTS SUBMITTED FOR PRINTING

EDUCATION AMENDMENTS OF 1976—S. 2657

AMENDMENT NO. 2194

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS. Mr. President, section 123 of S. 2657 makes several changes in the State student incentive grant program. Among other things, the section provides that, unless a State's contribution to the program equals or exceeds 150 percent of the Federal payment by September 30, 1976, the student incentive grants become "portable," which is to say that they may be used at out-of-State schools.

The effective date of this revision in the SSIG program poses a special problem for Arkansas, and perhaps for other States as well. Arkansas does not currently meet the 150-percent matching requirement that would be imposed by section 123. At the same time, State law prevents student incentive grants from being used at out-of-State institutions. Obviously, if Arkansas is to continue to participate in the SSIG program as revised by section 123 of S. 2657, it would either have to increase the State matching share or repeal the State law forbidding grant portability. One of these steps would have to be taken prior to September 30, 1976, the date on which the portability requirement takes effect.

The problem is that the Arkansas General Assembly, which would have to decide which of these two courses to choose, does not meet again until January 1977. Consequently, adoption of section 123 in its present form would effectively preclude my State from participating in the State student incentive grant program during the 1976–77 school year.

It is for this reason that I am offering an amendment to delay the effective date of the portability requirement in section 123 until September 30, 1977. This extra year would give the legislatures in Arkansas and other States needed time in which to increase State funding for the SSIG program or make whatever other changes in State law may be necessary.

My amendment would not change the requirements of section 123 in any other way. It simply gives the States sufficient time to comply with the new conditions for participating in the grant program. I urge my colleagues to join me in supporting this amendment, and I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2194

On page 131, line 1, strike "1976" and insert in lieu thereof "1977".

AMENDMENTS NOS. 2195 AND 2196

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY submitted two amendments intended to be proposed by him to the bill (S. 2657) to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes.

Mr. BUCKLEY. Mr. President, it is the birthright of every American to live in a country that is governed by laws and not by edicts. One of our most cherished principles is that a person is considered innocent of wrongdoing until proven guilty. However, the American people have learned that this principle does not always apply when they deal with the Federal bureaucracy.

The ability of the Department of Health, Education, and Welfare to withhold Federal funds from schools and colleges that the Department claims are in violation of its regulations is a graphic example of how the Government sometimes ignores the very principles it is supposed to uphold. As things now stand, HEW can claim that a certain school is not complying with Federal rules or guidelines and, on the basis of that assumption, can then withhold funds from the school without first granting it a chance to defend itself.

HEW uses this power to withhold funds as a means to force schools and colleges to yield to regulations which may or may not be lawful.

Many schools must give in before they have a chance to present their side of the story in an appropriate hearing. Their only alternative is to become involved in lengthy and costly court battles. However, schools that decide to fight HEW through the appeals process know that their Federal funds will be withheld until a definitive decision is reached. That is why, when a local school system is matched against HEW, the Department is dealing with a stacked deck. This bureaucratic blackmail violates not only our sense of fair play but also constitutional guarantees of due process.

The amendment I am proposing to S. 2657, the Education Amendments of 1976, would guarantee the right of due process to our Nation's schools and colleges. This amendment would prohibit the Department of Health, Education, and Welfare from withholding Federal funds without first allowing the grantee a fair hearing before a duly appointed administrative law judge. This amendment would reassure the American people that their Government is not above the law, and that it is guided by the same principles that govern private citizens. I hope it will have the support of the Senate.

Mr. President, I ask unanimous consent that the text of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2196

On page 326, line 8, insert the following:

(13) Section 440 of such Act is amended by inserting "(a)" immediately after "Sec. 440" and adding at the end thereof the following new subsection:

"(b) The extension of Federal funds to a State or local educational agency or institution of higher education, community college, school, agency offering a preschool program or other educational institution through grant, loan, contract, student assistance or any other programs may not be limited, deferred or terminated by the Secretary before according such State or local educational agency or institution of higher education, community college, school, agency offering a preschool program or other educational institution the right of due process of law, which shall include a final judgment of non-compliance with a specific provision of Federal law after a hearing before a duly appointed administrative law judge, except that this provision shall not apply to part B of Title IV of the Higher Education Act of 1975 (20 U.S.C. 1971–82)."

AMENDMENT NO. 2203

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself and Mr. TUNNEY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2657), supra.

INVESTMENT ADVISERS ACT AMENDMENTS OF 1976—S. 2849

AMENDMENT NO. 2197

(Ordered to be printed and to lie on the table.)

Mr. McCLURE. Mr. President, this amendment would exempt from the provisions of the bill those "investment advisers" who are really more in the nature of financial and economic analysts, and who do not attempt to advise a client as to when to buy or sell this or that security.

There are two excellent reasons for the adoption of this amendment: First, "investment advisers" who render only broad and vague investment advice are not likely to victimize clients, even if they are unqualified to render such advice, for, in fact, they are not really "investment advisers" at all; second, this amendment would protect and guarantee first amendment rights to speak and comment on public affairs.

AMENDMENT NO. 2198

(Ordered to be printed and to lie on the table.)

Mr. McCLURE. Mr. President, this amendment would restrict the definition of a "person associated with an investment adviser" to only those nonclerical persons who render investment advice directly to a client. Exempt, therefore, would be those employees or associates of an investment adviser who render advice and opinions to the investment adviser, who in turn digests that advice, and passes the resulting concensus on to the client. As long as a qualified investment adviser must pass on final approval of all investment advice before the client receives the same, it would seem that all necessary protection is established.

Indeed, section 9 as presently written, especially subsection (C) starting on page 12, line 11, is so open-ended that almost anyone would be included who at any time renders advice to the investment adviser, or who works in the investment advisers office, regardless of how removed that person was from the actual decisionmaking process, or the dissemination of information to the client.

FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1976—S. 3091

AMENDMENTS NOS. 2199 AND 2200

(Ordered to be printed and to lie on the table.)

Mr. McCLURE submitted two amendments intended to be proposed by him to the bill (S. 3091) to amend the Forest and Rangeland Renewal Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35).

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976—H.R. 8603

AMENDMENTS NOS. 2201 AND 2202

(Ordered to be printed and to lie on the table.)

Mr. HOLLINGS (for himself, Mr. ABOUREZK, Mr. CANNON, Mr. HATFIELD, Mr. HATHAWAY, Mr. McGOVERN, and Mr. WEICKER) submitted two amendments intended to be proposed by them, jointly, to the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes.

NOTICE OF HEARING ON S. 2762—A BILL TO ESTABLISH A NATIONAL COURT OF APPEALS

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that open public hearings will be held for the consideration of S. 2762, a bill to establish a National Court of Appeals.

The hearing will be held on August 25, 1976, in room 2228 of the Dirksen Senate Office Building, commencing at 10 a.m., and on subsequent dates to be announced later.

Persons who wish to testify or submit a statement for inclusion in the record should communicate, as soon as possible, with the subcommittee office, 6306 Dirksen Senate Office Building, telephone 224-3618.

ANNOUNCEMENT OF HEARINGS ON REORGANIZATION OF THE COMMITTEE SYSTEM

Mr. STEVENSON. Mr. President, Senate Resolution 109, passed by the Senate on March 31 of this year, directed the Temporary Select Committee to Study the Senate Committee System to make recommendations concerning the organization of the committee system and related questions.

The committee agreed, despite the limited time available, to concentrate its initial work on the jurisdictions of committees, referral procedures, the numbers and sizes of committees and subcommittees, and limitations on the committee memberships of Senators.

The point of this initial concentration is to make it possible for the Senate to adopt a plan for the reorganization of the committee system in January 1977, before committee assignments are permanently made in the new Congress. Initial hearings, in addition to several organization and discussion meetings of select committee members, were held on July 20, 21, and 22.

The select committee intends to make recommendations on the structure of the committee system before the Senate adjourns sine die, so that other concerned committees may take any action necessary to permit the Senate to act on committee system organization in January.

I therefore announce additional hearings to be held on September 14, 15, and 16, at 10 a.m., in room 235, Russell Senate Office Building.

Our earlier studies and hearings considered a broad range of proposals for reorganization of the committee system. The September hearings, however, will be focused by a staff report on structural questions requested by the select committee. The staff report will describe three "starting points" for structural reorganization, with appropriate options to move toward such objectives as consolidation of jurisdictions to promote more efficient division of labor and comprehensive policymaking and the reduction of numbers of committees and subcommittees to bring Senators' assignments under control.

One "starting point" is the present system of 31 standing, select, special and joint committees.

The second "starting point" is a system which consolidates present committees into 12 standing committees organized along functional lines.

The third "starting point" is a system which consolidates the present 31 committees and 174 committees into 5 functional management committees with approximately 12 subcommittees each.

I emphasize the select committee has not recommended any one of these "starting points" for adoption. But the description of them will give Senators and others models on which to comment, and one of them will be the basis of the select committee's report according to present plans.

Senators and others interested in presenting comments before the select committee on September 14, 15, or 16 are asked to inform the chief clerk, Ms. Sherry Towell as soon as possible—224-1848. The staff report describing the "starting points" should be available on August 27, or before.

NOTICE OF HEARINGS ON THE OFFICE OF FEDERAL PROCUREMENT POLICY

Mr. CHILES. Mr. President, I wish to announce that the Government Operations Subcommittee on Federal Spending Practices will hold oversight hearings on the Office of Federal Procurement Policy and implementation of its new major systems acquisition policy, OFPP/OMB Circular A–109, issued April 5, 1976.

The hearings will be held at 9:30 a.m. August 24 and 26 in room 3302, Dirksen Senate Office Building.

The first day's hearings will focus on the Office of Federal Procurement Policy and its accomplishments since its creation 2 years ago. The Administrator, the Honorable Hugh E. Witt, will testify as well as the Honorable Robert Keller, Deputy Comptroller General, General Accounting Office.

The focus of the second day will be on implementation of the new major systems acquisition circular which resulted from years of work by the subcommittee to put into effect the recommendations originally put forward by the Congressional Commission on Government Procurement.

The second day's witnesses on major systems reform will be Mr. Witt; the Honorable William P. Clements, Deputy Secretary of Defense; Dr. Walter C. Williams, Chief Engineer, NASA; as well as representatives of the Energy Research and Development Administration and the Department of Transportation.

Any other persons wishing to submit testimony should contact the subcommittee staff director, Mr. Les Fettig at 224-0211, not later than Friday, August 20, 1976.

At this point, I ask unanimous consent that there be printed in the RECORD a recent article dealing with the impact of our system acquisition reforms on the Defense Department.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 22, 1976]

PENTAGON ALTERS MEANS OF ARMS PROCUREMENT IN BID TO CUT COSTS

(By Kenneth H. Bacon)

WASHINGTON.—Cmdr. Arthur Mobley has spent two years managing a project to build a weapons system designed to strengthen the Navy's ability to sink enemy ships.

But despite his intense work on the project, which ultimately may cost $5 billion, he still doesn't know what the system will look like or how it will work.

That's because Cmdr. Mobley's weapons system is being developed under a new Defense Department procedure that allows the contractor, rather than the Pentagon, to design the weapon. As project manager for the Navy weapons system, Cmdr. Mobley is a little like a football coach—he is in charge, but he stays off the field.

The idea behind the new approach, which is undergoing its first test, is simple. The Pentagon describes to companies the job that a proposed weapon must accomplish, and then it lets the companies compete to design the best weapon to do the job. After the Pentagon selects and tests a design, the winning contractor will be given unusual latitude to figure out ways to build the system within cost and performance goals set by the Pentagon and the company.

HAVING AND EATING THE CAKE

"There's no question that this process, carried out prudently, will produce better products for less money," says Malcolm Currie, director of defense research and engineering. "In other words, we can have our cake and eat it."

The new procedure represents a sharp break with the traditional Pentagon practice of issuing rigid specifications for weapons systems and then closely supervising the projects from Washington. Contractors, lawmakers and even some Pentagon officials blame the traditional approach for many of the problems—billion-dollar cost overruns, performance failures and scheduling snags—that have plagued weapons programs in the past.

The Pentagon has tried before to reform its procurement process. Whether the new system flops like the previous attempts probably won't be known for years. But Pentagon officials, defense-industry executives and congressional experts are generally encouraged by the way the new procedure seems to be working.

THE POTENTIAL PAYOFF

Potentially, the payoff is huge. The Pentagon estimates that the 43 major weapons in the final stages of development or production as of last March will cost $168.2 billion to complete. Thus cost reductions of several percentage points could mean saving billions of dollars.

The seeds for the new procurement procedure were sown in 1969, a banner year for Pentagon cost overruns. Revelations of the Air Force's huge cost increases on the C5 cargo plane attracted heavy congressional criticism and helped set off a Pentagon review of its procurement policies.

The Air Force had planned to purchase 120 of the Lockheed Aircraft Corp. planes for $3.4 billion, but as the program encountered problems, the price rose, and the government ultimately purchased only 81 of the giant transports for $4.5 billion. Not only did the price per plane double, but also the Air Force found the wings to be so weak that it is spending another $1 billion to strengthen them. In 1969 the General Accounting Office also reported a $21 billion cost increase in 38 major weapons systems.

PRICED OUT OF THE MARKET?

"The Defense Department was beginning to price itself out of the market," says John Bennett, the Pentagon's deputy assistant secretary for installations and logistics. "Military planners had perhaps been overdemanding in stating their requirements and somewhat overoptimistic in accepting estimates to meet these goals."

Congress, reacting to the signs of financial mismanagement, created in 1969 the Commission on Government Procurement. The commission studied purchasing procedures and recommended changes to make the process more competitive. In 1974 Congress passed a law creating the Office of Federal Procurement Policy to improve federal procurement rules and to eliminate red tape.

This office recently issued rules setting procurement policy throughout the government. Their biggest impact is on the Defense Department, which accounts for about 70% of the more than $66 billion the federal government spends on procurement each year.

The rules state that instead of ordering specific equipment, an agency must describe the job it wants accomplished by the equipment. The idea is to encourage companies to compete in designing equipment and to allow Congress to consider planned purchases before an agency commits itself.

Cmdr. Mobley's project to develop a shipboard intermediate-range combat system is the first the Pentagon has tailored entirely to the new rules. The Navy gave seven companies a broad description of the proposed weapon's purpose and capability: defense against air attack, the offensive punch to hit ships from 12 miles away and the ability to fire in support of troops on shore. The companies also got a detailed explanation of the enemy threat the weapons must be able to counter 10 years from now, when the Navy plans to start putting the system on all its surface ships.

After the Navy reviewed the responses, McDonnell Douglas Corp., Raytheon Corp. and RCA Corp, each received a $1.5 million contract and nine months to design a system. Later the Navy will pick two of the companies to produce competitive prototypes at cost to the government of about $50 million. After testing them, the Navy will award a production contract to one firm.

Howard Wing, manager of Raytheon's project, describes the Navy's instructions this way: "Okay, there's the problem. Go out and tell us what the answer is. It's the broadest specification of a job I've ever seen the Defense Department give a contractor."

Several years ago, Cmdr. Mobley says, the Navy would have "designed a weapons system with rigid specifications—weight, size and tolerances—and asked companies to bid to build it at the lowest cost." But in this program "it's up to" the three competing companies "to decide whether to use guns, missiles or bows and arrows."

Raytheon's Mr. Wing says the new approach "is good for us and for the government. It maximizes the innovative content of the company's design, and it makes the military work a lot harder at defining the problem and setting up the evaluation standards they're going to use."

Some other contractors are less enthusiastic. "They would prefer to be hand-fed," says Mr. Currie at the Pentagon. He describes the contractors' attitude as: "Tell us what you want and we'll come in and underbid everybody else. The government will end up paying for it in the end anyway" in the case of a bid that turns out to be too low. Frequently, to the dismay of Congress, that's what has happened.

James Mellor, an executive vice president of Litton Industries Inc., admits that there are risks to the new approach. "We're just like everybody—we like to know where we stand," he says. But he notes that when the Pentagon "lays out minimium requirements, rather than giving us a 10-foot bill of specifications, then we can start using some of our initiative." Nonetheless, he fears that the new approach "is going to be used as an excuse to lengthen the procurement process by the Defense Department."

A GOOD WASHINGTON TEAM

Under the former system of bidding to meet rigid specifications, "the contractors and the military services were generally in bed," charges Lester Fettig, chief counsel of the Senate government operations subcommittee on federal spending practices. "The weapons grew by an informal exchange of ideas between contractors and the services. . . . The way you won a contract was to have a good Washington team so your ideas were integrated into specifications," he says.

The new approach is intended to eliminate this coziness while giving the Secretary of Defense and Congress a chance to decide whether planned weapons systems meet stated needs before much money is spent. The Air Force spent five years and $140 million writing specifications for the B1 bomber before the Secretary of Defense even approved the $21.6 billion project, an expensive head start that wouldn't be allowed under the new rules.

Congress has always found it difficult to kill weapons systems after contracts have been awarded because by then individual members are too concerned about jobs their states will lose if a program is killed. But Richard Guttman, who heads the major systems division of the General Accounting Office, doubts that this parochial view will change. After telling a congressional committee that a weapons system wasn't living up to its billing, he recalls that one Congressman told him: "I don't give a damn whether the thing works or not, just as long as they build it in my district."

Along with spurring more imaginative designs from weapons builders, Penatagon planners say the new approach forces contractors to pay more attention to holding down the cost of new weapons. Thus, when McDonnell Douglas, Raytheon and RCA give their designs to the Navy early next year, they will also describe the concessions they would make in performance and delivery schedules to meet cost goals.

DESIGN-TO-COST

This aspect of the new approach is called "design-to-cost." Mr. Currie says it represents "a cultural change in both the Defense Department and industry." In the past, he says, the Pentagon has encouraged "gold-plating" by stressing performance at almost any cost, sometimes accepting big cost increases for a marginal improvement in a weapon's capability.

The Pentagon has been considering the design-to-cost idea for several years. Procurement officials contend that increased attention to cost already has held down the price of the Navy's guided-missile frigate and the Air Force's F16 and A10 combat-support planes. But Mr. Bennett at the Pentagon says that "answering the question of whether design-to-cost is working is like asking whether your deodorant is working. It depends on what your outlook is and where you stand."

Nevertheless, Pentagon planners are expanding to design-to-cost idea to include operation and maintenance costs over the life of a weapons system. The cost of running and maintaining a modern airplane for the years it is in use can amount to three times its purchase price. Consequently, large savings can result from increasing a weapon's reliability and reducing repair and maintenance costs.

"Unless support costs are given more than casual consideration, savings generated by low initial procurement costs may soon disappear because of abnormal life-cycle support costs," says Air Force Brig. Gen. James Stansberry, a procurement officer. Defense officials find it difficult to establish practical life-cycle cost goals, but as a small start they are beginning to insist that makers of some navigational and electronic gear provide warranties under which they agree to repair or replace malfunctioning equipment.

NOTICE OF HEARING ON NOMINATION

Mr. McCLELLAN. Mr. President, for Mr. Eastland, and on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, August 24, 1976, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Herbert F. DeSimone, of Rhode Island, to be U.S. district judge for the district of Rhode Island, vice Edward William Day, retired.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Mississippi (Mr. Eastland), chairman; the Senator from Arkansas (Mr. McClellan) and the Senator from Nebraska (Mr. Hruska).

ANNOUNCEMENT OF HEARINGS BY THE SUBCOMMITTEE ON NATIONAL STOCKPILE AND NAVAL PETROLEUM RESERVES OF THE ARMED SERVICES COMMITTEE

Mr. CANNON. Mr. President, the Subcommittee on National Stockpile and Naval Petroleum Reserves of the Armed Services Committee will hold hearings on August 25, 1976, in room 212 of the Russell Senate Office Building at 10 a.m. to consider four bills (S. 3344, S. 3345, S. 3346, S. 3347) to authorize stockpile sales of antimony, tin, silver, and industrial diamonds. The subcommittee will hear officials of the General Services Administration.

ADDITIONAL STATEMENTS

SOVIET DAY OF SHAME

Mr. WILLIAMS. Mr. President, during this month, we shall mark the eighth anniversary of the "Soviet Day of Shame." On August 21, 1968, a shocked world saw Soviet troops brazenly invade the little country of Czechoslovakia in a ruthless attempt to return its people to the oppression from which they had just begun to emerge.

The Czechoslovakian people are no strangers to armed conflict. It has dominated their lives through the 20th century. A battleground of World War I, the little nation finally gained its independence in 1918, with the collapse of the Hapsburg empire. The new state embarked on a period of peace and prosperity that tragically came to a brief and sudden end when Nazi tyranny forced itself on the people in the months before World War II. The Czechoslovakian people resisted the occupation of their country fiercely during the next several years at a cost of a quarter of a million lives. In 1945, with the help of the Allied armies, the people of Czechoslovakia finally threw off Nazi rule. But again, their freedom was brief. The people soon fell victim to Soviet aggression and the country became a collectivized society, its rich resources exploited and its people deprived of the most basic civil rights.

But the Czechoslovakians are a people of courage and determination. They began to demand more personal freedom, better economic conditions, and an end to their oppression. Early in 1968, a progressive faction of the country's leadership, under Alexander Dubcek, rose to power and responded to the people's demands. This faction began to liberalize and democratize Czechoslovakia's society.

But this progressive movement was halted on August 21, 1968, as half a million troops from the Soviet Union and other Warsaw Pact nations occupied the country. By their action, the Soviets violated their own pledge to uphold the principles set forth in the United Nations Charter. This unwarranted, unprovoked invasion demonstrated the brutal nature of the Soviet leadership, as well as their clear hostility to the right of all people to basic human freedoms. Today, Czechoslovakia remains an occupied country, its people held firmly in the grasp of leaders they have not chosen.

This month, those who strongly adhere to the principles of democracy and self-determination for all people acknowledge the courage and sacrifice of the peoples of Czechoslovakia as they struggle to claim the rights and freedoms that have been denied them. By our observance of the Soviet Day of Shame, we declare our support for the brave people of Czechoslovakia, and we serve notice on the leaders of the Soviet Union that their acts of aggression are to be condemned.

A PRIVATE CITIZEN'S ANALYSIS OF OUR NATIONAL SECURITY

Mr. McCLURE. Mr. President, for some time, I have been concerned about the state of America's foreign policy and her national defense effort. The debate has reached great levels of sophistication and complexity during the last year. In this technological age, it is difficult to give proper guidance to our national security policy without understanding the many detailed issues involved. Nevertheless, as the elected representatives of the people, we must do our best to make wise decisions and keep our citizens informed.

For that reason, I am particularly

pleased when I see how well informed many of our private citizens are. Recently, for example, I received a copy of an analysis of our national security posture made by a private citizen from San Francisco, Calif.—Mr. John P. Renshaw. Mr. Renshaw has produced an excellent and balanced summary of the military, political, and economic threat which faces our country today, and underlines the important role Congress must take in correcting our deficiencies. Indeed, he outlines quite clearly reasonable steps which can be taken to provide a remedy without stretching the economic and moral resources of our Nation. I strongly recommend that my colleagues take time to read this article, which I ask unanimous consent be printed in the RECORD. I regret only that Mr. Renshaw's fine graphics cannot be reproduced.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET LEADERS HAVE THE UNITED STATES IN DEEP TROUBLE—UNLESS? A CONCERNED CITIZEN'S STUDIED VIEWS

(By John P. Renshaw)

THE NATURE OF THE THREAT

During the 1962 Cuban nuclear missile crisis the United States had overwhelming strategic superiority—and Soviet missiles as a result were removed from Cuba. Soviet Deputy Foreign Minister Kuznetsov then advised the U.S. Government: "Never will we be caught like this again.'" And they have not.

Over the past ten years the U.S.S.R. has increasingly outspent the United States in resources devoted to relative national "defense." Its *depth* and *breadth* of massive military effort is *very* obvious—and expanding. It has now reached such a point of rough parity, and potential future superiority, that the U.S. Director of Defense Research and Engineering, Dr. Malcolm Currie, warned recently that continuation of present trends would lead to dominance by the Soviet Union in deployed military technology by the 1980's. Rough parity we can live with; but dominance is an open invitation to disaster.

Competent and informed sources place the crucial threat period in the *early* 1980's. Furthermore, because of our failure in the past to provide for adequate *future* defense capabilities, that early 1980's period could be extremely serious for the United States *anyway* in view of present Soviet momentum, our lack of it, and the lag time necessary for us to create proper additional forces-in-being. This is true *even* if we now start authorizing the necessary measures to catch up; and even this start is not a foregone conclusion in view of the position Congress as a whole have taken in recent *years*. Only in recent *months* has it given even an *indication* of willingness to consider reversing the trend.

NATIONAL WILL: CONGRESS IS THE KEY

Congress is the key. It has greater over-all power than the Presidency. In general, the latter must carry out formal Congressional instructions. It is Congress that controls the essential purse-strings through authorizations and appropriations. It must pass all national laws. Only Congress can and does define by law the broad policies (including restrictions) within which the President must largely operate. Foreign nations listen carefully to Congressional opinions. Congress must pass all treaties before they are effective. In sum: although it is not all-powerful (a strong, capable President can also be very influential before the U.S. public and the world), it is evident that a sufficient Congressional majority is very much The Boss.

After presiding for 200 years over the growth of the United States of America into a force that has given more benefits to more people than any nation in the world's history—that Congress now may inadvertently and literally destroy us by making it impossible to defend ourselves in the not-too-distant future. Yet, if it will just exercise reasonably constant common sense it still can save us. Crucial policy decisions are at hand concerning the Soviet Union. Like the fabled doors leading to either a lady or a tiger, Congress can still open the one giving us a fighting chance for a liveable future. However, right now its hand is still lingering on the doorhandle leading to the tiger. Hopefully, that Congressional hand will change. The tragedy is that it is very clear which door leads to that tiger of Soviet military superiority, and there is little time left to alter our course. The other door leads to a constructive show of Congressional will to protect adequately our country (and thus the rest of the free world) in a practical, common sense manner which we really can easily afford—and which could assure our future as far as it is possible.

In addition to possible failure to grasp the danger of future Soviet domination at present trends, the only hazard to proper Congressional action seems to be presumed (and I suspect falsely so) short-term political reelection advantages which here might be expressed as: 'Do anything for key imagined votes today—even if it kills us tomorrow.' This easy road of avoiding belt-tightening is not new. It is exactly the same as the unrealistic Chamberlain 'peace-at-any-cost' policy that actually helped lead to World War II. We survived that war at great cost. The next major war we probably will not survive. Therefore, voters must insistently ask of our legislators: 'Is the majority of Congress showing the quality of judgment and the strength of will on major issues that all voters have every right to expect?'

What is, therefore, the nature of the problems facing us—and what course of action makes obvious common sense?

In recent history, whenever we have spent less than 8% of GNP for defense purposes, war has soon followed. World War II, Korea and Vietnam are examples. There is, of course, no such magic number; but common sense does say that if we let our power to defend ourselves dwindle too far by not spending properly, we are inviting others to try, in one form or another, to take from us what they want, when they feel they are strong enough to get it. Weakness is an open invitation to attack.

In the past when we let our defenses fall too low and we were later seriously challenged, we still had enough time to respond successfully—even if at a later stupendous cost. With modern weapons systems which are almost instantaneously effective (these may take from 5 to 15 years from planning to their actual existence in volume), we no longer have available a long preparation time after we are challenged. Even more serious is the fact that we must be reasonably ready *ahead of time* by an amount at least equal to the lag time necessary to have various major weapons systems useable in volume. Obviously, too much defense spending is wasteful. It should be perseveringly avoided. Yet—even when wasteful spending occurs—this is infinitely more desirable than too little spending which later may prove *catastrophic*.

Reasonable and adequate *defense* spending *should* be popular in our country. If Congress exhibits a strong national will and a resolve to defend us at any cost—and that is fully recognized by the U.S.S.R.—then the latter might slow its military expansion. If so, *then* there could be some resultant prudent lower spending on our part. With modern weapons systems, probably not more than about 7% of the Gross National Product (we are now spending less than 6%) *should* be very adequate to insure our survival and to discourage potential aggressors—mainly the Soviet Union. * * *

How does U.S. and Soviet defense spending compare in recent years? Accurate comparisons are very difficult because of such factors as: hidden Soviet expenditures; almost-free labor in the Soviet Union; currency-exchange differences (various rates); different emphasis is many "defense" categories; quality and size differences of major military systems. On a "best-judgment equivalent basis," however, the Soviet Union is noticeably outspending us *in total*. And because of their far-lower pay-scale, they spend *considerably* more for actual hardware. In constant dollars, *our* defense investment in important new equipment, research and development, and in construction, is less than half the 1968 level and is 35 percent below the pre-Vietnam level (this excludes all current operations and personnel costs).

Past trends are disturbing because they indicate the direction our defense spending will take for some time into the future. The trend for the Soviet Union continues strongly upward, while that of the United States does not. This is all the more remarkable and alarming because our GNP is about twice that of the U.S.S.R. The upward spending of the Soviet government, in comparison with ours, so far surpasses any conceivable and real Soviet *defense* need that the only common-sense conclusion to be drawn is the reality of a Soviet drive for *expansion* throughout the world. The last major effort of a country to expand throughout the world was defeated in 1945, thanks in part to the Soviet Union. Since then, almost every major Soviet action from the Berlin blockade to the invasion of Czechoslovakia to Angola—and including the numerous statemates of Soviet leaders—points to the above expansion conclusion. If continued, this would lead to their domination of the world.

Relative U.S.-U.S.S.R. economic strengths are made up of factors difficult to compare in a simple way. On balance, the U.S. is obviously far ahead.

As a relatively free market economy and as a democracy, which naturally involves politics, the United States has not yet been able to use these strengths cohesively and effectively as an instrument of national policy when dealing with the Soviet Union. This is illogical and unfortunate because only in the *economic* segment does the U.S. obviously lead on an over-all basis.

In the general "economic" area, the U.S. is far ahead in the broad category making up the Gross National Product (i.e., the yearly total value of goods and services produced). We lead in industrial plants and know-how, in agriculture, in financial resources, in computer technology, and in the standard of living. In all these areas, we are *greatly* helping the U.S.S.R. improve its economic position—except for the governmentally-restricted and controlled standard of living of Russian citizens. In pure science, there is probably rough equality. The U.S.S.R. leads in creating more engineers. Recent estimates indicate perhaps six times as many. As for raw materials, the U.S.S.R. is almost self-sufficient; but the U.S. is dangerously *dependent* upon imports. For example, the U.S.S.R. now lacks only a very few items (for instance: natural rubber); the U.S. imports over 80 essentials (oil, cobalt, manganese, chromium, nickel, tin, bauxite for aluminum, etc.). All this underlines the importance of the U.S. being able to keep world sea lanes open to its commerce. The U.S.S.R. has a lead in population—about 18%; and its labor costs are very much lower because of the supreme power of its dictatorial central government. In addition, the main thrust of its economic machine can be directed as its strong central government wishes—as opposed to our relatively free and competitive economy. Where there are large Soviet "economic" advantages, such as tremendous reserves of petroleum, the U.S.S.R. helps *us* very little—if at all.

During the 1962 Cuban nuclear missile confrontation (the only true one in world history to date), the U.S.S.R. obviously learned well that if she is successfully and aggressively to confront this country, she must have the superior power to back up the threat so that she can profit from it—instead of backing down as she did then. For a complete arsenal of major weapons-systems, it can take 12 to 15 years to advance to a desired full level of forces-in-being. The Soviet Union *now*, 14 years after the Cuban missile crisis, has these weapons systems—and they are still growing rapidly. Ours—on an over-all basis—are not growing. For example, at present the U.S.S.R. is estimated to have about four times the missile throw-weight of the United States. Along with quality improvements in accuracy and miniaturization *at least* approaching ours, that Soviet throw-weight advantage can lead in the future to her increasingly-greater *over-all* advantage. Even at the present time, her power is great enough that she can *now* with greater confidence start leaning heavily on the United States and on the West as a whole—and she *has* started in Chile, in Portugal, and in Angola. Less openly the Soviet Union, in recent years, has been busy all over the free world to an increasing degree: e.g., in Vietnam, Spain, Italy, Greece, Cyprus, Egypt, Turkey, Iraq, Syria, the Indian Ocean—to name a few in addition to Chile, Portugal, and Angola. The lesson that so concerned Soviet Deputy Foreign Minister Kuznetsov 14 years ago has been well learned.

The over-all *nuclear* power of the U.S. and U.S.S.R. is extremely difficult to compare accurately because of a number of factors such as: first or second strike; missile site reloading; different missile types, accuracy, throw-weights, ranges, and in-flight adjustments; varying target ranges and types; multiple warheads; maneuverability; defensive systems. Moreover, these factors are almost constantly changing. For the purpose of *perspective*, however, the most important comparison is the *trends* and *disparities* of power over the past 14 years. In some ways the figures which are most indicative are numbers of offensive weapons—particularly strategic missiles. This point can be argued—but for general comparative purposes, they speak for themselves.

When there is little over-all physical defense against nuclear attack—and both the U.S. and the U.S.S.R. possess tremendous nuclear power—there is a broad timeframe of nuclear *stalemate*. This stalemate era of forces-in-being may—under present trends—last only into the early 1980's. During this period, even though *either* party may have a noticeable advantage, the probability of unacceptable counter-attack damage prohibits logical first attack. It is in this present stalemate of military balance that strong or superior *conventional* (or non-nuclear) forces may be more freely used and can become, as in the past, of paramount importance for winning tremendous advantages for an aggressor. Likewise, rough conventional *parity* here can also maintain stalemate.

When, however, the *disparity* between *nuclear* power is large enough, the weaker nation is susceptible to "successful" nuclear destruction—or defeat by blackmail. The latter is more "profitable"—because it gives the victor his victim's lands, facilities and peoples intact, to be dealt with as he sees fit. With present trends, an unfavorable and dangerous nuclear imbalance should be our major worry and is a very real danger. Paul H. Nitze (former member of the U.S. SALT Delegation and former Deputy Secretary of Defense) has estimated that the U.S.S.R. *now* has a definite advantage in the net combination of missile throw-weight and accuracy; and that this net Soviet advantage gives every evidence of continuing to rise very sharply into the future. Unless the United States takes proper corrective steps very soon, it will not be a matter of "if," but only of "when" the Soviet Union will have sufficient advantage to take what it wishes in future crises that it or others may inspire.

There exists considerable and well-formed doubt about *our* present ability to deal successfully with the aforementioned dangerous trends via SALT (Strategic Arms Limitation Talks). These doubts notwithstanding, the attempts at negotiated agreements must continue. But there also exists other steps we must take, while there is still enough time to take them. Among these are: (1) proper adjustment of our *strategy* for use of major weapons systems and their deployment to increase their preventive effectiveness; and (2) the display by Congress that it has sufficient and credible *will* to protect our country by any means necessary at any time. This means, in simple terms, that the U.S.S.R. must be shown the futility of its present open arms race against our still superior economic strength—with the consequence that it would be in its interest to come to mutually acceptable (and *provable*) arms limitations and mutual force reductions.

The Center for Strategic Studies at Georgetown University assigns a current index to the national will to preserve each nation's policy as follows: the U.S.S.R., .7 (high); the U.S., *.4* (low). After combining these with Power and Strategy factors, the total weighted estimates are: the U.S.S.R., 67.5; the U.S., 35.

What this means is seen in the position shared by senior West European officials, for example, who are concerned about the apparent decrease since Vietnam of American will to maintain superior military forces, and the filling of the resultant vacuum by the U.S.S.R. As a consequence, West German Chancellor Helmut Schmidt has worriedly referred to the "leadership crisis" in the West.

Alexander Solzhenitsyn, the Russian nobel laureate who is trying so hard to wake up the West to the dangers of present Soviet police-state expansionism, has said on numerous occasions that the West's moral strength and national will is ebbing dangerously. During a visit to New York City in the summer of 1975 he said, " 'There is no guarantee for anything in the West. You want to believe otherwise, so you cut down your armies, you cut down your research. But believe me, the Soviet Union is not cutting down anything.' "

" 'Soon they will be twice as powerful as you, and then five times, and then ten times. And some day they will say to you: 'We are marching our troops into Western Europe and if you act, we shall annihilate you!' And the troops will move, and you will not act.' "

* * * * *

Present estimates show that the U.S.S.R.'s conventional forces-in-being are numerically superior to the U.S. in amounts of certain equipment approximately as follows: 3.5 times as many attack submarines; 3.9 times as many tanks; 2.1 times as many armored carriers; 3.1 times as much artillery; and 56% more tactical aircraft. At the same time, the quality and training of American men of the armed forces is especially good, and this does serve as a *partial* counter-balance. But, action by our Congress is necessary *now* to strengthen our own conventional forces (as well as those of our allies) by providing them with *superior equipment always available for use*. This action would tremendously increase the possibility of maintaining a *conventional* balance of power.

In a time of nuclear stalemate, as already discussed, conventional forces may again become of paramount importance. If, at a later date, Soviet *nuclear* power becomes *very obviously supreme*, our defeat by blackmail could be accomplished in painfully apparent ways by Soviet *conventional* forces, while all our forces were neutralized by that nuclear blackmail. This could be done, for example, through Soviet establishment of control over Western Europe or the Middle East or the oceans by the actual use of superior conventional forces, or by the threat of their use. In either case, pressure on the United States to capitulate to Soviet demands would follow.

All this, of course, is not certain—although it is very *possible*. But it is logical to conclude that it has occurred to Soviet military leaders; otherwise the tremendous build-up of Soviet military forces, both nuclear and conventional, would represent solely an enormously expensive and wasteful game.

* * * the Soviets send a few missiles into North Dakota, while evacuating their own cities, to signal the showdown? *Not if our resolve is firm*. In recent years, it has *not* been firm.

On a more hopeful note, it must be remembered that the United States goes through great swings of *weakness* and also of *strength* in national will. But the long low points of those swings we can no longer afford because of the later time lags necessary to correct the military weakness they produce. A complication in informing, and thereby influencing, our public on important defense matters is that national leaders (including the President) normally—except as a last resort—don't want to concede either present or prospective national weakness because it is often both poor politics and poor international strategy.

Until the last few months, Congress not only has failed to demonstrate the necessary defense will—but has actually *encouraged* the U.S.S.R. to *further aggressive plans* by Congressional actions affecting Portugal (no aid); Angola (no aid); the CIA (grealy limiting its effectiveness—particularly in competition with the vast and capable KGB); Chile (refusing to sell that country arms—while doing so to neighbors); Turkey (did great damage to Western interests by getting the United States kicked out); the restriction of Presidential emergency powers (e.g., the War Powers Act establishing legislative veto over individual arms sales, etc.); Jordan (refusing sale to her of anti-aircraft missiles—driving her towards Soviet accommodation). Furthermore, according to Vice President Rockefeller in a speech to the Commonwealth Club of California on May 4, 1976, Soviet and Cuban involvement in Angola should have been *contained* just as previous interference in the Congo was contained—and it *would* have been contained, the Vice President asserted, if Congress had not restricted U.S. covert efforts to prevent any foreign domination in Angola.

In the last several months, however, *some* recent improvements in Congressional will has taken place—as evidenced by some increased support for new and slightly higher defense budgets and for some crucial items. But there remains some question whether this sudden new support may be tied only to short-term considerations in a Presidential election year. Let us hope not. These considerations could involve defense contract monies, the creation (and not the loss) of more jobs, and the attempt to avoid voter criticism for weak national defense in an important election year. Much *more* and *prolonged* Congressional support is needed.

We ourselves, however, seem to have been cracking the body and effectiveness of our own present international intelligence apparatus by what appears to be shallow, self-seeking and unnecessary publicity (almost reminiscent of a Roman Circus Holiday) on the part of Congressional investigators—instead of discreet fact-finding aimed at quietly correcting any policy and operational problems so that our intelligence apparatus can then more effectively get on with its vitally-needed work. Those responsible for handling the investigations *this way* most certainly have not served the American public and their country well, and they have *not* demonstrated to the world a national *will* to *defend* properly the United States.

Comparisons, are factually very difficult to make—and can really be made by impression only. The general levels, however, seem apparent. The U.S.S.R. *is* and has been aggressive. Its appetite for expansion has become increasingly whetted by its growing successes and expanding overall power. As Dr. Paul W. McCracken said in February of this year, "The U.S.S.R. seems politically to be more on the move than at any time in the last decade." In spite of its multi-member Politiburo, it has the constant singleness of purpose of strong and aggressive rule. It is constantly looking for and exploring new "targets of opportunity" over the entire *free* world. The United States does not. Our press has even recently reported alleged Soviet attempts to influence our presidential elections in a manner thought to be more advantageous to them. Whether true or not, it would make common sense from their point of view to do so—and would seem to fit the pattern of their modus operandi.

As for behind the "*Iron Curtain*," it is politically "unthinkable" for *us* to probe *there*, even though the objective of the Soviets' aggressive will seems very clear: "control" or destruction of the one country she now and in the near future sees blocking her mastery of the world—and likewise defeat for that *other* country she sees as possibly blocking her aims farther down the road into the future: the first—the U.S.; the second—The People's Republic of China.

There is one further comment that applies to aggressive national wills. The U.S.S.R. has *already* installed appreciable anti-ICBM defenses. It has *already* deployed shelters and productive capacities underground and removed from large cities an appreciable amount of new productive capacity. It has contingency plans to evacuate cities to tremendously decrease probable casualties from *later* nuclear attack. We have done *none* of these things. In view of *their* tremendous offensive military build-up plus their industrial dispersal plans—and their city evacuation plans which could only be carried out successfully with *prior* notices of attack (as would be the case if they initiated it)—all this logically adds up to great national will for *aggressive* expansion, at least on the part of the Soviet *government*.

On the other hand, the United States for the past 30 years has been either the only "super-power" or one of two. In all this time it has made *no* attempt to expand geographically. Such national refusal to so use such a great power advantage has probably never before happened in the history of the world. It certainly demonstrates our lack of aggressive intent. The U.S. public doesn't even want to hear about *civil defense*! We have *no* will to expand aggressively and not much at present even to *defend* ourselves properly. We can only hope that both the President and Congress *will* correct the latter.

DÉTENTE

Some comment is appropriate. If detente means to *both* the U.S. and the U.S.S.R. diminishing tensions and limiting territorial aspirations—resulting in lessening the danger or major conflict and presumably a later mutual and balanced reduction of military capabilities—then it is *very* worthwhile. Nevertheless, looking at continually growing Soviet power and at current Soviet actions, the present type of détente seems not only a myth—but a dangerous euphoria-producing drug leading to Soviet expansion. Balanced military reductions should most certainly continue to be pursued on a very practical basis; however, the so-called "era of détente"—with its all-is-well-don't-worry inferences to the American public—can well be at an end. Continuance of such an era—if accompanied by American public apathy, weakness, and strife—could well play further into Soviet hands by making possible the further disintegration of U.S. power by its own hand. It is definitely time for us to wake up, to be publicly aroused (or at least for *Congress as a whole* to be aroused), and to be *very* realistic.

One final comment is warranted about these times when there still exists *rough* over-all parity between the U.S. and U.S.S.R.—and while it is still *possible* for the U.S. to keep up with the rising Soviet strength if it should continue its trends: It is understandable from its point of view that the U.S.S.R. wants to continue to press forward to increase its relative over-all advantages. Yet it should not want to press so much *just now* that the American public and its Congress wakes up in time (i.e., within necessary lead times to obtain new strengths) to prevent obvious and irreversible Soviet domination not many years from now. Since the U.S.S.R. is not yet ready to defy the U.S. *openly* and because it just *may* have over-reached itself if Angola with its blatant assistance and use of Cuban troops, these two facts—together with continuing new Soviet military hardware advances—*may* awaken us to take the proper action for the security of *our* future. The present indications of both the House and Senate Budget Committees, that they will grant the President what he seeks for defense in fiscal 1977, suggests just that—at least for now.

An important basic principle has always been that to accomplish something you have to push; but, not so hard that it back-fires. If the U.S.S.R. realizes that it has just done the back-firing in Angola—then it may very well back up a bit temporarily until the dust settles, as it did following the invasion of Czechoslovakia. Recent press reports of Soviet willingness to sign a limited on-site nuclear-explosion inspection agreement (apparently of insignificant military value) relating to peaceful purposes could be part of that temporary backing up—while continuing, in the background, its quiet and steady military expansion. Hopefully, Soviet leaders just *may* have misjudged the American people—who have an amazing ability to snap back and *do*—if they still have the time to react successfully.

CONCLUSION

As the English statesman Edmund Burke wrote almost 200 years ago: "The only thing necessary for the triumph of evil is for good men to do nothing." Unbelievably, we are doing worse than he imagined to be necessary. Some members of our Congress seem to be inadvertently contributing to our own destruction by actually making statements on and voting for proposals which would destroy our ability to be sufficiently strong in the future for our survival as a nation. This is in spite of the rising and obvious signs of danger and the tremendous efforts of other men of great capability, judgment, and patriotism in both the House and Senate. Unfortunately, to date, the numbers of the latter group are too few.

It is fourteen years since the U.S.S.R. learned the Cuban lesson of her need for supreme power—and fourteen years has been time to just about *build* it!

SOME PROPOSALS THAT MAKE COMMONSENSE

Some things that Congress and the Administration can do:

1. The major key to a hopeful tomorrow—including possibilities of future prudent force reductions—is internationally credible Congressional *will* to protect our country at any necessary cost.

2. Congress should properly satisfy itself *continuously* as to relative over-all U.S.-U.S.S.R. evaluations and trends of strength. This should include internationally *believed* comparisons of national wills, plus military-economic-political factors. In addition, Congress should have continuous and *adequate* review of how well any current U.S.-U.S.S.R. agreements which limit military power are being kept.

3. As for our *over-all* defense budgets, they should not be based on feast then famine—but must be *continuously* sufficient; not only to do the required physical job and as a signal to would-be aggressors, but also because reasonably constant defense production and operation is much more productive and greatly cheaper per unit than cyclical jack-rabbit fluctuations.

Within the defense budget, our important research and development expenditures and activities *must* be kept up *constantly* from now on to counter dangerous or overwhelming new technological surprises (such as high-power chemical lasers) which may become a part of Soviet weapons systems. For the Soviets are making every effort in the crucial area of research and development.

4. We must not let our conventional forces sink below *present* levels—which are way below those of the U.S.S.R. We must also strive to have *the newest and most practical military conventional hardware always available for instantaneous use.*

5. We must make better use of our present "*economic*" superiority even though this is not easy in a relatively free-enterprise economy under democratic government.

6. We must pay more attention to *not* exporting militarily-important capabilities such as computer sophistication and compactness—because weapons *accuracy* and *miniaturization* are among our very few present (and diminishing) relative advantages.

7. We must remind ourselves that *approximately 7% of our Gross National Product is a cheap price to pay for survival-insurance of all the remaining 93% of our GNP.*

8. Congress as a whole should publicly agree that protecting our very existence "tomorrow," through adequate strength today, is the business of *all* American citizens. Whether Republican or Democrat, whether liberal or conservative, partisan politics should *not* place its divisive hand in the area of our own security. It *cannot*—if we are to survive. Congress should look to the *future*, with *statesmanship*—not to the *present*, with *politics*. I am confident that all Americans join with the utmost sincerity in asking of Congress: "Do not let us down."

SENATOR RANDOLPH DEPLORES BLACK LUNG LEGISLATIVE DELAY

Mr. RANDOLPH. Mr. President, again the Senate is at the point of recessing for the Republican Convention, and again consideration of legislation to reform the black lung program has been delayed.

The able and knowledgeable chairman (Mr. WILLIAMS) of the Labor and Public Welfare Committee who also chairs the Subcommittee on Labor and I have attempted several times since mid-June, to resolve the issues and bring from the committee a just and necessary bill—the Black Lung Benefits Reform Act of 1976.

The Senate, during most of that time, has been meeting early and late. We have scheduled executive sessions for 8 a.m., only to have the Senate session begin at the same time. We have tried to meet in the evening. Each time we have scheduled a markup session, one or more Senators has objected.

Mr. President, it has been the tradition of the Senate to allow the legislative process to follow its course. If legislation is thought to be bad, in whole or in part, it would be defeated. If a majority of Senators believe it is bad, it would be defeated. But in reason and fairness, legislation under committee consideration should be discussed, developed, and amended as required. We do have in the Senate provision for extended debate to which I do not object. Debate can be closed by vote of three-fifths of the Senate. Any continuing process of objection and delay other than the extended debate device, however, is to me tantamount to a gag on the legislative process, and I deplore it.

I merely stress the point that the black lung benefits amendments, which for several months have been pending in subcommittee, should be discussed openly and fully.

In the weeks prior to and following the July 4th Democratic Convention recess, the majority leader (Mr. Mansfield) has emphasized that committee activity be curtailed severely. This period was reserved for consideration of appropriations measures primarily. Authorizing legislation under the Budget Act should have been reported by May 15.

It is important to emphasize, however, that the pending black lung legislation is not authorizing legislation, except in a very minor way, but rather is entitlement legislation, which directly impacts the Federal budget, and therefore is properly a matter for Senate consideration.

Mr. President, I want the thousands of disabled coal miners and their widows to know that this Senator will continue to press hard for the consideration of the Black Lung Benefits Reform Act immediately following the impending recess. It continues to be my resolute intention to bring a good and strong bill to enactment before the end of the 94th Congress. I will do everything proper within my power to see that this is done. Senators, I hope, will cooperate in seeing to it that this important subject is given every opportunity for full consideration, as befits the legislative process of a democratic government.

ESTO '76

Mr. BEALL. Mr. President, on February 24, May 4, and again on June 30 I included in the Congressional Record, information on the worldwide festival of free Estonians—ESTO '76—which was held in Baltimore from July 5 to July 10, 1976. This festival brought over 10,000 Estonians to the United States from all corners of the free world.

The theme of ESTO '76 was "A Salute to the American Bicentennial Celebration" and I was especially pleased that Baltimore was the host city. The festival not only honored our Nation on its 200th birthday, but also gave Estonians an opportunity to strengthen their traditions and customs. The people of Estonia are proud, hardy, and determined people. Their culture has survived the rigors of a history marked by invasions and repression. The cruelest repression began in 1940 when Stalin occupied the tiny Baltic nation and it has continued to this day. The spirit of the people who came to Baltimore in early July, was living proof that the will to be free can survive even the most brutal oppression.

Mr. President, I was pleased to have an opportunity to host and address the Estonian freedom train rally, here on the steps of U.S. Capitol on July 6. During the last major event of the week—the festival of lights—a hard, prolonged rain failed to dampen the spirit of the 1,000 folk dancers and gymnasts who completed their performance to the delight of the spectators. The determination of these performers was a tribute to the Estonian spirit.

Mr. President, I wanted all my colleagues to know that ESTO '76 was an outstanding success, and I wanted to once again commend Kaljo Popp of Baltimore who was the chairman and the driving force behind the success of this festival.

Mr. President, several articles have focused on the various aspects of this festival and I ask unanimous consent that they be printed in the Record at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Baltimore magazine, July 1976]

The Estos Are Coming: Ten Thousand Estonians Celebrate in Baltimore

(By Rebecca Krehnbrink)

A country in exile is coming to Baltimore.

Estonians are coming from all over the United States and the free world for Esto '76, a celebration running from July 5th to 11th, which has already been dubbed by the Saturday Evening Review as a "Best Bet of the Bicentennial."

But more than that, Esto is a continuation of a celebration which began 100 years ago in the dollop of land about the size of Denmark along the Baltic Sea coast.

But no one will come from Estonia itself. They will not be allowed to come. So this celebration, no matter how spectacular, will have a slightly bittersweet air to it.

It is a meeting of exiles, looking longingly back to their homeland.

As tradition has it, Estonians used to gather together once every four years for a week-long national folk festival. The overall celebration included two main performances: a song festival, boasting choruses of thousands, and a "Festival of Lights," a folk dance/gymnastic spectacular with, again, thousands of performers.

In addition, there were musical and theatrical performances, sporting events and handicraft displays.

The celebrations continued regularly for over 50 years. Then came World War II, and with it, the Russians, who easily subjugated the defenseless nation. The occupying forces allowed the song festival to continue, but its original intent was bastardized as it was forced to become homage to selected Communist events, such as Stalin's birthday. So it was left to the exiled Estonians to continue their tradition in its purest form.

The first free world Esto celebration took place in Toronto, Canada, in 1972, and attracted over 20,000 visitors. Because of its success, it was decided to have a festival—as tradition dictated—every four years, but in a different country each time. For this year's event, the Estonians chose to pay a tribute to the American Bicentennial and hold their festival in the United States.

But a city was still needed, and Baltimore became a viable frontrunner, along with Hartford, Connecticut, and New York. The city aggressively sought to bring the convention here by sending representatives to talk to the Estonian decision-makers.

Their pitch made mention of Baltimore's close proximity to the nation's capital; its self-contained facilities, all within easy walking distance in the downtown area; and the city's history of accepting and even highlighting ethnicity.

To cinch the deal, free use of both the Civic Center and Memorial Stadium were offered, as well as operating capital (approximately $5,000) for the Esto '76 information center.

Esto represents the largest convention to ever hit town. The Baltimore Promotion Council says it expects a minimum of 15,000 visitors, and now spends a lot of time calculating the dollars-and-cents worth of such a crowd.

Headquarters for Esto '76 reports that it's already booked 5,000 hotel registrations. "In addition," says one spokesman, "there are some people who have registered directly, and others who have housed themselves with relatives and friends in the area. So we can expect, realistically, 10,000 Estonians here, but we'll also attract a lot of American public."

The information center, on the mezzanine of the Lord Baltimore Hotel, is a small, posterized office with desktops covered by charts and maps and more charts. Information handouts and books of children's stories are neatly stacked on the shelves lining one wall. Phones ring constantly and Estonian is spoken by the workers.

In walks Kaljo Popp, a diminutive man heading up a gargantuan project. "Once it was decided that Esto would take place in Baltimore, they had to find somebody," shrugs the 20-year Baltimore resident. "Now, I'm not saying that I was the most intelligent, no . . . but I was willing to work. I do what I can. Anyway, when they asked me if I would do this, maybe I shouldn't have, but I did."

Popp was born in Estonia, but was forced to leave in 1944. "I was lucky enough to escape to Sweden, and I lived there for a couple of years. Then I joined the merchant marines, and after sailing for a few years, I just happened to come to the United States."

Popp's right-hand man is Fred Ise, large, intense, and a seemingly strict disciplinarian. He, like Popp, was forced to flee his homeland as a young man. "I went to West Germany and emigrated to the United States in 1949," he says. "I started college in Germany while I was there—studied engineering—and I continued it here at Johns Hopkins. Then the Korean War came and I was drafted and spent two years in the Army."

Ise has taken time off from his engineering job with Bendix Corporation because of the frenetic activity expected during these last weeks of preparation.

Popp and Ise are responsible for overseeing the successful execution of the more than 150 activities planned. To this end, they must keep organized the 700 members of the 11 committees which have been formed to coordinate the events.

In addition to the traditional song festival and Festival of Lights ceremonies, some of the other offerings will be an evening of Estonian symphonic music at the Merriweather Post Pavilion, where the Baltimore Symphony Orchestra will be performing Symphony No. 10, by Eduard Tubein, the best known living Estonian composer. Taavo Virkhaus, an Estonian also, will be the guest conductor.

Exhibits in the War Memorial Plaza will feature demonstrations of Estonian weaving, artistic embroidery, etc. There'll be numerous sporting events (Estonians are quite proud—boastfully even—of their athletic abilities), as well as a display of 100 political cartoons by the Pulitzer Prize-winning Edmund Valtman.

Though primarily a festive occasion, this year's Esto (like the '72 event) has subliminal political undertones. A political statement will be made during the Festival of Lights ceremony. "It will probably be an appeal for the right of Estonians, and the Estonian nation, for freedom," says Ise.

Estonia, along with its sister republics of Latvia and Lithuania, was forcibly incorporated into the Soviet Union in 1940. The legal existence of Estonia still exists, however; the U.S. and many other freeworld nations still recognize Estonia as an independent nation.

Estonians have their "Israel, and it's important to them that the world be made aware of their plight. To make it known, they tell their stories . . . however painful. It's a necessity. Both Popp and Ise tell theirs.

"Myself and many other post-World War II comers to America are not the persons who came out of Estonia because we were looking for adventure or to better ourselves financially," says Popp. "We were well satisfied. We had to leave because of the political persecution. We knew what we could expect when the Russians came back: we saw them during the first occupation, and we knew what was going to happen again when they reoccupied the country.

"During that first occupation," he continues, 'in one year, from 1940 to '41, the Russians murdered literally about 70,000 or more Estonians. They murdered . . . deported . . . I saw it with my own eyes. I know what it is."

"Right in the beginning, after they started imposing their rule of terror," interrupts Ise, "the students were the ones that very often demonstrated against them.

"In my own high school, there was one incident where a Communist official came in for a speech and the students, instead of singing 'Rise up, whom misfortune suppresses and hunger and slavery hold in chains,' which is the start of the 'International,' sang, 'Rise up, whom Stalin suppresses and Marx and Engels hold in chains.'

"The whole school sang that," continues Ise, "and the result of it was that the school principal was executed, and they took quite a few students out of many classes and tortured them to death trying to find out who was behind it. So pretty soon we realized that you couldn't do it; pretty soon your resistance was suppressed."

Next came the Germans, after Hitler turned on his Russian allies. They occupied the country for a short period of time. "Although the German occupation was harsh, it was nothing in comparison with the Russian occupation," recals Ise.

Then the Russians returned, and thousands began to flee. "When the Germans started moving out, there were still merchant ships in port, and people tried to get on them," says Ise. "I remember there was a ship behind us that carried Red Cross markings, and it was full of hospital patients, and it was sunk. Our ship got torpedoed, and they machinegunned from Russian airplanes into the crowds of women and children aboard the ships."

For those who stayed or couldn't get out, a resistance movement began. Large units of guerrillas, fed and sheltered by the rural farmers, attacked the Russians sporadically until about 1950. "All the way up to the Hungarian uprising," says Ise. "After that, they were beaten down, and the word got around that it doesn't work.

"Now there is still resistance, but it is underground," he adds.

The memory of this period unifies the Estonians, even though they are scattered throughout the world. "We know that sooner or later the tables will turn because justice will prevail," states Popp.

So while the Estonians dwell momentarily on the past and look to the future, the richness of their culture will be best expressed with the two major events planned, the first of which is a song festival.

"Singing is very important to Estonians," says Popp. "Wherever there is a group of Estonians of more than 50 or 60, one thing you can be sure of: they organize a choir—that's first!"

The song festival, at the Civic Center on July 6th (6:30 PM), should support this claim. There will be 45 Estonian choirs totalling over 800 singers.

The program will first feature the children's choir (320 strong), then the women's choir, followed by the men's choir, the brass band of 126 instruments, and the combined choirs. The singers will be attired in traditional native costume.

The main attraction, the Festival of Lights, will climax Esto '76. It'll be held on July 10th at Memorial Stadium (at 9 PM). The show will be divided into two parts: folk dancing and modern gymnastics.

Thirty-three folk dance groups, displaying over 100 styles of authentic Estonian folk dress, will perform for the first half.

The gymnastics portion consists of over 400 girls from around the world who will be performing in unison under colored spotlights, which will swirl about on the activity below in a manner designed to affect the Northern Lights.

"The budget for this event is $60,000 because of the special equipment and manpower we'll need to make this memorable," says Popp. "Just the projectors and lighting alone will cost us close to $30,000 for that night."

All in all, the Estonians have planned a gala celebration, which promises to be colorful, exciting, rewarding and fun. So while the Estonians are saying, "Happy Birthday, America," permit us to say, "Thank you, Estonia!"

Estonian Highlights

[From the News American, July 7, 1976]

One hundred young women gymnasts who will take part in the opening ceremonies of the Olympic Games in Montreal, will participate in The Festival of Lights at Baltimore's Memorial Stadium on July 10 at 9 p.m.

The festival is part of ESTO '76, a celebration of Estonian folk music, gymnastics, dancing, rhythmics, art, crafts and other events that will bring people of Estonian ancestry from throughout the free world to Baltimore which began July 5 and ends July 11.

A total of 1,000 persons will participate in the extraordinarily beautiful pageant that combines movement, music, lights. Massed projectors will create ever-changing patterns of colored lights to complement and enhance the folk dancing and rhythmic gymnastics.

More than 400 girls will take part in the rhythmic gymnastics, which is a popular performing art of Estonians, originated in 1934 by Ernest Idla, who developed it as a graceful form of expressive motion copied from natural movements of the females expressed in dancing, walking and running.

The Festival of Lights will be in two parts, with folk dancing, a children's group that perform to dances based on old nursery themes, and special competition routines by the 100 young women who will be performing in Montreal.

The folk dance-program is entitled "The Country of the Winds" in memory of the intricate past of the Estonian homeland. Six hundred dancers will perform the "Dance of the Kerchiefs" in which blue and white kerchiefs imitate the changing moods of the stormy sea and the changing fortunes of the history of Estonia.

The final event will be "The Whirlwind" composed of dancers forming wheels within wheels, turning in concentric circles, each holding a flag to symbolize the spirit of freedom.

[From the Evening Sun, July 9, 1976]

Esto '76 Runs Deeper Than Show and Spectacle

(By Thomas Hasler)

There is a lot more to Esto '76 than all the singing, dancing, gymnastics and crafts on display in town this week.

As Ilmar Pleer, president of the Estonian-American National Council, explained the strategy, the exiles from a country as small as Estonia have little choice but to "use their culture as a weapon to gain attention," and maybe even encourage greater freedom in their homeland.

He conceded that the American public probably would have little interest in speeches or resolutions calling for Estonian independence from the Soviet Union.

But what a celebration of the Estonian heritage can accomplish, he suggested, is to "at least persuade the United States government to continue its policy of not formally recognizing the incorporation of Estonia into the Soviet Union."

And if public consciousness is raised sufficiently, he said, "public opinion may even persuade the Soviet Union to grant more freedom" to the people still living in what is now a Soviet socialist republic.

The Estonians are not asking for and don't expect any military liberation, Mr. Pleer stressed.

Estonia is a country of only about 1.4 million people located on the Baltic Sea just south of Finland. In area it's about the size of Maryland and New Jersey combined.

Most of the 10,000 Estonians here this week emigrated from their homeland after World War II, when the Soviet Union occupied their country.

They stress repeatedly that they have nothing linguistically or culturally in common with the Soviet Union. The language is related to Finnish.

For more of the Esto leaders the political implications of their festival seem more important than for others.

Peeter Kiik, a Baltimore architect, who is in charge of accommodations, said unequivocally that the overriding purpose of this world gathering of Estonians is to propagate their political position.

He said that even the timing of Esto in conjunction with the American Bicentennial—and in fact a tribute to the Bicentennial—was another attention-getting device.

Mr. Pleer wouldn't put it that strongly, but he did say that the tribute was something of a two-way street, a device which also would bring added attention to his cause.

Kaljo Popp, executive chairman of Esto '76, took a middle-of-the-road view, suggesting that cultural and political objectives go hand in hand.

Mr. Popp, who works for the Veterans Administration in Baltimore, said that he is particularly concerned about "reinforcing the cultural heritage" of the exiles. He is especially interested in maintaining the culture among the youth who were not born in Estonia.

Mr. Popp suggested that there is a general pattern of interest among the young people: they show interest in their early years, lose interest through high school, but then become concerned about exploring their heritage in college.

A very high percentage of the college-age generation not born in Estonia are now active in the singing, dancing and gymnastics that create the spectacle for Esto '76, he pointed out.

[From the News American, July 9, 1976]

Festival of Lights Features 1,000 at Stadium

Highlighting the ESTO '76 Bicentennial celebration in Baltimore is The Festival of

Lights, a lavish production of movement, music and light performed by 1,000 girl gymanasts and folk dancers.

The event is designed to enhance the special illumination conveying the atmospheric phenomenon known as the Northern Lights.

The folk dance sequences of the Festival of Lights are created and directed by Thomas Metsala of Toronto. Metsala is a theoretical mathematician by profession and a folk dance instructor by avocation.

He began a serious study of Estonian folk dance in Estonia, continuing his hobby after World War II in Germany and England. Metsala organized his first folk dance troupe in 1950 in Bradford, Great Britain. By a curious coincidence, this troupe was at the time also named "Kalev" (a popular, legendary Estonian folk-hero).

He has been active since 1951 in his present folk dance troupe "Kungla," first as a dancer, then as the chairman and later as an instructor. During the past decade, Mr. Metsala has lectured, at various cultural seminars both in the U.S. and Canada, on the history of dance, the development of Estonian folk dance, and principles of ensemble leadership.

Metsala has created and conducted more than 50 large-scale folk dance programs, the biggest of which was at the First World-Wide Estonian Festival in Toronto in 1972.

The Esto '76 Festival of Lights will be even bigger than any of his past folk dance festivals. It is to be held at Memorial Stadium Saturday at 9 p.m.

[From the Evening Sun, July 9, 1976]

ESTONIAN-AMERICAN FAMILY BLENDS TWO CULTURES

(By Linell Smith)

When Lillian Raudkivi came to Baltimore 27 years ago, refugee camps and a frantic, last-ditch flight from her Estonian homeland were close realities.

Now married and with two grown sons, Lillian Esop can talk fairly comfortably about the past from her Carney ranch home, a smooth blend of American and Estonian cultures. But many of her war memories still smolder, and her green eyes narrow whenever she speaks of the current situation in Communist-run Estonia.

She begins by talking of the democratic country that she knew as a young girl, supplementing her claims with two fading photographs of her home.

Mrs. Esop's personal Estonia, pictured in black-and-white by a smiling middle-class family and a small, dark-haired girl holding a new Japanese doll, typifies a part of the Estonian past that is irrevocably lost to her and to thousands of other free Estonians who now live around the world.

"I've often wondered who has my doll now," she smiles regretfully. "I forgot to take her with me—there just wasn't time to think of anything except escaping."

When Mrs. Esop, than a 13-year-old girl, and her family heard of the final advancement of the Russian Army September 28, 1944, they left immediately—crowding onto a dilapidated barge minutes before the Soviet invasion was completed.

"We were living in northern Estonia at that time," she explains, "because the Soviets kept pushing up farther and farther west until we were at the sea and had no place to go.

"When the final news came, I only had time to grab this,"—she points to her kannel, a zitherlike instrument—"and the snapshots. All we had were the clothes on our backs, we literally had nothing."

The barge took the Raudkivis and about 100 other families to the tiny Baltic island of Hiiumaa, just off the Estonian coast and south of Finland. From there, they drifted into a series of refugee camps in Germany—a lifestyle they endured for the next five years.

After the war, they transferred with other Estonian families from German-run camps into military installations in American-occupied West Germany, and Mrs. Esop got her first taste of the United States.

"The first thing I saw when I reached the new camp was an American soldier with a Coke bottle in his hand—I'll always remember that Coke," she laughs.

From these last camps, the Estonians began to formulate the final stages of their hegira—scattering to Free World countries like Sweden, Canada, America and Australia which offered job opportunities.

Mrs. Esop's family chose to settle in the U.S. Arriving in Baltimore in 1949, they moved into an apartment in Highlandtown.

"Since we had come from a free, democratic country with similar cultural levels, we had no tremendous adjustment problems, except maybe language, when we first arrived," she says with a voice which still rises with occasional Estonian inflections.

She met Verner, her husband and another refugee, at the Baltimore Estonian Society on Belair road, an organization founded in 1935 by earlier immigrants.

"Verner also came here with nothing," Mrs. Esop says. "When he first arrived, he did farm work in Baltimore county. Then, a young American man offered him his first house painting job in 1949. This man didn't have to bother with a foreigner, he had nothing to gain from it, but he gave him a chance. And the business grew up right from there.

"The interest which that young man showed in us is typical of many of the Americans we have met. Americans are a very hospital people.

"I suppose," she adds, "the only thing that I can criticize about Americans is that they're naive about their freedom. They don't seem to realize how fortunate they are compared to the people who have to live under Communism."

Because of constant Communist pressure and censure, Mrs. Esop says communication is still sparse between free Estonians and the friends and family who remained in Estonia.

"More Estonians would have left the country when we did," she insists, "but the invasion happened so quickly, no one really believed the stories they were hearing until it was too late."

Recognizing that their families may never see an open Estonia, free Estonians like the Esops have taken care to instruct their spouses and children in the customs and language of the homeland.

In the Esop household, Estonian is the main language. Etchings, woodblock prints and paintings of Baltic scenes and folklore cover the walls; the extensive family library seems to include as many Estonian publications as it does English.

Mrs. Esop is the secretary of the U.S. Estonian school centers—a sprawling system which reaches into all communities that have large Estonian populations.

A teacher in the Baltimore Estonian School for 15 years, Mrs. Esop says that the one-day-a-week program educates children age 5 to 18 in the language, music, customs and history of old Estonia.

To reinforce this classroom instruction and perpetuate their common goal of restoring Estonia to a democratic society, free Estonians have created another new tradition—the Esto festivals.

These international events held once every four years in a different free country, provide a week of reunions, conferences and celebrations which draw free Estonians together from all over the world.

A book about the current Baltimore Esto '76, written in both Estonian and English, will be published sometime in the next two years for distribution among all free Estonians.

"It takes a long time to publish something like this," Mrs. Esop says, "because the editor is in Connecticut, the assistant editor's in Adelaide (Australia), and the secretary's in Sweden. What can we do? We didn't plan to be scattered all over like this," she sighs.

"You know," she continues, "the U.S. has never officially recognized the Soviet takeover of our country, there's still an Estonian Embassy in New York. But what can they do for our country now?

"After the war, we heard of some uprisings—underground groups of partisans that hid in the forests. There still might be pockets of resistors in the country, but it's impossible for anyone to really know."

Next to the Esop bookshelves hangs a modern expressionist painting of Kalevipoeg, the epic hero of ancient Estonia folklore, testing a new magic sword. A beautifully embossed leather book with the entire poem rests on the coffee table.

As Mrs. Esop tells it, this hero displayed a surplus of human failings in the tradition of many brutal folktale warriors. But these sins were forgiven Kalevipoeg because he expelled the foreign invaders from the homeland.

"Legend say that Kalevipoeg is sleeping, but that when the land is threatened he will awake with his sword and drive out the enemy," Mrs. Esop says. "Many of us have wondered what's been keeping him so long."

[From the News American, July 14, 1976]

AMONG ESTONIANS, DANCE IS A SPORT

No wonder so many Estonians look so good. They've been doing rhythmic gymnastics for years and are now trying to spread this art to other nations.

The art, which is a "very defined sport . . . that's precisely worked out," not only looks good when it's presented, but makes its participants look good as a result of rigorous workouts that look deceptively playful.

"Basic human requirements of physical effectiveness are fulfilled by modern gymnastics in a playful, feminine way. The program develops strength, coordination, endurance and flexibility," says Mrs. Evelyn Koop, an Estonian native who heads the Modern Gymnastics Federation in Canada.

Participants perform exercise with hoops, balls, scarves and other light apparatus, aimed at improving coordination and balance.

In some ways, modern rhythmic gymnastics seem comparable to the aerobic exercises, which are popular in this area.

But Mrs. Koop says her art is "more defined."

"For competition, between six to seven hours of training per day is required," she said.

For those who aren't going to compete, but who want to do things right and get results, she says about two to three hours of training per day are required.

To date, modern rhythmic gymnastics in the United States and Canada is restricted to women.

"But it's strong with men in Europe, particularly in the Scandinavian nations and Estonia," Mrs. Koop said. However, she added, that men normally don't perform with scarves or other effects.

In the 1980 Olympics in Moscow, modern rhythmic gymnasts will perform, for the first time, in official competition.

About 100 gymnasts, who participated in the exciting Estonian Festival of Lights at Memorial Stadium over the weekend as part of Esto '76, will be doing their thing Saturday in Montreal during opening exercises at the 1976 Summer Olympics.

AUGUST 11, 1976, 50TH ANNIVERSARY OF AN IMPORTANT MILESTONE IN U.S. AVIATION HISTORY

Mr. CANNON. Mr. President, August 11, 1976, is the 50th anniversary of an important event in the history of aviation in the United States: the establishment of the Bureau of Aeronautics in the Department of Commerce. The Bureau of Aeronautics, which was the predecessor of the Federal Aviation Administration, was organized to administer the Air Commerce Act of 1926. The objectives of the Air Commerce Act of 1926 were to attract adequate capital into the commercial aviation industry by stabilizing conditions in the industry, and to provide the industry with the assistance and legal basis necessary for its development.

Prior to 1926 Congress had passed the Airmail Act of 1925, also known as the Kelly Act in honor of Representative Kelly of Pennsylvania who sponsored the bill and led the congressional effort for its passage. The Airmail Act of 1925 made possible the awarding of contracts for the transportation of airmail. Although the Airmail Act of 1925 permitted airlines to carry airmail, the carriers were neither large enough nor financially strong enough to take over the maintenance and operation of the airway system which had been developed for airmail transport conducted by the Post Office. The Air Commerce Act of 1926 required the Federal Government to operate and maintain the airway system, to provide other aids to air navigation such as weather reports and forecasts, and to promote aviation safety through a system of regulation.

The Air Commerce Act of 1926 also created the position of an Assistant Secretary of Commerce for Aeronautics, to be appointed by the President with the advice and consent of the Senate. William P. MacCracken was the first person to fill this position. At the time of his appointment, at age 37, Mr. MacCracken was secretary to the American Bar Association and a governor of the National Aeronautics Association. He was also a counsel for one of the new airlines and was in law practice. Prior to Mr. MacCracken's appointment as Assistant Secretary of Commerce for Aeronautics, he had been a member of the committee which made a world survey of aviation after World War I, and had authored several law journal articles on the need for aviation legislation.

It seems appropriate to commemorate today the 50th anniversary of the founding of the Bureau of Aeronautics in the Department of Commerce since that event is generally regarded as an important milestone in the development of the U.S. aviation industry.

JUDGE NILES

Mr. MATHIAS. Mr. President, yesterday morning Emory H. Niles, the eighth chief judge in the history of Baltimore's Supreme Bench died at the age of 83. With the passing of Judge Niles, the Nation has lost a staunch defender of civil rights, a brilliant proponent of the independence of the courts and a dedicated citizen of democracy. Judge Niles gave himself to the myriad aspects of his life with an energy and enthusiasm unequaled in his contemporaries and ennobled by a brilliant mind and unfaltering moral rectitude.

Among the many battles in the cause of justice fought by Judge Niles, none did he wage more tenaciously than to remove the selection of judges from the political system. Today in Maryland, the judicial reforms which came to be identified with his name—the Niles plan—are virtually all in effect.

Although a man of Judge Niles accomplishments needs no eulogy, his memory recalls to mind the words of Thucydides:

> And when Athens shall appear great to you, consider that her glories were purchased by valiant men, and by men that learned their duty; by men that were sensible to dishonor when they came to act . .

Judge Niles was such a man. The judicial system in Maryland will be his monument.

I ask unanimous consent that an article on this remarkable Marylander from the Baltimore Sun of August 10, 1976, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

JUDGE NILES IS DEAD AT 83

Emory H. Niles, retired chief judge of the Supreme Bench of Baltimore, long the state's most persistent advocate for the removal of political influence from the selection of judges, died yesterday morning of throat cancer at Union Memorial Hospital.

Memorial services for Judge Niles, who was 83 and lived at 5600 Waycrest lane, will be held at 11 A.M. September 11 at the First Unitarian Church, Charles and Franklin streets.

Named to the bench in 1938, Judge Niles served as chief judge from 1954 to 1962, when he reached the mandatory retirement age of 70.

He was the father of the "Niles Plan" for judicial selection, under which judges are appointed from lists of candidates chosen by independent panels of lawyers and laymen, much like the so-called "Missouri plan."

Again and again, Judge Niles saw his plan come close to acceptance only to be killed by political opponents in the General Assembly or by voters at the polls.

But the essential elements were finally adopted six years ago, when, by executive order, Governor Mandel created the judicial selection commissions and pledged himself to choosing judicial candidates from their recommendations.

A former Rhodes scholar and son of a Supreme Bench chief judge whose activities as a civic reformer in the early years of this century set a pattern for the younger jurist's life, Judge Niles said when he retired from the bench:

"I have enjoyed being a judge because I think being a judge is the highest function a lawyer can perform."

He was a constant advocate of police and prison reform, and once observed that "the real problem . . . is what to do after a man has been found guilty. We have a long way to go before we can even begin to think we have solved the problems of prevention and reform." Emory Niles was born October 15, 1892, amid an age and atmosphere of reform. He was one of four children of Judge Alfred S. and Mary Hamilton Waters Niles. His father served on the Supreme Bench for six years before resigning in 1911 to protest what he considered insufficient judicial salaries.

From whatever forum was available, the elder Niles campaigned constantly for Prohibition, the reunification of religious denominations, honest elections, better housing and a multitude of other causes.

Young Emory was reared in Baltimore and graduated from Poly and, in 1913, from the Johns Hopkins University, where he was elected to Phi Beta Kappa.

That year, he won a Rhodes scholarship to Oxford, where he spent the next three years at Hertford College as he took another bachelor of arts degree, a master of arts and a bachelor of civil laws.

He became an honorary fellow of the college and remained active in the Association of American Rhodes Scholars and the state and regional scholarship selection committees for more than 30 years.

It was in England that he took up his favorite hobby, making rubbings from brass plates. He made scores of rubbings there as a student and on later trips to Britain, and displayed them in his courtroom when he became a judge.

Returning from wartime England, Mr. Niles entered the University of Maryland School of Law, where he took a law degree in 1917.

But before he could begin practice, war intervened and he went to Europe with the Army for two years, rising on the battlefields of France to the rank of captain in the 80th Division of the American Expeditionary Force.

After the Armistice, the young Mr. Niles went to Turkey and Armenia with a government relief work commission.

Returning to Baltimore in 1920, he began work with Niles, Barton, Morrow and Yost, the law firm that his father had founded as Niles and Wolf before ascending to the bench, and the firm that today is known as Niles, Barton and Wilmer.

He also briefly entered partisan politics as one of 17 unsuccessful Democratic candidates for the House of Delegates from the Second Legislative district. Although he was active in many civic groups during his 18 years of private practice. Mr. Niles never held public office until he, too, became a judge.

He was secretary of the Civil Service Association of Maryland for some years and was appointed by Gov. Albert C. Ritchie to the Judicial Council of Maryland.

In addition, he was for many years a lecturer on evidence and admiralty law at the University of Maryland School of Law.

In the Twenties, he founded and began editing the monthly report American Maritime Cases, a compilation of and commentary on decisions and statutes in admiralty law, and the similar United States Aviation Reports.

The editing of the maritime periodical became his major occupation and prime intellectual love in his final years.

Mr. Niles was recommended for a seat on the Supreme Bench of Baltimore in 1938, and though he failed to win the backing of Gov. Harry W. Nice, he was elected, installed and soon firmly established as one of the city's more outspoken judges.

A year later, his concern for penal reform led him into a biting—if humorous—attack on Maryland's penal system, poking fun at the punishments prescribed by likening prisons to a hospital in which all patients are treated with the same medicine, paregoric.

When World War II began, Judge Niles served as chairman of Baltimore's War Price and Rationing Board. When the war ended, the shortages remained and inflation grew so in 1948 Gov. William Preston Lane named Judge Niles the state's fuel coordinator.

When he completed his first 15-year term as judge in 1954, Judge Niles was overwhelmingly nominated by both parties for re-election, but to remove him from the travail of campaigning, then-Gov. Theodore R. McKeldin announced his intention to appoint Judge Niles to the vacant post of chief judge.

On November 20, 1954, he became the eighth chief judge in the history of Baltimore's Supreme Bench.

His judicial career was marked by a special resistance to outside interference with the justice meted out in his courtroom.

In 1952, he dissented in a widely-publicized murder case, maintaining that pretrial publicity had prevented the defendant from obtaining a fair trial before an impartial jury and had forced him instead to choose trial by a panel of judges.

He declared a mistrial in another murder case because of publicity about the victim's funeral, and later told the city police commissioner that to release the photographs of three policemen charged with burglary could be a violation of their rights as defendants.

He likewise abhorred the intermingling of judicial selection with politics—be it the partisan electoral variety or the more obscure bar association brand.

Upon his retirement, Judge Niles proposed what came to be called the "Niles Plan," calling for nomination of judges by a mixed panel of lawyers and laymen.

The Senate Judicial Proceedings Committee turned down the plan in 1965; revived it again in succeeding years, but it died again in the State House.

With a smiling Judge Niles watching from the gallery, the 1967 Constitutional Convention adopted the plan in its proposed constitution, but that document was rejected by the voters a year later.

Again in 1970, the plan was an integral part of the court reforms proposed by the new Mandel administration, but by midyear, it was clearly headed for trouble on the ballot that fall, and the Governor put the plan in practice with a series of executive orders.

A further refinement, limited to appellate judges only, will be on the ballot this November, but Judge Niles' confidence in the convention gallery that "we made it after all" has yet to be borne out fully.

Judge Niles was recognized nationally as a leader in the legal profession and was named to a number of important groups concerned with jurisprudence.

He was a member of the judges' advisory council to the National Council on Crime and Delinquency, chairman of the American Bar Association's section on judicial administration, and for three years beginning in 1966, a member of its board of governors.

President Dwight D. Eisenhower named him to the United States Commission on International Rules of Judicial Procedure, and Judge Niles was one of nine American legal experts who went to England in 1963 to observe court operations there.

He was also active in Baltimore's civic life, as a trustee of Goucher and president of its board from 1936 to 1946, and as a trustee of the Peabody Institute and the Walters Art Gallery.

Judge Niles was a member of Alpha Delta Phi fraternity, the Century Association of New York and the 14 West Hamilton Street Club in Baltimore.

He is survived by his wife, the former Anne Whitridge Williams, whom he married in 1922; two daughters, Mrs. Anne W. Primrose, of Baltimore, and Mrs. Mary W. Shepley, of Manchester, Mass.; a son, Emory H. Niles, Jr., of Baltimore; a brother, Henry E. Niles, of Baltimore; a sister, Mrs. William S. McClellan, of York, Pa., and eight grandchildren.

THE ITC AMENDMENTS TO THE TAX REFORM ACT

Mr. McINTYRE. Mr. President, last week this body adopted S. 3500, introduced by the Senator from Connecticut, concerning the International Trade Commission as part of the tax reform bill. I applaud this action because I am deeply concerned about the administration of the Trade Act under the current administration and feel it is high time that some action was taken. Recent decisions of the International Trade Commission have left loopholes which this amendment will correct. These are essential changes in light of recent decisions under the escape clause provision. Let me illustrate.

One of the most cynical decisions ever made by a President of the United States was that of President Ford on April 16 when he rejected the International Trade Commission's unanimous finding that imports of nonrubber footwear were seriously injuring the domestic industry. Indeed, his decision meant that out of 14 escape clause cases to date under the new Trade Act of 1974, which was presented to us in this Chamber as a "balanced" act, no import relief has been delivered in any case except that of specialty steel.

While I am pleased that the specialty steel industry was able to make its case successfully before the ITC and that the President, as he should under the law, put import quotas into effect, I do not understand the President's handling of other ITC matters.

In a letter to the editor of the New York Times on June 23, the special representative for trade negotiations, Frederick B. Dent, defended the administration's decision in the specialty steel case. In that letter, to show that the Ford administration was not "protectionist," he pointed to its "politically courageous decisions" rejecting import relief in the footwear and automobile cases.

Was it a "courageous decision" to reject import relief for the shoe industry? Let us consider the promises held out to that industry by the Ford administration that import relief would be forthcoming under the escape clause provision of the Trade Act of 1974.

When the Trade Act was under consideration by this body, I expressed the hope to the then Special Trade Representative, William D. Eberle, that the nonrubber footwear industry and its workers would be benefited by the bill with regard to the impact of footwear imports. At that time imports had already captured 40 percent of the domestic market.

In a letter to me in reply dated December 11, 1974, Ambassador Eberle said:

> . . . it seems to me that the escape clause provisions of the Trade Reform Act are ideally suited for use by the American nonrubber footwear industry. If such escape clause procedures were undertaken (by the industry) under the new law, priority attention would be given the matter, and if the procedures suggested the need for import relief, you can be assured the Administration would move expeditiously to provide it.

This commitment was repeated by Ambassador Eberle in a letter dated January 31, 1975, to the chairman of the Committee on Finance.

Thirteen days later, on December 26, 1974, the then Deputy Special Representative for Trade Negotiations, Harold B. Malmgren, said in a letter to the junior Senator from Maine, Mr. HATHAWAY:

> . . . I can assure you that this Administration will, pursuant to the provisions of (the Trade) Act, give immediate attention to devising some suitable form of arrangement with the government of other nations whose exports to us are the significant causes of disruption to our footwear industry. The purpose of such arrangements would, of course, be to reduce or eliminate the disruptive effect of imports.

When Ambassador Dent was before the Senate Finance Committee during his confirmation hearings, he was asked specifically what his position was with regard to these and other commitments made during the passage of the Trade Act by his predecessors. His straightforward reply was:

> I would of course intend to honor commitments made by the executive branch to the Congress, providing they are consonant with the statutes of the United States.

Another very explicit reaffirmation of the previous commitments by the administration was made by William N. Walker during his confirmation hearings in May 1975 to be Deputy Special Trade Representative. He said:

> I am familiar with the letter(s) submitted to, I believe, Senator Hathaway and Senator McIntyre by Mr. Eberle and Mr. Malmgren during the Senate's consideration of this legislation last fall. I would consider myself to be bound by the assurances contained in those letters—that is to say specifically with reference to the letter to Senator Hathaway that the United States does have an obligation to enter into some sort of arrangement with foreign countries to minimize and to reduce the destructive impact of imports upon the footwear industry, both nonrubber and rubber.

Despite these commitments and the fact that the escape clause of the Trade Act of 1974 was drafted to a large extent with the history of the import problems of the footwear industry in mind, I was skeptical. Once before, in July 1970, an escape clause case regarding the footwear industry had been initiated. Not only did President Nixon take no action when he received the Tariff Commission's decision 6 months later, but none of the other points in a so-called program of assistance to the footwear industry were put into effect.

Thus, there was reason to be skeptical of what might come out of another escape clause case. It was extremely costly and time consuming—8 months from date of filing to the decision. Instead, as I understand it, the industry asked the administration to implement the commitment made by the Deputy Special Trade Representative to negotiate agreements with footwear exporting countries. This matter was discussed within the executive branch and, indeed, I am told, with President Ford. The message conveyed back was that if the industry filed an escape clause case, it would provide the necessary leverage to secure relief from imports. The industry filed its petition with the ITC on August 20 of last year.

In the report of the Senate Finance Committee on the Trade Act of 1974, it is stated with regard to the escape clause that:

> . . . the Committee feels that the remedy should be commensurate with the injury found by the (International Trade) Commission.

Thus, when the ITC handed down its unanimous finding of import injury, the only escape clause case under the Trade Act of 1974 where the ITC has been unanimous in its injury finding, we hoped that import relief was finally in sight.

We shared the hopes of the ITC Chairman Will Leonard when he said:

> With the unanimous determination of the Commission in this investigation, maybe, just maybe, action will take the place of study and something will be done about the U.S. shoe industry and shoe imports.

Nevertheless, despite the commitments made by the Ford administration to members of this body, despite the encouragement given to the industry by the administration, and despite the unanimous finding of injury by the International Trade Commission, President Ford did not provide import relief to the nonrubber footwear industry.

The announcement of the President not to provide import relief for the nonrubber footwear industry was cloaked with talk of concern for the American consumer, and with talk that import restraints would cause prices to rise. This, notwithstanding the fact that the legislative history of the Trade Act, as stated in the report of the Senate Finance Committee, was:

> With regard to the effect of relief on consumers, the Committee feels that the goals of the Employment Act of 1946 should be paramount. Unemployed persons are not happy consumers. The Executive should not confuse the effect on consumers with the effect on importers or foreign producers; they are not the same. If the choice is between (1) allowing an industry to collapse and thereby creating greater unemployment, larger Federal or state unemployment compensation payments, reduced tax revenues, and all the other costs to the economy associated with high unemployment, or (2) temporarily protecting that industry from excessive imports at some marginal costs to the consumer, then the Committee feels that the President should adopt the latter course and protect the industry and the jobs associated with that industry.

What has happened to the footwear industry since President Ford's decision? What is the outlook? Domestic nonrubber footwear production, in the first 4 months of 1976, the latest period for which data is available, was still lower than it had been during the same period of 1973 or of any year prior. Indeed between 1968 and 1975, annual production had fallen by over 200 million pairs, a decline of one-third. At the same time there was a loss of one-third of the jobs in this industry.

My State, New Hampshire, where footwear manufacturing is a major industry, has been particularly hard hit by these developments. Between 1968 and 1975, footwear employment declined 55 percent, a loss of 10,000 jobs, while production also declined 55 percent, a loss of over 25 million pairs in annual production. Thirty-three footwear plants shut down in New Hampshire during this period. My colleagues know what these statistics means in terms of human suffering, and the dislocation of lives.

Meanwhile, imports have increased significantly. In the first 4 months of 1976, imports were up 28 percent. And in May 1976, the first full month after the President's decision, imports were up by a staggering 49 percent. Imports captured 46 percent of the domestic market in the first 4 months of 1976, significantly higher than when the industry filed its escape clause case almost a year ago.

In President Ford's report to the Congress explaining his negative decision on the footwear case, he stated that he had directed the special trade representative to monitor footwear imports as well as domestic production and employment. The purpose of this monitoring, according to the release, is to report significant changes to the President with appropriate recommendations. I am awaiting with great interest what, if anything, the administration will do pursuant to this latest promise on footwear.

Mr. President, this measure will not solve the footwear problem because it is not retroactive, but if we had had this in effect the President could not have so easily rejected the ITC's findings.

There are several cases pending right now at the ITC or at the White House which could be affected by the Ribicoff amendment—affected for the better.

For these reasons I am pleased we adopted this amendment and I urge its retention in the conference with the House. The amendment is essential for proper implementation of the Trade Act, or the mockery that is being made of that piece of legislation will continue unabated.

NATIONAL FOREST MANAGEMENT IN SEVEN STATES NOW IN DISARRAY

Mr. HELMS. Mr. President, since November of last year the Senate Committee on Agriculture and Forestry has been attempting to come to grips with the major question of how the national forests should be managed.

Last August, the Fourth Circuit Court of Appeals ruled that the U.S. Forest Service was not following the timber harvesting prescriptions set forth in the 1897 Organic Act. This ruling effectively brought an end to all but salvage timber sales in the States of West Virginia, Virginia, South Carolina, and my own State of North Carolina.

It quickly became evident that Congress would have to move to change the law so that adequate supplies of timber could be harvested from the national forests in an environmentally sound manner.

Following hearings and lengthy debate, both the Senate Agriculture and Forestry Committee and the Interior and Insular Affairs Committee had reported out by May 15 the National Forest Management Act of 1976 (S. 3091).

During the period in which this legislation was being considered, a Federal judge in Alaska made a ruling similar to that made in the fourth circuit, and much of the timber harvesting in that State came to a halt. Twenty-five percent of the income produced in southeast Alaska comes from logging, and this ruling will no doubt have disastrous effects.

This totally unnecessary crisis continues to spread, despite the fact that certain environmental organizations have said they would not promote any further suits.

Other cases are pending in Tennessee and on the west coast. Just last week a hearing was held on another case in Georgia. The judge in the fifth circuit in Atlanta has indicated that he will make a final ruling as to a permanent injunction on September 1. Until that time, the Forest Service has agreed not to make any new timber sales.

On July 23, in the Tyler, Tex., division of the fifth circuit, the Organic Act was once again cited as a reason for enjoining the Forest Service from offering timber for sale in that State.

However, the judge's ruling goes much further than the Organic Act. In his opinion, he states—tragically mistakenly, I feel—that the Forest Service has "violated" the National Environmental Policy Act, the Endangered Species Act, and the Multiple Use and Sustained Yield Act.

Even though a trial will not be held on this case until December, the judge appears to have made up his mind on the case. He says in his opinion:

> The court finds that there is a substantial likelihood that the plaintiff (Texas Committee on Natural Resources) will prevail on the merits of this legislation, that there is a substantial threat that the plaintiff and its membership, as well as the public at large, will suffer irreparable injury, if the injunction is not granted, that the threatened injury to plaintiff, its membership and the public at large outweighs the threatened harm that the injunction may do to defendants and intervenors, and that granting the preliminary injunction will not disserve the public interests.

Mr. President, without making any personal comments on the quality of the judge's decision, this ruling makes it clearer than ever that, as the able Senator from Minnesota (Mr. HUMPHREY) has said, it is time to practice forestry in the forests and not in the courts.

It has been nearly 3 months since two full committees of this Senate have unanimously reported remedial legislation for full Senate action. And while I am aware that the leadership must set priorities for dozens of bills which have been reported to the Senate, many small firms in my State are on the edge of bankruptcy, and court dockets throughout the Nation are filling up with cases that may shut down our public forests.

Therefore, I would respectfully but urgently request that the Senate be permitted to consider S. 3091 as quickly as possible after the Senate resumes its business on August 23.

I ask unanimous consent that the judge's order in the Tyler case be printed in the RECORD so that Senators can assess for themselves the extent to which the Court went in this crucial matter.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

[In the U.S. District Court for the Eastern District of Texas, Tyler Division]

CIVIL ACTION No. TY-76-268-CA

Texas Committee on Natural Resources against Earl L. Butz, Secretary of Agriculture of the United States; John R. McGuire, Chief, Forest Service of Dept. of Agriculture; John Courtenay, Forest Supervisor, Sam Houston National Forest, Forest Service of the Dept. of Agriculture, individually and in their official capacities

FINDINGS OF FACT AND CONCLUSIONS OF LAW BY THE COURT

APPEARANCES

William H. Kugle, Jr., Esq., Kugle, Douglas & Shelton, P.O. Box 152, Athens, Texas 75751; Edward C. Pritz, Esq., Attorney at Law, 6803 Hillcrest Avenue, Dallas, Texas 75205; attorneys for plaintiff.

Houston Abel, Esq., Assistant United States Attorney, P.O. Box 1049, Tyler, Texas 75701; Elbert A. Cole, Esq., Terry R. Norman, Esq., U.S. Department of Agriculture, 3914 S. General Bruce Drive, Temple, Texas 76501; attorneys for defendants.

James R. Cornelius, Jr., Esq., Kenzy D. Hallmark, Esq., Zeleskey, Cornelius, Rogers, Berry & Hallmark, P.O. Drawer 1728, Lufkin, Texas 75901; attorneys for intervenor contractors.

James G. Ulmer, Esq., Baker & Botts, One Shell Plaza, Houston, Texas 77002; attorneys for intervenor Texas Forestry Service.

Be it remembered that heretofore on the 21st and 23rd days of July, 1976, before the Honorable William Wayne Justice, United States District Judge, the above civil action came on for hearing on the plaintiff's application for preliminary injunction, and the following is a transcription of the findings of fact and conclusions of law made by the court in open court on the 23rd day of July, 1976:

FINDINGS OF FACT

The Court: The court will now make its findings of fact and conclusions of law in relation to this application for preliminary injunction. It's always a very risky thing to make findings of fact and conclusions of law immediately following a hearing, but that is the burden that devolves upon the court.

It may be that after a receipt of the copy of the transcribed record, that there will be various perfecting amendments or deletions, but for the present purposes these findings of fact and conclusions of law should suffice.

This is an action in which the plaintiff seeks a preliminary injunction for a claimed violation of the following statutes:

(a) Organic Act, 16 United States Code 473;

(b) The N.E.P.A., 42 U.S.C. 4321;

(c) Multiple Use and Sustained Yield, 16 U.S.C. 528, and

(d) The Endangered Species Act, 16 U.S.C. 688(d) (d).

Plaintiff in this civil action is the Texas Committee of Natural Resources. The defendants are Earl L. Butz, Secretary of Agriculture of the United States; John R. McGuire, Chief of the Forest Service of the Department of Agriculture; and John Courtenay, Forest Supervisor, Sam Houston National Forest, Forest Service of the Department of Agriculture, all of these individuals being made defendants in their individual and in their official capacities.

Intervenors in this civil action are the Texas Forestry Association, Oliver Brothers Lumber Company, Champion International, Inc.; Conroe Creosoting Company, L. R. Davis, Leggett Lumber Company, Incorporated; Louisiana-Pacific Corporation, Owens Illinois, Incorporated; Southland Paper Mills, Incorporated; Walker Brothers, Incorporated; Williams Lumber Company, Incorporated; and Woodville Lumber Company, as well as the A. A. Steely Lumber Company, the Boetger Land and Timber Company, the Giles Brothers Lumber Company, Davis Pulpwood Company, Incorporated; Bob Currie and Jack Alexander, Incorporated.

The United States Forest Service, which will be hereinafter called the Service, owns approximately 660,000 acres of land in the four national forests of Texas—the Angelina, Davy Crockett, Sabine, and Sam Houston Forests.

These federal national forest lands lie in portions of each of ten counties of East Texas, of which four counties are within the Tyler Division of the United States District Court for the Eastern District of Texas: namely, Angelina, Houston, Nacodoches and Shelby Counties.

The headquarters for the Service for the four national forests is at Lufkin, Texas, in Angelina County, where defendant John Courtenay, Supervisor of the National Forest in Texas, has his office, and where most, if not all, of the timber sales contracts of the Service are prepared, approved and executed by the Service.

Defendant John Courtenay resides in Lufkin, Angelina County, Texas.

The plaintiff, Texas Committee on Natural Resources, is a non-profit trust, having a purpose of preserving and protecting the natural areas and resources in Texas. The Texas Committee on Natural Resources has, and its trustees and subscribers have an interest in the national forest in Texas and their use and enjoyment and have been involved since 1968 in various phases of the national forests, including but not limited to timber management, clear-cutting, cutting close to creek banks, selling timber and clear-cutting close to the cavity trees of the red-cockaded woodpecker and salvage and control operations concerning the problem of southern pine beetles.

The Service was established and operates under the authority of federal statute.

Defendant Earl L. Butz, who, as Secretary of Agriculture, has statutory responsibility for the national forests acts under 16 U.S.C. 471.

Defendant John R. McGuire, Chief of the Forest Service of the Department of Agriculture is charged with the supervision of the use of the timber resources of the national forests and possesses authority under 36 C.F.R. 221.6(b) to make timber sales in the national forests.

Defendant John Courtenay derives his authority and responsibility under Forest Service Manual 2404.13, 2403.3 (sic) and 2430.42, to consider and approve timber sales in the four national forests of Texas and to supervise the management of these forests.

Until recent years the Service in Texas has practiced selective harvesting of pines and hardwoods. Its foresters marked the dead, matured and large trees for sale to private purchasers who removed those trees, only leaving the younger trees to grow. As a result, the national forests of Texas have some good stands of timber other than where different practices have subsequently been instituted.

By 1966 the Service in Texas had shifted its sales, other than "thinning sales" to clear-cutting. Since then this method has comprised the large majority of all timber sales by the Service. Under this method, the Service marks the merchantable pine types, and in less than ten per cent of the acreage, hardwood types, in units which the Service selects.

The Service advertised these units for bids by prospective purchasers, indicating in a "Timber Sale Prospectus," on the sale area map attachment to the Timber Sale Prospectus, including its prescription of clear-cut. These contracts have a life of one to three years. Such contracts contain no provisions requiring the purchaser to protect or to spare the unmarked trees or to pay for them in the event of damage or felling, except that certain trees are reserved locations where red-cockaded woodpeckers have nesting holes. The contract generally includes a requirement that the purchaser construct one or more roads from an existing road to the area of the newly sold timber.

The contracts for the sale of timber involved in this civil action do not provide for clear-cutting, in the sense of the removal of all trees and other vegetation. To the contrary, the references to clear-cutting in these contracts refer only to the cutting and removal of all market merchantable timber, which is in specific areas, and in which each tree intended to be cut has been marked before cutting.

Within the contractual period the purchaser moves in heavy equipment and cuts and removes the marked trees, leaving the other trees and vegetation in various states of damage.

The clear-cutting operation is completed by the Service. In some instances the Service kills the remaining trees by chemical injection and sells them as dead timber, which the purchaser removes. However, in most instances, the Service moves in heavy equipment, slices or pushes down the remaining trees and vegetation, and either leaves them on the ground, buries them or piles them in windrows where they are burned. In such instances, the sales unit is converted into a bare field.

After the clear-cutting, the Service plants seeds or seedlings. In more than ninety per cent of the clear-cuts these seeds or seedlings are pine, generally loblolly or shortleaf. In some clear-cuts where hardwoods have prevailed, hardwoods are permitted to grow back from roots which were not destroyed by the clear-cutting equipment. These processes are called regeneration.

After the regeneration the trees are permitted to grow to the size where they can be sold. The Service plans at that time to mark them and advertise them for another clear-cut.

Stands which the Service clear-cut in 1969 and 1971 are now covered densely with pine trees ten to twenty feet in height, except for openings where the main growth is in briers. These stands are monocultures, being confined almost exclusively to one species.

Once the clear-cutting cycle is underway, it comes under the Service terminology of even-age management.

Clear-cutting results in increased fire hazard, because fire hazard is a function of fuel moisture content. In a forest the inflammable material on the ground is relatively moist and slow to burn because of shade from the tall trees and moisture of transpiration held under the forest canopy where air is less free to move than where there is no forest. When all the trees are removed over an extensive area, inflammable material will be hotter and drier than under a forest and, therefore, will more readily burn.

Clear-cutting impairs the productivity of the land, because it causes accelerated erosion and loss of all important topsoil. Erosion increases exponentially with increase in the size of openings created in the forest by logging and with the proportion of timber cut.

Clear-cutting impairs the productivity of the land, because it causes leaching of nutrients essential to tree growth. Research indicates that clear-cutting results in accelerated loss of nutrients.

Clear-cutting impairs and reduces the amount of the habitat essential to wildlife. Some species require relatively mature trees for nesting and for food. Some species require dead trees or hollow trees for nesting. The commercial species of wildlife, principally deer, require a combination of tall trees for shelter and small openings for food. Research indicates that deer thrive best in selectively managed forests. Clear-cutting results in closed even-age stands a few years after regeneration, which produces no food or shelter for most desirable species of wildlife.

Clear-cutting impairs the productivity of the land by reducing the number of species and, therefore, eliminating the wide range of benefits resulting from subtle interdependencies characteristics of the national forest. For example, dogwood and beech trees bring calcium from bedrock, convert it to organic form and deposit it on the forest floor, thus, fertilizing the soil for other species. It is in evidence that many such relationships probably exist that are unknown.

Clear-cutting and even-age management results in the hasty liquidation of high-quality timber and, therefore, lead to a future scarcity of high-quality wood.

Clear-cutting impairs the recreational values of the forest for many years. Clear-cutting and even-age management are contrary to the principles of multiple-use forestry.

The Service continues to mark and sell small trees for thinning. The Service conducts this operation in the name of removing undesirable competitors and, thus, enabling the remaining trees to grow faster. The purchasers use the thinned trees for pulpwood, poles and other purposes.

Prior to July 2, 1976, the Service in Texas had executed contracts involving approximately 184 sales of timber which had not yet been completely cut and removed. In board feet, this timber amounts to 233½ million. In contract price these sales total $15,111,000.00. These 184 sales are mainly clear-cut sales with some thinning sales and pine beetle program sales.

Many purchasers under these 184 outstanding sales contracts have invested considerable sums in order to carry out the timber harvesting therein provided for.

On July 2, 1976, the date when this civil action was filed, the plaintiff and defendants entered into a stipulation which include the following item: Said defendants, Earl L. Butz, John R. McGuire, John Courtenay, and their agents, employees, successors and assigns will take no further action towards selling of timber or otherwise impairing the natural growth of vegetation in said Raven District during said period of time.

On July 2, 1976, the Service entered into a contract to sell certain timber from a portion of the Raven District.

On July 7, 1976, the Service entered into two contracts to sell certain timber from two portions of the Raven District. Defendant Courtenay testified that the latter three sales were made by a district ranger who had not received notice from Courtenay of the exact terms of the stipulation.

On or before June 22, 1976, Leggett Lumber Company, Incorporated, an intervenor herein, made the highest bid on a proposed sale of Units 1 through 17, compartments 72 and 73, Raven District, Sam Houston National Forest. The bids were opened by the Service June 22, 1976. The Service has prepared a contract for this sale, but has not yet signed it. The contract specifies that this is to be a clear-cut sale.

Leggett Lumber Company, Incorporated, deposited cash in conjunction with its bid. The sales documents nowhere provide that the Service may keep this money if the Service fails to execute the contract. The Timber Sale Prospectus issued to Leggett Lumber Company, Incorporated, in advance of bidding provides, "$12,000.00 in the form of certified check, cashier's check, bank draft or money order must be deposited with each bid to be applied on the purchase price, refunded or retained as damages, according to conditions of the sale."

The Service issued to Leggett Lumber in advance of the bids a Timber Sale Prospectus which recited, "The right to reject any and all bids is reserved."

Intervenor Leggett Lumber Company did not sustain its burden of proof to support a reliance upon the proposed sales contract in making certain investments, such as the construction of a new sawmill.

Leggett Lumber Company, Incorporated, did not sustain its burden of proof that a just cause existed and that it exercised due care in making any investments in reliance upon the proposed sales contract.

The Service has prepared one or more other units for timber sale on which contracts have not been executed, including at least one in the Raven District.

In some instances the Service follows the practice of selling timber to the very banks of creeks in the national forests of Texas. This practice results in increased erosion of the banks and increased siltation of creeks. As to Briar Creek and other streams, this cutting to the edge will in reasonable probability severely impair, if not ruin it, for recreation, fish, wildlife, soil conservation and water conservation purposes for this area.

The red-cockaded woodpecker is designated as an endangered species by regulation under the provisions of the Endangered Species Act, 16 U.S.C. 1531.

The Service follows the practice of selling timber so close to the cavity trees of the red-cockaded woodpecker that a patch as small as two or three acres of trees remain around some cavity trees or a cluster of cavity trees, plus a corridor of trees connecting that patch to an adjoining area of as little as forty acres.

The court is unable to determine from the record whether this practice is harmful to such endangered species.

Regardless of whether or not a clear-cut is involved, the Service is, as a general practice, marking and selling trees other than dead, matured or large trees in the national forests of Texas. In order to limit its timber sales to trees that are dead, matured or large, the Service would be required to remark the trees or mark trees in a previously unmarked area.

Maturity of trees means physiological maturity. A tree is physiologically mature when because of age and condition its growth begins to taper off, or it loses its health and vigor, and while age and size are indicators of physiological maturity, they are not exclusively so. The Service, instead of marking trees for sale, and selling trees according to physiological maturity, is marking trees for sale and selling trees according to merchantable or commercial standards of maturity. Under the clear-cut sales contracts of the Service the Service and the purchasers and contractors, including all intervenors herein, except the Texas Forestry Association, are engaged mutually, each performing an integral part, in combination in clear-cutting in the national forests of Texas.

Clear-cutting, as practiced in the national forests of Texas, does not promote the younger growth existing in the tracts to be clear-cut, but actually eliminates much of such younger growth. Clear-cutting, as practiced in the national forests of Texas, kills the trunks, branches and often the roots of living hardwood trees which are not yet large or physiologically mature but are actually younger growth. It thereby prevents or seriously sets back such younger growth.

The Service has not yet filed with the Council on Environmental Quality an environmental impact statement on any of the executed sales or the proposed sales of timber in the national forests of Texas, nor on its clear-cutting practices nor on its practice of selling timber to the banks of creeks nor on its practice of selling timber and clear-cutting close to the cavity trees of red-cockaded woodpeckers nor on its policy of selling all pine trees in a buffer zone around trees known to be infested with the southern pine beetle. These subjects are all matters significantly affecting the environment.

The Service has prepared a Final Environmental Impact Statement and Unit Plan for the proposed Conroe Unit of Sam Houston National Forest, which would include part of the Raven District, but not the part containing Compartment 72 and 73. The Service expects to file this statement with the Council on Environmental Quality in the near future.

It has initiated the process of preparing impact statements on the remainder of the national forests in Texas. The impact, if any of timber sales in other parts of the national forests in Texas will be essentially the same as the Conroe Unit.

This statement to be filed with the Council on Environmental Quality contains approximately five references, comprising approximately fourteen sentences on clear-cutting and wholly fails to mention the principal alternative to clear-cutting, namely, selective harvesting.

The statement contains three references, containing less than ten sentences, on salvage operations pertaining to southern pine beetles and wholly fails to consider any causes of the epidemic or any alternatives, such as elimination of clear-cutting and even-age management or the use of biological controls.

For all timber sales contracts outside the Conroe Unit, including salvage sales incident to the control of the southern pine beetle, the responsible U.S. Government official has determined that such sales contracts are not "major federal actions which significantly affect the quality of human environment."

Except as to salvage sales incident to the control of the southern pine beetle, the plaintiff has carried its burden of showing that such determinations were unreasonable. The southern pine beetle is a major source of damage to the four national forests in Texas.

The control measure used by the Forest Service is the cutting of a buffer strip of timber around the advancing edge of the dead and infested spot in the forest. This strip is a width equal to about the height of the surrounding trees. The evidence fails to establish that the use of this method is improper. The Secretary of Agriculture has broad statutory authority to detect and eradicate forest pests, including the southern pine beetle, as set out in the Forest Pest Control Act, 16 U.S.C. 594–1 through 594–5.

The Texas Committee on Natural Resources is experienced in presenting the public's side of environmental litigation and in representing the public in court, somewhat in the nature of a private attorney general, and is qualified to do so.

The Texas Committee on Natural Resources is engaged in a genuine controversy with defendants and intervenors herein.

The Texas Committee on Natural Resources complained in writing of the actions herein to defendant Courtenay on three successive occasions, all within a period of less than two months, and was denied each time. Within thirty days after the last denial the Texas Committee on Natural Resources in writing to defendant Courtenay requested administrative review, pending this lawsuit, which review has not yet been decided upon. Unless plaintiff Texas Committee on Natural Resources had brought this action when it did, the Service would have proceeded with further sales complained of, and the administrative review procedure would have been insufficient to prevent the actions complained of, including the proposed sale to Leggett Lumber Company, Incorporated, and others.

Unless this court restrains defendants from doing so, the Service by and through defendants will continue to permit the purchasers to cut the national forests in pursuance of the clear-cut practices set forth in their sale contracts and will continue to sell to purchasers trees which are not dead, matured or large and will continue to sell trees which are close to the creek banks.

CONCLUSIONS OF LAW

The Court: The court now announces its conclusions of law.

The language of the Organic Act constitutes a clear directive from Congress that trees can be cut and sold only if they are "dead, matured or large growth," and then may be sold only when the sale serves the purpose of promoting and preserving the younger growth of timber on the national forests. As set out in West Virginia Division of Izaak Walton League of America, Incorporated, against Butz, 522 F2d. 945, a 1975 decision of the Court of Appeals for the Fourth Circuit, dead means deprived of life. Mature means brought by natural process to completeness of growth and development. Large means exceeding most other things of like kind and bulk, of considerable magnitude, big, great.

The clear-cutting, as now being practiced by the Service in the national forests of Texas, violates the provisions of the Multiple-Use Act by increasing the fire hazards, impairing the productivity of the land by accelerating erosion loss of topsoil and leaching of minerals, reducing the amount and quality of the habitat essential to wildlife, reducing the number of species of wildlife and impairing the recreational values of the national forests.

The clear-cutting sales, as now being practiced by the National Forest Service in the national forests of Texas, violates the provisions of the Organic Act by impairing, rather than promoting, the younger growth of trees and by subverting the purpose of limiting sales to the dead, matured and large trees.

Aside from clear-cutting, the timber sales, as now being practiced by the Service in the national forests of Texas, violate the Organic Act, by including within them the marking and selling of trees which are neither dead, matured nor large.

The approximately 184 existing clear-cut timber contracts of the Service in the national forests of Texas, including among others the outstanding sales to those intervenors who are purchasers, are, likewise, in violation of the Multiple Use Act and the Organic Act.

The proposed clear-cut timber sales of the Service in the national forests of Texas, including among others the proposed sale to the Leggett Lumber Company, Incorporated, in Compartments 72 and 73 of the Raven District, Sam Houston National Forest, are likewise in violation of the Multiple-Use Act and the Organic Act.

The Service has violated the National Environmental Policy Act, 42 U.S.C. 4331 *et seq.*, by failing to file with the Council on Environmental Quality an environmental impact statement on its clear-cutting practices, its practice of selling timber close to the banks of creeks, its practice of selling timber and clear-cutting close to the cavity trees of the red-cockaded woodpecker and its practice of selling all pine trees in a buffer zone around trees known to be infested with the southern pine beetle.

The Texas Committee on Natural Resources has standing to bring this action and each portion thereof, the said plaintiff being within the zone of all said statutes involved in this civil action.

The Texas Committee on Natural Resources is among the types of groups intended to be served by the statutes and regulations of the United States, affecting the national forests, multiple use, endangered species, pest and disease control and all issues in this civil action. If the practices herein complained of are permitted to continue, Plaintiff Texas Committee on Natural Resources and its various members will suffer irremedial harm in the loss of a part or all of the uses and values which are impaired by such practices.

Preliminary injunctive relief is lawfully proper and necessary on behalf of the plaintiff as to certain of the practices of the defendants, their officers, agents, servants and employees and those persons in active concert or participation with them, including all intervenors, except the Texas Forestry Association.

In order to minimize the economic impact of the preliminary injunction to be issued subsequently, insofar as possible, purchasers of trees heretofore marked and designated to be cut under a timber sales contract fully signed by the purchaser and the U.S. Forest Service prior to July 3rd, 1976, should be excepted from the terms of the preliminary injunction.

Certain other restraints will be excluded from the terms of the preliminary injunction to be issued.

In accordance with the findings of fact and conclusions of law heretofore made, it is ordered that defendants Earl L. Butz and John Courtenay and John R. McGuire, as individuals and in their official capacities, and their successors, officers, agents or employees, and those persons in active concert or participation with them, are hereby restrained and enjoined as to federally owned land within the geographic boundaries of the Angelina, Davy Crockett, Sabine and Sam Houston National Forests as follows:

(1) From executing contracts for the sale of any timber or trees, other than dead, matured or large trees, as defined in the West Virginia Division, Izaak Walton League of America, Incorporated, versus Earl L. Butz, Secretary of Agriculture of the United States, *supra*.

(2) From causing or knowingly permitting any trees, other than matured or large trees, included in a sales contract, to die by felling, poisoning, injecting substances or solutions, girdling, spraying, physically scraping the bark or limbs with mechanical equipment or any other active methods, except accidentally, in the course of prudent, selective harvesting.

(3) From conducting or permitting any clear-cutting in the sense of moving in heavy equipment and cutting and removing the marked trees down to the bare earth.

(4) From permitting any felling of unmarked trees.

(5) From causing or permitting the felling or damaging of any trees which are not sold.

(6) From burning any vegetation and constructing any roads in preparation for the sale of any timber or trees, other than dead, matured or large trees.

(7) From taking any steps towards consummation of the advertised sales of timber in Compartments 72 and 73 of the Raven District of the Sam Houston National Forest and any other advertised sales not consummated prior to July 3, 1976.

It is further ordered that the following actions by the defendants shall be specifically excluded from the foregoing restraints; that is, (1) reasonable construction of preventive fire breaks, clearing of vegetation in the course of combating forest fires and reasonable operations in mopping up after forest fires.

(2) Managing the forests for uses, such as recreation and wildlife, other than timber harvest, specified by the Multiple-Use and Sustained Yield Act, 16 U.S.C. 528, *et seq.*, providing that any significant management project complies with the National Environmental Policy Act.

(3) Investigating, experimenting and testing methods of reforestation and of growing and managing forest products in accordance with 16 U.S.C. 581.

(4) Construction and maintenance of any roads necessary for forest management practices specified by the next preceding three paragraphs.

(5) Construction, relocation or maintenance of hiking trails, including but not limited to the Lone Star Hiking Trail.

(6) Treatment of diseased and damaged trees, including trees actually infested by the southern pine bark beetle and a buffer strip of timber around the advancing edge of dead and infested spots within the forest concerned.

It is further ordered that exceptions to the application of this preliminary injunction shall be and they are hereby granted to any purchaser of trees heretofore marked and designated to be cut under a timber sales contract fully signed by the purchaser and the U.S. Forest Service prior to July 3rd, 1976, provided that an original of such contract shall be filed in the office of the U.S. District Clerk of the Eastern District of Texas, Tyler Division, by defendant John Courtenay, together with a copy thereof for retention in the court's files on or before July 30, 1976, which contracts shall be subject to examination by any party to this litigation, provided further that such harvesting under the terms of each such contract shall be done with reasonable prudence, insofar as is feasible, not to damage the unmarked trees and other vegetation.

I desire at this time to amend the conclusions of law by including the following:

The court finds that there is a substantial likelihood that the plaintiff will prevail on the merits of this litigation, that there its membership, as well as the public at large, will suffer irreparable injury, if the injunction is not granted, that the threatened injury to plaintiff, its membership and the public at large outweighs the threatened harm that the injunction may do to defendants and intervenors, and that granting the preliminary injunction will not disserve the public interests.

In due course these findings of fact and conclusions of law, as well as the preliminary injunction heretofore issued, will be reduced to writing. The defendants and intervenors and all interested parties—all parties acting in concert or participation with them—are bound by the terms of the injunction instanter.

Are there any questions concerning the findings of fact and conclusions of law or the preliminary injunction?

Mr. Kugle. We have none, Your Honor.

Mr. Abel. Not at this time, Your Honor.

The Court. Very well. I would like, after a brief respite, say about ten minutes, to see all counsel in chambers.

The court is adjourned.

(Reporter's Note: The court then, at 4:40 o'clock, p.m., July 23, 1976, adjourned.)

UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF TEXAS, OFFICIAL REPORTER'S CERTIFICATE

I, Dorothy U. Daugherty, Official Court Reporter for the United States District Court for the Eastern District of Texas, do hereby certify that the above and foregoing thirty pages of typewriting contain a true and correct transcript of the portion requested to be transcribed of the proceedings had in the above-styled and numbered civil cause.

INVESTIGATIVE REPORTS ON CONSTRUCTION OF THE TRANS-ALASKA PIPELINE SYSTEM

Mr. JACKSON. Mr. President, on July 21, 1976, the Senate Interior Committee conducted an oversight hearing on construction of the trans-Alaska pipeline system. The hearing was called to take testimony concerning quality control problems on the pipeline and to investigate reports of welding deficiencies that may well threaten timely completion of the pipeline. The committee will be holding additional hearings after the recess on the west coast crude surplus issue which will result once oil begins flowing through the pipeline at the rate of 1.2 million barrels per day.

Two reporters for the Anchorage Daily News have provided the committee members and other interested pipeline watchers with an invaluable series of articles about the pipeline construction. In a copyrighted series, Sally W. Jones and Rosemary Shinohara, provided an in-depth look at the pipeline, including its problems, its successes, and its failures. Unfortunately this series has not received the wide circulation it so richly deserves so I would like to share it with my colleagues.

The Anchorage Daily News, if you will recall, recently received a Pulitzer Prize for investigative reporting about the growing influence of the Teamsters in the State of Alaska. This newspaper, with its small staff, deserves our congratulations for its continuing efforts to provide the public with detailed information on major policy issues.

I ask unanimous consent that the series of articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

A LINE OF PROBLEMS

(By Sally W. Jones and Rosemary Shinohara)

The trans-Alaska oil pipeline—the largest, most-expensive privately-financed project in history—is into its final year of construction. As 20,000 workers rush to meet a mid-1977 deadline, charges of welding deficiencies and inspection fraud are surfacing. But how deep are the pipeline problems buried?

Two Daily News reporters spent the past three months digging into the project, poring through more than 300 documents and conducting endless interviews in offices and in the field. Their findings, which begin today in a special series, provide and indepth look at the pipeline, its obstacles and successes—and its problems and failures.

In 1974, the Alyeska Pipeline Service Co., a consortium of eight oil companies, geared up to undertake the world's largest private construction project in history.

The goal: to begin a daily flow of 600,000 barrels of North Slope oil by mid-1977 and 1.2 million barrels by late 1977 to an energy-thirsty nation forced into higher oil prices by oil-producing foreign nations.

Simply stated, the pipeline project most resembles a military maneuver for a major attack. The analogy is not an exaggeration. It has carried through from the field to the highest levels of government. The project has been granted military defense priority status. The status allows the pipeline builders and developers of the North Slope oilfields priority for any equipment or supplies ordered in the U.S.

With armies of men and equipment, Alyeska is taming an environment that ranges from arid arctic permafrost to lush river valleys, steep mountains, tundra and taiga plains, to the ice-free port of Valdez—a fragile series of ecosystems requiring protection never before mandated on a pipeline or any other project.

But environmental protection aside, the builders of the Alaska pipeline have faced—and still are facing—the complex technical problems of laying a pipe 800 miles through virgin, arctic and subarctic environments with today's technology.

Alyeska is writing the battle plan for extracting crude oil from the hostile arctic, and it is writing the book, as well, on the best and worst ways of punching a pipeline through 800 miles of little-researched terrain.

Perhaps the most challenging of all the natural systems Alyeska must traverse are the scores of rivers and streams along the route. The arctic stream is like no other in the world. The channels of major rivers continuously meander and change, resembling a little girl's braid.

Alaska's geology also has been little researched, and Alyeska has pioneered in gathering data of the subsurface rock and soil conditions.

The geological and hydrological conditions along the pipeline route were so little known at the time work began in 1974 that designers in some instances gave gut feelings as much weight as scientific data while drawing construction plans for the field.

The extremes of arctic climate also have challenged Alyeska from the start—extremes that turn men into nonproductive armies and machines into brittle hunks of metal tested to the limits of tolerance.

Most difficulties of building the line were known from the start.

But in 1974, the pipeline builders confidently and efficiently laid down a 350-mile road from the Yukon River to Prudhoe Bay. The construction camps strung from north to south along the line were quickly built and readied for occupation.

Early in 1974, the estimated cost of building the pipeline stood at $4.5 billion—a much more realistic price tag than the original $900 million figure announced in 1969. However, by the end of 1974, the cost had jumped to $5.9 billion. The increase was a translation of paper plans to field realities.

In 1975, the construction camps were filled and Alyeska began in earnest the tedious, problem-laden task of laying the pipeline. By year's end, 370 miles of the line was installed and the project overall was 35 per cent complete, but the most difficult portions remained to be completed. The cost forecast had increased again—to $6.3 billion—and for the first time, Alyeska's estimate did not include contingencies, or unplanned cost factors.

Today, Alyeska is on the brink of the critical zone that will determine whether the war will be won or lost in the time allotted.

In this, the final year of full-scale construction, indications are growing that the 1977 deadline will not be met.

No one involved closely in the project will state categorically that the line will be completed and pumping that magic 1.2 million barrels daily before 1978.

And no one, as well, will state flatly that the estimate that now stands at $7.7 billion will remain at that level. In fact, some oil company executives, and state and federal officials concede privately that the final cost of this project will top $8.4 billion.

There is little question the eight oil companies can recoup their investments at that cost. The major investors—Standard Oil of Ohio, with 33.34 percent; Atlantic-Richfield with 21 percent; Exxon with 20 percent and British Petroleum with 15.84 per cent—can retrieve some costs through tariffs and others through the market place.

The other companies include Mobil, 15.84 per cent; Union, 1.66 per cent; and Amerada Hess, 1.50 per cent.

But what has become increasingly disturbing to those who are watching the project closely is a long list of trouble spots pointing to delays, and ever-higher costs that will ultimately affect consumers and revenues to Alaska.

Hundreds of documents and scores of individuals interviewed by The Daily News over a three-month period have disclosed errors, technical problems and managerial difficulties so numerous that it appears no segment of the line has been completed smoothly.

Among them:

Atigun Pass, Keystone Canyon and Thompson Pass—among the most difficult engineering assignments for the project—remain to be crossed by the pipeline. Alyeska only recently settled the final design for one of them, and each must be completed by September to avoid winter weather nearly impossible to surmount.

The difficulties faced with crossing more than 600 rivers and streams. Nearly 20 major crossings have required or will require remedial work.

Persistent cases of pipeline being installed in violation of Alyeska specifications or federal-state requirements have resulted in segment after segment of pipe being excavated or reworked for remedies. In some cases, pipe has been buried and no one knows for certain whether deficiencies were corrected.

The Valdez terminal construction schedule has always been a pressure point for the timely completion of the project. Limited room for work crews and delays in material deliveries still are causing a lag in progress. Unexpected soil conditions required more work than anticipated.

The imperative for speed has led to friction between engineers whose mandate has been to get the pipeline into the ground, and the quality control inspectors who must certify that the construction meets federal, state, and Alyeska standards. Contractors have over-ruled orders by government and industry inspectors, and lines of authority have been unclear. Alyeska did not come to grips with this problem until early this year, and the problem still lingers in the field.

A controversy over pipe welding done in 1975 has raged in the national press since May, and has even reached the desk of President Ford. And although these welding deficiencies have thrown the pipeline completion date in doubt, the problem welds are but a part of other danger signals that began flashing last year.

In a series of prospectuses issued this year by pipeline owner companies to finance the project, welding was not identified as a factor for delay.

"The welding problems are a cost factor, not a schedule (delaying) factor," an owner company executive told The Daily News.

Major uncertainties that could affect schedule—and cost—according to four owner company prospectuses published this year, are labor and equipment productivity, work stoppages, weather constraints, and possible delays in receiving federal and state permits.

The Atlantic Richfield Co., in a prospectus issued this year, said if the annual barge lift of equipment for the Prudhoe Bay field is delayed this year as it was last, the field may not be ready for full 1.2 million barrel-per-day production by the late 1977 deadline.

Alyeska has continued to experience delays in equipment shipments for the Valdez terminal portion of the project, and only recently has the equipment begun to arrive reliably.

And despite peak project work forces of 21,600 last year and 20,600 this year, construction problems in the field continue to plague the project—problems that range from careless workers to major revisions by Alyeska and its contractors on pipeline routes.

The pipeline workers who are bound to a no-strike agreement drafted between their unions and Alyeska, have failed to meet the production levels Alyeska had hoped for. They represent 60 percent of the project's cost.

Taking home the biggest paychecks from any project in U.S. history, most workers are employed seven days a week, 10 hours a day. They are directed with one underlying factor in mind: get the pipeline built and get it built fast.

And despite the labor armies, government observers believe that this "77 or Bust" mentality is probably the prime reason for nearly all of the problems Alyeska has experienced so far.

"You can only put so many men in the field and so many on a project before you reach a point of diminishing returns," said an Alyeska supervisor who has been deeply involved in pipeline inspection.

The emphasis on speed is one that has filtered to the ditches and trenches of the field from the highest levels of U.S. Government, the state of Alaska, and the eight owner companies who have invested billions of dollars in Alaska's black gold.

All have vested interests in the project, and each plays a role to protect that interest.

For the federal government, the line's completion means greater energy independence, one of President Ford's top-priority goals. It means a decreased balance of payments, for Prudhoe Bay crude represents 1.2 million barrels of oil daily that will not have to be imported.

For Alaska, the first year of flowing Prudhoe Bay crude represents an annual revenue nearly equal to this year's budget. Even before oil flows, revenues from Prudhoe Bay and the incomplete line represent 55 per cent of the state's current $700 million budget.

For the eight oil companies, the project represents the development of the largest single oilfield in the U.S.—at nine billion barrels equal to 20 per cent of the nation's known reserves.

And for the American consumer, Prudhoe Bay oil will be expensive—perhaps just as expensive as the price the U.S. now is paying for a barrel of crude from Organization of Petroleum Exporting Countries (OPEC) today. Alaska's oil will provide a hedge against rationing.

These are the stakes as the last year of massive full construction effort unfolds.

Only when the project is completed will the nation and those who will benefit from the project be able to assess whether the rush for completion was worth the cost.

Today, one year before the first oil is scheduled to flow at the rate of 600,000 barrels per day, it appears that the mid-1977 deadline may have been optimistic from the start. And thousands of workers in the field and in Alyeska planning centers have done little to change that.

Questions of Quality on the Line

(By Rosemary Shinohara and Sally W. Jones)

For every 25 persons hired to build the trans-Alaska oil pipeline, there is approximately one person on an industry or government payroll whose full-time job is monitoring the work.

"By any standards, it's over inspected," an industry executive said recently.

Four independent sets of inspectors on the 800-mile pipeline project are continually watching it for trouble spots that range from litter on the tundra to technical violations of welding procedure.

But even with four tiers of inspectors, major problems concerning the quality of work on the pipeline have failed to be promptly resolved. Some became significant deficiencies that pervaded the work from north of the Brooks Range to Valdez.

The most disturbing problems relate to pipe welding and pipeline river crossings, which have grown from isolated cases to project-wide concerns as the project manager, Alyeska Pipeline Service Co., faces its last full year of construction.

And even though Alyeska pinpointed lapses in the quality control program a year ago, an investigation by The Daily News indicates that quality control inspectors have been intimidated or ignored in some cases since early in the project.

That friction continues today.

Alyeska has two levels of surveillance on the project. At the highest level, its Quality Assurance Department (QA) makes irregularly scheduled audits of work on the pipeline, the pump stations and the terminal, normally on 10 days' notice.

The quality assurance teams move into a site with a checklist of work areas to monitor, including such items as survey work, welding, X-raying, pipe-laying, above-ground construction—and the work being done by those responsible for the second layer of surveillance, Quality Control (QC).

Bechtel, Inc., a contractor that provides support services for Alyeska for the entire project, and Fluor, Inc., the contractor in charge of pump stations and the terminal, operate field quality control programs with responsibilities for continuously monitoring construction in progress.

The QC men have authority to stop work if the work violates federal, state or Alyeska stipulations.

The Federal and State governments each have a set of field officers who divide the responsibilities of pipeline-watching generally along federal and state land boundaries, but are both concerned with insuring the integrity of the pipeline as a whole.

Among all four groups of surveillance officers, there are about 700 persons watching the project.

Welding discrepancies and problems with pipeline installed under rivers and streams have snowballed as the project has progressed.

The welding and X-ray inadequacies that first became apparent in Section 3 just south of the Yukon River last fall were discovered some months after radiographing and welding began. Alyeska's own QA team reported after an audit in September that quality control inspectors had not been enforcing six different requirements.

As early as May 1975, State Pipeline Coordinator Chuck Champion had written to an Alyeska executive: "I feel it is necessary to comment on the adequacy of Quality Control inspection of welding in the double-joint yards and on-line welding."

The letter, a precursor of problems that would later be magnified, noted the failure of industry quality control officers to catch improper welding procedures in double-joint yards, at Honsina, and on mainline pipe welding on the North Slope.

Champion cited an "obvious need to upgrade quality control inspection practice to acceptable proficiency."

The warning signs of early last year did not prevent more surprises for Alyeska on quality control deficiencies this year. An audit of welding on the 510,000-gallon crude oil storage tanks and ballast water treatment tanks in the terminal area disclosed that Fluor's quality control program "did not meet the requirements of the Alyeska project," although it equalled the quality review applied by Fluor on other projects.

The terminal audit was undertaken by Alyeska's Quality Assurance Department after the federal government's Alaska Pipeline Office sent a letter to Alyeska saying tank welding procedures by a contractor may have been outside government specifications for a short period.

In some cases, welding discrepancies and other problems with river crossings overlap—pipe that floated to the top of the Sagavanirktok River in June was among several sections of below-river pipe scheduled to be redone to resolve welding questions. Independent of welding, however, Alyeska's 1976 audits of work in at least two sections of the project unearthed problems in quality control inspection of the crossings.

Alyeska auditors at Tonsina said very little documentation was found for any of the crossings that had been installed across streams and floodplains in the section, and files indicated items required to be inspected neither were inspected nor records kept.

The auditors checked a typical crossing at the Tolvana River in detail in April, and found discrepancies in records telling where the pipe is buried. A quality control field report did not tally with surveyors' notes on the depth of burial.

In some instances, the quality control system has been judged a success in preventing a serious problem from turning into a monster. In August 1975, an interoffice memorandum from a Bechtel supervisor at Tonsina to Ron Schmidt, Alyeska's Section 1 (southernmost portion) project manager, said 85 per cent of 19 welds made on vertical pipeline supports during a five-day period had been rejected.

Within two days, Schmidt authorized Bechtel to X-ray 100 per cent of the vertical support welds instead of the 20 per cent that had been standard, and brought the high reject rate to the attention of the contractors responsible. The QA audit team gave the section high marks for acting "decisively and commendably."

But along with their successes, quality control officers have been hampered by attitudes of some construction supervisors, who are under continual pressure to meet weekly progress goals.

In July of last year, a team with representatives of the two government agencies and Alyeska made a field trip to all headquarter pipeline camps to assess the quality of construction.

A July 24 memorandum from R. D. Boorman, general manager of project technical services for Alyeska, to Peter DeMay, the company's vice president for project management, described the trip.

The memorandum said:

"Construction quality problems while significant are not of the extent reported. "

"The most evident construction quality problems are in the environmental and erosion control areas. It appears that less attention is being given to environmental stipulations than to direct pipeline construction quality by Alyeska Construction Management and Execution Contractors at the Section level."

Boorman said in the memo that the "means now exist in the field to solve construction quality problems." Bechtel's quality control officers were given more power, including the authority to stop work if it violated the standards set, Boorman said.

Meanwhile, Boorman said a "realignment of Alyeska field management" should lead to improvements. In May, 1975, Alyeska announced that it was taking over direct control of the project in most areas that had been the responsibility of Bechtel.

This year, Alyeska has increased the role of inspectors even more.

DeMay said in an interview last week that "there's no doubt we have intensified the number of people in the inspection function." Auditors, quality control people, and certifiers, who sign work off as acceptable, have all been increased on the job.

Bechtel's quality control department increased from about 250 people at peak last year to about 550 now, and the Alyeska Quality Assurance Department has reportedly expanded from 15 people early in the project to 85 this year.

DeMay said Alyeska wants more forceful monitoring to improve productivity and ensure timely completion of the project.

Some inspectors are sure enough of their expertise that they can authoritatively enforce high quality workmanship.

While Bechtel, a highly respected organization in the pipeline industry, has equally respected technical experts on its staff, there have been more than one source told The Daily News that some QC men were unqualified for the job. "They hired off the street," said a former Alyeska employe involved in the program.

Harley M. McCamish, an executive overseeing Bechtel's role in the project until June, was asked during a June 29 telephone interview about the fact that some are blaming Bechtel for quality control problems.

"We certainly have had qualified people," McCamish said. "Some of the things that happened are unusual in the industry—such as faking of X-rays. You don't set up a QC organization to look for that."

But in spite of the changes made by Alyeska management, and in spite of the concern voiced a year ago at quality control meetings, there have been widespread reports that many quality control inspectors are afraid to do their jobs.

Asked about accounts of intimidation that have been published, DeMay said in the interview that he has heard stories, but "I don't know that it's intimidation. We have been seeking examples of where individuals have been intimidated."

McCamish said during a June 29 telephone interview that an adversary relationship between inspectors and construction crews is a natural situation.

McCamish said intimidation, but not acts of violence, are "common to the construction industry, common to inspectors. It's a game they all play."

Early in the project, quality control inspectors had no authority to stop work if they saw something blatantly wrong. "It was a bone of contention," said a former Alyeska Quality Assurance Department team member.

Since approximately July of last year, when they were clearly given authority to stop work, the quality control inspectors have had more clout in the field.

But some of them are still reluctant to use that clout. One quality control inspector told a state surveillance officer in May that "it's not that easy" to shut down an operation.

River Crossings Jack Up Line Costs

(By Sally W. Jones and Rosemary Shinohara)

There's an adage that goes like this:
"Nothing is as easy as it looks;
Everything takes longer than you expect
and if anything can go wrong, it will—
At the worst possible moment."

The maxim is known as Murphy's Law. and it's a saying that has been quoted often on the trans-Alaska pipeline project.

Murphy's law has perpetrated its disruptive deeds on the pipeline project from the start.

During the past three months, The Daily News has interviewed pipeline field and office workers, studied Alyeska Pipeline Service Co. documents and poured over hundreds of government documents which indicate the extent of unforeseen problems on the project. Some informed sources indicate these problems could mean the construction price tag will reach $8.4 billion or more. Further, they say the project could even be delayed.

Officially, the eight oil companies financing the line, through the Alyeska consortium, are standing pat on their deadline for completion. By mid-1977, according to official statements, the line will be ready for operation at the initial 600,000-barrel-per day capacity. By November, 1977, it is scheduled to carry 1.2 billion barrels of oil daily south to Valdez.

Last week, the cost estimate for the project was increased 10 per cent to $7.7 billion. The estimate, in which Alyeska left the door open for further increases, did not include contingencies (unplanned for) costs, the project now is 65 per cent complete.

And if past performance is an example, Alyeska will find no fewer unforeseen problems that it has since pipeline, pump station and Valdez terminal construction got underway in earnest last year.

Daily in the field, Alyeska's five prime contractors, which oversee construction in five sections from north to south, solve the myriad problems that can be expected on a construction project of such scale. But daily, as well, they make the mistakes and miscalculations that are adding millions to the cost of the 800-mile project.

Since the project's inception, Alyeska and its contractors have continued to face problems with river crossing construction, excavation, the Valdez terminal complex, and a 135-mile fuel line to serve four northern pump stations. And this year three steep mountain passes will test the builders' mettle to the limit.

By any measure, the engineering feat that will have been accomplished in crossing these streams will be unparalleled. But the feat also will be at great cost. The watercourses meander. Their channels may change several times a year within floodplains miles wide. Beneath the streams can lie bedrock, permafrost, gravel that is hard to excavate, or mud.

A large majority of the stream crossings are small. But nearly 30 cross major rivers and streams that have given Alyeska and its contractors problems from the start.

Peter DeMay, Alyeska vice president for project management, said last week that the company currently must remedy only six to seven of the river crossings.

But that number gives no insight into problems that have already been corrected, or problems encountered when the crossings were being accomplished.

State and federal reports, and Alyeska's own Quality Assurance Department audits, document numerous crossings where contractors faced major difficulties, where construction was not done according to specification or government stipulation, or where work had to be redone.

And for each segment of pipe that must be dug up for repair or further check, Alyeska must pay the bill for the cost of additional wages, extra materials, and the time lost to get the pipeline completed.

The Daily News has documented these major problems with river crossings:

—At Abercrombie, Brown and Unnamed Creeks and Clear Stream north of Valdez. Alyeska this year was plagued with problems ranging from welding deficiencies to equipment falling into ditches and damaging pipe. Once the pipe was laid under Abercrombie Creek and Clear Stream, surveyors determined it may have been placed too high to assure that the river would not uncover it.

At Brown Creek, especially, the work was slow going and fraught with error. Initially, the pipe was laid in the ditch and found to be too high. It was lifted, the ditch further excavated, and the pipe buried again.

To make matters worse, a sideboom crane fell into the ditch just as the pipe was being set into the crossing. Work crews had to cut out two segments and replace them because of the damage.

—A major construction change that represents millions of dollars in unplanned costs was the reroute this year of the Gulkana River crossing, where the pipe was moved downstream and routed on a bridge over the river instead of beneath the riverbed. The federal Alaska Pipeline Office last year had asked Alyeska to move the crossing downstream because an access road crossing was to be built there. Alyeska resisted the change, however, and the federal agency finally pushed hard for the change because of the river's scenic qualities.

In addition, a pipe was being buried with heavy weights, rocks were rubbing against the pipe, and protective tape repairs were unsatisfactory. The inspectors are not certain Alyeska corrected the problem as promised.

Last year, Alyeska and the Department of Highways encountered unstable rock conditions in the Yukon River, which required additional rock sampling and engineering for a coffer dam. The change added $4.4 million to the bridge, which was to have cost $29 million.

An Alyeska quality Assurance audit compiled in April indicates there are no surveys to indicate whether pipe was buried deeply enough under the Tolovna River near Fairbanks. There are inadequate surveys as well, for the Middle Fork of the Koyukuk River.

Alyeska has scheduled welding repairs this fall for the Atigun River crossing 150 miles south of Prudhoe Bay.

The pipeline crosses the Sagavanirktok River south of Prudhoe four times. Two crossings were completed last year, and two held over for this year. Alyeska said welding deficiencies need to be corrected under two crossings.

At Jarvis Creek, faulty welds may have to be dug up. The pipe also was buried too high.

Alyeska has declined to estimate publicly how costly these and other problems at river crossing locations have been to overcome. But an Alyeska source told The Daily News that digging up even a small section of the line for rechecking or repair can run into hundreds of thousands of dollars.

Welds Not Only Delaying Factor

(By Sally W. Jones and Rosemary Shinohara)

As controversy rages over the quality of welding along the trans-Alaska pipeline, two areas of critical construction also hold the key to the project's ultimate completion date.

Portions of the Valdez terminal site are as much as a month behind schedule, largely because of delays in shipment of vital building materials and extensive design changes so oil storage tanks are sitting on safe ground.

Meanwhile, pipeline builders still must face some of the toughest obstacles of the 800-mile pipeline project: they must bury the 48-inch crude oil pipe in three short—but extremely challenging—mountain passes. Two of the passes loom north of Valdez; a third lies north of the Brooks Range.

A third major factor also remains for pipeline constructors; wherever the pipeline has been built out of specifications or not in accordance with state-federal requirements, remedial work must be completed.

The timetable set by Alyeska Pipeline Service Co., the construction consortium of the eight oil companies that own the line and the Prudhoe Bay oilfield, is a tight one. Nov. 1 has been set as the date the pipeline portion of the project is to be completed. line are to be finished through the winter and late spring.
The terminal and pump stations along the

These schedules must be met to guarantee the pipeline will be ready to move 600,000 barrels of crude oil south by July 1, 1977; and 1.2 million barrels four months later.

There is little, if any, room in Alyeska's schedule for slippage. As early as January last year, then-Alyeska President Edward Patton told a congressional committee that the schedule for completion of all the pipeline system's components was a tight one, with little accommodation for delay.

A lot of cooperation from Alaska's natural environment will help.

From late October to early December last year, cold dictated that crews be laid off. By December, pipeline work gradually had ground to a halt. In September, Alyeska had hoped to keep up to 6,500 men on pipeline work through mid-December.

Waiting for workers along with the cold this year are the terrain and geological uncertainties—unknowns that have caused persistent erasures and recalculations on Alyeska's project schedule.

Among the most critical portions yet to be completed on the project is the Valdez terminal complex, where tankers will load to sail the oil south.

Among the most critical portions yet to be completed on the project is the Valdez terminal complex, where tankers will load to sail the oil south.

As of late June, portions of the terminal were running as much as a month behind schedule and weekly progress was not being met at the tank farm complexes where 18 of the 510,000-barrel crude oil tanks will be built, and at the treatment plant that will be used to treat oil tanker ballast water.

The complex system of pipe linking the terminal system with the oil pipeline has progressed at a slow pace because of delays in delivering the various diameters of pipe required.

And some of the delays at the terminal are at least partly attributed to extensive terminal complex design changes. Many of those changes are directly related to subsurface conditions.

Fluor Inc., the contractor building the terminal and pump stations for Alyeska, has dug and blasted in search of bedrock to support the foundations of the heavy storage and treatment tanks.

The unexpected, large amount of excavation that had to be done to find this bedrock was a factor in the most recent increase of the pipeline project cost forecast to $7.7 billion. Last fall, some of the unstable soils at the terminal site gave way, and the schedule was harassed with a chain reaction of rock and mudslides.

By spring, a 100,000-barrel fuel oil storage tank had badly settled, and contractors moved to reexcavate the tank to strengthen its foundation. At other tanks where settling was feared or indicated, extensive rockbolting procedures have been implemented.

At one of the tanker berths this year, footings had to be placed deeper than planned because of unforeseen bottom conditions.

In addition to these difficulties, state and federal, and Alyeska Quality Assurance Department inspectors last year began to question the ballast water treatment and crude oil storage tank welding program. The inspectors said welders were not proven fully qualified, and quality assurance teams submitted an audit that indicated welding inspection at the tanks was not fully documented.

At eight tanks, federal inspectors have written non-conformance reports on concrete placement, faulty rock excavation, faulty tank wall work, and welding procedure. State inspectors in May shut down welding at the terminal because no inspectors were present and have issued directives to alleviate erosion problems.

An improper blast this summer threw hunks of rock far and hard enough to damage a compressor building and incinerator stack in the power generator and vapor recovery area of the terminal. The damage has been repaired.

And since September, critical 42-inch pipe for the power generator and vapor recovery system has been among items late in arriving. The 42-inch pipe has been difficult to obtain from U.S. mills because of its tight specifications. Alyeska this spring began checking German and Japanese mills for the pipe.

Valuable electrical power switching gear that is critical to the completion schedule arrived this spring rusted, corroded, and damaged.

Compounding the delivery problem are designs for the terminal. Until designs are completed, in a construction project, all the equipment cannot be ordered.

V. D. Filimon, Alyeska's project manager for the terminal site, began warning last fall that progress was being affected by final design and equipment delivery delays.

In a progress report dated Nov. 12, 1975, Filimon said, "The most critical problem continues to be the delay of material deliveries, such as building steel, building panels, pipe supports, and fabricated pipe . . . continued effort needs to be maintained to expedite release of drawings to the field. Some areas continue to be impacted by lack of drawings for construction and planning purposes," he said.

He had sung the same refrain earlier in the fall, and continued to reiterate his concern throughout June of this year, although Filimon's and other reports indicate selective items, primarily piping, are of the most concern now. Peter DeMay, Alyeska vice president for project management, said recently equipment has now begun to arrive regularly, but terminal manpower is still a concern.

The terminal is limited in housing to about 3,700 workers. Alyeska currently is investigating means to find additional space to boost housing space.

Unlike most areas of the pipeline project, work can proceed at the Valdez terminal through the year.

That is not the case, however, in three critical mountain passes where work must be completed this year to assure the line goes into operation on schedule.

In all three, the snow and cold may linger into June. In all three, as well, snow may return to meddle with project schedules by mid-September.

One is Kenstone Canyon north of Valdez, where Morrison Knudsen-River (MK-R) Co. crews spent most of last year blasting sheer rock faces to clear roads and the right of way for construction.

On the south face of the canyon, some crews reached the top in July before deciding the pipeline and workpad would have to be rerouted in a 5,000-foot section. The gully that Alyeska ultimately decided to zig-zag across and around had been too steep to lay the pipe.

And as men and gear ground to the top of the canyon last fall, mud and rockslides from blasting combined with rain to hold back progress. Scenic Bridal Veil and Little Sisters Falls became silted, and quality control and state inspectors halted work until siltation filter dams were built. Months before, at the state's direction, Alyeska issued a technical memo warning that filter dams would have to be built to protect the falls. Had the warning been heeded, work need not have been halted for four days.

The floods plagued the Sheep Creek and Lowe River areas as well. In September, state inspectors from the State Pipeline Coordinator's Office reported that erosion control was lacking and workpads and roads were being washed out.

Despite last fall's experiences, said state inspectors this spring, little erosion control was done and the same problems occurred this year.

At Thompson Pass nearby, crews currently are building the workpad in preparation of laying the pipe. Last month, MK-R considered rerouting the pipeline to a more stable, easy work area on the old Richardson Highway alignment that has been abandoned.

DeMay told the Daily News Alyeska management rejected the reroute. It is late enough in the project, he said, that the contractor was told "don't look any other way, just go" over the pass using present plans.

Like Keystone and Thompson, pipe has yet to be laid in Atigun Pass, about 600 miles north in the Brooks Range. The pass—at 4,800 feet—will be the pipeline's highest elevation, and Andrew Rollins, chief of the Department of Interior's Alaska Pipeline Office, said burying the pipe in Atigun "is roughly like threading a needle."

The terminal site and three passes are only a few examples of surprises that have confronted pipeline builders.

Alaska's geological structures and soil conditions were tested by Alyeska early in the project stage.

According to persons interviewed by the Daily News, the original pipeline design was based on geological core samples taken in the field over several seasons. The samples were taken 200 to several thousand feet apart, depending upon suspected soil conditions. And from the data obtained, the maps and plans for the 800-mile long pipeline and its appurtenant hardware were drawn.

Several persons involved in the early design phase said the sampling technique may have been one of Alyeska's first miscalculations. The geological characteristics of Alaska's arctic and subarctic change so quickly in some locations, said one geologist, that drastically different features can be found even 10 feet away from a sampling site.

"Perhaps those boreholes (for sample-taking) should have been placed closer together in the difficult (construction) areas from the start," said Jerry Kreitner, technical staff supervisor for the State Pipeline Coordinator's Office.

Geological and soil conditions found from actual work and study in the field are a major reason for nearly 2,000 design or engineering changes on the line, including realignments, Alyeska began applying to state and federal monitors to allow the changes at the start of the project. About 140 of the requests have been rejected, either by Alyeska itself or the government agencies, and more than 130 were outstanding as of June 19.

One change involved a four to five mile pipe segment in Shaw Creek Flats near Glennallen. In 1974, Alyeska planned to build the pipe above ground and support it on pilings called vertical support members (VSMs). But rigs could not drill the holes where the VSMs were to be placed. So engineers asked for, and received, permission to bury the line. Last summer, when the pipe was to be laid in the flats, builders encountered frozen gravel in the digging process, a feature making excavation difficult, more costly, and more time-consuming.

So they asked to build the line above ground, as per the original design. New drills were employed and the line was installed with few problems.

Plans also were changed at Summit Lake near Isabel Pass to go along the face of a ridge instead of straight down the slope.

Other reroutes or changes to above-ground or below-ground construction regularly dot the pipeline from north to south, and most have been minor changes compared to the overall length of the line.

"Just about the whole pipeline has been redesigned in the field," said Chuck Champion, state pipeline coordinator. "Most of the changes have been good ones, made after Alyeska actually got in the field" and began learning the ins and outs of building a pipeline where no machine had ever tread before.

Under consideration now is another reroute request, but not for the 48-inch pipeline.

Alyeska is building a 135-mile natural gas fuel line from Prudhoe Bay to Pump Station Four near Galbraith Lake.

The natural gas will be produced as a by-product of oil production and will be used to power the pump stations. The gas line is not essential to start-up of the oil line and Alyeska has said it will truck fuel to the stations if it is not completed.

Nevertheless, a delay in completing the 10-inch fuel line is an extra-cost factor. It will cost more to truck the fuel and it will cost more to bring crews in over the winter to put it into the ground.

Alyeska cannot work on the line until after the spring thaw because heavy equipment irreparably damages the thawed top layers of tundra permafrost.

Although scheduled for completion by the thaw this year, work on the small line was halted in May with about 50 miles yet to be completed. From the start, frozen permafrost and bedrock was difficult to excavate. Tractor teeth broke trying to bite through the ground. Little progress was made from blasting. And special rocksaws employed to speed the work made no appreciable dent in the progress schedule.

By April the gasoline schedule was slipping by 3,000 feet per day, and one state surveillance officer termed the effort "ridiculous."

The blasts damaged some of the pipe waiting to be set into the ground. "The severity of the damage to the pipe is only overshadowed by the fact that they are blasting in some areas two or three times, compounding the damage to the pipe," said the surveillance officer.

Federal surveillance crews finally shut part of the job down this spring after a series of blasts in another area scattered insulation and debris for hundreds of feet in every direction.

Alyeska currently is asking for a partial route change that would parallel the 48-inch pipeline and an access road.

Awaiting resolution, as well, are a number of problems with some of the 80,000 VSMs holding about half the pipeline above ground.

Erosion is causing some to list, and government and project inspectors have noted others where concrete was poured improperly in VSM holes. Last week, 20 VSMs began sinking from required water pressure tests. The concrete had not been allowed to set adequately before the tests were taken.

More than 1,000 VSMs reportedly are too close to the pipe, and there is danger the pipe may hit them as it moves back and forth from expansion and contraction.

Pipeline Cost Pinches Owners

(By Rosemary Shinohara and Sally W. Jones)

Alaska thought it had a bonanza when the 1969 oil and gas lease sale on the North Slope made the state suddenly $900 million richer.

That money—long gone today—pales by comparison with the wealth that development and marketing of Prudhoe Bay crude will bring to Alaska in taxes and royalties over the next 20 years.

The first year oil begins traveling south through the pipeline, state revenues from the pipeline and oil are forecast at $654 million. That's enough money that a stack of $20 bills would extent 2.4 miles high, buy nearly four companies the size of Tesoro at today's stock prices, or purchase a new Cadillac for one-third of Anchorage's residents.

For the eight oil companies that own the trans-Alaska oil pipeline, the year oil starts flowing will also be a bountiful one. It will mean a long-awaited return on an investment that has strained one of the major owner companies to its financial capacity.

Standard Oil Co. of Ohio (Sohio) owns about one-third of the pipeline, the biggest share. In a prospectus published more than two months ago, Sohio said that if project costs continue to climb, the company will have to alter its financing structure. That could mean selling more shares, or perhaps a piece of the North Slope holdings, according to a New York oil analyst.

But even though Alaska and the oil companies can look forward to profitable times, prospects are that the pipeline's final cost may rise beyond today's estimate of $7.7 billion, and that construction obstacles could set the operation date back by several months.

The State Department of Revenue estimates that a six-month delay in start-up of the project would cost the owner oil companies more than $800 million in savings on interest and lack of capital flow to reinvest.

That's more than 10 per cent of the present cost forecast for completion of the project.

If oil began flowing Jan. 1, 1978, six months after the scheduled date, an estimated $175 million in state revenues from royalty and production taxes would be delayed, the State Revenue Department estimates.

As the cost of the project rises, the ultimate profits for both the state and the oil companies may be affected. Consumers already can look to Prudhoe Bay oil to be more expensive than other domestically-produced oil, and the ever-rising costs of the project will take a toll at the market place.

For Alaska, the size of the forthcoming North Slope revenue bonanza depends on a complex set of circumstances of which the pipeline cost is a part.

Alaska's production taxes and royalties are based on the wellhead value, and they increase as the wellhead value increases. The wellhead value is the price at which the crude oil is sold, minus all costs for transporting it to the point of sale.

The wellhead value will be influenced by:

The final cost of the pipeline project. The eight oil companies that own the pipeline will attempt to recover the cost of building it in transportation tariffs that will probably be set by the Interstate Commerce Commission. The price at which the oil is sold, minus the tariffs, equals the wellhead value—the higher the tariff, the lower the wellhead value.

The world price of oil, and world market conditions. Alaska's oil will cost more than other domestically-produced oil, but it must compete economically with world prices set by the major petroleum exporting companies. As the world supply diminishes, Alaska's crude will be more valuable.

Government regulation affecting the price of oil. By April 15 of next year, the Federal Energy Administration is to make a decision on the value of Prudhoe Bay. Until then, the state can only second guess what the FEA might do.

Twelve and one-half per cent of the oil on the North Slope belongs to Alaska in royalties and the state can either take it in kind or take 12½ per cent of the wellhead price of oil produced.

Two taxes will bring in state revenues from the pipeline—a severance tax equal to about eight per cent of the wellhead price of oil produced, and a 20 mill property tax on the pipeline and its related facilities.

With two of those taxes based on wellhead price, a penny difference in the wellhead price will mean roughly $1,095,000 difference in annual state revenues by the time the pipeline is operating at an expanded capacity of 1.5 million barrels per day.

Of the three revenue sources, the royalties are the most significant. In the first year the pipeline is scheduled to operate, from July, 1977 to June 30, 1978, the state expects its North Slope royalty income to reach $413 million, compared to $89.2 million for the production tax and $152.1 million for the property tax.

By mid-1979, the State expects the pipeline to be operating at the level of 1.5 million to 1.6 million barrels per day. For fiscal year 1980, the combined severance, royalty and property taxes are expected to bring in state revenues of $1 billion.

Even before the oil starts flowing, the state government is depending on revenues from oil on the North Slope. This year's budget is projected at $700 million, and more than half of the funding for it will come from a reserves tax on North Slope oil, and property taxes on the development facilities.

The reserves tax, instituted in 1975 to carry the state budget through a lean period until oil begins flowing, expires on June 30 next year. The interim reserves tax represents $258 million of the $386.2 million the state will earn this year from the partially completed project.

If the pipeline is delayed, the state will be left with nearly empty pockets until the oil flows, unless the legislature reinstates the reserves tax.

Like the State of Alaska, the oil companies will also earn production profits based on the wellhead price.

They will fight for their financial interests on two fronts: They will seek the highest market price possible, and they will seek the highest possible tariff in order to recover their investment in the project's hardware—the Alaska pipeline, oil tankers, and distribution systems outside.

Rising costs for the pipeline threaten to shoot up the tariffs at the expense of the wellhead, diminishing the return the oil companies can expect.

In early 1974, when the project was still in planning stages, the price forecast was $4.5 billion. By this year, the forecast was up to $7 billion, and earlier this month, Alyeska announced a 10 per cent increase in the forecast, to $7.7 billion.

Owner companies still say in their financial prospectuses that it is difficult to predict the ultimate cost of the pipeline. Some sources believe the final price tag may rise to $8.4 billion.

As the project costs increase, the owner companies must scratch to generate financing for the pipeline. As of late April, the eight oil companies in the Alyeska Pipeline Service Co. consortium had spent $4.58 billion on the pipeline, government documents show.

There are four major participants—Sohio with 33.34 per cent ownership, Atlantic-Richfield Pipeline Co. with 21 per cent, Exxon Pipeline Co. with 20 per cent and British Petroleum Pipelines, Inc. with 15.84 per cent.

Four other companies, Mobil and Union, Alaska Pipeline Co.s, Phillips Petroleum Co. and Amerada Hess Corp., have interests ranging from 1.5 per cent to 5 per cent.

Because Sohio is the largest shareholder in the pipeline project, it is the company that feels the most pressure every time the eight owner companies swallow the pill of higher construction costs. It feels the pressure, as well, because it is a small company by international oil industry standards.

But along with the bitter pill of the high cost of Alaska oil is the promise of a guaranteed crude supply for the first time in the company's history.

Line a Nightmare for Management

(By Sally W. Jones and Rosemary Shinohara)

In 1974, the Alyeska Pipeline Service Co. chose some of the most powerful independent contractors in the country, gave them the ground rules for hiring a sometimes-explosive mixture of union hands, and hired Bechtel, Inc., an industry giant, to tame them all.

From the start, it appears, the pipeline project has been an efficiency expert's nightmare.

A complicated, often-duplicative management and organization structure has more often impeded than aided smooth sailing on the project, according to documents and persons interviewed by The Daily News during a three-month investigation of the project.

In those early days of construction, Bechtel, Alyeska's prime project management contractor, sat on the third organizational rung of the project.

At the top, then as now, were the eight owner companies that own the pipeline and Prudhoe Bay oil.

Beneath the eight owner companies, then as now, was Alyeska, the consortium the eight companies formed to build the line that will tap the nation's largest known oilfield.

And beneath Alyeska were two management contractors—Bechtel, which chose with Alyeska's approval the five prime "execution contractors" building the pipeline; and Fluor, Inc., which oversaw the Valdez terminal and pump station portions of the project. The two management contractors also performed quality control services for the project.

The owner company-consortium organization scheme is an unusual one in the pipeline industry. "I guess you could say it's been a unique mess from the start," said an Alyeska source.

In essence, the management team of Alyeska serves two masters, even though the men who control the largest private construction project in history are on Alyeska's payroll.

Edward Patton, chairman of the board and chief executive officer, is on loan to the consortium from the Exxon Co., where he managed construction and operations of a major refinery in Benicia, Calif.

Dr. William D. Darch, recently installed as Alyeska president, was manager of British Petroleum Ltd.'s worldwide refinery operations.

Peter DeMay, vice president for Alyeska administration, is also a former Exxon refinery hand.

George Nelson, vice president of Alyeska administration, is a former Standard Oil of Ohio (Sohio) manager of management systems.

The names of on-loan, owner-company alumni are peppered through Alyeska personnel lists. Some will return to their companies when the project is completed, and others may not be asked to return.

For the most part, management men at all levels are loyal to the eight-company consortium. But many are fully cognizant of their former companies' interests, as well, say Alyeska sources.

And some, say the sources, routinely report to their former companies on the inner workings of Alyeska. This two-masters syndrome, a high-level Alyeska source told The Daily News, became so pernicious last year that Patton sent a directive to all department managers to refrain from over-corresponding with their former employers.

The eight owner companies pay Alyeska's bills. It is they who must answer to the stockholders and Wall Street, not Alyeska.

To keep tabs on the project, a group of owner company representatives, called the "construction committee" meets for one day each month to review the project's progress. The committee must approve any major management changes. It announces major appointments to Alyeska, such as Darch's last month. And it approves, and announces, any revised project cost estimates for the line's construction. For the day-to-day construction and organization of the building project, Alyeska is given a free hand; but the consortium is answerable to the owner companies.

And despite its power, the construction committee wields a slow moving hammer.

"By the time you hear any Alyeska rumors on the street, the owner companies have hashed it out for two months," said Chuck Champion, the state's pipeline coordinator.

Put another way, said an Alyeska spokesman, any major decision "is argued in eight (owner company) board rooms from eight different (vested interest) points of view."

And Alyeska must translate these policy directives to the major contractors and more than 20,000 workers in the field. It is a transition that often works better on paper than it does at a welding, pipe burial, or other construction spread.

To carry the policy forward, Alyeska chose Bechtel and Fluor.

Fluor's role has changed little, though it holds a key to pipeline start-up by mid-1977, as it battles with equipment delays and final design for the Valdez terminal.

But Bechtel's role underwent a major change last year.

By any standard, the Bechtel Corp. is an industry giant. A family-owned company, it has built pipelines in Egypt and Saudi Arabia. It has built hydroelectric plants, including a major portion of Hoover Dam. The Oakland Bay Bridge is a Bechtel project, as were 494 Liberty ships during World War II.

From small beginnings hiring out mules to gangs laying the railroads in Oklahoma Territory, Bechtel rose to become a subcontractor for the Union Pacific and Southern Pacific Railroads and later to become the active multinational corporation it is today.

It was Bechtel, Inc.'s specialty in gas and oil pipelines that Alyeska tapped to oversee all construction and quality control for the 800-mile pipeline haul road and construction camps.

Curiously, the trans-Alaska pipeline project was treated as a foreign construction effort when contracts with the major builders were negotiated by Bechtel for Alyeska. The contractual system was patterned after an Exxon formula used commonly by industry for overseas projects.

The difference in overseas and U.S. contracting is a basic one: in the U.S. a contractor is awarded a job and he performs it as he sees best, answering for his work when he hands over the project.

But on overseas contracts, the contractor is closely supervised and builds the project as he is told. In Alyeska's case, the overseas-style contracts are also "cost-plus."

Because of the way contracts were negotiated, the total payments to major contractors are not yet known by Alyeska, because Alyeska is reimbursing contractor costs as they occur.

The price the contractors are being paid to build the pipeline is computed from two factors. Contractors are paid their costs and a fixed fee, or agreed-upon profit.

In return for the contractor's fees to be paid by Alyeska, the contractor agreed to furnish certain "fixed" items, such as specific equipment, managerial and secretarial staff, and pay staff and travel costs. But Alyeska agreed to pay the contractors for "reimbursable costs."

In this category, Alyeska furnishes or pays for field workers' transportation, supplies not outlined in the contracts, any materials the contractors need to build the 48-inch pipeline, and the costs of hiring the union members who were guaranteed the highest paychecks of any construction project in a separate agreement with Alyeska.

Alyeska has not publicly revealed the worth of the five major contracts it awarded for the pipeline work, but an informed source within the consortium said some of the contracts "are in the $900 million range."

The source said, as well, that many of the contractors on the line, though their jobs are lucrative ones, have chafed under the overseas system that removes full field control from their hands. "It's very distressing to normal big (U.S.) contractors to have to work under these conditions," the source said.

Having negotiated the contracts for Alyeska, Bechtel's role changed to directing the contractors in the field.

The system worked—for awhile.

Bechtel jumped in and had the 360-mile pipeline haul road north of the Yukon River built ahead of schedule, established pipeline construction camps, and let 160 subcontracts.

Then, for reasons that remain unclear, Alyeska retrenched. It was time to actually begin laying the pipe, and Alyeska apparently wanted direct control.

On April 1, 1975, Alyeska began making changes in the field that moved Bechtel from Alyeska's management contractor for the pipeline to a contractor performing quality control and project support.

The major reshuffle in management was not publicly announced until nearly two months later. By that time, Bechtel had slipped on the pipeline organization chart and had little more authority than the major contractors in five geographical sections that it formerly managed.

From April, 1975 to the present, Bechtel, like the six Alyeska department managers, have reported to Frank Moolin, who is Alyeska's senior pipeline project manager. In effect, Moolin's department, which lies directly beneath DeMay, is now performing the overall pipeline management function that Bechtel was hired to do.

"Alyeska made a mistake in hiring Bechtel at the start," said an Alyeska source who was close to the management change last year. "From the time Bechtel took over in the field (for pipeline construction) Alyeska hired just about one man for each Bechtel man to look over Bechtel's shoulder. If they were going to hire Bechtel, they should have let them do the job."

Another Alyeska source close to the change at the time said, "I don't think Bechtel was given a chance to mobilize at the time . . . they were thrown in piecemeal when Alyeska already had relationships in all these areas—labor relations, procurement and the like—Bechtel was just sort of elbowing in. As a result, there was resentment between both of them" (Alyeska and Bechtel), said the source.

Bechtel's was the first major organizational change on the project. But because of or in spite of it, it was not the last; and rumors and reports from the field as well as Alyeska and government offices are rife with examples of uncoordinated management from Alyeska's highest levels to the lowest level of the field.

Rumors that Patton would be removed persisted on the street for weeks before he was made executive officer and chairman of Alyeska and Darch became the man that Alyeska vice-presidents answered to.

Owner companies reportedly were concerned that they were losing control of Alyeska and the pipeline's ever-higher cost, according to a Daily News source who is close to the construction committee.

And Alyeska, in turn, reportedly became concerned last year that it was losing control of the five major contractors.

In late 1974, Alyeska estimated peak manpower forces on the line would reach 15,600 persons in 1975 and 12,000 this year. Once construction began, schedules began slipping.

Last year, the actual manpower level was 21,600 workers, and as of July 4 this year, it stood at 20,956.

Some 18,000 union workers who earn salaries ranging from $9.71 to $18.70 hourly were among those working on the project early this month.

Patton has said labor accounts for 65 per cent of the project cost, and labor productivity has been an Alyeska concern throughout the project. The consortium has done no study on labor productivity. But Moolin in December, when he laid down this year's construction ground rules, said Alyeska planned to save four million manhours in labor cost this year.

Last September, Alyeska anticipated a peak workforce this year of 18,000. "I think it is safe to assume we haven't saved that four million hours," said an Alyeska source.

The spiraling union labor cost—all of which Alyeska pays—was among the reasons Moolin's "Pipeline Department Control Manual" for contractors and other Alyeska departments in December was couched in get tough language.

He told the contractors Alyeska's pipeline department must approve all overtime. He said Alyeska expected that better care be taken of Alyeska-supplied equipment and property.

And he said the firm no longer will tolerate paying for costly mistakes made by the contractor, regardless of the cost-plus contract agreements.

Nevertheless, progress reports for the pipeline project indicated as late as the end of June that actual hours worked on the line were exceeding the budget in all but one of the five construction sections.

Numerous state and federal field reports indicate that Morrison Knudson-River Co. (MK-R), a joint venture in the southernmost section of the line, has continued to go its own way in the field, often bypassing the Alyeska engineers placed to oversee the project from Moolin's office.

In another construction section, a contractor this year openly was boasting to government surveillance men that Alyeska's numerous engineering changes in the field were going to be translated to much higher bills from the contractor.

And other government reports from spotty locations all over the line this year say Alyeska engineers in the field have little rapport with Alyeska designers and planners in Anchorage.

Underlying these conflicts are the directives from Moolin's department in Fairbanks, succinctly stated in the control manual issued in December:

"We accomplished considerable work in 1975. But, it wasn't enough; in 1976 we will have to do more than we did in 1975," said Moolin. "We are also looking for a different attitude in 1976; we are looking for an activist approach on the part of execution contractor management, from foremen on up, to aggressively control the activities for which they are responsible," Moolin said, warning that Alyeska planned to become increasingly active in management.

Since that manual was distributed, two contractors have seen their turfs shrink.

MK–R was given greater territory at its northern boundary, and the joint venture of Perini Arctic Associates to the north lost part of its responsibility.

Earlier this month, Alyeska reshuffled the contractors that have responsibility for the two northernmost sections of the line.

The joint venture of Associated Green was given more construction responsibility and took over a portion of another joint venture, Arctic Constructors, to the north.

DeMay said the change was implemented so that Arctic can "dedicate itself to remedial work" for weld deficiencies in the far north portion of the line.

DeMay did not indicate whether Alyeska renegotiated the four contractors' construction contracts.

They make as much as $50,000 a year, their kids go to good schools, they have nice homes.

And they're used to "getting respect back in America," says Wendell Faile, a Pipeliners Local 798 foreman at Livengood Camp north of Fairbanks on the oil pipeline.

Local 798, whose members once stopped work in three of the five sections of the pipeline, has a reputation as a tough, clannish organization—a group of Tulsa goons, as Faile put it.

Pipeliners interviewed on a pipeline spread near Livengood last week agreed they are close and defensive of one another.

But tough? "I believe the main frustration in this camp stems from the washing machines," says Faile.

With two washing machines per dormitory wing, the welders sometimes work 11-hour days, then stay up until 1 or 2 a.m. for a chance at the washing machine, he says. "That's the greatest indignity of all."

The union is based in Tulsa, and sends men to the pipeline project from there.

It is an elite organization, resented by some Alaskans because the members are mostly outsiders, and resented by others on the pipeline because 798ers are close, have one of the glamour jobs on the project, and make high wages—$18.25 an hour, straight time.

Densel Stewart, of Bogalusa, La., a 10-year pipeliner, says 798ers are "a close knit family because there aren't that many of us—you see them everywhere."

Faile, an Alabama native who is planning to attend law school at Western State University in California, says there are only 6,000 to 7,000 pipeliners. "Us and our wives travel all over the country. We're a small town."

Pipelining isn't full-time work. When this project ends, the next big one in the U.S. is expected to be the North Slope natural gas pipeline.

Between jobs, some pipeline welders run businesses of their own, work construction, or go on unemployment.

Bob Ridenhour, of Tulsa, a pipeliner for 15 years, says he runs an electrical shop between jobs. He also hot rods and builds drag strips.

Stewart has a welding rig at home. David Greer, a welder's helper from Louisiana, works in the building trades between pipeline jobs. "Sometimes you can't work, you just have to go on unemployment," says Greer.

On the pipeline, the welders have as many complaints about camp conditions as any of the workers on washing machine inconveniences, food in the field, and regimentation.

Last summer, after a new policy prohibiting workers from taking raw steaks to the field to barbecue for lunch was instituted, about 30 pipeliners at Tonsina Camp caused damage estimated at $3,000 to the camp mess.

Last week, a busload of 798ers shared lunches of ham, cheese and peanut butter sandwiches on stale white bread with visitors. "Would you send your husband off to work with this?" asked Faile.

Greer says after his present tour is up, he's quitting. "I'm tired of being treated like a prisoner. You show your badge to eat, you show your badge to do that."

Faile says, "These people would really like to put numbers on our backs and call out the bull whips."

Last Wednesday, a 52-year-old pipeliner at Livengood who wanted to eat after the dinner line had closed allegedly became angry, and was arrested by an Alaska State Trooper stationed at the camp. A crowd consisting largely of 798ers became unruly, and one other man was arrested for assault, according to the Trooper's report.

The hungry pipeliner was an old man who had worked long hours, and was arguing for some hot food, welders interviewed after the event said.

"If you complain, you're a Tulsa goon," says Faile.

The welders have been sitting back watching official Washington and the Alyeska Pipeline Service Co. grapple with problems of X-ray documentation of welds, but they have theories of their own.

"All these bad welds are not really bad, they just lost the X rays," says Stewart. "Still they keep coming with the headlines, 'Faulty Welds.' Maybe they should say 'Faulty Bechtel,' or 'Faulty Management.'"

Ridenhour says, "I feel the same as he does. I feel like the news media really runs this weld business to the ground."

Stewart says the work on the pipeline is "some of the best quality of welding I've ever seen."

Inspection of welding is also tougher on this project, with stringent specifications written into the job by state and federal government agencies. Bechtel, Inc., performs quality control work for most of the project.

There are also several steps that must be followed before a weld can be approved, buried, or repaired, and that process frequently means a slow-up in work. "The working people are not causing any hold-ups out here. Everybody's hands are tied."

[Seventh in a series]

LINE TARIFF BATTLE SIMMERS

(By Sally W. Jones and Rosemary Shinohara)

The little-known fledgling Alaska Pipeline Commission, tucked away in Anchorage's MacKay Building, may hold the key to getting the State of Alaska maximum yield from the trans-Alaska pipeline project.

Lambasted, stripped of authority and gutted by the most recent session of the legislature, the commission nevertheless remains one of the central players in the upcoming battle of the pipeline tariff.

The battle currently simmers on back burners within pipeline owner companies and state offices. But when the tariff issue ripens, it could boil from the tiny community of North Pole to oil company board rooms Outside and the offices of federal government regulatory agencies.

The tariff is the bus fare Prudhoe Bay oil owners will pay to carry their oil through the pipeline system now estimated to cost $7.7 billion.

Wrapped into the tariff are the cost of building the system, a "reasonable return on investment," (or profit), amortization fees, and operation and maintenance costs of operating the pipeline, which is considered a common carrier available to any user.

The higher the tariff, the lower the revenues the State of Alaska will receive from its royalty share of oil. The state's royalty and tax revenues will depend on the wellprice of North Slope crude. That price cannot be determined until the Federal Energy Administration sets the Prudhoe Bay oil price and until pipeline and tanker transportation costs (tariffs) are known.

And although specific dollar figures have not been set, one thing is certain: Alaska's best interest is to assure that the tariff is as low as possible.

The state Department of Revenue estimates that a pennyshift in the wellhead will represent $1.09 million annually to Alaska.

Because of implications on the pipeline tariff—and therefore state revenues—state officials from Gov. Jay S. Hammond on down to the pipeline commission are concerned with the rising costs of the pipeline project.

"Our concern is who is going to eat these costs—how much will come out of state revenues?" said Hammond.

That same question also has disturbed the eight owner companies which are paying Alyeska Pipeline Service Co. to build the pipeline. But as owners of oil in the field, the pipeline builders essentially will be paying the tariff on paper. Although they must pay to use the pipeline, they share, as well, in pipeline profits.

Not so with the state, which may market its 12½ per cent share of royalty oil itself, or take a 12½ per cent share of the per-barrel wellhead price. Either way, the state gets no return for tariff fees.

To protect Alaska's interest in wellhead profits, the legislature established the pipeline commission in 1972.

Until the most recent session of the legislature, the commission held the authority to argue the state's tariff case before the Interstate Commerce Commission (ICC) when the rate case is filed by the individual owner companies owning the pipeline.

This year, after a bitter, sometimes behind-the-scenes debate, the legislature stripped the commission of its ICC intervention powers and vested that role in the attorney general's office. The commission is to provide back-up support for that effort.

Legislators close to the issue said they were irked that the commission had done little to prepare for the Alaska pipeline tariff proceedings. Largely because of legislative pressure, two commisioners were edged out of their jobs, and John Werner, pipeline commission chairman, now is the sole active member.

He said the charges were unfair. "You can't say one day, 'you've got a commission and the next day expect a mature commission'," said Werner. This is a complex issue, and there has been only one application before us (for the Nikiski Pipeline) in four years. "We were precluded by the legislature from any involvement in the Alaska pipeline in the way of granting a certificate" at the time the pipeline lease act was approved and signed, said Werner.

Despite the wrenching experience with the legislature, the commission and Atty. Gen. Avrum Gross quietly are digging for the data that will determine whether the state has a case for attempting to eliminate unnecessary pipeline project costs from the tariff.

"Attacking those costs has been done before in other places, but not very often and not very easily," said Werner. "It's a hard thing to prove."

Even if the state does not move to attack excess costs in the federal ICC proceedings, said Werner, it will attempt to ferret out the costs as a basis for the Alaska pipeline tariff it must set for any portion of the pipeline that moves oil solely for use within Alaska.

The commission will set a tariff for the Prudhoe Bay to Fairbanks portion of the pipeline, because North Slope crude will be used in a new North Pole refinery. If oil is sold at Valdez for in-state use, the commission will set a tariff for the entire line, he said.

Werner said the state can expect little tariff scrutiny from the ICC. "Once the tariff is filed (by pipeline owner companies) it becomes effective in 10 days if there are no protestors," (intervenors), said Werner.

And casting a cloud over the entire tariff issue is the question of whether the ICC has jurisdiction, at all, in setting the tariff for the Alaska pipeline system.

The Federal Trade Commission (FTC), in a September report, said the pipeline system may not be a classic interstate common carrier because private tankers will be used to carry oil from Prudhoe Bay.

The Interstate provision for ICC regulation may not apply, said the FTC, because the water leg of North Slope crude shipment may not be undertaken by common carrier shippers.

"Nor is state jurisdiction clear" if private tankers are used, said the FTC.

The state commission may only regulate or set tariffs in areas the ICC does not, such as intrastate commerce. "In theory, at least, the state authority is thorough-going in those areas when the ICC does not regulate, but may not exist at all if the ICC does not have any regulatory authority," said the FTC.

"This report concludes that there are substantial questions as to the scope, and even existence, of ICC regulatory authority over the Trans-Alaska Pipeline System that should be considered by Congress," said the FTC.

Werner and Guy Martin, state commissioner of Natural Resources, said this week, however, that it is generally believed that the ICC has jurisdiction.

Neither Werner, Gross, Hammond, nor Guy Martin are convinced that Alaska would succeed in attempts to reduce the tariff, however.

Pipeline Problems Lie Ahead—Alyeska

(By Rosemary Shinohara)

The company responsible for building the Alaska oil pipeline is "announcing as many problems as possible" when they occur—and defusing interest by the press about those problems by doing so, Bob Miller, chief of public affairs for Alyeska Pipeline Service Co., said Wednesday.

Miller, speaking at an Alaska Press Club luncheon, said he doesn't think the problems on this project are worse than those encountered on other construction projects.

But, he said "The problems tend to be magnified. What we do not consider problems become problems in the press."

The press will have a field day with problems that will be uncovered between now and the end of the project, as testing of the pipeline, pump stations and terminal take place, Miller said.

"There will be a lot of them there, a great many," he said. "I am confident there will be a number of problems with out-of-roundness, and with VSMs."

The VSM's, vertical support members, are piling units that support the above-ground part of the pipeline. The VSM system is new, and a lot can go wrong with it, Miller said.

Even after the pipeline, pump stations and terminal are completed, there could still be project problems, he said.

"You can put water in it, or Pepto Bismol even, but until you put oil in it, you won't know how it works."

Responding to a question, Miller also commented about a series of articles being printed in The Daily News on pipeline problems. He said the article appears accurate, but, "quite frankly, they bore me to tears. Reading about all the construction change orders on the project is as interesting to me as reading all the 'begats' in the Bible. But I may be too close to the project."

He also talked about the preliminary report made by Arthur Andersen and Associates to the federal government. The Andersen report said Alyeska's documentation of welding and X-ray problems in 1975 was confusing.

Alyeska's own audit of 1975 X-ray records was designed to check into falsified X rays and missing X rays. It accomplished that purpose, Miller said. The audit was not intended to demonstrate to the federal government that Alyeska had complied with pipeline stipulations, he said.

The demonstration of compliance will come at the end of the project, when Alyeska will have a computerized master list that will tell the Department of Transportation "more than it ever wanted to know" about each weld, se said.

The Alyeska public affairs chief said he firmly believes the pipeline will be finished by the end of this year, although hydrotesting—testing how the pipeline works under pressure with water—may be behind schedule.

The hydrotests can take place early next year without delaying the pipeline start-up, Miller said.

[Eighth in a series]

Line Spills No Secret

"This book and its entire contents are the property of the owners of the Trans Alaska Pipeline System, and remain so wherever found, and are confidential and proprietary to those owners, consisting of commercial information of a confidential and proprietary nature."—Introduction to the White Book.

"CAUTIONARY NOTICE"

"This specification contains restricted information that is the property of Alyeska Pipeline Service Company. It is furnished to the recipient strictly for use in connection with the facilities concerned."—Pipeline job specification.

(By Rosemary Shinohara and Sally W. Jones)

From guarded doors to warnings on documents, the security of the Alaska oil pipeline and the oil industry seems as tight as a CIA file on enemy agents.

It is difficult and sometimes impossible to probe the inner workings of the project, even though it is one of the most scrutinized construction jobs in history, The Daily News found during a three-month investigation.

Alyeska Pipeline Service Co. executives at headquarters in Anchorage and the company's Public Affairs Department are exceptions to the general silence that pervades the job.

It is possible to contact E. L. Patton, Alyeska's chairman, directly by telephone, sometimes without talking to a secretary first. And the Public Affairs Department makes an effort to report on every major problem encountered, "because they'll (the press) find out about it, and we prefer to announce it first," said Bob Miller, Alyeska public affairs manager.

Beyond those two open doors, however, lurks a network of security precautions which hinder both those seeking public information and those seeking industry secrets.

Claims that memoranda, contracts, reports and other documents are proprietary information are commonly written on information about the project, whether there is legal basis for confidentiality or not, a legal source formerly at Alyeska told The Daily News.

"I try to throw that 'confidential' stamp on as much as possible," he said. Government agencies which receive the documents frequently don't know whether information really is proprietary, and the label often prevents sensitive information from being disclosed, he said.

Alyeska's audit of welding and X-ray deficiencies encountered on the project in 1975 was prefaced by such a proprietary claim.

The audit, known as the White Book, was obtained in May through a Freedom of Information Act request filed with the Alaska Attorney General by The Daily News.

The "confidential and proprietary" White Book contained two reprints of articles that had been published by others, and information about X-ray and weld problems, including data on a sound wave technique for examining welds. Alyeska officials said later the sound wave testing information was primarily what the proprietary claim was based on.

The White Book stands in stark contrast to geological data that Alyeska went to great expense to obtain. The Northwest Pipeline Corp. and El Paso Alaska Co. tried to get geological information gathered for the oil pipeline through Freedom of Information requests filed with state and federal agencies.

Northwest and El Paso are competing for rights to build a gas pipeline from the North Slope. Their request for Alyeska's data was turned down by both state and federal officials.

Other signs of security-consciousness abound on the pipeline.

Contractors must sign a pledge agreeing not to talk to anyone but Alyeska about any incident or data related to the project. Contractors are specificially instructed not to communicate with the news media concerning oil spills.

Beverly Ward, an Alyeska public affairs officer, said at a press seminar earlier this year that the pledge was designed to prevent inaccurate information from being given in the field by persons who have no overall view of the project.

Before entering Alyeska's headquarters building in Anchorage, vistors must sign a log, telling whom they are visiting and at what time. The visit must be confirmed by someone from within the building. A guard stands at the entrance. Even the parking lot is not exempt—park over the yellow line, and you may receive a warning notice, which says, "A record has been made of this violation."

Alyeska will take journalists on tours of the pipeline at no expense to the journalist, but the tours are always in the company of an Alyeska representative. There is a two-day limit on tours. That limit is somewhat flexible, an Alyeska spokesman said, and it helps to curtail outside media representatives who may want to go all over the line a few days' time.

Visits to the terminal site at Valdez are limited to Wednesday and Friday. That's not because they're model days, said Lou Cancelmi of Alyeska's public affairs department. "Almost everyone that visits from outside wants to go to the terminal," he said. There are nearly 4,000 workers there on a 1,000-acre site, and the terminal project manager finally requested that traffic be limited, he said.

In the field, two companies have multimillion dollar contracts to provide security services. Anyone entering a camp must show a badge. No private vehicles are allowed on the workpad.

A publicity-shy attitude concerning the project extends from the field to the owner company offices in Cleveland, Los Angeles, Houston and elsewhere.

A Daily News reporter requested an interview in June, 1975, with a Standard Oil Co. of Ohio vice president who has offices in Cleveland, but who travels to Alaska frequently as chairman of the owner company Construction Committee which directs Alyeska.

A year later, another reporter requested an interview with the same Ohio vice president, while the first reporter questioned a representative of Exxon USA about the Construction Committee.

Sohio dug out the 1975 request, compared notes with Exxon and Atlantic-Richfield, which had also been contacted, and finally agreed to an interview, with certain conditions limiting what could be discussed.

The interview was to be limited to Sohio's relationship to Alyeska, and the Construction Committee, and it had to satisfy requests made to other owner companies for pipeline information as well.

Oil companies have a history of keeping close tabs on information that might reveal discoveries or other secrets to competitors.

[Ninth in a series]

WELDS THE HOTTEST HASSLE ON THE LINE

(By Rosemary Shinohara and Sally W. Jones)

Blend together the most-publicized pipeline project ever; troops of proud, temperamental technicians; overlapping cadres of watchful eyes; and Washington, D.C. in a pre-election summer.

Add to that recipe a dash of welding.

And watch the mixture boil over into Congress, President Ford's executive branch of government and the national press—nine months after the public debate began in Alaska.

The story of welding problems along the trans-Alaska pipeline has become such hot property that even Johnny Carson wove it into his "Tonight" show monologue two weeks ago. Alaska pipeline welds have become, to understate, a sexy issue Outside.

Neither state and federal monitors, nor the Alyeska Pipeline Service Co. believe the problems are as serious as they have been represented in Congressional hearings, and the national press. Yet all three acknowledge that welding problems have been a serious concern from the start of the project early last year.

The nation first woke up to the welding problems when Alyeska met with state and federal officials May 4 and 5 to release and discuss a "White Book" audit report that identified 3,995 problem welds of the 30,800 done on the project last year.

Alyeska has not formally asked for a waiver of federal welding regulations, which are based on American Petroleum Institute standards for the size of particular defects that are allowable.

But Alyeska made it clear at the May meeting that it wanted the standards relaxed for more than 1,000 deficiencies, and it based its arguments on the contention that the standards were not written for 48-inch pipe of the quality being used on the project.

An inspector from the State Pipeline Coordinator's Office, said in his May 7 report on the meeting "Mr. E. L. Patton advised the group that without the requested waiver, that extensive pipe not accessible for repair would have to be taken up and replaced, or bypassed with new pipe; that the completion of the project would be delayed at least one year with a loss of revenue to the state, federal government and the owner companies."

Three days after the meeting, Undersecretary of Interior Kent Frizzell ordered Alyeska not to cover future welds along the line until each weld was certified by X-ray procedure to be up to standard. The national debate on the audit soon followed.

Alyeska has said publicly it is confident no delay in completing the project will result from welding. A total of 2,305 of the welding program deficiencies have been fixed.

What hasn't been fully answered in the debate over the problem, however, is how or why it happened. The Daily News has documented these welding problems that began more than 18 months ago:

As early as March, 1975, State Pipeline Coordinator's Office inspectors began reporting that welding and X-ray crews were spreading far apart. In May, the state formally warned Alyeska about the problems.

From the beginning of welding on the line in early 1975, inspectors from the state office and Interior's Alaska Pipeline Office were concerned that there were no guidelines for firing a welder for poor workmanship. Alyeska's own quality assurance audit teams expressed this same concern as late as April this year, even though Alyeska had assured government agencies that welders would be fired if work was below par.

According to state and federal reports and Tom Ketchbaw of Ketchbaw Industries, the contractor performing X-ray work south of the Yukon River until January, equipment in the welding and X-ray program was lacking last year. Welders lacked shelters in which to work and X-ray equipment was breaking down. The shelters are required to assure wind or rain does not affect weld quality.

Alyeska, itself, has documented that X-rays were falsified both north and south of the Yukon. By January, Ketchbaw was fired from the project after an Alyeska audit last August found alleged falsification of X-rays in Section 3, just south of the Yukon.

Alyeska, federal and state officials have said quality control breakdowns on the line probably caused the X-ray and welding problems. Quality control was performed by Bechtel, Inc., and a Bechtel official has denied the allegation. Nevertheless, Alyeska, state and federal officials have said unqualified inspectors were reviewing welds, a charge Bechtel has denied.

In addition, quality control inspectors last year were required by Alyeska to spend lengthy time logging and recording X-rays, with little time left for inspecting the film. New procedures implemented this year assigned that recording task to other workers.

From the start of the project, and even until June of this year, weld reject and repair rates have been high. In some areas at some times, the field repair rate has risen to 70 per cent. Overall last year, the repair rate was 30 per cent, against a normal 10 per cent repair rate in the industry.

State Pipeline Coordinator Chuck Champion told The Daily News at least part of the welding program problems last year—and some this year—resulted from "a push at the field operational level to get high production on welds."

This push for speedy construction has caused concern among both state and federal pipeline monitors. They have argued since last year that if the two groups welding each joint too far apart, and X-ray crews get too far behind both, error may be compounded by the time a final X-ray of a weld is interpreted. Thus, they argue, a welder may unknowingly make the same mistake for weld after weld if the mistake is not caught early by X-ray.

Ketchbaw has charged that a pipe got buried or taped before his men could X-ray it. He also told The Daily News he asked Alyeska early last year for permission to hire additional men because his crews were falling so far behind. He said his request was denied.

[Tenth in a series]

ENGLAND HAS BIG SHARE—SOHIO OIL PROFITS GO TO BP

(By Rosemary Shinohara and Sally W. Jones)

When oil starts flowing through the Alaska pipeline, the Bank of England will have cause to rejoice.

So will Her Majesty's Government.

The bank and the United Kingdom are major stockholders in a foreign corporation that will have a controlling interest in Prudhoe Bay, the largest known oilfield in the U.S., when the pipeline is in full operation.

The foreign corporation, The British Petroleum Company, Ltd., will own shares equal to more than half of Standard Oil Co. of Ohio (Sohio) stock through a complex set of arrangements between the companies.

And Sohio will own more than half of the known reserves at Prudhoe Bay.

Sohio's total assets, excluding Prudhoe Bay and the pipeline, were less in 1975 than it will cost the company to pay for its share of pipeline and North Slope development, an April 27 prospectus for Sohio indicates.

As a Midwestern refiner and marketer of petroleum products, Sohio in the late 1960s anticipated a shortage of supply, and began amalgamating with British Petroleum (BP) to secure a sure source of oil.

Its holdings in Prudhoe Bay will turn it into one of the principal producers of domestic crude oil.

The holdings are also forcing the company to strain to its financial limits to raise capital.

Sohio's share of costs to complete the pipeline project to its 1.2 million barrels per day capacity are expected to exceed $2.8 billion, including interest, the company said in its April prospectus.

Add the cost of developing the field, construction of tankers, and other facilities to move the oil to market, and Sohio's expenditures will rise to an estimated $5.5 billion.

The company had assets, excluding the North Slope and the pipeline, of about $1.8 billion at the end of 1975.

Rising costs for the pipeline worry both investors and the men in oil company board rooms, oil industry management sources have told The Daily News.

In its April prospectus for a $250 million offering to raise capital for the project, Sohio said it had enough funds to finance its share at then-current cost estimates "in excess of $7 billion."

But if funds Sohio is raising internally are less than it anticipates, or if pipeline costs rise, a change must be made in the company's financing structure.

If costs rise, Sohio's present agreements with institutional lenders supplying the capital would require the company to sell more shares, sell assets or reduce obligations for expenditures on the project.

First Sohio would sell more shares if the cost gets out of hand, and then it would probably sell part of the project, a New York oil analyst speculated. "Probably they would have to sell less than five percent of their Prudhoe reserves," the analyst said.

British Petroleum, though it is associated with Sohio, has its own undivided interest in the project.

The relationship between BP and Sohio will change when oil begins to flow.

As it stands now, Sohio owns 33.34 per cent of the pipeline; BP owns 15.84 per cent; Atlantic Richfield Co. owns 21 per cent; Exxon owns 20 per cent; Mobil owns 5 per cent; Union, 1.66 per cent; Phillips, 1.66 per cent, and Amerada Hess Corp., 1.5 per cent.

The arrangement between BP and Sohio gives BP a current interest equal to 26 per cent of the stock in the Ohio company. As the future production of Sohio's Prudhoe Bay oil leases increases, so will BP's share of Sohio stock.

BP is to own about 54 per cent of Sohio when the sustained production level reaches 600,000 barrels per day.

Until this year, BP was maintaining a low profile in the Alyeska Pipeline Service Co. organizational structure. When William J. Darch was named president of Alyeska effective July 1, he became the only BP executive now in top management at Alyeska.

The movement of Darch to the Number 2 spot at Alyeska was seen by some persons close to the project as BP exerting power before the operational date nears. Darch is expected to oversee the operations phase of the project.

With the project actually being built by Alyeska, an agent for the eight owners, the oil companies do not keep direct tabs on day-to-day construction. They watch their investment through a publicity-shy committee, the Construction Committee, composed of vice presidential level representatives from each company.

Joseph D. Harnett, a board member and executive vice president of Sohio, is chairman of the Construction Committee, which gets a report from Alyeska management once a month, and operates subcommittees in areas ranging from public affairs to marine transportation.

One committee, the owner Company Audit Committee, takes up half a floor at the Alyeska headquarter building in Anchorage. "They report directly to the owner companies. They police Alyeska," an Alyeska source told The Daily News.

The pipeline's owners also keep a watch on the project by sending representatives out in the field.

Progress reports for the terminal at Valdez log weekly visitors, and the list includes endless oil company executives, from a BP vice president and eight BP lawyers to the entire owners operating subcommittee. Investment bankers from all points of the globe also visit the pipeline.

Even so, the companies apparently have a difficult time keeping control of the project in times of crisis, such as when the extent of 1975 welding and X-ray problems became known in May.

An oil analyst who talked to owner companies during the May crisis said, "I do think they feel like they have their hands tied. They feel they don't have too much control."

[Last in a series]

'77—STILL A GAMBLE

(By Rosemary Shinohara and Sally W. Jones)

Their nicknames are the Canyon King, Delta Deacon, Interior Intruder, Yukon Crosser and Slope Slider.

Each of the "horses" is a prime construction contractor responsible for one of the five sections along the 800-mile Alaska pipeline.

And each horse's progress appears weekly on a "1976 Alyeska Sweepstakes Race to Completion" chart posted in construction camps the length of the $7.7 billion project.

The sweepstakes is a game contrived by the Alyeska Pipeline Service Co., but the stakes are deadly serious.

The contractors are racing to an Oct. 31, 1976, deadline for completion of the pipeline portion of the project so it will be ready to link Prudhoe Bay production facilities, pump stations and the Valdez terminal. To finish their race, the contractors have 15 weeks to complete pipeline work, including burying the line in three steep, weather-plagued mountain passes.

That will leave the rest of the winter and next spring for completion of the Valdez terminal and pump stations and any leftover tests or remedial work.

Everyone, it seems, is asking three questions:

Will the builders finish the project on schedule in July, 1977?

If they don't, what will happen to the players who have gambled on getting Prudhoe Bay riches to market by next July?

And what will be the final cost? Onlookers close to the project—from oil companies and Alyeska to the state of Alaska—predict the final cost will yet reach $8.4 billion or more.

Financial experts from Alaska to Wall Street have tallied pipeline cost and projected the impact of delay—and the implications for the collective pocketbooks of the nation, the oil companies and Alaska are serious.

Thomas R. Stauffer, a Harvard University economics lecturer, has said, as reported by the Christian Science Monitor, the U.S. would have to spend at least $6 million per day for foreign oil to make up for each day's slippage in the July, 1977 schedule for 600,000 barrels to be flowing from the North Slope.

The supplies of oil that will be pumped from the North Slope initially will do little to reduce American dependence on foreign oil. But even a 900,000 barrel daily flow is important for the balance of payments, the Monitor said.

For the owners of Alyeska—eight oil companies with interests ranging from Iran to Italy—a half-year's delay in the flow of oil from Prudhoe Bay would mean a direct loss of $800 million in interest payments and investments that could be made if the oil and the capital were flowing, the Alaska Department of Revenue estimates.

The state of Alaska estimates it will earn $654 million in taxes and royalty income when oil begins to flow, compared to $386 million this year from preproduction taxes.

The Alaska Department of Revenue believes a six-month delay in operation of the pipeline would mean an equal delay in $175 million worth of state revenues, a prospect that even now affects budget planning.

The financial implications of delay are only the best estimates of the men working with balance sheets. For those working with blueprints in the field, charting the possibility of delay is even a less exact science.

There are too many variables that come into play in the field, say Alyeska, the state, the federal government, and owner company officials and prospectuses.

Many of the people with front-row, pipeline-watching seats privately concede the real possibility of a delay looms.

None, however, is willing to state his fears publicly; to do so without absolute certainty could have a chilling effect on money markets.

Nevertheless, officials in a position to give an informed opinion have been pressed on the question by financial institutions, journalists and the state and federal government since welding problems on the pipeline became front-page news nationwide in May.

"It's like finding an elephant with hives and worrying about one bump," said State Pipeline Coordinator Chuck Champion of the preoccupation with welding difficulties.

"I've said before and I'll say it again—welding problems will not affect the overall completion date of the pipeline," Champion said.

He said recent Daily News reports of widespread scheduling and construction problems, however, underscore the questions that remain to be answered for timely completion.

"In terms of each (problem identified) the effect on the project is not that great," said Champion. "But the cumulative effect is significant."

These are some of the factors that may, taken together, place the project completion date in question:

Unexpected geological and soil conditions have led to extensive design and engineering changes on the project. More than 1,700 design and engineering changes have been approved by the state and federal government since the project began, and the requests for changes continue.

Pipeline builders have violated standards set by Alyeska and state and federal agencies. Of more than 3,000 nonconformance reports (NCRs) of varying degrees of seriousness written on the project, a total of 1,794 remained to be resolved as of June 27.

Alyeska, itself, became concerned enough about mistakes in the field that in December it put contractors and its own project managers on notice that it would no longer pay the costs of such errors.

In an operation manual distributed to contractors and Alyeska managers in December for this year's construction season, Frank Moolin, Alyeska senior project manager for the pipeline, said "The project has now accumulated over 816 nonconformance reports among the five pipeline execution contractors. In Alyeska's judgment, that number is excessive. In addition to the time and money lost through the volume of NCRs, we are also deeply concerned about the nature of many of these NCRs. It would appear that a significant percentage of them reflect poor performance on the part of the execution contractor's staff in the field."

Excessive layers of management have caused confusion and friction among Alyeska, its own field men, its contractors, and quality control inspectors. As a result, correct plans have not always been sent to the field on time from Anchorage Alyeska offices; contractors have chafed under engineering judgments made in Anchorage; and contractors have lacked full control to mobilize men and machines.

The pressure from Moolin's department to get the pipe buried on schedule has resulted in mistakes and construction that does not meet industry or government specification, say some Alyeska and government sources close to the project. But although speed has caused mistakes, the pressure to produce is the prime reason Alyeska is confident the line will be installed by winter.

Theories abound on why these and other problems have persisted.

Government and Alyeska sources have told The Daily News there is valid reason to blame many of the unforeseen construction problems on inadequate soil and rock samples taken early in the project. Plans and maps were drawn from the sample data. And although the more refined data would have cost millions of dollars more than Alyeska spent, collecting it would have saved far more than it cost to work without it, say the sources.

Government and Alyeska records show that the project has been behind overall from the start of construction in 1975. In addition, Alyeska has had to employ additional thousands of workers than originally planned to make up for schedule lags.

Edward Patton, Alyeska chief executive officer, has said labor accounts for 65 per cent of the project's $7.7 billion cost and is 80 per cent efficient. The 20 per cent inefficiency rate represents nearly $1 billion of the current project cost.

One theory to explain planning problems is that managers and many lower-level Alyeska staffers have had little or no experience in pipelining, but drew their knowledge from refining projects, a different technological art.

There is speculation, as well, that some unions may be intentionally extending the project's life because no comparable job is on the horizon until a natural gas line is built from Prudhoe Bay. Union workers scoff at the theory.

But regardless of explanations or reasons for past problems the push to complete the pipeline, terminal and pump stations will require a diligent effort to keep the more than 20,000 men and women and the 17,000 machines on the project at peak production levels.

Even if tight construction schedules are met, there remain other factors that must fall into place if the pipeline is to pump oil by next July and especially at the expanded level of 1.2 million barrels per day in late 1977, as planned.

A flotilla of 15 barges carrying supplies necessary to develop the Prudhoe Bay field to the production level of 1.2 million barrels per day left the Seattle area early this month. If the sealift is unsuccessful, as part of last year's was, timely expansion of the field to the 1.2 million barrel level would be in jeopardy, Atlantic Richfield Co., operator of the east side of the Prudhoe field, said in a January prospectus.

The equipment en route to Prudhoe will extract, separate and prepare the oil for the pipeline.

More surprises will be in store for Alyeska during months of extensive testing of the pipeline and related facilities. The pipeline, tanks at Valdez and some tanks at pump stations along the route must be pressure-tested with water before state and federal monitors allow the line to be filled with oil.

Fifty miles of pipe have been hydrostatically tested, giving a preview of what might follow. Pilings for an above ground segment sank in one test, a seven-foot section of pipe split open under high pressure in another test near Valdez, and a test of pipe under the Tonsina River revealed a stretch of pipe that was no longer round.

"Everyone assumes that the tests are a mere formality, and yet there's no basis to assume that," Jim Rote, an economist for the state House Finance Committee, said in an interview during the past legislative session.

Bob Miller, chief of public affairs for Alyeska, said testing will make this the best pipeline ever built. But it will also uncover a lot of problems, he said, including more cases of out-of-round pipe and more problems with vertical support members. The complex vertical supports are a pipelining innovation. "A lot can go wrong with them," Miller said.

Once the pipe passes all preliminary tests, it will take at least 30 days to fill the line to its nine million barrel capacity.

The systems at Prudhoe that gather oil from the wells and prepare it for shipment must also be de-bugged before start-up. Each crude oil gathering system can produce 300,000 barrels per day. Each will take from 30 to 90 days of testing to reach capacity, but they can be brought on line in overlapping sequence.

But despite the problems, past, present and anticipated, it is well to remember that before the Alyeska project no one had pioneered pipelining in the arctic and the new technology to tap oil riches in such a hostile environment.

Before Alyeska, no one had attempted charting the hundreds of rivers and capricious terrain the pipeline will cross. No one had made as good use of the wilderness camp concept of construction. No one had mastered, let alone tried, building a single pipeline using refrigerated above-ground pipe supports; protecting permafrost underground; wrapping tape around the pipe to prevent corrosion; placing a pipe to minimize earthquake damage; or accounting for movements of pipe six feet in either direction because of expansion and contraction from radical temperature extremes.

No pipeline project, as well, has been subjected to such environmental and technical scrutiny.

Federal Alaska Pipeline Office chief Andrew Rollins suspects this scrutiny will be the norm rather than the exception in the industry's national future. And he suspects the hostile arctic has taught a lesson.

"This project points out something—that future large diameter pipelines, particularly in the arctic, are going to require a higher degree of planning than our experience has shown," said Rollins.

Alyeska has pioneered at great cost. Only time and the quality of the finished pipeline will tell whether Alyeska's achievements—with all the false starts and problems—were enough to master the arctic.

FARMERS CONTINUE TO PROVIDE FIRST LINE OF DEFENSE

Mr. THURMOND. Mr. President, during the course of my recent readings, I encountered an excellent article in the July 1976 issue of the South Carolina Farm Bureau Federation News, which emphasized the continued fundamental importance of American farmers to the strength and security of the United States.

In this Bicentennial Year, as we reflect on our Nation's heritage and accomplishments, I think it is especially fitting that we remember the vital contributions of the agricultural sector. Among other good points, this article emphasizes that "the greatest defense of any nation is an agricultural program that feeds its people first." We in the United States are especially fortunate to have the strongest, most productive agricultural base in the world—one that not only provides an abundance of food for our own citizens, but also supplies millions of persons in other countries throughout the world.

Mr. President, I ask unanimous consent that this outstanding essay, entitled "Farmers Continue To Provide First Line of Defense," be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

[From the South Carolina Farmer, July 1976]

FARMERS CONTINUE TO PROVIDE FIRST LINE OF DEFENSE

When General George Washington assumed command of the Continental troops, 200 years ago, he reported to the newly created Congress that he found a group of 14,000 men, "mostly farmers," adding that he was "amazed at what these ragged rebels had accomplished."

So it was that in the American Revolution, farmers provided the first line of defense just as they continue to do today. The greatest defense of any nation is an agricultural program that feeds its people first. No nation is secure or can survive without an adequate supply of food.

As we observe the Bicentennial Anniversary of our nation, it is particularly apt and fitting that we in agriculture celebrate the occasion. The heritage of the early patriots is entirely consistent with the ideals, philosophies, and goals of rural America and in fact, the overwhelming majority of all citizens.

It has often been said that "farmers built America." They turned forest wilderness into productive fields; they built barns where tepees once stood; and they laid the foundation for the greatest nation this world has ever known. When the time came to fight for independence, these courageous farmers swapped the plow for a musket and left their families and farms to go to battle.

SEEKING FREEDOMS

These early fighters of 200 years ago were seeking freedoms; freedom to own and manage land, to worship as they wanted and to live their lives as they saw fit. When they had won independence, they established a form of government designed to protect these hard-earned freedoms.

Traditionally, farmers have been vigilant guardians of these freedoms, forming one of the staunchest strongholds against encroachments from all sides. However, their reduced numbers, a lowered percentage of the national income, and an increased economic dependence have threatened the farmer's situation—moving him from a position of independence to one of growing dependence upon price, the public, government, and world markets.

Nevertheless, farmers have clung to the precepts of their forefathers striving to maintain the freedoms purchased dearly through sacrifices in the War of Independence.

FREEDOM HAS SURVIVED

And freedom has survived. Although we argue over the rate of progress, our goals remain the same—the fulfillment of promises and protection of the guarantees stated in the Declaration of Independence and the Constitution. And that is what it is all about.

As we celebrate the 200th birthday of our country, it is appropriate that not only farmers, but all citizens from all walks of life, rededicate themselves to preserving the basic concepts that made this country great. We should all be proud of our heritage and carry the spirit of enthusiasm and love of freedom that our ancestors possessed on into our nation's third century.

AGREEMENT BETWEEN THE UNITED STATES AND GERMANY—THE XM-1 AND LEOPARD II

Mr. NUNN. Mr. President, Secretary of Defense Rumsfeld's announcement of August 4, that the United States and Germany have agreed to adopt a common gun, engine, transmission, and tracks for their new main battle tanks should be welcomed by all those who wish to eliminate the staggering waste and inefficiency which now attends the lack of interoperable arms and equipment within the Atlantic Alliance. The decision is a critical milestone in what I hope will be continuing progress toward comprehensive standardization.

The only real losers in this decision are the Soviet Union and its Warsaw Pact allies, who for two decades have confronted a NATO whose war-fighting potential has been severely sapped by reliance on a host of national armaments inventories incompatible with one another.

The main battle tank remains the principal weapon system of modern ground forces. Reliance on a common gun, engine, transmission, and tracks for the XM-1 and Leopard II will reduce virutally all of the waste associated with the lack of a common tank, because these components impose the greatest burden upon the logistics infrastructure. Commonality means that American armor, should it be required in wartime to operate in German corps areas, can rely upon German mechanics and spare parts for maintenance, and upon German tank gun ammunition. Conversely, German armor in American corps areas will no longer be tied to distant maintenance facilities and supplies of ammunition.

I believe the decision of the Department of Defense is a politically courageous one, particularly in an election year, when parochial political and economic interests associated with the XM-1 program can be expected to voice their opposition to any agreement calling for reliance upon system components of foreign design. The German Defense Ministry must also be commended for placing the long-term common interest of the North Atlantic Treaty Organization over the immediate interests of the German tank manufacturers.

HOW TO EAT RIGHT AND LIVE LONGER

Mr. PERCY. Mr. President, on July 27 and 28, the Select Committee on Nutrition and Human Needs, which I have been privileged to serve as ranking member, held two very important hearings on diet and disease. The July hearings launched a major Nutrition Committee project whose objectives are to focus public attention on the critical relationship between nutrition and health and to develop effective legislative action to eliminate barriers against nutrition related preventive health care measures. Through this effort we hope to make some needed changes in this country's eating habits and health care perceptions and practices.

Rarely have hearings produced such immediate and deep-felt interest. Members of the committee have been approached by colleagues, staff members, and media personalities alike asking for the best formula to eating right and living longer. Although the state of the art does not permit specific recommendations, the experts at the hearings drove home the point that we would all be better off—healthwise—if we ate less saturated fat, less cholesterol, less meat, less sugar, less salt, and consumed more vegetables, fruits, and whole grain or high bran cereals. In a nutshell, we should all eat prudently and moderately.

By popular demand, the committee is preparing a detailed summary of the hearing testimonies and proceedings. In the meantime, a brief synopsis of what I considered to be the most important points made at the hearings might be of interest:

There is definitely a correlation between diet and 6 of the 10 killer diseases: Heart disease, stroke, cancer, diabetes, arteriosclerosis, and cirrhosis of the liver;

As much as 90 percent of cancer is attributed to environmental causes, many of them manmade;

Diet is linked to more than half of all cancers in women and at least one-third of all cancers in men;

Nutrition is one of the most important, if not the most important component of preventive health care today.

Nutritional deficiency diseases are a minor problem in this country today. The primary nutritional health problems are those associated with over-consumption.

The American people know very little about nutrition. The average American diet is not conducive to good health. The American medical profession also knows very little about nutrition. Today's medical school graduates know more about heart transplants than basic nutrition;

Nutrition research is needed to better define the role of diet in the causation and prevention of disease, and nutrition education is needed to help Americans understand how to eat right and take greater personal responsibility for health; and

Eating prudently and moderately may not in itself prevent disease, but it would reduce the risk of disease, particularly the risk associated with killer diseases.

Now that the public interest in nutritional health is at an alltime high, I take the opportunity to bring to the attention of my colleagues a recent U.S. News & World Report interview with Dr. Jean Mayer, a top authority on nutrition and a frequent witness before the Select Committee on Nutrition and Human Needs, which may shed further light on what each and everyone of us should eat to keep healthy.

I ask unanimous consent that this timely interview be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From U.S. News & World Report,
Aug. 9, 1976]

How To Eat Right and Live Longer

(Interview with Dr. Jean Mayer,
top authority on nutrition)

Is the American diet increasingly the cause of disease? Or are scare stories exaggerated? One of the world's foremost food experts came to the magazine's conference room to spell out dangers—and how to avoid them.

Q. Dr. Mayer, we're constantly being told that a lot of things we eat are bad for us—will kill us or give us some disease. Has much of our food become dangerous to health?

A. There are a lot of exaggerations and unfounded fears in this regard. The great American supermarket is a marvelous institution with a much greater diversity of wholesome food than has ever been available before. If you know something about nutrition and about shopping, you can go into a typical supermarket and come out with an excellent diet. You also can come out with a terrible diet if you don't know any nutrition.

Q. How do you explain the widespread impression that more disease is caused today by the food we eat than in the past?

A. I think we've learned more about the relations between food and health. It's important to make distinctions as to what is known, what is likely, and what, at best, is plausible but unproved.

Let me give you an example of what we do know. In terms of total amounts of food, we know that overweight is bad for people. The evidence is that very moderate overweight probably is not a threat to health, unless some other disease is present, like diabetes or hypertension. But marked overweight certainly is bad for health, not only as a factor that makes any pre-existing disease much worse, but also as one that makes it more likely that you will become diabetic or hypertensive.

Q. And underweight—is that bad for health?

A. Undernutrition is a more complex situation. If people are undernourished because they don't get enough food, children don't grow, adolescents are more likely to have tuberculosis, and women are more likely to have accidents of pregnancy—to give birth to infants who are undernourished and who have more psychological and physiological problems.

Extreme thinness, on the other hand, doesn't seem to have any particular penalty for people who otherwise are quite healthy. From the point of view of life expectancy, you are better off if you are very thin than if you are overweight.

Q. Is there a connection between diet and specific diseases? For example, has a link been established between what we eat and cancer?

A. The word "established" makes me hesitate. With most types of cancer apparently due to environmental factors, diet certainly is suspected, but conclusive proof is another matter. For example, one of the very popular current nutritional theories is that cancer of the colon is caused by the lack of fiber in our diet. A number of popular writers have published sensational books on the subject in the past year or two.

It is a fact that cancer of the colon is very much more common among people who live in industrialized countries than among people who live in primitive societies. Researchers also have discovered that if you have a lot of fiber in your diet—such as vegetable fiber and the cellulose in the bran of cereals—your feces move faster through your intestines. Those are the facts. Now for the theory:

It is theorized that if the feces move quickly through the intestines they do not "ferment" and give rise to cancer-producing substances. But that has not been established. It is not implausible, but there is some contrary evidence. For instance, on the basis of this theory, people with chronic constipation should have more cancer of the colon. But they don't. This doesn't mean necessarily that the theory is wrong. It simply indicates that we don't know enough yet to consider it established. The evidence is not all as pat as some authors would have you believe.

Q. Does that mean we shouldn't worry about how much fiber we have in our diet?

A. The reasonable conclusion is that if having a sufficient amount of fiber in your diet cuts down on constipation and on your chances of diverticulitis and perhaps of appendicitis as well, then it's not a bad idea to consume sufficient fiber in the form of whole-grain cereals, whole-grain bread and a generous daily supply of vegetables and salads.

Q. What about stomach cancer?

A. On that we have some good news. Cancer of the stomach was, 30 years ago, an extremely common form of cancer—second only in men to lung cancer and in women to cancer of the breast and the genital organs. In recent years the incidence of stomach cancer has gone down very rapidly in this country. We don't know why, but it's quite likely that there is a nutritional correlant there.

One theory is that the amount of rancidity in fats—indicative of the presence of peroxides—has been cut down by improved refrigeration and the use of antioxidants, which prevent the formation of peroxides. It's thought that the peroxides in rancid fats may be carcinogenic. We do know that there is a very high frequency of stomach cancer in countries which do a lot of frying and keep on reusing the same fat all the time. So, in this case, it's been hypothesized that a technological advance may be protecting us from cancer.

Indeed, though technology, through the use of much-publicized additives, has become suspect, the point is that the picture is not all one way. There are some new forms of cancer and some which are disappearing.

Q. How great is the danger of cancer caused by eating cattle fattened with the use of DES?

A. DES—which is the popular term for diethylstilbestrol—is a very difficult problem in that the risk is impossible to estimate. What we actually know is this:

About 25 or 30 years ago, obstetricians started giving DES—one of the first synthetic estrogens—to women who had problems carrying a baby during the early period of pregnancy. The treatment was successful and, in fact, was seen at the time as one of the great medical advances—the first favorable use of the new knowledge of the endocrinology of sexual processes to help people. Unfortunately, it has been found recently that the daughters of the women treated with DES had a much higher risk of vaginal cancer than normal.

Once this became known, the Department of Agriculture decreed that DES should be removed from feed no less than two weeks before the animal was slaughtered. They then analyzed the carcasses and found that in some small proportion there were still some residues of DES detectable in the liver—only a minute fraction of the amount that had been given to women. We really don't know whether at that level DES has any effect as far as causing cancer is concerned.

Q. In your view, what should be done about it?

A. I personally am in favor of banning DES in animal feed. I think the risk is tiny—it may be negligible—but it doesn't seem to be worth taking.

SALT: THE MOST DANGEROUS ADDITIVE

Q. Food additives also are causing a lot of concern. Do you consider these dangerous?

A. First of all, the term "additive" is a very general one covering anything that you add to food. You could argue that in a sense, the most dangerous food additive of all is salt, and that sugar is also a dangerous food additive. You could say that vitamins in an enrichment program are additives. Until the recent agitation about the food coloring Red Dye No. 2, which was added for purely "esthetic" effect and made no contribution to the health and safety of foods, it seems to me that people were most excited about those very additives which are most useful and least risky.

Q. Such as?

A. Such as preservatives and antioxidants. We have already mentioned antioxidants. Let's consider preservatives, which basically keep down molds.

Some of the most common molds produce some of the most dangerous carcinogens we know. For instance, aflatoxin is one of the most potent and dangerous carcinogens we know, and it is produced by a common mold which grows on peanuts, corn, milk, bread—pretty much anywhere. We protect ourselves against it in part with mold inhibitors—a form of preservative—and by the use of very complex devices.

The big companies that make peanut butter also use highly sophisticated machines that crack the outer shell and get rid of it; get rid of the thin inner shell; separate the two halves of the peanuts and subject them to a scrutiny by a whole system of photoelectric cells. Any discoloration triggers an air jet which shoots off the suspect peanut. You end up with peanut butter which is, as far as we know, as free of molds as can be.

You can appreciate what this means as far as health is concerned if you realize what happens in Africa, where rejected peanuts are consumed by very poor people. They have a fantastic rate of liver cancer, whereas in this country primary liver cancer—that which originates in the liver—is extremely rare.

So this is a case where a preservative is clearly good for your health. In other cases—for instance, in the use of nitrite—you have to be careful.

NITRITE IS A TRICKY PROBLEM

Q. Is nitrite as dangerous as a lot of people think?

A. It poses a tricky problem because some effects are potentially dangerous but others are clearly useful. Nitrite is used in curing meats—sausages, bologna, ham and, in particular, bacon. Nitrite does two things. On the one hand, at very low concentrations, it inhibits the growth of the microorganism that causes botulism, a type of food poisoning that is always dangerous and often fatal. On the other hand, at higher concentrations, it keeps meat red instead of the sort of dead brown that hot dogs, for example, look like without this preservative.

The risk is that nitrite can combine with certain types of secondary amines which occur naturally in foods to produce new compounds—nitrosamines—that have been shown in experimental conditions, albeit at higher concentrations, to be carcinogens. So there is at least a theoretical risk that nitrite might cause cancer.

Q. Should nitrite be banned to prevent risk of cancer?

A. In my judgment, the Department of Agriculture has taken a reasonable decision. They have decided to keep nitrite in cured meats, particularly bacon, at the concentration which would prevent botulism but not at the concentration used to make the meat pink. At the same time, they are trying to find a substitute.

If nitrite were removed altogether, you would have the likelihood of some cases of botulism as against freedom from an unknown risk as regards carcinogens. It's one of those situations where you have to end up with a compromise which is not likely to satisfy everybody—and may not even satisfy anybody.

Where I fault the Government is that it has not always been very good at explaining why decisions like this are taken and what factors were involved in the decision.

Q. You mentioned earlier that sugar and salt might be classified among the most dangerous food additives. What do you mean by that?

A. Let's take sugar first. It is very ubiquitous in our diet. The average consumption of an average American man, woman or child is 125 pounds per person per year.

Now, sugar is a very emotional issue. People who grow and sell sugar think it's good for you and provides inexpensive calories. At the other extreme, there are faddists who think sugar kills you on contact—especially white sugar which, in fact, is essentially indistinguishable from brown sugar.

Well, white sugar doesn't cause every disease, but 125 pounds a year is a lot of "empty" calories lacking in proteins, vitamins and minerals. Certainly if you're going to control overweight, you should start by cutting down on sugar. Also, it's bad for your teeth. That is well established. And there is some evidence that consumption of a large amount of sugar by an individual prone to diabetes may make it more likely that he will develop overt diabetes. And there may be an indirect link with heart disease, as we know that people with diabetes are more likely to have heart disease.

Let me point out that sugar is a new food. It didn't exist in the diet in the West until the seventeenth century. And the argument that sugar is an essential food is a lot of nonsense.

Q. And salt?

A. Individuals react to salt differently, but when you look at populations as a whole it becomes quite obvious that the higher the salt intake, the greater the frequency of hypertension.

Q. Are there other ways in which diet can cause heart disease?

A. Next to high blood pressure, the greatest risk to the heart is high blood cholesterol, followed by lack of exercise and overweight. Some people, through a quirk of heredity, can eat anything without affecting their cholesterol level. They are lucky. And as long as they have their cholesterol level checked every now and then, there is no reason to change their diet.

But most Americans are not that lucky. If your blood cholesterol goes up, the risk of a coronary goes up. So the weight of the evidence suggests that, if your cholesterol is rising, you should adjust your diet. This affects men essentially, and most women are affected only after menopause.

It's important to realize that the risk from high blood cholesterol starts earlier than we thought. We have evidence that indicates that damage to the arteries starts as early as 16 or 18—and not at 45 and 50, when people start dropping dead of heart attacks.

Q. Should people with high blood cholesterol change their diets?

A. They should make some modifications, which don't really need to be all that horrendous. They should, first of all, cut down on animal fat, which means replacing butter and shortening with polyunsaturated fats and oil, such as corn oil and safflower oil. They should cut down, too, on the consumption of beef, pork and lamb, which are high in saturated fats.

Persons with high blood cholesterol should also cut down on eggs, which are our single biggest source of cholesterol. Eggs are a very good food for children and also for women, who, by and large, are protected by their hormones against high blood cholesterol until menopause.

The problem is that the person who insists on eating the most eggs is often the father of the family, whose cholesterol is beginning to shoot up. Before he's even awake, he's swallowed 700 milligrams of cholesterol with his eggs and bacon—and that's the last thing he needs.

Q. How should these foods be replaced in the diet?

A. Persons who are trying to lower their blood cholesterol should have more fish, poultry, lean cheese, fruits and vegetables, and more whole-grain bread and cereal and other whole-grain products. Butter should be replaced by polyunsaturated margarines, the milk consumed should be skim.

As the same time, there is usually no point in having a diet which is so rigorous that it becomes insufferable. You are dealing with statistics. You're trying to improve your odds, but no matter how careful you are with your diet you eventually are going to die. So follow your diet conscientiously but don't become obsessive about it. As Santayana so nicely said: "It is not wisdom to be only wise." Perhaps it is not wisdom to be *always* wise.

Q. Dr. Mayer, why is it that Americans apparently have a more serious problem with overweight than people in other countries?

A. The best evidence we have suggests that it's not because we eat such enormous amounts of food.

We have had usually good data on how much population groups in the U.S. have eaten since about 1895. It seems that actually we're eating less now than the people in this country were eating in 1900.

Our big problem is exercise—the fact that since 1900 Henry Ford started mass producing automobiles, and principally since World War II we have produced an enormous amount of labor-saving devices both for industry and for the home. The physical activity of men and later of women has dropped drastically since 1900.

Overweight has followed as a result of a basic fact—first established in my laboratory—to the effect that there is a minimum food intake which will satisfy an animal or person and they will not go below that intake voluntarily.

Say that you regulate your food intake to correspond to your walking 3 miles a day. If you walk 15 miles a day you will eat more. But if you don't walk at all, you will still eat as much as if you did exercise the equivalent of a 3-mile walk a day, and you will get fat.

Basically, a person whose appetite is set at a minimum food intake which corresponds to walking 3 miles a day has the choice: Walk 3 miles or use up the calories some other way; stay hungry all the time, or get fat.

Now, there are differences between people. We have found that mesomorphic people—those with a large muscle mass and large bones—tend to be so regulated that their minimum appetite corresponds to quite a bit of exercise. If they don't do it, then they have weight problems. By contrast, ectomorphic people—those with slender skeletons, long narrow hands and feet, elongated fingers and toes—can sit down at a desk all day and not get fat. Their minimum appetite is very much lower and, as they become less mobile, it continues to drop.

So you can see that once you have reached your minimum level of activity, every motion that is eliminated is one more cause of putting on weight. For instance, if you replace a manual typewriter with an electric typewriter, the amount of energy that you do not expend corresponds to about 2 to 3 pounds of fat per year.

Q. Do you mean that exercise is really the key to overweight, rather than what we eat or how much we eat?

A. For most people, inactivity is the single most important factor in their slowly accumulating weight over the years. In other words, most people who have a weight problem at age 45 nowadays would not have had a weight problem in 1630 when they would have walked everywhere, split wood, tilled their fields, and so on.

Q. If people are inclined to be overweight, how much exercise should they take?

A. You have to be reasonable about this. People gain weight for 20 years and then they want to lose it in two months. You should look at exercise as a way of maintaining your weight rather than as an emergency method of losing weight.

Let me explain it this way: A pound of fat is the equivalent of 3,500 calories. And 100 calories is the equivalent of walking 20 minutes. So a 20-minute walk daily will eliminate 10 pounds of fat over a year.

If you walk briskly you will expend about 300 calories an hour. If you play tennis very vigorously you expend perhaps 400 or 500, and you might reach 1,000 calories or more per hour if you row short distances. The idea that you have to chop wood for seven hours a day to get rid of the equivalent of a pound of fat is completely absurd, because nobody is going to do that. But if you chopped wood for a half an hour a day—which is not an impossible task for a healthy male—in two weeks that's seven hours, which means 26 pounds of fat a year. That is pretty good.

Obviously, if you want to lose weight very rapidly, you should do two things at the same time: Eat less and exercise more.

Q. Are there any painless diets to reduce weight quickly?

A. None of them are really painless.

The ideal diet is one that is a healthy diet in general—where you cut down the total amount you eat at the same time you step up your physical activity.

In order to try to achieve artificial satiety, some people try very unbalanced diets, which may produce the desired results, but which have serious drawbacks. For example, there is the so-called low-carbohydrates diet that has appeared under all sorts of names. It has been called the Du Pont diet, the Pennington diet, the Mayo diet, the Air Force diet, the calories-don't-count diet, the Stillman diet, the drinking man's diet, and Atkin's diet revolution. Every two years it makes somebody rich.

I think it does help some people to lose weight. But the problem with a low-carbohydrate diet is that it is also a high-fat diet. Therefore, it tends to shoot up your cholesterol. So you may gain something in terms of aesthetics and social prestige by getting thinner, but you may not be gaining anything in terms of life expectancy.

Q. What's your advice on what diet one should follow to stay reasonably healthy?

A. There is every advantage in cutting down on overprocessed foods. Eat as many fresh foods as possible—fresh fruits and vegetables in season, canned or frozen vegetables and fruits out of season. Eat more potatoes and good breads, as these are extremely low in fat.

Q. But aren't potatoes fattening?

A. There's nothing wrong with potatoes as such. They are relatively low in calories. It's the gravy and butter that add enormously to the calories—and the saturated fats—and these should be avoided. A baked potato with chives or yoghurt is a perfectly good component of a nutritionally good meal.

Q. What else do you recommend for a healthy diet?

A. Men, at least, should eat more chicken and turkey; more fish and less beef, pork and lamb—and very easy on the eggs. Cut down also on butter and whole milk. Skim milk is an excellent food and, in its modern form, a tasty one.

The type of cooking is important, too. It should not involve enormous amounts of sugar or fat. Learn to use flavoring agents other than salt—for instance, more vinegar, more lemon, more herbs. In other words, a more delicate type of cooking, simpler—with fewer fried foods and fewer processed foods. Breakfast cereals, for example, are a very good food as long as you select the right ones.

Q. What about drinking? Is alcohol harmful in terms of diet?

A. Alcohol is a form of "empty" calories. Like sugar, it provides calories but it doesn't provide any vitamins, proteins or minerals. So from that viewpoint, it's negative.

From the viewpoint of cardiovascular health, the tentative evidence from a study conducted by Dr. Carl Seltzer of Harvard tended to show that a small amount of alcohol every day might have a favorable effect on cardiovascular risk. All we have is statistical data. The rest is hypothesis. It may relax you. It may have a slight effect on your blood vessels. We don't know the mechanism.

I might add that these results seem to have the United States Public Health Service very nervous. They are afraid that—given the way our people reason—many will assume that if one drink is good, five drinks would be five times better. That certainly is not true either from the viewpoint of cardiovascular health or safety on the highways.

Q. What do you mean by a small amount of alcohol?

A. The equivalent of one or two glasses of wine or beer every day. Now, if you go to the equivalent of two hard drinks, these preliminary results suggest that there is no improvement over one drink as far as cardiovascular risk is concerned. By the time you get to three drinks, there is a definitely unfavorable effect.

But it would seem to me that there's nothing wrong in coming home and having a drink, or a glass of wine at lunch and another at dinner. It might actually do you some good.

BLS STUDY OF NONCYCLICAL SHORT-TERM UNEMPLOYMENT

Mr. HUMPHREY. Mr. President, I have recently received from the Bureau of Labor Statistics what I consider to be a very valuable study of the composition of unemployment. This study, which was done at my request, initially was transmitted with the puzzling proviso that—

> The report should be treated as an internal working document. It should not be published or identified as an official BLS report.

However, at our JEC hearing last Friday, Labor Statistics Commissioner Shiskin agreed to have the study placed in the hearing record, thus removing any restriction on its further distribution.

What I requested from BLS was an effort to measure what is often called "frictional" unemployment; that is, unemployment associated with a brief period of job search by persons entering the job market or changing from one job to another. This can be regarded as the type of unemployment which is necessary in a healthy economy, because mobility of labor is essential to economic efficiency. BLS has chosen to call this "noncyclical short-term unemployment" rather than frictional, but essentially the concept is the same.

The key finding of the BLS study is this: If "short-term" is defined as 4 weeks or less, then in 1975, "noncyclical short-term unemployment" was only 2.4 to 2.5 percent of the labor force. If short-term is extended to 10 weeks or less, the figure rises to 3.5 to 3.8 percent.

I consider this an enormously important finding. It tells us that even in a year in which total unemployment averaged 8.5 percent, its noncyclical short-term component—or what I would prefer to call its frictional component—lay in the range of 2.4 to 3.8 percent. Over the entire period from 1967 to 1975, this frictional component of unemployment is estimated to have ranged between 2.0 and 3.8 percent of the labor force.

In my opinion, it should be the objective of policy to try to reduce total unemployment as near to the frictional minimum as possible. This objective is explicitly incorporated in the Humphrey-Hawkins bill. As I am sure my colleagues are aware, that bill sets an unemployment target of 3 percent of the adult labor force, a target which implies an overall unemployment rate of about 3.5 to 4.0 percent.

Criticism and scorn has been heaped on this target from some quarters. It has been called unrealistic and highly inflationary. I recognize that no single numerical goal can ever be fully adequate for all times and all circumstances. However, this new BLS study certainly offers confirming evidence that the Humphrey-Hawkins target is well within the range of reason.

Commissioner Shiskin has explained that some experts within the executive branch, to whom the study was submitted, questioned the validity of some of its assumptions. Any study naturally raises questions. However, the JEC staff has reviewed the BLS study and finds it of good professional quality. I feel it is now incumbent on those who find fault with the conclusions in this BLS study to come forward and state their reasons and their alternatives.

I ask unanimous consent that this BLS study and Commissioner Shiskin's letter of transmittal be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Department of Labor,
Bureau of Labor Statistics,
Washington, D.C., August 2, 1976.

Hon. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: Several months ago, members of the Joint Economic Committee staff asked the Bureau of Labor Statistics to provide the Committee with a study of frictional unemployment with estimates of its magnitude.

After considerable study and work, including production of several drafts and discussion with outside experts, the BLS has concluded that it cannot measure frictional unemployment accurately enough to meet our standards. There is considerable disagreement over the concept to be implemented and its relationship to inflation and to information on job search and other factors. In addition, serious data problems prevent accurate measurement.

Although unable to estimate frictional unemployment, the Bureau has developed some estimates of short-term unemployment of a noncyclical nature. In making these estimates, the BLS has had to make a number of definitional assumptions in determining how to use the data available. Two assumptions involve the definition of short-term unemployment and two relate to the definition of noncyclical unemployment.

The two definitions of short-term unemployment include a) only those unemployed 4 weeks or less (a mean spell of 2 weeks or less) and b) those unemployed workers who had been looking for work 10 weeks or less (a mean duration of 4 to 5 weeks).

The definition of noncyclical unemployment has been even more difficult. In addition to job leavers and new labor force entrants, some part of the job loser group must be included. First, we have used the proportion of unemployed job losers that prevailed in 1969 (a year when the overall unemployment rate averaged 3.5 percent). The second group of estimates assumes the same proportion of job losers that prevailed in 1973 when the total unemployment rate was 4.9 percent. This is important because job losers make up a large proportion, approximately 40 percent, of the estimated noncyclical unemployment.

I am glad to make available to you our estimates as contained in the enclosed draft. They do not represent an attempt to measure frictional unemployment; rather, they represent, within the limits of available data, our attempts to quantify short-term unemployment of a noncyclical nature. Since the assumptions involved are more tenuous than is consistent with usual Bureau standards, the report should be treated as an internal working document. It should not be published or identified as an official BLS report.

Sincerely yours,

JULIUS SHISKIN,
Commissioner.

Enclosure.

[Prepared in the Office of Current Employment Analysis, Bureau of Labor Statistics by Paul Ryscavage, Ronald S. Warren, Jr., and Kopp Michelotti, under the direction of Robert L. Stein and Paul O. Flaim]

SOME ESTIMATES OF NONCYCLICAL SHORT-TERM UNEMPLOYMENT

I. INTRODUCTION

It has long been recognized that a certain amount of unemployment is unavoidable in a free market economy. This type of unemployment is generally associated with at least a brief period of job search by persons entering the job market, by workers leaving one job to search for another, and by those who may lose their jobs because of such noncyclical factors as seasonal fluctuations, normal mortality of firms, the indirect effects of labor disputes, material shortages, etc. This type of unemployment is sometimes designated by the term "frictional."

The BLS was requested by the Joint Economic Committee to develop estimates of "frictional unemployment." However, after a review of the literature (see Appendix A) and a study of the available data, we have come to the conclusion that the conceptual problems are too complex and the data available too limited to permit us to make such estimates. The best we can do under the circumstances is to estimate noncyclical short-term unemployment from the existing data. Although much of this type of unemployment is frictional, some of it may not be, and some frictional unemployment may be of longer duration (because of workers' ability to hold out for specific job offers and predetermined wage levels.) In any case, we hope the estimates that have been assembled in this paper will prove useful to the Joint Economic Committee. Finer disaggregations of unemployment data are now more readily available than ever before. For example, the data on unemployment by duration can now be cross-classified by the basic reasons for unemployment—labor market entry, reentry, job leaving and job loss. The purpose of this paper is to utilize these data to construct estimates of that proportion of unemployment which is of short duration and which might be labeled as of a noncyclical nature.

The estimates of noncyclical short-term unemployment that are presented in this paper should not be interpreted as definitive measures of "minimum" unemployment nor as overall unemployment goals achievable in today's economic setting. Specifically, these estimates should not be interpreted as levels of unemployment which might be attainable in any specified time period without stimulating possibly intolerable levels of price inflation. They should be viewed only as approximate measurements of the short-term unemployment that was encountered over the 1967–1975 period by persons trying to find new jobs and by those who were laid off due mainly to noncyclical factors.

II. THE METHOD

The estimates of noncyclical short-term unemployment developed in this study are built up from disaggregated data on unemployment by reason and duration from the Current Population Survey (CPS).

Since one of our primary objectives was to limit the estimates to unemployment of short duration, it was decided, as a first alternative, to include only those unemployed workers who had been looking for work for 4 weeks or less (the short duration category). However, using this interval implies a mean spell of unemployment of 2 weeks or less, which may be an inadequate period of time for someone to test the job market.

Therefore, as a second alternative, the definition was extended to unemployed workers who had been looking for work 10 weeks or less, reflecting a mean duration of approximately 4 to 5 weeks. (This will be called the longer duration category.) While some other duration category might have been chosen these are the two lowest intervals currently used in tabulations of the unemployment data from the Current Population Survey. (The CPS data on duration of unemployment measure the time which has elapsed from the beginning of the unemployment spell to the survey, and not the time from the beginning of the spell to its completion. Consequently, some workers who have been reported to be unemployed less than 4 weeks or less than 10 weeks may go on to have completed spells of unemployment longer than 4 or 10 weeks.)

Of the workers who had been unemployed 4 weeks or less (or 10 weeks or less for the longer duration category), all those who quit their jobs to look for new jobs (job leavers) were included as were all those who were looking for their first job or re-entering the labor force after having worked at some time in the past (labor force entrants).

For workers who had lost their jobs (job losers), an attempt was made to identify the proportion unemployed because of noncyclical reasons within the two duration categories. Even in periods of strong economic growth, some short-term job loss exists because of material shortages, seasonality, retooling operations or other noncyclical causes. Several approaches, some more complex than others, were considered for quantifying this type of job loss and for insulating the resulting estimates from purely cyclical increases. However, there is no direct way of classifying the unemployed, as measured in the CPS, on this basis. In the final analysis, it was decided to simply limit the annual estimates of the number of job losers in the two duration categories to those proportions of the labor force which they accounted for in a year when unemployment was very low. Looking both at the overall unemployment rate and at the proportion of the labor force accounted for by job losers, it is clear that 1969 was such a year. The average unemployment rate in that year was 3.5 percent. A set of estimates was then constructed in which the number of job losers, taken as a proportion of the labor force, was not allowed to exceed the 1969 levels. These estimates are shown in tables 1 and 2.

It might be argued that 1969 was a year of unusually tight labor market conditions induced by the Vietnam war and that a constant, based on job loss in 1969, might be unrealistically low. Therefore, a second set of estimates was developed based upon job loss in 1973, when the unemployment rate averaged 4.9 percent. (See tables 1 and 3.)

The method used to compute 1973 base estimates differs somewhat from the method used for the 1969 base estimates. When the application of 1973 numbers yielded a number of job losers that was higher than the actual number for any given year, the lower of the two numbers was used (See table 1.)

Obviously, among the workers in either of the duration categories, there are some who are unemployed because of demand deficient reasons, and quite likely some of these workers will go on to experience spells of unemployment much longer than 4 or 10 weeks, particularly during periods of cyclical decline in the demand for labor. However, with the upper bound on duration, the use of data on reasons for unemployment, and the use of 1969 or 1973 as base year for job losers, an attempt was made to screen out most of these unemployed workers from the definition of noncyclical short-term unemployment.

In summary then, the estimates of noncyclical short-term unemployment computed as part of this study were limited first to persons who had been jobless either 4 weeks or less (short duration category) or 10 weeks or less (longer duration category). Secondly, while the number of job leavers and labor force entrants within these duration categories was not constrained in any way, the number of job losers, taken as a proportion of the labor force, was not allowed to exceed the level which it reached in 1969 and, alternatively, in 1973. Therefore, four possible estimates were developed: the short duration category including either the 1969 or 1973 job loss assumption and the longer duration cateogry including either the 1969 or 1973 job loss assumption. Thus, a range of estimates of short-term noncyclical unemployment was developed, on an annual average basis, for the period 1967 to 1975.

III. THE ESTIMATES

For 1975, when the Nation's rate of unemployment was 8.5 percent it was estimated that the rate of noncyclical short-term unemployment ranged from 2.4 percent 3.8 percent. As shown in table 1, the rate of 2.4 percent is based on the short duration category (4 weeks or less of unemployment) and the 1969 assumption of noncyclical job loss; the rate of 3.8 percent is developed from the longer duration category (10 weeks or less of unemployment) and the 1973 assumption of job loss. In general, these two definitions yield the lowest and highest estimates of short-term noncyclical unemployment since the former is the most narrowly defined and the latter the most broadly defined. Furthermore, most of the difference between the lowest and highest estimates is attributable to the different duration categories and not the different noncyclical job loss assumptions.

In terms of the actual number of unemployed workers, the estimates developed for 1975 range from 2.2 million to 3.5 million. The Nation's total unemployment level in that year was 7.8 million. The effect of raising the duration category from 4 weeks or less to 10 weeks or less on the 1975 level was to increase it by 1.1 to 1.2 million. (In terms of the rate of unemployment, the effect was an increase of 1.1 to 1.3 percentage points.) Using the 1973 job loss assumption instead of the 1969 assumption increased the estimates by about 150,000 (0.1 to 0.3 percentage points).

Estimates of noncyclical short-term unemployment were also developed for adult men (age 20 and over), adult women (age 20 and over), and teenagers (age 16 to 19) using the four definitions outlined above. (See table 2 for the estimates using the short and longer duration categories and the 1969 job loss assumption and table 3 for the estimates using the short and longer duration categories and the 1973 job loss assumption.) These 1975 rates of unemployment for adult men (1.2 to 2.2 percent) were lower than those for women (2.5 to 3.9 percent), while the rates for teenagers (8.7 to 13.2 percent) were much higher than for adults. The combined rates for adults in 1975 ranged from 1.7 to 2.8 percent.

One important factor responsible for the higher unemployment rates for teenagers is their tendency to move in and out of the job market frequently. In 1975, between 73 and 78 percent of teenage noncyclical short-term unemployment was due to labor force entry. (See table 4.) A substantial proportion of the women included in these estimates was also labor force entrants. Among adult men, on the other hand, job loss accounted for the largest proportion of noncyclical short duration unemployment. (See table 4.)

Over the entire 1967–75 period, while the Nation's unemployment rate swung from a low of 3.5 percent in 1969 to a high of 8.5 percent in 1975, the estimated noncyclical short-term unemployment rates edged up only slightly. (See table 5.)

As expected, the proportion of total unemployment which is noncyclical and short-term in nature varies inversely with the business cycle. (See table 6.) For example, in 1969, when the Nation's unemployment rate was only 3.5 percent, noncyclical short-term unemployment made up 57 to 80 percent of the country's unemployment; on the other hand, in the recession year of 1975 such unemployment accounted for only 28 to 45 percent of total unemployment.

TABLE 1.—COMPONENTS OF NONCYCLICAL SHORT-TERM UNEMPLOYMENT ESTIMATES IN 1975

Components	Amount included	Number in 1975 (thousands): 1969 base for job losers	Number in 1975 (thousands): 1973 base for job losers	Rates in 1975 (percent): 1969 base for job losers	Rates in 1975 (percent): 1973 base for job losers
SHORT DURATION CATEGORY					
Total		2,216	2,360	2.4	2.5
Labor force entrants	All unemployed 4 weeks or less	1,287	1,287	1.4	1.4
Job leavers	do	334	334	.4	.4
Job losers	Constant proportion of labor force (0.0064 for 1969 base and 0.0080 for 1973 base).	595	739	.6	.8
LONGER DURATION CATEGORY					
Total		3,280	3,547	3.5	3.8
Labor force entrants	All unemployed 10 weeks or less	1,901	1,901	2.1	2.1
Job leavers	do	505	505	.5	.5
Job losers	Constant proportion of labor force (0.0094 for 1969 base and 0.0123 for 1973 base).	874	1,141	.9	1.2

TABLE 2.—NONCYCLICAL SHORT-TERM UNEMPLOYMENT (1969 BASE) BY MAJOR AGE-SEX GROUPS, 1967–75

Type of estimate and year	Levels (thousands): Total 16 yr and older	Levels (thousands) 20 yr and older: Both sexes	Men	Women	16 to 19 yr	Short-term unemployment rates[1]: Total 16 yr and older	Short-term unemployment rates[1] 20 yr and older: Both sexes	Men	Women	16 to 19 yr
Short duration category:										
1967	1,542	1,042	471	571	500	2.0	1.5	1.0	2.2	7.7
1968	1,587	1,042	480	562	525	2.0	1.4	1.0	2.1	7.9
1969	1,627	1,088	492	596	539	2.0	1.5	1.1	2.2	7.7
1970	1,858	1,230	563	667	628	2.2	1.6	1.2	2.4	8.7
1971	1,932	1,281	581	700	651	2.3	1.7	1.2	2.4	8.7
1972	2,008	1,318	590	728	690	2.3	1.7	1.2	2.5	8.6
1973	2,059	1,355	599	756	704	2.3	1.7	1.2	2.5	8.3
1974	2,196	1,430	609	821	766	2.4	1.7	1.2	2.6	8.7
1975	2,216	1,451	615	836	765	2.4	1.7	1.2	2.5	8.7
Longer duration category:										
1967	2,172	1,475	688	787	697	2.8	2.1	1.5	3.1	10.7
1968	2,172	1,466	707	759	706	2.8	2.0	1.5	2.9	10.7
1969	2,253	1,521	718	803	732	2.8	2.1	1.5	2.9	10.5
1970	2,609	1,747	840	907	862	3.2	2.3	1.8	3.2	11.9
1971	2,803	1,873	890	983	930	3.3	2.4	1.9	3.4	12.6
1972	2,893	1,924	906	1,018	969	3.3	2.5	1.9	3.4	12.1
1973	2,908	1,940	895	1,045	968	3.3	2.4	1.8	3.4	11.4
1974	3,107	2,050	918	1,132	1,057	3.4	2.5	1.8	3.6	12.0
1975	3,280	2,165	949	1,216	1,115	3.5	2.6	1.9	3.7	12.7

[1] Noncyclical short-term unemployment as a percent of civilian labor force.

TABLE 3.—NONCYCLICAL SHORT-TERM UNEMPLOYMENT (1973 BASE) BY MAJOR AGE-SEX GROUPS, 1967–75

Type of estimate and year	Levels (thousands): Total 16 yr and older	Levels (thousands) 20 yr and older: Both sexes	Men	Women	16 to 19 yr	Short-term unemployment rates[1]: Total 16 yr and older	Short-term unemployment rates[1] 20 yr and older: Both sexes	Men	Women	16 to 19 yr
Short duration category:										
1967	1,645	1,132	535	597	513	2.1	1.6	1.2	2.3	7.9
1968	1,594	1,065	493	572	529	2.0	1.5	1.1	2.2	8.0
1969	1,627	1,088	492	596	539	2.0	1.5	1.1	2.2	7.7
1970	1,986	1,338	643	695	648	2.4	1.8	1.4	2.5	8.9
1971	2,063	1,391	662	729	672	2.5	1.8	1.4	2.5	9.0
1972	2,144	1,431	673	758	713	2.5	1.8	1.4	2.6	8.9
1973	2,197	1,469	682	787	728	2.5	1.8	1.4	2.6	8.6
1974	2,338	1,548	695	853	790	2.6	1.9	1.4	2.7	9.0
1975	2,360	1,570	701	869	790	2.5	1.9	1.4	2.6	9.

Footnote at end of table.

TABLE 3.—NONCYCLICAL SHORT-TERM UNEMPLOYMENT (1973 BASE) BY MAJOR AGE-SEX GROUPS, 1967–75—Continued

Type of estimate and year	Total 16 yr and older	Levels (thousands) 20 yr and older			16 to 19 yr	Total 16 yr and older	Short-term unemployment rates[1] 20 yr and older			16 to 19 yr
		Both sexes	Men	Women			Both sexes	Men	Women	
Longer duration category:										
1967	2, 332	1, 610	769	841	722	3. 0	2. 3	1. 7	3. 3	11. 1
1968	2, 209	1, 494	725	769	715	2. 8	2. 1	1. 6	2. 9	10. 8
1969	2, 253	1, 521	718	803	732	2. 8	2. 1	1. 5	2. 9	10. 5
1970	2, 848	1, 948	982	966	900	3. 4	2. 6	2. 1	3. 4	12. 4
1971	3, 046	2, 078	1, 034	1, 044	968	3. 6	2. 7	2. 2	3. 6	13. 0
1972	3, 144	2, 133	1, 052	1, 081	1, 011	3. 6	2. 7	2. 2	3. 6	12. 6
1973	3, 163	2, 151	1, 042	1, 109	1, 012	3. 6	2. 7	2. 1	3. 6	12. 0
1974	3, 370	2, 268	1, 069	1, 199	1, 102	3. 7	2. 8	2. 1	3. 8	12. 5
1975	3, 547	2, 386	1, 101	1, 285	1, 161	3. 8	2. 8	2. 2	3. 9	13. 2

[1] Noncyclical short-term unemployment as a percent of civilian labor force.

TABLE 4.—COMPONENTS OF TOTAL AND NONCYCLICAL SHORT-TERM UNEMPLOYMENT IN 1975

[Percent distribution]

Type of unemployment	Total, 16 yr and older	20-yr and older			16 to 19 yr
		Both sexes	Men	Women	
Total unemployment:					
Total number (thousands)	7, 829	6, 077	3, 428	2, 649	1, 752
Percent	100. 0	100. 0	100. 0	100. 0	100. 0
Job losers	55. 4	64. 1	74. 9	50. 0	25. 5
Job leavers	10. 4	10. 9	8. 5	15. 9	8. 7
Labor force entrants	34. 2	25. 1	16. 6	36. 1	65. 8
Noncyclical short-term unemployment (1969 base) short duration:					
Total number (thousands)	2, 216	1, 451	615	836	765
Percent	100. 0	100. 0	100. 0	100. 0	100. 0
Job losers	26. 9	33. 7	48. 0	23. 2	13. 9
Job leavers	15. 1	17. 4	16. 7	17. 9	10. 6
Labor force entrants	58. 1	48. 9	35. 3	58. 9	75. 6
Noncyclical short-term unemployment (1969 base) longer duration:					
Total number (thousands)	3, 280	2, 165	949	1, 216	1, 115
Percent	100. 0	100. 0	100. 0	100. 0	100. 0
Job losers	26. 6	34. 1	47. 2	23. 8	12. 2
Job leavers	15. 4	18. 1	17. 0	18. 9	10. 2
Labor force entrants	58. 0	47. 9	35. 8	57. 2	77. 6
Noncyclical short-term unemployment (1973 base) short duration:					
Total number (thousands)	2, 360	1, 570	701	869	790
Percent	100. 0	100. 0	100. 0	100. 0	100. 0
Job losers	31. 3	38. 7	54. 4	26. 1	16. 6
Job leavers	14. 2	16. 1	14. 7	17. 3	10. 3
Labor force entrants	54. 5	45. 2	31. 0	56. 6	73. 2
Noncyclical short-term unemployment (1973 base) longer duration:					
Total number (thousands)	3, 547	2 386	1, 101	1, 285	1, 161
Percent	100. 0	100. 0	100. 0	100. 0	100. 0
Job losers	32. 2	40. 2	54. 5	27. 9	15. 7
Job leavers	14. 2	16. 4	14. 6	17. 9	9. 8
Labor force entrants	53. 6	43. 4	30. 9	54. 2	74. 5

TABLE 5.—ESTIMATES OF TOTAL AND NONCYCLICAL SHORT TERM UNEMPLOYMENT RATES, 1967–75

[In percent]

Year	Total unemployment	Noncyclical short term unemployment			
		1969 base for job losers		1973 base for job losers	
		Short duration	Longer duration	Short duration	Longer duration
1967	3. 8	2. 0	2. 8	2. 1	3. 0
1968	3. 6	2. 0	2. 8	2. 0	2. 8
1969	3. 5	2. 0	2. 8	2. 0	2. 8
1970	4. 9	2. 2	3. 2	2. 4	3. 4
1971	5. 9	2. 3	3. 3	2. 5	3. 6
1972	5. 6	2. 3	3. 3	2. 5	3. 6
1973	4. 9	2. 3	3. 3	2. 5	3. 6
1974	5. 6	2. 4	3. 4	2. 6	3. 7
1975	8. 5	2. 4	3. 5	2. 5	3. 8

TABLE 6.—ESTIMATES OF TOTAL AND NONCYCLICAL SHORT-TERM UNEMPLOYMENT LEVELS 1967–75

[In thousands]

Year	Total unemployment	Noncyclical short-term unemployment			
		1969 base for job losers		1973 base for job losers	
		Short duration	Longer duration	Short duration	Longer duration
1967	2, 975	1, 542	2, 272	1, 645	2, 332
1968	2, 817	1, 567	2, 172	1, 594	2, 209
1969	2, 832	1, 627	2, 253	1, 627	2, 253
1970	4, 088	1, 858	2, 609	1, 986	2, 848
1971	4, 993	1, 932	2, 803	2, 003	3, 046
1972	4, 840	2, 008	2, 893	2, 144	3, 144
1973	4, 304	2, 059	2, 908	2, 197	3, 163
1974	5, 076	2, 196	3, 107	2, 338	3, 370
1975	7, 830	2, 216	3, 280	2, 360	3, 547

APPENDIX TABLE A-1.—DIFFERENCE BETWEEN NONCYCLICAL SHORT-TERM UNEMPLOYMENT ESTIMATEASE) AS (1969 BND TOTAL UNEMPLOYMENT, 1967-75

Type of estimate and year	Total, 16 yr and older	Levels (thousands) 20 yr and older			16 to 19 yr	Total, 16 yr and older	Rates (percentage points) 20 yr and older			16 to 19 yr
		Both sexes	Men	Women			Both sexes	Men	Women	
Short duration category:										
1967	1, 435	1, 096	589	507	339	1. 8	1. 5	1. 3	2. 0	5. 2
1968	1, 249	936	513	423	313	1. 6	1. 3	1. 2	1. 7	4. 8
1969	1, 205	891	471	420	314	1. 5	1. 2	1. 0	1. 5	4. 5
1970	2, 230	1, 753	1, 073	680	477	2. 7	2. 4	2. 3	2. 4	6. 5
1971	3, 062	2, 455	1, 505	950	607	3. 6	3. 2	3. 2	3. 3	8. 2
1972	2, 832	2, 220	1, 338	882	612	3. 3	2. 8	2. 8	2. 9	7. 6
1973	2, 247	1, 725	995	730	522	2. 6	2. 1	2. 0	2. 3	6. 2
1974	2, 880	2, 236	1, 309	927	644	3. 2	2. 8	2. 6	2. 9	7. 3
1975	5, 613	4, 626	2, 813	1, 813	987	6. 1	5. 6	5. 5	5. 5	11. 2
Longer duration category:										
1967	805	663	372	291	142	1. 0	. 9	. 8	1. 1	2. 2
1968	644	512	286	226	132	. 8	. 7	. 7	. 9	2. 0
1969	579	458	245	213	121	. 7	. 6	. 6	. 8	1. 7
1970	1, 479	1, 236	796	440	243	1. 7	1. 7	1. 7	1. 6	3. 3
1971	2, 191	1, 863	1, 196	667	328	2. 6	2. 5	2. 5	2. 3	4. 4
1972	1, 947	1, 614	1, 022	592	333	2. 3	2. 0	2. 1	2. 0	4. 1
1973	1, 398	1, 140	699	441	258	1. 6	1. 4	1. 4	1. 4	3. 1
1974	1, 969	1, 616	1, 000	616	353	2. 2	2. 0	2. 0	1. 9	4. 0
1975	4, 549	3, 912	2, 479	1, 433	637	5. 0	4. 7	4. 8	4. 3	7. 2

APPENDIX TABLE A-2.—DIFFERENCE BETWEEN NONCYCLICAL SHORT-TERM UNEMPLOYMENT ESTIMATES (1973 BASE) AND TOTAL UNEMPLOYMENT, 1967–75

Type of estimate and year	Levels (thousands): Total, 16 yr and older	Levels (thousands) 20 yr and older: Both sexes	Men	Women	16 to 19 yr	Rates (percentage points): Total, 16 yr and older	Rates (percentage points) 20 yr and older: Both sexes	Men	Women	16 to 19 yr
Short duration category:										
1967	1,332	1,006	525	481	326	1.7	1.4	1.1	1.9	5.0
1968	1,222	913	500	413	309	1.6	1.2	1.1	1.6	4.7
1969	1,205	891	471	420	314	1.5	1.2	1.0	1.5	4.5
1970	2,102	1,645	993	652	457	2.5	2.2	2.1	2.3	6.3
1971	2,931	2,345	1,424	921	586	3.4	3.1	3.0	3.2	7.9
1972	2,696	2,107	1,255	852	589	3.1	2.7	2.6	2.8	7.3
1973	2,109	1,611	912	699	498	2.4	2.0	1.8	2.2	5.9
1974	2,738	2,118	1,223	895	620	3.0	2.6	2.4	2.8	7.0
1975	5,469	4,507	2,727	1,780	962	5.9	5.4	5.3	5.4	10.9
Longer duration category:										
1967	645	528	291	237	117	.8	.7	.6	.9	1.8
1968	607	484	268	216	123	.8	.6	.6	.9	1.9
1969	579	458	245	213	121	.7	.6	.5	.8	1.7
1970	1,240	1,035	654	381	205	1.5	1.4	1.4	1.4	2.8
1971	1,948	1,658	1,052	606	290	2.3	2.2	2.2	2.1	3.9
1972	1,696	1,405	876	529	291	2.0	1.8	1.8	1.8	3.6
1973	1,143	929	552	377	214	1.3	1.1	1.1	1.2	2.5
1974	1,706	1,398	849	549	308	1.9	1.7	1.7	1.7	3.5
1975	4,282	3,691	2,327	1,364	591	4.7	4.5	4.5	4.1	6.7

APPENDIX A. A REVIEW OF THE LITERATURE ON FRICTIONAL UNEMPLOYMENT

A comprehensive review of the literature associated with attempts to classify unemployment according to "cause" is beyond the scope of the present paper.[1] Nevertheless, a brief overview of previous discussions of frictional unemployment provides some insight into the theoretical and measurement problems connected with this concept.

A recent review of the techniques by which frictional unemployment can be calculated in theory was prepared by Stoikov.[2] He identified four possible definitions and approaches to the measurement of frictional unemployment.

First, Stoikov described the minimum unemployment approach. This method simply defines frictional unemployment as the minimum rate of unemployment attained within a specified historical period. The principal advantage of this approach is, of course, its simplicity. However, this simplicity is acquired at the cost of ignoring the possibility of overestimating frictional unemployment since, presumably, even at a historical minimum there are structural components of the measured unemployment rate.

The second method which Stoikov discussed is the turnover method. This approach defines frictional unemployment as that which occurs when average duration of a completed spell of unemployment is at a minimum. In this view, the frictional unemployment rate is considered to be the product of the accession rate and the average duration of a completed spell of unemployment. This method has the advantage of allowing the frictional rate to vary according to changes in the accession rate. As with the minimum unemployment approach, however, this technique fails to distinguish between frictional and structural completed spells of unemployment, so that the resulting measure may substantially overstate the true frictional unemployment rate. More importantly, accurate techniques for estimating the duration of a completed spell of unemployment are only at an exploratory stage of development so that this method cannot be applied confidently to existing data sources.

A third approach compares the number of persons unemployed with the number of unfilled vacancies existing at any point in time. Equality of these two magnitudes usually signifies "full employment" in this scheme, although Mincer and Reder[3] have pointed out that not all models of the labor market generate this implication. Nevertheless, a number of authors have employed this definition, including William Beveridge, Albert Rees, Charles D. Stewart, L. G. Reynolds, R. G. Lipsey, E. S. Phelps, and Bent Hansen.[4] Aside from the usual problem of comingling frictional and structural unemployment, this definition cannot be applied empirically to the U. S. labor market because of the inadequacy of job vacancy data.

A fourth method summarized by Stoikov is the price approach, which relates unemployment levels to rates of change in prices. Specifically, frictional unemployment is defined as that level below which there would arise an unacceptable rate of inflation.[5] Although this definition has the virtue of being amenable to straightforward statistical examination, the relationship between unemployment and price inflation can be (and has been) somewhat volatile over time, for reasons quite apart from changes in the structure of the labor market. Moreover, Tobin[6] has pointed out a possible "inflationary bias" in the economy, leading to disequilibrium wage/price increases before aggregate unemployment approaches the "frictional" level. Finally, the socially "acceptable" rate of inflation is subject to change over time. Consequently, this definition is somewhat unsatisfactory

Other analysts have identified the duration of unemployment as an important criterion in distinguishing types of unemployment, with frictional unemployment being closely associated with short-term unemployment. For example, Garbarino[7] has argued that a spell of frictional unemployment ". . . typically is quite short, varying according to the desires of the worker and the efficiency with which the market functions . . . the time period involved usually would not be greater than 1 month" (p. 2). Further, one BLS study of unemployment classifications[8] has stated that ". . . Perhaps the most objective and significant distinction that can be made with respect to unemployment is that between short-term and long-term" (p. 95), and an earlier study[9] has used this connection of short-term unemployment and frictional unemployment to develop estimates of frictional unemployment over time. Rees[10] suggested a 10-week cutoff as a possible device for distinguishing frictional unemployment from other types (p. 27) and Fleisher[11] used this definition to calculate estimates of frictional unemployment for the 1947–67 period. Hall[12] has used a set of assumptions concerning both the average duration of job search and the average turnover rate to produce estimates of ". . . the amount of unemployment that arises from normal turnover" (p. 390). The primary advantage of these duration approaches is the availability of data from the Bureau of the Census Current Population Survey on the distribution of current (but not final) duration of unemployment by weeks.

In addition to the identification of frictional unemployment with unemployment of short duration, a number of authors have stressed the "voluntary" nature of much transitional or temporary unemployment. As an example, Levitan, Mangum, and Marshall[13] say that "frictional unemployment results from temporary difficulties in matching available workers with available jobs (and) . . . is marked by relatively short duration. Such unemployment is unavoidable—as when women or younger workers enter the labor force, or when skilled workers voluntarily quit" (p. 34).

FOOTNOTES

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[1] For an extended discussion of many of the classifications of unemployment that have been proposed, see *Unemployment: Terminology, Measurement, and Analysis*, Joint Economic Committee, 87th U.S. Congress (Washington, D.C.: Government Printing Office, 1961), especially pp. 15–24.

[2] Vladimir Stoikov, "Some Determinants of the Level of Frictional Unemployment: A Comparative Study," *International Labour Review* (May 1966), pp. 530–549.

[3] Jacob Mincer, Comments on C. C. Holt and M. H. David, "The Concept of Job Vacancies in a Dynamic Theory of the Labor Market," in *The Measurement and Interpretation of Job Vacancies*, National Bureau of Economic Research, New York, 1966, pp. 120–127 and M. W. Reder, "The Theory of Frictional Unemployment," *Economic*, Vol. 36 (February 1969), pp. 1–28.

[4] William H. Beveridge, *Full Employment in a Free Society* (New York: W. W. Norton and Company, 1945); Albert Rees, "The Measurement of Unemployment," in *Studies in Unemployment* Problems, 86th U.S. Congress (Washington, D.C.; Government Printing Office, 1960); Charles D. Stewart, Hearings Before the Special Committee on Unemployment Problems, Part I (October 5, 6, 7, 1959), (Washington, D.C.: Government Printing Office, 1959); R. G. Lipsey, "The Relation Between Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1862–1957: A Further Analysis," *Economica*, Vol. XX, VII (February 1969)", p. 14; Bent Hansen, "Excess Demand, Unemployment, Vacancies, and Wages," *The Quarterly Journal of Economics*, Vol. LXX, IV, No. 1 (February 1970), pp. 1–23; L. G. Reynolds, *Labor Economics and Labor Relations* (Englewood Cliffs, New Jersey: Prentice-Hall, 1970; E. S. Phelps, "Money Wage Dynamics and Labor Market Equilibrium," in E. S. Phelps, et al., *Microeconomic Foundations of Employment and Inflation Theory* (New York: W. W. Norton and Co., Inc., 1970), p. 135. See also the discussion in *Unemployment: Terminology, Measurement, and Analysis*, p. 11.

[5] The definition appears to form the basis of the introductory discussion in a previous Bureau of Labor Statistics study, *The Extent and Nature of Frictional Unemployment, Bu-*

reau of Labor Statistics for the Joint Economic Committee, Study Paper No. 6, 86th U.S. Congress (Washington, D.C.: Government Printing Office, 1959), p. 2. Also, see M. W. Reder, "The Theory of Frictional Unemployment."

[6] James Tobin, "Inflation and Unemployment," *American Economic Review* Vol. LXII, No. 1 (March 1972), pp. 1–18.

[7] Joseph W. Garbarino, "The Unemployed Worker During a Period of Full Employment," *Institute of Industrial Relations*, University of California at Berkeley, Reprint No. 50 (1954).

[8] *Unemployment: Terminology, Measurement and Analysis.*

[9] *The Extent and Nature of Frictional Unemployment.*

[10] Albert Rees, "The Meaning and Measurement of Full Employment," in *The Measurement and Behavior of Unemployment* (Princeton, New Jersey: Princeton University Press, 1957), pp. 13–60.

[11] Belton M. Fleisher, *Labor Economics: Theory and Evidence* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970), pp. 258–264.

[12] Robert E. Hall, "Why Is the Unemployment Rate So High at Full Employment?" *Brookings Papers on Economic Activity* (1970), No. 2, pp. 369–402.

[13] Sar A. Levitan, Garth L. Mangum, and Ray Marshall, *Human Resources and Labor Markets* (New York: Harper & Row, 1972).

XXI OLYMPIAD

Mr. THURMOND. Mr. President, the 1976 summer Olympics closed Sunday, August 1, 1976, in an atmosphere of amity among Nations. It was a panorama of shining achievements and national flags ascending in victory ceremonies. For all but the most avid nationalist, it proved to be a thoroughly refreshing spectacle. Although there were political arguments, charges of cheating and bad judging, and lingering Olympic politics with two Romanians and one Russian defecting to Canada, there was a feeling among all those concerned that these games were a success.

As I watched the closing ceremonies, with all of its pomp and circumstance, I could not help but think of those fine athletes who made the XXI Olympiad a success. Two of these participants were from South Carolina. Charles Foster of Gaffney and Sam Colson of Clemson gave excellent performances in their respective events. They represented their Nation and State in the true sense of Olympic competition. These young men, like all the other Olympic athletes, are examples of the finest athletic competitors in the world. Their success is the culmination of many years of dedication, hard work, and a never-give-up attitude. They have competed in countless athletic contests and have sacrificed much to arrive at this pinnacle in their careers.

Mr. President, in this era when the older generation sometimes refers to those younger in age as contemptuous or ungrateful, it is extremely refreshing to see such dedication and undying sacrifice by so many men and women. When some of the young people of this Nation seem to be enthrolled by the drug culture, and moral decay is evident in practically every facet of American life, I am pleased to see the denial of these material temptations and a most admirable commitment by so many fine athletes. The zeal with which these athletes pursued the gold medal, the pain they endured, and the agony they suffered when defeated, gives me confidence that this younger generation possesses those necessary qualities to be a truly great generation.

CIGARETTE PROMOTION

Mr. MOSS. Mr. President, I regret that we cannot duplicate advertisements in the CONGRESSIONAL RECORD for there is one which I would like to insert under the category, advertising we can do without.

In the Sunday, August 8, 1976, issue of Parade, there appears a two-page full-color spread for Winston lights and a $1 off coupon redeemable at retail stores. While it is commendable that a cigarette manufacturer is pushing the low-tar cigarettes rather than the high-tar cigarettes, this advertisement strikes me as being particularly dangerous.

First, the advertisement depicts two dashing figures, an attractive man and woman, each taking a cigarette out of a package. Additionally, and this disturbs me the most, the $1 off coupon is right in the middle of the advertisement, drawing attention and likely to fall into the hands of young people.

A few years ago, we prevailed upon cigarette manufacturers not to distribute free samples of cigarettes in the mails. Now, R. J. Reyonlds has decided to give away the equivalent of two packages of cigarettes on the purchase of a carton.

In our country we do not take lightly any restrictions on the promotion of products, as long as these promotions are truthful and not deceptive. But I cannot help but think that increased advertising of this sort must be challenged and stopped.

HEROIN TRAFFICKING: U.S. RELATIONS WITH MEXICO

Mr. PERCY. Mr. President, the continued success of the current joint United States-Mexico opium poppy eradication and interdiction campaign should remain a top priority. The reason is readily apparent: During the last 2 years, Mexico has almost totally supplanted Europe and Asia as the major source of heroin in the United States. Between 70 and 90 percent of all heroin seized recently in the United States has been traced to the mountains of Mexico.

Drug-related crimes cost our citizens an estimated $17 billion annually. Few know for sure how many of our citizens have died or suffered because of heroin. I am particularly concerned that the metropolitan Chicago area has been targeted as a major dropoff and transshipment point for Mexican-grown heroin.

The growth of the deadly opium plant in Mexico and its processing into heroin must be stopped. The United States should be very grateful for the help it has received from the Mexican Government in destroying the opium poppy crop. The Mexican Government is spending an estimated $35 million to destroy this crop, in addition to the current U.S. allocation to Mexico of $15 million in supplies and equipment to assist in the program.

Therefore, I was quite concerned when I read an article in the June 30, 1976, Washington Post, written by Ms. Marlise Simons, headlined: "The United States-Mexico Pot War Feud." The article alleges major differences in this campaign between the United States and Mexican Governments that threaten the future of this ambitious and badly needed campaign. If true, such differences could lead to the dismemberment of this alliance for decency. It was for these reasons that I sought a response to allegations in the article from DEA Administrator Peter B. Bensinger.

Mr. Bensinger vigorously denies most of the allegations. Specifically, he denies that DEA agents in Mexico arrest or entrap drug traffickers in violation of Mexican law, fly reconnaissance missions without the knowledge of Mexican authorities, or encourage informants working in Mexico to apprehend drug suspects.

The DEA Administrator points to statistics showing that the opium poppy eradication campaign has been successful and he predicts that the results of the campaign will "best be reflected in terms of heroin availability on our streets late this year and next year." For the sake of all of us, I hope he is correct in his assessment.

Relations between United States and Mexican officials responsible for this program are termed "good."

To Mr. Bensinger's comments, I would simply point out that apart from the context of the article, the headline is surely misleading. Much more than a so-called pot war is at stake. The eradication program, which includes marijuana or "pot," is principally aimed at heroin. Heroin is a deadly, addictive drug which has already caused untold damage, personal suffering and death within our society. Its flow into this country must be halted.

So that there can be a complete understanding of the issue, I ask unanimous consent to have printed in the RECORD my letter to DEA Administrator Bensinger, his response, and the original Washington Post article. In this same connection, Mr. President, I ask unanimous consent there be printed in the RECORD a copy of section F of DEA's "Guidelines for Operations in Foreign Countries," issued July 30, 1976. While I have a few remaining concerns involving these guidelines which I am calling to the attention of Mr. Bensinger, I believe they go a long way toward complying with section 504(c)(1) of Public Law 95–329. Senator MANSFIELD and I, in working at that provision, were especially sensitive to the appropriateness of the involvement by DEA agents in enforcement activities conducted in foreign countries.

Mr. Bensinger personally, and the staff of DEA responsible for implementing this provision of law, deserve to be commended for their prompt and forthright action in this sensitive area,

There being no objection, the material was ordered to be printed in the Record, as follows:

Committee on Government Operations, Senate Subcommittee
on Investigatons,
Washington, D.C., July 2, 1976.

Hon. Peter Bensinger,
Administrator, Drug Enforcement Administration, Washington, D.C.

Dear Peter: A recent report out of Mexico, appearing in the Washington Post of June 30, 1976, alleges serious misconduct on the part of Drug Enforcement Administration (DEA) agents in that country. The dispatch claims that DEA agents in Mexico have:

Arrested individuals within Mexico, although United States agents have no such authority.

Carried firearms at times not authorized by the DEA agreement with Mexico. (Under the reported terms of the agreement, firearms can be carried only when DEA agents are accompanying Mexican authorities on official missions.)

Flew reconnaissance missions without the knowledge of the Mexican authorities.

Conducted various other operations without informing the Mexican authorities.

Violated Mexican law by entrapping drug sellers.

Encouraged informants working for DEA to apprehend drug suspects.

Conducted themselves improperly, including "serious cases of fraud," and the alleged arrest of two DEA agents on drunkeness charges in Acapulco.

Additionally, allegations are raised to the effect that DEA agents in the United States have entered Mexican border areas surreptitiously on official business, without the permission or knowledge of appropriate Mexican authorities.

I am sure that you will agree that these allegations are extremely serious. Mexican officials have every right to be sensitive about the activities of United States Government employees in Mexico. Without reviewing the historical reasons for that sensitivity, it is difficult to understand why, if the charges are in any manner true, DEA would not take special precautions to prevent such activities. A nation's sovereign rights are involved.

The shared objective of our two nations is to halt the flow of Mexican-grown heroin from reaching this country. If Mexican law, and her sovereignty, is being cavalierly trespassed in the process, we will not get the kind of cooperation from Mexican officials which we have seen over the past year and which is so sorely needed.

Please provide me with a report concerning the claims of improper conduct or abuse which I have outlined. I look forward to receiving your prompt response.

Sincerely,

Charles H. Percy,
Ranking Minority Member.

[From the Washington Post, June 30, 1976]

The United States-Mexico Pot War Feud

(By Marlise Simons)

Mexico City.—The United States and Mexico are doing their best to avert—or at least postpone until after their presidential elections—a major public quarrel over the sensitive issue of narcotics.

Just last month, tempers were running so high that a top Mexican narcotics official indicated that several U.S. agents were about to be expelled from Mexico for "insolent and inept behavior" and for "acting against our will and behind our backs."

This dispute was smoothed over at a high-level meeting in Washington two weeks ago, when the attorneys general of the two countries pledged cooperation and President Ford received the Mexican delegation at the White House.

Although both sides now say publicly that their differences are patched up, sources close to the Mexican antidrug drive fear that serious problems still remain and that new disagreements are almost certain to arise.

"There is a lot of pride and rivalry on both sides of the border," according to one of these sources.

An official in the Mexican attorney general's office asked, "How can we allow American agents to act as police here, to arrest Mexicans, to carry arms when they shouldn't to make reconnaissance flights on their own and to do undercover work behind our backs?

It's rather like the situation in France five years ago when there was a lot of friction between the French and American agents about such things."

In public, American and Mexican officials stress the successes of their six-year-old joint campaign against the narcotics traffic from Mexico to the United States.

But in practice, effective cooperation is increasingly hampered by growing resentment and rivalry between the narcotics agents of the two countries.

In exchange for the public embraces in Washington earlier this month, the U.S. Drug Enforcement Administration reportedly appeased the Mexican delegation with private assurances that controversial U.S. agents threatened with expulsion would be replaced shortly. There were also reportedly pledges of new U.S. equipment for the Mexican drug agents.

In turn, Mexican federal authorities dropped charges against an American drug agency "informant" being held for carrying out "illegal police activities" in Guadalajara. Instead, the man, Louis Eisner, was deported to the United States two weeks ago.

According to a police report, Eisner had held at gunpoint two Mexicans he believed were related to drug traffic and planned to hand them over to the authorities. The two Mexicans, according to the report, succeeded in getting the attention of passing patrolmen, who detained Eisner.

The report says Eisner, who called himself a doctor, confessed that he had been doing undercover work in the Guadalajara area for almost a year. For that purpose, the report says, he maintained contact with Joseph Gonzalez, the district director in Guadalajara for the U.S. drug agency.

Ironically, much of the growing rancor stems from the reorganization and new efficiency of the latest Mexican anti-drug drive, which was given strong political priority here last fall.

Under pressure from the U.S. government and with technical assistance from DEA, Mexico launched a campaign to destroy thousands of poppy fields by spraying them from helicopters with herbicides.

The Mexican attorney general's office trained an entirely new and "clean" narcotics squad, and once into the campaign it set off tremors among federal police ranks by firing six commanders, 13 agents and three federal attorneys for "loss of confidence."

As the new Mexican campaign organizers grew more confident and effective, they began to demand more control over the DEA activities on their territory.

Officially, close to 30 DEA men are here to do liaison work with their Mexican counterparts. They are permitted to carry guns only when actually operating with Mexican agents.

Entrapment of drug-sellers, not against the law in the United States, is forbidden by Mexican law, which calls it provocation of crime. Mexican officials say U.S. agents break the law here when they buy drugs to catch the sellers.

In public, no Mexican official could admit to activities of U.S. agents on Mexican soil for fear of an outburst of nationalist indignation that could jeopardize the entire campaign. In private, though, Mexican agents are strongly irritated at their American colleagues.

In the border area, Mexican legal authorities complained, U.S.-based agents have crossed the frontier and carried out raids on Mexican territory without permission from Mexico City.

In addition, Mexico City has had strong suspicions that some of the U.S. technicians contracted to service the U.S.-donated helicopters were CIA agents. Two such technicians, they said, recently worked in the Guerrero state for several months and often went out on routine flights with Mexicans over the Sierra Madre mountains behind Acapulco. These mountains have stirred a great deal of interest as the site of marijuana and poppy fields and of Mexico's insurgent peasants and rural guerrillas.

"We've got nothing to hide in our campaign," said a high anti-drug official here, "but if the CIA is snooping and spying on us, that is going too far."

[An official of the State Department, which administers the helicopter contracts under the Foreign Assistance Act, said there was "no possibility" that CIA personnel had been involved.]

On another point of friction, Mexicans consider highly exaggerated the DEA allegation that 90 per cent of U.S. heroine now comes from Mexico. Yet, the Mexicans say, the DEA has not shared its information on the type and size of U.S. seizures for Mexican evaluation.

"The Americans have deliberately withheld information from us, while in Mexico they get to know and do what they want," said an intelligence analyst in the attorney general's office.

After U.S. press attacks on Mexican corruption and inefficiency, Mexicans are responding.

"Drugs is dirty business," said a Mexican narcotics agent recently, "and there is plenty of dirty business among the American agents here also." The "dirty business" ranged from "simple things like two American narcs being arrested for drunkenness in Acapulco to serious cases of fraud." He refused to disclose any details about fraud, and said the incidents had always been covered up "among colleagues."

Although U.S. officials say the results of such anti-drug programs as the assault on the poppy fields are not yet visible through a shortage on the American market, drug prices here are up.

In Guerrero state, for example, around Acapulco, an ounce of crude opium that would fetch $88 last fall was up to $242 in March, halfway through the campaign, and now costs $385.

Last year an ounce of marijuana was going for $1.65 in the mountains behind Acapulco; this month the price is up to $5.50.

Now that the first campaign is over, Mexico has published the balance sheet for the first six months:

18,500 acres of poppy fields and more than 17,000 acres of marijuana fields destroyed.

1,480 pounds of crude opium, 473 pounds of heroin and 330 pounds of cocaine seized.

2,559 persons, including 275 foreigners—some of them Americans—arrested.

More than 30 civilians related to drug traffic were killed in the six months, some by police and others in feuds between rival bands, while traffickers shot and killed four Mexican agents.

Last month three agents died when their reconnaissance plane crashed in the mist. Two of the three were American DEA agents, pilot James T. Lunn and agent Ralph N. Shaw.

Now that both sides have made up and

the Mexican drug authorities have had a White House reception, officials here refuse to comment further on the differences with the Americans. DEA agents in Mexico are not available for discussions either.

Nevertheless, the anti-drug drive is moving onto slippery ground as a result of the recent squabbles. For several months, officials here have said they are tired of Mexico being blamed for U.S. inability to solve its drug problems at home.

"Americans always need a scapegoat for their drug disasters. First it was the Turks and the French, now it's the Mexicans," a high-ranking narcotics agent said.

A Mexican diplomat recently said, "There is a strong sense in the government that Mexico has done more than its share. We have been willing to use herbicides Americans don't use. We've spent twice as much money and lost more men."

July 13, 1976.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Chuck: Reference is made to your July 2nd letter regarding the Washington Post article of June 30th.

1. That DEA arrested individuals within Mexico, although U.S. agents have no such authority.

There has been no case brought to my attention of an arrest in Mexico by a DEA agent since I became Acting Administrator on January 23, 1976. I have asked our Mexican Regional Director to meet with the reporter to determine if she has specific instances of unilateral arrest actions.

2. That DEA flew reconnaissance missions without the knowledge of the Mexican authorities.

During the recent Mexican eradication campaign, DEA had six aircraft stationed in Mexico. These aircraft, which flew reconnaissance missions to locate and verify destruction of poppy fields, were sent to Mexico at the specific request of the Mexican Attorney General's Office. The flights were with the full knowledge and concurrence of the Government of Mexico, and the crews of the aircraft usually included Mexican officials. This has been our mutual policy and was again agreed to by Attorney General Ojeda Paullada and myself on June 8th in Washington, D.C. The results of these reconnaissance missions were turned over to the Mexican Federal Judicial Police for utilization in the eradication campaign. The air program has been an effective intelligence source for spotting poppy fields and a good monitoring mechanism for both countries as to what has been done in the eradication campaign partially financed by U.S. Government funds.

3. That DEA violated Mexican law by entrapping drug sellers.

Undoubtedly, what the Washington Post article refers to on this subject is the fact that Mexican law operates under the civil code. As you know, that law makes the buyer and seller of drugs in a narcotic transaction equally guilty. Narcotics are, as a matter of policy, seized by the Mexican Police prior to delivery; this does not constitute a violation of Mexican law, or entrapment. DEA Agents in Mexico, as a matter of policy, function in a liaison capacity in operations of this kind with the approval of the Mexican Government. This is a necessary part of the effective intelligence exchange relationship btween the two governments.

4. That DEA encourages informants working for DEA to apprehend drug suspects.

This allegation is wrong in principle and in fact. The activities of Mr. Eisner, referred to in the Post in quotes, are not confirmed by fact. No DEA informant is ever encouraged to arrest anyone. Informants are essential to obtain maximum drug intelligence. Informants have been known to make false statements and to assume authority not granted. Eisner was not and has never been a DEA informant.

5. That DEA conducted themselves improperly, including "serious cases of fraud" and that two DEA agents were arrested on drunkenness charges in Acapulco.

Neither the DEA Office of Internal Security, the Mexican Regional Office, nor my office is aware of any charges of fraud against DEA personnel in Mexico, serious or otherwise.

The incident referred to of two DEA agents arrested on drunkenness charges in Acapulco is not factual. On March 4, 1976, two DEA agents in Acapulco were assaulted at a restaurant by two intoxicated Mexican Nationals. The police were called and all involved went to the local police station where the two DEA agents reported the assault against them. No arrests were made. The incident was reported by the agents to regional management and management, in turn, reported it to the Mexican Attorney General's Office and the U.S. Deputy Chief of Mission at the Embassy.

In your letter of July 2nd, you raised a question relative to "DEA agents entering the Mexican border area surreptitiously on official business without the permission or knowledge of appropriate Mexican authorities." Several years ago, DEA and its predecessor agency had an understanding with the Government of Mexico which allowed DEA Special Agents to function in a nonoperational capacity. In joint matters, DEA and Mexico have agreed that DEA supervisory agents will always contact a designated Mexican Federal Judicial Police Officer at the border before entering Mexico to engage in any official activity.

I am extremely sensitive to the National Sovereign Rights of Mexico. The bilateral enforcement effort of Mexico and the United States is an equal partnership. It requires skillful and dedicated officers on both sides of the border and mutual respect to enable us to impact on the heroin traffic.

The June 30th Washington Post dispatch is a rehash of an earlier release which arrived in Washington from Mexico on the day of Attorney General Ojeda Paullada's visit. Washington Post reporter, John Goshko, handled the dispatch, but checked it with Attorney General Ojeda Paullada, Dr. Gertz and me, and the story so reflected those views (appearing June 9th).

I am less than encouraged by your letter. Since January 1976:

A. The Mexican Government has used herbicides to eradicate poppy fields, rather than army troops which required manual destruction. The result has been a four-fold increase in the number of poppy fields destroyed—20,115 so far this year, versus 4,733 last year.

B. The Mexican Government has agreed to a year-round campaign with another major field eradication program scheduled to begin in September. In all previous years, the campaigns were from November or December through April only.

C. The numbers of arrests and seizures this year have increased from 449 to 1,459 arrests, and from 30.2 to 106.9 kilograms of heroin.

D. The Mexican Government has agreed to prosecute Mexican National fugitives from the U.S.A. in Mexico by the JANUS program. So far this year, the Government of Mexico has assigned five federal investigators strictly for JANUS cases, as compared to none specifically designated last year. This year (calendar year 1976), 51 cases have been initiated. In Mexico (and the United States), 163 persons have been indicted or arrested, and 29 more cases are in process. This compares with 31 cases in 1975.

E. The Mexican Government invited DEA's National Training Institute to Mexico in May of 1976 to conduct training at their Federal Judicial Police Academy. This has been a past practice, but has by no means been discontinued.

The results of our 1976 efforts will best be reflected in terms of heroin availability on our streets late this year and next year, but the facts are clear. More effective action has been taken in Mexico this year and with more cooperation with DEA than ever before.

Major breakthroughs have been achieved in terms of field eradication techniques, joint prosecution, and enforcement actions on both sides of the border.

I appointed a new Regional Director for Mexico, Ralph Frias, biography attached. He has been Acting Regional Director since April 14th, and was officially appointed on June 14th. He will be joined in August by Jacques Kiere, former Director of DEA's El Paso Intelligence Center, who will be Deputy Regional Director. I have confidence in both men and their ability to communicate and cooperate with the Mexican Government. Jacques Kiere's presence should lend added expertise in intelligence.

Rather than having less cooperation, as your letter suggests, and "not the kind of cooperation from Mexican officials which we have seen," let's talk about results. Results this year far outmatch the past.

Relations are good between the top leadership in the U.S.A. and Mexico. Mexican Attorney General Ojeda Paullada recently visited with Attorney General Levi and me in Washington. In addition, JANUS prosecutions are proceeding at a record pace.

As we impact more and more against drug traffickers, there will be increased efforts to divide our respective countries' efforts, to discredit DEA and the U.S. Government, and to drive a wedge between us. That is Attorney General Ojeda Paullada's view and my own. In no way does that lessen my intention to see that our representatives in Mexico follow the law and our regulations, and that they maintain cordial relations with and are sensitive to the host government.

I strongly urge that you and your staff avail yourselves of a full briefing on the SAO/MEX program.

I appreciate your deep interest and commitment to our Government's narcotic responsibility, and I appreciate your interest in seeing that our programs are on target. Let us share with you what is being done in and with Mexico. I would like to respond to other questions your staff may have on this matter and believe we should get together soon.

Sincerely,

Peter B. Bensinger,
Administrator.

Enclosure.

Drug Enforcement Administration—Functions and Guidelines Relating to Operations in Foreign Countries, July 30, 1976

* * * * *

F. DEA Representatives Precluded from engaging in Direct Police Arrest Actions. On June 30, 1976, Public Law 92–329 was enacted. The bill "International Security Assistance and Arms Export Act of 1976", provides in section 504 as follows:

(c)(1) Notwithstanding any other provision of law, no officer or employee of the United States may engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts.

1. Application in strict sense. The Congress intends that this provision be applied in its strict sense and that DEA representatives shall not accompany host country police officials in any situation where the DEA representative will be present and directly involved in any foreign police arrest action.

2. No presence if violence is foreseen. Further the Congress intends to preclude

DEA representatives from intentionally becoming involved in any activity in a foreign country in which violence is reasonably foreseeable, irrespective of whether an arrest is to be made.

3. No incidental involvement, except when life is in jeopardy. Additionally, when a DEA representative is accompanying a host country official in a situation that is planned in such a way as to avoid any involvement of DEA representatives in a direct police arrest action, e.g., under the provisions of paragraph 6 of this section, and unexpected violent action is directed against the host country official, DEA representatives shall avoid becoming involved in any direct police arrest action unless the life of a DEA representative or a cooperating host country official may be in jeopardy.

4. General rule when in doubt. The general rule established by DEA in complying with P.L. 92–329 is that if a DEA representative should have any doubt as to the meaning of the law or the guidance in this section, the doubt will be resolved in favor of his not being present at the site of host country police arrest actions.

5. Examples of prohibited involvement. Examples of instances in which DEA representatives are prohibited from engaging or participating in host country arrest actions are as follows:

(a) DEA representatives will not accompany host country police officers to an arrest site for the purpose of actually assisting host country police officers in making an arrest, i.e., to exert physical force or contact against a person to be arrested.

(b) DEA representatives will not accompany host country police officers to act as an auxiliary force.

(c) DEA representatives will not accompany host country police officers under any circumstances where it is reasonable to foresee that violence will ensue, or where it can be anticipated that the host country police officer might reasonably expect to request assistance from the accompanying DEA representative in order to effect the arrest.

6. Permissible passive presence. Consistent with the provisions of P.L. 92–329 and the above guidance, DEA representatives may be passively present in the vicinity of an arrest by foreign officers under the circumstances listed below. Thus, where host country police operations which are likely to result in arrests are planned in such a manner as to avoid any involvement of DEA representatives in a direct police arrest action, a DEA representative may be passively present in the vicinity of the arrest action under these following special circumstances:

(a) When it is necessary for a DEA representative to be in the vicinity solely to identify the person to be arrested, and where other means of identification are not practical;

(b) When host country officials authorize the presence of a DEA representative to be in the vicinity to operate technical or scientific equipment;

(c) When host country officials authorize the presence of a DEA representative to be in the vicinity to assist in training local officers in investigative techniques;

(d) When a DEA representative is authorized by host country police officers to operate in an undercover capacity to acquire intelligence or evidence regarding the international traffic in illicit drugs affecting the United States;

(e) When DEA agents are working with host country officials in connection with illicit crop destruction and the host country officials receive a request for assistance from other host country authorities, DEA representatives may transport them to the vicinity of illicit crop eradication and/or arrest site;

(f) When host country officials authorize the presence of DEA representatives in the vicinity strictly for post-arrest activities such as interviewing persons under section I, G of these guidelines; to collect intelligence under section II, E of these guidelines; and to provide technical knowledge peculiar to the illicit drug operation, which knowledge is not possessed by the host country officials.

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that three such notifications were received on August 6, 1976.

Interested Senators may require as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

S. 354, THE NO-FAULT INSURANCE BILL

Mr. THURMOND. Mr. President, I recently read an interesting article entitled "The Price of No-Fault" in the current issue of Trial magazine.

This thoughtful and provocative analysis by Craig Spangenberg is worth examining, especially in light of the recent debate on no-fault.

Mr. President, in order to share this article with my colleagues, I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Price of No-Fault

(By Craig Spangenberg)

One of the most infuriating forms of disillusionment is finding out that all the old cliches are true; it's hearing I told you so once too often. In this sense, evaluating the economic value of no-fault insurance to the average consumer is particularly frustrating. Despite all the attention and acclaim the no-fault rules have received, a look at some basic facts and figures of insurance mathematics reminds us that the old maxim still applies: You get what you pay for. If no-fault insurance delivers a substantial increase in consumer benefits, it will only be at the cost of proportionally higher premiums. The simple rule of insurance cost is that for every 15 cents in additional benefits the consumers obtain, they must first pay 25 cents in insurance premiums.

The automobile industry delivers back to the consumer, in benefits, 60% of the premiums paid in to the system. Benefits equal .6 times cost. The reverse is necessarily true: Cost equals 1.67 times benefits. B=.6C. C=1.67B.

To better understand this principle, examine the facts. The premium dollar contains only 100 nonstretchable cents. No theory and no rhetoric can increase its content or its value. The one premium dollar must be divided up to pay the benefits to claimants and the insurance company expenses, with enough left over for a profit. (In the vocabularly of insurance, benefits gained by the claimant are called "losses incurred." The expenses of the insurer are classified as: "commissions and brokerage;" "other acquisition," which includes advertising and promotion; "general," or "general and administrative;" "taxes;" and "loss adjustment." All of these expenses come under the unbrella term, "underwriting expense." The detail for each expense item of every property and casualty insurer in the United States is published once a year in the authoritative compilation of A. M. Best & Co., called "Best's Aggregates and Averages.") Simple stated, total premiums minus total underwriting expense equals underwriting profit or loss. Calculations can be made in either dollars or percentage.

Profit and loss figures vary from year to year, but in general, the expenses as a percentage of premium remain the same for all the common lines of insurance. The constant ratio, for all lines of automobile insurance for many years, has been about 38% of premium to cover expense in all the automoblie liability lines; and 35% to 36% for the auto physical damage lines, such as collision, comprehensive fire and theft. The ratio will remain the same under no-fault. It does so in theory, and it has proven so in fact in the laboratories of existing state no-fault systems.

Surprisingly, automobile insurance has the lowest expense ratio of all the common lines of individual coverage the consuming public buys. It is not the "least efficient," as no-fault propagandists shout, but the most efficient. Best's "Aggregates and Averages" prove this every year.

To find the expense ratio: Take the annual totals for every different line of insurance for every stock insurance company and every mutual insurance company; add the annual totals for every different line of insurance for every stock insurance company and every mutual insurance company; add the loss incurred percentage to the underwriting profit or loss percentage, plus or minus, and deduct this total from the premium total. The result will be the total of all expenses, including loss adjustment expense.

Example: In Best's 1974 edition, the grand total of premiums for all the fire insurance writers in the United States, both stock and mutuals, was $2.448 billion. The stock companies had a loss incurred ratio of 50.6%, with an underwriting profit of 10.3%. Combined loss incurred and underwriting profit was 60.9%. Deducting this from 100% of premium yields 39.1% of the premium as the total of all the expenses. The mutual fire insurance writers paid out 46.0% of premiums in losses incurred, with an underwriting profit of 17.2%, which leaves 36.8% of the premium as the amount paid for total expenses.

The weighted average for combined stocks and mutuals was 38.7%. In general, the mutual companies have a lower expense ratio than the stocks, and a higher underwriting profit by a few percentage points, but the stock companies command a much larger share of the market and write about five times as much business as the mutuals.

Dealing with expense ratios only, the same method of computation yields the following retained expense ratios for all the common lines of property or casualty insurance the individual consumer might buy:

Best's 1974 ratios—Total expense retention of combined stock and mutual companies

	Percent
Fire insurance	38.7
Allied lines	39.8
Homeowner's	42.2
Inland marine	40.1
Miscellaneous liability	51.7
Non-group accident and health	43.6
Private passenger auto liability	37.4
Private passenger auto physical damage	35
Commercial auto physical damage	37.2
Combined auto, private and commercial, liability and physical damage	37

Note that the total private passenger auto liability premiums in 1974 were $8.45 billion. At least 35% of this premium was for property damage liability, which is not affected by no-fault. The premium in which the consuming public has a stake under S. 354, private passenger bodily injury liability, was about $5.5 billion in the 1974 report of Best's. This is substantial, but nowhere near the newspaper columnists' figures of a "Twenty Billion Dollar industry" which will be changed by no-fault.

The 1974 compilation shows that the stock companies paid out 64% of their premiums in their private passenger auto liability line in losses incurred, with an underwriting loss of 2.3%. The mutuals paid out 60.8% in the same line with an underwriting profit of 3.5%. The industry underwriting loss, weighted average, was 0.2%, or very nearly break even at a weighted average payout of 62.4%.

It is a financial rule of insurance that in the auto liability lines $1.00 of premium will generate $1.00 of reserves. The investment profit on reserves makes the insurance business profitable at a break-even, or zero underwriting profit. Nevertheless, an underwriting profit of 2% is not unreasonable, and consumers should be satisfied with an expense ratio of about 38% in the liability lines, with a payout of 60%, and insurer's underwriting profit of about 2%.

No-fault systems can do no better. Many factors tend to drive expenses up and to shrink reserves. Since investment income on the reserve accounts must diminish under no-fault, the insurance companies need a higher margin of underwriting profit in order to retain their capacity to satisfy the market demand for new and renewal policies. Confirmation of these ratios may be found in the Report of Hearings before the House Subcommittee on Consumer Protection and Finance on the House versions of federal no-fault bills. On page 595 of the Report (Serial No. 94–42, late 1975), the following table is included in the testimony of T. Lawrence Jones, president of the American Insurance Association:

Distribution of premium dollar stocks, mutuals, reciprocals—private passenger and commerical auto liability

[Percent]

	Tort system	*No-fault*
Operating expense (commissions, other acquisition general administrative, taxes)	26	26
Loss adjustment	[1] 12	[2] 9.5
Losses incurred	60	60
Underwriting profit	2	4.5
	100	100

[1] Actual.

[2] Estimated.

A caveat should be entered that the prophecy of a reduction in loss adjustment expense by 2.5% of the premium, (based on the Milliman and Robertson formula) has not been realized in actual experience in the no-fault states. There is little hope for a reduction in adjustment expense percentage, which means that the theoretical underwriting profit of 4.5% will be reduced to 2% if payout remains at 60%. This may be an inadequate profit margin for industry health if investment income continues to fall as reserves are reduced.

In summary, auto liability insurance expense and profit take 40% of the premium. Benefits to claimants can properly take 60% of the premium. Higher benefit levels lead to underwriting loss. These ratios have held true for more than a decade, and remain true under no-fault systems as they did under tort. Tort benefits cost the consumer $1.00 in premium for every 60 cents in benefits. If no-fault delivers additional benefits, the added benefits will cost 50 cents in added premium for every additional 30 cents received by the public. The benefit is .6 times premium. The cost in premium is 1.666 times the benefit.

The "bargain" for the consumer is an illusion. The staff of the Senate Commerce Committee has invented a table of benefits, published at page 595 of the Commerce Committee Report on S 354, which states that on a national average 37% more victims will receive compensation under S. 354, and total benefit dollars paid out will be 43% greater than tort system benefit dollars. If these figures were true, it would mean that the consumers face a 43% premium increase. Benefits, at 60 cents of the premium dollar, would rise to 86 cents (tort plus 43%). Expenses, at 40 cents of the premium dollar, would rise to 57 cents (tort plus 43%). The premium, compared to each $1.00 for tort liability, would rise to $1.43. The consuming public would receive 26 cents more in benefits than the tort system provides per dollar of premium, but would have to pay 43 cents more per dollar of tort premium to get that 26 cents. The rule would hold: Cost=1.67 Benefits.

THE 200-MILE FISHING LIMIT

Mr. HATHAWAY. Mr. President, the August issue of the New Englander carries a story by assistant editor, John H. Fensterwald, on the subject of the 200-mile fisheries bill and its effect on our New England fishing fleet.

The adoption and signing into law of this significant legislation is certainly a positive step toward dealing with the issue of rational fishing management. For generations, New England fishermen have been battling intemperate weather, and, of late, heavily subsidized foreign fishing fleets, for the right to harvest the resources of the sea.

Mr. Fensterwald's article amply illustrates the problem our fishing fleet is going to have in adequately harvesting the resources without some form of assistance.

Last June I offered a proposal to provide $250 million in loan guarantees to the Nation's fishing fleet and owners of related shoreside facilities. This proposal is now pending action in the Banking, Housing and Urban Affairs and Commerce Committees. Also, since the introduction of that proposal, more than a dozen Senators have joined as cosponsors.

Mr. President, this article so well illustrates the problem, and so well defines the need for a loan program for which I have proposed legislation, that I would like to share it with my colleagues. I ask unanimous consent to submit for printing in the RECORD Mr. Fensterwald's "Beyond the 200-Mile Limit."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BEYOND THE 200-MILE LIMIT . . .

(By John H. Fensterwald)

New England fishermen are an independent breed, prone to talking alibis and luck. These days, however, few are speaking about "the big ones that got away." The few big ones around have been snatched up by the Russians, Poles and Spaniards.

But on March 1, 1977, the institution of the 200-mile limit, foreign factory ships, are going to face a "No Trespassing" sign on Georges Bank. The opportunity New England fishermen have been waiting for will be at hand.

While many fishermen believe extended jurisdiction will eventually lead to a renaissance of the industry, few view the 200 mile law itself as a panacea. From Portland to Point Judith, R.I., they are cautiously adopting a wait-and-see attitude—waiting for the schools of cod and haddock to return and seeing if the government has the commitment to enforce the statute and aid an industry which has suffered from decades of neglect.

"It's the best bill for the industry that was politically feasible," states Howard Nickerson, executive secretary of the New England Fisheries Steering Committee, a nonprofit association representing 75% of the region's fishermen and boatowners. Nickerson says that if foreign ships are banned from fishing for species which have reached critically low levels—haddock, cod and flounder—stocks will be rebuilt in three to five years.

DAY OF THE LOCUST

Statistics spell out the reason for extended U.S. jurisdiction. From 1962 to 1972, total catch in the Northeast Atlantic by all countries doubled from 536,841 metric tons to 1,117,789 metric tons. Domestic fishermen, however, saw their catch decline by over 50%. Massachusetts landings of groundfish dropped from 387-million lbs. to 150-million lbs. Haddock in particular fell prey to voracious foreigners. Domestic catch fell from an annual average of 138-million lbs. from 1951–1962 to 16-million lbs. in 1975.

The number of trawlers in the Massachusetts commercial fleet declined from 408 vessels in 1962 to 343 in 1970, while the number of wholesalers and fish processors in the Bay State fell from 236 in 1960 to 201 in 1973. (The trend was offset by the rise in the state of a large frozen fish processing industry, which, depending primarily on imports of frozen fish blocks, processed 51-million lbs. in 1970, a five-fold increase over 1960.)

CATCH MAY DOUBLE

According to projections by the Massachusetts Coastal Zone Management (MCZM), with a 25% reduction of foreign fishing, NE annual landings and value of catch from the International Commission for the Northwest Atlantic Fisheries (ICNAF) area 5, which includes Georges Bank, will double over the next five to seven years. This will result in a catch of 925-million lbs., whose value, in 1974 dollars, would be $142-million. Through a multiplier effect, an annual total of $420-million in related fish transactions could be generated, of which $166-million would be personal income. To cap off its rosy predictions, MCZM states the 200-mile limit could lead to the creation of 5,000 to 10,000 jobs in Massachusetts alone over the next decade in marketing, processing and boat construction.

One fly in the chowder could be the extent to which fishing will be regulated, not only for foreign but also for U.S. fishermen. While everyone recognizes the need for fishery management and conservation, there is disagreement over the method to carry it out. Closed areas and seasons, gear restrictions, and catch quotas are possibilities, as well as a system of limited access. It is the latter option, which if instituted, would cause the greatest dissension within the industry.

LIMITED ACCESS CONTROVERSY

Nickerson flatly opposes limiting access to a specified number of U.S. trawlers, but Harry Swain, president of Boatowners United, Inc. of New Bedford and past president of the New England Fisheries Steering Committee, disagrees. "It will be unpopular, and there will be a lot of name-calling, but a system of limited access for the next few years is an absolute necessity," he says, noting that licenses should be granted to boats presently in operation. Johnny-come-latelies would have to rest in port awhile.

The first indication of what's ahead will be this month, when Secretary of Commerce Elliot Richardson appoints 11 of the 17-member New England Fisheries Council, one of eight regional committees established under PL 94–265, the 200-mile limit law which Rep. Gerry Studds (D-Mass.) successfully led through Congress this year. The council will have the difficult tasks of drawing up a fishery management plan for the ocean area opposite NE's five coastal states, determining how to allocate species in short supply, and commenting on fishing applications by foreign nations. (Under the law, foreign vessel will be allowed to catch the *surplus* portion of the maximum sustainable yield for each species which domestic fishermen are unable to harvest.)

Nickerson and Swain are among the 21 Massachusetts nominees submitted to Richardson by Gov. Michael Dukakis. Others include Lucy Sloan, executive secretary of the National Federation of Fisheries; Hugh O'Rourke, executive secretary of the Boston Fisheries Assn.; Frank Shinney, president, A. F. Rich Co., a Boston processor; and Dr. Charles Cole, UMass fisheries biologist. Maine nominees by Gov. James Longley include Charles Stinson, president, Stinson Canning; Lester Orcutt, president, Maine Fisherman's Cooperative Assn.; and Ronald Green, former commissioner of ICNAF.

Because fishing in Gloucester, whose fleet concentrates on perch, hake and whiting, is vastly different from New Bedford, where the focus is on flounder and scallops, each port is anxious to have representatives on the council. Whether the council's plan and the views of the Commerce Dept. will conflict will become evident as the March 1 deadline approaches. Secretary Richardson, may be pressured by the State Dept. to make concessions to foreign fishing interests in order to keep diplomatic relations on an even keel.

STEPPED-UP ENFORCEMENT

Enforcement of the 200-mile limit will be left to the U.S. Coast Guard and the National Marine Fisheries Service (NMFS), and there is considerable concern whether they will have the funding and the manpower to do the job. Currently, the Coast Guard has eight cutters on the Atlantic Coast, and usually three are at seat at one time, making random inspections. Three planes out of Cape Cod conduct surveillance flights.

Commander Robert S. Palmer, Jr., chief, Intelligence and Law Enforcement Branch of Coast Guard District I, says the magnitude of the task depends on the complexity of the regional council's management plan. If foreign licenses are issued for specific areas and species, and if daily inspection is required, he says enforcement could be a problem.

Possible solutions include deployment of additional cutters and planes, placing NMFS personnel on each foreign vessel to supervise the catch, and the use of transponders, electronic equipment which will signal a ship's location.

NE fishing has always been a fragmented industry, comprised of independent entrepreneurs manning 70-ft. trawlers on trips of three to seven days. And it appears it will remain that way. Several American efforts to bring the factory to the ocean were tried in the late 1960's, but all failed, due to a lack of fish and an unwillingness of workers to stay at sea for weeks at a time.

"We're in the fresh fish business and not in the business of catching protein by tonnage, as are the Russians," Nickerson says.

CETUS CORP. GAMBLE

One possible exception, which could either usher in a new era or fall flat on its face, is the Cetus Corp., a recently formed company which is renting dock space and pier facilities at the former Quonset Pt. Naval Air Station in Rhode Island. Corporate officials are tight-lipped about their operation, other than to confirm they have acquired a 126-ft. trawler, and two 154-ft. vessels—the largest American-owned boats on the East Coast.

Edward M. Mauro, Jr., a Providence businessman who owns industrial supply firms in several states and is chairman of the board of Cetus, says that one of the 154-ft. boats will concentrate on fresh sea scallops but that long-range plans may include its conversion into a factory ship capable of catching and processing large quantities of squid, whiting, and dogfish.

"The ability to attract venture capital and bank financing will be the crucial factor over the next several years," says Mauro. "The 200-mile limit will be academic unless the U.S. has the vessels and the onshore processing facilities to replace the foreign fleet."

While they await the return of haddock and flounder, the immediate opportunity for New England fishermen lies in a number of presently underutilized species. Americans have never been particularly fond of squid, whiting, herring, and mackerel, but those are the species which the New England Fisheries Steering Committee, in its five-year development program, targeted for expansion.

In 1975, domestic fishermen harvested 1% of the squid, 15% of the whiting, and only .2% of the mackeral allowed under the ICNAF quotas for areas off New England and the mid-Atlantic states. Recognizing the need for a dramatic shift in consumer tastes, the New England Regional Commission (NERCOM) in its June meeting, set aside $60,000 to develop new markets for underutilized fish.

STILL PROSPEROUS INDUSTRY

The irony of the past decade is that for many who remained in the industry, fishing has proven profitable. Stocks declined but their price—at least for the more desirable species—soared, both at the pier and at the supermarket. In 1975, 68.6-million lbs. of fish with a landed value of $31.2-million, went through New Bedford, making its catch the second highest in dollar value in the nation. (However, in Gloucester, where different species brought a lower price in 1975, a harvest of 126-million lbs. had a landed value of only $14.5-million.)

"There's no such thing as a poor fisherman—who is willing to work," states Hugh O'Rourke, executive secretary of the Boston Fisheries Assn. He notes that a crew member on a stern trawler, taking 25, 10-day trips per year earns from $14,000 to $22,000 annually. A captain may make up to $50,000.

LOANS: MAJOR OBSTACLE

Not everyone would agree with O'Rourke—particularly fishermen in Maine and Gloucester, where the average age of the fleet is over 25 years. For them, the difference between eking out a living and prosperity is at least $300,000—the price of a new trawler. (Larger, steel hull trawlers in the 110-ft. range cost up to $1-million). Obtaining the loans to make that kind of purchase is a major bottleneck plaguing the industry.

"If I had a new boat, I would go out 160 miles without hesitation," observes Gloucester fisherman Ben Chianciola, captain of the *Serafino II*, a 50-year old otter trawler, "but I'm caught in an endless cycle of mortgage payments and repairs." Even when the engine and rigging are up to snuff, he notes, he must stick close to shore, because of the vessel's age, thereby missing many large runs on whiting.

Adds Nickerson: "Banks rarely have officers who are oriented to the fishing industry. Because of a lack of knowledge, they have been timid in granting loans."

Among the common obstacles facing fishermen who seek loans for new boats are a 25% front-end deposit, a requirement for a car or a house as collateral, and short terms for reypayment—often five to eight years. Fishermen can turn to the SBA or the Farm Credit Bureau, but these programs have not been adequately funded in the past, and also carry heavy restrictions.

Swain says the New Bedford fleet is in relatively good shape. Most of the boats are under 10-years old, and eight new trawlers will be delivered this year. While noting that New Bedford banks have been cooperative, he says a $200-million federal loan program, either in the form of guarantees or loans with lower interest rates and longer terms, is vitally needed.

Banks respond to sound financial investments, and in New Bedford, banks involvement in fishing has been relatively high. Atwell G. Collins, president, Bay Bank Merchants of New Bedford, reports that 40% of the bank's commercial loan portfolio is tied into boats and processing activities. "No bank here could exist without dealing with the maritime sector," he adds.

EXPERIMENT IN GLOUCESTER

A massive infusion of government capital to revitalize the fleet is not likely in the near future. However, both the Commerce Dept. and the industry are carefully watching a small loan program in Gloucester, which could become a prototype for similar ventures.

In July, the Overall Economic Development Committee, Inc. of Cape Ann (OEDC) began operation of the first SBA 502 local development corporation geared specifically to the high-risk fishing industry. The Cape Ann Commercial Fishermen's Loan Fund, Inc., which will offer loan guarantees, primarily for boat repair and equipment, started with $210,000 in loan capital—$50,000 from NERCOM, $60,000 from the city of Gloucester, and $100,000 from the Economic Development Administration. Over $2-million in loans will be generated through participation in the SBA and banks.

OEDC Executive Secretary Don Field reports that over 40% of Gloucester fishermen are presently excluded from the loan market because of the system of constraints. The new program, which will reduce the risk for banks by limiting their loan participation to one-third, will not require real estate as collateral and will be available to fishermen with three years' experience on the waterfront. Already the fund has received over 25 applications.

TARIFFS AS FUNDS

Sen. Edward Kennedy (D-Mass.) plans to submit a bill before Congress, which would make additional money available to the fishing industry for a wide variety of purposes—research and development, marketing, and loans or loan guarantees for processing facilities, boat construction, and the formation of insurance pools. The regional fishery councils established under the 200-mile bill would administer the funds, the source of which would be the tariffs collected from imported fish products.

Mary Murtaugh, legislative assistant to Sen. Kennedy, says that $22-million would be available each year, of which $5-million to

$6-million would go to New England. Chances of the bill's passage in 1977 are excellent, she says.

A massive fishing effort will be necessary to make substantial inroads into the imported fish market, which accounts for over 70% of the fish consumed in the U.S. Imports enter primarily in the form of frozen fish blocks, which are processed by companies like The Gorton Group of Gloucester, a division of General Mills. If the price of fresh fish drops, and a surplus develops, American fishermen may begin supplying these processors.

"Right now, U.S. fishermen can't compete with foreign fleets in the frozen fish business," states Ross Clouston, president. The Gorton Group, which supplies fast-food outlets such as McDonald's and employs 800 to 1,000 in its Gloucester plant. Clouston notes the firm's supply will not diminish because of the 200-mile limit, although there may be dislocations.

CAPACITY FOR GROWTH

A number of New England ports are in a good position to accommodate additional growth, particularly New Bedford, where over $75-million has been spent in the last decade expanding and upgrading pier facilities. Over a dozen processing firms are located in new quarters and have the capacity to handle three times the port's present volume.

In Gloucester, where the frozen fish processing industry may begin to rely more heavily on domestic landings, a 43-acre urban renewal project includes plans for new wharves and piers for the fishing fleet, a new processing plant, and a cold storage plant. However, in a number of small ports, such as Provincetown, Beverly, and Chatham, an increase in commercial fishing boats could create conflict with recreational craft for mooring and berthing space.

Maine fishermen face an additional problem of distance from the Boston and New York markets. Lester Orcutt, president of the Maine Fishermen's Cooperative Assn., reports that the "fleet has declined steadily over the past 15 years" and that there is a need for a string of city and state landings along the coast so that a fisherman can select the best buyer.

WILL THE YOUNG GO TO SEA?

Fishermen live a lonely existence, detached from activity on the mainland, and this type of life has never appealed to a younger generation of Americans. For the past several decades, immigrants—Italians in Gloucester and Scandinavians and Portuguese in New Bedford—kept the industry alive. Fishermen like Chianciola do not encourage their sons to take to the sea.

Extended jurisdiction may change the picture and bring men back to the docks but an increasingly mechanized industry will require crews with additional training and skills. In order to assess manpower needs, NERCOM allocated $75,000 to the New England Marine Occupational Training Project to come up with a regional training and education plan.

One encouraging sign is in New Bedford, where a marine fisheries program of the Greater New Bedford Regional Vocational Technical School will open on the waterfront. Students taking the four-year course will be trained in marine electronics and navigation.

Extended jurisdiction is only the first step, and both fishermen and a number of New England politicians are not content to sit back under the theory that sheer quantities of fish alone will lead to a rebirth of the industry.

"Let's stop talking about Captains Courageous, and start dealing with the buck that holds the industry together," says O'Rourke.

To many, the 200-mile limit came too late, but all are encouraged that at least it has come. Without it, haddock would have gone the route of the buffalo, and trawlers would have ended up next to whalers in a museum.

With the 200-mile limit, Boston may again become the home of both the bean *and* the cod. New Englands are gearing up for that possibility.

THE MEANING OF THE RULE OF LAW TO THE UNITED STATES OF AMERICA IN THE PAST 200 YEARS

Mr. TAFT. Mr. President, recently, Mr. Charles S. Rhyne, world president of the World Peace Through Law Center, delivered a speech on "The Meaning of the Rule of Law to the United States of America in the Past 200 Years." The speech was given to the International Lawyers Club in Geneva, Switzerland, where Mr. Rhyne was introduced by Francis Dale, the Ambassador to the United Nations in Europe.

I believe Mr. Rhyne's message is worth noting and particularly want to point out the praise he gives to Ambassador Dale for the outstanding job he is doing in Geneva. We in Ohio are proud of Frank Dale and the outstanding contributions he made in Cincinnati. He has continued his record of dynamic leadership in his post as Ambassador to the U.N. and has served his country well.

I ask unanimous consent that Mr. Rhyne's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE MEANING OF THE RULE OF LAW TO THE UNITED STATES OF AMERICA IN THE PAST 200 YEARS

(By Charles S. Rhyne)

I am so highly honored to have the privilege to speak to you great leaders of the World who work for humanity largely through International agencies among a people and a Nation renowned the World over for devotion to a peaceful World order with justice.

In life, one's success largely depends upon the friend he makes, especially if one makes peaceful World order with justice the core of his life's work. Each of you is such a worker for that greatest of humankind's aspirations. Each of you have made contributions which will live forever as monuments to your efforts toward that great goal. It is therefore with a feeling of appreciation to you and inspiration from you that I join you today.

And as we meet, I pray that in the days and years ahead our paths will cross many times as we labor together toward that great day when law rather than force will indeed rule the World.

I am especially honored to be introduced by his Excellency Francis Dale who is not only a long time personal friend, but one of our Nation's greatest leaders. We of the United States have been represented here in such an outstanding manner by this great man who has had more successful careers than almost any other man of my Country: as a lawyer, as a publisher of a great newspaper, as owner-President of the Cincinnati, Ohio "Reds" a baseball team so great as to win the "World Series" under his dynamic leadership. Now we proudly proclaim and honor him as the most outstanding and productive Ambassador our Nation has ever had serve in this important Office.

I must mention that leadership and public service are not personal monopoly in the Ambassador's family. His wife served until recently with me as a Trustee of Duke University. She is nationally recognized and honored in my Country in her own person and in her own right as a truly great leader whose warm personality and achievements add immeasurably to her distinguished husband's tremendous career. And their son—an extremely able young lawyer—once worked as a law clerk in my law office.

So the Rhynes and the Dales have many close personal ties. We Rhynes hope to see more of the Dales as he returns to our Nation to undertake an assignment which is probably the most difficult any man can undertake in my Country today, that new assignment according to my information is how to revise and revive the United Nations.

As one who has given much thought to that subject, I hereby offer to help him in any way he may deem useful. I have never addressed a more distinguished audience and in selecting a few for comment I hope I will be forgiven, as I could spend the night reciting the accomplishments of each of you outstanding women and men. I must say a few words however about Dr. Francis Wolf, Legal Counsel and Assistant Director of that great humanitarian organization, the International Labor Organizations. Francis Wolf in my view is the pre-eminent international lawyer of our Day. I base this opinion upon my knowledge of his carer in ILO and especially the fact that at the Conferences on World Peace Through Law his tremendous mind has towered over that of the more than 20,000 Judicial and law leaders who have now attended those seven unique gatherings of law leaders of the World. His speeches, his articles and his ever so skillful leadership of ILO during most trying times has earned in him the gratitude of humankind. He is truly one of the greatest Jurists of our day and of all time. His fame and influence is World-wide as is appreciation of his contributions to improvement of the human rights of all peoples. Especially do we in the United States appreciate this great man and our indebtedness to him.

Francis Wolf was introduced to me by David Morse many years ago along with Wilfred Jerks and I claim with him to be a disciple of each of those great leaders of ILO and leaders of humankind. Also, I look forward to meeting Dr. Francis Blanchard whose reputation of leadership grows constantly as he leads ILO through most difficult days.

But I would be remissive if I did not speak most warmly of the charming, beautiful and extraordinary Mrs. Francis Wolf who is so much a part of his most beneficial life. She in fact adds an extra dimension to his already great achievements. I would like to express appreciation also for her personal contributions which have made possible the great accomplishments of her so very distinguished husband.

And may I be forgiven a personal note when I say that my mind tonight dwells also upon the great special privilege of my life to have been a friend of Wilfred Jerks and still a friend of David Morse whom I honored as two of the greatest World leaders I have known. I say this as one who has been honored to meet most of the great men of the World of the past 25 years and more.

The media daily reveals that a sad state of disarray exists in relations among Nations. We have unprecedented problems. Nuclear proliferation continues. The safeguards for sales of nuclear reactors are inadequate as blatant violation of bilateral agreements dramatically testify.

The march of technology makes it easier to make weapons. World military spending has risen to $300 billion annually, and is increasing most rapidly in the developing countries despite the Worldwide recession. In the words of a study by the Arms Control Association, the World is confronted with "an arms race out of control," adding that the "unmet needs of society stand in stark contrast to the record spending for arms and armies." Unless the arms race is ended

World incineration can come from accident or design. Economic growth has slowed or stopped, worsening the plight of hundreds of millions who live at the margin of existence. There is hunger throughout the World. Half the World's school-age children are not yet attending school; one-third of the adults are illiterate. Governments spend two-thirds more for military force than for the health care of the World's four billion people.

And we must never forget the unfortunate lesson of history that every arms race has sooner or later, by accident or design, exploded into War. Given current power of Nations to incinerate all human kind, our only hope for survival lies in replacing this irrational drive for destruction with a rational drive for the rule of law.

Law is the only concept yet conceived by the mind of man capable of harnessing force and insuring peaceful order with justice.

The law is the glue which holds civilization together nationally and internationally. Never has its strengthening been more imperative. In fact it is the great imperative of our day.

The rule of law is an ever increasing necessity as technology shrinks the World and its peoples' interests. The age old dividers, of peoples, mountains and seas, time and distance no longer separate the World's peoples. Social and economic affairs of all peoples are more and more inextricably intertwined. We all know that when the rule of law truly prevails universally any man, woman or child can then travel or live anywhere on the face of the Earth in freedom, in dignity, and in peace.

I respect that the effort to bring into being a rule of law strong enough to govern relations between sovereign States is the greatest imperative of our day. I also respect that we must achieve that imperative before atomic incineration is the lot of all of us.

At the Seventh World Conference of the World Peace Through Law Center, the Chief Justice of the United States, Warren E. Burger made a telling analogy between the present World or sovereign States and the original 13 colonies of the United States. The Chief Justice emphasized that the realization of the need to subordinate selfish desire to the common good that made the United States possible, could work on a global scale to bring the same freedom, peace and prosperity.

Ambassador Dale invited me to come here as a part of his Bicentennial program and to help acquaint you and the peoples of this great Nation of Switzerland with the achievements of our people in the past 200 years. Achievements which we hope are but the inception of even greater accomplishments in the next 200 years. My part in Ambassador Dale's Bicentennial program is to tell you about and talk to you about American experience with 200 years of the rule of law, based on universal values embodied in our Declaration of Independence, our Constitution and its justly renowned Bill of Rights.

This 200 years of experience commands our attention tonight and hopefully the attention of all those who desire a peaceful World. It is this fundamental and unwavering dedication to the principles set forth in these great documents—our rule of law—on which the United States were founded and has operated in the past 200 years and of which I speak so proudly tonight. The rule of law is America's great ideal and is its most important offering to the World today. The American experience offers hope to all of us who would live as free men and women. It also offers hope to all of us that force will be replaced by law and exploitation by sharing, so that peace with justice and prosperity will reign throughout the World.

The American Revolution was a revolution of humankind, of interest and fundamental importance to every one of the 4 billion peoples of this Earth. The rights that the American colonies asserted against the British were not the rights of Englishmen, but the human rights of every man, woman and child.

They are universal, eternal values, and in the words of our forefathers self-evident truths: that all men are created equal, that they are endowed by their Creator with certain inalienable rights among which are life, liberty and the pursuit of happiness, that governments, whose proper end is to secure these rights, may only be instituted by the consent of the governed, and that, when government becomes destructive of those rights, the people have the further right to alter or abolish it and reinstitute another in its place.

John Adam's words as incorporated into the Declaration of Independence summed up the basic fundamentals of our new Government in the words, "A government of laws and not of men."

Thomas Jefferson himself said that his object in writing the words of the Declaration was not to create and write out new principles, nor new arguments, never before thought of, nor merely to say things which had never been said before, but to "place before mankind the common sense of the subject, (Human freedom under a rule of law) in terms so plain and so firm as to command their assent." Therein lies the brilliance of Jefferson and the destiny for America's 200 years of the rule of law. Great lawgivers throughout the ages—Solon, Confuscious, Skotaku Taishi, Bracton, Bartolos, Colbert and other celebrated legal scholars—had enunciated basically these principles but none had endowed them with the living spirit and made them comprehensible to every man as Jefferson and our forefathers did. Lord Acton dramatically, but not implausibly, concluded that:

"In the strictest sense the history of liberty dated from 1776, for never till then had men sought liberty knowing what they sought."

The American Revolution was a mature and thoughtful fight for freedom. De Tocqueville who understood Americans so well observed: "No disorderly passions drove it on, on the contrary, it proceeded hand in hand with a love of order and legality." A decade of formal legal protests proceeded the actual violence of the revolution.

The legal arguments then did not lack advanced sophistication; many of them are still familiar to us today: taxation without representation, constitutional consent, federalism emboding the rights of State to prevent an all powerful central government. So our Nation was born out of violent rebellion against unjust law which its peoples had no part in making, but throughout its history our Nation has made law rather than force the central core of our way of life. We Americans have believed that law and life must be in accord, so we often change our statutory law but never do we change our basic constitution principles because those principles command a rule of law which to us means individual freedom. For that freedom we have many times demonstrated our willingness to die rather than risk its loss. I feel certain this still is and always will be the fundamental feeling of Americans.

Even at the time of our birth as a Nation, liberty and legality were on the minds of non-lawyers as well as lawyers. As one Colonial Assembly wrote:

"We are fully persuaded that Liberty is a most precious gift of God our Creator to all Mankind . . . We have indeed an ambition to be known to the World, and to Posterity as friends of Liberty, and we desire to use all proper means to promote it."

It was only when their legal protests were ignored that the colonists took up arms. But even then reason and law prevailed. "All honor to Jefferson," Abraham Lincoln said, "to the man who in the concrete pressure of struggle for national independence had the coolness, foresight, and capacity to introduce into a merely revolutionary document, an abstract truth, applicable to all men and all times."

The enunciation of those universal principles in the Declaration was only a beginning; a true Nation had not yet been born. At precisely that moment of crisis when other revolutions turn turbulent, begin to devour their own, and dash all initial hopes, at precisely that moment for disaster, America achieved its glory by a unique moment of reason and sobriety; it ascended to a Constitution by which we cemented and institutionalized our revolution. Liberty—civil liberty, protection of human rights became the purpose and the only proper function of Government.

With the Constitution, we became the first modern people to fully confront democracy. But let me not forget to say that in doing so we implemented the great ideas enunciated by the great law-givers of the ages: French, English, Italian, German, Greek, Chinese, Spanish and all the many others who deserve mention.

Our Nation is often referred to as a "melting pot" of the peoples of the World and so was its law melted out of the best ideals of all peoples. But it does no good to state great ideals and great principles unless peoples force their governments to implement those ideals and principles.

This we Americans have done. We have taken the best in principle and the best in procedure from all the great law-givers of all Nations and all peoples, and we have welded these great moral principles of these great law-givers into our Constitution and its renowned Bill of Rights, which we call our law system.

No Nation owes more to the peoples of the World in the field of law. No Nation has taken more of the great legal ideals and principles from the peoples of the World and made them their own. Just as streams join and make a mighty river so have these great ideals and principles of the peoples of the World joined in our system and made ours a great Constitution nurtured and matured in the wisdom and experience of the ages.

When the framers of our Constitution left Philadelphia in 1787, they had drafted what Gladstone later called "the most wonderful work ever struck off at given time by the brain and purpose of man." The Constitution, which has served us so well, is a sparse and skeletal document of great principles and ideals which is still being fleshed out.

Throughout our history, our great lawgivers and law-makers have succeeded in the spirit of Jefferson, in maintaining the relevance and effectiveness of the Constitution and the law as our Nation grew from a great wilderness and agricultural Nation into a great industrial complex. Early on, our lawgivers transferred the Common law from something that was dark and devious, and hence hostile, to something that was comprehensible to all men. Always their actions affirmed the central principle of the American law system: law exists for the benefit of the people and not the people for the benefit of the law.

We are a Nation that lives by the law and changes by the law. We have learned that mobs and force and counteraction to mobs and force via police do not last: only law and courts do. Each succeeding generation of American has believed that law is the only instrument to vindicate their interests, that law is the only instrument to be employed for the well-being of society. This is the message of our 200 years under the rule of law which I hope to convey to you.

When any group—farmers, workers, businessmen, doctors, teachers, lawyers, the aged—had grievances, or felt that they were burdened or that they were denied the promise of our land, they first took their causes to the state legislatures and the state courts. And when resort to the state legislatures and state courts failed, their struggle went federal. Throughout, these groups had the expectation, grounded in experience, that law would right their just grievances and correct the wrongs that were done to them.

Naturally, each major concern bred a mass of new law. The labor unions, for example, wanted legitimacy for their tactics; they wanted to win through law what they could not gain through bargaining and fighting with management. Today we have an enormous amount of labor legislation, as a result. In this way, law builds new institutions, and it introduces new remedies; it contains the forces of change and keeps them peaceful.

But our system was not always fair and just; everyone did not have equal access to the law. In the late 19th century, improvements in the administration of justice and access to the law were made. The pace of these changes quickened in the 20th century. The Civil War freed the Slaves, the post-war amendments gave them freedoms and, at least, the nominal right to vote. Western States pioneered with Suffrage for Women; and in the 20th Century amendments to our Constitution made the right to vote universal.

Law had come to touch us more closely and more frequently in the last quarter century than at any previous time of our history. If, as Cardozo said, the law has its epochs of ebb and flow, the flood tides have been upon us. We have experienced what might be rightfully called a revolution of justice, whereby the actual administration of justice in our country has become more approximate to the ideals and values embodied in the Declaration of Independence, the Constitution and in the Bill of Rights.

Equality under the law and freedom have been the dominant themes of this revolution. It was in this period of the last 25 years that the Courts began vigorously to embrace the constitutional guaranty of equal protection. Racial equality, political equality, sexual equality, equality in criminal justice—in all these areas the law moved to give practical meaning to that constitutional equal protection.

The monumental 1954 Supreme Court decision in *Brown* v. *Board of Education* called into question the whole fabric of life of a substantial section of our Country, where racial discrimination was deeply ingrained. As *Brown* was the cornerstone of racial equality for this new emerging foundation of justice, *Baker* v. *Carr* provided firm foundation for political equality, leading to the enunciation of the now famous proclamation, with its familiar democratic ring of "one man, one vote." I mention this case with pride as I was the counsel for the winning side in that great landmark decision which the late Chief Justice of the United States Earl Warren often called the greatest decision ever handed down by our United States Supreme Court. It made States more representative and thus more important.

And on Friday, June 19, 1976, another landmark decision was handed down by United States Supreme Court under the tile of *National League of Cities* v. *Usery*. This decision reestablishes "Federalism" as a basic constitutional principle. It held that power to dictate personnel policies to States and Cities such as salaries and working hours for police and firemen. Prior to this decision the Congress of the Federal Government had enacted legislation giving that power to the central government.

These decisions demonstrate how the U.S. Supreme Court acts as an "umpire" in the almost constant power struggle between one central government and our states.

In the last quarter century, the U.S. Supreme Court and law had become more and more accessible to more and more Americans. Therein lies the very heart of our revolution of justice. The legitimacy of our institutions and the order and stability that they possess are dependent upon the confidence of our citizens that law—the avenue of peaceful change—is open to all. This access our Courts, State and Federal, and especially the U.S. Supreme Court have insured.

Despite the law defiance of the 1960's and the recent current disclosures of large scale law violation by government officials, the American tradition of respect for the law remains alive and is growing rather than diminishing. What is vital and lasting is the integrity of the process by which matters touching all of us are submitted to and decided by a free judicial system. In America, we all are participants in the supremacy of the law.

Let us, then, not forget the promise of our Revolution to all humankind. Let us remember it as Abraham Lincoln did a little over 100 years ago when he said of our Declaration of Independence:

"It is humbling and yet inspiring to note . . . something in that Declaration giving liberty, not alone to the people of this country, but hope to the world for all future time. It was that which gave promise that in due time the weights would be lifted from the shoulders of able men, and that all should have an equal chance. This is the sentiment embodied in that Declaration."

As the Declaration of Independence proclaimed these inalienable rights of humankind for the people of America, two historical human rights covenants. inspired by the American experience, have been drafted emboding those principles for the people of all Nations. The International Covenant of Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights have, this year entered into force. As the United States was a guiding force behind these instruments, it would be fitting for the United States to ratify them in this our Bicentennial year. With that action, there will be created a significant impetus toward World order with justice—the desire of all human-kind.

Let us therefore take the American experience of 200 years of the rule of law borrowed as I have said from the great law givers all the way back to every corner of the globe so that peoples of all Nations may emulate its example in their own way and live peacefully and prosperously together.

As revolutionaries and thinkers, our ancestors spontaneously captured the minds of men, particularly the little men who wore the yoke of tyranny—everywhere. The French Revolution, and even that of the Russians, first caught their flame from ours. Around the World, wherever men were oppressed, America was the example, and in most emerging Nations our form of government became the model.

Individual freedom and self-sustained independence are just as much in demand around the world today as they were 200 years ago.

Let us again expound the lofty doctrines of our Freedom as set forth in our Declaration and Constitution and bring them to every individual, and thereby sustain, connect and guide the destines of Nations—united, the destiny of the world. Let us crystalize public opinion around the dream of human right for all into a peaceful World order with justice.

While numbers often are misinterpreted, I do believe that the fact we have over 400,000 languages (nearly one-half of those in the World) lends weight to my point that as we celebrate our Bicentennial year we as a people do indeed rely upon law to a greater extent than do the peoples of most Nations. In fact, it is often contended that we overload our courts and our legal system by this extraordinary resort to and reliance upon the law. Frankly, I do not believe this is true. I believe that our respect for and our reliance upon the rule of law has made ours a "law-foe" Nation and so it always will be because our people recognize the benefits which are theirs from living their lives under the rule of law.

Hopefully in the future by reviewing where we have been, where we are, and where we ought to go, we will continue to improve justice for our people, renewing the well springs of hope that one day we will have a more perfect justice system than we now have. We constantly receive information, inspiration and ideas to spur us on to even greater efforts to achieve that more perfect system.

If we are to achieve that more perfect system of justice it is we lawyers, judges and professors of law who know the current system best who must do the major leadership job of reforms, corrections and innovations. It is we who must recognize that in the U.S.A. the mounting of public opinion for change is the way we get change. It is we who must educate the public on the needs of the justice system and on how to get them. This is a job of leadership that we who have dedicated our lives to the law must perform. If we do not do this leadership job it will not be done at all. Thus our task and our responsibility are clear.

The shoring up of weaknesses, and the elimination of rotten spots in our great system of government under law will only make our great ideals and strengths inherent in our Constitution and its renowned Bill of Rights shine through all the more. The rule of law has been the bulwark of our democracy throughout our 200 years of existence. It has afforded protection to the weak, the oppressed, the minorities, the unpopular, it has made it possible to achieve responsiveness of the government to the will of the people.

We have a legal system which, in spite of the size of our Country and the necessary complexities of its organization, assures for the average citizen more vigorous protection for life and person, more widespread justice, more equality under law, more effective protection for individual rights, more evenly distributed economic opportunity, more security in person and property, and greater personal freedom, than any other system yet developed in all the history of humankind.

Our Bicentennial Year, 1976, is causing a reaffirmation of these fundamental principles upon which our Nation was founded two hundred years ago. The purpose for which our Founding Fathers fought and died is no where more eloquently stated than in the Preamble to our Constitution. So that we do not forget the true meaning of our Bicentennial Celebration and the challenges that we, as Americans, young and old together, rich and poor together, must face in the future, I quote that inspiring statement of purpose here for you to reflect upon:

"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

We together, for in your Nation or in your international capacity, have the power to create such enthusiasm, arouse such commitment, light enough torches. Together we must set out on the only crusade justifiable in our day: World peace through the rule of law with justice for all. A will to participate in this crusade is also, after all, a will to belong to humankind, to Nations, to privileged moments, in a domain that is more properly called legend than history.

I respect when the rule of law prevails in any Nation, and throughout the World community, then and only then can any man, woman, and child travel or live in any place on the face of the earth or visit the vistas of endless space in freedom, in dignity and in peace.

NORTH CAROLINA STRONGLY ENDORSES AGPLANE DISPERSAL SYSTEMS R. & D.

Mr. MOSS. Mr. President, the Honorable James E. Holshouser, Jr., Governor of North Carolina, has written me a most detailed reply to my recent letter to him regarding a NASA plan for improved agplane research.

Governor Holshouser states:

> I am extremely pleased that NASA is optimistic regarding improvements, due to new technology, that could result in making agricultural aircraft more financially attractive and more environmentally acceptable.

The Governor then goes on to say that—

> Recent experience has vividly pointed out the desirability of seeking improvements in aircraft design and application equipment.

And closes his letter by saying:

> I do strongly endorse the desirability of such a program and feel that it merits adequate financial support to meet the objectives expressed.

Mr. President, I ask unanimous consent that Governor Holshouser's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NORTH CAROLINA,
EXECUTIVE DEPARTMENT,
Raleigh, June 25, 1976.

Hon. TED E. MOSS,
Aeronautical and Space Sciences,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: I appreciate the opportunity to respond to your recent letter concerning comments on NASA's development on aerial applications technology program for improvements in agricultural aircraft. The following was prepared by Mr. James E. Graham of the State Department of Agriculture.

As the demand for adequate quality food and fiber increases and the number of farm workers decreases, it becomes important that greater emphasis be placed on many facets of agricultural production. In that rotary and fixed-wing aircraft have a potential for playing an even greater role in agricultural production, I am extremely pleased that NASA is optimistic regarding improvements, due to new technology, that could result in making agricultural aircraft more financially attractive and more environmentally acceptable.

Recent experiences involving the development of a regulation governing the aerial application of pesticides has vividly pointed out the desirability of seeking improvements in aircraft design and application equipment. An example would be the development of a liquid dispersal system which would produce more uniform droplet sizes in a range(s) that would be efficacious for insect, fungi, weed control, etc. A system that would substantially reduce the number of droplets below 100 microns would be much more environmentally acceptable due to decreased drift to nontarget areas which, in my opinion, would also result in better pest control in that a greater percentage of the pesticide could be placed on the crop or site for which it was intended.

In other words, I feel that as much, if not more, emphasis should be placed on the development of improved seed, fertilizer, and pesticide dispersal systems, taking into account the aerodynamics of the aircraft in relationship to the dispersal equipment, than is placed on the design of the aircraft itself.

I do strongly endorse the desirability of such a program and feel that it merits adequate financial support to meet the objectives expressed.

Sincerely,

JAMES E. HOLSHOUSER, Jr.

RICHMOND HILL

Mr. BUCKLEY. Mr. President, during my 5½ years in the Senate, I have repeatedly deplored the fact that we seem to be losing the sense of community that has been an essential part of American life. And yet, as I move about New York State, I come across areas where that spirit remains strong.

Most recently, it was my pleasure to visit Richmond Hill, a small town of under 75,000 residents, which, while being a part of the Nation's largest city, somehow has preserved that sense of community that is so much a part of our national heritage. But Assemblyman Alfred Dellibovi says it far better than I do, and I therefore request unanimous consent to print Assemblyman Dellibovi's tribute to Richmond Hill in the RECORD. The article originally appeared in the New York Sunday News on June 20, 1976.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LOVE LETTER TO RICHMOND HILL—GUEST OPINION BY ASSEMBLYMAN ALFRED DELLIBOVI

The stuff that makes the news is too often confused with the substance that is a community. And because tragedy is always news we often forget the good that makes a community.

A community is people, first and foremost.

A community is ongoing and alive; it is not created overnight in crowded towers that touch the sky, but shaped over many years by the caring hands of men and women who live in it and are not afraid to call it their own.

A community cares. It does not leave the poor, the hungry, the old, and the lonely to themselves. It reaches out to them, recognizing that it can be no better and no happier than the worst and the saddest of its citizens.

A community is open. Its doors are not locked to the world but invites the world to share its life. But this doesn't mean that a good community can't be selective, for the open that invites the world is also prefaced by a screen—the values, the traditions and concerns that meld a community into one strong force ready to oppose those who would diminish the quality of its life.

Richmond Hill is a community in all these ways and in many, many more.

It is Forest Park, a huge green oasis in the middle of a turbulent city boasting playgrounds, bike and bridle paths, a greenhouse where plants for all our city's parks are born, an 18-hole golf course, concerts every summer Sunday, picnic tables, a track for athletic contests, and even a beautiful old-fashioned carousel that links both the park and the neighborhood to a heritage of children who have grown up and stayed here to raise their own families.

Richmond Hill is a community of above-average private, parochial and public schools and dedicated teachers who staff them. A stone's throw from St. John's University, York College, and Queens College, it is the home of thousands of students who attend these and other institutions and constantly feed new ideas and a new sense of life into our community.

Richmond Hill is a community with a broad ethnic heritage, where the mouth-watering aroma of home-baked Italian pastries mingles in the air with the scent of hand-rolled chocolates from an old-fashioned German candy store. It is a community where these nationalities and Irish, Polish, Lithuanian, Latvian, Ukrainian and a dozen more ethnic peoples live in a harmonious appreciation of the gifts and traditions of each other's heritage.

Richmond Hill is rich in history, the home of social activist, philosopher, photographer and critic Jacob Rils; it's the original Jahn's Ice Cream Parlor with its sparkling Tiffany lamps; it's the Four Brothers Triangle Hofbrau, said to be Long Island's oldest restaurant, a one-time inn for traders and trappers who followed the old plank road (now Jamaica Ave.).

The table in the corner is where Babe Ruth dined, Mayor Jimmy Walker wined and rising politicians shined.

Across the street, in 1908, President Theodore Roosevelt dedicated the Richmond Hill Republican Club.

Today, Richmond Hill is a modern, fast-paced community linked by rapid transit, buses and modern expressways to Manhattan, and by train, bus and parkway to the great sprawling beaches and resorts of Long Island.

It is a small town (population under 75,000) in the Big Apple where one and two-family homes with spacious back yards and gardens are mixed with smaller owner-occupied apartment houses and modern elevator apartments where efficiency is uppermost and household chores are a housewife's dream.

Richmond Hill is a community that cares about its own, a place where there is not one but many block associations and even an association of block associations with its own headquarters, able to rapidly mobilize all segments of the community to meet any challenge that face it.

It is a community not only in body, but a community in spirit, where churches of all faiths are vibrant and active and where concerned citizens band together to support their schools, protect their streets and homes, and push their children to reach their fullest potential through sports and programs such as Reading Is FUNdamental (RIF), a community effort that supplies books of special interest to young people, to classrooms and school libraries.

Richmond Hill is a community where volunteers led by local Boy Scouts cheerfully go to work on Saturday to clean up litter in playgrounds or Forest Park and where residents of all ages enjoy art fairs and flea markets on Sunday.

Yes, Richmond Hill is much more than a name on a map.

It is home, the most welcome, and welcoming, place on earth.

THE TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN

Mr. NUNN. Mr. President, it is my hope that the Senate's recent ratification of the Treaty of Friendship and Cooperation with Spain will extend the cooperation which has successfully developed in various fields over many years between our two countries. Certainly it would be strange for either party to the treaty to abrogate, cancel or curtail arrangements which have worked so well for so long.

I refer, in particular, to the Radio Liberty lease for transmitter facilities in Spain. This lease was originally concluded in 1957 and has enabled Radio Liberty to broadcast successfully to the Soviet Union, where it is heard in the course of a month by more than 35 million listeners. The lease expired last April, and our Board for International Broadcasting, which operates Radio Free Europe as well as Radio Liberty, feels that a long-term renewal of the Spanish lease is essential. I understand that negotiations for such a renewal will begin shortly.

I think all should understand that we in the Congress, as well as the administration, support the Board in this endeavor. Continuation of these fine broadcasts, which encourage a constructive dialog with the Soviet Union, is an important national interest. I believe that the Spanish authorities will, on reflection, realize that it is a common interest of the West.

There is little doubt that a long-term renewal of the Radio Liberty lease would make it easier for our colleagues in both Houses of Congress, and on both sides of the aisle, to support funding required to implement the commitments foreseen in the Treaty of Friendship and cooperation.

DISCLOSURE OF INCOME, INCOME TAXES PAID, FINANCIAL HOLDINGS AND OUTSIDE SOURCES OF INCOME FOR 1975

Mr. SCHWEIKER. Mr. President, as a U.S. Senator, I believe it is in the public interest to make an annual disclosure of my income, Federal income taxes paid, financial holdings, and outside sources of income.

Therefore, today, Mr. President, I am voluntarily disclosing my 1975 income, Federal income taxes paid in 1975, financial holdings, and outside sources of income in 1975. My 1975 honoraria were publicly disclosed in accordance with Senate rules.

For the calendar year 1975, my wife and I had an adjusted gross income of $72,651.93—line 15 of our Federal return—and we paid $20,839.94 in Federal income taxes. In addition, we have paid the Pennsylvania State income tax since its inception, and I have also paid the Worcester Township, Montgomery County, Pa., wage tax since its inception.

The only stocks which my wife and I owned in 1975 were Harleysville Life Insurance Co., Merrill Lynch & Co., and National Gypsum Co. My wife and I received dividend income from these stocks. My wife owns Commonwealth of Pennsylvania general obligation bonds from which she receives income.

I am the beneficiary of one-half interest in the estate of Blanche S. Schweiker which is in the process of probate and consists of a residence and land at Worcester, Pa., and stock of the Philadelphia National Bank and the Continental Bank and Trust Co.

We held no real estate other than that at Worcester, Pa., and McLean, Va. Our other holdings were life insurance policies for the protection of our family, two automobiles, and household furnishings.

I hold no business directorship, business position, or partnership, and receive no director's fees, consultant's fees, or salary aside from my U.S. Senate salary. When I was first elected to Congress in 1960, I resigned all such business positions.

THE UNFULFILLED PROMISE OF HELSINKI

Mr. McGOVERN. Mr. President, Mr. Leonard Marks, chairman of the U.S. Advisory Commission on International Educational and Cultural Affairs, has written a provocative piece which appeared in the Washington Post of August 1.

Mr. Marks is concerned about the difficulties that have developed in improving informational and cultural exchanges since the signing of the Helsinki agreement a year ago.

"What we need is a positive policy, backed up by concrete action, to challenge the U.S.S.R. on the real issue, the opening of all borders to more human and informational contacts, which are central to the development of peaceful relations," writes Mr. Marks.

Believing that it will be of interest to Members of the Congress, I ask unanimous consent that Mr. Marks' article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 1, 1976]

(By Leonard H. Marks)

THE UNFULFILLED PROMISE OF HELSINKI

It is revealing to see what has happened to the "Basket III" provisions for human contact and informational and cultural exchanges in the "Final Act" of the Conference on Security and Cooperation in Europe, signed in Helsinki a year ago today.

The results are, in a word, disappointing. Soviet policy has been marked by tactics designed to minimize Russian compliance with these proposals. Even more discouraging, the West has been reluctant to develop strong initiatives to capitalize on Basket III.

As chairman of the U.S. Advisory Commission on International Educational and Cultural Affairs, I travelled to the Soviet Union and East Europe after Helsinki and returned with no illusions that there would be a dramatic increase in contacts. The Soviet Union had resisted the inclusion of specific, binding language. I doubted that the agreement's expression of good intentions would cause the U.S.S.R. to alter basic policies. Nevertheless, I felt that the agreement offered opportunities for positive action in this field. I made this point, together with specific recommendations, upon my return.

Since then, many of the fears about Soviet intentions have been realized. Soviet officials moved to muffle the reverberation of Basket III at home. They trotted out the old arguments against "ideological relaxation." A get-tough policy has just been instituted against dissidents or other Soviet citizens who had hoped that contacts with the West might be eased. For example, requirements for exit visas were changed; a Soviet citizen must now give up his apartment before applying to emigrate. So 15 Soviet Jews wrote U.N. Secretary General Kurt Waldheim: "If a visa is denied, which is the usual procedure of the Soviet government, the applying family is left . . . without shelter from the elements."

The Soviet government instituted a very selective policy of "compliance" with Basket III proposals. For example: Travel restrictions on foreign journalists were somewhat relaxed; they now have about as much freedom as diplomats—which is not excessive. (This, incidentally, is one Basket III issue on which the U.S. government has made strong, effective representations.) Copies of more Western newspapers have been put on sale at Moscow newsstands; this is a practice that predates Helsinki, but is now trumpeted abroad by Tass as a gesture "in the spirit of Helsinki."

At the same time, the Soviet Union has mounted a heavy propaganda campaign accusing the United States and other Western nations of violating the Basket III agreements. The campaign has included charges that we restrict circulation of Soviet films and books. And Soviet commentators have said with straight faces that U.S. shortwave news broadcasts beamed toward the U.S.S.R. are in violation.

Congress acted to this situation several months ago. It established a 15-member commission to monitor the Helsinki accord: six congressmen, six senators, and three officials of the executive branch. Although the President signed the bill on July 3, the executive branch was clearly unenthusiastic.

While the congressional move is important, the basic initiative in this field must come from the executive branch. What can be done?

First, we should make clear that the United States gives the subject the very highest priority.

Second, we should put forward specific proposals for implementing Basket III. These proposals should be publicized widely in this country, in Europe, and to audiences in Communist countries. Our proposals should be more pragmatic, realizable, designed to attract the support of influential young professionals in Communist lands who want more "windows of the West."

What proposals?

Expanded cultural and educational exchange. Perhaps the clearest impression that I received in talks with Communist officials was their willingness to step up academic and other professional contacts. During the past year, however, there have been no proposals to expand significantly the State Department's exchanges with Eastern Europe and the Soviet Union. The administration pleads a tight budget and other priorities—and indeed knocked $5 million from the appropriation for the department's Bureau of Educational and Cultural Affairs.

Encouraging the flow of information. There is a tremendous demand for Western publications, films and other media in Communist countries. During the 1960s the U.S. Information Agency operated an innovative program known as the Informational Media Guarantee Program, which allowed some Eastern European countries to purchase American media materials with their own currencies, and at little or no cost to the United States. I recommended that this program be reinstituted. Subsequently, the proposal was endorsed by the Government Advisory Committee on International Book and Library Programs. But no implementation has been started.

Increased circulation of "America" magazine. This publication, put out by USIA, has been an effective interpreter of American ideas and events to the Soviet Union for over 30 years. Demand for copies far exceeds the supply we are allowed to sell (60,000 per month). It would seem logical to press the

Soviets to allow, "in the spirit of Helsinki," an increase in circulation.

A "Western" book store in Moscow. When I raised this possibility with the U.S.S.R.'s Minister of Culture, he disarmingly replied that the U.S. could request permission to open a book store at any time, "but, of course, the Soviet government would control the selection of books." Perhaps the time is ripe to remind him that no censorship is imposed on Soviet books imported to the U.S. and that the Helsinki signatories specifically agreed "to promote wider dissemination of books."

Pressing on the human rights issue. The Helsinki accord stressed the need for free movement of people, as well as of informational materials, across national boundaries. Despite clear and copious documentation of Soviet violations of this part of the agreement, we have never insisted in the United Nations or other international forums that the Soviet Union be asked to explain its divergence from the principles of the Helsinki agreement.

Coordination with our allies. In the negotiations leading up to the Helsinki agreement, our European allies took strong positions in support of more human and informational contacts. Taken together, their contributions to the implementation of Basket III can be greater than ours. There has been little effort during the year to coordinate national initiatives designed to take advantage of the agreement's provisions.

Mobilizing private resources. The State Department has, I believe, done almost nothing during the past year to bring together representatives of American industry, public-service groups, labor unions, universities and other institutions to examine ways in which they can contribute to programs, or collaborate on activities, that might lead toward Basket III goals.

There are, of course, many other ways we can implement Basket III. There is now some urgency to our actions. Next year there will be a follow-up conference in Belgrade to review steps taken by all signatory countries to carry forward the recommendations made at Helsinki. A preparatory meeting to organize the follow-up conference is scheduled for June 15, 1977. The Soviet Union can be expected to present a well-documented case to demonstrate its "achievements" in complying with Basket III, and an equally shrill one of our alleged violations of it. We must be prepared to respond.

What we need is a positive policy, backed up by concrete action, to challenge the U.S.S.R. on the real issue, the opening of all borders to more human and informational contacts, which are central to the development of peaceful relations. Our purpose should not be simply to rack up a good score in the Basket III League. It should be to prove that we have put the Helsinki principles high on the agenda of East-West relations, not simply as a diplomatic exercise but as a part of our historic commitment to the free movement of men and ideas.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, because of longstanding commitments in Alaska, I was unable to attend the session of the Senate on Friday, August 6. My position was announced on all but two votes. At this time I would like to state my position on votes numbered 504 and 507:

H.R. 10612, Tax Reform Act of 1976

504. Motion to table Sparkman amendment No. 2142, nay.

507. Motion to table motion to reconsider vote by which Clark unprinted amendment was tabled, yea.

MAINE CITIZENS PARTICIPATE IN CONFERENCE ON THE POWERS OF THE PRESIDENCY AND WATERGATE REFORM

Mr. MUSKIE. Mr. President, last year the annual Chief Justice Earl Warren Conference on Advocacy called together many of the leading lawyers, law professors, and other constitutional scholars in the United States to discuss the powers of the Presidency.

The conference sought to explore the nature of the powers granted to the head of a government who was to be selected by its people—a Presidency designed 200 years ago by men of the 18th century who drew from their political experience to form a government with dispersed power.

The conference sought to determine what went awry that brought about a Presidency to be referred as an "imperial Presidency," "runaway Presidency," "ubiquitous Presidency," "isolated Presidency," "expanded Presidency," and an "institutionalized Presidency."

Mr. President, it is with great pleasure that I note the fact that three distinguished citizens of the State of Maine were involved in the work of this conference. They include Herbert H. Bennett, president of the Roscoe Pound-American Trial Lawyers Foundation which sponsored the conference, and conferees Scott F. Hutchinson, president of the Canal National Bank in Portland, Maine, and the Honorable Charles M. Pomeroy, assistant justice of the Supreme Judicial Court of the State of Maine who also is from Portland.

Among the recommendations of the conference for the elimination of excessive presidential powers in domestic affairs, the conference suggested the creation of an office of legal counsel for the Congress to serve as a major information center for oversight purposes—a recommendation that was embodied in legislation just adopted by the U.S. Senate—the Watergate Reform Act of 1976.

Two other recommendations of the foundation are under examination by the Subcommittee on Intergovernmental Relations which I serve as chairman. Those are recommendations to set standards for classification and declassification of information to serve as guidelines for presidential affairs and to define by scope and substance any executive right to withhold information from Congress.

Mr. President, I wanted to express my appreciation for the work of the Roscoe Pound—American Trial Lawyers Foundation and their particular contribution, and that of our distinguished citizens of Maine, to some of the most important legislation pending before the Congress. I ask unanimous consent that a press release describing the recommendations of the foundation be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Presidency Powers' Release

Cambridge, Mass.—Forty-six of the nation's foremost academic and legislative authorities on the powers of the U.S. Presidency, in a consensus published today, made 28 sweeping recommendations to push aside the "veil of mysticism that has shrouded the highest office in the land."

The overall recommendations call for:

(1) Drastic curtailment of the President's present power to make war or peace by:

Restricting unilateral deployment of U.S. armed forces at any time.

Requiring Congressional full partnership in shaping and, in conducting a periodic review, of American use-of-force policy.

Creation of a knowledgeable Joint Congressional Consultation Committee to advise the President.

(2) Striking increase in present Congressional powers over foreign policy by new legislative machinery that would:

Require the President to involve Congress in decision-making process and deliberations prior to long-term foreign commitments.

Establish a Special Executive-Legislative Group to examine immediately the goals and guidelines of U.S. foreign affairs so to re-establish a national consensus for future operations.

Create a special oversight agency to scrutinize the Executive bureaucracy in foreign affairs.

Form knowledgeable special advisory and liaison groups to the Executive Office, State and Defense departments.

(3) Elimination of present excessive Presidential powers in domestic affairs—"concentration that is undesirable and contrary to the spirit of our republic"—by having Congress:

Create new Office of Legal Counsel of Congress to serve as a major information center for oversight purposes.

Establish a cadre of professionals—devoid of political patronage—for present and future Congressional committee staffs.

Define by scope and substance any Executive right to withhold information from Congress.

Set standards for classification and declassification of information to serve as guidelines for principal agencies.

Require Senate confirmation of all directors of offices within Executive Office of the President (exempting senior personal advisors to the President), and prescribe their functions and budget by law.

Mandate that all summonsed persons (except President and Vice-President) must appear before Congress.

Reject a permanent Office of Special Prosecutor, leaving that responsibility to U.S. Department of Justice.

The distinguished group—composed of historians, political scientists, constitutional law professors, international statesmen and scholars, noted journalists, top Congressional staff members and state supreme court justices—met at the Annual Chief Justice Earl Warren Conference on Advocacy in the United States.

The invitational Conference was sponsored last June by the Cambridge-based Roscoe Pound-American Trial Lawyers Foundation as one of its major public interest plenary sessions. The recommendations—released today in published form—culminated more than six months of endeavor to the consensus.

"These scholars (conferees) know very well," said Herbert H. Bennett of Portland, Me., Foundation President at the time of the Conference, "that the Executive branch of our government, as well as other branches must no longer delude themselves that our country has a favored destiny."

Joining in Bennett's comments was Theodore I. Koskoff of Bridgeport, Ct., chairman of the Conference and now Foundation President.

"Constant vigilance and revitalization of its governing institutions, in a constantly changing society, are of immediate concern," the noted legal leaders said in stressing the timeliness of the Conference's recommendations and published report.

"Winds of disturbance, whether economic or military, evidenced anywhere in the world, affect this nation. Because domestic affairs have become interwoven with foreign affairs, there is a compelling need for demystifying foreign diplomacy or foreign affairs for the public," they added.

The Foundation, a noted national legal research organization, serves as a conduit for the consensus, as the media to publish the Final Report and distribute it nationwide to educational institutions, governmental agencies, news media and other organizations to enable it to be seriously considered by those who have a responsibility to bring about change for the welfare of our Republic.

In-depth working-background papers written by three of the country's most distinguished academicians—all of whom have devoted their intellectual life to passionately studying our system of government—were used by the Conferees in their deliberations.

The papers were by: Prof. Raoul Berger, Charles Warren Senior Fellow in American Legal History, Harvard University Law School ("Presidential War Powers"); Prof. Louis Henkin, Hamilton Fish Professor of International Law and Diplomacy and Professor of Constitutional Law, Columbia University School of Law ("Presidential Power in Foreign Affairs"); and Prof. Philip B. Kurland, William R. Keenan, Jr., Professor in the College and Professor of Law, University of Chicago Law School ("Toward a Responsible American Presidency").

In summaries preceding the recommendations in the Final Consensus Report (in which there were some dissents as noted in the published version) the Conferees—many of whom presently are working in government in a capacity to give them an insight into the working of the Executive branch—stated:

ON PRESIDENTIAL WAR POWERS

". . . Congress is still too little involved in American war-peace decisions (and the Conference recognized that American use-of-force decisions are left wholly to Presidential discretion when Congress remains silent . . . and (there should be) a striking increase on Congressional use-of-force influence and a corresponding decrease in Presidential war powers . . . to ensure checks and balances in setting American war-peace policy.

ON FOREIGN POLICY

". . . One overriding concern of the Conference was the need for a complete examination of the goals and guidelines in foreign affairs to reach a national consensus, taking into account the new significance of economic factors, particularly food, fuel and finance . . . (and) . . . specific recommendation to meet (these) concerns revolve around improving Executive-Legislative relationships (through): Congressional participation in policy-making decisions; Congressional oversight committees and Congressional access to information. . . ."

ON DOMESTIC AFFAIRS

". . . the American presidency has accumulated too much power in domestic affairs (and) . . . this concentration of power . . . was undesirable and contrary to the spirit and history of our republic. . . . recognizing . . . that no constitutional changes were necessary, or desirable, as a response to . . . excessive executive power . . . the Conference agreed that a primary avenue for controlling inordinate power in domestic affairs was in improving Congress' ability to perform its oversight responsibilities. . . ."

S. 3661—RURAL HOSPITALS

Mr. DOMENICI. Mr. President, I wish to say a few words in support of S. 3661, a bill recently introduced by my colleague, Mr. LAXALT, to reform title 18 of the Social Security Act as it relates to rural hospitals. I am happy to cosponsor this bill.

There is little doubt in my mind that the people of the United States agree that providing a good health care delivery system is a necessary task that will require tremendous work in the coming years. The specific issues are many and complex. In fact, some of them, such as keeping costs down and making care accessible while providing high standards, can at times be antagonistic. The safety and personnel regulations in title 18 imposed on hospitals are a perfect example.

These requirements were mandated with the intention of insuring the safety of the Nation's inpatient population. More specifically, they were issued to insure high quality staffs and facilities for those who seek hospital care, and enforced by the Department of HEW with the threat of withheld medicare and medicaid funds. However, the requirements have also imposed severe economic hardships on many hospitals around the Nation. For example, a hospital in the town of Alamogordo, N. Mex., was forced to close a 17-bed skilled nursing care unit because of regulations that such facilities had to be separated from the general hospital. I understand that the only hospital in Santa Rosa, another New Mexico town, was forced to close down entirely because of restrictions. I commend the motivation behind these rules, that of concern for patient security, but when a sick or injured person is forced to travel 50 or more miles to obtain care, I must seriously question the logic behind such rigid rules.

Mr. LAXALT has just introduced a bill which would begin to alleviate some of these problems. Requirements for technical personnel would be modified to be more flexible, more amenable to the availability in rural areas and the scope of services offered in their facilities. Fire and safety regulations for rural hospitals would be relaxed, provided they meet certain absolute standards. Hospitals and nursing homes could exist in the same physical plant.

These changes are good, and needed. However, we cannot blind ourselves to the fact that problems will still exist after passage of the bill. For the fundamental sources of difficulty are the arbitrary decisions made by Federal officials in Washington that in no way take into account all the special circumstances with which every health care institution is faced. Moreover, the financial difficulties encountered in meeting these requirements are not limited to rural facilities. Larger urban hospitals also face crises when HEW inspectors decide, for example, that the hospital plant is inadequate and must be replaced. What is needed is to engage the help of local hospital and city officials in order to find a balance between safety and accessability and costs. For while a goal of superior staff training and safe facilities for our Nation's hospitals is excellent, the money necessary to provide this is simply not there, and we must work with what we have. As one New Mexico administrator put it "You can't serve champagne on a beer budget."

My thoughts should not be construed as encouraging carelessness in our hospitals. Indeed, I hope the Finance Committee will provide for enough safeguards to remove any possibility of dangerous conditions resulting from the bill's enactment, as well as insuring that larger hospitals, capable of meeting the more rigid requirements, cannot abuse the intent of the bill. I also urge that, during the course of their hearings, the committee will discuss the 50-bed restriction to qualify for relaxation of the requirements, for I am aware of many hospitals in New Mexico with capacities between 50 and 100 beds, which are confronted with these same problems. Finally, I hope this bill will be the stepping stone to a more comprehensive evaluation of Federal regulations concerning health care facilities, and subsequently a more reasonable and intelligent reform that provides flexibility for the special conditions that are always encountered.

CRITIQUE OF GAO REPORT ON TANKS

Mr. TAFT. Mr. President, the GAO report on the acquisition of a new main battle tank is an important document. It has served as the basis of much of the criticism leveled at the proposed new main battle tank.

I have prepared a critique of the GAO reports, which attempts to put into perspective some of the GAO's arguments. I ask unanimous consent that this critique be printed in the RECORD.

There being no objection, the critique was ordered to be printed in the RECORD, as follows:

A CRITIQUE OF THE GAO REPORT, "CRITICAL CONSIDERATIONS IN THE ACQUISITION OF A NEW MAIN BATTLE TANK"

(By Senator ROBERT TAFT)

The report of the General Accounting Office, "Critical Considerations in the Acquisition of a New Main Battle Tank," is an important contribution to the current debate surrounding the XM–1 Tank. It addresses a number of issues which are central to this debate, but the most important question it discusses is also the most basic: do we, in fact, need a new Main Battle Tank?

In its concluding recommendations, the GAO report states that:

"We therefore recommend that the Secretary of Defense accelerate ongoing studies which would consider the cost-effectiveness of an alternate armored force not wholly dedependent on the use of costly heavy tanks and . . . (the Congress should consider) whether the Department of Defense should be encouraged to develop cheaper tanks which, fielded in greater numbers, might better offset the Warsaw Pact's numerical tank advantage than large numbers of heavy tanks."[1]

In the same report, the GAO suggests two possible alternatives to a new Main Battle Tank: "to field more low-cost tanks and more anti-tank weapons,"[2] and "to insure that 'obsolescent' tanks . . . are not disposed of but rather converted to diesel engines, given increased horsepower, and perhaps given improved fire control. The current price of the M60 A1 is approximately $380,000, so the money spent on an XM–1 would buy two M60."[3]

Footnotes at end of article.

The GAO in effect presents three basic alternatives to the acquisition of a new Main Battle Tank:

(1) More anti-tank weapons;

(2) A low-cost tank (light tank), to be procured in comparatively large numbers; and

(3) Continued use of existing tanks or tank designs (M60, M48).

The GAO considers these alternatives in combination, including in combination with smaller-than-planned numbers of new Main Battle Tanks.

Unfortunately, there are serious flaws in the GAO's study of these alternatives, which become apparent as we examine more closely each of the GAO proposals:

Alternative No. 1: more reliance on anti-tank weapons.

The last ten years have seen the development and world-wide deployment of light anti-tank weapons. While differing in certain respects, all such weapons have two characteristics in common: they are rocket-propelled, hence lower velocity than cannon projectiles; and they rely on a shaped-charge warhead to penetrate armor. The U.S. LAW, TOW, and Dragon; the Soviet Snapper, Swatter, and Sagger; and the European HOT and Milan are examples of weapons of this type.

The light anti-tank weapons used by the Egyptians in the last Mideast War did prove effective against Israeli tanks, although how much they altered the pre-existing tank/anti-tank balance is difficult to determine. Tanks have always suffered heavily when used frontally, without adequate artillery support, against prepared anti-tank positions. Even so, the vast majority of tank kills in that war were by other tanks, not by anti-tank weapons, and the decisive action on the Sinai front, the Israeli encirclement of the Egyption Third Army, was an armored thrust on the classic Blitzkrieg model.

Nevertheless, these considerations have not served to lessen world-wide interest in light anti-tank weapons. Many countries now produce such weapons, and almost every army in the world has acquired them.

Ironically, it is precisely this fact which lends urgency to the deployment by the U.S. of a new Main Battle Tank. The development of a new type of armor, generally referred to as "Chobham Armor," gives the proposed Main Battle Tank an ability present tanks lack. The new armor, unlike the armor on the M–60, can defeat the light anti-tank weapon. The details of the composition of Chobham Armor are classified. However, it is know to be effective against all types of shaped charge anti-tank weapons and projectiles. Since all of the new anti-weapons depend on a shaped charge warhead, Chobham Armor represents a major breakthrough in tank design. Tanks protected with Chobham Armor are largely invulnerable to infantry and other light anti-tank weapons.[4] In addition, many older tanks, armed with smaller caliber guns, depend on shaped charge (HEAT) ammunition; a tank with Chobham Armor would have similar invulnerability against their main guns.

Technological developments do not appear likely to reverse this situation. Light anti-tank weapons cannot utilize kinetic energy, the main alternative to a shaped charge warhead, because rocket-propelled projectiles simply cannot produce sufficient velocity. On the other hand, a shaped charge warhead of sufficient diameter to penetrate a normal thickness of Chobham Armor would be too large for control of its burning characteristics.

The development of Chobham armor has two implications for the development by the United States of a new Main Battle Tank. It reinforces the need for a new tank, in that all of the new tank contenders (both the XM–1 designs and the Leopard) incorporate Chobham Armor, while the M–60 does not. A U.S. Main Battle Tank which is largely invulnerable to every active anti-tank system except a major caliber gun has obvious advantages.[5]

At the same time, the development of Chobham Armor raises serious doubt about the wisdom of suggesting that the U.S. increase its reliance on shaped-charge anti-tank weapons. Chobham Armor is not an American secret. It was developed by the British, and is now being incorporated in tanks built for Iran in Britain. The German Leopard 2, as well as the U.S. XM–1 contenders, also incorporate this armor. Given the general superiority of the Soviet Union over the West in basic metallergy, there is little doubt that Soviet Main Battle Tanks will soon incorporate advanced armor with capabilities similar to Chobham Armor. Indeed, the newest Soviet tank, the T–72, may have advanced armor of some type.

Clearly it would be unwise for the United States to rely more heavily on shaped charge anti-tank weapons just as the future effectiveness of such weapons has been greatly reduced by new armor developments. Anti-tank weapons are becoming even less capable than previously of substituting for the large caliber, high velocity gun on the Main Battle Tank. The GAO has failed to take this fact into account in their recommendation of more anti-tank weapons as an alternative, or even a partial alternative, to a new Main Battle Tank.[6] Similarly, the GAO report fails to give adequate weight to the advantages that would accrue to the U.S. from possessing a Main Battle Tank which would, through the incorporation of Chobham Armor, have an almost complete ability to defeat the opponent's anti-tank weapons.

ALTERNATIVE NO. 2: THE LIGHT TANK

The GAO report frequently suggests a new design of light, "more agile" tanks as an alternative to at least part of the planned new Main Battle Tank force. The GAO argument for light tanks ignores the fact that both the XM–1 contenders and the Leopard 2 are among the most agile armored vehicles of any type or weight in the world, thanks to their high horsepower-to-weight ratios and advanced suspension systems.

A new light tank would be critically deficient in two respects concerning the relationship between Chobham Armor and anti-tank weapons. In the first place, Chobham Armor is not light. A tank that incorporates a sufficient thickness of it in critical areas must be a heavy tank. Thus, a new light tank could not possibly incorporate Chobham Armor, and would be highly vulnerable to all of the many anti-tank weapons which utilize a shaped charge warhead. This consideration alone appears to deny the cost-effectiveness of investing in a new light tank.[7]

This deficiency of the light tank concept is reinforced by the fact that the light tank itself would probably be compelled to have as its main armament a system dependent on a shaped charge warhead. The size, weight, and recoil of a high velocity gun of caliber 105 or larger would make it difficult to incorporate effectively such a gun in a light tank. Attempts to construct light tanks with heavy armament, such as the M551 Sheridan or the French AMX 13, have not been satisfactory. Yet only a high-velocity, large caliber gun can use a kinetic energy round with sufficient impact to be effective against even existing, much less future Soviet tanks. If the light tank could not carry a high velocity major caliber gun, it would be dependent on a shaped charge main weapon system, and hence incapable on the battlefield against any opponent whose tanks had Chobham Armor.

A third critical factor relating to the proposed light, low-cost tank alternative is the question of life-cycle costs. Despite increasing recognition of the need to consider the life-cycle costs of any proposed weapon system, the GAO report does not address the comparative life-cycle costs of a force based on a large number of light tanks.

When we examine the life-cycle cost of this proposed light tank force, we see that it would appear to be higher than the life-cycle cost of the proposed force of Main Battle Tanks. This is because the major element of the total life-cycle cost of any conceivable U.S. tank force will be manpower. Currently, at least 60% of the Army's budget goes for personnel costs; in comparison, only 16% is devoted to weapons procurement. 61% of the cost of an armored division is personnel cost.

A force with a larger number of light tanks compared to the planned number of new Main Battle Tanks will inevitably require more personnel than the force already planned. Crew functions, hence crew size, do not diminish in a light tank, so that tank-for-tank there is no personnel saving. Nor is there reason to believe a light tank will require less maintenance than a Main Battle Tank; indeed, lightweight weapons systems often must pay for their light weight with increased complexity, hence increased maintenance requirements. The M551 lightweight tank now in the U.S. Army inventory is a good example.

Thus, it seems that substituting light for heavy tanks would not produce any savings in personnel on a tank-for-tank basis. Since the GAO explicitly calls for a number of light tanks larger than the planned number of Main Battle Tanks, it seems that higher personnel costs would make the proposed GAO alternative more expensive than the planned Main Battle Tank force, if costs are calculated on a life-cycle basis.

The GAO fails to discuss these three weaknesses of the light tank. Each weakness by itself is sufficient to make the light tank a questionable alternative to a new Main Battle Tank at the present time; together they suggest that the light tank is simply not a viable alternative. Only in cases such as the Marine Corps, where weight considerations preclude a sizable force of heavy armor, is there a possibility that a light tank might serve as a potential alternative to a Main Battle Tank.

Alternative No. 3: continued use of existing tanks and tank designs, such as the upgraded M–48 (M–48A5) and the M–60.

While the GAO report does not explicitly propose the continued production of M–60 tanks as a complete alternative to a new Main Battle Tank, it does suggest the continued viability of the M–48A5 and the M–60, and it does infer that the comparatively low price of the M–60 makes it an attractive option for the present and the future.[8]

However, we can see, through a careful comparison of the M–60 tank with the proposed new Main Battle Tank, that the M–60 is materially inferior. The M–48A5, in turn, is inferior to the M–60.

A critical deficiency of the M–48A5 and the M–60 (all models) is in armor. We have already discussed the superior capabilities of Chobham Armor compared with existing armor, so it suffices to note that the new Main Battle Tank incorporates this armor, whereas the M–48 and the M–60 do not. The armor of the M–48 and the M–60 is vulnerable to shaped charge warheads, and thus to the broad range of battlefield anti-tank weapons. In contrast, the Chobham Armor of the proposed new tank is largely invulnerable to these systems.

Of equal importance is the difference in mobility between the M–60 and the M–48 on the one hand, and the new Main Battle Tank contenders on the other. A review of some relevant statistics shows the mobility difference clearly.

Footnotes at end of article.

	M48 (A5)	M60A3	XM-1	Leopard 2AV
Horsepower [9]	750	750	1,500	1,521
Horsepower per ton [9]	14.4	13.6	25.9	25.9
Road speed [9]	30	30	40-50	40-50
Cross-country speed [10]	12	16	35	?
Acceleration [10]	12	12.2	6	?

The suspensions of the new Main Battle Tank contenders are of an advanced "hybrid" type. They combine features from many individual types of suspensions, and give both a cross-country mobility and an ability to aim the main gun while moving that are far superior to those of the M-48 and the M-60.

One other mobility factor of great importance is the silhouette. The higher a tank's silhouette, the more difficult it is for it to move on the battlefield without being sighted and fired upon by the enemy. The M-60A3 tank, the latest version of the M-60, has a silhouette (height) of 10.8 feet, which exceeds the height of any other Main Battle Tank in the world. In comparison, the M-60's Soviet counterpart, the T-62, has a silhouette of only 7.82 feet. Both of the XM-1 contenders as well as the Leopard 2AV have a silhouette of only 7.5-7.9 feet, a great improvement over the M-60.

The superior mobility characteristics of the new Main Battle Tank contenders, particularly the significantly lower silhouette of the new tanks, take on even greater importance when related to current doctrinal developments for U.S. Army armored forces. Depending on the armored doctrine that prevails, tanks can serve in two very different ways. In classic German "Blitzkrieg" doctrine, the tank serves primarily as a maneuver unit; its power comes not from its ability to destroy enemy tanks and personnel with its gun, but from its ability, through rapid, broad-scale maneuver, to create unexpected operational and strategic situations that break the will of the enemy high command. This might be called a "Maneuver Doctrine." The opposite doctrine sees the tank primarily as another piece of artillery, whose most important capability is the destruction of opposing tanks with its gun. Used this way, the tank becomes one more element of what might be called an "Attrition Firepower Doctrine."

The most recent doctrine for U.S. Army armored forces emphasizes the Attrition/Firepower approach.[11] This doctrine has arisen, at least in part, because the Army has had to recognize the mobility weaknesses of the M-60, particularly its high silhouette. The vulnerability caused by this high silhouette has forced the Army to avoid exposing its tank more than is absolutely required. Doctrine must attempt to compensate for the design weaknesses of the M-60. It does so by recommending that the M-60 fight primarily from so-called "hull-defilade" positions, where the tank remains stationary behind a rise in the ground, or is even dug into an excavation. This means that our tanks are not used in the traditional manner, which would make use of their mobility, but rather as stationary anti-tank guns.

There are, of course, many tactical situations where it is desirable to use tanks in hull-defilade, and the new Main Battle Tank will have a sufficient ability to depress its main gun to be used in defilade at least as effectively as the M-60. However, the Army should not be forced to use its tank this way, without any regard for the objective requirements of the battlefield.

Historically, the Maneuver Doctrine has been more effective than the Firepower/Attrition Doctrine, particularly for armored forces. Tanks have always served best as weapons for a tactical and operational offensive. The improved mobility and lower silhouette of the new Main Battle Tank will restore our doctrinal freedom, because the new Main Battle Tank will be much more survivable on the move. This is a consideration of prime importance.

Thus, we see that from the standpoints of protection and of mobility, the new Main Battle Tank contenders are materially superior to the existing M-48 and M-60 tanks. What is more, this superiority should permit a substantial improvement in the armor doctrine of the U.S. Army. The GAO did not take these factors fully into account when it suggested increased reliance on existing tank designs as at least a partial alternative to a new Main Battle Tank. Indeed, the GAO report did not consider the doctrinal issue at all. These failures on the part of the GAO are of sufficient importance to raise serious doubts about its recommendations.

In conclusion, we see that none of the three alternatives to a new Main Battle Tank proposed in the GAO report takes all the relevant factors into account. In the light of all these factors, not one of the three alternatives seems to promise a cost-effective, or even a battlefield-effective, replacement for the new Main Battle Tank. Unless further alternatives appear, there is every reason for the United States to proceed as expeditiously as possible in building and deploying a new Main Battle Tank.

FOOTNOTES

[1] GAO report, "Critical Considerations in the Acquisition of a New Main Tank," (unclassified version) July 22, 1976, p. 52.

[2] Ibid., p. 24.

[3] Ibid, p. 25.

[4] A data analysis of over 500 tanks sustaining hits in the Mideast War indicates that a high percentage of those hits were in the frontal arc of the vehicle, where Chobham Armor is extensively incorporated in the new Main Battle Tank designs.

[5] Guns of 105 caliber and higher can use kinetic energy rounds effectively against normal thicknesses of Chobham Armor.

[6] The GAO also fails to discuss other weaknesses of anti-tank weapons unrelated to Chobham Armor. These include the high degree of vulnerability of such weapons to suppressive indirect fire, to active countermeasures, and to bad weather conditions. Operated by infantry, light anti-tank weapons suffer from all of the infantry's deficiencies in mobility and protection. Incorporated into vehicles, they only add the cost of the vehicle to the cost of the weapon. These deficiencies relate to the anti-tank weapon's ability against all tanks, not just the projected new Main Battle Tank, and must be evaluated in any recommendation of anti-tank weapons as an alternative to tanks.

[7] A light armored vehicle would appear to be cost-effective only in cases where weight considerations preclude the extensive incorporation of heavy tanks into a force. In such cases, the force could either be motorized with light armored vehicles or structured as foot infantry; given the great superiority of any motorized force over a foot-mobile force, the investment in motorization and in the required lightweight armored vehicles would be justified. The Marine Corps would appear to be a force in this category.

[8] GAO report, p. 25.

[9] From GAO report, Appendix III.

[10] From unofficial Army sources. Cross-country speed calculated on basis of Fort Knox medium. Acceleration is seconds required for a 0 to 20 m.p.h.; turbine engine assumed in XM-1.

[11] The December 15, 1975, draft of Field Manual 100-5.

THE TRIUMPH ON MARS

Mr. MOSS. Mr. President, on Tuesday, August 3, 1976, an excellent article by Marquis Childs appeared in the Washing Post.

Mr. Childs writes of the triumph of Viking I. He says:

> It makes one American want to stand up and cheer for the fantastic knowledge that went into the exploration of planet Mars 213 million miles away.

With respect to the cost of the Viking mission he says:

> But money is hardly a measure of the science and technology, the dedicated effort, of so many individuals, that went into the achievement of the Vikings. It is part of the genius of America that, for all the follies and mishaps of the past, is reason for pride on this 200th anniversary of nationhood.
>
> If the troubles that plague Earth can be contained, Viking I is proof that there are no limits to the discoveries that lie ahead.

Mr. President, Mr. Childs recognizes that, while some of our problems are due to man's use of technology, so must we look to science and technology for solutions. He closes the article saying:

> It [Viking] is proof that this science and technology put to peaceful use knows no bounds.

I can say it no better.

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 3, 1976]

THE TRIUMPH ON MARS

(By Marquis Childs)

All the troubles on planet Earth seemed reduced to trivia by the triumph of Viking I. It makes one American want to stand up and cheer for the fantastic knowledge that went into the exploration of planet Mars 213 million miles away.

To me it seems more dramatic than walking on the moon. For here is a mechanical device with a nuclear power plant responding to the directions of Earthlings attuned to every impulse of the fantastic machine they put together and launched on its year-long journey through space.

Science fiction sounds nonsensical alongside the achievements of Viking and its masters. The business of the scoop to pick up Martian soil that got stuck and how it got unstuck was drama of the highest order. The pictures being sent back showed the technicians in the control center at Pasadena where a pin had fallen on the ground and they could make the adjustment so the 10-foot-long scoop would work as planned.

A long time ago—it seems several eons—Sherman Adams in the Eisenhower administration derided the idea of taking part in an outer space basketball game.

That was in 1957 when the world was thunderstruck by the Soviet's first Sputnik. The United States was caught unaware by this Russian first, which exceeded in weight and orbital capacity a projected American satellite.

Whether there is life on Mars is irrelevant. That Viking can analyze the Martian atmosphere and the Martian soil to determine whether life, of however low an order, exists or could ever have existed is the miracle.

Viking II is due to land on Sept. 7. A more difficult and rocky terrain has been selected for exploration with the hope that a soft landing will be as successful as with the first Viking.

The cost of Vikings I and II is small compared to that of the moon walk. It comes out to an almost even $1 billion. This covers construction, launching and the analyses at Pasadena. Just by way of comparison, the cost of a B-1 bomber is $87 million and the overall program is estimated at $22 billion.

The cost of a single Trident submarine is more than $1.5 billion, with an overall cost of $18.5 billion for the entire program. Trident, the most expensive weapon in the American arsenal, may be nudged out by the newest aircraft carrier, which is likely to come in at $2 billion plus without planes.

But money is hardly a measure of the science and technology, the dedicated effort of so many individuals, that went into the achievement of the Vikings. It is part of the genius of America that, for all the follies and mishaps of the past, is reason for pride on this 200th anniversary of nationhood.

If the troubles that plague planet Earth can be contained, Viking I is proof that there are no limits to the discoveries that lie ahead. Of course there is life, and perhaps advanced life, on planets in the outer reaches of space still beyond the resources of Earthlings. We are not alone. The performance of Viking and the potential for the future are one reason this is a thrilling moment in man's troubled history.

The troubles here on planet Earth are certainly grave. The blind instinct of *homo sapiens* for the reckless destruction of his environment is a principal source of trouble. (Imagine if there were sentient beings on Mars or a nearby planet and they had sent their own Viking for a soft landing on, say, one of the industrial wastelands near New York City; the report on atmosphere and soil pollution would be devastating.) And the same science and technology that sent Viking to Mars has created a means of instant button-pushing destruction of all that is most treasured and, possibly, of human life itself.

While no one would give odds for the survival of planet Earth for the next hundred years, today we can stand up and cheer for a superb triumph. It is proof that this science and technology put to peaceful use knows no bounds.

GOLDEN FLEECE AWARD

Mr. GOLDWATER. Mr. President, as many Senators know I have long been an admirer of the institution of the Golden Fleece Award which was originated by the Senator from Wisconsin (Mr. PROXMIRE) some time ago. It encouraged me to observe a liberal Democrat finally becoming worried over the constant squandering of the taxpayers' money by individuals and agencies in the Federal Government. And I was constantly amazed at the efficiency and determination which was brought to the task of awarding the Golden Fleece to the perpetrator of unusual raids on the taxpayers' money.

For these reasons it saddens me today to have to award a Golden Fleece of my own, on behalf of our greatly burdened citizens. The award goes to none other than the Senator from Wisconsin, because I believe he, along with his supporters on the other side of the aisle, deserve the Golden Fleece of all Golden Fleeces for the action taken on this floor late yesterday. I, of course, am referring to the resolution (S. Res. 463) which paves the way for soaking the American taxpayer for costs arising out of a suit aimed at the originator of the Golden Fleece award. This open-ended check on Government funds is not only ironic but it is downright dangerous. It opens the door to all kinds of special pleading by individual Members of the Senate. In effect, it makes the taxpayers of this country financially responsible for the actions of the Members of the Senate. And I would remind Members the taxpayers have no control over the press releases issued by the Members nor do they have any voice in establishing what is sound judgment or sheer irresponsibility. I believe it is arrogant and presumptuous for the Senate to assume the cost of litigation in a matter in which the Senate itself had no part.

RAIL PASSENGER FUNDS IN THE NORTHEAST

Mr. BAYH. Mr. President, I request unanimous consent to include in the RECORD a statement by the Senator from Massachusetts (Mr. KENNEDY). The Senator is absent today because of illness and we all wish him a speedy recovery. Senator KENNEDY has consistently provided valuable assistance in our efforts to upgrade our Nation's railroads, particularly in the northeast corridor, and as chairman of the Transportation Appropriations Subcommittee I am pleased to place the Senator's statement in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. KENNEDY—RAIL PASSENGER FUNDS IN THE NORTHEAST

I was pleased to join with the distinguished Chairman of the Senate Surface Transportation Subcommittee, Senator HARTKE, on late Friday to offer a resolution of disapproval of the Secretary of Transportation's withholding of funds for improvement of rail passenger service in the Northeast Corridor.

The Comptroller General has determined that the Secretary's withholding of those funds was an illegal impoundment and should have been submitted to the Congress as a proposed deferral.

It was not; however, now the Comptroller General under the Impoundment Control Act of 1974 has declared the Department's action to have been a "deferral in Disguise" and so notified the Congress.

This resolution will permit the Congress to act and I strongly hope nullify that deferral and make available the funds to Amtrak for improving rail passenger service in the Northeast Corridor.

The Congress approved legislation authorizing the construction of high speed rail passenger service in the Boston-Washington Northeast Corridor. We have provided the necessary authority for Amtrak to purchase the right-of-way to facilitate the upgrading of the corridor to new safety and service standards.

Amtrak and ConRail have entered into an agreement for the purchase. The Secretary opposed the purchase arrangement even though the authority for that action was in no way denied by the law. Then, the Department withheld funds, some $3 million per month, from Amtrak that the Congress appropriated for improving the Northeast Corridor.

That withholding was totally without justification and it was on that basis that I supported the effort to obtain a final determination by the Comptroller General on this subject.

That determination has now been made and this resolution will insure that the funds will be made available so that the necessary work in improving rail passenger can be carried forward.

These added funds will bring closer the day when we have high-speed, safe and efficient rail passenger service in the Northeast Corridor, service essential to our national transportation system.

As the sponsor of provisions authorizing the high speed rail passenger system in the Northeast Corridor, I strongly oppose the continuing failure of this Administration to place the necessary level of priority and concern on achievement of improved rail service in the nation's most densely populated urban corridor.

SOVIET BRUTALITY IN CZECHOSLOVAKIA

Mr. TAFT. Mr. President, on August 21, 1968, Soviet and other Warsaw Pact forces brutally invaded Czechoslovakia, for the purpose of suppressing the movement for freedom which had begun there.

We must never forget what happened on that August day. Not only must it remain forever a mark of tragedy for the peoples of Czechoslovakia, but it must also stand as a warning for the free world. It was in Czechoslovakia in 1968 that the Soviet Union remonstrated to the world what Soviet-style "peace and freedom" mean.

We must not be mislead by words such as détente and incidents such as the Helsinki Conference into thinking that the Communist leopard has changed its spots. The Soviet Union has not renounced the Brezhnev doctrine, under which the invasion of Czechoslovakia was justified.

On this anniversary of the 1968 tragedy, we should remember what the Czechoslovak peoples suffered then, and what they continue to suffer today. Liberty was extinguished in Czechoslovakia, and its flame has not been relighted. We must all remember the sufferings of the Czech people, and work and hope for the day when freedom can return to Czechoslovakia.

SOHIO PIPELINE PROJECT

Mr. STEVENS. Mr. President, last Monday during the morning hour I discussed some problems that may prevent a fair and equitable distribution of Alaska's vast supplies of crude oil. Chief among the concerns I mentioned was that certain officials in California have indicated that they would not approve a proposed oil pipeline from Long Beach to Midland, Tex., unless California was assured more natural gas. That concern resulted from an article which appeared in the Los Angeles Times in April.

I am pleased to inform the Senate that I met last Thursday with Mr. Tom Quinn, chairman of the California Air Resources Board. I have the impression from Mr. Quinn that California does not intend to hold the rest of the Nation hostage in return for more gas. He indicated that California does have concerns about air pollution and I know that my colleagues who have visited the Los Angeles area agree that those concerns are important. I am informed by those who would operate the SOHIO pipeline that they recognize the need to comply with strict air pollution control regulations.

I am hopeful that State and particularly Federal agencies with appropriate authority will act promptly to promulgate effective regulations that will protect California's air and insure prompt delivery of Alaska's oil to the rest of the Nation. The Alaska oil pipeline should begin operation in July of next year. By January 1978 the line will operate at a capacity of 1.2 million barrels a day.

As I have discussed several times before when we were considering the routing of the line in the Congress, all the available evidence indicated California would be able to utilize all the Alaskan crude. Now, the situation in California has changed. Because of increased Indonesian imports, the 1973 oil embargo which increased prices and public awareness of the need for conservation resulting in a decrease in demand, and the decision this year to authorize production from the Elk Hills Petroleum Reserve, it appears that California will not be able to utilize all the oil coming into that State when Alaskan oil is made available.

The crunch will come in January 1978 when the oil line reaches the 1.2 million barrel per day capacity. Indications now are that there will be roughly 300,000 to 600,000 barrels per day more than California can use. This oil is an important national asset and must be directed to those areas of the Nation that need it.

Our oil must be transported to the Midwest, and it appears that two pipelines, one in the north and another in southern California, are appropriate. John Hill, Deputy Administrator of the Federal Energy Office, testified on August 3, before the Public Lands Subcommittee of the House Interior Committee and pointed out that building two pipelines would have several advantages. First of all, two pipelines would insure adequate oil is made available to refineries in the northern tier to make up for the cutbacks in Canadian exports. Two pipelines would also allow adequate distribution of oil from the Elk Hills Naval Petroleum Reserve. I am told the Navy has really only two options to deal with Elk Hills oil. One, to load it into small tankers and sail it along the west coast to markets, or to tie into the proposed Sohio project and ship the oil east to areas of shortage.

It is anticipated that large supplies of oil will be discovered as a result of Outer Continental Shelf development off the west coast and Alaska. The flexibility of two pipelines carrying oil from west to east would enable the United States to make the best use of any new resources we discover. The effect of two lines would also be to reduce our dependence on imports since larger amounts of Alaskan oil could be transported to those areas currently relying on imported crude.

Most importantly, our Nation vitally needs west to east oil transportation systems. We should not remain two nations as far as oil supplies are concerned—with one transportation system east of the Rockies and another west of the Rockies. We must connect those two systems to provide needed flexibility in transporting and storing crude oil. This would enable easy transport of supplies to areas in case of future cutbacks of imports and would greatly increase our ability to cope with rapid changes in our national energy situation.

There are good reasons for two lines at some point, but there is a critical need for at least one in the very near future.

As I pointed out earlier, in January of 1978 the Alyeska pipeline will be operating at 1.2 million barrels a day, and up to 600,000 million barrels a day in surplus may result. Without a west-to-east pipeline in operation at that time something else must be done with the oil. It could be left in the ground—which no responsible person can advocate; it could be shipped around the tip of South America or through the Panama Canal, but only if adequate numbers of Jones Act tankers can be found and only if American consumers are willing to pay more for their oil; both of these situations are unlikely. Or the oil could be exchanged. As I discussed last Monday, Alaskans do not want our oil shipped overseas, but without an adequate pipeline system as proposed in the Sohio and Kitimat projects, that may be the only option.

It is vital that we have a pipeline system to move this oil and we must have it in operation as soon as possible. The Sohio project could be operational 12 to 14 months after approval. The present schedule calls for a final decision by next spring so that the earliest the line could be working is in July of 1978. This would still leave 6 months of surplus, but that could be handled if necessary. The other proposals will take much longer and cause surpluses to exist for a much longer time with the resulting burden on the consumers of the country.

All Federal and State regulatory approvals should be expedited as much as possible and any delay must be avoided. Every day's delay means that up to 600,000 barrels of oil will not reach markets where it is needed or will reach them only at greatly increased costs. I strongly urge Federal agencies involved in this process to act as quickly as possible. And I hope that State authorities will do the same.

As I stated, the Sohio project offers the opportunity to meet the timeframe problem. This line would cross California, Arizona, New Mexico, and Texas. The proposal enjoys widespread support in New Mexico, Arizona, Texas, and California, and I have attached statements to that effect which I ask unanimous consent that they be printed in the RECORD.

Assuming adequate air pollution controls are devised, I hope California will also support this project. Our Nation needs Alaska's oil and we in Alaska intend to do all we can to make sure that the oil is provided quickly and safely to the rest of the country.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Phoenix, Ariz., June 15, 1976.

Mr. CHARLES R. TULLOSS,
Project Manager, U.S. Department of the Interior, Bureau of Land Management, Sohio EIS Project, Los Alamitos, Calif.

DEAR MR. TULLOSS: Arizona recognizes the need for an economical transportation system for Alaskan North Slope crude oil after it has reached the West Coast. It is important that this vital resource be transported to interior markets in the most economical and environmentally sound method available.

It appears that the conversion of the El Paso natural gas line—now surplus to the anticipated supplies of natural gas—is the best method of bringing Alaskan crude to inland markets in a timely manner.

The adverse environmental impacts of the project should be minimal since existing pipelines will be utilized over most of the route. The use of this in-place system would save the resources necessary to construct a replacement line as well as reduce the amount of terrain disrupted by new construction. Also, with expeditious action, this project can be completed in time to accept the first oil from the Alaskan North Slope.

This position has been reviewed and endorsed by the Arizona Interagency Energy Planning Office. This office is composed of fifteen agency directors concerned with state energy and environmental policy. The agencies represented include the Arizona Atomic Energy Commission; Arizona Board of Regents; Arizona Bureau of Mines; Arizona Corporation Commission; Arizona State Department of Administration; Arizona State Department of Transportation; Arizona State Division of Emergency Services; Arizona State Land Department; Arizona State Department of Mineral Resources; Arizona State Office of Economic Planning and Development; Arizona State Oil & Gas Conservation Commission; Arizona Power Authority; Arizona State Resources Information System; Arizona Solar Energy Research Commission; Arizona State Water Commission.

Please enter this endorsement of the El Paso-Sohio Crude Oil Transportation Project into your hearing record.

Sincerely,

RAUL H. CASTRO.

STATE OF NEW MEXICO,
OFFICE OF THE GOVERNOR,
Sante Fe, June 8, 1976.

Mr. ARTHUR ZIMMERMAN,
State Director, Bureau of Land Management, Federal Building, Sante Fe, N. Mex.

DEAR MR. ZIMMERMAN: Today, the State of New Mexico will file a notice of intervention before the Federal Power Commission on behalf of El Paso Natural Gas Company's natural gas transmission system abandonment application.

El Paso's application will allow the company to convert its interstate natural gas transmission system to crude oil transmission. This conversion will have substantial economic benefits to the citizens of New Mexico, and will have minimal environmental impact.

The State of New Mexico fully supports El Paso's application, and as you will be dealing with the environmental impact statement on the New Mexico portion of this proposed conversion. I wanted you to be aware of the State's position.

Sincerely,

JERRY APODACA,
Governor.

[From the Office of the Lieutenant Governor, Austin, Tex., June 7, 1976]

To: Mr. Charles R. Tulloss, Project Manager, Sohio EIS Project, U.S. Bureau of Land Management, Los Alamitos, Calif.

From: Lieutenant Governor William P. Hobby.

TESTIMONY OF LT. GOV. WILLIAM P. HOBBY TO THE BUREAU OF LAND MANAGEMENT, REGARDING WEST COAST TO PERMIAN BASIN CRUDE OIL TRANSPORTATION PROJECT

I strongly endorse the El Paso Natural Gas—SOHIO Project to import crude oil to the Permian Basin from the West Coast. Texas, while being the third largest state in population in the nation, consumes more energy than any other state by a vast margin. Over a quarter (26.4%) of the nation's oil refinery capacity and sixty percent (60%) of the nation's petrochemical producing capacity resides in Texas. We must ensure a reliable supply of crude oil to the refinery—petrochemical complexes to use efficiently the productive capacity of the capital invested in these plants. Production of crude oil is declining steadily in Texas at an annual rate of three and two-tenths percent (3.2%). Facilities for the importation of crude oil to Texas must be developed quickly to maintain full utilization of the plant capacity.

The El Paso Natural Gas—SOHIO Project presents an economically and environmentally sound response to this need for crude oil transportation. By using existing natural gas pipelines to the greatest extent possible, the Project minimizes the disturbance to the land. Also the Project will upgrade the use of the existing pipeline facilities because the value of those facilities would diminish as natural gas production continues to decline at a rate of eight percent (8%) per year in Texas and as Alaskan natural gas is available to the West Coast market.

This Project gives us a rare opportunity. We can improve our energy prospects by an efficient use of existing economic resources with a minimal impact to our environment. We do not get those kind of deals very often anymore. We should not pass it up.

I commend the Bureau of Land Management for holding these public hearings to assess fully the impact of the Project. I trust the other testimony will support my belief that this Project is warranted economically and environmentally in the interests of Texas and of the nation as a whole.

CHAMBER ENDORSES PIPELINE PROPOSAL

In a letter to the Federal Power Commission, the Chamber's J. Don Hanauer outlined the benefits of a proposal to convert an El Paso Natural Gas Co. pipeline to the west-east transmission of Alaska crude oil from Southern California to the Midwest.

El Paso has asked the FPC for permission to convert one of its natural gas pipelines to transmission of Alaskan crude, which would arrive in Los Angeles-Long Beach by sea, in a joint project with Standard Oil of Ohio Transportation.

Hanauer, executive vice president and general manager of the Los Angeles Area Chamber, said in the letter to FPC Judge Israel Convisser that as early as 1973 the Chamber had urged quick action by federal and state governments on a number of basic principles and objectives to help overcome the energy crisis.

"It is this concern with the state and the nation's energy picture and the continued need to utilize oil and gas pipeline facilities serving Southern California which has resulted in the (Chamber's) support for conversion of one of El Paso's existing West Texas-California natural gas transmission pipelines for use in west-east crude oil transportation," Hanauer said.

He said studies have shown that one of the five pipelines delivering natural gas to California is no longer needed.

"Accordingly," Hanauer added, "it is the Chamber's position that it would be a substantial economic benefit to Southern California to put Sohio Transportation's project plan into effect to utilize the Port of Long Beach as a transshipment point. . . ."

Hanauer said that Sohio's plan, which envisions the beginning of shipments in 1978, is much needed in the area. As much as 500,000 barrels of Alaskan crude could be shipped to the Port of Long Beach with an investment of $30 million to $40 million.

A 3.6 million-barrel oil storage facility would be created, and a new 70-mile crude oil pipeline and pumping stations would be constructed from the Long Beach Harbor area to the vicinity of Moreno, near Redlands.

There also would be 30 miles of additional loop line near Blythe on the Colorado River with a total additional investment of more than $100 million, the Hanauer letter said.

He also made these points:

Based on present tariffs of 1⅓ cents per barrel, the Port of Long Beach would earn $8,000 a day or nearly $3 million a year.

During the three-year construction period, several hundred people would be employed on the terminal construction and several hundred more on the Long Beach-Moreno pipeline construction.

After construction, a significant number of permanent jobs would be created in connection with the Long Beach terminal where approximately 25 tankers per month would deliver the Alaska oil. With 20 crews based in the Los Angeles area and 25 to 40 crew members per tanker, Los Angeles based employment of nearly 1,000 persons is assured. Others would be involved in pipeline maintenance.

Hanauer said that plans call for converting one of Southern California Gas Co.'s underutilized 125-mile natural gas lines between Blythe and Moreno from natural gas to crude oil transportation service, while El Paso Natural Gas Co.—whose pipelines extend from West Texas and New Mexico to California—plans to convert a 670-mile natural gas pipeline to crude oil transportation.

"With the diminished available supply of natural gas, these lines can readily be converted and are no longer useful for natural gas transportation," Hanauer said.

"The savings to the California natural gas consumer in the conversion of the underutilized El Paso . . . pipeline alone are estimated to be over $10 million a year," he added.

The letter pointed out that the Los Angeles-Long Beach area is just one of several possible ports being considered for the transshipment of the Alaska crude.

CALIFORNIA INDEPENDENT
PRODUCERS ASSOCIATION,
Long Beach, Calif., June 23, 1976.

Mr. CHARLES R. TULLOSS,
Project Manager, Sohio EIR Project, U.S. Bureau of Land Management, Los Alamitos, Calif.

DEAR MR. TULLOSS: The members of the California Independent Producers Association hereby endorse the proposed SOHIO-El Paso Pipeline Project designed to move Alaskan crude oil from the Port of Long Beach, California to the major distribution point for crude oil in the midwest located at Midland, Texas.

We endorse this project because it is the fastest and most economical way of delivering this Alaskan crude petroleum to the lower 48 states. When we begin to utilize this crude oil production, we will begin to reduce our dependence on unreliable foreign imports.

Delivery of this crude petroleum to the Port of Long Beach has the advantage of placing the oil in the most populated portion of our Nation, and in close proximity to large refineries. This should lessen the impact in this area if we have another foreign oil embargo.

Construction of the pipeline will allow independent producers to ship heavy crude oil production to refineries in other parts of the Nation. Over 50% of the Nation's heavy crude oil (low gravity) is produced in our area. Heavy crude oil yields a high percentage of residual fuel oil when refined.

We often have a surplus of this residual fuel oil, and this surplus can create a "soft" heavy crude oil market. Since the project will be a common carrier pipeline, it will help to remove this "soft" market problem.

For these reasons, and others, we support the proposed SOHIO-El Paso Pipeline Project. We respectfully ask the Bureau of Land Management to expedite preparation of the Environmental Impact Report for this project, and also ask that the BLM stress the importance of this project to the security of the American people.

Sincerely,
JEROME J. O'BRIEN.

[From the Albuquerque Journal, June 10, 1976]

STATE TO SUPPORT SWITCH OF GAS PIPELINE TO OIL

(By Carol Cohea)

The State of New Mexico will intervene before the Federal Power Commission in support of the switch of a natural gas pipeline to an oil pipeline.

The announcement was made in Santa Fe Wednesday by Gov. Jerry Apodaca, who said the state will intervene on behalf of El Paso Natural Gas Co.'s abandonment application.

"It will allow El Paso to convert an in-place facility from interstate natural gas transmission to interstate crude oil transmission with minimal environmental impact," Apodaca said.

The action is in connection with a proposal by Standard Oil Co. of Ohio (SOHIO) to transport the crude oil from Valdez, Alaska to Midland, Tex.

Representatives from the Bureau of Land Management—assigned to do an environmental impact statement on the project—Corps of Engineers held a briefing Tuesday with them at the Albuquerque Convention Center.

Between 20 and 25 percent were present at the briefing.

The 788-mile line currently transports natural gas from Midland to California.

SOHIO proposes to transport Alaskan crude oil from California east through the line. The oil would be brought from the terminal of the Alaskan pipeline at the port of Valdez by ocean tankers to Long Beach, Calif.

SOHIO's current proposals call for 20 pumping stations to be built along the pipeline at 50-mile intervals.

Possible sites for stations in New Mexico and Texas include Lordsburg, Deming, Anthony, El Paso, Guadalupe, Pecos and Jalm.

Officials explained that the pipeline will be hydrostatically tested to determine the pipe's ability to handle crude oil.

"If it doesn't test out it will be replaced," said Chuck Tulloss, impact statement project director with BLM.

He said computer monitors and meters will be placed along the line to measure the differential flow rate in case of breaks or leaks.

Officials said a 42-inch pipe carries 71.97 gallons per foot while a 30-inch pipe carries 36.72 gallons per foot. El Paso's pipe line measures 30 inches.

"There will be a lot of oil going through the pipeline," said Matt Elliott, BLM petroleum engineer.

An issue raised at the briefing was the ability of the gas line to handle the weight of oil.

"Because the line has been handling a weightless product—gas—and it will be changed to a liquid product—oil—there will be a difference in operations," explained Elliott.

He said sections at river crossings will be rebuilt because of the weight.

Officials said "just a few" jobs will be created by the construction, operations and maintenance.

"There will be exceptionally few permanent jobs created," said Elliott, "definitely less than 50 and more in the neighborhood of 25 to 30."

Air quality impact will be minimal in New Mexico, most of it coming in the area of construction, said Craig Holland of the Corps of Engineers.

The wildlife impact also is expected to be minimal, but as Gregg Barry, of BLM wildlife and conservation explained, that is only speculative.

A more in-depth look will be taken before the impact statement is complete.

Right now, Barry said, it appears most of the impact will be at the Rio Grande and Pecos river crossing in New Mexico.

Officials said an alternative to the proposed use of the existing pipeline is all new construction which would likely have a greater impact on the environment.

The BLM has set a Nov. 1 deadline for publication of a draft environmental impact statement.

Public hearings on the draft will be held during a 60-day period after its completion.

S. 3298—THE TWO BILLION DOLLAR WATER GRAB

Mr. GOLDWATER. Mr. President, I want to wipe the public record clean today of mistruths and half-truths raised on behalf of S. 3298, the so-called water rights legislation that has been introduced involving five central Arizona Indian tribes.

The bill claims to settle the surface water rights of Indian tribes in central Arizona. That is what its title states. It proposes to do this by granting to the Secretary of the Interior the authority to take, either by purchase or condemnation, privately or publicly held water rights anywhere in the State of Arizona and bestowing such rights upon Indian reservations in central Arizona.

Now my first comment about the bill is that it does not settle the water right claims of the reservations. Contrary to what the bill says it will do, the legislation would leave open the claim of the Gila River Indian community to the surface waters of the Salt River. It would leave open the claims of all reservations to ground waters. And it would leave open the claims of all reservations to surface waters for purposes other than farming.

All this is expressly provided for in section 301. In other words, the bill is fraudulent from start to finish—one of its concluding provisions contradicts what its title promises.

Next, I would question the fundamental fairness of the bill. There is no record in law or fact to show that the tribes have valid rights to the massive quantities of water claimed in the bill.

It would have the effect of transferring over one million acre feet of water, all of which is currently in use in Arizona, to benefit increased irrigation on the five reservations. This is in addition to water to which the tribes already have established rights. It is nearly equivalent to the total dependable water supply presently available in the three central Arizona counties, Maricopa, Pinal, and Pima, in which the five reservations are located. It also represents over half of all the water now used in the three counties. In other words, the bill would rob existing water users, including municipalities, of a giant share of the water they need for their existence.

Let us look for the fairness in another of the bill's provisions. Section 201(a) emphasizes that the Secretary, in acquiring State surface water rights, shall give a priority to the acquisition of lands within the Wellton-Mohawk reclamation project before acquiring any lands elsewhere. Spokesmen for the bill openly state that it would close down the project.

Even so, the bill would require that an additional 700,000 acre-feet of water—which is essentially the full supply of the Salt and Verde Rivers—be diverted from existing uses to the reservations. This would literally be a massive, Government-mandated redistribution of the economic prosperity of Arizona. Instead of finding a way to help all, the legislation would ruthlessly destroy the economic welfare and way of life of one group of the State's citizens in order to raise the conditions of another group.

Now, let us take a closer look at the proposal to dissolve the 115,000-acre Wellton-Mohawk project. There are approximately 71,000 acres of irrigable land and 17,000 acres of nonirrigable land that are privately owned in the project.

It has become a major part of the economy of Yuma County. War veterans were given preference in establishing family farms on the project. How the people of Yuma County would feel about the "justice" of dissolving the project has apparently not been taken into account. Under the bill, the private land would be condemned and taken from its present owners. The ditches, roads, schoolhouses, churches, barns, silos and residences would be abandoned. The land would return to the desert.

Nowhere in the statements by any of the bill's proponents do I see any sensitivity for the human beings who would be uprooted by the bill and forced to relocate their homes, their families and their professions. The thousands of people who would be directly injured by the bill are dehumanized and written-off as part of the "corporate sector." Get the public to think that no one is affected but impersonal corporations and you will not have so much trouble promoting the bill. That seems to be the approach taken by those who lobby for the bill.

Then there is the cost. We do not hear about it, either, from spokesmen for the bill.

At today's prices, it would cost at least $100 million just to abandon the Wellton-Mohawk water delivery system. The United States would lose all of its original investment, which, of course, has increased in value. It must also pay the irrigation district for its investment.

To condemn and buy private land would cost at least another $160 million. To buy the buildings and improvements on the farms would cost an extra $30 million. Since it would also be necessary to compensate the owners of commercial buildings in three communities which are dependent on the district for survival, Wellton, Tacna and Roll, this would cost at least another $25 million.

Under the most favorable settlement conditions, the United States would have to spend well over a quarter of a billion dollars to close out the Wellton-Mohawk project. On top of this, the Government would lose its investment worth $100 million.

The economic effect of the buy-out is even greater. The farmland which would be condemned is now producing $37 million worth of agricultural products annually. Using the standard economic multiplier recommended by the University of Arizona, this means more than $180 million of commercial activity to Yuma County. Of this amount, the United States annually receives $24 million in taxes, State income and sales tax receipts are $6.8 million, and Yuma County receives $1.2 million in property taxes.

To seize this farmland, to force it out of production, to dispossess the farmers and abandon the schoolhouses, the residences and communities, would condemn Yuma County to becoming an economically depressed area.

The bill's proponents falsely conceive that the district is among the least productive farmland in the area. Far from it, Yuma County, including the Wellton-Mohawk District, has yielded agricultural results superior to farms in Stanfield and Chandler, in central Arizona, and was ahead last year of Walnut Grove, Bakersfield, Blythe and Holtville, Calif.

It also is argued that retirement of the Wellton-Mohawk project will eliminate the need to build a desalinization plant in southwestern Arizona and save the Nation's taxpayers the costs of constructing such a facility. Gerald Anton, president of the Salt River-Maricopa Indian community, asserted in a recent New York Times article that this plant is a "$1 billion" complex.

This figure is preposterous. The latest Bureau of Reclamation budget request for this item in its 1977 fiscal year presentation calls for a combined total of $193 million of appropriations spread over 3 years—for less than the $1 billion claimed.

Even if the $193 million complex were eliminated, the entire amount would not be saved. It would still be necessary to construct part of the desalting plant. The ultimate savings would be less than half the cost of disbanding the Wellton-Mohawk project.

It must be remembered that the alternative of retiring the Wellton-Mohawk project was studied and discarded by Special Ambassador Brownell during negotiations with Mexico. The idea was rejected because the impact on Yuma County was too severe. It was recognized that the delivery of fresh water to Mexico is a national obligation made by the Federal Government. To close down the project would put the entire burden of compliance upon a small number of local people.

But even destroying the Wellton-Mohawk project will not satisfy all the Indian water claims asserted in the bill. An additional 700,000 acre-feet of firm water supply will have to be acquired, much of it from the urban supply in Maricopa County. Facilities will have to be constructed to deliver the acquired water to the reservation lands. Indeed, the bill authorizes a total appropriation of $474 million for these purposes. The actual cost of the bill will be three or four times greater.

While the Congress might not be opposed to spending upwards of $1 or $2 billion of the taxpayer's money to improve the economy of five of Arizona's Indian tribes, I suggest we should do it with the most direct approach and in a manner that does not wreck a large part of the non-Indian, water-based economy of Arizona.

Another aspect of the proposal which the committee might investigate is just how great the need for additional water is on each of the five reservations. The legislation is said to merely restore the water rights of tribes concerned. Actually, farming on the scale presumed by the bill is more than restored. The tribes do not farm all of what is available to them now, and they never have farmed on the scale suggested.

For example, the bill provides that water be acquired for the irrigation of an additional 15,000 acres on the Salt River Valley Reservation. It so happens that this reservation already has 15,000 acres under cultivation, but most of it is leased out to non-Indian farmers and is not cultivated by the Indians themselves. The bill professes to be a way of improving the agricultural economy of the Indians, but at least in this case, the Tribe cannot farm the irrigated lands it already possesses.

There are only about 3,000 Indians living on the Salt River Valley Reservation. This means that if they were provided with enough water to irrigate an additional 15,000 acres, they would receive an annual subsidy in water costs equivalent to more than $3,000 for every man, woman, and child on the reservation. This is for water excess to their needs.

In summary, the water rights legislation, offered in the name of justice for the Indians, would dispossess thousands of American citizens who have contributed their capital, their labor and lifetimes of effort to developing agricultural operations. It would drop onto the Federal Treasury the cost of abandoning existing irrigation systems and of constructing new ones to deliver the water elsewhere within Arizona. It would bring bankruptcy to hundreds of small businessmen. It would return 170,000 acres of presently productive farmland to desert waste and obligate the taxpayers of the United States to subsidize the development of at least 170,000 acres of new farmland.

Mr. President, I urge that the sponsors take this ill-considered legislation back to the drawing-board. Let us devote our efforts to developing a realistic solution for Indian water needs, without punishing the majority of Arizona citizens.

DR. TERREL H. BELL, U.S. COMMISSIONER OF EDUCATION

Mr. JAVITS. Mr. President, on August 1, U.S. Education Commissioner Terrel H. Bell completed his Federal service and returned to his native Utah to assume new responsibilities in higher education. Ted Bell served as Education Commissioner for only 2 years, but previously had compiled an outstanding record of service in virtually every level of public education. Federal officials are frequently cited as having insufficient understanding of the needs and ideas in their respective fields of endeavor. Ted Bell has a career in education which includes being a classroom teacher in a rural area, a superintendent in a small rural community, a superintendent in a large urban school district, a State education commissioner, a regional U.S. Commissioner of Education, a Deputy Commissioner of Education, and most recently, the U.S. Education Commissioner. Such a record is all the more remarkable when seen in the context of Dr. Bell's childhood. The outgoing Education Commissioner was raised as one of many children of a widowed mother in rural Idaho during the depression. Education did not come easily in that environment, but Ted Bell was willing to reach out to grasp the opportunity in spite of hardship. He has often jokingly told the story that he selected his college simply on the basis of its lowest tuition, which in the 1940's was just a few dollars per semester. By achieving the position of U.S. Education Commissioner, the steward of $8 billion of annual Federal education expenditures through over 100 separate programs, Dr. Bell presents a sterling example of the benefits of educational opportunity.

COMMISSIONER BELL'S ACCOMPLISHMENTS

As he departs Federal service for a new opportunity in Utah, I wish to note some of his accomplishments as U.S. Education Commissioner.

The gifted and talented education program, which I authored, has expanded its outreach effort and made its first grant awards. Because Federal leadership is as important as a small grant award program, awareness of the unique needs of gifted and talented students for special education programs has increased markedly.

In recent years, every Educator Commissioner has been confronted with burgeoning management problems in the massive student aid programs. I believe Dr. Bell has exerted not only leadership, but also patience, wisdom, and tenacity in his important efforts to work out administrative problems which have plagued these programs and distorted the perceptions as to their true contribution to American life. Millions of Americans have achieved higher education through these programs who otherwise would have been denied this opportunity. Strengthening their administration will also allow future generations the same benefits.

Work has already begun under his direction to implement the new Education for All Handicapped Children Act. This new law will expand opportunities to persons whose handicaps have previously been used to deny them a chance for self improvement and a productive life. Finally, Dr. Bell has impressed many Members of Congress with his interest and ability to listen and to understand their concerns, and the concerns of their constituents. Restoring public confidence in government is a task which is monumental in its difficulty as well as its importance. The openness and candor which characterized Dr. Bell's relations with the Congress and the education community has made its contribution to this vital task.

I am pleased that Dr. Bell will continue his service to education in his new responsibilities directing the higher education system in his native State of Utah. The Nation has benefited from his service as a public official and as an educator. He has carried out his responsibilities with dedication and compassion. Dr. Bell throughout his service as Education Commissioner has made every effort to be helpful to the Congress and assist us in carrying out our legislative and oversight responsibilities. I commend him for his distinguished service to our country and extend to him every good wish for his continued efforts to advance education.

WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS

Mr. CRANSTON. Mr. President, last Thursday, July 5, the Senate passed the conference report on H.R. 12169, the Federal Energy Administration Extension Act. I would like to speak specifically about part A of title IV—Weatherization Assistance for Low-Income Persons—which I originally authored as title I of H.R. 8650 as passed by the Senate.

Mr. President, title IV–A of the conference report is designed to alleviate the impact of high energy costs upon the poor as well as to reduce our Nation's consumption of energy-producing substances. According to the Federal Energy Administration—FEA—23 percent of America's energy consumption is accounted for by residential buildings. Primarily, these buildings utilize fuel for space heating and cooling. FEA has estimated that between 20 and 40 percent of this energy usage is the result of inadequate insulation in a minimum of 18 million of the Nation's 47 million single-family units. FEA has also estimated that 5 million of these 18 million homes are occupied by low-income persons, and that these low-income households spend almost three times as much of their income as other households for energy in the home. There also are an estimated 1 million multiple but less than five-family dwelling units which could also be served by this program.

Thus, Mr. President, inadequately insulated low-income dwellings unnecessarily deplete our Nation's energy resources, increase our dependence upon foreign energy sources, and lessen severely the ability of low-income persons to maintain minimum living conditions necessary to maintain a healthful environment.

I have strongly supported a tax credit to encourage homeowners to retrofit their homes by installing additional insulation, storm windows, etc. However, since most households with incomes near or below the poverty line pay little or no Federal income tax a tax credit will not help them.

Consequently, through title VI–A, of this bill, the Congress has acted to address directly the residential energy needs of the poor. In doing so, Congress has built upon the existing framework provided by the Emergency Energy Conservation Services—EECS—program carried out under section 222(a)(12) of the Economic Opportunity Act of 1964, as amended. This legislation in the conference report is based both upon the premise that continuation of the EECS weatherization program is fundamental to dealing with the energy-related problems of the poor, as well as the conclusion that a supplemental program focusing solely on residential insulation is also necessary.

Under the supplemental program authorized in the conference report, additional funds would be provided solely for weatherization assistance for low-income persons, and the delivery system for this assistance would depend largely on the programs, expertise, and outreach capacity already in the field. The basic funding allocation decisions would be left to each State, taking into account the location of needy low-income persons. But in order to insure that the existing delivery capacity of programs—unless demonstrably ineffective—are fully utilized to provide weatherization assistance under title IV–A, the conference report retains intact the provision from the Senate bill requiring the funds allocated to a geographical area served by a weatherization program carried out by a community action agency under EOA section 222(a)(12), must generally be allocated to that community action agency.

In addition, the conference report also retains intact the Senate bill's provision requiring that a priority in the allocation of funds in a geographical area be given to the community action agency serving that area, but not carrying out a section 222(a)(12) weatherization program.

Mr. President, since this program is designed to supplement existing energy-related activities in low-income communities, regulations implementing this title should encourage States to provide opportunities, especially through Community Development Corporations funded under title VII of the Economic Opportunity Act of 1964, as amended, for low-income communities to undertake enterprises involving the manufacture and provision of products and the provision of services relating to energy conservation.

Mr. President, as I indicated at the beginning of my statement, there has been considerable disagreement about the differing House and Senate passed versions of this bill, as expressed both in the conference on H.R. 8650 and in subsequent discussions with the House Banking Committee conferees and representatives of FEA. Based on those discussions we have made many changes in the bill—changes that were reflected in the substitute text that the Senate conferees had first submitted to the House conferees on H.R. 8650. The substitute in the conference report is similar to the Senate-passed version—as the joint statement indicates—in most respects, including its scope, thrust, and purpose. At the conclusion of my remarks I will ask unanimous consent for the section of the joint explanatory statement that describes part IV–A of this bill to be inserted in the Record.

Mr. President, I want to emphasize in the strongest possible terms that I originally introduced this measure in the Senate in order to increase the financial resources available to meet the energy-related needs of low-income persons.

In developing this measure it has been my firm belief that both the community action agencies throughout the country and the Community Services Administration should have a major role in this program. In fact, throughout the long development of this legislation I have been committed to reporting no bill at all rather than short-selling the interests of poor people and community action agencies.

Mr. President, I am satisfied that the conference report is a strong one in terms of fully protecting these concerns. Under the conference report, as I indicated earlier, if a State allocates funds to a geographical area served by a weatherization program carried out by a community action agency, those funds must generally be allocated to that agency. Second, the conference report retains the provision that allows the transfer of the entire program to CSA. I am hopeful, Mr. President, that we will have in January a President who will be inclined to utilize that transfer provision.

In addition, the provision for concurrence by the Director of CSA in the regulations promulgated by the Administrator of FEA remained in the Senate version of this legislation—from the time it was first considered in the Senate Banking Committee through Senate passage of H.R. 8650—at my insistence. That provision was adamantly opposed by both the House conferees and the administration—although our position was not a strong one because there was very little support elsewhere in the Senate for the provision. I am pleased, however, that the conference report includes the substitute provision for which I was able to gain support—that the development of the program regulations be fully coordinated with the Director of CSA.

As with most compromises, Mr. President, this is not a perfect piece of legislation. But it promises more help for low-income persons and provides a structure for that assistance to be provided in a sensitive manner by those most experience in running these kinds of programs.

Finally, Mr. President, since the conference report is the result of a hard fought compromise between the House and Senate—a compromise that is reflected in the conference committee's joint explanatory statement on part IV–A—I ask unanimous consent for that section of the joint statement to be printed in the Record.

There being no objection, the joint statement was ordered to be printed in the Record, as follows:

IV—Matters Related to Energy Conservation Assistance for Existing Buildings

PART A—WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS

House bill

No provision in H.R. 12169.

(For the purpose of informing members, the following describes the relevant provisions of H.R. 8650 as that bill passed the House. H.R. 8650 provided for the development and implementation of weatherization programs to insulate the dwellings of low-income persons in order to conserve energy and to assist the persons least able to afford increased energy costs. The Administrator of the Federal Energy Administration was authorized to make grants to the Governors of the States (including the Mayor of the District of Columbia) and to transfer funds to the Commissioner of Indian Affairs to assist in the carrying out of programs designed to provide for weatherization (i.e. improvement in the thermal efficiency of a dwelling) of dwellings of low-income persons (defined as persons having income at or below the poverty level determined in accordance with criteria established by the Office of Management and Budget), particularly of such persons who are 65 or older or who are handicapped by a disability.

(Within 90 days after enactment of the legislation, and after consultation with the Secretaries of HUD, HEW, Labor, and other appropriate Federal officials the Administrator was directed to develop and publish criteria upon which to evaluate applications for such assistance; the criteria could include the amount of fuel to be conserved, the number of dwellings to be weatherized under the program, the areas to be served and their climatic conditions, the type of work to be done, the amount of non-Federal resources to be applied in the case of an application from a State, mechanisms under the program for obtaining the services of volunteers, and priorities among weatherization recipients and types of dwellings. Rents on dwelling units could not be raised because of the increased value of such units resulting solely from weatherization assistance under this provision. The Federal funds received could only be used for the purchase of weatherization materials (e.g. ceiling insulation, storm windows, caulking, and weather stripping, but not mechanical equipment), except that a State or governmental agency could use no more than 10 percent of its grant for the administrative costs of its weatherization program. The Administrator was directed to provide, by regulation, that no weatherization programs under this provision duplicated any existing effective weatherization program being carried out by the Community Services Administration through community action agency programs in the same area. The Administrator of FEA was also required to monitor the operation of these weatherization programs through reporting requirements or onsite inspections to assure effectiveness, and he was authorized to provide technical assistance to any program funded under this provision. The Administrator was authorized to obtain necessary information and grant recipients were required to keep necessary records.

(H.R. 8650 directed the Administrator to suspend additional Federal grant payments upon a finding that a weatherization program was not in substantial compliance with the provisions of its application for assistance, as approved. H.R. 8650 also provided for audit by the Comptroller General; the issuance of necessary or appropriate rules, regulations, and orders by the Administrator; notice and an opportunity for a hearing before any final disapproval of any weatherization program application; judicial review of final actions by the Administrator; a prohibition on discrimination on the ground of race, color, national origin, or sex; a plan for evaluating the effectiveness of the weatherization program; and an annual report to the President and the Congress on the results of the weatherization programs receiving Federal assistance under this provision.

(H.R. 8650 is authorized appropriations for weatherization assistance in the following amounts: $55,000,000 for fiscal year 1976, $55,000,000 for fiscal year 1977, and $55,000,000 for fiscal year 1978, with such sums to remain available until expended.)

Senate amendment

The Senate amendment was in substance the same as the House bill, except for the following major items:

(1) The term "weatherization" was not used; the provision was entitled "residential insulation assistance for low-income persons" and Federal financial assistance was authorized to asist in carrying out projects designed to improve insulation and energy conservation in dwellings in which the head of household was a low-income person,

particularly such dwellings in which persons who are 60 or older or who are handicapped by disability are residing.

(2) The term "low-income" was defined to mean that individual or family income which does not exceed 50 percent of the median income for individuals or families in the particular geographical area.

(3) If a State did not submit an application meeting statutory requirements within 150 days after enactment, a community action agency under the Economic Opportunity Act of 1964 could do so, in lieu of such State, with respect to residential insulation projects in the geographical area served by it.

(4) A State applying for financial assistance under the Senate amendment was required to designate or create a State agency or institution which has (or which has a policy advisory council which has) special qualifications and sensitivity with respect to solving the problems of low-income persons, and which is broadly representative of organizations and agencies providing services to low-income persons in such State. That agency or institution was required to be the sole agency for administration, coordination, and allocation of funds with respect to residential insulation programs for low income persons in such State.

(5) The Senate amendment provided for joint concurrence on regulations by FEA and the Community Services Administration (CSA). The Senate bill also provided for joint monitoring and evaluation of projects by FEA and CSA.

(6) Grant funds would be allocated to community action agencies presently conducting a residential insulation assistance program funded under section 222(a)(12) of the Economic Opportunity Act of 1964 (unless there was a finding by the State, after a public hearing, that such program was ineffective or of insufficient size to carry out the proposed program for a given area).

(7) Standards for insulation materials and conservation methods would be approved by the National Bureau of Standards.

(8) The Administrator of FEA was required to insure that not less than 50 percent of the sums appropriated for residential insulation assistance under this provision was to be allocated by him to community action agencies.

(9) The Senate amendment authorized appropriations for residential insulation assistance for low-income persons in the following amounts: $55,000,000 for fiscal year 1977; $65,000,000 for fiscal year 1978; and $80,000,000 for fiscal year 1979.

Conference substitute

The conferees adopted the Senate amendment with an amendment which provides for:

(1) The term "low-income" means that income in relation to family size which is at or below the poverty level in accordance with criteria established by the Office of Management and Budget or on the basis of which assistance payments have been paid under titles IV or XVI of the Social Security Act or applicable State or local law during the preceding 12 months.

(2) The term "weatherization" is used, as under House bill H.R. 8650, and the term "weatherization materials" is defined to mean items designed primarily to improve the heating or cooling efficiency of a dwelling (such as ceiling, wall floor, and duct insulation storm windows and doors; and caulking and weatherstripping; and mechanical equipment up to $50 in value per dwelling unit involved) and the cost of materials cannot exceed $400 per dwelling unit unless a higher amount is provided for by the State policy advisory council with respect to categories of dwellings or materials.

(3) If a State does not submit an application meeting requirements within 90 days after the publication of final regulations with respect to this program, a unit of general purpose local government or a community action agency may submit an application, in lieu of such State, with respect to weatherization projects in the geographical area served by such unit or agency. A State may also amend its application in accordance with regulations of the Administrator.

(4) Weatherization grants may be made directly to Indian tribal organizations or other similar qualified entities, to serve the low-income members of an Indian tribe, upon the making of certain determinations.

(5) The 50 percent requirement with respect to community action agencies is not retained because of the conferees' expectation that such agencies conducting effective emergency energy conservation programs would probably in due course receive a high proportion of the total appropriation in the fair application of the funding priorities established in the bill.

(6) The provision for CSA concurrence on regulations is deleted and CSA monitoring and reporting on programs is limited to those programs carried out by community action agencies. The substitute, however, provides for full coordination between the FEA Administrator and the Director of CSA in the development of the regulations. The conferees intend that the process of full coordination with the Director of CSA in the development and promulgation of the regulations will include full involvement of CSA staff in developing the regulations, and the submission of proposed interim and final regulations to the CSA Director, in such a way as to give the Director adequate time to submit pre-publication comments to the FEA Administrator.

(7) Each State is required to submit a State plan for allocating funds within the State based on certain general factors, and the public hearing requirement is revised by substituting a requirement for a single public hearing on that plan.

(8) Standards for insulation materials and conservation methods are to be prescribed in coordination with the National Bureau of Standards.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. If there be no further morning business, morning business is closed.

EMERGENCY JOBS PROGRAMS ACT OF 1976

The ACTING PRESIDENT pro tempore. At this time, according to previous order, the Senate will resume consideration of the unfinished business, H.R. 12987, the Comprehensive Employment and Training Act appropriation bill.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes.

The ACTING PRESIDENT pro tempore. Debate is limited to 2 hours, to be equally divided between the majority leader and the minority leader or their designees.

Mr. NELSON. Mr. President, I ask unanimous consent that the following professional staff members of the Committee on Labor and Public Welfare have the privilege of the floor during the consideration of H.R. 12987: Richard E. Johnson, Scott Ginsburg, Martin Jensen, Bob Honig, Larry Gage, Larry Greenberg, and Babette Posner.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. To be equally divided?

Mr. NELSON. Yes.

The ACTING PRESIDENT pro tempore. Without objection, the time will be equally divided, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, this bill is an extension of the current CETA program, with some minor modifications. So far as I know, it is a noncontroversial extension of the program. I am aware of only a few amendments, one to be proposed by the Senator from Oregon (Mr. PACKWOOD), another be proposed by the Senator from Oregon (Mr. HATFIELD), and another to be offered by the Senator from Oklahoma (Mr. BELLMON), each of which, as manager of the bill, I would be prepared to accept and take to conference.

The Emergency Jobs Programs Extension Act of 1976 (H.R. 12987), which the Labor and Public Welfare Committee has reported to the Senate, would extend the public service jobs program under title VI of the Comprehensive Employment and Training Act—CETA—through the fiscal year ending September 30, 1977.

This proposed legislation authorizes the appropriation of such sums as may be necessary for title VI of CETA. The specific amounts to be appropriated will be decided in the appropriations process. The sums appropriated could not, under the congressional budget procedures, exceed the limitations imposed under the congressional budget resolution.

The House of Representatives, by a vote of 287 to 42, on April 30 passed its version of this legislation (H.R. 12987) authorizing appropriations of such sums as may be necessary for title VI though the transition quarter. Recent supplemental appropriations will maintain the level of title VI public service jobs through the transition quarter, with some carryover of funds into the first part of fiscal year 1977. The crucial need at this time is to authorize title VI appropriations for fiscal year 1977, so that an appropriation can be enacted before the end of this Congress.

Under the committee-reported bill, each prime sponsor would be authorized to utilize its allocation, first, to sustain public service jobholders who were previously funded under title VI of CETA. However, all new public service jobs must be filled by long-term unemployed persons who have been unemployed for 15 or more weeks or by persons receiving welfare assistance. All new public service jobs under the committee-reported bill would be limited to such long-term unemployed persons, whether such new jobs result from increased funding or from vacancies occurring when previous public service jobholders leave their CETA jobs, opening up new positions to be filled.

Title VI is the only part of the Comprehensive Employment and Training Act which needs a new authorization this year. The remaining titles of CETA have a "such sums as may be necessary" authorization which extends through fiscal year 1977.

Under title VI of the Comprehensive Employment and Training Act—CETA—approximately 260,000 previously unemployed persons are currently employed in public service employment programs, helping to meet locally determined needs in communities throughout the Nation. An additional 56,000 public service jobs are supported under title II of CETA—for a total of about 316,000 public service jobs under both these titles.

Employment and training programs under CETA are administered by 430 State and local governmental prime sponsors. Local prime sponsors include cities and counties as well as combinations of local governments which have populations of 100,000 or more persons. In the balance of each State—rural and other areas not served by local prime sponsors—the State governments serve as prime sponsors administering CETA programs, but generally the States pass the funds allocated for public service jobs on to the smaller counties and towns.

With public service jobs funds, unemployed persons have been hired in a variety of jobs providing needed public services. These include services in the fields of health, education, park rehabilitation, clean-up and maintenance, housing rehabilitation and weatherization, environmental quality, police and fire protection, and transportation.

Despite the fact that some local governments have faced severe budget crises causing numerous layoffs among their regular employees, nevertheless, on a nationwide average, Labor Department officials report that, out of the total number of persons employed in public service jobs, not more than 5 or 10 percent are rehires—that is, persons previously employed by the prime sponsor. Most of the jobs are newly created positions providing previously unmet services.

Title VI has provided funds to all areas of the Nation since early 1975. Title VI was enacted as part of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567), which was signed by President Ford on December 31, 1974.

The pending bill extends the title VI program through September 30, 1977. If this legislation is not enacted, those 260,000 jobs which are now being funded under title VI will come to an end, resulting in layoffs when the supplemental funds run out. Some prime sponsors have sufficient funds from the supplemental appropriations to sustain their current levels of public service jobs through next January. Some prime sponsors will run out of funds by October 1, but most prime sponsors will run out of funds between October of this year and January of next year.

The remaining 56,000 jobs are provided under title II of the Comprehensive Employment and Training Act of 1973. Title II needs no new authorization until next year. Title II jobs are available only in areas of substantial unemployment having 6.5 percent or higher unemployment rates. The title II program has a regular annual funding level of $400 million—the same level that is included in the regular Labor-HEW appropriations bill for fiscal year 1977. Title II is designed to assist areas which have chronically high unemployment even in times of general economic prosperity.

Adding together the regular and supplemental funds used to support title VI jobs, the annualized funding level for title VI is about $2.2 billion—for a total funding level for public service jobs, when added to the $400 million annual funding level under title II of CETA, of about $2.6 billion.

At the time the House Education and Labor Committee reported its bill to the House of Representatives, the emergency supplemental appropriations bill had not yet been enacted, and the House committee did not know what the size of the appropriation would be or whether the allocations would be sufficient to enable prime sponsors to sustain public service jobs through the end of the transition quarter, without forcing lay-offs of current public service job-holders who have not yet been placed in other jobs. The House committee, therefore, reported out a simple extension of title VI for the transition quarter.

The Emergency Supplemental Appropriations Act, signed into law on April 15 of this year, appropriated $1.2 billion under the CETA title II authorization. Senate Appropriations Committee report language approved the administration's request for the use of the Secretary's 20 percent discretionary funds to hold harmless, to the extent possible, both title II and title VI public service jobs through January of next year.

That supplemental appropriation enables almost all prime sponsors to maintain current public service jobs through the transition quarter ending September 30. In the case of most prime sponsors, funds are sufficient to maintain existing public service jobs through December of this year or January of next year. However, for all prime sponsors, funds are sufficient to last only part of the way through fiscal year 1977.

At the present time, the urgent need is to extend the authorization for title VI programs through the end of fiscal year 1977, so that lay-offs will not occur in the period of time after this Congress adjourns but before the next Congress could act on CETA authorization and appropriations in the spring of next year.

A significant change in the future conduct of the public service jobs program is contained in the committee-reported bill's provision for focusing new public service jobs on the long-term unemployed.

The existing title VI provides that, in order to be eligible for a public service job, an individual must have been unemployed for a period of not less than 30 days. However, in areas having unemployment rates in excess of 7 percent, persons who have been unemployed for not less than 15 days may be hired in a title VI public service job under the existing program.

The important change in the legislation reported out by the Labor and Public Welfare Committee is the provision that, beginning with appropriations for the coming fiscal year, all new public service jobs must be filled by long-term unemployed persons who have been unemployed for 15 or more weeks or who have been receiving welfare assistance.

Under the committee-reported bill, all newly filled public service jobs—other than those already filled by public service jobholders—would be restricted to individuals who have been unemployed for 15 or more weeks or have been receiving welfare benefits. In filling all new public service jobs, each prime sponsor must determine that each person hired in such a public service job is a person who has been receiving unemployment compensation for 15 or more weeks, or is ineligible for such benefits and has been unemployed for 15 or more weeks, or has exhausted unemployment compensation benefits, or is a recipient of aid to families with dependent children—AFDC.

In addition, no person would be eligible for such a public service job if other family income exceeded 70 percent of the lower living standard budget issued by the Bureau of Labor Statistics. In the case of an urban family of four persons, that would allow a job to a person while other family members earn up to a total of $6,700—including income of a spouse or that earned from summer jobs by teenagers in the family. Therefore, a modest amount of additional family income would not make an unemployed person ineligible for a public service job. The purpose of this provision is to focus new public service jobs upon those individuals most in need of employment and income, excluding only those unemployed persons whose families have another substantial source of income.

In should also be noted that these additional jobs and funds would be utilized for projects and jobs of no longer than 1 year's duration, and are to be aimed at average wages per job of $7,800 per year.

The committee-reported bill, like the House-passed bill, authorizes not to exceed 15 percent of funds to be used for necessary supplies and equipment and administrative expenses. This is accomplished by an amendment, set forth in section 3 of the bill, providing that not less than 85 percent of funds allocated for use for public service jobs programs under titles II and VI of CETA shall be expended only for wages and employment benefits to persons employed in public service jobs. The remainder, up to 15 percent of a prime sponsor's allocation, may be used for administrative costs, including rental costs and necessary supplies, equipment and materials. This provision is necessary because section 208(a)(7) of CETA currently provides that no funds may be used for rental or purchase of supplies and equipment.

Both the Senate and Labor and Public Welfare Committee and the House Education and Labor Committee have been convinced of the wisdom of allowing a small percentage of funds to be used for tools and work-related supplies and equipment in order to assure that public service jobs will provide useful and tangible improvements which local communities want and need to have done.

Section 6 of the committee-reported bill provides that States and political subdivisions shall be reimbursed under the special unemployment assistance program for the costs of providing unemployment benefits to workers who have been employed in public service jobs pursuant to the Comprehensive Employment and Training Act. Without this provision, title VI funds intended for jobs would have to be used in several States to reimburse the State unemployment insurance funds for unemployment payments. In fact, several States must set aside reserves of funds intended for creating public service jobs in order to protect themselves against the contingency that they might have to reimburse the State unemployment insurance funds. In other States, such payments are made from the federally-funded special unemployment assistance program. This section of the bill would provide equitable treatment for all the States by authorizing the use of supplemental unemployment assistance—SUA—funds in the event that public service jobholders are laid off and receive unemployment benefits.

The committee bill provides that the Secretary of Labor shall provide assistance under CETA for community-based organizations of demonstrated effectiveness. In addition, the Secretary shall seek the cooperation of other Federal agencies having job-creating programs in order to assure special consideration in such programs for community-based organizations. Section 701(A)(1) of CETA defines community-based organizations as "organizations which are representative of communities or significant segments of the communities and which provide manpower services (for example, Opportunities Industrialization Centers, Jobs for Progress, Mainstream, and Community Action Agencies)."

The committee-reported bill makes clear that title VI discretionary funds may be used for continuing the employment of persons previously employed in public service jobs. This hold-harmless provision would provide statutory authority for the Secretary of Labor to use his discretionary funds—10 percent of title VI appropriations—to avoid lay-offs of those on-board title VI jobholders when there are shifts in allocations which result in funds not being sufficient to continue such jobholders for a reasonable period of time. The bill also specifies that any allocations for such purpose shall be based on the needs of each unit of general local government eligible to be a prime sponsor even though part of a consortium.

The committee-reported bill provides authority for prime sponsors, in expending funds appropriated in the Emergency Supplemental Appropriations Act of 1976 (Public Law 94–266), to use the funds so as to prevent layoffs of public service employees under both title II and title VI of the act. In this connection, the Senate Appropriations Committee report approved of this use of funds under Public Law 94–266 in order to avoid layoffs of title VI jobholders residing outside of areas that are eligible for title II funds. The language in the committee bill provides statutory authority ratifying the intent of Congress in making the appropriations.

This statutory ratification of appropriations intent is contained in section 4 of the committee-reported bill, which authorizes prime sponsors: First, to use funds allocated from the Secretary of Labor's discretionary 20 percent of the appropriation in areas outside the title II areas having 6.5 percent or higher unemployment; and second, to transfer persons to title II, even though the previous source of funding for that person's job was title VI.

The committee-reported bill provides in section 8 for a set-aside of not less than 4 percent of title VI funds to be provided to Indian tribes, bands, and groups for public service employment programs. In addition, the bill amends section 602 (e) of CETA—which provides that Indian tribes on Federal or State reservations are eligible applicants to carry out public service employment programs—by eliminating the restrictions to tribes which are "on Federal or State reservations," providing instead that eligible applicants include Indian tribes, bands, and groups which have their own governing bodies and receive funding for manpower services under section 302 of CETA. The new provision would assure to Indian groups the same percentage set-aside for public service jobs they already receive under CETA's regular manpower training programs.

The committee bill also provides for establishment of a Presidentially appointed Commission on Employment and Unemployment Statistics, to review and make recommendations to the Congress on the Nation's needs for collecting and analyzing unemployment statistics.

According to official unemployment statistics, there are 7.4 million unemployed persons in this Nation who are seeking work but cannot find it.

During the month of July, according to the Bureau of Labor Statistics, there were 7,426,000 unemployed persons, for an unemployment rate of 7.8 percent—seasonally-adjusted. Of that number, 2,317,000 were persons who were unemployed for 15 or more weeks, of which 1,201,000 were unemployed for 27 or more weeks—over half a year. In fact, the overall average duration of unemployment was 15.8 weeks.

In 1974, Congress enacted the current "emergency jobs program," there were 5 million people unemployed. Today, there are an additional 2 million persons looking for work. A job-creation program designed for a 5.6-percent unemployment rate should certainly not be halted at a time when this Nation has a 7.8 percent unemployment rate, following 4 months of an average rate of unemployment of 7.5 percent.

Mr. President, I ask unanimous consent that a summary and section-by-section analysis of H.R. 12987, as reported to the Senate by the Labor and Public Welfare Committee, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF EMERGENCY JOBS PROGRAMS EXTENSION ACT OF 1976

(H.R. 12987 as reported by Senate Labor and Public Welfare Committee.)

1. The Committee-reported bill extends the public service jobs program under title VI of CETA by authorizing the appropriation of such sums as may be necessary through fiscal year 1977. (H.R. 12987, which passed the House of Representatives on April 30 by a vote of 287–42, extended the title VI program through September 30, 1976, the end of the transition quarter.)

2. The Committee-reported bill provides that funds will first be used to maintain existing public service jobholders; and thereafter all new job openings (whether created by vacancies when current CETA jobholders leave, or by increased funding) shall be used in public service employment projects for the long-term unemployed who have been unemployed for 15 or more weeks, including those who have exhausted unemployment benefits, or are receiving unemployment compensation or public assistance, and who are members of low-income households.

3. The Committee-reported bill, like the House-passed bill, authorizes not to exceed 15 percent of funds to be used for necessary supplies and equipment and administrative expenses.

4. The Committee-reported bill provides that States and political subdivisions shall be reimbursed under the Special Unemployment Assistance program for the costs of providing unemployment benefits to workers who have been employed in public service jobs pursuant to the Comprehensive Employment and Training Act. Without this provision, title VI funds intended for jobs are having to be set aside in several states to reimburse the State unemployment insurance funds for unemployment payments. In other States, such payments are from the Special Unemployment Assistance program.

5. The Committee-reported bill provides that the Secretary of Labor shall provide for assistance for community-based organizations of demonstrated effectiveness. In addition, the Secretary shall seek cooperation of other Federal agencies having employment-related programs to assure special consideration for community-based organizations.

6. The Committee-reported bill authorizes prime sponsors, in expending funds appropriated in the Emergency Supplemental Appropriations Act of 1976 (P.L. 94–266), to use the funds so as to prevent layoff of public service employees under both Title II and Title VI of the Act. The language in this bill protects the prime sponsors by providing statutory authority, ratifying the intent of Congress in making the appropriation.

7. The Committee-reported bill makes clear that title VI discretionary funds may be used for continuing the employment of persons previously employed in public service jobs on a hold-harmless basis so as to prevent sudden lay-offs when allocations shift. Any allocations for such purpose shall be based on the needs of each unit of general local government eligible to be a prime sponsor even though part of a consortium.

8. The Committee-reported bill provides for a set-aside of four percent of Title VI funds to be provided to Indian tribes, bands, and groups for public service employment programs.

9. The Committee-reported bill provides for establishment of a National Commission on Employment and Unemployment Statistics.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title—

This section provides that the Act may be cited as the "Emergency Jobs Programs Extension Act of 1976".

Section 2. Authorization of appropriations—

This section amends section 601 of the Comprehensive Employment and Training Act of 1973 to authorize the appropriation of such sums as may be necessary for fiscal year 1976, the transition quarter beginning July 1 and ending September 30, 1976, and for fiscal year 1977, for carrying out title VI.

Section 3. Supplies and equipment—

This section provides that not less than 85 percent of funds allocated for use for public service jobs programs under title II and VI of CETA shall be expended only for wages and employment benefits to persons employed in public service jobs. The remainder, up to 15 percent of a prime sponsor's allocation may be used for administrative costs, including rental costs and necessary supplies, equipment and materials. This provision makes ineffective, for purposes of this authorization, the provisions of section 602(b) and 203(b) which provide that 90 percent of allocations must go to wages and employment benefits, and of section 208(a)(7) which provides that no funds may be used for rental or purchase of supplies and equipment.

Subsection (b) of this section provides that financial records of a prime sponsor relating to public service employment programs under CETA, and records of the names, addresses, positions, and salaries of all persons in public service jobs shall be maintained and made available to the public.

Section 4. Use of discretionary funds—

Subsection (a) of this section provides that, with respect to appropriations made under the title II authorization, by the Emergency Supplemental Appropriations Act of 1976 (Public Law 94–266) funds made available out of the Secretary's discretionary 20 percent, may be used in any area under title VI so as to continue public service employment activities under both title II and title VI. In addition, with respect to allocations whether under the formula or out of discretionary funds from the Emergency Supplemental Appropriations Act, the Secretary of Labor is authorized to waive the provision of section 205(a) of CETA requiring a 30-day period of unemployment in order to enable persons employed under title VI to be transferred to title II.

Subsection (b) amends section 603(b) of CETA by adding a provision specifically authorizing the Secretary of Labor to utilize discretionary funds (up to 10 percent of title VI appropriations) to assure a continuation of public service employment activities previously supported under the Act. In distributing such discretionary funds, the Secretary must base allocations upon previously sustained public service employment activities within the jurisdiction of each unit of general local government eligible to be a prime sponsor whether or not such unit has entered into a consortium. In addition, the Secretary of Labor would be authorized to use remaining discretionary funds to provide financial assistance for the purpose of demonstrating the feasibility of new and innovative job creation approaches to public service employment programs.

Section 5. Employment projects for long-term, low-income unemployed persons—

Subsection (a) of this section amends title VI of CETA by adding at the end thereof of two new sections:

Section 607(a) provides that each prime sponsor shall, in accordance with regulations, utilize such portion of its title VI allocation for fiscal year 1977 as may be necessary to sustain throughout fiscal year 1977 public service jobholders who were supported under title VI during fiscal year 1976.

Section 607(b) provides that the remainder of each prime sponsor's allocation shall be used to provide public service jobs for eligible unemployed persons (described in section 607(c)) in projects and activities carried out by project applicants. Projects and jobs are not to exceed 12 months in duration and shall provide employment consistent with the aim of maintaining average federally supported wage rates for public service jobholders (adjusted on a regional and area basis) as set forth under section 209(b) of CETA—i.e., aiming at a nationwide average wage rate of $7,800 annually.

Section 607(c) provides that, in filling public service jobs assisted under section 607(b), each prime sponsor shall determine that each person hired in such a public service job is a person who (A) has been receiving unemployment compensation for 15 or more weeks, or (B) is ineligible for such benefits and has been unemployed for 15 or more weeks, (C) has exhausted unemployment compensation benefits, or (D) is a recipient of aid to families with dependent children (AFDC). Such a person would not be eligible, however, if a member of a household having a gross income, exclusive of wages received in a title VI job, exceeding 70 percent of the lower living standard budget.

Section 607(d) defines lower living standard budget as the Bureau of Labor Statistics annually determined lower living standard budget, adjusted for regional and metropolitan and urban and rural differences, and family size.

Section 607(e) provides that each prime sponsor shall take steps to insure that funds provided in accordance with section 607(b) shall be equitably allocated among the categories of eligible persons described in subsection (c) in light of the composition of the population of unemployed eligible persons served by the prime sponsor.

Section 607(f) provides that, in providing public service jobs and determining hours of work for eligible persons with financial assistance provided in accordance with subsection (b), each prime sponsor shall take into account the household support obligations of men and women applying for such jobs. The prime sponsor shall also give special consideration to such alternative working arrangements as flexible hours of work, shared time, and part-time jobs, for eligible persons, including parents of young children and for older persons.

Section 607(g) directs the Secretary to take steps, through the affiliated State employment security agency, to assure that unemployment compensation recipients, after twelve weeks of continuing to receive unemployment compensation benefits, a recipient shall be notified of his or her potential eligibility for a public service job. Such notification must make clear that the recipient continues to be eligible for benefits and that the notification is to inform and not coerce the recipient.

Section 607(h) provides that no funds under the Act may be used to provide public services, through a private or nonprofit organization or institution, which are customarily provided by a State, a political subdivision, or a local educational agency in the area served by the project.

Section 608(a) provides for a project applicant to submit a copy of its project application to the prime sponsor's planning council to enable it to submit recommendations to the prime sponsor. No member of a prime sponsor's planning council may participate or cast a vote in the council's deliberations with respect to any project in which that member has an interest.

Section 608(b) provides that, consistent with such procedures as the prime sponsor establishes in accordance with regulations, the prime sponsor shall not disapprove a project application submitted by a project applicant unless it has first considered the comments and recommendations of the prime sponsor's planning council and unless it has afforded an opportunity for a hearing prior to final disapproval of any such application.

Subsection (b) of section 5 of the bill provides that, in a reallocating discretionary funds, the Secretary shall give priority first to other areas within the same State and then to areas within other States, taking into account the number of eligible unemployed individuals (as described in section 607(c)) in such areas.

Section 6. Unemployment assistance for public service employees—

This section provides that the States and political subdivisions shall be reimbursed under the Special Unemployment assistance program for the costs of providing unemployment benefits to workers who are employed in public service employment pursuant to the Comprehensive Employment and Training Act. This provision applies to such employees who are employed by the State or local government employers in the States which provide for mandatory or elective coverage of employees of such employers, and any such employers covered under a local unemployment compensation plan. It also applies with regard to employees employed in public service employment by nonprofit organizations, the employees of which are required to be covered under the applicable state unemployment insurance law by the Federal Unemployment Tax Act. Public service employees employed by State and local governments in the other States generally already receive unemployment assistance under the special unemployment assistance program. This amendment is effective with regard to weeks of unemployment beginning on and after January 1, 1976.

Payments under this authorization would be made on a monthly basis to the States, or to political subdivisions in the case of coverage under local unemployment compensation plans, on estimates made by the Secretary of Labor on the basis of reports made to the Secretary. The Secretary will certify his estimates to the Secretary of the Treasury, who will make the payments from the appropriation for special unemployment assistance. The amendment is effective with respect to compensation or assistance paid for weeks of unemployment that begin on and after January 1, 1976.

To avoid duplication of payments to the States and political subdivisions for the costs of unemployment insurance protection of public service employees, the States and political subdivisions are required to repay to employers who have reimbursed the State or political subdivision for any such benefits paid after the January 1 effective date, and may not charge the employers for benefits which are subject to payment by the United States. Also, an employer who is liable for contributions to the State or political subdivision with respect to public service employment must be repaid the amount of any contributions paid with respect to services performed in such employment on and after January 1, 1976, and in computing the contribution rates for any such employer the relevant factors in the computations may not take into account any element pertaining to public service employment or compensation paid which is the subject of a payment by the United States under this section. Adherence to these requirements by a State is not intended to impair certifiability for credits under sections 3303(b) and 3304 of the Federal Unemployment Tax Act, or certifiability of grants under title III of the Social Security Act.

The amendments made by section 6 are effective October 1, 1976.

Section 7. Clarifying amendment—

This section amends section 205(c)(24) of CETA by changing the requirement with respect to applications requiring that certain assurances relating to promotional opportunities in "job categories" be made, so that such assurances relate instead to "promotional lines."

Section 8. Indian programs—

This section amends section 602(e) of CETA, which provides that Indians tribes on Federal or State reservations are eligible applicants to carry out public service employment programs, by eliminating the restrictions to tribes which are "on Federal or State reservation", providing instead that eligible applicants include Indian tribes, bands, and groups qualified under section 302(c)(1) of CETA.

Subsections (b) and (c) of this section provide that not less than 4 percent of the title VI allocations shall be allocated to Indian tribes, bands, or groups which are designated as eligible applicants to carry out public service employment programs.

Section 9. Community-based organizations—

This section provides that the Secretary of Labor shall provide financial assistance under CETA, and shall assure that prime sponsors will provide financial assistance under CETA, for employment and training programs carried out by community-based organizations which have demonstrated their effectiveness in job creation and in placing disadvantaged persons in jobs with private industry and business, or which provide full-time or part-time job opportunities for older persons and others for whom job opportunities are lacking. Emphasis is to be placed on the utilization of public works project and other Federal financial assistance to local public agencies to increase the employability of unemployed persons and provide opportunities for industry to create additional jobs for the unemployed in rural and urban communities.

Subsection (b) of this section provides that the Secretary of Labor shall seek the cooperation of the heads of other Federal agencies administering financial assistance programs having significant job-creating impact in order to assure special consideration for the utilization of community-based organizations for the provision of comprehensive employment services and job opportunities for unemployed persons. Such financial assistance programs include the State and Local Fiscal Assistance Act of 1972, title I of the Housing and Community Development Act of 1974, and any programs for public works and economic development, and railroad rehabilitation projects.

Subsection (c) provides that, notwithstanding any other provision of law, allocations for employment of individuals under CETA may be used in conjunction with funds from any other public or private source.

Subsection (d) authorizes the Secretary of Labor to support projects demonstrating the feasibility of providing relocation assistance to unemployed workers in areas of substantial unemployment. The Secretary is authorized to provide relocation assistance in such form and amount as he deems appropriate, using as a general guideline the form and amount of readjustment assistance under title II of the Trade Act of 1974.

Section 10. Work on weatherization projects—

This section provides that, notwithstanding any other provision of law, employment and training services, furnished pursuant to title I or title III of the Comprehensive Employment Training Act of 1973 in connection with winterization projects authorized under section 222(a)(12) of the Economic Opportunity Act of 1964 may include work on such projects for the near poor, including families having incomes of 125 per centum of the poverty guideline or less.

Section 11. Project applicants—

Subsection (a) of this section makes clear that funds made available by the prime sponsors to project applicants may be used for projects and activities extending over a period of one year from the commencement of the project or activity.

Subsection (b) defines project applicants to include States and agencies thereof, units of general local government and agencies thereof, special purpose political subdivisions, local educational agencies, institutions of higher education, community-based organizations, community development corporations, nonprofit groups and organizations serving Indians or Native Hawaiians, and other nonprofit organizations or institutions engaged in public service.

Section 12. Veterans employment and training assistance—

Subsection (a) requires a report to Congressional Committees within ninety days of the legislation's enactment.

Subsection (b) amends section 106(b)(5) of CETA title I to conform with the recently revised statutory language codified at section 2012(a) of title 38. Currently, section 106(b)(5) of title I of CETA provides that any State comprehensive manpower plan shall: "set forth arrangements for assisting the Secretary in carrying out his responsibilities for enforcing the requirement for Federal contractors and subcontractors to list all suitable employment openings with local offices of the State employment service and provide special emphasis as required in section 2012(a) of title 38, United States Code."

As originally enacted in 1972 in Public Law 92–540, section 2012(a) of title 38, United States Code required Federal contractors to give "special emphasis" to the employment of qualified disabled veterans and veterans of the Vietnam era. Subsequent to the enactment of the Comprehensive Employment and Training Act of 1973, Congress amended section 2012(a) of title 38 in the Vietnam Era Veterans Readjustment Assistance Act of 1974 (Public Law 93–508) by changing "special emphasis" to "affirmative action."

This is a conforming amendment to section 106(b)(5) of title I of CETA to reflect the changes made by the 1974 GI Bill amendments.

Section 13. National Commission on Employment and Unemployment Statistics—

This section establishes the "National Commission on Employment and Unemployment Statistics" and charges it with the responsibility of evaluating and making recommendations to the Congress and to the President with respect to the needs of the Nation for employment and unemployment statistics. The bill declares that the reliable and comprehensive measurement of employment and unemployment is vital to assessing the Nation's economic well-being and the utilization of its work force, and that these statistics are important determinants of public policies toward job creation, education, training, assistance for the jobless, and other labor market programs.

The Commission is directed to consider a number of issues in the course of its examination. Going beyond a critical and comprehensive look at the current methodology of collection, analysis, and presentation of employment statistics, the bill directs the Commission to consider ways of making improvements in the statistical process such as in the analysis of the employment conditions of particular groups and methods of achieving current, accurate, and uniform statistics on a State and local basis. The Commission is directed to study the need for and methods to obtain data relating employment status and earning, economic hardship, and family support obligations. The Commission is also to direct its attention to statistical data on the functioning of education and training programs, and statistical indicators of the relationship between those programs and subsequent employment, earnings, and unemployment experience. The committee also directs the Commission to look at the need for and availability of occupational information, particularly on a local basis, to assist youths and adults in making training, education, and career choices. The Committee notes a need for educational data and analysis on job vacancies, job turnover, and job matching, part-time workers, youth, women, older persons, minorities, women, handicapped individuals, and other labor market participants. These issues, along with others enumerated in the Committee bill, will be put before the Commission for its study.

Subsection (b) provides that the Commission shall consist of nine members who are appointed by the President, with the advice and consent of the Senate. Seven of the members are to be selected on the basis of their particular knowledge and experience, and are to be broadly representative of labor, business and finance, education and training, economics and statistics, and State and local government. The remaining two members are to be selected from the general public. The bill also requires that the membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups.

Subsection (b) further provides that certain members of the executive and legislative branches are to assist and participate in the activities of the Commission on an advisory basis. The Commission may also wish to invite representatives from the Council of Economic Advisors and the Federal Reserve Board to assist in its work.

The Committee intends that the provision for executive and legislative advisory participation will not hinder the Commission's objective and independent inquiry, but rather will provide first-hand information on their special concerns and interests and thus enhance the prospect that the Commission's recommendations will be implemented. Provision is made for the selection of a Chairman by the President from among the members of the Commission, and the appointment of an executive director, and of the necessary professional, technical, and clerical staff to carry out the Commission's charge without regard to the Civil Service classification laws and regulations. The Commission is required to submit its report to the Congress and to the President on its findings and recommendations wih respect to the labor force statistical process within 18 months of its establishment.

In submitting the final report to the Congress and the President, the Commission is to include a feasible schedule for implementation of its recommendations, cost estimates of such implementation, and any appropriate draft regulations and legislation necessary to implement such recommendations.

In order to provide assurance of full consideration and appropriate followup on the Commission recommendations, the Committee bill requires that the Secretary of Labor, in coordination with other affected executive agencies, take action on the Commission's recommendations. In a six-month interim report to the Congress, the Secretary is to include comments on the desirability, feasibility, and cost of implementing each of the Commission's recommendations, and the actions taken or planned with respect to implementation, as well as any recommendations the Secretary may have for alternative or additional legislation necessary to strengthen and improve the measurement of employment and unemployment. A final report by the Secretary on the actions taken with respect to the Commission's recommendations is to be submitted within two years.

Provision is made for administrative support and services (such as those provided by the General Services Administration and the Postal Service) to be provided to the Commission by all Federal departments, agencies, and instrumentalities, as well as for the termination of the Commission 180 days after submission of its final report—the date by which the Labor Department's interim follow-up report is due.

The appropriation of such sums as may be necessary is authorized in section 13 of the Committee bill. The best estimate of cost available is that the Commission work will cost approximately $1,000,000 for the first year and $1,000,000 for the second year.

Mr. NELSON. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator has 45 additional minutes.

Mr. NELSON. And an hour is allocated to the other side?

The ACTING PRESIDENT pro tempore. To the other side, and 1 hour for amendments in the first degree, 20 minutes for amendments in the second degree.

Mr. NELSON. Mr. President, I reserve the remainder of my time.

Mr. JAVITS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. JAVITS. Mr. President, will Senator NELSON yield me 10 minutes, rather than taking it out of the opposition time?

Mr. NELSON. Yes.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 10 minutes.

Mr. JAVITS. Mr. President, I wish to explain, as the ranking minority member of the Committee on Labor and Public Welfare, I am for this bill. Hence, the opposition time should be granted to those who are in opposition. I am prepared to do that any time any Member wishes time in opposition.

Mr. President, I support this bill because it is a bill of very specialized design for a very limited purpose.

Let us remember that all it does is extend title VI of the CETA for 1 year. The reason for the extension is that we developed title VI expressly to deal with conditions of high unemployment. The distinction between title VI and title II is extremely important because title II is designed for endemic structural unemployment, whereas title VI was designed for high unemployment nationally.

Therefore, title II is applicable to sections of the country where for 3 months or more there has been a 6½-percent unemployment rate. Title VI is a national program attributable to the fact that we have high unemployment on a recession basis, rather than structural and endemic unemployment, which is the function of title II.

That is the reason we have concentrated so much of our public service job quotient in title VI. It is because we have had a very high national level of unemployment.

The reason for the extension is that unemployment promises to continue. We would expect at election time the estimates of the President would be optimistic, yet under those estimates, we expect even as late as 1980 to still have an unemployment rate in the area of 6½ percent, and for 1977 the most we can see is around 6.8, 7 percent. It may be worse than that.

Our immediate experience is of an increase, not a reduction. We are now at 7.8 percent, instead of 7.3, as we were only 3 months ago.

Those are the most persuasive reasons, Mr. President, for the enactment of this legislation—those I have just stated.

In short, we can argue about the internal details, but the fundamental reason for these requests for authorization is contained in the economic analysis which I have just laid before the Chair.

We are determined that insofar as we can, feasibly and intelligently, we would rather deal with public service jobs than with sterile unemployment compensation.

The average cost represented by a job here is about $8,400, as I am sure Senator NELSON has explained. Unemployment compensation can be in that general order of magnitude, depending upon what a person has earned, et cetera. So we are better off if we use them effectively for this purpose.

The thrust of the bill, the structure of the bill, moves exactly in that direction. It proposes to continue the public service jobs we have now, roughly 316,000, of which the preponderance are under title VI.

It proposes that if the Congress decides to appropriate money over and above the 316,000 level, that that will be devoted to those who are the most eligible in the field of unemployment, to wit: the really long-term unemployed; those unemployed 15 weeks or more; those not reached by unemployment compensation; or those who are endemically poor families, such as the recipients of aid for dependent children.

The scheme of the legislation, it seems to me, is most intelligent.

In addition, Mr. President, if we go beyond the 316,000, we have taken the precaution of making it not simply turnaround unemployment. It has to be locally initiated projects.

By the way, we are following the Canadian model of local initiative projects which has seemed to work quite well. Its design depends upon locally developed projects for local purposes which can be completed within a period of 12 months after they are started.

Thus, we do not have to depend solely upon purpose and promises to make it a short-term program. It has to be built into the project itself, for which the additional public service jobs in any given community are to be provided.

Mr. President, I will not trouble my colleagues with the analyses of the composition of the unemployed and the challenges to the figures of unemployment. There are considerable challenges to the effect we do not just have 7.5 million unemployed, but that the unemployed and the underemployed, that is, those working on low paying jobs or parttime jobs, really brings effective unemployment up to around the 20 million level.

It is not necessary to take up that question. It is adequate to have it presented as fact.

Mr. President, after a long journey, a bill to extend the authorization of title VI of the Comprehensive Employment and Training Act, now reaches the Senate floor for debate and passage. The intervening steps along the way have included consideration by the Committees on Budget, Appropriations, and by the full Senate in its prior actions with respect to first concurrent resolution on the budget, and with the passage of the Emergency Supplemental Appropriations Act (Public Law 94-266) in April 1976.

The chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, Senator GAYLORD NELSON, is to be commended for his sponsorship and leadership in the design and shape of the legislation. Senator HARRISON WILLIAMS, chairman of the Committee on Labor and Public Welfare must also be cited for his guidance and support. The contributions of Senators CRANSTON, MONDALE, and KENNEDY must be specially noted, especially in their efforts before the Committee on Budget, where they urged the adoption of the direction to which this legislation points, that is, targeting of public service employment to those most in need.

The original enacting legislation "The Emergency Jobs and Unemployment Assistance Act of 1974" (Public Law 93-567) was signed into law on December 31, 1974. As an amendment to the Comprehensive Employment and Training Act, CETA, title VI established a nationwide countercyclical public service employment program to deal wtih an unemployment rate which was spiralling upward. Whereas title II established a public service employment program in "areas of substantial unemployment" which had an unemployment rate of 6.5 percent for 3 consecutive months. Title VI is a nationwide program, with a formula based upon unemployment.

This emergency program was authorized for fiscal year 1975, at $2.5 billion. The authorizing legislation thus expired, in June 1975; funds previously obligated allowed the program to be operational until June 1976 when all funds were to expire. The Emergency Supplemental Appropriations Act passed in April 1976 contained $1.2 billion under title II of CETA had sufficient funds to carry those public service employment jobs through January 1977, although some prime sponsors will not have enough funds to carry the program until then.

CONCURRENT UNEMPLOYMENT

The need for an extension of title VI is all too evident. Regretfully, the most recent statistics released on Friday, August 4, by the Bureau of Labor Statistics of the Department of Labor, indicate that there are far too many people in this country who are unemployed. The latest 7.8 percent rate of unemployment, with 7.4 million jobless, is discouraging as it continues the month of June's reversal in the employment curve. The unemployment rate which had fallen significantly from its peak of 9.3 percent—8.9 percent seasonally adjusted—in May 1975 to 7.3 percent in May 1976, has now climbed to 7.5 percent in June and 7.8 percent in July.

The fact that total employment has increased dramatically since March 1975—a total of 3.8 million to a new high of 87.9 million—should not decrease our resolve to find work for the 7.4 million unemployed. While economic indicators have heralded the end of the recession, it is evident the rate of growth of our GNP is still not great enough to absorb the new entrants into the job market. The past year the country experienced a 7 percent growth rate. This spring the pace slackened considerably, and most experts expect the rate for the next year or so to range between 5 and 6 percent.

These national statistics have been questioned as to their accuracy. An example of this is the unemployment rate for blacks, which the Bureau of Labor

Statistics establishes for July as 12.9 percent. A recent report by the National Urban League disputed this figure, and its survey reveals 25.4 percent of blacks are unemployed, the same level reached during the peak of 1974–75 recession. The Urban League's statistics include the BLS figures as well as "discouraged workers," and those who are not receiving unemployment benefits.

I ask that unanimous consent that a letter to me from Ronald L. Brown, national director of the Urban League, citing some of these statistics, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

National Urban League, Inc.,
Washington, D.C., June 7, 1976.

Hon. Jacob Javits,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

Dear Senator Javits: Despite the juggling of official figures, the barrage of the optimistic forecasts, and the assurance that unemployment is leveling off, our nation continues to live with unconscionably high levels of joblessness. Further, this joblessness is not spread equally among our population. It is concentrated on those whose lives already are constricted by poverty, on those whose opportunities are already unequal because of the effects of racial discrimination, and on those whose economic marginality is confirmed and deepened because of nationally misplaced priorities.

The National Urban League has examined the unreleased official statistics on employment, and we have discovered the situation to be far worse than publicly acknowledged.

Officially, 7.2 million people are jobless, 1.3 million of them Black. Of the Black unemployed, 35 per cent have been out of work for 15 weeks or more, a rise from 31 per cent in the third quarter of 1975. Furthermore, 21 per cent have been out of work for 27 weeks or more, a rise from 18 per cent in the third quarter of 1975. Black female teenage unemployment too is up, from 36.7 per cent in the third quarter of 1975, to 38.2 per cent at year's end. But in addition, there are about five million people, one-and-a-quarter million of whom are Black, who are no longer counted as part of the labor force because they are not actively looking for jobs which they know do not exist.

Some three million people, 600,000 of them Black, are working part-time because they cannot find full-time jobs. And two million workers, 400,000 of them Black, work full-time for wages that amount to less than the official poverty level. Two-thirds of those persons are family heads.

To talk of seven million jobless is therefore fantasy. These are, of course, figures applicable only to the officially defined unemployed, and we have already demonstrated how that is an understatement. The overall 12.9 per cent unemployment rate for Blacks translates into 24.6 per cent unofficial rate, or one in every four Black workers. There are today some 17 million people who are either unemployed or underemployed.

In addition, Black people have suffered proportionately greater economic damage. Although inflation slowed somewhat in 1975, middle income families decreased from one-fourth of the total of Black families to one-fifth. In 1974, the last full year for which income statistics were available, the median income for Black families was $7,808, while the median income for white families was $13,356. Thus Black family income was only 58 per cent of white family income. But even during 1974, before the full impact of the 1974–75 depression was felt, the number of poor people increased by 1.3 million—139,000 of which were Black—to 24.3 million, the greatest growth since the government began recording poverty statistics in 1959.

Even beyond the economic impact upon Black people, there is a further impact on the economy as a whole. For every million unemployed, it costs the Federal government some $16 million because of taxable income not generated and the increased need for support payments and services. That $16 million is of course multiplied by the costs to States and local governments as they too lose revenues and simultaneously increase services to the unemployed and underemployed at the local levels. Is it not wiser, therefore, to spend today's limited resources on the production of jobs and manpower training for the benefit of the unemployed, as well as Federal, State and local governments? Is it not wiser to provide the transitional employment and training for those now listed among the unemployed and underemployed and to prepare them for the economic upsurge? I submit to you that it is. The tool for the development of this process is now before you—The Full Employment and Balanced Growth Act of 1976.

I hope you and other members of both the Senate Committee on Labor and Public Welfare and the Committee on Banking, Housing and Urban Affairs will give S. 50 careful consideration. Congress must show its concerns for the unemployed and take strong, decisive steps through the enactment of this vital bill.

Sincerely,

Ronald H. Brown,
Director.

Mr. JAVITS. Mr. President, we should be on notice that these figures are challenged and that they are alleged to be much higher. But for the purposes of this legislation, 7.5 million is enough, and more than enough, to justify the legislation. So I think we have taken the right precautions.

Mr. President, it is because of these discrepancies that this legislation is necessary to establish a National Commission on Employment and Unemployment Statistics. The reliability of our present statistics, with the allocation of billions of dollars dependent on their accuracy, has been questioned and the necessity of reinstituting the Gordon committee, originally set up in 1961, is now conceded.

These statistics conceal the people and stories that make up the figures and percentages. A person's pride and desire to find useful and productive work, rather to do nothing and collect a welfare assistance check is often minimized. When given the alternative, the self-esteem gained from having a job cannot be measured solely by a paycheck. It is the purpose of this bill to provide employment to the long-term unemployed, and those receiving aid to family with dependent children—AFDC. Public service employment has provided jobs to this group, although perhaps not as many as one would have liked. That is why it is time to target our efforts more specifically to these groups.

Mrs. Mary L. Wilder of Akron, Ohio, has been successfully employed under CETA. She poignantly reflects the benefits she has received while employed, and wonders what will be her fate should not title VI be extended.

Mr. President, I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Akron, Ohio, *June 12, 1976.*

Senator Jacob Javits,
U.S. Senate Building,
Washington, D.C.

Dear Sir: I am asking for your help to hold my job if it's at all possible. My name is Mary Wilder. I am a fifty year old black woman, divorced 16 years, raised 3 daughters and was never on welfare, except for 10 or 11 months. I worked many years doing domestic work and other menial jobs. I never liked this work, but I had no choice and I didn't want to go on welfare.

In February 1975 I was lucky enough to get a job under a federally funded program, Comprehensive Employment Training Act, CETA VI. I like this job very much and this program has provided me and many others with the dignity of a decent job and wages.

I work at the Summit County Welfare Dept. as an aide to 4 supervisors and they are very pleased with my work. I have various office duties such as filing, answering phones, updating supervisors cards and manuals, etc. For the first time in my life I feel important and also feel that I am doing important work. I'm also preparing myself to take the General Education Development test. I would be very grateful if you could help keep this program, CETA VI, going. It has helped me and many other people so much. I am a diabetic and I have to take insulin every day. I don't know what will happen to me if I lose this job. I'm terribly frightened. I hope and pray that you can help save this program for me and many others.

I think you very much for your consideration.

Ms. Mary Wilder.

Mr. JAVITS. Mr. President, the analysis of our own Budget Committee as to the budget effect of this particular proposition is very important. I would like to spend a moment on that, if I may. The budget analysis bears out the figures which you have heard, Mr. President. That is, a gross course for the continuation of title VI and for the public employment projects which I have described, those which will be targeted for a duration of 12 months with a limitation of 1 year's employment, and a limitation of cost to us, putting it in roughly the $8,000 per year range. But that $3.5 billion cost is offset by Federal budget savings, that is, the tax of the wages received, and the relief of the public budget from various other income maintenance payments if those people continued unemployed.

So the net budget cost on a gross cost of $3,507 million is $1,543 million.

I ask unanimous consent that the letter to our chairman, Senator Williams of New Jersey, from Alice Rivlin, Director of the Congressional Budget Office, be printed at this point in my remarks. It contains a very detailed analysis and justification for the figures I have just given.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Congressional Budget Office,
Washington, D.C., June 10, 1976.

Hon. Harrison A. Williams, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: On May 14, 1976 the Congressional Budget Office provided a regular cost estimate report for the Emergency Jobs Program Extension Act of 1976 under Section 403 of the Congressional Budget Act of 1974.

At that time, we noted that the estimates provided were the gross direct costs of the bill and that, if the bill were to be enacted and funds appropriated to finance the direct costs of the program, there would be substantial offsetting factors that would reduce the net budget impact of the bill. The offsetting factors include increased revenues through payroll and personal income taxes, as well as lower levels of benefits in income assistance programs.

As a result of a strong expression of interest on the part of the staff of your Committee, we have prepared for the Committee's use the attached staff analysis showing the net budget impact of the bill under certain assumptions which are specified in the analysis.

Should the Committee so desire, we would be pleased to provide further details on the attached staff analysis.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE STAFF ANALYSIS OF NET BUDGET IMPACT

1. Bill Number: H.R. 12987 (proposed Senate substitute)

2. Bill Title: Emergency Jobs Program Extension Act of 1976

3. Net Cost Estimate:

On May 14, 1976, the Congressional Budget Office submitted an estimate of the gross costs associated with H.R. 12987. As stated in that estimate, the employment funded will have substantial budget offsets. These offsets result from direct and indirect savings incurred during the year in which this bill authorizes public employment programs. Direct savings occur through increases in tax revenue and decreases in income security payments to individuals. Indirect savings are realized through the expansionary effects on the economy caused by the estimated net increase in federal spending authorized for this bill.

Table 1 summarizes the net budget estimate for this bill. The gross cost was $3,507 million, but an estimated budget savings of $1,964 million yields a net budget estimate of $1,543 million.

TABLE 1.—*Net cost of Senate substitute for H.R. 12987 in fiscal year 1976**

[Dollars in millions]

GROSS COSTS	
Continuation of title VI	$1,711
Public employment projects	1,789
Unemployment compensation for CETA employees	6
National commission	1
Total	3,507
FEDERAL BUDGET SAVINGS	
Direct	1,502
Indirect	462
Total	$1,964
Net budget cost	$1,543

* There are no costs for this bill in fiscal year 1976 or the transition quarter. In addition to the costs in fiscal year 1977, the commission will cost about $1 million in fiscal year 1978, but the budget savings from this expenditure is negligible.

4. Basis for Estimate:

CONTINUATION OF TITLE VI

The extent of fiscal substitution during the possible phase-out of Title VI and the percent of the employment funded that would lead to the payment of unemployment compensation to unemployed workers are the main sources of uncertainty in this estimate.

During the phase-in of a public employment program, it has been generally assumed that fiscal substitution would be about 50 percent in the first year. However, in the first year of a phase-out, fiscal substitution may not be as rapid. A slower rate may occur for the following reasons: (1) Taxpayers are more likely to resist a local tax increase than a decrease; (2) Legal and administrative time lags are likely to delay local tax increases more than tax decreases, because tax increases usually are not retroactive. Because of these factors, it has been assumed that fiscal substitution will range between zero and 25 percent.

The percent of the employment previously funded that would lead to the payment of unemployment compensation is uncertain. It was assumed that for each laid-off worker year of Title VI, 70 percent of this year would be compensated with unemployment insurance. It should be noted that the average worker stays on a PSE job less than a year, and hence a worker year usually consists of more than one worker. The 70 percent adjustment allows for benefit exhaustion in some states and the ineligibility of some individuals subsequently unemployed as a result of the Title VI phase-out.

Appendices A and B present the line-by-line net budget cost calculations for the continuation of Title VI. The net budget cost is estimated to be $723 million. Fiscal substitution is assumed to be zero and 25 percent for Appendix A and B, respectively. Point estimates were derived by taking the mid-point of the relevant ranges calculated in these two appendices.

PUBLIC EMPLOYMENT PROJECTS

Fiscal substitution and the percent of enrollees who previously received various categories of income security payments are the main sources of uncertainty in this estimate.

Fiscal substitution is likely to be less in this program than the existing program for the following reasons: (1) The enrollees are less likely to have the skill characteristics of those who would normally be hired; (2) Local projects are not likely to produce goods and services normally produced by state and local governments. On the other hand, because the funds are not targeted specifically to areas of substantial unemployment, there is likely to be some fiscal substitution. Thus, it was assumed that the range is zero to 25 percent.

The income security off-sets are very difficult to calculate for the following reasons: (1) Lack of adequate data and the need to substitute assumptions; (2) Uncertainty about the enrollment proportions of the eligible population. Both problems were solved with a variety of techniques, which are explained in Appendix C.

The line-by-line net budget cost calculations are contained in Appendices D and E. Fiscal substitution was assumed to range from zero to 25 percent, respectively. The net budget cost is estimated to be $814 million. Point estimates were derived by taking the mid-point of the relevant ranges in these two appendices.

5. Estimate Comparison: Not Appliable.

6. Previous CBO Estimate: May 14, 1976.

7. Estimate Prepared by: Richard A. Hobbie (225–9690), Marc P. Freiman (225–1262), Stephen H. Brooks (225–1477), Robert F. Black (225–4972).

8. Estimate Approved By: James L. Blum, Assistant Director for Budget Analysis.

APPENDIX A: CONTINUATION OF TITLE VI

NET BUDGET COST (ZERO FISCAL SUBSTITUTION)

Gross cost=$1,711 million.

At assumed $8,138 average cost per job, this yields 210,248 jobs.

Calculation of income and payroll taxes collected per job:

Cost per job	$8,138
Administrative and other costs (assumed to be 10 percent of total)	−814
Gross wage	7,324
Tax deductions and exemptions	−4,900
Exemptions for family of four	3,000
Low income allowance	+1,900
	4,900
Taxable income	$2,424
Personal income tax at 12 percent on taxable income	291
Social security tax at 11.7 percent on gross wage	857
Total taxes collected per job	1,148

Net budget costs and savings:

	Millions
Total increase in tax revenues (210,248 × $1,148)	$241
Food stamp savings (210,248 × .25 × $1,248) (assumed participation rate of 25 percent and average annual bonus value of $1,248)	66
UC savings (210,248 × .7 × $3,900) (assumed average weekly benefit amount of $75 × 52 weeks; also, see page 2)	574
Total direct savings*	$881
Total gross cost	$1,711
Total direct savings	−811
Net direct cost	$830
Second round increase in income .7 multiplier × 830)	581
Second round savings (.33 saving factor × 581)	192
Net budget costs (total gross costs minus direct and second round savings)	$638

*By examining data on PSE enrollees, it is assumed that the number of AFDC recipients taking jobs would be negligible.

APPENDIX B: CONTINUATION OF TITLE VI

NET BUDGET COST* (25 PERCENT FISCAL SUBSTITUTION)

Gross cost=$1,711 million.

At assumed $8,138 average cost per job, this yields 210,248 jobs.

Calculation of income and payroll taxes collected per job:

Cost per job	$8,138
Administrative and other costs (assumed to be 10 percent of total)	−814
Gross wage	7,324
Tax deductions and exemptions:	−4,900
Exemptions for family of four	3,000
Low income allowance	+1,900
Total	4,900
Taxable income	2,424
Personal income tax at 12 percent on taxable income	291
Social security tax at 11.7 percent on gross wage	857
Total taxes collected per job	1,148

Net budget costs and savings:

[In millions]

Total increase in tax revenue (1,148×210,248×.75) *	181
Food stamp savings (.25×1,248×210,248×.75) *	50
UC savings (210,248×.75×3,900) × .7*	430
Total Direct Savings	661
Total Gross Cost	1,711
Total Direct Savings	−661
Net Direct Cost	1,050
Second round increase in income (.7 multiplier×1,050)	735

Second round savings (.33 saving factor×735)	243
Net budget costs (total gross costs minus direct and second round savings)	807

*For more detailed explanation, see Appendix A.

APPENDIX C: PUBLIC EMPLOYMENT PROJECTS

ESTIMATE OF TARGET GROUP ENROLLMENT (FISCAL YEAR 1977)

(1) AFDC–UF Recipients=155,000 DHEW estimate in *Daily Labor Report*, 5/20/76, p. A–7.

(2) Recipients of UC for 15 weeks or more=625,000.

IUR=−1.071+.862u
u=6.8%
where IUR=insured unemployment rate
u=unemployment rate
IUR=4.79 times .85 Participation Rate of Insured
IUR′= 4.07
×62.3 million covered employment
2.5 million
0.25 % Uc≥15 weeks on 11–12/74
UI Statistics, 12/74, p. 16
0.625 million
×1.15 adjustment for FSB and SUA recipients (not included in IUR)
0.720

(3) Not receiving UC or AFDC and unemployed 15 weeks or more=536,000.

u≥15 weeks 11–12/74, Monthly Labor Review	1,200,000
From (2)	−720,000
From (1), assuming 25% of AFDC–UF recipients receive benefits ≥15 weeks	−39,000
	441,000

(4) Adjustments based on work-leisure choices and lower living standard family income constraint.

	[1]	[2]	[3]
AFDC	155,000×0.2=	31,000	4
UC≥15	720,000×0.5=	360,000	51
UC≥15	441,000×0.7=	309,000	45
	1,316,000	700,000	100

Adjustments were based on judgments about work-leisure choices of the individuals in the three basic groups and their income distributions in relation to 70 percent of the lower living standard budget (.7×9,588=6,712 for an urban family of four). The following analysis provides information on which to make some adjustments to the eligible population:

(a) AFDC–UF average disposable income:

AFDC–UF Benefit	$4,108
Food Stamps	1,248
Medicaid	1,194
	6,550

[1] Eligible Adjustments.
[2] Willing to Work.
[3] Percent

When compared to the disposable income of the average job funded of $5,436, few AFDC–UF recipients are likely to take the job. It is assumed that at most 20 percent would have benefit levels sufficiently below $5,436 to make accepting a public job attractive enough to choose work, rather than leisure. By examining data on PSE entrants, it was decided that the number of AFDC (regular program) recipients taking jobs would be negligible.

(b) UC Recipient ≧ 15 weeks—according to a DOL-sponsored exhaustee study, very few of the exhaustees received food stamps or medicaid during the receipt of UC. It is assumed that this group received no medicaid and only 10 percent received food stamps. This means that 90 percent have an average benefit level of $3,900 per year and 10 percent have $5,148. It is also assumed that those with both UC and food stamps would not take a job at an average disposable income of $5,436. Also, it is assumed that one-third of the 80 percent would choose leisure and homework instead of market work, which leaves 60 percent of the total recipients of UC for more than 15 weeks willing to work. Finally, we allowed an additional reduction of 10 percent for the possible violation of the household income constraint. Thus, we ultimately assumed that 50 percent would be eligible and willing to work.

(c) Not UC and not AFDC–UF and unemployed ≧ 15 weeks—this group contains exhaustees of UC and all those ineligible for UC (many new entrants and reentrants to the labor force). We assume that 70 percent would be willing and eligible to take a public job at $5,436 disposable income. Some may still consume leisure or do homework, because they are secondary workers being supported by others or because ther reservation wages are still higher than the PSE wage rate. Also, since very few of the UC exhaustees get food stamps, we have assumed a participation rate of only 20 percent.

APPENDIX D: PUBLIC EMPLOYMENT PROJECTS

NET BUDGET COST CALCULATION (ZERO FISCAL SUBSTITUTION)

Gross cost=$1,789 million.

At assumed average cost per job of $7,059, this yields 253,435 jobs.

Calculation of income and payroll taxes collected per job:

Cost per job	$7,059
Administrative and other costs (assumed to be 10 percent of total)	−706
Gross wage	6,353
Low income allowance and four personal exemptions (see Appendix A)	−4,900
Taxable income	1,453
Personal income tax at 12 percent on taxable income	174
Social security tax at 11.7 percent on gross wage	+743
Total taxes collected per job	917

Net Budget Costs and Savings:

Total increase in tax revenues (253,435×$917), $232 million.

From (4) in Appendix C we get the following number of jobs filled from each category:

AFDC=.04×253,435=10,137.
UC=.51×253,435=129,252.
Other unemployed=.45×253,435=114,046.

The assumed food stamp participation for these groups are 100%, 10%, and 20%. Using an average bonus value of $1,248 we get:

[In millions]

Food stamp savings (10,137×1×$1,248+129,252×.1×1,248+114,046×.2×1,248)	$57
UC savings (129,252×$3,900)	504
AFDC-UF savings (10,137×$4,108)	42
Total direct savings	835
Total gross cost	1,789
Total direct savings	−835
Net direct cost	935
Second round increase in income (.7 multiplier×954)	668
Second round savings (.33 saving factor×668)	220
Net budget costs (total gross costs minus direct and second round savings)	734

APPENDIX E: PUBLIC EMPLOYMENT PROJECTS

NET BUDGET COST CALCULATION (25 PERCENT FISCAL SUBSTITUTION)

Gross Cost=$1,789 million.

At assumed average cost per job of $7,059, this yields 253,435 jobs.

Calculation of Income and Payroll Taxes Collected Per Job:

Cost per job	$7,059
Administrative and other costs (assumed to be 10 percent of total)	−706
Gross wage	6,353
Low income allowance and four personal exemptions (see Appendix A)	−4,900
Taxable income	1,453
Personal income tax at 12 percent on taxable income	174
Social security tax at 11.7 percent on gross wage	+743
Total taxes collected per job	917

Net Budget Costs and Savings:

[In millions]

Total increase in tax revenue (917×253,435×.75)	$175
Food stamp savings (57×.75) See Appendix D	43
AFDC–US savings (42×.75) See Appendix D	31
UC savings (504×.75) See Appendix D	378
Total direct savings	626
Total gross cost	1,789
Total direct savings	−626
Net direct cost	1,163
Second round increase in income (.7×1,163)	814
Second round savings (.38×814)	269
Net budget costs (total gross costs minus direct and second round savings)	894

Mr. JAVITS. Mr. President, I urge, as did Senator NELSON, the need for that part of the bill which ratifies the emergency supplemental appropriation we made last April. I raised that issue in the Chamber, concerning the legality of that appropriation, which was not, I thought at that time, adequately preceded by an authorization. So it is necessary to correct it now so that prime sponsors are not subject to suit. I may be right, I may be wrong, but in any case it would be most unfair to leave prime sponsors at hazard in respect of the legality of those disbursements.

Also, I strongly urge upon the Senate, the National Commission on Employment and Unemployment Statistics, which is contained in this bill. The need for that is evident from the challenge which many—and I noted particularly the Urban League—are making to the integrity of our unemployment figures, and the attendant public notice which has been taken of successive meetings of the Joint Economic Committee where these figures were announced.

Mr. President, I am the ranking member of that committee. The public interest which is involved in the validity of those figures has been demonstrated. The interest rate question, the state of our securities markets, and capital formation problems are intimately related to the public trust in the unemployment figures as disclosed by the Bureau of Labor Statistics.

Therefore, I think it is very right that we should try to lay at rest what seem to be grave and legitimate doubts about that subject. I favor very strongly the commission which is created by this bill.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. JAVITS. May I have an additional 2 minutes?

Mr. NELSON. I yield whatever time the Senator may desire.

Mr. JAVITS. Mr. President, I think the validity of the Commission approach has been shown by many, many developments in our legislation. I know Members are unhappy when we create a new Commission, et cetera. But it is absolutely amazing how many highly placed and competent individuals will serve on commissions without compensation, except for the cost of travel, et cetera, as a matter of national honor. The Government is able to get unusual input in that way, and also to provide adequate forethought for a highly important public question.

I will make it my business, Mr. President, to develop for the Senate, because I think it is important, a little history of the organization of commissions in recent times, the subjects for which they were responsible, and the legislation which resulted from those subjects. These should be distinguished from the normal committee inquiry of the House or Senate, which we have a right to feel is very critical and, of course, our principal business.

We should not, in our distaste for new agencies of Government, overlook the ability which we get from the cache of people serving on commissions for a short time and giving us the benefit of their intellect and experience. It is analogous to the royal commissions of our parent democracy, the United Kingdom, where it has worked for not decades but centuries. I think we should understand that because we are asking constantly for commissions, I think it makes a lot of sense. It can be overdone, but I think it makes a lot of sense. I hope very much the Senate will concur in this one.

Finally, Mr. President, just by way of completion, what we are doing today simply represents the pattern which we have decided to follow in terms of the unacceptable unemployment in this country. We are doing our utmost to provide private jobs with tax laws and other stimuli which we apply.

Incidentally, our export policies, especially in the agricultural field, have been critical in that regard. And now we supply some element of public service jobs. We have by no means gone the whole way. People like Senator NELSON and I have contended for 1 million public service jobs. We are here today defending less than one-third that number. But it is our way. It is the consensus that that is the restrained approach and it makes a contribution. I hope very much that we follow this pattern, because unemployment persists and promises to continue to persist. While we may try many other ways, whatever we may call the bill—Humphrey-Hawkins, or mine or someone else's—we cannot abandon what seems to be a sound, moderate and middle of the road path in respect to relieving unemployment by public service jobs.

Mr. President, to summarize, despite wishful thinking that this emergency job program is no longer necessary, the statistics and those people unemployed say otherwise. Most favorable estimates, made when the unemployment rate was falling, still project an unemployment rate over 6¼ percent by the end of 1977. An emergency 1-year program must be continued to take up some of the slack, and also provide the essential public services which would go untended. By not acting, those 260,000 presently employed under title VI, like Mrs. Wilder, will be added to the unemployed rolls, either collecting unemployment benefits or welfare checks.

TARGETED POPULATION

The Senate bill, H.R. 12987, would extend title VI through the transition quarter ending September 1976, and fiscal year 1977, by authorizing such sums as may be necessary.

The extension would insure that, depending upon the appropriations level, those 256,000 jobs presently funded through title VI, would be continued. The jobs funded under title II, will be continued with a $400 million appropriation in fiscal year 1977, the same level continued from the previous 3 years.

While the authorization level is not specified, other than such sums as may be necessary, it is hoped that the Committees on Appropriations and Congress would take into account those targets established in the first concurrent resolution on the budget for fiscal year 1977, and expand the total to 520,000 jobs, thus doubling the present program.

Were this to occur, the present jobholders would be continued through fiscal year 1977. All those additional jobs would be targeted to the long term unemployed. The eligibility for those additional jobs would be restricted to those unemployed:

First, who have been receiving unemployment compensation for 15 or more weeks; or

Second, who are receiving AFDC; or

Third, who have exhausted unemployment benefits, or

Fourth, who are ineligible for unemployment compensation benefits but who have been unemployed for 15 weeks or more.

In addition to these restrictions, a person, to be qualified for a public service job, must not have income from other family members in excess of 70 percent of the lower living standard budget—for a family of four, the lower living standard budget is $9,588; 70 percent thereof would be $6,712.

The targeting of new jobs on the most needy—the long term unemployed—is a major change in the present program. By focusing on the most in need of employment, these new jobs will replace income maintenance and substitute productive work.

Besides the direct benefit to the person employed, the offsets to the budget of these federally funded jobs will be substantial, thus reducing the cost of providing these jobs.

These targeting provisions strengthen the goal of the program—to provide employment for those most in need. However, no requirements are enumerated, nor quotas established as to various categories of unemployed, who are to obtain these jobs. It rests upon the prime sponsor to insure that jobs are equitably distributed. It is reiterated that those most in need should receive the opportunity of employment, and it will remain for the prime sponsor to make this determination based upon all the considerations and factors of the family.

The legislation specifically contemplates that all prime sponsors will maintain those presently enrolled throughout 1977. However, each slot that becomes vacant through attrition must be filled by a job holder that meets the qualification of being long-term unemployed. Therefore, it is not the job slot that will be continued; rather it is the present jobholder.

PROJECTS FOR THE LONG-TERM UNEMPLOYED

All remaining public service employment allocations, over and above the level needed to sustain those presently employed, would be to employ the long-term unemployed in projects of no longer than 1-year's duration. These special projects would be either contracted out by the prime sponsor, or else operated by the prime sponsor itself. The emphasis is on creating new jobs, with an average cost of $7,800 per job; the projects will be designed by the community for people in that community.

These projects, short term—1 year—both in design and length of employment of each jobholder, should assure those who worry that these emergency programs become institutionalized and cannot be discontinued once the economy absorbs the unemployed. The specific limitations on duration, and the goal of a low average cost per job of $7,800 per job, with a maximum cost maintained at $10,000 per job, should give ample notice that the employment is temporary. The fear would not be realized that these public service jobs would be too attractive and thereby draw applicants from the private sector. These factors would also allow the jobholder to continue to seek permanent employment in the private sector.

SUBSTITUTION EFFECT

A major criticism of title VI of CETA is that it creates no new jobs; instead, it is alleged that prime sponsors have substituted Federal funds for public services they would have otherwise provided out of their local revenues. The number of rehires of laid off civil servants with CETA funds is a corollary of this substitution argument.

Notwithstanding that the national rate of rehires is only 4 to 5 percent, rehiring with CETA funds has occurred in some cities which have experienced fiscal constraints necessitating cutbacks and layoffs.

The new approach of targeting to the long-term unemployed for projects should sufficiently counter these arguments. The period of unemployment before eligibility will now be 15 weeks, and not 15 days as in the original title VI legislation. This will make it improbable, if not impossible, for prime sponsors to lay off employees and then rehire them.

The locally initiated projects would also involve low-paying employment for a limited time, designed by community groups and nonprofit agencies. Substitution in municipal budgeting for services would be much more difficult.

Another factor which must be considered with this issue is the recent passage of the Public Works Employment Act of 1976—Public Law 94–369—title II, antirecession provision, which specifically allocates funds to localities with high unemployment to prevent the laying off and firing of municipal employees. It is the intent of that legislation that those revenue-sharing funds be used for that purpose.

On the other hand, CETA, title VI, the Emergency Jobs Unemployment Assistance Act of 1974, was intended to create new jobs, and provide temporary transitional employment. These desirable goals are realized and affirmed in the design of the extension of public service employment. It is our intention that prime sponsors will use CETA funds with this in mind.

RATIFICATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS BILL

The Congress appropriated, and the administration requested, in the emergency supplemental appropriations bill of 1976—Public Law 94–266—$1.2 billion for public service employment under title II of CETA. The purpose was to extend all 316,000 public service employment slots through January 1977. Only 50,000 of those were hired under title II and the special qualifications under that title. The remaining 256,000 were slotted under title VI, which had expired.

At the time of that appropriations bill, I questioned on the Senate floor the legality of appropriating funds in this matter, and using report language to directly contravene statutory language. Report language gave authority to the Secretary of Labor to use discretionary funds to: First, fund title VI areas which would not qualify under title II, that is, not be "an area of substantial unemployment"; and, second, to waive the eligibility provision requiring a 30-day period of unemployment—because title VI had only a 15-day requirement.

This bill ratifies the actions taken by the Secretary under that legislation alone. It is necessary to prime sponsors who otherwise would be liable to suit for implementing the intent of Congress in this regard. I would hope the precedent is not repeated, as neither committee report language, nor an opinion from the Solicitor of the Labor Department has sufficient weight directly to contravene statutory language.

UNEMPLOYMENT ASSISTANCE FOR PUBLIC SERVICE EMPLOYEES

This legislation provides that States and political subdivisions shall be reimbursed under the special unemployment assistance program—title II of the Emergency Jobs and Unemployment Assistance Act of 1974—for the costs of providing unemployment benefits to workers who are employed in public service jobs pursuant to the Comprehensive Employment and Training Act. Presently, public employees of State and local governments receive benefits under the special unemployment assistance program. In nine States, employees in the public sector are covered by the regular State unemployment insurance law frequently on a reimburseable basis. When this occurs funds intended for providing jobs are required to be reserved for payment of unemployment compensation in the event of layoffs. Thus CETA funds are not being used to create jobs in these States; where as in the other States unemployment assistance is separately provided under SUA. This inequity would now be eliminated.

This section would be retroactive to January 1, 1976. Payments by the Secretary of Treasury would be made to States and local subdivisions based on estimates provided by the Secretary of Labor.

NATIONAL COMMISSION ON EMPLOYMENT AND UNEMPLOYMENT STATISTICS

As I mentioned previously, there is a need for a reexamination of current statistics on employment and unemployment and the methodology behind the accumulation of these statistics. This bill would establish a National Commission on Employment and Unemployment Statistics, similar to the "Gordon Committee" appointed on November 11, 1961. This committee issued its report in 1962 and since that time no further appraisal has been made.

The Commission would identify the Nation's requirements for statistics on the labor force. It would also make a thorough review of the current procedures, concepts and methodology. Its recommendations would be invaluable to develop a comprehensive, reliable, timely and consistent measurement system of persons unemployed and those looking for work.

As presently collected by the Bureau of Labor Statistics, the unemployment rate has in its statistics been criticized for not counting enough people as unemployed, including those 1 million or so "discouraged workers." On the other hand, the statistics have been questioned for counting in its survey too many people not truly unemployed, such as a full time student looking for part time employment. To distinguish these cases, and others, in light of household status and occupational skill should be a prime consideration for the work of this Commission.

As a corollary to the above, the Commission is mandated to direct its attention to statistical data on the functioning of education and training programs, and the relationship between those programs and subsequent employment earnings and unemployment experiences. With a need for better occupational information, and the supply of trained people to fill those jobs, a better more exact picture of the work force can be compiled.

The BLS data is an important guide to our economic policy and determines the allocation of billions of dollars in Federal assistance. Although it is widely recognized that the United States has the most comprehensive and accurate system of labor statistics in the world, it is clear that important improvements need to be made in the analysis of the employment conditions of particular groups and in the availability of data on a regional or subregional basis. The Commission will identify ways of improving the availability of occupational information, particularly on a local basis, which is now inadequate for individuals making education and career choices.

The cost of the Commission is estimated to be $1 million for each of the 2 years of its existence. The Commission would consist of nine members, who are appointed by the President with the advice and consent of the Senate. Seven would be selected because of their expertise, and broadly representative of labor, business, finance, education, and training. The other two are to be selected from the general public.

NET COST OF EXTENSION

The rationale of this legislation is to put people to work in productive jobs instead of collecting an income maintenance check, either unemployment benefits or welfare. It also is intended to provide employment for those exhausting all unemployment compensation benefits, estimated to number 2.5 million during the calendar year 1976.

It is anticipated that the implementation of this program will produce significant offsets to the Federal budget in terms of the income maintenance payments paid out. In the last year approximately $20 billion were paid out for unemployment benefits to people who were not working. When this is added to amounts paid out in AFDC to unemployed fathers, the sum is a monetary layout which can and should be put to better use.

The budget offsets will result from direct and indirect savings incurred during the year. Direct savings occur through increases in tax revenues and decreases in income security payments. There will also be indirect savings through the expansionary effects on the economy, which is necessary at this time.

An estimate prepared by the Congressional Budget Office shows the gross cost for enactment of this legislation to include a doubling of the program, within the targets of the first concurrent budget resolution, would be $3,507,000,000. The Federal budget savings would total $1,964,000—$1,502,000 direct savings; $462,000,000 indirect savings—for a net budget cost of $1,543,000,000.

An analysis with a complete breakdown showing the net budget impact of the bill under certain assumptions, has been provided by the Congress Budget Office. It is very informative, in its breakdown and explanation of the costs of the program, both in the continuation of the present title VI, and with the new projects targeted to the long-term unemployed.

Mr. President, this bill is a very, very modest approach. I hope very much the Senate will support our bill without any excessive amount of amendment. I thank the Chair.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. TAFT. Will the Senator yield to me?

Mr. NELSON. How much time remains?

The ACTING PRESIDENT pro tempore. The Senator has 28 minutes.

Mr. NELSON. How much time does the Senator from Ohio request?

Mr. TAFT. I would think 10 minutes.

Mr. NELSON. I will yield 10 minutes to the Senator from Ohio.

Mr. TAFT. I thank the Senator for yielding.

Mr. President, unemployment remains the No. 1 problem in this country.

Mr. NELSON. Mr. President, I wonder if the Senator will yield.

Mr. TAFT. I will be glad to yield.

Mr. NELSON. Is the Senator offering an amendment?

Mr. TAFT. No, these are opening remarks on the bill. I have an amendment which I hope to offer later.

As my colleagues have previously pointed out, the national unemployment rate is still unacceptably high. Fortunately, there are encouraging signs on the horizon which indicate that the administration's economic policies are contributing toward a recovery which should continue through this year and into 1977. However, while these policies work their will toward a positive and lasting recovery, I believe it is still incumbent upon the Congress to extend the proven public service jobs program under title VI until these policies have made firm and decisive inroads into our recession and inflation situation.

While the term "unemployment" seems distant for many of the people in my State who have jobs, however, the word means total disaster to the wage earner and bread winner who suddenly finds himself without a job and unable to obtain any suitable employment resulting in no visible means of support for himself and his family.

Mr. President, I have with me this morning, from the Bureau of Employment Services of the State of Ohio, the Ohio Labor Market Information Bulletin of June 1976, showing employment, hours, and earnings in Ohio during that month.

Unemployment in Ohio rose from 324,000 in May to 345,000 in June, raising the rate from 6.9 to 7.2 percent of the civilian labor force. The increase was attributable to high school and college students entering the labor market. Total employment advanced .9 percent, to 4,426,000. Payroll employment, excluding workers idled by labor-management disputes, gained .7 percent, to 4,094,000.

Mr. President, I ask unanimous consent that the information in this bulletin be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Ohio Labor Market Information Bulletin]

EMPLOYMENT, HOURS AND EARNINGS IN OHIO, JUNE 1976

Unemployment in Ohio rose from 324,000 in May to 345,000 in June, raising the rate from 6.9 to 7.2 percent of the civilian labor force. The increase was attributable to high school and college students entering the labor market. Total employment advanced .9 percent, to 4,426,000. Payroll employment, excluding workers idled by labor-management disputes, gained .7 percent, to 4,094,000.

Ohio's factory employment advanced .7 percent from May, to 1,276,000 in June. Producers of motor vehicles, metal stampings, and basic steel increased their workforces. Employment in the production of metalworking machinery rebounded, as workers were recalled following a short layoff in May. Small-to-moderate gains were reported in stone, clay, and glass products. Seasonal expansion in food canning and settlement of a labor-management dispute in the beverage industry lifted employment in food products.

Nonmanufacturing employment in Ohio reached a new all-time high. The new record, 2,818,000,, represented a gain of .8 percent over May. The advance was mainly seasonal, however, caused by expansion in outdoor activities, notably amusement services and contract construction. Settlement of a labor-management dispute restored employment in local trucking. This increase was more than offset, however, as another dispute idled thousands of communication workers. Employment in local government declined as public schools began releasing nonteaching personnel for the summer.

Weekly earnings of production workers in Ohio factories rose $2.50 from May's record average, to a new high of $252.89 in June. The workweek, at 41.8 hours, was .2 hours longer. Overtime increased substantially in the manufacture of iron castings and industrial chemicals, as well as in food products—notably beverages and processed meats. More moderate increases were reported by blast furnace and steel mills and by producers of metalworking machinery. Wage-rate increases occurred in many industries, and were mainly responsible for higher earnings averages in printing and publishing and in the production of special industry machinery.

From June 1975 to June 1976, Ohio's unemployment rate fell from 9.9 to 7.2 percent of the civilian labor force. Total employment gained 1.6 percent. Nonagricultural payroll jobs increased by 1.1 percent. Most of the advance occurred in the manufacture of durable goods, particularly fabricated and primary metals. Growth in services and trade lifted nonmanufacturing. Decreased employment in communication and in tire manufacturing was attributable to current labor-management disputes. Average weekly earnings of factory production workers jumped $32.00 over the year, as the workweek was extended by 1.7 hours.

EMPLOYMENT, HOURS, AND EARNINGS IN MAJOR METROPOLITAN AREAS

AKRON.—Nonagricultural industries in the Akron Metropolitan Area employed 237,000 wage and salary workers in June, up .4 percent from May. Expansion in amusement services and contract construction was only partially offset as a labor-management dispute idled communication workers. A dispute in the production of fabricated metals lowered manufacturing employment .5 percent, to 72,000 in June. Factory production workers averaged $240.85 for a workweek of 41.1 hours, down $2.00 and .3 hours from May. (See pages 13 and 14.)

Canton.—Nonagricultural wage and salary employment in Canton, at 148,000 in June, was fractionally above May. Seasonal hiring in nonmanufacturing was largely offset as a labor-management dispute lowered employment in communication, and public schools furloughed nonteaching personnel. Manufacturing employment slipped .2 percent, to 55,000 in June. Factory production workers averaged $244.84 for a workweek of 39.3 hours in June, compared with $244.95 for 39.7 hours in May. (See pages 15 and 16.)

Cincinnati.—June wage and salary employment in nonagricultural industries of the Cincinnati area, at 547,000 was 1.2 percent above May. Expansion in amusement services and trade accounted for much of the gain in nonmanufacturing. Employment in manufacturing rose 1.3 percent, to 156,000 in June. Advances were concentrated among producers of nondurable goods. Production workers in factories grossed $234.89 for a workweek of 41.5 hours, up $3.00 and .3 hours from May. (See pages 17 and 18.)

Cleveland.—Wage and salary employment in Cleveland nonagricultural industries increased .6 percent from May, to 864,000 in June. Nonmanufacturing rose seasonally, although a labor-management dispute idled communication workers. Factory employment—259,000 in June—was .9 percent above May. At $263.30 in June, weekly earnings of manufacturing production workers were $4.00 above May. The average workweek was fractionally longer, at 42.4 hours. (See pages 19 and 20.)

Columbus.—Nonagricultural wage and salary employment in Columbus totaled 452,000 in June, up .5 percent from May. Seasonal expansion in nonmanufacturing was moderated by effects of a labor-management dispute in communication and by cutbacks in public schools. Employment in manufacturing rose 1.1 percent, 93,000 in June, following settlement of a dispute in the production of beverages. Factory production workers averaged $230.04 for a workweek of 40.5 hours in June, compared with $226.24 for 40.4 hours in May. (See pages 21 and 22.)

Dayton.—Nonagricultural industries in the Dayton area employed 324,000 wage and salary workers in June, up fractionally from May. Factory employment increased .3 percent, to 102,000. Seasonal expansion in nonmanufacturing was offset, however, as a labor-management dispute idled communication workers and public schools laid off nonteaching personnel for the summer. At $264.31 for 42.7 hours in June, average weekly earnings and hours of manufacturing production workers were $4.00 and .5 hours below May. (See pages 23 and 24.)

Toledo.—Wage and salary employment in nonagricultural industries in the Toledo area rose fractionally from May to 279,000 in June. Manufacturing employment, at 84,000, was up .4 percent. A labor-management dispute lowered employment in communication, wiping out seasonal gains in most of the other nonmanufacturing industries. Weekly earnings and hours of manufacturing production workers, at $259.79 for 41.7 hours, were unchanged from May. (See pages 25 and 26.)

Youngstown-Warren.—June wage and salary employment in nonagricultural industries of the Youngstown-Warren area, at 205,000, was .5 percent above May. The gain was due to seasonal hiring in nonmanufacturing. Layoffs in primary metals lowered factory employment .4 percent, to 81,000 in June. Production workers in manufacturing industries grossed $278.80 per week, up $2.00 from May. The average workweek was unchanged at 40.0 hours. (See pages 27 and 28.)

Mr. TAFT. It shows pretty much the employment situation in the State of Ohio, including earnings in major metropolitan areas in Ohio. The only other comment I would like to make for the record is that, of course, the situation reflected in the city of Akron does not truly reflect the reinforcement picture due to the strike in the rubber industry. I am sure I share the concern of all of us that some early resolution of this matter must be worked out. I am sure the Department of Labor and the Mediation and Conciliation Service will continue efforts to bring the parties together for a reasonable settlement.

Constructive action must be the guiding policy during the next year. Americans are troubled and worried about the future of this country. Many are desperate because they do not have the income to pay, not for the luxuries of life, but for the basic necessities, such as food, fuel, and shelter. For these, the unemployed, and underemployed, there is little hope for future economic improvement. These people must not be abandoned; we must address ourselves to the needs of this segment of our society without at the same time overstimulating our economy and prejudicing our sustained recovery. I believe H.R. 12987, while certainly not a solution to all of our economic ills, is balanced, constructive and necessary legislation. It is a fully justified use of public resources.

I particularly commend the chairman of the subcommittee and the ranking Republican member of the Committee on Labor and Public Welfare for their efforts in this connection. I think the entire effort has been, while not a total answer to unemployment, certainly so far as structural unemployment is concerned it has been a major factor to try to alleviate the problems, and I think there will be a continuing need for it over the period of the next few years.

To put the issues in some perspective, allow me a few moments to explain the status of the CETA extension bills before the House and Senate. The House, on April 30, 1976, by an overwhelming vote of 287 to 42, passed a CETA title VI extension bill for fiscal year 1976 and the transition quarter. The bill's only other provision includes as allowable administrative costs, the purchase of supplies, the equipment and materials necessary for the proper implementation of public service jobs funded under CETA, and limited administrative costs to not more than 15 percent of the total expenditures for public service jobs instead of the current 10 percent. Rental costs are also included in that figure.

Thus, the House passed a more limited title VI extension than is called for in the Senate bill. Subsequent to the House action, the Congress passed the emergency supplemental appropriations bill which funded CETA title II so that the Department of Labor has maintained the current levels of employment of title VI prime sponsors utilizing title II funds. A legal issue has developed as to whether or not title II funds may be used for these purposes. One of the advantages of the present bill is that it lawfully authorizes the Department of Labor to so use those title II funds—a manifestly worthwhile objective which may avoid costly litigation of the issue.

Moreover, this bill by way of an amendment which I pressed for, rectifies yet another inequity in the law that operates to the substantial detriment of the prime sponsors located in Ohio and eight other States. This bill provides for financial assistance, through the special unemployment assistance—SUA—Federal program, of the cost of unemployment insurance coverage for CETA public service employees. In 41 of our States and the District of Columbia, these employees are already covered under SUA. However, as I have stated, in nine other States, including Ohio, which have covered public employees under their permanent unemployment compensation system, the cost of coverage must be financed by the CETA prime sponsors using CETA allocations.

I submit that this disparity, in fact, operates as a penalty against those States that have a progressive State law and further deprives CETA prime sponsors of their ability to create additional job opportunities for the unemployed persons living in their respective jurisdictions. This bill will bring the funding of such unemployment insurance coverage under one Federal source and thereby place Ohio and the eight other jurisdictions on the same equal footing as exists in all other States.

The devastating effects of the situation should the UI amendment not be adopted for Ohio prime sponsors is best exemplified in a position paper prepared by the director of the Licking County Ohio Employment and Training Administration. To focus on a few of the critical points contained in the position paper, the following comments should be noted:

> If we budget for potential UI costs, we are forced to end the program immediately and use the entire fiscal year 1977 allocation merely to pay UI. This would be an ultimate, demoralizing result. Rather than having several hundred people working and being trained, our consortium, as prime sponsor, would be administering an unemployment insurance program.

The amendments of this bill will prevent that from happening.

I ask unanimous consent that the position paper I referred to be inserted in full into the RECORD at this point.

There being no objection, the position paper was ordered to be printed in the RECORD, as follows:

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT—UNEMPLOYMENT INSURANCE

POSITION PAPER

There is currently a direct conflict between the Department of Labor opinion and the Ohio Revised Code as it relates to the responsibilities and liabilities of Unemployment Insurance coverage for CETA employees. The primary issues and concerns of this conflict are:

(1) Is the intent and spirit of CETA legislation designed to utilize a significant part of prime sponsor CETA allocations for the payment of Unemployment Insurance costs?

(2) Are CETA enrollees involved in what the Ohio Revised Code determines "as a part of an unemployment work relief or work training program?"

(3) Should Ohio prime sponsors, not permitted by law to provide Unemployment Insurance payments on a contributing basis, use a major part, if not all, of its Fiscal Year 1977 CETA allocations for the purpose of providing unemployment benefit payments on a reimbursement basis?

The evolution of these conflicts begins with Section 98.24 of the CETA Regulations. This section is entitled "General benefits and working conditions for program participants" and denotes that "each participant in an on-the-job training, work experience or public service employment program under the Act shall be assured of . . . unemployment insurance . . . and other benefits at the same levels and to the same extent as other employees similarly employed . . ." Attachment "A" includes the entire Section 98.24.

In conflict to this regulation, the Ohio Revised Code in Section 4141.01 (b)(3)(s) states that "employment does not include the following: . . . service performed after December 31, 1971 for a non-profit organization, a hospital or institution of higher education of the state or a political subdivision, as part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof, by an individual receiving the work relief or work training."

It is our opinion that we are acting within Federal Regulations and according to the Ohio Revised Code by providing benefits to CETA employees "to the same extent as other employees in the employment situation. Also Section 96.23(b)(4) of the CETA Regulations states that "the eligible applicant [the prime sponsor] has the ultimate responsibility for determining the equitable distribution and for selection, job structure, participant benefits, and all other aspects of the jobs funded under this Title."

The Licking-Delaware Employment and Training Consortium posture of not budgeting enormous amounts of money and not assuming a financial liability for providing Unemployment Insurance to CETA clients is based upon:

(a) Our understanding that the CETA program is designed to alleviate unemployment by providing work relief and work training opportunities for persons needing income, work experience, and job training.

(b) We strongly oppose the concept of providing equitable benefits to CETA program enrollees being utilized to promote unemployment.

(c) We believe that CETA funds are intended to be used for the promotion of unemployment and training opportunities and productivity and service as opposed to subsidizing the massive Unemployment Insurance benefit program.

The Department of Labor policy is that Ohio prime sponsors shall prepare for the fiscal liability of Unemployment Insurance payments. The Department of Labor has also suggested that Ohio prime sponsors budget one-half of one percent of their CETA allocations for this specific purpose.

It is our opinion that the Department of Labor interpretation of the law and its estimates of financial liability are totally erroneous. Specifically, the continuation of this DOL policy would effect our prime sponsor area as follows:

(a) Public Service Employment allocations have already been drastically reduced necessitating massive layoffs in late October, 1976. The dollars available for the PSE program, without budgeting for Unemployment Insurance liabilities, will only carry the current enrollment level to this point.

(b) Should the Unemployment Insurance liability be assumed by us, we would be forced to layoff all persons in this program almost immediately. This layoff would be based on a current projection that it would cost our Consortium $35,000 per month for every 100 layoffs. This projection is based on the average wage of $3.00 per hour and an average blend of dependency classes for an indeterminate life of obligation for each enrollee. If such layoffs occur then our Title II Unemployment Insurance obligation would compound at the rate of $35,000 for up to 12 months. The total potential obligation for us would, in all probability, exceed the entire CETA Fiscal Year 1977 allocation.

(c) The local effect, other than the massive layoff of enrollees, would be a complete loss of respectability and credibility on the part of public and private, non-profit agencies to participate in or cooperate with our program.

For what are we to budget? If we budget for potential UI costs, we are forced to end the program immediately and use the entire Fiscal Year 1977 allocation merely to pay UI. This would be an ultimate, demoralizing result. Rather than having several hundred people working and being trained, our Consortium, as prime sponsor, would be administering an Unemployment Insurance program.

ATTACHMENT A

RULES AND REGULATIONS

§ 98.24 General benefits and working conditions for program participants.

(a) Each participant in an on-the-job training, work experience, or public service employment program under the Act shall be assured of workmen's compensation benefits at the same level and to the same extent as other employees of the employer who are covered by a State or industry workmen's compensation statute. Participants engaged in any CETA program activity, i.e., work experience, public service employment, on-the-job training, classroom training, services to participants and other activities where others similarly engaged are not covered by an applicable workmen's compensation statute shall be provided workmen's compensation insurance or coverage under a medical and accident insurance policy for injury or diseases resulting from such participation. The costs of such insurance shall be charged to the appropriate cost category as provided in § 98.12.

(b) Each participant in an on-the-job training, work experience, or public service employment program shall also be assured of health insurance, unemployment insurance, coverage under collective bargaining agreements and other benefits at the same levels and to the same extent as other employees similarly employed, and to working conditions and promotional opportunities neither more nor less favorable than such other employees similarly employed (secs. 208(a)(4), 703(5) and 703(6)). Nothing in this section shall be interpreted to require coverage for health insurance, unemployment insurance and similar benefits for participants, such as, work experience participants, where there is no employee of the employer performing the same or similar work in the employment situation. In determining whether the work is the same or similar to that of a person regularly employed, the prime sponsor will take into consideration, but shall not be limited to, employment status, type of work performed, job classification and method of appointment to the position.

(c) Every participant must be advised prior to entering upon employment of the name of his employer, and of his rights and benefits in connection with his employment (sec. 208(a)(8)).

(d) No participant will be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health or safety. In the case of participants employed or trained for jobs inherently dangerous, e.g., fire or police jobs, participants will be assigned to work in accordance with reasonable safety practices. The provisions of section 2(a)(3) of Public Law 89–286 (relating to health and safety conditions) shall apply to such programs or activity (secs. 208(a)(5) and 703(5)).

§ 98.25 Retirement programs.

(a) As the nature of programs under the Act involve temporary training and employment, participation in a retirement system is not generally encouraged. However; such participation is not prohibited on behalf of participants in on-the-job training in public or private non-profit agencies, work experience and public service employment where such payments are warranted. Such payments are warranted when any of the following conditions are met:

(1) Payments are for retirement benefits that are part of a consolidated package, including such benefits as health insurance and workmen's compensation, if separation of the benefits is not allowed;

(2) Payments are for participants who are immediately hired into positions normally covered by the employing agency's retirement system;

(3) Payments are for participants whom the employing agency or another employer intends to hire into permanent jobs at some future date, provided that:

(i) Payments on behalf of such participants are made into and retained in a reserve account, and not paid into the retirement fund until the participant has acquired regular employee status; and

(iii) If regular employment occurs with other than the employing agency, retirement fund payments may be allowed only if the participant is employed within the State, and the retirement benefits are portable; or

(4) Payments are for retirement benefits required by Federal, State, or local law, or for retirement plans set up by State or local law which will not permit the exclusion of participants from coverage.

(b) Expenditures may be made from program funds for payments under the Social Security Act (FICA).

§ 98.26 Procedures for resolving issues between grantees and complainants.

(a) Each prime sponsor or eligible applicant shall establish a procedure for resolving any issue arising between it including any subgrantee or subcontractor of the prime sponsor, and a participant under any Title of the Act. Such procedures shall include an opportunity for an informal hearing, and a prompt determination of any issue which has not been resolved. When the prime sponsor or eligible applicant takes an adverse action against a participant, such procedures shall also include a written notice setting forth the grounds for the adverse action and give the participant an opportunity to respond.

(b) Each prime sponsor or eligible applicant shall establish informal review procedures including an opportunity for an informal hearing to deal with issues arising between it and any of its subgrantees or contractors.

(c) Each prime sponsor or eligible applicant should establish informal review procedures such as informal hearings or some other process, to deal with issues arising between it and any aggrieved party.

(d) Final determinations made as a result of the review process shall be provided to the complainant in writing. Such notice shall include the procedures by which the complainant may appeal the final determination, set forth in Subpart C of this Part. No individual or organization subject to the issue resolution requirements of this section may initiate the hearing procedures of subpart C of this Part until all remedies under this section have been exhausted.

§ 98.27 Grantee contracts and subgrants.

(a) Contracts may be entered into between a grantee and any party, public or private, for purposes set forth in a grant agreement except as indicated in paragraph (c) of this section. Procurement standards shall be those set forth in § 98.20.

(b) Subgrants may be entered into only between the grantee and units of State and local general government, public agencies and nonprofit organizations.

(c) Contract or subgrants which propose to expend Federal funds for a public service employment program may be entered into only with other public agencies or with private nonprofit agencies, except for the provision of administrative services (e.g., auditing, payroll, staff training) which may be entered into with private profit-making organizations. These services shall not include direct public service employment program services such as the employment of participants.

(d) Grantee responsibility for development, approval and operation of contracts and subgrants. (i) The grantee is responsible for development, approval and operation of all contracts and subgrants and shall require that its contractors and subgrantees adhere to the requirements of the Act, regulations promulgated under the Act, and other applicable law.

(ii) It shall require contractors and subgrantees to maintain effective control and accountability over all funds, property and other assets covered by the contract or subgrant.

(iii) The grantee shall assure that contractors and subgrantees shall maintain and make available for review by the grantee and the Department of Labor all records pertaining to the operations.

Mr. TAFT. Mr. President, this bill has many other desirable features which my colleagues should support, for example, the bill provides that the Secretary of Labor shall provide for assistance for community-based organizations of demonstrated effectiveness like the OIC's and other such groups. Moreover, the bill also provides that jobs created above the current level of 320,000 will be in community employment projects for the long-term, low-income unemployed who have been unemployed for 15 or more weeks, including those who have exhausted unemployment benefits, or are receiving unemployment compensation or public assistance, and who are members of low-income households.

In terms of expanding title VI, I think this is a sensible approach since the additional jobs called for by this bill would be targeted on the most needy of the unemployed, many of whom are receiving public assistance or unemployment compensation payments. I believe it is important to note that substantial offsetting savings in these income security programs would also reduce the net cost of the new jobs created by the community employment projects provision.

It is my understanding that the administration opposes the Senate bill preferring an orderly phase out of the title VI program after January of 1977, while continuing title II of CETA, the permanent public jobs program targeted for areas of substantial unemployment. I hope that the administration would rethink its position on this bill in light of its many favorable features and with a sense of reality that many hundreds of thousands of persons would not have a job but for the title VI programs.

In summary, Mr. President, I feel that in time with a proper stimulation to the private sector the unemployment problem will be sufficiently alleviated. In the interim, however, it is imperative that we continue the public service job program under the proven CETA framework for those unemployed persons who are willing and able to work but who cannot find gainful employment in the private sector. While I agree that the title VI program should not continue indefinitely, I think the extension called for in the bill is wholly reasonable under the circumstances which currently exist and which are forecast to exist at least within the next year. I commend the bill to my colleagues and hope that it will be passed overwhelmingly.

The PRESIDING OFFICER (Mr. Ford). The Senator's 10 minutes have expired.

UP AMENDMENT NO. 354

Mr. PACKWOOD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The legislative clerk read as follows:

The Senator from Oregon (Mr. Packwood), for himself and Mr. Hatfield, proposes an unprinted amendment numbered 354.

Mr. Packwood's amendment is as follows:

At the end of the bill add the following new section:

Sec. 14. (a) Section 202 of the Comprehensive Employment and Training Act of 1973 is amended by adding at the end thereof the following new subsection:

(b) Section 603 of such Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall, not later than 30 days prior to the distribution of the remainder of the funds available for any fiscal year under subsection (b) of this section, publish in the Federal Register for comment the specific formula upon which such distribution is based, the rationale supporting the selection of the formula, and the proposed distribution to each prime sponsor. After consideration of comments received under the preceding sentence the Secretary shall publish final allocations.".

"(d) The Secretary shall, not later than 30 days prior to the distribution of the remainder of the funds available for any fiscal year under subsection (b) of this section, publish in the Federal Register the specific formula upon which such distribution is based, the rationale behind the selection of the formula, and the proposed distribution for each prime sponsor. After consideration of comments received under the preceding sentence the Secretary shall publish final allocations.".

Mr. PACKWOOD. Mr. President, today I am offering an amendment which will modify titles II and VI of the Comprehensive Employment and Training Act—CETA—of 1973, as amended.

My amendment provides that not later than 30 days prior to the distribution of discretionary funds under title II and title VI of—CETA—the Secretary shall publish in the Federal Register, for comment, the specific formula upon which such distribution is based, the rationale supporting the selection of the formula, and the proposed distribution to each prime sponsor. After consideration of comments received the Secretary shall then publish final allocations.

This amendment applies to all discretionary allocations in titles II and VI, whether they be a portion of full fiscal year appropriations or supplemental appropriations.

Currently, the sole statutory requirements that exist regarding the allocation of discretionary funds are that the rate or severity of unemployment should be taken into account. Otherwise total discretion is left up to the Secretary.

Past allocations have seen the Secretary rely entirely on congressional intent, as expressed in continuing resolutions or committee report language. Unfortunately, the focus of these allocations has been on sustaining public service employee—PSE—enrollment levels, without regard to improving or worsening employment rates in an area.

As a result, State like Oregon, which has operated its CETA programs with close fiscal restraints despite severe unemployment rates, received either zero or very low discretionary allocations. On the other hand, States which had overhired, in opposition to Department of Labor directives and compared to what their unemployment rates would seem to dictate, have received generous discretionary allocations to sustain their inflated PSE enrollment levels.

Magnifying the problem, the Department of Labor does not describe its method for making a particular discretionary allocation until the allocations are actually announced. States thus have no way to present their case, even if rightfully dissatisfied with their allocation.

My amendment will bring the Secretary's discretionary activities into the public arena. States will be able to scrutinize and comment on proposed allocations before they are finalized. Moreover, by requiring the Secretary to publish the particular formula used and the rationale for its selection, the Department of Labor will be accountable for its actions and States will have the important opportunity to react and have themselves heard as the validity and fairness of the method the Department of Labor selects.

This amendment responds to what I will term the misguided discretionary allocations we have seen made beginning with fiscal year 1976 CETA appropriations.

Title II of CETA provides that after base allocations are made, the "remainder may be distributed by the Secretary in his discretion taking into account the severity of unemployment within such areas." And title VI mandates that the Secretary, when making discretionary allocations, shall do so by "taking into account changes in rates of unemployment." No other permanent criteria exist in the statutes, or have ever been published by the Department of Labor—DOL—on how discretionary funds must be allocated. Thus the sole statutory requirement is that the rate and severity of unemployment be taken into account.

Yet the severity of unemployment was not even one of the three criteria used by DOL in their last discretionary allocation of title II funds from the 1976 emergency supplemental appropriations. Instead, DOL explains:

> The 20 percent discretionary funds ($240 million) were allocated in a manner which (1) would ensure that prime sponsors could sustain the annual level of FY 1976 public service employment jobs for a 7-month period, (2) provides those prime sponsors who have increased enrollment above that level with additional funds for an orderly phasedown, and (3) provides enough funds to those prime sponsors which are in whole or in part not eligible for title II, to phaseout their programs between July and January in an orderly manner.

A look at the method behind discretionary funding for fiscal year 1976 CETA appropriations is equally revealing. Then Secretary Dunlop explained in a letter to Governor Straub of Oregon that fiscal year 1976 discretionary funding was based on title II enrollment levels, as compared with the base allocations for titles II and VI. Again, the lack is striking—absolutely no accounting was taken as to the severity of unemployment in an area. Discretionary funds were used to minimize disruptions in prime sponsor operating levels, regardless of whether those levels were legitimate or not, regardless of unemployment rates.

If CETA is going to indeed live up to its purpose of leading to "maximum employment opportunities," then it seems essential that unemployment figures should be given top consideration in making any allocation, so that funding can be targeted first to the neediest areas. But discretionary funding has not followed this logical course. Instead, we have continued generous Federal subsidization of jobs, even in States making economic recoveries, and to the detriment of some States still facing severe unemployment rates and economic instability.

Considering the disregard for both the "severity of unemployment" language in title II, and the "taking into account changes in rates of unemployment" clause in title VI, congressional intent seems to be the only basis on which DOL makes its discretionary allocations.

In my opinion, however, the sole reliance on congressional intent as provided in legislative history or committee reports leaves too much room for misinterpretation and manipulation. It is in the interest of some members to see that enrollment levels are sustained, regardless of need, thus insuring large appropriations to their States. Moreover, Congress has left itself no time in which to correct possible misreadings of intent by DOL.

DOL's reliance on congressional intent during the past two discretionary allocations has resulted in the following scenarios.

In making fiscal year 1976 allocations, DOL determined congressional intent to clearly mean that the level of fiscal year 1975 operations be maintained. The catch was that six States with a large proportion of the public service employees in the country, received significantly lower base allocations, according to the formula written into law. To balance these reductions and "hold harmless" public service employment levels, DOL allocated 70 percent of titles II and VI discretionary funds to these six States. Blatantly ignored was the fact that the formula for base allocations which indicated reduced funding for these six States did so for a good reason.

The formulas in both titles II and VI reflect the economic conditions of an area, and VI in particular is responsive to the severity of unemployment. Thus, if the formula indicates a lower allocation for a State than in a previous year, it corresponds that that State's unemployment rate has also dropped. Likewise, it can be assumed its economy has picked up. Taking "changes in rates of unemployment" into account as the law mandates, such States should have received lower allocations. But they did not. Instead, discretionary funds were used to make up for instances of lowered base allocations.

During the course of fiscal year 1976, a similar situation arose. Last November 1975, Assistant Secretary Kolberg indicated in a letter that out of 430 prime sponsors, 110 prime sponsors were running short of funds. The reason:

> A substantial majority of these 110 prime sponsors continued to increase enrollments between August and September, even though a potential funding shortfall was indicated. . . . Generally, however, the situation portrayed in the foregoing summary has resulted from decisions made by prime sponsors to operate the title VI program at higher enrollment levels and for less than the 13 months for which funds were originally authorized and/or to continue to increase the hiring of title II PSE participants beyond April 30, 1975.
>
> These prime sponsor decisions were, of course, options which were available. We must presume that these options were exercised in the full knowledge that in many cases participant levels could not be sustained throughout the full fiscal year.
>
> It must be made very clear that those sponsors who have chosen to maintain artificially high enrollment levels cannot an-

ticipate any additional funds in Fiscal Year 1976 to carry to June 30, 1976.

As we all know, however, Congress turned right around and provided emergency supplemental appropriations to rescue all the prime sponsors who were at the bottom of their budget before the end of the fiscal year, June 30, 1976.

Part of the stated purpose of the Comprehensive Employment and Training Act is to "enhance self-sufficiency" of employment programs. We are bolstering irresponsible budgeting by prime sponsors, however, when we continue to make appropriations sustaining their inflated enrollment levels. DOL worsens the situation when it allocates the greatest portion of discretionary funds to the very prime sponsors they warned would not receive additional funds to "maintain artificially high enrollment levels." We have not been creating self-sufficiency. Instead, we are witnessing the Federal Government turned into an economic crutch.

This imbalanced funding is actually feeding on itself. The same six States in which PSE levels were held harmless with 70 percent of the fiscal year 1976 discretionary funds last year, were included in the group of seven States which received nearly 60 percent of the emergency discretionary allocation this spring, even though they totalled only 40 percent of the Nation's unemployment.

Thus, DOL has rewarded with generous discretionary funding those States which have disregarded their budget authority and overenrolled public employees. This is operating on a basis of pure and simple negative incentive, and ought to be eliminated.

There may be some concern that the 30-days' notice and commentary period required in my amendment will cause delays in the allocation of discretionary funds, often done on an emergency basis. During the last emergency supplemental appropriations, for example, DOL announced allocations 2 weeks after President Ford signed the bill. Upon announcement, funds were immediately available for prime sponsors running out of money. Other prime sponsors were asked to wait for their grants until transition-quarter allocations were made. It is my understanding, however, that the average delay, from signature into law until actual allocation of discretionary funds, is about 3 to 6 weeks.

The new budget process, I believe, will eliminate most of the financial emergencies we have had to deal with in the past. The deadlines which appropriations bills must now meet should mean that CETA's base and discretionary allocations will be funded on a more timely basis. The chance of a well-run prime sponsorship running out of funds due to congressional tardiness in making appropriations will be significantly reduced, if not eliminated.

I do not think legislative directives or the taxpayers dollars should be aimed at protecting, bailing out, or encouraging prime sponsors who are spending irresponsibly. Legitimate emergency funding will be almost nonexistent in the future. A 30-day period for commentary, I believe, is completely reasonable.

Let us understand that we are talking about a total of over one-half billion dollars in discretionary funds allocated in just the last 2 fiscal years. This is no small pittance. We want to make sure that it is distributed fairly and effectively, to meet the unemployment needs of the country, which is the only purpose of the act.

Rather than place into law exact and detailed criteria on how discretionary funds must be allocated, I would like to leave the law flexible enough to adapt to whatever the existing economy and unemployment picture demands.

My amendment, by requiring a 30-day commentary period, with a before-the-fact explanation of how the discretionary funds are being allocated, plus indication of how much is proposed to go to each prime sponsor, will give Congress the opportunity to confirm or disapprove DOL's reading of congressional intent. It places DOL's decisionmaking process in the public arena, which I consider crucial; allows for input from the prime sponsors; and will, I am sure, by providing a fairer, more open and equitable system, lead to better utilization of discretionary funds.

Will the chairman respond to a question that I have?

Mr. NELSON. Yes.

Mr. PACKWOOD. I shall address for the moment the language the committee is adding to section 603(b) which will allow the Secretary to use discretionary funds "to assure a continuation of public service employment activities previously supported under the act."

I wish to make congressional intent here very clear because this language could be misinterpreted to mean that we are giving the Department of Labor the authority to hold harmless the public service employee enrollment levels of a large number of prime sponsors who have overhired last year.

I wonder if the chairman could confirm that the language "previously sustained" does not carry us back to last fiscal year's enrollment levels, that the word "activities" does not refer to enrollment levels and that Congress does not intend for the Department of Labor to continue rewarding prime sponsors who have overhired with compensatory discretionary allocations.

Mr. NELSON. That "hold harmless" provision only applies to those currently employed.

Mr. PACKWOOD. I thank the Senator very much.

Mr. JAVITS. Mr. President, if the Senator will yield, I think we better make clear that we are stating the obvious, to wit, that employment which exceeds the lawful basis upon which the assistance has been given is not contemplated either by the act or by our extension of the act.

Mr. PACKWOOD. That is phrasing it much better than I said, and I appreciate the statement.

Mr. JAVITS. We better be clear that we are not making new law here. The fact is that that is inherent, it is Hornbook law—and it is not proper under the grant which we have made. Then the extension does not extend anything that is already empowered.

Mr. PACKWOOD. That is exactly what I wished to get in the RECORD.

I have no other comments on my amendment.

Mr. JAVITS. Mr. President, the amendment is acceptable. I think we should take the amendment to conference.

I tell our colleague that there are a few things about it that trouble me: first, whether it can physically be done in the time stipulated; second, words like "rational" are always difficult for lawyers. But I am sure we can work out the purpose of Senator PACKWOOD and Senator HATFIELD in conference, and I am agreeable to take it.

Mr. NELSON. I think the amendment is, in principle, sound. After all, the Secretary does have to go through some process, or should go through some process, of reaching a rational decision respecting the discretionary funds. Since he already goes through that process, I think it is fair enough and sound enough to require its publication in order to provide the opportunity for public comment. So I am prepared to accept the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. NELSON. Yes.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 355

Mr. HATHAWAY. Mr. President, I have an unprinted amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. HATHAWAY) proposes unprinted amendment No. 355.

On page 17, line 8, after the comma, insert the following: "or combinations or associations of such units when the primary purpose of such combinations or associations is to assist such units to provide public services,".

Mr. HATHAWAY. Mr. President, I have discussed this amendment with the Senator from Wisconsin and the Senator from New York. I do not believe there is any controversy about it. The amendment's only purpose is to allow combinations or associations of units of general local government to also be considered as project applicants.

There are many situations where a unit of government in and of itself might not be big enough to consider itself eligible to apply for projects, whereas a combination or an association of those local units would be large enough and would be actually better applicants for the projects authorized by this legislation.

My amendment would broaden the definition of eligible project applicants under the public service job program, to include combinations or associations formed by units of general local government, so long as the primary purpose of such combinations or associations is to provide public services to, or on behalf of, the local governments.

The intention of the authors of this legislation is to extend the current CETA employment program through the end of physical year 1977 at the current employment level of 300,000 plus. In addition, a new type of program is envisioned, in which special projects would be created to employ the long-term unemployed, or those who are on welfare or from families with no other income. Under this new type of program, several different public service entities are contemplated as program agents, including governmental units, local education agencies, colleges, as well as a broad range of other nonprofit private employees.

I would have assumed that a public service association or combination formed by a number of units of general local government would fall well within the definition set out in this section. Indeed, I have assumed that such an organization, so long as it is not primarily a lobbying organization, would meet all criteria for being "work sites" under the current program.

However, recently there has developed some question as to whether the Maine County Commissioners Association, for example, would qualify under current law. Thus, since I am convinced that this organization, and others like it, perform many valuable public services through and on behalf of their member governments—often using taxpayers' money to do jobs an individual county would have a hard time doing itself—I feel it is safer to make the intent of Congress clear in this matter, and write this provision into the law.

In doing so, I would note that this provision would make such associations eligible to become worksites under the current program, as well as making them eligible to be "project applicants" under any expanded CETA jobs program. This is true because the Senate bill also amends section 605 of the act, to authorize the expenditure of all title VI funds for "projects and activities to be carried out by project applicants as defined in section 701(a)(15)," which my amendment amends.

Mr. JAVITS. Mr. President, this amendment seems appropriate to me.

We always encourage regional government where we can, and I simply wish the Senator to confirm that we refer throughout in this amendment to combinations or associations of governmental units.

Mr. HATHAWAY. Yes.

Mr. JAVITS. It might be desirable to insert after the word "such" the "governmental" units simply to be sure that we are talking about the same thing.

Mr. HATHAWAY. I am happy to so modify my amendment, Mr. President.

The PRESIDING OFFICER. The Senator from Maine so modifies his amendment.

Mr. JAVITS. On the second line after the "such" insert "governmental."

I am perfectly willing to take it to conference.

Mr. NELSON. Mr. President, it would have been my interpretation in any event that it is already within the law to fund projects of combinations or associations of units of government. I understand some issue or question was, however, raised by the Labor Department. I am perfectly willing to accept the amendment.

Mr. HATHAWAY. I thank the Senator from New York and the Senator from Wisconsin, and send the modification to the desk.

The PRESIDING OFFICER. The Senator sends the modification to the desk.

The Chair inquires of the Senator from Maine. He has "such units" in his amendment twice. Should it be "such governmental units," and "governmental" used in both places?

Mr. HATHAWAY. The Chair is correct. I will send a second modification to the desk to cover that.

The PRESIDING OFFICER. We are glad to modify it if the Senator so states.

Mr. HATHAWAY. I so state that is the modification.

The amendment, as modified, is as follows:

On page 17, line 8, after the comma insert the following: "or combinations or associations of such governmental units when the primary purpose of such combinations or associations is to assist such governmental units to provide public services."

Mr. NELSON. We accept the amendment as modified.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Maine.

The amendment, as modified, was agreed to.

Mr. DOMENICI. Mr. President, I wonder if the floor leader on the bill will yield me 2 minutes for a question I wish to ask of Senator JAVITS.

Mr. NELSON. I yield.

The PRESIDING OFFICER. The Chair informs the Senator there is an hour on each side under the stipulation of the bill, and we have acknowledged the Senator from New Mexico as having an hour.

Mr. DOMENICI. I do not wish that.

Mr. JAVITS. I yield 2 minutes to the Senator out of the time of the opposition.

Mr. DOMENICI. I thank the Senator.

I ask my good friend from New York if we could clarify here in a dialog the situation under this bill as it applies to Indians in the United States. I am sure that the committee was apprised of the fact during the hearings that some confusion has evolved as to the difference in definition under old title I of CETA and title VI as it applies to Indians in our country.

I ask Senator JAVITS if it is now true that under title VI, as amended, we have clarified that distinction by doing two things, by setting aside 4 percent of the funds under the new emergency title VI extension, and defining Indians that can participate in the same manner that they were heretofore defined under title I?

I believe it is on page 7 as far as the legislation and page 45 of the report.

Mr. JAVITS. Mr. President, the bill at page 13, section 8(a), line 23 to page 14, line 12, makes the special provision which our colleague has asked about. It relates first to the definition of "Indian," now expanded to include "Indian tribes, bands, and groups, qualified under section 302(c)(1) of this act."

And it does provide, as he has stated, for a 4-percent set-aside in the succeeding subsection, and I am very pleased to state to the Senator that this was done by our committee out of respect for the views entertained by our colleague from New Mexico and also by other Senators similarly situated, deeply interested in the opportunities for Indians in their own States.

Mr. DOMENICI. I thank the Senator from New York. I was concerned enough, I say to the Senator, and introduced a bill to clarify this.

I appreciate greatly the committee taking care of it at this time instead of making us wait until a later date. I think it is urgent. What we have done now is to define Indian recipients in the same manner by definition in title I and in title VI and then set aside for the approximately 900,000 Indians in our Nation with a very high unemployment rate as compared to others, 4 percent of the funds in title VI.

I thank the Senator from New York for helping me with this, and I thank the entire committee for their consideration.

Mr. JAVITS. And I thank Senator NELSON for his cooperation.

Mr. DOMENICI. I thank the Senator from Wisconsin for his assistance.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BELLMON. Does the language that the Senator has proposed limit itself to Indians on reservations or does it include——

Mr. JAVITS. No, it has no such limitation. The words of the definition stand in and of themselves.

Mr. BELLMON. Very often, when language limits the programs to Indians on reservations, it leaves out Oklahoma Indians, of which we have some 120,000.

Mr. JAVITS. If my colleague finds on investigation any problem of that kind, please let us know, and we will deal with it in conference.

UP AMENDMENT NO. 356

Mr. BELLMON. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 356.

At the end of the bill add the following new section:

SEC. 14. (a) The National Commission on Manpower Policy, established under title V of the Comprehensive Employment and Training Act of 1973, shall conduct a study of the net employment effects of the public service employment programs authorized by title II and title VI of the Comprehensive Employment and Training Act of 1973.

(b) The National Commission for Manpower Policy shall prepare and submit to the Congress not later than March 31, 1978, a report on the study required by this section, together with such recommendations, including recommendations for legislation, as the Commission deems advisable.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Mr. BELLMON. Mr. President, the bill before the Senate, the Emergency Jobs Programs Extension Act of 1976, extends title VI of the Comprehensive Employment and Training Act of 1973. Title VI deals with emergency public service employment. It arose as a result of congressional concern about escalating unemployment in the latter part of 1974, and title VI was enacted into law in December 1974 as the Emergency Jobs and Unemployment Assistance Act of 1974.

The extension of that act, as contained in the Senate substitute for H.R. 12987, authorizes "such sums as may be necessary" to carry out the provisions of the act. In the report accompanying this act, the cost is estimated on the basis of the ceiling imposed by the first concurrent budget resolution. I appreciate and commend the Committee on Labor and Public Welfare in its declared desire to stay within the budget ceiling.

I do have reservations, however, about the report language in that tying the authorization to the budget resolution places the Budget Committee in the position of determining the authorization. I believe that this responsibility must remain with the authorizing committee. To have the Budget Committee in effect determining the authorization has the undesirable consequence of alining the Budget Committee with the authorizing committee to exert pressure for full funding on the Appropriations Committee.

The separation of functions among authorizing committees, the Budget Committee and the Appropriations Committee must be carefully observed. I want to say then, for the record, that I hope in the future all authorizing committees will recognize this necessary and desirable separation of responsibility.

While committees should consider the budget resolution in setting authorization levels, the actual authorization figure should come from the committees, not from the budget resolution.

Moving now to consider the budget impact of the bill, I want to distinguish the two public service employment parts of the bill. First, there is reauthorization of the current title VI programs—a sort of "hold harmless" provision encompassing 260,000 jobs, the cost of which is $1.7 billion.

Second, there is a targeted public employment projects program, targeted for long-term, low-income, unemployed persons. Approximately 260,000 additional public service jobs could be funded within the ceiling of budget function 500 according to the first concurrent resolution.

From the viewpoint of the budget resolution, the relevant cost of this bill is $3.5 billion, and not some lesser figure that takes into account reduced income security spending and increased tax revenues associated with the jobs and income generation thrust of the bill. The reduced income security spending and the increased revenues owing to this CETA title VI "jobs" bill have already been taken into account in the respective income security and revenues sections of the first concurrent budget resolution. Thus, $3.5 billion would be the cost of full funding.

Mr. President, the present intent of the bill is to help reduce unemployment. At the present time, the rate of unemployment has been falling, but it is still high; and it is likely that we will still have problems of employment a year from now, when this bill expires.

It is my opinion that when we pass a bill such as this, we need to know what kind of results we have received and anything that needs to be done to the legislation in case it has to be renewed and put into effect in future years.

I believe that every Member of the Senate is committed to reducing the large amount of unemployment we now have, and we want to do this in the most effective way and at the least cost to the Treasury.

Associated with the desire to reduce unemployment and its large-scale economic and social costs is the notion that work is usually better for our citizens than welfare. There is a great deal of work to be done in this country, and this bill attempts to get the people who need work employed in work that needs to be done.

It is also very much in both the economic and social interests of the country to work, and this is the most effective way of accomplishing this objective.

A very attractive feature of this bill is that it leaves to State and local governments, in their roles as prime sponsors, the decision as to the best use of public service employees funded under title VI. The flexibility associated with this decentralized approach allows the prime sponsors to use the public service employees in projects where the local need is greatest.

Mr. President, we on the Budget Committee have been very concerned about the substitution effect of this bill. To what extent do persons funded through Federal funds simply replace persons funded through State and local funds? To the extent that there is a substitution effect, the beneficial employment effect of this bill is somewhat muted.

The fact is that at the present time, we do not have any good, hard evidence as to the extent of the substitution effect. Therefore, I offer the amendment which has just been read, under which the National Commission on Manpower Policy—which was established under title V of CETA—will be responsible for a study, made either by the Commission or under contract, which will seek to determine the net employment effect of this bill.

Mr. President, I feel that based upon the findings of this study, Congress will be able, in later years, to legislate more intelligently in this area.

An additional consideration that must be mentioned is that this bill, which provides for public service employment in the presence of substantial unemployment, has its effects on the economy sooner than similar spending for public works projects. Thus, there is less potential for inflationary pressures with this bill as compared to similar sized public works programs. The long, variable leadtime for public works projects is good reason for not using such projects for countercyclical purposes.

It is for the above reasons that I will vote in favor of passage of this bill.

Too often, Congress spends money on a program and does not know what in fact the program actually accomplishes. My amendment seeks to move us a small step toward the goal of effectively evaluating congressional programs, by requiring that the Emergency Jobs Programs Extension Act be evaluated in terms of its net job creation effects.

Mr. President, I urge the passage of this important piece of legislation designed to further the recovery of the economy.

I urge that the amendment be accepted.

Mr. NELSON. Mr. President, the Labor Department's testimony at our hearings on April 5 of this year that they estimated that on a nationwide average less than 10 percent of the public service jobs were filled with rehires—persons who had previously worked with the prime sponsor. However, I think we should develop as precise statistics as possible on the whole question of substitution effects, short run and long run. It should be possible to delineate that issue more clearly.

I find the amendment acceptable. I think the National Commission for Manpower Policy has done some studies in this area already, although probably not in the depth that would be authorized and directed by the amendment offered by the Senator from Oklahoma. I assume that this would not require the duplication of anything that has already been done. I have no objection to the amendment.

Mr. JAVITS. Mr. President, it may be that this amendment is not germane, as germaneness is applied in a very strict sense. Personally, I look with great disfavor upon the use of the germaneness objection where there is a unanimous-consent agreement. This is the situation here, and I do not intend to make it. But I make that observation generally, and I hope it may be listened to by other managers of bills. It is much easier to obtain unanimous-consent agreements if Members feel that they are not going to be barred from amendments which they feel are desirable.

This is an ongoing Commission which happens to be chaired by Eli Ginsburg, a professor at Columbia University. It does an outstanding job. I cannot see anything but helpfulness in directing their attention to this additional dimension with respect to the CETA bill.

I hope the Senate will accept the amendment and that we may take it to conference.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BELLMON. I yield back the remainder of my time.

Mr. NELSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

UP AMENDMENT NO. 357

Mr. TAFT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. TAFT) proposes an unprinted amendment numbered 357.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. 14. Section 301(a) of the Comprehensive Employment and Training Act of 1973 is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2) From funds available under this title the Secretary is authorized to provide financial assistance for manpower services to projects involving the operation of a business enterprise, if the Secretary determines that—

"(A) the project is fully supported by the local community and the governing body of the unit of general local government in which the project is to be conducted, and by the appropriate representatives of labor and management, and

"(B) not more than 30 percent of the total cost of the project to be assisted will be Federal funds made available under this title.".

Mr. TAFT. Mr. President, this amendment is designed to correct, what I feel is an inequity in program participation and eligibility under CETA title III as it is presently written and interpreted by the Labor Department.

Recently the problem came to my attention when I was briefed on a proposed project that the Leo Perlis Remotivation Center in Cleveland, Ohio, hoped to have funded through CETA title III using the Secretary of Labor's discretionary funds.

For the information of my colleagues, the Leo Perlis Center is run by the United Labor Agency, a nonprofit, tax-exempt organization, which is the health and social services department of organized labor in Cleveland. This agency, in effect, was put together and is backed strongly by the United Auto Workers, the Teamsters, and the AFL-CIO. It was established by organized labor because the union contract is only half of union labor's commitment to the community. The other half of labor's commitment is the "human contract." The human contract covers living conditions, employment training and job placement, health and welfare service, and other social services that affect the community and its citizens outside the workplace.

Perlis Center, United Labor Agency, Inc., provides job counseling, job training, and job placement services for offenders, ex-offenders, and general relief recipients who do not qualify for work incentive program assistance. All of the persons served by the Perlis program are unemployed or underemployed by U.S. Department of Labor standards. The typical Perlis enrollee is not a high school graduate and does not have a marketable skill or a record of steady employment. In fact, many clients are not counted in the unemployment statistics published by the Federal Government because they have never worked at any job long enough to receive unemployment compensation.

The typical enrollee at the Perlis Center is between 17 and 26 years of age. He or she has a criminal record. He or she has virtually nowhere else to turn. The person wants an opportunity to lead a normal, productive life. They need a job that pays a living wage. In short, they need a second chance.

When the Perlis Center was organized in the fall of 1975, it was designed to serve 150 clients during its first year of operation. As of July 20, 1976, 9 months into the first program year—910 eligible clients have registered and matriculated the intake process; 52 enrollees have been provided vocational education, training and work experience by Perlis Center; 164 persons have been given job counseling, social services, and other supporting services by Perlis Center; and 93 individuals have been placed on jobs. The average starting salaries of those placed on jobs is $3.50 per hour, well over the minimum wage. This record was compiled in the startup period of center operations.

The Leo Perlis Center is unique in many ways. It is a demonstration project totally operated by organized labor. It is the only project of its kind in the country. The program is intended to be a comprehensive community service that can reduce recidivism among criminal offenders. It is designed to be a replicable demonstration project in a service area that has had few success models.

The Perlis program emphasizes vertical consolidation of manpower services so as to avoid unnecessary duplication of overhead costs and to focus responsibility. The program is designed to achieve a high level of self-support after the startup. Finally, the Perlis program is designed to open job opportunities to unionized trades and industries which have a degree of job stability, job security, decent pay, and a future.

Perlis Center operates jobs training programs in shoe repair, building maintenance, furniture repair and refinishing, salesmanship, and office worker's skill improvement. A training restaurant is scheduled to open about Thanksgiving time, and it is this proposed project that is the focal point of the amendment which I am offering.

The most important single component of the Perlis Center program will be a training restaurant. The food service industry is a growth industry. While the fast-food portion of the industry has been able to find adequate help, the restaurant portion of the industry lacks potential workers with the necessary professional skills. Cooks, maitre d's, and good waiters and waitresses are at a premium and command good incomes.

An institutional training program in this field has potential for a higher degree of self-support, good job placement rates, and successful entry by the type of client served by the Perlis Center.

To be successful, this component of the Perlis Center must combine union support, good management, a broad base of community and financial support, and good planning and marketing. Moreover, if the concept is to be replicated, there must be well-documented and appropriate information, properly disseminated.

Organized labor in the metropolitan Cleveland area believes that the Leo Perlis Center potentially represents an extraordinary approach to a number of difficult and troublesome problems. The success or failure of the approach, however, is still in the processs of demonstration.

Thus, the project as proposed would create a training program in all areas of restaurant services thereby providing an actual work experience in a restaurant as an integral part of the program. The restaurant would have been created, only and specifically, as an extension of and vehicle for the training experience.

In a meeting with Secretary of Labor Usery and his staff, the Department of Labor felt that while the program had merit, they were unable to participate because the project involved a private business venture, namely the restaurant component of the Perlis job training programs. Thus, the Department of Labor interprets title III as a bar to granting discretionary funds under these circumstances, notwithstanding the desirability and feasibility of the proposed project.

I believe it is important to note that in this case, the project was fully supported by the community, local government, and the labor movement. For example, the Cleveland Board of Education, an extension of local government, donated $250,000 worth of kitchen equipment; a local bank donated a building appraised at $450,000; and the CETA prime sponsor in Cleveland has pledged $90,000 in training funds. I submit that this is quite a substantial local commitment.

This amendment would permit the Secretary of Labor, at his discretion, to use his discretionary funds to finance a private venture when and only when the following conditions are met:

Where the project is fully supported by the local community and the governing body of the unit of general local government in which the project is to be conducted; and by the appropriate representatives of labor and management; and

Not more than 30 percent of the total cost of the project to be assisted will be title III discretionary Federal funds.

Frankly, Mr. President, at first, I was skeptical about the potential for abuse in permitting the Federal Government to use taxpayer funds to support a private business enterprise. However, I believe my amendment contains sufficient safeguards against abuse because of the conditions associated with the funding grant:

First. First of all, the Secretary of Labor will have wide discretion in determining the worthiness of the program; nothing in this amendment mandates that he expend any funds;

Second. The project must have the full support of all interested parties, thereby reducing the possibility of fraud or collusion; and

Third. There is a limitation on the funding of 30 percent of the total cost of the project, which is not an unreasonable subsidy where projects are sufficiently meritorious.

Mr. President, we must encourage innovative employment and training programs to supplement our ongoing Federal effort as manifested in the CETA legislation. My amendment seeks this goal and I recommend its adoption. The program and others like it will be welcome additions to Cleveland and other cities particularly hard hit by the persistent unacceptable high unemployment level, particularly for those who are extremely hard to find jobs for and get employed.

Mr. President, here is an industry in which we know that many trained workers are needed. We have the pool of labor from which to draw the trainees. I believe the kind of supplemental assistance, really, that could be given by the Secretary with discretionary funds is extremely appropriate under these circumstances. For that reason, I have introduced this amendment and ask for its support.

Mr. NELSON. Will the Senator yield for a question?

Mr. TAFT. I am glad to yield to the distinguished chairman.

Mr. NELSON. This amendment applies solely to the Secretary's discretionary funds?

Mr. TAFT. Solely; the chairman is correct.

Mr. NELSON. This does not mandate the Secretary to take any action, one way or another, respecting this kind of an organization?

Mr. TAFT. The Senator is absolutely correct. There is no mandating of any kind of expenditure. The Secretary keeps his total discretion.

Mr. NELSON. So all the amendment does is to provide that, if the Secretary, in evaluating an application from an organization such as the one discussed by the Senator from Ohio, believes that it serves the objectives of the law, he may, if he desires, grant funds under conditions and regulations established by him. Is that correct?

Mr. TAFT. The Senator is entirely correct. The problem is that the Secretary of Labor today feels that where there is an enterprise that will be a business enterprise, in effect, even though it is a nonprofit ownership situation, he is not authorized to use his discretionary funds for that.

The Agency feels, and I believe they are correct, that in training people for the type of jobs they want to train them for in the restaurant industry—in other words, first-class training for first-class jobs—they really almost have to have an onsite type of program. In other words, it is not enough to take people into a school; they have to have the full experience of serving in a first-class restaurant, which is what this would be.

Mr. NELSON. What is the nature of the subsidy? It subsidizes what aspect of the training program?

Does it subsidize salaries, or wages, for the trainees?

Mr. TAFT. The trainees would be paid the minimum wage or better; probably the going community rate in the area for trainees in the situation. There is no specification or earmarking of exactly where the Secretary's discretionary funds would go. He could put that condition on if he wished to do so. There would be nothing to prevent his doing that. We did limit in the amendment the amount of the Secretary's contribution to the total project to 30 percent, because we felt that, while it is hard to earmark or specify exactly what money goes where in a project of this kind, at least 30 percent of it should go into the training program itself, or more than 30 percent into the training program. So the idea is that the money that comes from the Secretary's discretionary fund, if he decides to authorize it, would be going for the actual training process of the individuals involved.

In other words, there is additional labor expense in this situation over and above the labor expense of merely providing the services, and the rest because there is extraordinary supervision, extraordinary training outside of the regular services that are provided.

Mr. NELSON. If that distinction were made by the Secretary that the cost of supervisory training—whatever special training any one of these employees may get—were to receive financial support under this program, that is one matter. If the Secretary were going to provide financial assistance to pay these trainees for performing services within the restaurant—in fact, they would be receiving part of their wages out of these appropriations—do you not then get into the serious question of another businessman saying, "You are subsidizing competition to me"?

Mr. TAFT. That is definitely a problem, and one that has been discussed. I certainly believe the Secretary, in considering any application of this sort, should take this into account and should balance with it the use of his funds in that situation against what the problem is there. In other words, the restaurant certainly should be required, I think, to bear the weight of the ordinary pay that the employees of such a restaurant would carry. The allocation of the Secretary's funds ought to be related to the additional supervisory training and additional effort that is put into training people who are otherwise untrained, in order to be able to carry out their duties.

Mr. NELSON. Would the Senator agree that the legislative history should show that it is not the intent of the Senator's amendment to authorize the payment of any part of the wages paid to the trainee? Would the Senator agree?

Mr. TAFT. I certainly do. I think that should be part of the legislative history. Indeed, I think you would subject any such program to undue criticism if you did otherwise.

Mr. NELSON. The committee did not have any hearings on this proposal, as the Senator from Ohio knows, since he is a member of the committee. I would feel more comfortable with it if we had had an opportunity for a hearing, although I understand that the Senator did not have the issue called to his attention until recently.

Mr. TAFT. Actually we did not have the meeting and have the problem raised by the Labor Department until after we had had the hearing, which is the reason why I called it up.

Mr. NELSON. Does Mr. Usery, the Secretary of Labor, have a specific position one way or the other on this proposal?

Mr. TAFT. No. The Secretary definitely does not, other than the fact he felt he was not authorized to go ahead.

Mr. NELSON. He believes the present law would not authorize him to provide funds for this kind of a project?

Mr. TAFT. That is correct.

Mr. NELSON. Does he take the position he would oppose having the authority to use discretionary funds for this purpose?

Mr. TAFT. No, no. There was no expression of opinion of that sort.

Mr. NELSON. Mr. President, so far I am concerned, as the manager of the bill, I would be willing to take this amendment to conference. I think we should evaluate it a little more between now and then. On its face, I do not personally find it objectionable, but there may be some valid objections to it that I am not aware of.

Mr. TAFT. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, the issue of germaneness applies to this amendment, and I state it only because I wish the Senate to be aware that I am aware of it. I do not intend to raise objections for the reason I have stated heretofore. But I do not favor germaneness objections where there is a unanimous-consent agreement. Where the unanimous-consent agreement exists the Senate should be encouraged to expedite business and not discourage it. So I am not raising any objection.

The Senator from Ohio, as is characteristic of him, sees the problem, and that is the problem of opening the door, albeit through the research route, to projects which are not favored by the act.

I call attention to section 311(b) of CETA which we are amending by this bill, which states as follows, and I think it is important that it be in the RECORD:

> Nothing in this subsection shall authorize the Secretary to carry out employment programs experimenting with subsidized wages in the private sector or with wages less than those established by the Fair Labor Standards Act of 1938, as amended, for employment subject to that act.

I think we certainly ought to consider the amendment. I agree with Senator NELSON. But I do think Senator TAFT should be aware that nonprofits are contemplated under title III. That does not mean we cannot learn a lot from business enterprise and, indeed, certain nonprofits, to wit, various business associations, carry on programs under title III today.

So, with that caveat, I would be very glad to join Senator NELSON in taking the amendment to conference. I will promise the Senator, on behalf of the minority—as I shall be a conferee and, perhaps, he will be, too—to consult with him as to whatever disposition we think ought to be made of it in conference.

Mr. TAFT. I thank the Senator. I appreciate the Senator's position. We do have more information on the budget which can be available, of course, to the conferees. I do not feel it appropriate to bring it up in detail here today.

I also appreciate the question of germaneness so far as the consent agreement is concerned. I would point out that has nothing to do with whether or not this amendment would be germane to the bill. I think it would be germane.

Mr. JAVITS. That is correct. The only reason the question arises is because of the unanimous-consent agreements which are generally narrowly construed.

The PRESIDING OFFICER. Is all time yielded back?

Mr. NELSON. I yield back my time.

Mr. TAFT. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

UP AMENDMENT NO. 358

Mr. PACKWOOD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk read as follows:

> The Senator from Oregon (Mr. PACKWOOD), for himself and Mr. HATFIELD, proposes unprinted amendment No. 358.

Mr. PACKWOOD. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the bill add the following new section:
>
> SEC. 14. (a) Section 202(a) of the Comprehensive Employment and Training Act of 1973 is amended by striking out "Eighty per centum" and inserting in lieu thereof "Ninety per centum".

Mr. PACKWOOD. Mr. President, this amendment is cosponsored by me and by my distinguished colleague from Oregon, (Mr. HATFIELD). It will reduce the discretionary allocation under CETA title II from 20 percent to 10 percent.

This amendment has merit just on the principle of consistency, since title VI already has a 90-percent base allocation—10-percent discretionary formula. But there are more important reasons I am urging its adoption.

I previously outlined the erratic and misguided nature of past discretionary allocations. The basic philosophy of CETA is to train people and develop jobs in areas suffering from serious unemployment. That is a good purpose, which I think we can more fully fulfill and insure if we provide for another 10 percent of CETA title II appropriations to go directly and specifically into the basic allocations for prime sponsors.

Furthermore, with the reduction of discretionary funds to only 10 percent of CETA title II funds, less money will be available to bail out programs which have intentionally inflated their enrollments, meaning that prime sponsors will be forced to budget their grants better and contain spending within their original allocations.

I strongly urge my colleagues to adopt this amendment.

Mr. HATFIELD. Mr. President, on April 9 of this year as the Senate was debating the emergency supplemental appropriations bill, I raised the great difficulties Oregon has had in the past with respect to the discretionary allocations under titles II and VI of the Comprehensive Employment and Training Act, CETA. The distinct lack of funding Oregon has received under this particular section of CETA is a source of continual and completely justified frustration on the part of Oregon citizens.

I have offered an amendment today to reduce the discretionary allocation under CETA title II from 20 to 10 percent. This will bring title II discretionary allocations into line with those contained in title VI and will, I firmly believe, make the entire CETA program more responsive to the unemployment needs of the country as a whole.

I want to today review the situation which has in effect forced us to raise this issue because it has affected other States as well. After reviewing these facts, I hope my colleagues will understand the need to amend the discretionary formula so that we can all have confidence in the fairness of the Federal Government's major effort to put people back to work.

The problem began in 1975 when the Department of Labor began to pass out a total of $2.09 billion for manpower programs under CETA. As a result of the language contained in section 602(B) of the legislation, some $272 million was allocated at the so-called discretion of then Secretary of Labor Dunlop.

The other $1.8 billion was allocated strictly on the basis of how severely States suffered from unemployment. At that time, as recent statistics from the Department of Labor show, Oregon had one of the Nation's highest unemployment rates, 11.7 percent. Under the basic allocation in titles II and VI, Oregon received $27,301,654. As with many other States, the basic allocation was distributed in fair proportion to the unemployment situation and with due regard for the lack of general funds available to meet the rising employment demands at the time.

However, under the discretionary allocation of $272 million, Oregon, despite its aggravated unemployment rate, received absolutely no funds. Oregon was not alone however; 14 other States also received no discretionary funds. These States were: Rhode Island, Georgia, Mississippi, South Carolina, Tennessee, Ohio, Iowa, Kansas, Nebraska, South Dakota, Wyoming, Utah, Arizona, and Idaho. In addition, many other of the States receiving discretionary funds, obtained very litle jobs moneys in this category. This fact is reflected in the statistics indicating that only six States received fully 70 percent of the $272 million allocated under the discretionary account. This amounted to $191 million. The remaining $81 million then was divided among 44 States.

The negative effect of quixotic discretionary allocation on Oregon became readily and painfully apparent. Governor Straub, in a July 15, 1975, letter to then Secretary of Labor Dunlop analyzed the effect. I would like to quote from his letter:

> (The Balance of State Prime Sponsor) will have to reduce our work force by 8 to 10 percent per month throughout the next fiscal year. Because of the unemployment levels in Oregon, we expect to have to spend over $1.6 million in CETA funds to pay unemployment insurance costs resulting from these significant lay-offs.
>
> The most distressing part is the lack of recognition of fact in the distribution of these discretionary moneys. Oregon's unemployment rate of 11.7 percent exceeds the State of Washington's rate of 9.3 percent. Our gross number of unemployed (119,284)—with only 50 percent of Washington's population—is 85 percent of Washington's gross unemployment of 140,912.
>
> Oregon's unemployment is 38 percent of Region 10's total unemployment while Washington's is 45 percent. In spite of these figures, Washington state received 56.5 percent of the total CETA Title II, VI and discretionary allocations, while Oregon received only 28.5 percent.

Mr. President, the unfortunate situation which befell Oregon as a result of the 1975 discretionary allocation has, to a similar extent, affected not only Oregon's share of the 1976 allocation but a number of other States as well. Despite the fact that the funds distributed at the discretion of the Secretary are, according to section 202(b) of the act, allocated "taking into account the severity of unemployment within such areas," the Department's release of April 29 cites three factors which determined the amount of the discretionary allocation. I will emphasize that "severity of unemployment" was nowhere mentioned within these criteria.

The tendency and directive by Congress to in effect "hold harmless" existing programs under public service employment legitimizes a discretionary allocation system which is arbitrary and which, more importantly, served to reward prime sponsors for sustaining artificially high enrollment levels beyond the recommendations of the Department of Labor. In 1976, therefore, the same pattern of discretionary dispersal prevailed as in 1975. Under the recently passed $1.2 billion appropriation, seven States received nearly 60 percent—$142.9 million—of the discretionary allocation while holding only 40 percent of the Nation's total number of unemployed. The same discrepancy holds true when total number of funds received under both the discretionary and formula accounts are examined. These same seven States, with again 40 percent of the unemployed nationwide, received nearly 50 percent—$561.4 million—of the CETA titles II and VI allocation under the $1.2 billion supplemental.

As a result of the manner in which these discretionary funds were distributed, apportionment shows an erratic pattern. Some States with very high unemployment rates received very small amounts of discretionary funds while other States with low unemployment rates received disproportionately high amounts.

At this point, Mr. President, I ask unanimous consent that two tables developed by the Library of Congress which clearly indicate the erratic posture of the discretionary funding system be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I

State	Percent that discretionary is of formula amount (1)	Ratio of (1) to national average (2)	State unemployment rate (percent) (3)	Ratio of (3) to national unemployment rate (8.5 percent) (4)
Washington	79	3.16	9.5	1.12
Oklahoma	47	1.88	7.2	.85
Texas	46	1.84	5.6	.66
New Jersey	43	1.72	10.2	1.20
California	43	1.72	9.9	1.16
Minnesota	43	1.72	5.9	.69
Louisiana	39	1.56	7.4	.87
New York	33	1.32	9.5	1.12
Massachusetts	31	1.24	11.2	1.32
Missouri	31	1.24	6.9	.81
Connecticut	10	.40	9.1	1.07
Illinois	10	.40	7.1	.84
Tennessee	9	.36	8.3	.98
Wisconsin	9	.36	6.9	.81
Maryland	8	.32	6.9	.81
Ohio	5	.20	9.1	1.07
Virginia	5	.20	6.4	.75
Alabama	5	.20	7.7	.91
Oregon	3	.12	10.6	1.25
Georgia	2	.08	8.6	1.01
North Carolina	1	.04	8.6	1.01

TABLE II

State	Amount of discretionary funds (millions) (5)	Percent of national total (4)	Unemployed (thousands) (3)	Unemployed as percent of national total (2)	Unemployment rate (percent) (1)
Alabama	$0.6	0.2	111	1.4	7.7
California	47.4	19.8	925	11.8	9.9
Connecticut	1.7	.7	133	1.7	9.1
Florida	5.3	2.2	370	4.7	10.7
Georgia	.5	.2	185	2.4	8.6
Illinois	3.5	1.5	355	4.5	7.1
Indiana	4.6	1.9	206	2.6	8.6
Kentucky	1.8	.8	103	1.3	7.3
Louisiana	5.2	2.2	106	1.4	7.4
Maryland	1.1	.5	127	1.6	6.9
Massachusetts	11.9	5.0	305	3.9	11.2
Michigan	15.4	6.4	490	6.3	12.5
Minnesota	6.0	2.5	107	1.4	5.9
Missouri	3.5	1.5	142	1.8	6.9
New Jersey	15.5	6.5	332	4.2	10.2
New York	30.1	12.5	730	9.3	9.5
North Carolina	.5	.2	217	2.8	8.6
Ohio	2.7	1.1	430	5.5	9.1
Oklahoma	1.7	.7	83	1.1	7.2
Oregon	.5	.2	110	1.4	10.6
Pennsylvania	9.0	3.8	422	5.4	8.3
South Carolina	.5	.2	103	1.3	8.7
Tennessee	1.5	.6	151	1.9	8.3
Texas	8.0	3.3	295	3.8	5.6
Virginia	.8	.3	144	1.8	6.4
Washington	13.6	5.7	146	1.9	9.5
Wisconsin	1.4	.6	148	1.9	6.9
National total	[1] 240		[2] 7,830		8.5

[1] Includes Puerto Rico.

[2] Excludes Puerto Rico.

Mr. HATFIELD. Table I shows: First the percentage that the discretionary funds received are of the formula funds received by the States; second, the ratio that the figure in column (1) is to the national average percentage—25 percent—that discretionary funds are to formula funds; third, the State's unemployment rate for 1975; and fourth, the ratio that the State's unemployment rate is of the national unemployment rate—8.5 percent for 1975. One would, of course, expect that the States with disproportionately high unemployment rates—column 4 over 1.0—would receive disproportionately high amounts of discretionary funds—column 2 over 1.0. This would be consistent with the "severity of unemployment" language specific under section 202(B) of the act. However, the table shows that Washington's unemployment rate, for example, is 1.12 times the national average and it received 3.16 times more than the national average percentage of discretionary funds while Oregon with an unemployment rate of 1.25 times the national average received 0.12 times the national percentage of discretionary funds. Similar discrepancies can be found throughout the table.

Table II shows: First, the amount of discretionary funds received by the State; second, the percentage that that amount is of all discretionary funds distributed—that is, the amount in column (1) divided by $240 million; third, the number of unemployed in the State; and fourth, the percentage of all unemployed living in that State. Where column 2 exceeds column 4, the State received more than the national average in discretionary funds for each unemployed worker in the State; where it is less, it received less. Column 5 shows the unemployment rate in the State—to the extent that rate exceeds the national average—8.5 percent—one would expect the State to receive proportionately more for each unemployed worker.

By way of illustration, California received 19.8 percent of the discretionary funds and had 11.8 percent of the Nation's unemployment. As its unemployment rate was higher than the national average, this relationship should be expected. On the other hand, Louisiana received 2.2 percent of the discretionary funds and had 1.4 percent of the unemployed—with an unemployment rate substantially below the national rate.

I would make further note, Mr. President, of information detailing prime sponsors under CETA which were projected by the Department of Labor to exhaust their funds before the June 30, 1976, deadline. In a letter by the Secretary to prime sponsors dated November 24, 1975, DOL indicated that, as of the end of September of last year there were 430 prime sponsors nationwide. Of that number, the Secretary estimated that about 110 prime sponsors would exhaust their funding before the end of fiscal year 1976. I ask unanimous consent at this point that this letter be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 24, 1975.

DEAR : The purpose of this letter is to inform you of the results of the survey we have recently completed with respect to the Fiscal Year 1976 funding situation of the public service employment program. As you know, our regional offices have been working closely with each of the 430 prime sponsors to develop this information.

The factual situation with respect to the public service employment (PSE) program is as follows:

1. An estimated 310,000–320,000 individ-

uals were enrolled as of the end of September by the 430 prime sponsors.

2. At this enrollment level, an estimated 320 prime sponsors will have no difficulty in continuing current enrollment levels through June 30 1976.

3. Approximately 110 prime sponsors may exhaust PSE funding sometime prior to June 30, 1976, if current enrollment levels are continued.

4. A substantial majority of these 110 prime sponsors continued to increase enrollments between August and September, even though a potential funding shortfall was indicated.

5. Significant funding shortfalls are not estimated to occur before April 1976, with about 75 percent of estimated shortfalls coming in the last quarter of the fiscal year.

In allocating Fiscal Year 1976 titles II and VI CETA discretionary funds, the Department tried, to the extent feasible, to provide sufficient funding to allow prime sponsors to maintain operations through June 30, 1976. As the foregoing factual summary indicates, various factors have contributed to a situation whereby some sponsors will be unable to carry their PSE program throuhgout this fiscal year. In some instances, relative changes in unemployment levels over the past year had a major effect on the recent formula allocation and resulted in less than the funds expected by prime sponsors. [Generally, however, the situation portrayed in the foregoing summary has resulted from decisions made by prime sponsors to operate the title VI program throughout this fiscal year. In some less than the 13 months for which funds were originally authorized and/or to continue to increase the hiring of title II PSE participants beyond April 30, 1975. These prime sponsor decisions were, of course, options which were available. We must presume that these options were exercised in the full knowledge that in many cases participant levels could not be sustained throughout the full fiscal year.]

It must be made very clear that those sponsors who have chosen to maintain artificially high enrollment levels cannot anticipate any additional funds in Fiscal Year 1976 to carry to June 30, 1976.

In light of the foregoing, I strongly urge that you instruct your manpower staff to carefully assess enrollment and expenditure levels and take those steps which are necessary to insure that the overall PSE level, including that of each program agent, is such that the program may be continued throughout this fiscal year. For most prime sponsors, no new action will be necessary. In cases of minimal shortfalls, prime sponsors should consider a policy of ceasing additional PSE hiring and allowing natural attrition to bring the number of participants to a level supportable through June 30, 1976. A recent analysis of the potential effects of attrition, combined with a freeze on new and replacement hiring, indicates that a prime sponsor or program agent, if it had ceased all PSE hiring, may extend the life of its program anywhere from 2 to 5 weeks, depending on its current rate of expenditure. In those instances where the shortfall is from 3 to 6 months, the problem is more extreme and additional enrollment reductions will be needed. Clearly each prime sponsor must make a careful assessment of individual program agents in implementing these actions.

As a result of these actions, sponsors will have realigned their resources in accord with the original policy thrust for this activity over a maximum time period.

Regional office staff will be in contact with you and your manpower staff to assist you in assessing your PSE program status.

Sincerely,

WILLIAM H. KOLBERG,
Assistant Secretary for Employment and Training.

SPONSORS

Prime sponsors who may exhaust their funds sometime between December 1975 and February 1976:

Sama Cruz County, California.
Duluth, Minnesota.
Calc/Davis Consortium, Lousiana.
Arapahoe County, Colorado.
Guam.
Wisconsin Rural CEP.
Balance of State, Nevada.
Alameda County, California.

Prime sponsors who may exhaust their funds sometime in March or April (54):

Richmond, California.
American Samoa.
Takoma, Washington.
Larimer County, Colorado.
Pueblo County, California.
Balance of State, Montana.
Carolina Municipio, Puerto Rico.
Oakland, California.
Butte County, California.
Los Angeles County, California.
Stamford, Connecticut.
Balance of State, Massachusetts.
Cambridge Consortium (EMHRDA), Massachusetts.
Pierce County, Washington.
City of Camden, New Jersey.
Camden County, New Jersey.
Monmouth County, New Jersey.
Ponce Municipio, Puerto Rico.
Westmoreland County, California.
Heartland Manpower Csrt., Fla.
E. Kentucky Rural CEP, Kentucky.
Onslow County, North Carolina.
Rock Island County, Illinois.
E. St. Louis, Illinois.
Anchorage, Alaska.
Detroit, Michigan.
Bay County, Michigan.
Santa Barbara, California.
Fresno City/County, California.
Muskegon Consortium, Michigan.
Balance of State, Minnesota.
Cincinnati, Ohio.
Comanche County, Oklahoma.
Tarrant County, Texas.
Henrico County Consortium, Virginia.
St. Clair County, Michigan.
Hartford Consortium, Connecticut.
Berrien County, Michigan.
Kent/Grand Rapids Consortium, Michigan.
Jackson Consortium, Michigan.
Macomb County, Michigan.
Balance of State, Michigan.
Lafayette Parish, Florida.
Boulder County, Colorado.
Utah Statewide Consortium, Utah.
Long Beach, California.
L. A. City, California.
Contra Costa County, California.
Inland Manpower Consortium, California.
Stockton/San Joaquiry Manpower Consortium, California.
Imperial County, California.
Honolulu, Hawaii.
Buffalo, New York.
Lake County, Illinois.

Prime sponsors who may exhaust their funds in May or June (48):

King/Snohomish.
Spokane Consortium, Washington.
Yakima County, Washington.
Balance of State, Washington.
Tucson/Pima Consortium, Arizona.
Marin County, California.
Merced County, California.
Monterey County, California.
San Diego RETC, California.
Orange County Manpower, California.
Ottawa County, Michigan.
Winneford Consortium, Wisconsin.
Oklahoma County Consortium, Oklahoma.
Tulsa Consortium, Wisconsin.
Philadelphia, Pennsylvania.
Fayette County, Pennsylvania.
Balance of State, Pennsylvania.
NE Florida Manpower Consortium, Fla.
Balance of State, North Carolina.
Sullivan County, Tennessee.
Burlington County, New Jersey.
Langing Consortium, Michigan.
Rapides Parish, Louisiana.
New Orleans, Louisiana.
St. Clair County, Illinois.
Lake County, Illinois.
Tippecanoe County, Indiana.
Balance of State, Indiana.
Wayne County, Michigan.
Monroe County, Michigan.
Saginaw County, Michigan.
Waterbury, Connecticut.
New Bedford Consortium, Mass.
Hampden County Consortium, Mass.
Boston, Massachusetts.
Balance of State, Maine.
Erie Consortium, New Jersey.
Niagara County, New York.
Cuberland County, New Jersey.
Elizabeth, New Jersey.
Jersey City, New Jersey.
Balance of State, Puerto Rico.
New York City, New York.
Lowell Consortium, Massachusetts.
Indianapolis, Indiana.
Cleveland Consortium, Ohio.
Balance of State, Ohio.
Tulare/Kings County, California.

Mr. HATFIELD. I draw to the attention of my colleagues point four in the Secretary's letter. As he indicates, a substantial majority of the 110 prime sponsors continued to increase enrollments between August and September, even though a potential fundings shortfall was indicated, I quote:

> Generally, however, the situation portrayed in the foregoing summary has resulted from decisions made by prime sponsors to operate the title VI program at higher levels and for less than the 13 months for which funds were originally authorized and/or to continue to increase the hiring of title II PSE participants beyond April 30, 1975. These prime sponsor decisions were, of course, options which were available. We must presume that these options were exercised in the full knowledge that in many cases participant levels could not be sustained throughout the full fiscal year. . . .

I believe that the discretionary funding under titles II and VI should not be used to reinforce the actions of prime sponsors who did not, as with Oregon, reduce their public service jobs in accord with the Secretary's directives of 1975 and who, as a result, gained discretionaries moneys at a level in excess of that which their unemployment rate would seem to dictate. It is clear, however, that the urgency of the April 1976, emergency supplemental appropriation of $1.2 billion was a result of the exhaustion of these funds by the 110 prime sponsors. It also seems clear that by guaranteeing these programs needed funds, the Congress in effect supplemented the inattentiveness of certain prime sponsors to the Secretary's directives by, in part or in whole, "holding harmless" these "higher" employment levels.

The comparison, then, between those States which received, on balance, a disproportionate amount of discretionary funds and the localities of those 110 prime sponsors who were projected—before passage of the April 1976, emergency supplemental—to exhaust their funding prior to June 30, 1976, is instructive.

Over 60 percent of these prime sponsors are located in the seven States which received nearly 60 percent of the discretionary moneys. At best, this situation is ironic. At worst, it reflects the incongruity and potential for manipulation—whether deliberate or inadvertent—within the allocation of discretionary resources under CETA.

The amendment I offer today, Mr. President, is to reduce the allowance for dispersal of discretionary funds under title II. This brings the title II basic grant in line with the 90 percent factor mandated under title VI.

Given the seemingly arbitrary nature of these discretionary allocations, the failure of these funds in the past to respond fairly to serious unemployment situations, not only in Oregon, but in many other States, and the alteration of the original intent of discretionary moneys to address "severity of unemployment" throughout the Nation, I would prefer that the funding perogative be eliminated entirely from titles II and VI. However, with the acceptance of this amendment by the Senate and the agreement of my colleagues to the amendment proposed by Senator Packwood dealing with the publishing of criteria used by the Secretary in distributing discretionary funds, I am hopeful that the point will be made. If we are to have faith in the CETA program, and if CETA is to become a functional part of public service employment in the future, I am hopeful that both Congress and the Department of Labor will work together to make future allocations under the discretionary account more equitable to those areas of the country which are suffering most severely from unemployment and who, therefore, are in need of our assistance.

Mr. NELSON. Mr. President, this is another amendment which we did not evaluate in hearings. However, I do not see any special magic in 10 or 20 percent set-aside. The current discretionary set-aside for title II of CETA is 20 percent. The amendment would change that discretionary set-aside to 10 percent.

I would not wish to make any commitment as to what my final view would be in conference on it—maybe 10 percent is fine, maybe 15 percent. In any event, since the House-passed bill did not contain this proposed amendment, the issue would be in conference. I would be prepared to accept the amendment and take it to conference.

Mr. JAVITS. Mr. President, the idea here, of course, is to conform title II to title VI which has 10 percent Secretary's discretionary fund as compared to title II which has 20 percent.

However, we cannot be simplistic in these matters. The department may have very good reasons. So, with the same understanding that Senator Nelson has stated, to wit: That this has not been the subject of hearing or analysis by the committee, we will have to judge it in conference based on the merits and based on such facts as the department and my colleague, Senator Hatfield, may produce for us.

It will be my duty, on the part of the minority, to keep in touch with him as to what the conference proposes to do about it.

Mr. PACKWOOD. I appreciate that.

Mr. JAVITS. The amendment is acceptable.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. JAVITS. Mr. President, we have another colleague who, I think, wishes to propose an amendment, and I ask unanimous consent that we may have a quorum call without time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, if the Senators will yield me 2 minutes, I would like to call up some unobjected to bills.

The PRESIDING OFFICER. Does the Senator from New York object to the majority leader taking 2 minutes?

Mr. JAVITS. Not at all.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 1060, 1061, and 1062.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOHN W. HOLLIS

The bill (H.R. 1402) for the relief of John W. Hollis, was considered, ordered to a third reading, read the third time, and passed.

TV FACTS

The bill (H.R. 9414) for the relief of TV Facts, Rochester, N.Y., was considered, ordered to a third reading, read the third time, and passed.

BOULDER DAILY CAMERA

The bill (H.R. 9965) for the relief of Boulder Daily Camera, Boulder, Colo., was considered, ordered to a third reading, read the third time, and passed.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

EMERGENCY JOBS PROGRAMS EXTENSION ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 359

Mr. MATHIAS. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. Mathias) proposes an unprinted amendment No. 359.

The amendment is as follows:

At the end of the bill add the following new section:

Sec. 14. Paragraph (3) of section 102(a) of the Comprehensive Employment and Training Act of 1973 is amended by inserting "(A)" after the clause designation and by adding at the end of such paragraph (3) the following:

"(B) any areawide agency which meets the requirements of section 204(a)(1) of the Demonstration Cities and Metropolitan Development Act of 1966;".

Mr. BEALL. Will the Senator yield?

Mr. MATHIAS. I yield.

Mr. BEALL. I ask unanimous consent that Maurice White of my staff be granted the privilege of the floor during the consideration of the pending bill.

The PRESIDING OFFICER (Mr. Bumpers). Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I commend the Committee on Labor and Public Welfare, especially the chairman of the Subcommittee on Employment, Poverty, and Migratory Labor (Mr. Nelson) and the ranking minority member (Mr. Taft) for their work in bringing this extension of the emergency jobs program before us today. By providing support for public service jobs, Congress can help State and local governments address the critical unemployment problems that confront the Nation.

I am especially pleased to note the attention the committee has given to the acute unemployment problems that face our veterans. By requiring comprehensive manpower plans to include arrangements to promote maximum use of Veterans' Administration training programs, this legislation should help assure that eligible veterans receive the full attention they deserve in our efforts to provide meaningful employment opportunities. As the committee has noted, in spite of a variety of outreach and public information programs, veteran unemployment continues at alarmingly high rates, especially among the young, the minorities, and those disabled in the defense of our Nation. We will have to continue to carefully monitor the activities of HEW, the VA, and the Department of Labor to assure the necessary coordination and that we are really producing some results for the veterans who need a job.

When we look at the problem of unemployment on a national basis, the central cities are naturally a prime focus of attention. With central city unemployment close to 10 percent over all, and 15 percent for minority groups, it is clear that the problem is concentrated in urban areas. However, the changes in job locations in the last decade indicate that the solution may be in the suburbs. For example, in 1960 Baltimore City had about 65 percent of the jobs in the metropolitan area. By 1970, one-half of the metropolitan area jobs were located outside of the city lines.

This pattern is common to almost all large cities and emphasizes the need to look at the unemployment problem on a metropolitan basis. If the unemployed people are in one jurisdiction and the jobs in another, it seems clear that independent uncoordinated manpower programs will not produce results. Planning for manpower programs must be conducted on a metropolitan scale to encompass the entire labor market. Manpower planning also needs to be coordinated with planning efforts for housing, transportation, economic development, and other functions. Job training is a wonderful thing to have, but then you need a job and a way to get to it. Housing opportunities and adequate public transportation to employment locations may be just as important as the job training itself. Jobs and skills must be brought together in metropolitan areas regardless of city, county, or even State lines if we are to successfully attack the problems of unemployment.

This need for manpower programs to address the unemployment problem on a metropolitan scale was recognized in the original Comprehensive Employment and Training Act of 1973. By authorizing and encouraging combinations of units of general local governments to form and act as prime sponsors, the original CETA legislation attempted to have manpower programs operate at the scale of the appropriate labor market. Provisions for incentives of a 10-percent bonus allocation have been the impetus for many local government units to join in cooperative efforts to address the metropolitan employment problem on a metropolitan basis. Nevertheless, I believe that the current law and subsequent regulations adopted by the Department of Labor have inadvertently created a significant obstacle to better use of available resources.

In many cases even the incentive of a bonus allocation is not adequate to overcome certain natural parochial fears about joining in a new organization. Units of local government that wish to form a consortium arrangement as authorized by CETA must go through a complex process of reaching agreements and establishing a new entity. If local jealousies can be overcome, once the consortium is approved it becomes one of the many special purpose planning agencies operating in a metropolitan area. Coordination between manpower planning and transportation plans, housing programs, and economic development efforts is most likely to be negligible, in spite of mandates for cooperation.

Throughout the Nation there are more than 600 regional councils of governments representing the cooperative efforts of local jurisdictions to address common problems. These regional councils are composed of the elected local officials from the member jurisdictions and already have important responsibilities in a variety of Federal programs. These regional councils of local governments are, in many cases, the most appropriate forum for the planning of employment programs, but are precluded from acting as prime sponsors by the Department of Labor.

The amendment I now propose would allow areawide agencies, as defined by section 204(a)(1) of the Demonstration Cities and Metropolitan Development Act of 1966, to act as prime sponsors under CETA. This definition of "areawide agency" provides that it must be, to the greatest practicable extent, composed of or responsible to local elected officials and have responsibilities for performing metropolitan or regional planning.

This amendment would give local officials the option of working through a council of governments. It would not mandate that the COG be designated as a prime sponsor. Only if local elected officials find it more convenient to use a COG would it be possible for the council to apply for CETA funds as a consortium of local governments.

I hope that the managers of the bill will accept this amendment. I believe that it represents a necessary step toward achieving a metropolitan and regional perspective on the problem of unemployment. The Nation cannot afford the human suffering that results from high levels of unemployment. Even more tragic, however, is the prospect of people without jobs in one jurisdiction while employment opportunities exist just on the other side of a city, county, or State line.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MATHIAS. I am happy to yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, nothing in the world would please me more than to be able to accept this amendment because I thoroughly agree with the Senator from Maryland. The regional approach is going to be found ultimately to be the only way to redeem the great cities of the country, especially the older cities. Revolutionary War boundaries or pre-Revolutionary War boundaries simply have no relation to modern facts of life.

The Senator has drafted his amendment extraordinarily well in reference to other legislation which defines and accommodates an area-wide agency.

The difficulty we find, or at least I do and I believe Senator Nelson has the same problem, is that the amendment really is not connected with what we are doing here today respecting the extension for 1 year of title VI. The amendment involves problems on which I may have a very definite concurring view with the Senator from Maryland. It does introduce a totally new class for a principal sponsor for manpower programs, and would not only extend to the public service employment, which no one had reason to believe we would take up today, but would extend also to manpower training and other aspects of the basic law, which is being amended.

That fact is significant and vital and could easily be a precedent, and a proper precedent, for many other laws which we have on the books. It would make them far more rational and far more germane to the current day and its problems, especially for our bigger and older cities, like his own city of Baltimore.

I would hope that the Senator would give Senator Nelson and myself an opportunity to orient our committee to this, to afford a public hearing for it, and then to act within the proper context where Members could have full notice of this important extension of basic law and basic policy.

By doing that, I believe it would more than serve his purpose, which is very broad and very laudable. It is not a narrow purpose in any way directed toward the rather narrow focus which we have in this extension.

I will refrain from any objection at this point. Hopefully, the Senator will, upon Senator Nelson's assurance and mine, give us and the committee an opportunity to examine this matter and not press his amendment at this time.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. MATHIAS. I will be happy to yield to the Senator.

Mr. NELSON. Mr. President, I endorse the remarks made by the distinguished senior Senator from New York. However, I think the suggestion made by the Senator from Maryland (Mr. Mathias), that there is an important role to be played by regional councils of local governments, is an important suggestion for our consideration.

Next year when we consider the extension of the basic act—the Comprehensive Employment and Training Act—we will have hearings on all aspects of the legislation, including the issue of prime sponsors and the design of the legislation in order to make the most effective use of whatever agencies may be available at the State and regional levels.

So I would not accept this amendment at this time, only because we will have hearings on this question by next March, some 8 or 9 months away. The proposal made by the Senator from Maryland will be heard at that time if the Senator presents it to the committee.

The whole issue of prime sponsorship will be reevaluated. We will be happy to have the Senator appear before the committee at the hearings and present his views on the role to be played by regional councils of local governments. It does seem to me that it would be premature to accept the amendment at this time, no matter how meritorious this proposal to amend the law as to prime sponsors may be. We should at least wait 7 or 8 months, when hearings will be held to evaluate this proposal, along with others, prior to reporting out renewal legislation for CETA. We would be happy to have the Senator's proposal before us next spring.

Mr. MATHIAS. I understand what the distinguished Senator from Wisconsin has said and what the distinguished Senator from New York has said, and I appreciate the friendly spirit in which both of them have expressed themselves. I think this is an enormously important subject, and will be more and more important as the urbanization of America goes forward and as the antique political boundaries have less and less relevance to the problems of the areas in which they exist.

I do think, for the sake of the record, I ought to make one thing clear: this amendment would not create a new category of eligible prime sponsors in the CETA program that would compete with sponsors now eligible. Instead, this amendment would allow local jurisdictions, that under the current law are encouraged to form consortiums, to use an already operating area-wide planning body as the agency for manpower planning. Since the regional councils are generally composed of locally-elected officials, it is not practicably possible for a council to act on its own against the wishes of its member jurisdictions.

We see that in practice in the national capital area, where there is a constant threat of secession wherever there is a controversial subject.

This amendment simply gives the local officials the option of working through a council of governments, and would not mandate that the COG be designated as a prime sponsor. Only if local elected officials find it more convenient to use a COG would it be possible for the council to apply for CETA funds as a consortium of local governments.

In the light of the assurances given by the Senator from Wisconsin and the Senator from New York that this matter will be given adequate hearings, and in view of the desirability of getting the maximum public participation in that hearing and presenting the case as forcefully as possible, I withdraw the amendment and look forward to meeting the Senators again in the committee.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment.

Mr. NELSON. Mr. President, I call attention to the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I wish to state to my colleagues on the minority that we have conversed with only one other Senator who gave us any notice of a possible amendment. That was the Senator from Pennsylvania (Mr. SCHWEIKER). Other than that, we have no knowledge of further amendments on this side.

Mr. NELSON. The manager of the bill is not aware of any amendments on this side. The bill has been pending on the calendar since May 14, which has, I think, been adequate notice to everyone that it certainly would come before the Senate for consideration at some point.

So, since there are no further amendments, I would assume we could proceed to vote on the bill. The yeas and nays have been ordered.

ADDITIONAL STATEMENTS

Mr. WILLIAMS. Mr. President, there are several reasons that I believe justify the Senate giving resounding approval to H.R. 12987, the Emergency Jobs Programs Extension Act of 1976, as reported by the Committee on Labor and Public Welfare.

But none of the other good reasons is as significant as the fact that this bill is obviously and simply a necessity in these times of unconscionably high and rising joblessness across the Nation.

Last month, according to the Bureau of Labor Statistics, the national unemployment rate rose three-tenths of a percent to a level of 7.8 percent, seasonally adjusted.

Seven million four hundred twenty-six thousand Americans were counted as unemployed—willing and eager to work, but unable to find a job.

Twenty months earlier, in November of 1974, the number counted as unemployed was 6,105,000 and rising. The unemployment rate was 6.6 percent.

The situation was sufficiently grave, although 1.3 million fewer workers were unemployed, that the Congress was galvanized into swift action. We enacted and the President approved legislation to establish an emergency program of public service jobs under a new title VI of the Comprehensive Employment and Training Act.

The bill before us would revive, renew, revise, and improve the title VI program that was deemed so vital 20 months ago. It is all the more vital today.

Mr. President, to illustrate the increased severity of today's joblessness, as compared with the situation that pertained when title VI was first enacted, I ask unanimous consent that a table I have prepared be inserted in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

A COMPARISON OF PRESENT UNEMPLOYMENT WITH NOVEMBER 1974*

	November 1974	July 1976
National unemployment rate (percent)	6.6	7.8
Number of unemployed	6,105,000	7,426,000
Adult male unemployment rate (percent)	4.8	6.1
Adult female unemployment rate (percent)	6.7	7.7
Household head unemployment rate (percent)	4.1	5.4
Minority unemployment rate (percent)	11.7	12.9
Teenage unemployment rate (percent)	17.7	18.1

*Seasonally adjusted data from the Bureau of Labor Statistics.

Mr. WILLIAMS. It is obvious from these data that the problem of joblessness today—1 year into the "recovery"—is significantly worse than the problem that moved us to enact title VI in the first instance. Adult men, women, teenagers, and minority groups have all been inflicted with the tragedy of unemployment, and their plight continues to worsen.

Long-term unemployment has increased drastically. In November of 1974, the average duration of unemployment was 9.9 weeks. Last month, it was 15.8 weeks; it has been above 15 weeks for a full year. The number of persons counted last month as being unemployed longer than 15 weeks was 2,317,000. The number unemployed 27 weeks or longer has nearly trebled since November 1974, and stood last month at 1,201,000.

The awesome duration of joblessness has taken a heavy toll, as hundreds of thousands of workers saw their unemployment compensation exhaust before they could find work. The Labor Department has estimated that 1,288,000 persons exhausted their benefits in 1975, and another 1,958,000 will have exhausted benefits in the current calendar year. In addition, 364,000 persons who received assistance under the special unemployment assistance program for uncovered workers are estimated to have exhausted their benefits in 1975 and 1976.

The financial drain on the unemployment compensation system has forced the trust funds of 21 States in insolvency. These States have borrowed more than $3.1 billion from the Federal Unemployment Trust Fund.

My home State of New Jersey, and a handful of other States, are bearing the brunt of the disastrous consequences of this deep and pervasive recession.

The New Jersey unemployment rate was 10.8 percent in June. Total employment is down 173,000 from the level of December 1974. Exhaustions of unemployment compensation will number 145,000 in New Jersey this year. Stubborn, unyielding joblessness has forced my State to borrow $497 million dollars from the Federal Government simply to pay the weekly unemployment benefits to which working people in my State are entitled when they lose their job.

Five other States in the near Northeast are in a similar plight—New York, Pennsylvania, Connecticut, Massachusetts, and Rhode Island. Combined with New Jersey, these States have nearly one-fourth of the Nation's total unemployment, with over 1.7 million workers counted as jobless.

The legislation before us, however, is not regional legislation. It would authorize funding of public service jobs programs in every area in the Nation, recognizing that there are jobless persons and suffering families throughout the country.

By contrast, the public service jobs program under title II of CETA is targeted upon areas of substantial unemployment, defined as areas with persistent joblessness of 6.5 percent or more. While this title II program is vital for combatting unemployment where it is traditionally high, the title VI program embodied in the committee amendment to H.R. 12987 is equally necessary to help bring all areas of the Nation farther up from the bottom of the recessionary trough.

TARGETING ON LOW-INCOME, LONG-TERM UNEMPLOYMENT

Mr. President, H.R. 12987, as passed by the House, was a simple extension of the existing title VI program through September 30 of this year. The Committee on Labor and Public Welfare chose to use the bill as a vehicle not only to provide an extended authorization through fiscal year 1977, but to advance an innovative proposal for obtaining maximum human and fiscal benefits from a public service employment program.

The committee amendment provides that any funds allocated to a prime sponsor over and above the level of current title VI employment would be reserved for employment projects for long-term, low-income, unemployed persons. In my view, the committee's proposal has two primary advantages.

First, the formulation of projects requires careful advance planning and clear delineation of the purpose of the project. Competing applicants for project funds would air their proposals in full public view. The result would be public service employment projects that are targeted on community needs, honed in community debate, and visible as a community asset when completed.

Second, the additional jobs would be focused on persons of great need who either have been unemployed for 15 weeks or longer or are receiving aid to families with dependent children, and whose household has income from other members that is well below the lower living standard budget. Our purpose is to target a limited number of new jobs among those whose financial needs are the greatest and who are receiving substantial Government payments from unemployment compensation, food stamps or public assistance.

COST EFFECTIVENESS OF PUBLIC SERVICE JOBS

Mr. President, throughout the long and intensive consideration of this legislation, there has been increasing interest in determining the actual budgetary impact of public service jobs. It was our belief that many who criticize public service employment as an expensive remedy for joblessness would be surprised by the magnitude of the additional tax collections and the budgetary savings that result from public service jobs.

The Congressional Budget Office, in its report on the gross cost of implementing H.R. 12987 as provided in the committee amendment, included the following statement:

> The employment projects section of this bill have considerable offsets in the form of reduced AFDC payments, U.C. benefits, and increased tax receipts, which will substantially reduce the net costs of this section of the legislation.

The committee felt that similar offsets of significant proportions would also be realized from the existing program.

At our request, the Congressional Budget Office conducted an analysis of these offsets—both for the existing program and for the new employment projects proposed in the committee amendment—so as to derive an estimate of the net cost of this legislation.

Mr. President, my colleagues in the Senate will be interested to know the results.

Assuming total public service employment under title VI of 463,683 jobs, CBO estimated a gross cost of $3.507 billion for fiscal 1977.

However, direct and indirect budget savings resulting from the program are estimated by CBO to be $1.964 billion.

The net cost of the program in fiscal 1977, therefore, is estimated to be $1.543 billion—about 44 percent of the gross cost upon which some opposition to this legislation has been based.

Mr. President, the report of the Congressional Budget Office appears in the RECORD of June 18, 1976, on pages 19201–19203. Earlier in these proceedings, the Senator from New York (Mr. JAVITS) inserted the report in today's RECORD.

ALTERNATIVE WORKING ARRANGEMENTS FOR OLDER PERSONS

I am especially pleased that the bill as reported by the committee includes my amendment to direct prime sponsors to give special consideration to alternative working arrangements for eligible persons, particularly for older persons and parents of young children.

This provision would, for example, authorize flexible hours, shared time, part-time jobs, and other arrangements for unemployed persons who may find it difficult to work the traditional 9 to 5 work day. These individuals are, however, ready, willing, and able to work. And, they should be given every opportunity.

My amendment takes on added importance because a recent Committee on Aging working paper makes it abundantly clear that older workers have not benefitted at all from our Nation's modest recovery from the worst recession in nearly 40 years.

By almost any standard of measurement, they are worse off than they were at the height of the recession.

More than 650,000 persons aged 55 or older are now unemployed. This is nearly 71 percent greater than 2 years ago.

Once unemployed, the older worker runs a substantially greater risk of being without a job for a long period of time.

These figures, though, do not even begin to describe the impact of joblessness among older workers because there is a substantial amount of "hidden unemployment" among persons 55 or older. Large numbers have simply given up looking for a job—after a prolonged and futile attempt to locate work.

My proposal, I am pleased to say, is one of the key recommendations in the Committee on Aging's forthcoming report on the "Recession's Continuing Victim: The Older Worker."

This measure—along with several other proposals included in the committee's working paper—can provide an important first step in developing a long awaited national policy for the employment of older workers.

COMMUNITY-BASED ORGANIZATIONS

Mr. President, I am also pleased that the bill directs the Secretary of Labor and prime sponsors to provide financial assistance under CETA for employment and training programs carried out by community-based organizations which have demonstrated their effectiveness in job creation and in placing disadvantaged persons in jobs with private industry and business or which provide full-time or part-time job opportunities for older persons and other particularly disadvantaged workers.

In addition, the bill requires the Secretary to assist these community-based organizations in obtaining assistance from other Federal agencies in order to expand job opportunities for unemployed persons.

Through these provisions, I am hopeful that a host of valued community-based organizations, including Opportunities Industrialization Centers, the Urban League, SER, Operation Mainstream, and others of proven effectiveness at the local level, can expand their activities and enhance their already invaluable contributions to the well-being of Americans who have faced great difficulties in finding meaningful work and a happy life.

Mr. President, there are other provisions of this legislation that make it fully worthy of Senate passage. They are so numerous that I shall take no more of the Senate's time to review them, in the certain knowledge that my colleagues have fully reviewed our committee report since it was published nearly 3 months ago.

THE UNDERLYING FOUNDATION

Mr. President, H.R. 12987 as developed by the committee is economic legislation demanded by current economic conditions. At a moment when unemployment is on the rise, exceeding even the intolerable level at whch we began this Bicentennial Year, the Congress must reassert commonsense in our economic policy.

The path upon which we have been led by the administration has taken the awesome productive forces of the Nation to the brink of new stagnation and decline. We have heard for months the familiar assurance that new capital expenditures by the private sector are just around the corner. More than 7 million jobless Americans have waited over 55 weeks, and the corner still has not been turned.

This legislation will reaffirm the will and ability of Congress to improve on the programs of its making and to do so in ways that matter to people.

Our bill is not only cost-effective, it is job-effective. It advances the possibilities of a dignified existence not only to jobless Americans but also to communities that have struggled through the recession to remain fiscally viable and socially whole.

H.R. 12987 can bring the community, the Government, and the job seeker together for a common purpose, breaking new ground for economic recovery and growth.

The bill affirms the principle that people helping themselves are better at it than anyone else. It affirms that it is people, and not governments, that build nations and maintain them.

Our challenge is to facilitate that effort and to insure that people who most need help find the sustenance to maintain their strength as they build the future of the Nation.

Mr. THURMOND. Mr. President, I rise in opposition to H.R. 12987, the Emergency Jobs Programs Extension Act of 1976.

Just under 1 month ago, the Senate and House saw fit to override the President's veto of the Public Works Employment Act. At that time I stated my position on voting to sustain the President, which I believe bears repeating in this instance. At that time I said:

> To proclaim this bill to be a constructive solution to unemployment is highly misleading, because when the money is gone, the jobs will be also. In the meantime, the financing of these public works projects through increased Federal deficit spending threatens the continued economic recovery in the private sector, because of the capital drain, higher interest rates, and general inflation that would result.
>
> Mr. President, Congress ought to show its concern for the financial problems of local government by promptly enacting an extension of the revenue sharing program, with no hampering strings attached. Congress ought to constructively confront unemployment problems by encouraging balanced economic growth in the private sector, with particular emphasis on job-creating tax incentives. Congress ought to show a responsibility to all the American people by recognizing that more inflation benefits neither local government, people with jobs, nor those without them.

Mr. President, to pass the pending bill will only further fuel and rekindle the fires of inflation. It adds $3.5 billion to the $4 billion authorized in the Public Works Employment Act.

This bill represents the kind of legislation which is politically tempting, but it is a classical example of the wrong way to handle the current economic situation.

H.R. 12987 embodies a concept which runs counter to current efforts to hold the line on spending, reduce inflation, and in the long run, encourage stabilized economic growth. When the inflationary results of this bill and like measures become recognizable, the Government must act to reduce spending again, thereby causing a recurrence of many of the unemployment problems which the pending legislation is designed to correct. Unfortunately, such economic destabilization has led to our current dilemma. The CETA program was conceived as a temporary measure, but like so many other programs, is becoming more and more institutionalized.

Mr. President, in light of the recent encouraging economic indicators and the current pace of economic recovery, I believe it is particularly unwise to authorize the funding of title VI, the so-called "counter-cyclical funds," beyond the transition quarter.

The House-passed bill would fund title VI only through the current transitional quarter. If the Senate followed suit, it would save $1.7 billions, which, if eliminated, would greatly reduce the inflationary impact of the bill.

Mr. President, when I evaluate the fiscal and budgetary constraints under which we should be operating, I cannot, in good conscience, vote in favor of this legislation—though politically tempting it may be.

I think the most prudent course would be to authorize this program through the transitional quarter, and then, if necessary, to take another look at reauthorization in a less politically charged atmosphere after the election.

Accordingly, Mr. President, I shall oppose H.R. 12987.

JOBS FOR THE JOBLESS

Mr. CRANSTON. Mr. President, I rise in support of H.R. 12987, the Emergency Jobs Program Extension Act of 1976, as reported by the Senate Labor and Public Welfare Committee on May 14, 1976.

BACKGROUND

This measure extends the public service jobs program conducted under title VI of the Comprehensive Employment and Training Act of 1973—CETA—as amended, by authorizing the appropriation of such sums as may be necessary through fiscal year 1977. H.R. 12987, as passed by the House of Representatives on April 30, 1976, by a vote of 287 to 42, authorizes the appropriation of such sums as may be necessary to extend the program through the transition quarter, or until September 30, 1976. The bill reported by the Senate committee is proposed in the nature of a substitute amendment to H.R. 12987.

Mr. President, there are currently about 320,000 public service job slots provided nationwide under titles II and VI of CETA through 430 prime sponsors. Approximately 56,000 of these jobs are provided under title II, public employment programs, only in areas of substantial unemployment; that is, areas having 6.5 percent or greater unemployment rates for 3 consecutive months. Public service employment under title II of CETA was originally intended by statute to be a developmental tool to assist unemployed and underemployed individuals find jobs. Title II has an annual funding level of $400 million and is primarily designed to assist those areas which have chronically high unemployment even in times of economic prosperity. The pending measure does not affect the title II program for which $400 million is to be appropriated by the pending Labor-HEW Appropriations Act for fiscal year 1977.

In addition, another 260,000 jobs are funded under title VI, emergency jobs programs. In the fall of 1974, in response to dramatic increases in the national unemployment rate and predictions—which certainly proved accurate—of a critically deteriorating economy, title VI of CETA was enacted as part of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567). The purpose of the title was to provide emergency countercyclical public service employment and to combat severe unemployment; the title carried an authorization level of $2.5 billion for fiscal year 1975 with obligations authorized to be made through December 31, 1975. The full $2.5 billion has been appropriated and obligated. Funds for these jobs are distributed to all areas of the country with those areas with exceptionally high unemployment rates receiving substantially more funds than those with lower rates.

Mr. President, that the title VI program of nationwide public service jobs needs to be extended cannot be seriously questioned. During July, the national rate of unemployment increased for the second straight month over rates that prevailed in February, March, and April—up to 7.8 percent—after dropping to 7.3 percent in May and rising to 7.5 in June. This is still more than one full percentage point higher than the national unemployment rate of November 1974 which prompted the enactment of title VI.

Mr. President, that the title VI program of nationwide public service jobs needs to be extended cannot be seriously questioned. During June, the national rate of unemployment rose once more to the level that prevailed in February, March, and April—7.5 percent—after dropping to 7.3 percent in May. Last month, it rose again to 7.8 percent. This is well over one full percentage point higher than the national unemployment rate of November 1974 which prompted the enactment of title VI. And the number of those officially counted as unemployed, now 7.4 million, is 2.4 million more than in that month.

NEW JOBS PROGRAM

Mr. President, the committee bill contains an important provision that any new jobholder over those currently employed under CETA will be employed on community employment projects for the long-term, low-income unemployed. This so-called second-tier provision was added in an amendment offered by Senator JAVITS and I and Senator KENNEDY also joined by Senators WILLIAMS and MONDALE. I would like to talk for a few minutes about this provision which represents the culmination of work that we have been engaged in for well over 7 months now to try to bring some new concepts to our public service employment programs.

This plan was first unveiled in February in Senator KENNEDY's testimony to the Senate Budget Committee, on which I serve, in connection with its consideration of the first concurrent resolution. Later, in April, I distributed some detailed justification material and discussed at length the merits of this kind of a targeted approach to new public service jobs during the Budget Committee's deliberation on the First Concurrent Resolution. There was a great deal of interest expressed at that time in the merits of this kind of a proposal. And, although the amendment I offered at that time with respect to outlays and budget authority did not prevail, the final action of the House-Senate conferees on the first concurrent resolution has, I believe, vindicated our approach.

Specifically, the first concurrent resolution function 500 outlay and budget authority amounts allow $1.8 billion for outlays and budget authority for an additional 250,000 jobs over the present approximately 320,000 CETA public service jobs program. In addition, in the allowances function, the Conference Report provides another $1.2 billion in budget authority and approximately $300 million in outlays available for jobs in fiscal year 1977. Thus, Mr. President, we have an upward ceiling of approximately

$3 billion more in budget authority that could be appropriated during fiscal year 1977 to carry out an expanded public service jobs program—with approximately 300,000 new jobs. The Labor Committee, estimated, in its report on this bill, that, taking into account the targets established in the first concurrent resolution on the budget for fiscal year 1977, a substantially expanded total of 520,000 jobs could be provided under the authority of this legislation in title VI positions. Of this total, approximately 260,000 would be new jobs. This is a conservative figure in my opinion.

What our provisions in the bill attempt to do is to recognize and move to resolve the difficulties which public service employment programs have experienced over the last 5 years since the time we began this venture in 1971 under the Emergency Employment Act.

Specifically, we aim to target the new or open public service jobs on individuals with low family income—below about $6,712 on the average—who have been unemployed for at least 15 weeks or are receiving AFDC. Our proposal also includes provisions calling on prime sponsors to emphasize in the provision of jobs the needs of persons with household support obligations and the needs of certain persons, such as older persons or parents of young children, for flexible working hours.

Under the committee bill, eligibility for new entry into public service jobs would be restricted to those unemployed persons—

First, who have been receiving unemployment compensation for 15 or more weeks;

Second, who are receiving AFDC;

Third, who have exhausted unemployment compensation benefits; or

Fourth, who are ineligible for unemployment compensation benefits but who have been unemployed for 15 or more weeks.

Such an unemployed person would nevertheless still not be eligible for a public service job if his or her income plus that of other family members exceeds 70 percent of the lower living standard budget. The lower living standard budget for an urban family of four persons, as computed by the Bureau of Labor Statistics on May 5, 1976, was $9,588. Seventy percent of that figure is $6,712.

Since new and open jobs under this bill would be targeted on the most needy of the unemployed, many of whom are receiving public assistance or unemployment compensation payments, substantial offsetting savings in these income security programs would reduce the net cost of these jobs. In addition, Federal, State, and local tax revenues would be increased as households move from the tax exempt support of public assistance or unemployment compensation to support from a taxable income, and as the economy responds to the stimulus of an expanded work force.

Unemployment of long duration causes more social dislocation than does a short spell of joblessness. In July, 2.3 million people—or 2.4 percent of the potential labor force—were unemployed for a period of 15 weeks or more. The average duration of official unemployment is 15.8 weeks—almost one third of a year.

The effects of unemployment, however, are far more serious than two-digit numbers when examined in human terms. Primary earners—the men and women household heads who provide the main source of support for the family—feel most intensely the financial hardship of joblessness. The total impact of unemployment on this group is much more damaging than is unemployment among secondary wage earners—those living with a working spouse, parent, or other family member.

This becomes especially critical when examining the large increase in recent years in the number of households headed by females. One out of every eight families in the Nation is headed by women—more than 7 million family units. More than 9 million children are members of these family units. The unemployment rate for this segment of the working force is traditionally high and represents a very serious concern since one out of every three of these families is living at or below the poverty level. By comparison, only 1 in 18 families headed by a man lives at or below the poverty level.

A basic purpose of our proposal is to attempt to distribute what in relative terms in comparison with the need—almost seven and a half million people out of work—will still be a small number of jobs, among those whose financial need for the jobs is the greatest and among those who are receiving substantial Federal, State, and local cash payments either from unemployment compensation or public asistance. I believe it makes more sense to find productive jobs in our communities for individuals who are seeking to work than to continue to provide cash payments.

The committee bill provides that all of the new jobs ultimately funded would be part of special projects established by the prime sponsors for not more than 12 months duration, and that the average federally-supported wage in those jobs will be maintained at a $7,800 average. Under the bill there will be a community hearing process with respect to what those projects will be, where they will be located, and who will run them. The measure makes directly eligible for that purpose "project applicants"—local educational agencies, community-based organizations, community development corporations, and other nonprofit organizations engaged in public service—in addition to direct governmental agencies.

It is our intention, as to these new public service jobs, that prime sponsors will decide to contract out a very substantial portion of the new jobs to these nonprofit agencies so as to disburse responsibility for supervision and attempt to insure that real, new jobs are created. This will minimize the substitution effect, and prevent unnecessary increases in direct State and local employee payrolls, except when necessary, of course, to provide essential public services.

Mr. President, this is the basic philosophy and purpose of the proposal. I understand that there have been good discussions with Labor Department officials over the last few months and that there is much sympathy there for the direction that the committee bill takes with respect to funding for new jobholders in public service jobs.

At this time, Mr. President, I want particularly to thank the chairman of the Subcommittee on Employment, Poverty and Migratory Labor (Mr. NELSON), for the cooperation which was given to us in developing this proposal, both directly and through his staff. I also want to thank my principal cosponsors, the ranking minority member of the committee, Mr. JAVITS, and Senator KENNEDY and our other cosponsors—Mr. WILLIAMS, the chairman of the full committee, and Mr. MONDALE—and their staffs, all of whom have worked so hard to bring together what I think is a very promising concept for us to consider today.

OTHER PROVISIONS

Mr. President, I would like to note several other provisions of the committee bill in which I am especially interested.

VETERANS EMPLOYMENT

Section 12 of the committee bill contains three veterans employment amendments which I authored. First, section 12 amends title I—section 105(a)(3)—of CETA to provide that the comprehensive manpower plan required to be submitted to the Secretary shall provide for appropriate arrangements by the prime sponsor to promote maximum use for eligible veterans of Veterans' Administration apprenticeship or on-job training programs conducted pursuant to section 1787 of title 38, United States Code. Promotion by prime sponsors of available VA apprenticeship and on-job training—OJT—will be beneficial to and productive for both eligible veterans and prime sponsors.

Under the VA OJT program, an approved employer promises a permanent job to a veteran upon successful completion of an OJT program. The program, which originated as part of the GI bill following World War II, is based upon the principle of the veteran learning a trade by performing the necessary job operations. During the training program, the employer pays the veteran less than the full regular wage, while the VA supplements this with a training assistance allowance which it pays directly to the veteran. The amount of the training assistance allowance is contingent upon the number of dependents and the length of time the veteran has been in training.

Mr. President, implementation of this provision could include the establishment by CETA prime sponsors of VA-approved and funded public sector OJT opportunities. In addition, CETA prime sponsors, in close coordination with the Department of Labor, the State Employment Service and the Veterans' Administration could refer unemployed veterans to available VA-approved apprenticeship or OJT opportunities in the private sector.

The need for this provision is underscored by the continuing high unemployment rates for veterans, particularly young, disabled, and minority group veterans. Bureau of Labor Statistics data revealed dramatic and disheartening increase in the unemployment rates of Vietnam-era veterans for June—from 7.3 percent to 8.8 percent—slightly decreasing to 8.4 percent in July. Among younger veterans, aged 20–24, the unemployment rate for June jumped to 19.6 percent and increased further to 20 percent in July, an increase of 5.3 percentage points since May—while the rate for nonveterans of the same age group remained constant at 10.9 percent. The 1976 Employment and Training Report of the President noted that—

> Unlike other worker groups, veterans failed to show improvement in the first half of fiscal 1976, as their jobless rate in the October–December quarter actually exceeded the recession peak. Those veterans in their twenties were particularly affected by the downturn.

I believe that during this continuing period of high rates of veterans' unemployment, every effort must be made to insure that all available and qualified veterans desiring assistance are placed in training or employment opportunities. The VA OJT and apprenticeship programs have a great unrealized potential for such placement.

In addition, Mr. President, the committee bill amends section 104(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93–567). This section, which I authored on the 1974 act, directed the Secretary of Labor to consult and cooperate with the Administrator of Veterans' Affairs and the Secretary of Health, Education, and Welfare in order to provide for an extensive outreach and public information program. Further, the Secretary of Labor, in consultation and cooperation with the VA Administrator and the HEW Secretary, was required to report to the Congress on the steps taken and the regulations issued to carry out the outreach and public information program.

Mr. President, the report which the Congress received from the Labor Department last year provided little specific information as to what has been done, and tends, instead, to emphasize future plans. Thus, the committee bill requires a new report to be filed within 90 days after the enactment of this act. It is my hope that this new report will provide an opportunity for the Department to identify and discuss in greater detail the status and conduct of outreach and public information programs mandated under this section to which $3.4 million has been allocated by the Department. Additionally, the report will cover steps taken to produce jobs for veterans in connection with the title VI public service job efforts and other CETA programs.

Finally, with respect to veterans, the committee bill makes a technical amendment in section 106(b)(5) of CETA title I. As originally enacted in 1972 in Public Law 92–549, section 2012(a) of title 38 of the U.S. Code required Federal contractors to give special emphasis to the employment of qualified disabled veterans and veterans of the Vietnam era. Subsequent to the enactment of the Comprehensive Employment and Training Act of 1973, Congress amended section 2012(a) of title 38 in the Vietnam Era Veterans Readjustment Assistance Act of 1974 (Public Law 93–508) by changing "special emphasis" to "affirmative action."

Thus, a conforming amendment has been made to correct references to section 2012 in section 106(b)(5) of CETA title I so as to reflect the changes made by the 1974 GI Bill amendments.

NATIONAL COMMISSION ON EMPLOYMENT AND UNEMPLOYMENT STATISTICS

Mr. President, I would like to turn now to section 13 of the committee bill which I authored along with the Senator from Illinois (Mr. Stevenson) and Senator Javits. Section 13 provides for the establishment of a National Commission on Employment and Unemployment Statistics which would have the responsibility of examining the current methods of employment and unemployment data collection, analysis, and presentation, and of suggesting ways and means of reforming the current statistical processes.

The Commission is modeled along the lines of the President's Committee To Appraise Employment and Unemployment Statistics—popularly known as the "Gordon Committee" for its Chairman, Dr. Robert A. Gordon, University of California—which was appointed by President Kennedy on November 11, 1961, in response to a proposal by former Secretary of Labor Arthur Goldberg. The Gordon Committee completed its report to the President in 1962. Since that time, no comprehensive appraisal has been made of the employment and unemployment statistical processes.

Mr. President, in appointing the Committee in 1961, President Kennedy stated that:

> The statistics of employment and unemployment are of vital importance as measures of the economic health and well-being of the nation. They serve as guides to public policy in the development of measures designed to strengthen the economy, to improve programs to re-employ the unemployed, and to provide assistance to those who remain unemployed.

This statement, Mr. President, remains equally valid today. I want to stress that the need for more timely, accurate, and uniform data on employment and unemployment is especially important in connection with the Comprehensive Employment and Training Act of 1973, since billions of dollars under this act are distributed among prime sponsors on the basis of formulas that are heavily dependent upon unemployment statistics. The same is true with respect to the recently enacted Local Public Works Employment Act which authorizes $3.9 billion for public works and countercyclical programs. It is imperative, for the equitable and effective conduct of these programs, that employment and unemployment statistics mean the same thing in California, as they do in Alabama, Maine, and Minnesota, and that they be the most accurate and up-to-date figures that can possibly be obtained.

While it is a matter of record that the Gordon committee report was, and remains, a timely and comprehensive study of the system of measurement of employment and unemployment, and many of its recommendations found their way into use, much work remains to be done.

Developments in the Nation's economy during the last decade and a half have created an urgent demand for effective public policies to deal with the new sets of problems facing the Nation. This necessarily requires a reliable and comprehensive measurement system upon which to base decisions in the public policymaking process.

Mr. President, the current statistical survey process represents a model of professionalized reporting. However, many Federal assistance programs, and consequently the livelihood of millions of individuals and the programs in hundreds of State and local jurisdictions depend upon the employment and unemployment statistics collected, analyzed, and presented by the Bureau of Labor Statistics.

Yet, the statistics, while they may be the most accurate and precise figures obtainable within the limits of the present system, are incomplete in a number of important respects. Consequently, the validity and utility of the data is impaired, especially in terms of its usefulness in the formulation of effective public policy and in the equitable allocation of Federal assistance.

Thus, it is the function of the Commission, as stated in subsection (c)(1) of the committee bill, to evaluate and make recommendations to the Congress and to the President with respect to the needs of the Nation for employment and unemployment statistics and to assess the extent to which current procedures, concepts, and methodology in the collection, analysis, and presentation of such statistics represent a consistent, integrated, and coordinated approach.

Mr. President, it is particularly important to understand the possible imprecision and misleading conclusions inherent in the current statistical process. Basically, the determination of whether a person is employed or unemployed is based on a person's activity during the week that BLS conducts its monthly survey of 47,000 households. The results of this survey are the basis for the unemployment statistics released by BLS on the first Friday of each month. Any person who did some work for pay during that survey week—regardless of how little work or for how little pay—is classified as employed. Anybody who did no work, but who was looking for work and had actively sought to find it, is considered unemployed. A person who neither worked nor looked for work is determined to be "not in the labor force."

This means that if an unemployed household head has been seeking full-time employment for a number of weeks and finds a one-week, part-time job during the survey week, that person is counted as being employed. If a teenager looks for part-time employment after school and cannot find a job, that person is considered unemployed. If another unemployed household head has been seeking employment for a number of months, but has been unsuccessful in an attempt to find a job and has stopped looking, that individual is determined to be "out of the labor force."

Mr. President, in order to create meaningful programs to move the economy on toward and to sustain a recovery, it is imperative that we have more accurate and precise measures of the effect of our current employment and training public policies. As an example, the Urban Institute, in its report entitled "The Jobless Rate: Another Dimension of the Economic Picture," estimates that although the average number of people classified as unemployed during 1975 was officially 7.8 million, there were an additional 1.6 million persons who were not working or looking for work who would have been in the labor force if the economy had been operating at full capacity. The Urban Institute determined that for December 1975, 10.2 percent of the Nation's potential labor force was without jobs. This figure includes persons who stopped their search for employment, as well as those who were actively seeking employment. The conventional employment figure, reported by the Bureau of Labor Statistics, was 8.3 percent for the same month.

Mr. President, exactly what should be considered employment, how it should be collected, counted, analyzed, and presented requires the attention of the experts and demands the highest degree of objectivity possible.

Former Secretary of Labor Willard Wirtz and former Assistant Commissioner for Manpower and Employment Statistics, Bureau of Labor Statistics, Harold Goldstein, in their report, entitled "A Critical Look at the Measuring of Work," conclude that:

> The United States has one of the world's superior systems for work measurement. . . . And yet the preservation of what is good, including continuity of measures over time so that long-term trends can be analyzed and the lessons of recent history learned, constitutes no barrier to improving the system.
>
> Twelve years have elapsed since the last general review of work measurements by the President's Committee to Appraise Employment and Unemployment Statistics. The social and economic environment have changed greatly during these years. So have the questions the data are required to answer. New knowledge and techniques, the results of new research, are now available for the development of improved measurements and for their better applications to increasingly complex problems and to the improvement of new prospects. It is time that another general review of these measurements be made, by another Committee of competent, respected, and independent members.

Mr. President, in a paper presented at the annual forum of the National Conference on Social Welfare, Dr. Janet L. Norwood, Deputy Commissioner for Data Analysis of BLS, stated:

> Concepts of the labor force, employment, and unemployment similar to those now in use were introduced in 1940. These concepts have been definitionally sharpened over time after thorough review and investigation. The most recent review was conducted in the early sixties by the President's Committee to Appraise Employment and Unemployment Statistics (Gordon Committee) which endorsed the concepts and procedures currently used. *The BLS believes that it is time for appointment of a similar committee to reexamine the concepts and definitions of employment and unemployment in the light of current economic and social conditions.* (emphasis added)

Dr. Norwood goes on to conclude that:

> My purpose is not to recommend a more comprehensive or more circumscribed definition of unemployment but rather to indicate the complex relationship between employment status and economic hardship, and to *suggest that a broad spectrum of data from the monthly labor force survey (CPS) and other sources needs to be examined.* No single statistic can ever adequately describe the employment situation of American workers and their families. (emphasis added)

Mr. President, the committee bill directs the Commission to consider a number of issues in the course of its examination. Going beyond a critical and comprehensive look at the current methodology of collection, analysis, and presentation of employment and unemployment statistics, the Commission will consider ways of making improvements in the statistical process such as in the analysis of the employment conditions of particular groups and methods of achieving current, accurate, and uniform statistics on a State and local basis. The Commission is directed to study the need for and methods to obtain data relating employment status and earning, economic hardship, and family support obligations. The Commission is also to direct its attention to statistical data on the functioning of education and training programs, and statistical indicators of the relationship between those programs and subsequent employment, earnings, and unemployment experience. The Labor Committee has noted in its report a need for additional data and analysis on job vacancies, job turnover, and job matching, part-time workers, youth, women, older persons, handicapped individuals, and other labor market entrants, and its intention that the Commission will consider ways of meeting this need. These issues, along with others enumerated in the committee bill, will be put before the Commission for its study.

Mr. President, the committee bill provides that the Commision shall consist of nine members who are appointed by the President, with the advice and consent of the Senate. Seven of the members are to be selected on the basis of their particular training and experience, and are to be broadly representative of labor, business and finance, education and training, economics—including statistics—and State and local government. The remaining two members are to be selected from the general public. The membership of the Commission is to be generally representative of significant segments of the labor force, including women and minority groups.

The Commission will submit a report to the Congress and to the President on its findings and recommendations with respect to the employment and unemployment statistical process within 18 months after its establishment. In submitting the final report to the Congress and the President, the Commission is to include a feasible schedule for implementation of its recommendations, cost estimates of such implementation, and any appropriate draft regulations and legislation necessary to implement such recommendations.

Further, Mr. President, the Secretary of Labor, in coordination with other affected executive agencies, is required to take action on the Commission's recommendations. In a 6-month interim report to the Congress, the Secretary is to include comments on the desirability, feasibility, and cost of implementing each of the Commission's recommendations and the actions taken or planned with respect to implementation, as well as any recommendations the Secretary may have for alternative or additional legislation necessary to strengthen and improve the measurement of employment and unemployment. A final report by the Secretary on the actions taken with respect to the Commission's recommendations is to be submitted within 2 years. We believe that these mandated follow-up steps are critical to insure that the Commission's report does not become one more dust gatherer in the library of unread and unheeded Commission reports.

CONCLUSION

Mr. President, in conclusion, I urge favorable action by the Senate on this bill, the Emergency Jobs Programs Extension Act of 1976.

According to official unemployment statistics, which fail to tell the full story, we have 7,426,000 unemployed persons in this richest of all nations. Of these, 2,911,000 persons are unemployed heads of households. The household head unemployment rate of 5.4 percent today compares with 2,9 percent just 3 years ago when the Comprehensive Employment and Training Act of 1973 was enacted.

In 1974, when Congress enacted the current emergency jobs program, there were 5 milllion people unemployed. Today, there are at least 2.4 million more persons looking for work. A job-creation program designed for a 5.6 percent unemployment rate is inadequate at a time when we have a 7.8 percent unemployment rate.

Mr. President, the number of individuals with needs to be met is far larger than can be provided for even with the additional funding anticipated by this measure. But I feel that this measure represents a responsible and fiscally achievable approach to serving the most people, as well as those most in need, in an equitable, effective, and productive manner.

Mr. President, I ask unanimous consent that there be printed in the Record at this point a number of articles, including Dr. Norton's paper, which I previously cited, relating to the provisions in this bill providing for a National Commission on Employment and Unemployment Statistics.

There being no objection, the material was ordered to be printed in the Record, as follows:

SOME SOCIAL ASPECTS OF UNEMPLOYMENT*

(Paper Presented by Dr. Janet L. Norwood, Deputy Commissioner for Data Analysis, U.S. Bureau of Labor Statistics at the Annual Forum of the National Conference on Social Welfare, June 14, 1976, Washington, D.C.)

Over the past few years, while the United States experienced the most serious recession since the Great Depression of the 1930's, a great deal of attention has been focussed on the statistical system used to identify the employed and the unemployed. These data have been analyzed for policy purposes: to evaluate the steps taken to move from recession to expansion, to determine the extent of the Nation's economic health, and to ascertain the numbers of available workers who need to be and are actually being put to work. But the data show a good deal more. Unemployment statistics represent people—people trying to support families, people seeking their first job, people changing jobs, people losing jobs.

Our statistics do a good job of identifying the unemployed. We know a good deal about their personal characteristics, their labor force experience, and the kinds of jobs they have had. But because the people who are unemployed come from all strata of society, it is very difficult to measure the social impact of their unemployment.

WHAT IS UNEMPLOYMENT? HOW IS IT MEASURED?

The official employment and unemployment statistics published by the Bureau of Labor Statistics are obtained from the Current Population Survey (CPS), a scientifically selected sample of some 47,000 households, conducted monthly by the Bureau of the Census. Depending on the answers to a structured questionnaire, each respondent is classified as employed, unemployed, or not in the labor force. The data relate to the status of individuals in the week including the 12th day of the month (the "reference" or "survey week") and are collected in the subsequent week (the interview week).

Employed persons are those who perform a minimum of an hour's work for pay or profit during the reference period; also included are those who are temporarily absent from a job or business for such reasons as illness, vacations, or strikes, as well as persons who work 15 hours or more a week without pay in a family farm or business.

To be classified as unemployed, an individual must: (1) have been without a job during the survey week, (2) have made specific efforts to find employment sometime during the prior four weeks, and (3) be presently available for work. In addition, persons on layoff and those waiting to begin a new job (within 30 days) are also classified as unemployed. The unemployed total includes all persons who satisfactorily meet the above criteria, regardless of whether or not they are eligible for unemployment insurance benefits, welfare, or other public assistance. The unemployment rate represents the number unemployed as a percent of the labor force, which is the sum of the employed and the unemployed.

Concepts of the labor force, employment, and unemployment similar to those now in use were introduced in 1940. These concepts have been definitionally sharpened over time after thorough review and investigation.

The most recent review was conducted in the early sixties by the President's Committee to Appraise Employment and Unemployment Statistics (Gordon Committee) which endorsed the concepts and procedures currently used. The BLS believes that it is time for appointment of a similar committee to re-examine the concepts and definitions of employment and unemployment in the light of current economic and social conditions.

WHO ARE THE UNEMPLOYED?

The latest unemployment figures, for May 1976, show 6.9 million unemployed and an unemployment rate of 7.3 percent. In May, 42 percent of unemployed were adult men; another 34 percent were adult women and the remainder were teenagers, 16 to 19 years of age.

Adult men have generally had lower rates of unemployment than the other two groups. In May the rate for men was 5.6 percent, less than the 6.8 percent for women and 18.5 percent for teenagers. Women traditionally have had higher unemployment rates than men. One reason may be that women tend to enter and leave the labor force more frequently than men and consequently spend time unemployed before finding work.

Of all groups in the labor force, however, teenagers experience the highest unemployment rates. They lack skills and experience and have difficulty in competing for jobs. In addition, many who are in school are restricted as to the hours of work and types of jobs they can take.

Black workers typically experience unemployment rates that are twice as high as whites. In May 1976 the unemployment rate for all black workers was 12.2 percent, compared with 6.6 percent among whites. Persons of Spanish origin typically have rates lower than black workers but higher than other whites.

Depending upon the issues to be studied, many different approaches can be taken to the definition of those counted as unemployed. Julius Shiskin, Commissioner of Labor Statistics, has developed a series of definitions which he has ranked from a restrictive approach (U_1) to a more inclusive approach (U_7).[1] The particular definition used, he explains, depends on the value judgment of the user. The official definition, however, is the most objective of the group; it depends upon a market test—the individual must be not working, available for work, and have looked for work within 4 weeks of the reference week.

There is certainly no doubt that if one wishes to examine the social impact of unemployment, one must dig into the comprehensive body of data below the total aggregate unemployment rate that are published regularly by the Bureau of Labor Statistics. Unemployment of long duration, for example, causes more social dislocation than does a short spell of unemployment quickly followed by successful job placement. In May 1976, 2 million people were unemployed 15 weeks or longer and they presented 2.1 percent of the civilian labor force. One might also focus on the mean duration of unemployment, an estimate of the average number of weeks of joblessness experienced by unemployed persons at the time they were sampled. Although the mean duration of unemployment usually will increase with a worsening in the economic situation, changes tend to lag movements in total unemployment. Thus, while the unemployment rate peaked in May 1975, the mean duration did not peak until 7 months later when it reached 17 weeks. Since December, the mean duration has declined by 2 weeks to a level of 15.0 weeks in May. While this decline is encouraging it should be noted that the average duration of unemployment in May was still higher than the annual average for any previous year but one (1961) since the series began in 1948.

Another way to examine the unemployment problem is to separate job losers from those who have voluntarily left their jobs or who are unemployed because they have only recently entered the labor force. One reason for focusing on job losers is that more than half of them are heads of households who generally bear substantial family responsibility. Their joblessness frequently stems from cyclical forces entirely outside their control. About 7 out of every 10 of the approximately 3.4 million workers added to unemployment over the course of the 1973–75 recession had lost their last job. Over the last 6 months, however, as economic conditions have improved, more of the unemployed are entrants to the labor force and job leavers, and the proportion of the unemployed who are job losers has declined somewhat. In May 1976, the percentage of job losers in the labor force was 3.7 percent, compared with 5.2 percent at its recession peak.

We have now looked at two groups among the total unemployed for whom the impact of being out of work is typically substantial. It is also possible to look at two groups *not* counted among the unemployed whose job related problems may well have implications of social and economic hardship.

The first of these groups includes those classified as working "part-time-for-economic reasons." This statistic includes persons working less than 35 hours a week because of such situations as slack work, material shortages, repairs to plant or equipment, starting work or terminating a job during the survey week, and inability to find full time work. Because they have jobs, these workers are counted as employed, even though they are prevented from working a full work week through reasons largely beyond their control.

Teenagers, women, and blacks—groups which traditionally have greater unemployment problems—experience disproportionate involuntary part-time employment. In terms of occupations, the incidence appears to be greatest among private household workers and nonfarm laborers. Not unexpectedly, part-time workers are also low earners.

Yet the implication of hours-of-work statistics are not entirely clear. About half of the persons working part time for economic reasons usually work full time. For some, the short workweek is only an occasional break in otherwise full and well-paid employment. For others, of course, irregular employment causes serious financial and personal problems. Among the other half of those working part time for economic reasons—those who usually work part time—the overwhelming majority are simply unable to find full-time work. These individuals undoubtedly find their employment situation inadequate, but the severity of their problem from a social welfare standpoint would depend on other factors, such as their position in the household and the extent to which they have other sources of income. For example, secondary earners—persons living with a working spouse, parent, or other family member—are likely to find the lack of full-time work less of a financial hardship than the household head who provides the main support of the family.

The second group, not classified as unemployed, whose labor force situation may have serious social impact is "discouraged workers." These are individuals who indicate that they want work but are not looking because they think it would be impossible to find a job. Since they do not take steps to look for work, they are not included in the unemployment count. Yet, in a sense their situation is similar to that of the unemployed—they are jobless, want work, and presumably are available for work. Specific information regarding the work history and prior job-search activity of discouraged workers is not now collected. It is for this reason that the Bureau of Labor Statistics is planning a special supplement to the CPS in the near future to focus on the labor force attachment of discouraged workers and attempt to determine how many of them have actually ceased job search because of discouragement.

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*I wish to express my appreciation to the following individuals who contributed to the preparation of this paper: Jack Bregger, Howard Hayghe, Deborah Klein, Robert Ray, Stephen St. Marie, Robert Stein and Elizabeth Waldman.

[1] Shiskin, Julius, Commissioner of Labor Statistics, "Employment and Unemployment, The Doughnut or the Hole?" speech before the Metropolitan Economic Association, New York, New York, December 11, 1975, later reprinted in the Monthly Labor Review, February 1976.

The number of discouraged workers which had peaked at 1.2 million during 1975, was a bit below 1 million in early 1976. The decline was almost entirely among those discouraged for job market reasons (could not find job or think no job available) rather than personal factors (employers think too young or old, lacks education or training, or other perosnal handicap).

There is yet another group who are not unemployed but are nonetheless not fully utilized—the "underemployed." The concept of "underemployment" was defined by the President's Committee to Appraise Employment and Unemployment Statistics (the Gordon Committee) as the "employment of persons at jobs that call for less than their highest level of skill (and at wages less than those to which their skills, if fully utilized, would normally entitle them)."

The essence of underemployment is the relationship between the quality of the job and the abilities of the incumbent. Objective measurement of abilities and skills is very difficult, however, and it is often difficult to classify jobs in relation to the actual ability of the individuals holding them. Of course, an individual may voluntarily choose a job requiring less training than he has because the position may provide other satisfaction—income, status, work schedule, working conditions, opportunity for independent work, and personal choice.

WHAT IS THE EFFECT OF UNEMPLOYMENT?

Unemployment for any worker wishing a job creates problems for that worker, and sometimes for his family. The psychological and social effects can be very great and the drain on financial resources can be very serious. But the effect differs markedly with the particular status of the unemployed individual.

The very high rate of unemployment for teenagers, especially black young people, has serious social implications for the country as a whole, even though it may not appreciably affect total family income. The problems faced by working wives striving to enter the labor force may create serious psychological stress. Moreover, the outcome of their job search can have a profound effect on the standard of living of many American families. In 1975, the wives in about half the husband-wife families were in the labor force, and their unemployment rate, at 8.5 percent, was higher than that for their husbands. On the average, working wives contributed about one fourth of the total family income.

Any evaluation of the social effects of unemployment would be totally inadequate if it did not take account of the large increase in recent years in the number of households headed by women. There are now more than 7 million families headed by women, 1 in every 8 families in this country. The unemployment rates for this group are very high—in good times as well as bad—a matter of very real social concern, since 1 in every 3 of these families is living at or below the poverty level.[2]

Because the unemployed come from all strata of society, the social impact of unemployment is, of course, very hard to measure. Unemployed persons are not necessarily poor, disadvantaged, unskilled, or unable to help themselves. But, depending on how the term is defined, varying numbers of jobless are suffering hardship. Judgments as to what constitutes hardship arising from unemployment vary greatly among different political, social, and economic groups. Some view economic hardship in terms of the three basic elements of food, clothing, and shelter; others consider it in terms of relative standing in the income distribution, with all persons who fall in, say, the lowest one-fifth of the range classified as experiencing economic hardship. Still others consider those unemployed with adequate income from sources other than employment to be experiencing psychological hardship if they cannot find a job, and, therefore, are denied an opportunity for a fuller life in some sense. Further, many believe long spells of unemployment for teenagers to be especially damaging to their development as responsible members of society.

In spite of a conceptual link between unemployment and poverty, the two populations are far from identical. Data at the national level (from the Current Population Survey) indicate a lack of overlap between the unemployed and the poor, as defined in official government statistics. Of 5.1 million poor family heads, only 450,000 (about 9 percent) were unemployed at the time of the survey in March 1975, while 775,000 poor family heads (about 15.2 percent of all heads) had experienced unemployment during the previous year. One reason for this sizeable discrepancy is that many poor adults are not in the labor force and thus are not counted as unemployed. Another reason is that many of the poor are employed but are earning wages which are so low that they cannot rise above the poverty standard.

Although unemployment and poverty are not synonymous, joblessness certainly reduces family income. In 1974, the main income of families headed by a man working part year whose job was interrupted by one or more spells of unemployment was about $11,600, compared with $14,300 for families whose male head worked year round full time. If the head was unable to find work during the entire year, family income was about $7,100. Furthermore, the unemployment rate for men heading poor families (14.5 percent) was 2½ times higher than the rate for those heading "above-poor" families (5.8 percent). The unemployment rate for women heading poor families (24.9 percent) was more than 4 times the rate for those heading "above-poor" families (5.9 percent).

One major reason for the lack of overlap between unemployment and poverty is the availability of unemployment compensation. Under this program, unemployed persons may receive up to 50 percent of their gross earnings, although there is considerable variation from State to State. Furthermore, since the unemployment insurance program is specifically designed to assist experienced workers who lose their jobs, the great majority of workers displaced from jobs during the recession were able to retain at least part of their purchasing power through unemployment insurance benefits. At the height of the recession, that is, in May 1975, more than 5.3 million persons were claiming benefits on regular programs (including extended benefits) and another 800,000 were claiming benefits from special emergency programs—Federal Supplemental Benefits (FSB) and Special Unemployment Assistance (SUA). The total claims represented more than four-fifths of all unemployed workers at that time. The insurance coverage and level of benefits available from regular unemployment insurance programs varies widely from State to State. In March 1976, average benefits for a week of total unemployment ranged from less than $50.00 in Puerto Rico and Mississippi to a high of more than $90.00 in Illinois and the District of Columbia.

An important source of income for a family whose head is jobless, is the earnings of other family members. In March 1976, 2.4 million families were headed by an unemployed person. Most (about 2 million) were headed by men, and in half of these at least one other family member was employed. In about 3 out of 4 of these cases, the employed wives, children, or other relatives held full-time jobs. Where the male head was unemployed, wives were the family members most likely to be employed. About three-fourths of them held full-time jobs. The earnings of working wives helped sustain the purchasing power of many families when the husband becomes jobless.

The situation is necessarily much different among families headed by women, since there is, by definition, no spouse to share the financial burdens of unemployment. In March 1976, in only about 15 percent of the families in which a female head was unemployed was there at least one employed family member.

CONCLUSION

The government's monthly statistics on unemployment are monitored very carefully because they do provide one indication of the Nation's economic and social well being. The unemployed are not necessarily destitute but most are suffering varying degrees of economic or psychological distress. It should be recognized, however, that unemployment statistics were designed as measures of the immediately available labor supply, not as comprehensive measures of financial hardship. This paper has attempted to portray the wide range of circumstances among the unemployed—emphasizing the importance of demographic factors, duration, previous work history, position in the family, the presence of other earners—and to point up the fact that many employed workers (part time workers, low earners) and persons outside the labor force (discouraged workers) may be in dire financial straits. My purpose is not to recommend a more comprehensive or more circumscribed definition of unemployment but rather to indicate the complex relationship between employment status and economic hardship, and to suggest that a broad spectrum of data from the monthly labor force survey (CPS) and other sources needs to be examined. No single statistic can ever adequately describe the employment situation of American workers and their families.

[From the New York Times, Jan. 11, 1976]

STUDY ON DEFINITIONS OF JOBLESS IS URGED

(By Eileen Shanahan)

WASHINGTON, January 10.—A group of top Administration officials have recommended unanimously to President Ford that he name a special Presidential committee to study what should be done to meet the mounting criticisms of the nation's most closely watched economic indicator, the unemployment statistics.

No one with any knowledge of how the unemployment figures are compiled believes that they are being falsified in any way. Rather, the criticisms center on whether the current official definitions of unemployment give an accurate picture of the actual amount of joblessness and the hardships it brings.

If the definition of unemployment were changed in the manner proposed by Ronald Reagan, the former California Governor and other conservatives, the reported rate of jobless might be as much as 4 or 5 percentage points below its present level of 8.3 percent.

Conversely, if the definitions proposed by many liberal academicians and by such organizations as the Urban League were adopted the rate would rise by about 2 percentage points.

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[2] The poverty threshold for a nonfarm family of four headed by a woman was slightly over $5,000 in 1974. The poverty thresholds, established according to an index adopted by a Federal Interagency Committee in 1969 and undated annually by the Consumer Price Index.

COMMITTEE URGED

The criticisms have become so widespread and intense during the current recession that President Ford's Economic Policy Board has accepted a suggestion from the Labor Department, which has the responsibility for compiling, publishing and analyzing the statistics, that the President name a committee of recognized experts from outside Government to study the controversy.

Members of the board include the Secretaries of Treasury, Labor and Commerce and the chairman of the Council of Economic Advisers. The board is the Administration's chief coordinating group for economic policy proposals and programs.

Criticisms of the unemployment figures are coming from all points on the political compass and, in many instances, embody precisely conflicting views.

Officials of the Labor Department's Bureau of Labor Statistics, which does the actual work on the figures, take some comfort in the fact that their critics are anything but united, but do agree that the time has come for a new look at the way unemployment is defined.

The Commissioner of Labor Statistics, Julius Shiskin, has actively pushed the idea of creating a committee of non-government experts to look at the problems.

At present, the bureau defines as unemployed anyone who was out of work when the Census Bureau's enumerator came to call and who had actively looked for work at any time during the preceding four weeks.

Conservative critics prefer a different measure of unemployment that would include only what they consider serious cases of joblessness. Among the changes in definition proposed by various conservatives are the following:

¶Do not count as unemployed anyone who has a working spouse.

¶Do not count any teen-ager as unemployed who is living with a parent who has a job.

¶Do not count anyone as unemployed who has been out of work for less than a specified period of time, perhaps four or five weeks at the minimum. The period for exclusion from the figures might be even longer for those who are looking for their first job or who are coming into the work force after a period of not choosing to work.

¶Tighten up on the definition of "looking for work" to make sure that all those who say they are unemployed are making a serious search for work.

¶Exclude from the unemployment figures person whose lack of education or previous job experience render them unqualified for most jobs.

Officials at the Bureau of Labor Statistics say that adopting any or all of these criteria would turn the statistics into a measure of hardship rather than a measure of unemployment, and they would not like to see this done.

However, they see some merit in the gathering and compilation of new hardship-of-unemployment statistics, so long as they merely supplement and do not supplant the present method of measuring unemployment.

The bureau experts have a little more difficulty in arguing that the changes in the statistics being sought by liberals and black groups would change the fundamental nature of the figures.

Liberals have proposed these three changes in the measurements:

Everyone who wants to work full-time but can find only part-time work should be counted as half an unemployed person.

Individuals who want to work and are available for work but who have not recently looked actively for work because they are sure there are no jobs to be had—these are called "discouraged workers"—should be counted as unemployed.

Persons at work in special government-financed job programs for the unemployed should be counted as unemployed, because they have been unable to find anything except such artifically created jobs and their situation shows how far short the economic system is falling of creating work for all who want it.

Labor Department experts simply reject this proposal as not part of any valid measure of employment.

They see more merit in the inclusion of the part-time unemployed and the "discouraged workers" in the statistics. The discouraged workers present a technical problem, however, according to the bureau experts.

An attempt is made now to identify discouraged workers, but the statistics on the number of such workers are published only quarterly, not monthly, because they are based on a survey of households that are not going to be used in the statistical sample in future months.

The reason that only those households that are going out of the rotating sample are used for this purpose is that the bureau has found that whenever the Government interviewer starts asking questions about why an individual has stopped looking for work, the interviewer gets the kind of answers that require him to count the interviewee as unemployed in subsequent interviews.

DIFFERENT QUESTIONS

Some B.L.S. experts think it would be a good idea to test several types of questions designed to identify those who are too discouraged to look for work in the hope of finding some questions that do not distort the results and could be used as the base for a monthly report on these workers.

The questions asked was recommended, and carried out, the last time that a committee of outside experts studied the statistics.

That was in 1961 and 1962 when a committee of six economists and statisticians headed by Prof. Robert Aaron Gordon of the University of California at Berkeley did such a study for the Kennedy Administration.

The recommendations of the Gordon committee, whose members included experts from labor and business, as well as the university, won wide acceptance and most were put into effect.

A number of the proposals were technical, but the best-remembered recommendation demanded an end to the previous practice of having the unemployment statistics announced by the Secretary of Labor, or some other political appointee, and said the initial announcement should come, instead simply from the Bureau of Labor Statistics.

[From the Washington Post, Dec. 18, 1975]

THE UNEMPLOYED: TRYING TO COUNT THE HEADS

(By Hobart Rowen)

No single economic indicator receives more attention from politicians, economists, and the news media than the monthly unemployment number published by the U.S. Bureau of Labor Statistics.

But just how good is that monthly number as a reflection of the true economic condition of the nation? And just how accurately does it measure economic hardship among individual Americans?

These questions trouble many earnest citizens, especially at a time when unemployment has been at or near the highest levels since the Great Depression. The problem has a relationship, as well, to a new drive being launched by liberal Democrats and by labor groups for "full" employment.

Until there is some consensus on how unemployment should be measured, there will be little agreement on what "full" employment is supposed to be.

Clearly, people come at this issue from far different poles. For many years, the government's statistics on unemployment have been the target of conservatives who hold that the numbers exaggerate the real picture.

Currently, the main criticism of the unemployment numbers comes from left of center, from those who feel the BLS tends to understate real levels of joblessness.

Two main groups aren't counted, these critics claim: those who are seeking full-time jobs but who are forced to take part-time work, and those who are so fed up with or discouraged by the job hunt that they drop out of the labor market altogether.

Back in 1962, the highly regarded Gordon Committee to Appraise Employment and Unemployment Statistics recommended a new look in another 10 years or so—and a new commission may soon be launched by the White House.

Meanwhile, the coolest look at the picture comes from BLS Commissioner Julius Shiskin, who points out that the whole question comes down to "value judgments on the hardship that is experienced by the unemployed."

In a recent speech, Shiskin adapted the technique of the Federal Reserve Board, which labels successively more inclusive definitions of the money supply as "M–1 to M–7." He put forward unemployment indicators labeled "U–1 to U–7." In this series, the popularly cited definition, which covers jobless workers seeking full-time jobs, ranks as "U–5."

The broadest definition, "U–7," counts not only full-time jobseekers, but half of the part-time jobseekers, half of those working part time for economic reasons, and all of the discouraged workers. Unemployment by the "U–7" definition was 11.7 percent last May, when the regularly published "U–5" rate was 9.2 percent.

In other words, if one makes the "value judgment" that someone forced into part-time work is really partially unemployed, and that a discouraged worker who has quit looking is out of a job just as much as a jobless person still looking, then the unemployment rate at the peak of the recession was really 2.5 points higher than stated.

The records show that in 1973 and 1974, the more inclusive "U–7" rate averaged more than 1.5 points higher than the traditionally cited rate.

So we come down to the question: Which among "U–1 to U–7" is the best indicator of unemployment? Or should they all take second rank to some measure of actual employment ("the doughnut instead of the hole") as urged by former BLS Commissioner Geoffrey Moore and economists such as Milton Friedman?

There are some deficiencies in the latter approach. It makes sense to focus on the jobless rate, as Shiskin points out, in order to pinpoint the problem. And unemployment is a real problem.

At a conference in Washington on full employment last week sponsored by The Council for National Policy Planning, Sen. Hubert H. Humphrey observed that if the public understood "the direct relationship" between unemployment and suicide, crime, mental disorder, and drug abuse, it would press harder for a full employment goal.

On the other hand, Shiskin gives high marks to one employment indicator, the ratio of total civilian employment to total civilian population aged 16 and up. This provides a measure of actual work to the population, which is more stable than the labor force itself. Judged by this ratio, the U.S. economy achieved a better performance in the 1970's than when judged by the unemployment rate.

As a cautious civil servant, Shiskin opts for the "doughnut and the hole," urging attention to the employment-population ratio, and to the unemployment rate.

But that is not totally satisfactory because Shiskin leaves us wondering which is the right unemployment rate.

That successor commission to the Gordon Committee—which must be independent of political pressure—needs to get going.

Mr. MUSKIE. I rise today to speak to the budgetary implications of the Emergency Jobs Program Extension Act of 1976 (H.R. 12987).

This bill authorizes "such sums as may be necessary" to carry out emergency jobs programs under title VI of the Comprehensive Employment and Training Act in fiscal year 1976, the transition quarter, and fiscal year 1977. The report accompanying the bill further states that the Labor and Public Welfare Committee authorized such sums as may be necessary "taking into account the targets established in the first concurrent resolution on the budget for fiscal 1977." Thus it is clear that the committee intends this bill to be in conformance with the first budget resolution that has been adopted by Congress. I congratulate the committee on this approach.

Public service jobs programs fall within the "education, training, employment, and social services" function of the budget—function 500. Within the totals for this function, the first budget resolution assumes approximately $4.4 billion in budget authority and $4 billion in outlays for public service jobs programs. Of these amounts, some $2.2 billion in budget authority and outlays will be needed to continue the level of 260,000 public service jobs prevailing during fiscal year 1976. The remaining $2.2 billion in budget authority and $1.8 billion in outlays would be available for additional public service jobs over the present levels. All told, the amounts assumed in function 500 for public service jobs would support a level of about 480,000 jobs in fiscal year 1977.

I would also point out that the "allowances" section of the budget contains $2.050 billion in budget authority and $350 million in outlays for temporary job creating programs.

While the budget resolution assumptions would not preclude using a portion of these funds for additional CETA title VI jobs, I want to point out that in fact these funds in the allowances category are likely to be needed for job stimulus programs such as public works and the job opportunities program, particularly if the Public Works Employment Act is fully funded. While the final mix among job stimulus programs remains to be decided in the appropriations process, I would caution that it is unlikely that any of these additional amounts will be available for CETA title VI jobs.

Apart from maintaining the number of jobs currently funded under CETA title VI, this bill provides that any additional funds remaining within the resolution target for public service jobs be used to fund temporary project-oriented jobs for the long-term unemployed. These project-type jobs are targeted for individuals with low family incomes who have been unemployed for a minimum of 15 weeks or are receiving benefits under Federal income transfer programs.

There are substantial offsets to the gross cost of this bill in the form of reduced income security payments and increased tax receipts as a result of moving people off the dole and into the Nation's economic mainstream. Offsets for the new project-type jobs are particularly substantial because project-type jobs are specifically targeted toward current recipients of Federal transfers. All told, the Congressional Budget Office estimates that some 44 percent of the $4.4 billion available in function 500 for these jobs is likely to be returned to the Treasury in the form of increased tax receipts and lower welfare payments.

I commend the Labor and Public Welfare Committee for its consideration and approval of a targeted public service jobs concept. A similar notion was the subject of considerable attention during our Budget Committee markup on the first budget resolution. Jobs targeted toward current recipients of other Federal programs are particularly attractive because of the savings they make possible in other areas of the Federal budget.

Yet savings are not the Budget Committee's sole concern. We do not subscribe to the view that less spending is always better and more spending is always worse. To the contrary, we believe it is essential to address the needs of the American people with the most direct, effective, and inexpensive means available to us. In my view, these targeted jobs do exactly that.

These targeted jobs are also effective in several other respects. For those workers who are the temporary victims of the current economic situation, these jobs will provide a voluntary alternative to a public dependency that can seriously erode the independence, self-confidence and work habits that are necessary to the proper functioning of our economic system. For the long-term unemployed, those whose marketable skills and location in declining areas leaves them without work in periods of both boom and bust, this approach provides a voluntary rite of passage into the world of work.

Under the CETA program in Maine, there are approximately 1,300 public service jobs throughout the 16 counties. They range in scope from sewer plant operators in Houlton to hospital aides at Mercy Hospital in Portland and employees serving the State's senior citizens through the Bureau of Maine's Elderly.

Title VI of the Comprehensive Employment Training Act has provided Maine and other States with an opportunity to meet public needs while giving individuals a source of employment and job experience.

This valuable resource must be continued. That is why I support the bill and encourage my colleagues to do the same.

CETA HAS BEEN GOOD FOR MINNESOTA AND THE NATION

Mr. HUMPHREY. Mr. President, the extension of the Comprehensive Employment and Training Act which is before us today deserves the wholehearted support of all of us. The extension of titles II and VI of CETA during the last 2 years of recession and extremely high unemployment has helped to alleviate the loss of income and dignity which results when hard-working Americans lose their jobs.

The expansion of CETA at the end of 1974 created more than 300,000 jobs in the public sector. It has enabled many more than that number of workers to contribute to State and local government activities. Passage of this authorization bill today will enable prime sponsors throughout the country to continue funding public service jobs through fiscal 1977.

Mr. President, I am proud of the record of the prime sponsors in my State of Minnesota. Recently, the Department of Labor conducted an evaluation of the performance of the CETA program of 431 State and local governments. Minnesota was one of only 18 States which received a top performance rating for the State and for all of the prime sponsors within the State. The prime sponsors in Minnesota include Duluth, Dakota County, Urban Minnesota Consortium, St. Paul City, Ramsey County, Region III Consortium, Minnesota Rural CEP, and the rest of the State which was rated under the heading "Balance of Minnesota." These audits were conducted by the Department of Labor between April 1 and May 31, 1976, and they will determine whether public employment programs in the various States and local areas will be funded in the coming fiscal year.

I am pleased that Minnesota and its prime sponsors passed their audit with flying colors. In part because of this excellent performance, Minnesota will receive $19.79 million during fiscal 1977 to continue its public employment programs funded under CETA.

There are several perfecting amendments to the Comprehensive Employment and Training Act which I supported and which have been incorporated into this bill which alleviate some particular problems experienced by the State of Minnesota in administering its public employment programs. The first provides that contributions to the State of Minnesota Unemployment Insurance Trust Fund on behalf of the CETA public service employees will be made by the Federal Government. Minnesota is one of a handful of States which by State law requires funds that would otherwise be used to create jobs be set aside to pay unemployment compensation for CETA workers who may become unemployed. Amendments in H.R. 12987 will allow prime sponsors in Minnesota to participate in the special unemployment assistance program funded by the Federal Government. This will enable the CETA funds in Minnesota to be used more intensively for job creation.

The second amendment which assists Minnesota specifies that areas such as Minneapolis not be penalized as to the amount of funds they receive whether they are organized as several prime sponsors in the metropolitan area or as a consortium.

Mr. President, we vitally need these jobs that will be provided by this legislation both in Minnesota and in the rest of the Nation. I urge its passage.

Mr. GRAVEL. Mr. President, today we

vote to extend the public service jobs program under title VI of the Comprehensive Employment and Training Act—CETA. Title VI was enacted in December of 1974 to meet the unusually high national unemployment rate. Through title VI funding about 260,000 public service jobs have been filled. These jobs have been locally determined to meet the community public service needs.

In defining the prime sponsors of title VI public service jobs, "eligible applicants" included only "Indian tribes on Federal and State reservations." Nationwide this restrictive language excluded many Native American groups already administering effective manpower programs under title III of CETA. In Alaska, only 1 of 14 Alaska Native organizations providing manpower services met the reservation criterion.

My recommendation, as provided in S. 1827, that this inadvertently restrictive language be replaced with "Indian tribes, bands, and groups qualified under section 302 of this act," is contained in the bill before us. To insure adequate funds for Native Americans to administer title VI programs under the expanded definition, the committee accepted my amendment that allows not less than 4 percent of available appropriations be set aside for Native American prime sponsors.

I highly commend the action taken by the Labor and Public Welfare Committee. These amendments will not only expand the Native American population eligible for public service jobs, but they will also reiterate congressional commitment to the concept of "Indian self-determination."

To further strengthen the CETA program, community-based organizations, which have effective manpower programs and success in placing the disadvantaged in private industry jobs, have been assured financial assistance under CETA. Many community-based organizations specialize in training the chronically unemployed—those individuals who because of disability or advanced age have little chance of even part-time employment. These organizations in Alaska have been successful in training these individuals for permanent employment. Community organizations have been equally successful in identifying jobs for the unemployed in depressed urban and rural areas.

Inclusion of community-based organizations, which have impressive, proven success rates, under CETA is a sensible decision by the committee. Those who are in need of job training and employment now will have immediate hope and relief through existing community organizations.

Mr. PELL. Mr. President, the Senate today is considering legislation to extend and improve titles II and VI of the Comprehensive Employment and Training Act of 1973. This Emergency Jobs Program Extension Act of 1976 is a critical part of our Federal effort to put America back to work. It deserves Senate support for several reasons.

First, this legislation targets assistance to long term, low income unemployed persons. It is a sad fact that my own State of Rhode Island suffers from the highest statewide unemployment rate in the Nation. As of our last accounting period, June, our statewide rate of unemployment was 9.9 percent. Exacerbating our high rate of unemployment is the fact that our average period of unemployment for each worker far exceeds the 13 and 26 week base periods, which have in the past been the benchmarks of Federal unemployment assistance.

This legislation takes into account these long term unemployed workers and directs the bulk of its continuing assistance to them. Second, this legislation establishes a National Commission on Employment and Unemployment Statistics, to assist the Congress and the executive branch in accurately determining the full effects and nature of our unemployment and underemployment patterns, as well as the probable effects of proposed remedies to these patterns of unemployment and underemployment.

I am delighted to note that this legislation takes a step in the direction of a bill I introduced earlier this session, S. 1797, to assure that at least 10 percent of emergency employment funds went to jobs sponsored by nonprofit organizations. This is accomplished by specifically listing "nonprofit" organizations under the definition of "project applicants" and by the orientation of the "employment projects" section of this bill.

Mr. President, this legislation is not the final answer to curing unemployment in this Nation, but it is a solid bridge between our current efforts, which would otherwise begin to phase out, and our future plans. It represents a continuing commitment to provide public service employment, in the face of growing national unemployment. We cannot permit, as the administration seems to want us to permit, our efforts in this direction to lag or diminish. I intend to vote to support this important bill, and I urge my colleagues to support it.

Mr. HARTKE. Mr. President, I rise in support of the Emergency Jobs Programs Extension Act of 1976. As chairman of the Veterans' Affairs Committee, I would like to draw particular attention to the veteran provisions contained in section 12 of the act. I would like to express my appreciation to Senator CRANSTON, the author of those provisions, for his continued hard work on behalf of veterans as a member of the Veterans' Affairs Committee and the Labor and Public Welfare Committee.

Mr. President, the Veterans' Affairs Committee has long been concerned with the continued high unemployment rates of veterans, particularly younger, minority and disabled veterans. The 1974 GI bill included provisions relating to employment which, the committee believed, would aid in reducing continued high veteran unemployment rates. However, more than 18 months after the enactment of the GI bill, some of those employment provisions have not been implemented by the Ford administration.

At the end of June the unemployment rate for younger Vietnam-era veterans was 19.6 percent, 86 percent higher than for similarly aged nonveterans. Almost 28 percent of younger minority veterans were unemployed, a rate significantly higher than the rate for similarly aged minority nonveterans. Unemployment rates for disabled veterans, those veterans with a compensable service-connected disability rated 30 percent or greater, is estimated at around 50 percent.

The employment picture is obviously bleak for these veterans. Unfortunately, examination of the latest Department of Labor data reveals that State employment agency services for Vietnam veterans has continued to deteriorate. Although over 10 percent more Vietnam-era veterans sought assistance from State employment agencies during the first 9 months of fiscal year 1976, as compared with the similar period in fiscal year 1975, the percentage of veterans who were counseled declined 15 percent, the percentage of overall job placements skidded 18 percent, the percentage of veterans placed in a job of 3 days duration or more declined nearly 15 percent, and the percentage of Vietnam veterans enrollments in CETA dropped 38 percent.

Thus far in fiscal year 1976, almost one-third of all Vietnam-era veterans who have sought assistance from these federally funded State employment offices have had their files inactivated with no reportable service at all.

The Senate report accompanying H.R. 12987 effectively illustrates the need for action. Despite the unfavorable unemployment situation during fiscal year 1975, only 5.2 percent of all enrollees in CETA title I and only 11.3 and 12.5 percent of the enrollees in CETA titles II and IV, respectively, were special Vietnam era and disabled veterans. These low totals of veteran involvement are discouraging.

Mr. President, we are all aware that CETA is a decentralized manpower program. However, national concerns must be communicated to prime sponsors. In a report issued January 2, 1976, the General Accounting Office stated:

> Under CETA, the prime sponsor is responsible for program design with Federal influence being exerted through Labor's technical assistance, plan approval process, and monitoring a prime sponsor's activity.

The Federal Government can and must exert influence. One means of effecting Federal influence and conveying national concerns would be through the use of an effective "Veterans and CETA" technical assistance guide.

In October of 1975, in hearings before the Readjustment, Education and Employment Subcommittee of the Committee on Veterans' Affairs, Assistant Secretary of Labor William Kolberg testified that special consideration for veterans within the CETA framework would result from the "utilization of a three-part strategy," one part of which consisted of the preparation of a technical assistance guide.

Mr. President, the report accompanying this bill expresses the Labor and Public Welfare Committee's expectation that the Department of Labor report required to be filed within 90 days of the enactment of this legislation "will reveal that an adequate 'CETA and Veterans' technical assistance guide, long awaited, has been distributed to all prime sponsors."

For my part, I, too, would welcome an

adequate technical assistance guide issued in the very near future. Unfortunately, I do not expect distribution before the end of the summer. In February, I wrote to the Department of Labor after having had the opportunity to examine the final draft of the proposed technical assistance guide—TAG. The proposed guide was inadequate in many ways. In my letter, I pointed out specific deficiencies which, I believe, had to be remedied or the guide would be unable to provide prime sponsors with sufficient technical assistance with regard to veterans.

Mr. President, I ask unanimous consent that the correspondence that I exchanged with the Department of Labor concerning TAG be inserted in the RECORD at this point.

There being no objection the letters were inserted in the RECORD as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., February 17, 1976.

Mr. WILLIAM H. KOLBERG,
Assistant Secretary of Labor for Employment and Training Administration, Department of Labor, Washington, D.C.

DEAR MR. KOLBERG: You will recall that in hearings in which you appeared in 1974 and in October, 1975, before the Readjustment, Education and Employment Subcommittee of the Committee on Veterans' Affairs we expressed considerable concern about the low percentage of veteran participation under the Comprehensive Employment and Training Act (CETA). Of particular concern was the 4.8% Vietnam-era participation rate in CETA Title I programs in light of the requirements for "special consideration" for veterans contained in Title I regulations.

Subsequent to your appearance last October in response to written questions the Department of Labor (DOL) specified that special consideration for veterans would result from the "utilization of a three-part strategy", one part of which consisted in the preparation of a technical assistance manual. Inasmuch as unemployment rates for younger veterans continue to remain at an inordinately high level, the importance of CETA as an employment mechanism for unemployed, disabled, special and recently discharged veterans cannot be stresssed too much, and any technical assistance guide must be of a high standard of quality.

Accordingly it was with considerable interest and expectation that I examined the Final Draft of the technical assistance manual titled "Veterans and CETA". Though the preface to the guide alleges that "the intent of this technical assistance guide is to help prime sponsors to carry out their responsibilities to veterans", the manual fails to delineate responsibilities. Further, little if anything is contained in the manual which would demonstrate how prime sponsors can best "carry out their responsibilities". At page 18, for example, it is stated that "A technical assistance guide is forthcoming that will cover self-evaluation". If "Veterans and CETA" was intended to provide meaningful directions and assistance it is difficult to understand why self-evaluation guidelines are not included as part of that manual.

Aware of these many demands on prime sponsor's time and energy, the Committee anticipated that the technical assistance guide would be a "how to" document which would facilitate the prime sponsor in rendering such services to veterans as contemplated by the law.

Unfortunately beyond vague generalities, serious questions are raised as to whether the proposed draft accomplishes that objective.

Further, recognition that CETA has been decentralized does not absolve the Department of Labor of insuring that federal objectives are met, as your answers to submitted questions by the Committee would seem to imply. As the General Accounting Office noted in a report concerning CETA Title I and II dated January 2, 1976: "Under CETA the prime sponsor is responsible for program design with *federal influence* being exerted through labor's technical assistance, plan approval process, and monitoring of prime sponsor's activity". (emphasis supplied)

Thus, the technical assistance manual becomes all the more important to insure that "federal influence" is clearly and convincingly conveyed.

For example, public service employment when utilized by prime sponsors in Title I requires in the prime sponsor narrative the following:

". . . (4) Description of strategy for serving and matching and matching jobs to special veterans skills;

(5) Description of plan for providing services to significant segments of the population, and disabled veterans, special veterans, and those veterans discharged within four years of the date of application, welfare recipients; and former manpower trainees; . . ."

[95.14(6) (2) (1) (f)]

Unfortunately, nowhere in the draft is there a section devoted to explanation of what those provisions mean or how a prime sponsor might comply with those requirements.

In the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567), public service under CETA was extended to include in the definition, part-time work for certain workers including GI Bill trainees who because of their educational status are unable to engage in full-time work. These amendments were reflected in the 1976 regulations (94.4 (uu)). When queried at the October, 1975 hearings about what the Department had done to promote the split-job concept among prime sponsors, you responded in writing by asserting that "the technical assistance guide being prepared for prime sponsors will focus on this responsibility to make a specific effort to develop full- or part-time work opportunities". The draft of the technical assistance manual devotes no more than 1/3 of a page to part-time work even though the mechanism was the subject of Congressional amendments. The technical assistance afforded prime sponsors consists chiefly of the advice that "the prime sponsor may consider working with the Veterans' Administration to find eligible veterans who can benefit from the split-job participation".

Such advice, however well-intentioned, does not appear to "focus on the responsibility to make a specific effort" as your answer to the Committee said it would. As you also know under section 701(a)(7) of 29 U.S.C. "veterans outreach" activities are included in the definition of public services, which means not only that veterans can be employed to provide veterans outreach services but that other unemployed veterans may be aided by such services. Yet this mechanism is neither described nor developed in the draft. No help or direction is provided to sponsors to help them develop the outreach program which may aid significant numbers of unemployed veterans.

Also, it is my impression that far too much emphasis in the CETA draft is placed on "counseling veterans rather than in providing employment and training opportunities to them. Such counseling should be supplemental to that which is required to be furnished by the Veterans' Administration and State Employment Service Offices.

Finally, small mistakes pervade the draft. For example, the description of programs and services provided by the Veterans' Administration has several misstatements of the law. Nowhere is there a detailed guide to the steps required for mandatory listings by prime sponsors. Further, the plan for a cooperative effort to obtain veteran population figures could be easily accomplished by utilizing the VA county population totals presently available.

In summary, the technical assistance draft is a disappointment in light of the emphasis you have placed on it to aid veterans. It does little in a practical sense to apprise prime sponsors of their obligations to veterans and how these obligations can be met.

Accordingly, it is strongly suggested that you promptly re-examine the draft in light of these observations.

Sincerely,

VANCE HARTKE,
Chairman.

U.S. DEPARTMENT OF LABOR, OFFICE OF THE ASSISTANT SECRETARY FOR MANPOWER,
Washington, D.C.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of February 17, 1976, regarding your review of the draft of the Veterans and CETA Technical Assistance Guide (TAG).

I have reviewed your comments with considerable interest. I was particularly interested in your reference to the GAO report and its relationship to the TAG—that the TAG be employed to insure Federal objectives are set by clearly and convincingly conveying the "Federal influence" to prime sponsors.

We are currently in the process of reviewing all comments that have been received as a result of placing the TAG in our internal clearance process. All comments are to be considered and, as appropriate, will be incorporated in the Technical Assistance Guide.

I share with you your continuing interest and concern regarding the employment and training related needs of veterans.

Sincerely,

WILLIAM H. KOLBERG,
Assistant Secretary for Employment and Training.

MARCH 24, 1976.

Hon. WILLIAM H. KOLBERG,
Assistant Secretary of Labor for Employment and Training, Department of Labor, Washington, D.C.

DEAR MR. SECRETARY: Thank you for your initial response to my letter of February 17, 1976 in regard to the draft Veterans and CETA Technical Assistance Guide (TAG).

As you are aware, the General Accounting Office (GAO) analyzed the relationship between the Federal government and prime sponsors under CETA as one wherein the prime sponsor is responsible for program design but federal influence can be exerted through, in part, labor's technical assistance. Thus, a technical assistance guide, or, in this instance, TAG, is important to insure that Federal influence is exerted in a clear and convincing manner. Hopefully, the notation in your reply of March 5, 1976 is an acknowledgement of the importance of TAG for exerting Federal influence clearly and convincingly within the CETA framework.

I would appreciate your specific response to each of the deficiencies of TAG which were noted in my letter of February 17, 1976, including the following shortcomings:

1. Failure to be a "how to" document;

2. Failure to provide meaningful self-evaluation guidelines;

3. Failure to provide direction to the prime sponsor in regard to requirements of CETA legislation as enacted and CETA regulations as promulgated;

4. Failure to include effective guidance concerning the split-job concept;

5. Failure to include guidance concerning "veteran outreach" activities;

6. Misplacement of emphasis on counseling veterans rather than providing employment and training opportunities;

7. Failure to include guidance concerning mandatory listing procedures and mandatory listing requirements; and

8. Inclusion of misstatements of law.

In addition, further study of the draft revealed that no direction is included in regard to utilization of on-job training benefits available to eligible veterans as part of the GI Bill.

I believe that the readjustment funds available for eligible veterans enrolled in approved on-job training and apprenticeship programs is an important underutilized resource which is readily adaptable to the CETA framework and, as such, failure to include the necessary details and encouragement for OJT plan approval and enrollment is an oversight which should be corrected.

I believe that it is imperative that TAG be completed in the very near future. However, the Committee would appreciate an opportunity to examine and comment upon TAG after incorporation of all comments as appropriate but while it is still in the "draft" stage.

I appreciate your consideration in this matter.

Sincerely,

VANCE HARTKE,
Chairman.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE ASSISTANT
SECRETARY FOR MANPOWER,
Washington, D.C., April 12, 1976.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you are aware, the draft Veterans CETA Technical Assistance Guide (TAG) is currently undergoing major revision. Your comments have been noted, and you may be assured that they have been seriously considered.

Each point you raised is addressed below:

1. *Failure to be a "how to" document.*

The format of the TAG is being changed. The TAG is expected to be more to the point and will address "how to" perform certain tasks in general terms. It will also provide examples of programs already in use by prime sponsors which are exemplary in their service to veterans.

2. *Failure to provide meaningful self-evaluation guidelines.*

Although the Office of Community Employment Programs is in the process of developing a technical assistance package covering the area of self-evaluation, pertinent and meaningful information on self-evaluation and evaluation of subcontractors/subgrantees will be included in the Veterans CETA TAG.

3. *Failure to provide direction to the prime sponsor in regard to the requirements of CETA legislation as enacted and CETA regulations as promulgated.*

It is felt that by changing the tone of the document, the force of legislation and regulations will be indicated. The prime sponsor will be advised that he does indeed have responsibilities for providing special consideration to veterans and that he will be expected to carry out those responsibilities fully.

4. *Failure to include effective guidance concerning the split-job concept.*

The narrative will go into greater detail about the split-job concept. It will advise the prime sponsor of the nature of the concept, alternate methods of use, and sources of referral.

5. *Failure to include guidance concerning veteran outreach activities.*

Examples of outreach methodology will be included. One example is a veteran's hotline operated by the CETA prime sponsor in Buffalo, New York. This 24-hour hotline takes calls from veterans to answer questions and help the veteran cope with whatever his particular problem might be.

6. *Misplacement of emphasis on counseling veterans rather than providing employment and training opportunities.*

Counseling is vital in successful employment and training efforts. The individual must take part in the planning process which is a counseling function. Some individuals need only counseling in job search and interview before being able to successfully place themselves. However, emphasis will be placed on developing job and job training opportunities for veterans.

7. *Failure to include guidance concerning mandatory listing procedures and mandatory listing requirements.*

The CETA prime sponsor, as a grantee, is not covered under the mandatory listing requirement as are Federal contractors. Accepting job orders resultant from mandatory listing is an Employment Service responsibility. The TAG will state that prime sponsors should inform veterans that such mandatory listings are available at Employment Service offices.

8. *Inclusion of misstatements of law.*

The information on Veterans Administration administered benefits was received initially from VA personnel. The narrative will be sent to the VA for review.

9. *No direction in regard to use of OJT benefits available to eligible veterans as part of the "GI Bill."*

Information will be included in the section on VA administered benefits.

10. *OJT and apprenticeship through use of readjustment funds.*

These are VA administered funds and are not directly available for CETA use. CETA prime sponsors will be encouraged, however, to make full use of all resources, particularly those which exist in their own communities.

When the draft underway at this time is complete, you will receive copies to permit your review prior to finalization of the document.

Your interest in veterans' matters is always sincerely appreciated.

Sincerely,

WILLIAM H. KOLBERG,
Assistant Secretary for Employment and Training.

Mr. President, I think that an examination of the letters is instructive. If you will note, DOL's response to my first letter was short and volunteered little interest or information. I was forced to write again, enumerate the objections stated in my first communication and request a specific response to each of the deficiencies noted. In turn, the Department of Labor responded with a more detailed discussion of the issues involved. Finally, in July, another final draft was forwarded to the committee. An examination revealed a considerable difference in quality between it and the previous draft that the committee had received in February.

Mr. President, I ask unanimous consent that the letter sent to the Department of Labor concerning the most recent TAG be inserted in the RECORD at this time. There being no objection the letters were inserted in the RECORD as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., July 9, 1976.

Hon. WILLIAM H. KOLBERG,
Assistant Secretary of Labor for Employment and Training, Department of Labor, Washington, D.C.

DEAR SECRETARY KOLBERG: Thank you for arranging to forward the final draft of the Technical Assistance guide (TAG) entitled "Veterans and CETA". Since your letter of April 12 informed me that the draft was undergoing major revision and that I would receive copies for review prior to finalization of the document. I have anxiously awaited its completion.

As noted in my February 17th letter concerning TAG, the Committee is concerned with the low level of Vietnam era veteran participation under the Comprehensive Employment and Training Act (Public Law 93-203); especially as compared with the successful record of veterans employment compiled by the Federal manpower programs which preceded CETA. Your recent report to the Committee concerning Veteran Employment Services revealed that of the new participants in CETA title I programs during 1975, only 5.2% were special Vietnam veterans. In light of the high levels of unemployment among veterans, particularly younger, minority and disabled veterans, this low level of participation is discouraging. Hopefully TAG will facilitate the exertion of Federal influence within the CETA framework.

Our examination of the most recent final draft of "CETA and Veterans", reveals a considerable difference in quality between it and the previous draft I commented upon in February. You are to be commended on the improvement.

The Committee desires that TAG will be forwarded to prime sponsors in an efficient and expeditious manner. When can the Committee expect action in that regard? Further, what effort will be undertaken by the Department to brief prime sponsors and responsible employees thereof of the contents of TAG? Will SVERs and AVERs be visiting each prime sponsor within their jurisdictions to draw attention to TAG and emphasize its content?

Again congratulations on the new TAG. I await your prompt response to my inquiries.

Sincerely,

VANCE HARTKE,
Chairman.

Mr. HARTKE. Mr. President, let me give an example of the problems veterans have when the obligations imposed upon the Department of Labor and, in turn, upon prime sponsors are less than specific. On April 6, 1976, I wrote to Assistant Secretary of Labor William Kolberg concerning a GAO report released in January 1976 entitled "Public Service Employment in Delaware Under Title VI of the Comprehensive Employment and Training Act." That report revealed that the city of Wilmington, a prime sponsor, was not implementing the 48-hour hold in a manner which gave veterans "special consideration." I did not receive a response from the Department of Labor until the beginning of June. My query whether Wilmington was typical of the "special consideration" that eligible veterans are receiving, from prime sponsors throughout the CETA program, was unanswered.

Mr. President, unfortunately, I fear that Wilmington is, in fact, all too representative. I ask unanimous consent that this letter to the Department of Labor be inserted in the RECORD at this point.

There being no objection the letter was inserted in the RECORD:

U.S. SENATE,
COMMITTEE ON VETERAN'S AFFAIRS,
Washington, D.C., April 6, 1976.

Hon. WILLIAM H. KOLBERG,
Assistant Secretary of Labor, for Employment and Training, Department of Labor, Washington, D.C.

DEAR SECRETARY KOLBERG: Recently, I examined a January 23, 1976 General Accounting Office report conducted at the request of the Honorable Pierre S. du Pont, representative from the State of Delaware, entitled *Public Service Employment in Delaware Under Title VI of the Comprehensive Employment and Training Act.* As you are aware, the Act requires that certain veterans who served in the armed forces of Indochina or Korea on or after August 5, 1964, are to receive special consideration. GAO found that the city of Wilmington (a prime sponsor) was not giving those veterans special consideration in filling jobs.

The report noted that despite regulations requiring that all openings (except those to which former employees are being recalled) be listed with the state employment service 48 hours before the vacancies are filled, the city of Wilmington "did not refer veterans before other eligible applicants to the department or office having the vacancies. Veterans and all other eligible applicants were referred at the same time." As you are aware, "the employment service is to refer eligible veterans for the vacancy during the 48 hours period."

GAO reported that while representatives of Wilmington asserted that (the city) had enrolled "substantial numbers of veterans", it knew "of no requirements in the regulations that it must refer veterans in advance of other applicants to departments having vacancies, and has never been criticized by the Department of Labor on its veterans' referral system."

In response to these contentions, GAO commented that " . . . we believe that the existing procedures do little to give veterans actual preference since all job seekers, whether veterans or not, are referred to job vacancies at the same time."

Further, GAO found that the "substantial numbers of veterans which the city asserted had been enrolled totaled only 4 (6.1% of the veteran group specified for special consideration under CETA, GAO commented ". . . the city is apparently referring to all veterans while Labor's regulations call for preferential treatment for veterans specified in CETA".

As communication between us during the past few months reveals, I am most concerned with the low participation rate by veterans in CETA programs. In this connection, I have previously brought to your attention a GAO analysis of the CETA framework contained as part of the January 2, 1976 report concerning CETA Title I and II, to wit: "Under CETA, the prime sponsor is responsible for program design with federal influence being exerted through labor's technical assistance, plan approval process, and monitoring of the prime sponsor's activity." This most recent GAO report concerning Wilmington strikingly illustrates the very concerns which I have previously communicated to you.

In this particular instance, a well drafted technical assistance guide (TAG) had it been available, would have been useful to the Wilmington prime sponsor in regard to mandatory listings. However, as noted in my letter of February 17, 1976, the draft TAG would not have been of any benefit in regard to mandatory listing since "nowhere (in TAG) is there a detailed guide to the steps required for mandatory listings by prime sponsors."

Further, any technical assistance guide should delineate which veterans are eligible for special consideration. Such a delineation would prevent prime sponsors from believing that they had hired "substantial numbers" when, in fact, the numbers of eligible veterans hired had been minimal.

A third observation I am compelled to make is that Wilmington's comment that it had "never been criticized by the Department of Labor on its veteran referral system," evidences at best, a lack of federal influence being exerted through the monitoring of the prime sponsor's activity. I am aware that the regulations do not specifically require that veterans be referred in advance to the department's hiring CETA participants.

However, I am in agreement with GAO's analysis that "the existing procedures do little to give veterans actual preference since all job seekers, whether veterans or not, are referred to job vacancies at the same time." It would seem that monitoring on the part of DOL would have found that no special consideration, in reality, was being afforded eligible veterans. And, it is apparent, that in response to GAO's findings, measures should be forthcoming on the part of DOL which will assure that the city of Wilmington and other similarly situated prime sponsors afford eligible veterans the special consideration to which they are entitled.

I would appreciate your detailed comments about and response to the GAO report. I would also appreciate your comments and response to the points that I have raised in this letter. In particular, what steps have been taken or are planned to insure that Wilmington and other prime sponsors are fulfilling their responsibilities to veterans in a meaningful manner? Further, is Wilmington typical of the "special consideration" that eligible veterans are receiving from prime sponsors throughout the CETA program?

Thank you for your attention to this matter.

Sincerely,

VANCE HARTKE,
Chairman.

Mr. HARTKE. Mr. President, GAO had found that the city's existing personnel "procedures do little to give veterans actual preference since all job seekers, whether veterans or not, are referred to job vacancies at the same time." In answer to such finding, Assistant Secretary of Labor Kolberg observed in his letter that—

> It would not seem appropriate for the Department of Labor to require the city to disregard its personnel regulations.

GAO also concluded that Wilmington did not even present the appearance of giving veterans special consideration in filling jobs and that improvements were needed in Wilmington's personnel procedures to give "special consideration" to "special veterans."

In response to GAO's findings and in response to my question on what steps the Department of Labor planned to insure that Wilmington was fulfilling its responsibility to veterans in a meaningful manner, the Assistant Secretary Kolberg states:

> The department sees no need, at this time, for any additional procedures to assure compliance with the CETA regulations since the city of Wilmington is fulfilling its responsibilities vis-a-vis special veterans.

Mr. President, I think that the Department of Labor's shrug-the-shoulders approach to the GAO's findings in regard to Wilmington is a good indication why, in fiscal year 1975, only 5.2 percent of all CETA enrollees in title I were "special Vietnam and disabled veterans." I think that the failure of the Department of Labor to exert Federal influence on behalf of veterans is, in this instance, a frustration of the expressed congressional concern that all veterans, particularly younger, minority, and disabled veterans, be employed and that the Federal Government be a leader in these employment efforts.

Mr. President, I ask unanimous consent that the Department of Labor's response be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE ASSISTANT
SECRETARY FOR MANPOWER,
Washington, D.C., June 1, 1976.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of April 6, 1976, concerning the January 23, 1976, General Accounting Office (GAO) report entitled *Public Service Employment in Delaware Under Title VI of the Comprehensive Employment and Training Act.*

We have carefully reviewed the January 23, 1976, GAO report and feel that special veterans were, in fact, given special consideration, as prescribed in the regulations, by the city of Wilmington in their hiring of participants under title VI of the Comprehensive Employment and Training Act (CETA) of 1973, as amended. As the report states, the city complied with section 96.30 of the CETA regulations by listing all title VI positions with the State employment service at least 48 hours before they were filled. This procedure gave the employment service the opportunity to refer special veterans to the city's personnel office for certification before it referred other applicants. As specified in the city's personnel rules, the personnel office then prepared certification lists with the names of qualified applicants which, in turn, were provided to the city departments filling the title VI positions. The report indicates that the city personnel regulations permit only one eligibility list of applicants for each job vacancy and, thus, separate lists for special veterans and all other applicants are not possible. Further, it would not seem appropriate for the Department of Labor to require the city to disregard its personnel regulations.

Once the certification lists are sent to the city department filling the title VI positions, that department should then give special consideration in its hiring process to those special veterans on the lists. The prime sponsor is required to describe in its grant narrative the specific steps to be taken to provide this consideration. Then through its monitoring visits, the Department of Labor's regional office staff are responsible for ascertaining that these steps as outlined by the sponsor are being followed and that special veterans are, in fact, being served.

The Department's regional office in Philadelphia has found through such monitoring that the city of Wilmington has indeed given special consideration to these special veterans. Further, as of the quarter ending December 31, 1975, the city had served in its CETA title VI program 32 special veterans and 22 other veterans. When applied to the cumulative number of 234 individuals served under title VI, this means that over 14 percent were special veterans and an additional almost 9 percent were other veterans. The Department sees no need, at this time, for any additional procedures to assure compliance with the CETA regulations since the city of Wilmington is fulfilling its responsibilities vis-a-vis special veterans.

Concerning the technical assistance guide (TAG) being prepared to aid prime sponsors in serving veterans, it has been rewriten and is currently being reviewed by the United States Employment Service. We anticipate that it will supplement the CETA regulations by discussing suggested ways in which prime sponsors may comply with these regulations pertaining to veterans.

I hope that this information provided will be helpful.

Sincerely,

WILLIAM H. KOLBERG,
Assistant Secretary for Employment and Training.

Mr. HARTKE. Mr. President, it is apparent that if Congress wishes to communicate its national concerns to prime sponsors it must do so specifically. The particular vehicle used in this instance, specifically requiring the prime sponsor to include in his plan "arrangements to promote maximum use of apprenticeship or other on-job training opportunities" will be effective and I applaud this step forward.

The Nation as a whole must work to reintegrate veterans into the mainstream of a working America. Again, I recognize that CETA is a decentralized manpower program—but these unemployed veterans have served the whole country—not a decentralized nation—and in that regard, Federal influence must be exerted on their behalf. Requiring coordination between CETA and the VA's on-job training program is one way of expressing this national concern.

Mr. President, I would like to point out that the benefits of requiring coordination between CETA and the VA OJT program are not solely limited to unemployed veterans. The National Commission for Manpower Policy, established pursuant to title V of CETA, reported in October 1975 that—

> Increasing coordination among various manpower and related programs——

Of which the VA OJT and apprenticeship program was included.

> is generally accepted as a practical solution to the problem of having too few resources in relation to the magnitude of need being addressed.

The Commission also recommended:

> Congress . . . make clear its intent that the mandate for coordination applies to other programs as well as CETA.

The VA on-job training program does offer opportunities for successful manpower coordination. This GI readjustment program has been successful. A 1972 study conducted by the Veterans' Administration revealed that those veterans who had completed training had higher median earnings than veterans who had completed other types of training under the GI bill. By interrelating the CETA program with the VA OJT program I have little doubt that both programs will benefit many more veterans.

Mr. President, this dilemma of large numbers of unemployed veterans continues. The Emergency Jobs Programs Extension Act is one measure which will aid us in alleviating this pervasive problem. CETA prime sponsors will benefit by the required utilization of other manpower resources and unemployed veterans will benefit by the additional steps required of CETA prime sponsors on behalf of veterans.

Mr. President, I support this legislation as an important step in our efforts to put these veterans to work. Let us realize, however, that the continued high unemployment rates among younger, minority and disabled veterans imposes an obligation upon the Congress which will not be relieved solely by the passage of this legislation alone. I, as chairman of the Veterans' Affairs Committee will continue to oversee DOL's efforts in regard to the employment of veterans.

Mr. ROTH. Mr. President, I intend to vote for this bill. I will do that even though neither this bill nor the public service jobs program are all I would like them to be. Both have shortcomings but, on balance, I believe the CETA program should be continued for another year.

The administration of the Comprehensive Employment and Training Act has been beset with problems from almost the very day of its inception. I am sure many of my colleagues are familiar with the exhaustive study conducted by the New York Times in which it was charged that local officials have used CETA funds to hire relatives, maintain a politically acceptable level of municipal services, and ease budget problems generally. In my own State of Delaware, the CETA program has been burdened by disputes over the eligibility of participants for unemployment benefits, a proposed change in the method of calculating the unemployment levels, and other serious problems. Delaware's difficulties aptly illustrate, I believe, some of the CETA programs' deficiencies.

The continuity and effectiveness of the CETA program has been hampered at times by seemingly trivial and unrelated decisions. For instances, a month or two ago, the Bureau of Labor Statistics decided to change the method of estimating unemployment. Naturally, such a change in methodology would have resulted in a change in the reported level of unemployment. Arguably, this is because the new method would be more accurate, but many believe it is because the new method is less accurate. In any event, since CETA funds are allocated according to the estimated unemployment rates, this change in methodology would have cost Delaware $200,000. In Sussex County—which some Senators may know better as the country where Rehoboth Beach is located—this could have meant the loss of about 30 CETA jobs.

Fortunately, we were able to persuade the Secretary of Labor to use his discretionary funds to insure that no area was penalized because of the change in methodology. I might add that 22 other States would have been affected in much the same way as Delaware, so the Secretary's decision was of major national significance. While this issue is now settled, there was a period of about 6 weeks when State and local administrators simply did not know whether to lay people off or not.

A similar, but more serious problem confronted us even more recently. This one concerned the eligibility of CETA participants for unemployment benefits.

As many Senators may know, employee eligibility for unemployment benefits is generally a matter of State law, not Federal. There has been considerable confusion, however, as to whether CETA employees are eligible for either general or special unemployment benefits and, if they are, who is to make contributions to the unemployment insurance fund and how.

Because of this confusion and disagreement, some prime sponsors, including the Delaware consortium, were caught unaware when the Department of Labor recently issued field instructions. The Department decided, first, that CETA participants were eligible for unemployment benefits and, second, that each prime sponsor had to divert CETA grant money into an escrow to pay for these unemployment benefits. In Delaware, this would have translated into a serious loss of at least 100 CETA jobs and, possibly, as many as 200.

Interestingly, some persons were blaming the Congress for the threatened impact of this decision. CETA participants were being told that they were being laid off because the Congress had failed to pass the bill which we are now considering. In fact, as I am sure other Senators know, we have already appropriated enough money to continue CETA at its present level until the end of January next year. The layoffs which were occurring were the result of this unemployment problem, and, in some cases, sponsors having spent their money too fast.

Regardless of this confusion, I discussed the problem at length with officials at the Department of Labor. Eventually, they agreed for the Department to handle unemployment insurance costs occurring after the CETA program is completed on a national, rather than local basis. For one of Delaware's prime sponsors, the city of Wilmington, this decision ended the threatened program reduction. For our other prime sponsor, the Delaware consortium, the decision helped substantialily, but did not eliminate all of the problems. I am still addressing those which remain.

I am reasonably sure there will be other problems as the CETA program continues. Hopefully they will be less serious. The purpose of recounting these difficulties is not to consume the Senate's time with a litany of woes, but to graphically illustrate the kinds of handicaps under which the CETA program has labored. Yet despite these burdens, the simple fact remains that many of CETA's objectives have been achieved.

I think the bill before us addresses many of the CETA problems. The bill has its weaknesses, principally the committee's failure to put a ceiling on the authorization. I should think the Members would have learned from bitter experience that open ended authorizations are a breeding ground for fiscal crises. But faced with a choice between no bill at all and this one, I will take this one.

Mr. HATHAWAY. Mr. President, the committee-reported bill before us today, the Emergency Jobs Programs Extension Act of 1976 is an amended version of H.R. 12987. The committee-reported bill extends the public service jobs program under title VI of CETA by authorizing the appropriation of such sums as may be necessary through fiscal year 1977. H.R. 12987, the House-passed version, extended the title VI program only through September 30, 1976, the end of the transition quarter. This bill deserves prompt and speedy passage by the Senate.

The Bureau of Labor Statistics recently disclosed some alarming figures: The unemployment rate increased 3/10 of 1 percent in July—from 7.5 to 7.8 percent. This is especially disconcerting when we consider that only a few short months ago the administration was telling us all economic indicators were in the right direction, that our economy is on the upswing. Mr. President, I do not think the people who comprise that 7.8 unemployment rate, the people who are looking for work and coming up empty handed, are willing to accept that analysis.

I do not deny the fact that there has been considerable improvement in the economy. Ravaging inflation has at least been slowed down and consumer demand is in a healthier state than it was a year ago. Despite these gains, however, we cannot afford to stand by and allow millions of people to feel that there is no hope for a job, that they should just accept their sorry state of affairs and wait for the private sector to come around.

The fact of the matter is that we in the Congress cannot wait for the private sector to hire all those who are willing and able to work. Let us stop kidding ourselves; there are some real limits to the private sector's job creating and hiring capabilities at this time. Those in the administration and elsewhere, who speak of "meaningful" private sector jobs as the only kind of jobs worth pursuing, do not realize that long-term unemployment takes its toll physically as well as economically. When we speak of unemployment, we speak not only of $17 billion of unemployment compensation, welfare, and lost tax revenue; we speak of the damage to the human spirit, to the perpetuation of a negative self-image, to the feelings of hopelessness and futility. If uninterrupted, these feelings will do more harm to the social fabric of our society than anything else.

Having said this, I would like to highlight some key aspects of the committee-reported bill:

First, this bill extends the public service jobs program under title VI of CETA by authorizing the appropriation of such sums as may be necessary through fiscal year 1977. With the unemployment rate at an alarming 7.8 percent—with no apparent signs of decreasing, there can be no dispute of the necessity of this extension.

Second, this committee bill, like the House-passed bill, authorized not to exceed 15 percent of funds to be used for necessary supplies and equipment and administrative expenses.

Third, the committee bill provides that jobs created above the current level will be in community employment projects for the long-term, low-income unemployed who have been unemployed for 15 or more weeks, including those who have exhausted unemployment benefits, or are receiving unemployment compensation or public assistance, and who are members of low-income households. This provision, I believe, is extremely important, in that it targets future increased expenditures in this area on those individuals most in need of assistance—those who, by and large, will have trouble finding jobs even when the overall unemployment picture begins to improve.

Fourth, the committee bill provides that the Secretary of Labor shall provide for assistance for community-based organizations of demonstrated effectiveness. In addition, the Secretary shall seek cooperation with programs of other Federal agencies affecting employment.

Under this section, I offered an amendment which authorizes the Secretary of Labor to support projects demonstrating the feasibility of providing relocation assistance to unemployed workers in areas of substantial unemployment. I was pleased that the Committee on Employment, Poverty and Migratory Labor accepted this amendment and I urge the Senate to do likewise.

Mr. President, the Employment Act of 1946 made it clear that the Federal Government has a responsibility—in cooperation with others—to achieve and maintain full employment. Thirty years ago we were willing to admit that a "bedrock" last-resort responsibility existed, that the Federal Government had to help provide, and provide directly, useful jobs for those willing and able to work, but unable to obtain jobs through other routes.

To support the concept of public service employment is not to dispute the commonly accepted view that the prime responsibility for job creation rests with private enterprise. Nor would such support dispute the important role of monetary and fiscal policies in promoting a healthier economic environment—an environment which encourages private enterprise through full and growing markets for its products. Nor would such support dispute the role of States and localities in job creation, or the importance of meaningful job-training programs.

It is not a question of either-or—that is, choosing between public service employment or the more long-term routes suggested by these other fiscal and structural mechanisms.

Notwithstanding the importance of private-sector jobs a commitment to the goal of full employment necessitates the exercise of this "bedrock responsibility." Can we really dispute the fact that useful work is more desirable economically and socially than involuntary unemployment, that full employment is an essential objective of national policy?

A recognition of the necessity for public service employment should not in any way negate our long-term commitment to job development in the private sector. But this program must be extended at the present time as an important component of our antirecessionary program if our Nation's recovery is to be an economically healthy one.

Mr. BEALL. Mr. President, I rise to speak in support of H.R. 12987, a bill to extend and expand title VI of CETA.

I have consistently supported CETA legislation because it has tended to provide much needed jobs, and to target those jobs for the areas of highest unemployment, where they will be most effective in combating joblessness. CETA's formula is an established method of providing jobs that has worked.

Unemployment statistics for Maryland, like all the other States, show substantial areas of high unemployment. Baltimore City, the westernmost counties in Maryland, and several areas on the Eastern Shore have unemployment rates well above the national average. This bill will be an aid in reducing unemployment by providing jobs through fiscal year 1977, at which time Congress can reassess the unemployment situation, and should once again be able to let the private sector provide much needed jobs for American citizens.

Mr. President, although Public Service jobs programs have had problems in the past, this bill makes every attempt to see that the money is used to hire the unemployed, and no more than 15 percent of the money is to be used for supplies and equipment. In addition, the bill contains a specific provision that will allocate jobs, above the 316,000 presently provided; to long term, low income, and unemployed persons. Those eligible under this new provision include any person who has been receiving unemployment compensation for 15 or more weeks; is ineligible for unemployment compensation and who has been unemployed for 15 or more weeks; has exhausted unemployment compensation benefits; or is, or whose family is, receiving aid to families with dependent children, provided under a State plan, approved under part (a) of title VI of the Social Security Act.

In addition, members of households with a gross family income exceeding 7 percent of the "lower living standards" level—as of May 5, 1976, is $9,580, 7 percent of which is $6,712, an income level determined by the Bureau of Labor Statistics on the basis of regional, metropolitan, urban, rural differences and family sizes as being the "lower living standard" budget—are ineligible. Prime sponsors must take into account the households support obligations of the men and women applying for these jobs and must give consideration to part-time jobs, flexible hours, and "share time" for parents of young children, and more importantly, the elderly. After 12 weeks, the State Unemployment Security Agency is to notify each recipient of unemployment compensation that he is eligible for one of these jobs as of his 15th week of unemployment compensation.

Mr. President, I think these type of requirements provide a sense of direction for prime sponsors. They require more emphatically than ever before that, those who really need the jobs in areas with the highest unemployment rates will get them. This is what is going to make title VI effective, and for that reason, I will support the extension of title VI of CETA through fiscal year 1977.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 12987) was read the third time.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. JAVITS. I yield back my time.

Mr. NELSON. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HASKELL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Rhode Island (Mr. PASTORE), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Connecticut (Mr. RIBICOFF) is absent on official business.

I also announce that the Senator from Delaware (Mr. BIDEN), and the Senator from Michigan (Mr. PHILIP A. HART) are absent because of illness.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Iowa (Mr. CLARK) would each vote "yea."

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Kansas (Mr. DOLE), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from Michigan (Mr. GRIFFIN), the Senator from Wyoming (Mr. HANSEN), the Senator from Nebraska (Mr. HRUSKA), the Senator from Nevada (Mr. LAXALT), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

The result was announced—yeas 67, nays 11, as follows:

[Rollcall Vote No. 515 Leg.]

YEAS—67

Abourezk
Allen
Baker
Bayh
Beall
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Domenici
Durkin
Eagleton
Ford
Glenn
Gravel
Hart, Gary
Hartke
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Leahy
Long
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Tower
Weicker
Williams

NAYS—11

Bartlett
Buckley
Byrd, Harry F., Jr.
Curtis
Garn
Goldwater
Helms
McClellan
McClure
Thurmond
Young

NOT VOTING—22

Biden
Brock
Clark
Dole
Eastland
Fannin
Fong
Griffin
Hansen
Hart, Philip A.
Haskell
Hruska
Kennedy
Laxalt
McGee
Montoya
Pastore
Ribicoff
Scott, Hugh
Scott, William L.
Talmadge
Tunney

So the bill (H.R. 12987), as amended, was passed.

The title was amended so as to read:

An Act to authorize appropriations for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. NELSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I move that the Senate insist upon its amendments to H.R. 12987, request a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. NELSON, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. RANDOLPH, Mr. HATHAWAY, Mr. WILLIAMS, Mr. EAGLETON, Mr. TAFT, Mr. JAVITS, Mr. SCHWEIKER, Mr. BEALL, and Mr. LAXALT conferees on the part of the Senate.

Mr. MORGAN. Mr. President, I voted for the so-called CETA bill, which carried with it an appropriation of $3.5 billion. I voted for it very reluctantly because of the fact that we have been operating with a substantial deficit in Congress this year and last year, and that the people of North Carolina believe very strongly in progress, but they also believe very strongly in fiscal integrity and fiscal responsibility. They do not understand how I can continue to vote for large, big-spending bills while, at the same time, Congress fails to assume its responsibility for raising sufficient revenues to pay these bills.

This, Mr. President, is a typical example of the position in which we quite often find ourselves. Many of those from North Carolina who are continually talking about balancing the budget in the Federal Government are amongst those continually writing me and pleading with me to vote for this issue, because if I do not vote for it, this county would lose over 300 persons or that city would lose so many other persons they have on their payrolls. Many of those who are making the plea to vote for the bill are the same ones who are pleading with me to balance the budget.

I voted for this one, but I do hope, Mr. President, that the next Congress will take a serious look at such programs as this, programs that I think, many of them, are meaningless and are makeshift jobs and do nothing to contribute to productivity in America.

I have a bill pending in the Committee on Public Works which I expect to push next year, which would authorize the Secretary of Commerce to keep on file proposals for constructive public works projects which could be put into operation within a period of 90 days if there is a time of severe unemployment. It would be up to the cities and towns to keep these projects updated so that when it comes time to provide jobs—and that was one of the main purposes or main arguments for this bill—maybe we can provide some jobs which will, at the same time, produce some projects of lasting and constructive value. Coming from a State such as I do, North Carolina, that believes in a balanced budget and fiscal integrity, I cannot continue to vote for make-shift jobs, many of which are the kind created in this bill.

I thank the Chair.

HOUSE CONCURRENT RESOLUTION 707—PROVIDING FOR A CONDITIONAL ADJOURNMENT OF CONGRESS UNTIL AUGUST 23, 1976

Mr. MANSFIELD. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 707) providing for a conditional adjournment of the House from August 10 until August 23, 1976, and the Senate from August 11 until August 23, 1976.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

UP AMENDMENT NO. 360

Mr. MANSFIELD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD) proposes an unprinted amendment numbered 360:

On page 1, line 2, strike "House adjourns" and insert in lieu thereof "two Houses adjourn".

On page 1, lines 3 and 4, strike "and that when the Senate adjourns on Wednesday, August 11, 1976,".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, that means that when the Senate convenes on Monday, August 23, it will convene at 12 o'clock noon.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the House concurrent resolution, as amended.

The concurrent resolution, as amended, was agreed to.

The title was amended so as to read:

Concurrent resolution providing for a conditional adjournment of the Congress from August 10 until August 23, 1976.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is indeterminate at this time as to whether or not we shall take up the so-called swine flu bill. The matter is in negotiation at the moment and if an agreement can be reached, very shortly, we shall turn to that bill, Calendar No. 10772, S. 3735. If agreement cannot be reached and it is not possible to take up the swine flu bill, the Senate can expect to adjourn very shortly.

EXTENSION OF TIME FOR FILING COMMITTEE REPORT ON SENATE RESOLUTION 495

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on the Budget be granted authority until midnight, Tuesday, August 10, 1976, to file its report on Senate Resolution 495, a waiver resolution with respect to consideration of H.R. 10138.

THE SENATE MAJORITY LEADER PRESENTS THOUGHTFUL VIEWS IN INTERVIEW WITH U.S. NEWS & WORLD REPORT

Mr. RANDOLPH. Mr. President, while the able majority leader (Mr. MANSFIELD) is at his desk, I express personal and official appreciation to him for his comments in the in-depth interview which appears in the current issue of U.S. News & World Report magazine. Our majority leader (Mr. MANSFIELD) was interviewed by several members of the staff of that excellent weekly news magazine. I believe that his responses are instructive and that he has served the Senate well. The analysis and insight that he provides to the public as a whole and to the readers of the magazine, will be well received.

The views expressed by Senator MANSFIELD reflect his seasoned guidance that has been the bedrock on which rests the Senate record of legislative achievements.

I embrace this opportunity to stress also that his counsel and compassion during turbulent and challenging years have been a firm foundation on which many of the complex national issues have been resolved.

The constructive career and leadership of MIKE MANSFIELD are recognized not only by his colleagues, regardless of their party affiliation, but those persons who closely follow the record of the work that transpires on Capitol Hill.

Thus, it is with genuine feeling that I commend our leader (Mr. MANSFIELD) for his answers to questions and his discussion of current issues in U.S. News & World Report.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR MIKE MANSFIELD TELLS WHY CONGRESS IS IN THE DOGHOUSE: INTERVIEW WITH THE SENATE MAJORITY LEADER

Are lawmakers unfairly blamed for the nation's problems? Is the caliber of members declining? A veteran of 34 years on Capitol Hill gives an insider's view of how it works, why it's changing, what lies ahead.

Q. Senator Mansfield, every poll one sees these days indicates Congress is pretty much in the doghouse with people. What's bothering everybody?

A. It's an accumulation of factors which have been building up: taxes, regulation, paper work, Vietnam. I was going to say Watergate—maybe they hold that against Congress, but they shouldn't. Then there's a loss in prestige throughout the world. So many factors.

Q. Are you suggesting that Congress is a kind of handy scapegoat for a lot of national frustrations?

A. Always has been—that's nothing new. A funny thing is: People can find fault with the Congress as an institution, but they don't seem to find much fault with their Representatives or Senators. They must like their Congressmen, or they wouldn't keep sending them back. It is the institution of Congress that they're taking it out on, as they do sometimes on the White House and the courts. It's a factor in life.

Q. When did you first come to Congress, Senator?

A. It was in 1943.

Q. More than three decades ago. Has the quality of the membership changed in that time?

A. By and large, in spite of the recent publicity, I think the caliber of the members of the Congress has improved. Today's members are better educated, younger. Congress is a different institution now than it was when I came.

Q. How do you mean that?

A. For one thing, there's no "inner club" in the Senate any more. That's the way it should be. Nobody is telling anybody else what to do.

Another thing: Younger members are more assertive, as they should be. We don't have wallflowers any more unless a member deliberately sets out to be one.

There is no arm twisting, no threats. I think it's better.

Q. This doesn't sound like the Congress most people visualize. What has happened?

A. The two major parties have become progressively less well organized.

If you'll follow the statistics down through the years, you'll see there are more and more independents all the time—people who shift from one party to the other and try to pick those they consider the best. Neither party has a lock on virtue. Neither party has been scandal-free.

I think it's a good trend for voters to elect people not on the basis of party but on the basis of what they think officials can do, and they can check on from time to time. By the way, they are checking on us more and more. That's a good thing.

Q. Congressional scandals are in the thick of the news. Has Congress done enough to police its own conduct?

A. No, but progress has been made. I would hope that the ethics committees would take a more positive stand on such matters, even though it is difficult to pass judgment on one's colleagues. Circumstances, in certain instances, are forcing positive action.

Q. What do people really expect and want from Congress?

A. As far as my State is concerned—and a member of the Senate can only speak for his State—they want service. When they write, they want an answer—an acknowledgement—although they would prefer results.

They want to see a good deal of their Senators and Representatives. Personal contact is a great thing, but it is increasingly hard to maintain.

Q. You make it sound like hand holding. Do you put that ahead of national law making?

A. I would put it ahead. When people ask me what they should do in politics, my first advice is to wear out shoe leather getting acquainted with folks, and the issues will take care of themselves.

Q. Has the congressional work load increased very much?

A. Tremendously. It's almost impossible for some Senators to keep up with their work. I don't see how Senators from big States like New York and California, Illinois and Pennsylvania do it.

Q. Do you have any words of advice for them?

A. No, I do not. They've got to answer the mail somehow. They've got to return telephone calls some way. They've got to carry out the chores which constituents place on them some way. And the only thing they can do is to increase their hours and increase staff work if need be, and delegate responsibility and authority—which I don't do.

Q. Members complain about committee work—

A. We have too many committees which overlap authority in certain areas such as energy.

Incidentally, I've been advocating—getting more and more support all the time—that we have one energy committee, for example, and that we take away from the others the fragments of interest which they have at the present time.

Q. Congress makes the laws. Do you think there is too much law making?

A. I've felt that we've had too many new laws for too long, and we tend to think that the answer to a difficult problem is to pass another law.

What we don't seem to recognize is that when we've passed a law, there's usually a concomitant that goes with it, and that is money. And in that respect we have contributed tremendously to the build-up of the national debt. I think we'd be better off passing fewer laws and enforcing the laws which are on the books.

It seems to me that the important factor is more oversight, so that where there are discrepancies they can be corrected. Where laws do not pan out as the Congress intended, they should be abolished. But I know of very few laws which have been abolished in my 34 years here. Once a law is on the books it's hard to get it off.

Q. Congress used to quit in August. Should Congress set a limit on its stay in Washington each year?

A. Yes, I think so. We stay in Washington all the time, not because we want to but because we have no choice.

It's really getting to be a year-round job—too much. We are here too long. We lose contact with home even though we make hurried trips back and forth. It would be better if we could spend more time with our people.

Q. You have said there are a lot more special-interest groups lobbying Congress than there used to be. Is this necessarily a problem?

A. It's another form of pressure that's applied on the members. Personally, I don't meet with lobbyists except from my State. I just don't meet with national groups because they take up too much of your time. If they've got anything to say, there's nothing to stop them from writing and making their views known.

The number of lobbying groups has increased; the amount of money expended has increased. And now there's developing a new group of pressure people. They get together in various parts of my State, and they'll write letters and send them to the entire delegation. They want a reply, "Yes" or "No," and they want it even when you haven't had a chance to study the legislation.

I notice this on the Genocide Treaty, on the abolishment of the Federal Energy Administration, on the other matters that have come before the Congress. It's evidently generated mail. They flood you with their views.

Q. Senator, can you tell us a bit about the Presidents you have worked with through all these years in Washington?

A. I didn't know President Roosevelt too well, to tell the truth. He called me down in '44 and asked me to go to China on a special mission. The next year he died.

President Truman—I was always uneasy about his use of the atom bomb, though I suppose it had to be done. But he had guts. He didn't get far with the Congress, but he didn't back away from Congress, either.

President Eisenhower was a man of his time. He defeated the more capable man, by far, in Adlai Stevenson. But, all things considered, I think Eisenhower did a good job in a period when we needed some rest and rehabilitation and reconstruction on our part, too, after war.

John Kennedy would have been a great President if he'd had a second term, because Johnson came in and built on the foundations which Kennedy laid.

President Johnson was the best of them all in domestic policy—maybe a little too good, a little too lavish. At least his heart was in the right place. But in foreign policy—Vietnam and the Dominican Republic—tragic.

President Nixon will be remembered for one thing, and that is opening the door to the People's Republic of China. But he'll always be identified with Watergate. How much he had to do with that, I don't know. I think he had people around him who took advantage of him. He was never a very secure man.

President Ford: decent, open, candid, and a welcome change from the previous White House; very conservative, but you always know where you stand with him.

Q. Do you think that men who come out of the Senate tend to make better Presidents?

A. Not necessarily, though I think they would be the best Presidents if, once they got into office, they would maintain their contacts with their friends on Capitol Hill in both parties. They do this for a short while, and then they become insulated. They have their own appointees, their own cronies around them, and cronies are the people who exercise the most influence.

The Congress, which should be in on a good many of the decisions which a President must make, is sort of left to shift for itself. It is the President's loss and the country's loss when that occurs, and it occurs all too often when a man goes from the Senate to the White House.

Q. What is your feeling about divided Government—one party in the White House and the other party controlling Congress?

A. Well, it tends to be less obedient, but I think that the people, in electing a Republican President and a Democratic Congress, are signaling that they want a gulf between the two, and they don't want a combination that will work in tandem all the time.

I think divided Government signifies a spirit of independence. On the other hand, if you have an administration and a Congress of the same party, you can accomplish a great deal more.

A President has more power than the Congress basically because, through the use of the veto, one man can overturn what a majority of the Congress does. That's a factor we tend to underestimate, but President Ford has used it to the limit and, on the whole, very successfully.

Q. Would you shift to a parliamentary system such as they have in Britain?

A. I wouldn't change our system one bit. It is fragile, it's delicate, but I think it's the best.

Q. Do you think the pendulum is beginning to swing after a period of 40 years of strong Presidency toward a less dominant President and a more dominant Congress?

A. No. Perhaps the best way to describe the trend is: a less dominant President, but a Congress which is groping its way slowly toward something approaching equality between the two branches which the Founding Fathers envisaged.

I think we need a strong President and we need a good Congress, but I don't think the Congress should be so strong that it would subordinate the office of the Presidency.

Q. If there were to be a Democrat in the White House, to what extent would that arrest this trend toward the Congress becoming a coequal branch?

A. I won't be here, but I hope it does not arrest the trend because we still have a long way to go to bring about a restoration of some of the powers which Congress voluntarily gave away. And we have no one to blame but ourselves for the loss of power which Congress has undergone since Roosevelt's time.

Q. How do you think Jimmy Carter and Congress would get along?

A. I don't know him very well. I'm not at all concerned about complaints that he isn't too specific on the issues. I think he has to have a degree of flexibility.

I would say he'll be his own man, but I would anticipate that he would do his best to get along with the Democratic-controlled Congress—and it will be. And I would hope that the Congress would meet him halfway—more if need be.

Q. You said the Congress would remain Democratic. Are you predicting a sizable victory in the presidential campaign for your party?

A. The dope is that the Democrats may suffer a loss in the House, and I wouldn't be surprised at that in view of recent developments. But even before these things happened, they expected a loss of 15 to 20 seats, I believe.

In the Senate, I would anticipate a gain of two or three for the Democrats—probably a 65–35 ratio next year.

Q. And a strong win for the Democratic candidate for President—

A. Yes, as of now—because the Republicans have a death wish, it seems.

Q. Do you think the two-party system is disintegrating? Is this something to worry about?

A. Yes, I think it's worrisome. But, at the same time, I think it's a compensatory factor when you have an increasing number of independents who shift from one party to the other, or from candidates in one party to candidates in the other party.

As I've said, neither party has a strangle hold on virtue, and one has just as many weaknesses as the other, and the other party has good people and bad people, and so do we. But the people seem to look more toward the Democratic Party for whatever their reasons may be—and I'm sure they're varied.

Q. What did you mean when you said the Republicans seem to have "a death wish"?

A. The way they've been fighting.

Here you have Ford and Reagan. Ford has been a lifelong Republican, not a bad President—not that we always agree; we don't. But he's been open and candid, and you know where he stands.

And now they've got a fight within the Republican Party, and a lot of Republicans are going to be so mad at whoever wins that they'll either stay home or perhaps vote Democratic. The Republicans need all the strength they have to win, because they're a minority party and they've got to get together. But they're tearing each other up.

Q. If the Republicans succeed in what you call a death wish, what happens next? Do we get a new party?

A. No. They had a death wish when they nominated Goldwater [in 1964], because a lot of their people left and voted for Johnson or didn't vote. But they came back with Nixon, you see.

So, no: If the Republicans lose this fall, they'll look moribund, but maybe this time they'll learn some lessons. And if they do, they might find that they have room in their party for liberals as well as conservatives, as we do in the Democratic Party. No reason why they shouldn't come back.

I don't want to see a one-party system in this country. I think it would be bad, so I wish the Republicans well in their comeback—but not too well.

Q. Do you think if Mr. Carter is elected that the Federal Government will continue to grow, moving further into the national-health-insurance type of legislation, for example?

A. I think it should. I think something has to be done to take care of the exorbitant costs—medical and hospital—which are falling upon our people, and some system has to be developed to take care of their needs. And I don't see how it can be avoided, nor do I think it should be avoided.

Q. So you see the Government in general continuing to grow—

A. Yes—because the people, by and large, want it to grow. They talk against Washington, but they always come to Washington when they need help and assistance.

Q. Senator, let's go for a moment to foreign policy. Is the United States turning inward toward isolationism?

A. Well, it is odd. When you talk about changing foreign policy, the word "isolationism" always comes up. You can't be isolationist in this world any more: It's too small, getting smaller. The means of communications are improving all the time, and anything which happens anywhere in the world you usually know about within an hour.

We've overstretched ourselves too much since the end of the second World War. For a while it was necessary, mandatory that we do so. But here we are 30, 31 years after the end of the second World War. We have approximately 1,800 bases scattered throughout the world; maybe 300, 400 of them are major. We have around 300,000 military personnel in Western Europe, and maybe 235,000 dependents. The cost, I would imagine, is around 22, 23 billion dollars a year. That isn't all lost, because if you had them here you'd have to carry a large share of that cost.

We don't seem to want to learn. We get out of someplace only when we're ordered out. That was the case in Cambodia under Sihanouk when he told us he didn't want our aid, and we did everything except get down on our knees and beg him, "Please, keep on taking our 25 million dollars a year."

We were forced out of Indo-China.

We were almost forced into Angola.

We never anticipate. We react to circumstances, whereas we ought to look ahead and recognize that the world is changing, we have to change with it; that as far as our manpower is concerned, it's limited; as far as our resources are concerned, they are not unlimited; that we are rapidly becoming a "have not" nation in many areas, and that we have to get along with the rest of the world, one way or another, whether we like it or not. It's a question of survival.

As far as a "fortress America" concept or looking inward or going inward or being isolationist is concerned, it just can't happen—it's an impossibility.

Q. Speaking of that, do you think a Democratic Administration should pursue détente with the Soviet Union?

A. I do. I don't think you can abolish the word "détente" with a wave of the hand any more than Canute could hold back the waves.

Q. Senator, we don't want to embarrass a modest man, but if you had to name one thing in your career that you were most proud of, what would it be?

A. Getting the Watergate inquiry under way. I made a promise to the people of Montana before the last presidential election that when I returned to Washington the first thing I was going to do would be to ask the Senate to create a committee to look into the break-in at Watergate, the obnoxious letters with sexual overtones attributed to Humphrey and Jackson, and such things.

I wrote a letter to Chairman Eastland of the Judiciary Committee and said I'd like to see a special committee headed by Senator Sam Ervin. We brought it to the floor and got a 77-to-0 vote, as I recall, in favor of it after some opposition from some Republicans. I was pleased to have the responsibility to name the Democratic members to that committee.

Now, I had no idea the investigation was going to expand into what it did. I think the committee did a good job, by and large. I only hope that the effects of what it uncovered will be remembered and not forgotten, as is too often the case. If we forget things like that, then I think we're really in a sad state.

Q. You have decided voluntarily to retire not only from Congress but from the most influential and prestigious post in the United States Senate. Why?

A. This has been a most gratifying career. We talked earlier about the pressures. The rewards lie in service to your people and to the nation. But I think that you've got to come in at a young age, you've got to be idealistic, you've got to marry idealism and pragmatism, and you've got to be able to roll with the punches as they come along.

One of my reasons for retiring is that I felt it was time for a younger person to take my place. I felt I had been there long enough. I hope I haven't lost my idealism, but I think it may have been diluted somewhat with the passage of time.

I just feel it is time to go.

Mr. MANSFIELD. Mr. President, I thank the Senator.

Mr. MORGAN. Mr. President, I, too, join in the comments of the distinguished Senator from West Virginia. I just suggested to our distinguished colleague that once he retires, he might spend his time being the goodwill ambassador for the Senate.

PRIVILEGE OF THE FLOOR

Mr. BARTLETT. Will the Senator yield for a unanimous-consent request?

Mr. MORGAN. Yes.

Mr. BARTLETT. I thank the distinguished Senator.

Mr. President, I ask unanimous consent that Vicky Hicks and Ed King of my staff be accorded the privilege of the floor during votes and consideration on all matters in this legislative day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I ask unanimous consent that John Napier of the staff of the Committee on the Judiciary be permitted the privilege of the floor during consideration and votes on this measure.

Mr. TAFT. I ask unanimous consent that Mr. Tom Block of my staff be accorded the privilege of the floor during debate and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Will the Senator yield?

Mr. MORGAN. Yes.

Mr. BEALL. Mr. President, I ask unanimous consent that Joseph Carter of my staff be granted the privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL INFLUENZA PROGRAM OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 1072, S. 3735, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 3735) to amend the Public Health Service Act to authorize the establishment and implementation of a national influenza immunization program and to provide an exclusive remedy for persons injured as a result of innoculation with vaccine under such program.

The Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending measure be referred to the Committee on Appropriations with orders that it report back expeditiously.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, if I heard the Senator correctly, he said "expeditiously." Am I correct in that understanding?

Mr. MANSFIELD. Correct.

Mr. JAVITS. I cannot join in that unanimous-consent request, Mr. President. I believe it should be voted on by the Senate for this reason——

Mr. MANSFIELD. Then I will move.

Mr. JAVITS. Yes, that is all right.

The reason is this: The swine flu vaccine is a national program advanced by the President in response to critical and important scientific evidence that there is the threat of that kind of an epidemic.

Mr. President, I would like to ask the majority leader for his advice because I may be in error as to——

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I will only state my desire unilaterally. Because of the emergency nature of this particular problem, I would want to go ahead with it and, therefore, if we can expect—and the majority leader is a valid source of information to me—that if we have a quorum here, of course, to be able to deal with this matter today, that is all I ask. I yield.

Mr. MANSFIELD. Was the Senator asking me a question?

Mr. JAVITS. Yes. All I hoped was to express the hope unilaterally today that if we have a quorum we will be able to deal with this matter today.

Mr. MANSFIELD. That is the intention of the joint leadership, and it is predicated on a quorum of the Appropriations Committee being present which, I think, it has. Today.

Mr. JAVITS. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I again suggest the absence of a quorum.

Mr. MANSFIELD. Will the Senator withhold that?

Mr. JAVITS. Yes.

Mr. MANSFIELD. Mr. President, I ask that the attachés on both sides notify the members of the Appropriations Committee to immediately come to S–128 for a meeting of grave importance, right away.

DOCUMENTATION OF THE VESSEL "BARBARA ANN"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 2951.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 2951) to authorize the documentation of the vessel, *Barbara Ann*, as a vessel of the United States with coastwise privileges, reported earlier today, without amendment.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill which had been reported earlier today.

Mr. MANSFIELD. I move the passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 4132 of the Revised Statutes of the United States, as amended (46 U.S.C. 11), or any other provision of law, the Secretary of the department in which the Coast Guard is operating, shall cause the vessel, Barbara Ann (vessel numbered 529835), presently owned by Keith Malcolm of Marine City, Michigan, to be documented as a vessel of the United States with the privileges of engaging in coastwise trade, upon compliance with the usual requirements, so long as the vessel is owned by a citizen of the United States.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. STENNIS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations reported earlier today from the Committee on Armed Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN THE ARMY AND THE NAVY

The legislative clerk proceeded to read various nominations in the Army and the Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER (Mr. CULVER). Could we hear the nominations?

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MANSFIELD). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the nominations reported to the Senate earlier today by the Armed Services Committee be considered en bloc. In this request I have the approval and support of the distinguished Senator from South Carolina (Mr. THURMOND), the ranking minority member, and the chairman of the committee, Senator STENNIS.

Mr. JAVITS. Mr. President, we have not heard the request.

The PRESIDING OFFICER. The request, which has been proposed by the Senator from Virginia, is that these nominations be considered en bloc.

Without objection, the nominations will be considered and confirmed en bloc.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE BUSINESS

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CULVER). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12:30

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:30 p.m. today.

There being no objection, the Senate, at 12:10 p.m., recessed until 12:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GLENN).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Ohio, suggests the absence of a quorum.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. JAVITS. Mr. President, what is the pending business?

The PRESIDING OFFICER. There is no pending business.

Mr. JAVITS. I think the leader called up a bill.

The PRESIDING OFFICER. The bill has not been called up as yet. The bill is still before the committee.

PRIVILEGE OF THE FLOOR

Mr. JAVITS. Mr. President, when the Senate considers S. 3735, I ask unanimous consent that the following staff members have the privilege of the floor: Jay Cutler, Nik Edes, Jon Steinberg, Allan Fox, Art Silverstein, Margaret Heagarty, Patricia Bauman, Peter Harris, and Don Ellisburg.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL INFLUENZA PROGRAM OF 1976

Mr. MANSFIELD. Mr. President, the Appropriations Committee has met, a quorum was present, and it has reported Calendar No. 1072, S. 3735, without recommendation; and, on behalf of the chairman of the committee, the Senator from Arkansas (Mr. MCCLELLAN), I ask unanimous consent that the bill be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (S. 3735) to amend the Public Health Service Act to authorize the establishment and implementation of a national influenza immunization program and to provide an exclusive remedy for persons injured as a result of inoculation with vaccine under such program.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JAVITS. Mr. President, shortly, we will offer, on behalf of a large number of cosponsors, a substitute for the Senate bill; and, in due course, will put ourselves in a position to send the Senate passed bill to the House for action today. We will be taking the necessary action upon the Senate bill, I hope.

I will sketch briefly the contents of the Senate bill, with the understanding that if there are any changes in what I have said attributable to the substitute as we will submit it in short order, I will call the attention of my colleagues to those changes.

Mr. President, the bill essentially represents an administration program which has been urged upon Congress by the President and the various detailed provisions, which I shall describe, relate to the way in which Congress, I believe and my cosponsors believe, can best meet the issue. The substitute was to have been submitted, Mr. President, by Senator KENNEDY, who is the chairman of our Subcommittee on Health, but in his absence, Senator WILLIAMS and I are going to manage the bill on the floor.

The measure, I believe, provides a responsible solution to an urgent public health problem, the establishment and implementation of a national swine flu program.

Unfortunately, the behavior of the insurance companies with respect to effectively preventing the vaccine to be made available to the American people has placed us in the tragic position of also having to create an alternative remedy for persons injured as a result of inoculation with the vaccine under the immunization program.

I also emphasize the proposition, Mr. President that the vaccine is being made available to the American people. There will be adequate vaccine to go around for all the American people. However, its use must be based upon written informed consent.

One of the very important provisions of the substitute which we shall submit deals with this question of informed consent, so that anyone who is vaccinated or, if it is parents and children, the parents, may have a clear understanding of exactly what is being done.

The bill provides as follows: It is authorization for the Secretary of HEW to conduct a national program of immunization against swine flu influenza, including the development and implementation of a written informed consent form and procedures. This is to be done in consultation with the National Commission for the Protection of Human Subjects to assure that the risks and benefits from the vaccine are fully explained to each individual and providing necessary information to advise individuals of their rights under this act in case of injury. I emphasize that through the kind intercession of my colleague from Maryland, a member of the committee (Mr. BEALL), we have included a period of time not later than September 1 and not less than 2 weeks before the law takes effect for that consultation to occur. The substitute further provide, in respect of the written informed consent, that it should deal with the rights and remedies which are available to anyone who gives his consent.

Those remedies are very important, as

I shall hereafter develop. We think that it is as critical as that the risks and the benefits from the vaccine are fully explained to each individual, so that the individual has the necessary information to know what his rights and remedies are in the event of injury. That is a very important provision of the bill.

Second, any contract for the procurement of the vaccine from a manufacturer would be subject to renegotiation to limit any profit to a reasonable profit and any insurance premium included in the contract price and which is refunded to the manufacturer under any retrospective, experience rating plan or similar plan shall be returned to the United States pursuant to criteria prescribed by the Secretary. That is now being discussed with Members of the House by committee staff and it may be that there will be a change in that provision, which I shall call to the attention of the Senate as soon as we are ready to introduce the substitute.

Also, as I noted and wish to emphasize, any insurance premium, even if there is no-profit situation respecting swine flu, which is included in the contract price which may be refunded to the manufacturer under any retrospective, experience rating plan or similar plan, will be returned to the United States based upon criteria prescribed by the Secretary of HEW.

Third, the exclusive remedy—and I emphasize that, the exclusive remedy—for persons alleging injury would be pursuant to the Federal Torts Claims Act. Thus, all claims in connection with the program against program participants, those who participate in the program without charge for the vaccine and its administration, and the vaccine manufacturers, would have to be asserted directly against the United States. The Government is liable, under the Federal Torts Claims Act, for injuries to the same extent that a private defendant would be liable under State law. However, the Government is authorized to secure recovery from third parties if an injured person's claim paid by the Government is due to the negligence of those third parties. Those third parties would include the manufacturer and, of course, others in the chain leading from the manufacturer.

The fourth item covered by the bill is that the Secretary would be required to conduct a study of the scope and extent of liability for personal injuries arising out of the immunization program and alternative means of providing protection against that liability and compensation for those injuries. The Secretary would be required to report on the study within a year after the enactment by Congress, with any recommendations for appropriate legislation. The recent testimony of Secretary Mathews before the Health Subcommittee of the Senate Committee on Labor and Public Welfare would appear to have presented a very serious problem with respect to all types of immunization that are vital to the public's health, most notably polio and measles, that are given routinely to our Nation's infants and children. This will bear further looking into on the part of our committee and the Congress.

I do not view this legislation and the process that gave rise to it as setting a precedent for the future.

The insurance companies should be put on effective notice that they have also a great responsibility to the public interest and that because of the emergency we feel we are under, the way in which we are approaching this matter of swine flu vaccine, insofar as the insurance companies are concerned, is no precedent for any other liability which is covered by insurance as far as Congress is concerned.

Finally, Mr. President, I ask unanimous consent that a summary of the substitute which will be introduced for S. 3735 be printed in the Record as part of my remarks.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of Proposed Substitute for S. 3735, the National Swine Flu Immunization Program of 1976

The proposed legislation would amend the authority in Section 317 of the Public Health Service Act for the control of communicable diseases to authorize the Secretary of Health, Education, and Welfare to conduct a national program of immunizations against swine influenza. The Secretary would be limited to carrying out activities needed for the conduct of the program including the development of a safe and effective vaccine; the preparation and procurement of such vaccine in sufficient quantities for the immunization of the United States' population; the making of grants to State health authorities to assist them in meeting their costs in conducting the program; the conducting of related research and training; furnishing appropriate quantities of the vaccine to Federal health authorities; the development and implementation of a written informed consent form and procedures (in consultation with the National Commission for the Protection of Human Subjects) to assure that the risks and benefits from the vaccine are fully explained to each individual and providing necessary information to advise individuals of their rights and remedies arising out of the administration of such vaccine; and such other activities necessary to carry out the program. The term "swine flu vaccine" under the Program would be limited to the vaccine against the strain of influenza virus known as A/New Jersey/76 (HSW 1N1) or a combination of such vaccine and the vaccine against the strain known as influenze A/Victoria/75.

The Secretary would be required to make quarterly reports to the Congress on the conduct of the program. These reports would have to provide information on vaccine supplies, the number of persons inoculated and the immune status of the population, the costs of the program to all participants in it, and the epidemiololgy of influenza in the United States.

Each contract for the procurement of the swine flu vaccine from a manufacturer would be subject to renegotiation to eliminate any profit realized from such procurement, except that with respect to the vaccine against the strain of virus known as influenza A/Victoria/75, a reasonable profit is permitted and any insurance premium included in the contract price and which is refunded to the manufacturer under any retrospective, experience rating plan or similar plan shall be returned to the United States. Such renegotiations and limitations on insurance premium refunds shall be pursuant to regulations prescribed by the Secretary.

The legislation establishes, as the exclusive remedy for persons alleging injury, a procedure consistent with that of the Federal Tort Claims Act under which all claims in connection with the program would have to be asserted directly against the United States. This exclusive remedy is created because it has proved necessary to assure that potential program participants will in fact participate in the program and to assure the availability of the vaccine in interstate commerce. It would make the United States liable with respect to claims for personal injury or death arising out of the manufacture, distribution or administration of the vaccine in the same manner and to the same extent as the United States would be liable under the Federal Tort Claims Act, except that the liability would be based on any theory of liability that would govern an action against a program participant under the law of place where the act or omission occurred, and the normal exceptions to the liability of the United States Government specified in section 2680(a) of the Tort Claims Act would not be available to the United States in defense of a claim against a program participant. Program participants would include the vaccine manufacturers and distributors, public and private agencies or organizations that participate in the program without charge for the vaccine or its administration and in compliance with the informed consent form and procedures established in the Act, and medical personnel who participate without charge for the vaccine or its administration and in compliance with the informed consent form and procedures established in the Act.

The Attorney General would be required to defend any civil action or proceeding brought against any employee of the United States and any program participant. Any person against whom the action or proceeding would be brought would be required to deliver all actions, motions, or other relevant records to the United States for its use in defending the action. Defense of a claim would be in the U.S. District Court embracing the place wherein the claim was pending and the claims would be removed for this purpose to the district courts. Program participants would be required to cooperate with the United States in the defense of claims and if they fail to do so their protection under the Act would be revoked and suits against them permitted in the usual manner.

Should payment be made by the United States to any claimant under the authority of this law, the United States would have a right to recover for all or any portion of the damages so suffered attributable to negligent acts or omissions on the part of any program participant in carrying out any obligation or responsibility in connection with the swine flu program.

Within one year of the date of enactment of the program and semi-annually thereafter, the Secretary shall report to Congress on the conduct of the litigation and settlement activities under the Act. The reports shall specify the number, value, nature, and status of all claims made including claims made by the United States under its right of recovery for negligence on the part of any program participant and a detailed statement of the reasons for not seeking such recovery.

The Secretary would further be required to conduct a study of the scope and extent of liability for personal injuries arising out of immunization programs and alternative means of providing protection against that liability and compensation for those injuries. The Secretary would have to report on the study within a year after the date of enactment to the Congress with any recommendations for appropriate legislation.

Mr. JAVITS. Finally, Mr. President, obviously, we have to think about the relationship, if any—and I emphasize those two words "if any"—between the swine flu vaccine program and what happened in the mysterious deaths and illnesses in respect of the American Legion convention in Philadelphia, Pa. We have no reason to suppose any connection, and the medical testimony which we have taken does not give us any basis for calling attention to that situation as having any relevance to the situation of swine flu vaccine, the recommendations of the President having preceded it and having been based upon a totally different experience of illness of soldiers which has, as I say, no relevance to the Philadelphia situation.

But one aspect does have relevance, and that is the public knowledge of the suddenness with which a terrible disease can strike and how guilty we would be if, having had notice, and our scientists have been telling us we had the notice, we would be caught flatfooted and completely unprepared. That is the only relevance of the Philadelphia situation.

In addition, we have the historic relevance of World War I when a flu epidemic swept the world with terribly devastating casualties.

So individuals have to make up their minds based upon what I have said and the assurances of the scientists and the Federal Government that this is a good and desirable thing as a national action on the part of the United States.

But I must again repeat what is clear in the legislation: that the fact that we have prepared the vaccine, that the United States has caused it to be paid for, that administering means have been established, that the Government thinks this is a very desirable thing to do and believes the evidence justifies the precaution is in no way a compulsion on any American, the individual American, who still has to give his voluntary and informed consent; and where, as I say, parents are responsible for children, or guardians or whatever the legal relation may be, are responsible for children, that will require an informed consent, and that is provided for in writing by this legislation.

In my judgment, the original basis, that is, the idea that we should do it, is pillar No. 1 of this legislation. Pillar No. 2 is the informed voluntary individual consent of Americans acting in their own personal interest as human beings, and that of their children and dependents, and so forth, and as patriots not to prevent, by their own willingness to undergo this vaccination, a discharge of their responsibility to the whole of the people of the United States in not being subject to a disease which could easily affect millions of Americans.

It is on that ground, Mr. President, that I hope the Senate will approve this particular measure.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Now, Mr. President, I will be prepared to offer the substitute in a few minutes. I would rather that other Members speak.

Mr. TAFT. Mr. President, this legislation is in response to a potential national emergency of severe proportions. According to the best medical information available, we face the possibility of an outbreak of a New Jersey influenza, more popularly known as swine flu during the coming year. This type of flu is extremely virulent and for this reason the number of fatalities could be very high. It is for this reason that the President has requested a national innoculation program and for this reason that Congress responded by approving the necessary funds to conduct the program.

Several weeks ago the administration came back to the Congress and reported that the pharmaceutical companies were asking and unable to obtain adequate liability insurance. They proposed that the Government act as an insurer in this national program.

While I had and still have reservations about this approach, I viewed it as an emergency solution that, while probably not the best approach, would answer the temporary problem. Then when Secretary Mathews testified before our health subcommittee he informed us that in effect, the flu vaccine program was also being held hostage to the polio and measles programs. The Secretary said that he had not been able to negotiate a contract with industry units on polio or measles vaccine, but that the industry said that a solution might be possible if the swine flu bill was passed. This is unfortunate.

This bill represents the result of hard work between our committee members and State, the House, and the administration. However, I believe it is essential to make very clear that this bill is for the emergency situation posed by the possibility of an outbreak of swine flu and is in no way a precedent for future Government insurance of public innoculation programs.

The bill contains language asking the Secretary to report to the Congress on the question of insuring the public vaccination program, and I know that our committee will look into the question of the polio and measles program in the coming weeks.

I had questions on the program after our hearings that I addressed to the Secretary in a letter last Thursday. I am going to insert the letter, to which I will welcome a reply.

According to the Secrteary, there have only been two settlements of law suits arising out of neglect in the production of vaccine in the past 7 years, and there have only been 16 cases since 1920. If this information is correct, I simply do not understand why the insurance companies view the risks as too great to insure.

I am deeply concerned by the report that the Secretary made that the Government's supply of polio vaccine is running low, and that the producers are placing intolerable conditions on any new contract. These conditions include a stipulation that any vaccine be given directly by a doctor.

As a member of the Health Subcommittee, I am deeply disturbed by these reports. We have worked hard in the Congress to train new health professions. If a nurse cannot be given the responsibility of giving an oral vaccine, then what is their responsibility to be? The Secretary and the Director of the Center for Disease Control both admitted that this would be a terrible waste of health manpower resources.

The Secretary stated at the beginning of his testimony that he viewed this as safe legislation that would not set a precedent. Yet at the conclusion of his testimony, when the facts on the polio situation came up, he admitted that this bill could serve as a model for all public inoculation programs. I believe that, as the gentleman from Alabama would say, the old steamroller is moving down the roadway. The bill which is now before us calls for a 1-year study on this matter. However, I do not believe we will or can permit a 1-year delay on the polio program.

I, as one member of the Health Subcommittee, want to put the administration and the industry on notice, that I am going to demand a much more complete investigation before I approve this type of permanent legislation or for expanding to other public health programs. I just cannot believe, with only two settlements in the past 7 years, that the industry needs Government liability insurance.

I also believe that the crisis that faces us today could have been avoided if the regular legislative process had been followed in this program. The swine flu program was rushed through Congress without appropriate authorizing legislation. We are in fact passing an authorization in this bill for money that we appropriated several weeks ago. I believe that if we had had an authorization bill many of these problems would have been resolved.

In my letter to the Secretary I raised seven points that I think all Members should be aware of.

First, many local communities have found that they do not have the money to conduct this program, and that the money we appropriated for swine flu was not enough for the administration of the program. I have asked the Secretary to comment on this claim.

Second, I think there is cause for questioning whether this program can effectively be administered in rural areas. While urban health boards are well prepared, the same is not true in poorer rural areas. I have suggested that the Secretary look into having the military, with their experience and resources, conduct the program in rural areas.

Third, I believe we need a status report on what type of education program is going to be conducted to get people to take the shots. There has undoubtedly been increased resistance with the recent adverse publicity the program has received.

Fourth, I think that Congress should be completely briefed on the effectiveness of the actual vaccine. There have, for example, been very real questions raised as to the affect of the drug on young children. Half doses or repetition may be called for.

Fifth, I believe that we must have a complete hearing on the issue of the polio and measles programs. I do not believe that the Government should be in a position of having to insure all public vaccination programs; but I also believe that we must insure that the polio and measles programs continue.

Sixth, we must get the facts as to the real risks involved in insuring these programs. If the Secretary's figures are correct and there have only been two settlements in the past 7 years, I think that real questions are posed by the crisis atmosphere that has been created.

Finally, what type of public innoculation program should we have in the future so that we do not have emergencies arise and hasty legislation.

The legislation contains a provision that no participating company should make an excessive profit. I would like to mention that the Richardson-Merrill Co., an Ohio firm, has voluntarily agreed to provide the vaccine to the Government at cost. This is an example I hope the other vaccine manufacturers will follow.

It is obvious that we must protect our Nation against the possibility of swine flu or other epidemics; yet it is my hope that the committee will continue to monitor the program and take a very careful look at the other questions that have emerged.

Mr. WILLIAMS. Mr. President, just to understand the time limitations here, an hour was unanimously agreed to for debate on this bill?

The PRESIDING OFFICER. On final passage of the bill, yes.

Mr. WILLIAMS. What is the time situation now?

The PRESIDING OFFICER. The Senator from New Jersey has 30 minutes, the Senator from New York has 19 minutes.

Mr. WILLIAMS. I see the Senator from Maryland is seeking recognition.

Mr. BEALL. Yes. I was going to ask the Senator from New York to yield after the Senator from New Jersey had spoken, in order to make an observation.

Mr. WILLIAMS. While we are waiting for the final form I will yield to the Senator.

Mr. BEALL. Mr. President, if the Senator from New Jersey does not want to talk now, I will ask the Senator from New York to yield to make some brief remarks.

Mr. JAVITS. I yield 3 minutes to the Senator from Maryland.

Mr. BEALL. Mr. President, as a cosponsor of the national influenza program of 1976, I strongly urge the enactment of the compromise measure. This measure would resolve the impasse over the liability issue by making the Government liable initially for any damage caused by the vaccine. The Government in return could recover from the manufacturers of the vaccine if the damages were caused by their negligence.

In April of this year, I strongly endorsed the swine influenza immunization campaign announced by Assistant Secretary for Health Cooper, and during hearings at the time, I stated:

> This Committee should expeditiously move to approve the Administration proposals. It would seem to be that time is of the essence if we are to assure an adequate supply of the vaccine, distribute it to the states for use and dissemination, launch the necessary public education and administer the vaccination. The lead time to accomplish all of this is already short. Congress must act, and act now if we are to have the vaccination program completed by fall.

While I do not want to minimize the importance of the liability issue that has produced the delay, the facts are that the Congress has not moved in a manner that would indicate a potential health hazard to the public. As a matter of fact, it is altogether possible that the delay and dissention have already undermined the public interest and confidence in the program.

As Dr. Donald Millar of the Center for Disease Control in Atlanta has stated:

> Each day's delay is costing state health officials more skepticism among their people.

Illustrative of the dangers posed by the frustrations created as a result of our delay, I would cite the situation of Baltimore City. Baltimore moved with dispatch and enthusiasm to prepare for the immunization of 200,000 high-risk citizens in the city. They had planned to commence their immunization program on July 15. However, that was before the delay. Obviously, Baltimore still plans to move ahead but their timetable has been set back.

Therefore, I believe it is imperative that we move and move quickly to clarify this liability question so that States, counties and cities may commence their programs as soon as possible.

The recent incident in Philadelphia, although not diagnosed as swine influenza, serves to highlight the suddenness with which a virus can strike citizens, the rapidity of its spread, and its deadliness.

While at this point no one can say what caused the Philadelphia outbreak and no one can say that a 1976 outbreak of swine influenza would equal the 1918 outbreak, which killed over 548,000 Americans and 20 million people worldwide, it is a chance we cannot and should not take. In view of the emergency nature and time problems, and the delays we have already experienced, any further delay will be at our people's peril. The time to act is now. To follow any other course would be playing Russian roulette with the health of the American people.

Mr. President, I would like to ask unanimous consent that my earlier letter from Mayor Schaefer of Baltimore as well as a letter I received recently from Dr. Elmer Hill of the Allegheny County Health Department be printed in the hearing record.

I would also like to ask unanimous consent that an article appearing August 4 in the Wall Street Journal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BALTIMORE, MD.,
June 18, 1976.

Hon. J. GLENN BEALL, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BEALL: As I indicated to you in my recent telegram, I am most distressed over the potentially threatening situation arising from the anticipated delay of a month or more in the delivery of the influenza vaccine needed for the immunization of 200,000 citizens of Baltimore for whom life already holds great risk to health and well-being—140,000 of whom are age 65 and above. Without delivery of the vaccine by July 15, as originally scheduled, there is grave doubt that these people can be adequately protected. The Baltimore City Health Department is prepared to begin its vaccination program at that time. I cannot urge you strongly enough to help the City in whatever way you possibly can to have sufficient vaccine available to enable us at least to begin our program on July 15 as scheduled.

An additional hazard posed by delay is the high density of the population in this urban area, which will be further intensified by the influx of an estimated 1,500,000 Bicentennial visitors beginning early in July. Such crowding can be expected to significantly heighten the risk of infection.

As I am certain you understand, late delivery of the vaccine subjects us to extreme risk and difficulty involving not only the people themselves but the process of immunizing them. Moreover, I have a responsibility to protect the lives of Baltimore's 850,000 residents. I am therefore compelled to ask for delivery to the Baltimore City Heatlh Department of enough vaccine to begin the immunization program on time, as required to provide that protection. Despite the manufacturing difficulties experienced by one of the drug companies I have no doubt that sufficient quantities of the vaccine can be procured from other sources. I earnestly request your assistance in seeing to it that Baltimore receives its scheduled allotment of the necessary vaccine by July 15. I would personally appreciate any action you may take towards the attainment of this goal.

The people of Baltimore, already aware of the potential danger of exposure to the New Jersey type A (swine) influenza virus, will appreciate your efforts, as will I.

With best wishes.

Sincerely,

WILLIAM SCHAEFER,
Mayor.

ALLEGANY COUNTY
HEALTH DEPARTMENT,
Cumberland, Md., July 22, 1976.

Senator J. GLENN BEALL,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR BEALL: As per telephone conversation with my secretary this morning, attached is a note regarding our feelings in Allegany County concerning some urgently needed legislation.

Sincerely yours,

ELMER L. HILL, M.D.,
Deputy State Health Officer for Allegany County.

The bill that would amend Section 311 of the PHS act to indemnify manufacturers of influenza vaccine against claims should be passed without delay, but only if its provisions can be extended to include exemption from liability not only for those who manufacturer the vaccine, but also for those who administer it; somewhat along the line of the "Good Samaritan Law" presently in existence in some states for persons who stop to assist victims of highway accidents.

If this bill is yet to be reported out of conference committee, perhaps the House-Senate Conference Committee can see that this oversight is corrected before it is returned for final vote. To pass a bill that would indemnify only the manufacturers against claims will tend to dump the entire load of possible liability onto those who administer the influenza vaccine.

Administration of the influenza vaccine will be accomplished through the very commendable volunteer efforts of physicians and others with little or no monetary return. For us in Allegany County, we expect 500 to 1,000 volunteers to assist in the inoculation of 50,000 to 60,000 people. If this effort is to be successful, legislation providing for exemption from liability for those who administer the vaccine is absolutely essential.

[From the Wall Street Journal, Aug. 4, 1976]

FLU DRIVES ARE ALL SET TO ROLL—IF THE PEOPLE AND VACCINE SHOW UP

Local health departments are poised to begin mass vaccinations against swine influenza in mid-September, except:

One, they're not sure when they'll receive their supplies of the new vaccine.

Two, they're not sure who, if anyone, will show up to get vaccinated.

It is the city and county health departments around the nation that are charged with carrying out the biggest emergency public-health measure ever attempted in the U.S., the immunization of at least three-quarters of the American adult population in hopes of staving off a possible pandemic of swine influenza this winter.

Checks with local health officials show that the departments are ready to muster an impressive cadre of nurses and technicians and an army of volunteers such as Red Cross workers, Jaycees and even political ward heelers to carry out the vaccination campaigns. By setting up free vaccination stations in clinics, hospitals, shopping centers, schools and anywhere else people gather, the health officials believe they could immunize 70% to 80% of the adult population within three months.

WITH A GREEN LIGHT

If given the go-ahead by Washington right now, say the local officials, they could begin vaccinating the most vulnerable people—the elderly and the infirm—in mid-September and have the vast majority of the adult population immunized by Christmas.

But the entire strategy of the flu campaign is being threatened by one monumental snag, the failure of the federal government and the four vaccine manufacturers to agree on limiting the manufacturers' liability for any damages, real or alleged, caused by the vaccinations.

As negotiations on the vaccine makers' liability drag on in Washington, millions of doses of the new vaccine are piling up in processing plants; local vaccination programs are being postponed week by week; and growing numbers of people are becoming convinced—erroneously, say the health officials—that the risk of vaccination is worse than the risk of flu.

"Each day's delay is costing state health officials more skepticism among their people. Volunteer groups are getting itchier, and general confidence is eroding," says Dr. Donald Millar, director of the Bureau of State Services for the Center for Disease Control in Atlanta, the federal nerve center for the swine influenza campaign.

CHICAGO'S TIMETABLE

"Our plan is still intact but our timetable is shot," says James Ferris, coordinator for Chicago's flu immunization program. The city's Board of Health had hoped to start inoculations this week but now figures the program can't get started until 30 days after the liability issue is resolved.

"If there had been no controversy I would estimate 500,000 people (in Boston) would get the shot, but now I'll settle for 200,000," says Dr. Frederic Maloof, director of community medical services for Boston's Department of Health and Hospitals.

"If we could have offered the vaccine in March, we would have had a high percentage of takers, but now they (the public) aren't motivated," says Dr. Betsy MacCracken of the Los Angeles County health department. This problem of apathy is mentioned by health officials all over the country. But Dr. MacCracken adds:

"I'm sure everybody will be on our doorstep when and if the first case of swine flu comes along."

Epidemic experts are keeping their fingers crossed, hoping that if the swine flu does break out, it won't do so until late fall or early winter after vaccination programs are well under way. The Fort Dix, N.J., cases that triggered the alarm occurred last February.

THE PHILADELPHIA CONVENTION

The danger of the swine virus's reappearing in late summer exists, however. This is one reason the epidemiologists are moving swiftly to determine the cause of the sudden deaths this week of 20 people who had attended an American Legion convention in Philadelphia late last month.

The vaccine probably would have been in the hands of the local health departments several days ago if it hadn't been for the liability issue. Just as the four vaccine makers were starting to produce the vaccine in June, their insurance carriers announced that the companies' product-liability insurance wouldn't cover damages to people who successfully claimed they were injured by the vaccine. The companies have refused to release the vaccine until they can be protected against such claims.

The latest proposal, made by federal officials yesterday, calls for the government to assume liability for any damages caused by the vaccine. The government in turn could recover from the vaccine makers if the damages were due to their negligence. However, the proposal still has to be accepted by the companies and would require new legislation.

Meanwhile, despite some early worries that the vaccine production would be the major bottleneck, supplies of the preventive are piling up. More than 100 million doses are being held in bulk in the plants of the four manufacturers—Merck & Co., Richardson-Merrell Inc., Wyeth Laboratories division of American Home Products Corp., and Parke, Davis & Co., a subsidiary of Warner-Lambert Co.

The actual production goal for the vaccine has never been stated. Initially, when President Ford announced the ambitious program, it was implied that more than 200 million doses, or one for every person in the nation, would be needed. But now public health experts figure they'll be lucky to vaccinate three-quarters of the adults.

Plans to vaccinate children are still up in the air. Early tests of the new vaccine indicated that children don't build up as strong an immunity as adults and thus may need a second or "booster" shot, which would complicate the vaccination program. The experts aren't expected to decide on children's inoculation schedules until next month. As a result, there is uncertainty how much vaccine will be needed for them.

The delays are costing the program dearly. In recent days, the Advertising Council, the nonprofit agency that does public-service campaigns on behalf of the advertising industry, backed out of handling the swine flu campaign. The council said there no longer was enough time to mount an effective campaign.

"Now that the Ad Council has stepped down from its publicity campaign, we have to scramble," says the federal disease center's Dr. Millar. "We're trying to get other volunteer (ad agencies) but it takes time because we are taking bids and are under the various government constraints involved in buying anything."

In addition to the growing problem of public apathy, there is increasing public concern over the safety of the vaccine, health officials say. Experts have debated publicly whether the threat of a pandemic is sufficient to warrant mass vaccination. And the liability issue has focused a lot of attention on potential adverse side effects of the vaccine.

OUT OF PROPORTION

Most of the public health officials, however, believe that the safety problem has been blown out of proportion. "The reaction (to vaccination) has been overstated," says Dr. Bruce Dull, assistant director for the Center for Disease Control, where the idea for a mass immunization program evolved. "You may have a sore arm for a day, some aches, maybe a low fever, the same as the usual reactions to vaccines."

"This vaccine is one of the purest and best flu vaccines ever produced," says Joe H. Beaver, assistant coordinator for immunization programs for North Carolina. "In trials it has logged the fewest and mildest reactions, as minor as a sore arm or elevated temperature for several days."

But the health officials says the publicity is taking its toll. "Damage has been done to the program by a lot of discussion about liability; people start to think the vaccine may be unsafe," says Dr. Philip Hotchkiss, a veterinarian who heads the epidemiology and disease-control section of the Arizona Department of Health Services.

"I think a lot of the bad publicity in the national media is going to make our job much harder," says Nancy Lundy, the public health nurse who is coordinating the vaccination program for Adams County in Southern Ohio.

Her suspicions are supported by a recent five-county poll by the Ohio health department. Only 43% of the adults questioned wanted to be vaccinated, while 27% didn't. The remainder were either unsure or hadn't even heard of the program.

Despite disagreement among some scientists over whether a swine flu pandemic will break out in the next several weeks, the local health officers say the chances are high enough to justify mass immunization. "We run the risk of a sizable epidemic," says James Ferris, coordinator for the Chicago program. "It could be this winter, or next winter."

John Irvin, who is directing Ohio's program, says, "It's a lot better to do something and be wrong than to do nothing and be faced with a terrible epidemic." Epidemiologist Dr. Edward Mortimer of Case-Western Reserve University in Cleveland says the threat of an epidemic is "moderate," something less than 50–50, and he feels the program is a wise precaution.

The local health departments are now counting on having the vaccine in hand by mid-September. Federal officials say they can have the vaccine distributed to the states within four weeks after the liability question is settled.

Thanks to one innovation, the vaccination should be quick and painless. Most health departments will use the new jet injector gun, which, in a fraction of a second, squirts out a dose of vaccine under enough pressure to penetrate the skin without the use of a needle. A single health worker can vaccinate 600 to 900 persons an hour with the gun and the federal government has ordered up to 2,000 of the guns for the swine flu program.

Federal officials are leaving it up to the local health departments to plan their own inoculation programs. Anyone will be free to obtain his vaccination from his family doctor, who will be provided with the vaccine free, say the health officials (they note, however, that the doctors can charge for their services in giving the shot).

But most of the cities and counties will set up vaccination stations. In Springfield, Mo., for instance, Greene County officials plan to set up 28 vaccination sites for a single day and provide free shots for all the county's 168,000 inhabitants, says James Donoho of the Missouri division of health. Across the state, he adds, the city of Poplar Bluff will provide free vaccinations for a single weekend for its 17,000 citizens, after which the unvaccinated will have to go to their own doctors for the shots.

FORTY-FOUR CENTERS IN NEW YORK

For its eight million to 10 million residents, New York City will operate 44 centers at hospitals and clinics. They will be staffed by 250 city workers and several hundred volunteers. Each center will operate seven days a week and will handle up to 1,000 people an hour.

Like most cities, Chicago will begin its immunizations with health-department personnel, sanitation workers, police, firemen, and the elderly and chronically ill. Health officials figure they can inoculate the city in about three months by setting up stations at churches and at park-district field houses in each of the city's 50 political wards. Both Democratic and Republican ward workers will help publicize the program and locate shut-ins. "The idea is that the ward personnel will know where the people are," says Dr. Murray C. Brown, Chicago health commissioner.

Assuming that people show up for the vaccinations—which may be dubious at this point—the biggest problems may be paperwork and money. In most areas, individuals will have to sign consent forms before receiving a shot. This procedure not only may slow down the rate of vaccinations; it also is adding to the localities' expense. Despite federal grants and free vaccine supplies, the local governments will have to pay a sizable chunk of the administrative costs themselves.

Missouri, for instance, has to cough up an extra $520,000. That, says the health division's Mr. Donoho, is supposed to cover "11 million printed forms, thousands of gallons of alcohol and acetone, five million cotton balls, two million needles and syringes—and then we won't have any more money."

Mr. BEALL. Mr. President, the Senator from New York is about to present a compromise substitute. I had some reservations about some of the language in the original substitute, and I am happy to report that the substitute does incorporate changes I was going to offer in the form of amendments.

My proposals, my suggestions, came after I had some conversations with the Under Secretary of Health, Dr. Cooper, and they relate to section (f) which deals with the development and implementation of the written informed consent form and the procedures for assuring that the risks and benefits from the flu vaccine are fully explained to each individual to whom the vaccine has been administered.

I had some concern not that the development was to be made in consultation with the National Commission for the Protection of Human Subjects on Biomedical and Behavioral Research, but that such consultation, as happens unfortunately so often when you get more than two agencies of the Government into the act, would take forever to take place. To make certain there is not inordinate delay, I have proposed and the committee has agreed to incorporate language into the bill that says that this consultation must take place within 2 weeks after the enactment of this bill or December 1, whichever comes first. Thus, the consultation which I support, cannot be a further impediment to the implementation of the act.

Further, I have had some concern about the fact that one of the big problems in health care delivery in this country today results from the large number of malpractice suits being filed against health professionals and health institutions. It was of concern to me that the language as originally written perhaps could have encouraged unnecessary litigation.

The substitute proposal changes the terminology in such a way that I hope the legislative history will be clear that our intent is that we point out to individuals, who are taking advantage of this vaccine, the rights and remedies available to them in a clear and succinct fashion, and doing this in a way so that it does not invite or encourage unnecessary litigation. What we really intend is to acquaint the public with the unique procedures that are involved and their rights and remedies.

I think the Senator from New York agrees that this is the intent of the language in the substitute. It is indeed to point out to individuals the rights and remedies available to them and the unique procedure. And it is not to encourage some overzealous paperwriter downtown to go into great detail about how a person might go out and hire a lawyer, and that sort of business.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BEALL. Yes, I yield.

Mr. JAVITS. I guess I have the floor.

Mr. BEALL. The Senator is correct.

Mr. JAVITS. I thoroughly agree with that interpretation as being the legislative intent.

Mr. BEALL. And it is to cover the unique processes involved in this case as distinguished from other types of procedures that might be available to individuals.

Mr. JAVITS. Exactly.

Mr. BEALL. I thank the Senator for yielding.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. JAVITS. Mr. President, will the Senator use his microphone. I would like very much to hear him.

Mr. MAGNUSON. Mr. President, I understand that the pending business now is a bill that was reported from the Appropriations Committee; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MAGNUSON. Mr. President, there was some confusion about jurisdiction of this bill. As chairman of the Subcommittee on HEW, which is involved in this matter, I at first thought this was a matter of policy that might well be decided by the committee headed by the distinguished Senator from New Jersey (Mr. WILLIAMS). But there is an emergency involved here, and the Appropriations Committee met and reported this bill because of the time element.

This matter was referred to the Senate Appropriations Committee on August 10. I merely cite all of this in order to have a legislative record on it. It was referred with instructions to expeditiously report the bill back to the Senate.

The committee has filed a short report because of the urgency, but notes that due to the very short time constraints imposed, a careful in-depth review was not possible.

The committee, however, registered its concern over the possible costs of the measure and its impact on Federal spending and the taxpayers' pocketbook, and the duplication or conflict in procedures which have already been established following the enactment of the Emergency Supplemental Appropriations Act, which contained $135 million plus for the swine flu program.

Further, this measure sets an entirely new precedent which could have an adverse effect on other existing and future Federal immunization programs and on all other Federal programs where insurance or liability costs are not now federally subsidized.

Therefore, the committee does report the bill back to the Senate without prejudice and without specific recommendations.

Because of the nature of the problem, I hope the Senate will immediately pass the bill.

Mr. WILLIAMS. Mr. President, it should be noted that the President on March 24, 1976, on the basis of intensive discussions with distinguished physicians, scientists and public health experts, announced the administration's intention to seek an appropriation of $135 million for the production of sufficient swine flu vaccine to inoculate every man, woman and child in the United States.

Shortly thereafter, despite some concern raised by various other individuals respecting the efficacy of this program, the Congress responded to the President's request and the appropriations bill was signed into law on April 15 of this year.

The complicating factor came with the necessity for the question of liability to be dealt with—and it was a very complicated question, indeed.

Although experience indicates that in vaccines of this nature, there is a very low risk of adverse reactions, the manufacturers of the swine flu vaccine have been unable to secure appropriate liability protection from their insurers.

As a result, they are unable to release the vaccine for general distribution without a substantial risk which they cannot afford to take.

Mr. President, this problem does not come to us overnight. It is a problem which HEW, the manufacturers and the Congress have been wrestling with for many weeks. And, it has become clear that without legislation this program can never be implemented.

Last week, I joined Senators KENNEDY, JAVITS, and others of my colleagues in introducing S. 3735 which is designed to correct existing problems in the implementation of the swine flu program.

The amendment which we are considering today improves upon the provisions of that bill making appropriate clarifications and tightening up the implementation and administration of the program so as to be fair to all individuals involved in this process.

The two basic components of the bill are first, to formally establish the swine flu immunization program in law and, second, to establish an exclusive remedy for claims alleging personal injury or death to recipients of the vaccine.

Any such claims could only be brought against the United States under a procedure utilizing the Federal tort claims act.

Such claims could result from the actions of any program participant and could be based on any theory of liability that would govern an action under the law of the place where the injury is alleged to have occurred.

If a claim is paid under this law, then the United States would have a right to recover all or any portion of the claim attributable to negligent acts or omissions on the part of any program participant.

Mr. President, I am certain that there is no one in this Chamber who is pleased that we have to take this action to assure that the swine flu program can get underway.

The fact that this action is necessary raises serious questions about the capability of the private enterprise system to continue the role it once played so effectively in the health care system.

Certainly, this action should not be considered a precedent for the future—and I can assure my colleagues that we are going to take a long and careful look at this situation to see what must be done to prevent it from happening again.

I know that what has transpired in the past 5 months has been nothing but a headache for all involved. The vaccine manufacturers have worked hard to produce a massive quantity of this product—and to their credit they have agreed to sell it to the Federal Government at cost.

The public health agencies—both State and local—have taken great efforts to plan for the actual administration of the vaccine when it becomes available and I know that they are going to have to bear a great expense to fully implement the program. It may even be that the Federal Government will have to appropriate additional dollars to assist the States once the program becomes fully operational.

And I know that HEW has tried its best to cope with the continually mounting problems of this unprecedented program.

This is pioneering in this sense, it has never been done before, but it is in response to an emergency. That is the way the liability fixes upon the Government, through the total class act, for any misfortune that should follow, as defined, the administration of the innoculation and vaccine, with saving factors, of course, to the Government, that they will be able to recover in the nature of subrogation where the participating manufacturers are in violation of contract, or indeed, are negligent. The Government is saved harmless for anything of that nature.

But because of this, which is in the nature of an entitlement, the Appropriations Committee, most appropriately, exerted its jurisdiction.

Mr. MAGNUSON. Under the law.

Mr. WILLIAMS. Under our law, and have had this reported and have reported back.

So all of our procedures have been preserved. It is an emergency.

I can say that I was one of the Members participating in the authorization program. We owe a great debt of gratitude to the Senator from Arkansas, the chairman of the Appropriations Committee, the Senator from Washington, the chairman of the Appropriations Subcommittee handling these matters, for responding so immediately to the needs of the Nation in getting this program worked out here today.

All necessary elements participated. The administration, both Houses of Congress, those who will be called upon to be the manufacturers of the vaccine, those who will be the distributors. All have participated together, and intensely, over the last few weeks to bring this measure here today. Even now, they are equal partners in this legislative matter.

The leaders of the House of Representatives in charge have worked down to the final words of the substitute that will be presented by the ranking member of the Labor, Public Health Committee, the Senator from New York, who has been a full participant.

UP AMENDMENT NO. 362

Mr. JAVITS. Mr. President, I now send to the desk on behalf of myself, the chairman of the Health Subcommittee of the Senate Committee on Labor and Public Welfare, Senator KENNEDY, Senator WILLIAMS, the chairman of our full committee, Senator TAFT, Senator PELL, Senator BEALL, Senator EAGLETON, and Senator STAFFORD, a substitute for the text after the enacting clause of S. 3735, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and others, offers unprinted amendment No. 362 in the nature of a substitute.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "National Swine Flu Immunization Program of 1976".

SEC. 2. Section 317 of the Public Health Service Act (42 U.S.C. 247b) is amended by inserting after subsection (i) the following new subsections:

"(j)(1) The Secretary is authorized to establish, conduct, and support (by grant or contract) needed activities to carry out a national swine flu immunization program until August 1, 1977 (hereinafter in this section referred to as the 'swine flu program'). The swine flu program shall be limited to the following:

"(A) The development of a safe and effective swine flu vaccine.

"(B) The preparation and procurement of such vaccine in sufficient quantities for the immunization of the population of the States.

"(C) The making of grants to State health authorities to assist in meeting their costs in conducting or supporting, or both, programs to administer such vaccine to their populations, and the furnishing to State health authorities of sufficient quantities of such swine flu vaccine for such programs.

"(D) The furnishing to Federal health authorities of appropriate quantities of such vaccine.

"(E) The conduct and support of training of personnel for immunization activities described in subparagraphs (C) and (D) of this paragraph and the conduct and support of research on the nature, cause, and effect of the influenza against which the swine flu vaccine is designed to immunize, the nature and effect of such vaccine, immunization against and treatment of such influenza, and the cost and effectiveness of immunization programs against such influenza.

"(F) The development, in consultation with the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and implementation of a written informed consent form and procedures for assuring that the risks and benefits from the swine flu vaccine are fully explained to each individual to whom such vaccine is to be administered. Such consultation shall be completed within two weeks after enactment of this Act, or by September 1, 1976, whichever is sooner. Such procedures shall include the information necessary to advise individuals with respect to their rights and remedies arising out of the administration of such vaccine.

"(G) Such other activities as are necessary to implement the swine flu program.

"(2) The Secretary shall submit quarterly reports to the Congress on the administration of the swine flu program. Each such report shall provide information on—

"(A) the current supply of the swine flu vaccine to be used in the program;

"(B) the number of persons inoculated with such vaccine since the last report was made under this paragraph and the immune status of the population;

"(C) the amount of funds expended for the swine flu program by the United States, each State, and any other entity participating in the program and the costs of each such participant which are associated with the program, during the period with respect to which the report is made; and

"(D) the epidemiology of influenza in the United States during such period.

"(3) Any contract for procurement by the United States of swine flu vaccine from a manufacturer of such vaccine shall (notwithstanding any other provision of law) be subject to renegotiation to eliminate any profit realized from such procurement (except that with respect to vaccine against the strain of influenza virus known as influenza A/Victoria/75 profit shall be allowed but limited to an amount not exceeding a reasonable profit), as determined pursuant to criteria prescribed by the Secretary, and the contract shall expressly so provide. Such criteria shall specify that any insurance premium amount which is included in the price of such procurement contract and which is refunded to the manufacturer under any retrospective, experience-rating plan or similar rating plan shall in turn be refunded to the United States.

"(4) No funds are authorized to be appropriated to carry out the activities of the swine flu program authorized in subparagraphs (A), (B), (D), (E), and (F) of paragraph (1) of this subsection in addition to the appropriated by Public Law 94–266.

"(k)(1)(A) The Congress finds that—

"(i) in order to achieve the participation in the program of the agencies, organizations, and individuals who will manufacture, distribute, and administer the swine flu vaccine purchased and used in the swine flu program and to assure the availability of such vaccine in interstate commerce, it is necessary to protect such agencies, organizations, and individuals against liability for other than their own negligence to persons alleging personal injury or death arising out of the administration of such vaccine;

"(ii) to provide such protection and to establish an orderly procedure for the prompt and equitable handling of claims by persons alleging such injury or death, it is necessary that an exclusive remedy for such claimants be provided against the United States because of its unique role in the initiation, planning and administration of the swine flu program; and

"(iii) in order to be prepared to meet the potential emergency of a swine flu epidemic, it is necessary that a procedure be instituted for the handling of claims by persons alleging such injury or death until Congress develops a permanent approach for handling claims arising under programs of the Public Health Service Act.

"(B) To—

"(i) assure an orderly procedure for the prompt and equitable handling of any claim for personal injury or death arising out of the administration of such vaccine; and

"(ii) achieve the participation in the swine flu program of (I) the manufacturers and distributors of the swine flu vaccine, (II) public and private agencies or organizations that provide inoculations without charge for such vaccine or its admininistration and in compliance with the informed consent form and procedures requirements prescribed pursuant to subparagraph (F) of paragraph (1) of this subsection, and (III) medical and other health personnel who provide or assist in providing inoculations without charge for such vaccine or its administration and in compliance with such informed consent form and procedures requirements.

it is the purpose of this subsection to establish a procedure under which all such claims will be asserted directly against the United States under section 1346(b) of title 28, United States Code, and chapter 171 of such title (relating to tort claims procedure) except as otherwise specificaly provided in this subsection.

"(2)(A) The United States shall be liable with respect to claims submitted after September 30, 1976 for personal injury or death arising out of the administration of swine flu vaccine under the swine flu program and based upon the act or omission of a program participant in the same manner and to the same extent as the United States would be liable in any other action brought against it under such section 1346(b) and chapter 171, except that—

"(i) the liability of the United States arising out of the act or omission of a program participant may be based on any theory of liability that would govern an action against such program participant under the law of the place where the act or omission occurred, including negligence, strict liability in tort, and breach of warranty;

"(ii) the exceptions specified in section 2680(a) of title 28, United States Code, shall not apply in an action based upon the act or omission of a program participant; and

"(iii) notwithstanding section 2401(b) of title 28, United States Code, if a civil action or proceeding for personal injury or death arising out of the administration of swine flu vaccine under the swine flu program is brought within two years of the date of the administration of such vaccine and is dismissed because the plaintiff in such action or proceeding did not file an administrative claim with respect to such injury or death as required by such chapter 171, the plaintiff in such action or proceeding shall have 30 days from the date of such dismissal or two years from the date the claim arose, whichever is later, in which to file such administrative claim.

"(B) For purposes of this subsection, the term 'program participant' as to any particular claim means the manufacturer or distributor of the swine flu vaccine used in an inoculation under the swine flu program, the public or private agency or organization that provided an inoculation under the swine flu program without charge for such vaccine or its administration and in compliance with the informed consent form and procedures requirements prescribed pursuant to subparagraph (F) or paragraph (1) of this subsection, and the medical and other health personnel who provided or assisted in providing an inoculation under the swine flu program without charge for such vaccine or its administration and in compliance with such informed consent form and procedures requirements.

"(3) The remedy against the United States prescribed by paragraph (2) of this subsection for personal injury or death arising out of the administration of the swine flu vaccine under the swine flu program shall be exclusive of any other civil action or proceeding for such personal injury or death against any employee of the Government (as defined in section 2671 of title 28, United States Code) or program participant whose act or omission gave raise to the claim.

"(4) The Attorney General shall defend any civil action or proceeding brought in any court against any employee of the Government (as defined in such section 2671) or program participant (or any liability insurer thereof) based upon a claim alleging personal injury or death arising out of the administration of vaccine under the swine flu program. Any such person against whom such civil action or proceeding is brought shall deliver all process served upon him (or an attested true copy thereof) to whoever is designated by the Secretary to receive such papers, and such person shall promptly furnish copies of the pleadings and process therein to the United States attorney for the district embracing the place wherein the civil action or proceeding is brought, to the Attorney General, and to the Secretary.

"(5)(A) Upon certification by the Attorney General that a civil action or proceeding in any court against any employee of the Government (as defined in such section 2671) or program participant is based upon a claim alleging personal injury or death arising out of the administration of vaccine under the swine flu program, such action or proceeding shall be deemed an action against the United States under the provisions of title 28, United States Code, and all references thereto. If such action or proceeding is brought in a district court of the United States, then upon such certification the United States shall be substituted as the party defendant.

"(B) Upon a certification by the Attorney General under subparagraph (A) of this paragraph with respect to a civil action or proceeding commenced in a State court, such action or proceeding shall be removed, without any bond at any time before trial, by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and be deemed an action brought against the United States under the provisions of title 28, United States Code, and all references thereto; and the United States shall be substituted as the party defendant. The certification of the Attorney General with respect to program participant status shall conclusively establish such status for purposes of such initial removal. Should a district court of the United States determine on a hearing on a motion to remand held before a trial on the merits that an action or proceeding is not one to which this subsection applies, the case shall be remanded to the State court.

"(C) Where an action or proceeding under this subsection is precluded because of the availability of a remedy through proceedings for compensation or other benefits from the United States as provided by any other law, the action or proceeding shall be dismissed, but in that event the running of any limitation of time for commencing, or filing an application or claim in, such proceedings for compensation or other benefits shall be deemed to have been suspended during the pendency of the civil action or proceeding under this subsection.

"(6) A program participant shall cooperate with the United States in the processing or defense of a claim or suit under such section 1346(b) and chapter 171 based upon alleged acts or omissions of the program participant. Upon the motion of the United States or any other party, the status as a program participant shall be revoked by the district court of the United States upon finding that the program participants has failed to so cooperate, and the court shall substitute such former participant as the party defendant in place of the United States, and upon motion, remand any such suit to the court in which it was instituted.

"(7) Should payment be made by the United States to any claimant bringing a claim under this subsection, either by way of administrative settlement or court judgment, the United States shall have, notwithstanding any provision of State law, the right to recover for that portion of the damages so awarded or paid, as well as any costs of litigation, resulting from the failure of any program participant to carry out any obligation or responsibility assumed by it under a contract with the United States in connection with the program, or from any negligent conduct on the part of any program participant in carrying out any obligation or responsibility in connection with the swine flu program. The United States may maintain such action against such program participant in the district court of the United States in which such program participant resides or has its principal place of business.

"(8) Within one year of the date of the enactment of the National Swine Flu Immunization Program of 1976, and semiannually thereafter, the Secretary shall submit to the Congress a report on the conduct of settlement and litigation activites under this subsection, specifying the number, value, nature, and status of all claims made thereunder, including the status of claims for recovery made under paragraph (7) of this subsection and a detailed statement of the reasons for not seeking such recovery.

"(*l*) For the purposes of subsections (j) and (k) of this section—

"(1) the phrase 'arising out of the administration' with reference to a claim for personal injury or death under the swine flu program includes a claim with respect to the manufacture or distribution of such vaccine in connection with the provision of an inoculation using such vaccine under the swine flu program;

"(2) the term 'State' includes the District of Columbia, Puerto Rico, the Virgin Islands Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

"(3) the term 'swine flu vaccine' means the vaccine against the strain of influenza virus known as influenza A/New Jersey/76 (Hsw 1N1), or a combination of such vaccine and the vaccine against the strain of influenza virus known as influenza A/Victoria/75.".

SEC. 3. The Secretary of Health, Education, and Welfare shall conduct, or provide for the conduct of, a study of the scope and extent of liability for personal injuries or death arising out of immunization programs and of alternative approaches to providing protection against such liability (including a compensation system) for such injuries. Within one year of the date of the enactment of this Act, the Secretary shall report to the Congress the findings of such study and such recommendations for legislation (including proposed drafts to carry out such recommendations) as the Secretary deems appropriate.

Amend the title so as to read:

"To amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.".

Mr. JAVITS. Mr. President, I yield myself such time on the amendment as I may require.

I ask unanimous consent that there be printed in the RECORD at this point a letter from the President of the United States requesting action on this particular measure.

There being no objection, the letter

was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., August 4, 1976.

Hon. MIKE MANSFIELD,
Majority Leader,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: On March 24, 1976, after meeting with a distinguished group of physicians, scientists and public health experts, I asked the Congress to appropriate $135 million dollars for the production of sufficient swine flu vaccine to inoculate every man, woman and child in the United States. I also directed the Secretary of Health, Education, and Welfare to develop plans that would make this vaccine available to all Americans. The Congress moved quickly on my appropriation request, and I was pleased to sign it into law April 15.

Since that time HEW, working with the medical profession, State and local health officials, vaccine manufacturers, and other groups, have developed extensive plans to see to it that our original goal of making this vaccine available to all Americans can be met.

We continue to be faced, however, with a major problem in meeting our goal. Although experience indicates that there is a very low risk of untoward reactions to the vaccine, the drug manufacturers producing this vaccine for HEW need some form of appropriate liability protection.

On June 16, in anticipation of this situation, I directed HEW Secretary Mathews to immediately submit legislation to the Congress to enable the government to assume a proper share of risks so that this important program might move ahead.

This morning I received a report from the Secretary that after seven weeks of discussions and negotiations, the Health and Environment Subcommittee of the House Interstate and Foreign Commerce Committee acted last night to report legislation that would, if enacted by the House and Senate, correct this problem, which has unnecessarily delayed this vital program.

I am writing to you this afternoon to urge that the Senate move quickly to enact this legislation so that the vaccine can be made available without further delay.

In conclusion, let me reiterate a point that I made in March and again to Chairman Paul Rogers on July 23: The threat of swine flu is genuine. Data from both the scientific and medical communities support the need for an inoculation program. Clinical tests conducted to date show that the vaccine is both safe and effective. There is no excuse now to let this program—a program that could affect the lives of many, many Americans—be delayed any longer. Let's work together to get on with the job.

Sincerely,

GERALD R. FORD.

Mr. JAVITS. That letter, Mr. President, is dated August 4, 1976, and I will not read the whole thing. The Members can read it in the RECORD. So can the public.

But I would like to read one critical paragraph as it bears upon what I hope will be unanimous action by the Senate:

> In conclusion, let me reiterate a point I made in March and again to chairman Paul Rogers on July 23: The threat of swine flu is genuine. Data from both the scientific and medical communities support the need for an innoculation program. Clinical tests conducted to date show that the vaccine is both safe and effective. There is no excuse now to let this program—a program that could affect the lives of many, many Americans—be delayed any longer. Let's work together to get on with the job.

That is from the President of the United States.

Mr. President, to emphasize the point made so very well by Senator BEALL, and myself, I would like to point to a provision in this letter which makes the action of being vaccinated extremely voluntary.

The President says, and I quote just the following words:

> To see to it that our original goal of making this vaccine available to all Americans can be met.

That is at the end of the second paragraph on the first page, and the key word there is "available." So that no American is required, but it is available to him promptly and in time to head off what we hope and pray will not be an epidemic. But nonetheless, to head it off should one be brewing.

Mr. President, I ask unanimous consent to have printed in the RECORD the floor statement of Senator KENNEDY, chairman of our Health Subcommittee, who conducted the hearings and generally carried on the role of leadership in respect to this particular legislation, as he has done consistently with respect to important health legislation to protect and improve the health of the American people.

He is momentarily detained at home because of trouble with his back but I would like his role, his leadership role, in respect to this particular legislation to be very clear and precise.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR KENNEDY

Some four months ago the President of the United States called for a national immunization program to protect the American people against a possible epidemic of swine influenza. At that time, the President requested special emergency legislation from the Congress in order to get the immunization program moving. Within a very few days, the Congress responded to this request by passing an emergency appropriation of $136 million to fund the program. At that point, we had every reason to believe that the implementation of the program, including vaccine development, production, testing, and its distribution and administration to the public would not encounter any serious difficulties.

It was thus surprising and disappointing to learn during the past several weeks that the immunization program had run into great difficulties. It appears that the private insurance companies which provide coverage for the vaccine manufacturers are either unwilling to cover their participation in the swine flu program, or to provide coverage at an exorbitant price. Without insurance coverage, the pharmaceutical manufacturers of the vaccine were understandably loathe to participate in the program. As a result of the intransigent attitude of the insurance industry, we find ourselves in the curious position of having 100 million doses of swine flu vaccine already produced, but unavailable to the public.

It would appear, Mr. President, that our only recourse now is to have the federal government step in and assume the liability coverage (negligence excepted) of the vaccine producers, the state and local health authorities which will distribute it, and the physicians, nurses, and other personnel who will administer it. Such an activity on the part of the federal government is unique, and raises some extremely difficult points of law and procedure. This approach is not to be considered a precedent. It is a temporary procedure to enable this program to be implemented. Extensive discussions have taken place between members of the Congress, the Department of Health, Education and Welfare, the pharmaceutical companies, and the insurance industry in order to resolve the impasse. Despite the numerous scientific questions raised about the immunization program, and about the necessity to move ahead with it on an all-out emergency basis, it is clear that if even a small risk exists that swine influenza may sweep the country this fall and winter as the President suggests, then it is a prudent course to forearm ourselves with this program and not take any chances with the health of the American people.

Last Thursday, I joined with other members of the Senate Health Subcommittee in introducing the Administration's bill, which would permit the federal Government to cover the liability of those involved in the immunization program. This legislation, as I have pointed out earlier, was the result of numerous meetings of all interested parties, and arrived at only after long and arduous deliberations. Even so, I pointed out that the proposed legislation was not without numerous problems. Over the past weekend, some of these problems have been resolved, but I fear that we have just not had adequate time to do full justice to this complicated piece of legislation. Nevertheless, and in view of the urgency expressed by Secretary Mathews in his testimony before the Health Subcommittee on Thursday and by the President in his letter to the leadership of the Congress, I urge my colleagues to vote for this legislation as the only way we can get the national immunization program moving again.

I would like to acknowledge the efforts of professional staff members of the Committee on Labor and Public Welfare. I know how hard they worked to prepare the substituted bill.

I want to specifically thank Jay Culter, minority counsel to the full committee, Allan Fox, counsel to the health subcommittee, Nik Edes, special counsel to the full committee, Jon Steinberg, counsel to the Human Resources Subcommittee, and Art Silverstein, an A.A.A.S. fellow.

The proposed amendment in the nature of a substitute to S. 3735 would give the Secretary of H.E.W. limited authority to carry out a National Swine Flu Immunization Program only for swine flu vaccine and for swine flu vaccine when in combination with A Victoria vaccine. This is a temporary measure and therefore the authority would expire on August 1, 1977. The Secretary is mandated to develop an informed consent form and appropriate procedures for assuring that each American who intends to take such vaccine will be given an opportunity to understand the risks and benefits associated with the vaccine prior to being inoculated.

I want to make it clear, Mr. President, that despite certain reservations about the scientific and legal aspects of this program, we in the Congress have consistently been responsive to the needs of the program and to the requests of the President. As Secretary Mathews told us the other day, all of the good-faith efforts on the part of his Department were frustrated at every turn by the unwillingness of the insurance companies to undertake a reasonable participation in the immunization program. Despite the fact that several decades of experience have been gained in the administration of several hundred million influenza immunization doses, with very few law suits resulting from these programs, the insurance industry is apparently unwilling to participate, despite the extensive field trials of the new vaccines which show that they are safer than those employed in the past. Not only is the swine flu immunization program held hostage and threatened with failure by this unexpected position of the insurance industry, but even more disturbing is the suggestion that other federally-funded immunization programs are now threatened with lack of insurance coverage. These programs involve primarily the immunization of young children with vaccines against measles, rubella, mumps, and poliomyelitis. Even if swine flu does not develop in the United States during the coming fall and winter, we can be sure that these other infectious diseases certainly will occur, and will threaten both health and life of many of our young children. It is unthinkable that suddenly, in the middle of a longstanding program and with no valid reason for the change, the insurance companies should decide to lift the insurance coverage of the manufacturers with respect to these other childhood immunizations.

The position taken by the insurance industry in this country with respect to these immunization programs is incomprehensible to me. The fact that they should have been, for a while at least, in a position to shut down a program of such potential significance to the health of the American people is shocking and shows both cupidity and an inexcusable lack of social obligation to the needs of the American people. One would have hoped that in our free enterprise system, the insurance industry might have been able to find some reasonable basis to undertake insurance coverage of so important a program, and at a reasonable price based upon actuarial experience. It may be necessary, Mr. President, to reexamine the role of the insurance industry in other federal programs, and to reconsider some of the special treatments that they have received at the hands of the Congress.

Along these lines, I have prepared an amendment to repeal the special insurance industry exceptions that are made in the McCarran-Ferguson Act, which exempts the insurance industry from federal antitrust statutes. I shall not introduce it at this time, however, only because it would be inappropriate to hold up Senate action on the swine flu immunization bill. As a member of the Judiciary Committee and as chairman of the Health Subcommittee, I believe the time has come to fundamentally reexamine the special privilege that the swine flu situation demonstrates the industry has abused.

Mr. JAVITS. Mr. President, I also wish to thank our chairman (Mr. WILLIAMS); to thank Senator MAGNUSON, who heads the subcommittee of the Appropriations Committee which deals with this matter, without whom we would not be on the floor right now as it was his advice that prevailed with the Appropriations Committee; my colleague Senator BEALL; my colleague Senator TAFT; and all other Members who have had a hand in this.

Mr. President, we should not overlook the dedicated efforts of the professional staff members of the Labor and Public Welfare Committee and the legislative assistants of the members of the committee who deserve our highest commendation. Without their commitment, and the work of William Taft, HEW's general counsel, to pressing forward in preparing the substitute bill, the President's program would have been in jeopardy.

I wish to especially commend for their work on the measure: Jay Cutler, minority staff director and minority counsel to the Labor and Public Welfare Committee; Alan Fox, counsel to the Health Subcommittee; Nik Edes, special counsel to the Labor and Public Welfare Committee; and Jon Steinberg, counsel to the Human Resources Subcommittee.

Now, Mr. President, I have just a brief additional note. So my colleagues are thoroughly apprised of what changes we have made within the last hours in the substitute based upon our discussions with Members and our discussions with the chairman, PAUL ROGERS, of Florida, of the House Public Health and Environment Subcommittee. Mr. ROGERS has been very kind to give us the benefit of his views so that matters could be expeditiously handled in the House.

The Senate has already been informed by Senator BEALL of his provision which requires prompt consultation with the National Commission for the Protection of Human Subjects, that is, within 2 weeks, and certainly not later than September 1, after the passage of this bill and its becoming law, and the information to the individuals not only of their rights but of their remedies.

The next amendment, as I anticipated when I first opened, is insofar as swine flu vaccine it is to be without profit to the manufacturers. Manufacturers, however, are permitted a reasonable profit on that element of the vaccination which relates to a A/Victoria/75 flu. That is specified and set out in the substitute.

Claims against the United States arising out of the use of the vaccine must be submitted after September 30, 1976. That is a slight change in the bill.

The statute of limitations for administrative actions is modified in the substitute in the following words:

> The plaintiff in such action or proceeding shall have 30 days from the date of such dismissal—the dismissal being attributable to the failure to file an administrative claim as required by chapter 171 of our consolidated laws—or 2 years from the date the claim arose, whichever is the latter.

That is incorporated in this particular substitute which we have submitted.

Next we protect ourselves in respect of the subrogation rights of the United States should it pay a claim by way of administrative settlement or court judgment to be "notwithstanding any provision of State law." To protect the United States further there is included the caveat—

> resulting from the failure of any program participant to carry out any obligation or responsibility assumed by it under a contract with the United States in connection with the program, or from any negligent conduct on the part of any program participant in carrying out any obligation or responsibility in connection with the swine flu program.

Finally, in the report, relating to the operation of the program by the Secretary of HEW, we also require a detailed statement of the reason why recovery over may not be sought by the United States in a particular case. Just as an example, it may involve such a small sum that there is no cost-benefit ratio in trying to get a recovery. But we require the Secretary to explain whatever he does, whether it is by regulation or by individual action.

Finally, we include also in the term "State", the District of Columbia, Puerto Rico, and the Virgin Islands.

Mr. President, I have given notice of these changes because Members may have worked with the preceding draft or worked with us in respect of what we were going to submit as a substitute. These are, relatively speaking, last minute changes which do not change in any way the fundamental thrust of the bill, but will account to any Member who has been involved before as to why we bring the bill to the floor as it is.

Mr. President, I know of no other amendments.

I would like to thank the leadership, especially Senator MANSFIELD, who is not here at the moment, and Senator ROBERT C. BYRD for the expeditious way in which they handled this in the most nonpartisan spirit. It would have been easy to play ducks and drakes with a thing like this, which is really at the request of the President of the United States. The greatest respect and the greatest attention has been paid to the President as the President and, hence, the ability of the Senate to take action so promptly. I know I express the feeling of many Members and of the President in expressing my appreciation for that.

I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call th eroll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 363

Mr. ALLEN. Mr. President, I send an amendment to the desk.

Mr. WILLIAMS. Mr. President, I yield time to the Senator from Alabama.

The PRESIDING OFFICER. Time will have to be used or yielded back on the amendment in the first degree before the amendment in the second degree will be in order. Is all time yielded back?

Mr. WILLIAMS. I yield back the remainder of my time.

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Alabama (Mr. ALLEN) proposes an unprinted amendment No. 363.
>
> At the end of the bill add the following new section:
>
> SEC. . The program provided herein is entirely voluntary. No provision hereof shall operate to require any person to participate in this program against his or her will or to submit to the medication immunization process or vaccination provided by this program.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. ALLEN. Yes.

Mr. JAVITS. I have heard the amendment, and the Senator is gracious to allow me to speak.

Normally, if one says, "Well, an amendment is unnecessary because this is what we say," a Senator can respond, "If it is unnecessary to say what you say, why not include it?"

Our problem is that we have negotiated with so many people, including the Appropriations Committee, that I hope the Senator may be content if I, as more or less the manager of this measure in Senator Kennedy's absence, give my assurance, and I am sure Senator Williams will join me, and which is borne out by the body of what we are doing.

Let me furnish proof to the Senator: On page 2 of our substitute which is at the desk, subsection (f) deals with the question of written, informed consent. Every individual to whom this vaccine is to be administered must give a written, informed consent, and the definition of the informed consent is contained in the amendment, and calls for the information necessary to advise individuals with respect to their rights and remedies arising out of the administration of such vaccine.

Then I have put in the Record the President's letter, upon which this whole action is based, of August 4, 1976, in which the President says, at the end of the second paragraph of that letter which is already in the Record—let me read the whole paragraph:

> Since that time—

Referring to March and April of this year, when the President first approached me—

> HEW, working with the medical profession, State and local health officials, vaccine manufacturers, and other groups, have developed extensive plans to see to it that our original goal of making this vaccine available to all Americans can be met.

I would like to repeat that; it is critical to what the Senate is seeking to do:

> to see to it that our original goal of making this vaccine available to all Americans can be met.

Therefore, I say to the Senator advisedly, as the comanager of the bill on the floor, that this paragraph is entirely voluntary, it is not mandatory, and it is based exclusively upon the informed written consent of any American who wishes to subject himself to it.

Having said that, I would express the personal hope that citizens, in their own interests and in the interests of patriotism for the whole country, would seriously and affirmatively consider entering into the program. But there is no element of mandate, force, or constraint of any kind.

Mr. ALLEN. I appreciate the distinguished Senator's making this absolutely clear, because many American citizens very properly fear programs that provide for the collectivization of our people and programs that are furnished on a mass basis to our citizens. Many feel that a program of this sort would invade their privacy and their right to choose the medication that they might desire for themselves and their families.

I recognize the legislative problems that are presented here because of the early adjournment both of the House of Representatives and the Senate.

As I understand the Senator, as a part of the legislative history, he gives assurance that the bill provides for a program that is entirely voluntary, and that no citizen would be required to participate in the program against his will, that he would not have to submit to the medication or the immunization or the vaccine, and that no effort would be made to require our citizens to submit to this medication or this program against their will; is that correct?

Mr. JAVITS. I would certainly concur with what the Senator has said. I do have a somewhat special problem, which staff has called to my attention, as the Senator will immediately recognize, with the Armed Forces. I cannot foretell how the United States will handle that.

Mr. ALLEN. That brings on a little more talk, then. The Senator will concede that in some respects it is not going to be voluntary; is that correct?

Mr. JAVITS. No, I cannot say that. I just do not know how the Armed Forces would handle the question. But then that is true of any vaccination given to members of the Armed Services. I really am not standing here apprised of how they deal with general questions of inoculation.

But I would like to add to what I have said that as Congress passes this legislation, it is in the spirit that for every American it is entirely voluntary. As to the nonmilitary forces, the law itself, in specific terms, makes that very clear, and it will be our job to furnish the monitoring of this, to follow up to be sure that both the letter and the spirit of what we have assured the Senator will be carried out.

Mr. ALLEN. In other words, the program will be available to the citizens, and, with the possible exception of a mandatory program as far as the armed services are concerned, he gives assurance that this is purely voluntary?

Mr. JAVITS. I do.

Mr. ALLEN. And that the bill so provides?

Mr. JAVITS. I do.

Mr. ALLEN. And that the amendment of the Senator from Alabama as affecting citizens not in the armed services is already provided by the bill or the intent of the bill?

Mr. JAVITS. I do.

Mr. ALLEN. I thank the distinguished Senator. Under the circumstances, I will withdraw the amendment—not because the amendment is not in order, because it is in order, but to accommodate the desire of Senators to pass this legislation before the early adjournment of both Houses, and on the assurance that the bill already provides what is provided by my amendment.

Under those circumstances, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS. I thank my colleague. As far as I know, we have no further requests for time.

Mr. MUSKIE. I want to make the record clear regarding one other technical point of order that could be raised against S. 3735 under the Budget Act. As the attached staff memorandum concludes, the new entitlement included in S. 3735 does not contain an October 1 effective date. Under section 401(b)(1) of the Budget Act, new entitlements cannot become effective prior to the beginning of the new fiscal year in order to subject them to the scrutiny of the second concurrent budget resolution and any necessary reconciliation. In this case, however, it seems inadvisable to raise this point of order against S. 3735 for the following reasons:

First of all, the vaccination program is not expected to begin before October 1, and so practically speaking, no claims can arise before the new fiscal year begins. Second, the entitlement is a one-shot, not long-term Federal program. For Congress to pass the bill now and repeal it as part of the reconciliation process 5 weeks from now after substantial preparation has begun would be rather counterproductive. Thus, no purpose can be served by raising this section 401 point of order except to frustrate the program by insisting on an October 1 date.

I do, however, want to remind my colleagues of section 401(b) of the Budget Act and its requirement that new entitlements not become effective before the beginning of the new fiscal year in order to preserve effective congressional review of these programs in the second concurrent resolution on the budget. This case, however, presents an urgent and limited program, which might be frustrated by an insistence on an October 1 effective date.

I ask unanimous consent that the memorandum may be printed in the Record

There being no objection, the material was ordered to be printed in the Record, as follows:

MEMORANDUM

Subject: Effective date of the National Swine Flu Immunization program of 1976.

ISSUE

Is legislation making the United States liable with respect to claims submitted after October 1 for personal injury or death arising out of the administration of swine flu vaccine subject to a point of order under Section 401(b)(1) of the Budget Act?

SUMMARY

Such legislation would be subject to a point of order under Section 401(b)(1) of the Budget Act because new entitlements cannot "become effective" prior to October 1 in order for the new entitlement to remain subject to the Second Concurrent Resolution on the Budget and any reconciliation, if necessary. But if the event which gives rise to the legal obligation of the United States occurs prior to October 1, then even if the claim can't be filed until after the fiscal year begins, the entitlement is effective prior to October 1.

DISCUSSION

S. 3735, the "National Swine Flu Immunization Program of 1976", as reported contains a Section (2)(A) which states:

(2)(A) The United States shall be liable with respect to claims *submitted after September 30, 1976*, for personal injury or death arising out of the administration of swine flu vaccine under the swine flu program and based upon the act or omission of a program participant in the same manner and to the same extent as the United States would be liable in any other action brought against it under such Section 1346(b). . . . (See attachment A. Emphasis added)

This section of the act creates new entitlement authority under Section 401(c)(2)(C) of the Budget Act which defines new entitlement authority as the authority:

> To make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons of governments who meet the requirements established by such law. (Section 401(c)(2)(C)).

S. 3735 is therefore subject to the procedures contained in Section 401(b)(1) of the Budget Act concerning new entitlements.

This section of the Budget Act provides that it shall not be in order in the House or the Senate "to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(C) (or any amendment which provides such new spending authority) which is to become effective before the first day of the fiscal year which begins during the calendar year in which said bill or resolution is reported."

Under this section of the Budget Act, therefore, the above entitlement contained in S. 3735 would be subject to a point of order unless modified to provide for an effective date for the entitlement of October 1, 1976.

The language of this section of S. 3735 appears to do nothing more than defer the payment of such claims until the new fiscal year, rather than give the Congress the opportunity to reconsider, in its reconciliation process, whether such claims should become effective at all.

Section 401(b)(1) of the Budget Act was specifically included in the Act to insure that new entitlements would be subject to the reconciliation process prior to the beginning of the new fiscal year. As the joint explanatory statement of managers accompanying the conference report stated, "the purpose of this procedure is to make entitlements effectively subject to the reconciliation process." (Senate Report 93-924, page 65.)

This provision of the Budget Act was taken directly from Section 401(b)(1) of S. 1541 as reported by the Senate Rules Committee. In their report on S. 1541, the Senate Rules Committee explained that this procedure concerning the effective dates of new entitlements was necessary for the following reasons:

> The requirement of entitlement legislation not be effective until the beginning of the fiscal year following its enactment is intended to allow for rescission, prior to the effective date, of some portion of the entitlement authority provided should Congress so elect through the vehicle of the second required budget resolution. (Senate Report 93-688, page 57.)

Therefore, any new entitlement which is effective prior to October 1, 1976, would effectively circumvent scrutiny through the Second Concurrent Resolution on the Budget or any necessary reconciliation process. *The legal obligation of the United States under S. 3735 may arise prior to October 1, 1976, even with the language limiting the submission of claims, since inoculations under the program could occur prior to October 1, 1976, and therefore, liability of the United States could arise prior to October 1, 1976.*

The entitlement section, as reported, would provide that "the United States shall be liable with respect to claims *submitted* after October 1, 1976, for personal injury or death *arising* out of swine flu vaccine under the swine flu program . . ." (Emphasis added.)

Since the inoculation program could begin prior to October 1, 1976, claims for personal injury or death arising out of the administration of the vaccine program could clearly "vest", or become effective prior to October 1, 1976. The language merely sets the method of filing these claims by delaying them until October 1, 1976; it does not limit the effective date of the entitlement itself.

ATTACHMENT A

Proposed language for (2)(A) of S. 3735 as reported by Senate Labor and Public Welfare:

"(2)(A) The United States shall be liable with respect to claims *submitted after September 30, 1976,* for personal injury or death arising out of the administration of swine flu vaccine under the swine flu program and based upon an act or omission of a program participant in the same manner and to the same extent as the United States would be liable in any other action brought against it under such section 1346(b) and chapter 171. . . ."

Mr. HATHAWAY. Mr. President, I have a number of difficulties with and reservations about the proposal currently before us.

It is my understanding that this proposal is necessary in order to allow the Department of Health, Education, and Welfare to enter into contracts with manufacturers for purchase of the so-called swine flu vaccine urgently needed for a mass immunization program. Without legislative intervention, it is my understanding the negotiations are at an impasse between the Department and the manufacturers, due to the manufacturers' inability to receive protection from liability insurance companies. The insurance companies' reluctance is allegedly based upon their inability to predict the pattern and probability of financial losses which might be incurred through massive inoculation of the swine flu vaccine to a large proportion of our population.

I further understand that, according to the position of these companies, the expected rate of real medical injury, which they are able to predict with confidence, is infinitesimal—less than one in a million cases. But, they are unable to predict, with any confidence, what sort of litigation pattern might result from this mass immunization program. The companies claim that it is currently conceivable that a large number of frivolous suits might be filed, and that these suits could result in inordinate legal costs, which are unavoidable in resisting even frivolous claims. Their fear of this possibility is, I am told, the cause of their refusal to issue insurance and consequently is the cause of the current impasse between HEW and the manufacturers.

Given this situation, no progress can be made toward finalizing an immunization program. The vaccine manufacturers have on hand over 100 million doses of vaccine in bulk form, but unless and until some resolution is achieved with regard to the insurance impasse, these manufacturers are unwilling and financially unable to complete the procedures of separating out the bulk vaccine into individual doses and taking all the steps necessary to make sure that these individual doses are pure and pose no threat to the public.

This is the basic fact situation which brings the bill now being considered before us. I might add that due to the urgency of the situation and the need for prompt remedial action, the Senate voted last Friday to discharge the Committee on Labor and Public Welfare from further consideration of this matter and to place the proposal now before us directly on the calendar.

It is unfortunate that this committee did not have the opportunity to give this matter close scrutiny and attention. It is more unfortunate that our rush to act today is based upon a refusal on the part of the insurance companies to estimate and underwrite risks which are part of their business. While I admittedly am no expert on the intricacies of insurance premiums and risk evaluation, it would seem that actuarial science ought to be able to handle the kinds of estimates upon which an insurance program could be based.

Nonetheless, we are told, this is the case, and unless we act to change the current climate, it will continue to be the case. Any further progress toward the vitally needed immunization program will be stalled pending our action. The manufacturers' efforts to complete the action needed to provide individual doses will require an additional 4-6 weeks. So long as the current uncertainty reigns, efforts to manufacture all of the vaccine which may ultimately be needed are unfortunately proceeding at less than optimum speed, and may abate entirely unless we act.

Given these myriad conditions standing in the way of a successful program, and given the extraordinary leverage which hinges on our action it would appear that we must act, and we must act today, in order to give the House an opportunity to complete the action on this legislation and send a bill to the President. Otherwise there will be another perhaps fatal delay, due to the upcoming recess resulting from the Republican Convention.

But I would hope that our action today is in no way seen as approving or condoning the actions of the insurance companies and the resultant impasse. The requirement of our taking extraordinary action indicates rather the need for us to begin immediately a thorough investigation of this whole area and the establishment of more permanent mechanisms to deal with this problem on an ongoing basis.

The need for prompt congressional action in a more comprehensive manner is underscored by the testimony given last Friday by Secretary Mathews at the hearings of the Health Subcommittee. Secretary Mathews indicated that HEW is currently experiencing difficulties in negotiations involving immunization programs for schoolchildren for mumps, measles, polio, and so on. I would hope that the structure we create today to handle the swine flu crisis would not be seen as applicable to these other programs which continue year in and year out. To deal with these negotiation difficulties I believe Congress must question carefully the relevant insurers, Government officials, and manufacturers and that it not be stampeded into any extension of its current action.

While I intend ultimately to support the legislation now before us, I sincerely hope that it is not seen as any kind of precedent for a longrun solution. It is only marginally supportable as a shortrun stopgap proposal. Its sole redeeming quality, that it is necessary to implement our greatly needed immunization program, important as that goal is, barely serves to outweigh all the negative aspects which I shall discuss.

First, the mechanism of the bill by which the exclusive remedy of an injured plaintiff shall be against the Federal Government, and by which any direct suit is precluded by the injured party against the manufacturer itself, or the doctor, or other participating party, seems to me to contravene the sound principles which govern virtually all of the civil actions conducted in our Federal courts. It appears to negate many of the theories that underlie the structure of the Federal Rules of Civil

Procedure which were established pursuant to public law and under the aegis of the Supreme Court.

These procedures require that real parties of interest be joined directly in any action as parties under, among others, Federal rules 14, 17, and 19. These rules are premised upon the motion that justice is done best when, under our adversary system, those individuals and entities which have the most at stake in the outcome have a direct impact on that outcome. All facts which may be relevant are more likely to come to light if all those with a direct financial interest are made party to the suit. These requirements are in the best interests of our system of justice and of economic application of that system.

Further, the vehicle of impleading all parties of interest provides that, rather than a multiplicity of litigation with possibly inconsistent results, there be instead just one law suit, with one result.

This bill ignores that structure and tradition and instead substitutes a cumbersome procedure whereby two law suits may be necessary. The first would involve a contest between the injured party and the Government, standing in place of the manufacturer, physician, or other program participant. At this stage the Government would be defending these latter parties for any alleged negligence on their part.

Then, after this suit is over, the Government could turn around and seek indemnity against negligent program participants.

This two step approach seems to guarantee that in many cases results will be inconsistent and that the losers will be the individual plaintiffs and/or the taxpayers, and the winners will be the manufacturers and the insurance companies.

The litigation burdens and difficulties in achieving discovery will increase costs relative to individual plaintiffs. Because the Government will act as filter for their litigation, these plaintiffs will not be able to resort to all of the tools of discovery which would otherwise be available were the allegedly negligent program participants made parties defendant. Rule 33 of the Federal Rules of Civil Procedure, which deals with interrogatories to parties, and rule 36, dealing with requests for admission of facts and genuineness of documents, will not be available to plaintiffs vis a vis the program participants.

The counterargument is made that such information can still be gained via oral deposition or subpenaing of participants as witnesses at trial. But these discovery devices can be a poor substitute for interrogatories or requests for admission, particularly if the plaintiff is of limited means.

The latter devices can provide the needed discovery much more easily and at less expense. Furthermore, the manner by which a plaintiff would seek the right to depose or compel attendance at trial poses an additional problem. Under rule 45, relating to subpenas, the territorial limits of process are limited. It is conceivable that a plaintiff of little means would, as a practical matter, be prevented from obtaining discovery in this manner. Of course it is possible to subpena a recalcitrant witness in his home district if the plaintiff is willing to certify the matter over to that district for purposes of issuing the subpena, but again, this requires time and expense.

Perhaps these difficulties in the bill which I have discussed are not really that substantial, and perhaps the litigation inconvenience and expense which I foresee are part of the public policy goals of this legislation—to discourage and simplify litigation and to limit the losses which may result. After all, the medical experts assure us that the vaccine is safe and that the probability of serious personal injury is much less than 1 in 1 million.

This may be true, and I sincerely hope it is, and given the very substantial benefit which will result from successful vaccination, it is arguable that this statutory structure, along with its limitations on the procedural devices available to plaintiffs, is desirable. For it is likely that a number of the suits which may be filed will indeed be frivolous, if the statistics we have seen are accurate.

But this chain of logic is deceptive and its conclusions are very disturbing. Our legal system is not based on the assumption that most civil suits which are filed are frivolous, just as it is not based on the assumption that most defendants in criminal cases are guilty. Quite the contrary.

In both the civil and criminal areas our goals have always been to facilitate the compensation of genuine loss and to vindicate the innocent. If we have erred, we have always tried to err in those directions.

In the criminal area, many of the provisions of the Bill of Rights have always been controversial and always will be. There are those who argue that the fourth, fifth, and sixth amendments let criminals go free. In individual cases I am sure this is so. But these provisions are both justifiable and vital to protect us all from the intrusions of a potentially overpowering centralized authority.

Thus to say with regard to the situation currently before us, which admittedly is in the civil area, that it is permissible to take shortcuts with regard to the procedures to be made applicable, seems to me to be a turning away from our legal traditions and our insistence that we bend over backward to promote justice and to seek the truth. This conclusion fortifies my hope that this legislation not be precedent for further or expanded erosion in this area, and that we begin work immediately to come up with a better way to cope with the problem before this approach is perceived to be in any way permanent.

Another counterargument is made that the sanction upon program participants who fail to "cooperate" under the terms of subsection (k) (6) should suffice to induce the desired behavior on the part of that participant at the discovery stage. Under this argument it is stated that the program participant will be pleased to participate in all desired discovery lest he lose his status of being protected from direct suit via the government filtration procedure. In other words, it is claimed that the sanction of removing the filter and forcing the particpant directly into the initial lawsuit should form a strong incentive to cooperate.

But it seems to me that this penalty is not all that serious a sanction for the program participant who is truly negligent and such an individual or entity would be tempted to give the appearance of cooperation when in fact cooperation is not being achieved.

In this regard, I was pleased to see in the unprinted amendment being offered to S. 3735 a provision whereby any party to the suit might offer the motion that the program participant was not in fact cooperating. In this way it will not be possible for the Government and the insulated parties to be totally in a "sweetheart" relationship, and it will be possible for a plaintiff frustrated in the discovery procedure to attempt to break through this filter if he can make a case to the judge that the cooperation has not been forthcoming. This is a big improvement, but does not, it seems to me, go far enough to insure full disclosure of all relevant facts, which would otherwise be available if impleader were permitted.

Further, I do not immediately see how it is possibble for Congress to so greatly modify the Rules of Civil Procedure via this statutory structure. I am well aware that there is precedent for such a structure in contests involving suits against Government employees.

Such examples as our Federal laws relative to drivers and paramedicals come to mind. These contests properly come under the principles of the Federal Tort Claims Act because such suits involve the complex principle of sovereign immunity, distinctions between ministerial and discretionary activity and so on. Lest an injured party be totally deprived of a remedy under such doctrines, the Federal Tort Claims Act was necessary to provide one.

But the situation currently before us involves in many instances private contests instituted by private plaintiffs against private defendants.

The Government involvement and filtration procedure in this context seems unprecedented and unseemly.

Another aspect of the structure which bothers me is the provision relating to the conditions imposed upon program participants in order to be eligible for the filtration protection. It is stipulated a number of places in the bill that individual program personnel and physicians must participate without charge. This is proper and desirable. It is my view that if such individuals are going to be extended an extraordinary protection against initial liability, they should, in order to foster the same public policy which made that protection necessary, be willing to give up any material gain from their activity.

Unfortunately the same stipulation and protection does not appear to be in the bill as it relates to requirements for participation by manufacturers, or insurance companies. It would appear, however, that the same principle ought to apply. If we are extending a large benefit, and we are, I think we should be quite careful that we do not subsidize large profits.

The initial draft of this bill contains no such safeguard and, as drafted, seems unfair and inequitable to the individual participants who are acting with no personal benefit.

The unprinted amendment offers a substantial improvement and I hope will remedy to a large degree the inequity in the original bill. The amendment provides for a limitation to "reasonable profit" and requires that there be renegotiation of any excess profits on the part of manufacturers. It similarly provides procedures to adjust insurance premiums, and requires that a portion of such adjustment be refundable pursuant to regulations established by the Secretary of HEW.

I would have preferred that, consistent with the provisions relating to individual participants, the corporate entities be confined to cost alone. But given the intricacies of the accounting and the possibility that costs can always be inflated and profits hidden, the amendment represents an acceptable compromise. Further, I am told that it is the only compromise which would be acceptable to the insurers to get us over the current impasse.

In closing, I would like to comment on another positive aspect of the substitute amendment, that is its procedures relative to informed consent, and its safeguards in this area. I think these provisions are laudatory, both to insure that those inoculated are aware of the benefits, and risks, however remote, and that they are informed of the procedures existing under this bill.

In this way they can intelligently gage the consequences their participations will have. They will know of the substantial benefit this vaccine should provide against swine flu and will be aware of the risks. This is particularly desirable, since as I have tried to explain here today, this structure we set up today differs markedly from the liability structure in other immunization programs and general tort principles.

Thus, I hope that all of the factors I have mentioned will be considered in the future as we reexamine our actions here today and as we begin to create more long-term approaches to the problems of liability in other areas of health and in our economy as a whole.

Given the need to begin the program of swine flu vaccine and given the current impasse, I am able to support the current proposal, with it understood that this approach be limited to this crisis, but it is critically important that we construct a more comprehensive and more equitable structure to handle this problem on a long-term basis.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the substitute amendment.

The substitute amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. Is all time on the bill yielded back?

Mr. JAVITS. I yield back my time.

Mr. WILLIAMS. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is, shall the bill pass?

The bill (S. 3735) was passed, as follows:

S. 3735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Influenza Program of 1976".

SEC. 2. Section 317 of the Public Health Service Act (42 U.S.C. 247b) is amended by inserting after subsection (i) the following new subsections:

"(j) (1) The Secretary is authorized to establish, conduct, and support (by grant or contract) needed activities to carry out a national influenza immunization program until August 1, 1977 (hereinafter in this section referred to as the 'program'). The program shall include the following:

"(A) The development of a safe and effective vaccine against the strain of influenza virus known as influenza A/New Jersey/76 (Hsw 1N1) (commonly referred to as the 'swine flu');

"(B) The preparation and procurement of such vaccine in sufficient quantities for the immunization of the population of the States against such influenza;

"(C) The making of grants to State health authorities to assist in meeting their costs in conducting or supporting, or both, programs to immunize their populations against such influenza, and the furnishing to State health authorities of sufficient quantities of such vaccine for such programs;

"(D) The conduct and support of training of personnel for such immunization programs and the conduct and support of research on the nature, cause, and effect of such influenza, the nature and effect of such vaccine, immunization against and treatment of such influenza, and the cost and effectiveness of immunization programs against such influenza;

"(2) The Secretary shall make quarterly reports to the Congress on the administration of the program. Each such report shall provide information on—

"(A) the current supply of the vaccine to be used in the program,

"(B) the number of persons inoculated with such vaccine since the last report was made under this paragraph and the immune status of the population,

"(C) the amount of funds expended for the program by the United States, each State, and any other entity participating in the program and the costs of each such participant which are associated with the program, during the period with respect to which the report is made, and

"(D) the epidemiology of influenza in the United States during such period.

"(3) The Secretary shall conduct, or provide for the conduct of, a study of the scope and extent of liability for personal injuries arising out of immunization programs and of alternative approaches to providing protection against such liability and compensation for such injuries. Within one year of the date of the enactment of the national influenza program of 1976, the Secretary shall report to the Congress the findings of such study and such recommendations for legislation (including proposed drafts to carry out such recommendations) as the Secretary deems appropriate.

"(k) (1) (A) The Congress finds that—

"(i) in order to assure the participation in the program of the agencies, organizations, and individuals who will manufacture, distribute, and administer the vaccine purchased and used in the program and to assure the availability of such vaccine in interstate commerce, it is necessary to protect such agencies, organizations, and individuals against liability for other than their own negligence to persons alleging injury from inoculation with such vaccine; and

"(ii) to provide such protection and to establish an orderly procedure for the prompt and equitable handling of claims by persons alleging injury from inoculation with such vaccine, it is necessary that an exclusive remedy for such claimants be provided against the United States because of the unique role of the United States in the initiation, planning, and administration of the program; and

"(iii) in order to be prepared to meet the potential emergency of swine flu, it is necessary that a temporary procedure be instituted for the handling of claims by persons alleging injury from inoculation with such vaccine until Congress develops a permanent approach for handling claims arising under programs of the Public Health Service Act.

"(B) To—

"(i) provide liability protection to the vaccine manufacturers and distributors who participate in the program, to the public and private agencies or organizations that participate in the program without charge for such vaccine or its administration, and to the medical and paramedical personnel who, without charge for such vaccine or its administration, administer or assist in administering inoculations under the program; and

"(ii) assure an orderly procedure for the prompt and equitable handling of any claim for personal injury or death which may result from the administration of such vaccine.

it is the purpose of this subsection to establish a procedure under which all such claims will be asserted directly against the United States under section 1346(b) of title 28, United States Code, and chapter 171 of such title (relating to tort claims procedure) except as otherwise specifically provided in this subsection.

"(2) (A) The United States shall be liable with respect to claims for personal injury or death resulting from the administration of vaccine under the program and based upon the act or omission of a program participant in the same manner and to the same extent as the United States would be liable in any other action brought against it under such section 1346(b) and chapter 171, except that—

"(i) the liability of the United States arising out of the act or omission of a program participant may be based on any legal principle that would govern an action against a private individual under the law of the place where the act or omission occurred, including negligence, strict liability in tort, and breach of warranty, and

"(ii) the exceptions specified in section 2680 of title 28, United States Code, shall not apply in an action based upon the act or omission of a program participant.

"(B) For purposes of this subsection, the term 'program participant' means the vaccine manufacturers and distributors who participate in the program, the public and private agencies or organizations that participate in the program without charge for the vaccine or its administration, and the medical and paramedical personnel who, without charge for the vaccine or its administration, administer or assist in administering inoculations with such vaccine.

"(3) The remedy against the United States prescribed by paragraph (2) for personal injury or death resulting from the administration of vaccine under the program shall be exclusive of any other civil action or proceeding for such personal injury or death against any employee of the Government (as defined in section 2671 of title 28, United States Code) or program participant whose act or omission gave rise to the claim.

"(4) The Attorney General shall defend any civil action or proceeding brought in any court against any employee of the Government (as defined in such section 2671) or program participant based upon a claim alleging personal injury or death resulting from administration of vaccine under the program. Any such person against whom such civil action or proceeding is brought shall deliver all process served upon him (or an attested true copy thereof) to whoever is designated by the Secretary to receive such papers, and such person shall promptly furnish copies of the pleadings and process therein to the United States attorney for the district embracing the place wehrein the civil action or proceeding is brought, to the Attorney General, and to the Secretary.

"(5)(A) Upon certification by the Attorney General that a civil action or proceeding brought in any court against any employee of the Government (as defined in such section 2671) or program participant is based upon a claim alleging personal injury or death resulting from administration of vaccine under the program, such action or proceeding shall be deemed an action against the United States under the provisions of title 28, United States Code, and all references thereto. If such action or proceeding is brought in a district court of the United States, then upon such certification the United States shall be substituted as the party defendant.

"(B) Upon a certification by the Attorney General that this subsection applies to a civil action or proceeding commenced in a State court, such action or proceeding shall be removed, without bond at any time before trial, by the Attornel General to the district court of the United States of the district and division embracing the place wherein it is pending and be deemed an action brought against the Uinted States under the provisions of title 28, United States Code, and all references thereto; and the United States shall be substituted as the party defendant. Should a district court of the United States determine on a hearing on a motion to remand held before a trial on the merits that an action or proceeding is not one to which this subsection applies, the case shall be remanded to the State court.

"(C) Where an action or proceeding under this subsection is precluded because of the availability of a remedy through proceedings for compensation or other benefits from the United States as provided by any other law, the action or proceeding shall be dismissed, but in that event the running of any limitation of time for commencing, or filing an application or claim in, such proceedings for compensation or other benefits shall be deemed to have been suspended during the pendency of the civil action or proceeding under this subsection.

"(6) A program participant shall cooperate with the United States in the defense of a claim or suit under section 1346(b) and chapter 171 based upon alleged acts or omissions of the program participant. Upon finding that the program participant has failed to cooperate, the district court of the United States shall, upon the motion of the United States, revoke the status as a program participant, substitute such participant as the party defendant in place of the United States, and, upon motion of either party, remand the suit to the court in which it was instituted.

"(7) Should payment be made by the United States to any claimant bringing a claim under this subsection, either by way of administrative settlement or court judgment, the United States shall have the right to recover for that portion of the damages so awarded or paid, as well as any costs of litigation, attributable to any negligent conduct on the part of any program participant in carrying out any obligation or responsibility in connection with the program. The United States may maintain such action against such program participant in the district court of the United States in which such program participant resides or has its principal place of business.".

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SPECIAL ORDERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that committees have authority to report bills and resolutions and accompanying written reports between the hours of 10 a.m. and 3 p.m. on Friday, August 20, during the adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment of the Senate the Vice President, the President pro tempore, and the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that during the adjournment of the Senate, messages from the President and from the House of Representatives may be received and referred.

The PRESIDING OFFICER. Without objection, it is ordered.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the Higher Education Act extension is called up and made the pending business before the Senate, there be a time limitation thereon providing for 4 hours on the bill, to be equally divided between the Senator from New York (Mr. JAVITS) and the Senator from New Jersey (Mr. WILLIAMS); a time limitation on any amendment of 1 hour——

Mr. JAVITS. Mr. President, I am sorry, but I am informed by the attaches on this side that that has not been cleared.

May I suggest the absence of a quorum for a few minutes?

Mr. ROBERT C. BYRD. Yes; I withhold the request.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with the understanding there will be no action thereon today, that the Senate proceed to the consideration of Calendar Order No. 915, H.R. 8603.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 8603) which had been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Postal Reorganization Act Amendments of 1976".

SEC. 2. (a) Section 2401(b) of title 39, United States Code, is amended by striking out paragraph (3).

(b) Section 2401 of title 39, United States Code, is amended by adding at the end thereof the following new subsections:

"(d)(1) There is authorized to be appropriated to the Postal Service the amount of $500,000,000 to be applied against the accumulated operating indebtedness of the Postal Service as of September 30, 1976.

"(2) There is authorized to be appropriated to the Postal Service the amount of $500,000,000 to be applied against the accumulated operating indebtedness of the Postal Service as of September 30, 1977.

"(e) During the period beginning on the date of the appropriation of the funds under subsection (d)(1) and ending on the date on which the Commission on Postal Service is required to transmit the final report required under section 7(f)(1) of the Postal Reorganization Act Amendments of 1976 to the President and each House of Congress, the Postal Service shall not—

"(1) have in effect any permanent or temporary rate of postage or fee for postal services exceeding the rates and fees in effect on the date of enactment of the Postal Reorganization Act Amendments of 1976;

"(2) provide levels and types of postal services which are less than the levels and types of services provided on July 1, 1976;

"(3) close any post office where 35 or more families regularly receive their mail and which was providing service on July 1, 1976; or

"(4) close any post office where fewer than 35 families receive their mail and which was providing service on July 1, 1976, unless the Postal Service receives the written consent of at least 60 percent of the regular patrons of such office who are at least 18 years of age.

"(f) During the period beginning on the date of the appropriations of the funds under subsection (d)(1) and ending on the date on which the Commission on Postal Service is required to transmit the final report required under section 7(f)(1) of the Postal Reorganization Act Amendments of 1976 to the President and each House of Congress, the Postal Service shall provide door delivery or curbline delivery to all permanent residential addresses (other than apartment building addresses) to which service is begun on or after the date of enactment of the Postal Reorganization Act Amendments of 1976.

"(g) In requesting amounts to be appropriated under this section, the Postal Service shall present to the Committees on Post Office and Civil Service and the Committees on Appropriations of the Senate and the House of Representatives sufficient copies of the budget of the Postal Service for the fiscal year for which funds are requested to be appropriated, and a comprehensive statement relating to the following matters:

"(1) the plans, policies, and procedures of the Postal Service designed to comply with all of the provisions of section 101 of this title;

"(2) postal operations generally, including data on the speed and reliability of service provided for the various classes of mail and types of mail service, mail volume, productivity, trends in postal operations, and analyses of the impact of internal and external factors upon the Postal Service;

"(3) estimates of the total expenditures and obligations incurred or to be incurred by the Postal Service for the most recent fiscal year for which information is available and for the fiscal year for which funds are requested to be appropriated, and the means by which these estimated expenses will be financed; and

"(4) such other matters as the committees may determine necessary to insure that the Congress is fully and currently consulted and informed on postal operations, plans, and policies.

"(h) The Postal Service shall request an opportunity to appear before the Post Office and Civil Service Committees of the Senate and the House of Representatives to present testimony and respond to questions with respect to such budget and statement. Upon receipt of such request, each such committee shall take such action as it considers appropriate and shall advise the Postal Service of such action.

"(i) The failure of the President to request the appropriation of any part of the funds authorized by this section may not be deemed a failure of appropriations. The failure of the President to request the appropriation of any part of the funds authorized by this section shall not relieve the Postal Service from the responsibility to comply with the provisions of subsections (e), (f), and (g) of this section.

"(j) The rates established under chapter 36 of this title for zone-rated parcels formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates for such mail would be if the funds authorized under subsection (d) of this section were not appropriated.".

(c) Section 2003 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any other provision of this section, any amounts appropriated to the Postal Service under subsection (d) of section 2401 of this title and deposited into the Fund shall be expended by the Postal Service only for the purposes provided in such subsection.".

SEC. 3. (a) Section 3601 of title 39, United States Code, is amended to read as follows:

"§ 3601. Establishment.

"(a) The Postal Rate Commission is an independent establishment of the executive branch of the Government of the United States. The Commission is composed of 5 Commissioners, appointed by the President, by and with the advice and consent of the Senate. The Commissioners shall be chosen on the basis of their professional qualifications and may be removed by the President only for cause. Not more than 3 of the Commissioners may be adherents of the same political party.

"(b) A Commissioner may continue to serve after the expiration of his term until his successor has qualified, except that a Commissioner may not so continue to serve for more than 1 year after the date upon which his term otherwise would expire under section 3602 of this title.

"(c) One of the Commissioners shall be designated as Chairman by, and shall serve in the position of Chairman at the pleasure of, the President.

"(d) The Commissioners shall by majority vote designate a Vice Chairman of the Commission. The Vice Chairman shall act as Chairman of the Commission in the absence of the Chairman.".

(b) The provisions of section 3601(a) of title 39, United States Code, as amended by subsection (a) of this section, shall not apply with respect to any Commissioner of the Postal Rate Commission holding office on the date of the enactment of this Act, except that such provisions shall apply to any appointment of such a Commissioner occurring after the date of the enactment of this Act.

SEC. 4. Section 3604 of title 39, United States Code, is amended to read as follows:

"§ 3604. Administration.

"(a) The Chairman of the Postal Rate Commission shall be the principal executive officer of the Commission. The Chairman shall exercise or direct the exercise of all the executive and administrative functions of the Commission, including functions of the Commission with respect to (1) the appointment of personnel employed under the Commission, except that the appointment of the heads of major administrative units under the Commission shall require the approval of a majority of the members of the Commission, (2) the supervision of the personnel employed under the Commission and the distribution of business among them and among the Commissioners, and (3) the use and expenditure of funds.

"(b) In carrying out any of his functions under this section, the Chairman shall be governed by the general policies of the Commission.

"(c) The Chairman may obtain such facilities and supplies as may be necessary to permit the Commission to carry out its functions. Any officer or employee appointed under this section shall be paid at rates of compensation and shall be entitled to programs offering employee benefits established under chapter 10 or chapter 12 of this title, as appropriate.

"(d)(1) The Commission shall periodically prepare and submit to the Postal Service a budget of the Commission's expenses, including, but not limited to, expenses for facilities, supplies, compensation, and employee benefits. The budget shall be considered approved—

"(A) as submitted if the Governors fail to act in accordance with subparagraph (B) of this paragraph: or

"(B) as adjusted if the Governors holding office, by unanimous written decision, adjust the total amount of money requested in the budget.

subparagraph (B) shall not be construed to authorize the Governors to adjust any item included within the budget.

"(2) Expenses incurred under any budget approved under paragraph (1) of this subsection shall be paid out of the Postal Service Fund established under section 2003 of this title.

"(e) The provisions of section 410 and chapter 10 of this title shall apply to the Commission, as appropriate.".

SEC. 5. (a) Section 3624 of title 39, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c)(1) Except as provided by paragraph (2) of this subsection, in any case in which the Postal Service makes a request under section 3622 of this title for a recommended decision by the Commission on changes in a rate or rates of postage or in a fee or fees for postal services the Commission shall transmit its recommended decision to the Governors under subsection (d) of this section no later than 10 months after receiving any such request from the Postal Service.

"(2) In any case in which the Commission determines that the Postal Service has unreasonably delayed consideration of a request made by the Postal Service under section 3622 by failing to respond within a reasonable time to any lawful order of the Commission, the Commission may extend the 10-month period described in paragraph (1) of this subsection by one day for each day of such delay.".

(b) The amendment made by subsection (a) shall not apply to any action or proceeding with respect to the recommended decision of the Postal Rate Commission relating to proposed changes in rates of postage, and in fees for postal services, requested on September 18, 1975, by the United States Postal Service in a request which bears or which at any time has been included under Postal Rate Commission Docket Number R76-1.

SEC. 6. (a) Section 3641 of title 39, United States Code, is amended to read as follows:

"§ 3641. Temporary changes in rates and classes.

"(a) In any case in which the Postal Rate Commission fails to transmit a recommended decision on a change in rates of postage or in fees for postal services to the Governors in accordance with section 3624(c) of this title, the Postal Service may establish temporary changes in rates of postage and in fees for postal services in accordance with the proposed changes under consideration by the Commission. Such temporary changes may take effect upon such date as the Postal Service may determine, except that such temporary changes may take effect only after 10 days' notice in the Federal Register.

"(b) Any temporary rate or fee established by the Postal Service under subsection (a) of this section shall be in accordance with the policies of this title and shall not exceed such amount as may be necessary for sufficient revenues to assure that the total estimated income, including appropriations, of the Postal Service shall, to the extent practicable, be equal to the total estimated costs of the Postal Service.

"(c) Notwithstanding the provisions of subsection (b), the Postal Service may not establish any temporary rate for a class of mail or any temporary fee for a postal service which is more than the permanent rate or fee requested for such class or postal service by the Postal Service under section 3622 of this title.

"(d) Any temporary change in rates of postage or in fees for postal service made by the Postal Service under this section shall remain in effect no longer than 150 days after the date on which the Commission transmits its recommended decision to the Governors under section 3624(d) of this title, unless such temporary change is terminated by the Governors before the expiration of such period.

"(e) If the Postal Rate Commission does not transmit to the Governors within 90 days after the Postal Service has submitted, or within 30 days after the Postal Service has resubmitted, to the Commission a request for a recommended decision on a change in the mail classification schedule (after such schedule is established under section 3623 of this title), the Postal Service, upon 10 days' notice in the Federal Register, may place into effect temporary changes in the mail classification schedule in accordance with proposed changes under consideration by the Commission. Any temporary change shall be effective for a period ending not later than 30 days after the Commission has transmitted its recommended decision to the Governors.

"(f) If, under section 3628 of this title, a court orders a matter returned to the Commission for further consideration, the Postal Service, with the consent of the Commission, may place into effect temporary changes in rates of postage, and fees for postal services, or in the mail classification schedule.".

(b)(1) The amendment made by subsection (a) of this section shall not apply to any action or proceeding with respect to the recommended decision of the Postal Rate Commission relating to proposed changes in rates of postage and in fees for postal services requested on September 18, 1975, by the United States Postal Service in a request which bears or which at any time has been included under Postal Rate Commission Docket Number R76-1.

(2) The provision of section 3641 of title 39, United States Code, as such provisions were in effect on the day before the date of the enactment of this Act, shall apply to any temporary rate or fee established by the Postal Service pursuant to its request to the Postal Rate Commission, dated September 18,

1975, for a recommended decision, bearing Docket Number R76-1.

SEC. 7. (a) (1) There is hereby established the Commission on Postal Service (hereinafter in this section referred to as the "Commission"). The Commission shall be composed of 12 members, to be selected as follows:

(A) 4 appointed by the President of the United States, of whom one shall be appointed as Chairman;

(B) 3 appointed by the President pro tempore of the Senate, of whom one shall be an individual who is a member of the work force of the United States Postal Service;

(C) 3 appointed by the Speaker of the House of Representatives, of whom one shall be an individual who is a member of the work force of the United States Postal Service;

(D) the Postmaster General of the United States, ex officio; and

(E) the Chairman of the Postal Rate Commission, ex officio.

(2) The members of the Commission shall be appointed within 15 days following the date of the enactment of this Act.

(3) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as original appointment.

(b) The Commission shall identify and study the problems facing the United States Postal Service and recommend actions to be taken to resolve those problems. The Commission shall not be limited to any particular subject areas for consideration.

(c) (1) For purposes of carrying out its functions under this section, the Commission may sit and act at such times and places and receive such evidence and testimony as it considers advisable.

(2) The Commission may secure directly from any department or agency of the United States information and assistance necessary to carry out its duties under this section. Each department or agency is authorized and directed, to the extent permitted by law and within the limits of available funds, to furnish information and assistance to the Commission.

(3) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(4) All meetings, hearings, conferences, or other proceedings of the Commission shall be open to the chairmen of the appropriate committees of the Congress or their designees and reasonable notice of such meetings or hearings shall be given to such chairmen or their designees.

(d) (1) Except as provided in paragraph (2), members of the Commission each shall receive as compensation the daily equivalent of the annual rate of basic pay in effect for Grade GS-18 for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of service for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(e) The Commission may appoint and fix the compensation of such personnel as it considers advisable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and such personnel may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at a rate not to exceed the maximum rate authorized by the General Schedule. The Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for the maximum rate authorized by the General Schedule.

(f) (1) The Commission shall transmit to the President and to each House of the Congress a final report containing a detailed statement of its findings and recommendations, together with any individual views, on or before February 15, 1977.

(2) The Commission shall not be required to obtain the clearance of any Federal agency before the transmittal of its report.

(g) The Commission shall cease to exist 60 days after the transmission of its final report under subsection (f) and all offices and employment under it shall then expire.

(h) There are authorized to be appropriated to the Postal Service Fund established under section 2003 of title 39, United States Code, without fiscal year limitation, such sums as may be necessary to carry out the provisions of this section. Expenses incurred by the Commission shall be paid out of the Postal Service Fund.

SEC. 8. Section 3623(b) of title 39, United States Code, is amended by striking out "Postal Service" the second time it appears therein and inserting in lieu thereof "Governors".

ORDER FOR H.R. 11552, VOTER REGISTRATION ACT, TO BE HELD AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 11552, which has just been sent over by the House, be held at the desk until further notice by the leadership.

Mr. ALLEN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ALLEN. Is this the post card registration bill?

Mr. MANSFIELD. Yes.

Mr. ALLEN. I object, and I ask that it go to committee.

Mr. MANSFIELD. The reason for holding it at the desk is to try to work out a differential between two committees, each of which indicates that it has control of it, and the bill will not be referred to any committee until that is decided.

Mr. ALLEN. There would be no effort to move it to the calendar without it going to a committee?

Mr. MANSFIELD. None at all. The Senator has my word.

Mr. ALLEN. I thank the majority leader.

With that assurance, I withdraw my objection.

Mr. CURTIS. Mr. President, may I inquire what the unanimous-consent request was?

Mr. MANSFIELD. That the bill be held at the desk pending a meeting between the chairmen of the two committees relative to its disposition—to which committee it should go, or if it should go to vote.

Mr. CURTIS. This request would go through with the distinct understanding that there would be no attempt to take it up on the floor immediately, without referral to the committee?

Mr. MANSFIELD. Yes, indeed, because it is a matter of such importance that I think it should be referred to a committee or committees.

Mr. CURTIS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I ask the majority leader a question with respect to H.R. 11552: Is the jurisdiction of the committees in question, particularly, is the jurisdiction of the Committee of Post Office and Civil Service now in question, inasmuch as the bill does not now provide for sending these postcards through the mail? That possibly would withdraw the jurisdiction of the Committee on Post Office and Civil Service.

Mr. MANSFIELD. It is my understanding that that is the point of contention.

Mr. ALLEN. I think that is a valid point. I appreciate the Senator's enlightenment of this.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS

AUTHORITY FOR COMMITTEES TO FILE REPORTS UNTIL MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SUBMISSION OF STATEMENTS AND INTRODUCTION OF MEASURES UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent the Senators may have until 5 p.m. today to file statements for the RECORD and to introduce bills, joint resolutions, petitions, and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS ON AUGUST 23 AND FOR CONSIDERATION OF POSTAL SERVICE REORGANIZATION ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, August 23, after the two leaders have been recognized under the standing order and Mr. PELL has been recognized in a special order, there be a brief period for the transaction of routine morning business, with rule VIII waived, the period for the transaction of routine morning business not to extend beyond 30 minutes, with statements therein limited to 5 minutes each; that at the conclusion of routine morning business, the Senate resume consideration of the then unfinished business, the Postal Service Reorganization Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUDGESHIP NOMINATIONS RECEIVED DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I am anticipating the sending to the Senate of two nominations for the filing of judgeships, one for the filling of a vacancy on the fourth circuit. At the present time, because Judge Field of West Virginia took senior status, West Virginia has no representation on the fourth circuit. It is the only State in that circuit that presently has no representation. The two nominations have been cleared by the American Bar Association's committee. The Department of Justice, as I understand it, is sending the papers to the White House.

We are about to go out until August 23. I have cleared this with the chairman of the committee (Mr. EASTLAND) through his staff people. I have tried to reach him and shall continue to try. It is my understanding that this will be agreeable to him.

I ask unanimous consent, as in executive session, that if the two nominations, one to fill the vacancy on the Fourth Circuit, which would be filled by the present occupant of the Southern District court judgeship—the other nominee would fill the then vacant Southern District judgeship in West Virginia. I ask unanimous consent that if those nominations reach the Senate during the period of adjournment on any day prior to and including the 17th of August, the hearings on the two judgeships then occur on the 24th of August, at which time, two other judgeship nominations are to be heard; I request provided further that, if the nominations reach the Senate from the White House on any day during adjournment following the 17th, then the hearings on those two nominations occur on the 8th day after the receipt of the nominations in the Senate.

Mr. CURTIS. Reserving the right to object, and I am sure everyone will be anxious to make every attempt to work this matter out, since the request of the Senator from West Virginia is based on certain things happening if something takes place, would he include in this unanimous-consent request that this unanimous-consent request will become effective if the chairman of the committee (Mr. EASTLAND) and the ranking minority Member (Mr. HRUSKA) indicate their concurrence?

Mr. ROBERT C. BYRD. Yes. Mr. President, I make the request subject to the approval of both Mr. EASTLAND and Mr. HRUSKA.

Mr. CURTIS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered, as in executive session.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Nebraska.

The PRESIDING OFFICER. As in executive session.

Mr. ROBERT C. BYRD. As in executive session.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, these requests have been cleared on both sides of the aisle. I ask unanimous consent that the International Finance Subcommittee of the Committee on Banking, Housing and Urban Affairs may hold hearings on S. 3454, a bill to authorize the United States to consent to an increase in its IMF quota and to accept the amendments to the articles of agreement of the International Monetary Fund agreed to in Jamaica in January of this year.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared on both sides of the aisle.

I ask unanimous consent that the Armed Services Subcommittee on National Stockpile and Naval Petroleum Reserves, of which Senator CANNON is chairman, be authorized to meet on August 25.

The subcommittee will conduct hearings on the legislative proposal to provide authorization for the Federal Government to dispose of materials from the national stockpile in the amount of approximately $740 million.

This is highly important legislation. It has been strongly urged by President Ford.

Mr. ROBERT C. BYRD. The request comes from Mr. STENNIS, the chairman of the Committee on Armed Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this is a request that was given to the leadership by Mr. NUNN, acting chairman of the Senate Permanent Subcommittee on Investigations.

Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of which Mr. NUNN is acting chairman, be permitted to hold hearings from August 23 through August 27. This request is made on behalf of Mr. NUNN and on behalf of and with the approval of Mr. RIBICOFF, chairman of the Committee on Government Operations, and with the concurrence of Senator CHARLES PERCY, the subcommittee's ranking minority Member.

It is necessary to schedule these hearings, which will evaluate the effectiveness of the Drug Enforcement Administration, on the above dates to accommodate essential witnesses who are unavailable at other times.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 3 p.m. today.

There being no objection, the Senate, at 2:15 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STAFFORD).

CORRECTIONS IN ENROLLMENT OF H.R. 12169

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 709.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives on House Concurrent Resolution 709, directing the Clerk of the House to make corrections in the enrollment of H.R. 12169.

The PRESIDING OFFICER. Without objection, the concurrent resolution is considered and agreed to.

DEFENSE OFFICERS PERSONNEL MANAGEMENT SYSTEM

Mr. NUNN. Mr. President, the Subcommittee on Manpower and Personnel of the Senate Armed Services Committee is considering S. 2424, the so-called Defense Officers Personnel Management Act. This bill, proposed by the Department of Defense, addresses one of the most important aspects of U.S. national security—the selection and management of the military leaders, commanders, and top- and middle-managers of our Armed Forces.

PURPOSE OF THE BILL

The purpose of S. 2424, as stated by DOD officials, is to revise the laws which govern active duty commissioned officer management—Regulars and Reserves—by first, establishing new statutory limits on the numbers of active duty officers who may serve in the higher grades, and second, providing uniform laws regulating the appointment, promotion, tenure, separation, and retirement of active duty Regular and Reserve commissioned officers. In my opinion, this statement is not entirely comprehensive.

For the past several months, members of the subcommittee and the staff, with the assistance of experts from the Congressional Research Service, the Congressional Budget Office, private consultants, and representatives of the Department of Defense, have carefully examined this proposal. It has become very clear to the subcommittee members that the issues associated with effective military officer management are complex and that they are not susceptible to easy resolution.

CRITERIA FOR JUDGING THE BILL

For example, we need youthful, vigorous soldiers, sailors, airmen, and marines to perform many combat jobs, but if a system is established which produces only young officers, the experience level of the officer corps would be too low for efficient performance of many complex, scientific, technical, and administrative tasks needed to support today's Armed Forces.

An acceptable officer management system should attract qualified, dedicated officers to military careers. It should also, through its promotion policies, provide enough, and only enough, officers to meet mission-based requirements in each of the officer grades. On the other hand, if unnecessarily high rates of active duty and retirement compensation, an over-rich grade structure, and too many fringe benefits are offered to attract qualified officers, military manpower costs are driven upward without commensurate increases in defense capability.

Congress has the constitutional responsibility to enact rules and regulations governing the Armed Forces. Congress must control officer grade distribution, appointments, pay, promotions, retirement, and strength. At the same time, the President, as Commander-in-Chief, needs as much management flexibility as Congress can safely and constitutionally grant, without eroding civilian control and congressional control over the military establishment.

These opposing policy considerations require tradeoffs, balances, and discriminating judgments, if the high quality of military leadership required for this Nation's security is to be achieved at reasonable cost.

PROBLEMS

Unfortunately, S. 2424, as proposed by the executive branch, does not measure up to the stringent criteria by which this important subject should be judged. There are many commendable features in S. 2424 which I will not detail today. My purpose today is to call your attention to a few of the major problems which have been raised in the subcommittee's consideration of the bill and which are of particular concern to the subcommittee:

First, S. 2424 would abandon the traditional American concept of a small, regular, active military force, to be augmented by citizen-soldiers in time of crisis. In abandoning this traditional concept, S. 2424 would:

Eliminate congressional controls over the size of the Regular officer force, and

Institutionalize a large, active Regular military establishment to the exclusion of all but junior Reserve officers.

Second, S. 2424 does nothing to reduce officer personnel costs. The continuing increase of military manpower costs will, unless stemmed, erode our national security. S. 2424 would:

Increase the proportion of officers in the higher grades—O-4 and above—to total active commissioned officer strength thereby increasing personnel costs.

Base officer grade strengths on officer personnel considerations without relating them to hard, military requirements.

Result in minimum additional costs of $127 million over the next 5 years. Additional costs could be much greater—up to $205 million more than under current law—if new authority proposed in S. 2424 were to be fully utilized.

Third, it is not at all clear that S. 2424 would increase the effectiveness of the Armed Forces. S. 2424 contains provisions which would:

Contradict the total force concept by increasing the difficulty of using Selected Reserve units and members in peacetime to augment the active forces.

Provide separate promotion treatment for Reserve and Guard officers during wartime expansions;

Establish grade controls which would be effective only during peacetime;

Avoid congressional control of the highly important officer-enlisted ratio;

Continue the outdated 1954 general/flag officer limitations which many believe are too high.

Fourth, S. 2424 does not appear to improve career officer management. It would:

Generally shorten the average length of service of active-duty officers. Most informed analysts believe that average length of service should be increased.

Rigidify the already too rigid up-or-out system by requiring the separation of all officers below grades O-4 who are not selected for promotion to the next higher grades. It would also prohibit the continuation on active duty of such highly qualified officers even when they wish to continue and the services need them.

Continue questionable and traditional officer competitive categories that require lawyers, accountants, infantrymen, and scientists to compete against one another for promotion.

Fifth, S. 2424 would make it more difficult for the qualified Reserve officer to become an equal partner in the active force. For example, S. 2424 would:

Require, under law, that the military department Secretaries separate Reserve commissioned officers from active duty list service on or before their completion of 11 years of service.

Set up a separate wartime promotion system for mobilized Reserve officers with different career progression rates than would be enjoyed by Regular career officers.

Prohibit highly qualified Ready Reserve commissioned officers with over 11 years of commissioned service from volunteering for general service active duty tours.

Sixth, S. 2424 does not improve career attractiveness for the young Reserve officer who aspires to a military career. It would:

Perpetuate the initial tenure advantages which an Academy graduate enjoys under current laws.

Continue existing policies which permit the appointment of Regular officers before they have proved, by a record of demonstrated performance, their potential as career officers. These policies often have resulted in the selection of some Regular officers whose qualifications are lower than their Reserve contemporaries.

Expand the authority of the Secretary of Defense to award constructive credit—and provide promotion opportunity advantage—to an unlimited number of officer categories with advanced education.

Seventh, S. 2424 would continue or expand many current officer management policies which are generally conceded to be unsound or which could give rise to abuse. For example, S. 2424 would:

Authorize officers in each Service to receive retroactive pay when promoted to a new grade when the vacancy filled has existed prior to the promotion.

Continue the statutory rule which permits an officer to retire in a grade after 20 years of active service, even though the officer has never served in that grade on active duty.

Perpetuate a number of personnel policies which are unique to a particular Service without justification based on the particular service mission.

Exclude a number of categories of officers from accountability under the grade limitations and annual strength authorizations without adequate justification.

In short, Mr. President, I would suggest that each Senator take the time to study this bill carefully. Its subject matter is of great importance to our national security, the public interest, and effective management of the military establishment. The subcommittee is sending, to the Secretary of Defense, more detailed information, including possible alternative courses of action on each of these matters which I have discussed. We plan to have a hearing after the recess with the Assistant Secretary of Defense for Manpower and Reserve Affairs in order to provide an opportunity for the Defense Department to review and comment on these alternatives as well as provide any additional justification which is available. The subcommittee is firmly of the belief that we must establish an officer personnel management system that meets defense needs today and in the foreseeable future.

RECESS UNTIL 3:20 P.M.

Mr. MANSFIELD. Mr. President, the Senate is only awaiting the agreement of the House to the adjournment resolution. We hope that will be done in a matter of 15 or 20 minutes. When it is done, the Senate will then adjourn on the basis of the resolution previously agreed to.

I ask unanimous consent that the Senate stand in recess until 3:20 p.m. today.

There being no objection, the Senate at 3:04 p.m., recessed until 3:20 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STAFFORD).

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair but no later than 4 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senate will stand in recess subject to the call of the Chair but no later than 4 o'clock.

The Senate, at 3:25 p.m., took a recess, subject to the call of the Chair, and reassembled at 3:55 p.m. when called to order by the Presiding Officer (Mr. Tower).

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Alabama.

SENATE RESOLUTION 517—RESOLUTION TO REFER S. 3477 TO THE CHIEF COMMISSIONER OF THE COURT OF CLAIMS

Mr. ALLEN. Mr. President, I send to the desk a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk proceeded to state the resolution.

Mr. ALLEN. I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 517) is as follows:

Resolved, That bill (S. 3477) entitled "A bill for the relief of Jeanette Green, as mother of the minor child, Ricky Baker, deceased, and as widow and administratrix of the estate of Enoch Odell Baker, deceased; and for the relief of Mary Jane Baker Nolan, individually, and as widow and administratrix of the estate of John William Baker, deceased" now pending in the Senate, together with all accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims; and the Chief Commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due from the United States to the claimant.

Mr. ALLEN. Mr. President, this resolution has reference to Calendar Order No. 1064, a bill (S. 3477) which I introduced on behalf of constituents of mine from the State of Alabama who have a claim against a Government agency.

The purpose of that bill was to allow these parties to bring suit against these agencies for the injuries and damages sustained by their decedents, there being two death cases involved.

While that bill conferred jurisdiction on the courts, and the thrust of the bill was not to determine here in the Senate whether these claims are meritorious, but to allow that question to be determined by the courts, I am advised that the procedure which the leadership would prefer be followed would be, by this resolution which I have submitted, to refer the subject matter of the bill to the Chief Commissioner of the Court of Claims and he would consider the matter and consider all of the pertinent facts and determine whether there was any liability on the part of the Government. Then he would certify that fact back to the Senate, and the Senate would use his findings as to liability and as to the appropriate amount, and the Senate, on the basis of that information, would then be able to proceed with a bill which would set as the amount of the liability the amount suggested by the Chief Commissioner of the Court of Claims.

In other words, the Senate at this time would not pass this bill, but would refer the matter to the chief commissioner of the Court of Claims. I am advised that is the procedure which the leadership wishes to be followed. It seems fair to the Senator from Alabama, and I ask that the resolution be agreed to.

The resolution (S. Res. 517) was considered and agreed to.

THE UNITED STATES AND CHINA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a report by the distinguished Republican leader of the Senate (Mr. Hugh Scott) on the basis of his recent trip to the People's Republic of China, entitled "The United States and China," be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

U.S. Senate,
Office of the Minority Leader,
Washington, D.C., August 10, 1976.

Hon. John Sparkman,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: The Majority Leader and I visited China together in late April and May in 1972, about two months after President Nixon and his Chinese hosts announced to the world from Shanghai their Joint Communique.

My deep interest in China dates back to the mid-30's when I commenced my study of China's great cultural traditions. As a Congressman and as a Senator, I have studied with special interest changes in the relations of the Chinese and the American peoples, and in various ways have tried to improve them. Over the past four years I have shared the desire of many of my colleagues in the Congress, and my friends across the country, that diplomatic relations between the United States and the People's Republic of China be normalized as soon as practicable. President Ford, knowing of my intention to visit the People's Republic of China, requested that I make an assessment while there of the current status of Sino-American relations. Through the courtesy of the Chinese People's Institute of Foreign Affairs, I was able during a visit in China from July 10 to July 24 to visit with First Vice Premier Chang Ch'un-ch'iao, with Foreign Minister Ch'iao Kuan-hua, the Vice Chairman of the Revolutionary Committee of the Shanghai Municipality and local officials with whom I met in Chengchow, Loyang, Shenyang, Dairen, Soochow, as well as in Peking and in Shanghai.

Immediately on my return from China I submitted to the President in confidence a report of my observations and findings together with certain recommendations regarding United States policy. That report included accounts of my conversations with Vice Premier Chang Ch'un-ch'iao and with Foreign Minister Ch'iao Kuan-hua.

The report which follows is my attempt to share with the Senate observations I made during the extraordinarily rewarding visit I had in China under the thoughtful and gracious supervision of the Chinese People's Institute of Foreign Affairs.

On this trip I was accompanied by my wife, Mr. Robert W. Barnett, Director of the Washington Center of the Asia Society and to whom I am deeply grateful for his invaluable assistance in the preparation of this report, his wife, Mrs. Patricia G. Barnett, Mr. Terence J. Shea and Mr. Charles W. Freeman, Jr., of the Department of State, Dr. Freeman H. Cary, Attending Physician of the Capitol, Mr. Richard Quick, Miss Margaret Lynch, Mrs. Elizabeth Dorsch and Mrs. Mary Dornblaser.

Sincerely,

Hugh Scott,
Republican Leader.

CHINA AND THE UNITED STATES: CONSEQUENCES OF PATIENCE AND IMPATIENCE

The arrival of the beautiful exhibition of Chinese archaeological finds at Washington's National Gallery in December 1974 gave me opportunity to visit with the accompanying group of art curators about still other works of art being excavated but not shown to the public which I very much wanted to know about, and hopefully, to see. Preparations for my July 10–24, 1976 trip through China began at that time.

For many years I have known that I thought about China within three somewhat distinct contexts of time. One has been the framework of time familiar to the historians of the Chinese artistic tradition, both Chinese and non-Chinese. Continuities in that heritage flow back to the neolithic age.

A second framework of time for China embraces the glory, the decay, the ravagement and exploitation, the struggle, the agony, the regeneration and the restoration of oneness of China which has been a part of the political and strategic consciousness of the world over the past 250 years. It extends from the brilliant achievements of the Manchu Emperor Chien Lung through the unquestionably important achievements of Chairman Mao Tse-tung.

The third framework of time, and one which often obscures deeper and enduring realities in the continuities of China's national life and character, embraces those events which led up to the announcement on February 28, 1972 of the Shanghai Communique, and the movement by all parties directly and indirectly concerned towards creating the better prospect for peace and stability in the Western Pacific that the Shanghai Communique envisaged.

Early in 1975 I discussed with Ambassador Huang Chen, Chief of the Liaison Office of the People's Republic of China in Washington, my wish to visit China. I mentioned to him the places I wanted to go in order to enlarge my knowledge of Chinia's cultural inheritance, places where I could go to compare the China of 1976 with the China which I had visited in the company of Senator Mansfield in the spring of 1972, and people I might see as a member of the United States Senate, so that I could make an assessment of how our Chinese friends viewed the present relationship between the United States and the People's Republic of China.

Over many weeks and months I was encouraged by the Liaison Office of the People's Republic of China to believe that my return to China could be a practical and worthwhile venture. Some five or six weeks prior to our departure our trip had become sufficiently probable that my intention to visit China attracted the attention of the President of the United States. On June 9, 1976 President Ford addressed a letter to me in which he said:

"As Senate Minority Leader, your presence in China would underscore the strong support that the Sino-American relationship enjoys in the legislative branch as well as among the American people. Moreover, in view of the changing Chinese leadership, it would be very helpful to me to have your assessment of the current status of Sino-American relations and of the relationship of normalization to the general situation in the Far East. Your on-the-spot understanding of this relationship will certainly be of great value in the consideration of any future questions regarding Sino-American relations which may come before the Senate."

I arranged to include in my party colleagues who were able to bring to our sessions with the Chinese, both in Peking and elsewhere, past professional experience with China, and linguistic skills which helped me greatly in my effort to make certain judgments about how the Chinese are viewing the relevance to today of their remarkable cultural inheritance, how the Chinese are carrying forward with their colossal efforts in social and economic development, and how we should view China as a contributor to arrangements which can assure better understandings between the Chinese and American peoples, and a better prospect for peace among all countries whose interests involve them in the future of the Western Pacific.

I

My hosts in Peking had been made aware, through the Liaison Office of the People's Republic of China in Washington, of President Ford's June 9, 1976 letter to me. When I was received by the Foreign Minister and by the Senior Vice Premier of the State Council of the People's Republic of China they talked with me, consequently, as a member of the Senate who had been requested by the President to bring to him my assessment of the current status of Sino-American relationships.

The New China News Agency reported on July 12 that my conversation with Foreign Minister Ch'iao Kuan-hua had been "friendly and frank". On July 13, it reported that I had, with Vice Premier Chang Ch'un-ch'iao, "a frank talk in a friendly atmosphere". Neither NCNA story mentioned the substance of our conversations. I agree that our conversations were frank, perhaps even startlingly so. I also agree that they developed in a friendly general atmosphere.

Prior to my departure from Washington I obtained good advice as to those issues likely to be uppermost on the minds of our Chinese hosts, those matters upon which it might be worthwhile to elicit their views, and those matters about which it might be best to avoid detailed conversation. It seemed to me that I was being told that Peking was likely to be generally satisfied with the way the Shanghai Communique was being implemented, and that Peking's real concerns related to the conduct of the United States in the global arena. It is my belief, although I have no way of knowing, that my Chinese hosts may not have talked to me, had I been a representative of the executive branch, the way they talked with me as a member of the United States Senate. Still, it was, I think, significant that they talked about Taiwan at length upon their own initiative. Their observation that Taiwan was the obstacle to progression by the United States Government and by the Government of the People's Republic of China towards normalization of diplomatic relations came, of course, as no surprise. Their view that the civil war between the People's Republic of China and the Republic of China on Taiwan was still a war, and unconditionally a domestic affair internal to One China, was stated with a vehemence which suggested that they were surprised and resentful that any American would not know that this was their view.

From what the Chinese said to me about Tiawan, I drew several inferences.

Last December, Peking was prepared to understand and to acquiesce in some delay in the United States actions necessary to establish full diplomatic relations with the People's Republic of China. China, however, is not willing to acquiesce in such postponement for an indefinite period of time and they used such terms as "unrealistic and unacceptable". Whereas Peking has been, for some time, talking with us about a variety of mutual concerns in the global arena, with lessened emphasis on China's concern over the unresolved Taiwan issue, China had done this because it believed that its unchanging interest in resolution of this part of China's unfinished civil war had been taken for granted by us.

My second inference arises from the state of mind caused by the death of Premier Chou En-lai, the now publicly admitted frailty of Chairman Mao, and what was, to me, an obvious general uncertainty about the composition and likely intentions of China's future leadership. At such a time there was clearly advantage in moving towards the conclusion of important unfinished business which China had undertaken with the full authority of both Chairman Mao and Premier Chou En-lai: implementation of the Shanghai Communique.

Ever since Senator Mansfield and I made our trip to China in 1972 I have been trying to assess Congressional and public response to reports arising from subsequent Congressional visits to the People's Republic of China and to public addresses which have touched upon normalization of United States relations with the People's Republic, such as President Ford delivered in Hawaii following his visit to Peking last December. Governor Carter's statements on China policy only reinforce my view that there is very wide support for movement towards normalization of the United States diplomatic relations with the People's Republic of China, even if doing so involves severing diplomatic ties with our friends on Taiwan. I hold the view that early in 1977 we should press the process of cutting this Gordian knot, through mutual search for acceptable formulae.

I myself share with many Americans the feeling that we should not sever diplomatic relations with Taipei unless and until we have made a convincing case that the risks of damage to the longer term interests, safety and prosperity of Taiwan through taking that step are not great. This case ought to be made as early as possible, moreover, knowing that Chinese leadership, on its side, is most unlikely to make explicit commitments to the United States inconsistent with its view that the method for the ultimate liberation of Taiwan is, unconditionally, a matter internal to One China.

It has been my view for some time, as a friend of the Chinese people, that Taiwan's safety is a function of important realities over and above the existence of the 1954 Mutual Defense Treaty. I believe that the American public, the People's Republic of China and Taiwan must understand why this is the case. Taipei needs to understand that the American public's revulsion with the Vietnam intervention, and the American public's support of the War Powers Resolution of the Congress, mean that sustained American performance on commitments under the Mutual Defense Treaty of 1954 cannot be taken automatically for granted. The treaty was entered into at a time when Washington believed that its adversary was a Sino-Soviet monolith whose seizure of any free world territory carried global implications. Under present circumstances, considering the risks as well as likely American reactions, the American people may come to question vital interest in military involvement in the unfinished Chinese civil war.

It is not likely that Peking will attempt to recover Taiwan by military means if doing so were to require significant weakening of Peking's military capabilities on the northern frontiers of the People's Republic of China, where present anxieties are not soon going to be eased. Peking knows that, under any circumstances, a military engagement in the Taiwan Strait would be costly, considering the impressive combat capabilities of the Republic of China, as well as weighing the risks of adverse world reaction.

Peking knows that for it to strike a military blow against Taiwan would provoke an extreme reaction in Japan, possibly great enough to cause Japan to move towards revoking Article 9 of its constitution, and to head towards acquisition of a major power military capability which so recently as four years ago was deeply disturbing to Peking.

Peking should understand that for it to resort to military force in settling the Taiwan question would almost certainly cripple, perhaps gravely, a prospect of helpful cooperation between Washington and Peking in the global arena.

On the other hand, it is my belief that we have overlooked, during our conversations with Peking about Taiwan over the past twenty years, the possibility that Taiwan, itself, might alter its role in our confrontation with Peking. Taiwan should be persuaded that its safety may depend far more significantly upon factors other than upon whether or not it is linked to the United States by treaty obligations. Taipei has denied totally the legitimacy of Peking's authority because the legitimacy of government on Taiwan, itself, required expectation of a return to the mainland, and because Taipei believed that it could take for granted an American defense umbrella. While almost all other countries in the world have been moving towards normalization of relations with the People's Republic of China, Taipei has been unwilling to negotiate on any subject with Peking.

While I was in China, this time, I was interested to hear that the Chinese were ready, at any time, to talk with representatives of Taipei, and to trade with Taiwan.

I came away from my conversations with Chinese leaders convinced that we should strive to make Peking perceive the need for it to cooperate with us in dealing with both domestic and international difficulties which complicate, for us, movement towards normalization of relations between the United States and the People's Republic of China. I am also convinced of the wisdom of our statement in the Shanghai Communique which reaffirms our interest "in a peaceful settlement of the Taiwan question by the Chinese themselves". The time has now come, however, for us also to ask from Taipei, in addition to what we may be asking from Peking, a positive role in the search for a solution which offers promise of avoiding the use of force on either side. Taipei should play a positive role so as to assure continuing readiness of the American people to be involved in that remarkable economic and social development effort so greatly admired by its friends, whether that relationship develops within the framework of a "Japan formula" or otherwise.

Events are taking place within China, within the United States, within East Asia—notably the termination of the Vietnam intervention—and elsewhere which cause me to believe that normalization of diplomatic relations between the United States and the People's Republic of China is a matter of some urgency, and hopefully should be achieved during 1977, if the expectations for peace and amity, implicit in the Shanghai Communique, are to be realized.

From the Department of State, my Congressional colleagues, and from my own party I received, prior to my departure, massive background materials intended to help me to profit from my trip to China. These materials included the texts of important speeches by the President and by the Secretary of State, thoughtful and informative reports on trips made to China by Congressional delegations and by various private groups and individuals, general economic indicators, and analyses of Chinese agriculture, industry, trade, energy prospects, government and party structure, and so forth. I was given prints on Congressional hearings and various articles on China and on U.S.-China relations. In retrospect, however, there were two documents which were of particular value to us, during our travels through China. One was the text of Premier Chou En-lai's Report on the Work of the Government on January 17, 1975. The other was the text of a May 16, 1976 article by the editorial departments of the People's Daily, the journal Red Flag, and the Liberation Army Daily entitled "The Great Cultural Revolution Will Shine Forever", written in commemoration of the Tenth Anniversary of the May 16, 1966 circular of the Central Committee of the Communist Party of China which, in the words of the article itself, "sounded the clarion call for the Great Proletarian Cultural Revolution and illuminated the course of its triumphant advance".

I must digress a moment to justify the somewhat bizarre suggestion that two samples of Chinese Communist current literature had as great or greater value for me than the mass of other descriptive and analytical data, largely produced by American observers, made available to our party. As many other American visitors to China, including members of the Congress, over the past four years, have discovered, the Chinese are graceful, generous, and extremely exacting hosts. They learn of your interests and wants, and do the best they can to satisfy them. They expose you to a staggering variety of impressions by means of a complete schedule of visits to institutions and with "leading persons." They ask you to listen respectfully to their explanations of what it is that you were seeing. The visitor to China is a beholder of the scene, and a passive listener to the words of hospitable, earnest and totally dedicated persons responsible for the place, the program, the event or the institution concerned. Visitors do not cross question.

The value of the Chou En-lai statement and the May 16 editorial lies in the fact that read and understood together they can furnish American listeners with concepts and vocabulary needed to decode intimations of political tendency across the country. Teng Hsiao-ping was not mentioned to us by Foreign Minister Ch'iao Kuan-hua, by the senior Vice Premier Chang Ch'un-ch'iao, or by the Vice Chairman of the Revolutionary Committee of the Shanghai Municipality, but with almost ritualistic regularity, criticism of Teng was a part of conversations we had everywhere else, at Peking University, in factories, at a May 7th Cadre School, in museums, at two communes, in hospitals, sports centers, musical performances and even in kindergartens. What might this really signify?

Observers and analysts far more learned and experienced than I have tried to explain the apparent frenzy of the anti-Teng campaign. On the strength of my observations, admittedly very limited in scope and depth, the anti-Teng campaign differs in one respect from the campaigns in 1972 against Lin Piao and in 1967 against Liu Shao-chi. Teng was never described to us as betraying China to some foreign power. The virulence of the anti-Teng campaign appeared to be fundamentally moralistic and ideological. And, to listen to our hosts condemn Teng's alleged challenge to Chairman Mao's leadership one would suppose that the Great Cultural Revolution set in motion by the Central Committee of the Communist Party of China in May, 1966, had been a continuing process for over a decade. Many outside observers have believed that the Sino-Soviet military engagements in the summer of 1969, China's entry into the United Nations in 1971, the Shanghai Communique of 1972, and the normalization of relations with Japan, Australia, Malaysia, Thailand, the Philippines, and many, many other countries, took place in a setting where Chinese leadership had considered the Cultural Revolution to have served its earlier purifying purposes. Thus it was that in a post-Cultural Revolution era, through China's most highly respected and beloved administrator, Chou En-lai, there was calmly laid down a broad design for national conduct over the rest of this century in the form of his Report for the Government in January, 1975. That relatively brief document is, therefore, worth careful reading. It honored the wisdom of Chairman Mao. It stressed the goals of self-reliance and egalitarianism. However, it acknowledged, realistically, that independence and growth will require selective and prudent involvement in the international economic and scientific community, and tactical adjustment of ideology in meeting national requirements if China is to come to the front ranks of the world during this century. It was, conceptionally and operationally, Chou En-lai's "last will and testament", and must be the bible of China's pragmatists.

Implicitly, criticism of Teng Hsiao-p'ing seems to reflect a wish by some factions in China's leadership to create fear that the pragmatic elements in the Chou strategy might gain crippling precedence over ideological purity.

What was striking to us was that our Chinese hosts, elsewhere than in Peking and briefly in Shanghai, never revealed much interest in any other country than their own. It was only in Dairen, when being shown a remarkable network of civil defense tunnels and military precautions, that the USSR was mentioned to us as a present danger. The United States election, rarely brought up publicly, was often discussed privately with me. Japan was not discussed with us. Taiwan was the frequent theme of song and dance, but not of conversation. On our side, we never brought it up. Instead, our hosts talked with us exclusively about what, as a practical matter, had been their achievements since "liberation", since "the Cultural Revolution", and what had been the moral content and purpose of their collective activity. In the May 16, 1976 editorial, referred to above, and attached to this report, we can read, in context, the incantations we heard: "We couldn't do without the great Proletariat Cultural Revolution"; ". . . The bourgeoisie is right in the Communist Party—those in power taking the capitalist road. The capitalist roaders are still on the capitalist road." Teng Hsiao-ping's 'taking the directives as the key link' . . . completely denies "that several thousand years of human history are a history of class struggle.'" Chairman Mao said at the beginning of this year: "Without struggle, there is no progress. Can 800 million people manage without struggle?" "The supersession of the old by the new is a general, eternal and inviolable law of the universe."

The article concludes with the exhortations: "We must grasp revolution, promote production and other work in preparedness against war . . . Under the leadership of the Party Central Committee headed by Chairman Mao, we are determined to persevere in taking class struggle as the key link and carry the continued revolution under the dictatorship of the proletariat through to the end". One may treat this as the Bible of the "left."

From scores of people we were to see in China, the above quotations, in varying combination, were used so often in discussing every aspect of Chinese activity that one was tempted to suspend attention. Gradually, however, several, perhaps surprising, impressions began to take form. We were in the presence of people whose concerns were nationally and locally introspective. Necessity was extracting, somehow, betterment of life in an environment constantly threatened by the pressure of numbers, and the unreliability of nature. Second, we were among people who had had, even as Communists, some experience with the social cost of rewards of the liassez-faire and regulated elements in Communist societies, and were debating elliptically the operational implications of Teng's deviations from Mao's line in keenly felt moral terms. Third, we were among people whose obvious intelligence and whose experience with affairs, albeit at a local level, must have made them conscious of the inevitable past disparities between theory and practice, but who had for thirty years or more relied upon a relatively stable leadership to make pragmatic accommodation to fluctuating national circumstances. They were now uncertain who their future leaders would be. A power-seeking Left, speaking as ideologues and moralists, and citing Chairman Mao as their authority, was telling the people to condemn Teng Hsiao-ping—the elitist, the capitalist roader, and the betrayer of the revolution. The pragmatists and the administrators, in whom Premier Chou placed great trust in his January 1975 "Will and Testament", were largely silent, but except for the "villainous" Teng Hsiao-ping, were holding onto their jobs. The anti-Teng campaign was a one-sided argument, but still it was argument.

When the President was in Peking last December Premier Chou En-lai, though known to be ailing, still was alive. His death, in early January, produced, I think, an impact on China's succession of power arrangements far more profound than anyone seemed to be anticipating. Shortly after Chairman Mao received Prime Minister Lee Kuan Yew and Prime Minister Bhutto in Peking last May the Central Committee of the Chinese Communist Party announced that Chairman Mao would no longer be receiving foreign visitors; this extraordinary procedure for admitting Chairman Mao's declining activity and involvement in Chinese affairs obscures, even more, who is likely to be taking charge. On the eve of our departure from Washington for Peking, Marshal Chu Teh died unexpectedly, and during our first two days in Peking national mourning exercises reached their climax. With two giants gone from the scene and the actual role of Chairman Mao unknown, it is obvious that the Chinese people are wondering who will be shaping China's future domestic and foreign policies.

Personalities and ideologies will both be involved in China's adjustment to a future without Mao. My impression is that there are powerful continuities in China's national conduct—in the way the Chinese have always dealt with each other, in the way they have come to terms, individually, with notions of freedom and authority, and in the way that Peking has coped with hard core economic difficulty since 1949, largely through their Code of "self-reliance." Even during the most tumultuous early years of the Cultural Revolution, inflamed dispute over questions of ideology affected only slightly the way the Chinese handled their most pressing economic and strategic necessities. I believe that this is likely to be the case again during disturbances that may take place when Chairman Mao disappears entirely from China's political scene, and, that the Chinese quest for self-reliance will continue whether the rhetoric used to explain it leans toward the egalitarianism implicit in the current anti-Teng stress upon class struggle or whether it reverts slightly toward certain elitist and supposedly "bourgeois" prescriptions for Chinese conduct in the economic and educational spheres currently attributed to him, and plausibly implicit in Chou's grand design for China's future.

Members of my party noticed changes

from the China scene as previously observed by them. I mentioned to some of my Chinese hosts, for example, that I noticed great improvements over the past four years in urban transportation. I noticed that foreign visitors were taken for granted more readily. I noticed progress made in public health and sanitation. I noticed an increased interest in discovery and preservation of the treasures of China's past. I noticed improvement in the quality and quantity of textiles, arts, and crafts. Another member of our party observed an increase in mechanization of productive processes in the communes that we visited. He also detected what seemed to be a reversion to an ancient Chinese tendency to view their current history in much the same way that their predecessors had done by indicating shifts in the character or policy of governance by changes of slogan and vocabularly, must as Chinese emperors had, in earlier times, changed their reign titles within dynastic periods. And, by one of my party whose memory of China dated back to the era of treaty ports, other changes were observed. Foremost amongst these, perhaps, was the liberation of women from a hopelessly subordinate and exploited role in China's social and economic system. Another was the amazing reforestation of the landscape, both rural and urban. Another was maintenance of Chinese roads and railroad beds in contrast to pre-war China—when brilliant feats of engineering and construction were often flawed by indifference to keeping them in repair. But, by far the most conspicuous transformation of the China scene over the past forty years is the electrification of the countryside, in urban and rural sectors—in agriculture and in industry. Electricity brings light, radios, and television to the homes of Chinese farmers after their day's work. Electricity is the life blood of industrial growth in communes, and for Chinese large industrial agglomerations. Electric generators, large and small, are the most transforming influence changing China's current economic and social experience.

Another transformation is being produced by China's new attitude towards language. For over two thousand years the written Chinese language has been cultural cement. Differences in dialect, sometimes from village to village, have encouraged narrow provincialism, and discouraged awareness, not to even mention discussion, of broad national purpose. The present spectacle of national discourse within China would be unthinkable had it not been that the People's Republic of China had pressed forward with various reforms of the language itself and of the educational system which it serves.

Our Chinese hosts had not informed us prior to our arrival in Peking how it was that they intended us to spend our fifteen days in China. I had told the Liaison Office in Washington that I hoped to visit Shanghai, Peking, Tientsin, Sian, Yenan, Tsingtao, Soochow, and Shanghai, with some members of my party going to Hangchow. My hosts, the Chinese People's Institute for Foreign Affairs had been informed and clearly wanted to be helpful. Without elaborate explanation of why they had done so they offered me, however, a very different, and, I believe, significantly improved itinerary.

They suggested that our party go from Peking and make a brief stop at Chengchow, a town fifteen miles south of the Yellow River at the junction of the Peking-Canton, and Lunghai railway lines. Chengchow is the capital of Honan province, an important transportation center, and the home of a provincial museum containing a collection of archaeological finds from China's neolithic era down through the Ming dynasty. They, then, suggested a train trip from Chengchow to Loyang with its nearby Lungmen caves, where Buddhist sculptures before and after the fifth century A.D. have both the quality of renaissance church bas-reliefs in Florence, and monumental sculptures on the upper Nile. At Loyang we would visit a commune. Our hosts suggested that from Honan we fly to Shenyang, the capital of Liaoning province, in China's northeast, and previously known as Mukden. It was the first capital of the Ching dynasty which governed China from 1944 to 1911. Liaoning, second only to Shanghai in volume of industrial output, has industry of larger scale than in any other part of China. From Shenyang, it was suggested, our party would fly to Dairen. For almost fifty years, this port city, with its naval base, was in Russian, and later, in Japanese hands. Now an important transportation center and the site of a wide variety of industrial plants, Dairen seldom has been visited by outsiders. We would fly south from Dairen and entrain for Soochow, where we would visit another commune and other places for which the city has been famous in Chinese history. From Soochow we would go to Shanghai where we could visit its celebrated museum, and see a new residential area, visit a factory, tour various parts of the city, and be given a farewell luncheon by an old acquaintance, the Vice Chairman of the Revolutionary Committee of the Shanghai Municipality, Feng Kuo-Chu. I was entirely satisfied with this itinerary being proposed to me.

As I have indicated before, Chinese management of an itinerary of this sort allows even the most indefatigably well-prepared and perceptive traveler very limited opportunity for research or even systematic interrogation of those who obviously are in possession of information of interest or value. A traveler must be either very bold or very foolish to make claim of accuracy in his impressions or to assert that impressions formed in one location fairly represent anything much more than that. Still, specific and localized observations have value. Under the supervision of an exceptionally courteous, knowledgeable and efficient group of escorts from the Chinese People's Institute of Foreign Affairs and a variety of local Chinese organizations, we gained many suggestive insights into the state of mind and working methods of many Chinese men and women, workers and managers, young and old people whom we observed to be meeting the wide variety of responsibilities which they bore.

III

There follows an account of what we saw and what we were told, with minimum comment by me:

July 11, 1976 (Peking):

Peking was this day mourning Marshal Chu Teh. Whatever might earlier have been considered a practical possibility for me to meet with the Foreign Minister and other political personalities on the State Council was now out of the question for a day or two at least. Sunday, in Peking, is not necessarily a day of rest. Our escorts had not hesitated, on this account, to set up visits to two small industrial enterprises. The first of these was the Peking Municipal West District Optical Instruments Factory. The second was the Peking Glass Factory.

Arising very early in the morning I looked out across Changan Boulevard upon which the Peking Hotel fronted, a boulevard 14 lanes wide easily accommodating a flow of thousands of bicycles and scores of buses without congestion. I counted 140 cars parked in front of the new wing of our hotel. On the sidewalk below I saw a number of joggers and under the trees men of almost every age doing exercises.

As became our standard practice, our party had breakfast together and apart from others, in a second floor private dining room and were, at this hotel, served yogurt, scrambled eggs, Danish pastries, jam, and coffee.

By 9:00 o'clock our escorts had delivered us at the Optical Instruments Factory, and we were welcomed by the Chairman of the Revolutionary Committee of the Factory. We were then furnished with a review of its history and shown its facilities by Mme. Liu Shih-huei, Vice Chairman of the Factory's Revolutionary Committee. She recalled that the factory was founded in 1958 by thirty-five housewives. With this origin, the plant had always paid special attention to women and now they amounted to 75% of the factory's 520 employees who worked in three workshops engaged in producing optical equipment of what had become increasing precision and sophistication. Their initial difficulties were lack of housing and equipment. Their first grinding and polishing machines were reconfigured sewing machines. The employees worked and studied at the same time. By 1964 they had progressed from making watch crystals and eyeglasses to magnifying glasses and microscopes with a 40 power strength. During the Great Proletarian Cultural Revolution they "struggled against the revisionism of Liu Shao-chi and Lin Piao." They were now criticizing the capitalist roader Teng Hsiao-ping. But inspired by the thoughts of Chairman Mao, they continued to improve the quality and quantity of factory output so that in 1974 it was six times that of 1964. When the government had been in need of some glucose testing machinery to test the quality of sugarcane, Soviet producers of this equipment quoted very high prices so the government asked the factory to make the equipment instead. This was accomplished in three months at a high level of quality. Now the whole country is self-sufficient so far as this item is concerned. The Cultural Revolution had taken place just in time and had been very necessary as a means of encouraging workers to overcome the difficulties of achieving self-reliance. And now it was essential to criticize Teng Hsiao-ping, and to repulse his attempts to revise Chairman Mao's correct policy. Teng was mistaken in alleging that life was worse today than before. He was mistaken in trying to nullify the Cultural Revolution. Workers were repudiating Teng's contention that there were three elements (class struggle, production, and stability) in the "key link;" they shared Chairman Mao's view that the class struggle always was a key link. Doing this, workers in the factory had over-fulfilled production goals by 20% in June over May, with qualitative improvements as well.

Through their actions, workers were refuting Teng's charge that life was not so good as in the past. This was not to say that there would not be any future problems. The quantity of output must be increased, quality should be improved, production facilities should be improved, and many processes which are now manual or semimanual should be made more mechanized. When asked whether worker training was achieved more by reading of manuals or by replication of models, the reply was that rapid development was made possible because of the correctness of the Mao line and rejection of the concept of following others at a snail's pace. It was necessary to learn from others' technology, of course, but there must be reliance upon the enthusiasm of the masses and the workers in a three-in-one combination involving workers, technicians, and leading cadres. Examples were given of how innovation was achieved by reading the literature, seeing samples, adapting the sample instrument to specific Chinese needs, sending teams to the field where they could talk with workers, and thus raising the efficiency of the work process as well as the item produced.

During and after inspection of the plant, our hosts made much of the fact that workers were acutely aware of the social purpose of their activity, that their individual talents were matched against specific work requirements, and that whereas before Liberation, the Chinese worker had no guarantee of wage or job, his present livelihood was assured and decent. There were disparities in income, between a low of 40 yuan a month and a high of 100 yuan a month. But in one family there might be four or more incomes. Unemployment was very low except for the aged and for children, of course. With prices of today's necessities stable and with the cost of rent, water, and electricity approximately 5% of the expense of a family, the people's livelihood was, we were told, very good. There was no sex discrimination either with respect to pay or type of work. Every week there was a day off. There were other public holidays. Leave was allowed for family reunions. Women were entitled to 56 days of maternity leave. Retirement at 70% of the last wage earned could be expected by women at age 50, administrative women at age 55, and men at age 60. The factory often gave its employees without charge uniforms, shoes, safety devices, winter clothes, provided free medical care, and cover for funeral expenses. Without these worries, workers could put their heart and soul into their jobs. On top of all this, moreover, the factory ran for its workers a dining hall, a canteen, a nursery for the children, and an exercise facility. It encouraged the formation of clubs with a variety of interests, like, for example, wushu—or the Chinese martial art.

Employees of the optical factory worked two 8-hour shifts, one was from 6:00 a.m. to 2:00 p.m., the other was from 2:00 p.m. to 10:00 p.m.

By 1980 the factory hopes to increase output by 600 to 700%, to improve its technology, to enlarge its work force, to advance toward establishing assembly lines, and to elevate worker consciousness.

There are, we were told, twenty such optical factories in Peking.

Afternoon

Our hosts had arranged for our party to visit the Peking Glass Factory. We drove, as usual, in convoy. We were received by Mme. Chao Mei-yun, Vice Chairman of the Factory Revolutionary Committee. The Factory was housed in a 4-story brick structure facing on a courtyard. Entering it we were seated, served tea, and given a briefing by Mme. Chao Mei-yun. The Factory was established in 1956 by 50 handicraft workers. By 1976 this number had grown to more than 600 workers of whom 60% were women. In the old days working conditions were very poor, ceilings were low, and there was poor ventilation. Following the teachings of Mao, there had been a tremendous improvement in the working conditions, and in the enthusiasm and creativity of the workers. At first, about 30 different items were produced. Now there are about 70. The Factory has about 40 markets around the world, and about 70% of total output is for export. The Factory cannot cope with demand. Hitherto, products have been for decorative purpose. Now, workers are training to make objects for daily use. Mme. Chao Mei-yun spoke with pride of glass work as being a traditional Chinese craft dating back to the Western Han, some 2,000 years ago. Traditionally, heat for glassblowing was generated by charcoal and later kerosene. Now, the high temperature gas used for blowing comes from a nearby coking plant. Workers had followed ancient designs, but now the Factory allows workers to rely upon their own imagination for both design and color. About 10% of the work force is responsible for packing the finished product.

July 12, 1976 (Peking):

At Peking University (Peita), our party was received by Huang Hsin-pai, himself an industrial engineer and university graduate, who was Vice Chairman of the Peking University Revolutionary Committee. He escorted us to a spacious room within which 17 Chinese hosts mingled with the six members of our party. This part of Peking University was making use of the former Yenching campus, the institution where Ambassador Leighton Stuart had been President prior to and briefly after the war with the Japanese.

Huang welcomed our party and spoke of Peking University as being a beneficiary of improved relations between the United States and the People's Republic of China. Americans were second only to Japanese in the numbers who were now coming to visit the University. The University hoped that even more would be coming as time went by.

Peking University was established in 1898. Today it was a general University with faculties for the Arts, Science, Languages, and Literature, etc. Within the Arts faculty there were Departments devoted to Chinese Literature, History, Philosophy, Political Science, Economics, Law, etc. The Natural Science faculty included Physics and Biology. The Foreign Languages faculty included Oriental Languages, Western Languages, and Russian. There were twenty Departments in the University and seventy-five disciplines. Since Liberation, the University had no Departments of Engineering or Medicine. There were 2,700 teachers on the faculty. Its plant had grown from the 70,000 square meters of old Yenching University to something like 370,000 square meters.

Peking University was the birthplace of the May 4th Movement, triggered in 1919. Mao Tse-tung had pursued his studies—though not as a student—on two occasions at the University. After Liberation profound changes in the University's educational system were made to bring it in line with Maoist concepts. Revisionists had interfered with carrying out these concepts. However, reforms were made during the Great Proletarian Cultural Revolution, which, in fact, might be thought of as having been started at the University, with its big character poster criticisms. The University was guided by Mao's principles of serving proletarian politics, integrating students with productive labor, and moving educated students into the country's labor force.

The students at the University, today, were largely children of workers, peasants, and soldiers, who had had some practical experience of life. Graduates from middle schools worked in factories, on farms, or were in the army for a couple of years before entering the University. Students were slightly older than before. They were not accepted for enrollment primarily on the basis of examinations. Examinations were only one criterion for entry; other factors entered in. Students were recommended by Revolutionary Committees, in factories, communes, army, etc., etc. Committees that reviewed applications were made up from personalities in the local government and in the University. Students were made to understand that the purpose of education was to respond to obligations incurred by allowing the people to send them to the University, to serve the people when graduating, to perform upon the trust placed in them by the people. Reliance on the memory produced "bookworms." Study, today, was intended to elevate political consciousness and to learn skills from others. One did not study just for himself. Students with previous practical experience came to the University with enhanced enthusiasm and perceptiveness. In the past, faculties were inclined to pass on knowledge of the old order with the danger that the feudal system and the capitalist system might appear good with some of their characteristics seeming to be everlasting. Students became egocentric. But the new system repudiates old principles, repudiates inequality, and makes clear that a Socialist political consciousness is necessary to avoid degeneration of society into capitalism. Ideology, consequently, occupies first place. Students put the needs of the State and the Party at the top of their priorities. Assignment of post-graduates takes account of factors of health and family situation, but the will and determination of students was taken for granted.

Huang went on to explain that some members of the faculty were University graduates, but others came from communes and from factories. The situation was now that students thought that they should take the initiative to find hard jobs, to accelerate Socialist construction of the country, and to volunteer to go to remote places like Tibet where they would work for the rest of their lives. There were, incidentally, about a dozen students at the University from Tibet.

Students no longer learned books by heart. They were guided by Chairman Mao's principles of class struggle, production, and scientific investigation and experimentation. Only when guided by these principles could they expect to reach a high level of academic achievement. While pursuing theoretical studies, they were also learning from practical work in factories, in laboratories, in the army, and elsewhere. For example, while studying the field of computerization, they were also producing computers, right on the University campus. While studying seismology, students would go to probable earthquake areas, for example, to southern Liaoning. After the severe earthquakes there and in Yunnan, students engaged in relief work and tried to perfect techniques of forecasting. These procedures brought political consciousness to the students' minds and gave them a motivation to learn better in order to serve the people.

Students under the faculty of Art had been engaged in energetic criticism of Teng Hsiao-ping. They perceived that Teng was corrupting the correct Maoist line, and by downgrading the importance of class struggle, was bringing bourgeois concepts into the educational system. Bourgeois motivations tended to dominate academic institutions prior to the Cultural Revolution. Since then, however, the proletariat roes in power and insisted that universities directly serve the people. Teng wanted them to serve the bourgeoisie. In the University setting, class struggle means, therefore, that the orientation of academic research should be towards proletariat revolution and not the elitism of the bourgeoisie. The content of research should be towards Socialist construction and not, as Teng desired, divorcement of study from the practical struggle. During the Cultural Revolution students at the University had fostered their own academic and theoretical studies to bring them close to the people. However, Teng was opposing this close integration and favored the training of an aristocratic class and the restoration of capitalism.

Huang observed that it was not surprising that revisionism had occurred. It would happen again. However, towards revisionists it was important to kill the ilness while saving the patient. If the patient rejects the help extended to him, nothing can be done about it. Meanwhile, students will continue to learn from the people, participate and report on the struggle, and make known what it is they hear and see.

University students were linking the names of Teng Hsiao-ping and Ch'en Tu-hsiu, a leader in the May 4th Movement, a founder of the Chinese Communist Party, and ultimately a personality disgraced as a "Scientific Marxist". Like Chen, Teng gave absolute priority to the achievement of economic development goals even if bourgeois methods appeared to be necessary. This was contrary to the Maoist line.

Huang reported that the enrollment at the University each year amounted to about 2,500. Across the country there were about 200,000 students at the University level. Higher education was available, however, in research laboratories, in many factories, and in communes. Teaching materials for their use had not yet been unified (we were told this four years ago as well) and were still being subjected to revision over the past few years.

In sum, revolution in China's educational system had only just begun. While its orientation was correct, many problems, contradictions, and struggles lay ahead. Right deviationists would continue to threaten it. When we raised the question of how the Chinese system copes with discovery of genius, Huang acknowledged that disparities in merit did exist. However, it was believed that those with superior talent should help those who lagged behind. Some geniuses disliked playing that role and preferred to memorize books. However, the system was intended to help them to develop capacities which would be of value to all people. To my question as to the world's debt to people of genius, he denied that Thomas Edison or Alexander Graham Bell could be thought of as having unusual brains: their hands were the important thing. He went on to recall the politics of the Teng revisionism in the field of education which involved the State Council's Minister of Education in the summer of 1975. Presumably inspired by Teng, the Minister tried to negate the Cultural Revolution and its proletarian line by elevating the management role of the bourgeois class both in middle schools and in universities. By the autumn Peking University students had engaged in an active "big character" attack on the Minister. That Minister has now died and not been replaced. His error had been in wanting to take students from middle schools rather than from factories, farms, and the army, in stressing professionalism rather than ideology, and in encouraging the practice of the old days to rely on study of books in "an ivory tower."

During our tour of the University campus we went through the stacks of a well stocked library where we found bound copies of the New York Times, Time Magazine, Newsweek, The Atlantic, US News & World Report (but not The Washington Post). A portion of the campus grounds was set off for wall posters. Most of them were devoted to criticism of Teng Hsiao-ping. Some referred to Teng's kinship with Ch'en Tu-hsiu. There was no evidence in these posters, that the attacks on Teng Hsiao-ping linked him with Chou En-lai, in any case, not explicitly.

Afternoon

Our hosts had prearranged for me and several members of my party a meeting with Foreign Minister Ch'iao Kuan-hua, which was to be followed by an "arrival" dinner at which he would be our host, and postponed until now because of national mourning for Marshal Chu Teh. During our two hour session Foreign Minister Ch'iao and I, with Ambassador Gates also present, talked about President Ford's visit to Peking in December 1975, about progress in the United States presidential election campaigns, and about my assessment of the likelihood of basic continuities of United States foreign policy commitments. Foreign Minister Ch'iao and I agreed that the implementation of the Shanghai Communique was in the interests of the Chinese and the American peoples. I expressed the view that there was no evidence that the American people wished to withdraw from principles contained in the Shanghai Communique. Foreign Minister Ch'iao said that China's conditions for the normalization of diplomatic relations had been stated to President Ford and Secretary Kissinger. There had been no change of mind about these conditions on the Chinese side. He recalled Secretary of State Acheson's assertion in 1949 that the question of Taiwan was an affair internal to China. He recalled that the Mutual Defense Treaty of 1954 between the United States and the Republic of China had always been considered illegal by Peking. He said that from 1955 until 1971 Chinese spokesmen had told their American counterparts that Peking could not contemplate the intervention of an outside power in the business between Peking and one of China's provinces. We talked together about some of the implications of that position, and it became clear that Peking is maintaining that the realization of One China is a process within which others could not insist upon conditions. From the subject of the Shanghai Communique we moved on to discuss matters of mutual interest around the world. From our conversation together in the Great Hall we proceeded to guest house no. 3 for our official dinner, where amiable toasts were exchanged.

July 13, 1976 (Peking):

Our hosts had arranged for us to be received by the Municipal East District May 7 Cadre School. We were struck, during a long ride through the countryside, by how the planting of trees had made it seem that we might be driving through France—a surprising contrast to the tree-less landscape of preliberation North China. Interestingly some of the trees were described as "French trees."

This Cadre School was established, we were told, in November, 1968, pursuant to two directives by Chairman Mao issued on May 7 of 1966 on the very threshold of the Great Proletarian Cultural Revolution: "do our own work well" and also "learn from criticism". The concept of the Cadre School was to give cadres an opportunity to take part in manual labor while at the same time taking stock of their role in the broader purposes of socialist construction. Since this school was established 5000 cadres had been trained. Three hundred had arrived in February, 1976 with an expectation of remaining there for a year before returning to their original places of employment. During that year they would receive their pay and take advantage of normal welfare facilities. These cadres came from the eastern district of Peking. Their study was focused on the thoughts of Marx, Lenin, and Chairman Mao. They would serve the people wholeheartedly. Half the day would be devoted to manual labor, the other half to study. They would study independently but discuss problems together. The function of the teaching staff was to point out how theory could be combined with practice. Cadres were currently studying Chairman Mao's views on how to correct deviations and to perceive how it was that the "bourgeoisie is in the communist party". They were criticizing, specifically, Teng Hsiao-ping's theory of "putting production in command" and the "dying out of class struggle". They were pondering the fact that class struggle is, indeed, the key link in socialist construction. Thus, students were being made to understand that Teng's world outlook had not been, as previously hoped, reformed. Teng had become a negative example from whom others could learn.

While at the May 7 school, cadres built houses, worked in the fields, tended gardens, repaired roads, bred pigs, and so forth. These activities reminded workers of their origins and gave to intellectuals a better understanding of workers. Cadres were, in this way, reminded of Mao's view that they should never be overlords but just ordinary people—in contrast to Teng, who regarded cadres as better than ordinary people. Cadre schools, themselves, were, therefore, in direct contradiction to Teng's theories. Over time, it has come about that graduates from cadre school have admitted that they had lost their feelings for ordinary people, had become afraid of fatigue and of filth, and would have become the target of hostility from workers and peasants had they not regained contact with them.

Cadres, while at the May 7 school, would spend one month in a commune so as to learn better what had happened during the Cultural Revolution and what, in fact, was the meaning of the "dictatorship of the proletariat". Following this review of the concept of the cadre school, individual cadres were offered an opportunity to report on what they had been doing previously, what they had expected from the school, and what they had learned. A report on the actual productive achievements of the school included very favorable statistics on production of grain, vegetables, pigs, building of houses, and so forth—largely motivated by a determination to demonstrate "self-reliance," a term used everywhere in China.

Afternoon

Our hosts had succeeded in setting up a meeting for me with First Vice Premier Chang Ch'un-ch'iao for three o'clock. Earlier in the afternoon I was able to visit briefly that part of the Peking Museum which houses some samples of archaeological finds unearthed near the tomb of Ch'in Shih Huang Ti, China's First Unifier. Among these finds have been a very large number of life-size human and animal figures, of enormous interest to art historians. Ch'in Shih Huang Ti's place in history has considerable political interest; he is viewed as a progressive personality in the ageless struggles from which present day China has evolved—he was an early enemy of the Confucianists.

Vice Premier Chang Ch'un-ch'iao and I talked together about China's loss in the death of Premier Chou En-lai, about Senator Mansfield's hopes to visit China, about general changes that had taken place over the past four years within China and elsewhere, about the campaign of criticism of Teng Hsiao-ping, about Ch'in Shih Huang Ti, about the American political scene, about ways by which contacts between the United States and the People's Republic of China could be enlarged and facilitated, and about implementation of the Shanghai Communique. On both sides, views were stated candidly within a general atmosphere of friendliness. I have reported fully on the details of this conversation to President Ford. It was obvious to me that both sides can do more in bringing about normalization of diplomatic relations between the two governments. Vice Premier Chang Ch'un-ch'iao wanted our conversation to be regarded as a private one, and I agreed to look upon it in that way, and, therefore, do not quote him.

July 14, 1976 (Chengchow and Loyang):

On this day, our party left Peking for stopovers in other parts of China. Chengchow, to which we had flown, is at the same time one of the oldest and newest towns in China. A settlement was there about 4000 years ago. In the region have been found magnificent samples of Shang dynasty bronzes and pottery, including some of the very early pottery-inspired bronzes. Originally in nearby Kaifeng, Chengchow's museum contains remarkable samples of neolithic Shang, Chou, and Han era relics. I need not dwell upon any of them, much as they interest me. This museum was of interest as evidence that its staff of 120 in charge of its archaeological exhibit and administrative sections clearly wanted us to understand that the Great Proletarian Cultural Revolution has brought about a significant resurgence of interest in and respect for art works of the past. "Study art to serve the people." They also made it clear that their field of vision was largely confined to the province of Honan. Since the Cultural Revolution, more than one million relics and artifacts have been found, reported, and studied in the province. This activity has gone on in all of the counties of the province.

Special attention is currently being paid to the study of the Hsia dynasty, 2100–1600 B.C. The museum contains samples of artifacts from the paleolithic and neolithic eras, about 4000 years before Christ. Some articles date back, it was said, to 500,000 years before Christ, or about the time of Peking Man. Curators of the museum told us that they were studying aspects of the slave system during the Hsia era—and that with the need for more workers, they were drawing upon the services of workers, soldiers, and peasants to help out.

We proceeded, fairly promptly, from Chengchow to Loyang by train. This trip took us through loess country where for centuries people have lived in caves. Loyang has sometimes been described as the cradle of Chinese civilization. Ch'in Shih Huang Ti built palaces there. Loyang was a capital of China under the Eastern Han dynasty, or about 25–220 A.D. It was the capital of the Wei and Chin states in the third and fourth centuries A.D. Loyang was one of the two official capitals of the Tang dynasty. Hilly, wooded and at the confluence of three rivers, the environs of Loyang have stimulated verse by some of China's great poets. As had been observed in Chengchow, credit was being given by the administrators of Loyang's greatest treasures, the Lungmen caves a short distance south from Loyang itself, to the Great Proletarian Cultural Revolution and the movement to criticize Lin Piao and Confucius in connection with the research and the work on preservation of the caves now going forward. These caves are a monument to the early impact of Buddhism upon China, and the continuing influence of that religion in succeeding dynastic periods. China's artistic debt to India was not concealed.

July 15, 1976 (Loyang and Chengchow):

Some members of our party had never visited or had only scanty knowledge of how a people's commune was organized and what it did. At Hui Kuo Chen People's Commune, about an hour and a half distant from Loyang, we saw one. It comprises 3300 hectares, with a population of 60,000. It was organized in 21 brigades and 211 production teams. Prior to Liberation, we were told, there was a commercial village here with 80% of the surrounding land owned by landlords and the lower classes living a miserable life. The region was liberated in 1948. By 1953 the peasants and the lower middle classes had established a mutual aid team. By 1955 they had established elementary cooperatives. In 1958 a people's commune was formed. Since then, per hectare agricultural yields have increased from 900 kilograms to 2.7 thousand kilograms per hectare. And, especially during the Great Proletarian Cultural Revolution when, following the teachings of Chairman Mao, agriculture was seen as the foundation with industry as a leading element, remarkable advances had been taking place. Throughout this period class struggle was seen as the key link and the heresies of Liu Shao-Chi, lin Piao, and Teng Hsiao-ping had been repudiated. The Hui Kuo Chen People's Commune had been "learning from Tachai."

Our hosts, members of the Foreign Affairs office of the Kung County Revolutionary Committee and the Hui Kuo Chen Township Commune Revolutionary Committee, had statistics at their fingertips. Since the Cultural Revolution Hui Kuo Chen Commune had installed 500 pumping stations in connection with 14 irrigation projects and servicing the needs of 15 ponds and reservoirs. Irrigated land had increased by three times and now 90% of the area in the Commune was irrigated. Recognizing that the purpose of industry was to improve agriculture, the Commune had established and now operated 70 factories, producing such items as fertilizer, phosphates, cement, farm implements, electrical equipment, chemical products, paper, etc. All these undertakings were influenced by a determination to achieve self-reliance through hard work. By the end of 1975 the Commune owned 2700 agricultural implements, 35 power generators, and 1,857 power engines of differing types. Plowing, drainage, transportation, husking, etc., have become semimechanized. There was sufficient electricity to meet the demands of the brigades. Commune output was now 12 times the output of the area in pre-Liberation days. Great advances had been made since 1965, with grain output increasing from 3,000 to 8,000 kilograms by 1975. Every brigade stores grain. Every household has a surplus of grain. Family savings are put in the bank for purchase of necessities like bicycles and sewing machines. We were told that the Commune had 132 barefoot doctors and that each brigade had its medical clinics and its nurseries. The Commune operated nine movie projectors and 22 television sets. It had 44 athletic teams and 23 song and dance groups. It had a theater and a moving picture house, and a stadium with a capacity for 8,000.

Our hosts said that criticism of Teng was essential for consolidating the proletarian dictatorship and to continue on through struggle in line with Chairman Mao's leadership. At the Hui Kuo Chen Commune we saw two impressive feats of engineering and the massive use of manpower. One was the leveling of 2,100 hectares of land which now could absorb the water flow of an irrigation network. The other was the construction of a facility which pumped water up a precipitous 200 or 300 yard long conduit out of which the water could flow through aqueducts to irrigate, under careful control, the surrounding terrain. Both projects were completed in a matter of a very few months and largely by the labor of workers who had only limited mechanical assistance in what they were doing. Ten thousand people worked for three months on the land leveling. A lesser number worked for five months on the aqueducts. One of our escorts asked what had been our main impressions of Hui Kuo Chen Commune. Several of those who had not seen a communie before were surprised that this one was larger, and more loosely democratic, than had been their preconception. We were struck by the omnipresent reminders of the quest for self-reliance. Learning from doing was evident on every side. The health of the people was extraordinarily good and few of the achievements of the Commune would have been practical had it not been that there seemed to be abundant electricity available. Our Chinese escort officer admitted that this had been a relatively good commune, that we had seen a demonstration of the practicality of self-reliance, that the availability of electricity was important. However, he said solemnly, "spirit" was far more important. To understand the correct line was critical.

July 16, 1976 (Shenyang, Liaoning Province):

The two hour flight from Chengchow to Shenyang on our four engine turboprop Ilyushin carried us from the home of ancient China to what could be perceived, even from the air, as a relatively underpopulated Chinese frontier, As was the practice of our hosts, we were escorted from Shenyang airport immediately into the presence of local authorities representing the Liaoning Province Revolutionary Committee and the Shenyang Municipal Revolutionary Committee, who told us where we were, what had gone on before and towards what kind of future Liaoning province and the municipality of Shenyang was progressing. Liaoning province occupied an area of 220,000 square kilometers and had a population of 30.5 million. Its eastern and western parts were referred to by Chinese historians dealing with events 500 years before Christ. Liaoning did not exist as a province, however, until 1928. It had attracted the interest of Czarist Russia, other European countries, and Japan towards the end of the 19th century, was the arena of warfare between Japan and Russia in 1905, and, in 1931, was invaded by Japan, which occupied it until 1945, administering it as a part of the state of Manchukuo. Kuomintang forces occupied the province until it was liberated in November, 1948.

Shenyang (previously known as Mukden) was the first capital of the Ch'ing dynasty and it is today the capital of Liaoning province, with a population of four million. Liaoning was a key area of industrial development in China's first five year plan. Industry accounts for a very large proportion of provincial production. Liaoning's ten cities and three administrative districts are all industrialized, with machine building a principal activity. Prior to Liberation, the imperialist powers treated Liaoning as a colony, made use of its manpower to get raw materials, stood in the way of significant advance of independent industrial capability, and dumped their exports into the area.

Since Liberation, there have been tremendous changes brought about by adhering to Chairman Mao's principle of self-reliance, and "learning from Taching." There has been rapid development of both heavy and light industry, iron and steel, machine tool construction, and so forth. Since Liberation, oil production has increased by thirty-seven times. Growth might have been even greater except for deviations from the correct line for which Liu Shao-chi was responsible. Concurrent with industrial growth, agriculture has made great gains, which might have been even greater had it not been for Liu Shao-chi. After the Cultural Revolution, Liaoning took agriculture as the basis while considering industry as the key factor. "Learning from Tachai," Liaoning has greatly increased farm output. Before the Cultural Revolution, Liaoning was not self-sufficient. It is now more than self-sufficient.

The province has made great progress in culture, education, hygiene and sanitation. From only eight, colleges and universities increased in number after the Cultural Revolution to thirty, with 30,000 students dedicated to serving the proletariat and combining theory and practice. Liaoning has 10,000 middle schools, serving over one million students. It has 12,000 primary schools, serving six million students. There is universal primary school education in the rural areas and virtually universal middle school education, in addition, in urban areas.

Liaoning has 40,000 barefoot doctors with three or four of them in each production brigade and cooperative medical service, in addition, available in 97% of the production teams.

In Liaoning most of the cities and innumerable organizations have their own amateur performing arts teams. The change has been tremendous during the period of the Cultural Revolution but much remains to be done to achieve the goals of Chairman Mao. Throughout the province there is criticism of the revisionist line of Teng Hsiao-ping whose advocacy of a restoration of capitalism would frustrate the proletariat revolution if not repudiaited. Criticism of Teng has brought constructive changes in industry, agriculture, and commerce, but many problems remain to be solved. However, placing confidence in Chairman Mao and the Chinese Communist Party, the people of Liaoning will do better with each passing day and socialism will triumph.

In response to questions from our party about Tachai and about the actual operation of Liaoning's educational system, our hosts offered explanations. Tachai was an area in Shansi province, primitive, agriculturally backward, where the life of the farmer was miserable. After Liberation, tremendous improvements were achieved through the study of Chairman Mao's writings on agriculture, through reliance on the efforts of the farmers themselves, by struggle against nature's threats and through continuous class struggle. The revolutionary spirit of Tachai was rooted in taking class struggle as the key link and continuously criticizing capitalism. Our hosts were frank to say that they were not satisfied with their present achievements in the field of agriculture. Needs for further improvement were great. In the past, knowledge was created by workers but became the property of the upper classes. Before Liberation, it was rare for workers to attend universities. In the northeast, for example, there had been only one university. After Liberation, great changes took place and many others were created, but because of the revisionist line few students came from the masses of peasants, workers, and soldiers. They came from families who could afford to send them, after taking competitive entrance examinations.

Consequently, education was not genuinely serving the interests of the people until 1958 when Chairman Mao said that intellectuals should acquire knowledge of labor and labor should acquire knowledge in the educational process.

Our hosts had arranged that we see for ourselves what had been some of the achievements of the province, and how the principles of the Great Proletarian Cultural Revolution were applied as a practical matter.

We were escorted to the Liaoning Province Industrial Exhibition Hall which had been constructed in 1959 and occupied 33,000 square meters of floor space. We walked through six of the its twelve great halls. These were devoted to heavy industry and to light industry. We saw a scale model of the Anshan steel works, where 10,000 qualities of steel—many of which were identified and explained to us—were produced. We saw a model of a large-scale electric shovel, previously purchased from the USSR at a cost of 1.5 million yuan, and now produced at a cost of 650,000 yuan. We saw scale models demonstrating the mechanization of underground mining operations. Grinding machines for production of ball bearings, multiedged cutting lathes, and many other precision instruments produced in Liaoning were shown to us.

Both in advance of our party, and a little distance behind us, groups of Chinese students and workers were being given roughly the same briefing we heard.

July 17, 1976 (Shenyang and Dairen):

Our hosts had arranged that we visit the Liaoning Province Traditional Chinese Medicine College. Spokesmen for the Revolutionary Committee of the College and staff members of the hospital asserted that in old China the Kuomintang "reactionaries" tried to discredit Chinese traditional medicine. In new China, under the leadership of the Chinese Communist Party and of Chairman Mao, there were different attitudes. Colleges were created to train "traditional doctors", in contrast to a previous situation in which such doctors, diminishing in number, taught only a few apprentices. After Liberation, practioners of traditional medicine were invited to come to clinics and to other medical institutions to treat the sick and to share their knowledge with students. In 1958, the College of Traditional Medicine was set up but owing to the reactionary policies of Liu Shao-chi made little progress. During the Great Proletarian Cultural Revolution staff had increased from 800 to 1500 and student enrollment had increased from 700 to 1000. The hospital facilities now amounted to 700 beds. There are about 4000 outpatients annually.

The College is divided into two departments, dealing with traditional Chinese medicine and with traditional Chinese pharmacology. The medical staff trains doctors in both native and western techniques. The pharmacology staff works closely with farmers. In the College's four hospitals, staff treats patients, gives training in the operation of clinics, carries on research, and sends one third of its staff regularly to the field for training of barefoot doctors. In the course of research on Chinese medical herbs, plants from the south have been transplanted in the north, wild herbs have been cultivated in gardens, intercropping of herbs with grain crops has been programmed, and a teaching center is devoted to enlargement of Liaoning's herb production. We were told that the College was launching a program of criticism of Teng Hsiao-ping which would deepen understanding of Chairman Mao's revolutionary line.

Dressed in white hospital uniforms, our party was escorted through the parts of the College where we could observe the extraction of a tooth with anaesthetic no more than finger pressure at acupuncture points, the treatment of an inflamed tonsilitis by use of a very high temperature small iron, treatment of a wide variety of common diseases by acupuncture and moxibustion, and the union of the fractured bones of a recent victim of a bicycle accident. We were also taken to an herb laboratory and shown 900 kinds of herbs and animal materials, bones, antlers, and so forth. We learned the startling fact that some medicinal ginseng takes seventy years to cultivate. We were reminded of the reason for some modesty on the part of present day traditional doctors in the presence of their past; a Ming dynasty medical writer had identified 8000 different kinds of medicinal herbs, compared to only 5000 which have been discovered or rediscovered since the Cultural Revolution.

Our hosts in Shenyang showed us through a walking tractor factory which, before 1960, produced water faucets. Today, 1000 workers in five workshops occupying 26,000 square meters of floor space, are turning out twelve-horsepower walking tractors. By 1964, having begun to overcome shortages of skilled personnel and productive equipment, the workshop was moved onto the site of what had previously been a brick kiln. Workers practised self-reliance by producing bricks during the day and tractors during the night. They pulled down the kiln chimneys for construction of some 4000 square meters of new working space. They formed technical groups to study methods of overcoming deficiencies in worker skills. Repudiating Liu Shao-ch'i and Lin Piao, and pursuing Chairman Mao's principle of mass participation, the factory had designed and made 260 different types of machines, introduced 1600 technical innovations, while improving the efficiency of conditions for workers. Before the Cultural Revolution, two workers could produce one tractor in a year. Today, one worker produces ten tractors. Despite the threat inherent in the revisionism of Teng Hsiao-p'ing, the factory produced 13,000 walking tractors over the past year. The factory is ahead of schedule but China is far short of meeting the need of mechanizing agriculture in China.

As we walked through this factory we observed that about half of the workers were women. We saw a group of children engaged in one of the manufacturing processes and were told that they had come from a middle school in the countryside for a month's exposure to factory conditions, after which they would return to school. Almost all of the components of the tractor were manufactured right at the plant or elsewhere in Liaoning. We were told that most of the output from the plant was used in the province of Liaoning. Big letter posters were everywhere to be seen, but in this plant the focus was not on Teng Hsiao-p'ing but rather on "the bourgeoisie in the communist party." We were told that the deeply ribbed rubber tires were fabricated from rubber brought in from Hainan province, and from China's synthetic rubber facilities with only a reluctant admission that some of the rubber may have come from Malaysia.

Walking tractor may be a misnomer. This piece of machinery, operated by one man, is used for earth-moving and plowing, but also in connection with pumping water for irrigation canals, hauling heavy loads, and generating electricity for domestic use. It was something of a surprise to find that the staff which tested the completed vehicle almost treated that procedure as a kind of frolic. They did things with these tractors reminiscent of motorcycle acrobats at a country fair, much to our delight and other members of the audience they had.

We left Shenyang at 4:30 p.m. on a flight of about one hour to Dairen, a beautiful port at the tip of the Liaoning peninsula. Seized and developed by the Russians at the end of the 19th century, and wrested from the Russians by the Japanese during the Russo-Japanese War of 1904–1905, this city, even from the air, shows evidences of non-Chinese influence.

Chinese maps show what we call Dairen (or Dalien) as Lu Ta. We were greeted upon our arrival by the Deputy Chief of the Foreign Affairs Office of the Lu Ta Municipal Revolutionary Committee and his colleagues who invited us to listen to a briefing. Dairen is a city of 1.1 million population, with 4.4 million living in the greater municipal area. It lies on the same latitude as Washington, D.C. It has been an international port for many years. Its 1,000 factories include facilities for machine building, production of chemicals, shipbuilding, metallurgical industries, and textiles. In the surrounding area fruits, peanuts, and grain are produced. Lu Ta has a fishing and marine production industry.

In the third quarter of the 19th century the Manchus made Dairen a naval port and the city grew in size, before it was occupied by Czarist Russia and then by the Japanese. Under this alien rule the people suffered from oppression. They engaged in a stubborn, protracted struggle against the imperialistic rule and in 1945 Dairen returned to the fold of the motherland. With enthusiasm, zeal, and self-reliance the people have been engaging in socialist construction. Industry and agriculture have developed very rapidly, despite the revisionism of Liu Shao-chi, Lin Piao, and Teng Hsiao-ping. The raising of political awareness has been an impetus for production. Gross industrial output in 1975 had increased 24 times since 1945, two times during the period of the Cultural Revolution. Dairen had learned from both Tachai and from Taching. Agricultural yields had doubled since 1949 and had increased 70% as compared to just before the Cultural Revolution. The well-being of the people has improved. Prices have remained stable. Market activity has been brisk. People are well fed and clothed. They do not have a high standard of living, but all lead reasonably decent lives. The people have been instructed to abide by Chairman Mao's standards of hygiene and sanitation. Medical centers in urban and rural areas serve the broad masses.

We were told that in addition to many amateur colleges in Dairen's factories and communes there were nine universities and colleges in the city. There was universal primary and middle school education. There had been great development of physical, cultural, and sports facilities. There were deficiencies awaiting correction. Automation and the use of electronic devices in factories was limited. The use of machinery on the farms was not extensive. However, China was still a developing country whose difficulties could be overcome under the guidance of the great Chairman Mao and through constant study and criticism of the revisionists.

The Vice Chairman of the Liaoning Committee entertained our party in one of the dining rooms of an elegant provincial guest house. He asked about changes which we observed that had taken place since 1945. Several were mentioned. He responded that the real difference was the existence of a revolutionary spirit throughout the country which recognized that everyone was equal.

July 18, 1976 (Dairen):

The Vice Chairman of the Dairen Harbor Revolutionary Committee told us about Dairen's port activity, and took us on a tour. This was one of the few times that any member of our party was asked to place a restriction upon what he photographed. There was a portion of the city in the hills beyond it which we were asked not to photograph. (We had been told before going to China that the Chinese prohibited photographs from aircraft and photographs of airports.)

The port of Dairen is a major part of China's North-South transportation system. Sixteen thousand workers and staff work on docks which occupy an area of some 86 square kilometers, divided into six regions and accommodating 12 wharfs. Fifty ships of the 5,000 to 10,000 ton category can be anchored in the harbor at the same time. Ships as large as 50,000 tons have entered the harbor. Serving the wharfs are 120 kilometers of railway lines which run to godowns and factories in the area. Dairen is just beginning to experiment with containerization. A new tanker facility has opened for operation which can accommodate tankers up to 100,000 tons. It took one and a half years for Dairen to design and construct this facility without outside help. It was completed eight months ahead of schedule.

Historically, dock workers suffered a miserable life, working 15 hours or more a day without adequate food or clothing. After Liberation, workers began to be masters of their own fate, changed their life style, and gained great satisfaction from their work. Workers are moved into management positions and now 80% of leading positions are held by workers who came from the grass roots level. Dock workers have their own dormitories, clinics, nurseries, kindergartens, and facilities for the aged. After the Cultural Revolution, and especially after the Lin Piao and Confucianism criticism, workers began to achieve 12% monthly productivity increases. In 1975 the State plan was overfulfilled and port procedures had become 75% mechanized. In some cases handling of freight was 100% mechanized.

China now has diplomatic relations and trades with more than 100 countries. This trade contributes to friendship amongst peoples.

During our trip through the harbor we saw a panorama of highly diversified shipping and industrial activity. The net impression, however, was of activity carried on at a much more moderate pace than would have been the case in Rotterdam, Osaka, or even Shanghai.

July 19, 1976 (Dairen):

Only in Dairen did our Chinese hosts, this time, reveal to us awareness of China's strategic vulnerabilities.

The Vice Chairman of the Chung Shan District Revolutionary Committee explained to us Dairen's underground civil defense system. Chairman Mao, he said, had instructed the Chinese people to dig tunnels deep, store grain everywhere, and never to seek hegemony. The broad masses, he said, under the leadership of the Chinese Communist Party, following the correct line of Chairman Mao, and criticizing Lin Piao and Teng Hsiao-ping, were devoting hard work to the achievement of self-reliance. Dairen's underground civil defense tunnels demonstrated a part of that achievement. Work on the tunnels began in 1970 and was completed in 1974. Five hundred thousand workers, students, and staff members had taken part in the project. Now a tunnel system (20,000 meters long) could accommodate 60,000 people in the Chung Shan District. In this system there are facilities for industrial production, medical care, support of livelihood of the people, as well as for defensive fighting. There was no attempt to conceal defensive military dispositions from us. Our hosts admitted that they had not overcome all of the shortcomings of the system, particularly water-proofing it and controlling humidity.

An extended walk through the tunnels confirmed the actual existence of the elements in the system as previously described. The walk revealed high quality workmanship. Nothing was said which revealed, however, skepticism as to the actual utility of this vast engineering project in any foreseeable military situation, nuclear or conventional.

Our hosts took us from the civil defense tunnels to the Dairen Arts and Crafts Embroidery Factory. Contrary to normal procedure, we walked through the plant before having its history and its operation explained to us. We observed that men did the designing. Women did the sewing. We observed that a substantial number of sewing machines used in the embroidery process had been produced in West Germany. We saw a pillowcase on which the words "Good Night" were embroidered in Arabic. We saw four wall poster cartoons devoted to the Teng Hsiao-ping heresies, foremost of which was that he had forgotten the class struggle.

This factory, we were told, employed 451 workers, 80% of which were women. All were from Dairen. They had learned their skills from teachers within the factories. Three in one technical groups made up of cadres, workers, and technicians were engaging continuously in research intended to increase production through automation. Worker training normally lasted a year, but for the more complex processes, two years. Half of the work force was made up of middle school graduates. Among the others were veteran embroiderers who prior to Liberation could not afford to go to school. The factory had its own part-time university which taught politics, machine production and maintenance, and the techniques of arts and crafts. Teachers at this university were workers, technicians, and cadres drawn from the factory itself. Students at this university spent four hours studying on each of the two days they studied during the week.

As to rates of pay, we were told that the average was 40 yuan a month, the lowest 35 yuan, and the highest 80 yuan. An apprentice received 19 yuan a month the first year and 21 yuan a month the second year. All employees received free medical care, free transportation to and from work, sick leave with pay, kindergarten care at one yuan per month per child, 56 days of maternity leave for an eight-hour day, six-day workweek. Thus, with prices stable, the workers' life standard could be said to be wholly guaranteed by the factory and by the State.

From this embroidery factory, to our surprise, our party was driven to an underground department store in the countryside not far from our guest house. The Vice Chairman of the Revolutionary Committee of the store, a woman, was our host. She explained that the store was a branch of a big department store in Dairen itself. Following the teachings of Chairman Mao to dig tunnels deep, store grain, and never seek hegemony, to prepare for war and for natural disasters, and to be concerned with all of the people, work had been started in October 1970 on an underground structure, carved deep into a rocky mountainside. Workers, motivated by self-reliance, had completed this store in 93 days. When questioned about the need for this facility, our hostess said that history tells us that imperialist hegemonies threaten for which the Chinese people must be ready materially and spiritually. This was the only way to defend the motherland, and was on the minds of those who built this department store. The store was, in fact, well stocked with items ranging from foodstuffs to textiles and household equipment to bicycles and small machines.

Our hostess surprised us by putting on an entertainment staged by the members of the staff of the store in an acoustically perfect underground auditorium, some 40 meters wide and 70 meters long built after completion of the main tunnel system. There was an orchestra made up of a violin, a dulcimer, two Chinese fiddles, a flute, an accordion, and a saxophone, all of which tuned to "A". A chorus of five women, aged 20 to 40 sang together. A contralto and a coloratura soprano sang solos. A woman playing the Chinese fiddle was accompanied by the dulcimer. She played "Sending Grain to the State," using vibrato, grace notes, full richness of tone, and harmonics with a virtuosity not expected from this normally whining instrument. Male and female voices sang in the traditional Chinese nasal style, and in the full voiced Italian operatic tradition. The accompanying orchestra used strong rhythms, syncopation and harmonies all unknown to the classical Chinese musical tradition.

Songs sung were about: "our brothers in Taiwan", "spring shoots", "Chairman Mao's brilliant thoughts shine on a blast furnace", "the Tibetan people praise Chairman Mao", "Long Live Chairman Mao and the Chinese Communist Party", "Sinkiang Folk Song", and "Store Grain Everywhere". Several of these songs clearly sprang from Chinese roots, in others the influences of Tchaikowsky and Khachaturian seemed to be mingled with the haunting style of Russian Red Army songs.

Afternoon

Our Chinese hosts knew that we had been somewhat disappointed not to have seen in Shenyang an example of Liaoning heavy industry. This may have caused them to include a visit to the Internal Combustion Locomotive Factory during our stay in Dairen. The Vice Chairman of its Revolutionary Committee welcomed us and gave us an account of the factory's history and present operations. The factory was 76 years old, having been put into operation initially by the Russians as a locomotive repair facility with primitive equipment and negligible productive capacity. During Dairen's occupation by the Japanese, its capacity remained much the same. After Liberation, however, the factory progressed from being a repair facility to a producer of steam locomotives. In due course, it progressed from steam locomotives to 2,000 horse-power diesel engines. Currently, the factory is producing 4,000 horse-power diesel engines. Great changes had taken place in the workshops and in the machines they used and produced. Output was 16 times pre-Liberation and twice that of pre-Cultural Revolution. There had been severe and continuing class struggle in the development of current production methods. We were reminded that during the Stalinist era the USSR extended considerable technical assistance to China, and in that connection had promised designs and equipment to make diesel locomotives. By 1958 a start had been made in producing them.

However, post-Stalin Russia betrayed China, tore up its contracts, withdrew personnel, removed equipment, and tried to strangle the Chinese. Indignant with the perfidious Soviet revisionists, the broad masses, following Chairman Mao's teachings, were determined to catch up from this setback. Workers and cadres were inspired by the goal of self-reliance to keep things in their own hands, and to mobilize the collective wisdom. In this way, workers began to produce their 2,000 horsepower diesel locomotives by 1964. They had overcome the blockade of the USSR. And now the factory has the personnel to do the necessary jobs by themselves. Since the Cultural Revolution they have criticized Lin Piao. and Teng Hsiao-ping, studied Chairman Mao's thoughts and benefited from a great change in spirit. They have learned from Taching in increasing mass participation of workers, cadres, and technicians in going full steam ahead toward their present achievement of making 4,000 horse-power diesel locomotives as their contribution to the railway system of the People's Republic of China. Over recent years they have instituted 1,300 technical innovations, 60 assembly lines, and 34 new technologists. There remained many shortcomings in the factory's production system including the incompleteness of assembly lines. But these, they say, will be overcome step by step.

When questioned, our hosts reported that although the majority of locomotives in China were still steam engines, diesel engines were being produced in Tsingtao, Peking, as well as Dairen. Our hosts had some difficulty in remembering exactly when the U.S.S.R. had stripped and taken away equipment from the old plant, presumably recalling that this had happened during the Stalin era which by and large is thought of as being more to be admired than the predatory Krushchev and Brezhnev regimes which followed. It was readily stated that the 1975 plan called for production of 100 diesel locomotives but it was not reported how many had actually been produced. No one appeared to know what the cost of producing one might be. Nevertheless, we saw a crowded assembly line, and we rode on one, just completed.

Before we left the Dairen Internal Combustion Locomotive Factory we were introduced to the teaching staff of the factory kindergarten. Freshly washed, healthy, alert, responsive, and bright children were practising the Chinese martial arts, and playing table games. They danced for us, they sang songs, and they recited. Through their voices we were reminded of the yearning of the Chinese people to be reunited with their brothers on Taiwan. We were also reminded of the villainy of Liu Shoa-chi and Teng Hsiao-ping, and the Soviet revisionists.

Evening

The Vice Chairman of the Revolutionary Committee of Liaoning Province, whom I had met before, was our host at a performance of the Shenyang Acrobatic Troupe. This was the same troupe which dazzled American audiences on television and live, in New York and Washington, D.C., in Chicago, and in Indianapolis, except that these performers were only the most gifted of young apprentices in that Company. Their ages ranged from 11 to 18. Their acrobatic skills and their histrionic flair matched, however, their teachers'—or so it seemed to us. From them we also were given a reminder of the yearning of the Chinese people to be reunited with their brothers on Taiwan.

July 20, 1976 (Soochow):

We arrived in Soochow after a two hour flight from Dairen to Shanghai and slightly more than one hour on the train from Shanghai to Soochow. There were immediately perceptible differences between Liaoning and Kiangsu provinces. The weather was much hotter and the humidity greater. The population density was incomparably greater. People seemed to be working harder. Farms and gardens were more luxuriant. There was water everywhere, in rivers, canals, and in the rice fields. Water buffalo were in use as beasts of burden. The environs of Soochow seemed to be more colorful, in flowers seen, and in the costumes worn by the people. The people seen from the train window and at roadside seemed, however, to be somewhat less healthy, and to include a higher proportion of the very old and the infirm. There was in the atmosphere, however, style and vitality.

The Chief of the Soochow Revolutionary Committee's Foreign Affairs Department welcomed our party and told us something about Soochow. It is an ancient city with a population of about 540,000 people in an area of 121 square kilometers laced by waterways, canals, and rivers. It is known as "water country". To its southwest is Taihu lake, one of the four or five largest inland bodies of water in China. Before liberation there was a saying that there are more pagodas than chimneys in Soochow and more temples than factories. There is another and very old saying that heaven is above, and below there are Soochow and Hangchow. Soochow has abundant rain. Agricultural output is plentiful. The scenery is beautiful.

Before Liberation, we were told, Soochow was a consumer city. It was becoming a center for industrial production. Soochow has always been famous for its handicrafts, embroidery, sandalwood carving, and its silks. It has also been famous for its many gardens; many are classical in design, striving to capture the bigness of nature through the arrangements, in miniature, of stones and plants and water.

Our party was escorted by our hosts to one of the most celebrated of Soochow's gardens, the "Humble Administrator's Garden", designed and created by an arcihtect and poet of the Ming dynasty some 400 years ago and now designated as a national treasure by the State Council. There are 100 such gardens in Soochow with some of them dating back to the Sung Dynasty (907 A.D.—1279 A.D.). Twelve of these gardens are subsidized by the government and open to the public. The one we visited attracts some 1000–1500 visitors daily, with visitors from Shanghai and other places coming to see it on holidays. A trifling fee of five fen, or about two and a half cents, is charged for admission.

Evening

Our hosts had arranged for us to attend an entertainment staged by the Young Red Guards of Soochow at the Revolutionary Committee's guest house auditorium. Participating in the entertainment was a well disciplined orchestra made up of violins, cellos, Chinese violins, a dulcimer, a flute, Chinese "guitars", Chinese "mandolins", cymbals, and drums. One vocal number was a choral rendition of "Yearning for Reunification with our Brothers on Taiwan". Other songs were on the themes of "Son of the Red Star", "Morning at Liaoning Mountain", "General Mao Sent for his Daughter", and similar themes. A tiny piccolo produced bird sounds, with antiphonal responses from the orchestra. There was a narrative dance by some six year olders telling the story of a laggard in the study of the abacus who was reformed by his teacher and his fellow students. There was an exercise in mining, with orchestral accompaniment, showing how a barber can learn by doing, with some painful results for those upon whom he practised. And, there were reminders of the existence of Chinese minority groups in Mongolia and elsewhere.

July 21, 1976 (Soochow):

This day was devoted to becoming acquainted with the organization and activity of the Tung T'ing People's Commune. It resembled the commune we had seen in Loyang in that one was seldom allowed to forget the importance of ideology and in the fact that most of its improvement in levels of productive activity depended directly or indirectly upon the availability of electric power. It differed from the Loyang commune in that resources seemed to be more abundant, nature more kind, innovation less dramatic, and the continuities between ancient purposes and methods of productive activity and those used today, more obvious.

We were told that the Tung T'ing People's Commune was located on a peninsula thrusting into Taihu Lake, with water on three sides. It had a population of 46,000 people, organized in thirty production brigades and 237 production teams living in four townships. Following the teachings of Chairman Mao, there had been a mass movement towards learning from Tachai. The raising of political consciousness had given great impetus to production.

The output of the commune was diversified. The commune raised food grains, fruits, aquatic products, tea — for which it was famous throughout China—and silk cocoons. May and November are harvest periods for the fruits produced in Tung T'ing Commune —greengage plums, loquats, arbutus, peaches, watermelons, juju nuts, dates, figs, chestnuts, ginko nuts, tangerines, and pomegranates.

The aquatic products of Tung T'ing People's Commune come from almost 2000 acres of fish ponds, as well as from Taihu Lake. There is fish farming of sixty-four kinds of fish and of shrimp.

Prior to the Cultural Revolution, there was only one harvest of cocoons, the work of worms feeding upon mulberry tree leaves. Now there are five harvests spread through the spring, summer, and autumn.

Since the Great Proletarian Cultural Revolution, there has been a marked improvement in living standards of the workers, accompanied by increased overall production, and the creation of surpluses available both to the commune and to the workers themselves. This has come about because leaders have become more energetic and because workers have gained greater political consciousness. Carrying out the instructions of the great leader, Chairman Mao, the masses have seen class struggle as the key link and have learned from Tachai. The health and vitality of the people can be attributed, in part, to a vigorous mass movement in the field of culture and sports and to the activities of barefoot doctors and medical teams.

Our hosts took us on a conducted tour through a silk worm farm, to a fish farm, and to a terraced farm area. They also showed us a small museum in which were exhibited recently unearthed items discovered in the Soochow region since the Cultural Revolution which could be dated back to the paleolithic era, the neolithic era, and the more recent T'ang and Ming dynasties. In this museum there were also souvenirs from the Taip'ing Rebellion, samples of equipment used by the New Fourth Army in the revolutionary period and in the war against the Japanese, and samples of the writings of Chairman Mao, together with coins and stamps honoring him. In a nearby pavilion our party was introduced to some "educated youth" assigned to Tung T'ing Commune. These had come from Shanghai to take part in the productive activity of the commune, in the health work of the commune, and in various educational activities. There were 1200 educated youths among the 46,000 who lived in Tung T'ing People's Commune. Those who had come from outside expected to stay at the commune their whole lives to do their part in socialist reconstruction. Young people in the commune stood a good chance of going to university if they could show outstanding performance on the farms. Ten had been selected from the commune last year for advanced study, and they had chosen to specialize on electricity, animal husbandry, aquatics, medical studies, education, with the expectation of returning after three years. They had been sent to seven different universities.

Afternoon

As an illustration of Soochow's accomplishments as a center of handicrafts, we were shown the Soochow sandalwood fan factory. We were told that in 1955 forty workers, inspired by an upsurge of common feeling, set up a fan making cooperative. Now there were 520 workers in the plant. In 1955, fifteen varieties of fans were made; there are now 120. In 1955, only several thousand sandalwood fans were made every year, but by 1976 production was at the rate of 200,000 a year.

Sandalwood fans have been made over the past 100 years, with the history of bamboo fans considerably longer. In 1955, 10,000 silk fans were produced; in 1976, two million. Silk fans have had a 200 year history. Sandalwood has a naturally pleasant fragrance and accepts very fine workmanship on its surfaces, mainly birds and flowers, figures and landscapes. Designs are both incised and burnt, with extraordinary delicacy. At one time, such fans were used to cool the user. Now they are more often regarded as pieces of art. We were told that it took from two to three years to learn the craft of the sandalwood fan maker. 60% of the factory's output is sold abroad.

July 22, 1976 (Suchou and Shanghai):

Our hosts had arranged for us to visit the Soochow Embroidery Research Institute where we were told by our hostess, with pride, that the making of Chinese embroideries had a 2000 year tradition. In ancient times work was done in homes. This domestic activity was difficult to organize and to develop. After Liberation, with the leadership of Chairman Mao, a start was made in bringing together workers in this field. During the period of "Letting 100 Flowers Bloom", a great variety of activity in this field surfaced. Three in one groups, made up of workers, cadres, and technicians, refined and elaborated techniques already available—and redefined the subjects upon which it was worthwhile to concentrate. Our hostess showed us samples of fish and birds, portraits of individuals in minority groups, a portrait of a leading worker at Taching, a representation of the bridge across the Yangtze, and of the Chengtu-Kunming railroad. She showed us an embroidery representing the two sides of a goldfish which had taken three months to produce, and which had involved the separation of forty-eight strands of a single thread, over and over again to produce the needed furry or feathery effects. All of these artistic works carried only the signature of the Embroidery Research Institute.

As to eyestrain, she pointed out that we could see that most of the workers did not use glasses. This included a man sixty-six years old. He had stayed on beyond his retirement age in order to teach his younger colleagues. At the Institute, workers were ordered to rest after each two hours and to engage in a simple but highly effective set of four exercises designed to rest and to stimulate the eyes. There had been much planting of greenery in the area so as to soften the light. The Institute had its own medical clinic to take care of any exceptional difficulties.

From the Soochow Embroidery Research Institute we were taken up Tiger Hill where, in the shadow of its pagoda, which dates back 1014 years, we were able to hear discussed current attitudes towards archaeological investigation. Actually, there is a tomb close to the foundation of this pagoda which may contain artifacts dating back to the Wu Kingdom, 600 years B.C. Nevertheless, Chinese archaeologists are recommending that this tomb not yet be opened, pending further study of its history and of the stability of adjacent streams and buildings.

AFTERNOON

A world famous collection of Shang dynasty bronzes has been assembled at the Shanghai Museum. Our Chinese hosts and the curators of this museum discussed with us this collection, both in artistic terms and in terms of the story these bronzes tell of class struggle through the whole evolution of the Chinese culture. They identified for us evidences of China's early slave society, of the evolution of feudalism, and of the social change that took place when China was unified under the Ch'in dynasty. They differentiated between the role of the masters and the role of the working masses in the evolution of early Chinese civilization. They spoke of how they were taking samples of their collections throughout the countryside so as to help farmers and factory workers to identify as relics what they might discover in the digging and development of land necessary in modernizing China in the lower reaches of the Yangtze River.

Our hosts spoke of how the museum itself was organized after it was opened in 1952 in the former premises of the Bank of China. The museum staff engaged in research, investigation, publication, and education. The Cultural Revolution, they reported, greatly encouraged gaining understanding of the past to understand the present. It was important to understand the present from the view point of historical materialism. The museum staff said that the fact that they had researched 120 tombs during the period of the Cultural Revolution refuted completely the charge that the Cultural Revolution had brought about indifference to and destruction of China's ancient relics. On the contrary, given the museum's relatively small size mobile exhibitions had been a useful way to bring to the masses the lessons of Ch'in Shih Huang Ti's support of the legalists in his struggle with the Confucianists. This was a procedure greeted with enthusiasm and gratitude by the masses in factories, on the farms, and in the army. Teng Hsiao-ping had no understanding of Chairman Mao's view that the past could be used to serve the present.

To conclude our briefing, the curators of Shanghai Museum produced for us a remarkable stored collection of rare scrolls containing calligraphy and painting dating back to the Sung dynasty but mainly representing the work of some of the foremost painters of the Ming dynasty.

July 23, 1976 (Shanghai):

In response to my expressed desire to see how ordinary Chinese people lived, our Chinese hosts, finally, arranged for our party to visit the Feng Cheng Worker's New Residential Area in Shanghai, where we were given a briefing and a tour of the area.

This residential area was built in 1952, just after the Liberation, on what had been previously wasteland. Twenty or thirty families, then, amounted to a population of under 200. Now the residential area comprises 317,000 square meters, with a population of 40,000 in almost 10,000 households. They have their own department store, foodstuffs stores, vegetable market, restaurant, bank, post office, and so on. There are nine separate living quarters which have access to four nurseries, four kindergartens, seven primary schools, and three middle schools. They have their cultural center where films and operas are staged. They have a sports stadium and two parks. They have nine cooperative medical centers, an outpatient hospital and thirty barefoot doctors engaged both in treatment and in preventive medicine. Persons who are seriously ill are sent to nearby Hsinhua hospital. All children and adults, as necessary, are routinely inoculated for smallpox, measles, whooping cough, encephalitis, polio, and cholera.

The majority of the inhabitants of this residential area are workers. However, residents also include doctors, teachers, and so forth. Since 1958 housewives in this area have undertaken to organize themselves in a variety of work activities. They have created twelve workshops which produce machine parts, clothing, flashlight bulbs, electrical transformers, and engage in various repair functions. There are in excess of 1,000 retired workers in the area living on 70% of their pre-retirement wages and getting free medical and other welfare services. They have organized themselves for the study of Marx, Lenin, and the principles of Chairman Mao. They also have joined in a variety of social welfare activities, in teaching and propaganda work, in family planning programs, in study of the "bitter past" and in health and hygiene programs. The area operates a multi-purpose service center with 1,000 employees participating.

Our party went through a high precision workshop formerly employing housewives and now employing a great many young people.

Our hosts allowed us to break up into separate visits to individual apartments. One of these, and not likely to be a typical one, was occupied by a retired grandmother, now 58 years old. She had begun her working life at the age of thirteen in a textile factory. She cannot write and can read only little. Her husband, at age 59, continues to work at the textile mill. Her daughter and her son-in-law are working in Soochow while leaving their two children with their grandmother. The appearance of visitors caught this grandmother by surprise but in no way undid her. She answered all questions quite readily. She remembered the bitterness of her life in pre-Liberation Shanghai, recalling, especially, the horrifying impact on ordinary people of runaway inflation, the long hours of workers, the lack of any adequate housing, and the unremitting fear of disease. She had lived in her present apartment for eighteen years, that is, from 1958. With four incomes to support it, she lived very comfortably, she said. The family had bought a television set of its own by saving 300 yuan within six months from their four incomes.

In response to questions, she said that it was rare to have a problem with flies. There were occasional mosquitoes but they would be attacked using DDT, and every Thursday there was a neighborhood campaign, supervised by the hospital, to purify stagnant water and to treat garbage. In the summers it was too hot for her to stir very far from the apartment. In the winters she would go to Shanghai and look at the shops along Nanking Road, and even, occasionally, she would go to Soochow. Her apartment had its private toilet (but no bath or shower) and access to an electrified kitchen which was shared with the next door neighbor. One bathed at the factory. The single living room/bedroom contained two beds, and in one corner eight suitcases were stacked from floor to ceiling.

Throughout this conversation the smaller child sat on her grandmother's lap. The larger child, perhaps eleven, audited the interchange between his grandmother and her visitors, as interpreted by an English speaking member of the Revolutionary Committee's staff, with quiet amusement. Whereas, in 1972, the only interior decoration was likely to be a portrait of Chairman Mao, now there are family photographs, flowers, natural and wax, ornaments, toys and the almost inevitable radio.

Our party was conducted through one of the residential area's kindergartens. The 250 classes under the supervision of a staff of twenty-two. We were steered into a classroom where children of five and a half to six years old were talking about the Cultural Revolution. Who led the Cultural Revolution, they were asked: Chairman Mao was the shouted response. Why?—was asked next: Because Liu Shao-chi tried to subvert the correct line and if that happened capitalism would be restored and the worker would suffer. It came out, in addition, that Teng Hsiao-ping was also subverting the correct line and Chairman Mao had decided to stop this. The children declared, primly, that capitalist roaders had been endangering the progress of the people ever since the Liberation. Their feat of memory was formidable.

In another room children of four and a

half to five years old were given materials to draw and to paint. Several of them had produced cartoons depicting a villainous Teng Hsiao-ping.

In still another room we saw children packaging small electric light bulbs in a procedure which was frankly acknowledged to be "physical labor". They expertly eliminated all faulty bulbs. This work was done for only one day in a week by the children, and was explained as being part of the process of learning by doing.

In another room a group of kindergarten children was enacting a scene involving barefoot doctors. In another, eight slightly older girls went through the shawl dance choreography that we were to see later done professionally. Others of the children were singing and chanting about the Cultural Revolution, and about Teng Hsiao-ping. There was a tambourine dance done by children in the costume of a Sinkiang minority tribe, and a pantomime involving the comic harassment of a diminutive Old Peasant, with mustache.

The children who engaged in all of these activities were the very picture of health, vitality, and innocent delight.

Luncheon

My party was given a farewell luncheon by the Vice Chairman of the Shanghai Municipal Revolutionary Committee, Feng Kuo-chu. Hearing about our morning activity, he observed that the neighborhood committee is the basic unit in the Chinese system and was pleased that our party had had opportunities during our travels to gain some acquaintance with how it functioned. Although after two decades the standard of living of the Chinese people was not high, he said, really earthshaking changes had taken place for them as compared with their pre-Liberation circumstances, within which they were bullied and exploited. The masses were not affluent but they were well-fed, clothed, and housed. They were beneficiaries of a steady development process, and socialist construction meant that although few had property, such as private automobile transportation, people were now moving on bicycles and had access to steadily improving public transportation.

In fact, for Shanghai, transportation was becoming an increasingly serious problem. This problem, however, raised quite different issues from the problems created by the poverty of the past, and can be overcome by needed remedies. One remedy must be to continue to deal effectively with the underlying difficulty of continuing populalation growth which must be kept at the same level or, hopefully, be decreased. Taking up, for the first time, actually, since our departure from Peking, the broader questions of Chinese foreign relations, he recalled the fact that Shanghai had been the site of completing the negotiation of the Shanghai Communique in February, 1972. He repeated what we had heard before in Peking—that there should be early implementation of the Shanghai Communique in a serious and forward moving manner, with the understanding that solving the question of Taiwan's place within One China was, unconditionally, an internal matter for the People's Republic of China. He said that Taiwan was a province of China and that China would never accept any Two China or One China-One Taiwan, or Independent Taiwan solution for the difficulty arising from China's unsettled civil war. He told us that, on the Chinese side, there was readiness to talk and to trade with their Chinese brothers on Taiwan. He wanted us to understand that impediments to these and other relationships were created entirely by the regime on Taiwan. On my side, I admitted that there always seemed to be some limits to patience but the rewards of patience outweighed the penalties of impatience.

Afternoon

The Hsu Hui Spare Time Sports School happens to be located opposite the pre-Liberation Shanghai American School on the former Avenue Petain and just beside the former Community Church. (The American School plant is no longer used as a school. We could not discover to what purpose the church plant was being put.) The spare time sports program was set up in 1956 under instruction of Chairman Mao. It has 400 students, supervised by a staff of thirty. It specializes in tennis, ping pong, swimming, gymnastics, and Chinese martial arts. Other sports are learned and practised at another place. The students at this sports school range in age from nine to eighteen and have been chosen to participate because their ideology is sound, their academic achievements respectable, and their talents promising. Students engage in training for their chosen sport three hours on each of five days a week, after school.

The faculty, repudiating Lin Piao, Teng Hsiao-ping, and Confucius, denies that either to win or to achieve outstanding skill is the purpose of sport. Friendship comes first, and competition second. The purpose of sport is to serve the interests of the worker, the peasant, and the soldier, and to promote friendship among people of the world.

Our party was allowed to observe the skills of the students. One Chinese girl played tennis of what was quite clearly tournament quality. She was poised, graceful, fit, aggressive, and an accomplished stylist. None of the young men we saw demonstrated comparable competitive potential. The scores of students who were practicing ping pong demonstrated a brilliance of style with which the world has already become acquainted. Boys and girls were practising their swimming together and all could use the back, breast, butterfly and free style strokes without evidence that they had tried to specialize in mastering the discipline of any one of them. Six boys and six girls demonstrated what seemed to be equal skill and enthusiasm in their display of Chinese martial arts—exercises in sword play, with spear and shield, simulated wrestling, and various group formations. All participated as a group, but each was given a chance to star, individually. Boy and girl gymnasts also exercised together. It was noticeable that the coaches stood very close by, protectively and supportively, during the most difficult and dangerous of their floor and horizontal bar exercises.

The rhetoric of the sports school was egalitarian but there was frequent and obvious revelation of strong competitive drive. Although virtually denied, the drive to succeed, to win is there.

Our party was allowed to break up into separate activity for the balance of the afternoon. Some went to bookshops, where it was discovered that the cost of books was trifling, that the availability of foreign publications was virtually non-existent, and where Marxist literature and the writings of Chairman Mao and of other Chinese communist writers had been translated into many languages besides English. Some went to the Shanghai Industrial Exhibition, where briefings were given in English by young Chinese women who had clarifying things to say about machine building, metallurgy, shipbuilding, the chemical industry, telecommunication, electrical machinery, and so forth.

One could see models of ships built in Shanghai, in increasing size and number since the Cultural Revolution. There were models of dredges and ice-breakers. There was a display of Shanghai's achievements in the field of producing petrochemicals, pesticides, and conversion of herbs into pills. There was a display of the varieties of automobiles now being produced in Shanghai, passenger cars, busses, and trucks. There were models of large forty-five horsepower tractors and ten horsepower walking tractors. There was an array of machines used in rice transplantation and rice and wheat processing. As compared with Shenyang's industrial exhibition, Shanghai's seemed to be more sophisticated and, perhaps, more consumer-oriented. It is impossible to determine, in going through these exhibitions, what the scale of actual producton is for many of the products on display, or through what kind of distribution system the product is made available to consumers across the country.

Evening

Our hosts arranged for us to witness a program put on by the Shanghai Song and Dance Troupe. This was the company which had planned to visit the United States and cancelled its trip because it refused to drop from its program the song about the yearning of the Chinese people for the liberation of their brothers in Taiwan. Eight stylish ballet dancers, men and women, staged a scarf dance, the primitive version of which we had seen in a kindergarten. Women ballet dancers also worked through the choreography of a narrative about the women militia. A Chinese "clarinet" produced the sounds of 100 birds. It was a rich baritone voice that sang the song about the liberation of Taiwan. There were orchestral numbers and there were acrobatic and comic performers. The most excited audience reaction was given to a somewhat corpulent and extremely suave performer on the two string Chinese violin, an abandoned and virtuoso rendition of some familiar classical Chinese musical themes. He was accompanied by an ensemble also playing Chinese instruments, whose group discipline appeared to be flawless.

July 24, 1976 (Shanghai and Guam):

With the prospect of departure from Shanghai for Guam at 4:00 p.m., our party closed its full itinerary as guests at the Shanghai Municipal Ivory and Jade Carving Factory.

This was, nevertheless, an example of the application of modern technologies to a very ancient craft. Our briefing was supervised by a jade carver, now Vice Chairman of the Factory's Revolutionary Committee, but previous to the Liberation, a puller of a rickshaw. The factory was formed in 1955 as a production cooperative with only seventeen workers. It became a factory in 1958 and today involved 800 workers. The carving of jade and ivory, he said, had a history of over 2000 years. Before the Liberation, carving was done individually in separate places. The Kuomintang gave such art forms no support and workers committed to this craft suffered. In fact, the art form was almost extinguished. After Liberation, however, with the encouragement of Chairman Mao and the Chinese communist party, the carving of jade and ivory regained new life. The first step was to organize old and skilled workers. Then it was necessary to search for needed raw materials, "emeralds" (actually fei tsui jade), agate, white jade, coral and so forth, from Yunnan, Sinkiang, Kweichou, and elsewhere in China. Elephant tusks came from the province of Yunnan. A surge of interest in design came during the period of Chairman Mao's "Letting 100 Flowers Bloom". The factory's work was additionally encouraged by Chairman Mao's principle that the past should serve the present and an understanding that it required analyzing the past, drawing from it what was good, i.e., not reactionary, for the present. Thus, the factory, in using the skills of the past, had tried to improve the content of its artistic output by showing the spirit of socialism, the enthusiasm of the people, and the excellent situation of the people under the leadership of Chairman Mao. There was a jade carving at the Shanghai Industrial Exhibition weighing two and a half tons, which took a half year to prepare, and two and a half years to produce, which developed the theme of climbing the highest mountain peak in China. In carrying through with this project the workers drew upon the actual experience of climbers and obtained from their team leader needed details. This piece of carving showed that there was no fear of difficulties in achieving success if one followed the line of Chairman Mao's thought. Criticism of Ten Hsiao-ping, today, raises the class consciousness of the masses and makes clear to artists for whom they are working: they are working for the proletariat.

In our tour through this remarkable factory we observed the use of steel bits and emery sand but also of diamond bits which whirled at a rate of 10,000 revolutions per minute. Of some of the items being worked on, their complexity would require the attention of a worker, even using such equipment, for two to three years. On one item, two artists had been working together for two years. Some of the output represented mere copying from prototypes. A great deal of the output, however, seemed to represent the individual and unsupervised work of an individual craftsman, and of much greater variety than I had observed in 1972.

We were told that 80% of the output of this factory was sold in foreign countries, a small portion was for sale in China, and the rest was produced for exhibition. Factories like this one existed also in Peking, Tientsin, Yangchou, and Kuangchou.

Afternoon

At 4:00 p.m. our Air Force Boeing 135 took off for Guam, Honolulu and Washington.

CONCLUSION

There is no satisfactory way to summarize 800 million people. Their mass, like the earth, may move according to prediction or it may shift without prior prediction.

How much more hazardous then is it to generalize after another all too brief visit?

Some thoughts, arising from the visible and deduced from invisible, emerge:

In 1972 in my China Report I noted "the attainment by the masses of a standard of living acceptable to them."

In 1976, this objective is on course, prices have remained stable, mass transportation has improved, the general standard of living appears to have attained a modestly higher level.

There was in 1972 stress on self-reliance, which in 1976 has been stepped up by China's leadership into a universal credo. This will have certain, but not yet predictable, impact on China's commercial relations with others.

We were not assisted by our Chinese acquaintances in our search for an answer to the question, "What comes after Mao?"

It is my opinion that no one really knows the answer, and if they hold opinions, it is not felt wise to share them.

It is certain that tensions exist and strong divergences in points of view are being glossed over during this "almost interregnum" between the old leadership and the unemerged new.

Whoever does emerge to lead the largest nation on earth will need some of the talent of the ancient Emperor Ch'in Shih Huang Ti—the Great Unifier.

ITINERARY OF THE VISIT OF THE HONORABLE HUGH SCOTT, MINORITY LEADER, UNITED STATES SENATE, TO THE PEOPLE'S REPUBLIC OF CHINA, JULY 10–24, 1976

Saturday, July 10, 1976:

Morning: Arrived Shanghai.

Afternoon: Departed for Peking. Met with officials of Chinese People's Institute of Foreign Affairs.

Sunday, July 11, 1976:

Morning: Peking Municipal West District Optical Instruments Factory. Briefing and tour of workshops.

Afternoon: Peking Glass Factory. Briefing and tour of workshops.

Monday July 12, 1976:

Morning: Peking University. Discussion and tour of classrooms, computer facilities and library.

Afternoon: Met with Foreign Minister Ch'iao Kuan-hua. (4:00 p.m.) (duration—2 hours)

Evening: Attended dinner hosted by Foreign Minister Ch'iao Kuan-hua.

Tuesday, July 13, 1976:

Morning: Peking Municipal East District May 7th Cadre School. Briefing and tour of the school.

Afternoon: Peking Museum. Exhibition of recently unearthed archaeological finds.

3:00 p.m.: Met with Vice Premier Chang Ch'un-chi'iao. (duration—2 hours)

Evening hosted by Senator and Mrs. Scott in honor of Chinese hosts.

Wednesday, July 14, 1976:

Morning: Flight to Chengchow (also spelled, Cheng chou) Visited Honan Provincial Museum.

Afternoon: Train to Loyang (also spelled Lo-yang) Visited Lungmen Caves.

Evening: Film.

Thursday, July 15, 1976:

Morning: Visited Hui Kuo Chen People's Commune. (a) briefing, (b) film, (c) toured farm machinery factory, (d) pump station, (e) transformer factory.

Lunch: At commune.

Afternoon: Continued tour of commune. (f) chemical fertilizer factory, (g) primary school, (h) fields levelled by commune members.

Evening: Train to Chengchou.

Friday, July 16, 1976:

Morning: Flight to Shenyang. Briefing upon arrival.

Afternoon: Toured Industrial Exhibition Hall. Toured Ch'ing Dynasty Palace and Exhibition of Newly Unearthed Cultural Artifacts.

Saturday, July 17, 1976:

Morning: Visited Liaong Province Traditional Chinese Medicine College. Visited newly unearthed archaeological finds.

Afternoon: Visited Shenyang Municipal Small Tractor Factory. Flight to Lü-ta. Briefing upon arrival.

Evening: Attended dinner hosted by Vice Chairman of Liaoning Revolutionary Committee Yin Ts'an-chen.

Sunday, July 18, 1976:

Afternoon: Visited Dairen Harbor (also spelled Dalien and Luta). Briefing upon arrival. Tour of harbor facilities.

Monday, July 19, 1976:

Morning: Visited Dairen Chungshan District underground Civil Defense Tunnels. Briefing and toured tunnels and associated facilities. Visited Dairen Arts and Crafts Embroidery Factory. Briefing and tour of facilities.

Afternoon: Dairen Internal Combustion Locomotive Factory. Briefing. Toured factory. Visited kindergarten.

Evening: Attended performnace of Shenyang Acrobatic Troupe.

Tuesday, July 20, 1975:

Morning: Flight to Shanghai.

Afternoon: Train to Soochow (also spelled Suchou). Briefing upon arrival. Visited Humble Administrator's Garden.

Evening: Performance by the Young Red Guards.

Wednesday, July 21, 1976:

Morning: Visited Tung T'ing People's Commune. Briefing upon arrival. Tour included: (a) silkworm farm, (b) fish farm, (c) terraced area, (d) meeting with Educated Youth, (e) newly unearthed cultural artifacts.

Lunch: At commune.

Afternoon: Visited Soochow Sandalwood Fan Factory. Visited Soochow Normal School.

Thursday, July 22, 1976:

Morning: Visited Soochow Embroidery Research Institute. Briefing. Toured facilities.

Afternoon: Train to Shanghai. Toured Shanghai Museum.

Friday, July 23, 1976:

Morning: Visited Feng Ch'eng Worker's New Residential Area. Briefing. Tour included: (a) factories, (b) homes of residents, (c) kindergarten.

Lunch: Attended luncheon hosted by Vice Chairman of Revolutionary Committee of Shanghai, Feng Kuo-chu.

Afternoon: Hso-kui Young People's Spare Time Sports School.

Evening: Performance of Shanghai Art Troupe.

Saturday, July 24, 1976:

Morning: Visited Shanghai Municipal Jade Carving Factory. Briefing. Toured workshops.

Afternoon: Departed Shanghai. (4:00 pm).

THE WHITE HOUSE,
Washington, June 9. 1976.

Hon. HUGH SCOTT,
U.S. Senate,
Washington, D.C.

DEAR HUGH: One of the fundamental elements of our foreign policy is our new and improving relationship with the People's Republic of China. I believe it would be most helpful to the pursuit of that policy if you could undertake a visit to China in the near future.

As Senate Minority Leader, your presence in China would underscore the strong support that the Sino-American relationship enjoys in the Legislative Branch as well as among the American people. Moreover, in view of the changing Chinese leadership, it would be very helpful to me to have your assessment of the current status of Sino-American relations and of the relationship of normalization to the general situation in the Far East. Your on-the-spot understanding of this relationship will certainly be of great value in the consideration of any future questions regarding Sino-American relations which may come before the Senate.

In the event you undertake this visit, the Executive Branch will be pleased to do what it can to facilitate your journey.

With warmest personal regards,

GERALD R. FORD.

REPORT ON THE WORK OF THE GOVERNMENT

(Delivered on January 13, 1975 at the First Session of the Fourth National People's Congress of the People's Republic of China)

CHOU EN-LAI

Fellow deputies! In accordance with the decision of the Central Committee of the Communist Party of China, I shall make a report on behalf of the State Council to the Fourth National People's Congress on the work of the government.

Since the Third National People's Congress, the most important event in the political life of the people of all nationalities in our country has been the Great Proletarian Cultural Revolution personally initiated and led by our great leader Chairman Mao. In essence this is a great political revolution carried out by the proletariat against the bourgeoisie and all other exploiting classes. It destroyed the bourgeois headquarters of Liu Shao-chi and of Lin Piao and smashed their plots to restore capitalism. The current nation-wide movement to criticize Lin Piao and Confucius is the continuation and deepening of this great revolution. The victory of the Great Proletarian Cultural Revolution has consolidated the dictatorship of the proletariat in our country, promoted socialist construction and ensured that our country would stand on the side of the oppressed people and oppressed nations of the world. The Cultural Revolution has provided new experience on continuing the revolution under the dictatorship of the proletariat; its historical significance is great and its influence far-reaching.

In the course of the Great Proletarian Cultural Revolution and the movement to criticize Lin Piao and Confucius, our people of all nationalities have unfolded a mass movement to study Marxism-Leninism-Mao Tse-tung Thought and thus heightened their awareness of class struggle and the struggle between the two lines, and struggle-criticism-transformation in the superstructure has achieved major successes. The three-in-one revolutionary committees composed of the old, the middle-aged and the young have forged closer links with the masses. Successors to the cause of the proletarian revolution are maturing in large numbers. The proletarian revolution in literature and art exemplified by the model revolutionary theatrical works is developing in depth. The revolution in education and in health work is thriving. The cadres and the workers, peasants, soldiers, students and commercial workers are persevering on the May 7th road. Over a million barefoot doctors are becoming more competent. Nearly ten million school graduates, have gone to mountainous and other rural areas. With the participation of workers, peasants and soldiers the Marxist theoretical contingents are expanding. The emergence of all these new things has strengthened the all-round dictatorship of the proletariat over the bourgeoisie in the realm of the superstructure, and this further helps consolidate and develop the socialist economic base.

We have overfulfilled the 3rd 5-year plan and will successfully fulfil the 4th 5-year plan in 1975. Our country has won good harvests for 13 years running. The total value of agricultural output for 1974 is estimated to be 51 per cent higher than that for 1964. This fully demonstrates the superiority of the people's commune. While China's population has increased 60 per cent since the liberation of the country, grain output has increased 140 per cent and cotton 470 per cent. In a country like ours with a population of nearly 800 million, we have succeeded in ensuring the people their basic needs in food and clothing. Gross industrial output for 1974 is estimated to be 190 per cent more than 1964, and the output of major products has greatly increased. Steel has increased 120 per cent, coal 91 per cent, petroleum 650 per cent, electric power 200 per cent, chemical fertilizer 330 per cent, tractors 520 per cent, cotton yarn 85 per cent and chemical fibres 330 per cent. Through our own efforts in these ten years we have completed 1,100 big and medium-sized projects, successfully carried out hydrogen bomb tests and launched man-made earth satellites. In contrast to the economic turmoil and inflation in the capitalist world, we have maintained a balance between our national revenue and expenditure and contracted no external or internal debts. Prices have remained stable, the people's livelihood has steadily improved and socialist construction has flourished. Reactionaries at home and abroad asserted that the Great Proletarian Cultural Revolution would certainly disrupt the development of our national economy, but facts have now given them a strong rebuttal.

Along with the people of other countries, we have won tremendous victories in the struggle against colonialism and imperialism, and in particular against the hegemonism of the superpowers. We have smashed imperialist and social imperialist encirclement, blockade, aggression and subversion, and have strengthened our unity with the people of all countries, and especially the Third World countries. China's seat in the United Nations, of which she had long been illegally deprived, has been restored to her. The number of countries having diplomatic relations with us has increased to nearly 100, and more than 150 countries and regions have economic and trade relations and cultural exchanges with us. Our struggle has won widespread sympathy and support from the people of all countries. We have friends all over the world.

Tempered in the Great Proletarian Cultural Revolution and the movement to criticize Lin Piao and Confucius, our people of all nationalities are more united and our army has grown stronger. Our great motherland is still more consolidated. All our successes are great victories for Marxism-Leninism-Mao Tsetung Thought and for Chairman Mao's revolutionary line.

Fellow deputies!

The Tenth National Congress of our Party again elucidated the Party's basic line and policies formulated by Chairman Mao for the entire historical period of socialism, and pointed out even more clearly the orientation for continuing the revolution under the dictatorship of the proletariat. Under the leadership of the Party Central Committee headed by Chairman Mao, the people of all our nationalities should unite still more closely, adhere to the Party's basic line and policies, endeavour to fulfil the various fighting tasks set forth by the Party's Tenth Congress, consolidate and enhance the victories of the Great Proletarian Cultural Revolution and strive for new victories in socialist revolution and socialist construction.

Our primary task is to continue to broaden, deepen and persevere in the movement to criticize Lin Piao and Confucius. The struggle between the two classes, the proletariat and the bourgeoisie, between the two roads, the socialist and the capitalist, and between the two lines, the Marxist and the revisionist, is long and tortuous and at times even becomes very acute. We must never relax our criticism of Lin Piao and Confucius because of the big successes already achieved in this movement. We should go on deepening the criticism of Lin Piao's revisionist line and the doctrines of Confucius and Mencius, and in line with the principle of making the past serve the present, sum up the historical experience of the struggle between the Confucian and the Legalist schools and of class struggle as a whole, build up a vast Marxist theoretical force in the course of struggle and use Marxism to occupy all spheres in the superstructure. The key to the fulfilment of this task is for the cadres and the masses to study works by Marx, Engels, Lenin and Stalin and by Chairman Mao assiduously in order to arm themselves with the basic theories of Marxism. Through the criticism of Lin Piao and Confucius, we should further advance the revolution in literature and art, in education and in health work, promote struggle-criticism-transformation on various fronts and support all the new things so as the better to keep to the socialist orientation.

Under the leadership of the Party, we should strengthen revolutionary committees at all levels. Leading bodies at all levels should become more conscious of the need to implement Chairman Mao's revolutionary line and should maintain closer ties with the masses. We should make active efforts to train young cadres, women cadres and minority nationality cadres, and make a point of selecting outstanding workers and poor and lower-middle peasants for leading posts. We should have better staff and simpler administration with fewer levels. New and veteran cadres should learn from each other and strengthen their unity, and they should be ready to work at any post, high or low, persist in collective productive labour and wholeheartedly serve the people.

We should strictly distinguish between the two different types of contradictions and handle them correctly, implement the Party's policies conscientiously and ensure that the task of consolidating the dictatorship of the proletariat is fulfilled right through to the grass-roots level. We should rely on the broad masses to deal steady, accurate and hard blows at the handful of class enemies, with the emphasis on accuracy. We should earnestly strive to do well in resolving contradictions among the people with democratic methods and in accordance with the principle of unity—criticism and self-criticism—unity, and thus give full play to the masses' enthusiasm for socialism.

The unification of our country, the unity of our people and the unity of our various nationalities—these are the basic guarantees of the sure triumph of our cause. We should strengthen the great unity of the people of all our nationalities. We should whole-heartedly rely on the working class and the poor and lower-middle peasants, unite with the other working people and the many intellectuals and further develop the revolutionary united front which, led by the working class and based on the worker-peasant alliance, includes the patriotic democratic parties, patriotic personages, patriotic overseas Chinese and our compatriots in Hongkong and Macao. We should unite over 95 per cent of the cadres and the masses and unite with all the forces that can be united with in a joint effort to build our great socialist motherland.

Socialist revolution is the powerful engine for developing the social productive forces. We must adhere to the principle of grasping revolution, promoting production and other work and preparedness against war, and with revolution in command, work hard to increase production and speed up socialist construction so that our socialist system will have a more solid material foundation.

On Chairman Mao's instructions, it was suggested in the Report on the Work of the Government to the Third National People's Congress that we might envisage the development of our national economy in two stages beginning from the Third Five-Year Plan: The first stage is to build an independent and relatively comprehensive industrial and economic system in 15 years, that is before 1980; the second stage is to accomplish the comprehensive modernization of agriculture, industry, national defense and science and technology before the end of the century, so that our national economy will be advancing in the front ranks of the world.

We should fulfil or overfulfil the Fourth Five-Year Plan in 1975 in order to reinforce the foundations for completing the first stage before 1980 as envisaged above. In the light of the situation at home and abroad, the next ten years are crucial for accomplishing what has been envisaged for the two stages. In this period we shall not only build an independent and relatively comprehensive industrial and economic system, but march towards the splendid goal set for the second stage. With this objective in mind, the State Council will draw up a long-range Ten-Year Plan, Five-Year Plans and annual plans. The Ministries and Commissions under the State Council and the local Revolutionary Committees at all levels down to the industrial and mining enterprises and production teams and other grass-roots units should all arouse the masses to work out their plans through full discussion and strive to attain our splendid goal ahead of time.

In order to keep on expanding our socialist economy, we must persist in the general line of going all out, aiming high and achieving greater, faster, better and more economical results in building socialism and continue to apply the policy of taking agriculture as the foundation and industry as the leading factor and the series of policies of walking on two legs. We should work out the national economic plan in this order of priorities: agriculture, light industry, heavy industry. We should give full play to the initiative of both central and local authorities under the state's unified planning. We should implement the Charter of the Anshan Iron and Steel Company still better and deepen the mass movements—in industry, learn from Taching and in agriculture, learn from Tachai.

While tackling economic tasks, our leading comrades at all levels must pay close attention to the socialist revolution in the realm of the superstructure and keep a firm grasp on class struggle and the struggle between the two lines. Only when we do well in revolution is it possible to do well in production. We should thoroughly criticize revisionism, criticize captalist tendencies and criticize such erroneous ideas and styles of work as servility to things foreign, the doctrine of trailing behind at a snail's pace, and extravagance and waste.

Chairman Mao points out, "Rely mainly on our own efforts while making external assistance subsidiary, break down blind faith, go in for industry, agriculture and technical and cultural revolutions independently, do away with slavishness, bury dogmatism, learn from the good experience of other countries conscientiously and be sure to study their bad experience too, so as to draw lessons from it. This is our line." This line has enabled us to break the imperalist blockade and withstand social-imperialist pressure, and the progress of our economy has been sound and vigorous all along, regardless of economic fluctuations and crises in the capitalist world. We must always adhere to this line.

Fellow deputies!

The present international situation is still characterized by great disorder under heaven, a disorder which is growing greater and greater. The capitalist world is facing the most serious economic crisis since the war, and all the basic contradictions in the world are sharpening. On the one hand, the trend of revolution by the people of the world is actively developing; countries want independence, nations want liberation, and the people want revolution—this has become an irresistible historical current. On the other hand, the contention for world hegemony between the two superpowers, the United States and the Soviet Union, is becoming more and more intense. Their contention has extended to every corner of the world, the focus of their contention being Europe. Soviet social-imperialism "makes a feint to the east while attacking in the west". The two superpowers, the United States and the Soviet Union, are the biggest international oppressors and exploiters today and they are the source of a new world war. Their fierce contention is bound to lead to world war some day. The people of all countries must get prepared. Detente and peace are being talked about everywhere in the world; it is precisely this that shows there is no detenté, let alone lasting peace, in this world. At present, the factors for both revolution and war are increasing. Whether war gives rise to revolution or revolution prevents war, in either case the international situation will develop in a direction favourable to the people and the future of the world will be bright.

We should continue to implement Chairman Mao's revolutionary line in foreign affairs, always keep the people in mind, place our hopes on them and do our external work better. We should uphold proletarian internationalism and strengthen our unity with the socialist countries and all the oppressed people and oppressed nations of the world, with each supporting the other. We shoud ally ourselves with all the forces in the world that can be allied with to combat colonialism, imperialism and above all superpower hegemonism. We are ready to establish or develop relations with all countries on the basis of the five principles of peaceful coexistence.

The Third World is the main force in combating colonialism, imperialism and hegemonism. China is a developing socialist country belonging to the Third World. We should enhance our unity with the countries and people of Asia, Africa and Latin America and resolutely support them in their struggle to win or safeguard national independence, defend their state sovereignty, protect their national resources and develop their national economy. We firmly support the just struggles of the people of Korea, Viet Nam, Cambodia, Laos, Palestine and the Arab countries as well as countries in southern Africa. We support the countries and people of the Second World in their struggle against superpower control, threats and bullying. We support the efforts of West European countries to get united in this struggle. We are ready to work together with the Japanese Government and people to promote friendly and good-neighbourly relations between the two countries on the basis of the Sino-Japanese Joint Statement.

There exist fundamental differences between China and the United States. Owing to the joint efforts of both sides the relations between the two countries have improved to some extent in the last three years, and contacts between the two peoples have developed. The relations between the two countries will continue to improve so long as the principles of the Sino-American Shanghai Communique are carried out in earnest.

The Soviet leading clique have betrayed Marxism-Leninism, and our debate with them on matters of principle will go on for a long time. However, we have always held that this debate should not obstruct the maintenance of normal state relations between China and the Soviet Union. The Soviet leadership have taken a series of steps to worsen the relations between the two countries, conducted subversive activities against our country and even provoked armed conflicts on the border. In violation of the understanding reached between the Premiers of China and the Soviet Union as early as 1969, they refuse to sign the agreement on the maintenance of the status quo on the border, the prevention of armed conflicts and the disengagement of the armed forces of the two sides in the disputed areas on the border, an agreement which includes the non-use of force against each other and mutual non-aggression. Hence the negotiations on the Sino-Soviet boundary question have so far yielded no results. They even deny the existence of the disputed areas on the Sino-Soviet border, and they even refuse to do anything about such matters as the disengagement of the armed forces of the two sides in the disputed areas on the border and the prevention of armed conflicts; instead they talk profusely about empty treaties on the non-use of force against each other and mutual non-aggression. So what can their real intention be if not to deceive the Soviet people and world public opinion? We wish to advise the Soviet leadership to sit down and negotiate honestly, do something to solve a bit of the problem and stop playing such deceitful tricks.

Chairman Mao teaches us, "Dig tunnels deep, store grain everywhere, and never seek hegemony." "Be prepared against war, be prepared against natural disasters, and do everything for the people." We should maintain vigilance, strengthen our defense and be prepared against war. The heroic People's Liberation Army shoulders the glorious task of defending the motherland. The whole army should resolutely implement Chairman Mao's line for army building to strengthen the army and enhance preparedness against war. We should build the people's militia conscientiously and well. Together with the people of all our nationalities, the People's Liberation Army and the masses of the people's militia should be ready at all times to wipe out any enemy that dares intrude.

We are determined to liberate Taiwan! Fellow-countrymen in Taiwan and people of the whole country, unite and work together to achieve the noble aim of liberating Taiwan and unifying the motherland!

Fellow deputies!

In the excellent situation prevailing at home and abroad, we should first of all run China's affairs well and strive to make a greater contribution to humanity.

We must bear firmly in mind Chairman Mao's teachings and grasp major issues, grasp the line, and adhere to these fundamental principles, "Practise Marxism, and not revisionism; unite, and don't split; be open and above-board, and don't intrigue and conspire."

We must resolutely support the centralized leadership of the Party. Of the seven sectors—industry, agriculture, commerce, culture and education, the army, the government and the Party—it is the Party that exercises overall leadership. We must put all fields of work under the unified leadership of the Party committees at various levels.

We must carry forward the glorious tradition of observing discipline, conscientiously practise democratic centralism, and, on the basis of Chairman Mao's revolutionary line, achieve unity in thinking, policy, plan, command and action.

We must persist in the mass line: from the masses, to the masses; we must have unshakable faith in the vast majority of the masses and firmly rely on them. Both in revolution and in construction, we should boldly arouse the people and unfold vigorous mass movements.

We must work hard, build the country and run all undertakings with deligence and thrift. We should maintain the same vigour, the same revolutionary enthusiasm and the same daring death-defying spirit we displayed in the years of revolutionary war and carry on our revolutionary work to the end.

We must uphold proletarian internationalism, and get rid of great-power chauvinism resolutely, thoroughly, wholly and completely. We will never seek hegemony; we will never be a superpower; we will always stand with the oppressed people and oppressed nations throughout the world.

Under the leadership of the Central Committee of the Party headed by Chairman Mao, the Chinese people have worked energetically, surmounted all difficulties and hazards and turned a poverty-stricken and backward country into a socialist one with the beginnings of prosperity in only twenty years and more. We can certainly build China into a powerful modern socialist country in another twenty years and more before the end of the century. We should continue to work hard, carry forward our achievements and overcome our shortcomings, be modest and prudent, guard against arrogance and rashness, and continue our triumphant advance. Under the guidance of Chairman Mao's revolutionary line, let us unite to win still greater victories!

Great Cultural Revolution Will Shine Forever

Ten years ago, the May 16 Circular of the Central Committee of the Communist Party of China was drawn up under the personal guidance of our great leader Chairman Mao. This brilliant Marxist document sounded the clarion call for the Great Proletarian Cultural Revolution and illuminated the course of its triumphant advance. Today, having won great victories in the struggle to criticize Tong Hsiao-ping and repulse the Right deviationist wind to reverse correct verdicts we warmly celebrate the 10th anniversary of the Great Cultural Revolution and re-study the circular, which gives us a deeper understanding of the necessity and far-reaching significance of the revolution and greater confidence to persevere in continuing the revolution under the dictatorship of the proletariat.

BANKRUPTCY OF "FEBRUARY OUTLINE REPORT"

The circular was formulated in the fierce struggle between the proletarian headquarters headed by Chairman Mao and the bourgeois headquarters with Liu Shao-chi as its chieftain. It made an incisive criticism of Liu Shao-chi's counter-revolutionary revisionist line, exposed the reactionary essence of the "February Outline Report" (see note), refuted the fallacies against the Great Cultural Revolution spread by the Party persons in power taking the capitalist road, armed the whole Party with the Marxist-Leninist theory of class struggle and proletarian dictatorship, and called on us to expose and criticize the bourgeois representatives in the Party and seize that portion of the leadership they had usurped. The formulation of the circular proclaimed the bankruptcy of the "February Outline Report". Since then the Great Proletarian Cultural Revolution has been forging ahead vigorously.

Chairman Mao points out: "We couldn't do without the Great Proletarian Cultural Revolution." This great revolution, which had been brewing for a long time, was the inevitable outcome of the acute struggle between the two classes, the two roads and the two lines. For years the renegade, hidden traitor and scab Liu Shao-chi and company had made frenzied efforts to push the counter-revolutionary revisionist line and stubbornly stuck to the capitalist road. They did their utmost to oppose Chairman Mao's revolutionary line on all fronts: clamouring about capitalist 'exploitation having its merits and consolidating the new democratic order, drastically cutting down the number of co-operatives and practising san tzu yi poo" (more private plots, more free markets, more enterprises with sole responsibility for their own profits and losses, and fixing output quotas on a household basis—translator); lauding on the skies the reactionary films 'Inside Story of the Ching Court and The Life of Wu Hsun; and resisting the criticism of the play Hai Jui Dismissed from Office. For a time Liu Shao-chi's bourgeois headquarters was in control of Party power and the power in the cultural and propaganda fields and in many localities. Capitalism and revisionism were rampant in the ideological and cultural departments under its control. Hordes of ghosts and monsters came out into the open and filled the press, radio, books and works of literature and art. A grave situation in which the bourgeoisie exercised dictatorship over the proletariat developed in certain spheres in the superstructure. Material incentives and 'bonuses in command' were widely practiced to lure people to the capitalist road. In a fairly large majority of factories and enterprises, leadership was not in the hands of real Marxists and the masses of workers. Our socialist economic base was not solid. If the Great Cultural Revolution had not taken place, it would not have taken long before a counter-revolutionary restoration on a national scale would inevitably occur, our Party would turn into a revisionist party, and the whole of China would change colour.

BOURGEOISIE INSIDE PARTY

With great Marxist-Leninist insight, Chairman Mao perceived in good time the grave danger that the Party capitalist-roaders were subverting the dictatorship of the proletariat. Chairman Mao points out in the circular: "Those representatives of the bourgeoisie who have sneaked into the Party, the government, the army and various spheres of culture are a bunch of counter-revolutionary revisionists. Once conditions are ripe, they will seize political power and turn the dictatorship of the proletariat into a dictatorship of the bourgeoisie." In the course of the current anti-Right deviationist struggle, Chairman Mao has again pointed out: "You are making the socialist revolution, and yet don't know where the bourgeoisie is. It is right in the Communist Party—those in power taking the capitalist road. The capitalist-roaders are still on the capitalist road." In these important instructions, Chairman Mao profoundly analyzes the changes in the class relations and the characteristics of class struggle during the period of socialism, advances the scientific thesis that the bourgeoisie is in the Communist Party, develops Marxism-Leninism and further clarifies for us the orientation for continuing the revolution under the dictatorship of the proletariat.

In the past decade we have waged struggles against Liu Shao-chi, Lin Piao and Teng Hsiao-ping. All these struggles have proved that the bourgeoisie is indeed inside the Communist Party. The Party capitalist-roaders are the bourgeoisie's main force in its trial of strength with the proletariat and in its efforts to restore capitalism. The crux of the matter here lies in the fact that these capitalist-roaders are persons in power who have sneaked into the very structure of the dictatorship of the proletariat. Chieftains of the revisionist line, like Liu Shao-chi, Lin Piao and Teng Hsiao-ping, hold a very large proportion of the Party and state power. They are thus in a position to turn instruments of the dictatorship of the proletariat into instruments for exercising dictatorship over the proletariat, and they are therefore even more ruthless in their efforts to restore capitalism than the bourgeoisie outside the Party. The power they hold could be used to recruit deserters and renegades, form cliques to serve their own selfish interests, rig up a bourgeois headquarters, formulate a revisionist line and push it from top to bottom. They could consolidate and extend bourgeois right, protect their own interests, namely, the interests of the "high officials" who practise revisionism, embezzle and squander huge amounts of social wealth, energetically engage in capitalist activities, undermine and disrupt the socialist relations of production.

Hiding under the cloak of Marxism-Leninism and waving all sorts of ensigns, they are able to mislead for a time a number of people who lack an understanding of the real situation and a high level of consciousness, deceiving them into following their revisionist line. In short, they are political representatives of the bourgeoisie and, in the struggle against the proletariat, they are commanders of all social forces and cliques that resist the socialist revolution and oppose and work to undermine socialist construction.

TENG HSIAO-PING'S PROGRAMME

Teng Hsiao-ping, the arch unrepentant Party capitalist-roader, played the commander's role in vehemently stirring up the Right deviationist wind which culminated in the counter-revolutionary political incident at Tienanmen Square. Before the Great Cultural Revolution he was the No. 2 chieftian of Liu Shao-chi's bourgeois headquarters. The two bourgeois headquarters of Liu Shao-chi and Lin Piao were smashed during the Great Cultural Revolution and, when Teng Hsiao-ping was criticized by the masses, his words flowed in a spate of vows, such as "I'll mend my ways" and "I'll never reverse the verdict". But, once he resumed work and was in power, he threw off his disguise and, with hatred grown tenfold and frenzy grown a hundredfold, brought all his experience in counter-revolutionary political struggle into play to formulate a programme and prepare public opinion for an organized and planned attack on the Party, with the spearhead directed at our great leader Chairman Mao.

"Take the three directives as the key link"—was this Teng Hsiao-ping's political programme for reversing correct verdicts and restoring capitalism. Advertising the theory of the dying out of class struggle and the theory of productive forces, this revisionist programme opposes taking class struggle as the key link and denies the Party's basic line and the necessity for the Great Cultural Revolution. Teng Hsiao-ping attempted to make it the "general programme for all work" for a long time to come and to impose it on the whole Party and the people throughout the country in order to pave the way for an all-round restoration of capitalism.

TENG HSIAO-PING'S SCHEME

"Seize ideological positions"—this was a move Teng Hsiao-ping took to prepare public opinion for his scheme to reverse correct verdicts and restore capitalism. After he came to power, especially during last July, August and September and afterwards, political rumours were afloat and strange tales passed around here, there and everywhere in the society. All these rumours and strange tales originated with Teng Hsiao-ping and were fabricated by Teng's rumour-mongering company. Teng and company feverishly forged counter-revolutionary opinions by various base means to mislead the people and create splits. They directed the spearhead of their attack at the Party Central Committee headed by Chairman Mao and raised a hue and cry to clear the way for Teng Hsiao-ping to usurp the Party leadership and seize state power.

"The first and foremost thing is to grasp leading bodies"—this was the organizational measure Teng Hsiao-ping adopted in his attempt to reverse correct verdicts and restore capitalism. He opposed the setting up of revolutionary leading bodies of three-in-one combination. He attacked and pushed aside the old, middle-aged and young cadres who upheld Chairman Mao's revolutionary line, mustered unrepentant capitalist-roaders and put them in important positions, and assembled 'restorationist legions' in his attempts to reverse correct verdicts and restore capitalism. He did his utmost to keep in the Party renegades and special agents, who had been identified as such during the Great Cultural Revolution, so that they could stage a comeback sometime in the future.

"Carry out all-round rectification"—this was the plan of action Teng Hsiao-ping mapped out for his scheme to reverse correct verdicts and restore capitalism. The moment he issued the order for rectification, the sinister wind to reverse correct verdicts sprang up. Through rectification he aimed to cancel with one stroke Chairman Mao's revolutionary line and policies, the achievements of the Great Cultural Revolution and the superiority of the socialist system. The so-called rectification was in essence an attack on the proletariat by the bourgeoisie and an attempt at capitalist restoration.

TENG HSIAO-PING AND "FEBRUARY OUTLINE REPORT"

These actions by Teng Hsiao-ping were a continuation and development of the reactionary "February Outline Report" which Chairman Mao had already criticized in the circular. Teng Hsiao-ping's "taking the three directives as the key link" is a carbon copy of the revisionist line which the circular describes as "completely denying that the several thousand years of human history are a history of class struggle," 'completely denying the class struggle of the proletariat against the bourgeoisie, the proletarian revolution against the bourgeoisie and the dictatorship of the proletariat over the bourgeoisie.' The circular shows that Peng Chen deliberately spread rumours to divert people from the target of the struggle. It bitterly condemns the 'rectification campaign' designed by Peng Chen, whose aim was to attack the proletarian Left and shield the bourgeois Rightists. Teng Hsiao-ping went still further. His line is a continuation of the counter-revoluntionary revisionist line pushed by Liu Shaochi and Lin Piao. If this line were followed, not only would the achievements of the Great Cultural Revolution be nullified but also those of the entire Chinese revolution.

The capitalist road taken by Teng Hsiao-ping would lead back to the semi-colonial and semi-feudal old China and reduce China to an appendage of imperialism and social-imperialism. As Chairman Mao points out in criticizing the representatives of the bourgeoisie in the circular. "They are faithful lackeys of the bourgeoisie and the imperialists. Together with the bourgeoisie and the imperialists, they cling to the bourgeois ideology of oppression and exploitation of the proletariat and to the capitalist system, and they oppose Marxist-Leninist ideology and the socialist system"; "Their struggle against us is one of life and death, and there is no question of equality. Therefore, our struggle against them, too, can be nothing but a life-and-death struggle".

CULTURAL REVOLUTION'S MERITS

The historic merits of the Great Proletarian Cultural Revolution initiated and led by Chairman Mao lie in the fact that the scheme of the bourgeoisie inside the Party to restore capitalism was smashed firmly and in good time, its counter-revolutionary revisionist line was criticized and that portion of the Party and state leadership it had usurped was seized back to ensure the country's continuous advance along Chairman Mao's revolutionary line. The Great Cultural Revolution's merits also lie in solving in theory and practice the cardinal question in the contemporary international communist movement, namely, how to consolidate the dictatorship of the proletariat and prevent the restoration of capitalism. Hundreds of millions of workers, peasants and soldiers, revolutionary cadres and revolutionary intellectuals have deepened their understanding of the fact that the Great Cultural Revolution "is absolutely necessary and most timely." They hail it and say: "The Great Cultural Revolution is excellent!" Only unrepentant capitalist-roaders like Teng Hsiao-ping harbour bitter hatred for it. Bent on setting scores and reversing the correct verdicts of the Great Cultural Revolution, he has offended the great majority of people. They do not agree with him nor will they allow him to carry on. "Reversing correct verdicts goes against the will of the people." The will of the people, the Party and the Party members is for continuing the revolution and against restoration and retrogression. It is precisely for this reason that the great struggle initiated and led by Chairman Mao to repulse the Right deviationist attempt to reverse correct verdicts has earned the wholehearted support of the entire Party, the entire army and the people throughout the country. The struggle has won the full approval of the people and is much to their satisfaction. Those who attempted to reverse correct verdicts and settle scores were extremely isolated and were soon brought to defeat.

We have won great victories, but the struggle has not come to an end. The struggle to criticize Teng Hsiao-ping's counter-revolutionary revisionist line must be carried on in depth. We must never slacken our fighting will. The handful of class enemies will not be reconciled to their defeat. Drawing lessons from their failure, they are studying tactics and methods of how to deal with us. The revolutionary people must be soberly aware of this.

CAPITALIST-ROADERS AND REVOLUTION

Chairman Mao has pointed out: "Lenin spoke of building a bourgeois state without capitalists to safeguard bourgeois right. We ourselves have built just such a state, not much different from the old society; there are ranks and grades, eight grades of wages, distribution according to work, and exchange of equal values." As long as these conditions exist, as long as classes, class contradictions and class struggle exist and as long as the influences of the bourgeoisie and international imperialism and revisionism exist, the historical phenomenon that "The capitalist-roaders are still on the capitalist road" will remain for a long time to come. On the first anniversary of the circular, Chairman Mao gave us this admonition: "The present Great Cultural Revolution is only the first; there will inevitably be many more in the future." During the current struggle to repulse the Right deviationist attempt to reverse correct verdicts, Chairman Mao has again pointed out: "After the democratic revolution the workers and the poor and lower-middle peasants did not stand still, they want revolution. On the other hand, a number of Party members do not want to go forward; some have moved backward and opposed the revolution. Why? Because they have become high officials and want to protect the interests of the high officials," "Will there be need for revolution a hundred years from now? Will there still be need for revolution a thousand years from now? There is always need for revolution. There are aways sections of the people—who feel themselves oppressed; junior officials, students, workers, peasants and soldiers don't like bigshots oppressing them. That's why they want revolution. Will contradictions no longer be seen ten thousand years from now? Why not? They will still be seen." Therefore, we must prepare ourselves ideologically for a protracted struggle against the capitalist-roaders and for continuing the revolution under the dictatorship of the proletariat.

TEN YEARS OF CULTURAL REVOLUTION

Chairman Mao said at the beginning of this year: "Without struggle, there is no progress." "Can 800 million people manage without struggle?" The ten years of the Great Proletarian Cultural Revolution was a decade in which we advanced through struggle and brought tremendous changes to our country. Studying Marxism-Leninism-Mao Tsetung Thought in the course of struggle, hundreds of millions of people have become more conscious of the need to combat and prevent revisionism and to continue the revolution.

Chairman Mao's proletarian revolutionary line has found its way even deeper into the hearts of the people. By getting rid of the stale and taking in the fresh, our Party has gained in strength and vigour. Our army has grown stronger, after going through new tests and making fresh contributions to the people in "supporting industry, supporting agriculture, supporting the broad masses of the Left, exercising military control, and giving political and military training". The militia has contributed to the consolidation of proletarian dictatorship through participation in the struggle to defend the motherland and in social class struggle. The three-in-one combination of the old, middle-aged and young has been adopted in the leading bodies at all levels, and millions upon millions of successors to the proletarian revolutionary cause are steeling themselves and maturing in the course of struggle in accordance with the five qualifications put forward by Chairman Mao. The socialist revolution in education, literature and art, medical and health work, science and technology has been advancing in giant strides through the acute struggle between the two lines. Vast numbers of educated youth have gone eagerly to settle in the countryside, and cadres at all levels have persevered in taking the May 7 road. The mass movements to learn from Tachai in agriculture and Taching in industry are surging ahead. Agriculture, industry and the entire national economy are thriving. Our great motherland is a flourishing scene of prosperity. The Great Proletarian Cultural Revolution has further released the energies of the people in their hundreds of millions. The tremendous impact of this revolution, which is just beginning to show itself, will make itself felt with greater force with the deepening of the revolution.

GRASP REVOLUTION, PROMOTE PRODUCTION

We must continue our triumphant advance and carry forward the excellent situation. The broad masses of Party members, cadres and other people must conscientiously study Chairman Mao's important instructions concerning the Great Cultural Revolution and the anti-Right deviationist struggle, study the theory of continuing the revolution under the dictatorship of the proletariat, get clear on the questions of where the bourgeoisie is to be found and enforcing all-round dictatorship over the bourgeoisie, and persist in combating and preventing revisionism and continuing the revolution. We must acquire a profound understanding of the brilliant victories and tremendous significance of the Great Cultural Revolution, wholeheartedly support the new socialist things, and consolidate and develop the victories of the Great Cultural Revolution.

We must deepen the criticism of Teng Hsiao-ping beat back the Right deviationist attempt to reverse correct verdicts and deal resolute blows at all counter-revolutionary sabotage. We must unite over 95 per cent of the cadres and of the masses under the general objective of criticizing Teng Hsiao-ping, and continue to do a good job in the revolution in the superstructure and the economic base. We must "grasp revolution, promote production and other work and preparedness against war" and continuously advance socialist construction in all fields.

The proletariat is full of revolutionary optimism. We have faith in dialectics. We firmly believe that "The supersession of the old by the new is a general, eternal and inviolable law of the universe." (On Contradiction) However many twists and turns there are on the road of revolution and however many ups and downs it encounters, the truth of Marxism-Leninism-Mao Tsetung Thought is irresistible and in the final analysis the masses, who account for over 95 per cent of the population, want revolution. Revolution will inevitably triumph over reaction and the new-born over the decadent—this is a law of history. It is just over a century since the founding of Marxism, and the old world has been shattered to pieces. Today, capitalism and revisionism are declining like "a setting sun in the west wind." The clowns who go against the tide of history may have their own way for a time but will eventually be swept onto the garbage heap of history by the people. As Marx and Engels stated, the bourgeoisie's "fall and the victory of the proletariat are equally inevitable." "Manifesto of the Communist Party") While commemorating the 10th anniversary of the circular, we are full of revolutionary pride as we review the course of struggle of the Great Cultural Revolution, survey the excellent situation in which "orioles sing, swallows dart," and look forward to the bright future when "the world is being turned upside down". Under the leadership of the Party Central Committee headed by Chairman Mao, we are determined to persevere in taking class struggle as the key link and carry the continued revolution under the dictatorship of the proletariat through to the end.

Chairman Mao's proletarian revolutionary line is invincible, and our advance cannot be stopped!

The Great Proletarian Cultural Revolution will shine forever!

SHANGHAI: JOINT COMMUNIQUE

Text of the Joint Statement Issued at the Conclusion of President Nixon's Visit to the People's Republic of China, February 27, 1972.

President Richard Nixon of the United

States of America visited the People's Republic of China at the invitation of Premier Chou En-lai of the People's Republic of China from February 21 to February 28, 1972. Accompanying the President were Mrs. Nixon, U.S. Secretary of State William Rogers, Assistant to the President Dr. Henry Kissinger, and other American officials.

President Nixon met with Chairman Mao Tse-tung of the Communist Party of China on February 21. The two leaders had a serious and frank exchange of views on Sino-U.S. relations and world affairs.

During the visit, extensive, earnest, and frank discussions were held between President Nixon and Premier Chou En-lai on the normalization of relations between the United States of America and the People's Republic of China, as well as on other matters of interest to both sides. In addition, Secretary of State William Rogers and Foreign Minister Chi Peng-fei held talks in the same spirit.

President Nixon and his party visited Peking and viewed cultural, industrial and agricultural sites, and they also toured Hangchow and Shanghai where, continuing discussions with Chinese leaders, they viewed similar places of interest.

The leaders of the People's Republic of China and the United States of America found it beneficial to have this opportunity, after so many years without contact, to present candidly to one another their views on a variety of issues. They reviewed the international situation in which important changes and great upheavals are taking place and expounded their respective positions and attitudes.

The U.S. side stated: Peace in Asia and peace in the world requires efforts both to reduce immediate tensions and to eliminate the basic causes of conflict. The United States will work for a just and secure peace: just, because it fulfills the aspirations of peoples and nations for freedom and progress; secure, because it removes the danger of foreign aggression. The United States supports individual freedom and social progress for all the peoples of the world, free of outside pressure or intervention. The United States believes that the effort to reduce tensions is served by improving communications between countries that have different ideologies so as to lessen the risks of confrontation through accident, miscalculation or misunderstanding. Countries should treat each other with mutual respect and be willing to compete peacefully, letting performance be the ultimate judge.

No country should claim infallibility and each country should be prepared to reexamine its own attitudes for the common good. The United States stressed that the peoples of Indochina should be allowed to determine their destiny without outside intervention; its constant primary objective has been a negotiated solution; the eight-point proposal put forward by the Republic of Vietnam and the United States on January 27, 1972 represents a basis for the attainment of that objective; in the absence of a negotiated settlement the United States envisages the ultimate withdrawal of all U.S. forces from the region consistent with the aim of self-determination for each country of Indochina. The United States will maintain its close ties with and support for the Republic of Korea; the United States will support efforts of the Republic of Korea to seek a relaxation of tension and increased communications in the Korean peninsula. The United States places the highest value on its friendly relations with Japan; it will continue to develop the existing close bonds. Consistent with the United Nations Security Council Resolution of December 21, 1971, the United States favors the continuation of the ceasefire between India and Pakistan and the withdrawal of all military forces to within their own territories and to their own sides of the ceasefire line in Jammu and Kashmir; the United States supports the right of the peoples of South Asia to shape their own future in peace, free of military threat, and without having the area become the subject of great power rivalry.

The Chinese side stated: Wherever there is oppression, there is resistance. Countries want independence, nations want liberation and the people want revolution—this has become the irresistible trend of history. All nations, big or small, should be equal; big nations should not bully the small and strong nations should not bully the weak. China will never be a superpower and it opposes hegemony and power politics of any kind. The Chinese side stated that it firmly supports the struggles of all the oppressed people and nations for freedom and liberation and that the people of all countries have the right to choose their social systems according to their own wishes and the right to safeguard the independence, sovereignty and territorial integrity of their own countries and oppose foreign aggression, interference, control and subversion. All foreign troops should be withdrawn to their own countries.

The Chinese side expressed its firm support to the peoples of Vietnam, Laos and Cambodia in their efforts for the attainment of their goal and its firm support to the seven-point proposal of the Provisional Revolutionary Government of the Republic of South Vietnam and the elaboration of February this year on the two key problems in the proposal, and to the Joint Declaration of the Summit Conference of the Indochinese Peoples. It firmly supports the eight-point program for the peaceful unification of Korea put forward by the Government of the Democratic People's Republic of Korea on April 12, 1971, and the stand for the abolition of the "U.N. Commission for the Unification and Rehabilitation of Korea." It firmly opposes the revival and outward expansion of Japanese militarism and firmly supports the Japanese peoples' desire to build an independent, democratic, peaceful and neutral Japan. It firmly maintains that India and Pakistan should in accordance with the United Nations resolutions on the India-Pakistan question, immediately withdraw all their forces to their respective territories and to their own sides of the ceasefire line in Jammu and Kashmir and firmly supports the Pakistan Government and people in their struggle to preserve their independence and sovereignty and the people of Jammu and Kashmir in their struggle for the right of self-determination.

There are essential differences between China and the United States in their social systems and foreign policies. However, the two sides agreed that countries, regardless of their social system, should conduct their relations on the principles of respect for the sovereignty and territorial integrity of all states, non-aggression against other states, non-interference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence. International disputes should be settled on this basis, without resorting to the use or threat of force. The United States and the People's Republic of China are prepared to apply these principles to their mutual relations.

With these principles of international relations in mind the two sides stated that:

Progress toward the normalization of relations between China and the United States is in the interests of all countries;

Both wish to reduce the danger of international military conflict;

Neither should seek hegemony in the Asia-Pacific region and each is opposed to efforts by any other country or group of countries to establish such hegemony; and

Neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states.

Both sides are of the view that it would be against the interests of the peoples of the world for any major country to collude with another against other countries, or for major countries to divide up the world into spheres of interest.

The two sides reviewed the long-standing serious disputes between China and the United States. The Chinese side reaffirmed its position: The Taiwan question is the crucial question obstructing the normalization of relations between China and the United States; the Government of the People's Republic of China is the sole legal government of China; Taiwan is a province of China which has long been returned to the motherland; the liberation of Taiwan is China's internal affair in which no other country has the right to interfere; and all U.S. forces and military installations must be withdrawn from Taiwan. The Chinese Government firmly opposes any activities which aim at the creation of "one China, one Taiwan," "one China, two governments," "two Chinas," and "independent Taiwan" or advocate that "the status of Taiwan remains to be determined."

The U.S. side declared: The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves. With this prospect in mind, it affirms the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan. In the meantime, it will progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes.

The two sides agreed that it is desirable to broaden the understanding between the two peoples. To this end, they discussed specific areas in such fields as science, technology, culture, sports and journalism, in which people-to-people contacts and exchanges would be mutually beneficial. Each side undertakes to facilitate the further development of such contacts and exchanges.

Both sides view bilateral trade as another area from which mutual benefit can be derived, and agreed that economic relations based on equality and mutual benefit are in the interest of the peoples of the two countries. They agree to facilitate the progressive development of trade between their two countries.

The two sides agreed that they will stay in contact through various channels, including the sending of a senior U.S. representative to Peking from time to time for concrete consultations to further the normalization of relations between the two countries and continue to exchange views on issues of common interest.

The two sides expressed the hope that the gains achieved during this visit would open up new prospects for the relations between the two countries. They believe that the normalization of relations between the two countries is not only in the interest of the Chinese and American peoples but also contributes to the relaxation of tension in Asia and the world.

President Nixon, Mrs. Nixon and the American party expressed their appreciation for the gracious hospitality shown them by the Government and the people of the People's Republic of China.

INDEX OF SENATE LEGISLATIVE ACTIVITY

Mr. MANSFIELD. Mr. President, before adjourning so that our Republican colleagues may attend their national convention, I would like to speak briefly about the work of the Senate. A statistical comparison of Senate legislative activity during the last 5 years shows that we are breaking records this year regarding numbers of rollcall votes, hours in session, and even measures enacted. I am not too happy about the record we have been breaking on rollcall votes, hours in session, or even measures enacted, but the facts will have to speak for themselves. Further evidence of the diligence and dedication of the Members of the Senate emerges from the lengthy compilation of measures passed which is prepared by the staff of the Democratic Policy Committee.

I ask unanimous consent that this indexed report and the 5-year comparison of legislative activity be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

5-YEAR COMPARISON OF SENATE ACTIVITY (AS OF AUG. 10 OR AUGUST RECESS)

	1972	1973	1974	1975	1976
Days in session	122	117	110	116	115
Hours in session	764:58	665:15	676:08	739:49	801:57
Total measures passed	450	412	445	425	579
Rollcall votes	348	362	344	376	515
Public laws	157	82	123	93	172
Treaties	59	9	3	1	10
Senate average attendance (percent)	81.12	87.29	86.72	89.14	85.09
Early sessions (before 10 a.m.)	29	17	17	26	47
Late sessions (after 8 p.m.)	13	5	2	17	19
Saturday sessions		5	--------	4	1

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Bristol Cliffs Wilderness (S. 2308, P.L. 94-268).

Eagles Nest Wilderness (S. 268, P.L. 94-352).

Shenandoah National Park (S. 885).

Wilderness Areas (S. 1026).

Wilderness Area Studies:

Kaiser Roadless Area (S. 75).

NOMINATIONS (ACTION BY ROLLCALL VOTE)

George S. Brown to be Chairman of Joint Chiefs of Staff.

George Bush to be Director of Central Intelligence.

S. John Byington to be Commissioner on Consumer Product Safety Commission.

George Henry Kuper to be Executive Director of the National Center for Productivity and Quality of Working Life.

David M. Lilly to be Member of Board of Governors of Federal Reserve System.

William L. Springer to be Member of the Federal Election Commission.

H. Guyford Stever, to be Director of the Office of Science and Technology Policy.

Willie J. Usery to be Secretary of Labor.

PROCLAMATIONS

Bald Eagle Days (S. Res. 347).

Beta Sigma Phi Week (S.J. Res. 76).

Bicentennial Day of Prayer (S.J. Res. 179).

Bicentennial Highway Safety Year (H.J. Res. 726, P.L. 94-322).

Employ the Older Worker Week (S.J. Res. 35, P.L. 94-275).

Fair Housing Month (S. Con. Res. 112).

Family Week (S.J. Res. 101, P.L. 94-270).

Fourth of July Holiday (S.J. Res. 151).

Horse Week (S.J. Res. 182).

Independence Day (S.J. Res. 150).

Knights of Columbus Day (S.J. Res. 183).

School Volunteers (S.J. Res. 208).

Small Business Week (S.J. Res. 163).

Tennis Week (S.J. Res. 172).

Thomas Jefferson Day (H.J. Res. 670, P.L. 94-263).

World Habitat Day (S. Res. 398).

SENATE

Cloture Rule (S. Res. 268).

Commission on the Operation of the Senate (S. Res. 410) (S. Res. 423).

Oklahoma Senate Contest (S. Res. 404).

Old Senate Chamber (S. Res. 446).

Pension Fund Tax Returns (S. Res. 483).

Select Committee on Committees (S. Res. 109) (S. Res. 456).

Select Committee on Intelligence (S. Res. 400).

Select Committee on Intelligence Activities (S. Res. 377) (S. Res. 414) (S. Res. 435).

Select Committee on Small Business (S. Res. 104).

Senator Proxmire (S. Res. 463).

Watergate Reform Legislation (S. Res. 437).

TRANSPORTATION-COMMUNICATIONS

Airport and Airway Development (H.R. 9771, P.L. 94-353).

Alaska Highway (S. 2071).

Boat Safety Programs (H.R. 5630, P.L. 94-340).

Common Carriers Tariff Procedures (S. 2054, P.L. 94-476).

ConRail Acquisition of Bankrupt Rail Property (H.R. 12490, P.L. 94-253).

ConRail Stock (S.J. Res. 184, P.L. 94-248).

Educational Broadcasting Facilities (H.R. 9630, P.L. 94-309).

Federal-Aid Highway Authorization (H.R. 8235, P.L. 94-280).

Federal Communications Commission Forfeiture Authority (S. 2343).

Hazardous Materials Transportation (S. 2991).

Independent Safety Board (S. 2661).

Maritime Authorization (H.R. 11481).

Motor Vehicle Safety (H.R. 9291, P.L. 94-346).

Rail Negotiations (S. Con. Res. 97).

Railroad Revitalization (S. 2718, P.L. 94-210).

Railroad Safety (H.R. 11804, P.L. 94-348).

Shipbuilding Contracts (H.R. 11504, P.L. 94-372).

Translator Broadcast Operations (S. 2847, P.L. 94-335).

VETERANS

American Battle Monuments Commission Travel Expenses (H.R. 8507, 94-256).

Veterans' Information (H.R. 10268, P.L. 94-321).

Veterans' Housing Loans (S. 2529, P.L. 94-324).

Veterans' Insurance (S. 1911).

Veterans' Pension Reform (H.R. 14298).

AUGUST 10, 1976.

SENATE LEGISLATIVE ACTIVITY

(94th Congress, 2d Session)

(By Senate Democratic Policy Committee)

Days in session	115
House in session	801 :57
Total measures passed	579
Private laws	25
Public Laws	172
Treaties	10
Confirmations	45,373
Record votes	515
Vetoes	10

Symbols: (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration—* numbers indicate vote occurred 1st session of 94th Congress (1975).

AGRICULTURE

African/Brazilian honeybee control: Amends the Act of 1922 which prohibits the importation of the Apis species of honeybee to prevent the introduction and spread of foreign diseases and parasites harmful to domestic honeybees; prohibits the importation of honeybees in all of their life stages (from germ plasm to adult) except under certain specified conditions; permits the importation of honeybee semen only from countries which are determined to be free of undesirable species or subspecies of honeybees and which have adequate precautions in operation to prevent the importation of such undesirable honeybees and their semen; and authorizes the Secretary of Agriculture to cooperate with State governments, organizations, individuals, and the governments of Mexico, Canada and the Central American countries to eradicate and control the spread of undesirable species of honeybees, including all forms of the African (or Brazilian) honeybee. S. 18—Public Law 94-319, approved June 25, 1976. (VV)

Agriculture Department employees' dependents orientation: Authorizes the Secretary of Agriculture to use appropriated funds for the orientation and language training of dependents of officers and employees of the United States Department of Agriculture who have foreign assignments. S. 3052—Passed the Senate March 16, 1976; Passed House amended June 7, 1976; In conference. (VV)

Agricultural census: Amends section 142, title 13, U.S.C. to change the reference years and the years for taking the census of agriculture to coincide with the economic census of manufacturing, mining, and industry which is taken every 5 years and refers to the years the last numericals of which are "2" and "7" in order to provide comparable data for evaluating the Nation's economic and agricultural status and to avoid the heavy workload in the Bureau of the Census when the agricultural census is taken in the same year as the decennial census; changes the definition of the term "farm" for census purposes to include only places which produce at least $1,000 worth of agricultural goods a year instead of, as at present, any place which produces agricultural goods selling for at least $250 in a year or a place measuring at least 10 acres and producing at least $50 in agricultural goods; and postpones until June 30, 1976, the effective date of the change in the term "farm" to give Congress an opportunity to study the possible effects of the change before it becomes effective. H.R. 7824—Public Law 94-229, approved March 15, 1976. (VV)

Agricultural loans for losses due to toxic chemical contamination: Requires the Secretary of Agriculture to make loans to bona fide farmers and ranchers who suffer losses on or after January 1, 1973, through no fault of their own due to toxic chemical contamination of their agricultural commodities or livestock; limits the amount of any loan to an individual agricultural producer to $100,000, the cost of replacing the condemned livestock or products, or the noncompensated share of the condemned products or livestock; places a 7-year maximum term on the loan at a rate of interest reflecting the cost of money to the Government; and authorizes the Secretary to grant a grace period for principal payments and the majority of interest for up to 3-years if individual circumstances warrant. S. 2578—Passed Senate March 10, 1976. (VV)

Agricultural pest control: Broadens and strengthens the authority of the Secretary of Agriculture to control and eradicate agricultural pests by (1) permitting the Secretary to carry out eradication and control programs with respect to plant pests not now covered by the Organic Act of 1944 including spider mites, slugs, and snails; (2) extending the Secretary's authority to cooperate with foreign governments including governments of the Western Hemisphere, Canada, Mexico, Central America, Colombia, the Bahama Islands, the Greater Antilles, the Lesser Antilles, and international organizations and associations in carrying out eradication and control programs; (3) making discretionary the Secretary's authority to provide phytosanitary inspection and certification service for domestic plants and plant products for export, and extending such authority to inspection and certification of any plants or plant products offered for export or transiting the United States; (4) repealing provisions of the Act of October 6, 1917, for cooperation with Mexico and adjacent States in the extermination of pink bollworm infestations near the U.S. border which authority is now contained in the Organic Act; and (5) clarifying the Secretary's authority to cooperate with certain Western Hemisphere countries, the Bahama Islands, the Greater Antilles, the Lesser Antilles and international organizations and associations with respect to animal disease control and the carriers of animal diseases. S. 1617—Public Law 94–221, approved March 15, 1976. (VV)

Beef research and information: Authorizes the Secretary of Agriculture to issue a national order providing for the establishment of a Beef Board consisting of not more than 68 members, and alternatives who are to be appointed by the Secretary from qualified nominees representing cattle producers from each beef-producing area; provides that the Beef Board is to develop, subject to the Secretary's approval, a program of research, producer and consumer information, and promotion designed to strengthen the cattle and beef industry in the domestic and foreign market which is to be financed from assessments paid by cattle producers;

Requires approval by referendum among cattle producers before the national order may become effective; requires that approval be by two-thirds of the majority of the registered producers voting and that at least 50 percent of those registered must vote;

Authorizes the Secretary to terminate or suspend the order if he finds it does not effectuate the purposes of the bill or to hold a referendum at any time, and provides that a referendum shall be held if requested by 10 percent or more of the number of producers voting in the referendum approving the order;

Provides for funding of the program through an assessment system where each buyer of cattle would collect an assessment from the producer-seller based on the value of the cattle involved, and pass it on to the next buyer, with the slaughterer required to remit the assessment to the Beef Board; sets the maximum amount which may be assessed at 0.5 percent of the value; exempts cattle produced and slaughtered for home consumption;

Provides that producers not favoring the program may obtain a refund of the assessment if requested not more than 60 days after the end of the month in which the sale or slaughter of the cattle occurred and provides that the Beef Board make a refund within 60 days; authorizes a civil penalty of $1,000 for persons willfully failing or refusing to collect any assessments required of them or otherwise willfully violating provisions of the order;

Requires the Beef Board to submit to the Secretary for approval all plans and projects as well as a budget; and requires that copies of the budget be submitted to the House and Senate Committees on Agriculture. H.R. 7656—Public Law 94–294, approved May 28, 1976. (*539,175)

California food stamp benefits: Permits the State of California to provide additional cash benefits rather than food stamps to Supplemental Security Income (SSI) recipients. S. 3656—Passed Senate July 2, 1976. (VV)

Amends the Food Stamp Act to permit the State of California, which no longer qualifies for hold harmless treatment under the supplemental security income program, to elect to remain a food cashout state (by which state governments may provide cash in lieu of food stamp eligibility for SSI recipients) if it provides a $3 per month increase in the amount paid to a SSI recipient and a proportionate increase to couples in fiscal year 1977 and pass through a part of the 1976 cost-of-living increase in Federal SSI benefits in fiscal year 1977, and all of any subsequent increases in the following years. H.R. 14514—Public Law 94– , approved , 1976. (VV)

Cotton research: Repeals section 610 of the Agricultural Act of 1970, which authorizes Government financing to supplement funds available through producer assessments under the Cotton Research and Promotion Act; authorizes, subject to a referendum among producers, a supplemental rate of producer assessment not to exceed 1 percent of the value of cotton as determined by the Cotton Board and the Secretary of Agriculture; and authorizes the Secretary to appoint consumer advisors to the Cotton Board. H.R. 10930—Public Law 94–366, approved July 14, 1976. (VV)

Farm products direct marketing: Encourages, where practical, the direct marketing of agricultural commodities from farmers to consumers; authorizes the Secretary of Agriculture to conduct a survey of existing methods of direct marketing from farmers to consumers in each State to be completed no later than one year following enactment; authorizes $1.5 million each for fiscal years 1977, 1978, and 1979 to State Departments of Agriculture and the Extension Service of the U.S. Department of Agriculture to encourage, develop and coordinate methods of direct marketing within the respective States; and authorizes the Secretary to obtain hay in surplus areas and make it available for purchase by farmers and ranchers (up to a 180 day supply at $40 per ton) to maintain cattle herds where such assistance is needed because of an emergency or major disaster or to transport the cattle to locations where adequate grazing land is available. H.R. 10339—Passed House November 4, 1975; Passed Senate amended July 30, 1976. (VV)

Farmer elected committeeman system: Expresses Senate support for the participation of farmers in the programs of the Department of Agriculture through the farmer elected community committeeman; urges the Secretary of Agriculture to take the actions necessary to provide for increased involvement of farmers in the policy and decision-making operations of the Department of Agriculture; and requests the Secretary to discontinue any actions designed to eliminate or reduce the community committeeman program administered by the Stabilization and Conservation Service of the Department of Agriculture. S. Res. 272—Senate agreed to February 5, 1976. (VV)

Food stamp reform: Makes changes in the food stamp program relating to eligibility to participate, the benefits available, administration of the program, and the penalties applicable to violations, as follows:

Changes affecting eligibility

(1) Eliminates the present system of allowing varying, itemized deductions from gross income in determining household income for purposes of the food stamp program and replaces it with a standard deduction of $100 a month for the 50 States and the District of Columbia and of $60 a month for Puerto Rico, the Virgin Islands, and Guam, and provides an additional standard deduction of $25 a month in the case of a household with one or more members 60 years of age or older, or any household with earned income of $150 a month or more;

(2) Defines "gross income" as including (but not limited to) all money payments (including payments made pursuant to the Domestic Volunteer Services Act of 1973) and payments in kind, excluding: (a) medical costs payments; (b) earned income of a child under 18; (c) payments received under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; (d) infrequent or irregular income not exceeding $30 during any 3 month period; (e) all loans, scholarships, fellowships, grants, and veterans' educational benefits, except those deferred to the extent they are not used for tuition and mandatory fees; (f) housing vendor payments to landlords; (g) payments under the supplemental food program for women, infants, and children (WIC); (h) payments in kind from government benefit programs, including, but not limited to, school lunch, medicare, and elderly feeding programs, and any payments in kind which cannot be reasonably and properly computed: (i) the cost of producing self-employed income; (j) Federal, State, and local income tax refunds, Federal income tax credits, and retroactive payments under the Social Security Act provided that these amounts shall be included under household resources for eligibility purposes; and (k) income specifically excluded by other Federal laws;

(3) Bases eligibility on income received during the 30 days prior to application;

(4) Provides for semi-annual adjustment of the standard deduction and of the income poverty guidelines according to changes in the Consumer Price Index, with the first adjustments effective July 1, 1977;

(5) Freezes existing assets eligibility standards (presently set by regulation) until 60 days after a report on asset holding has been submitted to Congress;

(6) Eliminates present automatic eligibility for persons eligible for welfare programs and requires them to apply and demonstrate eligibility just as nonwelfare persons;

(7) Excludes from eligibility college students who are or can legally be claimed as tax exemptions by families which are themselves not eligible for food stamps;

(8) Excludes from eligibility those who terminate employment voluntarily, unless previously eligible; strengthens work registration requirements for persons under 60 years of age; requires a person with a child age 12 or over (instead of age 18 or over) to meet the work registration and acceptance requirements for eligibility; and makes other changes;

Changes affecting benefits

Changes the purchase-price requirement from the present varying rate based on household size and income using basis-of-issuance tables established in 1971 to a uniform price rate of 25 percent of net income as determined under the Food Stamp Act: defines a "nutritionally adequate diet" as one as determined under the Food Stamp Act; developed in 1975 by the Department of Agriculture and provides that the cost of such diet shall be the basis for uniform coupon allotments; provides that the minimum benefit for single-person and two-person households shall be $10 per month; and allows a household to file for lost benefits due to administrative error not later than 3 months after learning of the error, and limits the cash payment for lost benefits to bonus value of its allotment for a 3-month period;

Changes affecting administration

Requires States to certify applicants and issue authorization to purchase cards within 30 days of receiving the application; gives each State the option, instead of the present requirement which would have become effective beginning October 1, 1976, to decide whether to establish a system where a household may elect to have its purchase price charge for the coupons withheld from its public assistance check; allows all food stamp recipients who are housebound, feeble, physically handicapped, or otherwise disabled, as well as all those over age 60, to use food stamps for meals-on-wheels with stamps; authorizes a pilot project on elimination of the purchase price requirements; provides that a household may be disqualified for fraudulent participation but must be found guilty in a court or by a State welfare agency, after a proper hearing; and makes other changes;

Changes affecting penalties for violations

Establishes criminal penalties for food stamp vendors who fraudulently mishandle receipts; requires timely and verified reports of receipts and deposits by vendors; reduces the maximum penalty for certain misdemeanor violations from $5,000 to $1,000 so as to permit such misdemeanors to be prosecuted before magistrates under the Federal Magistrates Act; and makes other changes. S. 3136—Passed Senate April 8, 1976. (138)

Food stamp vendors: States that receipts from the sale of food stamps are Federal funds and that any vendor using such funds for his own benefit shall be punished by a fine of not more than $10,000, or a sum equal to the amount involved, which ever is greater, or imprisonment for up to 10 years, or both; requires timely, verified reports of receipts and deposits by vendors to state agencies responsible for the administration of the program and to the Department of Agriculture; and directs the Secretary of Agriculture to establish procedures to monitor the inventories of food stamps held by vendors and to provide standards to safeguard them against misuse by vendors. S. 2852—Public Law 94–339, approved July 5, 1976. (139)

Grain inspection: Amends the United States Grain Standards Act to require that (1) all grain inspections at export elevators and major inland terminal elevators be made by employees of the Federal Grain Inspection Agency established by this bill within the Department of Agriculture to administer the program; (2) all grain transferred into or out of export elevators be officially weighed by Federal employees; (3) grain may be officially weighed at major inland terminal elevators either by Federal employees or by State employees under Federal supervision; and (4) large companies engaged in merchandising grain in foreign commerce must be registered with the Agency; strengthens the civil and criminal penalties available under the Act to enforce honest and accurate grain inspection and weighing; and provides for the recovery of most of the costs of the program through fees for program services. H.R. 12572—Passed House April 12, 1976; Passed Senate amended April 26, 1976; In conference. (153)

Horse protection: Amends the Horse Protection Act of 1970 (Public Law 91–54) in order to stop the practice of altering the gait of horses by injury ("soring") to assure that the horse has a distinctive high-stepping gait; expands the definition of the term "soring" to include limb deficiencies produced by improper diets or psychological conditions; prohibits the movement of "sore" horses in commerce, the showing of horses with "unsound" limbs, and the sale at a public auction or the showing of horses that have been sored or are wearing devices banned by the Secretary of Agriculture because they are usually used to make a horse sore or unsound; requires the management of horse shows and auctions to keep records subject to inspection by agents of the Department of Agriculture; imposes penalties for civil and criminal violations of the Act; grants the Secretary of Agriculture the necesary authority to enforce the Act including the authority to disqualify from entry into shows for 1 year, any person convicted for a violation of the Act and stipulates that second offenses may be disqualified for up to 3 years, and to detain a horse for 24 hours to examine it for soring or to take evidence; and authorizes therefor $500,000 per year. S. 811—Public Law 94–360, approved July 13, 1976. (VV)

Insecticides (FIFRA): Extends for 6 months, until September 3, 1977, the authorization for all programs under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, at a level of $19,735,100. H.R. 12944—Public Law 94– , approved 1976. (VV)

Livestock producers and packers: Amends the Packers and Stockyards Act of 1921, as amended, to assure livestock producers that they will receive payment for the animals they send to packing plants as follows: (1) requires any packer with average annual purchases of over $500,000 to be bonded and to hold all livestock, meats, receivables, and proceeds therefrom in trust until all producers who sold livestock to the packer on a cash basis have been paid; (2) includes wholesale brokers, dealers, and distributors marketing meats, meat food products or livestock products under regulation as packers under title II, except where the Secretary of Agriculture determines it is not necessary; includes under the jurisdiction of the Secretary all transactions of packers who operate in commerce; (3) grants the Secretary authority, after notice and hearing, to assess a civil penalty of not more than $10,000 for each violation following a cease and desist order against a packer, stockyard owner, market agency or dealer for specified violations of the act; (4) gives the Secretary authority to order packers to cease and desist from operating while insolvent except under prescribed conditions; (5) gives the Secretary specific authority to request the Attorney General to seek a temporary injunction or restraining order in Federal district court, pending administrative action, to prevent irreparable injury to producers or members of the industry which would result if persons subject to the Act were permitted to operate while insolvent or otherwise in violation of the Act; (6) authorizes the filing in court of a private cause of action seeking damages against any person subject to the Act which arise out of a violation or of an order of the Secretary relating to purchase, sale, or handling, of livestock; (7) requires packers, market agencies, and dealers purchasing livestock to deliver to the seller or his agent at the point of transfer of possession of the animals the full amount of the purchase price unless otherwise agreed in writing and contains provisions to protect the trust of an unpaid seller who has not received payment as agreed or whose payment instrument, promptly presented, has been dishonored; and (8) provides that the packer bonding and prompt payment provisions would preempt State laws. H.R. 8410—Passed House May 6, 1976; Passed Senate amended June 17, 1976; Senate agreed to conference report August 4, 1976. (VV)

Milk price supports: Establishes the support price for milk at 85 percent of the parity price effective on the date of enactment and ending on March 31, 1978. S.J. Res. 121—Vetoed January 30, 1976. Senate sustained veto February 4, 1976. (27)

Peanut allotments: Authorizes the Secretary of Agriculture, for 1976 and subsequent years, to permit the transfer of all or part of the peanut acreage allotments for any farm located in an area having suffered a natural disaster which would prevent the planting of peanuts on a timely basis to another farm engaged in the production of peanuts. S. 1545—Public Law 94–247, approved March 25, 1976. (VV)

Potash supplies: Expresses as the sense of the Senate that: the Department of State should express concern to the Canadian Government and the Government of the Province of Saskatchewan that supplies of the critical plant nutrient, potash, not be disrupted; the Department of State should determine the exact objectives and likely conclusions of the proposed takeover of the potash industry by the Government of the Province of Saskatchewan; and the Department of Agriculture should develop contingency plans to assure an adequate supply of potash for American agriculture in the event that supplies from Saskatchewan should be temporarily or permanently disrupted. S. 403—Senate agreed to March 17, 1976. (VV)

Resource conservation and development loans: Amends the Bankhead-Jones Farm Tenant Act, as amended, to increase from $250,000 to $500,000 the amount of any loan which may be made for a research conservation and development project under the act without prior approval by the House and Senate Agriculture Committees; and redefines the term "aquaculture" to mean the culture or husbandry of aquatic animals of plants for scientific purposes or for creating or augmenting publicly owned and regulated stocks of fish in streams or rivers, in order to make certain types of fish aquaculture and hatchery fisheries eligible for loans under the act. S. 2485—Passed Senate May 25, 1976. (VV)

Rice production: Contains provisions effective for the 1976 and 1977 crops of rice; suspends marketing quotas and authorizes unrestricted planting of rice; establishes a national acreage allotment of 1.8 million acres, which is to be used only for determining program benefit recipients and amounts;

Establishes a price of $8 per hundredweight for the 1976 crop, adjusted to reflect changes in the index of prices paid by farmers for production items, interest, taxes and wage rates beginning on the date of enactment and ending July 31, 1976; provides that the established price for the 1977 crop would be the 1976 price, adjusted for changes in the index during the previous 12-month period, and that such established prices for both crops may be further adjusted for changes in yields;

Provides a 1976 loan rate of $6 per hundredweight, adjusted as in the case of the established price, and for a 1977 loan rate adjusted to reflect any change in the established price;

Authorizes payments if the 5-month average market price received by producers falls short of the established price (if the market price is higher than the established price, no payments are made);

Authorizes disaster payments, limited to $55,000 per person, under certain conditions; authorizes sales, leases, and transfers of allotments and a rice research program; and contains other provisions. H.R. 8529—Public Law 94-214, approved February 16, 1976. (23)

Tobacco allotments: Permits the lease and transfer of all types of flue cured tobacco farm acreage allotments or marketing quotas across county lines in any State where a majority of the producers of flue-cured tobacco, voting in referendum, approve; and excludes North Carolina from the provisions of the bill. S. 700—Passed Senate January 26, 1976. (VV)

Watershed projects: Amends the Watershed Protection and Flood Prevention Act, as amended, to increase from $5 million to $10 million the limitation on any single loan or advancement for watershed works of improvement. S. 2484—Passed Senate April 13, 1976. (VV)

Whey utilization: States the sense of the Senate that the Secretary of Agriculture should assess the current oversupply of whey (a fluid, having a high food value, that separates from the curd when milk is coagulated for cheese making) resulting from increased cheese production and advise the Committee on Agriculture and Forestry of his findings and that the Department of Agriculture should institute a whey research program in order that whey may be more efficiently utilized for the benefit of producers and consumers. S. Res. 439—Senate agreed to June 16, 1976. (VV)

Wool Act payments: Authorizes the Secretary of Agriculture to amend retroactively the regulations governing the computation of price support payments under the National Wool Act of 1954 for the marketing years 1969 through 1972 to permit making Wool Act payments to certain farmers and ranchers who failed to receive the full proceeds from their sale of wool because of defaults in payments by their marketing agency; and provides that the computation be based on the lesser of (a) the net sales proceeds based on the price the farmer or rancher would have received had there been no default of payment or (b) the fair market value of the wool at the time of sale. S. 532—Public Law 94-312, approved June 21, 1976. (VV)

APPROPRIATIONS

Fiscal 1976 and transition period:

Continuing: Extends the continuing resolution (Public Law 94-159) which expires on March 31, 1976, until September 30, 1976, to provide obligational authority for programs funded under the foreign assistance and District of Columbia Appropriations Acts which have not yet been enacted; extends authority for certain programs for the Department of Health, Education, and Welfare and the Corporation for Public Broadcasting; and includes $175,000 for the National Commission on Water Quality to complete its final report. H.J. Res. 857—Public Law 94-254, approved March 31, 1976. (VV)

Defense: Appropriates $90,721,789,000 for fiscal year 1976 and $21,849,816,000 for the transition period July 1-September 30, 1976, for the military functions of the Department of Defense including pay, operations and maintenance, procurement, research and development, intelligence functions, and funds for the Central Intelligence Agency; prohibits the use of funds under this Act for any activities involving Angola other than intelligence gathering and contains other provisions. H.R. 9861—Public Law 94-212, approved February 9, 1976. (*505, *602)

District of Columbia: Appropriates for the District of Columbia for fiscal year 1976 $424,636,700 in Federal funds and $1,159,849,200 in District of Columbia funds and for the transition period July 1-September 30, 1976, $67,559,600 in Federal funds and $248,130,200 in District of Columbia funds; continues the restriction on the maximum number of positions that may be filled during any month; includes funds for METRO, Bicentennial services (police and public safety services), the Forest Haven facility for the mentally retarded (with a requirement that the city report on these funds separately), pay raises for general schedule and wage-board employees which went into effect in October 1975, and the estimated cost of pay raises for police officers, firefighters and teachers; prohibits funds to pay electric rates for street lighting in excess of 2 cents per kilowatt hour for current consumed; and contains other provisions. H.R. 13965—Public Law 94-333, approved June 30, 1976. (VV)

Foreign aid: Appropriates $5,179,890,909 in new budget (obligational) authority for Foreign Assistance Act activities, foreign military credit sales, foreign assistance and other programs and for activities of the Export-Import Bank for fiscal year 1976 and $404,775,000 for these activities for the transition period; prohibits assistance to North or South Vietnam, Cambodia, or Laos; and contains other provisions. H.R. 12203—Public Law 94-330, approved June 30, 1976. (90)

Labor-HEW: Appropriates $36,073,748,318 for fiscal year 1976 and $8,953,070,000 for the transition period July 1-September 30, 1976, for the Departments of Labor, and Health, Education, and Welfare (HEW), and related agencies; includes programs for comprehensive manpower assistance and public service employment, occupational health and safety (OSHA), maternal and child health, emergency medical services, Public Health Service hospitals, National Institutes of Health (NIH) research, alcohol, drug abuse, and mental health programs, public assistance, human development, and community services programs;

Increases funds for OSHA to provide 333 additional compliance officers; directs the Department of Labor to take the following actions in the area of occupational safety and health: (1) upgrade the skills of OSHA inspectors through intensive retraining, (2) review and simplify existing standards and eliminate standards which do not deal with workplace conditions that are clearly hazardous to the health or safety of workers or are more properly under the jurisdiction of State departments of public health; (3) redirect enforcement programs to place increased emphasis on problems related to worker health; (4) redirect inspection efforts away from industries with good worker health and safety records so as to permit increased inspection in industries with the greatest health and safety problems; and (5) develop fine-free on-site consultation programs to advise employers of the application of OSHA standards in their workplace; requires the Secretary of Labor to report to the Senate and House Appropriations Committees 30 days prior to the first day of a scheduled hearing what actions have been taken to comply with these directives; and

Prohibits the use of funds contained in the Act to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home and which offers the courses of study pursued by the student in order to comply with title VI of the Civil Rights Act of 1964. H.R. 8069—Vetoed December 19, 1975. House overrode veto January 27, 1976; Senate overrode veto January 28, 1976. Became Public Law 94-206, without approval January 28, 1976. (*423, 15)

Supplemental: Appropriates $2,242,384,000 in emergency supplemental appropriations for fiscal year 1976 to the Department of Labor ($522,420,000 for summer youth jobs, $1.2 billion for public service employment, and $55.9 million for part time jobs for low-income older persons); HEW ($135,064,000 for a nationwide influenza immunization program to prevent an expected swine flu epidemic, and $23 million for Summer Youth Recreation and Transportation and the National Youth Sports Programs); and includes $300 million to liquidate obligations made under the Environmental Protection Agency's waste treatment construction program. H.J. Res. 890—Public Law 94-266, approved April 15, 1976. (142)

Makes supplemental appropriations of $9,393,791,970 in new budget authority for fiscal year 1976 and $2,647,057,180 for the transition period July 1-September 30, 1976; contains funds for the emergency school aid program (ESAP), areas facing difficulties as a result of desegregating schools such as in Boston and Louisville, drug abuse community programs, international agriculture development programs, military procurement, child nutrition and food stamp programs, cost-of-living increases, public assistance payments, veterans benefits, liquidation of obligations for the Federal-Aid Highway Program, elderly and handicapped housing loans, basic education grants, Corporation for Public Broadcasting, Regional Rail Service, National Commission on the Observance of International Women's Year, disaster relief for victims of recent earthquakes in Italy, and Corporation for Public Broadcasting; bars the use of funds under this or previous acts to continue the study of the effect of marihuana on human sexual response at Southern Illinois University and for the People's Bicentennial Commission; and contains other provisions. H.R. 13172—Public Law 94-303, approved June 1, 1976. (173)

Supplemental legislative: Appropriates $33 million for fiscal year 1976 to complete the construction of the Library of Congress James Madison Memorial Building; retitles the Senate position of Procurement Officer, Auditor, and Deputy Sergeant at Arms to Deputy Sergeant at Arms and Doorkeeper; and increases the maximum salary which the Sergeant at Arms and Doorkeeper may fix for the position from $35,298 to $39,909 with the provision that such authority does not supersede any order of the President pro tempore of the Senate authorizing a higher salary or an adjustment under section 4 of the Federal Pay Comparability Act of 1970. H.J. Res. 811—Public Law 94-226, approved March 9, 1976. (VV)

Supplemental railroad: Makes supplemental appropriations of $587 million for fiscal year 1976, $4.25 million for the transition period July 1-September 30, 1976, $995.3 million for fiscal year 1977, and $176 million for fiscal year 1978 to implement the reorganization of the bankrupt Penn Central Railroad and 6 other railroads servicing a 17-State region in the northeastern and midwestern portion of the Nation. H.J. Res. 801—Public Law 94-252, approved March 30, 1976. (50)

Fiscal 1977:

Agriculture: Appropriates $11,542,998,000 for fiscal year 1977 for the Department of Agriculture and related agencies; includes funds for agricultural research, extension, price-support and administrative programs; rural development and assistance; Farmers Home Administration loans and grants; domestic food programs (Child Nutrition, Special Supplemental Food—WIC, Food Stamp, and Special Milk programs); overseas market development for American agricultural commodities; the Soil Conservation Service's soil and water conservation programs; the Food and Drug Administration; the Commodity Futures Trading Commission; and retains the following programs proposed for elimination under the President's budget: the agricultural conservation program, water bank program, forestry incentives program, water and sewer grant program, rural housing for domestic farm labor, mutual and self-helping housing grants, rural development grants, and rural community fire protection grants; contains increased funding for the Economic Research Service to provide a study of foreign investment in American agriculture and farmland; contains $189,053,000 to reimburse the Commodity Credit Corporation for losses sustained in prior years; and contains other provisions. H.R. 14237—Public Law 94–351, approved July 12, 1976. (323)

Defense: Appropriations $104,014,226,000 for fiscal year 1977 for the Department of Defense which is $1.4 billion less than the House provision and $3.9 billion less than the budget request; prohibits funds for procurement of the B–1 bomber prior to February 1, 1977; H.R. 14262—Passed House June 17, 1976; Passed Senate amended August 9, 1976. (511) includes funding for Army research and development for the advanced attack helicopter, advanced ballistic missile defense, ballistic missile defense technology, the surface-to-air missile SAM–D, the XM–1 tank, and a non-nuclear warhead on the Lance Missile, for Navy research and development, including improvements to the Sparrow and Phoenix missiles, development of extra low frequency communications for Seafarer, the F–18 aircraft, the Trident missile, and the surface effects ship, for Air Force research and development, including the advanced medium STOL aircraft, the B–1 bomber, the F–16 aircraft, the Airborne Command Post, the precision location strike system, the defense satellite communications system—DSCS IIIV, and AWACS; in the area of procurement, included moneys for 360 non-nuclear warheads for the Lance surface-to-surface missile system (Army), includes moneys for advance procurement of a Nimitz class nuclear powered aircraft carrier and continues the Condor missile program (Navy), and includes moneys for three B–1 strategic bombers and advance procurement funds with a prohibition of the use of any funds for procurement of the first three production aircraft prior to February 1, 1977, and for 60 Minuteman inter-continental ballistic missiles (Air Force); contains appropriations for the pay and operating costs of the military forces, including active and reserve manpower and Department of Deffense civilians and retired military personnel; and provides for a 6 year phaseout of the clerk-hire subsidy for operating costs of military commissaries.

HUD: Appropriates $43,284,615,000 for fiscal year 1977 for the Department of Housing and Urban Development and sundry independent agencies including the Veterans' Administration, the National Aeronautics and Space Administration, the Environmental Protection Agency, the National Science Foundation, and the Consumer Product Safety Commission; includes increased funds for veterans' medical care expenses and wastewater treatment facility reimbursement grants; reduces funds for assisted housing; prohibits EPA from using funds under this act to administer or promulgate any program to tax, or otherwise limit parking; and contains other provisions. H.R. 14233—Public Law 94– , approved 1976. (349)

Interior: Appropriates $5,641,379,057 for fiscal year 1977 for the Department of the Interior (except the Alaska Power Administration, the Southeastern Power Administration, the Southwestern Power Administration, the Bonneville Power Administration, and the Bureau of Reclamation which are funded under title III of the Public Works Appropriation act, H.R. 14236) and related agencies including the Forest Service, Energy Research and Development Administration, Indian Claims Commission, Indian Health Services and Facilities and Indian Education (HEW), Smithsonian Institution, National Gallery of Art and National Foundation on the Arts and Humanities; increases funds for programs to enhance the Nation's natural resources and expand energy development, for improved Indian health care and education, and for expansion of employment and personnel; and includes funds for unauthorized programs. H.R. 14231—Public Law 94–373, approved July 31, 1976. (347)

Labor-HEW: Appropriates $57,157,638,575 for the Departments of Labor and Health, Education and Welfare; includes funds for Action (domestic programs), the Community Services Administration, Corporation for Public Broadcasting, Federal Mediation and Conciliation Service, National Commission on Libraries and Information Sciences, National Labor Relations Board, Occupational Safety and Health Review Commission, Railroad Retirement Board, and the Soldiers' and Airmen's Homes; appropriates $3.3 billion to carry out the Comprehensive Employment and Training Act (CETA), including $400 million for public service jobs; increase appropriations for the Occupational Safety and Health Administration (OSHA) to provide for a total Federal compliance staff of 2,482; prohibits the issuance of citations for first instance violations (other than serious, willful, or repeated violations) of OSHA; and exempts from the act farming operations employing a daily average of 5 or fewer employees, but no more than 12 on any one day. H.R. 14232—Passed House June 24, 1976; Passed Senate amended June 30, 1976; Conference report filed. House agreed to conf. rept. Aug. 10, 1976. (368)

Military construction: Appropriates $3,323,989,000 for military construction for the Department of Defense for fiscal year 1977, including funds for: bachelor housing; the medical modernization program to upgrade hospitals, clinics, and support facilities which includes Tripler and Fitzsimons Army Medical Centers, Fort Carson Hospital, San Diego Hospital, and the Aeromedical Research Laboratory; the naval shipyard, air rework facility (for depot-level maintenance of naval aircraft, missiles, components and ground support equipment) and depot plant modernization programs; the aeropropulsion system test facility to be located at the Arnold Engineering Development Center in Tennessee which will accurately simulate flight environments, in real time, for the development and qualifications testing of future air-breathing engines; construction backlog; pollution abatement control programs; energy conservation techniques in regular military construction projects; Trident submarine facilities; NATO infrastructure; the air installation compatibility use zone program designed to achieve compatibility between military air installations and neighboring civil communities; aircraft shelters for in-place aircraft; and the aircraft and ship simulator programs. H.R. 14235—Public Law 94–367, approved July 16, 1976. (346)

Public works—ERDA: Appropriates $9,703,713,000 for fiscal year 1977 for public works for water and power development and energy research including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions, including the Appalachian Regional Commission, the Nuclear Regulatory Commission, the Federal Power Commission, and the Tennessee Valley Authority; includes a substantial increase in funding over the budget estimate for research and development in the areas of solar energy and fusion power and for civil planning and construction projects of the Army Corps of Engineers; and provides that $200 million be charged to the fiscal year 1976 transition quarter for the Teton Dam disaster payment of claims. H.R. 14236—Public Law 94–355, approved July 12, 1976. (321)

State-Justice-Commerce: Appropriates $6,680,314,453 for fiscal year 1977 for the Department of State, Justice, and Commerce, the Judiciary, and related agencies; contains increased funding for (1) the Law Enforcement Administration which would restore the overall program to the current level with increased emphasis on the new programs authorized by the Juvenile Justice and Delinquency Prevention Act, (2) programs authorized by the Public Works and Economic Development Act, (3) programs of the National Oceanic and Atmospheric Administration related to enforcement of the 200-mile fishing limit and funding for the Sea Grant and other high priority programs, and (4) the Legal Services Corporation for initiation of new projects to provide legal services in noncriminal proceedings to low-income individuals in areas not now served by the Corporation. H.R. 14239—Public Law 94–362, approved July 14, 1976. (329)

Transportation: Appropriates $5,411,139,357 for the Department of Transportation and related agencies for fiscal year 1977; includes in this appropriation the following: $241 million for the acquisition, construction, and improvement activity of the Coast Guard of which $75 million is for procurements in connection with its responsibilities under the Fishery Conservation and Management Act of 1976 and $5 million to replenish the oil pollution fund; funding for the full program levels for the aerosat program of the Federal Aviation Administration as well as the safety programs such as wind shear and microwave landing system and the full $15 million for the airport planning grant program; a level of $150 million for the highway-related safety grant program of the Federal Highway Administration and places an obligation ceiling on the Federal-Aid highway program at $7.2 billion, but excludes from this limitation the special urban high density program, the special bridge replacement program, and the emergency repair program; $75 million for rail continuation subsidies of the Federal Railroad Administration as well as $8 million for the Minority Resource Center of which $5 million is to be used for the initiation of a venture capital mechanism to assist minority businesses in securing contracts under the Rail Act; $420 million for Amtrak's operating deficits outside the Northeast Corridor, $62.6 million for deficits in the Northeast Corridor, $93.1 million for the capital program, and $150 million for the Northeast Corridor Improvement program to complete the tract between Washington and New York and New York and Boston; and a $2,077,700,000 limit on Urban Mass Transportation Administration commitments. H.R. 14234—Public Law 94– , approved 1976. (382)

Treasury—Postal Service: Appropriates $8,313,119,000 for fiscal year 1977 for the Department of the Treasury, the postal service, executive office of the President, and certain independent agencies including the General Services Administration (GSA), Federal Election Commission, Civil Service Commission, and the National Commission on Supplies and Shortages; permits GSA to negotiate and accept the conveyance of land adjacent to Dulles International Airport in exchange for surplus real property of equal value, contingent on congressional review; and contains a provision to restrain GSA from increasing the rental or Standard Level User Charge rates per square foot for Federal agencies after the start of a fiscal year. H.R. 14261—Public Law 94–363, approved July 14, 1976. (327)

ATOMIC ENERGY

Nuclear Regulatory Commission: Authorizes $274,300,000 for the Nuclear Regulatory Commission for fiscal year 1976; permits the obligation of funds received by the Commission for the cooperative nuclear safety research programs only to the extent provided in appropriation acts; and permits the retention and use of funds received by the Commission under appropriations acts for the cooperative nuclear research programs during fiscal year 1976. S. 3107—Public Law 94–291, approved May 22, 1976. (VV)

BUDGET

Deferrals—1976:

Army Corps of Engineers: Disapproves the proposed deferral of $700,000 contained in the Public Works Appropriations Act of 1976 (Public Law 94–180) for the United States Army Corps of Engineers to plan and design hopper dredges which was recommended by the President in his message of January 23, 1976. S. Res. 408—Senate agreed to April 14, 1976. (VV)

Indian health facilities: Disapproves the proposed deferral of $14,908,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for Indian Health Facilities which was recommended by the President in his messages of July 26, 1975, and January 23, 1976. S. Res. 366—Senate agreed to March 9, 1976. (VV)

Indian public school construction: Disapproves the proposed deferral of $10,881,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for construction grants to public schools in Indian reservation areas which was recommended by the President in his message of February 6, 1976. S. Res. 388—Senate agreed to March 9, 1976. (VV)

Youth Conservation Corps: Disapproves the proposed deferral of $23,680,000 contained in the Department of the Interior and Related Agencies Appropriations Act of 1976 (Public Law 94–165) for the Youth Conservation Corps which was recommended by the President in his message of February 6, 1976. (VV) S. Res. 385—Senate agreed to March 9, 1976. (VV)

Rescissions—1976:

Consumer product safety, Interior, Park Service, Selective Service, and State: Rescinds $75,831,000 of the $83,506,000 recommended by the President in his message of January 23, 1976, as follows: $2,656,000 for salaries and expenses of the Consumer Product Safety Commission; $1,775,000 for salaries and expenses of the Selective Service System; $4.9 million for the Department of Interior Bureau of Land Management, public lands development roads and trails; $58,500,000 for road construction of the National Park Service; and $8 million for educational and cultural exchange activities of the Department of State. H.R. 11665—Public Law 94–249, approved March 25, 1976. (VV)

Resolutions—1976:

First budget resolution: Sets the level for total budget outlays for fiscal year 1976 at $413.3 billion, for total new budget authority at $454.2 billion, for the deficit at $50.8 billion, for Federal revenues at $362.5 billion and recommends a decrease in the aggregate levels of Federal revenues of $15.3 billion; and for the public debt at $713.1 billion with an increase in the temporary statutory limit on the public debt of $65.9 billion;

Sets the total levels for outlays for the major functional categories in the budget at $413.3 billion as compared to the President's budget recommendation, as revised in the spring update of March 25, 1976, for outlays of $395.2 billion, as follows (figures are in billions of dollars):

National defense: $100.8 as compared to $101.1;

International affairs: $6.6 as compared to $6.9;

General science, space, and technology: $4.5 as compared to $4.5;

Natural resources, environment, and energy: $15.7 as compared to $13.8;

Agriculture: $2.0 as compared to $1.9;

Commerce and transportation: $17.7 as compared to $16.4;

Community and regional development: $7.8 as compared to $5.7.;

Education, training, employment, and social services: $23.0 as compared to $17.6;

Health: $37.9 as compared to $35.5;

Income security: $139.3 as compared to $136.5 (adjusted to exclude earned income tax credit);

Veterans benefits and services: $19.5 as compared to $17.2;

Law enforcement and justice: $3.5 as compared to $3.4;

General government: $3.5 as compared to $3.6;

Revenue sharing and general purpose fiscal assistance: $7.35 as compared to $7.4;

Interest: $40.4 as compared to $41.3;

Allowances: $1.15 as compared to $1.5; and

Undistributed offsetting receipts: a minus $17.4 as compared with a minus $18.4.

Sets for the transition quarter beginning on July 1, 1976, levels of $86.0 billion for Federal revenues, $96.3 billion for total budget outlays, $16.2 billion for the deficit, and $647.2 billion for the public debt with an increase in the amount of the temporary debt limit of $20.2 billion. S. Con. Res. 109—Action completed in both Houses. (148, 175)

CONGRESS

Congressional tax liability: Amends title 4, U.S.C., to make it clear that Members of Congress may not, for the purposes of State income tax laws, including those of the District of Columbia, be treated as residents of any State other than the State from which they were elected; and provides equal treatment for delegates from the District of Columbia, Guam and the Virgin Islands and the Resident Commissioner from Puerto Rico. S. 2447—Vetoed August 3, 1976. (VV)

Declaration of Independence: Reaffirms the commitment of the Congress to the principles of the Declaration of Independence by Members of Congress assembled in Philadelphia on July 2, 1776, resulting in the formation of the enduring Democracy that is the United States of America. H. Con. Res. 672—House and Senate agreed to July 1, 1976. (VV)

Inaugural Committee: Authorizes a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House respectively, to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect on January 20, 1977. S. Con. Res. 90—Action completed by both Houses. (VV)

Joint Committee on the Bicentennial: Amends S. Con. Res. 44 which established the Joint Committee on Arrangements for Commemoration of the Bicentennial to grant the Committee the power to enter into contracts for food, restroom, first aid, and informal facilities and to accept for transmittal to the Treasury whatever profits might be derived from such arrangements. S. Con. Res. 103—Action completed by both Houses. (VV) 1976. (VV)

Lobbying disclosure: Replaces the present lobbying law with a comprehensive new statute that specifies what organizations must register as a lobbyist and what information they must publicly disclose;

Definition of a lobbyist: Provides that an organization with paid officers, paid directors, or paid employees can become a lobbyist in one of three ways: (1) retaining a law firm or similar organization or individual to lobby for it in Congress for which work $250 or more is paid per quarter; (2) directly engaging on its own behalf in 12 more oral lobbying communications with Congress during a quarter; or (3) spending $5,000 or more in direct expenses in a quarter on lobbying solicitation campaigns urging others to get in touch with Congress on a particular issue; excludes direct oral communications with a Senator or Congressman representing the district where the organization has its principal place of business unless the controlled local affiliates make 12 or more in-person contacts with Congress but requires the parent organization to report on the extent of lobbying of its affiliates;

Registration: Requires lobbyists to register with the Comptroller General once a year giving basic information about the identity and nature of the organization, the identity of the individuals who will actually be paid for lobbying and the issues on which they will work; requires disclosure of contributing organizations if they provide 1 percent of the organization's total budget; requires disclosure of an individual contributor if the contribution is $1,000 and constitutes 5 percent of the budget;

Reporting: Requires lobbyists to file a report for each 3 month period in which their activities exceed the minimum theshold levels established in the definitions of a lobbyist; provides that the quarterly reports will identify the issues on which the organization lobbied and the identity of those who did the lobbying; requires disclosure by lobbyist organizations of expenditures on each issue lobbied by their retained representatives; a general estimate of the total amount spent if they have done their own lobbying; the solicitation of their members or local affiliates to lobby in behalf of a particular issue and how such activities were carried out if costing $5,000 or more; requires reporting of gifts worth more than $10 if all such gifts exceed an aggregate of $150.;

Administration and Enforcement: Places the administrative responsibility for implementing the law in the General Accounting Office; provides GAO with rule-making authority and investigative powers subject to the procedural safeguards of the Administrative Procedure Act; authorizes the Comptroller General, in consultation with the Attorney General, to issue advisory opinions; provides for civil fines and criminal penalties for violations of the law; places responsibility for litigation in Federal court for enforcement in the Department of Justice; and contains other provisions. S. 2477—Passed Senate June 15, 1976. (288)

Magna Carta delegation: Provides for a delegation of 25 Members of Congress consisting of the Speaker of the House, 12 members appointed by the Speaker, and 12 members appointed by the President of the Senate (upon the recommendation of the Majority and Minority Leaders) to go to the United Kingdom, at the invitation of the two Houses of Parliament, to accept a 1-year loan of an original copy of the Magna Carta for display in the Rotunda of the Capitol in connection with the Bicentennial. S. Con. Res. 98—Action completed by both Houses. (VV)

Professional societies fellowship programs: Expresses the appreciation of the Congress to the following scientific and engineering societies for their Congressional Science and Engineering Fellowship Programs: The American Association for the Advancement of Science, The American Physical Society, The Institute of Electrical and Electronic Engineers, the American Society of Mechanical Engineers; The American Psychological Association, The American Institute of Aeronautics and Astronautics, The Optical Society of America, and The Federation of American Societies for Experimental Biology; gives Special thanks to The American Association for the Advancement of Science for its role in coordinating the fellowship programs of the various societies; and encourages the scientific and engineering communities to continue to expand this public service activity. S. Con. Res. 100—Action completed by both Houses. (VV)

United States Capitol documents: Authorizes the Architect of the Capitol, with the approval of the Joint Committee on the Library, to display in the U.S. Capitol building during the Bicentennial year, the historical drawings which resulted from the architectural competition held in 1793 for the design of the Capitol building and authorizes the Architect, under the direction of the Joint Committee on the Library, to enter into such arrangements as necessary to assure the protection of the drawings while they are under his supervision. S. 3475—Public Law 94-327, approved June 30, 1976. (VV)

CONSUMER AFFAIRS

Consumer Food Act: Requires food processors to develop, implement, and maintain adequate safety assurance procedures, and empowers the Secretary of Health, Education, and Welfare to develop and enforce safety assurance standards for procedures and systems that fail to provide adequate protection against unreasonable risks of adulteration; seeks to upgrade the Nation's food safety and sanitation programs by requiring food recall coding, by providing a national registration program for food processors, and by extending the Food and Drug Administration's inspection authority to include records maintained by food processors; and requires food manufacturers to provide complete, and in some cases quantitative, food ingredient information, open dating information, and information regarding the nutritional value of food products. S. 641—Passed Senate March 18, 1976. (86)

Consumer leasing: Amends the Truth in Lending Act to make the provisions of the Act applicable to leases of consumer durables (such as automobiles and household goods) with a total contractual obligation not exceeding $25,000, to protect consumers against inadequate and misleading leasing information, to limit ultimate liability in connection with the leasing of such property, and to provide consumers with more meaningful information about the component and aggregate costs so that they can make better informed choices between leases, and between leases and credit sales. H.R. 8835—Public Law 94-240, approved March 23, 1976. (VV)

Consumer product safety: Authorizes $51 million for fiscal year 1976, $14 million for the transition period July 1–September 30, 1976, $60 million for fiscal year 1977, and $68 million for fiscal year 1978 to implement the Consumer Product Safety Act; contains provisions concerning the jurisdiction of the Consumer Product Safety Commission which: (1) eliminates pesticides from the Commission's jurisdiction under the Poison Prevention Packaging Act of 1970 as being duplicative of the Environmental Protection Agency's authority under the Federal Environmental Pesticide Control Act of 1972 to enforce pesticide-related packaging standards for the purpose of child protection; (2) provides that the Commission has no jurisdiction to regulate tobacco or tobacco products as being a "hazardous substance" under the Federal Hazardous Substances Act; (3) provides that the Commission, under the Hazardous Substances Act, may not regulate ammunition as a "hazardous substance" but may continue to establish and enforce cautionary labeling requirements relative to storage in a household, and may continue to regulate fireworks as a "hazardous substance"; requires the Commission to submit to the Senate and House Commerce Committees proposed safety rules and prohibits the Commission from adopting such a rule for 30 days; requires Commission approval prior to the submission of requests for appropriations by the Chairman; prohibits review or approval by any officer or entity within the Executive Office of the President of any employee or official other than a Commissioner; requires, in order to facilitate the identification of potential product hazards, that a product liability insurer or an independent testing laboratory which discovers a substantial product hazard in the course of its business must report that finding to its insured or its client and inform him of his obligations, if any, under the law; enlarges the enforcement authority of the Commission; provides a uniform Federal preemption clause for the Federal Hazardous Substances Act, the Flammable Fabrics Act and the Consumer Product Safety Act which provides that if the Commission has standards or regulations in effect for a product, State or local requirements must conform to the Federal standard unless the State requirement does not cause the product to be in violation of the Federal standard and provides a significantly higher degreee of protection without unduly burdening the manufacture or distribution of products in interstate commerce; authorizes the Commission to seek a preliminary injunction to restrain distribution of a consumer product which the Commission has reason to believe presents a substantial product hazard; amends the Federal Tort Claims Act to allow a suit against the Consumer Product Safety Commission for a claim based upon a misrepresentation, deceit or discretionary abuse; gives courts the discretion to award attorney's fees to persons involved in obtaining judicial review under the Consumer Product Safety Act; and contains other provisions. S. 644—Public Law 94-284, approved May 11, 1976. (*297)

Cosmetic safety: Amends the Federal Food, Drug, and Cosmetic Safety Act to prevent the unreasonable risk of injury resulting from the use of cosmetic products; requires that the safety of every cosmetic be established prior to its being marketed and that all data and information relied upon to so substantiate a cosmetic's safety be retained by the manufacturer or distributor; authorizes the Secretary of Health, Education and Welfare, where he finds a substantial risk of illness or injury, to issue regulations to ban the use of a substance, limit the quantity used, or require appropriate cautionary labeling and/or to ban the commercial distribution of the cosmetic; contains civil and criminal penalties for violations including authority to impose civil penalties on violators, after notice and an opportunity for a hearing, of up to $10,000 for each violation or, in the case of a continuing violation, for each day of violation; creates a right of action for citizens against any person alleged to be in violation of safety requirements, or against the Secretary, if he failed to perform any non-discretionary act or duty related to safety; requires cosmetic manufacturers and distributors to register the names of their cosmetics, along with a list of ingredients, by weight and poison control with the Secretary; requires notification to the Secretary; at least 20 days before commercial distribution, of a cosmetic containing an ingredient not previously registered or used in an entirely new application; requires registrants to report quarterly to the Secretary on all complaints they receive of adverse reactions to their products; requires every cosmetic to have a label on or within its package giving the common name of the cosmetic and containing with limited exceptions, the common name of each ingredient in alphabetical order; requires that the label bear warnings against uses that may be hazardous to health along with such other warnings as the Secretary may require; requires the Secretary to establish a system of poison control information on cosmetic uses and misuses; establishes special procedures for loan assistance to affected small business entities; preempts the subject of cosmetic labeling from State regulation except in certain specified cases; establishes administrative actions; and provides for the appointment of advisory committees by the Secretary. S. 1681—Passed Senate July 30, 1976. (VV)

Equal credit opportunity: Amends title VII of the Consumer Credit Protection Act to expand the prohibitions against discrimination in credit transactions to include age, race, color, religion, national origin, receipt of public assistance benefits, and exercise of rights under the Act; provides that a rejected credit applicant may, upon request, obtain a statement giving the specific reasons credit was refused; creates a Consumer Advisory Council in the Federal Reserve Board to advise and consult with the Board concerning its supervisory functions under the Act and phases the existing Truth in Lending Advisory Committee into the Council; clarifies the relationship of this Act to existing or future State law dealing with credit discrimination, while generally allowing the State law to remain in effect if it is not inconsistent with this Act; strengthens the enforcement mechanisms in present law by continuing the present limits on punitive damages of $10,000 for individual actions and $100,000 for class actions and raising the ceiling for class action recoveries of civil penalties from the present formula of the lesser of $100,000 or 1 percent to the lesser of the $500,000 or 1 percent of the creditor's net worth; and empowers the U.S. Attorney General to bring enforcement actions, either on referral from other agencies or on his own initiative, where there are patterns or practices in violation of this Act. H.R. 6516—Public Law 94-239, approved March 23, 1976. (VV)

Gasoline octane disclosure: Requires retail establishments to post the octane ratings of gasoline (which shall be obtained from the distributor upon delivery) on gasoline pumps and automobile manufacturers to include such information in the automobile owner's manual; provides for the issuance of regulations by the Federal Trade Commission and makes use of the existing octane rating computation method proposed by the Commission (by which the octane rating is calculated by averaging the research octane number and the motor octane number) and currently implemented by the Federal Energy Administration; includes a requirement that the Commission engage in a public information program to assist motorists in calculating the octane rating information contained in this act with that in the owners manual for cars manufactured prior to the effective date of this act; vests responsibility for enforcement in the Environmental Protection Agency, which currently inspects service stations for compliance with regulations concerning leaded and unleaded fuels; and imposes a $100 per day civil penalty upon persons in violation of the octane posting requirements. S. 1508—Passed Senate July 30, 1976. (VV)

Gold labeling: Amends the National Gold and Silver Stamping Act of 1906 to provide that the actual fineness of gold or gold alloy (which is (1) used in any article made in whole or in part of gold or any of its alloys, (2) offered for sale, imported, exported, transported, mailed, or otherwise distributed in interstate or foreign commerce, or (3) sold by any manufacturer or importer more than 5 years after the date of enactment of this section) shall not be less than approximately 1/14th carat (presently 1/2 carat) of the indicated number of carats for articles made of gold or gold alloy and approximately 1/7th carat (presently 1 carat) of the indicated number of carats for articles with solder or gold alloy of inferior fineness which are used to unite the parts of the article. S. 3095—Passed Senate May 13, 1976. (VV)

Motor vehicle information and cost savings: Amends the Motor Vehicle Information and Cost Savings Act to authorize additional appropriations to implement the following titles of the bill for fiscal year 1976, the transition period July 1-September 30, 1976, and fiscal years 1977 and 1978, respectively, as follows: Title I which requires the Secretary of Transportation to promulgate bumper standards applicable to all passenger motor vehicles: $125,000, $75,000, $130,000 and $395,000; Title II, which provides for an automobile consumer information program: $1,875,000, $500,000, $3,385,000 and $3,375,000; Title III, which provides for diagnostic inspection demonstration projects: $5 million, $500,000 $7,500,000 and $4,400,000; and Title IV, which sets odometer requirements: $450,000, $100,000, $650,000 and $562,000; redefines the special order vehicle diagnostic inspection demonstration project under title III to assure that the project will be designed for use by States for high volume inspection facilities to evaluate conditions of parts, components and repairs required to comply with State and Federal safety, noise and emission standards and to assist the owner in achieving the optimum fuel and maintenance economy; provides the Secretary with additional authority to enforce the odometer anti-tampering provisions and imposes a civil penalty of not to exceed $1,000 for each violation up to a maximum of $100,000 for a related series of violations and criminal penalties of not more than $50,000 and/or 1 year in prison. S. 1518—Public Law 94-364, approved July 14 1976. (VV)

Office of Consumer Redress: Facilitates the improvement of consumer redress mechanisms, such as small claims courts and arbitration programs, through the creation of a Bureau of Consumer Redress in the Office of the Secretary of the Department of Health, Education and Welfare with the responsibility of administering a program of matching grants (70 percent Federal—30 percent State) and discretionary grants to States whose plans for improving the resolution of consumer disputes will promote the goals of achieving efficient, fair, inexpensive and expeditious resolutions to consumer complaints, reviewing the operation and effectiveness of programs funded under the bill, articulating goals for a model system of consumer redress, and coordinating and integrating the functioning of publicly and privately sponsored mechanisms for the resolution of consumer complaints. S. 2069—Passed Senate amended August 4, 1976. (VV)

CRIME-JUDICIARY

Antitrust amendments: In title I, contains a declaration of policy:

In title II, antitrust civil process and Clayton Act amendments, amends the Antitrust Civil Process Act of 1962 to expand the investigative authority of the Department of Justice; authorizes the Department to issue compulsory process (called a civil investigative demand or "CID"), which is presently limited to obtaining only documentary evidence from nonnatural persons (e.g. corporations), to obtain relevant evidence from natural persons and from third party individuals or businesses not the subject of an antitrust investiagtion, and to take oral testimony and written interrogatories; expands the definition of the term "antitrsut investigation" to include investigations into activities preparatory to a merger, acquisition, or similar transactions; provides that documentary material obtained by a CID shall be returned (except for copies) upon the completion of the antitrust investigation or case; exempts information secured by a CID from a demand for public disclosure under the Freedom of Information Act; authorizes the Attorney General after completion of a civil or criminal proceeding arising out of any grand jury proceeding which does not result in bringing a civil or criminal action, to permit the Federal Trade Commisison to inspect and copy documentary material and transcripts of the grand jury proceeding, and also authorizes a private plaintiff bringing a civil action to inspect and copy grand jury documents and transcripts produced by the defendant or its officers after completion of a criminal proceeding which the defendant has plead guilty or nolo contendere and which concern the subject matater of the plaintiff's civil action, without either having, as at present, to make a showing to the district court of a particularized need which outweighs the policy of grand jury secrecy;

In title III, miscellaneous amendments, amends section 7 of the Clayton Act, which provides that no corporation engaged "in commerce" shall acquire part or all of another corporation where the effect of the acquisition may substantially lessen competition or tend to create a monopoly, to expand the coverage of section 7 to "where the activities of either corporation are in or affect commerce"; states the sense of Congress that in civil proceedings where a party refuses to furnish information on the ground that a foreign law prohibits compliance, that the court should consider utilizing all sanctions available under rule 37(b) of the Federal Rules of Civil Procedure; requires award of cost of suit, including reasonable attorneys' fees, to prevailing plaintiffs in private actions for injunctive relief under section 16 of the Clayton Act;

In title IV, parens patriae amendments, authorizes a State to bring civil antitrust actions for treble damages in behalf of natural persons within, the State in cases of per se violations, including price-fixing agreements to limit production, to divide up markets, to allocate customers, to engage in group boycotts, and other similar offenses, and fraudulent procurement or enforcement of a patent; authorizes the proving by the State of damage to consumers in the aggregate by statistical or sampling methods in cases of price-fixing and fraudulent procurement or enforcement of a patent; authorizes the State to retain private attorneys to bring suit but prohibits payment of such attorneys on a contingent fee basis when the contingent fee is based on a percentage of the damages awarded; provides for notice of the suit to be made by the State attorney general by publication or by such further notice as the district court may direct to prevent manifest injustice; permits any person who has a claim to exclude from adjudication the portion of the claim attributable to him and provides that unless a person so "opts-out" that any final action in the suit will be res judicata as to his claim; authorizes, in addition to the assessment of damages, the award to the State of such other relief as the court determines and the cost of suit, including a reasonable attorney's fee and other expenses of the litigation; authorizes the court in its discretion to award reasonable attorneys' fees to a prevailing defendant upon a finding that the State attorney general acted in bad faith, vexatiously, wantonly, or for oppressive reasons; provides for the distribution of damages in accordance with State law or in such manner as the court may authorize, including an order directing the defendant to sell the item concerned at a reduced price as measured by the amount of he damages awarded which are unclaimed, or by depositing unclaimed damages in the State treasury for the general benefit of the public; provides for allocation to the United States from the damages recovered in regard to federally funded programs, as for example, Medicare, the portion of the overcharges or other monetary damages, untrebled, that it sustained or funded; contains provisions to assure that defendants are not subjected to duplicative liability; provides that cases may not be dismissed or compromised without the approval of the court; requires the United States Attorney General to give notice to States attorneys general when the United States has brought an antitrust suit and the U.S. Attorney General believes that any State may be entitled to bring a parents patriae damage suit on substantially the same grounds as the suit by the United States; provides for consolidation and transfer of actions by the judicial panel on multi-district litigation; provides that the title shall apply to any cause of action accruing subsequent to the date of enactment of this title; and provides that this title shall be applicable in a State until the State provides by law for its nonapplicability;

In title V, premerger notification and stay amendments, requires a 30-day advance notification to the Federal Trade Commission (FTC) and the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice prior to consummation of mergers and acquisitions for office space, and regulated industry and bank mergers; authorizes the FTC or the Department of Justice to extend the 30-day waiting period for an additional waiting period; provides that the notification shall be filed in such form as the FTC, with the concurrence of the Assistant Attorney General, shall prescribe by regulation; authorizes the FTC, with the concurrence of the Attorney General, to make further exemptions from the notification requirement by regulation, and to promulgate rules for the administration of this section; provides that if a proceeding is instituted by the FTC or an action is filed by the Department of Justice, and either files a motion for a preliminary injunction against consummation of such acquisition or merger, that the district court shall set the earliest practicable time for a hearing on the motion, which shall take precedence over all matters except older matters of the same character and trials pursuant to 18 U.S.C. 3161, and shall be in every way expedited; provides that failure of the FTC or the Assistant Attorney General to object to an acquisition within the waiting period does not bar later action; provides a civil penalty of not more than $10,000 for failure to comply with this section; and

In title VI, Antitrust Review and Revisions Commission, establishes a Commission to study the applications and consequences of the antitrust law and to report to the President and the Congress any revisions it deems advisable. H.R. 8532—Passed House March 18, 1976; Passed Senate amended June 10, 1976. (276)

Bankruptcy referees salary: Amends the cedure for fixing the salaries of bankruptcy referees and implements the Congressional Salary Adjustment Act (Public Laws 90-206 and 94-82); restores to Congress the sole authority to fix salaries of full-time bankruptcy referees which are set at $36,000 per year subject to adjustment pursuant to Public Laws 90-206 and 94-82; sets the maximum salary of a part-time bankruptcy referee at $18,400 subject to adjustment of the Judicial Conference; and provides that a retired referee may be called upon by a referee of a court of bankruptcy, and if willing, perform the duties of a bankruptcy referee within the jurisdiction of the court at the same compensation as the assigned referee serving the territory to which the retired is assigned. H.R. 6184—Public Law 94-217, approved February 27, 1976. (VV)

Copyright revision: Makes a general revision of the copyright law including: a lengthening of the period of a copyright from 56 years (28 years plus an allowed renewal of 28 years) to the lifetime of the author plus 50 years; the establishment of a Copyright Royalty Tribunal in the Library of Congress, which would set royalty rates, to be reviewed and changed every 10 years, for the use under a system of compulsory licenses of copyrighted works by cable television systems, public broadcasting stations, and certain jukebox owners; a requirement that jukebox owners, presently exempt from royalty payment requirements, must pay a royalty of $8 annually per machine; provisions permitting libraries to reproduce or distribute not more than one copy of a copyrighted work, which must include a notice of the copyright; and contains other provisions. S. 22—Passed Senate February 19, 1976. (40)

District court judgeships: Provides for the creation of 45 additional district court judgeships in 40 judicial districts located in 28 States and Puerto Rico so as to enable the district courts to handle more efficiently and expeditiously the increased volume of cases brought before them; reallocates the 7 judgeships authorized for the 3 judicial districts in the State of Oklahoma to provide a more equitable workload; converts the temporary judgeship in the middle district of Pennsylvania to a permanent judgeship; and contains other provisions. S. 287—Passed Senate April 1, 1976. (113)

Drug Enforcement Administration agents: Authorizes the Permanent Subcommittee on Investigations, at the discretion of its chairman, to provide the Drug Enforcement Administration with any information in its possession relevant to alleged illegal activities of certain agents of the Drug Enforcement Administration. S. Res. 391—Senate agreed to February 17, 1976. (VV)

Eugene Victor Debs: Restores posthumously full rights of citizenship to Eugene Victor Debs, retroactive to April 12, 1919, the date on which he began serving his sentence in Federal prison for violating the wartime espionage law after making his famous antiwar speech in Canton, Ohio, on June 16, 1918, protesting World War I. S.J. Res. 127—Passed Senate June 30, 1976. (VV)

Federal rules of criminal procedure: Delays the effective date of the amendments to Rules 6(e), 23, 24, 40.1, and 41(c)(2) of the Rules of Criminal Procedure until August 1, 1977, or earlier if approved by Congress and delays the rules and forms governing habeas corpus cases under section 2254 and proceedings under section 2255 of title 28, U.S.C. until the sine die adjournment of the 94th Congress or earlier if approved by Congress, all of which were proposed by the Supreme Court and transmitted to the Congress on or about April 26, 1976; and provides that those amendments not specifically mentioned will become effective August 1, 1976. H.R. 13899—Public Law 94-349, approved July 8, 1976. (VV)

Judicial review of agency actions: Removes three technical barriers to consideration on the merits of a citizen's complaint against the Federal Government, its agencies or employees by (1) amending section 702, title 5, U.S.C., to eliminate the defense of sovereign immunity in Federal court actions for specific relief claiming unlawful action by a Federal agency, officer, or employee; (2) amending section 1331(a), title 28, U.S.C., to eliminate the required minimum $10,000 jurisdictional amount-in-controversy in a narrow category of Federal question cases brought in U.S. district courts; and (3) amends section 1391(e), title 28, U.S.C., to remedy certain technical problems in the law concerning the naming of the United States, its agencies, or employees as parties defendant in actions challenging Federal administrative action. S. 800—Passed Senate July 1, 1976. (VV)

Judicial survivors' annuities: Reforms and updates the Judicial Survivors' Annuity Program (28, U.S.C.) to provide benefits for surviving spouses and children of all Federal Justices and judges who elect to join that program which are similar to the benefits received by survivors of Members of Congress; places the benefits program in an actuarially sound fiscal condition; provides more liberal eligibility standards and reasonable increases in existing annuity amounts; and establishes a method for providing future periodic increases in annuity amounts without endangering the fiscal integrity of the program. S. 12—Passed Senate June 22, 1976. (VV)

Law enforcement assistance administration: Amends the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to extend the Law Enforcement Assistance Administration (LEAA) for 5 years, through fiscal year 1981, and to make changes designed to improve the operations of the LEAA program; authorizes therefor $250 million for the transition period July 1–September 30, 1976, $1 billion for fiscal year 1977 and $1.1 billion each for fiscal years 1978 through 1981; clarifies, in the authorizing legislation, the authority that the LEAA falls within the overall control of the Attorney General with the Administrator responsible for its day-to-day operation; establishes within LEAA, under the direction of the Deputy Administrator for Policy Department, an appropriate organizational unit to coordinate and manage community anticrime programs;

Part B planning grants (for establishing and maintaining a State planning agency): Requires that a State planning agency must be created or designated by December 31, agency; provides for proportional judicial members (the chief judicial officer or other judicial officer of the court of last resort, the chief judicial administrative officer or other appropriate judicial administartive officer of the State, and a local trial court judicial officer) be included on the planning agency; provdes for proportional judicial representation on any executive committee of a planning agency; provides for the establishment of a judicial planning committee to prepare, develop, and revise an annual State judicial plan and sets forth the functions of the committee; increases from $200,000 to $250,000 the minimum base for allocating planning funds to each State and provides that at least $50,000 per year be made available for the judicial planning committee; permits the Administrator to reallocate unused planning funds among the States; provides a mechanism whereby State legislatures may review and provide input into the comprehensive State plan;

Part C grants for law enforcement purposes: Specifies that part C grants are made to provide Federal technical and financial aid and assistance; expands the congressional mandate that LEAA support a wider range of law-related education; provides that Criminal Justice Coordinating Counsels may monitor and evaluate as well as coordinate law enforcement and criminal justice activities; authorizes the use of part C funds for (1) various types of court programs including reducing court congestion, revision of criminal and procedural rules, and support of technical assistance, (2) programs designed to reduce and prevent crime against elderly persons, (3) programs to identify the special needs of drug and alcohol dependent offenders, (4) early case assessment programs, and (5) programs to prevent crime in communities or neighborhoods; authorizes the Administrator to waive the compensation limitations for part C funds when necessary to encourage and promote innovative programs designed to improve and strengthen law enforcement and criminal justice; provides authority for a State planning committee to file, for information purposes only, a multiyear comprehensive plan for the improvement of the State court system; requires that a State comprehensive plan include procedures for units of general local government to submit local multiyear and annual comprehensive plans to the State planning agency; requires units of local government to submit plans and applications for financial assistance; contains provisions for transmittal and consideration of the judicial planning committee's annual State plan; relieves States of grant enforcement responsibilities relative to Indian tribes where an adequate forum does not exist in the State; substitutes "judicial improvement" and the "reduction of court congestion and backlog" for "riots" and "violent civil disorders" as a special emphasis area of LEAA; provides that the Attorney General appoint the Director of the National Institute of Law Enforcement and Criminal Justice;

Part E grants for correctional institutions and facilities: Sets minimally acceptable physical and service standards to construct, improve or renovate correctional institutions and facilities which State and local governments seeking funds under part E should incorporate into their State plan; authorizes LEAA to make high crime impact grants to State planning agencies and part E grants directly to nonprofit organizations; authorizes LEAA to waive (1) the non-Federal match on grants to Indian tribes or other aboriginal groups where they have sufficient funds and (2) the State's liability (where it lacks jurisdiction to enforce liability under State grant agreements with Indian tribes) and proceed directly with the Indian tribe on settlement costs;

Administrative provisions: Authorizes LEAA to establish rules and regulations to assure proper auditing, monitoring and evaluating of the comprehensiveness and impact of programs funded by it; authorizes the Administrator to request the use of Civil Service Commission hearing examiners and specifies the procedure in which such hearings are to be conducted; requires LEAA to review, analyze, and evaluate the comprehensive State plans submitted by the State planning agencies; authorizes the Attorney General to establish an advisory board to the LEAA to review programs for grants under parts C and E and the National Institute of Law Enforcement and the Criminal Justice programs; requires the submission of a comprehensive report to the President and Congress at the end of each calendar year; amends the definition of "State" to include the Virgin Islands and the Commonwealth of the Northern Mariana Islands; changes the maintenance of effort provisions in the Juvenile Justice and Delinquency Prevention Act of 1974 from the fixed dollar amounts expended on such program to a percentage ratio; requires that 19.15 percent of the total LEAA appropriation be allocated for improvement of the juvenile justice system; establishes a revolving fund to support projects that will acquire stolen goods and property (such as D.C.'s "Operation Sting") in an effort to disrupt illicit commerce in such goods; makes certain changes in the classification of supervisory personnel in the Drug Enforcement Administration; provides for a 10-year term of office for the Director of the Federal Bureau of Investigation with any such appointment limited to one 10-year term and makes the law regarding Federal mandatory retirement at age 70 apply to this position; and contains other provisions. S. 2212—Passed Senate July 26, 1976. (416)

Lotteries: Amends titles 18 and 39, U.S.C. to make the present exemption which permits a newspaper published in a State with a State-conducted lottery to contain lottery information concerning that State's lottery, also apply to a newspaper published in an adjacent State in order to permit it to carry such lottery information provided the adjacent State also had a State-conducted lottery thus providing an exemption for newspapers with the same scope as that now applied to radio and television stations. H.R. 1607—Passed House June 16, 1975; Passed Senate February 4, 1976. NOTE: (A motion made on February 5, 1976, to reconsider the vote by which the Senate passed the bill is still pending.) (VV)

Mississippi judicial district: Amends title 28, U.S.C., to authorize an additional place in Corinth for holding court in the Eastern Division of the Northern Judicial District of Mississippi. S. 2412—Passed Senate May 11, 1976. (VV)

North Dakota judicial districts: Amends title 28, U.S.C., to transfer Bottineau, McHenry, Pierce, Sheridan, and Wells Counties from the Southeastern and Northeastern Judicial District of North Dakota to the Northwestern Judicial District of North Dakota in order to reduce the average distance which litigants, attorneys, and jurors in these counties must travel to the nearest place of holding court. S. 2887—Passed Senate May 11, 1976. (VV)

Parole reorganization: Reorganizes the it with a 9-member U.S. Parole Commission Federal parole structure by abolishing the present U.S. Board of Parole and replacing as an independent agency attached to the Department of Justice (one to serve as Chairman, three to serve as members of a National Appeals Board, and five to serve in the five regions around the country); provides that the Commissioners shall be appointed by the President with the advice and consent of the Senate for 6 year terms except that no one may serve more than 12 years; provides for panels of hearing examiners, operating under guidelines adopted by the full Commission, to conduct parole hearings and recommend decisions subject to review by regional commissioners and the National Appeals Board before becoming final; provides an internal process by which the Attorney General or the offender may trigger a review by the National Appeals Board of any decision made by a regional commissioner; gives the Chairman the necessary administrative powers to keep the decision-making machinery of the Parole Commission operating on a timely basis; provides a procedure to insure better opportunities for decision-making and fairness in parole interviews; requires that the revocation process whereby a parolee is returned to prison for violating the conditions of his parole not based on a new criminal conviction must contain certain procedural safeguards set forth by the Supreme Court in Morrissey v. Brewer, 408 U.S. 471 (1972) and Gagnon v. Scarpelli, 411 U.S. 778 (1973), and in the case of a parolee charged with a new criminal conviction, the parole revocation process must satisfy the probable cause requirement set forth in U.S. v. Tucker, F.2d 77 (Fifth Cir. 1975); provides a process of appeal where conditions were imposed on a parole or release has been modified or denied or parole revoked with review of decisions upon written request; and provides that an offender who has demonstrated by his conduct that he has rehabilitated himself could be discharged from supervision by the Parole Commission. H.R. 5727—Public Law 94–223, approved March 15, 1976. (VV)

Patent laws revision: Provides for the general revision of the United States patent system including: duties and procedures of a generally administrative nature imposed on or carried out by the Patent and Trademark Office; substantive and procedural provisions regarding the obtaining of patents; rights of a patent holder and their enforcement; and implementation of the Patent Cooperation Treaty. S. 2255—Passed Senate February 26, 1976. (VV)

Public safety officers: Provides a $50,000 Federal payment to the surviving dependents of law enforcement officers and firemen who die as the direct and proximate result of a personal injury sustained in the line of duty for meeting the immediate financial needs of the officers' survivors; provides the benefit in addition to all other benefits which the officers' survivors may receive except that it shall be reduced by (1) payments which are already provided under the Federal Employees Compensation Act to state and local law enforcement officers who are killed while enforcing federal laws, and (2) payments to D.C. policemen who are killed in the line of duty; establishes a retroactive date of October 11, 1972, for these provisions;

Establishes a federally subsidized program of group life, accidental death and dismemberment insurance for public safety officers, under which the Law Enforcement Assistance Administration (LEAA) would purchase a national group policy from eligible nationwide private life insurance carriers; provides that any applicable unit of State or local government may apply to LEAA for participation in the program; makes coverage of an officer elective, with the officer's share of the premiums to be deducted from wages; provides that LEAA shall pay up to one-third of the total cost of the premium, with the remainder to be covered by the insured and or the employing agency; and provides for coverage at a level of the officer's annual salary plus $2,000, with a floor of $10,000 coverage rising to a maximum of $32,000, with accidental death and dismemberment insurance to be included with a double indemnity feature;

Contains provisions entitled the "Victims of Violent Crime Act of 1976" which provide for Federal reimbursement for the financial needs of victims of violent crime or their surviving dependents and of intervenors acting to prevent the commission of crime or to assist in the apprehension of suspected criminals; establishes a Violent Crime Reimbursement Board within the Department of Justice to administer the program; includes payments for medical and other health expenses relating to physical or psychiatric care, actual loss of earnings because of a disability resulting from personal injury not to exceed $150 per week, reasonable expenses necessarily incurred for the care of minor children up to $30 per week per child with a maximum of $75 per week for any number of children to enable a parent to continue gainful employment, reasonable funeral expenses, and loss of support to a dependent not to exceed $150 a week for all dependents; places a total limit of $50,000 on all payments; creates a Criminal Victim Indemnity Fund in the Treasury, to be funded by such funds as may be appropriated, public or private contributions, and by authorizing a Federal court, upon the conviction of a person to order, in addition to any other penalty, a fine up to $10,000 which shall be paid into the Fund and authorizing the withholding by the Federal Prison Industries of up to 10 percent of the wages earned by a prisoner for payment into the Fund; and contains other provisions. H.R. 366—P/H April 30, 1976. P/S amended July 19, 1976. In conference. (391)

Territorial judges cost-of-living adjustment: Amends section 373, title 28, U.S.C., to grant to eligible judges the same cost-of-living adjustments in their retirement compensation as is given to annuitants under the civil service retirement fund as provided and computed in section 8340(b) title 5, U.S.C.; limits the total amount payable by any cost-of-living adjustment to 95 percent of the salary payable to a U.S. district court judge in regular active service; and excludes any life-tenure district court judge who retired by resigning the office in which event he receives the salary he was receiving at the time of his resignation for the remainder of his life. S. 14—Passed Senate February 4, 1976. (VV)

Three-judge courts: Eliminates the requirement for special three-judge courts in cases seeking to enjoin the enforcement of State or Federal laws on the grounds of unconstitutionality except when specifically required by act of Congress or in any case involving congressional reapportionment or the reapportionment of any statewide legislative body and clarifies the composition and procedure of three-judge courts in those cases where they are required. S. 537—Passed Senate June 20, 1975; Passed House amended August 2, 1976. (VV)

U.S. magistrates jurisdiction: Amends section 636(b), title 28, U.S.C., to clarify and further define the additional duties which may be assigned to a U.S. Magistrate in the discretion of a judge of the district court including the power to hear and determine certain pretrial motions and to hear and recommend disposition motions; provides that the order or recommendation of a magistrate is subject to final review by a judge of the court; and provides that a magistrate may be assigned any other duty not inconsistent with the Constitution and laws of the United States to enable the district courts to continue innovative experimentations in the use of the magistrate. S. 1283—Passed Senate February 5, 1976. (VV)

U.S. magistrates salary: Amends title 28, U.S.C., to provide that full-time U.S. Magistrates shall receive the same salary as full-time referees in bankruptcy and adjusts the salary of part-time magistrates to up to one-half of the amount received by full-time magistrates instead of the fixed amount of $15,000 contained in present law, thus giving the Judicial Conference of the United States, which sets the salary of magistrates, the authority necessary to fix the salary of full-time magistrates at $36,000 per year, the current statutory maximum for referees in bankruptcy. S. 2923—Passed Senate February 5, 1976. (VV)

DEFENSE

Armed services per diem allowance: Amends section 404(d) of title 37, U.S.C., to increase the maximum rate of per diem allowance for uniformed services personnel traveling on official business from $25 to $35 and from $40 to $50 for travel to "high cost" areas under "unusual circumstances". H.R. 8089—Public Law 94–296, approved May 29, 1976. (VV)

Assistant commandant of the Marine Corps: Authorizes the Assistant Commandant of the Marine Corps to have the permanent grade of General, at the discretion of the President, with the advice and consent of the Senate, without regard to the overall strength of the Marine Corps instead of, as provided in present law, if the overall strength of the Marine Corps exceeds 200,000; and provides that the Secretary of Defense rather than the service Secretary must determine the disability retirement of general officers and medical officers. S. 2117—Public Law 94–225, approved March 4, 1976. (VV)

Carbonyl chloride: Grants the Secretary of Defense authority to sell, within the United States, all stocks of the chemical labeled carbonyl chloride (also named phosgene) or any of its commercial derivatives procured by the Department of Defense for use as a chemical warfare agent notwithstanding the provisions of section 409 of Public Law 91–121, as amended, or section 506 of Public Law 91–441 which prohibit disposal of a chemical warfare agent before it has been detoxified (unless immediate disposal is clearly necessary, in an emergency, to safeguard human life) or transport of a chemical to or from any military installation in the United States unless the Secretary determines that it is in the interest of national security. H.R. 9570—Public Law 94–251, approved March 29, 1976. (VV)

Coast Guard authorization: Authorizes $284,869,000 for the Coast Guard for fiscal year 1977 for the procurement of vessels, aircraft, and the construction of shore and offshore establishments, for a year-end strength of 38,918 Coast Guard active duty personnel, and for the average military student load; includes additional expenditure authorization and personnel for enforcement of the 200 nautical mile U.S. fishery management jurisdiction which was extended under the Fishery Conservation and Management Act of 1976 (Public Law 94–265); contains increased funding for Coast Guard ice breaking capability on the Great Lakes in anticipation of a year-round navigation season; prohibits the use of funds for procurement of any aircraft having a gross take off weight in excess of 18,000 pounds or not meeting current Federal regulations with respect to noise control established by the Administrator of the Federal Aviation Administration for such aircraft; prohibits the use of funds under this Act for enforcement of the Federal Boat Safety Act on Lake Winnipesaukee and Lake Winnisquam or the Merrimack River in New Hampshire during fiscal year 1977 or while the question of Coast Guard jurisdiction over such lakes is before a Federal or State Court; authorizes the Coast Guard to establish guidelines for permits issued in Alaska for specific vessels which transport Cargo in remote areas, including bulk fuel, that are not in compliance with Coast Guard regulations; and contains other provisions. H.R. 11670—Passed House April 5, 1976; Passed Senate amended June 16, 1976; Senate agreed to conference report August 2, 1976. (VV)

Coast Guard overseas leasing authority: Authorizes the Secretary of Transportation, when the Coast Guard is not operating as a service of the Navy, to lease for military purposes structures and their associated real property located in a foreign country. S. 3050—Passed Senate June 25, 1976.

Defense production—voluntary agreements: Amends the Defense Production Act, as amended (Public Law 94–153), to make the provisions relating to voluntary agreements developed in support of the national defense effort or the International Agreement on an International Energy Program effective 120 days after the effective date of the Act (November 30, 1975) in order to afford certain agencies adequate time to prepare voluntary agreements which conform to the new provisions. H.J. Res. 784—Public Law 94–220, approved February 27, 1976. (VV)

Department of Defense employees oath authority: Amends section 303, title 5, U.S.C., to authorize civilian employees of the Department of Defense to administer oaths to witnesses while conducting official investigations. H.R. 508—Public Law 94–213, approved February 13, 1976. (VV)

Household goods shipments: Empowers the Federal Maritime Commission to investigate and suspend non-compensatory rates submitted by movers to the Department of Defense when those rates are submitted under a traffic allocation system such as the "Okinawa Trial" which denies the opportunity for other movers to bid for the traffic within a period of time. S. 2023—Passed Senate March 29, 1976. (VV)

Military construction authorization: Authorizes $3,323,989,000 for fiscal year 1977 to provide construction and other related authority for the military departments and the Office of the Secretary of Defense, within and outside the United States, and authority for the construction of facilities for the Reserve components; directs the Department of Defense to examine all non-appropriated fund construction and to report to the Armed Service Committees not later than February 1, 1977, on the desirability of authorizing all construction in the annual authorization bill regardless of the funding source; includes funds for the NATO infrastructure program, the Naval nuclear weapons storage site upgrade program, the aeropropulsion systems test facility at the Arnold Engineering Development Center near Tullahoma, Tennessee, and the Trident weapon system; requires the Department of Defense to report to the Armed Services Committees of the Senate and House on a semiannual basis for the next 2 years specified information on each of the 2 sites for the nuclear weapons storage programs; establishes a base realignment schedule, which is retroactive to January 1, 1976, providing that no action may be taken prior to October 1, 1981, to (1) close any military installation, (2) reduce the authorized level of civilian personnel at any military installation by more than 1,000 or 50 percent of the authorized personnel level as of March 1, 1976, or the end of the fiscal year preceeding the year the reduction occurs, or (3) construct, convert or rehabilitate any other military installation because of relocating personnel as a result of base closings or reductions, unless the Secretary (1) notifies Congress of the intended base closing or reduction of personnel; (2) a period of 9 months expires following the date on which the notice was given, during which the department concerned has identified the full range of environmental impacts, as required by the National Environmental Policy Act; (3) the Secretary submits to the Armed Services Committees his final decision with respect to the closing or personnel reduction, together with a detailed justification for his decision, and the estimated fiscal, economic, budgetary, environmental, strategic, and operational consequences; and (4) a period of at least 90 days expires following the date on which the justification has been submitted to the committees; provides that these provisions will not apply to any closure or reduction which the President certifies to Congress must be implemented for reasons of military emergency or national security; and contains other provisions. H.R. 12384—Vetoed July 2, 1976. House overrode veto July 22, 1976; Senate sustained veto July 22, 1976. (183,406)

Military procurement authorization: Authorizes a total of $32.5 billion for fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces; includes $1.049 billion for the B–1 bomber program (the strategic bomber replacement for the B–52), $791.5 million for one Trident submarine, $1.315 billion for four nuclear powered attack submarines (SSN–688 class), and $1.18 billion for 8 FFG–7 guided missile frigates; authorizes $317 million for the procurement of 60 Minuteman III missiles with MK 12A reentry systems in order to maintain a production line pending significant progress in the strategic arms limitations talks (SALT); $109.6 million to continue research and development for the AWACS (airborne radar warning airplane) program; $384.6 million for procurement of six AWACS planes; and $42 million for advance procurement funding toward six more AWACS in fiscal year 1978;

Authorizes an active duty military and strength of 2,092,000, a reserve military average strength of 884,900, and a civilian end strength of 1,031,000; makes clear that whatever action is taken, eliminating the 1 percent "kicker" or otherwise modifying the retired pay formula, authority will be available to apply the change to military and CIA retirees, as well as civil service retirees; permits the President to allocate up to 25 percent of the regular cost-of-living raise in basic pay into the quarters allowance for military personnel; limits the payment for unused leave for military personnel to 60 days and eliminates payment of quarters and subsistence in such payments; phase out the appropriated subsidy for payment of commissary personnel and other operating costs over a 3-year period; repeal authority for administrative duty pay for Reserve component commanders; and extend for 1 year current authority for physician bonus pay. H.R. 12438—Public Law 94–361, approved July 14, 1976. (200, 374)

Nuclear trained naval officers pay bonus: Amends title 37, U.S.C., to provide special pay in the form of accession and retention bonuses for nuclear-qualified officers to attract and retain a sufficient number of high-quality officers to supervise the Navy's nuclear attack and ballistic-missile submarines and the expanding nuclear surface fleet. H.R. 10451—Public Law 94–356, approved July 12, 1976. (VV)

Reservists active duty: Authorizes the President, if he determines it is necessary to augment active forces for operational missions, to authorize the Secretaries of Defense or Transportation (in the case of the Coast Guard) to order the involuntary active duty of a maximum of 50,000 Selected Reservists for a limited 90-day period, without a declaration of war or national emergency; prohibits the call-up of reservists to perform functions relating to insurrection or enforcement of State laws or to assist Federal or State Government in time of disaster, accident, or catastrophe; excludes members called up from computation of active duty strength and grade structure; requires the President to submit to the Speaker of the House and the President of the Senate a written report stating the circumstances necessitating the call up of reservists and the anticipated use of them; provides that the service of all units so called up may be terminated by order of the President or by passage of a concurrent resolution by the Congress; reaffirms that nothing contained in this Act shall be construed as amending or limiting the application of the provisions of the war powers resolution; and entitles any reserve member ordered to active duty to the same reemployment rights and benefits currently provided reservists ordered to initial active duty for training for 3 months or more. S. 2115—Public Law 94–286, approved May 14, 1976. (VV)

DISTRICT OF COLUMBIA

D.C. Code: Reinstates the Law Revision Counsel of the House of Representatives as the agent of Congress for continuing the codification and publication of the District of California Code through the remaining supplements to the 1973 edition; directs that after such publication, the Code shall be prepared and published under the direction of the Council of the District of Columbia; and contains provisions for the continued printing by GPO of future editions of the Code, as prepared under the Council's directions. H.R. 13121—Public Law 94– , approved 1976. (VV)

Financial reporting and control system: Provides for a financial systems analysis, design, and implementation for the Government of the District of Columbia to insure that the District's financial statements accurately reflect its financial condition and in order that an independent audit can be conducted with meaningful results. H.R. 11009—Passed House May 24, 1976; Passed Senate amended July 1, 1976; Conference report filed. (VV)

Medical and dental manpower: Extends for 1 year, through fiscal year 1977, title III of the District of Columbia Medical and Dental Manpower Act of 1970, as amended, which provides Federal grant assistance to Georgetown University Schools of Medicine and Dentistry and the George Washington University School of Medicine with such grants limited to the minimum amounts necessary but not to exceed $5,000 per enrolled medical student or $3,000 per enrolled dental student. H.R. 12132—Public Law 94–308, approved June 4, 1976. (VV)

Metro transit police: Gives Congressional consent to amendments adopted by the Commonwealth of Virginia and the State of Maryland and favored by the District of Columbia Government by amending the Washington Metropolitan Area Transit Regulation Compact (which is the interstate compact agency for construction and operation of the METRO rapid transit system and operation of the METRO bus system) to authorize the Washington Metropolitan Area Transit Authority to establish and maintain a regular METRO Transit Police Force having jurisdiction over all METRO property and powers which are the same as those of law enforcement officers of the signatory jurisdictions; authorizes the Transit Authority to issue rules and regulations for safe and effective transit facility operations; designates the Superior Court of the District of Columbia as the court of competent jurisdiction in the District for prosecution of violations against Transit Authority rules and regulations; clarifies the authority of the D.C. Council to enact amendments to the Compact agreement; and reserves the right of Congress to amend, alter, or repeal this Act. H.R. 8719—Public Law 94–306, approved June 4, 1976. (VV)

Pennsylvania Avenue Development Corporation: Authorizes $1.3 million for fiscal year 1976, $325,000 for the transition period July 1–September 30, 1976, and $1.5 million each for fiscal years 1977 and 1978; authorizes $38.8 million through fiscal year 1978 to implement the plan for the redevelopment of the Avenue; and directs that the Willard Hotel be preserved and become a demonstration area for the development plan. S. 1689—Public Law 94– , approved , 1976. (VV).

Southeastern University: Insures the continued eligibility of Southeastern University for the benefits of the several acts providing for aid to higher education; amends its Charter to make possible the continued operation of the University as a nonprofit, tax-exempt educational institution under the provisions of section 501(c)(3) of the Internal Revenue Code; and makes provisions of Federal law relating to the audit of accounts of private corporations apply to the University. S. 611—Public Law 94–350, approved March 29, 1976. (VV)

ECONOMY—FINANCE

Bankruptcy of major municipalities: Amends Chapter IX of the Bankruptcy Act to change the procedure by which the debts of political subdivisions and public agencies and instrumentalities are adjusted to enable a city to continue to function in an orderly manner while an adjustment or extension of its debts is negotiated with its creditors; provides that a legislature, or a governmental officer or organization empowered by State law is authorized to file a petition stating its eligibility to file, its inability to pay its debts as they mature, and its desire to effect a plan of composition or extension of its debts; provides that an entity is not eligible for relief unless (1) it has successfully negotiated a plan of adjustment of its debts with creditors holding at least a majority in amount of the claims of each class which are claims affected by that plan, (2) it has negotiated in good faith with its creditors and has failed to obtain, with respect to a plan of adjustment with its debts, the agreement of creditors holding at least a majority in amount of the claims of each class which are claims affected by that plan, (3) such negotiation is impracticable, or (4) it has a reasonable fear that a creditor may attempt to obtain a preference; provides that the filing of the petition would operate as a stay of the commencement or continuation of any court or other proceeding against the debtor; provides that while the city is negotiating with its creditors so as to work out a suitable plan, the city would remain under the management of whatever form of government is provided by State law; authorizes the city to issue certificates of indebtedness to supplement available funds on a short-term basis for essential governmental services; and requires that a final proposed plan be approved by more than 50 percent of all creditors and by creditors holding two-thirds of the amount. H.R. 10264—Public Law 94–260, approved April 8, 1978. (*575)

Child day care staffing standards: Delays the date for State compliance with Federal child care staffing standards from February 1, 1976, to July 1, 1976; increases Federal funding for social services programs by $62.5 million in fiscal year 1976 and $62.5 million for the transition quarter which is to be used only for child care expenditures and would be allocated on an 80 percent matching basis; reserves 20 percent of the additional Federal funding for allocation to States having particular funding problems related to complying with Federal child care standards; authorizes a tax credit for employing welfare recipients in child care; permits, on a temporary basis until September 30, 1976, the waiver of child care standards if the children receiving federally funded care represent no more than 20 percent of the total number of children served, or in the case of a center, no more than 5 such children, provided that it is not feasible to place the children in a facility which does meet the Federal requirements; modifies, also temporarily until September 30, 1976, the limitation on the number of children who may be cared for in a family day care home by not counting the family day care mothers own children if they are under age 6; and makes permanent certain social services provisions related to addicts and alcoholics. H.R. 9803—Vetoed April 6, 1976. House overrode veto May 4, 1976; Senate sustained veto May 5, 1976. (20, 92, 165)

Amends title XX of the Social Security Act to give States complete flexibility to determine what income or other eligibility conditions they wish to establish for participation in social services programs and how those conditions are to be enforced; extends the suspension of Federal staffing standards for child care for pre-school children retroactively from February 1, 1976, until October 1, 1977; provides $375 million in additional child care Federal funding to October 1, 1977; and provides incentives for the employment of welfare recipients in child care jobs. H.R. 12455—Passed House March 16, 1976; Passed Senate amended May 20, 1976; Conference report filed; House receded and concurred in Senate amendments with a substitute amendment July 1, 1976. (188)

Duty suspensions:

Manganese ore—welfare employment tax credit: Continues for an additional 3 years the existing suspension of duties on manganese ore (including ferruginous ore) and related products; and extends until September 1, 1976, the tax credit for employment of Federal welfare recipients. H.R. 12033—Passed House May 17, 1976; Passed Senate amended July 1, 1976. (VV)

Library of Congress trust funds: Increases the amount of interest paid on the trust funds deposited with the United States Treasury by the Library of Congress Trust Fund Board to a rate which is the higher of the rate of 4 percent per annum or .25 percent less than a rate to be determined by the Secretary of the Treasury based on the current average market yield on the outstanding long-term marketable obligations of the United States having the longest periods of maturity adjusted to the nearest ⅛th of 1 percent. S. 2619—Public Law 94–289, approved May 22, 1976. (VV)

Increases the amount of interest paid on the Library of Congress Trust Fund deposited with the United States Treasury under the Act of August 20, 1912 (Bequest of Gertrude M. Hubbard, a perpetual trust, for the purpose of adding to the Gardiner Greene Hubbard collection of engravings), to a rate which is the higher of the rate of 4 percent per annum or .25 percent less than a rate to be determined by the Secretary of the Treasury based on the current average market yield on the outstanding long-term marketable obligations of the United States having the longest periods adjusted to the nearest ⅛th of 1 percent, with such interest, as income, subject to disbursement for the purposes authorized and provided in the bequest. S. 2620—Public Law 94–290, approved May 22, 1976. (VV)

Medicare extension amendments: Makes the following changes in the medicare law that take effect July 1, 1976, in order to avoid certain adverse effects on medicare beneficiaries and health care providers: (1) extends to October 1, 1977, the reimbursement method for the services of physicians in teaching hospitals which was mandated in the 1972 amendments in order to give Congress additional time to study the report of the National Academy of Sciences and develop appropriate legislation regarding such reimbursement; (2) eliminates the possibility of a rollback below fiscal year 1975 levels of "prevailing charge" (used in determining medicare reimbursement for physicians' services); and (3) continues the practice, which the medicare program has followed since its inception, of updating "customary" and "prevailing" charges (used in determining physician reimbursement) each year as of July 1. H.R. 13501—Public Law 94–368, approved July 16, 1976. (VV)

New York City retirement systems: Allows five New York City pension funds to participate in the plan worked out in November of 1975 between the city and its municipal employee unions and pension funds to purchase city notes without bringing to bear certain provisions of the Internal Revenue Code which affect the tax status of beneficiaries of such pension funds; provides that the Secretary of the Treasury may disapprove any amendment which the banks' Municipal Assistance Corporation may make to the Agreement if he feels it is not consistent with the purpose of this bill; and requires that reports on the financial condition of the funds be submitted to the Treasury and the Ways and Means and Finance Committees of the House and Senate respectively. H.R. 11700—Public Law 94–236, approved March 19, 1976. (VV)

Pension plans tax-free rollover: Provides for a tax-free rollover treatment to an employee who receives a payment on account of a termination of his employer's retirement plan or a complete discontinuance of contributions under such a plan, and in certain situations involving sales of subsidiaries and divisions of corporations; requires, generally, that the payment be reinvested by the employee in a qualified plan or individual retirement account within 60 days; and makes these provisions applicable to payments received on or after July 4, 1974. H.R. 12725—Public Law 94–267, approved April 15, 1976. (VV)

Public debt limit increase: Increases the temporary debt limit by $32 billion for a total temporary and permanent debt limit of $627 billion until June 30, 1976. H.R. 11893—Public Law 94–232, approved March 15, 1976. (VV)

Increases the temporary debt limit by $9 billion for the period from the date of enactment through September 30, 1976, $55 billion for the period October 1, 1976, through March 31, 1977, and $73 billion for the period April 1, 1977, through September 30, 1977, making a total temporary and permanent debt limit of $636 billion, $682 billion and $700 billion, respectively, for these periods. H.R. 14114—Public Law 94–334, approved June 30, 1976. (VV)

SSI benefits: Amends title XVI of the Social Security Act to permanently extend the Interim Assistance Reimbursement Program which was enacted in 1974 to reimburse states for interim assistance payments made to individuals awaiting final determination on their applications for benefits from the supplemental security income program (SSI) for the aged, blind, and disabled; extends until July 1, 1977, or until modifications of the law affecting food stamp eligibility are enacted, whichever occurs first, the provisions of section 8 of Public Law 93–233 under which SSI recipients are entitled to purchase food stamps except in those states where the Federal government is contributing an equivalent amount through the states' "hold harmless" payments under section 401 of Public Law 92–603 which established the SSI program; and continues for 1 year, through June 30, 1977, Federal matching for state Child Support Programs for nonwelfare recipients. H.R. 14484—Public Law 94–365, approved July 14, 1976. (VV)

State taxation of depositories: Extends from January 1, 1976, to September 12, 1976, the moratorium on interest taxation of depositories to allow Congress a full year to consider the recommendations of the Advisory Commission on Intergovernmental Relations whose report was not submitted to the Congress until September 12, 1975; adds Connecticut, Rhode Island, Maine and Vermont to the list of States allowed NOW accounts; amends the Truth in Lending Act to provide that discounts offered by merchandisers for cash purchases would not, for truth in lending disclosure purposes, constitute interest or a finance charge under the State usury or time-price differential laws; places a 3-year limit on the ban against surcharges to give Congress an opportunity to review the matter during that time; and authorizes the Federal Reserve Board to delegate to its staff, the authority to issue interpretations or approvals that would have binding effect in subsequent litigation over violations of the Truth in Lending Act. S. 2672—Public Law 94-222, approved February 27, 1976. (VV)

Tax reform: Makes permanent the 1975 increases in the standard deduction from $1,300 to $1,700 for single returns and $2,100 for joint returns; raises the percentage standard deduction from 15 to 16 percent; raises the maximum standard deduction from $2,000 to $2,400 for single and $2,800 for joint returns; extends through December 31, 1977 the tax credit for each taxpayer and dependent equal to $35 per person or 2% of the first $9,000 of taxable income, whichever is greater; makes permanent the refundable credit for low-income families with children amounting to 10% of the first $4,000 of earned income which phases out at $8,000;

Child care: Converts the present deduction for child care expenses into a 20% credit, which is refundable for low-income families, up to an annual maximum of $2,000 for one dependent and $4,000 for two or more dependents; repeals the present disqualification of amounts paid to relatives for child or dependent care;

Retirement: Revises the retirement income credit by immediately increasing the maximum base for the credit to $2,500 for single persons age 65 or over and $3,750 for joint returns; no longer limits the credit to retirement income alone; and retains the credit for public employees under age 65; allows a spouse to set up an individual retirement account (IRA) for a housewife;

Sick pay: Retains the limited exclusion of up to $100 per week from taxable income of sick pay for taxpayers with adjusted gross income of $15,000 a year or less, which is phased out completely at $20,000;

Estate taxes: Replaces the present $60,000 estate tax exemption with a $30,000 credit which gradually increases to $50,000 by 1981 (which is equivalent to almost a $200,000 exemption); increases the marital deduction to the greater of $250,000 or 50 percent of the value of the estate; provides a "use" valuation of farms and small businesses so that they will be valued at current rather than potential development; increases from 10 to 15 years the period of payment;

College expenses: Phases in over 5 years, a $250 tax credit for college tuition;

Tax shelters: Tightens present "recapture" rules to prevent conversion of ordinary income into capital gains, except for low- and moderate-income housing and sports franchises; limits losses from accelerated deductions for all syndicated investments to the amount of a limited partner's personal investment;

Minimum tax: Raises the minimum tax rate to 15 percent from 10 percent; provides an exemption of $10,000 (instead of the present $30,000) or the amount of tax liability, whichever is greater; applies such changes to corporations as well as individuals; adds new preference items;

Maximum taxes: Eliminates the present $30,000 exemption on preference income; retains the present 50 percent maximum rate only on personal service income;

Vacation homes: Limits deductions for expenses relating to taxpayer's use of a vacation home if personal use exceeds 2 weeks or 10% of the rental time;

Foreign investors—foreign trusts: Extends for 3 years the present exemption for interest received by foreigners on their U.S. bank deposits; ends the use of foreign trusts to shield income from U.S. taxes;

Investment tax credit—corporate surcharge: Extends, permanently, the current 10% investment credit; provides an extra 2 percent credit if an equivalent amount of stock is put into an employee stock ownership plan; allows refunds of expiring investment tax credits; extends the carryover period for net operating losses in place of the carryback period on an optional basis; allows railroads and airlines to apply their tax credits against 100% of income instead of 50% of income in 1977 and 1978; allows the tax credit for ship owners when building ships from capital construction funds; makes permanent the current lower tax rate on the first $50,000 of corporate income so that the tax rate on the first $25,000 of taxable income is at 20% rather than 22%;

DISCS: Provides tax deferral benefits to a Domestic International Sales Corporation (DISC) on export earnings in excess of 60 percent of a 3- out of 4-year base period average, including agricultural and competitive military sales; continues present more favorable DISC benefits for qualifying small export businesses;

Foreign Earnings: Repeals the per country limitation on the foreign tax credit; denies existing tax benefits for income earned in connection with foreign bribes or with participation in the Arab boycott of Israel or similar international boycotts; ends the preferential treatment for income earned in less-developed countries and the preferences for Western Hemisphere Trade Corporations and China Trade Act Corporations; requires that foreign losses deducted from U.S. income are to be recaptured in future years;

Mutual funds—stock options: Allows mutual funds to carry forward their losses 8 years instead of the current 5; allows mutual funds to invest in tax-exempt municipal bonds and pass along to shareholders the tax exemption on the interest earned; eliminates virtually all special tax treatment for qualified stock options;

Incentives for energy conservation: Provides a credit of 30 percent on the first $750 on insulation expenses with a maximum credit of $225 which is refundable for low-income homeowners; provides a refundable tax credit of 40 percent on the first $1,000 plus 25 percent of the next $6,400 of outlays for installing solar or geothermal energy equipment in a home, with a maximum credit of $2,000; provides for a refundable credit of 20 percent of the first $1,000 plus 12½ percent of the next $6,400 spent for installing a heat pump in an existing home for a $1,000 maximum; allows a 10 percent investment credit for insulating existing commercial structures; provides a 20 percent investment tax credit for installing solar or geothermal equipment in existing commercial structures; provides a 12 percent investment tax credit to businesses to encourage the development of new energy processes; allows current expensing of intangible costs involved in drilling for geothermal steam, plus an extra 22 percent deduction against income from the property; repeals the excise tax on all buses and bus parts;

Administrative: Requires the Internal Revenue Service to notify a taxpayer when it wants to look at his bank records and to go to court if the summons is challenged; permits public inspection of private IRS rulings; increases the penalties for disclosure or publication of confidential tax information; allows State and local governments to use Social Security numbers to identify taxpayers, welfare recipients, drivers and car owners; and contains other provisions. H.R. 10612—P/H December 4, 1975. P/S amended August 6, 1976. (506)

Tax withholding rate extension—SSI eligibility—life insurance distribution: Extends present tax withholding rates until September 1, 1976; provides that SSI (Supplemental Security Income) recipients who have to leave their households and reside in another household because of a disaster such as the Teton Dam failure shall continue to receive full benefits without reduction and excludes from countable income disaster relief assistance; allows, effective with taxable years ending after December 31, 1957, a life insurance company to disregard a distribution during the last month of its taxable year, determined to have been made out of the policyholders surplus account, if such distribution is returned to the company not later than the due date for filing its income tax return for that year. H.R. 10051—Public Law 94-331, approved June 30, 1976. (VV)

Teton Dam failure: Authorizes the Secretary of the Interior to provide compensation for the deaths, personal injuries, and losses to property, including irrigation works, which resulted from the failure on June 5, 1976, of the Teton Dam of the Lower Teton Division of the Teton Basin Federal reclamation project which was authorized to be constructed by the Act of September 7, 1964 (78 Stat. 925); authorizes a compensation program within the Department of the Interior to consider and settle such damage claims without regard to the proximate cause of the dam's failure; requires claimants to file claims in writing, within 2 years, and in the case of a dead person, by a duly authorized legal representative; authorizes compensation to farmers who made investments in distribution works and other capital improvements in the anticipation of irrigation water supplies from the Teton reservoir; includes authority for the Secretary to make advance or partial payments before final settlement to any claimant where necessary to prevent substantial hardship; requires the Secretary to prepare and publish final regulations and information about this program and waives the period for notice and comment otherwise required under the Administrative Procedures Act; requires an annual report to Congress on the claims not settled along with the reasons therefor and on settled claims; contains provisions, where settlement cannot be reached, governing appeals or other courses of action open to claimants; limits attorney or agent fees to 10 percent of any award and imposes a $10,000 fine for violations; and authorizes such sums as necessary to carry out the program. S. 3542—Passed Senate June 17, 1976. (VV)

EDUCATION

Allen J. Ellender fellowships: Extends for 4 years, through fiscal year 1980, the Allen J. Ellender Fellowship Program authorized by Public Law 92-506 which provides fellowships to disadvantaged secondary school children; increases the authorization therefor from $500,000 annually to $750,000 for fiscal years 1977 and 1978, and $1 million for fiscal years 1979 and 1980; eliminates the present limitation on the number of fellowships to be awarded annually to accommodate the increased funding; amends that section of the Program which sets forth requirements for the program to ensure that students and teachers from rural communities and small towns, as well as teachers from urban areas, will be adequately represented among the fellowship recipients. H.J. Res. 491—Public Law 94-277, approved April 21, 1976. (VV)

Indochinese refugees educational assistance: Authorizes $125.5 million to reimburse (on a 100 percent basis the first year and a 50 percent basis the second year) local educational agencies for costs incurred in educating Indochina refugee children through a basic cost of education grant plus a $300 per refugee child payment for supplementary assistance; and amends the Adult Education Act to direct the Commissioner to operate a program of grants to State and local governments for adult education programs for refugees with such funds to be appropriated from existing authorizations. S. 2145—Passed Senate October 29, 1975; Passed House amended January 19, 1976; Conference report filed. (VV)

Public safety officers memorial scholarships: Establishes a Public Safety Officers Memorial Scholarship program for qualified dependents of any public safety officer who lost his life while engaged in the performance of his official duties; sets at $3,500 the maximum amount of a grant that may be awarded to any individual in any year; provides for a reduction of awards based on grants made under the Higher Education Act for education costs under the $3,500 maximum to prevent an individual from receiving two Federal grants to pay the same costs; and authorizes therefor $1.75 million for fiscal year 1977 and $3.5 million for each succeeding fiscal year through 1982. S. 972—Passed Senate July 20, 1976. (VV)

Student loan program: Extends through September 30, 1976, the authority of the Commissioner of Education to insure new student loans and the provisions of the Emergency Insured Student Loan Act of 1969; makes it clear that the extension is only for a 3-month period and that the provisions of section 414 of the General Education Act, relating to contingent extension of education laws, do not apply; provides that the transition quarter and fiscal year 1977 shall be treated as a single fiscal year for purposes of reallocating College Work-Study funds; and clarifies the intent of the Privacy Act so institutions of higher education who serve as payment agents for the Basic Educational Opportunity Grant Program are not considered subject to the provisions of that Act relating to contractors maintaining a system of records to accomplish a function of the Commissioner. S.J. Res. 203—Public Law 94-328, approved June 30, 1976. (VV)

ELECTIONS

Federal Election Commission—campaign financing: Amends the Federal Election Campaign Act to provide for a Federal Election Commission composed of the Secretary of the Senate and the Clerk of the House of Representatives, as ex officio and non-voting members, and six members appointed by the President by and with the advice and consent of the Senate, to replace the present Commission, which is composed of the Secretary of the Senate and the Clerk of the House of Representatives, as ex officio and non-voting members, and six members, two appointed by the President pro tempore of the Senate, two by the Speaker of the House of Representatives, and two by the President, in order to meet the constitutional objections stated by the Supreme Court in *Buckley* v. *Valeo*, decided January 30, 1976, to the delegation of the administration and enforcement of the Act, which constitute executive branch functions, to officers appointed by the legislative branch instead of by the President as required under the Appointments Clause of the Constitution;

Provides that not more than three appointed members of the Commission may be of the same political party; sets terms of six years for the members, except that of the members first appointed, two are to be appointed for terms ending April 30, 1977, two for terms ending April 30, 1979, and two for terms ending April 30, 1981, and provides that none of the two shall be affiliated with the same political party;

Gives the Commission jurisdiction for civil enforcement of the Act and of the provisions of the Internal Revenue Code regarding public financing of Presidential campaigns; requires the affirmative vote of four members of the Commission to establish guidelines, initiate civil actions, render advisory opinions, make regulations, conduct investigations, or report apparent violations of law;

Makes various reporting and definitional changes, which include a requirement that (1) in any year when a candidate is not on the ballot for election the candidate and his authorized committees must file a report for any quarter in which contributions or expenditures aggregate more than $10,000; (2) records be kept by political committees only on contributions in excess of $50, instead of in excess of $10 and (3) corporations, labor organizations and other membership organizations need only report expenditures over $2,000 per election for communications to stockholders or members advocating the election or defeat of candidates; permits corporations and labor organizations to make two written solicitations per year from stockholders, executive and administrative personnel, and from employees respectively;

Restructures the penalty provisions of the law to provide criminal penalties for substantial violations and civil penalties and disclosure for less substantial violations, as well as protection for persons who enter into and adhere to conciliation agreements with the Commission;

Retains the present $1,000 per candidate per election limit on contributions by a "person" (defined as an individual, partnership, committee, association, corporation, labor organization and any other organization, which includes a non-qualified political committee) and now adds a limit on contributions by a "person" to political committees of national parties which are not the authorized political committees of any candidate at a yearly aggregate of $20,000 and at a yearly aggregate of $5,000 to any other political committee; retains the present $5,000 limit per candidate per election on contributions by a qualified multi-candidate political committee to a candidate and his authorized political committees, and now adds a limit on contributions by a multi-candidate political committee (1) to any political party committee which is not the authorized committee of any candidate at a yearly aggregate of $15,000 and (2) to any other political committee at a nearly aggregate of $5,000; contains a new provision which permits the Republican and Democratic Senatorial Campaign Committees and the national committee of a political party to contribute up to $17,500 to a candidate for nomination or for election to the U.S. Senate; treats as a single political committee all committees established by a single person or group of persons, and provides that these limits do not apply to transfers between national, State, District or local political committees, or to joint fund-raising efforts; retains the present yearly aggregate limit on an individual's contributions at $25,000;

Requires that any printed or broadcast communication which expressly advocates the election or defeat of a clearly identified candidate and which is disseminated to the public must contain a notice that it is authorized by a candidate or it is not authorized by a candidate;

Prohibits a Presidential candidate who accepts public financing from spending more than $50,000 from his own personal funds or the funds of his immediate family in connection with his campaign (including funds spent in behalf of the Vice-Presidential nominee); provides for the termination of public financing for Presidential candidates who lack demonstrable support;

Amends the provisions pertaining to Congressional review of rules or regulations proposed by the Commission;

Changes the limits on honoraria which may be accepted by Federal officials from $1,000 to $2,000 (excluding amounts accepted for actual travel and subsistence expenses for self, a spouse, or an aide) for any speech, appearance, or article, and the total limit from $15,000 to $25,000; and contains other provisions. S. 3065—Public Law 94-283, approved May 11, 1976. (96,164)

Political campaigning: Condemns the conduct of certain people toward Governor George Wallace of Alabama and Senator Henry Jackson of Washington while campaigning in Wisconsin; states that such conduct, wherever it should occur, is un-American, undemocratic, and violates the principles of free speech and fair play; and declares that any loyal and patriotic citizen has the right to seek the office of President and present his or her views to the American people without fear of harassment or of bodily harm. S. Res. 419—Senate agreed to March 31, 1976. (VV)

Voter registration: Encourages the private sector of the economy to initiate an extensive effort to increase voter registration and voter turnout in the 1976 general election. S. Res. 498—Senate agreed to July 30. 1976. (VV)

CETA: Extends the public service jobs program under title VI of the Comprehensive Employment and Training Act (CETA) by authorizing the appropriation of such sums as may be necessary through fiscal year 1977; authorizes not to exceed 15 percent of funds to be used for necessary supplies and equipment and administrative expenses; provides that jobs created above the current level will be in community employment projects for the long-term, low-income unemployed who have been unemployed for 15 or more weeks, including those who have exhausted unemployment benefits, or are receiving unemployment compensation or public assistance, and who are members of low-income households; provides that States and political subdivisions shall be reimbursed under the Special Unemployment Assistance program for the costs of providing unemployment benefits to workers who have been employed in public service jobs pursuant to CETA; provides that the Secretary of Labor shall provide for assistance for community-based organizations of demonstrated effectiveness; authorizes prime sponsors, in expending funds appropriated in the Emergency Supplemental Appropriations Act of 1976 (Public Law 94-266), to use the funds so as to prevent layoff of public service employees under both title II and title VI of the act, and authorizes prime sponsors (1) to use funds allocated from the Secretary's discretionary 20 percent of the appropriation in areas outside the title II areas having 6.5 percent or higher unemployment and (2) to transfer persons to title II, even though the previous source of funding for that person's job was title VI, so that no 30-day period of layoff is required in the case of a person transferred from one title to another in the same job; makes clear that title VI discretionary funds may be used for continuing the employment of persons previously employed in public service jobs; authorizes financial assistance for manpower services to projects involving the operation of a business; provides for a set-aside of 4 percent of title VI funds to be provided to Indian tribes, bands, and groups for public service employment programs; includes conforming amendments regarding veterans employment and training assistance; provides for establishment of a National Commission on Employment and Unemployment Statistics; requires a study and report by the National Commission on Manpower Policy by March 31, 1978, of the net employment effects of the program; and contains other provisions. H.R. 12987—P/H April 30, 1976. P/S amended August 10, 1976; Senate requested conference on August 10, 1976. (515)

EMPLOYMENT

Public works employment: Authorizes the Secretary of Commerce to make grants to State and local governments for the total cost of construction, renovation, repair or other improvement of public works projects, to make supplemental grants for the purpose of increasing the Federal contribution to 100 percent of the cost of public works projects authorized by any other Federal law where the Federal assistance is available and construction has not started, and to make grants for all or any portion of the State or of the local share cost of any public works project authorized by any State or local law where construction has not yet started;

Assures that at least ½ of 1 percent but not more than 10 percent of funds appropriated will be granted within any one State and groups Guam, the Virgin Islands and American Samoa together for this purpose; requires the Secretary, as long as the national unemployment rate is 6½ percent or more, to give priority to applications from areas in excess of the national rate and thereafter to give priority to areas in excess of 6½ percent but less than the national unemployment rate; requires that 70 percent of the funds must be used for the first priority category; authorizes up to $2.5 billion to carry out this title for the period ending September 30, 1977;

Authorizes, in title II, funds for financial assistance to State and local governments for each of 5 succeeding calendar quarters (beginning April 1, 1976) of $125 million when the national seasonally adjusted unemployment rate reaches 6 percent plus an additional $62.5 million for each one-half percentage point over 6 percent which on an annual basis means $500 million would be authorized when the national rate reaches 6 percent and an additional $250 million would be authorized for each percentage point that the rate rises over 6 percent; authorizes assistance from these amounts to States and local governments based upon their unemployment rate and level of tax revenue, as measures of recessionary impact and the level of services provided;

Amends, in title III, section 201(c) of the Public Works and Development Act of 1965 to increase the authorization for fiscal year 1976 from $75 million to $200 million, and authorizes under this section payment during the calendar year ending December 31, 1976, of interest supplements sufficient to reduce the interest up to 4 percentage points on loans guaranteed by the Secretary in order to aid firms needing financial assistance to continue current operations;

Authorizes the Secretary to designate as a redevelopment area cities of 50,000 or more and to make grants to cities with approved development programs; authorizes $50 million for fiscal year 1976 and $50 million for the transition period for this purpose;

Authorizes $50 million for fiscal year 1976 and makes the funds available for obligation until September 30, 1976, for supplementing existing programs; authorizes $1,417,968,050 for the fiscal year ending September 30, 1977, for grants for the construction of publicly-owned waste water treatment works pursuant to title II of the Federal Water Pollution Control Act; and contains other provisions. H.R. 5247—Vetoed February 13, 1976. House overrode veto February 19, 1976; Senate sustained veto February 19, 1976. (*348,41)

Public works employment: Amends the Public Works and Economic Development Act of 1965 to provide for anti-recessionary public works authorizations; authorizes direct grants to State and local governments for construction, renovation and repairs of public works projects, including projects authorized by other acts and grants for architectural design, engineering, and related planning expenses, of 100 percent of the cost of the project if it is shown that on-site labor can begin within 90 days of the project approval; authorizes supplemental grants for the purpose of increasing the Federal contribution to 100 percent of project cost on any federally assisted public works projects authorized by any other Federal law when the Federal financial assistance is immediately available and construction has not been started; also, authorizes grants of projects authorized by State or local law, where the matching share is immediately available and construction has not yet started; assures that at least ½ of 1 percent but not more than 12½ percent will be granted within any one State, and that Guam, the Virgin Islands and American Samoa together will not receive less than ½ of 1 percent; provides that as long as the national unemployment rate is 6½ percent, priority must be given to applications from areas in excess of the national rate and that 70 percent of the funds appropriated must be used for this priority category;

Authorizes for each of 5 succeeding calendar quarters (beginning with the quarter beginning on July 1, 1976) $125 million for financial assistance to States when the national seasonally adjusted unemployment rate reaches 6 percent plus an additional $62.5 million for each one-half percentage point over 6 percent, with the total amount authorized not to exceed $1.250 billion; further provides that no funds would be authorized for any calendar quarter during which the national unemployment rate averaged under 6 percent or for any quarter in which the last month's unemployment rate was below 6 percent; provides that the Secretary of the Treasury shall reserve one-third of the authorized funds for distribution to State governments and two-thirds for distribution to local governments; provides that allocations to each State government be made according to a formula using that State's excess unemployment rate and its revenue sharing entitlement for Entitlement Period VI (July 1, 1975, to June 30, 1976); defines excess unemployment as the State's unemployment rate during the most recent calendar quarter minus 4.5 percent; provides that allocations to local governments would be made according to the same formula; provides that grants under this program should be used for the maintenance of basic services ordinarily provided by the State and local governments; and

Authorizes $700 million for fiscal year 1977 for grants for the construction of publicly owned wastewater treatment works pursuant to title II of the Federal Water Pollution Control Act. S. 3201—Vetoed July 6, 1976. Senate overrode veto July 21, 1976; House overrode veto July 22, 1976; became Public Law 94–369, without approval July 22, 1976. (150,296,399)

Public works jobs: Authorizes $3.4 billion for programs under the Public Works and Economic Development Act for 3 years to September 30, 1979; provides for continuation of titles III, IV, V, and IX programs at present 1976 authorization levels; increases authorization for title I (Public Works Grants) from the present $250 million authorization to $450 million and title II (Business Development Loans and Guarantees) from the present level of $75 million annually to $125 million; provides that up to 20 percent of the first $250 million appropriated and up to 35 percent of appropriations over $250 million of title I grants shall be available to eligible urban areas of 50,000 or more; directs EDA to provide assistance on a priority basis to central cities in metropolitan areas of high unemployment or low-income families; authorizes the President to convene a White House Conference on balanced national growth and economic development; permits 100 percent grants for public works impact projects for community development corporations; authorizes $125 million per quarter, with a maximum annual authorization of $500 million, for a job opportunities program, known as title X, as a standby anti-recession measure which becomes operative only when unemployment reaches 7 percent nationally for the preceding calendar quarter with project opportunities provided on a priority basis for the areas with highest unemployment; and contains other provisions. S. 2228—Passed Senate July 2, 1976. (384)

ENERGY

Alaskan gas transportation: Establishes a procedure for expediting a decision on construction of facilities to transport natural gas from the North Slope of Alaska to the lower forty eight States; directs the Federal Power Commission to consider reasonable alternatives for the transportation of Alaskan natural gas to consumers, and to transmit a recommendation for a system, if any, to the President by March 1, 1977; provides that the President is to review the recommendation and transmit his own decision to Congress by July 1, 1977; permits an additional 90 days for transmittal if he selects a system for which no required final environmental impact statement has been prepared; provides that the President's decision would become final upon enactment of a joint resolution of approval within 60 days of transmittal by the President, and provides that if the joint resolution is not so enacted the President may propose a new decision within 30 days which becomes final under the same procedures; restricts judicial review of a certificate and other approvals required through the construction phase to the point of initial commercial operation of the system to claims alleging the invalidity of the Act, and claims alleging that an action will deny rights under the Constitution or that an action is beyond the scope of authority conferred by this act; limits the time for bringing of these claims to 60 days from the date of the joint resolution or of the action challenged; provides that such claims shall be filed in the U.S. Court of Appeals for the District of Columbia within the time limit, and that appeal may be taken only by filing a petition of certiorari with the U.S. Supreme Court within 15 days of the Court of Appeals decision; provides for the establishment of a process for resolving inter-agency disputes and appealing agency decisions during construction of the transportation system; prohibits discrimination on the grounds of sex, race, creed, color, or national origin, in activities under this act; and contains other provisions. S. 3521—Passed Senate July 1, 1976. (VV) 1976. (VV)

Automotive research and development: Authorizes the Administrator of the Energy Research and Development Administration (ERDA) to make contracts and grants for, and support through obligation guarantees, research and development leading to production prototypes of advanced automobiles within 4 years from the date of enactment; requires that priority be given to the development of advanced propulsion systems for automobiles; limits development of a prototype automobile by providing that production may not begin unless ERDA finds that private industry has not utilized the ERDA developed technology and so advises the relevant Committees of Congress. H.R. 13655—Passed House June 3, 1976; Passed Senate amended June 14, 1976; Conference report filed. (283)

Coal leasing: Makes basic changes in the Mineral Leasing Act of 1920 governing leasing of Federally owned coal which constitutes almost 50 percent of the recoverable coal reserves in the United States; provides that leases may be issued only by competitive bidding and that at least 50 percent of all lands leased within any year be on the basis of a deferred bonus bidding system.

Requires the preparation of land use plans where the United States owns both the surface and subsurface prior to sale of leases, and provides that, in cases where the Federal interest is nominal a State or local land use plan or a land use analysis prepared by the Secretary would be required:

Eliminates prospecting permits and preference right leases to prospectors and replaces this with a system of non-exclusive exploratory licenses; eliminates collective prospecting contracts in favor of the concept of a logical mining unit; provides that a coal lease for a logical mining unit which is not producing in commercial quantities at the end of 10 years shall be terminated; provides that coal leases shall be for a term of 20 years, and may be readjusted every 10 instead of 20 years, dependent upon diligent production; permits the Secretary to waive the requirement for a period not to exceed 15 years and accept in lieu thereof an advanced royalty; provides for a comprehensive Federal exploration program for lands to be offered for leasing;

Increases from 37½ to 50 percent the share of lease revenues to the State in which the lease is located; specifies that 12½ percent shall be used for planning, construction and maintenance of public facilities, and provision of public services with priority to be given to those areas suffering impact problems as a result of energy development and provides that 12½ percent of the revenues accumulating under the Geothermal Stream Act are to be available to the States for the same purpose; and contains other provisions. S. 391—Vetoed July 3, 1976. Senate overrode veto August 3, 1976; House overrode veto August 4, 1976. Became Public Law 94–377, without approval August 4, 1976. (*364,456)

Coastal zone management: Amends the Coastal Zone Management Act to assist States facing Outer Continental Shelf (OCS) oil and gas development or other energy-related developments and facilities affecting the coastal zone; provides assistance in the form of grants or loans to coastal States from a new coastal energy facility impact fund, which is to be available to States receiving or anticipating impacts in their coastal zones from the exploration, development, and production of energy resources, or from the location, construction, expansion or operation of any energy facility requiring a Federal license or permit; authorizes moneys for the fund at $250 million per year for 3 fiscal years and the 1976 transition period; provides that up to 20 percent of the moneys may be used for planning grants with the balance to be used for efforts to reduce or ameliorate adverse impacts from energy exploration and development or to provide public facilities and services necessitated by such activity; requires as a condition of eligibility the provision of public facilities and services necessitated by such activity; requires as a condition of eligibility for assistance from the fund that the State must participate in a coastal zone management program and must experience or anticipate a temporary or net adverse impact or have experienced an adverse impact within the 3 years prior to enactment; authorizes automatic grants payable from the general treasury to any State where OCS oil or natural gas is being directly landed (brought ashore); provides a Federal guarantee for State or local government bonds issued to pay for measures needed to reduce adverse coastal impacts; contains provisions to clarify that Federal leases must be consistent with approved coastal zone management programs of the affected States; raises the Federal share for coastal zone management funding from 66⅔ percent of 80 percent; amends the Mineral Leasing Act of 1920 to increase from 37½ percent to 60 percent the amounts returned to the States as reclamation funds from royalties paid to the Federal Government by mining companies extracting federally-owned minerals; and contains other provisions. S. 586—Public Law 94–370, approved July 26, 1976. *NOTE:* (Impact fund provisions are also contained in S. 521, Outer Continental Shelf Management, which passed the Senate July 30, 1975.) (*291)

Electric and hybrid vehicle research: Authorizes $160 million over 5 years for a Federal program administered by the Energy Research and Development Administration for electric vehicle research, development, and demonstration for the purpose of conducting research on electric vehicle batteries, overall vehicle design, and demonstrating their commercial feasibility; authorizes a major research and development program within ERDA primarily focused on advanced battery development and improvements in vehicle design; authorizes a three-step demonstration of electric and hybrid vehicles providing for (1) the development of baseline data as to existing electric and hybrid vehicle technology, (2) the production or leasing of electric and hybrid vehicles utilizing presently available technology, and (3) a similar program for the production or leasing of advanced electric and hybrid vehicles; requires a study and report to Congress of regenerative braking systems on electric and other automobiles in order to recover energy; and contains provisions to protect and enhance the participation of small businesses concerned with electric vehicle research. H.R. 8800—Passed House September 5, 1975; Passed Senate amended June 4, 1976; Conference report filed. (281)

Energy conservation in buildings: In title I, authorizes the Federal Energy Administration to make grants to States for financing residential insulation improvements for low-income persons; provides an authorization of $55 million annually for fiscal years 1976, 1977, and 1978, with the funds to be used chiefly for purchasing insulation materials to be installed in dwelling units occupied by persons with incomes not exceeding 50 percent of the median income for the area; includes among insulation materials items which improve the thermal efficiency of a dwelling and caulking and weather stripping but excludes all mechanical equipment costing more than $50 per dwelling unit; provides that the program shall utilize, insofar as possible, the services of volunteers and persons employed under other Federal, State and local programs such as manpower program trainees and public service employees;

In title II directs the Secretary of Housing and Urban Development to establish energy conservation standards for new residential and commercial buildings and to facilitate State and local adoption and implementation of such standards within a reasonable period of time; provides that the Secretary shall develop minimum performance standards for such structures in consultation with the Federal Energy Administration, the National Bureau of Standards, and the General Services Administration, and publish them within a period of 36 months after the date of enactment; provides that the standards shall become effective after an additional period, not exceeding 18 months, for a review and adoption by State and local governments; defines a minimum performance standard as a standard which establishes an energy efficiency goal for a particular type of building, under varying conditions, such as climate, without specifying the means to reach that goal; allows an additional 6 months for promulgation of the standard, if needed; allows a period of 12 months for States and localities to adopt standards in their building codes that meet or exceed Federal standards; prohibits, effective one year after promulgation of the Federal standards, Federal loan and grant assistance and the extension of credit by Federally supervised financial institutions for new residential and commercial construction in areas which do not adopt equivalent or stricter standards; authorizes the Secretary to make grants not to exceed $5 million in fiscal year 1976 to assist States in meeting the costs of developing performance standards and certification procedures for implementing them; and contains other provisions. H.R. 8650—Passed House September 8, 1975; Passed Senate amended March 9, 1976; In conference. (54)

ERDA authorization: Authorizes $7,086,217,000 for the Energy Research and Development Administration for fiscal year 1977 for operating expenses and plant and capital equipment for fusion power research and development, fuel cycle research and development, fission power reactor development, environmental research and safety, high energy physics, basic energy sciences, nuclear materials security and safeguards, naval reactor development, space nuclear systems, uranium enrichment, advanced isotope separation technology, nuclear explosives applications, and various other programs. H.R. 13350—Passed House May 20, 1976; Passed Senate amended June 25, 1976. (345)

ERDA supplemental authorization: Authorizes to the Energy Research and Development Administration supplemental appropriations of $34 million for fiscal year 1976 and $23 million for the transition period July 1–September 30, 1976, in budget authority and $26.5 million and $17.5 million in budget outlays for the respective periods to provide a balanced nuclear weapons research, development, and testing program, a capability to verify the peaceful nuclear explosive agreement now being negotiated with the Soviet Union as part of the Threshold Test Ban Treaty and to purchase, at reduced cost, a computer now being leased for the Lawrence Livermore Laboratory. S. 3108—Public Law 94–269, approved April 16, 1976. (VV)

Federal Energy Administration: Provides an 18 month extension of the Federal Energy Administration (FEA) until December 31, 1977; improves FEA procedures with respect to: the standards of hardship applicable to exception and exemption requests; appeals from adverse decisions on exception and exemption requests; holding of local hearings where the effects of a rule or regulation are essentially local in character; public access to the Project Independence Evaluation System model; and the gathering of energy information from small business go as to alleviate unnecessary reporting burdens; establishes certain limitations on the Administrator's discretion, including restraints upon retroactive application of rules and regulations under specified circumstances and upon the submission, in a single energy action, of a proposal to exempt an oil, refined petroleum product, or refined product category from both the price and the allocation provisions of the regulations under the Emergency Petroleum Allocation Act of 1973; increases Congressional oversight of the agency's operations; provides for authorizations of appropriations on a functional basis to assure that appropriated funds are utilized consistently with Congressional intent, and provides for a national energy information system for coordinating the gathering of energy information and energy data analysis to be established by newly-created Office of Energy Information and Analysis within the FEA;

Provides a broad range of energy conservation measures for new and existing buildings; contains Federal energy conservation performance standards for new residential and commercial buildings; a $200 million grant program to permit low-income persons to weatherize existing homes; a program at the state level designed to provide home owners and owners of public and commercial buildings with reliable information regarding the costs, savings, and benefits of energy conservation related investments; a $2 billion loan guarantee program to encourage energy conservation related investments in public and commercial buildings; and a $200 million demonstration program to identify incentives to encourage home owners to make energy conservation related investments in home improvements;

Amends the crude oil pricing policy established in the Energy Policy and Conservation Act to remove the 3 percent limitation on the production incentive factor in adjustment by the President of the composite price per barrel on domestic crude oil, while retaining the 10 percent overall limitation on combined price increases attributable to the inflation adjustment factor and the production incentive factor; exempts stripper well production from price ceilings, but not from the calculation of the weighted average composite price for domestic oil; gives stripper oil production an imputed value in calculating the composite price, with the imputed price to be first calculated at $11.63, an approximation of today's average first sale price of stripper well production, which is to be adjusted to reflect increases in the actual average price of domestic production remaining subject to controls; directs the President, taking into consideration the greater flexibility attending the removal of the 3 percent limitation, to amend the regulations to provide additional price incentives for extraordinary and high-cost enhancement techniques associated with tertiary recovery of oil; authorizes $3 million for a program to promote commercialization of solar energy; and contains other provisions. H.R. 12169—Public Law 94- , approved 1976. (VV)

Federal Energy Administration extension: Extends for 30 days, from June 30, 1976, to July 30, 1976, the expiration date of the Federal Energy Administration. S. 3625—Public Law 94-332, approved June 30, 1976. (VV)

Helium conservation: States the sense of the Senate that the President should direct the Secretary of the Interior to make prompt arrangements to conserve the helium, which is now being extracted by private companies in the process of upgrading natural gas prior to distribution and then vented into the atmosphere, in accordance with ERDA's conclusions that: large quantities of helium will be required for energy-related applications such as fusion reactors, superconducting magnetic energy storage, and superconducting power transmission; known existing helium reserves will be essentially exhausted at about the time that large helium demand will commence and increase; the U.S. will be dependent in part on foreign source fields and helium extracted from the atmosphere; and the cost of helium extracted from the atmosphere is far greater than that extracted from natural gas. S. Res. 253—Senate agreed to May 13, 1976. (VV)

International Petroleum Exposition: Authorizes the President to invite the several States and foreign nations to participate in the International Petroleum Exposition at Tulsa, Oklahoma, from May 16 through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products. S.J. Res. 59—Public Law 94-227, approved March 11, 1976. (VV)

Interstate oil and gas compact: Extends until December 31, 1978, the consent of Congress to the Interstate Compact to Conserve Oil and Gas consisting of 30 oil and gas producing States and 6 associate member States whose purpose is to conserve oil and gas by prevention of physical waste thereof from any cause, and calls for a special report from the Attorney General on the activities of advisory committees used in connection with activities related to the purposes of the Compact to see if they are consistent with the antitrust laws. S.J. Res. 126—Passed Senate May 3, 1976. (VV)

Natural gas pipeline safety: Amends the Natural Gas Pipeline Safety Act of 1968 to authorize an additional total of $24.5 million, to implement the Natural Gas Pipeline Safety Act through fiscal 1978 and to make certain improvements to protect the public from hazards associated with natural gas pipelines; authorizes, from the total, $11.5 million for State grant-in-aid programs; defines the term "intrastate pipeline transportation" as that not subject to the jurisdiction of the Federal Power Commission under this Act and includes within the definition those pipeline facilities which transport gas from an interstate pipeline to a direct sales customer purchasing gas for its own consumption; provides that the Secretary may establish standards relating to emergency plans and procedures; requires the Technical Pipeline Safety Standards Committee to meet at least twice yearly; revises the State certification process to allow certification of State agency even though it may not have adopted each Federal safety standard established within 120 days of the date of certification; requires States which are certified under this act, to encourage and promote programs designed to prevent natural gas pipelines and subsurface utility equipment from being damaged as a result of excavation; increases the amount of Federal contribution to State efforts to enforce Federal natural gas pipeline safety standards by authorizing the Secretary to make available to the States 100 percent (but not to exceed $60,000 for each State) of the cost of up to 3 full-time inspectors under certain conditions; continues the existing authority of the Secretary of Transportation to pay up to 50 percent of the cost of personnel, equipment, and activities with respect to interstate transmission lines; makes clear that the Department of Transportation's pipeline safety standards are the only Federal pipeline safety standards that an interstate pipeline operator is required to meet; provides that the Federal Power Commission may not attach any condition to the issuance of a certification of public convenience and necessity, or to the exercise of rights granted under such standards for pipeline facilities or for the transportation of gas, other than the standards prescribed by the Secretary of Transportation; requires the Secretary to include in his annual report to the President and Congress a full compilation of natural gas pipeline leaks occurring during that year; requires each person engaged in the transportation of natural gas to conduct a program to educate the public on the hazards associated with gas leaks and on the importance of reporting gas odors and leaks to the pipeline owner; authorizes the Secretary to develop materials suitable for use in such a consumer education program; and authorizes under specified conditions citizens' civil actions for mandatory or prohibitive injunctive relief, including interim equitable relief, against any person who is alleged to be in violation of the act. S. 2041—Passed Senate May 28, 1976. H.R. 12168—Passed House May 3, 1976; Passed Senate amended July 30, 1976. (VV)

Naval petroleum reserves production: Transfers, effective June 1, 1977, jurisdiction of Naval Petroleum Reserve No. 4 in Alaska from the Secretary of the Navy to the Secretary of Interior and redesignates it the "National Petroleum Reserve in Alaska"; provides for continued petroleum exploration of this reserve but prohibits development and production until authorized by Congress.

Amends chapter 64, title 10, United States Code, to provide for the full exploration and development of the naval petroleum reserves and to permit limited production of Naval Petroleum Reserves No. 1—Elk Hills in California, No. 2—Buena Vista in California, and No. 3—Teapot Dome in Wyoming, within 90 days of enactment, under the authority of the Secretary of the Navy; defines "national defense" for the purposes of permitting such production in terms broad enough to permit production to offset a situation such as the Arab embargo of 1973; provides that production will not exceed the maximum efficient rate determined in accordance with sound oilfield engineering practices for a period of 6 years with provision for 3 year extensions thereafter; authorizes the President at his discretion to direct that all or any part of oil produced from the naval petroleum reserves be placed in a strategic reserve or be exchanged for petroleum of equal value to be so stored; waives, for the period of production, the requirement that the Secretary consult with the Congress on every contract; retains the requirement that the sale of oil be by competitive bidding for periods of not more than 1 year; prohibits the sale of more than 20 percent of the estimated Federal share of petroleum produced from Elk Hills to any buyer in a single year; requires that pipelines and facilities at this reserve be capable of handling 350,000 barrels of oil a day not later than 3 years after enactment; establishes a special account in the Treasury to offset outlay requirements for continued exploration and development, construction and filling of a strategic reserve and for operations in the Alaska reserve; requires that pipelines operate as common carriers; and contains other provisions. H.R. 49—Public Law 94-258, approved April 5, 1976. (*342)

Outer Continental Shelf management: Amends the Outer Continental Shelf Lands Act of 1953 for the purpose of increasing production of oil and gas from the Outer Continental Shelf (OCS) in a manner which assures orderly resource development, protection of the environment, and receipt of fair market return for public resources and encourages development of new technology to increase human safety and eliminate or reduce environmental damage;

Directs the Secretary of the Interior to prepare a comprehensive advance planning program for leasing which would indicate the size, timing, and location of leasing activity which the Secretary believes would meet national energy needs over the next 5 years;

Contains provisions giving States and local governments and the general public a significant opportunity to participate in and comment on Federal OCS planning and policy decisions which include authorization for the Governors of coastal States to establish a regional OCS advisory board which would advise the Secretary on all matters related to OCS oil;

Contains provisions identical to the new coastal zone impact fund provisions contained in S. 586, the Coastal Zone Management Act Amendments, to establish a new coastal zone impact fund to assist coastal States in ameliorating adverse environmental impacts and controlling secondary economic and social impacts associated with OCS oil and gas development;

Requires a Federal lessee who finds oil and gas to prepare and submit to the Secretary, the Governors of affected coastal States and any regional OCS advisory board a development and production plan in order to give them an opportunity for review and to permit the coastal States to assess the potential impacts of the development and to resolve any problems with the Secretary and the lessee before they occur;

Directs the Secretary to conduct a survey of oil and gas resources of the OCS; authorizes the Secretary to conduct or contract for exploratory activities in order to obtain more information about the oil and gas resources on the OCS and for exploratory drilling on an experimental basis when needed for national security, environmental reasons, or to expedite development in frontier areas;

Puts into law the existing rule, established by Departmental regulation, that an OCS lessee is liable for the total cost of control and removal of spilled oil; creates a new strict liability rule for damages from OCS oil spills which imposes damage liability, except for acts of war, without regard to faults or to the ownership of the land or resource damaged if the land or resource is relied on for subsistence or economic purposes; makes the lessee or holder of a right of way liable for the first $22 million and the Offshore Oil Pollution Settlement Fund, created by the

Act, liable for the balance; finances the fund by placing a fee of 2½ cents per barrel on oil produced from the OCS;

Requires any person holding a geological or geophysical exploration permit to submit to the government the data and information, including interpretive data, obtained during exploration, which would be kept confidential unless the Secretary determined that public availability of the data would not damage the competitive position of the permittee or lessee; directs the Secretary to establish safety and performance standards for all pieces of equipment pertinent to public health, safety or environmental protection;

Authorizes a wide variety of new bidding systems in addition to the cash bonus fixed royalty system which has been the historical method of OCS bidding; provides clear authority for the Federal government to take oil or natural gas royalties in kind and dispose of them in a manner to alleviate shortages; requires environmental baseline and monitoring studies before oil and gas drilling can begin on any OCS area not previously leased; increases criminal penalties for certain willful violations of the Act and imposes civil liability for violations which continue after notice and opportunity to correct vioations; contains provisions designed to promote Federal interagency coordination and directs coordination with State and local government agencies;

Increases to 60 percent the amount given to States from Federal mineral revenues derived under the Mineral Leasing Act of 1920 from coal, oil shale, oil and gas, and other public land mineral development, and provides that this additional amount shall be used by States socially or economically impacted by this development for planning, construction and maintenance of public facilities, and provision of public services; and contains other provisions. S. 521—Passed Senate July 30, 1975; Passed House amended July 21, 1976. (*362)

ENVIRONMENT

Blackbird control: Waives certain provisions of the National Environmental Policy Act of 1969, the Federal Environmental Pesticide Control Act and other provisions of law to permit the Secretary of the Interior to treat with chemicals regisered for bird control purposes, "blackbird roosts" in Kentucky and Tennessee determined through normal survey practices of the Department of the Interior to contain in excess of 500,000 birds and upon prior certification by the Governor of the respective State that the roost is a hazard to human health unless the Secretary determines that treatment of a particular roost would pose a hazard to human health, safety, or property. H.R. 11510—Public Law 94–207, approved February 4, 1976. (VV)

Clean air amendments: Clarifies and details the nondegradation of air policy stated in the 1967 Air Quality Act; sets requirements in a framework to be used by the States for prevention of significant deterioration of air quality in areas where air quality is better than the national primary standards or secondary area standards for sulfur oxides and particulates; designates the areas to be most carefully protected as Class I areas; specifies that Class I areas shall include all international parks, each national wilderness area and memorial park exceeding 5,000 acres, each national park exceeding 6,000 acres, and such other areas as the State may designate with the exception that in the case of Federal lands the concurrence of the Federal Land Manager with the designation is required; provides that all areas not designated as Class I shall be designated as Class II, provides that a national park or wilderness over 5,000 acres established after enactment of this act shall be classified by the Congress in the designating legislation;

Requires application to the State for a construction permit for building a major stationary industrial facility with the potential to emit more than 100 tons of a pollutant per year in a Class II area, and requires, if the application is approved by the State, the use of the best available control technology as determined by the State on a case by case basis for each facility; provides, in regard to possible impact on Class I areas, that notification of the application for the facility in the Class II area must be given to the Environmental Protection Agency (EPA) and to Federal Land Managers and supervisors of potentially affected Class I areas and provides a federal-state procedure for determining whether the application should be approved where the EPA or the Federal Land Manager notifies the State of the existence of a potential adverse impact on air quality in the Class I area;

Authorizes extension up to May 21, 1982, of the existing 1977 deadline for adoption and implementation of transportation controls plans (carpooling, express bus lanes, improved mass transit) by a State for areas which cannot achieve the air quality standards without such controls where implementation without an extension would have serious adverse social and economic effects, and a further extension up to May 31, 1987, if attainment by the controls is not possible by 1982;

Authorizes a State or the EPA, after 30 days notice to the State, to issue enforcement order for compliance to sources that have not met the deadline for compliance with applicable emission limitations; authorizes the State or the EPA to extend the deadline up to January 1, 1979, if the source intends to comply by closing or replacing a facility or changing its production process, or up to January 1, 1981, if the source intends to comply by installing innovative technology; requires as a condition for the extension the posting of bond or other surety by the source in an amount equal to the cost of actual compliance and any economic value which may accrue to the source by reason of the failure to comply, which is forfeited if the source does not begin to comply; also, provides penalties where compliance is not accomplished by the extended deadline consisting of monthly payments equal to the cost of compliance; expands civil and criminal penalties for violations of enforcement orders or various requirements of the act; simplifies the process of imposing appropriate compliance schedules on those facilities which will be converting to coal and which will need improved air pollution controls in order to meet applicable requirements;

Requires studies by the National Academy of Sciences and appropriate research agencies regarding stratospheric ozone protection and human health; provides that if the EPA, after considering available reports, finds that halocarbon emission from aerosol containers may endanger human health, it shall publish proposed regulations no later than January 1, 1978, to restrict their manufacture and use, and shall, after public hearings, promulgate and transmit to Congress by April 1, 1978, final regulations which shall take effect if not disapproved by either House of the Congress;

Postpones the achievement of the statutory automotive emission standards for hydrocarbons and carbon monoxide from 1978 to 1979; changes the statutory nitrogen oxide standard of 0.4 grams per mile to 1.0 grams per mile, and postpones achievement of this standard for 2 years, until 1980; requires production of a limited number of vehicles in 1979 that will meet all three statutory standards; requires the EPA to promulgate emission standards for hydrocarbons, carbon monoxide, particulates, and nitrogen oxides for heavy duty trucks, buses, and motorcycles for model years 1979 and 1980 which reflect the application of the best available technology taking into account the cost of compliance, and standards for model year 1981 and thereafter which are equivalent to the reductions required for automobiles in 1980;

Requires the EPA to promulgate within one year regulations to insure that the warranty provisions of present law, which require auto manfacturers to warrant their emission control systems for 5 years or 50,000 miles, do not lock out independent servicing and parts dealers known as the after-market industry; requires replacement under the warranty of a catalytic converter, thermal reactor, or other component installed on or in a vehicle for the sole or primary purpose of reducing vehicle emissions where the retail price of the replacement is greater than 2 percent of the retail price of the vehicle; prohibits a manufacturer from conditioning the emisison performance on the use of any component, system or service of the manufacturer unless EPA finds that such a component or service is essential to the proper functioning of the vehicle, and establishes a program which will enable after-market parts manufacturers to certify that their parts perform as well as the auto manufacturers'; and specifies that the car owner is responsible for maintenance of the vehicle, including spark plugs and similar items, at facilities of his choosing; and contains other provisions. S. 3219—P/S August 5, 1976. (482)

Clean air research authorization: Amends the Clean Air Act to extend through fiscal year 1977 the authorizations for the research, development, and demonstration programs of the Environmental Protection Agency carried on under the air pollution program and authorizes therefor $148,194,700. S. 3438—Passed Senate June 11, 1976. (VV)

Council on Environmental Quality: Authorizes $3 million for each of fiscal years 1977 and 1978 for the operations of the Council on Environmental Quality. H.R. 11619—Public Law 94–298, approved May 29, 1976. (VV)

Earthquake hazard reduction program: Amends the National Science Foundation Act of 1950 to establish a national earthquake hazard reduction program, under the direction of the President, to reduce and minimize the risks to life and property from future earthquakes in the United States; includes the following four elements in the program: (1) research and implementation of findings in tectonics, seismology, and geology under the supervision of the Geological Survey; (2) research in engineering, education, planning, and the social sciences under the supervision of the National Science Foundation; (3) effective information dissemination and education activities; and (4) assistance to the States (under the Disaster Relief Act of 1974) to make the results of research available; establishes a national advisory committee to assist the President on the progress, implementation and coordination of the program; requires the President to submit an annual report to the Congress describing and evaluating progress achieved in reducing earthquake hazards and including any recommendations for legislative or other action; and authorizes therefor $40 million for fiscal year 1977; $50 million for 1978, and $60 million for 1979. S. 1174—Passed Senate May 24, 1976 (VV)

Endangered species: Amends the Endangered Species Act of 1973 to extend and increase authorizations for the Departments of Interior and Commerce, who jointly administer the act, as follows: Department of the Interior—from $10 million per fiscal year to $1.8 million for the transition period July 1–September 30, 1976, and a combined total of $25 million for fiscal years 1977 and 1978; and Department of Commerce—from $2 million per fiscal year to $500,000 for the transition period July 1–September 30, 1976, and a combined total of $5 million for the fiscal years 1977 and 1978. S. 3122—Public Law 94–325, approved June 30, 1976. (VV)

Environmental research authorization: Provides a separate authorization for fiscal year 1976 and the transition period July 1–September 30, 1976, with respect to the research programs of the Environmental Protection Agency (EPA) under the Noise Control Act ($2.11 million and $527,505), Federal Insecticide, Fungicide, and Rodenticide Act ($14,047,000 and $3,511,970), Public Health Service Act—Section 301 ($2,115,000 and $528,750), Safe Drinking Water Act ($12,789,200 and $3,197,300), Clean Air Act ($148,194,700 and $37,048,675), Solid Waste Disposal Act ($13,534,300 and $3,383,575), and Federal Water Pollution Control Act Amendments of 1972 ($148.7 million for fiscal year 1976 only) in order to conform the environmental research authorizations to committee jurisdictional responsibility in the House of Representatives and to synchronize their expiration; limits to 10 percent the amount of funds that may be transferred to or from particular categories; specifies that no appropriation may be made to EPA for environmental research, development, or demonstration after September 30, 1976, unless previously authorized by Congress; directs the Administrator to submit to Congress a 5-year plan for environmental research, with such plan revised yearly; and requires that whenever funds are appropriated in any fiscal year above the President's budget request for fiscal year 1977, the first $3 million of any excess for EPA shall be used to assure the adequacy, reliability and quality of the testing of chemicals and the first $25.280 million of any excess for the Federal Drug Administration shall be used to maintain and assure the preclinical and clinical adequacy, reliability, and quality of the testing of drugs, food additives, devices, and cosmetics. H.R. 7108—Passed House July 10, 1975; Passed Senate amended April 13, 1976; House requested conference April 30, 1976. (VV)

Noise control: Extends for 2 years, through fiscal year 1977, the monetary authorizations under the Noise Control Act of 1972 and authorizes therefor $24,290,000 for fiscal year 1976, $6,072,500 for the transition period July 1–September 30, 1976, and $26,719,000 for fiscal year 1977. H.R. 5272—Public Law 94–301, approved May 31, 1976. (VV)

Noise control research: Amends the Noise Control Act to extend through fiscal year 1977 the research, development and demonstration programs of the Environmental Protection Agency carried on under the Noise Control program and authorizes therefor $2.5 million. S. 3436—Passed Senate May 18, 1976. (VV)

Scrimshaw art preservation: Permits the Secretary of Commerce, who administers the Endangered Species Act with respect to whales, to grant exemptions for a limited period of time (3 years) for the sale of finished scrimshaw (etched designs and carving from whale bone) products in interstate commerce to allow scrimshaw artists to dispose of their present inventories and to adapt their art to a new medium; includes additional authority for issuing exemptions for legally held sperm whale oil and its derivatives to allow those who held this oil on December 31, 1972, including the General Services Administration, to dispose of it; and clarifies the relationship of this act to violations committed prior to its enactment. S. 229—Public Law 94–359, approved July 12, 1976. (VV)

Sea grant program: Extends the national sea grant program for 3 years, through fiscal year 1979, and authorizes therefor a total of $78 million each for fiscal years 1977, 1978 and 1979 plus $7.05 million to fund provisions in title II for the fiscal transition period which had not been authorized under previous authority;

In title I, defines the duties of the Director of the program and clarifies the relationship and coordination necessary between the sea grant program, the National Oceanic and Atmospheric Administration (NOAA), and other elements within NOAA; provides for payments for the services of research vessels and other ocean facilities which directly support specific sea grant sponsored activities; establishes a Sea Grant Review Panel of outside experts to advise the Director of the program on applications for grants, contracts, and sea grant college and regional consortium designation; authorizes and encourages public and private institutions and other entities to form a sea grant regional consortia; creates a sea grant fellowship program to provide Federal grants to institutions of higher education for undergraduate and graduate students in fields related to ocean and coastal resource understanding, utilization and conservation;

In title II, establishes an Office of Marine Resources, Science, and Technology headed by an associate administrator of NOAA to serve as a coordinating and planning mechanism for the sea grant program and other related activities with NOAA; defines the responsibilities of the new Office and of the Associate Administrator; sets forth "national principles" to guide marine resources, science and technology efforts; provides for the preparation and submission to Congress, within 1 year of enactment, of a 6-year plan for research, development and implementation in marine resources, science, and technology; provides for Federal financial assistance for marine research and development projects which are responsive to national need; creates a distinguished Research Award to recognize superior achievements; authorizes the Administrator of NOAA to provide grant or contract assistance to foreign nations to support programs of marine science and technology and to encourage international sharing and exchange information; and contains other provisions. H.R. 13035—Passed House May 3, 1976; Passed Senate amended June 14, 1976; In conference. (VV)

Solid waste disposal: Authorizes $570 million for fiscal years 1977–79 to carry out the provisions of the Solid Waste Disposal Act; amends and expands the act to authorize State program and implementation grants, to provide incentives for the recovery of resources from solid wastes and for resource conservation, and to control the disposal of hazardous wastes as follows:

Program and implementation grants: Authorizes $35 and $65 million respectively for fiscal years 1977, 1978, and 1979 for grants to assist States in the development and administration of solid waste management, resource recovery, and resource conservation plans, and the establishment, operation and enforcement of State programs for the control of hazardous wastes conditioned on a comprehensive planning process in cooperation with areawide agencies and local governments and the enforcement of the ban on open dumping; authorizes $25 million annually for fiscal 1978–79 to provide financial assistance to States and local governments to implement such programs conditioned on compliance with the open dumping ban, State control of hazardous waste disposal, and the adoption of appropriate technologies; authorizes $35 million annually in fiscal 1978–79 for grants to areawide solid waste management planning bodies;

Solid waste management information and guidelines: Directs the Administrator, within 1 year, to publish guidelines on alternative solid waste management practices, including operating procedures, available to protect health and the environment, and to define those practices which constitute open dumping; requires the Administrator, within 2 years, to publish the guidelines on the location, design, and construction of facilities; requires the Administrator to notify Congress before publication of guidelines; prohibits any officer or employee of EPA from lobbying or taking an official position on resource or conservation as they relate to State or local laws;

Open dumping, hazardous waste disposal: Prohibits open dumping of municipal and industrial solid and hazardous wastes effective 1 year after the Administrator promulgates a definition of open dumping; authorizes $50 million annually in fiscal 1978–79 for grants to rural communities, to help them comply with the prohibition on open dumping; allows States to extend deadlines if they set up enforceable compliance schedules;

Establishes a Federal permit program for the control of hazardous waste disposal; requires the Administrator to identify hazardous wastes to be regulated under programs administered at the State level;

Enforcement, citizen suits and judicial review: Authorizes criminal fines of up to $25,000 a day or a year in jail for violation of open dumping or hazardous waste disposal regulations; authorizes civil fines of up to $10,000 a day; provides that any person may initiate a civil suit against a person alleged to be in violation of the act; provides that petitions for review of regulations be filed in the U.S. Court of Appeals for the District of Columbia within 90 days of promulgation; allows the Administrator to modify his findings based on new evidence and issue a new order;

Loan guarantees: Authorizes $150 million for Federal guarantees on up to 75 percent on State and municipal loans for commercial demonstration facilities for resource conservation and recovery systems; provides similar guarantees to private entities for facilities or equipment for utilization of recovered resources;

Requires each Federal agency in its procurement activities to give preference to items composed of the highest percentage of recovered resources and designates the Office of Procurement Policy with implementing this policy; provides redress to employees who have been fired or discriminated against as a result of involvement in any proceeding under this act; states that nothing in this Act shall preclude or deny the right of any State, local government, or interstate agency to adopt or enforce any rule, regulation, standard, or requirement respecting solid waste or hazardous waste which is more stringent than a Federal requirement; authorizes the President to exempt any solid waste management facility of a Federal agency, on a case basis for not more than 1 year; requires that Congress be notified of such exemptions; directs the President to study existing solid waste on Federal lands in Alaska to determine the costs and best method for their removal; creates a committee, chaired by the Administrator and composed of the Secretaries of Commerce, Labor, and Treasury, and the Chairman of the Council on Environmental Quality, to study existing policies related to resource conservation and the effects of changes in policies or adoption of new measures; requires that the results of the study be reported within 2 years; amends and expands the research, demonstration, training and other activities provisions of existing law to emphasize public education and research on resource recovery, resource conservation and hazardous waste management systems; makes patent provisions of the Federal Nonnuclear Energy Research and Development Act applicable to assistance under this act; directs the Administrator to provide State and local governments with technical assistance including experts on solid waste management, resource recovery and conservation, and hazardous waste management; directs the Administrator to study land requirements for solid waste, agricultural waste, and mining waste management; directs the President to conduct a study and report to the Congress by March 1, 1977, on the feasibility of a mandatory national program of deposits to encourage the return of beverage containers; and contains other provisions. S. 2150—Passed Senate June 29, 1976. (366)

Toxic substances control: Directs the Environmental Protection Agency (EPA) to require testing of chemical substance of mixture if its commercial use might present "an unreasonable risk" of injury to health or environment and if there were insufficient data to judge the effects upon health and the environment or if its use would cause wide exposure to humans and the environment and there were insufficient data available;

Establishes a Federal advisory committee of 8 members with testing expertise to develop a priority list of chemicals for testing and gives EPA 12 months after a substance is listed to begin either rulemaking proceedings to require testing or to publish its reasons for not acting;

Requires manufacturers of new chemical substances to give notification to EPA 90 days in advance of first manufacture and to supply test data along with that notification if required by EPA; provides that this requirement does not apply to research chemicals unless EPA specifically includes any such chemical;

Requires manufacturers and processors of chemical substances to maintain certain records and reports to enable the Administrator to determine if unreasonable risks exist as well as health and safety studies conducted which the Administrator is authorized to require submission of;

Authorizes EPA to take immediate action—such as seizure and condemnation—against chemicals that posed an "imminent hazard" to human health and the environment; and provides civil and criminal fines for violations of the act;

Exempts from the law pesticides, tobacco or tobacco products, nuclear materials, firearms and ammunition, and food, drugs, cosmetics and medical devices;

Prohibits discriminations against employees for participating in enforcement of the law and authorizes the Labor Department to hold hearings on alleged violations;

Authorizes citizens to bring suits to enjoin certain violations and to require the Administrator of EPA to perform his mandatory duties; and contains other provisions. S. 3149—Passed Senate March 26, 1976. (103)

Water pollution control: Extends from June 30, 1975, to September 30, 1976, certain monetary authorizations under the Water Pollution Control Act, as amended, to provide the necessary authorization for funds appropriated under the Continuing Resolution (Public Law 94–41) and the HUD appropriation bill (Public Law 94–116). S. 2710—Passed Senate December 1, 1976; Passed House amended June 3, 1976. (VV)

Amends the Federal Water Pollution Control Act to extend through fiscal year 1977 the authorizations for the research, development and demonstration programs of the Environmental Protection Agency carried on under the water pollution program and authorizes therefor $217 million. S. 3437—Passed Senate June 11, 1976. (VV)

Water resources planning: Increases from $1.5 million to $2 million the authorization for expenses of the Water Resources Council in administering the Water Resources Planning Act, and adds the Territory of Guam for eligibility to receive water planning grants under title III of the act. H.R. 11876—Public Law 94–285, approved May 12, 1976 (VV)

Water quality report: Amends the Federal Water Pollution Control Act to increase from $17 million to $17.25 million the authorization for the National Study Commission to complete its report on water quality. H.R. 12193—Public Law 94–238, approved March 23, 1976. (VV)

Weather modification: Authorizes $1 million to the Secretary of Commerce to develop a comprehensive and coordinated national policy on weather modification and a recommended national weather modification research and development program, taking into account the international impact of such a program, and to submit a report of his findings and recommendations to the President and Congress within 1 year of enactment. S. 3383—Passed Senate May 21, 1976. (VV)

FISHERIES AND MARINE LIFE

Fisheries development (outer Pacific Ocean): Extends for 3 years, through fiscal year 1979, the Central, Western, and South Pacific Fisheries Development Act which assists in the development of tuna and other latent fishery resources of the outer Pacific Ocean; requires the Secretary of Commerce to submit an annual report to the President and Congress on the progress of the program; and authorizes therefor a total of $3 million for the 3-year period. H.R. 13380—Public Law 94–343, approved July 6, 1976. (VV)

Fisheries management—200-mile limit: Establishes, in title I, effective March 1, 1977, a fisheries conservation zone contiguous to the U.S. territorial sea and extending for 200 nautical miles from the U.S. coasts; provides exclusive fishery management jurisdiction to the U.S. within this zone over all fish (except highly migratory species) and beyond this zone, over anadromous species of fish (e.g. salmon) that spawn in U.S. rivers and streams and migrate to ocean waters, and over U.S. Continental Shelf fishery resources; declares Congressional intent that this legislation support and encourage continued U.S. efforts to obtain an internationally acceptable treaty which provides for effective fishery conservation and management; and grants the Secretary of Commerce authority to conform regulations issued pursuant to this Act to the fishery management jurisdiction provisions of an international fishery agreement that may result from any U.N. Conference of the Law of the Sea once that agreement has been ratified by the U.S.;

Authorizes, in title II, foreign fishing for species and resources under the exclusive fishery management authority of the United States pursuant to (1) an international fishery agreement which is in effect as of the date of enactment of this legislation pending renegotiation (in the case of a treaty) or expiration (in any other case) and (2) a "governing international fishery agreement"; states the sense of the Congress that a governing international fishery agreement between the U.S. and a foreign nation shall contain specified provisions essential to the conservation and management of fishery resources and shall not become effective until it has been submitted to and received by Congress; sets the total allowable level of foreign fishing with respect to any fishery under exclusive U.S. jurisdiction at that portion of the optimum yield which will not be harvested by U.S. vessels; prohibits a foreign fishing vessel from fishing within the U.S. fishery conservation zone after February 28, 1977, unless it has, on board the vessel, a valid permit issued by the Secretary of Commerce through the Secretary of State; authorizes the Secretary of the Treasury to embargo seafood from nations which the Secretary of State certifies bars U.S. fishing vessels from its waters, subjects them to conditions and restrictions unrelated to fishery conservation and management, or seizes U.S. fishing vessels in violation of or without authorization under agreement;

Establishes, in title III, a national fishery management program for the conservation and management of fishery resources subject to exclusive U.S. jurisdiction which would establish national standards for fishery management; establishes eight Regional Management Fishery Councils which are empowered to recommend management plans and regulations to the Secretary of Commerce who is authorized to regulate fisheries within the expanded U.S. jurisdiction to prevent overfishing, rebuild overfished stocks, and insure conservation; contains provisions on prohibited acts, civil penalties, criminal offenses, civil forfeiture, and enforcement;

Amends, in title IV, the Fishermen's Protective Act, the Marine Mammal Protection Act of 1972, and the Atlantic Tunas Convention Act of 1975; repeals the Acts of May 20, 1964 (Bartlett Act) and October 14, 1966; and authorizes $5 million for fiscal year 1976, $5 million for the transition period July 1 September 30, 1976, $25 million for fiscal year 1977; and $30 million for fiscal year 1978 to the Secretary of Commerce to carry out the provisions of the Act. H.R. 200—Public Law 94–265, approved April 13, 1976. (14)

Fisheries research and development programs: Amends the Commercial Fisheries Research and Development Act of 1964 to enable the Trust Territory of the Pacific Islands to receive Federal matching funds for approved research and development projects intended for the development of the Nation's commercial fisheries. S. 1414—Passed Senate May 21, 1976. (VV).

Killer whales: Amends the Marine Mammal Protection Act of 1972, as amended, to prohibit the Secretary of Commerce from issuing any permit for the taking of any marine mammal of the orcinusorca species (or killer whale) except for scientific research purposes which shall be conducted without removing the mammal from the water or endangering its health or welfare. S. 3130—Passed Senate March 29, 1976. (VV)

Marine protection and sanctuaries: Amends the Marine Protection, Research and Sanctuaries Act of 1972 to extend the authorizations under titles I, II, and III of the act for 1 year, through fiscal year 1977, as follows: Title I—ocean dumping permit program, $4.8 million; Title II—research program on the effects of ocean dumping on the marine environment, $5.6 million; and Title III—marine sanctuaries, $500,000; and requires a separate annual report from the U.S. Army Corps of Engineers and the Coast Guard on their administration of provisions under the act. S. 3147—Public Law 94–326, approved June 30, 1976. (VV)

GENERAL GOVERNMENT

Action authorization: Amends the Domestic Volunteer Service Act of 1973 to extend for 2 years, through fiscal year 1978, the operation of certain programs of the ACTION Agency including VISTA, University Year for Action, the Youth Challenge program, the National Student Volunteer Program and certain special volunteer programs; authorizes the Director to include in agreements with VISTA sponsors a requirement that the sponsor assume a share of the direct costs of supporting VISTA volunteers through a program of grants whereby up to 20 percent of the funds appropriated for VISTA may be used for a cost sharing arrangement of this type; provides that a foster grandparent can continue to serve a child under his care beyond the child's 21st year; modifies the formula of funding for the Service Learning Programs; and clarifies the authority of the Director to undertake and support volunteer service programs including the recruitment and training of volunteers. H.R. 12216—Public Law 94–293, approved May 27, 1976. (VV)

Animal welfare: Brings interstate carriers, intermediate handlers and terminal facilities under the regulation of the Animal Welfare Act; requires that they adhere to standards promulgated by the Secretary of Agriculture with respect to the transportation in commerce of all animals protected by the act, including standards for containers, feed, water, rest, ventilation, temperature, and handling; requires dealers, exhibitors, auction sale operators, and Federal, State and local agencies to obtain a veterinarian's certificate before delivering any dog, cat, or other animal designated by the Secretary for transportation in commerce; prohibits the transportation of dogs, cats and other animals at less than the minimum age established by the Secretary; prohibits C.O.D. transportation of animals unless the shipper guarantees payment of roundtrip fare and any out-of-pocket expenses of the carrier or intermediate handlers and carriers and authorizes the Secretary to impose upon such handlers and carriers a civil penalty of up to $1,000 for each violation of the standards for humane care; revises the present penalty provisions and provides a uniform civil penalty of up to $1,000 for violations by any person regulated under the statute; adds a new section which makes it a crime punishable by a $5,000 fine and/or of 1 year's imprisonment to sponsor knowingly, participate in, or use the mails to promote fights between live dogs or other mammals, except man; prohibits, with limited exception, such activities in connection with fights between gamefowl and other live birds; and authorizes $400,000 per year to enforce this section. S. 1941—Public Law 94–279, approved April 22. 1976. (121)

Bicentennial flag display: Authorizes the Secretary of the Interior, subject to the approval of the Architect of the Capitol, to erect and maintain flag poles on the Capitol Grounds adjacent to the Union Station Plaza to fly flags of the 50 States of the United States and its territories and possessions; and authorizes the Architect to enter into agreement with the District of Columbia government to permit certain changes to improve the flow of traffic in and around the Union Station Plaza. S. 3161—Public Law 94–320, approved June 25, 1976. (VV)

Bicentennial operation sail: Directs the Secretary of the Army, acting through the Chief of Engineers, to dredge New York Harbor in the vicinity of the South Street Seaport Museum, Manhattan, to an authorized depth of 18 feet for the purpose of providing adequate docking depth for ships of Operation Sail (a Bicentennial tribute consisting of approximately 200 large sailing ships which will assemble in New York Harbor over the 4th of July and are scheduled to be reviewed by Queen Elizabeth II of England and President Ford), and authorizes the use of funds presently available for operation and maintenance of navigation in New York Harbor and surrounding waters to carry out the work which is estimated to cost $100,000. S.J. Res. 201—Public Law 94–318, approved June 25, 1976. (VV)

Civil Rights Commission: Raises the limitation on appropriations for the United States Commission on Civil Rights from $7 million to $7,893,000 for fiscal year 1976, $1,933,000 for the transition period July 1–September 30, 1976, and $9,540,000 for fiscal year 1977, and allows the Commission to give "cost of living" and other increases in employee benefits to its staff above the stated budget limitation in the same manner as other Federal executive agencies now do pursuant to law. H.R. 8957—Public Law 94–292, approved May 27, 1976. (VV)

Commission on New Technological Uses of Copyrighted Works: Extends the authorization for the National Commission on New Technological Uses of Copyrighted Works to be coextensive with the life of the Commission which was established pursuant to Public Law 93–573 (1) to study and make recommendations to the Congress concerning the use of copyrighted works in automatic systems capable of storing, processing, retrieving, and transferring information, and by various forms of machine reproduction, not including reproduction by instructors for use in face-to-face teaching activities; and (2) the creation of new works by the application or intervention of automatic systems or machine reproduction. S. 3187—Public Law 94–314, approved June 21, 1976. (VV)

Commodity Futures Trading Commission: Amends the Commodity Futures Trading Commission Act of 1974 to: delete the requirement that the appointment of the executive director of the Commission be subject to confirmation by the Senate; enable the Commission to grant immunity to witnesses; and make certain technical changes in the Commodity Exchange Act. S. 3051—Passed Senate May 25, 1976. (VV)

Community services: Amends the Community Services Act of 1974 (Head Start, Economic Opportunity and Community Partnership Act of 1974) to make certain technical and conforming amendments, and adds a new section providing that funds appropriated in any fiscal year which are not obligated shall remain available for obligation during the following fiscal year. H.R. 12188—Public Law 94–341, approved July 6, 1976. (VV)

Daylight saving time: Temporarily supersedes certain provisions of the Uniform Time Act of 1966 and places the nation on daylight savings time for 7 months, from the second Sunday in March to the second Sunday in October for a period of two years, instead of the present 6 month period beginning the last Sunday in April and ending the last Sunday of October; continues the present authority of States to exempt themselves from periods of advanced time by State law; directs the Federal Communications Commission to minimize the impact of the time change on daytime broadcasters; and directs the Department of Transportation to study the effects of the extended advanced time periods for the next 2 years. S. 2931—Passed Senate February 25, 1976. (47)

Federal assistance programs information: Increases the availability of information about Federal assistance programs to intended beneficiaries by creating a Federal Program Information Center, within the General Services Administration, to identify all Federal domestic assistance programs and provide information about these programs to the general public; requires the Center to (1) establish and maintain a data base containing comprehensive information on all Federal domestic assistance programs; (2) develop and maintain a computerized information system to provide for the widespread availability of information contained in the data base by computer terminal facilities; and (3) publish a catalog of Federal domestic assistance programs, with supplements, containing information from the data base, a detailed index, and any other information considered helpful, which is to be made available to the public at cost; and authorizes therefor $700,000, $800,000, $900,000, and $1 million for fiscal years 1977, 1978, 1979, and 1980 respectively. S. 3281—Passed Senate June 11, 1976. (VV)

Federal Trade Commission authorizations: Increases the authorization for the Federal Trade Commission (FTC) not to exceed the following amounts: $54 million for fiscal year 1976, $13.5 million for the transition period July 1–September 30, 1976, $70 million for fiscal year 1977, and $85 million for fiscal year 1978 of which not to exceed $25 million, $6.25 million, $35 million and $45 million for the above fiscal years shall be for the purposes of maintaining competition; authorizes the FTC to appoint 25 attorneys, economists, special experts and outside counsels for the FTC's responsibilities with regard to maintaining competition; requires the simultaneous transmission of budgetary and legislative recommendations to the President or the Office of Management and Budget and the Congress; limits appeals of Commission orders to the court of appeals for the circuit within which the resident resides or maintains its principal place of business in order to prevent "forum shopping" on appeals of Commission orders; expands the Commission's jurisdiction authorized by the Clayton Act from "in commerce" to "in or affecting commerce"; makes orders of the Commission effective 60 days after their issuance subject to a stay issued by the Commission or the appropriate court of appeals, or the Supreme Court when an applicable petition for certiorari is pending; improves the Commission's ability to obtain information by compulsory process by imposing penalties for failure to reply in a timely manner with the Commission's processes and by providing statutory amendments reflecting current decisional law on the issue or ripeness of suits to enjoin enforcement of the Commission's compulsory processes; requires that the Commission grant or deny petitions for issuance, amendment, or repeal of rules within 120 days after the date the petition is received by the Commission; creates a 3-year program of assistance and grants to States to improve their antitrust capabilities and authorizes therefor not to exceed $10 million for each of fiscal years 1976, 1977, and 1978 and $2.5 million for the transition period; makes technical amendments to the Wool Products Labeling Act and the Fur Products Labeling Act; and amends the Textile Fiber Products Identification Act to continue the exemption of outer coverings of furniture, mattresses, and box springs from the provisions of the Act but permits the FTC to require care labeling with respect to outer coverings of furniture. S. 2935—Passed Senate March 18, 1976 (VV)

Increases the authorization for the Federal Trade Commission for fiscal year 1976 from $46 million to $47,091,000, and extends until July 5, 1978, the filing date for certain reports required under the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act. H.R. 12527—Public Law 94–299, approved May 29, 1976. (VV).

Fire prevention and control: Authorizes additional appropriations of $3.75 million for the fiscal year transition period July 1–September 30, 1976, $15 million for fiscal year 1977 and $20 million for fiscal year 1978 to implement the Federal Fire Prevention and Control Act of 1974 except for that section relating to reimbursement for costs of firefighting on Federal property; and authorizes $1,275,000 for the transition period, $5.5 million for fiscal year 1977 and $6 million for fiscal year 1978 for activities of the Fire Research Center of the National Bureau of Standards. S. 2862—Passed Senate May 19, 1976. (VV).

Authorizes $3.75 million for the fiscal year transition period July 1–Sepetmber 30, 1976, $15 million for fiscal year 1977 and $20 million for fiscal year 1978 to implement the Federal Fire Prevention and Control Act of 1974 except for that section relating to reimbursement for costs of firefighting on Federal property; authorizes $1,275,000 for the transition period, $5.5 million for fiscal year 1977 and $6 million for fiscal year 1978 for activities of the Fire Research Center of the National Bureau of Standards; and prohibits the Secretary from making a commitment to obligate funds for the construction of any facility of the Fire Academy until he has submitted construction plans to the Chairmen of the Committee on Science and Technology of the House and the Committee on Commerce of the Senate and the Congress does not, within 60 calendar days of submission, adopt a concurrent resolution disapproving obligation of such funds. H.R. 12567—Vetoed July 7, 1976. (VV)

Fiscal year adjustment: Amends existing law to change the dates of various provisions of law which require the submission of reports and other actions based on the present fiscal year system to conform to the new fiscal year dates of October 1–September 30 pursuant to the Congressional Budget and

Impoundment Control Act of 1974 (Public Law 93–344). S. 2445—Public Law 94–273, approved April 21, 1976. (VV)

Fiscal year transition: Amends existing law to insure the continuation of Federal programs and activities, based by statute on the present fiscal year, through the fiscal transition period of July 1-September 30, 1976. S. 2444—Public Law 94–274, approved April 21, 1976. (VV)

Flag display: Codifies in an official code for the use and guidance of civilians and civilian organizations the proper method of using and displaying the flag of the United States including provisions which specify the display of an all-weather flag 24 hours a day; the position of the flag when displayed in churches or other than being flown from a staff (such as an automobile or suspended in buildings); when, and who may order, a flag flown at half-staff; the use of a flag patch or pen by members of the military, policemen, firemen or members of patriotic organizations; and the conduct for salute of the flag; and reiterates existing authority whereby the President may alter, repeal, or add rules pertaining to the custom of displaying the flag wherever he deems appropriate. S.J. Res. 49—Public Law 94–344, approved July 7, 1976. (VV)

Government in sunshine: Provides that meetings of congressional committees and multiheaded Federal agencies shall be open to the public, and establishes for the first time a clear, statutory prohibition against private exparte communications between agencies and outside parties on matters being adjudicated by the agency;

Amends the rules of the House and Senate governing committee meetings by requiring such meetings to be open; requires the Senate and the House to hold mark-ups and other committee meetings in public unless the majority of the committee or subcommittee votes to close the meeting on certain specified grounds, which cover matters such as national defense and foreign policy, personnel matters, criminal or civil investigations, personal privacy, and trade secrets; imposes the same requirements on the meetings of joint committees; does not affect the rules governing hearings which are already required by law to be open unless committees close them on certain specified grounds; requires that all meetings of conference committees be open unless either the House or Senate managers determine by a majority vote that the meeting should be closed; specifies that these provisions are enacted pursuant to the rulemaking authority of both Houses, thus recognizing the right of either House to alter the rules as they apply to such House, or to enact other rules;

Requires meetings between heads of Federal agencies headed by two or more Commissioners or similar officers to be open to the public; defines the term "meeting" to include agency deliberations where at least a quorum of the agency's members meet to conduct or dispose of official agency business; provides that meetings can be closed by the agency only by a majority vote of all agency members on certain specified grounds which are based in most respects on the exceptions contained in the Freedom of Information Act; requires advance notice of each meeting to the public, and the release to the public after the meeting of every major portion of the meeting that did not in fact involve sensitive matters;

Establishes an across-the-board statutory prohibition of exparte contacts between agency decisionmakers and all persons outside the agency where the purpose of the contact is to discuss the merits of any matter being formally adjudicated by the agency in order to prevent secret communications between the agency and an outside person interested in the outcome of a proceeding; applies this provision to formal agency adjudications and rulemaking proceedings which are adjudicative in nature (so-called formal "on the record" rulemaking); and contains other provisions. S. 5—Passed Senate November 6, 1975; Passed House amended July 28, 1976; In conference. *NOTE:* (Provisions amending the Senate Rules to require open committee meetings are contained in S. Res. 9 which the Senate adopted on November 5, 1975.)

Guam Constitution: Permits the people of Guam to organize a government pursuant to a constitution of their own adoption; authorizes the Guam legislature to call a constitutional convention to draft a constitution within the existing territorial-federal relationship; requires that the constitution address certain specified issues including the sovereignty of the United States, a bill of rights, and a system of local courts; provides for the membership of the convention; requires that the convention submit a draft copy of the constitution to the Governor for submission to the President who shall transmit it within 60 days, together with his comments, to the Congress for approval; and provides that upon Congressional approval, the constitution is to be submitted to the people of Guam for approval by referendum, and if approved, shall become effective in accordance with its terms. H.R. 9491—Passed House October 6, 1976; Passed Senate amended July 20, 1976.

Library of Congress James Madison Memorial Building. Amends the Act of October 19, 1965, as amended, to provide an additional authorization of $33 million for completion of the Library of Congress James Madison Memorial Building thus making a total authorization of $123 million. H.R. 11645—Public Law 94–219, approved February 27, 1976. (VV)

Mariana Islands: Approves the text of the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" providing for the creation of a Commonwealth of the Northern Marianas under U.S. sovereignty, local self-government including the adoption of a local constitution by the residents of the Northern Mariana Islands, granting of citizenship or national status to the residents of the Commonwealth, and the extension of the provisions of the U.S. Constitution, treaties, and statutes with some limitation to the Commonwealth. H.J. Res. 549—Public Law 94–241, approved March 24, 1976. (44)

NASA authorization: Authorizes $3,695,170,000 for fiscal year 1977 to the National Aeronautics and Space Administration of which $2,761,425,000 is for research and development, $120,290,000 is for construction of facilities and $813,455,000 is for research and program management; includes funding for; continued development of the Space Shuttle; a solar maximum mission to measure solar activity during the peak period of maximum solar activity 1979–1980; development of the thematic mapper used for earth surveys; a magnetic mapping satellite to be used for the location of mineral resources; construction of a new transonic wind tunnel designed to support national aeronautical research and development needs; the initiation of an aircraft energy technology development project to provide the technology base for a 50 percent improvement in fuel economy in commercial transports; support of ongoing flight projects in space science and application; and continuation of a series of research tasks in aeronautical and space research designed to provide a base for future undertakings, the construction of and/or modifications and upgrading of facilities to support these programs, and a highly technical staff to conduct research and manage these multidisciplinary activities; and contains other provisions. H.R. 12453—Public Law 94–302, approved June 4, 1976. (VV)

National Archives Trust Fund Board: Provides that the Board shall consist of the Archivist of the United States, as Chairman, the chairman of the House of Representatives Committee on Government Operations, and the chairman of the Senate Committee on Post Office and Civil Service. H.R. 10374—Public Law 94– , approved 1976. (VV)

National Foundation on the Arts and Humanities: Extends the National Foundation on the Arts and Humanities Act of 1965 and authorizes therefor a total of $250 million for fiscal year 1977, $300 million for fiscal year 1978, and such sums as necessary for fiscal years 1979 and 1980; amends the act to provide for specific funding for the State Humanities program in accordance with the funding levels applicable to the State Arts program; provides for more State involvement in the Humanities program and gives them several options to enable them to carry out programs appropriate to their individual needs; gives added support to museums in funding areas which are of particular importance; contains an Arts Challenge Program whereby the Federal government will match $1 for $3 in non-Federal funds in order to improve long-range planning and development of arts organizations; authorizes the National Endowment for the Arts to develop demonstration programs in arts education; provides for the establishment of a Humanities Challenge Program with attention focused on the goals and priorities relevant to the period between the present and the 200th anniversary of the Constitution of the United States in 1989; provides for a Bicentennial Photography and Film Project to produce a comprehensive survey of the United States and to be carried out primarily by the States themselves; makes the appointment by the President of the members of the National Council on the Arts and the National Council on the Humanities subject to the advice and consent of the Senate; and applies the same fair labor practices applicable to the Art program to the activities of the Humanities Endowment where appropriate. H.R. 12838—Passed House April 26, 1976; Passed Senate amended May 20, 1976; In conference. (VV)

National Portrait Gallery: Amends the National Portrait Gallery Act of 1962 to redefine the term "portraiture" to permit the National Portrait Gallery to acquire photographs and other portrayals of individuals in addition to "painted or sculpted likenesses". S. 1657—Public Law 94–209, approved February 5, 1976. (VV)

National Science Foundation authorization: Authorizes $826.4 million to the National Science Foundation for fiscal year 1977 plus an additional $6 million in foreign currencies which the Treasury Department determines to be in excess to the normal requirements of the United States. H.R. 12566—Passed House March 25, 1976; Passed Senate May 27, 1976; In conference. (VV)

National Study Commission on Records and Documents of Federal Officials: Extends for 1 year, until March 31, 1977, the life and reporting date of the National Study Commission on Records and Documents of Federal Officials which is charged with studying problems relative to the control, disposition and preservation of records and documents of Federal officials; authorizes the Chief Justice of the United States to appoint a member of the Federal judiciary to serve on the Commission instead of a justice of the Supreme Court as is now provided; and corrects a reference to a provision in the law relating to payment of travel expenses for official travel by Commission members. S. 3060—Public Law 94–261, approved April 11, 1976. (VV)

National Security Council: Amends the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council.

S. 2350—Vetoed December 31, 1975. Senate overrode veto January 22, 1976. (1)

Presidential recordings and materials: Disapproves certain regulations proposed by the Administrator of General Services on October 15, 1975, under section 104 of the Presidential Recordings and Materials Preservation Act which involve: the composition of the Presidential Materials Review Board, responsible for the final archival decisions regarding the disposition of the Nixon tapes and other materials; the adequacy of the provisions giving notice to affected individuals prior to the opening of these files to the public; the procedures to be followed by the Administrator in considering petitions to protect certain legal or constitutional rights by limiting access to specified materials; the procedures for allowing reproduction of the tapes; and two provisions relating to the restriction of materials which are personal in nature or which would result in a defamation of character. S. Res. 428—Senate agreed to disapproval resolution April 8, 1976. (VV)

Privacy Protection Study Commission: Increases from $1.5 million to $2 million the authorization for the Privacy Protection Study Commission established under Public Law 93–579 to conduct a comprehensive study and submit its recommendations to the President and Congress on the adequacy of procedures now in force in the Government and private sector to protect personal information about individuals, and removes the $750,000 fiscal year limitation on expenditures to permit the Commission to obligate its funds at a rate necessary to initiate research studies and hold hearings. S. 3435—Passed Senate May 19, 1976. (VV)

Regulatory reform: Provides for regulatory reform with respect to the independent regulatory agencies which are subject to the jurisdiction and oversight responsibility of the Commerce Committee (the Interstate Commerce Commission (ICC), Federal Trade Commission (FTC), Federal Power Commission (FPC), Federal Communications Commission (FCC), Civil Aeronautics Board (CAB), Federal Maritime Commission (FMC), and Consumer Product Safety Commission (CPSC) by (1) directing each agency to review and recodify systematically all of the rules and regulations which it has promulgated and which are still in effect and to prepare and submit to the Congress proposed modernization, revision, and codification of all statutes and other lawful authorities administered by it; and (2) applying to each agency provisions which have been previously enacted into law with respect to one or more of the agencies and found to be useful and practicable including timely consideration of petitions, Congressional access to information, representation in civil actions, protection of officers, avoidance of conflict of interest, and accountability. S. 3308—Passed Senate May 19, 1976. (VV)

Science policy: Establishes a framework for the formulation of national policy and priorities for science and technology; establishes an Office of Science, Engineering, and Technology Policy in the Executive Office of the President to be headed by a Director with up to four Associate Directors, appointed by the President with the advice and consent of the Senate; directs the Office to prepare and update annually a 5-year forecast of Federal investment in science and technology including the allocation of Federal funds among the major expenditure areas and an estimate of options for various levels of Federal investment and to furnish the list of options to the Office of Management and Budget for use in developing budget recommendations to the President; establishes an Intergovernmental Science, Engineering, and Technology Advisory Panel to advise the Director in establishing priorities for addressing civilian problems at State, regional, and local levels which science and technology can help solve;

Provides that the Director of the Office shall, in addition to his other duties, serve as a member of the Domestic Council and shall, at the request of the National Security Council, advise the Council on such matters concerning science and technology as relate to national security; creates a 2-year President's Committee on Science and Technology of 9 to 15 members (including the Director of the Office) all of whom shall be appointed by the President, to conduct a comprehensive survey of Federal science and technology, and to submit to the President an interim report after 1 year and a final report after 2 years of its findings; permits the President to extend the life of the Committee if he determines that it is advantageous for the Committee to continue in being;

Redesignates the Federal Council for Science and Technology (established pursuant to Executive order 10807 issued May 13, 1959, as amended by Executive Order 11381 issued November 8, 1967) as the Federal Coordinating Council for Science, Engineering, and Technology, and gives it the statutory authority to coordinate Federal plans and programs in science and technology; designates the Director of the Office as Chairman of the Committee; and

Authorizes therefor $2.5 million for fiscal year 1976 and the transition period July 1–September 30, 1976, and $4 million for fiscal year 1977. H.R. 10230—Public Law 94–282, approved May 11, 1976. (VV)

Small business amendments: Provides for the President to undertake a comprehensive review of all Federal disaster loan authorities and to submit a report of his recommendations, including possible consolidation of Federal disaster loan authorities, to the Congress not later than December 1, 1976; increases the funds available for the lease guarantee program from $10 million to $25 million and establishes a separate program to allow small businesses to finance the leasing of pollution control equipment through the sale of tax-exempt industrial revenue bonds; increases the amount which regular small business investment companies (SBIC's) may borrow from the government from 200 to 300 percent of private capital and increases the amount "venture capital" SBIC's may borrow from the government from 300 to 400 percent of private capital; extends these leverage increases to Minority Enterprise Small Business Investment Companies with a maximum leverage ceiling of $35 million; increases an SBIC's ability to guarantee a small business' minority obligations from 90 percent to 100 percent of the total obligation; authorizes limited partnerships with a corporate general partner to be licensed by SBA as small business investment companies; permits banks to own 100 percent of SBIC's voting common stock; permits SBA to make loans to State and local development companies for the acquisition of existing plant facilities and increases the maturity on such acquisitions and construction loans from 15 to 20 years plus such additional time as is necessary for construction; increases the maximum amount of economic opportunity loans from $50,000 to $100,000 per borrower and requires an equitable distribution of such loans between urban and rural areas; increases the maximum amount of financial assistance to State or local development companies from $350,000 to $500,000; increases the maximum amount of regular SBA business loans from $350,000 to $500,000 per borrower; authorizes an additional $21.5 million for the Surety Bond Guarantee Fund; directs the Chief Counsel for Advocacy of the Small Business Administration to make a comprehensive study of Small Business in America and submit a report to the President and Congress within 1 year of enactment; authorizes therefor $1 million; and establishes a uniform interest rate on SBA's share of any disaster loan except loans covering physical damage and economic injury caused by a natural disaster and product disasters which shall be made at a rate of interest not exceeding the rate of interest in effect at the time of the disaster. S. 2498—Public Law 94–305, approved June 4, 1976. (*589)

Small business loans: Increases from $6 billion to $7.5 billion the authorized amount which the Small Business Administration may have outstanding at any time to carry out its loan and guarantee programs; and increases the subceilings on the following programs to meet projected costs through fiscal year 1978: Small Business Investment Company loans from $725 million to $1 billion; State and Local Development Company loans from $525 million to $575 million; and Economic Opportunity Loans (loans to businesses within areas having high proportions of unemployed or low-income individuals or owned by low-income individuals) from $450 million to $550 million. S. 3369—Passed Senate July 22, 1976. (VV)

Small business surety bonds: Increases the Small Business Surety Bond Fund from $35 million to $88 million; redefines certain words in the act including the word "guarantee" to place the Small Business Administration in the same position that it serves at this time, that of reinsurer, but with the full responsibility of a private reinsurer, in order to protect the Federal government where substantial fraud is shown; provides effective October 1, 1976, that payments made by SBA to a surety company's trustee in bankruptcy or receiver shall instead be made to the obligee of the bond directly; and increases from $2,000 to $25,000 the minimum amount of any contract on a public works building requiring a bond. S. 3370—Passed Senate July 19, 1976. (VV)

Smithsonian Institution—National Museum: Authorizes $1 million annually for fiscal years 1978 through 1980 to the Smithsonian Institution for carrying out the purposes of the National Museum Act of 1966 through which the Smithsonian assists museums with specific reference to the continuing study of museum problems and opportunities, training in museum practices, preparation of museum publications, research in museum techniques, and cooperation with agencies of the government concerned with museums. S. 2945—Public Law 94–336, approved July 1, 1976 (VV)

Spanish Americans, data on: Directs the Department of Labor, in cooperation with the Department of Commerce, to develop methods of improving and expanding the collection, analysis, and publication of unemployment figures for Spanish-origin Americans; directs the Departments of Commerce, Labor, HEW, and Agriculture to collect and regularly publish data pertaining to the socio-economic conditions of Spanish Americans; requires the Director of the Office of Management and Budget, in cooperation with the Secretary of Commerce and the heads of other data-gathering Federal agencies, to develop a Government-wide program for the collection of data on Spanish Americans; directs the Department of Commerce, in cooperation with the appropriate State and local agencies and various population study groups, to determine what steps are necessary in the development of creditable estimates of undercounts of Spanish Americans in future censuses; requires the Secretary of Commerce to ensure that in the taking of future censuses and other data-collection activities, there will be provided Spanish-language questionnaires and bilingual enumerators; and directs the Department of Commerce to implement a program for the employment of Spanish Americans within the Bureau of the Census and to report to Congress within 1 year of enactment on the progress of the program. H.J. Res. 92—Public Law 94–311, approved June 15, 1976 (VV)

Trust Territory of the Pacific: Provides the following authorizations for the continuance of civil government for the Trust Territory of the Pacific Islands: $80 million for fiscal years 1976 and 1977; $15.1 million for the transition period July 1–September 30, 1976, plus such amounts authorized but not appropriated in fiscal year 1975; $1.8 million for human development projects in the Marshall Islands; $8 million for the construction of facilities for a 4-year college to serve the Micronesian community but provides that no appropriation may be made until the President has made a study concerning the educational needs and concepts of such a college and transmitted the study to the House and Senate Interior Committees which will have 90 calendar days to review the study; and the continuation of an authorization up to but not exceeding $10 million to offset reductions in or the termination of Federal grant-in-aid programs; and provides for the extension to Guam of those laws of the United States made applicable to the Northern Mariana Islands by the provisions of Public Law 94–241, except for the provision extending certain social security act programs. H.R. 12122—Public Law 94–255, approved April 1, 1976. (VV)

Virgin Islands Constitution: Permits the people of the Virgin Islands to organize a government pursuant to a constitution of their own adoption; authorizes the Virgin Island legislature to call a constitutional convention to draft a constitution with the existing territorial-federal relationship; requires that the constitution address certain specified issues including the sovereignty of the United States, a bill of rights, and a system of local courts; provides for the membership of the convention; requires that the convention submit a draft copy of the constitution to the Governor for submission to the President who shall transmit it within 60 days, together with his comments, to the Congress for approval; and provides that upon Congressional approval, the constitution is to be submitted to the people of the Virgin Islands for approval by referendum, and if approved, shall become effective in accordance with its terms. H.R. 9491—Passed House October 6, 1976; Passed Senate amended July 20, 1976. (VV)

Virgin Islands loan fund: Authorizes the legislature of the Virgin Islands to issue bonds or other obligations and to request a Federal guarantee for such obligations; extends the present controls on bond issues contained in the Revised Organic Act of the Virgin Islands except for the limitation that the public indebtedness may not exceed 10 percent of the aggregate assessed valuation of the taxable real property in the Virgin Islands, and other limitations inconsistent with this authority; sets forth the requirements for a Federal guarantee of any bond issue and provides that the Secretary of the Interior shall collect fees to cover administrative costs, that the guarantee is conclusive evidence of the eligibility of the obligation for the guarantee, that the interest on the guaranteed obligation will be subject to Federal income tax, that the aggregate amount of guaranteed obligations may not exceed $61 million, and that no guarantee may be entered into after October 1, 1979; establishes a revolving fund and authorizes the Secretary to borrow from the Treasury in the event of a default on a guaranteed obligation; provides that any bond issued under this Act will have a priority on revenues derived from the Organic Act for repayment and that of such bonds any guaranteed issue will have first priority; directs the Secretary to make grants for operations to the Virgin Islands' government in an amount not to exceed $8.5 million; provides that the Virgin Islands legislature may institute a 10 percent income tax surcharge; and authorizes such sums as necessary to carry out the provisions of the Act. H.R. 13359—Passed House May 3, 1976; Passed Senate amended July 26, 1976. (VV)

Virgin Islands unemployment loans: Increases from $5 million to $15 million the maximum amount that may be loaned to the Virgin Islands Unemployment fund; makes funds appropriated under this authority available for loans until September 30, 1977; and extends from January 1, 1978, to January 1, 1979, the date for repayment of such loans. H.R. 13069—Public Law 94–354, approved July 12, 1976. (VV)

War claims—Vietnam conflict: Amends section (i)(3) of the War Claims Act of 1948, as amended, to increase from $60 to $150 per month the rate of detention benefits payable to American civilians who were or are being held as prisoners in Southeast Asia. H.R. 5360—Public Law 94– , approved 1976. (VV)

War risk insurance extension: Extends from May 7, 1976, to May 7, 1977, the authority of the Secretary of Transportation to issue aviation war risk insurance. H.R. 13308—Public Law 94–374, approved July 31, 1976. (VV)

Watergate reform legislation: Establishes, in title I, within the Department of Justice an independent Office of Special Prosecutor which is to be headed by a Special Prosecutor appointed by the President by and with the advice and consent of the Senate; provides that the Special Prosecutor shall be appointed for a single term only of 3 years; specifies that a person shall not be appointed if he or she has at any time during the preceding 5 years held a high level position of trust and responsibility on the personal campaign staff of a candidate or in an organization or political party working on behalf of a candidate for any elective Federal office; permits removal of a Special Prosecutor by the President only for extraordinary improprieties, malfeasance in office, wilful neglect of duty, permanent incapacitation, or for any conduct constituting a felony; requires the Special Prosecutor to make a report at least annually to the Committees on the Judiciary of the Senate and the House; gives the Special Prosecutor jurisdiction to investigate and prosecute possible violations of Federal criminal law by persons in the following positions in the Federal government: (1) President, Vice President, Attorney General, or Director of the Federal Bureau of Investigation; (2) any position compensated at a rate equal to or greater than level I or level II of the Executive Schedule under 5 U.S.C. 5312 or 5313; (3) Members of Congress; or (4) any member of the Federal judiciary; establishes within the Department of Justice an Office of Government Crimes which is to be headed by a Director appointed by the President by and with the advice and consent of the Senate; places the same restrictions on the appointment concerning political activities within the preceding 5 years as are placed on the appointment of the Special Prosecutor; provides that the Attorney General shall, except for matters referred to the Special Prosecutor, delegate to the Office of Government Crimes jurisdiction of (1) criminal violations of Federal law by elected or appointed Federal government officers, employees, or special employees which are related directly or indirectly to that person's government position, employment, or compensation; (2) Federal criminal violations by any person relating to lobbying, conflicts of interest, campaigns, and election to public office with the exception of matters involving discrimination or intimidation on the grounds of race, color, religion or national origin; (3) supervision of investigations and prosecutions of Federal criminal violations involving State or local government officials or employees, and (4) such other matters as the Attorney General deems appropriate; requires the Attorney General to report annually to Congress on the activities and operation of the Office; establishes an Office of Professional Responsibility in the Department of Justice under the general supervision and direction of the Attorney General which is to be headed by a Counsel on Special Responsibility who shall be responsible for reviewing any information or allegation concerning improper conduct of an employee of the Department;

In title II, establishes, as an office of the Congress, the Office of Congressional Legal Counsel which is to be headed by a Congressional Legal Counsel; provides that the Congressional Legal Counsel and the Deputy Congressional Legal Counsel each shall be appointed by the President pro tempore of the Senate and the Speaker of the House from among recommendations submitted by the majority and minority leaders of the Senate and of the House and that the appointment shall become effective upon approval, by concurrent resolution, of the Senate and the House; provides that the Joint Committee on Congressional Operations shall oversee the activities of the Office;

Provides that the Congressional Legal Counsel shall defend the Congress, a House of Congress, an office or agency of Congress, a committee or subcommittee, or any Member, officer or employee in any civil proceeding in which the validity of any proceedings or action, including issuance of any subpena or order, by them is in issue, and in any civil action with respect to any subpena or order directed to any one of them; authorizes the Congressional Legal Counsel to institute a civil action to enforce a subpena or order issued by the Congress, a House of Congress, or a committee or subcommittee, and to authorize the Counsel to intervene or appear as amicus curiae in any legal action in which (1) the constitutionality of any law of the United States is challenged and the United States is a party or (2) the legislative powers and responsibilities of Congress under article I of the Constitution are placed in issue;

In title III: contains provisions concerning financial disclosure by government personnel; requires the following individuals to file annually a complete financial statement with the Comptroller General: (1) the President; (2) the Vice President; (3) each Member of Congress; (4) each justice or judge of the United States; (5) each Federal officer or employee compensated at or above the minimum rate for grade GS–16; and (6) each member of the uniformed service compensated at or above the monthly rate of pay for grade O–7; requires individuals who seek nomination for election, or election, to the office of President, Vice President, or Member of Congress to file a financial disclosure report; requires the report to contain (1) the amount and source of each item of income, of reimbursement for any expenditures, and each gift or aggregate of gifts from one source, other than from any member of the immediate family, which exceed $100, including any fee or other honorarium for speeches or articles; (2) the fair market value and source of any item or aggregate of items received in kind from one source, other than the immediate family, including transportation, which exceeds $500; (3) assets, other than household furnishings or goods, jewelry, clothing or vehicles owned solely for the personal use of the individual, the individual's spouse, or dependents; (4) liabilities over $1,000; (5) securities or commodities futures transactions over $1,000; (6) real property transactions where the property value exceeds $1,000; (7) any patent right or interest in any patent right, and its nature; and (8) an agreement for employment after leaving office; provides that an individual need not specify the actual amount or value of each item but shall indicate whether the amount or value is within the category of under $5,000, between $5,000 and $15,000, $15,000 to $50,000, $50,000 to $100,000, or over $100,000; does not require disclosure of the sole property of a spouse or dependent not derived from the covered individual; authorizes the President to exempt any individual in the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, or exclusively in intelligence activities, from filing the report with the Comptroller General and provides that the individual instead shall file the report with the head of the agency, or if the individual is the head of any agency or in a similar position, that the report shall be filed with the Chairman of the Civil Service Commission; sets a penalty for failure to file or falsify the report of a fine not over $10,000 or one year's imprisonment, or both; provides for public access to such financial reports; directs the Comptroller General to spot audit the financial reports filed; and contains other provisions. S. 496—Passed Senate July 21, 1976. (398)

White House Conference on Handicapped: Extends from 2 to 3 years the period during which the President is authorized to call a White House Conference on Handicapped Individuals pursuant to Public Law 93-516. S.J. Res. 154—Public Law 94-224, approved February 27, 1976. (VV)

GOVERNMENT EMPLOYEES

Federal employees withholding tax: Amends title 5, U.S.C., to redefine the term "city" to mean any unit of general local government which (1) is classified as a municipality by the Bureau of the Census, or (2) is a town or township which, in the determination of the Secretary of the Treasury, meets certain specified criteria, in order to qualify for statutory provisions relating to the withholding of city income or employment taxes from Federal employees. H.R. 10572—Public Law 94-358, approved July 12, 1976. (VV)

Federal mine safety inspectors protection: Amends section 1114, title 18, U.S.C., to place Federal mine safety inspectors under those provisions which protect Federal officials from interference with the performance of their official duties. S. 3070—Passed Senate May 19, 1976. (VV)

*Hatch Act revisions: Amends present law to permit active participation by Federal employees in political processes at all levels of government, effective January 1, 1977; retains existing prohibitions on political contributions and other political activities for employees of the Internal Revenue Service, the Central Intelligence Agency, and the Justice Department except for (1) employees in non-sensitive positions, (2) employees in sensitive positions when the agency head determines that their political activity would not adversely affect public confidence and Congress does not disapprove within 30 days, and (3) Presidential appointees who determine national policies; contains provisions to protect employees from influence or coercion regarding political support and financial contributions; prohibits political activity on duty, in Federal buildings, or in uniform; establishes an independent Board on Political Activities of Federal Employees to adjudicate promptly alleged violations of the Act; mandates a 30 days suspension of any employee convicted of violating the prohibitions against use of official information or authority; provides that an employee may campaign for public elective office during his spare time or by utilizing accrued annual leave; exempts certain White House personnel from the prohibition against political activities while on duty, on government property, or in uniform but states that this exemption is not an authorization for such activity; and contains other provisions. H.R. 8617—Vetoed April 12, 1976. House sustained April 29, 1976. (69, 109)

Health benefits for survivor annuitants: Amends title 5, U.S.C., to restore health benefits coverage for any recipient of a civil service survivor annuity whose coverage under the health benefits program was terminated because of remarriage but whose annuity has subsequently been restored under the provisions of Public Law 89-504 (which permitted survivors who remarried after age 60 to retain their annuity and health benefits, and restored annuity benefits to survivors, upon termination of a remarriage, whose annuities ceased because of remarriage prior to age 60). H.R. 11439—Public Law 94-342, approved July 6, 1976. (VV)

Indian affairs employees' retirement benefits: Extends to certain non-preference employees (non-Indians) of the Bureau of Indian Affairs, Department of Interior, and the Indian Health Service, Department of Health, Education and Welfare, improved retirement provisions to off-set their loss of competitive status for promotions and transfers; provides that an employee may retire on an immediate annuity prior to December 31, 1985, after completing 25 years of service or becoming 50 years of age and completing 20 years of service and has been continuously employed in the Bureau of Indian Affairs or the Indian Health Service since June 17, 1974, is not otherwise entitled to full retirement benefits, and has been passed over on two occasions because of the application of the Indian preference laws; and provides an annuity computation formula whereby an employee covered by the bill would receive 2½ percent of their "average pay" for each of the first 20 years of service and 2 percent for each year thereafter. H.R. 5465—Passed House May 3, 1976; Passed Senate amended July 20, 1976; In conference. (VV)

Reemployed civil service annuitants: Provides that Federal agencies reemploying annuitants will be required to deposit to the credit of the Civil Service Retirement and Disability Fund the amounts of annuity deducted from the salaries of reemployed retirees instead of, as at present, having the annuity continue and the agency deduct an amount equal to the annuity from the salary, and contains other provisions. H.R. 3650—Passed House July 21, 1975; Passed Senate amended August 9, 1976. (VV)

Secret Service Director's salary: Amends sections 5315 and 5316, title 5, U.S.C., to place the Director and the Deputy Director of the Secret Service in levels IV and V of the executive schedule of pay, respectively. S. 3028—Passed Senate February 26, 1976. (VV)

HEALTH

Alcohol abuse, prevention and treatment: Extends for 3 years, through fiscal year 1979, and increases the authorizations for programs administered by the Secretary of Health, Education and Welfare through the National Institute of Alcohol Abuse and Alcoholism with particular emphasis on: increased Federal Assistance for States adopting the basic provisions of the Uniform Alcoholism and Intoxication Treatment Act, expanded and improved alcoholism research programs, and the provision of services to currently underserved populations. S. 3184—Public Law 94-371, approved July 26, 1976. (VV)

Biomedical and behavioral research: Amends the Public Health Service Act to reestablish the present National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research as an 11 member Presidential Commission (with provision that the members of the present Commission who are serving when this Act becomes law shall continue to serve on the new Commission until the President makes his appointments) and directs the Commission to assume all powers, functions and duties of the current commission to analyze the ethical, social, and legal implications of all biomedical and behavioral research involving human subjects. S. 2515—Passed Senate May 21, 1976. (VV)

Clinical laboratories improvement: Extends and expands the existing program of mandatory licensure contained in the Clinical Laboratories Improvement Act of 1967 to all laboratories (except those under the jurisdiction of Federal agencies other than the Department of Health, Education, and Welfare) soliciting and accepting specimens for laboratory analysis;

Authorizes the Secretary of Health, Education, and Welfare to license those laboratories meeting quality assurance standards, to promulgate standards and regulations to assure the quality, accuracy, and precision of laboratory testing, and to delegate his licensure authority to States implementing laboratory quality assurance programs at least equal to the Federal program, and to take necessary actions against laboratories not meeting the quality assurance standards;

Authorizes the Secretary to establish an Office of Clinical Laboratories, the purpose of which would be to establish a uniform regulatory program for all laboratories subject to Federal jurisdiction, and to establish an advisory council to advise, consult with, and make recommendations to the Office of Clinical Laboratories concerning the development of quality assurance standards and the implementation of such standards;

Provides for exemption of physicians' office laboratories under certain conditions where physicians file an affidavit with the Secretary, including but not limited to a description of the qualifications of nonphysician laboratory personnel, the quality and type of tests conducted, and the score of proficiency testing examinations taken by such personnel;

Permits the Secretary to waive from the personnel standards laboratories located in rural hospitals with fewer than 100 beds and develop specific job-related proficiency tests for personnel in rural hospital laboratories;

Allows the Secretary to utilize the services of private, nonprofit entities for the provision of inspection and proficiency testing services;

Authorizes $15 million annually to permit the Secretary to provide technical and financial assistance to States to establish or administer laboratory quality assurance programs;

Authorizes the inspection of laboratories; authorizes the Secretary to seek revocation of a laboratory's license where it is found that the laboratory has engaged in kickbacks, bribes, or false, fictitious, or fraudulent billing practices, and directs the Secretary to make an annual report to Congress on the relationship between costs and prices of laboratory services; and

Prohibits discrimination by any licensed laboratory against any employee who has become involved in any activity concerning allegations that the laboratory is in violation of this section; and contains other provisions. S. 1737—Passed Senate April 29, 1976. (159)

Communicable disease control—consumer health education: Revises and extends for 3 years expiring authority for prevention and control of communicable and other diseases, venereal disease, diseases borne by rodents, and lead poisoning prevention programs; provides legislative authority and authorizations for research and for community programs in health information and promotion and health care education; and establishes an Office of Consumer Health Education and Promotion within HEW to promote these programs. S. 1466—Public Law 94-317, approved June 23, 1976. (VV)

Drug abuse office and treatment: Continues the current authorization of $45 million through fiscal year 1979 for drug abuse prevention and treatment programs; increases from $100 million to $200 million the figure used to determine the minimum formula grant to any State (currently $66,666, which would increase to $133,333 if there is no change in the ratio of actual to authorized appropriations); recognizes narcotic addiction and drug abuse as a serious, long-term problem requiring continuous effort; authorizes a scaled-down Office of Drug Abuse Policy in the Office of the President, to be headed by a director appointed with the advice and consent of the Senate, which will replace the Special Action Office for Drug Abuse Prevention; authorizes the Director to make recommendations to the President with respect to policies for, objectives of, and establishment of priorities for Federal drug abuse functions and make recommendations for the coordination of the performance of such functions by Federal Departments and agencies; authorizes $2 million annually to support the activities of the Office; transfers from the Special Action Office to the National Institute on Drug Abuse responsibility for the encouragement of certain research and development at a yearly authorization of $7 million through fiscal year 1978, and adds "less addictive" replacements for opium and its derivatives to the list of priority areas for research; extends the National Advisory Council for Drug Abuse until January 1, 1976; bars hospitals receiving Federal funds from discrimination in admissions and treatment of drug dependent persons and directs the Administrator of Veterans' Affairs to prescribe such regulations for veterans health care facilities; requires States to provide reasonable assurances that programs have proposed performances standards to measure their own effectiveness; and contains other provisions. S. 2017—Public Law 94-237, approved March 19, 1976. (VV)

Emergency medical services: Extends the authorizations for those programs authorized under title XII of the Public Health Service Act, "Emergency Medical Services (EMS) Systems" and section 776, "Training in Emergency Medical Service"; adds a new part B to title XII authorizing $14 million in grants for the establishment, operation, and improvement of programs to demonstrate the treatment and rehabilitation of burn victims, and to conduct research and provide training in such treatment and rehabilitation; authorizes therefor $5.083 million for the transition period July 1–September 30, 1976, $68 million, $90 million and $96 million for fiscal years 1977, 1978 and 1979 respectively;

Adds provisions, earmarking minimum and maximum funds for grants for planning, initial establishment and operation, and expansion and improvement of an EMS system; eliminates the current earmarks for fiscal year 1976 and substitutes maximum limitations for such grants;

Extends the authority to make planning grants or contracts and first-year grants for the establishment and operation of an EMS system through fiscal 1978;

Establishes new stipulations with respect to local matching and procedures for applications for initial establishment and operation and expansion and improvement grants for an EMS system to insure local support for the entity after Federal support has been terminated; establishes a schedule whereby an increasing proportion of the non-Federal share of a grant for development of a system will be cash and made available directly to the regional entity administering the system; excepts the cash match in cases of extreme financial distress, as determined by the Secretary of HEW;

Authorizes a second planning grant to assist entities and States to meet the new application requirements for a section 1203 (establishing and initial operation) or 1204 (expansion and improvement) grant;

Clarifies, expands, and makes more specific certain of the 15 requirements of a comprehensive EMS system; requires that the communication system have the capability to communicate, under certain circumstances, with individuals having auditory and other sensory handicaps, and in the language of predominant population groups in the area; requires that the system be coordinated with systems established under the Highway Safety Act, and the Law Enforcement Assistance legislation; requires coordination of transportation equipment with equipment provided under the Highway Safety Act; deletes the requirement for independent evaluation of an EMS system, and substitutes a requirement that a system must provide the capacity for review and evaluation;

Specifies a maximum period of 5 years of grant support for the development of an EMS system, not including a second planning grant;

Specifies that the administrative unit through which the Secretary is required to administer the EMS systems program shall be a unit specializing in emergency medical services; provides that not more than 7 percent of the funds (but not to exceed $3 million) appropriated yearly to support the EMS system shall be set aside to support the administrative unit as well as the Interagency Committee on Emergency Medical Services;

Specifies that the responsibilities of the Interagency Committee on Emergency Medical Services shall include the development and publication of a comprehensive plan for coordination of federally supported EMS-related activities;

Requires that a uniform funding cycle be established to facilitate application for EMS systems and training grants and that funding priorities and emphasis be coordinated between the programs; earmarks funds for the education and training of physicians in emergency medicine; makes hospitals and EMS entities eligible for EMS grants if the entity is affiliated with an educational institution for conduct of the training programs (except training emergency medical technicians);

Requires projects to submit reports to the Secretary and the Interagency Committee on Emergency Medical Services on the results of the programs supported by initial establishment and operation or expansion and improvement grants;

Clarifies that research contracts may be made with public, as well as private, nonprofit entities with emphasis in the research program placed on methods to improve delivery of emergency medical services;

Excepts certain grants from the prohibition against awarding grants for any project which would be eligible to receive EMS grant funds; permits the Secretary to waive the requirement that an applicant for support for a training project must apply and fail to receive grant support under all other appropriate training authorities of the Act;

Permits HEW to vest title to equipment purchased with tract funds under EMS demonstration programs prior to enactment of the Emergency Medical Services Systems Act of 1973 (Public Law 93-154) in the seven systems supported under that program;

Directs the Secretary to conduct studies to identify the categories of patients which should be included in a uniform reporting system in order to evaluate the effectiveness of EMS systems and burn programs in reducing death and disability;

Extends the expiration date of the National Commission on Arthritis until December 31, 1976; and makes other technical and conforming changes. S. 2548—Passed Senate June 10, 1976. (VV)

Health maintenance organizations: Amends the Health Maintenance Organization Act of 1973, the Social Security Act, and the Public Health Service Act to provide the following reforms:

Legal and technical: Restructures the Individual Practice Association (IPA) to permit it to be a Health Maintenance Organization (HMO) by eliminating the requirement for an IPA to be a separate legal entity; amends the Social Security Act to coordinate the definition of an HMO in the HMO Act with that in the Medicare Act;

Administrative: Requires the Secretary of HEW to administer the HMO program through a single identifiable administrative unit; provides that non-profit HMO's may obtain Federal loan guarantees for planning and development as well as Federal loans to meet the cost of initial operation for a five year period;

Competitive position: Waives the community rating requirement for the first 36 months after qualification for existing HMO's with assurances to the Secretary that health services payments will be under a community rating system after such period; requires HMO's to openly enroll individuals without respect to preexisting illness or medical condition in a number equal to at least four percent of the net increase in membership during the preceding calendar year only after 5 years in operation or when membership has reached 50,000; provides for an HMO to offer supplemental services at its option in its benefits package, and, in addition, makes preventive dental services a supplemental health benefit; and enhances the marketing of HMO programs by requiring that the offer of membership be first made to lawful collective bargaining representatives and that such offer be made only in HMO service areas where at least 25 employees reside. H.R. 9019—Passed House November 7, 1975; Passed Senate amended June 14, 1976; In conference. (280)

Health manpower training: Strengthens and enlarges the National Health Service Corps (NHSC) to help meet the problem of geographic maldistribution of physicians; revises the regulations for designation of health manpower shortage areas so that more regions, especially urban areas, may be so designated; provides that Corps personnel will be assigned to shortage areas with the greatest need; establishes small loans to assist communities to which Corps personnel will be assigned; provides that communities which can afford to do so will reimburse the Federal government for its costs in providing health personnel; also, names health and other public facilities such as hospitals and prisons, eligible for assignment of Corps personnel; provides NHSC scholarships to full-time students who agree to participate in the scholarship program for a minimum of two years and agree to serve in the Corps for a period equal to one year for each year for which the scholarship is received;

Includes a continuation and modification of the program of capitation grants for schools of medicine, osteopathy, and dentistry, and provides $1,800 for each full-time student for 1978, $1,900 for 1979, and $2,000 for 1980; sets a national target that 25 percent of all first-year students apply for NHSC scholarships; requires that if the goal is not met, a capitation requirement that 30 percent of first-year places be reserved for students who have agreed to accept NHSC scholarships; sets a goal of 35 percent for the third year of the program;

Provides, in regard to physician specialties, for a phase-up to 50 percent of new physicians to enter the primary care specialties (family practices, general internal medicine, general pediatrics, and obstetrics and gynecology), and requires that if this national goal is not met that each medical school must allocate primary care residencies among its total affiliated positions as a condition for receiving Federal capitation grants; requires each school receiving capitation grants to set-aside places for residencies in primary care at 42 percent of the residencies in 1977, 47 percent in 1978, and 57 percent in 1979; establishes in the Public Health Service a National Council on Postgraduate Physician Training to make a study of matters relating to postgraduate training and make recommendations within two years;

Revises the requirements for physician eligibility for exchange visitor visas; requires the establishment of a health professions personnel data base; establishes a program of federally insured loans by private lending institutions to students in health professions schools to support students with exceptional needs; authorizes support for graduate programs in health administration; extends and expands Federal support for schools of public health and their students; continues support for schools of veterinary medicine, optometry, podiatry, and pharmacy; contains provisions to direct federal funds toward the problems encountered by allied health employees in the continuing phase-down and closure of mental health and mental retardation institutions and relocation of patients in community-based facilities; authorizes funds to establish and operate Occupational Health Training and Education Centers; continues and expands the area health education centers program; revises and continues the program to support the startup of new schools which train health professionals; revises the program providing assistance for the construction of teaching facilities; authorizes special project grants for humanistic medicine, primary care in urban settings, and primary care and psychiatry, biomedical education and other projects; and contains other provisions. H.R. 5546—Passed House July 11, 1975; Passed Senate amended July 1, 1976; House requested conference July 30, 1976. (374)

Heart, lung, and blood research: Extends for 2 years the authority of the Department of Health, Education and Welfare to conduct research, experiments and demonstration programs regarding heart, lung, blood and blood vessel diseases; changes the name of the National Heart and Lung Institute to the National Heart, Lung and Blood Institute and provides explicit authority for the Institute to conduct programs with respect to the use of blood products and the management of blood resources; amends existing law to authorize the development of 30 centers for research, training, and demonstrations (10 centers for heart diseases, 10 centers for lung diseases; and 10 centers for blood, blood vessel diseases, research in the use of blood products, and research in the management of blood resources); requires the National Heart, Lung and Blood Advisory Council to submit a report by November 30 each year to the Secretary for simultaneous transmittal to the President and Congress on the progress of the National Heart, Blood Vessel, Lung and Blood Disease Program during the preceding fiscal year with the transition period July 1–September 30, 1976, to be considered as a fiscal year for such reporting purposes; and authorizes $10 million for fiscal year 1976 and $30 million for fiscal year 1977 for prevention and control programs, and $339 million for fiscal year 1976 and $373 million for fiscal year 1977 for the national heart, blood vessel, lung and blood diseases and blood resources program;

Extends for 2 years, through fiscal year 1977, the authority of the Secretary of HEW to provide awards to individuals and institutions for biomedical and behavioral research training and authorizes therefor $165 million for fiscal year 1976 and $185 million for fiscal year 1977; changes the manner in which interest accrues on National Research Service Awards to make interest on the award computed from the time the United States becomes entitled to recover all or part of the award;

Requires that the President's Panel on Biomedical Research and the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research each conduct studies on the implications or disclosure to the public of information contained in the NIH research grants or contracts;

Expands the Director of NIH's authority to conduct research into genetic diseases including but not limited to sickle cell anemia, Cooley's anemia, Tay-Sachs disease, cystic fibrosis, dysautonomia, hemophilia, retinitis pigmentosa, Huntington's chorea, and muscular dystrophy; and authorizes the Secretary to award grants and contracts for research projects with respect to such diseases;

Contains provisions relating to regulation of vitamin and mineral products under the Federal Food, Drug and Cosmetic Act;

Amends the National Arthritis Act to clarify the definition of arthritis and to raise the authorizations under the act;

Extends the expiration date of the National Diabetes Commission (Public Law 93–354) to September 30, 1976;

Amends the Public Health Service Act to add ambulatory surgical services as a supplemental health service which could be offered by migrant health and community health centers; permits the Indian Health Service to utilize non-profit recruitment agencies to assist in obtaining personnel for the Public Health Service;

Prohibits consideration of political affiliation in making appointments to advisory committees established to assist the Secretary in implementing the Public Health Service Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, and the Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970;

Equates active service of commissioned officers of the Public Health Service with active military service in the Armed Forces for the purposes of all rights, privileges, immunities, and benefits provided under the Soldiers' and Sailors' Civil Relief Act of 1940;

Authorizes the Secretary to make awards to outstanding scientists who agree to serve as visiting scientists at institutions of postsecondary education which have significant enrollments of disadvantaged students with the amount of the award commensurate with the salary or remuneration which the individual had received from the institution with which he has, or had, a permanent or immediately prior affiliation; and

Extends the authorizations for physician shortage area scholarships at $3.5 million for fiscal year 1975 and $2 million for fiscal year 1976, and for health professions student loans, at $60 million for fiscal year 1976. H.R. 7988—Public Law 94–278, approved April 22, 1976. (*578)

Helen Keller Center: Amends the Rehabilitation Act of 1973 to provide that the center for deaf-blind youth and adults established by the Act shall be known as the "Helen Keller National Center for Deaf-Blind Youths and Adults". H.R. 12018—Public Law 94–288, approved May 21, 1976. (VV)

Lead-based paint poisoning prevention: Authorizes $91.5 million for 3 years for programs under the Lead-Based Paint Poisoning Prevention Act (Public Law 91–695) designed to: (1) provide assistance for protecting against the lead-based paint poisoning hazard in homes where cases of childhood lead-based paint poisoning have been actually identified; (2) authorize the Department of Health, Education and Welfare to safeguard against the application of lead-based paints to any cooking, drinking or eating utensil; (3) authorize the Department of Housing and Urban Development to restrict the application of lead-based paint in residential structures constructed or rehabilitated by the Federal government, or with Federal assistance; (4) authorize the Consumer Product Safety Commission to prohibit the application of lead-based paints to any toy or furniture article; and (5) limit the amount of lead contained in residential interior paints to no more than .06 percent, unless a majority of the members of the Consumer Product Safety Commission agrees to another level, not to exceed one-half of one percent lead by weight, within 6 months of enactment of the bill. S. 1664—Passed Senate February 19, 1976. (42)

Medical device safety: Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices;

Classifies all medical devices intended for human use into one of the following three categories based on the extent of regulation necessary to assure safety and effectiveness: Class I—General Controls, consisting of devices for which sufficient data is available to assure their safety and effectiveness or for which insufficient information exists to determine that the controls are sufficient but are not used in supporting or sustaining life or preventing impairment of health and which do not present an unreasonable risk of illness or injury; Class II—Performance Standards, consisting of devices for which Class I controls are insufficient and it is determined that insufficient information is available to establish performance standards to assure their safety and effectiveness; and Class III—Premarket approval consisting of devices which cannot be classified as a Class I or II device because of insufficient data to assure their safety and effectiveness and which are used in supporting or sustaining human life, in preventing impairment of human health, or present an unreasonable risk of illnes or injury;

Requires the Secretary to establish panels of experts to evaluate the safety and effectiveness of devices, with members having adequately diversified expertise in such fields as clinical and administrative medicine, engineering, biological and physical sciences, and other related professions; provides for the appointment to each panel of 2 nonvoting members representing consumer interests and the manufacturer of the device; requires the panels to submit their recommendations with respect to the classification of devices to the Secretary who shall have such recommendations published in the Federal Register for public comment, and following review of such comments, classify the device;

Requires classification panels to submit recommendations to the Secretary respecting the classification of all "old" devices (those introduced into interstate commerce prior to the date of enactment) and places all "new" devices (those introduced into interstate commerce after the date of enactment) into Class III until they have been reclassified by the Secretary; requires that all old devices implanted into the human body or used in supporting or sustaining life be classified into class III unless there is sufficient data available to assure the safety and effectiveness of the device;

Contains provisions to assure that those who offer to develop performance standards are qualified and that a conflict of interest is not involved and provides for disclosure of information regarding the individual or group who is chosen to promulgate the standards;

Provides that a published notice requiring premarket approval of a Class III device contain an opportunity to request a change in the classification of the device which must be submitted within 15 days and acted upon within 60 days of the publication; authorizes administrative review of decisions by the Secretary with respect to premarket approval or scientific review, and product development protocols; requires that patients be notified of risks or hazards presented by devices; exempts custom devices from applicable requirements respecting performance standards and scientific review or premarket approval under specified conditions; authorizes the Secretary to limit the sale or distribution of devices under specified circumstances; contains transitional provisions designed to place articles which would be devices under the new definition of "device" but which are presently being regulated as new drugs into comparable regulatory status as devices; authorizes the export of devices which did not comply with the requirements relating to performance standards or to scientific review if the Secretary determines that such export is in the interest of public health and safety and had the approval of the country to which it is intended for export; and contains other provisions. S. 510—Public Law 94–295, approved May 28, 1976. (*139)

Rehabilitation Act Extension: Extends the authorizations for vocational rehabilitation services, research and training, grants for construction of rehabilitation facilities, vocational training for handicapped individuals, the National Center for deaf-blind youths and adults, and other programs under the Rehabilitation Act until September 30, 1977, with an additional 1-year extension if Congress fails to act on legislation extending the authorizations for programs under the Act by April 15, 1977. H.R. 11045—Public Law 94–230, approved March 15, 1976. (VV)

Swine flu immunization program: Authorizes the Secretary of Health, Education, and Welfare to establish, conduct, and support (by grant or contract) needed activities to carry out a national swine flu immunization program until August 1, 1977, provides, in order to protect the agencies, organizations, and individuals who will manufacture, distribute, and administer the vaccine against liability for other than their own negligence, an exclusive remedy against the United States to persons alleging personal injury or death arising out of the administration of the vaccine; provides that the swine flu program shall consist of the: (1) development of a safe and effective swine flu vaccine, (2) preparation and procurement of the vaccine in sufficient quantities for the immunization of the population of the States, (3) making of grants to State health authorities to assist in meeting their costs for programs to administer the vaccine and the furnishing to them of sufficient quantities of the vaccine, (4) furnishing to Federal health authorities of appropriate quantities of the vaccine, (5) the conduct and support of training of personnel for such immunization activities and of research on the cause of the influenza and the cost and effect of the immunization program, (6) the development, in consultation with the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and implementation of a written informed consent form and procedures explaining the risks and benefits to the individual before vaccination, and (7) other necessary activities to implement the program; and contans other provisions. S. 3735. Public Law 94– , approved. (VV)

HOUSING

Housing—flood insurance: Permits homeowners interest subsidies under Section 235 of the National Housing Act to be extended to owners of two modular mobile homes; increases the mortgage limits eligible for insurance under Section 235 from $21,600 to $25,000 and from $25,000 to $29,200 in any geographical area where the Secretary of Housing and Urban Development (HUD) finds that cost levels so require, and from $25,200 and $28,800 to $29,200 and $33,400 respectively for a dwelling for a family with five or more persons; extends the expiration date for this program from June 30, 1976, to June 30, 1977; transfers all insurance obligations under the section 221 housing programs for moderate income and displaced families Below-Market-Interest-Rate program from the General Insurance Fund to the Special Risk Insurance Fund;

Amends Section 244 co-insurance program to (1) clarify the authority of the Secretary to co-insure mortgages on a basis which might require the "top" assumption of loss by the mortgagee with subsequent loss shared on a percentage or other basis with the Federal Government, (2) make the 20 percent limitation on co-insurance of mortgages or loans inapplicable where the lender is a "public housing agency", (3) authorize the Secretary to co-insure mortgages on projects which are under construction in those cases where public housing agencies are lenders, and (4) provide that the term "public housing agency" for the purpose of section 244 has the same meaning as it does in section 3(6) of the Housing Act of 1937;

Provides that assistance payments made with respect to a dwelling under the Housing Act of 1937 shall not be considered as income or as a resource for the purposes of determining eligibility under the Social Security Act or any Federal law; authorizes the section 8 subsidy housing program enacted under the Housing and Community Development Act of 1974, under which HUD pays the housing owner the difference between the tenant contribution and the approved rent a maximum of 20 years to be made available to units in rural areas financed under the Farmers Home Administration section 515 rural rental program for the full period of the FmHA mortgage, which is generally 40 years;

Authorizes Federal savings and loan associations to invest in the share capital and capital of the Inter-American Savings and Loan Bank;

Provides that in the event of a short-fall in funding for the community development program in fiscal year 1977 that the shortfall in hold-harmless funds shall be distributed equitably among all urban counties and all large metropolitan cities in order to minimize the total loss to any single jurisdiction and establishes a set-aside for discretionary balances to insure small cities access to the program;

Amends the National Flood Insurance Act to correct certain inequities resulting from the general statutory prohibition against federally supervised conventional mortgage lending in identified flood hazard areas of communities not participating in the national flood protection and insurance programs, which requires compliance with HUD land use and construction standards as a prerequisite for obtaining Federally subsidized flood insurance as follows: (1) extends to nonparticipating communities the existing exception which permits conventional mortgage loans to be made for the purchase of existing, previously occupied residential dwellings, and broadens the exception to include the purchase of existing small business properties and to permit present owners of residential dwellings to extend, renew or increase the financing on their homes; (2) authorizes the making of conventional loans to finance improvements to existing residential structures up to an aggregate of $10,000 per dwelling; (3) permits the making of conventional loans to finance improvements or additions to an existing farm for non-residential agricultural purposes; and (4) eliminates the existing prohibition on Federal disaster assistance to non-participating communities which suffer disasters not involving flooding;

Amends the Securities and Exchange Act to clarify the authority of State or political subdivisions to tax stock transfers; and contains other provisions. H.R. 9852—Passed House October 20, 1975; Passed Senate amended January 23, 1976; Senate requested conference January 23, 1976. *NOTE*: (Provisions of this bill are contained in S. 3295, Housing Programs, which passed the Senate on April 27, 1976.) (VV)

Housing programs: Increases the estimated $1 billion in funds available as of September 30, 1976, for housing assistance annual contributions contracts by $850 million on October 1, 1976; reiterates the existing requirement that housing funds be allocated for new, rehabilitated, and existing units in a community in the proportion specified in that community's housing assistance plan; requires the Department of Housing and Urban Development to allocate at least $140 million in contract authority for traditional public housing, at least $100 million of which must be used for the provision of additional new or rehabilitated low-income projects;

Increases the earmarked funds to be set aside to assist in financing low-income housing for families who are members of Indian tribes by $17 million on July 1, 1976; requires that at least $60 million of the additional contract authority provided on October 1, 1976, be made available for the modernization of existing public housing projects; authorizes $576 million for fiscal year 1977 for grants to public housing authorities to meet deficits arising because operating costs exceed rental incomes; makes single non-elderly persons eligible for occupancy of public housing and section 8 units in up to 10 percent of a public housing agency's units, provided that single elderly, handicapped or displaced persons get preference for admission; authorizes section 8 housing assistance contracts of up to 40 years in cases of projects financed by the Farmers' Home Administration; authorizes the Secretary of HUD to make section 8 payments with respect to vacant units beyond the current 60-day period, but only for up to 12 months in the amount of the debt service attributable to the unit, and subject to other limitations; raises the income limit for eligibility for Section 235 homeownership assistance from 80 percent of median to 95 percent of median; increases the mortgage limits for section 235; increases the mortgage limits for FHA insured mortgages on multifamily housing; authorizes $500 million to cover FHA general insurance fund losses; increases HUD's authority to allow flexibility in risk-sharing between HUD and a co-insurer public housing agency or insured depository institution; allows HUD to make loans to mortgages with respect to projects co-insured by a public housing agency which are in default; extends the application deadline for requesting compensation for defects in existing FHA housing under section 518(b) (covering certain FHA section 203 and 221 homes purchased between 1968 and 1973) of the National Housing Act until 4 months after enactment of this bill, and creates an interim compensation program under section 518(b) for homes purchased between 1973 and enactment and covered by mortgages insured under section 203 and 221, allowing one year from the date of enactment to apply;

Increases the borrowing authority for the section 202 direct loan program to nonprofit sponsors of housing for the elderly and handicapped from $800 million to $1,475 million upon enactment, to $2,387,500,000 on October 1, 1977, and to $3.3 billion on October 1, 1978; requires approval in appropriations acts of all borrowing authority under section 202 in excess of $800 million; establishes the interest rate on section 202 loans at 7 percent, a reduction from the most recently calculated rate under the current formula of 8.25 percent; and changes the definition of an eligible elderly family to include two or more persons living together, one such person and another providing care to the first, or a surviving member of the family who was living in the unit at the time another member died; extends the section 312 housing rehabilitation loan program until September 30, 1977, and authorizes $100 million for fiscal year 1977 for this program; extends the authorization for the section 701 comprehensive planning program for planning assistance to communities until September 30, 1977, and authorizes $100 million for fiscal year 1977; and extends the section 810 urban homesteading program through fiscal year 1978 at an authorization level of $6.25 million for fiscal year 1976 and the transition quarter and $5 million for each of fiscal years 1977 and 1978; authorizes $100 million for fiscal year 1977 for section 312 rehabilitation loans; increases the purchase price limit on housing with GNMA tandem mortgages; authorizes the use of community development block grant funds for the provision of centers for the handicapped; makes certain new community projects carried out under Title X of the National Housing Act eligible for discretionary fund assistance of the community development block grant program if such projects meet the same eligibility criteria as new community projects being carried out under Title VII of the 1970 housing act; establishes a $65 million authorization level for HUD research activities for fiscal year 1977; authorizes $5 million for each of fiscal years 1977 and 1978 as start-up funding for the National Institute of Building Sciences;

Extends until September 30, 1977, Section 236 rental housing assistance, the Emergency Homeowners' Relief Act (a standby program for homeowners faced with foreclosure because of economic conditions), the Emergency Home Purchase Assistance Act which provides assistance to the housing market during periods of credit shortages by subsidizing interest rates, and the section 245 experimental financing program under which FHA insures loans which use flexible amortization plans corresponding to variations in family income;

Authorizes the FHA to make section 241 supplemental loans to hospitals for additions and improvements; permits homeowners interest subsidies under Section 234 of the National Housing Act to be extended to owners of two-modular mobile homes; provides that assistance payments made with respect to a dwelling under the Housing Act of 1937 shall not be considered as income or as a resource in determining eligibility under the Social Security Act or any Federal law and excludes social security increases occurring after May 1976 from the income of occupants of subsidized housing units for purposes of determining the rental to be paid by such occupants; provides that in the event of a short-fall in hold-harmless funds, that available funds shall be distributed equitably among all urban counties and all large metropolitan cities in order to minimize the total loss to any single jurisdiction and establishes a set-aside for discretionary balances to insure small cities access to the program; extends the time for area survey under the national flood insurance program until September 30, 1977, and amends the program to exempt loans for acquisition or refinancing of residences occupied before March 1, 1976, or within 1 year after designation of the area as a flood hazard area, whichever is later, from the general statutory prohibition against federally supervised conventional mortgage lending in identified flood hazard areas of communities not participating in the national flood protection and insurance program; authorizes HUD to provide space and initial equipment on a reimbursable basis for a day-care facility for children of employees; and contains other provisions. S. 3295—Public Law 94-375; approved August 3, 1976. (155)

INDIANS

Indian Claims Commission: Authorizes $1.65 million for fiscal year 1977 to the Indian Claims Commission; extends the life of the Commission until September 30, 1980, to enable it to adjudicate the 155 claims which are presently pending; provides that if the Commission feels a pending case can be handled more expeditiously by the Court of Claims, the Commission shall certify the case to the Court subject to its approval; provides that any case still pending on September 30, 1980, shall be transferred to the Court of Claims for final adjudication; prohibits the Commission from conducting any hearings or initiating any proceeding during the last 9 months of its existence to allow the Commission 5½ months to complete final action on a claim prior to its expiration date, except that hearings or proceedings leading to a compromise settlement of a claim will be permitted; and requires the Commission to submit a semi-annual report to Congress on the progress and status of all remaining cases along with a projected completion date for each case. S. 2981—Passed Senate April 9, 1976; Passed House amended August 3, 1976. (VV)

Indian crimes: Amends the Indian Major Crimes Act (title 18, U.S.C.) to add the crime of kidnapping to the specified major crimes triable in Federal courts when committed by an Indian in Indian country and provides that such offenses shall be tried in the same courts and in the same manner as other persons committing such offenses within the exclusive jurisdiction of the United States thus insuring Indian defendants equal treatment under applicable provisions of law. S. 2129—Public Law 94-297, approved May 29, 1976. (VV)

Indian health care: Provides the direction and financial resources to overcome the inadequacies in the existing Federal Indian health care program and invite the greatest possible participation of Indians and Alaska Natives in directing and managing that program;

SENATE

Cloture rule: Provides that, except by unanimous consent, no amendments shall be proposed after the cloture vote unless they have been submitted in writing to the Journal Clerk prior to the end of the vote. S. Res. 268—Senate agreed to April 6, 1976. (VV)

Commission on the Operation of the Senate: Authorizes the Secretary of the Senate to advance sums to the Chairman of the Commission on the Operation of the Senate for expenses of the Commission not involving personal services. S. Res. 410—Senate agreed to March 23, 1976. (VV)

Extends from September 30, 1976, to December 31, 1976, the date for the Commission to submit its final report. S. Res. 423—Senate agreed to April 6, 1976. (VV)

Oklahoma Senate contest: Senate tabling of S. Res. 356, relating to a determination of the contested 1974 Oklahoma Senate election involving Senator Henry Bellmon and former Representative Ed Edmondson. Subsequently the Senate agreed to a motion to seat Senator Bellmon unconditionally.

Directs the Secretary of the Senate to reimburse Ed Edmondson and Henry Bellmon for certain necessary expenses incurred by them or others, on their direction, in connection with the Rules Committee's consideration of the contested Senate seat from Oklahoma. S. Res. 404—Senate agreed to August 6, 1976. (VV)

Old Senate Chamber: Provides that on June 16, 1976, the Senate shall recess at 4:00 p.m. and immediately reassemble in legislative session for ceremonies in the Old Senate Chamber (used by the Senate from 1810 to 1859) for the dedication and reopening of the chamber in honor of the Bicentennial; provides that the taking of photographs or recording of the proceedings of the legislative session shall be done in accordance with procedures established by the Commission on Art and Antiquities of the Senate; and invites the Vice-President to address the Senate on this occasion. S. Res. 446—Senate agreed to May 13, 1976. (VV)

Pension fund tax returns: Authorizes the Committee on Labor and Public Welfare (deemed a Select Committee of the Senate for purposes of sections 6103(d) and 6104(a)(2) of the Internal Revenue Code) to inspect and receive tax returns and tax related matters on the Central States, Southeast and Southwest Areas Pension Fund which the committee demonstrates, to the satisfaction of the Secretary of the Treasury, contains or may contain information directly relating to its study and oversight proceedings. S. Res. 483—Senate agreed to June 30, 1976. (VV)

Select Committee on Committees: Establishes a temporary select committee of the Senate to conduct a study of the Senate committee system composed of 12 Members of the Senate (6 from the Majority party and 6 from the Minority party) appointed by the President of the Senate upon the recommendation of the majority and minority leaders; directs the Committee to conduct a thorough study of the Senate committee system including structure, jurisdiction, number and optimum size of committees, number of subcommittees, committee rules and procedures, media coverage of meetings, staffing, and other facilities and to make recommendations which promote optimum utilization of a Senator's time, optimum effectiveness of committees in the creation and oversight of Federal programs, clear procedures for the referral of legislation falling within the jurisdiction of two or more committees, and workable methods for the regular review and revision of committee jurisdictions; requires the Committee to submit a final report of its findings by February 28, 1977, with authorization to submit such interim and supplemental reports as it deems appropriate and authorizes therefor $275,000 of which not to exceed $30,000 shall be for the procurement of the services of individual consultants or organizations. S. Res. 109—Senate agreed to March 31, 1976. (VV)

Amends S. Res. 109 to provide that for purposes of paragraph 6(a) of rule XXV of the Standing Rules of the Senate (relative to the number of committees on which a Senator may serve), service of a Senator as a member of the select committee shall not be taken into account, and excepts the voucher requirement for the disbursement of salaries of employees paid at an annual rate. S. Res. 456—Senate agreed to June 3, 1976. (VV)

Select Committee on Intelligence: Establishes a permanent Select Committee on Intelligence to oversee and make continuing studies of U.S. intelligence activities; provides that its members be selected by the Majority and Minority leaders with 2 Senators each from the membership of the Committees on Appropriations, Armed Services, Foreign Relations, and the Judiciary and 7 others from the Senate at large (4 selected by the Majority Leader and 3 by the Minority Leader); provides that the chairman shall be chosen by the Majority members and that service on the select committee shall not be counted against a member's service on any other committee and may be in addition to other assignments; provides that the Majority and Minority Leaders shall be nonvoting ex officio members of the committee; limits service on the committee to 8 years (not including 1976 service) on a rotating basis so that approximately ⅓ of the membership will be new by the 97th Congress and each successive Congress;

Provides the Committee exclusive legislative authority over the Central Intelligence Agency and shared budgetary and oversight authority with the standing committee formerly responsible—the Armed Services Committee for the Defense Intelligence Agency, National Security Agency and other military intelligence units, the Foreign Relations Committee for State Department intelligence activities, and the Judiciary Committee for the Federal Bureau of Investigation; provides for concurrent sequential referral of legislation and authorizations with an automatic discharge if the second committee does not act within 30 days;

Provides that the committee notify the President if it votes to disclose classified information submitted by the Executive Branch; provides for release of such information unless the President notifies the Committee within 5 days of his objection; provides that if the committee still wishes to release the data it may, by majority vote, report the matter to the full Senate for a decision within 9 days on whether or not to disclose all or any part of the information or to refer it back to the committee for its decision; and

States the sense of the Senate that the heads of intelligence agencies or departments keep the Committee informed of intelligence activities and report immediately all intelligence activities which violate the constitutional rights of any person, law, executive order or agency regulation. S. Res. 400—Senate agreed to May 19, 1976. (181)

Select Committee on Intelligence Activities: Amends S. Res. 21 to extend to March 15, 1976, the date for the temporary Select Committee to submit a final report of the results of the investigation and study conducted by it with respect to intelligence activities; provides that the committee shall cease to exist on May 31, 1976; and authorizes an additional $300,000 for the 3-month period, March 1, to May 31, 1976, of which not to exceed $10,000 shall be for the procurement of consultants. S. Res. 377—Senate agreed to March 1, 1976. (VV)

Amends S. Res. 377 to increase the authorization for the 3-month period March 1, to May 31, 1976, from $300,000 to $350,000 of which not to exceed $15,000 shall be for the procurement of consultants. S Res. 414—Senate agreed to March 31, 1976. (VV)

Amends S. Res. 377, as amended, to increase the authorization for the 3-month period March 1, to May 31, 1976, from $450,000 to $515,000. S. Res. 435—Senate agreed to May 3, 1976. (VV)

Establishes, in title I, the Indian Health Manpower Program and authorizes: a grant program to recruit and aid Indians in pursuing health careers; a preparatory scholarship program for the final two academic years of any pre-professional health education curriculum; a health professions scholarship program; a program to facilitate employment by the Indian Health Service (IHS) of medical students to further expand their opportunities for training; education and training programs in environmental health, health education, and nutrition; and a continuing education allowances program, for the purpose of assuring an adequate health manpower base for proper Indian health services and a sufficient cadre of Indian professional and health workers to permit Indian communities to have a maximum voice in shaping those services;

Provides, in title II, for a planned growth of the Indian Health Service's delivery system and facilities and authorizes funds to remove the backlogs in direct patient care and dental care, improve field health services, mental health care and services, treatment centers for the children, and other unmet health needs;

Authorizes, in title III, funds for construction of modern, efficient hospitals and other health care facilities serving Indians where none exist and to renovate existing facilities, most of which are in a state of general deterioration, and to remedy the lack of safe water and sanitary waste disposal facilities in the Indian environment;

Meets, in title IV, the problem of limited access by Indians to services supported by Medicare or Medicaid due to most Indians living on remote reservation lands by authorizing payments under the two programs to be made to qualified Indian Health Service hospitals and long-term care facilities for services rendered to Medicare and Medicaid patients, and provides 100 percent Federal Medicaid matching funds for services provided to any eligible Indian in an IHS facility;

Establishes, in title V, programs in urban areas to make health services more accessible to the urban Indian population and assist them in making the difficult transition from traditional reservation life to the urban world;

Authorizes a total of $1.6 billion for fiscal years 1977 through 1983; and changes the various Secretarial reporting requirements to assist Congress in undertaking a thorough review of all expenditures at the end of the third fiscal year in order to revise authorization levels if appropriate. S. 522—Passed Senate May 16, 1975; Passed House amended July 30, 1976. (VV)

Palms and Cabazon Mission Indians: Directs the Secretary of the Interior to convey the beneficial interest in 240 acres of land held in trust jointly by the Cabazon and Twenty-nine Palms Bands of Mission Indians, to the Twenty-nine Palms Bands of Mission Indians, and to distribute from the tribal fund of the Cabazon Band to the Twenty-nine Palms Bands the sum of $2,825 plus interest collected as payment for a storm channel right-of-way. H.R. 1465—Public Law 94–271, approved April 21, 1976. (VV)

Pueblo Indians, New Mexico: Repeals a 1926 statute which subjects Pueblo tribal lands to condemnation pursuant to State law. S. 217—Passed Senate May 21, 1975; Passed House amended February 2, 1976; In conference. (VV)

Sioux Black Hills and Wichita Indians tribal claim: Authorizes the U.S. Court of Claims to review, without regard to the technical defense of *res judicata* or collateral estoppel, the determination of the Indian Claims Commission entered February 14, 1974, that the act of February 28, 1877, effected a taking of the Black Hills portion of the Great Sioux Reservation in violation of the fifth amendment; and authorizes the U.S. Court of Claims to consider claims by the Wichita Indian Tribe and affiliated bands with respect to aboriginal title to lands which were acquired by the United States without payment of adequate compensation. S. 2780—Passed Senate July 30, 1976. (VV)

Zuni Indians, New Mexico: Directs the Secretary of the Interior to acquire through purchase, trade or otherwise, the 618.41 acres in New Mexico upon which the Zuni Salt Lake is located and hold such land in trust for the Zuni Indian Tribe; confers jurisdiction upon the Court of Claims to hear and determine an aboriginal land claim of ownership to over 5.2 million acres in New Mexico and Arizona that the Zuni tribe failed to file in the Indian Claims Commission under the Act of August 13, 1946; and authorizes the Zuni Tribe to purchase and exchange lands in New Mexico and Arizona notwithstanding the restrictions in the Act of May 25, 1918, which expressly prohibits further expansion of Indian Reservations in those States. S. 877—Passed Senate June 26, 1976.

INTERNATIONAL

Asian Development Fund: Amends the Asian Development Bank Act by adding a new section authorizing the United States Governor of the Bank to agree to contribute $50 million to the Asian Development Fund replenishment approved by the Bank in December 1975, and authorizes therefor $50 million. S. 3103—Passed Senate May 6, 1976. (VV)

Baltic nations: Expresses the sense of the Senate that the signing in Helsinki of the Final Act of the Conference on Security and Cooperation in Europe did not change in any way the long-standing policy of the United States on nonrecognition of the Soviet Union's illegal seizure and annexation of the three Baltic nations of Estonia, Latvia, and Lithuania, and it will continue to be the policy of the United States not to recognize in any way the annexation of these Nations by the Soviet Union. S. Res. 319—Senate agreed to July 26, 1976. (VV)

Brussels conference: Expresses the solidarity of the American people with the efforts to enlarge human freedom by the participants in the Second Brussels Conference on Soviet Jewry to be held February 17 to 19, 1976. S. Con. Res. 93—Senate agreed to February 5, 1976; House agreed to February 10, 1976. (VV)

Canal Zone: Grants the President or his delegate the authority to regulate the purchase, possession, consumption, use and transportation of alcoholic beverages by minors in the Canal Zone, and imposes penalties for violations of regulations issued pursuant to this authority. H.R. 8471—Public Law 94–345, approved July 8, 1976. (VV)

China earthquake: Endorses and supports the President's offer to provide, through the appropriate organizations and institutions, assistance to the victims of the earthquakes in the Peoples Republic of China, and extends condolences to the victims and the Government. S. Res. 499—Senate agreed to July 30, 1976. (VV)

Commission on Security and Cooperation in Europe: Establishes a Commission on Security and Cooperation in Europe to monitor the acts of the signatories which reflect compliance with, or violation of the articles of the Final Act of the Conference on Security and Cooperation in Europe with particular regard to the provisions relating to cooperation in humanitarian fields and to monitor and encourage the development of programs to expand East-West economic cooperation and cultural interchange; provieds that the Commission shall consist of 15 members (6 from the House of Representatives, 6 from the Senate and 3 appointed by the President from the Departments of State, Defense and Commerce) with the Chairman appointed by the Speaker of the House; gives the Commission the authority. to carry out its mandate including the power of subpena; requires the President to submit a semiannual report to assist the Commission in carrying out its duties which includes a detailed survey of actions of the signatories of the Final Act reflecting compliance with or violation of the provisions of the Act and a description of the planned programs and activities of the appropriate agencies of the Executive branch relating to East-West cooperation and to promoting a greater interchange of ideas and people between East and West; directs the Commission to report to Congress on a periodic basis and to provide information to Members as requested; and authorizes therefor $350,000 for each fiscal year to remain available until expended. S. 3107—Public Law 94–304, approved June 3, 1976. (VV)

Discriminatory trade practices of EEC: States the sense of the Congress that the President seek immediate elimination of the discriminatory trade regulations approved by the Council of the European Economic Community (EEC) which require a surety deposit and certification system on all imported vegetable protein products thus directly affecting U.S. export of soybeans and violating certain provisions placing no duty on soybeans; and directs the President, in the event that the Community fails to eliminate these regulations, to obtain full compensation for such actions under Article XXIII of the General Agreement on Tariffs and Trade. S. Con. Res. 108—Senate agreed to March 31, 1976. (VV)

Foreign investment in the United States: Authorizes the President or his designee to set up a regular and comprehensive data collection program to obtain current and continuing information from business enterprises on a wide variety of international investment issues and to publish such data on a regular and periodic basis; directs the

Secretary of Commerce to conduct "benchmark surveys" of foreign direct investment in the United States and of American direct investments abroad at least once every 10 years; requires the Secretary of the Treasury to conduct a survey of foreign portfolio investment in the United States at least once every 10 years and to provide periodic benchmarks to measure such investments; grants the President and the Secretaries broad authority to determine the subject areas on which statistical information is to be gathered and for which studies may be prepared; authorizes the President, his designee, or the Secretaries to compel designated persons to keep pertinent records and to report relevant information to the agencies administering the information-collection programs; and prohibits the public disclosure of any information gathered under this act in such a way as to identify the company of individual making the report. S. 2839—Passed Senate May 19, 1976. (VV)

Foreign military assistance and arms export control: Authorizes appropriations for security assistance and related programs of $3,166,900,000 for fiscal year 1976 and $790 million for the transition period July 1–September 30, 1976, as follows:

Authorizes for grant military assistance (MAP) for fiscal year 1976 $196,700,000 to which is added $28.3 million in recoupment and reimbursements making a total of $225 million; allocates this amount as follows: $31 million to Greece, $13 million to Indonesia, $50 million to Jordan, $55 million to Korea, $17 million to the Philippines, $16 million to Thailand, $31 million to Turkey, $6 million to Ethiopia, and $6 million to unspecified countries;

Authorizes $1,766,200,000 for fiscal year 1976 for security supporting assistance programs of which not less than the following amounts will be available to the following countries: Israel, $730 million; Egypt, $705 million; Greece, $65 million; and as intended by the committee of conference, Jordan, $72.5 million; Syria, $80 million; Bahrain, $600 million; Malta, $9.5 million; Portugal, $52.5 million,; United Nations Force in Cyprus, $9.6 million; Zaire, $18.9 million; and for Operating Expenses, $22.6 million;

Authorizes $1.039 billion for fiscal year 1976 for Foreign Military Sales Credits (FMS) financing; sets a ceiling of $2,374,700,000 on the aggregate total of FMS credits or participation in credits and of the principal amounts of loans guaranteed during fiscal year 1976; provides, with respect to the long-term repayments mandated for FMS financing provided to Israel that repayment shall be in not less than 20 years following a grace period of 10 years on repayment of principal;

Authorizes $50 million for the Middle East Special Requirements Fund for fiscal year 1976 and earmarks $12 million of this for use as a U.S. contribution toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East;

Makes the transition period authorizations on the same basis as the fiscal year 1976 authorizations;

Terminates authority to furnish grant military assistance (MAP) after September 30, 1977 (with the provision that the authority shall remain available until September 30, 1980, to carry out obligations incurred before September 30, 1977), unless Congress subsequently specifically authorizes assistance to a country; exempts the authority relating to stockpiling of defense articles for foreign countries from this termination requirement; restricts use of the President's emergency authority to draw on Department of Defense stocks and services for military assistance purposes to unforeseen emergencies requiring immediate action vital to U.S. security interests; reduces the authority from $150 million to $67.5 million in any fiscal year, and requires current reporting to Congress on the use of such authority; permits new stockpiles or additions to existing stockpiles of not to exceed $75 million in fiscal year 1976 and not to exceed $18,750,000 during the transition quarter; prohibits locating future stockpiles outside U.S. military bases except for stockpiles located in NATO countries; stipulates that stockpiled defense articles transferred to a foreign country may not be considered "excess" for valuation purposes; and requires the reporting to Congress of each new stockpile or of an addition to an existing stockpile having a value in excess of $10 million;

Places a ceiling of 34 on military assistance advisory groups and missions (MAAG's) effective September 30, 1976; authorizes $27 million for international military education and training and provides that such programs must be justified in the annual presentation to the Congress;

States the sense of Congress that the President should seek to initiate multilateral discussions for the purpose of reducing the international trade in arms and lessening the dangers of regional conflict; requires the President to conduct a comprehensive study of U.S. arms sales policies to determine whether such policies should be changed and to report to the Congress within one year; sets an annual ceiling of $9 billion on arms which are sold under the Foreign Military Sales Act or which are licensed or approved for export in connection with commercial sales for the use of a foreign country or international organization; permits the President to waive the ceiling on aggregate arms sales, on a case-by-case basis without declaring that an emergency exists if he determines that national security interests so require; provides criminal penalties for any person who attempts to avoid the ceiling by exporting without a license or approval as required; provides that the existing requirement in the Foreign Assistance Act that recipient countries must agree in advance not to transfer U.S.-supplied defense articles to a third country without prior U.S. consent shall also apply to related training and other defense services; prohibits third country arms transfers of $25 million or more unless the President certifies the transfers to the Congress and Congress does not disapprove within 30 calendar days or unless the President states an emergency exists which requires the transfer in the security interest of the United States;

Requires that all sales of "major defense equipment" in excess of $25 million must be handled on a government-to-government basis, except to NATO countries, to whom sales above that limit can continue to be made through commercial channels; requires the President to submit to Congress, for possible rejection by concurrent resolution within 30 calendar days, proposed government sales of "major defense equipment" of $7 million or more, all proposed government sales of any defense articles or services of $25 million or more and, regarding commercial sales, all proposed export licenses pursuant to commercial sales of "major defense equipment" of $7 million or more (except for those to NATO countries), with provision for waiver of the 30 calendar day waiting period if the President certifies that an emergency exists which requires the sale or the issuance of the license in the national security interest; contains provisions concerning the cancellation or suspension of licenses and contracts for arms sales if the national interest so requires;

Provides for the termination, within 90 days of continuous session, by Congress of security assistance to a country upon receiving a report from the Secretary of State that the government of a country is engaging in a consistent pattern of gross violations of internationally recognized human rights; provides for termination of assistance, sales, credits or guarantees and cancellation of export licenses, unless required by national security, to governments discriminating against U.S. nationals or persons; prohibits assistance to countries which aid, abet, or grant sanctuary to international terrorists unless required by national security;

Prohibits assistance of any kind to Angola, except for humanitarian purposes, unless specifically authorized by subsequent legislation; permits cash sales, credits, and guarantees of defense articles and services to Turkey as long as Turkey observes the cease-fire on Cyprus, does not increase its military forces or civilian population on Cyprus, and does not transfer to Cyprus any additional U.S. supplied arms; prohibits military assistance and sales credits to Chile; expresses the sense of Congress in support of negotiations to limit military deployments in the Indian Ocean; eases certain restrictions on nonstrategic trade with Vietnam which are to be reimposed after 180 days unless the President certifies to Congress that the Vietnamese have accounted for a substantial number of POW's and MIA's and returned the bodies of a substantial number of dead; prohibits U.S. personnel from participating in direct police arrest actions in a foreign country in connection with narcotic control; and contains other provisions. S. 2662—Vetoed May 7, 1976. (36, 157)

Foreign military assistance and arms export control: Authorizes $3,191,900,000 in security supporting assistance for fiscal year 1976 and $2,973,500,000 for fiscal year 1977;

In regard to the Grant Military Assistance Program (MAP), requires a phaseout of the general foreign military grant assistance program by October 1, 1977, except for programs subsequently authorized on a country-by-country basis; provides that U.S. military missions and similar groups abroad are to be terminated by October 1, 1977, unless continuation of a specific mission is subsequently authorized by law; restricts the President's authority to draw on Department of Defense stocks for military assistance purposes to require a finding that such assistance is "vital" to U.S. security; strengthens provisions of law on terminating grant military assistance and prohibiting credits or guarantees to or for any country which violates the provisions of military aid or sales agreements; establishes an anti-discrimination policy applicable to the military grant aid and government sales programs and to export licenses, which provides for termination of assistance to a country whose policies prevent any U.S. national from participating in the furnishing of defense articles or services on the basis of race, religion, national origin, or sex; requires a report to the Congress from the President upon the request of the Senate Foreign Relations Committee or the House International Relations Committee recommending appropriate action; provides that the transaction shall be suspended if the President does not make the report within 60 days unless and until the report is received, and provides that Congress may, upon receipt of the report, terminate or restrict the transaction by joint resolution; creates an Office of Coordinator of Human Rights with responsibility also for humanitarian affairs, within the Department of State, with whose assistance the Secretary of State is to transmit a report to the Congress on the human rights practices of each proposed recipient of military assistance, and provides that the Congress may by joint resolution at any time after receipt of the report terminate or restrict assistance to a country engaging in a consistent pattern of gross violations of human rights; and prohibits further military or related assistance to Angola except pursuant to specific authorization by law;

In regard to Government Military Sales

and Commercial Exports of Arms, places policy emphasis on public disclosure of arms sales matters and on bringing about restraint in the international trade in arms; revises and combines statutory requirements for controls over commercial and government-by-government military exports in the new Arms Export Control Act so that all military export matters are controlled under one statute; requires that all sales of major defense equipment items totaling $25,000,000 or more must be made through government-to-government channels, except sales to members of NATO; revises and expands reporting procedures for military sales and exports, and requires that, in addition to proposals totaling $25 million or more, all proposals to sell major defense equipment of $7 million or more on a government-to-government basis must be reported in advance to the Congress; requires reports on all agreements to pay agents' fees, and data concerning fees actually paid, in connection with military sales abroad (government and commercial);

Other provisions prohibit U.S. personnel from engaging in direct police arrest actions in foreign countries in connection with narcotics control efforts; prohibit military grant assistance, sales (including cash sales), credits, guarantees, and deliveries of such assistance, and supporting assistance to or for Chile; amend the Foreign Assistance Act to permit the sale of defense articles to Turkey during fiscal year 1977 under the Foreign Military Sales Act, place a ceiling of $125 million on such sales for fiscal year 1977, and limit financing through credits or guarantees under the act to the items sold within that ceiling; place a $27.5 million limit on economic assistance to Chile which may be increased by $27.5 million if the President certifies that Chile is not engaged in gross violations of human rights; express the sense of the Congress in support of negotiations to limit military deployments in the Indian Ocean area; express the sense of the Congress deploring armed strife in Lebanon and requesting that the President use his good offices to seek an end to the civil conflict; modify restrictions in existing law relating to stockpiles intended or earmarked for use by foreign countries; place a ceiling on stockpiles in foreign countries of $93,750,000 for the 1976 transition quarter and $125 million for fiscal year 1977; prohibit security assistance, and most economic assistance to countries that deliver or receive nuclear reprocessing or related equipment unless they have agreed to multilateral safeguards, with the the provision that the President may, by Executive Order, permit deliveries to a country if he finds that termination of assistance would have a serious adverse affect on U.S. interest and certifies that he has received reliable assurance that the country will not acquire or develop nuclear weapons or assist other nations to do so, and so report to Congress; provide that Congress may terminate or restrict assistance to the country in question by a joint resolution introduced within 30 days of the President's transmittal to Congress; earmark $27.5 million each for security supporting assistance to the African countries of Zaire and Zambia, and specify that these funds may not be used for military, guerrilla, or paramilitary activities in either country or any other country; require a report from the President within 60 days of his receiving information of illegal or improper payments by a U.S. corporation to officials of a foreign country receiving international security assistance or of extortion attempts by officials of a foreign country in return for allowing a U.S. citizen or corporation to conduct business in that country, with his recommendation on whether security assistance should be continued; and contains other provisions. H.R. 13680—Public Law 94–329, approved June 30, 1976. (279)

Guatemala relief authorization: Amends the Foreign Assistance Act of 1961 to authorize $25 million for fiscal year 1976 (which shall remain available until expended) for relief and rehabilitation assistance to the people of Guatemala who were victims of the earthquakes which occurred in February of 1976; limits to $4 million the amount which may be used for rebuilding the Puerto Barrios Highway and encourages the use of seismic-resistant materials in the rebuilding of housing; requires that such assistance be subject to the policy and general authority of section 491 of the Foreign Assistance Act of 1961 which provides a consolidated body of legislation on disaster relief and assistance; authorizes the transfer of funds only to reimburse appropriation accounts from which initial relief funds were drawn; directs that to the maximum extent practicable assistance is to be distributed through United States voluntary relief agencies and other international relief and development organizations; and requires the President to submit to the Congress a report 60 days after enactment and quarterly thereafter on the programming and obligation of funds provided under this act. S. 3056—Public Law 94–276, approved April 21, 1976. (VV)

Guatemalan earthquake: States the sense of the Senate that the executive branch be urged to develop, in cooperation with governmental and private donors, programs to assist the people of Guatemala in their efforts to relieve the suffering caused by the recent earthquake and to rehabilitate their nation from the damage inflicted; and extends deepest sympathy to the President and the people of Guatemala in their hour of suffering and distress. S. Res. 390—Senate agreed to February 17, 1976. (VV)

Inter-American Development Bank—African Development Bank: Authorizes $2.25 billion as the U.S. share of a replenishment of the funds of the Inter-American Development Bank (IDB) to be paid out in installments over a 3 and 4 year period; authorizes the U.S. Governor of the Bank to vote in favor of (1) resolutions increasing the authorized capital stock of the Bank to $5.303 billion and the resources of the Fund for Special Operations to $1.045 billion (including therefore authorizations of $1.650 billion and $600 million respectively as the U.S. subscription for these increases) and admitting nonregional countries (10 European plus Japan and Israel) and the Bahamas and Guyana to membership in the Bank; and (2) amendments to the Agreement Establishing the Bank which provide for the creation of a new class of stock designated as Inter-Regional Capital Stock and for Bank lending to the Caribbean Development Bank; instructs the U.S. Executive Director of the Bank to propose a resolution providing for the development utilization of intermediate technologies as major facets of the Bank's development strategy and to report progress of the resolution to Congress;

Amends the Foreign Assistance and Related Programs Appropriations Act, 1975 (Public Law 94–11) to delete that portion of Title III, Investment in Inter-American Development Bank, which earmarks specific amounts of the appropriated U.S. contribution to the Fund for Special Operations;

Authorizes $25 million for U.S. participation in the African Development Fund (AFDF) to be paid in three annual installments of $9 million (1976), $8 million (1977) and $8 million (1978); instructs the Executive Director representing the U.S. in the AFDF to vote against loans to countries involved in unsatisfactory expropriations disputes with the United States;

Instructs the Executive Directors representing the U.S. in the IDB and AFDF to oppose loans to countries engaging in a consistent pattern of gross violations of human rights unless they directly benefit needy people or providing refuge to individuals committing acts of terrorism such as aircraft hijacking; and

States the sense of the Congress that the President should furnish assistance to foreign countries and international organizations for the investigation and planning for the control of swine influenza. H.R. 9721—Public Law 94–302, approved May 31, 1976. (VV)

Italian-U.S. relations: Expresses the sense of the Congress about current political and economic developments in Italy, expresses the deepest concern and sympathy about such events, and makes clear the determination of the United States to be of maximum assistance to its Italian friend and ally. H. Con. Res. 651—House agreed to June 9, 1976; Senate agreed to amended June 11, 1976. (271)

James Smithson request: Expresses appreciation and gratitude to Her Majesty, Queen Elizabeth II, upon the occasion of her visit to the United States, for the bequest of James Smithson (a British subject, scholar and scientist), which enabled the U.S. to establish the Smithsonian Institution in Washington, D.C., and directs the Secretary of the Senate to give a copy of this resolution to the Secretary of the Smithsonian Institution for presentation to Her Majesty, Queen Elizabeth II. S. J. Res. 196—Public Law 94–   , approved   1976. (VV)

Laotian refugees: Amends the Indochina Migration and Refugee Assistance Act of 1975 (Public Law 94–23) to make Laotian refugees eligible for the same types of assistance as are now authorized for Vietnamese and Cambodian refugees. S. 2760—Public Law 94–313, approved June 21, 1976. (VV)

Lebanon: States the sense of the Senate that the President declare the willingness of the United States to participate in multilateral assistance programs to help in the reconstruction of the badly damaged national infrastructure of Lebanon in order to speed a return to normal economic conditions of prosperity there and urges the President to request the Secretary General of the United Nations to renew his appeal for a cease-fire in Lebanon. S. Res. 448—Senate agreed to June 10, 1976. (VV)

Lincoln statue: Authorizes the President to accept, on behalf of the United States, a statue of Abraham Lincoln from its owners, Leon and Ruth Gildesgame, of Mount Kisco, New York, for presentation to Israel. H.J. Res. 406—Public Law 94–208, approved February 4, 1976. (VV)

Olympic Games: Expresses the sense of the Senate that Radio Free Europe be granted the same privileges as other news organizations covering the Olympic games, and directs the Secretary of the Senate to transmit a copy of this resolution to the Chairman of the International Olympic Committee. S. Res. 413—Senate agreed to July 2, 1976. (383)

Palm oil imports: States as the sense of the Senate that (1) the President should initiate discussions leading to negotiations with other nations to restrain the growth of palm oil imports into the United States; (2) the International Bank for Reconstruction and Development and other development agencies should analyze the impact of supporting the production, in developing countries, of specific agricultural commodities for export on agricultural adjustments in other nations; and (3) the United States and multilateral development agencies should take steps to insure that the resources available for agricultural development in the developing nations are directed primarily at the relief of hunger and malnutrition in those countries rather than the export of agricultural commodities in competition with American producers. S. Res. 487—Senate agreed to July 20, 1976.

Palm oil production loans: States as the sense of the Senate that the International Bank for Reconstruction and Development should direct its loan activities in underdeveloped countries to the production of food and fiber needed internally to prevent starvation and to upgrade the diets of all their citizens and cease further encouragement of palm oil production for export so long as the United States remains the only entirely open major import market for palm oil. S. Res. 444—Senate agreed to May 11, 1976. (VV)

Peace corps authorization: Authorizes $81 million to finance the operation of the Peace Corps for fiscal year 1977 including additional funds for increases in salary, retirement, or other employee benefits that may be authorized in fiscal year 1977 and $10.1 million for payment of Peace Corps volunteer's readjustment allowance which was increased from $75 to $125 a month under Public Law 94–130. H.R. 12226—Public Law 94–281, approved May 7, 1976. (VV)

Soviet-United States relations: States the sense of the Senate that U.S. relations with the Soviet Union are a central aspect of U.S. foreign policy and that difficulties existing in that relationship should be sorted out notwithstanding the differences which separate the two governments; states that the basic premise of the U.S. approach to this relationship is that the U.S. must remain unchallengeably strong militarily to insure our security and that of our allies; states that beyond this determination, that our national security policy should be to seek through negotiations to reduce, moderate, and stabilize the military competitions between the two governments by supporting: (1) balanced strategic arms limitation through Congressionally-approved agreements containing verifiable stipulations; (2) demonstration of mutual restraint and commitment to peace; (3) expanded relations through prudent initiatives; and (4) action in consultation with our allies; states that future treaties shall not limit the U.S. to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union; calls for a joint effort by the two governments to bring about the immediate withdrawal by Cuba of all forces from Africa; states that the American objective is to achieve individual freedom and peace in the world and that although cooperation between the U.S. and the Soviet Union may be limited it is the American purpose to enlarge that sphere of cooperation;

States the sense of the Congress (1) that there has been no change in the longstanding U.S. policy on the nonrecognition of the illegal seizure and annexation by the Soviet Union of the three Baltic nations of Estonia, Latvia, and Lithuania and (2) that it will continue to be the policy of the U.S. not to recognize their annexation. S. Res. 406—Senate agreed to May 5, 1976. (168)

Spanish Friendship Treaty: Authorizes a total of $36 million for fiscal year 1977 to implement the provisions of the Treaty of Friendship and Cooperation between the United States and Spain (Ex. E. 94th–2d); includes $15 million for grant military assistance, $7 million for security supporting assistance to support scientific and technical programs and expanded educational and cultural cooperation programs, $2 million for international military education and training, and $12 million for foreign military sales credits to guarantee a $120 million loan for military purchases; provides that the $50 million authorized for an aircraft control and warning system (Article VI of supplementary agreement No. 7) shall be financed from Department of Defense appropriations; provides for the transfer and financing of certain naval vessels and aircraft for Spain (Article X of supplementary agreement No. 7); specifies that such assistance programs be carried out in accordance with applicable legislation (i.e. the Foreign Assistance Act, the Foreign Military Sales Act, and the Congressional Budget Act of 1974): and makes the provisions of this act effective upon the date the treaty enters into force. S. 3557—Passed Senate June 18, 1976. (VV)

State Department authorization: Authorizes $1,376,285,453 for fiscal year 1977 for the operations of the State Department (including the Office of Foreign Buildings), the United States Information Agency and the Board for International Broadcasting which makes grants to Radio Free Europe and Radio Liberty;

Extends to State Department medical personnel malpractice protection similar to that now available to employees of the Public Health Service and the Veterans Administration; removes the existing prohibition against the State Department's development of a new Travel Document and Insurance System;

Places into law the principles governing broadcasts which are in the charter of the voice of America;

Raises the ceiling from $30,000 to $50,000 on annual expenditures by each of two U.S. parliamentary delegations to the Canada-U.S. and Mexico-U.S. Interparliamentary Groups; authorizes $1,500 per year for representational purposes from the budget of the International Joint Commission, U.S. and Canada, to the extent provided in appropriations bills; provides that commissioners of the I.J.C. shall hereafter be appointed subject to the advice and consent of the Senate; authorizes Federal employees to participate in certain educational and cultural exchange programs financed by foreign governments; authorizes U.S. membership on a more permanent footing in four organizations: the International Cotton Advisory Committee, the International Lead and Zinc Study group, the International Rubber Study Group, and the International Seed Testing Association;

Authorizes the Secretary of State to use appropriated funds to compensate alien annuitants for losses resulting from changes in exchange rates;

Amends the Mutual Security Act of 1954 to require that each consolidated report on foreign currency expenditures, which are already submitted to Congress pursuant to the Act, be published in the Congressional Record within 10 legislative days of submission;

Contains provisions regarding the Canal Zone and participation by State Department employees in negotiations if any discrimination against U.S. citizens is involved;

Directs the OMB to report to Congress concerning the use of the reserve fund established by the bill to buffer the operations of Radio Free Europe/Radio Liberty against foreign exchange fluctuations; authorizes the domestic distribution of 7 specified USIA films and one USIA exhibit in conjunction with the American Bicentennial; contains certain technical amendments to the Japan-U.S. Friendship Act;

Authorizes a $10,000 ex gratia payment to Lady Catherine Helen Shaw, wife of the late Australian Ambassador, in compensation for injuries suffered when Lady Shaw was assaulted in Washington, D.C.; provides for GAO audit of expenditures on gifts to foreign nationals involving funds from the "Emergencies in the Diplomatic and Consular Service" account;

Adds a new title to the Foreign Service Act to equate Foreign Service retirement benefits to civil service retirement benefits; states the sense of Congress that a greater number of U.S. ambassadorial positions should be occupied by career personnel in the Foreign Service; requires the Secretary of State to transmit to Congress a comprehensive plan for improvement of the State USIA personnel system within 180 days; and requires the President to transmit to Congress a report on projected U.S. needs for international broadcast facilities and ways in which existing facilities can be put to more efficient use. S. 3168—Public Law 94–350, approved July 12, 1976. (105)

Status of forces agreement claims: Amends sections 2734a(a) and 2734b(a) of title 10, United States Code (the so-called International Agreement Claims Act) to provide for settlement of United States claims obligations under the NATO Status of Forces Agreement and similar bilateral agreements incident to the noncombatant activities of the armed forces. H.R. 7896. Public Law 94– approved 1976. (VV)

Treaties:

Convention on Registration of Objects Launched Into Outer Space: Provides the international community with a central, public, and current registry of objects launched into outer space through the establishment of national registries maintained by the individual State and a central Register maintained by the Secretary-General of the United Nations; requires Convention launching States to register with the Secretary-General, specified information about objects which they launch into the earth orbit or beyond in order to insure the completeness and uniformity of data submitted; provides for full and open access to the information of the central Register; and contains other provisions. Ex. G, 94th–2d—Resolution of ratification agreed to June 21, 1976. (306)

Extradition treaty with Spain: Modifies the Extradition Treaty with Spain (Ex. N, 91st–2d) to increase from 30 to 45 days the period of time during which a person may be provisionally arrested and detained pending presentation, through diplomatic channels, of documents in support of an extradition request. Ex. B, 94th–2d—Resolution of ratification agreed to June 21, 1976. (304)

Extradition treaty with the United Kingdom and Northern Ireland: Provides for the extradition of fugitives charged with any of 29 specified offenses including those relating to narcotics and other dangerous drugs, aircraft hijacking, and any offense for which the laws of both parties provide for over 1 year of detention or which constitute a felony; includes territories under the sovereignty of the United Kingdom with the proviso that the application of the Treaty to any such territory may be terminated upon 6 months' written notice; authorizes extradition under certain conditions for conspiracy to commit any of the specified offenses; permits refusal of extradition unless assurances are received that the death penalty will not be imposed for an offense not punishable by death in the country from which extradition is requested, and lists other reasons for refusing extradition such as when the offense (1) has been barred by lapse of time, (2) is of a political nature, or (3) is specified as being non-extraditable; defers extradition until a trail or sentence already underway in the requested nation has been terminated; provides a 45 day period of time during which a person may be provisionally arrested and detained pending presentation of documents in support of an extradition request; permits the United States to obtain extradition of a person for an offense to which the treaty relates when U.S. Federal jurisdiction is based upon interstate transport or transportation or the use of the mails or of interstate facilities; allows a request for extradition from a British Territory to be made directly to the Governor or other competent authority of that Territory who may himself decide to accede or refer the matter to the United Kingdom; terminates the Extradition Treaty of December 22, 1931, between the U.S. and the United Kingdom; and contains other provisions similar in form and content to extradition treaties recently concluded by the United States. Ex. A, 94th–2d—Resolution of ratification agreed to June 21, 1976. (305)

Inter-American Women's Rights Convention: Provides that the right to vote and to be elected to a national office shall not be denied or abridged by reason of sex. Ex. D, 81st-1st—Revolution of ratification agreed to January 22, 1976. (2)

Radio regulations revision: Updates the Radio Regulations to take account of present technology and deals with such items as the reallocation of frequency channels for radiotelephone or for narrow-band direct printed telegraphy and facsimiles (maps), for intraship radio communications and the like, plus power limitations for such channels; contains a U.S. reservation in the final protocol concerning one of the revision's frequency allocation plans, which was felt to be incompatible with the official and public correspondence needs of the United States; and contains other provisions. Ex. G, 94th-1st—Resolution of ratification agreed to January 22, 1976. (6)

Telecommunications Convention: Abrogates and replaces the International Telecommunications Convention of 1965; generally follows the provisions of the 1956 Montreux Convention, but includes a considerable number of minor improvements and a few major modifications; contains an agreement recognizing the International Telecommunications Union as a United Nations specialized agency; makes major changes in the organization of the International Telecommunication Union and the functions of its subordinate agencies; increases the Administrative Council's membership from 29 to 36 seats with the understanding that there be no provision for rotation of members; continues the membership at five of the International Frequency Registration Board; deletes from the new Convention the territories of Portugal, Spain, the United Kingdom, France, and the United States as members of the Union; and changes the financial contribution of the United States from 11½ percent of the total contribution to 7 percent. Ex. J, 93d-2d—Resolution of ratification agreed to January 22, 1976. (4)

Telegraph and telephone regulations: Simplifies and completely revises versions of the 1958 Telegraph and Telephone Regulations to make it easier for the international business system guided by the Regulations to keep pace with rapidly advancing telecommunications technology; provides the same substantive framework for continued international traffic in both telegraph and telephone service which requires that (1) sufficient international systems be maintained, (2) specified services be provided to users, (3) certain operating procedures be followed, and (4) determination of rates and charges and the accounting of the collection of same follow standardized practices; prohibits rebates on rates set by the general official tariff list and grants the right to terminal and transit telegraph offices to stop certain private telegrams, subject to reference to appropriate authorities, but not safety-of-life service of government telegrams; adds 2 reservations on the final protocol which make it clear that telegraph and telephone service on the North American continent is generally considered to fall within the scope of domestic service and is not governed by these regulations in order to insure that aeronautical service, which is primarily a private communications service, and operational communications of the airline industry are exempt; contains 2 Appendices on Payment of Balance of Accounts for converting currencies for the balances of international telecommunications accounts together with an escape clause which provides that the prescribed settlement procedures need not be observed should there be a "radical change in the international monetary system". Ex. E, 93d-2d—Resolution of ratification agreed to January 22, 1976. (5)

Treaty of Friendship and Cooperation with Spain: Expands and upgrades U.S.-Spanish relations and provides a new institutional framework for such relationships; establishes a U.S.-Spanish Council, under the joint chairmanship of the U.S. Secretary of State and the Spanish Foreign Minister, to meet semi-annually; integrates military cooperation into the Council structure; calls for the development of closer economic ties; takes into account the readiness of the Export-Import Bank to commit credits and guarantees of approximately $450 million to Spanish companies; provides for a broad program of scientific and technical cooperation for peaceful purposes and provides $23 million in U.S. grants therefor; provides for a continuation and expansion of educational and cultural cooperation; contemplates a $12 million U.S. grant to support this program;

Assists Spain in developing a role which will contribute actively to the defense of the North Atlantic Treaty Organization; provides for a Combined Planning and Coordination Staff, with no command functions, setting forth a carefully drawn mandate and geographic area of common concern; grants the U.S. the right to use and maintain for military purposes those facilities in or connected with Spanish military installations which it has heretofore enjoyed except that the number of KC-135 tankers will be reduced to a maximum of 5 and nuclear submarines will be withdrawn from Spain by July 1, 1979; contains provisions regarding the storage of U.S. nuclear devices on Spanish soil; includes agreements on U.S. military strength levels authorized in Spain and confirms U.S. military overflight rights and rights to use facilities in Spain for military aircraft transiting to third countries; states that the U.S. would provide repayment guarantee under the Foreign Military Sales program for loans of $600 million which includes a $75 million grant in defense articles, a $10 million grant in military training, and a U.S. Air Force contribution on a cost-of-sharing basis of up to $50 million for the aircraft control and warning network used by the Air Force in Spain; provides for the transfer of 5 naval vessels and 42 F4E aircraft to Spain on terms which benefit that country; includes assurances to Spain on settlement of damage claims resulting from nuclear incidents involving a U.S. nuclear powered warship reactor pursuant to Public Law 93-513 (Nuclear Accidents and Indemnity); and makes provision for the possible transfer to Spain of petroleum storage and pipeline facilities presently used by U.S. forces;

Includes agreements and notes dealing with U.S. and Spanish roles in administrative and military matters, criminal jurisdiction and claims, labor issues, customs and fiscal questions and logistical matters in the base areas; and

Adds a declaration expressing hope that this Treaty will support Spain's progress toward free institutions and participation in the institutions of Western European political and economic cooperation, full cooperation with NATO, and becoming a party to the Treaty on the Non-Proliferation of Nuclear Weapons or placing its nuclear facilities under safeguards administered by the International Atomic Energy; states that any extension to the initial 5-year period of the treaty shall require the advice and consent of the Senate; and makes clear that funding of treaty commitments for foreign assistance and military sales must go through the regular foreign assistance authorization and appropriation legislation. Ex. E, 94th-2d—Resolution of ratification agreed to June 21, 1976. (309)

Treaty with Switzerland on criminal matters: Provides broad assistance between the United States and Switzerland in connection with investigations or court proceedings (involving 35 specified offenses) including locating witnesses, obtaining statements and testimony of witnesses, production and authentication of business records, and service of judicial or administrative documents as well as special assistance where organized crime is involved; states that except in limited cases, this Treaty does not apply to the extradition or arrest of accused or convicted persons, execution of criminal judgements, political offenses, violation of laws relating to military obligations, military laws, tax and customs laws, and violations of securities laws; and states that tax fraud, which is not a crime in Switzerland, is governed exclusively by the Convention of May 24, 1951, and therefor excluded from this Treaty except in certain organized crime situations. Ex. F, 94th–2d—Resolution of ratification agreed to June 21, 1976. (307)

Women's Political Rights Convention: Provides that women shall be entitled to vote in all elections on equal terms with men, without any discrimination; that women shall be eligible for election to all publicly elected bodies, established by national law, on equal terms, with men, without any discrimination; and that women shall be entitled to hold public office and to exercise all public functions, established by national law, on equal terms with men, without any discrimination. Ex. J, 88th–1st—Resolution of ratification agreed to January 22, 1976. (3)

Tunisia-U.S. relations: Honors President Habib Bourguiba of Tunisia for his wise and courageous leadership through nearly two decades; recognizes Tunisia's importance to the stability of the Mediterranean area; and states the sense of the Senate that the United States should continue to contribute to the maintenance of peace and economic and social development in Tunisia through appropriate economic and military assistance. S. Res. 504—Senate agreed to August 3, 1976. (VV)

United States International Trade Commission: Authorizes $11,789,000 for fiscal year 1977 and $12,036,000 for fiscal year 1978 (plus such additional amounts as may be needed for statutory pay and employee benefit increases) for the operations of the United States International Trade Commission. S. 3420—Passed Senate May 17, 1976. (VV)

United States Winter Olympic Team: Expresses pride in and gratitude for the conduct and achievement of the athletes, coaches, trainers and Committee members of the 1976 United States Winter Olympic Team for their excellent performance at the XII Winter Olympic Games. S. Res. 386—Senate agreed to February 16, 1976. (VV)

United States Information Agency (U.S.I.A.) authorization: Authorizes $266,777,000 for fiscal year 1976 and $71,900,000 for the transition period July 1–September 30, 1976, to the United States Information Agency which conducts cultural informational programs. H.R. 11598—Public Law 94–272, approved April 21, 1976. (VV)

Wilma Rudolph film: Authorizes the United States Information Agency to make available to Cappy Productions, Inc., of New York City, a master copy of the film "Wilma Rudolph Olympic Champion" in order that portions of the film may be used in a television program entitled "Women Gold Medal Winners", which will be used to promote the 1976 Olympic Games. H.R. 6949—Public Law 94–218, approved February 27, 1976. (VV)

1980 Winter Olympic games: Provides Federal financial assistance to the Lake Placid 1980 Winter Olympic Games, Incorporated (or to any other appropriate public authority) to aid in the planning, design, or construction of facilities to be used in connection with the XIII Winter Olympic Games by authorizing the Secretary of Commerce to (1) make direct grants, not to exceed $28 million, to finance permanent, unique sports facilities without the need for State matching funds, and (2) make additional grants, without limitation, to cover up to 50 percent of any increases in construction costs over those projected as of January 1, 1976; directs the Secretary to use other existing Federal assistance programs to the maximum extent possible; makes the assistance program under title I of the Public Works and Economic Development Act of 1965 more readily available to finance other facilities and services for the Games; and excludes any assistance obtained under the Public Works Act by the Lake Placid Olympic Games from the limitation that not more than 15 percent of the funds under that Act be spent in any one State and from the requirement for a non-Federal matching share. S. 2184—Passed Senate June 10, 1976; Passed House amended June 11, 1976; In conference. (VV)

MEMORIALS, TRIBUTES, AND MEDALS

Bernardo de Galvez statue: Authorizes the Secretary of the Interior to accept a statue of Bernardo de Galves, the Spanish Governor of Colonial Louisiana during the Revolution, as a gift from the Spanish Government to the United States for the Bicentennial. S. 3031—Public Law 94-287, approved May 21, 1976. (VV)

Bicentennial reflections: Calls on all Americans to engage in reflection and prayers of thanksgiving and guidance on July 2, 1976, and throughout the Bicentennial weekend of July 3d and 4th. S. Res. 485—Senate agreed to July 1, 1976. (VV)

Charles Carroll medals: Directs the Secretary of the Treasury to strike and furnish to the Baltimore Museum of Art, Baltimore, Maryland, not more than 50,000 national medals commemorating the 200th anniversary of the signing of the Declaration of Independence by Charles Carroll of Carrollton, Maryland. H.R. 3427—Public Law 94-257, approved April 1, 1976. (VV)

Clarence M. Mitchell, Jr.: Honors Clarence M. Mitchell, Jr., for his contributions to the establishment of justice and equality in America by his service as Director of the Washington Bureau of the NAACP, Legislative Chairman of the Leadership Conference on Civil Rights, and various government posts, and expresses gratitude for his efforts to improve the quality of life for all Americans. S. Res. 353—Senate agreed to January 26, 1976. (VV)

Commercial aviation's 50th anniversary: Provides recognition for the 50th anniversary of American commercial aviation. S. Res. 381—Senate agreed to March 31, 1976. (VV)

Congressional country club: Congratulates the Congressional County Club upon being selected to host the 58th PGA championship and, in so doing, compliments the Congressional Country Club on being such a renowned and respected championship golf course. S. Con. Res. 119—Senate agreed to May 27, 1976. (VV)

International Astronautical Federation: Recognizes the importance of the 27th Congress of the International Astronautical Federation (which is a federation of societies devoted to fostering the exploration of space through space science and the development of space technology and law) to be held in Anaheim, California, from October 10 through October 16, 1976; commends the Federation and its affiliated organizations for selecting the United States as the location for its Congress in recognition of the Bicentennial; and commends the U.S. host organizations for sponsoring the Congress. S. Res. 412—Senate agreed to March 24, 1976. (VV)

J Allen Frear Building: Designates the Federal office building located in Dover, Delaware, as the "J. Allen Fread Building". S. 999—Passed Senate June 14, 1976. (VV)

Jerry L. Litton, death of: Expresses the sorrow of the Senate over the death of Representative Jerry L. Litton, of Missouri. S. Res. 509—Senate agreed to August 4, 1976. (VV)

Jerry L. Pettis Memorial Veterans' Hospital: Designates the Veterans' Administration hospital in Loma Linda, California, as the "Jerry L. Pettis Memorial Veterans' Hospital". H.R. 4034—Public Law 94-246, approved March 25, 1976. (VV)

John Witherspoon statue: Authorizes the Secretary of the Interior to permit the relocation of the John Witherspoon statue (located on government property at Connecticut Avenue and "N" Street, N.W., Washington, D.C.) to the National Presbyterian Center and conveys title to the statue to the National Presbyterian Church. S. 1996—Passed Senate May 4, 1976. (VV)

Library of Congress Thomas Jefferson Building: Renames the building known as the Library of Congress Annex as the Library of Congress Thomas Jefferson Building. S. 2920—Public Law 94-264, approved April 13, 1976. (VV)

Lincoln Memorial: Authorizes the Secretary of the Interior to inscribe the names of Alaska and Hawaii on the walls of the Lincoln Memorial in a manner and style consistent with the names of the other 48 States and upon approval of the design and plans for the inscription by the National Capitol Planning Commission, the Commission of Fine Arts, and the Advisory Council on Historic Preservation; and authorizes therefor such sums as necessary. S. 64—Passed Senate April 6, 1976. (VV)

Norris Cotton Building: Designates the Federal office building in Manchester, New Hampshire, as the "Norris Cotton Building". S. 3589—Public Law 94- , approved 1976. (VV)

101st Airborne memorial: Authorizes the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia in honor of the "Screaming Eagles" of the 101st Airborne Division, United States Army, and requires approval of the Mayor if the selected site is under his jurisdiction. S. 1847—Public Law 94-211, approved February 6, 1976. (VV)

U.S. Olympic Team: Commends the U.S. olympic team for their excellent performance in Montreal, Canada. S. Res. 500—Senate agreed to August 2, 1976. (VV)

Commends the United States Olympic Team and the United States Olympic Committee for the outstanding achievements of the American athletes at the XXI Olympiad held in Montreal, Canada. S. Res. 503—Senate agreed to August 3, 1976. (VV)

Ozark-Jeta Taylor Lock and Dam: Renames the Ozark Lock and Dam on the Arkansas River, Arkansas, as the "Ozark-Jeta Taylor Lock and Dam". S. 3063—Passed Senate June 10, 1976. (VV)

Terry Schrunk Plaza: Designates the plaza adjacent to the new Federal building at 1120 Southwest Third Street in Portland, Oregon, as the "Terry Schrunk Plaza". S. 1971—Passed Senate June 10, 1976. (VV)

Torbert H. MacDonald, death of: Expresses the sorrow of the Senate over the death of Representative Torbert H. MacDonald, of Massachusetts. S. Res. 452—Senate agreed to May 24, 1976. (VV)

William A. Barrett, death of: Expresses the sorrow of the Senate over the death of Representative William A. Barrett, of Pennsylvania. S. Res. 433—Senate agreed to April 14, 1976. (VV)

William O. Douglas: Dedicates the Chesapeake and Ohio Canal National Historical Park in the District of Columbia and Maryland to Justice William O. Douglas and requires that the words "Dedicated to Justice William O. Douglas" be prominently displayed on all existing and future signs bearing the name Chesapeake and Ohio Canal National Historical Park. S. 2742—Passed Senate February 4, 1976. (VV)

Wright Patman, death of: Expresses the sorrow of the Senate upon the death of Congressman Wright Patman, of Texas. S. Res. 402—Senate agreed to March 9, 1976. (VV)

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Boundary Waters Canoe Area: Authorizes additional funds of not to exceed $4.5 million, making a total authorization of $9 million, for the acquisition of lands in the Boundary Waters Canoe System within the Superior National Forest in northeastern Minnesota. S. 1526—Passed Senate April 27, 1976; Passed House amended August 2, 1976. (VV)

Chickasaw National Recreation Area: Establishes the Chickasaw National Recreation Area in southern Oklahoma consisting of the Platt National Park and the Arbuckle reservoir, plus certain connecting lands, to protect mineral springs and other natural features and to provide increased outdoor recreation opportunities. H.R. 4979—Public Law 94-235, approved March 17, 1976. (VV)

Cibola National Forest: Extends the boundary of the Cibola National Forest in New Mexico to include four additional areas containing a total of 26,422 acres. S. 1872—Passed Senate June 2, 1976. (VV)

Eugene O'Neill National Historic Site: Authorizes the Secretary of the Interior to accept the donation of, or purchase with donated funds, Tao House in Contra Costa, California, which was the home of Eugene O'Neill from 1937 to 1944 and to designate it as the Eugene O'Neill National Historic Site; provides that the site shall be administered under the basic management provisions of the 1916 Organic Act of the Park Service and the 1935 Historic Sites Act as a center for the performing arts; authorizes the Secretary to enter into cooperative agreements with the Eugene O'Neill Foundation for theatrical productions (similar to those by which Wolf Trap Farm operates) with congressional oversight of any such agreement; and authorizes such sums as necessary which is estimated at between $200,000 to $400,000 per year for operations and maintenance. S. 2398—Passed Senate May 13, 1976. (VV)

Fire Island National Seashore: Amends the Act establishing the Fire Island National Seashore to increase the authorization for land acquisition relating to the Seashore from $16 million to $18 million. S. 867—Passed Senate April 7, 1976. (VV)

George W. Norris National Historic Site: Authorizes the Secretary of the Interior to acquire by donation or purchase with donated funds the home of Senator George William Norris (who, among other achievements, authored the 20th amendment to the Constitution which deals with Presidential and Congressional terms and the sessions of Congress, and the legislation which established the Rural Electrification Administration) in the State of Nebraska and to establish it as the "George W. Norris Home National Historic Site". S. 3476—Passed Senate May 21, 1976. (VV)

Gruber Wagon Works: Modifies the Blue Marsh Lake project to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to relocate and restore intact the historic structure and associated improvements known as the Gruber Wagon Works in Berks County, Pennsylvania which was built in 1882; provides, upon completion of relocation and restoration, that title to the Wagon Works shall be transferred to Berks County upon condition that the county agree to maintain the property in perpetuity as a public museum at no cost to the Federal Government; and authorizes therefor $520,000 which will be in addition to the $590,000 in authority under the Reservoir Salvage Act of 1960, as amended, which limits cost for salvage of historical resources affected by any one project to 1 percent of the total project cost. S. 1497—Passed Senate April 28, 1976. (VV)

Klondike Gold Rush National Historic Park: Authorizes the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park, an area of approximately 13,271 acres consisting of the following four units: Pioneer Square in Seattle, Washington, and the Skagway in Chilkoot Trails, and White Pass units in Alaska; and permits the Secretary to grant additional rights-of-way and related benefits through the White Pass Unit for pipeline and railroad purposes and to grant the State, a road right-of-way across the Chilkoot Trail Unit to link the towns of Skagway and Haines. S. 98—Public Law 94–323, approved June 30, 1976. (VV)

Land and Water Conservation Fund—National historic preservation—oil shale revenues: Amends the Land and Water Conservation Fund Act to increase from $300 million to $1 billion the minimum annual level of the Fund; raises from 7 to 10 percent the maximum percentage of allocated grant funds to which a State is entitled in any one year; changes the formula for land acquisition grant monies from 50–50 to 70–30; requires States to submit their Statewide plans to the areawide clearing house created under the Intergovernmental Cooperation Act for comment; provides that not to exceed 25 percent of a State's annual allocation shall be available for sheltered facilities; requires States to account for funds received on a project-by-project basis; clarifies the extent to which Land and Water Funds can be used to acquire land and for endangered species or wildlife refuges;

Amends the National Historic Preservation Act of 1966 to change the formula for matching grants for planning, nationally significant properties, demonstration projects, and meeting houses from 50–50 to 70–30; repeals the 50 percent limit on planning; establishes a National Historic Preservation Fund and authorizes therefor $150 million per year over a 5-year period to carry out the purposes of the Act;

Provides for Senate confirmation of future appointments to the office of: Director of the Bureau of Land Management, Director of the Nation Park Service, Director of the Bureau of Outdoor Recreation, Commissioner of Reclamation and Governor of American Samoa; and

Amends section 35 of the Mineral Leasing Act of 1920 to permit each State to use its share of oil shale revenues for planning, construction, and maintenance of public facilities and provisions of public services. S. 327—Passed Senate October 29, 1975; Passed House amended May 5, 1976; In Conference. (VV)

Land and Water Resource Conservation: Establishes a mechanism for making long-range policy to encourage the wise and orderly development of the Nation's soil and water resources by requiring that (1) the Secretary of Agriculture prepare an appraisal of the Nation's land, water, and related resources by December 31, 1977, and update it by December 31, 1979, and each fifth year thereafter; (2) the Secretary develop a National Land and Water Conservation Program which will set forth the direction for future soil and water conservation efforts on non-Federal land by December 31, 1977, and update it by December 31, 1979, and each fifth year thereafter; (3) the appraisal report and the program, together with a detailed statement of policy intended to be used in framing budget requests for Soil Conservation Service activities, be submitted to Congress on the first day Congress convenes in 1978, 1980, and at each 5-year interval thereafter; (4) that programs established by law be carried out in accordance with the statement of policy unless either House of Congress within 60 days of receipt of the appraisal report, program, or statement of policy, adopts a disapproval resolution; (5) beginning with fiscal budget for 1979, requests sent by the President to Congress governing soil conservation service activities express the extent to which the programs and policies projected under the budget meet the statement of policy approved by the Congress; and (6) the Secretary submit to Congress, beginning with fiscal year 1979, an annual report evaluating the programs effectiveness. S. 2081—Passed Senate May 25, 1976. (VV)

National parks mining regulations: Repeals the laws permitting mineral development under the Mining Law of 1872 in the 6 areas of the National Park System where such mining is presently permitted: Crater Lake and the Mount McKinley National Parks; Death Valley, Glacier Bay and Organ Pipe Cactus National Monuments; and Coronado National Memorial; provides express and broad authority for management by the Secretary of the Interior of mineral development on patented and unpatented mining claims within all areas of the National Park System; ahd imposes a 4-year moratorium on further surface disturbance within Death Valley and Organ Pipe Cactus National Monuments and Mount McKinley National Park in order to give the Secretary of the Interior an opportunity to determine the validity of existing mining claims and Congress an opportunity to decide whether to acquire any valid mineral rights in order to prevent further damage to these areas. S. 2371—Passed Senate February 4, 1976. (25).

National resource lands management: Provides the first comprehensive, statutory statement of purposes, goals, and authority for the use and management of about 448 million acres of federally-owned lands administered by the Secretary of the Interior through the Bureau of Land Management, which constitutes the largest system of Federal lands and comprises 20 percent of America's land base and 60 percent of all federally owned property;

Requires that the national resource lands be managed in accordance with the principles; establishes the policy that, except where disposal is consistent with the purposes and conditions of the Act, the national resource lands will be retained in Federal ownership; includes, among other policies set by the Act, a fair return to the United States for the use of the national resource lands, full public participation, including hearings and the use of advisory boards, in decision-making concerning those lands, and coordination of the decisionmaking with State and local land use planning;

Repeals a number of the 3,000 public land laws which are either obsolete or conflict with the provisions of the Act; and contains other provisions. S. 507—Passed Senate February 25, 1976; Passed House amended July 22, 1976, In conference. (49)

National Wildlife System Administration: Amends the National Wildlife Refuge System Administration Act of 1966 to provide that all areas included in the System as of January 1, 1975, shall continue to be a part of the System and cannot be transferred or otherwise disposed of except by an Act of Congress; or in the case of lands acquired with duck stamp receipts, without the approval of the Migratory Bird Conservation Commission; and requires the Secretary of the Interior to administer the areas through the U.S. Fish and Wildlife System. H.R. 5512—Public Law 94–223, approved February 27, 1976. (VV)

Ninety Six and Star Fort National Historic Site: Authorizes the Secretary of the Interior to establish the Ninety Six and Star Fort National Historical Park in Greenwood, South Carolina, a 1,115 acre site consisting of the site of the village Old Ninety Six, the Star Fort with its Revolutionary War earthworks, and other historical and archeological remains associated with frontier life in South Carolina; provides that the site shall be administered as a part of the National Park system; and authorizes therefor $320,000 for land acquisition and $2,463,000 for development of facilities. S. 2642—Passed Senate May 13, 1976; Passed House amended June 8, 1976; Senate agreed to House amendment with an amendment June 30, 1976. (VV)

Oroville-Tonasket Unit: Authorizes $35,740,000 to the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, in the State of Washington, in accordance with Federal reclamation laws. S. 3283—Passed Senate August 6, 1976. (VV)

Rangelands management: Directs the Secretary of the Interior to establish an $895.5 million, 30-year range rehabilitation and protection program to halt deterioration and improve the quality of the rangelands on public lands administered by the Bureau of Land Management (BLM) in the Department of the Interior; requires that this rangeland thereafter be administered to insure full productive capacity consistent with the multiple use, sustained yield concept of land management; and authorizes $10 million for fiscal year 1977, with additional increases of $5 million per year for each fiscal year 1978 through 1980, and $500,000 each fiscal year thereafter through fiscal year 2006, which would be in addition to funds presently appropriated to the BLM for livestock management, soil and water, and wildlife. S. 2555—Passed Senate May 3, 1976. (162)

Reclamation projects authroization: Authorizes the Secretary of the Interior to construct, operate, and maintain (1) the Polecat Bench irrigation project of the Shoshone extension unit of the Pick-Sloan Missouri Basin program in northwest Wyoming, and (2) the Pollock-Herreld irrigation project in South Dakota; provides authority for the Secretary to modify the spillway of the existing Dickenson Dam in North Dakota to increase conservation storage and authorizes the construction of a new spillway to assure the safety of the dam from floods; and reauthorizes the existing McKay Dam in Oregon to increase the capacity of the spillway for safety purposes and to include flood control, fish and wildlife, and recreation as project functions. S. 151—Public Law 94–228, approved March 11, 1976. (VV)

Recreation permits: Provides for uniform and objective policies and procedures to be employed by the Forest Service in issuing and administering permits for ski area and other commercial outdoor recreation facilities and services on national forest lands for the purpose of providing a modern permit authority to supplement, and in some cases replace, the increasingly inadequate old statutory base upon which the agency is presently dependent for permitting purposes. S. 2125—Passed Senate July 2, 1976. (VV)

River basin authorizations: Authorizes an additional $602 million for prosecution of projects in the following comprehensive river basin plans for flood control and navigation which are under the jurisdiction of the Secretary of the Army; Alabama-Coosa River Basin, $6 million; Arkansas River Basin, $6 million; Brazos River Basin, $19 million; Columbia River Basin, $39 million; Mississippi River and tributaries, $220 million; Missouri River Basin, $85 million; North Branch, Susquehanna River Basin, $72 million; Ohio River Basin, $23 million; Red River Waterway project, $60 million; San Joaquin River Basin, $46 million; Santa Ana River Basin, $2 million; South Platte River Basin, $22 million; and Upper Mississippi River

Basin, $2 million. H.R. 12545—Public Law 94-347, approved July 8, 1976. (VV)

River basin monetary authorizations: Authorizes a $9 million increase in the monetary authorization for the North Branch Susquehanna and the South Platte river basin projects in order to avoid a delay in ongoing construction. S. 3432—Passed Senate May 18, 1976. (VV)

Saline water authorization: Authorizes a total of $7,540,000 for fiscal year 1977 for the Office of Water Research and Technology to carry out the purpose of the Saline Water Conversion Act of 1971, as amended, with certain items having expected spend out patterns of up to 3 years as follows: $2 million for water resources research with an expected 3-year spent out pattern of 40 percent, 40 percent, and 20 percent; $4 million for technology development with an expected 2-year spend out pattern of 60 percent and 40 percent; $700,000 for test facility operation and maintenance and $840,000 for administration and coordination both of which are expected to be spent in the year authorized; provides the Secretary with latitude to adjust research and development items by not more than 10 percent with an increase in an item accompanied by a like decrease in another item within the same category; and applies, by reference, the provisions of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 relative to the waiver of U.S. rights to inventions and patents arising out of federally funded water research and development projects and section 10 of the act relative to the application of all appropriate antitrust laws. H.R. 11559—Public Law 94-316, approved June 22, 1976. (VV)

Santa Monica Recreation Area: Provides for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California; creates a Federal land use planning Commission composed of members chosen by the State and local governmental subdivisions with jurisdiction over the area to ensure that local governments, which will have the ultimate responsibility for implementing a land use plan will have, in fact, drawn the plan; requires that the Commission develop a comprehensive land use plan which will achieve certain stated objectives of preservation, resource protection, and access; requires that the plan inventory and classify lands within the area, indicate the permissible uses for such lands, specify the land use controls to insure such uses and prevent nonconforming uses, and indentify the unit of Federal, State, or local government responsible for implementing the plan; provides for approval of the plan by the Secretary of the Interior to guarantee that the plan will meet the objectives in the legislation, that the identified units of Federal, State, or local government have the necessary authority to implement the plan and are willing to do so, and that there has been full public participation in the development of the plan; authorizes Federal grants in the total amount of $50 million for the acquisition of land and/or interest in land to assist State and local governments in implementing the plan; and assures California landowners affected by this bill due process through the State of California Federal circuit court system. S. 1640—Passed Senate February 6, 1976. (VV)

Tule Elk: States as the sense of the Congress that the Tule Elk population in California should be restored and conserved at at least 2,000 except that the number of Tule elk in the Owens River Watershed area shall at no time exceed 490 or greater if determined by the State; directs the Secretaries of Interior, Agriculture and Defense to cooperate with California in making lands under their jurisdictions available for the preservation and grazing of Tule elk; requires the Secretary of the Interior to report annually to Congress on the estimated size and condition of the various Tule elk herd and the nature and condition of their habitats; and directs the Secretary of the Interior, in coordination with all Federal, State, and other officers to develop a plan for Tule elk restoration and conservation, including habitat management, to be integrated with comparable plans of State and local authorities in California, and to include a description of the plan in his report to Congress. H.J. Res. 738—Public Law 94- , approved 1976. (VV)

Valley Forge National Historical Park: Authorizes the Secretary of the Interior to accept the donation of the 2,250 acre Valley Forge State Park, to acquire adjoining parcels and inholdings for a total park acreage not to exceed 2,800, and to establish and administer the Valley Forge National Historical Park. H.R. 5621—Public Law 94- , approved 1976. (VV)

Wetlands loan extension: Extends from June 30, 1976, until September 30, 1983, the period during which the Department of the Interior can acquire wetlands for migratory waterfowl and increases therefor the authorization under the Wetlands Loan Act of 1961 from $105 million to $200 million; delays from July 1, 1976, until October 1, 1983, the date when repayment for advance loans from duck stamp receipts would begin; and changes the name of the "Migratory Hunting Stamp" to the "Migratory Bird and Conservation Stamp". H.R. 5608—Public Law 94-215, approved February 17, 1976. (VV)

Wilderness areas:

Alpine Lakes Wilderness: Designates approximately 392,000 acres in the Central Cascade Mountains in the State of Washington as the Alpine Lakes Wilderness with a management unit of approximately 527,000 acres under the direction of the U.S. Forest Service; requires the Forest Service to prepare and implement a multiple use plan for the Federal lands in the unit; and authorizes $57 million for land acquisition and $500,000 for preparation of the multiple use plan. H.R. 7792—Public Law 94-357, approved July 12, 1976. (VV)

Badlands National Monument: Designates approximately 64,250 acres in the Badlands National Monument, South Dakota, as wilderness under the provisions of the Wilderness Act of 1964. S. 1069—Passed Senate May 25, 1976. (VV)

Bristol Cliffs Wilderness: Modifies the boundaries of the Bristol Cliffs Wilderness Area, located in the Green Mountain National Forest, Vermont, by eliminating all privately owned lands and approximately 720 acres of noncontiguous National Forest lands thus reducing the size of the area from 6,500 acres to 3,775 acres. S. 2308—Public Law 94-268, approved April 16, 1976. (VV)

Eagles nest wilderness: Designates a 133,910 acre area in the Arapaho and White River National Forests, Colorado as the Eagles Nest Wilderness. S. 268—Public Law 94-352, approved July 12, 1976. (VV)

Shenandoah National park: Designates 79,019 acres in the Shenandoah National Park, Virginia, as wilderness under the provisions of the Wilderness Act of 1964. S. 895—Passed Senate April 7, 1976. (VV)

Wilderness areas: Designates as wilderness, portions of the following National Wildlife Refuge areas under the Administration of the Secretary of the Interior, consisting of approximately (1) 25,140 acres in the Sineonof National Wildlife Refuge, Alaska; (2) 2,600 acres in the Big Lake National Wildlife Refuge, Arkansas; (3) 23,360 acres in the Chassahowitzka National Wildlife Refuge, Florida; (4) 2,825 acres in the J. N. "Ding" Darling National Wildlife Refuge, Florida; (5) 1,146 acres in the Lake Woodruff National Wildlife Refuge, Florida; (6) 4,050 acres in the Crab Orchard National Wildlife Refuge, Illinois; (7) 2,854 acres in the Lacassine National Wildlife Refuge, Louisiana; (8) 4,000 acres in the Agassiz National Wildlife Refuge, Minnesota; (9) 2,138 acres in the Tamarac National Wildlife Refuge, Minnesota; (10) 7,000 acres in the Mingo National Wildlife Refuge, Missouri; (11) 4,635 acres in the Fort Niobrara National Wildlife Refuge, Nebraska; (12) 9,000 acres in the Swanquarter National Wildlife Refuge, North Carolina; (13) 11,366 acres in the Medicine Lake National Wildlife Refuge, Montana; (14) 32,350 acres in the Red Rock Lakes National Wildlife Refuge, Montana; (15) 20,890 acres in the UL Bend National Wildlife Refuge, Montana; (16) 454 acres in the Oregon Islands National Wildlife Refuge, Oregon; and (17) 353 acres in the San Juan Islands National Wildlife Refuge, Washington. S. 1026—Passed Senate amended July 21, 1976. (VV)

WILDERNESS AREAS STUDIES

Kaiser roadless area: Directs the Secretary of Agriculture to review an approximate 28,000 acre area in the Sierra National Forest, California, known as the Kaiser Roadless Area, for possible inclusion in the the National Wilderness Preservation System, and to report his findings to the President within 2 years from the date of enactment. S. 75—Passed Senate April 8, 1976. (VV)

Nominations

(Action by Rollcall vote)

General George S. Brown, U.S.A.F., for reappointment as chairman of the Joint Chiefs of Staff: Nomination confirmed July 1, 1976. (376)

George Bush, of Texas, to be Director of Central Intelligence: Nomination confirmed January 27, 1976. (10)

S. John Byington, of Virginia, to be a Commissioner on the Consumer Product Safety Commission: Nomination rejected May 24, 1976; Reconsidered and confirmed May 26, 1976. (190, 196)

George Henry Kuper, of the District of Columbia, to be Executive Director of the National Center for Productivity and Quality of Working Life: Nomination confirmed May 28, 1976. (208)

David M. Lilly, of Minnesota, to be a Member of the Federal Elections Commission: System: Nomination confirmed May 28, 1976. (207)

William L. Springer, of Illinois, to be Member of the Federal Elections Commision: Nomination confirmed May 21, 1976 (189)

H. Guyford Stever of the District of Columbia, to be director of the Office of Science and Technology Policy: Nomination confirmed August 9, 1976. (512)

Willie J. Usery, of Georgia, to be Secretary of Labor: Nomination confirmed February 4, 1976. (26)

PROCLAMATIONS

Bald Eagle Day: States the sense of the Senate that the people of the United States observe the weekend beginning January 10, 1976, which is designated as "Bald Eagle Days", to recognize the national symbol of the United States. S. Res. 347—Senate agreed to January 21, 1976. (VV)

Beta Sigma Phi Week: Designates the seven day period beginning on April 30 of each year as "National Beta Sigma Phi Week". S.J. Res. 76—Passed Senate March 31, 1976. (VV)

Bicentennial Day of Prayer: Designates July 2, 1976, as a "National Day of Prayer of Thanksgiving and Guidance". S.J. Res. 179—Passed Senate June 16, 1976. (VV)

Bicentennial Highway Safety Year: Designates the 12-month period beginning with the calendar month after the date of enactment of this Act as "National Bicentennial Highway Safety Year" and specifies an area of activity each month which offers the prospect of achieving substantial reductions in highway accidents, injuries, and fatalities as follows: January—Safety Education; February—Safer Bridges; March—Pedestrian and Bicycle Safety; April—Pavement Marking and Delineation; May—Highway Hazard Removal; June—Safety Belts and Child Restraints; July—Safer Driving; August—Roadside Obstacle Elimination; September—Save our Children; October—Signs and Signals; November—Railroad Crossing Protection; and December—Alcohol and Problem Drinkers. H.J. 726—Public Law 94-322, approved June 30, 1976. (VV)

Employ the Older Worker Week: Designates the week beginning March 13, 1977, as "National Employ the Older Worker Week". S.J. Res. 35—Public Law 94-275, approved April 21, 1976. (VV)

Fair Housing Month: States that the Congress recognizes the month of April 1976 as "Fair Housing Month" and rededicates itself to the promulgation and practice of the letter and spirit of the Fair Housing Law throughout the month of April and thereafter. S. Con. Res. 112—Senate agreed to April 27, 1976. (VV)

Family Week: Designates the week beginning on November 21, 1976, as "National Family Week". S.J. Res. 101—Public Law 94-270, approved April 19, 1976. (VV)

Fourth of July Holiday: Designates July 2, 1976, as an official holiday to create a 4-day holiday for the Bicentennial. S.J. Res. 151—Passed Senate March 31, 1976. (VV)

Horse Week: Designates the period of May 9, 1976, through May 15, 1976, as "National Horse Week". S.J. Res. 182—Passed Senate May 6, 1976. (VV)

Independence Day: Designates July 4, of each year as "Independence Day". S.J. Res. 150—Passed Senate May 6, 1976. (VV)

Knights of Columbus: Designates March 29, 1976, as "National Knights of Columbus Day". S.J. Res. 183—Passed Senate March 18, 1976. (VV)

School volunteers: Authorizes the President to issue a proclamation recognizing the contributions made by Americans who are voluntarily working to improve the quality of education in the United States. S.J. Res. 208—Passed Senate July 29, 1976. (VV)

Small Business Week: Designates the week beginning May 9, 1976, as "National Small Business Week". S.J. Res. 163—Passed Senate May 6, 1976. (VV)

Tennis Week: Designates the fourth week in June as "National Tennis Week". S.J. Res. 172—Passed Senate March 31, 1976. (VV)

Thomas Jefferson Day: Designates April 13, 1976, as "Thomas Jefferson Day". H.J. Res. 670—Public Law 94-163, approved April 13, 1976. (VV)

World Habitat Day: Designates February 29, 1976, as "World Habitat Day". S. Res. 398—Senate agreed to February 25, 1976. (VV)

Select Committee on Small Business: Amends S. Res. 58 (81st Congress) to give legislative jurisdiction over all proposed legislation primarily relating to the Small Business Administration to the Select Committee on Small Business, which was originally created on February 20, 1950, without legislative authority and is composed of 17 members appointed in the same manner and at the same time as the chairman and members of the standing committees of the Senate. S. Res. 104—Senate adopted April 29, 1976. (158)

Senator PROXMIRE: Authorizes the payment from the Senate contingent fund of expenses for private counsel to represent Senator Proxmire in defending civil action Hutchinson v. Proxmire, et al, since it involves the constitutional rights, privileges, and obligations of all Members of Congress. S. Res. 463—Passed Senate August 9, 1976. (514)

Watergate reform legislation: States the sense of the Senate that the Senate should make every effort to reach, by July 2, 1976, a final passage vote on watergate reform, tax reform, and intelligence oversight legislation. S. Res. 437—Senate agreed to May 4, 1976. (163)

TRANSPORTATION—COMMUNICATIONS

Airports and airways development: Amends the Airport and Airway Development Act of 1970 to authorize the Secretary of Transportation to make airport development grants at air carrier airports of $435 million for fiscal year 1976, $440 million for 1977, $465 million for 1978, $495 million for 1979 and $525 million for 1980; authorizes for airport development grants at general aviation airports $65 million for fiscal year 1976, $70 million for fiscal year 1977, $75 million for fiscal year 1978, $80 million for fiscal year 1979, and $85 million for fiscal year 1980; provides not less than $312,500,000 for fiscal year 1976, including the transition quarter, and not less than $250 million per fiscal year for fiscal years 1977 through 1980 for the purpose of acquiring, establishing, and improving air navigation facilities, and authorizes not to exceed $250 million for fiscal year 1977, $275 million for fiscal year 1978, $300 million for fiscal year 1979, and $325 million for fiscal year 1980 for air navigation services and facilities under international agreement, for acquiring, establishing and maintaining air navigation facilities and $50 million annually for research, development and demonstration projects with specific reference to research on a fog dispersal system;

Makes a technical amendment to extend the obligational authority for airport development grants from June 30, 1980, to September 30, 1980, and eliminates the overall obligational limitation;

Expands the definitions of various terms in the act including (1) "airport development" to permit grants to be made for snow removal and noise suppression equipment, construction of physical barriers and landscaping to diminish noise, and the purchase of land to insure its use for purposes compatible with noise levels at airports, and (2) "master planning" to permit funds to be used to plan for potential use and development of land surrounding an actual or potential airport site;

Requires the Secretary of Transportation, in consultation with the Civil Aeronautics Board, to prepare and publish a revised national airport system plan by January 1, 1978, which includes a projection of airport development over the next 10 years;

Provides for annual apportionments of funds to sponsors of air carrier airports (except commuter service airports) based on the number of annual passenger enplanements at the airport; provides that a carrier airport (1) which is served by aircraft heavier than 12,500 pounds or (2) which was served by such aircraft on or after September 30, 1968, shall not receive less than $187,000 or more than $12,500,000 for fiscal year 1976 and the transition quarter or less than $150,000 or more than $10 million per fiscal year thereafter through 1980; provides that a carrier airport which has not been served since September 29, 1968, by aircraft weighing 12,500 pounds or more shall not receive less than $62,500 or more than $12,500,000 for fiscal year 1976 and the transition quarter, or less than $50,000 or more than $10 million per fiscal year thereafter through 1980; provides that amounts designated for carrier airports that are not apportioned under this formula are to be distributed in the discretion of the Secretary, and that $18,750,000 for fiscal year 1976 and the transition quarter, and $15 million per fiscal year 1976 and the transition quarter, and $15 million per fiscal year thereafter through 1980 are to be distributed to commuter service airports;

Provides that the Federal share of airport development projects shall be 90 percent in the case of carrier airports which enplane less than one-fourth of 1 percent of all passengers at carrier airports for fiscal year 1976 through 1978, and 80 percent for fiscal years 1979 and 1980, and at all other airports, 75 percent; provides for a 50 percent Federal share for terminal development; and contains other provisions. H.R. 9771—Public Law 94-353, approved July 12, 1976. (101)

Alaska Highway: Authorizes $70 million in addition to sums otherwise made available to Alaska under title 23, U.S.C., and section 7(b) of the Federal-Aid Highway Act of 1966 for repair of highways in the State which are facing substantial deterioration because of construction of the Trans-Alaska pipeline, and directs the Secretary of Transportation to report to Congress by January 1, 1977, the feasibility of Alaska repaying, out of future mineral revenues it receives, any sums paid to the State pursuant to appropriations authorized by this Act. S. 2071—Passed Senate January 26, 1976. (VV)

Boat safety programs: Amends the Federal Boat Safety Act of 1971 to increase and extend the authorization assistance for State boating safety programs for fiscal years 1977 and 1978 from $7.5 million annually to $10 million; authorizes the Secretary of Transportation to expend not to exceed 1¼ percent of the total funds appropriated annually for audit expenses; and continues the 33⅓ percent limitation on the Federal share of the annual cost of a States boating program. H.R. 5630—Public Law 94-340, approved July 6, 1976. (VV)

Common carrier tariff proceedings: Provides that the Federal Communications Commission may not require more than a 90 day period of time for notification of a change in a common carrier tariff and extends to 5 months the period during which the Commission may suspend the effectiveness of new or revised tariff schedules. S. 2054—Public Law 94-376, approved August 4, 1976. (VV)

ConRail Acquisition of bankrupt rail property: Provides that pursuant to the final system plan formulated by the United States Railway association (USRA) to restructure the midwest and northeast railroad system, the transfer of the rail properties of 11 insolvent railroads along with their subsidiaries and affiliates to ConRail shall not result in the recognition of gain or loss to the transferor companies and that the shareholders and security holders of the transferors will not recognize gain or loss on exchanging their existing interest for ConRail stock and USRA certificates of value; provides that the basis of the assets transferred to ConRail is to be the same for ConRail as the transferor; provides that no net operating losses are to be transferred from the transferors to ConRail; and contains a provision that net operating losses eligible for carry over to years after the date of the transfer are to be kept alive for tax purposes beyond their normal expiration date, but only for use by the transferor against any future income arising from awards of the courts (and the redemption of certificates of value) with respect to the transfer of their rail assets to ConRail. H.R. 12490—Public Law 94-253, approved March 31, 1976. (VV)

ConRail stock: Amends the Regional Rail Reorganization Act of 1973, as amended, to change language describing the process of making adjustments to reflect stock splits, stock combinations, reclassifications and similar transactions that might occur after the time of the distribution of the securities pursuant to the provisions of the Act; sets the initial authorized number of series B preferred stock at 35 million; and provides that the Corporation may issue initially, for the purpose of the required deposit, such numbers of series B preferred and common stock as the Assoication shall certify to the Special Court including any modifications in the numbers of shares as may be ordered by the Special Court. S.J. Res. 184—Public Law 94-248, approved March 25, 1976. (VV)

Educational broadcasting facilities: Extends and perfects the matching grant program for construction of noncommercial educational radio and television broadcasting facilities and authorizes therefor $7.5 million for the transition period July 1–September 30, 1976, and $30 million for fiscal year 1977; and establishes a telecommunications demonstration program administered by HEW to promote the development of nonbroadcast telecommunications facilities for the transmission, distribution, and delivery of health, education and public or social service information whereby the Secretary of HEW is authorized, upon application, to make grants and enter into contracts with public and private nonprofit agencies, organizations and institutions to carry out this purpose and authorizes therefor $250,000 for the transition period July 1–September 30, 1976, and $1 million for fiscal year 1977. H.R. 9630—Public Law 94–309, approved June 5, 1976. (VV)

Federal-aid highway authorization: Authorizes appropriations for the interstate system of $3.625 billion for each of fiscal years 1980 through 1990; provides authorizations out of the Highway Trust Fund for fiscal years 1977 and 1978, for various highway programs, including authorizations of $1.35 billion for each of these years for the Federal-aid primary system in rural areas, the extensions of the system in urban areas, and the priority primary routes, and $800 million for each of these years for the Federal-aid urban system; amends the Interstate transfer provision to allow funding of highway projects on the Federal-aid primary, secondary or urban systems in lieu of a non-essential Interstate link and to provide that the nationwide aggregate costs of substitute projects shall not exceed the nationwide aggregate costs of withdrawn routes, with the costs to be adjusted to the date of enactment of this act; requires States to spend 30 percent of their interstate funds during fiscal years 1978 and 1979 for the completion of intercity projects that would close essential gaps in the system; provides for increased transferability of funds between categories of highways; expands the carpool program to make it permanent and to include van pools, the purchase of vehicles, and carpooling opportunities for the elderly and handicapped within the program; authorizes a traffic control signalization program for demonstration of new technology, and a demonstration project for use in urban mass transportation of the Automated Guideway Transit system now in operation at the Dallas/Fort Worth Regional Airport; changes the apportionment for the primary system to a formula weighted two/thirds to the existing primary formula and one/third to the ratio of population in all urban areas, which reflects the change in the Federal-aid primary system to include urban extensions;

Contains authorizations for fiscal year 1977 and 1978 for programs carried out by the National Traffic Highway Safety Administration and by the Federal Highway Administration; prohibits the requiring of a State to adopt or enforce a motorcycle law requiring motorcycle operators or passengers 18 years of age or older to wear a safety helmet; and contains other provisions. H.R. 8235—Public Law 94–280, approved May 5, 1976. (*585)

Federal Communications Commission forfeiture authority: Amends the Communications Act of 1934, as amended, to unify and simplify the forfeiture provisions; enlarges the scope of forfeiture liability to cover other persons subject to the Act such as cable television systems, users of experimental or medical equipment emitting electromagnetic radiation, persons operating without a valid radio station or operator's license, and some communications equipment manufacturers; extends the limitations period within which notices of liability must be issued as follows: for persons not previously subject to forfeiture liability—1 year; for nonbroadcast licensees—from 90 days to 1 year; and for broadcast licensees—from 1 year to 1 year or the current license terms, whichever is longer but not to exceed 3 years; raises the maximum forfeiture that could be imposed for a single violation to $2,000, for multiple violations in any single notice (in the case of a broadcast licensee, broadcast permittee, common carrier, or community antenna television system) to $20,000, and for any other person to $5,000; authorizes the Commission to mitigate or remit common carrier forfeitures in the same way as it now can for other persons; and permits the Commission to use the traditional procedure for imposing a forfeiture or to hold an adjudicatory hearing under section 554 of the Administrative Procedure Act. S. 2343—Passed Senate June 11, 1976. (VV)

Hazardous materials transportation: Amends the Hazardous Materials Transportation Act to authorize $7 million for each of fiscal years 1977 and 1978 to implement the programs relating to the transportation of hazardous materials; strikes the word "extremely" from the requirement that shippers, carriers, and manufacturers of containers for "extremely" hazardous materials must register with the Department of Transportation; and clarifies the provision that the Secretary's authority to grant exemptions to manufacturers of hazardous materials extends to manufacturers of hazardous materials containers as well as to shippers and carriers. S. 2991—Passed Senate May 19, 1976. (VV)

Independent Safety Board: Authorizes additional appropriations of $3.8 million for the transition period July 1-September 30, 1976, $14.5 million for fiscal year 1977 and $15.7 million for fiscal year 1978 to implement the Independent Safety Board Act of 1974; authorizes the Board to issue an order prohibiting the premature disclosure of confidential infromation it obtains about an aircraft accident investigation conducted by a foreign State in accordance with Annex 13 issued under the Chicago Convention (61 Stat. 1180) when the foreign State requests withholding of that information; sets forth guidelines which the Board should consider prior to issuing such an order and requires publication in the Federal Register of its intent to withhold information; provides for the public disclosure of the information after a period of 2 years or sooner if the foreign State has published a report thereon, has treated the information as not confidential, or has notified the Board that it has no objection to its disclosure; contains provisions concerning judicial proceedings with respect to public disclosure; and specifies that this act shall not be construed as authority to withhold information from Congress or restrict the power of the Board to use or refer to any information in connection with safety recommendations. S. 2661—Passed Senate July 1, 1976. (VV)

Maritime authorization: Authorizes a total of $488,041,000 for fiscal year 1977 for the following five categories of programs of the Maritime Administration: (1) ship operating-differential subsidies—$403,721,000; (2) research and development—$22,500,000; (3) reserve fleet—$4,560,000; (4) maritime training at the Merchant Marine Academy at Kings Point, New York—$13,200,000; and (5) financial assistance to State marine schools—$4,000,000; contains no new funding for vessel construction because funds appropriated for construction-differential subsidies remain unspent and continue to be available for fiscal year 1977 requirements; includes a $3 million increase in research and development activities to accelerate an on-going project to fund ocean testing of industrial plant ships and to conduct the necessary studies regarding the long-term prospects for commercialization of ocean thermal energy; and authorizes additional supplemental amounts to pay for any increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs of public utilities, food service and other expenses of the the Merchant Marine Academy. H.R. 11481—Passed House March 11, 1976; Passed Senate amended June 15, 1976; Senate agreed to conference report August 3, 1976. (VV)

Motor vehicle safety: Amends the National Traffic and Motor Vehicle Safety Act of 1966 to authorize additional appropriations not to exceed $13 million for fiscal year 1977 and $60 million for fiscal year 1978, and directs the Secretary of Transportation to conduct a study and report to Congress, within 6 months of enactment, on actions that can be taken to reduce the likelihood of school bus accidents. H.R. 9291—Public Law 94–346, approved July 8, 1976. (VV)

Rail negotiations: Expresses the sense of the Congress that the public interest requires that the Chessie and Southern Railway Systems and the Railway Labor Organizations should resume negotiations forthwith with the assistance of the Secretaries of Labor and Transportation and exercise unusual diligence to resolve their differences to assure the acquisition and rehabilitation of properties currently owned by bankrupt railroads in the Midwest and Northeast Region pursuant to the final system plan developed by the Consolidated Rail Corporation (ConRail). S. Con. Res. 97—Senate adopted March 4, 1976; House adopted March 9, 1976. (VV)

Railroad revitalization: Provides the means to rehabilitate and restore the financial stability to the railway system of the United States; in title II, amends part I of the Interstate Commerce Act to provide for an extensive overhaul of railroad rate regulation by the Interstate Commerce Commission (ICC), which includes the establishment of new standards for determining whether a railroad rate is just and reasonable and the modification of the power of the Commission to suspend proposed railroad rates which are alleged to be unlawful; in title III, contains provisions to reform and improve the process by which the ICC regulates the railroad system; in title IV, contains provisions designed to expedite and rationalize Commission action on applications for mergers and consolidations of rail services;

In title V, establishes in the Treasury a Railroad Rehabilitation and Improvement Fund to be administered by the Secretary of Transportation for the purpose of providing the capital necessary for rehabilitation and improvement of railroads, including ConRail; directs the Secretary to issue and sell Fund anticipation notes to the Secretary of the Treasury who is to buy the notes to the extent of appropriated funds; provides that the proceeds are to be used by the Secretary of Transportation to purchase "redeemable preference shares" issued by railroads whose applications for financing are approved by the Secretary; authorizes $600 million for the Fund through September 30, 1978;

In title VI, provides for the implementation of the Final System Plan for the Northeast/Midwest Regional rail system; authorizes the United States Railway Association to purchase up to $2.1 billion of ConRail securities unless the Association's Finance Committee (composed of the Secretaries of Transportation and the Treasury and the Chairman of the Association) makes an affirmative finding that ConRail has not fulfilled a commitment to the Association, has failed to obtain the overall operating and finanical results projected in the final System Plan, or cannot achieve the results without requiring Federal assistance substantially in excess of that authorized by this act; provides that an affirmative finding by the Committee to cut off funds for ConRail will become effective after 30 calendar days of continuous session of Congress unless either House passes a resolution of disapproval; authorizes $230 million for preconveyance loans by the Association to ConRail to purchase material, supplies and services in anticipation of its operation;

In title VII, provides for the implementation of the Northeast Corridor project for establishment of high speed intercity rail passenger service in the heavily populated eastern seaboard, which includes the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia; provides that the project is to be funded by the Secretary of Transportation in order to achieve within 5 years the establishment of regularly scheduled intercity service operating on at least a 3 hour and 40 minute schedule between Boston and New York City and a 2 hour and 40 minute schedule between New York City and Washington; authorizes $1.75 billion to meet this goal; sets as other goals the improvement of service on routes from the Northeast Corridor main line, improvement of stations, rail commuter service, rail freight service, and passenger radio telephone service; directs the Secretary to report to Congress in 2 years on the results of the project and on the practicability of establishing passenger service between Boston and New York City on at least a 3 hour schedule;

In title VIII, clarifies the ICC's authority over railroad abandonments and discontinuances; establishes a local rail service assistance program on a nationwide basis and authorizes $360 million for this purpose over a 5 year period; makes several changes in the local rail service assistance program for the northeast/midwest region originally provided in the Regional Rail Reorganization Act of 1973; contains various miscellaneous provisions in title IX, including the reuirement of a study by the Secretary of the American Rail System and an analysis of Federal rail assistance; and contains other provisions. S. 2718—Public Law 94–210, approved February 5, 1976. (*552, *609, 16)

Railroad safety: Amends the Federal Railroad Safety Act of 1970 to authorize additional appropriations of not to exceed $35 million for fiscal year 1977 to implement the act including the State grant-in-aid program of which: $18 million is for the Office of Safety, including salaries and expenses for 500 safety inspectors, 45 signal and train control inspectors, and 110 clerical positions; $3,500,000 is for the Federal Railroad Administration for salaries and expenses for the safety program; and $10 million is for research and development activities; and provides that the aggregate of the amounts obligated and expended for research and development during fiscal year 1977 shall not exceed the aggregate of the amounts expended for rail inspection and for the investigation and enforcement of railroad safety rules, regulations, orders and standards. H.R. 11804—Public Law 94–348, approved July 8, 1976. (VV)

Shipbuilding contracts: Amends section 502(a) of the Merchant Marine Act, 1936, as amended, to extend from June 30, 1976, to June 30, 1979, the authority of the Secretary of Commerce to award subsidies for the construction of vessels with respect to which the price has been established by negotiation between the prospective ship purchaser and the shipyard; provides that the same ceiling on the subsidy rate shall apply to negotiated shipbuilding contracts as to contracts awarded as a result of competitive bidding; and eliminates various references to the Commission on American Shipbuilding and to annual guideline rates which are no longer operative. H.R. 11504—Public Law 94–372, approved July 31, 1976. (VV)

Translator broadcast operations: Amends section 318 of the Communications Act of 1934, as amended, to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programming, and to authorize frequency modulation (FM) radio translator stations to operate unattended in the same manner as is now permitted for television broadcast translator stations. S. 2847—Public Law 94–335, approved July 1, 1976. (VV)

VETERANS

American Battle Monuments Commission travel expenses: Authorizes members of the American Battle Monuments Commission (which was established after World War I to provide plans and cost estimates for suitable memorials to commemorate the services of the American Armed Forces on foreign soil), when traveling outside the continental United States, variable per diem rates identical to those authorized for members of the uniformed services in special status, and makes a technical amendment consistent with the changes made by the Travel Expense Amendments for Government employees (Public Law 94–22) concerning travel by members of the Commission within the continental United States. H.R. 8507—Public Law 94–256, approved April 1, 1976. (VV)

Veterans' housing loans: Amends chapter 17, title 38, U.S.C., to extend eligibility for housing benefits to veterans whose service in the Armed Forces was exclusively following the official termination of World War II and before the Korean conflict (July 25, 1947, to June 27, 1950); increases the maximum loan available through the Veterans' Administration direct home loan program from $21,000 to $33,000 and the maximum amount for a direct home loan in "excess cost" areas from $25,000 to $33,000 thereby providing a single standard throughout the United States; makes the V.A.'s loan guaranty and direct home loan programs ongoing permanent programs; increases the maximum mobile home loan guaranty for the purchase of mobile homes from 30 to 50 percent; makes technical amendments to the housing chapter to correct grammatical errors and to remove unnecessary references; and preempts, under certain conditions, State constitutional usury provisions which limit interest rates chargeable on FHA and VA mortgages by a certain class of lenders but which do not impose such rate limits on mortgages made by another class of lenders. S. 2529—Public Law 94–324, approved June 30, 1976. (VV)

Veterans' information: Amends title 38, U.S.C., to authorize the Veterans' Administration to release the names and addresses of patients who are receiving or have received treatment in VA health care facilities (1) to any nonprofit entity if the release is directly connected with the conduct of programs and the utilization of benefits under title 38, U.S.C., or (2) to any criminal or civil law enforcement agency charged under applicable law with the protection of the public health or safety, if a qualified representative of the agency has made a written request that names or addresses be provided for a purpose authorized by law; and imposes fines and criminal liability for the knowing use or release of names and addresses under unauthorized conditions. H.R. 10268—Public Law 94–321, approved June 29, 1976. (VV)

Veterans' insurance: Amends title 38, U.S.C., to permit any Veteran insured under Servicemen's Group Life Insurance (SGLI) the right to convert to an individual policy of commercial life insurance including a term policy; permits Veterans insured under Veterans' Group Life Insurance when exercising their conversion privilege the right to choose an individual commercial policy of term insurance (convertible at a time specified in the policy to a permanent plan of insurance) or a whole life policy; extends for 1 year after enactment the period during which veterans extended retroactive eligibility by Public Law 93–289 for Veterans' Group Life Insurance may apply for such policies; and makes technical amendments to chapter 19, title 38, U.S.C., to clarify language, restructure sections and eliminate unnecessary gender references. S. 1911—Passed Senate March 19, 1976. (VV)

Veterans' pension reform: Creates a new pension system applicable to all veterans, widows, or dependent parents who, subsequent to October 1, 1976, the effective date of the new program, are or become eligible for a VA non-service-connected pension, for the purpose of assuring a level of income above minimum subsistence, preventing veterans and widows having to return to welfare assistance, treating similarly circumstanced pensioners equally, providing the greatest pension for those with the greatest needs, and guaranteeing regular increases in pensions which fully account for increases in the cost of living; adopts a system of establishing a basic minimum level of income for all eligible veterans and dependents which is $2,700 for all single pensioners and $3,900 for all pensioners with dependents to replace the current basic rate which is reduced by a formula system as outside income increases; adds an additional $1,596 to that level for those in need of aid and attendance and an additional $636 for pensioners who are housebound; equalizes the rates payable to widows with those for veterans; provides automatic annual cost-of-living adjustments to the minimum level of support so that cost-of-living increases in social security benefits will no longer result in a decrease in VA pension payments; authorizes for the period prior to implementation of the new program an 8 per cent increase in the rate payable to currently eligible persons and a $300 increase in the maximum annual income limitations effective January 1, 1976; establishes a new pension program based on identical principles for parents receiving dependent and indemnity compensation; and contains other provisions. H.R. 14298—Passed House June 21, 1976; Passed Senate amended August 4, 1976. (VV)

LEGISLATIVE SCHEDULE

Mr. MANSFIELD. Mr. President, the Democratic Policy Committee met today to consider the tentative schedule for the rest of the year and reiterated its determination to do everything that it possibly could to bring about a sine die adjournment on October 2.

The distinguished assistant majority leader has laid down the pending business for Monday of our return, August 23, Calendar No. 915, H.R. 8603, the postal reorganization bill. It is hoped that in that first week that it will be possible to take up in addition Calendar No. 1055, S. 3730, the military construction authorization bill; H.R. 14232, the HEW appropriations conference report; Calendar No. 872, S. 3084, the Export Administration Act amendments; Calendar No. 838, S. 2657, the higher education and vocational education amendment.

And for the period August 20–September 6, Calendar No. 903, S. 158, the New River as part of the Wild and Scenic River System; Calendar No. 860, S. 3081, the Forest and Rangeland Resources Act; the District of Columbia Appropriations bill; H.R. 14238, the legislative appropriations bill; Calendar No. 827, S. 3037, the Federal Water Pollution Act; and Calendar No. 895, H.R. 13601, the Rail Passenger Act amendments. That is up to the 6th of September.

From September 7 on revenue sharing; the Budget Committee reconciliation resolution; Calendar No. 953, H.R. 14260, foreign operations appropriations; and omnibus rivers and harbors.

And then it is hoped we will be able to take up the sunset bill, the black lung bill, and the wiretap bill. Other measures may be taken up if time and circumstances permit. That is about the best we can do at this time to indicate to the Senate what the legislative schedule would be between now and October 2, hopefully, the date on which we will adjourn sine die. I repeat, the above is tentative.

So, Mr. President, in summary:

Week of August 23–27, 1976:
  Order No. 915, H.R. 8603, Postal Reorganization;
  Order No. 1055, S. 3730, Military Construction Authorization;
  H.R. 14232, HEW Appropriations Conference Report;
  Order No. 872, S. 3084, Export Administration Act Amendments;
  Order No. 838, S. 2657, Higher Education and Vocational Education.
Week of August 30–September 6, 1976:
  Order No. 903, S. 158, New River as part of Wild and Scenic River System;
  Order No. 860, S. 3081, Forest and Rangeland Resources Act;
  District of Columbia Appropriations bill;
  H.R. 4238, Legislative Appropriations bill;
  Order No. 827, S. 3037, Federal Water Pollution Act;
  Order No. 895, H.R. 13601, Rail Passenger Act Amendments.
Week of September 7 on:
  Revenue Sharing;
  Budget Committee Reconciliation Resolution;
  Order No. 953, H.R. 14260, Foreign Operations Appropriations;
  Omnibus Rivers and Harbors.
After that, it is hoped we can take up:
  Sunset Bill;
  Black Lung Bill;
  Wiretap Bill;
  And other measures as time and circumstances permit.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CURTIS. The Senator from Nebraska was called to the telephone. What program did the majority leader announce for the first day that we will be back?

Mr. MANSFIELD. The postal reform which is now the pending business.

Mr. CURTIS. That is now the pending business. Is there a time limitation?

Mr. MANSFIELD. No.

Mr. CURTIS. No time limit. And what will be the hour of convening on that date?

Mr. MANSFIELD. Twelve o'clock.

Mr. CURTIS. That is what is the date?

Mr. MANSFIELD. Monday, August 23. And we will take up two noncontroversial treaties that day and hopefully vote on them. There were three treaties considered in the Foreign Relations Committee having to do with wheat and coffee both approved unanimously. They are continuation of existing agreements. Some difficulties arose about the tin treaty that has not been reported.

Mr. CURTIS. I thank the distinguished majority leader. One more question. Did we arrive at a unanimous-consent agreement on time limit on the higher education bill?

Mr. MANSFIELD. No; we are endeavoring to but I think the attachés on the Republican side are endeavoring to contact at least one Senator and if he approves it would be our intention to ask for a time agreement this afternoon. I know how much interested the distinguished Senator from Nebraska is in this legislation and I can understand his concern. Hopefully, we will be able to reach a time limitation agreement. If not, we will take it up without a time limitation.

Mr. CURTIS. I thank the distinguished leader.

ADJOURNMENT UNTIL MONDAY, AUGUST 23, 1976

Mr. MANSFIELD. Mr. President, it is my understanding that the House has agreed to the adjournment resolution (H. Con. Res. 707) with the Senate amendment attached thereto. In view of that fact, I move that the Senate now adjourn, in accordance with House Concurrent Resolution 707, until the hour of 12 o'clock meridian on Monday, August 23, 1976.

The motion was agreed to; and at 4 p.m., the Senate adjourned until Monday, August 23, 1976, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate August 10, 1976:

BOARD FOR INTERNATIONAL BROADCASTING

The following-named persons to be members of the Board for International Broadcasting for terms expiring April 28, 1979:

Thomas H. Quinn, of Rhode Island (reappointment).

John T. Murphy, of Ohio (reappointment).

IN THE NAVY

The following-named Naval Reserve officers for permanent promotion to the grade of captain in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Abel, Robert W.
Abraham, George
Abramson, Harvey
Acosta, William
Acton, James Barnes
Adams, Henry R.
Adams, William Harry
Aine, Harry E.
Albertson, Richard C.
Albright, Donald Sebring, Jr.
Allen, Glenn L., Jr.
Allen, Richard M.
Allison, Leroy M., Jr.
Allmon, William B.
Althouse, John H.
Anderson, Bruce E.
Andrews, Marshall Henry, Jr.
Anson, Harry Calvin
Anzilotti, Vincent J., Jr.
Arado, Joseph E.
Arment, Duane R.
Armstrong, George Albert, Jr.
Arndt, Edward K.
Arrington, Robert Anthony
Aschan, Harry R.
Ash, John Morgan, IV
Asmus, Rodger W.
Ayars, Charles O.
Bailey, Fredric Nelson
Baker, Carlos P., Jr.
Baker, Sidney J.
Ball, Robert O.
Balo, Harold A.
Barilla, Louis J.
Barrons, John C.
Barry, David C.
Barthelenghi, George H., Jr.
Bashore, Ellsworth D.
Batchelor, Kenneth F.
Bauer, Lynton G.
Beck, Alan E.
Becker, John C., Jr.
Bell, Lawrence D.
Benson, Harold Wesley
Benson, Allen M.
Berg, Richard Conrad
Berwick, Robert L.
Bickley, George Harvey, V
Billerbeck, Frederick W., Jr.
Bixby, Ezra L.
Blank, Billy D.
Blethen, Lawrence P.
Boatman, John G.
Boggs, Harry Warren.
Bolt, Leland E.
Bolte, Carl E., Jr.
Bonnett, John S.
Boone, Wilkerson.
Borgwardt, Loren Clair.
Boroody, Joseph.
Bottom, George A., III
Bouchey, Stuart H., Jr.
Bouldin, James A.
Bowen, Ray Henry.
Bowman, James E.
Boyajian, Ara M.
Boyd, John Addison, Jr.
Boyd, Lon V.
Boyland, Jack I.
Bradshaw, Robert Daily.
Brady, Francis Thomas.
Brady, Paul S.
Bransfield, William James.
Brasher, Samuel R.
Brenner, Joseph C.
Bresnahan, Joseph E.
Brewer, Robert M.
Broadway, Richard S.
Brooks, William Earl.
Brown, Gordon V.
Brown Harry E., Jr.
Brown, Malcolm Cotton, II.
Brown, Ramon E.
Brown, Thomas K.
Brown, Wilbur A.
Bruce, Warren.
Brumme, Herman, Jr.
Brundage, Thomas Richard, Jr.
Brune, David, II.
Burford, Robert D.
Burgess, Robert Edward.
Burton, James D.
Burton, Marion B.
Butcher, Richard E.
Butler, Vincent K., Jr.
Butler, Robert E.
Butz, Clarence E.
Cahill, John D.
Caldwell, William Porter.
Callo, Joseph F., Jr.
Campbell, Frank Charlton, Jr.
Campbell, Henry Gilfry, Jr.
Campbell, John F.
Campbell, Joseph Evan, Jr.
Campbell, Phillip Raymond.
Campbell, Thomas C.
Campbell, Thomas W.
Canter, Herbert M.
Carey, Jack A.
Carlyon, William H.
Carney, John F.
Carpenter, Edwin B.
Casad, Richard D.
Chakmakian, Carl
Chandler, Leroy
Chapman, Leonard Ward
Chastain, J. D.
Chevalley, Leon Charles, Jr.
Clark, Robert W.
Clayton, John W.
Clingenpeel William Arnold
Cobern, James C.
Cochrane, John Campbell, Jr.
Cohen, Marvin H.

Cole, Bruce L.
Collins, Morris L.
Cone, Charles N., Jr.
Conlin, Carter Barry
Connair, Pierce F., Jr.
Connor, Thomas C.
Conover, James A., Jr.
Cooper, Jack
Copeland, Curtis B.
Corrigan, Donald T.
Coussons, John Stanford
Couture, Raymond R.
Cox, Herbert W.
Cragon, Stephen D.
Crawford, John D.
Crawley, Stanley W.
Criez, Louis R.
Crispin, James L.
Cunningham, Paul R.
Curran, John F., Jr.
Dahlin, Douglas G.
Danaher, James William
Dashefsky, Michael Harris
Davan, Clarence F., Jr.
Davidson, Harry H.
Davies, Edward T.
Davis, Chester R., Jr.
Davis, Ozro L., Jr.
Davis, Walter M., Jr.
Deacon, Benjamin Harold, Jr.
Debaun, Gerard B.,
Debois, Oran P. Jr.
DeCarlo, Michael A.
Decordova, Noel, Jr.
Degrafft, William Ernest, Jr.
Delaney, James D.
Delappe, Robert D.
Delling, Leonard Verne
Demming, Raymond Edwin, Jr.
Desoto, Leroy Edwin
Dessel, Arnold M.
Deveau, Thomas A.
Dicken, Wesley C., Jr.
Dicker, Ralph W.
Dillan, Johan A., Jr.
Dixon, Thomas Monroe
Dobbins, Robert N., Jr.
Doherty, Francis J.
Doherty, Robert O.
Dolen, George Wells
Donoho, Cecil C.
Dorney, William John
Dosland, William B.
Drehoff, John J., Jr.
Duane, Rodman F.
Duff, Joseph W.
Dugal, Gordon E., Jr.
Duncan, Marvin E.
Duncan, Sidney Thomas, Jr.
Dunne, James Robert
Dvorscak, Bernard J.
Dwyer, James F.
Dyer, Dewey A.
Eadie, Ronald E.
Earl, George S.
Earnhardt, Wiley Jacob P., Jr.
Ebbert, Donald G.
Edgar, Richard B.
Edmunds, Basil L.
Edwards, Gerald C.
Edwards, Olin Miller, III
Ellexson, Stanley Edgar, Jr.
Elliott, Buddy
Elliott, Richard G.
Elliott, Robert C.
Emmerling, Henry C., Jr.
Ervin, Harry C., Jr.
Eshelby, Vernon Charles
Espesfth, Robert D.
Evans, John W.
Evans, Thomas W.
Eynatten, Robert J.
Fairbanks, John W.
Fajer, Vincent Julius
Fall, Harry C.
Falt, Gordon H.. Jr.
Fanale, Joseph A.
Fancher, Gordon C.
Farney, James E.
Farnsworth, Harry Noble
Favero, Valentino R.
Fitzpatrick, Roger J.
Fischer, G. Jack
Fiscus, William S.
Fisher, Albert L.
Fisher, John B.
Fitzgerald, James G.
Fitzgerald, James E.
Flannery, Gerald R.
Flynn, Francis P.
Flynn, Gordon L.
Fowler, William M.
Fox, Charles D., III
Frainier, Richard J.
Francis, Ernest C., Jr.
Frankel, Donald D.
Fraser, George Bruce
Frederickson, Ronald Harold
Frith, Robert L.
Frudden, Carl R.
Fullmer, Lee D., Jr.
Gafford, Gerald Alexander
Gall, Edward E.
Gallagher, Daniel D.
Gallagher, John E., Jr.
Gallagher, Thomas E.
Galvin, Timothy F., Jr.
Gamble, Francis Trevor
Garland, Daniel Harper
Garrison, Charles Parker, Jr.
Garrison, Richard L.
Garvin, Robert G.
Gasche, Arnold C.
Gaudette, Roland E.
Gaugh, Rexford D.
Gawrys, Joseph A.
Gearhart, Donald C.
Gelineau, Ronald G.
George, James F.
Gibbons, Floyd E.
Gillespie, Edward Allan
Gillespie, Robert W.
Gilliland, Frank Marshall, Jr.
Gilliland, Burl E.
Giragosian, Newman H.
Glathe, William Quincy
Gleason, Thomas A.
Goldy, Donald C.
Goloway, Edward D.
Goodwin, Jack C.
Gorham, Alden B., Jr.
Gorman, Irving X.
Gorman, Russell W.
Gray, Donald R.
Gray, Richard Twomey
Grayson, Ellison C.
Green, Robert Louis
Green, Ronald B.
Greenwald, Marvin
Grogan, Robert F.
Grubb, John R.
Guenther, Gordon Brewster
Gunwall, Gordon L.
Haest, Martin Jerome
Hagan, Harold T., Jr.
Hagelin, Ronald M.
Hall, James R.
Halsema, Lester J.
Halzel, Isadore
Hamre, Roger A.
Haneghan, William Joseph
Hanley, Terence
Hannan, William T.
Hansen, Robert C.
Hansen, Whitney
Hanson, Marlo W.
Harper, Rollin Hill, Jr.
Harris, Edwin F.
Harris, Richard N.
Harrison, Thomas Knight
Harrison, Daniel E.
Hart, Richard S.
Hartung, Francis Conrad, Jr.
Hatley, Pearl O., Jr.
Heinzerling, Robert Allen
Helleis, John G.
Hembree, Sam M.
Henderson, James R.
Hendricks, Albert Traver, Jr.
Henson, William N.
Herder, Louis B.
Herkner, Richard Thomas
Hero, George Alfred, III
Hess, Jacob F., Jr.
Hess, Robert Lee
Hewitt, Dean Jay
Hide, Donald L.
Hilke, James L.
Hill, Cal D., Jr.
Hill, Edmund H.
Hinnant, Wallace P.
Hockett, William Alden, Jr.
Hodge, David M.
Hofferbert, Louis E., Jr.
Hoffman, Bruce P.
Holman, Bud G.
Holmquist, Eric Allan
Holst, William P., Jr.
Horne, Charles E., III
Horsmon, Frederick M.
Howard, William L.
Howe, John W.
Hoyer, Carl I.
Huey, William Edward, Jr.
Huff, Alton B.
Hugghins, Gordon L.
Hunt, James Hubert
Hurlbut, Wendell P., III
Hurt, Alfred B., Jr.
Husmann, Donald
Husmann, Robert J.
Hutchison, Stuart M.
Hybiske, Thomas Howard
Ingle, Hugh C., Jr.
Ingraham, John H.
Inman, Wayne Dewald
Innes, Bobby G.
Isaacson, Leroy V.
Iverson, Selmer O.
Jackson, Brian R.
Jackson, Oris F.
Jacobs, Stuart K.
Jahnke, Fred R.
Jakimier, Beverly G.
Jamison, Robert E.
Jenkins, William C.
Jensen, Arthur M. I.
Johnson, Don N.
Johnson, Milton E., Jr.
Johnson, Robert Louis
Johnston, Albert
Johnston, Bruce Todd
Johnston, Charles F.
Johnston, Donald B.
Johnston, Ervin F.
Johnston, Richard Evander
Joiner, Wyatt E.
Jolley, John M.
Jones, Arthur Daniel, Jr.
Jones, Arthur V.
Jones, Everett Jay, Jr.
Jones, Leland L.
Jones, Rolland R.
Jones, T. Embury, Jr.
Jorgensen, Robert W.
Joslin, Robert S.
Kaas, Ronald B.
Kahler, John H., III
Kakol, Stanley J.
Kandel, Philip J.
Karnes, Robert D.
Karstrom, John O., Jr.
Kaunelis, Edward A.
Kendall, Jackson Warner, Jr.
Kenniff, Robert Leighton
Kenny, John Joseph
Kerley, James H., Jr.
Kerr, David Joseph
Keyes, Samuel W.
Kittler, James P.
Klages, Donald J.
Kline, James Willard
Knight, Peter L.
Knight, Robert K.
Koch, Edgar J.
Kochert, Milton R.
Koehler, Henry C.
Kosiba, Raymond J.
Kost, Don O.
Kovarik, John F.
Kraft, Edwin E.
Kratt, Theodore Donald
Krinsky, Paul L.

Kudlacek, Robert B.
Kuhn, Richard A.
Kullman, Thomas B.
Kulp, Darlington R., Jr.
Laffoon, Louis M.
Laitala, Leilan M.
Langenberg, William Henry
Langley, Rolland Ament, Jr.
Larson, Ralph W.
Laughon, James H.
Laulor, Richard J.
Lauritzen, Harold Max
Lavan, Robert E.
Leber, William S.
Leeson, Joseph F.
Leetch, James F., II
Leonard, Colvin T., Jr.
Leonhardt, John J.
Leslie, Robert B., Jr.
Levy, Ted
Lewis, Robert E.
Libhart, Wayne P.
Lier, Douglas W.
Lillegraven, Benjamin Trygve
Lindley, James G.
Lindquist, John R.
Linn, Daniel A.
Linton, James A.
Liswith, Carl J.
Littleton, Vance Crockett, Jr.
Locke, Kenneth L.
Lockett, Benjamin B.
Loesel, Richard O.
Looney, Robert Fain, Jr.
Lotz, Jack C.
Lowe, Beverley James
Lowry, Robert C.
Lucci, Pasquale R.
Luce, Edgar A.
Lutts, Raymond J.
Lynn, David E., Jr.
Lyons, John
Mahoney, J. Edward
Mahoney, John W.
Malone, James E., Jr.
Maloney, John F.
Maneatis, George Arthur
Mansell, Roger L.
Manter, John Robert
Marangiello, Daniel Angelo
Marsden, Norman H., Jr.
Marsh, Frank E., II
Marshall, Roderick
Martin, Manuel R., Jr.
Martin, Richard G.
Mathews, Charles
Mathews, Jerome L.
Maxwell, John M.
Maynard, James H., Jr.
Mays, Lewis V., Jr.
McBee, James L., Jr.
McCain, George S.
McCarthy, John Joseph
McCormick, Matthew A.
McCoy, Thomas W.
McDonald, James Lawrence
McGinn, Frank L.
McGraw, Walter J.
McGuckin, Benjamin Floyd, Jr.
McInnis, Malcolm A.
McIntyre, Donald F.
McIntyre, James Aloysius
McKee, Donald L.
McKenzie, Robert A.
McLean, David S.
McMichael, Earl D., Jr.
McMillan, Louis Kelly, Jr.
McQuinn, Jack H.
McRae, Donald Alphonse
McSally, Bernard J.
Meeker, Harmon S., Jr.
Melton, Chancellor G., Jr.
Merkel, Jule Frank
Merrill, Nicholas Conrad
Merritt, Croft S.
Meyer, John D.
Michie, Harold W.
Mighell, Kenneth J.
Mikwold, Harold Rygh
Miller, Frank Lee
Miller, Jerry J.
Miller, Raleigh, Jr.
Miller, Thomas R., Jr.
Miller, William C.
Miller, William J. D.
Miner, George D., Jr.
Minor, David M.
Montanaro, Luciano Peter
Montague, Pendleton Read
Morgan, Arthur F.
Morgan, Arthur I., Jr.
Moriarty, Edwin S.
Morris, John F.
Morrisey, John D.
Morsilli, Frank P.
Moulton, Kirby S.
Mouritsen, Thorvald E.
Mufatti, William F.
Mulkeen, Martin J.
Murphy, John L., Jr.
Murphy Richard T., Jr.
Murphy, Garrison Edmund
Myers, Edwin L., Jr.
Nabors, Thomas Dewey, Jr.
Needham, William R.
Nelsen, Norman Walter
Nelson, Donald
Nelson, Gene S.
Nelson, Rolland G.
Nemchick, Michael Peter
Neunzig, Frederick
Nirenberg, Allan
Noble, James Kendrick, Jr.
Noonan, Patrick A.
Nordholm, Eric G.
Nordmeyer, Philip James
Norris, John C.
Oberholtzer, Nelson C., Jr.
Oberle, Louis Arthur
O'Brien, Henry Joseph
O'Connell, Charles Francis
O'Connell, John W.
O'Connor, Dennis Edward W.
Oglesbee, Jack L.
Olson, Charles E., Jr.
Olson, Maurice A.
O'Malley, Charles A.
Orr, John D.
Ostronic, Francis J.
Outland, George Faulkner
Pacilio, Jerry Anthony
Paget, James S., Jr.
Pappas, James P.
Pappas, Sophocles G.
Pardue, Oscar Ward
Parker, James W., Jr.
Parker, Lutrelle F.
Parler, William C.
Parr, Warren Sherman, Jr.
Patterson, Don L.
Patterson, George, Jr.
Paule, Philip A.
Paylor, John W., Jr.
Perfetto, Chester
Petersen, Harry J.
Petzinger, Thomas V.
Peyrek, Theodore Rudolf, Jr.
Pflugheber, Edward G.
Phillips, Wendal Lee, Jr.
Phillips, William N.
Phillips, Neal C.
Phinizy, Robert B.
Pinel, Thomas H.
Pinkowski, Francis S.
Piscitelli, Peter A.
Plessas, Gus P.
Poelstra, Ray E.
Popovich, Daniel E.
Potter, Thomas M.
Potts, Edward A.
Powers, Donald C.
Prendergast, John P.
Prucha, James T., Jr.
Pruessner, Robert D.
Prusiecki, John J.
Purcell, Robert C.
Pusch, Robert A.
Putnam, John G., Jr.
Pyron, John E., Jr.
Radford, Robert J.
Ragsdale, Carl V.
Ramsay, Selwyn P.
Rankin, Charles A.
Read, William G., Jr.
Reade, Richard S., Jr.
Ream, James W.
Reap, James B.
Reed, John G.
Regan, James F.
Register, William Morell, Jr.
Reilly, Joseph F., Jr.
Reinertsen, Stephen P.
Revenaugh, John J.
Reynolds, David A.
Reynolds, Robert Weldon
Rieber, George Edward, Jr.
Riggins, Tracy, Jr.
Rindin, James A.
Ringstad, Robert Cornelius
Rising, Richard P.
Robbins, Joseph
Roberts, John E.
Robertson, Richard A.
Roberts, Samuel R.
Robinson, William H.
Rodgers, Vernon P.
Rohlfing, Frederick William
Rolfes, David H.
Rolka, Harry
Rose, Guy P., Jr.
Rosenberger, John E.
Rosnes, Bruce H.
Rossi, Joseph V.
Rouse, Robert G., Jr.
Rowe, Ronald R.
Rubenstein, Richard B.
Rugg, William R.
Rule, Adrian Ogle, III
Ruppel, Robert W.
Ryals, Willard G.
Ryan, Raymond E., Jr.
Saft, Irwin C.
Salvadore, Paul T.
Samuels, Ivan R.
Sandberg, John Einar
Sands, Richard E.
Sarber, John D., Jr.
Saunders, Harry A.
Sayer, George C.
Schaded, Edmond W.
Schmidt, Jurgen B.
Schueler, Dorner Turner, Jr.
Schwendeman, Joseph Raymond
Scott, Sumner T., Jr.
Sedgewick, Joseph E.
Semcken, John Henry, Jr.
Semmes, Oliver John, III
Shafer, Mark L.
Sharp, Winfred H.
Shaw, Ray M.
Shields, John D.
Shipman, Dean J.
Shirley, Thomas W.
Short, Laurence A.
Shupp, Raymond W., Jr.
Sich, Eugene J.
Siebert, John Carey
Siemen, Harry Alfred
Simmons, Glenn B., Jr.
Sims, Lloyd Hampton, Jr.
Sims, Thomas S.
Sink, James M.
Skerchock, Peter
Slusher, David L.
Smith, Barnaby F.
Smith, David L.
Smith, Donald John
Smith, Douglas J.
Smith, Francis N.
Smith, Howard Woodruff
Smith, Paul W.
Smith, Selden K.
Smith, Thomas P.
Smith, David D.
Smith, Lester R.
Smith, William Adams, Jr.
Smith, William E.
Snyder, John Edward
Snyder, Orville H., Jr.
Snyder, William C.
Sokol, John

Soldwedel, Fred W.
Sorenson, Glenn Peter
Spann, Roderick H.
Spence, Floyd D.
Speth, Herbert S.
Spies, Roderic A.
Spuehler, Harry F.
Stacey, James W.
Stamm, William J.
Standiford, David Millard
Steensma, Robert C.
Steinmann, Bruce B.
Stern, Philip H.
Stiff, William Latane
Still, Rodney A.
Stoffer, Maurice H.
Stombler, Eugene H.
Strain, William Estell
Straub, James S.
Stupar, Branko
Sullivan, Robert G.
Suter, Vane E.
Sutherland, Carl F.
Sutphen, Bobbie L.
Swan, David E.
Swank, Paul B.
Sweeney, John J.
Swenson, Craig J.
Tata, Mario R.
Taylor, James L.
Taylor, Robert Hayward
Taylor, William H.
Teaford, Richard L.
Terrell, Errol J.
Thalman, Robert N.
Thomas, Carl H., Jr.
Thompson, Donald H.
Thomson, Peter W.
Thorla, Arlin E.
Thornton, Timothy Martin
Thornton, Thomas P.
Tiernan, Robert P.
Tigert, Marion A.
Tillman, Temple H.
Tingle, Bruce E.
Tinsman, Stewart H. W.
Trandem, Robert E.
Traub, Raymond W.
Treat, Charles W.
Tremant, Robert A.
Trotter, Thomas Alan
Tschudy, James J.
Turner, James J.
Tyler, Warner W.
Underwood, George D., Jr.
Urbana, Robert D.
Utt, James W.
Vadnais, Henry A., Jr.
Valenzuela, Ernesto
Vanallsburg, Donald Earl
Vanbrimer, Russell H.
Vandenbiesen, James Louis
Vandernaillen, Ralph E., Jr.
Vanhuyck, John A.
Varettoni, Robert J.
Venning, Denis S.
Venters, Robert T.
Vignola, Francis
Vincent Dwight Harold
Vogler, William H.
Wahler, Joseph Leo
Wahlers, Gene L.
Walker, Wayne N.
Walmsley, George W.
Walters, Charles
Wanamaker, Warren A.
Warhola, Joseph G.
Watson, Warren R.
Wattay, Leslie J.
Weatherbee, Lyle E.
Weidenkopf, David Wright
Wells, Raymond Anthony
White, Charles E.
White, Joseph Murray
Whitman, Harvey E.
Wilcox, Leonard A.
Wilkins, George O.
Wille, David Gene
Williams, Gerald P.
Williams, Tyler E., Jr.
Wilson, David A., Jr.
Wilson, Raymond G.
Wilson, Harold E.
Winkles, Paul F.
Wolf, Clinton E.
Wolff, Stephen J., Jr.
Wollensak, Richard J.
Wood, Fred M.
Woody, John H., Jr.
Wright, Johnie B.
Wright, Joseph M.
Wyllys, Ronald E.
Yarborough, Gordon T.
Yardley, John Linn Mckim, Jr.
Yohe, John M.
Young, George Leighton, Jr.
Youngstrom, George A.
Zanetti, Joseph M., Jr.
Zavattaro, Frank A.
Zerda, Kenneth V.
Zipp, Eugene G.
Zralek, Robert L.

MEDICAL CORPS

Alexander, Angelo C.
Apffel, Phillip F.
Austin, James Albert
Backer, Matthias Henry, Jr.
Barnes, Roy H.
Bartlett, Richard James
Beary, Franklin David
Brink, Charles I., II
Cannon, John P.
Cheslock, William B.
Cloyd, David Hampton
Cloyes, Robert D.
Connelly, John Peter
Copeman, John William C.
Corbett, John Richard
Cowan, David Emerson
Davis, Lowell Livingston
Dollinger, Armand L.
Edmondson, Henry Turner, Jr.
Emory, Emerson
Forney, William Ray
Gould, John C.
Greathouse, Richard Francis
Hamilton, Charles E.
Haslup, Allen L.
Hattori, Takashi
Heggie, Alfred Dineley, Jr.
Helsper, James T.
Jaeger, Edward A.
Jofko, John
Johnson, Harry I., Jr.
Keith, Robert E.
Keville, Franklin James
Kleh, Thomas Robert
Knox, Henry Donald
Kopp, Clarence J.
Kroncke, George Michael
Lesock, William John
Love, Robert Williams, Jr.
Lyman, Frank L.
Mann, Morris Bernard
Matson, James E.
Mauroner, Norman Lee
McGonigle, Lester E.
McGuire, Lockhart Bemiss
Mertz, George H.
Miller, Joseph Hardy
Miller, Raymond C.
Minyard, Franklin Earl, Jr.
Mitchell, Robert Edgar, Jr.
Mitchell, Sheldy W.
Moore, Charles Leslie
Moquin, Ross Bassett
Nelson, Arthur R.
Nolan, Robert L.
Novak, Edward Andrew, Jr.
Oleinick, Samuel R.
Oster, Ted Alpha
Owen, John A., Jr.
Parkinson, Leonard Spencer
Pattavina, Vincent
Payne, Charles Albert
Pernokas, Louis N.
Primich, Frederic Frank
Radelat, Paul Bernard
Raisbeck, Clifford C., Jr.
Resnik, Harvey Lewis Paul
Rish, Berkley Lamont
Rock, Donald E.
Roessing, Lawrence W., Jr.
Sandler, Harold
Sargent, Edward C., Jr.
Sasano, Joseph R., Jr.
Scott, Daniel Joyner, Jr.
Senior, John Robert
Shilling, Charles Utley
Shugoll, Gerald Irwin
Sims Norman Lemaster
Sloan, Charles R.
Smith, Gardner W.
Somerndike, John M.
Spikes, George A.
Stevens, John Joseph
Steward, John P.
Summitt, Robert Layman
Thomas, Don Fred
Tierney, Ralph Charles
Tipton, Harry B.
Toll, Giles D.
Trigos, Gaston Germain
Vanlith, Paul
Vanorden, Lucas S.
Vanstone, William M.
Vuksta, Michael J.
Walker, Richard Harold
Wallach, Stanley
Weir, Gordon John Jr.
Weston, James T.
Whetsell, Joe Ed
Wilson, Jack Herbert
Wintrich, Herman Peter
Woellner, Richard C.
Woodson, Riley Donald
Wright, Harry Tucker, Jr.
Yasui, Homer

SUPPLY CORPS

Adams, Billy J.
Alarie, Jaul J.
Allston, Frank James, Jr.
Armstrong, Clifford Max
Bacastow, Arthur J.
Baity, Edward L.
Balint, William Stephen Jr.
Bauhofer, Robert J.
Bellan, John A., Jr.
Bresee, Miles H., Jr.
Broz, John J.
Bunke, Frederick Britten
Butler, William G.
Callahan, Robert V.
Cannan, Harry E.
Carney, Thomas R.
Cross, Harry J.
Curriden, Charles David
Dawkins, Samuel D., Jr.
Driver, Robert Temple
Edgerton, Thomas C.
Fogle, Grover D.
Fox, Cecil C.
Gianos, Edward A.
Gross, Martin
Haidet, Walter R.
Hankins, Paul W.
Hawkins, Frederick Case, Jr.
Healy, Joseph L.
Howard, Lowell B.
Jackson, Alexander III
Jones, Maximillian B.
Kane, John B.
Kuhn, George W.
Lazo, Leo M.
Macdonald, John F.
May, Walter J.
McPherson, William Andrew
Morrison, Roderick A.
Nardi, Francesco P.
Paden, David L.
Paul, Peter Comegys
Phelps, James C.
Potts, William E.
Prichard, Barry
Ranieri, Walter R.
Rapier, George E.
Roemer, Ernest A., Jr.
Roettger, Norman C., Jr.
Sankey, Harry William

Silk, Arthur T.
Simpson, Robert D.
Snipes, Wilson C.
Stierer, Richard T.
Sullivan, Gerald C.
Turner, George S.
Vice, John Hancock
Vidger, Leonard P.
Wallin, William R.
Watson, Gary E.
Whitacre, Robert G.
Whiteman, Ralph E.

CHAPLAIN CORPS

Albers, Arthur L.
Angus, Robert C.
Bergsma, Derke P.
Bidne, Arvid Edward
Cooper, William David
Floyd, Emmett Owen
Hever, John Joseph
Hutchinson, Warner Alton, Jr.
Johnson, Robert K.
Kloner, William
Lyons, Pitser M., Jr.
Opsal, Bernt C.
Payne, Jack S.
Schultz, Melvin R.
Siegel, Reuben
Smith, Louis C.
Stephens, James Harris
Sternberger, Richard Saul
Wadowicz, Joseph M.

CIVIL ENGINEER CORPS

Akel, Michael A.
Anderson, John R.
Barber, Ralph Edward, Jr.
Bentley, Donald R.
Besier, Rudolph F.
Blackmon, Warren R.
Bobkoff, Kenneth B.
Brown, Peter Ross
Cassidy, Earle M.
Coates, Edward E.
Connett, Dean M.
Cordell, Donald E.
Cruikshank, Alan
Currie, Robert S.
Daw, John L.
Duarte, George M.
Dunlap, Roy L.
Hawkins, Robert Vance
Hernandez, John W., Jr.
Hickey, Leo Alfred, Jr.
Johnson, Wendell P.
Kirtland, John A.
Kjosness, Robert W.
Kuhn, Carl Hans
Larsen, John Torleif
Maddock, Thomas S.
Mantel, James E.
Martin, Arthur H.
Murray, James W.
Nutter, John M.
Parker, John V.
Peterson, Ralph M.
Titrington, George Frank, Jr.
Torgersen, Torwald Harold

JUDGE ADVOCATE GENERALS CORPS

Badley, Bruce P.
Banks, Myron C.
Benjamin, Julian R.
Bowling, John M.
Bradshaw, Donald R.
Chazen, Bernard
Cristol, A. Jay
Dail, Joseph Garner, Jr.
Dempsey, Thomas J.
Eagleton, Richard E.
Gaudio, John J.
Hayes, David J. A., Jr.
Hodges, John N.
Jacobsen, Douglas A.
Jones, Robert E.
Kennedy, William H.
Kenney, William J.
Kitchings, Atley Asher, Jr.
Lamere, Robert K.
Landry, Robert W.
Law, John M.
Ledbetter, Jack W.
Maxwell, Stephen L.
McGovern, Walter T.
McKee, Miles C.
Morrison, William M., Jr.
Redd, Gordon L.
Sams, Marion A.
Sonnemaker, Harry Henry, Jr.
Stitch, Frank J., Jr.
Wahlquist, John F.

DENTAL CORPS

Anderson, Frank H.
Armstrong, Edward B.
Anderson, Dorrance I.
Armen, George Krikor, Jr.
Atkins, George
Bahn, Saul L.
Bethune, Walter F., Jr.
Cahill, James M.
Carrington, Paul B.
Cerine, Ferdinand C.
Cook, David N.
Cotman, Lawrence
Dages, Robert W.
Dietrich, John E.
Diodati, Ronald Ralph
Donohoo, Stanley F.
Downey, William Elder, Jr.
Gentile, Joseph R.
Glenn, George C., Jr.
Graham, James E., Jr.
Hall, Hugh D.
Hayden, Jess, Jr.
Hill, Jay Ward
Ingwersen, William F.
Jackson, Clyde Raymond
Kornblue, Edwin B.
Lanier, Harold S., Jr.
Large, Nelson D.
Leiser, Fred C., Jr.
Lester, Robert
Lynn, Richard D.
McClelland, Richard Lee
Miller, Barry G.
Miller, David L.
Miller, Francis E.
Moore, Bobby C.
Nauman, Clarence O.
Perlitsh, Max Joseph
Richardson, Emmett Wesley, Jr.
Riesner, Neal R.
Rini, Charles S.
Schrieier, Charles F., Jr.
Seigel, Sigmund L.
Sluder, Troy Bunyon, Jr.
Stevens, Otto O., Jr.
Studdard, Jerry M.
Terpinas, Thomas Michael
Vanort, David Paul
Vaughn, William James Hughey
Watson, Cyral G.
Williams, James S.
Williams, Claude R.
Wilson, Dwight R., Jr.
Yamanouchi, Haruto W.
Zambito, Raymond F.

MEDICAL SERVICES CORPS

Brownson, Robert Henry
Capps, Daniel William
Kepchair, John H.
McGuire, Frederick Lynch
Meyer, Richard I.
Ross, Sherman
Roth, Gilbert J.
Shimberg, Edmund
Yanders, Armon Frederick

NURSE CORPS

Carmody, Cathleen E.
O'Neill, Mary F.
Hill, Cleone M.
Shanks, Mary D.

The following-named Naval Reserve officers for permanent promotion to the grade of commander in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Aaby, Donn Virgil
Aanstoos, Edward Robinson
Abram, Donald Eugene
Abrams, James Edward
Abrams, Robert Henry
Abramson, Donald Gardner
Adams, Albert
Adamson, Larry Robertson
Adema, Henry Thomas
Adoff, Charles Sanford
Ahlenius, William Matheson
Ahlers, George Herman
Akey, Blair Alan
Akre, Robert C.
Alaimo, Alfonso F.
Albee, William Hamilton, Jr.
Alberda, Donald Ernest
Albin, Harold Cornelius, Jr.
Albrecht, Robert Anton
Albright, Donald Sebring, Jr.
Alexander, Jaime Paul
Alexander, William Thomas
Allen, Craig R.
Allen, George Millard, Jr.
Allen, Ralph P., Jr.
Allred, Benjamin Ernest, Jr.
Ammerman, Don Jay
Amrhein, Alan George
Andersen, Charles W.
Anderson, Albert Carl, Jr.
Anderson, Benny Allen
Anderson, Don R.
Anderson, James Wesley
Anderson, Norman David
Anderson, Samuel A.
Anderson, Thomas Y.
Anderson, William Thomas
Andre, David Stevens
Angell, Abe Louis, Jr.
Anselmo, Guy, Jr.
Anthony, Lee S.
Antkowiak, Edward T.
Antoff, Jerome William
Apicella, Frank Leonard
Arena, Albert A.
Armstrong, Lloyd Roy
Arndt, Edward K.
Arnett, Robert Canfield
Arnold, Edward Robert
Arnold, Derrel W.
Asbury, Charles Edward
Atchison, William Russell
Auerbach, Richard Carlton
Avellar, George Lawrence, Jr.
Ayers, Larrie D.
Azer, Thomas B.
Azzolina, Joseph
Bader, John Parker, Jr.
Bader, William Banks
Badger, Terry Maurice
Baecht, Warren E.
Baird, Robert M.
Baierlein, George
Bailey, Richard L.
Baker, Harman D.
Baker, Robert Paul
Baldauf, Thomas John
Baldwin, Donald William
Baldwin, Robert Charles
Ball, Walter
Ballow, Robert E.
Bambo, Gregory Bautista, Jr.
Banjamin, Charles Lee
Banks, Walter Dickson, Jr.
Barbee, Walter Edward
Barclay, Theodore Howard
Bare, Leland D.
Bareikis, Robert P.
Barker, Lowell Reed
Barksdale, James C.
Barrett, Robert Edward
Barrett, William Hurd, Jr.
Barron, Cameron Alphonso
Bartels, Wilhelm Friedrich
Bartholmey, Don S.
Bartholomew, Ronald Lee
Bartley, Lester George
Bartram, Francis Joseph, Jr.
Bartz, William A.
Bashore, Ellsworth D.
Basiuk, Victor
Bassett, James Spencer
Bastin, Carl Alan

Basye, Charles B.
Baumann, Gerard Robert
Bausback, Richard F.
Baxter, Donald J.
Beard, Donald Sinclair
Beard, Joseph James
Beavis, Robert Wesley
Bechtold, Joseph Arthur, Jr.
Beckett, Peter Nielsen
Bedenbaugh, William Howard
Bednarek, Norbert Henry
Beem, Raymond Marvin
Beene, Jerry Tom
Belanger, Edwin Francis
Beeson, Edward L., Jr.
Bell, Charles E., Jr.
Bell, Norris Hines
Bendel, John E.
Benjamin, Charles H.
Bennett, Charles
Benjes, William Bertrand
Bennett, John M., Jr.
Bennett, Byron D.
Benson, Burton Orville
Benson, Allen M.
Benson, Donald Darrell
Benson, Charles William, Jr.
Benson, Robert Arthur
Benson, Frederick Bowron
Benz, Philip Harvey
Benson, William Tallman
Bethartychenault, Ricardo N.
Berry, Alan Robert
Beytagh, Francis Xavier, Jr.
Betsworth, Brian C.
Biehl, James Louis
Bezouska, Ronald Kenneth
Biehl, James Louis
Bierschenk, Frederick P., Jr.
Binger, James Donald
Birk, William Martin
Birmingham, Harvey A.
Bischoff, Garth Lamont
Bischoff, Herman Cordes
Bishop, William N.
Bishop, John Robert
Bitowft, Robert J.
Bissell, Elliston Perot, II
Blackburn, Clifton Arthur, Jr.
Black, Robert Raymond
Black, William Carl
Blackburn, Alan Peter
Blaes, Michael D.
Black, Ralph E.
Blair, Harry Rinklin, Jr.
Brainerd, Donald L.
Blake, Van Holt
Blake, Raymond Gay
Blanchard, John Newton
Blakeney, Harvey N.
Blanchard, James Frederick
Blasic, John Frank
Blanchette, Jon Arthur
Blenkhorn, James Merritt, Jr.
Blanton, Charles Lee, III
Bodden, Arthur Irvin
Blence, Francis Arthur, Jr.
Boland, William K.
Blythe, Homer D.
Bolwerk, James Martin
Bohn, Robert William
Booth, Carlen P.
Boling, James Robert
Bordeaux, Kenneth Royal
Bond, Ronald Keith
Borgard, Glenn E.
Borches, Joseph Ervin, III
Bossert, John Lewis
Borenstein, Jerome
Botterbush, William Carl
Borgwardt, Loren Clair
Bottoms, Arnold Ray
Bothwell, Bruce E.
Bousum, George William, Jr.
Bottom, George A., III
Bowen, John Franklin
Boujoukos, George Arthur
Bowles, Robert Evans
Boveroux, George Leonhard
Boyd, Jack
Bowers, Henry Kirk Wales
Bradfish, Charles Earl, Jr.
Boyd, Rudolph Charles
Braeckel, John A.
Boyden, Richard Fowler
Brame, John Howell
Brady, John Edward
Branch, Frank N.
Brainerd, Walter Scott
Brasher, John Dell
Brame, Willie Clarke, Jr.
Braverman, Allen S.
Brant, Richard E.
Bredehorn, Jack H.
Bratz, Theodore A., Jr.
Brees, David I.
Bray, Larry Edmund
Brockington, Philip Stanley
Bredenberg, Richard Emery
Brooks, James Levan
Bridge, Winston Jay
Brooks, David L.
Brockway, Charles Jacob, Jr.
Browne, Gerald Francis
Brooks, Gerald R.
Brown, Malcolm Cotton, II
Broussard, Warren John
Browning, James Douglas
Brown, Donald Robert
Brown, Stanford Leon
Brown, Richard R., Jr.
Brown, Kimberley Topping
Brown, James Leland
Brown, Gordon G., Jr.
Brown, Harold William
Brumit, Thomas M., Jr.
Brown, Lawrence William
Bryant, Maxey Lee
Brown, Harold Rudolph
Brymer, Bufford R.
Brumme, Herman, Jr.
Bullock, William George
Bryant, H. Donald
Burchard, Joseph D.
Buford, Rivers Henderson, Jr.
Bures, Frank, Jr.
Bunger, Samuel James
Burke, Nicholas E.
Burdwell, Gerald Burton
Burkhart, Robert A.
Burgess, Frank Maurice
Burnham, Paul
Burke, Francis Howard
Burrowes, Thomas, Jr.
Burks, John Early, III
Bush, Phillip B., II
Burns, Robert Leroy
Butcher, James Henry
Burton, Frank Stevenson
Butler, Robert E.
Busharis, John George
Caffrey, Robert James
Butler, William S.
Cain, James Edward
Byerley, John D.
Callaghan, James F.
Cagle, Eugene Maurice
Cammett, Haven Paul
Cain, Phillip Francis
Camp, Ira Richard
Calvert, John E.
Campbell, Boyce Lee, Jr.
Camp, Oliver W., Jr.
Capernaros, Peter S.
Campbell, Robert Joseph, Jr.
Campbell, Robert Walter
Capshaw, Ralph Arlo
Capria, Robert P.
Carlburg, Herbert Luther
Carey, Jack A.
Carlton, Anthony Glenn
Carlson, James Curtis
Carpenter William B.
Carpenter, Jann Wallace
Carroll, William John
Carr, Donald Edward
Carter, Ray Estes
Carter, James G.
Carter, Carroll L.
Carter, Jack M.
Cartier, Maurice P.
Carter, Luther Eugene
Cartozian Haig Oscar, Jr.
Castner, Willis Hunt, II
Cataldo, Albert A.
Catuzo, Lawrence Keith
Caulfield, Thomas James
Cauley, Vincent Charles, Jr.
Cavanna, Cesar Edmund
Cauthen, Wiley Michell
Cavenaugh, James Arthur, Jr.
Cave, John R.
Chadwick, John Kelsey
Caves, Roy Dennis
Chamberlin, Raymond Roger
Chalker, Raymond Lloyd
Chandler, James Thomas
Chamberland, Richard Leo
Chaney, Marvin Lee
Chandler, Charles Henry
Chapple, Robert Lee
Chapman, James Gordon
Chelf, Harris Winston
Cheatham, James Theodore, II
Chisholm, Herbert Bonness
Chestnut, Lawrence, Jr.
Chomeau, John Broderick
Chodorow, Alan Michael
Chrisman, Virgil Edward
Christiansen, Reed H.
Christenson, Neil Eugene
Christman, Paul George
Chruma, Joseph Emil
Christofferson, John Roger
Cicero, Joseph Salvatore
Church, Richard Federick
Clancy, Donald Thomas
Cichowitz, Edward Joseph, Jr.
Clark, Lee H.
Clarbour, Bertram Nelson
Clark, Morton Hutchinson
Clark, Leo Wendell
Clarke, Raymond Wetherell, Jr.
Clark, Robert W.
Cleary, William A., Jr.
Clayton, William O.
Clyde, Payson J.
Clegg, Ambrose A., Jr.
Cochrane, John Campbell, Jr.
Cochran, Edward H.
Cofer, James Herman
Coe, David Franklin
Cohen, Bernard Saul
Cohen, David M.
Colborn, Chase C.
Cohune James Sheldon
Cole, Leon Monroe
Cole, Joseph G.
Coleman, Charles Norton, II
Coleman Alvin Alexander
Collard, Edward Joseph
Collier, Joe Barnard
Coleman, James Edward M.
Collier, Kenneth Warren
Collins, William B.
Collins, Monte
Collins, Brandon
Collins, Robert Alvin
Collins, Leroy, Jr.
Comer, Morton Beryl
Collins, Morris L.
Compton, Cecil C.
Collura, Angelo Joseph
Condaxis, Paul P.
Comerford, Gregory A.
Conley, Don Wright
Comstock Craig
Connell, Laurence Marvin
Congdon, Walter Rich
Consiglio, Charles J.
Connair, Pierce F., Jr.
Cook, Charles Wilkerson, Jr.
Connolley, Edward J.
Cook, William Herman
Conway, Timothy M., Jr.
Coolidge, Julian Lowell, II
Cook, John Henry, III
Cooper, Joseph H.
Cook, William J.
Copeland, John Hector
Coon, Bainbridge
Corcoran, John Daniel

Cooperman, Saul
Corr, James V.
Copper, Walter Logan, Jr.
Cox, Edward Leslie
Cornett, Paul Allen
Cox, Jerry Gene
Cowan, Charles Lee
Craddock, James Howard
Cox, Glawcus Carlton, Jr.
Craven, Robert Patrick
Cox, Lawrence M. C.
Crawford, Charles William
Cragg, Robert George
Crittendon, Carl Joseph
Crawford, Cal R.
Cross, Richard M.
Crimp, Gerald R.
Crowder, Winston Pettus
Cross, Gene Bryant
Cubbison, Robert John
Crouch, Lynn Harrell
Cummer, John Phillip
Crowhurst, Thomas John
Cunningham, James S.
Cullum, Alan Ross
Curry, William Adolph
Cunningham, Dale V.
Cunningham, Shane Anthony
Current, Neal F.
Curran, Richard W.
Curry, Robert J.
Currier, Rowland Jr.
Curtiss, Dean A.
Currier, Stuart Lane
Cusick, George M., Jr.
Curtis, Wendell Joseph, III
Czajkowski, Francis W., Jr.
Cushing, Edward J.
Dabbs, Joseph Samuel
Cutter, Alan B.
Damore, Patrick R.
Czesak, Paul John
Dann, Alan Osborn
Daly, Theodore Martin, Jr.
Danielson, Irving Michael
Dante, William Michael
Daiz, Ramon Charles
Daughtrey, Edward Lawrence
Davis, Walter M., Jr.
Davis, Grant
Davison, Gregory Lee
Davis, Wooldredge Wells
Davis, Gary S.
Davis, Bruel A.
Davis, Donald Lee
Davis, Billy Wayne
Dawson, Gerald Leonard
Day, Charles P., Jr.
Dean, Richard Whittingham
Debona, Donald J.
Decastro, Julian Edmund, Jr.
Decordova, Donald William
Dedrick, Ronald Osburn
Dee, David Bingham
Deffigos, John S.
Degroot, Dudley Edward
Delappe, Robert D.
Deleon, Leonardo Martin
Demming, Raymond Edwin, Jr.
Demontbreun, Wilbur Richard
Dempsey, Robert Patrick
Dennis, Robert W.
Denton, Robert, Jr.
Dessel, Arnold M.
Devoe, Harry Leslie
Devorsey, Louis, Jr.
Deyak, John J.
Diamond, Anthony T.
Dickey, Gene Parvon
Dickey, James Patrick
Dickey, John Edmunds
Dienger, Howard Elmer
Dion, Ronald Keith
Dirks, Richard Alan
Dittmar, Donald Louis
Dixon, Robert G.
Dobbertien, Francis Martin
Doederlein, Winfred Paul
Doherty, Bernard John
Doherty, Charles Michael
Dokken, Stephen Isaac
Donato, Frank, Jr.
Donoghue, Joseph Anthony
Doolittle, Theus Lee
Doty, Robert D.
Douglas, David Hugh
Douglas, Burnie William
Downey, Robert E.
Downing, Roland Granville
Doyle, William Leo, Jr.
Doyle, Michael H.
Drabek, Richard James
Drath, Robert J.
Dreher, Richard William
Dresser, Roderick, Arthur
Dubose, Charlie Pat
Dubuc, Carroll E.
Dudley, Malcolm Hardy
Dudziak, Donald John
Dufficy, Thomas J.
Duffey, Edward Joseph Patrick
Duggan, Michael Alan
Duguay, Robert F.
Duncan, Sidney Thomas, Jr.
Dunn, Robert Allan
Durham, William Edward
Durr, James Elvin
Durrance, Benjamin Lucian
Dyer, Dewey A.
Dutton, Anthony Lee
Earley, Joseph Miles, Jr.
Eaton, Winford R.
Eberly, William G.
Earley, Harold L., Jr.
Eble, Joseph T.
Eaton, Ernest G.
Eckel, Karl Matthew
Ebinger, John Edwin
Edney, John Wilfred, Jr.
Eck, Richard C.
Edwards, Paul H.
Eckermann, Gerald Carlton
Eggert, Robert H.
Edwards, Olin Miller, III
Eiland, Guinn Loyd
Edwards, Frank Bessler
Eldredge, Hugh G., Jr.
Eichelberg, Alvin William
Elliott, Charles Marsh
Eirich, Raymond Donald
Elliott, Robert C.
Eliceche, Ronald Marion
Ellis, Richard C.
Elliott, Richard Ward
Elston, Gilbert Stanley
Ellison, Leo Charles
Engels, Roy F.
Elson, Lawrence M.
England, Carl D., Jr.
Elvin, Richard W.
Epstein, Charles Sasseen
England, Loy D.
Erickson, Newell Lamont, Jr.
English, Glenn Allen
Ertz, John Klingenstein
Erickson, William Lerton
Estep, Eldon M.
Erman, Nore O.
Etheridge, Tammy Haggard
Esbensen, Philip George
Evans, James Raymond
Esterer, Arnulf Walter
Ewing, Robert Andrew
Eubanks, Ernest H.
Fain, John Garrity
Ewers, John Robert
Falke, Fred Ernest, Jr.
Fagan, Henry Lorimer, Jr.
Farmer, James Whitehead
Fairbanks, Dale J.
Farmer, Fred Farrar
Falt, Gordon H., Jr.
Faulwetter, William Charles
Farmer, Thaddeus Clyde
Felker, Donald Laird
Farnsworth, Harry Noble
Fenstad, Alfred Marshall
Featherstone, Robert John
Ferguson, Ernest Fred, Jr.
Fenderson, George David
Ferrell, Howard Hulen
Ferguson, Hugh Milton
Fetchko, Joseph Andrew
Ferraro, Carlo, Jr.
Feurer, William Eugene, Jr.
Ferrell, Dewitt Talmadge, Jr.
Findlay, Charles Noyes
Fetter, Earl R.
Finkemeier, Robert W.
Fiddler, Claude D.
Finnerty, Arthur Jerome, Jr.
Fink, Rodney James
Fisher, John B.
Finley, David Robert
Fitzgibbons, Robert Lee
Fischer, Peter John
Fitzgerald, Donald Paul, Jr.
Flanagan, William Joseph
Flanigan, Joseph Daniel
Fleming, William Ronald
Fletcher, William L., III
Flanigan, Mark
Flick, John Albert
Fleming, John Roger, Jr.
Floyd, Edward Roach
Fletcher, Paul Brent
Fly, Emerson Harold
Flores, Raymond J.
Foote, Kenneth Richard
Fluaitt, David Basil
Forehand, William Ellis, Jr.
Flynn, Thomas John
Francis, Ernest C., Jr.
Fordham, Robert John
Francq, Edward N. L.
Fowlkes, Donald Walton
Frankoski, John Paul
Francis, Perry G.
Franz, Harold Charles
Franklin, Henry Bland, Jr.
Frede, Edward William
Franz, Donald Roy
Freedson, Ralph
Franzman, Rodney C.
Frey, Thomas Ephraim
Freedline, Yale
Frier, John Mason, Jr.
French, Joe Floyd
Frisby, Donald R.
Frey, Louis, Jr.
Frohlich, Andrew Sturgis
Frimodt, Gerald Lee
Fuller, Gary Mack
Fritz, Wayne Richard
Furdak, Edward Joseph
Fry, Charles R.
Furlow, Lawrence Foster, Jr.
Fulton, Luther G.
Fusco, Anthony T.
Furlan, Allen Joseph
Gafford, Gerald Alexander
Furst, Edward Albert, Jr.
Galbreath, Richard N.
Gadow, John Raymond
Gant, Walter Lee
Gagliano, Giovanni
Gard, Robert Lawrence, Jr.
Gallaudet, John C.
Garrett, Carlton Lee
Garber, Paul William
Garvin, Lester Everett
Garofalo, Raymond E.
Gastley, Richard David
Gartmann, Russell J.
Gatti, John
Gaskins, Richard Charles
Gaugh, Rexford D.
Gates, John William, Jr.
Gehrig, Neil Edward
Gaudet, William Gerald
Gensel, Richard L.
Gaulke, Ramon George
George, Irl Jacob
Genova, Fred Donald
Gera, John, Jr.
George, George P.
Gerdon, Paul Jerome
George, James F.
Gherardi, Leonard James
Gerberding, Charles D.
Giardini, Giovanni T.
Gerzevitz, Walter Eugene

Giddens, Darrel Gaylen
Giambattista, Michele Donald
Giffen, John Robert
Gibson, Harry Burton
Gilcrest, Andrew Spencer
Giegerich, Alfred Joseph
Gill, Richard Allan
Gilbert, John Frederick
Gillette, Nelson Marcelous
Gile, Robert Hall
Gilman, Walter Lewis
Gillen, Joseph Francis
Gilson, Roger William
Gilliland, Burl E.
Gimbert, Kenneth Church
Gilreath, James Edson
Giordano, Vito Angelo
Gilson, Carroll Paul
Giuffrida, Sebastian Joseph
Gintowt, Charles Casimir
Glad, Thomas Jay
Giroux, Robert Francis
Glaser, Charles J.
Glad, Harold Lyndon
Glenn, Jerry Lee
Gladbach, John Joseph
Godfrey, Lawrence Mahlon, Jr.
Gleason, Burton James
Goforth, Roy Bernard, Jr.
Goar, Alan Lamar
Goldstein, Lawrence Bernard
Goehring, Gary Marshall
Good, John Jay, III
Goldsmith, Watson Williams
Gorman, Russell W.
Gomez, Emanuel, Jr.
Grace, Daniel Lee, Jr.
Goodfried, Herbert J.
Graham, Francis Joseph
Gossman, Max Gerald
Grant, John T.
Graf, Donald Vanemburg
Gray, Edward N.
Graham, James T.
Gray, Olin Amos
Gray, Charles Leroy
Gray, Robert S.
Gray, John W., Jr.
Grayson, William Jackson, Jr.
Gray, Richard Twomey
Green, Fitzalan Lee
Grayson, Ellison C.
Greene, Charles Ralph, Jr.
Green, Clyde Lafayette, Jr.
Greene, Marshall W.
Green, Stephen Hathaway
Gregg, Donald Allen
Greene, Leslie Edwin
Grey, Edward R., Jr.
Greenspan, Alan Edward
Grief, Donald John
Gregory, James Wilmer P., Jr.
Griffin, Gerald Barton
Gribben, Walter Joseph, Jr.
Griswold, Leonard Lee, Jr.
Griffin, Francis V.
Grosskopf, George William
Grimes, Roy T.
Grover, Woodbury Laurence
Groepler, David Richard
Grubb, William Samuel
Grossman, Stephen Lewin
Guiler, Thomas Augustine
Grow, Bruce Walker
Gurdak, Edmund
Guedalia, Jack I.
Guizerix Armand Paul, Jr.
Gutowski, Leopold
Guy, Robert L.
Haas, William Russell
Haase, John Albert
Hackes, Peter Sidney
Haefeld, Paul M., Jr.
Hagen, James J., Jr.
Hain, William Hart
Hair, Max Allen
Halberg, Paul Vilhelm
Hald, Rodney Dale
Hale, Earle E.
Hale, Richard Armour
Haley, Gerald Eugene
Haley, Thomas Overton
Hall, Alton Lowell
Hall, Charles William
Hall, Roy G., Jr.
Hall, Vaughn Edward
Hall, Wilford H.
Hallett, John Davies
Hamilt, Arthur
Hamilton, Charles David
Hammond, William Edward
Hampton, Clyde Robert
Hanley, William Berthold
Hanna, Ira Richard
Hannah, Theordore Borroum
Hanscom, John Finlaw
Hansen, Arthur L.
Hansen, Donald H.
Hansen, Helmuth H.
Hanson, Edward David, Jr.
Hardin, James T.
Hardy, Edward W., III
Hardy, James D.
Harger, Donald D.
Harlan, Thomas J., Jr.
Harman, Gerald J., Jr.
Harmon, Harold W.
Harold, Glenn Milton, Jr.
Harper, John Albert
Harris, Edward Leonard
Harris, Eugene Starke
Harris, James Malcolm
Harris, Lee Kelly
Harrison, Daniel E.
Harshman, Robert Lee
Hart, Frank M.
Harten, Glenn Bertram
Hartley, Edward Stephen, Jr.
Hartman, David Eugene
Hartman, Donald Richard
Hartman, James Leroy
Hartman, James Wilbur, Jr.
Hartmann, Richard Paul
Sharts, Clay Marcus
Haruch, John
Harvey, Charles R.
Harvell, James Franklin
Harwell, Layne Horace
Haskins, John William
Hastings, Robert T.
Hatfield, Robert E.
Hausmann, Albert Charles
Hawk, Allan Holmes
Hawkins, Charles W., III
Hawkinson, Arthur A.
Hayes, Robert Tennyson
Hayes, Charles Carroll
Haymond, Martin Richard
Haynie, Fred Hollis, Jr.
Hays, Charles Leon, Jr.
Hays, James F.
Hazley, George Joseph
Hazlett, Arthur William
Headley, George Robert
Healy, Jerry Francis, Jr.
Hearn, Neal Edward
Hedman, William Delano
Hedrick, Charles William, Jr.
Hegarty, William Edward
Hein, Richard Anthony
Heindel, John Heald
Heinz, John A.
Helm, John Thomas, III
Heinemann, George A.
Henderson, Richard Henry
Helleis, John G.
Heneghan, John Martin
Henderson, Merle Evan
Hensey, Charles McKinnon
Hendricks, William Robert
Hensley, Norval Austin, Jr.
Henry, Thomas Christian
Herbert, Bruce Eugene
Henshall, John Harrison
Hero, George Alfred, III
Henson, William N.
Hessel, Mark Lewis
Hermitt, Thomas J.
Hibbard, Curt W., Jr.
Hess, Gary Newton
Hierseman, Wayne R.
Hessert, Richard Steelman
Hildebrand, John Henry, Jr.
Hicks, Harry Edward
Hillerman, Neal Hubert
Higley, Robert Martin
Hinsvark, Don George
Hill, Richard Thomas
Hippe, Russell Henry, Jr.
Hills, John Leverett
Hobson, Robert Lou
Hipkiss, Robert Arthur
Hodella, Fred Henry
Hitchcock, George Hiram
Hodge, George Lowrance
Hocker, Walter Brockway
Hoff, Jack Allen
Hodges, Alan S.
Hogan, Thomas Francis, III
Hodgman, Donald W.
Hohman, Glenn William
Hoffman, Bruce P.
Holdren, Larry Leroy
Hoge, James Howard
Holihen, Edward M.
Holden, William Hoyt, Jr.
Holland, Walter F., Jr.
Holdych, Harold F.
Holmes, Michael Denison
Holland, Maurice James
Holton, James Vernon
Holmes, Kent Edward
Honeycutt, Robert D.
Holmes, George Edward
Hooker, John Bernard
Holton, William Alexander
Hooper, Robert Winters
Hong, Leslie Kee Young
Hoppe, Charles Thomson
Hooper, John Robert
Hosey, H. P.
Hoover, Alan Ellsworth
Houldsworth, John Cole
Horrigan, Joseph W.
Howard, William J., Jr.
Hostetler, John Edward
Howton, William J.
House, Karl Theodore
Howard, William L.
Hubert, John Felix
Huch, Francis Rogers
Hudson, Patton C.
Hoy, William H.
Huffer, Nicholas Robinson
Huggins, Richard, Jr.
Hudson, Raymond S.
Hughes, James Brinson
Huggard, Ernest Douglas
Humber, John Leslie
Hughes, Bruce N.
Hunt, Raymond Gene
Hujik, Roger C.
Hunter, Thomas V., Jr.
Hundemer, James E.
Hutcheon, Wallace S., Jr.
Hunter, Malcolm Kenmore, III
Hyatt, Philip Waterman
Husband, Philip M.
Hyers, Kemper Kent
Hutchison, Stuart M.
Iacona, Michael Angelo
Hybiske, Thomas Howard
Imeson, Horace Louis, Jr.
Hylan, Leo Patrick
Ingram, Frank Lequellec
Iborg, Eugene L.
Ives, John Gordon
Ingold, Jackie D.
Jackson, Harry Bonneau
Isham, Don, Jr.
Jaco, Allen Alexander, Jr.
Jack, Robert Norman
Jameson, Robert Quentin
Jackson, Earl Leslie, Jr.
Jankowski, Bernard Daniel
Jacob, Charles
Javinsky, Melvyn Aaron
James, George A., Jr.
Jeffers, Gene Elton
Jarvis, Earl, Jr.
Jenkins, Emmanuel Lee

Jaynes, David William
Jenkins, Roger N.
Jefferds, James Merrill
Jennings, Samuel Lamar
Jenkins, Gaston Justice
Jobson, George Smart
Jennings, John M.
Johnson, Alan Corliss
Jepson, William B.
Johnson, Donald Saxton
Johnescu, Robert John
Johnson, Hugh Wood, III
Johnson, David Wellington
Johnson, Marion
Johnson, George Lake, Jr.
Johnson, Raymond Christian
Johnson, James Monroe
Johnson, Robert Louis
Johnson, Paul Stafford, Jr.
Johnson, William Clarence, Jr.
Johnson, Richard William
Johnston, James Riford
Johnson, Thomas A.
Johnston, William Richardson
Johnston, Gregory Roger
Jones, Billy R.
Johnston, Robert Wallace
Jones, Dean Edgar
Johnstone, William Newport
Jones, Samuel Roy
Jones, Charlie Crowell
Jones, William Prichard
Jones, George Woodrow, Jr.
Jordan, Stephen Walter
Jones, Wilbur David, Jr.
Joyce, Harrison Taylor, Jr.
Jordan, James Binsfield
Judge, Thomas Joseph
Jordan, Thomas Michael
Justus, Norman Edward
Joynt, Thomas Richard
Kahl, Thomas Raab
Jung, Charles August
Kaine, Leonard Paul
Kaempfer, Frederick Philip
Kane, Edward I.
Kain, George Frederick, Jr.
Kansteiner, Arnold F., Jr.
Kakol, Stanley J.
Karnes, Richard Dee
Kann, Barton R.
Kaseote, George
Karig, Richard Douglas
Kataryniak, William
Kase, Robert Howard
Kavanaugh, Michael Willard
Kashmanian, Gregory
Keisling, Marion Burns
Kaufmann, Andres Joseph
Kelly, William Steele
Kay, Horace Crawford, Jr.
Kelly, Edward Vincent
Kelleher, George Francis
Kenkel, James Edward
Kelly, Hugh Francis
Kennedy, Donald Edward
Kelly, Austin Anthony
Kenworthy, William E.
Kenney, David Joseph
Kerby, Douglas G.
Kennedy, John Harrison
Kern, Charles Robert
Kepner, Charles David, Jr.
Kershner, Roger Philip
Kerley, James H., Jr.
Kidd, James H., Jr.
Kern, Robert L.
Kildea, James Thomas
Kevlin, Steven George
King, Joe Larry
Kiel, Richard Henry
Kiper, William D.
Kilian, Walter Daniel
Kirby, Lawrence Glenn
Kintzinger, Paul Ray
Kirsten, George J.
Kipp, David George
Klages, Donald J.
Kirk, Jerry Valient
Knier, Leonard F.
Kitnick, Jay Jerome
Kolb, Stanley Denmead, Jr.
Kneizys, Vincent Casimer
Konetchy, Howard Arthur
Koch, Ulrich Hubert
Korinke, Robert F.
Kolb, Harold Hutchinson, Jr.
Koslov, John Hallie
Koorey, Alfred Joseph
Koutas, Serapheim Demetrios
Korn, Donald L.
Kragseth, Norman H.
Koupal, Dennies Jerry
Krause, Richard James
Kovarik, John F.
Kriegsman, Edwin, Jr.
Kral, Anthony Joseph
Krochalis, Edward J.
Krblich, Charles Albert
Krinsky, Paul L.
Kroszner, Rudolf J.
Kropf, Charlie Wilber
Krummeck, K. Kenneth
Krull, William Earl
Kuehn, Gregory T.
Kuehl, Winston Carl
Kuether, Donald Orville
Kuhn, John Francis
Kuhn, James Theodore
Kujawa, Henry Joseph
Kulesza, Eugene Alexander
Kunst, Arthur F.
Kurek, Raymond Herbert
Kurkjian, Harold James
Kuyper, Donald M.
Lacey, Winfield Marvin
Lacey, Trammell Calhoun, Jr.
Lackowski, Donald Harry
Lagan, Alfred Alphonsus
Lagrone, Tonquin Gaines
Laidlaw, Scott Devoy
Laidlaw, Carleton Bruce, Jr.
Lain, Horton William
Laing, Bruce Charles
Lait, Hale H.
Lamaina, Lawrence Joseph, Jr.
Lambden, Jerry Dean
Lamers, John Peter
Lammert, Raymond Henry, Jr.
Lancaster, John S.
Lancaster, John Kenneth
Landau, Steven Andrew
Landis, David Harvey
Landon, John Robert
Landry, Leo Robert
Landsverk, George Richard
Langenberg, William Henry
Langford, James Edward
Larson, Herbert William
Larson, Leonard Bernard
Larson, Lowell D.
Larson, Ralph W.
Larson, Thomas Lee
Lau, Bernard Suen Kiu
Lauritzen, Harold Max
Lawes, Robert Bremer
Lawler, Casimir Edwin
Lawrence, Frank E., Jr.
Lawson, Donald R.
Lawther, Werner Krethe
Lawton, Herbert Alexander
Laynor, William Giltz, Jr.
Leary, Donald W.
Leavenworth, Robert Alan
Ledoux, Lawrence Charles, Jr.
Lee, Benjamin H. K.
Lee, Martin Kay
Lee, Roland D.
Lees, Frederick J.
Legg, William L.
Leighton, Robert D.
Leisch, Donald Gordon
Lekovish, Robert Eugene
Lell, Virgil Gordon
Lenardson, James Duane
Leo, Paul P.
Leonard, Rex Lee
Leonard, John Francis
Leonard, Robert Martin
Lester, John W.
Leukhardt, Martin W.
Levendoski, Richard John
Levin, Roger Lee
Levin, Herman
Lewis, Robert Turner
Lewis, Samuel Donald
Lewis, Leon D.
Liemohn, Wendell P.
Lewis, Michael Richard
Liffers, Ernest Howard
Lewis, Kenneth A.
Lilly, Leslie Paul
Lierman, Roy J.
Lindley, Quitman Wayne
Lightenberg, Victor Ray
Lineberger, John Dixon, Jr.
Lindgren, John Emil
Lisle, Paul Conrad
Lindstrom, John Douglas
Little, Jerry W., Jr.
Lipscomb, Jack Carlton
Livingston, John Gibson, Jr.
Littlefield, Ralph Wentworth
Lockett, Tyler Charles
Lively, Bobby G.
Lopez, Manuel B.
Livingstone, John A.
Loth, Joseph Thomas
Loomis, Herschel Hare, Jr.
Loucks, Daniel Peter
Lord, Frank J.
Loyd, Allen Hubbard
Lott Richard Lee
Lucas, Rufus Paul, Jr.
Lowry, Donald Grey
Lucas, William Curtis, Jr.
Lucas, William Maxwell, Jr.
Lund, Donald Sterrett
Lucas, Wilmuth Cleveland
Lupone, Donald Frank
Lufkin, Fitz Otis, Jr.
Lutz, Herman Joseph
Lundy, Richard Henry, Jr.
Lycan, Deane Richard
Luthringer, John Duane
Lynch, Maurice Patrick
Lyall, Ronald N.
Lyons, John
Lynch, Harvey J.
Macfarlane, Robert Cottenden
Lynch, Paul L.
Macgillivray, Colin Anthony
MacDonald, Roger George
MacIntyre, Daniel George
MacFarlane, Peter Grant
Mackin, John C. T.
MacGregor, John Lindsay
MacQuarrie, John Conrad
Maciolek, Ronald J.
Madison, William Edgar
MacNofsky, Stuart Bernard
Magill, James Edward
Madison, Richard L.
Mahar, Thomas Michael
Magee, Kerry Bernarr
Maher, John Joseph
Magnuson, Dale Walter
Maier, Richard Lester
Maher, John Henry
Malloy, John Francis
Mahoney, Daniel J.
Malone, Michael Edmund
Malcolm, Wesley Ray
Mamoulides, James George
Malone, John Stephen
Maner, Kenneth Lester
Maloney, John Stephen, Jr.
Mann, John Sherman
Mandra, Louis Lindbergh
Mann, Lawry Webb
Mann, Charles Kellogg
Mann, Ramon M.
Margolin, Robert S.
Margotta, Robert F.
Markel, Harry Lee, Jr.
Marjenhoff, August J.
Marlar, Richard T.
Markland, Francis Swaby, Jr.
Marr, William R.
Marlowe, Harold C.
Martel, Leon Charles, Jr.

Marra, Bruce Laurence
Martin, Michael Joseph
Martini, Joseph C.
Martin, Robert E.
Martin, Thomas Wade
Martin, Robert Patrick
Martin, Frank Beamon, Jr.
Martin, George William
Martin, Gary Lynn
Martin, Abbott Waite, Jr.
Martin, Reuben W., Jr.
Mason, Theodore Toner
Martin, Thomas Joseph
Matchett, Don W.
Masterson, Russell W.
Matthias, William, Jr.
Matthes, Ralph Kenneth, Jr.
Maxwell, Kenneth Allen
Matza, Joseph Albert
Maycock, Paul Dean
Maxwell, John M.
Maytham, Peter
Mayer, Paul J.
McAffee, Douglas B.
Mazza, John A., Jr.
McBrayer, Robert Lewis
McAniff, Edward John
McCabe, Ebe Chandler, Jr.
McBride, Jack M.
McCart, Benjamin Harrison
McCabe, Myles J.
McCauley, Hugh Wayne
McCarthy, John Joseph
McClone, Thomas Alohs, Jr.
McChesney, Lee Douglas
McCullough, Stuart W.
McCormick, Paul J.
McDaniel, Ross Pat
McCurdy, Donald Mervyn
McDonald, David Lee
McDaniel, Joseph Wilson, Jr.
McDonough, Thomas William
McDonald, Charles C.
McEvoy, Lawrence Joseph, Jr.
McEachern, Edward Merritt
McGahan, Donald Richard
McFarland, Richard L.
McGill, Julian Edward
McGarry, Edward Raymond
McGinn, James Francis
McGinity, Frank Edward
McGovern, Thomas Edward, Jr.
McGinity, John A., Jr.
McGrath, Thomas D.
McGowan, Robert William
McGuinness, James Patrick
McGraw, Walter J.
McIlvain, William Charles, Jr.
McGurty, William H.
McKay, Bruce Burton
McIntyre, James Aloysius
McKenna, John F.
McKeeta, Gordon S.
McKinley, John C.
McKinley, Alton Powell, Jr.
McLallen, Walter F.
McLaughlin, Jack Manning
McKinnon, Michael Warren
McClaughlin, Richard Francis
McLane, Lovick Patrick
McLean, Charles Rodrick
McLaughlin, John Joseph
McMillon, John Richard
McLean, James C., Jr.
McMichael, Earl D., Jr.
McMitchell, Earl D., Jr.
McNeill, Charles W.
McMinn, Jim Thomas, Jr.
McNulty, James Anthony
McNaughton, Drummond
McPherson, Robert I.
McNitt, Allen Lawson, Jr.
McWhorter, Bruce Nelson
McComber, Gerald Eugene
Means, John H. III
McSwain, Stanley Richard
Meggitt, William F.
McWhorter, William Calvin
Mehringer, Ralph G.
Meek, William Jasper, Jr.
Meller, Anthony Michael
Mehrhoff, William R.
Melucci, Robert John
Meister, Robert A.
Menke, Allen George
Melton, James C. II
Meredith, Frank S., Jr.
Melvey, Glenn R.
Merritt, Ernest Alvin
Menzie, Douglas
Mesics, Joseph C.
Merriman, Marcus Arthur
Messner, Karl Roland
Meshew, Ronald Louis
Meyer, Walter Clair
Messina, Donald M.
Meyer, William F.
Metz, David John
Meyer, Carl Sheaff
Meyers, L. J. Louis, John, Jr.
Mickelberry, William Charles
Meyer, Robert T.
Mihelich, Jack Harold
Meyer, Robert Aldrich
Miller, Edwin Christian, Jr.
Mighell, Donald Ray
Miller, Gordon John
Miles, William Joseph
Miller, Max Karlson
Miller, George Lewis
Miller, Wayne French
Miller, Max Joseph
Milner, Marlyn Dwayne
Miller, Richard Louis
Mitchell, Robert David, Jr.
Mills, Edgar Sanford, Jr.
Mitchell, Gregory Andrew, Jr.
Minter, Kenneth W.
Mitchell, Robert Andrew
Mitchell, Richard James, Jr.
Mock, Kermit Thomas, Jr.
Mitchell, John Alan
Mohrlok, Kenneth David
Mizer, George Alfred, Jr.
Monahan, Robert E., Jr.
Modrak, George Patrick
Montague, Pendleton Read
Moll, Frank H.
Monteleone, Anthony Joseph
Monell, Gary E.
Moore, Saul Francis, Jr.
Montague, Robert Latane, III
Montgomery, Joel Oscar
Moore, Julian Paul
Moore, Kenneth Donald
Moorehead, Wells Rufus
Moore, Gary L.
Moorman, William Luke, Jr.
Moorhouse, Frederick M., Jr.
Morgan, Bobby Smith
Morency, Conrad Roland
Morgan, Edward Armand
Morgan, Donald A.
Morrison, Joseph Gilbert
Moring, John B.
Morris, Don M.
Morris, Charles William
Morris, John
Morris, Ray Antony
Morris, Edwin G.
Morris, Charles Edward, Jr.
Morris, Julius Emanuel
Morss, Strafford
Morrison, Robert Leslie
Moses, Thomas Hillery
Morrow, Robert Choate
Mossop, Wallace Lincoln, Jr.
Moseley, W. J., III
Moyer, William James
Moss, Stanley D.
Mullaney, James Francis
Moulton, Kirby S.
Mulligan, John Robert
Mulkeen, Martin J.
Mulvey, James H., Jr.
Mullen, Edward West
Murdoch, John Law
Mulvany, George Monroe
Murphy, Garrison Edmund
Munson, Eugene O.
Murray, Thomas H., Jr.
Murphy, Charles H.
Myers, Thomas Ward
Murphy, Joseph Dinsmore
Myrah, Leonard Christian
Myatt, Kenneth Edward
Narwicz, Charles A.
Myers, Richard Alton
Nason, Courtney Harold
Nagle, Fred Stephen, III
Naylor, Joseph Franklin
Nasife, Lewis I.
Needham, Robert Michael
Navard, Lear Ansel
Neill, Clark Hodges
Neaton, Ronald Alfred
Nelson, Clinton Arthur
Neff, Benjamin G., Jr.
Nelson, John Hunter
Neill, Lawrence Dale
Nemchick, Michael Peter
Nelson, Joe L.
Nevitt, James Edward
Nelson, Roger Benjamin
Newcomb, James Francis
Neupert, John August
Newell, Edward L.
Newall, Edgar Cyril, Jr.
Newman, William Dehaven
Newell, Edward Ferris
Nickell, Robert E.
Newlan, Bruce M.
Nixon, Edward Calvert
Nicholson, Clarence Norman
Nolan, James Charles
Nimee, William R.
Noonan, Patrick A.
Nizinski, William
Nordholm, Eric G.
Noll, Robert F.
Norris, Stuart Emmett
Nord, Frederic John
Norris, David Ulmer
Norman, Bill John
North, Evans W.
Norris, Don Brandt
Nusinson, Louis
North, John Hollister, III
Oberholzer, David James
North, Roy A. P.
OBrien, Stephen Davoren, Jr.
Nuttall, Arthur, Jr.
OConnell, William Benedict
Obold, Charles E.
ODell, Duane Lyle
OBrien, Donald Walter
ODwyer, Kyran Michael
OConnor, Thomas F.
Oette, Paul Helmut
ODonnell, Richard C.
OHara, James Mardon
Oefelein, John J.
Ohme, Rudolph Martin, Jr.
OFarrell, William James, Jr.
Olsen, Lloyd G.
OHea, William Collins
ONeal, Hugh Lee
Oldenburg, Carl R.
ONeill, Samuel Joseph, Jr.
OMalley, Charles A.
OReilly, Clarke F.
ONeil, Edward Chandler
ORouke, John Gilcrest
Orecchio, John Joseph
Ostrander, Leroy Clifford
Orem, Harry B. Jr.
Otey, Glen Robert
Osciak, John Walter
Owens, James William
OSullivan, Paul Lawrence
Oxford, Lewis A.
Ott, Albert F.
Pagter, Carl Richard
Owens, Brian Morgan
Pare, David Ferrin
Page, James Francis
Parke, John Schuyler
Painchaud, Noel C.
Parker, Joseph W., Jr.
Park, Lawrence Yale
Parker, Ralph Lewis

Parker, Alan C.
Parsons, Milton K.
Parker, Frank Wineblood
Partch, Richard Cowles
Parker, Stuart Foster
Passanisi, Peter Palmer
Partain, Shelby Therral
Patterson, Robert Allan
Partnoy, Ronald Allen
Payne, Gregory
Patterson, Ralph Andrew, Jr.
Peake, Douglas Avern
Patterson, David Charles
Pease, Frank V.
Payne, James Roland
Pederson, George W.
Pearson, Robert Earle
Pellettieri, James Emile, Jr.
Peck, Thomas Lee
Pence, Dallas T.
Peeler, Philip Leroy
Penfield, William Frederick
Peloquin, Eugene Armand
Penders, Joseph William
Perkins, Thomas Cole
Pennewill, William Ellison
Perry, David L.
Perkins, Robert Sidney
Petersen, Dwain Franklin
Petersen, Dean L.
Peterson, Dennis Howard
Petersen, Russell J.
Peterson, Kenneth Duane
Peterson, Donald Douglas
Peterson, Thorild Fleisch
Peterson, Robert Douglas
Pfeil, Don Hilldrup
Pfeifer, Herman A., Jr.
Philipson, Willard D.
Phillips, Neal C.
Piatt, Charles Edward, Jr.
Phillippi, Jack K.
Pierce, Harold Paul
Pickel, Theodore Carl, Jr.
Pietkiewicz, Wesley
Pierce, William R.
Pino, Joseph A.
Piner, Thomas
Pitney, James Francis
Pitmon, Wayne M.
Pitts, Phillip Ray
Pit, Woodrow Wilson, Jr.
Plante, Normand Ernest
Pizzeck, Eugene Xavier
Poff, Philip W.
Platts, Paul Kingsley
Ponder, Edward Allen
Polgar, Michael Stephen, Jr.
Pope, Charles Robert
Ponta, Andrew Joseph, Jr.
Post, Arthur H., Jr.
Popoff, Alexander, Jr.
Powers, Thomas
Potts, Edward S
Prechtl, Jerome Spencer
Powers, Thomas Edward
Price, Alan Howard
Prendergast, John P.
Price, Samuel Thetford
Price, James O.
Price, William Hawkes II
Price, William Edgar II
Pridgen, Lee Barfield
Prickett, Gordon Odin
Prigge, Roger L.
Priester, Hugh William, Jr.
Prochaska, George Emil
Prince, William G.
Prominsky, Henry John
Proctor, Donald J.
Prucha, James T., Jr.
Prophet, John Morgan
Puckett, Johnnie Raymond
Pryce, Edward A.
Pullo, Anthony Ralph
Pulice, John
Putnam John G., Jr.
Purvis, Samuel Martin, III
Quan, Paul Elias
Quaintance, Carl F
Quinn, Robert G., Jr.
Quesinberry, Edwin Earl
Ramey, David Williamson
Raines, Frederick Lee
Rankin, Andrew Meserve, II
Ramsing, Karl Alan
Rash, Paul Jones, Jr.
Rappuhn, Alfred Albert, Jr.
Rauch, Hilary John
Ratz, Kenneth, Jr.
Ray, Edward J.
Reardon, Freddie H.
Raulet, Paul Perry
Redford, John Lester
Read, William G., Jr.
Reed, John G.
Reed, Richard Orville
Reavis, Marshall Wilson, III
Reeves, William Brett
Rehkemper, Alan C.
Reetz, Harvey F.
Reich, Joseph A., Jr.
Regts, Gerald J.
Reich, Richard Lee
Rehme, John Anthony, Jr.
Reidy, William John
Reich Richard J.
Reis, Frederick Stanley, Jr.
Reichle, Neal W.
Rende, Robert K. G.
Reilly, Michael Joseph
Renter, Herbert Fred
Rempe, Charles J., III
Revenaugh, John J.
Renick, Charles M.
Reynolds, Jackson
Rettinger, Donald Henry
Rice, John C., Jr.
Reynolds, David Wesley
Rice, David Penfield
Reynolds, Richard W.
Richards, James Harvey
Rice, William John
Richardson, John Rarvey, Jr.
Rich, James C.
Riebe, Richard Charles
Richards, Anthony Charles
Riedell, William Albert
Richards, James Van
Rimmington, John Brinton
Rieber, George Edward, Jr.
Ritola, Angelo Paul
Riggs, Joseph Ronald
Ritter, James Joel
Ripa, Robert Joseph
Roach, George Elmer
Rittenberry, James G.
Robbins, Charles Ray
Rizza, Guy Domenic
Robbins, Duane Eugene
Robb, John L.
Roberts, James Lee
Robbins, Richard Ray
Robertson, Edward B., Jr.
Roberts, Clarence Lewis, Jr.
Robinson, John J.
Roberts, Samuel R.
Roche, Kevin Joseph
Robertson, Stanley M.
Rodgers, Tommie J.
Robinson, Hubert Keith
Roe, John Edward
Rock, Bertram William
Roesser, James R.
Rodman, Morris Robert
Rogers, George M., Jr.
Roemer, William F.
Rogers, Walter J., Jr.
Roffey, Robert C., Jr.
Rolien, Jon A.
Rogers, Meyric Kirk
Roney, Ernest Elmer, Jr.
Rolfes, David H.
Rosen, Sheldon Michael
Romance, Francis J.
Rosenfeld, Alan Harold
Ross, Harold Marion
Ross, James Walker
Rossi, Joseph V.
Ross, Wendell Ralph
Rossi, Ralph Anthony
Rossi, Robert J.
Roudebush, Daniel Livingston
Rouch, Lawrence Leonard, Jr.
Rouse, James Wilfred
Rousseau, Larry Joseph
Rugg, William R.
Rowe, Barry Morton
Russell, Harold L., Jr.
Rule, Adrian Ogle, III
Ryan, Edward Parsons
Rutherford, Harold Glenn
Salatine, Richard
Ryder, John H.
Saltzman, Glenn Alan
Sallade, Frederick Edwin
Salvino, Richard V.
Salvadore, Paul T.
Sampson, John L.
Sample, William B., Jr.
Santangini, Paul Anderson
Sams, Richard H.
Sauer, William Francis
Santos, William, Jr.
Sass, Arthur H.
Sava, Samuel George
Satterfield, Don G.
Sax, Samuel William
Saunders, Harry A.
Scales, Carter H.
Sawicki, Michael John
Schillinger, Dana Randall
Sbrana, Lewis Emanuel
Schleter, John Herman
Schick, Herbert Alton
Schmidt, Donald Robert
Schmidt, Peter Robert
Schlanger, Arthur J.
Schneider, Joseph Charles
Schneider, Kenneth Louis
Schnurer, George T.
Schneider, Ronald Harry
Schoen, Roderic Bruce
Schnurr, William J.
Schoenberger, Edward Smith
Schoerke, Andrew C.
Schrader, William Henry
Scholes, John F.
Schueler, Dorner Turner, Jr.
Schroeder, Kent Lester
Schuler, Chester Joseph, Jr.
Schultz, Roman Vincent
Schuster, Frederick Anthony
Schultheiss, James Arthur
Schwarz, Charles Louis, Jr.
Schutt, Harold Joseph
Scoble, John Glenn
Schweiger, Melvin Bernard
Scott, Alfred L.
Scott, Leonard Gene
Sears, Dale Dean
Scukas, Richard J.
Seaton, William Warren, Jr.
Seaton, James Hervey
Sell, Curtis W.
Seibold, Frederick William
Sewall, William Bryant
Sellers, Charles W.
Shapbell, William Brown, Jr.
Sharp, George K.
Sharp, Winfred H.
Shaffer, William Edward
Shea, Roland Francis, Jr.
Shaw, George G., Jr.
Sherck, David Lynn
Sheubrooks, William Lewis
Shissler, Frank James
Sholl, Theodore George
Showalter, Amos Terry
Shumaker, Lawrence Allen
Sieb, Edward F.
Siegmund, Harry MacDonald
Sikes, James K.
Simmons, Roger Allen
Sink, John Davis
Sirico, Ralph Joseph
Six, Richard Henry
Skidmore, James Wallace
Slunder, Robert Charles
Small, Douglas Eugene
Smiley, Robert R., III
Smith, Clint Ernest

Smith, David F.
Smith, Frank Louis
Smith, Henry George, Jr.
Smith, Hugh Virden
Smith, Jack Stephen
Smith, James William
Smith, Lester R.
Smith, Maurice Royal
Smith, Neale S.
Smith, Ralph Wesley, Jr.
Smith, Ronald Leon
Smith, William Oral, Jr.
Sneed, Robert L.
Snider, Ted Lowell
Snyder, Norman Carl
Snyder, William P.
Sommers, Ronald K.
Soule, Stephen Lester
Spane, William Thomas, Jr.
Shelton, Lyle Thomas
Sheehan, William Henry, Jr.
Shepherd, Charles W.
Sherman, Walter Scott, Jr.
Shipley, Kenneth Linwood, Jr.
Shoemaker, Charles Sherfey
Shonkwiler, John P.
Shows, Ned Henley
Sibley, David Nixon
Sieber, Karl E.
Spielberger, Charles Donald
Silva, Nick Lunt
Simpson, Robert M., Jr.
Sinnott, George Patrick, Jr.
Sissom, Joe B.
Skahan, Robert John
Sloan, Robert L.
Slusher, David L.
Smart, Addison Douglas
Smith, Bobby Everett
Smith, David D.
Smith, Denis George
Smith, George Cole
Smith, Hugh M.
Smith, Jimmy C.
Smith, Phillip Jax
Smith, Milton Lewis
Smith, Philip Rufus
Smith, Robert Syme
Smith, William Adams, Jr.
Snedeker, Earl Kenneth, Jr.
Snelgrove, Edward Robert
Snyder, Edward J.
Snyder, Orville H., Jr.
Somerville, Jack Edward
Sorensen, Edward James
Southall, Charles Morton
Spang, Leo Thomas
Spano, Salvador Bernard, Jr.
Spare, Robert Lloyd
Sparks, Harry C.
Sparks, William C.
Spencer, Billy Ray
Spillane, Paul Joseph
Spitzli, Donald Hawkes, Jr.
Spohn, Wayne Leon
Sposato, Francis T.
Spotts, James Lane
Springer, Thomas Earl
Sprung, Stewart R.
Spuehler, Harry F.
Stacey, Lindley Charles
Stafford, William Alvis
Stahlman, William K.
Stainton, David Gordon, Jr.
Stallman, George Lincoln, II
Stanfill, Hiram Johnson
Stanford, L. Bradley
Stanley, Arleigh C.
Stanton, Paul F.
Stark, Howard Alan
Staton, John C.
Steacy, Bernard Hayes, Jr.
Steece, Robert Bruce
Steere, Donald Jesse
Steffes, Arnold Michael, Jr.
Steger, William Harold
Stein, Earl Arnold, Jr.
Stephen, Earl Milton, Jr.
Stephenson, Donald L.
Stephenson, John Melvin, Jr.
Stephenson, Horace L.
Sternlicht, Sanford Victor
Sternquist, Monte Bruce
Stevens, Rollin Meredith, II
Stevens, Matthew S.
Stevenson, John C., Jr.
Stevenson, Kenneth Adams
Stewart, James Buchannon
Stewart, John Eiesland
Stewart, Raymond Eldred
Steyer, Francis James
Stieber, Conrad Harold
Stockdill, Pat W.
Stoddard, Theodore L.
Stoffel, Daniel Matthias
Stoklosa, Richard G.
Stoltz, George Frederick
Stombler, Eugene H.
Storey, Douglas Howard
Storey, Sammy M.
Strait, Donald Paul
Strand, Donald Frank
Strassel, Richard A.
Strauss, David Sheldon
Stretcher, John Harper
Strickland, James Merrill
Strickland, Stanley Paul
Strohmeyer, George Robert
Stuart, Douglas Allen
Stuckel, John Edmund
Sughrue, Oliver S., Jr.
Sulit, Robert Allen
Sullivan, Peter Edward
Sullivan, Walter Joseph
Summers, John Dennis
Summers, William E., Jr.
Summitt, Paul Clayton
Surovchak, Richard J.
Surrett, John Benjamin
Swall, Malcolm Francis
Sweat, Wesley Albert, Jr.
Sweeney, Robert Emmet
Swenson, Thomas F.
Swingle, Robert Lyle
Takenaka, Harold Haruo
Tankel, Jerome Kenneth
Tansor, Robert H.
Tapper, Charles E., Jr.
Tarn, John Lee
Tassell, Harry Power, Jr.
Tatom, Frank Buck
Taylor, Robert Newton, II
Templeton, Wilbur David, Jr.
Thomas, Jerold James
Thompson, Allan Robert
Thompson, Donald Eugene
Thompson, Donald Leslie
Thompson, Neal P.
Thoreson, Wayne Laverne
Thornton, Manly Philip
Thorpe, Jack Charles
Tice, George Dohner, Jr.
Tiedemann, John George
Tivnan, Edmund L.
Todd, Boyd J.
Torgersen, Edward H.
Torstenson, Richard John
Trapp, Carl F. M.
Treat, Charles W.
Tregellas, Harold Sturm
Trimmer, Terry
Trupp, Adam Richard
Tulloch, Donald Cameron, Jr.
Turley, Gerald K.
Turner, John Richard
Turner, Benjamin Bynum, Jr.
Tweedt, Peter Lloyd
Twist, Gerald Allen
Twomey, Thomas J.
Tyson, William B., Jr.
Swenson, Maynard L.
Swepston, Thomas Duncan
Taff, Dillan Wilford
Tamisiea, Donald Eugene
Tanner, John Warren
Tapley, John Thomas, Jr.
Tarbox, Herbert G., Jr.
Taschner, Bruce
Tata, Mario R.
Taylor, Benny Frank
Teare, Paul L.
Thomas, James Ellis
Thomas, Phillip A
Thompson, Bower Patrick
Thompson, Donald Homer
Thompson, Jimmy Pat
Thomson, Lionel W.
Thorlakson, Denis Paul
Thornton, Thomas P.
Thurman, Herbert Clay
Tichenor, Austin Kent
Tingle, Bruce E.
Tobi, George Bell, Jr.
Tomlinson, Allen Robert, II
Torri, James Anthony
Trammell, Webb Delathuy
Traub, Raymond W.
Tredinnick, Thomas Charles
Treutel, David Allen
Tripp, Robert Glenn
Tubbs, William Bennett
Tully, Barry F.
Turner, Peter Corliss
Turner, James Reginald
Tusla, Anthony Alfred, Jr.
Tweedle, Chester R.
Twite, Gaylor M.
Tyler, Maurice Francis, Jr.
Underhill, Burton Clarence
Ulrich, Thomas Russell
Vachon, Joseph Harold, Jr.
Underhill, William L.
Vanarsdale, Jack Martin
Valentine, Alden Geer
Vance, Walter Noble, III
Vance, William Abel
Vandekieft, Lawrence J.
Vancise, Richard A.
Vanoni, Roy Thomas
Vandernaillen, Ralph E., Jr.
Vaughn, William H.
Varney, Lloyd Robert
Verstandig, Robert J.
Verbeke, Edmund Victor
Vignola, Francis
Vetrovsky, Charles Dale
Vogt, John Harvey
Vincent, Norman Fuller
Vowell, Joe Lynn
Vonbodungen, Joseph Patrick
Wacht, Walter F., Jr.
Wachtler, William R.
Waddell, Watson William
Waddell, Ronald Macaulay
Wainscott, George Edward, Jr.
Wagenbach, Ronald J.
Walker, Andrew A.
Walberg, Robert Frank
Walker, Norman Leslie
Walker, Donald R.
Wall, Richard V.
Walker, Ronald Lee
Wallacavage, Michael R.
Wallace, Lewis E.
Wallin, Homer Norman, Jr.
Wallis, David Edward
Walmsley, John M.
Walls, Jimmy Ray
Walsh, William J.
Walsh, William Joseph, Jr.
Walters, Barry Barton
Walsh, William Warren
Ward, Martin Joseph, Jr.
Ward, Vincent Noel
Warren, Mitchum Ellison, Jr.
Warner, William Thomas
Warrick, Richard Perry
Warren, Harry Bryant
Watkins, Robert Davis
Washburn, Dexter Allan
Wattenburger, Walter W., Jr.
Wattay, Alexander Edward
Weaver, Donald Elliott
Waugh, Norman Erick
Weaver, George Olis
Weaver, Robert Hamilton
Weber, James Wayne
Weber, Robert Leland
Wegher, Arnold C.
Weed, Lee Henderson, Jr.
Weigman, Jay Meridith

Weidknecht, Frank Asher
Weingartner, William H., Jr.
Weiner, Ronald A.
Weiss, Mitchell Lawrence
Weintrub, Arnold
Welch, Samuel H.
Welch, Joseph R.
Wellborn, Earl Eugene
Welker, Ralph O.
Wells, John Godfrey
Wells, Alfred D.
West, Warren Coray
Welton, Robert Griffith
Wetzel, Robert H.
Whealey, Robert Andrew
Westendorff, Clarence G., Jr.
Whiddon, Elmer Courtney, Jr.
Whalen, William Francis
Whisenand, Stephen Francis
Wheeler, Carson McKeag, Jr.
White, Chester David
Whipple, Walter
White, John Robert
Whitcomb, Lee Edward
White, Robert Forbes
White, Harold Oswell
White, Thomas G., Jr.
White, Robert Baron
White, William Joseph
White, Ronald R.
Whitmarsh, George Edward
Whitehead, Lewis H.
Wicks, Franklin Devoe
Whitlow, George Samuel Jr.
Wiggins, James Marvin
Wiant, Mark C.
Wilcox, Richard H.
Wiese, Richard A.
Wilhite, Doyle
Wight, Donald Miller, Jr.
Will, Robert Lee
Wilhelm, Frederick Sheldon
Williams, Kenneth Ted
Wilkins, George O.
Williams, Kenneth Vernon
Williams, John Anthony, Jr.
Williamson, Kennet Arnold
Williams, Harmon Muller
Wilson, Bruce Bretzman
Willis, Jerome Alden
Wilson, Gordon Malcolm
Williams, Edward Nash
Wilson, John Stuckey
Wilson, Glynn Ray
Wilson, William Ross, Jr.
Wilson, Harold E.
Winslow, Stephen Morgan
Wilson, Richard Whittingham
Winter, Herbert Lawrence
Winkles, Paul F.
Witt, Ronald Harry
Winters, Richard Dudley
Wittig, Philip Martin
Wise, Richard Owen
Wolf, Charles Robert
Witte, Donald Martin
Wolf, John Albert
Wixted, David Charles
Wood, Leon Greville, Jr.
Wolf, Clinton E.
Wooddell, John Gordon
Wood, Bennie Lee
Woodworth, Ellery B.
Wood, Melvin Charles
Wright, Jack Ray
Woodruff, David H.
Wright, George Kendall
Wooldridge, Clark Edmondson
Wyma, Bruce Harris
Wright, John R.
Yorio, Beniamino
Wykoff, Alfred G.
Youmans, Joseph Edward
Yardley, John Linn McKim, Jr.
Young, Harold Henry
Youel, Donald Alan
Young, Robert G., Jr.
Young Charles Frederick
Young, Stanford
Zanetti, Joseph M., Jr.
Youtcheff, John S.
Zechlin, Frank Fraser
Zavada, Leonard John
Zervas, George James
Zeh, Thurber George, Jr.
Ziglar, John Farrel
Zerwas, Richard Leroy
Zipperer, John C., Jr.
Zipp, Eugene G.
Zurnieden, Ludwig Arnold, Jr.
Zogran, Raymond N.

MEDICAL CORPS

Abangan, Rolando Tobaco
Allgood, Joel William
Agliozzo, Carl Michael
Amick, Lawrence Douglas
Altaker, Lawrence Lewis
Aycock, Ezra Kenneth
Atienza, Fernando Coral, Jr.
Baggish, Michael Simeon
Backer, Matthias Henry, Jr.
Baker, Richard Conrad
Baker, Richard Conrad
Ballard, Ian Matheson
Balch, Steven Aggler
Barner, Hendrick B.
Barker, Dell John
Basiliere, James Lee
Barnes, Roy H.
Billings, William Edward, Jr.
Becker, Carl G. E.
Brandt, Eugene Maxmillian
Blough, Herbert A.
Britton, Melvin Creed, Jr.
Brink, Charles I., II
Bucayu, Nemesio Bassig, Jr.
Brownlow, Bradley E.
Byorth, John Patrick
Buedingen, Richard Paul
Campbell, Walker Hawes
Cacdac, Manuel A.
Santow, Edward Francis
Campbell, Doyle Edward
Carpenter, Howard Francis, Jr.
Carlson, Richard Edward
Casey, John Michael
Carr, John Howard
Cheslock, William B.
Cerda, James John
Cloyes, Robert D.
Christensen, Gerald Roger
Connor, Lawrence Sidney
Concannon, Patrick Joseph
Crawford, Edward Philip
Cotten, Charles Lea
Cronau, Leslie Henry, Jr.
Criswell, Francis Marion
Dangelo, Nestore John
Cross, Henry Irwin
Davis, Lowell Livingston
Davies, Raymond Owen, Jr.
Deen, James H.
Decker, John Scott
Dieckmann, Merwin R.
Deraps, Gordon Douglas
Duhamel, Robert Raymond
Dolan, Kenneth Dewayne
Ebbels, Bruce J.
Dukes, William Eugene
Ellis, James Edward
Eckberg, Theodore John
Eyerly, Robert Charles
Ernst, Clifford E., Jr.
Figueroa, Augusto Fojas, Jr.
Eytel, Charles Stanley
Freeman, William T.
Flagler, Nicholas Ruster
Garrett, Henry F. M.
Fulwyler, Robert Leon
Gillingham, David Ray
Gifford, George Edmund, Jr.
Gomez, Jorge
Goldberg, Melvin Julius
Graham, Gary Clifford
Gould, John C.
Guillemont, John Grant
Grumbling, Hudson Virgil
Hagan, Donald Jackson
Gurdjian, Edwin S.
Hall. James Nelson
Hagihara, Patrick Fumio
Heath, Victor Charles
Hammer, Richard Wilson
Henrie, Edwin John
Heisey, William George
Hicks, Herbert Hollis
Herwig, Karl Robert
Holmstrom, Robert Dejarnett
Hill, George James
Hung, Hing Yee
Holt, David North
Hunter, Thomas W.
Hunt, Ernest Woodrow, Jr.
Johnson, Willard Chapin
Jennings, Robert H.
Jones, Cyril David
Johnson, William Cecil, Jr.
Jones, Lawrence Alan
Jones, George Richard
Kardinal, Carl Gustav
Kandler, Paul Alfred
Kazarian, Kirk Krikor
Kaufman, Robert Gould
Kennedy, Harry Greene, Jr.
Keesey, John Carl
Keville, Franklin James
Kessler, Carl Paul
King. Phillip E.
Kilman, James William
Knowles, James Barron
Klempnauer, Richard Gordon
Kurtis, James Thomas
Kroncke, George Michael
Lehwalder, Laurus Waldemar
Langston, Randall Autrey
Libnoch, Joseph Anthony
Lewis, David Howe
Lloyd, Morgan Pearce
Lieberman, Allan Daniel
Lucas, John Thomas
Love, Robert Williams, Jr.
Lussier, George Andre
Ludwig, Karl David
Maddox, Robert Charles
Maclean, Thomas Arccie
Marcel, Jesse Antoine, Jr.
Majors, Robert Powell, Jr.
Marshall, Charles Edward
Marsh, Myrle F.
Masar, Maurice Francis P.
Martin, William Albert
Matucan, Napoleon Gardon
Mattern, Allan Lee
McCall, John Charles, Jr.
Mauk, Sid F., III
McGonigle, Lester E.
McGeoy, Thomas James, Jr.
Meador, James Carr, Jr.
McKinlay, Robert Todd, Jr.
Melton, Russell Wayne
Meighan, Jacob Wells
Mills, Robert Donald
Miller, John Johnston, III
Mixon, William Alfred
Mitchell, Shelby W.
Montoya, German
Mollerus, Robert James
Moore, William Stonehart
Moore, William E.
Mork, Gustave William
Morgan, Elwood Ernest
Nelson, Norman Dorr
Musser, John Ralph, Jr.
Nuss, Robert Conrad
Nevel, William George
Oriatti, Mario D.
O'Connor, Robert Gerald
Pare, Norman Gerard
Ostroski, Joseph Thomas
Paxton, George Stratton
Pattavina, Vincent
Propert, David Boyd
Pitlyk, Paul James
Richmond, Thomas Frank
Reed, Ralph Eugene
Robbins, Gordon B.
Rigor, Benjamin Morales, Sr.
Rock, Donald E.
Roberts, James Glen
Romeo, Sam John Wallace
Roessing, Lawrence W., Jr.
Sanford, Harold Woodliff, Jr.

Rumble, Wilson Baxter
Sawyer, Norman Marshall
Sasano, Joseph R., Jr.
Schafer, Theodore E.
Sawyer, Robert Newell
Schmid, William Henry
Schibly, William Joseph
Scott, Ralph Hyler
Schroeder, Charles Fairman
Shaffer, Frank L.
Senior, John Robert
Shugoll, Gerald Irwin
Sharpe, Richard Garfield
Sleszynski, Raymond Ambrose
Skelly, John Patrick
Snyder, James Leigh
Smith, Dale Joseph
Spikes, George A.
Sokolowski, Joseph William
Stafford, John Richard
Sponaugle, Harlan Dale
Stram, John Richard
Stapleton, Michael Reid
Swanger, Ronald Frederic
Subin, David Kant
Tate, Harry Randolph
Sweeney, Eugene William
Tejano, Felipe Mazon
Taylor, Britton Edgar
Tielens, Don Raymon
Tenney, Richard Luman
Trigos, Gaston Germain
Titus, Bruce M.
Vavrin, Charles Richard
Vernal, Raul Andres
Walker, Lawrence Crumpler
Walker, Richard Harold
Wallach, Stanley
Walters, William Donald
Wanger, William Halvard
Warden, James Richard
Wargovich, Raymond M.
West, Harold Dadford, Jr.
Whiddon, Roscoe Owens
Widmann, Donald Eric
Williams, John Ellis
Williams, Paul Franklin
Wooldridge, Robert M.
Yasui, Homer
Zeidman, Howard
Zeigler, David Charles

SUPPLY CORPS

Acquistapace, Tulio G.
Adams, Richard Gregg
Amos, Henry Culberson, Jr.
Anderson, Rodney G.
Andrews, Bruce Terrell
Andris, Paul J.
Armstrong, Clifford Max
Athearn, Folger, Jr.
Baer, Burton Edwin
Bang, Henry F.
Bartholomew, Charles William
Battelle, Richard Linwood
Berlin, Howard R.
Bisbano, Anthony, Jr.
Blackford, James D.
Bolliger, Ralph W.
Bolton, Thomas William
Bonnell, Lowrence D.
Bost, William Paul
Bridge, Robert L.
Brookstra, Donald L.
Brown, Thomas Gunn
Bunke, Frederick Britten
Burkett, Roy W.
Cabot, David
Campbell, Carroll James
Campbell, George Emerson
Carrington, John Putnam
Carroll, Raymond Leroy
Chakeres, James George
Chastain, Joseph Harold
Christiansen, David Willard
Cohen, Martin F.
Colbourn, Edward Wheeler
Cole, Benjamin I., Jr.
Coyle, Anthony Leo
Crain, Richard Herbert
Cuomo, Ralph J.
Dalleda, Norman George
Donovan, James Lawrence
Doyle, John Joseph, Jr.
Driver, Robert Temple
Duncan, Dean L.
Edel, Thomas R.
Fandey, Fayze
Fauteux, Robert Henry
Fesler, Richard V.
Fink, Donald A.
Finneran, John B.
Fox, Cecil C.
Forkner, Donald F.
Giannini, Roland E.
Frasciello, George J.
Gogerty, David C.
Gill, Leo Samuel
Grant, Ralph Stanley
Graeff, Paul A.
Grimes, Fred Michael
Graul, Roger A.
Halquist, Theodore J.
Haggard, Howard Frank
Healy, Joseph L.
Hamel, Carlton Edward
Hensley, Frank Maywood
Heil, Louis Lair
Hobson, Neal D.
Herbert, Thomas J., III
Hollberg, Charles Frank, III
Hock, Winfield Feltcher, Jr.
Huebschman, Robert B.
Hudgens, Ronald Clinton
Jebbia, Joseph Dominick, Jr.
Hummel, John Henry
Joseph, Mark R.
Johnson, Richard Allen
Kimball, William G.
Kellet, James E.
Lota, Victor J.
Laymon, Kenneth L.
MacMullen, Clark
Lowry, Wallace M.
Manelski, Joseph A.
Malone, William Nicholas
Martineau, Paul Jennings
Martin, James Edwin, Jr.
Mayer, James Hock
Mathews, Robert L.
McKeehan, Robert D.
McGoldrick, Robert L.
McLain, James A., Jr.
McKnight, Richard Francis
Moore, Ned Dalton, Jr.
Meyer, Jack A.
Morris, Herbert Kinston, Jr.
Morrison, James Denman
Mundt, Elvin Emil
Moss, Stephen Andrew
Nelson, John Edward
Nelson, William H.
Norton, Burnett W.
Northrop, Joseph A.
Osborn, Robert Hart
Onan, Thomas M.
Patton, Kenneth Gene
Owens, James K., Jr.
Phippard, James R.
Penn, Frederick M.
Ponzeline, Dante C.
Pizer, Seymour S.
Purcell, Alfred Stephen
Powell, Mannie Stevens
Quintero, Donald Baldwin
Pyper, Arthur Gordon
Roberts, Paul G.
Reeder, Paul Alvin
Rocque, Paul Ferdinand
Robinson, Ronald Dean
Scott, Richard Conroe
Schneider, Andrew George, Jr.
Shinn, Leonard M.
Shaw, Harold M., Jr.
Slifer, Charles A., Jr.
Simpson, Robert D.
Soulant, Kenneth A.
Soens, Robert Paul
Spitler, Guy D., Jr.
Spearel, Richard Warren
Starkey, Jack Lowell
Stangelo, Donald Gene
Taylor, Norman Henry
Sutherland, Peter Joseph
Thweatt, John Griffin, Jr.
Thompson, Terry D.
Trujillo, Lionel G.
Tormey, Edward N., Jr.
Vanantwerp, Malin
Trulsson, Nils O., Jr.
Vice, John Hancock
Vandergrift, Charles Frank
Wendle, Dean Rex
Weiss, Ethan George
Weyman, Edward B.
West, John Waddell
Wickman, Robert Emil
White, Donald Barnes

CHAPLAIN CORPS

Adams, Edgar George
Anderson, Sherwood William
Beaulieu, Raymond A.
Bigler, Robert Louis
Brammer, David Howard
Brock, John Dale
Carlson, Kenneth Donald
Cheatham, Jeff Porter, Jr.
Cook, Bobby Wayne
Curtis, James Wallace
Donovan, Herbert A., Jr.
Edwards, Ted Elkain
Engdahl, Carl M.
Fisher, Clifford Stanton
Glaser, William Cummings
Gorton, Rolland William
Green, John Raymond
Hampton, William Ray
Heine, William Harold
Hill, James Donald
Hutton, James Robert
Jessen, Arne Kragh
Jones, James Bascomb, Jr.
Jones, Robert Edwin
Kelley, Haven Coke, Jr.
Love, James Neal
Lowe, Sidney Dale
Lyons, Pitser M., Jr.
Mathison, Milo Arthur
McGinley, Charles Richard
McVeigh, John Joseph
Miller, Walter John
Molander, Roy Frederick
Moris, Walter Johan
Osborn, Roy Claude, Jr.
Payne, Jack S.
Peloquin, Anthony Roland
Pomeroy, Robert Ferris
Shulman, Nisson Elchanan
Siegel, Reuben
Smith, Louis C.
Swenson, Edward Walter
Thomas, Davis Alvin
Thompson, Alfred Clifford
Tyer, Charles L.
Vere, Harry W.
Vonalmen, Adelberta Marion
Wadowicz, Joseph M.
White, Morris Edward
Wilson, Stanton R.
Witcher, Robert Campbell
Zanker, Robert Frederick

CIVIL ENGINEER CORPS

Almy, Thomas Boyd
Anibal, Fred Ramon
Ashton, William Daniel, III
Baldwin, Leonard Bush, Jr.
Batton, Phillip Darrell
Bedrosian, Edward R.
Billstone, Donald Lewis
Blackmon, Warren R.
Blevens, Melvin L.
Block, Norman Gregory
Braun, Richard W.
Cassidy, Earle M.
Cawley, Martin L.
Collins, James Richard
Copple, Fred
Creger, William Ellery
Currie, Robert S.
Cusano, Michael Charles

Decker, Charles W.
Derr, Frederick Mueller
Dodson, John R.
Donoghue, Edward P.
Donovan, Robert L.
Ellis, Osborne N.
Fair, Harlan W.
Felix, William Vernon
Field, Richard Hildreth
Flack, Frederick Paul
Ford, Miller C., Jr.
Gallaugher, James Rankin
Gannon, Francis X.
Geoghegan, Walter B., Jr.
Guthrie, Richard Gray
Harkleroad, John Franklin
Hathaway, Paul Lawrence Jr.
Higgs, Gerry Edwin
Holland, Donald K.
Holmquist, Dale J.
Horne, William A.
Howard, Horace W., Jr.
Huddleston, Thomas P., Jr.
Jardine, Douglas Marshall
Johnson, Clarence Bud
Jones, Jonah Phillip Jr.
Jones, John E.
Kjosness, Robert W.
Knox, John R.
Kohler, Arthur Degen, Jr.
Koski, David R.
Kuhn, Carl Hans
Lieberknecht, Don W.
Lofgren, Gustav R., Jr.
Lukacz, John Jr.
Long, Jimmy B.
Malone, Richard D.
Mahaffey, John E.
Marley, Jerry J.
Mansfield, Douglas Jason
Miele, Joel Arthur
Meylan, Charles L.
Muir, Roger W.
Moore, David
Olson, Harry Willard
Murray, James W.
Pietsch, Paul Edward
Pfefferle, Warren
Ragsdale, William C.
Purdum, Robert Leroy
Roedl, Donald Lee
Rizzi, Louis Leon
Satterlee, Hugh Maxwell
Rosser, Paul Calvin
Schmode, Gerald Wayne
Scherer, Clark Harvey, Jr.
Sekellick, Daniel Edward
Seigel, Leonard M.
Smith, William Melbury, Jr.
Simpkins, Harry Melvin, III
Stevens, Stiles F.
Sonderman, Douglas Robert
Stopkey, Waldemar D.
Stone, Lester W.
Tagliabue, Charles J.
Stumpf, Edmund P.
Titrington, George Frank, Jr.
Thomas, Jackson E.
Weisgerber, George R.
Verna, Bernard J.
Winkel, Thomas Arthur
Wilson, James G.
Witcher, Loftin V.
York, Ronald F.
Young, Donald R.

JUDGE ADVOCATE GENERALS CORPS

Bilder, Richard B.
Blanton, John H.
Bondies, Walton Porter, Jr.
Brinson, Zeb Creighton
Chilton, Ralph H.
Clay, Lyell B.
Curley, Robert Michael
Devane, Joseph Francis, Jr.
Dowling, Donald Hurlin
Edington, Robert S.
Eskenazi, Jacob V.
Fauss, Edward, Jr.
Fine, Morris Heller
Fitzgerald, David Ford
Gilbert, Gerald Ernest
Harris, Martin
Hebert, Stanley Paul
Hersch, Marvin H.
Hickman, Virgil W.
Holman, Donald R.
Jacobsen, Douglas A.
Johnson, Edward O., Jr.
Kellogg, John S.
Kiernan, William Joseph, Jr.
Knape, Raymond E.
Lackey, Vaden M., Jr.
Landry, Robert W.
Maley, Karl Archer
Martin, James Neal
McMahon, Thomas J.
McShane, John L.
McSweeney, Robert Henry
Mioduski, Joseph
Murphy, Joseph Patrick
Morse, Joshua Marion, III
Nichols, Roger J.
Murray, Charles F.
Olson, Ronald Wayne
Nolan, Francis Xavier
Parker, Carl Allen
Orlow, James Joseph
Place, James S.
Parr, Jack R.
Rischmiller, Robert William
Richmond, Lyle L., Jr.
Ryan, James Leo
Rose, Leonard
Shine, Henry M., Jr.
Scheer, George Moses, Jr.
Sonnemaker, Harry Henry Jr.
Sogge, Ronald Richard
Stutz, Sidney A.
Sterbenz, Stanley R.
Tillotson, Drew Robert
Switzer, Frederick M., III
Watson, William H.
Wahlquist, John F.
West, James B.
Weeby, Edward Hamida
Wood, Thomas Delancey
Wiss, Robert E.
Wood, Hugh L.

DENTAL CORPS

Alaniva, Loyal Vernon
Anderson, Frank H.
Armstrong, Edward B.
Ashton, Loye Andersen
Barker, Walter Sherwood, Jr.
Barrett, Darwin S.
Beesley, Charles Vandever
Bills, Eldon D.
Bosko, John J.
Brose, Mark Owen
Brown, Richard Gordon
Buckley, Ambrose William Jr.
Cahill, James M.
Calderone, James Joseph
Campbell, Homer R., Jr.
Carroll, Peter Brian
Cerine, Ferdinand C.
Compton, Duane Edward
Cook, David N.
Cornell, Thomas Bonifer
Crowner, David Wells
Custer, Frederic
Damiano, Maurice A.
Dattilo, Bruno Frank
Dewaters, Robert Seyter, Jr.
Diamond, Michael Whitman
Downey, William Elder, Jr.
Driscoll, John Michael
Dunston, Walter Thurston
Eckerson, Peter Lee
Franz, Larry Victor
Gaither, William Dean
Geller, Jacob
Glekas, Louis John
Grimm, Oliver G.
Gross, Robert D.
Halprin, Arthur E.
Hardison, Samuel Howard
Hart, Charles Bathen
Hatzeson, Thomas Athos
Hayden, Jess Jr.
Hearon, Donald Lee
Heget, Harry Streeter, Jr.
Hubbard, John Rowley
Henry, Richard Wakefield
Ingwersen, William F.
Huffstutler, Bibb Bowles
Kasenchak, Peter
Karagianis, Michael George
Kimball, Kenneth Robert
Kennedy, William Gordon, Jr.
Kleven, Jerome Harold
Kimpel, William Arnold
Laczynski, Stanley J.
Kline, Nelson Henry
Larsen, John Soren
Lanier, Harold S., Jr.
Lay, William Frederick
Last, Ronald Francis
Leichtfuss, Fredrick Henry
LeBlanc, Patrick H.
Leonard, Lloyd F.
Leiser, Fred C., Jr.
Luke, Alan Bertram
Llewelyn, David Gene
MacDonell, Walter Edgar
Lynn, Richard D.
Martin, Lloyd Ronald
Martin, Paul William, Jr.
Matchefts, James Nicholas
Mastandrea, Carmine A.
McCann, Billy Westmoreland
Mayo, Jacque L.
Miller, Frank Richard
McEwan, James Edward
Moore, Emerson Earl
Moffitt, Richard Edward
Nowak, Arthur John
Moritz, Robert Frederick, Jr.
Perroni, Joseph Rosario
Pavlick, Charles Thomas, Jr.
Petraitis, Benedict Joseph
Peterson, Robert V.
Primomo, Peter V.
Pezzopane, Bernard
Reed, Darwin Miles
Proteau, Thomas Joseph
Render, Thomas P.
Reeves, George Wesley
Rollins, Laurence R.
Richards, Mervyn Donald
Ryan, James H.
Ryan, John Butler
Schreier, Charles F., Jr.
Scholl, Jerome Thomas
Stevens, Otto O., Jr.
Schwartz, Stanley M.
Tinthoff, John C.
Sullivan, Thomas Michael
Toyias, James P.
Toye, James C.
Vitale, Joseph S.
Vanummersen, Frank, III
Wargelin, David William
Vogeley, John Charles
Weston, Philip Marlowe
Westergren, Richard C.
Woods, Richard Alan
Williams, James S.
Yavel, Robert Paul

MEDICAL SERVICE CORPS

Besch, Emerson L.
Boyle, Robert Emmet
Cummins, Charles V.
Gamertsfelder, Paul Wesley
Grier, Charles P.
Hackley, Robert, II
Hargrave, Charles William
Harris, Jesse Graham, Jr.
Jones, Bradford R.
Landers, Judson W., Jr.
Lautenschlager, Edward W.
Long, Sterling K.
McCarthy, Thomas
Meyer, Richard I.

Neill, Viola M.
Radermacher, James F.
Richardson, Lavon Prest
Roth, Gilbert J.
Strem, Bruce E.
Taylor, Jane F.
Toscano, Frank Randolph, Jr.

NURSE CORPS

Brown, Virginia M.
Casey, Donnabelle Anne
Georgi, Stella R.
Hill, Cleone M.
Hull, Marion J.
Jennings, Patricia Slater
Knott, Josephine M.
McColl, Evelyn Yvonne
Mellish, Mildred Weeks
Mong, Dorothea Gail
Monroe, Mary Jane Estes
Prestwich, Kathleen Boone
Rambo, Beverly Jean
Roskoph, Dorothy Ann
Ruff, Janet M.
Stetzer, Grace Marie
Taylor, Patricia L.
Vaz, Dolores Dos Santos
Williamson, Helen Roberts
Yohanan, Barbara Jane
Young, Jacqueline T. E.
Young, Victoria Ellen

CONFIRMATIONS

Executive nominations confirmed by the Senate August 10, 1976:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Daniel Orrin Graham, [redacted] Army of the United States (brigadier general, U.S. Army).

IN THE NAVY

Vice Admiral Denis-James J. Downey, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Rear Admiral Clarence R. Bryan, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Rear Admiral Samuel L. Gravely, Jr., U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE

Air Force nominations beginning Larry R. Bowman, to be captain, and ending Dorothy S. Williams, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on July 29, 1976.

HOUSE OF REPRESENTATIVES—*Tuesday, August 10, 1976*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Treat others as you would like them to treat you.—Luke 6: 31 (NEB).

O Lord, our God, may Thy Spirit move mightily through us as we pray that we may have the courage to live by our moral convictions and to do unto others as we would like them to do unto us.

Direct our President and those in authority with Thy wisdom. Give to Members of Congress insight, inspiration, and industry to continue to work for the good of our country. Sustain our people with Thy power that they may be true to the highest and best they know.

May the assurance of Thy love, the presence of Thy truth, and the joy of Thy Spirit abide in all our hearts and in all our homes, now and forevermore. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 5752. An act for the relief of Lucie Stein;

H.R. 6156. An act for the relief of Walma T. Thompson;

H.R. 7896. An act to amend sections 2734a (a) and 2734b(a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the Armed Forces, and for other purposes; and

H.R. 10374. An act to amend section 2301 of title 44, United States Code, to change the membership of the National Archives Trust Fund Board.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3650. An act to clarify the application of section 8344 of title 5, United States Code, relating to civil service annuities and pay upon reemployment, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2830. An act for the relief of Gary A. Broyles.

CALL OF THE HOUSE

Mr. RUSSO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 627]

Abzug
Ambro
Anderson, Ill.
Andrews, N.C.
Archer
Aspin
Biester
Bingham
Bowen
Brown, Calif.
Burton, John
Chappell
Chisholm
Clay
Conable
Conlan
Coughlin
Diggs
Drinan
du Pont
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fenwick
Findley
Flynt
Ford, Tenn.
Forsythe
Fountain
Fraser
Green
Harsha
Hawkins
Hayes, Ind.
Hébert
Hefner
Heinz
Hinshaw
Holt
Howe
Jarman
Jones, N.C.
Landrum
Leggett
Lujan
McDonald
McKinney
Melcher
Michel
Mink
Moorhead, Pa.
Morgan
Murtha
O'Hara
Passman
Peyser
Pickle
Pressler
Rees
Riegle
Roe
Scheuer
Shipley
Sikes
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symington
Treen
Udall
Waggonner
Waxman
Weaver
Wiggins
Young, Ga.

The SPEAKER. On this rollcall 354 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR FOSSIL FUEL SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION (FOSSIL FUELS) OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO MEET DURING 5-MINUTE RULE TODAY

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research, Development, and Demonstration (Fossil Fuels) of the Committee on Science and Technology be permitted to meet during debate today under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is this to mark up a bill?

Mr. HECHLER of West Virginia. No. I would advise my friend from California that it is not to mark up the bill. It is merely to take testimony from witnesses who have come from out of the District.

Mr. ROUSSELOT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DISTRICT OF COLUMBIA APPROPRIATION BILL FOR 1977

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the District of Columbia appropriation bill for fiscal year 1977.

Mr. YOUNG of Florida reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SOVIET UNION NOT LIVING UP TO HELSINKI FINAL ACT

(Mr. BLANCHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLANCHARD. Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Because the Soviet Union is not living up to that promise, Members of Congress are conducting a vigil on behalf of the families which remain separated.

A case history of these families entitled "Orphans of the Exodus" dramatically details this tragic problem. At this time I would like to bring to the Members' attention the situation of the Soifer family.

Nina Mendel Soifer of Novosibirsk, in the Soviet Union, is the last remaining member of the Mendel family in the Soviet Union. Her four brothers, a sister, their families, and her parents have all been allowed to emigrate to Israel.

Nina, 42 years old, a former physics teacher, her husband Moishe Soifer, age 50, an engineer, have three children. Joseph, the oldest, age 25, is an engineer, Anna is 18 years old, and Alexander, the youngest, is only 11 years old. The family first applied to leave in August 1973. They have been refused permission to leave many times. Finally, last August Joseph was given permission, and left for Israel. His parents, younger sister, and brother long to be reunited with him and with Nina's parents, Moishe and Sima Mendel, along with Nina's four brothers and sister and their families.

In a letter from Moishe Mendel, he said:

> They have been refused many times. We beg you to help in any way you can to unite us with our family.

PRINTING ADDITIONAL COPIES OF PROGRAM RELATING TO PRESENTATION OF MAGNA CARTA

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged resolution (H. Res. 1333, Rept. No. 94–1402), which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR PRINTING OF DOCUMENT ENTITLED "THE WORKING CONGRESS"

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged concurrent resolution (H. Con. Res. 629, Rept. No. 94–1403), which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR PRINTING OF ADDITIONAL COPIES OF REPORT OF SUBCOMMITTEE ON HEALTH AND LONG-TERM CARE OF SELECT COMMITTEE ON AGING

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged concurrent resolution (H. Con. Res. 641, Rept. No. 94–1404), which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR PRINTING OF A PUBLICATION ENTITLED "SUMMARY OF VETERANS LEGISLATION REPORTED, 94TH CONGRESS"

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged concurrent resolution (H. Con. Res. 655, Rept. No. 94–1405), which was referred to the House Calendar and ordered to be printed.

AUTHORIZING PRINTING OF BOOKLET ENTITLED "BLACK AMERICANS IN CONGRESS"

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged concurrent resolution (H. Con. Res. 682, Rept. No. 94–1406), which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR PRINTING AS HOUSE DOCUMENT VISITORS INFORMATION FOLDER ENTITLED "THE UNITED STATES CAPITOL"

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged concurrent resolution (H. Con. Res. 688, Rept. No. 94–1407), which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR PRINTING OF ADDITIONAL COPIES OF "ART IN THE U.S. CAPITOL"

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged concurrent resolution (H. Con. Res. 698, Rept. No. 94–1408), which was referred to the House Calendar and ordered to be printed.

AUTHORIZING PRINTING OF COMMITTEE PRINTS OF COMMITTEE ON FOREIGN RELATIONS, SUBCOMMITTEE ON MULTICORPORATIONS

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged Senate concurrent resolution (S. Con. Res. 107, Rept. No. 94–1409), which was referred to the House Calendar and ordered to be printed.

AUTHORIZING PRINTING ADDITIONAL COPIES OF COMMITTEE PRINT ENTITLED "SOVIET SPACE PROGRAMS, 1971–75"

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged Senate concurrent resolution (S. Con. Res. 113, Rept. No. 94–1410), which was referred to the House Calendar and ordered to be printed.

AUTHORIZING PRINTING OF ADDITIONAL COPIES OF SUBCOMMITTEE ON CHILDREN AND YOUTH COMMITTEE PRINT ENTITLED "BACKGROUND MATERIALS CONCERNING CHILD AND FAMILY SERVICE ACT, 75"

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged Senate concurrent resolution (S. Con. Res. 114, Rept. No. 94–1411), which was referred to the House Calendar and ordered to be printed.

AUTHORIZING PRINTING ON BACKGROUND INFORMATION ON FOREIGN RELATIONS COMMITTEE AS A SENATE DOCUMENT

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged Senate concurrent resolution (S. Con. Res. 115, Rept. No. 94–1412), which was referred to the House Calendar and ordered to be printed.

AUTHORIZING PRINTING OF ADDITIONAL COPIES OF BOOKLET ENTITLED "THE SENATE CHAMBER 1810–1859"

Mr. BRADEMAS, from the Committee on House Administration, filed a privileged Senate concurrent resolution (S. Con. Res. 126, Rept. No. 94–1413), which was referred to the House Calendar and ordered to be printed.

CALL OF THE HOUSE

Mr. RUSSO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 628]

Abzug
Anderson, Ill.
Andrews, N.C.
Aspin
Beard, R.I.
Biester
Bolling
Bonker
Bowen
Breaux
Burton, John
Byron
Chappell
Chisholm
Collins, Ill.
Conable
Conlan
Conyers
Diggs
Dodd
Drinan
du Pont
Eckhardt
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Giaimo
Green
Hall, Tex.
Hayes, Ind.
Hébert
Heckler, Mass.
Hefner
Heinz
Hinshaw
Holt
Howe
Jarman
Jones, N.C.
Landrum
Leggett
Lujan
Lundine
McKinney
Melcher
Mink
Mitchell, Md.
Moorhead, Pa.
Mosher
Murphy, N.Y.
O'Hara
Passman
Pepper
Peyser
Pickle
Quie
Rangel
Rees
Riegle
Risenhoover
Rodino
Roe
Scheuer
Sikes
Sisk
Steelman
Stephens
Stuckey
Sullivan
Symington
Thompson
Treen
Udall
Ullman
Van Deerlin
Waggonner
Weaver
Wiggins
Young, Ga.

The SPEAKER. On this rollcall 346 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 12169, ENERGY CONSERVATION AND PRODUCTION

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1468 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1468

Resolved, That immediately upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 12169) to amend the Federal Energy Administration Act of 1974 to provide for authorizations of appropriations to the Federal Energy Administration, to extend the duration of authorities under such Act, and for other purposes, and all points of order against said conference report for failure to comply with the provisions of rule XXVIII, clauses 3 and 4, are hereby waived.

The SPEAKER. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1468 provides for consideration of the conference report on H.R. 12169, a bill which would extend the Federal Energy Administration and improve its administration of certain energy conservation programs.

The rule granted by the Rules Committee waives points of order against the conference report under clause 3 of rule 28, which prohibits the consideration of matter that is beyond the scope of the specific issues committed to conference. In addition, House Resolution 1468 waives points of order under clause 4 of rule 28, which establishes special procedures for the consideration of matter contained in a conference report which would be nongermane under House rules.

The Rules Committee gave most careful consideration to this request for waivers of the House rules. We were assured by both majority and minority party conferees that the conference report represents the best possible compromise that could be reached after more than a month of consideration. Moreover, in our opinion, the changes agreed upon in conference are in line with the intent of the House as expressed in previously passed legislation. The matter of energy conservation standards for new buildings, for example, has been the subject of House consideration although it was not included in the House-passed version of H.R. 12169.

The Senate agreed to the conference report on H.R. 12169 on Thursday, August 5. Should the House fail to adopt it, it would mean starting all over again from the beginning on this important authorization measure. Under the circumstances, the Rules Committee felt that the requested waivers should be granted in order to expedite final consideration of H.R. 12169. I urge, therefore, that House Resolution 1468 be adopted so that we can consider the conference report.

CALL OF THE HOUSE

Mr. RUSSO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 629]

Abzug
Anderson, Ill.
Andrews, N.C.
Aspin
Biester
Bowen
Brown, Calif.
Burton, John
Chappell
Chisholm
Conable
Conlan
Conyers
Diggs
du Pont
Esch
Eshleman
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Fraser
Green
Hall, Tex.
Harsha
Hébert
Hefner
Heinz
Hinshaw
Holt
Holtzman
Howe
Jarman
Jones, N.C.
Landrum
Leggett
Long, Md.
Lujan
Lundine
McKinney
Mazzoli
Melcher
Mink
Mitchell, Md.
Moorhead, Pa.
Nowak
O'Hara
Passman
Peyser
Pickle
Railsback
Rangel
Rees
Riegle
Roe
Roncalio
Santini
Scheuer
Sikes
Simon
Sisk
Spellman
Stanton, James V.
Steelman
Stephens
Stuckey
Symington
Treen
Udall
Vander Veen
Waggonner
Waxman
Weaver
Wiggins
Young, Ga.

The SPEAKER. On this rollcall 354 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H.R. 12169 ENERGY AND PRODUCTION

The SPEAKER. The Chair recognizes the gentleman from California (Mr. DEL CLAWSON).

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Louisiana has told us that House Resolution 1468 provides for the consideration of the conference report on H.R. 12169 to amend the Federal Energy Administration Act of 1974 to authorize appropriations for the FEA, to extend the duration of authorities under such act, and for other purposes. The rule that has been granted waives all points of order against the conference report for failure to comply with the provisions of rule XXVIII, clauses 3 and 4 of this House. If we are going to uphold the rules of the House this morning, the rule should be rejected and a new rule adopted, permitting votes on the nongermane provisions in the conference report.

Clause 3 of rule XXVIII of this House prohibits conferees from going outside of the scope of the conference.

Clause 4 of rule XXVIII permits a separate vote on nongermane amendments added in conference. This rule is waived. The other body was able to vote on nongermane amendments, but we are being told "no, you cannot vote according to the rules of this House."

As passed by the House, H.R. 12169 was largely confined to a simple extension of and authorization of appropriations for the Federal Energy Administration Act of 1974. The amendment added by the other body was far broader in scope. It extended the FEA Act for a 15-month period, made other changes in the FEA Act—several of which were designed to address deficiencies in FEA procedures, and dealt with a variety of energy issues related to FEA regulatory programs.

The conference substitute provides an 18-month extension of the FEA Act. But it also provides for a series of amendments to that act purportedly designed to render the agency more responsive to public needs. The substitute contains a $200 million grant to permit low income persons to weatherize existing homes, a $2 billion loan guarantee program to encourage energy conservation related investments in public and commercial buildings, a $200 million demonstration program to identify incentives to encourage home owners to make energy conservation related investments in home improvements, and title III, section 305 provides for Federal energy conservation performance standards for new residential and commercial buildings.

If these performance standards, as defined in the act, are implemented we may see the Federal Government limiting the size of houses and establishing Federal building code standards. We will then find that all new construction may be well insulated, but will also be architectural abortions and structural abnominations, if past federal public housing standards are any criteria. We will find ourselves living in "institutional housing."

Mr. Speaker, this conference substitute and the rule that makes it in order, again requires Members of the House to accept Senate language without an opportunity to vote on the section in controversy. I suggest the rule be defeated.

Mr. DEL CLAWSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Speaker, as the gentleman from California has stated, you are being asked to approve a rule waiving points of order against the conference report on H.R. 12169 (FEA Extension Act). I urge defeat of that rule.

The conference report does violence to the rules of the House concerning germaneness and clearly contains matter which exceeds the scope of the conference. To allow for a waiver of all points of order without having such points specified would be regrettable even for good legislation—which this is not.

A blanket waiver is sought for one overriding reason—to deny the Members of the House the opportunity of having a separate vote on several critical issues. A prime example is the inclusion in the conference report of title III, which deals with mandatory flood insurance type sanctions for what will amount to a national building code.

Title III, the Energy Conservation Standards for New Buildings Act of 1976, was originally passed by the House as part of H.R. 8650 without sanctions and is currently in conference. The major point of disagreement has been the imposition of severe sanctions which would deny virtually all Federal financial assistance with respect to the construction of any new commercial or residential building—including loans from most banks and savings and loan associations—in a community if that community does not adopt the Federal standard. The Senate conferees have refused to continue the conference on H.R. 8650, and instead have sought an end-run by attaching the building standards provisions to H.R. 12169. If the House passes a rule waiving all points of order against H.R. 12169, it will be abdicating its rights and reponsibilities as a coequal body with the Senate and, giving support to this end-run would be a clear signal to the Senate that the rules of the House are meaningless and that venue shopping is an acceptable way to circumvent a legitimate House position.

I should point out that while the conference report technically calls for the House and Senate to approve the sanctions before they are imposed, this alleged safeguard is almost meaningless. The provision calls for HUD to promulgate energy consumption standards for new buildings—which currently is beyond the state of the art—and for Congress to act within 90 days of such promulgation. Upon congressional approval, the sanctions would apply.

No State or community in the country could afford to play Russian roulette of this sort. They could not wait to see if Congress rejects the sanctions because, if Congress approves, there is no required leadtime for communities to comply. Even if a community wished to comply with the Federal standards, there is not adequate time for them to adopt and implement a new building code before the imposition of the sanctions, should Congress approve.

In addition, this provision would have a detrimental effect on the efforts of many State and local jurisdictions currently in the process of adopting proven model energy conservation codes. Many will cease their efforts in anticipation of mandatory Federal standards, and rather than changing to the proven codes now, they will wait for the questionable mandatory Federal standard. The result will be a loss of energy conservation in the several years it may take to develop the Federal standard and even then, if such a standard can be developed, there is no assurance it will conserve more energy than the model codes already being voluntarily adopted.

The sanctions provision in this title is opposed by the League of Cities/Conference of Mayors, National Association of Homebuilders, National Association of Realtors, U.S. League of Savings Associations, American Bankers Association, Mortgage Bankers Association, and the U.S. Chamber of Commerce to name a few.

Once again I urge that the rule on H.R. 12169 be defeated.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, the gentleman from Michigan (Mr. BROWN) has alluded to title III of this conference report. Those of us who live in jurisdictions which have generally opposed Federal intrusion into areas such as land use and flood control know the problems that have arisen just under the one act that was passed, the Flood Control Act. Two years ago the House voted down and last year the Committee on Interior and Insular Affairs voted down Federal land-use laws which contained no sanctions. In fact, sanctions had originally been suggested by the authors of the land-use bill and were taken out by the Committee on Interior and Insular Affairs because the consensus was that most jurisdictions would be hurt badly by an agency of the Federal Government coming in and telling them how to plan the use of their land under the threat of lost funding.

Am I correct in stating that if title III is agreed to, every local building code in a town, county, or any local subdivision would have to be conformed within 3 years to Federal regulations or they would lose Federal money under HUD program?

Mr. BROWN of Michigan. Yes. The gentleman is correct.

Mr. BAUMAN. So the local jurisdiction would literally lose control over its building codes and over the types of regulations it could promulgate or they would lose HUD funding?

Mr. BROWN of Michigan. They would lose not just HUD funding, but then one could not go into a bank and get a mortgage on his home.

Mr. BAUMAN. We all know the dislocation of mortgages because of the flood control legislation. In many areas it stopped homebuilding for a considerable length of time until the banks were able to have assurance of what the Federal policy would be.

So we are being asked now to vote on a rule which permits the Federal Government to establish building codes all across this country; is that correct?

Mr. BROWN of Michigan. Yes. And the thing that is worse than that is that under the flood insurance provision in the flood control bill we at least had a standard set by the Corps of Engineers. We may disagree with the 100-year flood standards, but at least we had something to look to. In this case there is no code. The state of the art is such that no one knows what the energy conservation standard will be.

What we are doing is establishing a punishment for a crime before we have even established the elements of the crime.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman. I think he has done the House a service by bringing this to our attention.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, the gentleman's answer to the question put by the gentleman from Maryland (Mr. BAUMAN) struck me as being misleading. The gentleman asked whether it is a fact that within 3 years the local communities would be obliged to conform to Federal building standards, and the answer to that question is "No." The gentleman from Michigan (Mr. BROWN) said the answer was "Yes." The fact is that the answer is "No."

Mr. BROWN of Michigan. The term is 3 years and 90 days, or else the legislation is meaningless. If we do not want to impose the sanctions, then why did we put them in this legislation?

Mr. ASHLEY. The fact of the matter is that there is no self-triggering device with respect to the sanctions, and the gentleman knows it. This body and the other body must act separately in order for the sanctions to be applied. I wish the gentleman would not give the impression he did, because that is not true.

Mr. BROWN of Michigan. Mr. Speaker, is the gentleman saying that the provision in this legislation with respect to sanctions is meaningless, then?

Mr. ASHLEY. I am saying the gentleman has given the Members the wrong impression.

Mr. BROWN of Michigan. Mr. Speaker, I wish the gentleman would answer my question.

Mr. ASHLEY. I am saying it is meaningful only when and if this body and the other body acts affirmatively 3½ years from now.

Mr. BROWN of Michigan. Then the gentleman is saying it is meaningless?

Mr. ASHLEY. During the 3½-year period the provision certainly is because the sanctions could not be applied.

Mr. BROWN of Michigan. Then why did we put them in the bill?

Mr. ASHLEY. Why did the gentleman tell the gentleman from Maryland that the answer to his question was in the affirmative when it should have been in the negative?

Mr. BROWN of Michigan. Because I thought the gentleman put the sanctions in the legislation for a purpose. The gentleman agreed to that. If we did not need them and if we did not want them to apply in 3 years and 90 days and we did not want to adopt a provision including sanctions, why did the conference committee put them in the legislation?

Mr. ASHLEY. I will answer that question.

Mr. BROWN of Michigan. I know the answer. It is because the Senate insisted that we put them in. The gentleman from Ohio knows that, and I know it.

Mr. ASHLEY. To the contrary, what we are saying is that if the standards do not meet the approval of this body and the other body, then we will turn down the sanctions. The gentleman says they are automatic. They are by no means automatic.

They are not self-implementing in any sense whatsoever.

Mr. BROWN of Michigan. Let us assume, that in 90 days we do not adopt the sanctions. Are they dead then?

Mr. ASHLEY. Are they dead?

Mr. BROWN of Michigan. Are they dead?

Mr. ASHLEY. They are dead until this body and the other body act, and they cannot act within the 3 years. In other words, the Congress has preserved the right to look at the standards which are to be implemented during this period.

Of course, we are not putting in place sanctions which will be self-implementing with respect to standards, the content and substance of which we do not even know at this time.

Mr. BROWN of Michigan. What does this legislation say? The legislation says that the agency will come up with an energy conservation performance standard that will be mandatory.

Mr. ASHLEY. It would not be mandatory.

Mr. BROWN of Michigan. Will the gentleman wait a minute. That would be mandatory and the sanctions will apply if the Congress within 90 days adopts the concurrent resolution——

Mr. ASHLEY. Oh, if the Congress does that.

Mr. BROWN of Michigan. Will the gentleman wait a minute. That would be sanctions. What if within 90 days the Congress does not do anything on the sanctions?

Mr. ASHLEY. Then they become voluntary.

Mr. BROWN of Michigan. Then why does the gentleman bring this in here? Why does not the gentleman wait until the performance standards have been established?

Mr. ASHLEY. We are waiting.

Mr. BROWN of Michigan. We could get the performance standards, and then if the voluntary system does not work, come back to the Congress and establish the sanctions.

That was the position of the House, and the gentleman knows that it is the best position.

Mr. ASHLEY. We upheld the House position. That is the point. We upheld the House position.

Mr. BROWN of Michigan. We certainly did not.

Mr. DEL CLAWSON. Mr. Speaker, I have no further requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. McCormack).

Mr. McCORMACK. Mr. Speaker, I rise reluctantly to oppose this rule, and I find that I must oppose the legislation as the conferees have returned it to this body.

I am sorry that this has happened, but I think the Members on both sides of the aisle should understand what this bill contains in its provisions.

I think we should understand that this conference report has gone far beyond the point of reason in including major costly new programs that have either been specifically rejected by this body or not considered at all by this body.

The conferees, in going to the Committee on Rules, admitted to having 15 or more points of order which could be raised against the report and requested a rule waiving all these points of order.

I wish to point out that one of the sections of title I of this bill establishes a new pricing scheme for domestic oil, which further increases the price of domestic oil in the United States.

Mr. Speaker, it will cost the country an additional $1.5 billion, according to the Senate Committee on Interior and Insular Affairs.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, the gentleman has made a statement and that statement is false.

Mr. McCORMACK. Mr. Speaker, the fact is that the new pricing schedule for domestic oil would cost $1.5 billion a year, according to the Senate Committee on Interior and Insular Affairs.

Mr. Speaker, this matter has never been before this body, and I think we should understand it.

There are other provisions of the bill also which should be referred to. The bill authorizes $37 million for energy conservation, but this was specifically stricken by a vote in this body. Yet, the conferees went right into conference and put it back in.

Another provision providing $3 million to be given to the FEA for coordinating solar activities and commercialization was specifically deleted by this body and was added again by the conference committee.

In addition to that, Mr. Speaker, the bill provides a new program for state energy conservation plans, a supplemental plan, that requires FEA to establish a program which will duplicate ERDA's activities with respect to the National Energy Extension Service, for which both bodies have now authorized funds and appropriated $7.5 million to the ERDA for this activity in fiscal year 1977 in the public works appropriations bill.

The bill includes a $200 million program for direct grants, loans, and loan guarantees for private citizens to install solar energy equipment in existing homes.

The SPEAKER. The time of the gentleman has expired.

Mr. LONG of Louisiana. Mr. Speaker, I yield 2 additional minutes to the gentleman from Washington.

Mr. McCORMACK. This bears direct relationship to the solar energy heating and cooling demonstration program.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I cannot yield at this time.

The tax credits that are allowed under legislation passed by this House amount to comparable sums of money to stimulate solar energy utilization.

The bill provides a $2 billion authorization for energy conservation and renewable-resource measures which is a direct overlap of H.R. 12112 which has been reported now by four committees of the House.

I would like to report to the Members that the chairman of the Committee on Science and Technology, the Honorable Olin E. Teague, directed a letter to the chairman of the Committee on Interstate and Foreign Commerce, the Honorable Mr. Staggers, which reads as follows:

August 9, 1976.

Hon. Harley O. Staggers,
Chairman, Interstate and Foreign Commerce Committee, Rayburn House Office Building, Washington, D.C.

Dear Harley: I have noted that the conference report on H.R. 12169, the Energy Conservation and Production Act has been filed by the House conferees. I asked the staff of the Committee on Science and Technology to review the report for me.

I am apprised by staff that the bill as reported from the committee of conference has several provisions which are of potential concern to the Committee on Science and Technology. The notable areas are the provisions of Parts B, C and D of Title IV. Part B authorizes a supplemental state energy conservation plan which can be construed to duplicate the ERDA National Energy Extension Service for which 7.5 million has already been appropriated for FY 1977. Part C of Title IV established within the Department of Housing and Urban Development (HUD) a demonstration program for approved energy conservation measures, including renewable resource energy measures, in existing dwelling units through various forms of financial assistance including direct grants. This new program may affect adversely the existing ERDA–HUD programs under the Solar Heating and Cooling Demonstration Act and other ERDA programs in a number of respects. In Part D of Title IV, $2 billion of loan guarantees for energy conservation measures and renewable resources measures are authorized which bear a relationship to some of the objectives of H.R. 12112 which, as you know, has been reported favorably by four House committees.

As I am sure you do, I believe that better legislation results when both Houses of Congress have separately considered major new programs. Hence, I view it as regrettable that a number of significant provisions from the Senate amendment to H.R. 12169 were included when there was no comparable House provision and in some cases when the House has previously expressed a clear position toward such programs and the Federal agency to conduct them.

I sincerely hope that we can work cooperatively on future legislation in the areas of energy conservation and renewable resources.

Sincerely yours,
Olin E. Teague,
Chairman.

Mr. Chairman, I know my time is about to expire and I shall not ask for further time, but I will point out that this letter from the chairman of the Committee on Science and Technology, the Honorable Olin E. Teague, of Texas, points out that there is overlap and that in many cases the Congress has already acted on comparable legislation.

Mr. DINGELL. Mr. Speaker, if the gentleman will yield, let me say that the gentleman in the well is a cosponsor of the bill about which he is complaining and his name is on the bill. I suggest the gentleman re-read the legislation.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. McCORMACK. May I have a half minute additional time in order to answer the gentleman from Michigan?

Mr. LONG of Louisiana. Mr. Speaker, I yield one-half minute to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, I am a cosponsor of an omnibus conservation bill which has many, many sections. I think it would be completely appropriate, and I have participated in hearings, to bring the bill before the legitimate committees of the House, take up that bill and resolve the features of that bill in order to handle it. But I object to having the conferees simply pull the sections of that bill for the conference report.

Mr. DINGELL. Will the gentleman yield?

Mr. McCORMACK. I will not yield.

Without having deliberation by any committee of the House, bringing it before the House at this time.

The SPEAKER. The time of the gentleman has again expired.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Speaker, I simply rise at this point to say that we must not confuse one-eighth with the whole. This bill exempts one-eighth of the domestic production, so-called stripper well production, from price controls; the remaining seven-eighths remain under price control. In fact, the composite price for the remaining seven-eighths of that oil is exactly as passed by the energy policy and conservation act. In that composite price there is no change at all. So the gentleman from Washington (Mr. McCORMACK) is correct in one-eighth of his statement and wrong in the other seven-eighths, and I should like to make that correction.

Mr. LONG of Louisiana. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman from Louisiana for yielding me the time. I merely want to correct some of the statements that were made in a rather lengthy speech a moment ago. Actually what we did is to greatly strip down the Senate provisions with respect to oil prices. We relieved where relief was needed for stripper oil. What had been done in the Senate version was to permit a $1.8 billion increase in the cost of oil in order purportedly to relieve stripper oil, what the Senate did in fact was to permit all new oil to go up to the unregulated price. We cut that back. We recognized in conference that stripper oil, if not obtained now, will never be obtained. It is much more important to encourage production of stripper oil than to encourage exploration for new oil because once a well is shut down, that oil is lost to us forever. So instead of granting a $1.8 billion increase in total oil cost we provided for only $600 million. We took aim directly at the problem that existed. Instead of doing what the Senate did with respect to enhanced recovery—which would have opened the door wide to freeing a great amount of old oil to the world price—we limited it to a figure within an adjustment factor of about 1½ percent. The total cost of that would be about $400 million, so instead of releasing essentially all oil from control, we met very precisely the needs for: First, stripper oil; and second, for some low-gravity oil.

The SPEAKER. The time of the gentleman has expired.

Mr. LONG of Louisiana. Mr. Speaker, I yield one-half minute additionally to the gentleman from Texas.

Mr. ECKHARDT. This was to allow some price flexibility for some of the inordinately low-priced, low-gravity oil in California. Also we provided for encouragement for tertiary recovery with guiding language in the report.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. The gentleman from Washington would not yield to me, and I have only about 20 seconds left. I have a lot to say to correct what the gentleman said before; however, I will yield to the gentleman.

Mr. McCORMACK. I thank the gentleman for yielding.

I would like to ask the gentleman why this deregulation of this portion of our oil production not brought before the House for debate and consideration, rather than including it in this conference report where the only option the Members have is a yes or no vote on the entire report?

Mr. ECKHARDT. Because the Senate put it in, and we had to cut it back and correct it.

The SPEAKER. The time of the gentleman has expired.

Mr. LONG of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Speaker, there comes a time in the affairs of men and women when it is necessary to fish or cut bait. We have been dilly-dallying on energy conservation and production for 2 years. The time has come now to act on the conference report and send the bill to the President. I think he will sign it, one of the finest pieces of legislation we shall have accomplished in this session. There have been statements made here this afternoon that are simply not in accordance with the facts. In fact, the House has considered at great length the conservation proposals inherent in this bill. We acted on them; we amended them; and, by and large, the conferees have brought back something that upholds the House's position. So unless Members believe in waste, unless they believe in putting men and women out of jobs, unless they believe in making a laughing stock of this body, vote for the rule, so that we can consider this conference report and send it on to the White House today.

The SPEAKER. The time of the gentleman has expired.

Mr. DEL CLAWSON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Speaker, the last speaker, the gentleman from Wisconsin, has said that the House has similarly dealt with this energy conservation measure.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I will certainly yield to the gentleman from Wisconsin. Was he not talking about title III?

Mr. REUSS. I wonder if the gentleman from Michigan would not want to correct the statement he made in the well in answer to the question of the gentleman from Maryland (Mr. BAUMAN) in which the gentleman from Michigan said, "I am sure"—not realizing his error—"that under this conference report sanctions are automatic"?

Nothing could be farther from the fact, and I point out in the conference report it is provided that sanctions will not apply until both Houses of Congress approve.

The gentleman has unwittingly made a statement unworthy of him.

Mr. BROWN of Michigan. Mr. Speaker, I decline to yield further. The gentleman from Michigan has unwittingly done nothing except possibly assume the gentleman from Wisconsin was here and understood the colloquy I had with the gentleman from Ohio. I guess he was not here. I trust his opinion of this legislation is more erudite, and wise than is his opinion with respect to the conversation I had with the gentleman from Ohio.

Mr. LONG of Louisiana. I yield 1 minute to the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Speaker, the conference met for almost a month under very difficult circumstances. We have brought back to the House the very best conference report we could, representing what we thought were the best interests of America. We tried to cut out everything we thought was not justifiable in the Senate version and we have brought back what we thought was a reasonable bill. We had to compromise where we thought we could. But I think this rule should be approved, and the bill should be passed. At least the rule should be approved, and then I hope the conference report will be approved also, but I think it is only reasonable to approve the rule and then to hear the arguments on the conference report. First vote the rule up and then we will consider the conference report. We have done our best to bring back a bill in the best interests of America.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DEL CLAWSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

PARLIMENTARY INQUIRY

Mr. OTTINGER. A parliamentary inquiry, Mr. Speaker. Are we voting on the previous question?

The SPEAKER. The Chair will state that we are voting on the resolution.

Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 267, nays 117, not voting 47, as follows:

[Roll No. 630]

YEAS—267

Abdnor
Adams
Addabbo
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Chisholm
Clay
Cleveland
Collins, Ill.
Collins, Tex.
Conte
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Eshleman
Evans, Colo.
Fary
Fascell
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Gude
Hall, Ill.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McCloskey
McDade
McEwen
McFall
McHugh
McKay
Madden
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nedzi
Nix
Nolan
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pike
Pressler
Preyer
Price
Pritchard
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schulze
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Stuckey
Studds
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Whalen
White
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—117

Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bell
Bevill
Boggs
Bowen
Brinkley
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Coughlin
Crane
Daniel, R. W.
Derwinski
Devine
Downing, Va.
Duncan, Tenn.
Emery
English
Erlenborn
Evans, Ind.
Fish
Fithian
Frenzel
Frey
Fuqua
Gibbons
Goldwater
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hutchinson
Hyde
Jarman
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lott
McClory
McCollister
McCormack
McDonald
Madigan
Mahon
Mann
Martin
Mathis
Milford
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Myers, Pa.
Natcher
Nichols
Nowak
O'Brien
Paul
Pettis
Poage
Quie
Quillen
Robinson
Rousselot
Sarasin
Satterfield
Schneebeli
Schroeder
Sebelius
Shuster
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Sullivan
Symms
Talcott
Taylor, Mo.
Teague
Vander Jagt
Whitehurst
Whitten
Wilson, C. H.
Winn
Young, Alaska
Young, Fla.

NOT VOTING—47

Abzug
Alexander
Anderson, Ill.
Aspin
Biester
Chappell
Conable
Conlan
Conyers
Danielson
du Pont
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Green
Hall, Tex.
Hébert
Heinz
Hinshaw
Holt
Howe
Jones, N.C.
Landrum
Leggett
Lujan
McKinney
Matsunaga
Mink
Moorhead, Pa.
Passman
Peyser
Pickle
Rangel
Roe
Sikes
Steelman
Stephens
Symington
Treen
Waggonner
Weaver
Wiggins
Young, Ga.

The Clerk announced the following pairs:

Mr. Moorhead of Pennsylvania with Mr. Hébert.

Mr. Chappell with Mr. Waggonner.

Mr. Danielson with Mr. Sikes.

Mr. Rangel with Mr. Passman.

Ms. Abzug with Mr. Aspin.

Mr. Young of Georgia with Mr. Jones of North Carolina.

Mr. Matsunaga with Mr. Landrum.

Mr. Fountain with Mrs. Holt.

Mr. Flynt with Mr. Anderson of Illinois.

Mr. Stephens with Mr. Treen.

Mr. Weaver with Mr. Lujan.

Mr. Roe with Mr. Heinz.

Mr. Pickle with Mr. Conable.

Mr. Conyers with Mr. Leggett.

Mr. Howe with Mr. McKinney.

Mrs. Mink with Mr. Conlan.

Mr. Evins of Tennessee with Mr. Biester.

Mr. Symington with Mr. du Pont.

Mr. Hall of Texas with Mr. Esch.

Mr. Green with Mrs. Fenwick.

Mr. Alexander with Mr. Findley.

Mr. Wiggins with Mr. Forsythe.

Mr. Steelman with Mr. Peyser.

Messrs. DERWINSKI, SPENCE, EMERY, and JARMAN changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 12169) to amend the Federal Energy Administration Act of 1974 to provide for authorizations of appropriations to the Federal Energy Administration, to extend the duration of authorities under such act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 4, 1976.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. BROWN) will be recognized for 30 minutes.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference agreement on H.R. 12169.

As my colleagues know, the House bill was confined to the singular purpose of extending the Federal Energy Administration Act. The Senate amendments, on the other hand, were multipurposed: They contained five titles whose scope and content went considerably beyond the reach of the House bill. It was necessary, in order to reach agreement with the Senate, to include nongermane material in the conference substitute. Moreover your conferees were required to exceed the scope of conference in certain instances in order to make the compromise agreement workable and to avoid serious flaws in both policy and the mechanisms of the original text of the Senate amendments. I want to assure you that these normal restraints on conference behavior have been exceeded by your conferees with reluctance and only for—what I believe—are the best of reasons.

The matters committed to conference presented an opportunity to fashion a meaningful and much needed commitment to energy conservation which heretofore has been a missing ingredient of energy policy. We have returned to you a bill which has twin objectives. The first is to establish a conservation program designed to improve the efficiency with which this Nation consumes its energy resources. The second is to create additional price incentives to optimize domestic crude oil production.

The energy conservation initiatives in the conference agreement represent the beginning of a long overdue Federal commitment to energy conservation. These programs are not complete in themselves but constitute an important first step toward the objective of eliminating wasteful consumption and reducing this Nation's dependence on foreign energy sources by improving the efficiency with which we use energy. The conference substitute contains: A program for the development of energy performance standards for new residential and commercial buildings; a $200 million grant program to enable low-income persons to weatherize existing homes; a program at the State level designed to provide homeowners, property managers, and industry with reliable information regarding the costs, savings, and benefits of energy conservation related investments; a $2 billion loan guarantee program to encourage energy conservation related investments in public and commercial buildings and industrial facilities; a $200 million demonstration project to identify incentives which may be used to encourage homeowners to make conservation related investments in home improvements; and a series of initiatives designed to improve the pattern of electric utility rate structures in order to encourage greater efficiency in the use of electricity.

These programs will serve to focus attention on the benefits to be achieved through energy conservation and constitute a commitment that future energy policy will balance incentive programs designed to optimize domestic production with those which seek a reduction in energy consumption. I therefore enthusiastically commend the conference agreement to my colleagues.

Let me also take this opportunity to congratulate my subcommittee Chairman JOHN DINGELL on his fine work on this conference. He has, throughout this Congress, carried the most difficult of burdens in acting as steward for complicated and controversial energy proposals. I believe that he has greatly distinguished himself and our committee by the capable way he has discharged his responsibilities. He deserves the thanks and respect of each of us.

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, the conference on the legislation to extend the FEA Act has concluded its work and we are here before you today to ask that this legislation be approved expeditiously.

The legislation in the final conference report is much more ambitious and far reaching than was the legislation on which the House acted earlier this year. For the most part, our bill was confined to a simple extension of time and authorization for FEA activities through the next fiscal year. The Senate, on the other hand, added a number of provisions to this legislation which went far beyond the short bill approved by the House. The Senate legislation addressed itself to such issues as the pricing of oil from stripper wells, the encouragement of enhanced recovery for wells which are becoming less productive, the encouragement of energy conservation with respect to new and existing residential homes, small businesses, commercial activity, and industry. It also made an effort to split the gathering of energy-related data from the use of that data for policy purposes.

The conference met for several weeks to consider this matter. We have produced a bill which, I believe, merits the support of our colleagues in the House. We have taken the two bills and fused them in a way which I believe strongly supports the interest which we all have in developing new energy sources, on the one hand, and encouraging the conserva- in developing new energy sources, on the other.

In order to explain the results of the conference more fully, I wish to quote portions of the report:

> The conference substitute provides a broad range of energy conservation measures designed to take advantage of untapped opportunities for reducing the Nation's increasing dependence upon foreign energy sources by improving the efficiency with which we use energy. The energy appetite of the United States has been growing voraciously; at present growth rates, there is little hope that this appetite could be satisfied without increasing energy imports even if the most optimistic domestic energy production forecasts were realized. This unhappy conclusion does not mean that reduced energy import dependency is unattainable. Rather, it underscores the need for focusing greater attention and effort upon reducing the rate of growth of domestic energy demand and, ultimately, leveling off the Nation's energy consumption.
>
> Since the embargo of 1973, great emphasis has been placed upon increasing domestically produced supplies of energy. A corresponding emphasis has not been placed upon energy conservation, however. While some programs have been enacted, such as the automotive fuel economy program contained in the Energy Policy and Conservation Act, areas of great energy conservation potential remain undeveloped by existing energy conservation programs.
>
> Contrary to the assertions of some, it should be pointed out that energy conservation is not the private pressure of any committee of this House. Research and development of energy conservation has an important role, to be sure, but commercialization is where the real results are to be found.
>
> The energy conservation programs included in the conference substitute are intended to place needed emphasis upon reducing wasteful consumption without detracting from the Nation's continuing efforts to maximize domestic energy production. These programs represent the beginning of a long overdue process of increasing Federal incentives to encourage energy conservation. The conference substitute contains: Federal energy conservation performance standards for new residential and commercial buildings; a $200 million grant program to permit low-income persons to weatherize existing homes; a program at the state level designed to provide home owners and owners of public and commercial buildings with reliable information regarding the costs, savings, and benefits of energy conservation related investments; a $2 billion loan guarantee program to encourage energy conservation related investments in public and commercial buildings; and a $200 million demonstration program to identify incentives to encourage home owners and tenants to make energy conservation related investments in home improvements.
>
> It is estimated that the Federal energy conservation performance standards for new residential and commerical buildings, if fully implemented, will alone account for energy conservation savings of up to 6 million barrels per day by 1990. Similarly, it is estimated that the several programs designed to encourage investments in energy conservation improvements in existing buildings will reduce energy consumption by up to 500,000 barrels per day by 1980. Combined with savings achieved by other conservation programs and taken in conjunction with the results of program designed to expand domestic production of energy, these savings make achievement of greater security of energy supply a more realistic and attainable goal.
>
> The conference substitute provides an eighteen-month extension of the Federal Energy Administration. This period of time should provide adequate opportunity for the Congress to develop a permanent agency responsible for energy matters as a replacement for the FEA, which was originally established as an agency with a fixed and short life span.
>
> This extension of the FEA Act is coupled with a series of amendments to that Act designed to render the agency more responsive to public needs. In particular, provision is made for improvement in FEA procedures with respect to: the standards of hardship applicable to exception and exemption requests; appeals from adverse decisions on exception and exemption requests; holding of local hearings where the effects of a rule or regulation are essentially local in character; public access to the Project Independence Evaluation System model; and the gathering of energy information from small businesses so as to alleviate unnecessary reporting burdens. The conference substitute establishes certain limitations on the Administrator's discretion. These include restraints upon retroactive application of rules and regulations under specified circumstances and upon the submission, in a single energy action, of a proposal to exempt an oil, refined petroleum product, or refined product category from both the price and the allocation provisions of the regulations under the Emergency Petroleum Allocation Act of 1973. In order to increase Congressional oversight of the agency's operations and to assure that appropriated funds are utilized consistently with Congressional intent, authorizations of appropriations are provided on a functional basis. These authorizations of appropriations are combined with prohibitions on utilization of funds appropriated pursuant to these authorizations for certain specified purposes.
>
> Finally, as part of the FEA Act amendments, an improved system for coordinating the gathering of energy information and energy data analysis is established within the Federal Energy Administration under a newly-created Office of Energy Information and Analysis. The purpose of these latter amendments is to insulate the energy data gathering and analysis functions of the Federal Energy Administration from the policymaking responsibilities of the agency.
>
> In keeping with the need to encourage expanded domestic energy production as well as reduction in energy consumption through increased energy conservation efforts, the conference substitute amends the crude oil pricing policy established in the Energy Policy and Conservation Act.
>
> The Energy Policy and Conservation Act amended the Emergency Petroleum Allocation Act to establish a forty-month program of continued price controls on domestic crude oil. EPCA establishes as the benchmark for regulatory purposes a "weighted average" or "composite" price. The composite was initially set at $7.66 per barrel. The President was authorized, within cer-

tain limits, to increase the composite price to:

(1) account for inflation, and thereby maintain the composite price in real dollar terms; and

(2) provide an incentive to increase production

The limitations on the President's authority to increase the composite price included:

(1) a 3% limitation on the production incentive factor; and

(2) a 10% overall limitation on combined increases based upon the inflation adjustment and the production incentive factor

Neither percent limitation was absolute, however. In fact, EPCA established a procedure whereby the President, upon making certain findings, may propose to the Congress that adjustments to the composite price in excess of the 3% and/or 10% limitations be permitted. If neither House of Congress disapproves such a proposal within a 15-day Congressional review period, the President may implement the proposal.

The crude oil pricing policy established in EPCA was formed by the concerns which dominated the Congress' consideration of this issue in its first session.

The United States was then, and continues to be, confronted by a strong and effective cartel of oil-producing nations. Neither the world market, nor the domestic market in crude oil is "free". The market price of oil is not a function of consumer/producer bargaining: It is rather a matter of agreement among the OPEC nations. The fourfold increase in world crude oil prices experienced during 1973 and 1974 bear stark witness to the absence of a "free" market.

Also of concern to the Congress during its consideration of this issue, was the state of the economy at that time. During the third and fourth quarters of 1975, inflation, as measured by the GNP deflator, was eroding consumer purchasing power at the annual rate of 7.9 percent and 7.0 percent, respectively. Unemployment rates of 8.6 percent and 8.4 percent represented over 8 million unemployed workers. Moreover, the Gross National Product in the third quarter of 1975 showed an actual decline of —.7 percent as compared to the third quarter of 1974; the increase in the GNP during 4th quarter, 1975, over 4th quarter, 1974, was a mere 2.5 percent.

Thus, 1975 was a year of continuing poor economic condition. The economic well being of the Nation was simultaneously threatened by rapid inflation and widespread unemployment. In significant measure, the recession which created the Nation's serious unemployment problems had been brought on by the quadrupling of oil prices in late 1973 and 1974. Similarly, the inflationary spiral which was eroding consumer purchasing power had been given strong momentum by the initial round of OPEC price increases. Once begun, that spiral was fueled by a succession of domestic and foreign oil price increases which rippled throughout the economy.

The economy had manifestly been unable to absorb abrupt increases of great magnitude in the price of so critical a commodity as petroleum. It followed that economic health could not be restored until these past price increases had been absorbed. Moreover, because the economy had not yet adjusted to the price increases of 1973–74, it could not be expected to bear further price increases of the magnitude which would have resulted if crude oil price controls had been abruptly terminated, without unacceptably severe inflationary and unemployment consequences.

Under these circumstances, the Congress perceived it to be the primary responsibility of government to assure that economic health was restored, that unemployment rates reversed themselves, and that inflationary pressures were diminished. During such a recessionary period, energy policy as well as other governmental programs were constrained to proceed in a manner consistent with these overriding objectives.

As a matter of general principle, the market mechanism does allow the most efficient and equitable allocation of resources. Consequently, increasing energy prices through decontrol clearly encourages consumers to use less energy and to utilize more efficiently the energy which they must consume. At the same time, increases in energy prices encourage producers of energy to make additions to supplies which, in turn, can be expected to exert a moderating influence on further price increases. However, these effects could not and would not have been achieved in the short term. Both personal and industrial patterns of energy consumption require time to adjust.

In a modern society, energy, like food and shelter, is a necessity of life. More efficient utilization of energy frequently requires capital investments which, paradoxically, are more difficult to make in view of the competing demands for consumer dollars created by higher prices for essential energy supplies. Moreover, the long lead times involved in developing energy resources mean that higher prices for oil resulting from complete decontrol will not elicit additions to supplies of significant proportion for at least 3 to 5 years. During such an interim period, such marginal additions to supply as would be likely to occur might well not justify the burden which higher prices for all oil would have imposed upon the economy.

Given Congress' overriding concern with attainment of the objectives of economic recovery, other crude oil pricing policies were also rejected. Thus, proposals for phased 30-month and 39-month decontrol were judged inadequate to assure economic recover. Yet, the efforts made by the Congress and the President to seek resolution of this critical issue evidences recognition of the fact that a series of short extensions of the then-existing crude oil price regulatory system was not a satisfactory solution.

Similarly tested, the crude oil pricing policy established in EPCA proved responsive to the Congressional objectives of restoring economic growth, providing expanded job opportunities to the unemployed, and relieving inflationary pressures. Nonetheless, EPCA contemplates future price increases to encourage increased domestic production and discourage wasteful consumption. Most importantly, EPCA ties the magnitude and timing of GNP projected to occur under a continuation of the then-existing crude oil price regulations. Sudden decontrol would have caused consumer prices to rise by 1.5 percent by the end of 1977. Finally, these analyses forecast that sudden decontrol would cause the unemployment rate to increase by 8 percent by the end of 1977, representing nearly 800,000 additional unemployed workers. In summation, these forecasts demonstrated that sudden decontrol and reliance upon market mechanisms would have propelled the economy into a deeper recession and delayed economic recovery.

Econometric analyses of the effects of sudden decontrol prepared during Congressional deliberation of the crude oil pricing issue confirmed the foregoing analysis and demonstrated the serious negative impacts that a large and sudden oil price increase would have had on the Nation's economy. By the end of 1977, sudden decontrol would have reduced real GNP by more than $20 billion, or more than 2 percent, relative to the level of these future price increases to the state of the economy at the time such increases occur. This is the characteristic which distinguishes EPCA: the recognition of the justification and need for future price increases, tempered by a procedure which allows these increases to be absorbed by the economy without undue economic disruption. This procedure provides the necessary weaning of the Nation from a low-cost energy based economy to one based upon substantially higher-cost energy.

Enactment of EPCA resulted in imposition of stability to domestic crude oil prices. EPCA had the effect of pulling the rug from under the inflationary spiral which had beset the economy and been a contributing cause of the recession. Prices of energy and other consumer goods began to stabilize during the first quarter of 1976. The rate of inflation was halved. Other signs of economic recovery were forthcoming. The rate of unemployment plummeted by a full point, as compared to its level just 6 months earlier. Correspondingly, the Gross National Product rose at an annual rate of 7.2 percent, evidencing broad-based economic recovery.

The economic recovery experienced during the first quarter of 1976 has continued through the second quarter. GNP, unemployment, and inflation indices all indicate that the economy is responding to a number of Congressional programs, including EPCA, designed to achieve a return to economic well-being. Although unemployment continues to remain at unacceptably high levels, recovery is clearly underway.

Consistent with the concerns which led to enactment of EPCA, the conferees believe it is appropriate to assess the crude oil pricing policy of EPCA in light of present-day economic circumstances. The economy is today in far better condition than it was anticipated that it would be at the time EPCA was enacted. In short, EPCA has been more successful than expected. The conferees, by recommending modification of the EPCA crude oil pricing policy, are carrying forward the EPCA decisionmaking principle. This principle relates the timing and magnitude of future price increases to the state of the economy and reposes in the Congress primary responsibility for assessing the appropriateness of oil price increases by direct legislative initiatve or Congressonal veto. In the exercise of that responsibility, the conferees believe it is appropriate for the Congress at this time to consider permitting price increases in excess of those initially permitted by EPCA.

The crude oil pricing policy established in EPCA allows price increases in the composite price of domestic oil in order to maintain crude oil prices in constant real dollar terms. Thus the composite price may be increased by an adjustment related to the GNP deflator. This adjustment assures that lost purchasing power of the dollar resulting from general inflation may be restored to producers by an offsetting crude oil price increase. In addition, EPCA permits real dollar price increases in the composite through a production incentive factor.

Economic circumstances prevailing at the time EPCA's enactment led to the imposition of limits upon the increases permitted by the production incentive factor and the combined price increases permitted by the production incentive factor plus the inflation adjustment factor. The former limitation is 3 percent while the latter limitation is 10 percent.

The 10 percent limitation was imposed as a preliminary Congressional assessment of the maximum rate of increase which could be sustained in nominal dollar terms without threatening the continuity of economic recovery. In addition, the 3 percent limitation on the production incentive adjustment was imposed as a corresponding limit on the level of real dollar increases which could be tolerated without adverse economic effect.

The operation of these limitations was synchronized to assure attainment of the Congressional objectives. Thus, if inflation occurred at a rate in excess of 7 percent, the 10 percent limitation checked the level of real dollar price increases permitted by the production incentive factor. Correspondingly, to the extent that inflation was less than 7 percent, a full 3 percent real dollar price growth could be sustained. The rationale for these twin limitations was that the ability of the economy to absorb price increases in real dollar terms would be diminished if inflation were occurring at a rate in excess of 7 percent. Correspondingly, the ability of the economy to absorb the full 3 percent real dollar increase would be enhanced, if inflation were to decline below 7 percent.

At the time of the enactment of EPCA it was not anticipated that the rate of inflation would rapidly decrease to the present 3 to 4 percent level (as measured by the GNP deflator). However, this dramatic change in the inflation rate itself evidences the ability of the economy to absorb more substantial real dollar price increases than those permitted by the 3 percent limitation on the production incentive factor. Consideration of other economic factors, including the decline in the rate of unemployment and the steady strong growth in GNP, confirm this ability. The conferees therefore believe experience has demonstrated that it is appropriate to remove the 3 percent limitation on the production incentive factor. The practical effect of this removal will be to permit marginally greater real dollar price increases when the inflation rate is lowest, during periods in which the economy has the greatest ability to absorb inflationary pressures. The 10 percent limitation on combined price increases attributable to the inflation adjustment factor and the production incentive factor will continue to assure that real dollar price increases are diminished if the inflation rate increases. The conferees do not believe that there exist a need or justification for modification of the latter limitation at this time, although the President clearly retains the authority under EPCA to propose such a modification in the future if it can be justified.

Having determined that the 3 percent limitation on production incentive adjustment factor should be removed as no longer necessary, a secondary issue arises regarding the distribution of the allowable increases and the administrative requirements of the present regulatory system. Strong arguments may be made for initially concentrating the permitted price increases in the areas of stripper well production and production achieved through application of enhanced recovery techniques.

Prior to enactment of EPCA, stripper well production was free from Federal crude oil price controls. The resulting imposition of price ceilings upon stripper well production has increased the administrative and compliance burdens associated with implementation of EPCA. Imposition of Federal price ceilings on stripper well operators—largely small and independent producers—has required them to comply with Federal regulations, adding to the costs and administrative difficulties of operating these already marginal wells. These administrative, enforcement and compliance burdens may be unnecessary because, while 70 percent of all domestic wells are strippers, stripper well production accounts for only 12–15 percent of actual production. In addition stripper well production is already priced at the upper tier. The conferees believe that exemption of stripper well production from price ceilings is desirable to reduce the burdens and costs imposed upon stripper well operators, as well as the administrative and compliance costs associated with implementation of EPCA. Equally importantly, the price increases permitted by such an exemption are likely to permit continued operation of marginally profitable stripper wells beyond the period which would be possible at current price levels.

The second form of production which the conferees believe deserve special treatment, as a result of removal of the 3 percent limitation on the production incentive factor, is production resulting from application of certain enhanced recovery techniques. A special need to encourage expanded use of high cost, enhanced recovery techniques has led the conferees to provide that this category of production be given high priority consideration in distribution of any price increases which may be permitted by reason of the removal of the 3 percent limitation on the production incentive factor.

Mr. Speaker, for these reasons, I urge approval of the conference report.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of the conference report on H.R. 12169, the Energy Conservation and Production Act. The conferees of the House and the Senate have completed a protracted conference on legislation to extend the Federal Energy Administration and provide for several other matters, and the conference report agreed to represents an acceptable compromise of several issues.

As you know, the House-passed version of the bill was only an extension and authorization bill, but the Senate added controversial titles and many other amendments to the House bill on the Senate floor. Among the provisions added by the Senate were:

First. A $5.3 billion energy conservation program for the installment of insulation and other energy-saving devices in homes, and loan guarantees for businesses and industry to improve the energy efficiency of their operations;

Second. The establishment of an Office of Energy Information and Analysis within the FEA with the requirement that it obtain financial and commercial information on a company-by-company basis from energy-producing and energy-consuming industries; and

Third. The total decontrol of stripper oil and enhanced recovery oil.

The conferees have agreed to a compromise on the pricing provisions, have modified the energy conservation programs to make them less costly—$2.6 billion—and more administratively workable, and have deleted completely the expansive and intrusive financial and accounting data provisions.

Under the terms of the pricing compromise, stripper well oil—defined as oil from wells producing 10 barrels per day or less on a 12-month average—would be decontrolled and oil from such wells would be allowed to be sold at a domestic free-market price, estimated to be about $13.10 at present, as opposed to the present upper-tier price of $11.63 within the frozen composite of $7.66. The rest of the domestic oil would remain within the composite price system of the Energy Policy and Conservation Act—EPCA—at the same price as is currently permissible by law. Thus, the stripper oil amendment would have the impact of increasing the price of total U.S. domestic production by only about 2 percent in order to bring on an additional 50,000 to 100,000 barrels per day of domestic oil by 1979, according to FEA estimates.

In addition, the conferees modified the so-called Montoya enhanced recovery decontrol provisions of the Senate bill by providing more flexibility than is now permitted in providing higher prices for oil that is difficult to produce. The modification provides that the 3-percent limitation on price increases as a production incentive permitted annually by EPCA would be removed, but the overall 10-percent ceiling on adjustments for both production incentives and the GNP deflator would be retained. Given the current rate of inflation, this would have the effect of increasing the 3 percent production incentive to approximately 4.5 percent, with the additional 1.5 percent to be applied to tertiary recovery, the California crude gravity differential problem and other oil that is difficult or costly to produce.

While I am pleased with the pricing provisions and other modifications made, there are a few provisions in the conference report that I am less than enthusiastic about, and one to which I am strongly opposed. Section 102 of the conference report would prohibit the President from submitting to Congress as a single energy action a proposal to both decontrol the price and deallocate the supply of a petroleum product, such as he has done before with middle distillate decontrol and residual fuel oil decontrol. From now on, the President would have to submit one energy action to decontrol the price of a product and a separate energy action to decontrol the supply; and then the Congress would have the opportunity to vote on each decontrol question separately.

Thus, there is the possibility that price would be decontrolled while supply remains under controls, or that supply would be decontrolled while price remains under controls. This would further distort a market already suffering from controls. However, in the interest of compromise, I am willing to accept this provision—but very reluctantly.

The inclusion of these pricing provisions and the modification or deletion of the more onerous Senate provisions make this conference report a true compromise that will assist this Nation in its production and conservation efforts. The Senate has already passed this conference report by unanimous consent. Although there may be some provisions in the legislation that not everyone would agree to, on balance this bill is a step in the right direction in providing for the production of more domestic oil and the conservation of energy resources. I urge you to vote for this conference report.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. REUSS), the chairman of the Committee on Banking, Currency and Housing.

Mr. REUSS. Mr. Speaker, the conference report represents, I think, a very good plus mark for process as well as for substance.

Here we had conferees representing the House Committee on Interstate and Foreign Commerce and the House Committee on Banking, Currency and Housing; and close communications were maintained with the House Committee on Small Business. Our opposite numbers of the Senate were there. Yet, reason and cooperation prevailed; and a conference report that I believe to be serviceable came out of it all.

Mr. Speaker, I call the attention of our friends on the minority side to the fact that the conference report appealed to, and bears the signature of, men like Senator Tower, Senator Pearson, Senator Hansen, Senator Percy, Senator Javits, and Senator Brock, attesting to the bipartisan character of the conference.

We have already discussed the various provisions of the conference report, and I will not repeat them unless there are questions about them. I hope the conference report will be overwhelmingly adopted and immediately signed, so that we can get on with the job of solving our energy problem.

The Committee on Banking, Currency and Housing has been considering, since early 1975, two provisions that were contained in the President's energy message of 1975; namely, the proposal to provide grant assistance to low-income and elderly persons to weatherize their homes and to provide for the development of national energy performance standards. The Committee on Banking, Currency and Housing reported these two proposals as embodied in H.R. 8650, July 15, 1975, and the House approved this bill, September 8, 1975. We went to conference with the Senate Banking Committee on this bill, but have been unable, over the past 7 months, to reach any agreement. The real problem that we had concerned the establishment of the national performance standards with very severe Federal sanctions involved in enforcing the implementation of such performance standards.

While we were reluctant to consider these two proposals as a part of this Federal Energy Administration extension, we felt that the Senate conferees would be forced to make major concessions in order to reach agreement on the total energy conservation package. So it was with this in mind, that we agreed to participate as conferees on this major energy conservation conference report that we are considering today.

I believe that the compromise embodied in the provisions that the Banking Committee had major responsibilities for: Namely, title III, the national energy conservation standards; part A of title IV, the weatherization grant provision; part C of title IV, the demonstration grant program to encourage homeowners and tenants to improve their dwellings to conserve energy; and part D of title IV, authorizing Federal loan guarantees to encourage State and local governments, nonprofit organizations, and small businesses to conserve energy contributes to this most important energy conservation bill.

I believe that this package will go a long way in moving this Nation toward saving millions of barrels of scarce fossil fuels, thereby saving our Nation billions of dollars and overreliance on petroleum producing nations.

Mr. Speaker, I urge the adoption of this conference report.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Speaker, I rise in wholehearted support of the adoption of the conference report which may well be one of the most significant pieces of legislation considered by this body. It is the first coordinated effort, Mr. Speaker, to achieve both expanded domestic energy production as well as reduced energy consumption through increased conservation efforts.

With regard to the latter, Mr. Speaker, I think we get an idea of the coordinated kind of approach that is taken in an effort to reduce energy consumption when we realize that in this conference report there is provided energy conservation performance standards for new residential and commercial buildings. We have provided a program to permit low-income persons to weatherize existing homes; a program at the State level designed to provide homeowners and owners of public and commercial buildings with reliable information regarding the cost, savings, and benefits of energy conservation related investments. There is also provided a loan guarantee program to encourage energy conservation related investments in public and commercial buildings, and a demonstration program to identify incentives to encourage homeowners to make energy conservation related investments in home improvements.

Mr. Speaker, the Banking Committee's participation in the conference report to accompany H.R. 12169 was limited to title III of the bill, dealing with energy conservation standards for new buildings; to part A of title IV, which establishes a grant program to provide insulation materials to low-income households; to part C of title IV, which is a HUD research program designed to explore the most effective ways to encourage homeowners and tenants of all income levels to improve their dwellings to conserve energy; and finally part D of title IV, which authorizes a guarantee program to encourage State and local governments, nonprofit organizations, and businesses, particularly small businesses, to improve their buildings or industrial plants in order to conserve energy.

Now, title III and title IV, part A of H.R. 12169 are similar to provisions passed by both the House and the Senate in H.R. 8650. Members of the Banking Committees of the House and the Senate met to resolve differences in H.R. 8650 but did not complete action. But, members to both sides, as part of the conference on H.R. 12169. While technically these provisions of title II and title IV are not germane to the House bill, H.R. 12169, they are germane to action taken by the House in passing H.R. 8650.

Title III of H.R. 12169 directs the Secretary of HUD to develop, within 3 years, energy conservation performance standards to be incorporated into State or local building codes and applied to new residential and commercial buildings. The major issue facing the conferees was whether the incorporation of these conservation standards in local codes should be mandated by the bill or whether the Congress should determine how the standards are to be implemented after they have been developed. The Senate, in H.R. 8650 and H.R. 12169, chose the mandating approach while the House insisted on the wait-and-see approach.

The compromise reached is much closer to the House position. The mechanism or sanctions for assuring the adoption of the conservation standards are contained in the bill but cannot become operative unless the Congress, after the standards have been developed 3 years from now, approves the sanctions by resolution of both Houses. If both Houses do not pass approval resolutions, the standards will be voluntary standards. I believe that title III, in this form, is consistent with the intent of the House when it passed H.R. 8650.

Part A of title IV establishes a 3-year $200,000,000 grant program, to be administered by the FEA. Grants would be made primarily to the States which would utilize the services of various local organizations, particularly community action agencies which have been active in conservation activities, to distribute and arrange for the installation of insulation materials in dwellings occupied by low-income persons. The main issue in contention between the House and Senate was whether a fixed percentage of the funds should be channeled through community action agencies. The House conferees prevailed in eliminating such an earmarking. This is a sound, cost-effective program which can save energy and assist the low-income in coping with rising utility prices.

Part C of title IV, as passed by the Senate, provided for a $500,000,000 grant program for homeowners and tenants to improve the energy efficiency of their dwelling units. The House conferees succeeded in modifying this program from a nationwide grant program to a $200,000,000 research program designed to determine which method of financial assistance would be most effective in reducing energy consumption in existing buildings.

Finally, part D of title IV is designed to encourage the larger users of energy, such as State and local governments, nonprofit hospitals and other nonprofit entities, and businesses to make energy conserving improvements to their buildings and plans which they could not finance on reasonable terms without the assistance of a Federal guarantee. The amount which could be guaranteed at any time could not exceed $2 billion.

Mr. Speaker, the Congress, acting through several committees, has worked for nearly 18 months in developing and enacting comprehensive energy conservation legislation. I believe the result is sound legislation and I urge the adoption of the conference report.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. Skubitz), a member of the committee.

Mr. SKUBITZ. Mr. Speaker, I want to commend the House conferees for their support of the Senate amendment to decontrol stripper well oil and allow it to be sold at a domestic free-market price. I especially compliment the gentleman from Texas, Bob Eckhardt, for his knowledge and understanding of the problems of the stripper well oil industry.

The wisdom behind this action lies in the fact that it is a positive step to encourage production. An estimated 70 percent of the stripper wells in this country are operated by independent producers, wildcatters who do not have the revenue base of major oil companies.

Wildcat operators have been responsible for over 90 percent of the exploratory wells drilled in this country. If this exploratory activity is to continue, independent operators must have an improved revenue base, and that is exactly what the conferees have provided for in this conference report.

While I certainly believe the energy conservation measures included in this conference report are, for the most part, beneficial, the fact remains they are passive in nature, they do not increase production.

Direct grants to insulate and weatherstrip homes, for example, will conserve a certain amount of energy.

But, the Government should not have to do for homeowners what they should do for themselves.

The passive conservation provisions of this conference report will save energy to some degree.

But, with the Arab countries already talking about new price increases, we can not rely on passive responses. We must encourage new energy production.

The stripper well exemption will channel funds into the hands of the independent producers, those who have historically lead the way in exploration and production.

I again commend the conferees for their wisdom in taking this action, for it is through encouraging production, rather than subsidizing conservation, that this country will ultimately lick the energy crisis.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. Moffett), a member of the committee and a conferee.

Mr. MOFFETT. Mr. Speaker, this bill and committee report embodies the notion that Congress is prepared to make some tough decisions and continue on a very clear and important course that has been charted, though somewhat imperfectly, during the 94th Congress, and that is that we are going to choose conservation over waste, that we are going to put a premium on policies which will enable us to conserve, and that we are going to view conservation really as an alternative source of energy. Nowhere is this notion embraced more than in the section of the bill dealing with electric utilities and the conservation potential in this area.

Mr. Speaker, there is a consensus developing throughout this country that there is an enormous potential for conservation through redesign of utility rates, adoption of peak load prices, and other load management techniques. There is also the consensus that instead of sending the people the signal that when they shut their lights off and conserve, they are going to be penalized with higher rates, we are going to send them a signal that if they conserve energy during the peak periods, we are going to give them a better rate, and we are going to encourage them to shift their usage of energy to a time not during a peak period in order to get a lower rate. This will also decrease the need for capital in the future to build more and more plants. Mr. Speaker, embodied within this bill is an important incentive for the FEA and for this Nation to move in the direction of rate reform and the embracing of peak load rates, and the expansion of something the FEA is doing right, which is the experimental programs on peak load pricing and rate reform.

Mr. Speaker, I urge the adoption of this report for this and the other reasons stated by our distinguished chairman, and the distinguished chairman of the Committee on Banking, Currency and Housing, and the other members of the committee.

Mr. Speaker, I yield back the remainder of my time.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Krueger), a member of the committee.

Mr. KRUEGER. Mr. Speaker, it is a pleasure to be here and to be able to agree with my colleagues from the subcommittee: the gentleman from Connecticut (Mr. Moffett), the gentleman from New York (Mr. Ottinger), the gentleman from Michigan (Mr. Dingell), the gentleman from Texas (Mr. Eckhardt), the gentleman from Colorado (Mr. Wirth), and the gentleman from Indiana (Mr. Sharp) on something we have all worked upon. Unaccustomed as I am to that particular pleasure, I wish to savor this moment; but as I savor it, I do so while being reminded of a statement by Jimmy Carter when he accepted the Democratic Presidential nomination recently, at which time he said, "We Democrats believe in competition, not more regulation."

We Democrats are moving that way, and I'm glad we are. The American people have been moving that way for some time. This bill removes from price controls stripper wells which constitute about one-eighth of domestic oil production. In doing so we will enhance domestic energy recovery. Most stripper wells are owned by independent producers. These are marginal wells which might otherwise be shut in, causing a permanent loss of available energy resources.

Further, this bill at the same time does something for conservation. We are making available funds for weather-stripping and improved insulation in homes. We are providing loan guarantees as a conservation measure that will encourage business not to waste energy by, for example, having steam recaptured after an industry produces it so that the steam can be used to produce electricity. We have a bill that has been able to draw together a broad basis of support from people in both parties, from people in two different committees, from people in two different bodies. I think we have been able to do that because I think it is the sort of legislation that deserves support from the American people, and I think it will be the first time in 1976 that legislation furthering energy conservation and production will have passed by both bodies this year and be capable of being signed into law. This piece of legislation is actually the most significant piece of energy legislation this body will pass this year.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Hannaford).

Mr. HANNAFORD. Mr. Speaker, I would first like to thank the distinguished chairman of the Committee on Interstate and Foreign Commerce and the chairman of the Subcommittee on Energy and Power, as well as all of the other conferees from this body for their diligent efforts in getting language in this report that strikes a blow for justice and, with the same stroke, increases the Nation's energy supply by perhaps as much as 1 billion barrels of oil. I would also like to explain an oil pricing problem that I believe this language is designed to repair and follow that explanation with a colloquy with the chairman of the subcommittee, the floor manager of the bill, for the purpose of clearly laying out for the record the intent of this report language.

As many of my colleagues are aware, there exists at present a problem concerning what is referred to as a gravity differential used to determine the price of California crude oil. Action was taken in August 1973 by the Government to freeze the price of this oil at levels related to the posted price prevailing on May 15, 1973. These postings were based on the prices being paid by the major oil companies to the independent producers. They do not reflect the price being paid between major refiners in California at that time for a far larger volume of identical oil. This latter price was appreciably higher than the posted price. Thus the price as established by the Government freeze order does not reflect a free market value of this oil as of May 15, 1973. Despite clear and unmistakable evidence submitted to it through detailed studies, FEA has refused to budge from this base price, stating that any unfairness in the frozen price is subject to redress by private action against the purchasers.

The heavy gravity of California crude oil made it difficult and appreciably more expensive and less profitable to refine than other crude oil many years ago. In recent years, however, new technology has become available, and new facilities are being used for substantially complete utilization of California crude oil, including that with a low gravity, at a rate of profit comparable to other oils. The value of California's high gravity oil is clearly increasing, yet the old price differential is still maintained by the FEA freeze.

The State of California, the city of Long Beach, and independent producers have requested more equitable pricing through adjustment to the gravity price differential for California crude oil for well over 2 years. Huge oil reserves will be lost if this inequity is not corrected.

The gravity penalty price differential for California oil frozen by the regulations is over 6 cents per degree, whereas in other States it is approximately 2 cents per degree, a difference of 4 cents. The net effect is about $1 less revenue per barrel for heavy California oil.

If the differential were to be reduced to 2 cents per degree, producible reserves in the Wilmington Field—Long Beach—would ultimately increase by 90 million barrels. If no price increase/gravity differential decrease is granted, this field will have to shut in more than 38,000 barrels per day in the near future, and much of the existing reserves will be permanently lost.

If the discriminatory price continues, it is estimated that 137.3 million barrels of crude reserves in the Huntington Beach Field will be lost due to shut in wells and the inability to economically develop the field properly.

The Wilmington Field presently contains 780 wells for which operating costs have exceeded revenues and which now sit idle. These wells represent a loss of 7,000 barrels of oil per day. By the end of this year, we will be losing as much as 58,000 barrels per day. Over the term of EPCA, total lost production could amount to 60 million barrels of oil.

Abandonment operations are pending. If implemented, not only will valuable and readily available oil be lost but long-term reserves estimated to be 250 million barrels, under secondary recovery techniques, and 600 million to 1 billion barrels, under tertiary recovery techniques, will be lost forever. This does not make sense. ERDA, in recognizing the potential in the Wilmington Field, has just awarded Long Beach a $3.5 million grant for a pilot demonstration of enhanced oil recovery. Although not economic now, local, State, and some Federal officials agree that the Wilmington Field has great untapped reserves that will someday be vital for the nation's energy supply.

Present FEA policy will strangle oil production in the Wilmington Field long before these new enhanced recovery techniques can be perfected and implemented.

It is estimated that production from the State of California will fall 42 million barrels this year unless there is relief from the low prices presently allowed for heavy gravity California crude oils.

Lower-tier crude oil from California, if the gravity correction were made, would still sell for approximately $4.50 per barrel, contrasted with an average lower-tier price of about $5.25 nationwide. Similar relief on upper-tier crude oil would increase the price to approximately $11, relative to $11.63 nationwide. The key point I would like to make regarding this problem is that crude shut in due to these uneconomically low prices will necessarily be replaced with $13 to $14 foreign oil. Ironically, operators within the Wilmington Field area are even now importing crude oil at costs of approximately $13 per barrel.

The producers, Long Beach, and the State of California are only requesting equity in the oil pricing policy. California producers are losing $500,000 per day. The State of California alone is losing in excess of $100,000 per day.

The entire California congressional delegation, the Governor, and both houses of the State legislature have endorsed the adoption of a modification in the gravity differential applicable to heavy California crude.

I would like, if I may, to address a few brief questions to the chairman of the Subcommittee on Energy and Power, Mr. DINGELL.

First. Does section 122 of the pending bill address the particular problems associated with gravity price differentials presently applied to heavy gravity oil?

Mr. DINGELL. Mr. Speaker, if the gentleman will yield, first I commend the gentleman from California (Mr. HANNAFORD) for the hard work he has put in on this, and we all know the outstanding job he has done.

The answer to the first question is "Yes." The conference report states: The President shall promulgate such amendments to the regulation under section 4 (a)—relating to price—as shall provide for the adjustment of differentials in ceiling prices for crude oil that are the result of gravity differentials which are arbitrary, discriminatory, applied on a regional or local basis without reasonable justification, or fail substantially to reflect current relative market valuations of such differentials.

Mr. HANNAFORD. Can this be interpreted as a congressional directive to the Federal Energy Administration to remove arbitrary or unjustified crude oil pricing differentials associated with gravity differentials such as those presently imposed upon heavy California crudes?

Mr. DINGELL. Yes. Specifically, the conference report states—

> The conferees have identified, as a matter of high priority, correction of gravity differential problems in the current price regulatory mechanism. . . .

This explanatory language, when taken in conjunction with the statutory directive, indicates the clear intent of the conferees and the Congress to avoid shutting in domestic crude production made uneconomic solely by reason of gravity differentials which are not related to current market values.

Mr. HANNAFORD. Several cases are presently pending in California concerning antitrust violations that led, in May of 1973, to the extreme gravity price differential that has existed up to the present time. Will adoption of this language by the Congress in any way prejudice the outcome of that litigation?

Mr. DINGELL. No, because those suits are based upon the reasonableness of gravity price differentials as they existed in 1973. The issue addressed in this legislation is the current value of low gravity crude, independent of its price as of 1973. The conference committee determined that low gravity oil deserves a higher price not only to avoid production losses, but also because declining domestic oil production and new refinery techniques, and the increased price of replacement barrels of imported oil justify a reevaluation of the historical differentials.

In this regard, the legislative language directs reevaluation of gravity differentials which "fail substantially to reflect current relative market valuations of such differentials." Thus, any action by FEA under this act does not necessarily reflect upon the historical validity of California crude oil differentials.

Mr. HANNAFORD. More importantly, is it not also true, Mr. Speaker, that the corollary to this conclusion is that the current gravity differentials cannot be viewed as necessarily valid today merely because they are the same as those which existed on May 15, 1973, and which may or may not have been valid at that time?

Mr. DINGELL. The gentleman is correct.

Mr. HANNAFORD. Mr. Speaker, I thank the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Speaker, H.R. 12169 contains a series of provisions in the solar and conservation areas which are of great concern to me. The House should fully appreciate that these provisions are in this conference bill, these provisions in increasing order of importance.

Section 110 contains authorization of $37 million for energy conservation activities—Senate bill authorized $40 million—which is precisely the amount stricken on the House floor by an amendment. Section 110 also restored the $3 million deleted by an amendment and gives FEA the Federal role of coordinating commercializing solar energy.

Section 204 gives permissive authority to FEA for demonstration projects to improve electric utility load management procedures which is within the program area of the ERDA electric energy systems.

Section 310 directs the Secretary of HUD in conjunction with FEA, NBS, the National Institute of Buildings Sciences, and other appropriate Federal agencies to carry out any activities necessary to assist in establishing energy conservation performance standards for commercial and residential buildings. The Senate version of H.R. 12169 and the House version of H.R. 8650, the Energy Conservation in Buildings Act of 1975 included ERDA explicitly in a similar section for research and demonstration activities.

Section 432 broadens the existing EPCA provisions on State energy conservation plans with a supplemental plan that requires FEA to establish a program which can totally duplicate ERDA activities for the National Energy Extension Service for which $7.5 million has already been appropriated for fiscal year 1977.

The next provision is most important to demonstrate how this bill ignores the fact that we already have existing solar programs funded at $290 million and conservation programs at $160 million.

Section 441 establishes a new program in HUD for direct grants for retrofitting energy conservation and solar energy equipment onto existing houses. This program will infringe heavily on the ERDA authority and involvement in solar energy under the Solar Heating and Cooling Demonstration Act and other related acts. Authorization is for $200 million with fiscal year limitation. Addition of "renewable resources" exceeds the scope of the conference.

The final provision is most illustrative of the real violence which this bill does to an orderly and well considered Federal program in solar energy and energy conservation. It also points out how completely this bill distorts the orderly proceedings of this House.

Section 451 establishes an energy conservation and renewable resource obligation guarantee program with $2 billion in authorization. This program parallels many sections of H.R. 12112, the highly controversial bill which is still under consideration in the House. The conferees went beyond the scope of the conference by including renewable resources in the provision. There has never been any serious consideration of this $2 billion program in the House. The Banking and Commerce Committees had a token joint hearing or two on the program. That tokenism, in and of itself, is an insult to this House. Do these committees honestly believe that their tokenism will cover the magnitude of this affront to the House and its rules? No one in this Chamber knows how this $2 billion program will impact on our existing Federal efforts nor on our energy future. We should know before we legislate and that is the detriment in this bill.

Finally, let me say that I do not criticize my colleagues on the Banking and the Commerce Committees for attempting to strike an acceptable compromise on this bill. I know our distinguished colleague from Ohio (Mr. BROWN), as ranking minority, and the others from the House in the conference have worked long and hard to return with the best possible provisions in an extremely delicate compromise. For example, I applaud the great strides which title I makes beyond the Energy Policy and Conservation Act. On balance these strides may justify the remainder of the compromise.

But, I remain convinced that these new programs, if truly justified at all, could have been better considered and more fully perfected in the normal procedures of the House. Their acceptance in conference only allows for an up or down vote here and, with the closed rule, only on the entire bill. I hope we are able to do better in the future with our energy legislation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, I want to congratulate the gentleman from California for his statement. The gentleman is the ranking minority member of the Subcommittee on Energy Research, Development, and Demonstration, of the Committee on Science and Technology.

The gentleman has worked very closely with me in these last 3 or 4 years to develop a comprehensive program for solar energy research and development, for geothermal energy research, development and demonstration, for energy conservation; not only for research and development, but also for demonstration, for energy education programs throughout the country, and for loan guarantee programs. All these programs are a tribute, in my judgment, to the gentleman from California, who has built and authorized their use through the subcommittee, of which the gentleman is the ranking minority member.

Mr. Speaker, I want to congratulate the gentleman from California (Mr. GOLDWATER) for his leadership. I think it is important that we put at this point in the RECORD the fact that nearly all these programs that are being discussed in this legislation before us already are in existence. The remaining programs have passed one or both Houses and they are being considered seriously at this time for enactment.

Mr. Speaker, I want to congratulate the gentleman from California for his work with me in the solar energy and energy conservation research, development, and demonstration programs.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. OTTINGER), a member of the committee and a member of the conference.

Mr. OTTINGER. Mr. Speaker, I, too, would like to acknowledge the leadership of the gentleman from California (Mr. GOLDWATER) and the gentleman from Washington, my subcommittee chairman (Mr. McCORMACK), in pushing forward research, development, and demonstration in solar energy and conservation. I have worked with them in the Science and Technology Committee to expand these R.D. & D. programs. This program, however, deals with application of existing technology, not R.D. & D.

The fact of the matter is that the Solar Heating and Cooling Demonstration Act provides for a mere 2,000 demonstrations around the country. It is designed to demonstrate and test new technology. It does not deal with installation of solar energy in the millions of homes and businesses of the country.

There simply has to be a point at which ERDA, the research and development arm of the Government, lets go—and the Committee on Science and Technology, on which I serve, lets go—of solar technology in the R.D. & D. phase and we get existing technology out into use in the country. What we are talking about is the application of existing technology to homes, to businesses, to factories, all over the United States. We are not talking about a research and demonstration program for new technology. I think that is vitally important.

The Senate was insistent on this program and we went along with it in conference, even though, as the gentleman has said, the solar part of this program had been defeated in the House.

Now, in the conservation program, it is important again that we get conservation out of research and into practice. The other industrialized countries in the world such as Germany, France, and Sweden use two to three times less energy per capita than does the United States. We are sending our precious energy resources up into the air and into the water in the form of waste heat, and it is time we get conservation into practice.

The gentleman from Washington sponsored similar conservation legislation. He was asked to testify, and I believe he submitted testimony, in the hearings we held on this legislation. I think it is sound legislation. I think it is a sound compromise. It will move conservation and solar energy off the drawing boards and into practice in our society. It is long overdue.

I hope the House will overwhelmingly support the conference.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Speaker and Members of the House, I can easily sympathize with the motives of the conferees working on this bill. If there were no existing programs for solar energy demonstration—if there were no agencies already carrying out these programs, I would not disagree with their intent in trying to set up their programs. However, this legislation, in effect, seems to assume that the Energy Research and Development Administration does not exist. It seems to act as if the Solar Energy Heating and Cooling Demonstration Act of 1974, which is in existence and moving along well, does not exist.

It acts as if all the legislation enacted by the Congress creating energy conservation programs never took place. It acts as if we have not created a conservation program. It acts as if this House has not gone on record putting these programs in the Energy Research and Development Administration rather than the FEA. It acts as if there is no orderly system of jurisdiction in the House of Representatives.

This is the most disturbing part of this conference report. It illegally and blatantly goes far beyond the established jurisdiction of existing committees. It is of least importance, in reality, what committee has jurisdiction or how we can define the borderline between demonstrations and commercialization, but what has happened is that in their zeal—and I give them all the credit in the world for their attempts to do good, the conferees have submitted legislation which will seriously exacerbate the chaotic situation which already exists in the administration as far as our energy programs are concerned, and seriously exacerbate the jurisdictional problem on which we stumble over and over again in this body.

It is fine to say that if one is for conservation, one is for this bill. This is not true. How many times must we enact the same programs? Those who criticize this legislation have already created the programs for energy conservation and solar energy which this bill now duplicates. How many times must we enact the same programs to satisfy their appetite? In how many different agencies shall we place conflicting programs?

Mr. BROWN of Ohio. Mr. Speaker, I rise to engage the chairman of the subcommittee in a colloquy with reference to this legislation.

Section 122 of this act deletes the 3 percent limitation of the Energy Policy and Conservation Act on crude oil price adjustments as a production incentive. Under this amendment to EPCA, the

President may specify a fixed percentage figure as the production incentive—which, when added to the rate of inflation, is of course subject to the overall limitation of 10 percent contained in existing law. In the alternative, he may specify merely that the difference between 10 percent—or some other percentage less than 10 percent—and the rate of inflation is the production incentive, thus creating a flexible incentive that varies inversely with the rate of inflation.

Section 8(d)(3) specifies certain findings which must be made before price adjustments as a production incentive may be made. The President, of course, would be required to support an alteration of the production incentive with initial findings. The conferees did not intend, however, that thereafter any new or additional findings under section 8(d)(3) be required each time the amount of the percentage price adjustment, which is permitted as a production incentive, changes automatically because of a change in the rate of inflation. Is my understanding in this regard correct?

Mr. DINGELL. If the gentleman will yield, yes. That is correct.

Mr. BROWN of Ohio. Section 122 adds a new subsection (j) to section 8 of the Emergency Petroleum Allocation Act of 1973, which directs the President to use the greater flexibility with respect to crude oil prices which is afforded by section 122 to provide additional price incentives for tertiary enhanced recovery techniques and to provide for certain adjustments of differentials in crude oil ceiling prices attributable to gravity differentials. Am I correct in stating that the two listed objectives are not the exclusive purposes for which the added pricing flexibility may be used by the President, and that the President's use of this added flexibility is not limited except to the extent that the priority objectives specified by section 122 must be met?

Mr. DINGELL. That is a correct statement of the meaning of that provision.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. Maguire).

Mr. MAGUIRE. Mr. Speaker, today the House will vote on the Federal Energy Administration Act amendments. Originally a simple extension and authorization bill, it now deals with a variety of energy-related matters, the most important, I feel, being the programs for energy conservation.

There is no doubt that considerable energy savings can be achieved through improved efficiency in energy usage. According to authoritative estimates, the United States consumes up to twice the amount of energy necessary to maintain our standard of living. West Germany and Sweden have higher per capita incomes than the United States and yet have a per capita energy consumption of approximately half that of our Nation.

Important savings can be achieved by improved insulation of existing buildings, strict insulation standards for new buildings, and the use of solar heating and cooling for space heating, water heating, and air-conditioning needs, which account for 25 percent of our energy consumption. The American Institute of Architects estimates that 30 percent of the operating energy in most existing buildings and 60 percent of the energy in new buildings can be conserved—a savings equivalent to 12.5 million barrels of oil per day by 1990.

Title III provides for the promulgation of energy conservation standards for new buildings, while title IV concerns itself with the need for public education and financial incentives to encourage the implementation of energy conservation and renewable resource measures. Various types of financial assistance, including grants, low-interest-rate loans, and loan guarantees, are available to housing, commercial and noncommercial enterprises to stimulate the implementation of energy saving measures.

These programs are hopefully only the first step in a broader, more diverse, national program of conservation. Analysis and evaluation of the programs contained in this bill will better enable us to design more effective and far-reaching programs in the future.

Conservation offers us many benefits including an improved environment and decreased dependence on foreign sources of energy. I wholeheartedly support these programs and urge my colleagues to do the same.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Colorado (Mr. Wirth), a member of the committee and a member of the conference.

Mr. WIRTH. Mr. Speaker, I want to commend our chairman, the gentleman from West Virginia (Mr. Staggers) who in a very difficult and lengthy conference did just a superb job of putting together what, in my 20 months in Congress, I believe is the best piece of energy legislation we have passed, focusing both on the supply side and on the demand side.

So much effort has gone in on the supply side, and this is the first time we have really looked carefully at the demand side, at conservation legislation. It was a great privilege to serve on the conference committee.

Mr. Speaker, I would like to briefly ask the gentleman from Michigan (Mr. Dingell) if he can tell me how quickly the Federal Energy Administration will put into effect the provisions of this bill.

Mr. DINGELL. In response to the gentleman's question, if the gentleman will yield, the provisions will go into effect immediately. It is anticipated the FEA will put them into effect forthwith.

Mr. WIRTH. I thank the gentleman.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. Eckhardt), a member of the committee and a member of the conference.

Mr. ECKHARDT. Mr. Speaker, there is one point which I think needs to be emphasized, and it is referred to in the report. That is, that in releasing stripper oil from regulation and in providing for what amounts to approximately a 1.5 percent to a 1.9 percent additional flexibility for increased allowable price on such oil as low gravity crude and for encouraging tertiary recovery, we on the conference were relying on the commitment from the Deputy Administrator of the Federal Energy Administration, Mr. John A. Hill, in his statement that this would obviate the need for a third phase of the pricing policy established in the Energy Policy and Conservation Act.

The letter from Deputy Administrator Hill is found on page 72 of the report.

We have also said in the report—and I think note should be taken of this by the administration—"should the President sign this legislation or otherwise permit it to become law, he would thereby indicate his acceptance of the common understanding reflected in Mr. Hill's letter."

In other words, in providing the necessary further encouragement for getting the last drop, so to speak, from stripper wells, and by providing greater flexibility to otherwise optimize domestic production we were obviating the necessity of later administrative action of similar purpose.

Mr. Speaker, I feel that this is what ought to be done. I may say that we have a firm commitment, to which I was a party in the discussion, as was my committee chairman and my subcommittee chairman, that this was to be done in consideration for the waiver or withholding of further administrative adjustment.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, we are in agreement on that point. That is the understanding we had at the time we moved forward with this compromise which is now before the House. The letter which the gentleman quoted sets out that understanding.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, I would like to say that I agree with both the gentlemen. We did have this agreement with both the administration and the representative of the administration that they would not be sending up any further notices to further adjust upward the composite price of domestic oil prior to our reexamination of the question in March 1977.

Mr. ECKHARDT. Mr. Speaker, I thank the chairman of the committee.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, but at this time I yield myself such time as I may consume. I understand the gentleman from West Virginia (Mr. Staggers) is going to conclude the debate and move the previous question, so I want to conclude my part of the program by suggesting that my colleagues support this conference report. I believe it will not only produce more oil and energy for us but it also contains conservation measures which will save the country energy in terms of conservation—reduction of the consumption of energy.

I recognize that some of my colleagues have a few problems with the legislation, but on the whole I think the conferees have done a commendable job in rationally compromising the differences in this legislation which was very different in what the Senate passed compared to what the House passed.

Mr. Speaker, I also wish to compliment the chairman of the conference committee (Mr. STAGGERS) on what was a difficult task. It was a job that was done commendably and with a reasonable degree of dispatch.

Mr. STAGGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will be brief. I just want to say that this was really a new experience, having another committee sit on a conference with us on this side. We do not usually do that. It worked out very well, and I want to say to the chairman of the Committee on Banking, Currency and Housing and to the ranking members, the gentleman from Ohio (Mr. ASHLEY) and the gentleman from Pennsylvania (Mr. MOORHEAD) that it was a pleasure to be with them and to work with them. They did a good job. The subject they had to deal with passed this House once before. I believe it is a constructive piece of legislation they worked out with the Senate conferees and brought back to the House. I want to compliment them very highly for their efforts in getting those provisions in this piece of legislation. I believe it is something that America needs and needs now.

Mr. Speaker, I also wish to compliment the gentleman from Ohio (Mr. BROWN) for his cooperation. He and the members on his side cooperated and worked with us in trying to work out a bill that we thought would be good for the Nation. All the conferees were there, they all took part, and it was a large conference. In fact, we had 15 or 16 members on our side there. Every member took part in the discussion and had a part in making the bill what it is today. I want to congratulate all of them. I have already noted the fine work done by the gentleman from Michigan (Mr. DINGELL) the chairman of the subcommittee and, of course, I extend my congratulations and appreciation to each member of the committee's Subcommittee on Energy and Power which served in this conference.

With that, Mr. Speaker, I say that this is a good piece of legislation and one that should be passed overwhelmingly by this House.

Mr. McCOLLISTER. Mr. Speaker, today we have before us the conference report on the extension of the Federal Energy Administration. I will vote to approve that report, but only reluctantly. This bill represents a compromise and as such there are both good and bad provisions contained in it. After carefully evaluating the bill in its entirety, I have concluded that I must support the bill. However, I want to make this statement for the record to register my strong opposition of title III of the bill, the section requiring the Federal Government to promulgate mandatory building efficiency standards.

Mr. Speaker, this section of the bill was previously before the House in the form of H.R. 8650. I voted against it then, and I am not at all happy that the conferees chose to accept Senate amendments which include similar provisions in the bill we now have before us. Unfortunately, the rule granted on H.R. 12169 prohibits us from voting separately on title III. While I am thus denied the opportunity to vote to strike title III, I will take advantage of the opportunity to state my objections to it.

First and foremost, I do not believe the Federal Government has any business promulgating building efficiency standards for adoption by the States on either a voluntary or a mandatory basis. While I believe that conservation measures to improve energy efficiency in buildings are an important component of an energy conservation strategy, I do not see why the Federal Government should be brought into that process. Private enterprise—the builders, architects and engineers who design buildings—should be in charge of designing and implementing standards. They are the ones who know the theories, technology and problems associated with building design.

Also, I see no reason why the Federal Government can or should promulgate standards that apply to every area of the country. That should be left to the States, and they should be free to act without intervention from the Federal Government. No bureaucrat or agency located in Washington can devise building standards that can account for the diverse climatological conditions existing throughout this Nation. A State government is far better equipped to do that job. And they are. A number of States have or are considering adding energy efficiency standards to their statewide building codes. They do not need Uncle Sam to tell them to do the job.

In conclusion, Mr. Speaker, I believe title III of H.R. 12169 is a mistake. It is simply another form of Federal intrusion in the lives of our citizens—the very thing that has turned off so many Americans.

Mr. LEHMAN. Mr. Speaker, I rise in opposition to the conference report on H.R. 12169, extending the Federal Energy Administration. I urge my colleagues to join me in voting against it.

I have worked closely with other Members of the House toward the abolition of the FEA and the orderly transfer of necessary functions to other Federal agencies.

My opposition to FEA centers on its tremendous growth during its 2 years of existence. FEA staff and budget have mushroomed; its activities have spilled over into areas under the jurisdiction of other energy agencies, and often without any specific legislative authority; and it has tried to make for itself a permanent role in forming national energy policy. And all this while operating as a temporary agency created to deal with an immediate crisis. Indeed, the very reasons for its establishment, the oil embargo and severe shortages, no longer exist, and oil price controls are being phased out.

I would certainly not deny the need for a coordinated national energy policy, but I must point out that there are other Federal agencies capable of formulating it. FEA is simply a waste of money, one more duplicative layer of bureaucracy.

Even granting, as I do not, the need to continue FEA for an additional 18 months—this is in itself a small victory for FEA's opponents, as the original bill called for 3 more years—the conference report before us today has a number of problems.

Section 112, for instance, makes the extension of FEA retroactive to July 30, 1976, and the rule prevented any points of order against this provision. In fact, FEA did go out of existence on July 30, but it has continued to operate since then as the Federal Energy Office under Executive order. What we should have before us is a bill to recreate FEA, but, given the retroactivity provision, enactment will simply continue it from July 30 and save the top administrators from examination and reconfirmation by the Senate.

I have no quarrel with providing for energy conservation standards for new buildings, nor with assistance for making existing buildings more efficient in energy use. However, while the conferees wisely gave HUD the authority to promulgate the standards for new buildings, they gave FEA, with a life expectancy of 18 months, the authority over the existing buildings program, which has at least 3 years to run. Section 412(1) does note that the President may designate an officer to take over the FEA Administrator's functions in this regard if the FEA should cease to exist, but such a transfer could hardly benefit the program. Surely it would make more sense to place this program from the outset in an agency with a longer lifespan, rather than giving policy formulation and regulation writing to one agency and much of the operation to an as yet undesignated other.

Mr. Speaker, I have often stated by belief that "sunset on government" is an essential part of keeping Federal agencies accountable to Congress and the people, and of controlling the costs of government. I hope that this House will embrace the sunset concept and move legislation to increase Federal efficiency. However, the FEA is an excellent starting place, and I hope my colleagues will agree and reject its extension.

Mr. ANDERSON of Illinois. Mr. Speaker, I rise in support of the Energy Conservation and Production Act conference report.

One provision of this report I am particularly pleased with is the conferees' agreement to exempt stripper well production from EPCA crude oil price controls.

This action will definitely stimulate domestic production by California's small and independent producers. And, since California is the third largest producing State in the Nation, removal of this disincentive to drill and produce domestic oil is a welcome relief to an industry already hurt by, for example, their fight with the FEA to change gravity differential penalties for California lower tier production. Producers in our State simply wanted pricing parity with the other oil producing States.

Second, the conferees gave to the President the discretion to remove the 3-percent limitation contained in the EPCA with respect to incentive adjustments. Again, production of domestic oil will be stimulated by implementing enhanced recovery techniques, formerly unprofitable.

Both actions will grant some relief to California producers, while hedging against another effective cartel of the OPEC nations.

Mr. DRINAN. Mr. Speaker, I rise in strong support of the conference report on the Federal Energy Administration Extension Authorization, H.R. 12169. I do so in view of the excellent energy conservation sections which have been added to the bill since it was initially considered in the House.

Although energy conservation is largely capable of bringing about the same ends as increasing our energy supplies—albeit at less cost and in a manner which guarantees return benefits year after year—we have been slow in realizing this vast potential. This is shown by the fact that in fiscal year 1976, at a time when energy expenditures were growing by leaps and bounds, the percentage of Federal research and development obligations for conservation actually declined to 4.8 percent as opposed to 5.8 percent of the Federal R. & D. budget funds the year before.

We are not considering the FEA extension bill in normal fashion, Mr. Speaker, in that the energy conservation provisions were not contained in the original House bill. Yet I believe that the urgency of the situation warrants such a procedure. Although the House did not formally consider authorization legislation, many of the energy conservation sections were taken from the House Leadership's Omnibus Energy Conservation Act (H.R. 14205). This act has been sponsored by over 70 Members of Congress, including the majority leader and eight chairmen of committees or subcommittees dealing with energy. In addition, joint hearings have recently been held on this legislation by the House Banking and Currency and the Interstate and Foreign Commerce Committees. In the end, I believe that this legislation is so important that the unusual procedures which have been followed in getting this bill to the floor are completely justified.

Mr. Speaker, H.R. 12169 represents major implementation legislation for energy conservation, the means by which we encourage American homeowners and businessmen to install energy efficient equipment and insulation. Previously in the 94th Congress, the Energy Policy and Conservation Act (EPCA) was enacted, a measure which made important conservation advances through the imposition of automobile fuel economy standards and funding for State energy conservation plans. But EPCA did not provide the incentives which we need if conservation practices are going to be widely implemented throughout the United States. This is why the FEA extension authorization becomes such an important vehicle for further conservation progress.

I have more than a passing interest in this legislation. In this Congress, I have introduced both the Industrial Energy Conservation Act (H.R. 8494) and the Energy Conservation Implementation Act (H.R. 12541). I was also included as one of the 11 prime sponsors of the Omnibus Energy Conservation Act as a result of my work in this area. I am happy to say that many of the provisions incorporated in the bill before us today can be traced directly to the Omnibus Act and my Energy Conservation Implementation Act.

My great interest in this area stems from the fact that conservation is probably the most underemphasized of all of our energy options. The potential here is enormous. In West Germany, where the standard of living and per capita gross national product are nearly the same as in the United States, the average German uses less than 50 percent of the energy that the average American consumes. And this takes into account not just personal energy consumption, but in the commercial, industrial, and transportation sectors.

West Germany's example shows us that we can significantly cut down on our energy wastefulness. But what we must also realize is that energy conservation is cost efficient. In the industrial sector, experts have projected that a $25 billion investment in energy conservation could eventually yield more than a 30-percent decrease in industrial consumption. This huge savings then figures to be the equivalent of $50 billion worth of new fuel sources. At a time when we are spending enormous amounts of capital for new energy supplies, the cost advantages of conservation technologies should be clearly noted.

Mr. Speaker, after a long and complicated conference with the Senate, the final agreement which emerged for conservation in H.R. 12169 is praiseworthy. The conference report includes direct grants to homeowners, Federal energy conservation performance standards for new buildings, $2 billion in loan guarantees for small business and nonprofit institutions, and further funds for State conservation programs. I am sorry to say that the implementation portions of the bill do not extend to the industrial sector, but I am sure that the Congress will see fit to extend the program to industry in the next session when more time will be available to set up a properly balanced bill in this area.

I am delighted that the Congress is moving forward in the energy conservation field in passing this legislation, Mr. Speaker, and I urge my colleagues to lend their support to this vital and important measure.

Mr. FRENZEL. Mr. Speaker, it is with great reluctance that I vote against this conference report extending the Federal Energy Agency.

We need the extension. We need the removal of rate ceilings for stripper wells and the reduced ceilings on enhanced recovery production.

These desirable features of the bill could have been passed without the addition of the nongermane Senate amendment which now is designated as title III.

I object to the addition of the nongermane amendment. I object to the waiver of points of order which prevents a separate vote on title III. Finally, I object to the substantive provisions of title III, specifically the sanctions which could cause the loss of Federal assistance for building contruction, if Congress approves the sanctions by resolution.

Title III does not give States and communities the right to comply with Federal standards even if they want to do so. It will have an adverse effect on present local planning for energy conservation codes, because communities will have to abandon all other possible standards while they wait for the Federal standards.

Despite the positive effects of this conference report, I will have to vote against it because of title III.

Mr. BAUCUS. Mr. Speaker, energy conservation must be a cornerstone of a comprehensive energy strategy. There are many opportunities for conserving energy, all of which should be explored and used if conservation is to be an effective tool against the energy crisis.

Not all potential conservation measures are dramatic. Many, by themselves, promise only marginal savings. The accumulated effect, however, of a large number of "undramatic" conservation measures could be critical to the success of any overall energy strategy.

I would like to present today a brief discussion of a small conservation measure. It represents a direction government must follow if elimination of waste is to be brought to bear on the crisis. Following that discussion is a partial summary of Federal energy conservation programs and measures. In a third segment I will provide thoughts on the energy conservation issue as it relates to a comprehensive strategy.

RIGHT TURN ON RED

The Energy Policy and Conservation Act (Public Law 94-163) became law on December 22, 1975. The House and Senate versions— H.R. 7014 and S. 622—received exhaustive debate by both Houses and by a conference committee prior to enactment. Much of the debate raged over the "dramatic" conservation provisions in the bills. More will be said on these later.

The President ultimately signed a bill which contained a small, "undramatic" conservation provision called "RTOR"—"Right Turn On Red." RTOR saw no heated debate in either House. The House approved the measure overwhelmingly after I offered it as an amendment to H.R. 7014.

The measure affected the Federal assistance to States provision of the bill by requiring that State energy conservation plans include traffic regulations which allow motorists to turn right on red lights after stop. The amendment also allowed for safety considerations.

The primary object of RTOR is to save fuel and money. Implementation of RTOR will save 135-185 million gallons of fuel and approximately $102 million annually. At moderate traffic volumes, these savings amount to 3-4 percent of the base consumption; not dramatic, but significant.

TABLE 1.—RESULTS OF RTOR EVALUATION ON URBAN NETWORK

Control	Vehicle-miles	Mean speed (miles per hour)	Stops per vehicle	Total gallons of fuel	Miles per gallon	Emission, grams/mile		
						Hydrocarbons	Carbon dioxide	Nitrogen oxides
No RTOR	774.72	10.97	1.60	85.48	8.52	4.93	87.89	6.67
	951.28	10.12	1.71	111.88	8.10	5.23	94.62	6.73
	1,083.79	7.22	1.88	160.03	6.53	6.71	128.13	7.27
With RTOR	774.72	11.75	1.53	82.45	8.86	4.68	82.51	6.55
	950.38	11.01	1.62	106.42	8.49	4.93	87.95	6.61
	1,092.80	8.37	1.73	147.54	7.11	6.06	113.36	7.09

Source: Report prepared for U.S. Department of Transportation by Lieberman and Cohen.

Other benefits accrue: Motorists save an average of 26 percent of traffic time—during peak traffic periods—which would otherwise be spent waiting for red lights to turn green. Thus, implementation of RTOR significantly improves mean speed, fuel consumption and emissions of hydrocarbons, carbon dioxide and nitrogen oxide.

The Federal Highway Administration recently conducted a study to determine the desirability of RTOR and to recommend guidelines for uniform nationwide application. The study concluded that RTOR:

First. Reduces delay, especially to vehicles turning right, under nearly all conditions;

Second. Increases intersection capacity over a given period and thereby improves service;

Third. Reduces fuel consumption and auto emissions; and

Fourth. Causes an insignificant number of accidents.

The report further stated that incidence of accidents at RTOR intersections vary according to whether signs prohibit RTOR at other intersections where the measure is not safe. In States which allow RTOR at all intersections unless prohibited by signs, RTOR accidents are 0.6 percent of all accidents at signalized intersections. At least two studies have confirmed that the RTOR accident rate—the number of RTOR accidents divided by RTOR volume—is actually less than the right-turn-on-green accident rate.

There is little uniformity in State RTOR laws and regulations. The District of Columbia and one State do not permit RTOR by rule or practice. Thirteen States allow RTOR only where signs authorize it. Thirty-four States allow RTOR after yielding to pedestrians unless specifically prohibited by signs. Several others make no mention whatever of RTOR in their traffic regulations.

The Energy Policy and Conservation Act and the regulations issued pursuant to that law standardize RTOR by requiring States to allow right turns on red lights after stop unless prohibited by signs, in order to be eligible for Federal highway assistance.

The fuel savings made possible by uniform implementation of RTOR may appear to some people to be insignificant when converted from gallons of fuel to barrels of crude oil. One should remember, however, that many small, uncontroversial energy-saving measures can gain in collective consequence if orchestrated as part of a coherent, national conservation program.

WHERE ARE WE NOW?

Since World War II, American energy consumption has grown rapidly. The 15-year period between 1950 and 1965 saw a 3.5-percent average annual growth in consumption. During the next 8 years—to 1973—the growth in consumption climbed to 4.5 percent. In 1974, consumption dropped for the first time since 1952, and again in 1975—2.2 and 2.5 percent, respectively. One can only speculate on why the recent drops occurred. An appealing possibility is the advent of meaningful conservation measures in the wake of the Arab oil embargo. Less appealing is the reality of economic recession and its possible impact on consumption. Time will tell in future consumption patterns as the Nation regains its economic feet.

The first direct Federal action toward energy conservation occurred with the establishment of the Office of Energy Conservation in April of 1973. The office functioned under the Department of the Interior until May 1974, when Congress created the Federal Energy Administration—FEA—to oversee conservation measures.

Months later, in October, Congress created the Energy Research and Development Administration—ERDA—and gave to it responsibility for a number of conservation programs.

The Department of Commerce maintains conservation programs with special emphasis on delivery of conservation technology and materials to low income citizens and voluntary industrial conservation measures. FEA's primary endeavor is public information and formulation of conservation policy based on an intensive data-gathering process.

In 1974, Congress enacted the Federal Nonnuclear Energy Research and Development Act. The act stated a congressional policy of speedy development of technology needed to insure the "broadest range" of energy options through conservation and utilization of domestic resources. The Federal nonnuclear program, the act stated, shall account for energy conservation as a "primary consideration" in design and implementation. Conservation is defined as improvement of efficiency and reduction of waste.

ERDA, in fulfilling a requirement of the act, formulated a national energy conservation plan which calls for rapid development of near-term efficiency technologies. Conservation in buildings and consumer products, industrial and transportation efficiency, and use of waste materials to supply energy, all receive high priorities. Electric conversion efficiency is emphasized for the midterm.

Congressional Research Service reports that the Federal movement toward energy conservation has been characterized by "short-term action based primarily upon operational housekeeping—fixing leaks, reducing heat losses, small and lighter cars, for example."

The bigger, more long-term issues, have yet to go beyond the study stage and cannot be considered part of a solid conservation strategy. These "big" issues include conservation equipment design, process selection, substitution of low-energy intensive products for those that are highly energy intensive, and adjustment of major social behavior patterns to account for the need to save energy. These issues cannot be addressed productively until basic energy strategies are formulated. Addressing the issues would provide the tools for implementing an energy strategy and achieving goals. As yet, however, there appear to be no realistic goals.

Congress has chipped away at the problem with the major objective being solutions to near-term problems. A notable exception to this statement is the congressional commitment to improving mass transit systems. The Federal Aid Highway Act of 1973 contained a 3-year authorization of $22.9 billion to hasten improvements in mass transit. The Urban Mass Transit Act of 1974 granted a direct operating subsidy for mass transit systems under the Federal assistance program. Congress required the Secretary of Transportation to formulate a plan for expanding and improving mass transit as a requirement of the Energy Supply and Environmental Coordination Act of 1974. A major provision of the act was to encourage use of mass transportation systems as alternatives to travel by automobiles.

In January of 1974, Congress enacted a 55-mile per hour national speed limit. The Secretary of Transportation was authorized to approve and provide assistance to projects which encourage use of carpools.

In 1972, the Federal Office of Emergency Planning estimated that 14 percent of the energy consumed in the residential and commercial sectors could be saved without inconvenience or hardship. Better insulation, turning down the thermostat, improved maintenance of heating and cooling equipment, better storm doors and other measures, could account for the savings, read the report. For new buildings, conservation-conscious design is the key, according to the office, to greater savings than are possible through implementing conservation measures in existing buildings.

H.R. 6860, the House Ways and Means energy tax bill, seeks to spur such energy savings by allowing tax credits for home insulation equal to 30 percent of the insulation costs up to $500. A credit is also given for expenditures on installation of solar-powered heating and cooling equipment. The bill has been pending in the Senate Finance Committee since July of 1975.

H.R. 8650 passed the House on September 8, 1975, and passed the Senate on March 9, 1976. The bill would provide an assistance program to low-income families for installation of insulation. The Senate version contained performance standards on new home construction involving Federal funds. H.R. 8650 went to a conference committee on May 12.

H.R. 13676, the National Energy Extension Service Act of 1976, passed the House on August 2 and is now before the Senate Committee on Interior and Insular Affairs. The bill addresses the need for a national energy extension program to support energy conservation and new energy technologies such as solar heating and cooling. States are called on to implement federally supported extension services to conserve energy in the commercial and small business sectors, among consumers, and in the agriculture community. Optimal use must be made of existing extension services and duplication with other programs avoided.

H.R. 12169, the Federal Energy Administration Extension Act conference report, was voted on today by the House. The report contained a number of new conservation programs which include development of conservation performance standards for new buildings, a demonstration program to test various financial incentives aimed at encouraging conservation retrofitting, and obligation guarantees for application of energy-saving measures to other types of buildings.

The Energy Policy and Conservation Act requires energy-labeling of major home appliances so that consumers may select those products which are most energy efficient. FEA is authorized by the act to set energy-efficiency standards in cases where the labeling program fails to produce the desired results.

The transportation sector consumes approximately one-quarter of America's energy budget. Imported oil accounts roughly for the total amount of gasoline required to keep Americans on the road. The Department of Transportation has estimated that approximately 9.5 percent of current gasoline consumption could be conserved if half of America's drivers converted to compact cars. The Energy Policy and Conservation Act of 1974 set mandatory automobile fuel efficiency standards beginning with the 1978 model year.

The act also addresses the challenge of industrial energy conservation. While some gains have been made in lowering industrial unit energy consumption through voluntary programs, the act required FEA to rank individual industries according to their respective totals in energy consumption. Efficiency targets are to be set for each of the 10 most consumptive industries. This program represents a formalization of the previous efforts by FEA and the Department of Commerce toward a goal of reducing consumption by 10 to 15 percent on an industry-by-industry basis over the next half decade.

An important aspect of the energy conservation movement is research, development, and demonstration of new conservation technologies, especially those which are applicable in the industrial and utility sectors. The Energy Research and Development Administration has begun a comprehensive program to identify and develop such technologies. Legislative efforts are underway to provide impetus to this cause. Representative ROBERT DRINAN's H.R. 8495—pending before the House Science and Technology Committee—would establish a system of loan guarantees and low-interest loans toward implementation of energy-saving technology. Congress has actively promoted new technologies such as magnetohydrodynamics—MHD—a comparatively new process of burning coal to generate electricity.

MHD is a good example of an energy-conserving technology that is within reach for mid-term applications. Coal is heated to approximately 4,000° F.; the resultant gas is "seeded" with a salt to effect ionization; the mixture is propelled through a magnetic field. The result is electric power production with dramatically higher thermal efficiencies than with conventional technologies. MHD can be used in conjunction with existing coal-fired steam generators, thereby increasing their efficiencies. An added advantage is greatly reduced thermal and gaseous pollution.

The Boston Edison Co. concluded from a recent study that the potential savings through MHD is enormous. Conversion of just 5 percent of the Nation's electric operating capacity to MHD by 1985, the study said, would produce a savings of 8.82 million tons of coal, or nearly $400 million in 1985 alone.

On August 31, 1974 Congress enacted Public Law 93–404 which called for immediate design and planning of an MHD engineering test facility—ETF—to develop the engineering basis for construction of a commercial-size MHD demonstration plant capable of generating 500 megawatts by the mid–1980's. While it is doubtful that the current level of effort can accomplish this statutory timetable, construction is underway on a component development and integration facility—a precursor to an ETF and a demonstration plan. Uncertainty persists as to whether MHD and other conservation technologies can be funded to reach and maintain the accelerated development required to take advantage of their benefits in a timely way. Hopefully, a new administration will mitigate this problem. Now that MHD, for example, has entered the engineering phase, ERDA should be strongly urged to incorporate the expanded budgetary needs of MHD into its fiscal year 1978 budget request.

AN ENERGY STRATEGY AMID THE SCENARIOS

Energy planners and policymakers have grappled with a variety of possible strategies since the recent "rude awakening" of energy shortages and dependence on foreign sources. Most strategies assume a "scenario" that encompasses precisely defined goals and energy technologies and measures for meeting those goals.

A useful guide to examining America's energy prospects is found in "A Time To Choose: America's Energy Future," a report by the Energy Policy Project of the Ford Foundation.

The first scenario assumes continued growth in American energy consumption at about the historical rate of 3.4 percent annually—the average rate during the two decades between 1950 and 1970. A key assumption is the emergence of a vigorous national program of expanding energy supply to serve the rising demand. The emphasis would be on expanding supply rather than on conservation. A strategy within this scenario would entail maximum development of all major energy resources—petroleum imports, Outer Continental Shelf oil and gas, shale, coal, and nuclear power.

The magnitude of the implications of the "historical growth" scenario can be seen vividly in its growth projection for one energy resource—nuclear fission: on-line nuclear capacity would be increased 12 to 15 times over by 1985; there would be an additional three to fourfold increase by 2000, depending on other energy use and supply factors.

A second scenario includes the strategy of reducing energy consumption to a point substantially below the annual historical growth average. The policy within such a scenario would emphasize conservation rather than conscious efforts toward expanding supply. Economically feasible "technical fixes" would be applied to the end uses of energy in order to reap the desired savings; hence, the name of the scenario—"technical fix."

Growth in consumption would be held to about half the 3.4 percent assumed by the historical growth scenario. The energy policy project reports that such a strategy would not adversely affect the Nation's standard of living or significantly alter its various lifestyles. Elimination of energy waste through advanced technical applications in those major energy-consuming sectors provides the basis for this projection. The energy market would reflect energy costs to the full extent, though it is recognized that market prices alone may not generate the necessary impetus toward the projected energy savings.

A third scenario is called "zero energy growth"—ZEG. The energy policy project's ZEG scenario assumes a lower than historic growth rate in energy consumption until the mid-1980's, at which time consumption would cease to grow or even decline. Economic emphasis would shift from production-oriented industry to services. Cities would be redesigned to promote maximum husbanding of energy resources through improved, less energy intensive transportation systems. Energy in all sectors would be used more efficiently in order to actually increase the total energy available to each person by around 10 percent. Those with low standards of living would not be prevented from achieving higher standards for lack of energy. Likewise, middle-income people would not be restrained from upward movement.

The technical fix and ZEG scenarios are by no means the only prospects which emphasize energy conservation. They do reflect, however, the kind of realistic thinking that supports the "gut" feeling that conservation is a must. They throw off the temptation to believe that some miracle of technology will descend to save us from a distasteful reality—giving up the energy splurge we have come to take for granted.

The Nation needs an energy strategy. We must select a scenario and design the tools to achieve it. We will encounter great resistance from those interests whose vision for the future takes a back seat to short-term gain.

The General Accounting Office has undertaken an assessment of Federal and private energy conservation measures. The object of the study is to provide a clear picture of what has been done in the past, evaluation of those efforts, and recommendations for improvement. GAO expects to complete the study early in the 1st session of the 95th Congress. A similar study is underway by the Office of Technological Assessment with special attention to energy conservation in buildings. That study should be completed late this year.

The outstanding records of both GAO and OTA promise highly competent and valuable reports. Those of us who return to serve in the 95th Congress must capitalize on the data and conclusions in the GAO and OTA reports in selection of a long-term energy strategy. Energy conservation must be at the core of that strategy.

Mr. Speaker, Congress has come far in promoting the energy conservation movement. The House committees responsible for energy legislation have exercised admirable diligence and responsibility in dealing with energy issues. They have resisted incredible pressures, for the most part, to sacrifice crucial sectors of the economy in a headlong rush to guarantee energy supply. They have stood up time and again to an administration that cares first for those interests served by adherence to a historical growth strategy. Now, we must go on.

Mr. STAGGERS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 293, nays 88, not voting 50, as follows:

[Roll No. 631]

YEAS—293

Abdnor
Adams
Addabbo
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Badillo
Baldus
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Eshleman
Evans, Colo.
Fary
Fish
Fisher
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Gaydos
Gilman
Ginn
Goodling
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hyde
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Ketchum
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McClory
McCloskey
McCollister
McDade
McEwen
McFall
McHugh
Madden
Madigan
Maguire
Mahon
Martin
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Robinson
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Seiberling
Sharp
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, N.C.
Thompson
Thone
Traxler
Tsongas
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Wampler
Waxman
Whalen
Whitehurst
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—88

Alexander
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Bauman
Bevill
Broyhill
Buchanan
Burleson, Tex.
Clawson, Del
Collins, Tex.
Crane
Daniel, Dan
de la Garza
Derrick
Derwinski
Downing, Va.
Duncan, Oreg.
Edgar
English
Evans, Ind.
Fascell
Fithian
Florio
Frenzel
Frey
Fuqua
Gibbons
Goldwater
Gonzalez
Gradison
Grassley
Hammerschmidt
Hansen
Harsha
Heckler, Mass.
Hicks
Hutchinson
Ichord
Jacobs
Jarman
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Keys
Kindness
Latta
Lehman
Lott
McCormack
McDonald
McKay
Mann
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Pa.
Paul
Poage
Risenhoover
Roberts
Rousselot
Satterfield
Schneebeli
Schroeder
Schulze
Shipley
Shuster
Spence
Steed
Steiger, Ariz.
Symms
Taylor, Mo.
Thornton
Ullman
Walsh
White
Whitten
Young, Alaska
Young, Fla.

NOT VOTING—50

Abzug
Anderson, Ill.
Aspin
Biester
Breckinridge
Chappell
Collins, Ill.
Conable
Conlan
Conyers
du Pont
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Giaimo
Green
Hall, Tex.
Hébert
Heinz
Hinshaw
Holt
Howe
Jones, N.C.
Landrum
Lujan
McKinney
Matsunaga
Mink
Moorhead, Pa.
Passman
Peyser
Pickle
Rangel
Rees
Roe
Sebelius
Sikes
Steelman
Stephens
Symington
Teague
Treen
Waggonner
Weaver
Wiggins
Young, Ga.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Aspin.

Mr. Moorhead of Pennsylvania with Mrs. Holt.

Mr. Waggonner with Mr. Anderson of Illinois.

Mr. Sikes with Mr. Treen.

Mr. Chappell with Mr. Steelman.

Ms. Abzug with Mr. Conable.

Mr. Rangel with Mr. McKinney.

Mr. Young of Georgia with Mr. Conlan.

Mr. Fountain with Mr. Biester.

Mr. Flynt with Mr. du Pont.

Mr. Stephens with Mr. Esch.

Mr. Conyers with Mr. Findley.

Mr. Howe with Mr. Forsythe.

Mrs. Mink with Mr. Peyser.

Mr. Evins of Tennessee with Mr. Lujan.

Mr. Symington with Mr. Wiggins.

Mr. Green with Mrs. Fenwick.

Mr. Passman with Mr. Landrum.

Mr. Roe with Mr. Rees.

Mr. Teague with Mr. Sebelius.

Mr. Hall of Texas with Mr. Matsunaga.

Mr. Breckinridge with Mr. Jones of North Carolina.

Mr. Pickle with Mr. Weaver.

Mrs. Collins of Illinois with Mr. Giaimo.

Mr. RISENHOOVER and Mr. JACOBS changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT ERRORS IN ENROLLMENT OF H.R. 12169

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 709) authorizing the Clerk to correct errors in the enrollment of H.R. 12169.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 709

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the billing (H.R. 12169), to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such Act; to provide an incentive for domestic production; to provide for electric utility rate design initiatives; to provide for energy conservation standards for new buildings; to provide for energy conservation assistance for existing buildings and industrial plants; and for other purposes, the Clerk of the House shall make the following corrections:

(1) In the table of contents before the items relating to title III, strike out the following:

"[TITLE IV]

"PART B—STATE ENERGY CONSERVATION PLANS

"Sec. 431. Definitions.

"Sec. 432. Supplemental State energy conservation plans."

(2) In section 124 strike out "sections 121 and" and insert in lieu thereof "section" and add at the end of section 124 the following: "The amendments made to section 8 of such Act by section 121 of this Act shall take effect on the first day of the first full month which begins after the date of enactment of this Act.".

(3) In subsection (f)(1) of section 8 of the Emergency Petroleum Allocation Act of 1973 (as amended by section 122(5) of the bill), strike out "Energy Conservation and Policy Act" and insert in lieu thereof "Energy Conservation and Production Act".

(4) In the last sentence of subsection (d) of section 451 of the bill, strike out "Secretary" and insert in lieu thereof "Administrator".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill (H.R. 12169) just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of the clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1402. An act for the relief of John W. Hollis;

H.R. 9414. An act for the relief of TV Facts, Rochester, N.Y.; and

H.R. 9965. An act for the relief of Boulder Daily Camera, Boulder, Colo.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills and a concurrent resolution of the House of the following titles:

H.R. 3650. An act to clarify the application of section 8344 of title 5, United States Code, relating to civil service annuities and pay upon reemployment, and for other purposes;

H.R. 14262. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes; and

H. Con. Res. 707. Concurrent resolution providing for a conditional adjournment of the House from August 10 until August 23, 1976, and the Senate from August 11 until August 23, 1976.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14262) entitled "An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1977, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLELLAN, Mr. STENNIS, Mr. PASTORE, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MCGEE, Mr. PROXMIRE, Mr. MONTOYA, Mr. INOUYE, Mr. SYMINGTON, Mr. YOUNG, Mr. HRUSKA, Mr. CASE, Mr. FONG, Mr. STEVENS, and Mr. SCHWEIKER, to be the conferees on the part of the Senate.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, FRIDAY, AUGUST 13, 1976, TO FILE A PRIVILEGED REPORT ON BILL MAKING APPROPRIATIONS FOR PUBLIC WORKS EMPLOYMENT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday, August 13, 1976, to file a privileged report on a bill making appropriations for public works employment for the period ending September 30, 1977, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (DEPARTMENT OF THE INTERIOR)

Mr. YATES, from the Committee on Appropriations, submitted a privileged report (Rept. No. 94–1414) on the resolution (H. Res. 1428) disapproving deferral of budget authority (Department of the Interior), which was referred to the Union Calendar and ordered to be printed.

AMENDING THE WILD AND SCENIC RIVERS ACT

Mr. TAYLOR of North Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271), and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 13372, with Mr. HAMILTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, August 9, 1976, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act (82 Stat. 905), as amended (16 U.S.C. 1271 et seq.) is amended as follows:

(1) In section 2 delete "Maine, and that segment of the Wolf River, Wisconsin, which flows through Langlade County," and insert in lieu thereof "Maine; that segment of the Wolf River, Wisconsin, which flows through Langlade County; and that segment of the New River, North Carolina, which flows through Ashe and Allegheny Counties,".

(2) In section 7 after the second sentence, insert the following: "Any license heretofore or hereafter issued by the Federal Power Commission affecting the New River of North Carolina shall continue to be effective only for that portion of the river which is not included in the National Wild and Scenic Rivers System pursuant to section 2 of this Act and no project or undertaking so licensed shall be permitted to invade, inundate or otherwise adversely affect such river segment.".

Mr. TAYLOR of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SLACK. Mr. Chairman, I rise in opposition to H.R. 13372. This bill would declare a 26.5-mile segment of the New River in Virginia and North Carolina as a wild and scenic river. But in effect, it would stop the Blue Ridge hydroelectric project and prevent the construction of an energy facility of 1,800,000 kilowatts.

The decision as to whether or not the project should be built is a matter presently under review by the U.S. courts. My opposition is not solely based on the feasibility of the dam, but the procedure in which the bill is being brought to the floor of the House of Representatives.

If the Congress wishes to challenge the unanimous decision of the Federal Power Commission, then a bill should be reported to the House for debate, followed by a vote, "up or down," on the proposed construction project. Congress should meet the question head on considering the need for energy as well as the environmental aspects.

I believe the record should show the FPC in 1974, by a unanimous decision of 5 to 0, granted the license effective January 2, 1975. In March of 1976, the U.S. Court of the District of Columbia upheld that license by a unanimous decision of 3 to 0. A petition of certiorari has been filed by the opponents with the U.S. Supreme Court for review of the unanimous court of appeals decision.

The FPC, before its final decision, ordered the record reopened to permit testimony of the effect of the proposed project on the recreational aspects on the New River in West Virginia.

The petition to intervene and to reopen was offered by the Attorney General on behalf of the State of West Virginia. In July 1970, public hearings were held at Beckley, W. Va., and prior thereto the West Virginia Department of Natural Resources conducted studies on the effect of riverflows on the New River in West Virginia and concluded that flows of 2,500 cubic feet per second would guarantee optimum fishing and recreation during summer months. The license was written to favorably comply with the State of West Virginia's request.

Reference has been made during this debate that we need to protect this free-flowing river. It is my understanding that presently there are seven dams located on New River. I hasten to add that I would support an amendment to declare the entire New River from head to mouth a wild scenic river. Then by any definition it could become a free-flowing river.

Approaching this matter in the traditional and proper way, by dealing directly on the merits or demerits of the construction of this facility, is, in my opinion, the proper procedure to follow after final disposition by the courts.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 9 through page 2, line 2, strike the present text and insert in lieu thereof "Langlade County; and that segment of the New River in North Carolina extending from its confluence with Dog Creek downstream approximately 26.5 miles to the Virginia State line."

Mr. TAYLOR of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT OFFERED BY MR. QUILLEN TO THE COMMITTEE AMENDMENT

Mr. QUILLEN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. QUILLEN to the committee amendment: On page 2, line 3, delete all after the word "and" and all of lines 4, 5, and 6, and insert in lieu thereof. "Notwithstanding such criteria, the entire main stem including the north and south forks of the New River of North Carolina, Virginia, and West Virginia from its headwaters in North Carolina to its juncture with the Gauley River in West Virginia. Any license heretofore issued by the Federal Power Commission affecting the New River shall continue to be effective."

Mr. QUILLEN. Mr. Chairman, this amendment is self-explanatory. Already two dams on the river have licenses issued by the Federal Power Commission. Also, the Blue Ridge project has a license and an appeal is now on its way to the Supreme Court for a final decision.

Mr. Chairman, we have heard here in this Chamber and before the Committee on Rules, when the bill was up before the committee for a rule, that it was the intention of the proponents to make the New River a wild and scenic river; but believe it or not, the bill itself only makes 26 miles of the New River a wild and scenic river. The amendment would make the entire river, with the exception of the two existing dams, and with the exception of the Blue Ridge project, a wild and scenic river.

I feel that this would be a great thing for nature lovers, for conservationists and for ecologists in protecting the river which they say the first stars of heaven shone down upon.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from North Carolina.

Mr. NEAL. Will the gentleman tell me the cost involved in this?

Mr. QUILLEN. The cost would not be any more per mile than it would be for the 26 miles under the provision of the bill we are discussing today on the floor of the House.

Mr. NEAL. If the gentleman will yield further, let me say that there is absolutely no cost to the Federal Government under our bill, because the State would be administering this portion of the National Wild and Scenic River System, and will pay the costs involved.

Mr. QUILLEN. The gentleman's argument before the Rules Committee was that the river should be protected, that the dam would flood and destroy the beauty of the scenic river. I did not hear him mention the cost of preserving any section of the river under the Wild and Scenic River Act. He either believes in protecting it or he does not believe in it. I do not believe in doing anything by an end run. I believe in doing it out in the open so that everyone knows what we are doing.

As for the cost, I am sure the gentleman from North Carolina (Mr. TAYLOR), the able chairman of the Committee on Interior and Insular Affairs, has had enough experience so that he would want to comment on the cost.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. The gentleman's amendment would permit the building of the Blue Ridge project and the inundation of some 94 miles of the New River.

Mr. QUILLEN. It would.

Mr. TAYLOR of North Carolina. The Secretary of the Interior has placed 26.5 miles of the New River in North Carolina in the Wild and Scenic River System. The gentleman's amendment would override the action of the Secretary, take this segment out of the System, and permit it to be inundated by the reservoir.

Mr. QUILLEN. It would not only do that, but it would treat every other mile on the New River as a part of the Wild and Scenic River System. I think that is the purpose of this legislation. The Congress has power over the executive branch to do whatever it will. The gentleman from North Carolina wants to protect only 6 miles of the river under the Wild and Scenic River Act.

Mr. TAYLOR of North Carolina. Would the gentleman's amendment include any of the New River in North Carolina into the system?

Mr. QUILLEN. It would include the entire main stem, including the North and South Forks.

Mr. TAYLOR of North Carolina. Now, a substantial portion of the North and South Forks and of the main stem in North Carolina would be inundated, so how could it be included in the Wild and Scenic River System and be inundated also?

Mr. QUILLEN. I am assuming that the gentleman knows more about North Carolina than I do, but I do believe that from where it starts to where it ends, that portion not inundated in North Carolina would be covered by the designation.

Mr. TAYLOR of North Carolina. There are two existing reservoirs below the proposed Blue Ridge Dam. One is the Claytor Dam, which backs water up 18 miles; second is the Bluestone Reservoir, which backs water up 31 miles. The gentleman does not include these in his proposal?

Mr. QUILLEN. That is correct, because licenses are already outstanding.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(By unanimous consent, Mr. QUILLEN was allowed to proceed for 2 additional minutes.)

Mr. QUILLEN. I do not believe, under the gentleman's proposal, that these other dams are included under the wild and scenic river designation. Is that right?

Mr. TAYLOR of North Carolina. The gentleman is correct.

Mr. QUILLEN. How about all the area through Virginia and through West Virginia, is that included in the gentleman's designation?

Mr. TAYLOR of North Carolina. Mr. Chairman, if the gentleman wants me to answer that question, I will answer it.

Mr. QUILLEN. I do want the gentleman to answer it.

Mr. TAYLOR of North Carolina. The legislation before us, I think as everyone knows, includes 26½ miles of New River in North Carolina to be protected at State expense and shall be administered by the State.

Mr. QUILLEN. Would the gentleman answer this question for me: Would the wild and scenic designation that we have under this act be the same designation as applied to any other wild and scenic river, or would the farmers in North Carolina have the right to farm, or would people have the right to do things under this designation that the wild and scenic designation would not permit?

Mr. TAYLOR of North Carolina. I might state, if the gentleman will yield, that, under the Wild and Scenic Rivers Act, usually only a limited amount of property is taken in fee simple. The act limited it to 50 percent. Scenic easements are taken over the rest of it. And, in the main, the intent is to continue the land for agricultural use, so long as it is not incompatible with wild and scenic rivers. Most of the land is used for grazing, and most of it will continue to be used for grazing.

The Department of the Interior compiled a 50-mile segment of the New River between Claytor Dam and the Bluestone, which did not qualify for inclusion in the Wild and Scenic Rivers System. Yet the gentleman, by his amendment, would include this without further study, without any committee hearings, and in defiance of the Department.

Mr. QUILLEN. That is correct.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. QUILLEN) has again expired.

(By unanimous consent, Mr. QUILLEN was allowed to proceed for 2 additional minutes.)

Mr. QUILLEN. I will say to the gentleman that that is correct. My language says that notwithstanding such criteria, the Congress has the power to act, and those segments would be included under the Wild and Scenic Rivers Act. I think they should be. I think we should hit this head on, not by an end run.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from West Virginia (Mr. HECHLER).

(On request of Mr. HECHLER of West Virginia and by unanimous consent, Mr. QUILLEN was allowed to proceed for 2 additional minutes.)

Mr. HECHLER of West Virginia. Mr. Chairman, as I indicated yesterday to my friend, the gentleman from Tennessee (Mr. QUILLEN), I am intrigued by this amendment.

I would only ask those who are voting on the amendment to look very carefully at who are supporting the amendment and who are on the other side of the amendment.

Mr. QUILLEN. Mr. Chairman, does the gentleman want me to yield for a question?

Mr. HECHLER of West Virginia. Yes.

Mr. QUILLEN. If not, the gentleman could get his own time, unless he wanted to ask some questions.

Mr. HECHLER of West Virginia. If the gentleman will yield further, the question is: Is the gentleman aware that there is an active strip mining company, the Betty Jane Coal Co., which has proposed a strip mine in the New River Gorge, which would be effectively put out of business as a result of the gentleman's amendment?

Mr. QUILLEN. Mr. Chairman, I am serious about my amendment. Whatever would interfere with the wild and scenic designation would have to go. I would not mislead the Members of this body. I know the gentleman from West Virginia is against strip mining. He wants to use that because I am for strip mining. But most of all, I am for the wild and scenic designation of this beautiful river that the first stars of heaven shone down upon.

Mr. HECHLER of West Virginia. If the gentleman will yield further, did the gentleman say "almost heaven" to apply to West Virginia?

Mr. QUILLEN. I believe we have an area which is designated almost so.

Mr. Chairman, I think if we love the river, if we love its historical significance, then we should adopt my amendment. We should not violate the licenses outstanding, which have been issued by the Federal Power Commission. The Federal courts have upheld the Blue Ridge project. I think that it is time that the Congress went forward with its business and designated the whole river as a part of the Wild and Scenic System and excluded these three licenses.

Mr. TAYLOR of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment. When a person who has consistently opposed a proposal suddenly wants to make it bigger and better, we wonder if he is being facetious, if he is joking, if he is trying to kill it with kindness or trying to muddy the water, or if he seeks an irresponsible package which would ultimately be defeated and have little chance of becoming law.

Mr. QUILLEN. Mr. Chairman, since the gentleman used my name, will the gentleman yield?

Mr. TAYLOR of North Carolina. Yes, I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, I do not think that any Member of this House would be facetious in any action on the House floor. I think, though, that when the gentleman goes into this by an end run and tries to accomplish the destruction of a dam, I could say the same thing about him. I could say the same thing about the gentleman from North Carolina (Mr. TAYLOR), but I am not doing that. I respect his opinion; I think he has a right to it.

I have a right to my opinion, and I have clearly stated that I am for the construction of the dam. I want to preserve New River, I want to protect the integrity of the Federal Power Commission, and I want to protect the integrity of each Member of this House.

Mr. TAYLOR of North Carolina. Mr. Chairman, I will state to the gentleman that I respect his opinion. I know that he is being sincere. I know he is trying to do what he thinks is right. However, I do not think he is trying to help the New River, and I do not think he is trying to help create a wild and scenic river.

Two years ago we considered this issue on the House floor, and the legislation considered at that time would have included a study of a substantial portion of the New River as a potential addition to the Wild and Scenic Rivers System. The gentleman from Tennessee (Mr. QUILLEN) voted against it. He voted against the rule at that time. This year he voted against the rule in the committee and on the House floor. That certainly is right and proper, but it does not show any desire on his part to create a wild and scenic river.

Since the action 2 years ago the North Carolina General Assembly by unanimous vote approved legislation which would put a 26.5-mile section of the river in the Wild and Scenic Rivers System to be administered by the State at no cost to the Federal Government. Last April the Secretary of the Interior, after receiving comments from all other concerned Federal agencies, after receiving public comments, after a study of the New River and its natural and recreational qualities, and after preparing an environmental impact statement, designated this segment of the river as a component of the National Wild and Scenic Rivers System to be administered by the State in line with the provisions of the National Wild and Scenic Rivers Act. This bill only precludes the development of the Blue Ridge project insofar as it affects the upstream segment. It is not intended that this bill would preclude any possible construction of other dams downstream or prevent downstream development. Furthermore, as the State of North Carolina would continue to manage the scenic river, there would be no Federal expense as the bill now stands.

If the gentleman's amendment is adopted, it will become a very expensive package, and we have no idea how much it will cost. The legislation now before the House does not create a wild and scenic river, because such is not necessary. The 26.5-mile segment is already a part of the System. All we are trying to do with the bill is to protect that segment which has already been designated as a part of the Wild and Scenic Rivers System.

Mr. Chairman, the amendment creates a situation which is worse than no bill at all. It protects the Blue Ridge project. It permits the inundation of 40,000 acres of land, the displacement of 3,000 citizens, and the submersion of 936 homes, 600 farms, 10 industrial buildings, 5 U.S. post offices, 15 churches, and 12 cemeteries. It overrides the action of the Secretary of the Interior in designating this 26.5-mile segment of the river for inclusion in the system. It places the river downstream from the proposed Blue Ridge project in the Wild and Scenic Rivers System without a thorough study by the Department of the Interior, without hearings by any committee, and it does this although the Department of the Interior in a preliminary report stated that a portion of the river does not qualify for inclusion.

Cost estimates have not been prepared. We have no idea what the cost would be. Economic and social effects have not been assessed.

Mr. Chairman, the gentleman's amendment was written in haste, and copies were handed to us just 5 minutes before we went into the Committee of the Whole. They have not been available to other members of the Committee. To adopt this amendment would be, in my opinion, a very irresponsible action.

Mr. Chairman, I suggest that we defeat the amendment. Then if the gentleman from Tennessee (Mr. QUILLEN) is really serious, I will be glad to join him in introducing a bill which would place other portions of the New River in the study provisions of the Wild and Scenic Rivers System. We would ask the Department of the Interior to give us a report on the bill, and hopefully we could conduct hearings on it before the end of this session.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. TAYLOR) has expired.

(By unanimous consent, Mr. TAYLOR of North Carolina was allowed to proceed for 2 additional minutes.)

Mr. Chairman, if we proceeded in this fashion, we would respect the wishes of the Congressmen from Virginia and the Congressmen from West Virginia.

The gentleman from Tennessee (Mr. QUILLEN), during the last Congress, introduced a bill to place a section of the Nolichuckey River in Tennessee and North Carolina in the study provisions of the Wild and Scenic Rivers Act.

We held hearings on it. We decided it would qualify for the study. The bill was enacted. The study is now being made.

Mr. Chairman, that is exactly the way we should proceed if we proceed responsibly in determining whether or not the balance of the New River should go into the Wild and Scenic Rivers System.

Mr. Chairman, I know that the many Members of the House who have had chances to support the Wild and Scenic Rivers System would not want to see it downgraded by this sudden addition through a House amendment of a large segment of river which had not been properly studied for its wild and scenic river qualities as we do with all other rivers.

Mr. Chairman, I hope and urge that we defeat the amendment.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from North Carolina, but before I do, Mr. Chairman, I want to call attention to the long-standing efforts of the gentleman from North Carolina (Mr. MARTIN) on behalf of this legislation.

JIM MARTIN was a member of our subcommittee last Congress, and he gave of himself and his time unselfishly on behalf of protecting this river.

In this Congress, although he has moved on to other committee assignments, he has maintained his commitment to this issue. He appeared before the House Rules Committee in behalf of this measure, and I think his presentation there was one of the most eloquent and effective statements I have ever been privileged to hear. I know my colleagues join me in commending him for both his ability and his labors. And I know the people of North Carolina appreciate the fine representation which he gives them in Congress.

Mr. MARTIN. Mr. Chairman, I thank the gentleman for yielding.

The proposal that has been offered by the gentleman from Tennessee (Mr. QUILLEN) has considerable merit in seeking to further the protection of additional portions of this national treasure. To that extent, it is a well-intentioned amendment. I am attracted for that reason to his proposal, although I must vote against it for three reasons.

First, the main effect of such an amendment is to complicate this bill which, I fear, will delay final action on the bill, perhaps requiring extensive consideration by a conference to work out differences. This could carry us past adjournment, and lose the bill. I cannot risk that.

Second, Mr. Chairman, this amendment ties down land in Virginia; and our friends in Virginia are mad enough at us as it is now.

If they want it committed to scenic-river status, I will support such a bill in the hereafter. I do not mean in the hereafter, but subsequently. Meanwhile, all I want to do is to keep their mudflats out of North Carolina.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. TAYLOR) has expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. BUTLER. Mr. Chairman, reserving the right to object, I would like to inquire as to whether the gentleman in his efforts and in his zeal to protect the interests of the State of Virginia in this regard has consulted with the Virginia delegation with reference to our wishes on this amendment?

Mr. TAYLOR of North Carolina. Mr. Chairman, if the gentleman is addressing the question to me, a bill to designate segments of wild and scenic rivers is usually introduced by local Congressmen. If they are introduced by someone else, it is the custom of our committee to consult with local Congressmen so as to give them an opportunity to testify.

I do not believe I said that we have brought any bill to the House floor that would place a segment of river in a Congressman's district into a system over his objection.

Mr. BUTLER. Mr. Chairman, further reserving the right to object, would the gentleman then not consult with the Virginia delegation with reference to the amendment which is now before the House?

Mr. TAYLOR of North Carolina. Is the gentleman asking whether I consulted with the Virginia delegation?

Mr. BUTLER. Yes, with any Member of the Virginia delegation. I know he did not consult with me. I just wonder whether he consulted with anybody else in the Virginia delegation.

Mr. TAYLOR of North Carolina. No. I did not see the amendment until 5 minutes ago, and I think the amendment was only written during the last half hour. It is not my amendment.

I have had no time to consult even with the sponsor except for just a moment, or with anybody else.

Mr. BUTLER. Mr. Chairman, further reserving the right to object, did the gentleman immediately arrogate to himself the responsibility for objecting to this amendment without consulting any member of the Virginia delegation?

Would the gentleman express to me, then, how he feels about the portion of it that affects North Carolina? Does he object to including the North Fork of the New River, that portion that is in North Carolina? Does he object to including that within the wild and scenic river designation?

Mr. TAYLOR of North Carolina. I do not know whether the gentleman's amendment includes a mile of river in North Carolina.

As to the dam, if he permits the building of the dam it will back waters over most of the North Carolina section, I do not know whether his amendment would include anything above that. However, I would not have any objection to that being studied for inclusion. I am not certain that it qualifies that far up because the stream becomes very, very small and would have very limited value for floating, canoeing, and things of that sort.

Mr. BUTLER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina (Mr. TAYLOR) to proceed for 2 additional minutes?

There was no objection.

Mr. MARTIN. Mr. Chairman, will the gentleman yield further?

Mr. TAYLOR of North Carolina I yield to the gentleman from North Carolina.

Mr. MARTIN. Mr. Chairman, I would like to conclude by stating my third reason for voting against the amendment of the gentleman from Tennessee (Mr. QUILLEN).

That is, I believe that the bill, as submitted, and brought to us by the Committee on Interior and Insular Affairs is a good bill as written. It has the support of all of the remaining major party candidates for President and Vice President of the United States, plus the present and past Secretaries of the Interior, plus the unanimous North Carolina legislature and congressional delegation including a former Member of the Congress, the original author, Wilmer Mizell.

So, let us defeat these amendments and move forward toward adopting the committee bill.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Chairman, I am very anxious to find out the wishes of the gentleman from North Carolina with reference to this portion of the New River which is not included in the designation in this legislation, but which lies within the State of North Carolina. I am anxious to find out because I can recall that when the legislation came before the Congress 2 years ago it included the North Fork of the New River in North Carolina. That is the portion that is to be inundated by the proposed dam along with the South Fork. Of course, the North Fork could not be inundated if we did not inundate the South Fork. So if we do not inundate the North Fork and you intend to bring the South Fork within the designation of the wild and scenic rivers, you just want to include that to have the wild and scenic designation, to put the burden on the State of North Carolina. If that is the wish of the gentleman from North Carolina, then I would like to have the gentleman explain why you want this.

Mr. TAYLOR of North Carolina. First, Mr. Chairman, let me say that I was one of the cosponsors and perhaps the principal sponsor of the study legislation last Congress.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. TAYLOR of North Carolina was allowed to proceed for 2 additional minutes.)

Mr. TAYLOR of North Carolina. Mr. Chairman, as I had started to say, I was one of the cosponsors of the legislation which would have placed the New River in North Carolina within the study provisions of the Wild and Scenic Rivers System. The gentleman from Virginia opposed that legislation. Since that time the State of North Carolina has studied the whole picture as it relates to the segments within the State and it found that the 26½-mile section does qualify for inclusion in the system. The Department of the Interior said that the South Fork is very small and probably does not qualify. I am not certain whether there is any additional mileage to be added to the 26½ miles of this program. I would have no opposition to having it studied. Let the Department of the Interior make its recommendations and let the committee of the House study it and recommend what should be done about it.

Mr. BUTLER. If I offer an amendment which will include the North Fork of the New River in North Carolina in the designation along with the South Fork, will the gentleman oppose such an amendment or support it?

Mr. TAYLOR of North Carolina. I would oppose it.

Mr. BUTLER. I thank the gentleman.

Mr. TAYLOR of North Carolina. I would do so because I think taking that action at this time would be irresponsible. If the gentleman's amendment would be accepted by the State then the gentleman should have consulted with the State. If it should be administered by the Federal Government that would be ridiculous, of course, with most of the river being under the administration of the State and then one little piece such as we are referring to being administered by the Federal Government.

Mr. SEBELIUS. Mr. Chairman, I move to strike the requisite number of words.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Massachusetts.

FURTHER LEGISLATIVE PROGRAM

(By unanimous consent, Mr. O'NEILL was permitted to speak out of order.)

Mr. O'NEILL. Mr. Chairman, I have requested this time in order to announce the program for the balance of the day. We had intended to finish this bill and then take up HEW, the conference report, and that would be all the legislation for today. However, the President of the United States has called the Speaker of the House and the minority leader, the gentleman from Arizona (Mr. RHODES) and he has told them that it is absolutely imperative that we pass the swine flu legislation. The only way we can bring it before the floor would be by unanimous consent. There are some objectors to this, and there would be objection. Consequently, we are scheduling an emergency session of the Committee on Rules for a rule and it will be coming on the floor later. And so the sooner we can finish the present legislation as well as the HEW conference report, the better. It is absolutely an emergency, according to the President of the United States, and for that reason the leadership on both sides of the aisle have agreed to schedule it, and it will be on the floor this afternoon. I wanted to notify the Members.

Mr. SEBELIUS. Mr. Chairman, last night when the committee was considering H.R. 13372, the New River bill, I talked on the subject; however, time did not permit my correcting the transcript. Frankly, it was noisy in the Chamber and such words as "anti" appeared as "allied," and "Indians" for "Carolinians." Therefore, my remarks on page 26429 of the RECORD for August 9, 1976, should read:

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I look at it, I guess the quorum call was my responsibility. I felt the necessity of making the point of order after seeing all these statistics and all this hard work going down the drain after 9 years. Doubtless we would have had about 38 Members here that have heard this before or that have made up their minds, and frankly, I have had mixed feelings on it myself.

During my time of serving with the gentleman from North Carolina (Mr. TAYLOR) in these last 2 years as the ranking minority member on the subcommittee, I have grown to respect the gentleman's ability, his judgment, and his work, and I will probably do that again tonight. However, also during this period of time I have tried to uphold the excellence of the national park system and likewise the National Wild and Scenic Rivers System as designated by the act. I personally must conclude, as I weigh the definition of a wild river area that I feel the gentleman from Virginia (Mr. BUTLER) has put his finger right on the point—there are road crossings all over the place.

It probably would not qualify as a wild and scenic river any more than would Prairie Dog Creek in western Kansas. However, from the definition of wild river areas, they should be free of impoundments—and that seems to be the whole substance of this entire debate—they should also be generally inaccessible except by trail, with watersheds and shorelines essentially primitive and waters unpolluted.

Scenic river areas are designed as being free of impoundments, with shorelines or watersheds largely primitive.

Mr. Chairman, this bill is marginal. It does not come up to ordinary standards.

The bill means two things. A lot of antipower people just do not want new power with any kind of impoundment at all. It also means a lot of North Carolinians just do not want to move from their lands. They do not want their lands muddied up, as the gentleman from North Carolina said. I can well understand that from my own point of view.

I personally would have been in Congress 10 years sooner than I was except for the fact that as the mayor of a downstream town, I advocated impoundment above my city. I got beaten by 51 votes in some 26 counties, and I lost all the votes in the township where the water was to be impounded.

Mr. Chairman, I shall vote for this bill tonight. It is not going to be because I think this is any great wild and scenic river. I think it is a marginal thing. However, I want the record to show that I hope we do not drag out this wild and scenic river question by continuing to fight about it when we should do it on the merits.

As far as the powerplants and other alternatives are concerned, I do not know what they are and how they should be handled.

Mr. Chairman, we have a wonderful national park system. We have a fine wild and scenic river bill here, and I do not like to see it diluted any more than it has been.

However, Mr. Chairman, on the basis that it is marginal, as I said, I will vote for it tonight.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this legislation. I am opposed to the pending amendment.

Mr. Chairman, I rise in opposition to this amendment and in support of this bill H.R. 13372 to decide the fate of the upper New River Valley in northwestern North Carolina.

The choice before us is a simple one: We can destroy the homes and lives of 3,000 North Carolinians for the sake of providing power for the air conditioners of faraway States; or we can preserve intact and unspoiled a free-flowing river which has provided a home to generations of Americans from the Revolutionary War to the present day.

I would like to begin by saying a few words about the history of the valley which we will preserve or destroy. In discussing the history of the New River we can go back, if we wish, to the beginnings of recorded time. Geologists believe that the New River is probably the oldest river in the Nation and the second oldest in the world. Recent surveys, carried out by the State of North Carolina in the absence of adequate Federal attention, have shown that the lands along the river contain stratified archeological deposits which should provide exciting new chronological records of both the settlements and migrations of prehistoric man on our continent.

As far as we now know, the history of modern man in the Upper New River Valley begins in the 1700's. One of America's most famous pathfinders, Daniel Boone, hunted bear in the valley's forests. Peter Jefferson, the father of Thomas Jefferson, surveyed the valley in the 1700's, discovered a river which had not yet been mapped, and called it the New River.

Settlement of the valley began in the 1750's, and increased considerably after the Revolutionary War, when much of the land along the New River was given by the Congress to veterans of the Revolutionary War. Typical of these early grantees was a man named Jesse Ray, a Revolutionary War soldier whose feet were frozen at Valley Forge. Ray's direct descendants still own and farm part of the 67,000 acres which were given to him by Congress.

The early patriot-settlers of the New River Valley were not rich men; they built simple homes on the land which had been given them; they farmed it carefully to produce a living for themselves and their children. As they prospered, they often made modest additions to their original log homes: planking would be added to cover the logs; new rooms and porches provided more space. These structures still stand and are inhabited for the most part by the descendants of the men and women who built them. There are no Mount Vernons or Monticellos in the New River Valley; what there are are homes which have been cared for and lived in since the birth of our Nation, "each building seeming something of heroic accomplishment, a feat of colonial man."

I should note at this point that we hear much talk these days of the preservation of our environment, of the need to protect our land, our waters, and our air from the ravages of industrial and technological progress. In the same way that they have cared for the homes of their ancestors, the people of the New River Valley have cared for their ancestral land. The river is still clean and flows free; the land is still intact and fertile; the buildings and roads do not push nature aside, but are only as large as is necessary for shelter and movement. The Valley has not stood still; we are not talking about a people or an area left behind by time. There are factories, businesses, and new roads, but all these things blend with nature and do not destroy it. The people of the New River Valley have shown more reverence and respect for their land than many other Americans have shown for other parts of our country.

Two hundred years ago, our ancestors declared their independence. They dumped tea into Boston Harbor and said that they would have no taxation without representation. Approximately 12 years ago, the people of the New River Valley learned that the Federal Power Commission proposed to grant to a private company the right to destroy their valley and their homes. They resolved that this would not happen, and that they would be heard; they said in effect that there would be no destruction without representation. They persuaded the government of their State to unite in opposition to the dams. They invited the Federal Power Commission to look at their valley and listen to its people; when the Commission refused, they came to Washington and forced it to listen. They invited Members of Congress to the New River; when few responded, they brought their way of life to the Halls of the U.S. Senate and made us look at the values which they wanted us to save. When the greatest labor organization of this country seemed about to destroy their lifetime careers for the sake of a few temporary jobs, they came to Washington, threw a picket line around that union's headquarters, and asked its leaders to take another look at exactly what they stood for. In their refusal either to submit to arbitrary power or to tolerate Government inattention. they have fought for the spirit of American independence in the same way that their ancestors fought for the fact of that independence 200 years ago.

I have said that the efforts of the people of the New River represent a rebirth of the spirit of the American Revolution. If we do not save the New River today by voting for H.R. 13372, the river will be destroyed by two dams. What kind of spirit do those dams represent? They would provide peaking power, that is, sufficient power to meet the theoretically highest possible electrical demands of faraway cities.

We can vote today for H.R. 13372, thus saving the New River and reaffirming the spirit of the American Revolution and of the Bicentennial which we now celebrate, or we can let the New River die.

I would like to close by quoting from the words of Thomas Jefferson, who once said that "The care of human life and happiness and not their destruction, is the first and only legitimate object of good government."

If, in this our Bicentennial Year, we do not vote to save the New River, Mr. Jefferson will not merely turn over in his grave; he will rise up out of it, and he will have our heads.

I urge you today to join me in casting a vote for America's history by voting against the Quillen amendment and in support of H.R. 13372, the bill to save the New River.

Mr. SEBELIUS. Mr. Chairman, I yield back the remainder of my time.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, when the Department of the Interior prepared its environmental impact statement on the action that resulted in the Secretary's designation of a portion of the New River as a wild and scenic river, they found that there were three portions of the river that were best suited for outdoor recreation and that qualified for this type of designation. One was the portion in North Carolina which is covered by this bill; one was the portion immediately north of the Virginia-North Carolina border which is the other part of the river that would be flooded by this project; and the third was the New River Gorge in West Virginia.

What the Quillen amendment would do would be to flood two of those three portions and affect the flow of water in the third. What this is is a now-you-see-it, now-you-don't type of amendment. It says we will declare the whole river a scenic river, but we will wipe out two of the three parts that are most suited for such designation. So in effect it kills the bill, just as effectively as a motion to recommit.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. I thank the gentleman for yielding.

I would very much like to see the 47 miles of the New River in West Virginia from Sandstone Falls in Raleigh County to Hawk's Nest State Park in Fayette County—the New River Gorge—included as part of the protection accorded by the National Wild and Scenic Rivers System. But none of the area included in Mr. QUILLEN's amendment has yet been studied. Let us face it: If we put this amendment through, it will mean a delay in conference, and the President will probably veto this bill.

It seems to me that even though some of us may favor additional portions being protected under the National Wild and Scenic Rivers System, what we ought to do is to go with this bill, pass this bill and get it signed by the President, and in that way really save the New River.

Mr. SEIBERLING. I do not know whether he would veto it or not, because as far as the power project is concerned, the amendment would effectively exclude that from the wild and scenic river designation. It would become the "no longer wild and scenic mud flats." All that would be left of the three parts most suited for wild and scenic river designation would be the portion in West Virginia, and that part would be further diminished as a free-flowing stream because of the dam created by this project. The amendment is a sham and it ought to be defeated.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from North Carolina.

Mr. NEAL. I thank the gentleman for yielding.

Mr. Chairman, the amendment, if adopted, would be of extreme value to the Federal Government. It would in effect destroy that section of the New River which has already been declared a part of the National Wild and Scenic Rivers System of the State of North Carolina by the Department of the Interior of this country.

Mr. Chairman, I urge defeat of this amendment.

Mr. SEIBERLING. Mr. Chairman, I would just like to make one further statement.

Yesterday when the gentleman from Virginia was speaking and saying that this bill would be an unprecedented thing, I made the statement that the Congress was not bound by the doctrine of stare decisis. Unfortunately, the printer could not believe what he saw, even though I wrote out the words; so I am going to spell it out for the benefit of the uninitiated. It is s-t-a-r-e d-e-c-i-s-i-s. It means that, unlike courts, we are not bound by precedent but may act within our legislative jurisdiction in any way that we see fit, to meet the particular circumstances. I think that also answers the question that the gentleman from Virginia (Mr. BUTLER) raised when he said he was not a Latin scholar. I am sure that, as an excellent lawyer, he understood what I was referring to.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Tennessee (Mr. QUILLEN) to the committee amendment.

The amendment to the committee amendment was rejected.

AMENDMENT OFFERED BY MR. QUILLEN TO THE COMMITTEE AMENDMENT

Mr. QUILLEN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. QUILLEN to the committee amendment: On page 2, line 3, delete all after the word "and" and all of lines 4, 5, and 6, and insert in lieu thereof: "Notwithstanding such criteria, the entire main stem including the north and south forks of the New River of North Carolina, Virginia, and West Virginia from its headwaters in North Carolina to its juncture with the Gauley River in West Virginia."

Mr. QUILLEN. Mr. Chairman, this is an amendment to overcome the objections we have heard on this floor. This amendment would make the entire length of the New River a wild and scenic river. It would disallow the Blue Ridge project altogether. If we are really serious about designating the New River as a wild and scenic river, if we believe in preserving it, then let us designate it all and forget the dams.

Mr. Chairman, I will not take the full time. The Members understand. They heard the gentleman from North Carolina (Mr. TAYLOR) say I was using the wrong tactics for the construction of the dam. They want to preserve the New River. I have heard the gentleman from West Virginia (Mr. HECHLER) say he wants to preserve the New River. I have heard the gentleman from North Carolina (Mr. NEAL) say he wants to preserve the New River. I have heard everyone who appeared before the Rules Committee in favor of this measure use the New River for the purpose of killing the dam, the construction of the dam.

Now the dam will be forgotten. Let us make the entire length of the New River a wild and scenic river and now let us see what this Committee will do in passing this amendment.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, those who love the New River and who have fought all these long hard months to save it are for the committee bill. Those who have tried to destroy the river and have favored this ill-advised construction project are now here offering mischievous and destructive amendments. This is another one of them and it ought to be defeated just as the last amendment offered by the gentleman from Tennessee was defeated.

While I am on my feet I want to say two things which have not been mentioned in this discussion.

The people of North Carolina perhaps more than any other State have been forward looking and progressive on all these conservation problems. Years ago they did not wait for the Federal Government but they went out and got the land for the Blue Ridge Parkway and got the money and got it into the park system. The same things is true for Cape Hatteras and most of the other parks in North Carolina.

When the people of North Carolina and this exceptional delegation they have sent us and through their legislature say that this is the way to protect the New River, that is through the committee bill, I think we ought to listen to them.

Another thing I want to say is this. We have this good man, the gentleman from North Carolina (Mr. TAYLOR), chairman of the Subcommittee on National Parks and Recreation. He has given the past 10 years of his life to improving and enlarging the national park system and most of the time he has been chairman of this subcommittee. All these years I have worked side by side with him and he has been working for national parks and monuments and seashores in other States. I do not know of any other Member of the Congress who has done more in this critical decade to save and foster and improve and enlarge the national park system than has the gentleman from North Carolina.

This great legislator is not going to be with us in January. He is retiring and will not come back. He has the good sense some of the rest of us might have, to go out while he is still ahead.

I think the passage of his bill without these crippling amendments would be an appropriate tribute to the very great Member, ROY TAYLOR.

I value his friendship and I am proud to have worked on his subcommittee. Millions of Americans yet unborn will be able to enjoy the national park system and the glories of our natural wonders because the gentleman has served in this House and in the Congress. I cannot think of a more fitting compliment to the gentleman from North Carolina in the final weeks of this session than to pass this bill for him and his great home State.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. QUILLEN) to the committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. QUILLEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. QUILLEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Does the gentleman from Tennessee (Mr. QUILLEN) insist on his point of order?

PARLIAMENTARY INQUIRY

Mr. QUILLEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. QUILLEN. Mr. Chairman, the Chair had not announced the count on my demand for a recorded vote. Could I still have a vote?

The CHAIRMAN. The Chair announced that nine Members had arisen on the demand for a recorded vote and that was an insufficient number. The demand cannot be renewed.

Mr. QUILLEN. Mr. Chairman, I withdraw my point of order of no quorum.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 3, strike out "In section 7 after the second sentence" and insert "In section 7(a), after the third sentence,".

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to the bill?

Mr. BUTLER. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. BUTLER was allowed to proceed for an additional 5 minutes.)

Mr. SNYDER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Virginia (Mr. BUTLER) for 10 minutes.

Mr. BUTLER. Mr. Chairman, members of the Committee, I apologize once more for trespassing on the time of the Committee with reference to this legislation, but I again insist that it is a very important precedent we are dealing with.

What this legislation would do is do something that the Congress has never done before. We would set aside a valid, existing license of a power company, issued by the Federal Power Commission, after that license was valid and has been issued.

It has been sustained by three administrative tribunals within the Federal Power Commission; it has been sustained by the full Commission unanimously; it has been sustained by three judges of the Court of Appeals of the District of Columbia, and is now on a petition for writ of certiorari to the Supreme Court of the United States. The writ has not been granted as of this moment. As of this moment, every tribunal has unanimously affirmed the license.

Let me take a moment to explain to the Members exactly where we are with reference to this transaction. We have before us the map of the area in question. It deals with the New River. This is the Ohio River here, the Kanawha River, which then becomes the New River.

It goes through, down through West Virginia, Virginia, and into North Carolina, where the headwaters of the New River are. They begin in North Carolina. The proposed scenic river area is in North Carolina. Of the first 26 miles of the New River, 5 are in the main stem. 21 miles on the south fork of the New River. There has undoubtedly come to the attention of the Members a brochure which has certain pictures, which purports to depict the area in this. These pictures have been lifted off of that brochure and superimposed on these charts.

I call the attention of the Members to these pictures because the pictures are followed with arrows which indicate exactly which area is photographed. The area photographed in this brochure, which came to the attention of the Members, are pictures of West Virginia, pictures of an area 150 miles away.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from North Carolina.

Mr. NEAL. The brochure, as the gentleman well knows, describes the whole river, this river which is 100 million years old, which is the oldest river in North America. It describes the agricultural region along the whole area——

Mr. BUTLER. Mr. Chairman, I will reclaim my time. But I will yield to the gentleman for the purpose of his reaffirming that these pictures are pictures of West Virginia and North Carolina. Will the gentleman affirm that?

Mr. NEAL. If the gentleman will yield, some of them are, the picture on the cover——

Mr. BUTLER. The gentleman says "the picture on the cover." I am sorry, I understood otherwise. I thought they were pictures of West Virginia and North Carolina.

This is West Virginia, the pictures of the area of the stream which touches the heart of the gentleman from West Virginia (Mr. HECHLER), when he talks about the great New River. It is 150 miles away from the area in question.

The purpose of this legislation is to put a modest portion, 26 miles, of the New River into the wild and scenic designation and thereby terminate the license because we cannot proceed forward. The license is for a pumped storage project in the State of Virginia. The State of Virginia will have two dams, and the 14,000 acres of the land to be inundated are within the State of Virginia. The Representative of the area in question, the gentleman from Virginia (Mr. WAMPLER), strongly supports the project and objects to the bill, the legislation. I point that out.

In order so that we may fully understand the character or nature inserted in this project, I point out that on the New River there are still some six dams, some major impoundments. Here is the Bluestone Dam in West Virginia. There is the Claytor Dam, which is a major power impoundment. There are power impoundments called Buck and Byllesby upstream from Claytor. There is a modest impoundment at Fries and one called "Wilsons Creek," which will be inundated with the project itself. It is already dammed up there. There are already substantial impoundments.

I call the attention of the Members to this exhibit which shows exactly what the project is. This line here is the line which separates the State of Virginia and North Carolina. This is the area which is to be placed in the wild and scenic river tract by this legislation. These red dots are the present roads which cross the project area in question, the area which would become wild and scenic by designation.

Mr. HECHLER of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I will yield to the gentleman, but I am in North Carolina.

Mr. HECHLER of West Virginia. The gentleman had just left West Virginia when he was talking about the impoundments. I would simply point out that the total acreage of all those impoundments is only one-sixth of the 40,000 acres which would be impounded by the Blue Ridge project.

Mr. BUTLER. I thank the gentleman for his contribution.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Are we in North Carolina?

Mr. NEAL. If the gentleman will yield, we are back in North Carolina.

Mr. BUTLER. Are we discussing the roads across the south fork?

Mr. NEAL. What the gentleman is discussing is already a wild and scenic river. There is no longer any question of whether it qualifies or does not qualify. The Secretary of Interior has declared this as a wild and scenic river.

Mr. BUTLER. If there is no question about it, why do we have this legislation before us today? And the answer is: because we need Federal legislation to stop this project. We might as well talk about what the legislation does. I will get down to the main point. What this project does is, it does something that the Congress of the United States has never done before. What it does is set aside a license, a valid license granted after all of the procedural steps have been taken. This is a big step. It is a big precedent.

It has taken 13 years to get this far on this project, to get this construction this far. It has taken 7,000 pages of testimony. It has taken weeks and months and years of argument and discussion, and we will have struck it down if we pass this legislation after 1 day of hearings by the Committee on Interior and Insular Affairs and its subcommittee chaired by the Member who most wants to get rid of it.

Mr. Chairman, that is not the way to legislate. We all know it is wrong. Let us just consider the precedent that would offer. Consider the precedent for getting Federal projects and getting power projects going in the future.

Let me tell the Members something. This is what the legislation says. Let me refer to the Federal Power Act.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I decline to yield.

Mr. TAYLOR of North Carolina. Mr. Chairman, I will take only a minute. The gentleman emphasizes the fact that this is a new precedent.

The CHAIRMAN. The gentleman from Virginia (Mr. BUTLER) declines to yield.

Mr. BUTLER. Mr. Chairman, I will yield if the gentleman wants to discuss that point. Yes, I yield to the gentleman. I would like to have him tell us about the precedents. Tell us. Let us have one.

Mr. TAYLOR of North Carolina. Mr. Chairman, I might state to the gentleman that this is an unusual situation. The Secretary says one thing, and the Federal Power Commission says another thing.

Mr. BUTLER. Mr. Chairman, I yielded to the gentleman so he could give us a precedent.

Mr. TAYLOR of North Carolina. Mr. Chairman, I will cite a precedent. I believe the creation of Yellowstone National Park is a good precedent. That action created a gem that is still there, and after that we created park system after park system.

Mr. BUTLER. Mr. Chairman, is the gentleman suggesting that Yellowstone National Park is a precedent on this point?

Mr. TAYLOR of North Carolina. I would say it is a precedent. It is a good precedent. It is a precedent that was set for the welfare of all the people and for all future generations.

Mr. BUTLER. I wonder if that is the best the gentleman can do. Certainly that is not the only precedent he could come up with.

I brought this point up before the gentleman's committee, and I brought it out before the Committee on Rules. We said, "Let's get down to Interior and, for goodness' sake, have them give us a precedent."

They brought us a letter in here yesterday, on August 9, and they started reading it. That is the first precedent we heard. That is the first precedent we ever heard. They told us about Hell's Canyon. They said Hell's Canyon is a precedent.

Is that a precedent? We know what happened with Hell's Canyon. The Supreme Court set aside the license. That is the only precedent they could come up with. After the Supreme Court set aside the license, then they said the Federal Power Commission could not grant a license.

But never have we had a valid, existing license for a power project to be set aside by the Congress of the United States, and the reason we never have had that is because we are opening up the Federal Government to the biggest expense we could possibly have. I say that because that is the taking of private property in violation of the fifth amendment. If we take private property for public purposes, then they must have just compensation.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. No; I will not yield. We kicked this thing around for 3 days. The gentleman knows how I stand, and I know how he stands. He is wrong.

This is a taking of private property without just compensation. How do we figure out what the compensation is going to be? We look around and find out what the license is going to be worth. We do that because they are entitled to the fair market value of the property. When we look around and find out what a license is liable to be worth, we look for comparable sales.

Mr. Chairman, there have been no comparable sales.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. No; I will not yield.

I repeat, we look around for comparable sales.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has expired.

(On request of Mr. WAMPLER and by unanimous consent, Mr. BUTLER was allowed to proceed for 5 additional minutes.)

Mr. BUTLER. Mr. Chairman, getting back to the question of just exactly why just compensation is necessary, I say we must pay fair market value, and we cannot find the fair market value for another license because they are just not traded these days.

So what do we do? We look around and see what it would cost to replace this same facility. Where would we find a comparable facility? We have to do that, because that is what they are worth. A comparable power facility, comparable in size, is a steam-generating facility or a coal-burning facility, and they cost over $500,000.

So when we pass this legislation, we are spending $500,000 of the taxpayers' money, because we must pay the difference between the value of the license before and after, and the difference is $500,000.

That is why we ought to think a long time about what we are doing in this instance. I believe it is a terrible precedent to set.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I will yield on the point of a precedent and on the point of fair market value. If the gentleman can make a contribution with respect to one of those points, I will be glad to yield.

Mr. NEAL. Mr. Chairman, we have had the Library of Congress research the legal question of the "taking" and the possibility of the Federal Government's being liable. They conclude that the Federal Government would not be liable. The Department of the Interior did legal research on this subject, and they conclude there would not be one dollar's worth of liability to the Federal Government should these dams not be built because of this legislation.

Mr. BUTLER. Mr. Chairman, I thank the gentleman for his contribution, and once more he has revealed a remarkable capacity for error. I say that because there is a difference between the precedents cited and the question before us, because the Federal Power Act is different. The other question of the value of the license which has come up is different because the Federal Power Act is different.

Mr. Chairman, section 28 of the Federal Power Act says that we cannot repeal or take a license and that no such alteration shall affect any license theretofore issued.

That is the sort of guarantee we give to our power companies so that they will put their money into and risk and undertake these projects, knowing that the projects will not be taken away from them. That is the reason these moneys are put up and the reason they risk the undertaking of these things. Are they going to do it again if we are going to take it away from them by legislative fiat such as that? The answer is no.

Mr. Chairman, the point I wish to make is that we expose ourselves to liability. I said "$500,000." Excuse me. It is $500 million. It is a half-billion dollars. That is the difference between the value of this license and the value of the cost of this project and the cost of a comparable facility.

Mr. Chairman, we are exposing ourselves by this taking. The Federal Government is exposing itself by this taking, and this is a serious statement.

Mr. Chairman, the power companies have already made many public statements to the effect that that is what they would do, but the real objection to this legislation, the one that is basic to it all, is that what we are really undertaking to do is to stop an expenditure of $1 billion. That is what the project is ultimately going to cost. We are going to stop the expenditure of $1 billion by the private sector of our economy for this simple reason, and that is not right.

Mr. Chairman, we spent all the money, and this is one of the areas into which we have been pumping public money. Let us not make any mistake about it: We have been pumping money into that area longer than we have done so practically anywhere else. This is the area into which we have been pumping money.

Now, Mr. Chairman, the private sector wants to put $1 billion in there. We know the implications of that. We know the implications with respect to jobs. That is the reason that labor proposes this legislation, and that is the reason that labor supports this project.

That is one of the reasons we all want to see it, because of the economic implications of $1 billion in the private sector of our economy.

Mr. TAYLOR of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Chairman, the gentleman realizes that the power company testified that if they did not build this project, they would build an alternate project, and there would be a similar number of construction jobs. Furthermore, it would, in all probability, be a coal-burning project. Therefore, there would be mining jobs in the West Virginia coal fields, and we would save from 400 to 600 farm jobs.

Consequently, Mr. Chairman, there are going to be more jobs if this bill is approved.

Mr. BUTLER. Mr. Chairman, the gentleman raises a question with reference to the alternatives which I thought he would not have the temerity to do because here, again, the Federal Power Commission, as is its responsibility, has reviewed all the alternatives.

I want to cite the Federal Power Commission's opinion, which is that when all of the purposes of the project are taken into account, along with the direct or indirect economic benefits, the modified Blue Ridge project becomes the most economically attractive alternative.

That was the Commission's statement. That is what the Federal Power Commission was set up to do.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. BUTLER) has expired.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from Virginia (Mr. BUTLER).

The CHAIRMAN. The gentleman from Virginia (Mr. BUTLER) is recognized.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. ROUSSELOT. Mr. Chairman, I have the time. I decline to yield.

Does the gentleman wish to yield to the gentleman from Virginia?

Mr. SEIBERLING. That was my purpose. I merely wanted to ask the gentleman how much more time he required, and then I might consider making a unanimous-consent request to give him whatever additional time he needs.

Mr. BUTLER. Mr. Chairman, I thank the gentleman for yielding.

In view of his generosity, I will conclude at this moment with a simple, little statement.

Hard decisions are inherent in this bill, and this is one of them.

The Members are only asked to resist the importunings of the most unreasonable and aggressive lobbyist organizations in the country and to turn their backs on personal associations of long standing.

Mr. Chairman, I know that is difficult, but I ask the Members to do that because it is, in the long run, in the interest of preserving the integrity of the Federal Power Act and in the interest of striking a blow for energy independence and doing that which is in the best interest of our country, and that is proceeding with this project.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the legislation that we are debating today would, for the very first time, revoke a license issued by the Federal Power Commission. The license in question was issued to the Appalachian Power Co. for the construction of the 1,800 million kilowatt Blue Ridge hydroelectric and pumped storage project.

I would remind my colleagues that that Blue Ridge project is a Virginia project. Both dams, both powerhouses, all transmission facilities and two-thirds of the project lakes will be located in Virginia's Ninth Congressional District, the district that I have been privileged to represent for almost 12 years.

Mr. Chairman, Virginia strongly supports this project on a bipartisan basis. Its Governor, its attorney general, its two Senators, and the great majority of its delegation in this body urge the prompt construction of Blue Ridge.

Mr. Chairman, because the project is to be located in my district, it clearly will have a far more profound impact upon my district than it will elsewhere. I therefore have studied the project long and hard and carefully. I believe it will result in very substantial net benefits not only for Virginia's Ninth District, but for the entire project area and, in terms of power and recreation, for a significant portion of the east-central United States. As the Member in whose district the Blue Ridge project will be located, I want this body to know and understand that I heartily endorse and support its construction.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from North Carolina.

Mr. MARTIN. Mr. Chairman, the gentleman from Virginia is saying that the project is located entirely within his district; is that correct?

Mr. WAMPLER. I believe I stated that two-thirds of the project lakes would be in Virginia. That is correct.

Mr. MARTIN. I was going to ask the gentleman from Virginia about that because it appears to me that the legislation we are dealing with would protect that part of the New River which is in North Carolina and which is not in the district of the gentleman from Virginia (Mr. WAMPLER). I wanted to be sure that there is clarification of that because it is on that ground that the entire State legislature in North Carolina and the congressional delegation, plus the Governor and the congressional delegation support this, and it was with the desire to protect the New River in North Carolina that they support this legislation.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman from North Carolina. We all realize that the purpose of the bill before us is to block the construction of the Blue Ridge project.

Mr. MARTIN. So I wanted the record to be clear, that is exactly what I had in mind.

Mr. WAMPLER. The record is clear.

The extensive record upon which the Federal Power Commission, after a 9-year proceeding, based its unanimous issuance of the Blue Ridge license clearly indicated that the project area is in very great need of economic diversification and that the Blue Ridge lakes would create the base for such diversification.

The economy of the area is presently characterized by farming, but statistics over the past few decades indicate that agricultural pursuits are declining to the point where, at the present time, only about 8 or 9 percent of the land which would be inundated by the Blue Ridge lakes is under active cultivation.

The record in the Federal Power Commission proceeding also indicates that tourism and recreational pursuits have never really developed in the project area and that recreation and tourist-related employment is not only insignificant at the present time but will in fact decline in the absence of the Blue Ridge project.

Interior's Final Environmental Impact Statement indicates that inclusion of 26.5 miles of the New River and its South Fork in the National Scenic Rivers System would result in only 50,000 recreation visitations annually. This includes and is not in addition to the very limited recreational use presently being made of this reach of river. Interior's FEIS also indicated that these 50,000 annual visitations would be of the type—canoeing, back-packing, camping—which would result in virtually no economic benefit to the residents of the project area. No motel or other housing accommodations would be required to house them. No restaurants would be required to feed them. No marinas, no second homes would—or could—be built. No appreciation in land values would occur. In fact, scenic restrictions placed upon the use of land along the river would probably result in diminishing its value. From the point of view of the communities involved, these 50,000 annual visitations would constitute a burden upon the existing local highway, police, and sanitation systems, without producing any offsetting economic benefits. This would be true of Grayson County, Va., in my district, as well as Ashe and Alleghany Counties, N.C., because the downstream segment of the proposed scenic river ends at the Grayson County line and the young recreationists would terminate their downriver journey in Grayson County.

While the enactment of H.R. 13372 would perpetuate and perhaps even worsen the economic prospects of the project area, the construction of the Blue Ridge project would provide exactly the kind of "shot-in-the-arm" that the local economy so badly needs.

First, there would be the immediate economic benefits resulting from the construction of the project. Approximately 1,500 workers would be employed during the peak construction period—the bulk of whom would be drawn from the local work force in Virginia and North Carolina. A construction payroll well in excess of $200 million would be spread over the 6- to 8-year construction period. The great bulk of this payroll would be spent in the project area by the construction workers for food, clothing, housing, entertainment, recreation, and so on, with the result that through the multiplier effect the local economy would be greatly improved.

Upon completion of the project the recreation-related economic benefits of the Blue Ridge will come into operation and will constitute a substantial and permanent improvement in the local climate. The Federal Power Commission, on the basis of testimony supplied by recreation experts from Virginia, North Carolina, Interior, and the Federal Power Commission's staff, concluded that with the creation of the Blue Ridge lakes, the project area would become one of the outstanding recreation attractions in the east-central United States; that the lakes would constitute the ideal complement to the mountain-type recreation facilities already existing in the area; and that the Blue Ridge lakes will attract a recreation visitation of 6,250,000 annually. This is to be compared with the 50,000 annual visitations projected by Interior if the river is preserved in its present state.

Not only will Blue Ridge provide recreation opportunities for 125 times more people, but the recreation opportunities it will provide are of the type that can be enjoyed by the entire family—not primarily by recreational canoeists, comprising a limited number of sportspersons, as would be the case with scenic rivers inclusion.

Aside from the enjoyment afforded to millions of visitors each year, the family-type recreational opportunities created by the Blue Ridge lakes will result in substantial, permanent benefits for the local economy. The local communities have been authorized by the Federal Power Commission to zone the 685-mile shoreline of the Blue Ridge lakes for a multiplicity of purposes. Second homes, marinas, motels and restaurants would be built. However, the Blue Ridge lakes would not be the preserve of the affluent.

Under its Federal Power Commission license, Appalachian Power Co. will acquire and donate 6,300 acres of land for two shorefront State parks at sites already selected by Virginia and North Carolina. These parks will contain public beaches, picnic areas, trails, and overnight cabins. The company will provide at least 30 additional points of public access to the lakes, two overlook-picnic areas at the damsites, two bank fishing areas downstream from the lower dam, and canoe portages around both dams. In addition, the numerous islands to be created by the project will be made available for use by the public.

Also, it is contemplated that under local zoning, appropriate and limited segments of shoreline will be set aside for commercial enterprises and for light industry.

Furthermore, as a result of Blue Ridge an entirely new network of local roads will be built. They will be built to modern-day standards and will replace the antiquated existing system. Appalachian Power Co. will spend about $68 million to construct about 116 miles of new local roads. Evidence in the Federal Power Commission proceeding demonstrates that not only will the new roads be safer, but that they will also reduce the travel-time between most major points in the project area. They will provide safe and convenient access to the recreational, commercial, and light industrial facilities that will be carefully developed along the shoreline.

It is occasionally stated by opponents of the project that $13.5 million of annual farm income will be lost as a result of Blue Ridge. The fact is that this is a gross figure—the net figure would be only about 20 percent of this or $2.7 million. However, even this is highly exaggerated because it involves a large element of double counting, that is to say the value of produce consumed by livestock and then the income derived from the sale of the livestock or the dairy products which they produce. Also, evidence was introduced at the Senate hearing which indicated that the gross annual value of agricultural production in the area within the project boundaries is about $2.8 million. The net would, therefore, be only about $600,000 per year.

There is absolutely no question but that Blue Ridge will provide the diversity which the area's economy needs so desperately in order to prosper. If the stultifying hand of scenic rivers is placed upon the New River in North Carolina, the Blue Ridge project will be blocked and the economy of the entire region will be tied indefinitely to a fading agricultural base. As a witness for the Commonwealth of Virginia testified before the Federal Power Commission:

> With this project rests the economic future of an entire region encompassing two states.

The project withstood the test of in-depth hearings and study by the Federal Power Commission, the Federal agency charged by Congress with the responsibility to approve or disapprove such projects. The Federal Power Commission, by unanimous action, issued the Blue Ridge license in June 1974. This action was then unanimously affirmed by the Court of Appeals for the District of Columbia in March of this year. Both forums acted after a very careful and time consuming review of all of the facts surrounding the issue, outside the emotionally charged political arena. The matter is now pending before the U.S. Supreme Court. Under these circumstances, I submit that it would be most inappropriate and unfair for the Congress to enact legislation which, in effect, would revoke the Federal Power Commission license of the Blue Ridge project while the matter is pending in the courts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have just one comment. The gentleman from Virginia wants us to wait before taking any action. That was discussed last night. Waiting to take action to find the answer does not help anybody. The power company, at least, must have an answer so they will know whether they can build this project or whether they must move to an alternate project. The people who live in the New River Valley need to have an answer. This has been in controversy for 13 years. For 13 years the property owners have not known whether or not they would be living in their homes tomorrow; they have not known whether or not they would be permitted to operate their farms tomorrow—600 of them; and they have not known whether or not they could continue operating their businesses tomorrow. This matter needs to be resolved. If we leave it to the courts in litigation, it will continue for 10 years, and there will be 10 years of uncertainty and suffering for the people of that valley.

During the July recess I drove with my family through a section of the New River Valley in Ashe County—as beautiful a country as you will ever see with much grassland and herds of beef and dairy cattle.

I was explaining that many of the homes and farms had been occupied by the owners all their lives and some had been passed down from generation to generation and that now all of these people might have to move out in order for a power dam to be constructed.

My 11-year-old grandson in the back seat said, "Granddaddy, that is pitiful," and the 7-year-old grandson agreed with him. Even children can see that there is a human side to this situation.

Mr. Chairman, I yield back the remainder of my time.

Mr. NEAL. Mr. Chairman, opponents of this legislation have raised several points this afternoon to which I would like to respond at greater length than is possible during the course of debate. I would like to submit for the Record several studies which I have obtained from the Library of Congress and the Department of the Interior which discuss these issues.

Although the constitutionality of these proposed amendments to the Wild and Scenic Rivers Act has not been seriously challenged, I would like to insert at this point a study done by Mr. Vincent Treacy of the Library of Congress which affirms the power of Congress to take this action:

Constitutionality of Legislative Revocation of Licenses Issued by Federal Administrative Agencies

(By Vincent E. Treacy, Legislative Attorney, American Law Division, March 24, 1975)

On June 14, 1974, the Federal Power Commission issued its Opinion and Order Granting a License for the Modified Blue Ridge Project, approving a large hydroelectric project on the New River along the boundary of Virginia and North Carolina. Because legislation was then pending in Congress to delay the project, the Commission postponed the effective date of the license until January 2, 1975, in order to afford Congress an opportunity to act. FPC Opinion No. 698, at 56. Since that legislation was not enacted by the 93d Congress, the license has now become effective. However, new legislation has been introduced in the 94th Congress to revoke the license. Under the terms of H.R. 783, which is a bill to prevent the construction of a dam on the New River, any license or other permission issued by any Federal agency before the date of enactment of the bill would be declared void. H.R. 783, 94th Cong., 1st Sess. (Jan. 14, 1975).

The question has been raised whether there is any previous example of a bill, such as H.R. 783, which would render void a specific act of an entity within the Federal Commission. Moreover, it has been questioned whether Congress has the power under the Constitution to enact a law of this type.

While legislation of this kind appears to be quite rare, there is at least one Supreme Court case upholding a statute which was very similar to the proposed bill. Furthermore, it is our view that a bill of this type would probably be deemed by the courts to be a lawful exercise by the Congress of its constitutional power to regulate the navigable waterways of the United States under the Commerce Clause of the Constitution. Art. I, sec. 8, cl. 3.

The best example of this type of law is found in the case of *Pennsylvania* v. *Wheeling & Belmont Bridge Co.* In 1852, the Supreme Court issued a decree that certain bridges on the Ohio River at Wheeling constituted an obstruction to the navigation of the river, and ordered the bridges to be altered to permit navigation, or else to be removed. 13 How. (54 U.S.) 518 (1852). Later that year, however, Congress enacted a statute declaring the bridges to be "lawful structures in their present positions and elevations." Act of Aug. 31, 1852, § 6, 10 Stat. 112. The Supreme Court thereafter refused to enforce its earlier injunction. It held that previous acts of Congress, under which the bridge created an obstruction to the free navigation of the river, must be regarded as modified by the subsequent legislation "Although [the bridge] still may be an obstruction in fact," continued the Court, "it is not so in the contemplation of law." 18 How. (59 U.S.) 421, 430 (1856).

Although it was common in the last century for Congress to enact legislation of specific applicability, it has become far more prevalent in recent years for Congress to delegate this responsibility to administrative agencies. In the case of the navigable waters of the nation, this power is exercised by the Federal Power Commission under the Federal Power Act. 16 U.S.C. § 791a *et seq.* (1970). The Supreme Court has held that powers delegated to an administrative agency are recoverable by Congress through supervening legislation. In *Arizona* v. *California,* for example, the Court upheld the discretion accorded to the Secretary of the Interior in the apportionment of Colorado River waters. In rejecting arguments against the Secretary's policies, the Court noted that Congress still had broad powers over that navigable international stream, and that "Congress can undoubtedly reduce or enlarge the Secretary's power if it wishes." 373 U.S. 546, 594 (1963). While Congress has the power to alter or amend the powers of the Commission, the question remains whether it can reverse a specific act by legislation.

As a general rule, it would appear that there is no question of the ability of Congress to spell out the specific application of a law in as much detail as it wishes, as long as the enactment is within a constitutional grant of power and does not violate a constitutionally guaranteed right or privilege. Congress has, for example, passed laws to convey specific tracts of land, to build lighthouses, and to license ships. See, generally, Cooper, *The Legislative Veto and the Constitution*, 30 Geo. Wash. L. Rev. 467, 483 n. 45 (1962).

Nonetheless, Congress cannot enact a law which would inflict punishment on a named individual, because that would violate the clause of the Constitution which prohibits bills of attainder, Art. I, sec. 9, cl. 3; *United States* v. *Lovett*, 328 U.S. 303 (1946). Nor could Congress enact an *ex post facto* law imposing criminal penalties retroactively. Art. I, sec. 9, cl. 3. Similarly, Congress could not enact a law which had the effect of depriving a person of property without due process of law, or which took private property for public use without just compensation, since the power of the Congress in this respect is limited by the Fifth Amendment. Finally, Congressional enactments must comport with the Equal Protection standards of the Fourteenth Amendment. See *Bolling* v. *Sharpe*, 347 U.S. 497 (1954) (Equal Protection requirement applicable in Federal Government by virtue of Due Process Clause of Fifth Amendment).

In the case of the New River hydroelectric project, it must therefore be asked whether legislation to revoke the license would be within one of the constitutional powers of Congress, and, if so, whether it would be subject to any constitutional limitations. Legislation to void a license issued by the FPC would appear to be a valid exercise by Congress of its power under the Commerce Clause to regulate the navigable waters of the United States. The Supreme Court has stated that the power to regulate commerce is one of the great powers of the national government, and that the power of Congress over natural highways such as rivers is supreme. *Monongahela Navigation Co.* v. *United States*, 148 U.S. 312, 335 (1893). In the *Monongahela* case, the court affirmed that Congress has the power in its discretion to compel the removal of a lock and dam as obstructions to the navigation of a river, or to condemn and take them for the purpose of promoting its navigability. "In other words," the Court continued, "it is within the competency of Congress to make such provision respecting the improvement of the Monongahela River as in its judgment the public interests demand. Its dominion is supreme." 148 U.S. at 336. With respect to the Blue Ridge Project, the F.P.C. has made an express finding that the portion of the New-Kanawha River which would be affected is a navigable water of the United States, 29 F.P.C. 445 (1963), cited in F.P.C. Opinion No. 698, June 14, 1974, at 3.

While Congress has supreme control over the regulation of commerce, in exercising that control it must proceed subject to the limitations imposed by the Fifth Amendment. If it is necessary to take private property in order to regulate the navigable waters, then just compensation must be paid to the property owner. *Monongahela Co., supra*, 148 U.S. at 336–37.

It could be argued that a license revocation constitutes a taking for public use as that term has been interpreted by the Supreme Court. The Court, however, has rejected the notion that a license of this kind confers "vested rights" which are immune from subsequent modification or alteration. In the Court's words:

"Federal regulation of future action based upon rights previously acquired by the person regulated is not prohibited by the Constitution. So long as the Constitution authorizes the subsequently enacted legislation, the fact that its provisions limit or interfere with previously acquired rights does not condemn it. Immunity from federal regulation is not gained through forehanded contracts. Were it otherwise the paramount powers of Congress could be nullified by 'prophetic discernment.' "

Fleming v. *Rhodes*, 331 U.S. 100, 107 (1947). As the Court stated on another occasion, "[t]hose who do business in the regulated field cannot object if the legislative scheme is buttressed by subsequent amendments to achieve the legislative end." *F.H.A.* v. *The Darlington*, 358 U.S. 84, 91 (1958). From these cases, it seems clear that Congress has the power to alter, amend, or revoke a license issued pursuant to a statutory delegation of authority to an administrative agency.

While the revocation or voiding of the license itself appears to be constitutional, the Just Compensation clause requires that the licensee be made whole for any of his property which is taken by the government as a result of the loss of license. Thus, it is possible that the licensee will be able to claim compensation from the Federal government for the value of improvements and other construction performed under the license up to the date of revocation. Under the Tucker Act, 28 U.S.C. § 1491 (1970), the Court of Claims has jurisdiction to award compensation for claims based on a governmental taking of private property for public use. As long as the license revocation does not expressly repeal the Tucker Act, the availability of relief from the Court of Claims serves to remedy the possible unconstitutional taking. The availability of a Tucker Act remedy would also preclude a court from entering an injunction against the license revocation, since the equitable injunctive remedy is not normally available when the aggrieved party has an adequate and assured remedy at law. Finally, even if a court found that the revocation or voiding of the license itself amounted to a deprivation of property, the availability of the Tucker Act remedy would cure the possible unconstitutional effect.

With regard to objections based on the Equal Protection clause, the license revocation statute would appear to be valid as long as it has a rational basis, and does not cause invidious discrimination. See, for example, the Supreme Court's opinion in *Richardson* v. *Belcher*, 404 U.S. 78 (1971). In that case, the Court upheld the power of Congress to alter and change the benefits due under the Social Security Act. The law required a reduction in social security benefits to reflect workmen's compensation benefits paid to the recipient. The Court held the statute did not violate the Equal Protection Clause, since it was rationally based and free from invidious discrimination. 404 U.S. at 81.

Finally it is quite clear that a license revocation does not violate the Bill of Attainder clause because it does not inflict punishment on any person. Nor would the revocation violate the *ex post facto* clause, because it provides no criminal penalties of any kind.

In addition to the various possible constitutional challenges to a license revocation act, it should also be noted that, in the case of the Federal Power Commission, there is an apparent statutory restriction on the power of Congress to enact legislation which affects an existing license.

Section 28 of the Federal Power Act provides as follows:

"The right to alter, amend, or repeal this chapter is expressly reserved; but no such alteration, amendment, or repeal shall affect any license theretofore issued under the provisions of this chapter, or the rights of any licensee thereunder." Act of June 10, 1920, ch. 285, § 28, 41 Stat. 1077, 16 U.S. Code § 822 (1970).

The provisions of section 28 might appear on first glance to limit the power of Congress to revoke or render void a license duly issued by the F.P.C. The Supreme Court, however, has made it clear that one Congress cannot limit the legislative authority of a subsequent Congress, except by an amendment to the Constitution itself. In *Reichelderfer* v. *Quinn*, for example, Congress had provided that certain lands were to be "perpetually dedicated and set apart as a public park or pleasure ground." 287 U.S. 315, 317 (1932); construing the Rock Creek Park Act, 26 Stat. 492. The Court held that this provision did not preclude the government from using the lands for a different purpose:

"By dedicating the lands thus acquired to a particular public use, Congress declared a public policy, but did not purport to deprive itself of the power to change that policy by devoting the lands to other uses. The dedication expressed no more than the will of a particular Congress which does not impose itself upon those to follow in succeeding years. 287 U.S. at 318."

Every succeeding legislature therefore has the same jurisdiction and power with respect to public laws as its predecessors. The latter legislature has "the same power of repeal and modification which the former had of enactment, neither more nor less. All occupy, in this respect, a footing of perfect equality." *Connecticut Mut. Life Ins. Co.* v. *Spratley*, 172 U.S. 602, 621 (1899); *Newton* v. *Commissioner*, 100 U.S. 548, 559 (1879).

From these cases, it would appear that section 28 must be construed as a declaration of public policy by the Congress which enacted it, and that it does not deprive any later Congress of the power to change or repeal that policy by enacting legislation to alter, amend, or repeal existing licenses. Any limitations on the authority of Congress must be based on specific constitutional provisions rather than section 28. The Congress in 1975 has as much power to alter or repeal section 28 as the Congress in 1920 had to enact it.

In conclusion, it would appear that precedent for the provision of H.R. 783 revoking a license issued by a Federal agency can be found in the legislation contrued by the Supreme Court in the *Wheeling Bridge* case. Moreover, the bill appears to be a constitutional exercise by Congress of the Commerce Power. Finally, the bill would not appear to violate any of the limitations on Congressional power set forth in the Constitution.

Mr. Chairman, with respect to the question of what precedents exist for preventing the inundation of the New River by a project licensed by the Federal Power Commission, I would like to submit the following memorandum prepared by the Office of the Solicitor of the Department of the Interior:

[From the Office of the Solicitor]

MEMORANDUM

To: Deputy Assistant Secretary, Fish and Wildlife and Parks.

From: Attorney-Adviser, Conservation and Wildlife.

Subject: New River.

You have requested that we determine whether there is any precedent for Congress' deauthorization of a previously authorized federal project, revocation of a license previously issued by the FPC, or removal of a matter from FPC jurisdiction. The question has been raised regarding pending legislation, H.R. 13372, to revoke the FPC license for the Blue Ridge Project insofar as it affects that part of the New River designated as a component of the National Wild and Scenic Rivers System. While we are unaware of an identical precedent for the proposed legislation, several legislative initiatives are of precedential value. There is, of course, no question concerning Congress' power to take such action.

The Hells Canyon National Recreation Area Act, PL 94–199 (89 Stat. 1117; 16 U.S.C.A. (§ 460gg *et seq.*) provides the clearest precedent for the present legislation. In 1964 the Federal Power Commission had licensed the High Mountain Sheep Project on the Snake River. The license was contested by the Department of the Interior, and, although the FPC was upheld in the Court of Appeals, the Department of the Interior won a reversal in the Supreme Court, *Udall* v. *Federal Power Commission,* 387 U.S. 428 (1967). In 1973 the Commission reopened the proceedings to license the High Mountain Sheep Project. Subsequently, the Hells Canyon National Recreation Area bill was introduced and passed to preserve the Snake River and to terminate further considerations by the FPC of High Mountain Sheep and a second project that was under study. See H.R. Rep. No. 94–607, 94th Cong., 1st Sess. 13, 25–26 (1975); S. Rep. No. 94–153, *Id* at 3, 17–19.

The parallels between Hells Canyon and the present New River controversy are striking. Section 3(a) of the Hells Canyon Act designated 68 miles of the Snake River as part of the National Wild and Scenic Rivers System, and section 4(a) expressly precluded the FPC from licensing any project on the designated segment.

"Notwithstanding any other provision of law, *or any authorization heretofore given pursuant to law,* the Federal Power Commission may not license the construction of any dam, water conduit, reservoir, powerhouse, transmission line, or other project work under the Federal Power Act (41 Stat. 1063), as amended. (16 U.S.C. 791a *et seq.*), within the recreation area . . . " (Emphasis added).

Thus, the Act used the Wild and Scenic Rivers designation to halt any further consideration of the High Mountain Sheep Project, despite nearly two decades and large amounts of money spent by the Pacific Northwest Power Company in seeking a license for the project, and revoked FPC's previous authorization of the project.

In addition, section 5(a) designated an additional 33 miles of the Snake as a study river under the Wild and Scenic Rivers Act, and section 5(b) specifically deauthorized a previously approved Corps of Engineers dam on the study segment:

"The Asotin Dam, authorized under the provisions of the Flood Control Act of 1962 (76 Stat. 1173), is hereby deauthorized."

The Hells Canyon Act is not the first example of Congress' precluding FPC's jurisdiction on selected rivers. The first example is the Act of March 3, 1921 (41 Stat. 1353; 16 U.S.C. § 797a), which amended the Federal Power Act to deprive the Commission of jurisdiction to license projects within any national park or national monument. In 1968 the Colorado River Basin Project Act, PL 90–537 (82 Stat. 885; 43 U.S.C. § 1501 *et seq.*), was passed, section 605 of which (43 U.S.C. § 1555) removes the Colorado River between Hoover Dam and Glen Canyon Dam from the licensing jurisdiction of the FPC. Consideration by the FPC of two damsites on that segment of the river, Marble Canyon and Hualapai, was precluded by the legislation. See H.R. Rep. No. 1312, 66th Cong., 2d Sess. (1968), reported at U.S.C.C.A.N, p 3666, 3730 (1968) Section 605 reserves for Congress the authority to decide whether to dam that segment of the Colorado.

The Wild and Scenic Rivers Act (16 U.S.C. § 1271 et seq.) itself constitutes a retraction by Congress of the authorities otherwise delegated to the FPC. Section 7 specifically precludes the FPC from licensing projects on designated rivers or study rivers. Explained as the second principle embodied in the Act, section 7 requires the full knowledge and consent of Congress for specific projects on designated or study rivers. H.R. Rep. No. 1623, 90th Cong., 2d Sess. 3 (1968).

Similar to wild and scenic rivers are two "national rivers." In 1972 Congress established the Buffalo National River, PL 92–237 (86 Stat. 44; 16 U.S.C. § 460m–8 et seq.), as a unit of the National Park System, mandating that the river be preserved in its free-flowing state. Section 4 of the Act (16 U.S.C. § 460m–11), identical to section 7(a) of the Wild and Scenic Rivers Act, specifically precludes the FPC from licensing any projects on or directly affecting the river and also prohibits any other Federal construction projects on the river. Passage of the Act effectively deauthorized a Corps of Engineers project at Lone Rock, precluded a second Corps project that was under study (Gilbert), and precluded two potential FPC pumped-storage projects (Point Peter and Compton, for which no applications had been received.) S. Rep. No. 92–130, 92 Cong., 2d Sess. (1972) reported at U.S.C.C.A.N., p. 1969, 1974–1975 (1972).

Ozark National Scenic Riverways, established in 1964 by PL 88–492 (78 Stat. 608; 16 U.S.C. § 460 et seq.), preserves two Ozark rivers, the Current and the Jacks Fork, in their free-flowing States. The legislation is a forerunner of the Wild and Scenic River Act and the Buffalo National River Act. The legislative history of the Act indicates that the motivation for establishment of the area was to protect the two rivers from dams for flood control and water storage. H.R. Rep. No. 1241, 88th Cong., 2d Sess. (1964) reported at U.S.C.C.A.N., p. 3157, 3169 (1964).

There are other examples of Congress' intention to deauthorize Corps of Engineer Projects, in addition to those previously mentioned. Section 12 of the Water Resources Development Act of 1974, P.L. 93–251 (88 Stat. 12), requires that the Corps of Engineers review all authorized projects that have not been funded for an eight-year period, and to recommend whether such projects should be deauthorized. If Congress fails to act within 180 days of receiving a recommendation, the projects concerned are automatically deauthorized.

At the present time, two bills pending in Congress, S. 3106 and H.R. 9717, would deauthorize the Tocks Island Dam at the Delaware Water Gap National Recreation Area (16 U.S.C. § 460o). The Recreation Area is administered by the National Park Service, and construction of the dam, which would inundate parts of the recreation area, has been successfully opposed for several years.

In conclusion the present New River controversy and the pending legislation do not appear to present a case of first impression. Hells Canyon seems to provide ample precedent for enacting H.R. 13372. An apparent difference between the present case and Hells Canyon is that the FPC has granted a license for the Blue Ridge Project. That was also true, however, in Hells Canyon, where the license had been overruled by the Supreme Court. In the present case, moreover, the Blue Ridge license is hardly free of legal entanglements, and it could meet a fate similar to the license for the High Mountain Sheep Project.

Finally, the other examples cited above indicate that Congress has not hesitated to retract from the Corps of Engineers or the FPC jurisdiction previously conferred on those agencies when Congress determines that to do so would serve the public interest.

JOHN W. GRIGGS, Esq.

Mr. Chairman, one of the central arguments put forward by the opponents of H.R. 13372 is that its passage would constitute a taking for which the Federal Government would be required to compensate the holders of the license to build the dams. This question is discussed in the following study, which was performed at my request by Mr. Robert Meltz of the Library of Congress. It concludes that no license issued by the Federal Government confers a property right and that a license may be modified or even revoked at any time without compensation. The Department of the Interior concurs with this finding:

CONGRESSIONAL DESIGNATION OF THE NEW RIVER AS A WILD AND SCENIC RIVER: A COMPENSABLE TAKING?

(By Robert Meltz, Legislative Attorney)

On April 14, 1976, Secretary of the Interior Thomas Kleppe designated a 26.5 mile segment of the New River as a state-administered component of the National Wild and Scenic Rivers System. This action, taken pursuant to section 2(a) of the Wild and Scenic Rivers Act,[1] was accompanied by the Secretary's statement that such designation would not take precedence over a conflicting license for hydroelectric dam construction issued previously by the Federal Power Commission.[2] While dam construction in this "Modified Blue Ridge Project" would be outside the river segment in question, the reservoir created by the upper dam would inundate a large part of its 26.5-mile length.

As a consequence, proponents of wild and scenic river status for this New River segment have suggested designation by direct Congressional enactment, accompanied by statutory revocation of the outstanding FPC license. However, licensee Appalachian Power Co. has reportedly objected to this approach, claiming that such a revocation would amount to a "taking" under the Fifth Amendment and thus obligate the Federal Government for millions of dollars in compensation. Whether this obligation would in fact arise is the issue here.

It is our view that Congressional revocation of the FPC license would be unlikely to bring about Federal Government liability to the Appalachian Power Company, under the taking clause or otherwise. In what follows, each possible item of compensation is discussed in turn.

(Acquisition of shoreside property interests in conjunction with the wild and scenic river designation would, of course, constitute compensable takings. We are informed, however, that under current proposals in the Congress such expenses would be borne entirely by the administering state—i.e., North Carolina.)

EXPENDITURES PRIOR TO AND INCIDENT TO OBTAINING A LICENSE

Absent consent of the licensing authority, expenses undertaken to obtain a license are not compensable, whether the license is ultimately granted or denied. At this preliminary stage, it would be most difficult to assert any property interest taken, or contract breached, regardless of how substantial the expenses incurred.

Nor could an action in quasi-contract be maintained. The Tucker Act empowers the Court of Claims "to render judgment upon any claims against the United States founded . . . upon any express or implied contract with the United States. . . ." 28 U.S.C. § 1491. This provision has been held to preclude recovery on the basis of a contract merely implied in law (i.e. a quasi-contract), such as one founded on equitable considerations. *Sutton* v. *United States,* 256 U.S. 575, 581 (1921); *United States* v. *Minnesota Mut. Investment Co.,* 271 U.S. 212, 217 (1926). In any event, it would seem that the power company could have no reasonable expectation of compensation for its pre-license expenditures, in light of past FPC practice and

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Footnotes at end of article.

the uncertainty of being granted the license. Such a reasonable expectation has generally been deemed requisite to quasi-contractual recovery.

The fact that some of the power company's expenses were incurred pursuant to a preliminary permit[3] would not appear to strengthen their cause. Section 5 of the Federal Power Act, 16 U.S.C. § 798, specifies that such permits "shall be for the sole purpose of maintaining priority of application for a license. . . ." See, *Washington Public Power Supply System* v. *Federal Power Commission,* 358 F. 2d 840 (D.C. Cir. 1966), rev'd on other grounds 387 U.S. 428 (1967).

Finally, an allowance for pre-license expenditures would probably fall on public policy grounds. Were it otherwise, a licensing authority could be pressured into granting licenses to avoid large payments of compensation, or be compelled to reimburse for ill-advised ventures.

THE LEGAL NATURE OF LICENSES

It would appear to be settled law that a license is not "property" such that its revocation or alteration could constitute a compensable taking.[4] See, e.g., *Boston Elevated Ry. Co.* v. *Commonwealth,* 310 Mass. 528, 39 N.E. 2d 87 (1942). A license confers no vested interest, nor does it constitute a contract between the parties. *City of Carbondale* v. *Wade,* 106 Ill. App. 654 (1902). Rather, a license is frequently described as a personal privilege, entitling the licensee to do something that he would not be entitled to do without the license. See generally, 51 Am Jur 2d, Licenses and Permits, §§ 1, 18.

It would appear that an FPC license is a "license", as that term is commonly used in the law. *Alabama Power Co.* v. *Federal Power Commission,* 128 F.2d 280, 289 (D.C. Cir. 1942, *cert. denied* 317 U.S. 652 (1942). To be sure, in its administratively nonrevocable nature an FPC license displays some kinship with the concept of a franchise. (As a franchise, hence a property right, the revocation by Congress of an FPC "license" would give rise to liability for just compensation.) If one must analogize, however, an FPC license appears most similar to a certificate of public convenience and necessity, or a Corps of Engineers permit, both of which are generally viewed as not granting property rights. Moveover, it is frequently stated by courts that when private rights of an indefeasible nature are sought to be derived from regulatory provisions, nothing is to be taken as granted concerning which any reasonable doubt may be raised. See e.g. *Louisville Bridge Co.* v. *United States,* 242 U.S. 409, 417 (1917).

LICENSES TO OBSTRUCT NAVIGABLE WATERS: THE RULE OF NO COMPENSATION

Even if a particular loss of the licensee power company were classifiable as a property or contract right, it would appear that no compensation would be owing due to the existence of a Federal navigational servitude.

This property interest of the United States in all navigable streams derives from the Commerce Clause.[5] It has been variously referred to as a "dominant servitude", *Federal Power Commission* v. *Niagara Mohawk Power Co.,* 347 U.S. 239 (1954), a "superior navigation easement", *United States* v. *Grand River Dam Authority,* 363 U.S. 229 (1960), or a "navigational servitude", *United States* v. *Virginia Electric and Power Co.,* 365 U.S. 624 (1961).

When the United States asserts its rights under the servitude, there is, in effect, no taking of property in the Fifth Amendment sense, since the servitude precludes private ownership of the water or its flow or storage, *United States* v. *Grand River Dam Authority,* supra. Hence, no liability for compensation is incurred, even when the loss includes a physical structure in or over the navigable stream.[6] *Gibson* v. *United States,* 166 U.S. 269 (1897); *United States* v. *Chandler-Dunbar Co.,* 229 U.S. 53 (1913); *United States* v. *River Rouge Co.,* 269 U.S. 411, (1926). It has been stated further that the Congressional power under the navigational servitude is a dominant one, which can be asserted to the exclusion of any competing or conflicting one. *United States* v. *Twin City Power Co.,* 350 U.S. 222, 224–225 (1956).

Importantly here, it would appear that prior governmental sanction of a private use of navigable waters (the FPC license) does not cause the sovereign to be estopped from later asserting the navigational servitude and with it, the rule of no compensation. *Louisville Co.* v. *United States,* 242 U.S. 409 (1917); *United States* v. *Chandler-Dunbar Co.,* 229 U.S. 53 (1913); *Union Bridge Co.* v. *United States,* 204 U.S. 364 (1907). Indeed, as a general proposition the United States is not subject to an estoppel which impedes the exercise of the powers of government. *Sanitary District of Chicago* v. *United States,* 266 U.S. 405, 427 (1925).

EFFECT OF 16 U.S.C. § 822

Section 28 of the Federal Power Act, 16 U.S.C. § 822, provides as follows:

"The right to alter, amend, or repeal this chapter is expressly reserved; but no such alteration, amendment or repeal shall affect any license theretofore issued under the provisions of this chapter, or the rights of any licensee thereunder."

Cases interpreting this provision do not appear to be entirely reconcilable. In *Scenic Hudson Preservation Conference* v. *Callaway,* 370 F. Supp. 162 (C.D.N.Y. 1973), it was held that section 28 was not intended to insulate FPC licensees from the effect of general congressional legislation, but only to protect them from retroactive law making relating specifically to license requirements. On the other hand, the District of Columbia Circuit appears to view section 28 as establishing a bar to any retroactive modifications that operate to change substantive rights or obligations of licensees. *Montana Power Co.* v. *Federal Power Comm'n,* 445 F.2d 739, 748, 754 (D.C.Cir. 1970) (en banc), *cert. denied* 400 U.S. 1013 (1971). Neither court, however, was faced with the issue of complete legislative revocation presented here, and thus inference from these cases may be of limited value.

A more persuasive factor, in our view, is the settled proposition that one Congress cannot limit the legislative authority of a subsequent Congress, except by an amendment to the Constitution itself. Every succeeding legislature has the same jurisdiction and power with respect to public laws as its predecessors. *Reichelderfer* v. *Quinn,* 287 U.S. 315 (1932); *Connecticut Mutual Life Ins. Co.* v. *Spratley,* 172 U.S. 602, 621 (1899). Thus, it would appear that section 28 must be construed as merely a declaration of public policy by the Congress which enacted it, and that it does not deprive any later Congress of the power to change or repeal that policy by enacting legislation to alter, amend, or repeal licenses.

LIABILITY FOR VARIOUS LOSSES INCURRED AFTER ISSUANCE OF THE FPC LICENSE

The United States would not, in all probability, be liable for licensee expenditures between the issuance date (June 14, 1974) and the effective date (Jan. 2, 1975) of the FPC license. There could be no reasonable reliance during this period when the licensee power company was clearly on notice that legislative revocation of the license was a distinct possibility. FPC Opinion No. 698, at 56. Additionally, a plaintiff cannot generally recover in quantum meruit for work and labor in preparation to perform, since in theory such work and labor is not itself requested or received by the defendant.

Losses which might be incurred subsequent to the effective date of the license (other than real property taking, supra) appear to be of three varieties: preparatory expenditures (e.g. studies), lost profits, and additional costs involved in building at a different, possibly less desirable, site.

Preparatory expenditures would not be compensable for the reason noted supra. The Tucker Act would pose an additional obstacle, for we have noted that a license is generally regarded as not being of a contractual nature. Finally, there is the rule of no compensation applied to actions of the Federal Government pursuant to its navigational servitude over navigable waters.

It would appear equally unlikely that any loss of future profits caused by revocation of the FPC license would be held a compensable item. Even if revocation of the license here warranted compensation as a "taking" (which we view unlikely), loss of possible future profits is generally not regarded as compensable in the absence of a statute expressly allowing such. *Mitchell* v. *United States,* 267 U.S. 341 (1925); *Bothwell* v. *United States,* 254 U.S. 231 (1920). There is no constitutional right to make a profit.

Courts have indicated a similar attitude toward defraying the cost of moving to, or carrying on business at, a new location. *Rauley & E. Ry. Co.* v. *Conley,* 84 W.Va. 489, 100 S.E. 290 (1919). Licensee power company may, however, elect to seek recovery for such expenses on statutory grounds, under the Uniform Relocation Act.[7] Section 208 of the Act reads as follows:

"Whenever real property is acquired by a State agency at the request of a Federal agency for a Federal program or project, such acquisition shall, for the purposes of this subchapter, be deemed an acquisition by the Federal agency having authority over such program or project."

Were this section deemed applicable to Congressional designation of the New River, one could conceivably argue that Federal compensation for moving expenses and "actual reasonable expenses in search for a replacement business" would be owing under section 202(a) of the Act.

In our view, such an argument would be likely to fail on several grounds. First, it is not clear that the power company will have suffered a "displacement" as that term is used in section 202(a) of the Act, dam construction under the license never having begun. Any "displacement" which could be viewed to occur seems more properly a consequence of the license revocation rather than the real property acquisition, the former apparently being beyond the reach of the Act. Second, it would seem that the real property which the State of North Carolina might choose to acquire along the New River cannot be regarded as acquired "at the request of" a Federal agency, the project being one of State initiative.[8]

FOOTNOTES

[1] 16 U.S.C. § 1273(a).

[2] Opinion and Order Granting a License for the Modified Blue Ridge Project, FPC Opinion No. 698 (June 14, 1974), *rehearing denied* FPC Opinion No. 698–A (August 12, 1974).

[3] 29 FPC 445, issued March 11, 1963. Issuance of preliminary permits is authorized by section 4(f) of the Federal Power Act, 16 U.S.C. § 797(f).

[4] However, a license may be held "property" in other constitutional contexts. See, e.g., *Laisne* v. *California State Board of Optometry,* 101 P.2d 787, 788 (Cal. 1940) (license to engage in business is "property right" that cannot be taken away without due process of law).

[5] "The power to regulate commerce comprehends the control for that purpose, and to the extent necessary, of all the navigable waters of the United States. . . . For this purpose they are the public property of the nations, and subject to all the requisite legis-

lation by Congress." *Gilman* v. *Philadelphia*, 70 U.S. (3 Wall.) 713, 724–725 (1865).

[6] For the no compensation rule to apply, however, the infringement of private rights must be pursuant to the *commerce* power. This requirement distinguishes cases such as *International Paper Co.* v. *United States*, 282 U.S. 399 (1931), where the United States had taken the company's right to use water in a power canal in the exercise of the *war* power, and payment of compensation was required.

[7] The full name of the Act is—Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Pub. L. No. 91-646, 42 U.S.C. §§ 4601 *et seq*.

[8] As we are given to understand the bills currently being considered.

Mr. Chairman, those who contend that passage of this legislation would constitute a compensable taking have charged that the amount of compensation to which they feel the holders of the license would be entitled is equal to the difference between the cost of the dams and the cost of an alternative coal-fired generating plant, an amount they say is $500 million. Although the previous study concluded the opposite, let us grant for the moment the dubious proposition that passage of H.R. 13372 would in fact constitute a compensable taking. Even so, according to the following study which was also performed at my request by the Library of Congress, it is unlikely that the amount of compensation due in such a case would be calculated on the basis of the cost of a functionally equivalent substitute and, therefore, that the figure of $500 million is wildly exaggerated:

COST OF A FUNCTIONALLY-EQUIVALENT SUBSTITUTE FACILITY AS A MEASURE OF JUST COMPENSATION IN "TAKING" CASES

(By Robert Meltz, Legislative Attorney)

This responds to your request for legal comment on the above-indicated subject. Your particular interest was in the validity of claims reportedly made on behalf of the American Electric Power Corp. to the effect that Congressional tampering with the Blue Ridge Project license could render the Federal government liable for the incremental cost of a substitute facility with the same generating capacity.

It must be emphasized at the outset that this just-compensation issue does not even arise unless there has been a "taking" cognizable under the Fifth Amendment. We have previously indicated to your office our view that Congressional revocation or limiting of the Blue Ridge Project license is probably not such a taking.

Assuming that a taking does exist, a court determining just compensation would have to choose the appropriate measure from among fair market value (usually, what a willing buyer would pay a willing seller), cost of constructing an identical facility less depreciation of the condemned facility, or the cost of substitute (possibly different) facilities required by law or functional equivalency. The American Electric Power Corp. is apparently arguing for the last of these three standards.

It would appear from the case law that the cost-of-substitute facilities standard is not available to the condemnee here. Until recently, federal courts applied this standard only to condemnation of the facilities of a subordinate governmental body, and only when that body was required (by law or community need) to furnish such facilities or to continue the services for which the facilities were necessary. 1974 marked the first time a federal court of appeals approved the use of the substitute-facilities standard for a non-governmental entity, but this extension was apparently limited to private nonprofit entities. *United States* v. *564.54 Acres of Land*, 506 F. 2d 796 (3rd Cir. 1974). Under even this extended applicability, condemnee Appalachian Power Co. would of course not seem to qualify. (For a more detailed treatment of the 564.54 Acres case, we have enclosed a copy of a law review note entitled "Cost of Substitute Facilities as a Measure of Just Compensation When There is a Private Condemnee", 1975 Duke L.J. 1133.)

An additional factor mitigating against application of a substitute-facilities standard in the present situation is that there is as yet no existing facility to be replaced. Moreover, use of this standard requires that the need for replacement be clearly proved. *United States* v. *Certain Properties in Borough of Manhattan*, 403 F. 2d 800, 804 (2d Cir. 1968).

We caution, however, that the Supreme Court has indicated it favors a flexible approach in the choice of the proper formula for determining "just compensation"—

"Our prior decisions have variously defined the 'just compensation' that the Fifth Amendment requires to be made when the Government exercises its power of eminent domain. The owner is entitled to fair market value, but that term is not an absolute standard nor an exclusive method of valuation. The constitutional requirement of just compensation derives as much content from the basic equitable principles of fairness, as it does from technical concepts of property law. *United States* v. *Fuller*, 409 U.S. 488, 490 (1972) (citations omitted)."

What "basic equitable principles of fairness" would dictate in the context of the Blue Ridge Project, a situation with no precisely analogous precedent, must be deemed speculative.

Mr. Chairman, the supporters of the Blue Ridge project have asserted that it is needed but they have offered little evidence to support this proposition. I contend, on the contrary, that the project is unnecessary and I offer in support of this contention the following study by Ms. Angela Lancaster of the Library of Congress which demonstrates that if realistic projections of future energy demand are employed, the proposed pumped-storage project would not be needed:

DATA ON DEMANDS AND SUPPLIES OF ELECTRIC POWER FOR THE AEP SERVICE AREA

(By Angela Lancaster)

This memorandum is in response to your request for some data on past and projected electric demands and supplies for the American Electric Power System (AEP) and the region it serves. We understand that you are particularly interested in finding out whether the proposed 1,800 megawatt dam to be built by Appalachian Power Company, a subsidiary of AEP, on the New River is necessary to meet the electric needs of the region served by AEP.

We have selected the East Central Area Reliability Coordination Agreement (ECAR) as the region for analysis. The states included in ECAR are shown on Attachment A. The AEP System, which is composed of Appalachian Power, Indian & Michigan Electric, Kentucky Power, Kingsport Power, Michigan Gas & Electric, Ohio Power and Wheeling Electric, is contained within this reliability council. There are also interconnections between AEP and other utilities in this region, so analysis of the area's past and projected electric needs should give proper measure to questions of the adequacy of regional supplies.

The data we have selected for analysis are:

(1) peak demand: the highest requirement for capacity placed on a region in the year. In this case, we consider the summer peak demand since the highest demand of the region generally occurs in the summer;

(2) generating capability: the installed equipment a region has available to produce electricity and to meet peak demand. Again, we used summer capability;

(3) reserves: the difference between peak demand and capability; which is used as standby to insure an adequate standard of service; and

(4) reserve margins: reserves expressed as a percentage of peak demand.

Reserve margins are a good measure of the adequacy of supply for a region. The general rule is that reserve margins should be about 15%, and some utilities argue for as high as 20%. A drop from 15% to 10% in reserve margins means that the occasions per year in which there would be insufficient capacity to carry load would rise from 1 occasion to 6 occasions.[1]

Table 1 shows these data for 1968 through 1974 for the ECAR region. Over this 7-year period, capability increased an average of 8.8% per year, but peak demand grew only 5.2% per year. As a result, reserves increased almost 5 times, from 3.6 thousand megawatts to 17.6 thousand megawatts. Reserve margins increased from a very low 9.4% in 1968 to an extraordinarily high of 33.5%. Note that these data are from the Edison Electric Institute, (EEI) which collects data from its member companies and extrapolates them to regional data.

Table 2 shows projections of these data from 1975 through 1984. These projections were prepared by the National Electric Reliability Council (NERC) and represent the combined projections of all the utilities within the region as prepared by the regional council. As can be seen for the year 1974, the NERC data are not entirely consistent with the EEI data in Table 1. But the patterns in growth and the reserve margins are internally consistent within the tables. NERC projects a 10-year annual growth rate of 5.6% for capability in ECAR, and a 6.6% annual growth rate for peak demand. Reserves, therefore, remain relatively stable, increasing only 0.6% per year. As peak demand grows and reserves remain constant, reserve margins fall, from a 1975 level of 25% to a 1983 low of 14%. As mentioned above, these data on generating capability are from the reliability councils, which respond to a Federal Power Commission (FPC) order requiring reporting of plans for new capacity additions. Examination of the reports to the FPC indicates that these data do not include projections for an 1,800 megawatt hydro-pumped storage plant. Thus, the argument could be made that without the dam, reserve margins for the region would be below what is generally considered an acceptable level.

We have estimated what reserve margins would be for the region if a 1,800 megawatt facility were operational by 1981, the earliest year the dam could be on line with a 5 to 6 year construction period. These are shown on Table 3. As can be seen from the table, in the period 1981–1984, reserve margins would be up again to a level between 15% to 20%.

There are several points that should be made concerning these projections. First, note that the projections of peak demand growth for the ECAR region are higher than the historical growth rate—a projected 6.6% for 1975–84 versus an historic 5.2% for 1968–

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[1] National Electric Reliability Council, "A Current View of the Impact of Postponements and Cancellations on Future Electric Bulk Power Supply in the United States," March 1975, p. 10.

74. The general expectation is that electric prices will rise, in real terms, in the future, compared to the steady decline experienced through the 1960s. Thus, one would expect that peak demand might grow more slowly than the projected 6.6%. This would be especially true if peak load pricing schemes were adopted by utilities in the region. Notice the response of peak demand in the 1973–74 period, when load declined by almost 4%. Although this is probably a one-time shift in response to the higher energy prices occasioned by the Arab oil embargo, it does indicate peak demand price responsiveness.

Let us assume that there will, in fact, be a slowing of peak demand growth, to a rate of 0.5% less than projected, or at an annual rate of 6.1% from 1975 through 1984. If this occurred, then by 1984 peak demand would be 94,875 megawatts instead of the projected 99,192 megawatts, and reserve margins would be about 20%—some five percentage points higher than the standard 15%. And this would be without the addition of the dam.

A second point concerning reserve margins is that many have argued for reserve levels less than the traditional 15% recommended by the FPC. The suggestion has been made that utilities could offer more interruptible service, and thus not be required to keep such a high level of reserve. Instead, when demand approached peak, the interruptible customers could be cut-off after appropriate notification, and loads could be met with lower levels of installed capacity. Lower levels of installed capacity could, in turn, mean less new plants being built, a lower rate base, and thus lower rates for all classes of customers than with higher growth.

TABLE 1.—ECAR REGION: HISTORICAL SUMMER CAPABILITY, PEAK LOAD AND RESERVE MARGINS

Year	Megawatts: Summer generating capability	Megawatts: Summer peak load	Megawatts: Reserve	Reserve margin (percent)
1968	42, 268	38, 624	3, 644	9. 4
1969	46, 017	40, 292	5, 725	[1] 14. 2
1970	50, 142	42, 549	7, 593	17. 8
1971	54, 106	46, 390	7, 716	16. 6
1972	58, 021	49, 508	8, 513	17. 2
1973	65, 387	54, 511	10, 876	20. 0
1974	69, 998	52, 420	17, 578	33. 5
1968–74 average growth (Percent)	8. 8	5. 2	30	

[1] The peak occurred in December.

Source: Edison Electric Institute, "1975 Year-End Summary of the Electric Power Situation in the United States," Dec. 31, 1975, table II, p. 12.

TABLE 2.—ECAR REGION: PROJECTED SUMMER CAPABILITIES, PEAK LOADS, AND RESERVE MARGINS

Year	Megawatts: Summer generating capability	Megawatts: Summer peak load	Megawatts: Reserve	Reserve margin (percent)
1974 (actual)		50, 668		
1975	69, 593	55, 682	13, 911	25. 0
1976	76, 195	60, 321	15, 874	26. 3
1977	79, 594	64, 787	14, 807	22. 9
1978	83, 048	69, 217	13, 831	20. 0
1979	87, 943	73, 656	14, 287	19. 4
1980	93, 479	78, 313	15, 166	19. 4
1981	98, 852	83, 223	15, 629	18. 8
1982	103, 111	88, 313	14, 798	14. 4
1983	106, 700	93, 602	13, 098	14. 0
1984	113, 829	99, 192	14, 637	14. 8
1975–84 average growth (percent)	5. 6	6. 6	.6	

Source: National Electric Reliability Council, "Review of Overall Reliability and Adequacy of the North American Bulk Power Systems (5th Annual Review)," July 1975, App. A–1 and A–2.

TABLE 3.—ECAR REGION: EFFECT ON RESERVE MARGINS OF INCLUDING A 1,800-MEGAWATT FACILITY ON LINE IN 1981

Year	Reserves (megawatts)	Reserve margin (percent)
1980	15, 166	19. 4
1981	17, 429	20. 9
1982	16, 598	18. 8
1983	14, 898	15. 9
1984	16, 437	16. 6

Source: Based on table 2.

Mr. Chairman, in further support of my contention that the Blue Ridge power project is unnecessary, I would like to submit for the RECORD this final study by the Library of Congress, which indicates that the American Electric Power system has been selling very large amounts of power to other utilities and that the AEP system has a reserve margin which is more than ample:

SELECTED INFORMATION CONCERNING AMERICAN ELECTRIC POWER SYSTEM (AEP)

The purpose of this memorandum is to respond to your several questions concerning the American Electric Power System (AEP). Specifically, you asked about AEP's sales of electricity to other utilities, about reserve margins for the system, and various aspects of AEP's financing.

Attached is AEP's 1975 Annual Report containing two tables which show electricity supply and disposition for the system from 1965 through 1975 and for individual operating companies in 1975 (see pages 58–59 and 62–63, respectively).

The table on Comparative Consolidated Statistics (pp. 58–59) shows for 1975 that the AEP system received its power from the following sources:

	[In million kwh]
Net generation	80, 333
Purchased power	1, 830
Net interchange	(447)
Total	81, 716

The negative net interchange means that more power was sent out from the system than was received from other sources. In this case, the net interchange represents only 0.6% of system generation. Also in 1975, AEP sold a total of 75,917 million kwhs, 22,014 million kwhs of which were sold to other utilities outside the AEP system. This means that the system sold 27% of its net generation to other utilities. In 1972 through 1974, the percentage was 23% of generation sold outside the system. To put this in perspective, in 1973, Commonwealth Edison, the large Chicago utility, sold 1.4% of its net generation to other utilities for resale, and Pacific Gas and Electric in San Francisco had resale sales of 3.4% of net generation for that year.

This table also gives the reserve margins at time of AEP's system peak. Reserve margins are defined as the difference between peak demand and system capability at time of system peak expressed as a percent of peak demand. For AEP, reserve margins over the past eleven years have fluctuated from as low at 11.6% in 1973 to as high as 31.2% in 1971. Last year, the percentage was 18.3%. For the total electricity utility industry, reserve margins have been:

	Percent
1965	22. 9
1966	18. 4
1967	20. 8
1968	17. 2
1969	16. 6
1970	19. 0
1971	20. 9
1972	19. 6
1973	20. 8
1974	27. 2

Source: Edison Electric Institute, *Statistical Yearbook of the Electric Utility Industry*, 1974.

Regarding new sources of external financing for AEP, this data is shown in the table in the Annual Report, "Consolidated Statement of Sources of Funds for Utility Plant Additions," pp. 44–45. In 1975, a total of $660 million was raised by AEP through long-term debt and preferred and common stock issues. A total of $264 million was retired, leaving $396 million as net funds received from outside sources.

Finally, you requested information on state commission practices allowing construction work in progress (CWIP) in rate bases for states in which Appalachian Power, one of AEP's operating subsidiaries, provides service. In both Virginia and West Virginia, where Appalachian Power sells electricity, CWIP is allowed in rate base by the state commissions.

Mr. Chairman, I believe that these studies, taken together, convincingly rebut the most serious arguments put forward by the opponents of H.R. 13372.

In closing, I would like to quote from a letter sent to me by Mr. Charles L. Frazier on behalf of the National Farmers Organization, and I would like to associate myself with his remarks. Mr. Frazier wrote,

> It is incredible to us that Blue Ridge could have even been seriously considered. We trust and hope that Congress will move to put an end, once and for all, to this project and allow the birth of the Republic, to live in Peace.

Mr. HECHLER of West Virginia. Mr. Chairman, we are now at the end of a long fight to save the fabulous New River. As the Old New River tumbles peacefully through the tranquil farmlands of North Carolina, cuts through the mountainous ridges of southwestern Virginia, and rages through the spectacular New River Gorge, it seems somewhat inappropriate that we here in the Congress debate and debate whether or not we shall decree that the river shall flow onward "like it is."

A river is timeless, and without the interference of man it changes slowly and naturally. Yet this debate is heavily defined by time, by arguments over energy and jobs, while we threaten the very future of one of this Nation's few remaining timeless treasures. There are those who through a desire for private gain, to meet insatiable and unproven demands, are threatening the future of one of this Nation's few remaining timeless treasures.

As we prepare to vote, let us consider again and reflect quietly on the high long-term costs which our children and grandchildren must pay and keep paying in return for certain very short-term benefits which the power company promises us.

You know what North Carolina would lose in displaced human beings, flooded farm acreage, and millions of dollars in lost farm production. My people in West Virginia also stand to lose heavily, as the New River Gorge is threatened. We West Virginians have all too often been the victims of exploitation, lured by the siren song of false promises of jobs and energy.

Releases from the Blue Ridge project will cause sudden fluctuations in the water level in the gorge. These sudden changes will kill off aquatic flora and fauna, increase sedimentation, and endanger fishermen and other recreational users. FPC claims that the flows from Blue Ridge will be carefully regulated clash with the actual wording of the license which permits flow increases of up to "2 feet vertically per hour." This level of release combined with releases from the already existing Claytor Lake dam will pose a constant threat to the many people who now enjoy the pleasures of New River country.

Construction of the Blue Ridge project will also open the way to the installation of power generation facilities at Bluestone Dam in Greenbrier County, W. Va., which will further intensify flow problems downstream. Bluestone is currently needed for flood control but with construction of the Blue Ridge project, it could be converted to power generation.

Because of this threat, the vast majority of West Virginians are unified in opposition to the Blue Ridge project and in support of this legislation. In the Raleigh-Fayette-Summers-Greenbrier County area surrounding the gorge, people are virtually unanimous in their support of this bill. These citizens deluged Congress with calls and telegrams in December 1974 when our first congressional attempt gained a solid majority of 196 to 181.

Support for protection of New River has also come from all areas of West Virginia and from throughout the Nation.

I am proud to have joined with so many great associates in fighting this battle. I am convinced the victory is ours—a well-deserved victory for the New River.

Mr. PHILLIP BURTON. Mr. Chairman, initially, I would like to commend our colleague, Roy Taylor, for his leadership in this legislation as well as his leadership on environmental and national parks and recreation issues during his tenure as chairman of the subcommittee.

Also, I would particularly like to single out for praise, our distinguished colleague, Mr. Steve Neal of North Carolina. Congressman Neal's dogged determination and untiring efforts provided the necessary difference between the successful effort this year and the failure of approval of this legislation in the last Congress.

It is a remarkable achievement for any new Member to achieve the enactment of such major legislation in their first term.

Mr. Chairman, we are meeting today to debate and decide the fate of the upper New River valley in northwestern North Carolina. The choice before us is a simple one: we can destroy the homes and lives of 3,000 North Carolinians for the sake of providing power for the air conditioners of faraway States; or we can preserve intact and unspoiled a freeflowing river which has provided a home to generations of Americans from the Revolutionary War to the present day.

I would like to begin by saying a few words about the history of the valley which we will preserve or destroy. In discussing the history of the New River we can go back, if we wish, to the beginnings of recorded time. Geologists believe that the New is probably the oldest river in the Nation and the second oldest in the world. Recent surveys, carried out by the State of North Carolina in the absence of adequate Federal attention, have shown that the lands along the river contain stratified archeological deposits which should provide exciting new chronological records of both the settlements and migrations of prehistoric man on our continent.

As far as we now know, the history of modern man in the upper New River valley begins in the 1700's. One of America's most famous pathfinders, Daniel Boone, hunted bear in the valley's forests. Peter Jefferson, the father of Thomas Jefferson, surveyed the valley in the 1700's discovered a river which had not yet been mapped, and called it the New River.

Settlement of the valley began in the 1750's, and increased considerably after the Revolutionary War, when much of the land along the New River was given by the Congress to veterans of the Revolutionary War. Typical of these early grantees was a man named Jesse Ray, a Revolutionary War soldier whose feet were frozen at Valley Forge. Ray's direct descendants still own and farm part of the 67,000 acres which were given to him by Congress.

The early patriot-settlers of the New River Valley were not rich men; they built simple homes on the land which had been given them; they farmed it carefully to produce a living for themselves and their children as they prospered, they often made modest additions to their original log homes: planking would be added to cover the logs; new rooms and porches provided more space. These structures still stand and are inhabited for the most part by the descendants of the men and women who built them. There are no Mount Vernons or Monticellos in the New River valley; what there are are homes which have been cared for and lived in since the birth of our Nation, "each building seeming something of heroic accomplishment, a feat of colonial man."

I should note at this point that we hear much talk these days of the preservation of our environment, of the need to protect our land, our waters, and our air from the ravages of industrial and technological progress. In the same way that they have cared for the homes of their ancestors, the people of the New River valley have cared for their ancestral land. The river is still clean and flows free; the land is still intact and fertile; the buildings and roads do not push nature aside, but are only as large as is necessary for shelter and movement. The valley has not stood still; we are not talking about a people or an area left behind by time. There are factories, businesses, and new roads, but all these things blend with nature and do not destroy it. The people of the New River valley have shown more reverence and respect for their land than many other Americans have shown for other parts of our country.

Two hundred years ago, our ancestors declared their independence. They dumped tea into Boston Harbor and said that they would have no taxation without representation. Approximately 12 years ago, the people of the New River valley learned that the Federal Power Commission proposed to grant to a private company the right to destroy their valley and their homes. They resolved that this would not happen, and that they would be heard; they said in effect that there would be no destruction without representation. They persuaded the government of their State to unite in opposition to the dams. They invited the Federal Power Commission to look at their valley and listen to its people; when the Commission refused, they came to Washington and forced it to listen. They invited Members of Congress to the New River; when few responded, they brought their way of life to the halls of the U.S. Senate and made us look at the values which they wanted us to save. When the greatest labor organization of this country seemed about to destroy their lifetime careers for the sake of a few temporary jobs, they came to Washington, threw a picket line around that union's headquarters, and asked its leaders to take another look at exactly what they stood for. In their refusal either to submit to arbitrary power or to tolerate Government inattention, they have fought for the spirit of American independence in the same way that their ancestors fought for the fact of that independence 200 years ago.

I have said that the efforts of the people of the New River represent a rebirth of the spirit of the American Revolution. If we do not save the New River today by voting for H.R. 13372, the river will be destroyed by two dams. What kind of spirit do those dams represent? They would provide peaking power, that is, sufficient power to meet the theoretically highest possible electrical demands of faraway cities.

We can vote today for H.R. 13372, thus saving the New River and reaffirming the spirit of the American Revolution and of the Bicentennial which we now celebrate, or we can let the New River die.

I would like to close by quoting from the words of Thomas Jefferson, who once said that—

> The care of human life and happiness and not their destruction, is the first and only legitimate object of good government.

If, in this our Bicentennial Year, we do not vote to save the New River, Mr. Jefferson will not merely turn over in his grave; he will rise up out of it, and he will have our heads.

I urge you today to join me in casting a vote for America's history by voting for H.R. 13372, the bill to save the New River.

Mr. THOMPSON. Mr. Chairman, I am here as one who voted against saving the New River when that issue came before the House in December 1974. At that time, the full importance of preserving the freeflowing condition of the New River had not been presented to me. Today, I am better informed.

I have long-standing ties with the State of North Carolina, having attended college there. I have come to know its people, and to respect them, and I cherish many long-lasting friendships in the Tar Heel State.

Because of these friends, and the able members of the North Carolina delegation, I have seriously reevaluated my position. My conclusion is that I was wrong 2 years ago, and I now intend to support fully H.R. 13372, which would preserve the national scenic river segment of the New River.

The New River is not just another beautiful stream. It is the oldest river in North America and maybe the second oldest river in the world. Geologists say it has followed its present course in the Blue Ridge for as much as 100 million years. Its valley has been inhabited continuously for the past 10,000 years. It was a mecca for early inland settlers and some of their progeny still inhabit land granted to their forbears by the King of England. Their sweat is in this land, and this land is in their blood.

The beauty of this river, and the tranquility of life along its banks, is unquestionable. I think it would be a tragedy of tremendous proportions if we were to permit the destruction of this, one of nature's most magnificent creations. Therefore, I express the hope that the Committee on Rules will act favorably on H.R. 13372.

Mr. BIAGGI. Mr. Chairman, over the weekend the Labor Department reported that the jobless rate was up sharply and that unemployment was at the highest this year since January. We all think about and talk about jobs, the recession and unemployment, and what we can do to provide a job for every person in this country who wants one and is physically able to work.

Today, this House has an opportunity to do something constructive about unemployment and it will not cost the taxpayer a red cent.

We can turn our backs on the workingman this afternoon by casting a vote in support of H.R. 13372, or we can extend a helping hand by defeating this bill which will provide jobs for some 1,500 to 2,000 construction workers in a high unemployment area as a first step toward generating substantial secondary benefits through construction related jobs in the area.

But the benefits of Blue Ridge extend much further than the geographical area in which this project will be located. Blue Ridge energy is fed into an interconnected grid system that serves roughly two-thirds of our Nation. Every kilowatt-hour fed into that system is a benefit to every member of that system, and it provides stability, reliability, and emergency support to each and every one of them.

In cases of capacity shortages or power outages this project can help provide the needed energy to run the factories, the mills, the mines and the businesses in such places as Chicago, Detroit, Raleigh, N.C., Indianapolis, Cleveland, Columbus, just to name a few. This means jobs, payrolls, full shifts instead of layoffs, welfare checks and food stamps. H.R. 13372 will provide leisure for the wealthy at the expense of the middle- and lower-income citizen by limiting the river's use to those few who can afford the cost of white water recreation.

The Blue Ridge project will provide recreation that can be afforded by all the people and in addition it will provide energy—the cheapest source of energy—for industries and homes. The country needs jobs. It needs expansion. It needs an abundance of low-cost energy to stimulate jobs and industrial expansion. The people cannot prosper and the country cannot grow strong if Congress thwarts development to passage of legislation like H.R. 13372. I hope you will join me in defeating this bill.

The CHAIRMAN. Are there further amendments? If not, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAMILTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271), and for other purposes, pursuant to House Resolution 1463, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SEBELIUS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 311, nays 73, answered "present" 1, not voting 46, as follows:

[Roll No. 632]

YEAS—311

Abdnor
Adams
Addabbo
Alexander
Allen
Ambro
Andrews, N.C.
Andrews, N. Dak.
Armstrong
Ashley
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carr
Carter
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Cornell
Cotter
Coughlin
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frenzel
Frey
Fuqua
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Morgan
Mosher
Moss
Mottl
Murphy, N.Y.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Pepper
Perkins
Pettis
Pike
Pressler
Preyer
Price
Pritchard
Quie
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shriver
Simon
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Whalen
Whitehurst
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki

NAYS—73

Anderson, Calif.
Annunzio
Archer
Ashbrook
Biaggi
Burgener
Burleson, Tex.
Butler
Carney
Cederberg
Collins, Tex.
Conyers
Corman
Crane
D'Amours
Daniel, Dan
Delaney
Devine
Duncan, Oreg.
Duncan, Tenn.
Gaydos
Giaimo
Gonzalez
Hall, Tex.
Hansen
Harsha
Hawkins
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Ketchum
Kindness
Lott
McCollister
McDonald
McEwen
McFall
Matsunaga
Milford
Miller, Ohio
Mollohan
Montgomery
Moorhead, Calif.
Murphy, Ill.
Murtha
Myers, Ind.
Nix
O'Hara
Poage
Quillen
Railsback
Randall
Risenhoover
Robinson
Rousselot
Roybal
Runnels
Shipley
Shuster
Sisk
Slack
Stanton, James V.
Steiger, Ariz.
Stokes
Symms
Taylor, Mo.
Wampler
White
Whitten
Winn
Young, Alaska
Zeferetti

ANSWERED "PRESENT"—1

Michel

NOT VOTING—46

Abzug
Anderson, Ill.
Aspin
Biester
Chappell
Conable

Conlan
Dickinson
Downing, Va.
du Pont
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Green
Hébert
Heinz
Hinshaw
Holland
Holt
Howe
Jones, N.C.
Landrum
Lujan
McKinney
Mink
Moorhead, Pa.
Passman
Peyser
Pickle
Riegle
Roncalio
Ruppe
Schneebeli
Sikes
Steelman
Stephens
Treen
Waggonner
Weaver
Wiggins
Wilson, C. H.
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Fountain for, with Mr. Michel against.

Until further notice:

Mr. Moorhead of Pennsylvania with Mrs. Holt.
Mr. Hébert with Mr. Anderson of Illinois.
Mr. Waggonner with Mr. Treen.
Mr. Sikes with Mr. Steelman.
Mr. Chappell with Mr. Conable.
Ms. Abzug with Mr. McKinney.
Mr. Young of Georgia with Mr. Conlan.
Mr. Weaver with Mr. Biester.
Mr. Flynt with Mr. du Pont.
Mr. Stephens with Mr. Esch.
Mr. Roncalio with Mr. Findley.
Mr. Howe with Mr. Forsythe.
Mrs. Mink with Mr. Peyser.
Mr. Evins of Tennessee with Mr. Lujan.
Mr. Charles H. Wilson of California with Mr. Wiggins.
Mr. Passman with Mr. Aspin.
Mr. Green with Mr. Dickinson.
Mr. Holland with Mr. Landrum.
Mr. Pickle with Mr. Schneebeli.
Mr. Downing of Virginia with Mr. Ruppe.
Mr. Jones of North Carolina with Mr. Heinz.
Mr. Riegle with Mrs. Fenwick.

Messrs. BRINKLEY, SNYDER, and RUSSO changed their vote from "nay" to "yea."

Mr. STOKES and Mr. GONZALEZ changed their vote from "yea" to "nay."

Mr. MICHEL. Mr. Speaker, I have a live pair with the gentleman from North Carolina (Mr. Fountain). If he were present, he would have voted "yea." I voted "no." I withdraw my vote and vote "present."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the Senate of the following title in which concurrence of the House is requested:

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO ESTABLISH THE NINETY SIX AND STAR FORT NATIONAL HISTORIC SITE IN SOUTH CAROLINA

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 2642) to authorize the Secretary of the Interior to establish the Ninety Six and Star Fort National Historic Site in the State of South Carolina, and for other purposes, with Senate amendments to the House amendments thereto, and concur in the Senate amendments to the House amendments.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendments to the House amendments, as follows:

Page 1, line 2, of the House engrossed amendments, strike out all after "That" down to and including "1781," in line 6 and insert: "in order to preserve and commemorate for the benefit and enjoyment of present and future generations an area of unique historical significance associated with the settlement and development of the English Colonies in America and with the southern campaign of the American Revolutionary War,".

Page 1, line 12, of the House engrossed amendments, strike out "old".

Page 3, lines 4 and 5, of the House engrossed amendments, strike out "$500,000" and insert: "$2,463,000".

Page 3, line 9, of the House engrossed amendments, strike out "final master" and insert: "general management".

Page 3, line 17, of the House engrossed amendments, strike out "Old".

Amend the amendment of the House to the title so as to read: "An Act to provide for the establishment of the Ninety Six National Historic Site in the State of South Carolina, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SEBELIUS. Mr. Speaker, reserving the right to object, I will ask the gentleman to explain the Senate amendments.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, the amendments made to the House-passed version of S. 2642 are primarily of a technical and conforming nature.

First, some revised wording is included in section 1 of the bill which points out the significance of the historic site in early colonial times, as well as during the Revolutionary War. This is certainly in keeping with our intention that the site be interpreted in keeping with its colonial development.

Second, the Senate changes the name of the site from "Old Ninety Six" to "Ninety Six." This simply conforms to the wishes of some of the proponents of this area, and is acceptable.

Third, the "final master plan" required in the House-passed version is changed to a "general management plan." This conforms with recent Park Service terminology.

Finally, the Interior Department recommended a development ceiling of $2,463,000 the House placed an interim development ceiling of $500,000 on the site, and the Senate has amended this to a ceiling of $2,463,000. Our recent committee practice has been to use the lower figure, and to expect to authorize additional development funding when the Park Service could give us a more complete study of the needs for an area.

I want to emphasize that this is a procedure I still very much support, as we achieve better spending control in this way. The case at hand, however, is somewhat different, as the National Park Service has conducted extensive planning in the area already. Therefore, the higher figure is based on considerable advance planning, and I believe we can accept it in this particular case.

The Senate amendments retain the character of this bill, which is to enable us to authorize a most worthwhile addition to the national park system. I urge their adoption.

Mr. SEBELIUS. Mr. Speaker, I thank the gentleman for his statement.

Mr. DERRICK. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from South Carolina (Mr. Derrick).

Mr. DERRICK. Mr. Speaker, I wish to thank you for allowing me to make a few brief remarks on behalf of this legislation and to thank Mr. Taylor and the members of the Interior Committee.

In approving H.R. 9549 as amended by the Senate, we are granting recognition to one of the most valuable historical assets in the United States today.

Old Ninety Six and the Star Fort in Greenwood County, S.C., is historically significant as it illustrates the Colonial and Revolutionary periods of the United States. Not only is it the site of the first Southern land battle of the Revolution, it served as an important trading post and crossroads during all of the Colonial period.

The Cherokee path went through Ninety Six long before the arrival of the first white settlers as a main route between Charleston and the Creek and Cherokee Nations to the West. It served as a staging area during the Cherokee War of 1760–61 and until the eve of the Revolutionary War, Ninety Six was the westernmost outpost of law and order in the Southeast. Because of the strategic location of Ninety Six, its possession was of the utmost importance during the Revolutionary War. It was here that the British built the Star Fort, which is the only well-preserved Revolutionary War fortification in the entire Nation, other than at Yorktown.

In addition to the historical aspects, archeologists have discovered a prehistoric aboriginal site and a contact period aboriginal site that have yet to be fully explored.

Therefore, the value and the justification for preserving this area are well demonstrated.

I wish to thank Mr. TAYLOR and his distinguished colleagues of the Interior Committee for recognizing the merits of Ninety Six and for their expeditious approval of H.R. 9549.

I would briefly like to note that the Congress voted 359 to 7 in approval of this legislation and the Senate concurred in a voice vote.

Mr. SEBELIUS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

AUTHORIZING LOAN FUNDS FOR THE GOVERNMENT OF THE VIRGIN ISLANDS

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 13359) to authorize loan funds for the government of the Virgin Islands, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: That (a) in addition to the authority conferred by section 8(b) of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1574(b)), the legislature of the government of the Virgin Islands is authorized to cause to be issued bonds or other obligations of such government in anticipation of revenues to be received under section 28(b) of such Act (26 U.S.C. 7652). The proceeds of such bonds or other obligations may be used for any purpose authorized by an act of the legislature. The legislature of the government of the Virgin Islands may initiate, by majority vote of the members, a binding referendum vote to approve or disapprove the amount of any such bond or other obligation and/or any purpose for which such bond or other obligation is authorized.

(b) The legislature of the government of the Virgin Islands may provide, in connection with any issue of bonds or other obligations authorized to be issued under subsection (a) the proceeds of which are to be used for public works or other capital projects, that a guarantee of such bonds or obligations by the United States should be applied for under section 2 of this Act.

(c) Except to the extent inconsistent with the provisions of this Act, the provisions of this Act, the provisions of section 8(b) (ii) of the Revised Organic Act of the Virgin Islands (other than the limitation contained in the proviso to the first sentence of subparagraph (A)) shall apply to bonds and other obligations authorized to be issued under subsection (a).

SEC. 2. (a) When authorized under subsection (b) of the first section of this Act, the government of the Virgin Islands may apply to the Secretary of the Interior (hereinafter referred to as the "Secretary") for a guarantee of any issue of bonds or other obligations authorized to be issued under subsection (a) of the first section of this Act. Any such application shall contain such information as the Secretary may prescribe.

(b) The Secretary is authorized, with the approval of the Secretary of the Treasury, to guarantee and to enter into commitments to guarantee, upon such terms and conditions as he may prescribe, payment of principal and interest on bonds and other obligations issued by the government of the Virgin Islands under subsection (a) of the first section of this Act. No guarantee or commitment to guarantee shall be made unless the Secretary determines—

(1) that the proceeds of such issue will be used only for public works or other capital projects;

(2) taking into account anticipated expenditures by the government of the Virgin Islands while the bonds or other obligations forming a part of such issue will be outstanding, all outstanding obligations of the government of the Virgin Islands which will mature while the bonds or other obligations forming a part of such issue will be outstanding and such other factors as he deems pertinent, that the revenues expected to be received under section 28(b) of the Revised Organic Act of the Virgin Islands, will be sufficient to pay the principal of, and interest on, the bonds or other obligations forming a part of such issue;

(3) that credit is not otherwise available on reasonable terms and conditions and that there is reasonable assurance of repayment, and

(4) that the maturity of any obligations to be guaranteed does not exceed thirty years or 90 per centum of the useful life of the physical assets to be financed by the obligation, whichever is less as determined by the Secretary.

(c) The Secretary shall charge and collect fees in amounts sufficient in his judgment to cover the costs of administering this section. Fees collected under this subsection shall be deposited in the revolving fund created under subsection (g).

(d) Any guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligation for such guarantee, and the validity of any guarantee so made shall be incontestable, except for fraud or material misrepresentation, in the hands of the holder of the guaranteed obligation. Such guarantee shall constitute a pledge of the full faith and credit of the United States for such obligation.

(e) The interest on any obligation guaranteed under this section shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954.

(f) The aggregate principal amount of obligations which may be guaranteed under this Act shall not exceed $61,000,000. No commitment to guarantee shall be entered into under this Act after October 1, 1979.

(g) (1) There is hereby created within the Treasury a separate fund (hereinafter referred to as "the fund") which shall be available to the Secretary without fiscal year limitation as revolving fund for the purpose of this Act. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 102, 103, and 104 of the Government Corporation Control Act (31 U.S.C. 847–849)) for wholly owned Government corporations.

(2) All expenses, including reimbursements to other government accounts, and payments pursuant to operations of the Secretary under this Act shall be paid from the fund. If at any time the Secretary determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

(3) If at any time the moneys available in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees under this Act, he shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Secretary from appropriations which are hereby authorized for this purpose. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall not be less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

SEC. 3. Each issue of bonds or other obligations issued under subsection (a) of the first section of this Act shall have priority for payment of principal and interest out of revenues received under section 28(b) of the Revised Organic Act of the Virgin Islands in the order of the date of issue, except that issues guaranteed under section 2 shall have priority, according to the date of issue, over issues not so guaranteed and the revenues received under section 28(b) of the Revised Organic Act of the Virgin Islands shall be pledged for the payment of such bonds or other obligations.

SEC. 4. The Secretary is authorized and directed to make grants to the government of the Virgin Islands for operation of such government in an amount not to exceed $8,500,000.

SEC. 5. Chapter 44, section 1, of the Act of July 12, 1921 (42 Stat. 123; 48 U.S.C. 1397), is hereby amended by striking the period at the end thereof and inserting in lieu thereof the following language: ": *Provided further,* That, notwithstanding any other provision of law, the Legislature of the Virgin Islands is authorized to levy a surtax on all taxpayers in an amount not to exceed 10 per centum of their annual income tax obligation to the government of the Virgin Islands.

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Amend the title so as to read: "An Act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes.".

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DON H. CLAUSEN. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman from California if he will explain the Senate amendments.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, H.R. 13359 is designed to meet an economic crisis in the Virgin Islands which has been precipitated by a sharp drop in tourism—the Virgin Islands' largest industry, additional reductions in tax revenues caused by the Tax Reduction Act of 1975, over and above the economic losses caused by the general worldwide recession.

The grave need for effective action was brought to our attention and emphasized by our colleague from the Virgin Islands, Ron de Lugo, and it received the support of the Departments of Treasury and Interior and of the Office of Management and Budget.

In response to this need, on May 1 of this year, the House passed H.R. 13359 to authorize the maximum of $76 million in emergency loan funds to the Virgin Islands. The bill authorized Federal loans to the Virgin Islands in the amounts of: $15 million for operating expenses; and $61 million for capital improvements.

Repayments of the loans, with interest, were provided for by authorizing the Secretary of the Treasury, in accordance with the payment schedule contained in the bill, to withhold funds from tax revenues otherwise returned to the Virgin Islands in accordance with the Revised Organic Act.

The Senate bill which is now before us authorizes an increase in the bonding authority of the Virgin Islands not to exceed $61 million for capital improvements. The bonds issued under this authorization are federally guaranteed, in event of default, with the U.S. Treasury to be reimbursed for the redemption of such bonds by withdrawal of revenues otherwise paid to the Virgin Islands under the Revised Organic Act. In place of the $15 million loan for operating expenses provided for by the House bill, the Senate bill authorized a grant of $8.5 million for this purpose.

The Senate amendments are supported by the administration and by our House colleague, Ron de Lugo. In this connection, I want to extend particular commendation to Mr. de Lugo, for his outstanding part in securing the successful enactment of this legislation. He worked long and hard over a period of several weeks to secure the agreement of the executive agencies involved, as well as of the House and Senate committee members having responsibility for this legislation. His work is a classic example of effective legislating.

Mr. DON H. CLAUSEN. Mr. Speaker, I thank the gentleman from California (Mr. Phillip Burton) for his explanation. I want to advise the membership that this does have the support of the administration, and we concur with and accept the Senate amendments.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the Senate amendments just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL 12 O'CLOCK MIDNIGHT FRIDAY, AUGUST 13, 1976, TO FILE REPORTS ON H.R. 13160 AND S. 2371

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until 12 o'clock midnight Friday, August 13, 1976, to file reports on the bills, H.R. 13160 and S. 2371.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, can the gentleman give us the titles of those bills?

Mr. TAYLOR of North Carolina. Yes. Mr. Speaker, if the gentleman will yield, H.R. 13160 is the omnibus wilderness bill, and S. 2371 is the mining in the parks bill.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PERMISSION FOR MANAGERS TO HAVE UNTIL MIDNIGHT TOMORROW, WEDNESDAY, AUGUST 11, 1976, TO FILE CONFERENCE REPORT ON S. 3052

Mr. de la GARZA. Mr. Speaker, I ask unanimous consent that the managers may have until midnight, tomorrow, Wednesday, August 11, 1976, to file a conference report on the Senate bill (S. 3052) to amend section 602 of the Agricultural Act of 1954.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONDITIONAL ADJOURNMENT OF CONGRESS FROM AUGUST 10, 1976, UNTIL AUGUST 23, 1976

The SPEAKER laid before the House the concurrent resolution (H. Con. Res. 707) providing for a conditional adjournment of the House from August 10 until August 23, 1976, and the Senate from August 11 until August 23, 1976.

The clerk read the Senate amendments, as follows:

Page 1, line 2, strike out "House adjourns" and insert: "two Houses adjourn".

Page 1, lines 3 and 4, strike out "and that when the Senate adjourns on Wednesday, August 11, 1976,".

Amend the title so as to read: "Concurrent resolution providing for a conditional adjournment of the Congress from August 10 until August 23, 1976.".

The Senate amendments were concurred in.

The concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 14232, DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1977

Mr. FLOOD. Mr. Speaker, I call up the conference report on the bill (H.R. 14232) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 3, 1976.)

Mr. FLOOD (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania (Mr. Flood) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. Michel) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. Flood).

Mr. FLOOD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report before the House today is on the bill H.R. 14232, providing appropriations for fiscal year 1977 for the Department of Labor, for the Department of Health, Education, and Welfare, and for related agencies, such as Action, the Community Service Administration, the National Labor Relations Board, the Railroad Retirement Board, and the Corporation for Public Broadcasting.

Mr. Speaker, if any Members want to hear about Federal programs and what we are going to do to help people, then I think they need to know about this bill. This is the one.

Mr. Speaker, I am certain that most of the Members are contacted on the hour every day about some provision in this this bill, at some place or another, touches the life of every man, woman, and child in this Nation. Every man, woman, and child in this Nation in some way or another is touched by some provision of the bill we are talking about now.

Mr. Speaker, let me cite a few examples. This bill includes funds for health care for mothers, for children, for the poor, and for the aged.

Medical research to prevent, detect, diagnose, and treat disease.

Education programs are in this bill. What about that? There are education programs from the preschool level to the postsecondary level.

Also social security and all of its programs including medicare and medicaid.

Then there is job training. We have been talking about that all year. The bill provides job training for the unemployed and the underemployed.

We also have income support—we have heard about that especially this year—for the aged, blind, and the disabled.

This conference report provides $56,618,207,575 in new budget authority for fiscal year 1977. This amount is $413 million over the House bill, but it is $549 million under the Senate bill.

There were 76 amendments in disagreement. As we might expect, Mr. Speaker, the House conferees tried very, very hard to stay as closely as we could to the House bill. Believe me, it was a long, long and very, very difficult conference; and I have been through a few. This one was a tough one.

It took us 2 weeks to resolve the differences between the House and Senate bills. All of the conferees on both sides were in on this.

Unfortunately, there was one amendment on which we could not agree, one of the Senate amendments; but all things considered, I believe the conference report represents a very reasonable compromise, and I certainly urge the Members to support it.

The total amount of the bill recommended by the conference report is just a little bit below $4 billion over the President's budget.

The House bill is $3.6 billion over the budget and the Senate bill is $4.5 billion over the budget. So there had to be some kind of a compromise between the two figures since that is the purpose of a conference. The House conferees believed that a reasonable target would be to hold that figure at $4 billion. There is no special significance in that $4 billion, it was just to give us a good target to work toward.

When you make comparisons with the budget it is important to keep in mind that this bill includes $500 million in advance appropriations for 1978 for the vocational education programs. This is in addition to the regular 1977 appropriation. So we have doubled the appropriation here to get these vocational education programs on an advanced funding basis.

Since advance funding was not in the budget there is a difference between the bill and the budget so that it appears much larger than it is really, on a strict year-to-year comparison.

Mr. Speaker, whether this bill is $3 billion or $4 billion or $5 billion over the budget, such comparisons underscore the fact that the administration's budget request for Labor-HEW is simply unrealistic. Drastic cuts below the 1976 level were proposed in health and education programs. The 1977 administration budget was based on a mistaken assumption that Congress would sustain the Presidential veto of the 1976 appropriation for Labor-HEW; and that the Congress would have rescinded 1.3 billion in 1976 appropriations for education. Of course these assumptions simply never materialized, as the Members well know.

The total amount of this conference bill is well within the targets allocated to the Labor-HEW appropriation bill under the first budget resolution enacted by the Congress for fiscal year 1977. However there are several very large budget items which are not in this bill we are talking about and which will be considered later on in the fiscal year. For example, the bill does not include the funds for higher education, health, manpower, and public service jobs. These programs were deferred because they lacked authorization at this time. There is no law. Also we expect further increases may be necessary for what we call the uncontrollable programs, programs such as public assistance, medicaid, SSI, supplemental security income. We will have to deal with those matters in the course of the fiscal year.

Of the $413 million which the conferees added over the House bill, $119 million relates to programs which the House had deferred because—and I repeat for the purpose of emphasis—there were no authorizations, we simply had no law and you cannot appropriate without a law. Legislation was subsequently enacted to extend the authorization for the domestic programs of ACTION educational facilities, disease prevention and health education. All of those are now in the bill.

The remaining increases over the House bill are primarily in health, education, and the community services programs. For health programs, the largest increase over the House bill is $90 million for the medical research at NIH, the National Institutes of Health. The total amount for NIH under the conference bill is $2.5 billion, which is just about a 10 percent increase over last year. When you consider the vital work being done at NIH to find ways to fight cancer, heart disease, arthritis, diabetes, and other crippling diseases affecting adults and children, I certainly would not call a 10 percent increase excessive by any means.

The conferees added $35 million in the House bill for other health service programs. This included the maternal and child health, family planning, hypertension, and the direct patient care at the PHS, public health service hospitals. There was quite a bit of debate on that, as Members will recall, in the original bill. The conferees agreed to a total of $125 million for health planning. That would increase it about $5 million over the House bill. These funds, of course, are to establish and support the health planning systems at the State and local levels.

For education programs the conferees agreed to $143 million over the House bill. Most of the Senate increases were for the poor, the handicapped, the minority children, and classifications of that kind. It was very difficult to argue against these increases, but we held to a much lower figure than the Senate proposed.

For title I of the Elementary and Secondary Education Act—that is the one which helps disadvantaged children—the conferees agreed to $35 million over the House bill. That gives a total of $2,285,000,000 to title I. That is about 11 percent over last year, but we know back home that is barely enough for the school districts to keep up with the increased cost of education.

Now for programs aimed toward educating handicapped children, the conferees agreed to $41 million over the House bill. The State grant program, by the way, was increased from $300 million to $315 million. This is $115 million over last year, but do not forget Congress passed a new law which guarantees a free appropriate education to all handicapped children by 1978. The States will need a lot of help to try and reach that goal.

The conferees also agreed to additional funds for preschool incentive grants, severely handicapped, specific learning disabilities, media services, and special education training. The conferees agreed to add $25 million over the House bill for emergency school aid. That was to help the school districts deal with problems relating to desegregation, and there are additional funds provided here for very special projects in these school districts carrying out court-ordered desegregation plans.

For human development programs, the conferees added $12.5 million over the House bill, and the increases are in programs for the aging, vocational rehabilitation of the handicapped, and developmental disabilities.

The community services programs were increased $15.2 million by the conferees, most of which was to restore the community food and nutrition program to about the 1976 funding level. We agreed to defer further increases for emergency energy conservation programs, and we will take those up for later consideration under a Supplemental Appropriations bill.

We had two very difficult language provisions with which we had a lot of trouble in the conference. One was on the occupational safety and health, known as OSHA, and we did resolve that one.

The other was the prohibition on the use of funds in the bill for abortion, and that we did not resolve.

In reference to OSHA the conferees agreed to compromise language which in effect retains the House language exemptions on farms employing 10 or fewer employees. We modified the Senate language prohibiting fines for nonserious first instances violations unless 10 or more violations are found during the OSHA inspection.

On the amendment relating to abortion I will offer a motion at the proper time that the House insist on its position to retain the language of the House bill. That is the so-called Hyde amendment.

Mr. Speaker, I urge adoption of the conference report and the motions which I shall offer on the amendments reported in disagreement. I shall insert in the RECORD at this point a detailed tabulation showing the conference amounts. It will be quite a table and this is very important for the staff of the Members and for the mail you receive.

This will deal with the conference report together with the appropriate comparisons.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the material to which I have just referred.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(The material follows:)

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)

TITLE I—DEPARTMENT OF LABOR

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
EMPLOYMENT AND TRAINING ADMINISTRATION									
Program Administration:									
Planning, evaluation, and research	$4,948,000	$5,034,000	$5,006,000	$5,006,000	$5,006,000	+$58,000	−$28,000		
Comprehensive employment development	33,233,000	33,805,000	34,109,000	34,151,000	34,109,000	+876,000	+304,000		−$42,000
Trust funds	(2,169,000)	(2,302,000)	(2,302,000)	(2,302,000)	(2,302,000)	(+133,000)			
Apprenticeship services	11,877,000	12,335,000	12,335,000	12,461,000	12,335,000	+458,000			−126,000
U.S. employment service	640,000	667,000	669,000	961,000	669,000	+29,000	+2,000		−292,000
Trust funds	(13,749,000)	(14,079,000)	(14,079,000)	(14,079,000)	(14,079,000)	(+330,000)			
Unemployment insurance service	840,000	1,185,000	1,275,000	1,337,000	1,275,000	+435,000	+90,000		−62,000
Trust funds	(9,959,000)	(10,274,000)	(9,674,000)	(9,674,000)	(9,674,000)	(−285,000)	(−600,000)		
Investigation and compliance	749,000	751,000	708,000	732,000	708,000	−41,000	−43,000		−24,000
Trust funds	(1,050,000)	(1,099,000)	(1,099,000)	(1,099,000)	(1,099,000)	(+49,000)			
Executive direction and management	15,974,000	15,603,000	15,672,000	15,726,000	15,672,000	−302,000	+69,000		−54,000
Trust funds	(3,779,000)	(3,733,000)	(3,733,000)	(3,733,000)	(3,733,000)	(−46,000)			
Subtotal	98,967,000	100,867,000	100,661,000	101,261,000	100,661,000	+1,694,000	−206,000		−600,000
Federal funds	68,261,000	69,380,000	69,774,000	70,374,000	69,774,000	+1,513,000	+394,000		−600,000
Trust funds	(30,706,000)	(31,487,000)	(30,887,000)	(30,887,000)	(30,887,000)	(+181,000)	(−600,000)		
Transition period	24,948,000					−24,948,000			
Federal funds	17,291,000					−17,291,000			
Trust funds	(7,657,000)					(−7,657,000)			
Employment and Training Assistance (CETA):									
Title I	1,580,000,000	1,580,000,000	1,880,000,000	1,880,000,000	1,880,000,000	+300,000,000	+300,000,000		
Title II (Public employment)	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000				
Title III:									
National training programs	190,960,000	196,960,000	196,960,000	196,960,000	196,960,000	+6,000,000			
Program support	42,440,000	42,370,000	42,370,000	42,370,000	42,370,000	−70,000			
Title IV (Job Corps)	175,000,000	175,000,000	197,500,000	197,500,000	197,500,000	+22,500,000	+22,500,000		
Summer youth employment program	528,420,000	400,000,000	595,001,000	595,000,000	595,000,000	+66,580,000	+195,000,000	−$1,000	
Subtotal	2,916,820,000	2,794,330,000	3,311,831,000	3,311,830,000	3,311,830,000	+395,010,000	+517,500,000	−1,000	
Transition period	597,500,000					−597,500,000			
Temporary Employment Assistance (CETA):									
Title II	1,200,000,000					−1,200,000,000			
Title VI	(1,625,000,000)				(*)				
Community Service Employment for Older Americans	85,900,000		90,600,000	90,600,000	90,600,000	+4,700,000	+90,600,000		
Federal Unemployment Benefits and Allowances:									
Payments to former Federal personnel	384,000,000	440,000,000	440,000,000	440,000,000	440,000,000	+56,000,000			
Trade adjustment assistance	26,000,000	120,000,000	120,000,000	120,000,000	120,000,000	+94,000,000			
Unemployment assistance and payments under other Federal unemployment programs		300,000,000	300,000,000	300,000,000	300,000,000	+300,000,000			
Subtotal	410,000,000	860,000,000	860,000,000	860,000,000	860,000,000	+450,000,000			
Transition period	95,000,000					−95,000,000			
Grants to States for Unemployment Insurance and Employment Services:									
Unemployment Insurance Service	(531,100,000)	(697,000,000)	(697,000,000)	(697,000,000)	(697,000,000)	(+165,900,000)			
Employment Services:									
Federal	81,300,000	81,500,000	89,100,000	147,500,000	89,100,000	+7,800,000	+7,600,000		−58,400,000
Trust	(444,200,000)	(417,500,000)	(475,900,000)	(417,500,000)	(475,900,000)	(+31,700,000)	(+58,400,000)		(+58,400,000)
Subtotal	525,500,000	499,000,000	565,000,000	565,000,000	565,000,000	+39,500,000	+66,000,000		
Contingency Fund	(440,100,000)	(239,800,000)	(239,800,000)	(239,800,000)	(239,800,000)	(−200,300,000)			
Subtotal, Grants to States	1,496,700,000	1,435,800,000	1,501,800,000	1,501,800,000	1,501,800,000	+5,100,000	+66,000,000		
Federal funds	81,300,000	81,500,000	89,100,000	147,500,000	89,100,000	+7,800,000	+7,600,000		−58,400,000
Trust funds	(1,415,400,000)	(1,354,300,000)	(1,412,700,000)	(1,354,300,000)	(1,412,700,000)	(−2,700,000)	(+58,400,000)		(+58,400,000)
Transition period	283,150,000					−283,150,000			
Federal funds	20,300,000					−20,300,000			
Trust funds	(262,850,000)					(−262,850,000)			
Advances to Unemployment Trust Fund and Other Funds	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000				
Subtotal, Employment and Training Administration	11,208,387,000	10,190,997,000	10,864,892,000	10,865,491,000	10,864,891,000	−343,496,000	+673,894,000	−1,000	−600,000
Federal funds	9,762,281,000	8,805,210,000	9,421,305,000	9,480,304,000	9,421,304,000	−340,977,000	+616,094,000	−1,000	−59,000,000
Trust funds	(1,446,106,000)	(1,385,787,000)	(1,443,587,000)	(1,385,187,000)	(1,443,587,000)	(−2,519,000)	(+57,800,000)		(+58,400,000)
Transition period	1,000,598,000					−1,000,598,000			
Federal funds	730,091,000					−730,091,000			
Trust funds	(270,507,000)					(−270,507,000)			

*Not considered due to lack of authorizing legislation.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE I—DEPARTMENT OF LABOR—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
LABOR-MANAGEMENT SERVICES ADMINISTRATION									
Salaries and expenses:									
Labor-management relations policy and service	$3,400,000	$3,123,000	$3,123,000	$3,123,000	$3,123,000	$-277,000			
Labor-management standards enforcement	15,059,000	13,956,000	13,956,000	13,956,000	13,956,000	-1,103,000			
Veterans reemployment rights	2,553,000	2,578,000	2,578,000	2,578,000	2,578,000	+25,000			
Federal labor-management relations	4,418,000	4,567,000	4,567,000	4,567,000	4,567,000	+149,000			
Employee benefits security	18,340,000	20,971,000	20,671,000	20,671,000	20,671,000	+2,331,000	$-300,000		
Executive direction and administrative services	2,115,000	3,424,000	3,424,000	3,424,000	3,424,000	+1,309,000			
Subtotal	45,885,000	48,619,000	48,319,000	48,319,000	48,319,000	+2,434,000	-300,000		
Transition period	11,464,000					-11,464,000			
EMPLOYMENT STANDARDS ADMINISTRATION									
Salaries and expenses:									
Improving and protecting wages	38,754,000	41,895,000	41,725,000	41,725,000	41,725,000	+2,971,000	-170,000		
Elimination of discrimination in employment	13,987,000	14,870,000	14,790,000	14,790,000	14,790,000	+803,000	-80,000		
Workers' compensation	24,170,000	23,792,000	24,469,000	24,469,000	24,469,000	+299,000	+677,000		
Trust funds	(225,000)	(250,000)	(250,000)	(250,000)	(250,000)	(+25,000)			
Program development and administration	10,496,000	12,718,000	11,968,000	11,968,000	11,968,000	+1,472,000	-750,000		
Subtotal	87,632,000	93,525,000	93,202,000	93,202,000	93,202,000	+5,570,000	-323,000		
Federal funds	87,407,000	93,275,000	92,952,000	92,952,000	92,952,000	+5,545,000	-323,000		
Trust funds	(225,000)	(250,000)	(250,000)	(250,000)	(250,000)	(+25,000)			
Transition period	22,513,000					-22,513,000			
Federal funds	22,457,000					-22,457,000			
Trust funds	(56,000)					(-56,000)			
Special benefits:									
Federal employees compensation act benefits	275,959,000	285,276,000	285,276,000	285,276,000	285,276,000	+9,317,000			
Disabled coal miners benefits	20,000,000	30,100,000	30,100,000	30,100,000	30,100,000	+10,100,000			
Longshore and harbor workers' benefits	2,141,000	2,442,000	2,442,000	2,442,000	2,442,000	+301,000			
Subtotal	298,100,000	317,818,000	317,818,000	317,818,000	317,818,000	+19,718,000			
Transition period	80,800,000					-80,008,000			
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION									
Salaries and expenses:									
Safety and health standards	6,747,000	10,856,000	9,194,000	8,194,000	8,194,000	+1,447,000	-2,662,000	$-1,000,000	
Compliance:									
Federal inspections	50,949,000	52,082,000	52,082,000	62,082,000	55,582,000	+4,633,000	+3,500,000	+3,500,000	$-6,500,000
State programs	35,600,000	38,100,000	38,100,000	38,100,000	38,100,000	+2,500,000			
Education, consultation and information	13,935,000	20,061,000	20,736,000	16,236,000	18,736,000	+4,801,000	-1,325,000	-2,000,000	+2,500,000
Safety and health statistics	5,977,000	6,159,000	6,159,000	6,159,000	6,159,000	+182,000			
Executive direction and administration	3,973,000	3,562,000	3,562,000	3,562,000	3,562,000	-411,000			
Subtotal	117,181,000	130,820,000	129,833,000	134,333,000	130,333,000	+13,152,000	-487,000	+500,000	-4,000,000
Transition period	29,400,000					-29,400,000			
BUREAU OF LABOR STATISTICS									
Salaries and expenses:									
Manpower and employment	24,979,000	26,630,000	26,598,000	26,598,000	26,598,000	+1,619,000	-32,000		
Prices and cost of living	10,479,000	16,310,000	14,985,000	16,240,000	15,807,000	+5,328,000	-503,000	+822,000	-433,000
Wages and industrial relations	9,231,000	11,202,000	11,164,000	11,164,000	11,164,000	+1,933,000	-38,000		
Productivity and technology	2,269,000	2,587,000	2,576,000	2,576,000	2,576,000	+307,000	-11,000		
Economic growth	1,029,000	710,000	706,000	706,000	706,000	-323,000	-4,000		
Executive direction and staff services	10,598,000	10,597,000	10,553,000	10,553,000	10,553,000	-45,000	-44,000		
Revision of the consumer price index	7,261,000	5,652,000	5,614,000	5,614,000	5,614,000	-1,647,000	-38,000		
Subtotal	65,846,000	73,688,000	72,196,000	73,451,000	73,018,000	+7,172,000	-670,000	+822,000	-433,000
Transition period	16,590,000					-16,590,000			
DEPARTMENTAL MANAGEMENT									
Salaries and expenses:									
Executive direction	7,530,000	10,802,000	10,568,000	10,438,000	10,516,000	+2,986,000	-286,000	-52,000	+78,000
Trust funds		(313,000)	(313,000)	(313,000)	(313,000)	(+313,000)			
Legal services	9,767,000	18,752,000	18,730,000	18,730,000	18,704,000	+8,937,000	-48,000	-26,000	-26,000
Trust funds	(175,000)	(177,000)	(177,000)	(177,000)	(177,000)	(+2,000)			
International labor affairs	4,388,000	4,712,000	4,692,000	4,692,000	4,666,000	+278,000	-46,000	-26,000	-26,000
Administration and management	9,936,000	13,665,000	13,657,000	13,657,000	13,631,000	+3,695,000	-34,000	-26,000	-26,000
Trust funds	(732,000)	(815,000)	(815,000)	(815,000)	(815,000)	(+83,000)			
Appeals from determination of Federal employee claims	267,000	272,000	272,000	272,000	272,000	+5,000			
Promoting employment of the handicapped	1,352,000	1,393,000	1,393,000	1,393,000	1,393,000	+41,000			
Grants to States	5,000,000					-5,000,000			
Subtotal, salaries and expenses	33,240,000	49,596,000	49,312,000	49,182,000	49,182,000	+10,942,000	-414,000	-130,000	
Subtotal, trust funds	(907,000)	(1,305,000)	(1,305,000)	(1,305,000)	(1,305,000)	(+398,000)			
Special foreign currency program	70,000	70,000	70,000	70,000	70,000				

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE I—DEPARTMENT OF LABOR—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bil
DEPARTMENTAL MANAGEMENT—Continued									
Salaries and expenses—Continued									
Subtotal, Departmental Management	$39,217,000	$50,971,000	$50,687,000	$50,557,000	$50,557,000	+$11,340,000	−$414,000	−$130,000	
Federal funds	38,310,000	49,666,000	49,382,000	49,252,000	49,252,000	+10,942,000	−414,000	−130,000	
Trust funds	(907,000)	(1,305,000)	(1,305,000)	(1,305,000)	(1,305,000)	(+398,000)			
Transition period	8,901,000					−8,901,000			
Federal funds	8,674,000					−8,674,000			
Trust funds	(227,000)					(−227,000)			
Total, Labor Department	11,862,248,000	10,906,438,000	11,576,947,000	11,583,171,000	11,578,138,000	−284,110,000	+671,700,000	+1,191,000	−$5,033,000
Federal funds	10,415,010,000	9,519,096,000	10,131,805,000	10,196,429,000	10,132,996,000	−282,014,000	+613,900,000	+1,191,000	−63,433,000
Trust funds	(1,447,238,000)	(1,387,342,000)	(1,445,142,000)	(1,386,742,000)	(1,445,142,000)	(−2,096,000)	(+57,800,000)		(+58,400,000)
Transition period	1,170,266,000					−1,170,266,000			
Federal funds	882,253,000					−882,253,000			
Trust funds	(270,790,000)					(−270,790,000)			

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bil
HEALTH SERVICES ADMINISTRATION									
Community health services:									
Community health centers	$196,648,000	$155,190,000	$215,148,000	$220,148,000	$215,148,000	+$18,500,000	+$59,958,000		−$5,000,000
Comprehensive health grants to States	90,000,000		90,000,000	90,000,000	90,000,000		+90,000,000		
Maternal and child health:									
Grants to States	295,700,000	193,922,000	310,000,000	327,000,000	317,000,000	+21,300,000	+123,078,000	+$7,000,000	−10,000,000
Sudden infant death information dissemination	2,500,000			3,000,000	2,000,000	−500,000	+2,000,000	+2,000,000	−1,000,000
Research and training	23,708,000	17,500,000	26,708,000	30,708,000	28,708,000	+5,000,000	+11,028,000	+2,000,000	−2,000,000
Subtotal	321,908,000	211,422,000	336,708,000	360,708,000	347,708,000	+25,800,000	+136,286,000	+11,000,000	−13,000,000
Family planning	100,615,000	79,435,000	100,615,000	122,615,000	113,615,000	+13,000,000	+34,180,000	+13,000,000	−9,000,000
Migrant health	25,000,000	19,200,000	30,000,000	30,000,000	30,000,000	+5,000,000	+10,800,000		
Health maintenance organizations	18,612,000	18,612,000	22,612,000	22,612,000	22,612,000	+4,000,000	+4,000,000		
National Health Service Corps	(15,000,000)	(24,529,000)			(*)	(−15,000,000)	(−24,529,000)		
Hemophilia treatment centers	3,000,000		3,000,000	3,000,000	3,000,000		+3,000,000		
Hypertension	3,750,000		5,000,000	10,000,000	9,000,000	+5,250,000	+9,000,000	+4,000,000	−1,000,000
Home health services	(3,000,000)					(−3,000,000)			
Quality assurance:									
Medical care standards	5,187,000	4,187,000	5,187,000	4,187,000	4,187,000	−1,000,000		−1,000,000	
Professional standards review organizations	47,582,000	62,000,000	62,000,000	62,000,000	62,000,000	+14,418,000			
Patient care and special health services	117,970,000	106,970,000	120,209,000	129,209,000	128,209,000	+10,239,000	+21,239,000	+8,000,000	−1,000,000
(PHS hospitals)	(92,702,000)	(79,664,000)	(92,903,000)	(101,903,000)	(100,903,000)	(+9,201,000)	(+22,239,000)	(+8,000,000)	
Emergency medical services	(37,025,000)	(25,100,000)			(*)	(−37,025,000)	(−25,100,000)		
Buildings and facilities				11,000,000					−11,000,000
Program management	30,663,000	29,663,000	30,663,000	30,663,000	30,663,000		+1,000,000		
Less: Trust fund transfer	−26,321,000	−39,121,000	−40,121,000	−40,121,000	−40,121,000	−13,800,000	−1,000,000		
Subtotal, authorized	934,614,000	647,558,000	981,021,000	1,056,021,000	1,016,021,000	+81,407,000	+368,463,000	+35,000,000	−40,000,000
Subtotal, unauthorized	(55,025,000)	(49,629,000)							
Transition period	224,788,000								
CENTER FOR DISEASE CONTROL									
Disease control:									
Project grants:									
Venereal disease	19,840,000	19,840,000	(*)	16.013,000	18,000,000	−1,840,000	−1,840,000	+18,000,000	+1,987,000
Immunization	4,960,000	4,960,000	(*)	17,500,000	13,000,000	+8,040,000	+8,040,000	+13,000,000	−4,500,000
Rat control	13,100,000	5,410,000	(*)	14,000,000	13,000,000	−100,000	+7,590,000	+13,000,000	−1,000,000
Lead-based paint poisoning prevention	3,500,000	3,500,000	(*)	12,000,000	8,500,000	+5,000,000	+5,000,000	+5,500,000	−3,500,000
Disease surveillance	43,411,000	43,411,000	44,756,000	46,656,000	44,756,000	+1,345,000	+1,345,000		−1,900,000
Laboratory improvements	10,601,000	15,063,000	15,063,000	15,063,000	15,063,000	+4,462,000			
Health education	3,513,000	3,013,000	3,513,000	7,000,000	4,513,000	+1,000,000	+1,500,000	+1,000,000	+2,487,000
Swine Flu Immunization Program	135,064,000					−135,064,000			
Occupational health	39,533,000	37,107,000	46,707,000	50,007,000	46,707,000	+7,174,000	+9,600,000		−3,300,000
Buildings and facilities	1,456,000					−1,456,000			
Program management	10,439,000	10,989,000	11,689,000	11,689,000	11,689,000	+1,250,000	+700,000		
Subtotal	285,417,000	143,293,000	121,728,000	189,928,000	175,228,000	−110,189,000	+31,935,000	+53,500,000	−14,700,000
Transition period	28,032,000								
NATIONAL INSTITUTES OF HEALTH									
National Cancer Institute	762,647,000	687,670,000	773,412,000	850,000,000	815,000,000	+52,353,000	+127,330,000	+41,588,000	−35,000,000
National Heart, Lung and Blood Institute	370,347,000	342,855,000	380,661,000	420,661,000	396,661,000	+26,314,000	+53,806,000	+16,000,000	−24,000,000
National Institute of Dental Research	51,427,000	52,207,000	54,573,000	59,573,000	55,573,000	+4,146,000	+3,366,000	+1,000,000	−4,000,000
National Institute of Arthritis, Metabolism, and Digestive Diseases	179,801,000	180,837,000	202,837,000	230,837,000	209,000,000	+29,199,000	+28,163,000	+6,163,000	−21,837,000
National Institute of Neurological and Communicative Disorders and Stroke	144,707,000	146,532,000	153,132,000	163,132,000	155,500,000	+10,793,000	+8,968,000	+2,368,000	−7,632,000
National Institute of Allergy and Infectious Diseases	127,163,000	135,615,000	139,615,000	143,615,000	141,000,000	+13,837,000	+5,385,000	+1,385,000	−2,615,000
National Institute of General Medical Sciences	187,388,000	193,435,000	198,435,000	218,435,000	205,000,000	+17,612,000	+11,565,000	+6,565,000	−13,435,000
National Institute of Child Health and Human Development	136,573,000	129,883,000	140,343,000	150,343,000	145,543,000	+8,970,000	+15,660,000	+5,200,000	−4,800,000
National Institute on Aging	19,388,000	26,220,000	29,200,000	31,200,000	30,000,000	+10,612,000	+3,780,000	+800,000	−1,200,000

* Not considered due to lack of authorizing legislation.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
NATIONAL INSTITUTES OF HEALTH—**Continued**									
National Eye Institute	$50, 285, 000	$46, 950, 000	$56, 270, 000	$70, 000, 000	$64, 000, 000	+$13, 715, 000	+$17, 050, 000	+$7, 730, 000	−$6, 000, 000
National Institute of Environmenta lHealth Sciences	37, 780, 000	46, 141, 000	49, 141, 000	49, 141, 000	49, 141, 000	+11, 361, 000	+3, 000, 000		
Research resources	130, 300, 000	92, 342, 000	136, 299, 000	142, 299, 000	137, 500, 000	+7, 200, 000	+45, 158, 000	+1, 201, 000	−4, 799, 000
John E. Fogarty International Center	5, 694, 000	7, 492, 000	7, 992, 000	7, 992, 000	7, 992, 000	+2, 298, 000	+500, 000		
National Library of Medicine	29, 244, 000	35, 234, 000	35, 234, 000	35, 234, 000	35, 234, 000	+5, 990, 000			
Office of the Director	$15, 325, 000	16, 234, 000	16, 234, 000	16, 234, 000	16, 234, 000	+909, 000			
Buildings and facilities	54, 000, 000	25, 400, 000	67, 400, 000	67, 400, 000	67, 400, 000	+13, 400, 000	+42, 000, 000		
Subtotal	2, 302, 069, 000	2, 165, 047, 000	2, 440, 778, 000	2, 656, 096, 000	2, 530, 778, 000	+228, 709, 000	+365, 731, 000	+90, 000, 000	−125, 318, 000
Transition period	444, 550, 000								
BIOMEDICAL RESEARCH—BY ACTIVITY (NONADD)									
Research grants:									
Regular programs:									
Noncompeting	651, 050, 000	715, 687, 000	717, 687, 000	717, 687, 000	717, 687, 000				
Competing	260, 058, 000	160, 589, 000	248, 510, 000	334, 345, 000	277, 426, 000				
Subtotal	911, 108, 000	876, 276, 000	966, 197, 000	1, 052, 032, 000	995, 113, 000				
Biomedical research support	42, 957, 000	0	40, 957, 000	42, 857, 000	40, 957, 000				
Minority research support	7, 610, 000	7, 783, 000	8, 783, 000	10, 483, 000	9, 783, 000				
Special programs	307, 876, 000	322, 284, 000	334, 327, 000	370, 363, 000	356, 564, 000				
Subtotal, research grants	1, 269, 551, 000	1, 198, 344, 000	1, 350, 264, 000	1, 475, 735, 000	1, 402, 417, 000				
Research training programs	123, 646, 000	108, 501, 000	123, 451, 000	150, 826, 000	134, 142, 000				
Research and development contracts	369, 290, 000	344, 275, 000	378, 717, 000	420, 810, 000	399, 318, 000				
Intramural and other direct operations	343, 673, 000	382, 443, 000	375, 250, 000	383, 600, 000	376, 003, 000				
Disease control	56, 806, 000	51, 386, 000	56, 906, 000	63, 625, 000	60, 666, 000				
Construction grants	25, 000, 000	10, 339, 000	20, 000, 000	25, 000, 000	22, 000, 000				
Program management	15, 534, 000	36, 359, 000	17, 322, 000	17, 632, 000	17, 364, 000				
Subtotal, Biomedical Research	2, 203, 500, 000	2, 088, 179, 000	2, 321, 910, 000	2, 537, 228, 000	2, 411, 910, 000				
ALCOHOL, DRUG ABUSE AND MENTAL HEALTH ADMINISTRATION									
General mental health:									
Research	95, 908, 000	83, 000, 000	105, 908, 000	107, 908, 000	106, 908, 000	+11, 000, 000	+23, 908, 000	+1, 000, 000	−1, 000, 000
Training	85, 100, 000	30, 000, 000	85, 100, 000	88, 100, 000	86, 600, 000	+1, 500, 000	+56, 600, 000	+1, 500, 000	−1, 500, 000
Community programs:									
Planning	1, 500, 000		1, 000, 000	1, 000, 000	1, 000, 000	−500, 000	+1, 000, 000		
Operations:									
First year	24, 000, 000		29, 000, 000	24, 000, 000	26, 500, 000	+2, 500, 000	+26, 500, 000	−2, 500, 000	+2, 500, 000
Continuation:									
Grants initiated under new law			21, 840, 000	21, 840, 000	21, 840, 000	+21, 840, 000	+21, 840, 000		
Converting staffing grants			54, 768, 000	54, 768, 000	54, 768, 000	+54, 768, 000	+54, 768, 000		
Conversion	20, 000, 000		20, 000, 000	20, 000, 000	20, 000, 000		+20, 000, 000		
Consultation and education	4, 000, 000		8, 000, 000	8, 000, 000	8, 000, 000	+4, 000, 000	+8, 000, 000		
Financial distress	4, 000, 000		7, 000, 000	7, 000, 000	7, 000, 000	+3, 000, 000	+7, 000, 000		
Continuations under old law:									
Staffing	135, 363, 000	110, 526, 000	78, 891, 000	78, 891, 000	78, 891, 000	−56, 472, 000	−31, 635, 000		
Child mental health	26, 844, 000	20, 274, 000	14, 847, 000	14, 847, 000	14, 847, 000	−11, 997, 000	−5, 427, 000		
Management and information	22, 229, 000	20, 414, 000	22, 714, 000	22, 714, 000	22, 714, 000	+485, 000	+2, 300, 000		
Subtotal	418, 944, 000	264, 214, 000	449, 068, 000	449, 068, 000	449, 068, 000	+30, 124, 000	+184, 854, 000		
Drug abuse:									
Research	34, 000, 000	34, 000, 000	34, 000, 000	34, 000, 000	34, 000, 000				
Training	10, 000, 000	4, 000, 000	10, 000, 000	10, 000, 000	10, 000, 000		+6, 000, 000		
Community programs:									
Project grants and contracts	139, 051, 000	160, 000, 000	160, 000, 000	160, 000, 000	160, 0000, 00	+20, 949, 000			
Grants to States	35, 000, 000	35, 000, 000	40, 000, 000	40, 000, 000	40, 000, 000	+5, 000, 000	+5, 000, 000		
Management and information	14, 121, 000	14, 827, 000	15, 472, 000	15, 472, 000	15, 472, 000	+1, 351, 000	+645, 000		
Subtotal	232, 172, 000	247, 827, 000	259, 472, 000	259, 472, 000	259, 472, 000	+27, 300, 000	+11, 645, 000		
Alcoholism:									
Research	11, 808, 000	10, 000, 000	11, 808, 000	14, 008, 000	12, 808, 000	+1, 000, 000	+2, 808, 000	+1, 000, 000	−1, 200, 000
Training	7, 458, 000	2, 000, 000	6, 500, 000	7, 458, 000	7, 200, 000	−258, 000	+5, 200, 000	+700, 000	−258, 000
Community programs:									
Project grants and contracts	12, 859, 000	2, 546, 000	12, 859, 000	12, 859, 000	12, 859, 000		+10, 313, 000		
Items not authorized	(43, 549, 000)	(30, 905, 000)			(*)	(−43, 549, 000)	(−30, 905, 000)		
Grants to States	(55, 500, 000)	(45, 600, 000)			(*)	(−55, 500, 000)	(−45, 600, 000)		
Management and information	8, 053, 000	7, 011, 000	8, 346, 000	8, 346, 000	8, 346, 000	+293, 000	+1, 335, 000		
Subtotal, authorized	40, 178, 000	21, 557, 000	39, 513, 000	42, 671, 000	41, 213, 000	+1, 035, 000	+19, 656, 000	+1, 700, 000	−1, 458, 000
Subtotal, unauthorized	(99, 049, 000)	(76, 505, 000)				(−99, 049, 000)	(−76, 505, 000)		
Program direction	11, 059, 000	13, 228, 000	13, 388, 000	13, 388, 000	13, 388, 000	+2, 329, 000	+160, 000		
Subtotal, authorized	702, 353, 000	546, 826, 000	761, 441, 000	764, 599, 000	763, 141, 000	+60, 788, 000	+216, 315, 000	+1, 700, 000	−1, 458, 000
Subtotal, unauthorized	(99, 049, 000)	(76, 505, 000)				(−99, 049, 000)	(−76, 505, 000)		
Transition period	97, 394, 000					−97, 394, 000			
Saint Elizabeths Hospital	55, 125, 000	57, 964, 000	60, 464, 000	60, 464, 000	60, 464, 000	+5, 339, 000	+2, 500, 000		
Transition period	16, 250, 000					−16, 250, 000			
Building and facilities	10, 600, 000			25, 000, 000		−10, 600, 000			−25, 000, 000
Subtotal, ADAMHA authorized	768, 078, 000	604, 790, 000	821, 905, 000	850, 063, 000	823, 605, 000	+55, 527, 000	+218, 815, 000	+1, 700, 000	−26, 458, 000
Subtotal, unauthorized	(99, 049, 000)	(76, 505, 000)				(−99, 049, 000)	(−76, 505, 000)		
Transition period	113, 644, 000					−113, 644, 000			

* Not considered due to lack of authorizing legislation.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
HEALTH RESOURCES ADMINISTRATION									
National health statistics	$25,636,000	$24,000,000	$27,636,000	$27,636,000	$27,636,000	+$2,000,000	+$3,636,000		
Health planning and resources development	90,000,000	90,000,000	120,000,000	130,000,000	125,000,000	+35,000,000	+35,000,000	+$5,000,000	−$5,000,000
Health services research	26,000,000	24,000,000	26,000,000	24,000,000	24,000,000	−2,000,000		−2,000,000	
Health manpower:									
Health professions institutional assistance:									
Capitation grants	(101,100,000)	(120,000,000)			(*)	(−101,100,000)	(−120,000,000)		
Start-up and conversion	(3,000,000)	(1,000,000)			(*)	(−3,000,000)	(−1,000,000)		
Financial distress	(5,000,000)	(3,000,000)			(*)	(−5,000,000)	(−3,000,000)		
Subtotal	(109,100,000)	(124,000,000)				(−109,100,000)	(−124,000,000)		
Health professions student assistance:									
Loans	(24,000,000)				(*)	(−24,000,000)			
Scholarships	(3,500,000)				(*)	(−3,500,000)			
Loan repayments	(6,000,000)				(*)	(−6,000,000)			
National health service scholarships	(22,500,000)	(35,000,000)				(−22,500,000)	(−35,000,000)		
Subtotal, authorized									
Subtotal, unauthorized	(56,000,000)	(35,000,000)				(−56,000,000)	(−35,000,000)		
Health professions special educational assistance:									
Family medicine	(15,000,000)	(39,000,000)			(*)	(−15,000,000)	(−39,000,000)		
Primary care		(18,000,000)			(*)		(−18,000,000)		
Area health education centers	(12,000,000)	(19,000,000)			(*)	(−12,000,000)	(−19,000,000)		
Phyician extenders	(8,000,000)	(8,500,000)			(*)	(−8,000,000)	(−8,500,000)		
Dental health	(8,442,000)	(7,500,000)			(*)	(−8,442,000)	(−7,500,000)		
Special project grants	(86,424,000)	(24,000,000)			(*)	(−86,424,000)	(−24,000,000)		
Other	(27,525,000)	(8,000,000)			(*)	(−27,525,000)	(−8,000,000)		
Subtotal	(157,391,000)	(124,000,000)				(−157,391,000)	(−124,000,000)		
Nursing institutional assistance:									
Capitation grants	44,000,000		44,000,000	40,000,000	40,000,000	−4,000,000	+40,000,000	−4,000,000	
Financial distress grants		1,000,000					−1,000,000		
Advanced nurse training	2,000,000	3,000,000	9,000,000	9,000,000	9,000,000	+7,000,000	+6,000,000		
Nurse practitioner training	3,000,000	7,000,000	9,000,000	9,000,000	9,000,000	+6,000,000	+2,000,000		
Special projects	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000				
Subtotal	64,000,000	26,000,000	77,000,000	73,000,000	73,000,000	+9,000,000	+47,000,000	−4,000,000	
Nursing student assistance:									
Loans	21,000,000	5,000,000	22,500,000	22,500,000	22,500,000	+1,500,000	+17,500,000		
Scholarships	6,000,000	2,000,000	6,500,000	6,500,000	6,500,000	+500,000	+4,500,000		
Traineeships	13,000,000		13,000,000	13,000,000	13,000,000		+13,000,000		
Loan repayment	2,500,000	3,000,000	3,000,000	3,000,000	3,000,000	+500,000			
Fellowships				1,000,000	1,000,000	+1,000,000	+1,000,000	+1,000,000	
Subtotal	42,500,000	10,000,000	45,000,000	46,000,000	46,000,000	+3,500,000	+36,000,000	+1,000,000	
Nursing research			2,000,000	5,000,000	5,000,000	+5,000,000	+5,000,000	+3,000,000	
Subtotal, Health Manpower	106,500,000	36,000,000	124,000,000	124,000,000	124,000,000	+17,500,000	+88,000,000		
Subtotal, Unauthorized	(322,491,000)	(283,000,000)				(−322,491,000)	(−283,000,000)		
Health facilities construction:									
Medical facilities:									
Formula grants	57,923,000					−57,923,000			
Project grants	16,337,000					−16,337,000			
Subtotal	74,260,000					−74,260,000			
Health teaching fac. interest subsidies	3,000,000					−3,000,000			
Special medical facilities	11,575,000		4,000,000	9,000,000	9,000,000	−2,575,000	+9,000,000	+5,000,000	
Subtotal	88,835,000		4,000,000	9,000,000	9,000,000	−79,835,000	+9,000,000	+5,000,000	
Program management	48,484,000	49,300,000	50,260,000	48,484,000	49,372,000	+888,000	+72,000	−888,000	+888,000
Less: Trust fund transfer	−42,000					+42,000			
Subtotal, Health Resources Authorized	385,413,000	223,300,000	351,896,000	363,120,000	359,008,000	−26,405,000	+135,708,000	+7,112,000	−4,112,000
Subtotal, Unauthorized	(322,491,000)	(283,000,000)							
Payments of sales insufficiencies	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000				
Medical Facilities Guarantee and Loan Fund	10,000,000	31,000,000	31,000,000	31,000,000	31,000,000	+21,000,000			
Subtotal, Authorized	399,413,000	258,300,000	386,896,000	398,120,000	394,008,000	−5,405,000	+135,708,000	+7,112,000	−4,112,000
Subtotal, Unauthorized	(322,491,000)	(283,000,000)				(−322,491,000)	(−283,000,000)		
Transition period	144,755,000					−144,755,000			
ASSISTANT SECRETARY FOR HEALTH									
Salaries and expenses	21,618,000	22,216,000	22,416,000	22,216,000	22,316,000	+698,000	+100,000	−100,000	+100,000
Retirement pay and medical benefits for commissioned officers	45,013,000	52,352,000	52,352,000	52,352,000	52,352,000	+7,339,000			
Scientific activities overseas		1,500,000	1,500,000	1,500,000	1,500,000	+1,500,000			
Subtotal, OASH	66,631,000	76,068,000	76,268,000	76,068,000	76,168,000	+9,537,000	+100,000	−100,000	+100,000
Transition period	19,037,000					−19,037,000			
Subtotal, Health Authorized	4,756,222,000	3,895,056,000	4,828,596,000	5,226,296,000	5,015,808,000	+259,586,000	+1,120,752,000	+187,212,000	−210,488,000
Subtotal, Health Unauthorized	(476,565,000)	(409,134,000)				(−476,565,000)	(−409,134,000)		

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
EDUCATION DIVISION									
Office of Education									
ELEMENTARY AND SECONDARY EDUCATION									
Grants for disadvantaged children (Title I)	$2,050,000,000	$1,900,000,000	$2,250,000,000	$2,350,000,000	$2,285,000,000	+$235,000,000	+$385,000,000	+$35,000,000	−$65,000,000
Support and innovation grants	184,521,852	172,888,000	194,000,000	194,000,000	194,000,000	+9,478,148	+21,112,000		
Bilingual education	98,970,000	90,000,000	115,000,000	115,000,000	115,000,000	+16,030,000	+25,000,000		
Right to Read	23,800,000	12,000,000	22,000,000	31,300,000	26,000,000	+2,200,000	+14,000,000	+4,000,000	−5,300,000
Follow Through	59,000,000	30,000,000	59,000,000	59,000,000	59,000,000		+29,000,000		
Drug abuse education	2,000,000		2,000,000	3,000,000	2,000,000		+2,000,000		−1,000,000
Environmental education	3,000,000		3,000,000	4,000,000	3,500,000	+500,000	+3,500,000	+500,000	−500,000
Educational broadcasting facilities	12,500,000	7,000,000	(*)	18,000,000	15,000,000	+2,500,000	+8,000,000	+15,000,000	−3,000,000
Ellender fellowships	500,000		500,000	750,000	750,000	+250,000	+750,000	+250,000	
Ethnic heritage studies	1,800,000	1,800,000	2,500,000	1,800,000	2,300,000	+500,000	+500,000	−200,000	+500,000
State equalization grants			10,500,000	10,500,000	10,500,000	+10,000,000	+10,500,000		
Unallocated funds				9,478,000					−9,478,000
Subtotal	2,436,091,852	2,213,688,000	2,658,500,000	2,796,828,000	2,713,050,000	+276,958,148	+499,362,000	+54,550,000	−83,778,000
SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS									
Maintenance and operations:									
Payments for "A" children	248,737,758	249,400,000	251,272,000	251,272,000	251,272,000	+2,534,242	+1,872,000		
Payments for "B" children	341,597,262		356,800,000	356,800,000	356,800,000	+15,202,738	+356,800,000		
Special provisions	12,664,980	13,100,000	13,100,000	13,100,000	13,100,000	+435,020			
Payments to other Federal agencies	46,000,000	52,500,000	52,500,000	52,500,000	52,500,000	+6,500,000			
Savings provisions	35,000,000		94,328,000	94,328,000	94,328,000	+59,328,000	+94,328,000		
Subtotal	684,000,000	315,000,000	768,000,000	768,000,000	768,000,000	+84,000,000	+453,000,000		
Construction	20,000,000	10,000,000	20,000,000	30,000,000	25,000,000	+5,000,000	+15,000,000	+5,000,000	−5,000,000
Subtotal	704,000,000	325,000,000	788,000,000	798,000,000	793,000,000	+89,000,000	+468,000,000	+5,000,000	−5,000,000
Transition period	70,000,000					−70,000,000			
EMERGENCY SCHOOL AID									
National competition projects:									
Bilingual education projects	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000				
Educational television	6,450,000	6,450,000	6,450,000	6,450,000	6,450,000				
Special programs and projects	40,750,000	21,500,000	21,500,000	50,000,000	35,750,000	−5,000,000	+14,250,000	+14,250,000	−14,250,000
Evaluation	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000				
State apportioned projects:									
Pilot programs	32,250,000	32,250,000	32,250,000	32,250,000	32,250,000				
Grants to non-profit organizations	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000				
General grants to school districts	137,600,000	126,850,000	126,850,000	137,600,000	137,600,000		+10,750,000	+10,750,000	
Subtotal, Emergency School Aid	245,000,000	215,000,000	215,000,000	254,250,000	240,000,000	−5,000,000	+25,000,000	+25,000,000	−14,250,000
Transition period	3,000,000					−3,000,000			
Civil rights advisory services	26,700,000	34,700,000	34,700,000	40,700,000	34,700,000	+8,000,000			−6,000,000
Subtotal	271,700,000	249,700,000	249,700,000	294,950,000	274,700,000	+3,000,000	+25,000,000	+25,000,000	−20,250,000
Transition period	3,325,000					−3,325,000			
EDUCATION FOR THE HANDICAPPED									
State assistance:									
State grant program	200,000,000	110,000,000	300,000,000	330,000,000	315,000,000	+115,000,000	+205,000,000	+15,000,000	−15,000,000
Deaf-blind centers	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000				
Subtotal	216,000,000	126,000,000	316,000,000	346,000,000	331,000,000	+115,000,000	+205,000,000	+15,000,000	−15,000,000
Special population programs:									
Severely handicapped projects	3,250,000	3,250,000	3,250,000	5,000,000	5,000,000	+1,750,000	+1,750,000	+1,750,000	
Specific learning disabilities	5,000,000	5,000,000	5,000,000	10,000,000	9,000,000	+4,000,000	+4,000,000	+4,000,000	−1,000,000
Early childhood projects	22,000,000	22,000,000	22,000,000	25,000,000	22,000,000				−3,000,000
Subtotal	30,250,000	30,250,000	30,250,000	40,000,000	36,000,000	+5,750,000	+5,750,000	+5,750,000	−4,000,000
Regional vocational, adult, and postsecondary programs	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000				
Innovation and development	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000				
Media and resource services:									
Media services and captioned films	16,250,000	16,000,000	16,000,000	22,000,000	19,000,000	+2,750,000	+3,000,000	+3,000,000	−3,000,000
Regional resource centers	10,000,000	9,750,000	9,750,000	9,750,000	9,750,000	−250,000			
Recruitment and information	500,000	1,000,000	1,000,000	1,000,000	1,000,000	+500,000			
Subtotal	26,750,000	26,750,000	26,750,000	32,750,000	29,750,000	+3,000,000	+3,000,000	+3,000,000	−3,000,000
Special education manpower development	40,375,000	40,375,000	40,375,000	50,375,000	45,375,000	+5,000,000	+5,000,000	+5,000,000	−5,000,000
Preschool incentive grants				25,000,000	12,500,000	+12,500,000	+12,500,000	+12,500,000	−12,500,000
Subtotal	326,375,000	236,375,000	426,375,000	507,125,000	467,625,000	+141,250,000	+231,250,000	+41,250,000	−39,500,000
Transition period	10,500,000					−10,500,000			

* Not considered due to lack of authorizing legislation.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
EDUCATION DIVISION—Con.									
Office of Education—Con.									
OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION									
Vocational education:									
Grants to States for vocational education:									
Basic vocational education program	$415,529,100	$474,368,655	$812,500,000	$812,500,000	$812,500,000	+$396,970,900	+$338,131,345		
(Initial advance appropriation)			(499,316,000)	(499,316,000)	(499,316,000)	(+499,316,000)	(+499,316,000)		
Programs for students with special needs	(20,000,000)				(*)	(−20,000,000)			
Consumer and homemaking education	(40,994,000)				(*)	(−40,994,000)			
Work-study	(9,849,000)				(*)	(−9,849,000)			
Cooperative education	(19,500,000)				(*)	(−19,500,000)			
State advisory councils	4,316,000	4,316,000	7,553,000	7,553,000	7,553,000	+3,237,000	+3,237,000		
Vocational research:									
Innovation	(16,000,000)				(*)	(−16,000,000)			
Curriculum development	(1,000,000)				(*)	(−1,000,000)			
Research	18,000,000	53,503,345	31,500,000	31,500,000	31,500,000	+13,500,000	−22,003,345		
Subtotal, authorized	437,845,100	532,188,000	851,553,000	851,553,000	851,563,000	+413,707,900	+319,365,000		
Subtotal, unauthorized	(107,343,000)					(−107,343,000)			
Adult education	71,500.000	67,500,000	77,000,000	85,000,000	80,500,000	+9,000,000	+13,000,000	+$3,500,000	−$4,500,000
Subtotal, authorized	509,345,100	599,688,000	928,553,000	936,553,000	932,053,000	+422,707,900	+332,365,000	+3,500,000	−4,500,000
Subtotal, unauthorized	(107,343,000)					(−107,343,000)			
Transition period	151,000,000					−151,000,000			
HIGHER EDUCATION									
Student assistance:									
Basic educational opportunity grants	(1,506,000,000)	(1,100,000,000)			(*)	(−1,506,000,000)	(−1,100,000,000)		
Supplemental educational opportunity grants	(240,093,000)				(*)	(−240,093,000)			
Work-study	(509,800,000)	(250,000,000)			(*)	(−509,800,000)	(−250,000,000)		
Subsidized insured loans-interest subsidies	377,620,000	325,000,000	325,000,000	325,000,000	325,000,000	−52,620,000			
Items not authorized	(74,380,000)	(75,000,000)			(*)	(−74,380,000)	(−75,000,000)		
Direct loans:									
Federal capital contributions	(321,000,000)				(*)	(−321,000,000)			
Loans to institutions	(2,000,000)				(*)	(−2,000,000)			
Teacher cancellations	8,960,000	11,920,000	11,920,000	11,920,000	11,920,000	+2,960,000			
Incentive grants for State scholarships	(44,000,000)	(44,000,000)			(*)	(−44,000,000)	(−44,000,000)		
Subtotal, authorized	386,580,000	336,920,000	336,920,000	336,920,000	336,920,000	−49,660,000			
Subtotal, unauthorized	(2,697,273,000)	(1,469,000,000)			(*)	(−2,697,273,000)	(−1,469,000,000)		
Special programs for the disadvantaged	(70,331,000)	(60,331,000)				(−70,331,000)	(−60,331,000)		
Institutional assistance:									
Strengthening developing institutions	(110,000,000)	(110,000,000)			(*)	(−110,000,000)	(−110,000,000)		
Language training and area studies	2,700,000	1,360,000	3,000,000	3,000,000	3,000,000	+300,000	+1,640,000		
Items not authorized	(13,300,000)	(8,640,000)			(*)	(−13,300,000)	(−8,640,000)		
University community services	(12,125,000)				(*)	(−12,125,000)			
Aid to land-grant colleges	9,500,000		9,500,000	12,000,000	11,500,000	+2,000,000	+11,500,000	+2,000,000	−500,000
State postsecondary education commissions	(3,500,000)				(*)	(−3,500,000)			
Veterans cost of instruction	(23,750,000)				(*)	(−23,750,000)			
Cooperative education	(10,750,000)	(8,000,000)			(*)	(−10,750,000)	(−8,000,000)		
Subtotal authorized	12,200,000	1,360,000	12,500,000	15,000,000	14,500,000	+2,300,000	+13,140,000	+2,000,000	−500,000
Subtotal, unauthorized	(173,425,000)	(126,640,000)				(−173,425,000)	(−126,640,000)		
Personnel development:									
College teacher fellowships	(1,000,000)				(*)	(−1,000,000)			
Training for disadvantaged	750,000		750,000	750,000	750,000		+750,000		
Public service fellowships	(4,000,000)				(*)	(−4,000,000)			
Mining fellowships	(3,000.000)				(*)	(−3,000,000)			
Subtotal	750,000		750.000	750,000	750,000		+750,000		
Subtotal, authorized	399,530,000	338,280,000	350,170,000	352,670,000	352,170,000	+47,360,000	+13,890,000	+2,000,000	−500,000
Subtotal, unauthorized	(2,949,029,000)	(1,655,971,000)				(−2,949,029,000)	(−1,655,971,000)		
Transition period	124,000,000					−124,000,000			
LIBRARY RESOURCES									
Public library services	51,749,000	51,749,000	56,749,000	66,749,000	60,237,000	+8,488,000	+8,488,000	+3,488,000	−6,512,000
School libraries and instructional resources	147,330,000	137,330,000	147,330,000	162,330,000	154,330,000	+7,000,000	+17,000,000	+7,000,000	−8,000,000
College library resources	(9,975,000)	(9,975,000)			(*)	(−9,975,000)	(−9,975,000)		
Training and demonstration	(1,500,000)				(*)	(−1,500,000)			
Undergraduate instructional equipment	(7,500,000)				(*)	(−7,500,000)			
Subtotal, authorized	199,079,000	189,079,000	204,079,000	229,079,000	214,567,000	+15,488,000	+25,488,000	+10,488,000	−14,512,000
Subtotal, unauthorized	(18,975,000)	(9,975,000)				(−18,975,000)	(−9,975,000)		
Transition period	12,937,000					−12,937,000			

* Not considered due to lack of authorizing legislation.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
EDUCATION DIVISION—Con.									
Office of Education—Con.									
SPECIAL PROJECTS AND TRAINING									
Special projects:									
Metric education projects	$2,090,000	$1,045,000	$2,090,000	$2,090,000	$2,090,000		+$1,045,000		
Gifted and talented children	2,560,000	1,280,000	2,560,000	2,560,000	2,560,000		+1,280,000		
Community schools	3,553,000	1,777,000	3,533,000	3,553,000	3,553,000		+1,776,000		
Career education	10,135,000	10,135,000	10,135,000	10,135,000	10,135,000				
Consumer education	3,135,000	1,567,000	3,135,000	3,135,000	3,135,000		+1,568,000		
Women's educational equity	6,270,000	5,896,000	6,270,000	9,970,000	7,270,000	+1,000,000	+1,374,000	+$1,000,000	−$2,700,000
Arts in education program	750,000	750,000	750,000	2,000,000	1,750,000	+1,000,000	+1,000,000	+1,000,000	−250,000
Packaging and field testing	1,400,000	3,900,000	10,000,000	10,000,000	10,000,000	+8,600,000	+6,100,000		
Educational TV programming	7,000,000	3,500,000	7,000,000	7,000,000	7,000,000		+3,500,000		
Subtotal	36,893,000	29,850,000	45,493,000	50,443,000	47,493,000	+10,600,000	+17,643,000	+2,000,000	−2,950,000
Educational personnel training:									
Teacher Corps	(37,500,000)	(37,500,000)			(*)	(−37,500,000)	(−37,500,000)		
Elementary and secondary training	(5,462,000)				(*)	(−5,462,000)			
Vocational training	(10,000,000)				(*)	(−10,000,000)			
Higher education					(*)				
Subtotal, Special projects and training authorized	36,893,000	29,850,000	45,493,000	50,443,000	47,493,000	+10,600,000	+17,643,000	+2,000,000	−2,950,000
Subtotal, unathorized	(52,962,000)	(37,500,000)				(−52,962,000)	(−37,500,000)		
Student Loan Insurance Fund	201,787,000					−201,787,000			
Transition period	30,000,000					−30,000,000			
Higher Education Facilities Loan and Insurance Fund	2,192,000	2,119,000	2,119,000	2,119,000	2,119,000	−73,000			
Transition period	548,000					−548,000			
Educational Activities Overseas:									
Special Foreign Currency Program	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000				
Transition period	200,000					−200,000			
Salaries and Expenses:									
Planning and evaluation	6,383,000	7,000,000	7,000,000	6,500,000	6,500,000	+117,000	−500,000	−500,000	
General program dissemination	500,000	500,000	500,000	500,000	500,000				
Advisory committees	2,454,000	2,041,000	2,041,000	2,041,000	2,041,000	−413,000			
Information clearinghouses	300,000	600,000	600,000	600,000	600,000	+300,000			
Program administration	98,830,000	107,093,000	105,293,000	107,008,000	106,143,000	+7,313,000	−950,000	+850,000	−865,000
Subtotal	108,467,000	117,234,000	115,434,000	116,649,000	115,784,000	+7,317,000	−1,450,000	+350,000	−865,000
Transitional period	24,643,000					−24,643,000			
Subtotal, Office of Education	5,197,459,952	4,303,013,000	5,770,423,000	6,086,416,000	5,914,561,000	+717,101,048	+1,611,548,000	+144,138,000	−171,855,000
Subtotal, Unauthorized	(3,128,309,000)	(1,703,446,000)				(−3,128,309,000)	(−1,703,446,000)		
Transition period	430,153,000					−430,153,000			
NATIONAL INSTITUTE OF EDUCATION									
Research and development	(58,800,000)	(78,300,000)			(*)	(−58,800,000)	(−78,300,000)		
Program administration	(11,200,000)	(11,700,000)			(*)	(−11,200,000)	(−11,700,000)		
Subtotal, unauthorized	(70,000,000)	(90,000,000)				(−70,000,000)	(−90,000,000)		
Transition period	20,000,000					−20,000,000			
ASSISTANT SECRETARY FOR EDUCATION									
Improvement of Post-Secondary Education	(11,500,000)	(11,500,000)			(*)	(−11,500,000)	(−11,500,000)		
Salaries and expenses	8,000,000	8,446,000	8,446,000	8,446,000	8,446,000	+446,000			
National Center for Educational Statistics	13,000,000	13,000,000	13,000,000	12,000,000	12,000,000	−1,000,000	−1,000,000	−1,000,000	
Subtotal, authorized	21,000,000	21,446,000	21,446,000	20,446,000	20,446,000	−554,000	−1,000,000	−1,000,000	
Subtotal, unauthorized	(11,500,000)	(11,500,000)				(−11,500,000)	(−11,500,000)		
Transition period	5,599,000					−5,599,000			
Subtotal, education division	5,218,459,952	4,324,459,000	5,791,869,000	6,106,862,000	5,935,007,000	+716,547,048	+1,610,548,000	+143,138,000	−171,855,000
Subtotal, unauthorized	(3,209,809,000)	(1,804,946,000)				(−3,209,809,000)	(−1,804,946,000)		
Subtotal, transition period	455,752,000					−455,752,000			
SOCIAL AND REHABILITATION SERVICE									
Public Assistance:									
Maintenance assistance	5,897,904,000	6,215,000,000	6,215,000,000	6,215,000,000	6,215,000,000	+317,096,000			
Medical assistance	8,510,026,000	9,292,000,000	9,292,000,000	9,292,000,000	9,292,000,000	+781,974,000			
Social services	2,698,898,000	2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000	−298,898,000			
State and local training	64,972,000	60,000,000	60,000,000	60,000,000	60,000,000	−4,972,000			
Child welfare services	52,500,000	46,000,000	52,500,000	60,000,000	56,500,000	+4,000,000	+10,500,000	+4,000,000	−3,500,000
Research	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000				
Training projects	7,450,000		7,450,000	8,900,000	8,150,000	+700,000	+8,150,000	+700,000	−750,000
Subtotal	17,240,950,000	18,022,200,000	18,036,150,000	18,045,100,000	18,040,850,000	+799,900,000	+18,650,000	+4,700,000	−4,250,000
Work Incentives:									
Training	250,000,000	206,500,000	243,000,000	243,000,000	243,000,000	−7,000,000	+36,500,000		
Child care	150,000,000	108,500,000	127,000,000	127,000,000	127,000,000	−23,000,000	+18,500,000		
Subtotal	400,000,000	315,000,000	370,000,000	370,000,000	370,000,000	−30,000,000	+55,000,000		
Program administration	60,378,000	63,095,000	63,095,000	62,895,000	62,895,000	+2,517,000	−200,000	−200,000	
Transition period	15,219,000					−15,219,000			
Subtotal	17,701,328,000	18,400,295,000	18,469,245,000	18,477,995,000	18,473,745,000	+772,417,000	+73,450,000	+4,500,000	−4,250,000
Transition period	15,219,000					−15,219,000			

*Not considered due to lack of authorizing legislation.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
SOCIAL SECURITY ADMINISTRATION									
Federal Funds									
Payments to Social Security trust funds	$4, 121, 236, 000	$6, 713, 902, 000	$6, 713, 902, 000	$6, 713, 902, 000	$6, 713, 902, 000	+$2, 592, 666, 000			
Transition period	880, 940, 000					−880, 940, 000			
Special Benefits for Disabled Coal Miners:									
Benefit payments	971, 507, 000	906, 000, 000	906, 000, 000	906, 000, 000	906, 000, 000	−65, 507, 000			
Administration	28, 271, 000	7, 897, 000	7, 897, 000	7, 897, 000	7, 897, 000	−20, 374, 000			
Subtotal	999, 778, 000	913, 897, 000	913, 897, 000	913, 897, 000	913, 897, 000	−85, 881, 000			
Transition period	234, 600, 000					−234, 600, 000			
Supplemental Security Income Program:									
Benefit payments	4, 700, 000, 000	5, 245, 000, 000	5, 230, 000, 000	5, 230, 000, 000	5, 230, 000, 000	+530, 000, 000	−$15, 000, 000		
State supplementation payments	205, 000, 000	55, 000, 000	55, 000, 000	55, 000, 000	55, 000, 000	−150, 000, 000			
Vocational rehabilitation services	57, 672, 000	52, 770, 000	52, 770, 000	52, 770, 000	52, 770, 000	−4, 902, 000			
Administration	497, 978, 000	500, 352, 000	500, 352, 000	500, 352, 000	500, 352, 000	+2, 374, 000			
Federal fiscal liability	60, 000, 000	57, 000, 000	57, 000, 000	57, 000, 000	57, 000, 000	−3, 000, 000			
Subtotal	5, 520, 650, 000	5, 910, 122, 000	5, 895, 122, 000	5, 895, 122, 000	5, 895, 122, 000	+374, 472, 000	−15, 000, 000		
Transition period	1, 503, 541, 000					−1, 503, 541, 000			
Limitation on salaries and expenses	(2, 397, 719, 112)	(2, 561, 773, 000)	(2, 561, 773, 000)	(2, 561, 773, 000)	(2, 561, 773, 000	(+164, 053, 888)			
Transition period	(645, 200, 403)					(−645, 200, 403)			
Limitations on construction	(6, 300, 000)	(14, 400, 000)	(14, 400, 000)	(14, 400, 000)	(14, 400, 000)	(+8, 100, 000)			
Transition period	(3, 633, 000)					(−3, 633, 000)			
Subtotal	10, 641, 664, 000	13, 537, 921, 000	13, 522, 921, 000	13, 522, 921, 000	13, 522, 921, 000	+2, 881, 257, 000	−15, 000, 000		
Transition period	2, 619, 081, 000					−2, 619, 081, 000			
SPECIAL INSTITUTIONS									
American Printing House for the Blind	2, 408, 000	2, 762, 000	2, 762, 000	3, 012, 000	3, 012, 000	+604, 000	+250, 000	+$250, 000	
Transition period	602, 000					−602, 000			
National Technical Institute for the Deaf:									
Academic Program	9, 836, 000	12, 675, 000	12, 675, 000	12, 675, 000	12, 675, 000	+2, 839, 000			
Transition period	2, 932, 000					−2, 932, 000			
Gallaudet College:									
Academic Program	12, 490, 000	14, 790, 000	14, 790, 000	14, 790, 000	14, 790, 000	+2, 300, 000			
Model Secondary School for the Deaf	5, 373, 000	7, 260, 000	7, 260, 000	7, 260, 000	7, 260, 000	+1, 887, 000			
Kendall Demonstration Elementary School	2, 713, 000	3, 215, 000	3, 215, 000	3, 215, 000	3, 215, 000	+502, 000			
Construction	2, 255, 000	15, 575, 000	15, 575, 000	15, 575, 000	15, 575, 000	+13, 320, 000			
Subtotal	22, 831, 000	40, 840, 000	40, 840, 000	40, 840, 000	40, 840, 000	+18, 009, 000			
Transition period	5, 741, 000					−5, 741, 000			
Howard University:									
Academic Program	55, 995, 000	60, 026, 000	60, 026, 000	60, 026, 000	60, 026, 000	+4, 031, 000			
Howard University Hospital	20, 563, 000	19, 883, 000	19, 883, 000	19, 883, 000	19, 883, 000	−680, 000			
Construction	10, 000, 000	2, 000, 000	3, 000, 000	2, 000, 000	2, 500, 000	−7, 500, 000	+500, 000	−500, 000	+$500, 000
Subtotal	86, 558, 000	81, 909, 000	82, 909, 000	81, 909, 000	82, 409, 000	−4, 149, 000	+500, 000	−500, 000	+500, 000
Transition period	19, 628, 000					−19, 628, 000			
Subtotal, Special Institutions	121, 633, 000	138, 186, 000	139, 186, 000	138, 436, 000	138, 936, 000	+17, 303, 000	+750, 000	−250, 000	+500, 000
Transition period	28, 903, 000					−28, 903, 000			
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT									
Child development:									
Headstart	454, 500, 000	434, 300, 000	475, 000, 000	475, 000, 000	475, 000, 000	+20, 500, 000	+40, 700, 000		
Research, demonstration, and evaluation	14, 700, 000	10, 700, 000	14, 700, 000	14, 700, 000	14, 700, 000		+4, 000, 000		
Child abuse	18, 928, 000	18, 928, 000	18, 928, 000	18, 928, 000	18, 928, 000				
Subtotal	488, 128, 000	463, 928, 000	508, 628, 000	508, 628, 000	508, 628, 000	+20, 500, 000	+44, 700, 000		
Youth development	8, 000, 000	6, 000, 000	8, 000, 000	10, 000, 000	9, 000, 000	+1, 000, 000	+3, 000, 000	+1, 000, 000	−1, 000, 000
Aging programs:									
Community services (Title III):									
State agency activities	17, 035, 000	16, 235, 000	17, 000, 000	17, 000, 000	17, 000, 000	−35, 000	+765, 000		
Area planning and social services	93, 000, 000	82, 000, 000	121, 000, 000	125, 000, 000	122, 000, 000	+29, 000, 000	+40, 000, 000	+1, 000, 000	−3, 000, 000
Model projects	13, 800, 000		12, 000, 000	12, 000, 000	12, 000, 000	−1, 800, 000	+12, 000, 000		
Subtotal, Community Services	123, 835, 000	98, 235, 000	150, 000, 000	154, 000, 000	151, 000, 000	+27, 165, 000	+52, 765, 000	+1, 000, 000	−3, 000, 000
Nutrition (Title VII)	125, 000, 000	88, 000, 000	203, 525, 000	203, 525, 000	203, 525, 000	+78, 525, 000	+115, 525, 000		
(Program level)	(187, 500, 000)	(150, 000, 000)	(225, 000, 000)	(225, 000, 000)	(225, 000, 000)	(+37, 500, 000)	(+75, 000, 000)		
Research, demonstration, and manpower (Title IV):									
Research	8, 000, 000	5, 765, 000	8, 000, 000	9, 000, 000					
Training	10, 000, 000		16, 000, 000	17, 000, 000					
Multidisciplinary centers on gerontology	1, 000, 000		1, 000, 000	4, 000, 000					
Subtotal	19, 000, 000	5, 765, 000	25, 000, 000	30, 000, 000	26, 500, 000	+7, 500, 000	+20, 735, 000	+1, 500, 000	−3, 500, 000
Federal Council on Aging	575, 000	575, 000	575, 000	575, 000	575, 000				
Multipurpose Senior Center (Title V)			20, 000, 000	20, 000, 000	20, 000, 000	+20, 000, 000	+20, 000, 000		
Subtotal, Aging programs	268, 410, 000	192, 575, 000	399, 100, 000	408, 100, 000	401, 600, 000	+133, 190, 000	+209, 025, 000	+2, 500, 000	− 6, 500, 000

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT—Con.									
Rehabilitation Service and Facilities:									
Basic State grants	$720,309,318	$720,000,000	$740,000,000	$740,309,000	$740,309,000	+$19,999,682	+$20,309,000	+$309,000	
Service projects:									
Innovation and expansion	18,000,000		18,000,000	18,000,000	18,000,000		+18,000,000		
Deaf-Blind Center	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000				
Special projects	9,965,000	8,500,000	12,600,000	16,600,000	15,600,000	+5,635,000	+7,100,000	+3,000,000	−$1,000,000
Training and facilities grants:									
Training services	4,500,000	5,000,000	5,000,000	5,000,000	5,000,000	+500,000			
Facility improvements	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000				
Subtotal, Service projects	36,965,000	18,000,000	40,100,000	44,100,000	43,100,000	+6,135,000	+25,100,000	+3,000,000	−1,000,000
Research	24,000,000	18,000,000	24,000,000	30,000,000	29,000,000	+5,000,000	+11,000,000	+5,000,000	−1,000,000
Training	22,200,000	20,000,000	25,000,000	25,000,000	25,000,000	+2,800,000	+5,000,000		
Subtotal	803,474,318	776,000,000	829,100,000	839,409,000	837,409,000	+33,934,682	+61,409,000	+8,309,000	−2,000,000
Grants for the Developmentally Disabled:									
State grants	31,558,000	33,058,000	33,058,000	33,058,000	33,058,000	+1,500,000			
Service grants	19,817,000	16,317,000	19,817,000	19,817,000	19,817,000		+3,500,000		
University affiliated facilities	4,250,000	4,250,000	4,250,000	6,250,000	5,250,000	+1,000,000	+1,000,000	+1,000,000	−1,000,000
Subtotal	55,625,000	53,625,000	57,125,000	59,125,000	58,125,000	+2,500,000	+4,500,000	+1,000,000	−1,000,000
Special programs for Native Americans	33,000,000	32,000,000	33,000,000	33,000,000	33,000,000		+1,000,000		
White House Conference on Handicapped Individuals	1,370,000	1,436,000	1,436,000	1,436,000	1,436,000	+66,000			
Salaries and expenses	44,993,000	47,725,000	47,725,000	47,425,000	47,425,000	+2,432,000	−300,000	−300,000	
Less: Trust fund transfer	−600,000	−600,000	−600,000	−600,000	−600,000				
Subtotal, Human Development	1,702,400,318	1,572,689,000	1,883,514,000	1,906,523,000	1,896,023,000	+193,622,682	+323,334,000	+12,509,000	−10,500,000
Transition period	406,716,000					−406,716,000			
DEPARTMENTAL MANAGEMENT									
Office for Civil Rights	26,570,000	30,604,000	30,604,000	30,604,000	30,604,000	+4,034,000			
Less: Trust fund transfer	−1,351,000	−919,000	−919,000	−919,000	−919,000	+432,000			
Subtotal	25,219,000	29,685,000	29,685,000	29,685,000	29,685,000	+4,466,000			
Transition period	6,607,000					−6,607,000			
General Departmental Management:									
Department direction	42,502,000	42,232,000	42,232,000	39,082,000	39,082,000	−3,420,000	−3,150,000	−3,150,000	
(Office of Investigations)	(995,000)	(1,428,000)	(1,428,000)	(1,428,000)	(1,428,000)	(+433,000)			
Department operations	59,760,000	64,301,000	63,301,000	63,301,000	63,301,000	+3,541,000	−1,000,000		
Subtotal	102,262,000	106,533,000	105,533,000	102,383,000	102,383,000	+121,000	−4,150,000	−3,150,000	
Less: Trust fund transfer	−12,751,000	−12,872,000	−12,872,000	−12,872,000	−12,872,000	−121,000			
Subtotal	89,511,000	93,661,000	92,661,000	89,511,000	89,511,000		−4,150,000	−3,150,000	
Transition period	23,319,000					−23,319,000			
Policy research	24,950,000	24,950,000	24,950,000	12,475,000	20,000,000	−4,950,000	−4,950,000	−4,950,000	+7,525,000
Transition period	6,575,000					−6,575,000			
Subtotal, Departmental Management	139,680,000	148,296,000	147,296,000	131,671,000	139,196,000	−484,000	−9,100,000	−8,100,000	+7,525,000
Transition period	36,501,000					−36,501,000			
Total, HEW	40,281,387,270	42,016,902,000	44,782,627,000	45,510,704,000	45,121,636,000	+4,840,248,730	+3,104,734,000	+339,009,000	−389,068,000
Total, Limitation on Trust Fund Transfers	(2,445,084,112)	(2,629,685,000)	(2,630,685,000)	(2,630,685,000)	(2,630,685,000)	(+185,600,888)	(+1,000,000)	( )	( )

TITLE III—RELATED AGENCIES

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
Action (Domestic Programs)									
Volunteers in Service to America (VISTA)	22,300,000	13,600,000	(*)	23,000,000	23,000,000	+700,000	+9,400,000	+23,000,000	
Service Learning Programs	7,251,000	4,400,000	(*)	7,300,000	7,300,000	+49,000	+2,900,000	+7,300,000	
Older Americans Volunteer Programs:									
Foster Grandparents Program	28,287,000	34,000,000	34,000,000	34,000,000	34,000,000	+5,713,000			
Senior Companion Program	3,640,000	3,800,000	3,800,000	3,800,000	3,800,000	+160,000			
Retired Senior Volunteer Program	17,500,000	17,500,000	19,000,000	19,000,000	19,000,000	+1,500,000	+1,500,000		
Subtotal	49,427,000	55,300,000	56,800,000	56,800,000	56,800,000	+7,373,000	+1,500,000		
Service Corps of Retired Executives	400,000					−400,000			
Special Volunteer Programs	3,731,000	2,000,000	(*)	2,500,000	2,500,000	−1,231,000	+500,000	+2,500,000	
Program Support	20,486,000	18,602,000	(*)	18,600,000	18,600,000	−1,886,000	−2,000	+18,600,000	
Subtotal, Action	103,595,000	93,902,000	56,800,000	108,200,000	108,200,000	+4,605,000	+14,298,000	+51,400,000	
Transition period	21,083,000					−21,083,000			
Community Services Administration									
Research and demonstration:									
Rural housing development and rehabilitation	3,000,000		5,000,000	5,000,000	5,000,000	+2,000,000	+5,000,000		
Other demonstrations	13,800,000					−13,800,000			
Subtotal	16,800,000		5,000,000	5,000,000	5,000,000	−11,800,000	+5,000,000		

* Not considered due to lack of authorizing legislation.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL (H.R. 14232)—Continued

TITLE III—RELATED AGENCIES—Continued

	1976 comparable appropriation	1977 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared to 1976	Conference compared to 1977 estimates	Conference compared to House bill	Conference compared to Senate bill
Community Services Administration—Continued									
Community Action Operations:									
Local initiative	$330,000,000	$260,000,000	$330,000,000	$330,000,000	$330,000,000		+$70,000,000		
Senior opportunities and service	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000				
State economic opportunity offices	12,000,000		12,000,000	12,000,000	12,000,000		+12,000,000		
Community food and nutrition	26,200,000		15,000,000	40,000,000	27,500,000	+1,300,000	+27,500,000	+$12,500,000	−$12,500,000
Emergency energy conservation services	27,500,000		27,500,000	55,000,000	27,500,000		+27,500,000		−27,500,000
National youth sports program	6,000,000		6,000,000	6,000,000	6,000,000		+6,000,000		
Summer youth recreation and transportation	17,000,000		17,000,000	17,000,000	17,000,000		+17,000,000		
Migrant program				10,000,000	1,000,000	+1,000,000	+1,000,000	+1,000,000	−9,000,000
Subtotal	428,700,000	270,000,000	417,500,000	480,000,000	431,000,000	+2,300,000	+161,000,000	+13,500,000	−49,000,000
Community Economic Development	46,500,000	39,000,000	46,500,000	61,500,000	48,170,000	+1,670,000	+9,170,000	+1,670,000	−13,330,000
Program Administration	28,152,000	25,000,000	27,000,000	27,000,000	27,000,000	−1,152,000	+2,000,000		
Subtotal	520,152,000	334,000,000	496,000,000	573,500,000	511,170,000	−8,982,000	+177,170,000	+15,170,000	−62,330,000
Transition period	129,746,000					−129,746,000			
Corporation for Public Broadcasting	78,500,000	70,000,000	96,750,000	103,000,000	103,000,000	+24,500,000	+33,000,000	+6,250,000	
Advance 1978		80,000,000	107,150,000	121,000,000	107,150,000	+107,150,000	+27,150,000		−13,850,000
Advance 1979		90,000,000	120,200,000	140,000,000	120,200,000	+120,200,000	+30,200,000		−19,800,000
Transition period	17,500,000					−17,500,000			
Federal Mediation and Conciliation Service	18,332,000	20,328,000	20,328,000	20,328,000	20,328,000	+1,996,000			
Transition period	4,626,000					−4,626,000			
National Commission on Libraries and Information Science	468,000	517,000	517,000	492,575	492,575	+24,575	−24,425	−24,425	
Transition period	117,000					−117,000			
National Labor Relations Board	69,597,000	78,204,000	77,776,000	78,204,000	77,776,000	+8,179,000	−428,000		−428,000
Transition period	17,593,000					−17,593,000			
National Mediation Board	3,405,000	3,606,000	3,606,000	3,606,000	3,606,000	+201,000			
Transition period	883,000					−883,000			
Occupational Safety and Health Review Commission	5,769,000	6,280,000	6,280,000	6,280,000	6,280,000	+511,000			
Transition period	1,464,000					−1,464,000			
Railroad Retirement Board:									
Payment to Railroad Retirement Trust Funds	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000				
Regional Rail Transportation Protective Account	37,600,000	40,000,000	40,000,000	40,000,000	40,000,000	+2,400,000			
Transition period	10,030,000					−10,030,000			
Limitation on salaries and expenses	(29,492,000)	(33,723,000)	(33,723,000)	(33,723,000)	(33,723,000)	(+4,231,000)			
Transition period	(7,455,000)					(−7,455,000)			
Soldier's and Airmen's Home (trust fund appropriation): Operation and maintenance	15,665,000	15,373,000	15,373,000	15,373,000	15,373,000	−292,000			
Transition period	3,905,000					−3,905,000			
Subtotal, Related Agencies	1,103,083,000	1,082,210,000	1,290,780,000	1,459,983,575	1,363,575,575	+260,492,575	+281,365,575	+72,795,575	−96,408,000
Subtotal, Transition period	206,947,000					−206,947,000			
Final total, Labor—HEW	51,799,480,270	52,618,208,000	56,205,212,000	57,167,116,575	56,618,207,575	+4,818,727,305	+3,999,999,575	+412,995,575	−548,909,000
Final total, unauthorized	(5,311,374,000)	(2,214,080,000)				(−5,311,374,000)	(−2,214,080,000)		

Mr. ADAMS. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Speaker, I thank the gentleman for yielding. I would like to address a series of questions to the chairman of the Labor-HEW Subcommittee. I think the answers to the questions will clarify for the Members the relationship between the conference report on the Labor-HEW appropriation bill and the amounts included in the first budget resolution for programs and activities contained in the bill.

First, Mr. Chairman, am I correct in saying that the conference report contains $56,391 million in budget authority for fiscal year 1977, and according to the analysis provided to us by the Congressional Budget Office, the total outlays for the Labor-HEW programs contained in the bill will be $62,181 million including both spending from budget authority provided in 1977 and budget authority enacted in prior years.

Mr. FLOOD. The gentleman is correct. Those are the budget authority figures for fiscal year 1977 as contained in this conference report. The outlay figures are estimates prepared by the Congressional Budget Office. I should mention that the bill also provides advance funding for the Corporation for Public Broadcasting for fiscal year 1978 and 1979 amounting to $227,350,000. However, this amount does not affect budget authority for 1977 and is not in the budget resolution.

But, let me point out that the budget authority and outlay totals in the Labor-HEW conference report are substantially below the amounts allocated to the Labor-HEW Subcommittee as part of the targeting procedures under the Budget Control Act. For fiscal year 1977, the Labor-HEW Subcommittee was assigned a target of $66,209 million in budget authority and $68,836 million in outlays. The totals in the Labor-HEW bill are below the totals in the subcommittee targets by $9,818 million in budget authority and $6,654 million in outlays.

Mr. ADAMS. I thank the gentleman for providing the Members with the data on the subcommittee targets. To reiterate what the chairman said: The Labor-HEW conference report is $9.8 billion in budget authority and $6.7 billion in outlays below the target figures assigned to the Labor-HEW Subcommittee as part of the allocation process provided in the Budget Control Act.

However, I must advise the House that many important legislative items remain to be considered which, if fully acted upon at the levels projected in the first budget resolution, would absorb almost all the funds remaining in the targets. The first budget resolution assumed the enactment and funding of extension legislation such as aid to college students and institutions, the programs to support vocational education and public service employment and a number of health service and manpower training programs.

In addition to legislation which requires authorization, there are several entitlement programs included in the Labor-HEW bill for which the first budget resolution including higher estimates than are provided in the appropriation bill. Should the estimates in the first budget resolution prove to be correct supplemental appropriations totaling about $600 million in budget authority and outlays will be required for the supplemental security income program and the public assistance program. However, even if all of the unauthorized education, manpower and health programs are approved and funded at the levels assumed in the first budget resolution and even if supplemental appropriations are required for the SSI and Public Assistance programs, the total spending target assigned to the Labor-HEW Subcommittee will not be exceeded, according to the figures provided by the Congressional Budget Office.

Mr. FLOOD. I want to thank the chairman of the Budget Committee for pointing out to the Members that the totals in the Labor-HEW conference report are wholly consistent with the targets established in the first budget resolution.

I would also like to point out to the Members that the major items of legislation which will require funding are still not enacted. They are still not law. While the House has acted on the higher education and vocational education legislation, the Senate has not. The Senate has likewise not acted on the extension of CETA title VI, the public service employment bill. The health manpower legislation is now in conference.

Mr. ADAMS. Mr. Speaker, if the gentleman will yield further, I believe the chairman is pointing out a significant fact of life to the chairmen of the various authorizing committees, which is that delay in the enactment of authorizing legislation creates uncertainty about the funding of many important programs.

Mr. FLOOD. The gentleman is entirely correct.

Mr. ADAMS. Mr. Speaker, if the gentleman will yield further, I thank the chairman for the information the gentleman has provided to me and to the Members of the House. I can tell the Members that I fully support the conference report on the Labor-HEW bill for fiscal year 1977. It is entirely in harmony with the spirit of the first budget resolution and wholly consistent with the allocation targets in the resolution. I commend and congratulate the chairman of the subcommittee for the highly responsible job the gentleman has done in carefully constructing a most complex bill.

The SPEAKER. The gentleman from Pennsylvania (Mr. FLOOD) has consumed 23 minutes.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the conference report. The total in the report of $56,618,207,575 is some $413 million over the House bill, and that bill itself was far, far out of line.

As you will recall, the measure was nearly $3.7 billion over the budget when it left the House. It is now $4 billion over the budget. Never before have we sent a Labor-HEW appropriation bill to the President that much over his budget.

In fact, this Congress is not even living within its own budgetary guidelines. When we had the bill on the floor, the Budget Committee told us the bill was $141 million over the ceilings in budget authority, based on projected expenditures. We then added an additional $100 million to the bill on the floor and another $413 million in conference. So this conference report exceeds the ceiling established for projected expenditures in the Labor-HEW area by upwards of $654 million. On this basis alone, the chairman of the Budget Committee ought to be calling on us to send this bill back to conference, with instructions to scale it down.

The chairman of our Appropriations Committee, who to my surprise has registered his support for this excessive level of spending by signing the conference report, has in past years spoken with pride about appropriations coming in under the President's Budget. Some of the leaders of his party took pleasure in needling Republican Presidents in this regard, even though total congressional spending was almost always above the budget. Well, they would not be able to do any needling this year, because appropriations are already soaring well above the President's recommendations.

This Congress has clearly earned the big spending label attributed to it. In the process, Congress is denying the American people a tax cut which a lower level of spending would permit them to have if the President had his way.

The conference report before us is to a large degree a "gimmick" report. Our chairman and those representing the "majority" conferees on the House side were possessed with the notion that if the total in the bill were somehow kept below $4 billion in excess of the budget, it would make a significant difference as to whether a possible veto could be overridden. In pulling out all stops to achieve that aim, they made a number of promises about considering additional funding as part of future supplementals. The line was: "If we would keep additional funds out of this bill, we could certainly put them in a supplemental." The idea was to simply postpone the day of reckoning in order to put a better face on this bill, but the result is an almost comical dollar figure of $3,999,999,575 over the budget, or just $425 under the $4 billion figure.

The most glaring example of gimmickry at work was the decision to accept the Senate spending level for the winterization program under the Community Services Administration, by providing funds for only 6 months, with the understanding that the remainder would be appropriated as part of a supplemental. This represents $27.5 million of postponed appropriations. A similar stunt was pulled last year in connection with appropriations for food stamps, in order to place a better, but totally misleading face on an appropriations bill.

Gimmicks or no gimmicks, this conference report has to go down as the biggest budget buster of them all. Furthermore, when we get through with providing supplemental appropriations for unauthorized or postponed items, the total increase over the budget is likely to exceed $5.5 billion at a minimum and $10 billion at a maximum.

This bill has exceeded all restraints because it is a special interests bill. It is the product of organized pressure campaigns conducted by highly paid lobbyists. These people are not limited to those readily visible in the galleries and halls of Congress. They are also found in corporate board rooms, universities, associations, foundations, State and local governments, ad hoc coalitions and so on and so forth. They are all looking for a portion of a supposedly unlimited Federal pie. Those that are already getting, demand more, and those that are not, want their share too. No matter that some programs may have outlived their usefulness or others have not proven effective, the demand for funding continues unabated. And most Members go willingly along.

The vested interests are having a field day because the public is receiving very little other information. We have here a $57 billion bill, and it gets almost no attention from the news media. The only reference it receives relates to the language provisions. The public deserves to know how its tax dollars are being spent, and if the press views its essential responsibility as one of informing the public, then it is being derelict in its duty. I think we have a right to expect better from the so-called fourth estate.

If the news media were doing their job, I dare say that at a time when the American people are rightfully demanding change in the form of a more responsive, less bureaucratized, more efficient governmental system, we would not have a bill such as this one which perpetuates the status quo by continuing and expanding the same old centralized, categorical programs. The President, in his Labor-HEW budget, sought to respond to the need for reform, but this Congress, as it has done so often, simply responded by piling on more good dollars after the bad ones.

For OSHA, the report provides a reduction from the House bill of $1,000,000 for impact studies, a $2,000,000 reduction for consultation contracts, and an increase of $3.5 million for 178 more compliance positions. There is no justification for this last increase, since over half of the 333 additional positions we provided last year are still unfilled. Competent, trained personnel are simply in short supply.

I am pleased to report that we retained the Skubitz amendment, which exempts from OSHA regulations those farms with 10 or fewer employees. We also agreed to language which prohibits any employer from being fined for nonserious first instance violations as long as there are fewer than 10 such violations.

LABOR DEPARTMENT

In running down the various items in the report, the total for the Labor Department is $10,132,998,000, an increase of $678 million over the budget, and $1,193,000 over the House version. The conferees retained the House figure of $90.6 million for community service employment for older Americans, but agreed to allocate $15.3 million of this to formula grants to the States, with the remainder going to national contractors.

For employment services, the House bill had provided for an increase of $66 million over the budget, $58.4 million of which would be taken out of the trust funds. The Senate took the entire increase out of general funds because of a concern that there would be insufficient moneys in the trust fund to provide for the increase. The conferees took the House position, but I suspect the Senate may be more correct, and that this is another instance where we are simply postponing the day of reckoning.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The HEW section contains $45,121,636,000, an increase of $3,104,734,000 over the budget and $339,009,000 over the House version.

In health services, the report includes increases over the House of $11 million for maternal and child health, $11 million for family planning, $2.5 million for hypertension, and $8 million for Public Health hospitals. There is little justification for these increases, since in most of these areas, funds are also derived from numerous other Federal sources.

Under the Center for Disease Control, the report includes $18 million for venereal disease, $13 million for immunization, $13 million for rat control, and $8.5 million for lead-based paint programs, a total increase of $18,790,000 over the budget. None of these items were included in the House bill, due to a lack of authorization.

For the National Institutes of Health, the total agreed to is $2,403,918,000, an increase of $90 million over the House bill, $206 million over last year's level, and $323 million over the budget. Included within this category is $815 million for Cancer, $396.7 million for Heart and Lung, and $209 million for the Institute of Arthritis, Metabolism, and Digestive Diseases. These increases are excessive, particularly in view of the substantial increases provided NIH in recent years, and the fact that some of the Institutes are now funding lower priority grants because of the sizable amounts of funds they have available.

As you know, I have discussed the problem of indirect costs, or overhead, on previous occasions. Indirect costs come out of research grant money, and the funds go directly to recipient institutions for such things as president's salaries, general administration expenses, library expenses, operation and maintenance expenses, and salaries and expense of deans and supportive staffs, including retirement benefits. Most of these costs have very little relationship to the research being undertaken, and would be incurred by the institutions regardless of whether or not they receive Federal research grants.

At present, the indirect cost rate is up to an average of 26 percent of total research grant money and 35 percent of direct costs. This compares with a figure of 15 percent of total costs just a few years ago. What is worse, many of the largest and wealthiest universities, the ones best able to hire expert accountants, have indirect cost rates much higher than the national average, and are receiving the greatest bonanza in this regard. For instance, the indirect cost rate for Harvard is 54 percent of direct costs, or 19 percentage points above the national average. For Yale it is 49 percent, for Stanford—56 percent; for Wisconsin—40 percent, for Duke—52 percent, for Michigan—46 percent, for Pennsylvania—45 percent, and so on.

Indirect costs are currently eating up over $400 million of NIH research funds and some $600 million of the total Public Service research budget. We simply cannot afford to have such large sums siphoned off from the health research effort, and in an effort to get at the problem, we included language in the conference report calling on the Department to work with OMB and develop revisions in the indirect cost mechanism which will result in a significant reduction in the funds being diverted into indirect costs. We also suggest that the Department consider including cost competition as part of the grant approval process. If the cost of a project were an important element in its ultimate disposition, this ought to be an incentive to institutions to keep down both direct and indirect costs.

The Department should know that we are serious about this matter, and that we expect it to comply, regardless of any pressure to the contrary brought to bear by the universities and other institutions. This is a matter in which policy should be guided by the requirements of good government, not the demands of the vested interests.

For the Alcohol, Drug Abuse, and Mental Health Administration, the conference report provides $763,141,000, an increase of $1,700,000 over the House bill, and $217 million over the budget. The $25 million included in the Senate bill for construction at St. Elizabeth's was dropped with the promise that funds would be included in a supplemental. This is another item, in other words, that has simply been postponed.

The report includes $359,008,000 for health resources, an increase of $7.1 million over the House version and $136 million over the budget.

For education, the conferees agreed on $2,258,981,000 for title I grants for the disadvantaged. This represents a $35 million increase over the House version and $235 million over last year. This increase over the Senate figure was accepted despite the failure of the Senate conferees to provide any evidence that the program is succeeding in its objectives and in face of the Senate's own report language stating that there is no clear answer as to whether it is working. This program has been in operation for 10 years now. If there is no clear indication after all this time that it is succeeding, it simply does not make sense that we continue to pour in more and more dollars.

In the remaining education items, the conferees increased the House amounts by $4 million for right-to-read, $500,000 for environmental education, $15 million for educational broadcasting, $250,000 for Ellender fellowships, $5 million for impact aid, $25 million for emergency school aid, $41,250,000 for education for the handicapped, $2 million for adult education, 2 million for aid to and grant colleges, and $10,488,000 for library resources.

Under public assistance, the conferees increased the House figure by $4 million for child welfare services and $700,000 for child welfare training.

For human development, the report includes an increase of $12,509,000 over the House amount. The increase is divided among several aging and rehabilitation programs. It should also be noted that both the House and Senate committee reports contained language calling on the Department to provide the Architectural Barriers Compliance and Review Board with $1,000,000 and 20 full-time positions. Similar language in the House report last year was ignored, and thus its inclusion in both reports this year ought to leave no room for doubt as to where Congress stands. In fact, the Department should start complying immediately, since we are simply reiterating last year's directive.

The conferees cut policy research by $4,950,000 from the House and budget figures. That may not have been the wisest of cuts, since much of the research being done here, such as on income maintenance, health insurance, and disability payments, is designed to provide us with a better fund of knowledge on which to base legislation. It is as though we are saying: "We do not want our legislative judgment clouded by the facts."

RELATED AGENCIES

For ACTION the conference report includes $108,200,000, an increase of $51,400,000 over the House amount, $14,298,000 over the budget, and $4,605,000 over last year. The increase over the House amount represents items unauthorized at the time the House considered the bill.

The Community Services Administration Budget ends up at $511,170,000, an increase of $15,170,000 over the House version and $177,170,000 over the Budget; $12.5 of the increase over the House amount goes for the community food and nutrition program, probably the least defensible of all the CSA programs. Half of the funds under this program do not go for food at all, but are allocated essentially for recruitment into the food stamp program.

The emergency energy conservation program on the surface contains the same amount as the House figure, but this is the item I referred to earlier where the conferees decided to have the $27.5 million cover just the first 6 months, with the remainder to be made available as part of a supplemental.

For the Corporation for Public Broadcasting, which includes 2 years of advance funding, the conferees accepted the higher Senate figure for the first year and the lower House figures for the next 2 years. Here again, there were references made in conference to providing additional funds as part of a supplemental, in order to stay under the magical $4 billion figure and make this particular bill look better.

If I might have the attention of the chairman for 1 minute, I see there is at least one Member from the Cincinnati area in the Chamber. As the chairman knows, the conference report provides for a new site selection study for the laboratory facilities for NIOSH.

Mr. FLOOD. Yes.

Mr. MICHEL. I would like to ask the chairman if it is his understanding that this will be the final study of this matter.

As the gentleman well knows, we kicked this around for days and days in committee and in conference. It got to be one of those things where there seemed to be no end. But in the conference report we called for this study to be completed by December 31 of this year, and I would personally expect that at that time, we will get off of the dime and, whatever the study discloses, that we will finally proceed with that facility.

Mr. FLOOD. That is the understanding I have from the conference. That is why the language was placed in the statement of the managers, requiring a study and report by a specific date.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

As the gentleman knows, I have been marginally involved in this question.

Mr. MICHEL. Yes.

Mr. OBEY. It is my understanding that if the study is conducted in accordance with the understanding enunciated by Senator BROOKE in conference, if it is in fact a thorough study, then all of us will be very happy that this is the last study. It is up to HEW to make certain it is in fact a thorough, aboveboard study.

Mr. MICHEL. I thank the gentleman.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, during the discussion of the conference report by the gentleman from Pennsylvania (Mr. FLOOD) I was called out of the Chamber. But I have understood the gentleman from Illinois (Mr. MICHEL) had made some reference to my having signed the conference report.

Mr. MICHEL. Yes.

Mr. MAHON. I was not in the Chamber at the time. I would like to say to the gentleman, if he will yield further, that this bill troubles me a great deal because it is far above the President's budget and in my judgment too high. If I were writing the bill myself, it would be very considerably lower than it is. The bill is too high.

But we have this problem, in dealing with legislation, as the gentleman well knows: We work with our colleagues. We draft the best bill we can. Each member of the committee and each member of the conference has one vote and he has only one vote.

Some compromise is required if we are going to make progress and avoid a stalemate in connection with the legislation.

I did not want the gentleman from Illinois (Mr. MICHEL) to place me in an improper posture in the House in making reference to this bill. As the gentleman knows, I served as an ex-officio member of the subcommittee and have been concerned for years that we have gone too high in the figures of some of these Labor-HEW bills. We do the best we can under the circumstances, and having done that, there is not much we can do other than proceed with the legislation, because we do have to dispose of legislation.

Mr. MICHEL. Mr. Speaker, I can fully appreciate and understand the frustration of the chairman of the committee, because under the old rules under which we were operating I felt much more confident that when we really got to the nitty-gritty, the committee chairman would stand up with some of us and really keep these figures limited to what he and I both would, as a matter of personal philosophy, prefer. The fact is, though, that there is a process on that side of the aisle of electing chairmen and subcommittee chairmen from among the whole membership, and that has had the very kind of effect that I am talking about here.

That effect is that we do not have any more of that "College of Cardinals" that was in a position where chairmen could take a traditional hard stand on spending by the Federal Government. This is just the product of what has happened on that side of the aisle, and it might as well be laid right out so everybody will know about it. That is why we on this side have been criticizing the spending proclivities of Members on that side of the aisle, and they cannot ignore and back out of that responsibility.

Mr. MAHON. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I am happy to yield to the chairman of my committee.

Mr. MAHON. Mr. Speaker, the committee chairman has never had the ability to dictate the policy of the committee.

Mr. MICHEL. But the gentleman well knows that the committee chairman wields a lot of influence; he runs every meeting, and he is presiding over the meeting. If I or some others on this side were given a chance to chair a meeting or chair a committee of Congress, I am sure we would exert some influence.

Mr. MAHON. Certainly the chairman of a committee has more clout than a nonchairman, but all one can do is his best under the circumstances. I have wrestled with these problems through the years, just as the gentleman from Illinois has. The gentleman from Illinois has seen new Members come, and, generally speaking the new Members are more liberal than the ones they replaced.

So, Mr. Speaker, I think it is not a matter of pointing a finger; it s a matter of working together in an effort to do the best we can in order to preserve the American system of free enterprise and the system of legislative integrity that is so important to the preservation of this democracy.

Mr. MICHEL. Mr. Speaker, that is all good and nice talk, but I think from the record of the votes by which we have passed legislation here on the floor, we eventually cut a swath or a path that dictates whether or not we want an overburdening Government role in this country or whether we want a free private enterprise system, to which I feel the gentleman in his heart subscribes, as the best alternative to future problems. I speak, for example, of providing jobs and utilizing the private sector for that purpose instead of Government spending.

Mr. OBEY. Mr. Speaker, will the gentleman yield for a question on that point?

Mr. MICHEL. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, let me ask the gentleman, is it not true, however, that in conference one of the reasons we came in with a higher figure than the House committee wanted—and that includes this Member—is because the point man on the Senate side who was insisting on increase after increase after increase was the ranking Republican Member on the Senate side, the Senator from Massachusetts, Mr. BROOKE?

Mr. MICHEL. Mr. Speaker, I cannot argue with the gentleman on that point. That has rankled me, as it does the gentleman from Wisconsin, because I know the gentleman sat there as I did and was just as fidgety as I was any number of times.

Really, for the benefit of those Members who have not been a party to this conference procedure between the House and the Senate, let me remind the Members that we have 435 Members, all of whom would like to be able to say a few good things once in a while about project X, project Y, or project Z back in their districts, but cannot because under no given set of circumstances can we as a committee satisfy the individual requests of 435 Members.

They cannot quite do it over in the other body with only 100 Members, but they have a kind of clubby arrangement whereby each year 4 or 5 of them get what they are looking for, and after a period of time it is passed around. That is just an unfortunate kind of situation we get into when we go into conference with the other body.

Mr. PATTEN. Mr Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Speaker, the gentleman from Illinois (Mr. MICHEL) is the ranking Republican leader, and he has made a good political speech here, in my judgment.

Tell me this: Is it not true that last year we finally appropriated $7.4 billion less than what the administration asked for?

Mr. MICHEL. Does the gentleman want to talk about the total figures?

Mr. PATTEN. Is it not true that every year—and I am on this committee—this committee has never voted or this Congress has never voted the amount the administration asked for in their budget request? Does the gentleman mean that that is a tribute to his work and a tribute to the Chair?

Mr. MICHEL. Mr. Speaker, I will say to the gentleman that now that we are going into this first year of the whole new budget mechanism, we are just finding out how well this Congress is able to reach those target figures.

Frankly, if we are going to be wedded to an endless deficit, we have not answered the problem.

My understanding was that when we have budget control we were going to make revenues balance with expenditures.

However, we have seen what has been happening over in the other body with respect to the consideration of the tax bill. They do not seem to be too anxious to raise the kind of revenue to support the programs which all of them have voted for over there. If we do not match income with outgo, we are not going to get any balance at all.

Mr. PATTEN. Mr. Speaker, if the gentleman will yield further, in fairness to the gentleman, I know that he has worked all year, since January and worked hard; so has this gentleman.

Mr. MICHEL. I thank the gentleman.

Mr. PATTEN. The gentleman from Illinois (Mr. Michel) is using the budget as a standard.

Is it not true that on many items such as impacted aid and the amount for unemployment insurance and on many, many other items, much could be said about how honest the administration was when they presented the budget to us?

Mr. MICHEL. Of course, in the area of impacted aid, President Kennedy, President Johnson, and President Nixon all pursued the same course because they in the executive branch know that it is an outmoded program.

Perhaps 385 Members of this House have $2 or $3 involved in impacted aid in their districts, and we cannot get a change. There are many programs, one after another, in which we will find the same kind of conditions.

The administration budget was one based on reform, not mere retention of the status quo. Obviously, if one prefers the status quo, one is not going to be happy with the budget submitted by the President.

Mr. PATTEN. The gentleman dealt with it himself. He worked hard all year. The truth is that our committee has never appropriated as much as the administration requested in the last 10 years.

Mr. MICHEL. I can remember our former chairman, Mr. Cannon of Missouri, making a statement which our present chairman has echoed a number of times: He has never seen any Federal budget come to the Committee on Appropriations, at least under the old rules, which could not be cut.

My concern is that we have gone quite a distance from the old rules to something new which has not altogether borne good fruit. This year we are going to substantially exceed the President's budget in the amount we appropriate, and that is what we are voting on. If we are to use the past as a standard, then we are clearly not meeting that standard. What is happening, I am afraid, is that we are now using the new congressional budget process as a means to justify substantial increases in spending—spending which had previously been held pretty well in check, at least the non-backdoor items, by our appropriations process.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, it is true that we are trying for the first time the new budget system.

Mr. MICHEL. Yes.

Mr. MAHON. Potentially, it is a good system. It provides the machinery, the vehicle, for us to achieve more fiscal responsibility in the House of Representatives. But we must develop the will to make it achieve that objective.

It has not succeeded in bringing about the maximum reduction in Government spending that many of us desire. I am not arguing that at all, but the gentleman from Illinois (Mr. Michel) knows, as a member of the Committee on Appropriations, that through the years we have in appropriation bills, not in bills which bring about spending otherwise, but in appropriation bills, invariably reduced the President's budget, regardless of whether there was a Democrat or a Republican in the White House.

We had some difficulty with that problem last year and more difficulty this year because of clamor from special groups and clamor from segments of the public generally, which has brought about a situation in which it is harder and harder to make reductions, especially in bills having to do with health, having to do with education, and having to do with many of these matters that are dealt with in the Labor-HEW appropriation bill.

Mr. MICHEL. This is all well and good except the bottom line is that no President, Republican, Democrat, Independent, Communist, what have you, can spend one dime unless first the Congress authorizes that expenditure. We cannot evade the responsibility here when we force on any administration a whole new bagfull of tricks with one program after another which, frankly, the American people say is too much and is overburdening because we simply do not need all those programs.

Until we discipline ourselves to the extent that we do not force an administration-requested increase simply to implement and administer the law, to come up with a supplemental expenditure to fund this or to fund that, we will not be able to come out right as far as revenues and expenditures are concerned.

Mr. MAHON. We do need to impose greater discipline on ourselves.

Mr. MICHEL. But that means saying "no" more than once a week.

Mr. MAHON. We need to do the very best that can be done and that is the objective of the Committee on Appropriations. But when we deal with all of the 435 Members of this body and the Members of the other body, then we have to do the best we can under the circumstances. The Congress and the country must come to the position of supporting a greater degree of restraint than we have now. I hope that is what this new budget structure will enable us to do, to move in that direction in future years better than we have now. This is the first year of full implementation of the new process. I do not think we should give up. We should renew our resolve to make it work.

Mr. MICHEL. I would like to think it would work but I just happen to think that when we were operating under the old rules and we had some pretty hard-nosed people serving on the committee on both sides, that if we had that now we simply would be in a better position to hold things down than we are under the new process that projects a budget figure in advance of what the administration feels it can spend.

If perchance things do not go our way, in the election, I can just imagine some of the differing voices that will be speaking out when a new Democratic President comes in, if that should be the case, God forbid, and he would be coming up here with the same kind of suggestions that we ought to act responsibly.

But, in the case of this conference report we are not doing that.

In conclusion, this conference report simply continues and exacerbates the philosophy of the House bill that merely spending more Federal dollars, regardless of the merits or accomplishments of individual programs, is the solution to all problems.

We should be embarrassed to even consider sending a bill such as this to the President. We are being derelict in our constitutional responsibility to guard the public's purse. We can still meet our responsibilities, however, by voting to reject the conference report, and I urge that we do so. If not, the President will have no other alternative in meeting his own responsibilities of office than to veto the bill.

Mr. SHRIVER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Kansas.

Mr. SHRIVER. Mr. Speaker, following a week-long conference with the Senate, the House conferees have brought back a bill containing $56.6 billion for fiscal year 1977 spending by the Departments of Labor and Health, Education, and Welfare and several related agencies and institutions. This amount is $539 million less than the Senate bill, and it is $413 million above the House bill.

These comparisons are somewhat misleading. Nearly one-fourth—about $100 million—of the increase in this conference report over the House bill is for programs not considered earlier by the House due to the lack of authorizing legislation. For example, $51 million of the final increase over the House bill is for ACTION programs, such as Vista, on which the House earlier deferred action because we had no authorizing legislation. The same is true for several disease prevention programs.

Thus, the actual increase over the House bill is approximately $300 million—less than 1 percent. Anytime you can limit the Senate to an increase of less than 1 percent over a House bill for human resources spending, that is an acceptable compromise.

The fact that we have brought this bill back with considerably better than an even split on the disputed items is a credit to the House conferees, and particularly to our capable and hard-bargaining chairman and ranking member.

Compared with last year, the conference agreement provides an increase for all programs combined of 5.6 percent—less than the amount needed to meet the annual costs of inflation. I would point out that this 5.6 percent increase over last year for these human resources programs is less than half the percentage increase of 14 percent voted earlier by the House for the Department of Defense.

I should also point out that the bill's increase of 7.5 percent over the President's budget request is not an accurate measurement because of the very unrealistic and misleading budget which was presented to us. After years of trying, and failing, the administration knows that when they send up a budget cutting by more than half the amount for Federal impact aid to the schools that Congress is going to restore that cut. And that is what we have done.

The administration also knows, based on past votes on veto overrides, that it is unrealistic to send up a budget cutting funds for elementary and secondary education title I grants for the disadvantaged. The same goes for cancer research and all of the National Institutes of Health request. We have restored those proposed cuts, and then some.

So when we are making these comparisons with the budget requests, allowances should be made for proposed cutbacks which the administration knew full well we would not accept. These are popular programs—programs which are supported by most Americans.

This is a big bill, but it is not out of line given the needs and the programs funded. The biomedical research programs of the National Institutes of Health are included for $2.4 billion—$200 million over last year. Of this $2.4 billion, $815 million, or about one-third, is for the National Cancer Institute. Nearly $400 million is for the National Heart, Lung and Blood Institute. Over $200 million is included for the National Institute of Arthritis, Metabolism and Digestive Diseases.

In the area of jobs, the conference agreement provides $3.3 billion for employment and training assistance programs, including the locally directed comprehensive employment and training assistance—CETA—program. Green Thumb related community service employment programs for older Americans are funded at $90.6 million.

Of particular interest to the House and to many of our constituents are the agreements reached in regard to the activities of the Occupational Safety and Health Administration. I am very pleased to report that the Senate accepted totally the Skubitz amendment, introduced by my colleague from Kansas, exempting farming operations with 10 or fewer employees from further harassment from OSHA.

I would like to think that this amendment would provide permanent relief for family farmers from more "outhouse" regulations, and that some of the booklet authors at OSHA would now be retired, but this is an appropriations bill. Its effect is for only 1 year. Given the wide margins in both Houses for the Skubitz amendment and the related Findley amendment for businesses, the authorizing committees should now amend the original OSHA legislation to include permanent exemptions. There is more than enough for OSHA inspectors to do in high-risk industries and in the area of chemical-related health dangers to workers. They are not needed on small farms or in small businesses.

I would have preferred bringing the Findley amendment back intact also, but the compromise language is certainly a step in the right direction of protecting small businesses from first instance fines for violations. In fact, under the conference language all businesses, regardless of size, would be exempt from civil penalties for 10 or fewer first instance violations if such violations are not serious or willful.

I will not take the time to run down every item in the conference bill, as a comparison table has been provided for the record. I would only repeat that important human resources funds are in here, such as money for health services and resources, disease prevention programs, elementary, secondary and vocational education, impact aid, education for the handicapped, library resources and child welfare services. Human development programs for youth and older Americans, along with vocational rehabilitation services, are funded at $1.9 billion. ACTION programs receive $108 million, while the Community Services Administration programs for food and nutrition, emergency energy conservation and community economic development get more than a half-billion dollars. Three-year funds are included for the Corporation for Public Broadcasting.

Mr. Speaker, as in all conference reports, compromises have been made. However, in total, the House position has fared very well. More important, the funds in this bill directly affect and assist millions of Americans. I urge the adoption of the report.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, am I to understand that according to what the gentleman has said that this bill before us right now is $4 billion over the budget?

Mr. MICHEL. It is $3,999,999,275, if I am not mistaken.

Mr. ROUSSELOT. Very close to $4 billion?

Mr. MICHEL. That is correct.

Mr. ROUSSELOT. We can probably expect, also, that in September the House Appropriation Committee will come back for a supplemental to enlarge this HEW even further?

Mr. MICHEL. As I said in my remarks, part of the gimmickry here is that we have items in here that have not been funded for the full fiscal year, either. One is for community services. We only have 6 months covered with the clear understanding that we are not going to let the program die and we know we will be coming in with a supplemental. It is the same thing as we did with the food stamps in Agriculture, by trying to make it look lower because it called for a 7 months funding to keep the figure at half of what it ought to be. And then the press takes you to task when it comes in through the back door for a supplemental, coming in the aggregate for $9 or $10 billion, something that was unheard of in the old days when we were only talking of hundreds of thousands or a few millions of dollars but now the routine supplementals are from $7 to $8 billion, this is just unconscionable.

Mr. ROUSSELOT. Mr. Speaker, I compliment the gentleman from Illinois in bringing this to the attention of the House. It is just too bad that more of our constituents are not here to listen to these facts because I know the overwhelming majority of the American people do not support all this big spending.

Mr. MICHEL. I thank the gentleman.

Mr. CONTE. Mr. Speaker, I rise in support of this conference report providing appropriations for the Departments of Labor, and Health, Education, and Welfare for fiscal year 1977.

This conference report represents a good compromise between the House and Senate versions of this bill, and I believe it merits the support of all of my colleagues. Our conference sessions were extensive, and each item in disagreement was carefully scrutinized. Although the conference report is nearly $413 million above the House bill, the Senate gave up far more than the House. We can commend our distinguished chairman, the gentleman from Pennsylvania (Mr. FLOOD), our equally distinguished ranking minority member, the gentleman from Illinois (Mr. MICHEL), and all the House conferees for bringing back a report which is as close as possible to the House position.

We discussed most of these programs before, during House consideration of the bill, and the gentleman from Pennsylvania has already outlined the provisions of the conference report. I would simply like to touch upon some of the items which were of particular concern and interest to my colleagues and me.

As my colleagues know, the House adopted my amendment to provide a total of $105,908,000 for mental health research and $29 million for new community mental health centers. I am pleased that we came out of conference with an additional $1 million for mental health research, for a total of $106,908,000.

We ended up with an even split on community mental health centers, for a total of $26.5 million. I am disappointed that we could not hold the full $29 million, but satisfied that this amount will permit an adequate level of support for this vital program.

We have provided significant increases for maternal and child health, indicative of our continuing concern in this area.

Included in this area is $2 million for sudden infant death syndrome, a particular concern of mine.

We have also provided $113,615,000 for family planning programs, $13 million more than was provided in the House bill. The need for more and better family planning programs is clear, and this increase will provide a level of support consistent with that need.

For the National Institutes of Health, significant increases above the House bill have been made. While I have reservations about some of these increases, the levels of funding demonstrate our continued support of biomedical research.

Mr. Speaker, there are many more programs which I could mention in the areas of education, health, employment, older Americans, and so forth. I will simply say that we worked hard on this bill; it is a good compromise, and I urge the adoption of this report.

Mr. FLOOD. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. Mr. Speaker, in light of the previous discussion, I think it ought to be pointed out what the real facts are in terms of real growth in this budget.

The fact is that on uncontrollable items this budget is $1.3 billlion over last year's operating level, and the reason Congress finds itself in this strange position is because the President time and time again recommended changes in basic law effective immediately, and then sent down a budget to reflect the assumption that the changes in basic law would be effected immediately, knowing full well that that was an unrealistic expectation, knowing full well that that could not be done. On some occasions he sent down those suggested changes to us 30 or 60 days before their effective date was supposed to pass by on the calendar. So the fact is that it is simply a phony assertion to say that the Congress is running away on spending on this bill, because what the President did was to present us with a phony base in the first place, and it does not really merit the time of this House to go into that argument much more except to make that point.

Mr. FLOOD. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. Levitas).

Mr. LEVITAS. Mr. Speaker, the conference report on the Labor-HEW appropriations for fiscal year 1977 which we consider today, contains funding for many important and vital programs. I strongly support the objectives of most of these programs which have contributed to the health and well-being of this Nation. I have voted for adequate funding for each of them. Indeed, I voted for the funding levels for each of these programs when I voted in favor of this bill when it first passed the House.

However, this conference report provides a $412.9 million increase over the House-passed bill. This is a budget-busting, budget-wrecking bill. Because of this increase, the budget authority set forth in this conference report now exceeds the target established in the fiscal year 1977 budget resolution by $150 million. I supported that budget resolution in the belief that the appropriation bills which the House would subsequently consider, would be within its limits. The level of spending in this bill exceeds the President's budget by almost $4 billion.

No matter how attractive or appealing, we simply cannot vote for spending levels that exceed responsible limits. This may not be politically appealing, but it is fiscally sound. We must draw the line and stick to it, or we will surely continue on the road to economic chaos.

Mr. Speaker, I intend to vote against the conference report on the Labor-HEW appropriations. We must stay within the targets we set for ourselves in the budget resolution and not juggle figures with arguments that we will make up this increase in later measures. We must not always spend, spend, spend, and then tax, tax, tax, or borrow, borrow, borrow. The constraints of the new budget law may chafe us. But, that budget law is the first major step to restoring fiscal sanity to the Nation.

My vote against this conference report should be considered as an effort on the part of at least one Member of Congress—this Member from Georgia—to curb government spending. It is not opposition to the programs funded in this bill. I would vote for them at the proper levels within the budget. The cruel hoax of trying to benefit people spending money we do not have must be stopped. The inflation due to increased government spending and growing Federal deficits will be picking the pockets of those Americans which these programs are supposed to help. We must come to our senses and reduce government spending, not constantly approve increases. We must exercise fiscal restraint and live within our budget and our means, even if it means voting against a politically attractive bill. Let us do the right thing. Let us reject this bill and vote for a conference report that is within our budget limits.

Mr. FRASER. Mr. Speaker, today we are voting on an amendment that will have drastic consequences if it passes. Like all my colleagues, I have received mail for and against the amendment proposed by Mr. Hyde, my distinguished colleague from Illinois. The letters and telegrams have been about 50 percent for and 50 percent against the amendment.

Since much of the mail against the amendment discussed the constitutional implications, I was prompted to ask the U.S. Commission on Civil Rights for an opinion on its constitutionality.

The Commission's response included portions of the impact statement of the Department of Health, Education, and Welfare regarding the amendment. HEW believes that "virtually all programs involved in or related to the provision of medical care as well as those which are concerned with social and educational services or benefits funded by the Departments of Labor and of Health, Education and Welfare" would be included. Medicaid would be the program most affected. HEW's impact statement also confirms that the provision would disallow the use of funds for even abortions to save the life of the mother, that it would constrain medical schools receiving HEW aid from instructing students in the medical procedures of abortion, and that it would even prohibit providing information on the availability of abortion services to women making that difficult choice.

The HEW impact statement confirms that this is a very important piece of legislation we are voting on, with severe consequences.

Since it will have severe consequences, we should consider the amendment severely—that is, strictly.

According to the Commission on Civil Rights, the amendment is unconstitutional. The amendment would restrict the right of privacy of poor women, who are disproportionately also members of racial minorities. The Supreme Court in its 1973 decision perceived the right of abortion as a right of privacy.

Are we now to say that if a woman has been lucky enough to have been raised in a comfortable environment, she will be allowed to choose an abortion because she can afford it? Are we now to vote that if that same woman lives in an environment where she is economically deprived, she is not to be allowed to choose an abortion because she cannot afford it? Since poor women are disproportionately black, Chicano, Puerto Rican, and members of other racial minorities, the end result is economic and racial discrimination.

Poor women are dependent on public funds for medical care. We do not have a perfect society. None of us intended to build the pattern of de facto employment, housing, and educational discrimination that we are committed to destroying. But if we pass this amendment, we will be intentionally continuing the pattern of oppression.

The Hyde amendment is also procedurally inappropriate. No hearings have been held on the specific subject of spending Federal funds for abortions, although such bills have been introduced. An appropriations bill is to determine the amounts to be spent for programs, not to determine the policies of those programs. The full impact of such restrictive legislation should be properly considered in the appropriate committee.

While we have been destroying racism in our society, we have been building a more responsive, orderly, and democratic Congress. A Congress that citizens can understand and follow. To tack on such a far-reaching piece of legislation to an appropriations bill denies this reform in our procedures. Are we going to determine national policies in a catch-as-catch-can manner?

I would hope not. The Hyde amendment is procedurally inappropriate and unconstitutional, and I urge my colleagues to vote against it.

At this point I would like to insert in the Record the opinion of the U.S. Commission on Civil Rights of the constitutionality of the Hyde amendment:

U.S. Commission on Civil Rights,
Washington, D.C., August 4, 1976.
Hon. Donald M. Fraser,
House of Representatives,
Washington, D.C.

Dear Representative Fraser: This is in response to your request for the views of the U.S. Commission on Civil Rights concerning Representative Hyde's amendment to H.R.

14232, the Departments of Labor and Health. Education and Welfare Appropriations bill. The amendment states that "None of the funds appropriated in this Act shall be used to pay for abortions or to promote or encourage abortions." The Commission strongly opposes the amendment because of the potential negative impact of the amendment on the constitutional rights of indigent women. We would, therefore, urge the House to delete the Hyde amendment language.

As we stated in our report entitled "Constitutional Aspects of the Right to Limit Childbearing," the Commission's sole position is its affirmation and support of each woman's constitutional right to abortion under circumstances delineated by the Supreme Court in *Roe* v. *Wade* and *Doe* v. *Bolton*. The report made three major recommendations, one of which is that "Congress should reject anti-abortion legislation and amendments, and repeal those which have been enacted, which undermine the constitutional right to limit childbearing." The Commission reiterates this recommendation, and urges the House to reject the Hyde amendment to H.R. 14232, for several reasons. First, we believe that such an amendment would undermine the constitutional rights of women as set forth by the U.S. Supreme Court. Second, it is clear that restriction of Medicaid funds for legal abortion would negatively impact only on low-income women, among whom racial and ethnic minority women are dispropotionately represented. Such a result, in our view, would violate the equal protection clause of the Fourteenth Amendment.

Representative Hyde's amendment would effectively nullify the *Roe* and *Doe* decisions for indigent women, as those women must rely on Medicaid and other federally funded health care programs for medical services, the very services which the Hyde amendment would restrict. The Department of Health, Education and Welfare was moved to issue an impact statement when it learned that Congress was considering such legislation. The statement reads:

"This language would affect virtually all programs involved in or related to the provision of medical care as well as those which are concerned with social and educational services or benefits funded by the Departments of Labor and of Health, Education, and Welfare. Included would be programs such as those of the Bureau of Community Health Services, the Public Health Hospitals, social service programs of AFDC and Medicaid . . .

"The program that would be most affected would be the Medicaid program in 49 States and the District of Columbia. It is estimated that the Department is currently financing between 250,000 and 300,000 abortions annually at a cost of $45–50 million. The preponderance of funding is through Medicaid . . .

"The provision would also clearly preclude the use of departmental funds for therapeutic abortions including those to save the life of the mother, severely constrain medical schools receiving capitation grants and other HEW funds from instructing students in the performance of abortions, and preclude any federally supported agencies or projects from counseling clients on the availability of abortion services."

The effect of the amendment on indigent women who must rely on these programs and services for their health care, is devastating. Our report states:

"Statistical data demonstrate the suffering experienced by poor women when abortion is illegal. For the poor woman, restrictive abortion statutes have meant either another baby she could not care for, or the chance of death from an attempt to self-abort or at the hands of a backroom abortionist. Almost universally, where abortion is legalized the maternal mortality rate drops and the incidence of septic abortion (abortion complicated by acute infection of the lining of the uterus) and incomplete abortion decreases. This points to the conclusion that legal abortion reduces the incidence of ill effects from criminal abortions and is, therefore, preferable to criminal abortion. For example, at San Francisco General Hospital in 1967, before abortion reform, there were 68 septic abortions per 1,000 live births; by 1969 there were only 22 per 1,000 live births. In New York City's Harlem Hospital there were 1,054 women admitted for aftercare following incomplete abortions in 1965 and only 292 in 1971, after abortion was legalized.

"Poor women face grave risks of endangering life and health by self-abortion or by seeking the services of nonphysician abortionists. If forced to continue an unwanted pregnancy, women, when unmarried, face a whole range of discrimination. If they are employed, their health insurance coverage may be inadequate to cover expenses associated with pregnancy and childbirth. Furthermore, employers are not obligated to transfer a pregnant woman to less arduous work, if this is medically advisable during any stage of pregnancy. Indeed, women have often been forced to leave their employment, either temporarily or permanently when they become pregnant, thus losing potential benefits, including health insurance coverage. If a pregnant woman is unable to find employment and does not qualify for compensation and has no one to support her, she may be forced to accept inadequate public assistance. Additionally, the existence of an out-of-wedlock pregnancy and birth may be used as evidence to deny employment or housing to a woman. The same economic factors which create her inability to gain an abortion in the first place might mean that a woman would not be able to file suit to challenge such patently discriminatory actions."

The recognition of abortion as a constitutional right by the Supreme Court has made it possible for more poor women to gain access to safe abortions done by physicians and paid for by Medicaid funds. They need not pay the higher fees demanded by illicit practitioners when the procedure is illegal. Representative Hyde's amendment to H.R. 14232 would eliminate that opportunity. Economic discrimination as such may not always be a violation of the Constitution, but racial discrimination is, and the effect of prohibiting States to pay for legal abortions with Medicaid funds would be to discriminate against those racial and ethnic minority women who are disproportionately represented among low income women.

Further, the Commission's report discusses various State actions which have been taken since the Supreme Court *Roe* and *Doe* decisions, as attempts to indirectly limit the right to abortion. One of the most important of these is the attempt to refuse Medicaid payments for abortion procedures. It should be noted that the Supreme Court has agreed to hear in the Fall Term, two cases involving restrictions on the use of Medicaid funds for provision of abortions. As is pointed out in the October, 1974, memorandum prepared by the Congressional Research Service of the Library of Congress, entitled "Constitutionality of the Bartlett Amendment Banning Use of DHEW and DOL F.Y. 1975 Funds for Abortion," the courts have declared that all such State actions represent illegal interference with the reproductive freedom of women acknowledged in *Roe* and *Doe*. Our report describes one such case as follows:

"In one case (Doe v. Roe), the Utah State Department of Social Services ruled that indigent pregnant women, entitled to medical services and care for pregnancy under its Medicaid program, were not entitled to abortions at the expense of Medicaid unless an application was approved by the Department as being therapeutic. The Department defined a therapeutic abortion as one necessary to save the life of the expectant mother or to prevent serious and permanent impairment to her physical health, and none other. The Federal appeals court decided that this 'broad abortion policy is intended to limit abortion on moral grounds.' Such a policy 'constitutes invidious discrimination and cannot be upheld under constitutional challenge.' "

Adoption of the Hyde or a similarly discriminatory amendment would be particularly ironic since a main objective of H.R. 14232 is to equalize access to education and health services for all Americans.

The 1973 Supreme Court decisions provided that all women have a constitutionally guaranteed right to legal access to abortion services as delineated by the Court. *Any language of an abortion restrictive nature* attached to this legislation, even "compromise" or "modified" language, would impermissibly violate the indigent woman's right to choose abortion because she, as a result of her financial status, must rely for health care on the publicly funded health care programs provided for in this legislation.

From these comments it is clear that personal feelings about abortion need not, and indeed, should not be involved in Congressional consideration of the Hyde Amendment or similar legislation. The matter involved is that of a fundamental Constitutional guarantee—equal protection under law. This Constitutional guarantee virtually mandates deletion of the Hyde Amendment from H.R. 14232.

I hope that this reply is responsive to your concerns. Please feel free to call on me if the Commission can be of further help.

Sincerely,

JOHN A. BUGGS,
Staff Director.

Mr. FRENZEL. Mr. Speaker, I did not support the House version of the Labor-HEW appropriation bill which totaled some $56.2 billion or a 9-percent increase over last year. The conferees have now presented us with a bill totaling $56.6 billion or $4 billion over the President's budget request. Furthermore, this bill does not reflect figures for the remaining unauthorized programs.

Thus, the final deficit totals could mount up to well over $9 billion over the budget if the public service jobs program and other unauthorized programs are fully funded. These figures also do not represent the trust fund estimates of fiscal year 1977 which compared with the fiscal year 1976 figures tells me that this bill will cost the taxpayers $20.9 billion over last year. Many of the increases are unavoidable, because they are only funding programs previously passed by Congress. Nevertheless, the $21 billion increase over last year's total is shocking.

As I indicated in my remarks made on the House version of this bill, 92 percent of my constituents reported in my districtwide questionnaire, favored spending at the Ford level or lower. This poll may not be statistically accurate, but the results are clear. If other districts have similar feelings, this bill is totally out of step with the people in trying to pass huge spending bills.

Not every item in the President's budget deserves support, nor does every item in this bill deserve to be rejected. Because we cannot consider individual line items in this bill, but must base our vote on the total $56,618,207,575, I have no choice but to vote against the entire bill. If given such a choice, I would support reasonable increases for programs like education or health research, and I believe my voting record reflects my support over the past 5 years.

I have repeatedly stated my disgust at Congress lack of oversight functions in continuing to pass the same old categorical programs, many of which have long outlived their usefulness or show minimal accomplishment for the dollars spent. There can be little question about the important role the Federal Government must play in supporting programs designed to promote quality education, health research and benefits for the aged and disadvantaged. However, I do not think we can continue with our present policy of pouring tax dollars into outdated, ineffective programs. Impact aid is a perfect example of an old, inequitable program which has never faded away. The depressing trademark of this Congress is its continuing insistence to spend extravagantly while facing serious deficits.

Congress has also done nothing to reduce the ever-growing web of Federal rules and regulations which accompany Federal programs and Federal dollars. The President has a number of proposals calling for grant consolidation and cutting Federal redtape which hardly received a hearing. I would prefer to see such a program adopted which would give State and local officials, school officials, and health personnel greater flexibility and responsibility over those Federal programs affecting them.

In 1976, our taxpayers are facing another monstrous budget deficit. This Labor-HEW appropriation bill further emphasizes Congress commitment to spending as a solution to all problems. It is a commitment to a policy of opposition to change. This bill means not only that Congress does not care about present deficits, but also that it has no interest in balancing our budget in 3 years, or perhaps ever.

I cannot support a bill or a concept that commits this country to endless deficits. I urge the defeat of this conference report.

Mr. FLOOD. Mr. Speaker, I have no further requests for time.

Mr. MICHEL. Mr. Speaker, I have no further requests for time.

Mr. FLOOD. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 279, nays 100, not voting 52, as follows:

[Roll No. 633]

YEAS—279

Abdnor
Abzug
Adams
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Badillo
Bafalis
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carr
Carter
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, N.J.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Gonzalez
Gude
Haley
Hall, Ill.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holtzman
Horton
Howard
Hubbard
Hungate
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lundine
McCloskey
McCormack
McDade
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pike
Pressler
Preyer
Price
Quillen
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Whalen
White
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—100

Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Bauman
Beard, Tenn.
Bell
Bennett
Brown, Mich.
Brown, Ohio
Broyhill
Burke, Fla.
Burleson, Tex.
Butler
Cederberg
Clancy
Clawson, Del
Collins, Tex.
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Edwards, Ala.
English
Erlenborn
Eshleman
Fish
Frenzel
Frey
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Hillis
Hughes
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Kemp
Kindness
Lagomarsino
Latta
Levitas
McClory
McCollister
McDonald
McEwen
Mann
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
O'Brien
Paul
Pettis
Poage
Pritchard
Quie
Railsback
Regula
Rhodes
Robinson
Rousselot
Runnels
Satterfield
Schulze
Shuster
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Teague
Thone
Vander Jagt
Whitehurst
Wylie

NOT VOTING—52

Anderson, Ill.
Aspin
Biester
Carney
Chappell
Conable
Conlan
Danielson
Dickinson
Diggs
Downing, Va.
du Pont
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Gibbons
Green
Hays, Ohio
Hébert
Heinz
Hinshaw
Holland
Holt
Howe
Jones, N.C.
Karth
Ketchum
Landrum
Lujan
McKinney
Mink
Moorhead, Pa.
Neal
Passman
Peyser
Pickle
Schneebeli
Shipley
Sikes
Staggers
Steelman
Stephens
Treen
Waggonner
Weaver
Wiggins
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Treen.

Mr. Chappell with Mr. Steelman.

Mr. Waggonner with Mr. Anderson of Illinois.

Mr. Fountain with Mrs. Holt.

Mr. Moorhead of Pennsylvania with Mr. Conable.

Mr. Sikes with Mr. McKinney.

Mr. Young of Georgia with Mr. Conlan.

Mr. Weaver with Mr. Biester.

Mr. Flynt with Mr. du Pont.

Mr. Stephens with Mr. Esch.

Mr. Evins of Tennessee with Mr. Findley.

Mr. Passman with Mr. Forsythe.

Mr. Green with Mr. Peyser.

Mr. Jones of North Carolina with Mr. Wiggins.

Mrs. Mink with Mr. Landrum.

Mr. Howe with Mr. Schneebeli.

Mr. Aspin with Mr. Heinz.

Mr. Carney with Mrs. Fenwick.

Mr. Danielson with Mr. Dickinson.

Mr. Gibbons with Mr. Downing of Virginia.

Mr. Hays of Ohio with Mr. Young of Alaska.

Mr. Diggs with Mr. Pickle.

Mr. Staggers with Mr. Holland.

Mr. Shipley with Mr. Neal.

Mr. Lujan with Mr. Karth.

Mr. DON H. CLAUSEN changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 3, line 4, insert: "to remain available until June 30, 1978."

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ", of which $75,300,000 shall be for section 906(a)(1)."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 8: Page 8, line 1, strike out: "That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation and employs 10 or fewer employees: *Provided further*, That none of the funds provided by this Act shall be used to formulate or carry out a program under which first instance citations for violations must be issued against firms employing 10 or fewer persons." and insert: "That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful or repeated violations under section 17 of the Act) resulting from the inspection of any establishment or workplace subject to the Act: *Provided further*, That none of the funds provided by this Act shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation and employs a daily average of five or fewer employees, but no more than twelve on any single day, excluding members of the immediate family."

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of The Senate numbered 8 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful, or repeated violations under section 17 of the Act) resulting from the inspection of any establishment or workplace subject to the Act, unless such establishment or workplace is cited, on the basis of such inspection, for 10 or more violations: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation and employs 10 or fewer employees."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 12, line 8, insert: "The National Disease Control and Health Education and Promotion Act,".

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "title XVII of the Public Health Service Act, the Lead-Based Paint Poisoning Prevention Act,".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 20, line 21, insert: "and $18,000,000 for educational broadcasting facilities shall remain available until expended, including $1,000,000 for carrying out section 392A of the Communications Act of 1934, as amended:"

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "and $15,000,000 for educational broadcasting facilities shall remain available until expended, including $1,000,000 for carrying out section 392A of the Communications Act of 1934, as amended".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 22, line 14, insert: : *Provided further*, That, notwithstanding section 421A(c)(2)(A) of the General Education Provisions Act, the Commissioner of Education is authorized to approve applications for funds to increase school facilities in communities located near the Trident Support Site, Bangor, Washington, on such terms and conditions as he may reasonably require without regard to any provision in law.

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 23, line 12, insert: *Provided*, That the appropriation for "Education for the handicapped" contained in title I, chapter VI of Public Law 94-303 (Second Supplemental Appropriations Act, 1976) is amended by adding at the end thereof ", to remain available until September 30, 1977".

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 48 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "*Provided*, That the appropriations for 'Education for the handicapped' contained in title I, chapter VI of Public Law 94-303 (Second Supplemental Appropriations Act, 1976) is amended by adding at the end thereof ", to remain available until September 30, 1977": *Provided further*, That funds contained in this title for "Special benefits for disabled coal miners" shall remain available for benefit payments from July 1, 1976 through September 30, 1977."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 65: Page 34, line 5, strike out: "allotment level" and insert: "level of operations".

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68: Page 39, line 5, strike out: "Sec. 209. None of the funds appropriated under this Act shall be used to pay for abortions or to promote or encourage abortions."

MOTION OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLOOD moves that the House insist on its disagreement to the amendment of the Senate numbered 68.

PREFERENTIAL MOTION OFFERED BY MR. PRITCHARD

Mr. PRITCHARD. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. PRITCHARD moves that the House recede from its disagreement to the amendment of the Senate numbered 68 and concur therein.

Mr. OBEY. Mr. Speaker, if this is the correct time to make this request, I ask that that question be divided.

The SPEAKER. The Chair will inform the gentleman that the question will be divided on the preferential motion.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, the question before the House at this point is whether or not the House will recede from its disagreement to the Senate amendment?

The SPEAKER. The gentleman is correct. The preferential motion is to recede from the disagreement of the House to the Senate amendment and concur therein, and the request of the gentleman from Wisconsin (Mr. OBEY) is that the question be divided.

Mr. BAUMAN. I thank the Speaker.

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Speaker, when the House considered the Labor and Health, Education, and Welfare appropriations bill, H.R. 14232, on June 24, the so-called Hyde amendment was adopted. This amendment prohibits funds in the bill from being used to pay for abortions. There were two rollcall votes on that amendment. It carried both times, as the Members will recall, once by a vote of 207 to 167 and once by a vote of 199 to 165.

The amendment was stricken from the bill in the Senate by a rollcall vote of 57 to 28. In our conference with the Senate on the Labor-HEW appropriation bill, I supported the House position. I told the Senate conferees that the House conferees would not and could not yield, that the House had spoken twice on the matter, and that it is clear the Members of the House on two votes on the matter did not wish to permit public funds to be used to pay for abortions.

The Senate conferees were just as adamant in insisting that they could not yield to the House, and since the Hyde amendment had been defeated in the Senate by a 2-to-1 vote, that was the situation.

Mr. Speaker, in view of that situation, we could only report back to the House, and, of course, to the Senate that we have been unable to reach an agreement with respect to Senate amendment No. 68, the amendment we are talking about, which deleted the Hyde amendment from the bill. This means the issue must be considered again and voted on both in the House and in the Senate.

If my motion to further insist on the House position carries by a substantial vote, the Senate may be persuaded on reconsideration to adopt the House position. Of course, as long as this matter remains unresolved, this entire Labor-HEW appropriation bill which involves, as I told the Members, over $56 billion in appropriations for health, education, and welfare is going to be stalled. Until this abortion issue is resolved, the bill simply does not go to the President. That is the situation.

Mr. Speaker, I spoke against the Hyde amendment during the House consideration of the bill when the amendment was offered before the House. As the Members realize, I am chairman of the Subcommittee on Labor, HEW Appropriations of the Committee on Appropriations, and it is my position on behalf of the committee to protect the bill on the floor against any unwanted amendments not considered by the committee and which might jeopardize the bill. This puts me in a position many times of opposing amendments that ordinarily I might support.

I was concerned that this amendment might be interpreted as prohibiting medicaid funds from being used to terminate pregnancies, which might be necessary in some cases to save a mother's life. This would be unfair to people who are unable to pay the very high costs of medical care which prevail today. I have been persuaded that this problem would not be as serious as it might appear, and that the therapeutic and medical services that might be necessary and advised could be paid for by State, local, or private funds.

I believe that the proper and the equitable way to deal with this problem is through a constitutional amendment. I have consistently supported a constitutional amendment prohibiting abortion, and I certainly do not believe that public funds should be used to pay for abortions as a method of family planning.

Mr. Speaker, I should point out that we have debated this matter at some length on the floor before.

Section 1008 of the Public Health Service Act specifically prohibits any funds appropriated under authority of title X of that act from being used for programs for abortions.

Therefore, Mr. Speaker, I support the position of the Hyde amendment, and I urge the adoption of the motion that the House further insist, as we did at the conference, on the disagreement to Senate amendment No. 68.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. FLOOD. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, the distinguished gentleman from Pennsylvania (Mr. FLOOD), whose motion I certainly support, has said that if the House votes again on this issue and by some substantial margin reaffirms the Hyde amendment, there is a possibility that the other body might accept it.

There is also the possibility, is there not, that the conferees could work out some sort of compromise once they went back to conference?

Mr. FLOOD. That may be so, yes.

Mr. BAUMAN. Is it not true that we have a continuing resolution now that will carry through these appropriations until the first of October?

Mr. FLOOD. That is correct, the programs are currently funded through September 30.

Mr. BAUMAN. Therefore, the passage of this conference report is not immediately needed and there will be no cutoff for 60 days; is that correct?

Mr. FLOOD. The gentleman states the factual situation correctly; but insofar as this gentleman is concerned, this bill, of course, cannot go to the President until the disagreement between the House and Senate with respect to the Hyde amendment has been resolved.

The SPEAKER. Does the gentleman from Illinois (Mr. MICHEL) desire to be heard?

Mr. MICHEL. Mr. Speaker, while the view of the gentleman who offered the motion to recede and concur does not square with the views of the gentleman from Illinois, nevertheless, in the interest of fairness, I think it only appropriate that I yield 5 minutes to the gentleman from Washington (Mr. PRITCHARD) at this time to make his case.

Mr. PRITCHARD. Mr. Speaker, I will try to be as brief as possible.

I have a high respect for those who have strong feelings and who are totally opposed to abortion. They have their beliefs, and I think that is proper. They fought hard and they are well organized, and they are one group.

Then there are some of us who believe that it is terribly important that women have a right to make their own decision, in consultation with their doctor.

Then there is a third group in this House who, I believe, think that abortions are all right in some cases, but they are very, very worried about voting at this time, just several months before the election.

Some may feel that this vote will not be recorded or will not be known. Even though they admit that in their districts the majority of people support abortion and allowing women to make this decision—they also realize that a very hard and very skillful minority is working very hard—which is their right—and they are afraid that they will be punished at the polls.

Mr. Speaker, let me tell the Members that I believe this vote will be known all through each Member's district, for several reasons.

First of all, I think it is important that we realize that this is a first step in the restriction of abortion. Those who have promoted this amendment I think will be honest and say that this is the way we take our first step in the restriction of abortion.

The question I want to ask all the Members here today is, Do we really want to take this first step against the poor women and the women on welfare?

We know that the wealthy, the affluent, and those who can go off to other countries know how to get these things done. However, the poor and the welfare mothers are least able to handle this problem.

What happens to these ladies? Some of them will go to a back alley for a butcher. Some will go on to term.

Mr. Speaker, I think we have not only to be concerned about the fetuses, but we have to be concerned about the mother, and we have to be concerned about the life of that potential child.

That is one of the things I think we are going to have to square with the people in our district. Do we want to take that first step against those least able to handle this problem?

The second thing is I hope the Members will realize what this is going to do to the hospitals in their areas. I do not think this has been dramatized, at least it has not been told to most people, but this will affect the hospitals in your areas, there will be very definite restrictions placed upon them.

No abortions or advice or training in 8 U.S. public health service hospitals and 26 U.S. public health service outpatient clinics will be affected. Fifty-one Indian health service hospitals, 99 Indian health centers, and 300-plus Indian health stations and outpatient clinics will be affected. Once again we are treating these Indians differently than we are treating the average citizen, 116 federally assisted medical schools will be affected.

If you have a medical school in your district, you will hear about it because this will put some restrictions on the medical school.

Also affected will be 1,292 federally assisted nursing homes. Members will hear from the nurses in their areas.

Also affected will be 4,066 hospitals who have received Federal capitation support. If there is an argument over that, and there can be, let me assure the Members that there is no argument over the 247 hospitals that have current capitation support.

Some 1,136 federally assisted teaching hospitals and 547 federally assisted training hospitals are involved; plus 443 U.S. Health Corps sites in 196 communities in 40 States that employ 405 U.S. Health Corps physicians.

So obviously it is not going to be just the poor and the welfare people that are going to be restricted from abortions, we will be restricting all of the U.S.-assisted hospitals from offering this service.

The SPEAKER. The time of the gentleman has expired.

Mr. MICHEL. I yield 1 additional minute to the gentleman from Washington.

Mr. PRITCHARD. Already we know, Mr. Speaker, that it is discriminatory and it is unconstitutional clearly and any lawyer will tell the Member so, if they go into any of the cases. All of the Federal courts have so held. This will not stop abortion, this will just stop safe abortions. This will spawn a host of lawsuits. It will increase the cost by over 1,000 percent.

I do not believe that the majority of the Members favor this amendment. This is not a time to be political, it is a time to be concerned with the health of this Nation.

I urge the Members to support the position of the Senate.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, I want to compliment the gentleman from Washington (Mr. PRITCHARD) who was just in the well of the House. I will not repeat any of the arguments he has given. I just want to make it clear that we are not voting on abortion today. It is important to recognize what you are voting on. The consequences of this blunderbuss restriction which says that none of the funds appropriated under this act shall be used to pay for abortion or promote or encourage abortion, has a very broad effect. A young girl or any woman who is raped could be denied any kind of treatment or drugs under this amendment.

In my opinion family planning could be prohibited. The morning after pill could be proscribed. The 8 million women who use the intrauterine device of contraception could be denied the use of these methods of birth control.

I repeat that we are not voting on abortion, we are not voting on religious or conscientious views, the Members are simply going to be voting to deny access to what are acceptable methods of birth control and what are acceptable methods of family planning, which we have enacted into law in this Congress.

The amendment makes absolutely no sense. We should not use the rules of the House to permit amendments which limit appropriations in order to write medical definitions into an appropriations bill.

That is mindless legislation. We are all entitled to our differences on abortion. We will continue to have them, and I trust we respect the differences that we have. I know I do, even though my view is supported by the Supreme Court of the land. I think we should be concerned with preserving the essence of our democratic society which allows all viewpoints to flourish and compete for support. Those who are personally opposed to abortion have the freedom to model their lives. On that precept, they are free to state their views publicly, to argue and persuade, and to fight for a constitutional amendment. I think they have that right, and I respect that right. But they do not have the right to say that what we provide by law for one group of women we refuse to provide by law for another group of women who by happenstance happen to be poor and underprivileged. What we do here today is not to act on abortion, and the constituents in the Members' districts who want them to vote for a constitutional amendment will not be satisfied by their votes on this issue because the people in the Members' districts will know that they did not vote for a constitutional amendment.

Several States have enacted statutes prohibiting the use of medicaid funds to pay for abortions and they have been struck down almost unanimously by the lower Federal courts. The Supreme Court has accepted three cases which deal directly with this issue, one Roe against Maher, of which squarely represents the constitutional issues raised in this amendment. It will be argued not only that such a statute discriminates against poor women who are dependent on the State for medical care by making abortion unavailable, but that it also discriminates in that poor women in the medicaid program who choose to terminate their pregnancies by childbirth have their medical care fully covered while women who choose to terminate their pregnancies by abortion do not. So long as the Federal Government is providing health services to the poor, it must provide the full range of available services so that poor women have the same freedom to choose different medical procedures and quality medical care as their more affluent women.

I am confident that the Supreme Court will find these limitations unconstitutional. But if the House persists in its position on the Hyde amendment, poor women all over the country will suffer while the matter is litigated in the courts. I urge you to support the motion to recede and concur with the Senate.

The SPEAKER. The time of the gentlewoman has expired.

PARLIAMENTARY INQUIRY

Mr. AMBRO. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. Will the gentleman from Pennsylvania (Mr. FLOOD) yield for a parliamentary inquiry?

Mr. FLOOD. I yield to the gentleman from New York.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. AMBRO. Mr. Speaker, as I understand the situation, the gentleman from Pennsylvania is making a motion to insist on the House language incorporated in the Hyde amendment. The gentleman from Washington (Mr. PRITCHARD) now asks us to recede and concur with the Senate language.

The SPEAKER. The gentleman is right.

Mr. AMBRO. The gentleman then said that this was divisible, which means that we can take a vote on the motion to recede.

The SPEAKER. To recede from disagreement to the Senate amendment.

Mr. AMBRO. Yes. If the motion to recede passes, can we then go on with a vote to concur with the Senate language? Is that the next step?

The SPEAKER. Yes. But if the House recedes, any germane motion to concur with an amendment would be in order before the House votes on the pending motion to concur.

Mr. AMBRO. To concur with an amendment will be in order. If the motion to recede fails, is another preferential motion to recede and amend in order?

The SPEAKER. No.

Mr. AMBRO. Do we then move to a vote on the Flood language?

Mr. FLOOD. Pro forma.

The SPEAKER. The gentleman is correct.

Mr. AMBRO. That is correct?

The SPEAKER. Yes.

Mr. AMBRO. I thank the Speaker.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. EDWARDS of California. I thank the gentleman for yielding.

Mr. Speaker, I shall be brief. As brief as, I believe, the Supreme Court will be when it is called on to decide the constitutionality of this provision should it be retained in this appropriations bill.

We are not dealing with an issue on which the courts have been silent, or where the decisional law has been so varied or ambiguous as to be of little assistance. This particular provision flies directly in the face of almost every Federal court decision yet rendered.

Let me recite for you a summary of the settled constitutional principles and guidelines which the Supreme Court will use in deciding this question and the cases supporting them.

First. A woman's decision whether to terminate her pregnancy by abortion is a fundamental right. *Roe.* v. *Wade,* 410 U.S. 113 (1973) and *Doe* v. *Bolton,* 410 U.S. 179 (1973).

Second. The Government may not condition the recipt of a statutory benefit upon the forfeiture of a constitutional right. *Memorial Hospital* v. *Maricopa Hospital,* 415 U.S. 250 (1974).

Third. The constitutionality of a provision infringing upon a constitutional right will be measured by the compelling Government interest standard under which the government must sustain the burden of showing that a challenged provision is justified by a legitimate governmental interest. *Kramer* v. *Union School District,* 395 U.S. 621 (1969).

Fourth. In the past, and to this date, Federal courts including the Supreme Court, have rejected moral repugnance costs, desire to discourage and administrative convenience as insufficiently compelling or legitimate to sustain governmental action restrictive of a constitutional right. *Doe* v. *Rampton,* 366 F. Supp. 189 (D. Utah, 1973) *Doe* v. *Rose,* 499 F. 2d 1112 (10th Cir., 1974) *Doe* v. *Wholgemuth,* 376 F. Supp. 173 (D.C. W.D. Pa, 1974) *Doe* v. *Westby,* 383 F. Supp. 1143 (D.S.D. 1974) *Wolff, Singleton,* 508 F. 2d 1211 (8th Cir. 1975). It is clear then that no matter your private view or mine or even the view of this House collectively on the issue of abortion, the subject provision would create an invidious classification which would conflict with the Supreme Court's decisions in Roe and Doe and almost every other lower court ruling interpreting those cases and would be violative of the equal protection standards of the fifth amendment.

Further, we are about to create a maelstrom of additional litigation just at the time the Supreme Court has announced, as they did on July 6 of this year, that they will hear three cases (No. 75-554, *Bell* v. *Doe*; No. 74-1440, *Maher* v. *Roe*; No. 75-442, *Poelker* v. *Doe*) this coming term which will settle the matter insofar as the law and Constitution is concerned, once and for all.

It simply defies commonsense and the law as it presently stands for this House to insist on this provision, and I urge its defeat.

Mr. MITCHELL of Maryland. Mr. Speaker, I have deliberately refrained from speaking on this issue up to this point. Now I feel constrained to speak to it. It seems to me that, if we continue to support the Hyde amendment, we are supporting class legislation, which is contrary to the principles of this House. We have never done that. Above and beyond that, let me talk to the Members just a little bit about the implications of this class legislation.

For some time I served as a probation officer and later with the Domestic Relations Division of the Supreme Bench of the city of Baltimore. I had an opportunity to see what happens with illegal abortions.

Let me ask the Members some questions. Have the Members seen the results of a coathanger abortion? Have the Members seen the septicemia caused by a "dirty abortion"? Have the Members seen the illness that women suffer when they get caught up in these abortion rackets? Have the Members seen the results of an abortion performed by a rusty penknife? Have you seen what that does to a woman physically and psychologically? I have seen these things. I have.

All we would do today under the Hyde amendment is to leave those ugly, brutal options open to one class of people: those at the very bottom. Other options would be open to other classes.

We cannot live with that on our conscience. We cannot live with it.

Mr. Speaker, I rise in opposition to the so-called Hyde amendment.

It is my understanding that the 1973 Supreme Court decision in Roe against Wade provided that all women had the legal option to obtain an abortion from a licensed physician. Thus, Representative HYDE's amendment prohibiting the use of funds appropriated in this act for the use or encouragement of abortions is a blatant denial of equal protection to poor women, whom a disproportionate amount are racial and ethnic minorities. To acknowledge on one hand that women have the legal right to abortion, then, in the same breath, refuse to provide women dependent on medicaid safe legal abortions with the option of securing such treatment is inconsistent with the 14th amendment and reprehensible.

If my colleagues who support this amendment think that removing Federal funds from this type of medical service is washing the Federal hands of the abortion issue for once and for all, then I submit that they are extremely incorrect. The fact is that abortions will take place among medicaid recipients, even if this amendment passes. However, what is likely to occur is increased self-induced abortions, the medical complications and costs which accompany them, the revival of back alley abortions, and more suicides of young women who cannot face the ugly reality of a child who is not only unwanted by the mother but unwanted by this society, as well.

Clearly then, if the proponents of this legislation are against abortion then it is not appropriate for them to prohibit the access to abortions for only one class of people. I abhor this type of victimization. This legislation will only approve inequities in the constitutional rights of our citizens and increase the disparity that already exists among white and black, rich and poor, the economically and socially advantaged and disadvantaged.

I urge my colleagues to soundly defeat this amendment.

Mr. MICHEL. Mr. Speaker I yield 5 minutes to the gentleman from Illinois (Mr. HYDE), the author of the amendment in question.

Mr. HYDE. Mr. Speaker, before I make my remarks in chief, I was interested to note three of the people who have involved themselves on the other side of the question, including the gentlewoman from New York and the gentleman from Maryland who just spoke and the gentleman from California who made a unanimous-consent request, are the cosponsors of a bill (H.R. 4897), which sets up the World Peace Tax Fund. Under this bill a person, a taxpayer who has qualified as a conscientious objector, or who declares that he or she is conscientiously opposed to participation in war, may designate the payment of his or her income taxes to the fund. Let me state that if all of the people in this country who are conscientiously opposed to abortion could withhold their taxes and pay them into an infant protection league, there would not be much tax money for an HEW budget.

I heard the gentleman from Washington say this is patently unconstitutional. If I may quote to the gentleman for a minute from the Solicitor General of the United States and the chief counsel for HEW in the pending case of Beal against Doe, he says:

> The fact that a woman has a qualified right to an abortion does not imply a correlative constitutional right to free treatment. Individuals presumably have a right to undergo many recognized medical procedures by a licensed physician but the Equal Protection Clause does not affirmatively require a State to cover the costs incurred by indigents undergoing such procedures.

Lastly, in response to the gentleman from Washington, he said it is a "potential child". I would submit it is a "child with potential."

There are three major objections raised by oppoents of the so-called Hyde amendment. The first is: "If permitted to stand it will prevent abortions to save the life of the mother."

Let me make it crystal clear that this amendment is not intended to prohibit any abortion deemed necessary to save the life of the mother. Such operations do not even fall within the medical terminology of abortion. They are called removal of a diseased uterus, or removal of an ectopic pregnancy, or some similar terms. Also, the medical indications for so-called therapeutics abortions today are almost zero due to advances in medical science and technology.

But nevertheless, let there be no doubt about the legislative intent of this amendment: It does not apply to those abortions necessary to save the life of the mother nor is it intended to apply to the IUD, the intrauterine device, nor to the so-called "morning after" pills.

The next inaccurate claim is that this amendment may even have "a restrictive impact upon those federally funded medical schools where abortion is taught as a medical procedure."

This is not the intent of this amendment at all. All we intend to do is to deny the use of taxpayers' funds to pay for the actual abortion procedure and to forbid the use of Federal funds to promote or encourage anyone to have an abortion. We are all too familiar with those instances where the social worker makes the decision, not the distressed pregnant woman.

Lastly, the most emotional appeal is made that this amendment denies to a poor woman a right to an abortion which a rich woman can enjoy. To accept the agrument that this amendment denies the right to an abortion to a poor woman, we have to accept the argument that an abortion is a desirable thing. I reject that completely. Abortion is violence.

The gentleman from Maryland asked if we had ever seen a coathanger abortion. Take a look at any abortion and tell me that that is not violence.

Abortion is an inhuman solution to a very human problem. The only virtue to abortion is that it is a final solution. Believe me, it is a final solution, especially to the unborn child.

Mr. Speaker, let the poor women of America make a list of those things that society denies them and which are enjoyed by rich women. Decent housing, decent education, decent food, decent income, and then say to them, "Now, those will take second place. But we will encourage you to kill your unborn young children. Besides, there are too many of you anyway".

If rich women want to enjoy their high-priced vices, that is their responsibility. They can get the finest heroin in the world that is not available on the street. They can get a face lift. They can fly to Las Vegas and gamble. That is fine, but not at the taxpayers' expense.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MICHEL. Mr. Speaker, I yield the gentleman from Illinois (Mr. HYDE) 3 additional minutes.

Mr. HYDE. Mr. Speaker, to kill an unborn child is to deny to the most defenseless of human beings the most basic right of all, the right to life. What good are the rest of our cherished freedoms, the right to free speech, freedom of the press, freedom of worship; yes, even of privacy, if we are not alive to enjoy them.

Thank God our parents did not believe in abortion or I would be talking to an empty hall.

I submit the preborn child is not a set of diseased tonsils. It is not a diseased appendix to be excised and flushed away. It is a human being.

Yes, a woman has a right not to become pregnant, but once a human life has been created, a new set of rights and duties arises, and to kill this life because it is innocently inconvenient, to say that some lives are worthwhile and some are socially expendable, is to totally reject the words of our forefathers that "All men are created equal," not born equal, created equal.

All of us should have a particular sensitivity to the concept of the word genocide. In New York City, last year for every 1,000 minority births, there were 1,304 minority abortions. That is one way to get rid of the poverty problem, get rid of poor people. Let us call that pooricide.

Mr. Speaker, Jessie Jackson says:

> You just can't kill poor people who are in your way.

Dick Gregory says:

> I know a man in Chicago who wipes out 125 black babies a day in one of those abortion clinics. You say a poor black woman has as much right to an abortion as a rich white one. Well, then, give her the right to a Cadillac, a mink, and a trip to Paris.

Mr. Speaker, the fact that the Supreme Court has "legalized" abortion in no way sanctifies nor enshrines this procedure. Justice Holmes called wiretapping a "dirty business." The wholesale slaughter of the innocently inconvenient in this country could well be called a "bloody business" and one that must make Herod's biblical slaughter of the innocents seem almost benign.

It is estimated in this country today that there are about 1 million abortions each year in America. This is almost twice as many as the number of people we lost in all the wars of this century; World War I, World War II, Korea and Vietnam, all put together.

Last year 275,000 abortions were paid for by tax money at a cost of $50 million.

But as to the Supreme Court sanction, let me remind everyone that that Court once found Dred Scott to be a chattel, a thing.

I say whenever human life is cheapened, devalued, whenever it becomes a disposable commodity, a thing, then we truly inhabit an ant hill.

The SPEAKER. The time of the gentleman from Illinois (Mr. HYDE) has again expired.

Mr. MICHEL. Mr. Speaker, I yield the gentleman from Illinois (Mr. HYDE) 1 additional minute.

Mr. HYDE. Mr. Speaker, let us not make the innocently inconvenient scapegoats for our futility in finding human solutions to these human problems. When the mother, who should be the natural protector of her unborn child, becomes its adversary, then the legislature has a duty to intervene.

Birth is no big deal. It is just a change of address.

Mr. Speaker, I respectfully urge a no vote.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I rise in opposition to the Hyde amendment and to speak in favor of the gentleman's motion to recede from the Hyde amendment.

The Hyde amendment is the most far-reaching antiabortion rider ever passed by Congress. Let us note, however, that it will not stop abortions. This amendment will only limit the availability of safe abortions to poor women.

It is ironic that the Hyde amendment violates the very purpose of this Labor-HEW appropriations bill—that of providing services for all Americans regardless of their economic status. The issue at hand is a health service—determined by a patient and her physician. The Hyde amendment will interfere with that medical decision as it affects low-income women only. Those who can pay will have no trouble obtaining the services.

This is a harsh amendment, which cruelly hits the young, since teenage abortions account for one-third of all the abortions performed, according to Government sources.

The April 1976 report of HEW's abortion surveillance unit, the Center for Disease Control on Abortion states that there are 205,000 teenage abortions annually. Their statistics indicate that the abortion age distribution has remained unchanged for 3 years. One-third of all abortions are tennage, one-third between the ages 20 and 24, and the remaining third, 25 years and older.

The report goes on to say that more pregnant women below the age of 15 underwent abortion than had a live birth in 1974. In summary, this Government report said that women obtaining legal abortion tended to be young, white, unmarried, pregnant for the first time, and early in pregnancy.

The Subcommittee on Census and Population, which I chair, has been holding oversight hearings on the issue of population. We have been confronted time and again with the magnitude of the teenage pregnancy problem. In 1973, of 3.1 million births, 407,000 were born out of wedlock, with 55 percent or 216,000 born to teenagers.

A nationwide survey in 1971 showed that four-fifths of the sexually experienced, unmarried teenagers did not use contraception when engaging in sexual intercourse. The major reasons cited for failing to use contraception were inaccurate knowledge about the risk of pregnancy or difficulty in obtaining contraception. One witness illustrated the extent of the problem of teenage pregnancies this way: If present rates continue, the 2 million girls who reached their 14th birthdays in 1975 will bear nearly one quarter of a million children out-of-wedlock before they reach their 20th birthdays in 1981. The consequences of these unwanted pregnancies among teenagers are tragic and costly—for the individual, for the unborn child, and for society.

When I asked the American Public Health Association for their position on the Hyde amendment, they warned that—

> The public health community would definitely predict a rise in maternal and infant mortality and morbidity in the United States as a result of these restrictions.

HEW Under Secretary Marjarie Lynch last month underscored the health risks from teenage births. She indicated that young mothers were more apt to bear low-birth-weight babies with greater risks of birth defects, retardation, and death.

My colleagues, I ask you to consider carefully the decision you make today. The consequences of the adoption of the Hyde amendment are disastrous. Such consequences include illegal or self-induced abortions, unwanted or mistimed births, out-of-wedlock births, school drop-outs, suicides, and precipitous marriages, not to mention the other health and social problems.

We cannot ignore the staggering costs of this amendment. Dr. Louis Hellmann, in an official HEW impact statement on the Hyde amendment, reports that while medicaid reimbursement for abortions amounts to $50 million annually, the implementation of this amendment, forcing poor women to carry unwanted pregnancies to term, will cost the Government from $450 to $565 million for medical care and public assistance for the first year after birth.

The Colorado Department of Health has put together some interesting statistics on the costs of unwanted pregnancies. They estimate that for every $1 spent on family planning services in Colorado, $12 are saved in State, local, and Federal money. The department arrived at this figure by adding up the savings to the State in social services and medicaid payments, payments to Colorado General Hospital, sales tax revenues from the earnings of women who might have been prevented from working due to child-bearing, the costs in general and special education programs, and the costs of community centers and facilities for mentally handicapped individuals who would have been born.

Each of our States will suffer the consequences of the action we take here today—a burden they can ill afford.

In addition, retention of the Hyde amendment would interfere with existing State statutes on use of public funds for abortions. Forty-seven States and the District of Columbia now permit medicaid reimbursement for abortions, but the Hyde amendment would prevent them from following their own State laws and guidelines. The result would be administrative chaos and increased litigation.

This amendment is clearly discriminatory and violates the equal protection clause of the 5th and 14th amendments and the right to privacy as interpreted by the U.S. Supreme Court in Roe against Wade, which was reaffirmed by the High Court's July 1 ruling that outlawed State laws requiring spousal or parental consent for abortions.

Adoption of this amendment would be untimely indeed. Only recently the Supreme Court announced that it would hear arguments during this fall session on two cases involving use of medicaid funds for abortions. It would be inappropriate for Congress to enact into law at this time a measure which may well be ruled unconstitutional this year.

I recently received a letter from the Religious Coalition for Abortion Rights about the Hyde amendment. The letter from the coalition said that—

> While the 23 diverse religious groups have differing views on when abortion is morally justifiable, all agreed that every woman, regardless of economic status, should have the legal choice with respect to abortion, consistent with sound medical practice and in accordance with her conscience.

It added that the Hyde amendment would deny constitutionally guaranteed rights of conscience and freedom to follow one's own religious teachings on abortion by imposing on poor women a religious doctrine which is not shared by all people.

Mr. Speaker, I ask that the House of Representatives have respect for our Constitution and compassion for the poor—those who can very often least afford to bear unwanted or unplanned children. Denial to poor women of the rights granted in the Supreme Court decisions is clearly discriminatory. I urge my colleagues to vote no to the Hyde amendment.

I ask that the following letter from the American Public Health Association be printed in the RECORD.

AMERICAN PUBLIC HEALTH ASSOCIATION,
Washington, D.C., August 5, 1976.
Representative PATRICIA SCHROEDER,
Longworth House Office Building,
U.S. Congress,
Washington, D.C.

DEAR REPRESENTATIVE SCHROEDER: This is in reply to your request for the American Public Health Association's position on the Hyde Amendment to the Labor-HEW Appropriation Bill (H.R. 14232). The Association is on record with regard to the major underlying issues. Consistent with our position on abortion, we have very strong concerns about the implications of the Amendment. The broad, general nature of the language raises certain serious questions.

First, the Amendment discriminates against the poor, who are the major recipients of Federally supported health services. Poor women who cannot afford to pay for an abortion will be forced to bear unwanted children—at considerable risk to mother and child—or undergo unsafe, illegal abortions. The public health community would definitely predict a rise in maternal and infant mortality and morbidity in the United States as a result of these restrictions on family planning services.

Second, the Amendment raises serious questions as to whether a physician could exercise his best professional judgment in rendering care to his patients. The Association has long held the view that "abortion is a matter to be determined solely by the woman and her physician," and that "physicians and hospitals that do not provide abortion services are professionally obliged to refer patients to resources that will provide such care." The effect of the Amendment not only infringes upon the physician-patient relationship, but also would apparently prohibit the physician in a Federally funded program from recommending an abortion even when a pregnancy endangered the life of his patient.

Third, the Amendment would or could prohibit prescribing morning-after pills to rape victims at hospitals or clinics receiving funds under this appropriation.

Fourth, we are concerned that the Amendment would deter the use of, and research on, interuterine devices and many drugs with known or possible abortifacient effects. Some such drugs have as their primary purpose treatment of cancer or other diseases unrelated to pregnancy.

Fifth, we are concerned that the Amendment would prevent teaching about abortion as a medical and public health problem in medical schools and other schools for health professionals that receive funding through appropriation.

Sixth, the Amendment will affect most Federally funded counseling programs, restricting their ability to discuss abortion as an alternative to an unsafe or unwanted pregnancy. Such restriction is an unwarranted restraint on counselors, who in every case are ethically bound to respect the religious and moral tenets of their clients.

Of necessity my comments are brief and are simply intended to raise the major concerns of the public health professions. I am sure other organizations will raise other relevant issues.

Thank you for offering the American Public Health Association the opportunity to comment.

Very truly yours,
WILLIAM H. MCBEATH, M.D., M.P.H.,
Executive Director.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, abortion and its ramifications is probably the most complex, controversial, social, legal, religious, medical issue of all times. There is no simple answer to satisfy all persons involved. Those who believe there is an easy solution are kidding themselves. Sincere deliberation with the hope and intention of reducing the subjective emotional response to objective reasoning is of the utmost importance if the social antagonism that has arisen over this issue is to be alleviated. Those who would belittle its importance fail to see the significance of the impact that Presidential aspirant Ellen McCormick has made this past 6 months. What other single social issue since slavery has prompted such political activism.

Today we must decide whether or not to continue to support Mr. HYDE's proposal to prohibit Federal tax dollars from being used to promote or perform abortion. I am in agreement with Congressman HYDE and oppose the use of tax dollars to perform abortions.

Up until April of 1976 I had been practicing obstetrics and gynecology. I have been involved in medicine for 19 years. After medical school the specialty training that I received took 5 years. In other words, I have treated thousands of obstetrical cases and delivered an estimated 4,000 babies. During this period of time I never saw one case which required therapeutic abortion in order to preserve the life of the mother. The issue of "the 'threat' to the mother" is not realistic since it is so rare. This is emotionally concocted and does not do justice to those who use this as the reason for legislation.

When it does exist the Hyde amendment would not prevent treatment to the mother. Today we do not need to abort women for heart disease and diabetes; that is for the medical illnesses. The conditions that require treatment for the mother in order to save her life are today limited to cancer. This amendment would not prevent this treatment and the loss of fetal life would be incidental to the radiation treatment or the hysterectomy, if required. One other item—there are many examples of some chronic illnesses improving with pregnancy when at one time the medical community believed pregnancy increased the severity of the disease.

Many use as the justification to abort, the potential birth of a malformed child. This to me is the worst reason conceivable. This literally justifies the elimination of newborn defective life and those who are apparently useless. Most would classify this as murder and even many of the pro-abortionists would agree.

However, there are many who reason that the decisionmaking should extend up to 1 year of life. The question you must be forced to ask then is, What about defective and useless ideas that disrupt society. History shows that others have justified this also and destroyed life for causes such as religious and political beliefs.

I did not always draw rather stringent lines on abortion until I was forced as a young physician to face up to the problem. I was called to assist one day as many young residents are in an operation performed by a staff member. It turned out to be a hysterotomy, a type of caesarian section with the removal of a 2-pound infant that cried and breathed. The infant was put in the trash and left to die. At that time it was even in defiance of all current laws. We as physicians can now save many infants that are born weighing 2 pounds. The Supreme Court now permits abortion up to 6 months of gestation and later under special circumstances. Frequently this will involve infants weighing as much as 3 pounds. Following this experience I reconsidered by position of "necessary abortion" and came up with an entirely different perspective. One physician who ran an abortion clinic for years and supervised thousands of abortions has recently joined me in reassessing his position and now opposes abortion due to the callousness with which it is administered. Young people came to my office asking for an abortion as if it were requesting an aspirin for a headache. This lack of concern for human life is an omnious sign of a decaying culture. We as a Congress must not contribute to this decay.

Civil libertarians must oppose tax dollars for abortion if they choose to be consistent. The use of tax dollars for abortion flaunts the first amendment protection of religious liberty. The advice I give to the pro-abortionists is "Do not use the dollar of citizens with devout religious beliefs against abortion to carry out this procedure." This is like waving a red flag in front of a bull and providing an incentive for the antiabortionist to organize and rally with great strength. Just remember how the antiwar groups rallied and changed a bad situation in the 1960's when kids were forced to serve and die and taxpayers forced to pay for an undeclared illegal war pursued by an ill-advised administration.

The 14th amendment protects depriving any person of life. Government exists to protect life, not to destroy it. Those of you who still believe that life is not involved need to visit more operating rooms and possibly you would be converted like I was.

Legally there is good historic precedent to establish the rights of the unborn and to recognize their legal existence. Right of inheritance is recognized for the conceived but unborn infants when the death of the father occurs prior to the birth. The right of suit by the unborn is recognized in accidents that kill or injure an unborn. The right of suit by the unborn is recognized in injury that harm the unborn in such cases as drug injury. The injured unborn can sue MD's after birth for malpractice if we as physicians injure the infant with bad medical judgment. From day one in medical school we are taught two lives are involved and the responsibility is ominous, in that we need to give deep concern for the new life to be and protect it in the best way possible so that it can enter its new environment free of injury since its more vulnerable predelivered state is so precarious and needs specific help, assistance, protection, and consideration.

The sickest argument for abortion is that the poor black population needs to be reduced. Keep them off the welfare rolls some conservatives argue. Even liberals have argued with me that since I oppose the welfare state this would fit into my desire. I am for reducing the welfare state but certainly not this way. The welfare state will be reduced when the welfare ethic of materialistic redistribution by force is challenged and changed.

Frequently abortion is performed at the desire of an aggressive social worker who fears food may become scarce and for various other personal prejudices. Teenage abortion now is done with specific exclusion of parental consent, if the Government so chooses; another attack on religious convictions regarding the sanctity of the family. Opposite to this is the abortion for the mother of the pregnant girl "to save face." In the private practice I had, this was the strongest motivating factor for abortion. The pregnant girl usually had a great psychological need and desire to be pregnant and deliver a baby. A symbol to her of something that represented love and affection. Abortion carelessly given, financed by the Government, hardly will settle this deep psychological problem.

My entire political philosophy is built on the firm conviction of the absolute right to one's life and property but precludes all violent activity. Some challenge my position on abortion as saying that I violate the mother's right to her life by preventing abortion. Since the key lies in whether or not one or two lives exist my decision is based on my medical knowledge that life does exist prior to birth and after conception. If the mother can reject that same life in her body because it just happens to be there she could reject that same life in her house. Besides a strong argument exists that the mother's rights are violated by a newborn, screaming hungry, naked infant much more so than by the inconvenience of an innocent silent warm contented unborn. The newborn demands a much greater amount of care, concern, time, and effort, and therefore is a so-called violation of the mother's rights and yet we recognize caring for a child as a responsibility both legal and moral once birth occurs.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Speaker, I can understand the concern of the physician who has just appeared before us and who talks about a 2½-pound child, but I wish he would have addressed the question of what one does and what this amendment does in the case of the girl who is raped the day after conception. That is the real question we must address. We do not have medical testimony that will say that an IUD prevents a pregnancy, because the overriding view by most medical authorities is that that, in fact, is a type of abortion.

The girl has been raped, and takes a morning after pill, is in effect having an abortion. So unfortunately, we are using a term abortion that has many, many definitions. I would also like to ask that doctor whether or not he is going to remove the tube of every woman who has an ectopic pregnancy or whether he is going to let her have an abortion. That alternative seems to be very frightening. But the question which has to be presented is at what we are voting on. This is not the usual kind of amendment that we have had on abortions. This is not the kind of amendment which has any exceptions. It says that across the board, no matter what the situation, no Federal funds can be used.

So what we say to a poor woman in the case of incest and in the case of rape, those situations shall be treated just the same as everything else.

There were 51,000 cases of rape reported last year. They tell us that about one-fourth of the rapes are reported. Four percent of the rapes end up in pregnancy.

So I say to the gentleman if his 13-year-old daughter should come to him and say, "I was raped, what should I do, Dad?" I hope the gentleman will say the same thing to her that he says to the poor girls today.

Mr. Speaker, I urge the Members to recede in this position.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KINDNESS).

Mr. KINDNESS. Mr. Speaker, we have before us an issue which can be very well discussed based on emotion. And yet reason is what should be the basis for our decision.

I urge the defeat of the motion to recede on the basis that, simply, governments are, in the first place, established in order that we may live together peaceably without imposing upon one another. And yet we are confronted with the question today of whether the Government should tax dollars and pay for an act which is particularly offensive to many people from whom those taxes are taken.

These people cannot, as a result, have a respect for that government that fails to protect the civil rights of those unborn children.

We talk about the poor. There is nobody as poor as an unborn child who has no government or who has no one to protect it. That is being poor. There is no measure of poorness greater than that.

I have in my pocket a picture of my

first grandchild, a granddaughter. She is a month old. She has civil rights that we will protect. Six months ago, I contend, she had civil rights that we should protect. But the issue here today is not even whether we will protect her civil rights or would have done so 6 months ago; the issue today is whether we will use taxpayers' dollars to pay for abortions in contravention of the civil rights of those unborn children.

Mr. Speaker, I strongly urge the Members to vote no on the motion to recede and insist on the House position.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I voted against the Hyde amendment when it was on the House floor before, and I am still opposed to it. It simply goes too far. However, I am going to ask the Members of the House in this instance to vote to adhere to the House position and to reject the motion to recede.

The reason I do that is very simple. If we do vote to recede, there are approximately six amendments at the desk, and we will be asked under these conditions, without having read or carefully considered any of the six alternatives, to choose among those alternatives.

One, for instance, would make exceptions and allow abortions only in the case of the danger of death or rape or incest or in the case of a deformity which will result in the death of the infant within 2 years. Another would make an exception only in the case of danger to the life of the mother, and that would not take into account the problem of what a woman who has multiple sclerosis does, for instance, because that disease is almost always made far worse by pregnancy, It does not take into account the problem of renal disease, which will result in the same thing. Exacerbated by pregnancy, it might not kill, but it could easily leave a woman a near invalid for the rest of her life.

We will be asked to choose from among those six alternatives without really knowing what we are doing and without really being able to carefully consider the alternatives.

Mr. Speaker, the only way we can get this very divisive and very painful subject discussed in a rational way is to force this issue back into the conference committee where it should have been handled in the first place, where we can try to achieve a rational balance between those who are sensitive about the use of taxpayers' funds for something which they very deeply oppose and those who want to insure that we have some rational exceptions made in the case of legitimate instances of medical necessity.

So I would urge the Members, to let us go back to conference where we might just reach a compromise position. This procedure might not satisfy those on either side who will accept no compromise. But it just might enable us to agree and pass this bill in an orderly way. We have to try to find some rational area in which we can agree, a position which might not represent our first choice, but at least might be something that most of us can live with.

Mr. Speaker, the only alternative we have is to reject the motion to recede so we can go back to conference and try to settle the question in conference where it should have been settled in the first place.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, I urge the Members to follow the advice of the gentleman from Wisconsin (Mr. OBEY), because there could undoubtedly be some change in the Hyde amendment in order to overcome what could be wrongly construed under the wording of that amendment. As the gentleman from Illinois (Mr. HYDE) indicated, this amendment would not in any way prohibit the kind of an operation needed in order to save a woman's life, but what it really boils down to is a serious problem we are facing as Americans.

That is, Should we force people to pay taxes to bring about an act taking the life of a human being, an act which they feel is totally contrary to anything they believe in?

Mr. Speaker, I have heard ranchers and farmers say they should have the right to remove certain animals from their land. Instead of our prohibiting the killing of coyotes out there in the West, they would like the taxpayers of the country to help pay for poison to get rid of the coyotes because they are a tremendous hardship to the ranchers—so say the ranchers.

However, we do not permit people to take the lives of certain animals and birds. Those animals and birds are too important—and I agree.

Mr. Speaker, we are talking here about the right of people, because of their religious and moral beliefs, to not support taking the lives of human beings. Lives which have done no wrong and do not in any way qualify as the "enemy."

When I first came to Congress, we could not even talk about birth control, which I believe in. We have come from birth control in 19 years all the way until now we are talking publicly about abortions in this country, and we could continue down the devil's toboggan slide to where we more and more accept as public policy, taking the lives of undesirable people after birth. Already this is occurring with some who are born deformed.

Mr. Speaker, we are facing a serious problem in this country, but at this time we must judge between the rights of some people to receive an abortion at taxpayers cost with public money used to encourage them and the rights of those who are opposed not to be charged for it. It is not just a question between the right to an abortion and the right to live on the part of the unborn child.

Mr. FLOOD. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I think it is very unfortunate that we are here debating the issue of abortion on an appropriation measure.

I have a great deal of respect for those people who disagree with the U.S. Supreme Court decision. I happen to agree with it. However, I think the proper place to settle that issue, the question of the morality of abortion, should be in a constitutional amendment, not in an appropriation measure. We are dealing here with an appropriation measure.

Mr. Speaker, right now abortion, under certain circumstances, is legal; and what we do here on this appropriation act is not going to change that situation one whit.

If abortion is legal in some States under certain circumstances, the people who are on welfare, the people who are receiving Federal financial assistance, should be as entitled to an abortion as other people under the same circumstances.

Again, since we are talking about an appropriation, I think we ought to talk about money just a little bit here.

The facts are that each pregnancy brought to full term among welfare mothers is estimated to have a cost of $2,200 in the first year alone. Therefore, we are talking about a matter of an eventual cost of between $450 million to $565 million, an appropriation we are going to be asked to make later to make up for this cost in welfare.

Therefore, we are really talking about $450 million versus $45 million, which is what is called for in this amendment.

One of the gentlemen said earlier rather than call it a potential child, he preferred to call it a child with potential.

I ask the Members of the House, what is the potential, as a general rule—and I know there are exceptions—of a welfare child? The potential of a welfare child is that there will be a repeat of that situation.

I think every child has a right to be brought into a family that wants that child. A welfare child who is unwanted has two strikes against him or her at the start.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, one of the things that is unclear is whether we are inviting litigation by passing this amendment.

The SPEAKER. The time of the gentleman has expired.

Mr. FLOOD. Mr. Speaker, I yield 1 additional minute to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I yield further to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, as I started to say, we are inviting litigation if we enact the Hyde amendment into law since it may violate the equal protection clause of the U.S. Constitution. Does the gentleman from Washington agree with that?

Mr. MEEDS. I think it is a very real potential.

Ms. ABZUG. Mr. Speaker, I would like to point out to my colleagues that pending in the U.S. Supreme Court for action early this term is a case, Roe against Maher, which involves the legality of a State refusing to provide Medicaid funds to pay for abortion, the identical constitutional issue presented by this amendment. The lower courts have found such actions discriminatory and a denial of equal protection of the law.

Every day in this country taxpayers pay for matters they disagree with. People who are for peace pay for war. This also applies to people who have different opinions with respect to abortion. Many people object because the Government pays for programs which they disagree with, but which a majority has voted for. But this is democracy.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Marylan (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, if the Hyde amendment were worded "None of the funds appropriated under this act shall be used to pay for selective murder or to permit or encourage selective murder," I do not think that it would receive any opposition whatsoever in this House. And that is exactly what a great many millions of American citizens view abortion as, selective murder.

From time to time before national legislative bodies major social and moral questions are posed in such a way that their resolution allows future historians to conclude that the decision was a watershed in the history of the Nation. The question before us today has that quality.

One of my colleagues made reference in debate to a group of people in this House who are concerned politically about their vote on this issue. He suggested that is why perhaps these Members have made up their minds to vote for this amendment. I disagree. This issue is not going to go away, it is going to be with us until finally it is resolved in the only forum remaining, and that is the Congress of the United States.

It is a disservice to the Members of the House who voted not once but twice, by a substantial majority, on the same day a few weeks ago, to support this amendment; to now suggest that they did not understand what they were doing; that they did not understand that they were, in fact, voting to simply prevent the use of taxpayers' funds to finance and promote abortion.

Since then the issue has not changed nor, I suggest, has the understanding of the House, nor has the fervor of those who are either for or against this amendment or any other similar right to life amendment. Indeed, there will be demonstrations at the polls this fall by those who take one side or the other on this crucial issue. Your vote today on this motion will mean even more to the citizens watching you if it involves the change of position of those who have twice pledged themselves to stand by the Hyde amendment and the right to life.

The gentleman from Illinois (Mr. HYDE) made an eloquent appeal to support his amendment and to vote against the motion to recede. I urge the Members to follow his advice and help to spare the lives of millions yet unborn.

But let me address myself to one statement which was made in debate. I suggest that it is a very offensive argument that the people of the United States of America have now reached the point where they will sanction the theory that our Government should use taxes to kill people because it is too expensive to let them live. Which one of us has the audacity to play the role of God and decide who shall or shall not be permitted to live?

If we accept that horrible thesis and if we extend it to its logical conclusion, we will have little need for nursing homes; we will have little need for geriatric units or mental hospitals; we will follow the path of other nations in the past who decided that they, too, had unwanted classes—if my colleague, the gentleman from Maryland (Mr. MITCHELL) will permit me the use of his phrase classes that were no longer socially or politically acceptable. I do not believe that we are ready in this country to accept that theory that the life of a human being can be measured in dollars. Life, liberty, and the pursuit of happiness—without life, there can be none of these.

Mr. Speaker, I hope that all of the Members will stand by the position of the House and vote against the motion to recede.

Mr. NOLAN. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Minnesota.

Mr. NOLAN. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the Hyde amendment. By denying the use of this public money for the purpose of aiding abortion, we in Congress can assert again America's most fundamental principles.

First. Our laws must reflect the morality, decency, and sense of justice of the American people. In 1786, patriot Benjamin Rush said that—

> Nothing can be politically right that is morally wrong; and no necessity can ever sanctify a law that is contrary to equity.

We must vote "yes," on the Hyde amendment, then, because it is the right thing to do.

Second. We must vote "yes" because we believe, with Thomas Jefferson, that all persons are endowed by their Creator with the inalienable right to life. That right does not come from Congress or from society—it comes from a much higher authority.

Third. We must vote "yes" because America stands for and protects the weakest and most vulnerable members of our society. We believe and we know that all human life is valuable. Every human being has the potential to achieve and contribute. If we fail to pass this amendment, we refute this most basic law of God and nature.

Finally, I believe we will pass this amendment because we have a vision for America, a vision exemplified by the strength of our families and the promise of our children. Your vote today in favor of the Hyde amendment is a vote of confidence in our country and our ability to assure a good and productive life for all our citizens.

Mr. RUSSO. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Illinois.

Mr. RUSSO. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of the Hyde amendment restricting the use of Federal funds in the Labor-HEW appropriations bill for federally funded abortions and compliment my colleague, the gentleman from Illinois, for such an eloquent speech.

Even though I vehemently disagree with the Supreme Court's decision 3 years ago legalizing abortion, I realize that this is the law of the land until Congress and the States enact a constitutional amendment. However, merely because abortion is legal does not mean that Congress must finance the taking of defenseless lives. The Federal Government should assume a neutral stance in this matter—neither interfering with the constitutional rights of the woman, nor encouraging it through the use of tax dollars.

I was proud to cast my vote in favor of this amendment twice when it was considered by this House last June. The distinguished gentleman from Illinois has made a profound and strong statement firmly upholding the sanctity of human life in which I fully concur. Millions of Americans of all religious persuasions and convictions have beseeched Congress to take firm action and halt the tragic and ever-increasing number of abortions performed in the United States every year.

Time and time again the proponents of unlimited abortion have derided and scorned those of an opposing viewpoint. This attitude in itself indicates the level of insensitivity that can be reached by the proabortion forces.

The reverence for life embodied in the Hyde amendment amounts to a significant reaffirmation of what is best in the American character and something of which all Americans should be proud. The mind-set that is created by those who take a casual and flippant view of conception, pregnancy, and birth is destructive of American institutions and is chillingly reminiscent of the underlying philosophy of some of the world's most totalitarian governments.

I have listened to arguments today given by my esteemed colleagues attacking the Hyde amendment as violative of the equal protection clause; class discrimination; and unfair to the poor women of the United States. Although these arguments contain meritorious points, I believe that those points are overshadowed by the fact that every time a woman has an abortion, a human life is lost. This is the essence of this entire discussion today. Will we continue to allow the Federal Government to aid in the killing of members of our next generation?

Many Members opposing the Hyde

amendment have stated that the cost of supporting the welfare babies that will be born if the Hyde amendment becomes law will run as high as $550 million per year, whereas the Federal Government spends only $50 million per year to finance abortions. These Members cite this as a compelling reason to continue this ghastly practice. A cost-benefit analysis is entirely out of place when discussing human life. How many of those same Members would have decried debate on the value of a soldier's life compared to the value of saving democracy in Vietnam? Almost all, I think.

Mr. Speaker, the number of innocent victims of the abortionist's knife continues to climb every year at a more alarming pace. Millions of Americans who have the potential to contribute so much to American society have been irreparably lost as the toll continues to climb. It is now time to stop and say loud and clear—no more killing. It is demeaning to every Member of this House as well as every other member of American society.

The gentleman from Illinois has made it crystal clear that his amendment in no way restricts the right of any woman to receive a therapeutic abortion, nor would his amendment prohibit abortions in the case of incest or rape. The legislative history made of these points this afternoon cannot be made more explicitly than has already been made.

Mr. Speaker, I urge my colleagues in as strong a way as I can to insist on the language of the Hyde amendment and pay tribute to the wonderful spectacle of the miracle of life.

Mr. FLOOD. Mr. Speaker, I yield 4 minutes to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Speaker, I intend to concur with the Senate position on the Hyde amendment to the Labor-HEW appropriations bill conference report. I oppose the Hyde amendment, which would prohibit the use of Federal funds "to pay for abortions or to promote or encourage abortion," because it would abridge the rights of many women to make a decision that the Supreme Court has declared to be their constitutional prerogative.

As many others have pointed out here today, the Hyde amendment would not eliminate abortions. It would merely deny them to women who do not have the financial means to pay for them, and would have the net effect of forcing indigent women to seek more dangerous methods of terminating unwanted pregnancies. This exposes women to the risk of unnecessary death or severe emotional and physical complications. While figures are hard to pinpoint in the case of illegal abortions, available statistics indicate that the risks in illegal abortions are substantially higher than those involved with legal ones.

Aside from the health risk involved, there are substantial economic, legal, and procedural questions about the value of the Hyde approach to the abortion issue. It is hard to estimate the cost in dollars that would result from treating the after-effects of the self-induced abortions that would occur among indigent women if the Hyde amendment passed. What is clear is that the amounts would be very large, ranging in the hundreds of millions.

I believe that we should be devoting far more effort and funding in the areas of family planning and birth control education. "Nearly 40 percent of low- and moderate-income women, some 3½ million across the country, are still without access to any kind of family planning services at all," according to a report by the House Committee on Interstate and Foreign Commerce. This should be a top priority in a country in a world of rapidly depleting natural resources, a world already confronted with problems of overpopulation. With increased information on, and availability of, birth control and family planning, abortion would become a rarely used emergency measure.

The Supreme Court ruling of 1973 places the responsibility during the first 3 months of pregnancy with the woman. I agree with this and the reasoning behind it. Prior to this ruling, the option of safe abortions had been available only to women who could afford them. Many women, confronted with unplanned, unwanted pregnancies, chose to end those pregnancies by illegal and often medically unsafe methods.

Addressing an issue of this magnitude through the mechanics of a rider on an appropriations bill is policymaking by default. On a procedural basis alone, I could not support the Hyde amendment. Finally, I question the wisdom of the Federal Government using the power of the purse to dictate policies arrived at on the State level. My own State of Colorado was one of the first to enact legislation permitting abortions to take place under certain conditions. Clearly, passage of the Hyde amendment would seriously interfere with the exercise of the will of the people of Colorado as has been expressed in their laws. For all of the above reasons, I am voting against the Hyde amendment, and I urge my colleagues to do likewise.

Mr. FLOOD. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, nothing quite touches a raw nerve like a debate on abortion. I think most of the Members of this body know how they are going to vote, and I am not persuaded that discussion is likely to change minds. But there has been a good deal of misleading information circulated about this issue, and the record ought to be corrected.

The Supreme Court addressed itself in that well-known ruling primarily to the rights of the mother. The Supreme Court ruling ignores what I and thousands of others in my district, and millions of others throughout this land, believe to be a vital issue, and that is the rights of the unborn. We believe that those rights can best be protected by a constitutional amendment.

I commend the gentleman from California (Mr. EDWARDS), whose subcommittee has labored long to allow the views of those who support a constitutional amendment to protect life, to allow them to be heard, and to hear all sides of that issue.

To my colleagues who support abortion on demand, I would urge their concern for the rights of the unborn and their respect for the deeply held views of those who oppose abortion.

To those who oppose abortion, I call upon their social conscience to consider the far-reaching needs for legislation in the areas of material and child health care and prenatal health care, perinatal and child health care, for legislation relating to the medical and other expenses incurred in the adoption of a child, and for funding for rape prevention and control. These are deeply felt needs in our society. It is not enough to support legislation of this kind while we ignore those other needs. The two must be joined together.

The amendment that we are about to vote on is not, as some have referred to, discriminatory legislation; it is the only voice we can raise in behalf of the voiceless and the voteless—the unborn.

Mr. Speaker, I urge my colleagues' vote against continuing Federal financing for the taking of lives under the title of abortion.

The SPEAKER. The time of the gentleman has expired.

Mr. MICHEL. Mr. Speaker, I yield myself 1 minute for the purpose of merely attempting to clarify the situation. As I understand it, we have just about completed 1 hour of debate on the motion of the chairman that we insist on the House position. There was a preferential motion of the gentleman from Washington (Mr. PRITCHARD) that we recede and concur with the Senate position. There was a request, as I understand it, for a division of that question, and so there will be a vote initially on simply receding. If it is the wish of the House here not to recede, of course, the vote would be against that motion, against receding, and then there would be no opportunity for receding with an amendment and we would simply, if the chairman's position is sustained, have to go back to conference to try to iron out our disagreement.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I want to again strongly urge the House to stand by the position urged by myself and the gentleman from Wisconsin (Mr. OBEY). If we do not, if we allow this motion to recede to pass, we then open ourselves up to a stack of amendments at the desk, each of which will take an hour and each of which has a different view of the matter.

I really believe the only way we can settle this is the position that the gentleman from Pennsylvania (Mr. FLOOD) and the gentleman from Illinois (Mr. MICHEL) have advocated, which can only be accomplished by a "no" vote on the pending motion to recede. At the same time that "no" vote will uphold the Hyde amendment and the position taken by the House on two past occasions.

Mr. FRENZEL. Mr. Speaker, I support

the Pritchard motion and oppose the Hyde amendment to the Labor-HEW appropriations conference report. The Hyde amendment was passed by a slim margin by the House and defeated in the Senate. The conference committee could not reach a compromise so the Hyde amendment comes back to us today in disagreement.

The abortion issue is a tough one for all of us. Many of us disagree with the 1971 decision of the Supreme Court. Even those of us who support it, disagree in part. However, to deny to one class of women the opportunity to have abortions while those of more fortunate means are able to obtain them freely, in my judgment, is discriminatory, if not unconstitutional. The Supreme Court has already announced that it will hear two cases involving medicaid funds for abortions this fall. I believe any prospective action in this area should at least wait for the Court decision in those cases.

The Hyde amendment would create administrative chaos among those States which permit medicaid reimbursements for abortions and would no doubt result in further court cases.

By far the most harmful effect of the Hyde amendment is the effect it would have on those eligible to receive medicaid funds. It would prohibit abortions only for those who need them most. Those women unable to afford abortions would again be forced into the back room for cut-rate, illegal abortions, performed under unsanitary conditions by untrained people.

I think many of us are familiar with the many deaths and serious medical complications which have arisen from such abortion attempts, not to mention the hospital costs which often follow. I am told that the total cost of medicaid abortion reimbursements is about $50 million. This issue here is equality under law, not the cost of passage or failure. But, if many of those women were forced to carry out their pregnancies, it is estimated that the Government medical care and public assistance costs would be between $450 and $565 million.

Another serious concern connected with the Hyde amendment is the language itself. We are instructed that funds shall not be used "to pay for abortions or to promote or encourage abortions." It is conceivable that this language could be interpreted to prohibit all abortifacient birth control methods, it could end all teaching of abortion methods in medical schools and could deny abortion counseling or discussions in any classroom or organization receiving Federal funds.

Mr. Speaker, It is ironic that this amendment is attached to H.R. 14232 the intent of which is to equalize access to health services for all American. The House should not go on record as discriminating against the needy. I shall vote for the Pritchard motion and hope it will be passed.

Mrs. MINK. Mr. Speaker, I rise to urge defeat of the Hyde amendment which seeks to prohibit the use of any HEW funds to pay for abortions or to promote or encourage abortions. This amendment is inappropriate, unconstitutional, discriminatory, and cruel.

It is an attempt to set policy within the confines of an appropriation bill when there are other legitimate places wherein this should be done. The House and the Senate both have committees which have had this issue brought to their attention and the U.S. Supreme Court rendered a decision on this matter in 1973. Furthermore, the amendment, as it reads, is unconstitutional under the equal protection clause. It is extremely broad and would prohibit any abortions under the medicaid programs, even if the life of the mother is endangered. Clearly this is discriminatory because while it restricts the right of a poor woman to an abortion, it places no restriction on the right of a woman who can afford one.

If there are those who feel this is an amendment to curtail the right to an abortion, they are mistaken. This amendment is simply a discriminatory measure, one designed to limit access to safe, legal abortions to a segment of the population that can ill afford one on their own. Sadly, the anticipated result of such a restrictive measure will only be compounded. It has been estimated that HEW spends approximately $45 to $55 million per year for medicaid abortions. If this service were curtailed, it has been found that the Government cost for caring for babies born as a result of lack of access to safe, legal abortions would skyrocket to as much as $565 million for infant and child benefits and welfare support for mother and child.

Furthermore, restrictions on the right of poor women to abortions only compounds their plight, driving those determined to terminate their pregnancy once again to seek illegal and unsafe abortions.

Mr. Speaker, it is wholly unfair and cruel to restrict access to abortion to one segment of our population—the poor—simply because of their inability to pay. This amendment will not reverse the Supreme Court decision or the right of women to safe, legal abortions. It will, instead, be an amendment with discriminatory effect and ramifications which are bound to be cruel, weighing harshly on those who can ill afford to carry another burden.

Mr. McCOLLISTER. Mr. Speaker, I rise in support of the amendment offered by the gentleman from Illinois. While I have been impressed with the eloquent legal and constitutional arguments made on both sides, I have still heard nothing to make me change my position.

We talk of constitutional rights, of equal protection under the 14th amendment, and of discrimination against the poor. The plight of the lower income pregnant woman has been ardently expressed. It is discouraging, though, to hear so little concern over the welfare of the unborn child. As the gentleman from Illinois so articulately stated in his remarks on June 24:

> We are all exercised at the wanton killing of the porpoise, the baby seal. We urge the big game hunters to save the tiger, but we somehow turn away at the specter of a million human beings being violently destroyed because this great society does not want them.

Indeed, we are dealing with human life. But the life of the unborn child is also at stake. Medical evidence is overwhelmingly clear that the processes of life begin at conception. Regrettably the Supreme Court has ignored this medical fact and has declared that the word "person" as used in the 14th amendment does not include the unborn. However, there appeared no doubt in the majority's 1973 opinion as to what the legal effect of fetal personhood would have on that case. The Court stated:

> If this suggestion of personhood is established, the appellant's case, of course collapses, for the fetus' right to life is then guaranteed specifically by the Fourteenth Amendment.

Such a moral pronouncement by the Court seems to me to totally disregard the medical evidence as well as several legal precedents for the rights of the unborn in areas of common law, and the law of torts.

I trust that the Members in this body who supported this amendment on June 24 will reaffirm their commitment again to the preservation of life.

Mr. BADILLO. Mr. Speaker, I am a member of the Judiciary Committee Subcommittee on Civil and Constitutional Rights, and during the past months that subcommittee, under the chairmanship of my distinguished colleague from California, Mr. EDWARDS, has had many mornings of detailed hearings on this delicate and critical question. We have explored in depth the legal, moral, and medical aspects of this question, and, as yet, we have reached no decision as to whether a constitutional amendment prohibiting abortion should be put before the Congress and the people of this country.

But, Mr. Speaker, the one thing that has been made crystal clear to me during these hearings is the divergence of opinion among those who have spoken before us. Yes, there are people who, by their religious belief, feel that abortion is murder. Yet there were representatives of other religions who testified that life begins at birth, and still others stated that a child does not achieve the status of an individual until the age of 1 year. Each group is convinced of the morality of their position, and within the ethical framework of their religion, each is correct. It seems to me, therefore, that it is absolutely untenable for this body to make the judgment that we will accept the morality of one segment of our society, and reject that of another.

We must, therefore, deal with the legality of abortion, and until there is a higher body to interpret our law than our Supreme Court, we must abide by its decisions. Three years ago, the Court decided that, under certain circumstances abortion is legal in this country. We must abide by that decision, and the Hyde amendment, on which we are about to vote, flaunts that decision. It is, therefore, clearly illegal and unconstitutional.

It is also clearly discriminatory, and in more than one way. Other speakers this afternoon have stated eloquently how this bill will affect poor women and young women. It also discriminates against women with certain kinds of disabilities. Mr. Hyde stated that his amendment would not interfere with an abortion to save the mother's life. He claims that the removal of an ectopic pregnancy is not an abortion, he claims the removal of a diseased fetus is not an abortion. He claims that the abortion of the fetus is a secondary consequence of a surgical procedure.

Those claims are not true. While it may be a perfectly acceptable theological doctrine, it has no basis in medical practice. And it is a health appropriation which affects medical personnel and medical services that we are dealing with today. Let us state the issue clearly: an operation to remove a fetus from a woman's uterus is an abortion, and it is accepted and practiced as such by medical authorities. No amount of theological rhetoric or sophistic reasoning can change that fact, particularly when those arguments are based on a theology that strongly opposes abortion.

Mr. Hyde mentioned ectopic pregnancies and other gynecological disorders that might be alleviated by performing an abortion. But—and this is what I mean when I say it discriminates against women with certain disabilities—he does not mention the numerous other instances in which abortion may be medically indicated for lifesaving reasons, such as serious heart disease, diabetes, or breast cancer. In such instances, an abortion is performed—not an operation under any other medical euphemism, but an abortion—in order to safeguard and preserve the woman's life. In those instances, under Mr. Hyde's current definition that requires that abortion be a secondary consequence, the operation would not be permitted.

And so, Mr. Speaker, I reiterate, we are facing, not only an unconstitutional amendment to this bill, but one that is doubly discriminatory. And that makes this amendment doubly abhorrent. It also satisfies no one. Mr. Hyde's "lifesaving" interpretation will not satisfy his vocal, but small constituency, and it is certainly repellent to those of us who believe that the individual has the constitutional right to choose whether or not to have an abortion. For those constitutional, legal, medical, and human reasons, I hope the Hyde amendment will be rejected by this body.

Mr. FLOOD. Mr. Speaker, I move the previous question on the motion to insist on its disagreement and on the preferential motion.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

PARLIAMENTARY INQUIRY

Ms. ABZUG. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Ms. ABZUG. Mr. Speaker, if as the chairman has indicated he moves the previous question, if one intends to concur with the Senate amendment one would vote "yea" and if one opposes the Senate amendment, which is to eliminate the Hyde amendment, then one would vote "nay." Is that correct?

The SPEAKER. The question will be on whether the House shall recede from its disagreement. If the House does not recede, then the motion of the gentleman from Pennsylvania will be voted upon, and then the House could insist on its position and then the matter will go back to the Senate.

PARLIAMENTARY INQUIRY

Mr. SKUBITZ. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SKUBITZ. Mr. Speaker, if the House votes to recede, would a motion have precedence?

The SPEAKER. A motion will be in order.

Mr. SKUBITZ. I thank the Chair.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. Pritchard) that the House recede from its disagreement to the amendment of the Senate numbered 68.

The question was taken; and on a division (demanded by Mrs. Burke of California) there were—yeas 51, nays 82.

RECORDED VOTE

Mr. PRITCHARD. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 150, noes 223, not voting 58, as follows:

[Roll No. 634]

AYES—150

Abzug
Adams
Addabbo
Allen
Anderson, Calif.
Andrews, N.C.
AuCoin
Badillo
Bedell
Bell
Bingham
Bolling
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burke, Calif.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carr
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conyers
Corman
Daniel, R. W.
Davis
Dellums
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Evans, Colo.
Fascell
Fisher
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frenzel
Giaimo
Gilman
Hall, Ill.
Hannaford
Harkin
Harrington
Harris
Hawkins
Helstoski
Henderson
Hicks
Hillis
Holtzman
Horton
Howard
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Jordan
Kastenmeier
Keys
Koch
Krebs
Krueger
Leggett
Lehman
Levitas
Lloyd, Calif.
Long, Md.
Lundine
McCloskey
McCormack
Maguire
Martin
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Mollohan
Mosher
Moss
Nix
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Pettis
Preyer
Pritchard
Rangel
Rees
Reuss
Richmond
Riegle
Roncalio
Rose
Rosenthal
Roybal
Ryan
Sarbanes
Scheuer
Schroeder
Seiberling
Sisk
Smith, Iowa
Solarz
Spellman
Stark
Steed
Stokes
Stuckey
Studds
Taylor, N.C.
Thompson
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Waxman
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Yates

NOES—223

Abdnor
Alexander
Ambro
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bergland
Bevill
Biaggi
Blanchard
Blouin
Boggs
Boland
Bonker
Breaux
Brinkley
Broomfield
Brown, Ohio
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniels, N.J.
de la Garza
Delaney
Dent
Derwinski
Devine
Duncan, Tenn.
Early
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Ind.
Fary
Fish
Fithian
Flood
Florio
Flowers
Frey
Gaydos
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Hightower
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Kindness
LaFalce
Lagomarsino
Latta
Lent
Lloyd, Tenn.
Long, La.
Lott
McClory
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Mathis
Mazzoli
Melcher
Michel
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Patten, N.J.
Paul
Perkins
Pike
Poage
Pressler
Price
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
St Germain
Santini
Satterfield
Schulze
Sebelius
Sharp
Shuster
Simon
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steiger, Ariz.
Steiger, Wis.
Stratton
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Teague
Thone
Thornton
Traxler
Vander Jagt
Vanik
Vigorito
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Winn
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—58

Anderson, Ill.
Andrews, N. Dak.
Aspin
Biester
Bowen
Carney
Chappell
Cochran
Conable
Conlan
Danielson
Dickinson
Downing, Va.
du Pont
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Fuqua
Gibbons
Green
Hays, Ohio
Hébert
Heinz
Hinshaw
Holland
Holt
Howe
Jones, N.C.
Karth
Ketchum
Landrum
Lujan
McKinney
Mink
Moorhead, Pa.
Neal
Passman
Peyser
Pickle
Risenhoover

Sarasin
Schneebeli
Shipley
Shriver
Sikes
Staggers
Steelman
Stephens
Treen
Waggonner
Weaver
Wiggins
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Moorhead of Pennsylvania for, with Mr. Hébert against.

Mr. Danielson for, with Mr. Sikes against.

Mrs. Mink for, with Mr. Waggonner against.

Mr. Young of Georgia for, with Mrs. Holt against.

Mr. Weaver for, with Mr. Young of Alaska against.

Mr. Neal for, with Mr. Andrews of North Dakota against.

Mr. Holland for, with Mr. Chappell against.

Mr. Evins of Tennessee for, with Mr. Carney against.

Mr. Conable for, with Mr. Flynt against.

Mrs. Fenwick for, with Mr. Fuqua against.

Mr. Steelman for, with Mr. Shipley against.

Mr. Staggers for, with Mr. Howe against.

Mr. Jones of North Carolina for, with Mr. Shriver against.

Mr. Pickle for, with Mr. Treen against.

Mr. Wiggins for, with Mr. Dickinson against.

Mr. Anderson of Illinois for, with Mr. Conlan against.

Mr. Findley for, with Mr. Cochran against.

Until further notice:

Mr. Green with Mr. Aspin.

Mr. Fountain with Mr. Passman.

Mr. Gibbons with Mr. Bowen.

Mr. Downing of Virginia with Mr. Karth.

Mr. Hays of Ohio with Mr. Landrum.

Mr. Risenhoover with Mr. Stephens.

Mr. Biester with Mr. du Pont.

Mr. Heinz with Mr. Forsythe.

Mr. McKinney with Mr. Esch.

Mr. Peyser with Mr. Lujan.

So the motion to recede was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. FLOOD).

The motion was agreed to.

A motion to reconsider the vote by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the motions and on the conference report on the bill H.R. 14232 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING PARTICIPATION BY COUNSEL OF SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATION OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE CONCERNING CERTAIN SUBPENAS

Mr. THOMPSON, from the Committee on House Administration, filed a privileged resolution (H. Res. 1420, Report No. 94–1422) authorizing participation by counsel of the Subcommittee on Oversight and Investigation of the Committee on Interstate and Foreign Commerce concerning certain subpenas, which was referred to the House Calendar and ordered to be printed.

PERSONAL EXPLANATION

Mr. ASHLEY. Mr. Speaker, on rollcall No. 634, the vote on the motion to recede from its disagreement to the Senate amendment to delete the Hyde amendment, I am recorded as voting "nay." It was my intention to vote "yea," but apparently I pressed the wrong button. I wish the RECORD to reflect this fact.

SWINE FLU VACCINE PROGRAM

Mr. SISK, from the Committee on Rules, reported the following privileged resolution (H. Res. 1473, Rept. No. 94–1421), which was referred to the House Calendar and ordered to be printed:

H. RES. 1473

Resolved, That immediately upon the adoption of this resolution it shall be in order to take from the Speaker's table the bill (S. 3735) to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program, and to consider said bill in the House.

Mr. SISK. Mr. Speaker, I call up House Resolution 1473 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House now consider House Resolution 1473?

The question was taken.

Mr. DINGELL. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. Those Members in favor of taking this vote by the yeas and nays will rise and remain standing until counted.

Sixty Members are standing, an insufficient number.

Mr. FLOWERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count the House.

PARLIAMENTARY INQUIRY

Mr. FLOWERS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FLOWERS. Mr. Speaker, did the Chair count the House?

The SPEAKER. The Chair counted just those standing.

Mr. FLOWERS. How many were standing, Mr. Speaker?

The SPEAKER. There were 60 Members standing.

Mr. FLOWERS. How many are required, Mr. Speaker?

The SPEAKER. One-fifth of all the Members present.

Mr. FLOWERS. Mr. Speaker, if 60 Members were standing, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

The Chair counts 240 Members present. A quorum is present, but the Chair is going to reverse his decision and declare the yeas and nays to be ordered.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, have copies of both this resolution now pending and the legislation it makes in order been available to the House for the regular number of hours under the so-called Burton rule, in printed form?

The SPEAKER. The Chair will state that the 2-hour rule, clause 2(1)(6) of rule XI, is not applicable to a resolution reported from the Committee on Rules nor to the Senate bill which has not been reported from a House committee. It is taken from the Speaker's desk for immediate consideration in the House.

Mr. BAUMAN. Therefore, Mr. Speaker, the rule does not apply in this case?

The SPEAKER. It does not.

The Chair is going to reverse his decision because he did not initially count the House, and 60 is a sufficient number to order the yeas and nays under the count just made.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, is a two-thirds vote necessary in order to pass this and consider the legislation?

The SPEAKER. The Chair will state that in order to consider the resolution, a two-thirds vote is necessary, not to adopt it, but to consider it.

Mr. BAUMAN. I thank the Speaker.

The SPEAKER. The question is, Will the House now consider House Resolution 1473, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 293, nays 70, not voting 68, as follows:

[Roll No. 635]

YEAS—293

Abnor
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashley
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Conte
Corman
Cornell
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Diggs
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Ind.
Fary
Fascell
Fish
Fisher
Fithian
Flood

Florio
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Frenzel
Frey
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hannaford
Harkin
Harris
Harsha
Hayes, Ind.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Horton
Howard
Hughes
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Kasten
Kastenmeier
Kelly
Kemp
Keys
Kindness
LaFalce
Lagomarsino
Latta
Lehman
Lent
Levitas
Lloyd, Tenn.
Lott
Lundine
McClory
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Miller, Ohio
Mills
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moore
Moorhead, Calif.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schulze
Sebelius
Sharp
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Tsongas
Udall
Ullman
Vander Veen
Vanik
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—70

Alexander
Allen
Ashbrook
Bingham
Breaux
Brodhead
Brooks
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Collins, Ill.
Collins, Tex.
Conyers
Crane
Dellums
Dingell
Dodd
Edwards, Calif.
Evans, Colo.
Flowers
Gonzalez
Hammerschmidt
Hansen
Harrington
Hechler, W. Va.
Holtzman
Hubbard
Hungate
Hutchinson
Ichord
Jones, Tenn.
Kazen
Koch
Krebs
Krueger
Lloyd, Calif.
Long, La.
Long, Md.
McCloskey
McDonald
Mann
Mathis
Metcalfe
Mikva
Milford
Miller, Calif.
Mineta
Moffett
Montgomery
Moss
Ottinger
Patterson, Calif.
Paul
Rangel
Rees
Riegle
Roncalio
Rousselot
Runnels
Satterfield
Schroeder
Seiberling
Shuster
Stark
Stokes
Symms
Van Deerlin
Vigorito
Whitten

NOT VOTING—68

Abzug
Anderson, Ill.
Andrews, N. Dak.
Aspin
Badillo
Biester
Bowen
Carney
Chappell
Clay
Cochran
Conable
Conlan
Cotter
Danielson
Dickinson
Downing, Va.
du Pont
Early
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Fuqua
Gibbons
Green
Hawkins
Hays, Ohio
Hébert
Heinz
Hinshaw
Holland
Holt
Howe
Jones, N.C.
Jones, Okla.
Karth
Ketchum
Landrum
Leggett
Lujan
McKinney
Mink
Moorhead, Pa.
Passman
Peyser
Pickle
Risenhoover
Sarasin
Schneebeli
Shipley
Shriver
Sikes
Staggers
Steelman
Stephens
Traxler
Treen
Vander Jagt
Waggonner
Weaver
Wiggins
Wilson, C. H.
Young, Alaska
Young, Ga.

Messrs. RANGEL, LLOYD of California, and KOCH changed their vote from "yea" to "nay."

So, two-thirds having voted in favor thereof, the House agreed to consider House Resolution 1473.

The result of the vote was announced as above recorded.

The **SPEAKER**. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. **SISK**. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, very quickly, this resolution provides for the consideration of S. 3735 out of the Committee on Interstate and Foreign Commerce, to be handled by the gentleman from Florida (Mr. ROGERS), dealing with the question of swine flu vaccine.

Mr. Speaker, I think the question will be debated at that time upon the adoption of this resolution.

Mr. **DINGELL**. Mr. Speaker, will the gentleman yield?

Mr. **SISK**. Mr. Speaker, I am explaining, in order to try to be as expeditious as we can. I do not want to cut anyone off. If the gentleman from Michigan will give me an opportunity to explain, I am trying to move this as rapidly as we can. The gentleman from Florida (Mr. ROGERS) will be recognized to handle the legislation.

Mr. Speaker, I will yield briefly to the gentleman from Michigan for a question.

Mr. **DINGELL**. Mr. Speaker, does the gentleman have a copy of the bill, so we can see what we are considering?

Mr. **SISK**. Yes. We will give the gentleman a copy of the bill.

Mr. **DINGELL**. Mr. Speaker, if the gentleman will yield further, are copies available?

Mr. **SISK**. Copies are on the desks of the majority leader and the minority leader.

Mr. **DINGELL**. Mr. Speaker, will the gentleman yield for a question only?

Mr. **SISK**. I yield to the gentleman.

Mr. **DINGELL**. Mr. Speaker, I pushed the button and asked one of the pages for a copy of the bill and I was advised there were none available. Can Members get copies of this? What is the bill number?

Mr. **SISK**. We would be happy to just check with the majority and minority leaders.

Mr. Speaker, I reserve the balance of my time.

Mr. **FLOWERS**. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. The gentleman from Alabama (Mr. FLOWERS) makes the point of order that a quorum is not present. Does the gentleman insist on his point of order?

Mr. **FLOWERS**. No; Mr. Speaker, not if I can be recognized.

CALL OF THE HOUSE

Mr. **MOSS**. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 636]

Abzug
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Aspin
Badillo
Biester
Bolling
Bowen
Brown, Mich.
Burton, John
Butler
Carney
Cederberg
Chappell
Chisholm
Clay
Cochran
Conable
Conlan
Conyers
Cotter
Danielson
Davis
Derwinski
Dickinson
Diggs
Downing, Va.
Drinan
du Pont
Early
Esch
Eshleman
Evins, Tenn.
Fenwick
Findley
Fish
Flynt
Forsythe
Fountain
Frey
Fuqua
Gibbons
Gilman
Green
Harsha
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Hillis
Hinshaw
Holland
Holt
Holtzman
Howe
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Karth
Kemp
Ketchum
LaFalce
Landrum
Leggett
Lott
Lujan
McKinney
Mathis
Melcher
Mink
Moorhead, Pa.
Mosher
Murphy, N.Y.
Nichols
Passman
Peyser
Pickle
Pritchard
Railsback
Randall
Riegle
Risenhoover
Santini
Sarasin
Schneebeli
Shipley
Shriver
Shuster
Sikes
Staggers
Steelman
Steiger, Wis.
Stephens
Stuckey
Traxler
Treen
Udall
Vander Jagt
Waggonner
Weaver
Whitten
Wiggins
Wilson, C. H.
Wright
Young, Alaska
Young, Ga.

The **SPEAKER**. On this rollcall 321 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SWINE FLU VACCINE PROGRAM

Mr. **SISK**. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. FLOWERS).

Mr. **FLOWERS**. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think the Members of the House ought to bear with us a short moment so that they will understand what they are about to do here. I have no doubt that what they are going to do is to vote for it and vote for the bill later on, and then everybody is going to go home happy because we passed the swine flu bill——

What we will have done is that we will have let our Government, your Government and mine and therefore the people we represent, to become the target of lawsuits in every U.S. district court in the land. This could result in a flood of lawsuits, frivolous or otherwise, that might be filed under any aspect of this program.

Because of product liability, or as someone said, defective needles, bad or inept injections, whatever, your Government and mine is going to bear the responsibility.

Mr. Speaker, I think that we ought to just take a serious look at what we are doing here. We are being rushed this afternoon, and told we ought not to leave without passing this program. We have 100 million doses of swine flu vaccine already prepared. The question is whether we can get it made ready for distribution, that is, processed and packaged so as to be available to the people for vaccination. Basically the Federal Government would become, not just an insurer, mind you, but as a practical matter it would be a guarantor. The Government would be constituted a target for litigation as a substitute dependent standing alone in every district court in the land.

Mr. Speaker, I think there are other alternatives. Given just a few days, we could explore the matter and come up with a better and more carefully considered answer.

Mr. Speaker, I urge the Members to consider this and to consider casting a no vote on the rule.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Speaker, I think the gentleman from California (Mr. SISK) has been most generous to me. A little while ago, he was not going to yield at all.

We have a bill before us that, according to the gentleman handling the rule, came from the Committee on Interstate and Foreign Commerce. It did not come from the Committee on Interstate and Foreign Commerce. It came from the Speaker's table. It came from the other body, but it has not been considered finally by the Committee on Interstate and Foreign Commerce of this House.

Mr. Speaker, the Committee on Interstate and Foreign Commerce has been trying to address itself to the very real issues involved in this legislation, and we encountered today a stampede here in this Chamber to take up and rush through a piece of ill-considered legislation.

I cannot say that it is badly drafted because I cannot get a copy of it to examine it to say whether it is badly drafted; but if it is as badly drafted as the piece of legislation we were attempting to work upon in the Committee on Interstate and Foreign Commerce, then this House is almost mandated to do a better job. This is the worst possible way of legislating, to rush in a last-minute effort to get out of here for 10 days by passing a piece of legislation that could not be coherently explained by its sponsor to the Committee on Interstate and Foreign Commerce.

Where we could not get a definitive discussion of a single legal issue involved in the legislation.

We have a distinguished member of the medical profession who serves as the counsel to the Subcommittee on Health of the Committee on Interstate and Foreign Commerce. I regard him in his own competent field as an extremely competent man but in the field of liability I think he is beyond his depth.

We tried to get this matter referred to the Committee on the Judiciary which should really consider it, but certainly we should not have it here under the guise of a national emergency risk. Last week it was the Philadelphia problem that we should meet. Well, it was discovered that the Legionnaires' illness was not swine flu. The probability is that there is more chance of the Victoria strain breaking out in this country than of swine flu.

I think the real problem is that we spent over $130 million to a relative small group of people who could come out and produce 1 million doses and now, in fact, they are stuck with them unless we give them this exemption from liability.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I thank my friend the gentleman from California (Mr. SISK) for yielding to me. I apologize to my friend the gentleman from California and to the chairman of the subcommittee, my good friend the gentleman from Florida (Mr. ROGERS) for saying anything that may be offensive, because I have the highest respect for each of them.

But, Mr. Speaker, this is a most irresponsible procedure. There is not a copy of the bill to be had anywhere in the House. The House cannot amend the bill. We have 1 hour. The bill was not reported by the committee of proper jurisdiction. The Committee on the Judiciary, whose subcommittee chairman sits here beside me, never had an opportunity to consider the very difficult questions involving tortious liability by the Federal Government.

What do we have in the bill before us? We have an absolute assumption of liability by the Federal Government for everything that happens in this country under this program. This is not insurance. This is not a guarantee. It is an absolute unbridled, total unlimited assumption of responsibility and liability.

Mr. Speaker, the Congress is working on this. The Committee on Interstate and Foreign Commerce has been considering this matter. We asked the distinguished gentleman from Florida if he had any idea about the liability we are assuming and he did not have the vaguest idea as to the dollar amount, or anything. If someone gets stuck with a rusted needle, if somebody is innoculated with an unclean needle, if somebody falls down the stairs and has a concussion on leaving the doctor's office, if someone gets a bad shot of material that has not been properly refrigerated, then the Federal Government is going to be sued. What the liabilities might be, what the amount might be, what the rules are under which the matter will be considered in the courts, nobody can explain.

If this is responsibly considered legislation, then I am the Queen of the May.

This matter should be quietly reported back to the committee and the Committee on Rules ought to decide whether we should assume such a responsibility, refer it back to the proper committee and come out with legislation that we can properly assume responsibility for. This bill will benefit the insurance companies and the manufacturers of the vaccine and the medical professionals, but this is not going to do anything for the taxpayers except cost them money, and will not help the people involved or the Congress in carrying out its tradition of responsibility.

Are we going to have to assume all of the risks for everybody for receiving these shots? The Federal Government will have to pay enormous amounts of money and then maybe, and just maybe, the Federal Government will be able to collect from those who were carriers, or those who committed some gross and irresponsible act, who might have had liabilities under the ordinary statutes.

The SPEAKER. The time of the gentleman has expired.

Mr. SISK. I yield 1 additional minute to the gentleman from Michigan.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I find myself in total agreement with the gentleman from Michigan. The gentleman would not think that under the current state of mind of the average American that serves on a jury that they would bring any kind of a judgment against our Government, would they?

Mr. DINGELL. They will be very, very generous with the Government's money.

Mr. OTTINGER. Mr. Speaker, would the gentleman yiled?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Michigan, and especially the gentleman's reference to the Queen of the May, that was not a bad comparison. Mr. Speaker, we ought to vote this down.

Mr. DINGELL. I agree with the gentleman, Mr. Speaker, this is legislative hanky-pank, it is without justification, it is irresponsible and our proceedings are without responsibility.

Mr. SISK. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I rise in reluctant support of the rule although I must say I agree with almost everything my colleagues from California and Michigan have said except that I do believe this is legislation and that Mr. DINGELL is not the Queen of the May.

The reason I have supported bringing up the rule and will support the rule is simply this: The insurance companies have held the American people hostage to force passage of some kind of legislation of this kind. This is the only way they will permit a program to move forward. I am today, shortly after I speak here, going to introduce a bill that would alter the procedure of this bill. The procedure is extremely faulty. The gentleman from Michigan is right about the fact that the total burden of defending suits is on the Federal Government and that then there must be a suit for negligence over against the tort-feasor at a second stage. That is not desirable, but I would like to say this, it has been said that these two ensuing weeks are very, very important weeks during which some program should move. I do not wish to take a chance by preventing the program from moving, and it is only for that reason that I shall vote for the rule and for the bill. But I will say that I would hope that this body would as quickly as possible revise this litigation and insurance procedure, because it is not right for the Federal Government, first, to pick up the tab for the insurance premium and, second, to take most of the risk for which the insurance premium was paid. That is why I shall support the rule and the bill.

Mr. SISK. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. I thank the gentleman for yielding and would say that the Subcommittee on Public Health and Environment has held hearings on the matter with many witnesses. We had the chief executive officers of some 15 insurance companies before us, the chief executive officers, or their representatives, from the four drug companies; we have had the Department of Health, Education, and Welfare; we have had consumer groups before us; we have had any amount of evidence on this whole question. Now what we are trying to do is simply provide the American people with a preventive program against swine flu. What does this mean? This Congress has already approved the program. This is nothing new. We have already voted $135 million because, although we do not know whether it will come or not, we have said that, if we can prevent swine flu from attacking the American people, it is worth $135 million.

Do the Members know what happened with the Hong Kong flu in 1968 and 1969 that killed 33,000 people? Do they know how much money it cost this country? Four billion dollars. Do the Members know how many people were killed by the Spanish flu, known to be similar to the swine flu, in 1917 and 1918? Twenty million worldwide, and in this country four to five hundred thousand.

The experts have told us, the scientists have told us that we ought to do this. We have now proceeded.

I hold no brief for the insurance companies. I do not think they have met their responsibilities as they should, but we do not license them and we cannot make them go out and insure somebody if they do not want to.

The drug companies have said: "We cannot get insurance." So they have said to us: "We cannot sell the vaccine if doing so might bankrupt our company, so we simply cannot participate in the program."

The Congress has said: "We want this done." We have appropriated the money for this. So we have tried to work out a procedure that is reasonable.

The subcommittee has reported out a bill which is almost the same as has now passed the other body. They put on some of the amendments suggested by the subcommittee to them. Some of us were there.

The drug companies are doing this for no profit—and that is a very important point. Let me tell the Members that this is also a provision of the law. We provide in the law that there shall be no profit to the drug companies. So we will not have a boom or a bonanza for the companies.

Let me follow that up. We have asked the drug companies to produce this vaccine. We have told them how to do it. We have told them what dosage we want, what strength. We gave them the specifications because we are the only buyers, the Government of the United States. This is not the usual process of going out and selling.

But if someone is hurt, we think people ought to have a remedy. I do not think there are going to be many claims. It is a matter of fact that all claims in connection with flu vaccinations since 1970 have numbered fewer than 25. Do the Members know how many people have been vaccinated in that time? Sixty or seventy million, and they have had 25 claims.

And then the insurance companies have said: "But we have to have this type of legislation." They have said that because everybody is bringing suits on malpractice they may have a lot of the suits and they will not, therefore, get into this.

It is the suits without merit they are concerned about, not the ones with merit, but the ones without merit. Therefore what this is designed to do is to say: "You may sue the Government but we will have the right to sue the company or anyone else and recover."

The reason we need this act now, and that the Senate has passed the bill, is that it takes 6 to 8 weeks to get this vaccine made and broken down into individual doses. We have about 100 million doses but they are not broken down, they are in bulk. The companies will not break the dosages down and no one will buy the vaccine unless it is broken down.

I might say the chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO), was kind enough to look this over with his staff. I am reading from a letter from Chairman RODINO which says:

> The bill makes no changes in the Tort Claims Act, and has no impact on it, except that in the narrow circumstances of suits under the bill, the Government would waive the discretionary act exemption of the Tort Claims Act and would open itself to liability in the absence of negligence.

So what we are doing is providing a mechanism to take care of suits without merit. For any suits, with or without merit, if we can show negligence against the company we will be reimbursed.

I think it is a reasonable program. I think the people want this. I hope the Members will support this program.

Mr. FLOWERS. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Alabama.

Mr. FLOWERS. Mr. Speaker, the chairman, the gentleman from New Jersey (Mr. RODINO), describes the legislation that is pending before the Committee on Interstate and Foreign Commerce. Is that not the fact?

Mr. ROGERS. Which has essentially the same provisions as the Senate bill before us has.

Mr. FLOWERS. Mr. Speaker, if the gentleman will yield further, some of us do not know that.

Mr. ROGERS. Mr. Speaker, I can assure the gentleman from Alabama that is true.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think we have heard the rule on the resolution discussed at length. I feel that this body tonight should do everything possible to prevent another swine flu epidemic.

Mr. Speaker, I urge adoption of the rule and reserve the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FLOWERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 272, nays 76, not voting 83, as follows:

[Roll No. 637]

YEAS—272

Abdnor
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Archer
Armstrong
AuCoin
Bafalis
Baldus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Blanchard
Boland
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Byron
Carter
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Conte
Conyers
Cornell
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dent
Derrick
Devine
Downey, N.Y.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fish
Fisher
Fithian
Flood
Florio
Ford, Mich.
Ford, Tenn.
Frenzel
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hamilton
Hammerschmidt

Hanley
Hannaford
Harkin
Harris
Harsha
Hayes, Ind.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hightower
Horton
Howard
Hughes
Hyde
Jacobs
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Kasten
Kastenmeier
Kelly
Kemp
Keys
Kindness
Lagomarsino
Lehman
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lundine
McClory
McCollister
McCormack
McDade
McEwen
McFall
McHugh
Madden
Madigan
Maguire
Mahon
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
St Germain
Santini
Sarbanes
Schulze
Sebelius
Seiberling
Sharp
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Wilson, Bob
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—76

Adams
Alexander
Ashbrook
Ashley
Baucus
Bingham
Blouin
Boggs
Breaux
Brooks
Burlison, Mo.
Burton, John
Burton, Phillip
Carr
Collins, Ill.
Collins, Tex.
Corman
Crane
Daniels, N.J.
Dellums
Derwinski
Dingell
Dodd
Edwards, Calif.
Erlenborn
Flowers
Foley
Fraser
Gonzalez
Hall, Tex.
Hansen
Harrington
Hechler, W. Va.
Hicks
Holtzman
Hubbard
Hungate
Hutchinson
Ichord
Jeffords
Jones, Tenn.
Kazen
Koch
Krebs
Krueger
Levitas
Long, La.
McCloskey
McDonald
McKay
Mann
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Moss
Obey
Ottinger
Patterson, Calif.
Paul
Rees
Richmond
Rousselot
Runnels
Ryan
Satterfield
Scheuer
Schroeder
Shuster
Stark
Steiger, Wis.
Symms
Tsongas
Van Deerlin
Yates
Young, Fla.

NOT VOTING—83

Abzug
Allen
Anderson, Ill.
Andrews, N. Dak.
Aspin
Badillo
Biester
Bowen
Butler
Carney
Chappell
Clay
Cochran
Conable
Conlan
Cotter
Danielson
Dickinson
Diggs
Downing, Va.
du Pont
Early
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Frey
Fuqua
Gibbons
Green
Hawkins
Hays, Ohio
Hébert
Heinz
Hillis
Hinshaw
Holland
Holt
Howe
Jones, N.C.
Jones, Okla.
Karth
Ketchum
LaFalce
Landrum
Latta
Leggett
Lott
Lujan
McKinney
Michel
Milford
Mink
Moorhead, Pa.
O'Brien
Passman
Peyser
Pickle
Risenhoover
Rose
Sarasin
Schneebeli
Shipley
Shriver
Sikes
Staggers
Steelman
Stephens
Traxler
Treen
Udall
Vander Jagt
Waggonner
Weaver
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Waggonner with Mrs. Mink.

Mr. Hébert with Mr. Green.

Mr. Sikes with Mr. Jones of North Carolina.

Mr. Fountain with Mr. Stephens.

Mr. Fuqua with Mr. Allen.

Mr. Moorhead of Pennsylvania with Mr. Biester.

Mr. Passman with Mr. Conlan.

Mr. Shipley with Mr. du Pont.

Mr. Pickle with Mr. Anderson of Illinois.

Mr. Staggers with Mr. Esch.

Mr. Udall with Mr. Forsythe.

Mr. Weaver with Mr. Hillis.

Mr. Charles H. Wilson of California with Mr. Latta.

Mr. LaFalce with Mr. Andrews of North Dakota.

Mr. Hays of Ohio with Mr. Heinz.

Mr. Hawkins with Mr. Aspin.

Mr. Badillo with Mr. Evins of Tennessee.

Ms. Abzug with Mr. Early.

Mr. Bowen with Mr. Cochran.

Mr. Carney with Mr. Frey.

Mr. Chappell with Mr. Findley.

Mr. Danielson with Mr. Butler.

Mr. Flynt with Mrs. Holt.

Mr. Gibbons with Mr. Lott.

Mr. Holland with Mr. Conable.

Mr. Jones of Oklahoma with Mr. Lujan.

Mr. Leggett with Mr. McKinney.

Mr. Howe with Mr. Landrum.

Mr. Risenhoover with Mrs. Fenwick.

Mr. Rose with Mr. O'Brien.

Mr. Traxler with Mr. Peyser.

Mr. Clay with Mr. Young of Georgia.

Mr. Cotter with Mr. Dickinson

Mr. Diggs with Mr. Karth.

Mr. Milford with Mr. Sarasin.

Mr. Whitten with Mr. Downing of Virginia.

Mr. Michel with Mr. Shriver.

Mr. Vander Jagt with Mr. Schneebeli.

Mr. Young of Alaska with Mr. Wiggins.

Mr. Charles Wilson of Texas with Mr. Steelman.

Mr. **BLOUIN** changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. **ROGERS**. Mr. Speaker, pursuant to the provisions of House Resolution 1473, I call up from the Speaker's table the Senate bill (S. 3735) to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flue immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Swine Flu Immunization Program of 1976".

SEC. 2. Section 317 of the Public Health Service Act (42 U.S.C. 247b) is amended by inserting after subsection (i) the following new subsections:

"(j) (1) The Secretary is authorized to establish, conduct, and support (by grant or contract) needed activities to carry out a national swine flu immunization program until August 1, 1977 (hereinafter in this section referred to as the 'swine flu program'). The swine flu program shall be limited to the following:

"(A) The development of a safe and effective swine flu vaccine.

"(B) The preparation and procurement of such vaccine in sufficient quantities for the immunization of the population of the States.

"(C) The making of grants to State health authorities to assist in meeting their costs in conducting or supporting, or both, programs to administer such vaccine to their populations, and the furnishing to State health authorities of sufficient quantities of such swine flu vaccine for such programs.

"(D) The furnishing to Federal health authorities of appropriate quantities of such vaccine.

"(E) The conduct and support of training of personnel for immunization activities described in subparagraphs (C) and (D) of this paragraph and the conduct and support of research on the nature, cause, and effect of the influenza against which the swine flu vaccine is designed to immunize, the nature and effect of such vaccine, immunization against and treatment of such influenza, and the cost and effectiveness of immunization programs against such influenza.

"(F) The development, in consultation with the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and implementation of a written informed consent form and procedures for assuring that the risks and benefits from the swine flu vaccine are fully explained to each individual to whom such vaccine is to be administered. Such consultation shall be completed within two weeks after enactment of this Act, or by September 1, 1976, whichever is sooner. Such procedures shall include the information necessary to advise individuals with respect to their rights and remedies arising out of the administration of such vaccine.

"(G) Such other activities as are necessary to implement the swine flu program.

"(2) The Secretary shall submit quarterly reports to the Congress on the administration of the swine flu program. Each such report shall provide information on—

"(A) the current supply of the swine flu vaccine to be used in the program;

"(B) the number of persons inoculated with such vaccine since the last report was made under this paragraph and the immune status of the population;

"(C) the amount of funds expended for the swine flu program by the United States, each State, and any other entity participating in the program and the costs of each such participant which are associated with the program, during the period with respect to which the report is made; and

"(D) the epidemiology of influenza in the United States during such period.

"(3) Any contract for procurement by the United States of swine flu vaccine from a manufacturer of such vaccine shall (notwithstanding any other provision of law) be subject to renegotiation to eliminate any profit realized from such procurement (except that with respect to vaccine against the strain of influenza virus known as influenza A/Victoria/75 profit shall be allowed but limited to an amount not exceeding a reasonable profit), as determined pursuant to criteria prescribed by the Secretary, and the contract shall expressly so provide. Such criteria shall specify that any insurance premium amount which is included in the price of such procurement contract and which is refunded to the manufacturer under any retrospective, experience-rating plan or similar rating plan shall in turn be refunded to the United States.

"(4) No funds are authorized to be appropriated to carry out the activities of the swine flu program authorized in subparagraphs (A), (B), (D), (E), and (F) of paragraph (1) of this subsection in addition to the funds appropriated by Public Law 94-266.

"(k)(1)(A) The Congress finds that—

"(i) in order to achieve the participation in the program of the agencies, organizations, and individuals who will manufacture, distribute, and administer the swine flu vaccine purchased and used in the swine flu program and to assure the availability of such vaccine in interstate commerce, it is necessary to protect such agencies, organizations, and individuals against liability for other than their own negligence to persons alleging personal injury or death arising out of the administration of such vaccine:

"(ii) to provide such protection and to establish an orderly procedure for the prompt and equitable handling of claims by persons alleging such injury or death, it is necessary that an exclusive remedy for such claimants be provided against the United States because of its unique role in the initiation, planning, and administration of the swine flu program; and

"(iii) in order to be prepared to meet the potential emergency of a swine flu epidemic, it is necessary that a procedure be instituted for the handling of claims by persons alleging such injury or death until Congress develops a permanent approach for handling claims arising under programs of the Public Health Service Act.

"(B) To—

"(i) assure an orderly procedure for the prompt and equitable handling of any claim for personal injury or death arising out of the administration of such vaccine; and

"(ii) achieve the participation in the swine flu program of (I) the manufacturers and distributors of the swine flu vaccine, (II) public and private agencies or organizations that provide inoculations without charge for such vaccine or its administration and in compliance with the informed consent form and procedures requirements prescribed pursuant to subparagraph (F) of paragraph (1) of this subsection, and (III) medical and other health personnel who provide or assist in providing inoculations without charge for such vaccine or its administration and in compliance with such informed consent form and procedures requirements,

it is the purpose of this subsection to establish a procedure under which all such claims will be asserted directly against the United States under section 1346(b) of title 28, United States Code, and chapter 171 of such title (relating to tort claims procedure) except as otherwise specifically provided in this subsection.

"(2)(A) The United States shall be liable with respect to claims submitted after September 30, 1976 for personal injury or death arising out of the administration of swine flu vaccine under the swine flu program and based upon the act or omission of a program participant in the same manner and to the same extent as the United States would be liable in any other action brought against it under such section 1346(b) and chapter 171, except that—

"(i) the liability of the United States arising out of the act or omission of a program participant may be based on any theory of liability that would govern an action against such program participant under the law of the place where the act or omission occurred, including negligence, strict liability in tort, and breach of warranty;

"(ii) the exceptions specified in section 2680(a) of title 28, United States Code, shall not apply in an action based upon the act or omission of a program participants; and

"(iii) notwithstanding section 2401(b) of title 28, United States Code, if a civil action or proceeding for personal injury or death arising out of the administration of swine flu vaccine under the swine flu program is brought within two years of the date of the administration of such vaccine and is dismissed because the plaintiff in such action or proceeding did not file an administrative claim with respect to such injury or death as required by such chapter 171, the plaintiff in such action or proceeding shall have 30 days from the date of such dismissal or two years from the date the claim arose, whichever is later, in which to file such administrative claim.

"(B) For purposes of this subsection, the term 'program participant' as to any particular claim means the manufacturer or distributor of the swine flu vaccine used in an inoculation under the swine flu program, the public or private agency or organization that provided an inoculation under the swine flu program without charge for such vaccine or its administration and in compliance with the informed consent form and procedures requirements prescribed pursuant to subparagraph (F) or paragraph (1) of this subsection, and the medical and other health personnel who provided or assisted in providing an inoculation under the swine flu program without charge for such vaccine or its administration and in compliance with such informed consent form and procedures requirements.

"(3) The remedy against the United States prescribed by paragraph (2) of this subsection for personal injury or death arising out of the administration of the swine flu vaccine under the swine flu program shall be exclusive of any other civil action or proceeding for such personal injury or death against any employee of the Government (as defined in section 2671 of title 28, United States Code) or program participant whose act or omission gave raise to the claim.

"(4) The Attorney General shall defend any civil action or proceeding brought in any court against any employee of the Government (as defined in such section 2671) or program participant (or any liability insurer thereof) based upon a claim alleging personal injury or death arising out of the administration of vaccine under the swine flu program. Any such person against whom such civil action or proceeding is brought shall deliver all process served upon him (or an attested true copy thereof) to whoever is designated by the Secretary to receive such papers, and such person shall promptly furnish copies of the pleadings and process therein to the United States attorney for the district embracing the place wherein the civil action or proceeding is brought, to the Attorney General, and to the Secretary.

"(5)(A) Upon certification by the Attorney General that a civil action or proceeding brought in any court against any employee of the Government (as defined in such section 2671) or program participant is based upon a claim alleging personal injury or death arising out of the administration of vaccine under the swine flu program, such action or proceeding shall be deemed an action against the United States under the provisions of title 28, United States Code, and all references thereto. If such action or proceeding is brought in a district court of the United States, then upon such certification the United States shall be substituted as the party defendant.

"(B) Upon a certification by the Attorney General under subparagraph (A) of this paragraph with respect to a civil action or proceeding commenced in a State court, such action or proceeding shall be removed, without bond at any time before trial, by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and be deemed an action brought against the United States under the provisions of title 28, United States Code, and all references thereto; and the United States shall be substituted as the party defendant. The certification of the Attorney General with respect to program participant status shall conclusively establish such status for purposes of such initial removal. Should a district court of the United States determine on a hearing on a motion to remand held before a trial on the merits that an action or proceeding is not one to which this subsection applies, the case shall be remanded to the State court.

"(C) Where an action or proceeding under this subsection is precluded because of the availability of a remedy through proceedings for compensation or other benefits from the United States as provided by any other law, the action or proceeding shall be dismissed, but in that event the running of any limitation of time for commencing, or filing an application or claim in, such proceedings for compensation or other benefits shall be deemed to have been suspended during the pendency of the civil action or proceeding under this subsection.

"(6) A program participant shall cooperate with the United States in the processing or defense of a claim or suit under such section 1346(b) and chapter 171 based upon alleged acts or omissions of the program participant. Upon the motion of the United States or any other party, the status as a program participant shall be revoked by the district court of the United States upon finding that the program participant has failed to so cooperate, and the court shall substitute such former participant as the party defendant in place of the United States and, upon motion, remand any such suit to the court in which it was instituted.

"(7) Should payment be made by the United States to any claimant bringing a claim under this subsection, either by way of administrative settlement or court judgment, the United States shall have, notwithstanding any provision of State law, the right to recover for that portion of the damages so awarded or paid, as well as any costs of litigation, resulting from the failure of any program participant to carry out any obligation or responsibility assumed by it under a contract with the United States in connection with the program or from any negligent conduct on the part of any program participant in carrying out any obligation or responsibility in connection with the swine flu program. The United States may maintain such action against such program participant in the district court of the United States in which such program participant resides or has its principal place of business.

"(8) Within one year of the date of the enactment of the National Swine Flu Immunization Program of 1976, and semiannually thereafter, the Secretary shall submit to the Congress a report on the conduct of settlement and litigation activities under this subsection, specifying the number, value, nature, and status of all claims made thereunder, including the status of claims for recovery made under paragraph (7) of this subsection and a detailed statement of the reasons for not seeking such recovery.

"(*l*) For the purposes of subsections (j) and (k) of the section—

"(1) the phrase 'arising out of the administration' with reference to a claim for personal injury or death under the swine flu program includes a claim with respect to the manufacture or distribution of such vaccine in connection with the provision of an inoculation using such vaccine under the swine flu program;

"(2) the term 'State' includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

"(3) the term 'swine flu vaccine' means the vaccine against the strain of influenza virus known as influenza A/New Jersey/76 (Hsw 1N1), or a combination of such vaccine and the vaccine against the strain of influenza virus known as influenza A/Victoria/75.".

Sec. 3. The Secretary of Health, Education, and Welfare shall conduct, or provide for the conduct of, a study of the scope and extent of liability for personal injuries or death arising out of immunization programs and of alternative approaches to providing protection against such liability (including a compensation system) for such injuries. Within one year of the date of the enactment of this Act, the Secretary shall report to the Congress the findings of such study and such recommendations for legislation (including proposed drafts to carry out such recommendations) as the Secretary deems appropriate.

The SPEAKER. The gentleman from Florida (Mr. Rogers) is recognized for 1 hour.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if the Members will give us their attention just for 1 minute or so, I want to say to the Members that I think we have, during the discussion of the rule, gone into the purposes of this bill and the way the bill operates. I urge that the Members vote for the passage of the bill in order that we can institute the swine flu vaccine program and would like to review the situation for the Members.

Mr. Speaker, we are in the unfortunate situation of having to act on a Senate-passed bill without full and proper House consideration. This bill is substantially the same as the one our subcommittee has been considering and I am happy that before the Senate passed it they made many changes to reflect House concerns. It is still not a perfect product but in my judgment is now a workable bill and an acceptable one given the fact that legislation is needed before the recess, if the program is to go forward. The bill does incorporate the changes suggested by the Judiciary Committee. It places the program on a nonprofit basis as suggested by Mr. Waxman. It includes many of the changes suggested by Mr. Maguire. It is acceptable to the administration. I therefore urge your support for it.

This legislation would enable the implementation of the President's national influenza immunization program. As the Members know, this program is designed to immunize the entire U.S. population against the swine flu identified in an outbreak at Fort Dix, N.J., in January. The President proposed this program to Congress because of the similarity of the New Jersey virus to that of the swine flu which took the lives of nearly half a million Americans in 1918–19, and in light of the experience with the Asian flu in 1957–58, when 80,000 lives were lost, and the Hong Kong flu of 1967–68, which took 33,000 lives. A very real possibility of an epidemic during the coming fall flu season was raised by this combination of factors: few Americans have any residual immunity to the 1918 strain, and the 1918 strain struck most heavily against children and young adults aged 20 to 40 years. If the New Jersey strain were as virulent as that of 1918, and with no natural immunities built up in most of the population, the prospect of many deaths among persons of all age groups had to be faced.

Congress responded rapidly to the President's request, and on April 15, Public Law 94–266 was signed into law, appropriating $135 million for the program. HEW conducted extensive tests, four manufacturers began producing the vaccine, and 100 million doses are now on hand in bulk form.

I would add that I think the recent events in Pennsylvania, in which 25 persons who attended a convention in Philadelphia lost their lives to a yet unidentified pneumonia-like disease, brings home to us the necessity of having machinery in place to act quickly to immunize the population before a swine flu virus can begin spreading. The short incubation period of influenza, typically 1 to 3 days, makes it impossible to wait for an outbreak to start before we take steps to immunize our people.

I was, therefore, greatly concerned to learn that this program was jeopardized when all four manufacturers' insurance companies notified them that they would not include the swine flu vaccine in their liability coverage. Without this protection, the manufacturers have refused to deliver the vaccine to the Government and thus expose themselves to possible suit by persons injured in the program, and at least two of the manufacturers have stopped production of the vaccine altogether.

Mr. Speaker, the subcommittee has given this matter very serious and extensive consideration. We considered legislation proposed by HEW which would have indemnified the manufacturers for amounts paid in damages and in defense of suits, except when caused by their negligence. The subcommittee thought this unwise at that time and sent HEW back to negotiate an agreement with the manufacturers which would spell out the Government's and the manufacturers' responsibilities in such a way that their insurors' fears could be allayed. In particular, the manufacturers sought to clarify that the duty to warn persons inoculated of risks in the program, which had been laid to the manufacturers in the Davis and Reyes polio cases, would lie with the Government. These negotiations broke down, in part because the Anti-Deficiency Act prevented HEW from agreeing by contract to commit funds to indemnify the manufacturers.

In a hearing on Tuesday, July 20, the subcommittee learned that the negotiations had broken down. In a further effort to have the private insurance industry play its normal role in this program, the subcommittee on July 23 called before it the chairman of the board and chief executive officers of the 15 major insurance companies involved, and elicited from them a promise to discuss with HEW the provision of a $50 million pool of insurance, at a premium of perhaps $5 million, with the Government insuring above that level. A promise was also obtained from the manufacturers to continue in production of the vaccine for 5 more days.

While this initial response of the insurance industry was heartening, it seemed that with every round of discussion with HEW during the following week, the price for the insurance was raised, until the industry made a proposal for $50 million in insurance, with a minimum premium of $2 million, and then a premium of $1.20 for each $1 paid out, up to a maximum of $40 million. Participating companies, therefore, stood to make a possible maximum profit of $7 million and risked losing $10 million, if claims reached $40 million. A second pool of insurance could be provided to pay claims for manufacturers' negligence over $50 million. The first of these pools was eventually subscribed but the second never was.

On Friday, July 30, HEW Secretary Mathews informed me that he viewed this as a very high price for not much insurance, and that in view of the additional unsolved insurance problems with other participants in the program, the Department would seek an alternative solution to the liability problem. On Tuesday, August 3, Secretary Mathews presented the outlines of today's legislation to the subcommittee, and later that day the subcommittee ordered reported a bill very similar to the one before the House at this time.

Mr. Speaker, the basic thrust of this bill is to put the U.S. Government in the place of program participants as defendant when a suit is first brought. The United States assumes liability for personal injuries connected with the program, and is subject to claims and suits under the Federal Tort Claims Act in much the same way as it normally is in cases involving health employees of the Public Health Service and Veterans' Administration.

However, under this bill the United States has a right to sue the program participant where the United States paid a claim based on the manufacturer's or provider's negligence.

The effect of this approach is first to solve the problem of meritless suits, which would be defended by the Government. It is the cost of defending these suits which has been the primary reason for the insurance companies' refusal to participate in the program. Past flu inoculation programs have made clear that there is a negligible medical risk involved, and the insurance companies have recognized this. With the Federal Government bearing the cost of the meritless suits, the insurance companies are left to insure only against suit by the United States to recover claims it paid based on negligence of a program participant.

Second, this approach is practical—it uses the normal mechanism for settling claims in tort against the United States, with claims agents and U.S. attorneys already in place across the country. In short, it can be done in time for this program.

Third, this approach resolved the liability question for all program participants, not just the manufacturers, so that we will not be back here again in 3 weeks because this or that State has lost its liability insurance.

Mr. Speaker, I would hasten to say that while I find this legislation desirable for these reasons, it is only with great reluctance that I recommend taking this step, to save this one vital program. I cannot understate to the House my disappointment at the performance, and I think the shortsightedness of the insurance industry regarding this program. I, and the other members of the subcommittee, had hoped that this could be handled in the usual manner by the private sector.

I would also emphasize that I view this legislation only as a stopgap, emergency solution to save this program, and not as a desirable approach to similar problems which may arise in connection with future immunization programs. In this regard, I would point out to the House that the bill directs HEW to conduct a study of possible approaches, including a system of patient compensation, and to report to us its legislative recommendations.

With these limitations in mind, Mr. Speaker, I would most strongly urge that the Members of the House vote for this legislation so that this program can again get underway.

Mr. Speaker, I yield 5 minutes for the purposes of debate only to the gentleman from California (Mr. Waxman).

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding.

I want to oppose this bill. I voted for the rule because I think the bill is ripe for our consideration.

I was concerned several days ago about the bill, particularly the legal consequences that might arise from the passage of this legislation, a bill such as this being handled by the Committee on Interstate and Foreign Commerce, without the expertise or the opportunity for full evaluation of the consequences to the tort system that might result.

No hearings were held, but the staff of the Committee on the Judiciary did review the bill.

The gentleman from New Jersey (Mr. Rodino), the chairman of the Committee on the Judiciary, sent a letter to the gentleman from West Virginia (Mr. Staggers), the chairman of the Committee on Interstate and Foreign Commerce, which said:

> They have assured us that the bill makes no changes in the Tort Claims Act and has no impact on it.

Mr. Speaker, as the gentleman from New Jersey (Mr. Rodino) said in his letter, the upshot of the bill is that the Federal Government would absorb the cost of preparing and defending all claims and of satisfying all claims based on any theory of liability which did not involve negligence.

Mr. Speaker, I want to speak against this bill because I want the Members to understand that this is not a vote on whether to go ahead with a vaccination program for 200 million Americans against swine flu should an epidemic break out later this year or early next. We voted to appropriate $130 million for such a program.

What we are doing with this bill is to relieve the drug manufacturers and the insurance industry from their responsibility of being legally and financially responsible for the product and the cost, which are ordinary expenses of their doing business.

Why would a program with a low risk to the people of this country be uninsurable? We have been told that there is a very low risk in the vaccination program, that it is a dead-virus vaccine, and that the American people are not taking a great deal of risk in getting this vaccine.

If that is the case, Mr. Speaker, why is it that the insurance industry would not want to insure this as they do every other product, particularly those vaccines where live vaccines are involved and there is a potential risk of harm? I think there is only one simple reason that they are not willing to give insurance. That is because the insurance industry would rather bail out of areas of coverage where they might not make a big profit.

That is not the case with this program, but this program will set the precedent for future programs, where we are going to be asked as taxpayers to assume that financial responsibility.

Mr. Speaker, we are being used. We are being asked to be the vehicle for the very first step in opening up the public treasury to an area of unlimited liability in an amount that may even boggle the minds of some of my fiscal conservative friends on the other side of the aisle.

How do I know this? Last week the drug manufacturers sat before the Senators of a Senate committee and told them, "We do not know whether we can go ahead with the program for polio vaccine and rubella vaccine and in other areas where we have already been engaged."

The reason they gave was that they did not know whether they would get liability insurance. They are not going to get insurance because they can always come to the Government which will just take over that program.

Mr. Speaker, I just think that when we realize the consequences of this bill, which is not to go ahead with the program, when we realize the consequences, one of which is that we are opening the door to having the U.S. taxpayers pay for product liability and medical malpractice coverage in an amount that is just going to be astronomical, I think it is unwise to vote for this bill. I do not think we should be panicked into voting for it.

The drug manufacturers have already produced enough vaccine to handle an emergency in the next week and a half for sure.

Mr. Speaker, I think we are making a big mistake. I plan to vote against the bill and urge my colleagues to do likewise.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield for a question?

Mr. ROGERS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, as I read this bill, the United States would have to be subrogated to the rights of claimants, under this bill, who make claims against the manufacturers of vaccine and against doctors administering it.

Therefore, my question is, How do we solve the problem of insurance since they will have to be insured anyway?

Mr. ROGERS. With this procedure, where we, in effect, will know which are suits without merit, the drug company can get insurance. The insurance companies have assured us that they will insure them for product defects, so that we can then go against the companies where they produce a "bad batch."

Mr. SEIBERLING. Will the premiums be less as a result of this bill?

Mr. ROGERS. I do not know what the premiums will be. We do not set the premiums, but I would not be encouraged to believe that it is going to be much less.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I believe that this thing comes down to a question where, if I understand correctly, the Government takes the risk and the insurance companies make the profit; is that correct?

Mr. ROGERS. I would say that what we are trying to do here is to develop a governmental program so that the American people can be vaccinated against swine flu. If the gentleman from New York is against that or any mechanism to bring it about, I would think he would oppose it but if the gentleman supports it, then I would think he would be willing to go along with this procedure. It is an accepted procedure under the Tort Claims Act and we are not changing it.

Mr. OTTINGER. Will we continue this kind of policies when the insurance companies refuse to insure for inoculation against tetanus or polio?

Mr. ROGERS. I would agree with the gentleman that that is a problem for the future, one that is going to be looked into. The gentleman from Texas (Mr.

ECKHARDT) has addressed that problem, also.

Mr. KREBS. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from California.

Mr. KREBS. Mr. Speaker, the distinguished chairman, the gentleman from Florida (Mr. ROGERS) has repeatedly said, if I understand the gentleman correctly, that we would have a cause of action in subrogation for negligence; is that correct?

Mr. ROGERS. That is correct.

Mr. KREBS. How about a cause of action for breach of warranty, which is really a more common cause of action in this type of litigation?

Mr. ROGERS. We do have all of the companies, under their contracts, willing to assume any breach of warranty or strict liability. For instance, if they produce a batch of vaccine that is bad and we cannot prove negligence, we still have a cause of action against them for that. But this is not the normal warranty situation where a drug company on its own makes its own vaccine and they use their own judgment and sell it to the public. We have more or less said that they will make the vaccine according to the Government's specifications, so we have interrupted the normal way of a product being formulated. They are doing it at Government specifications; it is not within their powers to change this. We are going to hold them liable for everything they do, but we do not hold them liable for the acts of the Government, which we assume and have done.

Mr. KREBS. Mr. Speaker, will the gentleman yield further so that I might pursue this matter for a moment?

Mr. ROGERS. I yield further to the gentleman from California.

Mr. KREBS. Mr. Speaker, I really do not mean to be overtechnical, but I think every attorney who has ever been involved in liability, if they went through that, certainly in the last 10 years, we are aware that the key decisions which have been decided in the bulk of the litigation arriving from this type of situation or rising from this type of case, is really a cause of action for both negligence and breach of warranty with the judgment almost invariably being based on the basis of an implied or broken warranty. My question is this precludes, or this will preclude the U.S. Government from proceeding in a subrogation case against a manufacturer with a cause of action based on breach of warranty?

Mr. ROGERS. No; it will not. What we are saying is that if they produce a vaccine under the contract, and if that vaccine, for instance, is bad, we can go against them even though we do not prove negligence.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield on that point? I would like to further answer the question raised by the gentleman from California.

Mr. ROGERS. I yield to the gentleman for a question.

Mr. WAXMAN. I would like to give an answer to that question.

Mr. ROGERS. I have answered the gentleman.

Mr. WAXMAN. Will the gentleman yield for a statement?

Mr. ROGERS. Yes, I will yield.

Mr. WAXMAN. I think we ought to understand that most lawsuits that will be brought by an injured party will be brought for breach of warranty, because the lawsuit is not brought for the purposes attained, and when a lawsuit is brought against the Government, a judgment will be recovered against the Government. The Government can then only recover if it can show negligence on the part of a drug manufacturer. The Government is just going to pay out. They will be able to recover only where they can show negligence. If they want to go to the expense of going into court and proving it, then they can recover. The drug manufacturers, on the other hand, can do all in their power to hinder the Government's getting that information to show negligence. So the final result will be that the plaintiff will recover, but the one from whom he will recover, and the only one who will pay out, will be the U.S. Government.

Mr. ROGERS. Let me say that is not so. As a matter of fact, what we have put in the law—and the amendment was adopted by the Senate, although the gentleman may not be aware of it—is that if they carry out their part of the contract, in which we tell them the specifications, we cannot hold them responsible for producing a vaccine in a particular dosage or strength. We have told them, so we cannot hold them responsible for that. That is the only way we are going to buy it, and that is the way they will do it. If it comes out as it was intended, then there is no problem, and if it comes out as it was not intended, then we will sue.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from South Carolina.

Mr. MANN. I thank the gentleman for yielding.

On the same issue, the gentleman from New Jersey (Mr. RODINO) has been quoted to the degree that the bill says it makes no changes in the tortious act.

Mr. ROGERS. I have read his statement exactly, and if the gentleman would wait just a minute, I would be glad to yield to the gentleman. I only read the letter from the chairman. He said it did make changes but not unique, and I think the gentleman will see the language.

Mr. MANN. If the gentleman will yield further, let me read to the gentleman the language that is significant:

> The bill would make no changes in the Tort Claims Act—

And I am skipping a few words.

Mr. ROGERS. Well start before. I want the House to know this. I will yield if the gentleman will let me just correct it. This is what I read, as I noted above, and I quote:

> . . . the bill would invoke the Tort Claims Act in an unusual, though not unique, manner. . . The bill makes no changes in the Tort Claims Act, and has no impact on it, except that in the narrow circumstances of suits under the bill, the Government would waive the discretionary act exemption of the Tort Claims Act and would open itself to liability in the absence of negligence. Both provisions seem appropriate in the circumstances.

That is what I read.

Mr. MANN. Will the gentleman yield further? May I paraphrase that?

Mr. ROGERS. I yield to the gentleman, but I would rather he quote what he said.

Mr. MANN. I will. It says the Government would open itself to liability in the absence of negligence. The Government makes itself liable for all claims of all sorts whether or not negligence is present. Negligence is an ingredient of a normal action under the Tort Claims Act. This makes it liable for claims on warranty, for claims on anything that the 50 States might allow, and the Government has no recourse if any of those actions are based on warranty, or anything else. It has recourse only if it can prove that the manufacturer, not that it produced a defective product—that is warranty—but that it was negligent in the production of that product—and that is a much higher degree of proof than a merely defective product.

Let me say that we will have very little subrogation on this.

Mr. ROGERS. May I say we have explained that fully. This is a Government program. We have told them how to make it. We cannot make someone warrant a product when we tell them how to make the product.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding. The Government has a separate contract with the manufacturer, so I presume it would have a cause of action under that contract for a breach of contract and implied warranty.

Mr. ROGERS. The gentleman is correct.

Mr. SEIBERLING. So that would not depend upon this bill.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I want to ask this question to try to straighten out this point. In the bill as originally written, as I understand, the Government would accept all liability and could not pass it on, except that liability which was as a result of negligence. The difference, as I understand it, that was made by the Senate amendment is that if the production of the product was not in accordance with the specifications, or if it was contaminated, they would not actually have to show the specific negligence that resulted in the contamination.

But the very fact that it was contaminated and did not meet specifications would imply sort of in the case of res ipsa loquitur that something went wrong in the process and that would be available for suit against the manufacturer of the drug. But the kind of liability that would not exist and that would remain on the Government would be that which is ordinarily assumed, I mean ordinarily comes up when there is asserted an implied warranty that the product is suitable for its use, so if it is inherently dangerous but still follows specifications, that kind of liability would have to remain on the Government, as I understand it.

Mr. ROGERS. The gentleman from Texas is correct.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MAGUIRE), a member of the subcommittee.

Mr. MAGUIRE. Mr. Speaker, I thank the chairman.

There has been a great deal of discussion, as the chairman knows, about the concept of negligence with respect to the liabilities that are assigned to the manufacturers on the one hand and the Government on the other with respect to production and manufacture of the vaccine. I wanted simply to clarify the language.

Would I be correct in understanding that under the language of the bill it is the intent of the committee and the Congress that the United States is given the authority to seek indemnity for damages paid by the United States because of a negligent act or omission on the part of a program participant in carrying out any obligation or responsibility in connection with the program? With respect to manufacturers of the vaccine, the phrase "any obligation or responsibility in connection with the program" includes all actions in connection with the manufacture and distribution of the vaccine other than actions involving a duty specifically assumed by the United States under the program.

Mr. ROGERS. The gentleman is correct. That is the intent.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Speaker, I have no doubt swine flu is an extraordinary and rare disease, but even so, the measures being proposed here are exceeding extraordinary.

When the proposal for massive immunization first came to the House, I supported it along with the great majority of my colleagues. Many of us had some reservations about that program, and knew that we were acting in haste, but thought haste to be essential in the public interest. Now it seems that one hasty act may be prompting another, but this seems more than hasty, perhaps rash. The problem is that the assumptions of liability which we would be providing to drug companies, insurance companies, health administrators and medical personnel, not to mention the recipients of the swine flu vaccine, are all so extraordinary as to suggest a pattern of future actions that I believe we would find intolerable.

We need to consider the following questions:

First. Is the program envisioned the first step toward a completely Federal insurance program? We do not know. Will Federal malpractive coverage be next? It could be.

Second. How should we view the refusal of the private insurance industry to underwrite this program, which the Congress and President have found to be in the best interests of the American people?

Third. What are the legal ramifications of this Federal insurance procedure? Are we setting a precedent whereby drug companies will relieve themselves of liability for other products? What about the drug companies that produce polio and measles vaccines?

Fourth. What Federal procedures will screen out baseless suits?

Fifth. What is the best estimate of the possible extent of the Government's liability under this program? There is none.

I greatly fear that we are proceeding pell mell toward guaranteeing anyone who might feel aggrieved and who is involved in this program the opportunity for suit against the Federal Government, and the people likely to lose most in all of this are the American citizens themselves. I am dubious about loan guarantee programs in which risks that bankers are unwilling to take are assumed for the American people by the Congress. I am equally concerned when insurance companies are dubious about the risks involved in this program, and are desirous of passing them on to someone else. The insurance companies are willing to assume the benefits, but not the risks.

To pass this bill, would be to suggest that we are on the way toward offering Federal guarantees to cover medical malpractice, and to guarantee against sheer carelessness by medical personnel, while perhaps rewarding capricious suits against the Government by miguided or greedy people. This is a program in which the American people assume all the risks and the participants in the program almost none, but receive all the benefits. I consider that to be a dangerous kind of example for us to set.

The poet has said:

> Injurious time, now with a robber's haste
> Crams his rich thievery up.

Our haste is cramming up the opportunities for thievery. We can approach our concern for public health in more responsible fashion.

I urge a vote against this hasty procedure.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Ohio for debate only.

Mr. BROWN of Ohio. Mr. Speaker, I want to come back to a question asked earlier, and it relates to the preparation of the dosage and the prescription for the flu vaccine itself. It is my understanding the Federal Government has designed the vaccine and dosage to meet the needs of the general population and that if a manufacturer makes a dosage which is off of that formula and someone is injured as a result, the Federal Government would have the opportunity to recover from the company that made the improper dosage and the improper formula. But the question I would like to ask is: What happens if the Federal prescription is incorrect or some person that takes the vaccine is injured thereby?

Mr. Speaker, if the gentleman will yield further, what type of testing protocol has there been and has the vaccine been thoroughly tested so that there is assurance that it is applicable to the entire population and unlikely to have any risk involved in it?

Mr. ROGERS. May I say, and I can assure the House from the evidence given to the committee, that this vaccine has been more widely and extensively tested than any normal vaccine. It has been heavily tested.

As a matter of fact, I am sure we all know that, when they test products like this, they take some and give them placeboes; that is, saline water in the injection and the other group gets the vaccine. Now, what happened was the reaction from the actual vaccine itself came out to be about 1.9 percent experiencing soreness, a little fever or a headache.

Would the gentleman like to know what the saline water figure came out to be? It was 1.7 percent. So I do not know how much safer a drug we could get, or a vaccine, when they do not have any more reaction from it than they do from saline water.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield further, if I may conclude then, the ordinary medical testing which the gentleman has assured us is beyond that normally undertaken, will protect the general population so that they know this is a safe vaccine?

Mr. ROGERS. The gentleman is correct.

Mr. HUNGATE. Mr. Speaker, will the genleman yield?

Mr. ROGERS. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Speaker, I rise in opposition to this measure. I have the greatest respect for the gentleman from Florida (Mr. ROGERS) in the field of health. I do think it would have been well for the legal ramifications of this legislation to have gone through the Committee on the Judiciary.

Mr. Speaker, I am reminded of the little quotation that if the Christian Scientists had more science and the doctors had more Christianity, everybody would get well.

Mr. ROGERS. If they had a good nurse.

Mr. HUNGATE. Mr. Speaker, if the gentleman will yield further, I think we are going into a lot of this on faith, more faith than I have. When it comes to placebos, I think this is a political placebo.

Mr. ROGERS. Mr. Speaker, I would say to the gentleman from Missouri, we were concerned that the Committee on the Judiciary should have input and had no objection to a referral.

As a matter of fact, the chairman of the Committee on the Judiciary said they looked at this with the staff and has written us a letter. I will be glad to show the gentleman a copy.

Mr. HUNGATE. Mr. Speaker, if the

gentleman will yield further, I find that the chairman's views are not always totally encompassing without the benefit of the views of the whole committee.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I just wanted to ask this question. The liability of the United States is set out in two ways. It says:

> The United States shall be liable with respect to claims for personal injury or death arising out of the administration of swine flu vaccine.

And so forth.

Then it says:

> The liability of the United States arising out of the act or omission of a program participant may be based on any theory of liability that would govern an action against such program participant under the law of the place where the act or omission occurred, including negligence, strict liability in tort, and breach of warranty.

Is that correct?

Mr. ROGERS. That is correct, and we can go against the manufacturers or anyone else who is participating.

Mr. DINGELL. Now, the right of the United States to go in and sue for payment is set out, as I understand it, on page 10 under section (7) where it says:

> . . . the United States shall have the right to recover for that portion of the damages so awarded or paid, as well as any costs of litigation . . . resulting from the failure of any program participant to carry out any obligation or responsibility assumed by it under a contract with the United States in connection with the program or from any negligent conduct on the part of any program participant in carrying out any obligation or responsibility in connection with the swine flu program.

Are the rights of a person injured and the rights of the United States coexistent? I do not so read it.

Mr. ROGERS. On page 10, the bill gives additional rights to the Government.

Mr. DINGELL. No. It gives the right to sue on the first page and on page 10 it sets out the rights of the Government to sue.

Now, I ask, are the rights of the Government coextensive with the rights undertaken with this piece of legislation? I do not think so.

Mr. ROGERS. Mr. Speaker, if the gentleman will read the wording, he will see the additional authority given to us to go against the manufacturers. It is not just on the basis of negligence, but under any legal theory, including strict liability or warranty, where the batch may prove to be bad, but there is no act of negligence.

Mr. DINGELL. Mr. Speaker, if the gentleman will yield further, that is not what it says. It says the negligent conduct and the failure to carry out contract responsibilities.

I ask the gentleman again, is the liability of the Government the same; that is, the liability of the Government to a person who sues the Government, the same as the liability of a manufacturer to the Government, or is it coextensive, as I read this section?

Mr. ROGERS. I think it is really basically the same, regarding the obligations of the manufacturers under the program.

Mr. DINGELL. In making some legislative history, we are going to get some liabilities here.

Mr. ROGERS. This provision defines the manner in which the Government could sue the companies.

Mr. DINGELL. The answer is "Yes."

Mr. McHUGH. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York for a question only.

Mr. McHUGH. Mr. Speaker, my question relates to payment of premiums. Would the gentleman be kind enough to tell us who pays the premiums?

Mr. ROGERS. Yes. Whatever is practiced between the drug company and the insurance company is their concern. In other words, we do not set any price. I think we have no authority to do so; we do not license. I am sure that this cost would be reflected in the price. I would assume it would be part of the vaccine price as a cost of doing business. But the drug companies have said that they will make no profit, and the bill allows no profit to the drug companies.

Mr. McHUGH. Will we, as the Federal Government, in any way subsidize that cost of doing business? Are we paying any of the funds which, in effect, go for payment of premiums?

Mr. ROGERS. Other than simply buying the vaccine.

Mr. McHUGH. In that case, is it not important for us to know whether the premiums we are paying to the insurance company are premiums simply for the administration of claims, or premiums which are normally paid when the insurance company assumes a risk?

Mr. ROGERS. I think the gentleman would be interested to know that we provide for full cost accounting to be revealed to us so that we can follow this and know what is happening.

Mr. McHUGH. Can the gentleman give us assurance that we are not paying, in that cost, the cost of premiums which afford risks which are normally written by insurance companies?

Mr. ROGERS. I would hope so. I can assure the gentleman now that I have not seen the actual thing, but we certainly are following that up.

Mr. McHUGH. I thank the gentleman.

Mr. MOSS. Mr. Speaker, will the gentleman yield for a question?

Mr. ROGERS. Certainly.

Mr. MOSS. The answer to the question just placed to the chairman must be yes, there is complete liability on the complete cost. Every item of cost, whether it is for insurance premiums or whatever, is included in the computing of the cost of this material that is being obtained by the Government.

Mr. ROGERS. I think I said that to the gentleman.

Mr. MOSS. We cannot get it by any other means.

Mr. ROGERS. I said that. I presume it would be included in the cost.

Mr. MOSS. I think the gentleman must recognize that there is no equivocal statement that is applicable here. Clearly, every single item of cost, whatever the rate of insurance that is charged to the manufacturer, is a charge against the Government of the United States in the purchase of this when we are buying it, supposedly, at cost.

Mr. ROGERS. But not profit.

Mr. MOSS. I thank the gentleman.

Mr. ROGERS. Mr. Speaker, may I now yield to my distinguished colleague from Kentucky, the ranking minority Member (Mr. CARTER) who has been patient and has not spoken as yet. I yield 5 minutes to the gentleman, and will yield more if he desires it.

Mr. CARTER. Mr. Speaker, someone has said, and quite truly, that I know very little about "res gestae," "nolle prosequi," "non sequitur," "res ipse loquitor," and of course I do not. I will admit that. I am a physician, not a lawyer. Since I am a physician, it is a non sequitur that I would be familiar with these terms. I do not make that claim, but I remember Shakespeare's advice concerning that group of august people one time, which I will not repeat, but I think most Members know about that.

What I am interested in is helping the American people and saving them from swine flu this year. If we read the record, as the chairman has stated, 20 million people lost their lives in 1918 and 1919. It began in October, and we barely have time now to get on with the job of immunizing these people against swine flu. In the United States alone, we lost 500,000 people. In the State of Kentucky, we lost 15,000 people. In the city of New York they lost 33,387 people in 27 weeks.

In Philadelphia, Pa., the hardest hit city, they lost 15,700 people from swine flu.

Yes, I am interested in developing a good vaccine to prevent that, and I am not skilled in the legal aspects of this legislation. I will leave that to the excellent attorneys—and I think more of them than Shakespeare did, because he had a certain opinion regarding men of that noble profession which I do not, as it happens. But I do want to see this vaccine developed and delivered to the people of this country to protect them from the swine flu. That is the purpose of my being here today. I think it is very, very necessary.

As we know, eminent scientists went to the President, some 20 of them, the greatest in our coutnry, who are very knowledgeable, and they asked the President to institute this program which we have implemented up to this time.

We owe this to our people, to protect them.

Mr. McDONALD. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. I thank the distinguished gentleman from Kentucky and colleague in the medical profession for yielding.

Since there is a great division in the medical community and, at best, it is highly circumstantial that the so-called swine flu of the projected future is the same flu as 1918, is it the suggestion of the distinguished gentleman from Kentucky that indeed this is the same flu as the 1918 flu?

Mr. CARTER. Not only am I suggesting it, I am telling the gentleman that that is the report which we have from the people at NIH, who are doing this work today.

Mr. McDONALD. If the gentleman will yield further, that is certainly new word, because I have been told in just this today's debate that the medical community has stated that there is absolutely no way unequivocally that that statement could be made, and statements out of the medical community have stated that it is highly circumstantial that we are dealing with the 1918 flu since the death at Fort Dix, which was purportedly related to the swine flu.

Mr. CARTER. I have yielded to the gentleman for a question. I must say that I disagree with the gentleman. The medical people within the medical community with whom I have been in almost constant contact over the past 2 weeks are of the same opinion that I am, and that is the way they told it to me.

Mr. McDONALD. Mr. Speaker, will the gentleman yield for another question?

Mr. CARTER. The gentleman from Florida has the time.

Mr. ROGERS. Mr. Speaker, I would hope that we could conclude the debate now. I think the Members have a right to revise and extend their remarks.

Mr. CARTER. Mr. Speaker, I want to say to the Members that it is very, very important to the people of our country whom we represent that we do protect them against influenza this year. I urge the passage of this bill.

Mr. ROGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Speaker, I am going to vote for this bill, although I think that the procedure provided in it is quite faulty, and I shall state why I think so.

The insurance which is to be carried by the producers of the vaccine will cost a premium rate, according to present estimates, of about $8,650,000 for $230,000,000 worth of insurance.

As was pointed out a moment ago by some of those who were questioning the distinguished chairman of the subcommittee, the contract for insurance and insurance premiums is totally between the manufacturers of the vaccine and the insurance companies. So we have no way of really knowing whether $8,600,000 is based on ordinary liability which would call on the insurance company to defend the suit from the beginning, or whether it is based on the very much reduced liability of the Federal Government having to defend the suit in the beginning and a great number of suits being winnowed out in the process and, of course, ultimately some of the suits dropped as a practical matter even though negligence existed.

I do not think there is any way we can tell under this program and the way the bill is written as to whether or not the Federal Government is or is not both underwriting the risk and reducing the risk and also paying the insurance premium by its payments for the vaccine and by its payments to the States which ultimately distribute the money to those who conduct the program locally. I understand from some of the insurance companies that they would not object to our looking into the question of retrieving excess premium payments, and I would urge that this be considered very strongly by the committee when the program is in effect.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the distinguished chairman of the subcommittee.

Mr. ROGERS. Mr. Speaker, I agree with the gentleman. I think that subject should be gone into, and we have every intention to do that. I would be happy to work with the gentleman from Texas (Mr. Eckhardt) in that area.

Mr. ECKHARDT. Mr. Speaker, I had intended to offer an amendment to this bill in the committee or on the floor if I were permitted to do so. Of course, I cannot do that. I do intend to introduce the bill today, and I do want it fully understood that I think the insurance processes of this bill are very faulty.

Mr. Speaker, it is only because of the necessity of moving the program quickly that I will vote for the bill.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the gentleman from Florida (Mr. Rogers) a question. I am gratified with the gentleman's assurances that he will take up the proposal of the gentleman from Texas (Mr. Eckhardt), and I am going to be cosponsoring his proposal. I think it is very important.

Mr. Speaker, I would like to ask one other question. Before this came up under the rule, the gentleman from Florida (Mr. Rogers) in a discussion assured me that the committee was going to look at the long-range program which may be facing us when all of the other manufacturers of other drugs say, "Well, if we can do this with swine flu vaccine, all right, we will do it with everything else."

Is the gentleman going to move on that promptly?

Mr. MOSS. Mr. Speaker, if the gentleman will yield, let me say that the chairman of the Subcommittee on Health and the Environment can give no such assurance. The bill the gentleman from Texas (Mr. Eckhardt) is dropping in the hopper today may end up in the Committee on the Judiciary or it may end up in the Committee on Interstate and Foreign Commerce, where it would be properly referred to the Subcommittee on Transportation and Commerce and not the Subcommittee on Health and the Environment.

So to try to extract the kind of commitment that the gentleman from Ohio (Mr. Seiberling) seeks from the gentleman from Florida (Mr. Rogers) would be totally inappropriate.

The **SPEAKER.** The time of the gentleman from Texas (Mr. Eckhardt) has expired.

Mr. ROGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if I may say a little something here, maybe we will get the gentleman from California on the Subcommittee on Investigations to look into it.

I would also point out to the gentleman, though, that some basis for this appears on the last page of the bill which instructs the Secretary to "provide for the conduct of a study of the scope and extent of liability for personal injuries or death arising out of immunization programs," and to report back to us and give us the basis of his findings and the information whereby we can follow up on the gentleman's suggestion.

Mr. Speaker, if the Members will be patient for just a few minutes, I think we have two or three questions we will try to dispose of, and then we will try to take a vote.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, I note that for one type of vaccine a reasonable profit is permitted and for the other type it is not. Would the gentleman explain that, please?

Mr. ROGERS. Yes. For instance, the Victoria A-type vaccine is currently made and used. They might want to mix some of that with the swine flu vaccine in the same dose. There is no prohibition against what they have done to make that vaccine as far as their profit goes, referring to this other vaccine, but they cannot make a profit on the swine flu vaccine. That is the distinction.

Mr. PAUL. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Texas.

Mr. PAUL. Mr. Speaker, I thank the gentleman for yielding.

I believe there is one question that has not yet been answered. Why are we in such great need of this insurance policy?

I think there is a very specific reason. It is the fact that we in the Congress have gotten involved in something that we should not have been in.

Mr. Speaker, I think it is a very dangerous thing to give out these mass inoculations. I think this is the reason for the interference with the patient-doctor relationship, and this is the reason the insurance is not available. I think it is a boondoggle for the doctors' protection and also for the big insurance companies.

Therefore, Mr. Speaker, I oppose this bill.

Mr. ROGERS. Mr. Speaker, I understand that some persons are opposed. The gentleman is right. A lot of people do not believe in vaccination. They do not have to take it.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. McDonald) for debate only.

Mr. McDONALD. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I will not address myself to the legal aspects of the bill. I strongly regret that the Committee on the Judiciary and the Committee on Interstate and Foreign Commerce have been bypassed by today's procedure.

However, Mr. Speaker, speaking as a physician and speaking from a scientific viewpoint, it is absolutely impossible to state that, in perspective, a possible swine flu epidemic is the same as the 1918 flu. To do so, Mr. Speaker, is purely using a scare tactic.

Only 10 days ago we saw the deaths arising from the Philadelphia meeting of Legionnaires. Immediately it was presented as possibly a swine flu problem. Then this was pushed through and demands have been made upon us because of that.

Mr. Speaker, it should have been obvious from the beginning that there were no deaths before that or after that. We were not dealing with a contagious problem; we were dealing with a poison problem.

Mr. Speaker, the medical scientific community is divided on the entire program. Naturally, certain medical giant-grant eaters and certain members of very hostile groups are gleeful over this program because they are removed from the responsibility of the program.

Mr. Speaker, I urge rejection of this bill, which was conceived in haste and is against the best interests of the American people.

Mr. FRENZEL. Mr. Speaker. This bill makes me a little nervous. I fear we may be making some mistakes that are not able to be foreseen now.

But, we really have no choice. The drug companies won't produce vaccine without some relief of their legal liability. I can't blame them for their unwillingness to accept unlimited liability. Therefore we have to pass this bill if we want an anti-swine-flu program. If we had more time, we might be able to devise another system under which we can administer the vaccine. We do not have time. We must support this bill.

Mr. ROGERS. Mr. Speaker, I rise again in support of S. 3735. I think before concluding the debate that I should ask the indulgence of my colleagues and take a few minutes to summarize the legislation before us, make some comments on its possible costs, give a general history, explanation, and finally go through a section-by-section analysis of the provisions of the proposal.

SUMMARY OF 3735
NATIONAL SWINE FLU IMMUNIZATION PROGRAM OF 1976

S. 3735 amends the present Public Health Service Act provisions in section 317 relating to vaccination and other disease control programs to authorize the Secretary of HEW to establish, conduct, and support needed activities to carry out a national swine flu immunization program until August 1, 1977.

The immunization program is to consist of: First, the development of a safe and effective vaccine against the swine flu; second, the preparation and procurement of such vaccine in sufficient quantities for the immunization of the population of the States; third, the making of grants to State health authorities to assist in meeting their costs in conducting or supporting, or both, immunization programs for State residents and the furnishing of sufficient quantities of the vaccine for such programs; fourth the furnishing to Federal health authorities of appropriate quantities of the vaccine; fifth the conduct and support of training of personnel for the immunization programs as well as the conduct and support of research on the nature, cause and effect of swine flu, the nature and effect of the vaccine, immunization against and treatment of the swine flu, and the cost and effectiveness of the immunization programs; and sixth the development, in consultation with the National Commission for the Protection of Human Subjects of Biomedical Research, and implementation of a written informed consent notice and procedures for assuring that the risks and benefits from the swine flu vaccine are fully explained to each individual to whom the vaccine is to be administered. This form is to be available within 2 weeks of enactment of the bill, or September 1, 1976, whichever is sooner, and is to include the information necessary to advise persons with respect to their rights and remedies arising out of the administration of the vaccine.

The Secretary of HEW is to provide a quarterly report on the administration of the program including a report on the current supply of vaccine, the number of persons inoculated, the amount of funds expended by the United States and any other entities for the program, and the epidemiology of influenza in the United States during the reporting period.

Any contract for procurement by the United States of swine flu vaccine is to be subject to renegotiation to eliminate any profit realized from such procurement, except that a reasonable profit may be allowed for vaccines against the currently prevalent strain of influenza known as A/Victoria/75.

The legislation contains congressional findings on the necessity of establishing a procedure for the making of liability claims against the United States if the vaccination program is to succeed, and provides that the Federal Government will be liable with respect to any claims submitted after September 30, 1976, for personal injury or death resulting from the administration of vaccine under the program based upon the act or omission of a "program participant". An action will be allowed against the Federal Government if it could otherwise have been brought against a private individual under the law of the place where the act or omission occurred.

A "program participant" means the manufacturer or distributor of the swine flu vaccine used in an inoculation in the program, the public or private agencies or organizations that provide an inoculation under the program without charge for the vaccine or its administration and in compliance with the informed consent requirements, and the medical or other personnel who provided or assisted in providing an inoculation under the program without charge for the vaccine or its administration and in compliance with the informed consent requirements.

The remedy against the Federal Government provided is to be the exclusive remedy available to individuals claiming injury or death due to administration of the vaccine. Procedures for carrying out such suits and for their defense by the Attorney General are set out in the bill, and generally follow those of the Federal Tort Claims Act. Should payment be made by the United States to any claimant under the authority, whether by administrative settlement or court judgment, the Federal Government will have the right to recover that portion of the damages paid, as well as any costs of litigation, resulting from the failure of any program participant to carry out any obligation or responsibility assumed by it under a contract with the Federal Government in connection with the program or from any negligent conduct on the part of any program participant in carrying out any obligation or responsibility in connection with the swine flu program.

Within 1 year of enactment, and semiannually thereafter, the Secretary is to submit to Congress a report on the conduct of settlement and litigation activities under the authority to sue the United States specifying the number, value, nature and status of all claims made against the Government and by it for recovery of damages. A detailed statement of the reasons for not seeking recovery of damages paid by the Government, when not sought, must also be provided.

The Secretary is to conduct a study of the scope and extent of liability for personal injuries or deaths arising out of immunization programs and of alternative approaches—including a compensation system—to providing protection against such liability for such injuries. The Secretary is to report within 1 year of enactment on the results of the study and any recommendations for legislation.

COST OF LEGISLATION

The cost of the proposal has been estimated by the Congressional Budget Office in the following cost estimate. It should be noted that the principal cost of the program, the $135 million of Federal funds appropriated previously by Public Law 94–266, is not included in the estimate because it has already been appropriated. Additional appropriations are possible under the legislation, see the section-by-section analysis, but are not specified in the proposed legislation and, therefore, are not estimated. Were additional appropriations made, they would principally be for the costs of State and local programs not covered by the $135 million and these costs would be unlikely to exceed another $25 to $30 million. The Congressional Budget Office estimate is for the expenses likely to be experienced by the Federal Government in the handling of liability claims under the proposed legislation and makes a reasonable set of assumptions to arrive at the estimate in the absence of any more definitive way of establishing the cost.

The total potential cost, $135 million already appropriated plus $7.7 million for handling claims, seems an entirely reasonable investment when compared to the $4 billion in economic costs experienced by the United States during the most recent, and mildest of the influenza epidemics which this country has experienced. This was the expidemic of the Hong Kong strain of influenza in 1968 which produced approximately 30,000 excess deaths in the United States.

Include the following:

CONGRESSIONAL BUDGET OFFICE: COST ESTIMATE

1. Bill number: S. 3735.

2. Bill title: National Influenza Program of 1976.

3. Purpose of bill: Authorizes the Secretary of the Department of Health, Education, and Welfare to conduct a national program of immunization against the strain of influenza caused by the virus A/New Jersey/76 (Hsw 1/N/1) (commonly known as swine flu) and to make the federal government liable, under the Federal Torts Claim Act, for all claims in connection with injuries resulting from the inoculation program. The bill also authorizes the government to seek recovery of claims paid by the government from third parties (drug manufacturers, providers, etc.) where negligence can be attributed to those third parties.

4. Cost estimate: ($ in millions).

	1977	1978	1979	1980	1981	Total
Liability payments	.51	2.58	2.06	----	----	5.15
Administrative costs	1.29	3.23	.65	----	----	5.17
Recovery from third parties	----	----	−.65	−1.29	−.64	−2.58
Total	1.80	5.81	2.06	−1.29	−.64	7.74

5. Basis for estimate: Much of the data utilized in this estimate is based upon work done by the actuaries at the Federal Insurance Administration (FIA) although, in some cases, modified by the Congressional Budget Office (CBO). The actuaries projected that actual injury would occur in one case per million inoculations (based on a projected 172 million inoculations). CBO has increased this ratio to 2 per million because of the rapidity with which this program will be implemented and the large volume of vaccines to be produced and used. Also, FIA has projected the ratio of claims filed to claims awarded to be between 10 and 100 to 1. For the purpose of this estimate, a ratio of 50 to 1 was used. Thus, based upon the projected 344 cases where an award would be made and the 50 to 1 ratio, a total of 17,200 claims would be filed. FIA further assumed, based on a malpractice claims study in Florida, that 50 percent of the claims filed would require significant processing time. Actual costs for liability and claims litigation were calculated using the above assumptions and an average benefit payment of $15,000 (based on a nationwide average payment for a malpractice claim (and an administrative cost of $600 per claim) this was determined by utilizing the experience of the VA in processing malpractice claims).

To determine the yearly costs, it was assumed that 50 percent of the claims would be filed during the first year, but half the litigation of those claims would extend into 1978. It was further assumed that the rest of the claims would be filed in 1978, but 25 percent of the processing time needed for those claims would extend into 1979. With regard to liability, 10 percent of the payments are assumed in 1977, 50 percent in 1978, and 40 percent in 1979.

Lastly, recovery from third parties is assumed in 50 percent of the cases, with 25 percent of that amount recovered in 1979, 50 percent in 1980, and 25 percent in 1981.

6. Estimate comparison: Not Applicable.

7. Previous CBO estimate: None.

8. Estimate prepared by Jeffrey C. Merrill (225-4972).

9. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

HISTORY, EXPLANATION, AND JUSTIFICATION OF THE PROPOSED LEGISLATION

INFLUENZA

Understanding the need for the National Swine Flu Immunization program and, therefore, the proposed legislation, S. 3735, requires first an understanding of influenza. Influenza is a highly contagious acute disease caused by one of the several types of the influenza virus. It has a short 1- to 3-day incubation period and is characterized by sudden onset with fever, prostration, generalized aches and pains—usually in the back and legs—headache, weakness, and loss of appetite. In the respiratory system symptoms are usually mild and "cold" like. This is part of the reason that many people confuse the common cold with influenza leading to a common impression that influenza is more common than is in fact the case. It is, nevertheless, a common disease and those who have had a real case can usually recognize the difference between it and a cold. Influenza lasts 2 to 5 days—although the weakness may persist for some time afterwards. It is rarely fatal but can cause death either acutely, with overwhelming untreatable virus pneumonia within the first few days of illness, or secondarily with a bacterial pneumonia which follows the viral disease and is treatable. Influenza is most dangerous for high risk groups such as the very old, the very young, the debilitated with chronic diseases, and people receiving treatment for diseases such as cancer which suppresses their normal defense mechanisms.

Influenza may be sporadic or epidemic. Epidemics occur every 1 to 4 years and follow minor mutations or changes in the virus which make some people who are immune to the disease susceptible again. During last fall and winter the United States experienced one such "routine" epidemic from the Victoria strain of the virus. Approximately every 10 years the virus undergoes a major mutation and these major new strains usually become epidemic throughout the world, or pandemic. Thus, there were pandemics of Puerto Rican influenza in 1943–44, Asian influenza in 1957–58, and Hong Kong influenza in 1968–69. The new strains are normally named after the area in which they are first identified. The magnitude of these pandemics is measured by the number of excess deaths which occur during the epidemic because of the influenza in excess of the expected number of deaths when influenza is not present. The 1957–58 Asian flu epidemic by this measure caused 80,000 excess deaths and the milder 1968–69 Hong Kong influenza caused 33,000 excess deaths.

Influenza is now the only disease which has the capacity to close schools and places of work because of the number of people who may be felled by it simultaneously in a given community during an epidemic. It is also the only remaining disease which regularly produces any excess deaths which are not compensated by a subsequent decrease in the normal mortality curve. The disease is this important because, while nearly everybody who gets it survives, such a large number of people get it that the small proportion who die may still be a large absolute number.

Economists have attempted to measure the cost of pandemics of influenza by placing dollar values on the medical care required by the victims, the amount of time they lose from work, and similar effects of the epidemic. By this approach the mildest recent pandemic, that of Hong Kong flu in 1968–69, had an economic cost to the United States of $3.9 billion.

SWINE AND SPANISH INFLUENZA

In early January at Fort Dix, N.J., the State of New Jersey cultured for the first time from normal people a new major strain of influenza.

Subsequent studies of soldiers at Fort Dix reported that 1 soldier died, the virus was grown from 12 other soldiers with flu, and approximately 500 had apparently had subclinical cases because their body defense mechanisms demonstrated a response to the disease. Thus, what happened at Fort Dix can be characterized as a small, self-contained outbreak of a new major strain of influenza in which human-to-human spread occurred but, fortunately, was not sustained. The new flu is called swine flu because it is also found in pigs, although it is not normally caught from associating with pigs or by eating pork.

This new strain caused infected people to develop antibodies—part of the body's defense mechanism—which are identical to those that people developed to the influenza which caused the worldwide pandemic in 1918–19 that resulted in approximately 450,000 deaths in the United States and between 20 and 30 million deaths worldwide. The new flu cannot be said to be the same as the Spanish influenza which caused the 1918–19 epidemic because the virus which caused that epidemic is not available, but there is some evidence that major strains do recur. Thus, the 1958 Asian flu produced the same antibody reactions as did the flu virus which caused the pandemic in 1890.

While the new strain bears some resemblance to the Spanish flu, nobody can say whether or not it would be as devastating as that one since its identification with it is only partial.

However, it should be emphasized that any similarity to the influenza experienced in 1918–19 is disturbing since it was unique in several respects. First, it killed a substantially higher percentage of those it infected than normal. Second, it killed a remarkable number of healthy young adults with an acute overwhelming virus pneumonia that, it must be emphasized, would still not always be treatable in 1976 because viruses are not killed by antibiotics and the pneumonia was so acute and so severe that it would not always be treatable with respirators. Third, the disease had such high attack rates and swept both the whole country and any given community so fast that there was no way to control it or plan for it once it arrived. Thus, it overwhelmed the available hospital and medical resources, killing as many as 700 people in a single day in Philadelphia. The unusual "W-shaped" mortality curve of the 1918–19 epidemic is shown in figure 1 and the rapid spread of the epidemic in figure 2. These figures are adapted from Alfred W. Crosby's excellent history of the 1918–19 epidemic, "Epidemic and Peace, 1918," published this year. The fast spread is not unusual; when the Victoria strain appeared in this country this year it was subsequently identified in 47 States in less than 2 months.

It must be understood that the proposed influenza immunization program can be justified entirely by comparing its costs to those of the mildest epidemic of influenza which this country experienced, that of Hong Kong flu in 1968–69. By this comparison the effort described in the remainder of these remarks is entirely justifiable on a cost-benefit basis without reference to what happened in 1918–19. However, the similarity is noteworthy and disturbing.

The debate over the swine flu program was complicated in late July and early August by the appearance of the infamous legion fever in Pennsylvania. To the enormous relief of all involved this did not prove to be swine flue, although the case of this mysterious and dangerous fever is still unknown, and did not spread beyond those initially affected. What was disturbing was the remarkable resemblance between the onset and course of legion fever, characterized as it was by an overwhelming untreatable pneumonia, and the descriptions of the severe cases of influenza experienced by young adults in 1918. Further study, and discovery of the cause of legion fever, is awaited with interest in hopes that any further outbreaks can be prevented. In the meantime the need to protect the population against the possible outbreak of swine flue remains as real as it would be if legion fever had never appeared, albeit perhaps a little easier to understand.

THE PROPOSED NATIONAL IMMUNIZATION PROGRAM

The "normal" appearance of a major new strain of the flu involves sporadic outbreaks of the new strain in the spring and summer of the year in which it is first identified and the development of a full pandemic in the fall and winter of that year. This normal pattern and the identification of an outbreak at Ft. Dix clearly support the conclusion that it is possible, although nobody knows what the chances are, that the local outbreak at Ft. Dix will lead to a major epidemic in the fall. Since the Ft. Dix episode, extensive efforts have been made on the part of the Center for Disease Control and the rest of the world's disease surveillance network to identify subsequent cases of the swine flu. Despite rumors of such cases in Australia and the Philippines, none have yet been identified, except for a very small num- of individual cases in people who each had a history of exposure to pigs and were under treatment for cancer. A new outbreak would certainly increase the unknown chances that an epidemic of the new virus will occur in the fall or winter. Equally, as time passes without identifying such outbreaks the chances diminish. However, it is not safe to say that the epidemic will not occur at least until after the coming flu season, and while the odds may be slim they must be considered real and the enormous potential costs of an epidemic remembered.

Given the possibility of an epidemic, HEW officials and national experts on influenza recommended in March that President Ford initiate a massive campaign for the immediate development of a vaccine against the new flu strain and the production of enough of the vaccine to immunize the entire U.S. population. President Ford proposed such a program and sought appropriation of the necessary funds by the Congress by the first of April in the amount of $135 million. Such an effort has not been made previously because there has not been an adequate warning of a possible epidemic before. Some attempt was made with Hong Kong flu in 1968 but once recognized it reappeared and spread too rapidly.

The Subcommittee on Health and the Environment held hearings on the President's proposal on March 31, 1976. At that time witnesses were heard from HEW, vaccine manufacturres, State and local health officials, representatives of major provider organizations including the American Public Health Association, the American Medical Association and the American Hospital Association, and the Health Research Group. All witnesses before the committee agreed with the President's proposal and urged its immediate pursuit with the exception of the Health Research Group which expressed caution and recommended consideration of immunizing solely the high risk population. While charges were heard that the proposal might have been politically motivated, the subcommittee concluded that whether or not this was the case it was nevertheless a correct proposal and proceeded to recommend legislation authorizing the program.

The $135 million was appropriated by Public Law 94–226, signed April 15, and is being used for the purchase of the vaccine, Federal grants to the States to meet their costs of operating the necessary mass immunization programs, and for Federal costs of regulating the development of the new vaccine and doing related research. The original estimate of the cost of purchasing the vaccine was $100 million at 50 cents a dose for 200 million people. It is currently hoped that the cost will not reach this total cost since the preliminary indications are that the vaccine is being made for as little as 20 cents to 30 cents a dose, the full 200 million doses may not be needed if some people choose not to receive the vaccine, and the proposed legislation should reduce the costs of insurance for the manufacturers—which it must be assumed will be included in the price of the vaccine. It is clear at this point that the original estimate of $26 million for grants to State health departments for their costs was inadequate and any funds not spent on the purchase of vaccine should be made available to States. Further, consideration should be given, if they can demonstrate their additional costs, to the appropriation of additional funds to meet them.

THE VACCINE

Since the appropriation, approximately 100 million doses of vaccine have been produced by the four manufacturers of influenza vaccines. While essentially similar to previous vaccines which have been in extensive use among millions of people since 1940, the new vaccine has been subject to more extensive clinical trial than any previous flu vaccine and has proven itself both remarkably safe and remarkably effective in adults over age 24. Thus, in this group some 70 to 95 percent of recipients had antibody responses which would protect them against infection for at least a year. No severe side effects were experienced and only 1.9 percent experienced mild side effects such as a sore arm, transient low grade fever, or headache. This number compares with the 1.7 percent of those who received a placebo injection of salt water who experienced similar side effects.

This experience is not surprising. The influenza vaccine is a killed virus vaccine made from viruses grown in fertile chicken eggs. Since the virus is killed it cannot produce an actual case of influenza. While the vaccine still carries a reputation as one which can cause bad reactions, this reputation has not been deserved since new centrifugation technology made successful separation of the virus from egg constituents possible. Nevertheless, people with a history of egg allergy will be warned of the possibility of an allergic reaction and should probably not take the vaccine.

The protection from influenza vaccine lasts for only a year or two at most. Thus, it will be important to ascertain whether successful protection of the population against an epidemic this fall which occurred in the rest of the world during the subsequent year would have to be repeated later so that the effect is not merely to delay the epidemic. This is important because efforts to immunize the U.S. population would probably not succeed in protecting the rest of the world against the flu epidemic if it is going to occur. This is because influenza is so highly contagious that "herd" immunity is hard to achieve even in a population with high rates of immunization. Thus, cases could still occur and would be likely to spread, although those who had received the vaccine would be protected.

The United States is apparently the only country with the capacity to contemplate successful immunization of the whole population and at this point is the only country undertaking the proposed program. The World Health Organization in reviewing this situation indicated its agreement with the U.S. effort although medical literature in other countries has expressed concern that the odds of an epidemic may not be worth the cost and effort.

There has been much discussion of use of the flu vaccine in people under 24 because, while the vaccine is effective in producing immunity to influenza in all ages, the rate at which side effects are experienced increases as the age of the recipient decreases. This is why it is not normally recommended for children and why to date HEW researchers have been unable to recommend a dosage for people under 18. Those who have received it who are under 18 have been protected but have experienced slightly higher, presently unacceptable rates of side effects than those over 18. HEW is continuing to do research in the young population designed to establish a dose or schedule of doses which will provide protection without excessive side effects. They have offered every assurance that they will not recommend that children of any age receive vaccine until a safe and effective dose has been established. Further, the plan is to work down gradually in age groups so that for instance a dose is established for children over 6 before it is attempted for children under 6. This cautious approach seems reasonable and properly reflects the fact that people under 20 are generally not at very high risk of death from influenza.

IMPLEMENTATION OF THE PROGRAM

While the manufacture and testing of the vaccine have gone forward, HEW and the States have engaged in extensive preparation for delivering it upon its purchase by the Federal Government. The general strategy will be for the States to receive the vaccine from the Federal Government and then provide it with some funds to city and county health departments. Twenty to 40 million doses of a bivalent vaccine protecting against both swine and Victoria flu will be available for the usual high risk population. The health departments, in cooperation with other agencies and the help of volunteer professionals, will conduct mass immunization programs of the type previously used for polio vaccine in Sabin Oral Sunday programs, and measles and rubella vaccine programs in past years. These programs will be held in schools, health departments, churches, places of business and other locations easily accessible to large populations on advertised dates. Each person seeking the immunization will be given a statement of the risks and benefits and asked to give his informed consent to receipt of the vaccine. Records will be kept of who received which vaccine and of the consent. Some vaccine will be made available to physicians and hospitals for their use in supplying their own patients. The details are going to vary from State to State at the State's discretion and no State, other program participant or potential recipient is being required to participate.

HEW is also responsible for some public awareness efforts—a clearly deficient part of the program to date—and related documentation and research. To date the needed biomedical and epidemiological research and surveillance activities have been satisfactory. Needed operational and health services research is not being sufficiently pursued although it is authorized by the legislation.

Substantial attention has been devoted to how the program is to be paid for and whether or not it is to involve profit. Because the bulk of the costs and responsibility are being undertaken by Federal, State, and local government it has been felt by many that the vaccine should be available to people without charge and that those who participate in the program should not make profit from it. This concern has received particular attention since the various participants have discovered the need for the proposed special legislation which will protect them in some degree from the normal risks of doing business. For these reasons the proposed legislation goes beyond requirements already imposed by HEW that people not be charged for the actual cost of the vaccine and requires in addition that people not be charged for the administrative cost of supplying them with the vaccine.

Thus, the protection from liability in the first instance offered by the legislation is available only to those who give the vaccine with no charge of any kind to the recipient. Further, the legislation requires that the vaccine be made available by the manufacturers without profit. In this connection it is reassuring that all four of the manufacturers of the vaccine have indicated their willingness to do this given the special nature of the program and the required legislation. An exception has been provided for the A/Victoria vaccine, already made by the manufacturers in anticipation of normal market profit, when it is purchased by the Federal Government for inclusion in bivalent vaccine to be given to the high risk population.

Several substantial concerns with respect to the developing programs have been expressed. Adequate efforts have clearly not been made to interpret and advertise the program to the public which may mean participation in it will be low. The various logistical and supply problems involved may not be met within the time frame contemplated. There is concern about the damage which participation in the program may cause ongoing activities of State and local health departments whose resources must be commited to the program. In large degree it is hoped that the latter problem can be solved through the use of volunteers and temporary employment under such programs as the CETA program. However, in general, the designed program appears both warranted and reasonably well underway. In addition, the proposed legislation gives sufficient authority to solve all these problems if it is used effectively by HEW.

LIABILITY

The real problem has not been with either the scientific decision to have a program or its implementation, but with the risk of suits by people who sustain—or feel they have sustained—injury from receiving the vaccine and with the need for insurance against that risk of suit. In early June all four of the manufacturers of the vaccine experienced either cancellation or limitation of their liability insurance for costs of claims handling, legal fees and damages in connection with their liability for injuries sustained by those who receive the vaccine. The manufacturers all then threatened not to sell the vaccine without insurance. This prompted HEW to try in the contract for purchase of the vaccine to assume some of the risks of such possible damages in hopes that this would make adequate insurance available in the private sector for whatever residual risk remained with the manufacturers. HEW was prevented from doing so by the Anti-Deficiency Act of 1921 which precludes Government agencies from incurring obligations in advance of appropriations without specific authority for doing so. HEW then proposed legislation (H.R. 14409 and H.R. 14437) which would have authorized assumption of the risk by permitting indemnification of the manufacturers when they suffered certain losses for some reasons.

Since that time it has been made amply clear by representatives of the insurance industry that, without some form and degree of assumption of the legal risks of the program by the Federal Government, they would not insure the manufacturers for the program. In addition to the collapse of the insurance market for liability for the manufacturers, the subcommittee also became aware during June and July of growing evidence that the market might collapse more generally for liability and malpractice insurance for other participants in the program. Thus, the State of Washington was given an estimate for coverage of $3 million—approximately $1 a shot—and San Mateo County, Calif., received an estimate for insurance for its participation in the program from its insuror—the California Hospital Association—of $1.76 per shot or $800,000. These estimates were given as redeterminations of the premium for the insurance coverage already available if the agency participated in the program. The justification was that each immunization would be an outpatient visit, that the program would create a substantial change in the number of outpatient visits experienced by the agency under its insurance coverage, and that therefore the premium for that coverage should be adjusted. Other insurors of participants in the program began to consider reinsuring their insurance, another sign of change and instability in the insurance market when it has not previously been done. These growing indications of collapse of the market for insurance for liability, coupled with clear indications that people would not participate in the program without such insurance, finally led the subcommittee to include all participants in the program in the proposed legislation rather than just the vaccine manufacturers, although the manufacturers were the first ones to experience difficulty.

The special problems of the manufacturers arose out of recent cases (*Davis* v. *Wyeth Laboratories, Inc.*, 339 F. 2d 121 (9th Circuit 1968) and *Reyes* v. *Wyeth*

Laboratories, Inc., 498 F. 2d 1264 (5th Circuit 1974)) in which the manufacturers of Sabin oral polio vaccine were held liable to the plaintiffs who were found to have contracted polio from the vaccine even though the plaintiffs did not establish negligence in the manufacture of the vaccine. In both cases the courts applied the "strict products liability" rule set forth in section 402(A) of the Restatement—Second—of Torts of 1965 in which the manufacturer of a so-called unavoidably unsafe product has a duty to see to it that proper warning of the hazards of the use of the product reach the user. These cases make it possible that the manufacturers could be held liable for injuries for which they had no negligent responsibility in the ordinary sense of the word because the person involved failed to receive a warning of some risk of the vaccine. While the risks of this occurring seem remote given that the cases apply to live vaccines and influenza vaccine is a killed vaccine and given the direct contractual assumption of the duty to warn proposed by the HEW, the approximate measure of the risk which would have to be assumed by the Federal Government in order to make insurance by the private sector possible was the risks associated with the responsibilities being assumed by the Government including the duty to warn.

It must be underlined that it has never been clear to the subcommittee what the fuss has all been about. The four vaccine manufacturers during the last 5 years have produced over 70 million doses of flu vaccine which has been received by the high risk population and have produced fewer than 20 claims against them. The vaccine is a killed vaccine and clearly both safe and effective. The department's proposals for obtaining informed consent from those who receive the vaccine seemed at least adequate. Thus at least some Members clearly felt the manufacturers and insurers were fainthearted, shirking their social responsibilities, or unreasonably pursuing profit or precedent. However, vigorous pursuit of the issue throughout the months of June and July made it clear that, whatever the merits of the situation, a program was not possible without insurance and that insurance was not going to be available without legislation.

It further became clear that the delay resulting from the situation was finally in late July beginning to delay the implementation of the program. This delay arose when the manufacturers, who had through the end of June and into July been making vaccine without assurance of any contract for its purchase, began in late July to gradually curtail production after making close to 100 million doses. Curtailed production delays the program longer than the period of indecision because it takes disproportionate amounts of time to gear production up again once it is stopped. Thus, the subcommittee found itself in the unpleasant situation of having to make a decision as to whether or not a program was necessary and enact legislation to break the impasse in as expeditious a manner as possible.

For this reason it was made entirely clear that the approach finally chosen is not necessarily the best one to use in other situations, if they should occur, that the proposed legislation is not intended to suggest any precedent for the future with respect to the problems considered during the debate, and that it certainly leaves some details to be resolved by HEW. However, the program was judged necessary in view of the possible costs and benefits and therefore the legislation provided.

Further, it seemed to many in the debate that the issues being raised are not going to be one time issues and that therefore they will require further study and consideration. For this reason, the proposed legislation contains requirements that these studies be undertaken by HEW and provided to the committee within a year. Possible precedents which were evidently of concern to the various parties during the debate were the possibility that participants in the program would make either any or unreasonable profit from it, that the vaccine manufacturers would relieve themselves of liabilities to which they should still be held, that the vaccine manufacturers would begin to place responsibility for the production of unprofitable drugs in the public sector while retaining the right to manufacture the profitable drugs, or that the insurance industry would similarly succeed in avoiding any responsibility for providing insurance in risky or unprofitable situations—presumably leaving this responsibility with the Government—while continuing to retain the right to write insurance in safe and profitable situations.

The largest and most important issue in the debate has clearly been liability and malpractice insurance. Liability insurance for many years has been part of a system of social insurance which this society uses to provide compensation for people who are injured by products and services which they obtain from the marketplace. Under this system people who are injured sue those from whom they receive the product or service, and, if the court finds that they suffered injuries because of some negligence on the part of the provider, they receive financial compensation for the injury. Providers of goods and services plan for such settlements by buying insurance against them and including the cost of the insurance in the price of the product or service. Thus, most people buy a form of insurance against injury from the product when they buy the product. To date a key concept in this system has been its limitation to injury in negligence situations; it is a fault system. Only in workmen's and unemployment compensation, and no-fault auto insurance systems have social insurance programs for injury been created which do not require finding of fault to function. Evidence of problems with this scheme of tort liability and insurance against it has been growing in recent years and can be found in the debate over no-fault auto insurance, the malpractice crisis, and such parochial matters for the Subcommittee on Health and the Environment as the availability of liability insurance for the PSRO program.

The subcommittee to date would take no position on the source of these troubles or their possible solutions. They clearly arise in situations in which the quality of services are poorly policed, from the litigious quality of the era, from increased public insistence on its rights, and a host of other factors. Nor is it possible now to anticipate correct solutions. However, there is growing indication that at least with respect to public immunization programs this is not likely to prove an unusual situation. Thus, other countries have already found it necessary to enact special legislation dealing with these problems—most of which take a no-fault patient compensation approach, like that already in use in Sweden, see Cohen and Korper, "The Swedish No-Fault Patient Compensation Program," in the Insurance Law Journal, 637: 70–80, 2/76—and HEW has begun to experience difficulties with routine purchase of vaccine for ongoing public immunization programs in connection with these issues.

It should be noted in this connection that, to the extent that negligence, strict liability and breach of warranty remain at issue, they need definition. They are clearly terms which have taken on special meanings in the legal debate and these need to be defined and agreed upon. This is thus one of the tasks which it is hoped that the Department will undertake in the studies required by this legislation. It seemed unclear to some parties to the debate, for instance, whether or not the concept of negligence has already been extended by courts to allow the tort liability system to function in situations in which injuries occur without any negligence in the ordinary sense on the part of any party, such as reactions to immunizations properly given, allergie reactions (see Yarborough's "Strict Liability and Allergic Drug Reactions", *Mississippi Law Journal*, 47:526–43, 1976), or injuries sustained in the course of human experimentation. Much of the difficulty of this debate has been caused by lack of clear understanding and agreement about who is, and should be, responsible for compensating injuries in various possible situations. The distinctions and responsibilities intended in the proposed legislation are described in the section-by-section analysis of subsection 317(k)(4).

POSSIBLE SOLUTIONS

The approach originally chosen by HEW to the problem of the risk of liability arising out of the program was to authorize the Government to indemnify the manufacturers for losses arising out of inoculation of the vaccine except when the losses arose from failure of the manufacturer to exercise due care in the manufacture or handling of the vaccine in accordance with the contract specifications or for failure to discharge properly any other obligation under the contract. This approach is only one of several possible options which were considered by the subcommittee. The Government could have proposed to reinsure in some degree insurance companies which provided insurance to the manufacturers for the risks, as has been done in flood, riot, and nuclear energy catastrophe insurance programs. Either of these two approaches could have been offered to other participants in the program besides the vaccine manufacturers, although in their cases to do so only for non-negligent losses after they were incurred would not have been as helpful. These alternatives were ultimately rejected because they could only be used if the private market would function with them and no assurance of this was available, they did not offer any hope of controlling profits or costs, and they did not solve the real problem of other program participants—baseless suits.

Other alternatives were available, including the one used in the proposed legislation—and therefore described and discussed more extensively in the rest of these remarks—and the possibility of creating a program for direct compensation of patients injured by the vaccine, similar to workmen's compensation programs, which would have precluded suits in connection with the program, and provided for administrative determination of compensation amounts for medical and economic losses suffered by the injured. Many parties to the debate felt that this solution was conceptually perhaps the best but that it would prove more controversial than the use of the tort claims approach that was chosen and would not be implementable by HEW within the available time. Since such an approach has been used successfully in other countries, been recommended by legal scholars in this country (see Smith's *Liability in Preventive Medicine,* June 1973, Baynes' *Liability for Vaccine Related Injuries,* January 1975, and the work of Curran and Pies, and Ladimer, and Havighurst and Tancredi) and has precedent in situations like workmen's compensation programs, it seemed clear that it could work and would be constitutional. It, thus, should certainly be included in the approaches studied and described in the studies mandated by the legislation.

THE SEARCH FOR A SOLUTION

The original HEW proposal for partial assumption by the Federal Government of liability arising out of the program via indemnification of the vaccine manufacturers for losses, absent negligence on their part, was extensively debated and considered by the Subcommittee on Health and the Environment during the months of June and July. It required, as a condition of its success, that the normal insurance market function in support of the program and primary emphasis was given by the subcommittee to trying to assure that this would be the case. The subcommittee held hearings on June 28 on the original legislative proposal and at these hearings representatives were heard from HEW, the vaccine manufacturers, State and local health officials, Doctors Jonas Salk and Albert Sabin, and the Health Research Group. At this time continued support for the program was voiced by all witnesses except for Dr. Sabin and the Health Research Group who both agreed that the high risk population should be immunized but were not convinced that the attempt to immunize the entire population should be pursued.

Dr. Sabin suggested that the vaccine should be stockpiled and delivered only at such time as the influenza reappeared. This proposal, while reasonable on its face, seemed unlikely to protect the population against an epidemic if the virus reappeared because it would take at least several weeks, if not a month or two, to deliver the vaccine and even after people receive the vaccine they would need an additional 2 to 4 weeks to develop immunity to the disease. This time lapse would, from previous experience with the spread of influenza epidemics, offer no assurance that people would be protected against the disease before they were exposed to it, since it is known that it can spread through the entire country within 4 to 6 weeks.

After the hearings on the 28th of June the subcommittee requested that the vaccine manufacturers and HEW continue their contract negotiations in hopes of arriving at a satisfactory contract, either without legislation or with a clear understanding of what legislation would be necessary and what the terms of the contract which the legislation would make possible would be. Further hearings were held on July 20 at which time HEW reported that they had been unable to obtain satisfactory contract terms or any assurance that, if a contract could be written, the manufacturers would be insured for their participation in the program.

The subcommittee then held further hearings on July 23 at which it heard from the chief executive officers of some 15 major insurance companies and succeeded in extracting a commitment from them that they would try to write a pool of insurance on the program. This was offered despite their belief that the program was uninsurable in the traditional sense because they had no basis on which to estimate the risks, anticipated numerous nuisance suits which would nevertheless have to be defended by their legal staffs, had experienced extensive losses in products liability insurance in recent years, and would be unable to recoup any possible losses by insurance of subsequent programs because this is a one-time undertaking.

The initial proposal for the insurance pool was to provide $50 million worth of coverage for a possible $5 million straight premium for all four manufacturers. In the subsequent week the insurance industry worked with HEW and the manufacturers to try and actually develop the pool. They first found it necessary to steadily increase the price—first to a possible $25 million maximum retrospectively rated premium for $50 million of coverage and then to a possible $40 million maximum retrospectively rated premium which also included for the first time a potential profit of as much as $7 million in the event that losses did not exceed $33 million—and then proved unable at any of the prices to both obtain complete commitments to the pool and assurance of the availability of whatever necessary excess liability insurance would still be necessary.

Therefore, on August 2 HEW proposed a new approach to the problem because insurance was still not available, because it would clearly if available be extremely expensive, and because of increasing concern about liability problems for other participants in the program besides the vaccine manufacturers. This new apapproach, the tort claims approach, was considered by the Subcommittee on Health and the Environment in markups on August 3 and, after revision and polishing by the subcommittee, was ordered reported to the full Committee on Interstate and Foreign Commerce. The Committee on Interstate and Foreign Commerce met on August 5 to consider the legislation and directed that the chairman and staff of the Committee on the Judiciary be consulted with respect to it. This was done and their comments received on August 9 in the form of a letter to Chairman Harley O. Staggers from Chairman Peter Rodino of the Committee on the Judiciary, which I am attaching for the interest of the Members. This correspondence made several suggestions which have been adopted in the proposed legislation, indicated that the basic policy decisions were those of the Committee on Interstate and Foreign Commerce and said that the Committee on the Judiciary, in light of the emergency nature of the situation, would not seek sequential referral of the legislation. The Committee on Interstate and Foreign Commerce then met again today to consider the legislation further but adjourned due to the absence of a quorum.

THE TORT CLAIMS APPROACH

The "tort claims approach" recommended by HEW and adopted by the subcommittee is described in detail in the following section-by-section analysis. The legislation first provides authority for the program, requires reports from the Department on its implementation, and gives some direction to the Department with respect to the activities which should be included in it. With respect to liability arising out of the program, it then requires that people who assert claims arising out of injury or death attributable to inoculation with the vaccine in the program shall have as their exclusive remedy claim against the United States for that injury or death. These claims are to be made using the well-known, established procedures of the Federal Tort Claims Act, with certain exceptions described later, but are to be governed by the substance of the law of the place in which the claim accrues so that no one's rights are limited by the substitution of the United States as the party defendant. The United States is then given authority, in the event that it suffers loss on account of a claim because a participant in the program was negligent or failed to fulfill its contract obligations, to seek recovery of the losses from that program participant on this basis. This has the effect of leaving program participants at risk for damages caused by their negligence—or failure to produce a vaccine that meets contract specifications, which means that they will still need insurance against that possibility—but of protecting them against all meritless suits and generally against claims which arise out of concepts of liability that are not based on negligence. Preliminary indications have been received that, with the proposed legislation, the insurance industry will be able to provide the necessary insurance for program participants' residual liability, given that the meritless suits are handled by the Federal Government and that the liability is limited by the legislation.

This approach has been adopted because the Federal Government has initiated and fostered the swine flu program and assumed many of the responsibilities for the development of the vaccine and implementation of the program that might normally be handled in the private sector. Since the Government is also the purchaser of 100 percent of the output of the manufacturers, it has become the real party at interest for the program and it is therefore reasonable for it to assume, at least as a first principal, liability arising out of the program. Further, the approach has the advantage that it will not require additional appropriations, will almost certainly be less costly than allowing the insurance industry to handle the claims, uses an existing claims handling structure that includes authority on the part of the Government to settle small claims—less than $25,000—without delay, does not allow program participants to escape the responsibility for their own negligence or failures to discharge their obligations, and assures greater recoveries to injured claimants than likely under the private claims system because under the Federal Tort Claims Act attorneys' contingency fees are limited to a maximum of 20 percent of settled claims and 25 percent of recoveries after trial. The approach has the additional advantage that it will permit HEW to monitor swine flu adverse reactions directly without having to receive information on reactions indirectly from insurance carriers, other program participants, and vaccine recipients.

The tort claims approach does have possible drawbacks. In the unlikely event, in view of the known safety of the vaccine, that the possible large number of suits envisioned by the insurance industry does eventuate, it might be necessary to obtain authorization for additional staff for the handling of claims for HEW, and possibly the Justice Department. Further, the use of this approach relieves the insurance industry of many of its normal claims handling responsibilities in conjunction with programs such as this in the face of a clear feeling on the part of many Members that, were a way of holding the industry to the exercise of these responsibilities available, they should be so held.

The constitutionality of the remedial provisions of the legislation is firmly supported by judicial decisions which have upheld similar statutory schemes against constitutional challenges or merely applied such provisions without questioning their constitutionality. The Federal Drivers Act (18 U.S.C. 2679(b)), for example, effectively abolished a pre-existing common law tort action against employees of the Federal Government for negligent driving by making an action against the Government under the Federal Tort Claims Act the exclusive remedy for persons injured by such activity. The Federal courts have upheld that statute against claims that its remedial scheme violated the due process clause of the fifth amendment and the seventh amendment right to trial by jury.[1] The courts have also routinely applied, without questioning their constitutionality, two similar statutes[2] which make a suit against the Government under the Tort Claims Act the exclusive remedy for persons injured by the alleged malpractice of physicians employed by the Veterans' Administration and the Public Health Service, respectively. Like those existing statutes, the present legislation substitutes a substantial and efficient remedy for the previous available common law remedy, in furtherance of a valid exercise of the legislative power.

The proposed legislation's constitutionality can also be seen in its similarity to 28 U.S.C. 1498 which provides that copyright and patent claims based upon activities of Government contractors may not be brought against those contractors and that instead the exclusive remedy is against the United States (*Richmond Screw Anchor Co.* v. *United States*, 275 U.S. 331 (1928)), and in the Supreme Court's recognition, in other contexts, that the Constitution does not forbid abolishing common law rights to attain permissible legislative objectives (*Silver* v. *Silver*, 280 U.S. 117 (1929); *New York Central RR Co.* v. *White*, 243 U.S. 188 (1916)).

The rationale for having a vaccine program in the first place requires that it be conducted no later than early fall and clearly continued debate and failure to resolve the liability problems is already beginning to delay the program into October. Delay of a decision until after the coming Congressional recess would certainly delay the program into November and expose the entire population to what must be considered a small but unacceptable risk of an epidemic. Thus it has been necessary to choose an approach to solving the liability problem which, while imperfect, will work, and to bring the debate to a close so that the program can proceed without further delay.

A section-by-section analysis and a letter follow:

Section-by-Section Analysis of S. 3735

The first section of S. 3735 provides that the Act may be cited as the "National Swine Flu Immunization Program of 1976." The second section amends section 317 of the Public Health Service Act (42 U.S.C. 247(b)) by adding after the existing last subsection, subsection (i), three new subsections. Section 317 of the PHS Act is the existing legislative authority, recently revised and extended by P.L. 94–317, for the prevention and control of disease by the Department of Health, Education, and Welfare. Historically, section 317 has been the principal Federal authority for the control of communicable diseases. It is also the principal current authority for immunization programs directed at the control of diptheria, pertussis and tetanus (dpt), measles, polio, and rubella. These programs, all directed principally at children and conducted on an on-going basis, are essentially similar in their design to that of the proposed National Swine Flu Immunization Program. For these reasons the new authority for the swine flu program is located in existing section 317. It is the intent of the legislation that this authority become, effective upon its enactment, the sole authority for the conduct of the program. For this reason it has been designed to provide adequate authority for all facets of the program as they are presently understood. This should not be understood to mean that the vaccine and other materials to be used in the program are exempted from any other existing statutory requirements.

New paragraph (j)(1) authorizes the Secretary of Health, Education, and Welfare to establish, conduct, and support (by grant or contract) the activities needed to carry out a National Swine Flu Immunization Program.

The proposed legislation limits the authorized activities under the swine flu program to:

(A) The development of a safe and effective swine flu vaccine. Swine flu vaccine is defined by new paragraph (l)(3) as vaccine against the strain of influenza virus known as influenza A/New Jersey/76 (Hsw 1 Nsw 1) or a combination of such vaccine and the vaccine against the strain of influenza virus known as influenza A/Victoria/a/3/75 (H3N2). This is done because it is planned that the program will provide bivalent vaccine to the high-risk population so that the high-risk population will receive the protection against A/Victoria influenza virus which had already been planned prior to the identification of the swine flu variant. The high-risk population is understood to include individuals over 65, and people suffering from chronic lung disease, heart disease, diabetes, kidney disease, or other chronic diseases which affect pulmonary function.

(B) The preparation and procurement of the swine flu vaccine in sufficient quantities for the immunization of the population of the States. This subparagraph authorizes HEW to buy enough doses of swine flu vaccine for the entire United States population. It is not intended to commit the Secretary to buy that much vaccine. Certainly he should not purchase vaccine for any part of the population (such as young childern) for which it proves impossible to establish a safe and effective dose. Further, after some experience with what fraction of the population actually seeks vaccination in the first States in which programs are undertaken, it should be possible to make some reduction in the number of doses purchased in anticipation of some percentage (hopefully small) of the U.S. population which chooses in a voluntary program such as this one not to be vaccinated. The government would remain obligated, however, to purchase all vaccine which it had actually committed itself by contract to purchase from the manufacturers. Since the program is designed to provide sufficient quantities of vaccine for all Americans who seek it, and since it can be anticipated that the States will make some vaccine available to private physicians and health programs to be used to vaccinate those who cannot receive vaccination in a public mass program, neither the monovalent swine flu vaccine nor the bivalent vaccine will be available in the normal private domestic market.

(C) The making of grants to State health authorities to assist in meeting their costs in conducting and supporting programs to administer the vaccine to their populations, and the furnishing to State health authorities of sufficient quantities of swine flu vaccine for their programs. This language does not require the Federal government to bear all of the costs of the State health authorities (and local agencies and organizations including local health departments to which the State authorities may subgrant or contract for assistance in the conduct of their programs). It is, however, the intent of the legislation that as large a fraction of these costs as possible be borne by the Federal government. However, the Committee recognizes that the $135 million appropriated to date may not be sufficient to cover the full costs of the program including those of the State and local health authorities. State and local costs in excess of the amounts provided in grants from the $135 million appropriation could be met out of State and local funds, from strictly voluntary contributions, or from additional Federal appropriations if necessary.

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[1] E.g., *Carr* v. *United States*, 422 F. 2d 1007 (4th Cir. 1970); *Nistendirk* v. *McGee*, 225 F. Supp. 881 (W.D. Mo. 1963).

[2] 38 U.S.C. § 4116, analyzed and applied in *Henderson* v. *Bluemink*, 511 F. 2d 399 (D.C. Cir. 1974) and *Smith* v. *DiCara*, 329 F. Supp. 438 (E.D.N.Y. 1971); and 42 U.S.C. § 233, applied in *Byrd* v. *Warden Federal Detention Headquarters*, 376 F. Supp. 37 (S.D.N.Y. 1974).

(D) The furnishing to Federal health authorities of appropriate quantities of such vaccine. The Federal government provides direct health care through the Department of Defense, Veterans Administration health care programs, and such smaller programs as the Indian Health Service. All of these should be provided sufficient quantities of the vaccine to protect the populations for whom they are responsible. The subcommittee noted with interest that the Veterans' Administration apparently lacks authority for a preventive health program such as the swine flu program since the authority for veterans' health care is for caring for existing diseases. The legislation does not include authority for such preventive health programs in the VA program because such authority would not be in the jurisdiction of the Committees of the House and Senate responsible for the proposed legislation and time was not available during consideration of the legislation for appropriate consideration by the Committee on Veterans Affairs. However, it is hoped that authority for at least the swine flu program can be found or provided to the veterans health care programs.

The military services—as is their custom—plan to use a more potent and more broadly constituted vaccine than will be used in the civilian program. Whereas most civilians will receive a small vaccine dose targeted solely against swine flu, the military services will administer a much larger dose with twice the civilian dose targeted at swine flu and the remainder against two other flu strains. The primary purpose of the military immunization program is to conserve the nation's fighting force rather than to protect individuals, so the military puts greater emphasis on making certain that the vaccine is strong enough to provide protection. It is less concerned about possible side effects, unless those side effects threaten to disable the fighting force.

As one top military medical man put it, "Generally speaking, it's not at all intolerable for recruits to have a bad evening . . . They are febrile. They do feel lousy . . . A significant number of them are losing their meals as they come out of the mess. But they're back at work the next morning." (And they don't often file malpractice suits.) Because so much of the military population falls into the 18-to-24 age group that responded only to the "whole virus" type vaccines, the military will use only those in its program. One of the military's chosen vaccines caused temperatures of 100°F or more in 20 percent of the recipients and systemic reactions (headache, nausea, fever, and the like) in 31 percent.

(E) The conduct and support of training of personnel for the immunization activities described above and of research on the nature, cause and effect of the influenza against which the swine flu vaccine is designed to immunize, the nature and effects of the vaccine is designed to immunize, the nature and cine, immuniation against and treatment of such influenza, and the cost and effects of immunization programs against such influenza.

(F) The development, in consultation with the National Commission for the Protection of Human Subjects of Biomedical and Behavorial Research, and implementation of a written informed consent form and procedures for assuring that the risks and benefits from the swine flu vaccine are fully explained to each individual to whom such vaccine is to be administered. Such consultation is to be completed within two weeks after enactment of the legislation, or by September 1, 1976, whichever is sooner. The informed consent procedures are also to include information needed to advise individuals with respect to their rights and remedies arising out of any personal injuries or deaths resulting from the administration of the vaccine.

Since HEW is assuming full responsibility in this program for the duty to warn potential recipients of the vaccine of its possible risks and benefits, and to obtain from each recipient or his guardian his informed consent to such vaccination, and has, in the eyes of some, a bias in favor of its own program, it was felt necessary to require some independent scrutiny of the Department's proposed forms and procedures. Since the National Commission for the Protection of Human Subjects of Biomedical Research already exists and is aware of informed consent issues and procedures the legislation directs that it be consulted with respect to the forms and procedures proposed by the Department. It is understood that these must be completed and ready for use by sometime in September if their preparation is not to delay the program.

It is understood that each grant to the States to conduct the swine flu program includes a condition that they arrange to have the informed consent statement furnished to persons to whom vaccinations are to be administered. The informed consent form will advise such persons of the benefits of vaccinations and the possible side effects. It will contain special precautions for certain individuals, such as those allergic to eggs. It will advise any persons who believe they have claims for injury from inoculation with the vaccine that such claims must be filed against the United States, and on where to obtain information concerning the filing and handling of claims.

The requirement that recipients be informed of their rights and remedies in the event of injury is included because the legislation itself changes recipients' normal remedies in connection with this one specific program. There is no legislative intent to encourage litigation. To the contrary, the intent is to point out to individuals that this is a unique procedure and that their rights are established by this statute. Indeed, it is likely that suits under program will be diminished by including in the notice information regarding how to pursue administrative claims through the normal Federal tort claims procedures without initially having to undertake the legal costs normally required in situations where no administrative remedy is available.

(G) Such other activities as are necessary to implement the swine flu program. It is understood that it may be necessary for the Department to undertake activities which are not described in the previous paragraphs and have not yet been anticipated. Therefore this authority is given but it is anticipated that, if any activities not presently contemplated are undertaken, the Department will promptly inform the authorizing Committees with jurisdiction over the program with a detailed explanation of how and why new activities are being pursued.

New paragraph (*j*) (*2*) requires the Secretary of HEW to submit quarterly reports to the Congress on the administration of the swine flu program. It specifies that each such report is to provide information on:

(A) The current supply of the swine flu vaccine to be used in the program.

(B) The number of people inoculated with the vaccine since the last report was made and the immune status of the population. Reports on the immune status of the population should make clear what parts of the population are protected to what extent against exposure to the swine flu virus. Doing this will require specification of standards and measures of immunity and some sampling of the population to establish antibody titer levels from both inoculation with the vaccine and prior infection with the swine flu virus. Reports of the immune status of the population should consider such factors as the rates at which different parts of the population are obtaining inoculation, the herd effect, the time required to develop immunity after inoculation, and the population's response to the vaccine.

(C) The amount of funds expended for the swine flu program by the United States, each State, and any other entity participating in the program and the costs of each such participant which are associated with the program, during the period with respect to which the report is made. This requirement is intended to require HEW to undertake formal public costs that drug manufacturers experience in producing the vaccine, including the costs of insurance which they purchase or otherwise incur for their participation in the program, the amounts of public expenditures experienced by State and local entities from sources other than grants made under the program, and litigation costs experienced by HEW and the Department of Justice in connection with the administration of new section 317(k), described below.

(D) The epidemiology of influenza in the United States during the period covered by the report. This aspect of the report should describe the epidemiology of all strains of influenza identifiable in the United States, not only the swine flu strain. It should describe the incidence of the disease as well as its effects on those infected and its movement in the United States population.

These quarterly reports should begin immediately upon enactment, with the first report covering the history of the program in each of the areas specified since the decision to initiate the program was made by the President in March of this year. Reports should continue as long as funds obligated from the appropriation made by P. L. 49–266 have not been outlayed, or contractual obligations under contracts written in connection with the program are outstanding. If reporting by these criteria becomes necessary for more than a year it would be appropriate for reports at yearly intervals to summarize the preceding year.

It would also be appropriate for the Department to combine the reporting requirements of this new subparagraph (j) (2) with those of new section 317(k) (8). This would avoid the additional cost in making two separate reports but would require coordination of the reporting activity between the Department of HEW and the Department of Justice since the latter is likely to share responsibility for the reporting requirement in section 317(k) (8).

New paragraph 317(*j*) (*3*) requires any contract by the Federal government or procurement by it of swine flu vaccine from any vaccine manufacturer to (notwithstanding any other provision of law) be subject to renegotiation to eliminate any profit realized from the procurement. Profit and the methods to be used for renegotiation are to be determined pursuant to criteria prescribed by the Secretary. An exception is provided which would allow profit to be made on vaccine against A/Victoria 75 influenza but limit that profit to no more than reasonable profit. Provisions for renegotiation are to be expressly included in the contracts and they (and the Secretary's criteria) are to specify that any insurance premium included in the costs for the manufacturer of the vaccine which is refunded to the manufacturer under a retrospective, experience rating insurance plan or a similar such rating plan shall in turn be refunded to the United States.

In view of the unusual insulation being provided the drug manufacturers against costs of defending suits to which they would normally be a party, and since express indications had been given of willingness to provide the vaccine on a nonprofit basis by representatives of all four of the manufacturers, the legislation includes the requirement that profit be eliminated from the sale of the swine flu vaccine. This should of course be facilitated and demonstrated by the cost accounting required by new subparagraph 317(j)(2)(C).

Profit is permitted with respect to the A/Victoria 75 vaccine because it was made before the program was initiated in anticipation of profit by the manufacturers who will not, by the design of the program, be permitted to market it in the normal fashion. Thus it seems reasonable to permit the anticipated profit with respect to the one vaccine while precluding it with respect to the other.

It is hoped that insurance for this program can also be purchased on a nonprofit basis, perhaps through a retrospective rating form of insurance or some other form in which the premium is adjusted after the fact to reflect actual experience under the policy. Whether or not a retrospective plan permitted a profit to the insurors, to the extent that such a plan is used the premiums refunded to the drug manufacturer would also be refunded by them to the United States.

Direct reference to the publication of regulations for this provision is avoided so that the long delays normally encountered by the Department in preparation of regulations will not delay the program. It is understood that the criteria to be used by the Secretary in determining costs and "reasonable" profits will be made known to the manufacturers before they must submit their formal contract bids.

New paragraph 317(j)(4) specifies that appropriations are not authorized for the program (and thus are also not available from any other authority) in addition to those already appropriated by P. L. 94–266, a total of $135 million. Exceptions to this general rule are made for State grants and unanticipated activities (subparagraphs (C) and (G) of 317(j)(1), respectively) as described above.

The limitation on authorizations for appropriations is designed to assure that further public funds are not used for the program without the need for them being established before the authorizing Committees and approved by those Committees.

New paragraph 317(k)(1) contains Congressional findings in subparagraph 317(k)(1)(A) and a statement of Congressional purpose in subparagraph 317(k)(1)(B) respecting the procedure established by new section 317(k) for the handling of claims for personal injury or death arising out of the administration of the swine flu vaccine.

Specifically, the Congress finds that:

(i) In order to achieve the participation in the program of the agencies, organizations and individuals who will manufacture, distribute and administer the swine flu vaccine purchased and used in the program, and to assure the availability of the vaccine in interstate commerce, it is necessary to protect the agencies, organizations and individuals against liability to persons alleging personal injury or death arising out of the administration of the vaccine except for liability arising out of any negligence on the part of the agencies, organizations and individuals involved.

(ii) To provide such protection against liability and to establish an orderly procedure for the prompt handling of claims by persons alleging injury or death arising from the administration of vaccine, it is necessary that an exclusive remedy for such claimants be provided against the United States because of its unique role in the initiation, planning and administration of the swine flu program.

(iii) In order to be prepared to meet the potential emergency of a swine flu epidemic (which, were it similar to the epidemic in 1918–19, would genuinely constitute a national emergency, since it would close schools and work places and swamp the nation's health system while reducing the strength of its defenses), it is necessary that a procedure be instituted for the handling of claims by persons alleging injury or death in connection with the program until Congress can develop a more permanent approach for handling claims which arise out of other public medical programs conducted under the authority of the Public Health Service Act, to the extent that any permanent solution to any of the problems proves necessary.

These findings are based on the refusal of the insurance industry to include the swine flu vaccine under the four manufacturers' normal product liability insurance, because of their belief that the unusual size of the program and publicity connected with it would result in a multiplicity of suits against multiple defendants which, whether meritless or ultimately successful against any of the defendants, would be costly to defend. It was believed that defendants would undergo substantial costs just to protect their interests in these suits. A similar situation threatened to develop with insurers of health care providers who might participate in administering the vaccine.

The findings are made only after a two-month effort by the House Subcommittee on Health and the Environment and HEW to find some other approach to the handling of liability, either without legislation or with legislation using a different approach. These efforts included the specification in the contract with the manufacturers that the government was assuming, for this one program, obligations, such as the duty to warn and the development of vaccine specifications, which are normally carried out by the manufacturer in other immunization programs. However, these efforts offered no other conclusion but that this legislation was necessary if the program proposed by the President was to be carried forward with the cooperation of the vaccine manufacturers and the insurance industry in an expeditious manner.

It is found necessary to provide an exclusive remedy against the United States in order to "channel" all liability under the program into one forum, against one defendant, and so avoid the insurers' defense costs entailed in weeding out who is the proper defendant and a multiplicity of meritless claims. The use of the Federal Tort Claims Act to provide an exclusive remedy for claimants under certain circumstances is not unique. Several other statutes provide partial or complete immunity to certain Federal employees by invoking the procedures of the Federal Tort Claims Act. See 28 U.S.C. 2679(b)–(e); 38 U.S.C. 4116; 42 U.S.C. 233(c); P. L. 94–350. The Department of Justice has assured the Chairman of the Judiciary Committee that from their point of view "there is an abundance of legislative and court decision precedent" and that "the statutes upon which the bill is patterned have provided a very efficient and effective means for disposing of claims."

By using its existing procedures for processing tort claims, HEW could dispose of a number of such claims administratively with relatively little delay.

These findings demonstrate that the remedial provisions of the legislation are necessary and proper measures in furtherance of Congressional power to regulate with respect to a vaccine which is to be distributed in interstate commerce and to protect the public welfare against a possible national emergency. The findings also make it clear that the approach chosen is limited entirely to the specific swine flu immunization program authorized by the legislation. Further, the findings convey the understanding that the approach chosen might not have been considered the most meritorious in other situations and is not intended to prejudice debate over the possible need for legislation (and the approach to be taken by that legislation) in other circumstances. It is hoped that once the insurance industry and program participants have the experience of such a nationwide program, the experience and data gathered can be used as a guide to prevent similar problems from occurring in other such immunization programs.

Subparagraph 317(k)(1)(B) states that it is the purpose of subsection 317(k) to establish the procedure found necessary as described in subparagraph 317(k)(1)(A) under which all claims are to be asserted directly against the United States under section 1346(b) of title 28 U.S.C. in chapter 171 of such title (the Federal Tort Claims Act) except as is otherwise specifically provided in subsection 317(k). This purpose is pursued in order to:

i. assure an orderly procedure for the prompt, equitable handling of any claim for personal injury or death arising out of the administration of the vaccine;

ii. to achieve the participation in the program of the manufacturers and distributors of the vaccine, public and private agencies or organizations providing the vaccine without charge and in compliance with informed consent forms and procedures, and medical and other health professionals providing the vaccine or assisting in doing so without charge and in compliance with the required consent forms and procedures.

The procedures of the Federal Tort Claims Act are chosen because they are well known and established. As described below, the liability of the United States will be governed by the law of the State where the act or omission causing injury occurred.

New paragraph 317(k)(2) makes the United States liable with respect to claims submitted after September 30, 1976, for personal injury or death arising out of the administration of swine flu vaccine under the swine flu program which are based upon the act or omission of a program participant. The liability arises only after September 30, in order to avoid conflict with the Congressional Budget Act. This is not expected to cause difficulty or delay because it is understood that the program has already been delayed by the debate over the legislation to the point that it is unlikely that inoculations will be given before the beginning of October.

The protection of section 317(k) extends to all "program participants", a term that is defined in subparagraph 317(k)(2)(B) to include manufacturers and distributors of the vaccine, as well as public and private agencies and medical and other health personnel who both provide an inoculation without charge to the recipient and who comply with the applicable requirements for obtaining informed consent. The phrase "without charge for the vaccine or its administration" in subsection 317(k)(2)(B) is intended to exclude from the coverage of the

Act agencies or medical personnel who charge the recipient for an inoculation. The phrase is not intended to deny protection under the legislation to the regular and temporary medical and para-medical employees of public or private organizations who receive their regular salaries and wages while participating in the program and who do not charge the public for their services. It is not intended that State and local health departments would be precluded from collecting voluntary contributions for the provision of the vaccine as long as they are explictly and clearly voluntary.

A private agency or organization as intended in the definition would include any hospital, school system, church, or other health care institution or social agency, employer, or other organization which provided an inoculation. Program participants are defined on a claim-by-claim basis so that the failure of a program participant such as a State to give an individual injection of the vaccine either without charge or in compliance with the informed consent forms and procedures requirements would not prevent such a participant from being covered by the protection of the legislation as a program participant in connection with a claim arising from another inoculation which was given both without charge and in compliance with the informed consent requirements.

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It should be noted that one of the problems that the government may have under the program will be knowing which of the drug manufacturers to claim against if they wish to make such a claim. In this connection, it is hoped that the Department will make every effort in implementing the program to provide record keeping systems which allow identification of the lot from which the vaccine provided to each individual inoculated was taken.

The intent of subparagraph 317(k)(2) is that the substantive tort law of the jurisdiction where the act or omission occurred shall govern any action brought against the United States for injuries based on the act or omission of a program participant. However, the Federal Tort Claims Act limits the right to sue the United States, primarily by limiting suits to those based on negligence, and by exempting from liability discretionary actions taken by United States officials. Therefore, several exceptions are specified to the rule that the United States is to be liable with respect to claims based upon the act or omission of a program participant in the same manner and extent as it would be in other actions brought against it under the Federal Tort Claims Act. These exceptions specify that:

I. The liability of the United States arising out of the act or omission of a program participant may be based on any theory of liability that would govern an action against such program participant under the law of the place where the act or omission occurred, including negligence, strict liability in tort, and breach of warranty.

The effect, of this provision is that the terms of 28 U.S.C. 1346(b) for purposes of the swine flu program are modified so that liability of the United States is not determined "under circumstances where the United States, if a private person, would be liable", but rather under circumstances where a program participant would be liable under State law at the time the case arose.

The purpose of (k) (2) (A) (1) was to make explicit that the United States would defend each action as though it were taking place in a State court where the claim arose and governed by the law of that State. Thus, to the extent that a program participant would have been subject to suit under the law of the State where the act or omission occurred, the United States will be similarly subject to suit, without respect to the legal theory upon which the suit is based. Similarly, the United States. which stands in the shoes of the program participant for the purposes of suit, should plead any defenses which then exist under State law including the terms of the tort claims acts of the individual States and of any statute and common law immunizing program participants from liability from suit.

In short, the Act creates no new cause of action in favor of claimants, but merely establishes a new procedure for vindicating such claims as the claimants could have made under the terms of their own State law against State governmental entities or program participants.

It should be noted here that section 317 (k)(7) of the Act, discussed below, is designed to govern the United States' right to indemnification from program participants only after the liability of the United States has been established under State law. The phrase "notwithstanding any provision of State law" in that paragraph was simply intended only to assure that certain State joint tortfeasor contribution laws would not prevent the United States' claim over against a program participant.

II. The discretionary function exemption specified in section 2680(a) of title 28 U.S.C. will not be available to the United States in defending claims against it based upon the act or omission of a program participant. Note here that the United States is not a program participant as defined in subjection 317 (k)(2)(B) and thus that actions against it based on acts or omission of the United States will be governed by the normal terms and procedures of the Federal Tort Claims Act. Thus the discretionary function exemption would be available to the United States against claims made directly against it but not with respect to claims made against the United States in lieu of other program participants. This was again done out of a desire to neither limit nor broaden the substantive rights of plaintiffs under existing law.

III. If a civil action or proceeding for personal injury or death arising out of the administration of the vaccine under the program is brought within two years of the date of the administration of the vaccine and is dismissed because the plaintiff in the action did not file an administrative claim with respect to the injury or death as required by chapter 171, the plaintiff in the action or proceeding is to have at least 30 days from the date of such dismissal (or two years from the date the claim arose, whichever is later) in which to file the required administrative claim (notwithstanding the provisions of section 2041(b) of title 28 U.S.C. which otherwise limits the time for the filing of claims to two years). This provisions, recommended by the Chairman of the House Committee on the Judiciary, is intended to assure that no claimant under the program would be barred by the statute of limitations from filing a tort claim against the United States simply because he or she filed a suit against a program participant in State court instead of utilizing the Federal Tort Claims Act procedures.

New paragraph 317(k) (3) specifies that the remedy against the United States prescribed by new paragraph 317(k) (2) (and described above) for personal injury or death arising out of the administration of the vaccine under the program is to be exclusive of any other civil action or proceeding for such injury or death against any employee of the government (as defined in section 2671 of title 28 U.S.C.) or program participant whose act or omission gave rise to the claim for which the remedy is available.

The remedies of paragraph 317(k) (2) are made exclusive principally because the manufacturers and insurors would not agree to participate unless the manufacturers were insulated from the spurious lawsuits they expected to ensue. For these same reasons authority is not provided for the Federal government to implead program participants as third party defendants in suits which would otherwise be brought against the program participants. Were the program participants impleaded they would then bear the cost of defending themselves and would need insurance against those costs. All of this, of course, arises from the perceived risk on the part of the drug manufacturers, their insurers, and other program participants that there will be numerous suits filed in connection with the program which (even if they prove nonmeritorious or properly directed against another defendant) will impose costly litigation burdens upon the program participants which might prove uninsurable.

New paragraph 317(k) (4) requires the Attorney General to defend any civil action or proceeding brought in any court against any employee of the government (as defined in section 2671) or program participant (or any liability insurer of a program participant in a State in which claims may be made against an insurer directly as well as against those whom the insurer insures, such as Florida and Louisiana) based upon a claim alleging personal injury or death arising out of the administration of the vaccine under the program. Any person against whom civil actions or proceedings are brought is to deliver all process served upon him (or an attested true copy thereof) to whoever is designated by the Secretary to receive the papers and process, and any such person is to promptly furnish copies of the pleadings and process therein to the United States attorney for the district embracing the place where the civil action or proceeding is brought, to the Attorney General and to the Secretary of HEW.

New paragraph 317(k) (5) (A) specifies that a civil action or proceeding brought in any court against an employee of the government or a program participant which is based upon a claim alleging personal injury or death is to be deemed an action against the United States under the provisions of title 28 U.S.C. (and all references thereto) upon certification by the Attorney General that the civil action or proceeding is in fact based upon such a claim. If the action is originally brought in a district court of the United States, then upon certification by the Attorney General as provided above the United States is further to be substituted as the party defendant in the action or proceeding.

New subparagraph 317(k) (5) (b) provides that upon the same certification by the Attorney General described above with respect to a civil action or proceeding commenced in a State court, the action or proceeding is to be removed, without bond and at any time before trial, by the Attorney General to the appropriate district court of the United States. The appropriate district court is that of the district in the division embracing the place where in the civil action or proceeding is pending. Actions or proceedings thus removed will also thereby be deemed an action or proceeding brought against the United States under the provisions of title 28 U.S.C. (and all references thereto) and the United States will be substituted as the party defendant in the action or proceeding.

The Attorney General's certification with respect to an individual's or organization's program participant status is to conclusively establish such status for the purpose of initial removal to the Federal district court and substitution of the United States as party defendant. If the district court determines, after such removal and substitution, on a hearing on a motion to remand held before the trial on the merits, that an action or proceeding is not one to which the subsection applies, the case is to be remanded to the State court.

The determination that subsection 317(k) does not apply to a particular claim would usually be made on the grounds that in the particular case in question the vaccine was given with charge or the would-be program participant administering the vaccine had failed to fulfill his obligation to obtain informed consent. In such cases once this finding of fact was made by the district court the individual or organization would lose its status as a program participant and be substituted back as defendant in the action or proceeding, which would then be remanded to the appropriate court. It is understood that claims may allege that charges were made or proper informed consent not obtained when they are first brought into State court and that it may be argued that this means that the defendant is not a program participant and the case should not be removed to Federal court. The intent of the legistation is that where a question of charge or informed consent is at issue in a claim, the claim shall be removed to Federal court for resolution of the issue. This is again intended to protect the defendants against bearing the cost of defense except in the event that their failure to comply with the requirement of section 317(k) is established.

New subparagraph 317(k)(5)(C) specifies that where an action or proceeding under this subsection is precluded because of availability of a remedy through proceedings for compensation or other benefits from the United States as provided by any other law, the action or proceeding shall be dismissed. However, in the event that such an action or proceeding is dismissed, the running of any time limitation for commencing or filing an application or claim in such proceedings for compensation or benefits is to be deemed to have been suspended during the pendency of the civil action or proceeding originally initiated under subsection 317(k). This provision gives priority to the handling of claims, for which a remedy from the United States (as compared to some other source) is already available, using that remedy rather than the remedy provided by the legislation.

New subparagraph 317(k)(6) requires program participants to cooperate with the United States in the processing and defense of a claim or suit under section 1346(b) and chapter 171 based upon the alleged acts or omissions of the program participants. Upon the motion of the United States or of any other party to the civil action or proceeding arising out of the claim, the status as a program participant is to be revoked by the district court of the United States upon a finding by it that the program participant has failed to cooperate as required. In the event that program participant status is revoked, the court is to substitute the former participant as the party defendant in the place of the United States and, upon motion, remand any such suit, civil action or proceeding to the court in which it was originally instituted.

These provisions are designed to assure full cooperation of any program participants in the United States' defense of them under the provisions of the legislation and to provide a sanction which will assure this cooperation, to wit the possible loss of program participant status and thus the need for the program participant to defend itself in the claim or proceeding. The required cooperation is to extend to all normal discovery procedures available against the United States as the defendant in the action, subject of course to any privilege which can be asserted by the United States or derivatively on the part of a program participant. For example, interrogatories and requests for admissions of facts and genuineness of documents on the part of a program participant pursuant to the Federal Rules of Civil Procedure would be submitted to the United States for immediate delivery to the program participant. If the interrogatories or requests for admissions went unanswered within the 30-day limit of the Rules, the program participant, having failed to cooperate, would be subject to loss of its status as such. The required cooperation shall also extend to reasonable requirements made of program participants for information and documents necessary for adjudication of administrative claims. Notwithstanding the legislation's requirement for cooperation in discovery directed against the United States, a program participant would be subject to discovery by any party to the action regarding matter relevant to the subject matter of the action, as provided under the Federal Rules of Civil Procedure. The subpoena power of Rule 45 and the sanctions of Rule 37 are available for the purposes of such discovery.

New subparagraph 317(k)(7), creates a Federal cause of action by the United States against a program participant in which the United States could recover any amount it had paid by settlement or judgment as well as costs of litigation and settlement "resulting from the failure of any program participant to carry out any obligation or responsibility assumed by it under a contract with the United States in connection with the program or from any negligent conduct on the part of any program participant in carrying out any obligation or responsibility in connection with the swine flu program." The cause of action is conditioned upon the United States making payment, and thus the cause of action accrues upon the making of such payment. The United States is given authority to maintain actions against program participants for recovery of damages in the district court of the United States in which the program participant resides or has its principal place of business.

The phrase "notwithstanding any provision of state law" has been included on the recommendation of the Chairman of the Committee on the Judiciary, and is intended to make clear that the United States' right of recovery over against program participants shall not be precluded by laws, existing in many States, barring suits for contribution among joint tortfeasors. In this way, the fact that a suit had initially been brought, for example, based both on a claim that a lot of vaccine was both defectively manufactured and negligently inspected by the government would not prevent the government from later seeking recovery for any damages it paid based on defective manufacture. The phrase is not intended to affect the substantive State law of liability for the acts or omissions of program participants, including any State law of immunity from suit for any such program participants. As discussed above with reference to paragraph 317(k)(2), the intent of the legislation is to leave State law in this regard unchanged, with the United States standing in the shoes of the program participant for the purposes of suit, and thus derivatively entitled to immunity.

The right of the United States is "to recover for that portion of the damages so awarded or paid, as well as any costs of litigation". Because the language refers to the "portion" of the amount paid which is the result of the participant's acts or omissions, it is the clear intention that the participant could not contend that the United States was barred from recovery because of any alleged negligence by the United States. Rather, the United States could recover for whatever portion of the amount paid could be shown to have resulted from the programs participant's failure to carry out its obligations and responsibilities under the program. This type of proportional recovery is similar to that recognized by the Supreme Court in *United States* v. *Seckinger,* 397 U.S. 203 (1970).

It is generally anticipated that the United States will use this right of recovery in any situation in which damages for which it has been held liable were caused by the negligence of a program participant or by a program participant's failure to carry out one of its obligations or responsibilities. The authority is discretionary because it is recognized that there may be occasional situations in which the amount of damages which could be recovered is not worth the cost or in which the United States clearly cannot hope to establish the program participant's negligence or responsibility. However, it is expected that these will be unusual situations on which the Secretary will report to the Congress with an explanation of why the authority has not been used.

The bases for liability for recovery over by the United States are two: "the failure of any program participant to carry out any obligation or responsibility assumed by it under a contract with the United States in connection with the program", and "any negligent conduct on the part of any program participant in carrying out any obligation or responsibility in connection with the swine flu program."

With regard to the first of these, if production of the product was not in accordance with the specifications furnished by the government, or if it was contaminated, the United States would not have to show the specific negligence that resulted in the contamination. Rather, the United States need only prove that the original plaintiff's damages were caused by the program participant's failure to comply with the government's specifications or other contractual obligations assumed by it under a contract entered into in connection with the program.

With regard to the second basis for liability, the provision is not intended to give the United States the right to recover against others for failure by the United States to perform its own obligations and responsibilities in connection with the program. Thus, for example, since the United States is assuming from the drug manufacturers the duty to warn, in the case of damages arising out of failure to warn a recipient of the vaccine of its possible risks the United States would not be able to recover from the drug manufacturers for damages paid on that basis. With respect to manufacturers of the vaccine, the phrase "any obligation or responsibility in connection with the program" includes all actions in connection with the manufacture and distribution of the vaccine other than actions involving a duty specifically assumed by the United States under the program.

New subparagraph 317(k)(8) requires a report within a year after the enactment of the legislation, and semi-annually thereafter, from the Secretary to the Congress on the conduct of settlement and litigation activities under subsection 317(k). The report is to specify the number, value, nature and status of all claims made under the subsection and to include a description of the status of claims for recovery by the United States against program participants for damages made under paragraph 317(k)(7) (with detailed explanation of the reasons for not seeking such recovery in any situation in which it is not sought).

New section 317(1) defines certain terms for the purposes of new subsection 317(j) and (k). Specifically, the phrase "arising out of the administration" with reference to a claim for personal injury or death under the swine flu program is to include a claim with respect to the manufacture or distribution of the vaccine in connection with the provision of an inoculation using it in swine flu program; the term "state" is to include the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa and the Trust Territory of the Pacific Islands; and the term "swine flu vaccine" is to mean the vaccine against the strain of influenza virus known as influenza A/New Jersey/76 (Hsw 1N1), or a combination of that vaccine against the strain of influenza virus known as influenza A/Victoria/75.

Section 3 of the legislation directs the Secretary of HEW to conduct, or provide for the conduct of, a study of the scope and extent of liabilities for personal injuries or death arising out of immunization programs generally, and of alternative approaches to providing protection against such liability and/or compensation for such injuries. The report is due within a year after the enactment of the legislation and is to include the findings of the study, and whatever recommendations for legislation the Secretary deems appropriate.

It is the intention of the legislation that the report consider at least several major alternative approaches to the problem of injury and death arising out of public immunization programs. These would include public indemnification of private parties (as proposed by HEW in its original legislation in connection with the swine flu program), public reinsurance of private insurors of liability arising out of immunization programs, tort claims approaches such as that used by the legislation, and direct systems of compensation of injured parties for their injury without respect to the fault for the injury. The report to the Congress is intended to include actual draft legislation for the implementation by the Federal government of each of these alternative approaches to the problem with commentary on the merits and deficiencies of each approach and an indication of which is preferable in the judgment of the Secretary (if in his judgment any is necessary). If the report recommends adoption of an alternative to the current system, it should identify in detail, with supporting data, the inadequacies of the current system. It would be reasonable for the report to consider related reliability issues such as the liability that arises out of injuries or death experienced by voluntary participants in publicly funded medical research programs, and the liability that arises out of allergic reactions to drugs and biologicals absent any negligence on the part of the manufacturer, distributor or provider of the drug or biological in question.

Congress of the United States,
Committee on the Judiciary,
Washington, D.C., August 9, 1976.
Hon. Harley O. Staggers,
Chairman, Interstate and Foreign Commerce Committee, Rayburn House Office Building, Washington, D.C.

Dear Mr. Chairman: I am writing in response to your request for comment on H.R. 15050, the swine flu inoculation program bill. There has been no formal consideration of the bill by the Committee on the Judiciary, since the bill has not been referred to the Committee and there is thus nothing before it. However, I am pleased to advise you that I have consulted with numerous Members of the Judiciary Committee, including Congressman Walter Flowers, Chairman of the Subcommittee on Administrative Law and Governmental Relations, to which the bill would be referred if it came to the Judiciary Committee, and Congressman Ed Hutchinson, the ranking minority Member of the full Committee, and that my comments reflect their input. In addition, I have met with and sought the formal positions of the Departments of Justice and Health, Education and Welfare and have asked the staff of the Judiciary Committee, including those especially knowledgeable with respect to the Federal Tort Claims Act, to analyze the bill from a technical and legal point of view.

It is my understanding that you are principally interested in our opinion upon the manner in which the bill invokes the procedures of the Tort Claims Act to provide a means of processing claims for death or personal injury arising from the inoculation of citizens with the swine flu vaccine and of defining the liability to persons suffering such death or injury. The bill would provide that all such claims would be brought in the first instance against the United States government, which would establish an administrative claims procedure under the auspices of the Department of Health, Education and Welfare. If no administrative settlement is reached, suit against the government would be authorized under the normal procedures of the Tort Claims Act. Suits brought initially in state court against program participants would be removed to federal court by the Attorney General, with the United States substituted as the party defendant. Likewise, the United States would be substituted as the party defendant in all suits brought directly in federal court against program participants. Recovery against the government could be had under any tort theory, including strict liability or breach of warranty, available under the law of the state where the act or omission complained of occurred. In any case where it paid a settlement or judgment to a claimant, the federal government would then have a right of recovery over against any program participant for that amount of the damages attributable to the participant's acts or omissions of a negligent nature.

The net upshot of the bill is that the federal government would absorb the cost of processing and defending all unsuccessful claims and of satisfying all claims based on any theory of liability which did not involve negligence. To achieve this objectives the bill would invoke the Tort Claims Act in an unusual, though not unique, manner. I am informed by Secretary Matthews of HEW that without the protection afforded program participants against the risks of litigation and its attendant costs by the bill, there would likely be no adequate government-sponsored swine flu inoculation program, since there would be no adequate insurance available. The policy judgment whether to afford this much protection at federal expense to those participating in the program in order to ensure that there is in fact an effective inoculation effort is in the first instance within the purview of the Committee on Interstate and Foreign Commerce, and I shall confine my comments to the legal aspects of the vehicle through which the bill seeks to achieve this objective.

As I noted above, the bill invokes the Tort Claims Act in an unusual, though not unique, manner. The bill makes no changes in the Tort Claims Act, and has no impact on it, except that in the narrow circumstances of suits under the bill, the government would waive the discretionary act exemption of the Tort Claims Act and would open itself to liability in the absence of negligence. Both provisions seem appropriate in the circumstances.

Several other statutes have invoked the procedures of the Tort Claims Act in a similar fashion to provide partial or complete immunity to certain kinds of federal employees. See 28 U.S.C. § 2679(b)–(e); 38 U.S.C. § 4116; 42 U.S.C. § 233(c); P.L. 94–350. Thus the Department of Justice assures me that from their point of view "there is an abundance of legislative and court decision precedent" and that "the statutes upon which the bill is patterned have provided a very efficient and effective means for disposing of claims." Nonetheless, I would be disturbed to see this mechanism invoked as a commonplace to relieve private individuals, companies and other non-federal entities of their normal responsibilities in situations where the federal government has an interest in promoting their participation. I believe, however, that the bill as drafted and its legislative history reflect appropriate emphasis upon the uniqueness of the government's role in promoting the swine flu vaccination program as the major, if not the sole, justification for this extraordinary procedure.

I do have some technical concern which could be accommodated with minor amendments. First, when a case is removed from state court to federal court under the bill and the United States is substituted as the party defendant, the case would be subject to a motion to dismiss if the plaintiff had failed to exhaust the administrative claims procedure to be established by HEW. This would cause no problem where there was ample time to run on the statutory limitation period of two years for the filing of the administrative claim. If, however, that period had expired prior to the removal and dismissal of the suit, the plaintiff could be left without a remedy, even though he had filed his suit in state court in timely fashion. I would suggest that in the event of such a removal and dismissal, the bill should provide the plaintiff with a minimum of thirty days in which to file his administrative claim. This could be accomplished by inserting the following language at the end of subsection 5(b), dealing with removal of state court actions:

"Notwithstanding section 2401(b) of title 28, United States Code, if a civil action or proceeding for personal injury or death resulting from the administration of vaccine under the Program is brought within two years of the date of the administration of the vaccine and is dismissed because the plaintiff in such action or proceeding did not file an administrative claim with respect to such injury or death as required by such chapter 171, the plaintiff in such action or proceeding shall have 30 days from the date of such dismissal or two years from the date the claim accrued, whichever is later, in which to file such administrative claim."

Second, there is a somewhat disturbing ambiguity in subsection (7) of the bill, which provides for the government's right of recovery over against program participants for their negligent acts or omissions contributing to the injury for which a payment has been made. The substantive law governing the original claimant's right of recovery is explicitly state law. The law of many states bars suits for contribution among joint tortfeasors. It is easy to conceive of cases in which the government would defend the initial suit both in its capacity as surrogate defendant for program participants and in the role of one of the alleged tortfeasors—for example, where a claim is made that a batch of vaccine was negligently manufactured by a drug company and negligently inspected by the government. The bill seems to me to leave room in that instance for the program participant to argue that state law would bar any recovery over by the government under subsection (7). I would suggest that an appropriate amendment be made to clarify the intent of the legislation and to provide that state law barring contribution among joint tortfeasors would not bar recovery by the government against a negligent program participant in such circumstances. This could be accomplished by wording subsection (7) to read as follows:

"(7) Should payment be made by the United States to any claimant bringing a claim under this subsection, either by way of administrative settlement or court judgment, the United States shall have, notwithstanding any provision of State law, a right of action to recover that portion of the damages so awarded or paid, as well as any costs of litigation, resulting from any negligent act or omission on the part of any Program participant in carryiing out any obligation or responsibility in connection with the Program. The United Statees may maintain such action against such Program participant in the district court of the United States in which such Program participant resides or has its principal place of business."

In conclusion, let me emphasize that the views expressed herein are my own, and not those of the Judiciary Committee expressed in any institutional manner. Let me further reiterate that I believe the fundamental policy choice at the core of this bill is one to be made in the first instance by the Committee on Interstate and Foreign Commerce, and I express no views on that issue. Having said that, it is my intention not to seek a sequential referral of this bill on behalf of the Judiciary Committee. The measure has the support of the White House, the Department of Justice and HEW, and both the President and the Secretary of HEW have urged that the matter be considered with all possible speed in view of the lead time necessary for the production and distribution of the vaccine. In view of these time problems and of your greatly appreciated courtesy in affording me this opportunity to express our legal opinion and technical concerns, I do not believe the public interest would be served by a sequential referral.

I hope these views are of some assistance to you, and I assure you that we stand ready to assist in whatever way we can, should you have any further questions.

With all best wishes,

Sincerely,

PETER W. RODINO, Jr.,
Chairman.

Mr. Speaker, I urge passage of the bill, and I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the Senate bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MOSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 250, nays 83, present 2, not voting 96, as follows:

[Roll No. 638]

YEAS—250

Abdnor
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Armstrong
Ashley
AuCoin
Bafalis
Baldus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Blanchard
Blouin
Boggs
Boland
Bolling
Brademas
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cornell
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Derwinski
Devine
Diggs
Downey, N.Y.
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Eilberg
Emery
English
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Gaydos
Giaimo
Gilman
Ginn
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hannaford
Harkin
Harris
Harsha
Hayes, Ind.
Heckler, Mass.
Hefner
Henderson
Hightower
Horton
Howard
Hubbard
Hyde
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kelly
Kemp
Keys
Kindness
Lagomarsino
Lehman
Lent
Lloyd, Calif.
Lloyd, Tenn.
Lundine
McClory
McCollister
McCormack
McDade
McFall
McHugh
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moore
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Hara
O'Neill
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pike
Poage
Pressler
Price
Pritchard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Schulze
Sebelius
Seiberling
Sharp
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Spence
Stanton, J. William
Stanton, James V.
Steed
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Udall
Ullman
Vander Veen
Vanik
Vigorito
Wampler
Whalen
White
Whitehurst
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—83

Archer
Ashbrook
Baucus
Bauman
Bingham
Bonker
Brodhead
Brooks
Burke, Fla.
Burlison, Mo.
Burton, John
Carr
Chisholm
Cohen
Collins, Tex.
Conyers
Corman
Crane
Daniels, N.J.
Dellums
Dent
Derrick
Dingell
Dodd
Drinan
Edwards, Ala.
Edwards, Calif.
Erlenborn
Flowers
Fraser
Goldwater
Gonzalez
Goodling
Hammerschmidt
Hansen
Harrington
Hechler, W. Va.
Helstoski
Hicks
Holtzman
Hughes
Hungate
Hutchinson
Ichord
Jacobs
Kazen
Koch
Krebs
Krueger
Levitas
Long, La.
Long, Md.
McCloskey
McDonald
McKay
Miller, Calif.
Miller, Ohio
Moffett
Montgomery
Moorhead, Calif.
Moss
Ottinger
Paul
Rangel
Richmond
Rosenthal
Rousselot
Runnels
Satterfield
Scheuer
Schroeder
Shuster
Solarz
Stark
Steiger, Ariz.
Steiger, Wis.
Symms
Taylor, Mo.
Thornton
Tsongas
Van Deerlin
Waxman
Young, Fla.

PRESENT—2

Collins, Ill.
Preyer

NOT VOTING—96

Abzug
Adams
Alexander
Allen
Anderson, Ill.
Andrews, N. Dak.
Aspin
Badillo
Biester
Bowen
Burke, Calif.
Burton, Phillip
Butler
Carney
Chappell
Clay
Cochran
Conable
Conlan
Conte
Cotter
Danielson
Dickinson
Downing, Va.
du Pont
Early
Esch
Evins, Tenn.
Fenwick
Findley
Flynt
Forsythe
Fountain
Frey
Fuqua
Gibbons
Green
Hawkins
Hays, Ohio
Hébert
Heinz
Hillis
Hinshaw
Holland
Holt
Howe
Jones, N.C.
Jones, Okla.
Karth
Ketchum
LaFalce
Landrum
Latta
Leggett
Lott
Lujan
McEwen
McKinney
Michel
Milford
Mills
Mink
Moorhead, Pa.
Mosher
Nolan
O'Brien
Passman
Peyser
Pickle
Rees
Risenhoover
Sarasin
Sarbanes
Schneebeli
Shipley
Shriver
Sikes
Simon
Snyder
Spellman
Staggers
Steelman
Stephens
Stokes
Traxler
Treen
Vander Jagt
Waggonner
Walsh
Weaver
Whitten
Wiggins
Wilson, C. H.
Wright
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Evins of Tennessee.
Mr. Waggonner with Mr. Heinz.
Mr. Sikes with Mr. Schneebeli.
Mr. Passman with Mr. Hillis.
Mr. Pickle with Mr. Cochran.
Mr. Shipley with Mr. Dickinson.
Mr. Cotter with Mr. Andrews of North Dakota.
Mr. Carney with Mr. Esch.
Mr. Chappell with Mrs. Holt.
Mr. Phillip Burton with Mr. Biester.
Mrs. Burke of California with Mr. Walsh.
Mr. Fuqua with Mr. Forsythe.
Mr. Fountain with Mrs. Fenwick.
Mr. Early with Mr. Conable.
Mr. Badillo with Mr. Wiggins.
Ms. Abzug with Mr. Snyder.
Mr. Adams with Mr. Conlan.
Mr. Weaver with Mr. Conte.
Mr. Young of Georgia with Mr. du Pont.
Mr. Wright with Mr. Young of Alaska.
Mr. McEwen with Mr. Karth.
Mr. Charles H. Wilson of California with Mr. Findley.
Mr. LaFalce with Mr. Treen.
Mr. Michel with Mr. Latta.
Mr. Whitten with Mr. Shriver.
Mr. Moorhead of Pennsylvania with Mr. Vander Jagt.
Mr. Nolan with Mr. Lott.
Mr. Frey with Mr. Peyser.
Mr. Jones of North Carolina with Mr. Steelman.
Mr. Holland with Mr. O'Brien.
Mr. Howe with Mr. Sarasin.
Mr. Alexander with Mr. McKinney.
Mr. Bowen with Mr. Mosher.
Mr. Jones of Oklahoma with Mr. Butler.
Mr. Clay with Mr. Sarbanes.
Mr. Danielson with Mr. Lujan.
Mr. Allen with Mr. Gibbons.
Mr. Anderson of Illinois with Mr. Green.
Mr. Flynt with Mr. Hays of Ohio.
Mr. Hawkins with Mr. Landrum.
Mr. Leggett with Mr. Stokes.
Mr. Rees with Mr. Milford.
Mr. Risenhoover with Mr. Mills.
Mr. Aspin with Mr. Downing of Virginia.
Mr. Simon with Mr. Staggers.
Mrs. Spellman with Mr. Stephens.
Mr. Traxler with Mrs. Mink.

Mr. DENT changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Spaker, I take this time to inquire of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) if the gentleman is in a position to inform the House of the program for the balance of the week, if any, and the weeks following.

Mr. O'NEILL. Mr. Speaker, will the distinguished minority leader be kind enough to yield?

Mr. RHODES. Mr. Speaker, I am happy to yield to the gentleman.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of August 23, 1976, is as follows:

Monday is District day. There are three bills:

H.R. 14957, pretrial release or detention;

H.R. 14971, borrowing authority for the District of Columbia; and

H.R. 12261, prohibition against District of Columbia Council revising criminal laws.

These will be followed by consideration of the conference report on H.R. 1009, District of Columbia audit.

Then we will take up two bills as follows:

H.R. 14032, Toxic Substances Control, under an open rule with 1 hour of debate; and

H.R. 14070, guaranteed student loan amendments, under an open rule, with 1 hour of debate.

On Tuesday there will be 17 bills considered under suspension of the rules, as follows:

H.R. 14846, military construction authorization;

H.R. 1142, tax treatment of cemetery perpetual care fund trusts;

H.R. 1144, tax treatment of social clubs and other membership organizations;

H.R. 2474, refunds in the case of certain uses of tread rubber and tires;

H.R. 6521, exemption from tax for farm trailers and horse or livestock trailers;

H.R. 7929, interest on corporate debt to acquire another corporation;

H.R. 8046, exclusion of rental value of parsonage furnished to surviving spouse of minister;

H.R. 10155, tax treatment of certain income of political organizations;

H.R. 10902, tax treatment of securities acquired for business reasons;

H.R. 10936, tax treatment upon disposition of property for which a business deduction was allowed;

S. 3435, Privacy Protection Study Commission;

H.R. 13828, Federal records management;

H.R. 14451, Federal Property and Administrative Services Act amendments;

H.R. 12664, emergency medical service;

H.R. 14973, International Tijuana River flood control project;

H.R. 15116, Federal highway obligation limitation; and

H.R. 15068, emergency allotment transfer.

Votes on suspensions will be postponed until the end of all suspensions.

Following the suspensions, we will consider the District of Columbia appropriations for fiscal year 1977. No number has yet been assigned to that bill.

On Wednesday and the balance of the week we will consider the following:

The public works employment appropriations for fiscal year 1977, with no number assigned to that bill as of the moment.

H.R. 14578, Federal reclamation projects, subject to a rule being granted;

House Resolution 1462, antitrust resolution;

H.R. 13636, Law Enforcement Assistance Administration, under an open rule, with 2 hours of debate;

H.R. 1342, judges and justices annuity, under an open rule, with 1 hour of debate;

H.R. 9398, Economic Development Administration, under an open rule, with 1 hour of debate;

H.R. 13958, Defense officer personnel, under an open rule, with 1 hour of debate; and

H.R. 13615, Central Intelligence Agency retirement, under an open rule, with 1 hour of debate.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. Speaker, may I say, I believe there is one Friday that will intervene when we recess for the few days off over the Labor Day weekend, so we will be working that Friday.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House from August 10 to August 23, 1976, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, APPOINT COMMISSIONS, BOARDS, AND COMMITTEES AUTHORIZED BY LAW OR BY HOUSE NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Monday, August 23, 1976, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, AUGUST 25, 1976

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, August 25, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. RHODES. Mr. Speaker, reserving the right to object, may I inquire of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) if it is likely that the legislative appropriations bill will be brought up on August 31? I had heard that it was intended to be brought up. It is not scheduled now.

Mr. O'NEILL. Mr. Speaker, if the distinguished minority leader will yield further, I believe it is on August 31. The gentleman is correct. That is the day it is set down for the bill to appear on the calendar.

Mr. RHODES. Mr. Speaker, I thank the gentleman from Massachusetts. I hope the gentleman will have a very restful time while the rest of us are working so hard.

Mr. O'NEILL. Mr. Speaker, if the distinguished minority leader will yield further, I want to wish the gentleman from Arizona and his colleagues a successful convention and to my own colleagues while the gentleman's colleagues are off having fun, I hope we will be home ringing the door bells and building up an even bigger margin than we have now.

To the chairman of the convention, may I wish every success in his venture, and to my good friend down on Pennsylvania Avenue who once served with us, I wish him every success. My wish for success goes through next week.

Mr. RHODES. Mr. Speaker, I appreciate the good wishes of the distinguished majority leader. I will convey the gentleman's good wishes to the candidate the gentleman has in mind.

I would be in hopes, however, that if the gentleman from Massachusetts has any influence with any Republican delegates, the gentleman will exercise it immediately.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL EXPLANATION

Mr. MATSUNAGA. Mr. Speaker, on rollcall 630, I am recorded as being absent.

I was unavoidably detained. Had I been present, I would have voted "aye" on H.R. 12169.

CONSTITUTIONAL AMENDMENT TO PROVIDE FOR 3-YEAR TERMS FOR REPRESENTATIVES

(Mr. SCHULZE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SCHULZE. Mr. Speaker, I am introducing a constitutional amendment to increase the term of a Representative to Congress from 2 to 3 years, to limit Members to a maximum of five consecutive terms, and to provide an age limit for Senators and Representatives.

It would not be an overstatement to estimate that many Representatives spend half of their 2-year term campaigning for reelection. Some begin to run the day after they are sworn in. This practice dilutes precious time for the discharge and study of legislative matters. The whole legislative process suffers—our constituencies are shortchanged.

Today, too, the issues are numerous and far more complex than in the years when the framers of the Constitution provided for a 2-year term. If we are to master the technical tasks of legislation and keep up with our workload, we simply need more time to learn and more time to keep abreast of changing developments.

The second aspect of my amendment, to limit Members to 15 consecutive years of service, would provide a fresh stream of innovative ideas into the legislative process. It would also place emphasis on quality rather than seniority in the selection of congressional leaders.

The final provision in my amendment would provide that a Senator or Representative may not serve any portion of his term if he has attained the age of 75 years or would attain the age of 75 years before the end of his term of office. Congress should protect the efficiency and integrity of its functioning by adopting such an age limit.

I urge my colleagues to join me in support of this constitutional amendment so that we may give our fullest measure of skill and wisdom to the citizens we serve.

The text of my amendment follows:

H.J. RES. 1050

Joint resolution proposing an amendment to the Constitution of the United States to provide for 3-year terms for Representatives to the Congress, to limit the number of consecutive terms Representatives may serve, and to provide an age limit for Senators and Representatives

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years of the date of final passage of this joint resolution:

"ARTICLE ——

"SECTION 1. The House of Representatives shall be composed of Members chosen for a term of three years by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

"SEC. 2. Any person who is a Representative for five consecutive terms of three years each may not be a Representative during the 3-year period beginning immediately after the end of the fifth such term unless a vacancy occurs during such period and such person is elected to fill the vacancy.

"SEC. 3. Any person who is a Member of a House of Congress and who is elected to the other House of Congress for a term to begin before the expiration of the term such person is serving at the time of the election, may not serve in such other House unless such person resigns from the House in which such person was serving at the time of the election.

"SEC. 4. No person may serve any portion of a term as a Senator or Representative if such person has attained the age of seventy-five years or would attain the age of seventy-five years before the end of such term.

"SEC. 5. The provisions of section 4 of this article shall not prevent any person who, immediately prior to the effective date of this article, is a Senator serving a term ending after such effective date from completing such term.

"SEC. 6. This article shall take effect on the first date which is January 3 of an odd-numbered year and which is more than one year after the date on which the ratification of this article is completed.".

CHANGES IN HOLDER IN DUE COURSE RULE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 5 minutes.

Mr. BROYHILL. Mr. Speaker, as my colleagues are probably aware, in May of this year the Federal Trade Commission promulgated a rule which radically changes the "holder in due course" defenses relating to the purchase of consumer goods or services. The rule, adopted May 14, 1976, is entitled "Preservation of Consumer Claims and Defenses."

Under the terms of section 18 of the Moss-Magnuson Act (Public Law 93-637), the Commission may use no other authority but that contained in section 18 to write trade rules of general applicability. Section 18 rulemaking procedures were specifically written to clarify and circumscribe the FTC authority to write trade rules that have the force and effect of law. The FTC did not use the new procedures spelled out in section 18, and this bill as introduced, would require the FTC to begin a new rulemaking procedure following the guidelines and procedures mandated in new section 18 of the Federal Trade Act.

Under this procedure, the FTC shall:

First, publish a notice of the proposed rule together with a statement of the particular reasons for the proposed rule.

Second, permit interested parties opportunity to submit written views on the proposed rule.

Third, provide an opportunity for public hearing and to permit cross-examination of witnesses if there are disputed issues of material fact and the Commission determines this is required for a full disclosure of such issues.

Fourth, any final rule must be accompanied by a statement continuing the conclusions of the Commission as to basis and purpose of the rule. Such statement shall include a statement as to the prevalence of acts and practices covered by the rule and the manner and context in which such acts or practices covered by the rule are unfair or deceptive. Also the statement shall include the economic impact of the rule, taking into account the effect of the rule on small businesses and the consumers.

Fifth, finally, in the event the rule is challenged in the courts, the rule will be held unlawful if it is not supported by substantial evidence in the entire rulemaking record taken as a whole.

These procedures were not followed by the FTC presumably because a substantial part of the rulemaking procedure had been completed prior to the passage of the Moss-Magnuson Act which recognized the problem of in-process rulemaking. What disturbs me is that the FTC, recognizing that considerable work yet remained to be done prior to adoption of the holder in due course rule and clearly aware of congressional intent as expressed in the Moss-Magnuson Act, proceeded under the old rulemaking procedures, which did not afford interested parties full opportunity to air their views and to assure that these views were acted upon. I believe that if the Commission had followed the procedures of the Moss-Magnuson Act which I have just outlined that this rule probably would not have been adopted. The predictions that were made, warning the FTC that this rule would drive up consumer costs, have a significant impact on small business and dry up sources of consumer credit are, I believe, coming true. This would not have happened if the Moss-Magnuson procedures had not been bypassed and Chairman Burns' warnings ignored.

Chairman Burns' concerns are expressed succinctly in a recent letter to my colleague from Nebraska (Mr. McCOLLISTER) in which Chairman Burns wrote:

> The holder in due course regulation of the FTC is of concern to me because of the potentially harmful effect which it could have on the flow of consumer credit, the viability of marginal retail firms, and more broadly, the upward thrust of retail trade.

That is why Chairman Burns wrote Chairman Collier of the FTC on behalf of the Federal Reserve Board that "we believe that the consumer credit business may be seriously disrupted if the rule goes into effect on May 14, 1976, as scheduled. Such disruption, if it occurs, could have harmful consequences for the economy."

Having been a strong supporter of the guidelines laid down in title II of the Moss-Magnuson Act and believing strongly that this is only one in a long list of examples where agencies with rulemaking authority have overstepped that authority, I have introduced with the gentleman from Pennsylvania (Mr. JOHNSON), and the gentleman from Nebraska (Mr. McCOLLISTER), a bill H.R. 15082 which would suspend the rule adopted on May 14, 1976, known as the holder in due course rule, until there can be proper study of the effects of this rule.

Mr. Speaker, I believe that if we establish guidelines for rulemaking we must see that those guidelines are followed. When experts predict damaging effects on our Nation's credit system we must insure that the Federal Trade Commission give proper consideration to those predictions.

Disrupting credit flows could potentially have a greater adverse effect on consumers than the problems the rule was designed to correct. At the moment we simply do not know. We do know however that there have been serious concerns raised and I believe that this body is obligated to insist that those concerns at least be given the opportunity of a public hearing.

I hope that my colleagues will recognize the important principle of congressional oversight which is implicit in this matter and will support an effort to mandate by appropriate legislation a study which the Commission should have undertaken on its own prior to the adoption of the rule.

The text of H.R. 15082 is as follows:

H.R. 15082

A bill to suspend, pending review, the effect of the Federal Trade Commission's rule concerning limitation of the use of holder in due course defenses in connection with the sale or lease of goods or services to consumers; to require the General Accounting Office to conduct a study of the effect of this rule on the consumer market; and to require formal rulemaking by the Commission respecting this rule

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS

SECTION 1. Congress finds and declares that—

(1) the Federal Trade Commission's rule concerning preservation of consumers' claims and defenses, which limits the use of holder in due course defenses in connection with the sale or lease of goods or services to consumers, may have adverse effects on—

(A) the extension of consumer credit by banks,

(B) the relationships between sellers and creditors, and

(C) the relationships between consumers and consumer creditors; and

(2) there is a need to review and, if necessary, to change this rule to ensure adequate redress for consumers while not disrupting sound business arrangements or the extension of consumer credit.

SUSPENSION OF COMMISSION RULE CONCERNING HOLDER IN DUE COURSE

SEC. 2. (a) The trade regulation rule (hereinafter in this Act referred to as "the rule") of the Federal Trade Commission (hereinafter in this Act referred to as the "Commission") concerning the preservation of consumers' claims and defenses and contained in part 433 of volume 16 of the Code of Federal Regulations shall have no force or effect, except as provided by a rule promulgated under section 4.

(b) Except as provided by section 4, the Commission may not promulgate any trade regulation rule which limits or repeals the use of holder in due course defenses in connection with transactions which involve the sale or lease of goods or services to consumers and which are covered by the rule.

GENERAL ACCOUNTING OFFICE STUDY

SEC. 3. (a) The General Accounting Office shall review and make findings respecting the factors which led to the establishment by the Commission of the rule, and such rule's effect on those factors and on conditions in the consumer and commercial marketplace, including—

(1) the availability and cost of consumer credit;

(2) the relationships between sellers, creditors, and consumers; and

(3) the avenues of consumer redress for grievances in consumer sales.

(b) The General Accounting Office shall submit to the Congress and to the Commission, not later than April 1, 1977, a report of its findings under subsection (a), and its recommendations on the desirability of promulgating the rule.

COMMISSION REVIEW OF RULE

SEC. 4. The Commission shall promptly review the report submitted under section 3 (b) and shall by rule (promulgated in accordance with section 18 of the Federal Trade Commission Act after due consideration to such report as a written submission under such section) either repeal the rule or put the rule, with or without revisions, into effect.

SLOWING THE NATIONAL HOME MORTGAGE FORECLOSURE RATE—THE FORECLOSURE FORBEARANCE STANDARDS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 60 minutes.

Mr. STOKES. Mr. Speaker, during this year I have had the opportunity to work closely with the National Peoples Action on Housing Organization—Neighborhood First—to secure the inclusion and extension of the 518(b) payback program in the Housing Authorization Act of 1976. Because of my association with the National Peoples Action on Housing Organization and its Cleveland affiliate, the East Cleveland Citizens Action Team—CAT—I have been in a position to secure the passage of housing legislation vital to the needs of urban homeowners. It is for this reason that yesterday I introduced new legislation to further slow the national home mortgage foreclosure rate.

My bill, which is entitled the Foreclosure Forbearance Standards Act (H.R. 15107) is designed to give the present Housing and Urban Development—HUD—foreclosure guidelines the force of law. To understand the significance of this legislation a discussion of HUD's forbearance and foreclosure policies is in order.

The Federal program relating to foreclosures was enacted in July 1975, under the Emergency Homeowners Relief Act, as part of the Emergency Housing Act of 1975. Pursuant to title I, emergency relief was provided for homeowners facing foreclosure on their mortgages because of unemployment or underemployment. Assistance was to be rendered mortgagors who had incurred a substantial reduction in income. Under this program two forms of relief were included: HUD could coinsure forbearance loans extended to mortgages by lending institutions holding the mortgages up to 90 percent of the amount loaned; or HUD itself could pay the debt service charges on behalf of the homeowner up to a maximum of $250 a month, for a maximum of 2 years. In both instances, the loans would be made to the homeowner at an interest rate determined by HUD, but no more than the HUD rate for homes at the time of the initial loan. Unfortunately, HUD promulgated unduly restrictive requirements for participation in the program. For example, HUD defined "substantial reduction" as a gross monthly income during the period of delinquency which is less than 80 percent of the average gross monthly income during the 2 years preceding the application for a delinquency loan.

Moreover, to be "financially unable to make full mortgage payments" was defined as the inability to make payments with 25 percent of the reduced gross income and having no more than $5,000 in assets, exclusive of home, furniture, clothing, and automobile. This is a very strict requirement for the entire 25 percent is paid solely for the mortgage payment. This differs from section 8 housing which also has a 25 percent limitation for under section 8 the 25 percent limitation includes mortgage payments, utilities costs and other housing related expenses.

Though this program was seriously restricted, HUD did have the discretion to administer it. However, HUD has never chosen to utilize the program and it is unlikely that HUD will use the program despite its inclusion as section 13(a) of the Housing Authorization Act of 1976.

What HUD has chosen to do is to place pressure on the mortgagees through special forbearance relief as contained in mortgage credit regulation chapter 11 section 203.340. These regulations were explained to mortgagees in "Housing Management Mortgagee Letter 75-10": 75-10 emphasized the lender's responsibilities to take all practical steps to avoid foreclosure. Although this has always been a "condition" for receiving HUD approval to handle insured mortgages, this memorandum added considerable force to HUD's policy. Yet, despite HUD's support, the second paragraph of 75-10 reminds us in pertinent part, that these: ". . . Requirements are not intended as legal prerequisites to foreclosure actions since foreclosures are governed by the terms of mortgage instruments and applicable State laws."

To make matters worse, though jurisdictionally limited and of limited precedent, a State court has held that HUD's rules are no defense in foreclosure suits. On January 26, 1976, the New York Supreme Court in Queens County refused to halt foreclosure actions where the mortgagor contended that the lender failed to comply with HUD's forbearance and foreclosure guidelines. According to the court, these forbearance regulations are merely "permissive."

The decision of the Queens' County court illustrates the weaknesses inherent in these regulations. They simply do not have the force of law. Thus, it is little wonder that HUD currently spends some $408 million per year on foreclosures. In fact, in my 21st District of Ohio my constituents are experiencing an alarming mortgage foreclosure rate.

In East Cleveland from January 1, 1973, to June 1, 1975, 233 mortgages in the city were foreclosed. Since June 1, 1975, 81 additional East Cleveland homeowners are presently in the process of foreclosure while 60 more homes have been sold at sheriffs' sales. Additionally, there is ample evidence to suggest that these statistics are characteristic of most urban communities. To remedy this serious national problem, I have sponsored the following legislation:

H.R. 15107

A bill to require that any person holding a federally related home mortgage shall provide certain services and follow certain procedures before instituting foreclosure proceedings with respect to such mortgage

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreclosure Forbearance Standards Act".

SEC. 2. Any person who makes a federally related mortgage loan shall include as a part of such loan the following requirements which must be implemented by any person holding such mortgage (hereafter referred to as the "mortgagee"):

(1) Maintaining personnel and facilities adequate to assure that information concerning the mortgage is readily available to the mortgagor (along with an annual notification to each mortgagor describing the availability of such personnel and facilities); this requirement may be fulfilled by providing at least one of the following:

(A) An office which is (i) staffed with competent personnel, (ii) located within reasonably close proximity of the property securing the mortgage, and (iii) capable of providing timely response to requests by mortgagors for information;

(B) Toll-free, incoming, long-distance telephone service to an office capable of providing timely responses to requests by mortgagors for information;

(C) Acceptance, without restriction, of collect, long-distance telephone calls from mortgagors at an office capable of providing timely response to requests by mortgagors for information; or

(D) A procedure by which collect, long-distance telephone calls from mortgagors are not accepted by the mortgagee but are returned (without charge to the mortgagor) immediately upon receipt of information sufficient to identify the caller as a mortgagor seeking information about his mortgage;

(2) Holding, within 60 days after payments on a mortgage become delinquent and at least 30 days before the initiation of foreclosure proceedings, a meeting with the mortgagor (or making a reasonable effort to hold such meeting) for the purpose of working out a repayment plan designed to provide a method of making the payments on the mortgage current at some future date;

(3) Providing information with respect to the nature of foreclosure proceedings to any mortgagor at least 30 days before the initiation of foreclosure proceedings against such mortgagor;

(4) Providing a 10-day advance notification to a mortgagor of any transfer of the servicing of his mortgage, including a complete description of the name and address of the person to whom the servicing of the mortgage is to be transferred;

(5) Refraining from initiating foreclosure proceedings when the only delinquency under the mortgage is attributed to penalties imposed as a result of late payments of the principal and interest;

(6) Accepting any payment tendered by the mortgagor if such payment represents at least 50 per centum of the amount due on the mortgage without consideration of penalties imposed as a result of late payments of the principal and interest, except that the mortgagee does not have to accept any such tender if:

(A) 4 or more full monthly payments are due but unpaid;

(B) There has been a continuing delinquency (of any amount) which has continued for at least 6 months since the account first became delinquent; or

(C) a mortgagor submits less than the required amount agreed to in a repayment plan described in paragraph (2) of this section;

(7) Refraining from initiating foreclosure proceedings until at least 3 full monthly installments are due and unpaid under the mortgage, except that the mortgagee may initiate foreclosure proceedings earlier if the property securing the mortgage has been abandoned; and

(8) Agreeing to cease foreclosure proceedings with regard to, and reinstate the account of, any mortgagor who tenders to the mortgagee the total amount due with respect to the mortgage plus attorney's fees incurred by the mortgagee in the foreclosure proceedings, except that the mortgagee may conclude such foreclosure proceedings if, within the 2-year period immediately preceding the initiation of the current proceedings, the mortgagee ceased foreclosure proceedings against the mortgagor as a result of such a tender.

SEC. 3. (a) Any person who—

(1) makes a federally related mortgage loan without the requirements described in paragraphs (1) through (8) of section 2 of this act; or

(2) holds a federally related mortgage loan and fails to perform any of the requirements described in paragraphs (1) through (8) of section 2 of this act with respect to such mortgage;

shall no longer be eligible for Federal assistance provided such person, including any assistance provided through insuring the deposits, accounts, or loans of such person and through authorizing the government national mortgage association to purchase loans from such person.

SEC. 4. For purposes of this act—

(1) The term "federally related mortgage loan" means any loan which—

(a) is secured by residential real property designed principally for the occupancy of from one to four families; and

(b) (i) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is itself regulated by any agency of the Federal Government; or

(ii) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the secretary of housing and urban development or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency; or

(iii) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

(iv) is made in whole or in part by any "creditor", as defined in section 103(f) of the Consumer Credit Protection Act of 1968 (15 U.S.C. 1602(f), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year; and

(2) the term "person" means any corporation, association, partnership, and any other legally organized entity and any individual.

The key provisions of the Foreclosure Forbearance Standards Act are sections 7, section 2 part 2, and section 3. Section 7 requires that lenders refrain from foreclosure until at least 3 full monthly installments are due and paid under the mortgage. If lenders violate this provision, any Federal assistance they receive will be terminated. This is an appropriately intimidating sanction. Section 3 is most significant because it gives this legislation broad applicability. It requires that this act applies to all federally related mortgage loans. This includes Veterans' Administration loans, Farmers' Rural Housing Administration loans, community development program loans, and all private loans "made in whole or in part by any lenders. * * * insured by any agency of the Federal Government * * *".

Mr. Speaker, for those of us who know the problems of the urban environment and who have a concern for the future of our cities, the measure that I have introduced today represents a viable solution. Given the force of law forbearance has the potential of drastically diminishing the national rate of foreclosures, breathing new life into urban centers, and saving the Government considerable amounts of money, thus, I encourage Congress to support the Foreclosure Forbearance Standards Act.

CONGRESS MUST OVERSEE PUBLIC LAW 94-265

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, recently our distinguished minority leader, JOHN RHODES, wrote an excellent book about Congress called "The Futile System." One of the most persuasive arguments put forth by Mr. RHODES in this book outlines the need for Congress to stop making new laws and instead to start overseeing the ones we already have. Too often Congress passes a law only to find that 5 years later the Washington bureaucrats have ignored, subverted, or confused its successful implementation. Then it takes another year or two for Congress to try to straighten the mess out, with the result a waste of time, money and effort on everyone's part.

Mr. RHODES argues further that by setting up a more responsible oversight mechanism for the laws we now have, Congress will solve many more problems than by spending its time creating new ones. And oversight should start as soon as a law is passed.

There is no better place for us to start knuckling down than with Public Law 94-265, the 200-mile bill passed by Congress last April. As of March 1, 1977, the United States will extend its exclusive fisheries zone from 12 to 200 miles, and will establish jurisdiction over our anadromous fish wherever they range. Within this new zone the National Marine Fisheries Service has been designated with the responsibility of managing and developing our dwindling fish stocks, in order that they can replenish themselves back to levels formerly enjoyed by fishermen of the 19th century.

This law has been developed and discussed for some time, and pushed by fishermen for years. The fishermen have wisely recognized the need for long range conservation planning, and without their active support, the 200-mile bill never would have become law. It is crucial to realize, however, that the work required to rebuild our stocks is not yet complete by any means. Many people in the downtown Federal agencies, around the country, and in the nations across the ocean will have to cooperate in making this law work. And I am convinced that without constant, active oversight and support from fishermen in Congress, this law will not work.

The main reason Congress passed this bill stemmed from a growing concern about the constant overfishing of our fish stocks by foreign nations. Despite our continuing efforts to dissuade them from dangerously depleting our fisheries, we were largely unsuccessful. This is not to say that there was not some cooperation in certain areas. Overall, however, the stocks continued to decline. As a result, strict conservation measures will soon be placed in effect, and the only foreign fishing allowed will be in those fisheries that are not at dangerously low levels.

According to the law, the State Department must renegotiate all foreign and international fisheries agreements that allow foreign fishing fleets inside of 200 miles. The Secretary of State will renegotiate any treaty which is in any manner inconsistent with the purpose, policy, or provisions of this act. The State Department has an important task before it, and they will need the cooperation of every country with any interest in our fish.

It was with some concern, then, that we uncovered an article in the May Foreign Broadcast Information Service Bulletin, that reported that representatives of Japan, the country with the largest fishing fleet off our northwest coasts, were coming to the United States to argue with officials in charge of the act, because they could not accept the recent U.S. decision to enforce a 200-mile fishery zone. Agriculture-Forestry Minister Shintaro Abe was to meet with Commerce Secretary Elliot Richardson, who is charged with the implementation of the law. Since that time Japanese Prime Minister Takeo Miki has also met with President Ford, and the State Department has conducted informal talks with the Japanese prior to official negotiations.

To find out what had happened, and to encourage Richardson to take a hard stand, Congressmen GERRY STUDDS and EDWIN FORSYTHE joined me in signing a letter to Richardson just before the meeting with Minister Abe, requesting disclosure of the full details of that meeting. We still have received no response from Secretary Richardson, even after 2 months, despite continuing inquires made by my staff into the progress of the letter. I have now been told that the Secretary will soon be sending me a detailed explanation of the matter. One of the reasons for the delay, apparently, was because the State Department had attempted to cover up some of the information connected with the negotiations by classifying the information as "confidential." It was not until after the Commerce Department made repeated attempts to have the information released that they are able to initiate a reply to my letter. It is this sort of delay and noncooperation on the part of the State Department that worries me, as this does not indicate a strong desire on their part to work closely with us at all times.

Due to the extreme importance to Japan's role in the implementation of this law, it is crucial that Congress be able to monitor the progression of all of our discussions with Japan, so that we can be sure that the intent of the law is maintained. Bilaterals are currently underway with Korea, and the talks with Japan start later this month. The International Convention on North Atlantic Fisheries, as well as the International North Pacific Fisheries Commission, will also be meeting later this year, to discuss renegotiation of their treaties. Many other agreements will be coming under discussion, and countless treaties must be changed. Congress ability to monitor the progress of these negotiations as they take place, and not after they have been written and agreed to, is essential. This will certainly be impossible if the State Department wants to withhold or delay disclosure of important information relating to these discussions.

The need for close cooperation between the State Department and the Congress is made especially clear when one gauges the temperament of the foreign nations toward upcoming negotiations required under the law. In the meeting between Secretary Richardson and Mr. Abe, according to discussions I have had with the Commerce Department, it was readily apparent that the Japanese do not plan to enter the talks with serious intent to come to a settlement, since they have chosen not to take our law seriously.

The Japanese instead seem only willing to negotiate after conclusion of the Law of the Sea agreement on an economic zone extension to 200 miles. As we know, however, it is highly unlikely that an agreement will be reached in the near future. In the meantime, more fish will be taken, the stocks will drop, and our fishermen will be the ultimate losers. It was to prevent this situation that H.R. 200 was passed.

So far the State Department has taken positive steps to actively engage in the renegotiation of treaties with several foreign nations. My staff and I have talked at length with the State Department and have met with representatives of the Korean fishing industry, Japanese economic interests, and the Japanese Diet—or congress. They have a high stake in the way this law is implemented, and are lobbying heavily for favorable consideration in the allocation of our fish stocks.

We have taken pains to explain to the Japanese and Koreans that no fishing will be allowed in any fishery with population levels too low to support harvesting. The National Marine Fisheries Service will annually supply maximum sustainable yield figures, and depending on the size of the domestic harvest, will allow the allocation of excess fisheries to foreign nations based on four criteria set up in the law: First, the size of the nation's traditional fishery in the area; second, the level of cooperation with the United States in fishery research and identification; third, whether such nations have cooperated in enforcement and conservation and management of fisheries; and fourth, such other factors as may be relevant.

Some nations who have recognized that their bargaining power for fisheries allocation will be enhanced by increasing the size of their "traditional" fishing operation, have attempted to "grandfather" their way into Public Law 94–265 by expanding the size of the fishing effort off our coasts. I do not object to this effort as long as it does not damage the capability of our fish stocks to maintain themselves at optimum levels. The fishermen of Alaska and the rest of the Nation do object, however, when the increase in fishing damages the stocks and results in increased violations and disregard for the need for conservation. A case in point is Korea, which has increased its fishing effort from four vessels in July of 1974 to 53 this year.

The number of violations has also gone up. Off Alaska alone, Korea has logged three this year already, and Japan committed five violations in a recent 2-week period. Overall, the number of fishing vessels off our coast reached 2,353 in the first 6 months of this year, up from 1,820 in the first 6 months of last year. People in Alaska are rightly outraged at what has been called a "thinly veiled" attempt by these nations to improve their negotiating position.

Foreign and domestic officials must recognize that this sort of record will, in the long run, only serve to erode their bargaining position, as the United States comes to realize that some nations do not seem to be as concerned with improving conservation practices as they say. In my opinion, a nation's attitude and concern for the welfare of fish stocks is by far more important as a criteria than the size of its traditional fishery. This was certainly the intent of the law—if they don't want to conserve our fish, then they certainly do not deserve them.

Since the original wave of protests and appeals, new indications have arisen that foreign nations are not taking our law seriously. According to recent reports from a Japanese newspaper, Japan and Russia are getting together to agree to fight it. I have also been informed that Korea and the United States have bogged down in their bilateral discussions that are going on right now, as Korea is unwilling to accept all of the provisions of the fisheries zone extension. These developments are especially serious, as it only further indicates their unwillingness to work for improved conservation practices. This should only serve to strengthen Congress' desire to see this law fully put into effect.

There is another reason that Congress must actively oversee Public Law 94–265. The reason was outlined by a recent editorial in the "Alaska Empire". The editorial warned:

> The danger now is that with a concerted effort by the Japanese and Soviets the Ford administration may be swayed by economic threats, import and export sanctions, to

weaken the integrity of the law Congress passed and Ford himself signed.

In connection with this concern, I wrote a letter, signed by myself, Senator STEVENS, and Congressman STUDDS, to President Ford just before his meeting with Prime Minister Miki, reminding him of his constitutional duty to fully enforce the law. When Miki met with the President, and asked him for favorable consideration under the law, which means he asked Ford not to enforce it, the President did not confront the issue directly. He chose instead to reply that he understood their concerns, and hoped that the next Law of the Sea Conference would bring about a settlement of an economic zone. While Mr. Ford did not give away any ground with that reply, I was disappointed to see him fail to seize the opportunity to demonstrate to the Japanese his determination to fully enforce the law. It is crucial for the President to understand that he has the full backing of the Congress should he take advantage of the next opportunity to make this declaration.

The State Department has recognized, despite their original objections to the passage of this bill, the importance of this legislation, and they have actively pursued renegotiation of our foreign agreements. All we have to do is tell foreign countries that they can choose between cooperation with us in conserving fish stocks, or getting no fish at all. It is my fervent hope that we can develop a cooperative and mutually beneficial relationship with these countries in developing a strong and abundant fishery that will support people from many nations. But with current indications that these countries do not seem to be taking our law seriously, we have a long way to go, and there remains a great danger that the State Department will yet fall prey to the interests of other countries. The result would represent the abandonment of the law, the national interest, and American fishermen. They all think we have made great progress with the passage of this bill, and Congress has no business in disappointing them simply because they did not see to it that it is fully implemented and enforced.

THE POST CARD REGISTRATION BILL—THE OLD SHELL GAME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, yesterday we got a glimpse of the future that our Democrat friends propose for us, and I am certain the significance of it did not escape the American public. It was an exercise in which reason was outclassed by opacity.

In its page one treatment of the House action on the post card registration bill, this morning's Washington Post again demonstrated that the much-heralded Presidential presumptive from Plains is indeed the unsurpassed master of the old shell game. In fact, he is so proficient, his right hand really does not know what his left hand is doing.

By this time it is common knowledge that whatever Jimmy wants, the Democrats give. From his vantage point in his oval office in Plains, he developed a master plan calling for immediate passage of a post card registration bill of questionable value. Accordingly, he set the necessary machinery in order—a directive to the majority leadership to pass the bill posthaste. The rest of the story is now ancient history, but I do think part of the Washington Post's account of the action will remain current from now until the November election.

Based on some of the statements in the Post account, I still cannot understand why Jimmy put such emphasis on the passage of the post card registration bill.

As the gentleman from Washington, who amended the bill, explained:

> I'm sure if Jimmy Carter knew what was in the bill, he probably would have supported my amendment.

Then when the distinguished chairman of the House Administration Committee was asked if the adopted amendment was a defeat for their Presidential standard bearer, he replied:

> I don't think so. We don't know precisely what he was asking for, but he did get a bill.

In a nutshell, so to speak, that sums up Jimmy's strategy.

I do sincerely hope his master plan for the Nation is in better shape than his understanding of the post card registration bill.

Mr. Speaker, if I may be so bold as to inquire, what is the time frame for sending the post card registration bill to Plains for signature?

SENSIBLE APPROACHES TO EMPLOYMENT, TAXES, AND WELFARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 10 minutes.

Mr. BROWN of Ohio. Mr. Speaker, after 7 years on the Joint Economic Committee, I have developed an appreciation for the difficulty of solving complex economic problems. I have watched with frustration as our well-intentioned economic policies have created even more difficult problems than those they were intended to solve. This experience has given me new respect for the free market system which operates so well and self-regulates so effectively if only we will let it. It also has bred in me a healthy wariness of grand new economic cure-alls which purport to miraculously heal our ailing system without side effects.

Keeping these limitations in mind, I am introducing today three bills aimed at three of the more nagging economic problem areas we face today: employment, taxes and welfare. I do not wish to make exaggerated claims for these proposals. But I do feel they are sensible enough to deserve the serious consideration of the Congress. My proposals go to the source of some of our most serious social and structural economic problems. If enacted, they would help to underpin the economic recovery now underway and correct some inequities.

I would like to describe each bill in some detail:

I. THE EMPLOYMENT AND TRAINING ACT OF 1976

The disappointing unemployment statistics of the past 2 months are enough to remind us that we have not yet solved this problem. It is not for lack of trying—or caring. We are all concerned about the plight of the endemically unemployed. If words and good intentions could cure, there would be no unemployment. The problem is, the most widely publicized current employment programs amount to little more than rhetoric and good intentions.

The Humphrey-Hawkins bill has been called "a potent political soothing syrup" by economist Milton Friedman, and that it is. But it will not solve our unemployment problem without introducing an all-encompassing national economic planning process that will stifle the ability of the free market to make its own natural adjustments and at the same time the Humphrey-Hawkins bill would lead to rampant, uncontrollable inflation. Other employment proposals attack only cyclical or periodic unemployment.

If we are to deal effectively with the unemployment problem, we must attack the heart of the problem directly. In order to illustrate, I must note that the labor force is not a monolith. When the overall rate of unemployment is 7.8 percent, as it was in July, the rate is not 7.8 percent for every identifiable group within the labor force. In fact, reference to the average rate of unemployment for the entire labor force can be quite misleading.

For example, the 7.8-percent rate tends to overstate the problem if you are really talking about male household heads with relatives. Their rate in July actually was just 4.5 percent. On the other hand, the average figure tends to conceal the seriousness of the problem for other groups, such as teenagers—18.1 percent in July—and blacks and other minorities—12.9 percent in July. For black teenagers, the July unemployment rate was a shocking 34.1 percent.

The bill I am introducing today recognizes and addresses these facts as few others do. It attacks the problem of hard-core unemployment that persists in good times and bad. It is aimed at those individuals whose unemployment rate is always above the national average, dragging up the total unemployment statistics and dragging down the prosperity of the economy.

Through a system of employment incentive subsidies with required training programs, my bill will help prepare these endemically unemployed to take their places as productive members of working society. Whereas general employment programs can easily pass over the hard-core unemployed, my bill specifically concentrates on them, giving them the highest priority for jobs. It also gives priority to unemployed workers in areas of high unemployment to combat particularly severe regional joblessness.

Another unique approach in my proposal is a special emphasis on hiring and training by small business firms which can give close attention to new workers. There is great potential power in this small business emphasis. For example, there are about 13 million small business firms in America. If only three million of them hired just one extra worker each, it would cut U.S. unemployment statistics in half. Participation in the program would not be limited to small businesses, but they would get special priorities.

Here is how the bill will work:

Unemployed persons will qualify to have a percentage of their wages subsidized based on a priority points system. Private firms thus will be attracted to hire those most in need of jobs by the fact that part of their wages will be paid by the Government program.

An individual's priority points will be determined by the local employment security office. The office must first determine the demographic category into which the unemployed individual falls—for example, black teenager. The office then totals the percentage points by which the unemployment rate of the individual's class exceeds the national unemployment rate. It also totals the percentage points by which the unemployment rate in the area of the worker's residence exceeds the national average.

Firms wishing to participate in the program will apply to the employment security office for certification of a mandatory training program. This will help to insure that participating individuals gain more than passing benefit from the program. The size of the firm also will be determined, and this will affect hiring priority. For every 10 employees fewer than 250 employed by the firm, a point component will be added to the total priority points. Although larger firms are not entitled to priority points, they are eligible to hire subsidized workers who otherwise qualify under the program.

Thus, total priority points arise from: First, the individual's unemployment classification category; second, the rate of unemployment in the area of residence of the worker; and third, the size of the hiring firm. The priority list determines who is likely to be hired and who is not, depending on the amount of funds available to the State for the program.

States will be given a share of $2 billion in Federal funds to be appropriated under this legislation in proportion to a State's total unemployment, and the overall national rate of unemployment, in a manner to be determined by the Secretary of Labor. The State will be required to put up 20 percent matching funds and each State department of labor or equivalent, will administer the funds.

The State will distribute the funds to local employment security offices in proportion to the priorities of the claims. The more and higher the priorities, the greater the amount of funds allocated. Wage subsidies will be paid for workers hired from the priority list.

To qualify for this subsidy, a person must have been unemployed at least 15 weeks if covered by unemployment compensation, or unemployed for 4 weeks if the person is not eligible for unemployment compensation.

The subsidy will amount to 30 percent of wages paid by the particular firm for the specific job, or up to a maximum of $3,000 a year. The amount of the subsidy will be phased out by one-fourth every 6 months and no subsidy will be paid after 2 years of a person's employment.

No employee shall be subsidized who was hired to replace an employee dismissed so that the employer can take advantage of this subsidy program.

The operation of the bill is fairly simple, and an example will serve to illustrate: Smith, a black teenager living in a town with 12 percent unemployment, has been unemployed for several months and wants work. Jones, the owner of a small printing firm, is willing to hire and train Smith if he is given some help by the Government. Jones files a simple form with the local unemployment security office that describes Smith, Jones' business, and the type of training Jones is willing to give to Smith. The employment office determines whether the Government will subsidize the hiring of Smith according to the priority system I explained above. Smith's qualification in a group hard-hit by unemployment, the size of Jones' firm, and Jones' agreement to train Smith contribute to that decision. Jones has been encouraged to employ someone previously unemployed, and Smith will be employed and trained. The subsidy paid on Smith's wages will gradually be reduced over a 2 year period, reflecting the training and work experience Smith is getting, making him fit to take his place in society on a nonsubsidized basis.

My bill will provide an effective mechanism for battling chronic unemployment. The mechanism established by the bill is versatile, and simple to administer. I commend it to my colleagues.

II. TAX AMENDMENTS

The second bill I am introducing today will amend the Internal Revenue Code of 1954 and certain other provisions of law to: First, raise the personal income tax exemption from $750 to $1,000; second, make the tax structure inflation neutral for filing individuals by indexing the relevant tax schedules; and third, provide a tax credit to meet the expenses of college and other qualified post-high school education.

The first section of my tax legislation is very simple. It would provide a $10 billion individual income tax cut by raising the personal exemption from $750 to $1,000 per person. Such a cut in taxes will sustain economic growth and will help assure a more complete recovery from the recent recession. By permitting individuals to take home more of their paycheck, consumer spending will be generated, thus creating more jobs, increasing our standard of living and generating increased Federal revenue.

There is nothing spectacularly new in this plan. It is similar to a proposal by President Ford. But it is bracketed with two other tax approaches and my own proposal for dealing with endemic unemployment and for requiring work of welfare recipients. I think the total package can stimulate the economy into impressive new prosperity.

The other two tax incentives are similarly aimed at leaving more money in the hands of middle- and low-income Americans. One is the tax indexing proposal made by Senator ROBERT TAFT, Jr. The other is a recodification of a proposal I have introduced in several previous sessions to assist taxpayers with the costs of post-secondary education which can eliminate Federal controls through subsidies in that field.

The Taft tax indexing proposal would take the sting of inflation out of our taxes. Specifically, it would annually adjust the individual income tax brackets, the standard deduction, and personal exemption by the rate of increase in the consumer price index. The proposal applies only to individual income taxpayers—those who are the most defenseless against inflation. Each year many wage earners receive cost-of-living raises and others receive normal wage increases. Even if the wage increase matches the increase in the consumer price index, the salary increase often pushes the individual into the next higher tax bracket and thus causes a hidden tax increase, even though there has been no increase in real income. In fact, the combined price and tax bracket effects can bring a reduction in real take-home income.

The Federal Treasury, in turn, receives a windfall in additional revenues without actually changing the tax rates. Under the current tax code, tax revenues go up about 1.2 percent for every 1 percent increase in the consumer price index. Indexing the tax system would require the Congress to show the political courage to vote directly the tax increases required to pay for the cost of new Federal programs. It would remove the power of the Government to get windfall revenues from the inflation the Government itself often causes.

That mechanics of the legislation are as follows:

By August of each calendar year, when the necessary data are available from the Bureau of Labor Statistics, the Secretary of Labor will report to the Secretary of the Treasury the ratio which the price index for the most recently ended adjustment year bears to the consumer price index for the base year—the 12-month period July 1, 1975 to June 30, 1976. The IRS would then make up new tax tables, increasing the income levels of each tax bracket, the standard deduction and the personal exemption by the amount of the inflation index. The first adjustments would apply to tax tables beginning January 1, 1978.

For example, assume the CPI is 200 in the base year, and 216 for the adjustment year beginning July 1, 1976, and ending June 30, 1977. The ratio 216/200 would then be 1.08. A single worker who pays a 25 percent marginal rate on $10,000 of taxable income and 27 percent in the next bracket would stay in the lower bracket up to an adjusted gross income of $10,800—1.08 times $10,000—before being charged the higher rate.

Without foregoing adjustments, the worker who has an 8-percent wage increase is pushed into a higher tax bracket even though his real wages have not gone up. This brings inflationary wage demands since a worker must receive a wage increase in excess of the cost-of-living increase in order to maintain the real value of his aftertax take-home pay.

The Government should not put taxpayers at a disadvantage by taxing away more than what a taxpayer receives in real wage gains.

My final tax proposal is a rewrite of one I have introduced for the past several years. It would provide tax relief to millions of families struggling to send their children to college and postsecondary vocational schools. These enormous educational expenses normally occur for relatively short periods. But the severity of the impact on the average family may be more than can be borne without extreme hardship. If higher education is to continue to be a part of the American dream, major tax assistance is required.

It is the middle-income family which has the biggest problem with educational costs. There are a variety of aid programs for the poor, and the very rich can adjust more easily to the economic strain and can afford almost any education cost. But the middle-income household takes it on the chin. Nonetheless, my legislation makes the tax credits available for any student or family, although it offers more relative aid to those seeking lower cost education.

The cost of college education has skyrocketed in the past few years. A Library of Congress survey noted that the average total cost of a public university education has increased 40 percent in the last 5 years; the average total cost of a private university education has increased 35 percent, and some total costs now approach $7,000 annually. For many families, these are insurmountable financial burdens.

Under my legislation, beginning in the tax year 1977, a working student or his parents or whoever pays his educational expenses—prorated if more than one person pays—can take a direct full tax credit up to $500; a 50-percent credit for expenditures between $500 and $1,000; and a 25-percent credit for educational expenses between $1,000 and $2,000.

Any financial aid in the form of scholarships or grants—but not loans—would be deducted from the amount of the credit permitted.

The credit would apply to all accredited forms of post-high school education—for example, college, trade, and vocational schools. Tuition, fees, books, and required equipment would be covered. The bill would not cover meals, lodging or personal expenses. The Secretary of Health, Education, and Welfare and the Director of the Internal Revenue Service, or their designees, would administer the program.

The bill has a refundable provision for the poor. For example, assume a parent has paid $500 in tuition and books for his child. He, therefore, is entitled to a $500 tax credit. But, assume his tax liability on his assumed low income amounts only to $200. He, therefore, would receive a $300 refund check from the Government. If a poor family has to borrow educational expenses in the first place, it is likely that a bank or other financial institution would loan the money on the security of the forthcoming tax credit refund. Moreover, there are ample scholarship and aid programs available for the poor.

Mr. Speaker, educated citizens are the hope for the future for our dynamic free society. The Congress can contribute to this bright future by helping our citizens to finance post-high school education with tax credits.

I commend this tax package to my colleagues.

III. WELFARE REFORM

The third bill I am introducing today addresses the welfare issue that has torn this country by divisive debate. Though there are many ills in our welfare system—from its $67 billion cost and its complicated administration requiring 140,000 people to its failure to aid those who are in greatest need—there is one particular problem I believe has caused the most national division.

That problem concerns the question of whether welfare recipients are doing their individual best and contributing to themselves and society by trying to find work or training. It is easy to mouth the arguments of the extreme sides of this question, but by doing so I believe we miss the simplest truth and yet the most damaging judgment of our welfare system. That is, the welfare system, by its tangled work laws and heavy administration of training, has trapped millions of citizens in a life of dependence on the public dole. For those same reasons, this system has made it virtually impossible to apprehend the welfare cheats who receive an officially estimated 10 percent of all welfare payments. And society, numbed by the system's disgusting waste, cannot make a distinction between the unfortunate needy and the criminally greedy. It is, therefore, time to change this system so that it will provide an opportunity to work for all welfare recipients and effectively weed out the welfare thief.

There can be no greater folly than to have a welfare system that is a disincentive to work. And, let us face it, we do have such a system.

How do we expect our job training programs to work when those who do not participate get a free ride anyway? And yet, this is our welfare system.

How can we demand that city and State agencies develop "work experience" programs for the welfare labor force, when these programs would be so costly that implementation is impossible? In this situation, neither the community nor the welfare recipient benefits. Yet this, too, characterizes our welfare system.

What type of system would allow misadministration of such magnitude that those who want to work cannot, those who can work do not, those who are poor and work are penalized and those who cannot work suffer? This is our welfare system.

The bill I am introducing today will help to correct these flaws. The provisions are simple and yet will improve the work opportunities and work incentives of our welfare labor force.

The bill will work this way:

First, we must identify the welfare labor force and who is entering and leaving it. To do this, we must have all AFDC recipients register for work and then make exceptions to the work requirement on the usual basis for those unable to work for legitimate reasons. However, the granting of an exemption from work would take place only if the individual were absolutely unable to do any work. There is some work that the housebound healthy or partially disabled can do—and they should do it when and where able.

To stimulate the opportunities of the welfare labor force for work, I propose two programs. First, "work experience" programs—heretofore impractical in many areas because of costs—should be initiated and strengthened by the State and local governments and welfare agencies. There would be full Federal subsidies of administrative, supervisory and establishment costs for these programs. Second, it is proposed that State and local governments and agencies initiate community work programs with private enterprise. These opportunities would directly benefit neither the Government nor business, but the community as a whole.

With the closer monitoring and expanded work opportunities of the welfare labor force, we will take a giant step forward in utilizing the welfare labor force as productive agents in bettering our communities.

To make the welfare labor force more eager to use these expanded work opportunities, I propose a strengthening of the work incentive provisions.

In the area of work incentives, I propose that under the WIN program, the current nontaxable limits on income be raised from $30 to $60 per month. In addition, I suggest a reduction in benefit-loss rates from 66 percent on earned income to 50 percent. This means that a person who has an income of $100 a month will experience a 33 percent increase in income that will not reduce his AFDC payments. These rather arithmetic changes will have a great effect on the personal motivations of the welfare labor force. No longer will it pay not to work, because there will be a great income difference between people who work and those who refuse to work.

Concerning those who refuse to work,

it has come to the attention of all of us that the full force of the law is not applied. I, therefore, propose that the Secretary of Labor fully study this disgrace and report to Congress on his findings. We must end the practice of paying the bills of those who are not eligible.

The bill I am proposing today seeks to attack the basic errors in our judgment and the operation of our welfare system. It will identify the welfare labor force, prevent the fraudulent recipient from taking advantage of our programs, dramatically expand the work opportunities of the welfare labor force and give to the welfare system a backbone composed of a strong work incentive.

Though we are increasing the Federal costs by strengthening the work incentive, we are eliminating undeserved payments and enhancing the opportunities to find work. I expect that this will have a long-run benefit on the budget by putting more welfare recipients to work.

Most important, this bill will help to end the tragic division of our country over the welfare issue. The needy have suffered too long, the taxpayers have paid enough, and we have delayed to a degree that makes it imperative that we act quickly. Our citizens, at every level of living, demand no less of us than to move strongly to end the social crimes of the welfare system.

Mr. Speaker, this concludes my description of the three-bill package I am introducing today to tackle some of our most serious economic problems. Each bill is a reasoned, realistic approach to a particular problem. Each focuses narrowly and specifically on the basic cause of the problem, refraining from taking the sweeping but ineffectual approach others have taken. Taken together, it forms a package which I am proud to recommend as a serious effort to right some of our more pressing economic wrongs.

HOUSE REPUBLICAN TASK FORCE ON REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 60 minutes.

Mr. FRENZEL. Mr. Speaker, for the past 2 years the House Republican Task Force on Reform has met to work on programs to improve the effectiveness, visibility, accountability, and credibility of the House of Representatives. Its first report was placed in the CONGRESSIONAL RECORD on March 10, 1975.

As chairman of the task force, I am pleased to submit its current report which is mostly aimed at improving accountability after the recent Hays-Ray incident. In addition, the report reaffirms the 1975 task force recommendations, which have been almost totally ignored by the House leadership.

The report follows:

HOUSE REPUBLICAN TASK FORCE ON REFORM

In confronting the abuses of Watergate, Congress showed tremendous courage and wisdom. The House's response to Executive wrongdoing was one of its finest hours. Now the shoe is on the other foot. Scandals and abuses of power have been revealed in the House itself, but the House has not shown equal dedication to reforming the ills of Congress.

Nine out of ten Americans have already lost faith in Congress. Cosmetic reforms or a cover-up by Congress could lead to an even more severe crisis in representative government. It will take strong, unprecedented moves to begin the process of restoration of confidence.

Congress has been well known as a spender, but only recently has it been identified as a spender without accountability for itself and its members. This lack of accountability has been a cause for special public concern.

Those thoughtful citizens who have been shocked by the recent revelations of scandal, conflict of interest, and improper use of taxpayers' money could hardly be satisfied by the modest changes which seemed calculated only to allow greater latitude in spending.

Urgent calls for reform have been answered by a leisurely study commission. Demands for investigations and audits have been as yet unanswered.

The Republican Minority in the House of Representatives has called for basic reforms for years. Specifically, the House Republican Task Force on Reform in its report of March 10, 1975 (Congressional Record Page 5890) appealed to the Democrat Majority to join with Republicans in a bipartisan House cleaning. We know it is difficult for any majority group to change a system it has built, and is comfortable with. Those appeals have largely been made in vain.

The House Republican Task Force on Reform now recommends immediate action in two areas. First, we would seek full disclosure of alleged improprieties and illegalities through a complete audit of all House accounts. This audit should cover the payrolls and expenses of each Member, each Committee, and each Officer of the House, and should be conducted by an independent, private, external source.

Secondly, we ask for expert external analysis and recommendations for improvement based on known system weakness and in part on the results of the audit. We believe the need for such changes is urgent. Some could be made immediately.

The Democrats have instead provided for a study commission not due to report to the House before the end of 1977. Republicans support the study commission, but strenuously object to this unwarranted reporting delay. The Task Force sees no reason for the majority to delay audit disclosures until after the elections.

We think Congress ought not be afraid to disclose how it uses the taxpayers' money and therefore we call for public hearings to begin now, with an interim report to Congress and the American people before October 1st.

ACCOUNTABILITY

The House Republican Task Force on Reform believes the action taken this month by the House of Representatives was a case of "too little, too late." Democrat action provided some useful changes: the elimination of cash withdrawals; the elimination of an un-needed postage account; and the adjustment of the mileage allowance.

But, under a gag rule forbidding amendments and changes, the House left two enormous loopholes when it voted to strip the House Administration Committee of its authority to change expense allowances. It allowed the Committee to make unilateral cost of living increases, and it allowed the Committee to consolidate spending limits of Members' expense accounts which will probably result in higher total expenses. No bipartisan input was permitted when these changes were made.

The Task Force makes the following specific recommendations to provide for more Congressional accountability and visibility.

1. *Vote of the whole House each Session under open rule on all Members' salaries and allowances*. The Democrat majority changed the House expense allowances, and through its King Caucus action, authorized a single committee to make cost-of-living changes in allowances at any time. We support necessary legislative expenses, but we believe the people want each Member to be recorded on expense allowances and salaries and changes in them. A recorded vote is the best assurance of legitimate use of the taxpayers' money. Therefore, we urge that the 1977 Legislative Appropriations Bill be amended to provide for such a vote. The Task Force also supports legislation which would prevent the House from putting into effect any salary increases until the following Congress.

2. *Full audit of all expense and personnel records*. The Task Force believes that audits or a sampling of audits, should be conducted by a Select Bipartisan Committee.

The audit of House Administration Committee accounts by the new Chairman is welcome, but unfortunately its scope is too narrow. No matter how good a report it is, it should not go the House Administration Committee, which has been the subject of scandal and abuse. The Task Force calls for equal representation of Republicans and Democrats on the Committee to supervise audits, which should be conducted by an independent, outside agency.

3. *Full disclosure of all personnel salaries and all expense accounts*. The Task Force vigorously supports full and timely disclosure and easy availability, of all personnel salaries and all expense accounts including foreign travel funds. The action taken by the House Administration Committee is a good improvement over the present system, but public records should be for public inspection on a day-to-day basis.

We also support the disclosure of Members' privately funded office accounts as proposed by the Federal Election Commission with records available to the public at all times.

4. *Eliminate recently created consolidated account*. The Task Force believes that the consolidation of expense accounts will probably result in an increase in total allowances expended by most Members. Many of the special accounts i.e. telephone or district office rental allowance could not be fully utilized by most Members. The consolidated account will now allow Members to convert funds from those unneeded accounts into travel or newsletters. This gives Members an unearned and unwarranted bonanza. Some consolidation is helpful, but consolidation should not be used to avoid reasonable limitations on principal expense categories.

The Task Force also supports the elimination of the so-called Constituent Communication Allowance ($5000 a year) otherwise known as the newsletter account. We consider this account to be almost purely a reelection device. A communication allowance, with specific limitations, would be acceptable only if the House had, as we now urge, a reasonable limit on the use of the frank.

5. *Tough anti-nepotism disclosure and tough anti-nepotism rules*. Republicans were able to amend one of the Democratic committee orders to force the disclosure of employment of relatives of Members of the House by the Congressional employers. This is a good first step, but only that. The Task Force believes that until we have a personnel system with honest standards, and job descriptions, and a substantial reduction in force to meet the work load, there should be

a prohibition on hiring relatives. By law, Members of Congress are prohibited from having relatives on their personal staffs. The law does not extend to congressional committee staffs or other Members' staffs, but obviously it should.

6. *Thorough personnel system review by outside experts.* The Democratic proposal is silent on this point, but this may be the only suggestion that would have prevented the Ray situation from occuring. We hope and expect that the Study Commission would carry out a personnel system review. The Task Force believes that a large part of the problem is caused by empire-building on congressional committees and by the natural inclination to overstaff. Another cause is the lack of system limitations, or accountability, on chairmen. This review is high priority and should be started immediately by the Study Commission.

LIMITS ON TERMS

Early in the 94th Congress, some naive freshman Members reported that they had slain the Seniority System. That report proved to be "greatly exaggerated." Fiefdoms continue to expand. Chairmen's powers are still almost unrestricted. Accountability requirements are few.

The Task Force proposes a limitation on the term of service of Committee Chairmen and Ranking Minority Members. We believe that limit should be a maximum of 6 years.

EX-MEMBER LOBBYING PRIVILEGES

Permission for former Members of the House of Representatives to return to the Floor is a gracious custom which should be preserved. However, the Task Force believes that any lobbying on the Floor of the House by former Members should be expressly prohibited. The Speaker should have the power to ask any former Member of the House to leave the Floor and report to him by a Member of the suspicion of any lobbying activity on the Floor by the former Member. The instance will then be referred to the Ethics Committee for investigation. The Ethics Committee will be empowered to remove permanently the former Member's Floor privileges immediately upon discovering clear evidence of lobbying activities.

CONGRESSIONAL OVERSPENDING

The Task Force found that total listed committee staff has increased from 790 in May of 1973 to 1344 in 1976 and of course, the costs have more than doubled. That is, in less than three years, the committee staff has almost doubled. We further note that the proportion of minority staff has increased from 17% in 1973 to about 19% in 1976. Obviously, Republicans are responsible for a very tiny proportion of our ballooning committee staff.

For example, the House Administration Committee's report of March 1976 lists 55 majority employees and 4 minority employees. Here it should be noted parenthetically that Elizabeth Ray, although she was paid in this month, did not appear on the payroll. This is only one more good reason for an audit. The Task Force was unable to determine why the majority needed 14 times as many employees as the minority. Another good example is the Budget Committee which now employs 62 Democratic employees and 3 Republican employees. The Interstate and Foreign Commerce Committee is the grand champion. It has 101 Democratic employees and 18 Republican employees.

Overall, the score is 1344 listed total committee employees, of which 1087 are majority staff. Perhaps no one knows where all those employees are located, and certainly no one knows what most of them are doing, but everyone knows that 1344 is too many and that the taxpayers' funds are being wasted.

KING CAUCUS UNIT RULE

Although, the Democratic Caucus modified their 60 year old "unit rule," for voting on the Floor, the undemocratic procedure still applies for votes in House Committees. The Task Force urges King Caucus to step into the 20th Century and allow each Member to vote his/her conscience in House Committees.

PERSONAL FINANCIAL DISCLOSURE

Each representative of the people has a duty to dispel any doubt as to his/her first loyalty being to the people they represent. Each Member of Congress should make an annual public statement listing major assets over $1000 in value. The list should be a matter of public record and should be published in the Congressional Record. The Task Force supports the concept of disclosing income and requiring assets to be reported in categories; under $5,000; between $5,000 and $15,000; between $15,000 and $50,000; between $50,000 and $100,000; and greater than $100,000.

HOUSE BROADCASTING

The Task Force strongly urges that the new broadcast resolution of the Ad Hoc Subcommittee of the Rules Committee be promptly adopted.

This proposal for broadcasting House floor proceedings, recommended by the Task Force in January of 1975, has temporarily fallen victim to intramural leadership politics within Democrat ranks. The Rules Committee vote to recommit the broadcast resolution to the Broadcast Subcommittee has been attributed to Democrat leadership pressures to kill the proposal in the Rules Committee.

In view of the fact that a recent poll reveals that 69% of the House membership favors House broadcast coverage, and in view of the lead time necessary if coverage is to begin next January, we reaffirm our previous position and strongly recommend sending this resolution to the House floor immediately.

ETHICS COMMITTEE

Until recently, the Standards of Official Conduct Committee has been known more for inaction than for positive action. Its lack of vigor has been perceived as a reflection on the ethical standards of this Congress. Where this Congress has been quick to increase the powers and prerogatives of that committee which dispenses favors—House Administration—it has not been similarly forceful in its consideration of that committee charged with overseeing the ethics of House Members.

The Task Force commends the recent work of the Committee, especially its most recent recommendation for reprimand in a conflict of interest case. The Task Force urges the House Code of Ethics be updated and made more specific; that the Committee be given permanent subpoena powers; and that the requirement that one member swear a complaint against another not be necessary before any investigation is initiated.

This report represents an update to our previous report published in the CONGRESSIONAL RECORD on March 10, 1975 and our first update on November 7, 1975.

There are, however, some sections in this report that represent additional recommendations made by the Task Force; others are reporting the progress made on previous positions. In addition, we want to reaffirm our intentions to continue recommending changes in the following areas:

1. Open rules; fewer waivers of points of order.
2. Open committee meetings; open conference committees.
3. Open committee records; recorded votes.
4. Improved lobby disclosure.
5. Better Congressional oversight.
6. Revised Committee jurisdiction.
7. Broadcast of floor proceedings.
8. Reduced and controlled suspensions of rules.
9. Better scheduling of House business.
10. Realistic and accurate Congressional Record.
11. Control and disclosure of newsletter funds.
12. No proxy-voting.
13. Fair apportionment on committees.

THE SALT NEGOTIATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 30 minutes.

Mr. CRANE. Mr. Speaker, of all the issues facing Congress and the American people in this Bicentennial Year 1976, none is more important to our Nation's future than our position vis-a-vis the Soviet Union with regard to strategic weapons. At this time, the United States is actively participating in a second round of strategic arms limitation talks—SALT—aimed at formulating a new, 10-year treaty for the limitation of strategic nuclear weapons systems.

The general outlines for such an agreement were agreed to by President Ford and Soviet General Secretary Leonid Brezhnev at Vladivostok back in November 1974. But, in view of the loopholes in, if not outright Soviet violations of, the existing SALT agreements and in light of the difficulties in getting the Soviets to agree to terms that would provide the United States with overall strategic parity, one must question whether or not we are compromising too much to reach an agreement. Indeed, a larger question is whether we should be compromising at all. As a matter of fact, given increasing evidence that SALT, like détente, is becoming more and more a one-way street, one can even ask if continued negotiations are serving any useful purposes at this time.

When Congress approved the SALT I agreements—the ABM Treaty and the interim agreement on offensive weapons it attached a rider in the form of an amendment stating that any future agreement must provide at least parity for the United States in intercontinental strategic forces. By parity, it is quite clear that Congress intended that not just the number of missiles be equal but that the overall strengths they represent be equal and nothing has happened since then to give any cause for alteration of that position.

In fact, Soviet development of two new MIRV systems, an improved ballistic missile submarine, and a supersonic bomber with intercontinental range, makes such a position all the more appropriate and the least that Congress can do is make it clear to all concerned that the United States will continue to strictly adhere to it.

Getting down to specifics, there are two levels at which this whole matter must be considered: First, the 1972 SALT agreements and possible violations thereof, and, second, the agreement at Vladivostok with its implications for present and future negotiations. Evaluating the second level without taking into account the first would be a tactical error of the first magnitude; in practice it would make no more sense than for one to play a game of bridge or poker without giving any consideration to the cards that have already been turned face up.

Of the two 1972 SALT agreements, the interim agreement on offensive weapons is the more significant; but the ABM Treaty, which provided that each side could have two ABM sites—one protecting a missile field and the other around the National Capitol—has nonetheless been the subject of controversy over differing interpretations and alleged violations. In the case of the interim agreement which gave the Soviets a total of 2,358 ballistic missile launchers to our 1,710, the situation is further complicated by the fact that not only have the Soviets chosen to ignore our interpretations and engage in activities that violate the spirit, if not the letter, of the agreement, but the basic premise upon which it was drafted has become obsolete.

Succinctly put, the interim agreement on offensive weapons was based on the premise that the guaranteed Soviet advantage in the total number of missile launchers allowed would be offset by an unguaranteed U.S. advantage in the quality and accuracy of its missiles. However, for that premise to remain valid, our lead in multiple independent reentry vehicles—MIRV's—then estimated to be approximately 5 years, had to hold up and, as we all know, it did not. By early 1974, it was common knowledge that the Soviets had successfully tested not one, but two, MIRV systems.

Further complicating matters, the Soviets also came out with four new ICBM's, an improved version of their Delta class sub—carrying 16 missiles instead of 12—which is capable of firing missiles from 4,600 miles away—as our Trident will do when it goes into operation somewhere around 1980—and the first of their supersonic intercontinental Backfire bombers—which are akin to our as yet unfinished B-1 bombers. Thus, our qualitative lead has rapidly diminished if, indeed, it has not disappeared altogether.

Equally importantly, ever since the signing of the SALT I agreements, the Soviets have chosen either to interpret the terms of the accords differently than we have or to violate the spirit, if not the letter of the agreements, or both. For instance, article II of the interim agreement states that neither side is to convert land-based launchers for light ICBM's, or for ICBM's of other types deployed prior to 1964, into land-based launchers for later model, heavy ICBM's.

However, the Soviets, who already had 313 heavy missiles at that time—to none for the United States—were unwilling to agree to definition of heavy missile, causing the United States to add to the agreement a unilateral declaration of intent defining a heavy ICBM to be any missile having a volume significantly larger than the largest then existing light missile. Predictably, the Soviets chose to ignore this interpretation, and have embarked on a program of converting launchers for the SS-11, the largest then-existing light missile in the Soviet arsenal, into launchers for the new SS-19 missile. Since the latter is quite a bit larger, the result has been a 300-percent increase in throw-weight for each of the SS-19's deployed.

Likewise, the Soviets have ignored the unilateral U.S. interpretation of the clause dealing with changes in missile silo configurations. The United States took this clause to mean enlargements of no more than 10 to 15 percent in a single direction. However, we have since learned that the Soviets assumed this clause permitted enlargements of up to 15 percent in every direction and have proceeded accordingly. As in the previous instance, this refusal to go along with the U.S. interpretation of the treaty cannot be viewed as an outright violation; it does, however, give us a good indication of Soviet intentions.

Even more questionable are the Soviet activities with regard to: (1) ABM radar and missile tests; (2) jamming of ICBM test monitoring, and (3) construction of an additional silo at each group of ICBM launchers. With regard to (1) the February 1975, issue of Aviation Week and Space Technology reported that, in the latter part of 1974, the Soviets conducted, in apparent violation of the ABM Treaty, extensive tests to improve not only the performance of their ABM radars but also their SAM missiles, perhaps with the objectives of giving the latter an ABM potential.

Also, it was reported that the Soviets have a new mobile radar with a tested power apperture product—the mean power in watt and antenna area in square meters—in excess of that ostensibly prohibited by the ABM Treaty. Again, however, it is difficult to level a direct accusation of a treaty violation at the Soviets because of ambiguities in the treaty language, although both former Secretary of Defense Melvin Laird and former Chief of Naval Operations Elmo Zumwalt have made such accusations.

As far as (2) is concerned, both the ABM Treaty and the interim agreement on offensive weapons provide each nation with means of verifying the other's compliance with the agreed-to terms. Among the various means of verification available to the United States are telemetry readings from missiles in flight, the use of which are essential for monitoring the development and testing of Soviet MIRV systems in flight. However, the Soviets have not only begun utilizing jamming techniques, but have switched from analog to digital systems—which enable a nation to encode information to prevent others from interpreting the readings—for sending signals from their control centers to their missiles. By comparison, the United States switched from digital to analog systems after the signing of the Interim Agreement so as to make verification easier, rather than more difficult.

As for (3), article I of the Interim Agreement provides that—

> The Parties undertake not to start construction of additional fixed land-based ICBM launchers after July 1, 1972.

However, upon being questioned about the construction of an extra silo at each of 150 groups of missile launchers, the Soviets responded that the new installation was for command and control. Left unexplained, at least insofar as I am concerned, is why these new silos are seemingly identical to ICBM launch silos, right down to the blow-away doors.

Finally, the Soviet Union admitted last March that it had been in violation of the 1972 SALT accords by failing to dismantle 51 older missile launchers in the time required after four of its new Delta 2 missile launching submarines began their sea trials. Although the admission was voluntary and the Soviets claimed the violation was unintentional, it is nonetheless clear proof that violations have occurred. Moreover, one suspects this admission, which cost the Soviets nothing, may have been made to reduce U.S. suspicion about other violations rather than out of any real desire to live up to the spirit of the agreements.

Put all these factors together, and we find ourselves faced with fewer ICBM's, smaller ICBM's, fewer ballistic missile subs, shorter range SLBM's and a 9-to-5 disadvantage in nuclear throw-weight. Furthermore, the compensating advantages in missile accuracy we previously enjoyed thanks to our exclusive possession of MIRV technology are fast dissipating in the face of Soviet development of two new MIRV systems, a supersonic intercontinental bomber—the Backfire—and bigger ballistic missile submarines with longer range missiles. Such is the price we, as a nation, pay for negotiating a set of agreements that guarantee Soviet numerical superiority while leaving our quantitative advantage open to continuous challenge. At this point our options are three: First, accept a position of nuclear inferiority in the not-too-distant future; second, deploy, as rapidly as possible, the counter force technology required for us to maintain our qualitative advantage, or third, negotiate a new SALT agreement that insures our strategic position and not just that of the Soviets.

Since the first proposition is, to most Americans, unacceptable and the third requires the cooperation of the Soviets, which may or may not be forthcoming, I think we must proceed as quickly as possible with maneuverable reentry vehicles—MaRV—for our missiles—to offset the Soviet MIRV system—the B-1 bomber—to offset the Backfire bomber—and the Trident submarine—to offset the two generations of Delta class subs the Soviets possess. If we do that, we will not only better insure our own security, but we will give the Soviets some incentive to negotiate a more equitable SALT agreement.

From the way things have gone lately, it appears to me that such an incentive is badly needed. While, on the surface, it appears that the 1974 Vladivostok accord limiting both the United States and the U.S.S.R. to 1,320 MIRV missiles and a total of 2,400 missile delivery systems provides for nuclear parity, in reality it will enable the Soviet Union to increase its already considerable lead in throw-weight while continuing to challenge our lead in missile accuracy.

While the Vladivostok accord represents a general outline—to be filled in later—rather than a detailed final agreement, several problem areas become quickly evident. For one thing, there is no limit on the total number of ICBM and SLBM missiles either side may have; the limits appear to apply only to nuclear weapon delivery systems. Unless this loophole is solidly plugged, the Soviets, utilizing their "cold launch" or "pop-up" technology, will be able quickly to reload their launchers and fire new salvos thus putting the United States, which does not have comparable technology, at an even bigger disadvantage.

Serious as this problem is, it almost pales in comparison to the difficulties presented by the lack of a limit on the total number of warheads. Right now, the United States has the lead in deployed warheads by roughly 8,900 to 3,500 but, with the rapid development of Soviet missile systems, the Russians should eclipse our lead in warheads by mid-1979. Further complicating matters is the fact that many of the Soviet missiles are bigger than ours. Coupled with the fact that the Vladivostok accords contain essentially the same prohibitions against exchanging light missiles for heavy ones, this means that the Soviets will ultimately be able to deliver not only more warheads but bigger warheads than those we now have. The Soviet SS–18 missile, for instance, has six times the throw-weight capability of our newest Minuteman III missile and instead of three warheads they carry eight. Thus, each of the SS–18 MIRVed warheads is more than twice the size of the Minuteman warhead which, in turn, means our missiles not only have to be extremely accurate but must be able to evade defensive countermeasures if they are to produce similarly effective results.

Thus, we may well find ourselves needing more missiles to accomplish what the Soviets can accomplish yet having fewer missiles to do the job. This anomaly points up another factor to be considered—that the Soviets will have the maximum number of delivery systems for practically the full duration of a new SALT treaty, should one be signed in the near future, while the U.S. is not likely to reach the agreed-to limits until 1980 or later.

Despite the large and growing lead by the Soviets in throw-weight, which results from size of missile, number of missiles, number of warheads and MIRVing, some people down-play the importance of their advantage arguing that it is offset by the greater accuracy of U.S. missiles. Unquestionably, accuracy is important but, if other nations perceive the Soviets to be in the lead because of their quantitative advantage, which is more easily comprehended than a more esoteric, qualitative advantage such as missile accuracy, then we are likely to have international political problems regardless of how accurate our missiles are. Needless to say, it is just this sort of problem that could get us into a nuclear war.

Furthermore, we cannot allow ourselves to make the same mistake we made in SALT I—not adequately assuring our qualitative lead. Just as MIRV was insufficient to offset the Soviet SALT I numerical advantage, neither can we expect MaRV alone to compensate for the future Soviet lead in throw-weight.

This brings us to the question of what other alternatives are available to the United States that would enable us to retain at least overall parity with the Soviet Union in strategic weapons. The converse question is just as critical—what options should we refuse to give up in any future SALT negotiations with the Soviets?

According to press reports, the biggest obstacles remaining to the conclusion of a SALT II treaty are how to handle: first, the Soviet Backfire bomber, which is now operational, and second, the American cruise missile, which is not likely to be deployed before 1979. Up until just recently, the American position has been that the Soviet Backfire bomber should be counted within the 2,400 limit on strategic delivery systems, along with our B–52's and other strategic bombers. The Soviets, predictably did not want the Backfire to count toward the limit even though it is supersonic and can reach the United States, drop its bombs, and land in a friendly country—like Cuba—without refueling.

On cruise missiles, however, the U.S. position has been that our missile should not be counted when it is completed because the Soviets already have cruise missiles not counted toward the limit—the SS–N–3 Shaddock—that can hit many of our cities and industrial areas. The Soviets, just as predictably, sought to include within the limit all cruise missiles with a range of more than 450 miles since that would, in effect, outlaw our strategic cruise missiles but not theirs.

However, despite all the indications that the Soviets are abusing the existing SALT agreement and using the SALT II negotiations to their own advantage, the United States has continued to make compromise offers. Just last January, for instance, the United States offered to let the Soviets exclude approximately 250 Backfire bombers from the overall limit of 2,400 strategic weapons in exchange for the exclusion of a similar number of our short range sea launched cruise missiles from the same limit. As part of the same deal, the United States also would count all bombers carrying air launched cruise missiles with a 1,500-mile range against the MIRV limit of 1,320 in exchange for Soviet agreement not to build a tanker fleet for the Backfire and not to deploy the Backfire at any base other than its Arctic bases.

There are several problems with such a deal. First, the limitations on the Backfire are illusory inasmuch as the Backfire rapidly could be converted into a long-range weapon regardless of any agreement; in fact, there are reports that an improved version of the Backfire, the Backfire B, has characteristics—a 5,000-mile range and a flight-refueling nose probe—that remove all doubt as to whether it is a long-range strategic weapon. Second, even if one presumes the Backfire has only the 3,570-mile range the Soviet Union claims for it, there is no limitation on the number of air-launched cruise missiles—ALCM's—it may carry while we would have to include our bombers equipped with ALCM's in the 1,320 MIRV limit. Third, the limit to a range of 372 miles—works to the advantage of the Soviets: 69 percent of our population and much of our industrial capability lie within 372 miles of our coasts while only 15 percent of the Soviet people and 3 percent of their military/industrial capability is equally exposed. Finally, equating Backfire bombers with short-range cruise missiles would be anything but an even trade-off. For one thing, the 250 Backfire bombers can carry at least 20 air launched cruise missiles each. For another, the potential of our long-range sea launched cruise missile would be sacrificed.

In their excellent study, "SALT II: Promise of Precipice?", Robert L. Pfaltzgraff, Jr. and Jacquelyn K. Davis clearly summarize the net effect of such a trade-off were it to be consumated:

> Essentially, the effect of both the American and the Soviet proposals on cruise missile limitations is the same; both would result in the loss to the United States of a promising new technology that has the potential to redress emerging trends in the military/strategic environment. The Soviet proposal, in particular, is devastating to the United States since it would, in effect, limit the United States to 34 bombers equipped with 10 or more cruise missiles unless it decided to forgo the deployment of planned land-based or sea-based MIRVed systems or to dismantle existing missile launchers. The effect of both the U.S. and Soviet proposals on U.S. security interests would be to deny the United States the potential ability to use cruise missiles to strike important countercity/counterforce targets in the Soviet Union, while the Soviets because of geographic and strategic asymmetries would be able to hit most continental U.S. targets with cruise missiles having ranges no greater than 372 miles. Both proposals would also result in the demise of the U.S. tactical cruise missile program and thus loss of a potential means by which to redress the military balance in the European theater.

In spite of all these considerations, many of which caused the Pentagon to object to, and our negotiators not to proceed with, the aforementioned deal, columnists Rowland Evans and Robert Novak have just reported—in the August 9, 1976, issue of the Washington Post—that Secretary of State Kissinger is willing to agree to the inclusion of the U.S. cruise missile within the strategic weapons limit and the exclusion of the Backfire bomber from the same limit in exchange for an overall reduction of that limit by several hundred delivery systems. If this report is accurate, and the

United States were to finalize such an agreement, it would be a terrible mistake. Given the tremendous number of cruise missiles the Soviets already have—including the 3,700 mile KY-9—the inability to verify any range limit that might be agreed to, and the geographical advantages already mentioned, equality is not served by the United States giving up development of its long-range cruise missile.

In fact, what the United States should be doing is accelerating development not only of the subsonic version of this weapon but also a supersonic version along the lines of the advanced strategic air launched missile, for which a contract has just been let. As far as the Backfire bomber is concerned, the case for equality suggests that, rather than excluding any of them from the limit, we should be insisting that all of them be included and all of our B-52's be excluded. After all, the Backfire bomber, with its supersonic speed, intercontinental range, and recent development, is far closer to the B-1 than it is to the B-52 which is only subsonic, has no greater an unrefueled range, and is 15 to 20 years old. The record of the B-52 over North Vietnam in December 1972, when 15 were lost in just 12 days, eloquently attests to the fact that, for all practical purposes, the B-52 is obsolete as a strategic weapon. For the sake of our own security, we should not agree to any treaty that would put it in that category.

What, then, would provide the basis for an equitable agreement? First, and most importantly, the principle set forth by Congress in 1972 calling for nuclear parity should be insisted upon across the board. It is not enough to have equality in the numbers of missile launchers and MIRVed weapons; equality must also be extended to throw-weight. Given the unguaranteed nature of our lead in missile accuracy, coupled with the massive Soviet civil defense system—on which it spends an estimated $1 billion a year—the United States simply cannot afford to be at a 4-to-1 disadvantage in throw-weight by 1980 and perhaps as great as a 5-to-1 disadvantage by 1983—as we will be if present trends continue. Not only will the larger numbers, and extreme power, of Soviet weapons more than compensate for any disadvantage in accuracy, but if one projects what might happen during the course of a nuclear war in 1983 it is likely that the post-exchange throw-weight advantage accruing to the Soviets, after three of their strikes and two responses on our part, would be on the order of 6 to 1. In short, given such a prospect, we would be vulnerable to what, for lack of a more subtle term, must be called nuclear blackmail.

In addition to equality in throw-weight as well as in missile launchers and MIRVed weapons, we should also continue to insist on adherence to the principle that once a missile is tested with a MIRV system, all missiles of that type developed should be considered as MIRVed and applied to the MIRV limit.

Moreover, we should insist on airtight language prohibiting the exchange of larger missiles for smaller ones and the expansion of missile silo size to accommodate missiles larger than those provided for in the agreed to limits. We simply cannot repeat our mistakes of 1972, where our reliance on imprecise language, unilateral declarations and an unguaranteed lead in weapons quality, resulted in an agreement that has, if anything, permitted the Soviets to move further ahead in the strategic arms race.

In that context, the development of MaRV or even PGRV—precision guided reentry vehicle—cannot be viewed as an acceptable tradeoff for a disadvantage in other areas the way our MIRV was relied upon in 1972. Regardless of whether or not a new SALT agreement is reached, we should also move ahead with the aforementioned cruise missiles plus the Trident submarine, the 6,000-mile C-2 second generation missile for the Trident, the M-X missiles, which will eventually replace the Minuteman, and, of course, the B-1 bomber. It may well turn out that we will need more than 11 Tridents or 241 B-1's to assure our safety but if so, so be it. It is far better that we have the necessary weapons and not have to use them than not to have them and find out they are needed. Like it or not, there is simply no place, in this modern nuclear world, for a policy that puts us in a position of being second best militarily at any time. At the very least, we should be second to none, and given the unsatiated Soviet appetite for world domination, the safest course is once again to achieve a clear cut military superiority. This might be an expensive policy, but in view of the life and death implications, it is more than justified.

Moreover, by once again putting ourselves in a position to bargain from strength, the Soviets might finally have the incentive to negotiate a meaningful strategic arms limitation agreement—one which is fair to both sides and promotes the course of world peace.

ROY A. BROUSSARD, A MAN WHO CARED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, to put it simply, he was a man who cared. He cared for the youth, he cared for the middle aged and the old. He cared for everyone with whom he came in contact. As one friend said—a member of his charismatic prayer group—he never said no to anyone in need.

His was an enthusiastic caring. His enthusiasm for people and the causes of people was boundless.

The embodiment of this caring enthusiasm for life and people was Roy Antoine Broussard, a Texas Department of Public Welfare planning assistant at San Antonio, who died tragically on August 5, as the result of a train derailment in San Antonio, at the age of 43. Roy was on his way to meet his wife, Diana, a cosmetology instructor in the Edgewood Independent School District, when the tragedy occurred which took his life.

As I served as a pallbearer at the funeral of this good man last Saturday at St. Henry's Catholic Church in San Antonio, I could not help but feel a keen sense of loss. He was genuinely such a good person, and there was so much more that Roy wanted to do. I felt very sad that he would not be able to complete these goals.

For one thing, he wanted very much for the second week in February to be designated as National Vocational Education and Vocational-Industrial Clubs of America Week. On a volunteer basis, he was public relations director for the VICA organization in Texas.

Several of us here in the U.S. House have introduced legislation to designate the second week in February as VICA week for the last couple of Congresses.

Yet I knew that Roy had lived his life in such a way that his contributions to this world had already been more than adequately made. He had touched many lives, and he had contributed greatly to the well-being and betterment of his fellow man through his untiring efforts and concern.

Although he worked with people of all ages, Roy was most active in the work of youth. In 1966 and 1967 he was instrumental in the establishment of a youth opportunity field held at LaVillita Assembly Hall in San Antonio where over 12,000 students from throughout the city had the chance to talk with representatives of agencies and firms regarding career opportunities.

He worked closely with the Optimist Clubs with their Youth Appreciation Week activities, and because of his wife's work, he had become very involved in the last few years with the VICA Clubs of San Antonio.

He was also an active member of the Texas Public Employees Association and the League of United Latin American Citizens.

Roy Broussard was born in Golden Meadows, La., where he spent most of his teenage years as a fisherman on his father's fishing boat.

After 8 years of service in the U.S. Army during which he spent part of his duty at Fort Sam Houston, he married and settled in San Antonio. He went to St. Mary's University where he received a B.A. degree in 1964 and began work as a social worker with the Texas Department of Public Welfare in San Antonio. In 1968 he became director of the food stamp program, and in 1972 was named supervisor of the "WIN" program which provides work incentives to welfare recipients. On January 1 of this year he began his work as a planning assistant at the welfare office.

During his career Roy took courses at Our Lady of the Lake University's Worden School of Social Work, and worked constantly to improve upon his already great capability for helping people.

Although he received many plaques and citations during his lifetime, he was never one to talk about the recognitions afforded him.

In addition to his wife, Diana, Roy Broussard is survived by two brothers, Sergan and Oblich, and two sisters, Vinicia Williams and Inez Rossbach, all of Southern LaFourche Parish, La.

But, he is also survived by many more—thousands of people, whose lives are better because someone named Roy Broussard cared.

ADDRESS OF HIS EMINENCE, TERENCE CARDINAL COOKE, TO THE 78th INTERNATIONAL GRAND AERIE CONVENTION, JULY 29, 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 30 minutes.

Mr. DENT. Mr. Speaker, in our busy schedules as Members of Congress, we sometimes overlook the humanitarian activities and efforts of fraternal organizations which are part of the American scene.

The Fraternal Order of Eagles, an international organization with lodges in Mexico, the Philippines, Canada, and, of recent date, Great Britain, as well as every State and territory of the United States, has a history of accomplishments in many fields.

The Eagles have fought for changes to insure a more secure life for all Americans. They launched a historic campaign for a national Social Security Act. The Eagles Aeries sponsored Mother's Day programs long before a day was set aside for that observance. Their activities on behalf of the youth of America are too numerous to mention.

In the 1950's the goal of the Eagles was to "make human life more desirable," raising money for the Damon Runyon Cancer Fund. In the last decade they founded the Max Baer Heart Fund, donating over $2 million for heart research in 10 years. More recently the Eagles founded the Jimmy Durante Children's Fund to research the catastrophic diseases of childhood. The "Golden Eagle Program" was initiated years ago to attack the problems of our aging citizens.

The annual conventions of the FOE have been attended by prominent Americans from every walk of life; they have been addressed by political figures, the greats of the sporting world, churchmen, and representatives of institutions that devote their efforts to many worthwhile causes.

The 78th international convention was addressed by His Eminence, Terence Cardinal Cooke, 10th bishop and 7th archbishop of the See of New York, introduced by Past Grand Worthy President Maurice Splain, Jr. Cardinal Cooke was also the recipient of the Fraternal Order of Eagles' Home and Family Award, presented to him by Judge Lawrence Leahy of Wenatchee, Wash.

In memory of Francis Cardinal Spellman, Grand Madam President-Elect Verna Funke of Tama-Toledo, Iowa, presented $25,000 to him for heart research at the Misericordia Medical Center in the Bronx, N.Y.

It is indeed a pleasure for me to present for the reading and edification of my colleagues the remarks made by His Eminence on this noteworthy occasion.

Introduction of His Eminence, Terence Cardinal Cooke by Past Grand Worthy President Maurice Splain

Before his untimely death in December of 1967, the popular Archbishop of New York, Francis Cardinal Spellman appeared at a half dozen Eagles International Conventions.

Two years after his unfortunate passing (1969) his successor the genial, people loving prelate, Terence Cardinal Cooke made his first appearance at one of our great international conclaves.

I believe from the United States, the United Kingdom, Canada, those of you who might be here from the Philippines and Mexico, we are delighted to welcome him on the occasion of his eighth annual visit to our great international get-together.

He is one of the world's greatest churchmen. He is one of the most able and highly regarded leaders in the Roman Catholic Church. He is, as previously said, the Vicar of all the Catholics in the Armed Forces of the United States and also all Veterans in the Veterans Hospitals of the United States! I am honored and I am certainly delighted to have the pleasure and the privilege of presenting to you in this great international meeting the distinguished Archbishop of New York, Terence Cardinal Cooke.

Address of His Eminence, Terence Cardinal Cooke

It is good to be once again in the company of the Eagles! Each year I look forward to the opportunity of meeting and greeting you and your families at your annual Convention. When the ubiquitous Maury Splain—I believe "ubiquitous" is the proper word to describe this really dedicated and fascinating membership director of yours—and he is an old and dear friend of mine—when the ubiquitous Maury Splain called to invite me back in your name, I was delighted that my schedule made it possible for me to be with you.

First of all, I came to say thank you. Thank you for your continuing generosity to the hospitals and the health research centers which you have aided with your grants over the past many years. I have no doubt that your important assistance will touch the lives of many people who are ill and are hoping for the new medical techniques and breakthroughs that the Eagles' support will help to bring about.

Thank you also for your friendship and your support of so many worthwhile causes in American life. As our beloved country continues the celebration of its two hundredth anniversary, it is the presence of fraternal associations such as yours within the fabric of American society which give stability and consistency to the republic. Earlier this month when we celebrated our Bicentennial, my mind was filled with the thoughts of what went into the making of America and, together with you and all our fellow-countrymen, I felt so good, so proud, to be a citizen of these United States.

July 4th, 1976 was an unforgettable experience for so many. Rarely in our recent history have I seen so many millions of people gathered in such a happy and joyful celebration. It was as if the country as a whole put aside its differences for a wonderful day of good fellowship and of thanksgiving. On a personal note, it was my privilege to be aboard the Air-Craft Carrier "Forrestal" and to review the impressive flotilla of tall ships as it made its way majestically through the harbor of old New York. There, on board that mighty sea-going fortress, as well as earlier in the day at an ecumenical service with the leaders of the Protestant and Jewish communities of the metropolitan area, you could sense a great surge of patriotism and an almost anxious desire that the great day be celebrated with unity and a sense of American brotherhood.

Thank God, that is just what happened. All over the nation, the well-springs of patriotism—which sometimes in the past few years seems blocked or even dried up—began to flow again and we were happy to be part of that wonderful experience that is America. May this newly regained perception of our nation continue to grow and may we strive together for the perfecting of this democracy with liberty and justice for all.

During the celebrations attendant on the Bicentennial Anniversary, you could hear many discussions on the symbols that Americans have chosen to represent this nation. The motto of the United States, a national flower, the national anthem—all these were amply explained and their histories minutely examined. One could even hear a great deal of scientific analysis of that remarkable bird which is the American symbol—the eagle. Here tonight, talking to my friends, the American Eagles, I'd like to spend a few minutes on this consideration.

The scientists tell us three things about eagles: first, that it is an unusually powerful bird with great strength and stamina; second, that it is a bird with a sense of propriety, and fair play—unlike its distant cousin, the vulture, it only attacks live prey and disdains feeding on carrion—and thirdly, and I know that Bob Hope could develop quite a routine on this one—that the eagle is what we might call a "family bird." It is monogamous, doesn't run around with other eagles and seems to be extremely devoted to its own family!

I like to think that my friends in this great American fraternal Order of Eagles are possessed by the same virtues as the lofty symbol they have chosen to represent them: that they are men of strength and stamina, that they have a deep sense of what is right and fitting, and that they are devoted in a special way to their own families. I know that what I say of my brother eagles is just as true in its own way of their lovely ladies. I believe that these virtues are very important in American society today. They are the foundations on which our patriotism—our love of country—can develop and flourish and can keep the spirit of so memorable a Bicentennial celebration alive and growing in American life. After a rather difficult decade in American history, we need now to be proud and united—to be positive once again. We need to be strong and persevering, we need to be firm in our principles and we need to redevelop the kind of solid family life that will make us truly one nation under God with liberty and justice for all.

I know that the Eagles are interested in these things. I know that your charter and your fraternal dedication keep you conscious of these needs in American life. Now is the time for American men and women to have that strength and that stamina that mark those noblest creatures of the kingdom of the air. Our nation grew to the limits of its frontier—and in this past decade to the last frontier of space exploration—because it boasted a limitless resource of people for whom industry and responsibility, hard work and the challenge of accomplishment were an every day opportunity. After two hundred years of this kind of America, today is no time for us to relax in our quest for further opportunities. The world of 1976 is still sorely limited by the presence of hunger and poverty and disease. It is against these limitations as they are faced by our brothers and sisters in God's human family, that we should be no less willing to go forward to meet them. The eagle is known for its stamina in the face of challenge. And you are our Eagles today!

Secondly, the eagle is known for its character—if one can use that word by extension of an inhabitant of the animal kingdom. There are certain things that eagles can be counted on to do. They have a set of standards, if you will, fixed in their nature by nature's God, to which they are true no matter what the pressures are which arise from their environment. We all remember the great folk heroes of early American history. Weren't they the men and women who had precisely that virtue? George Washington, who would not tell a lie whatever the social pressures—or his father's wrath—might be!

The heroes of the revolution—Nathan Hale, Patrick Henry, Ethan Allen, the Minutemen of Lexington and Concord—all these are not just portrayed as examples of patriotic valor, but models of integrity and honesty and virtue as well. When the signers of the Declaration of Independence pledged their "sacred honor" as a guarantee of what they had just proclaimed, it was because honor was sacred in those days. I believe that our country can only prosper when honor in both public life and private life is esteemed and preserved and I look to the eagles to foster and promote this trail of their symbol, the consistent king of the skies.

Finally, the eagle which you have chosen as your symbol is, so to speak a "family" bird. Nature has given it the pattern of caring for its young, being faithful to its mate, and educating the new generation to the very best of its ability. Now I do not mean to canonize the eagles, but it is wonderful to see how the natural traits of the flying symbol of this fraternal order can give us food for thought and action at this bicentennial time. There is no doubt that these are critical times for the American family. There is no doubt either that if our families are not strong and united and courageous at this point in our nation's life, we may be looking at the brink of a national disaster.

I call on the Eagles to value the worth of a good family life where communication and mutual support become the greatest guardians to love and the most efficient cause of the understanding between parents and children. If the Eagles, as one of the great American fraternal orders, can accept this challenge, then we can all have hope for our beloved country as we enter the third century of our national life. If our families are strong, then our communities will be strong and our nation will be strong. If the old fashioned virtues of honesty and honor, love and respect, responsibility and faithfulness are practiced and esteemed in the lives of the members of our families, they will have a major place in the life of our communities and our nation. I have confidence that you will live up to this lofty challenge.

The Eagles are so important—as a symbol of America—and as a great fraternal Order.

Presentation of Fraternal Order of Eagles' Home and Family Award by Past Grand Worthy President Judge Lawrence Leahy of Wenatchee, Wash.

My good friend and roommate, Phil and distinguished clergy on both sides of us on this podium, officers and members of the Aerie and of the Auxiliary, all grand people, and particularly my brothers and sisters in the audience of this part of this great convention, just at the beginning of the meal as I sat beside Cardinal Cooke and he was looking out over this great assemblage he said, "I feel at home here." And the way he said it I felt he meant it.

And I want to say to him that we feel at home with him.

The essence of the presentation which I wish to make to the Cardinal this evening in your behalf is the exemplification of this mutual at homeness. It couldn't have tied in better with the comments the Cardinal made in such a wonderful manner because I don't think he knew what I was going to present and I certainly didn't know what he was going to say.

It has been the number one goal of the Fraternal Order of Eagles in this great country and in Canada to strengthen the home and strengthen the American family, beginning with ourselves. And because of your work, Cardinal Cooke, in this field and because of the sentiments and ideas which you have marvelously conveyed to this very distinguished audience, I wish to have you come back to the microphone again because I want to present to you what is known in the Fraternal Order of Eagles as the Home and Family Award.

It says, "Fraternal Order of Eagles' Home and Family Award presented to Terence Cardinal Cooke for constructive contributions to strengthening family stability and promoting family well-being, Miami Beach, Florida, July 1976."

Cardinal, this is not from me, not from the Grand Aerie, but from all these people who are out in front and the thousands and thousands and thousands of people that they represent throughout the United States and Canada. We take pride in presenting to you our Home and Family Award.

Cardinal Terence Cooke. Judge and friends, I thank you from the bottom of my heart for this beautiful award, the Home and Family Award.

I would feel that in life, if I just did a little bit to help the growth of the home and the family, I would really feel that I had accomplished in my life something very, very worthwhile, something very pleasing to the Lord.

So I thank you for this award. It is a complete surprise, and you are not only a great Judge, but you were sitting next to me there, and I saw you had something upside down, but I didn't worry because I know that many things happen when you are with the Fraternal Order of Eagles, but I never thought that I was receiving this.

I will treasure it. I will keep it up at St. Patrick's there in New York. We do have some buildings with walls, and this will be in a very special place, right at home. So when I think of it, I will think of you and all of the Eagles, and all the friends of the Eagles, and you will be sure that you will be getting some prayers from me.

Thank you, and God bless you.

Special Presentation by Grand Madam President-Elect, Verna Funke of Tama-Toledo, Iowa (Auxiliary No. 2828)

Cardinal Cooke, it gives me a great deal of pleasure in presenting you with this check in the amount of $25,000. It is a part of a $250,000 commitment that the Fraternal Order of Eagles made to the Misericordia Medical Center in the Bronx, New York in the memory of the late Cardinal Spellman. It is from the hearts of all of these Eagles here assembled, and the many, many more throughout the Jurisdiction.

Cardinal Cooke. Thank you very, very much.

I knew I was coming to Miami. I knew I was going to be with the wonderful friends in the Fraternal Order of Eagles, but I didn't know, Verna, that I was going to be with a lovely lady from Iowa. Is that right? I think Iowa and New York go very well together.

And I thank you for this wonderful gift of $25,000 for Misericordia Hospital Medical Center in the Bronx. This hospital was built by Cardinal Spellman. He raised all the funds to build it back about ten or fifteen years ago. And we certainly will go forth with the research, especially for research on heart ailments. We will be looking for that.

But we thank you, Verna, and through you all the Eagles. God bless you all.

IN MEMORY OF JUDGE W. J. LYNCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I was saddened to learn of the death on August 9 of my good friend, Federal Judge William J. Lynch.

I had known Judge Lynch for at least 30 years. While I was serving as the Illinois Director of Labor in 1949, the then Senator Lynch was the Democratic leader of the Illinois State Senate. He was an outstanding legislator, and was respected and admired on both sides of the aisle. He was dedicated to solving the problems of the poor and understood the needs and wants of the people, not only of his district, but of our city and State.

As a Federal judge, appointed in 1966 after a long and distinguished political and legal career, he worked conscientiously and with dedication to administer justice.

I would like to include at this point in the Record an article from the August 10 edition of the Chicago Tribune about Judge Lynch's career, which follows:

Judge W. J. Lynch Dies; Old Daley Pal

Federal Judge William J. Lynch, 68, died Monday in St. Joseph Hospital, where he had been a patient since July 9.

He was brought into the hospital unconscious after striking his head in a fall in his apartment at 1300 N. Lake Shore Dr.

He suffered swelling and internal bleeding and underwent brain surgery July 11, from which he never recovered.

The first person to be notified of the death of the bachelor judge was Mayor Daley, Judge Lynch's former law partner.

"All of Chicago is saddened by his death," Daley said.

"I was a friend and neighbor of his all his life. He was a fine lawyer and a great judge, and I have lost a very dear personal friend.

"Mrs. Daley and our family join in offering our condolences to the judge's sisters, Mrs. Annamay Molloy and Margaret Lynch."

Lynch was appointed to the federal bench in 1966 after a long political and legal career that kept him near the center of Democratic Party power in Chicago and Illinois.

After graduation from Loyola University Law School in 1931, he became a Cook County assistant state's attorney, a position he held until 1938.

He entered private law practice, then served in the Navy during World War II. He remained out of public life until 1950 when he was elected a state senator from Chicago's 9th District His law partner was a rising Democratic politician: Richard J. Daley

In the Illinois Senate, Lynch became Democratic minority leader and was considered the chief spokesman for Chicago's interests and eventually for his former law partner who had become the city's mayor.

During his years in Springfield, Lynch was constantly fighting for such things as more funds for the Chicago Transit Authority, greater taxing powers for the city, and an elective system for choosing judges.

In 1957, Lynch resigned from the Senate to assume the then $18,000-a-year post of general counsel for the CTA. He also went back into private law practice, this time with George Schaller, who later became a Cook County Circuit judge.

Off and on through the next several years Lynch was mentioned as a possible candidate for United States senator and for president of the Cook County Board, but he remained in private practice until he was appointed a federal judge for the northern district of Illinois by President Lyndon B. Johnson.

Lynch was the first judge sworn into office in the new Federal Building, now called the Dirksen Federal Building, at 219 S. Dearborn St. He filled a vacancy created by the retirement of the late Judge Michael J. Igoe.

Illness caused Lynch to be absent from the bench much of the time during his years on the court. But he heard several important trials of crime syndicate figures and in 1968 was involved in the legal battle between the city and those who wanted to demonstrate at the Democratic Party's National Convention here.

Lynch denied a request for an injunction to force the city and the Chicago Park District to issue permits for the demonstrators, bringing charges from antiwar marchers, hippies, and Yippies, that he was a Daley tool.

A horse racing fan, Judge Lynch was a vice president of the Balmoral Jockey Club.

A member of the Chicago, Illinois, and American bar associations, Judge Lynch was a former president of the Irish Fellowship Club of Chicago, a group whose membership list reads like a "Who's Who" of Irish political power in Chicago.

Judge Lynch will be sorely missed by all of us who had the privilege of knowing him.

Mrs. Annunzio joins me in extending our deepest sympathy to the judge's sisters, Mrs. Annamay Molloy and Miss Margaret Lynch.

THE RE-EMPLOYMENT SERVICES ACT: TOWARD A NATIONAL COMMITMENT TO EFFECTIVE JOB PLACEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 20 minutes.

Mr. DRINAN. Mr. Speaker, I would like to draw the attention of my colleagues to a bill which I have recently introduced, the Re-Employment Services Act of 1976, H.R. 15064. This legislation will assure the availability of effective, professional employment services for those persons who are genuinely interested in securing jobs, and will demonstrate to employers that public employment offices can and will serve as an effective and economically attractive source of job referrals.

H.R. 15064 is designed to provide for more effective public job placement services through improved administration and management planning, review of policy alternatives, a renewed emphasis on job-ready applicants, and the promotion of innovative and expanded job search services.

The bill makes no hard and fast promises of plentiful job opportunities, but rather serves as a means of maximizing the coordination of available workers with available jobs. This is perhaps a simple function, but it is an element of public employment policy which has been sorely neglected in recent years. When it comes to demonstrating the need for this type of legislation, Mr. Speaker, the statistics will speak for themselves.

As my colleagues well know, public job placement services in this country are essentially offered through federally-funded State employment offices acting in cooperation with the U.S. Employment Service—USES. This intergovernmental system was established by the Wagner-Peyser Act of 1933, a Federal statute which created a broad, ongoing authority to "develop a national system of public employment offices," and a law which has remained virtually unchanged since that time. The existing structure may have been an effective one during the Great Depression, but even representatives of the USES admit that it may not be adequate today.

Annual data released by the Bureau of Labor Statistics, BLS, show that a mere 5.1 percent of all American jobseekers were actually successful in obtaining placements through the public employment service last year. (See table.) In point of fact, fully 67 percent did not even try. Additionally, recent House testimony by the General Accounting Office, GAO, revealed that of 18.5 million applicants to the employment service in fiscal 1975, only 3.1 million or 17 percent were actually placed in a job; 10.8 million of these applicants, or 58 percent of the total, did not receive job referral, counseling, testing or employment services of any kind.

Method by which current job was obtained[1]

	Percent
Applied directly to employer	34.9
Asked friends:	
About jobs where they work	12.4
About jobs elsewhere	5.5
Asked relatives:	
About jobs where they work	6.1
About jobs elsewhere	2.2
Answered newspaper ads:	
Local	12.2
Nonlocal	1.3
Private employment agency	5.6
State employment service	5.1
School placement office	3.0
Civil Service test	2.1
Asked teacher or professor	1.4
Went to place where employers come to pick up people	0.1
Placed ads in newspapers:	
Local	0.2
Nonlocal	(2)
Answered ads in professional or trade journals	0.4
Union hiring hall	1.5
Contacted local organization	0.8
Placed ads in professional or trade journals	(2)
Other	5.2

[1] Source: "Jobseeking Methods Used by American Workers", Bureau of Labor Statistics, 1975. Based on survey of 10.4 million Americans who looked for and found work in 1972.

[2] Less than 0.05 percent.

In absolute numbers, GAO reported that nonagricultural job placements by the Employment Service have actually declined over the last few years, from 6.6 million placements in 1966 to 3.3 million in 1971—a reduction in productivity which has only recently been counteracted. In view of the fact that the primary statutory responsibility of the USES is to provide job placement for unemployed Americans, this track record can hardly be found satisfactory.

Mr. Speaker, in reviewing the historical development of the USES and public employment services in the United States, it becomes clear that an agency which began with a clear-cut legislative mandate has been increasingly saddled with extraneous statutory responsibilities, to the point where it virtually lost track of its original mission. Rather than serving as a dynamic and professional resource to the advantage of employer and jobseeker alike, the Employment Service has become firmly identified as a low-pay service for short-term unskilled work. It appears to be insensitive to the personnel requirements of business, and unresponsive to the needs of job-ready persons with preexisting experience and skills. This is an ironclad image which has systematically discouraged private employers and skilled job applicants from staking reliance on the Service, and it is an image which we must systematically overcome through affirmative congressional action.

As I attempt to demonstrate the pressing need for a renewed and constructive affirmation of congressional policy on this vital issue, it will be helpful to examine both the role of the Employment Service in addressing the needs of specific sectors of the labor market, and the manner in which such services might eventually be integrated into more broad elements of national economic policy.

EMPLOYER RELATIONS AND THE NEED FOR MORE COMPETITIVE PLACEMENT SERVICES

Mr. Speaker, a study issued in 1975 by the National Employers' Committee for the Improvement of the Employment Service—a voluntary organization of business representatives organized to advise the Department of Labor—firmly addressed the basis of employer discontent with current public employment services. The committee report cited 10 major factors which contribute to employer dissatisfaction, and makes substantive recommendations for administrative changes which might effectively deal with these problem areas.

The lack of professional and personalized service from public employment offices was cited as a major reason why employers are reluctant to place their job offers with the Service. The committee expressed the prevalent feeling among employers that the Service tends to send underqualified persons, persons with little or no motivation for work, and other inappropriate candidates in response to job listings.

This attitude is strongly reflected by the GAO study, which found that a significant number of employers are presently dissatisfied with the Service, primarily because of a poor quality of applicants referred, and an insufficient number of referrals.

The committee also complained of inadequate and inappropriate staffing guidelines for service to employers, and recommends more personalized attention to employers as a means of encouraging them to fill their jobs through the service. Understandably, employers are interested in dealing with Employment Service representatives who are familiar with their personnel requirements, and able to screen and refer applicants who are truly qualified for skilled or demanding positions.

Not surprisingly, Mr. Speaker, the GAO reported last May that USES had not established firm staffing standards for employer relations at local offices, and discovered enormous discrepancies in the service provided to employers from State to State. In one suburban Philadelphia office, two employer service representatives were responsible for about 500 small and 150 large employers in their area, while in Camden, N.J., one representative attempts to provide services to literally 4,700 separate employers. In another New Jersey office, 3,000 employers are actually provided no regular liaison representative from the Employment Service.

Understandably, this general inattention to the legitimate needs of employers has effectively confined business to a barely lukewarm interest in job referrals from local employment offices. The GAO found that fully 60 percent of the employers interviewed did not list all of their job openings with the Service, and—in the case of more sensitive positions—only 10 percent were willing to list managerial positions, and only 25 percent willing to list job opportunities for professionals.

This pervasive distrust of the system has led to reliance essentially for the listing of low-pay, short-duration jobs. The Bureau of Labor Statistics reports that the Service accounts for only 1.8 percent of all professional and managerial job placements, as opposed to 5.9 percent for nonfarm labor. And though 73 percent of the jobs listed with the Service are eventually filled, fully 53 percent of these jobs are expected to last for less than 5 months.

In view of the fact that some employment opportunities still do not get filled in short periods of time—despite our scandalously high rate of unemployment—there is no excuse for not promoting a truly cooperative relationship between the labor market and private employers. "Focusing on the labor exchange function, and performing it effectively," the Employers' Committee persuasively argues, "is the best way to improve the Employment Service image." Mr. Speaker, this is a basic, but critical concept which I urge my colleagues to firmly accept through the enactment of H.R. 15064.

UNEMPLOYED PROFESSIONALS AND THE NEED FOR SPECIALIZED AND INNOVATIVE SERVICES

Mr. Speaker, the situation faced by unemployed professionals and other highly-skilled workers presents special problems for the Employment Service, and highlights the critical need to encourage the development of innovative job-placement services. I will never forget receiving a letter from the wife of a 55-year-old professional engineer who had been laid off by a large company in my congressional district. Though this individual possessed a great deal of experience in his field, he did not know how to go about "selling himself" to another company, became discouraged about the prospects of regaining employment, and was reluctant to accept either welfare benefits or unemployment compensation. It was discouraging to realize that we have tolerated a system where the services of many of the most qualified and experienced members of our society are strewn along the economic wayside.

The encouragement of various innovative and expanded approaches to employment services must be a fundamental priority of the USES. One such program—which was not able to receive adequate funding from private sources or any level of government—was the New England Volunteer Employment Service Team, NE–VEST, which operated in Waltham, Mass. This strictly volunteer organization, which was given space and general support from the Commonwealth's division of employment security, was established to train unemployed persons in modern job search techniques and skills.

Among the programs offered by NE–VEST were self-help workshops to assist in resume writing, restoration of self-confidence, methods of marketing one's own services, and practicing under simulated job-interview conditions. Though this program was able to operate for 5 years on a volunteer, donated-space basis, they were forced to close their doors in June due to an inability to secure funding from SETA or other Labor Department sources. This development was especially disheartening in view of the fact that NE–VEST's successful job placement rate for their 1,100 participants was 30 percent; a rate which represents almost twice the effectiveness of the USES, and more than 16 times the more comparable success rate for unemployed professionals. Despite the fact that representatives of the Federal New England Regional Commission and Department of Labor found NE–VEST's actual and proposed activities to be "commendable," there were no preestablished sources of funding for this purpose, and the organization's well-drawn plans for expansion had to be shelved due to lack of interest.

Mr. Speaker, there can be no excuse for allowing the combined talents, experience and energy of our unemployed work force to go untapped, especially when relatively low-budget programs—such as NE–VEST—have been so successful in matching applicants with existing employment opportunities. In reviewing the overall effectiveness of the USES and public job placement programs, we cannot ignore the imperative of developing, testing and evaluating alternatives to traditional approaches to employment services. This is a concept which has been proven in actual experience, which is helpful to the economy, and which is the least we can offer to our skilled citizens who are involuntarily out of work.

INTERSTATE MOBILITY AND THE NEED FOR UP-TO-THE-MINUTE LABOR MARKET INFORMATION

The need for a more effective employment service, and one which can effectively utilize interstate job listing information, is perhaps best illustrated by a new construction project taking place in Seabrook, N.H. According to a recent Boston Globe article, contractors at the electric utility construction site must fill about 3,000 positions in the next few years, about a third of which will be filled by workers from out-of-State.

Even despite the depressed state of the construction industry in New England, the company developing the facility is unsure where it will locate sufficient numbers of skilled ironworkers and boilermakers to work on the project. A spokesman indicated, "We're going to need plenty of them (boilermakers), but there are very few of them living in New Hampshire, as near as we can find out." Similarly, he continued, "last time I heard, ironworkers were scarce, contractors were bringing them in from Canada."

Clearly, if the developers of this project had access to specific, reliable public job market information, they would not be forced to undertake an expensive and unnecessary recruitment effort. Similarly, unemployed individuals with prerequisite job skills would have a firm basis on which to apply for employment, rather than making decisions and possibly traveling large distances on the basis of word-of-mouth information.

A similar situation was encountered during the initial stages of construction on the Alaskan pipeline, where individuals and even entire families moved to the State on the mere and unqualified assumption that there would be adequate employment opportunities available. Though this surplus of labor was eventually absorbed into the Alaskan economy, there was a period where the State was forced to support these individuals in the face of radically inflationary prices. Clearly, our national employment office system should be structured in a manner which will provide reliable interstate employment information—such as the prospects of securing a job during the Alaskan boom—to interested individuals at the local level.

Finally, Mr. Speaker, I was most interested to note that my home State of Massachusetts—which, until recently, has suffered from unemployment levels above the national average—has attracted an influx of unemployed out-of-State individuals who thought it was a "nice place to live." This is especially significant when one realizes that the aggregate level of employment in Massachusetts has been steadily increasing throughout our current recession, and that the percent of the population actually working in the Commonwealth has been consistently well above the national average. These facts are also noteworthy when one recognizes that other regions, such as the Dallas-Fort Worth area, have boasted of unprecedented economic growth and unfilled employment opportunities over the same period of time—a situation which highlights the haphazard nature of interstate mobility, and helps explain the wide disparity of social welfare costs borne from State to State.

Though a carefully structured multistate job information system cannot restrict the actions of mobile individuals—and should not be expected to—it can serve a vital and important role in smoothing out gaps in the exchange of labor from one region of the country to another. It is essential that Congress participate actively in the development of a job bank or similar system of which the ramifications are clearly understood, and which can provide this kind of information in the most efficient manner and at the least possible expense to the Federal Government. This is a vital element of any national employment services policy, and a concept which is firmly embodied in the provisions of the Re-Employment Services Act, H.R. 15064.

H.R. 15064 AND THE ROLE OF AFFIRMATIVE EMPLOYMENT SERVICES LEGISLATION

Mr. Speaker, it is my firm belief that H.R. 15064 can and will serve as the basis for comprehensive Federal legislation aimed at revitalizing and upgrading our existing employment services system. First, and possibly foremost, the bill provides for improved lines of communication, so that innovative and expanded job placement services may be tested, implemented, and evaluated in the shortest possible time.

The problem of impeded innovation—which is one of the serious concerns of the business community—is addressed through the establishment of a job placement pilot program, and by the coordination of employment service information through a national clearinghouse within USES. The pilot program is specifically geared to fund projects which would not normally be possible under traditional budget restraints, and is targeted specifically to areas with above-average levels of unemployment. The results of these innovative pilot projects will be reviewed and evaluated by USES, fed into the employment service information system, and possibly transformed into more useful standards of efficiency for State employment offices.

In order to help States keep up with modern job placement developments, Mr. Speaker, the Re-Employment Services Act provides for the establishment of a special USES Outreach program of technical and management assistance. In addition to helping State employment agencies to upgrade existing services and fulfill their statutory responsibilities, the Outreach program will help States interested in expanding their range of services and reassessing their long-term objectives and priorities.

In addition to providing avenues for the expansion of job placement programs, H.R. 15064 seeks to redefine the conditions under which States are to be eligible for Federal employment service funding. Along the lines of progressive program budgeting, State employment agencies will be required to submit annual "management plans" which shall reflect the efforts each State is making to identify and respond to the job placement difficulties corresponding to eight broad categories of applicants. Rather than "tying the hands" of State employment offices with requirements for specific and perhaps unnecessary programs, these provisions of H.R. 15064 will serve as a useful management tool by which States can evaluate and improve their performance, and by which the USES can more effectively execute its oversight responsibilities.

These management plans must also reflect State efforts to encourage employer participation in the development of employment office priorities, and the adaptation of State job placement programs to reflect the performance standards required by private employers. All available evidence indicates employer/job-office relations range from occasional collaboration to pervasive indifference. This is a discrepancy that must not be tolerated, and a problem which is squarely addressed in the affirmative management planning requirements of H.R. 15064.

Mr. Speaker, it is important to emphasize that the problems faced by today's employment service are not just administrative, but structural as well. By means of example, much criticism has been leveled at the combined administration of employment services and unemployment compensation claims at the State level, a practice which has needlessly and incorrectly associated public job referrals with the chronically unemployed. GAO testimony clearly indicated that the so-called work test, which links unemployment claims and job placement functions within each State, is not all that it is shaped up to be. Their study found that the Employment Service had "relatively little success" in finding jobs for claimants, reflected by the fact that the percent of nonclaimants receiving referrals exceeded the level for claimants by a factor of almost three to one. The Labor Department's own studies indicate that about 40 percent of all claimants would not stand to appreciably benefit from employment services.

Though the intent of combining the claims and job placement functions is a valid one, it is highly questionable whether this relative convenience should be perpetuated at the expense of the entire image of the Employment Service. H.R. 15064 responds to the problem by mandating a transition toward the physical separation of the offices providing these two distinct services. Such a provision helps set the stage for a vigorous national debate on the usefulness of the work test, and the role, if any, of unemployment compensation in the context of comprehensive income maintenance policy.

Finally, Mr. Speaker, the Re-Employment Services Act recognizes the need for the cooperative examination of long-term policy alternatives by Congress and the administration. The bill requires the Secretary of Labor to initiate a formal study on the merits of implementing a nationwide job bank—a concept which has been strongly advocated, but which remains to be proven as an effective Federal expenditure.

The GAO has maintained that the job bank concept has not been "conclusively demonstrated," and offers more limited job matching systems as cost-effective alternatives. The National Employers' Committee, on the other hand, views a job bank as "an essential ingredient" of modernized employment services, the use of which "must be clarified" at the national level. As such, the job bank study provided by H.R. 15064 will address itself to six basic criteria, including performance, economy, the most useful applications, and the effect on minorities and other target groups of the unemployed. The Secretary of Labor is required to submit a report to Congress within a year of enactment, insuring that the House and Senate will have the information necessary for effective oversight, and the basis for appropriate enabling legislation.

Another long-term policy option which has been proposed is the federalization of employment services—an alternative which would seem to imply greater national control of job placement programs, but the fiscal implications of which are simply unknown. H.R. 15064 mandates a comprehensive, 2-year study on the merits of the federalization issue, again insuring that Congress will have the informational tools necessary to make effective and responsible decisions on national job placement policy.

H.R. 15064 IN THE CONTEXT OF COMPREHENSIVE ECONOMIC POLICY

Mr. Speaker, though it is easy to ask "why should we emphasize job placement when there are not enough jobs?" The answer, I believe, is self-evident. Congress has, and will continue to have, an obligation to actively promote jobs creation at times when our national unemployment rate is scandalously and intolerably high.

In some situations, this can be satisfactorily accomplished through macroeconomic decisionmaking—such as forging fiscal and monetary policy which will provide for maximum levels of employment. At other times, this will involve expanded public works programs, such as the Public Works Employment Act which was just enacted over President Ford's reprehensible and unpopular veto. As a last resort, this will require the creation of public service employment as an alternative to channeling our limited fiscal resources on runaway unemployment compensation and welfare programs.

Whatever the degree of congressional commitment to achieving full employment, however, the troublesome questions remain: How do unemployed individuals locate suitable employment opportunities? How do local officials find skilled or experienced workers for public works projects? How do individuals know, for instance, that by traveling 500 miles to a major construction project there will be appropriate job openings? The answer, Mr. Speaker, is through improved employment services.

The Full Employment and Balanced Growth Act of 1976—which has been hailed by citizen and labor groups as representing a genuine national commitment to reducing involuntary unemployment—firmly acknowledges this need by vesting job placement responsibilities in a renamed, but unchanged U.S. Employment Service. Though the bill understandably deals mostly with broad elements of national economic policy, it effectively places new and wide-ranging responsibilities in an agency which has not been given a chance to keep up with its old ones. Clearly, the need for a revitalized and rededicated USES may be realized not only at times of surplus employment and economic prosperity, but in bad times as well.

The Re-Employment Services Act does not detract from, but actually contributes to the laudable goal of full employment. The flexible, but affirmative management planning requirements of this legislation allow for more effective dovetailing of public and private employment opportunities, and for a more keen responsiveness within each State to the cyclical changes in our economy. H.R. 15064 does not mean to imply that adequate employment opportunities are always available if only people would go out and get them—it merely represents an affirmative congressional commitment to provide meaningful and cost-effective job placement services to those persons who are genuinely seeking employment.

As I have mentioned earlier, Mr. Speaker, there is also considerable question as to the efficacy of the "work test," which provides that unemployment compensation recipients must demonstrate a willingness to accept an appropriate job. This is an issue which—although it is essentially beyond the scope of the Re-Employment Services Act—deserves congressional attention as one of the major factors which significantly detracts from the effectiveness of public employment services.

We have to offer more than solace to employers who make a good faith effort to list jobs with local employment offices and in return are referred unqualified individuals with no genuine interest in securing employment. We have to offer more than apologies to persons such as engineers, skilled tradesmen, and even unskilled workers who enter the system looking for steady employment and leave with nothing more than a gratuitous handout. We have to offer more than excuses to businesses which bear the burden of the fundamentally regressive unemployment tax structure, which works the greatest hardship against employers with large numbers of low-paying jobs.

In the long run, there are several options available to Congress to help us deal with these critical and unresolved problems. First, we should seriously consider financing unemployment compensation and the Employment Service through revenues from general taxation. This will not only provide for a simplified tax structure, but assures that the needs of unemployed workers are financed on a progressive basis and avoids the danger of creating unnecessary distortions in the growth of our economy.

Second, we should give careful attention to the merits of incorporating the function of unemployment compensation into a comprehensive system of income maintenance—such as a negative income tax—which may simplify the administration of social welfare programs, provide an adequate income to all Americans, and provide clear incentives for persons who chose to work. This would free the resources of public employment offices to deal exclusively with the needs of individuals who are able and willing to secure employment.

Finally, Mr. Speaker, though the Re-Employment Services Act deals primarily with services granted to "job-ready" applicants, it presumes a renewed national commitment to provide special counseling, training and individual attention to the needs of the handicapped, minorities and other groups which have traditionally been the victims of discrimination and abnormally high unemployment. H.R. 15064 not only helps assure proper and expedient referrals to appropriate manpower programs, but promises all groups—especially those which have been historically most disaffected—that they are entitled and may expect to receive professional job placement services subsequent to their participation in a counseling, retraining or other compensatory program.

Mr. Speaker, no employment services system will be any better than the people who administer it, but I offer my opinion that the Re-Employment Services Act is a meaningful and effective means of revitalizing and rededicating the 43-year-old USES. Despite our professions of support for the concept of full employment—an affirmation with which I wholeheartedly concur—we have neglected to adequately consider the means by which people secure employment in the public and private sectors of our economy.

In introducing H.R. 15064, I strongly urge my colleagues in the House to devote their careful and critical attention to the issue of more effective job placement in the United States. It is an area of public policy which holds great promise for the employers and workers who make up this country, and a legislative responsibility which the Congress must boldly accept.

For the convenience of my colleagues, I will now include the text of the Re-Employment Services Act, H.R. 15064:

H.R. 15064

A bill to amend the Wagner-Peyser Act to provide more effective job placement services; improved administration and management planning, review of policy alternatives, innovative employment services, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Re-employment Services Act".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares:

(1) that the goals of national prosperity and equal economic opportunity may be substantially achieved by maximizing the level of employment in the private sector;

(2) that more effective and adaptable methods of job placement may substantially contribute to the aggregate level of employment;

(3) that the Federal Government should play a greater role in developing and implementing more effective job placement services;

(4) that continuing policy review and program management within public employment offices will substantially contribute to the overall effectiveness of job placement programs; and

(5) that both employers and skilled job applicants have often been reluctant to utilize existing public employment services, in large part due to a lack of efficiency resulting from inadequate attention to the special needs of identifiable employer and applicant groups; and

(6) that the encouragement, development and evaluation of innovative approaches to job placement services will result in both increased performance and more useful standards of efficiency for public employment offices.

(b) It is, therefore, the purpose of this Act—

(1) to provide structural improvements in the existing public employment service system to facilitate and coordinate the flow of useful information, provide for more effective management practices, ensure attention to the needs of special categories of job applicants, and provide for the more effective allocation of human and fiscal resources within the system;

(2) to provide for careful studies, reports and legislative recommendations on the separate merits of (A) implementing an automated national job bank system and (B) providing a transition to Federal administration of public employment services; and

(3) to establish a program to encourage the demonstration of innovative or alternative job placement services and techniques, including evaluation on the basis of performance and cost-effectiveness, coordination of related information, and the translation of program results into more useful standards of efficiency for the public employment service system.

FEDERAL EMPLOYMENT SERVICES

SEC. 3. Section 3 of the Wagner-Peyser Act is amended by adding at the end thereof the following new subsections:

"(c) (1) The Secretary of Labor shall establish an outreach program which shall provide, through the bureau, technical and management assistance to public employment offices in the several States for the development and implementation of annual management plans required under section 8(b) for such offices, the implementation of modified and improved employment services to be provided by such offices, the implementation of pilot programs assisted by the Bureau, including pilot programs assisted under section 14, and the evaluation of the cost-effectiveness and potential improvements in performance associated with changes in priorities, programs, and objectives.

"(2) The Secretary of Labor shall establish within the United States Employment Service a national clearing house for employment service information, which shall include—

"(A) information on pilot programs assisted by the bureau, including pilot programs assisted under section 14, and on other job placement practices.

"(B) current information on State employment laws and related administrative practices, and

"(C) information on manpower programs and other long-term job training programs administered by the Secretary of Labor.

"(d) The public employment offices in the several States receiving assistance under this Act shall develop a program for achieving, within a reasonable period of time after the date of enactment of this subsection, taking into account any necessary changes in State law, the physical separation of the job placement and counseling services provided by such offices from the services provided by such offices in connection with claims under programs of unemployment insurance."

FEDERAL-STATE MANAGEMENT PLANNING

SEC. 4. Section 8 of the Wagner-Peyser Act is amended by inserting "(a)" immediately before the first sentence, by striking out the second sentence, and by adding at the end thereof the following new subsections:

"(b) (1) Plans submitted under the subsection (a) shall include annual management plans, and the Secretary shall not provide financial assistance under this Act to any agency designated to cooperate with the United States Employment Service for any fiscal year unless such a management plan has been submitted by such agency for such year, and unless such management plan, as determined by the Secretary of Labor, includes the program described in paragraph (2) and provisions for the identification of employment opportunities for, and for job placement and counseling for—

"(A) professional, technical and managerial workers;
"(B) clerical workers;
"(C) service workers;
"(D) craft workers;
"(E) sales workers;
"(F) agricultural workers,
"(G) laborers and operatives, and
"(H) veterans;

and includes provisions for the promotion and development of employment opportunities for handicapped persons, and specialized services for other categories of applicants which may be determined to be appropriate or which may be required by the Secretary of Labor. Such plan shall include, with respect to each of the categories of job applicants specified under the preceding sentence, an assessment of the number of such persons currently seeking employment, an evaluation of the number and characteristics of appropriate employment opportunities, and the status of efforts to anticipate employer labor requirements and encourage voluntary participation in the public employment office system.

"(2) Each annual management plan under paragraph (1) shall include a program to encourage the active participation of employers in the public employment office system, including efforts to adapt State job placement programs to the needs and performance requirements of public and private employers, and efforts to ensure the participation of employer representatives in the development of priorities and objectives for employment services at the State level;

"(c) Annual management plans required under subsection (b) shall conform to accepted program budgeting principles, including particular attention to—

"(1) a logical breakdown of employment office priorities into measurable short- and long-term objectives, and the translation of such objectives into employment service programs at the State level;

"(2) continuing evaluation of the effectiveness of each such program in light of established objectives; and

"(3) an assessment of the fiscal and personnel-utilization priorities necessary to effect the maximum realization of program objectives at minimum cost.

"(d) (1) The Secretary of Labor shall provide for a periodic audit of the compliance by the agencies designated to cooperate with the United States Employment Service and by the public employment offices in the several States with the provisions of this Act and the rules and regulations established under section 12 which are applicable to such agencies and offices.

"(2) The Secretary of Labor shall, upon a determination that such a State agency has not made a good faith effort to conform its administrative practices to the objectives specified in its annual management plan required under subsection (2), give notice in writing to the agency stating specifically wherein that agency has failed to comply with such plan. If, after 90 days after the issuance of such notice and an opportunity for a public hearing, the Secretary of Labor determines on the record that such agency has not taken sufficient steps toward such conformity, the Secretary of Labor may revoke any existing certifications or withhold any further certifications provided for in section 5.

"(3) Pursuant to paragraph (2), the Secretary of Labor shall develop plans for ongoing evaluation of State agency compliance with both relevant statutes and regulations thereunder, and with the annual management plans submitted under subsection (b). Such plans shall be available for inspection by Congress and the general public, and shall be revised and improved periodically."

EMPLOYMENT OPPORTUNITIES PILOT PROGRAM

SEC. 5. (a) The Wagner-Peyser Act is amended by adding at the end thereof the following new section:

"EMPLOYMENT OPPORTUNITIES PILOT PROGRAM

"SEC. 14. (a) The Secretary of Labor, through the United States Employment Service, shall carry out a program of financial assistance for projects, which would not be carried out without the assistance available under this section, for job placement under the direction of public employment offices in the several States. Projects assisted under this section shall represent a variety of approaches to job placement, and shall be reviewed and evaluated by the Secretary of Labor, and the results of such review and evaluation shall be disseminated to appropriate individuals and agencies.

"(b) In awarding financial assistance for projects under subsection (a), the Secretary of Labor shall give priority to projects which are designed to assist the classes of workers described in section 8(b) and which are located in areas having rates of unemployment which are higher than the national average rate of unemployment (as determined by the Secretary of Labor)."

NATIONAL JOB BANK AND STUDY OF FEDERALIZATION OF EMPLOYMENT SERVICES

SEC. 6. (a) Section 3(a) of the Wagner-Peyser Act is amended by adding at the end thereof the following: "The Secretary of Labor shall carry out a comprehensive examination of the merits and cost-effectiveness of establishing a nationwide job bank system, and shall report to the Congress within one year after the date of enactment of the Reemployment Services Act on the results of such examination, including any recommendations for legislation, and on any progress which may have been made in establishing such job bank systems, as a pilot project, or on any other basis. Such examination shall include specific inquiry into—

"(1) the effectiveness with which job referrals may be screened according to both applicant qualifications and employer requirements, especially the degree to which such a system makes possible the redirection of employmnet office personnel to the delivery of other essential employment services;

"(2) the degree of interstate employment mobility, if any, which may be engendered or encouraged by existence of such a system;

"(3) the degree to which job information services, such as job search libraries and viewers which show available jobs, may be effective in providing job placement and may serve as a substitute for a complete job bank system, especially the degree to which such services are consistent with paragraph (1);

"(4) the extent to which the job bank system is effective in the placement of specific target groups of the unemployed, including low-income persons, minority groups, persons with highly-specialized job skills, the handicapped, displaced older workers, and other groups which may be found appropriate by the Secretary of Labor;

"(5) the cost economies and qualitative differences in the effectiveness of service between job bank systems on different scales within the public employment offices, including systems at the local, regional, State, and Federal levels; and

"(6) the extent to which job bank services may be effectively and economically applied to specific geographical areas, and to specific categories of employers and of job applicant groups.

For the purposes of this subsection, the term 'job bank system' means an automated system for the collection, classification, and selective dissemination of information relating to employment opportunities and job applicant qualifications within a given geographic area."

(b) The Secretary of Labor shall carry out a study of the feasibility and effectiveness of establishing a system of Federal public employment offices in lieu of the system established and assisted under the Wagner-Peyser Act. Such study shall include the cost effectiveness of such a system, and the potential for innovation at the local level and adaptation to local needs which would occur under such a system. The Secretary of Labor shall report the results of such study, including any recommendations for legislation, to the Congress within two years after the date of the enactment of this Act.

TECHNICAL AMENDMENT

SEC. 8. Section 9 of the Wagner-Peyser Act is amended by striking out "section 7" and inserting in lieu thereof "section 5".

DEFINITION

SEC. 8. For purposes of this Act, the term "Wagner-Peyser Act" means the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promoton of such system, and for other purposes", enacted June 6, 1933 (48 Stat. 113; 29 U.S.C. § 49 et seq.).

THE 18TH OBSERVANCE OF CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, as reports continue to flow in with reference to the 18th observance of Captive Nations Week, it is most encouraging to see how Americans across the country and friends in allied countries uphold with unswerving determination the principles of national independence, self-determination, basic human rights, and personal liberty as enunciated in Congress' own Captive Nations Week resolution, now Public Law 86–90. They know that the preservation of one's freedom is dependent on a growing environment of freedom. The expansion of the list of captive nations in this decade alone scarcely suggests such an environment. As pointed out during this 18th observance, until a realistic policy covering the captive nations—yes, all of the captive nations, including the crucial ones in the Soviet Union itself—is formulated and developed, the threat to our national freedom will undoubtedly be an increasing one.

This fundamental theme is well expressed in the proclamations and other data pertaining to the week. As further selected examples, I bring to the attention of my colleagues the proclamations of Gov. David L. Boren of Oklahoma, Gov. William G. Milliken of Michigan, Mayor Gerald W. Graves of Lansing, Mich., Mayor Thomas J. Early of Worcester, Mass., Mayor Ted Bates of Warren, Mich., Mayor Richard H. Fulton of Metropolitan Nashville, Tenn., Mayor Clarence A. Holland of Virginia Beach, Va., and a message from the National Captive Nations Committee to Members of Congress along with a report in the Free China Weekly:

[State of Oklahoma]

PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of many people; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, David L. Boren, Governor of the State of Oklahoma, do hereby proclaim the week of July 18-24, 1976 as "Captive Nations Week" in the State of Oklahoma, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of the captive nations.

EXECUTIVE DECLARATION

William G. Milliken, Governor of the State of Michigan, presents this Executive Declaration in observance of July 11-17, 1976, as Captive Nations Week.

The desire for freedom and liberty burns in the hearts of people throughout the world, including those living in nations dominated by the policies of Communist Russia.

Freedom-loving peoples of Albania, Armenia, Bulgaria, Byelorussia, Croatia, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Serbia, The Ukraine and other captive nations look to the United States as the vanguard of human freedom.

Therefore, I, William G. Milliken, Governor of the State of Michigan, do hereby declare July 11-17, 1976, as Captive Nations Week, and I urge all citizens to dedicate some of their time and effort to the goal of freedom and liberty for all people throughout the world.

[City of Lansing, Mich.]

PROCLAMATION

Whereas: The imperialistic policies of Russian Communists have led, through direct and indirect agression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas: The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas: The freedom loving peoples in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas: The Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Gerald W. Graves, mayor of the City of Lansing, by the power vested in me, do hereby proclaim the week of July 18-24, 1976, as "Captive Nations Week" in Lansing, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of the captive nations.

[City of Worcester, Mass.]

PROCLAMATION

Whereas: The imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas: The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas: The freedom loving peoples in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas: The Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Thomas J. Early, Mayor of the City of Worcester, do hereby proclaim the week of July 18-24, 1976 as "Captive Nations Week in the City of Worcester, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of the captive nations.

[City of Warren]

PROCLAMATION, CAPTIVE NATIONS WEEK

Whereas: The imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos, and others; and,

Whereas: The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and,

Whereas: The freedom-loving people in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and,

Whereas: The Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples.

Now, Therefore, I, Ted Bates, Mayor of the City of Warren, do hereby proclaim the week of July 18-24, 1976, as "Captive Nations Week" in the City of Warren, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

PROCLAMATION

Whereas the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas the freedom loving peoples in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Now, therefore, I, Richard H. Fulton, Mayor of Metropolitan Nashville, Tennessee do hereby proclaim the week of July 18-24, as Captive Nations Week in Nashville, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of the captive nations.

PROCLAMATION

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in conquered nations constitutes a powerful deterrent to any ambitions to initiate a major war; and

Whereas, the freedom loving peoples in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 89-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples:

Now, therefore, I, Clarence A. Holland, Mayor of the City of Virginia Beach, Virginia, do hereby proclaim the week of July 18–24, 1976, as "Captive Nations Week" in Virginia Beach, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of the captive nations.

National Captive Nations
Committee, Inc.,
Washington, D.C., June 22, 1976.

Did you know that Jimmy Carter as Governor of Georgia enthusiastically proclaimed Captive Nations Week, with emphasis on all the captive nations, including the majority in the USSR; that President Ford's pre-Helsinki and Milwaukee statements on Eastern Europe, meaning up to the Urals, have inspired expectations of a forceful proclamation this year; that Ronald Reagan placed similar stress on the captive nations in his nation-wide TV appeal earlier this year?

Such expressions augur well for the 18th Observance of Captive Nations Week in this Bicentennial Year. And we cordially invite you to uphold Congress' own resolution by offering similar expressions during the Week of July 18–24. We who are celebrating the 200th of our Declaration of Independence from an empire can best express our heritage and its tradition of politico-moral responsibility in a Bicentennial salute to the captive nations which have lost their independence to a contemporary empire. With bipartisan support from Rep. Derwinski, in the House Rep. Flood will have a special order on Wed., July 21.

You'll recall the '75 Week, marked by a significantly timed Apollo-Soyuz orbital detente, Solzhenitsyn, Kissinger's defense of detente, and the announcement of the Helsinki conference. It is no accident that Moscow will be sending in the period of the '76 Week a so-called "Russian regional folk concert" to show us how happy the captive non-Russian nations of Latvia, Ukraine, Georgia etc. are with Russian imperial rule. This fraud and insult to our intelligence can be exposed by your expression in a resounding Captive Nations Week.

Recently, our Vice President truly told "it like it is" when he said we are faced with a "far more complex form of imperialism, a mixture of Czarism and Marxism with colonial appendages." This has been the teaching of captive nations analysis right along. It doesn't require more Cubas, Vietnams and Angola to impress this. The key is in the USSR itself—the captive non-Russian nations dimension, about which you'll find nothing in any of Kissinger's books and which provides a realistic alternative to his self-defeating type of detente. Yes, we must deal with Moscow, but let's do it knowledgeably and without illusion that the USSR is anything but a primary empire with growing tentacles. Regrettably, we still haven't even a captive nations policy.

Looking forward to your Bicentennial salute to the captive nations and with grateful thanks,

Sincerely,
Lev E. Dobriansky, *Chairman.*

[From Free China Weekly, July 25, 1976]

Mass Rally and Forum Held

President Yen Chia-kan of the Republic of China said July 23 the world is in a critical moment in which Communist slavery must be extinguished for the safeguarding of democracy and freedom.

Addressing the mass rally supporting the Captive Nations Week held in Taipei, President Yen said the Communists have continued to export violence and subversion, which has resulted in the complex and chaotic world situation of today.

The President told the participants that internally the Maoist Communists face serious divisions, turmoil and violent power struggle. He continued: "As they seek survival and freedom, our mainland compatriots are engaged in continuous and increasingly furious struggles against the handful of their suppressors. This affords positive proof that Mao thought and the Communist system are totally bankrupt and abhorred by the freedom-loving people."

The Captive Nations Week observance started on July 18 when a forum was held with more than 200 freedom seekers participating.

Lan Ming-yu, a Chinese freedom fighter, presided over the forum and said that in the last two decades a total of more than 170,000 Chinese escapees had fled from the Red-controlled mainland to Taiwan. "We are determined to be vanguards in the fight against the Communists," Lan declared.

Communism is inhumane and unscientific, Lan said. The emergence of Communism and the despotic Communist regimès in the world is a catastrophic tragedy to humanity.

Now most people in the world and even some of the Communists are aware of the vicious, evil and reactionary nature of Communism, Lan stated. To eliminate Communism and destroy Communist regimes needs the determination, strength and action of all the people in the free world and those behind the Iron Curtain, he added.

Rep. Edward J. Derwinski, (R-Ill.) of the United States, Rep. Eduardo Galil of Brazil, and Prof. Giorgio Roberti of Italy, who came here to take part in Captive Nations Week, also spoke at the forum.

Rep. Derwinski had visited the Chinese mainland for 11 days. He said that the Chinese Communists controlled their people tightly and suppressively. The people under the Maoist yoke have no freedom of speech, freedom of thought and other freedoms.

The freedom seekers said in a statement Peiping is on the verge of total collapse. The anti-Mao and anti-Communist movements are reported now gaining momentum and spreading widely on the mainland.

The statement also calls on some politicians in some free countries to stop their appeasement and currying favor of the Communists for selfish purposes of their own.

Appeasement of the Reds will aggravate the world crisis and jeopardize the freedom and security of the free world, the statement warned, adding: "The enjoyment and protection of freedom needs high costs and sacrifices. Freedom always and only belongs to the brave."

Meanwhile, the freedom seekers adopted a cable at the forum calling on the United States to bear the responsibility of freeing the world's captive nations and to give full support for the enslaved peoples seeking to get rid of Communist yokes.

They said in the cable to President Gerald Ford and the Congress that the public enemies of humanity today are the Communists bent on communizing the entire world.

The freedom fighters urged the government and people of the United States to stem immediately the trend of "normalization of relations" with the Peiping regime and to strengthen their long-standing friendly ties with the Republic of China.

Any substantial movements in the world will contribute greatly to the cause of safeguarding freedom, democracy, peace and security, the cable stated.

A declaration was also announced at the forum by the Chinese participants:

"Only those in fetters know how precious freedom indeed is and what a high price one is willing to pay for liberty.

"The recent bloodshed amid flames in the Tienanmen Square and the bomb blast outside the Russian Embassy in Peiping are powerful proofs of this dedication to freedom.

"We are certain that downfall is near for Maoist tyranny and dawn is already here for freedom."

THE LATE JUDGE WILLIAM J. LYNCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Rostenkowski) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, it is my sad duty to inform the House of the passing of one of Chicago's most prominent citizens. My good friend Federal Judge William J. Lynch died yesterday in the city he loved at the age of 68. Judge Lynch was a longtime personal friend of Dick Daley and of mine. He was a credit to his city and his Nation and will be sorely missed by all of us who were fortunate enough to be included among his friends. He was my minority leader during my service in the Illinois State Senate. He was always available to give advice and a kind word. I learned much from this generous man.

After his career in the senate, he assumed the post of general counsel of the Chicago Transit Authority until he again resumed the private practice of the law. In 1966 he was appointed a Federal judge for the northern district of Illinois by President Lyndon B. Johnson.

In structure, he was not a tall man, but his performance as a jurist elevated him to a giant among his peers. Mr. Speaker, I know that the entire Illinois congressional delegation joins me in extending our sympathy to the judge's two sisters, Mrs. Annamay Molloy and Margaret Lynch.

Mr. Speaker, I include at this point in the Record an article from today's Chicago Tribune which describes Judge Lynch's distinguished career of public service.

Judge W. J. Lynch Dies; Old Daley Pal

Federal Judge William J. Lynch, 68, died Monday in St. Joseph Hospital, where he had been a patient since July 9.

He was brought into the hospital unconscious after striking his head in a fall in his apartment at 1300 N. Lake Shore Dr.

He suffered swelling and internal bleeding and underwent brain surgery July 11, from which he never recovered.

The first person to be notified of the death of the bachelor judge was Mayor Daley, Judge Lynch's former law partner.

"All of Chicago is saddened by his death," Daley said.

"I was a friend and neighbor of his all his life. He was a fine lawyer and a great judge, and I have lost a very dear personal friend.

"Mrs. Daley and our family join in offering our condolences to the judge's sisters, Mrs. Annamay Molloy and Margaret Lynch."

Lynch was appointed to the federal bench in 1966 after a long political and legal career that kept him near the center of Democratic Party power in Chicago and Illinois.

After graduation from Loyola University Law School in 1931, he became a Cook County assistant state's attorney, a position he held until 1938.

He entered private law practice, then served in the Navy during World War II. He remained out of public life until 1950 when he was elected a state senator from Chicago's 9th District. His law partner was a rising Democratic politician: Richard J. Daley.

In the Illinois Senate, Lynch became Democratic minority leader and was considered the chief spokesman for Chicago's interests and eventually for his former law partner who had become the city's mayor.

During his years in Springfield, Lynch was constantly fighting for such things as more funds for the Chicago Transit Authority, greater taxing powers for the city, and an elective system for choosing judges.

In 1957, Lynch resigned from the Senate to resume the then $18,000-a-year post of general counsel for the CTA. He also went back into private law practice, this time with George Schaller, who later became a Cook County Circuit judge.

Off and on through the next several years Lynch was mentioned as a possible candidate for United States senator and for president of the Cook County Board, but he remained in private practice until he was appointed a federal judge for the northern district of Illinois by President Lyndon B. Johnson.

Lynch was the first judge sworn into office in the new Federal Building, now called the Dirksen Federal Building, at 219 S. Dearborn St. He filled a vacancy created by the retirement of the late Judge Michael J. Igoe.

Illness caused Lynch to be absent from the bench much of the time during his years on the court. But he heard several important trials of crime syndicate figures and in 1968 was involved in the legal battle between the city and those who wanted to demonstrate at the Democratic Party's National Convention here.

Lynch denied a request for an injunction to force the city and the Chicago Park District to issue permits for the demonstrators, bringing charges from antiwar marchers, hippies, and Yippies that he was a Daley tool.

A horse racing fan, Judge Lynch was a vice president of the Balmoral Jockey Club.

A member of the Chicago, Illinois, and American bar associations, Judge Lynch was a former president of the Irish Fellowship Club of Chicago, a group whose membership list read like a "Who's Who" of Irish political power in Chicago.

THE ADMINISTRATION'S FAILURE TO PRODUCE AN EFFECTIVE NARCOTICS TRAFFICKERS TAX PROGRAM

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, as chairman of the Ways and Means Oversight Subcommittee, I personally have a keen interest in the problem of enforcing the tax laws against persons who derive income from illegal sources such as gambling, loan sharking, and narcotics trafficking. My purpose, today, is to expose a cruel hoax that is being perpetrated upon the American people: The failure of the administration to implement an effective program against high-level drug traffickers. In my statement today, I believe I can show:

First, that, with rare exception, narcotics traffickers can only be brought to justice through special investigations of violations of the tax law;

Second, that while there have been violations of defendants' rights in the past under the narcotics traffickers tax program—NTTP—the program has been highly successful in prosecuting major drug figures, and most government officials believe that the past abuses in the program can be prevented in the future;

Third, that the IRS has substantially phased out the NTTP;

Fourth, that despite what I believe to be the will of Congress, the announcements of the President, and the active desire of the Domestic Council and numerous Treasury, Justice, and IRS officials, the IRS continues to oppose the reinstitution of a vigorous NTTP, and, therefore,

Fifth, legislation is necessary to mandate the resumption of an NTTP designed both to prosecute narcotics middlemen and to protect citizen rights.

The IRS's resistance to reestablishing an NTTP is one of the most controversial and important bureaucratic disputes to occur in Washington in some time. I believe that secret bureaucratic infighting which distorts announced public policy should be a subject of congressional oversight. I believe the President's stated support for an NTTP is clear. I am sure that Members of this body support an NTTP. Therefore, after the recess, I plan to introduce legislation which will make an NTTP mandatory.

THE IRS-DEA AGREEMENT

On July 27, 1976, the IRS and the Drug Enforcement Administration entered into an agreement which is long on generalities and short on specifics. A copy is appended to my statement. The first question to be asked is why is such an agreement needed in the first place? Basically, all it provides is for an exchange of information between two Federal agencies—with, of course, no tax return information going to the nontax agency, DEA. Why have not DEA and IRS exchanged information before?

The agreement does not require the IRS to commit itself to work a single case, nor give any priority to narcotics cases. There is no commitment to form specialized groups where the caseload warrants, nor to expedite cases.

The agreement contains an interesting non sequitur right in the second paragraph which renders the whole agreement meaningless. It provides that:

> The responsibility of IRS is to conduct appropriate civil examinations and criminal investigations of high-level drug leaders and financiers who IRS determines to have violated the internal revenue laws using its established standards.

That is right. That is what it says—opinions first, facts later. The IRS will make a determination as to whether tax laws have been violated, before conducting civil examinations or criminal investigations. That is ludicrous. If the program is going to work, the IRS must commit itself to performing x number of examinations of alleged class I violators.

The agreement places "primary responsibility for gathering information relating to * * * major narcotics leaders" with the DEA. No special enforcement tax program can be a success unless specially trained tax fraud agents are permitted to go out and develop their own tax related information. The agreement does not encourage this kind of initiative. Furthermore, new IRS regulations on information gathering are so complicated as to make case development unworkable.

The agreement makes it plain that the program will have no national punch behind it; the national office acts only as a channel for DEA information; district offices will act on the information furnished by DEA as it finds time in the workload. IRS officials at the district level shall make the final determination as to which cases shall be subject to either an audit examination or a criminal investigation.

My recent inquiries at IRS confirm that the IRS–DEA agreement will bring no change in the IRS approach. No special priority is being assigned to tax cases involving suspected narcotics traffickers. And no special provisions will be made to handle any increased workload that might be generated by information received from DEA. In my opinion, the agreement is woefully inadequate. This is especially true in light of the past history of IRS hostility to this valuable program.

THE NEED FOR THE NARCOTICS TRAFFICKERS TAX PROGRAM

I have had the opportunity during recent months to study the Treasury Department's lack of effort against organized crime and major narcotics traffickers.

There are two main aspects to narcotics trafficking: There is the man on the street who sells, and there is the shadowy figure who never touches the hard drugs, but merely sits back and rakes off millions in his role as the middleman. It is almost impossible for general law enforcement agencies such as the Drug Enforcement Administration to touch these hidden "white collar" criminals. The only effective way that these people can be brought to justice is through tax laws. If we ever hope to stop the flow of hard drugs in this country, we must wipe out the middleman, the importers, the financiers of this industry.

Major drug dealers are immune from conviction under substantive drug laws. They never touch the drugs themselves. They only touch the money. But even the most sophisticated money mover leaves a trail that can be found and followed.

Drug trafficking is a business. The major purpose of engaging in the business of narcotics trafficking is to earn illegal income. The huge profits of the drug trafficking business are largely unreported. This unreported income from drug trafficking is taxable and the Treasury Department has the responsibility of uncovering and taxing this income.

Such unreported income is discovered through special enforcement programs.

There is a disagreement within Treasury on the value of special enforcement programs. Agents in the special enforcement program work criminal tax cases against people who are suspected of deriving their income from illegal sources. Different techniques and criteria are needed in this program from those utilized in the general program in which an average citizen's 1040 is routinely audited.

People who make their money illegally hide their dealings and generally do not use normal commercial institutions such as banks, brokerage houses, and certified public accountants. When they do use normal commercial institutions, they normally hide behind tiers of nominees. Most illicit profits are received in currency behind closed doors or in dark alleys. Because of the nature of these illegal transactions, it is necessary for the IRS to use different criteria when selecting a person for investigation who is engaged in an illegal business and does not report adequate income on his return, than the criteria used in selecting cases where the subject makes an honest living. It is also more difficult, time consuming and expensive to work a case where the income is illegal.

I fully agree with the statement made by the Assistant Treasury Secretary for Enforcement, David R. MacDonald, who said in a memorandum last March:

> It is widely recognized that successful drug traffickers realize enormous profits which frequently are not reported for Federal income tax purposes. There is nothing, in my opinion, more deleterious to the confidence of our tax system than the realization that "big shot" criminals are successfully avoiding the payment of taxes. Moreover, there is nothing so encouraging to the small taxpayer than to see the narcotics dealer prosecuted for failing to meet those tax obligations that the rest of us are forced to comply with.

The Commissioner of Internal Revenue, on the other hand, stated in a speech before the tax section of the American Bar Association on August 14, 1974:

> Selective enforcement of tax laws, designed to come down hard on drug dealers or syndicated crime, for example, may be applauded in many quarters, but it promotes the view that the tax system is a tool to be wielded for policy purposes, and not an impartial component of a democratic mechanism which applies equally to all of us. * * *
>
> [T]he overall emphasis of our criminal enforcement activities has been shifted away from special enforcement programs such as Narcotics Traffickers and Strike Forces, and have been aimed more directly toward the taxpaying public in general.

I disagree with the latter policy. Resistance to our voluntary tax system is more likely to occur if citizens perceive that the IRS is giving a free pass to the criminal element. The IRS cannot stop collecting taxes from gamblers, extorters, and narcotics traffickers simply because they are not nice people. If no special enforcement effort is made against the cleverest tax evaders, then the result will be selective enforcement against the poor, the middle class, and the weak

It takes a special effort to catch a special criminal—and drug trafficker middlemen are specially sophisticated, specially organized in a worldwide network, with special places to secrete their millions of rakeoff profits. It is naive to believe that general enforcement will ever lay a glove on such special criminals.

No one can dispute the fact that there have been abuses in the narcotics traffickers tax program in the past. Jeopardy assessments and tax year terminations were often used in violation of the constitutional rights of taxpayers in the illegal business of drug trafficking. However, the drug abuse task force of the President's Domestic Council believed that any such abuses were not inherent in the program and could be overcome. Last September, the task force stated in its white paper to President Ford:

> The IRS has conducted an extremely successful program that identifies suspected narcotics traffickers susceptible to criminal and civil tax enforcement actions. Recently, the program has been assigned a low priority because of IRS concerns about possible abuses. The task force is confident that safeguards against abuse can be developed, and strongly recommends reemphasizing this program. The IRS should give special attention to enforcement of income tax laws involving suspected or convicted narcotics traffickers.

The President accepted this advice. In his April 1976 statement, Mr. Ford asserted that these abuses can be corrected: They are not inherent in the program. I agree.

The President issued a strong call for action in his April statement where he said:

> The first need for stronger action is against the criminal drug trafficker. These merchants of death, who profit from the misery and suffering of others, deserve the full measure of national revulsion. * * *
>
> [T]he Federal government must act to take the easy profits out of drug selling. * * *

The President's proposal, which comes at a time when narcotics usage is again on the rise, had a familiar ring. In 1971, Mr. Ford's predecessor announced an expanded effort by the Federal Government to combat drug abuse. In response to this charge, the narcotics traffickers tax program—NTTP—was created, and the Congress appropriated huge new sums to implement it.

While President Ford's sentiments as expressed in his message of April 27 are laudable, apparently he had no control over the bureaucracy. As I have noted, the IRS did set up a NTTP to accomplish the very mission that Mr. Ford now wishes to accomplish. But that program was merged out of existence by the IRS on July 1, 1975, and funds specifically requested of Congress for this program were diverted to other IRS programs.

The program had been a success. While it lasted, more than 2,000 mid- and upper-level traffickers were selected for tax investigation. More than 250 individuals were indicted on criminal tax charges. Stiff prison terms were meted out to such kingpin traffickers as Richard Barksdale of Fort Wayne, Ind., Gordon King, alleged to be one of the top dealers in the Nation's Capital, and Vincent Papa, who is thought to have figured in the theft of "French connection" heroin from the New York Police Department property room. But the NTTP began to go downhill soon after Mr. Ford became President.

THE DECLINE OF THE NARCOTICS TRAFFICKERS TAX PROGRAM

While the President has called for more action, in fact, tax and penalty recommendations have fallen off dramatically in the last 2 years. For fiscal year 1974, almost $70 million in taxes and penalties were proposed against narcotics traffickers. Less than $10 million have been proposed against narcotics traffickers for the first 9 months of this fiscal year. According to statistics released by the Treasury Department, the statistics on prosecution recommendations have fallen off just as badly. As a matter of fact, the Internal Revenue Service has become so embarrassed about its criminal tax enforcement statistics that it stopped publishing its quarterly statistics in June 1975.

The narcotics traffickers tax program grew from outlays of $10.2 million to fund 482 positions in fiscal year 1972 to outlays of $22.5 million to fund 913 positions in fiscal year 1974. Thereafter, support for the narcotics traffickers tax program was cut drastically. The amount claimed by the IRS to have been spent for this program fell by one-third in fiscal year 1975 to only $15 million and 598 positions. Even these reduced amounts were not actually devoted to the NTTP. Inferring from the productivity figures for the period, 70 percent of these claimed outlays were actually diverted to other programs. Only 181 positions and $4.5 million of the amounts claimed to be allocated for tax cases against narcotics traffickers were actually used for that purpose in fiscal year 1975.

Table

[Outlays in millions of dollars; fiscal years]

	1972	1973	1974	1975		
				Claimed	actual	Diverted
Positions	482	854	913	598	181	417
Outlays	10.2	19.9	22.5	15	4.5	10.5

There was no separate NTTP program for fiscal year 1976. Worse yet, the President's budget ax for fiscal year 1977 whacks a full one-third out of the special enforcement program. Not only has the President failed to seek a budget to fund a narcotics traffickers tax program, but under his proposed budget, there is no provision for Treasury enforcement of the gambling tax laws. Furthermore, the budget cut will result in a continuing decline of tax evasion cases brought against organized crime figures. By cutting one-third out of the budget for the special enforcement program, the President has doomed any program against narcotics traffickers to failure.

Recently, Treasury requested a supplemental appropriation of $20.6 million to fund 982 positions for IRS to work narcotics trafficking and corporate "slush fund" cases. The request was turned down by the President's own Office of Management and Budget on June 15, 1976. So Mr. Ford's demand for action is getting no support from OMB either.

Certainly, the needs of the program would have been met by the Congress had the administration made the request. For example, our distinguished colleague, the Honorable TOM STEED, chairman of the House Appropriations Subcommittee which considers Treasury appropriations, has said, in speaking of tax enforcement against narcotics traffickers:

> This one tool seems to be the best way that has been developed to get at the character who sits back safe, away from the crime itself, . . . and cashes in on the operation. There have been other historic cases of how criminals who could not be brought to justice otherwise have been able to be punished for the violation of tax laws.

Last week I had occasion to discuss this issue with our esteemed colleague, Senator BIRCH BAYH of Indiana, who is a member of the Senate Appropriations Subcommittee with jurisdiction over Treasury appropriations. The distinguished Senator felt that the Senate would support earmarking funds for the NTTP.

Since the Commissioner terminated the program a year ago, neither the President's Domestic Council nor the President himself has been able to budge him. Last September, a Domestic Council white paper "strongly recommended" reviving the NTTP. That recommendation was ignored. And so far the Commissioner, with timely footdragging on the part of Secretary Simon, has managed to rebuff a Presidential call upon both of them "to develop a tax enforcement program aimed at high-level drug traffickers."

These are not my observations alone. They are the observations of officials in the Treasury Department—primarily the Assistant Secretary for Enforcement and his predecessors—and in the Justice Department, who have been fighting a valiant but losing battle over the past 3 years to save the NTTP from extinction.

Seven months after the Domestic Council's white paper was issued, President Ford, in a message to the Congress on April 27, 1976, entitled, "The Control of Drug Abuse," stated that he had directed the Secretary of the Treasury to work with the Commissioner of the Internal Revenue Service to develop a tax enforcement program aimed at high-level drug traffickers. In my report to the House on May 17, 1976, I urged that such a program be developed and implemented. However, I expressed misgivings about the sincerity of the Ford administration's commitment to such a program. I was concerned that perhaps all that the President sought was a quick headline.

My concerns were based on two grounds. First, the previously existing "tax enforcement program aimed at high-level drug traffickers"—the narcotics traffickers tax program—was, if not killed, certainly maimed by the administration. Second, at the time I made my report to Congress 3 weeks after the President's message, there was no movement within the IRS to reinstitute the narcotics traffickers tax program.

THE TREASURY ANTI-DRUG ENFORCEMENT COMMITTEE

Subsequent to my report to the Congress, Treasury Secretary Simon announced the formation of a Treasury Department Anti-Drug Enforcement Committee. The committee, formed more than 4 weeks after the President's announcement, was to report its findings to Secretary Simon by July 1, 1976. Only congressional hearings forced the executive to take action. Unfortunately, the only action taken by the administration was to issue the meaningless July 27 document which I have described above.

My efforts to communicate on these issues with the Treasury Department have been futile and strongly suggest that an effective program will not be implemented. Since May 27 of this year, I have had pending with the Secretary of the Treasury a formal request for documents relating to the rise and fall of the narcotics traffickers tax program. But the Secretary has not complied with my request. Since the Secretary has stonewalled my request, this statement is, therefore, necessarily based on evidence from other sources.

The Assistant Secretary for Enforcement, David R. MacDonald—one of the voices that has been crying out for reestablishment of the NTTP—has been muzzled. He and members of his staff have been given blanket orders to say nothing to my staff. I have been referred instead to the General Counsel of Treasury, Mr. Richard Albrecht, who for weeks has had the documents we have requested just sitting on his desk. All we get from Mr. Albrecht is the runaround.

It is easy to see why the Treasury hierarchy is trying to dodge this issue. The documents they are trying to hide are an embarrassment in light of President Ford's most recent message to Congress on the scourge of drug abuse. In that message on April 27, 1976. the President made the following statement:

> I am directing the Secertary of the Treasury to work with the Commissioner of the Internal Revenue, in consultation with the Attorney General and the Administrator of the Drug Abuse Enforcement Administration, to develop a tax enforcement program aimed at high-level drug traffickers. We know that many of the biggest drug dealers do not pay income taxes on the enormous profits they make on this criminal activity. I am confident that a responsible program can be designed which will promote the effective enforcement of the tax laws against those individuals who are currently violating these laws with impunity.

This statement has a ring of leadership and action. But analysis will show that it is really a confession of past failure. In effect, Mr. Ford was saying: Many of the biggest drug traffickers are violating the tax laws with impunity because of failures of the administration to exercise its responsibilities.

The President was correct, and his statement holds true today. There was no program on April 27. There is still no real program. And from what we see going on at the Internal Revenue Service, the Treasury Department, and the Office of Management and Budget in the White House itself, there is not going to be any effective program.

The Treasury committee set up by Secretary Simon to develop a tax enforcement program was headed by Under Secretary Jerry Thomas and includes Assistant Secretary MacDonald, Commissioner of Customs Vernon D. Acree, and Commissioner Alexander of Internal Revenue. According to Secretary Simon's announcement, one objective would be "the revitalization of an income tax enforcement program focusing on the illegal profits of high level drug dealers."

The Treasury committee headed by Under Secretary Thomas has held only two meetings. Neither has been productive within the the meaning of the objectives announced for it by Secretary Simon. The Commissioner of Internal Revenue did not attend these meetings.

At the first meeting on June 10, Assistant Secretary MacDonald presented a proposal that would have created the NTTP essentially as it existed before its dissolution by Commissioner Alexander. Under it, tax enforcement against drug traffickers would be elevated again to the level of national direction, rather than the decentralized system which now exists. A minimum of 600 cases with high tax potential against upper-level narcotics traffickers would be the target each year. IRS would have primary responsibility for selecting the cases and operating the program. Monthly reports on accomplishments would be made to Treasury Assistant Secretary MacDonald, with overall coordination and monitoring in the hands of a steering committee representing Treasury, IRS, the Customs Service, and the Drug Enforcement Administration. A copy of this proposal is appended to my statement.

But this plan, an excellent one in my opinion, met with strong resistance from the IRS officials that Commissioner Alexander had sent to represent him at the Treasury committee meeting. The IRS position called for no change in its basic approach—that is, giving narcotics traffickers no greater attention than is accorded any ordinary tax evader and leaving it to district directors and district fraud chiefs to decide how to fit trafficker cases into their general workload. The only difference would be that, under an interagency agreement then being negotiated, the Drug Enforcement Administration would provide IRS with the names of individuals DEA suspected of being major narcotics traffickers.

At any rate, the first meeting of the Treasury committee ended with a pledge from the IRS representatives to provide IRS comment on the MacDonald proposal for reestablishing the narcotics traffickers tax program. Such comment did not materialize, however. When the committee met a second time a few weeks ago, the IRS representatives produced a letter from Commissioner Alexander addressed not to the committee chairman, Under Secretary Thomas, but to Treasury No. 2 man Deputy Secretary Dixon.

I have not seen this letter, although a copy has been requested. However, I am told that in it Commissioner Alexander cites the IRS–DEA agreement and says that that is the only length to which IRS is willing to go. I am further advised that the Commissioner reaffirmed this position in strong terms at a meeting with Treasury Deputy Secretary Dixon on July 23.

CONCLUSION

With drug abuse and illicit trafficking again on the rise, with President Ford exhorting executive agencies to action, one would expect the administration to be fully marshaled against the menace. But I must tell you that from my work on IRS matters, the administration today has no real program to tax the illegal profits of major drug traffickers.

Mr. Speaker, I have come to the conclusion, finally, that the only hope this Nation has for an effective narcotics traffickers tax program is by legislation. It is sad that the administration cannot afford us an effective program administratively. Therefore, after the recess, I will introduce legislation to mandate an effective program along the lines of the proposal by the Office of the Assistant Secretary of the Treasury for Enforcement. This proposal follows immediately after my statement:

GUIDELINES FOR THE OPERATION OF NARCOTICS TRAFFICKER TAX PROGRAM (NTTP)

(1) The program will be operated under the direction of the Assistant Commissioner (Compliance) with appropriate support from the Assistant Commissioner (ACTS). The Regional Commissioners will make every effort to comply with National Office requests for manpower and resources for the program.

(2) The Directors of the Audit, Collection, and Intelligence Divisions will be responsible for coordinating, advising, monitoring, and evaluating the performance of their respective field activities and will have direct access to field agents when necessary.

(3) A steering committee comprised of representatives from DEA, Office of the Assistant Commissioner (Compliance), the U.S. Customs Service, and the Office of the Assistant Secretary (EOTA) will be formed to oversee coordination of the activities of the agencies involved and will monitor the progress of the program.

(4) An IRS National Office screening committee will be formed. It will be comprised of representatives of the Directors of the Audit, Intelligence, and Collection Divisions, who shall be voting members, and representatives of Customs, DEA, and the Office of Law Enforcement who will act as advisors and liaison officers. The Intelligence Division representative will act as chairman of the committee. The committee will develop criteria and selection procedures that will ensure that only those cases that have substantial tax potential and appear to involve mid and upper level traffickers are accepted for inclusion in the program.

(5) The Assistant Commissioner (Compliance) will provide the Assistant Secretary (EOTA) with monthly reports on the accomplishments of the program. The items to be covered in these reports will be specified by the Assistant Secretary.

(6) Specific manpower and resource allocations will be developed for each region and district office that can be expected to acquire a significant case load.

(7) A determined effort will be made to identify and select a minimum of 600 cases for Audit or Intelligence investigation each year.

(8) In those IRS district offices that have a sufficient NTTP case load to warrant a specialized group of agents, such a group will be formed.

(9) The IRS field agents will use appropriate information gathering techniques in attempting to identify those persons who appear to be most suitable for inclusion in the program. These techniques will include close liaison with Federal, state and local enforcement officers and the use of paid informants.

(10) IRS will issue guidelines instructing field personnel in the proper use of jeopardy assessments and early terminations with respect to possible tax collection action resulting from narcotics related referrals made by other law enforcement agencies.

(11) Due to the nature of taxpayers involved, the examination, investigation, and review of the NTTP cases will be expedited.

(12) IRS National Office instructions and manual issuances directly pertaining to NTTP will be reviewed by the Office of the Assistant Secretary (EOTA) prior to their issuance.

(13) The Office of the Assistant Secretary (EOTA) will confer with the Assistant Attorney Generals, Tax and Criminal Divisions, and with all other interested law enforcement agencies to promote the effective implementation of the program.

(14) The IRS will retain sole control of its agents and investigations.

MEMORANDUM OF UNDERSTANDING BETWEEN THE INTERNAL REVENUE SERVICE AND THE DRUG ENFORCEMENT ADMINISTRATION

The following is an excerpt from the President's message to the Congress dated April 27, 1976:

"I am directing the Secretary of the Treasury to work with the Commissioner of the Internal Revenue, in consultation with the Attorney General and Administrator of the Drug Abuse Enforcement Administration, to develop a tax enforcement program aimed at high-level drug trafficking. We know that many of the biggest drug leaders do not pay income taxes on the enormous profits they make on this criminal activity. I am confident that a responsible program can be designed which will promote effective enforcement of the tax laws against these individuals who are currently violating these laws with impunity."

In order to carry out the President's program aimed at high-level drug trafficking and to promote effective enforcement of the tax laws against those individuals who are violating these laws with impunity, the Internal Revenue Service (IRS) and the Drug Enforcement Administration (DEA) have agreed to the following:

I. Primary liaison between IRS and DEA will be maintained at the National Office level of IRS, and at the Headquarters level of DEA. The Assistant Administrator, Office of Intelligence, DEA, and the Assistant Commissioner (Compliance), IRS, are designated Senior Coordinating Officials responsible for implementing the provisions of this Memorandum of Understanding and are responsible for monitoring the progress of the program within their respective agencies.

II. The responsibility for the investigation of substantive narcotics violations will remain with DEA. The responsibility of IRS is to conduct appropriate civil examinations and criminal investigations of high-level drug leaders and financiers who IRS determines to have violated the internal revenue laws using its established standards.

To assist IRS in identifying high-level drug leaders and financiers, DEA will provide IRS information about individuals identified by DEA as Class I violators.

III. IRS will furnish information involving substantive narcotics violations either direct to DEA or to the Assistant Attorney General, Criminal Division, Department of Justice, in accordance with the disclosure laws and regulations. DEA will furnish to IRS, on a continuing basis, financial information and documents obtained by DEA relevant to the possibility of tax violations by all individuals involved in narcotics trafficking, regardless of their level of involvement. However, only those individuals who meet DEA Class I criteria will be considered for inclusion in this program.

The exchange of information between DEA and IRS will be subject to all procedures established under, and will be accounted for in accordance with the Privacy Act of 1974.

IV. The primary responsibility for gathering information relating to and the identification of major narcotics leaders remains with DEA. DEA will furnish periodically to the IRS, National Office, an updated list of selected Class I violators together with information relating to the individual's involvement in narcotics and whatever financial information DEA may have for IRS to determine the individual's compliance with the tax laws. The IRS, National Office, will distribute this information to the appropriate IRS regional offices for further evaluation and dissemination to the IRS district offices. The IRS district offices will supplement the information by contacting the local DEA office and by independently developing additional tax-related information in accordance with normal IRS procedures.

V. DEA Class I violators are generally given investigative priority by DEA. Therefore, to avoid compromising DEA investigations and endangering DEA personnel and cooperating individuals, IRS will ordinarily honor DEA requests to temporarily suspend or limit specific IRS investigative acts involving such cases. For example, IRS will ordinarily honor a DEA request to temporarily suspend any IRS activity which would expose or hinder the activities of DEA undercover personnel; however, over IRS investigative and examination activities related to the case would proceed. All such requests from DEA Regional Directors should be in writing and should state the specific activities to be temporarily limited and the period of time for which the suspension is requested.

VI. Appendix One is a list of IRS district offices and posts of duty cross referenced to DEA offices having jurisdictional responsibility within the district. The Chief, Intelligence Division, IRS, in each of the districts designated, is the responsible official for implementing an effective liaison program with all DEA offices located within the IRS district.

VII. The statutory authority of IRS is clearly limited to those matters falling within the purview of the Internal Revenue Code. Appropriate IRS officials at the district level shall make the final determination as to which cases shall be subject to either an audit examination or a criminal investigation. The investigation and prosecution of substantive narcotic violations by DEA will generally take precedence over the investigation and prosecution of tax violations. However, in those instances where the tax investigations have either been completed or substantially completed, DEA and IRS will cooperate in attempting to secure simultaneous indictments.

VIII. Jeopardy assessments and terminations of taxable years, which are measures provided in the Internal Revenue Code to protect the tax revenues when collection is believed to be in doubt, will be made only in accordance with the provisions of the Code, as interpreted by the U.S. Supreme Court. Appendix Two contains the text of Sections 6851 and 6861 of the Internal Revenue Code and the Syllabus of the recent decision of the U.S. Supreme Court in *Laing v. United States*, which relate to jeopardy assessments and terminations of taxable years. The IRS will assist the DEA in a program to inform DEA field personnel of the judicial and proposed legislative limitations of the Internal Revenue Service's Jeopardy and Termination Assessment powers to minimize any friction that might result if DEA agents' expectations as to the use of these powers are frustrated by such limitations.

IX. To further an understanding of the jurisdictional responsibilities of DEA and IRS, personnel of the respective agencies are authorized to participate in training programs conducted by the other agency. Such participation shall be limited to the exchange of qualified instructors to participate on a temporary basis as guest lecturers. This cross-training can best be coordinated and accomplished at the district level.

X. IRS personnel are not authorized to participate in arrests, raids and similar activities with DEA personnel.

XI. In emergency situations where the safety of DEA or IRS personnel is in jeopardy, all necessary assistance will be rendered without delay by personnel of the other agency.

XII. Central Tactical (CENTAC) Units are created by DEA to direct investigative activities at key individuals who, under varied positions of power in drug trafficking organizations, are insulated from normal investigative efforts. CENTAC Units are conspiracy oriented and are specially designed to investigate drug networks that cut across local, state, regional, national, and international borders. Each unit has direct control of the investigation as it develops. They are highly mobile, having authority to pursue an investigation wherever it may lead. The CENTAC Unit collects documents, organizes and corroborates testimony and other evidence to be presented to grand juries sitting in judicial districts where violations have occurred.

With the approval of both Senior Coordinating Officials, IRS may detail, on a temporary basis, IRS personnel to provide specialized assistance to CENTAC Units. IRS personnel will at all times remain under the direct control and supervision of IRS management and their duties in this liaison capacity shall be limited to reviewing and evaluating tax-related information obtained by DEA CENTAC Units.

XIII. Tax-related books, records and other documents seized by DEA personnel as a result of the execution and return of search and arrest warrants may be examined by IRS personnel to determine whether the individuals involved had complied with the internal revenue laws.

XIV. IRS and DEA personnel will not discourage potential sources of information from furnishing information to the other agency; and will not compete for informants or information. This cooperation should be made known to potential sources of information in order to discourage informants from "agency shopping."

XV. The debriefing of informants by DEA personnel will include an inquiry about financial information and potential tax violations. If the informant appears knowledgeable about these matters, DEA personnel will, if appropriate, encourage the informant to meet directly with IRS personnel. If the informant declines, DEA personnel will debrief the informant of any financial information and information relating to potential tax violations, and will transmit such information to IRS in accordance with DEA procedures. When it appears that an IRS informant is knowledgeable concerning potential narcotics violations, IRS will encourage the informant to meet directly with DEA personnel. If the informant declines, IRS personnel will debrief the informant of the information relating to potential narcotics violations and will transmit such information either direct to DEA or to the Assistant Attorney General, Criminal Division, Department of Justice, in accordance with the disclosure laws and regulations. IRS will be responsible for evaluating and, where appropriate, making payment for financial information concerning potential tax violations; and DEA will be responsible for evaluating and, where appropriate, making payment for information relating to potential narcotics violations. IRS and DEA will coordinate to the extent necessary to prevent duplicate or excessive payments for the same information.

XVI. DEA shall furnish IRS with strategic information and studies relating to the domestic and international flow of funds used in narcotics trafficking. To the extent this strategic information, unrelated to tax matters, is further developed by IRS, the additional information will be furnished to DEA. DEA and IRS Senior Coordinating Officials may authorize joint studies that would benefit both agencies.

Peter Bensinger,
Administrator, Drug Enforcement Administration.
Donald C. Alexander,
Commissioner of Internal Revenue.

MURDER BY DECREE: AUGUST 12, 1952

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Abzug) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, it has come to my attention that August 12 marks the anniversary of the massacre of Jewish poets and writers in the U.S.S.R. by the Soviet authorities under direct orders of Stalin. This infamous attempt to destroy the last vestiges of Jewish culture in the U.S.S.R., left more than 3 million Soviet Jews without poets, writers, actors, and artists to draw, to dance, to write, to think, to display, and to dream the works of a rich heritage and diverse culture.

I should like to bring to my distinguished colleagues' attention a piece written by Jonathan Schenker, the public information officer of the National Conference which has been sent to the Anglo-Jewish press across the country. I enter this piece into the Record, because even today, 24 years after the murder by decree in Moscow's Lubianka Prison, the Soviet authorities have yet to acknowledge their deaths, representing a commitment by the present regime to perpetuate its anti-Jewish policy. Twenty-four years later Jewish culture is still under sentence of death.

Murder by Decree: August 12, 1952

(By Jonathan Schenker)

On August 12, 1952 the 24 leading Jewish writers in the U.S.S.R.—among them poets Peretz Markish, Itzik Feiffer, Shmuel Persov, Leib Kvitko and David Hofsteyn—were executed in Moscow's Lubianka prison. This was no random pogrom, rather a calculated attempt by the Soviet authorities to murder Jewish culture in the silence of one Moscow night. In the last twenty-four years Soviet leaders have remained faithful to Stalin's policy of prohibiting Jewish cultural and educational facilities.

The executions occurred as the final act of a long process. Just prior to the executions, between 1948 and 1952 some 431 outstanding Jewish artists were arrested. They included 217 writers, 108 actors, 87 painters and sculptors as well as 19 musicians. Most of these prisoners died in Soviet prison camps. At the same time, thousands of Jewish journalists and academics were purged from their jobs in a vast anti-Jewish hysteria which the Soviet authorities consciously planned.

These acts were not only committed to rid the Soviet Union of certain Jews, but to forewarn others who may want to write, to dance, to draw, to think and choose their own culture instead of that imposed on them by the regime.

Though Jewish and Yiddish culture was allowed in the Soviet Union, by the mid-1930's the Jewish section of the Communist Party which controlled all schools, libraries, newspapers, and theatres was abolished. As Stalin sought to secure relations with Nazi Germany, anti-Semitic propaganda in the form of decrees against Zionism was launched and most Yiddish institutions were shut down. Before World War Two there were ten Yiddish theatres, and as late as 1940 100,000 youngsters were in Yiddish schools.

With the 1939 pact between Germany and the Soviet Union, Jews were officially excluded from every institution that dealt with foreign affairs and national security. The war stopped the anti-Semitic measures, but by 1948 Stalin initiated an era of horror, referred to as "the Black Years," for Jews in the U.S.S.R. All Jewish communal cultural institutions were destroyed, including publishing houses and printing presses which had produced a total of 100 publications in the previous three years. The era began with the murder by the secret police of Solomon Mikhoels, a distinguished Jewish actor.

Mikhoels had been sent to Minsk on an official mission as a member of the Stalin Prize committee. Late at night on January 13, 1948, he was summoned from his hotel room by a Communist Party official. The next morning, his bruised and bloody corpse was found near the railroad station. The reported "accidental death" was eventually discovered; the Soviet secret police had killed Mikhoels by running him over with a truck. A Jewish theatre critic who had accompanied him, Golubov-Potapov, suffered the same fate.

The murdered Mikhoels was given a magnificent funeral in Moscow by the government. His body lay in state at the Jewish State Theatre, and tens of thousands of Jews came to pay their last respects in death. The dishonesty of the official report of "death by accident" swiftly became apparent. A Jewish detective who began his own investigation of the "accident" disappeared and was never seen again.

On September 21, 1948, Ehrenberg writing in *Pravda* delivered the opening blows of the new campaign. He warned Soviet Jews that their identifying with Jews in other countries would prove their disloyalty to the Soviet Union. The last issue of Eynikayt appeared on November 20, 1948 and then the Jewish Anti-Fascist Committee was disbanded. There followed the liquidation of the Yiddish Emes publishing house, the bi-monthly Heymland, a Yiddish newspaper in Kiev, Jewish libraries, the last two Yiddish schools, professional theatres and amateur artistic groups. Jewish books disappeared into "restricted collections" in libraries. The atmosphere was further polluted by Stalin's "anti-cosmopolitanism" campaign of 1949–1951 which produced humiliating debasing anti-Jewish propaganda and caused the dismissal of thousands of Jewish professionals and artists.

The Soviet policy which culminated on August 12, 1952 left three million Soviet Jews bereft of poets, writers, actors, teachers, leaders, theatres, artists and communal institutions of any kind. Even the Yiddish linotype machines had been smashed. There was no one left to give voice to simple grief, much less to what was left of Jewish national and religious sentiments. The next generation might still be Jews, but they would be dumb and mute Jews, without poets, without songs. So it seemed.

Postscript: The execution of the Jewish writers in the basement of the Lubianka Prison, took place less than one month after a trial in which they were accused by the Soviet government of being "enemies of the U.S.S.R., agents of American imperialism and bourgeois nationalist Zionists." The crimes committed against the Jewish writers have never been publicly acknowledged by any official Soviet source. Even during the period following Stalin's death, when many of his other crimes were denounced, the night of August 12 was not recognized. While this absence of official Soviet recognition may be a function of the involvement of post-war Soviet leadership in the crime, it also represents a commitment on the part of the present Soviet leadership to a perpetuation of anti-Jewish policies: Jewish culture remains under sentence of death.

CONNECTICUT'S NEW SAMARITAN CORPORATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, I would like to take this opportunity to mention the important work of the New Samaritan Corp., a nonprofit agency founded by the Connecticut Conference, United Church of Christ.

Among this group's many accomplishments, the New Samaritan Corp. has financed housing for low- and moderate-income families, set up an advocacy service for elderly citizens, and conducted research on innovative approaches to the problems of the elderly and the poor.

I think my colleagues will be interested in a magazine article about the New Samaritan Corp. The article appeared in the July, 1973, issue of A.D. magazine.

CONNECTICUT'S NEW—AND GOOD—SAMARITAN CORP.

(By Bernadine Whitaker)

How can the church, many times encumbered by board meetings, bylaws, traditions, and lack of funds, have an impact on the various and new problems created by our constantly and rapidly changing society?

One mighty effort is now being made in the state of Connecticut by the New Samaritan Corporation. A nonprofit, tax-deductible corporation devised in 1970 by the department of church and society by the Connecticut Conference, United Church of Christ, New Samaritan is empowered to act autonomously and work with immediacy. Perhaps most significant is New Samaritan's freedom to develop, when necessary, some never-before-tried methods of resolving the problems people are facing today.

The corporation's president, the Reverend Arthur E. Higgins (also minister of the department of church and society, Connecticut Conference) explains, "We are primarily in the people business, and we're seeking to change lives for the better."

Although operating with minimal budget and staff, last year New Samaritan handled more than a million dollars' worth of projects. Of this, the Connecticut Missionary Society, the financial arm of the Connecticut Conference, put up some $3,000–4,000. Other moneys came from federal and state grants ($113,500), foundation grants, individuals, assistance from local churches ($287,000), and various mortgage loans.

The only real limitation on what New Samaritan can do, according to Higgins, "is the bounds of our own imagination. But we do have to set priorities," he points out. Every spring and fall the corporation gathers for a one-day, think-tank session. Participants in the session include Higgins, his associate, the Reverend William Inderstrodt, some of the corporation's board members, and various specialists on the United Church of Christ national staff.

The first program New Samaritan undertook, which actually was the impetus for establishing the corporation, was providing nonprofit housing for low and moderate-income families. The corporation chose Waterbury as the site for its first multiple-housing facility because only 11 units of nonprofit housing had been built in that city during the last 10 years.

"Our plan for this facility, called 'Dewberry Heights,'" recalls Higgins, "was to build housing for 42 families, leaving some of the area for play space and woods, and also to provide a community center. The land we finally chose is in the midst of a nice residential area, and the homes we built are triplexes (three families to a unit), with no one living above another family. The homes range in size from one to three bedroom units. The community center also was completed, and it includes storage space in the basement, an office, laundry, kitchen, and 1,600 square feet of open space. We left one acre of the land in woods and another for a play area."

The total mortgage for Dewberry Heights was $904,000, to be paid off by reasonable rents over a 40-year period, according to Higgins. The Connecticut Mortgage Authority was guarantor of the loan. New Samaritan also used the subsidy program of the U.S. Department of Housing and Urban Development. The entire cost was $910,976; the $5,000 difference bewteen costs and mortgage was secured through the generous help of Ruth and Harold Leever.

Today Dewberry Heights is fully occupied, and, Higgins adds, "because we do not believe that New Samaritan should own a lot of property, the project recently was turned over to Waterbury Better Housing, a nonprofit corporation."

This year New Samaritan has broken ground for another nonprofit multifamily housing development in Waterbury. Called "Frost Homestead," the project will include 63 units and should be completed by the end of 1973.

Early in its history, New Samaritan also became concerned about housing for elderly persons of moderate means. New Samaritan was inspired by Davenport Residence in Hamden, a well planned, high-rise facility of 217 units for the elderly.

Sponsored by United Church of Christ congregations in greater New Haven and financed by a low-interest loan from the U.S. Department of Housing and Urban Development, Davenport is more than just housing. The residence provides recreational facilities and workshops, a library and educational programs, plus a variety of social services, all in a non-institutional atmosphere.

New Samaritan took Davenport as its model and as of now is involved, at one building stage or another, in some 700 units of housing for the elderly in various parts of Connecticut.

In some cases, where New Samaritan is to be the owner, the corporation borrows money for the mortgage and legal fees from Connecticut Interfaith Housing's loan bank. This process enables New Samaritan to get the project moving much faster. The mortgage will be paid off, again, through modest rentals of the units.

In other situations, New Samaritan loans enough money to a United Church of Christ congregation to get it started on a building project. Money for these loans comes from a special fund given to New Samaritan in 1971 just for that purpose.

"Here we are acting as a catalytic agent and conduit for funding, enabling the local churches to undertake pragmatic, innovative programs to serve human needs," comments Higgins.

To ensure the gamut of social services (for example, craftroom leadership, counseling, Social Security advice, transportation to various helping agencies, etc.) so important to the elderly, New Samaritan has enlisted the financial support of six United Church of Christ congregations in other parts of the state. Together they have pledged $16,500 per year for 40 years, the lifetime of the mortgages on the six housing facilities where these services will be provided.

One service lacking at Davenport Residence was some kind of food program. Bill Inderstrodt got busy on this when he first became involved with New Samaritan. He secured $25,000 for the food program from grants and contributions for 1971–72, then worked to have the grants renewed for 1973. Now some 80 persons at Davenport every weekday can have a complete hot dinner, worth $1.75, for only 75 cents.

There are others in the state providing food programs and services for the elderly, but New Samaritan certainly has been one of the innovators. "In this whole business," says Higgins, "we focus in on a particular service and, as far as possible, try not to be competitive. However, we should not think it inappropriate to engage in a certain activity if someone else is doing it poorly or with fewer resources than we have. . . . So far no one has challenged us."

The momentum of New Samaritan is directed toward what the corporation calls "systems change." Higgins explains: "We wish to change the systems that affects the lives of people . . . to make these systems more responsive to what people really need."

Legally, New Samaritan is incorporated "to conduct research and planning and to take action directed toward the improvement of living, working, housing, recreational and educational conditions of people, with a view to lessening neighborhood tensions, combatting community deterioration, and lessening the burdens of government in metropolitan Connecticut areas and elsewhere."

To do this requires not only innovation and imagination, but also money and manpower. Higgins and Inderstrodt do the grantsmanship, and have gotten help and support from leaders in the business and political sectors and other church denominations, as well as parttime volunteer service from many professionals.

Even New Samaritan's eleven directors (elected for three years by the board of directors of the Connecticut Missionary Society) were chosen because each had some expertise useful to New Samaritan's particular projects. The current board includes five ministers, four laymen, and two laywomen.

In all of its projects, not just the housing, New Samaritan seeks to be a model-builder for others. This has been ably demonstrated by Sage Advocacy, another of New Samaritan's first and still very important programs.

Geared to the New Haven area elderly, Sage's philosophy states: "In the past, the sages were the wise elders of society. Today Sage Advocacy reaffirms that role and that voice . . . The elderly are needed as full participants."

In 1970 New Samaritan applied for and received a Title III federal grant for Sage, $18,500 to be spread over three years. This money enabled New Samaritan to hire a part-time director for Sage, Brenda Stiers of North Haven who almost at once set about speaking to many groups of elderly—some 1,100 persons, she estimates—in the greater New Haven area, explaining to them their rights and how they could organize for greater success in securing those rights.

During this period, Mrs. Stiers became aware of how important elderly housing was to the success of an advocacy program. "It becomes the only viable focal point," she stressed.

"It can easily be demonstrated, whether in towns or cities, that few needs of the elderly were met with any comprehensive programming until after housing for them was built. Seniors who could not easily get together for meetings then had a place—a community room—for the discussion of mutual promlems."

Mrs. Stiers also spent much time listening to the elderly as they spelled out their needs, then carried the message to the appropriate agencies.

Soon she was appointed to the new Mayor's Committee for the Aging, and to the Elders' Task Force on Health. She also worked with existing planning agencies and local churches to strategize the New Haven area on behalf of the elderly. "We actually created new structures of concern," she comments.

Another result was that the Downtown Cooperative Ministry of New Haven—a group of churches joined together to share their resources for mission—became involved. Besides providing office space for Sage in Trinity Lutheran Church, DCM contributed the matching funds necessary for Sage's original grant to be enlarged.

With more money Sage expanded and today requires 17 employees, full and part-time, 10 VISTA workers, and many volunteers to do the work.

Sage's projects include WHEEE (We Help Elders Establish Employment), a part-time employment center for people over 60. Housed in First Church of Christ in downtown New Haven, WHEEE helps the elderly find ways of using their skills and experience purposively, whether for pay or on a volunteer basis.

For the less active senior citizens, Sage offers the Telephone Reassurance Service. Every day at the same time, a telephone call is made to elderly or incapacitated persons who live alone. If the person does not answer, a neighbor or police officer makes a housecall, according to a prearranged plan.

Another program offers outreach to those confined in nursing homes in the area. Volunteers are trained to spend a few hours each week visiting these elderly.

Sage also came to realize that even the elderly living in comfortable housing projects need assistance. Mrs. Stiers went to Yale University's Divinity School for help and was able to enlist seven students. They have been working 15 hours a week in seven housing projects as "social outreach workers."

The New Haven Housing Authority pays the students $1,000 each for their services during the school year. Such services can include providing transportation for medical or legal aid, psychological counseling, emotional support during a crisis, being the liaison with the elderly's family, etc.

Mrs. Stiers helps prepare the students for their assignments in a special financed work-class arrangement with Yale. At the end of the term she evaluates their work. "So far the response to these students have been very good," she comments.

A new program begun this year includes the 10 VISTA workers. They are over-60 and retired people who are working in low-income New Haven neighborhoods, trying to establish information and referral centers for the elderly living alone and out of touch with each other and various sources of help. The VISTA workers will train others to carry on after their assignment period ends.

Sage also offers pre-retirement planning for the elderly. The Reverend Richard Cockrell of Trinity Episcopal Church in downtown New Haven coordinates this project on a part-time basis.

What Sage is doing in the greater New Haven area could be developed in any community by a church group, New Samaritan believes. In fact, the more Sage involves other New Haven agencies and groups, the sooner New Samaritan will be able to initiate an advocacy program in another urban area, explains Mrs. Stiers.

Another community-oriented project of great—and growing—concern to New Samaritan is nonprofit cable television in Connecticut. Some of the corporation's ventures in cable were mentioned in the May 1973 A.D. report on the new medium.

Connecticut, through its Public Utilities Commission, is one of seven states that licenses cable television operations. As a result, commercial operators have approached the state with great caution and not much has been developed so far.

In the case of Waterbury, an area with poor over-the-air TV reception, the community could greatly benefit if cable television were established. And in 1967 the P.U.C. did award a cable television certificate (franchise) to one company. But that organization has not yet begun to develop the area, even though the state requires that cable television construction be started within two years from the time a certificate is granted.

In addition, this same company has since sold its certificate to another group without P.U.C. approval, thereby violating another Connecticut statute. Consequently, New Samaritan petitioned the P.U.C. to revoke the original certificate and reopen the bidding on it.

A hearing on New Samaritan's petition was held last year, and the P.U.C. decided against the corporation. Lawyers for both New Samaritan and the Office of Communication reviewed the decision and concluded that New Samaritan should further press the P.U.C. in the courts.

Since then, New Samaritan has been asked to share its communications expertise with groups outside of Connecticut. As a result of an apparently growing need, the directors just this spring organized the New Samaritan Communications Corporations, with authorization "to encourage, plan, develop, build, operate, and provide access to programs and educational facilities and centers and other types of communications facilities in various communities across the United States for charitable and religious purposes in the area of band communications."

Directors of the new, nonprofit corporation include three officials of the Office of Communication of the United Church of Christ: Everett C. Parker, W. James Richards, and C. Shelby Rooks. Other directors are Seth Houck, an engineer, Higgins, and Inderstrodt.

Still another into-the-future project Higgins and Inderstrodt have initiated is a management firm—Church Management Services (actually a new program of the Connecticut Conference's Corporation for the Aging of which Higgins also is the executive). New Samaritan will use CMS to train personnel in the management of elderly housing, including providing all the needed services.

Another nonprofit project now in process is the Connecticut Memorial and Burial Society. Here New Samaritan is primarily concerned with providing education and information about the availability of various, low-cost alternatives for burial.

The plans and projects for New Samaritan keep coming. For all that is already in the works, the total cost of the corporation to the Connecticut Missionary Society this year will again be not more than $3,000—4,000 plus the time they put in, Higgins and Inderstrodt estimate.

From the beginning, New Samaritan's intent has been to increase only program not staff. Staffing includes a few hours work each week by a part-time secretary, a volunteer treasurer, and one-fifth of the work week of both Higgins and Inderstrodt. In addition, several ministers give one day a week for a year, paid for by their local church, on a specific project. The latter have worked in the areas of housing management and administration, public relations, grantsmanship, and food service.

Bill Inderstrodt first came to New Samaritan under this arrangement when his church in Washington, Connecticut, released him to implement the food service program for Davenport Residence.

For others interested in working on "systems change," Higgins and Inderstrodt believe any church or group of churches, by proficiently investing a small amount of time and money, can generate many more dollars' worth of needed services for people.

This could be another version of the miracle of the fishes and the loaves, but revised in terms of the "Age of Aquarius" and "Future Shock."

CORRESPONDENCE WITH HEW SECRETARY DAVID MATHEWS CONCERNING NURSING HOMES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch), is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, for over a year I have tried to obtain from HEW a valid analysis of the comparative quality of care provided by the various nursing home and home health care modalities—see Congressional Record, June 23, 1976, 20084. In my most recent correspondence with HEW Secretary David Mathews, which is appended, the Secretary confirmed HEW's plan to complete such a study by 1978, this in response to numerous inquiries I have made of HEW since early in 1975. While I am pleased that HEW has finally made a commitment to finish this long needed study, I am puzzled as to why it will take the Department so long to do it. I first suggested that such an evaluation be undertaken in April of last year, and despite assurances I have received from HEW Secretaries Caspar Weinberger and David Mathews since, I am still at a loss to understand the reasons for delays that have hindered this investigation.

I do not purport to be an expert on the procedures involved in conducting a study of this sort; I cannot know if so much time is really required to complete this project. But it seems to me that 3 years is more time than is necessary to plan and implement the analysis I have requested of HEW. What are the reasons for these delays? Why has so much time elapsed between my initial inquiries. HEW's recognition that there indeed needed to be such an evaluation undertaken, and HEW's commitment to complete the analysis? Could this study have been planned and carried out more quickly and efficiently by private contractors rather than by HEW? Or, is HEW delaying completion of the study because one or another of the modalities might be offended at the result?

I do not know the answers to these questions. Nor do I know which of the various nursing home and home health modalities—proprietary, voluntary, Government, or religious—are the best operated from the standpoint of the patient. Apparently I will not be able to know for another 2 years.

The people who will be hurt the most by these delays will be the Nation's elderly, yet they also stand to benefit the most from the findings of the study. The elderly deserve quality care, and we as taxpayers, are justified in expecting that our tax dollars are providing that care for the elderly who need it. The nursing home industry is a $9 billion per year enterprise, of which almost $8 billion comes from public funds. We are all—the elderly and the taxpayer—entitled to know the facts whatever they may be. And only when we have the facts can necessary improvements be planned and implemented.

With the thought that those Members of Congress and other concerned individuals who have followed this issue might have additional insights into the current situation, I am inserting my correspondence with HEW and other pertinent information in the Record.

The documents follow:

House of Representatives,
Washington, D.C., April 4, 1976.

Mr. Peter Franklin,
Special Assistant to the Secretary, Department of Health, Education, and Welfare, Washington, D.C.

Dear Peter: The publication of H.E.W.'s interim report, "Long Term Care Facility Improvement Study," coincides with growing pressure from some quarters to phase-out proprietary nursing homes. While the most publicized abuses have focused attention on the proprietary homes, I am not aware of any analysis actually comparing the quality of care being delivered by proprietary, voluntary or governmental nursing homes.

It is my understanding that the interim report does not provide such a comparative analysis. However, it would appear that by reconstituting the data, valuable insights on this question might be furnished. I am writing to you to ask whether it would be possible for HEW to reprogram the data to evaluate the comparative performance of nursing homes in the three sectors using the same criteria employed in the current study.

If this is not possible, could such a comparative analysis be initiated, independently of the current study?

I would appreciate hearing from you at your earliest convenience.

Sincerely,

Edward I. Koch.

Department of Health,
Education, and Welfare,
Washington, D.C., April 7, 1975.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Ed: Thank you for your April 4, 1975 letter regarding a comparative of proprietary and non-profit homes. The homes included in our survey were proprietary, nonproprietary and government operated. The Office of Nursing Home Affairs has assured me that the findings in these three groups will be presented on a comparative basis in the Department's final report.

Thank you very much for bringing this suggestion to my attention.

Sincerely,

Peter Franklin,
Special Assistant to the Secretary.

BRIEFING ON HEALTH STATUS OF THE ELDERLY

TUESDAY, FEBRUARY 10, 1976

U.S. House of Representatives,
Subcommittee on Health and Long-Term Care, Select Committee on Aging,
Washington, D.C.

Mr. Weiner. One last question that Eleanor Schwartz, with Congressman Koch, asked if I would raise:

Has the Department conducted any study of the quality of care, comparing not-for-profit care with for-profit care, both in nursing homes and in the home health field?

Or are there departmental plans to conduct such a study?

Dr. Cooper. We are very much aware of the concerns of many groups about any motion that would be proposed of permitting not-for-profit home health agencies to evolve.

We are aware that some of the concern for this stems from the view of some that part of the cost and known abuses in the nursing home situation might be attributed to the financial incentive to get people into the profit-nursing-home business for the wrong reason.

I am sure that, as we go along, the comparative data on quality here will have to be developed. We are entering a phase 2 study in our nursing homes—under Dr. Abdellah's direction—which will not direct itself so much to the safety in facilities and demographic questions, as to the actual issues of quality care. At that time, we ought to have some information about whether there is any difference in the home care services.

We do not have a broad enough experience. It is a small experience, even with the "nonprofits" at the present time. We could not draw that comparison.

I would only urge:

1. That a fair perspective be maintained on this: that we not draw the conclusion that if it is in a for-profit system, that it cannot give high quality care at low cost. Not-for-profit care, for other reasons, entirely, is often very expensive, whether it be for research or for other kinds of costs that are in that system. And you should not draw the conclusion that not-for-profit care—whether in a hospital, nursing home, or anything else—is always cheaper.

I think good quality care can be given in any of these settings.

There should be safeguards from fraud and abuse in any kind of a setting. People in nonprofit settings can be fraudulent. So that I think we ought to keep an open mind on this until we have some real data, rather than just an instinct or a bias, before we take a position.

Dr. Abdellah. Dr. Cooper's office does provide data for special agencies, for skilled nursing facilities. This was done last year, working with our colleagues in the National Center for Health Statistics. There was a basic problem existing in the thought that, where the particular service was good, it was high.

We came to the conclusion—this was really in support of Dr. Cooper's statement—that this is not a fruitful route to pursue in terms of differentiation.

Mr. Weiner. The genesis of the question was a followup to the October 28 joint hearings with the Senate, where the Department did promise to study proprietary, and nonprofit care.

Dr. Cooper. There will be additional nursing home studies on the quality issue.

Mr. Weiner. And on home health care?

Dr. Cooper. We have a cohort to work with. I think among the issues that are being proposed in the Notice of Proposed Rulemaking that went out last fall was the question of allowing profitmakers to go into the home health business. The final regulations on that have not been completed. There was a lot of commentary. We hope there will be a lot more going into those regulations before they are completed.

Department of Health,
Education, and Welfare,
Washington, D.C. June 7, 1976.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: As a follow-up to our telephone conversation, we have not changed our commitment to undertake a study of the quality of care in skilled nursing facilities classified by type of control, that is proprietary, voluntary, government and religious organizations. The special analysis that was done for you and sent to you last August 1, 1975 was based on the study of 288 skilled nursing facilities. These data had limitations because of the small numbers. We cautioned you about generalizing from these data and we recognize your wish to have a larger study undertaken.

We are taking the following steps to undertake a quality of care study based upon valid and reliable data:

1. Under Secretary Lynch announced the Department's Phase II of the Long-Term Strategy Campaign in February of this year that will introduce on a demonstration basis a patient assessment and care evaluation instrument that can be used to measure the quality of services delivered in skilled nursing facilities classified by type of control, proprietary, voluntary, government, and religious.

2. Additional items are now being added to the instrument to expand areas of nutrition, pharmacy, behavior, etc. The instrument will be tested initially in 200 facilities that have volunteered to participate this year. Extensive training of state and regional personnel and providers will be required. The facilities will be closely monitored to see that the instruments are being used correctly and the total effort will be thoroughly evaluated.

3. Hopefully, by March or April of 1977 additional facilities will be selected to allow a comparison of skilled nursing facilities by the four classifications mentioned previously.

In order to obtain valid and reliable data based on 12 months data from this larger sample, we will make every effort to complete the analysis by early 1978.

You can be assured that once the report has had Departmental clearance, you will be the first to receive it.

Sincerely yours,

Faye G. Abdellah,
Special Assistant to the Under Secretary for Long Term Care and Director, Office of Long Term Care, PHS.

House of Representatives,
Washington, D.C. June 29, 1976.

Hon. David Mathews,
Secretary of Health, Education, and Welfare,
Washington, D.C.

Dear Mr. Secretary: I would like to bring to your attention a statement that I made on the Floor of the House concerning the need for an H.E.W. study evaluating the different nursing home and home health care modalities. The statement, which is enclosed, indicates my distress that your office does not intend to have such a study available until sometime in 1978.

I would very much appreciate your reviewing my statement and providing me with the benefit of your comments.

All the best.

Sincerely,

Edward I. Koch.

The Secretary of Health, Education, and Welfare,
Washington, D.C., August 3, 1976.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: This is in response to your letter of June 29 which requested a review of your statement on the floor of the House June 23 regarding this Department's failure to study the quality of nursing home and home health care.

I would wish first to reemphasize that we share your concerns that all chronically ill and elderly persons obtain the care most appropriate to their needs and that whatever the modality, in a nursing home or their own home, that care be of high quality. All of our efforts in long term care to date have been directed to these goals.

At your request, we provided you some comparative data from Phase I of our Long Term Care Facility Improvement Campaign (LTCFIC) in August 1975. These data addressed certain quality of care indicators but as stated to you were from such a small sampling of nursing homes and patients that no conclusions could be drawn. On the other hand, they did serve to alert us to the need for further delineation of quality measurements.

As Dr. Abdellah indicated in her letter of June 7, we have now entered Phase II of the LTCFIC. Since this is moving forward rapidly, I am pleased to report progress as follows:

1. The Patient Appraisal and Care Evaluation (PACE) instrument is nearly completed and the form will be submitted for clearance.

2. The curriculum for teaching provider personnel, and State and regional representatives in the use of PACE is being developed concomitantly and will be ready for pilot study by the end of this month.

3. Training of these 400–500 persons will be carried out in August and September in many small groups on-site, and use of the PACE instrument in nearly 200 nursing homes with 5,000 to 6,000 patient/residents will begin immediately after each group is trained.

4. Monthly appraisal of these patient/residents will enable the provider participants to identify needs, plan appropriate care and then measure the outcomes of such care to judge its quality.

5. At least six months trial use of PACE will be completed when in March or April 1977 the results will be reviewed, the instrument revised and a larger group of facilities, selected to provide comparative data, will embark on the use of PACE.

As you can see, the pilot project period, although proceeding rapidly, can only provide information on whether or not quality of care indicators can be developed and applied in a practical fashion within the nursing home, using nursing home personnel. More specific comparisons between types of homes, or types of patients may be made only when the methodology is fully tested and secure. A decision as to the instrument's application to patients in other settings such as their own home can also be made at that time.

I hope this has clarified our position and our activities to date. We will be happy to provide you additional reports as the PACE project proceeds.

Cordially,

DAVID MATHEWS,
Secretary.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA) is recognized for 5 minutes.

Mr. MIKVA. Mr. Speaker, I was attending several meetings in the district on Monday, August 9, 1976, and was unable to return to Washington until later in the day. While I was paired on some votes, I did not vote nor was my position reflected on rollcall 622, an amendment to the Voter Registration Act to authorize $35 million to the States to implement their own voter registration systems. Had I been presented, I would have voted "no" on rollcall 622.

I was also absent for two procedural votes on H.R. 13372, the Wild and Scenic Rivers Act amendments. I would have voted "yes" on rollcall 624, the vote on the rule providing for consideration of the bill, and I would have voted "yes" on rollcall 625, the motion to resolve into a Committee of the Whole to consider the Wild and Scenic Rivers Act amendments.

ENTEBBE AND INTERNATIONAL LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 10 minutes.

Mr. LEGGETT. Mr. Speaker, the scourge of terrorism, epitomized by the aircraft hijacking, has become a steadily more prominent and frightening feature of the international scene. This nasty, new phenomenon of world politics, resorted to by individuals and states as well as political movements, is certainly not limited to the abduction of aircraft and their innocent passengers, as witness the bloody massacre perpetrated at Lod airport, and the brutal murder of Israeli athletes at Munich just 4 years ago, not be speak of the epidemic of kidnapping and violence to which diplomats, military officers, and businessmen are being subjected across the world.

Yet the aircraft is clearly the symbol—as well as so often the target—of the growth in terrorist violence. And just as the aircraft is the symbol, so is the Palestinian movement, and its allies, so often the perpetrator. I find it deplorable that the Palestinian cause, which is certainly not lacking in justice, is so badly besmirched by the violent and bloody acts of certain of its partisans. For as French U.N. Representative Jacque Lecompt said at the Security Council meeting of July 9 on the Israeli rescue operation into Uganda, hijacking is "an intolerable violation of international morality, which could not be justified by any cause. Effective measures had to be taken against such acts." The dilemma, as Secretary General Waldheim pointed out on that same occasion, is that international terrorism poses a host of moral, legal, political and humanitarian issues for which the world community has no commonly agreed rules or solutions.

The situation created by the recent hijacking of the Air France aircraft, and the captivity of its passengers and crew in Uganda, underscores the failure of the international system to find an effective mechanism to deal with these problems. Uganda clearly failed to carry out its obligations under international law and agreement—to protect foreign nationals on its territory, to take the terrorists into custody, and to take measures to restore control of the aircraft and its passengers to those lawfully in possession of it. And Ugandan authorities conspicuously failed to respond to the strong appeals of the U.N. Secretary General.

There was, in short, no viable international solution short of appeasement of the terrorists' demands. In my opinion, Israel had no practical alternative to unilateral intervention in exercise of her legitimate right of self defense. I think it behooves us to take a hard look at both the political and the legal ramifications of Israel's rescue operation.

One thing appears clear. Israel's act changes both the psychological climate in which extortionary terrorist actions will be played out, and the solutions which states victimized by them are likely to seek. Israel's success breaks the sense of inevitability about the success of terrorist actions, and reduces their edge in negotiations. Moreover, it is likely to reduce the inclination of states to seek international solutions. Having seen how successful Mr. Waldheim was at getting Idi Amin to adhere to his international obligations, states will be more inclined to find their own solutions, including direct action.

How should we view the Israeli action in terms of international law? Most would concede that Israel's military rescue operation into Uganda constituted a temporary breach of that nation's territorial integrity. Most such acts involving armed force are considered violations of the U.N. Charter and international law. The use of force is not prohibited by the charter, however, if it is consistent with the purposes of the United Nations.

As part of the right of legitimate self-defense, recognized in the charter, a state has the right to protect its nationals outside of its borders. If they face an imminent threat of death or injury while located on the territory of a state which is unable or unwilling to protect them, then their state of nationality has the right to a limited use of force—what is necessary and appropriate to protect them from that threat.

I am convinced that the Israeli operation into Uganda meets these requirements. The Israeli hostages clearly faced an imminent threat of death at the hands of the terrorists. And Uganda certainly failed to act to prevent that threat from being carried out. Nor was there any reasonable expectation that such action would be forthcoming. Indeed, there is every indication that Idi Amin and his representatives aided and abetted the hijackers, and assisted in their hostile use of the hostages. Thus with Uganda having conspicuously failed to live up to its international legal obligations under The Hague Convention and the U.N. Charter, and Israel having used only that amount of force needed to extricate the hostages, I fail to see how the rescue operation can be viewed as other than a legitimate exercise of Israel's right of self-defense.

Mr. Speaker, our inquiry into the international legal ramifications of the Israeli rescue operation into Uganda need not end with this discussion of the right of self-defense. There are other closely related doctrines which are also germane to the issue. Two which we ought to examine are termed humanitarian intervention and peacetime reprisal.

Humanitarian intervention is generally considered the right of a state to exercise international control over another, or use force on its territory, for the purposes of insuring the latter's compliance with minimum international standards of human rights. To be valid, such interventions must not be aimed at the sovereign powers or territorial integrity of another state, but must be a form of self-help limited to what is needed to protect human rights.

To apply this doctrine to the case in question requires establishing that the fact of being held hostage by a group of terrorists who have perpetrated a skyjack, as well as threatened by them with death, with the aid and assistance of the "host" government, represents a deprivation of human rights. To me this is not a proposition difficult to demonstrate. The human rights recognized by the U.N. General Assembly include the right to life, liberty, and security of the person, as well as freedom from torture or other forms of cruel and inhuman punishment. Also, one must not be subjected to arbitrary arrest or detention, and has the right to leave any country. I think it is evident that the actions of the terrorists and Ugandan authorities involve the deprivation of a whole panoply of human rights recognized by resolutions of the U.N. General Assembly.

Let me emphasize that I realize this doctrine should be applied with great caution, for we obviously do not want to recognize precedents for intervention which would represent abuses of what must be an exceptional power under international law. Humanitarian intervention is clearly an extraordinary remedy and must be used only as a last resort. And the intervening state must be able to show that it had exhausted all other remedies.

Even so, I think a case can be made for Israel's rescue action in these terms. The gross violation of a variety of the hostages' basic human rights, and the lack of alternative remedies, are easily shown. It may be that only a doctrine of this sort will represent a viable international answer to the depredations of terrorists and the states which act as their accomplices.

International law also recognizes a related type of action—the peacetime reprisal. It is an act of self-help by a state which has been injured by an act contrary to international law by another state. Peacetime reprisal usually involves a use of force against another state which would otherwise itself be illegal if the previous act contrary to international law had not provided the reason for it.

The basic premise of the peacetime reprisal doctrine is that unilateral action is necessary in the absence of an international entity with the power to enforce international law. At the national level, we confer legitimacy on the use of force by the state to enforce valid laws. This doctrine is a means to confer legitimacy on the use of force at the international level, which otherwise would be considered invalid, to insure compliance with canons of international law that cannot be enforced in any other way.

Application of peacetime reprisal obviously requires a clear finding that the offending parties have violated international law. In the case of Uganda and the terrorists, that proposition can be demonstrated to my satisfaction. And it was clear at the time of Israel's action that enforcement of the law was going to be forthcoming from no other national or international source.

Mr. Speaker, I am most reluctant to sanction the application of either humanitarian intervention or peacetime reprisal to this or other international uses of force. These doctrines are open-ended. And they are dangerous. One would endorse the use of force for gross violations of human rights, the other for breeches of international law. Both are very broad conceptions and quite difficult to apply. And there is great potential for disagreements among differing states about their interpretation.

The traditional American view calls for reliance on the peaceful resolution of disputes, and avoidance of the use of force. Thus we must move with great care in recognizing departures from this basic norm of international behavior.

But states must have remedies. They must have means to protect their citizens and interests. International law is meaningless unless we recognize valid ways, both multilateral and unilateral, of enforcing it. And I must conclude that Israel's rescue operation is not lacking in justification under the doctrines of humanitarian intervention and peacetime reprisal, as well as the right of legitimate self-defense.

We must say to third world nations that, if they are prepared to join in the endeavor to raise ourselves out of the terrorists' international jungle, and create effective international mechanisms for curbing them, then we are eager to cooperate. But if such efforts are no more successful than they have been to date, and if law-abiding states continue to find that unilateral action, whether it be termed self-defense, intervention or reprisal, is their only viable alternative, then we should turn a deaf ear to the pleas about violations of international rights on the part of states which conspire with terrorists and so clearly neglect their international obligations.

MAKING OUR LEGAL SYSTEM ACCESSIBLE: AWARDING ATTORNEYS' FEES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I wanted to briefly discuss today what I view as one of the fortunate developments in the debate on the issue of making Government more accessible and responsive to our citizenry. That development is the increasing attention being paid by the Congress, the legal profession, and the public to solutions for the burgeoning costs of participation in both administrative and judicial proceedings.

Many of us in and out of Government are coming to the realization that the costs of effective representation, particularly in complex matters, can be such a burden on the average citizen as to effectively cut off his or her access to the administrative process and the courts.

I am concerned that if in all instances the burden of representation remains on the individual, the increasing complexity of government regulation and statutes will deter many citizens from involving themselves in their own government and challenging it, when it acts unfairly or without legal basis. Individuals will be too willing to acquiesce to governmental error. Citizens groups will be retarded in their effort to express important viewpoints. Small businessmen will be deterred from challenging cumbersome and unwarranted regulation. And the defendant charged with criminality will be less likely to receive a rigorous defense, because he or she lacks the means to pay for it.

With these concerns in mind I have been working on legislation which would, in certain instances, shift the burden of the costs of participation in the Federal administrative process and Federal courts to the Government and thereby increase citizen access to our legal process. In April of 1975, I introduced H.R. 6296 which provides for the award of attorneys' fees in criminal cases where the defendant is not convicted. I believe that this legislation will not only deter the Government from bringing ill-conceived criminal actions but will most importantly alleviate the plight of those individuals who have won a pyrrhic acquittal because they have been forced to shoulder the financial burden of a costly defense, which can be devastating.

In May of 1976, House Judiciary Committee Chairman PETER RODINO and I introduced H.R. 13901, the Public Participation in Government Proceedings Act of 1976. This legislation, which we are reintroducing today, now has 49 cosponsors, including 12 members of the House Judiciary Committee. In part, this legislation is in response to the Supreme Court decision of last year, Alyeska Pipeline Co. against Wilderness Society. In that case the Court held that unless there was a specific statute allowing attorneys' fees that attorneys' fees could not be awarded by the Federal courts.

H.R. 13901 would authorize the award of attorneys' fees and other costs to those parties whose participation in a Federal administrative proceeding "would substantially contribute to a fair determination of the issue" and whose economic interests in the case is small or whose resources are so small that without an award they could not participate. The act applies to all licensing, ratemaking, rulemaking proceedings and such other agency proceedings which involve issues relating to health, safety, civil rights, environment, and consumer pocketbook issues.

This bill, which was originally introduced in the Senate by Senator KENNEDY as S. 2715, has been reported by the full Senate Judiciary Committee and expected to reach the Senate floor next month. In the House, H.R. 13901 is pending before the House Judiciary Subcommittee on Administrative Law and Governmental Relations.

Of course, as one of the prime sponsors of these two bills, I have a special interest in them, but they are by no means the only ones which have been introduced to provide for payment of attorneys' fees in various situations. In this the 94th Congress alone, over 30 different bills have been offered. Many of them are limited to Government payment of fees to citizens who are before specific agencies and others are limited to the question of fees in civil or criminal actions. I am continuing to work on omnibus legislation which would encompass all of these areas and establish a unified Federal policy on attorneys' fees.

The Congress is not alone in its concern with this problem. While we meet here today, the house of delegates of the American Bar Association is meeting in Atlanta, Ga., to vote on proposals concerning citizen access to our legal processes, including specifically their assessment of H.R. 13901. I welcome their activity in this area and look forward to receiving their recommendations.

As a member of the legal profession, I am mindful of the professional responsibility to make legal services available to the public. Canon 2 of the ABC Code of Professional Responsibility clearly states that:

> The lawyer should assist the legal profession in fulfilling its duty to make legal counsel available.

I view my work in this area as a fulfillment of this responsibility and I hope lawyers and nonlawyers alike will join me in this effort. Those who favor H.R. 6296 and H.R. 13901 should contact Judiciary Subcommittee Chairman Walter Flowers in support of the bills. Those who have comments and suggestions should contact me. And all of us must continue to work to fulfill the responsibilities of our profession and of the Government itself to promote an open and fair legal system.

CORRESPONDENCE WITH SECRETARY MATHEWS ON ANIMAL EXPERIMENTATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, my office has received hundreds of letters concerning the experimentation by the American Museum of Natural History in New York City, on live cats and kittens. The matter of humane treatment of animals is one which is close to the hearts of multimillions of Americans, as well it should be. The matter has not yet been resolved and I should like to place into the Record my additional correspondence on the subject. My initial series of correspondence appears on page 21183 of the June 29, 1976, Congressional Record.

The correspondence follows:

House of Representatives,
Washington, D.C., July 20, 1976.

Hon. David Mathews,
Secretary of Health, Education and Welfare,
Washington, D.C.

Dear Mr. Secretary: I should like to bring to your attention a matter relating to an H.E.W. Grant furnished to the American Museum of Natural History in New York City. Pursuant to that grant, experimentation on kittens and cats is being pursued which is repugnant to me as a human being although I am not an anti-vivisectionist.

I would like to bring to your attenion the statement I made on the matter dated June 29 which I placed in the *Congressional Record* and which has appended to it correspondence that I have had with Dr. Thomas D. Nicholson, Director of the American Museum of Natural History.

I would also like to bring to your attention a more recent news report which appeared in The New York Times of July 19, a copy of which I am enclosing. It is distressing that the Museum did not feel obliged to respond to the charge made and that the best that it could do was to state that the experiments were being conducted to increase our "knowledge and understanding of nature." And even more distressing was the reported statement of Dr. Thomas D. Nicholson who said, "If anything had distinguished this museum it has been its freedom to study whatever it chooses without regard to its demonstrable practical value. We intend to maintain that tradition."

It would appear to me, Mr. Secretary, that experimentation on animals must be subject to strict rules and regulations and not conducted randomly or without purpose and solely for experimentation's sake itself. While I am not prepared at this moment to label the kind of experimentation Nazi-like, it does recall the barbarities of the Nazis which were, of course, performed on a much greater scale and involved human beings. To sum up, Mr. Secretary, I would appreciate your having the matter investigated to ascertain whether the research grant of $428,352 provided by H.E.W. to the Museum is being used for the purposes originally authorized by H.E.W. and further whether this kind of experimentation serves a valid purpose permitting the use of federal funds. Since the experimentation goes on, this is a matter of urgency and I would hope that whatever investigation you direct commences forthwith.

I would appreciate having any comments on the matter that you can make as a result of information now in your file as well as your future comments after the investigation has taken place.

Sincerely,

Edward I. Koch.

The Secretary of Health,
Education, and Welfare,
Washington, D.C., August 9, 1976.

Hon. Edward I. Koch,
House of Representatives,
Washington, D.C.

Dear Mr. Koch: The National Institute of Child Health and Human Development (NICHD) has prepared a statement which describes the purposes and aims of the research grant of the American Museum of Natural History in New York City. I am enclosing that statement as a partial response to your inquiry of July 20.

We share your concern about the treatment of laboratory animals and have a standing commitment to the humane care of such animals used in research. All research projects supported by the National Institutes of Health, of which the NIICHD is a part, are subject to Department policies and guidelines which meet the standards of the Laboratory Animal Welfare Act of 1966 (PL 89–544) as amended in 1970 (PL 91–579). As stated in the enclosure, the Museum has been found to be in compliance with the terms of that Act. Assurances on file from the Museum's Animal Welfare Committee affirm that surgery is always done with the animal deeply anesthetized and under aseptic conditions, that a special recovery cage is used for post-surgical care, and that anesthesia is always used for any procedure deemed painful.

I have asked the National Institutes of Health to scrutinize this project to ensure that it remains in compliance with these assurances.

Cordially,

David Mathews,
Secretary.

House of Representatives,
Washington, D.C., August 9, 1976.

Secretary David Mathews,
Department of Health, Education, and Welfare, Washington, D.C.

Dear Mr. Secretary: I thank you for your response of August 9, but permit me to say that it begs the question. My concern is not only that vivisection be performed under anesthesia, although that is a concern, but rather that experiments on animals be done only when serving a truly legitimate need, and not, as stated in my letter, "conducted randomly or without purpose and solely for experimentation's sake itself."

Your mandate to the National Institutes of Health "to scrutinize this project to ensure that it remains in compliance . . ." with assurances on file from the Museum's Animal Welfare Committee which affirm that "surgery is always done with the animal deeply anesthetized and under aseptic conditions, that a special recovery cage is used for post-surgical care, and that anesthesia is always used for any procedure deemed painful" is not really adequate. That mandate, in my judgment, must include an evaluation of whether this experimentation, which includes blinding cats by destruction of the optic nerves and cutting the nerves of the penises of male kittens, in fact is necessary to advance human or other animal health. On the face of it, and I admit that I am not an expert, the pain and barbarism employed would not seem to fit this description. I urge you to expand NIH's mandate immediately to cover this aspect of the matter.

Sincerely,

Edward I. Koch.

Mr. Speaker, I would urge that any persons who are interested in this subject should let their views be known by writing to Secretary of Health, Education, and Welfare David Mathews, 330 Independence Avenue SW., Washington, D.C. 20201.

BICENTENNIAL PLEDGE

(Mr. HAYS of Ohio asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HAYS of Ohio. Mr. Speaker, on April 6, 1976 the city of Salem, Ohio, which is located in my congressional district, adopted the Bicentennial Pledge, the first American city to do so.

The Bicentennial Pledge contains a list of quotes and pledges worthy of every American. It constitutes what I believe to be a commitment for our third century and I urge this Congress to adopt and promote it.

Accordingly, Mr. Speaker, I include the Bicentennial Pledge in the Congressional Record:

BICENTENNIAL PLEDGE

Inspired by the Founding Fathers, we also pledge "our lives, our fortunes, and our sacred honor" to the end that all men everywhere find the dignity of responsibility and the right to "life, liberty and the pursuit of happiness."

FREEDOM

They said: Liberty can no more exist without virtue than the body can live and move without a soul.—John Adams

We pledge: To so live that America finds true freedom—not freedom to do as we wish, but freedom to do "the right as God give us to see the right."

CORRUPTION

They said: Virtue or morality is a necessary spring of popular government.—George Washington

We pledge: To answer corruption in the Nation, starting with absolute honesty in all our own dealings.

ECONOMY

They said: I place economy among the first and most important virtues, and public debt the greatest of dangers to be feared.—Thomas Jefferson

We Pledge: To buy on the basis of need and not of greed, and to refuse to make selfish demands of our workers, employers of government.

HUNGER

They said: We have been the recipients of the choicest bounties of heaven. We have grown in wealth . . . and numbers as no other nation has grown. But we have forgotten God.—Abraham Lincoln

We pledge: To set a pattern for unselfish living that can break the bottlenecks of waste, greed and graft which rob the hungry in a world of plenty.

FAMILY

They said: I have always thought it of very great importance that children should, in the early part of life, be unaccustomed to such examples as would tend to corrupt the purity of their words and actions.—Abigail Adams

We pledge: To uphold the sancity of marriage, and to base family life on honesty, undemanding care and goals beyond self-fulfillment and material success.

VIOLENCE

They said: No man can make me stoop so low as to hate him.—Booker T. Washington

We pledge: To cure the hate that spawns violence by our caring and compassion.

They said:

Give me your tired, your poor,
Your huddled masses, yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tost to me.
—Emma Lazarus on Statue of Liberty

We pledge: To open our homes and hearts to those of all races, faiths and social conditions. To restore broken relationships by putting right past wrongs.

GOVERNMENT

They said: I have had so many . . . instances when I have been controlled by some other power than my own will, that I cannot doubt that this power comes from above. —Abraham Lincoln

We pledge: To listen to God each day, seeking the inspired plan for our life and work, and accepting change in our basic motives where needed.

They said: Men must choose to be governed by God, or they condemn themselves to be ruled by tyrants.—William Penn

We pledge: To build a world free from blame and indifference, hate and fear, and governed by men and women who are governed by God.

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Salem, Ohio, April 6, 1976.

1st American City to Adopt the Bicentennial Pledge.

MODERNIZING PANAMA CANAL MAKES GOOD SENSE; SURRENDERING IT DOES NOT

(Mr. SNYDER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SNYDER. Mr. Speaker, today I have introduced legislation that would, if enacted, have a very favorable impact upon U.S. trade, industry, and employment. It is titled "Panama Canal Modernization Act of 1976," and its purpose is to modernize our interoceanic waterway, enlarging its capacity, and improving the operations of its facilities and installations.

World War II priorities caused a suspension in 1942 of a major modernization of the Panama Canal authorized by Congress in 1939, and undertaken in 1940. Essentially our waterway is the same as when opened in August 1914, 62 years ago this month.

The modernization my bill would authorize would be called the Terminal Lake-third locks project. It calls for an adaptation of the 1939 third locks project that would include a summit-level traffic reservoir and anchorage at the Pacific end of the canal smaller but similar to that on the Atlantic end in the Gatun Locks-Lake arrangement.

Increasing the capacity for transiting larger vessels and decreasing the transit time for all vessels would raise canal revenues. Enabling cargo to be carried through the canal should result in a saving per cargo-ton for producers, suppliers, and consumers of the world's industrial and agricultural products, as well as for users of the canal.

Mr. Speaker, my bill incorporates findings which, among other things, demonstrate that the United States presently is bound by two treaties whose obligations we could in no way fulfill were the proposed giveaway of the canal by the present administration to be carried out.

It ill bespeaks the Department of State to be negotiating with one country to do what two treaties with other nations prevents it from doing.

My proposal for modernization makes implementation dependent upon the President's written notice to both Houses of Congress that thenceforth no negotiations will be conducted to surrender the Canal Zone and canal in whole or in part, either to the Republic of Panama or to any international organization.

My bill in effect sets modernization of the canal as a great and practical alternative to the administration's utterly self-defeating, ongoing, piecemeal surrender of the waterway to the Republic of Panama. That surrender without congressional authorization, which is based on a proclaimed fear of lawlessness and disorder in the Canal Zone perpetrated by Panamanians intent on gaining control of the zone, is rationalized with false excuses that the canal has become obsolete anyhow.

It is not obsolete. In fiscal 1975 alone, 14,735 ships carrying 140.6 million long tons of cargo transited the waterway. That is some 37.8 ships a day passing through the 50-mile route instead of going the thousands of additional miles around Cape Horn that would enormously affect the prices American housewives and American industries must pay for the products they buy.

Some idea of the canal's savings to users and consumers can be ascertained from the following examples set forth in a recent book, "Maritime Commerce and the Future of the Panama Canal," Padelford, Norman J., and Gibbs, Stephen R., Cornell Maritime Press, Inc., 1975:

SAVINGS IN FUEL CONSUMPTION

Lower distances along routes have a direct bearing upon the amounts of fuel consumed, depending upon a vessel's mechanical efficiency, its speed, tonnage, shaft horsepower, and hull form.

If we hypothesize a small general cargo vessel of 8,000 gross registered tons which would displace about 13,333 tons, such as many that pass through the Panama Canal, proceeding at 15 knots, with a shaft horsepower (SHP) of 6,610, its consumption of fuel figures as 35.4 long tons of oil per day.[3] In a 14½-day voyage from New York to San Francisco it will burn 512 tons of oil. The same ship taking a 36½-day circuit around South America would use up 1,290 tons of oil even if it encountered no heavy storms to slow up its progress. If fuel oil sells at $48 per ton, the Canal route will save roughly $37,000 in fuel costs alone.

A larger cargo vessel of 12,000 gross registered tons, running at 15 knots for the same distances, and consuming 46.4 tons per day, will save 1,018 tons of fuel oil, or $49,000, by employing the Canal route. This is a substantial saving.

Taking as a third sample, a modest-sized containership of 25,000 gross registered tons (41,667 tons displacement), operating at 20 knots, the fuel consumption will amount to approximately 179.5 tons a day. In this case, use of the Canal can save up to 2,950 tons of fuel oil over going around South America, making the fuel cost $93,000 rather than $234,000 if it were to go the longer way. Such a saving can make a major difference not only in the costs of transportation for shippers, but also in the profits of operation the vessel's owners or charterers realize. In a time of world energy shortages, the Panama Canal is seen as a valuable means of saving fuel, and thus of shipping costs. It thereby helps promote oceanborne trade.

Forty percent of the Panama Canal's traffic leaves U.S. ports. Twenty-eight percent of canal traffic comes into our ports. Clearly any increase in the quantity of shipping to and from the United States would indicate a boost for our entire economy. Expanding the canal's operational and logistical capacity would allow additional intercoastal and international shipping destined to or from our ports to utilize its time-saving facilities.

The bill authorizes to be appropriated one and one quarter billion dollars for the proposed modernization to be repaid over 75 years from canal revenues. It is evident that one of the beneficiaries of such an outlay will be the Republic of Panama. New economic opportunity and prosperity will be brought to the people of that country by this great new American project in the Canal Zone.

Such a bonanza surely would be a far better deal for 1¾ million Panamanians than would be some empty title to a canal that would perhaps bring satisfaction to their leaders, but would also bring a drain on the economy of their small debt-ridden country that could never finance by tolls or taxes the improvements the waterway must soon have.

I am indebted to my colleague from Pennsylvania, the Honorable DAN FLOOD, for the technical modernization concepts incorporated in my proposal, concepts that are the fruits of many years of actual experience by Panama Canal pilots, engineers, and others whose dedication to the canal's servicing of world commerce led them to conceive and plan the improvements encompassed by the modernization proposal. He has introduced legislation for modernization in several Congresses.

Mr. Speaker, the importance and timeliness of the findings made and solutions offered in my proposal are such that I would like to recite its full text at this point:

H.R. 15178

A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal after the President terminates negotiations by the United States with the Republic of Panama to surrender the Panama Canal and the Canal Zone to the Republic of Panama, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Panama Canal Modernization Act of 1976."

SEC. 2. The Congress hereby finds and declares that—

(1) the United States of America is a High Contracting Party to the Hay-Pauncefote Treaty of 1901 in force with Great Britain;

(2) the Treaty serves as the basis for daily regulation and management of the Panama Canal, including the establishment of tolls for use of the Canal;

(3) the Treaty imposes upon the United States obligations to uphold "the general principle of neutralization" of the Panama Canal; to maintain it "free and open to the vessels of commerce and of war of all nations observing these Rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or changes of traffic, or otherwise"; to insure that "the canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it"; and "to protect it against lawlessness and disorder";

(4) under the direction of the President, the United States Department of State, despite the obligations of the United States under the Treaty, has been negotiating with the Republic of Panama to cede the Canal Zone and Panama Canal to that country;

(5) such cession would render the United States incapable of fulfilling its obligations under the Treaty;

(6) further, the United States is a party to a treaty with the Republic of Colombia signed April 6, 1914, by which that country recognizes the title to the Panama Canal and Panama Railroad as "vested entirely and absolutely in the United States of America, without any incumbrances or indemnities whatever", and by which the United States guarantees that "the products of the soil and industry of Colombia passing through the Canal, as well as the Colombian mails, shall be exempt from any charge or duty other than those to which the products and mails of the United States may be subject", an obligation we could not fulfill upon the surrender of the Canal Zone and waterway to the Republic of Panama or to any international organization;

(7) the undertaking of the United States in constructing, maintaining, operating, sanitating, and protecting the Panama Canal has proven to be of enormous benefit to the people of the United States, the Republic of Panama, and the entire world;

(8) the interests of defense and interoceanic commerce, and the increasing dimensions of ships, require an increase of canal capacity and operational improvement of existing facilities and installations;

(9) the greater marine operational and logistical capability resulting from a modernization of the canal based on decades of actual experience in transiting over half a million vessels, would permit: increased revenues; improved efficiency and economy of operations; simplified canal management and defense; capacity for handling larger ships; lessening of transit time; increased safety through diminished navigational hazards; reduction of fatigue factors for pilot personnel; minimization of dispatching problems; and a summit level lake anchorage and traffic reservoir at the Pacific end comparable to the Gatun Lock-Lake arrangement at the Atlantic end, allowing unrestricted operation of all locks, elimination of traffic bottlenecks, mitigation of the effect of fog on canal operations, and lessening of lockage water surges in Gaillard Cut;

(10) in addition to stimulating United States trade, industry and employment, canal modernization would bring major benefits to intercoastal and international commerce and to hemispheric states, includiing: reduced cost per cargo-ton to United States and foreign producers, suppliers and consumers of the world's goods, as well as to canal users; generation of greater economic well-being for the American nations through improved trade and communication; strengthened hemispheric security through the canal's increased capacity for marine operations, and increased prosperity and economic opportunity for the people of the Republic of Panama by virtue of the enormous outlays for new construction involved in this Terminal Lake—Third Locks Project in the Canal Zone;

(11) canal modernization by the United States, initially called the Third Locks Project, was authorized by Congress in 1939 at a cost not to exceed $277,000,000, was started in 1940, but was suspended in 1942 because of World War II priorities;

(12) $76,357,405 was expended on that Project before suspension, and later an additional $95,000,000 was expended on the enlargement of the Gaillard Cut, making a total of $171,000,000 already expended toward the major modernization of the existing canal;

(13) no new treaty or agreement with the Republic of Panama was necessary for the United States to initiate such modernization in 1939 inasmuch as: the United States, in accordance with the Spooner Act of 1902, and the Treaty of 1903 with the Republic of Panama, paid that republic $10,000,000 to acquire control of the Canal Zone; the Republic of Panama by said Treaty of 1903 granted to the United States in perpetuity full sovereign rights, power and authority over the Canal Zone, "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority" (a grant recognized and not changed by subsequent treaties of 1936 and 1955 between the two nations); Panama by said Treaty recognized as absolute the title of the United States to all lands and properties and rights purchased from the several companies holding railroad or canal concessions on the Isthmus of Panama; and under said Treaty the United States took title to all remaining privately-owned land and property in the Zone, purchasing such tracts from individual owners;

(14) completion under this Act of such modernization as modified and improved by additional experience with canal operations and current technology, requires no new treaty arrangements with the Republic of Panama;

(15) it would be both unwise and a shedding of its responsibility to the citizen-taxpayers of the United States for the Congress to authorize any funds for modernization of the Panama Canal should there be any relinquishment or surrender of the sovereign rights, power and authority currently exercised exclusively by the United States over the Canal Zone and the waterway;

(16) although one reason for approval of modernization in 1939 was to facilitate conversion of the Panama Canal to a so-called "sea level" waterway, at this time all factors in combination indicate no weighty advantage to be gained in converting the existing high level lake and lock canal to a "sea level" canal—actually a tidal level lock canal of very complicated construction necessitated both by alternating currents that would be set up by 22-foot Pacific maximum tidal range versus Atlantic tidal range of only some 22 inches, and by flood control requirements—or in the construction of a new "sea level" canal at a different site, prior to either of which treaty modifications or new treaty arrangements, respectively, would have to be reached; nevertheless should new technology of the future or other considerations indicate a conversion of the Panama Canal, expenditures made in consequence of this Act shall not have been wasted, but rather shall have facilitated such a conversion by these accomplishments: (a) continuous traffic through the canal would be permitted during conversion construction; (b) the additional lockages would permit movement of construction equipment and excavated material as required; (c) lock overhaul and other major maintenance could be accomplished during conversion without traffic stoppage; and (d) transits even in excess of today's normal traffic could be handled during conversion.

SEC. 3. (a) Except as provided in section 15, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the Third Locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress) with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by not less than forty-five feet, except as recommended otherwise by the Board created under Sec. 4 of this Act, and including the following: elimination of the Pedro Miguel Locks, and consolidation of all Pacific locks near Agua Dulce in new lock structures to correspond with the locks capacity at Gatun, raise the summit water level to its optimum height of approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenent structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at an estimated total cost not to exceed $1,250,000,000, which is hereby authorized to be appropriated for this purpose:

Provided, however, That the initial appropriation for the fiscal year 1978 shall not exceed $50,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", "Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

SEC. 4. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) One member from private life, experienced and skilled in private business (including engineering).

(2) Two members from private life, experienced and skilled in the science of engineering.

(3) One member who is a commissioned officer of the Corps of Engineers, United States Army (retired).

(4) One member who is a commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board in the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is $500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is $500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel appointed by the Board shall serve at the pleasure of the Board.

SEC. 5. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 3(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stage of the Third Locks project unless the plans and designs for such work, and all changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone to, and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons therefor.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit, in its discretion, interim reports to the President and to the Congress with respect to these matters.

SEC. 6. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 7. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of $200 per diem.

SEC. 8. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the department, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

SEC. 9. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

SEC. 10. The Administrator of General Services or the President of the Panama Canal Company, or both, shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

SEC. 11. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

SEC. 12. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

SEC. 13. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

SEC. 14. Any provision of the Act of August 11, 1939 (54 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), or of any other statute, inconsistent with any provision of this Act is superseded, for the purposes of this Act, to the extent of such inconsistency.

SEC. 15. (a) This Act shall not take effect until the date the Speaker of the House of Representatives and the President pro tempore of the Senate receive written notice from the President that thenceforth during his term or terms of office, no negotiations will be conducted, nor will any plan be initiated, for the surrender by the United States of the Canal Zone and the Panama Canal, in whole or in part, to the Republic of Panama, or to any international organization.

(b) The provisions of this Act shall remain in effect only so long as all the sovereign rights, power, and authority granted in perpetuity to the United States by the Republic of Panama in articles II and III of the Convention between the United States and the Republic of Panama signed on November 18, 1903, and reaffirmed in the General Treaty of Friendship and Cooperation signed March 2, 1936, and the Treaty of Mutual Understanding and Cooperation signed January 25, 1955, remain unaltered.

SEC. 16. The assets created by the expenditure of the funds authorized by this Act shall be considered by the Panama Canal Company as depreciable or non-depreciable in accordance with the provisions of subsection (b) of section 412 of title 2 Canal Zone Code (76A Stat. 27) as amended. The Company shall in its calculations of toll rates include as anual expense such amounts as will over the period of 75 years allow for a pay back to the U.S. Treasury of 100 percent of the funds appropriated in consequence of the recognition of the defense value of said assets, and in conformity with the purposes of subsection (e) of section 412 of title 2 Canal Zone Code (76A Stat. 27), interest during construction shall not be included for purposes of repayment.

JOINT COMMITTEE ON INTELLIGENCE OPERATIONS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter).

Mr. FASCELL. Mr. Speaker, some time ago I introduced a bill to create a Joint Committee on Intelligence Operations with exclusive legislative and oversight jurisdiction over the various intelligence agencies of the executive branch of this Government. Despite the introduction of that bill and other similar proposals, we in the House of Representatives have made absolutely no forward progress toward the establishment of such a committee. Instead, we have left to the prerogative of the Senate alone the thorough and persistent oversight that intelligence in the public interest requires. Action by this House is long overdue.

To my mind, the unfortunate experience of the House Select Committee on Intelligence should in no way hinder our resolve. That history aside, the substance of their investigation stands unchallenged; unsettled issues remain.

Both bodies still need to strengthen the control mechanisms of elected Representatives over secret actions and secret abuses of our governmental institutions. Both bodies need to persist in questioning the value of public expenditure of scarce funds for dubious intelligence projects. Both bodies together need to continue to improve the relationship between the intelligence community and the Congress to allow for more effective, and where possible more public, use of the product that community provides.

The Rockefeller Commission and both select committees of the Congress have demonstrated the need for sustained congressional oversight to patrol the intelligence community for potential and past abuse of authority. It is indeed true that credit is due the Director of the Central Intelligence Agency who in 1973 issued the directive that unearthed many of the internal transgressions in that organization. It should not be forgotten, however, that this directive was issued in response to the threat of continuing congressional probes following the buglary at the Watergate. The surest protection against a recurrence of similar violations of the boundaries of decency and law is a standing committee that reinforces public accountability.

Congressional attention is also a great stimulus for reform. There are presently many people inside and outside of the intelligence community who believe that the complexity and vastness of the institutions themselves pose great threats and hinder timely and meaningful intelligence warnings. Streamlining of the organization of intelligence activity should be encouraged. The reorganization that is now occurring will be more securely based with legislative consultation.

The so-called "leak" of the final report of the House Select Committee on Intelligence points out another reason for establishing a permanent committee with well defined procedures both for review and public disclosure. For years, we in the House have struggled with the question of just where the realm of national security secrets ends and that of veiled abuse begins. We have additionally struggled with the problem of finding the means of informing our constituents and even our colleagues of foreign policy practice we find questionable and deserving of more thorough public scrutiny. Today we still lack the mechanism for disseminating secret information among our colleagues and communicating important foreign policy facts to the American public. The stumbling block remains a sometimes routine stamp of "secret" by a single low level security officer.

Our inability to solve the problem of declassification is particularly unfortunate given the potential positive use of the intelligence product. So many of the judgments, estimates and assesments of the intelligence community could be of great benefit to Members in the Congress and the Nation.

A joint committee could provide Congress with a reliable and concentrated point of reference for the output that the intelligence community provides. It would eliminate the contrary and confusing picture often given to Congress under the present arrangement and would end the duplication of staff effort. Security would become less problematic with a single congressional focal point.

Intelligence has grown into a massive industry in the many years that have passed since World War II. A huge bureaucracy has replaced the makeshift groups of operatives of an earlier era. The technology available has frightening potential. Only the special and full attention of a committee equipped to challenge that bureaucracy's imperfections, to monitor its actions and extend its benefits will fulfill the requirements of the present time.

FREEDOM OF THE PRESS WEEK

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, "Freedom of the Press Week" has been designated by the Elks Club nationally for the week of August 15. Because of the importance of this occasion, I would like to include my remarks on this subject in the RECORD:

REMARKS BY CONGRESSMAN DANTE B. FASCELL

"Freedom of the Press Week" is important to all Americans. It recognizes the news media's vital role in safeguarding our democracy.

For members of the press, legislators, and others involved in the constant fight to preserve the right of free speech in this country and worldwide, the week has special significance. It calls attention to the need for vigilant action to prevent erosion of our rights.

In the United States, we have seen court infringement on newsmen's ability to cover trials, and other actions which threaten the freedom of all citizens. Proposals for revisions in the criminal code, an "Official Secrets Act" and similar measures to curb free inquiry must be resisted.

Internationally, press freedom faces even more serious challenges. In Latin America, there have been calls recently for adoption of press "codes," press associations run by the government, and even licensing of news media by the government. Outside of our hemisphere, freedom of the press remains fragile, too often subject to the demands of government officials.

I hope that the press in America will help newsmen from other countries preserve the right of free speech. The assault on freedom of the press around the world is real and powerful. Unless we are willing to see foreign news media nationalized or otherwise dominated, we must lead strong support to efforts in other countries to overcome barriers to press freedom.

As a cosponsor of the Freedom of Information Act, and the primary sponsor of the proposed "Government in the Sunshine" Act in the House of Representatives, and as one who has supported other measures to protect newsmen's rights, I am proud to join with the Elks Club in paying tribute to the men and women of the press who do such an outstanding job in informing us and preserving our liberty.

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PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was attending several meetings in the district on Monday, August 9, 1976, and was unable to return to Washington until later in the day. While I was paired on some votes, I did not vote nor was my position reflected on rollcall No. 622, an amendment to the Voter Registration Act to authorize $35 million to the States to implement their own voter registration systems. Had I been present, I would have voted "no" on rollcall No. 622.

I was also absent for two procedural votes on H.R. 13372, the Wild and Scenic Rivers Act Amendments. I would have voted "yes" on rollcall No. 624, the vote on the rule providing for consideration of the bill, and I would have voted "yes" on rollcall No. 625, the motion to resolve into a Committee of the Whole to consider the Wild and Scenic Rivers Act amendments.

FEDERAL COMMUNICATIONS COMMISSION

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am introducing today legislation to remedy a number of the inequities and problems with the Federal Communications Commission as regards broadcast licensing.

The major thrust of the bill is to require the FCC to adopt specific standards of performance to be expected from those who hold broadcast licenses. Compliance with these standards will provide evidence on which to determine whether the licensee has served the public interest and is, therefore, entitled to renewal of that license. Failure adequately to comply with the standards will provide the grounds for FCC refusal to issue a license renewal.

This measure is necessary because the Commission has consistently avoided objective renewal standards, thereby subjecting the public to wide variations in the quality of broadcast service. Similarly, broadcasters have been subjected to the risk of losing their licenses by virtue of subjective evaluations and ex post facto requirements.

There are several provisions of the bill that are particularly noteworthy:

If a licensee decides to make major changes in the programing outlined in his license, then the license would expire, and he would have to reapply. At present, all that is required by the FCC is a letter from the licensee expressing the intention to change programing. This is absurd. If the license has been granted pursuant to a pledge of one kind of programing, presumed to be in the public interest, it is a legitimate assumption that the change might not be in that interest and thus should be subject to new approval.

Indeed, I am advised that some license applicants have proposed certain programing prior to obtaining a license with full knowledge of having something else in mind. Once this is done under the present law, and the FCC has received its letter of intent, by the time the license is up for formal renewal, the altered programing is already a fait accompli.

The bill would require the Commission to establish by rule quantitative standards for how a licensee's programing should serve the needs of its community of license. Under this provision, a broadcaster would have specific requirements for performance. Knowing what is expected and complying with the standards would assure a broadcaster that renewal of the license would not be denied for captious reasons. Further, superior performance by a licensee would be rewarded in a contested renewal proceeding. In *Citizens Communication Center* v. *F.C.C.* (447 F.2d 1201 at 1213; D.C. 1971), the Court stated:

> The court recognizes that the public itself will suffer if incumbent licensees cannot reasonably expect renewal when they have rendered superior service. Given the incentive, an incumbent will naturally strive to achieve a level of performance which gives him a clear edge on challengers at renewal time. But if the Commission fails to articulate the standards by which to judge superior performance, and if it is thus impossible for an incumbent to be reasonably confident of renewal when he renders superior performance, then an incumbent will be under an unfortunate temptation to lapse into mediocrity, to seek the protection of the crowd by eschewing the creative and the venturesome in programming and other forms of public service.

A broadcaster who did not fully meet the proposed standards would not be precluded from showing that its service met the overall public interest standard of the act. By the same token, compliance with these quantitative requirements would not preclude an interested party from showing that the broadcaster's service was defective in other respects. This is to take care of the kind of situation prescribed in the well-known case of WLBT (*Office of Communication of the United Church of Christ* v. *F.C.C.;* 359 F.2d 994, D.C. Cir., 1966; 425 F.2d 543, D.C. Cir., 1969) where the licensee devoted adequate amounts of time to news and public affairs programing and public service announcements; however, black persons and black organizations were excluded from local programing, and network programing of interest to blacks was preempted. In such cases, the license should be denied and this should be the standard provided universally in the law.

The bill would extend to radio stations the requirement that program logs be available for public inspection; at present this applies only to television stations; there would be no cost since stations must at present keep the logs anyway.

The Communications Act would be amended to permit petitioners before the FCC to obtain a discovery of facts relating to their challenge. Unlike the courts and other regulatory commissions, the FCC has consistently denied discovery powers to petitioners. Indeed, the current situation is a "catch-22," whereby no discovery is allowed until after issuance of an order designating a hearing, but the FCC will not designate a hearing without sworn evidence—evidence which can only effectively be gathered with discovery powers.

The bill would require the FCC to respond on petitions for rulemaking proceedings within 180 days. At present, the Commission often defers action on such petitions for years, or even fails to act altogether, in effect denying petitions without issuing an order which would be subject to appeal.

The bill would provide for reimbursement of expenses of public groups raising issues of sufficient significance to require hearing or which entered into agreements with licensees for improved services, which agreements were approved by the Commission. Further, the bill provides for reimbursement of expenses of public interest groups in rulemaking proceedings, subject to a showing that their representation would make a significant contribution and that petitioner lacks a significant private economic interest, and need.

Mr. Speaker, this bill would go a long way toward rectifyng some of the weak provisions of the Communications Act, and would provide for easier public participation in licensing issuance and renewal proceedings before the FCC.

It has been 10 years since the initial Church of Christ decision which found the FCC wanting in receptivity to the participation of public interest organizations. When the Office of Communication of the Church of Christ initially petitioned the FCC to permit it to intervene in the renewal of license proceeding for WLBT, the Commission refused intervention. Subsequently, the Court of Appeals for the District of Columbia ordered the FCC to grant the intervention petition. Writing for the Court, Judge Warren Burger said:

> A broadcaster seeks and is granted the free and exclusive use of a limited and valuable part of the public domain; when he accepts that franchise it is burdened by enforceable public obligations. A newspaper can be operated at the whim or caprice of its owners; a broadcast station cannot. After nearly five decades of operation the broadcast industry does not seem to have grasped the simple fact that a broadcast license is a public trust subject to termination for breach of duty. . . .
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> . . . Nor does the fact that the Commission itself is directed by Congress to protect the public interest constitute adequate reason to preclude the listening public from assisting in that task. . . .

Unfortunately, the FCC went ahead and issued the license renewal, in spite of the intervention by the Church of Christ. The church went back to court to challenge the license issuance; this time, Judge Burger, again writing for the Court, wrote:

> We did not intend that intervenors representing a public interest be treated as interlopers. Rather, if analogues can be useful, a "public intervenor" who is seeking no license or private right is, in this context, more nearly like a complaining witness who presents evidence to police or a prosecutor whose duty it is to conduct an affirmative and objective investigation of all the facts and to pursue his prosecutorial or regulatory functions if there is probable cause to believe a violation has occurred. A curious neutrality-in-favor-of-the-licensee seems to have guided the examiner in his conduct of the evidentiary hearing.

Mr. Speaker, the time has come to bring the Communications Act into conformity with what the public needs, and with what the courts have recognized to be those needs.

H.R. 15168

A bill to amend the Communications Act of 1934 to provide rational criteria and procedures for the renewal of broadcast station licenses, increase the ability of the public to participate in the regulatory proceedings of the Federal Communications Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Broadcast License Renewal Reform Act".

STAGGERED EXPIRATION OF RENEWAL TERMS; LICENSE RENEWAL CRITERIA AND INFORMATION TO BE SUBMITTED; COMPARATIVE RENEWAL HEARING CRITERIA

SEC. 2. Section 307(d) of the Communications Act of 1934 is amended to read as follows:

"(d)(1) The term of any license, or the renewal thereof, for operation of a broadcasting station may not exceed three years, and the term of any license, or the renewal thereof, for any other class of station may not exceed five years, and any license granted may be revoked as hereinafter provided.

"(2) Notwithstanding the above, a license for a broadcasting station shall be deemed to have expired thirty days after the licensee proposes any substantial modification in the terms and conditions of its operation under its initial grant or renewal, including, but not limited to, any substantial alteration of its programing format.

"(3) The Commission shall by rule prescribe that, to the maximum extent possible, the expiration dates for licenses within a particular State, city, or other locality within a State shall be distributed evenly within a three-year period.

"(4) Consistent with the foregoing provisions of this subsection, the Commission may by rule prescribe the period or periods for which licenses shall be granted and renewal for particular classes of stations, but the Commission may not adopt or follow any rule which would preclude it in any case involving a station of a particular class, from granting or renewing a license for a shorter period than that prescribed for stations of such class if, in its judgment, the public interest, convenience, and/or necessity would be served by such action.

"(5) Any license granted under subsection (a) may upon its expiration be renewed, in accordance with section 309, if the Commission finds that the public interest, convenience, and necessity would be served by the renewal of such license. In considering whether the public interest, convenience, and necessity would be served by the renewal of a broadcast license, the Commission shall prescribe by rule—

"(A) Quantitative and other standards to determine whether the licensee has rendered a substantial informational program service to its community of license, and acted in a meaningful way as a local outlet for expression of diverse views on issues of public importance. All such standards shall include a requirement that such programing be presented in time periods reasonably calculated to reach a substantial portion of the licensee's audience. Such standards of substantial service shall include, at minimum, the following programing categories:

"(i) Program time devoted to news.

"(ii) Program time devoted to public affairs.

"(iii) Program time devoted to locally originated material in general, and to locally originated news and public affairs.

"(iv) Program time devoted, without charge, on a sustaining basis, to the service of educational, religious, charitable, and other community benefit organizations.

"(v) Spot time made available, without charge, for public service announcements and access messages allocated between requesting individuals and groups representative of significant community segments or concerns.

"(vi) The investment of a percentage of an applicant's profits in the provision of the programing described in clauses (i) through (v) above.

An applicant shall not exclude the expression of controversial views in the programing categories included in such standards or in the time made available for purchase. A licensee that provides substantial service in these categories shall be deemed *prima facie* to have met its basic licensee obligation to provide informational program service and to operate as a local outlet, subject, however, to a substantial showing that such programing has failed in other respects to serve the public interest, convenience, and necessity.

"(B) Procedures to be followed by all broadcast licensees to ascertain the problem, needs, and interests of all significant segments of their service area, and to propose programming specifically designed to meet those problems, needs, and interests.

"(C) Standards respecting the ownership interests of official connections of the applicant in other stations or other communications media or other businesses. Compliance with such standards shall be *prima facie* evidence that the grant of a license is consistent with the public interest in diversity of information sources and economic competition subject, however, to a substantial showing that an applicant's particular ownership interests are inconsistent therewith.

"(D) Reporting and compliance procedures by which all applicants shall provide equal employment opportunities, including plans to eliminate barriers to full utilization of minorities and women in station operations. Such procedures shall be consistent with those applied by statute, regulation, and Executive order to Federal contractors.

"(6) The Commission shall by rule specify standards of superior service including, at a minimum, the programming categories in subsection (5)(A) of this section, to be applied as a factor of major significance in favor of the applicant for renewal, as against any mutually exclusive application.

"(7) The Commission shall by rule specify standards for its consideration in all comparative hearings, including the factors in subsection (5)(C) and—

"(A) the participation of ownership in the management of the station, and

"(B) the participation of minorities and women in the ownership and the management of the station.

"(8) In order to expedite action on applications for renewal of broadcasting station licenses and in order to avoid needless expense to applicants for such renewals, the Commission shall not require any such applicant to file any information which previously has been furnished to the Commission or which is not directly material to the considerations that affect the granting or denial of such application: *Provided*, That the Commission shall require all applicants to file all information which is directly material to the considerations that affect the granting or denial of such application, such information to include, but not necessarily be limited to, the following:

"(A) the extent to which the applicant has met its quantitative programing proposals in the substantial service categories, and its specific programing proposals for meeting ascertained community problems, needs, and interests contained in its most recent past application for the license;

"(B) the applicant's efforts to ascertain the current problems, needs, and interests of its proposed community of service and its quantitative programing proposals in the substantial service categories and its specific programing proposals to meet those problems, needs, and interests in the forthcoming license period;

"(C) the applicant's ownership interests and other official connections of the applicant in other stations or other communications media or other businesses;

"(D) the applicant's achievements in the most recent past license period to provide equal employment opportunities, and the applicant's proposed achievements to provide equal employment opportunities in the forthcoming license period. The Commission may by rule, upon evidence that the public interest would be served thereby, exempt stations with less than five full- and part-time employees from the reporting requirement of this paragraph.

All of the information described in paragraphs (A) through (D) shall be made available for public inspection and for duplication, at reasonable cost, at the offices of the Commission and at the offices of the applicant and, if the applicant is seeking renewal, at the offices of the station for which renewal is sought, during normal business hours. The applicant shall also make available for public inspection and duplication, at reasonable cost, during normal business hours, all program logs of the applicant for the past three years, or, if a petition has been filed under section 309 by a party in interest covering the licensee's prior license term, the program log for such license term."

PREDESIGNATION DISCOVERY

Sec. 3. Section 309(d)(1) of the Communications Act of 1934 is amended by adding at the end thereof the following: "The Commission shall by rule provide that a petitioner may obtain discovery regarding any matter, not privileged, which is relevant to the granting or denial of the petition. The Commission shall allow the petitioner to use information acquired through such discovery to amend or supplement its petition within a period of four months following the filing of the petition, such period to be extended by the Commission only for good cause."

STANDARDS FOR DESIGNATION OF HEARINGS

Sec. 4. Section 309(d)(2) of the Communications Act of 1934 is amended by adding at the end thereof the following: "For purposes of this paragraph, the Commission shall not find that a grant of the application without hearing would be consistent with subsection (a) of this section if the Commission finds that—

"(A) the applicant has failed to render substantial service as defined by the Commission under Section 30(5)(A) of this Act; or

"(B) there is a substantial deviation between the applicant's programming proposals for the most recent past license period and the programming broadcast during the most recent past license period; or

"(C) the applicant has otherwise failed to serve its community of license during the most recent past license period; or

"(D) the applicant has not adequately ascertained the problems, needs and interests of its community of service for the forthcoming license period; or

"(E) the applicant has not adequately proposed programs specifically designed to meet the problems and needs and interests of its community of service for the forthcoming license; or

"(F) the applicant's efforts in the most recent past license period, or its proposed efforts for the forthcoming license period, to assure equal employment opportunities, are not in conformance with the Commission's rules; or

"(G) the applicant has misrepresented matters to the Commission or the public, or taken some other action or made some other proposal inconsistent with the public interest, convenience and necessity; or

"(H) the ownership interests or official connections of the applicant in other stations or other communications media or other businesses substantially diminishes access by the community of license to the benefits of diverse information sources and economic competition.

Nothing in the above enumeration shall be construed so as to preclude the Commission from finding, upon an appropriate showing, upon other grounds, that grant of an application without hearing will not serve the public interest, convenience, and necessity."

NEGOTIATIONS AND AGREEMENTS BETWEEN APPLICANTS AND MEMBERS OF THE COMMUNITY OF SERVICE

Sec. 5. Section 309(h) of the Communications Act of 1934 is amended by adding at the end thereof the following: "Every license issued under this chapter shall also be subject to the terms agreed to by the applicants and members of its community of service if the Commission determines that such agreement serves the public interest, convenience and necessity. The Commission shall prescribe procedure to encourage licensees of broadcasting stations and persons raising significant issues regarding the operations of such stations to conduct, during the term of the licenses for such stations, good faith negotiations to resolve such issues. The Commission, if presented with an agreement resulting therefrom, shall make an affirmative determination whether or not such agreement serves the public interest, convenience, and necessary."

REIMBURSEMENT IN LICENSING MATTERS

Sec. 6. Section 309 of the Communications Act of 1934 is amended by adding the following new subsection at the end thereof:

"(i) In the event that the participation of members of a licensee's community of service results in an agreement approved by the Commission as provided in subsection (h) of this section, or in the event that the Commission is unable to find without a hearing that grant of the application would be consistent with subsection (a) of this section because of questions of fact or other considerations raised by a party in interest whose economic interest in the outcome, unlike that of a proposed applicant or competitor, is small compared to the costs of effective participation in the proceeding, then the Commission shall, upon request, direct the applicant to reimburse the reasonable costs, including attorney's fees, incurred by the members of the community or the party in interest, in furtherance of their participation in the Commission's licensing processes."

REIMBURSEMENT OF PARTICIPATION IN RULEMAKING

Sec. 7. Section 4 of the Communications Act of 1934 is amended by adding the following new subsection at the end thereof:

"(p) The Commission shall pursuant to rules prescribed by it award compensation for reasonable expenses, including attorney's fees, of participating in any rulemaking proceedings of the Commission or in any proceeding before a joint board or a Federal-State Joint Board referred to in section 410 of this Act whenever public participation in the proceeding promotes or can reasonably be expected to promote a full and fair determination of the issues involved, and

"(1) the person represents an interest the representation of which contributes or can reasonably be expected to contribute substantially to a fair determination of the proceeding, taking into account the number and complexity of the issues presented, the importance of public participation, and the need for representation of a fair balance of interests; and

"(2)(A) the economic interest of the person in the outcome of the proceeding is small in comparison to the costs of effective participation in the proceeding by that person, or whenever the person is a group or organization, the economic interest of a substantial majority of the individual members of such group or organization is small in comparison to the costs of effective participation in the proceeding; or

"(B) the person demonstrates to the satisfaction of the agency that such person does not have sufficient resources available adequately to participate in the proceeding in the absence of an award under this section."

EXPEDITION OF PETITIONS FOR RULEMAKING

SEC. 8. Section 4(j) of the Communications Act of 1934 is amended by adding at the end thereof the following: "The Commission shall act upon any petition for rulemaking within 180 days from its submission, issuing a Notice of Inquiry or Notice of Proposed Rulemaking or an opinion setting forth the reasons why such action would not be in the public interest. If the Commission fails to act upon any such petition within this time period, it shall provide Congress with a detailed explanation therefor."

CONSIDERATION OF COMPETING APPLICANTS AT TRANSFER

SEC. 9. Secton 310(d) of the Communications Act of 1934 is amended by striking out the second sentence and inserting in lieu thereof the following: "Any such application shall be disposed of as if the proposed transferee were making application under section 308 for the permit or license in question, and in acting thereon the Commission shall consider whether the public interest, convenience, and necessity would be served by the transfer, assignment, or disposal of the permit or license to a person other than the proposed transferee or assignee provided that the Commission may adopt rules and regulations consistent with the public interest, convenience, and necessity, that permit the transfer or assignment in accordance with the terms of the proposed transfer or assignment to an interim operator composed of such of the applicants as desire to participate therein, pending a final determination thereon."

TRANSFER AFTER DESIGNATION FOR HEARING

SEC. 10. Section 310 of the Communications Act of 1934 is amended by adding the following new subsection at the end thereof:

"(e) If a hearing is designated on a renewal application under section 309(e), the applicant shall not be allowed to transfer or assign its license unless the following conditions are met:

"(1) the consideration does not substantially exceed the value of the assets transferred exclusive of the license;

"(2) the Commission finds a compelling public interest benefit from the proposed transfer, including, but not limited to, ownership of a controlling interest in the transferee by members of a minority group with substantial representation in the service area;

"(3) all parties to the renewal proceeding consent to the grant of renewal conditional upon the transfer; and

"(4) the application for transfer is filed prior to a decision of the Commission denying renewal."

COURTS OF REVIEW

SEC. 11. Section 402 of the Communications Act of 1934 is amended to read as follows:

"SEC. 402. Any proceeding to review, enjoin, set aside, annul, or suspend any order of the Commission under this chapter shall be brought as provided by and in the manner prescribed by chapter 19A of title 5."

PETITION TO REVOKE

SEC. 12. Section 312 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(f)(1) Any party in interest may file a petition to revoke any license or construction permit. The licensee or permittee shall have a reasonable opportunity to respond to such petition, and the petitioner shall have a reasonable opportunity to reply. If good cause is presented for revocation proceedings, the Commission shall institute the proceedings authorized by subsections (a) to (e) of this section, direct the submission of a renewal application by the licensee on an expedited basis, or take such other administrative action as is appropriate.

"(2) The Commission shall issue an order containing the reasons for its actions on the petition, or if no action is taken, the reasons therefor, within 180 days of the filing of the last pleading in the matter."

CLARIFICATION OF EXEMPTIONS FROM EQUAL TIME PROVISIONS

SEC. 13. Section 315(a) of such Act is amended by adding, after "(2) bona fide news interview," the words "provided that the news interview is not independently called for, arranged, or produced by the candidate" and by adding, after "(4) on-the-spot coverage of bona fide news events (including but not limited to political conventions and activities incidental thereto)," the words "where the appearance of the candidate is incidental to the presentation of news."

STUDY OF REDUCTION OF SPECTRUM SCARCITY AND INCREASE IN INFORMATION SOURCES

SEC. 14. The Federal Communications Commission shall conduct a study to determine how to reduce the scarcity of broadcast frequencies and to further the goals of maximum feasible access of local communities to diverse sources of information and to economic competition among communications media, and shall report its findings and actions taken thereon (along with any proposals for necessary implementing legislation) to the Congress within two years from the date of enactment of this section. The Commission, in conducting this study, shall consider, without limitation thereto, the following means to eliminate existing deficiencies:

(1) modification of its television allocations policies, including creation of additional VHF allocations through reduction in spacing requirements and reduction in maximum allowed power outputs;

(2) adoption of policies to upgrade and stimulate UHF service;

(3) elimination of clear channel radio stations and substitution of additionally locally allocated stations therefor;

(4) requiring shared time operation of broadcast frequencies;

(5) adoption of policies to increase the portion of the spectrum, particularly the VHF television and FM radio spectrum, available to and utilized public broadcasting.

(6) adoption of policies to stimulate an increase in minority ownership of all communications services;

(7) adoption of policies to increase the diversity of programming formats available to the public; and

(8) adoption of policies to stimulate the growth of competitive communications technologies.

Pending such report the Commission shall include a statement in each of its actions as to the effect of such action upon spectrum scarcity and the need of local communities for diverse sources of information and economic competition among communications media.

REPORT ON THE U.S. CONGRESSIONAL DELEGATION'S PARTICIPATION IN MAGNA CARTA CEREMONIES IN THE UNITED KINGDOM AND THE UNITED STATES, MAY 23–27, 1976, AND JUNE 1–3, 1976

Mr. ALBERT. Mr. Speaker, on May 23–27, 1976, an American congressional delegation visited Great Britain to participate in the Magna Carta ceremonies marking the Bicentennial celebration of the United States of America.

From June 1–3, 1976, a parliamentary delegation from the United Kingdom of Great Britain and Northern Ireland visited our country to participate in complimentary ceremonies in Washington, D.C.

As Speaker of the House of Representatives, it was my great privilege and honor to chair the U.S. congressional delegation during these ceremonies. To lend us Magna Carta, the most important document in British constitutional history, and to leave us with a priceless golden replica of the charter to be permanently installed in the Capitol, has been, in my opinion, the outstanding event commemorating our Bicentennial celebration. Moreover, the opportunity to meet with and develop friendships with our counterparts in the British Parliament was an extraordinarily rich and moving experience.

I am, therefore, taking this opportunity to report on the activities of the U.S. congressional delegation concerned with the acceptance of Magna Carta.

I. BACKGROUND ON THE LOAN OF MAGNA CARTA, BRITAIN'S BICENTENNIAL GIFT TO CONGRESS

In July 1973, the President of the United States issued an official invitation to the people of Britain to participate in the commemoration of our country's 200th anniversary.

Her Majesty's government responded with enthusiasm by creating a Bicentennial committee, chaired by the Marquess of Lothian. Lord Lothian, the British Ambassador, and I considered many possible gifts. We agreed that first, that the gift should be a document, and second, a document that antedated the American Revolution. We were drawn simultaneously toward the choice of the great document which met these qualifications best—Magna Carta. Thereafter the British Bicentennial Committee offered the loan of the best of the four surviving copies of the 1215 Magna Carta.

Within a week after King John affixed the seal of his office to the original document on June 15, 1215, a number of additional copies were made to be distributed to every abbey and large city in the kingdom.

No one knows what became of the original; four of the many official copies sent out soon afterwards, also sealed by the King, are still in existence.

Of these four, two are in their original depositories, one in Lincoln Cathedral and one in Salisbury. The other two documents were on exhibit in the British Museum. It is the best preserved of these two copies, the so-called Wymes copy, which was brought to the United States on a 1-year loan for the Bicentennial Celebration.

In addition, the British parliamentary delegation brought a gold replica of Magna Carta and a special showcase, designed by Louis Osman, to house the documents in the rotunda of the U.S. Capitol.

In July 2, 1975, a motion was tabled; that is, passed in both Houses of Parliament proposing a 1-year loan of one of the two original 1215 copies of Magna Carta, held by the British Museum:

MOTION TABLED IN THE HOUSES OF PARLIAMENT: LONDON, UNITED KINGDOM, JULY 2, 1975

That an humble address be presented to Her Majesty praying Her Majesty will give direction that, to mark the Bicentennial celebrations of the United States of America there be made on behalf of Parliament to the Congress of the United States, as representative of the American people, a loan for one year of one of two original 1215 copies of Magna Carta held by the British Library: that a permanent showcase be presented to the Congress for the display of the document, the document to be replaced at the end of the loan period by a replica: that the gift be presented by representatives from both Houses of Parliament.

II. BRIEF LEGISLATIVE HISTORY

On October 22, 1975, the House of Representatives passed unanimously House Concurrent Resolution 458, which notified the British Parliament of our willingness to accept their offer of the loan of Magna Carta. On October 23, 1975, the Senate concurred in this resolution by a voice vote:

H. CON. RES. 458

Whereas, The historic document known as the Magna Carta of 1215 A.D. represents an essential link in the long chain of constitutional instruments; and

Whereas, American colonists brought with them from England the traditions of free government and the principle that all persons stand as equals before the law, concepts which had been embodied in the Magna Carta, and they regarded them as their birthright and incorporated them in their colonial charters and constitutions; and

Whereas, In drafting the Constitution and the Bill of Rights of the United States, our founding fathers sought to guarantee to the people of these United States the freedom of the church, an independent judiciary, the right to a speedy trial, and the concept of due process of law, which principles were clearly derived from the Magna Carta; and

Whereas, In recognition of the Bicentennial celebrations of the United States of America, the House of Lords and the House of Commons of the Parliament of the United Kingdom of Great Britain and Northern Ireland have unanimously adopted motions respectfully praying that Her Majesty, The Queen, direct that an original copy of the Magna Carta be loaned to the people of the United States, to be held by their representative, the Congress of the United States, for a period of one year; and

Whereas, This loan has been authorized by Her Majesty, The Queen, in order that this historic document may be displayed in the Capitol, enclosed in a showcase donated by the United Kingdom for that purpose; Therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States recognizes that it is natural that men should value the original documents which guarantee their rights, and thus hereby expresses its sincere gratitude to Her Majesty, The Queen, the Parliament and the people of the United Kingdom for their loan to this Nation of the Magna Carta, a document of historic and symbolic significance to the peoples of both our Nations, and believes that its temporary residence here in the country of its philosophical descendants, the Declaration of Independence, the Constitution and the Bill of Rights, will contribute an important historical perspective to the Bicentennial celebration; and be it further

Resolved, That the showcase donated to the United States by the United Kingdom be used to display the Magna Carta may be placed in the rotunda of the United States Capitol, and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor, including the payment of all necessary expenses incurred in connection with the installation, maintenance, and protection thereof; and be it further

Resolved, That the Secretary of State is requested to transmit a copy of these resolutions to the Parliament of the United Kingdom of Great Britain and Northern Ireland.

In late December 1975, the British Embassy in Washington, D.C., conveyed a message from the Lord Chancellor of the House of Lords and the Speaker of the House of Commons to the Speaker of the House of Representatives and the President of the Senate of the United States.

These British parliamentary leaders extended an invitation to a delegation of about 25 Members from both Houses of Congress to visit Westminster Hall in May 1976 for the London ceremonies.

On March 4, 1976, the Senate passed Senate Concurrent Resolution 98 by a voice vote. This resolution provided for the appointment of a 25-member congressional delegation and the authorization of funds to pay for the delegation's expenses. The House of Representatives subsequently approved Senate Concurrent Resolution 98 on March 17, 1976. This resolution, with a minor amendment, was again passed by the Senate on April 5, 1976:

S. CON. RES. 98

Whereas, in recognition of the Bicentennial celebrations of the United States of America, the House of Lords and the House of Commons of the Parliament of the United Kingdom of Great Britain and Northern Ireland have unanimously adopted motions respectfully praying that Her Majesty, the Queen, direct that an original copy of the Magna Carta be placed on loan to the people of the United States for a period of one year; and

Whereas, this loan has now been graciously authorized by Her Majesty, the Queen, and, by concurrent resolution of the United States Congress, this historic document of freedom and of the abiding principles of law will now be displayed in the Rotunda of the United States Capitol, there to be contained within a showcase to be donated by the United Kingdom for such purpose: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (a) a delegation of Members of Congress shall be appointed to proceed at the invitation of the two Houses of Parliament, to the United Kingdom, there to attend the presentation of the Magna Carta, under suitable auspices, to the people of the United States, to be held in the custody of their representative, the Congress of the United States, for a period of one year.

(b) The delegation shall consist of the Speaker of the House of Representatives and not to exceed twenty-four additional Members appointed as follows:

(1) Twelve appointed by the Speaker of the House of Representatives on the recommendation of the Majority and Minority Leaders.

(2) Twelve appointed by the President of the Senate on the recommendation of the Majority and Minority Leaders.

(3) The Speaker shall be the Chairman of the delegation and the Majority Leader of the Senate shall be the Vice Chairman.

SEC. 2. There are authorized to be paid from the contingent fund of the Senate on vouchers approved by the Chairman and Vice Chairman, such amounts as the Chairman and Vice Chairman of the delegation jointly shall determine to be necessary (one-half of such expenditures shall be reimbursed by the House of Representatives and such reimbursement is hereby authorized):

(1) for the expenses of the delegation, including expenses of staff members designated by the Chairman and Vice Chairman, respectively, to assist the delegation;

(2) for the reimbursement of any department or agency of the Federal Government for expenses incurred by it on behalf of the delegation and expenses incurred in connection with the functions of the delegation in the United Kingdom;

(3) for payment of expenses in connection with the display of the Magna Carta in the United States Capitol, including those expenses associated with delegations invited from the Government of the United Kingdom or other nations in connection with joint Bicentennial ceremonies at the Capitol.

SEC. 3. All authority for such expenditures shall expire at the close of business December 31, 1976.

Shortly thereafter, the Speaker and the Vice President, acting on behalf of the Congress, notified the leaders of the British Parliament that a U.S. congressional delegation would fly to London to participate in the Bicentennial ceremonies in late May.

III. THE U.S. CONGRESSIONAL DELEGATION

According to Senate Concurrent Resolution 98, the American delegation was to consist of the Speaker of the House of Representatives and not to exceed 24 additional Members, 12 from the House of Representatives and 12 from the Senate. Members of the American delegation traveling to London included: The Honorable CARL ALBERT, the Honorable MIKE MANSFIELD, the Honorable THOMAS P. O'NEILL, the Honorable HUGH SCOTT, the Honorable JOHN RHODES, the Honorable THOMAS E. MORGAN, the Honorable JAMES B. PEARSON, the Honorable GEORGE MCGOVERN, the Honorable PETER W. RODINO, the Honorable EDWARD W. BROOKE, the Honorable ELFORD A. CEDERBERG, the Honorable BOB PACKWOOD, the Honorable PHIL M. LANDRUM, the Honorable ROBERT MORGAN, the Honorable EDWARD J. DERWINSKI, the Honorable JACK EDWARDS, the Honorable LEE H. HAMILTON, the Honorable CALDWELL BUTLER, the Honorable CORINNE C. BOGGS, and the Honorable GEORGE WHITE.

The delegation was assisted by the following professional staff: Mrs. Verneil English, Mr. Francis Valeo, Mr. Darrell St. Claire, Mr. Joel Jankowsky, Mrs. Iris Adams, Mr. Robert Barton, Mrs. Vivian Ronca, Mr. Dennis Taylor, Mrs. Mary Bruner, and Mr. J. Stanley Kimmitt.

The State Department escort officer was Miss Kathryn N. Folger.

The U.S. Air Force provided transportation under the supervision of escort officers Col. W. H. L. Mullins and Maj. Stephen B. Dwelle.

IV. THE CEREMONIES IN THE UNITED KINGDOM

The U.S. Air Force flight, carrying the American delegation, departed from Andrews Air Force Base at 8 a.m., May 23, 1976, and landed at Heathrow Airport, near London, at 8 p.m.

During the first day in England, the American delegation, accompanied by the British parliamentary delegation hosts, paid their respects at Sir Winston Churchill's grave, toured Blenheim Palace, and spent an afternoon at Oxford, University. At St. Peter's College, honors were bestowed upon Speaker Carl Albert, a former Rhodes Scholar.

The second day of the visit found the American delegation taking a tour of the Palace of Westminister, having lunch with the Executive Committees of the British American Parliamentary Group and the British Group of the Inter-Parliamentary Union and attending Question Time in the House of Lords and the House of Commons. Later, they attended the reception given them by the Lord Mayor and Corporation of the City of London and toured the 1776 Exhibition at the National Maritime Museum.

The official presentation of Magna Carta and its gold replica took place on Wednesday, May 26, 1976. The presentation ceremonies were held in the centuries-old Westminster Hall. The Speaker of the House, Mr. Albert, and the majority leader of the Senate, Mr. Mansfield, spoke on behalf of the U.S. congressional delegation. Speeches were delivered on the part of the United Kingdom by the following:

The Lord Great Chamberlain;

The Secretary of State for the Government;

The Archbishop of Canterbury;

The Lord President of the Council;

The Minister of State for Foreign and Commonwealth Affairs, and

The leaders of the minority parties.

With the great arched ceiling of Westminster Hall as a backdrop, the presentation ceremonies were rich with the trappings of tradition and infused with heartfelt expressions of good will between the leaders of our two nations. It was truly a moving experience for all those who participated.

Following the official presentation, a reception for the American delegation was given by Her Majesty, Queen Elizabeth, in Clarence House at St. James Palace.

The last formal event in the impressive round of ceremonies held in the United Kingdom was a dinner in New Hall, Lincoln's Inn, sponsored by the entire British Parliament:

VISIT OF AN AMERICAN CONGRESSIONAL DELEGATION TO GREAT BRITAIN TO MARK THE BICENTENARY OF THE UNITED STATES OF AMERICA, MAY 23-27, 1976

SUNDAY, 23D MAY

2000 hrs: Arrive by U.S.A.F. Special Mission Aircraft. Staying at the Churchill Hotel, 30, Portman Square, W.1.

MONDAY, 24TH MAY

0915 hrs: Leave Hotel.

1045 hrs: Arrive at Bladon Churchyard to see the grave of Sir Winston Churchill.

1110 hrs: Arrive at Blenheim Palace. Tour of the Palace. Drinks with His Grace the Duke of Marlborough.

1230 hrs: Leave Blenheim Palace.

1300 hrs: The Hon. Carl and Mrs. Albert and six others of the delegation arrive at St. Peter's College and are greeted by Sir Alexander Cairncross, K.C.M.G.—Master. Luncheon.

1450 hrs: Leave for All Souls College.

1300 hrs: The remainder of the delegation arrive at All Souls College and are greeted by Mr. J. H. A. Sparrow, M.A.—Warden. Luncheon.

1500 hrs: Visit Codrington Library at All Souls Greeted by Mr. J. S. G. Simmons—Librarian.

1530 hrs: Leave Oxford.

1700 hrs: Arrive at Hotel.

1815 hrs: Leave Hotel.

1830 hrs: Reception given by the Lord President of the Council, Lancaster House.

TUESDAY, 25TH MAY

1030 hrs: Leave Hotel.

1100 hrs: To the Palace of Westminster—Tour the Palace. Briefing on Question Time procedure.

1230 hrs for 1300 hrs: Luncheon given by the Executive Committees of the British American Parliamentary Group and the British Group of the Inter-Parliamentary Union, Harcourt Room, House of Commons.

1425 hrs: Lord Chancellor's Procession. Speaker's Procession.

1430 hrs: Attend Question Time in the House of Lords.

1500 hrs: Attend Question Time in the House of Commons.

1600 hrs: Leave the Palace of Westminster.

1810 hrs: Leave Hotel.

1830 hrs: Reception given by the Lord Mayor and Corporation of the City of London, Guildhall.

2000 hrs: Leave Guildhall.

2030 hrs: Arrive National Maritime Museum. Tour of the 1776 Exhibition. Greenwich.

2200 hrs: Embark m.v. "Silver Marlin". Buffet supper on board.

2330 hrs: Disembark, Cadogan Pier.

WEDNESDAY, 26TH MAY

1000 hrs: Wives and supporting staff leave Hotel.

1030 hrs: Delegation leave Hotel.

1055 hrs: Ceremony in Westminster Hall, Palace of Westminster.

1230 hrs: Reception for the Delegation given by Her Majesty Queen Elizabeth. The Queen Mother. Clarence House, St. James' Palace.

1230 hrs: Reception for other guests given by the Prime Minister, Lancaster House.

2000 hrs for 2030 hrs: Dinner given by Parliament, New Hall, Lincoln's Inn.

THURSDAY, 27TH MAY

Departure.

V. THE CEREMONIES IN THE UNITED STATES

On Monday, May 31, 1976, a 17-member parliamentary delegation from the United Kingdom of Great Britain and Northern Ireland arrived at Dulles International Airport. They were greeted by members of the American congressional delegation and the British Embassy. That evening, there was a reception at the British Ambassador's residence in Washington, D.C.

On Tuesday, June 1, 1976, the British parliamentary delegation visited the Capitol. During the visit to the Capitol, the British parliamentary delegation listened to debates in the House Chamber, attended a luncheon hosted by the Senate, and toured the Senate wing of the Capitol. After attending the Sunset Parade at Iwo Jima Memorial in Arlington, Va., the combined delegations proceeded to Tayloe House for a reception and buffet dinner.

Another highlight of the British delegation's visit occurred the following day, June 2, when they flew to Langley Air Force Base, reviewed the new B–15C, and then, proceeded to tour colonial Williamsburg.

The official ceremonies, consisting of the presentation of Magna Carta, the gold replica and the gold and silver showcase, was held in the great rotunda of the U.S. Capitol on June 3. The Lord Chancellor, the Right Honorable Elwyn-Jones, Q.C., and the Speaker of the House of Commons, the Right Honorable George Thomas, M.P., spoke on behalf of the British parliamentary delegation.

The minority leader of the Senate, Hugh Scott, served as master of ceremonies. Speaker of the House Carl Albert accepted the Magna Carta on behalf of the Congress and the people of the United States. The ceremony was attended by numerous Members of the House and Senate and other invited guests.

Following a buffet luncheon in the caucus room of the Cannon House Office Building, the British parliamentary delegation was introduced in the Senate Chamber before departing to visit the National Gallery of Art and the Eye of Jefferson exhibit.

The next-to-last event of the ceremonies in the United States was a dinner held at the National Portrait Gallery. Nearly 200 guests were in attendance to say a final farewell to the British parliamentary delegation and their wives.

On Friday, June 4, 1976, the British parliamentary delegation met with President Gerald Ford at the White House.

MAGNA CARTA VISIT OF A PARLIAMENTARY DELEGATION FROM THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO THE UNITED STATES, JUNE 1–3, 1976

THE DELEGATION—MEMBERS OF PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The Rt. Hon. Lord Elwyn-Jones, Q.C., Lord Chancellor, accompanied by Lady Elwyn-Jones.

The Rt. Hon. George Thomas, M.P., Speaker.

The Rt. Hon. Michael Foot, M.P., Lord President of the Council, accompanied by Mrs. Foot.

The Rt. Hon. Lord Shepherd, Lord Privy Seal, accompanied by Lady Shepherd.

The Marquess of Lothian, Viscount Hood, G.C.M.G., Lord Mowbray and Stourton, accompanied by Lady Mowbray and Stourton.

The Rt. Hon. Lord Byers, O.B.E., accompanied by Lady Byers.

The Rt. Hon. Douglas Jay, M.P., accompanied by Mrs. Jay.

The Rt. Hon. John Peyton, M.P., accompanied by Mrs. Peyton.

The Rt. Hon. Humphrey Atkins, M.P., accompanied by Mrs. Atkins.

Sir Thomas Williams, Q.C., M.P., accompanied by Lady Williams.

Dr. Dickson Mabon, M.P., accompanied by Mrs. Mabon.

Mr. Michael Hamilton, M.P., accompanied by Mrs. Hamilton.

Mr. David Steel, M.P., accompanied by Mrs. Steel.

Mr. Winston Churchill, M.P., accompanied by Mrs. Churchill.

Mr. Roger Moate, M.P., accompanied by Mrs. Moate.

Mr. John Watherston, Secretary to the Lord Chancellor.

Brigadier N.E.V. Short, M.B.E., M.C., Secretary to the Speaker.

Brigadier P.S. Ward, C.B.E., Secretary of the Parliamentary Bicentenary Committee.

Car assignments

1. Lord and Lady Elwyn-Jones and Mr. John Watherston.
2. Speaker Thomas and Brigadier Short.
3. The Lord President and Mrs. Foot.
4. Lord and Lady Shepherd.
5. Lord Lothian and Lord Hood.
6. Lord and Lady Mowbray and Stourton.
7. Lord and Lady Byers.
8. Mr. and Mrs. Douglas Jay.
9. Mr. and Mrs. John Peyton.
10. Mr. and Mrs. Humphrey Atkins.
11. Sir Thomas and Lady Williams.
12. Dr. and Mrs. Dickson Mabon; Mr. and Mrs. Michael Hamilton.
13. Mr. and Mrs. David Steel; Mr. and Mrs. Winston Churchill.
14. Mr. and Mrs. Roger Moate; Brigadier Ward.

Monday, 31st May

2:00 P.M.: British Welcoming Delegation Depart Embassy for Dulles International Airport.

2:35 P.M.: Greeting Party (Members of Congress and British Party) Arrive Dulles.

2:50 P.M.: British Parliamentary Delegation and Escorts Arrive Dulles.

3:20 P.M.: Delegation Departs Dulles.

4:00 P.M.: British Parliamentary Delegation Arrives Madison Hotel/Residence.

6:10 P.M.: Depart Madison Hotel.

6:30–8:30 P.M.: Reception at Ambassador's Residence.

8:30 P.M.: Depart Ambassador's Residence.

8:50 P.M.: Arrive Madison Hotel.

Tuesday, 1st June

8:15 P.M.: Key Personnel Depart Embassy for Madison Hotel.

8:40 A.M.: Delegation Departs Madison Hotel.

9:00 A.M.: Delegation Arrives Capitol Steps for Leadership Greeting.

9:05 A.M.: Welcoming by Speaker Albert and Members of Congress in Room H–209.

9:20 A.M.: Depart Capitol for Library of Congress.

9:30 A.M.: Greeting and tour of Library (Dr. Daniel J. Boorstin).

10:10 A.M.: Depart Library for Cannon House Office Building, Caucus Room 345.

10:15 A.M.: Coffee Reception.

10:50 A.M.: Depart Caucus Room for Capitol.

11:00 A.M.: Arrive Capitol and Tour House wing of the Capitol.

11:50 A.M.: Arrive House Gallery.

12:00 Noon: House Gallery—Opening Prayer.

12:30 P.M.: Depart House for Senate.

12:45 P.M.: Luncheon Hosted by Senate in Room S–207 followed by Tour of Senate Wing of the Capitol.

2:30 P.M.: Key Personnel Rehearsal, Capitol Rotunda.

3:30 P.M.: Depart Capitol for Embassy and Madison Hotel.

4:00 P.M.: Arrive Residences.

6:35 P.M.: Key Personnel and Mr. and Mrs. Churchill. Depart for Madison Hotel.

7:00 P.M.: Delegation Departs Madison Hotel.

7:30–8:30 P.M.: Sunset Parade, Iwo Jima Memorial.

8:35 P.M.: Delegation Departs for Tayloe House, 721 Madison Place, N.W., Washington, D.C.

9:00 P.M.: Delegation Arrives Tayloe House (Reception and Buffet). Depart Tayloe House.

Wednesday, 2nd June

7:40 A.M.: Key Personnel and Mr. and Mrs. Churchill depart for Madison Hotel.

8:00 A.M.: Depart Madison Hotel for Andrews Air Force Base by Bus.

8:45 A.M.: Depart Andrews Air Force Base via VC 137 (Coffee, Tea, Rolls and Juice).

9:30 A.M.: Arrive Langley Air Force Base, Virginia. 1st Tactical Fighter Wing Briefing and Static Display of F–15 "Eagle" Aircraft.

10:15 A.M.: Depart Langley Air Force Base by Bus.

11:00 A.M.: Arrive Williamsburg Inn.

1:00 P.M.: Lunch at Cascades Restaurant Followed by Tour.

6:45 P.M.: Dinner at Williamsburg Inn.

9:00 P.M.: Depart Williamsburg Inn by Bus for Langley Air Force Base.

9:45 P.M.: Depart via VC 137.

10:30 P.M.: Arrive Andrews Air Force Base, Depart by Bus for Madison Hotel.

11:10 P.M.: Arrive Madison Hotel.

11:15 P.M.: Key Personnel and Mr. and Mrs. Churchill Depart Madison Hotel for Residence.

Escorts—Rep. Thomas N. Downing, and Mrs. Downing, First District of Virginia; Mr. Mario Campioli, Assistant Architect of the Capitol; Miss Kathryn Folger, State Department.

Thursday, 3rd June

8:25 A.M.: Rt. Hon. George Thomas and Brigadier Short Depart McLean, Virginia for Embassy.

9:05 A.M.: Lady Elwyn-Jones, Rt. Hon. Michael and Mrs. Foot, Rt. Hon. Lord and Lady Shepherd, Brigadier Short, Mr. John Watherston and Mr. and Mrs. Churchill Depart Residence for Hotel.

9:30 A.M.: Delegation Departs Madison Hotel for Capitol Senate Steps.

9:45 A.M.: The Lord Chancellor and Speaker Thomas Depart Embassy for Capitol.

10:00 A.M.: Delegation Arrives Capitol and Proceeds to S–207.

10:30 A.M.: The Lord Chancellor and Speaker Thomas Arrive Capitol Steps, Ceremony Begins. Fanfare by U.S. Army Herald Trumpets Joint Service Cordon of State and Territorial Flags. The Lord Chancellor and Speaker Thomas Depart.

12:15 P.M.: Delegation Departs Capitol Steps.

12:25 P.M.: Delegation Arrives Cannon House Office Building Caucus Room.

12:30 P.M.: Buffet Luncheon.

2:15 P.M.: Delegation Departs Cannon House Office Building Caucus Room.

2:30 P.M.: Visit to National Gallery of Art and "Eye of Jefferson Exhibit," tea.

4:30 P.M.: Delegation Departs for Residences.

6:25 P.M.: The Speaker and Brigadier Short Depart Residence for Hotel.

6:35 P.M.: Key Personnel and Mr. and Mrs. Churchill Depart for Hotel.

7:00 P.M.: Delegation Departs Madison Hotel.

7:30 P.M.: Reception and Dinner at National Portrait Gallery (Black Tie). Delegation Departs National Portrait Gallery for Residence.

I commend all the Members and their spouses upon their participation. Almost every Member of the House was involved in one activity or another in order to allow them to get to know our British visitors.

As always, staff assistance was vital to the success of this program and I commend the staff in my executive office and the staff director, Mrs. Verneil English, who designed the Magna Carta ceremony, planned the program and served as liaison with the British staff.

I also express the appreciation of the Congress to Mr. Paul Miller and Maj. O. B. Ingram of the Military District of Washington, and Col. Arnald D. Gabriel, commander and conductor of the U.S. Air Force Band, and the Singing Sergeants.

Many others whose names have not been mentioned here gave generously of their time and talent; their efforts are recognized and appreciated.

Several preliminary cost estimates for both London and Washington, D.C., have been inserted in the CONGRESSIONAL RECORD by the vice chairman of the Magna Carta delegation, Senator MIKE MANSFIELD. Other expenses incurred on behalf of the House-Senate delegation are still being compiled and will be included in full in the report of the Clerk of the House.

IV. CONCLUSION

It is, of course, too soon to estimate the full impact of the loan of Magna Carta and the gift of the gold replica and showcase as part of the American Bicentennial celebration. Millions of Americans and many foreign visitors will pass through the rotunda of the U.S. Capitol in order to view these exhibits.

All of us—Americans and British, citizens of every nation on the Earth—carry within our bodies infinitely small living particles, the genetic heritage from all our ancestors. We are the visible products of a process of evolution leading back to the dawn of time. I would hope that the millions of visitors who will see Magna Carta during the coming year will think of this document in the same light—not as a detached relic of a dead past, but as a living, viable part of our heritage of freedom.

In an age of exceptional and sometimes justifiable disillusionment, it remains my own unshaken belief that this great and truly majestic heritage has not run its course. I believe, after three decades as an active participant in public life, that we are still moving in the right direction and that we will, in the third century of American independence, continue to progress in the directions set forth by our Founding Fathers.

It is also my belief that the visits of the U.S. congressional delegation to the United Kingdom in May, and the return visit of the British parliamentary delegation to the United States in June 1976 were important contributions to a long history of Anglo-American friendship.

The selection of Magna Carta as a gift of the British Parliament for our country's 200th anniversary could not have been more appropriate. The great charter dealt with grievances of a specific time and place—1215 and Runnymede. It set forth a redress for the wrongs of a feudal age. The import of Magna Carta on English constitutional law and the development of our own system of government are beyond estimation.

As Sir Ivor Jennings has commented:

> Because of its application to conditions undreamed of by its authors and to constitutions of countries then undiscovered, Magna Carta has become the most important single document in the development of constitutional and legal freedom not only in Britain but also in the United States of America and many countries of the Commonwealth.

I think I speak for the entire delegation when I say that these joint visits were among the finest experiences of our lives. It was, at the same time, the beginning of a new chapter in the history of our common dedication to government under law and a continuing and strengthened friendship between the British and American peoples.

The spirit of these meetings and the meaning of Magna Carta were indeed captured in essence in the speeches given at Westminster Hall, London, on May 26, 1976, and the rotunda of the U.S. Capitol, Washington, D.C., on June 3, 1976.

Remarks made during Magna Carta acceptance ceremonies in the rotunda of the U.S. Capitol by Senator HUGH SCOTT, Lord Chancellor Elwyn-Jones, and myself have already been inserted into the CONGRESSIONAL RECORD and appear on pages 16473 to 16475, June 4, 1976. In addition, I am requesting that the speeches from Westminster Hall, be inserted in the CONGRESSIONAL RECORD following these remarks:

SPEECH BY THE PRIME MINISTER, THE RIGHT HONORABLE JAMES CALLAGHAN, M.P., AT THE MAGNA CARTA CEREMONY IN WESTMINSTER HALL, LONDON, WEDNESDAY, MAY 26, 1976

Mr. Speaker Albert, distinguished Members of Congress, it is my honour and pleasure to welcome you to Westminster. I do so in a double capacity. As Prime Minister, I welcome you on behalf of the Government and people of the United Kingdom. As a Parliamentarian I welcome you as fellow representatives of our democratic tradition and practice.

It is fitting that we should meet here, in Westminster Hall whose building was begun nearly 900 years ago and in which men have considered the affairs of our nation, and justice has been administered for over 700 years. We treasure this great Hall as it stands, calm and stable—a silent witness down the centuries—of our social and political evolution. And we share it gladly with you today as a place where some of your own national roots lie buried—roots from which, I venture to say, you have continued to draw strength throughout the 200 years since independence.

Those two centuries have seen occasional turbulent moments in our relations. But it is a mark of the maturity of our relationship that such moments are now just part of a common history to be recalled without bitterness or rancour. What we are celebrating with you this year is not the severance of political links two centuries ago—but the development of a nation whose democratic ideals we share and whose achievements we respect. We celebrate a close relationship between our two nations which has lasted through both adversity and triumph. It is based, to quote Edmund Burke speaking 200 years ago, on "ties which though light as air, are as strong as links of iron". We enjoy the ties of kinship the knowledge of a shared history and a common language. Most fundamental of all, there is our common heritage of a living and evolving democracy and the rule of law. These principles are symbolised by the Magna Carta, the historic foundation of our cherished liberties. And not only ours. The great and beneficial influence of the Charter has been felt in every land across the seas wherever our countrymen have settled. Parliament cannot offer you anything more precious to mark the bicentenary of your country than this historic document.

Magna Carta, the Great Charter of King John, applied to "all free men of our Kingdom". The relationship between Government and governed remains a fundamental issue in our societies. Magna Carta considered and disposed of this issue with a detail and a clarity which we as legislators must admire. Westminster Hall played a special part in this. For one of the Charter's important provisions was that for the first time ordinary law suits were to be heard in a fixed place and not wherever the King happened to travel or to reside. In accordance with this provision it was here in Westminster Hall over 750 years ago that the first fixed courts in England were held.

Four hundred years later, in 1620, the first settlers left this country for North America. Embedded in them was a fierce awareness of the rights and liberties of the individual as drawn in Magna Carta, and as their new society developed, they insisted that these rights should be expressly written into the early colonial charters. It was fundamentally for the same rights and liberties that the War of Independence itself was fought. The Elder Pitt warned us in 1770 before the war began. He said:

"We should be cautious how we invade the liberties of any part of our fellow subjects . . . liberty was a plant that deserved to be cherished. Like the vine in the scripture, it had embraced whole nations with its branches and sheltered them under its leaves. The Americans had purchased their liberty at a dear rate since they quitted their native country and gone in search of freedom to a desert".

His warning was not heeded. But in your Declaration of Independence you brought together once more and recalled not only to your own citizens, but also to us, the underlying principles of Magna Carta, the Bill of Rights and of Habeas Corpus.

As streams join to make a mighty river so have our Magna Carta and Bill of Rights and your Declaration of Independence and Constitution mingled to form a common heritage and tradition which has served as an inspiration to both our countries and to the world. They have enabled each of us to steer our way through the conflicts and revolutions—social, economic, technological and political—of the past 200 years.

Recent years have seen a change in our respective roles. You have inherited the awesome responsibilities of a Super Power and leader of the western world. We are now a member of a Commonwealth of Nations and involve ourselves more closely in the affairs of our own continent. But, at the same time, the world is growing increasingly interdependent and you and we need each other, we can help each other, because we understand each other.

British Airways are at present telling Americans in the Television advertisements to come home—all is forgiven! And from last Monday you can do it faster than ever if you travel from Dulles Airport. Mr. Speaker, your presence and that of the distinguished company of Senators and Congressmen who are here today is a symbol that the relations between our two Parliaments and Governments have never been closer nor more cordial.

Mr. Speaker, in recognition of the common purpose, on which our friendship is based, we Members of Parliament now wish to mark the 200th Anniversary of the Declaration of Independence by offering to Congress the safe-keeping of one of Britain's greatest treasures, the Magna Carta. Faithful to the symmetry of the relationship between our nations, the ceremony today will shortly be matched on the far side of the Atlantic.

It is my privilege today to ask Mr. Speaker Thomas to present to you a gold replica of the Magna Carta for permanent retention in the United States. Next week, a Parliamentary delegation led by the Lord Chancellor together with Mr. Speaker will return the courtesy of your visit. They will bring with them the British Library's original copy of the Magna Carta of 1215, which will be entrusted to the safe hands of Congress for a year, together with a fine showcase, a gift from Parliament to Congress, in which the Charter and later the replica are to be displayed in the Rotunda in Washington. It is our hope that these will represent to Congress and to the people of the United States the enduring friendship of the British Parliament and people with the United States and our commitment to the great principles which will continue to unite our two countries.

10 Downing Street, WHITEHALL, S.W. 1, *May 26, 1976.*

SPEECH BY THE SPEAKER, HOUSE OF COMMONS, THE RIGHT HONORABLE GEORGE THOMAS, M.P.

This is a proud day for the Parliament of the United Kingdom, for we welcome with a full heart the Speaker of the House of Representatives and his distinguished colleagues.

Our respective Parliaments have mighty things in common. Both are firmly established on the basis of free Government and on the principle that all persons stand as equals before the law. Unshakeable belief in the right of free speech and in liberty of conscience characterises both the Presidential system of Government in the USA and the Parliamentary system in the United Kingdom.

The beginning of the rule of law enshrining these values was Magna Carta in the year 1215. The amazing vitality and continuing prestige of this historic document have given it an importance in the protection of individual liberties which far transcends its original role in the dispute between King John and the barons.

The authors of Magna Carta little knew what a fire they were lighting. A Methodist hymn expresses this succinctly:

> "See how great a flame aspires
> Kindled by a spark of grace."

Magna Carta was one of history's watersheds, for from that time mankind has charted a new course. The Parliament of Hampden and Pym, Chatham and Burke, Gladstone, Churchill and Lloyd George still stoutly proclaims, like the Congress of Jefferson, Washington, and Abraham Lincoln that its prime obligation is to protect the liberty and rights of its citizens.

Democratic Government is hard pressed in many parts of the world today. It is true that it makes mistakes; it is often cumbersome—but it is still the surest safeguard for human liberties.

In those many countries where the light of liberty burns low there are millions of people, who despite all our faults look to us, to your great country Mr. Speaker and to ours, to hold fast to our values and to cherish the priceless heritage we have received.

This facsimile of Magna Carta, escoused in the Congress of the U.S.A. will I hope, be an abiding reminder both of our common heritage and of our responsibilities to all mankind.

Mr. Speaker, Sir, in asking you to accept this gift on behalf of the Mother of Parliaments, I say God bless the U.S.A.

SPEECH GIVEN BY MR. CARL ALBERT, SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES, AT THE MAGNA CARTA CEREMONY, WESTMINSTER, MAY 26, 1976

First of all, on behalf of my whole country, I must acknowledge that this will perhaps be the highlight of the entire bicentennial celebrations in the United States. Our history was corrected yesterday; we were told that we wrote the Declaration of Independence but the French won the war. We did not know that any Englishman would admit that . . . but thank you very much for your kindness. On all great subjects, John Stuart Mill once remarked, "Much remains to be said", and later Walter Bagholt was to add "On no subject is this more true than in the English Constitution". My purpose today is not to sketch English Constitutionalism or how it was launched by that historic confrontation between King John and the barons more than three quarters of a millenium ago; nor shall I attempt to explain the English Constitution. Perhaps no American should try.

My task is a much simpler one. As Speaker of the United States House of Representatives, I am, as I said in the beginning, here simply to acknowledge on behalf of the American people your incomparable kindness in lending us for one year one of the four remaining copies of Magna Carta. We thank you also for giving us in perpetuity this magnificent gold and silver facsimile of the Great Charter to be installed permanently in its unique showcase in the rotunda of the capital of the United States, this priceless product of the great artist, Louis Osman.

There could be no more appropriate gift than this from the Mother of Parliament as a means of honoring the second centennial of the United States. From the tradition of Magna Carta has sprung our undying commitment to human freedom. Had there been no Magna Carta in 1215 there would have been no Declaration of Independence in 1776. Magna Carta, as the world knows, was the first written document to call in to check the authority of arbitrary government. All English speaking peoples may proudly proclaim it to be their initial constitutional legal defense against unjust rule. Chapters 39 and 40 express give sanction to some of the most deeply held political beliefs of free men everywhere. I quote:

"No free man shall be seized or imprisoned or stripped of his rights or possessions, or outlawed or exiled or deprived of his standing in any other way; nor will we proceed with force against him or send others to do so except by the lawful judgment of his equals or by the law of the land. To no-one shall we sell, to no-one shall we deny liberty, right or justice."

These principles, I believe you will agree, were reincarnated in the Declaration of Independence and in the American Bill of Rights to the Constitution, whereby habeas corpus, due process, equality under the law, trial by jury, freedom from arbitrary arrest became fundamental and permanent tenants of the American political process.

This inspiring document will soon go on display for one year in the United States capital which we consider the shrine of our own freedom. In addition, this gold and silver replica will remain in the great rotunda of the capital as a permanent gift from you to us and to future generations of Americans. This exhibit will be viewed by millions of visitors to the capital of the United States, not only by Americans but by people of many lands who come to Washington, particularly from freedom-loving countries from all parts of the world.

Nothing on this planet as old as Magna Carta so clearly represents the spirit of the democracies that have developed in the English speaking world. Nothing could be more symbolically important to the people of the United States who love their liberty as their greatest possession and their most cherished heritage from the mother country. The importance of this document does not simply date from the impact on the minds of the founders of the American Republic at the time of the separation of our countries. Its importance is not even tied to the fact that for more than 150 years our land was a part of the British Empire and our people subjects of the British Crown. This great and most historic document was produced more than two and a half centuries before the New World was even known to the Old. This great document was sealed at a time when your people and our people were the same people but we say thanks to Her Majesty, Her Majesty's Government, to the Parliament and to the people of the United Kingdom for these treasured contributions which you are making to our bicentennial celebrations.

EXTRACTS FROM THE SPEECH BY THE RIGHT HONORABLE MRS. MARGARET THATCHER, M.P., AT THE PRESENTATION IN WESTMINSTER HALL OF THE REPLICA OF MAGNA CARTA TO THE SPEAKER OF THE AMERICAN HOUSE OF REPRESENTATIVES ON WEDNESDAY, MAY 26, 1976

Mr. Speaker Albert, Senator Mansfield, Members of the Delegation of the Congress of the United States of America, my Lord Archbishop, Prime Minister, colleagues and most welcome distinguished guests.

There are many people in Britain who would like to have the opportunity of speaking today.

They would like to make a clear declaration of their affection for the United States of America and her democracy, their pride in her achievements and their recognition of her responsibilities.

We, the representatives of the peoples of the United Kingdom, can be their witness and at the same time express our own feelings of friendship and admiration.

What has characterised the relationship between our two countries over these last two centuries has been the mutual understanding of our common interests and our ability to overcome our differences. In 1776, the great separation occurred saddening many people on both sides of the Atlantic. The House of Commons, of course, kept things in perspective. I have looked up the record for our proceedings for May 26th, 1776 and I find that Parliament very sensibly prorogued itself and went on holiday on the 23rd—it's final business being not Boston, but higher tolls for heavy vehicles on the turnpikes, better pensions for Royal Navy widows and an Act to dissolve the marriage of one Rev. John Jenkins, Clerk, and to enable him to marry again.

It is true, Mr. Speaker, that on the Motion for the Adjournment there was complaint about the failure of the then Government to provide the House with more information about "matters and transactions in the American plantations" and one wise Member suggested that "the anxious and important year of 1776" may probably be decisive to the future union and well-being of all His Majesty's dominions.

A sentiment with which, 200 years later, we can all agree.

Since then the history of our relationship has ebbed and flowed. Yet the underlying spirit of friendship has prevailed. Today any disagreements are merely the grumbles of old and trusting friends.

Nurtured in the same language and culture, having the same democratic values bred into our bones, sharing our memories of the same battles for freedom, neither time nor circumstance can stale what Mr. Churchill called "our perfect understanding".

Today we remember that we were both Heirs of Runnymede and we honour the great democracy you have built in pursuit of the liberty and happiness of your people.

The concluding phrases of the Gettysburg address "that government of the people, by the people, for the people shall not perish from the earth" express the ideal we both share.

But the pressures of peace can be as testing as the perils of war. They do not have the same drama, nor the same horrors. But they can wear down the strongest resistance, inducing uncertainty, hesitation—and sometimes even fear.

This is a day for saluting the American people. We hope that whatever trials the future holds, we shall face them together, part of a world-wide alliance of free peoples and nations.

In conclusion, I should also like to comment briefly on another important protocol event which followed on the heels of the Magna Carta exchange program—the state visit of Her Majesty Queen Elizabeth II and Prince Philip, Duke of Edinburgh. Vice President NELSON ROCKEFELLER and I had the pleasure of cohosting a luncheon in Statuary Hall for the royal couple and their party. While hundreds of foreign visitors have addressed the Congress, the only person heretofore ever to address the Congress in this room was Washington's great friend from France, the Marquis de Lafayette in 1824. Queen Elizabeth II was the second, and the first from the mother country.

Our Bicentennial has made it our pleasant obligation this year to receive many important foreign visitors, and it has been an opportunity to have our branch of Government seen and better understood.

I include in the RECORD a letter which I received from Lord Peter Lothian, the chairman of the British Bicentennial Liaison Committee, in which he comments on the recent events which have demonstrated so dramatically the common origins and continued common interests of our two countries. The letter follows:

BRITISH BICENTENNIAL LIAISON COMMITTEE, FOREIGN AND COMMONWEALTH OFFICE,
London, June 28, 1976.

DEAR MR. SPEAKER: I should like, as Chairman of the British Bicentennial Committee to express to you my very deep gratitude for all your kindness during my recent visit to Washington. As you well know, it was a very special privilege and honour for me to be included in the Parliamentary Delegation which presented the Magna Carta to Congress, and not only was the Ceremony in the Rotunda perfectly organised, and deeply moving, but the hospitality shown throughout our visit was quite overwhelming in its generosity. And I am profoundly grateful to you not least for finding so much of your valuable time to spare for us.

For me the truth about Magna Carta is that it has lost none of its inspiration as the symbol of unity among free English speaking peoples; and the events of the past weeks in London and Washington certainly underlined this.

From a personal point of view I venture to believe that we were as closely united in our ideals as were all free men in 1215.

So I do want to thank you for giving me the opportunity of sharing in so many unforgettable occasions. I shall treasure the most happy memories of these and of my meetings with you.

Yours ever,

PETER LOTHIAN.

"FEA MIDDLE DISTILLATE ACTIONS"

(Mr. DINGELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DINGELL. Mr. Speaker, on June 30, 1976, the House debated energy actions No. 3 and No. 4, proposals by the Federal Energy Administration to exempt middle distillates—home heating oils and diesel fuels—from allocation and price controls. At that time, considerable attention focused upon an informal promise by the FEA to impose some form of consumer price protection in the event that distillate prices were to rise significantly above the levels to which they would have been restricted under existing FEA price controls.

On July 2, 1976, I sent a letter to the FEA raising a number of questions regarding FEA's ability to develop a sensitive and fast-acting price control "trigger" which could be relied upon to provide the promised consumer price protection. In view of the fact that many of my colleagues voted to permit the exemption of middle distillates on the basis of FEA assurances of consumer price protection, I believe my inquiry and FEA's response will be of interest to the entire House. I am, therefore, placing in the RECORD my letter, along with FEA's August 6, 1976, response:

SUBCOMMITTEE ON ENERGY AND POWER,
Washington, D.C., July 2, 1976.

Hon. FRANK G. ZARB,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. ZARB: Your letters of June 25 and 30 outline the steps which the Federal Energy Administration intends to take by the end of July to prevent an increase in the price of middle distillate fuels beyond a two cent per gallon rise over FEA-computed index price. While your letters also indicate that the "trigger mechanism" which has been designed to occur in this case has been developed, I am concerned that the precise method of computation of the index price has not been sufficiently spelled out. Nor am I certain of the precise steps the FEA proposes to take if the market price rises beyond the two cent maximum increase from this index price. I would therefore appreciate your prompt response to the following questions:

1. How, precisely, is the index to be computed as to (a) wholesale prices, and (b) retail prices of middle distillates?

2. Your letter of June 30 stated that the index would be based on the "actual June 1976 selling prices." Would the index include those prices plus the cost variations in (i) domestic crude oil, (ii) imported crude oil, (iii) domestic distillates, (iv) imported distillates, (v) operating costs, and (vi) seasonal costs?

3. Your letter of June 25 refers to steps to be triggered when decontrolled prices of distillates exceed by 2 cents per gallon the estimated price that would have been if regulatory controls were continued. In some instances, as you know, the actual June 1976 price was not the same as the regulatory ceiling price. In such case, which level of prices would form the base of the index from which to measure the 2 cents per gallon increase?

4. What information delays are associated with each of the components to be factored into this computation?

5. How much time will be required for FEA to respond to an inquiry as to whether wholesale or retail distillate prices at any given time are above the index price?

6. Your letter of June 30 says that FEA will monitor prices on regional levels as well as the national level. Please state the actual June 1976 wholesale and retail prices and the index values, for each month from July 1, 1976 through December 31, 1977 (a) for each region, and (b) nationally.

7. Your letter refers to "the projected price under controls" as the target level to which you will seek to reduce prices in the events that corrective action is required. Does that "projected price under controls" refer solely to the domestic controlled price or does it include the average price for both domestic and imported distillates?

8. Please state the procedures you expect to follow and the options you expect to consider in the event that the market price goes beyond two cents per gallon over the index price.

I understand that your agency may be considering the use of distillate entitlements as an enforcement device to avoid the necessity of reimposition of price controls on these fuels. Our analysis of this possibility demonstrates that the result of any such action would be to increase the importation of these fuels, and thus to increase the dependence of this country upon foreign energy supplies. Such a step would fly directly in the face of policies announced by the President, and of legislative actions already taken last year in the context of the Energy Policy and Conservation Act, and I assume that you would not favor taking it. I would, however, appreciate your reassuring me on this issue, and thus avoiding the necessity of protracted discussions, and very likely legislative or investigative hearings, on this subject when the Congress reconvenes.

With every good wish,
Sincerely,

JOHN D. DINGELL,
Chairman.

FEDERAL ENERGY OFFICE,
Washington, D.C., August 6, 1976.

Hon. JOHN D. DINGELL,
Chairman, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 2, 1976, inquiring into the specifics of FEA's commitments with respect to price increases of middle distillates after exemption from allocation and price regulations.

As you are aware, FEA has been preparing a request for comment on its proposed mechanism for computing the index of what prices could have been expected to be under continued regulation. This notice has been sent to the *Federal Register* (a copy is enclosed) to seek comments from all interested parties and invite testimony at public hearings on our specific proposal. Only after evaluating such comments and testimony will we be in a position to make final decisions on some of the matters raised in your July 2 letter. Accordingly, some of the answers to your specific questions, enclosed with this letter, should be considered tentative at this time.

With respect to the precise steps FEA proposes to take after market prices rise beyond the index price, which includes a 2-cent-per-gallon increment over potential cost increases under controls, it is again not possible to specify in advance in the absence of knowledge as to the facts and circumstances involved. However, the answer to Question 8 does elaborate on some of the options that we now see would be available to us in the event of a price rise in any region large enough to require action on the basis of my commitments.

I hope you will understand that the enclosed answers are as responsive as it is possible for us to be at this particular time and that the hearings could result in some changes in the index price calculations.

Thank you for your interest and support.
Sincerely,

FRANK G. ZARB,
Administrator.

ENCLOSURE

Question

1. How, precisely, is the index to be computed as to (a) wholesale prices, and (b) retail prices of middle distillates?

Answer

The specific form for computing the retail regional and national index prices and the definition of terms contained therein are set out in detail in the accompanying *Federal Register* notice. As outlined therein, the index will be computed as to retail prices of middle distillates only. While we plan to monitor wholesale prices, we do not plan to calculate a wholesale index.

Question

2. Your letter of June 30 stated that the index would be based on the "actual June 1976 selling prices." Would the index include those prices plus the cost variations in (i) domestic crude oil, (ii) imported crude oil, (iii) domestic distillates, (iv) imported distillates, (v) operating costs, and (vi) seasonal costs?

Answer

As set out in the answer to Question No. 1 above, all of the elements set forth in Question No. 2 are included in the index with the following two qualifications:

(1) Cost variations in imported distillates are included in the index only to the extent that the quantity of imports represented a specific proportion of total demand during an appropriate base period. In any month during which actual middle distillates imports exceed the historical proportion of total demand, the increased cost of imports caused by a quantity of imports greater than the historical proportion will *not* be reflected in the index.

This treatment of imports recognizes the historical contribution of imports to meeting total demand while at the same time affording protection to consumers against a circumstance where imports constitute more than the historical proportion of total demand.

(2) The item in Question No. 2 described as "seasonal cost" is more precisely defined as seasonal price variation. Specifically, for heating oil this seasonal price variation is based on historical data on the heating oil component of the Consumer Price Index data for the period 1969 through 1971 using a standard BLS routine for eliminating trend changes during the period.

Question

3. Your letter of June 25 refers to steps to be triggered when decontrolled prices of distillates exceed by 2 cents per gallon the estimated price that would have been if regulatory controls were continued. In some instances, as you know, the actual June 1976 price was not the same as the regulatory ceiling price. In such case, which level of prices would form the base of the index from which to measure the 2 cents per gallon increase?

Answer

The actual levels of prices in June 1976 for the regions and the national average are the base price levels for computing the regional and national indices. If increases in actual prices in any region or nationally result in the appropriate index price being exceeded, FEA is committed to hold hearings and take appropriate action.

Question

4. What information delays are associated with each of the components to be factored into this computation?

Answer

The answers for each element are set out in the *Federal Register* notice enclosed. For the crude oil and operating cost adjustment factors in the index price equations, there are delays of 2 months in the data entering the index because of the time consumed in filling out, filing, and processing the data collection forms involved.

Question

5. How much time will be required for FEA to respond to an inquiry as to whether wholesale or retail distillate prices at any given time are above the index price?

Answer

While it is not possible to state with certainty at this time exactly how long will be required in each case because of possible unforeseen problems in the collection and processing of the actual price data, it now appears that FEA should be able to respond within 10 days after the close of the month in question for months prior to the heating season and within 10 days after the close of a particular week during the heating season.

The key element in the ability to respond to such an inquiry is the availability of accurate information with respect to prices covering a volume of transactions large enough to be reasonably representative of the middle distillates market for the region in question. For heating oil, this sample will be selected based on historical data collected in the market share survey. The only feasible way to generate such information in time to meet the letter, spirit and intent of FEA's commitment is by a series of telephone surveys of a selected sample of participants in the middle distillates markets involved. Timely completion of the survey depends on cooperation from those being surveyed and the continued availability of data processing resources so as to be able to perform the calculations required to produce a weighted average price for the markets involved on a timely basis.

Question

6. Your letter of June 30 says that FEA will monitor prices on regional levels as well as the national level. Please state the actual June 1976 wholesale and retail prices and the index values, for each month from July 1, 1976, through December 31, 1977 (a) for each region, and (b) nationally.

Answer

These June 1976 values for heating oil prices will be determined by conducting telephone surveys starting later this month while we are also soliciting comments on the index. The values for June 1976 retail diesel prices have been collected through an existing survey and are included in the enclosed *Federal Register* notice. Certain illustrative values for June prices have been set out in the *Federal Register* notice, however, to illustrate the way the index will operate.

The actual index values for future months depend on events that will unfold in the future, such as the increased cost of crude oil, changes in the appropriate wage index, the change in the mix of imported and domestic crude oil, etc., that will occur in future months. Thus, it is clearly not possible to calculate the actual index values for future months at this time. Illustrative values are provided in the *Federal Register* notice to show a range of possible outcomes. The actual index prices will depend on the measurement of actual input values as they occur.

The actual index prices will be calculated each period as the price data used in the index become available. The index will then be compared to the weighted average actual price data generated by the telephone surveys to determine whether market prices have or have not exceeded the index prices. The results of these calculations will, of course, be available to the public.

Question

7. Your letter refers to "the projected price under controls" as the target level to which you will seek to reduce prices in the event that corrective action is required. Does that "projected price under controls" refer solely to the domestic controlled price or does it include the average price for both domestic and imported distillates?

Answer

The "projected price under controls" includes the weighted average price of domestic distillates and the quantity of imported distillates not to exceed the ihstorical proportion of imported distillates to total demand for the month in question. By this treatment the calculations of "projected price under controls" or the index price are made on the basis of no increase in the proportion of distillate imports to total demand over that which existed in the base period, tentatively defined as calendar year 1972.

Question

8. Please state the procedures you expect to follow and the options you expect to consider in the event that the market price goes beyond two cents per gallon over the index price.

Answer

First, it should be made clear that the 2-cent-per-gallon increment referred to in my June 25 and June 30 letters is included as a part of the index price. Specifically, in my June 30 letter I refer to ". . . comparisons with the index (i.e., the projected price under controls plus 2 cents per gallon) outlined in my letter of June 25."

The procedures we will follow will be to hold hearings within 10 days after a comparison of a weighted average actual price in any region or nationwide exceeds the corresponding index price. At those hearings, we would seek to determine the cause of the higher-than-projected increase and solicit views on alternative methods for reducing actual prices to or below the index level within 1 month. We will then take appropriate action within 10 days of the completion of the hearings.

The options we expect to consider will include all those available to us under the Emergency Petroleum Allocation Act. These include imposition of either price or allocation controls or both at all industry levels, imposition of either price or allocation controls or both at refiner, reseller, or retail levels, imposition of selected portions of the overall control mechanism (e.g., limitations on cost pass through to middle distillates) at one or more levels in the industry, and granting partial entitlements for middle distillate imports.

You may be sure that I share the concern outlined in your letter about taking any action that would increase this nation's dependence on foreign supplies. However, I am unable at this time to explicitly rule out consideration of the product entitlements option. Conceivably that option either alone or in combination with some other regulatory measure might prove to be the only effective way to fulfill our commitment to restore prices to the index level or below within one month from the time action is taken.

FEDERAL ENERGY ADMINISTRATION POST-EXEMPTION MONITORING OF MIDDLE DISTILLATE PRICES

NOTICE OF PROPOSED MONITORING SYSTEM AND PUBLIC HEARING

A. Introduction

The purpose of this notice is to elicit public comment on a method of monitoring prices of the two leading "middle distillate" products (home heating oil and diesel fuel) to assure the continuing reasonableness of price levels following the July 1, 1976, exemption of middle distillates from price and allocation controls.

Essentially, FEA proposes to monitor prices of No. 2 heating oil and No. 2-D diesel fuel (hereinafter referred to as "middle distillates") by developing national and regional index prices, representing the average price levels which FEA believes would have prevailed had middle distillates remained under price controls, plus a flexibility factor of two cents per gallon to allow for statistical error, inherent deficiencies with the operation of the price index and short-term market aberrations. Average actual prices will be measured at the retail level on a weekly basis during the heating season. A four-week moving average of these prices will then be compared with these index prices on a continuing basis. Should actual average prices on a national basis exceed the national index price or should actual average prices in any region exceed the corresponding regional index, FEA proposes to hold public hearings on appropriate remedial action within ten days and to take appropriate action within ten additional days which would result in returning prices to levels at or below the index level within one month.

FEA intends to monitor prices of middle distillates pursuant to this monitoring system from August 1976, until March 31, 1977, so as to insure that price levels remain reasonable during this transitional period following removal of controls and during this period of continued economic recovery.

FEA will receive written comment and will hold public hearings on these proposals on August 4 and 5, 1976. Comment is particularly desired on the proposed national and regional index prices and the proposed methods for collecting sufficient data for monitoring prices. Upon completion of the public hearings, FEA will issue a notice indicating the extent to which the proposed monitoring program has been modified in response to comments and suggestions received. FEA will, of course, continue to review the operation of its monitoring system during the period in which it is in use and make whatever changes may be necessary to assure that it achieves the objectives for which it was implemented. Any such future changes will, however, be published in the *Federal Register*.

On June 15, 1976, FEA issued and submitted to the Congress two separate amendments which provided for the exemption of middle distillates from allocation and price controls. The first amendment related to the exemption of No. 2 heating oil and No. 2-D diesel fuel and the second amendment provided for the exemption of No. 1 heating oil, No. 1-D diesel fuel, and kerosene. Since neither of these amendments was disapproved by either house of Congress pursuant to the review procedures set forth in section 551 of the Energy Policy and Conservation Act, the amendments became effective July 1, 1976.

In its discussions with members of Congress regarding these amendments, and in response to concerns expressed by these members, FEA committed to take certain actions following the effectiveness of the exemption to assure, first, that no unwarranted price increases would occur once controls were removed and, second, that the ability of marketers to obtain supplies would be protected during the transitional period following removal of controls.

More specifically, FEA stated that it would adopt a contingency plan for middle distillates with the following main elements:

1. A quick-response price monitoring system on a weekly basis during the heating season and monthly at other times (based on FEA's current reporting system and telephone surveys) that will compare actual prices with projections of what prices would have been if regulatory controls were still in effect ("controlled" prices).

2. Establishment of two cents per gallon as the maximum amount by which average actual prices could exceed "controlled" prices on a national basis and still be deemed reasonable. In addition, since the foregoing index price or standard could be met by offsetting excessive price increases in one re-

gion by price reductions in another, FEA also agreed to establish appropriate regional index prices by which to judge the reasonableness of price increases in excess of "controlled" prices on a region-by-region basis.

3. Specific FEA obligations to take certain actions if actual prices are found to exceed the foregoing index price limits—i.e., (a) to hold public hearings within ten days to determine the causes of the excessive price levels and to solicit comments on actions necessary to return actual prices to levels at or below the index price level, and (b) to take within ten days of completion of hearings such action as may be required to restore prices to those levels within one month.

4. A transitional set-aside program to insure that no marketer is deprived of supplies without adequate time to arrange a new supplier.

On July 9, 1976, FEA issued a notice of proposed rulemaking and public hearing (41 FR 28797, July 13, 1976) concerning establishment of a special set-aside program for middle distillates to be in effect from August, 1976, through March, 1977. Since the monitoring of supplies of middle distillates is the subject of a separate proceeding, this notice relates only to proposals to implement a system for monitoring of price levels.

B. Price monitoring proposals

1. *General.* This section summarizes the basis upon which FEA proposes to determine the national index price and the regional index prices. The Appendix to this Notice contains additional detail relating to the computation of these index prices, including a detailed explanation of the formulas proposed to be used, illustrative projections of the operation of the index prices for middle distillates through March, 1977, and additional information indicating how such variables as the crude oil cost increases, operating cost increases, and import adjustment factor are proposed to be determined. The Appendix also provides information on sampling procedures proposed by FEA to obtain the necessary data on actual price levels in the decontrolled middle distillate market.

In general, the national index prices will be computed each month based on actual average June, 1976, prices for No. 2 heating oil and No. 2–D diesel fuel (weighted by their historical relative sales volumes), adjusted to take into account (1) seasonal price variations of both products, (2) actual increases/decreases in the price of imported and domestically produced crude oil, (3) actual increases/decreases in the prices of imported middle distillates (weighted by their historic relative volumes), (4) increases in nonproduct costs of refiners, as defined and limited under FEA cost pass-through regulations, and estimated increases in nonproduct costs of resellers and retailers, and (5) the two cent/gallon flexibility factor.

Actual average national prices for middle distillates at the retailer level will be determined by FEA on a monthly basis through September, 1976, and on a weekly basis from October, 1976, through March, 1977, using the sampling procedures described in the Appendix. These retail prices will be compared with the national index price for the corresponding period. FEA will also monitor prices at the refiner and reseller levels to determine relative price changes for refiners, resellers, and retailers.

If FEA determines that actual average national prices have exceeded the national index price, the remedial process outlined in Section A, above, will commence, beginning with public hearings within ten days to determine the causes and appropriate remedies for the pricing excess. Options available to FEA to restore prices to levels at or below the national index price include: (1) reimposition of complete price and allocation controls over the entire industry, (2) imposition of partial price/allocation controls over the entire industry, (3) imposition of full or partial controls over certain segments or distribution levels of the industry, and (4) modification of FEA's entitlements program to reduce the cost of imported middle distillates.

Regional index prices will also be computed on essentially the same basis as the national index price, except that the June, 1976, price basis and some of the adjustment factors will, of course, relate to the region concerned rather than the nation. In addition, as explained below, FEA is calling for comment on whether a regional adjustment factor should be included in the regional index price and, if so, in what amount. Actual regional price data will be determined in a manner similar to that described for monitoring actual national price levels.

Four regions are proposed: Northeast, North Central, South, and West. (These are defined in detail in the Appendix to this Notice.) As already indicated, the regional index price system is designed to protect against unduly disproportionate price increases in one or more regions even though the actual average national prices do not exceed the national index price. If actual average regional prices exceed the index price for the region concerned, FEA will take remedial action in accordance with the same procedures outlined above for actual prices in excess of the national index price.

2. *National Index Price.* The national index price may be defined as FEA's best estimate of the average selling price per gallon for middle distillates sold to ultimate consumers, assuming controls for middle distillates had remained in effect, plus two cents per gallon. The index price is based on the average of June 1976 heating oil and diesel fuel prices adjusted for increases in crude costs, operating expenses, seasonal variation and imports of distillate, and the two-cent flexibility factor.

A summarized form of the equation proposed to be used to determine the national index price follows. In the formula, No. 2 heating oil and No. 2 diesel fuel oil are separated to take into account differences in seasaonal variation for No. 2 heating oil and No. 2 diesel fuel and differences in reseller and retailer margin.

HEATING OIL

National index Price=Percent Heating oil×Heating oil seasonal factor×National June 1976 Heating oil price plus increased crude costs and operating expenses

(plus)

DIESEL FUEL

Percent Diesel fuel×Diesel fuel seasonal factor×National June 1976 Diesel fuel price plus increased crude costs and operating expenses.

(plus)

IMPORT ADJUSTMENT

Change in costs of imports×Historical percent of demand met by imports

(plus)

FLEXIBILITY FACTOR

2 cents

In summarized equation form, the national index price is as follows:

Heating oil	Diesel fuel	Import adjustment	Flexibility factor
$P_N=(f_h\times S_h\times P_h^*)$	$+(f_d\times S_d\times P_d^*)$	$+\ I$	$+\ 2$ cents

where:

f_h, f_d are percentages of heating oil and diesel fuel, respectively;

S_h, S_d are seasonal factors for heating oil and diesel fuel, respectively;

P_h^*, P_d^* are June 1976 heating and diesel fuel prices plus increases in crude costs and operating expenses;

I is change in costs of imports times imports as a percent of demand.

A more detailed explanation of the formula is in the Appendix.

3. *Regional Index Price.* Regional index prices differ from the national index price due to variances among the regions in June 1976 average middle distillate prices, differences in the percentages of diesel fuel and No. 2 heating oil sales in the region, differences in percentages of sales by non-refiners, and differences in the adjustment for imports. The region's index price is computed by adding to the average middle distillate price in June 1976 the national changes in crude costs and operating expenses, adjusting for national seasonal variation and then adding on the import adjustment, and the two-cent flexibility factor. In simplified terms the formula is as follows:

HEATING OIL

Regional index Price=Percent of Heating oil in region×Heating oil seasonal factor×Regional June 1976 Heating oil price plus increased national crude costs and operating expenses

(plus)

DIESEL FUEL

Percent of Diesel fuel in region×Diesel fuel seasonal factor×Regional June 1976 Diesel fuel price plus increased national crude costs and operating expenses

(plus)

REGIONAL IMPORT ADJUSTMENT

(plus)

FLEXIBILITY FACTOR

2 cents

In equation form, the regional price index is as follows:

Heating oil	Diesel fuel	Import adjustment	Flexibility factor
$P_j=(f_{hj}\times S_h\times P_{hj}^*)$	$+(f_{dj}\times S_d\times P_{dj}^*)+$	I_j	$+2$ cents

Where:

P_j=regional index.

f_{hj}, f_{dj}=percent of heating oil and diesel fuel sold in region j.

S_h, S_d=national seasonal factors for heating oil and diesel fuel.

P_{hj}^*, P_{dj}^*=June 1976 average prices for heating oil and diesel fuel, respectively, sold in region j plus national increases in crude costs and operating expenses.

I_j=change in costs of distillate imports in region j times historical imports as a percent of demand.

On July 19, 1976, FEA issued a regulation amendment modifying the equal application rule for refiners to permit increased pricing flexibility through a system of regional pricing. This action, one of a series of amendments issued in recent months authorizing increased price flexibility under FEA's price regulations, was taken pursuant to a notice of proposed rulemaking issued on October 17, 1975.

The regional pricing amendment permits refiners to apply the rule for equal application of increased product costs among classes of purchaser without the penalty of cost-absorption required under § 212.83(h), as long as the regional pricing variation among classes of purchasers in separate regions does not exceed three cents per gallon.

Although this amendment currently applies only to gasoline (which represents almost 50% of total refinery output and a larger share of output which remains subject to price controls), the preamble to the amendment explains that FEA has concluded that such increased pricing flexibility should be permitted for all major fuel products and would have been permitted for residual fuel oil and middle distillates had they remained under price controls. Because of the recent exemption of residual fuel oil and middle distillates, FEA believed it was no longer appropriate to adopt amendments with respect to these products. However, should price controls be reimposed in either residual fuel oil or middle distillates, FEA stated that it would adopt the necessary regulatory amendments at that time to allow such increased pricing flexibility. FEA has also continued the rulemaking proceeding to consider extending similar treatment with respect to other products still subject to price controls.

In view of the adoption of the principle of regional pricing for refiners, and the earlier adoption of a form of regional pricing for resellers and retailers covering all products (41 FR 19110, May 10, 1976), FEA requests comment on the extent to which it would be appropriate to include in the regional index price for middle distillates a separate regional adjustment factor to reflect the range of flexibility which firms will now have under the price regulations in varying regional prices within the overall cost pass-through constraints which are still reflected in the national index price. Any regional adjustment factor in the regional index price would, of course, not affect the national index price.

4. *Specific Comments Requested.*

While comment is invited on any aspect of today's Notice, comment is particularly sought with respect to the following issues:

a. The import adjustment in the index price formulae is based on the change in cost of imports times imports as a percentage of total demand. Imports as a percentage of demand is based on data for 1972. FEA has selected 1972 as the most recent representative year because of apparent anomalous results for 1973, 1974 and 1975 due to unusually large import levels and aberrent weather patterns (reflecting on home heating oil usage) during these years. Comment on the choice of 1972 data, rather than more current data, is requested.

b. In Section C.1 of the Appendix data relating to the relative percentages of heating oil and diesel fuel are presented for each region and for the nation. The "diesel fuel" category contains only on-highway sales of diesel fuel, while the "heating oil" category reflects the percentage of all other middle distillate sales to ultimate consumers, including diesel fuel sales for other than highway use. This method of categorization of "diesel fuel" was selected by FEA essentially for two reasons: the relative ease and reliability of data collection from truck-stop operators, and the fact that on-highway diesel fuel has a high tax component not found in other distillates. Comment is requested on the foregoing factors and on the extent to which other methods of categorization would be feasible or would have a significant effect on the relative proportions of diesel fuel and heating oil.

c. The seasonal adjustment factors for heating oil and diesel fuel are presented in tabular form in Section C.2 of the Appendix. FEA has no data indicating any significant seasonal pattern for deisel fuel prices. Data or information which relates to possible seasonal variations in prices for diesel fuel is sought, as well as comment on the assumptions and conclusions indicated in Section C.2 with respect to seasonal patterns for heating oil.

d. Due to the structure of the refiner price regulations and other factors, data relating to refiners' crude oil and operating costs to be used in computing index prices will relate to a period approximately two months earlier than the period from which price data will be collected for purposes of monitoring current price levels. Assuming rising costs, current prices may exceed index prices due to the fact that the index prices reflect the lower costs of previous months. Comment is requested on the extent to which this effect might be felt and on possible means to minimize the effects of the two-month lag.

e. In accordance with the discussion in Section B.3, above, comment is requested on the need for and appropriateness of a regional adjustment factor. Comments supporting a regional adjustment factor should include a specific cents-per-gallon recommendation and indicate the basis for the amount proposed.

f. Comment is also requested on the use of the BLS monthly wage index for truckers and warehousemen (SIC 42) to adjust for increases in operating expenses of resellers and retailers.

C. Comment procedures

Interested persons are invited to participate in this matter by submitting data, views or arguments with respect to the proposals set forth in this notice to Execuive Communications, Room 3309, Federal Energy Administration, Box HY, Washington, D.C. 20461.

Comments should be identified on the outside envelope and on documents submitted to FEA Executive Communications with the designation "Proposals for Monitoring Middle Distillate Prices." Fifteen copies should be submitted. All comments received by Wednesday, August 4, 1976, before 4:30 p.m., e.s.t., will be considered by the Federal Energy Administration before final action is taken in this matter.

Any information or data considered by the person furnishing it to be confidential must be so identified and submitted in writing, one copy only. The FEA reserves the right to determine the confidential status of the information or data and to treat it according to its determination.

The public hearing in this proceeding will be held at 9:30 a.m., e.s.t., on Wednesday, August 4, 1976 and will be continued, if necessary, Thursday, August 5, 1976, in Room 2105, 2000 M Street, N.W., Washington, D.C. 20461, in order to receive comments from interested persons on the matters set forth herein.

Any person who has an interest in this matter, or who is a representative of a group or class of persons that has an interest in this matter, may make a written request for an opportunity to make oral presentation. Such a request should be directed to Executive Communicatons, FEA, and must be received before 4:30 p.m., e.s.t., on Thursday, July 29, 1976. Such a request may be hand delivered to Room 3309, Federal Building, 12th and Pennsylvania Avenue, N.W., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. The person making the request should be prepared to describe the interest concerned, if appropriate, to state why he is proper representative of a group or class of persons that has such an interest, and to give a concise summary of the proposed oral presentation and a phone number where he may be contacted through Tuesday, August 3, 1976.

Each person selected to be heard will be so notified by the FEA before 4:30 p.m., e.s.t., Monday, August 2, 1976 and must submit 100 copies of his statement to Allocations Regulations Development Office, FEA, Room 2214, 2000 M Street, N.W., Washington, D.C. 20461, before 4:30 p.m., e.s.t., Tuesday, August 3, 1976.

The FEA reserves the right to select the persons to be heard at these hearings, to schedule their respective presentations, and to establish the procedures governing the conduct of the hearings. The length of each presentation may be limited, based on the number of persons requesting to be heard.

An FEA official will be designated to preside at the hearings. These will not be judicial or evidentiary-type hearings. Questions may be asked only by those conducting the hearings, and there will be no cross-examination of persons presenting statements. Any decision made by the FEA with respect to the subject matter of the hearings will be based on all information available to the FEA. At the conclusion of all initial oral statements, each person who has made an oral statement will be given the opportunity, if he so desires, to make a rebuttal statement. The rebuttal statements will be given in the order in which the initial statements were made and will be subject to time limitations.

Any interested person may submit questions to be asked of any person making a statement at the hearings, to Executive Communications, FEA, before 4:30 p.m., e.s.t., Monday, August 2, 1976. Any person who wishes to ask a question at the hearings may submit the question, in writing, to the presiding officer. The FEA or the presiding officer, if the question is submitted at the hearings, will determine whether the question is relevant, and whether the time limitations permit it to be presented for answer.

Any further procedural rules needed for the proper conduct of the hearings will be announced by the presiding officer.

A transcript of the hearings will be made and the entire record of the hearings, including the transcript, will be retained by the FEA and made available for inspection at the FEA Freedom of Information Office, Room 2107, Federal Building, 12th and Pennsylvania Avenue, N.W., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday. Any person may purchase a copy of the transcript from the reporter.

Issued in Washington, D.C., July 20, 1976.

MICHAEL F. BUTLER,
General Counsel, Federal Energy Administration.

APPENDIX

A. Detailed Formula for Computing National Index Price

No. 2 Heating Oil

$$P^t = f_h S_h^t \left\{ P_h^J + (C^{t-2} - C^A) + \frac{(N_R^{t-2} - N_R^A)}{V^{t-2}} + b_h \left(\frac{W^{t-2}}{W^A} - 1 \right) M_h^J \right\}$$

No. 2 Diesel Fuel

$$+ f_d S_d^t \left\{ P_d^J + (C^{t-2} - C^A) + \frac{(N_R^{t-2} - N_R^A)}{V^{t-2}} + b_d \left(\frac{W^{t-2}}{W^A} - 1 \right) M_d^J \right\}$$

Import Adjustment

$$+ \Delta P_I R^t$$

Flexibility Factor

+2 cents

p^t = National index price for middle distillate sales in month t.

f_h = National percentage of middle distillate sales accounted for by sales to ultimate consumers excluding diesel fuel for highway use. Estimated from middle distillate sales reported by the BOM for 1974.

f_d = National percentage of total middle distillate sales accounted for by diesel fuel sales for highway use to ultimate consumers. Estimated from middle distillate sales as reported by the BOM for 1974.

S_h^t = Multiplicative seasonal adjustment factor. Seasonal factor derived from BLS No. 2 heating oil price index for the period 1968 through 1971.

S_d^t = Multiplicative seasonal adjustment factor for diesel fuel sold in truck stops. Given the limited amount of available price data the FEA has not been able to identify a significant seasonal pattern for diesel fuel prices. Thus, the seasonal factor has been set at 1.0 for all months (see Section C.2, below).

P^J_h = Weighted national average price for all middle distillates except diesel fuel for highway use sold to ultimate consumers during June 1976, determined by a statistically valid sample of sellers of middle distillates, excluding highway diesel fuel to ultimate consumers.

P^J_d = Weighted national average price for No. 2 diesel fuel sold to ultimate consumers for highway use during June 1976, estimated on the basis of sales of diesel fuel in truck stops and retail service stations, which account for the majority of diesel fuel sales.

C^{t-2} = Crude costs in month t–2 reported to FEA on FEA Form P110.

C^A = Crude costs in April, i.e., lagged the appropriate number of months to be consistent with ct–2.

N_R^{t-2} = Nonproduct costs for refiners during month t–2 reported to the FEA on form FEA P–110. These costs represent the amount of nonproduct costs that refiners can pass through under current pricing regulations.

N_R^A = Nonproduct costs for refiners in April 1976.

V^{t-2} = Total volume of sales of refined products derived from refining operations. Total volume derived from refined products reported to the FEA on form P302 adjusted for import volumes.

b_h = Percentage of total middle distillate sales to ultimate consumers accounted for by nonrefiners estimated from 1974 market shares data reported to the FEA.

b_d = Percentage of total diesel fuel sales to ultimate consumers accounted for by nonrefiners. Estimated from diesel fuel direct sales by refiners reported to the FEA on form P302 for the period July, 1975, through April, 1976.

W^{t-2} = Bureau of Labor Statistics wage index for Truckers and Warehousemen (SIC42) for the month t–2.

W^A = Bureau of Labor Statistics wage index for Truckers and Warehousemen (SIC42) for April 1976.

M_h^J = Margin for nonrefiners selling No. 2 heating oil for the period June 1976 estimated from statistically valid survey of heating oil resellers.

M_d^J = June 1976 margin for truck stop operators and retail service stations that sell diesel fuel, estimated from Lundberg Survey, Inc. survey of truck stops and retail gasoline stations conducted for the FEA.

ΔP_I = Change in the weighted average cost of imports for the months April through month t–2 reported to the FEA on form FEA P302.

R^t = Historical national proportion of middle distillate imports in month t estimated for 1972 experience.

B. Detailed Formula for Computing Regional Index Prices

No. 2 Heating Oil

$$P_j{}^t=f_{hj}S_h{}^t\left\{P_{jh}{}^J+(C^{t-2}-C^A)+\frac{(N_R{}^{t-2}-N_R{}^A)}{V^{t-2}}+\right.$$

$$\left.b_{jh}\left(\frac{W^{t-2}}{W^A}-1\right)M_h{}^J\right\}$$

No. 2 Diesel Fuel

$$+f_{dj}S_d{}^t\left\{P_{jd}{}^J+(C^{t-2}-C^A)+\frac{(N_R{}^{t-2}-N_R{}^A)}{V^{t-2}}+\right.$$

$$\left.b_d\left(\frac{W^{t-2}}{W^A}-1\right)M_d{}^J\right\}$$

Import Adjustment

$$+\Delta P_I R_j{}^t$$

Flexibility Factor

+2 cents

$P_j{}^t$ = Index price for middle distillate sales in month t in region j.

f_{hj} = Percentage of middle distillate sales in region j accounted for by sales to ultimate consumers of all middle distillates except diesel fuel for highway use. Estimated from middle distillate sales for 1974 reported by the BOM.

f_{dj} = Percentage of total middle distillate sales accounted for by diesel fuel sales for highway use to ultimate consumers in region j. Estimated from middle distillate sales as reported by the BOM for 1974.

$S_h{}^t$ = Multiplicative seasonal adjustment factor. Seasonal factor derived from BLS No. 2 heating oil price index for the period 1968 through 1971.

$S_d{}^t$ = Multiplicative seasonal adjustment factor for diesel fuel sold in truck stops. Given the limited amount of available price data the FEA has not been able to identify a significant seasonal pattern for diesel fuel prices. Thus, the seasonal factor has been set at 1.0 for all months (see Section C.2, below).

$P_{jh}{}^J$ = Weighted average price for middle distillates except diesel fuel for highway use sold to ultimate consumers in region j during June 1976 determined by a statistically valid sample of sellers to ultimate consumers of heating oil.

$P_{jd}{}^J$ = Weighted average price for No. 2 diesel fuel for highway use sold to ultimate consumers in region j during June 1976, estimated on the basis of sales of diesel fuel in truck stops and retail service stations, which account for the majority of diesel fuel sales.

C^{t-2} = Crude costs in month t–2 reported to FEA on FEA Form P110.

C^A = Crude costs in April, i.e., lagged the appropriate number of months to be consistent with C^{t-2}.

$P_j{}^t$ = Index price for middle distillate sales in month t in region j.

f_{hj} = Percentage of middle distillate sales in region j accounted for by sales to ultimate consumers of all middle distillates except diesel fuel for highway use. Estimated from middle distillate sales for 1974 reported by the BOM.

$S_h{}^t$ = Percentage of total middle distillate sales accounted for by diesel fuel sales for highway use to ultimate consumers in region j. Estimated from middle distillate sales as reported by the BOM for 1974.

$S_d{}^t$ = Multiplicative seasonal adjustment factor. Seasonal factor derived from BLS No. 2 heating oil price index for the period 1968 through 1971.

$S^t{}_d$ = Multiplicative seasonal adjustment factor for diesel fuel sold in truck stops. Given the limited amount of available price data the FEA has not been able to identify a significant seasonal pattern for diesel fuel prices. Thus, the seasonal factor has been set at 1.0 for all months (see Section C.2, below).

$P_{jh}{}^J$ = Weighted average price for middle distillates except diesel fuel for highway use sold to ultimate consumers in region j during June 1976 determined by a statistically valid sample of sellers to ultimate consumers of heating oil.

$P_{jd}{}^J$ = Weighted average price for No. 2 diesel fuel for highway use sold to ultimate consumers in region j during June 1976, estimated on the basis of sales of diesel fuel in truck stops and retail service stations, which account for the majority of diesel fuel sales.

C^{t-2} = Crude costs in month t–2 reported to FEA on FEA Form P110.

C^A = Crude costs in April, i.e., lagged the appropriate number of months to be consistent with ct–2.

$N^{t-2}{}_R$ = Nonproduct costs for refiners during month t–2 reported to the FEA on form FEA P–110. These costs represent the amount of nonproduct costs that refiners can pass through under current pricing regulations.

$N^A{}_R$ = Nonproduct costs for refiners in April 1976.

V^{t-2} = Total volume of sales of refined products derived from refining operations. Total volume derived from refined products reported to the FEA on form P302 adjusted for import volumes.

b_{jh} = Percentage of total middle distillate sales to ultimate consumers accounted for by nonrefiners in region j estimated from 1974 market shares data reported to the FEA.

b_d = Percentage of total diesel fuel sales to ultimate consumers accounted for by nonrefiners. Estimated from diesel fuel direct sales by refiners reported to the FEA on form P302 for the period July, 1975, through April, 1976.

W^{t-2} = Bureau of Labor Statistics wage index for Truckers and Warehousemen (SIC42) for the month t–2.

W^A = Bureau of Labor Statistics wage index for Truckers and Warehousemen (SIC42) for April 1976.

$M^J{}_h$ = Margin for nonrefiners selling No. 2 heating oil for the period June 1976 estimated from statistically valid survey of heating oil resellers.

$M^J{}_d$ = June 1976 margin for truck stop operators and retail service stations that sell diesel fuel, estimated from Lundberg Survey, Inc. survey of truck stops and retail gasoline stations conducted for the FEA.

ΔP_I = Change in the weighted average cost of imports for the months April through month t–2 reported to the FEA on form FEA P302.

$R^t{}_j$ = Historical proportion of middle distillate imports in month t into region j based on 1972 experience.

C. Summary of constants in formulas

The following is a summary of the current estimates of the constants to be used in calculating the index prices:

1. Fractions of middle distillate sales which are heating oil and diesel fuel:

	North-east	North-central	South	West	Total, United States
Heating oil (f_h)	.90	.77	.78	.68	.79
Diesel fuel (f_d)	.10	.23	.22	.32	.21

Source: BOM for 1974: Diesel is for on-highway use only. All ther middle distillates are in the heating oil category.

2. Seasonal adjustment factors for heating oil and diesel fuel:

1976:	*Heating oil* (S^t_h)	*Diesel fuel* (S^t_d)
June	1.000	1.00
July	.999	1.00
August	.999	1.00
September	.998	1.00
October	.997	1.00
November	.999	1.00
December	1.000	1.00
January	1.004	1.00
February	1.006	1.00
March	1.005	1.00

Source: Heating oil factors computed using BLS, CPI indices of No. 2 Heating oil for years 1968 through 1971 and X-11 variant of the Bureau of Census computational technique. In an analysis of diesel fuel prices collected in FEA's survey of truck stops and service stations for the period January 1974 through June 1976, FEA was unable to identify a significant seasonal pattern for diesel fuel prices due to the lack of sufficient data. Thus, the seasonal factor has been set at 1.00 for all months.

3. Nonrefiner Operating Costs:

a. The fractions of heating oil and diesel fuel sold by nonrefiners:

	North-east	North-central	South	West	Total United States
Fraction of heating oil sold by nonrefiners (b_{jh})	.63	.16	.19	.12	.33
Fraction of diesel fuel sold by nonrefiners (b_d)	(1)	(1)	(1)	(1)	.93
b. Gross margins for heating oil and diesel fuel oil:					
Heating oil margin (M_h)	(2)	(2)	(2)	(2)	c/gal.[3]
Diesel fuel margin (M_d)	(2)	(2)	(2)	(2)	7.2

[1] National fraction used for all regions.
[2] National gross margin to be used for all regions.
[3] To be obtained from initial heating oil price survey.

Source: Percentages of nonrefiner direct sales for heating oil derived from FEA survey of 1974 market shares of middle distillate sales to ultimate consumers.

Note: National percentage for diesel fuel oil sales computed from refiner direct sales of diesel fuel oil reported to FEA by refiners on Form FEA-P-302. Diesel fuel margin derived from June 1976 survey of truckstop operators and retail gasoline stations that sell diesel fuel.

4. Historical fraction of middle distillate demand met by imports. (Based on 1972 data.) The historical fraction of middle distillate demand met by imports (R^t or R^t_J) is as follows:

Seasonal variation[1]	North-east	North-central	South	West	Total United States
June–August	.11	.00	.00	.00	.03
September–November	.24	.00	(2)	.01	.08
December–February	.19	.00	.01	.00	.07
March–May	.13	.00	.00	.00	.05

[1] The fractions are limited to quarterly variations rather than monthly variations to eliminate the effect of large monthly shifts.
[2] Less than .005.

Note: The year 1972 was selected as the representative base year. The years after 1972 were considered anomalous due to the effects of Arab Embargo in 1973 and early 1974, and the FEA's Product Entitlement Program. Imports from the Virgin Islands and Puerto Rico are excluded as they are price controlled.

Source: Ethyl Corp. and FEA Office of Oil Imports.

5. DIESEL FUEL PRICES, JUNE 1976

	North-east	North-central	South	West	Total United States
June 1976	56.6	51.4	52.5	51.8	52.7

Source: Lundberg Survey, Inc. (conducted for FEA).

D. Illustrative index prices

To illustrate how the price index mechanism will be utilized and to indicate the potential magnitude of the various factors included in the index, FEA has used some assumed figures to calculate index prices. In the actual application of the index price, real data will be collected on a monthly and weekly basis. For illustrative purposes, two cases are provided with different assumptions about cost increases. The following specific assumptions have been made:

1. June prices for heating oil and diesel fuel for the following regions and the national average are as follows:

[In cents per gallon]

	Heating oil	Diesel fuel	Middle distillate average[1]
Northeast	39.8	56.6	41.5
North-central	38.0	51.4	41.1
South	39.2	52.5	42.1
West	40.2	51.8	43.9
Total United States	39.4	52.7	42.2

[1] Averages are calculated using the fractional factors from sec. C.1 of this appendix.

2. Crude oil costs are assumed to increase at the rate of 2.4 cents per gallon per year or about 9½ percent per year in Case 1, and 1.0 cents per gallon or about 4 percent per year in Case 2. Case 1 assumes foreign crude costs increase at the expected rate of inflation, whereas Case 2 assumes foreign crude costs will not increase.

3. Refinery operating costs are assumed to increase at the approximate average rate of growth from 1973 to 1976; about 1.2 cents per gallon per year in Case 1. In Case 2 they are assumed to increase at one half this rate, about .6 cents per gallon per year.

4. The wage rate for Truckers and Warehousemen is assumed to increase at the rate of about 7 percent per year in both cases. The heating oil margin (M_h) is assumed to be 4.6 cents per gallon in both cases.

5. The price of imported middle distillates is assumed to increase at the same absolute change as for imports of crude: 1.8 cents per gallon per year in Case 1 and no increase in Case 2. These price changes are consistent with the crude cost assumptions made in Section D.2, above. With these assumptions, plus the constant and monthly figures based on historical experience used in the equations (which are set forth and explained earlier in this Appendix), it is possible to calculate how the index prices could change through March 1977 for each region and for the country as a whole.

The results for the illustrative assumptions are as follows:

ILLUSTRATIVE INDEX PRICES, CASE 1

[In cents per gallon]

	North-east	North-central	South	West	Total United States
1976					
June	43.5	43.1	44.1	45.9	44.2
July	43.8	43.4	44.4	46.2	44.5
August	44.1	43.7	44.7	46.5	44.8
September	44.5	44.0	45.0	46.8	45.1
October	44.8	44.2	45.3	47.1	45.4
November	45.2	44.6	45.7	47.5	45.8
December	45.6	45.0	46.0	47.8	46.1
1977					
January	46.1	45.4	46.5	48.2	46.6
February	46.5	45.8	46.8	48.6	47.0
March	46.7	46.1	47.1	48.9	47.3

ILLUSTRATIVE INDEX PRICES, CASE 2

[In cents per gallon]

	North-east	North-central	South	West	Total United States
1976					
June	43.5	43.1	44.1	45.9	44.2
July	43.6	43.2	44.2	46.0	44.3
August	43.7	43.3	44.4	46.2	44.5
September	43.9	43.5	44.5	46.3	44.6
October	44.0	43.6	44.6	46.4	44.7
November	44.2	43.8	44.8	46.6	44.9
December	44.4	44.0	45.0	46.8	45.1
1977					
January	44.7	44.2	45.3	47.1	45.4
February	44.9	44.4	45.5	47.3	45.6
March	45.0	44.5	45.6	47.4	45.7

E. Sampling procedures for monitoring actual prices

1. No. 2 Heating Oil

A stratified sample of companies will be drawn from the universe of No. 2 distillate fuel oil refiners and marketers who responded to the historical market shares surveys (forms FEA P-305-S-0 and FEA P-308-S-0). There were a total of over 8,000 companies reporting for these surveys. The universe will be divided into three strata.

Stratum 1 will consist of all companies reporting national total annual sales of 10,000,000 gallons or more of No. 2 distillate fuel oil. There are approximately 230 of these companies and they will all be included in the sample. These firms account for approximately 85 percent of total sales of No. 2 distillate fuel oil.

The remaining universe will be stratified by broad geographic region and by volume of sales of No. 2 distillate fuel oil. Stratum 2 will consist of those companies having sales of 2,000,000 or more but under 10,000,000 gallons of No. 2 distillate fuel oil. There are approximately 1200 companies in this stratum and they will be systematically sampled using a ratio of 1 to 10. Stratum 3 will consist of those companies having annual sales of under 2,000,000 gallons of No. 2 distillate heating oil. These companies will be systematically sampled using a selection ratio of 1 in 30. The entire sample from all strata will consist of at least 50 firms per region and a minimum of 2 firms per state and a total of about 600 firms.

A detailed description will be mailed to each selected firm describing the data to be collected and the reporting frequency. In general, the June data to establish the base month, will be reported telephonically to FEA no later than August 15, 1976. FEA will then telephone each of the selected firms on a monthly basis to determine the weighted average selling price for heating oil for July, August and September 1976. Starting approximately September 15, 1976, FEA will conduct weekly surveys of these selected firms to determine the change in price of heating oil through the winter heating season.

2. Diesel Fuel

The monthly Lundberg truckstop survey includes 80 truckstops located near 18 large markets distributed throughout the United States. The monthly Lundberg retail gasoline station survey includes data for diesel fuel that is sold in 18,000 retail gasoline stations surveyed located in 33 cities throughout the United States. For the weekly survey only a subsample will be used.

3. Auditing and Verification of Data

A number of steps will be taken to help assure that the company-reported data used in the index are reliable and accurate. These steps will include:

(a) Provisions for respondents to certify in writing the accuracy of the data obtained by FEA in the weekly phone survey.

(b) Establishment of objective parameters within which the weekly price quotations are expected to fall. If the parameters are not met, further verification of the data will be conducted.

(c) Periodic company audits by FEA Regional Office personnel to validate the data.

(d) Crosschecking of weekly reported phone data with written copies of the same data to be provided monthly by respondents.

4. Comparison of Surveyed Data to Index Prices

In comparing the surveyed data to the index prices (both weekly and monthly) the percentages of heating oil and diesel fuel used in the index price equations will also be used to weight the price data collected in the survey to average regional and national prices. A 4-week moving average of the weekly survey data will be used in making comparisons with the index prices.

The monthly index will be adjusted by the average weekly change in the index price during the previous month. For example, referring to Case 1 in Section D of the Appendix, the national index price for the first week in November will equal the October index price (45.4) plus one-fourth of the change in the index price from September to October (45.4 + ¼ (45.4 − 45.1) = 45.5¢/gal).

F. Definition of regions

1. *Northeast Region:* The six New England states plus New York, New Jersey, Pennsylvania, Puerto Rico and the Virgin Islands.

2. *North Central Region:* North and South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Michigan, Indiana and Ohio.

3. *Southern Region:* All of the states to the south of the North Central and Northeast Regions, extending to and including Texas and Oklahoma, plus the District of Columbia.

4. *Western Region:* All of the states to the west of the North Central and Southern Regions, including Alaska and Hawaii, plus Guam, American Samoa, and the Trust Territory of the Pacific Islands.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following registrations were submitted for the second calendar quarter 1974:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19------- ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

A. Ad Hoc Coalition for Low and Moderate Income Housing, Suite 400 South, 1800 M Street NW., Washington, D.C.

A. John O. Adams, 8880 Appian Way, Los Angeles, Calif. 90046.

B. Wallace & Wallace Chemical & Oil Co., St. Albans, N.Y.

A. Akin, Gump, Strauss, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.

B. American Capital Partners, 261 Madison Avenue, New York, N.Y. 10016.

A. Anne Genevieve Allen, Rockwell International, International Airport, Los Angeles, Calif. 90009.

B. Rockwell International, B-1 Division, International Airport, Los Angeles, Calif. 90009.

A. American General Capital Management, Inc., 717 Fifth Avenue, New York, N.Y. 10022.

A. John F. Ames, 222 West Adams Street, Chicago, Ill. 60606.

B. National Crop Insurance Association, 222 West Adams Street, Chicago, Ill. 60606.

A. Raleigh DeGeer Amyx, 2103 Sheriff Boulevard, Vienna, Va. 22180.

B. United States Gymnastics Safety Association, 2103 Sheriff Boulevard, Vienna, Va. 22180.

A. Andrews, Kurth, Campbell & Jones, 2500 Exxon Building, Houston, Tex. 77002.

B. King Ranch, Inc., P.O. Box 1418, Kingsville, Tex. 78363.

A. APA Co., 400 1st Street NW., Washington, D.C.

B. University of Health Sciences, The Chicago Medical School, 2020 West Ogden Avenue, Chicago, Ill. 60612.

A. Jack Arant, 801 North Pitt Street, Alexandria, Va. 22314.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Continental Insurance Cos., 80 Maiden Lane, New York N.Y. 10038.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Great Western Financial Corp., 8484 Wilshire Boulevard, Beverly Hills, Calif.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.

A. Richard E. Ayres, 917 15th Street NW., Room 706, Washington, D.C. 20005.

B. NRDC Environmental Lobby, Inc., 917 15th Street NW., Room 706, Washington, D.C. 20005.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

A. Kenneth L. Bachman, Jr., 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Clearly, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036 (for Lion Oil Co.).

A. Fraser Barron, 1054 Potomac Street NW., Washington, D.C. 20007.

B. The Five Tribes of Central Arizona, c/o Royal D. Marks, 1019 Title & Trust Building, Phoenix, Ariz. 85003.

A. E. Richard Beckman, 63 Checkerberry Lane, Framingham, Mass. 01701.

B. Damon Corp., 115 Fourth Avenue, Needham Heights, Mass. 02194.

A. David Berick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Robin G. Birge, 277 St. Phillip Court, Fremont, Calif. 94538.

B. Women's Lobby, Inc., 201 Massachusetts Avenue NE., Washington, D.C. 20001.

A. Susan Engelhart Bistline, 1707 L Street NW., Suite 480, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Washington, D.C. 20036.

A. Richard W. Bliss, 1212 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. The Business Round Table, 888 17th Street NW., Washington, D.C. 20006.

A. Blunt, Sinnott & Associates, Inc., 1156 15th Street NW., Washington, D.C.

B. Port of Oakland, 66 Jack London Square, Oakland, Calif.

A. L. H. Bonin, Jr., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., Pittsburgh, Pa. 15230.

A. Thomas C. Borzilleri, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

A. S. Gail Bramblett, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

A. David C. Branand, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Bread for the World, Inc., 235 East 49th Street, New York, N.Y. 10017.

A. Briger & Associates, 450 Park Avenue, New York, N.Y. 10022.

B. Revlon, Inc., 767 Fifth Avenue, New York, N.Y. 10022.

A. Briger & Associates, 450 Park Avenue, New York, N.Y. 10022.

B. SW Industries, Inc., 1 Hospital Trust Plaza, Providence, R.I. 02903.

A. Charles S. Broomfield, 25th and McGee, Kansas City, Mo. 64108.

B. Hallmark Cards Inc., 25th and McGee, Kansas City, Mo. 64108.

A. Charles S. Broomfield, 25th and McGee, Kansas City, Mo. 64108.

B. National Association of Greeting Card Publishers, Meridian Building, 170 Mason Street, Greenwich, Conn. 06830.

A. J. Robert Brouse, 1730 M Street NW., Washington, D.C. 20036.

B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

A. Donald K. Brown, 3539 Carolina Street, San Pedro, Calif. 90731.

B. Cerrell & Associates, 5967 West Third Street, Suite 302, Los Angeles, Calif. 90036.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.

B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.

A. A. T. Brust, Cromwell Street, Luke, Md. 21540.

B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.

A. Building Owners & Managers Association International, 1221 Massachusetts Avenue, Washington, D.C.

A. George J. Burger, Jr., 150 W. 20th Avenue, San Mateo, Calif. 94403.

B. National Federation of Independent Business, 150 W. 20th Avenue, San Mateo, Calif. 94403.

A. C. Richard Calkins, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Cameron Engineers, Inc., 1315 South Clarkson Street, Denver, Colo. 80210.

A. Sharyn Campbell, 1730 Rhode Island Avenue NW., Washington, D.C.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

A. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.

B. American Stock Exchange, 86 Trinity Place, New York, N.Y. 10006.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.

B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., No. 600, Washington, D.C. 20005.

B. United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

A. J. M. Chambers and Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.

B. Swaziland Sugar Association, P.O. Box 445, Mbabane, Swaziland.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for American General Capital Management, Inc., 717 Fifth Avenue, New York, N.Y. 10022).

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for Petroleum Equipment Suppliers Association, 1703 First City National Bank Building, Houston, Tex. 77002).

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Maryland National Bank, 10 Light Street, Baltimore, Md. 21202.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Banque Nationale de Paris, 75450 Paris, France, CEDEX 09.

A. Clearly, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Lion Oil Co., Lion Oil Building, El Dorado, Ark. 71730.

A. Ronald D. Clements, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Co., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. National Pharmaceutical Alliance, P.O. Box 13547, St. Petersburg, Fla. 33733.

A. Marvin K. Collie, 2201 First City National Bank Building, Houston, Tex. 77002.
B. Vinson, Elkins, Searls, Connally & Smith, 2200 First City National Bank Building, Houston, Tex. 77002 (for Joan Stroud, R.D. No. 2, West Grove, Pa.).

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. Ad Hoc Committee for a Fair Natural Gas Policy, 1666 K Street NW., Suite 701, Washington, D.C. 20006.

A. Frank Collins, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

A. Paul G. Collins, Regency East, 1 Jackson Way, Providence, R.I. 02903.
B. New England Commercial Banking Caucus, 1 Jackson Walkway, Regency East, Providence, R.I., 02903.

A. Conservative Victory Fund, 422 First Street, SE., Washington, D.C. 20003.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.

A. John J. Contney, 975 Arthur Godfrey Road, Miami Beach, Fla. 33140.
B. Linen Supply Association of America, 975 Arthur Godfrey Road, Miami Beach, Fla. 33140.

A. Cooperative Services, Inc., 7404 Woodward, Detroit, Mich. 48202.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
B. Clean Air Act Motorcycle Amendments Committee, 33832 Violet Lantern, Dana Point, Calif. 92629.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20006.
B. Frank G. Kingsley, 285 Canoe Road, New Canaan, Conn. 06840.

A. Michael H. Cardozo, 1156 15th Street NW., Suite 1150, Washington, D.C. 20005.

A. Glenn S. Corso, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

A. Council To Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.

A. William K. Dabaghi, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Tracy Danese, P.O. Box 013100, Miami, Fla. 33101.
B. Florida Power & Light Co., P.O. Box 013100, Miami, Fla. 33101.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Computer System of America, Inc., 141 Milk Street, Boston, Mass. 02109.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Confederation Europeenne de L'Industrie de la Chaussure (European Confederation of the Footwear Industry) Rue du Luxembourg 19 BTE 14, 1040 Bruxelles, Belgium.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. Micam-Anci, Milano, Italy.

A. Aled P. Davies, Box 160 R.R. 1, Valparaiso, Ind. 46383.

A. Kenneth E. Davis, 1025 Connecticut Avenue NW., Suite 202, Washington, D.C. 20036.
B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.
B. Federated Research Corp., 421 Seventh Avenue, Pittsburgh, Pa. 15219.

A. Debevoise & Liberman, Suite 700, 806 15th Street NW., Washington, D.C. 20005.
B. Aetna Life & Casualty, 151 Farmington Avenue, Hartford, Conn. 06156.

A. Paul H. DeLaney, Jr., Suite 1111, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Continental Grain Co., 2 Broadway, New York, N.Y. 10004.

A. William J. Dennis, Jr., 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

A. Wells Denyes, Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. Xerox Corp., Stamford, Conn. 06904.

A. Betsy Ann DeVenney, 1111 Lake Heron Drive, Annapolis, Md. 21403.

A. John P. Devers, 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.

A. The Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

A. Bill Dougherty, 115 East 11th Street, Sioux Falls, S. Dak.
B. Mountain Bell Telephone Co., Denver, Colo., Northwestern Bell Telephone Co., Sioux Falls, S. Dak.

A. Shirley Downs, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

A. John C. Doyle, Jr., 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

A. Michael J. Duff, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
B. National Paint & Coatings, Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

A. Dunnells, Duvall & Porter, 1220 19th Street NW., Washington, D.C.
B. Savings Banks Association of New York State, 200 Park Avenue, New York, N.Y. 10017.

A. Richard O. Duvall, 1220 19th Street NW., Washington, D.C. 20036.
B. Dunnells, Duvall & Porter, 1220 19th Street NW., Washington, D.C. 20036 (for Zena Co., P.O. Box 338, South Plainfield, N.J. 07080.

A. John M. Dwyer, 1315 16th Street NW., Washington, D.C. 20036.
B. National Limestone Institute, Inc., 1315 16th Street NW., Washington, D.C.

A. Electronic Representatives Association, 233 East Erie Street, Chicago, Ill. 60611.

A. Northcutt Ely, Watergate 600 Building, Suite 915, Washington, D.C. 20037.
B. Deepsea Ventures, Inc., Gloucester Point, Va.

A. John W. Emeigh, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Leonard B. Farrell, 1413 35th Street NW., Washington, D.C. 20007.
B. Institute of Electrical & Electronics Engineers, Inc., 2029 K Street NW., Washington, D.C. 20006.

A. Arthur S. Fefferman, American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Bernard Fensterwald, Jr., 910 16th Street NW., Washington, D.C. 20006.
B. National Nutritional Foods Association, 7727 South Painter Avenue, Whittier, California 90602.

A. Bruce G. Fielding, 1043 Stierlin Road, Suite 201, Mountain View, Calif. 94043.
B. National Federation of Independent Business.

A. Frederick Finn.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Margaret Fitzgerald-Bare, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Adrian M. Foley, Jr., McElroy, Connell, Foley & Geiser, Gateway I, Newark, N.J. 07102.
B. New Jersey Soft Drink Association, Inc., 2 Holland Road, Middletown, N.J. 07748.

A. Greg Friberg, 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Cheyenne River Sioux Tribe, Box 100, Eagle Butte, S. Dak. 57625.

A. Friends of Eye Research, Rehabilitation & Treatment, 320 Staniford Street, Boston, Mass. 02114.

A. Gary R. Frink, 2535 Massachusetts Avenue NW., Washington, D.C. 20008.
B. Institute for Scientific Information, Inc., 325 Chestnut Street, Philadelphia, Pa. 19106.

A. Jeffrey A. Fritzlen, Clark Oil & Refining Corp., 1150 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. Clark Oil & Refining Corp., 8530 West National Avenue, Milwaukee, Wis. 53227.

A. Paul Gardner, Jr., 2011 I Street NW., Washington, D.C. 20006.
B. Banque Nationale de Paris, 75450 Paris, France, CEDEX 09.

A. W. Bradford Gary, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.

A. Margaret L. Gehres, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. William A. Geoghegan, 1000 Ring Building, Washington, D.C. 20036.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20036.

A. Anne Marie Gibbons, 2600 Virginia Avenue, NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

A. Don Gilchrist, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Association of Home Manufacturers, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Jay W. Glasmann, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Virginia International Co., Box 2006, Staunton, Va. 24401.

A. Glass Container Manufacturers Institute, Inc., 1800 K Street NW., Suite 400, Washington, D.C. 20006.

A. Alfonso J. Gonzalez, 1425 H Street NW., Washington, D.C. 20005.
B. National Association of Social Workers, 1425 H Street NW., Washington, D.C. 20005.

A. Charles E. Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036 (for Engelhard Minerals & Chemicals Corp.).

A. Charles S. Gubser, 8905 Bradley, Bethesda, Md. 20034.

B. Community Antenna Television Association, Suite 106, 4209 Northwest 23d Street, Oklahoma City, Okla.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylvania Avenue NW., Suite 404, Washington, D.C. 20006.

B. Hy-Gain Electronics Corp., 1606 First National Bank Building, Lincoln, Nebr. 68508.

A. Melinda Halpert, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Citizens Communications Lobby, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. David G. Hawkins, 917 15th Street NW., Washington, D.C. 20005.
B. NRDC Environmental Lobby, Inc., 917 15th Street NW., Room 706, Washington, D.C. 20005.

A. Bruce A. Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

A. Herrick, Allen, Davis, Bailey & Snyder, 1701 K Street NW., Suite 706, Washington, D.C. 20006.
B. Music Operators of America, Inc., 228 North La Salle Street, Chicago, Ill. 60601.

A. Hill, Christopher & Phillips, 2000 L Street NW., Washington, D.C. 20036.
B. Maremont Corp., New England Division, Box 111, Saco, Maine 04072.

A. Charles L. Hoebel, Carrier Corp., Suite 510, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Carrier Corp., Carrier Tower, Box 1000, Syracuse, N.Y. 13201.

A. William H. Hoffman, 1000 16th Street NW., Washington, D.C. 20036.
B. American Iron & Steel Institute, 100 16th Street NW., Washington, D.C. 20036.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Associations, 30/32 St. Mary Axe, London EC3A 8ET, England.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Guam Power Authority, Agana, Guam.

A. Daniel Allen Honig, 1819 H Street NW., Washington, D.C. 20006.
B. Electronic Representatives Association, 233 East Erie Street, Chicago, Ill. 60611.

A. Houger, Garvey & Schubert, 1019 19th Street, eighth floor, Washington, D.C. 20036.
B. Quileute Tribe of Indians, P.O. Box 1587, La Push, Wash. 98350.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.
B. Sammons Enterprises, Inc., 403 South Akard, Dallas, Tex. 75202.

A. Nancy R. Huheey, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

A. Raymond D. Hurley, Suite 1010, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Hydeman, Mason & Goodell, 1220 19th Street NW., No. 700, Washington, D.C. 20036.
B. Atlantic Container Line, GIE, Overlie House, Southampton, England.

A. Gerald Hyland, 1730 Rhode Island Avenue NW., Washington, D.C.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.

A. Bob Johnson, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Spencer A. Johnson, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

A. Wilson S. Johnson, 150 West 20th Avenue, San Mateo, Calif. 94403.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.

A. H. Daniel Jones III, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

A. Donald P. Kanak, Jr., P.O. Box 284, Elkin, N.C. 28621.
B. The National Committee for the New River (NCNR), Box 575, Winston-Salem, N.C. 27101.

A. John V. Kenny 1620 I Street NW., Suite 615, Washington, D.C. 20006.
B. Southern Pacific Co., et al., 1620 I Street NW., Suite 615, Washington, D.C. 20006.

A. Daniel L. Kiley, 8 North Jefferson Street, Roanoke, Va. 24042.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.

A. Raymond B. Krause, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

A. Joseph A. Kuchler, American Hospital Association, 1 Farragut Square South, Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Dan Kuykendall, DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. National Association of Property Owners, c/o Mr. David Witts, 5353 First International Building, Dallas, Tex. 75270.

A. Harry J. Lambeth, 715 15th Street NW., Suite 700, Washington, D.C. 20005.
B. Council To Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.

A. Lane & Edson, 1800 M. Street NW., Suite 400 South, Washington, D.C. 20036.
B. Ad Hoc Coalition for Low & Moderate Income Housing (Suite 400 South), 1800 M Street, NW., Washington, D.C.

A. Frederick C. Langenberg, 1000 16th Street NW., Washington, D.C. 20036.
B. American Iron & Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.

A. Richard G. Larsen, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Ernst & Ernst, 1225 Connecticut Avenue NW., Washington, D.C. 20036 (for Ling-Temco-Vought, Inc.).

A. John H. Leach II, P.O. Box 11125, Santa Ana, Calif. 92711.
B. Let The People, Be Heard Committee, P.O. Box 11125, Santa Ana, Calif. 92711.

A. Michael L. Lehrman, 3012 Cortland Place NW., Washington, D.C. 20008.

B. The Plessey Co., Ltd., Ilford, Essex, England.

A. Herbert J. Lerner, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. Ernst & Ernst, 1225 Connecticut Avenue NW., Washington, D.C. 20035 (for Ling-Temco-Vought, Inc.).

A. Dale Lestina, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

A. Wendell G. Lindsay, Jr., 9181 Interline Avenue, Suite 310, Baton Rouge, La. 70809.

B. PVF, Inc., PO Box 1711, Baton Rouge, La. 70821.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Madison Gas & Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Northern States Power Co., 100 North Barstow Street, Eau Claire, Wis. 54701.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Superior Water, Power & Light Co., 1230 Tower Avenue, Superior, Wis. 54880.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wis. 53201.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Michigan Power Co., 231 West Michigan, Milwaukee, Wis. 53201.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Power & Light Co., Madison, Wis. 53701.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

A. Joseph J. Lyman, 1747 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

B. Southeastern Fisheries Association, Inc., 330 South Adams Street, Tallahassee, Fla. 32301.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.

B. Eastman Chemical Products, Inc., PO Box 431, Kingsport, Tenn. 37662.

A. Thomas P. Marinis, Jr., 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for Waterwood Improvement Association, 4400 East Broadway Boulevard, Box 5626, Tucson, Ariz. 85703).

A. Jeremiah Marsh, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.

B. Union Bank of Bavaria, 1 First National Plaza, Suite 4454, Chicago, Ill. 60603.

A. Robert R. Mattson, 200 East Randolph Drive, Mail Code 6008, Chicago Ill. 60601.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. Robert E. May, 2341 Jefferson Davis Highway, Suite 736, Arlington, Va. 22202.

B. Latin American Market Association International, 2341 Jefferson Davis Highway, Suite 736, Arlington, Va. 22202.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. Encyclopaedia Britannica Educational Corp., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Gardner McBride, 1221 Massachusetts Avenue, Washington, D.C.

B. Building Owners & Managers Association International, 1221 Massachusetts Avenue, Washington, D.C.

A. James T. McCorkle, 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Jerome P. McGranaghan, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Mutual Insurance Cos., 2511 East 46th Street, Suite H, Indianapolis, Ind. 46205.

A. John J. McHale, Jr., 3937 Fox Hill Drive, Ellicott City, Md.

B. Consolidated Rail Corp., Suite 1400, L'Enfant Plaza South, Washington, D.C. 20024.

A. Lyn R. McIntosh, 1750 K Streeet NW., Suite 300, Washington, D.C. 20006.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.

A. James D. McKevitt, 490 L'Enfant Plaza East, Suite 3206,(Washington, D.C. 20024.

B. National Association of Women's & Children's Apparel Salesmen (NAWCAS), 515 Peachtree-Palisades Building, Atlanta, Ga. 30309.

A. James D. McKevitt, 490 L'Enfant Plaza East, Suite 3206, Washington, D.C. 20024.

B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.

A. Frank M. McManus, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Samuel S. Michaels, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Alfred M. Hunt, 4875 Ellsworth Avenue, Pittsburgh, Pa. 15213.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Raytheon Co., 141 Spring Street, Lexington, Mass. 02173.

A. Clara A. Miller, trust, Frederick M. Bransfield, cotrustee, 1 First National Plaza, Suite 2666, Chicago, Ill. 60603.

A. Harriet Miller, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

A. Herman J. Molzahn, American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

A. Howard Moore, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Walter L. Mote, Rocky Mountain Oil & Gas Association, 1155 15th Street NW., Suite 314, Washington, D.C. 20005.

B. Rocky Mountain Oil & Gas Association, 950 Petroleum Club Building, Denver, Colo. 80202.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue, NW., Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

A. National Association for Free Enterprise, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. National Association of Home Manufacturers, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. The National Committee for the New River (NCNR), Box 575, Winston-Salem, N.C. 27101.

A. National Committee on Locks and Dam 26, 1129 20th Street NW., Room 512, Washington, D.C. 20036.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.

B. Electronic Memories & Magnetics, 1880 Century Park East, Los Angeles, Calif. 90067.

A. National Nutritional Foods Association, 7727 South Painter Avenue, Whittier, Calif. 90602.

A. National Turkey Federation, Suite 302, Reston International Center, Reston, Va. 22091.

A. Connie M. Nelson, 1800 K Street NW., Washington, D.C. 20006.

B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.

A. Frank Newham, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.

A. Rebekah Norton, 422 First Street SE., Washington, D.C. 20003.

B. Conservative Victory Fund, 422 First Street SE., Washington, D.C. 20003.

A. NRDC Environmental Lobby, Inc., 917 15th Street NW., Washington, D.C. 20005.

A. Mary E. Oakes, 1800 K Street NW., Washington, D.C. 20006.

B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.

A. Hubert K. O'Bannon, 1318 North George Mason Drive, Arlington, Va. 22201.

B. Consolidated Rail Corp., Suite 1400, L'Enfant Plaza, Washington, D.C. 20024.

A. Raymond V. O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.

B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.

B. Condren, Walker & Co., Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Robert C. Odle, Jr., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C. 20036.

B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

A. Offshore Petroleum & Management Systems, Inc., 3201 Lake, Houston, Tex. 77098.

A. Evan J. O'Neil, 1750 K Street NW., Suite 300, Washington, D.C. 20006.

B. American Nuclear Energy Council, 1750 K Street, NW., Suite 300, Washington, D.C. 20006.

A. Ronald B. Outen, 915 15th Street NW., Room 706, Washington, D.C. 20005.

B. NRDC Environmental Lobby, Inc., 915 15th Street NW., Room 706, Washington, D.C. 20005.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Northwest Pipeline Corp., 315 East 200 South, Salt Lake City, Utah 84111.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. S W Lndustries, Inc., One Hospital Trust Plaza, Providence, R.I. 02903.

A. Ben F. Peake, 1828 L Street NW., Suite 608, Washington, D.C. 20036.

B. American Association of Blood Banks, 1828 L Street NW., Suite 608, Washington, D.C. 20036.

A. Pendleton & Robinson, 306 6th Street NW., Washington, D.C. 20001.

B. Embassy of Chile, 1732 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Mary B. Peterson, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

A. Harlan Pomeroy, 500 Southern Building, 15th and H Streets NW., Washington, D.C. 20005.

B. Baker, Hostetler, Frost & Towers, 500 Southern Building, 15th and H Streets NW., Washington, D.C. 20005 (for The Hall Chemical Co., P.O. Box 197, Wickliffe, Ohio 44092).

A. S. J. Poray-Tuchoslki, P.O. Box 1681, Whittier, Calif. 90609.

B. Bernejo River Project Development Association.

A. Robert J. Preminger, c/o Presidential Gardens, Fillmore C-21, 3900 Mt. Vernon Avenue, Alexandria, Va. 22305.

B. National Taxpayers Union, 325 Pennsylvania Avenue, Washington, D.C. 20003.

A. Graham Purcell, 1819 H Street NW., Washington, D.C. 20006.

B. Planters Peanuts, Suffolk, Va.

A. Purcell & Nelson, 1776 F Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 405 Lexington Avenue, New York, N.Y. 10017.

A. Quality Management Committee, 1500 Southwest Taylor Street, Portland, Oreg. 97205.

A. James H. Rathlesberger, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.

B. National Association of Electric Companies, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

A. C. Brewster Rhoades, Jr., Bell Telephone Co. of Pennsylvania, 15th Floor, One Parkway, Philadelphia, Pa. 19102.

B. The Bell Telephone Co. of Pennsylvania, One Parkway, Philadelphia, Pa. 19102.

A. Edmund B. Rice, American Hospital Association, One Farragut Square South, Washington, D.C. 20006.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Judith Assmus Riggs, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

A. James Anthony Rock, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Ruckelshaus, Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.

B. Fraternal Order of Police, 1630 South Ninth Street, Philadelphia, Pa. 19148.

A. Ruckelshaus, Beveridge, Fairbanks & Diamond, One Farragut Square South, Washington, D.C. 20006.

B. SoGen Swiss International Corp., 190 Wall Street, New York, N.Y. 10005.

A. John F. Ryan, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.

B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Carroll J. Savage, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.

A. Carroll J. Savage, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44177.

A. Carroll J. Savage, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Xerox Corp., Stamford, Conn. 06904.

A. Ronald F. Schrader.

B. National Committee on Locks & Dam 26, 1129 20th Street NW., Room 512, Washington, D.C. 20036.

A. Robert I. Schramm, 1725 K Street NW., Suite 909, Washington, D.C. 20006.

B. The Superior Oil Co. & Superior Farming Co., 1725 K Street NW., Washington, D.C. 20006.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 502, Washington, D.C. 20036.

B. Beneficial Management Corp., 200 South Street, Morristown, N.J. 07960.

A. Steven Shamburek, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Richard N. Sharood, 919 18th Street, NW., Washington, D.C. 20006.

B. Toledo-Lucas County Port Authority, 241 Superior Street, Toledo, Ohio 43604.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

A. Shaw & Stedina, 405 Lexington Avenue, New York, N.Y. 10017.

B. Committee for Fair Reform of the Customs Laws, 405 Lexington Avenue, New York, N.Y. 10017.

A. Jewell R. Shepperd, National Board of YMCA, 1666 Connecticut Avenue NW., Washington, D.C.

B. National Board of Young Men's Christian Associations, 291 Broadway, New York, N.Y. 10007.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.

B. Action for Motion Picture Investments, 57 East 80th Street, New York, N.Y., 10021.

A. Douglas M. Smith, P.O. Box 335, Annapolis, Md. 21404.

B. Texas Legal Protection Plan, Inc., P.O. Box 12487, Capitol Station, Austin, Tex. 78711.

A. Michael P. Smith, 485 Lexington Avenue, New York, N.Y. 10017.

B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.

A. John M. Snyder, 1721 DeSales Street NW., Washington, D.C. 20036.

B. Citizens Committee for the Right To Keep & Bear Arms, Bellefield Office Park, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.

B. Quality Management Committee, 1500 Southwest Taylor Street, Portland, Oreg. 97205.

A. Standard Oil Supporters, P.O. Box 26146, San Francisco, Calif. 94126.

A. State & Federal Associates, Inc., 1101 15th Street NW., Suite 309, Washington, D.C. 20005.

B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

A. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Washington, D.C. 20036.

B. Broadcast Music, Inc., 40 West 57th Street, New York, N.Y. 10019.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. John H. Studebaker, 3901 Connecticut Avenue NW., Washington, D.C. 20008.

B. National Independent Meat Packers Association, 734 15th Street NW., Washington, D.C. 20005.

A. Sullivan, Beauregard & Clarkson, 1200 18th Street NW., Washington, D.C. 20036.

B. Newport News Shipbuilding & Dry Dock Co., 4100 Washington Avenue, Newport News, Va. 23607.

A. Sutherland, Asbill & Brennan, 1666 K Street, NW., Washington, D.C. 20006.

B. American Industrial Clay & Georgia Kaolin Divisions of Yara Engineering Corp., 511 Westminster Avenue, Elizabeth, N.J. 07207.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Anglo-American Clays Corp., P.O. Box 471, Sandersville, Ga. 31082.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Engelhard Minerals & Chemicals Corp., 299 Park Avenue, New York, N.Y. 10017.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Freeport Kaolin Division of Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. J. M. Huber Corp., Thornall Street, Edison, N.J. 08817.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Thiele Kaolin Co., Kaolin Road, Sandersville, Ga. 31082.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Travelers Corp., 1 Tower Square, Hartford, Conn. 06115.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza Station, Washington, D.C. 20024.

A. D. W. Taylor, 1130 17th Street NW., Washington, D.C. 20036.

B. National Clay Pipe Institute, P.O. Box 310, 350 West Terra Cotta Avenue, Crystal Lake, Ill. 60014.

A. David K. Taylor, Jr., 1100 Connecticut Avenue NW., No. 1030, Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

A. Texas Legal Protection Plan, Inc., P.O. Box 12487, Capitol Station, Austin, Tex. 78711.

A. Eugene M. Thore, 1707 H Street NW., Washington, D.C. 20006.

B. Aetna Life & Casualty; CNA Financial Corp.; Connecticut General Life Insurance Co.; Equitable Life Assurance Society; Fidelity Mutual Life Insurance Co.; IDS Life Insurance Co.; Metropolitan Life Insurance Co.; Penn Mutual Life Insurance Co.; Prudential Insurance Co.; Reserve Life Insurance Co.; State Mutual Life Assurance Co.; Travelers Insurance Co.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Falcon Jet Corp., 1800 K Street NW., Washington, D.C. 20006.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Mondakota Gas Co., P.O. Box 224, Billings, Mont. 59103.

A. John M. Torbet, 1730 Pennslyvania Avenue NW., Washington, D.C., 20006.

B. Rockwell International Corp.

A. Roger Lawson Tresolini, 334 Maryland Avenue NE., Washington, D.C. 20002.

A. Jerry R. Tucker, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., No. 600, Washington, D.C. 20005.

B. United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

A. Nancy B. Usera, 1001 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. American Collectors Association, Minneapolis, Minn. 55435.

A. Vincent Usera, 1730 Rhode Island Avenue, NW., Washington, D.C.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.

B. National Radio Broadcasters Association, Suite 1450, 500 Fifth Avenue, New York, N.Y. 10036.

A. Jerome R. Waldie, 100 Indiana Avenue, NW., Washington, D.C. 20001.

B. American Capital Partners, 261 Madison Avenue, New York, N.Y. 10016.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. DATRAN, 8130 Boone Boulevard, Vienna, Va. 22180.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Amax, Inc., Amax Center, Greenwich, Conn. 06830.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Room 310, Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Fluor Engineers & Constructors, Inc., 2500 South Atlantic Boulevard, Los Angeles, Calif. 90040.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. International Bank of Commerce, P.O. Box 1359, Laredo, Tex. 78040.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pullman-Kellogg, 1300 Three Greenway Plaza East, Houston, Tex. 77046.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Trailer Train Co, 300 South Wacker Drive, Chicago, Ill. 60606.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Weyerhaeuser Co., Tacoma, Wash. 98401.

A. Wallace & Wallace Chem & Oil Co., 910 16th Street NW., No. 600, Washington, D.C.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.

A. Douglas N. Webb, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Skyway-to-Highway, Inc., 901 Eighth Street NW., Washington, D.C. 20001.

A. Webster & Sheffield, 1 Rockefeller Plaza, New York, N.Y. 10020.

B. Smith Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. William Weitzen, 6821 Grandby Street, Bethesda, Md. 20034.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036. (for Krauss-Maffel AG, 8000 Muenchen 50, Federal Republic of Germany.)

A. Josiah Wheat, 300 West Bluff Street, Woodville, Tex. 75979.

A. Thomas E. Wheeler, 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, 918 16th Street NW., Washington, D.C. 20006.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.

B. Milos Forman, c/o Gil Shiva, Warner Bros., 75 Rockefeller Plaza, New York, N.Y.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. American Medicorp, Inc., 111 Presidential Boulevard, Bala-Cynwyd, Pa. 19004.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Bangor Junta Operations, Inc., 1 Greenwich Plaza, Greenwich, Conn. 06830.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Matilda Grey Trust, P.O. Box 2001, Lake Charles, La. 70601.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Smith Kline Corp., 1500 Spring Garden, Philadelphia, Pa.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Vinson, Elkins, Searls, Connally & Smith, 21st floor, First City National Bank, Houston, Tex. 77002.

A. Reed M. Williams, 100 Oceangate, Suite 515, Long Beach, Calif. 90067.

B. P. & O., Inc., 2020 Avenue of the Stars, Los Angeles, Calif. 90067.

A. Bertram C. Willis, International Telephone & Telegraph Corp., 1707 L Street NW., Washington D.C. 20036.

B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Wilner & Scheiner, 2021 L Street NW., Washington, D.C. 20036.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Don Womack, Texas Utilities Services, Inc., 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

A. Ronald L. Wooten, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Wyatt & Saltzstein, 1300 Wyatt Building, Washington, D.C. 20005.

B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.

A. Edward A. Yopp, 910 Vaughn Building, Austin, Tex. 78701.

B. Trust Division, Texas Bankers Association, 910 Vaughn Building, Austin, Tex. 78701.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.

B. Central Coal Co., Grundy, Va. 24614.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.

B. Household Goods Forwarders Association of America, Inc., 1500 Massachusetts Avenue NW., Suite 525, Washington, D.C. 20005.

QUARTERLY REPORTS*

***All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.**

The following quarterly reports were submitted for the third calendar quarter 1974:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_______ ◀

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◀

AFFIDAVIT

[Omitted in printing]

PAGE 1◀

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(*a*) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(*c*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $________Dues and assessments
2. $________Gifts of money or anything of value
3. $________Printed or duplicated matter received as a gift
4. $________Receipts from sale of printed or duplicated matter
5. $________Received for services (e.g., salary, fee, etc.)

6. $________TOTAL for this Quarter (Add items "1" through "5")
7. $________Received during previous Quarters of calendar year

8. $________TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $________TOTAL now owed to others on account of loans
10. $________Borrowed from others during this Quarter
11. $________Repaid to others during this Quarter

12. $________"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": ________

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ________________, 19____)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(*a*) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(*b*) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $________Public relations and advertising services
2. $________Wages, salaries, fees, commissions (other than item "1")
3. $________Gifts or contributions made during Quarter
4. $________Printed or duplicated matter, including distribution cost
5. $________Office overhead (rent, supplies, utilities, etc.)
6. $________Telephone and telegraph
7. $________Travel, food, lodging, and entertainment
8. $________All other expenditures

9. $________TOTAL for this Quarter (Add "1" through "8")
10. $________Expended during previous Quarters of calendar year

11. $________TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $________TOTAL now owed to person filing
13. $________Lent to others during this Quarter
14. $________Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7–11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7–15, 8–15, 9–15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Action for Legal Rights, 2030 M Street NW., Room 300, Washington, D.C.
D. (6) $5. E. (9) $142.51.

A. Ad Hoc Coalition for Low and Moderate Income Housing, Suite 400 South, 1800 M Street NW., Washington, D.C.
D. (6) $10,350. E. (9) $6,391.05.

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,200.01.

A. John J. Adams, Suite 1060, 1730 Pennsylvania. Avenue NW., Washington, D.C. 20006.
B. Ethyl Corp., 330 South Fourth Street, Richmond, Va.
D. (6) $70.

A. John J. Adams, Suite 1060, 1730 Pennsylvania Avenue NW., Washington, D.C.
B. Vepco, Seventh and Franklin Streets, Richmond, Va.
D. (6) $450.

A. Clarence G. Adamy, 1725 I Street NW., Washington, D.C. 20006.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
D. (6) $450.

A. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washington, D.C. 20036.
D. (6) $10,743.19. E. (9) $10,743.19.

A. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $4,000. E. (9) $4,150.45.

A. Donald G. Agger, 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036. (for Aerospatiale, 37, Boulevard de Montmorency, 75016 Paris France).

A. Randolph H. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $550. E. (9) $66.02.

A. John N. Ake, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street, NW., Washington, D.C. 20006.

A. Akin, Gump, Strauss, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. American Capital Partners, 261 Madison Avenue, New York, N.Y. 10016.
D. (6) $12,190.

A. Akin, Gump, Strauss, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. DATRAN (Data Transmission Co.), 8310 Boone Boulevard, Vienna, Va. 22180.
D. (6) $16,855.

A. Akin, Gump, Strauss, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Gibbs Oil Co., 40 Lee Burbank Highway, Revere, Mass. 02151.
D. (6) $3,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Republic of Texas Corp. P.O. Box 22105, Dallas, Tex. 75222.
D. (6) $6,193.

A. Akin, Gump, Strauss, Hauer & Feld, 1100 Madison Office Building, 1155 15th Street NW., Washington, D.C. 20005.
B. Society of Independent Gasoline Marketers of America (SIGMA), 230 South Bemiston Street, St. Louis, Mo.
D. (6) $7,500.

A. Alaskan Arctic Gas Pipeline Co., P.O. Box 979, Alaska Mutual Bank Building, Anchorage, Alaska 99510.
E. (9) $8,425.

A. Alcade, Henderson & O'Bannon, Ltd., 1911 North Fort Myer Drive, No. 1207, Rosslyn, Va. 22209.
B. Hillsborough County Aviation Authority, P.O. Box 22287, Tampa, Fla. 33622.
D. (6) $675.

A. Alcade, Henderson & O'Bannon, Ltd., 1911 North Fort Myer Drive, No. 1207, Rosslyn, Va. 22209.
B. Jim Walter Corp., P.O. Box 33601, Tampa, Fla. 33622.
D. (6) $3,000.

A. Alcade, Henderson & O'Bannon, Ltd., 1911 North Fort Myer Drive, No. 1207, Rosslyn, Va. 22209.
B. Latin American Manufacturers Association, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
D. (6) $200.

A. Alcade, Henderson & O'Bannon, Ltd., 1911 North Fort Myer Drive, No. 1207, Rosslyn, Va. 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.
D. (6) $1,500.

A. Alcade, Henderson & O'Bannon, Ltd., 1911 North Fort Myer Drive, No. 1207, Rosslyn, Va. 22209.
B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.
D. (6) $3,600.

A. Alderson, Catherwood, Ondov & Leonard, 105 East Oakland Avenue, Austin, Minn. 55912.
B. The Hormel Foundation Austin, Minn. 55912.
D. (6) $1,215. E. (9) $395.55.

A. Willis W. Alexander, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,875. E. (9) $3,505.22.

A. Maxton Allcox, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $4,200.

A. Anne Genevieve Allen, Rockwell International, International Airport, Los Angeles, Calif. 90009.
B. Rockwell International, International Airport, Los Angeles, Calif. 90009.
D. (6) $528.84. E. (9) $815.86.

A. John Allen, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $300. E. (9) $75.

A. Webb M. Alspaugh, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (an Ohio corporation), Midland Building, Cleveland, Ohio 44115.
D. (6) $600. E. (9) $470.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.
B. Lockheed Aircraft Corp., P.O. Box 551, Burbank Calif. 91520.
D. (6) $1,500.

A. Robert Alvarez, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,499.98.

A. Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Amalgamated Transit Union, National Capital Local, Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $1,103.01. E. (9) $1,103.01.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $68.37. E. (9) $2.30.

A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $65,777.75. E. (9) $65,777.75.

A. American Cancer Society, 777 Third Avenue, New York, N.Y. 10017.
E. (9) $20,060.18.

A. American Chilean Council, 95 Madison Avenue, Suite 608, New York, N.Y. 10016.
D. (6) $24,115. E. (9) $1,583.93.

A. The American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $2,480.39. E. (9) $2,480.39.

A. American Committee on U.S.-Soviet Relations, 122 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $7,300. E. (9) $1,842.71.

A. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $3,907.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $10,752.86. E. (9) $10,752.86.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; 425 13th Street NW., Washington, D.C. 20004.
D. (6) $41,529. E. (9) $41,529.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $79,771.97.

A. American Feed Manufacturers Association, Inc., 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $642. E. (9) $642.

A. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $136,686.25. E. (9) $550.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.
D. (6) $4,638.35. E. (9) $5,386.80.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $3,976.42. E. (9), $3.881.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $44,208.13. E. (9) $44,208.13.

A. American Land Title Association, 1828 L Street NW., Suite 303, Washington, D.C. 20036.
E. (9) $2,868.21.

A. American League of Anglers, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $6,866.08. E. (9) $5,849.96.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $1,239.44. E. (9) $2,808.57.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
E. (9) $6,459.01.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
E. (9) $29,329.59.

A. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $8,380.

A. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
E. (9) $4,517.

A. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $40,685.20. E. (9) $9,897.

A. American Nurses' Association, Inc., 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $3,627.71. E. (9) $3,627.71.

A. American Optometric Association, c/o Alvin Levin, O.D., 120 South Hanover Street, Carlisle, Pa. 17013.
D. (6) $1,523.82. E. (9) $1,523.82.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $1,633.06.

A. American Parents Committee, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $34,767.95. E. (9) $32,455.76.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $45,098. E. (9) $83,693.

A. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $6,951.53. E. (9) $6,951.53.

A. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
E. (9) $12,856.46.

A. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $1,943,207.14. E. (9) $147,466.85.

A. American Public Transit Association, 1100 17th Street NW., Suite 1200, Washington, D.C. 20036.
D. (6) $9,755. E. (9) $9,755.

A. American Pulpwood Association, 1619 Massachusetts Avenue NE., Washington, D.C. 20036.

A. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,488.50. E. (9) $2,787.87.

A. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
E. (9) $2,000.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $780.96. E. (9) $780.96.

A. The American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $11,397.07. E. (9) $6,041.10.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers & Forwarders Association of America, Inc., 1 World Trade Center, Suite 1109, New York, N.Y. 10048.
D. (6) $326.25. E. (9) $165.61.

A. American Textile Manufacturers Institute, Inc., Wachovia Center, 400 South Tryon Street, Charlotte, N.C. 28285.
D. (6) $23,642.30. E. (9) $23,642.30.

A. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $56,078.15.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $1,760.27. E. (9) $1,732.

A. Morris J. Amitay, 1341 G Street, No. 908, Washington, D.C. 20005.
B. American Israel Public Affairs Committee, 1341 G Street NW., No. 908, Washington, D.C. 20005.
D. (6) $5,750.

A. Anthony L. Anderson, Sun Co., Inc., Suite 820, 1800 K Street NW., Washington, D.C. 20006.
B. Sun Co., Inc., 240 Radnor-Chester Road, St. Davids, Pa. 19087.
D. (6) $5,000. E. (9) $1,175.

A. John L. Anderson, 400 First Street NW., Washington, D.C. 20001.
B. Time, Inc., Rockefeller Center, New York, N.Y. 10020.
D. (6) $1,900. E. (9) $801.10.

A. M. Kent Anderson, The Trane Co., 2020 14th Street North, Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.
D. (6) $350.

A. William C. Anderson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $16.95.

A. Scott P. Anger, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C.
B. Enserch Corp., 301 South Harwood, Dallas, Tex. 75201.
D. (6) $200. E. (9) $138.60.

A. J. Donald Annett, 1050 17th Street NW., Suite 500, Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $100.

A. APA Co., 400 First Street NW., Washington, D.C.
B. University of Health Sciences/The Chicago Medical School, 2020 West Ogden Avenue, Chicago, Ill. 60612.
D. (6) $750.

A. Appalachian Hardwood Manufacturers, Inc., 164 South Main Street, NCNB Building, Room 408, High Point, N.C. 27260.
E. (9) $723.99.

A. Leonard Appel, Wilson, Woods, Villalon & Hollengreen, 425 13th Street NW., Washington, D.C. 20004.
B. Everett Terminal Co., Inc., Post Office Box 1478, Hewitt Avenue Marine Terminal, Everett, Wash. 98206.
D. (6) $17,500. E. (9) $478.52.

A. Clarence A. Arata, 1129 20th Street NW., Washington, D.C. 20036.
B. Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $3,750.

A. John Christian Archer, 1730 Rhode Island Avenue NW., Suite 213, Washington, D.C. 20036.
B. Brown & Root, Inc., 1730 Rhode Island Avenue NW., Suite 213, Washington, D.C. 20036.
D. (6) $1,800. E. (9) $350.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. National Association of Greeting Card Publishers, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $498. E. (9) $6.25.

A. Arent, Fox, Kintner, Plotkin & Kahn, 1815 H Street NW., Washington, D.C. 20006.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $504. E. (9) $4.

A. Howard Arnett, Pacific Power & Light Co., 918 16th Street NW., Washington, D.C. 20006.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $1,140. E. (9) $363.50.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $14,583.35.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $1,250.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refining Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $1,250.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.
D. (6) $292. E. (9) $13.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Continental Insurance Co., 80 Maiden Lane, New York, N.Y. 10038.
D. (6) $1,402.50. E. (9) $10.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Council on Atmospheric Sciences, c/o Ralph Engel, Chemical Specialties Manufacturing Association, Inc., 1001 Connecticut Avenue, Washington, D.C. 20036.
D. (6) $5,080. E. (9) $444.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Great Western Financial Corp., 8484 Wilshire Boulevard, Beverly Hills, Calif.
E. (9) $35.10.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo., 65201.
E. (9) $40.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Puerto Rican Government, Economic Development Administration, G.P.O. Box 2350, San Juan, P.R. 00936.
D. (6) $105.

A. Associated Builders & Contractors, Inc., 1156 15th Street NW., Suite 731, Washington, D.C. 20005.
D. (6) $8,000. E. (9) $1,200.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $300.

A. Association for the Advancement of Invention & Innovation, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $850. E. (9) $1,862.40.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.
E. (9) $330.85.

A. Association of American Publishers, 1707 L Street, NW., Suite 480, Washington, D.C. 20036.
D. (6) $5,174.27. E. (9) $5,174.27.

A. Association of American Railroads, American Railroads Building, Room 211, 1920 L Street, NW., Washington, D.C. 20036.
D. (6) $12,845.44. E. (9) $12,845.44.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
E. (9) $1.32.

A. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $3,150. E. (9) $4,300.

A. The Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass. 02138.
D. (6) $4,625. E. (9) $4,625.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $500.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $1,250. E. (9) $1,186.45.

A. Fritz E. Attaway, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Robert L. Augenblick, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $150. E. (9) $24.05.

A. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.
D. (6) $1,702. E. (9) $1,701.10.

A. John S. Autry, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $400. E. (9) $475.

A. Richard W. Averill, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Alvin Levin, O.D., 120 South Hanover Street, Carlisle, Pa. 17013.
D. (6) $920. E. (9) $396.

A. Richard E. Ayres, Room 706, 917 15th Street NW., Washington, D.C. 20005.
B. NRDC Environmental Lobby, Inc., Room 706, 917 15th Street NW., Washington, D.C. 20005.
D. (6) $6,250.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $600. E. (9) $150.

A. Donald L. Badders, TRW Credit Data, 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW Credit Data, 100 Oceangate, Suite 800, Long Beach, Calif. 90802.
D. (6) $210. E. (9) $132.60.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
E. (9) $1,006.45.

A. Charles W. Bailey, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

A. George F. Bailey, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. James F. Bailey, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $6,825. E. (9) $193.95.

A. David L. Baird, Jr., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $112.25.

A. Thomas F. Baker, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. Donald Baldwin, Donald Baldwin Associates, 906/1625 I Street NW., Washington, D.C. 20006.
B. American Electric Power Co., 2 Broadway, New York, N.Y. 10004.
D. (6) $5,608.78.

A. Robert D. Bannister, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan, Chicago, Ill. 60611.
D. (6) $1,787.50. E. (9) $326.56.

A. Thomas H. Barksdale, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $2,450. E. (9) $225.

A. James C. Barr, 1156 15th Street NW., Suite 315, Washington, D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 315, Washington, D.C. 20005.
D. (6) $300. E. (9) $213.04.

A. Richard L. Barr, 620 Capital City Bank Building, Des Moines, Iowa, 50309.
B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $1,000.

A. Fraser Barron, 1054 Potomac Street NW., Washington, D.C. 20007.
B. The Five Tribes of Central Arizona, c/o Royal D. Marks, 1019 Title & Trust Building, Phoenix, Ariz. 85003.
D. (6) $1,250. E. (9) $246.50.

A. Joseph W. Barron, 1828 L Street NW., Suite 402, Washington, D.C. 20036.
B. The Singer Co., Aerospace & Marine Systems, 30 Rockefeller Plaza, New York, N.Y. 10020.

A. David S. Barrows, 214 Century Building, Portland, Oreg. 97205.
B. Association of Oregon & California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. T. Michael Barry, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C., 20036.
D. (6) $1,500. E. (9) $368.93.

A. William M. Bates, 814 Carnegie Building, Atlanta, Ga. 30303.
B. Georgia Farm Bureau Federation, 814 Carnegie Building, Atlanta, Ga. 30303.
D. (6) $3,000. E. (9) $756.39.

A. Laurie C. Battle, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,656.25.

A. Lucius D. Battle, 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $400.

A. John F. Battles, Massachusets Petroleum Council, 11 Beacon Street, Boston, Mass 02108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $500.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Herbst Oil Co., P.O. Box 42005, Huntridge Station, Las Vegas, Nev. 89104; Nocolene Oil Corp., Box 448, Seymour, Ind.
D. (6) $220.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Gary Lee Bauer, 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. DMMA, 1730 K Street NW., Suite 905, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $1,525.

A. Bruce A. Beam, 40 Franklin Road SW., Roanoke, Va. 24011.

B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24011.

D. (6) $1,059.44. E. (9) $2,607.90.

A. John E. Bearer, 1001 Broad Street, Johnstown, Pa. 15907.

B. Pennsylvania Electric Co., 1001 Broad Street, Johnstown, Pa. 15907. Metropolitan Edison Co., 2800 Pottsville Pike, Reading, Pa. 19603; Jersey Central Power & Light Co., Madison Avenue at Punch Bowl Road, Morristown, N.J. 07960.

D. (6) $2,671.32. E. (9) $2,288.88.

A. Donald S. Beattie, 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) $2,186.89.

A. Allison Beck, 113 Fourth Street, Washington, D.C. 20003.

B. Energy Action Committee, 1523 L Street NW., Washington, D.C. 20005.

D. (6) $1,365.

A. Thomas Belford, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $4,800.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 20903.

B. United Association of Journeymen & Apprentices of the Pumbing & Pipe Fitting Industry of the United States & Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) $3,750. E. (9) $132.53.

A. C. Thomas Bendorf, 1620 I Street NW., Washington, D.C. 20006.

B. Association of Trial Lawyers of America, 1620 I Street NW., Washington, D.C. 20006.

D. (6) $3,000. E. (9) $200.

A. C. Robert Benedict, 1211 Connecticut Avenue NW., Suite 212, Washington, D.C. 20036.

B. American Osteopathic Hospital Association, 930 Busse Highway, Park Ridge, Ill. 60068.

D. (6) $300. E. (9) $48.

A. Bruce Benefield, 2030 M Street NW., Washington, D.C. 20036.

B. TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $1,000.

A. John C. Bennett, Pouch 7009, Anchorage, Alaska 99510.

B. El Paso LNG Co., P.O. Box 2185, Houston, Tex. 77001; El Paso Alaska Co., Pouch 7009, Anchorage, Alaska 99510.

D. (6) $3,750.

A. William C. Bennett, Jr., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $200. E. (9) $61.45.

A. Nancy C. Benson, 1625 I Street NW., Suite 514, Washington, D.C. 20006.

B. American Cyanamid Co., Wayne, N.J. 07470.

D. (6) $240. E. (9) $73.76.

A. William S. Bergman, 1001 Connecticut Avenue, No. 800, Washington, D.C. 20036.

B. American Collectors Association, 4040 West 70th Street, Minneapolis, Minn. 55435.

D. (6) $4,050.E. (9) $2,801.61.

A. Gene S. Bergoffen, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

D. (6) $400. E. (9) $50.

A. Berry, Epstein & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Atalanta Corp., 17 Varick Street, New York, N.Y. 10013.

A. Berry, Epstein & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Berry, Epstein & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. OEHEG, Sudtiroler Platz 8, A–6020 Innsbruck, Austria; OEMOLK, P.O. Box 176, A–1013 Vienna, Austria.

D. (6) $3,000. E. (9) $120.45.

A. Max N. Berry, Berry, Epstein & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

D. (6) $1,500.

A. Robert L. Bevan, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $8,718.17.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $10,673. E. (9) $335.50.

A. Walter J. Bierwagen, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Charles L. Binsted, No. 301, 2021 K Street NW., Washington, D.C. 20006.

B. National Congress of Petroleum Retailers, No. 301, 2021 K Street NW., Washington, D.C. 20006.

D. (6) $1,554. E. (9) $1,575.

A. Birch, Jermain, Horton & Bittner, 4400 Jenifer Street NW., No. 300, Washington, D.C. 20015.

B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99504.

A. Birch, Jermain, Horton Q Bittner, 4400 Jenifer Street NW., No. 300, Washington, D.C. 20015.

B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.

A. Tracy Bird, Suite 302, 1725 K Street NW., Washington, D.C. 20006.

B. National Motorsports Committee of ACCUS, Suite 302, 1725 K Street NW., Washington, D.C. 20006.

D. (6) $275.

A. Susan Engelhart Bistline, 1707 L Street NW., Suite 480, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

D. (6) $1,250. E. (9) $180.

A. Robert B. Bizal, 1000 16th Street NW., No. 500, Washington, D.C. 20036.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $364.13. E. (9) $4.03.

A. Neal R. Bjornson, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $1,750. E. (9) $12.80.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,654.59.

A. Donna C. Blair, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $200. E. (9) $200.

A. Richard W. Blake, 1776 K Street NW., Washington, D.C. 20006.

B. National Sugarbeet Growers Federation, Greeley National Plaza, Suite 740, Greeley, Colo. 80631.

A. Edwin C. Bliss, 1462 Teal Drive, Sunnyvale, California 94087; National Association of Manufacturers, Western Division, P.O. Box 998, Mt. View, Calif. 94042.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $550.

A. Jerald Blizin, 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Blunt, Sinnott & Associates, Inc., 1156 15th Street NW., Washington, D.C. 20005.

B. Port of Oakland, 66 Jack London Square, Oakland, Calif. 94607.

D. (6) $1,250. E. (9) $75.

A. Becky Bogard, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $168.20.

A. Christie K. Bohner, 900 17th Street NW., Suite 1000, Washington, D.C. 20006.

B. Kaiser Industries Corp., 900 17th Street NW., Washington, D.C.

D. (6) $180. E. (9) $200.

A. A. Dewey Bond, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, 1600 Wilson Boulevard, Arlington, Va.

D. (6) $500.

A. Thomas C. Borzilleri, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $220. E. (9) $27.55.

A. G. Stewart Boswell, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Suite 2124, 400 South Tryon Street, Charlotte, N.C. 28285.

D. (6) $2,700. E. (9) $311.99.

A. Charles G. Botsford, 1730 M Street NW., Suite 609, Washington, D.C. 20036.

A. L. Francis Bouchey, 1735 De Sales Street NW., Washington, D.C.

B. American Chilean Council, 95 Madison Avenue, Suite 608, New York, N.Y. 10016.

D. (6) $1,000. E. (9) $1,000.

A. A. D. Bourland, 1660 L Street NW., Suite 804, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

D. (6) $3,000. E. (9) $3,622.04.

A. Frank J. Bowden, Jr., c/o Associated Petroleum Industries of Pennsylvania, a division of API, PO Box 925, Harrisburg, Pa. 17108.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $297. E. (9) $144.54.

A. Robert R. Bowers, West Virginia Petroleum Council, Suite 714, Atlas Building, Charleston, W. Va. 25301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $250. E. (9) $216.87.

A. Edward L. Bowley, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $9,703.77. E. (9) $943.92.

A. Richard P. Bowling, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $4,000. E. (9) $255.99.

A. Boyden, Kennedy, Romney & Howard, 1000 Kennecott Building, Salt Lake City, Utah 84133.
B. The Zuni Indian Tribe, Zuni, N. Mex.
D. (6) $1,964.30. E. (9) $4,321.31.

A. Melvin J. Boyle.
B. International Brotherhood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $8,500.

A. William W. Brackett, Alaskan Arctic Gas Study Co., 1730 Pennsylvania Avenue NW., Suite 230, Washington, D.C. 20006.
B. Alaskan Arctic Gas Study Co., P.O. Box 979, Alaska Mutual Bank Building, Anchorage, Alaska 99510.
D. (6) $4,500. E. (9) $100.

A. Frank W. Bradley, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron Oil Co., subsidiary of Standard Oil Co. of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.
E. (9) $100.

A. George E. Bradley, Room 1247, South Building, Department of Agriculture, Washington, D.C. 20250.
B. Professional Employees of USDA (OPEDA), Room 1247, South Building, Department of Agriculture, Washington, D.C. 20250.
D. (6) $1,260. E. (9) $25.

A. Charles N. Brady, 8111 Gatehouse, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Joseph E. Brady, 5018 East Summer Moon Lane, Phoenix, Ariz. 85044.
B. National Coordinating Committee of the Beverage Industry.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,003.85. E. (9) $251.21.

A. Jacques Bramhall, Jr., 199 Cherry Hill Road, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Breed, Abbott & Morgan, 1 Chase Manhattan Plaza, New York, N.Y. 10005.
B. Lehman Bros., et al.
D. (6) $1,143.22. E. (9) $10.

A. Jerome J. Breiter, 1800 K Street NW., Washington, D.C. 20006.
B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $1,229.40. E. (9) $25.

A. Edward J. Brenner, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
B. Association for the Advancement of Invention and Innovation, Suite 301, 1911 Jefferson Davis Highway, Arlington, Va. 22202.

A. Cyril F. Brickfield, Miller, Singer, Michaelson, Brickfield & Raives, 1909 K Street NW., Washington, D.C. 20006.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20006.
D. (6) $870. E. (9) $24.

A. Bill Brier, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $3,140. E. (9) $269.

A. Claude S. Brinegar, 461 South Boylston Street, Los Angeles, Calif. 90017.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $331.95.

A. Parke C. Brinkley, Madison Building, 1155 15th Street NW., Washington, D.C. 20005.
B. National Agricultural Chemicals Association.

A. Wally Briscoe, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $912.50. E. (9) $15.

A. John B. Brock, P.O. Box 3331, Houston, Tex. 77001.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $783.58.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 315 Lexington Avenue, New York, N.Y. 10016.
D. (6) $625.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $4,500.

A. Phillip W. Brooks, Volunteer State Oil Committee, 19th Floor, Third National Bank Building, Nashville, Tenn. 37219.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $513.50. E. (9) $360.68.

A. David W. Broome, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $735. E. (9) $78.

A. J. Robert Brouse, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $1,000. (E) (9) $250.

A. Joe B. Browder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $468.78. E. (9) $69.55.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Industries Corp., 900 17th Street NW., Washington, D.C.

A. Chris Brown, 3249 O Street NW., Washington D.C. 20007.
B. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20007.
D. (6) $550.

A. Donald K. Brown, 3539 Carolina Street, San Pedro, Calif. 90731.
B. Cerrell & Associates, 5967 West Third Street, Suite 302, Los Angeles, Calif. 90036.

A. Donald K. Brown, 1127 11th Street, Suite 544, Sacramento, Calif. 95814.
B. Hughes Air Corp., 3125 Clearview Way, San Mateo, Calif. 94403.

A. Donald K. Brown, 1127 11th Street, Suite 544, Sacramento, Calif. 95814.
B. Summa Corp., P.O. Box 14000, Las Vegas, Nev. 89156.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. Centar Associates, 369 Passiac Avenue, Fairfield, N.J. 07006.
D. (6) $3,000. E. (9) $150.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. National Association of Life Sciences, 1710 Chapman Avenue, Rockville Md. 20852.
D. (6) $250. E. (9) $100.

A. J. D. Brown, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $400.

A. Michael F. Brown, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Richard A. Brown, 2030 Allen Place NW., Washington, D.C. 20009.
B. Full Employment Action Council, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $4,500. E. (9) $512.75.

A. Thomas C. Brown, Suite 1100, 1660 L Street NW., Washington, D.C. 20036.
B. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.
D. (6) $4,500. E. (9) $50.

A. Travis Taylor Brown, 2525 49th Street NW., Washington, D.C.
D. (6) $400.

A. Stanley R. Browne, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
E. (9) $37.50.

A. Brownstein, Zeidman, Schomer & Chase, Suite 900, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Housing Producers, Eighth Floor, 9255 Sunset Boulevard, Los Angeles, Calif. 90069.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C.
B. International Foodservice Manufacturers Association, 1 East Wacker Drive, Chicago, Ill. 60601.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Franchise Association, 7315 Wisconsin Avenue, Bethesda, Md. 20014.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Massachusetts Bankers Association, 125 High Street, Boston, Mass.

A. Brownstein, Zeidman, Schomer & Chase, Suite 900, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mortgage Guaranty Insurance Corp., MGIC Plaza, Milwaukee, Wis.

A. Brownstein, Zeidman, Schomer & Chase, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Restaurant Association, Suite 2600, 1 IBM Plaza, Chicago, Ill. 60611.

A. Brownstein, Zeidman, Schomer & Chase, Suite 900, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. New York State Urban Development Corporation, 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Brownstein, Zeidman, Schomer & Chase, Suite 900, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. PruLease, Inc., 1255 Boylston Street, Boston, Mass.
E. (9) $77.73.

A. Jacqueline Brunell, American Nurses' Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,738.68. E. (9) $2,738.68.

A. Paul A. Brunkow, 1776 F Street NW., Washington, D.C.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Marguerite E. Bryan, 400 First Street NW., Suite 700, Washington, D.C. 20001.
B. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.
D. (6) $1,089. E. (9) $367.34.

A. Philip N. Buckminster, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48231.
D. (6) $2,000. E. (9) $294.35.

A. Norman D. Burch, 1775 K Street NW., Washington, D.C. 20006.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.
D. (6) $3,375. E. (9) $205.46.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $28.28.

A. Thomas G. Burke, 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $51.84.

A. Francis X. Burkhardt, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Brotherhood of Painters & Allied Trades, AFL–CIO, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $743.11. E. (9) $65.

A. Burley & Dark Leaf Tobacco Exporters Association, 1100 17th Street NW., Washington, D.C.
D. (6) $31,971.29. E. (9) $783.90.

A. Phillip C. Burnett, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $806.25.

A. George Burnham IV, United States Steel Corp., 1625 K Street NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $163. E. (9) $160.

A. David Burpee, Fordhook Farms, Doylestown, Pa. 18901.
E. (9) $1,504.46.

A. James L. Burridge, Jr., 10 Hardwicke Place, Rockville, Md. 20850.
B. FMC Corp., 1625 I Street NW., Suite 520, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $495.

A. John P. Buscher, 1730 Rhode Island Avenue NW., Washiington, D.C. 20036.
B. Brown & Root, Inc., 4100 Clinton Drive, Houston, Tex. 76001.
E. (9) $248.83.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.
D. (6) $2,618.26. E. (9) $1,119.42.

A. James J. Butera, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,625. E. (9) $187.34.

A. Harry W. Buzzerd, Jr., 1725 K Street NW., Suite 903, Washington, D.C. 20006.
B. Outdoor Power Equipment Institute, 1725 K. Street NW., Suite 903, Washington, D.C. 20006.
D. (6) $554. E. (9) $554.

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006. (for Badger Meter, Inc.)

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for Cabot Corp.)

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for the Dealer Bank Association).

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for Encyclopaedia Britannica, Inc.) .

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006. (for Insurance Association of Connecticut).

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for Jos. Schlitz Brewing Co.).

A. John W. Byrnes, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for U.S. Steel Corp.; Bethlehem Steel Corp.; Inland Steel Co.; Freeport Minerals Co.; Hanna Mininig Co.; and AMAX).

A. M. Douglas Caddy, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 155 East Superior Street, Chicago, Ill. 60611.
D. (6) $1,000.

A. C. Richard Calkins, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. F. Patricia Callahan, 1211 Connecticut Avenue, NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $50. E. (9) $4.50.

A. Victoria R. Calvert, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $50.

A. Donald L. Calvin, 11 Wall Street, New York, N.Y. 10005.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y. 10005.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. LFE Corp., 1601 Trapelo Road, Waltham, Mass., 02154; Eagle Signal, 736 Federal Street, Davenport, Iowa 52803.
D. (6) $3,000.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Prismo Universal Corp., et al., 4 Research Place, Rockville, Md. 20850.
D. (6) $3,496.50.

A. Cameron Engineers, Inc., 1315 South Clarkson Street, Denver, Colo. 80210.
E. (9) $27,408.01.

A. Camp, Carmouche, Palmer, Carwile & Barsh, Pioneer Building, Lake Charles, La. 70601.
B. Louisiana Department of Conservation, State of Louisiana, P.O. Box 44275, Capitol Station, Baton Rouge, La. 70804.
D. (6) $1,850.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $538.46.

A. Charles Argyll Campbell, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.
E. (9) $259.75.

A. Charles O. Campbell, 8111 Gatehouse Road, Falls Church, Va., 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Daxid A. Caney, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $4,500. E. (9) $736.

A. W. Dean Cannon, Jr., 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.

B. California Savings and Loan League, 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.

D. (6) $1,500.

A. David L. Cantor, 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.

B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.

D. (6) $418.75. E. (9) $126.36.

A. Marvin Caplan, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $4,539.85. E. (9) $113.84.

A. Caplin & Drysdale, 1101 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Council on Foundations, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

E. (9) $44.45.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 300, Washington, D.C. 20036.

B. Council of European and Japanese National Shipowners' Association, 30/32 St. Mary Axe, London, EC3A SET, England.

D. (6) $7,000. E. (9) $396.90.

A. Michael H. Cardozo, 1156 15th Street NW., Suite 1150, Washington, D.C. 20005.

E. (9) $20.

A. Norval E. Carey, 2021 K Street NW., Washington, D.C. 20006.

B. General Atomic Co., San Diego, Calif.

D. (6) $1,000. E. (9) $375.

A. Philip Carlip, 675 Fourth Avenue, Brooklyn, N.Y. 11232.

B. Seafarers International Union, 675 Fourth Avenue, Brooklyn, N.Y. 11232.

D. (6) $2,500. E. (9) $2,572.85.

A. Carl J. Carlson, 575 Madison Avenue, New York, N.Y. 10022.

B. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

D. (6) $11,300. E. (9) $27.60.

A. Chapin Carpenter, Jr., Magazine Publishers Association, Inc., 1629 K Street NW., No. 603, Washington, D.C. 20006.

B. Magazine Publishers Association, Inc., 575 Lexington Avenue, New York, N.Y. 10022.

D. (6) $2,000. E. (9) $497.59.

A. Elizabeth Carpenter, 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y.

A. L. C. Carpenter, 201 South Seventh Street, Columbia, Mo. 65201.

B. Midcontinent Farmers Association, 201 South Seventh Street, Columbia, Mo. 65201.

D. (6) $5,299.32. E. (9) $1,279.32.

A. Henry A. Carrington, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Charles M. Carroll, 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France).

A. John R. Carson, 20 Chevy Chase Circle NW., Washington, D.C. 20015.

B. American Podiatry Association.

D. (6) $6,250.

A. Harlon B. Carter, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $1,125.

A. Frank H. Case III, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $100. E. (9) $60.

A. John L. Casey, 345 Park Avenue, New York, N.Y. 10022.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.

B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Los Angeles, Calif. 90024.

D. (6) $20,325. E. (9) $711.75.

A. Robert J. Casey, 330 Madison Avenue, New York, N.Y. 10017.

B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $19,125. E. (9) $1,683.12.

A. James B. Cash, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $5,000. E. (9) $192.10.

A. Eugene I. Casraiss, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., Suite 600, Washington, D.C. 20005.

B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $6,411.90. E. (9) $765.12.

A. Frank R. Cawley, Room 511, Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.

B. Agricultural Publishers Association, 511 Wilson Plaza Building, 2425 Wilson Boulevard, Arlington, Va. 22201.

D. (6) $162.50. E. (9) $153.50.

A. Frank R. Cawley, Room 511, 2425 Wilson Boulevard, Arlington, Va. 22201.

B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

D. (6) $825. E. (9) $303.05.

A. Dorothy D. Cecelski, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,000.01.

A. Charles E. Chace, Nebraska Petroleum Council, 334 South 13th Street, Lincoln, Nebr. 68508.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. J. M. Chambers & Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.

B. Cordage Institute, 2300 Calvert Street NW., Washington, D.C. 20008.

D. (6) $1,240.50.

A. J. M. Chambers & Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.

B. Satra Corp., 475 Park Avenue South, New York, N.Y. 10016.

D. (6) $1,500.

A. J. M. Chambers & Co., Inc., 2300 Calvert Street NW., Washington, D.C. 20008.

B. Swaziland Sugar Association, P.O. Box 445, Mbabane, Swaziland.

D. (6) $7,500. E. (9) $382.91.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1101 17th Street NW., Washington, D.C. 20036.

B York Division, Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.

E. (9) $35.50.

A. William C. Chapman, 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,000. E. (9) $3,243.83.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for American General Capital Management, Inc., 717 Fifth Avenue, New York, N.Y. 10022).

E. (9) $688.58.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for Belco Petroleum Corp., One Dag Hammarskjold Plaza, New York, N.Y. 10017).

E. (9) $232.48.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002).

D. (6) $10,300. E. (9) $2,746.23.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.

B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for Petroleum Equipment Suppliers Association, 1703 First City National Bank Building, Houston, Tex. 77002).

E. (9) $194.39.

A. Leslie Cheek III, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $250.

A. Howard P. Chester, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Stone, Glass & Clay Coordinating Committee, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $6,870. E. (9) $452.21.

A. Children's Rights, Inc., 3443 17th Street NW., Washington, D.C. 20010.

D. (6) $360. E. (9) $258.29.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

D. (6) $77,474.11. E. (9) $188.51.

A. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.

D. (6) $220,783.47. E. (9) $19,506.10.

A. Carlton S. Clark, 1412 Gas & Electric Building, Baltimore, Md. 21203.

B. Baltimore Gas & Electric Co., Gas & Electric Building, Baltimore, Md. 21203.

D. (6) $14.82. E. (9) $11.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $1,810. E. (9) $15.

A. Kimball Clark, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $103. E. (9) $227.99.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $5,500.02. E. (9) $228.50.

A. Thomas R. Clark, 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

D. (6) $154.

A. Vernon A. Clark, 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.

B. Outdoor Advertising Association of America, Inc., 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.

D. (6) $550. E. (9) $1,147.

A. Clay Pipe Industry Depletion Committee, P.O. Box 6, Pittsburg, Kans. 66762.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Banqus Nationale de Paris, 75450 Paris, France, CEDEX 09.

E. (9) $935.63.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Interbank Card Association, Suite 3600, 110 East 59th Street, New York, N.Y. 10022.

D. (6) $810.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10533.

D. (6) $1,694. E. (9) $28.98.

A. Walter S. Clement, P.O. Box 23652, L' Enfant Plaza Station, Washington, D.C. 20024.

B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.

D. (6) $170.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. American Brands, Inc., 245 Park Avenue, New York, N.Y. 10017.

E. (9) $62.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. Brown & Williamson Tobacco Corp., Louisville, Ky. 40201.

E. (9) $62.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. Liggett & Myers Tobacco Co., 4100 Roxboro Road, Durham, N.C. 27702.

E. (9) $62.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. Lorillard, a division of Loews Theatres, Inc., 200 East 42d Street, New York, N.Y. 10017.

E. (9) $62.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. Philip Morris, Inc., 100 Park Avenue, New York, N.Y. 10017.

E. (9) $62.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. R. J. Reynolds Industries, Inc., Winston-Salem, N.C. 27102.

E. (9) $62.

A. Earle C. Clements, 1776 K Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. Ronald D. Clements, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

B. National Association of Electric Co., 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $225.64. E. (9) $27.39.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004.

D. (6) $1,143.75. E. (9) $296.14.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.

D. (6) $2,400. E. (9) $486.50.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Congress of Micronesia, Saipan, Mariana Islands 96950.

D. (6) $1,375. E. (9) $275.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. New York Cocoa Exchange, Inc., and New York Cocoa Clearing Associates, Inc., 127 John Street, New York, N.Y.; New York Coffee and Sugar Exchange, Inc., 79 Pine Street, New York, N.Y.; Commodity Exchange, Inc., 81 Broad Street, New York, N.Y.

D. (6) $750. E. (9) $150.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Owens-Illinois, Inc., Madison Avenue and St. Clair Street, Box 1035, Toledo, Ohio 43601.

A. Clifford, Warnke, Glass, McIlwain & Finney, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Teleprompter Corp., 50 West 44th Street, New York, N.Y. 10036.

E. (9) $19.15.

A. Coalition of Concerned Charities, 1776 F Street NW., No. 200, Washington, D.C. 20006.

D. (6) $4,500. E. (9) $5,000.

A. Coalition Against Strip Mining, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,057. (E). (9) $735.36.

A. Coalition for Fair Copyright Protection, 1920 L Street NW., Washington, D.C. 20036.

A. Coalition of Independent Ophthalmic Professionals, 75 East 55th Street, New York, N.Y. 10022.

D. (6) $375. E. (9) $3,063.06.

A. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

E. (9) $2,166.47.

A. John J. Coffey, Suite 638, 2101 L Street NW., Washington, D.C. 20037.

B. Western Oil and Gas Association, 609 South Grand Avenue, Suite 910, Los Angeles, Calif. 90017.

D. (6) $825.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $7,124.97. E. (9) $2,051.29.

A. Jerry S. Cohen, Suite 708, 1776 K Street NW., Washington, D.C. 20006.

B. National Congress of Petroleum Retailers, Suite 301, 2021 K Street NW., Washington, D.C.

D. (6) $3,000.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.

B. The Chase Manhattan Bank, N.A., One Chase Manhattan Plaza, New York, N.Y. 10015.

D. (6) $16,307.64. E. (9) $1,770.90.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.

B. Claude Charles, 37 Severn Road, The Peak, Hong Kong.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.

B. H. H. Robertson Co., Two Gateway Center, Pittsburgh, Pa. 15222.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.

B. PPG Industries, Inc., One Gateway Center, Pittsburgh, Pa. 15222.

A. Eleanor Cole, UBA, Inc., 720 Hotel Washington, Washington, D.C. 20004.

B. UBA, Inc., 720 Hotel Washington, Washington, D.C. 20004.

D. (6) $1,000. E. (9) $1,000.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $143.90.

A. Stacey W. Cole, New Hampshire Petroleum Council, 23 School Street, Concord, N.H. 03301.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William Cole, 461 South Boylston Street, Los Angeles, Calif. 90017.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Committee of American Tanker Owners, Inc., One Chase Manhattan Plaza, New York, N.Y. 10005.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Crown Central Petroleum Corp., One North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Independent U.S. Tanker Owners Committee, 1612 K Street NW., Suite 510, Washington, D.C. 20006.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Academy of General Dentistry, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $3,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Cardio Pulmonary Contractors Association, 1200 17th Street NW., Washington, D.C. 20036.
D. (6) $2,000.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. National Ethical Pharmaceutical Association, P.O. Box 13547, St. Petersburg, Fla. 33733.
D. (6) $7,500.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for American Guild of Authors & Composers).
D. (6) $300.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for American Maritime Association).
D. (6) $100.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for American Society of Association Executives).
D. (6) $1,700.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Association of Trial Lawyers of America).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for American Imported Automobile Dealers Association).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Boating Industry Associations).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Chicago Board Options Exchange).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Council of State Chambers of Commerce).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Energy Advances, Inc.).
D. (6) $900.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17 Street NW., Washington, D.C. 20036 (for Machinery Dealers National Association).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for National Association of Engine & Boat Manufacturers).

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for National Medical Care, Inc.).
D. (6) $300.

A. William J. Colley, 1200 17th Street NW., Washington, D.C. 20036.
B. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036 (for Reading Co.).
D. (6) $400.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. American Feed Manufacturers Association, Inc., 1071 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $100.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. American Footwear Industries Association, Inc., 1611 Nort Kent Street, Arlington, Va. 22209.
D. (6) $500. E. (9) $475.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. Bicycle Manufacturers Association of America, Inc., 1101 15th Street NW., Washington, D.C. 20005.
D. (6) $500. E. (9) $100.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Washington, D.C. 20006.
B. Department of Information, Private Bag X152, Pretoria, 0001, Republic of South Africa.
D. (6) $648.19. E. (9) $1,359.51.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Washington, D.C. 20006.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
D. (6) $450.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Suite 701, Washington, D.C. 20006.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $450.

A. Collier, Shannon, Rill & Edwards, 1666 K Street NW., Washington, D.C., 20006.
B. Tool & Stainless Steel Industry Committee, 1666 K Street NW., Washington, D.C. 20006.
D. (6) $1,250. E. (9) $525.

A. Paul G. Collins, 1 Jackson Walkway, Providence, R.I. 02903.
B. New England Commercial Banking Caucus, 1 Jackson Walkway, Providence, R.I. 02903.
D. (6) $1,600. E. (9) $557.89.

A. Thomas B. Collins, 2031 Via Venice, Punta Gorda, Fla. 33950.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $4,750. E. (9) $4,001.03.

A. Robert B. Collyer, 720 Hotel Washington, Washington, D.C. 20004.
B. UBA, Inc., 740 Hotel Washington, Washington, D.C. 20004.
D. (6) $1,000. E. (9) $1,000.

A. Colorado Railroad Association, 420 Denver Club Building, 518 17th Street, Denver, Colo. 80202.
D. (6) $3,000. E. (9) $5,500.

A. Committee for Do-It-Yourself Household Moving, 1100 17th Street, NW., Suite 1000, Washington, D.C. 20036.

A. Committee for Jobs Through Economic Development, 1006 State Street, Erie, Pa. 16501.

A. Committee for Public Advocacy, 1730 Rhode Island Avenue NW., Suite 600, Washington, D.C. 20036.
D. (6) $7,359.04.

A. Committee on Modern Efficient Transportation (COMET), 1000 Connecticut Ave. NW., Washington, D.C. 20036.
E. (9) $4,811.47.

A. Common Cause, 2030 M. Street NW., Washington, D.C. 20036.
D. (6) $1,188,720.83. E. (9) $340,049.30.

A. Harold B. Confer, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $2,485.

A. Raymond F. Conkling, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6)$180. E. (9) $15.

A. Ross Conlin, Chessie System, 840 Washington Building, Washington, D.C. 20005.
B. Chessie System, Box 6419, Terminal Tower, Cleveland, Ohio 44101.
D. (6) $2,000. E. (9) $1,000.

A. Robert J. Conner, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48231.
D. (6) $500. E. (9) $621.37.

A. Albert J. Conners, Air Force Sergeants Association, Inc., 1608 Pittsfield Lane, Bowie, Md. 20715.
B. Air Force Sergeants Association, Inc., 4235 28th Avenue, Marlow Heights, Md. 20031.

A. John J. Connolly, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $600.

A. Jerry C. Connors, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

A. Consolidated Natural Gas Service Co., Inc., 4 Gateway Center, Pittsburgh, Pa. 15222.

A. Bernard J. Conway, 211 East Chicago Avenue, Chicago, Ill. 60611.

B. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $2,600.

A. Container Corp. of America, 1101 15th Street NW., No. 205, Washington, D.C. 20005.
B. Container Corp. of America, 1 First National Plaza, Chicago, Ill. 60607.
D. (6) $102.50. E. (9) $150.

A. Charles F. Cook, Jr., 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $407.98. E. (9) $99.80.

A. Cook & Franke, 660 East Mason Street, Milwaukee, Wis. 53202.
B. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.
D. (6) $500. E. (9) $160.60.

A. Frederick N. Cook, Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $296.25. E. (9) $354.25.

A. Howard Lee Cook, Jr., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,575. E. (9) $620.

A. Eileen D. Cooke, 110 Maryland Avenue NE., Suite 101, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $728.10.

A. Charles M. Cooper, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $28.85.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C.

A. Jesse D. Cooper, North Dakota Petroleum Council division of API, P.O. Box 1395, Bismarck, N. Dak. 58501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $112. E. (9) $190.80.

A. Joshua W. Cooper, 626 S Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.
D. (6) $1,250. E. (9) $664.33.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000. E. (9) $7.50.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $19.50.

A. Cooperative League of the U.S.A. 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $3,500. E. (9) $1,025.25.

A. Darrell Coover, 1625 I Street NW., No. 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $297.

COPUS (Coalition of Private University Students), 1730 Rhode Island Avenue, Suite 500, Washington, D.C. 20036.
D. (6) $3,975. E. (9) $1,536.06.

A. Corcoran, Youngman & Rowe, 1511 K Street NW., Suite 1100, Washington, D.C. 20005.
B. Frank G. Kingsley, 285 Canoe Road, New Canaan, Conn. 06840.
D. (6) $1,000. E. (9) $29.61.

A. Richard L. Corrigan, 1600 Rhode Island Avenue, NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $750. E. (9) $177.57.

A. Allan D. Cors, 1800 K Street NW., Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.

A. William R. Corson, 1707 H Street, Washington, D.C. 20006.
B. Penhouse International, Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $5,936.

A. Eugene E. Cortright, 1660 L Street NW., Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.

A. John E. Cosgrove, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $7,532.59.

A. David Cosson, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $75.

A. Cotton Warehouse Association of America, 1707 L Street NW., Suite 540, Washington, D.C. 20036.
D. (6) $2,179.21. E. (9) $2,179.21.

A. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $22,683.39. E. (9) $16,784.07.

A. Council for the Preservation of Worldwide Meetings, 1101 16th Street NW., Third Floor, Washington, D.C. 20036.
E. (9) $2.79.

A. Council of State Chambers of Commerce,1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $544.50. E. (9) $3,430.26.

A. Council To Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Machine Tool Distributors Association, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Society of Oral Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.
E. (9) $46.47.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Association of American Publishers, Inc., 1707 L Street NW., Washington, D.C. 20036.
D. (6) $8,812.50. E. (9) $61.01.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Business Men's Assurance Co. of America, BMA Tower, 1 Penn Valley Park, Kansas City, Mo. 64141.
E. (9) $52.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Eli Lilly & Co., P.O. Box 618, Indianapolis, Ind. 46206.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $898.22.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
D. (6) $2,500. E. (9) $122.78.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.
E. (9) $7.29.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Federation of Independent Business, 921 Washington Building, Washington, D.C. 20005.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Football League, 410 Park Avenue, New York, N.Y. 10022.
E. (9) $205.43.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Va. 22101.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Perdue Inc., P.O. Box 1537, Salisbury, Md. 21801.
E. (9) $30.44.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Pineapple Growers Association of Hawaii, 1902 Financial Plaza of the Pacific, Honolulu, Hawaii 96813.
E. (9) $424.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Superior Oil Co., P.O. Box 1521, Houston, Tex. 77001.
E. (9) $15.77.

A. Eugene S. Cowen, 9024 Willow Valley Drive, Potomac, Md. 20854.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $154. E. (9) $154.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Association of Research Libraries, 1527 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Cox, Langford & Brown, 21 Dupont Circle NW., Washington, D.C. 20036.
B. The National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.
E. (9) $0.60.

A. William J. Cox, 1707 L Street NW., Suite 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.
D. (6) $6,726.90. E. (9) $3,904.72.

A. Carol A. Cowgill, 470 L'Enfant Plaza East SW., Suite 3100, Washington, D.C. 20024.

B. American Academy of Family Physicians, 470 L'Enfant Plaza East SW., Suite 3100, Washington, D.C. 20024.

D. (6) $500.01. E. (9) $131.18.

A. Roger C. Cramton, Cornell Law School, Ithaca, N.Y. 14850.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) $145. E. (9) $62.50.

A. Roger W. Crawford, 1625 I Street NW., Washington, D.C.

B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.

D. (6) $349.14. E. (9) $100.

A. P. H. Croft, 2000 Massachusetts Avenue N.W., Washington, D.C. 20036.

B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,050. E. (9) $1,219.06.

A. H. C. Crotty, 12050 Woodward Avenue, Detroit, Mich. 48203.

B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich. 48203.

A. Jack A. Crowder, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 400 South Tryon Street, Suite 2124, Charlotte, N.C. 28285.

D. (6) $1,500. E. (9) $91.95.

A. Barry M. Cullen, 1620 I Street NW., Suite 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $100. E. (9) $75.

A. Cummins Engine Co., Inc., 1000 Fifth Street, Columbus, Ind. 47201.

E. (9) $7,156.

A. Lynn E. Cunningham, 2000 P Street NW., No. 410, Washington, D.C. 20036.

B. Florence Wagman Roisman, 200 P Street NW., No. 410, Washington, D.C. 20036.

D. (6) $90.

A. John T. Curran, 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., 20006.

D. (6) $9,979.23. E. (9) $3,158.51.

A. Everett E. Cutter, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

A. Cystic Fibrosis Foundation, 3379 Peachtree Road NE., Atlanta, Ga. 30326.

E. (9) $16,456.53.

A. William Kay Daines, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20005.

D. (6) $2,100. E. (9) $134.

A. Dairymen, Inc., 604 Portland Building, 200 West Broadway, Louisville, Ky. 40202.

E. (9) $227.42.

A. Thomas A. Daly, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street, NW., Washington, D.C. 20036.

A. David S. Danielson, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Alvin Levin, 120 South Hanover Street, Carlisle, Pa. 17013.

D. (6) $269.20. E. (9) $68.

A. Joan E. Dannenbaum, 1707 L Street NW., Suite 515, Washington, D.C. 20036.

B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.

D. (6) $2,500. E. (9) $200.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $2,092.50. E. (9) $2,092.50.

A. Stephen I. Danzansky, Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $167.48. E. (9) $167.48.

A. Fred E. Darling, 110 Maryland Avenue NE., Suite 511, Washington, D.C. 20002.

B. Noncommissioned Officers Association of the U.S.A. (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.

D. (6) $355.

A. Richard C. Darling, 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penny Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

D. (6) $1,602.18. E. (9) $815.13.

A. Philip J. Daugherty, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $4,448.85. E. (9) $57.23.

A. John B. Davenport, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

D. (6) $253.12.

A. Aled P. Davies, Box 160, R.R. 1, Valparaiso, Ind. 46383.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Bankers Life & Casualty Co., 4444 Lawrence Avenue, Chicago, Ill. 60630.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. The First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.

D. (6) $200.

A. Charles W. Davis 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. The Myron Stratton Home, P.O, Box 1178, Colorado Springs, Colo. 80901.

D. (6) $2,135. E. (9) $287.61.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $1,575. E. (9) $5.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

D. (6) $200.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

D. (6) $3,580. E. (9) $208.99.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

E. (9) $58.07.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

D. (6) $200.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. United Insurance Co., 1 East Wacker Drive, Chicago, Ill. 60601.

A. Davis R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis, Ind. 46204.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. George R. Davis, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.

B. Amalgamated Transit Union, National Captain Local Division 689, 100 Indiana Avenue NW., No. 403, Washington, D.C. 20001.

A. Kenneth E. Davis, 1025 Connecticut Avenue NW., No. 202, Washington, D.C. 20036.

B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

D. (6) $500. E. (9) $100.

A. Ovid R. Davis, P.O. Drawer 1734, Atlanta, Ga 30301.

B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

D. (6) $185. E. (9) 410.

A. R. Hilton Davis, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.

D. (6) $6. E. (9) $4.35.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.

B. American Horse Council, Inc., 1700 K Street NW., Washington, D.C. 20006.

D. (6) $1,560. E. (9) $36.55.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.

B. The Chicago Board of Trade, LaSalle at Jackson, Chicago, Ill. 60604.

D. (6) $2,500. E. (9) $23.84.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.

B. Federated Research Corp., 421 Seventh Avenue, Pittsburgh, Pa. 15219.

D. (6) $2,500. E. (9) $7.33.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.

B. Florida Power & Light Co., P.O. Box 13100, Miami, Fla. 33101.

D. (6) $291.25. E. (9) $13.35.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.

B. Jockeys' Guild, Inc., 555 Fifth Avenue, New York, N.Y., 10017.

E. (9) $3.11.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.
B. National Housing Partnerships, 1133 15th Street NW., Washington, D.C. 20005.
D. (6) $1,034.38. E. (9) $57.88.

A. Thomas A. Davis, 1776 F Street NW., Washington, D.C. 20006.
B. The National Life & Accident Insurance Co., et al., National Life Center, Nashville, Tenn. 37250.
D. (6) $282.50. E. (9) $10.95.

A. Walter L. Davis, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL-CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Charles W. Day, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $650. E. (9) $520.50.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Associated Third-Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.

A. John Russell Deane III, 1128 16th Street NW., Washington, D.C. 20036.
B. Specialty Equipment Manufacturers Association, 11001 East Valley Mall, Suite 204, El Monte, Calif. 91734.
D. (6) $300.

A. Tony T. Dechant.
B. The Farmers' Educational & Co-Operative Union of America, P.O. Box 39251, Denver, Colo.; 1012 14th Street NW., Washington, D.C.
D. (6) $5,000. E. (9) $91.37.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Council on Foundations, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $305. E. (9) $59.60.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Kansas City Southern Industries, Inc., 114 West 11th Street, Kansas City, Mo. 64105.
D. (6) $105. E. (9) $4.80.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $1,350. E. (9) $85.15.

A. DeHart & Broide, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recycled Paperboard Division of the American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.
D. (6) $945. E. (9) $75.85.

A. Paul H. DeLaney, Jr., Suite 1111, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cargill Inc., Cargill Building, Minneapolis, Minn. 55402.
D. (6) $18,225.18. E. (9) $1,000.

A. Paul H. DeLaney, Jr., Suite 1111, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Continental Grain Co., 2 Broadway, New York, N.Y. 10004.
D. (6) $18,134.88. E. (9) $500.

A. John L. Delano, Box 1172, Helena, Mont. 59601.
B. Montana Railroad Association, Box 1172, Helena, Mont. 59601.
E. (9) $549.17.

A. Richard A. Dell, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $96.80.

A. Ray Denison, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,567. E. (9) $398.68.

A. John H. Denman, Missouri Oil Council, 208 Madison Street, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $725. E. (9) $370.

A. Daniel B. Denning, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $625. E. (9) $200.

A. Wells Denyes, Eastman Chemical Products, Inc., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $100. E. (9) 5.85.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. American Society of Composers, Authors & Publishers, 1 Lincoln Plaza, New York, N.Y. 10023.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. Flavor & Extract Manufacturers Association of the United States, 900 17th Street NW., Washington, D.C.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. Merrill Lynch, Pierce, Fenner & Smith, Inc., 1 Liberty Plaza, New York, N.Y. 10006.

A. Claude J. Desautels, Suite 811, 1725 K Street NW., Washington, D.C. 20006.
B. Xerox Corp., Stamford, Conn. 06904.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 1776 F Street NW., Washington, D.C. 20006.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
D. (6) $2,999.20. E. (9) $320.98.

A. Ralph B. Dewey, 1150 17th Street NW., No. 1109, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $4,207.50. E. (9) $1,674.67.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $230.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Krauss-Maffei AG, Krauss-Maffei-Strasse 2, Munich, West Germany.
D. (6) $300. E. (9) $141.08.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Societe Nationale Industrielle Aerospatiale, 37, Boulevard de Montmorency, 75016 Paris, France.
D. (6) $29,922.63. E. (9) $29,922.63.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John M. Dickerman, John Dickerman & Associates, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Lumber & Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $8,534.69. E. (9) $77.

A. John R. Dierker, 1150 17th Street NW., Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $300. E. (9) $245.60.

A. Timothy V. A. Dillon, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Department of Water Resources, State of California, P.O. Box 388, Sacramento, Calif. 95802.
D. (6) $2,278.79. E. (9) $178.79.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., 1511 K Street NW., Washington, D.C. 20005.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $1,600.

A. The Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $175. E. (9) $420.50.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $143,273.37. E. (9) $143,273.37.

A. Disabled Officers Association, 1612 K Street NW., Washington, D.C. 20006.
E. (9) $3,974.34.

A. District of Columbia Bankers Association, 1709 New York Avenue NW., Washington, D.C. 20006.
E. (9) $3,028.30.

A. Dennis C. Dix, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
B. Outdoor Power Equipment Institute, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
D. (6) $100. E. (9) $100.

A. Robert C. Dolan, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Companies, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $337.50. E. (9) $77.34.

A. Hollis M. Dole, 1025 Connecticut Avenue NW., Washington, D.C.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $225. E. (9) $250.

A. Dana B. Dolloff, 1620 I Street NW., No. 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.
D. (6) $200.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $20,000. E. (9) $30,503.47.

A. David D. Dominick, 2510 Lincoln Center Building, 1660 Lincoln Street, Denver, Colo. 80201.
B. Cameron Engineers, Inc., 1315 South Clarkson Street, Denver, Colo. 80210.
D. (6) $7,200. E. (9) $3,825.44.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Richard M. Donaldson, 1735 Midland Building, Cleveland, Ohio 44115.

B. The Standard Oil Co. (an Ohio corporation), Midland Building, Cleveland, Ohio. 44115.

A. Gary W. Donnelly, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $22.11.

A. James A. Dorsch, 1701 K Street NW., Washington, D.C.

B. Health Insurance Association of America, Inc., 1701 K Street NW., Washington, D.C.

D. (6) $295.31. E. (9) $68.33.

A. Richard Morgan Downey, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,000.01. E. (9) $1,054.28.

A. F. Raymond Downs, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturer Co., 301 East Sixth Street, Cincinnati, Ohio 45201.

A. Shirley Downs, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $346. E. (9) $4,962.

A. John C. Doyle, Jr., 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $3,000. E. (9) $14.21.

A. James E. Drake, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,502. E. (9) $332.

A. Andrew Drance, Room 511 2425 Wilson Boulevard, Arlington Va. 22201.

B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

D. (6) $1,743. E. (9) $572.07.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $400. E. (9) $313.

A. Franklin B. Dryden, 1776 K Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $500. E. (9) $130.

A. Lawrence M. Dubin, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

D. (6) $4,750. E. (9) $208.99.

A. Evelyn Dubrow, 1710 Broadway, New York, N.Y. 10019.

B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.

D. (6) $5,197.65. E. (9) $2,815.20.

A. Morgan D. Dubrow, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $125.

A. Michael J. Duff, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

D. (6) $250.

A. William E. Duke, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

E. (9) $150.

A. Robert A. DuLong, 1421 Peachtree Street NE., Suite 201, Atlanta, Ga. 30309.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $1,562.50.

A. M. L. DuMars, 2000 Florida, Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $60.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $4,500. E. (9) $130.42.

A. Douglas G. Dunn, Northern Natural Gas Co., 1133 15th Street NW., Room 503, Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Neb. 68102.

D. (6) $1,500.

A. Dunnells, Duvall & Porter, 1220 19th Street NW., Suite 400, Washington, D.C. 20036.

B. Savings Banks Association of New York State, 200 Park Avenue, New York, N.Y. 10016.

D. (6) $2,325. E. (9) $27.75.

A. David F. Dunning, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $550.

A. J. D. Durand, 1725 K Street NW., Washington, D.C. 20006.

B. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.

E. (9) $1,020.

A. L. L. Duxbury, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.

B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.

D. (6) $1,166.67. E. (9) $768.05

A. Henry I. Dworshak, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Jean F. Dye, 2466 Stratford Road, Cleveland Heights, Ohio 44118.

B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.

E. (9) $1,043.31.

A. Jack D. Early, The Madison Building, 1155 15th Street NW., Washington, D.C. 20005.

B. National Agricultural Chemicals Association, The Madison Building, 1155 15th Street NW., Washington, D.C. 20005.

A. Roy W. Easley, 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $800. E. (9) $70.70.

A. Robert E. Ebel, Enserch Energy, Inc., 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.

B. Enserch Corp., 301 South Harwood, Dallas, Tex. 75201.

D. (6) $1,450. E. (9) $1,156.

A. N. Boyd Ecker, 1100 Connecticut Avenue NW., Suite 1030, Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500. E. $16.90.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue N.W., Washington, D.C. 20006.

B. American Safety Belt Council, 271 North Avenue, New Rochelle, N.Y. 10801.

D. (6) $1,500. E. (9) $33.96.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.

B. Manufactured Housing Institute, P.O. Box 201, 14650 Lee Road, Chantilly, Va. 22021.

D. (6) $1,250.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.

B. National Insulation Contractors Association, 8630 Fenton Street, Suite 506, Silver Spring, Md. 20910.

E. (9) $21.05.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.

B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

E. (9) $103.75.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $750. E. (9) $40.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Aerospatiale, c/o DGA International, 1225 19th Street NW., Washington, D.C. 20036.

D. (6) $28,800. E. (9) $11,274.39.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Republic of Turkey/Embassy of Turkey, 1606 23d Street NW., Washington, D.C. 20008.

D. (6) $21,300. E. (9) $12,505.03.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

D. (6) $2,261.53.

A. Arthur B. Edgeworth, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $4,062.50.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. John P. Edwards, 1030 15th Street NW., Suite 720, Washington, D.C. 20005.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $793.92.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Portland General Electric Co., 621 Southwest Alder Street, Portland, Oreg. 97205.
E. (9) $100.

A. Macon T. Edwards, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,750. E. (9) $46.87.

A. Charles E. Ehrhart, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. J. C. B. Ehringhaus, Jr., 1600 South Eads Street, Arlington, Va.
B. The Tobacco Institute, 1776 K Street NW., Washington, D.C. 20006.
D. (6) $175.

A. Thomas Ehrlich, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $81. E. (9) $6.40.

A. Harmon L. Elder, 2000 L Street NW., Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 2000 L Street NW., Washington, D.C. (for United States Industrial Council, Nashville, Tenn.).
D. (6) $250. E. (9) $237.20.

A. George K. Eliades, 1501 Wilson Building, Arlington, Va. 22209.
B. Imported Hardwood Products Association, Inc., 1501 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $700. E. (9) $720.

A. J. Burton Eller, Jr., 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,000.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $664.80. E. (9) $380.81.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.

A. Ruth Bowdey Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
D. (6) $518.80. E. (9) $866.58.

A. El Paso LNG Co., P.O. Box 2185, Houston, Tex. 77001.
E. (9) $17,817.14.

A. Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.
B. Deepsea Ventures, Inc., Gloucester Point, Va. 23062.
D. (6) $6,000.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $17,529.45. E. (9) $19,481.77.

A. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $2,089.59.

A. William Emerson, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Richard W. Emory, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland State Fair & Agricultural Soicety, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.
E. (9) $97.91.

A. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.
E. (9) $937.50.

A. Lowell J. Endahl, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $235.

A. Energy Action Committee, Inc., 1523 L Street NW., Washington, D.C. 20005.
D. (6) $7,132.86. E. (9) $32,571.51.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.
B. Bob Hoffman, York Barbell Co., York, Pa. 17405.
D. (6) $1,950. E. (9) $553.29.

A. Steven L. Engelberg, 1737 DeSales Street NW., Suite 400, Washington, D.C. 20036.
B. American Association of Marriage and Family Counselors, 225 Yale Avenue, Claremont, Calif. 91711.
D. (6) $2,499. E. (9) $119.01.

A. Steven L. Engelberg, Price, Grove, Engelberg & Fried, 1737 DeSales Street, Washington, D.C. 20036.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $40.

A. M. Dale Ensign, Husky Oil Co., 1625 I Street NW., Washington, D.C. 20006.
B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.
E. (9) $258.

A. Grover W. Ensley, 200 Park Avenue, New York, N.Y. 10017.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,104.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $56,973.25. E. (9) $43,440.41.

A. John L. Erickson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $623. E. (9) $440.80.

A. Jerry N. Ervin, P.O. Box 3331, Houston, Tex. 77001.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $602.88. E. (9) $287.96.

A. George T. Esherick, United States Steel Corp., 1625 K Street NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $150. E. (9) $380.

A. David C. Evans, Suite 900, 1150 Connecticut Avenue, Washington, D.C. 20036.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va., 22101.

A. Joseph O. Evans, 1730 North Lynn Street, Suite 400, Arlington, Va. 22209.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill., 60637.
D. (6) $400. E. (9) $50.

A. Vernon L. Evans, 1000 16th Street NW., Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $100.

A. Robert R. Fahs, 1030 15th Street NW., Washington, D.C. 20005.
B. Cargill, Inc., 1200 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $2,500. E. (9) $22.30.

A. Robert J. Falasca, 1030 15th Street NW., Washington, D.C.
B. American Seed Trade Association, Suite 964, 1030 15th Street NW., Washington, D.C.
D. (6) $375.

A. Thomas B. Farley II, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,779. E. (9) $225.34.

A. The Farmers' Educational and Cooperative Union of America, P.O. Box, 39251, Denver, Colo., 1012 14th Street NW., Washington, D.C.
D. (6) $84,252.48. E. (9) $38,222.13.

A. Leonard B. Farrell, 1413 35th Street NW., Washington, D.C. 20007.
B. Institute of Electrical and Electronics Engineers, Inc., 2029 K Street NW., Washington, D.C. 20006.
D. (6) $4,687. E. (9) $680.89.

A. R. Roy Fausset, 1800 M Street NW., Washington, D.C. 20036.
B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $150.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y., 10004.
D. (6) $748.21. E. (9) $748.21.

A. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $4,500. E. (9) $4,500.

A. Stuart F. Feldman, 1730 Rhode Island Avenue, Suite 600, Washington, D.C. 20036.
B. Committee for Public Advocacy, 1730 Rhode Island Avenue NW., Suite 600, Washington, D.C. 20036.
D. (6) $2,100.

A. Stuart F. Feldstein, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,930.

A. Kenneth E. Feltman, 222 South Prospect Avenue, Suite 130, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,437.50. E. (9) $20.

A. Richard C. Fenton, 1707 H Street NW., Suite 901, Washington, D.C. 20006.

B. American Committee on United States-Soviet Relations, 122 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $1,500. E. (9) $678.38.

A. Carol Fielders, American Nurses' Association, 1030 15th Street NW., Washington, D.C. 20005.

B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.

D. (6) $889.03. E. (9) $889.03.

A. Herbert A. Fierst, 607 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. Council of Forest Industries of British Columbia, 1500/1055 West Hastings Street, Vancouver V6E 2H1, British Columbia, Canada.

D. (6) $8,882.01. E. (9) $290.

A. Herbert A. Fierst, 607 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. Joint Committee of Printing and Publishing Industries of Canada, Suite 1001, 150 Ferrand Drive, Don Mills, Ontario M3C 1H6, Canada.

D. (6) $2,250. E. (9) $400.

A. Francis S. Filbey, 817 14th Street NW., Washington, D.C. 20005.

B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.

D. (6) $6,779.72.

A. Matthew P. Fink, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. James W. Finley, Crown Zellerbach, 1660 L Street NW., Suite 915, Washington, D.C. 20036.

B. Crown Zellerbach, One Bush Street, San Francisco, Calif. 94119.

E. (9) $250.

A. Frederick Finn, 918 6th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $466.

A. Firearms Lobby of America, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $6,131.05 E. (9) $6,086.17.

A. First Class Mailers Association, Inc., 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

D. (6) $130. E. (9) $122.

A. Margaret Fitzgerald-Bare, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $1,750.

A. Susan Garber Flack, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $65.

A. William J. Flaherty, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.

D. (6) $8,750.

A. James J. Flanagan, 20 Turnpike Road, Westborough, Mass, 01581.

B. New England Power Service Co., 20 Turnpike Road, Westborough, Mass. 01581.

D. (6) $945.42. E. (9) $877.99.

A. James F. Fleming, United Egg Producers, 991 National Press Building, Washington, D.C. 20045.

B. United Egg Producers, 3951 Snapfinger Parkway, Suite 580, Decatur, Ga. 30035.

D. (6) $1,000.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.

B. Energy Action Committee, 1523 L Street NW., Washington, D.C. 20005.

D. (6) $5,194.42.

A. John Fochtman, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60600.

D. (6) $2,000. E. (9) $759.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Badger Meter, Inc., 4545 West Brown Deer Road, Milwaukee, Wis. 53223.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Cabot Corp., and Subsidiaries, 125 High Street, Boston, Mass. 02110.

D. (6) $600.00.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Dealer Bank Association, P.O. Box 479, Wall Street Station, New York, N.Y. 10005.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $5,720. E. (9) $168.51.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.

D. (6) $750.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53201.

A. Foley, Lardner, Hollabaugh & Jacobs, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 71 Broadway, New York, N.Y. 10006.

D. (6) $3,762. E. (9) $2.90.

A. Gordon Forbes, 203 Hanover Building, 480 Cedar Street, St. Paul, Minn. 55101.

B. Minnesota Railroads Association, St. Paul, Minn. 55101.

D. (6) $500. E. (9) $872.03.

A. Forest Farmers Association, 4 Executive Park East, N.E., Atlanta, Ga. 30329.

D. (6) $286.18. E. (9) $286.18.

A. James W. Foristel, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,300. E.(9) $277.

A. Gerard J. Forney, 141 Battery Street, San Francisco, Calif. 94111.

B. Uranium Enrichment Associates, 141 Battery Street, San Francisco, Calif. 94111.

D. (6) $4,500. E. (9) $3,200.

A. John S. Forsythe, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $650. E. (9) $125.

A. Francis C. Fortune, 3211 South Leisure Boulevard, Silver Spring, Md. 20906.

E. (9) $38.80.

A. Ebert E. Fournace, 301 Cleveland Avenue SW., Canton, Ohio. 44702.

B. Ohio Power Co., 301 Cleveland Avenue SW,, Canton Ohio 44702 (subsidiary of American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004).

D. (6) $2,492. E. (9) $1,551.59.

A. David E. Fox, 1100 17th Street NW., Washington, D.C. 20036.

B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.

D. (6) $237.50. E. (9) $105.

A. John G. Fox, American Telephone and Telegraph Co., 2000 L Street NW., Washington, D.C. 20036.

B. American Telephone and Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Joe H. Foy, P.O. Box 1188, Houston, Tex. 77001.

B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. Ron Frank, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) $6.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.

B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.

D. (6) $986.83. E. (9) $245.86.

A. Donald A. Frederick, 1129 20th Street NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.

D. (6) $956. E. (9) $15.

A. Harry L. Freeman, American Express Co., 1701 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. James O. Freeman, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $2,593.75. E. (9) $102.50.

A. Pamela B. Freer, 1710 Broadway, New York, N.Y. 10019.

B. International Ladies' Garment Workers Union, 1710 Broadway, New York, N.Y. 10019.

D. (6) $3,499.99. E. (9) $354.80.

A. Robert E. Freer, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Kimberly-Clark Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $250.

A. David T. French, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

D. (6) $300. E. (9) $25.

A. George L. Frick, Delaware Oil Men's Association, 437 North DuPont Highway, Dover, Del. 19901.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Benjamin W. Fridge, 1900 South Eads Street, Arlington, Va. 22202.

B. National Border Patrol Council, c/o Richard Brannick, R.D. 2, Dexter, N.Y. 13634.

D. (6) $90.

A. Benjamin W. Fridge, 1900 South Eads Street, Arlington, Va. 22202.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $470. E (9) $189.20.

A. Susan Fridy, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $837.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Cheyenne River Sioux Tribe, Box 100, Eagle Butte, S. Dak. 57625.

D. (6) $2,500. E. (9) $43.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Hualapai Tribe of Arizona, Peach Springs, Ariz.

D. (6) $78.25. E. (9) $4.45.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.

E. (9) $29.60.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Navajo Tribe, Window Rock, Ariz.

D. (6) $1,400. E. (9) $34.45.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Nez Perce Tribe, Lapwai, Idaho.

D. (6) $450. E. (9) $26.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak. 57770.

D. (6) $500. E. (9) $41.34.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Pueblo of Laguna, Laguna, N. Mex.

D. (6) $200. E. (9) $23.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Salt River Pima-Maricopa Indian Community, Route 1, Box 120, Scottsdale, Ariz.

D. (6) $187.50. E. (9) $6.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Seneca Nation of Indians, Box 231, Salamanca, N.Y. 14779.

E. (9) $22.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.

E. (9) $3,671.90.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

D. (6) $270. E. (9) $5.20.

A. Gay H. Friedmann, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.

B. Enserch Corp., 301 South Harwood, Dallas, Tex. 75201.

D. (6) $1,000. E. (9) $631.20.

A. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.

D. (6) $71,777. E. (9) $18,590.

A. Owen V. Frisby, 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, National Association, 1 Chase Manhattan Plaza, New York, N.Y. 10015.

D. (6) $925.47. E. (9) $4,744.36.

A. Frank W. Frisk, Jr., 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $2,600.

A. Charles H. Fritzel, 1625 I Street NW., No. 1001, Washington, D.C. 20006.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $1,500. E. (9) $119.

A. Cornelius F. Froeb, 1660 L Street NW., Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.

D. (6) $321.

A. Paul K. Frost II, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Vicki Love Frost, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $1,999. E. (9) $229.15.

A. Full Employment Action Council, 815 16th Street NW., Washington D.C. 20006.

D. (6) $17,500. E. (9) $9,985.40.

A. David C. Fullarton, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $325.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92112.

D. (6) $1,800. E. (9) $530.80.

A. Terry Gabrielson, 470 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Transcontinental Gas Pipe Line Corp., 2700 South Post Oak Road, Houston, Tex. 77001.

D. (6) $450. E. (9) $41.98.

A. James E. Gaffigan, American Hotel & Motel Association, 777 14th Street NW., Washington, D.C. 20005.

B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $253.86. E. (9) $19.35.

A. Mark J. Gallagher, 1701 L Street NW., Suite 400, Washington, D.C. 20036.

B. National Committee for a Human Life Amendment, Inc., 1701 L. Street NW., Suite 400, Washington, D.C. 20036.

D. (6) $5,863.86. E. (9) $1,306.48.

A. Peter N. Gammelgard, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Nicole Gara, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $4,750. E. (9) $2,010.

A. William B. Gardiner, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.

D. (6) $8,083.

A. John W. Gardner, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $4,000. E. (9) $1,170.77.

A. Paul Gardner, Jr., 2011 I Street NW., Washington, D.C. 20006.

B. Banque Nationale de Paris, 75450 Paris, France, CEDEX 09.

E. (9) $1,601.83.

A. W. Bradford Gary, 1101 15th Street NW., Washington, D.C. 20005.

B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.

A. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

E. (9) $870.

A. Philip Gasteyer, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $3,125.

A. Joan L. Gavino, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $108.60. E. (9) $27.32.

A. General Aviation Manufacturers Association, Inc., 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.

E. (9) $2,883.45.

A. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.

E. (9) $861.

A. Donald H. Gerrish, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Bakers Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Llewellyn H. Gerson, 1019 19th Street NW., Washington, D.C. 20036.

B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.

D. (6) $212.50. E. (9) $41.80.

A. William T. Gibb III, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $150. E. (9) $35.

A. Wayne Gibbens, Mid-Continent Oil & Gas Association, 1800 K Street NW., Washington, D.C. 20006.

B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $1,525.44. E. (9) $100.

A. Joseph L. Gibson, Montgomery Ward & Co., Inc., 1101 15th Street NW. No. 205, Washington, D.C.
B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60610.
D. (6) $367. E. (9) $150.

A. William L. Gifford, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Fairfield, Conn. 06431.
D. (6) $100.

A. Don Gilchrist, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Association of Home Manufacturers, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio 43215.
B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio 43215.

A. Mark W. Gillaspie, P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. James T. Gillice, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $1,710.

A. Dave Givens, Tennessee Railroad Association, 916 Nashville Trust Building, Nashville, Tenn. 37201.
B. Class I Railroads in Tennessee.
E. (9) $628.

A. Glass Container Manufacturers Institute, Inc., 1800 K Street NW., Suite 400, Washington, D.C. 20006.

A. George L. Gleason, 1750 K Streets NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $250. E. (9) $10.61.

A. Godfrey Associates, Inc., 918 16th Street NW., Suite 500, Washington, D.C. 20006.
E. (9) $11.40.

A. Horace D. Godfrey, 918 16th Street NW., Suite 500, Washington, D.C. 20006.
B. Godfrey Associates, 918 16th Street NW., Washington, D.C. 20006.
D. (6) $312.50. E. (9) $11.40.

A. Harvey S. Gold, Velsicol Chemical Corp., 1629 K Street NW., Washington, D.C. 20006.
B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.
D. (6) $400. E. (9) $202.32.

A. Howard S. Goldberg, 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale 37, Boulevard de Montmorency, 75016 Paris, France).

A. John Goldsum, P.O. Box 1148, Austin, Tex. 78767.
B. Texas Power & Light Co., Dallas, Tex.; Texas Electric Service Co., Fort Worth, Tex.; Dallas Power & Light Co., Dallas, Tex.; Central Power & Light Co., Corpus Christi, Tex.; West Texas Utilities Co., Abilene, Tex.
E. (9) $611.63.

A. Alfonso J. Gonzalez, 1425 H Street NW., Suite 600, Washington, D.C. 20005.
B. NASW, 1425 H Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $6,415. E. (9) $6,815.

A. Ruth Gonze, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $1,200.

A. Don A. Goodall, 1625 I Street NW., Suite 514, Washington, D.C. 20006.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $429. E. (9) $93.78.

A. Charles E. Goodell, 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale 37, Boulevard de Montmorency, 75016 Paris, France).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
B. Crop Quality Council, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
D. (6) $8,000.

A. Frederick D. Goss, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $695.

A. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022.
B. Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48076.

A. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022.
B. Hecon Corp., Flextime Division, 31 Park Road, Tinton Falls, N.J. 07724.

A. Gould, Reichert & Strauss, 2613-20 Carew Tower, Cincinnati, Ohio 45202.
B. Francis J. Rorke, et al, Box 1336, Christobal, C.Z.

A. Carolyn C. Graham, 1707 L Street NW., Suite 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.
D. (6) $3,519.24. E. (9) $2,075.86.

A. David B. Graham, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. Donald E. Graham, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $2,725. E. (9) $257.

A. Allan Grant, 225 Touhy Avenue, Park Ridge, Ill. 60068.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $1,175.

A. John F. Grant, 1730 North Lynn Street, Arlington, Va. 22209.
B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.
D. (6) $1,900.08. E. (9) $61.95.

A. Wm. W. Grant, Utah International, Inc., 1150 Connecticut Avenue NW., Suite 710, Washington, D.C. 20036.
B. Utah International, Inc., 550 California Street, San Francisco, Calif. 94104.
E. (9) $193.50.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $942. E. (9) $25.

A. Robert K. Gray, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $272.

A. Virginia M. Gray, 3501 Williamsburg Land NW., Washington, D.C. 20008.
B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $552.50. E. (9) $185.03.

A. Samuel A. Grayson, Union Pacific Railroad, 611 Idaho Building, Boise, Idaho 83702.
B. Union Pacific Railroad, 1416 Dodge Street, Omaha, Nebr. 68179.
E. (9) $2,677.26.

A. Donald R. Greeley, 1101 17th Street NW., Suite 603, Washington, D.C. 20036.
B. Celanese Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $625. E. (9) $105.92.

A. Dale Greenwood, 302 Hoge Building, Seattle, Wash. 98104.
B. Washington Railroad Association, 302 Hoge Building, Seattle, Wash. 98104.
E. (9) $649.44.

A. Claiborne D. Gregory, Virginia Petroleum Industries, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $390. E. (9) $81.70.

A. William G. Greif, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $4,000.

A. Lori Gribbin, 1025 Connecticut Avenue NW., No. 202, Washington, D.C. 20036.
B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $100.

A. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. Theodore R. Groom, 1701 Pennsylvania Avenue NW., Washington, D.C.
B. Ad Hoc Group on Life Insurance Company Taxation of Pension Funds, et al., 1701 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $300.

A. Theodore R. Groom, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J. 07101.
D. (6) $200.

A. Wesley E. Gross, 604 Portland Building, 200 West Broadway, Louisville, Ky. 40202.
B. Dairymen, Inc., 604 Portland Building, 200 East Broadway, Louisville, Ky. 40202.
D. (6) $150.

A. Frank N. Grossman, the Atchison, Topeka & Santa Fe Railway Co., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $2,000. E. (9) $300.

A. Charles S. Gubser, 8905 Bradley Boulevard, Bethesda, Md. 20034.
B. Community Antenna TV Association, Suite 106, 4209 Northwest 23d Street, Oklahoma City, Okla.
D. (6) $250.

A. Charles S. Gubser, 8905 Bradley Boulevard, Bethesda, Md. 20034.

B. WEMA, 2600 El Camino Real, Palo Alto, Calif. 94306.
D. (6) $3,000. E. (9) $24.08.

A. James J. Gudinas, 8111 Gatehouse Road, Falls Church, Va. 22042.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Kenneth J. Guido, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $724.98.

A. John P. Guttenberg, Jr., 8130 Boone Boulevard, Vienna, Va. 22180.
B. Datran (Data Transmission Co., 8130 Boone Boulevard, Vienna, Va. 22180.
D. (6) $500.

A. C. James Hackett, 1119 A Street, Tacoma, Wash. 98401.
B. American Plywood Association, 1119 A Street, Tacoma, Wash. 98401.

A. James M. Hacking, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/ American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $318.75. E. (9) $6.60.

A. Loyd Hackler, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $132.

A. Paul R. Haerle, Thelen, Marrin, Johnson & Bridges, 2 Embarcadero Center, No. 2200, San Francisco, Calif. 94111.
B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.
E. (9) $544.89.

A. Hall, Estill, Hardwich, Gable, Collingsworth & Nelson, 1701 Pennsylvania Ave. NW., Suite 404, Washington, D.C. 20006.
B. Greenview Associates, Beaver Hill Apartments, 100 West Avenue, Jenkintown, Pa. 19046.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylvania Ave. NW., Suite 404, Washington, D.C. 20006.
B. Hy-Gain Electronics Corp., 1606 First National Bank Building, Lincoln, Nebr. 68508.
D. (6) $300. E. (9) $5.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylvania Ave. NW., Suite 404, Washington, D.C. 20006.
B. The Williams Co., National Bank of Tulsa Building, Tulsa, Okla. 74103.

A. Keith Halliday, 1725 K Street NW., Washington, D.C. 20006.
B. Associated Third-Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Paul Hallisay, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $4,050. E. (9) $817.09.

A. Morris G. Hallock, South Dakota Petroleum Council, P.O. Box 669, Pierre, S. Dak. 57501.
B. American Petoleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $217. E. (9) $291.98.

A. Jerald Vinson Halvorsen, Allied-General Nuclear Services, 7101 Wisconsin Avenue, Suite 901, Bethesda, Md. 20014.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

A. Newman T. Halvorson, Jr., 888 16th Street NW., Washington, D.C. 20006.
B. Trustees of the Penn Central Transportation Co., 1700 Market Street, Philadelphia, Pa. 19103.
E. (9) $80.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Belize Sugar Industries, Ltd., Belize City, Belize, Central America.
E. (9) $72.55.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 888 17th Street NW., Washington, D.C. 20006.
D. (6) $250. E. (9) $10.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Freda R. Caspersen, P.O. Box 595, Venice, Fla. 33595.
E. (9) $37.57.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.
D. (6) $3,000. E. (9) $31.35.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. The Hardaway Co., 11th Street and Third Avenue, Columbus, Ga.
E. (9) $5.60.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National School Supply & Equipment Association, 1500 Wilson Boulevard, Arlington, Va. 22209.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
E. (9) $149.88.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sociedad Agricola e Industrial San Carlos, S.A.; Compania Azucarera Valdez, S.A.; Azucarera Tropical Americana, S.A.; Tababuela Industrial Azucarera, C.A., Ecuador.
D. (6) $9,298.09. E. (9) $1.50.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sugar Association of the Caribbean, Port of Spain, Trinidad.
D. (6) $8,808.70. E. (9) $90.83.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. United Student and Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. Robert N. Hampton, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $1,478. E. (9) $38.

A. Patricia L. Hanahan, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Ave., New York, N.Y. 10022.
D. (6) $500.

A. Donald K. Hanes, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $845. E. (9) $43.

A. Christopher G. Hankin, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $24.10.

A. Orval Hansen, 1819 H Street NW., Suite 230, Washington, D.C. 20006.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.

A. Robert B. Harding, 1801 K Street NW., No. 1041, Washington, D.C. 20006.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $225. E. (9) $157.47.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $22.75.

A. Andrew E. Hare, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $849. E. (9) $224.

A. William J. Hargett, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $465.

A. Bryce N. Harlow, 1801 K Street NW., Suite 1104, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45203.
D. (6) $125. E. (9) $217.60.

A. Donald L. Harlow, Air Force Sergeants Association, Inc., 310 Riley Street, Falls Church, Va. 22046.
B. Air Force Sergeants Association, Inc., 4235 28th Avenue, Marlow Heights, Md. 20031.

A. William B. Harman, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $150. E. (9) $67.50.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $600. E. (9) $200.

A. A. J. Harris II, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $481.68. E. (9) $44.21.

A. Godfrey Harris, 9200 Sunset Boulevard, Los Angeles, Calif. 90069.
B. Embassy of the Republic of Panama, 2862 McGill Terrace, Washington, D.C. 20008.

A. Saul J. Harris, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
B. National Association of Electric Com-

panies, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20035.

D. (6) $418.75. E. (9) $15.84.

A. Walter D. Harris, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. William C. Hart, 1625 I Street NW., Washington, D.C. 20006.

B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.

D. (6) $612.50. E. (9) $885.15.

A. Fred L. Hartley, 461 South Boylston Street, Los Angeles, Calif. 90017.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif.

E. (9) $8,655.60.

A. Rita M. Hartz, 1016 16th Street, NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington. D.C. 20036.

D. (6) $8,076.96. E. (9) $980.48.

A. Clifford J. Harvison, 1616 P Street NW., Washington, D.C. 20036.

B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Charles W. Havens III, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Reinsurance Association of America, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) $25.

A. Sidney G. Hawkes, The Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Mead Corp., 118 West First Street, Dayton, Ohio 45402.

D. (6) $990.

A. John H. Hawkins, Jr., 600 North 18th Street, Birmingham, Ala. 35291.

B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.

D. (6) $2,125. E. (9) $2,113.29.

A. Paul M. Hawkins, 1701 K Street NW., Washington, D.C.

B. Health Insurance Association of America, Inc., 1701 K Street NW., Washington, D.C.

D. (6) $28.50. E. (9) $346.97.

A. Robert T. Hayden, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $5,806.02. E. (9) $949.33.

A. Patrick J. Head, Container Corp. of America, 1101 15th Street NW., No. 205, Washington, D.C. 20005.

B. Container Corp. of America, 1 First National Plaza, Chicago, Ill. 60607.

D. (6) $75. E. (9) $150.

A. Patrick J. Head, Montgomery Ward & Co., Inc., 1101 15th Street NW., Washington, D.C. 20005.

B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60610.

D. (6) $262.50. E. (9) $150.

A. Health Insurance Association of America, 1750 K Street NW., Washington, D.C.

D. (6) $5,170.30. E. (9) $5,170.30.

A. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

D. (6) $57.86. E. (9) $57.86.

A. Patrick B. Healy, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $431.25.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y.

B. American Parents Committee, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

A. William H. Hecht, 1776 K Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

(D) (6) $2,000. E. (9) $500.

A. Robert E. Heggestad, 2203 California Street NW., Washington, D.C. 20008.

B. Manufactured Housing Institute, P.O. Box 201, Chantilly, Va., 22021.

D. (6) $5,208. E. (9) $34.10.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.

D. (6) $5,833.

A. William F. Heimlich, 1725 K Street NW., Washington, D.C. 20006.

B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.

A. Spencer H. Heine, Container Corp. of America, 1101 15th Street NW., No. 205, Washington, D.C. 20005.

B. Container Corp. of America, 1 First National Plaza, Chicago, Ill., 60607.

D. (6) $27.50. E. (9) $150.

A. Spencer H. Heine, Montgomery Ward & Co., Inc., 1101 15th Street NW., Washington, D.C.

B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill., 60671.

D. (6) $125. E. (9) $150.

A. Barbara Heller, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $897.50. E. (9) $1,504.

A. Ross E. Heller, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. Phil D. Helmig, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. $225. E. (2) $125.

A. Leslie P. Hemry, 1750 K Street NW., Washington, D.C.

B. Health Insurance Association of America, Inc., 1701 K Street NW., Washington, D.C.; New York City Office, 750 Third Avenue; Chicago Office, 332 South Michigan Avenue.

A. Richard Dean Henderson, 1101 17th Street NW., Washington, D.C. 20036.

B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.

A. Robert C. Hendon, Consolidated Freightways, Inc., 6845 Elm Street, Suite 608, McLean, Va. 22101.

B. Consolidated Freightways, Inc., 601 California Street, San Francisco, Calif. 94108.

E. (9) $707.44.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500. E. (9) $134.50.

A. George F. Hennrikus, Jr., 1625 I Street NW., Washington, D.C. 20006.

B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.

D. (6) $2,959.

A. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

E. (9) $2,341.37.

A. Jack E. Herington, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. U.S. Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

E. (9) $1,827.54.

A. Maurice G. Herndon, 425 13th Street NW., Washington, D.C. 20004.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

E. (9) $4,756.60.

A. Herrick, Allen, Davis, Bailey & Snyder, 1701 K Street NW., No. 706, Washington, D.C. 20006.

B. Music Operators of America, Inc., 228 North La Salle Street, Chicago, Ill. 60601.

D. (6) $5,282. E. (9) $186.10.

A. Esther Herst, 510 C Street NE., Washington, D.C. 20002.

B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.

D. (6) $2,520. E. (9) $1,792.33.

A. Elena Hess, 3705 Porter Street NW., Washington, D.C. 20016.

B. Self-Determination for D.C., Suite 300, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $1,375. E. (9) $38.69.

A. Hewes & Wolf, 1720 I Street NW., Washington, D.C. 20006.

B. Pennsylvania Petroleum Association, Building 2, Suite D, 2101 North Front Street, Harrisburg, Pa. 17110.

D. (6) $1,500. E. (9) $25.

A. Andrew I. Hickey, Jr., 1133 15th Street NW., Washington, D.C. 20005.

B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

D. (6) $12,275. E. (9) $958.99.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. The First National Bank of Chicago, One First National Plaza, Chicago, Ill. 60670.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $1,575. E. (9) $5.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

D. (6) $200.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

D. (6) $3,580. E. (9) $208.99.

A. Paul T. Hicks, Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $50. E. (9) $60.

A. Janet Hieber, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,400.

A. J. Thomas Higginbotham, Mellon Bank, N.A., Pittsburgh, Pa. 15230.
B. Mellon Bank, N.A., and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.
D. (6) $2,000. E. (9) $1,361,04.

A. J. Eldred Hill, Jr., 720 Hotel Washington, Washington, D.C., 20004.
B. UBA, Inc., 720 Hotel Washington, Washington, D.C. 20004.
D. (6) $2,000. E. (9) $2,000.

A. E. Joseph Hillings, National Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Airlines, Inc., P.O. Box 592055 AMF, Miami, Fla. 33159.
D. (6) $1,100. E. (9) $50.

A. Kathryn Hilton, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $43.75.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va. 22204.
B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.
D. (6) $3,000.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Ninth Floor, Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $900. E. (9) $195.

A. Charles L. Hoebel, Carrier Corp., Suite 510, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Carrier Corp., Carrier Tower, Box 1000, Syracuse, N.Y. 13201.
D. (6) $2,601. E. (9) $350.24.

A. Howard E. Hoelter, Illinois Petroleum Council, P.O. Box 5034, Springfield, Ill. 62705.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $2,160. E. (9) $105.

A. Glen D. Hofer, 1129 20th Street, Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $2,160. E. (9) $105.

A. Herbert E. Hoffman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Associations, 30/32 St. Mary Ave., London EC3A 8ET, England.
D. (6) $975. E. (9) $12.50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94119.
D. (6) $1,620. E. (9) $114.50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Guam Power Authority, Agana, Guam.

A. Izetta B. Hoge, 490 L'Enfant Plaza East, SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East, SW., Washington, D.C. 20024.
D. (6) $400.

A. Thomas P. Holley, 1625 I Street NW., Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $244.39.

A. Henry W. Holling, 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $440. E. (9) $464.

A. Thomas D. Holman, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $1,855.

A. Eric Holmes, Jr., Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
E. (9) $223.62.

A. Lee B. Holmes, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,968.75.

A. John W. Holton, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,750. E. (9) $42.60.

A. The Hormel Foundation, Austin, Minn. 55912.
E. (9) $1,610.55.

A. Michael E. Horrell, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $587.50. E. (9) $10.76.

A. Charles A. Horsky, 888 16th Street NW., Washington, D.C. 20006.
B. Trustees of the Penn Central Transportation Co., 1700 Market Street, Philadelphia, Pa. 19103.
E. (9) $110.

A. Craig Hosmer, 1750 K Street NW., Suite 300, Washington D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $1,980. E. (9) $161.20.

A. Houger, Garvey & Schubert, 1019 19th Street NW., Eighth Floor, Washington, D.C. 20036.
B. American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C.
D. (6) $280.

A. Houger, Garvey & Schubert, 1019 19th Street NW., Eighth Floor, Washington, D.C. 20036.
B. American Pyrotechnics Association, 407 Campus Avenue, Chestertown, Md. 21620.
D. (6) $617.50. E. (9) $1,521.18.

A. Houger, Garvey & Schubert, 1019 19th Street NW., Eighth Floor, Washington, D.C. 20036.
B. Committee For Protection of American Trade, 1735 I Street NW., Suite 616, Washington, D.C.
D. (6) $927. E. (9) $1,020.67.

A. Thomas B. House, 919 18th Street NW., Washington, D.C. 20006.
B. American Frozen Food Institute, 919 18th Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Mary Greer Houston, 2000 L Street NW., Suite 520, Washington, D.C. 20036.
B. Wilson E. Hamilton & Associates, Inc., 2000 L Street NW., Washington, D.C. (for Farm Labor Research Committee).
D. (6) $250.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
E. (9) $7,290.

A. C. T. Hoversten, 209 West 53d Street, Western Springs, Ill. 60558.
B. National Avertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60551.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
E. (9) $3,761.24.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Paul N. Howell, 800 Houston Natural Gas Building, Houston, Tex. 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
D. (6) $500. E. (9) $77.96.

A. John B. Howerton, ASARCO, Inc., 1730 Rhode Island Avenue NW., Suite 206, Washington, D.C. 20036.
B. ASARCO, Inc., 120 Broadway, New York, N.Y. 10005.
D. (6) $1,200. E. (9) 909.98.

A. Charles L. Huber, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $11,583. E. (9) $205.78.

A. James C. Hughes, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K. Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Peter W. Hughes, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $603.75.

A. Vester T. Hughes, Jr., 4300 First National Bank Building, Dallas, Tex. 75202.
B. Sammons Enterprises, Inc., 403 South Akard, Dallas, Tex. 75202.
D. (6) $200. E. (9) $575.

A. David C. Hull, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $990.

A. William J. Hull, 1025 Connecticut Avenue NW., No. 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 1025 Connecticut Avenue NW., No. 507, Washington, D.C. 20036.
B. Ohio Valley Improvement Association, Inc.

A. Richard M. Hunt, Suite 1009, Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1221 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $2,000.

A. Milton F. Huntington, Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $520. E. (9) $22.75.

A. James L. Huntley, 1775 K Street NW., Washington, D.C. 20006.
B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $7,976.15. E. (9) $2,010.58.

A. John Edward Hurley, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.
E. (9) $550.

A. E. Hamilton Hurst, 2901 Butterfield Road, Oak Brook, Ill. 60521.
B. Nalco Chemical Co., 2901 Butterfield Road, Oak Brook, Ill. 60521.
D. (6) $125. E. (9) $296.41.

A. Dewey M. Hutchins, Jr., Eastman Kodak Co., 500 12th Street SW., Washington, D.C. 20024.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $230. E. (9) $178.

A. Philip A. Hutchinson, Jr., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 818 Sylvan Avenue, Englewood Cliffs, N.J. 07632.
D. (6) $200. E. (9) $25.

A. David C. Hyer, Ohio Petroleum Council, 88 East Broad Street, Columbus, Ohio 43215.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $250. E. (9) $264.01.

A. F. N. Ikard, 1201 L Street, Washington, D.C.
B. American Petroleum Institute, 2101 L Street, Washington, D.C. 20037.
D. (6) $2,875. E, (9) $565.

A. Bernard J. Imming, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $525. E. (9) $117.85.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,028.31. E. (9) $2,028.31.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $9,513.19.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,544.77. E. (9) $10,544.77.

A. Intalco Aluminum Corp., Ferndale, Wash. 98218.
E. (9) $222.50.

A. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $11,364.42.

A. International Brotherhood of Painters & Allied Trades, AFL–CIO, 1750 New York Avenue NW., Washington, D.C. 20006.
E. (9) $1,348.14.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $20,402.15.

A. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW, 8000 East Jefferson, Detroit, Mich. 48214.
D. (6) $151,439. E. (9) $151,439.

A. Insurance Economics Society of America, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.
D. (6) $9,147.74. E. (9) $740.

A. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $4,775.20.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.
E. (9) $786.50.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $7,944.78. E. (9) $6,769.26.

A. Joseph S. Ives, 2000 Florida Avenue, Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. Deborah Jacobs, 706 Seventh Street SE., Washington, D.C. 20003.
B. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.
D. (6) $288.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. The Cooperative League of the U.S.A., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Robert L. James, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. Bank of America, N.T. & S.A., Bank of America Plaza, San Francisco, Calif. 94137.
D. (6) $25. E. (9) $75.

A. Joseph A. Jeffrey, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $200.

A. Philip F. Jehle, 300 National Press Building, Washington, D.C. 20004.
B. Smith Kline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.
D. (6) $1,100. E. (9) $604.

A. James Courtney Jennings, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. W. Pat Jennings, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $2,500. E. (9) $3,702.41.

A. Chris L. Jensen, Florida Petroleum Council, 111 North Gadsden Street, Tallahassee, Fla. 32301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $155.50.

A. A. W. Jessup, 1025 Connecticut Avenue NW., No. 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.

A. Guy E. Jester, 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for Improvement of Mississippi River, 10 Broadway, St. Louis, Mo. 63121.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $1,500.

A. Ronald P. Johnsen, 1625 I Street NW., Suite 302, Washington, D.C. 20006.
B. Columbia Gas System Service Corp., 20 Monchanin Road, Wilmington, Del. 19807.
D. (6) $175. E. (9) $119.50.

A. Anita Johnson, 2000 P Street NW., Washington, D.C. 20036.
B. Health Research Group, 2000 P Street, NW., Washington, D.C. 20036.
D. (6) $40.

A. H. Bradley Johnson, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Jess Johnson, Jr., Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John B. Johnson, Alabama Petroleum Council, 660 Adams Avenue, Suite 188, Montgomery, Ala. 36104.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $673.75. E. (9) $404.03.

A. Rady A. Johnson, 1000 16th Street NW., No. 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $2,384.60. E. (9) $17.17.

A. Reuben L. Johnson, P.O. Box 39251, Denver, Colo.
B. The Farmers' Educational & Co-Operative Union of America (National Farmers Union), P.O. Box 39251, Denver, Colo.; 1012 14th Street NW., Washington, D.C.
D. (6) $5,538.48. E. (9) $469.06.

A. Spencer A. Johnson, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $500.

A. Stanley L. Johnson, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $45.

A. James D. Johnston, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $2,520.43.

A. Allan R. Jones, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $905.14.

A. Charlie W. Jones, 1150 17th Street NW., Suite No. 310, Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $100.

A. H. D. Jones III, 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20035.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20035.
D. (6) $290.83. E. (9) $17.83.

A. James E. Jones, Jr., 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $900.

A. L. Dan Jones, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $36.25.

A. Ronald K. Jones, 7841 Doane Court, Springfield, Va. 22152.
B. Manufactured Housing Institute, P.O. Box 201, Chantilly, Va. 22021.
D. (6) $6,500. E. (9) $56.63.

A. Carl D. Jordan, 408 East Maple Street, Fremont, Mich. 49412.
B. Gerber Products Co., 445 State Street, Fremont, Mich. 49412.

A. Brenda Joyce, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp. P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $750. E. (9) $200.

A. Mrs. Fritz R. Kahn, 9202 Ponce Place, Fairfax, Va. 22030.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $18.22.

A. Charles W. Karcher, 1735 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co., (an Ohio corporation), Midland Building, Cleveland, Ohio 44115.
E. (9) $34.

A. Gerald M. Katz, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland State Fair and Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.
E. (9) $97.91.

A. William J. Keating, 725 15th Street, Room 500, Washington, D.C. 20005.
B. National Grain and Feed Association, P.O. Box 28328, Washington, D.C. 20005.
D. (6) $15.

A. Keck, Cushman, Mahin & Cate, 8300 Sears Tower, 233 South Wacker Drive, Chicago, Ill. 60606.
B. Schwinn Bicycle Co., 1856 North Kostner Avenue, Chicago, Ill. 60639.
D. (6) $6,448.75. E. (9) $1,681.50.

A. Howard B. Keck, 555 South Flower Street, Los Angeles, Calif. 90071.
B. The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.
E. (9) $275.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,500.

A. Jefferson D. Keith, 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

A. John E. Kelley, 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Avco Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $1,300. E. (9) $730.42.

A. James C. Kelley, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Machine Tool Distributors Association, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.

A. Paul J. Kelley, 2727 North Central Avenue, Phoenix, Ariz. 85004.
B. Amerco, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.

A. Harold V. Kelly, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. John T. Kelly, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Robert F. Kelly, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.

A. George Kelm, One First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. The Myron Stratton Home, P.O. Box 1178, Colorado Springs, Colo. 80901.
D. (6) $2,135. E. (9) $287.61.

A. Thomas J. Kenan, George, Kenan, Robertson & Lindsey, 1000 Fidelity Plaza, Oklahoma City, Okla. 73102.
B. Coquina Oil Corp., P.O. Drawer 2690, Midland, Tex. 79701.
E. (9) $1,772.37.

A. R. G. Kendall, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. Kennedy, Holland, DeLacy & Svoboda, 1900 One First National Center, Omaha, Nebr. 68102.
B. Governors of the Knights of Ak-Sar-Ben, 63d and Shirley Streets, Omaha, Nebr. 68106.
D. (6) $1,000. E. (9) $425.

A. Jerry W. Kennedy, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Jeremiah J. Kennedy, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $644.02.

A. Robert T. Kenney, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.

A. William J. Kenney, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $220. E. (9) $150.

A. John V. Kenny, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $862.50. E. (9) $15.

A. Thomas P. Kerester, Coopers & Lybrand, 1800 M Street NW., Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
D. (6) $337.50.

A. Thomas P. Kerester, Coopers & Lybrand, 1800 M Street NW., Washington, D.C. 20036.
B. The Balcor Co., One Concourse Plaza, 4711 Golf Road, Skokie, Ill. 60076.
D. (6) $356.25.

A. Daniel L. Kiley, 8 North Jefferson Street, Roanoke, Va. 24042.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $150. E. (9) $200.

A. Kimberly-Clark Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $1,630.

A. James L. Kimble, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. John M. Kinnaird, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $1,702.62.

A. Kirkland, Ellis & Rowe, 1776 K Street NW., Washington, D.C. 20006.
B. Automatic Phonograph Manufacturers, Rowe International, Inc., 75 Troy Hills Road, Whippany, N.J. 07981.
D. (6) $1,500. E. (9) $31.

A. Kirkland, Ellis & Rowe, 1776 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. Richard P. Kleeman, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

A. John J. Klocko III, 1701 Pennsylvania Avenue NW., Suite 210, Washington, D.C. 20006.
B. E. I. du Pont de Nemours & Co., 1007 Market Street, Wilmington, Del. 19898.
E. (9) $225.

A. Andrew Kneier, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,200.01.

A. Keith R. Knoblock, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $43.96. E. (9) $6.

A. Philip M. Knox, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $4,000. E. (9) $210.90.

A. Ruth E. Kobell.
B. The Farmers' Educational and Co-Operative Union of America, P.O. Box 39251, Denver, Colo.; 1012 14th Street NW., Washington, D.C.
D. (6) $2,464.63. E. (9) $109.80.

A. Bradley R. Koch, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $127.

A. George W. Koch, 1425 K Street NW., Suite 900, Washington, D.C. 20005.

B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

D. (6) $130.06.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $46.18.

A. Robert M. Koch, Jr., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $28.27.

A. Horace R. Kornegay, 1776 K Street NW., Suite 1200, Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $500. E. (9) $150.

A. John T. Korsmo, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.

D. (6) $500.

A. Paul A. Korody, Jr., 1725 I Street NW., Washington, D.C. 20006.

B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.

E. (9) $1,000.

A. Kenneth S. Kovack, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $5,806.02. E. (9) $987.44.

A. Michael Kowalsky, 575 Madison Avenue, New York, N.Y. 10022.

B. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

D. (6) $7,730.74. E. (9) $160.91.

A. Mylio S. Kraja, 1608 K Street NW., Washington, D.C.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.

D. (6) $6,695. E. (9) $778.87.

A. Amos Kramer, Kansas Petroleum Council, Eighth and Jackson Streets, Suite 1414, Topeka, Kans. 66612.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $376.25. E. (9) $412.28.

A. Stephen W. Kraus, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Lawrence E. Kreider, 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Richard W. Kreutzen, 1700 K Street NW., Washington, D.C. 20006.

B. Chevron Oil Co., subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.

D. (6) $750. E. (9) $239.

A. Homer L. Krout, 1605 North Johnson Street, Arlington, Va. 22201.

B. National Association of Theatre Owners, Inc., 1500 Broadway, Suite 2002, New York, N.Y. 10036.

D. (6) $1,500. E. (9) $23.52.

A. James S. Krzyminski, 1129 20th Street NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.

D. (6) $853. E. (9) $111.

A. Anthony L. Kucera, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

D. (6) $300.

A. Philip Kugler, 11 Dupont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $318.10.

A. Lloyd R. Kuhn, 1725 DeSales Street NW., Washington, D.C. 20036.

B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

D. (6) $9,120. E. (9) $1,167.41.

A. Thomas R. Kuhn, 1750 K Street NW., Suite 300, Washington, D.C.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $850. E. (9) $44.15.

A. George B. Kummer III, 299 Park Avenue, New York, N.Y. 10017.

B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.

D. (6) $125. E. (9) $114.

A. Daniel M. Kush, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.

A. Kyokuyo Co., Ltd., Suite 604, Central Building, 810 Third Avenue, Seattle, Wash. 98104.

E. (9) $49.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 20005; 11 South LaSalle Street, Chicago, Ill. 60603.

A. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

E. (9) $21,544.99.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $12,012. E. (9) $10,290.

A. Edward J. Lachowicz, Garfield House, Apt. 600, 2844 Wisconsin Avenue, Washington, D.C. 20007.

B. International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $105.

A. Philip A. Lacovara, 1660 L Street NW., Washington, D.C. 20036.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $1,431. E. (9) $30.

A. Sarah M. Laird, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $569.

A. David P. Lambert, 1701 K Street NW., Washington, D.C. 20006.

B. Health Insurance Association of America, Inc., 1701 K Street NW., Washington, D.C. 20006.

A. Harry J. Lambeth, 715 15th Street NW., Suite 700, Washington, D.C. 20005.

B. Council To Save the Post Card, Suite 700, 725 15th Street NW., Washington, D.C. 20005.

A. A. M. Lampley, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

E. (9) $200.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.

B. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Ray, Calif. 90291.

D. (6) $1,018.90. E. (9) $126.30.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.

B. Sportsmans Paradise Homeowners Association, P.O. Box 278, Blythe, Calif. 92225.

E. (9) $26.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.

B. Ad Hoc Coalition for Low & Moderate Income Housing, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $5,090.91.

A. Laurence F. Lane, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $460. E. (9) $110.39.

A. R. Josh Lanier, 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $2,437.50. E. (9) $160.

A. James J. LaPenta, Jr., 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

E. (9) $1,665.16.

A. Richard G. Larsen, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. Ernst & Ernst, 1225 Connecticut Avenue NW., Washington, D.C. 20036 (for Ling-Temco-Vought, Inc.), Washington, D.C. 20036.

E. (9) $35.60.

A. Reed E. Larson, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $133. E. (9) $10.

A. Glenn T. Lashley, D.C. Division, American Automobile Association, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22042.

A. Latham & Watkins, 555 South Flower Street, Los Angeles, Calif. 90071.

B. James L. Walker, S. T. Timmons, William Rapien and Russell K. Kendall, c/o 6315 Bandini, City of Industry, Calif. 90040.

D. (6) $60.

A. George H. Lawrence, 1515 Wilson Boulevard, Arlington, Va. 22209.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.

D. (6) $1,000. E. (9) $350.

A. Delmar Dale Lawson, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,050. E. (9) $126.

A. John H. Leach II, P.O. Box 11125, Santa Ana, Calif. 92711.

B. Let the People Be Heard Committee, P.O. Box 11125, Santa Ana, Calif. 92711.

D. (6) $982. E. (9) $1,582.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Robert W. Lee, 1028 Connecticut Avenue NW., No. 1004, Washington, D.C. 20036.

B. The John Birch Society, 395 Concord Avenue, Belmont, Mass. 02178.

A. Michael L. Lehrman, 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 for Aerospatiale, 37 Boulevard de Montmorency, 75016 Paris, France).

E. (9) $45.95.

A. Michael L. Lehrman, 3012 Cortland Place NW., Washington, D.C. 20008.

B. The Plessey Co., Ltd., Ilford, Essex, England.

A. Robert J. Leigh, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $314.62.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.

B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.

D. (6) $1,922. E. (9) $2,597.

A. Gilbert LeKander, 910 17th Street NW., Suite 501, Washington, D.C. 20006.

B. Montana Power Co., 40 East Broadway, Butte, Mont. 59701; Washington Water Power Co., P.O. Box 3727, Spokane, Wash. 99220.

D. (6) $450.

A. Nils A. Lennartson, 801 North Fairfax Street, Alexandria, Va. 22314.

B. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.

D. (6) $809.58.

A. Earl T. Leonard, Jr., P.O. Drawer 1734, Atlanta, Ga. 30301.

B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

D. (6) $714. E. (9) $847.47.

A. Herbert J. Lerner, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. Ernst & Ernst, 1225 Connecticut Avenue NW., Washington, D.C. 20036 (for Ling-Temco-Vought, Inc.).

A. Gilbert B. Lessenco, 2021 L Street NW., Washington, D.C. 20036.

B. General Mills, Inc., 9200 Wayzata Boulevard, Minneapolis, Minn. 55440.

D. (6) $1,500.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $400.

A. David Lewis, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Alvin Levin, 120 South Hanover Street, Carlisle, Pa. 17013.

D. (6). $182.60. E. (9) $226.86.

A. Fielding Lewis, 575 Madison Avenue, New York, N.Y.

B. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

D. (6) $8,480.78.

A. Robert G. Lewis.

B. The Farmers' Educational & Co-Operative Union of America, P.O. Box 39215, Denver, Colo.; 1012 14th Street NW., Washington, D.C.

D. (6) $1,587.70. E. (9) $83.41.

A. Ronald L. Leymeister, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $650. E. (9) $143.

A. Herbert Liebenson, 1225 19th Street NW., Washington, D.C. 20036.

B. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.

D. (6) $4,500. E. (9) $1,200.

A. Russell B. Light, 955 L'Enfant Plaza North SW., Washington, D.C.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $930. E. (9) $520.27.

A. Lester W. Lindow, 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

D. (6) $1.32.

A. Wendell G. Lindsay, Jr., 9181 Interline Avenue, Suite 310, Baton Rouge, La. 70809.

B. PVF, Inc., P.O. Box 1711, Baton Rouge, La. 70821.

D. (6) $1,729. E. (9) $123.79.

A. John E. Linster, 2000 Westwood Drive, Wausau, Wis. 54401.

B. Employers Insurance of Wausau, 2000 Westwood Drive, Wausau, Wis. 54401.

D. (6) $500.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. County of Baltimore, 111 West Chesapeake Avenue, Towson, Md. 21204.

D. (6) $1,200. E. (9) $37.66.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.

D. (6) $121.28. E. (9) $13.56.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Madison Gas & Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.

D. (6) $269.10. E. (9) $30.08.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. The Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill. 60611.

D. (6) $9,193.92. E. (9) $833.27.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. North States Power Co., 100 North Barstow Street, Eau Claire, Wis., 54701.

D. (6) $363.75. E. (9) $40.67

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Superior Water, Power & Light Co., 1230 Tower Avenue, Superior, Wis. 54880.

D. (6) $72.90. E. (9) $8.15.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wayne County Board of Commissioners, 706 City County Building, Detroit, Mich. 48226.

D. (6) $7,500. E. (9) $749.59.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wis. 53201.

D. (6) $885.45. E. (9) $98.99.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Michigan Power Co., 231 West Michigan, Milwaukee, Wis. 53201.

D. (6) $294.45. E. (9) $32.92.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Power & Light Co., Madison, Wis. 53701.

D. (6) $504.98. E. (9) $56.45.

A. Ron M. Linton, 1015 18th Street NW., Suite 200, Washington, D.C. 20036.

B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.

D. (6) $488.10. E. (9) $54.27.

A. Maxine Lipeles, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,319.34.

A. Charles B. Lipsen, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $1,000.

A. Charles B. Lipsen, 6414 Earlham Drive, Bethesda, Md. 20034.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $7,500. E. (9) $225.

A. Robert G. Litschert, 1140 Connecticut Avenue NW., Room 1010, Washington, D.C. 20036.

B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $129.51.

A. E. F. Livaudais, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90017.

D. (6) $200. E. (9) $200.

A. H. Richard Lloyd, Jr., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

D. (6) $19.

A. Harold D. Loden, 1030 15th Street NW., Washington, D.C.

B. American Seed Trade Association, 1030 15th Street NW., Washington, D.C.

D. (6) $700.

A. Nils A. Lofgren, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the U.S., Inc., 320 New Center Building, Detroit, Mich. 48202.

D. (6) $400.

A. Nellie L. Longsworth, Suite 906, 2101 L Street NW., Washington, D.C. 20037.

B. Preservation Action, 2101 L Street NW., Suite 906, Washington, D.C. 20037.

D. (6) $1,580.12. E. (9) $2,178.98.

A. Edward J. Lord, National Legislative Commission, 1608 K Street NW., Washington, D.C.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $3,747. E. (9) $87.75.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of America Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. James P. Low, 1101 16th Street NW., Washington, D.C. 20036.
B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. Herschel C. Loveless, 918 16th Street NW., No. 501, Washington, D.C. 20006.
B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.
D. (6) $731.50. E. (9) $731.50.

A. James F. Lovett, 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $600. E. (9) $200.

A. James Rowland Lowe, Jr., Alaskan Arctic Gas Pipeline Co., 1730 Pennsylvania Avenue NW., Suite 230, Washington, D.C. 20006.
B. Alaskan Arctic Gas Pipeline Co., P.O. Box 979, Alaska Mutual Bank Building, Anchorage, Alaska 99510.
D. (6) $6,600. E. (9) $150.

A. Gerald M. Lowrie, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $4,537.96.

A. Freddie H. Lucas, 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $300. E. (9) $265.21.

A. Charles Emmet Lucey, 1701 Pennsylvania Avenue NW., Suite 500, Washington, D.C. 20006.
B. Catholic Press Association, 432 Park Avenue South, New York, N.Y. 10016.
D. (6) $250. E. (9) $10.

A. Charles Emmet Lucey, 1701 Pennsylvania Avenue NW., Suite 500, Washington, D.C. 20006.
B. Massachusetts Co-operative Bank League, 225 Franklin Street, Boston, Mass. 02110.
D. (6) $50. E. (9) $5.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $2,275.

A. Milton F. Lunch, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund, United Technologies Corp., 1125 15th Street NW., Washington, D.C. 20005.
B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101.
D. (6) $7,500. E. (9) $505.13.

A. Lund, Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. The Consolidated Edison Co. of New York, Inc., 4 Irving Place, Room 208, New York, N.Y., 10003.

A. Lund, Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200. E. (9) $10.29.

A. Lund, Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.
D. (6) $600. E. (9) $54.97.

A. Lund, Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $120.

A. Lusk-Evans Ltd., 1730 North Lynn Street, Suite 400, Arlington, Va. 22209.

A. James H. Lynch, Jr., 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $6.165.60. E. (9) $11,114.39.

A. Richard Lyng, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, 1600 Wilson Boulevard, Arlington, Va.
D. (6) $500. E. (9) $16.

A. Timothy McCarthy, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the U.S., Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. James E. Mack, National Confectioners Association, 1225 19th Street NW., Washington, D.C. 20036.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $13,750. E. (9) $1,920.45.

A. James E. Mack, 1225 19th Street NW., Washington, D.C. 20036.
B. Peanut Butter Manufacturers & Nut Salters Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $8,749.98. E. (9) $1,022.35.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22101.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22101.
D. (6) $622.50. E. (9) $500.

A. Duncan H. Mackenzie, 3019 Goat Hill Road, Bel Air, Md. 21014.
D. (6) $180. E. (9) $210.40.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 East 35th Street New York, N.Y. 10016.
D. (6) $3,750. E.(9) $4,554.80.

A. J. Jerome Madden, Suite 1200, 1030 15th Street NW., Washington, D.C. 20005.
B. Eli Lilly & Co., 1030 15th Street NW., Washington, D.C. 20005.
D. (6) $7,000. E.(9) $450.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000. E.(9) $75.65.

A. John Mahoney, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,000. E. (9) $887.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 7th Street NW., Washington, D.C.
D. (6) $250. E.(9) $30.

A. Andre Maisonpierre, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill.
E. (9) $1,160.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 500 Twelfth Street SW., Washington, D.C. 20024.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $425. E. (9) $18.75.

A. Thomas M, Malone, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $1,192.04.

A. Ben J. Man, 400 First Street NW., Suite 700, Washington, D.C. 20001.
B. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Assoication, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.
D. (6) $1,981.98. E. (9) $278.94.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., 20036.
D. (6) $7,875. E. (9) $103.25.

A. Mike Manatos, 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45203.
D. (6) $40. E. (9) $158.43.

A. Preston Mangum, 1025 Connecticut Avenue NW., Suite 1206, Washington, D.C. 20036.
B. Enserch Corp., 301 South Harwood, Dallas, Tex. 75201.
D. (6) $1,920. E. (9) $893.51.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.
E. (9) $100.

A. Forbes Mann, 1155 15th Street NW., No. 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $2,500. E. (9) $550.

A.. Manufactured Housing Institute, P.O. Box 201, Chantilly, Va. 22021.
D. (6) $1,590.73. E. (9) $1,590.73.

A. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,000.

A. Dallace E. Marable, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,050. E. (9) $17.70.

A. March For Life. Inc., P.O. Box 2950, Washington, D.C. 20013.
D. (6) $6,617. E. (9) $11,123.69.

A. Cary Marcy, 122 Maryland Avenue NE., Washington, D.C. 20002.

B. American Committee on U.S.-Soviet Relations, 122 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $500. E. (9) $423.51.

A. Carl Marcy, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $3,000. E. (9) $80.80.

A. Carl M. Marcy, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. The United Nations University, 3932 Huntington Street NW., Washington, D.C. 20015.
D. (6) $2,000. E. (9) $110.36.

A. District No. 1, Pacific Coast District, Marine Engineers' Beneficial Association, AFL–CIO, 17 Battery Place, New York, N.Y. 10004.
E. (9) $9,186.26.

A. Thomas P. Marinis, Jr., 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for Waterwood Improvement Association, 4400 East Broadway Boulevard, Box 5626, Tucson, Ariz. 85703).
E. (9) $15.94.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $800. E. (9) $287.04.

A. Rodney W. Markley, Jr., Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.

A. Matthew J. Marks, Prather, Seeger, Doolittle, Farmer & Ewing, 1101 16th Street NW., Washington, D.C. 20036.
B. Heterochemical Corp., 111 East Hawthorne Avenue, Valley Stream, Long Island, N.Y. 11580.
E. (9) $50.

A. Ralph J. Marlatt, 1511 K Street NW., Washington, D.C. 20005.
B. National Association of Mutual Insurance Agents, 1511 K Street NW., Washington, D.C. 20005.
E. (9) $1,600.

A. Dan V. Maroney, Jr., 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Jeremiah Marsh, 1 First National Plaza, Suite 5200, Chicago, Ill. 60603.
B. Union Bank of Bavaria, 1 First National Plaza, Suite 4454, Chicago, Ill. 60603.
D. (6) $4,000. E. (9) $308.91.

A. M&I Marshall & Ilsley Bank, 770 North Water Street, Milwaukee, Wis. 53202.
D. (6) $1,000. E. (9) $320.60.

A. J. Paul Marshall, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $572.34. E. (9) $602.65.

A. John B. Martin, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $560. E. (9) $5.

A. Katherine E. Martin, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $756.83. E. (9) $60.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $500. E. (9) $200.

A. Steven A. Martindale, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $925.

A. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $12.55.

A. Maryland State Fair & Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.
E. (9) $97.91.

A. Mike M. Masaoka, Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. American Japanese Trade Committee, Suite 520, 900 17th Street NW., Washington, D.C. 20006.

A. Mike M. Masaoka, Association on Japanese Textile Imports, Inc., Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Mike M. Masaoka, Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.
B. Nisei Lobby, Suite 520, Farragut Building, 900 17th Street NW., Washington, D.C. 20006.

A. Mike M. Masaoka, Masaoka-Ishikawa & Associates, Inc., Suite 520, 900 17th Street NW., Washington, D.C. 20006.
B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
D. (6) $500.

A. Paul J. Mason, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Cliff Massa III, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. David Masselli, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. P. H. Mathews, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $2,221.80. E. (9) $747.93.

A. Robert A. Matthews, 801 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $404.79.

A. Charles E. Mattingly, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $5,043. E. (9) $115.

A. C. V. and R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.
B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. C. V. and R. V. Maudlin, 1111 E Street NW., Washington, D.C. 20004.
B. Joint Government Liaison Committee, 1111 E Street NW., Washington, D.C. 20004.
D. (6) $620. E. (9) $207.

A. Anthony F. Mauriello, New York State Petroleum Council, 551 Fifth Avenue, New York, N.Y. 10017.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Thomas H. Maxedon, Kentucky Petroleum Council, 4010 Dupont Circle, Suite 469, Louisville, Ky. 40207.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $171.60. E. (9) $54.06.

A. Robert E. May, 2341 Jefferson Davis Highway, Suite 736, Arlington, Va. 22202.
B. Interamerican Marketing Association, Inc., 2341 Jefferson Davis Highway, Suite 736, Arlington, Va. 22202.
D. (6) $1,000. E. (9) $144.15.

A. Arnold Mayer, 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.
B. Amalgamated Meat Cutters & Butcher Workmen of North America, AFL–CIO, 2800 North Sheridan Road, Chicago, Ill. 60657.
D. (6) $7,878. E. (9) $710.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Encyclopaedia Britannica, 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. L. M. Williams and Clayton Burch families, c/o Continental Illinois National Bank & Trust Co., 231 South LaSalle Street, Chicago, Ill. 60693.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. Santee River Cypress Lumber Co. & Beidler Owners, Suite 1354, 222 West Adams Street, Chicago, Ill. 60606.

A. H. Wesley McAden, Cook Industries, Inc., 1707 L Street NW., Washington, D.C. 20036.
B. Cook Industries, Inc., 2185 Democrat Road, Memphis, Tenn. 38116.
D. (6) $1,500.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Armco Steel Corp., Suite 419, 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $360. E. (9) $128.

A. F. Stephen McArthur, 1341 G Street, No. 908, Washington, D.C. 20005.
B. American Israel Public Affairs Committee, 1341 G Street, No. 908, Washington, D.C. 20005.
D. (6) $3,499.98.

A. William J. McAuliffe, Jr., 1828 L Street NW., Suite 303, Washington, D.C. 20036.

B. American Land Title Association, 1828 L Street NW., Suite 303, Washington, D.C. 20036.

A. Ann McBride, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,500.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. John A. McCart, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,182.51.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
E. (9) $45.84.

A. McClure & Trotter, 1100 Connecticut Avenue, Suite 600, Washington, D.C. 20036.
B. Cities Service Co., Box 300, Tulsa, Okla. 74102.
E. (9) $57.01.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.
E. (9) $31.37.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Gulf & Western Industries, Inc., 1 Gulf & Western Plaza, New York, N.Y. 10023.
E. (9) $227.26.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
E. (9) $190.97.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Montgomery Coca-Cola Bottling Co., Inc., North Perry Street and Jefferson Street., Montgomery, Ala. 35102.
D. (6) $371.06. E. (9) $3.38.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Quaker State Oil Refining Corp., Oil City, Pa. 16307.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Alfred P. Slaner, 640 Fifth Avenue, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Tidewater Marine Service, Inc., 3308 Tulane Avenue, New Orleans, La. 70110.
E. (9) $25.32.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. United Artists Corp., 729 Seventh Avenue, New York, N.Y. 10019.
E. (9) $32.96.

A. Richard M. M. McConnell, 1156 15th Street NW., Suite 315, Washington, D.C. 20005.
B. National Association of Federal Credit Unions, 1156 15th Street NW., Suite 315, Washington, D.C. 20005.
D. (6) $300. E. (9) $74.10.

A. Wayne McCormack, Suite 370, 1 Dupont Circle NW., Washington, D.C. 20036.
B. Association of American Law Schools, Suite 370, 1 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $1,000.

A. John L. McCormick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,833.33.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 400 First Street NW., Suite 819, Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio.
D. (6) $284.60. E. (9) $81.50.

A. D. McCurrach, 1500 Wilson Boulevard, No. 609., Arlington, Va. 22209.
B. National School Supply & Equipment, Association, 1500 Wilson Boulevard, Arlington, Va. 22209.

A. Albert L. McDermott, American Hotel & Motel Association, 777 14th Street NW., Washington, D.C. 20005.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $546.83. E. (9) $219.92.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. The First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Iowa Beef Processors, Inc., Dakota City, Nebr.
D. (6) $1,519.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,575. E. (9) $5.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.
D. (6) $3,580. E. (9) $208.99.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Sears, Roebuck & Co., Sears Tower; Chicago, Ill. 60684.
E. (9) $58.07.

A. Francis O. McDermott, 1750 K Street NW., Suite 1110, Washington, D.C. 20006.
B. Trustees under will of Warren Wright, c/o First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.

A. Jack McDonald, 6845 Elm Street, McLean, Va.
B. Jack McDonald Associates, 6845 Elm Street, McLean, Va. (for Lear Siegler, 3171 South Bundy Drive, Santa Monica, Calif. 90406).
D. (6) $1,500.

A. Jack McDonald Associates, 6845 Elm Street, Suite 512, McLean, Va.
B. Lear Siegler, 3171 South Bundy Drive, Santa Monica, Calif. 90406.
D. (6) $6,000. E. (9) $3,225.

A. James McDonald, 6845 Elm Street, McLean, Va. 22101.
B. Jack McDonald Associates, 6845 Elm Street, McLean, Va. 22101 (for Lear Siegler, 3171 South Bundy Drive, Santa Monica, Calif. 90406).
D. (6) $1,500.

A. Michael D. McDonald, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $200. E. (9) $150.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $56.06.

A. Michael B. McFarland, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $525. E. (9) $144.26.

A. Linda S. McFarlin, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
D. (6) $400.

A. J. Raymond McGlaughlin, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $8,637.60.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,377.80. E. (9) $723.55.

A. Gordon McGowan, Highwood, Mont. 59450.
B. Montana Railroad Association, Box 1172, Helena, Mont. 59601.

A. Clarence M. McIntosh, Jr., 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $952.75.

A. James D. McKevitt, 490 L'Enfant Plaza East, Suite 3206, Washington, D.C. 20024.
B. National Association of Women's & Children's Apparel Salesmen (NAWCAS), 515 Peachtree-Palisades Building, Atlanta, Ga. 30309.
D. (6) $2,000. E. (9) $757.49.

A. James D. McKevitt, 490 L'Enfant Plaza East, Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 250 West 20th Avenue, San Mateo, Calif. 94403.
D. (6) $8,277.16. E. (9) $729.96.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Suite 511, Washington, D.C. 20002.

B. National Headquarters, Marine Corps League, 933 North Kenmore Street, Suite 321, Arlington, Va. 22201.

E. (9) $23.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Suite 511, Washington, D.C. 20002.

B. Non-Commissioned Officers Association of the U.S.A. (NCOA), P.O. Box 2268, San Antonio, Tex. 78298.
D. (6) $4,916.85. E. (9) $5,694.70.

A. Dianne McLaughlin, 810 18th Street NW., Washington, D.C. 20006.

B. American League of Anglers, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $1,850.47. E. (9) $20.39.

A. John S. McLees, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the U.S.A., 1615 H Street NW., Washington, D.C. 20062.
E. (9) $250.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,500.

A. Ralph J. McNair, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Margaret E. McNamara, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,258.16. E. (9) $80.80.

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. American Dredging Co., 12 South 12th Street, Philadelphia, Pa. 19107.
D. (6) $19,333.31. E. (9) $2,972.32.

A. McNutt, Dudley, Easterwood & Losch, 910 17th Street NW., Washington, D.C. 20006.
B. Republic of Turkey, 1606 23d Street NW., Washington, D.C.
D. (6) $6,300. E. (9) $439.46.

A. Harry McPerson, Suite 1100, 1660 L Street NW., Washington, D.C. 20036.
B. Small Producers for Energy Independence, Suite 970, 4th Financial Center, Wichita, Kans. 67202.
D. (6) $6,650. E. (9) $150.

A. George G. Mead, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,535.53.

A. Carl J. Megel, 11 DuPont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.
D. (6) $7,000. E. (9) $215.

A. William H. Megonnel, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Co., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $342. E. (9) $23.78.

A. Richard A. Mehler, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.

A. Louis L. Meier, Jr., 1625 I Street NW., Washington, D.C. 20006.
B. American Society of Civil Engineers, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $300. E. (9) $1,035.78.

A. Kenneth A. Meiklejohn, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,567.

A. R. Otto Meletzke, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,220. E. (9) $620.

A. Marilee Menard, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $600.

A. Faye L. Mench, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $124.50.

A. Jeffrey M. Menick, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Ellis E. Meredith, 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Edward L. Merrigan, 888 17th Street NW., Washington, D.C. 20006.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $9,375. E. (9) $1,018.24.

A. Edward L. Merrigan, Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.
B. Riviana Foods, Inc., P.O. Box 2636, Houston, Tex. 77001.
D. (6) $9,350. E. (9) $163.21.

A. John A. Merrigan, Suite 1100, 1660 L Street NW., Washington, D.C. 20036.
B. Small Producers for Energy Independence, Suite 970, 4th Financial Center, Wichita, Kans. 67202.
D. (6) $4,500. E. (9) $50.

A. Lawrence C. Merthan, The Carpet and Rug Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Carpet and Rug Institute, Dalton, Ga. 30720.
D. (6) $1,420. E. (9) $139.25.

A. Marc Messing, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $375.

A. Nancy S. Metler, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $43.50. E. (9) $1.32.

A. Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.

A. George F. Meyer, Jr., 1625 I Street NW., Washington, D.C. 20006.
B. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $533.

A. Samuel S. Michaels, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $4,000.

A. James G. Michaux, 1801 K Street NW., Washington, D.C. 20006.
B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Ronald Michieli, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,000.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $2,003.20. E. (9) $2,021.74.

A. Roy H. Millenson, 1707 L Street NW., Room 480, Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
D. (6) $1,450. E. (9) $130.

A. A. Stanley Miller, 910 16th Street NW., Room 302, Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $100.

A. Miller, Cassidy, Larroca & Lewin, 2555 M Street NW., Washington, D.C. 20037.
B. Alaska Federation of Natives, International, 1333 Queen Ann Avenue North, Seattle, Wash. 98109.

A. Miller, Cassidy, Larroca & Lewin, 2555 M Street NW., Washington, D.C. 20037.
B. American Motors Corp., 14250 Plymouth Road, Detroit, Mich. 48232.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investors Diversified Services, Inc., IDS Tower, Minneapolis, Minn. 55402.
D. (6) $6,625. E. (9) $198.26.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lockheed Aircraft Corp., Burbank, Calif. 91503.
D. (6) $9,510.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pacific Lighting Corp., Box 60043, Terminal Annex, Los Angeles, Calif. 90054.
D. (6) $1,450.

A. Miller & Chevalier, 1700, Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Sperry and Hutchinson Co., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $600.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Gulf Intracoastal Canal Association, Houston, Tex.
D. (6) $262.50. E. (9) $29.54.

A. Dale Miller, 377 Mayflower Hotel, Washington, D.C. 20036.
B. Texasgulf, Inc., New York, N.Y.
D. (6) $375. E. (9) $400.33.

A. Edwin Reid Miller, Union Pacific Building, 1416 Dodge Street, Omaha, Nebr. 68179.
B. Nebraska Railroad Association, Union Pacific Building, 1416 Dodge Street, Omaha, Nebr. 68179.
D. (6) $7,755. E. (9) $63.54.

A. Joe D. Miller, 535 North Dearborn Street, Chicago, Ill. 60610.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $875.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.

B. MEBA Political Action Fund, 17 Battery Place, New York, N.Y. 10004.

D. (6) $3,000. E. (9) $1,565.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.

B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.

B. O. & C. Counties Association, Douglas County Court House, Roseburg, Oreg.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.

B. Port of Portland, Box 3529, Portland, Oreg. 97208.

D. (6) $600.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.

B. Western Forest Industries Association, 1500 Southwest Taylor Street, Portland, Oreg. 97205.

D. (6) $1,500. E. (9) $86.50.

A. Luman G. Miller, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

B. Oregon Railroad Association, 620 Southwest Fifth Avenue Building, Suite 912, Portland, Oreg. 97204.

E. (9) $1,828.27.

A. Paul J. Miller, 8000 Sears Tower, Chicago, Ill. 60606.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Robert C. Miller, 2818 Congreve Avenue, Cincinnati, Ohio 45213.

D. (6) $24.67. E. (9) $24.67.

A. John F. Mills, 1776 K Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1776 K Street NW., Washington, D.C. 20006.

D. (6) $3,000. E. (9) $300.

A. Linda Mills, 1629 K Street NW., Suite 403, Washington, D.C. 20006.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

D. (6) $185. E. (9) $400.

A. William E. Minshall, 1730 M Street NW., Suite 905, Washington, D.C. 20036.

B. Werner G. Smith, Inc., 1730 Train Avenue, Cleveland, Ohio 44113.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1735 I Street NW., Washington, D.C. 20006.

B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.

E. (9) $383.

A. Phillip W. Moery, 1110 Marion Drive, Wynne, Ark. 72396.

B. Riviana Foods, Inc., 2777 Allen Parkway, Houston, Tex. 77019.

A. Graham T. T. Molitor, 1629 K Street, NW., Suite 403, Washington, D.C. 20006.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

D. (6) $131.55. E. (9) $760.08.

A. John S. Monagan, Suite 1010, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Benrus Corp., Benrus Center, Ridgefield, Conn. 06877.

A. John S. Monagan, Whitman & Ransom, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Chester Bank, Chester, Conn. 06411; The Chester Savings Bank, Chester, Conn. 06412.

E. (9) $54.27.

A. John S. Monagan, Whitman & Ransom, 1730 Pennsylvania Avenue NW., Suite 1010, Washington, D.C. 20006.

B. Connecticut Bankers Association, 100 Constitution Plaza, Hartford, Conn. 06103.

D. (6) $1,286. E. (9) $121.61.

A. Montgomery Ward & Co., Inc., 1101 15th Street NW., No. 205, Washington, D.C. 20005.

B. Montgomery Ward & Co., Inc., 535 West Chicago Avenue, Chicago, Ill. 60610.

D. (6) $754.50. E. (9) $150.

A. G. Merrill Moody, Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $167.37. E. (9) $259.73

A. O. William Moody, Jr., 815 16th Street NW., Room 510, Washington, D.C. 20006.

B. Maritime Trades Department, AFL-CIO, 815 16th Street NW., Room 510, Washington, D.C. 20006.

D. (6) $2,500. E. (9) $995.20.

A. Alan J. Moore, The Atchison, Topeka and Santa Fe Railway Co., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Atchison, Topeka and Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.

D. (6) $1,500. E. (9) $300.

A. Moore-McCormack Resources, Inc., 1 Landmark Square, Stamford, Conn. 06901.

E. (9) $1,223.50.

A. Powell A. Moore, 1155 15th Street NW., Washington, D.C. 20005.

B. Associated Gas Distributors, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $125.

A. E. Joyce Morgan, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Earl J. Morgan, 1150 17th Street NW., Washington, D.C. 20036.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

D. (6) $750. E. (9) $343.

A. Morison, Murphy, Abrams & Haddock, 1776 K Street NW., Suite 900, Washington, D.C. 20006.

B. The Sperry & Hutchinson Co., 330 Madison Avenue, New York, N.Y.

A. Morris Associates, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., Washington, D.C. 20007.

D. (6) $12,559.50. E. (9) $14,606.04.

A. Alan B. Morrison, Public Citizen, Inc., Suite 700, 2000 P Street NW., Washington, D.C. 20036.

B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.

D. (6) $1,045. E. (9) $1,045.

A. James A. Morrissey, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Suite 2124, 400 Tryon Street, Charlotte, N.C. 28285.

D. (6) $1,000. E. (9) $71.

A. Jack Moskowitz, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $8,100. E. (9) $125.25.

A. Lynn E. Mote, Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $2,000.

A. John J. Motley, 490 L'Enfant Plaza East, SW., Suite 3206, Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East, SW., Suite 3206, Washington, D.C. 20024.

D. (6) $2,250. E. (9) $480.

A. Karen Mulhauser, 706 Seventh Street SE., Washington, D.C. 20003.

B. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.

D. (6) $464.

A. Robert M. Mulligan, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Mfrs. & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Mullin, Connor and Rhyne, 1000 Connecticut Avenue, Washington, D.C. 20036.

B. Alberto de la Vega-Ripol, 804 Garching, Konigsbergerstr. 2, West Germany.

D. (6) $907.02. E. (9) $602.02.

A. Daniel J. Mundy, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

B. Building and Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

D. (6) $7,124.91. E. (9) $5,548.05.

A. Beverly J. Murphy, 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $220.

A. Richard E. Murphy, 900 17th Street NW., Washington, D.C. 20006.

B. Service Employees International Union, AFL-CIO, 900 17th Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. William T. Murphy, Jr., 1515 Wilson Boulevard, Arlington, Va.

B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va.

D. (6) $2,550. E. (9) $400.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 842, Washington, D.C. 20036.

B. Chicago, Milwaukee, St. Paul and Pacific R.R., 516 West Jackson Boulevard, Chicago, Ill. 60606.

D. (6) $200. E. (9) $82.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 842, Washington, D.C. 20036.

B. The Cleveland Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.

D. (6) $100. E. (9) $55.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 842, Washington, D.C. 20036.

B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.

D. (6) $100. E. (9) $70.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 842, Washington, D.C. 20036.

B. Iron Ore Lessors Association, Inc., 1500

First National Bank Building, St. Paul, Minn. 55101.
D. (6) $100.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 842, Washington, D.C. 20036.
B. National Association of Industrial Parks, 1800 North Kent Street, Arlington, Va. 22209.
D. (6) $200. E. (9) $84.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 842, Washington, D.C.
B. National Council of Coal Lessors, 1130 17th Street NW., Washington, D.C.
D. (6) $100. E. (9) $48.

A. D. Michael Murray, 1120 Connecticut Avenue, No. 842, Washington, D.C. 20036.
B. United Service Organization, 237 East 52d Street, New York, N.Y. 10022.
D. (6) $100. E. $41.

A. William E. Murray, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $160.

A. Thomas H. Mutchler, 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $300. E. (9) $30.

A. Harold D. Muth, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $300.

A. Lawrence P. Mutter, 6849 Old Dominion Drive, McLean, Va. 22101.
B. Automotive Parts Rebuilders Association, 6849 Old Dominion Drive, McLean, Va. 22101.

A. Fred J. Mutz, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $750. E. (9) $85.

A. Gary D. Myers, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $247.45.

A. J. Walter Myers, Jr., 4 Executive Park East, NE., Atlanta, Ga. 30329.
B. Forest Farmers Association, 4 Executive Park East, NE., Atlanta, Ga. 30329.
D. (6) $91. E. (9) $195.18.

A. William T. Nachbaur, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif. 94104.
D. (6) $400. E. (9) $150.

A. Kenneth D. Naden, 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $2,438. E. (9) $134.

A. Naman, Howell, Smith & Chase, Texas Center, Waco, Tex. 76701.
B. Our Land, Our Lives, a Coalition for Human Rights, P.O. Box 1000, Gatesville, Tex. 76528.
D. (6) $3,495.09. E. (9) $1,529.06.

A. John J. Nangle, 1625 I Street NW., Suite 1001, Washington, D.C. 20006.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $500.

A. National Abortion Rights Action League, 706 Seventh Street SE., Washington, D.C. 20003.
D. (6) $56,801. E. (9) $13,312.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.

A. National Air Carrier Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $1,330. E. (9) $1,330.

A. National Association for Free Enterprise, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. National Association for Humane Legislation, Inc., 675 Pinellas Point Drive South, St. Petersburg, Fla. 33705.
D. (6) $182. E. (9) $5.

A. National Association of Electric Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.
D. (6) $6,674.95. E. (9) $14,874.21.

A. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.
D. (6) $450. E. (9) $450.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $1,750. E. (9) $1,230.

A. National Association of Home Manufacturers, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $100. E. (9) $100.

A. National Association of Independent Lumbermen, 1050 17th Street NW., 12th Floor, Washington, D.C. 20036.
D. (6) $25,066.45. E. (9) $26,795.79.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,468,715.35. E. (9) $94,238.74.

A. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $59,289.93. E. (9) $59,289.93.

A. National Association of Mutual Insurance Cos., 2511 East 46th Street, Suite H, Indianapolis, Ind. 46205.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $7,933.90. E. (9) $7,933.90.

A. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $4,523.96. E. (9) $4,523.96.

A. National Association of Realtors, 155 East Superior Street, Chicago, Ill.; 925 15th Street NW., Washington, D.C.
E. (9) $22,425.73.

A. National Association of Wheat Growers, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
D. (6) $22,513.16. E. (9) $7,089.89.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.
D. (6) $23,370.63. E. (9) $3,971.80.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $1,650. E. (9) $1,650.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $752,647.92. E. (9) $3,996.99.

A. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $2,692.25. E. (9) $3,891.30.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Washington, D.C. 20036.
D. (6) $229,118.30. E. (9) $11,028.22.

A. National Committee for Research in Neurological and Communicative Disorders, 927 National Press Building, Washington, D.C. 20045.
D. (6) $10,000. E. (9) $9,838.66.

A. National Committee on Locks & Dam 26, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $39,500. E. (9) $18,720.70.

A. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
E. (9) $340.

A. National Cotton Council of America, P.O. Box 12285, Memphis Tenn.
D. (6) $19,302.99. E. (9) $19,302.99.

A. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $515. E. (9) $750.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.
D. (6) $5,953.19. E. (9) $5,966.79.

A. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C. 20036.
D. (6) $83,457. E. (9) $101,034.

A. National Council To Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $22,679.02. E. (9) $24,938.11.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Belco Petroleum Corp., 1 Dag Hammarskjold Plaza, New York, N.Y.
D. (6) $9,333.33. E. (9) 630.04.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Domestic Wildcatters Association, 900 First National Bank Building, Houston, Tex. 77002.
D. (6) $15,000. E. (9) $581.59.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Electronic Memories & Magnetics, 1880 Century Park East, Los Angeles, Calif. 90067.
D. (6) $750. E. (9) $41.07.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Western Railroad Association, 222 South Riverside Plaza, Chicago, Ill. 60606.
D. (6) $5,000. E. (9) $629.59.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Zimmer, Egge & Sisk, Suite 220, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $5,250. E. (9) $335.19.

A. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y. 10017.
D. (6) $566.22. E. (9) $566.22.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $398,272.10. E. (9) $27,805.09.

A. National Federation of Independent

Business, 490 L'Enfant Plaza SW., Washington, D.C. 20024.

B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.

D. (6) $32,513. E. (9) $32,513.

A. National Franchise Association Coalition, 242 North Wolf Road, P.O. Box 773E, Wheeling, Ill. 60090.

D. (6) $8,750. E. (9) $7,860.94.

A. National Grain & Feed Association, 725 15th Street, P.O. Box 28328, Washington, D.C. 20005.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) $5,100. E. (9) $1,538.21.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

E. (9) $583.55.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

D. (6) $8,847.07. E. (9) $8,847.07.

A. National Livestock Feeders Association, Inc., 309 Livestock Exchange Building, Omaha, Nebr. 68107.

D. (6) $9,535. E. (9) $9,535.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $4,897.51. E. (9) $4,897.51.

A. National Motorsports Committee of Accus, Suite 302, 1725 K Street NW., Washington, D.C. 20006.

E. (9) $1,813.28.

A. National Oil Jobbers Council, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) $112,118.34. E. (9) $24,786.56.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

E. (9) $2,040.

A. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $4,561. E. (9) $4,561.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

E. (9) $4,179.63.

A. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

D. (6) $5,250. E. (9) $2,152.

A. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.

E. (9) $1,937.66.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $12,500. E. (9) $11,600.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) $1,232.10.

A. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

E. (9) $1,409.62.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

D. (6) $275.20. E. (9) $275.20.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill. 60201.

D. (6) $1,202.75. E. $1,864.53.

A. Alexander W. Neale, Jr., 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $4,562. E. (9) $1,424.18.

A. Alan M. Nedry, 1801 K Street NW., No. 1041, Washington, D.C. 20006.

B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.

D. (6) $250. E. (9) $176.43.

A. Allen Neece, Jr., 512 Washington Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.

D. (6) $1,500.

A. Frances E. Neely, 245 Second Street NE., Washington, D.C.

B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.

D. (6) $2,541.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.

B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.

D. (6) $750. E. (9) $500.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.

B. International Leather Goods, Plastics & Novelty Workers' Union, 265 West 14th Street, New York, N.Y. 10011.

D. (6) $250. E. (9) $225.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.

B. The National Handbag Association, 350 Fifth Avenue, New York, N.Y. 10016.

D. (6) $250. E. (9) $225.

A. George R. Nelson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $4,000. E. (9) $152.90.

A. Robert W. Nelson, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $160.

A. Network, 224 D Street, SE., Washington, D.C. 20003.

D. (6) $8,455.95. E. (9) $3,262.27.

A. William E. Neumeyer, Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. GTE Service Corp., 1 Stamford Forum, Stamford, Conn. 06904.

D. (6) $140. E. (9) $87.

A. Robert B. Neville, 1155 15th Street NW., Suite 505, Washington, D.C. 20005.

B. National Restaurant Association, 1155 15th Street NW., Washington, D.C.; 1 IBM Plaza, Suite 2600, Chicago, Ill.

D. (6) $2,120. E. (9) $36.38.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $2,562.50. E. (9) $2,043.76.

A. John A. Nevius, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. District of Columbia Bankers Association, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $2,926.50. E. (9) $1,718.37.

A. E. J. Newbould, 1130 17th Street NW., Washington, D.C. 20036.

B. National Clay Pipe Institute (NCPI), P.O. Box 310, Crystal Lake, Ill. 60014.

D. (6) $100.

A. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.

E. (9) $22,076.

A. Charles E. Nichols, 101 Constitution Avenue, Washington, D.C. 20001.

B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.

D. (6) $600. E. (9) $453.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.

B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $2,325. E. (9) $578.

A. Patrick J. Nilan, 817 14th Street NW., Washington, D.C. 20005.

B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C.

D. (6) $11,285.20. E. (9) $3,844.57.

A. NL Industries, Inc., 1221 Avenue of the Americas, New York, N.Y. 10020.

E. (9) $2,197.

A. Charles M. Noone, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Small Business Investment Co., 512 Washington Building, Washington, D.C. 20005.

D. (6) $1,500. E. (9) $465.54.

A. Carl A. Nordberg, Jr., 1701 Pennsylvania Avenue NW., No. 500, Washington, D.C. 20006.

B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48231.

A. Carl A. Nordberg, Jr., 1701 Pennsylvania Avenue NW., No. 500, Washington, D.C. 20006.

B. Dana Corp., P.O. Box 1000, Toledo, Ohio 48697.

A. Carl A. Nordberg, Jr., 1701 Pennsylvania Avenue NW., No. 500, Washington, D.C. 20006.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Carl A. Nordberg, Jr., 1701 Pennsylvania Avenue NW., No. 500, Washington, D.C. 20006.

B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.

D. (6) $350. E. (9) $30.

A. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.

E. (9) $520.

A. Richard B. Norment IV, 2 Militia Drive, Lexington, Mass. 02173.

B. National Association of Manufacturers, 1776 F Street, NW., Washington, D.C. 20006.

D. (6) $475.

A. North American Telephone Association, Inc., 1130 15th Street NW., Washington, D.C. 20005.

D. (6) $5,500. E.(9) $5,536.27.

A. Robert H. North, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington D.C. 20006.
E. (9) $184.43.

A. Robert B. Norris, 1000 16th Street NW., Washington, D.C. 20036.
B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $200.

A. Victor L. Nutt, 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.
B. Gulf+Western Industries, Inc., 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.
D. (6) $400.

A. Seward P. Nyman, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
D. (6) $650.

A. Coleman C. O'Brien, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,500. E. (9) $67.55.

A. John F. O'Brien, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $400. E. (9) $188.10.

A. Raymond V. O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $32. E. (9) $3.50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Alleghany Corp., New York, N.Y.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
D. (6) $3,500. E. (9) $215.90.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $212.32.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Automotive Parts & Accessories Association, Inc., 1730 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $12.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Board of Water Commissioners, City and County of Denver, State of Colorado, 144 W. Colfax Avenue, Denver, Colo. 80202.
D. (6) $6,291.25. E. (9) $411.91.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Condren, Walker & Co., Inc., 9 West 57th Street, New York, N.Y. 10019.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.
D. (6) $1,125. E. (9) $414.19.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Investors Diversified Services, Inc., Suite 2900, IDS Tower, Minneapolis, Minn. 55402.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Lehigh Coal & Navigation Co., Minneapolis, Minn.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Minneapolis City Council, 307 City Hall, Minneapolis, Minn. 55415.
D. (6) $6,692.50. E. (9) $367.59.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. National Association of Church & Institutional Financing Organizations, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
D. (6) $350. E. (9) $129.10.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., No. 600, Washington, D.C. 20006.
B. National Hockey League, 2 Pennsylvania Plaza, New York, N.Y. 10001.
D. (6) $1,000. E. (9) $50.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Suite 600, Washington, D.C. 20006.
B. Upper Mississippi Waterway Association, 1200 Northstar Center, Minneapolis, Minn. 55402.
D. (6) $2,625.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. John B. O'Day, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.
B. Insurance Economics Society of America, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.
D. (6) $600.

A. Robert C. Odle, Jr., 1620 I Street NW., Suite 700, Washington D.C. 20006.
B. International Paper Co., 1620 I Street, NW., Suite 700, Washington, D.C. 20006.
D. (6) $400. E. (9) $100.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., No. 716, Washington, D.C. 20036.
B. Philippine Sugar Institute.
D. (6) $3,000. E. (9) $250.

A. Patrick E. O'Donnell, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $125. E. (9) $75.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C.
D. (6) $750. E. (9) $170.50.

A. Jane O'Grady, Amalgamated Clothing & Textile Workers Union, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Amalgamated Clothing & Textile Workers Union, AFL–CIO, 15 Union Square, New York, N.Y. 10003.
D. (6) $5,894.98 E. (9) $345.25.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $6,249.99.

A. Richard C. O'Hare, 1120 Investment Building, Washington, D.C. 20005.
B. Harness Tracks of America, 333 North Michigan Avenue, Chicago, Ill. 60601.

A. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio 43215.

A. Robert Spencer O'Leary, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,000.01 E. (9) $171.55.

A. Alvin E. Oliver, 725 15th Street NW., Room 500, Washington, D.C. 20005.
B. National Grain & Feed Association, P.O. Box 28328, Washington, D.C. 20005.
D. (6) $38.78. E. (9) $2.50.

A. Edward W. Oliver, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. William P. Oliver, Jr., 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Gas Appliance Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $870.

A. Nancy J. Olson, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $100. E. (9) $150.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. George C. P. Olsson, 25 Clifford Road, Plymouth, Mass. 02360.
B. Ocean Spray Cranberries, Inc., Hanson, Mass. 02341.
D. (6) $337.50.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
E. (9) $24.01.

A. Dudley L. O'Neal, Jr., National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 155 East Superior Street, Chicago, Ill. 60611.
D. (6) $6,500. E. (9) $350.45.

A. Charles T. O'Neill, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,000. E. (9) $445.75.

A. Joseph G. O'Neill, 1620 I Street NW., Washington, D.C. 20006.

B. The Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass. 02138.

D. (6) $750.

A. Charles J. Orasin, 810 18th Street NW., Washington, D.C. 20006.

B. National Council To Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $2,769.28.

A. Organization of Professional Employees of the Department of Agriculture (OPEDA), Room 1247, South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

D. (6) $3,907.59. E. (9) $3,086.27.

A. Edward R. Osann, 1321 South Carolina Avenue SE., No. 3, Washington, D.C. 20003.

B. Save the Dunes Council, Inc., P.O. Box 863, Chesterton, Ind. 46304.

D. (6) $900. E. (9) $737.44.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $5,877.78. E. (9) $886.35.

A. Paul M. Ostergard, 1 River Road, Building 41-219, Schenectady, N.Y. 12345.

B. General Electric Co., 1 River Road, Schenectady, N.Y. 12345.

A. Our Land, Our Lives, a Coalition for Human Rights, P.O. Box 1000, Gatesville, Tex. 76528.

D. (6) $1,977.75. E. (9) $12,892.37.

A. Ronald B. Outen, Room 706, 917 15th Street NW., Washington, D.C. 20005.

B. NRDC Environmental Lobby, Inc., Room 706, 917 15th Street NW., Washington, D.C. 20005.

D. (6) $3,250.

A. J. Allen Overton, Jr., 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $1,004.15. E. (9) $64.50.

A. Juris Padegs, 345 Park Avenue, New York, N.Y. 10022.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.

B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. William G. Painter, 317 Pennsylvania Avenue SE., Washington, D.C.

B. American Rivers Conservation Council, 317 Pennsylvania Avenue SE., Washington, D.C.

D. (6) $1,400.

A. Frederick Panzer, 1776 K Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1776 K Street NW., Suite 1200, Washington, D.C. 20006.

D. (6) $490. E. (9) $180.

A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Lew M. Paramore, Box 1160, Kansas City, Kans. 66117.

B. Mo-Ark Basins Flood Control & Conservation Association, Box 1160, Kansas City, Kans. 66117.

A. Herschell E. Parent, Arkansas Petroleum Council, Little Rock, Ark. 72201.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

E. (9) $9.60.

A. Michael J. Parker, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $850. E. (9) $291.97.

A. Robert D. Partridge, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $325.01.

A. Kenton Pattie, 3150 Spring Street, Fairfax, Va. 22030.

B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22030.

D. (6) $1,846.16.

A. David J. Pattison, 1701 K Street NW., Washington, D.C. 20006.

B. Health Insurance Association of America, Inc., 1701 K Street NW., Washington, D.C.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

D. (6) $5,800.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Alyeska Pipeline Service Corp., P.O. Box 576, Bellevue, Wash. 98004.

D. (6) $2,750. E. (9) $3.300.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. American Guild of Authors & Composers, 50 West 57th Street, New York, N.Y. 10019.

D. (6) $1,187.50. E. (9) $553.27.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.

D. (6) $235.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. American Maritime Association, 17 Battery Place, New York, N.Y. 10004.

D. (6) $555. E. (9) $486.90.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20006.

D. (6) $2,860. E. (9) $2,455.72.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Armco Steel Corp., General Offices, Middletown, Ohio 45042.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.

E. (9) $200.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Association of Trial Lawyers of America, 20 Garden Street, Cambridge, Mass.

E. (9) $201.94.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; National Association of Engine & Boat Manufacturers, P.O. Box 5555, Grand Central Station, New York, N.Y. 10017.

D. (6) $350. E. (9) $26.66.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Chicago Board Options Exchange, LaSalle at Jackson, Chicago, Ill. 60604.

D. (6) $825. E. (9) $179.76.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Committee for American Movie Production (AMP), % Mr. Marvin Korman, 711 Fifth Avenue, New York, N.Y. 10022.

D. (6) $1,200. E. (9) $851.35.

A. Patton, Boggs & Blow, 1200 17th Street N.W., Washington, D.C. 20036.

B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW, Suite 1018, Washington, D.C. 20036.

D. (6) $305. E. (9) $1,491.92.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Energy Advances, Inc., 1375 Perry Street, Columbus, Ohio 43201.

D. (6) $700.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Hobby Industry Association of America, 200 Fifth Avenue, New York, N.Y. 10010.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C. 20006.

D. (6) $675. E. (9) $122.08.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. King Ranch, Inc., Kingsville, Tex. 78363.

D. (6) $270. E. (9) $201.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Landmark Services Inc., 900 Ohio Drive SW., Washington, D.C. 20024.

D. (6) $625.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Louisiana Educational Television Authority, P.O. Box 44064, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Machinery Dealers National Association, 1400 20th Street NW., Washington, D.C. 20036.

D. (6) $220.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Mail Order Association of America, P.O. Box 7047, Alexandria, Va. 22307.

D. (6) $125.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. National Medical Care, Inc., 560 Sylvan Avenue, Englewood Cliffs, N.J. 07632.

D. (6) $160. E. (9) $300.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. New Process Co., 220 Hickory Street, Warren, Pa. 17365.

D. (6) $2,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Northwest Pipeline Corp., 315 East 200 South, Salt Lake City, Utah 84111.

D. (6) $775.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Outboard Marine Corp., 1401 Cushman Drive, P.O. Box 82409, Lincoln, Nebr. 68501.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.

B. Pyrotechnic Signal Manufacturers Association, Inc., 1730 K Street, Suite 1300, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Ralston-Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $100.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $4,000.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Reading Co., Reading Terminal, 12th and Market Streets, Philadelphia, Pa. 19107.
D. (6) $4,920. E. (9) $493.93.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Revlon, Inc., 767 Fifth Avenue, New York, N.Y. 10022.
D. (6) $90. E. (9) $0.50.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. S W Industries, Inc., 1 Hospital Trust Plaza, Providence, R.I. 02903.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.
E. (9) $6,196.96.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Tax Corporation of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.
D. (6) $1,170.

A. Patton, Boggs & Blow, 1200 17th Street NW., Washington, D.C. 20036.
B. Uncle Ben's Inc., 1300 Westheimer Boulevard, Houston, Tex. 77001.
D. (6) $500. E. (9) $600.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, N.Y. 10022.
B. Warner Bros., Inc., 4000 Warner Boulevard, Burbank, Calif. 91505.
D. (6) $9,413.80. E. (9) $457.71.

A. Paul, Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, N.Y. 10022.
B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $3,028.85. E. (9) $138.30.

A. Jack Pearce, Pearce & Brand, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee on Modern Efficient Transportation (COMET), 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,616.01. E. (9) $331.93.

A. Jack Pearce, Pearce & Brand, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Computer Industry Association, 1911 North Fort Meyer Drive, Rosslyn, Va. 22209.
D. (6) $2,300. E. (9) $19.40.

A. Jack Pearce, Pearce & Brand, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association for Milk Marketing Reform (NAMMR), 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $11,000. E. (9) $768.24.

A. Pendleton & Robinson, 306 6th Street NW., Washington, D.C. 20001.
B. Embassy of Chile, 1732 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,250. E. (9) $93.77.

A. Charles Penman, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.
E. (9) $654.97.

A. Pennzoil Co., P.O. Box 2967, Houston, Tex. 77001.
E. (9) $9,350.

A. Dominic V. Pensabene, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron Oil Co. subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $50. E. (9) $25.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., No. 200, Washington, D.C. 20006.
B. Coalition of Concerned Charities, c/o Barbara J. Washburn, 1776 F Street NW., No. 200, Washington, D.C. 20006.
D. (6) $5,000. E. (9) $5,000.

A. J. Carter Perkins, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,000.

A. Kenneth Peterson, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $8,281. E. (9) $298.41.

A. Donald A. Petrie, 2029 Connecticut Avenue NW., Washington, D.C.
B. Dreyfus Corp., 767 Fifth Avenue, New York, N.Y. 10002.
D. (6) $12,500.

A. Paul F. Petrus, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200.

A. John Pflieger, Time, Inc., 888 16th Street NW., Washington, D.C. 20006.
B. Time, Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.
D. (6) $1,750. E. (9) $400.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. John P. Philbin, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. Scott H. Phillips, 800 Houston Natural Gas Building, Houston, Texas 77002.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
D. (6) $1,232.88. E. (9) $460.52.

A. Daphne Philos, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $250.

A. Sam Pickard, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $76.42.

A. Grant C. Pinney, 730 North Balsam Street, Ridgecrest, Calif. 93555.
B. Sierra Sands Unified School District, 730 North Balsam Street, Ridgecrest, Calif. 93555.

A. Plains Cotton Growers, Inc., P.O. Box 10425, Lubbock, Tex. 79408.
D. (6) $15,366.47. E. (9) $1,350.

A. Amos A. Plante, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $908.80.

A. Frances A. Pollak, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $800. E. (9) $440.

A. Harlan Pomeroy, 500 Southern Building, 15th & H Streets NW., Washington, D.C. 20005.
B. Baker, Hostetler, Frost & Towers, 500 Southern Building, 15th and H Streets NW., Washington, D.C. 20005 (for Hall Chemical Co. P.O. Box 197, Wickliffe, Ohio 44092).

A. S. J. Poray-Tucholski, 15257 East Cedarsprings Drive, Whittier, Calif. 90603.
B. Bermejo River Project Development Association.

A. Port of Seattle, P.O. Box 1209, Seattle, Wash. 98111.
E. (9) $136.

A. Everett O. Post, 1511 K Street NW., Washington, D.C. 20005.
B. National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $14.05.

A. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $2,092.50.

A. Edmond A. Potter, NCR Corp., 2301 Research Boulevard, Rockville, Md. 20850.
B. NCR Corp., Main and K Streets, Dayton, Ohio 45479.
D. (6) $8,150. E. (9) $1,750.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Investment Co., Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $4,500.

A. Ramsey D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Investment Counsel Association of America, Inc., 127 South 59th Street, New York, N.Y. 10022.
D. (6) $778.50.

A. Richard M. Powell, 7315 Wisconsin Avenue, Washington, D.C. 20014.
B. International Association of Refrigerated Warehouses, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. William I. Powell, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
E. (9) $48.15.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $750. E. (9) $178.83.

A. John J. Power, 101 Constitution Avenue NW., Washington, D.C. 20001.

B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $2,878.08 E. (9) $210.

A. William C. Prather, U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $650.

A. Brainard E. Prescott, 220 "C" Street SE., Apt. 309, Washington, D.C. 20003.
B. Coalition of Independent Opthalmic Professionals, 75 East 55th Street, New York, N.Y. 10022, c/o Theo E. Obrig, Inc.
D. (6) $3,063.06. E. (9) $3,063.06.

A. Dan Prescott, Mid-Continent Oil & Gas Association, 1800 K Street NW., Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $170.50. E. (9) $37.

A. Preservation Action, Suite 906, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,580.12. E. (9) $2,178.98.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Aerospatiale 37, Boulevard de Montmorency, 75016 Paris, France).

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, Suite 201, 1776 F Street NW., Washington, D.C. 20006.
B. Intalco Oluminum Corp., P.O. Box 937, Ferndale, Wash. 98218.
D. (6) $222.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, Suite 201, 1776 F Street NW., Washington, D.C. 20006.
B. Kyokuyo Co., Ltd., Suite 604, Central Building, 810 Third Avenue, Seattle, Wash. 98104.
D. (6) $49.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, Suite 201, 1776 F Street NW., Washington, D.C. 20006.
B. Moore-McCormack Resources, Inc., 1 Landmark Square, Stamford, Conn. 06901.
D. (6) $1,223.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, Suite 201, 1776 F Street NW., Washington, D.C. 20006.
B. Port of Seattle, P.O. Box 1209, Seattle, Wash. 98111.
D. (6) $136.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $562.50.

A. Arnold J. Prima, Jr., 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue, NW., Washington, D.C. 20006.
D. (6) $1,200.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. The Proprietary Association, 1700 Pennsylvania Avenue, NW., Washington, D.C. 20006.
D. (6) $700. E. (9) $50.

A. Jerry Z. Pruzan, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $200. E. (9) $200.

A. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $26,208.62. E. (9) $27,828.48.

A. David E. Pullen, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver Colo. 80217.
D. (6) $200. E. (9) $250.

A. Donald E. Purcell, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
B. Outdoor Power Equipment Institute, 1725 K Street NW., Suite 903, Washington, D.C. 20006.
D. (6) $100. E. (9) $100.

A. Graham Purcell, 1819 H Street NW., Washington, D.C. 20006.
B. Association of Independent Grain Inspection Agencies, Fort Worth, Tex.
D. (6) $450.

A. Graham Purcell, 1819 H Street NW., Washington, D.C. 20006.
B. Planters Peanuts, Suffolk, Va.
D. (6) $1,000.

A. Earle W. Putnam, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Howard Pyle III, 1000 16th Street NW., No. 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $1,720.97. E. (9) $31.69.

A. Robert N. Pyle, Suite 450, 1707 L Street NW., Washington, D.C. 20036.
B. American Bakers Association, Suite 650, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $3,300.

A. Robert N. Pyle, Suite 450, 1707 L Street NW., Washington, D.C. 20036.
B. Fur Conservation Institute of America, 855 Avenue of Americas, New York, N.Y. 10001.
D. (6) $3,000.

A. Quality Management Committee, 1500 Southwest Taylor Street, Portland, Oreg. 97205.
D. (6) $30,000. E. (9) $18,514.53.

A. William A. Quinlan, 3045 Riva Road, Annapolis, Md. 21401.
B. Associated Retail Bakers of America, 735 West Sheridan Road, Chicago, Ill. 60613.
D. (6) $378. E. (9) $50.

A. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
E. (9) $1,156.30.

A. James H. Rademacher, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,651.23.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $517.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $24,913.50. E. (9) $24,913.50.

A. Railway Progress Institute, 801 North Fairfax Street, Alexandria, Va. 22314.

A. Clarence B. Randall, Jr., 1156 15th Street NW., Suite 731, Washington, D.C. 20005.
B. Associated Builders & Contractors, Inc., 1156 15th Street NW., Suite 731, Washington, D.C. 20005.
E. (9) $650.

A. Donald A. Randall, 1000 Connecticut Avenue NW., Suite 1201, Washington, D.C. 20036.
B. Automotive Service Councils, Inc., Suite 112, 188 Industrial Drive, Elmhurst, Ill. 60126.
D. (6) $3,000. E. (9) $2,048.50.

A. Arthur G. Randol, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $675. E. (9) $32.65.

A. Jerry F. Rapp, 1155 15th Street NW., Suite 606, Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $500.

A. D. Michael Rapport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $743.09. E. (9) $515.03.

A. James H. Rathlesberger, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. G. J. Rauschenbach, 950 L'Enfant Plaza South SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza South, SW., Washington, D.C. 20024.
D. (6) $1,500. E. (9) $820.

A. Susan E. Recce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $337. E. (9) $274.87.

A. Recording Industry Association of America, Inc., One East 57th Street, New York, N.Y. 10022.
D. (6) $47,804.45. E. (9) $72,966.16.

A. Timothy J. Redmon, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Alvin Levin, O.D., 120 South Hanover Street, Carlisle, Pa. 17013.
D. (6) $640.08. E. (9) $438.74.

A. Dwight C. Reed, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $101.70. E. (9) $9.

A. Lawrence D. Reedy, 1730 M Street NW., Suite 805, Washington, D.C. 20036.
B. American Association of Advertising Agencies, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $1,250. E. (9) $600.

A. Jerry Rees, 1030 15th Street NW., Suite 1030, Washington, D.C. 20005.
B. National Association of Wheat Growers, Suite 1030, 1030 15th Street NW., Washington, D.C. 20005.
D. (6) $1,252.36. E. (9) $50.

A. J. Mitchell Reese, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., Pittsburgh, Pa. 15230.
D. (6) $1,500. E. (9) $300.

A. Robert S. Reese, Jr., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $1,420.87.

A. John T. Reggitts, Jr., R.D./2, Boonton Avenue, Boonton, N.J. 07005.

A. Regional Stock Exchange Group, c/o Schiff Hardin & Waite, 7200 Sears Tower, Chicago, Ill. 60606.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

A. J. E. Reinke, 1030 15th Street NW., Washington, D.C. 20005.
B. Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.

A. W. W. Renfroe, 69 Fountain Place, Frankfort, Ky. 40601.
B. Kentucky Railroad Association, 69 Fountain Place, Capital Plaza, Frankfort, Ky. 40601.
E. (9) $526. 31.

A. Diane Rennert, 1707 L Street NW., Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $950. E. (9) $580.87.

A. Research to Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.
E. (9) $2,500.

A. Tom Reston, Hogan & Hartson, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Committee for Public Advocacy, 1730 Rhode Island Avenue NW., Suite 600, Washington, D.C. 20036.
D. (6) $4,100.

A. The Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $6,723.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.
D. (6) $8,250. E. (9) $3,229.

A. William L. Reynolds, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $1,900. E. (9) $252.

A. Austin T. Rhoads, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.
E. (9) $20.62.

A. C. Brewster Rhoads, Jr., Bell Telephone Co. of Pennsylvania, 15th Floor, 1 Parkway, Philadelphia, Pa. 19102.
B. The Bell Telephone Co. of Pennsylvania, One Parkway, Philadelphia, Pa. 19102.
D. (6) $1,140. E. (9) $386.30.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C. 20044.
E. (9) $633.

A. Ronald C. Rice, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $147.

A. Theron J. Rice, Continental Oil Co., 1130 17th Street NW., No. 400, Washington, D.C. 20036.
B. Continental Oil Co., High Ridge Park, Stamford, Conn. 06904.

A. Maxwell E. Rich, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $625.

A. Harry H. Richardson, 335 Austin Street, Bogalusa, La. 70427.
B. Louisiana Railroads, 335 Austin Street, Bogalusa, La.

A. Peter S. Ridley, Jr., 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $325. E. (9) $25.

A. Judith Assmus Riggs, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $157.50. E. (9) $26.15.

A. Morris A. Riley, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,750. E. (9) $321.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $500. E. (9) $53.25.

A. Stark Ritchie, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Geo. W. Ritter, 3914 King Arthur Road, Annandale, Va. 22003.
B. Alton Box Board Co., Alton, Ill. 62002.
D. (6) $6,250. E. (9) $1,355.

A. William Neale Roach, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $157.23.

A. Paul H. Robbins, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Kenneth Roberson, 193 Stuart Road, Valley Stream, N.Y. 11581.
B. Meat Importers Council of America, Inc., One Penn Plaza, New York, N.Y. 10001.

A. Roberts & Holland, 1301 Avenue of Americas, New York, N.Y. 10019.
B. The Estate of Bernice P. Bishop/Kamehameha Schools, 519 Halekauwila Street, Honolulu, Hawaii.
E. (9) $180.

A. William S. Roberts, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $35.

A. Robert Robertson, 1050 17th Street NW., 12th Floor, Washington, D.C. 20036.
B. National Association of Independent Lumbermen, 1050 17th Street NW., 12th Floor, Washington, D.C. 20036.
D. (6) $13,461.49. E. (9) $6,082.09.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $227.52.

A. Jerome Robinson, Florida Restaurant Association, 500 Three Islands Boulevard, Hallandale, Fla. 33009.
B. Florida Restaurant Association, 1077 Northeast 125th Street, North Miami, Fla. 33161.

A. Thomas G. Roderick, 1101 16th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Byron G. Rogers, 666 Gaylord Street, Denver, Colo. 80206; and 918 16th Street NW., Washington, D.C. 20006.
B. Denver Board of Water Commissioners, 144 West Colfax Avenue, Denver, Colo. 80202.
D. (6) $1,815.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005.
D. (6) $1,062.50.

A. Frank W. Rogers, 2101 L Street NW., Suite 724, Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $750.

A. Frank W. Rogers, 313 Cambridge Road, Alexandria, Va. 22314.
B. VETCO Offshore Industries, Inc., 5808 Telephone Road, Suite 201, Ventura, Calif. 93003.
D. (6) $150.

A. Terrence L. Rogers, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $3,423. E. (9) $194.83.

A. Walter E. Rogers, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $1,000.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. National Customs Brokers & Forwarders Association of America, Inc., One World Trade Center, New York, N.Y. 10048.
D. (6) $135.

A. June A. Rogul, 1341 G Street, No. 908, Washington, D.C. 20005.
B. American Israel Public Affairs Committee, 1341 G Street, No. 908, Washington, D.C. 20005.
D. (6) $3,666.68.

A. John F. Rolph III, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Nicholas Roomy, Jr., 301 Virginia Street, East, Charleston, W.Va. 25301.
B. Appalachian Power Co., 301 Virginia Street, East, Charleston, W. Va. 25301 (sub-

sidiary of American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004).
D. (6) $800. E. (9) $862.62.

A. Albert B. Rosenbaum III, 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. William F. Ross, South Carolina Petroleum Council, 716 Palmetto State Life Building, Columbia, S.C. 29201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $318. E. (9) $393.21.

A. William C. Rountree, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (an Ohio Corporation), Midland Building, Cleveland, Ohio 44115.
D. (6) $200. E. (9) $198.

A. Rouss and O'Rourke, Lawyers Building, 231 East Vermijo Avenue, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C.V., Balderas 36, Mexico, D.F. Mexico.
D. (6) $2,400. E. (9) $1,299.70.

A. Eugene F. Rowan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $125. E. (9) $105.85.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $240.38. E. (9) $8.56.

A. John W. Rowland, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Ruckelshaus, Beveridge, Fairbanks & Diamond, 1 Farragut Square South, Third Floor, Washington, D.C. 20006.
B. Geothermal Kinetics, Inc., 301 West Indian School Road, Phoenix, Ariz. 85013.
D. (6) $250. E. (9) $15.

A. Ruckelshaus, Beveridge, Fairbanks & Diamond, 1 Farragut Square South, Third Floor, Washington, D.C. 20006.
B. The Society of the Plastics Industry, Inc., 1150 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Ruckelshaus, Beveridge, Fairbanks & Diamond, 1 Farragut Square South, Third Floor, Washington, D.C. 20006.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $950. E. (9) $36.

A. Nicholas L. Ruggieri, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Leonard H. Ruppert, N.J. Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $10.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $3,461.54 E. (9) $185.54.

A. Christine A. Russell, 490 L'Enfant Plaza East SW., Suite 3306, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East, SW., Suite 3206, Washington, D.C. 20024.
D. (6) $400.

A. Wally Rustad, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $150.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., Washington, D.C. 20036.
B. American Association of Bioanalysts, 411 North Seventh Street, St. Louis, Mo. 63101.
D. (6) $500. E. (9) $415.99.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., 514, Washington, D.C. 20036.
B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $1,000. E. (9) $1,480.39.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $750. E. (9) $1,699.62.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. International Society of Clinical Laboratory Tech, 411 North Seventh Street, St. Louis Mo.
D. (6) $500. E. (9) $415.99.

A. Millard H. Rudd, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.
B. Association of American Law Schools, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.
E. (9) $5.

A. Ella Marice Ryan, 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penny Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $25.

A. William H. Ryan, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $92.33.

A. C. Hill Rylander, 425 13th Street NW., Washington, D.C. 20004.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $4,756.59.

A. Fred J. Sacco, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $196.20.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.
B. Burmah Oil & Gas Co., P.O. Box 94193, Houston, Tex. 77018.
D. (6) $450.

A. Frank P. Sanders, 815 Connecticut Avenue NW., Washington, D.C.
B. The Signal Co., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.
D. (6) $1,240.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,000.

A. Peter G. Sandlund, Room 400, 919 18th Street, Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Associations, 30–32 St. Mary Axe, London EC3A 8ET, England.
D. (6) $300.

A. Santarelli, Sandground & Good, 1025 Connecticut Avenue NW., Suite 911, Washington, D.C. 20036.
B. Sturm, Ruger & Co., Inc., Southport, Conn. 06490.
D. (6) $500.

A. Thomas H. Saunders, 1800 M Street, Suite 700 South, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.

A. Ruth M. Saxe, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,500.01.

A. Harold B. Say, 916 Prince Street, Alexandria, Va. 22314.
B. Veterans of World War I of the U.S.A., Inc., 916 Prince Street, Alexandria, Va. 22314.
D. (6) $577.50.

A. Frank J. Scaduto, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,800.

A. Thomas T. Scambos, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., Krauss-Maffei-Strasse 2, Munich, West Germany (for Krauss-Maffei AG).

A. Susan Freeman Schapiro, 2000 P Street NW., No. 410, Washington, D.C. 20036.
B. Florence Wagman Roisman, 2000 P Street NW., No. 410, Washington, D.C. 20036.
D. (6) $200.

A. Schiff Hardin & Waite, 7200 Sears Tower, 233 South Wacker Drive, Chicago, Ill. 60606.
B. Regional Stock Exchange Group.

A. Fred E. Schillreff, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Fire Fighters, AFL–CIO, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $249.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $12.55.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland State Fair & Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.
E. (9) $97.91.

A. Stephen I. Schlossberg, 1125 15th Street NW., Suite 600, Washington, D.C. 20005.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $11,161.80. E. (9) $1,923.77.

A. Richard M. Schmidt, Jr., 1920 L Street NW., Suite 700, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $500.

A. Richard M. Schmidt, Jr., 1920 L Street NW., Washington, D.C. 20036.
B. Coalition for Fair Copyright Protection, 1920 L Street NW., Washington, D.C. 20036.

A. Mahlon C. Schneider, Hazeltine Gates, Chaska, Minn. 55318.
B. Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.
D. (6) $250. E. (9) $669.54.

A. Ronald F. Schrader, 1129 20th Street NW., Room 512, Washington, D.C. 20036.
B. National Committee on Locks & Dam 26, 1129 20th Street NW., Room 512, Washington, D.C. 20036.
D. (6) $12,498.

A. Robert I. Schramm, 1725 K Street NW., Suite 909, Washington, D.C. 20006.
B. Superior Oil Co. & Superior Farming Co., 1725 K Street NW., Washington, D.C.

A. N. Donald Schroeder, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $504. E. (9) $242.

A. Hilliard Schulberg, 4311 Sunflower Drive, Rockville, Md. 20853.
B. National Liquor Stores Association, Inc., 1025 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $250. E. (9) $40.

A. Robert L. Schulz, Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa 50309.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $335. E.(9) $346.44.

A. Donald H. Schwab, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the U.S., 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $3,125. E. (9) $149.80.

A. Bari Lee Schwartz, 2030 M Street NW., Room 300, Washington, D.C. 20037.
B. Action for Legal Rights, 2030 M Street NW., Room 300, Washington, D.C. 20037.

A. Sydnee M. Schwartz, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,155. E. (9) $112.

A. William H. Schweitzer, 805 15th Street NW., Suite 500, Washington, D.C. 20005.
B. Baker, Hostetler, Frost & Towers, 805 15th Street NW., Suite 500, Washington, D.C. 20005 (for The Soap & Detergent Association, 475 Park Avenue South at 32d Street, New York, N.Y. 10016).
D. (6) $237.50.

A. Carl F. Schwensen, Suite 1030, 1030 15th Street NW., Washington, D.C. 20005.
B. National Association of Wheat Growers, Suite 1030, 1030 15th Street NW., Washington, D.C. 20005.
D. (6) $1,074.43.

A. Harold B. Scoggins, Jr., 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $18.20.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 502, Washington, D.C. 20036.
B. Beneficial Management Corp., 200 South Street, Morristown, N.J. 07960.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 502, Washington, D.C. 20036.
B. Colonial Penn Group, Inc., & Affiliated Corporations, 5 Penn Center Plaza, Philadelphia, Pa. 19103.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 502, Washington, D.C. 20036.
B. Occidental Life Insurance Co. of California, Occidental Center, Los Angeles, Calif. 90054.
E. (9) $100.

A. Scribner, Hall, Thornburg & Thompson, 1200 18th Street NW., Suite 502, Washington, D.C. 20036.
B. Provident Life & Accident Insurance Co., Chattanooga, Tenn. 37402.

A. Durward Seals, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $400. E. (9) $28.37.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,000. E. (9) $185.69.

A. Donald E. Selby, 1500 Rhode Island Avenue, Washington, D.C. 20005.
B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue, Washington, D.C. 20005.

A. Self-Determination for D.C., 2030 M Street NW., Room 300, Washington, D.C. 20036.
D. (6) $788. E. (9) $1,864.

A. Roger D. Semerad, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $80.

A. Stanton P. Sender, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $850. E. (9) $24.

A. J. Richard Sewell, 1701 K Street NW., Suite 503, Washington, D.C. 20006.
B. Florida Power & Light Co., P.O. Box 13100, Miami, Fla. 33101.
D. (6) $1,585. E. (9) $529.92.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $720. E. (9) $550.

A. James M. Shamberger, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $25.

A. Harry D. Shapiro, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $12.55.

A. Harry D. Shapiro, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland State Fair & Agricultural Society, Inc., Timonium State Fair Grounds, Timonium, Md. 21093.
E. (9) $97.91.

A. John J. Sharkey, Room 204, 1629 K Street NW., Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $878.61. E. (9) $125.64.

A. Joseph H. Sharlitt, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Remodelers Association, 42 East 57th Street, New York, N.Y.
D. (6) $1,500. E. (9) $1,500.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Detroit, Toledo & Ironton Railroad Co., 1 Park Lane Boulevard, Dearborn, Mich. 42816.
D. (6) $240.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Independent Grocers' Alliance, 5725 East River Road, Chicago, Ill. 60631; Topco Associates, Inc., 7711 Gross Point Road, Skokie, Ill. 60076.
D. (6) $4,865. E. (9) $659.67.

A. Sharon, Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Oklahoma Natural Gas Co., P.O. Box 871, Tulsa, Okla. 74002.
D. (6) $1,200. E. (9) $72.

A. Richard N. Sharood, 919 18th Street NW., Washington, D.C. 20006.
B. Toledo-Lucas County Port Authority, 241 Superior Street, Toledo, Ohio 43604.
D. (6) $4,200.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Altair Airlines, Inc., P.O. Box 5346, Philadelphia International Airport, Philadelphia, Pa. 19153.
D. (6) $1,781.25.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Association for Improvement of Mississippi River, 10 Broadway, St. Louis, Mo. 63102.
D. (6) $325.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
D. (6) $335.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Institute of Foreign Bankers, 10 Pine Street, New York, N.Y.
D. (6) $1,167.

A. John J. Sheehan, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,623.03. E. (9) $2,483.

A. Seymour Sheriff, 1126 Woodward Building, Washington, D.C. 20005.
B. Man-Made Fiber Producer, Association, Inc., 1150 17th Street NW., Suite 310, Washington, D.C. 20036.

A. Nelson T. Shields, 810 18th Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.

A. Morris Shipley, Room 204, 1629 K Street NW., Washington, D.C. 20006.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $695. E. (9) $113.45.

A. Harvey A. Shipman, 2021 K Street, Suite 700, NW., Washington, D.C. 20006.
B. Penn Central Transportation Co., 1700 Market Street, Philadelphia, Pa. 19103.
D. (6) $550. E. (9) $1,560.

A. Fred B. Shippee, 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, 1611 North Kent Street, Arlington, Va. 22209.

A. W. Ray Shockley, American Textile Manufacturers Institute, Inc., Suite 1001, 1150 17th Street NW., Washington, D.C. 20036.
B. American Textile Manufacturers Institute, Suite 2124, 400 Tryon Street, Charlotte, N.C. 28285.
D. (6) $2,550. E. (9) $51.89.

A. Anthony T. Shtogren, 8130 Boone Boulevard, Vienna, Va. 22180.
B. Datran (Data Transmission Co.), 8130 Boone Boulevard, Vienna, Va. 22180.
D. (6) $6,250.

A. Maureen Shubow, 1012 14th Street NW., Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $377. E. (9) $25.

A. L. J. Sichel, Abbott Laboratories, 1730 M Street NW., No. 808, Washington, D.C. 20036.
B. Abbott Laboratories, North Chicago, Ill. 60064.

A. Richard H. Siemsen, 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $1,754.59.

A. Bernard H. Sieracki, Illinois Petroleum Council, 200 East Randolph Drive, Room 5106, Chicago, Ill. 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,500. E. (9) $183.30.

A. Harry G. Silleck, Jr., 20 Broad Street, New York, N.Y. 10005.
B. Trustees of Erie Lackawanna Railway Co., Midland Building, Cleveland, Ohio.

A. David Silver, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $54. E. (9) $29.85.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $405. E. (9) $1,725.90.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Association for Advanced Life Underwriting, 1922 F Street NW., Washington, D.C. 20006.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10002.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. General American Transportation Co., 120 South Riverside Plaza, Chicago, Ill. 60606.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Government of the Netherlands Antilles, Fort Amsterdam Willemstad, Curacao, Netherlands Antilles.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Music Corporation of America, Inc., 100 Universal City Plaza, Universal City, Calif. 91608.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Association of Home Builders, 15th and M Streets NW., Washington, D.C.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Savings & Loan League, 1200 17th Street NW., Washington, D.C. 20036.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. National Venture Capital Association, 4300 Sigma Road, Dallas, Tex. 75240.

A. Silverstein & Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Venezuelan-American Chamber of Commerce & Industry, Apartado 5181, Caracas 101, Venezuela.

A. James E. Simmons, 1730 Pennsylvania Avenue NW., Suite 220, Washington, D.C. 20006.
B. National Association of Blue Shield Plans, 211 East Chicago Avenue, Chicago, Ill. 60611.

A. Talmadge E. Simpkins, 100 Indian Avenue NW., Washington, D.C. 20001.
B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
E. (9) $873.06.

A. Talmadge E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,810. E. (9) $10.

A. Thomas K. Singer, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $412.50. E. (9) $25.

A. Jean Head Sisco, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20005.
D. (6) $1,000. E. (9) $57.

A. Roma D. Skeen, Marathon Oil Co., 1625 I Street NW., Suite 420, Washington, D.C. 20006.
B. Marathon Oil Co., Findlay, Ohio 45840.
E. (9) $67.85.

A. James A. Skinner, Jr., 1136 2d Avenue North, Nashville, Tenn. 37208.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22101.

A. Barney J. Skladany, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street NW., Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. William L. Slayton, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Small Producers for Energy Independence, Suite 970, Fourth Financial Center, Wichita, Kans. 67202.
D. (6) $67,460.68. E. (9) $3,900.

A. Smathers, Merrigan & Herlong 888 17th Street NW., Washington, D.C. 20006.
B. Action for Motion Picture Investments, 57 East 80th Street, New York, N.Y. 10021.
D. (6) $5,000. E. (9) $1.76.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.
B. American Horse Council, Inc., 1700 K Street NW., Washington, D.C.
D. (6) $5,500. E. (9) $2,484.97.

A. Smathers, Merrigan & Herlong 888 17th Street NW., Washington, D.C. 20006.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20006.
D. (6) $6,250. E. (9) $95.89.

A. Smathers, Merrigan & Herlong 888 17th Street NW., Washington, D.C. 20006.
B. Former bondholders of Bankers Joint Stock Land Bank of Milwaukee, Wis.
E. (9) $5.01.

A. Smathers, Merrigan & Herlong 888 17th Street NW., Washington, D.C. 20006.
B. Florida East Coast Railway Co., 1 Malaga Street, St. Augustine, Fla. 32084.
D. (6) $2,500. E. (9) $21.69.

A. Smathers, Merrigan & Herlong 888 17th Street NW., Washington, D.C. 20006.
B. National Hockey League, 2 Pennsylvania Plaza, New York, N.Y. 10001.
D. (6) $8,500. E. (9) $449.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C.
B. Oscar Dooley Associates, Room 2650, First Federal Building, Miami, Fla. 33131.
E. (9) $89.79.

A. Smathers, Merrigan & Herlong, 888 17th Street NW., Washington, D.C. 20006.
B. Pennzoil Co., 900 Southwest Tower, Houston, Tex. 77002.
D. (6) $6,000. E. (9) $143.11.

A. Donald E. Smiley, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $446.57.

A. Arthur J. Smith, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Gordon L. Smith, 818 18th Street NW., Washington, D.C. 20006.
B. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022 (for Florists Transworld Delivery Association).
E. (9) $15.

A. Gordon L. Smith, 818 18th Street NW., Washington, D.C. 20006.
B. Edward Gottlieb & Associates, 485 Madison Avenue, New York, N.Y. 10022 (for Hecon Corp., Flextime Division).
E. (9) $15.

A. J. Kenneth Smith, Sun Co., Inc., Suite 820; 1800 K Street NW., Washington, D.C. 20006.
B. Sun Co., Inc., 240 Radnor-Chester Road, St. Davids, Pa. 19087.
D. (6) $5,000. E. (9) $600.

A. James R. Smith, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $500. E. (9) $32.

A. Michael P. Smith, 485 Lexington Avenue, New York, N.Y. 10017.
B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
D. (6) $644. E. (9) $790.

A. Robert Bland Smith, Jr., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $425. E. (9) $85.

A. Robert William Smith, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D (6) $1,080. E. (9) $528.96.

A. Willam H. Smith, 1120 Connecticut Avenue NW., Wasihngton, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co.
D. (6) $3,583.20. E. (9) $1,280.20.

A. Arthur V. Smyth, 1625 I Street NW., Washington, D.C. 20008.
B. Weyerhaeuser Co., Tacoma, Wash. 98402.
D. (6) $3,000. E. (9) $101.70.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
B. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.
D. (6) $696.24. E. (9) $87.66.

A. John M. Snow, 8401 Connecticut Avenue, Suite 911, Washington D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $2,746.

A. J. R. Snyder, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
E. (9) $250.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.
D. (6) $12,894.43. E. (9) $12,313.42.

A. Charles B. Sonneborn, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Association of Blue Shield Plans, 211 East Chicago Avenue, Chicago, Ill. 60611.
E. (9) $25.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $3,500. E. (9) $1,025.25.

A. Souther, Spalding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.
B. Quality Management Committee, 1500 Southwest Taylor Street, Portland, Oreg. 97205.
D. (6) $17,297.20 E. (9) $2,297.20.

A. Charles E. Spahr, 1750 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co., (an Ohio corporation), Midland Building, Cleveland, Ohio 44115.
D. (6) $508.32.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. John F. Speer, Jr., 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Robert A. Spelman, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. William C. Spence, P.O. Box 683, Houston, Tex. 77001.
B. Columbia Gulf Transmission Co., P.O. Box 683, Houston, Tex. 77001.
D. (6) $543. E. (9) $597.72.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $483. E. (9) $100.

A. J. Roy Spradley, Jr., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Electric Cos., 1140 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $337.50. E. (9) $13.11.

A. Harold L. Springer, 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Krauss-Maffei AG, Krauss-Maffei-Strasse 2, Munich, West Germany).
D. (6) $50.46. E. (9) $52.96.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.
E. (9) $265.

A. Lynn E. Stalbaum, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,718.25. E. (9) $147.71.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
E. (9) $1,820.32.

A. Standard Oil Supporters, P.O. Box 26146, San Francisco, Calif. 94126.
D. (6) $4,180.

A. Melvin L. Stark, 1025 Connecticut Avenue NW., Suite 415, Blake Building, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $3,000. E. (9) $350.

A. State & Federal Associates, Inc., 1101 15th Street NW., Suite 309, Washington, D.C. 20005.
B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
D. (6) $3,487.50. E. (9) $230.27.

A. Eugene H. Stearns, American Petroleum Institute, 200 East Randolph Drive, Chicago, Ill. 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David J. Steinberg, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Council for a Responsible Firearms Policy, Inc., 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,200.

A. Steinhart, Goldberg, Feigenbaum & Ladar, 1 Post Street, Suite 3400, San Francisco, Calif. 94104.
B. Valley Center Municipal Water District, Valley Center, Calif. 92082.
D. (6) $115. E. (9) $49.41.

A. Robert Stengel, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $325.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 1215, Washington, D.C. 20036.
D. (6) $621.92.

A. Kenneth F. Stinger, 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $107.35.

A. B. R. Stokes, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $750. E. (9) $111.

A. William M. Stover, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $1,000. E. (9) $100.

A. O. R. Strackbein, 3505 North Abingdon Street, Arlington, Va. 22207.
B. International Allied Printing Trades Association, 1900 L Street NW., Washington, D.C. 20036.
D. (6) $625.

A. John D. Stringer, 1776 F Street NW., Washington, D.C. 20006.
B. American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Ill. 60606.
E. (9) $2,755.

A. Roger J. Stroh, 1019 19th Street NW., Washington, D.C. 20036.
B. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $262.50. E. (9) $100.25.

A. George W. Strong, P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. Norman Strunk, 111 East Wacker Drive, Chicago, Ill. 60601.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $3,125.

A. Walter B. Stults, 512 Washington Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $2,400.

A. Sullivan, Beauregard, Clarkson & Moss, 1800 M Street NW., Suite 925, Washington, D.C. 20036.
B. Newport News Shipbuilding & Dry Dock Co., 4100 Washington Avenue, Newport News, Va. 23607.

A. Harold R. Sullivan, No. 700, 1010 16th Street NW., Washington, D.C. 20036.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Onio 45201.
D. (6) $600. E. (9) $30.

A. Roger H. Sullivan, Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Honolulu, Hawaii.
E. (9) $16.60.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. American Industrial Clay & Georgia Kaolin Division of Yara Engineering Corp., 511 Westminster Avenue, Elizabeth, N.J. 07207.
E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Anglo-American Clays Corp., P.O. Box 471, Sandersville, Ga. 31082.
E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Carnegie Corp. of New York, 437 Madison Avenue, New York, N.Y. 10022.
D. (6) $500. E. (9) $100.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Central States Health & Life Co. of Omaha, Howard at 18th Street, Omaha, Nebr. 68102.
D. (6) $500. E. (9) $100.

A. Sutherland, Asbill & Brennan, 1666 K Streeet NW., Washington, D.C. 20006; 3100 First National Bank Tower, Atlanta, Ga. 30303.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Connecticut Mutual Life Insurance Co., 140 Garden Street, Hartford, Conn. 06115.
D. (6) $500. E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Engelhard Minerals & Chemicals Corp., 299 Park Avenue, New York, N.Y. 10017.
E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.
D. (6) $15,000. E. (9) $1,000.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $500. E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Freeport Kaoline Division of Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. J. M. Huber Corp., Thornall Street, Edison, N.J. 08817.
E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01101.
D. (6) $500. E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Mutual Benefit Life Insurance Co., 520 Broad Street, Newark, N.J. 07101.
D. (6) $500. E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Mutual Life Insurance Co. of New York, Broadway at 55th Street, New York, N.Y. 10019.
D. (6) $500. E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. National Association of Life Cos., 550 Pharr Road NE., Suite 605, Atlanta, Ga. 30305.
D. (6) $500. E. (9) $100.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. New England Mutual Life Insurance Co., 501 Boyston Street, Boston, Mass., 02117.
D. (6) $500. E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis., 53202.
D. (6) $500. E. (9) $30.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Thiele Kaolin Co., Kaolin Road, Sandersville, Ga. 31082.
E. (9) $30.

A. Glenn A. Swanson, Independent Banker Association of America, 1625 Massachusetts Avenue NW., Suite 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
D. (6) $35,601.49. E. (9) $5,668.11.

A. Irving W. Swanson, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Noble J. Swearingen, 101 Second Street, NE, Washington, D.C. 20002.
B. American Lung Association, 1740 Broadway, New York, N.Y. 10019.
D. (6) $1,000.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue, NW., Washington, D.C. 20001.
D. (6) $8,749.98.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.
B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.
D. (6) $687.19. E. (9) $647.73.

A. Norman Wilson Tanner, Jr., 1660 L Street NW., Suite 215-216, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1660 L Street NW., Suite 215–216, Washington, D.C. 20036.
D. (6) $112. E. (9) $303.

A. Task Force Against Nuclear Pollution, Inc., P.O. Box 1817, Washington D.C. 20013.
D. (6) $6,564.74. E. (9) $5,814.98.

A. Sid Taylor, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $150. E. (9) $180.

A. William A. Taylor, c/o Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $138.47. E. (9) $351.17.

A. William K. Tell, Jr., 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y. 10017.
D. (6) $225. E. (9) $8.

A. L. D. Tharp, Jr., 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L. Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. John T. Thielke, Economics Laboratory Inc., 4 Corporate Park Drive, White Plains, N.Y., 10604.
B. Economics Laboratory, Inc., Osborn Building, Saint Paul, Minn. 55102.
D. (6) $2,500. E. (9) $2,817.

A. Gregory A. Thomas, 324 C Street SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $4,250. E. (9) $60.

A. Jerry P. Thompson, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,432. E. (9) $187.19.

A. Kenneth W. Thompson, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D,C. 20036.
D. (6) $300.

A. William D. Thompson, General Motors Corp., 1660 L Street NW., Suite 804, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $3,721.34.

A. Eugene M. Thoré, 1707, H Street NW., Washington, D.C. 20006.
B. Aetna Life & Casualty, CNA Financial Corp., Connecticut General Life Insurance Co., Equitable Life Assurance Society of the U.S., Fidelity Mutual Life Insurance Co., IDS Life Insurance Co., Metropolitan Life Insurance Co., Penn Mutual Life Insurance Co., Prudential Insurance Co., Reserve Life Insurance Co., State Mutual Life Assurance Co., Travelers Insurance Co.
E. (9) $167.25.

A. Terence Hastings Thorn, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $1,270. E. (9) $500.

A. Robert T. Thornburg, Minnesota Petroleum Council, 1020 Northern Federal Building, St. Paul, Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $560. E. (9) $573.13.

A. John R. Thorne, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

D. (6) $2,250. E. (9) $620.

A. Gil Thurm, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 155 East Superior Street, Chicago, Ill. 60611.

D. (6) $1,500. E. (9) $369.27.

A. Samuel Thurm, 1725 K Street NW., Washington, D.C. 20006.

B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.

A. Cyrus C. Tichenor III, 815 Connecticut Avenue NW., Suite 1007, Washington, D.C. 20006.

B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va., 23220.

D. (6) $6,000. E. (9) $7,199.91.

A. Paul J. Tierney, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

B. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

A. Wallace Tillman, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $165.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Alaskan Arctic Gas Pipeline Co., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $166.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $95.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. The Association of Trial Lawyers of America, 1620 I Street NW., Washington, D.C. 20006.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Falcon Jet Corp., 1800 K Street NW., Washington, D.C. 20006.

D. (6) $90.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Genesco, Inc., 111 Seventh Avenue North, Nashville, Tenn. 37202.

D. (6) $42.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.

D. (6) $50.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Mondakota Gas Co., P.O. Box 224, Billings, Mont. 59103.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $166.

A. Timmons & Co., Inc., 1776 F Street NW., Washingon, D.C. 20006.

B. Natural Gas Supply Committee, 1025 Connecticut Avenue NW., Washington, D.C. 20006.

D. (6) $80.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Riviana Foods, Inc., P.O. Box 2636, Houston, Tex. 77001.

D. (6) $50.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Sea Oil & General Corp., 1315 16th Street NW., No. 712, Washington, D.C. 20036.

A. Timmons & Co. Inc., 1776 F Street NW., Washington, D.C. 20006.

B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.

D. (6) $42.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.

D. (6) $166.

A. Michael L. Tiner, 1775 K Street NW., Washington, D.C. 20006.

B. Retail Clerks International Association, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $4,054.70. E. (9) $843.27.

A. E. Linwood Tipton, 1105 Barr Building, Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

E. (9) $480.53.

A. Tobacco Associates, Inc., 1101 17th Street NW., Washington, D.C. 20036.

E. (9) $2,526.

A. James R. Tobin, Rutherford, N.J. 07070.

B. Becton, Dickinson & Co., Rutherford, N.J. 07070.

D. (6) $2,000. E. (9) $250.

A. Maurice B. Tobin, 1010 16th Street NW., Washington, D.C. 20036.

B. American Land Development Association, 1000 16th Street NW., Washington, D.C. 20036.

A. Maurice B. Tobin, Potlatch Corp., 1010 16th Street NW., Washington, D.C. 20036.

B. Potlatch Corp., 1 Maritime Plaza, Box 3591, San Francisco, Calif. 94119.

D. (6) $25.

A. H. Willis Tobler, 1735 I Street, Washington, D.C. 20006.

B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.

D. (6) $750.

A. Warren D. Toburen, 1660 L Street NW., Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.

D. (6) $325.

A. David R. Toll, 1140 Connecticut Avenue, No. 1010, Washington, D.C. 20036.

B. National Association of Electric Cos., 1140 Connecticut Avenue NW., No. 1010, Washington, D.C. 20036.

D. (6) $863.33. E. (9) $152.73.

A. William D. Toohey, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Discover America Travel Organizations, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,425. E. (9) $60.

A. John Tope, 1101 15th Street NW., Washington, D.C. 20005.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Howard A. Topel, 1000 Connecticut Avenue, Washington, D.C. 20036.

B. Mullin, Connor & Rhyne, 1000 Connecticue Avenue, Washington, D.C. 20036 (for Alberto de la Vegas-Ripol, 804 Garching, Konigsbergerstr. 2, West Germany).

D. (6) $381.78. E. (9) $17.90.

A. John M. Torbet, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Rockwell International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $75. E. (9) $87.70.

A. Jay C. Townley, 715 South Harvey, Oak Park, Ill. 60304.

B. Schwinn Bicycle Co., 1856 North Kostner Avenue, Chicago, Ill. 60639.

D. (6) $590.16. E. (9) $856.83.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. U.S. Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

E. (9) $1,000.

A. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C.

E. (9) $325.74.

A. Glenwood S. Troop, Jr., 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $7,250. E. (9) $93.05.

A. George G. Troutman, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $350.

A. Ronald R. Tullos, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. America Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $875. E. (9) $141.50.

A. Bruce H. Turnbull, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

D. (6) $200. E (9) $15.

A. John G. Turner, Jr., Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

B. Chevron Oil Co., subsidiary of Standard Oil Co. of California, Suite 1204, 1700 K Street NW., Washington, D.C. 20006.

D. (6) $150. E. (9) $33.21.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.

B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.

D. (6) $300.

A. Shela C. Turpin, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,900. E. (9) $248.

A. St. Clair J. Tweedie, 1800 K Street NW., Suite 600, Washington, D.C. 20006.

B. Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.

D. (6) $700. E. (9) $74.

A. Wayne Underwood, 1030 15th Street NW., Washington, D.C.
B. American Seed Trade Association, Suite 964, 1030 15th Street NW., Washington, D.C.
D. (6) $375.

A. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue, Washington, D.C. 20001.
E. (9) $16,490.23.

A. United Egg Producers, 3951 Snapfinger Parkway, Suite 580, Decatur, Ga. 30035.
E. (9) $1,695.

A. United Fresh Fruit & Vegetable Association, 1019 19th Street NW., Washington, D.C. 20036.
D. (6) $4,253.91. E. (9) $4,253.91.

A. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
E. (9) $2,589.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $371.39.

A. U.S. League of Savings Association, 111 East Wacker Drive, Chicago, Ill.
E. (9) $62,583.62.

A. Nancy B. Usera, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Collectors Association, 4040 West 70th Street, Minneapolis, Minn. 55435.
D. (6) $2,694. E. (9) $2,801.61.

A. J. Joseph Vacca, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,870.11.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C.

A. John A. Vance, 1150 17th Street NW., Suite 1109, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $1,950. E. (9) $1,381.67.

A. Ted Van Dyk Associates, Inc., 1156 15th Street NW., No. 912, Washington, D.C. 20005.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22208.

A. Ted Van Dyk Associates, Inc., 1156 15th Street NW., No. 912, Washington, D.C. 20005.
B. Eli Lilly & Co., 307 East McCarty Street, Indianapolis, Ind. 46206.

A. Ted Van Dyk Associates, Inc., 1156 15th Street NW., Suite 912, Washington, D.C. 20005.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
E. (9) $20.20.

A. Gerard J. Van Heuven, 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $400. E. (9) $320.04.

A. Lois Van Valkenburgh, 3512 Halcyon Drive, Alexandria, Va. 22305.
B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $162.50.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill.
E. (9) $602.32.

A. Jerry T. Verkler, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.
E. (9) $430.92.

A. Richard E. Vernor, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $220. E. (9) $3.50.

A. R. Eric Vige, 1660 L Street NW., Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.

A. Walter D. Vinyard, Jr., 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $250.

A. Andrew Vitali, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $3,000. E. (9) $450.

A. David K. Voight, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.
D. (6) $2,250. E. (9) $875.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 1450, 500 Fifth Avenue, New York, N.Y. 10036.
D. (6) $1,250. E. (9) $825.

A. Robert J. Wager.
B. American Bakers Association, 1700 Pennsylvania Avenue, NW., Washington, D.C. 20006.
D. (6) $1,462. (9) $9.10.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Alameda Naval Employees' Association, Alameda Naval Air Station, Alameda, Calif.
D. (6) $1,500. E. (9) $590.56.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. American Association of Independent News Distributors, 50 California Street, San Francisco, Calif. 94111.
D. (6) $2,100. E. (9) $199.78.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. American Capital Partners, 261 Madison Avenue, New York, N.Y. 10016.
D. (6) $2,000. E. (9) $75.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. DATRAN, 8130 Boone Boulevard, Vienna, Virginia 22180.
D. (6) $1,000. E. (9) $40.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Friends of the Earth, 529 Commercial, San Francisco, Calif.
D. (6) $624. E. (9) $115.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washingon, D.C. 20001.
D. (6) $8,748.06. E. (9) $306.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Franchise Association Coalition, 242 North Wolf Road, P.O. Box 773E, Wheeling, Ill. 60090.
D. (6) $1,354.16. E. (9) 358.10.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Recording Industry Association of America, One East 75th Street, New York, N.Y. 10022.
D. (6) $2,499.99. E. (9) $128.50.

A. Jerome R. Waldie, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Task Force One, Federal Employees Organization, Pt. Mugu, Calif.
E. (9) $60.

A. Robert E. Waldron, c/o Associated Petroleum Industries of Michigan, 930 Michigan National Tower, Lansing, Mich. 48933.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $391.25. E. (9) $600.33.

A. E. F. Waldrop, Jr., Association of American Railroads, 40 Ivy Street SE., Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $497.41.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allen Products Co., Inc., P.O. Box 2187, R.D. No. 3, Allentown, Pa. 18001.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Allied Chemical Corp., P.O. Box 1057R, Morristown, N.J. 07960.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C 20006.
B. Aluminum Co. of America, Washington, D.C. 20006.
D. (6) $180.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. AMAX, Inc., AMAX Center, Greenwich, Conn. 06830.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Airlines, 633 Third Avenue, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $37.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Business Roundtable, 888 17th Street NW., Suite 601, Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cigar Association of America, Inc., 575 Madison Avenue, New York, N.Y. 10022.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Room 310, Washington, D.C. 20036.
D. (6) $37.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. E. I. duPont de Nemours, Wilmington, Del. 19898.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Airlines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 1133 15th Street NW., Washington, D.C. 20005.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Fluor Engineers and Constructors, Inc., 2500 South Atlantic Boulevard, Los Angeles, Calif. 90040.
D. (6) $37.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $180.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Washington, D.C. 20005.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Motors Corp., General Motors Building, Detroit, Mich. 48202.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Geothermal Kinetics, Inc., 301 West Indian School Road, Phoenix, Ariz. 85013.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire and Rubber Co., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $180.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Bank of Commerce, P.O. Box 1359, Laredo, Tex. 78040.
D. (6) $11.54.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street, Suite 700, Washington, D.C. 20006.
D. (6) $180.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Laredo National Bank, Laredo, Tex. 78040.
D. (6) $138.46.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Magma Power Co., 631 South Witmer Street, Los Angeles, Calif. 90017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. McCulloch Oil Corp., 10880 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Bankers Association, Suite 1192, South Building, 950 L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Steel Corp., 2800 Grant Building, Pittsburgh, Pa. 15219.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Procter and Gamble, Cincinnati, Ohio 45201.
D. (6) $180.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pullman-Kellogg, Division of Pullman, Inc., 1300 Three Greenway Plaza East, Houston, Tex. 77046.
D. (6) $37.50.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., Owens-Illinois Building, P.O. Box 1035, Toledo, Ohio 43666.
D. (6) $180.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
D. (6) $180.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Oil Co. of California, 461 South Boylston, Los Angeles, Calif. 90017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 1625 K Street NW., Washington, D.C. 20006.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98401.
D. (6) $100.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Wheelabrator-Frye, Inc., 299 Park Avenue, New York, N.Y. 10017.

A. Thomas C. Walker, Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.
D. (6) $625. E. (9) $1,866.45.

A. R. Duffy Wall, 1800 M Street NW., Washington, D.C. 20036.
B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $150.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.
D. (6) $485.62. E. (9) $18.

A. Donald L. Wallace, Jr., 1707 L Street NW., Suite 540, Washington, D.C. 20036.
B. Cotton Warehouse Association of America, 1707 L Street NW., Suite 540, Washington, D.C. 20036.
D. (6) $1,025. E. (9) $138.11.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Jack A. Waller, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $7,298.28.

A. Charles S. Walsh, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,125. E. (9) $10.

A. J. W. Walsh, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.
D. (6) $350.

A. Johnnie M. Walters, 1730 Pennsylvania Avenue NW., Suite 1060, Washington, D.C. 20006.
B. Vepco, Seventh and Franklin Streets, Richmond, Va.
D. (6) $1,740. E. (9) $15.

A. Alan S. Ward, 805 15th Street NW., Suite 500, Washington, D.C. 20005.
B. Baker, Hostetler, Frost & Towers, 805 15th Street NW., Suite 500, Washington, D.C. 20005 (for The Soap & Detergent Association, 475 Park Avenue South at 32d Street, New York, N.Y. 10016).

A. Carol Ann Ward, 490 L'Enfant Plaza East, SW., Suite 3206, Washington, D.C. 20024.
B. National Federation of Independent Business, 490 L'Enfant Plaza East, SW., Suite 3206, Washington, D.C. 20024.
D. (6) $400.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $2,412. E. (9) $335.89.

A. Michael O. Ware, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F. Street NW., Washington, D.C. 20006.
D. (6) $625. E. (9) $6.

A. Peter F. Warker, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $350. E. (9) $40.

A. Robert B. Washington, Jr., Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $167.48. E. (9) $167.48.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $642.35. E. (9) $1,140.30.

A. J. Wesley Watkins III, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. George A. Watson, Suite 800, 1612 K Street NW., Washington, D.C. 20006.
B. The Ferroalloys Association, 1612 K Street NW., Washington, D.C. 20006.
E. (9) $1,500.

A. Michael A. Watson, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the U.S., 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $1,345.

A. Ralph J. Watson, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rockwell International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $425. E. (9) $234.75.

A. George B. Watts, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $600.

A. Ray Wax, c/o Robert L. Melbern, Route 3, Gatesville, Tex. 76528.
B. National Association of Farmer Elected Committeemen, c/o Robert L. Melbern, Route 3, Gatesville, Tex. 76528.
E. (9) $150.70.

A. W. H. Weatherspoon, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $450. E. (9) $190.

A. Clyde M. Webber, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, AFL–CIO, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $12,285.21. E. (9) $1,767.22.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $1,500.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Associated Credit Bureaus, Inc. 6767 Southwest Freeway, Houston, Tex. 77036.
D. (6) $750.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Sand Springs Home, c/o E. J. Doerner, 1200 Atlas Life Building, Tulsa, Okla.
D. (6) $450.

A. Webster and Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Skyway-to-Highway, Inc., 901 Eighth Street NW., Washington, D.C. 20001.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Truck Body and Equipment Association, Inc., Suite 1220, 5530 Wisconsin Avenue NW., Washington, D.C. 20015.
D. (6) $1,600.

A. Fred Wegner, 1750 K Street NW., Suite 1190, Washington, D.C. 20006.
B. Retired Persons Services, Inc., 1750 K Street NW., Suite 1190, Washington, D.C. 20006.
E. (9) $26.

A. Theodore F. Weihe, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $751.

A. David M. Weiman.
B. The Farmers' Educational & Co-Operative Union of America, P.O. Box 39251, Denver, Colo.; 1012 14th Street NW., Washington, D.C.
D. (6) $2,658.46.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Alvin Levin, 120 South Hanover Street, Carlisle, Pa. 17013.
D. (6) $634.48. E. (9) $394.22.

A. Weisman, Celler, Spett, Modlin, Wertheimer & Schlesinger, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. American Society of Composers, Authors & Publishers, ASCAP Building, 1 Lincoln Plaza, New York, N.Y. 10023.
D. (6) $3,600.

A. Weisman, Celler, Spett, Modlin, Wertheimer & Schlesinger, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. Beneficial Management Corp., 200 South Street, Morristown, N.J.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin, Wertheimer & Schlesinger, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin, Wertheimer & Schlesinger, 1025 Connecticut Avenue NW., Suite 910, Washington, D.C. 20036.
B. P. S. Seymour-Heath, 3094–A Panorama Road, Riverside, Calif. 92509.
D. (6) $250.

A. Morton N. Weiss, 55 Broad Street, New York, N.Y. 10004.
B. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.
D. (6) $1,500. E. (9) $687.66.

A. William Weitzen, 6821 Granby Street, Bethesda, Md. 20034.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. (for) Krauss-Maffei AG, 8000 Muenchen 50, Federal Republic of Germany.

A. Paul S. Weller, Jr., 1129 20th Street NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1129 20th Street NW., Washington, D.C.
D. (6) $5,253. E. (9) $480.

A. Thomas F. Wenning, 1625 K Street NW., Washington, D.C. 20006.
B. National Association of Retail Grocers of the United States, 2000 Spring Road, Oak Brook, Ill. 60521.
D. (6) $175. E. (9) $33.25.

A. Fred M. Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $8,250.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Harry H. Westbay III, 1625 I Street, NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $750. E. (9) $450.

A. Harvey J. Wexler, Continental Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Continental Airlines, Inc., International Airport, Los Angeles, Calif. 90009.
D. (6) $200. E. (9) $115.

A. Brian B. Whalen, 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,250. E. (9) $1,036.37.

A. Josiah Wheat, 300 West Bluff Street, Woodville, Tex. 75979.
D. (6) $957. E. (9) $419.62

A. Clyde A. Wheeler, Jr., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 240 Radnor Chester Road, St. Davids, Pa. 19087.
D. (6) $10,000. E. (9) $2,175.

A. Edwin M. Wheeler, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.

A. Thomas E. Wheeler, 1425 K Street NW., Washington, D.C.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.
D. (6) $28.84.

A. Thomas E. Wheeler, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $940. E. (9) $60.

A. Wheeler, Van Sickle, Anderson, Norman & Harvey, 25 West Main Street, Madison, Wis. 53703.
B. Marshall & Ilsley Bank, 770 North Water Street, Madison, Wis. 53202.
D. (6) $500. E. (9) $160.

A. Donald F. White, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $90.

A. John C. White, 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.

A. John S. White, Marathon Oil Co., 1625 I Street NW., Suite 420, Washington, D.C. 20006.
B. Marathon Oil Co., Findlay, Ohio. 45840.
E. (9) $932.04.

A. Leonard M. Wickliffe, 1620 I Street NW., Suite 615, Washington, D.C. 20006.
B. California Railroad Association, 11th and L Building, Sacramento, Calif. 95814.
D. (6) $9,624.99. E. (9) $5,604.85.

A. Richard J. Wiechmann, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.
E. (9) $612.21.

A. Thomas D. Wilcox, 919 18th Street NW., Washington, D.C. 20006.
B. National Association of Stevedores, 919 18th Street NW., Washington, D.C. 20006.

A. Patricia B. Wild, Economics Laboratory, Inc., 4 Corporate Park Drive, White Plains, N.Y. 10604.
B. Economics Laboratory, Inc., Osborn Building, St. Paul, Minn. 55102.
D. (6) $1,000. E. (9) $635.61.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 711 Fifith Avenue, New York, N.Y. 10022.
E. (9) $510.93.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $66.60.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 420 Lexington Avenue, New York, N.Y. 10017.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., Suite 2100, 36 South State Street, Salt Lake City, Utah.
E. (9) $81.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.
E. (9) $20.54.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, Inc., 65 Elizabeth Street, Bethlehem, Pa.
E. (9) $19.56.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish & Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $189.04.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Estate of Albert W. Small, c/o Mrs. Albert W. Small, 5803 Greentree Road, Bethesda, Md.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $17.25.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc. (IDCMA), 1735 New York Avenue NW., Washington, D.C. 20006.
E. (9) $806.31.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, 85 John Street, New York, N.Y. 10038.
E. (9) $21.65.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Nana Regional Corp., Inc., Box 48, Kotzebue, Alaska 99752.
E. (9) $27.75.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Quinaielt Tribe of Indians, Taholah, Wash.
E. (9) $22.95.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.
E. (9) $37.41.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.
B. Benenson Realty Co., 380 Madison Avenue, New York, N.Y. 10017.
D. (6) $148.75. E. (9) $2.55.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

A. Williams, Connolly & Califano, 839 17th Street NW., Washington, D.C. 20006.
B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.
D. (6) $481.88.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C. 20006.
B. Milos Forman, c/o Gil Shiva, Warner Bros., 75 Rockefeller Plaza, New York, N.Y.
D. (6) $63.75.

A. Williams, Connolly & Califano, 839 17th Street NW., Washington, D.C. 20006.
B. Pasco, Inc., P.O. Box 1677, Englewood, Colo. 80110.
D. (6) $1,403.75.

A. Williams, Connolly & Califano, 1000 Hill Building, Washington, D.C.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

A. Williams, Connolly & Califano, 839 17th Street NW., Washington, D.C. 20006.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $481.88.

A. Harding deC. Williams, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Harry D. Williams, 1025 Connecticut Avenue NW., No. 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $500.

A. Lucinda L. Williams, 1600 South Eads, Arlington, Va. 22202.
B. FAIR, 3706 Washington Boulevard, Indianapolis, Ind.
D. (6) $1,000. E. (9) $100.

A. Samuel M. Williams, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
B. Manufacturing Chemists Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $1,000. E. (9) $600.

A. Bertram C. Willis, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $110. E. (9) $7.20.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 888 17th Street NW., Washington, D.C. 20006.
D. (6) $1,149.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Council for Responsible Nutrition, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Essential Oil Association, 60 East 42d Street, New York, N.Y. 10017.
D. (6) $500. E. (9) $1.50.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Manufacturing Chemists Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $315. E. (9) $64.

A. Wilmer, Cutler & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. Oil Investment Institute, 2500 Dunstan, Houston, Tex. 77005.

A. Wilner & Scheiner, 2021 L Street NW., Washington, D.C. 20036.
B. Motion Picture Association of America, Inc., 1600 Eye Street NW., Washington, D.C. 20006.
D. (6) $9,000.

A. Dorothy R. Wilson, Suite 1205 East, 4201 Cathedral Avenue NW., Washington, D.C. 20016.
B. Coalition of Concerned Charities, c/o Barbara J. Washburn, 1776 F Street NW., Washintgon, D.C. 20006.

A. R. J. Winchester, P.O. Box 2967, Houston, Tex. 77001.
B. Pennzoil Co., P.O. Box 2967, Houston, Tex. 77001.
D. (6) $6,400. E. (9) $2,950.

A. Curtain Winsor, Jr., 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, National Association, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D.(6) $312.50. E. (9) $121.82.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Gould, Inc., 8550 Bryn Mawr Avenue, Chicago, Ill. 60631.

A. Winston & Strawn, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Council of Shopping Centers, 445 Park Avenue, New York, N.Y. 10022.
D. (6) $475. E. (9) $165.80.

A. Russell C. Wisor, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $624. E. (9) $117.20.

A. Richard F. Witherall, 420 Denver Club Building, Denver, Colo.
B. Colorado Railroad Association, 420 Denver Club Building, Denver, Colo.
D. (6) $3,000. E. (9) $5,500.

A. Glenn P. Witte, 1105 Barr Building, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 1105 Barr Building, Washington, D.C. 20006.

A. Frank R. Wolf, 1800 North Kent Street, Suite 1024, Arlington, Va. 22209.
B. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1701 Pennsylvania Avenue NW., Suite 404, Washington, D.C. 20006 (for greenview Associates).
D. (6) $1,000. E. (9) $100.

A. James E. Wolf, Trane Co., 2020 14th Street, North Arlington, Va. 22201.

B. The Trane Co., 3600 Pammel Creek Rd., La Crosse, Wisc.

D. (6) $600. E. (9) $24.60.

A. Sidney M. Wolfe, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street NW., Suite 708, Washington, D.C. 20036.

A. Nathan T. Wolkomir, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $10,769.22. E. (9) $2,855.48.

A. Kenneth D. Wollack, 1341 G Street, No. 908, Washington, D.C. 20005.

B. American Israel Public Affairs Committee, 1341 G Street, No. 908, Washington, D.C. 20005.

D. (6) $6,000.

A. Merle E. Wood, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.

B. Mr. Ewing M. Kauffman, Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.

D. (6) $505. E. (9) $531.42.

A. Merle E. Wood, 10236 Bunker Ridge Road, Kansas City, Mo. 64137.

B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.

D. (6) $510. E. (9) $677.45.

A. William E. Woods, 440 National Press Building, Washington, D.C. 20045.

B. National Association of Retail Druggists, One East Wacker Drive, Chicago, Ill. 60601.

D. (6) $750. E. (9) $150.

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $3,000. E. (9) $123.10.

A. George M. Worden, Hill & Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Edward E. Wright, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $6,000.

A. Wyatt & Saltzstein, 1300 Wyatt Building, Washington, D.C. 20005.

B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.

D. (6) $2,250. E. (9) $100.

A. John H. Yingling, 1156 15th Street NW., Suite 701, Washington, D.C. 20005.

B. Citibank, N. A., 399 Park Avenue, New York, N.Y. 10022.

D. (6) $200. E. (9) $115.01.

A. Kenneth Young, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $9,269. E. (9) $428.26.

A. Reynolds Young, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $675.50. E. (9) $111.25.

A. Robert J. Young, Suite 1014, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $41.01.

A. Eugene A. Yourch, 17 Battery Place North, New York, N.Y. 10004.

B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.

D. (6) $100.

A. Donald Zahn, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $539. E. (9) $101.

A. Lynn Zakupowsky, 777 14th Street, NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

A. John S. Zapp, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill., 60610.

D. (6) $2,400. E. (9) $419.

A. Thomas K. Zaucha, 1725 I Street NW., Washington, D.C. 20006.

B. National Association of Food Chains, 1725 I Street NW., Washington, D.C. 20006.

E. (9) $750.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.

B. Central Coal Co., Grundy, Va. 24614.

D. (6) $180.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.

B. Citizens Commission for the Right To Keep and Bear Arms, 1601 114th Street SE., Suite 151, Bellevue, Wash. 98004.

D. (6) $700. E. (9) $350.

A. Roger H. Zion, Resources Development, Inc., 1155 15th Street NW., Suite 418, Washington, D.C. 20005.

B. Household Goods Forwarders Association of America, Inc., 1500 Massachusetts Avenue NW., Suite 525, Washington, D.C. 20005.

D. (6) $250.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Confederated Tribes of the Colville Indian Reservation, P.O. Box 150, Nespelem, Wash. 99155.

D. (6) $895. E. (9) $460.20.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Lummi Tribe of Indians, P.O. Box 309, Marietta, Wash. 98268.

D. (6) $60. E. (9) $28.08.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Makah Indian Tribe, P.O. Box 115, Neah Bay, Wash. 98357.

D. (6) 660. E. (9) $246.28.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Metlakatla Indian Community, P.O. Box 8, Metlakatla, Alaska 99926.

D. (6) $36. E. (9) $26.94.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Northern Cheyenne Indian Tribe, P.O. Box 128, Lame Dear, Mont. 59043.

D. (6) $3,002.50. E. (9) $467.14.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash., 98392.

A. Barry Zorthian, Time, Inc., 888 16th NW., Washington, D.C. 20006.

B. Time, Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.

D. (6) $3,000. E. (9) $750.

A. Charles O. Zuver, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $5,000. E. (9) $208.09.

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 1976 were received too late to be included in the published reports for that quarter:

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES.

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19______ ◄

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

A. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.

D. (6) $2,500. E. (9) $2,500.

A. A. John Adams, 1825 K Street NW., Suite 210, Washington, D.C. 20006.

B. John Adams Associates, Inc., 1825 K Street NW., Suite 210, Washington, D.C. 20006 (for Industrial Gas Cleaning Institute).

D. (6) $1,500. E. (9) $225.

A. John Adams Associates, Inc., 1825 K Street NW., Suite 210, Washington,. D.C. 20006.

B. Industrial Gas Cleaning Institute, Stamford, Conn.

D. (6) $6,000. E. (9) $3,450.

A. Ad Hoc Coalition for Low and Moderate Income Housing, Suite 400 South 1800 M Street NW., Washington, D.C.

D. (6) $500. E. (9) $10,812.53.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $13,365.71. E. (9) $13,365.71.

A. George Alderson, 620 C Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.

D. (6) $1,260.

A. Roger D. Allan, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Robert Alvarez, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $3,499.98.

A. American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $75.65. E. (9) $23,664.86.

A. American Cancer Society, 777 Third Avenue, New York, N.Y. 10017.

E. (9) $8,625.05.

A. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.

D. (6) $32,188. E. (9) $64,666.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.

D. (6) $9,379.56. E. (9) $7,465.99.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $13,080.26. E. (9) $13,080.26.

A. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.

E. (9) $2,090.63.

A. American League of Anglers, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $6,158.37. E. (9) $6,516.79.

A. American Maritime Association, 17 Battery Place, North Building, New York, N.Y. 10004; 1612 K Street NW., Washington, D.C. 20006.

E. (9) $1,320.59.

A. American Optometric Association, 120 South Hanover Street, Carlisle, Pa. 17013.

D. (6) $1,544.24. E. (9) $1,544.24.

A. William C. Anderson, 225 Touhy Avenue, Park Ridge, Ill.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $1,998. E. (9) $32.

A. Robert E. Ansheles, Suite 907, 1025 Connectitcut Avenue NW., Washington, D.C. 20036.

B. CITC Industries, Inc., 1 Park Avenue, New York, N.Y. 10016.

D. (6) $100. E. (9) $15.

A. Apartment & Office Building Association of Metropolitan Washington, 1511 K Street, Washington, D.C. 20005.

A. Apco Oil Corp., P.O. Box 1841, Oklahoma City, Okla. 73101.

E. (9) $48.30.

A. Roy A. Archibald, National Education Association, 1705 Murchison Drive, Burlingame, Calif. 94010.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $3,086.20. E. (9) $100.

A. Fred Armstrong, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Commissioner of Baseball, 15 West 51st Street, New York, N.Y. 10019.

D. (6) $2,140. E. (9) $72.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Puerto Rican Government, G.P.O. Box 2350, San Juan, P.R. 00936.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.

D. (6) $18,750. E. (9) $1,699.70.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. State Farm Mutual Automobile Insurance Co. 1 State Farm Plaza, Bloomington, Ill. 61701.

D. (6) $1,983. E. (9) $519.

A. Joseph Ashooh, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. The Associated General Contractors of America, 1957 E Street NW., Washintgon, D.C. 20006.

A. Fritz E. Attaway, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Walter F. Atwood, 3105 Gumwood Drive, Hyattsville, Md. 20783.

B. American Polygraph Association, 3105 Gumwood Drive, Hyattsville, Md. 20783

A. The Authors League of America, Inc., 234 West 44th Street, New York, N.Y. 10036.

D. (6) $652.75. E. (9) $652.75.

A. Charles W. Bailey, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $27. E. (9) $5.

A. Emil F. Baker, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Markham Ball, Kenneth I. Schaner, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Leva, Hawes, Symington, Martin & Oppenheimer (for Cooperative for American Relief Everywhere, Inc., 600 First Avenue, New York, N.Y.).

D. (6) $225.

A. Joseph Barody, 1100 17 Street NW., Washington, D.C.

B. Credit Union National Association, 1617 Sherman Avenue, Madison, Wis.

D. (6) $300. E. (9) $150.

A. Roger V. Barth, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.

B. American Association of Clinical Chemists, 1725 K Street NW., Washington, D.C. 20006.

A. Davis M. Batson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

D. (6) $1,000.

A. John N. Bauman, 312 Barr Building, 910 17th Street NW., Washington, D.C. 20006.

B. White Consolidated Industries, Inc., 11770 Berea Road, Cleveland, Ohio 44111.

D. (6) $5,000. E. (9) $765.22.

A. Winston Everett Bell, P.O. Box 1718, Las Vegas, Nev 89101.

A. Benrus Corp., Benrus Center, Ridgefield, Conn. 06877.

A. William S. Bergman, 1001 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. American Collectors Association, 4040 West 70th Street, Minneapolis, Minn. 55435.

D. (6) $4,976. E. (9) $6,219.74.

A. George K. Bernstein, 1730 K Street NW., Washington, D.C. 20006.

B. American Insurance Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,250.

A. George K. Bernstein, 1730 K Street NW., Washington, D.C. 20006.

B. Crum & Forester Insurance Cos., P.O. Box 2387, Morristown, N.J. 07960.

D. (6) $375. E. (9) $50.

A. Linda M. Billings, Sierra Club, 324 C Street SE., Washington, D.C. 20003.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) $4,225. E. (9) $81.

A. Robert J. Bird, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.

B. Ad Hoc Coalition for Cemetery Care, 6216 South Stanford Way, Whittier, Calif. 90601.

A. Robert J. Bird, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.

B. Occidental Life Insurance Co., 12th and Hill, Los Angeles, Calif. 90054.

A. Robert J. Bird, 1140 Connecticut Avenue NW., Suite 412, Washington, D.C. 20036.

B. The Paul Revere Corp., Worcester, Mass. 01808.

A. Robin Birge, 277 St. Phillip Court, Fremont, Calif. 94538.

B. Women's Lobby, Inc., 201 Massachusetts Avenue NE., Washington, D.C. 20002.

E. (9) $216.90.

A. Brent Blackwelder, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $2,458.55. E. (9) $119.73.

A. Larry Blanchard, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,621. E. (9) $41.22.

A. Blunt, Sinnott & Associates, Inc., 1156 15th Street N.W., Washington, D.C. 20005.
B. Port of Oakland, 66 Jack London Square, Oakland, Calif.
D. (6) $1,250. E. (9) $75.

A. Becky Bogard, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $200.

A. Boyden, Kennedy, Romney & Howard, 1000 Kennecott Building, Salt Lake City, Utah 84133.
B. The Zuni Indian Tribe, Zuni, N. Mex.
D. (6) $314.84. E. (9) $2,279.14.

A. Gene M. Bradley, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $600. E. (9) $1,066.97.

A. George E. Bradley, Room 1247, South Building, Department of Agriculture, Washington, D.C. 20250.
B. Organization of Professional Employees of USDA (OPEDA), Room 1247, South Building, Department of Agriculture, Washington, D.C. 20250.
D. (6) $1,260. E. (9) $25.

A. Robert P. Brammer, 318 Massachusetts Avenue NE., Washington, D.C. 20002.
B. National Campaign to Stop the B-1 Bomber, 318 Massachusetts Avenue NE., Washington, D.C.
D. (6) $1,375.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C.
B. The Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $825. E. (9) $80.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Avis Rent-A-Car System, Inc., 900 Old Country Road, Garden City, N.Y. 11530.
E. (9) $120.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $650. E. (9) $95.

A. Cyril F. Brickfield, Miller, Singer, Michaelson, Brickfield & Raives, 1909 K Street NW., Washington, D.C. 20006.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20006.
D. (6) $870. E. (9) $42.

A. Charles S. Broomfield, 25th and McGee, Kansas City, Mo. 64108.
B. Hallmark Cards Inc., 25th and McGee, Kansas City, Mo. 64108.
D. (6) $896. E. (9) $753.94.

A. Charles S. Broomfield, 25th and McGee, Kansas City, Mo. 64108.
B. National Association of Greeting Card Publishers, Meridian Building, 170 Mason Street, Greenwich, Conn. 06830.
D. (6) $450. E. (9) $593.21.

A. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airlines & Steamship Clerks, Freight Handlers, Express & Station Employes, 630 River Road, Rosemont, Ill. 60018.
D. (6) $26,509.92. E. (9) $26,509.92.

A. Joe B. Browder, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $937.50.

A. Richard A. Brown, 2030 Allen Place NW., Washington, D.C. 20009.
B. Full Employment Action Council, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $4,500. E. (9) $335.74.

A. G. N. Buffington, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $475. E. (9) $10.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $4,000. E. (9) $300.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Parcel Post Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $700.

A. John M. Burdick, 4810 Guilford Road, College Park, Md.
B. Citizens Committee on Natural Resources, 1000 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $3,000. E. (9) $150.

A. James L. Burridge, 10 Hardwicke Place, Rockville, Md. 20850.
B. FMC Corp., 1625 I Street NW., Suite 520, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $686.05.

A. John P. Buscher, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Brown & Root, Inc., 4100 Clinton Drive, Houston, Tex. 76001.
D. (6) $1,000. E. (9) $240.71.

A. John E. Campbell, American Hospital Association, One Farragut Square South, Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
E. (9) $51.80.

A. Chapin Carpenter, Jr., Magazine Publishers Association, Inc., 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, Inc., 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $2,000. E. (9) $433.29.

A. Alfred Carr, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,629.30. E. (9) $638.79.

A. Richard M. Carrigan, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $4,953.30. E. (9) $308.31.

A. Charles T. Carroll, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 2006.
D. (6) $1,000.

A. David C. Carter, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. U.S. Beet Sugar Association, 1156 15th Street NW., Washington, D.C. 20005.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Apco Oil Corp., P.O. Box 1841, Oklahoma City, Okla. 73101.
D. (6) $47.50.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Washington, D.C.
B. Arctic Gas Study Co., 1730 Pennsylvania Avenue, Washington, D.C.
D. (6) $6,402.50. E. (9) $426.71.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Northwest Energy Co., P.O. Box 1526, Salt Lake City, Utah 84110.
D. (6) $1,983.75. E. (9) $38.97.

A. Casey, Lane & Mittendorf, 26 Broadway, New York, N.Y. 10004.
B. South African Sugar Asociation, P.O. Box 507, Durban, South Africa.
E. (9) $2,993.38.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1125 15th Street NW., No. 600, Washington, D.C. 20005.
B. United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $5,406.29. E. (9) $80.88.

A. Donald E. Channell, 1819 H Street NW., Washington, D.C. 20006.
B. Southern Furniture Manufacturers Association, P.O. Box 2436, High Point, N.C. 27261.
D. (6) $6,000. E. (9) $420.

A. Samuel B. Chase, Jr., Inc., 1730 M Street NW., Washington, D.C. 20036.
B. South Carolina Bankers Association, 2009 Park Street, Columbia, S.C. 29202.
D. (6) $20,000.

A. Linda Chavez, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $6,500.04. E. (9) $356.42.

A. Citizens Committee on Natural Resources, 1000 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $1,751. E. (9) $4,992.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky. 41101.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Crown Central Petroleum Corp., One North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.
D. (6) $500. E. (9) $100.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., 2055 West 190th Street, Torrance, Calif. 90504.

A. Clean Water Action Project, P.O. Box 19312, Washington, D.C. 20036.
D. (6) $2,250. E. (9) $4,176.57.

A. Coalition Against Strip Mining, 324 C Street SE., Washington, D.C. 20003.
D. (6) $3,015. E. (9) $6,288.18.

A. Coalition of Private University Students, 1730 Rhode Island Avenue, Suite 500, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $2,544.29.

A. Carl A. S. Coan, Jr., 15th and M Streets NW., Washington, D.C. 2005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $8,812.49. E. (9) $1,166.89.

A. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.
E. (9) $90.26.

A. Jerry S. Cohen, Suite 708, 1776 K Street NW., Washington, D.C. 20006.
B. National Congress of Petroleum Retailers, Suite 301, 2021 K Street NW., Washington, D.C.
D. (6) $3,000.

A. Cohen and Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.
B. Vance, Sanders Exchange Fund, One Beacon Street, Boston, Mass. 02108.
D. (6) $25,000. E. (9) $1,500.76.

A. Robert E. Cole, 1660 L Street NW., Washington, D.C.
B. General Motors Corp.
D. (6) $2,500. E. (9) $1,460.88.

A. Martin K. Collie, 2201 First City National Bank Building, Houston, Tex. 77002.
B. Vinson, Elkins, Searls, Connally & Smith, 2100 First City National Bank Building, Houston, Tex. 77002 (for Brown & Root, Inc., P.O. Box 3, Houston, Tex. 77001).
E. (9) $545.27.

A. Committee for Humane Legislation, Inc., 910 16th Street NW., Washington, D.C. 20006.
D. (6) $5,211.40. E. (9) $26,511.42.

A. The Committee of Publicly Owned Companies, 22 Thames Street, New York, N.Y.
D. (6) $7,774. E. (9) $3,532.

A. Peter J. Connell, Aetna Life & Casualty, 1707 H Street NW., Suite 805, Washington, D.C. 20006.
B. Aetna Life & Casualty, Farmington Avenue, Hartford, Conn.
D. (6) $2,250. E. (9) $66.60.

A. Consumer Action Now, Inc., 49 East 53d Street, New York, N.Y. 10022.
D. (6) $1,569.80. E. (9) $1,955.62.

A. Bruce S. Cook, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $63. E. (9) $130.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Eugene E. Cortright, 1660 L Street NW., Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.

A. Council for Responsible Nutrition, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

A. Council of AFL-CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C.
D. (6) $1,250. E. (9) $1,250.

A. Covington and Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Can Co., Greenwich, Conn.
D. (6) $1,058.75. E. (9) $1,443.

A. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $11,842. E. (9) $1,134.81.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Joseph M. Cribben, 3104 Valley Lane, Falls Church, Va. 22044.
B. United Association of Journeymen and Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C.
D. (6) $1,750. E. (9) $81.83.

A. Cuba Claims Association, P.O. Box 014004, Miami, Fla. 33131.
D. (6) $10. E. (9) $4.32.

A. Lynn E. Cunningham, 2000 P Street NW., No. 410, Washington, D.C. 20036.
B. Florence Wagman Roisman (for Cooperative Services, Inc.), 2000 P Street NW., No. 410, Washington, D.C. 20036.
D. (6) $2,400.

A. Robert J. Cushman, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $2,225. E. (9) $282.29.

A. Lee Daneker, P.O. Box 19312, Washington, D.C. 20036.
B. Clean Water Action Project, P.O. Box 19312, Washington, D.C. 20036.
D. (6) $2,745.01. E. (9) $65.84.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.
E. (9) $84.31.

A. Richard C. Darling, 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $800. E. (9) $400.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $5,042.

A. John B. Davenport, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $238.64.

A. Aled P. Davies, Bryn Awelon Farm, R.R. 1, Box 160, Valparaiso, Ind. 46383.
D. (6) $100. E. (9) $115.

A. Claire C. Davis, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $117.

A. P. M. Davison, Jr., North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.
B. North Dakota Railway Lines.
E. (9) $31.61.

A. Daniel P. Dawson, 200 East Randolph, Mail Code 3101, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph, Mail Code 3101, Chicago, Ill. 60601

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. Atlantic Time Products, et al., St. Croix, V.I.
D. (6) $776.50.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.
B. Opticians Association of America, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20005.
D. (6) $1,000.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Beneficial Finance Co., Beneficial Building, Morristown, N.J.
D. (6) $3,125.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.
D. (6) $2,000.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Consumer Credit Insurance Association, 307 North Michigan Avenue, Chicago, Ill. 60601.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. United States Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006.
D. (6) $25,000.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.
B. Vitex Manufacturing Co., Ltd., and Amity International Corp., St. Croix, V.I.
D. (6) $2,250.

A. Richard A. Dell, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $182.09.

A. L. E. Dennis, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers Express and Station Employees, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 6300 River Road, Rosemont, Ill. 60018.
D. (6) $420. E. (9) $151.78.

A. C. H. DeVaney, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $2,750.

A. Annette Dickinson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council for Responsible Nutrition, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Federated Investors, Inc., Pittsburgh, Pa.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.

B. National Federation of Societies for Clinical Social Work, 698 West End Avenue, New York, N.Y. 10025.
D. (6) $500.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Springs, Ky., 41076.
D. (6) $57,260.83. E. (9) $57,260.83.

A. District of Columbia Bankers Association, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $363.33. E. (9) $4,940.70.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Bill Blakemore, P.O. Box 4605, Midland, Tex. 79701.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Giffen Industries, Inc., P.O. Box 10821, Dallas, Tex. 75207.

A. DK Consultants, Inc., 918 16th Street NW., Suite 402, Washington, D.C. 20006.
B. Norton Manufacturing Co., P.O. Box 9067, Memphis, Tenn. 38109.

A. Cushing N. Dolbeare, 517 Westview Street, Philadelphia, Pa. 19119.
B. National Rural Housing Coalition, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $891.83.

A. John C. Doyle, Jr., 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $2,909.09.

A. Morgan D. Dubrow, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $125.

A. M. L. DuMars, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $60.

A. Louise C. Dunlap, 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $4,500. E. (9) $300.63.

A. David F. Dunning 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $507.69. E. (9) $138.80.

A. Clifford E. Edwards, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $278. E. (9) $36.

A. Charles E. Ehrhart, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. J. Burton Eller, Jr., 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.
D. (6) $1,000.

A. John Ellis, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. D. A. Ellsworth, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 6300 River Road, Rosement, Ill. 60018.
D. (6) $8,250. E. (9) $2,487.47.

A. Employee Relocation Council, 333 North Michigan Avenue, Chicago, Ill. 60601.
E. (9) $1,592.94.

A. Lowell J. Endahl, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $235.

A. Steven L. Engelberg, 1737 DeSales Street NW., Suite 400, Washington, D.C. 20036.
B. American Association of Marriage and Family Counselors, 225 Yale Avenue, Claremont, Calif. 91711.
D. (6) $2,499. E. (9) $30.35.

A. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $49,954.18. E. (9) $49,754.50.

A. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
E. (9) $1,000.

A. Brock Evans, Sierra Club, 324 C Street SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $7,000. E. (9) $238.50.

A. Constance Everett, 5423 Harwood Road, Bethesda, Md.
B. Citizens Committee on Natural Resources, 1000 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $1,585.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $875.

A. Leon Felix, Jr., National Education Association, 1419 Joan Drive, Palatine, Ill. 60067.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,927.20. E. (9) $75.

A. Fensterwald & Ohlhausen, 910 16th Street NW., Washington, D.C. 20006.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $3,600. E. (9) $3,496.44.

A. Richard C. Fenton, 1707 H Street NW., Suite 901, Washington, D.C. 20006.
B. American Committee on U.S.-Soviet Relations, 122 Maryland Avenue NE., Washington, D.C. 20002.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,263. E. (9) $20.

A. William J. Flaherty, Disabled American Veterans, 897 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $8,750.

A. Francis R. Fleming, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
D. (6) $2,000.

A. Roger Fleming, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

A. Esther Safran Foer, 1825 K Street NW., Suite 210, Washington, D.C. 20006.
B. John Adams Associates, Inc., 1825 K Street NW., Suite 210, Washington, D.C. 20006 (for Industrial Gas Cleaning Institute).
D. (6) $1,500. E. (9) $225.

A. Carol Tucker Foreman, 1012 14th Street NY., Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $612. E. (9) $125.

A. James F. Fort, 1101 15th Street NW., Suite 302, Washington, D.C. 20005.
B. United Parcel Service, 1101 15th Street NW., Suite 302, Washington, D.C. 20005.
D. (6) $645. E. (9) $876.60.

A. Ronald C. Frankis, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,678. E. (9) $131.28.

A. Robert M. Frederick, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,212.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Cheyenne River Sioux Tribe, Box 100, Eagle Butte, S. Dak. 57625.
D. (6) $600. E. (9) $17.85.

A. Cornelius F. Froeb, 1660 L Street NW., Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $272.

A. Full Employment Action Council, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $8,960.

A. Franklin L. Gage, P.O. Box 1817, Washington, D.C. 20013.
B. Task Force Against Nuclear Pollution, Inc., P.O. Box 1817, Washington, D.C. 20013.
E. (9) $8,040.08.

A. William B. Gardiner, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.
D. (6) $7,750.

A. Mark T. Gates, Jr., 3225 North Harbor Drive, San Diego, Calif. 92101.
B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. Leo J. Gehrig, American Hospital Association, 1 Farragut Square South, Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $2,403.21. E. (9) $425.60.

A. John Gentille, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Geothermal Resources International,

Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.

E. (9) $293.60.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.

B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

D. (6) $3,228.90. E. (9) $3,402.71.

A. Mary Condon Gereau, Suite 1101, 1730 K Street NW., Washington, D.C. 20006.

B. National Treasury Employees Union, Suite 1101, 1730 K Street NW., Washington, D.C. 20006.

D. (6) $2,725. E. (9) $244.95.

A. Clarissa Gilbert, 2115 S Street NW., Washington, D.C. 20008.

B. U.S. National Student Association, 2115 S Street NW., Washington, D.C. 20008.

A. Vernie R. Glasson, III, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $3,375.

A. Glass-Steagall Act Study Committee, 1000 Ring Building, Washington, D.C. 20036.

D. (6) $42,875. E. (9) $4,696.23.

A. Jack Golodner, 1990 M Street NW., Washington, D.C. 20036.

B. Actors Equity Association, 1500 Broadway, New York, N.Y. 10036.

D. (6) $2,500. E. (9) $310.

A. Jack Golodner, 815 16th Street NW., Wahington, D.C. 20006.

B. Council of AFL–CIO Unions for Professional Employees, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. Michael Goodman, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $3,984.39. E. (9) $527.83.

A. Carl F. Graham.

B. Amway Corp., 7575 East Fulton Road, Ada, Mich. 49355.

D. (6) $2,065. E. (9) $2,400.

A. David B. Graham, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $125.

A. James W. Green, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $5,055. E. (9) $597.82.

A. P. Michael Greenwald, American Hospital Association, One Farragut Square South, Washington, D.C. 20006.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $281.54. E. (9) $13.75.

A. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

A. James M. Hacking, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $294.23.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill. 60602.

A. Thomas A. Hammer, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $2,875. E. (9) $34.

A. Andrew E. Hare, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $879. E. (9) $204.

A. Robert E. Harman, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $3,600. E. (9) $75.

A. Michael M. Hash, American Hospital Association, 1 Farragut Square South, Washington, D.C. 20006.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $720.61. E. (9) $289.61.

A. Heavy Duty Truck Manufacturers' Association, Suite 1300, 1700 K Street NW., Washington, D.C. 20006.

D. (6) $60. E. (9) $40.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.

D. (6) $5,500.

A. Barbara Heller, 324 C Street SE,. Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $935. E. (9) $1,560.03.

A. Richard A. Henneges, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

D. (6) $1,575. E. (9) $150.

A. Thomas M. Hennessy, 1701 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.

B. Getty Oil Co., 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $100.

A. Maurice G. Herndon, 425 13th Street NW., Washington, D.C.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

E. (9) $4,684.55.

A. Herrick, Allen, Davis, Bailey & Snyder, 1701 K Street NW., No. 706, Washington, D.C. 20006.

B. Music Operators of North America, Inc., 228 La Salle Street, Chicago, Ill. 60601.

D. (6) $2,400. E. (9) $283.71.

A. Hewes & Wolf, 1720 Eye Street NW., Washington, D.C. 20006.

B. Pennsylvania Petroleum Association, Building 2, Suite D, 2101 North Front Street, Harrisburg, Pa. 17110.

D. (6) $1,250. E. (9) $25.

A. Janet Hieber, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $2,400.

A. Hill, Christopher & Phillips, 2000 L Street NW., Washington, D.C. 20036.

B. Association of Closed-End Investment Co., 230 Madison Avenue, New York N.Y. 10017.

D. (6) $1,455. E. (9) $13.

A. E. Joseph Hillings, National Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Airlines, P.O. Box 502055 AMF, Miami, Fla. 33159.

D. (6) $1,100. E. (9) $50.

A. Arthur Hintze, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Robert Hitzhusen, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $2,750. E. (9) $49.

A. Austin B. Hogan, Jr., American Hospital Association, One Farragut Square South, Washington, D.C. 20006.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $3,050. E. (9) $588.16.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Committee for Fair Reform of the Customs Laws, 405 Lexington Avenue, New York, N.Y. 10017.

E. (9) $87.60.

A. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

E. (9) $1,368.

A. John F. Horty, 4614 Fifth Avenue, Pittsburgh, Pa. 15213.

B. Council of Community Hospitals, 4614 Fifth Avenue, Pittsburgh, Pa. 15213.

A. C. T. Hoversten, 209 West 53d Street, Western Springs, Ill. 60558.

B. National Advertising Co., 6850 South Harlem Avenue, Bedford Park, Argo, Ill. 60501.

D. (6) $300.

A. Arthur L. Howard, 6801 Industrial Road, Springfield, Va. 22151.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

D. (6) $191.89. E. (9) $66.

A. Charles L. Huber, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.

D. (6) $11,250. E. (9) $257.42.

A. Peter W. Hughes, 1909 K Street NW,, Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $525.

A. William J. Hull, 1025 Connecticut Avenue NW., No. 507, Washington, D.C. 20036.

B. Ashland Oil, Inc., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 1025 Connecticut Avenue NW., No. 507, Washington, D.C. 20036.

B. Ohio Valley Improvement Association, Inc.

A. Gregory A. Humphrey, 11 Dupont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $344.60.

A. David J. Humphreys, Paulson and Humphreys, 5272 River Road, Suite 400, Washington, D.C. 20016.

B. Recreation Vehicle Industry Association, P.O. Box 204, 14650 Lee Road, Chantilly, Va. 22021.

D. (6) $15,000.

A. Hunton, Williams, Gay & Gibson, P.O. Box 1535, Richmond, Va. 23212.

B. National Association of Electrical Cos., 1140 Connecticut Avenue NW., Suite 1010, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $1,500.

A. Deborah Imle, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $1,218.75. E. (9) $75.76.

A. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.

A. Institute of Foreign Bankers, 10 Pine Street, New York, N.Y.

D. (6) $188.94. E. (9) $3,000.

A. Insurance Economics Society of America, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.

D. (6) $47,821.04. E. (9) $740.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

E. (9) $19,915.22.

A. Joseph S. Ives, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $125.

A. David L. Ivey, 1101 17th Street NW., Washington, D.C. 20036.

B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $2,437.50. E. (9) $47.45.

A. E. A. Jaenke & Associates Inc., 1735 I Street NW., Washington, D.C. 20006.

B. The Cooperative League of the U.S.A., 1828 L Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. Gary L. Jarmin, 422 First Street SE., Washington, D.C. 20003.

B. American Conservation Union, 422 First Street SE., Washington, D.C. 20003.

D. (6) $2,530.

A. Nicholas Johnson, Suite 411A, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Citizens Communications Lobby, P.O. Box 19101, Washington, D.C. 20036.

A. David Johnston, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

E. (9) $5.

A. Ernest W. Jones, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Ardon B. Judd, Jr., 1100 Connecticut Avenue, Washington, D.C. 20036.

B. Dresser Industries, Inc., 1100 Connecticut Avenue, Washington, D.C. 20036.

A. Robert E. Juliano, Hotel & Restaurant Employees & Bartenders International Union, 1666 K Street NW., Suite 304, Washington, D.C. 20006.

B. Hotel & Restaurant Employees & Bartenders International Union, 120 East Fourth Street, Suite 1300, Cincinnati, Ohio 45202.

D. (6) $7,500. E. (9) $5,184.92.

A. Gary Kampel, 2115 S Street NW., Washington, D.C. 20008.

B. U.S. National Student Association, 2115 S Street NW., Washington, D.C. 20008.

A. Everett E. Kavanaugh, Cosmetic Toiletry & Fragrance Association, 1133 15th Street NW., Washington, D.C. 20005.

B. Cosmetic, Toiletry & Fragrance Association.

D. (6) $2,000. E. (9) $100.

A. Carleton R. Kear, Jr., 1625 I Street NW., Washington, D.C. 20006.

B. Retired Officers Association, 1625 I Street NW., Washington, D.C. 20006.

A. Jefferson D. Keith, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

A. James C. Kelley, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Machine Tool Distributors Association, 1500 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $9,000. E. (9) $1,419.23.

A. Kennedy, Holland, DeLacy & Svoboda, 1900, One First National Center, Omaha, Nebr. 68102.

B. Governors of the Knights of Ak-Sar-Ben, 63d and Shirley Streets, Omaha, Nebr. 68106.

D. (6) $750. E. (9) $350.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, 6300 River Road, Rosemont, Ill. 60018.

D. (6) $7,000. E. (9) $1,520.

A. Kenyon & Kenyon Reilly Carr & Chapin, 59 Maiden Lane, New York, N.Y. 10038.

B. Estate of Bert N. Adams, 1461 West 16 Place, Yuma, Ariz. 85364, et al.

E. (9) $10.

A. Carl F. Kettler, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,750. E. (9) $369.92.

A. Gibson Kingren, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Foundation Health Plan, Inc.

D. (6) $1,125. E. (9) $2,257.

A. Peter M. Kirby, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $2,187.50. E. (9) $499.33.

A. Paul K. Kirkpatrick, Jr., 1000 Ouachita National Bank Building, Monroe, La. 71201.

B. National Association of Manufacturers of Agricultural Trailers, Inc., 421 North Crockett Street, Sherman, Tex. 75090.

E. (9) $3.25.

A. Jeffrey W. Knight, 620 C Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.

D. (6) $2,100.

A. John S. Knox, Jr., 166 16th Street NW., Atlanta, Ga. 30318.

B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga. 30318.

D. (6) $50.

A. Bradley R. Koch, 2000 Florida Avenue NW., Washington, D.C. 20009.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.

D. (6) $130.

A. George W. Koch, 1425 K Street NW., Suite 900, Washington, D.C. 20005.

B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

D. (6) $120.06.

A. Ann Kolker, 1921 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.

B. National Women's Political Caucus, Inc., 1921 Pennsylvania Avenue NW., Washington, D.C. 20006.

E. (9) $1,418.18.

A. Louis C. Kramp & Associates, 1819 H Street NW., Suite 420, Washington, D.C. 20006.

B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

D. (6) $1,368.

A. Philip Kugler, 11 Dupont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $802.64.

A. George B. Kummer III, 299 Park Avenue, New York, N.Y. 10017.

B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.

D. (6) $250. E. (9) $229.97.

A. Norman G. Kurland, Kelso Bangert & Co., Inc., 1800 M Street NW., Washington, D.C. 20036.

B. Kelso Bangert & Co., Inc., 111 Pine Street, San Francisco, Calif. 94111.

D. (6) $6,250. E. (9) $8,108.50.

A. Dan Kuykendall, 918 16th Street NW., Suite 402, Washington, D.C. 20006.

B. D. K. Consultants, Inc., P.O. Box 40534, Washington, D.C. 20016.

A. Kyokuyo Co., Ltd., Suite 604, Central Building, 810 Third Avenue, Seattle, Wash. 98104.

E. (9) $202.40.

A. Ralph D. B. Laime, National Education Association, 245 Northampton Drive, Willingboro, N.J. 08046.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $3,086.20. E. (9) $75.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. David R. Lambert, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $2,000.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.

B. Ad Hoc Coalition for Low and Moderate Income Housing, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $10,736.30.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.

B. The National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $450.

A. Laurence F. Lane, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $424.62. E. (9) $55.68.

A. Clifford C. LaPlante, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $1,800. E. (9) $213.70.

A. Reed E. Larson, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right To Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $98. E. (9) $10.

A. Susannah Lawrence, 325 Pennsylvania Avenue, Washington, D.C. 20003.

B. Consumer Action Now, Inc., 49 East 53d Street, New York, N.Y. 10022.

D. (6) $364.11. E. (9) $364.11.

A. Richard J. Leighton, Vorys, Sater, Seymour & Pease, 1701 K Street NW., Washington, D.C. 20006.

B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Washington, D.C. 20005.

A. David M. Lenny, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $2,000.

A. Joseph A. Letorney, National Educational Association, 112 Union Street, South Weymouth, Mass. 02190.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $5,055. E. (9) $75.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.

D. (6) $225.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Council of Community Hospitals, 4614 Fifth Avenue, Pittsburgh, Pa. 15213.

D. (6) $640.

A. S. R. Levering, 245 Second Street NE., Washington, D.C. 20002.

B. U.S. Committee for the Oceans, 245 Second Street, NE., Washington, D.C. 20002.

D. (6) $1,336.80.

A. Morris J. Levin, 1620 I Street NW., Washington, D.C.

B. Association of American Railroads, American Railroad Building, Washington, D.C. 20006.

D. (6) $1,000.

A. Liberty Lobby, Inc., 130 Third Street SE., Washington, D.C. 20003.

D. (6) $33,546.14. E. (9) $31,716.57.

A. Herbert Liebenson, 1225 19th Street NW., Washington, D.C. 20036.

B. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.

D. (6) $4,500. E. (9) $1,200.

A. Russell B. Light, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $1,248. E. (9) $1,087.50.

A. Jonathan Lindley, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

D. (6) $3,178. E. (9) $200.

A. Maxine Lipeles, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $1,103.75.

A. J. Patrick Logue, American Hospital Association, 1 Farragut Square South, Washington, D.C. 20006.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $739.52. E. (9) $70.02.

A. C. Lance Lujan, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $4,105.65. E. (9) $168.20.

A. Cynthia MacDonald, 1000 Connecticut Avenue, No. 1204, Washington, D.C. 20036.

B. National Association for Milk Marketing Reform, 1000 Connecticut Avenue, No. 1204, Washington, D.C. 20036.

A. Edwin E. Marsh, 36 Southern Building, 805 15th Street NW., Washington, D.C. 20005.

B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.

D. (6) $5,113.26. E. (9) $793.65.

A. John B. Martin, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $516.92.

A. Daniel E. Matthews, 5109 Western Avenue NW., Washington, D.C. 20016.

B. National Public Employer Labor Relations Association, 5109 Western Avenue NW., Washington, D.C. 20016.

A. Charles H. Mauzy, National Education Association, 3951 Snapfinger Parkway, Decatur, Ga. 30032.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $3,086.20. E. (9) $75.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Armco Steel Corp., Suite 419, No. 815 Connecticut Avenue NW., Washington, D.C. 20006.

D. (6) $360. E. (9) $104.

A. Ellen M. McCartney, 2401 Virginia Avenue NW., Washington, D.C. 20037.

B. American Association of University Women, 2401 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $5,342.40. E. (9) $318.

A. John L. McCormick, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $1,916.68.

A. Stanley J. McFarland, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $5,850. E. (9) $826.10.

A. Gordon McGowan, Highwood, Mont. 59450.

B. Montana Railroad Association, Box 1172, Helena, Mont. 59601.

A. Peter E. McGuire, National Association of Retired & Veteran Railway Employees, Inc., 400 First Street NW., Washington, D.C. 20001.

B. National Association of Retired & Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106; Hotel & Restaurant Employees & Bartenders International Union, 1666 K Street NW., Suite 304, Washington, D.C.; International Conference of Police Associations, 1239 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $800. E. (9) $800.

A. Dianne McLaughlin, 810 18th Street NW., Washington, D.C. 20006.

B. American League of Anglers, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $2,031.66. E. (9) $523.69.

A. Jane Pierson McMichael, 1921 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. National Women's Political Caucus, 1921 Pennsylvania Avenue NW., Washington, D.C.

E. (9) $1,730.04.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.

D. (6) $1,500.

A. Carl J. Megel, 11 DuPont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.

D. (6) $7,000. E. (9) $300.

A. Faye L. Mench, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $116.12.

A. Marc Messing, 324 C Street SE., Washington, D.C. 20003.

B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.

D. (6) $375.

A. Samuel S. Michaels, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky.

D. (6) $1,334.

A. James G. Michaux, 1801 K Street NW., Washington, D.C. 20006.

B. Federated Department Stores, Inc., 222 West Seventh Street, Cincinnati, Ohio 45202.

D. (6) $500.

A. Ronald Michieli, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.

B. American National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80202.

D. (6) $1,000.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American General Capital Management, Inc., 717 Fifth Avenue, New York, N.Y. 10022.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American International Group, Inc., 102 Maiden Lane, New York, N.Y. 10005.

D. (6) $1,775. E. (9) $444.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Clara A. Miller, Trust, Frederick M.

Bransfield, Trustee, 2666 1 First National Plaza, Chicago, Ill. 60603.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Estate of Charlotte M. O'Toole, Westover Hills, 710 Princeton Road, Wilmington, Del.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Fidelity Management & Research Co., 35 Congress Street, Boston, Mass. 02109.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Havens Relief Fund Society, 289 Park Avenue South, New York, N.Y. 10010.
D. (6) $300. E. (9) $75.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lincoln National Corp., 1301 South Harrison, Fort Wayne, Ind. 46801.
D. (6) $725. E. (9) $181.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Medical Area Service Corp., c/o Mr. Michael Brewer, Holyoke Center 1000, Cambridge, Mass. 02138.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. State Street Research & Management Co., 225 Franklin Street, Boston, Mass. 02110.

A. Joseph L. Miller, 1612 K Street NW., Washington, D.C. 20006.
B. The Maytag Co. and George A. Hormel & Co.
D. (6) $600. E. (9) $50.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. MEBA Political Action Fund, 17 Battery Place, New York, N.Y. 10004.
D. (6) $3,000. E. (9) $1,460.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ark. 86515.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C.
B. O&C Counties Association, Douglas County Courthouse, Roseburg, Oreg.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. Port of Portland, Box 3529, Portland, Oreg. 97208.
D. (6) $600.

A. Joseph S. Miller, 210 A Street NE., Washington, D.C. 20002.
B. Western Forest Industries Association, 1500 Southwest Taylor Street, Portland, Oreg. 97205.
D. (6) $1,500. E. (9) $724.75.

A. Lester F. Miller, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $278. E. (9) $42.

A. Richard M. Millman, 1730 M Street NW., Suite 908, Washington, D.C. 20036.
B. National Council of Senior Citizens, Inc., 1511 K Street NW., Washington, D.C. 20005.
D. (6) $3,000. E. (9) $488.68.

A. Clarence Mitchell, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. John Moller, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the U.S., Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400.

A. John S. Monagan, Suite 1010, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Benrus Corp., Benrus Center, Ridgefield, Conn. 06877.

A. Christopher Monek, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Clarence W. Moore, 407 Lincoln Road, Miami Beach, Fla. 33139.
B. National Barrel & Drum Association, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,250.

A. Charles Morgan, Jr., 410 First Street SE., Washington, D.C. 20003.
B. American Civil Liberties Union, 22 East 40th Street, New York, N.Y. 10016.
D. (6) $7,700.04. E. (9) 386.20.

A. Jo V. Morgan, Jr., 815 15th Street NW., Washington, D.C. 20005.
B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
D. (6) $1,800.

A. William E. Murray, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $156.

A. George E. Myers, 1730 Rhode Island Avenue NW., Washington, D.C.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $1,400. E. (9) $180.02.

A. National Air Carrier Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $1,330. E. (9) $1,330.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $558.71. E. (9) $650.01.

A. National Association for Milk Marketing Reform, 1000 Connecticut Avenue NW., No. 1204, Washington, D.C.
D. (6) $27,497.68. E. (9) $25,549.95.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $21,998. E. (9) $21,854.

A. National Association of Federally Licensed Firearms Dealers: American Press Media, 7001 North Clark Street, Chicago, Ill. 60626.
D. (6) $2,100. E. (9) $2,100.

A. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $38,354.48. E. (9) $52,574.51.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $500. E. (9) $485.

A. National Beer Wholesalers' Association of America, Inc., 6310 North Cicero Avenue, Chicago, Ill. 60646.
D. (6) $27,185. E. (9) $814.42.

A. National Citizens Communications Lobby, P.O. Box 19101, Washington, D.C. 20036.
D. (6) $2,922.

A. National Clean Air Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,755. E. (9) $2,790.16.

A. National Consumer Center for Legal Services, 1302 18th Street NW., Washington, D.C. 20036.
D. (6) $14,769.20. E. (9) $2,410.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.
D. (6) $4,844.10. E. (9) $4,677.45.

A. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $19,324. E. (9) $21,047.44.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Western Railroad Association, 222 South Riverside Plaza, Chicago, Ill. 60606.
D. (6) $3,000. E. (9) $528.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $55,558.70. E. (9) $15,508.87.

A. The National Federation of Business & Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036,
D. (6) $47,177.61. E. (9) $5,953.02.

A. National Federation of Independent Business, 490 L'Enfant Plaza SW., Washington, D.C. 20024.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.
D. (6) $42,585.15. E. (9) $42,585.15.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $98,099.68. E. (9) $15,295.84.

A. National Hairdressers and Cosmetologists Association, 3510 Olive Street, St. Louis, Mo. 63103.
D. (6) $341.56.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $58,959.80. E. (9) $52,572.68.

A. The National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $3,622.59.

A. National Public Employer Labor Relations Association, 5109 Western Avenue NW., Washington, D.C. 20016.

A. National Rehabilitation Association, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
D. (6) $15,291. E. (9) $1,100.

A. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $4,848. E. (9) $4,848.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
E. (9) $5,337.

A. National Rural Housing Coalition, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,854. E. (9) $1,959.79.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $3,061. E. (9) $4,811.

A. National School Transportation Association, 9001 West Braddock Road, Springfield, Va. 22151.
D. (6) $1,980.76. E. (9) $1,980.76.

A. National Small Business Association, 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $2,562.52.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,186.80. E. (9) $3,128.23

A. National Taxpayers Union, 625 East Capital Street SE., Washington, D.C. 20003.
D. (6) $25,411.41. E. (9) $36,164.04.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C.
D. (6) $470. E. (9) $470.

A. National Women's Political Caucus, 1921 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $41,527.79. E. (9) $3,248.22.

A. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.
D. (6) $36,144. E. (9) $7,774.30.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $750. E. (9) $500.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. International Leather Goods, Plastics and Novelty Workers' Union, 265 West 14th Street, New York, N.Y. 10011.
D. (6) $250. E. (9) $225.

A. Stanley Nehmer, Suite 800, 1101 17th Street NW., Washington, D.C. 20036.
B. The National Handbag Association, 347 Fifth Avenue, New York, N.Y. 10016.
D. (6) $250. E. (9) $225.

A. Robert W. Nelson, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $160.

A. Ivan A. Nestingen, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.
D. (6) $900. E. (9) $225.

A. John A. Nevius, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. District of Columbia Bankers Association, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $4,885. E. (9) $964.60.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Charles M. Noone, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Small Business Investment Cos., 512 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $216.39.

A. Northwest Energy Co., P.O. Box 1526, Salt Lake City, Utah 84110.
E. (9) $2,044.44.

A. Rebekah Norton, 422 First Street SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $1,392.

A. Dallin H. Oaks, Brigham Young University, Provo, Utah, 84602.
B. Brigham Young University, Provo, Utah 84602.

A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill. 60601.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $337.50. E. (9) $318.87.

A. John B. O'Day, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.
B. Insurance Economics Society of America, 11 East Adams Street, Suite 604, Chicago, Ill. 60603.
D. (6) $600.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $6,249.99.

A. Van R. Olsen, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. U.S. Beet Sugar Association, 1156 15th Street NW., Washington, D.C. 20005.

A. Charles E. Olson, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,543.10. E. (9) $101.

A. George C. P. Olsson, 25 Clifford Road, Plymouth, Mass. 02360.
B. Ocean Spray Cranberries, Inc., Hanson, Mass. 02341.
E. (9) $182.99.

A. Charles J. Orasin, 810 18th Street NW., Washington, D.C. 20006.
B. National Council To Control Handguns, 810 18th Street NW., Washington, D.C. 20006.
D. (6) $2,215.44.

A. Organization of Professional Employees of the Department of Agriculture (OPEDA), Room 1247 South Building, U.S. Department of Agriculture, Washington, D.C. 20250.
D. (6) $3,907.59. E. (9) $3,086.27.

A. Paul M. Ostergard, 1 River Road, Building 41–219, Schenectady, N.Y. 12345.
B. General Electric Co., 1 River Road, Schenectady, N.Y. 12345.
D. (6) $125.

A. J. Denis O'Toole, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $4,781.25. E. (9) $642.79.

A. Lew M. Paramore, Box 1160, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control & Conservation Association, Box 1160, Kansas City, Kans. 66117.

A. Robert D. Partridge, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $478.45.

A. The Patent Law Association of Los Angeles, Suite 2400, Equitable Plaza, 3435 Wilshire Boulevard, Los Angeles, Calif. 90010.
E. (9) $799.84.

A. Steven C. Pearlman, 318 Massachusetts Avenue NE., Washington, D.C. 20002.
B. National Campaign To Stop the B–1 Bomber, 318 Massachusetts Avenue NE., Washington, D.C.
D. (6) $375.

A. A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National REA Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $3,333.33. E. (9) $2,069.22.

A. Richard W. Peterson, Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, Sauk Centre, Minn. 56378.
E. (9) $1,620.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. Glass-Steagall Act Study Committee, 1000 Ring Building, Washington, D.C. 20036.
E. (9) $215.72.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. Time, Inc., Time Life Building, 30 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $1,000.

A. J. Francis Pohlhaus, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $500.

A. Rafe Pomerance, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $2,100.

A. Judith A. Pond, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $200. E. (9) $104.

A. Frederick T. Poole, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $3,013. E. (9) $103.

A. Robert D. Powell, 734 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Business Aircraft Association, Inc., 425 13th Street NW., Suite 401, Washington, D.C. 20004.

A. William I. Powell, 1100 Ring Building NW., Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
E. (9) $26.90.

A. Prather, Seeger, Doolittle, Farmer & Ewing, 1101 16th Street NW., Washington, D.C. 20016.
B. Bankers Association for International Trade, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $200.

A. Prather, Seeger, Doolittle, Farmer & Ewing, 1101 16th Street NW., Washington, D.C. 20036.
B. First National Bank of Chicago, 1 First National Plaza, Chicago, Ill. 60670.
D. (6) $1,500. E. (9) $100.

A. Paul F. Preston, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $675.

A. PROD, Inc., 2000 P Street NW., Suite 700, Washington, D.C. 20036.

A. Graham Purcell, 1819 H Street NW., Washington, D.C. 20006.
B. Association of Independent Grain Inspection Agencies, Fort Worth, Tex.
D. (6) $450.

A. Joseph E. Quin, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $833.34.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $743.09.

A. Recording Industry Association of America, Inc., 1 East 57th Street, New York, N.Y. 10022.
D. (6) $372,871.54. E. (9) $23,056.36.

A. Recreation Vehicle Industry Association, P.O. Box 204, 14650 Lee Road, Chantilly, Va. 22021.
E. (9) $15,000.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Reid & Priest, 1701 K Street NW., Washington, D.C. 20006.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

A. J. E. Reinke, 1030 15th Street NW., Washington, D.C. 20005.
B. Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.

A. Pratt Remmel, Jr., 324 C Street SE., Washington, D.C. 20003.
B. Environmental Policy Center, 324 C Street SE., Washington, D.C. 20003.
D. (6) $1,000.

A. Research to Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.
E. (9) $2,500.

A. Tom Reston, 815 Connecticut Avenue NW., Suite 400, Washington, D.C. 20006.
B. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006 (for Committee for Public Advocacy).
D (6) $1,500.

A. W. A. Reynolds, 4400 Lincoln Boulevard, Suite 155, Oklahoma City, Okla. 73105.
B. Aerospatiale, 1225 19th Street NW., Washington, D.C. 20006.
D. (6) $3,000. E. (9) $1,218.85.

A. Pamela Rich, 620 C Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,800.

A. Warren S. Richardson, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,060.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. The Kellogg Co., Battle Creek, Mich.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. Pan American World Airways, Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. James W. Riddell, 723 Washington, Building, Washington, D.C. 20005.
B. Volume Footwear Retailers of America, 51 East 42d Street, New York, N.Y. 10017.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.
B. W. K. Kellogg Foundation, Battle Creek, Mich.
D. (6) $5,000.

A. John Riley, 15th and M Street NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $787. 54. E. (9) $27.69.

A. John R. Rivers, American Hospital Association, 1 Farragut Square South, Washington, D.C. 20006.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,364.52. E. (9) $229.27.

A. Kenneth Roberson, 193 Stuart Road, Valley Stream, N.Y. 11581.
B. Meat Importers Council of America, Inc., One Penn Plaza, New York, N.Y. 10001.

A. James C. Roberts, 422 First Street SE., Washington, D.C. 20003.
B. American Conservative Union, 422 First Street SE., Washington, D.C. 20003.
D. (6) $2,000.

A. William S. Roberts, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $25.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $233.28.

A. Ronn Robinson, National Education Association, P.O. Box 558, Mercer Island, Wash. 98040.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $3,086.20. E. (9) $100.

A. Nathaniel H. Rogg, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $5,908.50. E. (9) $126.13.

A. Harry N. Rosenfield, 1735 DeSales Street NW., Washington, D.C. 20036.
B. American Chiropractic Association, 2200 Grand Avenue, Des Moines, Iowa 50312.
D. (6) $1,980. E. (9) $205.

A. Wally Rustad, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $175.

A. C. Hill Rylander, 425 13th Street NW., Washington, D.C. 20004.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $4,684.55.

A. Austin St. Laurent, 710 White Henry Stuart Building, Seattle, Wash. 98101.
B. Western Environmental Trade Association of Washington, Inc., 710 White Henry Stuart Building, Seattle, Wash. 98101.
D. (6) $2,500. E. (9) $736.74.

A. Jerome D. Schaller, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $2,021.

A. Susan Freeman Schapiro, 2000 P Street, NW., No. 410, Washington, D.C. 20036.
B. Florence Wagman Roisiman, 2000 P Street, NW. Washington, D.C. 20036.
D. (6) $200.

A. Fred E. Schillreff, 1750 New York Avenue NW., Third Floor, Washington, D.C. 20006.
B. International Association of Fire Fighters, AFL–CIO, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $465.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. Frank Schneller, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John W. Scott, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $6,250.

A. Leo Seybold, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,475. E. (9) $110.78.

A. Yvonne L. Shafer, National Education Association, Western States Regional Office, c/o Classroom Teachers of Dallas, 3816 San Jacinto Street, Dallas, Tex. 75204.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,426.80. E. (9) $100.

A. Joseph H. Sharlitt, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Remodelers Association, 42 East 50th Street, New York City, N.Y.
D. (6) $1,050. E. (9) $1,050.

A. Richard N. Sharood, 919 18th Street NW., Washington, D.C. 20006.
B. Great Lakes & European Lines, Inc., 222 South Riverside Plaza, Chicago, Ill. 60606.
D. (6) $3,000.

A. Shaw & Stedina, 350 Madison Avenue, New York, N.Y. 10017.
B. Committee for Fair Reform of the Customs Laws, 350 Madison Avenue, New York, N.Y. 10017.
D. (6) $6,375. E. (9) $978.22.

A. Norman R. Sherlock, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,526.25. E. (9) $681.70.

A. Nelson T. Shields, 810 18th Street NW., Washington, D.C. 20006.
B. National Council to Control Handguns, 810 18th Street NW., Washington, D.C. 20006.

A. Maureen Shubow, 1012 14th Street NW., Washington, D.C. 20005.
B. Consumer Federation of America, 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $323. E. (9) $25.

A. Raymond W. Sifley, 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,300. E. (9) $200.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Government of the Netherlands Antilles, Fort Amsterdam Willemstad. Curacao, Netherlands Antilles.

A. Silverstein and Mullens, 1776 K Street NW., Washington, D.C. 20006.
B. Venezuelan-American Chamber of Commerce and Industry, Apartado 5181, Caracas 101, Venezuela.
E. (9) $100.

A. Marcus W. Sisk, Jr., 1775 K Street NW., Suite 220, Washington, D.C. 20006.
B. The Oil Shale Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
D. (6) $3,800. E. (9) 104.55.

A. Hall Sisson, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $3,228.90. E. (9) $3,277.02.

A. Jonathan W. Sloat, 1425 K Street NW., Suite 900, Washington, D.C. 20005.
B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $24.00. E. (9) $9.

A. Robert Slomski, 620 C Street SE., Washington, D.C. 20003.
B. National Clean Air Coalition, Inc., 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,800.

A. Charles B. Sonneborn, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Association of Blue Shield Plans, 211 East Chicago Avenue, Chicago, Ill. 60611.

A. Leland R. Sorteberg, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $278. E. (9) $14.

A. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.
D. (6) $150.

A. James M. Spouse, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John W. Sroka, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Robert H. Starkey, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $278. E. (9) $10.

A. George E. Steele, Jr., Steele & Utz, 1225 19th Street NW., Suite 700, Washington, D.C. 20036.
B. Zoological Action Committee, Inc., 1225 19th Street NW., Suite 700, Washington, D.C. 20036.
E. (9) $5,000.

A. Richard L. Studley, 1110 Spring Street, P.O. Box 105, Silver Spring, Md. 20907.
B. Machinery Dealers National Association, 1110 Spring Street, P.O. Box 105, Silver Spring, Md. 20907.

A. A. D. Sutherland, 104 South Main Street, Fond du Lac, Wis. 54935.
B. Joint Stock Land Bank of Milwaukee, Wis., 434 South Marr Street, Fond du Lac, Wis. 54935.
E. (9) $55.75.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Suite 800, Washington, D.C. 20006.
B. Association of Art Museum Directors, P.O. Box 620, Philadelphia, Pa. 10021.

A. Sutherland, Asbill & Brennan, 1666 K Street, NW., Washington, D.C. 20006.
B. Carnegie Corp., of New York, 437 Madison Avenue, New York, N.Y. 10022.
D. (6) $1,000. E. (9) $100.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Central States Health & Life Co. of Omaha, Howard at 18th Street, Omaha, Nebr. 68102.
D. (6) $500. E. (9) $50.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006; and 3100 First National Bank Tower, Atlanta, Ga. 30303.
B. The Coca-Cola Bottlers' Association, 166 16th Street NW., Atlanta, Ga.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Connecticut Mutual Life Insurance Co., 140 Garden Street, Hartford, Conn. 06115.
D. (6) $500. E. (9) $40.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.
D. (6) $10,000. E. (9) $500.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $500. E. (9) $40.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Suite 800, Washington, D.C. 20006.
B. Governors of the Knights of Ak-Sar-Ben, 63d and Shirley Streets, Omaha, Nebr. 68106.
D. (6) $100.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01101.
D. (6) $500. E. (9) $40.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Mutual Benefit Life Insurance Co., 520 Broad Street, Newark, N.J. 07101.
E. (9) $40.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Mutual Life Insurance Co. of New York, Broadway at 55th Street, New York, N.Y. 10019.
E. (9) $40.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. National Association of Life Cos., 1365 Peachtree Street NE., Atlanta, Ga. 30309.
D. (6) $500. E. (9) $50.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. New England Mutual Life Insurance Co., 501 Bolyston Street, Boston, Mass. 02117.
D. (6) $500. E. (9) $40.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.
D. (6) $500. E. (9) $40.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters,, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $8,749.98.

A. Fred R. Tammen, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
B. National Rehabilitation Association, 1522 K Street NW., Suite 1120, Washington, D.C. 20005.
D. (6) $5,500. E. (9) $100.

A. Taxation With Representation, Suite 201, 732 17th Street NW., Washington, D.C. 20006.
D. (6) $21,544.83. E. (9) $12,584.20.

A. Patricia Taylor, Room 731, 1346 Connecticut NW., Washington, D.C. 20036.
B. Environmental Action, Room 731, 1346 Connecticut NW., Washington, D.C. 20036.
D. (6) $591.81.

A. J. Woodrow Thomas Associates, Inc., 1701 K Street NW., Suite 1001, Washington, D.C. 20006.
B. Avis Rent-a-Car System, Inc., 900 Old Country Road, Garden City, N.Y. 11530.
D. (6) $1,000.

A. Gregory A. Thomas, 324 C Street SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street. San Francisco, Calif. 94108.
D. (6) $4,250. E. (9) $55.

A. Fred D. Thompson, Thompson, Liebengood & Crawford, First American Center, 15th Floor, Nashville, Tenn. 37238.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $360. E. (9) $194.93.

A. Myron Thompson, c/o the estate of Bernice P. Bishop/Kamehameha Schools, 519 Halekauwila Street, Honolulu, Hawaii.
B. The Estate of Bernice P. Bishop/Kamehameha Schools, 519 Halekauwila Street, Honolulu, Hawaii.
E. (9) $1,262.

A. Wallace Tillman, 2000 Florida Avenue NW., Washington, D.C. 20009.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C. 20009.
D. (6) $255.

A. Patrick F. Tobin, 417 Fourth Street SE., Washington, D.C. 20003.
B. International Longshoremen's & Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $5,005.

A. H. Willis Tobler, 1735 I Street, Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
D. (6) $750.

A. Warren D. Toburen, 1660 L Street NW., Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 6300 River Road, Rosemont, Ill. 60018.

D. (6) $5,250. E. (9) $980.67.

A. W. M. Trevarrow, 976 National Press Building, Washington, D.C. 20045.

B. American Motors Corp., 27777 Franklin Road, Southfield, Mich. 48076.

D. (6) $3,125. E. (9) $322.50.

A. Paul E. Trimble, 1411 Rockefeller Building, Cleveland, Ohio 44113.

B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. Jerry R. Tucker, United Automobile, Aerospace & Agricultural Implement Workers of America, 1125 15th Street NW., No. 600, Washington, D.C. 20005.

B. International Union, United Automobile Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $5,449.56. E. (9) $142.75.

A. U.S. Committee for the Oceans, 245 Second Street NE., Washington, D.C. 20002.

D. (6) $855. E. (9) $2,903.70.

A. United States–Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $471.69. E. (9) $471.69.

A. U.S. National Student Association, 2115 S Street NW., Washington, D.C. 20008.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C.

A. R. Dick Vander Woude, National Education Association, 647–A Dauphine Court, Elk Grove Village, Ill. 60007.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $3,118.20. E. (9) $75.

A. R. Eric Vige, 1660 L Street NW., Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.

A. Marcos von Goihman, 6700 Belcrest Road, No. 625, Hyattsville, Md. 20782.

B. Guyana Airways Corp., 6700 Belcrest Road, No. 625, Hyattsville, Md.

A. Wald, Harkrader & Ross, 1320 19th Street NW., Washington, D.C. 20036.

B. INA Corp., 1600 Arch Street, Philadelphia, Pa. 19101.

A. DeMelt E. Walker, 1730 Rhode Island Avenue NW., Washington, D.C.

B. Credit Union National Association, Inc., 1617 Sherman Avenue, Madison, Wis.

D. (6) $1,190. E. (9) $57.29.

A. Richard D. Warden, 1125 15th Street NW., Washington, D.C. 20005.

B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $7,649.54. E. (9) $713.26.

A. Leonard Warner, P.O. Box 100, Ashburn, Va. 22011.

B. Len Warner, Inc., P.O. Box 100, Ashburn, Va. 22011.

D. (6) $1,000. E. (9) $885.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

E. (9) $6,958.23.

A. Webster, Kilcullen & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $2,000. E. (9) $32.95.

A. Webster, Kilcullen & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Sand Springs Home, 1200 Atlas Life Building, Tulsa, Okla.

D. (6) $1,200.

A. Webster, Kilcullen & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C.

B. Truck Body & Equipment Association, Inc., Suite 1220, 5530 Wisconsin Avenue NW., Washington, D.C. 20015.

D. (6) $2,200. E. (9) 31.95.

A. Webster & Sheffield, 1 Rockefeller Plaza, New York, N.Y. 10020.

B. Aluminum Association, 750 Third Avenue, New York, N.Y. 10017.

E. (9) $911.05.

A. Webster & Sheffield, 1 Rockefeller Plaza, New York, N.Y. 10020.

B. International Council of Shopping Centers (ICSC), 445 Park Avenue, New York, N.Y. 10022.

D. (6) $6,400. E. (9) $1,872.60.

A. Western Environmental Trade Association of Washington, Inc., 710 White-Henry-Stuart Building, Seattle, Wash. 98101.

D. (6) $15,253. E. (9) $10,794.41.

A. Thomas E. Wheeler, 1425 K Street NW., Suite 900, Washington, D.C. 20005.

B. Grocery Manufacturers of America, Inc., 1425 K Street NW., Suite 900, Washington, D.C. 20005.

D. (6) $253.68. E. (9) $413.07.

A. Gordon A. Whitt, 6801 Industrial Road, Springfield, Va. 22151.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

D. (6) $959.54. E. (9) $117.70.

A. Anne M. Wickham, 620 C Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.

D. (6) $2,100.

A. Williams, Connolly & Califano, 839 17th Street NW., Washington, D.C. 20006.

B. Pasco, Inc., P.O. Box 1677, Englewood, Colo. 80110.

D. (6) $770. E. (9) $8.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Blomquist, Batte, & Campbell, Inc., 1039 College Avenue, Wheaton, Ill. 60187.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Brown & Root, Inc., Box 3, Houston, Tex. 77001.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Estee Lauder, Inc., 767 Fifth Avenue, New York, N.Y. 10022.

D. (6) $250. E. (9) $25.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.

D. (6) $1,100. E. (9) $110.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Krause Milling Co., P.O. Box 1156, Milwaukee, Wis. 53201.

D. (6) $150. E. (9) $15.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. The Louisiana Land & Exploration Co., P.O. Box 60350, New Orleans, La. 70160.

D. (6) $1,050. E. (9) $105.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Martin Ryan Haley & Associates, Inc., 40 Central Park South, New York, N.Y. 10019.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. National Association of Water Cos., P.O Box 387, Washington, D.C. 20044.

D. (6) $50. E. (9) $5.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. National Health Legislation Council, P.O. Box 4626, Columbus, Ohio 43212.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Powell Lumber Co., P.O. Box P, Lake Charles, La. 70601.

D. (6) $200. E. (9) $20.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Truck Body & Equipment Association, Inc., 5530 Wisconsin Avenue NW., Suite 1220, Washington, D.C. 20015.

D. (6) $650. E. (9) $65.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Tyson Foods, Inc., Drawer E, Springdale, Ill. 72764.

D. (6) $150. E. (9) $15.

A. Williams & Jensen, 1130 17th Street NW., Washington, D.C. 20036.

B. Ward Industries, Inc., P.O. Box 849, Conway, Ark. 72032.

A. John C. Williamson, 1825 K Street NW., Suite 604, Washington, D.C. 20006.

B. Mortgage Insurance Cos. of America, 1825 K Street NW., Suite 604, Washington, D.C. 20006.

D. (6) $2,000. E. (9) $347.35.

A. John C. Williamson, 1825 K Street NW., Suite 604, Washington, D.C. 20006.

B. National Apartment Association, Suite 604, 1825 K Street NW., Washington, D.C. 20006.

D. (6) $2,000.

A. Wilner & Scheiner, 2021 L Street NW., Washington, D.C. 20036.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

D. (6) $2,975.

A. Curtin Winsor, Jr., 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.

D. (6) $62.50. E. (9) $16.25.

A. Irwin Wolkstein, American Hospital Association, 1 Farragut Square South, Washington, D.C. 20006.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $285. E. (9) $18.

A. Burton C. Wood, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $6,421.86. E. (9) $1,106.50.

A. Jack Yelverton, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Young, Kaplan & Edelstein, 277 Park Avenue, New York, N.Y. 10017.

B. Fallek Chemical Corp., 460 Park Avenue, New York, N.Y. 10022.

D. (6) $1,500.

A. Young, Kaplan & Edelstein, 277 Park Avenue, New York, N.Y. 10017.

B. Glick Affilates, 300 Marcus Avenue, Lake Success, N.Y. 11040.

A. Young, Kaplan & Edelstein, 277 Park Avenue, New York, N.Y. 10017.

B. Madison Equities, 115 East 57th Street New York, N.Y. 10022.

A. Robert Zacharias, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Donald Zahn, 8316 Arlington, Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $504. E. (9) $154.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Confederated Tribes of the Colville Indian Reservation, P.O. Box 150, Nespelem, Wash. 99155.

D. (6) $2,235. E. (9) $468.95.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Lummi Tribe of Indians, P.O. Box 309, Marietta, Wash. 98268.

D. (6) $2,145. E. (9) $471.08.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Makah Indian Tribe, P.O. Box 115, Neah Bay, Wash. 98357.

D. (6) $3,250. E. (9) $515.94.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Metlakatla Indian Community, P.O. Box 8, Annette Islands Reserve, Alaska 99926.

D. (6) $1,930.50. E. (9) $475.88.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Biulding, 600 First Avenue, Seattle, Wash. 98104.

B. Northern Cheyenne Indian Tribe, P.O. Box 128, Lame Deer, Mont. 59043.

D. (6) $575. E. (9) $42.12.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash. 98392.

D. (6) $343.50. E. (9) $53.59.

A. Zoological Action Committee, Inc., 1225 19th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) $9,831. E. (9) $7,247.29.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Risenhoover (at the request of Mr. O'Neill), after 4:30 today, on account of official business.

Mr. Fountain (at the request of Mr. O'Neill), for today, on account of official business.

Mr. McKinney (at the request of Mr. Rhodes), for today, on account of a serious automobile accident involving a member of his family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Kasten) to revise and extend their remarks and include extraneous matter:)

Mr. Young of Alaska, for 10 minutes, today.

Mr. Kemp, for 30 minutes, today.

Mr. Derwinski, for 5 minutes, today.

Mr. Brown of Ohio, for 20 minutes, today.

Mr. Frenzel, for 60 minutes, today.

Mr. Crane, for 30 minutes, today.

(The following Members (at the request of Mr. Hightower) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Dent, for 30 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Drinan, for 20 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Baucus, for 10 minutes, today.

Mr. Rostenkowski, for 5 minutes, today.

Mr. Vanik, for 15 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Cotter, for 5 minutes, today.

Mr. Koch, for 10 minutes, today.

Mr. Mikva, for 5 minutes, today.

Mr. Leggett, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Dingell, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,644.50.

Mr. Snyder, to revise and extend his remarks, prior to the consideration of the conference report on H.R. 12169.

Mr. Conte to revise and extend his remarks immediately following Mr. Michel on the conference report on H.R. 14232.

Mr. Hechler of West Virginia to revise and extend his remarks on H.R. 13372, amendment of the Wild and Scenic Rivers Act.

(The following Members (at the request of Mr. Kasten), and to include extraneous matter:)

Mr. Rhodes.

Mr. Wydler in two instances.

Mr. Snyder.

Mr. Hansen.

Mr. Emery.

Mr. Ashbrook in two instances.

Mr. Butler.

Mr. Johnson of Pennsylvania in two instances.

Mr. Collins of Texas.

Mr. Sarasin in two instances.

Mr. Broyhill in three instances.

Mr. Thone.

Mr. Coughlin in five instances.

Mr. Burgener.

Mr. McDade in two instances.

Mr. Steiger of Wisconsin.

Mr. Brown of Ohio.

Mr. Bob Wilson.

Mr. Moorhead of California.

Mr. Symms in two instances.

Mr. Latta.

Mr. Wiggins.

Mr. Heinz.

Mr. Derwinski.

(The following Members (at the request of Mr. Hightower) and to include extraneous material:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mrs. Burke of California in two instances.

Mr. Harris in two instances.

Mr. Fraser in five instances.

Mr. Baucus in three instances.

Mr. Ashley in two instances.

Mr. Richmond.

Mr. Teague in two instances.

Mr. Mikva.

Mr. Downing of Virginia.

Mr. James V. Stanton.

Mr. Hungate.

Mr. Levitas in five instances.

Mr. Downey of New York.

Mr. Dodd.

Mr. Milford.

Mr. Drinan in 10 instances.

Mr. Conyers.

Mr. Jones of Tennessee.

Mr. Vanik in five instances.

Mr. Fisher.

Mrs. Sullivan.

Mr. Moakley.

Mr. Rosenthal in three instances.

Mrs. Schroeder.

Mr. Dingell.

Mr. McDonald in five instances.

Mr. Rangel in 10 instances.

Mr. Roe.

Ms. Abzug.

Mr. Patterson of California in five instances.

Mr. Vander Veen.

Mr. Maguire.

Mr. Danielson.

Mr. Ambro.

Mr. Mineta.

Mr. Russo.

Mr. McFall.

Mr. Stokes in three instances.

Mr. Bennett.

Mr. John L. Burton.

Mrs. Spellman.

Mr. Mezvinsky.

Mr. Leggett in two instances.

Mr. Hightower.

Mrs. Collins of Illinois.

Mr. Morgan in three instances.

Mr. Ginn.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2830. An act for the relief of Gary A. Broyles; to the Committee on Judiciary.

ENROLLED BILLS AND A JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1402. An act for the relief of John W. Hollis;

H.R. 5752. An act for the relief of Lucie Stein;

H.R. 6156. An act for the relief of Walma T. Thompson;

H.R. 7896. An act to amend sections 2734a(a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the armed forces, and for other purposes;

H.R. 9414. An act for the relief of TV Facts, Rochester, N.Y.;

H.R. 9965. An act for the relief of Boulder Daily Camera, Boulder, Colo.;

H.R. 10374. An act to amend section 2301 of title 44, United States Code, to change the membership of the National Archives Trust Fund Board; and

H.J. Res. 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California.

ADJOURNMENT

Mr. HIGHTOWER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 39 minutes p.m.), pursuant to the provisions of House Concurrent Resolution 707, 94th Congress, the House adjourned until Monday, August 23, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3793. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of August 1, 1976, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. 94–581) to the Committee on Appropriations and ordered to be printed.

3794. A letter from the Under Secretary of Health, Education, and Welfare, transmitting two reports entitled "Runway Youth: A Status Report and Summary of Projects, as of March 31, 1976," and "National Statistical Survey on Runaway Youth, Part I," pursuant to section 321 of Public Law 93–415; to the Committee on Education and Labor.

3795. A letter from the Clerk, U.S. House of Representatives, transmitting his semiannual report of receipts and expenditures for the period January 1 through June 30, 1976, pursuant to section 105(a) of Public Law 88–454 (2 U.S.C. 104a) (H. Doc. 94–580); to the Committee on House Administration and ordered to be printed.

3796. A letter from the Director, Defense Security Assistance Agency transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended

(Transmittal No. 7T-9); to the Committee on International Relations.

3797. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended (Transmittal No. 7T-10); to the Committee on International Relations.

3798. A letter from the Secretary of Transportation, transmitting a report on the effectiveness of miles-per-gallon meters as a means to conserve gasoline in automobiles, pursuant to section 512(a) of Public Law 92-513; to the Committee on Interstate and Foreign Commerce.

3799. A letter from the Secretary of Health, Education, and Welfare, transmitting proposed regulations prescribing standards for use by State agencies in determining whether an applicant for aid to needy families with children has good cause for refusing to cooperate in establishing contact with a deserting parent, pursuant to section 208(d)(1) of Public Law 94-88; to the Committee on Ways and Means.

3800. A letter from the Chairman, East-West Foreign Trade Board, transmitting the Board's fifth quarterly report on trade between the United States and non-market-economy countries, pursuant to section 411 (c) of the Trade Act of 1974; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

3801. A letter from the Comptroller General of the United States, transmitting a report on the Department of Commerce's financial disclosure system; jointly, to the Committees on Government Operations and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. House Resolution 1333. Resolution authorizing the printing of additional copies of the program relating to the presentation of the Magna Carta (Rept. No. 94-1402). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 629. Concurrent resolution providing for the printing of a document entitled "The Working Congress" (Rept. No. 94-1403). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 641. Concurrent resolution to provide for the printing of additional copies of a report of the Subcommittee on Health and Long-Term Care of the Select Committee on Aging of the House of Representatives (Rept. No. 94-1404). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 655. Concurrent resolution providing for the printing of the publication entitled "Summary of Veterans' Legislation Reported, Ninety-fourth Congress" (Rept. No. 94-1405). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 682. Concurrent resolution to authorize the printing of a booklet entitled "Black Americans in Congress" (Rept. No. 94-1406). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 688. Concurrent resolution authorizing printing of the folder "The United States Capitol" as a House document (Rept. No. 94-1407). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 698. Concurrent resolution providing for the printing as a House document "Art in the United States Capitol", (Rept. No. 94-1408). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 107. Concurrent resolution authorizing the printing of the following committee prints of the Committee on Foreign Relations Subcommittee on Multinational Corporations (Rept. No. 94-1409). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 113. Concurrent resolution authorizing the printing of additional copies of the committee print entitled "Soviet Space Programs, 1971-1975" (Rept. No. 94-1410). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 114. Concurrent resolution authorizing the printing of additional copies of Subcommittee on Children and Youth committee print titled "Background Materials Concerning Child and Family Services Act, 1975 (S. 626)"; with amendments (Rept. No. 94-1411). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 115. Concurrent resolution authorizing printing of background information on the Foreign Relations Committee as a Senate document (Rept. No. 94-1412). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 126. Concurrent resolution authorizing the printing of additional copies of the booklet entitled "The Senate Chamber, 1810-1859" (Rept. No. 94-1413). Referred to the House Calendar.

Mr. YATES: Committee on Appropriations. House Resolution 1428. Resolution disapproving the proposed deferral of budget authority for the design of a metallurgy research center to be established on the Fort Douglas Military Reservation, Utah (deferral No. D76-110). (Rept. No. 94-1414). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee on Appropriations. H.R. 15193. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1977, and for other purposes. Referred to the Committee of the Whole House on the State of the Union.

Mr. NIX: Committee on International Relations. H.R. 14681. A bill to provide for termination of investment insurance and guarantees issued by the Overseas Private Investment Corporation in any case in which the investor makes a significant payment to an official of a foreign government for the purpose of influencing the actions of such government; with an amendment (Rept. No. 94-1416). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. S. 3435. An act to increase an authorization of appropriations for the Privacy Protection Study Commission, and to remove the fiscal year expenditure limitation (Rept. No. 94-1417). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 12261. A bill to extend the period during which the Council of the District of Columbia is prohibited from revising the criminal laws of the District (Rept. No. 94-1418). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 14957. A bill to amend title 23 of the District of Columbia Code with respect to the release or detention prior to trial of persons charged with certain violent or dangerous criminal offenses (Rept. No. 94-1419). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 14971. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia, and for other purposes (Rept. No. 94-1420). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 1473. A resolution providing for the consideration of S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program (Rept. No. 94-1421). Ordered to be printed.

Mr. THOMPSON: Committee on House Administration. House Resolutuion 1420. Resolution authorizing participation by counsel on behalf of the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce in any judicial proceeding concerning certain subpenas; with amendments (Rept. No. 94-1422). Referred to the House Calendar.

Mr. FLOWERS: Committee on the Judiciary. S. 3542. An act to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin Federal reclamation project in Idaho, and for other purposes; with amendments (Rept. No. 94-1423). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAUMAN:

H.R. 15127. A bill to provide for the coordination of federally supported research efforts regarding the Chesapeake Bay, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries and Science and Technology.

By Mr. BEARD of Tennessee (for himself, Mr. Bafalis, Mr. Collins of Texas, Mr. Fish, Mr. Hall of Texas, Mrs. Heckler of Massachusetts, Mr. Mann, Mr. Miller of California, Mr. Nolan, Mr. Robinson, and Mr. Simon):

H.R. 15128. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Education and Labor.

By Mr. BRECKINRIDGE (for himself, Mr. Melcher, Mr. Bedell, and Mr. Dent):

H.R. 15129. A bill to provide that the Budget of the U.S. Government for the fiscal year 1977 and subsequent fiscal years shall contain the same functional categories as those that were in effect for fiscal year 1975, including the functional category of "Agriculture and Rural Development" and "Community Development and Housing", and for other purposes; to the Committee on Agriculture.

By Mr. BROWN of Ohio:

H.R. 15130. A bill to improve the operation and effectiveness of the work incentive program under part C of title IV of the Social

Security Act by removing disincentives to work, requiring registration of all AFDC recipients, increasing Federal funding for work-experience projects, and providing for better enforcement of the sanctions under such program; to supplement such program by providing full Federal funding for community-oriented State, local, and private work programs (with participation in such work programs in appropriate cases being a condition of eligibility for AFDC benefits); and to designate all AFDC recipients who are not participating in the WIN program as the "Welfare Labor Force" to be available for other State and local work programs; to the Committee on Education and Labor.

H.R. 15131. A bill to establish a program of Federal grants to encourage the employment and training of unemployed individuals; to the Committee on Education and Labor.

H.R. 15132. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the personal exemptions from $750 to $1,000, to provide for automatic cost-of-living adjustments in the individual tax rates, and to provide a credit for a certain portion of the expenses of higher education; to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 15133. A bill to permit credit for civil service retirement purposes in the case of National Guard technician service before January 1, 1969, where the individual performs creditable service on or after such date (whether or not as such a technician); to the Committee on Post Office and Civil Service.

By Mr. GINN (for himself, Mr. Walsh, Mr. Wright, Mr. Johnson of California, Mr. Cleveland, Mr. Henderson, Mr. Don H. Clausen, Mr. Howard, Mr. Roe, Mr. Roncalio, Mr. Abdnor, Ms. Abzug, Mr. Breaux, Mr. Holland, Mr. Oberstar, Mr. Nowak, Mr. Edgar, Mrs. Lloyd of Tennessee, and Mr. Hefner):

H.R. 15134. A bill to amend the Public Buildings Act of 1959 in order to preserve buildings of historical or architectural significance through their use for Federal public building purposes, and to amend the act of August 12, 1968, relating to the accessability of certain buildings to the physically handicapped; jointly to the Committees on Public Works and Transportation and Government Operations.

By Mr. GRASSLEY (for himself, Mr. Snyder, Mr. Baldus, Mr. Russo, Mr. Conlan, Mr. Shriver, Mr. Martin, Mr. Lott, Mr. Maguire, and Mr. Frey):

H.R. 15135. A bill to repeal the recently enacted provisions authorizing increases in the salaries of Senators and Representatives; to the Committee on Post Office and Civil Service.

By Mr. ICHORD (for himself and Mr. Whitehurst) (by request):

H.R. 15136. A bill to authorize appropriations for construction of facilities on Guam, and for other purposes; to the Committee on Armed Services.

By Mr. LAGOMARSINO:

H.R. 15137. A bill to provide for the establishment of a National Voluntary Medical and Hospital Services Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. LUNDINE (for himself, Mrs. Spellman, Ms. Abzug, Mr. Simon, Mr. Flood, and Mr. Solarz):

H.R. 15138. A bill to provide for a program, to be carried out through the Secretary of Labor, of demonstration projects and an advisory committee to promote economic stability by increasing employment opportunities and improving productivity; to the Committee on Education and Labor.

By Mr. McFALL (for himself, Mr. Cornell, Mr. Jones of North Carolina, and Mr. Rose):

H.R. 15139. A bill to amend the Federal Power Act to provide for the reform of electric utility regulation by the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTGOMERY:

H.R. 15140. A bill to authorize the Secretary of the Army to undertake the phase I design memorandum stage of advanced engineering and design of the project element involving the lowermost 10-mile-long segment of channel modification of Sowashee Creek at Meridian, Miss.; to the Committee on Public Works and Transportation.

By Mr. PEPPER (for himself, Mr. Roybal, Mr. Young of Georgia, Ms. Abzug, Mr. Phillip Burton, Ms. Chisholm, Mr. Duncan of Tennessee, Mr. Fascell, Mr. Hawkins, Mr. Melcher, Ms. Meyner, Mr. Mitchell of Maryland, Mr. Nolan, Mr. Ottinger, Mr. Rodino, Mr. Scheuer, Mr. Charles H. Wilson of California, and Mr. Won Pat):

H.R. 15141. A bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to establish regional demonstration programs to encourage secondary school students from a disadvantaged background to pursue careers in the health profession; to the Committee on Education and Labor.

H.R. 15142. A bill to amend the Higher Education Act of 1965 to provide grants to certain eligible institutions of higher education for regional medical academic summer enrichment programs to prepare undergraduate students from disadvantaged backgrounds for careers in the several medical professions; to the Committee on Education and Labor.

H.R. 15143. A bill to provide capitation grants to medical, osteopathic, and dental schools for increasing the enrollment of students from disadvantaged backgrounds; to the Committee on Education and Labor.

By Mrs. PETTIS:

H.R. 15144. A bill to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands; to the Committee on Interior and Insular Affairs.

By Mr. RICHMOND (for himself, Mr. Bergland, and Mr. Jeffords):

H.R. 15145. A bill providing for a study of anaerobic digesteres and a demonstration project for their use on family farms; to the Committee on Agriculture.

By Mr. ROSTENKOWSKI (for himself and Mr. Vander Jagt):

H.R. 15146. A bill to amend the Internal Revenue Code with regard to an employer's duties in connection with the recording and reporting of tips; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 15147. A bill to amend title II of the Social Security Act to provide that certain service performed by members of the Armed Forces in combat zones shall be counted twice in determining the number of their quarters of coverage; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself and Mr. Simon):

H.R. 15148. A bill to amend title 13, United States Code, to provide that a municipality or a political subdivision of a municipality shall be entitled to receive population census statistics which relate to the area within the jurisdiction of such municipality or subdivision; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS (for himself and Mr. Devine) (by request):

H.R. 15149. A bill to require the disclosure of payment to foreign officials, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STARK (for himself, Mrs. Burke of California, Mr. Ottinger, Mr. Fauntroy, Mr. Burgener, Mr. Roybal, Mr. Badillo, Mrs. Spellman, Mr. Harrington, and Mr. Downey of New York):

H.R. 15150. A bill to amend the Consumer Credit Protection Act to prohibit certain practices in the case of second mortgages which secure residential real property; to the Committee on Banking, Currency and Housing.

By Mr. STEIGER of Arizona:

H.R. 15151. A bill to amend the Endangered Species Act of 1973 to exempt from the provisions of that act certain activities relating to endangered species born in captivity; to the Committee on Merchant Marine and Fisheries.

By Mr. SYMINGTON (for himself, Mr. Badillo, Mr. Bedell, Mr. Buchanan, Mr. Carter, Mr. D'Amours, Mr. Dan Daniel, Mr. Downey of New York, Mr. Fraser, Mr. Hannaford, Mr. Helstoski, Mrs. Keys, Mr. Koch, Mr. Mikva, Mr. Moakley, Mr. Nolan, Mr. Pattison of New York, Mr. Pepper, Mr. Preyer, Mr. Rose, Mr. Stark, and Mr. Vander Jagt):

H.R. 15152. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for services furnished by physician extenders; to the Committee on Ways and Means.

By Mr. THONE (for himself, Mr. Horton, Mr. Andrews of North Dakota, Mr. Archer, Mr. Baucus, Mr. Brown of Ohio, Mr. Butler, Mr. Collins of Texas, Mr. D'Amours, Mr. Dan Daniel, Mr. Emery, Mr. Esch, Mr. Flowers, Mr. Forsythe, Mr. Frenzel, Mr. Goodling, Mr. Gradison, Mr. Jenrette, Mr. Kelly, Mr. Ketchum, Mr. Mitchell of New York, Mr. Spence, Mr. Treen, Mr. Whitehurst, and Mr. Won Pat):

H.R. 15153. A bill to establish national policies to promote the adoption of Government programs which can be expected to provide the greatest net public benefit and to prevent Government programs from having unreasonable public costs, to establish a system requiring regulatory cost/benefit assessments to be prepared for any proposed legislation or regulation which may have a significant economic impact, and for other purposes; to the Committee on Government Operations.

By Mr. THONE (for himself, Mr. Horton, Mr. Abdnor, Mr. Broyhill, Mr. Grassley, Mr. Hansen, Mr. Johnson of Pennsylvania, Mr. Lott, Mr. McCollister, Mr. Shriver, and Mrs. Smith of Nebraska):

H.R. 15154. A bill to establish national policies to promote the adoption of Government programs which can be expected to provide the greatest net public benefit and to prevent Government programs from having unreasonable public costs, to establish a system requiring regulatory cost/benefit assessments to be prepared for any proposed legislation or regulation which may have a significant economic impact, and for other purposes; to the Committee on Government Operations.

By Mr. ULLMAN:

H.R. 15155. A bill to provide certain authority respecting the sale and management of wild horses and burros on public lands; jointly to the Committes on Merchant Marine and Fisheries and Interior and Insular Affairs.

By Mr. WYDLER:

H.R. 15156. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 15157. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and Other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increase authorized by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. WYDLER (for himself, Mr. Addabbo, Ms. Abzug, Mr. Gilman, Mr. Helstoski, Mr. Howard, and Mr. Walsh):

H.R. 15158. A bill to provide for grants and technical assistance for the construction or acquisition by certain State and local authorities of facilities for the use or disposal of sewage sludge; to the Committee on Public Works and Transportation.

By Mr. BROYHILL (for himself, Mr. Baucus, Mrs. Chisholm, Mr. Conte, Mr. Dominick V. Daniels, Mr. Fauntroy, Mr. Frenzel, Mr. Hefner, Mr. Holland, Mr. Hughes, Mr. Jenrette, Mr. Murphy of New York, Mr. Nolan, Mr. Preyer, Mr. Risenhoover, Mr. Santini, Mr. Weaver, Mr. Charles Wilson of Texas, Mr. Won Pat, and Mr. Simon):

H.R. 15159. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for services furnished by physician extenders and clinical staff of community mental health centers; to the Committee on Ways and Means.

By Mr. EILBERG (for himself and Mr. Biaggi):

H.R. 15160. A bill to amend the Ports and Waterways Safety Act of 1972 to provide for the award of grants to port authorities in the United States to enable such authorities to protect public ports and land areas adjacent to such ports from fires and other accidents or casualties occurring in such ports, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FARY:

H.R. 15161. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY:

H.R. 15162. A bill to provide for the establishment of a national cemetery in the east or central part of the State of Florida; to the Committee on Veterans' Affairs.

By Mr. HOWARD:

H.R. 15163. A bill to amend the Federal Water Pollution Control Act to provide for a study of the effects of sewage sludge in certain waters, to provide that disposal sites for certain sewage sludge shall be moved, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MILLER of Ohio:

H.R. 15164. A bill to amend section 901(a) (relating to prohibition of sex discrimination) of the Education Amendments of 1972 to exempt athletic programs or activities from the prohibition of such section; to the Committee on Education and Labor.

H.R. 15165. A bill to amend section 901(a) (relating to prohibition of sex discrimination) of the Education Amendments of 1972 to exempt from the prohibition of such section musical programs or activities, and social programs or activities designed for parents and students; to the Committee on Education and Labor.

By Mr. MILLER of Ohio (for himself, Mr. Byron, Mr. Duncan of Tennessee, Mr. Johnson of Pennsylvania, Mr. Lundine, Mr. Murtha, Mr. Perkins, Mr. Schneebeli, and Mr. Shuster):

H.R. 15166. A bill to amend section 201 of the Appalachian Regional Development Act of 1965; to the Committee on Public Works and Transportation.

By Mr. MOAKLEY:

H.R. 15167. A bill to amend chapter 59 of title 38, United States Code, to provide for the recognition of representatives of the Italian-American War Veterans of the United States, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. OTTINGER:

H.R. 15168. A bill to amend the Communications Act of 1934 to provide rational criteria and procedures for the renewal of broadcast station licenses, increase the ability of the public to participate in the regulatory proceedings of the Federal Communications Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PAUL:

H.R. 15169. A bill to eliminate the appellate jurisdiction of the U.S. Supreme Court with respect to certain abortion cases; to the Committee on the Judiciary.

By Mr. PEPPER (for himself, Mr. Randall, Mr. Matsunaga, Mr. Roybal, Mr. Beard of Rhode Island, Mrs. Lloyd of Tennessee, Mr. Biaggi, Mr. Bonker, Mr. Downey of New York, Mr. Hughes, Mr. Rooney, Mr. Walsh, Mr. Annunzio, Mr. Bingham, Ms. Collins of Illinois, Mr. Corman, Mr. Hicks, Mr. Koch, Mr. Madden, Mr. Moss, Mr. Rodino, Mr. Thompson, and Mr. Udall):

H.R. 15170. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate-care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Ms. Abzug, Mr. Aspin, Mr. Badillo, Mr. Conyers, Mr. Dominick V. Daniels, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Hays of Ohio, Mr. Hinshaw, Ms. Holtzman, Mr. Howard, Mr. Howe, Mr. Hyde, Mr. Krebs, Mr. Lehman, and Mr. Lent):

H.R. 15171. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate-care facilities certified for participation in the medicare or medicaid program, and to provided for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly to the committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Mineta, Mr. Moakley, Mr. Nix, Mr. Richmond, Mr. Roe, Mr. Rosenthal, Mr. Vigorito, Mr. Charles H. Wilson of California, Mr. Wirth, Mr. Won Pat, Mr. Young of Florida, and Mr. Zeferetti):

H.R. 15172. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate-care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RODINO (for himself, Mr. Koch, Ms. Abzug, Mr. Badillo, Mr. Baucus, Mr. Brown of California, Mr. Phillip Burton, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Dodd, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Fraser, Mr. Helstoski, Ms. Holtzman, Ms. Jordan, Mr. Leggett, Mr. Lehman, Mr. Long of Maryland, Mr. Lundine, and Mr. Maguire):

H.R. 15173. A bill to amend chapter 5 of title 5, United States Code (commonly known as the Administrative Procedure Act), to permit awards of reasonable attorneys' fees and other expenses or public participation in proceedings before Federal agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. RODINO (for himself, Mr. Koch, Mr. Mikva, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mosher, Mr. Ottinger, Mr. Richmond, Mr. Riegle, Mr. Rosenthal, Mr. Roybal, Mr. Sarbanes, Mr. Scheuer, Mr. Solarz, Ms. Spellman, Mr. Stark, Mr. Thompson, Mr. Udall, Mr. Waxman, Mr. Weaver, Mr. Wirth, and Mr. Wolff):

H.R. 15174. A bill to amend chapter 5 of title 5, United States Code (commonly known as the Administrative Procedure Act), to permit awards of reasonable attorneys' fees and other expenses for public participation in proceedings before Federal agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. RUPPE (for himself and Mr. Hyde):

H.R. 15175. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SISK:

H.R. 15176. A bill to amend the act of June 3, 1960 (74 Stat. 156), authorizing the Secretary of the Interior to construct the San Luis unit, Central Valley project, California; to the Committee on Interior and Insular Affairs.

By Mrs. SMITH of Nebraska:

H.R. 15177. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. SNYDER (for himself and Mr. Flood):

H.R. 15178. A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal after the President terminates negotiations by the United States with the Republic of Panama to surrender the Panama Canal and the Canal Zone to the Republic of Panama, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SYMMS (for himself, Mr. Ashbrook, Mr. Bauman, Mr. Broomfield, Mr. Burgener, Ms. Chisholm, Mr. Clancy, Mr. Del Clawson, Mr. Cochran, Mr. Conable, Mr. Devine, Mr.

Downey of New York, Mrs. Fenwick, Mr. Findley, Mr. Flowers, Mr. Goldwater, Mr. Goodling, Mr. Grassley, Mr. Hagedorn, Mr. Hammerschmidt, Mr. Hansen, Mrs. Heckler of Massachusetts, Mr. Jeffords, Mr. Kelly, and Mr. Kemp):

H.R. 15179. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMMS (for himself, Mr. Lloyd of California, Mr. Lott, Mr. McCollister, Mr. Martin, Mr. Miller of Ohio, Mr. Nichols, Mr. Rinaldo, Mr. Rousselot, Mr. Sebelius, Mr. Snyder, Mr. Steiger of Arizona, Mr. Taylor of Missouri, Mr. Whitehurst, Mr. Charles Wilson of Texas, and Mr. Young of Alaska):

H.R. 15180. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. TRAXLER (for himself, Mr. Richmond, Mr. Harris, Mr. Gude, Mr. Nolan, Mr. Gilman, and Mr. Cohen):

H.R. 15181. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. TRAXLER (for himself, Mr. Nolan, and Mr. Gilman):

H.R. 15182. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and Other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increase authorized by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. WAMPLER:

H.R. 15183. A bill to amend the Federal Aviation Act of 1958 to authorize reduced-fare transportation on space-available basis for elderly persons, young persons, and handicapped persons; to the Committee on Public Works and Transportation.

By Mr. ECKHARDT (for himself, Mr. Stark, Mr. Mikva, Mr. Breckinridge, Ms. Jordan, Mr. Pattison of New York, Mr. Wirth, Mr. Seiberling, Mr. Sharp, Mr. Hayes of Indiana, Mr. Harris, Mr. Maguire, and Mr. Dodd):

H.R. 15184. A bill to provide indemnity for participants in the swine flu inoculation program; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLY:

H.R. 15185. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 15186. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

By Mr. ROGERS (for himself, Mr. Preyer, Mr. Scheuer, Mr. Carney, Mr. Carter, Mr. Heinz, and Mr. Madigan):

H.R. 15187. A bill to adjust the compensation of the Assistant Secretary for Health of the Department of Health, Education, and Welfare, the Director of the National Institutes of Health, and the Director of each of the Institutes within the National Institutes of Health; to the Committee on Interstate and Foreign Commerce.

By Ms. SPELLMAN (for herself, Mr. Mahon, Mr. Biaggi, Mr. Mitchell of Maryland, Mr. Howard, Mr. Mineta, Mr. Hall of Illinois, Mr. Russo, Mr. Zeferetti, Mr. Zablocki, Mr. Lloyd of California, Mr. Mikva, Mr. Simon, Mr. Bonker, Mr. Oberstar, Mr. Tsongas, Mr. Patterson of California, Ms. Meyner, Ms. Keys, Mr. Jacobs, Mr. Harris, Mr. Wirth, Mr. Scheuer, and Mr. Teague):

H.R. 15188. A bill to provide that salary adjustments for Members of Congress under any law passed, or plan or recommendations received, during a Congress shall take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Ms. SPELLMAN (for herself, Mr. Hefner, Mr. Maguire, Mr. LaFalce, Mr. Beard of Rhode Island, Mr. Charles Wilson of Texas, Ms. Schroeder, Mr. Stark, Mr. Fithian, and Mr. Levitas):

H.R. 15189. A bill to provide that salary adjustments for Members of Congress under any law passed, or plan or recommendations received, during a Congress shall take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. NATCHER:

H.R. 15193. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1977, and for other purposes.

By Mr. KEMP (for himself, Mr. Abdnor, Mr. Anderson of Illinois, Mr. Andrews of North Carolina, Mr. Clancy, Mr. Collins of Texas, Mr. Conlan, Mr. Dan Daniel, Mr. Danielson, Ms. Fenwick, Mr. Forsythe, Mr. Gilman, Mr. Gradison, Ms. Heckler of Massachusetts, Mr. Lagomarsino, Mr. Lott, Mr. Martin, Mr. O'Brien, Mr. Pritchard, Mr. Regula, Mr. Santini, Mr. Shriver, Mr. J. William Stanton, and Mr. Charles Wilson of Texas):

H.J. Res. 1048. Joint resolution to clarify and reaffirm Government purchasing policies; to the Committee on Government Operations.

By Mr. PEPPER:

H.J. Res. 1049. Joint resolution to authorize the President to proclaim October 15 of each year as "National Poetry Day"; to the Committee on Post Office and Civil Service.

By Mr. SCHULZE:

H.J. Res. 1050. Joint resolution proposing an amendment to the Constitution of the United States to provide for 3-year terms for Representatives to the Congress, to limit the number of consecutive terms Representatives may serve, and to provide an age limit for Senators and Representatives; to the Committee on the Judiciary.

By Mr. ASHLEY:

H. Con. Res. 710. Resolution expressing the sense of the Congress in favor of eliminating the reduction in veterans' pensions which results when cost-of-living increases in social security or railroad retirement benefits occur; to the Committee on Veterans' Affairs.

By Mr. KEMP (for himself, Mr. Koch, Mr. Badillo, Mr. Breckinridge, Mr. McKinney, Mr. Mann, Ms. Meyner, Ms. Schroeder, Mr. Seiberling, Mr. Sarbanes, Mr. Vander Veen, Mr. Whitehurst, and Mr. Charles Wilson of Texas):

H. Con. Res. 711. Resolution expressing commendation to the Government of Israel for its Entebbe Airport rescue mission, disapproval of efforts to condemn or censure Israel for the action, approval of the position taken by the Government of the United States and of the United States-United Kingdom resolution, and requesting the President to initiate and engage in negotiations leading to a international agreement to curb terrorists acts; to the Committee on International Relations.

By Mr. WYDLER:

H. Con. Res. 712. Resolution expressing the sense of the Congress that the United States should take the initiative in seeking the establishment by the United Nations of an international policy imposing on the governments of countries in which international terrorists seek sancturary with hostages a duty to make every reasonable effort to free those hostages; to the Committee on International Relations.

By Mr. BUCHANAN (for himself, Mr. Ashbrook, Mr. AuCoin, Mr. Cochran, Mr. Flowers, Mr. Landrum, Mr. Latta, Mrs. Lloyd of Tennessee, Mr. Lott, Mr. McCollister, Mr. Montgomery, Mr. Quillen, Mr. Regula, Mr. Ruppe, Mr. Steiger of Wisconsin, Mr. Stephens, Mr. Taylor of Missouri, Mr. Traxler, Mr. Winn, and Mr. Young of Alaska):

H. Con. Res. 713. Resolution to urge the Soviet Union to release Georgi Vins and permit religious believers within its borders to worship God according to their own conscience; to the Committee on International Relations.

By Mr. DENT (for himself, Mr. Coughlin, Mr. Eilberg, Mr. Gaydos, Mr. Heinz, Mr. Johnson of Pennsylvania, Mr. Moorhead of Pennsylvania, Mr. Murtha, Mr. Nix, Mr. Rooney, and Mr. Vigorito):

H. Res. 1469. Resolution to serve as a permanent monument of memory to Maj. Gen. Arthur St. Clair; to the Committee on Post Office and Civil Service.

By Mr. FLOOD:

H. Res. 1470. Resolution that there be printed as a House document a concise and selected nationwide record of the Bicentennial Captive Nations Week proclamation, statements, and relevant material; to the Committee on House Administration.

By Mr. SCHULZE:

H. Res. 1471. Resolution to amend the Rules of the House of Representatives to limit the number of years a Member may be chairman of a standing committee; to the Committee on Rules.

By Mr. WOLFF (for himself and Mr. Burke of Florida):

H. Res. 1472. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control; to the Committee on House Administration.

By Mr. ASHBROOK:

H. Res. 1474. Resolution to disapprove the Firearms Control Regulations Act of 1975 passed by the Council of the District of Columbia; to the Committee on the District of Columbia.

By Mr. CARR (for himself, Mr. Waxman, Mr. Kindness, Mr. Long of Maryland, Mr. Lloyd of California, Mr. Charles H. Wilson of California, Mr. Baucus, Mr. Gradison, Mr. Maguire, Mr. Matsunaga, Mr. Brown of Ohio, Mr. Edwards of California, Mrs. Fenwick, Mr. Long of Louisiana, Mr. Cohen, Mr. Forsythe, Ms. Abzug, Mr. Frenzel, Mr. Mikva, Mrs. Mink, Mr. Koch, Mr. Jenrette, Mr. Lujan, Mr Edgar, and Mr. Udall):

H. Res. 1475. Resolution to amend the Rules of the House of Representatives to provide that any member of the Committee on Standards of Official Conduct may disqualify himself from participating in investigations undertaken by the committee, and for other purposes; to the Committee on Rules.

By Mr. PATTEN (for himself, Mr. Addabbo, Mr. Archer, Mr. Badillo, Mr. Beard of Rhode Island, Mr.Bell, Mr. Burke of Florida, Mr. Dominick V. Daniels, Mr. Dent, Mr. Dodd, Mr. Florio, Mr. Gilman, Mr. Goldwater, Mr. Heinz, Mr. Helstoski, Mr. Howard, Mr. Hughes, Mr. Kemp, Mr. Koch, Mr. McDonald of Georgia, Mr. Madden, Mr. Mineta, Mr. Minish, Mr. Nowak, and Mr. Peyser):

H. Res. 1476. Resolution expressing the sense of Congress with regard to the rights of minorities in Romania; to the Committee on Ways and Means.

By Mr. PATTEN (for himself, Mr. Pepper, Mr. Rodino, Mr. Roe, Mr. J. William Stanton, Mr. Vander, Veen, Mr. Vigorito, and Mr. Bob Wilson):

H. Res. 1477. Resolution expressing the sense of Congress with regard to the rights of minorities in Romania;

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FUQUA:

H.R. 15190. A bill for the relief of Archibald M. Withers; to the Committee on the Judiciary

By Mr. LAGOMARSINO:

H.R. 15191. A bill for the relief of Jesus Reveles y Rivera; to the Committee on the Judiciary.

By Mr. TALCOTT:

H.R. 15192. A bill for the relief of Javier Jaramillo-Rizo; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII:

547. Mr. FORD of Michigan presented a petition of members and officers of various credit unions in the 15th District of Michigan, relative to the proposed Financial Institutions Act of 1975, which was referred to the Committee on Banking, Currency and Housing.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 8911

By Mr. HARRIS:

Strike out section 12 (beginning on page 12, line 11, and ending on page 12, line 23) and insert in lieu thereof the following:

VALUATION OF INDIVIDUAL'S HOME FOR PURPOSES OF RESOURCES TEST

Sec. 12. Section 1613(a)(1) of the Social Security Act is amended by striking out ", to the extent that its value does not exceed such amount as the Secretary determines to be reasonable".

Page 12, line 14, after the word " 'value' " insert the following: , and inserting "for the region in which it is located" after "reasonable",

By Mr. MIKVA:

Strike out line 15 on page 5 and all that follows down through line 10 on page 6, and insert in lieu thereof the following:

Sec. 4. (a) Section 1615 of the Social Security Act is amended to read as follows:

"REHABILITATION SERVICES FOR BLIND AND DISABLED INDIVIDUALS

"Sec. 1615. (a) In the case of any blind or disabled individual who—

"(1) has not attained age 65, and

"(2) is receiving benefits (or with respect to whom benefits are paid) under this title, the Secretary shall make provision for referral of such individual to the appropriate State agency administering the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act, or, in the case of any such individual who has not attained age 16, to the appropriate State agency administering the State plan under subsection (b) of this section for rehabilitation services under such plan, and (except in such cases as he may determine) for a review not less often than quarterly of such individual's blindness or disability and his need for and utilization of the rehabilitation services made available to him under such plan.

"(b) The Secretary shall by regulation prescribe criteria for approval of State plans for the offering of appropriate comprehensive rehabilitative services (including social and developmental services) to disabled persons who have not attained the age of 16 (hereinafter referred to as 'disabled children'). Such criteria shall include—

"(1) administration by the agency administering the State plan for crippled children's services under title V of this Act;

"(2) coordination with the appropriate Vocational Rehabilitation agencies and other agencies serving disabled children; and

"(3) establishment of an identifiable unit within such agency which shall be responsible for (A) assuring appropriate counseling for disabled children and their families, (B) establishment of an individual service plan for each child, and prompt referral to and arrangement for appropriate medical, educational, and social services, (C) monitoring to assure adherence to each individual service plan, and (D) provision for disabled children who are 6 years of age and under, or who require preparation to take advantage of public educational services, or of medical, social, developmental, and rehabilitative services, in all cases where such services reasonably promise to enhance the child's ability to benefit from subsequent education or training, or otherwise to enhance his opportunities for self-sufficiency or self-support as an adult.

"(c) Every individual with respect to whom the Secretary is required to make provision for referral under subsection (a) shall accept such rehabilitation services as are made available to him under the State plan for vocational and rehabilitation services approved under the Vocational Rehabilitation Act; and no individual shall be an eligible individual or eligible spouse for purposes of this title if he refuses without good cause to accept rehabilitation services for which he is referred under subsection (a).

"(d) The Secretary is authorized to pay to the State agency administering or supervising the administration of the applicable State plan the costs incurred in the provision of rehabilitation services to individuals so referred (not including the costs of any services to which individuals have been referred under a State plan approved pursuant to subsection (b) of this section except to the extent that provision for such services is made under and in accordance with subsection (b)(3)(D)).

"(e) The Secretary shall, within 120 days after the enactment of this subsection, promulgate by regulation criteria (including medical, social, personal, educational, and other criteria) for the determination of disability in the case of persons who have not attained the age of 16."

(b) The amendment made by subsection (a) shall take effect on the first day of the second calendar month beginning after the date of the enactment of this Act.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of August 9, 1976, page 26472.

HOUSE BILLS

H.R. 14821. July 22, 1976. Veterans' Affairs. Provides that lump-sum death payments and monthly benefits payable under title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act shall not be considered income for purposes of determining eligibility for a veterans' pension.

H.R. 14822. July 22, 1976. Ways and Means. Entitles women and children to have payment made for specified maternal and child health care services. Establishes within the Department of Health, Education, and Welfare a Maternal and Child Health Care Board. Establishes an Advisory National Maternal and Child Health Care Council.

Creates in the United States Treasury a Maternal and Child Health Care Trust Fund. Amends the Internal Revenue Code of 1954 to impose maternal and child health care taxes on employers, employees, and self-employed individuals. Appropriates the revenue from such taxes to such Fund.

H.R. 14823. July 22, 1976. Public Works and Transportation. Amends the River and Harbor Act of 1970 to extend and increase appropriations for the demonstration program for winter navigation of the Great Lakes-Saint Lawrence Seaway System.

Amends such Act to expand environmental investigations to include measures to ameliorate adverse impacts upon local communities.

H.R. 14824. July 22, 1976. Education and Labor. Authorizes appropriations for the continuation through fiscal year 1977 of specified grants under the Indian Elementary and Secondary School Assistance Act, the Elementary and Secondary Education Act, and the Adult Education Act.

H.R. 14825. July 22, 1976. Education and Labor. Requires States receiving financial assistance under the Elementary and Secondary Education Act of 1965 which are operating a program designed to insure reading readiness for educationally deprived preschool children or children in grades 1, 2, or 3 to continue such programs at their present level. Prohibits the exclusion of children enrolled in such program from further participation on the ground that such child has achieved a reading aptitude equal to or greater than the normal reading aptitude for the grade in which the child is enrolled.

H.R. 14826. July 22, 1976. Interstate and Foreign Commerce. Repeals the National Health Planning and Resources Development Act of 1974.

H.R. 14827. July 22, 1976. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance program of the Social Security Act to provide that, in the taxable year in which an individual became eligible for monthly insurance benefits, an individual's earnings for months before the first month of eligibility shall not be taken into account in determining whether or not such benefits are subject to deduction because of the earnings limitation.

H.R. 14828. July 22, 1976. International Relations. Authorizes the President to regulate the privileges and immunities of foreign diplomatic missions and their personnel, in a manner consistent with the international agreements.

Requires the President to periodically publish a list of permanent foreign diplomatic missions and the personnel thereof.

Declares void any judicial writ or process against a person or the property of any person entitled to immunity from suit or process under the Vienna Convention on Diplomatic Relations.

H.R. 14829. July 22, 1976. Banking, Currency and Housing. Creates the National Consumer Cooperative Bank, the Self-Help Development Fund, and the Cooperative Bank and Assistance Administration to assist the formation and growth of consumer and other types of self-help cooperatives.

H.R. 14830. July 22, 1976. Post Office and Civil Service. Directs the Secretary of Commerce to take steps to reduce the reporting burden on respondents to the 1979 agricultural census.

Continues in effect the statistical classification of farms which was in effect on June 30, 1976, on and after the effective date of this Act.

Requires that such classifications for the 1979 and later censuses include establishments which sell or would normally sell more than a minimum value of agricultural products.

H.R. 14831. July 22, 1976. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified budget authority contained in the message of the President of July 1, 1976 (H. Doc. 94–542), and in the communication of the Comptroller General of July 15, 1976 (H. Doc. 94–556), for salaries and expenses of the Office of Drug Abuse Policy.

H.R. 14832. July 22, 1976. Interior and Insular Affairs. Requires that electric power in the southwestern power area be sold at agreed points of delivery and at uniform, nondiscriminatory rates.

Stipulates that agreed points of delivery shall not be changed unilaterally by the Secretary of the Interior.

H.R. 14833. July 22, 1976. Ways and Means. Amends the medicare program of the Social Security Act to authorize payment under the supplementary medical insurance program for services furnished by physician extenders.

H.R. 14834. July 22, 1976. Ways and Means. Amends the Internal Revenue Code to increase the percentage standard deduction to an amount equal to 20 percent of adjusted gross income but not to exceed (1) $3,000 in the case of a joint return or a surviving spouse, (2) $2,500 in the case of an unmarried individual, or (3) $1,500 in the case of a married individual filing a separate return.

H.R. 14835. July 22, 1976. Ways and Means. Amends the Internal Revenue Code to allow deductions with respect to the amortization of rehabilitation expenditures for historic structures, with respect to the depreciation of expenditures in substantially rehabilitating other property, and with respect to charitable contributions of partial interests in property for conservation purposes.

H.R. 14836. July 22, 1976. Armed Services. Directs the Administrator of General Services to purchase property suitable for use as a training facility for the Texas National Guard and to exchange such property presently held by the Texas National Guard.

H.R. 14837. July 22, 1976. Ways and Means. Amends the program of Supplemental Security Income for the Aged, Blind, and Disabled of the Social Security Act to permit the exclusion of up to $240 per year of income from a veteran's pension in computing the veteran's income for the purpose of determining his or her eligibility for supplemental security income benefits.

H.R. 14838. July 22, 1976. Judiciary. Authorizes classification of certain individuals as the natural-born alien daughter and grandchildren of a certain U.S. citizen for purposes of the Immigration and Nationality Act.

H.R. 14839. July 22, 1976. Judiciary. Authorizes the admission of a certain individual to the United States for permanent residence.

EXTENSIONS OF REMARKS

SONS WRITE MOVING TRIBUTE TO THEIR LATE FATHER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. STOKES. Mr. Speaker, recently, I received a thank you card from a Cleveland family whom I have been close to for many years. This card contained a simple but moving message from Richard and Tillman Bauknight to their beloved father, Butler Bauknight, who recently passed away.

I would like to take this opportunity, Mr. Speaker, to share this tribute with you and my colleagues in the U.S. House of Representatives. I would also like to ask you to join with me in offering our sincerest condolences to Mr. Butler Bauknight's wife, Connie, and their two sons.

Therefore, I am submitting to you this message entitled "A Memorial Tribute to a Man . . . Butler Bauknight." It is a fitting legacy to a proud and gentle man:

MEMORIAL TRIBUTE TO A MAN . . . BUTLER BAUKNIGHT

We are gathered here today to pay our tribute to one who has been called from labor to reward. We will not forget him . . . nor his deed . . . nor his teachings . . . nor his love for all men of good will . . . nor his compassion for any man, woman, or child in need. Although he never was a man of wealth he gave to all . . . he gave that which no one could ever, ever buy . . . he gave Butler Bauknight . . . he gave quietly . . . he gave willingly . . . he gave love. To all who entered his home it was his pleasure to serve, to feed, to make welcome . . . no one was a stranger, in his home.

Butler Bauknight was a very proud man, a man's man, a man, we as his sons, respected, honored, obeyed and shall eternally love. His life was completely devoted to the comfort and security of his wife and his family. With all due respect to the words, devoted and dedicated to his family, Dad walked tall among all men.

He gave respect to all and he demanded and commanded respect in return from all. Dad was small in size, yet he casted a giant shadow.

As we listen to the song (Trees), which was one of his favorites, we think lovingly of Butler Bauknight, we think of "what he instilled in us at a very early age, to set our goals as high as the tallest building".

He taught us that the word "cannot" was strictly forbidden because there was nothing impossible if one would just set his mind to it and ask God's help. Thus, he inspired many of his friends and many of our friends to find success in life. He did it by simply telling them. . . . "You Can Make It" . . . and they did. Many of us who were inspired by Dad are gathered here today and I just want you to know that he was proud of you . . . and he loved us all. Although Butler, at age 13, was deprived by death of his parents love and inspiration . . . yet he gave both to us all.

We of his blood and we of his family, shall greatly miss . . . but never . . . forget the man called Butler.

In closing our family would like to thank the Clergy, and all who helped to sustain us with your prayers, we also thank the Physicians and Nurses who cared for Dad during his illness and our very special thanks to Doc McCampbell who was always there for the past 26 years. We thank and love all of Dad's neighbors and friends. To him . . . to you . . . we feel honored to hereby recommit our lives . . . today . . . to his teachings and principles.

Finally, to all those who have "asked" please let me know if there is anything I can do? . . . we now ask you each to join us in our living tribute to Butler . . . just do something for someone in need . . . and then . . . just quietly smile . . . and walk away. . . .

Peace to you . . . with love . . . from the sons of . . . Butler Bauknight.

RUSSELL J. CAMERON

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. TEAGUE. Mr. Speaker, in some quarters the Congress of the United States has been the subject of criticism for alleged lack of responsiveness to the real and pressing needs of the country. This allegation has been heard especially in the field of energy. What these critics do not seem to understand is that there are no easy, simple answers to the many complex questions facing this Nation as we attempt to meet our energy requirements and balance these needs with the other demands on our resources, technology, and especially our environment.

But, Mr. Speaker, a charge of being unresponsive implies a lack of communication. This is totally and completely untrue. As one example, since the beginning of this Congress, the Committee on Science and Technology, which I have the privilege to chair, has been considering one of the most important issues facing this Government in the field of energy. That is: How, when and in what manner shall America make use of its great potential energy supply from synthetic sources, primarily gas from coal and petroleum products from oil shale?

Mr. Speaker, during this last 18 months my committee has held countless hearings, reviewed mounds of testimony and studies, and produced a bill, H.R. 12112, which will soon be before this House to let it work its will. In order to produce this bill we did communicate with our people. I believe we were responsive to the advice and concerns expressed to us by very knowledgeable and responsible citizens of different views.

I am very sad to relate to the House that one of the most able and knowledgeable men it has been my pleasure to know during this period has been recently and suddenly stricken with a very serious illness and is now receiving medical care in the M. D. Anderson Tumor Clinic in Houston in my State of Texas. That man is Mr. Russell J. Carmeron, a native of Texas, but who has spent most of his adult life in Colorado. Mr. Cameron has devoted his life to the proper and wise development of natural resources. He has been extremely helpful to not only my committee but to others in bringing to bear his great expertise and patience as we considered the difficult issues of public policy before this Congress. I believe that even those who disagreed with Mr. Cameron's views respect his candor, integrity and knowledge. Russ Cameron has been a great and good example of what individual citizens can do to have an impact on the public policymaking procedure in our free system of government, especially the legislative process. I think there will be a meaningful and successful synthetic fuels industry in the United States one day and the contribution of citizens like Russ Cameron will have been largely responsible for this achievement. I also submit that this success represents a responsiveness on the part of Congress that is real and sensitive to the critical energy needs of our country as we strive for adequacy and security of fuel resources.

On behalf of my colleagues I want to express my best wishes to Russ and his family and to wish him well in his current battle. He is a steadfast fighter of great courage and conviction who is widely respected by those of us in these halls of Congress who know him.

CHIEF JUSTICE PATRICK BRETT O'SULLIVAN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. SARASIN. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to a great statesman, a dedicated public servant and one of Connecticut's outstanding citizens. It is particularly appropriate that the Honorable Patrick Brett O'Sullivan receive recognition at this time and place, for this is the eve of the birthday celebration of a man who served in this body more than 50 years ago and has piled accomplishment upon accomplishment ever since.

More affectionately known in his home town of Derby, Conn., and elsewhere in his native State as "P. B." O'Sullivan, the former U.S. Representative, Chief Justice of the Connecticut Supreme Court, leader of the Connecticut Democratic Party and indefatigable public servant has been a source of inspiration to thousands who have admiringly watched his long and successful career.

"P. B." began that career as corporation counsel to the city of Derby in 1913 and in the same year became secretary-treasurer of the Connecticut Democratic Committee. He was elected to the Connecticut State Senate in 1916, only to resign the following year to enlist in the U.S. Navy and serve abroad the U.S.S. *North Dakota* until honorably discharged in 1919.

In 1922, Mr. O'Sullivan was elected to the 68th Congress, serving from 1923 to 1925 representing Connecticut's Fifth District. In fact, he was the only resident of the Lower Naugatuck River Valley to represent our district until I assumed the seat in January 1973, exactly 50 years after "P. B." O'Sullivan took his oath of office. This has been a source of personal pride and satisfaction to me, to have followed in the footsteps of this great son of the Valley.

As his friends and neighbors gather to honor "P. B." O'Sullivan on the occasion of his 89th birthday Wednesday, August 11, I want to add my personal congratulations, and I am sure those of my colleagues in this body, to this great gentleman. May he enjoy continued success, good health and happiness.

CONGRESSIONAL PETITION ON BEHALF OF SOVIET JEWRY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ROSENTHAL. Mr. Speaker, I am proud to report that 91 of our colleagues have signed a petition to Soviet party leader Leonid Brezhnev urging him to grant fundamental human rights to Soviet Jews.

Congressman JOHN BUCHANAN of Alabama and I circulated this petition in the House of Representatives, but we did not author it. The petition was written by Jewish dissidents inside the Soviet Union and smuggled to the West. An international effort is now underway to gain 1 million signatures on the petition. These congressional endorsements will be added to others from around the world.

The congressional petition, however, is particularly important. It will express to Soviet leaders our concern over the continued persecution of Russian Jews, which is in flagrant violation of the human rights provisions of the Helsinki Accord.

Among those signing the petition are all six House Members of the Commission on Security and Cooperation in Europe, which was established by this Congress to oversee the Helsinki Accord.

We intend to deliver the petition to the Soviet Embassy at noon on Thursday.

The text of the petition and the names of those signing it follow:

PETITION ON BEHALF OF SOVIET JEWRY TO LEONID BREZHNEV, FIRST SECRETARY, CPSU

We, people of different races, religions, and political persuasions share a profound belief in the need to create permanent peace and mutual trust among the nations. We also consider that the observance of elementary human rights is a fundamental prerequisite to such peace and trust.

Because you approved a new international declaration of human rights, when your Government signed the Helsinki Final Act (1975), we now call upon you to:

1. Free all the Jewish Prisoners of Conscience, who are suffering in labor camps and in prisons for their desire to leave for Israel.
2. Forbid all existing forms of persecution of Jews, who have expressed the wish to unite with their families and their own people.
3. Allow the "refuseniks"—those men, women and children who for years have been deprived of their basic rights and have lived under constant pressure without any means of livelihood—to leave Russia and emigrate.

PETITIONERS

Hon. Bella S. Abzug, New York, Hon. Joseph P. Addabbo, New York, Hon. Jerome A. Ambro, New York, Hon. Bill Archer, Texas, Hon. Les AuCoin, Oregon, Hon. Alphonzo Bell, California, Hon. Tom Bevill, Alabama, Hon. Jonathan B. Bingham, New York.

Hon. James J. Blanchard, Michigan, Hon. Edward P. Boland, Massachusetts, Hon. John Breckinridge, Kentucky, Hon. John Buchanan, Alabama, Hon. John B. Conlan, Arizona, Hon. James C. Corman, California, Hon. William R. Cotter, Connecticut, Hon. Dominick V. Daniels, New Jersey.

Hon. Christopher J. Dodd, Connecticut, Hon. Thomas J. Downey, New York, Hon. Robert F. Drinan, Massachusetts, Hon. Robert W. Edgar, Pennsylvania, Hon. Don Edwards, California, Hon. Joshua Eilberg, Pennsylvania, Hon. Dante B. Fascell, Florida, Hon. Millicent Fenwick, New Jersey.

Hon. Hamilton Fish, Jr., New York, Hon. Walter Flowers, Alabama, Hon. Donald M. Fraser, Minnesota, Hon. Bill Frenzel, Minnesota, Hon. Joseph M. Gaydos, Pennsylvania, Hon. Benjamin A. Gilman, New York, Hon. Gilbert Gude, Maryland, Hon. James M. Hanley, New York.

Hon. Tom Harkin, Iowa, Hon. Michael Harrington, Massachusetts, Hon. Herbert E. Harris II, Virginia, Hon. Elizabeth Holtzman, New York, Hon. Frank Horton, New York, Hon. William J. Hughes, New Jersey, Hon. Jack F. Kemp, New York, Hon. Edward I, Koch, New York.

Hon. John Krebs, California, Hon. John J. LaFalce, New York, Hon. Robert J. Lagomarsino, California, Hon. William Lehman, Florida, Hon. Norman F. Lent, New York, Hon. Clarence D. Long, Maryland, Hon. Stanley N. Lundine, New York, Hon. Matthew F. McHugh, New York.

Hon. Andrew Maguire, New Jersey, Hon. Romano L. Mazzoli, Kentucky, Hon. Edward Mezvinsky, Iowa, Hon. Abner J. Mikva, Illinois, Hon. Joe Moakley, Massachusetts, Hon. Charles A. Mosher, Ohio, Hon. Ronald M. Mottl, Ohio, Hon. Robert N. C. Nix, Pennsylvania.

Hon. Henry J. Nowak, New York, Hon. Thomas P. O'Neill, Jr., Massachusetts, Hon. Richard L. Ottinger, New York, Hon. Edward W. Pattison, New York, Hon. Ron Paul, Texas, Hon. Claude Pepper, Florida, Hon. Peter A. Peyser, New York, Hon. Charles B. Rangel, New York.

Hon. Thomas M. Rees, California, Hon. Frederick W. Richmond, New York, Hon. Donald W. Riegle, Jr., Michigan. Hon. Fred B. Rooney, Pennsylvania, Hon. Benjamin S. Rosenthal, New York, Hon. Edward R. Roybal, California, Hon. Martin A. Russo, Illinois, Hon. Leo J. Ryan, California.

Hon. Jim Santini, Nevada, Hon. Paul S. Sarbanes, Maryland, Hon. James H. Scheuer, New York, Hon. Richard T. Schulze, Pennsylvania, Hon. Stephen J. Solarz, New York, Hon. Fortney H. Stark, California, Hon. Alan Steelman, Texas, Hon. Morris K. Udall, Arizona.

Hon. Henry A. Waxman, California, Hon.

William G. Whitehurst, Virginia, Hon. Charles Wilson, Texas, Hon. Lester L. Wolff, New York, Hon. Antonio Borja Won Pat, Guam, Hon. John W. Wydler, New York, Hon. Sidney R. Yates, Illinois, Hon. C. W. Bill Young, Florida, Hon. Leo C. Zeferetti, New York.

CAPTIVE NATIONS WEEK

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. McDADE. Mr. Speaker, we have recently marked the 18th observance of Captive Nations Week, an occasion of special significance to millions of people throughout the world unwillingly under Communist rule.

It is truly appropriate that this year's commemoration comes so shortly after our Nation's Bicentennial celebration, for the history of our own struggle for self-determination is still fresh in our minds. It is this memory that should encourage us to remain steadfast in our conviction that people everywhere should be permitted to enjoy basic national freedoms and individual liberties.

Recently we witnessed a period of easing tensions between our country and the Soviet Union. The American public, however, viewed this policy with skepticism and became genuinely concerned that we were going too fast and giving up too much. The result of this sentiment has been the elimination of the word "détente" from the official vocabulary, an innocuous move on the surface but one with significant diplomatic implications. Yet although we are pursuing a more subtle course of cooperation with Soviet Russia, Communist hegemony continues. This ongoing threat makes it incumbent upon us to uphold our heritage of a free and open society and champion this cause reasonably and responsibly not only for the captive nations but also for potential victims of oppression.

In our cautious rapprochement with the Soviet Union and other Communist countries, we should not be demure in insisting upon guarantees of certain essential rights for the citizenry. We should not hesitate to point out to tyrannical governments that are signatories to international humanistic accords that they are not abiding by the principles embodied in these agreements. We in the Congress should not balk in conditioning certain trade privileges on the right to emigrate. We should continue to press for the release of imprisoned religious leaders and to call for freedom to worship as one chooses.

Such steps are not, as some would have us believe, patent meddling in the internal affairs of another nation. These are affirmative actions aimed at bringing about worldwide awareness of the gross injustices of oppressive states and at encouraging meaningful revisions in the domestic social policies of these governments. For, to act any less emphatically would be a repudiation of our own freedom-loving, freedom-seeking, and freedom-guaranteeing past.

So let us continue to serve as a beacon of liberty to the captured nations and to demonstrate to these peoples that we acknowledge and support their struggle for self-determination.

EXPENSIVE DELAYS IN HOSPITAL COST-SAVING EXPERIMENTS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. VANIK. Mr. Speaker, in the 1972 Social Security Amendments, Congress extended the mandate of the Department of HEW to conduct experiments and demonstration projects as a means of finding ways to reduce hospital cost inflation. Part of this authority included experimentation with alternative methods in third-party reimbursement to hospitals, and specifically, prospective reimbursement.

Today, 4 years after the law was passed, few definitive, concrete, conclusions can be drawn from the woefully limited projects that have been conducted.

Everyone has data confirming the fact that hospital costs are increasing at a frightening inflationary rate and that the present third-party reimbursement system is largely responsible for this inflation. However, when we ask for conclusions on the effects of prospective reimbursement on containing costs, few are able to answer.

A high rate of hospital cost inflation is not a new phenomenon, and neither is the idea of prospective reimbursement. It seems to me that by now, some positive conclusions should have been provided regarding a solution to this serious problem, and frankly, I am disappointed that none are forthcoming.

On August 3, the Health Subcommittee, of which I am a member, conducted a hearing to discuss recommendations relating to revisions in the medicare hospital reimbursement system. The subcommittee heard from a parade of witnesses who emphasized the need for more research before we mandate the change to a prospective reimbursement system. Of course, I too agree that before any such major change in health policy is implemented, experimentation is necessary. However, what have HEW and the various hospital and insurance associations been doing these past 4 or 5 years? Why have the people who are now calling for more research not conducted more experiments by now or called more attention to HEW's failure to act?

Calls for future research are often excuses for postponing or delaying hard decisions today. Yet, the witnesses at the August 3 hearing are correct—HEW and the private sector have failed to give us adequate research. The result is a lost opportunity for slowing hospital-cost inflation—a lost opportunity that will cost the American economy billions of dollars in the years ahead.

During the August 3 hearing, the need for further research was reiterated and emphasized over and over again. John Alexander McMahon, president of the American Hospital Association, testified:

> In our view, no single method (of prospective reimbursement) has emerged that has proved satisfactory for general application. Therefore, experimentation should continue, and before the adoption of any system, there should be adequate time for trials and validation of the method so that, if necessary, modification may be made.

However, he said very little on the cost containment efforts that the AHA had conducted to the present. In fact, the hospital association hindered the implementation of the prospective reimbursement system in Maryland, challenging in court the guidelines of the Maryland Health Services Cost Review Commission.

The second witness, Daniel W. Pettingill, representing the Health Insurance Association of America, stated:

> Alternative approaches to setting prospective rates not only should be experimented with but also will probably always be necessary because of inherent differences among various health care institutions.

He added:

> Indeed, we regret that HEW has not done more in the way of experimenting to find effective approaches to prospective rate setting.

Speaking for the Federation of American Hospitals, Michael D. Bromberg explained that the association supported a "major overhaul" of the present reimbursement system for institutional providers. He continued:

> However, we also believe that experimentation on a national basis involving several prospective methods is necessary to determine appropriate long-range systems.

And Mr. Bromberg criticized HEW's limited experimentation under section 222.

In response to a question, Mr. Bromberg described three or four experiments that he would like to be tried, but he gave no indication of what FAH has done to implement them or to have them implemented.

Neil Hollander, vice president for health care services of Blue Cross, lamented:

> There isn't enough data covering enough time to provide a basis for analysis or comparison.

He added that prospective programs currently being attempted should be continued:

> . . . at least until enough evidence is collected to determine the best directions for payment programs to take.

The vice chairman of the Maryland Health Services Cost Review Commission, Mr. Marcus Olson, explained the positive results his own commission has obtained in containing costs. He continued:

> However, I would not conclude because of this experience that it would necessarily be desirable over the long run and over the whole country to have commission regulation of rates. We should have more experiment along this line and it might prove in the long run that this is good.

Overall, he explained, experience is limited.

Another criticism of HEW came from Mr. Roger Lipitz, president of the National Council of Health Care Services. He stated:

> Section 222 of Public Law 92-603 required the Social Security Administration to carry out demonstration projects for innovative reimbursement systems in hospitals and long-term care facilities. Today, four years after the law's enactment, we have no such projects in nursing homes. We, therefore, have no experience or data to draw upon as to the problems involved or cost savings which might result from such systems.

Dr. Thomas Ainsworth, medical director of the Illinois Masonic Medical Center, also expressed the need for further research:

> We further suggest that experiments in prospective case rate reimbursement methodology be undertaken before any prospective rate reimbursement program is implemented.

I have listened to all these cries for further research, and I wonder why so little has been done until now. Not only HEW, but also many of the witnesses who have testified, could, themselves, have done more to find a solution to escalating hospital costs.

Although others have to share the blame, the Department of Health, Education, and Welfare is the major culprit in causing delays in experimentation with alternative forms of hospital reimbursement. Congress mandated medicare cost-saving experiments in the 1967 social security amendments and extended that mandate in 1972. Information gathered from two hearings held in May by the Ways and Means Oversight Subcommittee emphasized the incredible lack of timely and vigorous experimental effort on the part of the Social Security Administration, often caused by a problem of delegating responsibility. A report to be printed by the Oversight Subcommittee details the HEW delays.

While, over and over, representatives of hospitals and insurance companies, and officials of HEW, call for more research, hospital costs continue to rise. Michael Bromberg of the FAH described our predicament very well:

> . . . we do not have the luxury of several more years in which to merely collect data, while continuing to inflate federally funded programs through the use of retrospective cost reimbursement.

I am disappointed by the apparent lack of concern on the part of HEW, and hope that experimentation with prospective reimbursement will be more vigorous from now on. Otherwise, in 10 years, we will still be hearing the need for more research; we will be stuck even further down in the quagmire of our present reimbursement system, while escalating hospital costs bankrupt families and governments alike.

WOMEN UPWARD BOUND

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. FRASER. Mr. Speaker, an exciting program at Metropolitan Community College in Minneapolis is bringing new opportunities to yet another disadvantaged group—women.

Called Women Upward Bound, this program has had a remarkable success with women who have few educational skills and low economic expectations. In addition to an academic retooling, the program provides participants with child care and other backup social services. But probably most important is its success at reawakening self-confidence. Graduates of the program have gone on to other colleges and vocational schools, and ultimately to new careers in a number of fields they had previously thought far beyond them.

With a little support, this is an idea which could easily be duplicated in many parts of the country. I am appending an article by Geri Joseph which gives further details:

[From the Minneapolis Tribune, June 27, 1976]

WOMEN UPWARD BOUND

(By Geri Joseph)

In the heart of the inner city, a success story is happening. Even in livable Minneapolis, the inner city is not a place where success ordinarily thrives, and that would be reason enough for this column. But there is a better reason: The success story is threatened with an unhappy ending.

The story began with two remarkable young women—Mary Pruitt from Pennsylvania and Carol Kilps, whose family farms in Missouri. In 1970, they joined the staff of Metropolitan Community College, a new and non-traditional school on the edge of downtown Minneapolis. In no time at all they became good friends.

Each woman had several degrees in education or counseling. Each had worked by choice in the poverty wasteland of big cities. They knew a lot about the obstacles to learning, but they learned a lot more from the women they came to know as students.

Their students were not the usual collection of young people. They ranged in age from 17 to 60, with the average age around 25. While most were high-school graduates and some had had one or two quarters of college, a few had only gotten through eighth grade. And while several had come from privileged, suburban childhoods, most now barely managed to make ends meet. A number were on welfare.

Yet some inner need, a longing to achieve a better life through their own efforts, sent these women back to school—a flexible, experimental school, to be sure.

Mary Pruitt and Carol Kilps quickly discovered the gamut of problems that are barriers to achievement for so many poor women: Their experience with traditional education had been bad. Many were in dead-end jobs—or had no jobs at all—and lacked skills or training to do anything about it. A substantial number were divorced or separated and carried the whole burden of running a household. And the perennial difficulty of finding adequate day-care services for children was a discouraging hassle.

There was one other big problem—an appalling lack of confidence in their own abilities. Experts in human behavior have observed that away from home and family, many women—not just poor women—lack self-confidence. Blame it on the way they were raised and educated. But if women are to take advantage of opportunities beginning to open up to them, they must develop the self-confidence to reach out and try new things.

That thought was uppermost when Mary Pruitt and Carol Kilps began to talk about a program to provide both psychological support and academic learning. They haunted libraries, talked with a variety of experts and spent hours with each other talking and planning. By 1974, they had put together their Women Upward Bound project and got it funded through a two-year federal "seed-money" grant of $25,000.

On paper, the project provides "group and individual counseling, courses in career exploration, academic skill development and readings about the achievements of other women." But that list tells little of the enormous efforts or the contagious spark contributed by the two women. They begged and borrowed from other staff at the college. They helped find part-time jobs and child-care facilities. They acted as intermediaries or advocates with the welfare department. They put students in touch with helpful agencies such as Working Opportunity for Women and Chrysalis.

On the academic side, women students got special aid in such fundamentals as learning how to use the library, getting the most out of a reference book or writing a theme. Besides her teaching, Carol saw 100 to 150 students a quarter for individualized study services. Mary worked with 200 who came to her for counseling two or three times a quarter. A 60-hour week was the usual routine.

Both women have been especially elated with the success of their course on Heritage of the American Woman. Their theory that women students could be encouraged, even inspired, by accomplishments of other women—women who rarely make traditional textbooks—appears to have been correct. A stack of letters proves it: "I hope you're happy! You've activated a rusty, tired, old brain and made me want to learn more and more," wrote one woman, "Your . . . class has changed my whole life. I'm now glad to be a woman for the first time in my life," wrote another.

There is more evidence that Women Upward Bound is a success story. Students have gone on to other colleges or vocational-technical schools. Several are at the Minneapolis College of Art and Design. One woman recently won a scholarship to Hamline University. Others have graduated from Metropolitan's two-year nursing course. Still others were trained and are working as drug counselors.

The ideas and wholehearted commitment of two young women have paid off. But the story is threatened by a not-unfamiliar obstacle: The money has run out, and there is nothing in the Metropolitan Community College budget to maintain the present program. Promises to seek legislative help next year are no comfort for this fall.

In their spare time, Ms. Pruitt and Mrs. Kilps have written a grant request to several foundations. They know that in the past foundations have not been particularly interested in women's projects. But they hope that changing times and the program's achievements will win support. They need $27,300. That seems a small price to pay for a few more chapters of a success story.

LEGAL EFFECT OF SECTION 311, H.R. 14234, IS UNCERTAIN

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BURGENER. Mr. Speaker, it would appear that Senate amendment No. 55, which constitutes section 311 of the transportation appropriations bill for fiscal year 1977 (H.R. 14234), was intended to restrict the authority of the President and the Secretary of the Army to coordinate the personnel policy of the various Federal agencies in the Canal Zone. As I understand it, it would not in fact do so. Rather, it could serve only to limit the participation of the Governor in the coordination process inasmuch as this appropriation act provides only funds that he administers.

I also understand that the amendment would have no effect on funds available from other sources for this purpose, for example, DOD.

It would further appear that a purpose of the amendment was to limit the authority of the Canal Zone Civilian Personnel Policy Coordinating Board to establish personnel policy. As a matter of fact, the Board does not establish major personnel policy; it merely coordinates personnel policy among the various agencies in the Canal Zone. The establishment authority rests with the Secretary of the Army.

The effect of the bill, therefore, may be to inhibit the Secretary's ability to have policy recommendations coordinated prior to their being submitted for his decision.

The amendment, moreover, does not appear to make any change in the substantive law that creates a uniform wage and merit system for the Canal Zone. Therefore, notwithstanding this amendment, the various agencies will have to continue to apply that law and the implementing regulations in a uniform manner. Indeed, the legal effect of section 311 is uncertain.

REAGAN-SCHWEIKER TICKET

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. SNYDER. Mr. Speaker, Governor Reagan has taken considerable flack from various directions since the surprise announcement of his choice for a running mate.

I wish to share with my colleagues the following article from the Washington News-Intelligence Service, that presents a different strategic picture than has been projected by the press generally:

REAGAN-SCHWEIKER TICKET

(By Paul Scott)

WASHINGTON, August. 4.—There are signs that a Republican ticket of former California Governor Ronald Reagan and Senator Richard S. Schweiker, of Pennsylvania, could attract massive support from the nation's large bloc of Catholic voters, including those that normally would vote democratic.

This is clearly indicated by the little-noticed endorsement of Reagan's selection of Schweiker by the U.S. Coalition For Life, the most influential Catholic oriented, national pro-life group in the country which includes both conservative and liberal church goers.

The highly respected, middle-of-the-road group believes the Reagan move lays the ground work for drawing heavy support from among the nation's 30,000,000 voting Catholics because of their growing disenchantment with Democratic Presidential nominee Jimmy Carter and his party's pro-abortion stand.

Although neither Reagan or Schweiker are Catholics, they have taken a strong public stand for a Constitutional Amendment to end the massive killing of the unborn, which most of the nation's Catholic bishops and lay leaders now regard as the number one moral issue in the country.

While conservative Catholics have appeared inclined to flock to the Reagan banner, should he be the GOP nominee, the selection of Schweiker now opens the door to the more liberal Catholics, who have shied away from the former California Governor because of the reactionary picture painted of him in the press.

Nearly 7 out of 10 of these Catholic voters are concentrated in 12 large states, including Schweiker's home state of Pennsylvania where he has proven his ability to attract broad-based support among Catholic voters in such cities as Philadelphia and Pittsburgh.

Significantly, the 12 states contain 271 electoral votes—or one more than needed to elect a President. These states also are where Carter is the weakest.

Schweiker's stand for helping the Captive Nations of Europe and anti-detente stance against the Soviet Union fits into Reagan's strategy to win over the large ethnic vote in these large states.

With Schweiker on the ticket, Reagan's aides believe he could take full advantage of the recent awakening of ethnic pride and resulting political action among many Catholics in the North—Irish, Polish, Italian-American among them—and tensions and conflicts between them and blacks in the big cities.

EMOTIONAL ISSUES

On the emotional issues of prayer in school, busing, and gun control, Schweiker's positions either match or are very close to those of Reagan which should help increase the GOP drawing power among these ethnic voters.

Whether this Schweiker drawing power with Catholics and his conservative stand on the emotional issues will be enough to convince a majority of GOP delegates to the Republican National Convention that a Reagan-Schweiker ticket would be a winning combination and should be nominated is still to be determined.

The writing off of Reagan's candidacy because of his advance selection of Schweiker as his proposed running mate is definitely premature since its full impact on the majority of delegates won't be known for another week or 10 days and maybe not until the GOP Convention opens on Aug. 16.

After the first shock, there are signs that the more Conservative Republicans learn about Schweiker and his political potential the more they seem to like it. Both Reagan and Schweiker stand together on the key issues of defending and extending freedom and the protection of the dignity of life both here and abroad.

The success or failure of Reagan's move now appears to turn on whether Senator Schweiker is able to persuade Eastern Republican leaders that these are the issues on which the Republican party can win in November.

William Loeb, Publisher of the Manchester Union-Leader (N.H.), and a strong supporter of Reagan, believes it is too early for the verdict on the daring move of the former California Governor. He puts it like this:

"If Senator Schweiker could produce a number of delegates in Pennsylvania and other Eastern states now going to Ford, which would put Reagan across on the first ballot, then we would have to say that the Schweiker selection was a good one—and we would swallow it, be it somewhat distasteful.

"Further, if Senator Schweiker is able to persuade the Eastern Republican establishment that Ronald Reagan is NOT the horrendous reactionary that he is being painted as by the smear efforts of the left-wing dominated communications industry in the U.S., this, too, would be a big plus.

"Also, it is very possible that Schweiker is not the bleeding-heart liberal that the media are trying to make him out to be in an attempt to alienate former Governor Reagan's conservative supporters.

"Information available to this newspaper indicates that Senator Schweiker is against abortion on demand, that he has introduced a resolution to allow prayer in the nation's schools, that he is against those who want to take away the people's right to own guns, and that he is against school busing. The Senator also led the fight to prevent the use of taxpayers' money and government credit to assist the Soviet Union in the development of its natural-gas facility.

"Furthermore, Senator Schweiker thinks that detente has so far been a one-way street, aiding the Russians more than it has the U.S."

LET THE SUNSHINE IN

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. MAGUIRE. Mr. President, Government secrecy has long been the shield which protects vices ranging from muddle-headed bureaucracy to hard core tyranny.

When our Nation was young, secrecy was not much of a problem. We had a healthy mixture of a vigorous, independent press and a government based upon town meetings. Our leaders knew if they were to build a strong, united nation, they had to inspire the trust of our citizenry.

After the Civil War, as our Nation grew larger and more complex, government became increasingly centralized. The bureaucracy began to insulate itself against what it considered the cumbersome interference of the public. Gradually the same wall that maintains tyrannies abroad began to prevent public participation in bureaucratic decisions at home.

Now those barriers are under attack in Congress. The Freedom of Information Act, passed in 1966, has given Americans access to the files kept on them by a host of Government agencies, including the FBI and the CIA. This exposure has caused a reassessment of the entire bureaucratic intelligence-gathering operation with healthy effects for our democracy.

This drive toward a more vigorous, involved democracy received another boost last week when a bill with the catchy title of the Government Sunshine Act passed the House 390 to 86.

The Sunshine Act, of which I am a cosponsor, gives the public a right to attend the previously closed meetings of agencies such as the Federal Reserve Board, the Federal Power Commission, the Federal Communications Commission, the Parole Board, and the Securities and Exchange Commission.

Special interest groups such as the milk lobby and the oil companies have learned how to work effectively in smoke-filled rooms to influence the regulations that affect them. That is why too often the policies of these agencies benefit these narrow interests rather than those of the general public.

Not only will these agencies now have to hold open meetings and keep transcripts of their discussions on file, but the Sunshine bill also prevents what lawyers call ex parte communications. These are true covert discussions where only one party to a proceeding meets with a member of an agency to try to win support.

Advance notice must be given of all meetings. When a meeting is closed for reasons such as national security or where trade secrets are involved, the agency must provide a written explanation of the reason for the secrecy. And the agency's closure of the meeting can be challenged in court.

By giving the public the fullest possible information about the way in which policy is determined, we are taking a major step toward strengthening our democracy. Experiences of the recent past have shown us time and time again that unwarranted secrecy has no place in a democratic society. All too often important policy decisions have been made behind a cloak of official secrecy, isolated from the informed opinion of the citizenry. With this "Sunshine Act" we have unlocked the doors of the Federal bureaucracy and invited all citizens, not simply a privileged elite, to scrutinize the decisionmaking and policy formulation processes of the Federal Government.

H.R. 11656, the Government in the Sunshine Act, was reported to the floor by a 32 to 7 vote of the Government Operations Committee. I am proud to have participated in the drafting of the bill in subcommittee and in the full committee. I might add that the Senate version of this bill passed the Senate by a rare unanimous vote of 94 to 0, and that 48 of our 50 States have Sunshine laws that apply to State executive branch agencies. The same principle of openness has already been implemented by this 94th Congress, which has opened more than 90 percent of its legislative drafting sessions to the public.

This act has undergone meticulous preparation. Much research, time and concern have gone into its formulation; efforts which involved legislators, lawyers, academicians, and citizens from all walks of life. The result is an act which is the most comprehensive and effective antisecrecy act ever to be reported by this Congress.

It is essential that at every level of government we rebuild public confidence in our democratic processes and effectively involve the people of the United States in the formulation of policy. I applaud the pasage of this fine and important piece of legislation.

ARMENIANS IN EARLY AMERICAN HISTORY

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. DANIELSON. Mr. Speaker, on a number of occasions it has been my privilege and pleasure, here on the floor of Congress and elsewhere, to speak on behalf of the Armenian people.

During the current celebration of our Nation's Bicentennial Year, it seems especially appropriate to relate the story about those Armenians who came to this land during the early part of America's history.

Armenians came to this continent in British Colonial days—and have been established as being here as early as 1618 in Virginia—during the time of Capt. John Smith. The first Armenian of whom there is a record in America is "Martin Ye Armenian" whose name appears in the log of a ship at Jamestown Colony. "Martin the Armenian" is mentioned in several papers of Colonial Virginia, where he began tobacco cultivation, from about 1618 to some time after 1623. Then history breaks off concerning the adventures and activities of this pioneer.

In 1653 we again pick up the history of early Armenians in America when it appears that two Armenians came here from the old country to develop the production and manufacture of silk in the Colony of Virginia. Armenians were considered expert cultivators of the silkworm, and the two who came here enjoyed a high reputation in their native land for their skill and experience. In December of 1656, the following resolution was passed by the Colonial Assembly of Virginia:

> That George the Armenian, for his encouragement in the trade of silk, and to stay in the country to follow the same, have four thousand pounds of tobacco allowed him by the assembly.

Christopher Der Seropian, a student, came to the United States in 1843 and attended Yale University where he is credited with inaugurating the class book system there. He also developed the black and green colors which even today are used on American paper currency.

In California, a man named Seropian arrived in Fresno in the autumn of 1881, as well as a person called "Normart" who came earlier but returned East. The story about Normart is quite interesting, and I will discuss that in a moment.

The story about Seropian who arrived in Fresno in 1881 starts 11 years earlier when, in early 1870, Hagop, Garabed and Simon Seropian emigrated to the United States with some returning missionaries. They settled in Worcester, Mass. When word came a few years later that their father had died, Garabed and Simon returned to Turkey to settle the estate, and stayed there for 5 years. Hagop remained here and ran a fruit, stationery, and notions store in Worcester. Working long hours, he developed lung trouble. It appears that Hagop may have come to California during the mid–1870's, and later sent for his family and friends, telling them that the climate was very beneficial—with watermelons that grew "as large as boats"—and eggplants of 8 to 10 pounds. In any event, Hagop wrote his brothers and asked them to return so they could all go to California. Garabed and Simon, accompanied by their young half-brothers, George and John, once more landed at Ellis Island in 1880 and arrived in Fresno the following year. Simon Seropian died in Fresno in 1923, and in 1945 George Seropian was the only living member of the five Seropian brothers who had established Fresno's Seropian Bros. Packing House.

The Normart story relates to an immigrant who, upon landing in the United States, when asked his name, joyfully and gratefully said—in Armenian—that he was a "Nor Mart," literally a "new man," while he also meant a "newborn, free man." Relatives who later came to Fresno, especially the younger generation, continued to use the name "Normart" as their surname.

We are living at a time in which the various peoples who comprise America are rediscovering their unique identity and are emphasizing the things in which they may take just pride from their own distinctive heritage. No ethnic group can excel the Armenians in their special contribution and achievement.

Indeed, they have set a pattern for all for, as many scholars have noted, the Armenians have shown a greater adaptability to American society than have most other immigrant groups, largely because they have appreciated the value of education, while at the same time they have managed to retain their ancient ideals and heritage, perhaps because they learned to cherish self-respect in their identity in the face of cruel persecution for so many centuries. Pride in their past and in the present is one assurance of hope and confidence for the future.

ELECTRONIC WAR AND THE CONSUMER COMMUNICATIONS REFORM ACT OF 1976

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. CONYERS. Mr. Speaker, many pieces of legislation that purport to protect consumer interests, in fact, promote the very industries toward which consumers seek protection. Such so-called consumer protection legislation limits rather than expands the choices among products, fails to safeguard the quality of goods and services, and reinforces the conditions that foster price increases. An example of such deceptive legislation is the "Consumer Communications Reform Act of 1976," which was written by the American Telephone & Telegraph Co. One of the key assumptions behind this bill is that competition in the telecommunications industry is injurious to consumers. Curiously, some of the same people who seek in the name of consumer protection to deregulate industry are also the opponents of legislation to break up monopolies and oligopolies.

I wish to bring to the attention of my colleagues an article appearing in the Los Angeles Times, July 18, 1976, which examines the current attempts of A.T. & T. to retain its stranglehold on the communications market and the legislation it is promoting to accomplish this end:

ELECTRONIC WAR

(By Alexander Auerbach)

It's not on any calendar of bicentennial events, but a corporate battle royal just getting under way has already assumed historic proportions.

Involved are several of the world's wealthiest and most powerful corporations, a host of smaller firms, millions of workers, all three branches of the federal government and scores of state agencies.

The outcome will be felt in just about every household and business in the nation.

At the center of the controversy is the telephone. For most of us the phone is simply a routine convenience—something we think about only when it breaks or is unavailable.

But America's network of 144 million phones and the 700 million miles of wire and radio circuits that connect them is an awesome system in terms of both technology and money.

About 95% of the nation's households and virtually all businesses have phone service, and they can be connected in some 10 million billion combinations. While most of us think of the phone as simply a way to talk to someone else, the network also carries enormous amounts of computer data, plus documents in facsimile form and even TV and radio programs for rebroadcast by local stations.

Last year the nation's phone bill was about $35 billion, of which about 85% went to the Bell System: the American Telephone & Telegraph Co. and its operating companies and other affiliates. With assets of $80 billion, Ma Bell is the wealthiest corporation in the world.

Now other companies are fighting for a piece of the action.

They want to sell telephone hardware, such as switchboards, multiline desk phones, phone answering machines and other devices, to users who in the past have rented this equipment from their local phone utility. Frequently, the newcomers offer advanced technology, specialized features or styling the utilities can't or won't provide, plus some financial advantages to the user.

Other competitors have gone into the long distance message transmission business. Like Bell, they offer private lines to business customers at flat monthly rates, carrying voice and data traffic by microwave or satellite. But the so-called specialized common carriers also offer services Bell doesn't, and they undercut Bell's rates—often by 30% to 50%.

On top of all its problems in the marketplace, Bell is facing trouble in the courts. The Justice Department has sued to break up AT&T, claiming the company illegally monopolized the market for telecommunications equipment and services. Other antitrust suits have been filed by Bell's competitors.

AT&T reacted to these new challenges with ponderous slowness at first. Antitrust suits are nothing new to Bell; it has fought several during the past half century, and knows they drag on for years. The business lost to the new competition is still miniscule, amounting to about one half of 1% of Bell's revenues. And no organization of almost a million employees can react overnight to a change in its market.

But Bell's strategists realize that the initial crop of tiny, underfinanced competitors are gradually being joined by huge corporations with technical and marketing savvy and plenty of cash. Companies like International Business Machines Corp., International Telephone & Telegraph Co., RCA Corp., Southern Pacific Corp., Nippon Electric Co. Ltd. and many others all want part of what Bell once had all to itself.

So AT&T has begun to fight back in earnest.

For the first time in its history it is using salesmanship—actively peddling its services rather than just passively accepting customer orders as it admits it has in the past. Some 25,000 sales representatives are getting a crash course in how to get out there and sell.

Where state and federal agencies will allow it, Bell is cutting price to meet and beat the newcomers. But many regulators, aware that Bell's size would allow it to operate some services at a loss to drive out competition, are requiring it to prove the merits of any price cuts.

AT&T is also harnessing the resources of Bell Labs and Western Electric, its research and manufacturing facilities, to come up with fancy new gear to match that offered by smaller firms. It is even buying hardware from outside suppliers to add to its line, something the Bell System has always been loath to do.

But by far its boldest move is on the legislative front.

Working through friendly senators and representatives, Bell has had introduced into Congress the "Consumer Communications Reform Act of 1976."

The bill, if passed, would have the effect of giving Bell a virtual monopoly on huge segments of the telecommunications market in the United States—even including services that have not yet been invented.

It would also allow Bell to buy out its new competitors with immunity from the antitrust laws. Any firms that didn't want to sell out would face major obstacles to doing business.

The regulation of telephone hardware, for example, would be taken away from the Federal Communications Commission (FCC) by the bill and given to the states. So a manufacturer of switchboards, phones or other equipment would have to convince 50 different agencies—many of them understaffed and unaccustomed to dealing with the intricacies of modern technology—to permit the installation of nonutility devices in the first place, and then to clear his particular item.

The bill would establish as federal law the principle that any duplication of phone network or telegraph facilities is wasteful and against the public interest. The FCC would be prevented from licensing any specialized communications carrier offering services similar to those performed by the phone or telegraph companies, or services which the utilities could conceivably offer even if they were not actually doing so, and had no plans to.

An applicant who wanted to market a new service would have to prove it did not fall under these restrictions. That would be tough. The tremendous capacity and flexibility of the utility networks leaves little that, in theory at least, they cannot do.

The cost and delay involved in getting such a clearance would also be a major obstacle. MCI Communications Corp., Washington, D.C., the first firm to offer private line services in competition to Bell, spent six years and $25 million in legal fees and other expenses before the FCC gave its approval and the firm could start construction.

Aware that the bill's sweeping anticompetitive provisions are likely to spark controversy, especially at a time when many other big corporations are under attack, Bell has come up with two simple but politically powerful arguments:

Attaching privately owned devices to the utility lines could erode the reliability of what is undeniably the world's best telephone network. The network is too important to the economy and even to national defense to be tampered with, Bell says.

Allowing competition to take away utility business, either in hardware or the message transmission business, will only benefit a few big corporate customers, Bell says, but will inevitably mean higher phone bills for the general public.

While Bell admits that some of the phone equipment now for sale by its competitors is just as good as that manufactured by AT&T's Western Electric division, the big difference is in installation and maintenance, Bell argues.

Equipment that is badly installed or that falls into disrepair, or is poorly made in the first place, can cause noisy connections, tie up lines and otherwise mess up the network, Bell says. A short circuit or wiring error could even endanger phone company personnel, it warns.

Competing equipment makers, not surprisingly, argue that their devices are as reliable as Bell's, and are no more prone to cause network problems or produce dangerous voltages.

(Although the possibility of electrical shock to workers is widely cited by Bell, a company spokesman confirms that every line in the nationwide system is protected by two fuse-like devices to guard against lightning or a fallen power line sending dangerous electric current into a phone wire.)

The economic argument is more complex. According to Bell, basic monthly rates for residential service—the amount you must pay to have a plain black phone in your home—do not come close to covering the actual cost of providing the phone, the connecting wires to the switching center and other related costs.

The difference between the full cost and the basic fee is made up by "contributions" or "cross-subsidies," in Bell's words, from other types of service, such as long distance calls, color phones, and switchboards, key telephones and other business phone equipment, AT&T argues.

In short, Bell says that residential service is priced below cost, while other services are priced to recover not only their cost and a profit to Bell, but an excess fee to offset the loss of basic home service.

If competition is allowed to come in and take away the more profitable business from AT&T, according to this argument, the company will not have any excess revenue from which to draw a "contribution" for basic rates, and the price of home phone service will go up.

How much would it rise? A chart used widely by officials of AT&T shows monthly revenues of only $7.85, compared to costs of $13.70.

AT&T's board chairman, John deButts, said a few months ago that, "were the telephone companies deprived entirely of the contribution to common costs that revenues from their more discretionary services provide, they would face the necessity of increasing the average customer's bill for basic service by as much as 75%."

But, as deButts acknowledges, that 75% rise would occur only under the most extreme circumstances: competitors would have to take way every bit of Bell's business other than basic residential service—all its long distance calls, business customers, switchboards and colored extension phones—and Bell, after losing all this business, would continue paying the overhead costs for operations it no longer had.

That, of course, is not very likely. Executives of firms competing with Bell admit that only a small fraction of AT&T's business is vulnerable to competition, and they expect the giant company to continue to hold on to most of its customers even there.

The competitors say they couldn't raid AT&T even if they wanted to, because they could never come up with the huge amounts of capital it would take to build facilities and buy equipment to service much more than the small, relatively specialized markets they are now concentrating on.

The demand for telecommunications is

growing so fast, they say, that if Bell merely halted its expansion program and stayed at its present size, all the newcomers together would be unable even to take care of the growth in the market, much less take business away from Bell.

Lobbyists for AT&T have an additional economic argument aimed at rural residents—and their congressmen.

Long-distance rates are now figured on a flat per-mile basis everywhere in the nation. The charges for a phone call from Little Rock to Boise are the same as from Chicago to New York City. The actual costs to Bell of handling the two routes differ greatly, since the efficiencies of high-capacity equipment used on high-volume routes sharply reduce the costs of each call.

Because of the nationwide averaging of long-distance rates, says Bell, calls on rural routes are priced below their actual cost, while the rates on "high density" routes recover more than their actual cost to offset the losses in the countryside.

But now the specialized carriers are undercutting Bell's rates on high-density intercity routes. Bell, says if it is to meet this kind of competition it will have to lower its charges on routes between big cities and raise them on long distance calls out in the boondocks.

Millions of small-town families, says Bell, will wind up paying higher long-distance rates because a relative handful of big corporations want to cut their phone bills by using the new specialized carriers.

This point too is disputed by the entrepreneurs entering the communications field. They claim Bell has underpriced its private line offerings to business users, and would actually be more profitable without that business. Long-distance rates between rural points would not be affected, they claim.

AT&T has mounted a nationwide lobbying and public relations drive to make its case.

The company is running a series of full-page ads in major magazines with the theme, "One Bell System. It works." The thrust of the ads is that changing the present structure of the communications business—either by breaking up AT&T through antitrust actions or by opening the market to new competitors—will mean less reliability and higher cost.

Telephone company personnel, who are legendary joiners of Lions, Kiwanis, Rotary and other community organizations, are carrying the same message to these grass-roots groups, using policy statements and background materials prepared by AT&T.

The enormous number of Bell personnel, and the company's coast-to-coast locations, give it a special clout in dealing with Congress that no other firm enjoys.

By sending managers and executives of its local operating companies to Washington, Bell can easily produce a delegation from almost any congressman's home district to argue its case.

So far the Bell Bill has attracted more than a dozen senators and 100 representatives as co-sponsors. Hearings are expected to begin in September.

Regardless of the political maneuvering, however, all the parties involved will have a problem gathering support simply because of the complexity of the issues involved.

Bell, for example, says that competition will hurt most customers by reducing the subsidy its other services give to basic rates. The reason for the subsidy, it says, is to promote the universality of phone service, a goal set by the Communications Act of 1934.

But each of these assumptions is questioned by one or another of Bell's critics.

Does a subsidy in fact exist?

Eugene V. Rostow, a professor of law at Yale and former head of a Presidential task force on communications policy, wrote in a study commissioned by Bell that "approximately 30% of the revenues for interstate message toll and WATS (wide area telephone service) services are in effect used to help cover the costs of providing local service."

However MCI, which competes with Bell by offering private line services to business customers, says an analysis of AT&T's financial figures shows that WATS and message toll do indeed produce more revenues than needed to earn Bell's authorized rate of return, but this extra money does not go to the home phone user.

Instead, MCI claims, Bell uses the extra cash generated by WATS and toll services to offset its losses on private line business, charges for which Bell deliberately keeps low to undercut competitors, MCI says.

In 1974, MCI notes, Bell earned 8.9% on its message toll business, 12.3% on WATS, but only 5.5% on ordinary private lines and 2% on the lines it rents to radio and TV broadcasters.

There is no money available from Bell's long-distance business to subsidize local rates, MCI claims. While Bell's message toll and WATS services generated in 1974 $190 million more than needed to produce the rate of return authorized by the FCC, its private lines, leased to business customers, fell short of the authorized revenue by almost exactly the same amount, MCI says.

So Bell's regular long distance customers are producing a subsidy for corporate users of Bell's private lines, not for residential telephone customers, according to MCI.

The average phone bills of some telephone subscribers may be below the revenues needed to cover the costs of providing their service, MCI says. But this shortfall is covered by the revenues from other residential phone customers, not from Bell's business customers.

Richard E. Wiley, chairman of the FCC, told a House hearing last November that the introduction of competition in the telephone hardware business by companies selling phones and switchboard systems "has not resulted in any increase in local telephone rates." As a result of competition, he said, "innovative and useful devices have become available to telephone subscribers."

John Eger, head of the Office of Telecommunications Policy, told the same hearing that "there simply is no reliable evidentiary foundation for assertion of any serious adverse impact from competition on local exchange rates, either now or in the future."

Even some of those who accept the Bell claim that revenues from business customers help keep residential rates low say that the impact of competition will be relatively small.

In a brief filed with state regulators last year, Pacific Telephone & Telegraph Co., AT&T's California affiliate, said that if outside suppliers captured 50% of the market for telephone equipment, residential customers would see their phone bills rise $1.10 to $2.20 per month.

But according to a Stanford Research Institute study, competitors have only 6% of the equipment market now—including specialized computer terminals that Bell does not offer—and will have only 20% of the market by 1985.

A PT&T official conceded to California regulators that a loss of 10% of the equipment market to outside competitors could be offset by raising message unit charges by a quarter of a cent, while a 50% loss could be offset by a message unit hike of 1.25 cents. Since business customers pay about 64% of message unit costs, they would bear most of this increase, and residential basic rates would not rise at all.

Similarly, the PT&T witness agreed that any revenue lost to competitors in the message transmission business could be offset by changing toll rates rather than basic rates.

The staff of the California regulatory commission noted that Bell's affiliate includes in its projections of equipment sales lost to competition the sales of devices it does not even offer.

If one accepts Bell's argument that competition may raise basic rates, would this hurt the goal of providing universal telephone service throughout the nation?

There are already substantial differences in basic residential rates among American cities. Basic service with unlimited local calls cost $5.70 a month in Los Angeles and San Francisco, $9.25 in Cleveland and $11.25 in Indianapolis.

Residents of New York City pay $7.34 for basic service plus an additional amount for each local call after the first 50. In Chicago the rate is $6.45 with 80 free calls. (By comparison, Los Angeles residents can get phone service for $2.50 a month with 30 free calls, or $3.75 with 60 free calls.)

AT&T says a study conducted for it by an economic consulting firm shows that increases in basic rates cause some families to forego service. But Bell's own figures show no apparent correlation between the price of phone service and the number of persons who have a phone.

In San Francisco, for example, there are 102 phones per 100 residents, while in Los Angeles, where the rates are identical, there are less than 80 phones per 100 persons. Indianapolis, with the highest phone rates of any major city, has 81 phones per 100, while Cleveland, New York and Chicago all have between 74 and 77 phones per 100 residents.

Even if there is a subsidy provided to basic rates by other parts of Bell's business, some question whether such a subsidy is rational, or if Bell is the best one to determine which customer categories should get a subsidy and which should pay it.

Donald I. Baker, a deputy attorney general in the antitrust division of the Justice Department, said in a speech to a group of lawyers last year that, if one accepts the idea that a subsidy does exist, "the average residential user does not know that he is being subsidized, and it is not clear that, if he did, he would vote for a subsidy in this form. In essence, a subsidy from business users to residential users is simply a deeply buried sales tax."

The cost, Baker said, is passed along by companies in the form of higher prices for their products.

"We in the Department of Justice are highly suspicious of barely visible cross subsidies supported by anticompetitive regulation," he said.

Another point of controversy is AT&T's contention that telecommunications at the national level is a "national monopoly," best served by one regulated carrier rather than several competitors.

"There are significant economies of scale in a single supplier situation which are lost as duplicative circuits are established," says a Bell position paper.

Since Western Union has been offering telecommunications services since before the invention of the telephone, there has never been a "single supplier situation" in this country.

In a massive brief filed with the FCC, MCI argues that Bell does not in fact enjoy economies of scale.

* * * * *

Indeed, at the local level, Bell's figures indicate that the unit costs of servicing customers go up as more subscribers are added, MCI claims.

Only about 20% of Bell's facilities have the potential of showing declining unit costs with added business volume, according to MCI's analysis, and much of this 20% may be operating at less than efficient levels, so the actual costs increase, rather than decline, with greater usage.

Right now the only area in which Bell faces serious competition in the transmission business is in the private lines used by corporate customers to link their facilities in different cities. Unlike its competitors, who build separate systems to handle only private lines, Bell simply draws lines at random from its network and earmarks them for use full-time by these corporate customers.

A system designed solely for private line usage should show lower cost per line as more users take the service. But Bell's method should have the opposite result, its competitors argue.

Since Bell's private lines occupy part of its circuit and switching network 24 hours a day, they contribute to its need for total capacity. Bell's pricing for ordinary toll calls penalizes those who call during peak periods by charging higher rates. But private line users, who take up Bell capacity during peak times as well as at night, pay among the lowest rates.

The business of supplying telephone equipment will change dramatically if the Justice Department succeeds through its antimonopoly lawsuit in forcing AT&T to divest Western Electric, the wholly owned subsidiary which last year sold some $7 billion in equipment to Bell System companies.

Ironically, many companies now in the communications equipment business fear such a move, since Western Electric—now limited by a consent decree to selling only to AT&T and the government—would be a powerful adversary once broken away from its parent company.

One industry analyst, for example believes Western Electric would quickly apply its experience in building electronic switching gear to enter the computer field, and would emerge within a decade as the nation's second or third largest computer manufacturer.

AT&T wants to hold onto its subsidiary, arguing that Western Electric's prices are about 30% lower than those of outside suppliers, resulting in savings that are passed along to phone customers in lower rates.

But advocates of divestiture claim that a large part of the price difference occurs simply because Western incurs no selling costs in supplying its parent, unlike competing firms. They also argue that the arrangement has deprived the nation's electronics companies of a $7 billion market, and has retarded the development of new telecommunications devices.

Sorting out these and the many other issues involved will not be easy, because the vital financial information needed for an analysis of Bell's operations is simply not available.

At the insistence of state and federal regulators, AT&T uses the Uniform System of Accounts, a ponderous accounting system that allows costs and revenues to be allocated almost arbitrarily to different parts of a utility's operations.

The accounting firm of Peat, Marwick, Mitchell & Co., in a study of utility accounting, said, "The data actually available from the Uniform System of Accounts now are not significantly different from those which were available in the late 19th century."

A.T. & T.

This is American Telephone & Telegraph Co.:

Holding company for 23 telephone operating companies, including

Pacific Telephone & Telegraph Co.

Serves 118.5 million phones, handling 470 million calls per day.

Owns Bell Telephone Laboratories, a research facility that has been awarded 17,000 patents and two Nobel prizes.

Owns Western Electric Co., which manufactures and sells only to

AT&T (about $7 billion) and the U.S. government (about $500 million)

Revenues in 1975 of $29 billion.

Profits in 1975 of $3.15 billion.

Assets of $80.2 billion as of Dec. 31, 1975.

Employes: 937,000

Shareholders: 2,921,735

Capital outlays for 1976 planned at $10.2 billion.

SECURITY IMPLICATIONS OF THE PHILADELPHIA "DISEASE"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. McDONALD. Mr. Speaker, the tragic events that followed an American Legion Convention in Philadelphia in which a medical catastrophe of undetermined origin killed 27 persons and left at least 128 ill—some of whom remain on the critical list—must be a cause of major concern to all involved with the internal security of our country and the well being of our citizens.

The immediate reaction of the executive branch bureaucrats to the news of the tragedy was that it must have been caused by swine flu. Therefore it was necessary to pass legislation for mass innoculations. As I commented on the floor when this issue was raised on April 5, 1976, this, "might make very good panic legislation, but it is not good medicine."

The medical evidence now available indicates that the problem was not swine flu or any other virus. It appears that the legionnaires were the victims of a chemical toxic substance introduced either deliberately or accidentally. If this tragedy was deliberately caused then we must conclude that it was a terrorist act. We know that terrorist groups exist in our country. We also know that the potential use of toxic substances as a means of covert warfare has been considered by the Soviet Union, Red China and other Communist countries.

While our intelligence community has been severely disrupted and informants in terrorist groups have been exposed, it is very difficult to determine whether a terrorist group was involved in the Philadelphia tragedy.

At the same time, our own Government has severely restricted research in the area of chemical and biological warfare, which might have provided us with information or antidotes in this instance. On November 25, 1969, President Nixon publicly announced that he had cancelled our chemical and biological research programs. He promised, however, that this would not, "leave us vulnerable to surprise by an enemy who does not observe these rational restraints. Our intelligence community will continue to watch carefully the nature and extent of the biological programs of others." I wonder whether our intelligence community still has the ability to do that watching.

On February 20, 1970, Henry Kissinger issued a memorandum as head of the National Security Council ordering that, "The U.S. military program for toxins will be confined to research and development for defensive purposes only." Kissinger ordered the destruction of existing stocks of toxic weapons.

Our country remains vulnerable to enemy attack in many ways. Perhaps the most frightening is our vulnerability to chemical or bacteriological attack. The solution is not mass innoculation, but a system of internal and external security including research on potential enemy weapons systems.

WAYS AND MEANS OVERSIGHT SUBCOMMITTEE FOLLOW-UP HEARING ON INDIVIDUAL RETIREMENT ACCOUNTS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. VANIK. Mr. Speaker, last November, the Ways and Means Oversight Subcommittee held a hearing which has had a broad public impact in an area where much remains to be done—individual retirement accounts. The hearing concerned a critical consumer-related problem which a potentially massive segment—in fact, more than half—of our national labor force may face. The affected people are employees who do not enjoy coverage under a qualified employer-sponsored pension, profit-sharing, or other tax-advantaged retirement plan, and are now eligible to establish an individual retirement account—IRA—arrangement, a personal pension plan. The problem they face is in choosing the most advantageous type of IRA arrangement—U.S. individual retirement bond, commercial bank or savings and loan trusted account, insurance annuity contract or endowment contract, mutual fund, and so forth—and then choosing the IRA sponsor or seller who offers the best return on the arrangement best suited to the goals and needs of the individual.

The November 17, 1975, hearing was chaired by my distinguished colleague, the Honorable J. J. PICKLE of Texas, a member of the Oversight Subcommittee whose energy and continuing interest in this area are paralleled by his concern that the individual retirement program serve the needs of the tens of millions of American working people who may benefit from it. The hearing established that some of the sponsors or sellers of different types of IRA arrangements, in their zeal to get into a new market, had been misrepresenting their products and misleading the public through their promotional campaigns.

Since that hearing, Congressman

Pickle and I have enlisted the combined assistance of the Congressional Research Service and a number of Federal agencies—the Internal Revenue Service, the Pension Benefit Guaranty Corporation, the Federal Trade Commission, and the Bureau of Public Debt of the Treasury Department—in evaluating the problems and informing the employee-consumer. Each of these agencies has produced a consumer-oriented publication.

According to statistics provided by the Internal Revenue Service, 1,111,000 IRA's had been established as of June 1976. Because this figure may represent only the tip of the iceberg, and the end-year buying season will again soon be upon us, now is the time for consolidating and updating these combined efforts on behalf of consumer protection.

Therefore, I have scheduled a hearing on this subject for Monday, September 13, 1976. The exact time, place, and list of witnesses will be announced at a later date.

THE PLIGHT OF THE SOVIET JEW

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. THONE. Mr. Speaker, for some time now Members of this body have been addressing themselves to the plight of the Soviet Jews and the oppressive conditions under which they live. I would like to bring to the attention of the public the case of the Dekhovich family.

In March of 1975 the Dekhovich family, consisting of Meilikh and Zina Dekhovich, two daughters, and a son, applied for exist visas for Israel. In anticipation of receiving those visas, they sold their apartment, gave up their jobs, and their oldest daughter voluntarily stopped her studies. Only their son, Boris Dekhovich, continued to work. From the time his family applied for exit visas he was harassed by authorities and those with whom he worked.

For several months the family was homeless and without employment. Each inquiry as to the status of their exit visas was met with refusal, silence or talk of the "regime."

They eventually learned they were being refused because of the military service of Boris Dekhovich, although he never had access to any sensitive material and had never signed any documents concerning his status in the Soviet Union.

In August of 1975 most of the family was allowed to leave the Soviet Union—all but Boris. They had to promise to take no action to try to assist their son in joining them.

The Dekhovich family has heard nothing from Boris since their departure from the Soviet Union, and this separation of the family weighs heavily on all of them. For no reason—except the fact that the Dekhovich family is Jewish—the authorities in the Soviet Union have subjected this family to harassment, separation, and heartache.

The Soviet Union continues to practice oppressive practices against Soviet Jewry and it is incumbent upon all the people of the free world to speak out against these practices and bring pressure to bear to end these practices.

ACTION FOR THE PREVENTION OF BURN INJURIES TO CHILDREN, INC.

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. MOAKLEY. Mr. Speaker, I would like to bring to the attention of my colleagues in the Congress an organization based in Medford, Mass.: Action for the Prevention of Burn Injuries to Children, Inc.—APBIC. This organization was founded in May 1972 by two women who are mothers of children who received serious burn injuries in accidents.

The founders of the organization, after suffering with the trauma of living with burn victims, felt there was a definite lack in counseling services available to the families of burn victims. By establishing APBIC, they hoped to fill this void by providing for the education of children and adults about the possibility of fires and how to contain flames; the enactment of comprehensive legislation to insure that clothes sold commercially are flame retardant; and support and guidance to those families of burn victims.

APBIC has functioned mainly on private donations with additional funds derived from State grants. Because of these generous contributions and grants, APBIC has been able to grow from a small group to a statewide organization. to increase the public's awareness of burn injuries and efforts which can be taken to avoid injury, the organization has established a library, it is a sizable collection focusing on burn treatment. In addition APBIC has started a regular newsletter which is circulated to interested individuals, organizations and medical personnel. Furthermore, the founders of this organization have appeared on radio and television to increase public awareness of the facts surrounding burn injuries.

Over two million Americans suffer burn injuries each year. More than 12,000 deaths are recorded annually as a result of burns. One third of these victims are children and young adults. With these startling facts in mind, it is evident that greater attention must be paid to the treatment of burn victims and the education of those who could be potential victims. APBIC should be congratulated and commended on the fine work it is doing.

BLACK PARTICIPATION IN THE BICENTENNIAL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. RANGEL. Mr. Speaker, my colleague and friend, William Clay of Missouri, has written for Essence magazine an insightful and thought-provoking article concerning blacks and the Bicentennial. In light of the ongoing spirit of celebration on our Nation, I feel the need to bring his comments to the attention of the other Members of the House.

His editorial follows:

ON THE ISSUE: BLACKS AND THE AMERICAN BICENTENNIAL

A major question in Black America today is whether or not Blacks should celebrate America's Bicentennial. To answer properly we must stand back from our history and obtain a fuller, more analytical view of its broad sweep. We must be able to clearly distinguish the relationship between the passing events of our daily lives and the great tide of our total history.

We should start by understanding that everything we do as Black individuals counts either as a point for us or a point against us in our struggle. What we do now in America, in Africa, in the Caribbean will play a role in shaping the action of those who follow us in much the same way that our actions are shaped and measured by the actions of the Harriet Tubmans, the Nat Turners, the Frederick Douglasses, the W.E.B. Du Boises, the Martin Luther Kings and the Paul Robesons.

They could have done nothing, but this was not their response to the mandate of the masses they served. Instead they looked at much more than the events of their own short lives. They looked at the total tide of Black history. They saw its beginnings and were thus able to follow its magnificent flow beyond to generations destined to follow them.

It is encumbent upon us all to understand that we as a people make collective and individual decisions that help us chart the course of our lives. We also shape America's response to us as a people. We may decide to challenge America or to let her rest and forget us. We may decide to make compromises that could be used as leverage against us for decades into the future. But understand that whatever each one of us does counts.

It is against this background of age-old Black struggle and self-sacrificing commitment that we must consider the question: Should Blacks celebrate America's Bicentennial? For me the answer is no. But we cannot rest with gut feelings. They may be personally satisfying, but they may not be shared by the majority of Black Americans. Because of the very conditions of which I have spoken, that majority has neither the time nor the inclination to apply to such intellectual questions, so it becomes a part of our commitment/responsibility to ponder this question. It becomes a part of our commitment/responsibility to focus the long-term implications and consequences of such a question by first putting the entire matter in historical perspective. Will celebration at this point benefit us as a people? How will it affect us in the political, economic and social arenas? Perhaps most important, what will it do to our collective spirit as a people still oppressed in 1976?

Our great challenge is to humanize America, to liberate not only ourselves but all Americans. We must forge a new system of human social values for all Americans.

If this is indeed the challenge to Black America, do we help ourselves in our task by giving a stamp of approval through celebration of a nation whose past is fraught with deceitful myth and the harshest forms of human exploitation? In my opinion consensus to celebrate the Bicentennial gives tacit approval of American foreign policy in South Africa, in Chile, in Korea, in Brazil. Since when do the oppressed join with their oppressors in celebration of their condition?

These are just some of the questions we must ask ourselves, for the implications of our deliberations are greater than we might have first thought. Only after we have considered this proposition seriously in the context of its many ramifications must we take our position energetically to our people. Then we should consider ourselves sufficiently prepared to argue for one course of action or another with clear logic and moral force.

I have gone through the process. I have pondered this issue. I have discussed it with colleagues. I have anguished over it and my *personal* answer remains. No. We as Blacks in America in 1976 have no business celebrating the Bicentennial. Certainly there is no intelligent reason to celebrate our own second classness, our own debasement, our own condition of what remains de facto servitude.

Any celebration at this point in our struggle would be tragically premature, and because Nat Turner and Martin Luther King, Jr., gave their lives and Harriet Tubman risked hers and Paul Robeson so fully committed his, it would be a betrayal to celebrate anything less than the America they fought for.

Over a century ago Frederick Douglass said: "What, to the American slave, is your Fourth of July? I answer, a day that reveals to him, more than all other days in the year, the gross injustice and cruelty of which he is the constant victim. To him, your celebration is a 'sham' . . . your shouts of liberty and equality, a hollow mocking; . . . a thin veil to cover up crimes which would disgrace a nation of savages."

Is this statement any less meaningful today? Does he not still suggest something important for our consideration today? For what to the American Black is the Bicentennial? I suggest that it must be an occasion of great solemnity, an occasion on which we talk about joblessness, hunger, drug dependency and human despair. I suggest that we practice no meekness but ask in the loudest, most enraged voice possible why America cannot find the will to feed her hungry, to relieve her oppressed, to look after her old, to safeguard and nurture her young. Weariness is the lot of the oppressed, but remember that ours is a heavy responsibility, a responsibility that was carried well before our time and will be carried well after. Let us muster our strength and courage to do what we know must be done. The truth is that celebration never proceeds to social change: it merely confirms the status quo. Only struggle brings change. It is not an easy course, but can we honestly say to ourselves that there is any other way?

Members of the Congressional Black Caucus: Yvonne Brathwaite Burke, Cal., chairperson; Walter Fauntroy, Washington, D.C., vice-chairperson; Andrew Young, Ga., treasurer; Cardiss Collins, Ill., secretary; Shirley Chisholm, N.Y.; William Clay, Mo.; John Conyers, Mich.; Ronald Dellums, Cal.; Charles Diggs, Mich.; Harold Ford, Tenn.; Augustus Hawkins, Cal.; Barbara Jordan, Tex.; Ralph Metcalfe, Ill.; Paren Mitchell, Md.; Robert N. C. Nix, Pa.; Charles Rangel, N.Y.; Louis Stokes, Ohio.

FAILURE OF SOCIAL SECURITY TO MAKE NURSING HOME INSPECTION REPORTS AVAILABLE TO PUBLIC

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. VANIK. Mr. Speaker, on June 26, 1975, I reported to the House (page 21003) on Social Security's failure to make readily available to the public its inspection reports on nursing homes which participate in the medicare program.

Section 229D of the Social Security Act of 1972 requires that within 90 days of an inspection of a facility, copies of that inspection report be made public "in readily available form and place." This amendment provides for public disclosure of the existence of any deficiencies of nursing homes accepting medicare patients.

Poorly administered last year, I believed that the amendment was a total failure. Unfortunately, this failure continues; in fact, such reports appear to be even less accessible now than they were last year.

To test the availability and usefulness of these reports to the public, a member of my staff, posing as a consumer, visited a Social Security Administration branch office in the southeast area of the District of Columbia. An employee there stated that the office had not kept such reports on file for years, and that none of the other offices would have copies of the reports. Despite this warning, the District Office at 2100 M Street, NW., was visited. The first employee there said he would check to see how many reports were on file there. After conferring with another official, however, my staff member was given only the names and telephone numbers of four local agencies of the District of Columbia government which might prove helpful in locating the reports. As the calls were placed, the situation became more complicated, ludicrous and frustrating: some of the telephone numbers were for the same general D.C. government offices; other numbers referred the caller to offices that had been called previously.

In all, eight calls were made to the D.C. government without luck. It should be noted that Senate Report 92–1230, which explains the congressional intent behind the disclosure provision, states that information relative to individual institutions "be available for public inspection in readily accessible form and fashion in Social Security district offices and local welfare offices upon request."

Only one phone call proved fruitful, to a volunteer run Nursing Home Information Center. The staff there was very helpful in showing inspection and deficiency reports, plans of action to correct the deficiencies, and fire inspection reports for over 50 local nursing homes. When told that two social security offices did not have these reports on file, the Nursing Home Information Center aide was genuinely surprised, as she thought all branch offices were required to have such reports on file.

I requested a member of my Cleveland staff to conduct the same survey in the Cleveland area. While my aide encountered the same type of confusion at the Cleveland district office as was found in the Washington area, he received almost immediate assistance at the Severance Center social security office—an office which I have always found to be of exceptionally fine quality. The report follows:

> My first contact with SSA was by telephone when I called their single Cleveland number and requested a copy of the inspection reports. I was advised to call the local office in my area which was Severance Circle. The Severance Circle Office stated that the information was available but I would have to come to the office to see it. There was no confusion and the individual with whom I spoke knew exactly what I was speaking about.
>
> I then visited the downtown District Cleveland Office. There I waited for an interviewer who went to a superior who directed her to the office manager. Following about fifteen minutes of research, she returned with a large book which merely listed medical facilities throughout the area and which were not related to the inspection reports I requested. The only information which she offered was that the nursing homes on the list were approved by SSA for medicare reimbursement. This was the only information available. There were no files of any type on the quality of the individual homes.
>
> I visited the Severance Office to check the information available. There was a little confusion at first, but then I was shown a large three ring notebook and told that the reports within were filed by the Ohio Department of Health, Division of Nursing Homes. The book listed only those homes within the Severance District. The reports were very thorough. There were two columns, one for deficiencies and the other for steps taken to eliminate the deficiencies. Some examples under the subheading of "maintenance: a) "flooring in bathroom in process of repair"—and across the page, "floor should be complete by April 15, 1976, new tile is being laid;" b) "wall cleaning and/or repair still needed in kitchenettes in nurse's station and in sanitizer rooms," and the reply—"these areas will be cleaned and painted by April 15, 1976." There were pages such as these on each home. I was free to copy the material but not to reproduce it.
>
> On both of my visits I have found the Severance Office to be well managed.

The general inaccessibility of these reports to the public deprives the health consumer of potentially valuable information on the quality of nursing homes and other facilities. Social security workers were aware of the existence of such reports, but said that to keep all the reports on file was too unwieldly. The present system of lack of disclosure of nursing home inspection reports serves only to shield the institutions. The American people spend too much on health, both personally and through their tax dollars; they should not have to face the investigative task of searching for reports required by law that are virtually unavailable from the agencies that should maintain them.

The system continues to fail the very people it was created to protect. First, if, as it appears, there is little public demand for such reports, I believe it is because the Social Security Administration has failed to publicize adequately their availability. I personally believe that citizens "shopping" for a nursing home for a relative would be very interested in reading the latest survey reports. Local newspapers should be interested in the latest report on the quality of facilities in their areas.

Because social security has continually failed to make these reports known and available, I believe that the law—or the regulations—should be amended to require that copies of the reports be posted at the entrance way of the institutions that have been inspected. Until this is done, or some other corrective action is taken, the public seeking such reports will be faced with an incredible bureaucratic run-around that frustrates and destroys the intent of Congress in enacting this "consumer" provision.

CARDION ELECTRONICS OF WOODBURY, N.Y. TO RECEIVE AWARD FROM DEPARTMENT OF COMMERCE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. AMBRO. Mr. Speaker, on August 26, 1976, Cardion Electronics of Woodbury, N.Y., will be awarded the Department of Commerce "E" Award for exports. I am very proud to represent the congressional district in which this outstanding firm is located.

Standing as one of many examples of Long Island's excellence in aerospace, aviation, and communication technology, Cardion Electronics has, in recent years, had an outstanding record of success. Already, they have designed, manufactured, sold, and installed aviation systems equipment at 18 sites in 7 NATO countries. In addition, the company has sold surveillance radar equipment in the Middle East and has installed, operated, and trained personnel for an integrated airport automated surface weather system in Brazil. Overall, Cardion Electronics has increased its exports from 3 percent of total sales in 1972 to 53 percent in 1974. This increase has contributed both to the company's growth and to the Nation's export expansion program.

Cardion attributes its success in this highly competitive market to price competitiveness, high quality products, an outstanding program of after sale assistance, and a superb worldwide reputation. In addition, to facilitate the efforts of its distributors, Cardion provides various training programs for the purchasers of its products. In sum, Cardion's export program is a comprehensive, high quality program.

Mr. Speaker, I salute the efforts of Cardion Electronics. They are indicative of the dedication to excellence that characterizes American industry.

BICENTENNIAL ESSAY CONTEST

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. HAMILTON. Mr. Speaker, I would like to bring to my colleagues' attention the winning essay in a Bicentennial essay contest recently held in my district. This contest was sponsored by Hillenbrand Industries, Inc., from Batesville, Ind., and was open to all students in grades 10 through 12 in the Batesville High School and the nearby Oldenburg Immaculate Conception Academy. The theme the students were asked to write about was "What Are Our Country's Problems and What Can Young People Do To Solve Them?"

The winning essay was written by Nancy Klosterman, a student at the academy, and she is to be congratulated for her outstanding performance and writing ability.

Her excellent essay follows:

AMERICA'S PROBLEMS AND WHAT YOUNG PEOPLE CAN DO TO SOLVE THEM

Within the context of the United States' two centuries of growth, the role of America's youth cannot be ignored. In retrospect, the agrarian economy of colonial America and the factories of the American Industrial Revolution depended heavily on child labor, and even America-at-war relied on youthful recruits and draftees.

Youth have an even greater role in America today as we celebrate the beginning of our third century of freedom and independence. Perhaps it would be well to define youth's role in a changing society as to the political and social aspects of the American scene.

On the political scene, presidential primaries are indicating the relative popularity of the prospective candidates. The responsibility of each young voter—indeed, of every voter—is to research fully the past record of each candidate and his future commitments—commitments in terms of promises to voters, ambitions for higher offices, and possible affiliations with private business concerns which could conflict with his responsibilities to public office. To combat the problem of voter apathy, youth must undertake this research and delve beneath the surface stereotypes by questioning the candidates; researching his views; and discriminately evaluating campaign materials, television information, and the reporting of new publications. Newspapers and other sources can provide periodic voting records of state and national legislators. Never before has the public had such easy access to information! However, the information gap is yet too wide: according to a survey conducted by the National Assessment of Educational Progress and printed in the June, 1974 issue of American Education (a publication produced by the Department of Health, Education, and Welfare), "only 41 percent of the 17-year-olds and 44 percent of the 26 to 35 age group can correctly use a simple ballot," and "nearly one in three . . . young adults cannot suggest some means of researching a . . . candidate's background."

But correct and wisely-chosen information is a basis on which to construct appropriate action. Politically, this responsible and constructive action can take the form of voting; of becoming involved in local, state, or national campaigns; and of becoming involved in local government issues. Student participation in nonviolent protest demonstrations can aid in focusing the public's attention on various concerns: In The Politics of Protest, a government task force under the direction of Jerome H. Skolnick defends, by example of history, the right of Americans to change a government or system which has become oppressive: "The Boston Tea Party was an attempt by a few to alter an oppressive system of taxation without representation . . . If the Boston Tea Party is seen historically as a legitimate method of reproducing such necessary social change, then present-day militancy, whether by blacks or students, can claim a similar legitimacy." However, I believe that, except in very extreme situations, violent tactics should not be employed.

Also, student investigations of government bureaucracy in order to effect necessary political change can be attempted. According to the Septemper of 1974 issue of Today's Health, a group of California high school students noticed, during the gasoline shortage, that many state legislators were permitted to lease, through a state contract, gas-eating luxury cars. With the exception of one assemblyman, the students' efforts to force the use of more economical cars were thwarted. But dealt with constructively, the students' experience of the frustration of storming the wall of bureaucracy can become a springboard from which they can become aware of, and resolve to remedy, the problem of political abuses.

The second topic dealing with youth's solutions to the United States' problems is the social aspect of the American scene. Several discussion points can be grouped under this topic: abortion, crime, the illegal use of narcotics, inflation, unemployment, irresponsible resource consumption—a veritable Pandora's box of social ills.

Abortion-on-demand, the crime of destroying an unborn human being, is now legal. Concerned youth have protested this crime by picketing, distributing literature, belonging to pro-life organizations, and participating in mass rallies. These young people can help to offer reluctant parents alternatives to abortion. According to a recent Cincinnati Enquirer article, a communal, youth-dominated "farm" in Tennessee is giving unwed mothers the option of having their babies rather than aborting them. If these women decide they do not want to keep the baby, the "farm" members will raise him. This type of youth concern for life is necessary if we wish for there to be a future generation.

Crime and the illegal use of narcotics are closely linked since many youth-related thefts involve supporting a "habit." Stricter controls, health hazards, and the realization of their exploitation by big-time dealers should wake users from their drugged stupor to strive for a world from which they will not feel it necessary to escape.

In response to inflation and unemployment, youth, the future policymakers, must learn from economic policies and mistakes so that hard times may be held at bay. Another economic woe is the irresponsible use of government funds. This can border on the ridiculous. For example, according to the February 23, 1976 issue of Time, Medicaid has been billed for, among other things, pregnancy tests for a man, and sickle-cell anemia tests for whites. Young people must not become inured to the injustice, but must recognize and report these abuses.

Irresponsible energy consumption is depleting our natural resources. Perhaps cautious nuclear energy research and research into new food sources by tomorrow's corps of young scientists will provide a solution. In the interim, America must determine whether she has the right to continue rapid consumption at the expense of struggling nations.

I have attempted to survey the spectrum of American problems and to propose practical responses for youth. However, we must not overlook the fact that Americans have much to be proud of, including the freedom of speech and the freedom to disagree and to chart new courses. These and similar ideas linger in the minds of thoughtful young people—questions ripening to answers as youth matures.

STATE DEPARTMENT REPORTS NO UNITED STATES-VIETNAM DIRECT NEGOTIATIONS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Ms. ABZUG. Mr. Speaker, on June 28, 1976, I sent a letter to Secretary Kissinger inquiring whether negotiations had commenced between the United States and Vietnam over the MIA issue and other questions of mutual concern to the two countries. As Members may recall, uncertainty concerning these negotiations had arisen during consideration of my amendment to the fiscal year 1977 foreign aid appropriation measure which related to MIA's. It seemed to me at the time that the total prohibition contained in the bill as reported against any aid to Vietnam would inhibit and delay, rather than encourage and accelerate, the opening of direct negotiations between Vietnam and the United States.

During the debate, however, several Members who opposed the amendment, made reference to negotiations which supposedly were already underway or to direct talks which allegedly were going on. This was the first public suggestion that negotiations were taking place. It came as a major surprise.

Had negotiations already begun or were diplomatic efforts stalled? Were these direct negotiations, or were they through intermediaries? Were they face to face or by diplomatic note? Surely the answers to these questions should significantly influence our future steps to resolve the MIA and other issues on the agenda of unfinished business from the Vietnam war. Surely the families of those men listed as MIA should have the right to know whether or not negotiations are in progress.

In an attempt to resolve this confusion, I sent Dr. Kissinger a letter asking for clarification. The State Department has recently responded to my letter.

I would like to inform my colleagues that, according to the State Department, there are no direct negotiations between the United States and Vietnam currently taking place. The State Department's response refers only to an ongoing exchange of messages with the Vietnamese and indicates the American willingness to discuss outstanding issues with and suggests that we are prepared in principle for talks in which each side will be free to raise any issue that it wishes but nowhere does this response suggest that direct negotiations have actually begun.

Although it confirms my expectations, this letter is saddening. It would have been a wonderful surprise—to the MIA families and to all Americans—to find out that talks were underway.

But if the news is saddening, at least we now have a clearer picture of the current situation. Negotiations are not taking place. Therefore it is necessary for Congress to do everything possible to encourage these talks to begin.

Mr. Speaker, the text of my letter to Secretary Kissinger and the response from Assistant Secretary McCloskey follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 28, 1976.

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR SECRETARY KISSINGER: I am writing to request information about the current state of negotiations between the United States and the Democratic Republic of Vietnam concerning the Missing-in-Action and other matters of mutual interest.

During consideration of an amendment I offered on June 25 to the Foreign Aid Appropriations for Fiscal Year 1977, several Members made reference to "talks now going on" between the two countries or to "negotiations which are already underway." Since I had offered my amendment to encourage the initiation of direct bilateral negotiations, I feel it is important to clarify the question of whether such negotiations have actually commenced.

I would therefore appreciate answers to the following questions:

1. Is there regular direct contact between the United States and the Democratic Republic of Vietnam taking place in Paris or any other location concerning the MIA's and other matters of mutual interest? Is this contact in the nature of direct negotiations on these matters, or preliminary discussions concerning the possibility of beginning negotiations in the future?

2. If discussions or negotiations are occurring, when did they begin and at what diplomatic level are they taking place?

3. If direct negotiations are now occurring, are negotiations at a higher level anticipated in the future?

4. If neither talks nor negotiations are being held, what is the position of the State Department regarding initiatives or concrete proposals from the American side to begin either?

Thank you for your assistance.

Sincerely,

BELLA S. ABZUG,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C., July 27, 1976.

Hon. BELLA S. ABZUG,
House of Representatives.

DEAR MRS. ABZUG: Secretary Kissinger has asked me to reply to your letter of June 28 regarding United States relations with Vietnam.

We have been involved in an ongoing exchange of messages with the Vietnamese which we initiated on March 26. We have indicated our willingness to discuss outstanding issues with them and have made clear that our principal concern in any such discussions would be an accounting for our missing men and the return of the remains of those killed in Indochina.

We are prepared in principle for talks in which each side will be free to raise any issue that it wishes. The outcome of any such talks could of course determine whether or not there is a sufficient basis for improved relations. As far as we are concerned, an absolute preconditioned for further progress toward normalization of relations with Vietnam would be a satisfactory resolution of the missing-in-action issue as indicated above.

Sincerely yours,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

PROBLEMS WITH CONVERTER TECHNOLOGY

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BROWN of Ohio. Mr. Speaker, the Clean Air Act amendments legislation (H.R. 10498), which is presently under consideration by the Congress, contains provisions which would alter the current automobile emission standards. This is the second time in 6 years that the statutory standards established in the Clean Air Act of 1970 have had to be postponed. The reason for this postponement is that no one knows how to meet these standards on most vehicles, given the current technology.

However, recently I received information from the manufacturers of the "Engelhard" three-way catalytic converter that indicated that their converter, when placed on a Volvo was capable of not only removing the required pollutants from the emissions but also increasing the fuel economy of the Volvo by 10 percent. In the interest of being fully informed on this new technology prior to voting on the various amendments to the auto emissions provisions of H.R. 10498, I wrote to the four major auto manufacturers to inquire about capabilities of this converter to bring our domestic automobiles in compliance with the statutory standards.

Unfortunately, it appears that there is substantial information and data available to indicate that implementation of the Engelhard converter is not, as yet, feasible on the vast majority of both domestic and foreign automobiles.

I am therefore submitting for my colleagues' consideration copies of letters I have received from Ford Motor Co. and General Motors Corp., outlining the problems with the general application of this converter technology.

The letters follow:

FORD MOTOR CO.,
Washington, D.C., August 2, 1976.

Hon. CLARENCE J. BROWN,
House of Representatives,
Washington, D.C.

DEAR MR. BROWN: Your letter of July 22, 1976, asked for information on the feasibility of the "three-way" catalytic converter.

Ford considers the three-way catalytic converter to be a promising technology for meeting future emission standards. In fact, it was Ford, in 1968, that first observed the ability of some catalysts to remove all three pollutants—hydrocarbons, carbon monoxide and oxides of nitrogen—on a single catalytic bed. We published this information in the technical literature and urged all catalyst companies that we deal with to investigate this avenue of emission control.

However, this experimental catalyst experienced serious problems with durability and it wasn't until unleaded fuel was mandated in 1975 and the lead content of that gasoline was substantially reduced (with EPA approval of test fuels at a very low level for 1977) that rapid progress was made in development of the system. As a result of this progress, Ford plans to introduce a three-way technology on one small engine line for 1978 for limited application in California if development proceeds on schedule.

However, there are a number of problems which must be solved before the three-way system can receive widespread application to all car lines. As you are aware, Volvo has developed the system on a small 4-cylinder engine line for application in California; however, they have noted that they are having many more difficulties in applying the technology to their larger (6 cylinder) engines.

At Ford, we have some 13 engine lines and have considerable engineering work ahead of us before feasibility of mass production of a three-way catalyst system for all of them is established.

Also, the availability of rhodium, a noble metal which is required for these catalysts in sufficient quantities to support total car production is still a question. At this point, loadings of rhodium are required for durability of the catalyst which are substantially out of proportion to the level at which rhodium is mined. Our goal is, of course, to have durable noble metal catalysts in which the ratio of rhodium to platinum is equivalent to the way it is found in the ground.

Finally, and most importantly, even when the three-way system is tested, the rhodium content lowered and it is proved to be applicable to a broader product—or total product—range, there still needs to be adequate time to phase in the three-way technology at an orderly pace with adequate field experience. In this way, we can be assured that there are no unknown side effects such as the "sulfuric acid scare" which occurred when oxidation catalysts were first introduced on 1975 models. Also, the customer will be able to profit from cost reductions which almost always result from gaining engineering experience, from "getting the bugs out" and eliminating any operating difficulties.

For these reasons, we have supported a five-year phase-in of more stringent standards before dropping to the ultimately more stringent levels. In this regard, the Environmental Protection Agency has noted in a recent letter to Congressman Maguire that, because of the lead time problems which I have mentioned, they estimate the earliest possible date at which time the industry could adopt three-way catalytic technology is the 1981 model year.

For these reasons, we are strongly supporting the Dingell-Broyhill (Train) amendment which would allow an adequate lead time to develop and introduce advanced technologies.

Thank you for your interest.

Very truly yours,

W. E. BROWN.

GENERAL MOTORS CORPORATION,
Washington, D.C., August 4, 1976.
Hon. CLARENCE J. BROWN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. BROWN: Thank you for your letter of July 22 regarding the feasibility of using a three-way catalyst system to meet future emission standards. I appreciate the opportunity to clarify some of the important issues raised about this subject which has become a part of the Congressional debate on the Clean Air amendments.

The recent statement by the California Air Resources Board that a Volvo, equipped with a three-way catalyst, has met the statutory federal emissions standards does not alter, in any way, the necessity to amend the Clean Air Act. Nor does it diminish the desirability of setting new standards at the levels recommended by EPA Administrator Train and now contained in the amendment proposed by Representatives John Dingell and James Broyhill.

The three-way catalyst is not new technology. General Motors and, according to press reports, others companies have been working on the system for some years. General Motors reported on our experience with three-way catalyst equipped cars to the Environmental Protection Agency in December 1975. While these cars achieved low emission numbers, there were several drawbacks, many of which apply to the system used on the Volvo in question.

First, the Volvo system uses rhodium—a scarce metal supplied primarily from South Africa and the Soviet Union. Rhodium is not found by itself; it is a platinum group metal which occurs naturally in ore in a ratio of about one part of rhodium for every twenty parts of platinum. Production and marketing of these metals is closely controlled by the South African and Soviet producers to match world demand. For example, one producer notified California officials that it was concerned that the three-way catalyst "should not have a greater platinum-rhodium ratio than the ratio in which platinum and rhodium occur naturally, i.e., the mine ratio . . ." This supplier went on to state that while it was capable of supplying rhodium in a higher ratio in the early stages of its use, thereafter "the ratio will have to revert to the mine ratio as far as our ability to supply is concerned."

The rhodium-platinum ratio in the three-way converter certified by California on the Volvo was four to twenty—four times the natural occurring rate of rhodium. Under current circumstances, it is apparent the supplies of rhodium would not be available in this ratio.

While a low volume manufacturer might be able to secure sufficient rhodium for its production run, it would be irresponsible for the entire industry or the government to act on the basis that an adequate supply is available for normal production.

Second, the system announced in California has worked only on a four-cylinder engine. Volvo has yet to make the system work on its six-cylinder engine. Again, it would be irresponsible to mandate a system which has not been shown to be applicable to six and eight cylinder cars which comprises the bulk of U.S. production and sales.

Third, the system is costly and needs frequent maintenance. It requires a special fuel control system (fuel injection) in addition to a three-way catalyst.

(The four-cylinder Volvo had fuel injection as standard equipment prior to 1977.) The three-way catalyst system, not including the fuel injection system, would add around $150 to the cost of the car. And, the owner must replace the air/fuel ratio sensor (at around $20.00) every 15,000 miles or the system will fail to be effective.

In addition to these problems and limitations, there are other points which need clarification. The statement by California officials that the 1977 model Volvo with the three-way catalyst achieved a 10% fuel economy improvement misleads by being incomplete. This improvement is based on a comparison with 1976 models which had no catalytic converter. Two years ago GM added a catalyst system and achieved an average 28% fuel economy gain over previous models. (The catalytic converter itself has no direct effect on fuel economy. It permits engine adjustments that do make fuel economy improvements but also increase emissions; the catalyst has the capacity to control these higher engine emissions.) It is incorrect to suggest that the Volvo catalyst does anything more for fuel economy than the catalysts on almost all cars sold in the U.S. today.

I want to stress that nothing said here is meant to be critical of the Volvo development. The work it reflects is commendable; all potential means for controlling emissions must be explored. Caution, however, is in order to avoid misusing the Volvo experience in the political process. I am enclosing a news clip which indicates that the exaggerated claims made for this system have not come from the manufacturer.

Finally, what should Congress do? The auto industry needs action now to avoid serious disruption affecting the entire economy. The federal certification process we must follow to obtain approval of our 1978 models for production must be underway now in order to complete the process without disruption. We are making the initial preparations but must know what the 1978 standards will be. Virtually everyone recognizes the need to change the 1978 statutory standards but Congress has not yet acted and we do not yet have the new standards. I am enclosing a recent telegram from our Chairman, Mr. Thomas Murphy, to Speaker Albert calling for immediate action.

When it acts, Congress should adopt the emission levels proposed by Representatives Dingell and Broyhill. While GM believes a five-year continuance of the current standards is in the public interest, we agree that the more stringent standards proposed by Representatives Dingell and Broyhill represent the best balance between fuel economy and emission control which can be expected at this time. According to a government analysis, the Dingell/Broyhill amendment would result in the savings of 9.27 billions gallons of gasoline in the 1980-1985 period as compared with fuel consumption under the standards contained in the bill reported by the Interstate and Foreign Commerce Committee. This analysis also indicated that, during the same period, initial purchase and operating costs would be $22.3 billion more.

These tremendous costs and additional fuel consumption are not balanced by any significant improvement in the quality of the air, which would result from proposed standards more stringent than those suggested by the Dingell/Broyhill amendment. This is clearly pointed out by the comprehensive analysis of April 8, 1976, conducted by the Department of Transportation, the Environmental Protection Agency, and the Federal Energy Administration.

Tremendous strides have been made in controlling auto-related pollution. As new cars replace older, less controlled vehicles, the quality of our air will steadily improve. Clear evidence does not exist to indicate that requirements more stringent than those in the Dingell/Broyhill amendment are necessary. If there is any doubt about this, it should be resolved by a comprehensive, scientific analysis of the public need for air quality improvements. Today our nation is making decisions costing billions of dollars without the scientific data base necessary to know whether these decisions are sound or even helpful.

When dealing with technical issues, what seems to be true one day may not be the next. We continue to make every effort to improve our auto emission control systems and hope daily to make significant breakthroughs. However, this letter contains the facts as we know them today. I hope they are helpful to you in your consideration of this very important matter.

Sincerely,

JAMES D. JOHNSTON,
Director, Government Relations.

Enclosures.

WOULD PRESIDENT CARTER FAVOR WAGE-PRICE GUIDELINES?

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. LEGGETT. Mr. Speaker, I have spoken out frequently on the subject of wage and price levels, and what I think we ought to be doing about them. My resaon for doing so is that I see a very real chance that the problem of inflation will be exacerbated in the coming months. In my estimation, we should be planning now on how we will deal with the possibility of a resurgence of inflation if it materializes, rather than waiting around until the problem actually comes upon us. And I am pessimistic about our ability to hold down inflation without stifling the recovery, unless we adopt some form of effective wage-price restraint.

I was very interested to learn that, according to columnist Hobart Rowen, there are some indications that our Democratic Presidential nominee, Gov. Jimmy Carter, may be thinking along similar lines. Apparently, Governor Carter is giving thought to the possibility of instituting something akin to the wage-price guideposts of the Kennedy era That may or may not be sufficient, but in my view it would be a step in the right direction.

As Mr. Rowen points out, we continue to face a familiar unemployment-inflation dilemma, which to many economists is known under the rubric of the "Phillips Curve." The reference is to the hallowed dictum of British economist A. W. Phillips, who held that there was an inverse correlation between unemployment and inflation rates. As unemployment comes down, we cannot avoid, by traditional means, the increasing costs of rising prices. Moreover, reducing unemployment below 4 percent or so would run the risk of a raging inflation. And with the unemployment rate having risen in July for the second month in a row, from 7.5 to 7.8 percent, our unemployment problems are certainly far from over.

Our Congressional Budget Office is also warning us that the unemployment-inflation dilemma will not go away. CBO says this problem "is leading to interest in other alternatives outside of traditional fiscal and monetary policy." The alternatives CBO mentions include wage-price guidelines and controls, as well as policies to improve competition in business and industry.

I would certainly favor policies to spur competition. I have also been saying for some time that, if we want to pursue policies designed to continue the recovery while at the same time preventing a resurgence of inflation, we ought to establish a comprehensive program of controls or guidlines on wages, prices, rents and interest. All of them would have to be controlled in some measure if we were to provide equity to all sectors of the population.

We cannot, for example, expect labor to adhere to guideposts unless we also do something about the surge in rents that is expected later this year. The same principle follows for other parts of the economy as well.

Let me conclude by repeating my earlier warning. We must not allow election year inhibitions to prevent us from confronting both labor and management with the need to follow noninflationary guidelines. And beyond that, let us not permit the case for wage-price controls to continue being the "unmentionable topic" in economic policy. Let us hope that the new Democratic administration which we expect to be coming to Washington will bring this issue into sharp focus.

I include Mr. Rowen's column on the subject in the RECORD at this point:

CARTER'S PLAN: OFFERING CLUES

(By Hobart Rowen)

How is Jimmy Carter—if elected president—going to reduce unemployment, control inflation and balance the budget, all within the space of a four-year term? It's a good question, and even if we must wait for precise answers, there are some clues on the developing strategy.

Much of the debate on the effort to create a "full employment" economy has focused on the concern that, just by definition, full employment means a serious price inflation.

Most Establishment economists, liberal or conservative, follow the dictum laid down many years ago by a British economist, A. W. Phillips. He held that, in periods when jobless rates are low, inflation rates are high, and vice versa.

The general view is that 4 or 4.5 per cent unemployment is the dividing line. To get below it, you run the risk of a raging inflation. This has become a touchy political issue, and fires up many of the supporters of the Humphrey-Hawkins "full employment" bill, especially the Black Caucus.

What the "Phillips Curve" adherents seem to be saying is that, if the cost in higher prices to the vast majority of people with jobs is another 2 or 3 percent just to reduce the unemployment rate by 1 per cent, it isn't worth it.

Politicians, as they have in the Nixon-Ford administration, begin to justify 5 per cent unemployment—and maybe 6—is a "realistic" full-employment level.

Carter insisted on one Meet the Press show that very low unemployment and inflation rates could exist side by side. He cited the post-Korean experience. But Carter's own chief economist, Lawrence R. Klein of the Wharton school, concedes that was one of the exceptions proving the rule.

In recent congressional testimony, Klein said that, "more often than not, (there was) an inverse trade-off . . ." between unemployment and inflation.

Another expression of support for the traditional view that there is a clear—and, unhappily, an opposing—relationship between unemployment and inflation—came from the Congressional Budget Office.

The dramatically lower inflation in the last year was at least in part "a response to the recession which reached its trough (low point) in March 1975 rather than to recovery which has taken place since," CBO says.

What the CBO deduces is that the Phillips curve is still alive enough to give policy-makers "an unemployment-inflation dilemma." That is, if they choose to fight unemployment by traditional means (lower taxes, bigger federal budgets), inflation will get worse. And if they choose to fight inflation with the "old-time religion" of austerity, unemployment will increase.

Unless the government confesses it doesn't know how to govern, there must be a way out of this dilemma.

Charles W. Killingsworth, a labor market economist and supporter of the Humphrey-Hawkins bill, says the answer is to provide "structural" aids for those groups and areas of society suffering recession, instead of across-the-board tax cuts and pump-priming that might prove inflationary.

Without endorsing the Humphrey-Hawkins bill, the CBO report comes to the same general conclusion. The dilemma posed for policy-makers "is leading to interest in other alternatives outside of traditional fiscal and monetary policies," the CBO says.

Mentioned are not only wage-price guidelines and controls, but policies to improve competition in business and industry.

Carter's economist, Klein, made clear he worries about the economy slowing down in 1977 and suffering a decline in 1978 unless it is given some new thrust. How, then, to control inflation?

After a briefing by Klein and other economists last week in Plains, Ga., Carter indicated he is thinking seriously of reinstituting something like the Kennedy wage-price guideposts, perhaps with greater labor-management participation.

According to Klein, a vigorously expanding economy would provide the revenues for balancing the budget by 1979 or 1980, even if taxes were cut in the interim to provide a forward thrust.

If Carter is elected, such an underlying activist push for a high-employment economy will mark a main difference from the Ford administration. Under the tutelage of Treasury Secretary William Simon and economic adviser Alan Greenspan, the Ford administration has made price stability the basic focus of economic policy.

CHINA REPORT: A CLARIFICATION

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. FRASER. Mr. Speaker, many Members must receive, as do I, the "China Report" newsletter published by the Committee For a Free China.

An item in the June 1976 edition caught my eye: a story headlined "ROC A Free Society" the first paragraph of which I quote below:

> Dr. Allen S. Whiting, professor of political science at the University of Michigan and a highly respected liberal academician, has affirmed that the ROC is a comparatively free and open society backed up by a sound military, economic and political set-up.

This is in part a paraphrase of a sentence that appears on page 29 of Whiting's April 1976 booklet, "China and the United States: What Next?" No. 230 in the Foreign Policy Association's "headline series."

Here is the sentence which the editors of "China Report" paraphrased:

> Although the Republic of China is an authoritarian regime operating under explicit national emergency conditions sanctioned by the ongoing civil war, by contrast with the mainland, it is a relatively open society.

When compared with the People's Republic of China, a great many authoritarian societies in the world could be characterized as relatively open, so the Whiting statement tells us very little.

And, concerning the "China Report" paraphrase of Whiting as they say in the law, res ipsa loquitur, the thing speaks for itself.

PANAMA GATEWAY HAUNTS ADMINISTRATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. McDONALD. Mr. Speaker, as we all know, there has been an attempt of late to "cool" the issue of the Panama Canal, because the American people have shown a tendency to react with genuine anger at the persistent attempts by architects of the new world order to divest the United States of the Canal and Canal Zone. These architects of the new world order are largely Americans. As in so very many cases, only Americans could do to us the harmful things which are being done.

The Panama Canal giveaway being engineered by the State Department is among the many issues which those who must face the electorate hope will be swept under the carpet "until November," until after the elections. Clearly, this is cynical dishonesty from those who are generally to be found prattling about "citizen participation" or "the people's right to know."

I am pleased that a number of my colleagues, such as the Honorable LEONOR SULLIVAN, are not so willing to "cool" the issue for the convenience of Mr. Kissinger and the administration in general. The St. Louis Globe-Democrat carried, on July 1, some very pertinent remarks by my colleague, Mrs. SULLIVAN, who has stood so firmly against the State Department's sneak play.

The article follows:

ANSWERS ON RED ROLE IN PANAMA DEMANDED

(By Edward W. O'Brien)

WASHINGTON.—Rep. Leonor K. Sullivan, D-St. Louis, has demanded "very clear answers" from President Ford on her suspicions of growing infiltration by Cuba's Castro regime in the Republic of Panama.

One question put to Mr. Ford was whether secret intelligence reports in Washington show that Cuban or other foreign Communist personnel are "teaching guerrilla warfare and terrorist tactics" in Panama, with a possible aim of taking over the United States-controlled Panama Canal or Canal Zone.

In an unusually strongly worded letter to her friend and long-time House colleague, Mrs. Sullivan told the President that Americans will be "outraged and disillusioned" if they find "any indication that information relative to communism in Panama and threats to the Panama Canal are being covered up."

As chairman of the House Merchant Marine Committee, which has jurisdiction over the canal, Mrs. Sullivan sent her three-page letter to Mr. Ford July 27, with a request for a reply "as rapidly as possible."

By Thursday, the White House had acknowledged receiving the letter and said it was working on answers to Mrs. Sullivan's eight questions.

Mrs. Sullivan said in her letter that the questions were based on "citizen reports from the Canal Zone and other locations on the presence and labors of various types of Cubans and other non-Panamanian personnel within the Republic of Panama," an independent small nation in which the Canal Zone is situated.

"The reports indicate that Communist agitators, military cadre and 'technicians' are engaged in the infiltration of Panamanian society in key positions and areas, and that 'the party line' being spread by those who are infiltrating is clearly anti-American and directed toward wresting control of the canal from the United States," she said.

Mrs. Sullivan opposes a new treaty, now being negotiated, that would transfer United States control and sovereignty over the canal to the Republic of Panama over a period of years.

She has denounced as pro-Communist the Panamanian government of chief of state and strongman Gen. Omar Torrijos. The proposed treaty, she has charged, would turn the canal into a "Red lake."

In May, the Pentagon denied that Cuban military or guerrilla forces were present in Panama, or that Cuban arms and ammunition were being smuggled into the country.

But in her letter to the President, Mrs. Sullivan indicated skepticism about the Pentagon denial. She called on Mr. Ford himself to clear up "the confusion and questions" by giving her "clear, forthright and substantive answers."

Her questions included:

Whether Washington intelligence files reflect any secret trips to Cuba by Col. Manuel Noriega, the second-ranking official and hatchetman in the Torrijos government.

Whether the Partido del Pueblo, Panama's only openly operating political party, is "essentially a Communist organization."

Whether American citizens, such as soldiers stationed in the Canal Zone, have been imprisoned on the island of Cuba by the Panama government, and whether any have been killed in attempting to escape.

Whether there is truth to a rumor that an attempt to seize part of the Canal Zone and a confrontation with the United States will be attempted late this year in order to place the Panama Canal issue before the United Nations.

DIVESTITURE OF OIL COMPANIES

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. RUSSO. Mr. Speaker, considerable controversy has surrounded recent debates on dismemberment of the large, vertically integrated oil companies into their various components. I have received numerous communications from my constituents on this subject and, after careful examination of both sides of this issue, I have concluded that vertical divestiture of the oil companies is not in the best interests of the United States.

Dismemberment, or divestiture, would prohibit the 18 largest oil companies from operating in more than 1 of the 4 major sectors of the oil business—exploration, transportation, refining, and marketing. Proponents of divestiture legislation believe that divestiture would increase competition within the oil industry and also encourage truly competitive bidding for Organization of Petroleum Exporting Countries—OPEC—oil. However, as I shall attempt to illustrate, these statements are predicated upon false assumptions—that competition is nonexistent in the oil industry and that smaller companies could effectively negotiate with the OPEC cartel and perhaps bring down the world price of oil.

Although the Senate Judiciary Committee acted favorably upon a divestiture bill in June, further action by the entire Senate is unlikely because of time constraints, according to Senate leaders. The House of Representatives has not taken any action on similar legislation and such action is highly unlikely to occur this year. In spite of the low probability of House action, I feel that an explanation of my stance on this matter should be made public.

Contrary to divestiture proponents' statements, there is competition in the oil industry. Very few other businesses contain 18 major competitors. The four leading oil companies control less than 30 percent of the market, whereas the four leading auto manufacturers and the four leading aluminum companies control more than 92 percent of their respective markets. In addition, there are over 10,000 companies engaged in exploring for new oil and 131 companies own the 260 refineries in this country.

Entry into the oil marketplace and continued growth by those new entrants are commonplace. Every year new corporations are formed and begin operating in different parts of the oil business. Probably the most successful new entrant since World War II has been Amerada Hess, predominantly an east coast operation. In fact, Hess has prospered and grown to such an extent that it is one of the 18 companies faced with possible dismemberment. Divestiture seems an improper reward for efficiency.

Independent oil companies have continued to increase their share of the market over the last two decades. In the mid 1960's, independents controlled roughly 20 percent of the oil market, whereas in 1976 that share has grown to over 30 percent. These figures refute the allegation made by divestiture advocates that an oligopoly controls the oil market and that this oligopoly is continually increasing its percentage of that market at the expense of the smaller companies.

Clark Oil & Refining Co., a leading independent in the Midwest, has stated its opposition to divestiture in its annual report to its shareholders. Although not directly affected by the proposed breakup of the leaders, Clark officials state that the chaos that would ensue would disrupt investment at precisely the time when new capital is essential for new developments to combat the oil cartel.

Major oil companies, because of their economic power, have the ability to negotiate on an equal basis with foreign governments. While advocates of divestiture contend that small refiners could break the OPEC cartel's stranglehold on oil through competitive bidding, the reverse of this proposition seems more likely. Concentrated power normally dominates smaller, diverse elements in the business world and I do not think that this situation will prove the exception to the rule. However, merely because the economic giants possess this power does not mean that they abuse it in their domestic operations with smaller companies.

The competitive equality of our large oil companies has come to the attention of foreign countries. In an effort to match our companies' strength, Japan and other Western nations are encouraging their domestic oil companies to combine their operations and form cartels. How ironic that the United States is contemplating breaking up its major oil companies, while other nations copy their structures.

Many experts believe that there are serious disadvantages to divestiture. Almost everyone who has studied the divestiture issue agrees on one point—regardless of whatever else happens, divestiture will not produce one more drop of oil than would be produced if the status quo were maintained.

Even the staunchest advocates of divestiture admit that their proposals will probably not reduce the price of oil. Indeed, dismemberment could result in higher prices because of the inherent inefficiencies in multiple corporate transactions.

An integrated oil company can operate portions of its operation at a low profit because it earns higher profits from other segments of its business. By averaging its expenses and profits, a company can market its product at a lower price to the consumer, yet still earn enough money to attract investors for its stock. Divestiture would eliminate this averaging process and each segment would be forced to turn an attractive profit on its own. Those segments who are now "carried" by the more profitable portions of the business would be forced to increase their prices to raise their profits, enabling them to attract new investors that would otherwise invest elsewhere. Of course, as we all know, these price increases would eventually be passed along to the consumers.

Furthermore, even if prices were reduced, this might only prove a short-run benefit that precedes a longrun disaster. Lower prices would inevitably result in increased consumption by most consumers, industrial as well as individual. Increased consumption would further deplete the United States known reserves, leading to increased dependence once again on foreign oil. The energy crisis would be at hand once again, except that the OPEC cartel would be in an even stronger position and could extract even higher prices.

This country must recognize that alternative sources of energy must be developed, and soon. Whether the Government develops them or the oil companies should expand horizontally into this area is a question that requires more investigation, but in the very near future that question must be answered. However, breaking up the oil companies will not move this country one step closer to energy independence—our most important goal.

The time and expense of dismantling the 18 major oil companies greatly outweighs any possible benefits, according to industry spokesman. In the early 1950's DuPont Chemical Co. was ordered to sell its General Motors stock because these holdings violated the antitrust laws. In order to preserve the stability of the stock market, the divestiture plan allowed DuPont to sell the stock over a 10-year period. Imagine the difficulties of separating the various components and then placing the stock in the market once divestiture is mandated. They would be tremendous. The only other comparable event is the New Deal's Holding Company Act. That undertaking took 40 years to accomplish. This is probably the most compelling argument against divestiture.

Mr. Speaker, in conclusion, I think it would look foolish for Congress to break up these corporations and impede our country's advance toward energy independence.

THE DECLARATION

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. MINETA. Mr. Speaker, throughout the celebration of America's Bicentennial, we have all heard and read many words reflecting on this great event—words which encourage all of us to reexamine and reaffirm those values on which our country was founded.

Recently, one of my constituents, Mrs. Marjorie Theroux, sent me a recording of the words written by her son, Gary Theroux, and his friend, Bob Gilbert. This recording first appeared as a radio editorial in Los Angeles on April 17, 1976, and made a strong impression on its listeners. I submit for the RECORD a copy of the stirring words of "The Declaration" for all of us to consider as part of our Bicentennial reflections:

THE DECLARATION

Two hundred years ago, the fathers of our republic met in Independence Hall, Philadelphia. Gathered were fifty men, with differing occupations—lawyers, farmers, businessmen, an inventor, a schoolteacher—yet bound by one single, overwhelming belief. A belief that foremost among the transcendent values of man is the individual's right to use his God-given free will, and that the sole purpose of government is to protect that freedom through the preservation of internal order, provision for national defense, and the administration of justice. Those fifty assembled were well aware that when government ventures beyond those rightful functions, it accumulates powers which tend to threaten individual liberty. On that historic day, those men did openly and defiantly declare, under the threat of death, their full and complete independence from the autocratic rule of the British Crown. Upon signing that declaration, those representatives of thirteen desultory colonies stood on their own, yet together, and established a United States of America.

Two hundred momentous, incredible years have passed, and America has grown from a rebellious upstart, into the strongest, most successful, and inspiring civilization of all time. Nowhere else on the face of this earth can you find the spirit of laissez faire—power to the people—more evident than right here.

Stand up, American, on your own two feet, American, because that's what made our country great! Remember the cornerstones of our nation—courage, ingenuity, self-reliance, and a determined unity against domination. Seven generations of Americans now entrust you with the precious, hard-earned gift of freedom, now yours to pass on to your children. Guard it well, for today, at this very moment, less than one-fifth of the world's population still enjoys the liberty to write, speak and vote as they please. Yet, in our own last election, barely over half the eligible Americans even bothered to show up at the ballot box. So many of us are so wrapped up in enjoying the fruits of freedom that we neglect to make sure the bounty will be there tomorrow. Despite such warnings as tight job markets, rising prices and dwindling supplies, a tragic number of us have no interest, or even any concept of current legislation, assuming that somehow "big government" will always know best, and will do our thinking for us. Many Americans are so blase about their own future, and the future of their children that they vote for slick journalism and bumper stickers, and not their own convictions. Do you know that if you asked them about their congressman, they couldn't even tell you his name!

As we move into our third century of progress, let us keep from merely celebrating symbols and slogans. Let us instead always keep in mind the belief upon which this nation was founded—that every American has the sovereign right to live his life in any manner he may choose, as long as he does not tread on the equal rights of his neighbor. Let us reaffirm our commitment to make the ideals of liberty and justice for all more than mere words on paper, and let us not once forget the American Dream—that one day. all mankind, everywhere, will be free. That's the legacy born to us in the founding of our nation, two hundred years ago.

MOTHER OF TWO OLYMPIC BOXERS CREDITS THE LORD FOR THEIR SUCCESS

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mrs. SULLIVAN. Mr. Speaker, I am sure all Americans share the great pride of the people of St. Louis in the achievements at Montreal this year of Michael and Leon Spinks, both of them gold medal winners in Olympic boxing competition, Michael, 20, in the middleweight classification and Leon, a 23-year-old lance corporal in the Marine Corps, as a light heavyweight. This is the first time two brothers have ever won gold medals in the Olympics.

During the Olympic Games, when both young men had won their quarterfinal bouts but were still a long way from their top awards they ultimately won, Sheila Rule of the St. Louis Post-Dispatch interviewed the Spinks brothers' mother, Mrs. Kay Spinks, in her apartment in the Darst-Webbe housing complex and wrote a beautiful article about the religious orientation of Mrs. Spinks and her sons.

Mr. Speaker, for an understanding of how two young men from a poor family living in a tough neighborhood "got into boxing because they wanted a legitimate way to defend themselves in the neighborhood they lived in without getting into trouble," and rose to the pinnacle of amateur boxing in the Olympic Games, I commend Sheila Rule's article for its sensitive reflection of Mrs. Spinks' faith in God and in humanity.

The article is as follows:

MOTHER OF TWO OLYMPIC BOXERS CREDITS THE LORD FOR THEIR SUCCESS

(By Sheila Rule)

Mrs. Kay Spinks speaks of the climb to fame of her two sons with quiet understatement. Only when she discusses the power she believes put them in the limelight does her voice surge like the sea.

"It is the Lord that has put my sons where they are," Mrs. Spinks said. "He has His hand in my children's lives; He has a plan for them."

Her eyes wandered to a case laden with trophies on which were etched the names of her sons, Michael and Leon Spinks, the first brother combination ever to win Olympic boxing trials championships in the same year. They became the first St. Louisans to win since 1956.

Both won quarterfinal bouts yesterday in competition at the Summer Olympics in Montreal, Canada. Leon won his light heavyweight match with Ottomar Sachse of East Germany, and Michael beat Poland's Ryszard Paslewicz in a battle of middleweights.

Their moves were followed closely by their mother, who watched the bouts on television in her small apartment in the Darst-Webbe housing complex on Chouteau Avenue.

In an interview yesterday, Mrs. Spinks emphasized that she preferred to remain an observer in the hoopla surrounding her sons' success.

"This is their thing; not mine," she said. "I don't want to take the spotlight away from them and try to be the star. But people here started seeking me out. It's like living in a goldfish bowl."

She exhibited pride in her sons' accomplishments and said that she slowly had come to peace with herself over their participation in boxing.

"I wanted them to be preachers. I thought if they'd been preachers they wouldn't have to fight. The word of God would put fear in people and make them leave my boys alone," she said.

She laughed softly and then went on talking about Leon, 23 years old, and Michael, 20.

"They got into boxing because they wanted a legitimate way to defend themselves in the neighborhood they lived in without getting into trouble. They kept getting bouts but I didn't think any of this was serious." The family lived in the Pruitt-Igoe housing complex 18 years before moving to Darst-Webbe.

"I often prayed God would bring them out of the ring but the harder I prayed the more they stayed in the ring," she said. "I felt that they no longer needed boxing, that God could take care of them. But my mother said that if God wanted them to stay in the ring He must have a plan. So they stayed and I just took a seat and watched."

Mrs. Spinks rarely mentioned her sons names without a mention of God's influence on their lives. Her words rode on evangelistic inflections.

"They are timid, fun-loving boys who I've taught to thank God for everything," she said.

Before continuing, she spoke softly to one of her seven children. Five of them, including Michael, live with her.

"I try to keep Michael's and Leon's feet on the ground," she said. "I guess I'm kind of like their manager that way. I tell them the best winner in the world is a good loser. They may be good winners but I want them to ask themselves what kind of losers they are."

The two boxers pray for their fellow Olympic participants daily, Mrs. Spinks said, "and their day is not made unless they contact their mama for encouragement."

That encouragement has seen the Spinks brothers through many lean years with their low-income family. But even when the children walked through the cold with holes in their shoes, they found a way to send money to persons needier and less fortunate than they, said Mrs. Spinks, who has had to rear her children alone since her husband left the home 12 years ago.

When the excitement of Olympic participation ends, Leon will return to his duties as a lance corporal in the Marine Corps. Michael will return to his job as a part-time dishwasher.

But Michael will not experience a letdown when he resumes his unglamorous job, said Mrs Spinks, a young-looking woman who shies away from telling her age.

"Before Michael left for the Olympics he said he believed however things turned out that God would fix things so he could do better as far as a job," she said. "He said God would make the proper changes in due time."

Mrs. Spinks said she has attempted to instill in her sons one emotion in particular—"l-o-v-e." By their actions, she believes she's been successful.

"They fight other boxers with no malice or revenge in their hearts," she says. "Leon said it was just a sport that they enjoyed."

"They are good boys. But they are good in secret and they let the Lord reward them in the open. I guess the Lord is giving them a reward."

THE NEED TO REFORM THE FPC

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. HARRIS. Mr. Speaker, reforms of the Federal Power Commission—the Federal agency that regulates wholesale rates of electricity—should be high on the agenda of this Congress. H.R. 12608 includes many important reform provisions, and I urge the Energy and Power Subcommittee to expedite consideration of this bill. Congress should stop the Federal Power Commission from allowing wholesale suppliers to raise their rates until the Commission determines that a rate increase is lawful. Currently, the FPC allows a rate increase to become effective during the ratemaking process. Since at least part of the requested rate increase is often denied, this FPC practice results in situations where suppliers overcharge wholesale customers, who in turn overcharge consumers.

Although consumers eventually receive refunds for overpayments, no interest is paid on the overcharge, nor is the electric cooperative reimbursed for the cost of making refunds. Mr. Harry K. Boman, manager of the Prince William Electric Cooperative, in his letter of July 28, 1976 to me points out the need to reform FPC's procedures. The Prince William Electric Cooperative, which is located in my district, buys electricity from Vepco and sells it to its 25,000 members. Because the FPC allowed Vepco to raise its rates and then later decided that the rate increase was unlawful, some $1,332,426.55 will be refunded to the cooperative's members. The administrative costs to the cooperative of making the refunds will be about $25,000. The point is, however, that the consumers should not have been overcharged in the first place. For this reason, I think Congress ought to stop the FPC from allowing rate increases to become effective until a final determination has been made.

Mr. Bowman's letter, which succinctly points out the need for reform, follows:

PRINCE WILLIAM
ELECTRIC COOPERATIVE,
Manassas, Va., July 28, 1976.

Hon. HERBERT HARRIS,
1229 Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HARRIS: In the next couple weeks the Prince William Electric Cooperative will be refunding $1,332,426.55 to its 25,000 member consumers. These refunds are the result of Wholesale Rate overcharges paid by the Cooperative members to the Virginia Electric Power Company.

We are happy to be able to make these refunds to our members, but very strongly object to the Federal Power Commission procedures that created the overcharges by VEPCO. As you know, the Federal Power Commission's common practice is to allow rate increases to become effective without review or public hearings. Of course, these increases are allowed with the understanding that refunds must be made if final approval reduces the rate increases.

The Federal Power Commission does require interest to be paid on any overcharges, but no allowances are made for the consumer unrest created by the overcharges or for the costly process of returning the refunds to the member consumer. We estimate our cost will be at least $25,000 to make these refunds.

The Board of Directors of Prince William Electric Cooperative, on behalf of its nearly 25,000 members, urgently requests your support of proposed Regulatory Reform Legislation similar to H.R. 12608, as proposed by Congressman McFall and S. 3311, as proposed by Senator Moss. Of particular concern to us is the present Federal Power Commission practice or allowing rates to become effective without hearings on the "pancaking" practice of allowing new rates to be effective before previous rate requests have been finally determined.

We solicit your strong support of these Federal Power Commission reforms in the interest of our member consumers to promote a more competitive electric industry.

Thank you for your interest and cooperation in the past.

Very truly yours,
HARRY K. BOWMAN,
Manager.

FOOD STAMP FRAUD

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ASHBROOK. Mr. Speaker, have you ever wondered why it costs so much to run the Government? A major reason is sheer waste and abuse of the taxpayers' money.

One of the most wasteful and most abused Federal programs is the food stamp program. Due to a lack of proper standards and controls, the cost of this program has grown to more than $5 billion a year.

Under current law there is no maximum income limit to qualify for food stamps. No minimum age exists for eligibility as a household. College students whose parents earn high salaries may qualify. Even those who are on strike from their jobs are eligible to participate in the program.

This is bad enough. Now add to that, however, the element of fraud.

According to the August 7 Washington Star, a pastor and a bishop of a Washington, D.C. church have pleaded guilty to defrauding the Government of $262,775. These two men collected but did not deposit the money received from the sale of food stamps. Instead of returning the money to the Government, they used it to pay for airline tickets, travel agency fees, and closing costs on their church and private home.

No wonder so many Americans are disgusted with the Government. The taxpayers of this Nation are tired of seeing their money thrown away. It is time to tighten food stamp eligibility requirements and place stricter controls on their distribution. With all of this, the liberals on the House Agriculture Committee are not improving the food stamp law which allows this fraud. They are making it worse. Here is the article from the Washington Star:

D.C. Food Stamp Fraud Admitted by 2 Churchmen

(By Susan Axelrod)

The pastor and bishop of a Southeast Washington church pleaded guilty yesterday to defrauding the government of $262,775.84 and using some of the money to pay for airline tickets, travel agency fees and closing costs on their church and private home.

Albert R. Hamrick, a pastor of St. Phillip's Pentecostal Church, 4201 Wheeler Road SE, had been accused of collecting—but not depositing in a Federal Reserve Bank—$29,892.84 from the sale of food stamps at the church.

Lucius S. Cartwright, a bishop at St. Phillip's, agreed with the government's charge that he collected but did not deposit in a federal bank $232,883 from food stamps he sold at St. Phillip's Ice Cream Parlor at 4049 Minnesota Ave. NE.

St. Phillip's Pentecostal Church was identified in January by government auditors and FBI agents as being among 12 institutions in the District and 18 nationwide suspected of misusing government funds. It is the first case in the District to be presented in court, but the investigation is continuing, government officials said.

Asst. U.S. Atty. Eric B. Marcy told U.S. District Court Judge Joseph C. Waddy that Cartwright signed a contract to sell food stamps with the District's Department of Human Resources in April 1972 and continued to sell them until last February.

Marcy said low-income persons eligible to purchase food stamps would pay Cartwright or Hamrick an average of $30 and receive coupons enabling them to purchase $100 worth of food.

Money collected from selling food stamps is to be deposited weekly in a Federal Reserve bank regardless of the amount, or within 24 hours if the amount exceeds $1,000, Marcy said.

Cartwright and Hamrick collected the money, but instead of forwarding it, they would allow it to sit in accounts at Suburban Trust Co. and the National Bank of Washington for two to three months—a process called "lapping"—and use it "to pay personal expenses and expenses of St. Phillip's Pentecostal Church," according to the government.

The men's deposits in the Federal Reserve Bank were two to three months behind, the government charged, and Hamrick and Cartwright would back-date the deposits and food stamp forms "in order to conceal the accumulation of monies in these accounts."

None of the missing money has been recovered, Marcy said. In its contract with the U.S. Department of Agriculture, DHR guarantees all sales. DHR could file a civil suit against the two men to try to recoup its losses.

The government said either Hamrick or Cartwright used food stamp money to:

Pay Loyal Travel, Inc., $1,982.50 to charter a bus to Montreal in August 1972.

Pay the National Bank of Washington $6,929.84 for the closing cost on the purchase of St. Phillip's Pentecostal Church in December 1972.

Pay $6,387.74 for the closing costs on the house in which both men live at 11808 Pitt Drive, Oxon Hill, in January 1974 and a month later make a mortgage payment of $380.12.

Pay Eastern Airlines $3,690.90 in May 1974.

Pay a total of $6,640 to Taylor Freezing Equipment for equipment purchased for the ice cream parlor in the summer of 1974.

Pay Bob Banning Dodge $6,683 for a Dodge van in July 1974.

Marcy said he did not know whether any members of St. Phillip's bought food stamps from Cartwright or Hamrick.

In requesting a personal recognizance bond, Cartwright's attorney told Judge Waddy his client was "a minister, a man of the cloth . . . whose sole occupation is ministering to his flock."

The two men were released on their personal recognizance pending sentencing. They could receive up to five years in jail, a $10,000 fine or both.

UNEMPLOYMENT COMPENSATION AMENDMENT, H.R. 10210

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. FISHER. Mr. Speaker, last month the House approved several significant improvements in the unemployment compensation system and I was pleased to support the final passage of the bill. This was the result of extensive hearings and work in the Subcommittee on Unemployment Compensation of the Ways and Means Committee, of which I am a member.

Begun some 40 years ago, the unemployment compensation program has slowly been extended and improved over the years until, if the House-passed amendments are approved by the Senate and signed into law by the President, the unemployment insurance coverage will at last cover virtually the entire labor force. In addition, the House-passed amendments take important steps to restore financial soundness to the system and provide for certain other needed improvements.

The most serious immediate problem faced by the unemployment compensation program has been brought on by the recent severe recession, which has drained funds out of the trust fund to a point where many States have had to borrow large sums from the Federal Government to meet their obligations to qualified unemployed persons. The bill approved by the House would increase the wage bases against which unemployment taxes are levied from $4,200 to $6,000. An increase to $8,000 would have permitted restoration of financial soundness somewhat sooner, but the increase to $6,000 is a long step in the right direction. In addition, under the bill the net Federal unemployment compensation tax rate was increased from .5 percent to .7 percent for a limited period of 5 years to permit repayment from the Federal fund for advances received from general revenues—a further and necessary step toward financial soundness.

Unemployment compensation has been the major bulwark against the ravages of recession and unemployment in recent years. Without it, the effects on those thrown out of work by the recent economic recession would have been catastrophic to the point of dragging down the full economy into a major depression. Under the unemployment compensation program several million unemployed received assistance promptly to keep them and their families in food and other necessary consumption items until the recession abated and they would begin to find jobs again. At the worst of the recent recession, payments mounted to nearly $18 billion at an annual rate and did more than any other program to offset and contain the recession.

The bill just passed would extend coverage to more than 700,000 agricultural workers and some 400,000 domestic workers, 7.7 million local government employees, and 600,000 State government employees.

A proposed amendment to the bill of far-reaching significance would have established a national benefits standard requiring each State to pay to qualified unemployed a weekly benefit equal to 50 percent of the individual's former weekly wage up to the maximum provided by the State government. It would have required further that the maximum State benefit be equal to at least two-thirds the statewide average weekly wage for covered workers in the State. It was thought that the 50 percent level would be the best way to insure that unemployed workers anywhere have enough money to meet most essential non-deferrable living expenses, such as food, rent, and clothing. The Ford administration, like every administration from Eisenhower's on, has favored such a standard. However, the amendment was defeated primarily on the basis of its cost and a preference for leaving standards of this kind in State hands.

Other improvements are made by the bill in the so-called trigger provisions by means of which benefit payments to qualified unemployed are set in motion and then stopped. The new triggers are more prompt and sensitive to actual job conditions in the various States.

Finally, a National Commission on Unemployment Compensation is provided to examine in longer range perspective the operation of the job insurance system and recommend changes. I hope this Commission will review and evaluate the total 40-year experience, project future trends and needs, and draw together a statesman-like program for improving the system. Long-range financial soundness is a must. Extending the coverage should be completed. Retraining and relocation provisions should be strengthened to reduce the time an unemployed person can remain in a benefit-receiving status without making a determined effort to regain a job. A satisfactory coordination of unemployment compensation requirements in the different States has yet to be achieved. Food stamp, public assistance, and other welfare programs are still not dovetailed well enough with unemployment compensation. The possibilities for substituting a negative income tax, or some variant of it, for at least portions of other income maintenance programs, needs careful investigation. Jobs programs, whether governmental or private, offer advantages over both unemployment compensation and public assistance programs and should be brought into the picture.

These are some of the pressing problems and promising solutions that the Commission ought to look into.

ECOLOGY'S MISSING PRICE TAG

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BROYHILL. Mr. Speaker, I would like to bring to the attention of my colleagues an article from today's edition of the Wall Street Journal entitled "Ecology's Missing Price Tag."

The article is by Dr. Lewis J. Perl, vice president of the National Economic Research Associates and it points out the present and future economic effects of the environmental legislation that the Congress has passed over the last few years.

Dr. Perl states:

> That by 1983 between 3% and 6% of the GNP and between 7% and 10% of total gross private domestic investment could be expended to comply with federal clean air and water legislation. By way of comparison, in 1974 about 7% of GNP was allocated to all educational programs in the United States, the same percentage to health, and about 1% to law enforcement.

Dr. Perl is not suggesting that these amounts are unwarranted but rather that this represents a significant reordering of our national priorities that will have to come about at the expense of other important objectives and that we need to assess whether we are getting our money's worth.

The most startling statistic is Dr. Perl's estimate of the cost-benefits ratio of the current amendments to the Clean Air Act that are now waiting action on the House floor. He has estimated the cost-benefit ratio of the significant deterioration standards in the House bill to be 33.5 to 1.

When the House resumes debate on these amendments to the Clean Air Act, our colleague Congressman CHAPPELL will be offering an amendment that will call for an exhaustive study of the policy of significant deterioration before the Congress enacts this concept into legislative law. I urge my colleagues to read the entire article by Dr. Perl on ecology's missing price tag and to give serious consideration to the Chappell proposal before making a final decision on the merits of enacting this policy into law before its economic effects are fully understood.

The article follows:

ECOLOGY'S MISSING PRICE TAG

(By Lewis J. Perl)

In "The Closing Circle," Barry Commoner states as the fourth law of ecology that "there is no such thing as a free lunch." This is also the first law of economics. As used by Mr. Commoner, this phrase is intended to mean that we cannot go on doing damage to the environment indefinitely without paying a price for it. What is equally true, however, is that to reduce the effects of economic activity on the environment or to alleviate the damage caused by past activities, we must also pay a price.

There is a wide range of environmental objectives society may choose to pursue, but each one is associated with some real resource costs. Society must decide which environmental controls are worth the expenditures they require and which are not.

Over the last two or three years, there have been numerous attempts to assess the cost of federal pollution-control legislation. In its 1975 report, the Council on Environmental Quality (CEQ) suggested that the 1974 to 1983 capital expenditures would be $115.2 billion, with the cost in 1983 reaching about $34.5 billion a year or 1.5% of Gross National Product. However, other data suggest that CEQ has underestimated these costs.

The National Commission on Water Quality (NCWQ) estimated the capital requirements of the Federal Water Pollution Control Act at $95 billion to $182 billion, compared with the CEQ's estimate of $48.8 billion. National Economic Research Associates' (NERA) own studies for the Electric Utility Industry indicate that the industry's capital expenditures for water and air pollution over the 1974 to 1983 period would approximate $38 billion, whereas the CEQ puts these estimates at only $16.7 billion.

A LARGE INVESTMENT

If we combine the NCWQ estimates on water-pollution control and NERA's own estimates on air-pollution control for the Electrical Utility Industry with the CEQ's estimates for all other pollution-control costs, we come up with a total capital investment from 1974 to 1983 of $175 billion to $263 billion and annual costs in 1983 of $55 billion to $66 billion. This is $679 to $815 per household per year (in 1975 dollars). If the CEQ's estimates in other areas are off by as much as their figures for utilities and water quality, annual costs could be as high as $89.4 billion or $1,098 per household.

It would appear then that by 1983 between 3% and 6% of GNP and between 7% and 10% of total gross private domestic investment would be expended to comply with federal clean air and water legislation. By way of comparison, in 1974 about 7% of GNP was allocated to all educational programs in the United States, the same percentage to health, and about 1% to law enforcement.

These estimates, of course, exclude the costs of compliance with state legislation and appear to ignore expenditures on nuclear power plants related to environmental protection. The CEQ, for example, estimates expenditures for environmental controls on nuclear plants at only $100 million over the 10-year period, even though it is widely agreed that a very large part of the estimated $65 billion spent on nuclear plants is attributable to environmental pressures.

The magnitude of these figures does not necessarily suggest that they are unwarranted. They do suggest, however, that environmental legislation represents a significant reordering of our national priorities which will only come about at the expense of other important objectives. It is, therefore, critical to assess whether we are getting our money's worth.

A number of interesting attempts along these lines have been made. For example, the NCWQ tried to assess the social benefits that might result from implementation of the Federal Water Pollution Control Act. The project covered improvements in recreational and commercial fishing and in other water-based recreation, as well as increases in property values in areas surrounding the improved water.

NCWQ's staff estimated that by 1983 the annual benefits would be $5.5 billion or about $55 per household per year. While there are many flaws in these studies, our assessment is that they are more likely to overestimate benefits than to underestimate them. In any event, the cost of achieving the gains would amount to some $40 billion per year or about $500 per household.

It is hard to justify current programs of water-pollution control legislation on the basis of these returns. This does not mean that some activities mandated by the Federal Water Pollution Control Act are not desirable. There may be programs with highly favorable ratios. The results suggest, however, that Congress has constructed a piece of legislation which expends considerably more resources on pollution control than it restores through an improved environment.

There have been similar efforts to evaluate costs and benefits of improvements in air quality. Unfortunately, efforts to evaluate these costs have been, in general, quite separate from attempts to assess the benefits; the twain have rarely met. My colleagues and I have recently been engaged in comparing the costs and benefits of meeting federally-imposed New Source Performance Standards at a plant under construction. We examined the effect meeting the standards would have on ambient air quality in the surrounding area and assessed the likely effect of the changes on human health, materials and crops.

Altogether, the benefits were assessed at approximately $2.5 million per year over the life of the plant. Here again the cost of achieving the improvements was about $28.4 million per year—for an 11.4-to-1 cost-benefit ratio. While both costs and benefits will vary from plant to plant, if these results are typical, the costs of mandated clean-air legislation may, like its water counterpart, be grossly out of line with the benefits.

The $2.5 million annual benefit at the plant we examined translates to about 1.7 cents per pound of sulfur dioxide emissions removed. For the nation as a whole, I have estimated the costs of meeting the new-source standards at approximately 22 cents per pound of emissions reduction. If the extrapolation is appropriate, this would suggest a national cost-benefit ratio of 13 to 1.

Amendments to the Clean Air Act were approved by the Senate last Thursday and are now being considered by the House to protect areas already below federal ambient air standards against further significant deterioration. The cost of meeting the new standards would be approximately 57 cents per pound of emissions reductions, according to my estimates, which means the cost-benefits ratio for the amendments would be 33.5 to 1.

EVALUATING INTANGIBLES

The failure to attempt to balance the costs and benefits in the promulgation and enforcement of environmental legislation apparently reflects the belief that environmental benefits are too intangible to be captured in quantitative terms. This view does not appear to pervade other investment areas. When individuals buy homes, they invest not only in shelter but in a collection of intangibles—security, prestige, neighborhood, etc.—and have no trouble assigning values to them. Legislators, too, are often faced with the necessity of evaluating the relatively intangible benefits to be derived from expenditures on education, health, law enforcement or defense. Yet we do not hesitate to ask, "Is it going to pay off?"

The environment area poses more difficult problems, but the issues are fundamentally the same. Given the uncertainties of measuring both cost and benefit, I doubt that cost-benefit analysis can, in and of itself, be taken as definitive in the environmental area. Neither can it be ignored. Where cost-benefit ratios of 2 to 1 or 3 to 1 prevail, it can be argued, say, that the costs have been consistently overestimated or that the benefits have been underestimated or ignored. This position becomes more difficult to maintain when we begin to observe, as we have here, cost-benefit ratios of 11, 13 and even 34 to 1.

At least in such cases, the burden of proof should be on the administrator or the legislator pressing a particular program. Without this balancing effort, we are going to find ourselves, in my view, impeding our economic growth and sacrificing other desirable social goals to carry out environmental programs that promise much and deliver little.

TOLEDO IS PROUD OF BRENDA

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ASHLEY. Mr. Speaker, I rise to honor Brenda Morehead, a native of my Toledo, Ohio, congressional district, a student at Tennessee State University, and a participant in the 1976 Olympic games.

Toledo is proud of Brenda and rightfully so. She demonstrates a level of achievement and quiet determination we all could emulate. Her parents, Mr. and Mrs. Charles Morehead, Jr., instilled in her and her sister, Sandra, and brother, Timothy, the values of a champion. August 14, 1976, "Brenda Morehead Day," is their day, too.

Brenda Morehead is an athlete. She is an outstanding broad jumper, holding the national record in the long jump for her age group in high school; she is an accomplished relay runner and dogged competitor. This was demonstrated memorably in the Olympics when, after breaking the Olympic trial record in the 100-meter dash, she pulled a muscle in the qualifying run of that event. True to her character, Brenda entered the event in spite of her injury, running the race on heart, not her legs. Her personal injuries meant little to her as she attempted to finish the race. Brenda pulled up lame, but she left a lasting impression of courage and quiet determination with the millions who watched her effort.

Brenda is only 18 years old now and will undoubtedly be a source of pride to her family, her school, and her country throughout her collegiate career and on to the 1980 Olympics in Moscow. As a Toledoan, and as an American, I am proud to recognize Brenda Morehead today.

GOVERNMENTS THAT RULE BY VIOLENCE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. FRASER. Mr. Speaker, Colman McCarthy, in the August 7 Washington Post, writes about "Governments that Rule by Violence."

McCarthy states:

> Evidence suggests that a growing number of Americans are either angry or uneasy about the violence of dictators or military regimes, because a degree of complicity exists: Either through tax money used for military aid or economic assistance to ruthless regimes, or through trade relations with those countries, the victimization that goes on in the torture chambers and prisons of a Chile, South Korea, Iran or Indonesia has the appearance of being blessed by America.

McCarthy is right. Our people are uneasy. The anger and uneasiness Americans feel cannot be ignored. The growth of Amnesty International and the involvement of the Institute for International Policy in human rights issues chronicled by McCarthy are salutary.

Congress will ignore these developments only if it wants to be overtaken and left behind public opinion.

GOVERNMENTS THAT RULE BY VIOLENCE

(By Colman McCarthy)

Public reaction in America to stories of torture, jailings and political repression in foreign countries has tended in the past to be muffled. It is understandable. While few have doubted that violence as a means of silencing dissent is the philosophy of government in countries from Argentina to Russia, the problem has been seen as too immense and too distant for outrage to be effective, even if it could be raised and sustained.

This may no longer be true. Evidence suggests that a growing number of Americans are either angry or uneasy about the violence of dictators or military regimes, because a degree of complicity exists: Either through tax money used for military aid or economic assistance to ruthless regimes, or through trade relations with those countries, the victimization that goes on in the torture chambers and prisons of a Chile, South Korea, Iran or Indonesia has the appearance of being blessed by America. One indication of rising concern is the growth of Amnesty International. In the United States, this valuable organization of advocacy has grown in four years from 19 to 100 chapters. Its financial contributor list has increased from 2,000 to 40,000. Another sign is the involvement in human rights of Washington's Institute for International Policy, a group known for its accurate reporting on the methods of dictators and military regimes. The pressure raised by such groups as Amnesty International and the institute has apparently been felt by Henry Kissinger. His June 8th statement in Santiago on human rights contains forceful phrases that could have been run off on the mimeograph machine in the local Amnesty office.

If this rise of concern can be documented, the case can also be made that terror and violence is rising among world governments. One who believes this is Ginetta Sagan, an Amnesty official and a woman who has survived torture herself. Speaking about Latin America, Mrs. Sagan said that "government lawlessness is worse today than 10 years ago because the military regimes are well coordinated. Last October in Montevideo, Uruguay, the military commanders from more than a dozen Latin American countries met to plan a common strategy and to coordinate their activities in stamping out what they see as the Marxist threat. They call it a "second war for American independence'! The plan is to stamp out all dissent. The United States was represented at this conference. According to information that I consider reliable, the American government, under the form of military aid, provides sophisticated surveillance equipment. For example, if a suspected dissenter travels from one country to another, the computer has him tracked. This wasn't happening a decade ago. Torture and jailing for political beliefs are now anything but isolated incidents. They are common expressions of governmental policy."

Recent news stories from Latin America suggest that Mrs. Sagan's beliefs are sound. The military government in Argentina, seizing power last March, has imprisoned (according to Newsweek) 7,500 citizens for so-called political and economic crimes. In Buenos Aires, former Bolivian President Juan one of several political exiles to be slain, Jose Torres was kidnapped and murdered, with no accounting. In Chile, according to the human rights commission of the OAS, arbitrary jailings, persecution and torture continues. In Brazil, the death squad is active again. The story is the same in other countries, from Uruguay and Paraguay to Nicaragua.

The philosophy of violence that obsesses generals and dictators, whether in Latin America, Africa or elsewhere, is based on a fear of internal revolution. Those in power are unable to recognize that within their countries is a large middle-ground of citizens who do not demand instant economic or social reforms but who want only free discussions, free elections and a free press—the peaceful means that can make an ordered beginning to reforms. In the so-called "free world," any leaning in this direction is interpreted by those in power as part of a vague Marxist-Communist conspiracy. Through torture and imprisonment these governments mimic Sovietism in ways that can only delight Marxist despots.

It is true that terrorists are at work in some of the Latin American countries. But the governments that rule by death lists and torture chambers make no distinctions between terrorists and those who dissent from the official way. Professors, doctors, lawyers, priests, trade unionists, journalists, poets and others often risk their lives and freedom merely by carrying out their professional work. One physician in Uruguay according to Amnesty, has been imprisoned for several years for the crime of treating wounded members of an underground group. He had no regard for their tactics or ideas; but that had nothing to do with their need for medical help. After giving it, his choice was either to report them—knowing they would be tortured—or remain silent. He chose the latter and has been in jail since.

Occasionally, stories of political prisoners receive world attention, as in the cases of Kofi Awoonor, the Ghana poet, Mihajlo Mihajlov, the Yugoslav writer, or Hector Natalio Sobel, an Argentine labor lawyer. But most of the victims remain unknown beyond their families and friends. Governments that jail and torture usually feign wounded pride when newspapers in America or England run stories about their brutality. Denials are issued. If that doesn't work, the line is taken that the current "limitations on democracy" are temporary until "order" is restored. Censorship is for the public good; martial law is needed for national security, and torture is the way to seek the truth.

For now, the Kissinger statement in Chile is a break from the usual passivity shown by the American government toward government lawlessness abroad. In recent years, America has come to be loathed throughout much of the world. Our military aid to dictators and juntas has not been used merely for security against outside enemies but against the people of a given country itself, those we are allegedly trying to protect but who dissent from the official view. Many foreigners, familiar with American history and its origins in dissent, once looked to America for help. But now we are perceived as being allies of whatever bully can take power, from South Korea to the Philippines to Iran.

As positive as the Kissinger statement may be, it is still only a statement. Some indications of moral pressure backing it up must quickly come forward, otherwise the work of such groups as Amnesty International and the Institute for International Policy will be that much more difficult. They can be dismissed as zealots or romantics who don't understand the intricacies of foreign policy as do the experts in the State Department or Pentagon. But experts aren't needed to understand that death lists, kidnappings, torture and imprisonments are ways of governing that mock the American philosophy of law. The evidence suggests that large numbers of American citizens are demanding that their government no longer look the other way as the Pinochets and Park Chung Hees crowd their prisons with the innocent.

STATISTICS FOR NEIGHBORHOODS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mrs. SCHROEDER. Mr. Speaker, there is today in this country a growing effort to retain or revitalize "neighborhood consciousness," particularly in our urban areas. Some cities have already enacted statutory decentralization programs in recognition that government even at local levels has become too unaccountable and unable to respond to the needs of its citizens.

As the neighborhood movement grows, so does the need for relevant neighborhood information. As chairwoman of the House Census Subcommittee, I have been particularly interested in assisting neighborhood organizations in their efforts to receive census data in a way that is usable and relevant to their needs. The Bureau of the Census has pledged its cooperation to work closely with these groups, and I hope that the Bureau will now become a major source of information for neighborhoods.

In an effort to help assure that this process works, I am today introducing legislation for myself and Congressman PAUL SIMON which would allow neighborhood organizations which are officially recognized by statute, and which have elected officials, to have the Bureau of the Census provide census statistics for their neighborhoods. In many instances, census tracts do not parallel statutory neighborhood entities, and this can cause problems in interpreting census statistics for the neighborhoods.

The cost of this legislation would be minuscule, and I believe it would be a welcomed assistance in the effort to save our neighborhoods and improve local government.

Mr. Speaker, the full text of the bill follows:

H.R. 15148

A bill to amend title 13, United States Code, to provide that a municipality or a political subdivision of a municipality shall be entitled to receive population census statistics which relate to the area within the jurisdiction of such municipality or subdivision.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter IV of chapter 5 of title 13, United States Code, is amended by adding at the end thereof the following new section:

"§ 196. POPULATION STATISTICS RELATING TO MUNICIPALITIES AND SUBDIVISIONS OF MUNICIPALITIES

"(a) On the request of a municipality or a subdivision of a municipality, the Secretary shall provide without charge to such municipality or subdivision statistics collected in any census taken under section 141 which relate to the population within the jurisdiction of such municipality or subdivision, as the case may be. Statistics may not be provided pursuant to a request made under this section obtained in any census the census date of which occurred more than 22 years before the date such request was received by the Secretary.

"(b) For purposes of this section—

"(1) 'municipality' means any unit of local government established by or pursuant to State law and which has general governmental powers, and includes the District of Columbia; and

"(2) 'subdivision of a municipality' means any council, board, or other governmental unit—

"(A) which has one or more officials who are elected by voters within its jurisdiction,

"(B) the principal function of which is to advise or assist a municipality in its carrying out of municipal functions to the extent they relate to the area under the jurisdiction of such council, board, or unit, and

"(C) which is established by or pursuant to Federal, State, or local law.".

(b)(1) The table of sections for chapter 5 of such title 13 is amended by adding at the end thereof the following new item:

"196. POPULATION STATISTICS RELATING TO MUNICIPALITIES AND SUBDIVISIONS OF MUNICIPALITIES.".

(2) The heading for subchapter V of such chapter 5 is amended to read as follows:

"SUBCHAPTER V—MISCELLANEOUS".

(3) The table of sections for such chapter 5 is amended by striking out the item relating to subchapter V and inserting in lieu thereof the following:

"SUBCHAPTER V—MISCELLANEOUS".

"SEC. 2. The amendments made by the first section of this Act shall take effect on the 60th day after the date of the enactment of this Act.

BRUCE JENNER—OLYMPIC DECATHLON CHAMPION

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. SARASIN. Mr. Speaker, the greatest and most difficult of tasks are achieving goals we have established for ourselves.

A native of Connecticut's Fifth Congressional District was able to do just that recently and in so doing earned for himself an Olympic Gold Medal and a new world record. Bruce Jenner, formerly of Newtown, Conn., achieved five lifetime bests during the decathlon at the recently completed 21st Olympiad.

I know that I join with many of the citizens of the Fifth District when I offer my sincere congratulations to Bruce Jenner and his family and wish him the greatest of successes in his future endeavors.

Two newspapers which very ably serve the western Connecticut area, the Danbury News Times and the Waterbury Republican-American recently ran articles about Bruce Jenner's amazing achievement and I would like to include them for my colleagues benefit.

Articles follow:

[From the Waterbury Republican-American]

WE'RE PROUD OF OUR ATHLETES

American athletes won many victories and honors in the Olympics in Montreal, but their greatest achievement was the respect they acquired not only from their own countrymen but from viewers all over the world.

The behavior of Americans was exemplary. They showed good sportsmanship. Their enjoyment of the competition showed so markedly that it was contagious. They had a good time and so did the vast audience watching them.

Americans have reason to be proud of the U.S. participants, including the losers as well as the winners. They showed pride in their country and brought honor to it by the way they acted.

Residents of Connecticut and California were thrilled particularly by the championship performance of Bruce Jenner who became the world's "best all-round athlete" when he broke the record for the 10-event decathlon.

Formerly of Sandy Hook and now of San Jose, Calif., Jenner advanced from ninth place at the 1972 Olympics to win the decathlon in Montreal, setting a record with 8,618 points.

Watching the performance of Jenner and the other Olympic stars over television was a treat for millions of viewers. For the younger viewers, particularly those engaged in sports activities, the performers provided inspiration and incentive to work harder. The intensive training and personal discipline of the champions were obvious.

We join in congratulating the U.S. teams. They did well by their country both in personal achievement and as good-will representatives. We are proud of them.

[From the Danbury News Times]

HE DID IT ALL—NEWTOWN COACH REMEMBERS BRUCE

NEWTOWN, CONN.—Bruce Jenner's high school coach remembers the record setting

Olympic gold medalist as a friendly, gifted athlete who predicted his own victory in the decathlon.

"He would be joking and friendly with other teams no matter how severe the competition was. Everybody seemed to like him," Newtown High School track coach Roger Streeter said Saturday.

"If you invented a new sport, he would excel in it. He was just that kind of athlete. No matter what sport you put him in he was good," the coach added.

Jenner claimed the title of the world's greatest athlete Friday after compiling a record 8,618 points in the rugged two-day contest of strength, speed and stamina. The 26-year-old native of this rural western Connecticut community set five lifetime bests in the 10 event regimen.

Streeter coached Jenner in 1967 and 1968 when the athlete's family returned to town after living in Tarrytown, N.Y., where Jenner attended his first two years of high school.

Jenner pole vaulted, high jumped, triple jumped, threw the javelin and was leadoff man in the relay for Streeter.

"I wish I could have used him in 12 events. He could have done it and won all 12 events," said Streeter, noting state rules prevented an athlete from competing in more than four individual events.

Streeter said the champ also played football and basketball for Newtown but "his enthusiasm just poured over" for track.

In his senior year, Jenner captured the state pole vault title and took seconds in the high jump and triple jump.

"One magazine said he wasn't a very outstanding athlete in high school. That's not true," said Streeter, adding that Jenner finished second only once in the four individual events in which he regularly competed.

Streeter said his teams always had good athletes but none as great as Jenner.

"No matter who takes credit for his development, he was a very gifted athlete," Streeter said.

"He left high school saying he would win the Olympics and he did."

Streeter said his teams usually finish second in the Western Connecticut Conference.

"We have some talented performers but not much depth" to spread over the 17 events contested in Connecticut track and field, Streeter said. He noted that Jenner sometimes had to run in other events besides his four regular competitions.

The coach said he had no secret formula for developing athletes or producing winning teams but he suggested Jenner's success even back in high school helped generate interest in track at the school.

"There was much greater enthusiasm for the sport after Jenner left and we've gotten some talented people to come out for the team," Streeter said.

REGULATORY TURBULENCE

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. MILFORD. Mr. Speaker, deregulation of the Nation's airlines is a vital issue now before Congress, as we all know.

Charles S. Murphy, a former chairman of the Civil Aeronautics Board and currently general counsel for one of the Nation's airlines, addressed this issue in Flight magazine's 1976 Local Air Transport Yearbook.

I believe his discussion of the issues makes interesting reading and would be beneficial in considering this issue:

REGULATORY TURBULENCE

(By Charles S. Murphy)

The air transport system of the United States is, in the words of the Civil Aeronautics Board, the "finest in the world." If it can withstand the current onslaughts against it, that will be further proof of the system's strength and vitality. It has survived adversities in the past, but none more ominous, perhaps, than those which now threaten it.

For more than ten years, there were a number of academic economists who have advocated drastic changes in this system of regulating air transport in the country. For a time, few people took them seriously. Within the past three or four years, however, some of these persons by various means have acquired positions of influence in the Federal Government. Their views, which seemed so radical, have now become the official policy of the present Administration and have even gained a foothold in one committee of the United States Senate.

The position of the Administration is reflected in proposed legislation it has recommended to the Congress, "The Aviation Act of 1975." This proposal is being assiduously pushed by the Department of Transportation (DOT) before Congress and elsewhere. Hearings have been held by House and Senate committees, and further hearings are planned.

The proposal is strongly opposed by most airlines, despite the fact that DOT officials persistently assert that the proposal would benefit them. You see, the airlines still have the benighted notion that they know more about their own business than DOT does. The Administration proposal is also strongly opposed by organized labor. Well it might be, for there are clear signs that labor is its chief target. Little support for the Administration has been manifest from sources outside the government.

The position of the Civil Aeronautics Board (CAB), which is critical in this matter, is not altogether clear as of the date of this writing (April 29, 1976). Its views have been stated to congressional committees, but they remain to be fleshed out in specific legislative proposals not yet presented, and some important gaps are yet to be filled. We will return to this.

The system for economic regulation of air transport in the United States has been essentially the same since enactment of the Civil Aeronautics Act of 1938. The heart of the system is route security. Air carriers are given "franchises" in the form of certificates of public convenience and necessity which usually authorize operations over specified routes. Protection against competition on these routes is provided to the extent deemed necessary and appropriate by the CAB under standards prescribed in the Act. This security of route authority has been thought necessary to provide incentive for carriers to make the investment to develop and operate airline service.

This concert of route security has been recognized by the Supreme Court in Civil Aeronautics Board vs. Delta Air Lines, where the Court said that ". . . Congress was vitally concerned with what has been called 'security of route,' i.e., providing assurance to the carrier that its investment in operations would be protected insofar as reasonably possible" (367 U.S. 316, 323 [1961]). Indeed, this concept seemed to be recognized by everyone as the heart of a highly successful regulatory system until the "deregulators" came along. They, too, recognized it as the heart of the system, but they wanted to cut it out.

The initial goals of the reformers were publicized as "deregulation." This was a misnomer because their goals have never included relieving the air carriers of the various burdens of regulation, although they did include the complete removal of route security and of pricing regulation. The deregulation label provoked such a hue and cry that the Administration soon backed off from it, and switched the label on its product to "regulatory reform." Now, it is hard to be against "reform." But it is also true that calling a thing "reform" does not make it good. And in this case, there are some people who wonder if the Administration's proposal ought not to be called something else—perhaps "regulatory adulteration" or "regulatory degradation."

Be that as it may, the fact remains that the basic features of the Administration proposal are not essentially different from those initially put forward as "deregulation." Route security would still be destroyed, as would meaningful regulation of pricing. The specific provisions for getting there are more complex, but that's where it ends up. The Administration bill contains several provisions impinging upon route security. In speaking of just one of them, the CAB in its analysis says:

> This seemingly innocuous proposal could be the most explosive provision of the Act. It is clear that its passage would be the equivalent of deregulation through the back door. The Board strongly opposes the proposal.

Similarly, the CAB opposes the pricing provisions of the Administration bill, saying that some of them "would impair the Board's ability to remedy discrimination." Another, the CAB says, "effectively eliminates minimum rate regulation" and "could result in rates which are insufficient to enable the carriers to provide adequate service." And after criticizing the provisions permitting upward-pricing flexibility, the CAB says, "There is no reason to believe that the existing carriers will exercise the downward-pricing flexibility afforded by the bill and every reason to expect that they will take advantage of the upward flexibility provided."

In my view, the CAB's opposition to the foregoing provisions of the Administration bill is fully justified.

THE PROMISED LAND

The deregulators do have an argument. They claim we would have more airline service and lower fares if we relied on the competitive market forces resulting from free entry and the abolition of route security instead of relying upon the blend of regulation and competition we have under the present system. I think they are probably wrong, although I cannot be certain of it. But if route security is done away with and it turns out to be a mistake, the damage will be irreversible.

Before taking any such drastic action, the virtues of the present system should at least be examined to see how well or how poorly it has worked and to see if there are not less draconian measures to correct such defects that may be found. I don't believe the deregulators have given the present system its due.

NO THANKS TO "THEM," IT'S WORKING

I'm going to call the CAB again as the witness on this, and I'm going to quote it at length. This is important testimony, and I want you to read every word of it. There are many other witnesses who would testify to the same effect, and the facts would back them up. In testimony before the Senate

Aviation Subcommittee on April 8, 1976, CAB chairman Robson spoke for the Board as follows:

> Despite . . . limitations and contradictions in the governing Act, an air transportation system has evolved over the past 38 years which may be fairly characterized as the finest in the world.
>
> It combines a very high level of safety, service, and convenience with a level of fares which are low when measured against fares prevailing in most other parts of the world. Few other industries can match the long-term growth rate that domestic air transportation enjoyed until recent years. From a level of just under a half billion revenue-passenger-miles in 1938, scheduled domestic traffic has grown to 131.7 billion revenue-passenger-miles in 1975.
>
> Since 1938 more and more city-pairs have received new service—58,000 city-pairs are currently part of the domestic route network—and more and more city-pairs have received single-plane, non-stop, and competitive service. The 1938 Act, by Congressional mandate, accorded grandfather rights to 19 then-existing trunk carriers (excluding those in Alaska), ten of which have survived. The Big Four Carriers at that time—American, United, TWA, and Eastern—carried more than 80 percent of the domestic revenue—passenger-miles; in 1975 they carried 57 percent.
>
> By 1975, entirely new categories of direct and indirect carriers had developed—local service airlines, cargo specialists, charter specialists, commuter carriers and air taxis, and air freight forwarders. The smallest of the local service carriers operated over 78 million revenue-passenger-miles in 1974—nearly four times as many revenue-passenger-miles as the largest of the original trunkline carriers in 1939. Today, the local service airlines generate more than 20 times as many revenue-passenger-miles as all the airlines generated in 1938. The commuter carriers and air taxis served more than six and three-quarter million passengers in the year ended June 30, 1975, and provided air transportation to small and large communities throughout the country.
>
> Air fares have gone down when measured against prices in the rest of the economy. While the consumer price index rose by about 275 percent between 1946 and 1975, fares per mile rose by only about 40 percent during the same period. Expressed in 1967 dollars, scheduled fares which in 1946 averaged 9.16 cents per mile had actually decreased to an average of 4.56 cents per mile by 1975, or about half their level at the end of World War II.
>
> Recently, low-cost air transportation also has become increasingly available under new charter rules promulgated by the Board and a wide variety of discount fares and off-peak fares which have been allowed by the Board.
>
> In other respects, too, the consumers, represented by 175 million passenger enplanements last year, have had the benefit of regulations protecting them against various consumer problems—although we cannot say that these are, like environmental problems, continuing areas of controversy.
>
> Through the years the domestic air transport system has achieved great technological progress as it has joined in a profitable partnership with aviation manufacturers and suppliers.
>
> In terms of overall benefits to the Nation's commerce, employment, manufacturing and balance of payments, generated by the air transport industry itself, and as a vital infrastructure service to general commercial activity, our domestic air transport system makes a major contribution.

Are we justified, on the basis of evidence at hand, in abandoning a system that has worked so well in the uncertain hope of finding something better? I think not. I believe it would be downright irresponsible.

NOTHING'S PERFECT, NOT EVEN THE CAB

The CAB testimony before the Senate Aviation Subcommittee on April 8th, and the accompanying documents, performed an invaluable public service. While it will certainly not dispose of the whole furor about regulatory reform, it seems to me that it should—and I hope it will—make the Administration proposal obsolete. The discussion should be able to move forward now around a more meaningful vehicle. Accordingly, I want to talk some now about the CAB's position. As of now, this must be done with reference to the April 8th testimony as the latest available expression of the Board's position.

It seems to me that the CAB testimony falls into two rather distinct and quite different parts. The first is an effort to support the thesis that "economic regulation should be redirected so domestic air transport is, in time essentially governed by competitive market forces." This apparently looks toward abolishing route security just as completely as the Administration bill would do. The second part of the Board's testimony suggests a number of changes in the Act, short of abolishing route security for scheduled certificated carriers, which the Board believes would be substantial improvements.

At least some of these specific changes seem to be worthy of careful consideration. Unfortunately, the Board presents them as transition measures toward the abolition of route security. This may well prevent these specific proposals from ever being considered on their intrinsic merits. If the Board would present them as improvements designed to perfect the present system for the long run, they might well find support for many of them. But it is hardly to be expected that those who fear that the abolition of route security will result in their extinction will support measures designed to bring about that result in an orderly fashion over a period of time.

I do not find the CAB's arguments in support of abolishing route security to be convincing. In fact, as I re-read the Board's testimony, it appears the Board itself did not find them very convincing. They recognized the "uncertainties and risks" involved, which seems appropriate under the circumstances. They recognized that bankruptcies might result, so they included in their program proposals which "would enable us to authorize expeditiously replacement service if that should prove necessary in the wake of bankruptcy." They recognized that hardship might be caused for "some employees investors, creditors, and suppliers as well as the possible temporary inconvenience for communities and the traveling public."

They also recognized "possible repercussions in the capital markets and aircraft manufacturing community that could extend beyond the failing carrier, because other airlines may find capital more difficult or more costly to raise and long-term commitments to acquire new equipment could become uncertain." Similarly, they recognized "that airport development revenue and financing could be adversely affected."

Another possibility recognized by the Board is "a reduction in the convenience and comfort of air service received by various classes of the traveling public." The Board did indicate, however, a belief that deterioration in service might be offset by lower fares.

Finally, the Board quite wisely said, that the Congress must decide. If the Congress should decide in the face of all this to abolish route security, they can't say the Board didn't give them fair warning of the risks.

One aspect of the Board's testimony is particularly disappointing—that is its characterization of the present Act as anti-competitive. The Act strongly favors competition, and the Board's own decisions over the years are full of evidence to that effect. The aspect of the Act has just been strongly reaffirmed by the U.S. Court of Appeals for the District of Columbia circuit in the landmark case of *Continental Air Lines v. Civil Aeronautics Board* (519 F.2d 944 [1975]), a case which the CAB very curiously completely failed to mention in its testimony. The Board can move toward greater reliance upon competitive forces under the present Act. It is not in a very good position to ask the Congress to give it greater power to rely upon competition so long as it fails to utilize fully the authority it already has.

The better part of wisdom, it seems, would be to concentrate on the specific legislative proposals suggested by the CAB—divorcing them from the notion that they are transition measures to abolition of route security—and weighing them on their own merits as possible improvements to a system which will continue to be based on route security. This approach could result in significant improvements. Those persons who would * * * markets for a basic economic reason: The CAB did not pay enough subsidy to make it profitable to provide the service. If the time has now come when commuters can serve some markets of this kind better, this should be regarded as a normal and desirable development, and the locals should be applauded for filling their larger role.

We will await the Board's more definitive recommendations on this subject with much interest. Hopefully, they will have merits which will not be nullified by unreasonable conditions. In any event, one should not expect to maintain service to small communities and achieve great subsidy savings at the same time. This particular sleight-of-hand trick is not in the cards, and those who persist in trying it are likely to end up dropping the whole deck.

TO BE OR NOT TO BE, THAT IS THE QUESTION

To return to the larger question of route security, most of the airlines perceive this as a matter involving their very existence. Since they do perceive it that way, they can only be expected to oppose the abolition of route security—strenuously. Airline management people, for the most part, are not the kind one can cajole into suicide. Outsiders can persist in telling them that abolition of route security will be good for their business, but you can't expect them to believe it.

Unfortunately, airline management has been forced to divert much time and effort in recent months to defend their companies and their employees against the attacks of the deregulators. But by now they have taken the danger to heart, and they are fighting back. The Congress cannot help but be impressed by the cogent testimony carrier representatives have presented. And more is to come. This show isn't over by a long shot.

Similarly, airline labor and their brethren in other industries have been aroused to the fact that they are one of the principal targets of all this. As is their wont, they are calling a spade a spade. In a statement issued in February, the AFL–CIO Executive Council, speaking of the Administration bill, said: "This proposal is unsafe, uneconomic and basically anti-labor, and we will oppose it."

Perhaps the Congress can find a path of moderation through this controversy that will improve our situation instead of ruining us. If it does, we will have reason once again to be thankful for the blessings of democracy.

IMPORTED CAR AUTO DEALERS CLARIFY POSITION ON DINGELL-BROYHILL (TRAIN) AUTO EMISSION AMENDMENT TO CLEAN AIR BILL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. DINGELL. Mr. Speaker, it has recently come to my attention that the American Imported Automobile Dealers Association has clarified its position regarding the automobile emission control standards as contained in the Clean Air Act Amendments of 1976, H.R. 10498.

For information to my colleagues I am inserting two documents, today, along with the following explanatory data.

Despite the claim by Representative ROGERS in his July 27, 1976 CONGRESSIONAL RECORD insert commenting on the Dingell-Broyhill (Train) auto emission amendment to his bill, which noted "that the American Import Automobile Dealers Association has written to support the committee bill"; the record must be corrected to put that statement in the proper context of the complete AIADA letter to Representative ROGERS.

In the AIADA letter to the Honorable PAUL ROGERS of May 4, 1976, AIADA reprinted the resolution that organization adopted on H.R. 10498 which shows that AIADA supports the retention of the 2 grams per mile NO_x standard contained in the House Commerce Committee (Rogers) bill as ordered reported. And, inasmuch as the same level of 2 NO_x is contained in the Dingell-Broyhill (Train) amendment, but for one additional model year, 1981, it is assumed that the NO_x setting in our amendment passes AIADA judgment, too. However, the committee bill auto emission section unrealistically departs from the 2 NO_x standard beginning in 1981, contrary to the official AIADA position. The committee bill zips to the 0.4 NO_x level in 1981 allowing for possible waivers, which the EPA may or may not grant, up to 2 grams per mile. And, there is no waiver permitted in the committee bill for NO_x at 0.4 gram per mile in 1985, also contrary to the AIADA position paper.

This is a crucial argument regarding 2 NO_x as contained in the Dingell-Broyhill (Train) amendment I will offer on this bill. Congressman JIM BROYHILL and I, with the support and recommendation of Administrator Train of EPA, determine that the 2 NO_x level for 1978 through 1981 model years is most sufficient for those years with safe and documented projections of valuable automobile fuel conservation, consumer savings and air quality improvements. For 1981 and onward in our amendment, the NO_x standard is to be set by the EPA based on available practicable technology, fuel economy, cost, and air quality.

I am sure AIADA rejects the 0.4 NO_x level in the Roger's bill and as AIADA has subsequently written to the National Automobile Dealers Association, "We certainly do not oppose Representative DINGELL's proposal."

I insert at this point AIADA's letter from its president, Mr. John Cronin, of August 2, 1976, to the president of the National Automobile Dealers Association, Mr. John Pohanka, in which AIADA states its position on the NO_x question:

AMERICAN IMPORTED AUTOMOBILE DEALERS ASSOCIATION,
Washington, D.C., August 2, 1976.

Mr. JOHN POHANKA,
President, National Automobile Dealers Association, 8400 Westpark Drive, McLean, Va.

DEAR JACK: You have asked for a clarification of the position of AIADA regarding the Clean Air Act Amendment now before the Congress. This position was expressed in a resolution passed unanimously by our Board of Directors on May 4, 1976 and transmitted to Rep. Paul Rogers, chairman of the House Sub-Committee on Health and the Environment, on the same day.

The Board's position is that we endorsed the bill passed by the full Committee on Interstate and Foreign Commerce (H.R. 10498) as it relates to the extension of the current NO_x levels of two grams per mile until 1981, with the possibility of waivers until 1985. Our reason for this endorsement is, as we stated to Rep. Rogers, that we feel it provides our manufacturers with sufficient leeway to insure the introduction of light diesel-powered automobiles into the United States in the immediate future.

I has been the policy of AIADA throughout its experience to avoid involvement in discussions between the Federal government and our industry in matters pertaining to automobile emission standards. This policy has been based on recognition of the fact that we have neither the necessary expertise or technological capacity to comment authoritatively on such standards. We feel it is the responsibility of the manufacturers to provide information and arguments to the government regarding the practicality and feasibility of proposed clean air standards.

In this instance, however, the imported automobile dealers have a special, vested interest in the level of NO_x emission mandated by the new amendment. Several lines of imported automobiles are expecting the imminent introduction of light, diesel-powered automobiles. Dealers have been told, however, that adoption of NO_x levels as stringent as those in the bill currently before the Senate (S. 3219) will prevent the importation of these eagerly anticipated diesel-engined automobiles into the United States.

The House bill, as amended by Rep. Broadhead's proposal, provides for maximum emissions of two grams per mile until 1981, with the possibility of waivers at that level until as late as 1985. Since current diesel technology apparently can meet a NO_x level of 1.5 grams per mile, the two grams per mile standard would seemingly offer sufficient margin for mass production allowances. The 1985 deadline would seem to be sufficient to allow for technological advances that will improve the NO_x emissions by them.

As far as the Dingell Amendment, which is to be proposed from the floor in the debate scheduled to begin this week, it, too, obviously would provide manufacturers with the opportunity to introduce light, diesel-powered cars. We certainly do not oppose Rep. Dingell's proposal. We do not wish to become embroiled in controversy over the merits of the various proposals before the Congress. Our position is simple:

We wish to have the opportunity to offer the American public the fuel economy, the durability and the cleaner exhaust of light, diesel-engined automobiles;

As good citizens, we desire standards that do the most to provide for a clean environment and are still compatible with technological and economic considerations.

We are in accord with any measure enacted by the Congress that meets these two criteria.

With kindest regards.

Sincerely,

JOHN CRONIN,
President.

It must further be clarified that under the Rogers clean air bill the NO_x standards drop to 0.4 NO_x in 1981–82 with an EPA waiver possible up to 2 NO_x, and 0.4 NO_x in 1983–84 with a NO_x waiver, if granted by EPA, up to 1.5 NO_x. It is again important to note that H.R. 10498 by ROGERS does not allow any waiver from 0.4 NO_x in 1985 model year, a standard contrary to the AIADA position.

As a further point of reference, no foreign or domestic manufacturer is urging that Congress adopt a 0.4 NO_x standard ever. In fact, the Environmental Protection Agency-Department of Transportation-Federal Energy Administration April 8, 1976, analysis of several specified auto emission schedules—see CONGRESSIONAL RECORD, April 27, 1976, pages 11430–11436—including the Dingell-Broyhill (Train) schedule, clearly points out that there is no significant gain in air quality to be achieved by establishing a 0.4 NO_x standard, but there are severe fuel consumption and consumer cost penalties expected to occur if 0.4 NO_x is set into law.

Thus AIADA, it must be explained, has to be very concerned, as am I, with the potential loss of the diesel engine, and other technologies, in automobiles if emission standards are too tight, such as the 0.4 NO_x for 1981–85 in the Rogers clean air bill yet pending for action before the House. Additionally, many foreign manufacturers have diesel engines in their products sold in the United States of America and elsewhere, and others may be coming on line. In the U.S. manufacturing plants, the diesel, and other technologies, are listed as viable approaches if sufficient research and development for application to U.S.-produced autos can be completed. I am informed that three of the U.S. manufacturers are considering diesels as possible additions to their engine model line due to proven fuel efficiency.

At this point I insert the AIADA letter to Representative ROGERS in its entirety including the AIADA resolution discussing 2 grams per mile for NO_x and the potential this allows for the diesel:

AMERICAN IMPORTED AUTOMOBILE DEALERS ASSOCIATION,
Washington, D.C., May 4, 1976.

Hon. PAUL ROGERS,
U.S. House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR PAUL: On behalf of the members of the Board of Directors of the American Imported Automobile Dealers Association, let me express our appreciation for your most informative talk before the Board this morning. After your departure, the directors commented on how frank and informative you had been and how straightforward was your presentation of the facts about the Clean Air Amendments of 1976.

In answer to your questions about our position on the Amendments, the Board members unanimously approved the following resolution:

Resolved: That the American Imported Automobile Dealers Association does endorse and urge upon the Congress the adoption of the House of Representatives version of the Clean Air Amendments of 1976 (H.R. 10498) as it relates to the extension of the current NO_x level of two grams per mile until 1981, with the possibility of waivers thereafter, to give opportunity for the introduction of light diesel-powered cars, with the consequent saving in energy and lowered cost to the consumer.

This makes official the position we have taken with our members in urging them to support this Amendment with their Representatives. We realize that there are those in our industry who will disagree with this stance, but we feel that the measure passed by the House Committee on Interstate and Foreign Commerce serves both the practical requirements of industry and the consumer and the pressing need to improve our air quality.

Thank you again for coming to speak with us and for your willingness to take so much time from your very busy schedule.

With warmest personal regards.

Sincerely,

ROBERT M. MCELWAINE,
Executive Vice President.

CASH DISCOUNTS COME TO D.C.

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ANNUNZIO. Mr. Speaker, cash discounts have become more available to consumers in all parts of the country since the Fair Credit Billing Act allowing them went into effect last October.

One way I have tried to encourage the discounts is to give public exposure to the ways local consumer groups campaign for cash discounts in their areas. In this space before I have told of merchant directories, education days and group discount plans, all of which are causing cash discounts to be offered on a more widespread basis than ever before.

I was further gratified this past weekend to notice that a D.C. area business has taken the initiative here by using cash discounts as a major promotional vehicle.

When the Market Tire Co. decided recently to have a sale in anticipation of large increases in tire prices resulting from the current rubber strike, they could see the promotional possibilities of offering a 5-percent discount to any customer who pays cash. The cash discounted price of each tire is listed in the newspaper ads that the company is running.

One salesman estimated that in his location alone, some 50 percent of all of those who wanted to charge the new tires thought twice upon hearing about the discount offer and then decided to pay cash. He mentioned the fact that the credit card company charges between 4 percent and 7 percent on every tire he sells by credit card and therefore, by offering cash discounts he can "pass the savings on to the consumer without it costing his business anything."

He was quick to answer a definitive yes when I asked him if he thought his business volume had increased with the offering of discounts.

My feeling is that such cash discount programs are one of the biggest boons to consumer marketing to come along in quite a while. Rarely does Federal law provide for so much benefit for both consumers and merchants at the same time. The Fair Credit Billing Act makes the discounts allowable—it does not require that merchants offer them. But if two or three merchants in each area begin offering them, the competition for increased cash business would encourage local merchants all over town to add cash discounts to their way of doing business. Market Tire's example of how both consumers and merchants can benefit from cash discountes hopefully marks the beginning of their widespread use in the D.C. area.

PRECOCITY OF CLEVELAND CHILD AMAZES PARENTS AND DOCTORS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. STOKES. Mr. Speaker, I would like to take this opportunity to speak to you and my colleagues in the U.S. House of Representatives about an extraordinary child who resides in my district in Cleveland, Ohio. Two-year-old Pomfila Watson has shown unusual mental talents far beyond her tender age.

At 18 months of age, Pomfila stunned everyone by reading with considerable fluency and demonstrating a vocabulary of over 400 different words.

When Pomfila was a year old, her parents had her tested and were told by doctors that the child had the abilities of at least a 3-year-old child. She could even work puzzles and draw a straight line. When only 9 months, she could talk and name all parts of the body.

Mr. Speaker, Mrs. Lelia Giles, the child's grandmother has recently informed me that Pomfila can recite the full alphabet, is able to count, knows the days of the week, months of the year and is an avid sports fan. When Pomfila goes grocery shopping with her grandmother, people are shocked to hear her name the different products on the supermarket shelves. She can distinguish the differences between Ajax and Comet, Tide and Breeze, and many similar brands.

Mr. Speaker, I am told that she can even remember the names of every person to whom she is introduced, a feat which we politicians have attempted to master for years.

The extraordinary talents of this child have been recognized by one of the leading newspapers in Ohio, the Cleveland Call and Post. She has also been cited by the Cleveland City Council and the Ohio House of Representatives.

Because of her considerable abilities, the doctors have asked the family not to push Pomfila too much. Recently, they have started to give her books and other educational reading materials. Prior to this time, Pomfila would read everything she could get her hands on including newspapers, magazines, and even the Sears catalog.

At this time, Mr. Speaker, I would like to ask my colleagues in the House to join with me in recognition of Pomfila Watson. Her parents, Mr. and Mrs. George D. Watson, and her grandmother, Mrs. Lelia Giles, also deserve our commendations. I am certain that Pomfila's future will be bright and successful.

CURRENT NATIONAL ISSUES QUESTIONNAIRE

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. LATTA. Mr. Speaker, for the benefit of my colleagues in the House and the Administration, I want to present the results of my annual questionnaire sent to residents of the Fifth Congressional District of Ohio. Thousands of my constituents not only took the time to register their views on these eleven major issues but also added their thoughtful and informed comments as well. I submit for the RECORD the text of my 1976 questionnaire together with the results:

QUESTIONNAIRE

[In percent]

1. In two years (FY 1976 and FY 1977), spending by the federal government will *INCREASE* by $89 billion while just the *INTEREST* payments on the national debt consume $76.2 billion of your tax dollars. Do you agree that it is past time for Congress to stop taking money from the taxpayers for new and expanded government programs and to permit them to keep more of their earnings to spend as they see fit?

Yes	96
No	4

2. Do you agree with the action taken by the Democrat-controlled Congress to "kill" the President's tax proposal to increase your income tax exemption from $750 to $1,000 per year in order to pump more money into government funded economic stimulus programs?

Yes	17
No	83

3. Do you agree with the President's recommendations to tighten regulations governing the distribution of Food Stamps?

Yes	95
No	5

4. In view of Great Britain's experience with nationalized health insurance, do you believe it would be wise for the United States to adopt a nationalized health program?

Yes	20
No	80

5. Legislation is now pending in Congress to break up the major oil and gas companies in the United States. Do you think your interests as a consumer would be best served by such action?

Yes	52
No	48

6. To achieve full employment, do you believe pending legislation should be passed

guaranteeing a taxpayer-financed job for every adult desirous of one and not employed in the private sector?

Yes	14
No	86

7. Do you believe the federal government should provide Child Care Centers to assist parents in rearing their children?

Yes	8
No	92

8. Do you believe detente has been in the best interests of the United States and world peace?

Yes	28
No	72

9. Should we be more concerned over the ever-increasing Communist influence in the world?

Yes	90
No	10

10. Do you believe we should maintain a defense posture superior to Russia's?

Yes	88
No	12

FOR FARMERS ONLY

11. A return to a system of high price supports with acreage and production controls is being advocated by some candidates for national office. Would you favor a return to this type of agricultural program?

Yes	8
No	92

AL GREEN, A CITIZEN'S CITIZEN

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. McFALL. Mr. Speaker, our Government endures in strength and vitality because of people who dedicate themselves to make our system of representative democracy work.

Such a person is C. A. (Al) Green of Stockton.

For decades Al Green has labored unceasingly and effectively to bring more people into the electoral process and see that it runs smoothly and well.

As a vice president of the California Labor Federation, AFL-CIO, a post to which he has been reelected repeatedly, Al Green also has dedicated his life to improving the wages and working conditions of people in my district, the State of California, and the Nation.

Al Green, Mr. Speaker, is widely respected by people from all walks of life as a humanitarian. Recently, a group of people from throughout California gathered in Stockton to participate in a dinner in honor of his 50 years of service to our Nation and its people.

I particularly want to acknowledge his work to see that good people are elected to office. His has been a deep and personal involvement in the electoral process—the cornerstone of the foundation of our system of government. Without people like Al Green working hard to get people to vote and to help others enter into the process—as candidates or volunteer workers—our system would have faltered long ago.

Our Nation is strong, our society is enriched, and our system is better able to meet the challenges which come before our people because of Al Green's involvement.

His dedication to people and involvement in the democratic process stands as a standard for all who care about our Nation and endeavor to see that the hope the United States offers its people and the world is fulfilled.

CONGRESSIONAL COMMEMORATIVE TRIBUTE TO BICENTENNIAL CANDIDATE FOR SAINTHOOD SISTER MIRIAM TERESA DEMJANOVICH OF NEW JERSEY, 1901–1927

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ROE. Mr. Speaker, as the Eucharistic Congress held in Philadelphia draws to a close, I am pleased to join with the religious and laity of the Slovak community of America and all of our people in supporting the candidacy of Sister Miriam Teresa Demjanovich of New Jersey, a former young novice of the Sisters of Charity of St. Elizabeth, Convent Station, N.J., for the most blessed and spiritual beatification by the Holy See.

The proposal of sainthood for Sister Miriam Teresa, who was born in New Jersey in 1901 and died 51 years ago on May 8, 1927, at the young age of 26 years, has long had the support of residents of my congressional district and the State of New Jersey. Last week at the Eucharistic Congress her nomination was included in the list of the names of the beatification and those whose causes are under consideration in Rome, which is comprised of candidates for sainthood from North, South and Central America. A Mass in petition and thanksgiving for holiness in the Americas was also celebrated at the Eucharistic Congress.

Mr. Speaker, Sister Miriam Teresa's candidacy for canonization was first called to my attention in 1974 by the Honorable John C. Sciranka, distinguished editor of New Jersey's highly prestigious Slovak news publication of the Slovak Catholic Sokol, the Falcon. At that time he stated, "Sister Miriam Teresa was born in Bayonne, N.J. of Byzantine-Ruthenian Rite parents. She lived the later part of her life in a Latin-Rite parish and died a member of the Latin-Rite Sisters of Charity. Proponents of her cause consider her a tangible link uniting Catholics of all rites in a strong bond of charity."

Mr. Speaker, with your permission, I insert at this point in our historical journal of Congress a brief profile of Sister Miriam Teresa that was forwarded to me by Sister Ann Lucille Byrne of the Sister Miriam Teresa League of Prayer, Convent, N.J., and which I would like to share with you and our colleagues here in the Congress. This biographical sketch which explains why Sister Miriam Teresa's name has been proposed for sainthood is as follows:

SISTER MIRIAM TERESA, 1901–1927

Sister Miriam Teresa (Teresa Demjanovich) was born in Bayonne, New Jersey, on March 26, 1901, the youngest of seven children. From childhood she manifested remarkable talents of nature and grace. At a very early age she ardently desired to dedicate herself entirely to God, and as she grew into girlhood she earnestly sought to know God's will for her.

Teresa completed her grammar school education at the age of eleven; she received her high school diploma in January, 1917, from the Bayonne High School. At this time she wished very much to become a Carmelite, but the lingering illness of her mother kept her at home as nurse and housekeeper.

After her mother's death in November, 1918, Teresa was strongly encouraged by her family to attend Saint Elizabeth College at Convent. Perceiving in this advice an indication of God's will, Teresa began her college career in September, 1919. She received her degree with highest honors in June, 1923. As always, her heart longed for the religious life, but various circumstances made her uncertain regarding which community Our Lord wished her to enter. Meanwhile she accepted a teaching position at Saint Aloysius Academy in Jersey City. Not until December, 1924, was she certain that God wished her to be a Sister of Charity, and with her decision there came an assurance that God had a very special work for her to do in this Community. Just what the nature of the work was to be she did not know until several months after her entrance, February 11, 1925.

Teresa's spiritual director in religion, Father Benedict Bradley, a saintly Benedictine (died December 20, 1945), discerning her remarkable gifts, directed her, with the consent of the Mother Superior, to write a series of conferences which, published posthumously, from the volume entitled "Greater Perfection."

Teresa's life in religion was short, but filled with much work and suffering of both body and soul. Like Therese of Lisieux, she apparently lived a long time in a short space. She died May 8, 1927.

Since her death Sister Miriam Teresa has made many friends all over the world. Favors and cures attributed to her intercession are continually being reported.

In the latter part of 1945 a communication was received from Rome authorizing Bishop McLaughlin of the Paterson Diocese, in which diocese the General House of the Sisters of Charity is located, to institute an ordinary informative process concerning Sister Miriam Teresa's life and virtues. Rev. Stephen W. Findlay, O.S.B., Delbarton School, Morristown, N.J., was appointed procurator, and the official investigation began early in 1946. It was completed in May, 1954.

Reverend Nicola Ferrante, C.S.S.R., was appointed Postulator for the Cause of Sister Miriam Teresa in the Sacred Congregation for the Canonization of Saints in 1967. Rev. Dr. Stephen W. Findlay, O.S.B., continued as vice postulator. His assistants are the Reverend Msgr. Andrew V. Stefan, P.A., V.F., who represents people of the Latin Rite and Reverend George Kandra, those of the Byzantine Rite.

Sister Miriam Teresa's message to us of the critical twentieth century is fundamental and far-reaching. It is addressed to the laity as well as to religious:

"Our Lord's promise, 'If anyone loves Me, he will keep My word, and My Father will love him, and We will come to him and make Our abode with him,' is held out to every soul regardless of calling, and it is the end for which we pray in the Lord's prayer—'Thy Kingdom come!' "

Mr. Speaker. It is indeed a privilege

and honor to join with our people in renewing our dedication to this proposal of Sainthood for Sister Miriam Teresa. The announcement of her beatification by the Holy See during America's Bicentennial observance would be a most climatic landmark of achievement in our Nation's 200th anniversary celebration—bringing great honor to our country and truly the greatest of blessings not only to the family of Sister Miriam Teresa but to all of our people.

ARAB BOYCOTT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. DRINAN. Mr. Speaker, the insidiousness of the Arab economic boycott of Israel became very vivid to me when I received the following letter from one of my constituents. This individual, Mr. Walter Bieringer, the executive vice president of the Plymouth Rubber Co. in Canton, Mass., has given me permission to use his name in any way that would be helpful toward the goal of obtaining legislation that would prevent American corporations from aiding and abetting the Arab economic boycott against Israel.

My constituent, Mr. Bieringer, and his corporation have refused to sign the shocking request by the Syrian Government for a promise not to do business in any way with Israel.

Mr. Bieringer has, as a matter of conscience, refused to sign this promise and, as a result, has lost a contract worth approximately $400,000 to his corporation.

Mr. Speaker, I reproduce here Mr. Bieringer's letter along with the extortionary document from Syria.

I also attach a letter which I have written to the Secretary of Commerce, Mr. Elliot Richardson, on August 9.

It is encouraging to note that the Commonwealth of Massachusetts on August 9, 1976, passed a bill which makes it unlawful for any corporation in Massachusetts to submit to that form of blackmail typified by the letter reproduced herewith from the Syrian Government. Many electronic and heavy equipment firms that operate in Massachusetts, after raising some questions about the advisability of the Massachusetts law, raised no objections to its passage by the legislature.

The enactment of this law in Massachusetts is another reason why the Ford administration and the Secretary of Commerce have an urgent duty to recommend the enactment of a Federal law which will not discriminate against corporations in Massachusetts which, unlike their competitors in other States, cannot legally in Massachusetts agree to the blackmail and boycott of the Arab nations.

The documents noted above follow:

PLYMOUTH RUBBER CO., INC.,
Canton, Mass., August 2, 1976.

Subject: Arab Boycott
Representative FATHER ROBERT DRINAN,
House of Representatives,
Washington, D.C.

DEAR SIR: In today's mail, we received an inquiry for material that we manufacture from Syrian Crude Oil Transportation Company, which is part of the Syrian Arab Republic. Together with the inquiry, we were asked to sign the enclosed list of questions.

It was my understanding that it was against the law now to sign such a paper. However, I telephoned the Department of Commerce in Boston, and was informed that all we had to do was to notify the Department of Commerce, but that we could do whatever we wanted beyond that.

We have a competitor in Houston, Texas who, in our opinion, will sign a paper such as this without notifying the Department of Commerce. This puts us at a great disadvantage in procuring business. However, we will not sign it. We hope that something can be done about this, and would like to hear from you regarding it.

With best wishes.

Yours truly,

WALTER H. BIERINGER.

Enclosure.

P.S. I live in your district—Brookline.

SYRIAN ARAB REPUBLIC,
SYRIAN CRUDE OIL TRANSPORTATION CO.,
P. O. Box 331, Homs, Syria.

You are kindly requested to sign this sheet concerning boycotting Israel and return it with your offer.

1. Our Company has neither a branch of industrialization nor collection in Israel.
2. No rights of industrialization and collection have been given to a company or individuals in Israel by us.
3. No Representative or head office of our company in the Middle East is located in Israel.
4. No investment in any Israeli Company or factories is allowed.
5. No rights to use our company's name are given to any Israeli individual or companies.
6. Our company takes no part in financial aid or technical assistance to the Israeli's factories.
7. Our company takes no part in selling or advertising any Israeli's products.
8. None of our company's responsible is in the combined Israeli's commercial chamber of commerce.

Signature of the boycotting company.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 9, 1976.

Hon. RICHARD ELLIOT L. RICHARDSON,
Secretary, Department of Commerce, Commerce Building, 14th Street NW., Washington, D.C.

DEAR ELLIOT: I write to you with distress concerning the severe financial loss being sustained by a constituent of mine who is also well acquainted with you, Mr. Walter Bieringer, 26 Wolcott Road Ext. in Brookline.

Mr. Bieringer is the executive vice president of the Plymouth Rubber Company in Canton, Massachusetts and has recently refused to sign the attached demand that he agree to boycott Israel in return for the contract worth approximately $400,000 to his corporation in Canton, Massachusetts.

The company in Houston is Plycoflex, Inc.

I know that you will understand the depths of my indignation at this matter after you read the attached copy of Mr. Walter Bieringer's letter and a copy of the boycott demand from the Syrian Arab Republic.

I know that you will admire the mandate of conscience which forbids Mr. Bieringer from signing an agreement to join in the Arab economic boycott of Israel. I know also that you will see the basic injustice of the United States permitting Mr. Bieringer to be seriously hurt because of his conscience while the Plycoflex Company and other corporations are willing to deny Israel the trade with America which that nation desires and needs.

Obviously there is no way to undo the damage done to one of my constituents, Mr. Walter Beiringer, except by an order of the Secretary of Commerce or a statute enacted by Congress which would make it illegal for the Plycoflex Corporation to reap profits because of its agreement to damage Israel by aiding and abetting the economic boycott inflicted on Israel by the Arab States.

I am, of course, familiar with the position of the Ford Administration in resisting any and all attempts to enforce the spirit and purpose of the Export Administration Act of 1965. I have the hope that the very moving example of Mr. Walter Bieringer and the very severe penalty which he has paid for following his conscience might prompt you to alter your position and recommend immediately to President Ford and to the Congress that legislation be enacted which would prevent the enrichment of American corporation executives who are so unfeeling towards America's ally in the Middle East, Israel, that they are willing to promise that they will not establish a branch of their corporation there, will make absolutely no investment in any Israeli corporation, will not allow any Israeli or corporation in Israel to use the company's name, will give no financial or technical assistance to Israeli industry and will take no part in selling or advertising any of the products of Israel.

You have the power, Mr. Secretary, to prevent American corporations from engaging in such damnable and damaging conduct towards Israel. I hope fervently that at last you will use it.

My constituent, Mr. Bieringer, has expressed a willingness to make every detail of this matter pubilc. I am sharing this letter with him, as I will with the public.

As you may know, I have followed this issue very intently and have filed a bill designed to outlaw American participation in the economic strangulation of Israel which the Arab economic boycott is designed to bring about.

I look forward to your reply and send to you my warm personal regards.

Cordially yours,

ROBERT F. DRINAN,
Member of Congress.

INVESTIGATIVE REPORTING AT ITS BEST

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. LEVITAS. Mr. Speaker, Hubert F. Lee, editor of Dixie Business has called to my attention that Ed Laborwit, news editor and investigative reporter for the DeKalb News/Sun was recently honored by the editors of Dixie Business magazine as the 24th annual recipient of the Public Service in Reporting Award. Editor Lee presented the award in recognition of Ed Laborwit's hard-hitting series of articles entitled "The Unemployment Ripoff." The series focused on numerous individuals who were drawing unemployment compensation because of loopholes in the State law when they were actually employed or drawing retirement benefits.

They included teachers, retired military and part-time students.

As a result of "The Unemployment Ripoff" series, the 1976 Georgia General Assembly revised the unemployment compensation laws and closed the loopholes to restore the concept of helping people through periods when they could no longer find regular employment through no fault of their own. The new legislation has saved millions of dollars for both taxpayers and individual businessmen who must contribute to the unemployment compensation fund.

Ed Laborwit's persistence in getting the facts to the public is an example of investigative reporting at its best. I commend him for his outstanding accomplishment and Dixie Business for presenting its annual Public Service in Reporting Award.

CHRISTIANS PUT PARK REGIME IN DOCK

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. FRASER. Mr. Speaker, John Saar continues to file with the Washington Post his excellent reports on the excesses of the Park Chung Hee regime in South Korea. In the Monday, August 9 Post, Saar, in a dispatch from Seoul, analyzes South Korea's most important postwar political trial—the trial of the 18 prominent Christians, all of whom played some role in preparing or presenting the "Declaration for the Restoration of Democracy" read at a March 1 commemorative prayer meeting at Seoul's Myondong Cathedral. The statement itself appears at page 6382 of the March 11, 1976, CONGRESSIONAL RECORD.

We ought to be outraged by what is going on in this trial. Those being tried are decent, patriotic people. They have the same values as our forefathers who signed the Declaration of Independence 200 years ago. They are concerned about the destruction of democracy in South Korea.

Some believe South Korea will find its salvation under Park and his repressive leadership. But it is clear that Park's methods do great violence to values important to Americans and many South Korean patriots. This House and the Congress are on record as being distressed by "the erosion of important civil liberties in the Republic of Korea."

Mr. Speaker, the trial now going on in Seoul cannot be ignored. These 18 Korean defendants are speaking not only to their Korean oppressors, they are speaking to us.

The Saar article follows:

SOUTH KOREAN TRIAL: CHRISTIANS PUT PARK DICTATORSHIP IN DOCK

(By John Saar)

SEOUL, SOUTH KOREA.—Though handcuffs and white prison uniforms identify the official defendants in South Korea's most important postwar political trial, the man most often accused is their accuser—the country's dictatorial ruler, President Park Chung Hee.

While absolutely denying charges that they plotted to overthrow the government, the 18 defendants—all prominent Christians—have used their trial to mount a fearless and searing assault on Park's 15-year stewardship. Under the eye of a scowling prosecutor, in a courtroom cordoned off from downtown Seoul by agents of the Korean Central Intelligence Agency, they have accused the president of destroying democracy, repressing freedoms, oppressing the poor, encouraging prostitution for foreign-exchange earnings, "selling" the country to Japanese business interests and endangering South Korea's survival by perpetuating dictatorship.

The trial is now in its fourth month, and defense sources say it represents possibly the last opportunity to salvage the democracy the United States has attempted to establish in South Korea at a cost of 33,000 lives in the Korean War and $10 billion in economic and military aid.

[In an apparent effort to bring the trial to a speedy close, prosecutors demanded last week sentences ranging from three to 10 years in prison. Defense efforts to give a summation of its case were denied by the court.]

Conducted in an atmosphere of intimidation and hostility, the trial has consummated the polarization between Park's government and its politically moderate critics.

In one session white-haired Hahm Suk Hun, 75, revered for his Quaker beliefs and record of patriotism, gestured at his fellow defendants and told the three judges: "I consider these people the best of our intelligentsia."

"They're fine people, the cream of the crop," a western diplomat concurred. They include former President Yun Po Sun, 78; former presidential candidate Kim Dae Jung; former foreign minister and opposition lawmaker Chung Il Hyung and his wife, Yi Tae Yung, the country's first woman lawyer; five Catholic priests and four Protestant pastors.

Eleven have been held under arrest and all 18, according to the prosecution, played some role in preparing a "Declaration for the Restoration of Democracy" read during an ecumenical Mass at the Myongdong cathedral in Seoul on March 1.

The document asked President Park to resign, to revoke the "revitalizing" constitution he promulgated under martial law in 1972 and to restore freedom of speech, press and assembly. The government says the document was a plot aimed at arousing popular uprisings.

The trial has engendered bitterness on both sides. "We hope they will be found guilty," said Justice Minister Whang San Duk. "They claim they are not Communists but they are siding with the Communists in their attempt to overthrow this government and their activities violate a provision of our anti-Communist law," he said.

Equally extreme is the view of Chung Kyun Mo, a South Korean journalist and supporter of Kim Dae Jung who lives in self-exile in Japan. "Park Chung Hee is a traitor trying patriots as criminals," he said.

The defendants themselves, although occasionally impassioned while testifying, have been determined, calm and philosophically cheerful.

Behind the trial is a history of struggle between Park, a former general who seized power in a 1961 coup, and a mixture of Western-influenced church and political leaders who have opposed his gradual eradication of democracy with obstinate ferocity. As architect of the country's dynamic economic growth, Park has shown an increasing intolerance with those he sees as impeding his nation-buildng mission. Since the 1972 constitution granted him unlimited power and tenure as president, the pursuit of national unity has intensified and the margins of permissible opposition have narrowed.

An American missionary—turned into what he termed "a professional trial-goer by the Myongdong and other politically flavored prosecutions—believes that the government is headed for moral defeat. "The statements these people are making are brilliant and devastating. They are challenging the whole system of government and ripping it to shreds," he said.

From his regular courtroom seat, the priest vastly overestimated public awareness. The sympathetic spectators nod, smile and clap their approval, but very little of the criticism they find so satisfying filters out into South Korean society.

Symbolically, the defendants are denied a microphone. Their voices are audible in the confines of the courtroom, but the general public hears only muffled whispers. Admission to the courtroom is limited to about 200 ticket-holding friends and relatives and the brief, flatly worded reports carried by the censored news media reduce a momentous national debate to police blotter dullness.

The judges have been tolerant in allowing the defendants to deliver long orations, often including opinions that would warrant immediate arrest outside the court. This is done, according to some observers, so the government can allow the appearance of an open trial.

Most people close to the case believe convictions are certain. Speculation in Seoul is already running way ahead of the verdict, with many predicting light or suspended sentences to avoid the risk of unwelcome U.S. publicity.

Westerners stress the overt political nature of the trial. "These aren't legal proceedings," a diplomat declared. "They remind you of showcase trials in Communist countries."

Oppositionists share the conviction that the outcome of the trial is prearranged. "The defendants know that," Chung said in Tokyo. "They are making their statements for history."

Partial transcripts of the trial are eagerly sought, and there seems little doubt that future generations here will turn to this trial as one of the few sustained, articulate critiques of the Park government on the public record.

The 27 defense attorneys have argued, objected and walked out in efforts to improve trial conditions for their clients who are being charged under a catch-all law titled "Emergency Measure No. 9," (EM9) that President Park proclaimed 14 months ago. The law prohibits criticism of the constitution or the emergency measure itself, an injunction that prevented the lawyers from arguing that the measure itself is illegal, as many of them privately believe.

The same ubiquitous measure has allowed the prosecution to quote passages from the March 1 statement supportive of their case, but the defense cannot provide the context of the quotes because the document itself is prohibited. Mere possession of the democracy declaration could put the lawyers in the dock too. It produces such results as this courtroom exchange:

Defense counsel: "According to the indictment you claim government does not have support of the people?"

Defendant Mun Dong-Whan:

Prosecutor, interrupting, "Stay away from the reasons!"

Mun Dong-Whan: "Why so upset about a few people if the government has the solid support of all the people? How come this enormous reaction to a piece of paper?"

Kim Dae Jung testified for a full day, disclaiming any plan or thought of removing President Park by violence. He charged that the president was economically subjugating South Korea to Japan and dangerously weakening the country in its confrontation with North Korea by repressive policies.

The prosecutor asked no questions, saying all of Kim's statements were violations of law.

Kim Dae Jung replied: "That makes no sense. I was denying what you accused me of. Now you say my denials incriminate me. How unfair can you get?"

The prosecution opened its case promising to prove an elaborate conspiracy among the defendants; however, the questioning of the defendants seemed to suggest a loosely organized enterprise in which disparate people cooperated for different motives. Kim, narrowly defeated in the 1971 presidential election, gave his reason: "I was a politician, active in trying to get into power. The religious folk here, of course, are different . . . The mutual desire of the signers was to say something that had to be spoken."

Lee Woo-Chung, a college professor until her resignation was forced by the KCIA, testified that her efforts to stop organized prostitution were hindered by KCIA men who told her the country needed the dollar income. "Without moral values our government becomes the rule of gangsters," she said in an emotionless, staccato voice. "We complain about denial of human rights in North Korea but sell our society for dollars at the same time."

WATERGATE REFORM ACT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. RHODES. Mr. Speaker, the Judicial Conference of the Ninth Circuit recently held its annual meeting in Spokane, Wash., and adopted a resolution regarding S. 495, the Watergate Reform Act of 1976. Because this bill includes the judicial, the conference adopted a resolution expressing its concern over various provisions.

For the benefit of my colleagues I am inserting at this point in the RECORD a copy of the resolution adopted by the Federal judges in the ninth circuit and their lawyer delegates:

RESOLUTION RE TITLE III, THE WATERGATE REFORM ACT OF 1976

The Watergate Reform Act of 1976 has passed the Senate (as S. 495) and is now pending before the House. Title III of that Act imposes on various officers and employees of the Government public reporting and disclosure requirements concerning their fiscal affairs which are extremely onerous and burdensome. These requirements apply to:

The President and Vice-President.

Members of Congress.

All Federal Judges and Justices.

All government employees paid at grade level GS-16 and over.

All members of the military paid at grade level O-7 and over.

Those subject to the Act are required to file annually for themselves and their spouses and their dependents, a report, which becomes public on filing, setting forth the following matters:

Each item of income, reimbursement or gift over $100, including each honorarium.

Each asset owned worth over $1000, other than personal cars, furnishings, clothing, etc.

Each liability over $1000.

Any item received in kind (except from immediate family) worth over $500.

Each security transaction in excess of $1000.

Each real estate transaction, whether a purchase or sale, involving over $1000.

A list of persons who have paid the officer or employee more than $5000 in any of the past five years.

For willful failure to report any information required to be reported, an officer, judge or employee may be prosecuted criminally and imprisoned for up to one year and fined up to $10,000. Additionally, the Attorney General may bring a civil suit against any officer, judge or employee who fails to report any required information, in which a penalty may be assessed up to $5000. There is no scienter requirement for such civil penalty.

The Judicial Conference of the Ninth Circuit RESOLVES as follows with respect to Title III:

Title III is bad legislation, not in the public interest, and its enactment should be opposed. It is particularly bad as it applies to the Federal Judiciary.

As applied to all officers and employees, Title III imposes reporting requirements, the administration of which will prove to be complicated, expensive and in some respects impractical, and which are greatly in excess of those reasonable disclosures that may be necessary to the proper performance of the duties of such officers and employees.

The requirement of keeping such detailed records on so many subjects can become a trap for the unwary. Less than total and meticulous accuracy may make a criminal or civil defendant out of a totally honest and careful public servant.

Title III by its concern with insignificant financial details impugns the integrity of thousands of honest and dedicated officers and employees and demeans the positions they occupy and to which, for the good of our country, the best should be attracted.

Title III further increases the existing disadvantages of public service without a corresponding increase in the confidence of the public in their government.

As applied to Federal Judges and Justices, Title III should be opposed because:

I. There is no crisis of public confidence in the Judiciary which requires such draconian measures to assure the public of the honesty of the Federal judges.

II. The Federal Judiciary has already adopted a system for public reporting of any income earned from non-judicial services and all positions held in charitable and business organizations. The Judiciary has also adopted for itself a stringent code of ethics with machinery for its enforcement. These self-imposed requirements apply to all Federal judges other than Supreme Court Justices.

III. To subject a Judge or Justice to a civil suit by the Attorney General may well be contrary to the doctrine of separation of powers. Such suits also may be used to make the Judiciary subservient to the Executive branch.

IV. Imposition of such new rigid reporting requirements on the Judiciary by the Legislative branch, requirements far beyond the constitutional power of impeachment, may well constitute an unconstitutional intrusion by the legislature on the independence of the Judiciary.

And it is further resolved That Title III should be deleted from the Act in its entirety. If it is not so totally deleted, it should be amended so as not to apply to the Judiciary.

PERSONAL ANNOUNCEMENT

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. VANDER VEEN. Mr. Speaker, having been counseled by senior colleagues, and seeking to avoid the wantonness of power, and seeking to preserve the order, decency and regularity prescribed in section I of Jefferson's Manual, I request the explanation of my votes entered on page 26478 of the RECORD be corrected to read as follows:

Rollcall No. 579, recorded quorum, "present."

Rollcall No. 580, recorded quorum, "present."

Rollcall No. 590, recorded quorum, "present."

Rollcall No. 592, recorded quorum, "present."

Rollcall No. 595, recorded quorum, "present."

Rollcall No. 597, recorded quorum, "present."

WITH ALL DELIBERATE SPEED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. RANGEL. Mr. Speaker, an entire generation of Americans has grown up since the historic 1954 Supreme Court decision in Brown against Board of Education of Topeka, Kans. For many of the blacks among these, educational opportunities have been equal to those of whites, as the decision mandated them to be. But for many others the ruling remains merely a symbol. As such it was admittedly important, for it constituted a long overdue recognition of the evil nature of the "separate but equal" doctrine, and hence a major step forward for blacks and whites alike.

But symbols cannot generate hope forever. The U.S. Commission on Civil Rights wrote in a 1974 report, that the Brown case was "instrumental in generating legitimate expectations among minorities and women" for opportunities in education and the economic field. The deprivation which has followed in the wake of these expectations has resulted in the violence of the 1960's and now, in a profound dissatisfaction with the American political system.

Our Bicentennial celebration has been a time for remembering many symbols, and the 1954 decision, no less than any others, stands as a monument to how far we have come and how far we have yet to go. We must not forget our obligation to carry out the spirit of this decision still today and thereby insure the right of all our citizens to full educational opportunities.

The following article provides a thoughtful and personal look at the decision and its ramifications. I recommend it to my colleagues attention:

WITH ALL DELIBERATE SPEED

(By Benjamin L. Hooks)

In June CBS held a preview showing of a dramatic documentary, With All Deliberate Speed. The title was taken from the Supreme Court ruling a year after the historic school desegregation decision of 1954. The film stirred poignant memories and vividly underlined why the struggle for equal educational opportunity, through busing, or whatever means, must not be deterred by bigots who would turn back the clock or the "Sunshine soldiers" who duck for cover at the slightest hint of an opposing rain.

It was, indeed, a painful recounting of two men, one Black—the Rev. Albert J. DeLaine, played brilliantly by Paul Winfield, and the other white—Federal District Judge J. Waities Waring, staunchly portrayed by John Randolph—who struggled and plotted to end segregation in Clarendon County (S.C.) schools in the 1940's.

The case was lost, with Judge Waring issuing the lone dissent in a three-Judge court decision. Nevertheless, the case, Briggs vs. Elliot, became one of five consolidated in the famous landmark Brown vs. the Board of Education of Topeka, Kansas, decision which ripped forever from the American fabric like the gangrenous sore, the separate but equal dictum that had been canon law since 1895.

To many of us it was a slice of real life racing across that silver screen. The story was told in the sensitive faces of those Black, saintly children as they stood forlornly while white kids boarding the familiar (now embattled) yellow school bus stuck out their tongues, cruelly as children will, and taunted, "You can't ride this bus." It was a blatant statement of fact.

Black children could ride no school bus. They had none. They trudged miles to school, past comfortable white well-equipped schools to ill-equipped one-room shacks that barely masqueraded as school rooms. There, huddled together in freezing ill-heated rooms, or sweltering in torrid temperatures, they scratched for the dribs and drabs of a wretched and woefully inadequate education they managed during a shortened school term.

Is there any wonder that many see the truth in what that wry old Black observer once said, "White folks sho' know that us Black folks is superior. 'Cause it takes 10 times as much money to educate them as it do us."

We who lived in the south saw much of this. Not so much in the larger urban areas, but in the rural and the poorer backwoods areas of the south, where those of us who worked with Dr. King and the Southern Christian Leadership Conference and the NAACP confronted it head on.

How many Clarendon County, South Carolinas were there? Too many. They stretched like an infinity of mirrors in a mad house of unending reflections. Although one would have been too many, they were everywhere in the south, the midwest, the far west, indeed in many areas in the north.

Judge Waring died in the '60's in New York, an exile from his home where he was born to privilege and comfort. The Rev. DeLaine died in the 1970's in North Carolina also an exile, driven like Waring, by the cretinous white bigots of that day.

After desegregation, Clarendon County schools today have become all Black. Nevertheless, these schools are a far greater improvement over those wretched wrecks Black children earlier attended.

And, it seems to me, there are three hopeful lessons to be learned from the devastating experience: (1) that there are whites who are ready even now to lay their all on the line for decency, justice, equality, humanity, and indeed, are doing it; (2) young Blacks, so impatient for change, who see the revolution as having begun sometime in the early 1970's, must see from this film how much enduring time, effort, and suffering went into just this wee vignette of human struggle for school desegregation, the denouement of which is still out there somewhere in a distant time warp; and (3) the long, historic leadership role of the Black minister and the Black church in the struggle for human dignity, freedom, and the keeping alive of a sense of community, personhood, and spirituality among our people.

A curious twist to this, also, is the fact that hundreds of thousands of Black victims of this shamefully inadequate educational system made their way north to the auto plants of Detroit, the tractor works of Moline, Ill., etc., and with their third grade learning, worked to make a better life for their children.

These are the present-day generation, many of whom look like disdain at historic Black sacrifice and scorn all past civil rights struggles as "irrelevant". What will life be like for their children? (NNPA)

HANDGUNS IN THE STREETS AND SUITES

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. MIKVA. Mr. Speaker, last week in Chicago, newspaper headlines reported a tragedy that took the lives of four persons. A trusted employee of a Chicago company came to work as he had on other mornings, except this time he apparently brought with him two readily concealable pistols. Hours later he used those pistols to kill three of his coworkers, wounding two others and then killing himself. We saw one more example of people killing people—using handguns.

This senseless loss of human life shocked the community. But it is all the more shocking—and tragic—to realize that as long as easily concealable pistols and handguns are available to most anybody who wants them, newspaper headlines will continue to report the inevitable consequences.

There are two dimensions to handgun-related violence in this country. One involves the use of handguns in street crime, a use which has become common enough so that many law abiding citizens have given up the streets of their cities to the fear of gun-totting criminals.

But most handgun murders in this country—now more than 10,000 annually—do not occur when a criminal shoots a stranger on a darkened city street. Most handgun victims are killed by someone they know—a friend, a neighbor or perhaps a fellow worker. These are the so-called crimes of passion that in most cases would probably not have resulted in death if only a handgun or pistol had not been so readily available.

Mr. Speaker, handguns and pistols are as deadly whether they are used in city streets or office suites. The prime purpose of these concealable weapons is to kill a human being. These weapons are, as we saw again in Chicago last week, hidden death.

How many more newspaper headlines will there be about handgun murders before we see the headline, "Congress Passes Strong Handgun Controls?"

For the benefit of my colleagues, I insert in the RECORD at this point an editorial from the Chicago Sun Times of July 31, 1976, an editorial which asks that Congress finally reflect the will of the majority of Americans and enact strong handgun control legislation:

BETTER SECURITY: GUN LAW

Albert Keller, a toy designer for Marvin Glass & Associates, went to work Tuesday carrying a grudge and two loaded pistols. He had no reason to be concerned about the elaborate security system at his place of work. The system was installed to protect the company against the theft of toy designs by outsiders, and Keller had been a trusted, bonded employee for four years. As a company spokesman said later, Keller "never gave anyone any indication of a problem."

But Keller had problems, of course. He had written himself notes that hinted at revenge against fellow employes and neighbors. Those problems exploded Tuesday when Keller shot three persons to death, wounded two others and killed himself.

His senseless act proved, among other things, that even extraordinary security systems contain fatal flaws. The system at Marvin Glass & Associates failed because it didn't scrutinize employees. Other systems have other flaws. These systems can be made stronger if they are made to search closer and more widely. But in doing that, they destroy the privacy of everyone. They become the instruments of dictatorships. And even then, they don't work. There are murders in the Soviet Union, too.

One way to make murder less frequent is to outlaw murder weapons like handguns. The enactment and vigorous enforcement of a national law prohibiting everyone but police officers, military personnel and others from owning a handgun has been urged repeatedly by law-enforcement officials. It was urged Wednesday by Comdr. Joseph DiLeonardi of the police homicide unit. It has been urged by the Combined Counties Police Assn. (some 2,500 Chicago area members). Police Podium, the official publication of the association, points out in its current issue that between 1963 and 1973, when some 46,000 Americans died in battle in Vietnam, some 60,000 Americans were killed by handguns back home.

Members of Congress and the public finally demanded an end to the slaughter in Vietnam. While opinion polls show the public wants an end to the continuing slaughter at home, Congress continues to surrender to groups like the National Rifle Assn., which dangerously and foolishly opposes all handgun curbs.

It is one thing for the NRA to oppose gun laws. When Congress does it, it becomes an accomplice in the kind of horror that transpired on Chicago's North Side Tuesday. The public doesn't expect members of its Congress to be accomplice in murder; it expects them to fight murder.

STATEMENT ON H.R. 15082

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. JOHNSON of Pennsylvania. Mr. Speaker, I am proud to consponsor with the gentleman from North Carolina (Mr. BROYHILL) the bill, H.R. 15082. This bill if enacted would suspend, pending review, the effect of the Federal Trade Commission's rule concerning limitation of the use of holder-in-due-course defenses in connection with the sale or lease of goods or services to consumers; would require the General Accounting Office to conduct a study of the effect of this rule on the consumer market; and would require formal rulemaking by the Commission respecting this rule.

My concern in respect to the Federal Trade Commission's Trade Regulation Rule on Preservation of Consumers' Claims and Defenses has long been of record. On November 18, 1975, I joined 21 of my colleagues in cosponsoring House Concurrent Resolution 483. This House resolution stated that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions in respect to the subject matter of this rule. This assertion is based upon the fact that the report of the House Committee on Interstate and Foreign Commerce—House Report 93–1107—on the Magnuson-Moss warranty-Federal Trade Commission Improvement Act stated that the amendments to the Federal Trade Commission Act made by title II of that act were not intended to preempt State and local jurisdiction. However, when the Federal Trade Commission issued this holder-in-due-course rule, the following statement was made "it is the Commission's intent in issuing this proposed rule to override contrary State and local law."

My principal concern over what the Federal Trade Commission has done is twofold. First, the Commission by rule has attempted to preempt numerous State laws which adequately protect the consumer and by such action has promulgated a rule contrary to the intent of Congress.

Second, the Commission has issued a rule whose terms in some instances are so loosely defined as to raise serious questions due to this ambiguity. One such term which comes to mind is that of a "purchase money loan."

This rule as presently drafted will have a pervasive effect upon all participants in the consumer credit community of these United States. Adverse ramifications may abound for marginal and low-income consumers due to the fact that the financial institutions of this Nation may be exposed to inequitable and innumerable legal actions. I am concerned about these consumers who principally seek credit in order to purchase an appliance, automobile, mobile home or recreational vehicle.

The Federal Reserve Board has received approximately 1,140 letters stating that this holder-in-due-course rule may have a disruptive effect upon the Nation's economy. On May 5, 1976, Chairman Arthur Burns of the Federal Reserve Board wrote Chairman Calvin Collier of the Federal Trade Commission conveying the Board's urgent concern in respect to this rule, urging that the effective date be deferred, and requesting the Commission to clarify and refine the rule. This appeal fell upon deaf ears and the rule pertaining to sellers went into effect May 14, 1976. On July 27, 1976, Chairman Burns stated before the Committee on Banking, Currency and Housing that this rule "seems to have come at an unpropitious moment" and may reduce consumer credit. On August 3, 1976, as the ranking minority member, I wrote Chairman Burns voicing my concern and requesting him to amplify by letter why the Federal Reserve Board is of the opinion that consumer credit may well decrease due to the Federal Trade Commission's "holder-in-due-course" ruling.

My colleagues, I urge each of you to review this rule which appears in the Federal Register, volume 40, number 223 at page 53506. After review I believe you will concur that this rule needs to be suspended, and that a thorough study be conducted as to the effect this rule may have upon our Nation's consumer credit community.

THE FUTURE OF THE INDUSTRIAL MIDWEST: A TIME FOR ACTION

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ASHLEY. Mr. Speaker, on May 4, 1976, Ralph Widner, president of the Academy for Contemporary Problems in Columbus, Ohio, spoke to the Ohio Planning Conference on the subject of "The Future of the Industrial Midwest: A Time for Action." This remarkable analysis of the declining economy of the Midwest sets forth the problems we will attempt to deal with through the proposed new Northeast-Midwest Economic Advancement Coalition, and it should be required reading for all public officials and leaders of industry throughout the region. I wish to insert the body of Mr. Widner's address at this point in the Record for the attention of my colleagues and all those affected by the shift of population, wealth, and industry from the industrial centers of the Midwest and Northeast to the southern tier of States known as the Sunbelt:

A Profile of Problems

Together with the Northeast, the Industrial Midwest has been the economic core of the country since it first began to industrialize. The Industrial Midwest produces three-fourths of the nation's steel; four-fifths of its automobiles; and most of its tires, machinery, and fabricated metals. It is also part of the country's agricultural heartland—preparing more meat; dressing more turkeys; growing more oats; and processing more cheese, butter, and milk than any other comparable region of the country.

But, like its sister Northeastern region, the Industrial Midwest now faces some very troublesome problems of transition because of three basic shifts in our national economy:

1. A structural change as the nation shifts into what some have called a "post-industrial" economy;

2. A spatial shift as industry, services, and population disperse away from this old core area into other sections of the country; and

3. A resource shift as the energy and resource-rich regions of the country acquire significant comparative advantages over the regions that must import them and as actual constraints in energy and resource supplies undercut the old advantages this region once possessed.

THE STRUCTURAL CHANGE

Our national economy has advanced beyond the stage in which most jobs were in manufacturing. Instead, the number of manufacturing jobs has held steady while jobs in the so-called service and knowledge-based sectors have increased dramatically.

In 1970, the Industrial Midwest had one-fourth of all the jobs in the country, but it had 31.6% of all the manufacturing jobs. Having risen to economic dominance on the base of its manufacturing, its economy is now over-specialized at a time when the job-mix of the country is shifting. Many of its cities are highly specialized in only one or two industries.

TABLE 2.—*Single-Industry Cities*

INDUSTRY AND CITIES RELYING PRIMARILY ON ONE INDUSTRY

Machinery, except Electrical: Racine, Davenport-Rock Island-Moline, Decatur, Rockford and Muskegon.

Paper and Allied Products: Green Bay and Appleton-Oshkosh.

Electrical Equipment and Supplies: Mansfield and Fort Wayne.

Primary Metals: Huntington-Ashland, Steubenville-Weirton, Youngstown and Pittsburgh.

Fabricated Metals: Rockford.

Rubber and Plastic Products: Akron.

Transportation Equipment: Lima, Flint, Ann Arbor, Detroit, Fort Wayne, Indianapolis, Muncie, South Bend, Lansing and Saginaw.

The manufacturing economy of the Industrial Midwest is highly interdependent. Declines in some of the region's basic industries can trigger a ricochet effect throughout the region from one city and state to another. As an example, consider one of the basic industries of the region: automobile production. Some economists have projected potential reductions of over 20% in auto production over the longer term. Using a regional model of inputs and outputs in the Industrial Midwest economy, the Academy for Contemporary Problems projected the results of a 25% reduction in auto production. The model projected that such a reduction could cause a loss of 408,000 jobs directly or indirectly related to auto production. Of these 408,000 auto-related jobs in the region, 122,000 would be in the auto industry itself and 286,000 in other related regional industries. A cut of this magnitude in auto production would reduce industrial output in this region by $17.7 billion, $6.1 billion in automobiles and an additional $11.6 billion in non-automobile related goods and services. Thus, this example shows what the impact of change can be when a regional or state economy is highly specialized.

The Industrial Midwest also specializes in the production of products other than autos, such as steel, machine tools, and metal working equipment. However, projected growth rates for these industries are much lower than past rates. Worse yet, even though these industries dominate in the region, new plants are unlikely to locate here. They will locate in other parts of the country, closer to new expanding markets where the industry may lack facilities. Any significant growth in manufacturing employment that the Industrial Midwest might gain is unlikely to come from the slow-growing sectors in which this region has been dominant.

Instead, new job opportunities in manufacturing are more likely to occur in growth industries in which the Industrial Midwest has a lower-than-average share nationally—industries that are high technology, growing in employment, footloose in terms of location, and attracted to regions where their workers can enjoy the fruits of modern life: good recreation, cultural opportunities, good climate.

Recent studies of innovative, high technology enterprises provide some impressive evidence that employment growth in these industries is ten times higher than in the mature industries in which the Industrial Midwest dominates. But the location of such industries is shaped by the availability of venture capital and the attractiveness of an area to the required labor force. They are far more footloose than the manufacturing industries of the past. Their requirements are not normally addressed in the traditional smokestack chasing, industrial development program. Efforts to encourage the development of such enterprises in the Industrial Midwest will have to deal with the availability of venture capital and the attitude of lenders in the region toward such enterprises. Programs would also have to deal with more intangible issues such as community environment and the availability of cultural and recreational amenities.

Because the service and knowledge-based sectors account for the greatest increases in employment, any economic development program that ignores those kinds of jobs is going to have only a small impact on improving the economic situation in this region. Thus, the Industrial Midwest is in tough competition with other sections of the country for those kinds of jobs.

THE SPATIAL SHIFT

Ever since the second decade of this century, relative decline in the Northeast-Midwest share of national population and employment growth has been evident. A relative change in favor of the South and West was inevitable as conditions improved and population increased in those areas of the country.

But recently we have begun to see not only relative but also absolute changes in the economic core of the country. The economic and population growth of the Industrial Midwest and the Northeast has slowed or stagnated.

The population shift can be traced to three changes:

1. The migration of rural poor out of the South and into the North has nearly come to an end;

2. The natural increase of population has dropped to levels far below those of previous decades; and

3. The rate of out-migration from the Midwest toward the South and West has increased.

The impact on the urban areas is particularly noteworthy. It was common in previous decades for many of the central cities of industrial communities to be losing population. But now whole metropolitan areas, and not just central cities, are losing people.

Absolute losses in population have been estimated since 1970 for Akron, Buffalo, Champaign-Urbana, Chicago, Cincinnati, Cleveland, Dayton, Duluth-Superior, Pittsburgh, Rockford, St. Louis, Springfield (Ohio) and Terre Haute. By themselves, population, losses are not necessarily a problem. In fact, sometimes they can be an advantage. But these losses are important problems if they:

1. Represent an outflow of the region's highly skilled talent;

2. Undercut the vitality of the local tax base making it even more difficult to meet the rising costs for public services; and

3. Affect the various distribution formulae for federal funds.

The condition of the cities of the Industrial Midwest is a reflection of their historic specialization in manufacturing. The vast majority of the 57 metropolitan areas in the region have an employment percentage in manufacturing higher than the national average. Of the eleven cities that do not, nine are state capitals and/or university towns. The state capitals and university towns are the same cities having the fastest growth rates, the highest percentage of new housing, and the lowest unemployment rates in the Midwest. That is no coincidence. These cities mirror the economic and social profile of the post-industrial economy into which we are now moving.

But the majority of the manufacturing-based cities in the Industrial Midwest are in trouble. They are burdened with obsolescence and blight. They have inherited a large population of poor from the South-to-North migrations of previous decades. They are required to provide public services at increasing cost at the same time that their local tax base is beginning to decay.

Two-thirds of the metropolitan areas in the Midwest had more housing built before 1939 than the percentage for the nation as a whole. However, they are now suffering from the so-called "doughnut effect": large concentrations of poor in the central cities while the better off live in surrounding suburbs. Now, a hole is beginning to appear in the doughnut. Entire inner-city areas are being abandoned as population moves out and no new influx of people comes in to take up the vacated dwellings.

This emptying out, like population loss itself, would not necessarily be bad if these vacant areas became attractive to new investment and redevelopment. But the combination of the structural, spatial, and resource shifts in our national economy—together with the high crime rates, bad schools, and a deteriorated environment in these areas—has deterred investment, leaving them in much the condition of war-torn Warsaw after World War II.

Instead, investment flows south and west where the legacies of past problems are less burdensome and expensive to correct. While the Industrial Midwest and Northeast are losing population and employment, the South is gaining both.

Clearly, strategies for surmounting these new challenges to the Midwestern economy will have to be considerable more sophisticated than the promotional programs of the past. The region will have to look beyond manufacturing jobs if the conditions are to be restored to balance. The evidence clearly indicates the need to examine different approaches to state and local taxation, perhaps different approaches to delivery of some public services, and a skillfully designed regional strategy for creating the physical and cultural environment in the Industrial Midwest that the enterprises of a post-industrial economy will find attractive.

THE RESOURCE SHIFT

In accomplishing this, however, the region faces a third and equally perplexing shift in the national economy: the resource shift.

In prior decades, the region's industry and economic development were founded on cheap energy and the ready availability of nearby resources. These gave the Industrial Midwest a strategic locational advantage: convenient to resources and uniting the main arteries of the nation's commerce.

Now energy is expensive and much of the energy the Midwest consumes comes from other regions. It may prove convenient for many industries to locate in the energy-exporting, rather than energy-importing, regions. This will require two-pronged development strategies in the Midwest: one devoted to developing the region's energy resources and facilities and the second devoted to conserving energy wherever possible by promoting less energy-intensive community and economic development.

The capital requirements for accomplishing this together with the capital the region will need to modernize community facilities and industrial plants may, if some forecasts can be believed, put heavy pressure on the nation's capital markets. The cost of money may be high and the availability of money may be tight in the next decade with the public and private sectors potentially in competition for scarce resources.

It would be dangerous to think that the government will be able to spend its way out of these problems in this part of the country. It will take far more ingenuity than that. The region will have to find new ways to harness public and private needs together. It will probably have to emphasize capital formation over consumption in order to afford the basic improvements required to ensure the future economic health of this region. This will require some new departures in our approaches to community development. The states of the Industrial Midwest will also have to cooperate on several key fronts: transportation, energy, and recreational development—to name only three. Regional cooperation with respect to federal policy may also prove vital, particularly with respect to energy policy, distribution formulas, and the possible federalization of all welfare programs.

The states of the Industrial Midwest pay in more to the Federal Treasury and get back less than any other section of the country. In the days when this region was the dominant economic center of the country, that might have been appropriate. Tax dollars from the Industrial Midwest, funneled through Washington, helped the South solve its problems. But the abandoned cotton fields of today are no longer in the farm lands of the South but in the hearts of our industrial cities.

Unless the planners, the public officials, the civic leaders, the Congressional delegations of this region quickly grasp the drift of events and attempt to consciously alter them through active regional cooperation and intervention, the region's economic leadership will be lost.

The time for action is now.

THE COSTS OF PAYING UP EARLY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ANNUNZIO. Mr. Speaker, new lending disclosure laws are making it easier than ever before for consumers to understand the finance and interest rate charges which accrue as they pay back a loan. But for those who pay off earlier than expected, the law is not nearly as protective and the result is much confusion.

One case which has come to my attention recently required the combined efforts of five House officers, two senatorial offices and a Federal agency before one bank and a consumer could reach an agreement on the early payment terms of a mobile home loan.

Prepayment charges are common, however. And I do want to make it clear that I am not disputing their legitimacy. Lenders claim it costs them money to open and maintain a loan and that if a consumer pays up early, there should be some compensation for the time and money costs.

As I see it the fault with prepayment charges lies in the fact that the formulas used to compute these amounts are so complicated no consumer short of a mathematician can understand clearly. One banking agency staff member recently told me that often, the banks themselves do not understand exactly how the formula works. "They just program the computers and let them do all of the work," he said. "If the computer is off a little, then every account figured on that program can be incorrect and the bank does not have the knowledge to check its own figures, much less the consumers."

Naturally, this creates difficulty when a consumer asks to have the rebate formula explained to him and the result is that many walk away from prepaying a loan with the feeling that they have been taken. An example was the consumer who decided to pay back a year-long loan in 6 months and found that the amount of finance charges he had to forfeit were more than 50 percent. He asked why and was told the following:

> In a 12 month contract, the creditor retains 12/78's of the total finance charges on prepayment in the first month, while the customer would receive a refund on the remaining 66/78's of the total. On prepayment after six months, the amounts to which the creditor and customer are entitled are 57/78's and 21/78's, respectively.

As unbelievable as it sounds, this formula, called "The rule of 78's" is the only method of computing the refund of unearned finance charges on the prepayment of a loan that some States will allow. It is the most common formula but of late has come under considerable criticism. One large and influential California bank, Wells Fargo, has recently adopted a policy by which the rule of 78's is no longer used. Due largely to the kinds of misunderstandings I have described here, this bank has decided to compute the rebate amounts on a simple interest basis using the original annual percentage rate.

The Federal Government itself does not set any regulations on the kinds of prepayment charges that may be imposed; the Truth in Lending Act requires only that the formula be identified somewhere in the loan contract. No mention need be made of what these terms mean. No mention need be made of when and how the rule of 78's will come into play. And no explanation of why it will cost the consumer more than 50 percent of the total finance charges if he or she pays off in 50 percent of the time, need be made.

For all its well-intentioned attempts to assure disclosure to consumers, the Truth in Lending Act falls short in this one area. The Federal courts have ruled that the Federal Reserve Board's interpretation of the Truth in Lending Act is adequate despite the fact that it had to overturn a lower court ruling which found that consumers should be better informed of the meaning of the rule of 78's. The superior court ruled that it would be too burdensome to require that a full explanation be given to the consumer prior to the signing of the lease.

My feeling is that we can do better for consumers than this. Even former Federal Reserve Board Vice Chairman, J. L. Robertson felt that the regulation Z disclosure requirements for prepayment terms represent only "the best of the worst" among the choices available. Full disclosure of the rule of 78's would no doubt confuse the consumer to some extent at a time when the disclosure of other aspects of the loan contract are more important. But on the other hand, how can consumers sign a loan without knowing what kinds of charges they will be responsible for?

The burden of clearing up the confusion apparently rests with Congress. Perhaps the rule of 78's is the best method for computing rebate amounts. But if one large and stable bank long involved in consumer lending decides to make a major policy change away from it, I feel it is worth some looking into. As chairman of the Consumer Affairs Subcommittee of the Committee on Banking, I am planning hearings on prepayment charges as soon as the 95th Congress convenes, in which a study will be made of the various State experiences, both among those which require the rule of 78's and those which disallow it, to determine whether another method, such as the actuarial or the simple interest method, might be more in line with today's consumer borrowing market. Then, if warranted, I will propose an amendment to regulation Z in order that consumers be provided with a clearer description of prepayment charges, the conditions under which these formulas come into play, and a demonstration of the method and relative cost to the consumer if such stipulations appear in the contract he is about to sign.

CONGRESSMAN WYDLER PROPOSES ACTION PLAN TO END OCEAN POLLUTION

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. WYDLER. Mr. Speaker, on August 3, 1976, an official congressional hearing was held in the Hempstead Town Hall on the problems of pollution of our ocean beaches. I was invited to be the lead-off witness that day, before the House Committee on Merchant Marine and Fisheries Subcommittee on Oceanography, and urged immediate action in two areas:

First, on my recent legislation to provide for sludge disposal by new methods other than ocean dumping; and

Second, to require that any future Federal loans to the city of New York be made on condition that the city completes on schedule sewer plants in Red Hook and the North River.

These two steps are critical to the success of any program to clean up the problem that exists on the Long Island beaches. The recent action by the Environmental Protection Agency, which will stop the dumping of sludge by 1981, requires that there be an alternative method available.

PROPOSES SLUDGE DISPOSAL LEGISLATION

There is no present law which concentrates on the problems of sludge disposal. My new bill, H.R. 14755, would specifically provide Federal help to local governments, who are presently dumping sludge in the ocean, so that they could dispose of the sludge by other alternative methods.

My sludge disposal bill is so written as to specifically apply to the problems of the disposal of sewer sludge. The bill has been referred to the Public Works and Transportation Committee of the House.

I will press for action at the earliest possible date in view of the recent EPA action.

CALLS ON CITY OF NEW YORK TO END DUMPING OF RAW SEWAGE

I have called upon the Congress and the administration to take action to require the city of New York, as a condition for receipt of any further Federal loans, to continue on schedule the construction of two sewer plants at Red Hook and North River. These plants are intended to treat the 300,000 gallons of raw sewage that is presently being dumped by the city into the Hudson River each day and flushed out to the ocean.

These plants are behind schedule and the city is balking at giving out new contracts for their construction. They are absolutely essential and should be given top priority by the city administration. I will ask the Congress and the administration to condition any further loans to the city upon guarantees that the construction of these two plants will be resumed and expedited.

I am pleased to announce that my proposal for action by New York City on its sewer plants has been acted on by the entire New York congressional delegation. I serve as vice chairman of this bipartisan group. All 39 Congressmen approved of a letter I suggested to Mayor Abraham Beame urging him that, in the next capital budget to be adopted by the city, a priority be assigned to the completion of the sewage plants now under construction. This kind of bipartisan action will insure that the problem will receive the proper attention from those officials who are responsible.

ARRANGES FOR COORDINATED FEDERAL MONITORING OF OCEAN WATERS

I recently held an important interagency meeting to arrive at a comprehensive program to monitor short- and long-term effects of pollutants in the New York bight. Representatives from the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, the National Aeronautics and Space Administration and the Coast Guard appeared in my congressional office at which time I presented guidelines for a satisfactory monitoring program.

This meeting culminated 9 months of information gathering and study by me, an effort focused at erecting the framework for Federal coordination and Federal cooperation with local authorities. All of the agencies and local groups have roles to play, but it is time for formal planning to assure that the vital ingredients for comprehensive monitoring are included.

My main guidelines for a formal program include: First, assignment of a lead agency role to EPA; second, selection of project managers by NOAA, NASA and the Coast Guard for interagency liaison; third, designation of local points of contact for interaction with the Federal agencies, and fourth, an outline of technical goals and scope of such a program. I also expect additional commitments of resources from the agencies over and above their present efforts in the Bight. I can assure you I will do everything I can to see that these resources are made available.

My extensive correspondence with agency heads began last December. I have battled for several years to move ocean dumping sites further from Long Island, while encouraging communities to settle on sites for land-based disposal.

As a member of the House Committee on Science and Technology, I have been pushing for rapid implementation of advanced technology in the battle to protect the marine environment. I see some hopeful signs, but I am concerned that some very good capability might leak through the cracks.

I expect the agencies to come back to me with a program plan, including resource requirements, within 30 days. From the positive nature of agency responses, I expect that they should be able to hammer out a very firm program that will provide continuous monitoring so that people are not simply reacting to emergencies. I am particularly pleased that I have been able to catalyze cooperation on the executive side. That is what a legislator should do.

SHIPBUILDING FOR U.S. NAVY

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BENNETT. Mr. Speaker, the genleman from Wisconsin (Mr. ASPIN), has circulated to the Members of the House a brochure on "The Trend in the Naval Balance." The main theme in it is that the trends in the U.S. naval shipbuilding are up and the trends in the Soviet naval shipbuilding are down, and that the basis for an expanded U.S. naval shipbuilding is no longer present. I cannot agree with the conclusions of that brochure.

The United States depends upon its imports and exports as major portions of its economy. The greater part of these are carried by sea. The United States depends upon its overseas sources for strategic material—68 or the 71 most critical materials come from overseas, with 50,000,000 tons of critical material being imported yearly. Over 45 percent of our petroleum is imported from overseas. With this dependence upon foreign sources for the goods which keep our country running, we must be able to keep our sea lanes open to the sources of these materials.

Furthermore, we have mutual defense commitments, formally signed and ratified by the Senate with 42 countries in one form or another. These, too, give us a responsibility for keeping our sea lanes open to these countries as well as assuring us of the strategic materials we need and do not have in adequate amounts.

Moreover, the United States has traditionally relied upon a "forward strategy." This means that we try to keep our naval vessels going to the other continents so we will be prepared there in case of need. This is a long-standing and deliberate part of our strategy—to carry the fight to any potential enemy before he can bring it to our home shores. This is a sound policy.

As a further factor, we have to design our ships so that we can retain our trained personnel—we do not have a draft or a mandatory governmental dictate of where people will work. To retain service personnel we have had to give more thought to the habitability of our ships.

Tied in to the entire picture is the statutory mandate of title 10 of the United States Code which requires that the Navy be "organized, trained, and equipped primarily for prompt and sustained combat incident to operations at sea."

On the other side of the coin is the question of what the forces are which might be used against our Navy. Because we have let our fleet drop in size, from 974 to 473, our total force is now smaller than the Soviet force. There are several items about which to be concerned with the Soviet forces. In the first place they have a very large submarine fleet—about 325 ships to about 115 of ours. About 50 of the Soviet and 40 of our submarines are ballistic missile submarines. This means that the Soviet attempts to cut our lines of communication have nearly four times as many attack submarines to use against those lines as we have to defend those lines. And defense is a much harder task.

In the surface fleet the Soviets have about 250 ships while we have about 175. In addition, the Soviets have a large number of smaller combatants which can provide capability in or close to their home waters, or in or close to home waters of their allies—thus making our problems of operating in distant seas even more difficult. And the ships which the Soviets have been building even when small, are loaded with first quality fire capability, and with high naval capability.

What all of this means is that the U.S. Navy needs its new ships—it needs them primarily with the capability to be able to cross the oceans and fight on the other side with minimum support. It also needs them in numbers of capable ships so that they can meet a capable enemy and win—on the other sides of the oceans.

Mr. ASPIN raised vigorously the issue of relative ages of the two fleets. The U.S. Navy in the past 5 to 8 years has reduced the size of its fleet to less than 50 percent of its 1968 size. This has resulted in a healthy average age. Thus, as Mr. ASPIN states the average age of Soviet ships is now a little higher than that of U.S. ships, at a little less than 14 years to about 12 years. While this is true he seems to indicate that by 1983 the Soviet ships will age somewhat rapidly while U.S. ships will not. Of course, all such calculations require a number of assumptions; however, our calculations indicate that in 1983 the Soviet age will be a little less than 14 while the United States will be a little less than 13. As fleets go, this is a relatively young and healthy age in either case.

Now let us turn to the more general trends in the two navies. The historic data provided by Mr. ASPIN—to the present time—is essentially correct. There is no wish to take issue with that. The concern is with the choice of data and the manner in which he organized it.

As a result of the selection and organization of the data, he arrives at totally in correct conclusions. For example:

In nuclear submarines, he does not consider SSBN's. He picks the period 1966 to 1975, and finds the United States built more nuclear submarines—45 to about 40. This is misleading. The United States finished its SSBN crash building program by 1966 and shifted its emphasis to SSN's. On the other hand the Soviets shifted emphasis to SSBN's during this period. As a result, the Soviets outbuilt us in SSBN's by about 50 to 8 and in total nuclear submarines by around 90 to 53. To call this shift in emphasis a change in long-term Soviet trends is misleading since we doubled our building rate of nuclear attack submarines when we finished building SSBN's.

In surface ships, he arbitrarily limited surface combatants to 1,000 tons displacement—omitting, for example, such ships as the 960-ton *Nanuchka* which carries SSM's, an SA–N–4 AAW missile system, a twin 57-millimeter gun system, has a speed over 30 knots, and has the ability to travel nearly 2,000 nautical miles. Later he shifted to 3,000 tons for another purpose. An appropriate chart would show the futility of such comparisons. By selecting the cutoff tonnage appropriately the ratio of numbers of ships can be made to shift from 5 to 1 for the Soviets to at least 7 to 1 for the United States.

Mr. ASPIN's selection of the 5-year period 1971–75 was most fortunate for his argument. Had he stayed with long-term trends, the building advantage would have been with the Soviets and not the U.S. Navy. In addition, had he chosen to go back only 4 years or 3, or 2, or 1, this would also have been the case. This results from the peculiar fact that in 1971 two U.S. shipbuilding programs end with a big year: the FF–1052, with 11 ships; and the SSN–637, with 7 ships. For example, the data for surface combatant construction shows that during the period 1971–75 the U.S. Navy outbuilt Soviets 32 to nearly 30 units—as Mr. ASPIN says; however, from 1972 to 1975 the Soviets outbuilt us about 25 to 21. The corresponding data for attack nuclear submarines shows for 1971–75 United States outbuilt Soviets 18 to about 15; for 1972–75, the Sovietc outbuilt us nearly 15 to 11.

Another failing is that he compares only forces that are alike. As a result, comparative trends lose real meaning. For example, he shows that although the

Soviet Navy now dominates in antiship missiles—ASM's—the United States will deploy Harpoon and in a number of years have more ASM's than the Soviets. He implies that at that time all will be well. Not so. ASM's attack surface ships only. For the United States this includes the carriers—the heart of our Navy—as well as the supply ships that bring to the carriers the fuel and ammunition without which they become inoperative. On the other hand, the ASM's are useless against the major threats from the Soviet Navy—the submarines and aircraft.

Let us make a more general point concerning trends. The whole tone of Mr. ASPIN's paper accuses the Navy and OSD of falsely claiming that the Soviet Navy is growing in size. Such criticism, in my opinion, is not substantiated by the facts. For a number of years, the Navy and OSD have been trying hard to draw public attention to the rapidly growing Soviet naval threat. The growing threat stems not from numbers which have been decreasing somewhat, but rather, from rapid and steady increases in capability. These increases continue today. For example:

Surface ships are increasing in: size, range sophistication and numbers of ASW and AAW systems.

The submarine force has a growing number of nuclear-powered attack submarines, many of which can fire antiship cruise missiles as well as a large number of torpedoes.

The older Badgers of the Soviet Naval Air Force are being replaced by the new, long-range, supersonic Backfire bombers.

Addition of aircraft carriers.

To tie these forces together they have developed a worldwide ocean surveillance system which is still improving.

One must always remember in estimating the naval balance that one cannot merely compare numbers of tonnage, or perhaps even the capability of individual ships. One must consider the missions of the two navies. For example, the U.S. Navy is committed to the resupply of its overseas allies in case of war. The Soviet Navy mission would be to interrupt these seaborne supply lines at times and locations of their choosing. The Soviet mission is clearly easier and thus if both navies had identical forces, the balance in this case would decidedly favor the Soviets.

Another aspect of missions affects the size of ships a navy chooses. The United States has always had major interests and allies overseas and, hence, required a Navy on distant deployment and in a constant state of readiness. This requires big ships. Traditionally, the Soviet Navy missions were defensive, involving coastal action of relatively short forays to sea.

Direct side-by-side comparison of United States and Soviet ships is really not very meaningful and in fact can be a source of confusion even when ships of the same designation, that is, cruisers, destroyers, and frigates are compared.

There was a time when it was not unreasonable to use the ship type name—or symbol—as a rough indicator of capability. However, the days when the design of even one class of warship remains uniform from the first ship to the last are gone. Rapid technological advances and changing naval requirements result in a constant stream of changes. The tendency is for each successive ship of a particular class to be better and more advanced than her sister ship. This fact is more pronounced between classes of a single type, and still more between the same types of different navies.

Thus ship type is not a valid criterion for comparing ships. As Admiral Gorshkov points out in an article for his "Navies in War and Peace" series:

> The qualitative transformations which have taken place in naval forces have also changed the approach to evaluating the relative might of navies and their combat groupings: we have had to cease comparing the number of warships of one type or another and their total displacement (or the number of guns in a salvo or the weight of this salvo), and turn to a more complex, but also more correct appraisal of the striking and defensive power of ships, based on analysis of their capabilities and qualitative characteristics.

We build ships for a specific mission and task to be accomplished. Thus "our cruisers" may not be comparable with "their cruisers" because the role of these ships and the manner in which they will be employed tactically is in all likelihood quite different.

The observations of Mr. ASPIN, who is an able Congressman, have been helpful in bringing these matters up for discussion, and action. To me, it is crystal clear that the U.S. Navy has an urgent need for a more adequate program of shipbuilding than now in effect. That is the bottom line of this matter.

PROTECTING THE PRIVACY OF RAPE VICTIMS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. HARRIS. Mr. Speaker, I was pleased, recently, to join my colleagues, Congresswoman HOLTZMAN and others, in the cosponsorship of a bill designed to protect female rape victims from demeaning and irrelevant questions in sexual assault court cases. I hope that this legislation will establish a national standard that will soon be reflected in State laws. I would like to share with my colleagues my testimony on H.R. 14666 to the Subcommittee on Criminal Justice of the House Committee on the Judiciary:

STATEMENT OF HERBERT E. HARRIS II, JULY 29, 1976, TO THE SUBCOMMITTEE ON CRIMINAL JUSTICE OF THE HOUSE COMMITTEE ON THE JUDICIARY ON H.R. 14666, THE PRIVACY PROTECTION FOR RAPE VICTIMS ACT

I strongly support H.R. 14666 which would limit the admissibility of prior sexual history of rape victims and urge the committee to report this much-needed legislation to the full House for a vote. Rape is the fastest rising and most underreported crime of violence in the nation, according to the F.B.I. It is time that this Congress came to grips with this growing problem. This nation needs a more responsive, more humane system for dealing with rape victims.

When a rape case goes to trial, judges decide on a case-by-case basis whether a woman's prior sexual history is relevant and can be used in the trial. All too often past sexual activities are not relevant to the facts of the case. The trial turns into an inquisition of the woman's character and behavior; the victim rather than the defendant is "put on trial." This bill severely restricts the use of evidence about a rape victim's past sexual conduct. By setting strict, procedural guidelines, the victim's right to privacy is more fully protected. So is her reputation.

When the victim fears that her life history and particularly the more private and personal aspects of her life will be made public, in the worst possible light, she is reluctant to seek prosecution of the rape. National statistics indicate that only one out of three victims report assaults to the police. And this figure may only be a fraction of the actual number of sexual assaults. Not only will this bill encourage more reporting rapes, it will also mean that victims will suffer less additional trauma since they will be more secure in the knowledge that they will be questioned only on material determined by the judge to be relevant. The experience of a rape is bad enough as it is. To be put through the degradation of irrelevant questions about one's past private activities only aggravates what must be a most agonizing experience.

F.B.I. statistics indicate that forcible rapes are on the rise, going from 41,230 in 1973 to 55,210 in 1974. This means that there is one rape every ten minutes. In one jurisdiction in my district, the city of Alexandria, rapes increased 65 percent from 1974 to 1975. Rapes occur most frequently in low income areas and usually in the early morning hours. Almost half of all rapes occur in a home, usually the victim's. In my district and nationwide, women in their twenties are most subject to this crime. The problem of rape is not going away; this Congress should approve this bill—a first step toward curbing one of the most dehumanizing crimes.

There are other related issues we must address as well. Counseling programs for rape victims have not given sufficient attention to the victims mental health needs after the rape. The cost of the physical examination—should it be borne by the victim or the government? Women who are legally separated from their husbands cannot prosecute their husband for rape. Our state laws and procedures vary widely. There is a low rate of rape convictions. Very important also, in my view, is the offender. We do not know why someone commits rape; nor do we know how to successfully rehabilitate the rapist. We must have effective laws, effective programs, and effective procedures to make sure that women can move about as freely and with as much peace of mind as men.

These questions and these unresolved issues led me to cosponsor and support the creation of a National Center for the Control and Prevention of Rape to conduct research into the causes, consequences, prevention, treatment and control of rape. I am pleased that this bill was incorporated into the Public Health Service Act which is now Public Law 94–63. And I gave my support to funding this center at $3 million for fiscal 1977, although the President recommended no funds for the Center. This amount is one of the items the Labor-HEW appropriations conferees are now resolving, since the Senate approved $6 million.

Again, I commend the subcommittee for giving this bill its attention and give my full support to this effort to end this horrible crime.

JUDGE FRANK J. BATTISTI CHOSEN AS AMERICA'S OUTSTANDING TRIAL JUDGE

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. JAMES V. STANTON. Mr. Speaker, I am pleased to report that the Honorable Frank J. Battisti, judge of the U.S. District Court, Northern District of Ohio, was named "The Outstanding Trial Judge in the United States" by the 25,000 members of the Association of Trial Lawyers in America. He received the annual 1976 award of merit at the ATLA convention in Atlanta on July 27. Each year, the association selects the jurist that it feels has done most to preserve and strengthen the adversary system and who most consistently has discharged his responsibilities to the law in this era of rapid social and technological change. Last year's winner was Judge John J. Sirica.

Judge Battisti has risen to meet the challenges of the difficult and controversial cases he has heard over the years. His presidency of the Federal District Judges Association of the sixth circuit indicates the respect and esteem of his peers.

He is a native of Youngstown and a graduate of Ohio University and Harvard Law School. Judge Battisti has worked as an assistant attorney general in Ohio and as an attorney-adviser in the U.S. Army. Following service as a law instructor at Youngstown University and as a judge of the Mahoning County common pleas court, he was named a judge of the northern district of Ohio on September 11, 1961. At 38, he became the youngest Federal judge in the Nation. In 1969, he became chief judge of the district.

I join with Judge Battisti's many friends and colleagues in saluting his lifetime of achievement and congratulating him on his most recent honor. His scholarship, fairness and dedication are well known in Ohio and throughout the United States.

At this time, I would like to insert in the CONGRESSIONAL RECORD the text of Judge Battisti's award, which outlines the characteristics of the "Outstanding Trial Judge in the United States":

> "We must preserve the vital keystone of our system—a law capable of justice in a new and everchanging age."

In recognition of the principle echoed in these words and in tribute to the jurist who has consistently embodied this principle in the discharge of his responsibilities in the United States District Court, Cleveland, Ohio.

The Association of Trial Lawyers of America proudly presents this Award of Exceptional Merit for 1976 to Judge Frank J. Battisti as: Outstanding Trial Judge of the United States of America; Conscientious and Capable in the determination of solutions to formidable trial issues, drawing upon insight gained as an instructor of the law, Youngstown University; and, Forward-looking and Stalwart in his advancement of our adversary system, the bedrock underlying our system of justice: and, Esteemed by his peers, as demonstrated by his election to the Presidency of the Federal District Judges' Association, Sixth Circuit.

Awarded this 27th day of July, at the annual meeting of the Association in Atlanta, Georgia.

Attested by the Board of Governors of the 25,000 member Association of Trial Lawyers of America.

NEW SALT DEAL GIVING UP CRUISE MISSILES IS PLANNED

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. SYMMS. Mr. Speaker, on Monday, August 9, 1976, the highly respected political columnists Evans and Novak wrote in the Washington Post that Henry Kissinger has proposed a new SALT agreement with the Soviet Union wherein the United States would agree to count cruise missiles under the 2,400 ceiling on strategic delivery vehicles even though the cruise missiles under consideration are not strategic in their range. Also, the Kissinger proposal would permit the Soviets to deploy their new Backfire supersonic bomber without counting it in the limit.

This proposal has been strongly opposed by Defense Secretary Rumsfeld and the Joint Chiefs of Staff. What alarms me most, however, is that it is reported that President Ford is siding with Kissinger and the State Department over the advice of Secretary Rumsfeld. This agreement, if finalized, would eliminate the cruise missile as a supplement to the U.S. Strategic Triad—a supplement we badly need in light of the advantages given to the Soviet Union in the 1972 SALT accord by Dr. Kissinger. Furthermore, it is a terrible mistake, I think, to allow the Soviets to deploy the Backfire bomber without having to count it in the ceiling agreed to.

Most noteworthy and disturbing is that the details of this agreement are being kept quiet until after the Republican National Convention next week. It is obvious that if the American people and the delegates to the Convention were to know what is going on in the SALT negotiations, it would be a tremendous boost to Gov. Ronald Reagan in his campaign for the Republican nomination. Reagan has consistently criticized the Kissinger negotiating posture in the SALT talks.

The Evans and Novak column follows:

SALT II STRATEGY

(By Rowland Evans and Robert Novak)

President Ford has quietly changed from impartial arbiter of arms control disagreements within his administration to forceful advocate of the State Department's latest SALT option, which hardliners claim flirts with disaster for the U.S. and the west.

Assuming Mr. Ford's nomination and subsequent freedom from Ronald Reagan's restraining influence, he is expected to press hard for another strategic arms limitation (SALT) treaty with the Soviet Union before the Nov. 2 election. What's more, it is now clear that Mr. Ford is prepared to buy that treaty at high cost: sacrificing U.S. cruise missiles while the Soviets keep their new Backfire bomber.

The last line of resistance is held by Secretary of Defense Donald Rumsfeld and the Joint Chiefs of Staff. In recent top secret meetings, they have been unusually tough and plucky in standing up to the President and Secretary of State Henry Kissinger. But Mr. Ford seems so determined to have a SALT II agreement this fall that there is little optimism the Pentagon will prevail.

A SALT II treaty has been prevented for 18 months by two new weapons systems considered to be in the gray area of strategic weapons: the Soviets have the Backfire bomber; the U.S. has miniature-motored cruise missiles, which can be launched from planes or ships and which Moscow cannot duplicate today. The question: shall they be included in the limit of 2,400 offensive delivery vehicles each for the U.S. and the Soviet Union agreed to by Mr. Ford and Secretary Leonid Brezhnev at Vladivostok in 1974?

Several options were before the National Security Council (NSC) July 30 when it considered arms control for the last time before the Kansas City convention. But the option generating attention is Dr. Kissinger's latest proposal, regarded by many experts as certain to win Soviet assent.

It would limit cruise missiles by counting them under the strategic ceiling, delivering a fatal blow to the weapons system the Pentagon considers vital for conventional warfare. But the Kremlin would be permitted to go ahead producing (under a meaningless special ceiling) Backfire bombers, air refuelable and possessing obvious strategic potential.

In return, the Soviet Union would be forced to make this supposed concession: a reduction in the 2,400 strategic vehicle ceiling—perhaps by 100, perhaps 200, perhaps even more. The argument for the Kissinger option boils down to this: if Moscow is really prepared to reduce its overall nuclear warmaking ability, why quibble over a few gray-area weapons?

To make this argument, it is necessary to prove that the Backfire is not and could not become a strategic weapon. Accordingly, Kissinger's position is strengthened by a top secret study of the Backfire, performed by McDonnell-Douglas Corp., under contract to the Central Intelligence Agency (CIA), showing a Backfire one-way range of only 3,400 miles.

Furious Pentagon experts, cursing both the CIA and McDonnell-Douglas, call the study worthless and claim the Backfire is a true strategic weapon with a 6,000-mile range.

Moreover, the Kissinger option does not even consider yet another gray-area weapons system developed by ingenious Soviet technicians: the SS–20 missile. While claimed to be just short of intercontinental range, it could be hastily converted into a strategic weapon. Thus, the Kissinger option would permit development of two potentially strategic Soviet systems, the Backfire and the SS–20, outside the strategic ceiling—no matter how low that ceiling goes.

The military chiefs, more passive than Pentagon civilians in recent years, are now fighting hard over SALT II. The estimable Gen. Frederick Weyand, lame duck Army Chief of Staff and long the toughest of the chiefs, has been joined by Gen. George S. Brown, recently confirmed for another term as chairman of the Joint Chiefs. Brown's conversion may have been influenced by the prodding in secret confirmation hearings by hard-line Sen. Henry M. Jackson, who ended up voting for him.

The real hopes of the hard-liners rest with Secretary Rumsfeld. Normally a trimmer, he is now talking plain and hard: the Backfire is a strategic weapon, no matter what the CIA says, and it is intolerable to permit the Backfire while sacrificing cruise missiles. That's what Rumsfeld is saying not only privately but in high-level meetings.

Were Rumsfeld and Kissinger in a great debate for the President's mind, the issue would be in doubt. But the Gerald Ford of 1976, after so much time at Dr. Kissinger's side, is not the strategic arms neophyte who entered office 24 months ago on Aug. 9, 1974. "It would be wrong to call Ford a puppet of Henry," says one well-informed hard-liner on Capitol Hill. "I think he is now a convinced and committed disciple."

If this is correct, it is difficult to imagine the Pentagon staging a real revolt. That is why the Ford administration, in what could be its final major act, may exchange reduced overall strategic limits for clear Soviet advantages in gray-area systems—a cost military experts say is much too high to pay.

Also, there is apparently no effort being made by Dr. Kissinger and the Ford administration to redress the asymmetry in missile throw-weight that so heavily favors the Soviet Union.

In view of the fact that Jimmy Carter and Henry Kissinger apparently see eye to eye on general foreign policy, it becomes very clear of the importance of the electoral process in 1976, as well as the importance of congressional inquiry into these matters.

MEDICAL SERVICE SUCCESSES

HON. M. CALDWELL BUTLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BUTLER. Mr. Speaker, I commend the attached editorial from the July 20, 1976, edition of the Lynchburg News to our colleagues:

MEDICAL SERVICE SUCCESSES

During this year's presidential campaign bureaucrats and federal spending programs have come under severe criticism. While much of this criticism has been justified because of the waste and inefficiency of many programs, some of it has resulted more from fad than fact. There are some governmental programs that perform a useful function. The key difference between the wasteful programs and those that accomplish their purpose and perform a useful function seems to be the persons administering the program.

The Moneta area of Bedford County was in need of additional medical service. Through a combination of citizen involvement, dedicated public service, and the effective use of federal grant programs, the Moneta medical center was dedicated Sunday afternoon.

The medical center will provide medical equipment and two doctors for the Moneta area. This success story is not unique It is not even unique in Bedford County. Because of similar efforts the Big Island area is benefiting from the services of Dr. Teristo S. Serate.

These two areas have medical service largely because of the efforts of the Central Virginia Health Planning Council. The council served as the coordinating agency to bring together the efforts of concerned citizens of the areas and federal programs to help provide the necessary funding.

After making the initial presentations to civic groups in the areas, citizens from the areas took the initiative, but the planning council continued to provide direction. The Moneta area citizen efforts took the form of the Moneta Medical Center Inc., a non-profit corporation. The council steered the corporation toward the agencies that could provide the needed services.

Using a program to provide the initial funding from the National Health Service Corps the start-up money was obtained. The corporation is seeking a grant from the Department of Health, Education and Welfare with the Moneta area residents providing about $34,000 of the funding. The building itself became possible through a loan from the Farmers Home Administration.

The medical centers at Moneta and Big island are the results of cooperating efforts by private citizens, non-governmenal organizations, local state and federal governments—our Republic at its best.

SMALL BUSINESS PLATFORM RECOMMENDATIONS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. COUGHLIN. Mr. Speaker, the Republican National Convention has received most significant testimony from the National Small Business Association on the needs of the small business community.

The testimony for the association was presented by an outstanding representative of the small business community, Mr. Carl A. Beck of King of Prussia, Pa. Mr. Beck is President of the Charles Beck Machine Corp. which has been in existence for more than 100 years. A pioneer in the application of electronic data processing methods of inventory, manufacturing, and engineering problems affecting small businesses, the firm manufactures machinery and equipment for the packaging and converting industries in both domestic and export trade.

Mr. Beck serves with distinction as chairman of the Legislative Action and Policy Committee of National Small Business Association, and is a past president of the organization.

In testimony before the Temporary Committee on Resolutions of the 1976 Republican National Convention, Mr. Beck reviewed the small business planks of both major parties in the last 20 years. During the period 1960–72, Mr. Beck pointed out, the small business share of assets in manufacturing had declined from 50 to 30 percent, and the amount of profit share by small business has been reduced from 41 percent in 1960 to 28 percent in 1972.

In Mr. Beck's opinion the American Republic has survived 200 years because the United States did not have a ruling class and a ruled class, but a large middle class:

> If this middle class is to survive, it demands the preservation of the small business community. It demands recognition that private enterprise is the embodiment of the value system of the small business entrepeneur It demands a recognition of a two-tier approach to laws and regulations, the overt recognition that "General Motors and Joe's Machine Shop are not the same" and that "equal treatment of the unequal is the greatest inequality of all". What we are asking for is the survival of small business. And in doing so, it is neither exaggeration nor equivocation to say that we are also asking for the Preservation of America.

The National Small Business Association platform statement was presented in precisely the same form to both the Republican and Democratic National Conventions.

I have long been a faithful and loyal supporter of the small business community because of its contributions to the economic and social well-being of this country. If small business is to recoup the ground it has lost to big business and big government, there must be established as a high priority of Government a central program to provide not only for its survival but its growth. The "Small Business Commitment Check List" presented by Mr. Beck for the National Small Business Association is a commendable step and deserves careful consideration by both parties, and the executive and legislative branches of our Government.

Mr. Carl A. Beck's statement follows:

STATEMENT OF CARL A. BECK, CHAIRMAN, LEGISLATIVE ACTION AND POLICY COMMITTEE, NATIONAL SMALL BUSINESS ASSOCIATION

Our purposes in appearing before you are:

(1) To present to you a draft of a suggested "Small Business Commitment Check List". We plan to make it available to each of the major parties' candidates for the Presidency, the Vice Presidency and the Congress;

(2) To urge you to compare what both major parties have said about small business in their last five National Platforms—and what has actually happened to the position of small business in our economy during that same twenty-year period;

(3) To offer to assist you, or any Subcommittee or individual you may designate, to relate any proposed small business platform position to our view of small business' needs in the next four years as reflected in our draft "Check List";

(4) To advise you that we are making these same comments to both major parties in precisely the same form. We plan to publicize to small business generally the relevant sections of both major party platforms, our own suggested "Check list", and the response to it.

Five times in the past 20 years each of the major parties has described in the attached excerpts its proposed small business policies. General assertions were made in support of small business and the enterprise system in every one of those platforms. Pledges were also made for more effective enforcement of the antitrust laws in every one of those platforms. Yet, what has happened to the American economy during those 20 years is only too familiar a story to all of us. By 1960, the share of small and medium sized companies was down to 50% of the assets in manufacturing and 41% of the profits. By 1972, this had declined still further to 30% of the assets and 28% of the profits. In two-thirds of the manufacturing industries for which figures were available, the 8 largest companies account for 40% or more of the value of their industry shipments. Two-thirds of all manufacturing assets in the country are controlled by 200 giant corporations. In fifteen of the twenty years covered by these five party platforms, a sharp acceleration of employment concentration took place. Fifteen years ago, one of every four Americans was employed by one of the 500 largest industrial companies or some level of government. Today, that number is one out of every three. Despite platform piety, mergers and acquisitions of companies have skyrocketed, paused and skyrocketed again.

More and more during the past 20 years small business and the rest of the independent sector have been squeezed into a shrinking segment of the economy by the growth of government on the one hand and big business and labor on the other. And it is the biggest big businesses—the top 50—which have most outgrown the rest of the economy.

It is our profound conviction that this has not happened as a result of marketplace economic factors. It is the result of the cumulative impact of mistaken Federal tax, spending, regulatory and other policies. Government policy—or lack of it—provides more fuel for economic concentration than anything else. And those policies have been fostered under administrations of both parties with the support of both parties, congressional majorities and minorities.

Some of the past platform language is too general for anyone not to be able to claim compliance with it. Some of the past language can be deemed to have applied only to the parties' national candidates in the event that they were elected to control of the executive branch. Some of the past platforms have apparently been construed to have implied to the parties' leadership only when it was in control of the Congress.

But in the large, someone from another planet reviewing the small business planks of both parties for the past 20 years and then contrasting it with what actually happened to the economy—would have to conclude that neither the Democrats nor the Republicans had much to do with running the country! If, that is, they meant what they said in their party platforms.

A 4-YEAR YARDSTICK: CATCH-UP GROWTH FOR SMALL BUSINESS

For small business the ultimate measurable test of the success of the next Administration and the 95th and 96th Congresses will be whether the independent sector of the economy outgrows government and big business between 1977 and 1980. Small business, the small farmer, and the independent professional have much ground to recoup if they are to catch-up with the growth of government and big business during the past 20 years.

Achieving that catch-up growth will take a better combination of Federal tax, spending, regulatory and other policies than we have yet had. A commitment to that catch-up growth means a readiness to measure success by whether the independent sector has a larger share of assets, employment, revenues, etc. at the end of the four years than it does now.

A HIGH PRIORITY FOR FEDERAL SMALL BUSINESS ACTION

If catch-up growth is to be achieved by the independent sector, it must be given as high a priority in national economic policy as all other national economic goals. These include full employment, inflation control, a balanced budget, rising standard of living, and effective competition in world markets. Catch-up growth for the independent sector need not, nor cannot, be sacrificed to any of these.

SMALL BUSINESS JOBS AND TRAINING INCENTIVES

If government is to be viewed as the employer of last resort, small business should be viewed as the employer of next-to-last resort. A system of tax credits and job training incentives, keyed to small companies, should be tried as a last step prior to resort to public employment.

A GRADUATED BUSINESS TAX SYSTEM

The economic justification for business size is alleged to be economy of scale; the public is entitled to share in those benefits of scale and benefits of size by having large enterprises bear a larger share of the cost of government than small ones. Graduated business taxes make just as much tax equity sense as graduated personal taxes. Among the taxes which should be graduated: corporate income tax; the investment tax credit; the capital gains tax; estate and gift tax; depreciation allowances.

FEDERAL REGULATORY POLICY

When large and small companies are asked to bear the same regulatory burdens, they are not being treated equally. With respect to both substance and procedure of regulation, small enterprises should, in every case, bear a far lighter burden. This is true of antitrust laws and regulations, labor standards (including OSHA), consumer requirements. Because of their lesser ability to defend themselves, small business has, in fact, become the leading target of many regulatory agencies.

SMALL BUSINESS PROCUREMENT POLICY

For decades now, Administrations of both Parties have promise a "fair" or an "adequate" share of Federal procurement (now running close to $50 billion a year). The share of small business has ranged from 16% to 23%. A firm minimum goal of 50% should be achieved by the end of the next Administration.

Federal Research and Development expenditure is even concentrated against small business: less than 5% of the Federal total goes to small business. A five-fold increase in R & D share for small business should be achieved within the next four-year period.

FEDERAL ANTICONCENTRATION POLICY

(a) Companies with more than a billion dollars in assets should be precluded from making acquisitions or mergers except if they dispose of assets at least equal in size to the assets to be acquired.

(b) A graduated tax on mergers and acquisitions should be imposed on such transactions on companies with more than $10 million of assets. The proceeds should be applied to a "Small Business Growth Fund" for the support of Federal small business activities.

(c) One use of the proceeds of the Growth Fund should be to support a "National Divestiture Loan Guarantee Fund" to be available to finance judicially or administratively ordered "demergers" and "unacquisitions". Divestiture should not lead, as it does too often now, to a mere shift of corporate units from one enormous conglomerate to another.

(d) Alternatives to sale to large companies to achieve liquidity must be developed for small businessmen.

(e) New antitrust procedures, and if necessary a Special Court, should assure a final determination in antitrust litigation in no more than three years. If justice delayed, is justice denied, we have had little antitrust justice indeed in the last 20 years.

FEDERAL FAIR POLITICS POLICY

The post-Watergate reform of Federal election financing should be oontinued and expanded to reduce still further the significance of large organizations—their money and their manpower—in the political process. Nonpartisan efforts to expand participation or stimulate discussion of issues are one thing. Overwhelming elected officials with one-sided concentrations of money, manpower and improper influence, are quite another.

PANAMA CANAL IS ONE OF THE MOST CONTROVERSIAL TOPICS DISCUSSED TODAY

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. PATTERSON of California. Mr. Speaker, the issue of the Panama Canal is one of the most controversial foreign policy topics discussed today. Like most political issues it is much more complex than the ardent debaters on either side seem to suggest. I believe that every Member of this body should read and consider all reasonable arguments both pro and con before reaching a hard and fast position. In this light, I invite my colleagues to read the following letter I received from my predecessor, the Honorable Richard Hanna.

The letter follows:

HANIN,
August 22, 1975.

Congressman JERRY PATTERSON,
Cannon Building,
Washington D.C.

DEAR JERRY: I hope you will bear with me and summon the patience to read and consider my views on the pending Panama Canal treaty. To me, this issue very clearly highlights what I deem to be a critical turning point in modern American politics.

Since the late 1800s and the "gun boat" diplomacy of Theordore Roosevelt, there has been a continuing presence and a growing dominance of military influence in our foreign policy. Military dominance and the preeminence of the Pentagon's interpretation of our national security reached a zenith during the cold war. It ultimately led us to a disastrous climax in Vietnam. A careful analysis of this history, when studied in parallel with the changed conditions in today's world and the effect such changes have in expressions of world power, suggest the need for substantial change in the U.S. foreign policy posture.

Characteristically, power in the history of nations has been expressed in several forms; moral power, political power, economic power and military power. At no time is any one of these present alone, but at various times they have been alined in different order of dominance. Usually, military power has been behind and not in front. It was the Germans who, in modern times, bared the naked military power as clearly in the front of political Nazism. It is, to me, ironic that the United States which, from its inception, had used moral power up front, economic power next and military power in third place, made after World War, a dramatic switch. We so militarized our anti-communism, that its morality was debased and our economic power became the servant of the military. The political power was reduced to expressing justification for the military decisions. Eisenhower saw the framework of this alignment and, as a parting contribution, warned an unheeding country against it.

It sticks in the throat to say it, but the "arrogance of power" referred to by Senator Fulbright, was telling us that we, to a degree, had come to militarized anti-Communism just as the Germans militarized Nazism. We remained selective in application, but the brutality in its action was certainly demonstrated in the Mai Lai incident and the general world-wide disenchantment with our course of conduct has been for some time now painfully evident.

We are in a transitional period now, when our power posture can be adjusted to the new imperatives and the operative facts in the world. The necessary change in the dominant leadership role does not presage nor would it dictate any lessening of our national security. Rather, it should recognize that in today's world, our economic power must be linked with our moral power in the dominant leadership of foreign policy. The military should be relegated to its proper stance of supporting that leadership policy, not dictating that policy.

The public argument surrounding the Panama Canal issue and the determination of a new treaty is distorted by the battle for the specific interests of the military, the conservatives, who are their allies, and certain shipping interests whose stake is less obvious. It would be tragic if the final flare of a dominating force, which too long has held sway, is able to direct a policy which must serve the future and realistically respond to our national interest, morally and economically.

I personally visited several times in Panama on this subject. My discussions were with responsible and reliable persons, both in and out of public life. There is great need to forge a more fair and equitable relationship to be worked out in the words of partnership, rather than in terms of the super sovereignty of the United States in Panama. The accommodation should be the work of our political and diplomatic leaders and not our military leaders.

Please give this matter your serious thinking as you face efforts from the Sub-Committee of Appropriations and special efforts of certain members of the Merchant Marines and Fisheries. Thank you for your patience and consideration and I will be glad to provide answers to any questions my presentation generates.

Warmest regards,

RICHARD T. HANNA,
Member of Congress (Retired).

ATLANTA KEEPS ATTRACTING THEM

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. LEVITAS. Mr. Speaker, Atlanta's many attractions for visitors and hometowners, too, have recently received a new addition with the opening of the World of Sid and Marty Kroft, a $20 million spectacular amusement park inside the $70 million Omni-International, a 5½-acre multiuse complex that houses the 520-room Omni-International Hotel, six movie theaters, several elegant restaurants, two office towers, a skating rink, and a number of small shops.

This multiuse complex is situated adjacent to the famous Omni sports and event coliseum, adjacent to Georgia's World Congress Center, which is destined to be the site of many meetings and conventions of regional, national, and worldwide importance, attracting hundreds of thousands of visitors and participants.

The new theme park, whose opening I recently attended, is unique in that it is indoors, America's first "high rise fantasy", enabling it to be open day or night, rain or shine, to 6,000 visitors. Sid and Marty Kroft, sixth generation puppeteers whose great-great-grandfather opened a puppet theater in 18th century Athens, offer entertainment in the tradition of European festivals and American vaudeville acts.

The park is composed of several levels of open terraces or "environments," which include a satirical carnival show, a flashy puppet show, a simulated mine shaft, and a giant pinball machine in which visitors ride in a 6-foot silver ball.

Indeed, the World of Sid and Marty Kroft has brought an exciting new dimension to downtown Atlanta and further helps those who travel there to enjoy this new international city.

LATIN AMERICA: ENDING OUR SUPPORT FOR THE DICTATORS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. KOCH. Mr. Speaker, as a member of the Foreign Operations Subcommittee of the Appropriations Committee, I am asked to approve economic and military aid to many nations around the world. As I have looked at the requests, I have continually found the United States aiding harshly repressive regimes. I have spoken out against our seemingly unconditional support for the dictatorships in South Korea and the Philippines, but efforts to reduce aid to these countries have failed because the Congress views that aid as crucial in combating Communist aggression.

The situation in Latin America is quite different, however. There, repressive military dictatorships receive $200 million in military assistance—grant aid, training, and credit sales—from the United States despite the fact that no country there is threatened by an external power. Rather, the military in Chile, Uruguay, Argentina, Brazil and many other countries use their power to repress internal dissent. And by our military assistance programs, we are aiding in that repression.

Obviously, we cannot expect every country we assist to be in our democratic image, as only about 24 countries in the world can truly be labeled as "democratic." But at present we seem to have no standards for doling out arms, other than a desire to maintain cordial relations with the government and the military in those countries.

I can understand our assisting a country, especially a democratic one, which is under external attack or which affords the United States a vital strategic military advantage. But again, such is not the case in many Latin American countries. A few examples will illustrate the error of our policy in Latin America.

Chile is the most publicized case of a policy that extends throughout the hemisphere. It is a matter of record that the United States destabilized the democratically elected government of Salvador Allende. Once the military toppled Allende, the United States increased economic and military aid to the new dictatorship until the Congress put a stop to that support.

More commonly, instead of "destabilizing" a regime, the United States by its aid supports a "strong man" in the interests of stability. In Nicaragua, we have supplied aid to dictator Anastasio Somoza, who has run that country as his own private feudal manor. His family has run the country since the Marines left in 1932, and has done so by relying on the National Guard of Nicaragua, which the United States continues to train and equip.

Perhaps the most tragic consequence of our policy is the case of Uruguay. Known as the "Switzerland of Latin America" because of its democratic and progressive traditions, it was subject to severe economic and political strain in the 1960's. An economic decline was coupled with the growth of the Tupamaros, a leftwing urban guerrilla group, who nearly destroyed all political order. The United States reacted by providing assistance to the police and military of Uruguay. By 1973 the military had won the battle against the terrorists. But a momentum had been established. Legitimate civilian control was lost as the military continued its drive for power. Using "subversion" as a pretext, the military has created a horribly repressive police state, jailing 5,000 Uruguayans, many of whom are peaceful and democratic opponents of the dictatorship. One in every 500 Uruguayans is a political prisoner. Since 1973 the United States has continued its military aid and increased economic support to the Uruguayan regime, despite repeated reports of widespread use of torture, reports which have been documented by Amnesty International and the International Commission of Jurists. The State Department appears to uncritically accept the Uruguayan Government's assertion that the repression is temporary but necessitated by internal threats.

In May I was successful in having my subcommittee end military assistance to Uruguay because of the repression there. The State Department has opposed this move vigorously. In July the House accepted the cut-off. Congressional hearings have been held on Uruguay, in which Wilson Ferreira, an articulate Uruguayan democratic leader now in exile, charged that the U.S. Embassy in Uruguay was giving active support to the regime there.

I believe that this cut-off serve as a signal to all the regimes in Latin America that the United States will not passively accept the use of our assistance in the suppression of peaceful dissent. The Senate version of the military assistance bill has no cut-off to Uruguay, and the matter will be decided in conference. Mr. Speaker, I hope that this cut-off will be accepted. Because we will be sending a message not only to these repressive countries such as Uruguay, but also to our own State Department. In hearings last week, State Department officials indicated that they could not implement the Human Rights Provision already in the Foreign Assistance Act because a working defintion of "a consistent pattern of gross violations of internationally-recognized human rights" had not been established. To this, my response is to quote Colman McCarthy's editorial in the Washington Post:

> Experts aren't needed to understand that death lists, kidnapings, torture, and imprisonments are ways of governing that mock the American philosophy of law.

Finally, there are those who believe this type of criticism of Uruguay comes only from "leftists." No one would call Time magazine "leftist," but in its August 16 issue, Time decried Uruguay's imprisonment and torture of thousands of Uruguayan citizens, and even indicated that a cut-off of aid might influence the Uruguayan regime's treatment of its people. In any event, democratic peoples everywhere must speak out against totalitarianism whether it comes from the left or the right. As we abhor the police state tactics of the Soviet Union, so should we condemn the right-wing military dictatorships in Latin America.

And we should certainly not assist them in the repression of their own peoples.

METHANOL TALKED UP AS GASOLINE ALTERNATIVE

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. EMERY. Mr. Speaker, the time for methanol is now. As you and many of my colleagues may know, I sincerely feel that this alternative fuel should be more seriously considered as a substitute for gasoline.

There are many reasons why methanol appears to be an attractive alternative for gasoline, one of those being that this fuel can be produced from any cellulose material, including waste and waste byproducts, all of which can be found in abundance in this country. However, as we consider the Clean Air Act amendments and the question of auto emissions, I might point out that methanol-gasoline blends substantially reduce emissions of carbon monoxide, hydrocarbons, and nitrogen oxides.

Methanol is indeed a fuel whose time has come: We have the technology, we have the resources, we have the demand, but most importantly we have the need to develop our own energy supplies, and especially those that can offer an immediate relief from the energy crisis.

Mr. Speaker, I commend to your attention an article from Tuesday's Christian Science Monitor, which describes the practical application of methanol in automobiles. The article follows:

Methanol Talked up as Gasoline Alternative

(By Charles E. Dole)

I step on the "gas" pedal, shift into high, and I'm rolling along State Route 2 heading west from Boston. The car, a 1974 Ford Pinto, has just over 40,000 miles on the clock.

What's so different about my ride this morning? Just this: the car is running on a 15 percent blend of methanol, or wood alcohol, in the fuel tank—and I really can't tell any difference from a car fed by gasoline alone.

The car belongs to Dr. Thomas B. Reed of the Massachusetts Institute of Technology and is part of his ongoing drive to convince a wary world that methanol is an ideal synthetic fuel to stretch the world's finite supplies of petroleum.

The U.S. now is on a massive gasoline-burning binge, buying larger-size cars and using gasoline at alarming rates. This summer could set an all-time record in fuel consumption and perhaps give new immediacy to the need for a backup fuel when the gas pumps run low—maybe by the end of the century.

Of all the backup fuels, methanol now is seen as the most promising alternative to gasoline.

Volkswagen, for example, midway through an 18-month research project, finds that a blend of 15 percent methanol and 85 percent gasoline reduced carbon monoxide exhaust by 50 percent, compared with regular gasoline fuel Hydrocarbon emissions are reduced about 15 percent, and nitrogen oxide is also substantially cut. The $1.5 million, government-backed project involving 45 cars aims to prove methanol's short-range potential as an automotive fuel-extender and, says Herbert Heitland of VW, to provide a "smooth transition from gasoline-powered cars to methanol-gasoline-powered cars from 1980 onwards."

In Sweden, a 300-car fleet is testing a similar methanol-gasoline blend—and tests are under way or planned in other parts of the world as well.

The U.S. auto industry readily agrees on the future potential for the fuel and says it can supply the cars if the petroleum companies provide the fuel. "Methanol is a long-range solution to the fuel crisis," declares Serge Gratch of Ford Motor Company. "But," he adds, "it could take 10 years before it would start making an impact."

Joseph Colucci of the General Motors Technical Center in Milford, Michigan, says: "We can build cars which run just fine on a blend," but adds: "We prefer a pure-methanol approach, however.

"If you design a car to run on pure methanol, you can take advantage of methanol's physical and chemical properties. You can get better engine thermal efficiency than with gasoline. You can run at higher compression ratios for better performance. And you can control oxides of nitrogen (NO_x) much more readily because methanol burns cooler and generates less NO_x."

Further, "We know that with fuel injection we can get very good drivability with methanol while a carbureted system would present more difficulties."

The big stumbling block is cost—an estimated $100 billion for new plants in order to make the "big switch." Also, "if you get any water in the tank, the methanol separates from the gasoline and goes to the bottom of the tank or fuel bowl," says Mr. Colucci. "We don't have that problem with pure methanol."

The Swedes, however, are using 4 percent isobutanol in the gasoline-methanol mix to halt the cold-weather separation of the fluids.

Meanwhile, to soften the cost and massive distribution problem which an all-out switch would cause, many people, including experts of the Energy Research and Development Administration, are studying the viability of using methanol in the nation's huge utility turbines to produce electricity.

The gasoline thus saved could then go into mobile transportation, such as automobiles. "Methanol is a great fuel for gas turbines," agrees Mr. Colucci.

As a fuel, methanol is storable, transportable, and usable right now. "We don't see any promise for hydrogen and gasoline mixed," says GM's Mr. Colucci.

As for electricity to run cars, "It will come," say engineers, "but only for short-haul, commuter-type travel, at least before the turn of the century."

Seattle has looked at the feasibility of converting all municipal vehicles to operate on 100 percent methanol produced from garbage.

Maine is considering a methanol plant to convert 5.5 million acres of forests, affected by spruce budworm which is killing the trees, into liquid fuel.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago, on August 8, 1776, the Continental Congress, concerned about the buildup of British forces in New York, ordered the immediate departure for Amboy, N.J., of the Delaware battalion and the several militia battalions in Philadelphia. That part of the militia lacking arms was to remain behind until armed, at which time it was to leave immediately for the same city.

Congress also directed the Board of War to immediately inquire into the state of the Army in the northern department and the naval forces in the Great Lakes.

HON. WILLIAM E. SIMON ADDRESSES THE UNION LEAGUE CLUB OF NEW YORK

HON. ALBERT W. JOHNSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. JOHNSON of Pennsylvania. Mr. Speaker, recently Secretary of the Treasury William E. Simon, in an address before the Union League Club of New York, discussed the terrible impact that inflation makes on our free enterprise system. He pointed out that when inflation distorts the economic system and it destroys the incentives for real improvement, the people will no longer support the system and society disintegrates. The unique and productive society we Americans have developed over the 200 years of our national life will collapse if we permit inflation to dominate our economic affairs. Federal Government policies which have the result of stimulating inflation, no matter how well intentioned, are a cruel hoax. When inflation takes over an economy, it is the poorest people who suffer most and turn to the Government. It is an insidious process because they become willing clients of the state and the very policies which created their misery.

In my view, inflation is a hidden tax which destroys the savings of those on pensions and fixed incomes, destroys the incentive to save and participate in capital formation, and stimulates speculative fever as prices chase costs in a vicious circle and everybody tries to keep ahead of the game.

We are about to commence the quadrennial national debate of a Presidential campaign. The great balance wheel of representative government is the two-party system, where citizens and taxpayers have an opportunity to vote for or against candidates whose policies will regulate their lives and property for the next 4 years. My good friend, Carl L. Shipley, one of Washington's most distinguished lawyers and political leaders, has called my attention to Secretary Simon's Union League speech. It is a remarkably strong statement and thorough explanation of what happens to a nation when the government spending absorbs so much of the nation's resources that there is not enough left to expand the plant and machinery to employ more people tomorrow.

As Secretary Simon says, "Government doesn't create wealth—people do." I recommend to my colleagues who are presently debating various bills which would cause the Federal Government to spend and spend and create larger deficits leading to more inflation, that they read the following remarks by Secretary of the Treasury William E. Simon, one of America's most distinguished public servants, and a man whose leadership as Secretary of the Treasury has brought down inflation and brought our budget into closer balance, without hurting our national security or lessening the important programs to help those who because of age, physical infirmity, or other reasons are unable to help themselves.

The address follows:

Address by the Honorable William E. Simon

It is both an honor and a real personal pleasure to address this distinguished audience and to be among so many old friends again.

The Union League Club of New York stands for fundamental values of loyalty and dedication and good citizenship which are needed today more than ever. Over a hundred years ago, at a time of national crisis, your founders outlined the objectives that have guided you ever since:

"To dignify politics as a pursuit and a study;

"To reawaken a practical interest in public affairs in those who have become discouraged," and

"To enforce a sense of the sacred obligation inherent in citizenship."

And so your oragnization has fought the good fight against slavery, against denial of the right to vote, against Tammany Hall, and many of you are fighting today against other wrongs in our society and standing four-square behind the things that are right about America.

I know that each of us here shares a common concern about the future and the continued growth of the remarkable and dynamic economic system that has given our people the highest living standards and the greatest prosperity known to man. And it is clear that unless the American people rally behind the principles that underlie this system, our steps will falter. Because far more is involved than the survival of a few companies, or a few jobs, or whether the price of beef goes up or down over the next few months. What is at stake is the very survival of our economic freedoms and, along with them, our personal and political freedoms as well.

Abraham Lincoln, in talking about our nation's founders during the Civil War, said, "Surely each man has as strong a motive now ot preserve our liberties as each had then to establish them."

The same holds true today. Our system, while not perfect, has given Americans the blessings of both liberty and abundance. That system will continue to be true to us so long as we are true to it. This means that every citizen has the duty to ensure that our elected officials pursue sane and solid and responsible policies that will promote our economic stability and assure durable growth.

That is why I believe the election of 1976 is one of the most important in our history—certainly the most important in my lifetime. Why do I say that? Because, the decision the American people make this year at the polls will determine not only our nation's course for the next four or eight years, but well into the next century. And after all the political speeches have been made, and the editorials written, what that decision will really boil down to is this—a choice between the freedom for each of us to live our lives as we best see fit, or the surrendering of more of that freedom to an increasingly powerful government in exchange for a false promise of security and permanent prosperity. This theme was best described by Gibbon in his epitaph for ancient Athens. "In the end," he wrote, "more than they wanted freedom, they wanted security. They wanted a comfortable life and they lost it all—security, comfort and freedom. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for most was freedom from responsibility, then Athens ceased to be free." That is the issue.

I believe that what this country needs is a political program that is, in Harry Truman's words, a genuine contract with the people, a commitment to more than vague good intentions.

This program does not have to be complicated to be effective. All it requires is an underlying moral commitment to personal freedom and care for those who genuinely need help. This commitment would be linked to four equally explicit goals:

Prosperity and economic growth through encouragement of the private sector that provides jobs and generates the abundance that pays for government as well.

Skillful management of economic affairs by creating an environment of sustained, non-inflationary growth which will benefit every man, woman and child in our country.

Reducing the growth of runaway government spending which more and more Americans recognize as the biggest single domestic problem facing our country today.

Lowering the level of taxation in America. Taxes are too high for almost everyone. We must reduce the overall level of taxation so that our vital economy and society are spared the stultification and decay we have seen in other societies where the state has consumed an ever larger part of the national product.

These moral and practical guidelines would provide the basis for the most sweeping reform of American government in our history. But what have the American people been offered thus far in this political campaign? If, indeed, a platform is a contract with the people, then the platform adopted a few weeks ago here in New York City is a stark statement of the principle of spend-spend, elect-elect, inflation, controls, bigger and bigger government syndrome that has been at the very root of our economic problems during the postwar period—especially the past 10 years—and still remains alive and well in Washington, D.C. today.

This platform should really be called "Promises Promises Promises," for just like Santa Claus, and all the platforms from years past, it has something for everybody. The trouble is, playing Santa with the taxpayer's money dispenses neither good will nor integrity. The only thing it does dispense is pure hypocrisy.

Take a look at the platform and see what it calls for:

Guaranteed jobs for all at government expense;

National economic planning;

National day care systems;

A mandatory national health system;

A phased-in federal takeover of welfare;

Entirely new federally funded programs for transportation;

New public needs employment programs for the cities;

Substantially increased federal payments to education;

Countercyclical aid to state and local governments;

More federal subsidies for public housing;

Higher commodity prices for farmers, yet lower food prices for consumers. And then to top it all off, we're promised a balanced budget.

Now isn't it wonderful? There's more money for literally everything that lives and breathes. The list goes on and on. But what it all adds up to is bigger and bigger government, higher and higher inflation, and eventually more unemployment and greater economic instability.

And in all of this, mind you, not a word about who would pay for all these programs, or even how much they would cost. Well, they do cost, and they're going to cost a lot, because there is no such thing as a "free" lunch or "free" education, or "free" health care. In fact, there is no free anything.

What is the price of these instant cure-alls? The programs of this platform could easily exceed an additional $200 billion—that's $1,000 for every man, woman and child in America or over one-half of what our federal budget is today. The average American taxpayer would have to work for half the year just to support government, and only then could he start to support himself and his family.

But the platform makes the appealing claim that all these programs are possible without substantial new inflation given a federal policy of full employment, because for every one million newly employed people who pay taxes, the federal deficit will supposedly be decreased by $16 billion. But how are these people to become employed? Why, by spending more money, of course. This means that the deficit will not disappear by such steps but will only grow.

So where would the additional needed revenue come from to balance the budget? It could be raised by borrowing or taxing from the private sector, but that would only lead to a loss of jobs in the private sector. The other alternative would be to inflate the money supply which would merely set us off on another boom-bust cycle. The supposed cure, then, turns out to be illusory, and what results is new and higher inflation which in turn would only lead to a new and higher level of unemployment.

The issues involved here are by no means narrowly economic. They concern fundamental principals of equity and of social stability. The trouble with growing government spending is that however good the intentions which underlie the growth, those intentions are not achieved; that instead, the growth in government spending makes low-income people worse off, undermines social cohesion and threatens the very foundation of a free society.

Here, the outstanding fact is, that in every country in which the percentage of government domination has increased there has been a tendency to move toward instability, toward minority government and toward a threat to a free society. Have we forgotten the inextricable relationship between our economic freedom and our social and political freedoms?

Our desire for progress, in the form of improved living standards and employment opportunities, will surely be frustrated unless we better control the insidious inflation which has destroyed economic stability by triggering a costly series of booms and recessions. The tragic policy errors of the past and our hopes for the future must force us to recognize a basic reality: inflation is the greatest threat to the sustained progress of our economy and the ultimate survival of all of our basic institutions.

There is a clear record from the past: when inflation distorts the economic system and destroys the incentives for real improvement the people will no longer support the system and society disintegrates. I am convinced that our uniquely creative and productive society will also collapse if we permit inflation to dominate our economic affairs. There is no tradeoff between the goals of price stability and low unemployment as some critics have erroneously claimed. If we are to increase the output of goods and services and reduce unemployment, we must first make further progress in reducing inflation.

The intensity of my feelings about inflation has resulted in some critics labeling me as obsessed. However, I am not so much obsessed as I am downright antagonistic toward those who consistently vote for bigger deficits. We must always remember that it is inflation that causes the recessions that so cruelly waste our human and material resources and the tragic unemployment that leaves serious economic and psychological scars long after economic recovery occurs. It is inflation which destroys the purchasing power of our people as they strive—too often in a losing struggle—to provide the necessities of food, housing, clothing, transportation, and medical attention. Inflation is not now, nor has it ever been, the grease that enables the economic machine to progress. Instead, it is the monkey wrench which disrupts the efficient functioning of the system. It is the most vicious hoax ever perpetrated for the expedient purposes of a few at the cost of many. And there should be no uncertainty about its devastating impact, particularly for low-income families, the elderly dependent upon accumulated financial resources and the majority of working people who do not have the political or economic clout to beat the system by keeping their incomes rising even more rapidly than inflation. When inflation takes over an economy it is the poorest people who suffer most and turn to the government. It's an insidious process, because they become willing clients of the state and the very policies which created their misery.

The Democratic party platform then, far from being a guide to a new prosperity built upon sustained non-inflationary growth, is in reality a blueprint for economic disaster. By advocating such a massive and undesirable federal takeover of our national economy without even stipulating the means, the cost, or the method of payment, this platform not only insults the good faith and intelligence of the American taxpayer, but ignores the fundamental lesson of the past decade: it was these same excessive fiscal and monetary policies that caused the worst inflation in our peacetime history which in turn led to the worst recession in more than a generation. Our people have paid a terrible price for that ignorance.

In President Ford, we have a man who knows that real leadership is not always saying yes, because he has had the courage to say no. Thanks to his prudent, tough policies, we now have the best chance in a long time to enter an era of durable economic stability.

Our critics term the President's policies "Government by veto." But it is precisely because the President has vetoed more than 50 bills passed by the reckless free-spending Congress that the taxpayers have saved more than $14 billion.

Restraint on spending brought about by the President is the reason inflation has been cut in half, inflationary expectations have been lessened, and 87½ million people are now working, more than at any other time in the nation's history. In essence, we've come a long way from the depths of the recession in 1975 and we're now well advanced into a period of economic expansion.

The essential point to remember, however, is that the President acted as he did because he had to. We must never forget that the other party has controlled both houses of Congress in all but four years since 1930. During this campaign the American people are being told we need to try new ideas, to spend a lot more money to create public employment which will allow us to balance the budget. This is a total contradiction; more of the same old quack nostrums which have in reality produced budget deficits in 38 out of the past 46 years. Every time you see the sun rise here in New York City, be reminded that your Federal Government, spurred by an undisciplined Congress, has spent more than a billion dollars of your hard-earned money. And if you think that's incredible, let me give you some more unbelievable facts about government spending.

Since 1962, our budget has exploded from $100 billion to a figure that will certainly top $400 billion in 1977. That's an increase of 300% in 15 years. The government is now growing much faster than our ability or willingness to pay for it.

The U.S. Treasury in just the past 10 years has borrowed half a trillion dollars in the private capital markets. That's money that was swallowed up by the Washington bureaucracy that could and should have been invested in the dynamic private sector.

Added to that is the suffocating weight of excess government regulations that are threatening to overwhelm many small businesses. Government now controls over 10% of everything we produce in the economy and indirectly controls almost all of the rest. That translates into a cost to consumers of $125 billion a year. One-hundred and thirty million man-hours are spent just filling out the forms.

It doesn't take a Ph.D. in economics to realize that the federal government has become the nation's biggest single employer, its biggest consumer, and its biggest borrower, and also the biggest source of inflation in the United States economy.

I am frankly astonished that whenever our critics are confronted with such irrefutable evidence proving we have too much government, they nevertheless plow on trying to make the case that there is not enough. The casualties of this misguided logic are jobs.

Free lives, individual lives, productive lives are built on capital investment, not on the red ink and the printing press of the government. If we are going to create the kind of jobs that will keep people permanently employed, that will meet the needs of a growing labor force and that will reduce our inflation by expanding our output of goods and services, then we must equip our workers with new and efficient plant, machinery, and tools. These capital needs of the future are staggering, about $4½ trillion in the next decade—or about three times as much as we spent in the last decade.

Savings are the source of this needed capital. But savings are currently being drained by excessive government deficits. Resources absorbed by government for its spending today cannot simultaneously be invested in expanded plant and machinery to employ more people tomorrow. We cannot have both bigger government and a healthy expanding private sector. Government doesn't create wealth—people do. We cannot continue to transfer each year an increasing percentage of our national wealth from the most productive to the least productive sector of our economy without endangering the economic future of our children.

If we're really sincere about providing more productive and lasting jobs for our economy we will only succeed by strengthening our free enterprise system, and that, I might add, constitutes the centerpiece of President Ford's program. This means controlling government spending, getting rid of excessive and counterproductive regulations, reducing personal and corporate taxes, and striking a new balance that favors less consumption and government spending and more savings and investment. The only way to wage a real war on poverty is to create jobs in the private sector, not jobs for bureaucrats.

In the past, we have looked upon our dynamic free enterprise system as the Golden Goose that produced all our blessings and encouraged the self-initiative that has made our country the envy of the world. But today Congress is spending faster than the goose can lay its eggs. And should these policies continue, they will not only steal all the eggs, but kill the goose itself.

What a tragedy that would be. Just look at what we would be sacrificing:

The private sector produces the food we eat, the goods we use, the clothes we wear, the homes we live in.

It is the source of five out of every six jobs in America, and it provides, directly and indirectly, almost all the resources for the rest of the jobs in our all-to-rapidly expanding public sector.

It is the foundation for defense security for ourselves and most of the Free World.

It is the productive base that pays for government spending to aid the elderly, the jobless, the poor, the dependent and the disabled. Indeed, far from being the inhuman monster caricature painted by political demagogues, the American private sector is in reality the mightiest engine for social progress and individual improvement ever created.

This, is the crucial theme that must be communicated broadly and deeply into the national consciousness: The American production and distribution system is the very mainspring of our nation's strength—the source of present abundance and the foundation of our hopes for a better future.

Yet we could lose it unless we act. Let's face it. Under the politics of spend-spend, elect-elect we will get a massive increase in federal expenditures which will inevitably be followed by a new round of double-digit inflation and a wrenching recession. And that means more cries for government help and more calls for government intervention. So what we're talking about is the survival of our free enterprise system and, more importantly, whether the protection of our personal liberties can survive in its absence.

Ladies and gentlemen, the question is, are we going to promote the individual or the government? We cannot do both. That is the issue, and our freedom and your children's is at stake. Do we want more freedom of choice and more freedom of individual action? Or do we want to see these freedoms and all the other individual freedoms we hold so dear gradually erode under more and more government encroachments on our lives. That is the true, crucial decision behind the rhetoric and personalities of this election year. And the choice we make will affect not only our own futures, and our children's, but the future of our country itself as America embarks on its third century as the hope and inspiration of free people everywhere.

Gerry Ford has taken his stand. He's taken a stand to protect the dignity and freedom of millions of individuals like yourselves by leading the battle to slow the growth in government. Control over government spending will allow you to keep more of your own money. President Ford has made and continues to make these tough decisions despite persistent criticisms, because he knows that it's the hard-working taxpayers who keep this country going. And those people need to be protected, not punished. That's the honest way to run an Administration—nothing flashy, no gimmicks, just facing up to the job at hand each day and doing it. And by succeeding, he's also demonstrated that he understands what the real meaning of compassion is all about.

Two hundred years ago Thomas Jefferson said, "To preserve our independence we must not let our rulers load us with perpetual debt. We must make our choice between economy and liberty, or profusion and servitude." That was the choice 200 years ago and it remains the same today. But time is now running out—1976 may be the last opportunity we will have to stem the tide of big government and thinly disguised state socialism as practiced—if not preached—by many in Congress and elsewhere today.

If we love our freedom, then we must be prepared to defend it. Between now and election day I urge each one of you to decide how you can most effectively contribute to the preservation of a society that in 200 years has come to symbolize man's capacity to attain freedom, prosperity and dignity. This is an election in which the individual efforts of individual citizens will make the difference.

Thank you.

THE U.S.S. "MISSISSIPPI"

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. DOWNING of Virginia. Mr. Speaker, on July 31 the U.S.S. *Mississippi* slid down the ways at Newport News Shipbuilding & Drydock Co. into the James River. She will soon join the fleet of the greatest naval power on Earth. It was an inspiring moment that brought pride in accomplishment to those who built her, and pride in being an American to those who watched the christening ceremonies.

To mark the occasion, the Honorable JOHN C. STENNIS, U.S. Senator from Mississippi and chairman of the Committee on Armed Services, delivered a stirring and provocative address on the Navy's unchanging mission: decisive naval power.

I would like to take this opportunity to share Senator STENNIS's remarks with my colleagues, Mr. Speaker. I am sure Members of the House will find the Senator's thoughts as timely and impressive as I did:

REMARKS BY SENATOR JOHN C. STENNIS

THE NAVY'S UNCHANGING MISSION: DECISIVE NAVAL POWER

Secretary Middendorf, President Diesel, Americans all:

First, I bring you warm greetings from the people of Mississippi, and for them, I thank the Navy for naming this ship for our State. Mississippians are proud of our heritage, our culture, our traditions and, if I may say so, of our loyalty. Our people have fought with valor in the defense of our nation in past wars and take great pride that we have been in the forefront when duty called.

Also, on behalf of Mississippi's splendid Governor, the Honorable Cliff Finch, and at his special request, I bring greetings to the Navy, to those who have built this ship, to the Mississippians who are present, and to the other guests and visitors. Governor Finch regrets that he could not be here in person, but he is proud that members of his family will play significant roles in this ceremony.

Seventeen months ago many of us were here when a slab of steel was laid as the keel for the New USS *Mississippi*. Today this new, nuclear-powered guided missile cruiser will be launched and later join the fleet to assume its anti-aircraft and anti-submarine role as a part of an aircraft carrier task group.

The construction of this ship is a tribute to the Navy, the 23,000 shipyard workers here, and to this shipyard management and organization, where about 500 ships have been constructed in the last 85 years.

This shipyard, along with the other privately operated shipyards throughout the country, are great national assets, indispensable to our national defense. Our free enterprise system is the basic economic strength of the American way of life. Its productivity and achievements range from the success of the American farmer in producing food for the world to this fine ship which we launch today.

Use of the name U.S.S. Mississippi

The three ships carrying the name of the U.S.S. *Mississippi* over the past 135 years—from side-wheel steamer to nuclear power—are concrete illustrations of the progress of naval advancements and power over this long period of time.

The first U.S.S. *Mississippi*, the 1841 side-wheel steamer, which among other things served as Commodore Perry's flagship, was destroyed in an assault against the Confederate forces in New Orleans in 1862. The 1908 and 1917 battleships bearing this same name also played crucial roles in naval power. The U.S.S. *Mississippi* being launched today, therefore, symbolizes progress in the Navy. She is a dramatic part of a dramatic modernization program which is essential for our continued supremacy of the seas.

Our Navy has an unchanging mission. Many of our resources, our allies, and our enemies as well, lie overseas. In most of our wars in the last 175 years, including the Revolutionary War, this country would not have been victorious without superior naval power being on our side.

This mission to maintain decisive naval power for our global interests will remain as imperative for the future as the past. Our global interests and and overseas dependence grows, not lessens, with each passing year.

As we all know, over 35 percent of our oil must be imported, as well as 90 persent of all types of strategic materials and metals consumed in this country. These percentages will increase. Our ability to move unhampered through the world's oceans is crucial to our economy and strength, both in peace and in wartime.

A strong and powerful Navy—a Navy second to none—is the greatest deterrent to war and influence for peace that our country can possess. I believe, beyond all question, that we have the most balanced and effective Navy in the world today. The very special advantages possessed by our Navy make it clear that it is now more than a match for any aggressor or combination of aggressors.

Soviet naval threat

In the last twenty years, however, the Soviet Navy has grown from a coastal defense force to a full-fledged ocean-going navy and poses an ever-growing challenge.

Our Navy can carry out our mission. But we must get on with modernizing our fleet if the United States Navy is going to be in a position to carry out its mission in the decades ahead.

I also believe, beyond all question, that we must provide a new family of modern ships as quickly as we can or, ten years from now, we will find that our Navy has fallen behind. This would be a calamity, not only for us but for the entire free world. The money that the Congress is providing now is intended for this purpose. The stream of ship production which is now contemplated must become a reality without delay or interruption!

Time has already been lost due to the deferral of shipbuilding during the Vietnam war. To modernize a fleet is a slow, expensive process. For larger ships it takes about ten years from the drawing board until a ship enters the fleet ready for combat.

All of these facts, the Soviet naval buildup, the Vietnam funding deferral and the time-consuming ship construction process, are facts we can do little about.

There are, however, two issues which are subject to our control which I will briefly discuss.

Need for a consensus on new ships for the Navy

One of the great strengths of our democracy is the intense debate and criticism to which we subject all of our defense programs, and I thoroughly believe in a vigorous debate on what type of ships we should build.

I am of the view, however, that as we debate the composition of the Navy, there is an urgent need to develop a greater consensus as to what we need. In both the Congress and the Executive Branch, there are divisions of opinion, growing sharper, on the types of ships we should build. Some want more nuclear ships, some desire a conventional nuclear mix, others want greater emphasis on submarines and still others desire additional surface ships. Unless a greater consensus is developed, I am concerned that our attempt to modernize the fleet will be slowed and possibly jeopardized. Both the Executive Branch and the Congress must continue to strive to achieve a greater degree of agreement in order for these programs to move forward. The needs of the Nation demand no less.

Shipbuilding claims issue

The other issue that should not be allowed to delay fleet modernization is the resolution of prior-year shipbuilding claims.

In no way do I attempt to assess the validity or place the blame with respect to any of these claims. The Government should not pay out one dime that is not owed or reward any mistakes of private contractors. At the same time, the Government should recognize its responsibilities and obligations under these old contractual arrangements.

Long delays have characterized settlement of shipbuilding claims. For example, last year a claim was settled for late and defective Government-furnished equipment and other justifications—three years after filing. Some resolutions have taken even longer. Too many of these claims tend to drag on, month in and year out. Thus, results become more remote.

I would observe that there is no doubt in my mind that some of these claims must have validity based on our previous experience and settlements. Some have been paid. My remarks are not aimed at one shipbuilder. Instead, my remarks relate to the Navy, the Department of Defense, and major shipbuilding contractors.

All year long I have pushed hard, against sharp opposition, for funds to pay these old bills. Congress has now authorized and is in the process of appropriating $1.6 billion this year, to pay these old bills including claims. The Congress has done its part in providing the money.

That shows how the great majority of the Congress feels. There are some dissenters, and I have to say I am glad these dissenters are not running the Navy. As I have said, the money is in the last stages of being appropriated. The House bill and the Senate bill now have that sum in them, and I don't believe this amount will be attacked again on the floor of either House this year.

It is now imperative for all parties, Navy and Department of Defense officials and shipbuilders alike, to immediately sit down and negotiate a fair settlement—fair to all sides. This must be done in a reasonable period of time.

The Congress has met this issue head-on. I am not asking you to commend the Congress. That is up to you. I am part of it. But we have faced up to the problem. And I say for emphasis to all the American people that this has the overwhelming support of their Representatives and their Senators, and I am delighted that so many of them are represented here today. They didn't come to hear me speak; they came because of their interest in these programs.

Prospects without a resolution to claims issue

Now, why do I emphasize the claims problem? Because I am convinced, my friends, that it is going to materially retard our ship construction program if a settlement is not reached on those claims involving the major shipbuilders.

With all proper respect for lawyers—I am a lawyer—and with due respect for the courts—and I used to be part of the courts—they have their place, but they cannot build ships. They cannot build ships. We have to get these claims settled or there will be a serious setback to our shipbuilding program.

Using Federal government-owned shipyards for new ship construction provides no answer to the overall demands for construction. According to Navy estimates, new construction costs are about one-third greater, even if necessary management talent and labor were available.

We all know that there is sharp competition for the defense dollar. The Army today is short of ammunition, artillery and other weaponry needed for Western Europe. The Air Force needs a greater number of new, modern aircraft. Funds for building Navy ships now take up about 25 percent of the entire Defense procurement budget. If this shipbuilding claims problem continues to drag out and delays the construction of new ships, it will be difficult to resist demands to shift ship dollars to other programs.

I am encouraged to learn that steps are being taken by the Navy and all the building contractors to more clearly define the obligations of all the parties involved. I strongly urge that all possible action be taken in this regard.

With men of good will on all sides actively seeking a fair settlement of this problem, and with logic and national necessity dictating such a result, and Congress already having appropriated the needed funds, I have no doubt as to the ultimate outcome. I am now encouraged, not discouraged.

I want to close now with one further word. I think our Bicentennial programs, my friends, have helped tremendously and we are thankful for all of them. But we cannot save our Nation by resolutions, marches, and patriotic programs and slogans alone. We can't save our Nation either merely by building ships.

We must realize that the honor and character of our Nation sometimes seems to be shifting and changing and that somehow and in some way all is not done in the true spirit of helping our Nation in these changing times. Doubt is in the minds of some of our people, and even our allies—or some of them—are asking themselves the question: Is America on the way up or is America on the way down?

I want to answer quickly: We are not going down. That is not the American way. But I can see how some of our actions, slipshod ways and laxness can be misinterpreted. Those are signs that don't look good. But America is on the way up, and every real American must believe and act the part of believing that America continues on the way up to even more strength and a broader, fuller life. Every intelligent American must believe and act as if he or she believes that moral values and things of honor and integrity still count, and that they are necessary.

We want our country and our people to have strength and honor and integrity, and we must personally stand for those things that create these values—for instance, pride in an honest day's work and pride in achievements of a personal nature, be they large or small. We have to remember always that our great Nation, with its freedom, was founded on spiritual values, and that we have got to keep that goal. There is no way around it. Otherwise, it could mean self-destruction. No one can defeat us but we can destroy ourselves.

There are enough people that carry these things in their hearts and minds and cling to those values that we know that our Nation was founded on and keep those spiritual values a part of America. If we continue to do that, and remain willing to do our part and keep doing it, then I believe a thousand years from now people will still be gathering here or somewhere else and saying God Bless America. So I say God bless the shipbuilders, the Navy and all America.

Thank you very much.

TO PASS OPEN-FLAME TEST

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. DODD. Mr. Speaker, last month I brought to the House's attention the serious flammability hazard of polyurethane mattresses. In an effort to solve this problem, my colleague from Connecticut, U.S. Representative STEWART B. MCKINNEY, and I met last week with seven leaders of the plastics industry.

These industry spokesmen agreed with us that polyurethane mattresses do present a serious threat to persons in high-risk areas of many institutions throughout the country. They further agreed that mattresses used in these high-risk areas should be able to pass an "open-flame" test, a more rigorous test not currently part of the Federal mattress flammability standard.

To determine the extent of the polyurethane mattress threat, Representative MCKINNEY and I sent detailed questionnaires to more than 200 State corrections, consumer, health and mental health officials across the Nation. To date, we have received many substantive replies from these officials. 35 officials in 29 States have declared their strong support for upgrading the Federal flammability standard to include an "open-flame" test for mattresses used in high-risk areas. Only five replies have recommended against such a test.

We continue to receive 5 to 10 responses daily, and many contain impressive evidence to support more stringent Federal mattress safety requirements. Some of these responses are quite eloquent in their support for stronger standards, and periodically we will be sharing them with you. At this point in the RECORD, I would like to share with my colleagues the response from the Texas Department of Mental Health and Mental Retardation:

TEXAS DEPARTMENT OF MENTAL
HEALTH AND MENTAL RETARDATION,
Austin, Tex., July 27, 1976.

Hon. CHRISTOPHER J. DODD,
U.S. House of Representatives, U.S. Congress, 429 Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN DODD: Dr. Kenneth D. Gaver has asked me to respond to your letter to him of July 1, 1976, regarding flammability characteristics of polyurethane and other types of mattresses currently in use in public health and penal institutions. A copy of this letter is being sent to each of the Senators and Congressmen from Texas.

I will respond to your questions in the same order in which they appear in your letter:

"To what extent are polyurethane or other types of mattresses used by public institutions under your jurisdiction? By private institutions and the general public in your state? (Specific types and numbers of mattresses and types of institutions, i.e. prisons, hospitals, nursing homes, mental facilities, orphanages, etc., would be most helpful.)"

Polyurethane mattresses make up about 91% of the mattresses owned by the Texas Department of Mental Health and Mental Retardation. At the present time, we have approximately 16,700 mattresses in use, and the total number of polyurethane mattresses owned by this Department is approximately 24,000.

We do not have detailed information for private institutions and the general public, but it is felt that there are large numbers of polyurethane mattresses in use throughout Texas by the private sector. For example, in this State there are approximately 980 licensed nursing homes with some 93,000 beds. We do not have any information regarding the types of mattresses in use in these facilities, but there is a good possibility that many are polyurethane.

The Texas Department of Corrections manufactures mattresses for use in state and local governmental facilities throughout Texas. They report that they have furnished approximately 8,300 polyurethane mattresses to Texas colleges and universities, the Texas Youth Council, and to city and county jails. They reported that there are no polyurethane mattresses in use in Texas Department of Correction facilities.

"Have there been any mattress fires in your jurisdiction? Can you attribute any deaths or injuries to this source? If so, how many, when, and, specifically, what types of mattresses were involved?"

Mattress fires do occur in facilities of this Department in spite of diligent efforts to prevent them. We recently experienced one death resulting from a mattress fire on May 18, 1976. The fire occurred in a six-bed bedroom in a ward building at the Austin State Hospital. All six mattresses in the bedroom were polyurethane. The fire originated under one mattress in the bedroom and in approximately five minutes the fire spread to the remainding mattresses in the room. The mattresses were consumed very rapidly with great volumes of smoke, flame, and heat intense enough to deform the steel roof joists. A resident in an adjacent bedroom was overcome by smoke and heat and was rescued through a window. The resident was hospitalized from smoke inhalation and first and second degree burns to the upper portion of the body. He recovered from his burns, but died on June 9, 1976 of bilateral pneumonia, secondary to smoke inhalation.

The fire started about 4:00 p.m. when nearly all of the residents were out of the dormitory. If the fire had occurred at night or in a building housing non-ambulatory residents, the results would have been more tragic.

On June 26, 1976, in the same Hospital in another building, a fire was experienced where one polyurethane mattress was ignited in a four-bed bedroom and the fire spread to two other polyurethane mattresses within a few minutes.

On July 19, 1976, in a fire at another of our facilities, one of the few cotton innerspring mattresses still in use became ignited. Only about 5% of the mattress was burned and the fire remained small. Under the same circumstances, it is felt that had this been a polyurethane mattress, it would have been a large and destructive fire.

"What action has been taken to correct the problem, or what have been reasons such action has not been initiated? What were the costs involved, or what would be the potential costs?"

Since the fire of May 18, 1976, we have conducted numerous tests to determine the flammability characteristics of polyurethane mattresses in use at TDMHMR facilities. Our tests indicate that polyurethane mattresses will successfully pass the cigarette test as outlined in Federal Register Vol. 37, No. 110, Wednesday, June 7, 1972. None of the mattresses tested in this manner ignited. However, all of the polyurethane mattresses tested under conditions simulating a deliberately set fire burned very rapidly with intense heat and large volumes of smoke. The mattresses were completely consumed within as little as two minutes after ignition. Some of these mattresses were identified as being "self-extinguishing" or "flame retardant", and most were covered with tick classified as "flame retardant". We are now working with the Texas Department of Corrections to develop a safer mattress to replace the polyurethane type. Preliminary test results on experimental mattresses are encouraging. To date, it is estimated that approximately $5,000 to $6,000 have been spent in staff time in the testing and development work which has been performed. It is presently estimated that it will cost $1,680,000 to replace our existing 24,000 mattresses at about $70.00 each from commercial mattress manufacturers:

"Do you think that the current Federal standards for mattress flammability should be changed? If so, in what way? Would you support a change in the Federal regulations that would mandate an open flame test for all mattresses? Only for mattresses used in institutions? If your state has revised its standards, would you please send us a copy of the new regulations?"

We strongly support revised Federal standards for mattress flammability which will protect all users from hazardous materials. We believe that mattress flammability tests should be developed which will more realistically establish the flammability characteristics of mattresses when they are exposed to actual conditions such as bed linens which have become ignited or mattress fires which have been deliberately set. Our tests indicate that the so-called cigarette test is not an effective test. Also, our tests indicate that "open flame" tests are not necessarily effective in determining the behavior of mattress materials under actual conditions of use.

For instance, some of the polyurethane material from mattress cores which we tested passed the open flame test of a Bunsen burner when tested according to ASTM Specification No. D-1692. Briefly, this test requires that the flame of a Bunsen burner be applied to a corner of a 12"×6"×1" specimen unil the specimen is burning freely. Upon removal of the flame, the specimen must self-extinguish within ten seconds in order to be classified as a self-extinguishing material under this test. We found that a mattress core of polyurethane material which successfully passed this test burned fiercely and was totally consumed in a short period of time when ignited by burning bed linen.

We feel that present Federal standards for mattress flammability are not effective and that mattress flammability should be determined by tests which are more effective than the cigarette test and ASTM Test D-1692. We believe that the rate of combustion and the volume and toxicity of smoke produced are factors which are of vital importance in determining the safety of mattress materials, and flammability tests should take these factors into consideration. We believe that there should be realistic safety standards governing the flammability of mattreses, particularly those used in institutions and public lodging places.

The State of Texas has no State standards on mattress flammability. This Department has, since 1971, required that all polyurethane foam mattresses purchased for use in our facilities be of self-extinguishing foam tested in accordance with ASTM Test D-1692, but as mentioned earlier, these mattresses will burn fiercely when ignited by burning bed linens.

We appreciate your interest and concern in this matter of consumer safety and we appreciate your giving us this opportunity to comment on our experience with polyurethane mattresses. We will be pleased to furnish any additional information which we have on this subject, and we will assist in every way possible in finding a solution to this problem.

Sincerely,

W. G. Kirklin,
Assistant Commissioner.

LETTER FROM ISRAELI STUDENT

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mrs. KEYS. Mr. Speaker, I wish to take this opportunity to share with my colleagues the warm, sensitive letter which I have received from one of two visiting Israeli students whom I had the pleasure of meeting with during one of my trips to Kansas:

July 20, 1976.

Dear Martha Keys: I was grateful to get your letter sent on the 2nd of April and sorry for the long time it took to catch me finally here in Israel.

I am also very grateful to you for giving Chagit and me this unique opportunity, of having this open and very honest talk.

I want to express my deep admiration to your knowledge and understanding of the Israeli problems and general situation, and to your will to hear two Israeli youngsters' opinions and hopes for the future too.

Two events have occurred lately and have strengthened my hope that peace and justice will govern upon this planet one day.

One is the releasing of captive Jews at Entebbe airport in Uganda by Israeli forces, showing that if we gather our will and power together, forgetting for awhile our narrow superficial interests, we can diminish the international terrorism out of this world.

The other deals with the medical aid and food sent by my government to Lebanon in its crisis. It shows once more that even when we are intensive conditions with our neighbouring countries, we can still cooperate and help one another for the sake of all inhabitants of this world, being led by humanitarian causes.

Furthermore, I hope this will serve as a positive example of behaviour for our neighbours, the Arabs.

I dare to be inspired by these events and strengthen my desire for true peace and understanding between people and nations, which I believe you share with me.

With my deep respect,

Shalom,

Reuben Tzajor,
Israel.

U.S. NEWS COMMENTS ON ARMS-SALES LUNACY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ROSENTHAL. Mr. Speaker, the American people have been alarmed in recent weeks by disclosure of the character and extent of U.S. arms sales to the Middle East.

In Iran, the Senate Foreign Relations Committee has learned, tens of thousands of American personnel are deeply entwined in military operations. Despite the study's conclusion that our arms sales threaten to create a de facto American commitment to the Shah, Secretary of State Kissinger has now announced the administration's intention to sell another $10 billion worth to the Iranians over the next 6 years.

In Saudi Arabia, which this year surpassed Iran as our largest weapons customer, the administration has been negotiating the sale of 2,000 Sidewinder air-to-air missiles. Although this transaction has run into strong public and congressional opposition, the State Department is contemplating the additional sale of Maverick TV-guided missiles, TOW wire-guided missiles and laser-guided "smart" bombs to the Saudis. Total American arms sales to Saudi Arabia in the last year are already near the $6½ billion mark.

In Jordan, which acknowledges that it abstained from the 1973 war because it lacked air defenses, the United States has eagerly sought to sell an elaborate $540 million Hawk antiaircraft missile system.

And in Egypt, the most powerful of the Arab States confronting Israel, the United States has inaugurated an arms-supply relationship with the sale of C-130 Hercules military transports.

U.S. News & World Report of August 16, 1976, contains an insightful analysis of American arms sales policy in the Middle East. I recommend the article, written by Deputy Editor Joseph Fromm, to my colleagues.

The text follows:

New Perils in Arms Sales to Mideast

A year after the disengagement from Southeast Asia, the U.S. is being drawn into an ever-deepening involvement in the explosive Mideast.

That entanglement turns out to be an unexpected by-product of a policy designed to promote the massive sale of this country's most sophisticated nonnuclear weapons.

Until quite recently, Washington decision makers maintained that the U.S. stood to gain a great deal at little risk from arms deliveries to such countries as Iran, Saudi Arabia and Egypt.

Their argument: America is winning influence at the expense of the Soviet Union, obtaining leverage to promote an Arab-Israeli settlement and earning billions of dollars to bolster the U.S. balance of payments.

Now a report issued by the Senate Foreign Relations Committee tells a different story. It drives home this point, based on a study by experts: "The U.S. assumes the obligation of long-term support for the equipment it has sold. The purchaser becomes dependent on the U.S. in much the same manner as a local automobile dealer becomes dependent on Detroit."

That means the continuing sale of sophisticated weapons to nonindustrial states involves a military commitment on the part of the U.S.—one that conceivably could drag this country into a future Mideast war.

KEY DEVELOPMENTS

Three events in early August brought to light the implications of the expanding scale of these commitments:

1. The Senate report revealed that 50,000 to 60,000 American military technicians—maybe even more—will be needed by 1980 to help maintain and operate the 10.4 billion dollars' worth of arms that Iran has purchased from this country since 1972. Iran, according to the study, cannot go to war without U.S. support "on a day-to-day basis."

2. Washington agreed to sell thousands of laser-guided "smart bombs," Maverick air-to-surface missiles and "TOW" antitank missiles to Saudi Arabia. These sales come on top of 6 billion dollars in American arms contracts already signed with that oil-rich kingdom over the past year or so.

3. Jordan decided to buy a 540-million-dollar American air-defense system after threatening to turn to Moscow for weapons because of a financial quibble. Saudi Arabia agreed to foot the bill. Result: The U.S. will remain Jordan's prime supplier of military equipment.

Besides commitments to these three countries, the U.S. is deeply involved in Israel as the major foreign supplier of advanced weapons. Arms deliveries to the Jewish state this fiscal year will total 1.5 billion dollars, with at least another billion set for the 1977 fiscal year.

Now Washington is establishing military links with Egypt, Israel's most powerful adversary, for the first time in 20 years. The sale of six C–130 Hercules transport aircraft to Cairo, after Egypt's break with Russia, is seen as the first installment in a continuing program of American arms deliveries.

The Senate report makes clear that a shooting war anywhere in the Mideast would confront the U.S. with difficult and potentially dangerous dilemmas.

DILEMMA NO. 1

Should Washington in a conflict involving its arms customers let its technicians remain and participate in the hostilities? Or should the U.S. renege on commitments to keep sophisticated weapons in full operation?

That dilemma would arise, in particular, in the case of Iran and probably Saudi Arabia. Both have long-standing, if dormant, feuds with neighbors, and both lack the know-how to operate some of the weapons they are buying from this country. The Senate study makes this point about Iran's purchases: "The F–14 system is so complicated that the United States Navy is having major difficulty keeping it operational. Iran's Spruance-class destroyers will be even more sophisticated than those being procured by the U.S. Navy."

DILEMMA NO. 2

In another Arab-Israeli war, should the U.S. mount a large-scale resupply operation for American clients on either or both sides? Or should it allow them to run out of essential supplies?

In the 1973 conflict, the rate of attrition was so great that it took an American airlift to save Israel from defeat because of a lack of ammunition and replacement weapons.

Now under close study in Washington is this question: How can the U.S. avert the danger of being dragged willy-nilly into a Mideast war?

Independent experts say there is no way to escape the risk entirely—not as long as the Arab-Israeli conflict remains unresolved and Russia seeks to buy influence among the Arabs by supplying advanced weapons on a large scale.

In their view, the U.S. cannot hope to dislodge the Russians and expand American influence in the Arab world unless it can guarantee delivery of essential military supplies.

Furthermore, the experts point out, the U.S. is pledged to maintain a military balance between Israel and its Arab adversaries to protect the security of the Jewish state.

In this situation, Mideast specialists assert that an Arab-Israeli peace settlement offers America the best hope of avoiding involvement in a new war.

Iran and Saudi Arabia pose different problems. Arms-control specialists contend that much tougher constraints are required to limit the scale and type of weapons going to these countries. Congress has moved in this direction with a law permitting a legislative veto of arms deals exceeding 25 million dollars.

In the final analysis, this is the lesson that emerges clearly from the new Senate committee study:

The delivery of quantities of modern weapons to Mideast countries may have succeeded in buying the U.S. influence at Russia's expense and in putting this country's balance of payments into the black, but it also has locked America into potentially high-risk, commitments that seemed inconceivable a year ago.

PRODUCERISM—KEEP TAXES DOWN

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. COLLINS of Texas. Mr. Speaker, we should take a good look in Congress at the constant trend toward the heaping of excessive taxation on Americans' sore backs. Taxation reminds me of planting an acorn and watching it grow into a big oak tree. The acorn seems small when Congress initially passes each tax bill.

In the early days of our Republic, Chief Justice Marshall stated that the power to tax is the power to destroy. Apparently in Congress we overlook the discouraging impact of taxation on our citizens. In order to produce more, we need to provide a direct incentive relationship in which a person who produces goods and services will be paid back dollars, instead of seeing these dollars drained off to the IRS in taxes.

Let us look at income tax. On my office wall I have a copy of the income tax form 1040 for the year 1913, the first year the income tax went into effect. When we adopted this 16th amendment to our Constitution, on October 3, 1913, it was thought that the income tax would have very little effect on anyone except the very rich. Everyone thought it was a good idea because the average citizen was not going to be taxed at all.

In 1913 the income tax on income between $20,000 and $50,000 was only 1 percent. This was on net income after all the deductions had been allowed. You were allowed not only general deductions, but a specific exemption of $4,000. If you were earning $50,000 in 1913, you would be earning $289,300 in terms of dollars today. Where you would be paying $260 on the $50,000 earned in 1913, today you would pay a tax of $202,510 on the equivalent income of $289,300. This acorn has come a long way.

How this hurts is that it discourages investment and the creative thinking that would develop new and expanding business.

Now, let us look at social security and the way it affects most people today. When the Social Security Act was first enacted in 1935, people were told that Congress had provided a separate reserve account for each individual and that these funds would be earmarked for them. When a person reached 65, his reserve would be there. Let us look at what has happened.

Today we are no longer talking about individual reserves. Instead we talk about the overall picture and the cash flow. We all know that the reserves that have been accumulated over the past 40 years have already been depleted. During the first 12 years of the social security system, from 1937 to 1949, the total amount paid into social security benefits each year was $60. The individual paid $30 and his employer paid $30. The taxable wage base during these 12 years was $3,000. By 1975, the tax rate had jumped from 2 percent to 11.7 percent, the wage base had risen to $14,100, and the tax payment for social security had grown to $1,649. Although the individual is now seeing a total tax which is 27 times as large as when it first got started, he realizes that this tax money is no longer "earmarked for him," but is going instead into a general Government slush fund.

It seems clear that an alternative should be provided for those individuals who want to provide their own social security—those who wish to be independent and earmark funds for themselves from their own investments which can be used as a pension plan providing security for themselves and their families. The tremendous increase in social security tax from $60 to $1,649 and in income tax from $260 to $202,510 on the same amount of income illustrates just how far we have traveled down the primrose path to national bankruptcy. This should serve as a lesson to Congress in its future planning. When a program is started we have to think in terms, not of its initial cost, but of its eventual cost.

It is alarming to think that today 40 percent of our gross national product is going for taxes. When will the well run dry? If taxes keep increasing at the rate they have been, the incentive to produce will be gone—and it is producerism which has made this country great. For people to produce, they must receive the encouragement, stimulus, and satisfaction of realizing a return for their work and services.

A few years ago a Government official said that the best policy for our country is to spend and spend, and tax and tax. This is the policy we have been following for several decades now. Let us change this philosophy while we still can. Let us talk instead about business building and expanding and creating more jobs. Let us talk instead of leaving more money in the pockets of our hardworking citizens. Let us talk more about producerism.

FORD TO GET A SCIENCE AIDE AND FOUR NEW ADVISORY UNITS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. TEAGUE. Mr. Speaker, yesterday the Senate confirmed the nomination of Dr. H. Guyford Stever as Director of the new Office of Science and Technology Policy.

The statute which created this Office, which enunciated a science policy and which provided for a comprehensive 2-year survey of the Federal mechanisms for carrying out such policy, emanated from the Committee on Science and Technology which it is my privilege to chair. We are most pleased that the President has now inaugurated proceedings under this new authority.

Mr. Speaker, the New York Times of August 6 carried a factual explanatory statement of the new Office and the statute creating it. I should like to ask that the article, written by Walter Sullivan, be incorporated into the RECORD at this point:

[From the New York Times, Aug. 6, 1976]

FORD TO GET A SCIENCE AIDE AND 4 NEW ADVISORY UNITS

(By Walter Sullivan)

A major overhaul of the apparatus for determining national policy in science and technology at the highest level is to take place after the expected Senate confirmation today of Dr. H. Guyford Stever as director of the new Office of Science and Technology Policy.

The reorganization creates four new agencies within the executive branch of the Government and abolishes one. It brings a representative of the scientific community back to the White House staff for the first time since President Nixon abolished the science advisory apparatus there at the start of 1973.

It also provides for a special blue-ribbon committee to spend the next two years taking a long, hard look at where the United States is headed in terms of its priorities in scientific and technological research—and at where it should be headed.

Dr. Stever is leaving his post as head of the National Science Foundation, to be replaced by Dr. Richard T. Atkinson, deputy director of the foundation, who will probably serve as acting director until the next president takes office.

Dr. Atkinson, formerly a psychologist on the Stanford University faculty, will be the first social scientist in that role.

While changes in leadership of the new White House science section may occur if Jimmy Carter becomes President, its structure is expected to remain intact. In any case, it could be changed only by new legislation.

The empowering legislation, of the National Sicence and Technology Policy, Organization, and Priorities Act of 1976, was enacted on May 11. Its provisions, however, cannot become effective until President Ford nominates someone for the central role as director of the Office of Science Technology Policy, and he is confirmed by the Senate.

On July 21, after two months of off-again, on-again uncertainty, Dr. Stever was nominated for the job. The delay was related to objections by a few conservative senators to social science textbooks prepared under auspices of the National Science Foundation in the four years that Dr. Stever has headed the agency.

President Ford seems to have decided finally that the Stever nomination would not prove politically embarrassing, although it was announced so quietly that it largely passed public notice.

At the time of Dr. Stever's appointment as head of the N.S.F. by President Nixon he was president of Carnegie-Mellon University in Pittsburgh. When the post of Presidential science adviser and its related apparatus, the Office of Science and Technology, were abolished by President Nixon, Dr. Stever, as head of the N.S.F., assumed a limited, ex officio role, as Presidential adviser.

LONG DEBATE ON AIMS

In the three years that followed there has been a continuing debate as to how best to provide the executive branch of the Government with scientific advice and policy assessments, for both the long and short terms.

Congressional hearings were held; studies and proposals were prepared by the National Academy of Sciences, the American Association for the Advancement of Science, the House Committee on Science and Astronautics and others.

The result was the act adopted in May, whose statement of purposes, in the view of the first Presidential science adviser, Dr. James R. Killian, Jr., is "the most significant such statement since Vannevar Bush's 'Science: the Endless Frontier.'"

That document, prepared in 1945, formulated what became the goals of American science and engineering in the postwar years. Dr. Bush had directed the Office of Scientific Research and Development—in Dr. Killian's view, "the most successful and decisive weapons development program in history."

Dr. Killian, now honorary board chairman of the Massachusetts Institute of Technology, was appointed by President Eisenhower as Special Assistant to the President for Science and Technology in 1957. Commenting on the current reorganization a few days ago in a telephone interview, he said it conformed closely to what had been recommended by the committee of the National Academy that he headed.

In particular it enables the Presidential incumbent to choose whether he prefers a single science adviser, in the role for which Dr. Stever had been nominated, or a council of several advisers representing diverse specialties and viewpoints.

In that case the President may appoint up to four associate directors as well as the director of the Office of Science and Technology Policy.

The new agencies are as follows:

THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Within the Executive Office of the President this office will provide advice in such fields as, to quote the empowering legislation.

"Economy, national security, health, foreign relations, the environment, and the technological recovery and use of resources." The role of its director is in effect that of Presidential science adviser.

The office will assist the Office of Management and Budget in its decisions on funding federally supported research and development. It will prepare for the President an annual Science and Technology Report, to be presented to Congress as a counterpart of the State of the Union Message.

During its first year it will also "identify and describe situations and conditions that warrant special attention within the next five years." These would include "current and emerging problems of national significance" as well as "opportunities for, and constraints on, the use of new and existing scientific and technological capabilities."

These "five-year outlooks" are to be brought up to date each year.

The director of this office will provide advice to the National Security Council "at the request" of that council. Like previous science advisers, he will not be a member of the council.

He will, however, serve on the Domestic Council, which includes the President, Vice President and a number of department heads. It deals with domestic policy problems, primarily through ad hoc committees.

THE PRESIDENT'S COMMITTEE ON SCIENCE AND TECHNOLOGY

This committee, to be formed of eight to 14 distinguished specialists in a wide range of fields, will spend up to two years preparing a report on the nation's science, engineering and technology policies. The President's science adviser will be an ex officio member but not necessarily be chairman.

It will focus on such problems as organizational reform, improved handling of scientific and technical information, better technology assessment in the Federal executive branch, a better environment for technology innovation and a broader base for basic research.

It will also explore "reduction and simplification of Federal regulations and administrative practices and procedures which may have the effect of retarding technological innovation or opportunities for its utilization."

After the committee submits its report, two years hence, and an interim report on its operation within one year, it will be dissolved unless the President chooses to continue it.

THE FEDERAL COORDINATING COUNCIL FOR SCIENCE, ENGINEERING AND TECHNOLOGY

The role of this council is to deal with problems and programs of research and development that involve more than one agency. It replaces the old Federal Council for Science and Technology, which was designed to perform much the same role but, in the view of many, was not very effective.

The science adviser, that is, the director of the Office of Science and Technology Policy, will be chairman. The agencies included are the Departments of Agriculture, Commerce, Defense, Health, Education and Welfare; Housing and Urban Development; Interior, State and Transportation.

Also the Veterans Administration, National Aeronautics and Space Administration, National Science Foundation, Environmental Protection Agency and Energy Research and Development Administration.

INTERGOVERNMENTAL SCIENCE, ENGINEERING, AND TECHNOLOGY PANEL

The purpose of this agency is to "identify and define civilian problems at state, regional, and local levels which science, engineering, and technology may assist in resolving or ameliorating." It will recommend priorities in this regard and ways to apply new knowledge to such problems.

The panel will consist of the science adviser as chairman, and the director of the National Science Foundation, or their representatives, plus "at least 10 members representing the interests of the states."

In contrast to earlier wariness of central, long-range planning as inimical to American traditions of freedom, the empowering act emphasizes "long-range, inclusive planning as well as more immediate program development, to incorporate scientific and technological knowledge in the national decisionmaking process."

HAMILTON SUPPORTS LABOR LEGISLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. HAMILTON. Mr. Speaker, the 94th Congress has demonstrated great concern over the well-being of working men and women and has taken several steps, with my support, to promote their interests.

Among the bills to help labor that have become law are these:

First, the Public Works Employment Act has been recently enacted, by overriding President Ford's veto. The act will provide about 350,000 much-needed jobs and authorizes funds to finance the construction of various local facilities. The act also authorizes money for grants to States and local governments initiating public works projects within 90 days, for maintenance of essential State and local services, and for construction of waste water treatment plants.

Second, the Rail Services Act of 1975 was enacted to revitalize the Nation's railroads and to create thousands of jobs for Americans in need of work.

Third, the Railroad Unemployment Insurance Act was amended to provide an increase in maximum daily benefits of almost 100 percent and to liberalize sick pay benefits.

Fourth, the Tax Reduction Act passed in 1975 served to stimulate the economy and helped many workers through a difficult period, as taxes were cut some $22.8 billion.

Several other bills await final action in this session:

First, the Unemployment Compensation Amendments have recently passed the House, providing for an increase in the taxable wage base to $6,000, and extending the benefits of unemployment insurance to over 9 million previously uninsured State and local government employees and agricultural workers.

Second, a bill proposes to nearly double the present public service jobs program.

Another bill would expand the Youth Conservation Corps to 1.2 million jobs and made it a year-round program.

Fourth, the House has passed a bill providing for liberalization of eligibility for black lung compensation, stipulating that anyone who has worked in an underground coal mine for 30 years is eligible for compensation.

Fifth, both the House and Senate have passed bills to make permanent the 1975 tax cuts. Differences between the two bills must now be reconciled.

In the area of labor relations, Congress was thwarted in its effort to allow construction workers to picket an entire jobsite to publicize their dispute with one or more of the contractors or subcontractors. After extensive legislative work and special care to draft the bill in accordance with the President's requests, the President still vetoed the bill.

In spite of this setback, the 94th Congress has succeeded in promoting the interests of the worker. Hopefuly, there will be still more action in this session but it is clear that some headway has already been made, as reflected in these legislative achievements.

LET US NOT JUDGE HUMPHREY-HAWKINS BY 18TH CENTURY ECONOMICS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OR REPRESENTATIVES

Tuesday, August 10, 1976

Mr. LEGGETT. Mr. Speaker, H.R. 50, the Humphrey-Hawkins Full Employment and Balanced Growth Act, of which I am a cosponsor, has, as we all know, become the subject of growing controversy. The bill is receiving a continuing barrage of both support and criticism from various quarters. Our colleague from Michigan (Mr. ESCH) apparently sees the goal of full employment embodied in the bill as so threatening that he has treated us to an almost-daily stream of letters denigrating one aspect of the bill or another. It is clearly going to be a major issue in this fall's campaign.

One of the latest critics to join the assault on H.R. 50 is the celebrated conservative economist from the University of Chicago, Prof. Milton Friedman. In a recent column in Newsweek, he decried the bill as being "as close to fraud as has ever served as a campaign document" the "political soothing syrup" of the Democrats for the election year.

This disparaging judgment should be exposed for what it is: Nothing more than the old shibboleths of classical economics dressed in the rhetoric of its ancestral prophet, Adam Smith. The "classicists" have been fighting this battle against Keynesian economics for 40 years, and they are not about to stop now.

Let us look at some of the premises underlying the Friedman view that additional public employment cannot reduce overall unemployment. He appears to be saying that Government employment is not economically real; that public activity is not productive in the same sense as activity in the private sector. By equating public jobs with welfare, he is implying that Government activity produces no economic goods and services. His conclusion is that public jobs cannot be created without spending private money and destroying jobs in the private sector.

The corollary at the aggregate level is that Government spending can have none of the stimulative effects of private consumption and investment. He says that if the Government borrows or expands the money supply to create public employment, the result cannot be an increase in national product and employment, but will result only in inflation. What he is saying, in essence, is that we cannot use an expansionary monetary and fiscal policy, in the public as well as the private sector, to stimulate aggregate demand and create employment.

In my view, Friedman's latter-day reincarnation of laissez faire economics, with its modern version of the classical Says law at the aggregate level, is no more relevant to the modern economy than Adam Smith's celebrated "widgets" are to the sophisticated products of today's technology-based industries.

The Smithian view of an atomistic industry of small producers, none of whose actions could decisively affect the others, may have been meaningful for 18th century cottage industry. But prices and wages are not now determined, if they ever were, by the invisible hand of pure competition among small producers and individual laborers.

The fact of the matter is that they are determined by the very visible and strong hand of big labor unions and powerful corporations, as you have heard me say frequently. They, and big Government, control the modern, "managed" economy. And I would submit that the Friedman view is no less obsolete at the aggregate level when we look at the potential for additional national product and employment through expanded public sector activity.

A matter closely related to one's view of the role of Government in generating economic activity and employment is the judgment we make about the role our Government should play in coordinating and planning the various sectors of the American economy. Humphrey-Hawkins is based on the premise that the Government can do a much more effective and comprehensive job of coordinating its many policies and programs and relating them to activity in the private sector, and that the needed reforms in our economic management are a key element in our efforts to fulfill the full employment and production goals set by the bill.

Conservative critics of this approach appear to take the curious, dualistic view that on the one hand the bill wouldn't really have us do anything much different from what we are already doing, but on the other, what the sponsors are really talking about is full-scale Soviet-style regimentation of the economy. That is the case, at least, if a recent American Enterprise Institute round table discussion on national economic planning, attended by our colleague from Ohio (Mr. BROWN) and Prof. Herbert Stein, critics of the bill, as well as Senator HUMPHREY and Prof. Wassily Leontief, is any guide.

Let me insist that the type of planning envisioned by the bill is something we do not do very well now. We set tax policy one way, budget policy another and monetary policy in a distant third. And we do not, for example, coordinate our policy on the amount of pollutants we permit with public health programs which are certainly affected by pollution-caused problems. Or, we set housing policy, which represents one of our major energy users, without much thought in the direction of energy policy.

Yet on the other hand, Professor Stein seems to believe that one of our rationales for better planning is the success of the Soviet system. He insists that the only thing the Soviet Union does right is build up its military might.

I suspect that Soviet input-output analysis and economic planning is probably more effective than he implies, despite the abysmally low productivity of the Soviet economy. But in any event, this argument is totally beside the point.

I want to make it very clear that we are not writing a brief for a Soviet-style system based on centralized planning under absolute Government control. As Senator HUMPHREY emphasizes, that has no relationship at all to what we are talking about.

I think our aim is well described by what he terms "indicative planning," the effort to set comprehensive goals and priorities, but not mandatorily.

Professor Leontief phrases it as follows:

> The drive for more planning is essentially a drive for a systematic analysis to provide a basis for rational choice.

Put still another way, we need to get the Federal Government to do a much better job of coordinating its far flung and disparate parts, and relating them to the private economy. Perhaps much of this represents things which the current system ought to be capable of doing. The problem however, is that it just does not do them. My conclusion is that we must structure and institutionalize our planning effort if it is to become really effective.

Mr. Speaker, I am not saying we must necessarily adopt H.R. 50 without change. I understand our committee is even now considering strengthening amendments to the bill reported last May, and is expected to report out another version of the bill after the August recess. In any event, we in the House will be scrutinizing that bill with great care if it comes to the floor, as expected, later this year. But let us not evaluate this legislation on the assumptions that public employment is, by definition, nonproductive and inflationary, or that comprehensive and effective Government planning will necessarily take us down the barren Soviet path. In my estimation, they represent the conservative economists' own "political soothing sirup," designed to appeal to Americans' fundamental distrust of Government and the public sector.

The man who repairs the highway is not less productive than the man who repairs the car which runs on it, simply by virtue of the fact that one is performed for the public and the other for a profit. Public employment and more effective planning are not without problems, but we can make them work to move toward our goals of full employment and production. I believe we should do so.

At this point, I would like to include Professor Friedman's column in the RECORD so my colleagues can examine his economic shibboleths for themselves:

HUMPHREY-HAWKINS

(By Milton Friedman)

A centerpiece of the Democratic fall campaign is the "Humphrey-Hawkins Full Employment and Balanced Growth Act of 1976." Support of that bill has become the litmus test of the true-blue Democratic faith of every candidate from Jimmy Carter to the aspirant for dogcatcher.

The present expanded version of the Humphrey-Hawkins bill embraces the earlier Humphrey-Javits bill. It proposes to establish a process of long-range economic planning to achieve "a full-employment goal . . . consistent with a rate of unemployment not in excess of 3 per centum of the adult Americans in the civilan labor force, to be attained . . . within not more than four years after the enactment" of the act, as well as a long list of other goodies.

ADAM SMITH'S CRITIQUE

The best critique of this bill that I have comes across was published 200 years ago in that great book, "The Wealth of Nations" by Adam Smith—the original Adam Smith, not the current impostor who has had the effrontery to adopt that pseudonym.

Wrote Smith: "The statesman, who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it."

Has any contemporary political writer described Hubert Humphrey more concisely?

Not to put too fine a point on it, the Humphrey-Hawkins bill is as close to a fraud as has ever served as a campaign document. It is full of pious promises but contains no measures capable of fulfilling those promises. It would not reduce unemployment but simply add to government employment and reduce private employment, in the process making us all poorer and very likely igniting a new inflationary binge.

How can such a bill do otherwise? Easy enough to say that the government will be the employer of last resort. But where does the government get the money? Ultimately, from you and me, by hook or by crook. If it spends, we don't. If it employs people, we don't.

Of course, people on welfare could be relabeled "civil servants assigned to home duty," thereby reducing recorded unemployment without additional spending. But to do more—and Humphrey-Hawkins promises to do far more—requires more government spending. The extra spending could be financed by higher explicit taxes. In that case, taxpayers would have less to spend and would hire fewer people. The extra spending could be financed by higher borrowing. In that case, the lenders, or the borrowers outbid by government, would have less to spend. Government employment would replace employment in building homes or factories. Finally, the government could print the money, which would tax us indirectly via inflation. We would have more pieces of paper to spend but could buy less. For a time, that could mean more government spending without less private spending, but suerly by now we have learned that that is a fool's paradise that would not last.

Is anyone so naive as to suppose that the government jobs created will be more productive than the private jobs destroyed?

VISIBLE GOOD, INVISIBLE HARM

Why do Democrats believe that Humphrey-Hawkins is such potent political soothing syrup? Do they have such a low opinion of the intelligence of the American people? I do not think so. It is for a very different reason—one that is the source of so many harmful government policies: the visible vs. the invisible effects of government measures.

People hired by government know who is their benefactor. People who lose their jobs or fail to get them because of the government program do not know that that is the source of their problem. The good effects are visible. The bad effects are invisible. The good effects generate votes. The bad effects generate discontent, which is as likely to be directed at private business as at the government.

The great political challenge is to overcome this bias, which has been taking us down the slippery slope to ever bigger government and to the destruction of a free society.

ARMS SELLING

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Ms. COLLINS of Illinois. Mr. Speaker, I wish to bring to the attention of my colleagues several articles on the arms selling arrangements between Iran and the United States. These articles appeared in several national newspapers between August 6, 1976, and August 9, 1976, and are a source for real alarm.

As the accounts point out, ex-President Nixon, with a later approval of Secretary Kissinger, entered into a secret agreement with Iran that promised to provide for Iran all the weapons, short of nuclear armaments, it desired. This open-ended agreement to furnish conventional arms was made without review within the executive branch of the Government. Strange as it may seem, we have been put in the position of supplying a country with over $10 billion worth of arms since 1972, without ever judging the agreement on its merits. The security importance to the United States has not been judged and the costs to the United States have not been evaluated.

We have added to the Middle East and world arms race without thoughtful consideration. We have placed ourselves in the position of furnishing U.S. technicians able to run the sophisticated arms and equipment. Reports now tell us that 30 retired American Air Force officers now serve in the headquarters staff of the Iranian Air Force and 24,000 American civilian technicians now serve in Iran. One can only be alarmed with the possible implications of our presence and ask if we can permit a large number of our trained civilian personnel to serve Iranian needs.

As if this is not cause enough for concern, we find out as well that a consortium of American oil and defense industry interests have been bartering access to American arms for Iranian oil. With prospects quite alive for a 10-year $13 billion oil agreement in the making, one must wonder who sets defense policy and how it is established.

Beyond these serious accounts, one cannot say much. However, I do implore my colleagues and the public to watch quite closely the developing situation for without careful review we cannot expect to have cogent analysis of American interests in this matter.

THE SUCCESSFUL WORK OF OIC

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. HEINZ. Mr. Speaker, because I believe that government has a continuing obligation to fulfill the promise of equal economic opportunity for all, I have taken a deep interest over the years in the work of Opportunities Industrialization Centers. Since its origin in Philadelphia 11 years ago, OIC has been uniquely successful in its efforts to train individuals to take their place in our economy as productive members of the labor force.

I recently received a new confirmation of the success with which this program operates. As a part of its comprehensive employment training program, Montgomery County in Pennsylvania has chosen to make use of the capabilities which the local Opportunities Industrialization Center possesses. I asked County Commissioner Frank Jenkins to send me an assessment of the efforts that OIC has made on Montgomery County's behalf, and I had read his subsequent report with a good deal of satisfaction.

The Opportunities Industrialization Center has exceeded its contractual obligations to the county in terms of total enrollment, enrollment of veterans, enrollment of unemployment individuals, as well as enrollment of heads of households, women, and older workers. More importantly, it has met 92 percent of its obligations in stimulating employment opportunities among its trainees. This is an extraordinary record in view of the high unemployment rates that persist in southeastern Pennsylvania and across our Nation.

The proven success of Opportunities Industrialization Centers is worthy of this body's appreciation, and in light of that success I believe that OIC deserves government's support. For the past two Congresses I have introduced legislation to give this excellent program the help it has shown it deserves. Many of my colleagues have also expressed interest in aiding OIC, and in the interest of pressing forward with our legislative efforts in this direction, I would like to share with my fellow Members of the House the report on OIC that I recently received from Montgomery County's Manpower Planning Department:

MANPOWER PLANNING,
Norristown, Pa., August 5, 1976.

Hon. JOHN HEINZ, III,
324 Cannon Building,
Washington, D.C.

DEAR CONGRESSMAN HEINZ: This office provides financial aid to Montgomery County O.I.C. as a result of a sub grantee contractual agreement. Our contract with them requires that they serve a certain number of people during the year, that these people be broken down as coming from particular significant segments and that a certain number receiving their training be placed into unsubsidized employment. We require O.I.C. to furnish us with a monthly comprehensive report showing their accomplishments for that month and the year to date.

The following information is extracted from O.I.C.'s report to us on June 30, 1976 for the year July 1, 1975 to June 30, 1976.

1. Total enrollments, 851.

Total enrollments planned in our contract, 703.

Percent of plan attained, 121.1%.

2. Number entering employment for year, 204.

Number planned to enter employment, 222.

Percent of plan attained, 92%.

3. Number of Veterans served this year, 55.

Number of Veterans planned to be served, 33.

Percent of plan attained, 166.7%.

4. Number of unemployed served, 657.

Unemployed planned to be served, 409.

Percent of plan attained, 160.6%.

5. Heads of Household served, 372.

Heads of Household planned, 259.

Percent of plan attained, 143.6%.

6. Women served, 609.

Women planned, 373.

Percent of plan attained, 163.3%.

7. Older Workers served, 13.

Older Workers planned, 7.

Percent of plan attained, 185.7%.

The following financial information is extracted from our June 30, 1976 "Detailed Statement of Cost" report showing moneys we subsidized to O.I.C. for the period July 1, 1975 through June 30, 1976.

1. Administrative salaries, $119,768.87.

Contract budget for same, $157,699.00.

2. Counseling salaries, $32,184.13.

Contract budget for same, $43,819.00.

3. Instructional Salaries, $147,947.83.

Contract budget for same, $195,884.00.

4. Training Equipment rental, $19,222.58.

Contract budget for same, $23,959.00.

5. Training Supplies, $18,884.96.

Contract budget for same, $23,480.00.

6. Total Contract Costs, $417,874.11.

Training allowances paid enrollees, $19,000.00.

Total subsidized by this office, $436,874.11.

Total contract budget, $444,655.00.

I hope this information can be of use to you and should you need any further assistance or information, please do not hesitate to call on us.

Sincerely,

CETA, Title I Manager.
DONALD R. STATES,

UNITED HELLENIC AMERICAN CONGRESS RESOLUTION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. DERWINSKI. Mr. Speaker, I insert in the RECORD a resolution adopted by the executive committee of the United Hellenic American Congress, which met last month in Philadelphia.

The United Hellenic American Congress is a nationwide organization of Americans of Hellenic origin interested in developments in this country as well as developments affecting Greece and Cyprus. This group is a complete cross-section and has a truly representative membership of the American-Greek community.

The resolution follows:

RESOLUTION

Whereas, the United Hellenic American Congress has conducted its National Meeting in the City of Philadelphia this 6th day of July, 1976, in conjunction with the observance of our country's Bicentennial celebration; and

Whereas, we are mindful in our deliberations of the historic moment and place we have chosen for our meeting; and

Whereas, America has, from its inception, stood not only for freedom, justice, and liberty for its people, but as a beacon of freedom, justice, and liberty for all of the peoples of the world;

Now, therefore, be it resolved, that the Officers and Members of the Executive Committee of the United Hellenic American Congress assembled this 6th day of July, 1976, in the City of Philadelphia, do hereby proclaim liberty and reaffirm our dedication to the principles of the founding fathers of our Nation, and we hereby urge the Government of the United States to exert its full efforts and moral support for freedom and liberty and justice throughout the world; and,

Be it further resolved, that the Congress of the United States is hereby memorialized to continue to support democracy, self-determination, and majority rule throughout the world, and to condemn and oppose aggression throughout the world; and

Be it further resolved, that the Congress of the United States is hereby memorialized to continue support to the democracy in Greece and to support the Rule of Law in prohibiting all arms transfers to Turkey until Turkey withdraws all her troops and civilians from Cyprus and allows all refugees to return to their homes.

SUGAR RAY CHARLES LEONARD

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mrs. SPELLMAN. Mr. Speaker, the residents of the Fifth District of Maryland join me in honoring a young man from Palmer Park, Md., who has achieved what so many only dream about—the winning of an Olympic gold medal. I am, of course, speaking of Sugar Ray Charles Leonard, whose splendid performance in the 1976 summer Olympics in Montreal brought fame to him, brought honor to his family, brought pride to his friends and community, but even more importantly, it brought to our understanding the worth and depth of the character of this champion.

Following his stunning victory in Montreal, Sugar Ray returned to his community. It would have been easy for him to pursue a lucrative and glamorous career in the ring, for the tempting offers were there. But this young man, believing that his achievements could serve as a guideline for others to follow, shunned further glory and chose the course of helping others. It is his plan to help disadvantaged children get a start in the world, by going to college to sharpen his intellectual skills. With his academic training coupled with his skillful athletic abilities, he hopes to return to his old neighborhood and involve young people of the community in athletic programs designed to build healthy bodies and minds.

For someone so young, Sugar Ray Leonard has achieved a great deal. He started his boxing career just 5 years ago, winning the Golden Gloves Championship in 1974 in the 139-pound division. He will be the first to tell you that a most important ingredient in his path to success in his coach, Mr. David Jacobs. The disciplined and rigorous training, directed by Mr. Jacobs, was not easy, but the results most rewarding. The mutual affection which developed between the champion and his trainer is evidenced by Sugar Ray's own admission that his success was attributed to "first God, and second, Mr. David Jacobs, my coach."

His goal of helping others will be pursued with the same vigor and determination as his race for the gold medal award. We offer our prayer that his attainment of that goal will be graced with the same admiration, affection and esteem he has earned along the way.

HILLEL BUTMAN—SOVIET PRISONER OF CONSCIENCE

HON. EDWARD MEZVINSKY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. MEZVINSKY. Mr. Speaker, despite the efforts of thousands of Americans, there are those living in the Soviet Union who are still being denied not only the right to emigrate but the right to exist as human beings.

I recently received a letter drawing my attention to the plight of Hillel Butman, a Soviet engineer who has been imprisoned since 1970. The letter from his wife, Eva, who managed to reach Israel with her two children but has been allowed to see her husband only twice since his imprisonment. Following is my letter to Soviet Ambassador Dobrynin in Mr. Butman's behalf:

AUGUST 4, 1976.

HIS EXCELLENCY ANATOLY F. DOBRYNIN,
Ambassador of the Union of Soviet Socialist Republics, Washington, D.C.

DEAR MR. AMBASSADOR: The enclosed letter from Eva Butman describes a situation that is of great concern to me. Hillel Butman is incarcerated in the Soviet Union, allegedly for striving to emigrate from the Soviet Union to Israel. It is said that he has been denied a number of privileges normally accorded prisoners under Soviet law and, that his health is precarious.

Such a situation would violate not only Soviet law, but also the common principles of human decency agreed upon in the United Nations Declaration of Human Rights. The conditions outlined in Eva Butman's letter cannot be tolerated.

In light of Mr. Butman's emigration aspirations and in the spirit of the Helsinki Accords, I urge you to bring this concern to the attention of your government and to communicate a hope for the necessary corrective action.

Sincerely,

EDWARD MEZVINSKY.

U.S GRAIN

HON. JACK HIGHTOWER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. HIGHTOWER. Mr. Speaker, last month, Mr. Bruce W. Smith, editorial director, Grain Age magazine, wrote an article which I believe accurately and preceptively presents both the achievements and problems stemming from the Grain Standards Act. I must say that from the perspective of foreign purchasers the existing law and system seems to be accomplishing a large part of its objective.

The Grain Age article provides an excellent overview of the present grain inspection process and I insert this article to be printed:

NOT ONE COMPLAINT FROM EUROPEAN CUSTOMERS ON GRAIN FROM THE UNITED STATES

(By Bruce W. Smith)

Irregularities and alleged irregularities and/or improprieties in the quality and weight of export grain have been on the front pages of daily newspapers and prominently displayed in newsmagazines since last October. In an election year, senators and congressmen have expressed outrage at such happenings and alleged happenings and have rapped the grain industry far and wide.

Bills have been introduced in Congress which their proponents claim would clear up the "unholy mess" once and for all. The Department of Agriculture has reacted by stiffening its export regulations and by hiring hundreds of new grain inspectors.

Major grain companies have taken positive action, mainly on a voluntary basis, to make sure their own exporting procedures are honest and forthright.

TIGHTER CONTROL

A month ago, USDA altered its inspection regulations to "bring about tighter federal control" over sampling of export grain for official inspection.

Basically, the amended rules concern installation, location, and operation of diverter-type samplers at the 77 export elevators in the United States and which also will affect the port facilities now under construction.

Unless the Agricultural Marketing Service approves otherwise, the mechanical sampler now must be placed "as near as practicable to the end of the loading belt or other conveyance" which moves grain from an elevator to the holds of a ship.

Last fall, the department decreed that all export elevators had to install samplers prior to May 1 of this year. Variances in the compliance date now can be requested on an individual installation basis. Until an elevator is employing mechanical sampling as specified, it is required to describe in a qualifying statement on the official inspection certificate how the cargo was sampled.

In making mandatory the use of mechanical samplers, the AMS said they obtain the most-representative samples of grain if operated properly.

What the department says it is seeking is insurance that official samples taken at an export elevator are "truly representative of the grain being loaded out," that the mechanical samplers are not being tampered with, and that the elevators are so constructed "that no grain or other material can be introduced into the loading stream after the official samples have been taken."

Specific rules permit certain materials to be introduced into the grain stream following sampling; an example is the use of malathion to protect against insect infestation, according to David R. Galliart, director of AMS's Grain division.

WE GO ABROAD

With much of the information above in mind and with the extravagant charges of some politicians and some members of the media fresh, Grain Age set off for Europe to seek to determine if any important customers for U.S. grain felt they had been shortchanged by activities in the New Orleans port area.

As the accompanying list indicates, we spoke with merchandisers and processors in Germany, France, Holland, Luxembourg, Belgium, and Iceland. We also visited with United Kingdom buyers on the continent.

While virtually all of those with whom we talked were familiar with the subject from what they had read in European and U.S. publications and heard about on radio and television, we did not hear a single complaint from anyone concerning either the quality of the grain received or the weight of the cargoes.

Nor did any tell us about any known or rumored complaints by buyers.

We probed; we asked leading questions; we sought rumors, if there were any, as well, as fact. We did not hear a single negative comment.

ANOTHER VIEWPOINT

Great Plains Wheat, Inc., reports a similar response from a group of grain importers in Belgium and Holland. The trade promotion organization said that members of the group polled "appear to be more satisfied with the quality of the merchandise which they receive from the U.S. than are the U.S. critics of the system."

The European customers spent two weeks in the United States recently. They further commented: "The unbelievable amount of publicity the United States gives to irregularities in its system is damaging U.S. interests abroad."

SOME OF THE PEOPLE WITH WHOM WE SPOKE

In its efforts to learn first-hand the sentiments of European customers for U.S. grains and oilseeds concerning the quality and dependability of American commodities, GRAIN AGE visited with 27 persons who represent a total of 143 continental and United Kingdom customers.

Included were full-time executives of European food and feed trade associations. We also talked in person with representatives of U.S. trade promotion organizations active in Europe and with attaches of the U.S. Department of Agriculture.

Listing of the names which follow does not necessarily mean that any or all of the persons commented on the grain & oilseed quality and dependability subject. Rather, they are listed to indicate the extent of our investigation.

Ferry J. E. Verkuylen, The Hague, Holland; Hans G. Haack, Wuppertal, Germany; Reinhard H. Jachmann, Langen, Germany; Ed. Richardson, Veenendaal, Holland; Jan Jansen, Nijmegen, Holland; Wolfgang Schneider, Hamburg, Germany; Dick Richardson, Lunteren, Holland; Bjorgvin Olafsson, Reykjavik, Iceland.

Peter A. Hawkyard, Elland, England; Hans Sorensen, Oslo, Norway; David G. Stern, Stafford, England; Evert Lindgaard, Reykjavik, Iceland; Elisabeth Ruppe, Frankfurt, Germany; Andre Simon, Paris, France; and representatives of Graan Elevator Mattschappij, Rotterdam, Holland.

We also spoke with these Americans: Dr. Turner Oyloe, agricultural attache, Bonn, Germany, and his aides, Jon E. Falck and Carol Harvey; Dr. Halvor J. Kolshus and Arthur Camp, European director and deputy director, respectively, for the U.S. Feed Grains Council, Rotterdam, Holland; and Raymond Rodgers, Great Plains Wheat, also of Rotterdam.

DANTLEY LEADS ROMP FOR GOLD

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. McDADE. Mr. Speaker, international athletic competition often arouses spirited and Herculean performances from the participants and provides the spectator with opportunities to give partisan or nonpartisan cheers. Such was the case at the recent Olympic games which were held in our neighboring country, Canada.

I would like to commend those worldwide sportsmen for their accomplishments and, of course, I am very proud of the American team which was composed of outstanding individuals.

One of the events which generated wild enthusiasm among American spectators was the basketball finals. After suffering a questionable defeat in the Munich games, the Americans wanted to bring the gold home to the country which invented the sport. The young American team, made up of college all-stars who had played together for only a few weeks, and who are individual headliners on their own teams, distinguished themselves by synchronized play throughout the games.

By the time the undefeated team reached the final game, it was time for an individual standout performance and one was given by Washington, D.C.'s Adrian Dantley. Dantley is a DeMatha graduate who has distinguished himself at home and at his community at Notre Dame, where he has carried on the tradition of great athletics amidst a demanding academic atmosphere. His professional career will be followed intently by his many avid fans. A fine credit to any of his organizations, Dantley exhibited his talents in an outstanding manner during the final game of the Olympic basketball competition. Scoring 30 stunning points against the Yugoslavian team, Dantley sparked the Americans to the cherished gold medal. The following excerpt from the Washington Post shows how much that game meant to those Americans who participated and watched:

DANTLEY LEADS UNITED STATES TO BASKETBALL GOLD: YUGOSLAVIANS FALL, 95–74

(By Robert Fachet)

MONTREAL, JULY 27.—Adrian Dantley, who cut his basketball teeth on the playgrounds of Washington, saved his finest Olympic basketball game for last.

Dantley, a graduate of De Matha High and an All-America from Notre Dame, scored 30 points to power the United States to a gold medal with a 95–74 rout of Yugoslavia.

The victory in the final tonight was particularly satisfying to the U.S. team, which was thought by many to be too shy on guards and quality centers to survive this rugged international competition.

But survive the U.S. team did, winning all seven games, including two over the Yugoslavian team. The Soviets, upset by the Yugoslavs on Monday, clinched the bronze medal with a 100–72 victory over Canada today.

Tonight's victory, applauded loudly by a flag-waving crowd of 18,000 at the Forum, returned the gold medal in basketball to the U.S. four years after the Soviet Union won the gold in a controversial finale at Munich.

The 6-foot-5 Dantley played like a man possessed as he put on a 13-for-19 shooting performance. Dantley got a bump over his eye from a Yugoslav elbow, too, and that made a good symbol of the work that went into the gold medal performance.

"We told Adrian to go one-on-one with (Kresimir) Cosic guarding him, to use his speed," said coach Dean Smith. "But otherwise it was a team game. They played as a team. Maybe I cry too easily, but I had tears in my eyes when we were standing there and everybody was yelling."

It marked the end of a crusade, one that began in Munich in 1972, and tonight the U.S. players finally got to meet the Soviet Union team that was the object of all that disaffection. The Soviets, beaten by Yugoslavia in a semifinal, received the bronze medal and the boos of many in the emotional gathering.

It was much like an Atlantic Coast Conference tournament final, except that there was no mobbing of the players by happy fans. One spectator who tried offering a handshake was quickly hauled away.

After the players leaned over to receive their medals from Lord Michael Killanin, president of the International Olympic Committee, the crowd began chanting "U-S-A," forcing a delay in the other awards.

The players were emotional, too, after a lengthy pep talk this afternoon from assistant John Thompson, the coach at Georgetown.

"Coach Thompson spoke for four or five minutes and said more than some people say in a lifetime," Smith said.

"I don't listen to my speeches," Thompson laughed. "I was just pointing out the sacrifices they had made, the criticisms people had made of them. Some said this was the weakest team we ever had. I told them to have pride. And I told them I wished I had the opportunity to play with them. One of the Russians is 33 and I'm only 34."

The Americans were obviously fired high from the opening tap. They raced to an 8–0 lead in 2½ minutes and by the 15-minute mark had doubled the score, 44–22.

Dantley was brilliant inside, out maneuvering the 6-11 Cosic, a graduate of Brigham Young. Meanwhile, North Carolinas Phil Ford was using his quick hands to pick the Yugoslavs' pockets and upset their poise.

With the U.S. ahead, 20–12, largely because of Dantley's 12 points and Ford's steals and set-ups, Smith threw in four fresh players. They ran the Yugoslavs into the woodwork, with Steve Sheppard of Maryland contributing five quick points.

Yugoslavia hung in after the intermission, however, with 6-5 Drazen Dalipagic scoring 27 points, and it was still a losable game at 66–56. Phil Hubbard of Michigan rescued his faltering mates with 10 of the next 15 U.S. points and the foul-prone Yugoslavs gradually were overpowered. The Americans hit 57 per cent of their field-goal attempts on the night.

Dantley was a trifle embarrassed to miss a dunk attempt early in the second half. Moments later, he was outraged when he was called for fouling Dalipagic. Dantley blocked a shot and, when Dalipagic came down, still with the ball, his elbow cut Dantley above the right eye. After quick repairs, Dantley was back in.

In the closing minutes, Dantley reached the 30-point level on a magnificent follow through as his arm was cracked by Damir Solman.

THE ENVIRONMENTALIST CRUSADE

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BROYHILL. Mr. Speaker, in going through my files recently, I came across an old article from the Wall Street Journal that had caught my eye when it appeared on December 16, 1974. The article is entitled "The Environmentalist Crusade" and is authored by Irving Kristol, professor of urban values at New York University.

Professor Kristol's words of wisdom 2 years ago make even more sense in light of what is happening with environmental legislation in this current Congress. At that time he warned that there was "considerable evidence that the environmentalist movement has lost its self-control—or, to put it bluntly, is becoming an exercise in ideological fanaticism. It is mindlessly trying to impose its will—sometimes in utterly absurd and self-contradictory ways, and very often in unreasonable ways—on a reality that is always recalcitrant to any such imposition, by anyone."

Kristol points out several examples of where environmental extremism is taking us, including the EPA's activities in dealing with our clean air problems. He states that—

> EPA proceeds as if its mission were, not to protect Americans from dirty air, but to protect clean air from Americans. Most of us not being clean air-worshippers, are bound to regard this order of priorities as more than a little odd. We would all like the air to be cleaner rather than dirtier, but very few of us really want to define our individual lives or our national purpose in terms of achieving the greatest possible air purity, regardless of cost or consequence. Such an idea does seem to verge on the fanatical.

He goes on to add that—

> If EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress, or the Executive, or state and local government. No one ever contemplated such a situation nor are the American people likely to permit it in the future. Clean air is a good thing—but so is liberty, and so is democracy, and so are many other things.

The dangers that Professor Kristol was warning us about in December of 1974, are even more apparent today. The costs that we are being asked to pay for environmental legislation must begin to receive more attention. We must begin to call for a workable balance between our environmental and economic goals. Another article from the Wall Street Journal—Tuesday, August 10, 1976—entitled "Ecology's Missing Price Tag," vividly points out how much we need to take a closer look at the cost-benefits of our environmental programs. In this article, Dr. Lewis J. Perl, vice president of National Economic Research Associates, shares with us his cost estimates for our environmental programs. For example: a total capital investment in pollution control cost from 1974 to 1983 of $175 billion to $263 billion and annual costs in 1983 of $55 billion to $66 billion. This is $679 to $815 per household per year—in 1975 dollars.

Dr. Perl has also costed out the cost-benefits ratio of the significant deterioration standards in the amendments to the Clean Air Act that the House will soon be debating on the floor. His estimate on this cost-benefit ratio is 33.5 to 1.

Clearly, it is time that the Congress begins to live up to its responsibility and take a long, hard look at the imbalance that now exists between the economic and environmental costs of legislation such as the Clean Air Act.

I urge my colleagues to consider the attached remarks by Professor Kristol.

[From the Wall Street Journal, Dec. 16, 1974]

The Environmentalist Crusade

(By Irving Kristol)

There is in the United States a tradition of evangelical reform that has no exact counterpart in any other nation. It emerges, one assumes from our Protestant origins, with its conception of this new nation as being "a city upon a hill," "a light unto the nations"—in short, as properly striving for and being able to achieve a degree of perfection that is beyond the reach of less blessed peoples elsewhere. All of us, for the most part without even realizing it, subscribe to this American dogma—which is why we constantly find ourselves being enlisted into movements of enthusiastic reformation.

In some respects, this reform impulse is one of our glories. It gives American politics a permanent moral dimension and moral thrust that is entirely proper to a democratic republic, one of whose major functions must be to ennoble the common men and women we all most certainly are. But it has its dangers, too. It is so easy to move from the moral to the moralistic, from a concern for what is right to a passionate self-righteousness, from a desire to improve our social reality to a blind and mindless assault against the real world which so stubbornly fails to conform to our ideological preconceptions. In short, the great temptation which all American reform movements experience is to become a crusade. It is a temptation, alas, that the reform impulse will frequently succumb to, with all the disagreeable results that have always attended upon crusades.

The antislavery movement before the Civil War and the temperance movement before World War I are two examples of reform movements which degenerated into crusades. Both addressed themselves, with commendable fervor, to very real evils: slavery (about which nothing need be said) and working-class alcoholism (whose ravages, we forget, were far more devastating than those of drugs today). Both, in time, permitted their moralistic enthusiasm to overwhelm all prudential judgment, so that both the abolitionist crusade and the prohibitionist crusade ended up by alienating public opinion, despite all sorts of legalistic victories they could proudly point to. And it can be said that their "final solution"—the Civil War perhaps, the 18th Amendment most certainly—created at least as many problems as they solved. Barry Goldwater to the contrary notwithstanding, extremism in defense of liberty, or virtue, or whatever is *always* a vice—because extremism is but another name for fanaticism which is a vice by definition.

A SERIOUS DANGER

Is the environmentalist movement now in danger of being transformed into such an immoderate and ultimately self-defeating crusade? It certainly is beginning to look that way. It is a reform movement which began with a massive reservoir of public sympathy, since there is no doubt that a competitive economic system does create noxious "externalities"—general effects on our lives that are beyond the purview or control of any single enterprise, since an effort by any single enterprise to take them into account would put it at an immense competitive disadvantage. The only way to cope with such "externalities" is by legislation and regulation, and there can be little question that the public has been, and to a goodly extent still is, supportive of such efforts. But there is now considerable evidence that the environmentalist movement has lost its self-control—or, to put it bluntly, is becoming an exercise in ideological fanaticism. It is mindlessly trying to impose its will—sometimes in utterly absurd and self-contradictory ways, and very often in unreasonable ways—on a reality that is always recalcitrant to any such imposition, by anyone. And it is not too late to predict that, as this becomes more widely perceived, public opinion will become rapidly less amiable.

Nothing, I think, illustrates so nicely the kind of historic blind alley that environmental extremism seems headed for than the way in which the Environmental Protection Agency has involved itself in urban planning. Because urban sprawl involves extensive use of the automobile, and because air pollution can then become a serious problem (as in Southern California), the EPA is trying to discourage extensive, low-density suburban and exurban development. Well, that's reasonable enough—though even here there are difficulties.

The difficulties arise because EPA does not concern itself merely with those areas of the nation where the air is polluted, or on the verge of being polluted, or in striking distance of being polluted, but also with those areas where air pollution is, in the judgment of the average citizen, or even of EPA's own scientists, still far below acceptable levels. In these other areas, the EPA proceeds as if its mission were, not to protect Americans from dirty air, but to protect clean air from Americans. Most of us, not being air-worshipers, are bound to regard this order of priorities as more than a little odd. We all like the air to be cleaner rather than dirtier, but very few of us really want to define our individual lives or our national purpose in terms of achieving the greatest possible air purity, regardless of cost or consequence. Such an idea does seem to verge on the fanatical.

Still, in view of the air-pollution problems that do exist, and of our hitherto neglectful attitude toward them, one might put a benign interpretation on EPA's single-minded enthusiasm. After all, sometimes one does initially need such enthusiasm to get things moving at all. But any such benign interpretation is soon put to the test by the fact that EPA seems not only to be opposed to urban sprawl—it appears also to be opposed to urban concentration as well! For urban concentration, though it may minimize the individual's use of his particular automobile, does produce a large concentration of automobiles and trucks, which in sum do create some degree of air pollution. So EPA is now insisting that it have the right of approval and disapproved over the construction of inner-city convention centers, cultural centers, shopping centers, department stores, parking lots, amusement parks, housing projects, industrial parks, etc. And it is being very grudging in its approvals, highly peremptory in its disapprovals.

Now, this is really bizarre. It is bizarre, to begin with, in that Congress, when it established the EPA, and public opinion when it supported this reform, certainly never intended to give a handful of bureaucrats such immense powers. If the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government, having far greater direct control over our individual lives than Congress, or the Executive, or state and local government. No one ever contemplated such a situation, nor are the American people likely to permit it to endure. Clean air is a good thing—but so is liberty, and so is democracy, and so are many other things.

What makes the situation even more bizarre is that the bureaucratic usurpation of power is wedded to an utterly irresponsible use of such power. Here, in New York City, a low-income housing project was delayed for months—and finally had to be expensively redesigned—because the EPA perceived a threat of "noise pollution." Noise pollution in a New York slum! People are being mugged right and left, children are being bitten by rats, junkies are ripping out the plumbing of decaying tenements—the EPA is worried about noise pollution! These same EPA officials, of course, go home at night and tranquilly observe their children doing their homework to the accompaniment of thumping, blaring rock-and-roll music. And if the neighbors should complain, they get very testy.

A MAJOR OBSTACLE

The EPA has now become a major obstacle to the redevelopment of the inner city. It has also become a major obstacle to the development of new suburban communities. Indeed, it seems to be spending much of its time and energy figuring out how to be an obstacle to practically anything that Americans want to do. What was in its origins a movement for environmental temperance has become a crusade for environmental prohibition. It could take some time before Congress and the American people decide to call an end to this crusade—just as it took some time to repeal the 18th Amendment. Nevertheless, it is only a matter of time.

But the area of urban and suburban planning is only one instance of environmentalist crusaders rushing in where more reasonable men would tread more warily. In just about every aspect of American life, the environmentalists are imposing their regulations with all the indiscriminate enthusiasm of Carrie Nation swinging a baseball bat in a saloon. Common sense seems to have gone by the board, as has any notion that it is the responsibility of regulators and reformers to estimate the costs and benefits of their actions.

Thus, we all agree that the United States needs desperately to increase its domestic oil production. Geologists tell us that offshore drilling along the Atlantic seaboard offers us the best—perhaps the only—opportunity to achieve this aim. The environmentalists promptly declare themselves as adamantly opposed to any such enterprise. Why? Well, there is always the possibility that one of these offshore wells will malfunction, the oil will mix with the waters of the Atlantic Ocean, and many fish will then come to an untimely end. With all due respect to the natural rights of our fellow creatures of the deep, this verges on madness. After all, the high cost of oil is resulting in millions of Americans losing their jobs. Is such "unemployment pollution"—already a fact, not a mere prospect—really more tolerable than the risk of increasing the mortality rate among the fish of the Atlantic Ocean? It is interesting to note that such nations as Britain and Norway, which do not have our tradition of evangelical reform, have no compunctions about offshore drilling. Precautions against environmental dangers are taken; but the drilling gets done. Do we really think that Britain and Norway are more barbarous than we are? Or are they being more sensible?

Or take the case of the strip-mining of coal. We have enormous reserves of coal which can substitute for oil, and which can be strip-mined easily, cheaply, and safely. That last feature of strip-mining—the fact that far fewer miners get injured or killed in the process—might seem to be a mighty argument in its favor. We are so concerned about miners' safety that we have just enacted complicated (and expensive) rules and regulations governing deep-pit mining. Good—so strip-mining should be the preferred alternative. But no: our environmentalists want to prohibit strip-mining altogether. Why? Because it defaces the landscape, at least temporarily. The question then naturally arises: what price do we wish to pay to avoid a temporary disfigurement of the landscape? But it is forbidden to raise this question and the environmentalists will not even discuss it. Indeed, anyone who does raise it will quickly find himself being excoriated and slandered as an unprincipled enemy of the true, the good, the beautiful.

RECALLING AUDEN

In one of his last poems, the late W. H. Auden wrote:

> "Nothing can be loved too much,
> but all things can be loved
> in the wrong way."

One wishes our more rabid environmentalists would take these lines to heart. They might then reconsider their crusade, which has by now gone beyond the limits of even the purest reason. Making the world safe for the environment is not the same thing as making the environment safe for our world.

INDIA WILL HAVE A DYNASTY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mrs. SCHROEDER. Mr. Speaker, as we approach our own elections, we would do well to remember that India, under the emergency government headed by Prime Minister Indira Gandhi, is fast losing her own claim to democracy. Following is an article on political repression in India written by Ved Nanda, professor of international law at the University of Denver, that I would like to share with my colleagues:

[From the Rocky Mountain News,
Apr. 18, 1976]

IF MRS. GANDHI HAS HER WAY, INDIA WILL HAVE A DYNASTY

(By Ved Nanda)

What significant political, economic and social changes in India have resulted from Indira Gandhi's imposition of the emergency rule in June 1975?

The question is pertinent, for Indira Gandhi's oppressive actions in the wake of the suspension of democracy have been repeatedly defended and justified by her and by apologists for her dictatorial regime as necessary, indeed imperative, to bring about the "sorely needed," "long-overdue" reforms in India.

The argument obviously has served its purpose, for the media in the West seems to have given Indira Gandhi the benefit of the doubt, and, as a result, have downplayed events such as mass arrests and imprisonment of her political opponents, whose number has reportedly reached as high as between 100,000 and 200,000; harsh press censorship, and gross and persistent violations of civil and political rights, including the inhumane treatment of detainees and political prisoners in police stations and jails.

Notable political changes, purportedly introduced to bring stability and order, include:

The outlawing of several opposition parties for their allegedly communalistic activities. These parties were accused of inciting violence to achieve their parochial ends.

The postponement by a year of national elections scheduled for last March, with a hint that the elections might be indefinitely postponed.

Suspension of fundamental civil and political rights guaranteed under the constitution of India, followed by a steady erosion and whittling away of these rights by executive regulations, which are in turn endorsed by actions of parliament. (Indira Gandhi's ruling Congress party has an overwhelming majority in parliament. Political prisoners and detainees include not only several opposition members of parliament but also some Congress party members opposed to Indira Gandhi's policies.)

Harsh press censorship, which has muzzled the once independent and lively press in India. The government owns and operates the All India Radio (popularly called "All Indira Radio") and television stations across the country. But the daily papers and periodicals have a rich tradition of fierce independence and responsive journalism, holding the government and the opposition parties accountable for their utterances and actions.

The press is now silenced, for not only can it no longer report on the activities of the opposition parties, it can no longer criticize government actions or even government officials, and is even prohibited from reporting certain parliamentary proceedings—it has been transformed from the liveliest to the dullest press in only a few months.

Indira Gandhi's attitude toward the press was graphically described in a recent interview she gave to a Denver religious group visiting India and reported in local papers. She said that she wouldn't allow the press in India to treat her the way the U.S. press treated Nixon, which to her was the hallmark of an "irresponsible" press.

Cartoons, music sheets, scholarly books, and even quotations from speeches by Mahatma Gandhi, Jawaharlal Nehru and Indira Gandhi (made before the imposition of the "emergency") are censored because some of these could be cited to criticize Indira Gandhi's actions.

The takeover by the federal government in New Delhi of the state governments of Tamil Nadu (in Madras) and of Gujarat, the only two states controlled by the opposition parties.

Severe curtailment of judicial review of executive and legislative actions, and a general downgrading of the role of the judiciary, an unfortunate development since the courts in the past have provided the necessary checks and balances in the Indian political system.

A general breakdown in the decisionmaking apparatus of the government which is creating uncertainty and unpredictability.

During my visit to India last December, the most often heard criticism of the government was that its decisions were arbitrary and seemingly capricious. Since nobody knew who comprised the "it," the most popular guessing game on the cocktail circuit in New Delhi was to name bureaucrats and Congress party leaders close to Indira Gandhi and her son, Sanjay Gandhi, who were "in" on making decisions ranging from who should be arrested to who should be included in federal and state cabinets.

I learned the meaning of arbitrariness in decision making the hard way. I was interrogated and detained at the Delhi Airport for having taken a public stand in the United States against Indira Gandhi's emergency. (My first article opposing Indira Gandhi appeared in the Rocky Mountain News Trend section of July 6, 1975, and was entitled, "India Suffers an Aberration.")

I was constantly harassed and kept under surveillance while in India and had no way of knowing who was deciding what actions were to be taken against me. The closest I came to finding out who the decision makers were was a statement by a senior police official who said the orders to keep surveillance on me came from "high up, very high up, but not from the top."

India's much heralded economic reforms were announced as a 20-point New Deal program, and their purported objective was to combat poverty and unemployment, increase productivity, and halt inflation.

The program, which promises a 6 per cent annual rate of economic growth, proposes to expedite land reform, liquidate rural indebtedness, abolish bonded labor, and effectively combat black market operations. If differs little in content from the earlier promises made by the Congress party since the 1950s.

The impression created by the Indian government is that, as a result of the emergency, the country's economy has turned the corner, that vastly improved productivitiy in both agricultural and industrial sectors has replaced stagnation, that prices have fallen sharply and that the poor are better off.

The government's assertions were recently refuted by Dr. S. Swamy, who is a member of parliament and an economist by profession. Swamy was visiting the United States at the invitation of his alma mater, Harvard University (where he had earlier taught economics), and was briefly in Denver.

"The economy has considerably worsened since the emergency if one considers the basic indicators such as retail prices of essential commodities, unemployment and new investment. Retail prices had fallen a little during the first two months of the emergency, but since then have risen far above the earlier levels," said Swamy. He added: "All India Radio announces fictitious lower prices of goods, but consumers know that they cannot shop at All India Radio."

On unemployment and industrial production, Swamy said:

"Unemployment has soared by 28 per cent judging by employment exchange data. This is partly because of the credit squeeze clamped on earlier and partly due to the powers given by the emergency to the big industrialists to lay off workers at will . . . The small and medium units however have been badly hit by the emergency.

"The credit squeeze, the lack of protection from unfair competition, and the political power of the conglomerates have starved these units. More small industrial units have shut down since June 1975 than in the previous 10 years."

On agricultural production: "In agriculture, the situation is not critical due to a good monsoon. Even so, output of food crops is 114 million metric tons, only six tons higher than five years ago, and 15 tons lower than the target set for two years ago. The next monsoon is due (soon). What happens if it fails?"

On the lot of the poor, Swamy observed:

"The poor are miserable. About 300,000 people living in New Delhi slums have been carried in truck loads and dumped 25 miles outside the city. Entire slums have been bulldozed. Similar uprooting has taken place in every city of India. Workers in factories have had their bonus effectively abolished by law leading to a 20 per cent drop in their incomes. Strikes have been outlawed.

"Police corruption has gone up four-fold judging by the bribery rate required to avoid false or vindictive arrest. Clerks come to office on time out of fear. Senior officers now lord over junior officers because the latter can be dismissed by the former without assigning specific reasons. Of course, the rich are happy—they can kick their servants around now."

Swamy's statements coincided with my impressions during my India visit. He also confirmed my suspicion that the much-used term "discipline," of which Indira Gandhi has suddenly become so fond, has been skillfully used by her to silence dissent.

The trend in India is toward further consolidation of executive power. According to a draft of proposed changes in the Indian Constitution (not yet made public but privately circulated among high Congress party officials), India will change to a presidential system in which there is a vast concentration of power in the executive, the role of the judiciary is further diminished (subordinating it to the executive), and civil and political rights are curtailed, making them nonjusticable.

Huge posters I saw on walls in Delhi, Bombay and other cities in India, and murals and billboards all over the country equated India with Indira and exhorted people to follow her shining example and that of her son, Sanjay Gandhi.

They left me with the distinct impression that if Indira Gandhi has her way, a dynasty will be in the making. India and the people of India deserve a better future—a return to democracy, free press, and basic human rights.

OSHA—A NATIONAL DISASTER

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. HANSEN. Mr. Speaker, as a longstanding advocate of repeal or major reform and reduction of certain regulatory agencies such as the Occupational Safety and Health Administration, I have been named chairman of a House Republican Task Force for Government Executive Agency Review—GEAR—and chairman of a national Stop OSHA Committee sponsored by the American Conservative Union—ACU. In this capacity I was invited to testify regarding OSHA before the Republican Platform Committee's Subcommittee on Government Concerns and the Consent of the Governed.

The impact of OSHA on this Nation in terms of higher taxes, higher costs, higher unemployment, greater shortages, and significant lack of improvement in workers certainly makes it rank high as an issue, not just for Republicans but for all Americans. Mr. Speaker, I submit my remarks as presented to the subcommittee for review by my colleagues here in Congress where responsibility lies and where corrective action is far overdue:

STATEMENT OF THE HONORABLE GEORGE V. HANSEN, SECOND DISTRICT, IDAHO BEFORE THE NATIONAL REPUBLICAN PLATFORM COMMITTEE, SUBCOMMITTEE ON THE GOVERNMENTAL CONCERNS AND THE CONSENT OF THE GOVERNED, MONDAY, AUGUST 9, 1976

One of the oldest and most enduring issues in government is the constant fight against Federal growth, waste, and the power of the bureaucracy. It is this largeness which leaves people with a feeling of helplessness and gives the impression of government being a master over, instead of a servant to, the people.

The Occupational Safety and Health Administration is a prime example of the need for regulatory reform.

It seems ironic, in the year that we are celebrating the 200th Anniversary of our forefathers' fight for liberty from oppression, entry without notice fines without consultation and many other "Tory" tactics, that the same thing is again happening to many small businessmen at this very moment. I refer to the practices and tactics being used by the United States Department of Labor, Occupational Safety and Health Administration (OSHA).

OSHA is presently being challenged on all sides. Several cases are pending before the Supreme Court and many more are pending in the District Courts as well as the circuit Courts of Appeal. The constitutional challenges are sound, i.e., freedom from warrantless searches, freedom from self-incrimination, right to due process, and right to trial by jury. Thus far no major decision has been made favoring OSHA. When faced with a hopeless situation, OSHA lawyers request a stay of decision on the part of the judges, pending action by the Supreme Court. Unfortunately, this tactic did not work recently in the case of Rupp Forge Company of Cleveland. The judge found that "upon review of the Act and the relevant case authority, the Court is constrained to conclude that Congress did not intend to enact, nor did it in fact enact, proceedings encouraging or authorizing broad, arbitrary administrative searches such as that herein suggested by petitioner. Clearly such unbridled authority is not cognizable under the Fourth Amendment to the United States Constitution."

I can't help but believe that the Assistant Secretary of Labor for Occupational Safety and Health Administration realizes as I do that OSHA is on constitutionally unsound ground at this time. OSHA's current plight is pointedly apparent in light of the fact that the Congress is still waiting for the report from OSHA due in April of 1974 as per Section 4(b)(3) of the Occupational Safety and Health Act of 1970. The report is now over two years overdue with no indication as to when it will be prepared.

The stated object of this agency is to improve safety conditions for American workers. There is precious little proof that it has done so—but plenty of proof that it has caused immeasurable grief for their employers.

Consider, first of all, OSHA's record of metastatic growth. The law that gave it birth runs to a modest 31 pages, which could, of course, be troublesome but not impossible for average citizens to master. As usually occurs, however, Congress permitted executive agents in the Department of Labor to run amok—pumping out an endless batch of OSHA regulations in the *Federal Register*.

At last count, there were some 800 pages of such regulations, setting forth the safety standards that strike the bureaucrats as proper. These standards number no less than 4,400—2,100 devoted to business generally, 2,300 focused on the maritime and construction trades. They are enforced by an army of a thousand-plus inspectors.

These standards are not only voluminous, they are often of eye-glazing complexity. One of the most notable, isolated by Professor Murray Weidenbaum of Washington University in St. Louis, consists of gobbledygook on ladders, including this delectable specimen: "The angle (a) between the loaded and unloaded rails and the horizontal is to be calculated from the trigonometric equation: Sine a-difference in defection 9/ladder width."

Small wonder that the Federation of American Scientists says: "Regulations are voluminous and complex, the language convoluted beyond recognition except by a scientist or lawyer . . . Businessmen who have no legal or scientific training are unable to understand OSHA regulations. Unfortunately, few efforts are being made to translate the information into readable language . . . Equally unnerving to the businesses is the sheer volume of the regulations-thousands of them apply to one small operation."

That the average citizen doesn't understand the mumbo jumbo is of small concern to OSHA. The important thing is that you be in compliance. OSHA agents make unannounced pop inspections and issue citations on the spot that can lead to fines of hundreds or thousansd of dollars. There is no provision for advisory opinions on whether a given ladder, an exit, or trash can, is out of sync with OSHA's mysteries. In fact, it is a criminal offense for anyone without authority to do so to give you notice of an OSHA inspection.

Even assuming the standards can be understood and met, the costs can be prohibitive. Robert Stewart Smith, formerly in charge of safety and health evaluation for the Department of Labor, has examined the costs and benefits of OSHA in an excellent analysis for the American Enterprise Institute, Washington, D.C. On his showing, the costs are heavy, the benefits negligible. Smith quotes findings by the National Association of Manufacturers that OSHA compliance costs range from $35,000 (for businesses with 100 employes or fewer) to $350,000 (for businesses with up to 1,000 employes). This estimate is confirmed by the fact that the first 33 businesses obtaining small business loans for the purpose of OSHA compliance averaged loans of $200,000 apiece.

Such costs are reflected in prices charged to consumers, and they are growing rapidly. Total costs of compliance came to $2.5 billion in 1972, $3.2 billion in 1973. And this is just for openers. Full compliance with existing OSHA noise standards would cost $13.5 billion, and under one proposed noise standard it would cost $31.6 billion (This doesn't count the additional millions in levied fines.)

Over against these heavy costs are Smith's findings that OSHA had apparently done little or nothing to improve the industrial accident record. Sifting OSHA's own adequate data with other figures, Smith discovered (a) that injury rates were higher, not lower, in industries with good compliance ratings, and (b) that between 1970 and 1973, industrial accidents in OSHA's so-called "target industries" fell by less than 1 percent more than they would have in the absence of the program.

"At the very least," Smith concludes, "the results cast serious doubt on the effectiveness of the target program. . . . A more ominous, but still speculative, implication . . . is that OSHA, whether because of its standards or because of its failure to discover violations, may not be affecting the conditions which cause injury.

"Given the limited potential of a perfectly enforced set of standards and the likelihood that inspectors discover only the most obvious violations, it is perhaps not surprising that the estimated effects on injuries are so small that they cannot be distinguished from zero."

The net of it is that we are administering a vast bureaucracy, armed with constitutionally questionable powers, costing consumers untold millions—to achieve a statistically insignificant impact on the safety record of American industry.

I find sad parallel between the 1976 problem of "*regulation without reason*" and the 1776 problem of "*taxation without representation.*"

As America begins its third century of freedom, it is clearly time for the Republican Party to relieve American businesses, farms, and individuals from random searches, arbitrary enforcement and fines, and unnecessary and repetitive regulations and reports.

Congress should reappraise each Federal agency, with a view to outright abolition of those which have obviously outlived their usefulness. It should withdraw from the others the vast grants of arbitrary power that it has bestowed. And Congress should define the powers left to bureaucracies in language so clear and explicit that no officials can expand their power beyond Congressional intent. Broad national policies required to protect consumers, workers, minorities, and the environment should be implemented very sparingly and only through specific legislation, rather than bureaucratic whim.

I strongly believe that there are viable alternatives to OSHA. It is imperative that the Federal Government get back to an "incentive" system, towards American business rather than the "punitive" system which is presently being pursued. A broadening of liability insurance, workmen's compensation and other programs could likely accomplish the same goals of OSHA and in even better fashion. It's a fact that private insurance inspectors, health authorities, state and local inspection programs and employee benefit agreements already carry the major burden of assuring health and safety on the job. Insurance inspectors outnumber OSHA compliance officers by approximately three to one.

I am repulsed by the fact that as OSHA grows, so grows its distorted opinion that most American workers are terribly exploited by employers and need the all-encompassing protection of the federal bureaucracy. This is indeed a sad commentary on the attitudes of bureaucrats and their understanding of the American enterprise system.

I have neglected to dwell in great depth upon OSHA compliance techniques due to the fact that a large number of the inspectors are not familiar with the types of businesses that they inspect and therefore cannot understand the individual needs of each company. The very concept of sending inspectors armed with rule books to examine work places for potential hazards is, in a way, as odd as an insurance company personally inspecting every home for which it writes a policy. A more modern approach might be to utilize statistical science and adjust an employer's workmen's compensation and liability rates according to his actual safety record.

OSHA, however, relies on its rules and in the process has compiled a litany of offenses against good sense. A few examples:

Companies have been ordered to remove guardrails 41 or 43 inches high and replace them with rails exactly 42 inches high.

One firm provided more fire extinguishers than required and hung them carefully at the required height. It was slapped with a fine for setting an extra unit on the floor.

Regulations required a shorter turning radius for some fork lifts. Their wheel bases were shortened to comply, and the vehicles were rendered dangerously unstable.

The burden of these OSHA regulations falls most heavily on small businesses, who are least able to pay the compliance costs and fines imposed.

In conclusion, I ask inclusion of platform provisions for a new concept in occupational health and safety basically handled through private enterprise with compliance induced by incentive rather than punitive measures.

OSHA is a product of the tired old "New Deal" idea that government can solve everything and it has typically become just another non-productive, expensive bully that has closed thousands of small businesses and created high costs and shortages and increased unemployment without producing any significant improvement in the health and safety of workers.

Safety and health is everybody's business and with some imagination and proper application it can be accomplished in ways which would assure lower costs, abundant supplies, increased employment and more prosperous business operations. The time to do something is now.

SEVENTY-SIX MEMBERS OF CONGRESS ASK PRESIDENT FORD TO LOOK AT MEXICO'S SLIDE TOWARD COMMUNISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. McDONALD. Mr. Speaker, in 1776, 56 men gathered in Philadelphia to sign our Declaration of Independence. With that, the American Republic was founded. The fundamental concepts have been termed Americanism; in short, Americanism means an adherence to the belief that free men secure their "unalienable rights" from a Supreme Being and not government. Our Government is to protect those basic rights. Our Founding Fathers listed four of those rights as the right to life, liberty, the pursuit of happiness, and the right to own private property.

Central in the concept of Americanism is the firm belief in our God, and since our founding that belief has been the underpinning of this great Republic. It has always been the hope of the United States that others would follow up in our new experiment in the history of man.

Today in 1976, unfortunately, the world appears to be going in the other direction and more nations are bowing before the altar of communism. Communism—Marxian materialism—is better understood if it is viewed as militant atheism.

It is therefore with more than casual interest that some of us are concerned with the dangerous leftward slide of our neighbor to the south, Mexico. It is alarming to see trends first noted in Cuba now appearing in Mexico.

This letter to the President, which was signed by 76 Representatives, does not in any way "attack" Mexico; on the contrary, it derives in part from the outpourings of concern by Mexicans for their own country since the Mexican newspapers mentioned congressional interest in the leftward movement imposed upon them from above.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 10, 1976.

Hon. GERALD R. FORD,
President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On May fifth, thirty Members of Congress expressed to you their concern over the trend of political developments in Mexico, asking whether the Secretary of State was, in fact, keeping you adequately informed. A response to this letter has been received, but there still appears to be substanital points of disagreement.

Since the fourteenth of April, at least thirty-five excerpts from the Mexican press have been inserted in the Congressional Record in a sincere effort to illustrate points of concern, and to provide the documentation which critics invariably demand—and invaribaly ignore.

It would be interesting to learn what favorable interpretation can be placed upon the following:

(1) The amnesty recenty provided for hundreds of Soviet agents who provided leadership for the bloody events of 1968, when hundreds of Mexicans were killed in summer-long disturbances.

(2) The placement of at least a thousand non-Mexican Communists and radicals in key government and journalistic positions in Mexico.

(3) The Mexican government's drive to increase political, economic, and "cultural" ties with every Communist nation on earth.

(4) The dismissal, by President Echeverria, of waves of terrorist attacks as mere "diversion" and "provocations" which are not the fault of self-proclaimed leftist revolutionaries.

(5) The recent changes in the Mexican Constitution to cut away the legal basis of private property.

(6) The recent introduction of Castroite textbooks, for compulsory use in all Mexican schools.

(7) The persistent employment of Communist, rhetoric, anti-American demagoguery, and calls for domestic class warfare from the highest Mexican officials.

(8) Government inaction in the face of thousands of land seizures taking place all across Mexico, often by armed gangs under non-Mexican leadership.

(9) Open declarations that collectivization of the counrtyside is the government's goal, combined with heavy government pressure on the rural population to join collectives.

Surely we are not expected to overlook the lesson of Cuba, when all our official "experts" and media pundits assured us that Fidel Castro had no intention of imposing Communism upon the Cuban people. As a result, the Cubans were enslaved, except for one Cuban in ten who escaped to the United States, and a Soviet base has been implanted ninety miles from Florida.

The present one-party government of Mexico is following a similar path. For moral and humanitarian reason alone, we should prefer not to see 65 million Mexicans forced to choose between slavery and exile. And for overwhelmingly important strategic reasons, we should prefer not to see what some Mexican writers can already visualize—a Cactus Curtain alone the Rio Grande.

For all these reasons and more, we ask your assurance that the developing situation in Mexico is receiving the deep attention which it merits.

Sincerely,

John M. Ashbrook, Wm. L. Dickinson, Charles E. Grassley, Richard H. Ichord, George M. O'Brien, Carlos Moorhead, Dawson Mathis, G. V. Montgomery, Jack Brinkley, Floyd Spence, Robin Beard, John Myers, Richard Kelly (Fla.), Ted Risenhoover, James M. Collins, Ron Paul, Gary A. Myers, Joe D. Waggonner, Jr., Trent Lott, Bill Hefner, Tim Lee Carter, G. William Whitehurst, Albert W. Johnson, Richard T. Schulze, Larry P. McDonald, Dan Daniel, Philip M. Crane, Gene Taylor, Bill Nichols, Bob Bauman, Steve Symms, Gene Snyder, Bo Ginn, Bud Hillis, Marilyn Lloyd, Jim Martin, Don Mitchell, Thomas N. Kindness, John H. Rousselot, W. Henson Moore, Tom Bevill, Dave Treen, Don Young, Bill Ketchum, Robert W. Daniel, Jr., Bill Wampler, Joe Skubitz, John W. Jenrette, Jr., Ken Holland, Butler Derrick, Mendel J. Davis, Phil M. Landrum, James Abdnor, Thomas N. Downing, George Hansen, J. K. Robinson, J. Herbert Burke, Bob Kasten, David R. Bowen, Alphonzo Bell, John Paul Hammerschmidt, Ed Jones, Bill Chappell, Bill Alexander, David N. Henderson, Sam Devine, Charles Thone, Omar Burleson, L. A. Bafalis, James A. Haley, Henry J. Hyde, Tom Hagedorn, Burt Talcott, L. H. Fountain, Edward Hutchinson, John Breaux.

Material bearing upon the situation in Mexico has been placed in the RECORD, as follows:

April 14, page 10895, 11053
April 29, page 11926, 11971.
May 4, page 12516.
May 6, page 12921.
May 17, page 14179.
May 21, page 15101.
May 25, page 15429.
June 7, page 16846.
June 15, page 18456.
June 18, page 19328.
June 29, page 21370.

SETTING THE RECORD STRAIGHT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ASHBROOK. Mr. Speaker, certain apparently erroneous statements were made on Monday, August 2, during the discussion on the Antitrust Civil Process

Act (H.R. 13489) and the Antitrust Premerger Notification Act (H.R. 14580). I think it is important to correct the record for the benefit of the conferees.

The statements were made by the gentleman from Ohio (Mr. SEIBERLING), about the July 30 letter from the National Small Business Association which I inserted in the RECORD.

First, on page 25055 the gentleman from Ohio stated that—

> The letter is in error in implying that all businesses with sales or assets over $10 million would be brought into the scope of the bill. The example they give is of a wholesaler doing $22 million worth of sales, which would not come within the bill because he would be a nonmanufacturing corporation. . . .

The NSBA letter, however, does not state that all businesses with "sales or assets" over $10 million would be within the scope of the bill. It expressly refers to 18,000 privately-held family-owned businesses with assets over $10 million. All of these businesses clearly would come within the purview of the bill, whether they be manufacturing corporations (section 7A(a)(2)(A)) or nonmanufacturing corporations (section 7A(a)(2)(B)). A wholesaler who is doing less than $22 million in sales and is eligible for SBA assistance would nevertheless be covered under the bill if he had $10 million in assets. This fact was recognized by the gentleman from Ohio when he subsequently corrected himself, in effect, by noting that—

> The bill expressly exempts nonmanufacturing corporations with assets of less than $10 million.

Thus the NSBA letter was not in error as charged.

Second, on page 25049 the gentleman from Ohio (Mr. SEIBERLING) commented on a concern expressed in the NSBA letter, that information obtained through CID's may be subject to disclosure under the Freedom of Information Act. The gentleman stated that—

> The association apparently did not bother to read the bill because the bill expressly exempts all information disclosed under this bill from the Freedom of Information Act. So the quoted statement is just plain incorrect.

Actually, it is the gentleman from Ohio who is incorrect if he is assuming that the reference to the Freedom of Information Act in the bill (H.R. 13489) prohibits the Justice Department from disclosing CID information. The FOIA reference provides only limited protection, and there appear to be a number of loopholes in the bill as passed by the House.

It is well known, for example, that the courts are divided in their interpretations as to whether the exemptions set forth in the Freedom of Information Act are mandatory or discretionary. Until this question is finally settled it is unclear, at best, whether a Federal agency is prohibited from disclosing documents and materials falling within the FOIA exemptions or whether the agency is merely authorized, in its discretion, not to disclose such information. In fact, the weight of judicial authority to date appears to indicate that the FOIA reference in the House bill does nothing more than authorize the Justice Department to withhold disclosure of CID information, not prohibit the Department from disclosing it.

In addition, section 4(c)(3)(B) of the new bill provides that the custodian may disclose CID information to others with the consent of the person who produced such material. Unlike the existing CID Act, under the new bill the term person includes an individual. Thus if an executive working for company A receives a CID and produces the response to it, and he thereafter goes to work for a competing company B, company B would be able to obtain such CID material from the Justice Department if the executive who originally produced it—and who is now working for company B—simply gives his consent. Thus there is no protection provided in the bill for company A, the real party is interest.

It may be presumed that the committee did not intend such an anomaly, which could have been cured by the proposed McClory/Wiggins amendment to require return of CID information to the provider thereof when no longer needed. The dilemma we are now faced with is the type of problem which arises when a bill is moved so quickly on the Consent Calendar, without providing an opportunity for further reflection by the House and improving floor amendments. I hope that in the future the House will be more cautious about moving such noncontroversial bills on the Consent Calendar.

THE SMOTHERS BROTHERS END IT

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. JOHN L. BURTON. Mr. Speaker, Members, for those of us who sit at home Saturday night reading the Sunday news, things will never be the same. The Smothers Brothers, one of the great entertainment teams in this generation, have decided to do their own thing. For years Tommy and Dick have done their own thing, but they have now decided to do it separately.

I first became aware of the Smothers Brothers in the late 1950's when they were working at the Purple Onion in San Francisco and I was tending bar at Bimbo's 365 nightclub. On several occasions the brothers went to Bimbo's, as part of a Gray Line tour. They were smalltime boys taking in the sights in the big city.

Their talent, ability, and warmth have thrilled millions on stage and television. They possess that rare ability to entertain people, and, more importantly, to make people laugh. Their Smothers Brothers Comedy Hour television show was a pioneer in entertainment. They were not afraid to break new ground. As a reward, they had their program canceled.

Their careers were linked intermittently with historical figures.

They were at the Purple Onion; I was at Bimbo's 365 Club. Richard Nixon was elected President; they were canceled by CBS. Daniel Ellsberg was on trial for the Pentagon Papers in Los Angeles Federal Court, they were suing CBS in the same courthouse at the same time. Significantly, both Daniel Ellsberg and the Smothers Brothers won verdicts.

As personal friends and longtime fans, myself, Sharon and Kimi will miss the Smothers Brothers as an entertainment team. I know we will continue to see and enjoy the Smothers Brothers as people. Mr. Speaker, I know that the entire House would like to join me in wishing the Smothers Brothers well, Tom, as he prepares to play Macbeth and Hamlet at Stratford-on-Avon, and Dicky, as he continues to chase bread trucks.

Enclosed is an article written by the distinguished entertainment critic of the San Francisco Chronicle, John Wasserman, entitled "The Smothers Brothers End It."

The article follows:

THE SMOTHERS BROTHERS END IT

(By John L. Wasserman)

"Dickie and I have always tried to be direct about things," Tom Smothers said Saturday afternoon.

"We were direct about our conflict with CBS, we were direct about the Vietnam war, and we want to be direct about our retirement. We went on TV (Johnny Carson's show on Thursday night) to announce the end of the Smothers Brothers because we wanted to forestall the rumors. We thought we'd do it straight, like we've done everything else."

And so, more than 17 years after they burst on the national comedy scene from the launching pad of the Purple Onion, after hundreds of concerts, dozens of night clubs, 11 record albums (three were gold) and television series on all three networks, 39-year-old Tom Smothers and baby brother, Dick, 37, have retired one of the most successful careers any comedy team has enjoyed.

"There was no straw that broke the camel's back," Tom continued. "Actually, when we started at the Purple Onion, we gave ourselves six months to make it but we always said, even with success, that if things ever got to the point where we're not fully committed, and it starts to interfere with our individual desires to express ourselves, we'd retire the act.

"That's different from splitting up," he emphasized time and again. "We're retiring the act, the performing entity, so that we can explore our potential, but we have no personal problems. If anything, we have more love for each other than we've ever had."

It has been a tumultuous period for the brothers since their return to performing nearly three years ago, after what Tom calls the "limbo" period following their 1969 firing by and subsequent litigation with the CBS television network. Since the fall of 1973, the emotional and professional roller coaster:

Tom got married. The brothers got a new network television series. The series flopped. They parted with their long-time manager. They hired another manager. They parted with the second manager. And, two months ago, Tom's divorce from his second wife became quietly final.

Now, as the sage observed, the future lies ahead, "I have no wife, no manager and no Smothers Brothers," Tom said, not unhappily. "Dickie and I both felt we had fulfilled the possibilities of the act. We were limited to expressing ourselves only in the context of our relationship with each other. Dickie never has liked the road. He wants to spend more time with his family, and other interests in Santa Cruz. But neither of us is retiring from show business."

Tom's own plans are vague, but he insists that the vagueness is sincere.

"You can't choreograph a bullfight. Who

knows what's going to come up—film, stage, clubs, directing, writing? Things happen so damn fast. I want to be ready on all fronts."

For the rest of the year, Tom, who will continue to make his home in Glen Ellen, and Dick will fulfill their current commitments. Lamentably, those do not include a Bay Area engagement. The closest they'll come, geographically, is two weeks at Harrah's Tahoe in October. Tom, perhaps presaging a more flexible future, will make his stage debut in "Play It Again, Sam," Woody Allen's comedy, on August 10 at Pat Paulsen's Cherry County Playhouse in Michigan.

As for 1977, Tom is leaving the choreography to fate. If all else fails, as he noted on Carson's show, there's always the Air Force. "As I explained on the show," he explained, "there's 30 days paid vacation and unlimited educational opportunities. My first choices for school are radar and the space program. If I couldn't get into those, I'd go into germ warfare . . . cause I like to work with people."

Tom chortled. "Yesterday, the Air Force called my office and said it was the best plug they ever had. They want to make me an honorary general. But I don't know. Now I'm thinking about the Navy . . ."

THE PROPOSED EXPORT OF COMPUTERS TO RUSSIA

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. SYMMS. Mr. Speaker, I have recently learned of a planned sale of some of our most advanced computer technology to the Soviet Union. The July 1976 issue of Conservative Digest magazine contains an article by Miles Costick entitled "The Dangers of Economic Détente." This article describes the proposed export to the Soviet Union of the world's largest and most advanced scientific computers—the fourth-generation Cyber-76 and Cyber-172 series. There are only eight installations in the world using these systems including the National Security Agency, NASA, the U.S. Air Force, and ERDA. Control Data Corp. provided the Soviet nuclear research facility in Dubna—near Moscow—with its second and third generation computers.

I would commend Mr. Costick's article to my colleagues in the Congress:

THE DANGERS OF ECONOMIC DÉTENTE

(By Miles Costick)

Not satisfied with the serious damage done by his grand design for political detente, Secretary of State Henry Kissinger has also advanced the concept of "economic detente."

Economic detente, according to Kissinger, is based on the principle of "linkage" of the American and Soviet economies, and would add "an element of stability to the political equation."

However, stability is not the result because what the United States means by detente and what the USSR means by detente are two entirely different things.

Leonid Brezhnev and his colleagues see detente as a policy to increase Soviet power over the United States *without* alarming the Americans or their allies into taking effective countermeasures. Brezhnev made this clear to his Politburo and Warsaw Pact leaders during the summer of 1973.

His key proposition was dubbed the "new Brezhnev doctrine" by U.S. defense analysts, who summarized it as follows: "We communists have got to string along with the capitalists for a while. We need their credits, their agriculture and their technology.

"But we are going to continue a massive military buildup, and by the middle 1980s we will be in a position a position to return to a much more aggressive foreign policy designed to gain the upper hand in our relationship with the West."

Therefore, every U.S.-Soviet deal—particularly the transfer of advanced technology and sophisticated capital equipment—is an act of international politics.

THE NATURE OF TRADE

By now, the two general techniques in the Soviet pattern of trade have clearly emerged. One is to tap the Western technology and long-term credits in order to develop resources rapidly, including oil, natural gas, timber and rare metals in Siberia.

The other is to import complete industrial installations wholesale, especially in the chemical and petrochemical industries, computer production, the automotive field, the energy sector and modern metallurgy.

In 1972 alone, orders from Western technology ran to $2 billion—a figure that rose in 1973 to almost $3 billion and is still climbing—with the result that Moscow now spends over 22 percent of its foreign exchange earnings annually in repaying loans.

The surge in shipments of advanced technology was particularly evident in the case of the United States. According to figures released by the Department of Commerce, the U.S. shipped $547 million worth of machinery and equipment to the Soviet Union last year.

This sharp increase in the export of technology, combined with grain shipments worth $1.1 billion, produced a record trade gap in Soviet-American relations in 1975. United States' exports totaled $1.8 billion, compared with imports from the Soviet Union of $227 million, a ratio of almost seven to one.

More, however, lies behind the Soviet trade strategy than erecting large new industrial facilities. The major contract with Fiat to build a complete auto factory at Togliatti illustrates another Soviet objective. Fiat not only planned, programmed and supervised construction of the complex, but trained Soviet engineers and technicians and provided technical help in running the installation.

Thus, what Moscow wanted to and did acquire was not just a modern plant, but the very art of modern mass production of cars, plus the management and organization for such mass production. The same applies to the Kama River truck plant, which predominantly utilizes American technology.

Historically, the Kremlin has used trade for political and strategic reasons, to exploit economic crises and to try to disrupt Western economies. In the view of this observer, the Soviet Union had explicit political objectives in exhorting the Arab oil nations to bargain hard with the West.

By half privately, half publicly promoting the upward spiral of oil prices, Moscow hoped to push the West toward bankruptcy and depression. It was obvious that Moscow took great comfort in seeing inflation pressures increasing in the West.

The Soviet press made no secret that Moscow also saw advantages in the rising competitive frictions between Western Europe and the United States as the oil crisis mounted.

THE MILITARY DIMENSION

In his testimony on April 12, 1974, before an executive session of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee of the U.S. Congress, William Colby, then director of the CIA, stated that the Soviets "have been getting military technology" from the West.

When Chairman William Proxmire inquired about the nature of that technology, Mr. Colby replied: "Computers, some scientific instruments and advanced equipment."

In 1972, the U.S. Departments of State and Commerce granted an export license for 164 of the latest generation Centalign-B machine. These are of critical importance in the manufacture of precision miniature ball bearings, which, in turn, are imperative for any guidance mechanism used in intercontinental ballistic missiles—ICBMs, MIRVs and the latest in guided missiles, MARVs—Maneuverable Reentry Vehicles. The sole manufacturer of these unique machines is the Bryant Chucking Grinder Company of Springfield, Vermont.

The Soviet war industry gained 164 of these machines; the United States has never owned more than 77 of them. The export of Centalign-B machines to the Soviet Union gave Moscow direct access to the mass manufacture of guidance mechanisms needed for MIRVing and MARVing.

According to testimony presented to the Senate Finance Committee, United States and British computer technology and large scientific computers enabled the Soviets to make a breakthrough in the development and advancement of MIRVs by saving them valuable time ranging from two to four years.

In 1982, the Soviets will have at least 5,000 operational MIRVs aimed at the United States. Without American technology and precision miniature ball bearings, this would not have been possible.

In my presence, the former chief legal counsel of the contracting division in the Soviet Ministry of Armaments gave a sworn statement that, without the use of American computers, precision instruments and digital tools in Soviet research and development laboratories, the Soviet military-industrial complex could not have made any advances in the development of high-energy lasers or nuclear devices. His statement was made in the spring of 1974.

This statement was confirmed on July 21, 1975, when Lt. Gen. Daniel Graham, then director of the Defense Intelligence Agency, testified before a subcommittee of the Congressional Joint Economic Committee in executive session that he was worried about a Soviet breakthrough in "the application of lasers."

Furthermore, the Soviet Union is seriously exploring "revolutionary" and "highly speculative" weapons technologies, which could give it the worldwide lead in military weaponry in the near future.

So stated Deputy Defense Secretary William Clements on April 20 of this year. Clements told an MIT university conference in Washington, D.C., that the Soviet's arms experiments "include high-energy lasers, surface-effect vehicles and antipersonnel-pressure weapons.

It should be stressed that the Soviets have made a breakthrough in the deployment of high-energy lasers in the form of antisatellite devices. It was recently reported that several U.S. spy satellites placed in orbit to observe Soviet compliance with the SALT 1 agreement were rendered nonoperable (blinded) by Soviet laser-beam devices.

Computers are at the core of today's and tomorrow's strategies. Without them there are no weapons systems. All the new technologies—giros, lasers, nucleonics, metallurgy, propulsion, including computer technologies themselves—are dependent upon computers. Furthermore, computers, lasers and nucleonics are interrelated.

ROPE SELLERS RUN WILD

And yet there is a concerted drive by several leading American electronic firms to sell to the Soviets fourth-generation large computers and related technologies, or to provide the Soviets with complete manufacturing facilities for the mass production of the latest generation computers.

For example, Control Data Corporation has provided the Soviet nuclear-research facility in Dubna near Moscow with its second- and third-generation computers. Today Control Data's management is pressing the Department of Commerce and other U.S. government agencies to permit the export to the

Soviet Union of the world's largest and most advanced scientific computers—the fourth-generation Cyber-76 and Cyber-172 series.

Only eight such installations exist in the world, including those at the Atomic Energy Commission, U.S. Air Force, NASA and the National Security Agency.

One of the most flagrant examples of the outflow of American advanced technology and automated machinery is to be found in the case of the KAMAZ—Kama River truck plant, still under construction in accordance with specifications provided by leading American engineering concerns.

Donald E. Stingel, president of Swindell-Dresser Co., told the congressional Subcommittee on Internaitonal Trade of his firm's role as the plant's principal engineering and construction contractor. His testimony included the revelation that the firm is providing the USSR with a technology yet to be realized even in the United States.

Specifically, the KAMAZ will have an annual production capacity of 150,000 to 200,000 10-ton multiple-axle trucks, more than the capacity of all U.S. heavy-duty truck manufacturers. This plant will be capable of producing tanks, military scout cars, rocket launchers and trucks for military transport, but it was approved as "non-strategic."

Hedrick Smith, a Moscow correspondent for The New York Times, has reported a joke that circulated within the official Soviet establishment on the eve of Brezhnev's visit to Washington in June 1973. Brezhnev, it seems, had gathered his advisors for counsel on what he should ask from America.

"Ask them to sell us cars and build us highways," suggested one. "Ask them to build us computer factories and petrochemical plants," said a second. "Ask them to build us oil pipelines and atomic power stations," said a third. "No," replied Brezhnev thoughtfully. "I'll just ask them to build us communism."

From the results to date of both political and economic detente this is exactly what the West has been doing: Building communism and digging its own grave.

If you believe that Control Data Corporation and other U.S. companies should not be allowed to sell strategic equipment and technology to the Soviet Union, write President Ford, the White House, Washington, D.C.

The American Security Council, 1101 17th Street, N.W., Washington, D.C. 20036, is actively opposed to the sale of U.S. strategic computers, lasers and other items to the U.S.S.R. Let them know of your support.

In conclusion, I would encourage a congressional investigation of the pending transfer of this technology to Russia. It is really ironic to think that Soviet ICBM's would be guided to their American targets with U.S. supplied computer technology. Commonsense should tell us that we are digging our own grave with each new sale of lasers and computers to Moscow. The American people have a right to know what is going on here.

RESDEL INDUSTRIES CELEBRATES ITS 25TH ANNIVERSARY

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. MOORHEAD of California. Mr. Speaker, on September 11, 1976, Resdel Industries, of Pasadena, Calif., will celebrate its 25th anniversary. Resdel, manufacturers of highly sophisticated electronic communications equipment, has headquartered in Pasadena for the past 20 of those 25 years, providing employment for area residents and generating revenues in the community. Pasadena citizens are justly proud of Resdel Industries and I am pleased to share the Resdel story with my colleagues:

RESDEL INDUSTRIES CELEBRATES 25TH ANNIVERSARY

On September 11, 1976, Resdel Industries, a Pasadena based electronics communications company, will celebrate its 25th anniversary. This celebration will have special meaning for many Pasadena area residents, the business community and Resdel's employees; but most of all, for Henry K. Abajian, President and Chairman of the Board of Resdel.

The story of Henry K. Abajian, one of Pasadena's outstanding business leaders, could well fit into a volume of Horatio Alger tales. Born to American parents in Turkey, he understood well the meaning of persecution and in 1923 Mr. Abajian and his family moved to the United States, joining his father who had previously emigrated. From that point in time, Mr. Abajian never looked back. He began his formal education, graduated high school in Troy, New York and received his Mechanical Engineering degree from Rensselaer Polytechnic Institute in 1933, during the depths of the depression, the same year he became a United States citizen.

Following graduation he held various engineering positions around the country and in 1951 co-founded Resdel Industries in Los Angeles with a total investment of $5,000 and three employees. In 1955, Resdel moved from Los Angeles to Pasadena, present site of the corporate headquarters. The company now boasts more than 400 employees and continues to expand each year with three operating subsidiaries: Digital Systems, Inc., designer of high-technology machine tools for the computer circuit board industry; Resdel Engineering, which concentrates on the development of advanced communications equipment for governmental utilization and Fanon/Courier Corporation, a leader in the field of manufacturing and marketing personal communications equipment, notably CB radios, walkie-talkies, telephone amplifiers and intercoms. The parent company also has support subsidiaries in Amsterdam and the Far East.

Resdel Engineering was in the forefront of historic developments in the country's space programs throughout the 50s and 60s and manufactured the solid state transmitter which sent back television pictures from the Apollo spacecraft to Earth during the Apollo-Soyuz space mission last year. Resdel and its management is to be commended for designing and developing advanced communications equipment for use by our government and the consumers in the past two and a half decades. It is hoped that the Company, under the leadership of Henry K. Abajian, will continue to make innovative contributions to communications technology in the future.

BARRY FARBER ON NEW YORK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BIAGGI. Mr. Speaker, on July 28, an article appeared in the editorial section of the New York Times written by Barry Farber, a former congressional candidate, an outstanding radio talk show host and a dear friend of mine. The subject Mr. Farber chose to speak out on, in his witty and caustic, but deadly earnest manner, is the problem with New York and what New Yorkers can do about it.

Mr. Farber proposes New Yorkers stop blaming their problems on others and start living up to their civic duty by making their city into a safe, clean, and habitable one. Only until New Yorkers identify themselves as their own real worst foe will any constructive changes occur, until they become "a new kind of New Yorker." I am pleased to insert this article into the RECORD for all to read, and perhaps reflect on the insightful comments of Barry Farber:

YOU, YOU, YOU, YOU

(By Barry Farber)

It's maddening being the only one who knows what's wrong with New York.

You keep telling yourself there must be others but they're bashful, they're scared, they're inarticulate, they're on vacation, or you had to leave just before they stood up and said it. You think it, feel it, know it, but you never hear it.

You hear all about Beame and his lightweight lackluster nonleadership and Lindsay and his opportunistic pandering to minorities and unions and Wagner who always settled it alone over whisky with Mike Quill while party bosses feasted on patronage.

All of it believed, some of it true, none of it relevant. San Francisco had an earthquake, Chicago a fire, Atlantic a war, Johnstown a flood. New York never had a major disaster, so it made one.

We, in fact, are what's wrong with New York and no politician will ever divulge that secret as long as there are municipal unions, landlords, upstate legislators, welfare recipients, cops who live out of town, smokers who buy cigarettes in North Carolina, and a wide choice of racial and religious minorities to blame it on.

The people are ready to hear what no candidate is ready to say. The rescue of New York will begin the night a voter stands up in the school auditorium and challenges a candidate to review his record on something like housing and, instead of reciting a prefab platitude packaged for that neighborhood, the candidate glares at the questioner, pauses, and in the manner of Spencer Tracy in "Judgment at Nuremberg" says: "So you want to know my record on housing, do you? Well, let's look at your record on a few things first. You used to have a great city here; a garden, an envy, a major magnet of global attraction. And you turned it into a toilet! And you've got the shamelessness to stand there and ask me about my record. I'm not sure I want to lead a bunch of self-righteous, overflattered, underflailed draft-dodgers from civic duty like you."

Unless that candidate wore a swastika or a hammer-and-sickle he'd get my vote.

A New Yorker hoping to rescue this city merely by voting for earnest candidates with brave labels is like an alcoholic setting out to cure himself by changing his brand of whisky. New kinds of politicians can't help until we become a new kind of New Yorker.

For every elected official who litters, there are 10,000 of us. For every politician who turns his back when a screaming woman is stabbed to death, there are 10,000 of us. For every politician who cheats, steals, lies, and covers up there are 10,000 of us.

We're losing the battle for New York because of our priggish refusal to identify the foe. Any politician who tries to pin the blame on office holders past or present while praising the "great population of New York" is committing more than a deception.

It's a war crime.

VOTING RECORD

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BAUCUS. Mr. Speaker, I am presenting today my voting record for the period August 1, 1975, to July 2, 1976. Some of my colleagues may recall that day last fall when I presented my voting record for the first 8 months of 1975. With this installment, the record of the 94th Congress is brought up to date through the Bicentennial Independence Day recess.

Before presenting a detailed listing of each vote, I would like to offer a few words of explanation. To begin with, the total number of votes listed is 527, broken down as follows:

Subject:	*Number of votes*
Agriculture	31
Communications	5
Consumer affairs	17
Economic affairs	40
Education, arts and humanities	13
Energy	56
Environment	25
Foreign relations	57
Government and civil service	99
Health	19
Housing and urban affairs	7
Justice and judiciary	9
Labor	20
National defense	50
Politics	18
Science and technology	7
Social conditions and services	20
Sports and recreation	4
Transportation and public works	30
Total	527

On each vote I have noted the following information: First, a brief description of the issue presented; second, a rollcall number for the vote—note, the number presented in parentheses is the vote number used by Congressional Quarterly, preceded by the last digit of the year of the vote—for example, the first vote noted is No. 5430, which means that it is vote No. 430 in the year 1975 according to the records kept by Congressional Quarterly; third, my vote on the measure; fourth, the outcome; and fifth, the final vote tabulation.

This information is more complete than my last record in that I have provided a vote identification number and the final vote tabulation. On the other hand, for the purposes of saving space, I deleted votes which were on purely procedural questions, such as whether the House should rise as a Committee of the Whole, or whether a particular rule should be passed.

It may be appropriate to explain here the order of the votes presented below. Within each of the 20 subject categories, the votes are presented chronologically, with one general exception. When several votes were taken on a particular bill, I present first the final votes on the bill, followed by the votes on proposed amendments.

My reasons for presenting this record are several. Foremost among them is my firm belief that representative government works best when the represented know what their representatives are doing to represent them.

During recent Congresses, there have been so many recorded votes—often numbering in the thousands—that it is virtually impossible for the average Montanan to get a feel for what his or her representative is doing.

That leads me to the second reason for presenting my voting record—namely, it provides people with the opportunity to examine the scope of activities undertaken by Congress. By dividing the votes in the 20 categories presented above, readers of this record can gauge for themselves where and how Congress is allocating its time and attention.

A third reason I offer this record is that it enables Montanans to judge my attendance record. Out of the 527 votes presented below, I missed only six, each of which is designated by an asterisk. On those six votes, I did note how I would have voted if I had been able to do so.

Mr. Speaker, I must once again apologize for the small print, but as my colleagues can attest, the activity of Congress over the past year has been intense, and I do not wish to take up too much space in the CONGRESSIONAL RECORD confirming that fact.

The material follows:

ISSUE	MY VOTE	OUTCOME
Agriculture		
A bill to enable cattle producers to establish, finance and carry out a program of beef research, consumer and market information. (5430)	Yes	Passed (229–189)
A bill to authorize $47.9 million for the Federal Insecticide, Fungicide, and Rodenticide Act through September 30, 1976. (5454)	Yes	Passed (329–80)
An amendment to give the Agriculture Department authority to block EPA decisions to ban or restrict the use of pesticides. (5437)	No	Failed (167–175)
An amendment to extend the Federal Insecticide, Fungicide, and Rodenticide Act authorization for one year through September 30, 1976 without change. (5438)	No	Failed (66–272)
An amendment to require the Agriculture Department approval for major EPA regulations and actions relating to pesticide control. (5452)	No	Failed (164–233)
An amendment to authorize the EPA to approve state certification plans that required farmers to complete training programs before being certified to use restricted pesticide. (5453)	Yes	Passed (250–155)
A bill to authorize a program to encourage direct marketing of agriculture commodities from farmers to consumers. (5492)	Yes	Passed (299–95)
A bill to extend the authorization to provide rural development and small farm research and extension programs and to authorize sums not to exceed $5 million for the transition and $20 million in fiscal 1977. (5503)	Yes	Passed (323–11)
A conference report to authorize $77.5 million to implement the Federal Insecticide, Fungicide, and Rodenticide Act through March 31, 1977. (5532)	Yes	Passed (334–76)
Agriculture		
A motion to recommit bill to authorize cattle producers, under Agriculture Department supervision, to create and finance a program to improve markets for beef. (5585)	No	Passed (263–112)
A bill to suspend rice marketing quotas for the 1976–1977 crop years and remove restrictions on rice productions by new producers, and establish target prices for rice and a rice research program. (5588)	Yes	Passed (311–104)
An amendment to continue marketing quotas and acreage allotments for rice production, delete target pricing, and reduce loan levels to 60% parity. (5586)	No	Failed (97–310)
A motion to recommit the bill on rice production and thus kill it. (5587)	No	Failed (102–311)
A Joint Resolution to provide quarterly adjustments in the support price of milk and increase the support price to a minimum of 85% of parity. (5595)	Yes	Passed (307–111)
A bill to strengthen the authority of the Secretary of Agriculture to establish and enforce humane standards for the transportation of animals in interstate commerce to make violations subject to civil and criminal penalties and prohibit the transportation of animals for animal fights. (632)	Yes	Passed (335–34)
An amendment to delete a provision making it a Federal crime to promote animal fighting for entertainment purposes. (630)	No	Failed (56–312)
A second vote on the amendment to include live birds in the provision regarding animal fighting. (631)	Yes	Passed (289–76)
A bill to allow grain weighing and grain inspection at export port locations by either Federal employees or employees of State agencies and to strengthen civil and criminal penalties for knowing violations of the act. (6116)	Yes*	Passed (246–33)

ISSUE	MY VOTE	OUTCOME
Agriculture		
An amendment to disallow the participation of State agency employees in grain inspection and weighing, and require that these activities be performed only by Federal employees. (6115)	Yes*	Failed (112–183)
A conference report to authorize the Secretary of Agriculture to establish and enforce humane standards for the transportation of animals in interstate commerce, to make violators subject to penalties and to prohibit and make a Federal crime transportation of animals in interstate commerce for the purpose of holding animal fights. (6127)	Yes	Passed (332–31)
A resolution to disapprove the President's proposed deferral of $18 million in funds previously appropriated for the emergency watershed protection program of the Soil Conservation Service. (6138)	Yes	Passed (338–23)
A conference report to authorize cattle producers under Agriculture Department supervision, to create and finance through self-assessments a promotion and research program to improve markets for beef. (6164)	Yes	Passed (200–170)
A bill to provide uniform law enforcement authority for the Fish and Wildlife Service and the National Marine Fisheries Service and to establish a national training program that would cooperate with the quality of personnel in both services. (6165)	Yes	Passed (360–0)
A bill to eliminate government funding of cotton research programs, to increase the assessments paid by cotton producers to support the program and to reimburse the Secretary of Agriculture for expenses associated with producer referendums. (6239)	Yes	Passed (370–6)
An amendment to cut Interior Department Bureau of Reclamation construction appropriations to $339.2 from $351.4, thus deleting $12.2 million for the Garrison Diversion irrigation project in North Dakota. (6279)	Yes	Failed (156–244)
A bill to appropriate $11.7 billion for the Department of Agriculture and related agencies for fiscal 1977. (6285)	Yes	Passed (377–26)
An amendment to limit to $59 million any subsidies paid under the peanut price support program for the 1977 crop. (6282)	No	Failed (175–229)
An amendment to delete $794 million from the food stamp program, limiting that program to $4 billion for fiscal 1977. (6283)	No	Failed (184–222)
A motion to recommit the Agriculture Appropriations bill with instructions to cut 5% in new obligational authority. (6284)	No	Failed (103–298)
A bill to revise and extend the program in the Department of Agriculture to protect horses from inhumane practice artificially altering the gait of a horse used in exhibitions and horse shows. (6309)	Yes	Passed (346–6)
A conference report to appropriate $12.6 billion for the Agriculture Department in fiscal 1977. (6354)	Yes	Passed (372–27)
NOTE: For votes on OSHA issues, please see the section on labor votes.		
Communications		
A bill to authorize $634 million in longrange funding for fiscal years 1976–80 for the Corporation for Public Broadcasting. (5508)	Yes	Passed (336–26)
A bill to extend permanently the 1973 ban on television blackouts of certain professional sports clubs' games in hometown areas. (5579)	Yes	Passed (363–72)
A Conference report to authorize $634 million in longrange funding for fiscal 1976–80 for the Corporation for Public Broadcasting. (5596)	Yes	Passed (313–40)
A bill to authorize $58 million in fiscal 1977 for the broadcasting activities of the Board for International Broadcasting and to require the President to report to Congress on means to utilize overseas broadcast'ng facilities more effectively. (6100)	Yes	Passed (287–70)
Communications		
A bill to allow radio broadcast stations that receive from FM radio stations or television stations and retransmit them to a new audience to originate limited amounts of programming and operate them unattached in the same fashion as television stations that broadcast in the same manner. (6308)	Yes	Passed (349–2)
Consumer affairs		
An amendment to prohibit the Consumer Product Safety Commission from including product sampling plans as part of mandatory product safety standards except in cases of bottles or flammable products. (5408)	Yes	Passed (200–193)
A bill to authorize $193 million for the Consumer Product Safety Commission in fiscal years 1976–78 and amend the Consumer Product Safety Act. (5473)	Yes	Passed (313–86)
An amendment to delete provisions of the bill permitting the Commission to choose on a case-by-case basis, which of the four major laws it administered to use in regulating a product. (5467)	No	Failed (204–205)
An amendment to allow House or Senate to disapprove within 30 legislative days, standards, rules, and regulations proposed by the Commission on a product. (5468)	Yes	Passed (224–180)
An amendment to authorize private parties to bring civil suits against the Consumer Product Safety Commission during a 2-year experimental period. (5469)	Yes*	Failed (166–230)
An amendment to delete a provision of the bill authorizing the Commission to conduct its own civil litigation independently of the Justice Department. (5471)	No	Passed (209–195)
A motion to recommit the bill to the Interstate and Foreign Commerce Committee, instructing it to delete a provision permitting the Commission to choose which of the four laws it administered to use in regulating the products. (5472)	No	Passed (204–198)
A bill requiring companies leasing consumer goods to disclose fully the terms and the cost of the lease. (5477)	Yes	Passed (339–41)
A bill creating an independent agency for consumer protection to coordinate federal consumer protection activities, and represent consumer interests before federal agencies and the courts. (5497)	Yes	Passed (208–199)
An amendment to require all federal agency consumer functions similar to those in the proposed agency be transferred to the new agency. (5495)	Yes	Passed (379–27)
A bill to modify provisions of a 1974 law designed to help consumers hold down the settlement charges connected with buying or selling a home. (5523)	Yes	Passed (379–21)
A bill to prohibit retailers from imposing surcharges on purchases made with credit cards. (5524)	Yes	Passed (398–3)
A conference report to outlaw credit discrimination based on age, race, color, religion, or national origin. (665)	Yes	Passed (384–3)
A bill to permit states bringing consumer antitrust suits to employ private attorneys on a contingency fee basis with court approval. (680)	Yes	Failed (167–217)
An amendment to limit state consumer antitrust suits based on aggregated damages to willful price-fixing cases. (679)	No	Passed (220–171)
A motion to recommit the State Anti-trust Suits Bill with instructions to study the feasibility of increasing civil fines to deter anti-trust violations. (681)	No	Failed (150–223)
A motion to recommit the conference report authorizing fiscal 1976–78 funds for the Consumer Product Safety Commission with instructions to disagree to a provision authorizing the agency to represent itself in civil litigation if the Attorney General refused to accept a case within 45 days. (6143)	Yes	Failed (177–192)

ISSUE	MY VOTE	OUTCOME
Economic affairs		
A bill to amend Section 103 of the Internal Revenue Code to grant tax exempt status for development bonds used to construct dams if mainly for irrigation purposes at a reasonable public cost. (5440)	Yes	Passed (286–111)
A bill to extend the authority of federal bank regulatory agencies to set ceilings on the amount of interest paid on savings accounts and to require lenders to disclose the amount of mortgage money they lend. (5488)	Yes	Passed (177–147)
An amendment to delete provisions of the bill allowing financial institutions to offer "negotiable orders of withdrawal" (NOW) accounts. (5485)	Yes	Passed (218–134)
An amendment to delete provisions of the bill requiring lenders in metropolitan areas to disclose mortgage money lent for four-year periods after enactment within each census tract or zip code area. (5486)	No	Failed (152–191)
An amendment to limit disclosure of mortgage lending data for city neighborhoods to lenders in 20 metropolitan areas selected by the Federal Reserve Board for a 3 year study. (5487)	Yes	Failed (165–167)
A bill authorizing voluntary withholding of state income taxes for Members of Congress and congressional employees. (5491)	Yes	Passed (394–7)
A resolution to set ceilings of $374.9 billion on fiscal year 1976 outlays and $409 billion on budget authority; set a floor of $301.8 billion on revenues and $73.1 billion as the budget deficit. (5515)	Yes	Passed (225–191)
An amendment to exempt businesses having less than $1 million in net assets of 25 or fewer full-time employees from the requirement to answer interrogatories issued by the agency. (5494)	Yes	Passed (401–6)
An amendment to lower budget authority in fiscal 1976 by $71.9 billion and outlays by $71.9 billion thereby eliminating the deficit and creating a balanced budget and lowering the debt by $72 billion. (5512)	No	Failed (127–283)
An amendment to increase new budget authority by $7.5 billion and increase outlays, the deficit and public debt by $1 billion. (5513)	No	Passed (213–203)
An amendment to lower budget authority by $12.5 billion, and lower budget outlays, the deficit and public debt by $4.7 billion. (5514)	No	Failed (159–257)
A bill to increase temporary federal debt limit to $595 billion and extend it through March 15, 1976. (5518)	Yes	Passed (213–198)
A bill to extend through 1976 the Defense Production Act, which provides the President with authority to stimulate industrial production and to assure priority use of vital supplies and foods during national emergencies. (5522)	Yes	Passed (318–1)
A bill to authorize federal loans of up to $2.3 billion a year to help NYC meet seasonal cash flows. (5541)	No	Passed (213–203)
A conference report on bill extending Defense Production Act through fiscal 1977, to amend its anti-trust immunity provisions and requiring cost benefit assessments of standards proposed by the Cost Accounting Standards Board. (5542)	Yes	Passed (404–4)
A bill to reduce 1976 individual and business taxes by $15.5 billion by extending temporary tax cuts, strengthen the existing minimum income tax on preference income, restrict existing business expense deductions, limit tax benefits on foreign income, and make other federal tax law revisions. (5552)	Yes	Passed (257–168)
An amendment to delete provisions allowing individuals with capital losses in excess of $3,000 in a year to carry them back against capital gains in three previous years. (5544)	Yes*	Passed (379–27)
An amendment to apply a limitation on artificial losses to real estate on a property by property basis effective on persons with more than one real estate project. (5546)	Yes	Failed (192–226)

ISSUE	MY VOTE	OUTCOME
Economic affairs		
An amendment strengthening minimum tax on preference income by expansion of tax preferences subject to tax and elimination of 50% of regular federal income tax deduction in tax computation. (5547)	Yes	Passed (314–107)
An amendment to delete provisions establishing a limitation on artificial losses and tightening the minimum tax. (5548)	No	Failed (85–334)
An amendment to delete provisions repealing the 30% withholding tax on dividends and interest earned by foreign investment. (5549)	Yes	Passed (301–119)
An amendment to shorten to 3 from 5 years time provided for limiting amount of export income by a domestic international sales corporation for deferral of federal taxes. (5550)	Yes	Failed (199–223)
A motion to recommit bill to committee with instructions to report with amendment prohibiting use of revenues to finance fiscal spending in excess of $395 billion. (5551)	No	Failed (202–220)
A bill permitting a municipality to file a petition of bankruptcy without the approval of its creditors and to continue limited borrowing while it develops a debt adjustment plan with a court. (5565)	Yes	Passed (373–29)
An amendment to revise municipal bankruptcy proceedings for cities of over 1 million in population. (5564)	No	Failed (145–264)
A bill requiring payment of interest on certain funds of the U.S. held on deposit in commercial banks and provide for reimbursement to commercial banks for services performed by the federal government. (5578)	Yes	Passed (391–0)
A conference report on bill to cut taxes by $8.4 billion by extending 1975 tax reductions through June 30, 1976. (5589)	Yes	Failed (256–160) ⅔ required
A bill to pass over the President's veto, the bill to cut federal taxes $8.4 billion in 1976 by extending 1975 tax reductions through June 30, 1976. (5597)	Yes	Failed (265–157) ⅔ required
A bill to pass over the President's veto, the bill to authorize $6.1 billion for job creating public works projects and anti-recession aid to state and local governments. (642)	Yes	Passed (319–98)
A bill to allow 5 New York City employees' pension plans to buy $2.5 billion of city bonds without losing tax advantages under federal law. (649)	Yes	Passed (298–45)
A bill to impose capital gains taxes on the increased value of stocks of securities transferred to certain partnership exchange funds, trusts, or mutual funds in order to diversify the owners' security holdings. (6168)	Yes	Passed (348–14)
A bill to make changes in the Federal Reserve System. (6189)	Yes	Passed (279–85)
A conference report to ease funding for acquisition of pollution control equipment by small business, liberalize provisions of the Small Business Investment Act of 1958, make certain farms and ranches eligible, and require studies of the role of small businesses in the economy. (6197)	Yes	Passed (392–0)
A bill to increase the lending authority of the Small Business Administration and ease eligibility requirements for federal assistance to small businesses. (6243)	Yes	Passed (341–2)
A bill to levy taxes on all popularly priced cigars at the same rate and to base the rate upon the wholesale price of the cigars. (6310)	No	Failed (269–138)
A bill to provide that income distributed by an insurance company inadvertently from the policy holders surplus account and then promptly returned to the company would not be subject to taxes under the Life Insurance Company Taxes Act of 1959. (6311)	No	Failed (339–66)

ISSUE	MY VOTE	OUTCOME
Economic affairs		
A bill to suspend the duties on certain bicycle parts and assessories until December 31, 1979. (6312)	Yes	Passed (370–41)
A bill to allow floating rates for international currencies, instead of the fixed rates in the original Breton Woods Agreement of 1944. (6314)	Yes	Failed (264–147) ⅔ required
A motion to recommit bill to committee with instructions to reduce appropriations for a revolving appropriations for a revolving loan fund to aid New York City to $1.3 billion from $2.3 billion. (5580)	No	Failed (187–219)
An amendment to reduce budget authority and outlays by $50 million in order to eliminate funds targeted for a bill on balanced economic growth. (6153)	Yes	Failed (177–206)
Education		
A motion to agree to bar HEW from using any funds in the Labor-HEW appropriations to require school districts to bus children beyond their neighborhood schools, but to allow HEW to order busing to the school closest or next closest to the student's home. (5555)	Yes	Failed (133–259)
An amendment to prohibit HEW from using, directly or indirectly, any funds in the Labor-HEW appropriations to require school districts to bus students beyond the school closest to their homes for the purpose of school integration. (5556)	No	Passed (260–146)
A bill to make federal grants to states to reimburse local school districts for the actual costs they incurred in providing education services to Indo-Chinese refugee students. (62)	Yes	Passed (311–75)
An amendment to reimburse local school districts only for the actual costs incurred in providing education services to Indo-Chinese refugee students. (61)	No	Passed (235–143)
An amendment to rescind $97.3 million of already appropriated fiscal 1976 funds for aid to school districts, "impacted" by federal installations. (633)	No	Failed (134–267)
A bill to extend the Library Service and Construction Act for five years (638)	Yes	Passed (378–7)
A bill to authorize $250 million for fiscal 1977, $297 million for fiscal 1978, and open-ended funding for fiscal 1979–80 to extend support for the National Foundation on the Arts and Humanities. (6144)	Yes	Passed (279–59)
A bill to extend the authorization for federal aid to vocational education programs and the National Institute of Education. (6191)	Yes	Passed (390–3)
A bill to extend for one year the authorization for federal aid to higher education programs. (6195)	Yes	Passed (388–7)
An amendment to delete a provision requiring that when appropriations for student aid exceed $2.5 billion, an amount equal to the excess would have to be appropriated for community services, continuing education and facilities. (6192)	No	Failed (146–255)
An amendment to prohibit funds authorized under the Foreign Studies and Language Development Section to be used for activities involving any aspect of the religion of "secular humanism." (6193)	Yes	Passed (222–174)
An amendment to exempt professionally oriented fraternities and sororities from regulations prohibiting sex discrimination. (6194)	No	Failed (121–272)
A bill to provide an extension of the student loan program through September 1976. (6304)	Yes	Passed (350–0)
Energy		
A bill to provide the President with emergency energy standby authority, for creation for a civilian strategic oil reserve, to extend price controls on domestic oil, establish mandatory gasoline allocation programs, and set fuel economy standards. (5405)	Yes	Passed (255–148)
Energy		
An amendment to delete from the bill oil pricing sections that would extend federal controls on the price of domestic oil with ceilings at $5.25, $7.50 and $10.00 per barrel. (5388)	No	Failed (151–242)
An amendment to delete from bill the sections to require the President to restrict and allocate domestic gasoline supplies and reduce the consumption by 2% in 3 yrs. (5389)	No	Failed (150–239)
An amendment to delete from bill provisions setting up voluntary energy conservation programs for U.S. industry. (5390)	No	Passed (220–187)
An amendment to delete from bill Presidential authorization to act as exclusive purchasing agent for oil imported into the U.S. (5391)	No	Failed (146–254)
An amendment to delete from bill the 1985 goal for auto efficiency of a fleetwide average of 28 miles per gallon for American automobile producers. (5392)	No	Failed (117–284)
An amendment to require all government-owned vehicles to use fuels that were a blend of gasoline and certain substitutes. (5393)	No	Failed (118–262)
An amendment to shift from Commerce Department to the Federal Trade Commission responsibility for administering energy efficiency standards and labeling requirements. (5395)	Yes	Passed (214–165)
An amendment to delete from the bill provisions for requiring energy efficiency improvement standards for major household appliances. (5396)	No	Failed (146–243)
An amendment to delete a section of the bill to authorize the Federal Energy Administration to ban use of natural gas as a boiler fuel. (5397)	No	Failed (93–300)
An amendment to provide $750 million a year in loans to begin liquefaction and gasification of coal. (5398)	No	Failed (154–211)
An amendment to authorize the General Accounting Office to conduct verification, and if necessary, more comprehensive audits of oil & gas producers who are already required to submit energy data to the Federal Government. (5402)	Yes	Passed (233–162)
An amendment to prohibit use of gasoline or diesel fuel-powered vehicles to transport school children, other than one's own, to public schools other than the appropriate grade school closest to the student's home in his school district. (5403)	No	Passed (204–201)
A motion to recommit the bill to the Interstate and Foreign Commerce Committee thus killing the bill. (5404)	No	Failed (171–232)
A Senate passed amendment to a bill to extend oil price controls from August 31, 1975 until November 15, 1975 and limit the President's authority to propose major changes in oil price controls. (5413)	Yes	Passed (342–16)
A bill to extend for 10 years the federal program insuring the public against damages up to $560 million resulting from a nuclear accident and limiting industry liability. (5559)	Yes	Passed (329–61)
An amendment eliminating $560 million limit on the liability of the nuclear power industry for damages resulting from a nuclear accident. (5557)	Yes	Failed (176–217)
An amendment to allow citizens within 90 days of the effective date of the bill, to go to court to challenge the constitutionality of the $560 million liability limit. (5558)	Yes	Failed (161–225)
A motion to delete from bill authorization up to $6 billion in federal loan guarantees to encourage development of sythetic fuels. (5572)	Yes	Passed (263–140)
A motion to delete provisions authorizing ERDA to select a tract of public land and to conduct an oil sale demonstration program. (5573)	No	Passed (283–117)

ISSUE	MY VOTE	OUTCOME
Energy		
A Conference report to provide $7.5 billion for fiscal 1976 programs of ERDA and Army Corps of Engineers water power development programs and $2.1 billion for transition. (5575)	Yes	Passed (339–31)
A bill to deregulate the price of natural gas producers with sales of less than 100 billion cubic feet a year, but continue regulation of major gas producers, and extend regulation of major gas producers to cover gas sales in intrastate markets. (628)	Yes	Passed (205–194)
An amendment to delete provisions that would end the Federal Power Commission's authority to reduce price ceilings on natural gas still under federal regulation. (621)	Yes	Passed (232–184)
An amendment to allow the Federal Power Commission to set varying ceilings, instead of a single national ceiling, on prices for offshore natural gas that would remain under federal regulation for 5 yrs. (622)	Yes	Failed (182–236)
An amendment to direct the Federal Power Commission to give industrial as well as agricultural users of natural gas feed stocks priority access to natural gas supplies. (624)	No	Failed (131–274)
An amendment to substitute an amendment to deregulate small producers of natural gas with provisions to extend federal controls over major companies to cover gas sales intrastate markets. (625)	Yes	Passed (205–201)
An amendment as amended to deregulate small gas producers but to continue regulation of major gas producers. (626)	Yes	Passed (219–184)
A motion to recommit the bill to deregulate natural gas sold by small producers and expand regulation of major producers, with instructions to deregulate all new onshore natural gas in 1976 and offshore gas in 1981. (627)	No	Failed (198–204)
A bill to authorize $1.45 billion in new federal financial aid over five years to help coastal states cope with the development of their offshore oil and gas resources. (669)	Yes	Passed (370–14)
A conference report authorizing production of oil and gas from U.S. Naval petroleum resources. (6106)	Yes	Passed (390–5)
A bill to extend through fiscal 1977 federal programs tightening safety regulations in the construction of natural gas pipelines. (6169)	Yes	Passed (277–88)
A bill to authorize $274.3 million in fiscal 1977 for salaries and expenses of Nuclear Regulatory Commission. (6187)	Yes	Passed (356–5)
A bill to authorize $7.4 billion in fiscal 1977 for ERDA nuclear and non-nuclear programs. (6212)	Yes	Passed (316–26)
An amendment to eliminate provisions authorizing an additional $58 million for solar heating and cooling programs, thus cutting increased funding to $58 million from $116 million for solar electric and other purposes. (6204)	No	Failed (188–207)
An amendment to redistribute $116 million for solar electric, ocean thermal, wind energy, biomass and related research and development programs by allocating $58 million to solar heating and solar programs and to increase the ERDA Solar Division staff. (6205)	Yes	Passed (265–127)
An amendment to authorize $116 million for solar electric, ocean thermal, wind energy, biomass and related research programs. (6206)	Yes	Passed (321–68)
An amendment to delete provision authorizing $1.2 billion in fiscal 1977 authorizations for ERDA nuclear weapons development, testing and production. (6209)	Yes	Failed (97–286)
An amendment to limit federal contributions for paying cost overruns that increase the total cost of the Clinch River fast breeder reactor project by more than $2 billion, and require private utilities to bear a portion of further overruns. (6210)	Yes	Failed (173–209)
Energy		
An amendment to require the Nuclear Regulatory Commission to make a definitive finding that the Clinch River breeder reactor would be safe before licensing construction. The new amendment would require instead a "reasonable assurance" of safe operation before construction. (6211)	No	Passed (238–140)
A bill to extend the authority of the FEA to December 31, 1977 from July 1, 1976 and to authorize $173 million in fiscal year 1977 for FEA operations. (6235)	Yes	Passed (270–94)
An amendment to reduce fiscal 1977 authorizations for the FEA Office of Conservation and Environment by $37.4 million to $12.6 million. (6230)	No	Passed (220–154)
An amendment to prohibit the FEA from making oil price and control allocation changes in a single action, thus enabling congress to veto one action while letting the other stand. (6231)	Yes	Passed (200–175)
An amendment to allow congress to reject within 60 days any FEA rule or regulation that was likely to have substantial impact on the U.S. economy or on large numbers of people. (6232)	Yes	Passed (226–147)
An amendment to reduce the extension of the FEA to 18 months from 39 months, making the agency's authority expire at the end of 1977 instead of on September 30, 1979. (6233)	Yes	Passed (194–172)
An amendment to require that hearings on proposed FEA rules affecting a particular state or local government or geographic area be held within its boundaries. (6234)	Yes	Passed (267–95)
A technical amendment to a proposed substitute to revise the method by which lands on the outer continental shelf are to be leased for development. (6275)	No	Failed (156–201)
An amendment to delete language requiring the Secretary of Interior, before leasing a tract of the outer continental shelf, to give the Attorney General and the Federal Trade Commission such information as they would require to determine whether leasing was inconsistent with anti-trust laws. (6276)	No	Failed (114–231)
An amendment to revise the method by which lands on the outer continental shelf are to be leased for development by giving the states less power to block OCS leasing and development. (6277)	No	Failed (139–209)
A bill to appropriate $9.7 billion in fiscal 1977 for public water and power projects and for ERDA operating expenses and construction projects, and $200 million to compensate victims of the Teton River Dam disaster in Idaho. (6281)	Yes	Passed (378–20)
An amendment to prohibit the spending of 5% of the fund appropriated by the Public Works-ERDA Appropriations Bill for payments not required by other laws. (6280)	Yes	Failed (129–270)
A bill to extend the Federal Energy Administration for three months to September, 1976. (6316)	No	Failed (194–216)
An amendment to increase by $67.5 million the appropriation for energy conservation programs administered by ERDA. (6343)	No	Passed (170–157)
A conference report to appropriate $9,703,713,000 for fiscal 1977 ERDA nuclear, solar and other energy programs and for public water and power projects, and to appropriate $200 million in compensation to victims of the Teton Dam disaster in Idaho. (6352)	Yes	Passed (381–15)
A bill to extend the Federal Energy Administration for 30 days through July 30, 1976. (6364)	Yes	Passed (283–122)
A conference report to provide $1.2 billion over 10 years in federal financial aid and guarantees to help states cope with the development of their offshore oil and gas resources. (6372)	Yes	Passed (391–14)

ISSUE	MY VOTE	OUTCOME
A motion to discharge the Interstate and Foreign Commerce Committee from consideration of the resolution expressing disapproval of the House to the Administration's action in removing price and allocation controls from heating oil and diesel fuel. (6374)	Yes	Failed (194–208)
Environment		
A motion that House concur in Senate passed amendment deleting House-passed provisions barring EPA from implementing proposals on pollution control or carrying them out without new legislative authority. (5436)	Yes	Passed (302–77)
A bill to require that all parts of the National Wildlife Refuge System be administered through the U.S. Fish and Wildlife Service. (5521)	Yes	Passed (341–10)
A bill to add 235, 230 acres in the State of Colorado, to the National Wilderness Preservation System. (5538)	Yes	Passed (369–1)
A conference report to grant $4.2 billion for 1976 and $1.2 billion for July 1, to September 30, 1976 for Interior Department and related agencies. (5571)	Yes	Passed (407–5)
A motion to adopt bill without the provisions concerning advanced automotive technology and loan guarantees for expansion of existing low-sulfur coal mines. (5584)	Yes	Passed (236–160)
A motion to delete from bill a program in the Department of Transportation to develop, evaluate, and promote the commercial application of advanced automotive technology through grants. (5582)	Yes	Passed (300–103)
A bill to authorize $77.3 million for federal reclamation projects in Wyoming, North Dakota, Oregon, and South Dakota. (63)	Yes	Passed (284–110)
A bill to amend the Mineral Leasing Act to revise procedures governing the leasing and development of coal deposits on federal lands. (610)	Yes	Passed (344–51)
An amendment to prohibit any coal mining operations in the National Park system, the National Wildlife Refuge System, the Wilderness Preservation system, the National System of Trails, and Wild and Scenic Rivers. (67)	Yes	Passed (370–32)
An amendment to delete from the coal leasing bill language to limit the size of a logical coal mining unit to 25,000 acres. (68)	No	Failed (97–301)
A motion to recommit the coal leasing bill (and thus kill it) to committee. (69)	No	Failed (80–319)
An amendment to revise the boundaries of the Eagles Nest Wilderness area in Colorado, thus allowing timber cutting in the 6,270 acres East Meadow Creek area near Vail. (6126)	No	Failed (109–273)
A bill to authorize $10.9 million through fiscal 1977 for programs to protect the nation's waterways and ocean waters from unregulated dumping. (6166)	Yes	Passed (362–0)
A bill to extend the National Sea Grant College and Program Act through fiscal 1977. (6167)	Yes	Passed (326–34)
A bill to authorize $256.6 million for EPA research and development activities in fiscal 1977. (6173)	Yes	Passed (381–16)
An amendment to give Congress 60 days to veto any EPA rule or regulation dealing with research and development. (6172)	Yes	Passed (228–167)
A bill to increase the annual authorization for the Land and Water Conservation Fund to $450 million in 1978, $625 million in 1979 and $800 million in 1980–89, and to establish a federal grant program for preservation of historic properties. (6177)	Yes	Passed (392–3)
An amendment to reduce the authorization level for the Land and Water Conservation Fund to $500 million in 1979 and to $600 million in 1978 and thereafter. (6174)	No	Failed (111–282)
Energy		
An amendment to expedite a change in the allocation formula for the Land and Water Conservation Fund that would give more advantage to populous states. (6175)	No	Failed (177–221)
A separate vote on previous adopted amendment to prohibit the use of Land and Water Conservation funds to enclose or shelter facilities used for outdoor recreation activities. (6176)	No	Passed (248–147)
A bill to authorize a 5 year program of $20 million to develop advanced automobile propulsion systems to improve fuel economy and reduce pollution. (6238)	Yes	Passed (296–86)
A bill to authorize funds for the Federal Water Pollution Control Act Amendments of 1972 for fiscal 1977–79, and to make certain modifications in the law. (6241)	Yes	Passed (339–5)
An amendment to put more limits on the authority of the Army Corps of Engineers to regulate, dredge, and fill operations in wetlands. (6240)	Yes	Passed (234–121)
A motion to recommit the Interior Appropriations bill with instructions to reduce the total appropriations by 5% across the board. (6344)	No	Failed (84–219)
A conference report to designate the Eagles Nest Wilderness area within the Arapaho and White River National Forests in Colorado. (6360)	Yes	Passed (388–13)
Government and Civil Service		
An amendment to delete provisions requiring the federal government to pay 75% of government personnel sytems through October 1, 1978. (5370)	No	Passed (226–168)
An amendment to previous amendment to delete section of bill authorizing grants to employment organizations. (5371)	No	Failed (189–213)
A bill to terminate certain authorities of the President regarding national emergencies. Still in effect. (5373)	Yes	Passed (388–5)
A bill to establish a national board to coordinate conversion to the metric system. (5376)	Yes	Passed (300–68)
A bill to create an American Folklife Center in the Library of Congress to encourage the preservation of customs, arts, and crafts of American ethnic and regional groups. (5379)	Yes	Passed (272–168)
A bill to override the President's veto of bill making fiscal 1976 and advance fiscal 1977 appropriations of $7.5 billion plus $464.7 million for the 3-month transition period for education programs operated by HEW and related agencies. (5380)	Yes	Passed (379–41)
A bill to commemorate Veterans Day on November 11—effective in 1978. (5381)	Yes	Passed (410–6)
A bill to increase to $105 million the amount of funds authorized to be appropriated for the construction of new mint facilities in Denver, Colorado. (5401)	No	Passed (236–111)
A motion to table the motion to discharge from Committee the resolution to disapprove President Ford's proposed 5% pay increase for Congressmen, military personnel, and federal white-collar employees. (5422)	No	Passed (278–123)
A conference report on bill to appropriate $49.3 billion in fiscal 1976 for HUD, National Aeronautics and space Administration, and several other independent agencies to appropriate $5.6 billion for 3-month transition period between fiscal 1976–77. (5434)	Yes	Passed (334–41)
A motion to concur in Senate amendment to earmark 50% rather that 75% of fiscal 1976 contracts authority for a rented subsidy program for new construction assistance. (5435)	Yes	Passed (202–174)
A bill to increase to 50% from 33⅓% the contributions of the federal government to the costs of government employees life insurance programs. (5464)	No	Failed (172–225)

ISSUE	MY VOTE	OUTCOME
Government and Civil Service		
A conference report to make fiscal 1976 appropriations of $36.1 billion and transition period appropriations of $9 billion for Departments of Labor-HEW. (5554)	Yes	Passed (321–91)
A motion to recommit to conference and thus kill the bill to make fiscal 1976 appropriations for the Departments of Labor-HEW. (5553)	No	Failed (156–265)
A conference report on resolution to set ceilings for fiscal 1976 of $374.9 billion for outlays, $408 billion for budget authority and $74.1 billion as the federal deficit with a $300.8 billion revenue floor and $622.6 billion as the amount of the public debt. (5574)	Yes	Passed (189–187)
A conference report on bill to make supplemental appropriations of $10.3 billion for fiscal 1976 and $113.8 million for the three month transition period July 1, 1976–September 30, 1976 for several federal departments and agencies. (5581)	Yes	Passed (275–130)
A motion to postpone override attempts of the President's veto of bill appropriating $45 billion for Departments of HEW and Labor and related agencies for fiscal 1976 and transition period. (5608)	Yes	Passed (319–71)
An amendment pledging Congress to attempt to cut fiscal 1977 spending to equal any further extension of 1975 tax cuts beyond the January 1 to June 30 extension provided by H.R. 9968. (5611)	Yes	Passed (372–10)
A bill to authorize the 101st Airborne Division Association to erect a memorial in D.C. or surrounding area. (64)	Yes	Passed (400–0)
A passage, over the President's veto to make fiscal 1976 appropriations of $36 billion and transition appropriations of $8 billion for Departments of Labor, HEW and other agencies. (613)	Yes	Passed (310–113)
An amendment to extend the Renegotiation Act for 5 years and to allow the board to subpoena materials it needed for its renegotiation determinations, and to strengthen the board chairman's administrative authority. (618)	No	Failed (129–251)
An amendment to authorize the House Select Intelligence Committee to file a report on the CIA and other intelligence agencies by January 30, but barring the release of classified information until the study had been certified by the President for publication. (619)	No	Passed (246–124)
A bill to provide an additional authorization of $33 million for the completion of the James Madison Memorial Building of the Library of Congress. (640).	Yes	Passed (342–48)
A resolution to require the House Ethics Committee to investigate the circumstances of the publication of a secret report from the Select Intelligence Committee and to make recommendations. (644)	No	Passed (269–115)
A resolution to appropriate $33 million for the James Madison Memorial Building of the Library of Congress for the fiscal year ending June 30, 1976. (645)	Yes	Passed (336–52)
A bill to raise the temporary debt limit by $32 billion, to $627 billion, through June 30, 1976. (647)	Yes	Passed (212–189)
A resolution to grant the Ethics Committee power to subpoena witnesses who are not House members or employees for purposes of investigating the leak of the House Intelligence Committee report. (654)	Yes	Passed (321–85)
A resolution to provide for a delegation of Members of Congress to go to England to accept a loan of the Magna Carta. (667)	No	Failed (167–219)
A bill to authorize $38 million for the Pennsylvania Avenue Development Corporation to implement a plan for the redevelopment of Pennsylvania Avenue in the District of Columbia and to authorize $200 million in borrowing authority. (673)	Yes	Failed (149–201)

ISSUE	MY VOTE	OUTCOME
Government and Civil Service		
A resolution making continuing appropriations for fiscal 1976 and the transition period through September 30, 1976 for agencies whose appropriations had not yet been enacted. (675)	Yes	Passed (309–75)
A resolution to provide for a delegation of Members of Congress to go to the United Kingdom to accept a loan of the original Magna Carta. (678)	No	Passed (294–98)
An amendment to limit to five instead of 25, the number of members authorized to go to the United Kingdom to accept a loan of the original copy of the Magna Carta, and to limited travel expenses of $10,000. (677)	No	Failed (94–306)
A resolution to amend the Constitution to provide for voting representation for the District of Columbia in Congress. (690)	Yes	Failed (229–181) ⅔ required
An amendment to give the District of Columbia one voting representative in the House and such further representation in the House and Senate, up to the maximum to which it would be entitled if it were a state. (688)	Yes	Passed (221–188)
An amendment to provide for voting representation for the District of Columbia only in the House of Representatives. (689)	No	Failed (67–338)
A resolution to designate April 13, 1976, as Thomas Jefferson Day. (6119)	Yes	Passed (363–2)
A resolution to authorize and request the President to designate the week of Thanksgiving Day 1976, as National Family Week. (6121)	No	Passed (362–5)
A bill to require that population census records be transferred to the National Archives within 50 years of a census and to make such records available after 75 years to persons conducting research for genealogical, historical or medical purposes. (6128)	Yes	Passed (376–4)
An amendment to remove all penalties and fines for refusal to answer census questions. (6129)	Yes	Passed (248–140)
A bill to make supplemental appropriations to include $2.4 billion for public assistance grants to the states, $2.6 billion to pay a 5% federal wage increase, and $1.6 billion for increased veterans benefits. (6141)	Yes	Passed (352–35)
A resolution to set fiscal 1977 budget targets of $454.1 billion in budget authority, $415.4 billion in outlays, revenues of $363 billion and a deficit of $52.4 billion. (6157)	Yes	Passed (221–155)
An amendment to add $610 million in budget authority and outlays to the veteran's affairs budget category for a possible extension of eligibility for education benefits, in addition to the $1.2 billion proposed in an amendment. (6147)	No	Passed (218–188)
An amendment to increase budget authority and outlays in the veterans affairs budget category. (6148)	Yes	Passed (397–6)
An amendment to reduce budget authority for national defense to $110 billion from $112 billion and reduce outlays to $100.3 billion, from $100.6 billion. (6149)	Yes	Failed (145–255)
An amendment to reduce budget authority in the defense category to $104.5 billion, from $112 billion and outlays to $98.1 billion from $100.6 billion, and transfer the $2.5 billion reduction to other budget categories. (6151)	No	Failed (85–317)
An amendment to reduce overall budget authority and outlays by a total of $100 million in order to eliminate $50 million targeted for national health insurance and $50 million for a full employment bill. (6152)	No	Failed (153–230)
An amendment for overall budget authority of $420.7 billion, outlays of $400.8 billion, revenues of $352.1 billion and a deficit of $48.7 billion. (6155)	No	Failed (145–230)
An amendment to provide for a balanced budget containing budget authority of $394.2 billion, outlays of $363 billion and revenues of $363 billion. (6156)	No	Failed (105–272)

ISSUE	MY VOTE	OUTCOME
Government and Civil Service		
An amendment to the bill to give the Civil Service Commission authority to conduct experiments with flexible work schedules in a limited number of federal agencies. (6180)	No	Passed (240–112)
An amendment to prohibit a waiver of overtime regulations in experiments with flexible work schedules unless agreed to in a contract between the federal agency and the the union representing it's employees. (6181)	No	Passed (76–268)
A conference report to set fiscal 1977 budget targets of outlays of $413.3 billion, budget authority of $454.2 billion, revenues of $363.5 billion and a deficit of $50.8 billion. (6196)	Yes	Passed (224–170)
A conference report to make supplemental appropriations of $9.4 billion for fiscal 1976 and $2.6 billion for the transition period, including $2.6 billion for a 5% federal workers' wage increase. $1.6 billion for veteran's benefits and $2.7 billion for public grants to the states. (6203)	Yes	Passed (286–100)
A bill to direct the Law Revision Counsel of the House of Representatives to publish supplements to the D.C. Code of Laws through 1978. (6218)	Yes	Passed (259–48)
A bill to provide for an independent audit of the financial condition of the District of Columbia government. (6219)	Yes	Passed (308–2)
A bill to authorize an additional assistant secretary in the Commerce Department for Congressional affairs. (6221)	No	Failed (143–178)
A bill to make appropriations of $1.2 billion for fiscal 1976 and $248 million for the three month transition between fiscal 1976–77 for the District of Columbia. The appropriation consisted of Treasury funds and city-raised revenues. (6224)	Yes	Passed (350–13)
An amendment to the Labor-HEW appropriations bill to increase funds for population research by $16 million. (6333)	No	Failed (122–278)
An amendment to cut by 5% funding for all programs in the Labor-HEW appropriations, with the provision that no funding level fall below its fiscal 1976 total or the President's fiscal 1977 budget, whichever is greater. (6337)	Yes	Failed (143–218)
An amendment to provide for a 5% across-the-board cut, with no single program reduced more than 10% in the Labor-HEW appropriations for fiscal 1977. (6338)	No	Failed (87–271)
An adoption of the conference report to appropriate $8.3 billion for the Treasury Department, Postal Service, Executive Office of the President and other government activities. (6367)	Yes	Passed (318–82)
A motion to agree to prohibit the purchase by the General Services Administration of imported stainless steel flatware. (6368)	No	Passed (206–201)
A conference report to appropriate $6.7 billion in fiscal 1977 for the Departments of State, Justice, and Commerce, the Judiciary and other agencies. (6373)	Yes	Passed (360–42)
A resolution to create a 15-member commission to study House payroll and administration practices. (6376)	Yes	Passed (380–30)
A motion to recommit the resolution to create a 15-member commission to study House payroll and administrative procedures to the Rules Committee with instructions to amend it to create a bipartisan audit committee. (6375)	No	Failed (143–269)
A resolution to rescind the unilateral authority of the House Administration Committee to alter members perquisites. (6379)	Yes	Passed (311–92)
A motion to recommit the resolution to strip the House Administration Committee of its unilateral power to alter members' perquisites. (6378)	No	Failed (165–236)
A bill to extend the temporary federal debt ceiling through March 31, 1976, and raise the limit to $597 billion from $577 billion. (5480)	No	Failed (178–217)
Government and Civil Service		
A bill to require the Postal Service to go to Congress annually for all of its appropriations and to reduce the proposed first class rate increase from 13 cents to 12 cents. (5484)	No	Passed (267–113)
An amendment to require the U.S. Postal Service to go before Congress for its annual authorization and appropriation, and that U.S. Postal Service revenues be deposited in the general Treasury. (5418)	Yes	Passed (267–123)
An amendment requiring annual congressional authorization and appropriation of public service funds for Postal Service exceeding the $920 million 1 year authorized under existing law, to authorize $1.5 billion in additional funds for 1976, and to limit to 2 cents a proposed raise in the first class postage rate. (5481)	Yes	Failed (196–207)
An amendment to repeal federal statutes giving the Postal Service a monopoly on processing first class mail, allowing private companies to compete with it in delivering first class mail. (5482)	No	Failed (68–319)
A motion to recommit the bill to committee instructing the committee to hold additional hearings on the legislation. (5483)	Yes	Failed (129–250)
A bill to implement provisions of the Patent Cooperation Treaty for new international procedures in applying for patent protection. (5490)	Yes	Passed (349–5)
A bill authorizing the Secretary of Commerce to provide a tabulation of population statistics, upon request, for use by individual states to facilitate the apportionment of state legislatures. (5502)	Yes	Passed (356–2)
A bill to transfer certain federal property in the District of Columbia to the D.C. Redevelopment Land Agency. (5506)	Yes	Passed (341–0)
An amendment to substitute bill to retain federal control over certain areas of D.C. where federal offices were located and to delegate Presidential authority to appoint the director of the National Capitol Service Area. (5507)	No	Passed (201–150)
A bill to make fiscal 1976 supplemental appropriations of $7.8 billion and $127.6 million for the transition period for federal departments and agencies. (5520)	Yes	Passed (334–47)
A resolution to provide for the compliance with subpoenas issued by the Grand Jury of the District Court in D.C. for House records of four House Administrative Committee staff members. (6251)	Yes	Passed (388–0)
A bill to extend the federal revenue sharing program to September 30, 1980, and to authorize the distribution of $24.95 billion as an entitlement to state & local governments. (6263)	Yes	Passed (361–35)
An amendment to delete provisions 1) providing supplemental assistance to local governments based on need, 2) requiring state governments to report plans to modernize local operations, 3) expanding the Davis-Bacon wage requirements, and 4) modifying additional nondiscrimination requirements. (6258)	No	Passed (233–172)
An amendment to require that local governments use 20% of their revenue sharing funds to reduce local property taxes. (6259)	No	Failed (64–340)
An amendment to accept amendment definition of townships for the distribution of revenue sharing funds. (6260)	No	Failed (158–229)
An amendment to provide that revenue sharing funds be distributed as an entitlement from 1977 to September 30, 1979 be subject to annual congressional appropriations. (6261)	Yes	Failed (150–244)
An amendment to apply the Davis-Bacon Act prevailing wage requirements to all state and local government construction projects funded by federal revenue sharing grants. (6262)	Yes	Failed (174–218)

ISSUE	MY VOTE	OUTCOME
Government and Civil Service		
A bill to provide fiscal 1977 appropriations of $8.3 billion for Treasury, Postal Services, and general government operations, including funds for the White House—a level higher than the President's request. (6272)	No	Passed (261–99)
An amendment to prohibit use of funds appropriated by the Treasury, Postal Service, and general government appropriations to be used to pay informers for information relating to tax law violations. (6269)	Yes	Failed (160–187)
An amendment to withhold from obligation and expenditure 5% of the total budget authority provided in the Treasury, Postal Service and general government appropriations for payments not required by law. (6270)	No	Failed (159–191)
A separate vote on a previously adopted amendment to bar the IRS from using funds appropriated by the bill to compile and make public any record of contacts made by Members of Congress regarding pending matters before the IRS. (6271)	No	Failed (67–291)
A bill to raise the temporary debt limit to $700 billion through September 30, 1977. (6274)	Yes	Passed (184–177)
A bill to appropriate $6.5 billion for the Department of State, Justice, and Commerce, the Judiciary and related agencies for fiscal 1977. (6303)	Yes	Passed (208–9)
A motion to recommit the State, Justice, Commerce and Judiciary Appropriations Bill with instructions to cut 5% in new obligational authority from the bill, with no more that 10% of the overall amount in non-obligated authority. (6302)	No	Failed (66–153)
A resolution to codify the rules regarding the display and use of the U.S. flag. (6307)	Yes	Passed (352–0)
A resolution expressing the sense of the House that the Postal Service should not close small post offices, except in cases of clear and compelling need, or make any other cuts in service for the period of a year following adoption. (6313)	Yes	Passed (399–14)
A bill to appropriate $43 billion in fiscal 1977 for the Department of HUD, Veteran's Administration, NASA, the National Science Foundation and other independent agencies. The President sought $45.3 billion. (6321)	Yes	Passed (369–18)
A motion to recommit the HUD, Space, Science, & Veterans' Appropriations bill with instructions that the Committee withhold from obligation and expenditure 5% of the total budget authority provided for payments. (6320)	No	Failed (98–294)
A resolution to elect Representative Frank Thompson Jr., Chairman of the House Administration Committee. (6323)	Yes	Passed (295–4)
A conference report to authorize $2 billion for job-creating state and local public works projects through fiscal 1977, $1.25 billion for countercyclical aid to help state and local government maintain services and $700 million for waste. (6326)	Yes	Passed (328–83)
A motion to delete from the conference report the title of the bill authorizing $1.25 billion through fiscal 1977 for a countercyclical aid program to help state and local governments maintain services. (6325)	No	Failed (153–259)
Foreign relations		
A bill to authorize $2.9 billion for foreign aid and development assistance for fiscal 1976–77. (5384)	Yes	Passed (244–155)
An amendment to forbid aid to countries who deny internationally recognized human rights to its citizens. (5383)	Yes	Passed (238–164)
A motion to recommit the conference report on the State Department Appropriations bill with instructions that conferees insist on language relating to the Panama Canal Treaty negotiations. (5406)	No	Failed (193–200)
An amendment to state the sense of Congress that any new Panama Canal treaty or agreement protect the vital interests of the U.S. (5407)	Yes	Failed (197–203)
Foreign relations		
A bill to amend U.N. Participation Act of 1945 and bring the U.S. into compliance with U.N. sponsored economic boycott of Rhodesia. (5410)	Yes	Failed (187–209)
An amendment to include all products containing chromium in a prohibition on importation of any steel mill products containing Rhodesian chrome and remove flexibility to admit such products into the U.S. (5409)	No	Failed (160–237)
A bill to authorize fiscal 1976 funds for the Board of International Broadcasting (includes Radio Free Europe and Radio Liberty) and provide partial lifting of the embargo on U.S. arms shipments to Turkey. (5433)	Yes	Passed (237–176)
An amendment to permit the delivery of arms contracted for by Turkey before February 5, 1975, provided the President certified significant progress had been made on the refugee problem in Cyprus. (5431)	No	Failed (187–229)
An amendment to give congress 60 days after the President reported to congress on the Cyprus situation, to stop the arms deliveries and sales authorized by the bill. (5432)	Yes	Failed (190–223)
A motion to concur in amendment to delete a House provision barring the use of State Department funds for negotiating the transfer of U.S. rights in the Canal Zone to Panama. (5442)	No	Passed (212–201)
A joint resolution to implement the U.S. proposal for the early warning systems in the Sinai, including the assignment of 200 American civilians to monitor Egyptian and Israeli forces. (5450)	No	Passed (341–69)
An amendment to limit to two years the President's authority to assign American monitors to the Sinai to back up the Israeli-Egyptian peace accord. (5449)	Yes	Failed (122–287)
A bill to extend the U.S. fishing limit to 200 miles under current law, and establish a federal management program for certain species of fish. (5456)	Yes	Passed (208–101)
An amendment to allow the President to suspend the enforcement of the 200 mile fishing limit bill if he deemed it in the national interest. (5455)	No	Failed (128–196)
A resolution to condemn the U.N. approval classifying Zionism as a form of racism. (5511)	Yes	Passed (384–0)
A conference report to authorize 1976 funds for State Department operations, foreign buildings and 1976–77 funds for the Arms Control and Disarmament Agency. (5530)	Yes	Passed (358–52)
A bill to allow the federal government to insure foreign art and human endeavors exhibits while on display in the U.S. (5537)	Yes	Passed (253–116)
A resolution to reaffirm the sense of Congress that the U.S. continues its policy of nonrecognition of the annexations by the Soviet Union of the Baltic nations. (5539)	Yes	Passed (407–0)
A bill to authorize $2.25 billion as the U.S. share towards Inter-American Development Bank and authorize participation up to $25 million in the African Development Fund. (5562)	Yes	Passed (249–166)
A motion to kill bill authorizing $2.25 billion as the U.S. share of the replenishment of the Inter-American Development Bank and authorize $25 million in the African Development Fund. (5561)	No	Failed (140–276)
A conference report on the bill authorizing $3.1 billion for foreign economic and development assistance for fiscal 1976–77. (5563)	Yes	Passed (265–150)
An amendment to ban U.S. aid to the anti-Soviet factions fighting in the civil war in Angola except for intelligence gathering. (614)	Yes	Passed (323–99)
A bill to authorize $3.5 billion in foreign military assistance for fiscal 1976 and to provide new congressional controls on the sale of weapons to foreign nations by the U.S. and private business. (657)	No	Passed (240–169)

ISSUE	MY VOTE	OUTCOME
Foreign relations		
An amendment to prohibit military assistance, including cash sales of weapons, to Chile. (655)	Yes	Failed (139–266)
An amendment to delete language in the Foreign Military Aid/Sales Bill that would partially lift the U.S. trade embargo against North and South Vietnam if the Vietnamese provided an accounting of U.S. military MIA's. (656)	No	Failed (185–223)
A bill to appropriate $5 billion for foreign military and economic assistance and related programs in fiscal 1976. (664)	No	Passed (214–152)
An amendment to add $9 million to Foreign Aid Appropriations bill for private and voluntary organizations engaged in international relief programs. (659)	No	Failed (161–237)
An amendment to delete $85.5 million in Foreign Aid Appropriations for the United Nations Development Program. (660)	No	Failed (179–208)
An amendment to prohibit the use of any funds in the bill for assassination plots against foreign officials and activities designed to influence foreign elections or political activities during peacetime. (661)	Yes	Passed (250–129)
An amendment to reduce the $1.5 billion in military credits allocated to Israel by $200 million. (662)	Yes	Failed (32–342)
An amendment to prohibit aid to nations that were delinquent for more than one year in repaying principal or interest debts owed to the U.S. (663)	Yes	Passed (229–139)
A bill to authorize $81 million in fiscal 1977 for programs and administrative expenses of the Peace Corps. (682)	Yes	Passed (274–75)
A bill to authorize $25 million for relief and rehabilitation assistance to 1976 earthquake victims in Guatemala. (683)	Yes	Passed (357–3)
A bill to authorize $267 million for the U.S. Information Agency in fiscal 1976 and $72 million for the budget transition period. (693)	Yes	Passed (327–81)
A conference report to extend the 12 mile exclusive U.S. fishing zone off U.S. coasts to 200 miles in order to protect American fishermen from foreign competition for scarce fish stocks, and to establish eight regional fish conservation councils. (6102)	Yes	Passed (346–52)
A bill to implement the Convention on the International Regulations for Preventing Collisions at Sea. (6122)	Yes	Passed (366–1)
A conference report to authorize $3.2 billion in foreign military assistance for fiscal 1976 and to provide new congressional controls on U.S. arms sales. (6146)	No	Passed (215–185)
A motion to recommit, and thus kill, the conference report on the bill to authorize $3.2 billion in foreign military assistance for fiscal 1976 and to provide new congressional controls on U.S. arms sales. (6145)	Yes	Failed (185–214)
A bill to establish a Federal Commission on Security and Cooperation in Europe to monitor compliance with and violations of the 1975 Helsinki Agreement, particularly its humanitarian principles. (6199)	No	Passed (240–95)
A conference report to authorize $2.25 billion for the U.S. share of Inter-American Development Bank loan funds through fiscal 1979 and providing for U.S. participation in the African Development Fund. (6208)	Yes	Passed (275–120)
A bill to authorize $3.2 billion in foreign military assistance, weapons sales credits security aid, and related programs for fiscal 1976 and $3.1 billion for fiscal 1977, and to impose new controls on the sale of military equipment to other countries. (6237)	No	Passed (255–140)
An amendment to delete language added by the International Relations Committee placing a ceiling on military assistance to South Korea during fiscal 1976–77 of $290 million. (6236)	No	Passed (241–159)
A bill to exempt from tariff certain aircraft components and materials U.S. manufactured and installed in aircraft previously exported and later reimported without increasing in value abroad. (6245)	Yes	Passed (359–4)
Foreign relations		
A bill to authorize $1.05 billion for State Department activities, salaries, and programs in fiscal 1977. (6298)	Yes	Passed (327–22)
An amendment to strike out the phrase, "protect the vital interests" of the United States in the Panama Canal Zone and insert, "perpetrate the sovereignty and control" of the United States in the zone. (6295)	Yes	Failed (157–197)
An amendment to forbid the use of funds for renegotiation of the 1903 Panama Canal Treaty, to specify that any new treaty must, "protect the vital interest of the United States." (6296)	Yes	Passed (229–130)
An amendment to specify that any new Panama Canal Treaty must, "protect the vital interest of the United States," in the Canal Zone. (6297)	Yes	Passed (339–12)
A bill to authorize $262 million for United States Information Agency programs in fiscal 1977. (6299)	Yes	Passed (313–25)
A conference report to authorize $6.9 billion for military aid programs in fiscal 1976–77 and to impose new controls on the nation's sale of weapons to foreign countries. (6318)	No	Passed (258–146)
A motion to recommit the bill on foreign military aid with instructions that the House insist that no funds may be used for aid to Mozambique. (6317)	No	Failed (128–279)
An adoption of conference report to appropriate $5.2 billion for foreign assistance programs in fiscal 1976 and $759.3 million for the transition. The President requested $5.8 billion and $534.2 million. (6351)	No	Passed (231–158)
A bill to appropriate $4.8 billion for foreign aid in fiscal 1977. The President requested $5.5 billion. (6358)	No	Passed (238–169)
An amendment to reduce the appropriation level for the International Development Association to $192 million from $330 million. (6355)	No	Failed (165–229)
An amendment to reduce the overall Foreign Aid Appropriations by 5%, except for payments required by law. (6356)	Yes	Failed (187–214)
An amendment to prohibit funds for any international financial institution that extends loans for production of palm oil exported to the U.S. (6357)	No	Failed (198–210)
A conference report to authorize $1.4 billion for State Department, U.S. Information Agency, and Board of International Broadcasting activities in fiscal 1977. (6359)	Yes	Passed (358–45)
Health		
A bill to authorize $699 million in fiscal 1976–78 for federal drug abuse prevention programs and extend the White House Drug Abuse Office through June 30, 1976. (5387)	Yes	Passed (382–11)
An amendment to eliminate provisions of the bill which would extend the White House Office of Drug Abuse Prevention through June 30, 1976. (5386)	No	Failed (167–235)
A conference report on bill to amend and extend school lunch and other child nutrition programs. (5394)	Yes	Passed (380–7)
A bill to pass over Presidential veto, the bill to amend and extend the federal school lunch and other child nutrition programs. (5441)	Yes	Passed (397–18)
A bill to authorize $1.2 billion over 2 years for federal programs to combat heart, lung, and blood diseases, to prevent and control genetic diseases, and to provide research training support. (5459)	Yes	Passed (375–5)
A bill to provide federal assistance to health maintenance organizations, which provide a range of health services to patients who pay to a set monthly fee in advance, rather than separate fees for each service. (5501)	Yes	Passed (309–45)
An amendment to make changes in medicare program for the aged and change medical peer review procedures in the medicare and medicaid programs for the poor. (5606)	Yes	Passed (371–16)

ISSUE	MY VOTE	OUTCOME
Health		
A bill to give the HEW Secretary authority to assure the safety and effectiveness of medical devices such as heart pacemakers and intrauterine birth control devices. (668)	Yes	Passed (362–32)
A resolution to appropriate $135 million in fiscal 1976 to finance the production of a vaccine to immunize U.S. citizens against swine influenza. (6124)	Yes	Passed (354–12)
A motion to recommit a bill to authorize $314.8 million in fiscal 1976–79 for health promotion and disease control programs, with instructions that the committee delete provisions pertaining to health promotion. (6130)	No	Failed (185–207)
A bill to extend the authority of the Department of Health, Education, and Welfare to pay special subsidies to private medical and dental schools in the District of Columbia through fiscal 1977. (6137)	Yes	Passed (264–90)
A conference report to authorize $1.3 billion in fiscal 1976–78 for federal programs to combat heart, lung, and blood diseases, to prevent and control genetic diseases and to provide research training support for students in advanced scientific fields. (6139)	Yes	Passed (360–0)
An amendment to second supplemental appropriations to add $60 million for education for the handicapped and $315 million for grants under the Basic Educational Opportunity Grant Program. (6140)	Yes	Passed (318–68)
A bill to authorize $481.5 million in fiscal 1977–79 for federal programs to prevent and treat alcoholism and alcohol abuse. (6215)	Yes	Passed (271–3)
A bill to authorize $318.25 million in fiscal 1977–79 for federal health services, research, health statistics and medical library programs. (6217)	Yes	Passed (268–8)
A motion to recommit a bill authorizing funds for federal agencies running health services research, health statistics, and medical library programs, with instructions to drop authorization to hire 30 staff members at highest Civil Service salary level. (6216)	No	Failed (111–172)
An amendment to HEW appropriation bill to increase $24 million funding for mental health research and community centers. (6334)	Yes	Passed (248–136)
A conference report to authorize $600.5 million in fiscal 1977–79 for federal programs to prevent and treat alcoholism and alcohol abuse. (6353)	Yes	Passed (386–6)
A conference report to expand the federal financial commitment to education of handicapped children. (5531)	Yes	Passed (404–7)
Housing and Urban Affairs		
A bill to provide a program of federal grants to assist low income persons in winterizing dwellings and to encourage state and local governments to include energy conservation standards in building codes. (5378)	Yes	Passed (258–130)
A bill to authorize $850 million in fiscal 1977 contract authority for federally subsidized housing programs, to increase funding available for housing programs for the elderly and to extend a number of other housing related programs. (6228)	Yes	Passed (332–27)
A motion to commit (and thus kill) the conference report to authorize contract authority for federally subsidized housing, to increase funding for housing for the elderly and extend other housing programs. (6365)	No	Failed (157–250)
A conference report to authorize $850 million in fiscal 1977 contract authority for federally subsidized housing, to increase funding available for housing for the elderly, and to extend other housing programs. (6366)	Yes	Passed (341–68)
An amendment to delete certain provisions earmarking fiscal 1977 contract authority and to authorize these funds generally for subsidized housing programs. (6225)	Yes	Passed (260–110)

ISSUE	MY VOTE	OUTCOME
Housing and Urban Affairs		
An amendment to provide that Social Security cost-of-living increases should not count toward income in the calculation of rents owed by tenants of federally subsidized housing. (6226)	Yes	Passed (260–99)
An amendment to establish a Federal Home Owners Mortgage Loan Corporation to make low-interest mortgage loans to middle income families. (6227)	No	Failed (116–243)
Justice		
A bill to authorize $10 million for the organization and convening of a National Women's Conference in 1976. (5457)	Yes	Passed (233–157)
A bill to provide federal employees under investigations for misconduct the right to representation during questioning regarding alleged misconduct. (5476)	Yes	Passed (217–163)
A bill to establish an annual conference of judges, private practitioners, and law professors from the District of Columbia. (5504)	Yes	Passed (337–0)
A bill authorizing $150,000 annually for nine additional law clerks for the District of Columbia Court of Appeals. (5505)	Yes	Passed (310–21)
A bill authorizing $5 million for the organization and convening of a National Women's Conference. (5568)	Yes	Passed (252–162)
A bill to allow the Legal Services Corporation for the Poor to make grants and contracts to outside centers specializing in poverty law. (692)	Yes	Passed (256–143)
A motion to recommit, with instructions that $300,000 be earmarked for internal security functions of the Judiciary Committee, the bill authorizing $1.3 million for Judiciary Committee expenses. (698)	No	Failed (158–193)
A resolution to authorize the House Committee on Standards of Official Conduct to spend up to $150,000 in its investigation of the unauthorized release of the final report of the Select Committee on Intelligence. (699)	Yes	Passed (278–87)
An amendment to add $138 million to the appropriations in the bill for the Law Enforcement Assistance Administration. (6301)	Yes	Passed (176–95)
Labor		
A bill to establish within the Labor Department a committee of labor and contractor representatives to assist in negotiating new contracts and stabilize collective bargaining practices. (5444)	Yes	Passed (302–95)
A bill to establish a permanent National Center for Productivity and Quality of Working Life to expand productivity in the private and public sections of the economy. (5478)	No	Passed (208–188)
An amendment to delete a provision preventing proposed intervening in labor management disputes or negotiations in which the federal government was involved. (5496)	No	Failed (175–233)
A conference report on the bill to make it legal for a construction union with a grievance against one contractor to picket all other contractors on the same construction site and establish a Construction Industry Collective Bargaining Committee. (5570)	Yes	Passed (229–189)
A conference report to authorize $6.1 billion for job creating public works projects and antirecession aid to state and local governments. (617)	Yes	Passed (321–80)
A bill to authorize the continuation through fiscal 1977 of the public employment program, providing up to 320,000 emergency jobs, and to establish a new project-oriented public service jobs program to create 280,000 jobs. (637)	Yes	Passed (239–154)
An amendment to extend the existing temporary public service jobs programs through fiscal 1977 and to authorize such funds as Congress might appropriate. (635)	No	Failed (175–226)

ISSUE	MY VOTE	OUTCOME
Labor		
A second vote to change the formula for allocating funds under the projects-oriented public service jobs programs. (636)	Yes	Failed (189–206)
A bill to grant black lung benefits to any miner who had worked in an underground bituminous coal mine for 30 years or who had worked in an underground anthracite coal mine for 25 years and to establish an industry financed trust fund to pay black lung benefits. (652)	Yes	Passed (210–183)
An amendment to delete the provision that would grant black lung benefits to the widow of any miner who had worked for at least 17 years in underground mines and had been killed in a mine accident prior to 6/30/71. (651)	No	Failed (141–253)
A resolution to designate the week beginning March 13, 1977, as National Employ the Older Worker Week. (6120)	Yes	Passed (365–2)
A bill to extend through September 30, 1976, the authorization for appropriations of Public Service Jobs Extensions. (6159)	Yes	Passed (287–42)
A separate vote on amendments to earmark 1% of funds in Public Service Jobs Extension Bill for unemployed artists. (6158)	No	Failed (78–246)
A bill to authorize $2.5 billion through fiscal 1977 to support state and local public works projects in areas of high unemployment. (6198)	Yes	Passed (339–57)
A bill to establish a program to employ young adults in public service conservation projects on public lands. (6222)	Yes	Passed (291–70)
An amendment to add $66.6 million to the Labor-HEW Appropriations Bill for summer youth employment programs. (6327)	Yes	Passed (205–201)
An amendment to prohibit fines against farmers who employed five or fewer employees for violations of Occupational Safety & Health Administration regulations, were willful, repeated, or serious. (6330)	Yes	Failed (151–245)
An amendment to exempt farming operations in which 10 or fewer persons were employed from OSHA regulations. (6331)	Yes	Passed (273–124)
An amendment to prohibit first instance citations for OSHA violations against businesses that employed 10 or fewer persons. (6332)	Yes	Passed (231–161)
A second vote requested on Labor-HEW appropriations amendment to add $66.6 million for summer youth employment programs. (6339)	Yes	Passed (183–181)
National defense		
A resolution to establish a committee to investigate U.S. servicemen missing in action in Indochina. (5385)	Yes	Passed (394–3)
A bill appropriating $90.2 billion for the Department of Defense for fiscal 1976 and $21.7 billion for the budget transition period July–September 1976, for its programs. (5429)	Yes	Passed (353–61)
An amendment to add $5 million to the bill for army recruiting counseling services. (5420)	No	Failed (112–296)
An amendment restoring $15.6 million cut by the Appropriations Committee for army recruiting activities. (5421)	No	Failed (177–228)
An amendment to require disclosure of the funds appropriated for the CIA contained in an Air Force account in the bill. (5423)	Yes	Failed (147–267)
An amendment to delete $58.2 million recommended for research and development of the F-18 Navy combat fighter aircraft. (5425)	Yes	Failed (173–243)
An amendment to prohibit use of funds for relocation of the National Oceanographic Office headquarters from Suitland, Maryland to Bay St. Louis. (5426)	No	Passed (219–193)
An amendment to prohibit use of funds in the bill to close any military installations designated in the amendment. (5427)	No	Failed (130–274)
A second vote to prohibit use of funds in the bill for relocation of the National Oceanographic Office headquarters from Suitland, Maryland to Bay St. Louis, Mississippi. (5428)	Yes	Failed (190–220)
National defense		
A bill to terminate veterans' education benefits for persons entering the military after December 31, 1975. (5439)	No	Passed (298–106)
A bill to appropriate $3.5 billion for Defense Department construction projects in fiscal 1976 and $359 million for the budget transition period. (5448)	Yes	Passed (353–51)
An amendment to delete $64.9 million in the bill for construction of an armed services medical school at Bethesda, Maryland. (5447)	Yes	Failed (161–255)
A motion to recommit to committee, the bill to grant a full credit for National Guard technicians' services from January 1, 1969, for retirement annuity computation. (5460)	Yes	Failed (117–261)
A bill providing an 8-percent increase in veterans' and survivors pension rates. (5493)	Yes	Passed (400–0)
A bill to make certain eligibility retirement determinations by the Secretaries of the military departments with armed services personnel, subject to review by the Defense Secretary. (5525)	Yes	Passed (398–4)
A bill to extend until June 30, 1976, the authority to pay bonuses to officers exposed to nuclear hazards in their jobs in the Navy and to extend entitlement of special $100/month pay to optometrists and veterinarians in service. (5526)	Yes	Passed (372–34)
A bill to raise the maximum allowable reimbursement of military travel on official business to $35/day, and to raise the travel allowance when expenses exceed the allowable per diem to $50/day. (5527)	Yes	Passed (351–55)
A bill to limit to 60 days the number of unused leave days an enlisted member of the service may take during his career. (5528)	Yes	Passed (399–3)
A conference report to appropriate $3.6 billion for military construction projects in the United States and overseas in fiscal 1976 and $359.1 million for the transition. The President requested $4.1 billion and $359.1 million. (5529)	Yes	Passed (349–59)
Adoption of report on bill to appropriate $90.5 billion for Defense Department programs in fiscal 1976, and $21.9 billion for the transition period. (5576)	No	Passed (314–57)
A bill to extend through June 30, 1976, from December 31, 1975, the Federal Renegotiations Board which reviews defense and space contracts and eliminates excess profits to contractors. (5577)	Yes	Passed (395–5)
A bill to authorize $445 million in fiscal 1976 for maritime programs of the Commerce Department including maritime training and education at the Merchant Marine Academy and State-operated schools. (671)	Yes	Passed (315–42)
An amendment to increase cadet student subsidies at six State maritime academies to $1,200 a year from $600 a year. (670)	No	Failed (53–292)
A bill to establish a national cemetery in Quantico, Va. (6118)	Yes	Passed (358–8)
A bill to authorize $304 million in fiscal 1977 for procurement of Coast Guard vessels and aircraft and for the construction of facilities. (6123)	Yes	Passed (358–9)
A bill to authorize $34 million supplemental funds for fiscal 1976, and $23 million for the July-September transition for nuclear weapons research development and testing. (6125)	Yes	Passed (311–66)
A bill to authorize appropriations of $33.3 billion for weapons procurement and military research and development programs of the Defense Department in fiscal 1977. (6136)	Yes	Passed (298–52)
An amendment to defer expenditure for $960 million recommended in the bill for purchase of three B-1 bombers until the President certified to Congress, after February 1, 1977, that the purchase was in the national interest and Congress approved the purchase by concurrent resolution. (6131)	Yes	Failed (177–210)

ISSUE	MY VOTE	OUTCOME
National defense		
An amendment to place in escrow $350 million authorized for long leadtime items for a nuclear-powered aircraft carrier until the Armed Services Committees of the Senate and House conducted a joint study of the need for the ship. (6132)	Yes	Failed (182–195)
An amendment to prohibit flight testing of maneuvering re-entry vehicles if the impact point was less than 100 miles from the nearest land. (6133)	No	Failed (95–267)
An amendment to reduce the number of U.S. troops overseas by 47,000. (6134)	No	Failed (88–275)
An amendment to prohibit reductions by more than half in the operations of military bases in the United States unless Congress was notified of such reductions before March 15, 1973. (6135)	Yes	Failed (152–202)
A bill to authorize $3.3 billion for military construction projects in fiscal 1977. (6184)	Yes	Passed (299–14)
An amendment to provide that no military base be closed or have its civilian personnel reduced by more than 50 percent or 700 workers, whichever number is smaller, unless Congress received a year in advance notice from the Defense Department. (6182)	Yes	Failed (82–237)
An amendment to permit the Government to pay laborers at military construction projects the locally prevailing wage rates by exempting it from the provisions of the Davis-Bacon Act. (6183)	No	Failed (35–279)
A bill to provide a system of special accession and retention bonuses for officers of the U.S. Navy and the nuclear surface fleet who were trained in nuclear engineering. (6186)	Yes	Passed (322–27)
A bill to make permanent the veterans home loan guarantee and direct home loan programs and to increase to $30,000 the maximum allowable direct loan. (6202)	Yes	Passed (386–2)
A conference report to authorize $3.3 billion for military construction projects in fiscal 1977. (6286)	Yes	Passed (375–20)
A bill to appropriate $3.4 billion for military construction and family housing for the armed services in fiscal 1977. The President had requested $3.6 billion. (6288)	Yes	Passed (361–22)
An amendment to cut new obligational authority by 5 percent, but providing that no one project be reduced by more than 10 percent. (6287)	Yes	Failed (151–232)
A bill to appropriate $105.4 billion for operations and programs of the Defense Department for fiscal 1977. The President had requested $106.8 billion. (6294)	Yes	Passed (331–53)
An amendment to add $10 million to the Army budget and cut $17 million from the Navy budget for consolidation of helicopter training programs. (6290)	Yes	Passed (288–110)
An amendment to eliminate $111.7 million from the bill by abolishing the 1 percent add-on to cost-of-living retiree's pay. (6291)	Yes	Passed (331–64)
An amendment to cut $350 million for long leadtime procurement for a nuclear-powered aircraft carrier. (6292)	Yes	Failed (179–213)
An amendment to defer until February 1, 1977, obligation of funds appropriated for procurement of the first three regular production B–1 bombers. (6293)	Yes	Failed (186–207)
A bill to provide an 8 percent increase in benefits for service connected disabled veterans and eligible dependents. (6305)	Yes	Passed (351–0)
A bill to make permanent the 8 percent increase provided for eligible veterans, widows, and other dependents and to provide a 7 percent cost-of-living increase benefits, effective January 1, 1977, and to raise the limitation on outside income that recipients may earn. (6306)	Yes	Passed (354–0)
A conference report to authorize $32.5 billion for major weapon systems and military research and development programs of the Defense Department. (6371)	No	Passed (339–66)
A motion to recommit, and thus kill, the conference report to authorize $32.5 billion for major weapons systems. (6370)	Yes	Failed (112–298)
National defense		
A conference report to appropriate $3.3 billion for fiscal 1977 for military construction programs and family housing for the armed services. The President requested $3.5 billion. (6380)	Yes	Passed (357–26)
Politics and political system		
A resolution to disapprove the "point of entry" regulation of the Federal Election Commission requiring the House and Senate candidates to file campaign reports first with the Federal Election Commission. (5458)	No	Failed (220–169) ⅔ required
A bill to give federal employees the right to participate in partisan political campaigns or to run for state or federal office. (5463)	Yes	Passed (288–119)
An amendment to prohibit employees from running for any full-time or federal elective office or from participating in campaigns for a federal office. (5461)	No	Failed (147–260)
A motion to recommit to committee the bill giving federal employees the right to participate in partisan political campaigns and run for office. (5462)	No	Failed (81–327)
A resolution to disapprove the regulation of the Federal Election Commission requiring House and Senate candidates to file their campaign finance reports first with the Commission. (5466)	No	Passed (257–148)
A bill to assure American citizens who lived outside the U.S. the right to vote in federal elections. (5569)	Yes	Passed (374–43)
A conference report to give federal employees the right to participate in partisan political campaigns and to run for local, state, and federal office. (6101)	Yes	Passed (241–164)
A bill to reconstitute the Federal Elections Commission and to make revisions in the 1974 campaign finance law. (6112)	Yes	Passed (241–155)
An amendment to strike the section providing that Federal Election Commission advisory opinions be issued as regulations to give Congress the opportunity to disapprove them. (6104)	No	Failed (134–269)
An amendment to delete provisions providing out the requirement that federal candidates file duplicate campaign finance reports with the local Secretaries of State. (6105)	Yes	Passed (293–111)
An amendment to require unions and corporations to disclose spending on certain internal political communications with their employees or members. (6107)	No	Failed (175–220)
An amendment to delete provisions providing for termination of the Federal Election Commission after March 31, 1977, by vote of either the House or Senate. (6108)	Yes	Passed (276–120)
An amendment to provide for the public financing of congressional general election campaigns. (6110)	Yes	Failed (121–274)
A motion to recommit the bill for public financing of federal election political campaigns with instructions to report the bill back with an amendment for a simple reconstitution of the FEC with presidentially appointed members. (6111)	No	Failed (153–246)
A bill to prohibit deprivation of employment to persons working for federal, state, or local government who failed to make political contributions. (6117)	Yes	Passed (358–3)
A bill to pas, over the Preident' veto, the bill to give federal employees the right to participate in partisan political campaigns and to run for local, state, or federal office. (6150)	Yes	Failed (243–160) ⅔ required
A conference report to recontitute the Federal Election Commission and revise the 1974 campaign finance law. (6163)	Yes	Passed (291–81)
A bill to impose limits on the amount of money tax exempt public charities could spend for lobbying to influence legislation. (6246)	Yes	Passed (355–14)
Science and technology		
A bill to authorize $160 million in fiscal 1976–80 for a project promoting the use of electric vehicles. (5375)	Yes	Passed (308–60)

ISSUE	MY VOTE	OUTCOME
Science and technology		
A bill establishing an Office of Science and Technology Policy in the Executive Office of the President with its director serving as the President's personal adviser on federal science. (5498)	Yes	Passed (362–28)
A bill to authorize $3.7 billion for the National Aeronautics and Space Administration for fiscal 1977. (684)	Yes	Passed (330–35)
A bill to authorize $801 million in fiscal 1977 for the National Science Foundation. (697)	Yes	Passed (358–33)
An amendment to require the Director of the National Science Foundation to respond to written requests for information from Members of Congress within 15 days. (695)	No	Failed (136–257)
An amendment to shift $1.4 million in authorized funds from pre-college curriculum programs to summer training programs for elementary and secondary school science teachers. (696)	No	Failed (160–232)
A conference report to authorize $3.7 billion in fiscal 1977 for the National Aeronautics and Space Administration. (6213)	Yes	Passed (255–20)
Social conditions and services		
A conference report to suspend the duty on imported natural graphite until 1978 and to suspend staffing requirements of federally funded day care centers. (5451)	Yes	Passed (383–10)
An amendment to restrict eligibility for food stamp funds in the bill to families whose aggregate household income was within the poverty level set by the Office of Management and Budget. (5509)	No	Failed (159–231)
A bill to increase the federal share of funding for community action programs serving the poor to 80% through fiscal 1977. (5534)	Yes	Passed (244–172)
A conference report to authorize $1.7 billion in fiscal 1976–78 for programs under the Older Americans Act assisting the elderly and for senior volunteer programs run by Action. (5535)	Yes	Passed (404–6)
A bill to amend Social Security Act to provide uniform hearing procedures for claims under certain titles. (5536)	Yes	Passed (370–0)
An amendment to reduce backlog of cases appealing the denial of Social Security and other benefits, to make other minor changes in Social Security. (5607)	Yes	Passed (390–0)
A bill to make technical and conforming changes in the 1974 act creating a Community Services Administration to replace the Office of Economic Opportunity. (672)	Yes	Failed (346–2)
A bill to allow elderly persons, regardless of their income, to continue to receive social services at federally supported senior citizens centers. (674)	Yes	Passed (383–0)
A bill to provide $125 million through September 30, 1976 to help states comply with health, safety and staffing standards for day care centers serving low-income families. (687)	Yes	Passed (316–72)
A motion to recommit to conference the bill to provide $125 million to help states comply with standards for federally supported day care centers. (686)	No	Failed (153–237)
A bill to provide a payment of $50,000 to the family of any law enforcement officer killed in the line of duty. (6161)	Yes*	Passed (199–93)
A separate vote on previously adopted amendment to deduct death benefits paid to the family of a slain officer from the general revenue sharing funds of the employer of the deceased. (6160)	No*	Failed (98–202)
A bill to provide a $50,000 payment to the family of any firefighter killed in the line of duty. (6162)	Yes*	Passed (178–80)
A bill to pass, over the President's veto, the bill to provide $125 million through September 30, 1976 to help states comply with health, safety, and staffing standards for federally supported day care centers serving low-income families. (6170)	Yes	Passed (301–101)
A bill to extend through fiscal 1978 the volunteer programs administered by Action. (6171)	Yes	Passed (367–31)
A bill to require stricter accountability of food stamp vendors. (6315)	Yes	Passed (407–0)
Social conditions and services		
An amendment to increase by $10 million funding for multipurpose senior citizen centers. (6335)	Yes	Passed (318–67)
An amendment to prohibit use of Labor-HEW appropriations to pay for or to promote abortions. (6336)	No	Passed (207–167)
A second vote requested on amendment to prohibit use of funds in the Labor-HEW appropriations to pay for or to promote abortions. (6340)	No	Passed (199–165)
An amendment to reduce budget authority in the income security function to $155.7 billion, from $156.7 billion, and outlays to $138.2 billion, from $139.2 billion in order to reflect possible savings in the food stamp program. (6154)	No	Failed (147–229)
Sports and recreation		
A bill to establish the Hells Canyon National Recreation Area in Oregon, Idaho, and Washington and thus prevent the construction of two hydroelectric power dams on the Snake River. (5533)	Yes	Passed (342–53)
A bill to establish the Valley Forge National Historical Park in Pennsylvania. (6244)	Yes	Passed (364–4)
A bill to provide for the establishment of the Old Ninety-Six Star Fort National Battlefield in South Carolina. (6247)	Yes	Passed (359–7)
A bill to authorize $49.3 million for planning, design and construction of winter sports facilities at Lake Placid, New York, for the 1980 Olympic Winter Games. (6267)	Yes	Passed (179–147)
Transportation and public works		
A bill to authorize $240 million in federal grants providing unemployed railroad workers with jobs rehabilitating the nation's railroads. (5475)	Yes	Passed (261–129)
A motion to recommit the conference report with instructions that no funds be appropriated for certain railroad terminals. (5509)	No	Failed (158–231)
A motion to concur the amendment to limit obligations for certain highway construction programs to $9 billion. (5510)	No	Passed (297–95)
An amendment to delete from bill provisions creating an Office of Rail Public Counsel in the Interstate Commerce Commission. (5591)	No	Failed (187–224)
An amendment to delete from bill provisions allowing freight forwarders to enter into contracts with railroads. (5592)	Yes	Passed (222–196)
An amendment to reduce the level of federal commuter subsidy for rail services to 50% from 75% in a 13 month period from August 30, 1976 to September 30, 1977. (5594)	No	Failed (181–231)
A bill to authorize $10.9 billion for federal aid highway programs in fiscal 1977 and 1978 and $4 billion annually for construction of segments of the Interstate Highway System through fiscal 1988. (5602)	Yes	Passed (410–7)
An amendment to reduce annual Federal Aid Highway authorizations of fiscal 1977–78 by $750 million and delete language giving the Secretary of Transportation authority for distribution of the funds. (5598)	No	Failed (103–309)
An amendment to provide that the cost of highway projects rejected for mass transit be based on 1972 estimates, the mileage withdrawn from one state's highway system be available in another, and right-of-way sales proceeds be returnd to the government. (5599)	No	Failed (122–294)
An amendment to roll back the maximum weight of trucks allowed on interstate highways to 73,280 pounds from 80,000 pounds. (5600)	No	Failed (139–275)
An amendment to allow cities of over 200,000 population that supplied over 50% of funds for an area program to plan a highway project and to submit a plan directly to the Transportation Department for funding if the state had not forwarded the plan within a year of the plans' approval. (5601)	Yes	Failed (121–290)
A bill authorizing $4.76 billion for airport development and other aviation activity for a five-year period. (5605)	Yes	Passed (368–16)

ISSUE	MY VOTE	OUTCOME
Transportation and public works		
An amendment to delete language placing a ceiling on the use of funds for development of airport terminals. (5603)	Yes	Passed (246–138)
An amendment to prohibit federally funded airports from permitting the landing of supersonic aircraft for period of six months. (5604)	Yes	Passed (199–188)
A conference report to authorize $6.5 billion in financial assistance to the nation's railroads and lessen federal regulation of the railroad industry by the Interstate Commerce Commission. (5612)	Yes	Passed (205–150)
A motion to rescind House and Senate actions in adopting the conference report and recommit S. 2718 on railroad revitalization. (65)	Yes	Passed (383–15)
A bill to authorize $11.2 million in fiscal 1976–77 for the Transportation Department to carry out the Motor Vehicle Information and Cost Savings Act, and to strengthen the authority to enforce the prohibition against auto odometer tampering. (612)	Yes	Passed (369–18)
A conference report to authorize $6.1 billion in grants and loans for the nation's railroads and to ease federal regulation of the rail industry by the ICC. (615)	Yes	Passed (353–62)
A bill to authorize $53.5 million to expand the Indiana Dunes National Lakeshore on the southeastern coast of Lake Michigan. (639)	Yes	Passed (272–118)
A resolution to appropriate $2.1 billion in order to provide for the purchase of Consolidated Rail Corporation securities by the U.S. Railway Association for fiscal 76, 77, 78, 79 and the transition. (641)	Yes	Passed (298–95)
A conference report to appropriate $2.1 billion for funding of federal railroad programs in fiscal 1976 and the transition and for purchase of Conrail securities by the U.S. Railroad Association. (694)	Yes	Passed (288–105)
Transportation and public works		
A bill to extend the authority of the Secretary of Transportation to issue aviation war risk insurance until May 7, 1977. (6201)	Yes	Passed (392–1)
A bill to authorize $35 million for each fiscal 1977–78 for rail safety programs and to strengthen federal safety regulations. (6266)	Yes	Passed (332–11)
An amendment to give the Secretary of Transportation the discretion to allow railroads fined for safety violations to invest the amount of the fine into the railroads safety programs. (6265)	No	Failed (37–298)
A bill to appropriate $5.3 billion in new budget authority and $8.9 billion in liquidating authority for the Transportation Department. The President requested $5.4 billion. (6350)	Yes	Passed (376–21)
An amendment to prohibit use of funds in Transportation appropriations for commercial flights of SST jets to land at U.S. airports until the aircraft could meet federal noise standards. (6347)	Yes	Failed (126–269)
An amendment to prohibit use of funds in Transportation appropriations for commercial flights of SST jets to land at JFK Airport in New York unless the aircraft met federal noise standards. (6348)	Yes	Failed (170–28)
An amendment to delete sections of the Transportation Appropriations bill that placed ceilings on the amount of money that could be obligated for highways and highway safety. (6349)	Yes	Passed (251–146)
A conference report to authorize $5.6 billion for airport development and other aviation projects over the period, fiscal 1976–80. (6369)	Yes	Passed (309–103)
A motion to delete from the conference report Title II, which authorized a counter cyclical aid program to help state and local governments to provide basic services. (616)	No	Failed (133–268)

SADAT SPEAKS FRANKLY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. ROSENTHAL. Mr. Speaker, the Ford administration recently sold six C-130 military air transports to Egypt. At the time, the Egyptian Armed Forces were already gorged with weapons and needed no such additional equipment. I opposed the transaction because I feared it would not only aggravate an already-volatile situation, but would also inaugurate an unnecessary arms supply relationship between Washington and Cairo. Clearly, military support of the Sadat regime would gain no more lasting influence for us than it had for the Soviet Union.

The administration argued vigorously—but without factual support—that the Soviets had cut off all aid to Egypt and that country's defense posture was weakened.

Now we learn from President Sadat that his country is neither so docile nor so helpless as the administration had led us to believe.

One week ago today, President Sadat declared that, despite the Soviet arms embargo, Egypt is now militarily ready to take back occupied lands held by Israel if a peaceful solution fails.

According to Defense Space Business Daily, Sadat stated on August 3:

> The Soviet Union, until today, has refused to sell us weapons to replace our losses. But, in spite of this, I emphasize that the armed forces are fully equipped and prepared to perform their mission, which is to defend national soil and liberate occupied lands if the peaceful solution fails.

Does "fully equipped" now include U.S. C-130's?

WASTEWATER FUNDING SECTION VIOLATES INTENT OF JOBS BILL

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. COUGHLIN. Mr. Speaker, I call to the attention of my colleagues a section in the Public Works Employment Appropriation bill which runs exactly contrary to the stated purposes of this legislation and which discriminates against many States with high unemployment. The Appropriations Committee, of which I am a member, reported this bill this morning following the Congress' recent vote to override the Presidential veto of the Public Works Employment Act of 1976.

The section to which I object is in both these measures and deals with wastewater treatment facilities construction grants. Not only does this section fail to target areas of high employment—the objective of the bills as we were led to understand them—but resorts to a backdoor method of correcting inequities. The inequities pertain to previous allocations of construction grant funds as disbursed under the Federal Water Pollution Control Act Amendments of 1972. I think it is important that my colleagues are aware of the tactics which were involved to flaunt the intent of this bill.

A total of $9 billion in construction grant funds, which had been impounded, was made available by court action in 1975. These revenues were allotted on the basis of wastewater treatment needs surveys conducted in 1971 and 1973. A 1974 needs survey indicated that 37 States would have received more funds under a formula based on more recent data plus 1990 population estimates.

A Senate proposal, the so-called Talmadge-Nunn formula—sought to redistribute the $9 billion in accordance with the more up-to-date figures. The formula was later revised to increase those States which would have gained from the redistribution without reducing States which would have lost. The $1.4 billion additional which such a redistribution required was added as an amendment to the Public Works Employment Act of 1976 when it was considered by the Senate. This funding was not contained in the House authorization bill. When the measure was considered in conference, the $1.4 billion figure was reduced to $700 million.

The effect of the Talmadge-Nunn formula is to exclude many of the States with serious unemployment problems from receiving additional funds. In fact, of the 10 States where unemployment is the highest, only two would benefit. None of the New England States, where unemployment averages nearly 9 percent, would receive any money. Nor would my own State of Pennsylvania. Nor would many other large industrial States with severe unemployment problems, including New York, New Jersey, California, Michigan, Illinois, Ohio, Delaware, Virginia, Indiana, or Minnesota.

On the other hand, some States with relatively low unemployment, but which are deserving under the Talmadge-Nunn proposal, would receive substantial sums. Foremost among these is Texas—the State which would receive the most in Federal dollars. Ironically, it is a State for which unemployment figures are not available.

A complete listing of the States and their anticipated funding under the Talmadge-Nunn amendment follows:

A COMPARISON OF STATES WHICH RECEIVE FUNDS FROM THE NUNN-TALMADGE AMENDMENT WITH UNEMPLOYMENT FIGURES IN PERCENTAGES

State	Amount	Unemployment (percent)
Total	$700,000,000	
Alabama	34,300,000	6.6
Alaska	6,370,000	9.7
Arizona	32,830,000	7.4
Arkansas	26,180,000	5.4
California		9.6
Colorado	21,280,000	NA
Connecticut		9.1
Delaware		7.6
District of Columbia		7.2
Florida	20,790,000	9.9
Georgia	39,900,000	NA
Hawaii	4,200,000	8.5
Idaho	7,420,000	NA
Illinois		6.7
Indiana		5.2
Iowa	2,590,000	4.5
Kansas	20,300,000	3.6
Kentucky	18,900,000	5.6
Louisiana	24,570,000	7.5
Maine		7.3
Maryland	10,570,000	5.8
Massachusetts		8.0
Michigan		9.7
Minnesota		4.8
Mississippi	18,550,000	5.3
Missouri	10,290,000	4.8
Montana	4,410,000	6.0
Nebraska	5,390,000	4.3
Nevada	910,000	8.0
New Hampshire		4.2
New Jersey		9.2
New Mexico	7,910,000	6.1
New York		8.9
North Carolina	46,550,000	5.8
North Dakota	7,420,000	4.4
Ohio		6.9
Oklahoma	25,480,000	7.4
Oregon	1,960,000	9.0
Pennsylvania		7.6
Rhode Island		9.5
South Carolina	20,440,000	5.8
South Dakota	6,230,000	3.8
Tennessee	21,070,000	7.3
Texas	129,220,000	NA
Utah	13,020,000	5.7
Vermont		9.0
Virginia		5.0
Washington	17,430,000	8.3
West Virginia	49,980,000	5.4
Wisconsin	18,550,000	5.4
Wyoming	6,370,000	3.5
American Samoa	1,120,000	NA
Guam	2,100,000	NA
Puerto Rico	8,540,000	NA
Trust Territory of the Pacific Islands	6,860,000	NA

Source of employment percentages: "Employment and Earnings," U.S. Department of Labor, Bureau of Labor Statistics, May 1976 figures are used.

Mr. Speaker, just so there is no misunderstanding about the wastewater treatment facilities, I object not only to the Talmadge-Nunn formula, but also to the wisdom of including these projects in this particular bill. I joined in a successful effort by the full Appropriations Committee this morning to reduce this grant funding from $700 million to $200 million, but I hasten to point out that this only reduces the size of the mistake and does not eliminate it. This problem still persists—States with high unemployment do not get most of the money.

As many may not be aware, the Environmental Protection Agency had testified that only $200 million of the $700 million authorized could be obligated in fiscal year 1977. The amendment also directed the funding only to those States which have exhausted previous authorizations and currently are prepared to receive and use the additional revenues.

In spite of this reduction, I still object to the inequitable distribution formula and am totally opposed to its inclusion in a bill purported to create jobs and reduce unemployment. If we are going to make a positive attempt to combat unemployment, then we should do just that. We should not include extraneous programs—programs of a political nature—in such a bill.

The Public Works Employment Act was sold to the American people as a high-priority jobs program—one which would stimulate the economy by putting people back to work. The inclusion of money for wastewater treatment facilities grants—money which was not even intended to reach areas of high unemployment—was deceitful, and the public should be aware of this.

REIMBURSEMENT OF PHYSICIAN EXTENDERS UNDER MEDICARE

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. BROYHILL. Mr. Speaker, today I am reintroducing a bill which I originally introduced in May of last year. This legislation would amend title XVIII of the Social Security Act to allow for the reimbursement of physician extenders who perform Medicare eligible services when a physician is not actually present.

There is a desperate need in the medically under-served rural and urban areas of our Nation for primary health care services. During the last decade physician extenders have proven that they can provide high quality, professional care at a low cost—if the funds are available to keep their clinics in operation.

To date, their funding has come from various agencies at all levels of Government and from the communities in which these clinics are located. But many of these agencies will soon run out of funds themselves and the clinics will have to close without having become self-supporting. They cannot become financially secure and continue to serve the medically needy in large part because medicare reimbursement is not available to them for medicare eligible services. This is in spite of the fact that their counterparts in clinics which have a physician on the premises are reimbursed for identical services.

In my opinion, the remedy of this deplorable situation would be enough to recommend the amendment of the Social Security Act to allow for the reimbursement of physician extenders. But there is another, less obvious benefit to be reaped from the proposed amendment of the law:

Reimbursement of physician extenders will result in a net savings to the medicare system.

In a letter which I addressed to the chairman of the Subcommittee on Health of the Committee on Ways and Means during his subcommittee's hearings on the rising costs of hospital care, I set out the savings which have resulted from the use of physician extenders.

Mr. Speaker, so that all of my colleagues can be made aware of the cost savings for which these health professionals have been responsible, I am inserting my letter to the chairman, Mr. ROSTENKOWSKI, be reprinted in the RECORD at this point:

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 3, 1976.

Hon. DAN ROSTENKOWSKI,
Chairman, Subcommittee on Health, Committee on Ways and Means, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I greatly appreciate this opportunity to propose for your subcommittee's consideration a solution to the problem of rising hospital costs during its deliberation of this issue.

The solution to this problem, in my opinion, lies in the expanded use of physician extenders (nurse practitioners, physicians' assistants, and "Medex") in situations where a physician cannot always be present. Physician extenders provide readily available primary health care which keeps people well and out of hospitals. I believe that reimbursement under Medicare is of primary importance in order to ensure the continued use and expansion of physician extenders' services.

Physician extender programs have been in operation for over a decade and experience during that time has shown that clinics managed by these professionals are the best solution to the chronic problems of access and cost for under-served rural and urban areas of this Nation. Moreover, study after study has shown that—not only does health service improve with the use of these clinics—but total medical costs, including Medicare costs, actually decrease.

All of the reliable studies conducted on a first-hand basis lead to the conclusion that the use of physician extenders in primary health care clinics lower total hospital costs significantly:

A STUDY OF DIABETES

A study of diabetes mellitus sponsored by the Department of Health, Education and Welfare, the Public Health Service and the National Institutes of Health and conducted by the Fogarty International Center this year, made some remarkable findings. In the study, 555 diabetics were transferred from city hospital clinics to decentralized, physician extender-staffed clinics for maintenance care. The results were impressive: the cost of ambulant care received in the decentralized locations was one-fifth the cost of comparable care rendered in medical center facilities. A visit to a neighborhood clinic cost $4 compared to $20 for a hospital outpatient visit and $35 for an emergency ward visit. When the pattern of hospitalization for the two year period before and after transfer was examined, a 49% reduction in hospital days and a 42% reduction in hospital discharges were found. There was an approximate reduction of 44% in the cost of continuing care as compared to the cost by conventional methods used before the transfer to physician extender-staffed clinics. ("Improving the Organization of Care for the Chronically Ill," *Diabetes Mellitus*, Forgarty International Center Series on Preventive Medicine, Vol. 4, 1976.).

DIABETES, HYPERTENSION, CARDIAC DISEASE

In another study conducted by John W. Runyan, Jr., M.D., and reported in the "Journal of the American Medical Association," similar results were found for those sick with diabetes, hypertension, and cardiac disease. The change in the number of hospital days for diabetics declined 49.4%; for those with hypertension, a decline of 52.3% was found; and for those with cardiac disease a decline of 49.3% was evidenced. Patients with these diseases who continued to be treated at hospital clinics experienced an increase in hospital days over the same period of 43.0%!

What should be of particular interest is the fact that those of Medicare age—those over 60—experienced a decline in total hospital days of 52.7% under the care of physician extender-staffed clinics. ("The Memphis Chronic Disease Program; Comparisons in Outcome and the Nurses' Extended Role," *JAMA*, January 20, 1975.).

FRONTIER NURSING SERVICE EXPERIENCE

A study by Karen Gordon of Yale University School of Public Health, and Gertrude Isaacs of the Frontier Nursing Service, Heyden, Kentucky, indicated that 239 diabetic patients using nurse practitioner clinics averaged 41% fewer hospital days than the national average for these types of patients—or a savings of 3.2 days per patient per year. A spokesman for the Frontier Nursing Service has also testified that their patients over age 65 had 70% fewer hospitalizations than other elderly patients from neighboring communities without physician extenders. (Mr. Harry Teter, Jr., Executive Director, Appalachian Regional Commission and Ms. Gertrude Isaacs, Sc.D., Testimony before the House Ways and Means Subcommittee on Health, Knoxville, Tennessee, July 22–23, 1976.).

APPALACHIAN REGIONAL COMMISSION CLINICS

A survey of the 200 Appalachian Commission clinics which serve thirteen States showed that 12% to 25% of their 300,000 users would have been hospitalized were the clinics not available. Moreover, the average patient visit in A.R.C. clinics cost only $14.00. Physician reasonable charge reimbursement, according to the Social Security Administration, ranged from $12.00 to $22.00 for the same service in F.Y. 1975. (Mr. Harry Teter, Jr., Testimony before the House Ways and Means Subcommittee on Health, July 22–23, 1976.).

What would explain the astonishing decrease in hospitalization and its resultant costs? The answer seems clear. Several factors were introduced to the group which was treated by physician extenders rather than by hospital staff:

First, professional care and advice are easier for the patients to obtain when the rigid appointment system characteristic of the hospital clinic is removed.

Second, patients are given the opportunity to call the clinics if in need of medical assistance, and appropriate advice is given or home visits are made.

Third, the same medical protocols and opportunities to obtain selected laboratory tests prevail whether the patient is seen in the decentralized clinic or at home.

Fourth, missed appointments are followed up by clinic staff.

Fifth, drugs are actually dispensed directly to the patient while being seen by the physician extender. This creates the opportunity for patient education and counseling and it is thought that patient compliance is greatly enhanced as a result.

The Federal government has not been oblivious to the valuable role played by physician extenders. The Bureau of Health Manpower of the Department of Health, Education and Welfare is already spending in excess of $15 million per year to train physician extenders. The approximately 2,800 graduates now receive an annual salary of between $12,000 and $25,000—and many of these receive part or all of it from Federal programs or grants. The Federal government has made a commitment to physician extenders yet the absurdity is that another arm of the government does not think that the services are valuable enough to qualify for reimbursement under Medicare when rendered in physician extender-staffed clinics! This is in spite of the fact that these professionals have shown that they can save the Medicare system many times the estimated $10 million per year it would take to reimburse them under Medicare.

In order to correct this incongruity, I introduced legislation in May of 1975 which would allow for the reimbursement of physician extenders for Medicare eligible services rendered when a physician was not physically present. More recently, as you know, Congressman James Symington introduced a similar bill and on the Senate side, Senators Pearson and Huddleston have introduced legislation which would remedy the situation.

It is my hope, Mr. Chairman, that during your subcommittee's deliberation of how best to control rising hospital costs, you will give close and serious study to the outstanding work done by our nation's physician extenders. They have proven their value to the patient and to the Medicare system.

With best regards,

JAMES T. BROYHILL,
Member of Congress.

INFLATION AND TAXES

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, the debate on tax reform and tax equity often gives scant recognition to one of the most serious tax burdens. This is the problem of increased taxation because of inflated wages. As wages and salaries increase to reflect productivity gains and inflation, the tax rate increases at a greater pace due to the progressive structure of the Tax Code. The attempt to maintain one's income in the face of inflation is frustrated by higher taxes.

Very little information is available about this area of taxation. I have introduced legislation to provide annual statistics on the interaction of inflation, income and taxes. A similar provision was included in the Tax Reform Act by the Senate. Two articles, one by our able colleague from New York, Mr. CONABLE, the other by a national news journal, U.S. News & World Report, further describe the problem:

TAX PERSPECTIVES

(By Hon. BARBER B. CONABLE, Jr.)

WASHINGTON, August 12.—I sometimes get embarrassed at the amount of tax information I throw at you in these columns and my newsletters as a result of my primary involvement in taxation through membership on the House Ways and Means Committee. I realize such things are not always thrilling. But perhaps a greater danger than boredom is the possibility that you and I get so close to taxes, so ensnared in tax details, that we lose our perspective about the total tax system. A group known as the Advisory Committee on Intergovernmental Relations recently put out a fascinating report which would have to be called a perspective piece, and I would like to pass on to you some of the information it disclosed.

Forty percent ($131 Billion) of the federal government's revenue comes from individual income tax receipts in 1976. The next largest item of revenue is the 28% ($90 Billion) which is raised by payroll taxes, mostly social security. The corporation income tax ($40 Billion) produces only 12% of our revenues. Roughly 18% ($58 Billion) comes from a wide range of other taxes, charges, customs duties and receipts; but, of course, these figures do not take into account federal borrowing, which has had to increase by more than $65 Billion as a result of this year's deficit.

The Advisory Committee's figures show something interesting about the shifts in the tax burden, suspected by average taxpayers for a long time but previously not easy to prove. In 1953, the average family had an income of $5,000, which by 1975 had risen to $14,000. Direct taxes (remember, a corporate income tax is an indirect tax on those who own stock or buy goods from a corporation) have gone up by 92% on the average family during those 22 years. Because the average wage earner has moved into a higher bracket ($5,000 to $14,000) his federal income tax is up 25%. But that's peanuts compared to the increase in Social Security taxes, up 400%, and state and local taxes, up 533% during the same period.

The last figure is all the more startling when you consider that in the same period of time federal aid has gone from 8% of the revenue of state and local governments to 20%. Taxes have risen during that 22-year period for those who are above average wealth, also, but less than they have risen for the average taxpayer for several reasons: (1) when you get in the higher brackets of the federal income taxes the increases come more gradually, (2) the social security payroll tax is collected on only a limited wage base and (3) wider distribution of real estate ownership places a larger portion of the real estate tax on the average homeowner.

With respect to all types of taxes, some effort has been made by the taxing authorities to redistribute taxes during this 22 years so that the average taxpayer would not be hit so hard (by changing the rates, the wage base or by various sorts of real estate tax exemptions) but despite such effort the other factors at work, including the total tax burden, have more than compensated. Unfortunately, there is no way in which this trend is going to be reversed as long as government spending expands; increasing government expenditures must be financed in large part from the average taxpayer, since he is the only resource sufficiently numerous to return much money from tax increases which are necessarily fractional and marginal.

The pattern of taxes is different in every country. Among the developed countries of the world we put the most reliance of all on the personal income tax, and the least of all on consumption taxes like the sales tax or the value added tax. However, we are among the lowest in total tax burden. Obviously we can do some redesigning of our system to shift the incidence of the various types of taxes in one direction or other, but working on the total burden of taxation, keeping our government expenditures on all levels as low as possible, will probably accomplish more for the average taxpayer in the long run than anything which can reasonably be expected from tax reform, however enlightened.

[From U.S. News & World Report, Aug. 9, 1976]

Now: A Drive To Ease Inflation's Toll on Your Taxes

Pressure is building up on Congress to do something about the way inflation is causing automatic increases in everybody's taxes.

Years of rising prices have taught millions of families that success in keeping incomes in step with living costs is not enough to maintain purchasing power. Taxes go up with inflation, too, and the result often is a serious erosion of living standards and family estates.

That, basically, is what lies behind current moves to increase federal estate-tax exemptions. On July 27, the House Ways and Means Committee gave its final approval to a bill that, in effect, increases the personal exemption from $60,000 now to $120,667 in 1977, with a gradual rise to $153,750 in 1979. President Ford had asked for a boost to $150,000.

That exemption has remained fixed through 34 years of generally rising prices. Where it once relieved all but a tiny fraction of the people from all estate taxes, it now leaves many ordinary families exposed to that levy.

The estate-tax exemption is only one tax allowance that has lost much of its value to inflation. The personal exemption for the federal income tax, for example, was increased from $600 in 1966 to $750 in 1976, but that's not nearly enough to compensate for the inflation that has occurred.

UPWARD THRUST

Perhaps the most important effect of inflation on taxes is the way it propels millions of people toward the higher reaches of this country's graduated tax.

For single persons and unmarried "heads of household," the rate schedules of the income tax have been trimmed a bit, though far from enough to offset inflation. And the steeply graduated rates of taxes that married couples must pay have not been changed.

The result is that even if a family has been fortunate enough to see its income rise as fast as consumer prices, its purchasing power has been cut back by taxes that take increasing percentages of that income. The family often is worse off financially than it was earlier on a substantially smaller income.

Take, for instance, a married couple with two children and a salary of $15,000 back in 1966. If their pay has just kept pace with the consumer price index, the income has risen by 75.9 per cent during the past decade, to $26,385. But that's "before taxes."

With that steep rise in earnings, the family finds that it has jumped from the 22 per cent bracket of the income tax to the 28 per cent bracket—assuming that deductions equal 17 per cent in both of the years.

Result: While income rose by just under 76 per cent, the tax take went up about 113 per cent—from $1,831 in 1966 to $3,892 this year, even allowing for temporary cuts granted for 1975 and 1976.

After all adjustments, the family has had a reduction of about 3 per cent in is purchasing power.

Not all families that have managed to keep their before-tax incomes growing in tune with prices have lost that much. But many others have been hit even harder.

The four-member family that had $50,000 of income in 1966 has $87,950 now if it has matched the consumer-price rise of 75.9 per cent. But the Federal Government's tax take has grown by 129 per cent, from $11,735 in 1966 to $26,879 in 1976.

The upshot is that this family's real income after taxes is 9.3 per cent smaller than it was 10 years ago.

SOME WAYS TO BRING TAX RETURNS INTO LINE WITH INFLATION

Many parts of Federal tax law have failed to keep up with inflation of nearly 76 per cent in 10 years. For a look at what's needed to match key parts of tax returns with price hikes—

	In 1966	In 1976	Level needed to match inflation
Personal exemption	$600	$750	$1, 055
Gain on sale of house, share excludable by persons 65 and over	20, 000	20, 000	39, 500
Estate-tax exemption	60, 000	60, 000	105, 540
Gift tax, annual exclusion	3, 000	3, 000	5, 277
Tax brackets (married couples, filing jointly—bottom of bracket)	1, 000 8, 000 20, 000 40, 000	1, 000 8, 000 20, 000 40, 000	1, 759 14, 072 35, 180 70, 360

But, one important element has more than kept pace with inflation—Minimum standard deduction (family of four) was $600 in 1966 and is now $2,100, above the $1,055 needed to equal 10 years of price rises.

TAXPAYERS AGAINST INFLATION—FOUR LOSING BATTLES

1. Middle-income family—Mr. M married with two children, made $10,000 in 1966. Pay raises since then have just kept pace with inflation.

	1966	1976
Income	$10, 000	$17, 590
Federal income tax	981	1, 992
Social security tax	277	895
After-tax income	8, 742	14, 703
In 1976 dollars	15, 377	14, 703

All told: Mr. and Mrs. M have lost 4.4 per cent in purchasing power in 10 years.

NOTE: Federal tax computation assumes itemized deductions equal to 17 per cent of income.

2. Young graduate—Mary G takes a job for $8,795 a year, the equivalent of the $5,000 a year her brother Robert received in 1966. How the two compare—

	1966	1976
Income	$5, 000	$8, 795
Federal income tax	671	1, 066
Social security tax	210	515
After-tax income	4, 119	7, 214
In 1976 dollars	7, 245	7, 214

All told: Mary can buy 0.4 per cent less with her salary than Robert could.

NOTE: Federal tax computation assumes standard deduction.

3. Gifts—Mrs. R, a widow, made a $10,000 wedding gift to one child in 1966 and the equivalent gift, after inflation, of $17,590 to another child this year.

	1966	1976
Amount of gift	$10, 000	$17, 590
Taxable amount after $3,000 exclusion	7, 000	14, 590
Tax	218	754
In 1976 dollars	383	754

All told: Buying power of tax on gifts is 97 percent higher this year.

NOTE: Mrs. R does not use her lifetime specific exemption covering $30,000 of gifts.

4. Death and taxes—Mr. U died in 1966, leaving his wife an estate of $200,000. This year, his neighbor, Mr. W died, leaving his wife an estate of the same size after price rises, $351,800. Both estates have debts and expenses of 10 percent.

	1966	1976
Estate—after debts, expenses	$180, 000	$316, 620
Marital deduction	90, 000	158, 310
Specific exemption	60, 000	60, 000
Taxable estate	30, 000	98, 310
Maximum Federal estate tax—before credit for State death taxes	3, 000	20, 277
In 1976 dollars	5, 277	20, 227

All told: Mr. W's estate must pay 283 percent more in terms of today's buying power than Mr. U's estate paid in 1966.

CONGRESSIONAL HELP

At the bottom of the income scale, Congress has taken steps to offset much or all of the impact made by inflation on the personal income tax.

A family of four with a 1966 income of $5,000 is now earning $8,795 if it has kept up with inflation. In the interim, Congress has substantially boosted the automatic "standard" deduction and, for 1975 and 1976, granted some new tax credits.

On that basis, this family's real, spendable income has kept up fully with consumer prices.

But the picture changes if taxes for Social Security also are figured in. Those levies have been boosted sharply in recent years, so that the family with a 1976 income of $8,795 actually has about 1.6 per cent less purchasing power than it had with its $5,000 of income back in 1966.

At the top of the income scale, too, Congress has attempted to soften the impact of inflation on income taxes paid by many people—for example, by erecting a 50 per cent ceiling over the tax on earned income. Yet, even for the well-to-do taxpayers, such changes fall short of conferring full immunity from inflation's impact.

For example, a four-member family on a $100,000 salary in 1966 and an inflation-matching $175,900 this year has been deprived of 3.5 per cent of its purchasing power by the impact of inflation on taxes.

GIFTS AFFECTED

Much the same thing has happened in the case of the federal tax on gifts, a levy imposed to prevent wealthy people from avoiding estate taxes by giving away their wealth during their lifetime.

A parent who gave a son or daughter $5,000 in 1966 would have paid a gift tax of $45. To make a gift of comparable purchasing power in 1976, the amount would have to be $8,795. The tax on that would come to $154.

Look, too, at the $60,000 personal exemption under the estate tax. If it had kept pace with inflation during the past decade, it would be $105,540 today.

In fact, if the estate-tax exemption had been tied to consumer prices since it was first fixed back in 1942, it now would be $210,000.

Thus, President Ford's proposed boost in the estate-tax exemption to $150,000 would fall short of any complete adjustment for price increases.

All this helps explain why proposals are being pushed now to provide full, automatic tax adjustments to take account of inflation.

Recently, the Advisory Commission on Intergovernmental Relations (ACIR), after a long study, "Inflation and the Individual Income Tax," said that it is seriously considering a recommendation in favor of the indexing of federal and State income taxes.

The ACIR—a permanent, bipartisan commission, composed of federal, State and local officials, along with members of the general public—noted that, with indexing, "rate brackets and personal exemptions, credits and deductions, measured in fixed-dollar terms, would be adjusted proportionately with the general price-level changes."

At a recent session, the commission decided that it would wait until its September, 1976, meeting to make any recommendations on indexing of taxes.

For example, a married couple with two children and earnings of $10,000 finds that, without indexing, a pay boost in line with price increases of 10 per cent boosts its tax from $651 to $841, assuming use of the standard deduction. That's a jump of 29 per cent.

With the indexed system, the tax would rise by only 10 per cent, to $716. Indexing would reduce the tax increase from $190 to $65.

One problem: How to avoid a huge Government deficit if revenues are cut by indexing at a time when the Government's own expenses are being swollen by inflation?

A new study by the Congressional Budget Office underscores that question. It found that $5 of every $8 of federal spending is already indexed or "adjusted automatically for increases in the price level."

Social Security and federal-employe-retirement benefits, for instance, are raised periodically by the automatic action of a cost-of-living provision.

Moreover, the remaining $3 in each $8 of federal spending is generally increased by direct action in Congress to take account of inflation.

The result is that a 1 per cent rise in prices can be counted on to generate a 1 per cent climb in federal expenditures rather quickly.

STRONG RESPONSE

Federal revenues, the CBO noted, respond even more strongly than that to rising prices, but not much more.

Specifically, the ACIR study found that, with each 1 per cent of annual inflation, federal revenues can be expected to rise by about 1.2 per cent.

Thus, if Congress were to eliminate more than a very modest part of the inflation-induced climb in income taxes, the federal budget could be seriously undermined.

CLEVELAND COMMUNITY ORGANIZATION MARKS 31 YEARS OF COMMUNITY SERVICE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 10, 1976

Mr. STOKES. Mr. Speaker, I rise today to pay tribute to a leading organization in the Greater Cleveland area which has done much to promote harmony and communication between citizens and neighborhoods.

The Area Council Association of Greater Cleveland was first formed in 1945 by neighborhood residents who realized that they must band together to achieve mutual goals. Since those early years, Mr. Speaker, the Area Councils' membership has grown considerably. The 1975–76 roster reads as follows:

AREA COUNCILS ASSOCIATION, 1975–76 MEMBERSHIP

President, George M. Edwards; First Vice President, Mrs. Bertha Falkowski; Second Vice President, Vacated; Recording Secretary, Mary Ann Lecate; Corresponding Secretary, Booker T. Tall; Treasurer, Dorothy Bugay.

MEMBERS-AT-LARGE

Mrs. Marjorie Butera, Dr. Earl H. Cunningham, Mrs. Bertha Falkowski, Leonard Danilowicz, James D. Johnson, Mrs. Edythe Lineker.

CITY-WIDE ORGANIZATIONS

Catholic Parent/Teachers League, Citizens League.

Cleveland Board of Education, Council of Churches.

Citizens for Clean Air and Water, Jewish Welfare Federation, N.A.A.C.P.

Cleveland Planned Parenthood Center, Inc., American Indians, Urban League, League of Women Voters.

Cleveland Community Health Network.

MEMBER AREA COUNCILS

Central Area Council, Mrs. Pearl Jackson, Acting President.

Corlett Area Community Council, Mrs. Pinkie Jackson, President.

Forest Hill Parkway Area Council, Muldrow Pearson, President.

Glenville Area Community Council, Ethelene Hall, President.

Hough Community Council, Edna Carlisle, President.

Kinsman Area Council, Rev. John Taylor, President.

Lee-Harvard Community Association, William James Lowe, President.

Lee-Seville-Miles Citizens Council, Drew Chillious, President.

Ludlow Community Association, Marge Jorgensen, President.

Moreland Community Association, Carl Harris, President.

Mount Pleasant Community Council, Booker T. Tall, President.

Southwest Civil Council, Al Lorman, President.

Tremont Area Civic Association, Mrs. Ellen Paul, President.

West Park Community Council, Ellie Mapson, Jr., President.

Area Councils Association, 1975–76 membership.

COMMITTEE CHAIRMEN

Constitution: Review Committee, Mrs. Dorothy Bugay, Chairman.

Schools: Birt Smith, Mrs. Victoria Bozeman, Co-Chairmen.

Pollution and Ecology Committee: Leonard Danilowicz, Mrs. Evelyn Stebbins, Co-Chairmen.

Safety Committee: Ellie Mapson, Jr., Floyd Holsten, Co-Chairman.

Health and Welfare Committee: Dr. Earl Cunningham, Donald Fearn, Co-Chairmen.

Nominating Committee: Mrs. Dorothy Bugay, Chairman.

Voluntary Police and Fire Review Board: James D. Johnson, John Ferrante, Co-Chairmen.

Literary Task Force: Birt Smith, Henry Maleski, Co-Chairmen.

Budget and Finance: Mrs. Dorothy Bugay, Chairman.

Personnel: Mrs. Dorothy Bugay, Chairman.

Parks and Recreation: Mrs. Alverna Williams, Drew Chillious, Co-Chairmen.

Leadership Development: Booker T. Tall, Chairman.

Utilities: Mrs. Evelyn Stebbins, Chairman.

Award Dinner: James D. Johnson, Chairman.

Liquor Control: George M. Edwards, Pitzer Bradley, Co-Chairmen.

Housing: Henry S. Maleski, Stafford Williams, Co-Chairmen.

National Health Coalition: Dr. Earl Cunningham, Chairman.

Bicentennial: Dr. Earl Cunningham, James D. Johnson, Co-Chairmen.

STAFF

Mrs. Helen Golub, General Coordinator.

Richard Peterson, Coordinator.

Karen Roscoe, Secretary.

Deloss Drake, Project Coordinator, Voluntary Police Fire Review Board.

On Friday, June 4, 1976, the Area Councils Association joined with the Kiwanis Club of Cleveland in sponsoring the 20th anniversary of the "Good Neighbors Service Awards Dinner," which was held at the Hollenden House. A great deal of planning and organization went into making this event a success. Those who served on the dinner committees should be commended for their hard work:

AWARDS COMMITTEE

James D. Johnson, Chairman.

Dr. Earl H. Cunningham, Co-Chairman.

TICKET COMMITTEE

Dr. Earl H. Cunningham, John Armstrong, Dorothy Bugay, Co-Chairmen.

Ruth Buckner, James W. Calgie, Geneva Campbell, Drew Chillious, Joseph Haggerty, Carl Harris, Floyd Hostein, Pearl Jackson, Pinkie Jackson.

Marge Jorgensen, Rita Laquatra, William James Lowe, Ellie Mapson, Jr., Muldrow Pearson, Grey Roberts, George H. Smith, Rosie Williams.

FLOWERS

Rita Laquatra and Floyd Holsten.

AWARDS SELECTION COMMITTEE

Donald Fearn, Chairman.

Dorothy Bugay, Rev. Oliver L. Campbell, John Wesley Fields, Joseph Haggerty, Carl Harris, Ethelene Hall, Pearl Jackson, Pinkie Jackson.

Malenda Jones, Marge Jorgensen, Josie Lawson, Ellie Mapson, Jr., Ellen Paul, Muldrow Pearson, Greg Roberts, Rev. John H. Taylor.

PUBLIC RELATIONS

Edythe Foote Lineker and Booker T. Tall.

HOSTESSES

Edith M. Alexander, Chairman.

Ruth Buckner, Vivian Eady, Gail Freeman, Karen Roscoe, Erma Scott, Pat Storey, Bess Vrettos, Sylvia Whiting.

STAFF

Helen Golub, Richard A. Peterson, Karen Roscoe.

AREA COUNCILS ASSOCIATION ANNUAL GOOD NEIGHBOR AWARDS AND BICENTENNIAL CELEBRATION, JUNE 4, 1976

Patron list

We thank the following persons and organizations for their special patron contribution:

Advisory Committee on Aging, Dr. Charles L. Carlton, Citizens for Clean Air and Water, Cleveland Trust Company, Dr. Earl H. Cunningham, East Ohio Gas Company, Mr. Donald E. Fearn, Director, Planned Parenthood of Cleveland, Dr. Donald G. Jacobs, Director, Greater Cleveland Inter-Church Council.

Mr. Blair Kost, Director, Citizens League, National City Bank of Cleveland;

Mrs. Berthina E. Palmer, Member, Cleveland Board of Education; Honorable James V. Stanton, Congressman, 20th District of Ohio; Honorable Louis Stokes, Congressman, 21st District of Ohio, the Urban League of Greater Cleveland.

This program is sponsored in part by a grant from the Ohio Program in the Humanities, a state based program of the National Endowment for the Humanities.

Mr. Speaker, the Annual Good Neighbors Awards Dinner has always been an exciting and rewarding evening, well-attended by many noted government officials and business and community leaders. The Headtable guest list included:

Reverend Edward J. Camille, Dorothy Bugay, Rita Laquatra, Alverna Williams, Josie Lawson, Floyd Holsten, Dr. Earl H. Cunningham, John Armstrong.

Lucille Edwards, George M. Edwards, Sara Johnson, James D. Johnson, Carl T. Rowan, Booker T. Tall, Mr. and Mrs. Pitzer B. Bradley, George Vossmik.

Donald E. Fearn, Mayor Ralph J. Perk, Helen Galub, Jean Calhoun, Rachael Redinger, Kenneth Kovack, Reverend Roy W. Neal.

Mr. Speaker, I would also like to submit to you the excellent program prepared for that evening which featured Carl T. Rowan, the reknowned journalist, as the keynote speaker.

PROGRAM

Toastmaster: James D. Johnson.

Pledge of Allegiance and National Anthem.

Invocation: Reverend Edward J. Camille, MSW, Secretariat of Social Concerns, Diocese of Cleveland.

DINNER

Welcome: George M. Edwards, President, Area Councils Association.

Introduction of speakers table and special guests: James D. Johnson, Chairman, Annual Dinner.

Introduction of area council presidents and area councils association officers: Mrs. Helen Golub, General Coordinator, Area Councils Association.

Installation of new officers: Pitzer B. Bradley, President, United Area Citizens Agency.

Introduction of speaker: Booker T. Tall, Director, Department of Black Affairs, Cuyahoga Community College.

Speaker: Carl T. Rowan, Syndicated Columnist.

"Life, Liberty and the Pursuit of Happiness."

Presentation of Bicentennial Commission awards: Kenneth Kovach.

Ohio State Presentation: Charles L. Butts.

Nominees Presentation: George Vossmik, Chairman, Kiwanis—Citizenship Services Committee.

Good Neighbors of the Year: Donald E. Fearn, Chairman, Selection Committee.

Benediction: Reverend Roy W. Neal, Pastor, Cory United Methodist Church.

The highlight of the evening, Mr. Speaker, came with the announcement of the Nominees for the 1976 Good Neighbors Awards. These dedicated Clevelanders deserve your admiration and recognition:

Fairfax Area Council: Carolyn Greene, 2232 East 95th St.; Sam Marable, 2342 East 82nd St.

Forest Hill Parkway Area Council: Mrs. Ruby Stewart, 557 East 117th St.; Mr. Posey Mallory, 730 Eddy Road.

Glennville Area Comunity Council: Mrs. Audrey Jeter, 1405 East Blvd.; James D. Johnson, 10114 Ostend Avenue.

Hough Community Council: Mrs. Geneva Campbell, 1338 East 82nd St.; Abraham N. Shepherd, 7704 Melrose Ave.

Kinsman Area Council: Mrs. Emma Baird, 2699 Tennyson Ave.; Mr. Jewel Griffin, 9110 Harris Ave.

Ludlow Community Association: Vera Diekhoff, 3102 Van Aken Blvd.; C. Bushnell Olmstead, 3045 Keswick St.

Lee-Seville-Miles Citizens Council: Marie Rubin, 16210 Seville Rd.; Mason L. Jackson, 15207 Sunview Ave.

Lee-Harvard Community Association: Clara S. Flack, 4255 East 175th St.; Mr. Howard Hyche, 3860 Lee Hts. Blvd.

Moreland Community Association: Bette A. Webster, 3618 Lindholm Rd.; Perry L. Johnson, 3623 Lindholm Rd.

Mt. Pleasant Community Council: Mrs. Eula M. Thornton, 3355 East 137th St.; Horace L. Otkinson, 14013 Milverton Rd.

Southeast Civic Association: Mrs. Evelyn Keselica, 3857 West 15th St.; Mrs. Rita Laquatra, 3925 Mapledale Ave.

Tremont Area Civic Association: Mrs. Winefred Duncan, 2363 West 6th St.; Mr. George Von Davis, 2379 West 7th St.

West Park Community Council: Mr. John Ferrante, 17413 Bradgate; Rev. John F. Uhle, 15470 Triskett.

Mr. Speaker. At this time, I would like to call upon my colleagues in the U.S. House of Representatives to join with me in citing the Area Councils Association of Greater Cleveland and their outstanding president, George M. Edwards. Their exemplary work in the area of community affairs and human relations has done much to make Cleveland a vital and growing city. I would like to end my statement with an Anonymous poem which appeared on the back cover of the good neighbors program booklet. I am certain that my colleagues will find that it conveys a challenging message:

THE DELINQUENT

We read in the papers and hear on the air
Of killing and stealing and crimes everywhere.
We sigh and we say as we notice the trend
"This young generation! Where will it all end?"

But can we be sure that it's their fault alone—
That maybe a part of it isn't our own?
Are we less guilty who place in their way
Too many things that can lead them astray?
Too much to spend and too much idle time;
Too many movies of passion and crime,
Too many books not fit to be read
Too much of evil in what they have said;
Too many juke-joints and too many bars;
Too many hot-rod and rattletrap cars;
Too many reasons for children to roam
Because of too many parents who don't stay at home!

Our children are heirs to the sins we commit.
They couldn't go on if the older folks quit.
Kids don't make the movies, they don't write the books that paint a gay picture of gangsters and crooks;
Kids don't make the liquor; they don't run the bars;
They don't make the laws and they don't buy the cars;
They don't sell the reefers that addle the brain;
That's all done by older folks greedy for gain.

Delinquent Teenager? Oh how we condemn, decry, disparage and criticize them.
We're shocked at their morals; amazed at their crimes
And grieve that we live in such perilous times.

By the "Rule of the Blameless" that the Savior made known—
"Who is there among us to cast the first stone?"—Anonymous.

SENATE—*Monday, August 23, 1976*

The Senate met at 12 o'clock noon and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Lord of all the years, we thank Thee for this good land, for her rocks and rills, her woods and templed hills, her homes and schools and churches, for fields and factories, for diverse peoples with varied talents, for the institutions of government, and for those in every generation who undertake the stewardship of public office.

We thank Thee for this place, for its great moments in the past, for the work of the present, and for the promise of the future. May all who labor here be given grace and wisdom to meet great needs with daring deeds, to make decisions in accord with Thy will and thus set forward Thy kingdom on Earth.

We pray in His name, who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 23, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, August 10, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet today to consider the honor codes at the service academies; that the Committee on Foreign Relations be authorized to meet on August 24 to consider nominations, an international tin agreement, and S. 1439, and on August 26 for a briefing on the situation in the Aegean Sea; that the Committee on Commerce be authorized to meet on August 24 to consider nominations for the Federal Communications Commission; that the Committee on Public Works be authorized to meet on August 25 to consider water pollution issues; that the Committee on the Judiciary be authorized to meet on August 24 to consider pending nominations; that the Committee on Interior and Insular Affairs be authorized to meet on August 26 to consider several bills relating to the Federal reclamation program and on August 27 to consider S. 3468; and that the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary be authorized to meet on August 26 concerning S. 3555.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXPRESSION OF SYMPATHY AND SUPPORT TO REPUBLIC OF THE PHILIPPINES

Mr. MANSFIELD. Mr. President, during the recess of the Senate a natural disaster of great magnitude took place in the Republic of the Philippines. An earthquake struck in the large southern island of Mindanao and surrounding regions. It was followed by a massive tidal wave which covered vast tracts of inhabited land. The death toll is said to be in the thousands—the latest figure is 8,000 dead—with many thousands more injured. Property damage is very widespread.

What the Philippine Republic has just experienced could befall any nation at any time. All national occupants are at the mercy of the sometimes erratic and devastating whims of the common environment of this planet.

That awareness alone is sufficient to arouse in the people of the United States a sense of shared sorrow for what has occurred in the Philippines. It also gives rise to an impulse to do whatever we can do to help in the present situation. In the case of the Filipino people, moreover, there are the continuing ties of the relationship which brought together the two nations at the turn of the 20th century and kept them together during the common suffering of the manmade disaster of World War II. Since the establishment of an independent Philippines in 1946, moreover, that relationship has evolved into an expanded appreciation of the individual dignity and worth of each nation by the other. The two nations now stand separately as is appropriate even though both stand on the common ground of a shared past.

May I say that that was all that was needed to stimulate the United States to offer to help the Philippines in the present tragic situation. It not only does us a grave disservice, but it is also somewhat contemptuous of the basic values of this Nation to suggest that this decent human impulse might be predicated on some crude political quid pro quo having to do with military base negotiations. Yet, that is the story, Mr. President, that now makes the rounds along the Asian littoral from which I have just returned. The press is not responsible for that story. The irresponsibility lies somewhere in the executive branch of this Government. While the Department of State is to be commended for rejecting any such implication in the offer of help which went to the Philippines after the disaster, one would hope that the energy which has had to go into denials might have been spared for more positive purposes.

I note that the President of the Philippines has urged his people to draw on their own strength and determination to do the job of relief and reconstruction which is needed in the aftermath of the disaster. Speaking as one Member of the Senate, I wish to commend this initiative. It would be my hope, however, that the United States will make clear its human concern and that alone, or together with other nations, will still give whatever help is appropriate. The Senate can make clear where it stands, Mr. President, by adopting the resolution which on behalf of the minority leader and myself I now send to the desk.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 518

Whereas, the tragedy which natural disasters inflict on the people of any nation awakens the compassion of the peoples of all nations; and

Whereas, this compassion evokes an awareness of a universal unity, beyond all national and ideological dissensions;

Whereas, the Senate of the United States wishes to express its sorrow at the widespread death, injury and devastation caused by the massive earthquake and tidal wave in the southern reaches of the Republic of the Philippines.

Therefore, be it resolved,

(1) That the Senate of the United States extends its deepest sympathy to the people of the Republic of the Philippines;

(2) That the Senate supports fully and without reservation the supplying of such emergency assistance for the relief and rehabilitation of the victims of the recent earthquake and tidal wave as the President of the United States, in consultation with the government of the Republic of the Philippines deems feasible and appropriate in this hour of need and, solely on the basis of that need.

The Secretary of the Senate is directed to supply to the Secretary of State a copy of this resolution for transmittal to the government of the Republic of the Philippines.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Republican leader, Mr. Hugh Scott.

Mr. HUGH SCOTT. I first say at this point that I am in entire agreement with the action of the distinguished majority leader and have joined with him in the human expressions which he has just given us.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

REMARKS OF THE PRESIDENT TO THE 1976 REPUBLICAN NATIONAL CONVENTION

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent at this time that there be printed in the Record the speech of the President of the United States in accepting the nomination of the Republican Party for the Presidency.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Remarks of the President to the 1976 Republican National Convention, Kemper Arena

Mr. Chairman, delegates and alternates of this Republican Convention:

I am honored by your nomination, and I accept it, with pride, with gratitude and with a total will to win a great victory for the American people. We will wage a winning campaign in every region of this country from the snowy banks of Minnesota to the sandy plains of Georgia.

We concede not a single State. We concede not a single vote. This evening I am proud to stand before this great Convention as the first incumbent since Dwight D. Eisenhower who can tell the American people: America is at peace.

Tonight, I can tell you straightaway this nation is sound, this nation is secure, this nation is on the march to full economic recovery, and a better quality of life for all Americans.

I will tell you one more thing. This year the issues are on our side. I am ready. I am eager to go before the American people and debate the real issues face to face with Jimmy Carter.

The American people have a right to know first hand exactly where both of us stand. I am deeply grateful to those who stood with me in winning the nomination of the party whose cause I have served all of my adult life. I respect the convictions of those who want a change in Washington. I want a change, too. After 22 years of majority misrule, let's change the United States Congress.

My gratitude tonight reaches far beyond this Arena to countless friends whose confidence, hard work and unselfish support have brought me to this moment. It would be unfair to single out anyone, but may I make an exception for my wonderful family—Mike, Jack, Steve and Susan, and especially my dear wife Betty.

We Republicans have had some tough competition. We not only preach the virtues of competition, we practice them. But tonight, we come together not on a battlefield to conclude a cease-fire, but to join forces on a training field that has conditioned us all for the rugged contest ahead.

Let me say this from the bottom of my heart. After the scrimmages of the past few months, it really feels good to have Ron Reagan on the same side of the line.

To strengthen our championship line-up, the Convention has wisely chosen one of the ablest Americans as our next Vice President, Senator Bob Dole of Kansas. With his help, with your help, with the help of millions of Americans who cherish peace, who want freedom preserved, prosperity shared, and pride in America, we will win this election.

I seek not a Republican victory, but a victory for the American people. You at home listening tonight, you are the people who pay the taxes and obey the laws. You are the people who make our system work. You are the people who make America what it is.

It is from your ranks that I come and on your side I stand. Something wonderful happened to this country of ours the past two years. We all came to realize it on the Fourth of July. Together, out of years of turmoil and tragedy, wars and riots, assassinations and wrongdoing in high places, America recaptured the spirit of 1776.

We saw again the pioneer vision of our revolutionary founders and our immigrant ancestors. Their vision was of a free man and free woman enjoying a limited Government and unlimited opportunity.

The mandate I want in 1976 is to make this vision a reality, but it will take the voices and the votes of many more Americans who are not Republicans to make that mandate binding and my mission possible.

I have been called an unelected President, an accidental President. We may even hear that again from the other party, despite the fact that I was welcomed and endorsed by an overwhelming majority of their elected representatives in the Congress who certified my fitness to our highest office.

Having become Vice President and President without expecting or seeking either, I have a special feeling toward these high offices. To me, the Presidency and the Vice Presidency were not prizes to be won, but a duty to be done.

So, tonight, it is not the power and the glamor of the Presidency that leads me to ask for another four years. It is something every hard-working American will understand—the challenge of a job well begun, but far from finished.

Two years ago, on August 9, 1974, I placed my hand on the Bible, which Betty held, and took the same Constitutional oath that was administered to George Washington. I had faith in our people, in our institutions, and in myself.

"My fellow Americans," I said, "our long national nightmare is over. It was an hour in our history that troubled our minds and tore at our hearts." Anger and hatred had risen to dangerous levels, dividing friends and families. The polarization of our political order had aroused unworthy passions of reprisal and revenge. Our governmental system was closer to a stalemate than at any time since Abraham Lincoln took that same oath of office.

Our economy was in the throes of runaway inflation, taking us headlong into the worst recession since Franklin D. Roosevelt took the same oath. On that dark day I told my fellow countrymen, "I am acutely aware that you have not elected me as your President by your ballots, so I ask you to confirm me as your President with your prayers."

On a marble fireplace in the White House is carved a prayer which John Adams wrote. It concludes, "May none but honest and wise men ever rule under this roof."

Since I have resided in that historic house, I have tried to live by that prayer. I faced many tough problems. I probably made some mistakes, but on balance, America and Americans have made an incredible comeback since August, 1974.

Nobody can honestly say otherwise, and the plain truth is that the great progress we have made at home and abroad was in spite of the majority who run the Congress of the United States.

For two years, I have stood for all the people against a vote-hungry, free-spending Congressional majority on Capitol Hill. Fifty-five times I vetoed extravagant and unwise legislation; 45 times I made those vetoes stick. Those vetoes have saved American taxpayers billions and billions of dollars. I am against the big for the little taxpayer.

I called for a permanent tax cut, coupled with spending reductions, to stimulate the economy and relieve hard-pressed middle income taxpayers. Your personal exemption must be raised from $750 to $1,000.

The other party's platform talks about tax reform, but there is one big problem—their own Congress won't act.

I called for reasonable Constitutional restrictions on court ordered busing of school children, but the other party's platform concedes that busing should be a last resort. But their's is the same problem—their own Congress won't act.

I called for a major overhaul of criminal laws to crack down on crime and illegal drugs. The other party's platform deplores America's $80 billion cost of crime. There is the problem again—their own Congress won't act.

The other party's platform talks about a strong defense. Now, here is the other side of the problem—their own Congress did act. They slashed $50 billion from our national defense needs in the last ten years.

My friends, Washington is not the problem, their Congress is the problem. You know, the President of the United States is not a magician who can wave a wand or sign a paper that will instantly win a war or cure a recession or make bureaucracy disappear. The President has immense powers under the Constitution, but all of them ultimately come from the American people and their mandate to him.

That is why, tonight, I turn to the American people and ask not only for your prayers, but also for your strength and your support, for your voice and for your vote. I come before you with a two-year record of performance, without your mandate. I offer you a four-year pledge of greater performance with your mandate.

As Governor Al Smith used to say, "Let's look at the record." Two years ago, inflation was 12 percent. Sales were off, plants were shut down, thousands were being laid off every week. Fear of the future was throttling down our economy and threatening millions of families.

Let's look at the record since August of 1974. Inflation has been cut in half. Payrolls are up. Profits are up. Production is up. Purchases are up. Since the recession was turned around, almost 4 million of our fellow Americans have found new jobs or got their old jobs back. This year, more men and women have jobs than ever before in the history of the United States.

Confidence has returned and we are in the full surge of sound recovery through steady prosperity. Two years ago, America was mired in withdrawal from Southeast Asia. A decade of Congresses had short-changed our global defenses and threatened our strategic posture. Mounting tension between Israel and the Arab nations made another war seem inevitable. The whole world watched and wondered where America was going. Did we, in our domestic turmoil, have the will, the stamina and the unity to stand up for freedom?

Look at the record since August, two years ago. Today, America is at peace and seeks peace for all nations. Not a single American is at war anywhere on the face of this earth tonight.

Our ties with Western Europe and Japan, economic as well as military, were never stronger. Our relations with Eastern Europe, the Soviet Union and Mainland China are firm, vigilant and forward-looking. Policies I have initiated offer sound progress for the peoples of the Pacific, Africa and Latin America.

Israel and Egypt, both trusting the United States, have taken an historic step that promises an eventual just settlement for the whole Middle East.

The world now respects America's policy of peace through strength. The United States is again the confident leader of the free world. Nobody questions our dedication to peace but nobody doubts our willingness to use our strength when our vital interests are at stake, and we will.

I called for an up to date, powerful Army, Navy, Air Force and Marines that will keep America secure for decades. A strong military posture is always the best insurance for peace. But America's strength has never rested on arms alone. It is rooted in our mutual commitment of our citizens and leaders in the highest standards of ethics and morality and in the spiritual renewal which our Nation is undergoing right now.

Two years ago, people's confidence in their highest officials, to whom they had overwhelmingly entrusted power, had twice been shattered. Losing faith in the word of their elected leaders. Americans lost some of their own faith in themselves.

Again, let us look at the record from August, 1974. From the start, my Administration has been open, candid, forthright. While my entire public and private life was under searching examination for the Vice Presidency, I reaffirmed my life-long conviction that truth is the glue that holds Government together—not only Government, but civilization, itself. I have demanded honesty, decency and permanent integrity from everybody in the Executive Branch of the Government. The House and Senate have the same duty.

The American people will not accept a double standard in the United States Congress. Those who make our laws today must not debate the reputation of our great legislative bodies which have given us such giants as Daniel Webster, Henry Clay, Sam Rayburn and Robert A. Taft.

Whether in the nation's capital, the State capital or city hall, private morality and public trust must go together. From August of 1974 to August of 1976, the record shows steady progress upward toward prosperity, peace and public trust.

My record is one of progress, not platitude. My record is one of specifics, not smiles. My record is one of performance, not promises. It is a record I am proud to run on. It is a record the American people—Democrat, Independent and Republicans alike—will support on November 2.

For the next four years I pledge to you that I will hold to the steady course we have begun. But, I have no intention of standing on the record alone. We will continue winning the fight against inflation. We will go on reducing the dead weight and impudence of bureaucracy.

We will submit a balanced budget by 1978. We will improve the quality of life at work and play and in our homes and in our neighborhoods. We will not abandon our cities. We will encourage urban programs which insure safety in the streets, create healthy environment and restore neighborhood pride.

We will return control of our children's education to parents and local school authorities. We will make sure that the party of Lincoln remains the party of equal rights. We will create a tax structure that is fair for all of our citizens, ones that preserve the continuity in the family home, the family farm and the family business.

We will ensure the integrity of the Social Security system and improve Medicare so that our older citizens can enjoy the health and happiness that they have earned. There is no reason they should have to go broke just to get well.

We will make sure that this rich nation does not neglect citizens who are less fortunate, but provide for their needs with compassion and with dignity. We will reduce the growth in the cost of Government and allow individual breadwinners and businesses to keep more of the money that they earn.

We will create a climate in which our economy will provide a meaningful job for everyone who wants to work and a decent standard of life for all Americans. We will insure that all our young people have a better chance in life than we had, an education they can use and a career they can be proud of.

We will carry out a farm policy that assures a fair market price for the farmer, encourages full production, leads to record exports and eases the hunger within the human family. We will never use the bounty of America's farmers as a pawn in international diplomacy. There will be no embargoes.

We will continue our strong leadership to bring peace, justice, and economic progress where there is turmoil, especially in the Middle East. We will build a safe and saner world, through patient negotiations and dependable arms agreements which reduce the danger of conflict and horror of thermonuclear war.

While I am President, we will not return to a collision course that could reduce civilization to ashes. We will build an America where people feel rich in spirit as well as in worldly goods. We will build an America where people feel proud about themselves and about their country.

We will build on performance, not promises; experience, not expediency; real progress instead of mysterious plans to be revealed in some dim and distant future.

The American people are wise, wiser than our opponents think. They know who pays for every campaign promise. They are not afraid of the truth. We tell them the truth.

From start to finish, our campaign will be credible; it will be responsible. We will come out fighting, and we will win. Yes, we have all seen the polls and the pundits who say our party is dead. I have heard that before. So did Harry Truman. I will tell you what I think. The only polls that count are the polls the American people go to on November 2.

Right now, I predict that the American people are going to say that tonight, "Jerry, you have done a good job. Keep right on doing it."

As I try in my imagination to look into the homes where families are watching the end of this great Convention, I can't tell which faces are Republicans which are Democrats and which are Independent. I cannot see their color or their creed. I see only Americans.

I see Americans who love their husbands, their wives and their children. I see Americans who love their country for what it has been and what it must become. I see Americans who work hard, but who are willing to sacrifice all they have worked for to keep their children and their country free.

I see Americans who in their own quiet way pray for peace among nations and peace among themselves. We do love our neighbors and we do forgive those who have trespassed against us.

I see a new generation that knows what is right and knows itself, a generation determined to preserve its ideals, its environment, our nation and the world.

My fellow Americans, I like what I see. I have no fear for the future of this great country. As we go forward together, I promise you once more what I promised before: To uphold the Constitution, to do what is right as God gives me to see the right and to do the very best that I can for America.

God helping me, I won't let you down.

Thank you very much.

Mr. HUGH SCOTT. Mr. President, this is an extremely good speech. The common impression which I share seems to be that it is candid, it is a wholesome appeal to the American people, a statement of his fundamental beliefs, a calendar of achievement, and a proud record upon which to open this campaign.

The selection of one of our colleagues, the distinguished Senator from Kansas (Mr. DOLE) has met with general approval.

It has indicated to me and, I think, to him, that this campaign will be vigorously conducted.

We have been twice honored in this body now in the selection by the Democratic candidate of our colleague Mr. MONDALE of Minnesota as his running mate.

These two Members of our body are both distinguished and articulate parliamentarians, speakers, orators both, and I am sure they will maintain the campaign on a level of brisk, acceptable, and accepted differences, but that the campaign, in my judgment, will be conducted on a plane which will give the American people a true insight into the issues which divide us as political parties.

The strength of our political system lies in our ability to disagree without being disagreeable; our willingness to submit our views to the electorate at stated intervals; our dependence upon and acceptance of the judgment of the electorate, and our complete joinder in the system which has contributed so much to the strength of the Nation. It is fundamentally and basically a two-party system, with the right of other candidates and other parties to be fully heard.

I am glad there are going to be debates. I think they will be in the context of the true issues, domestic, foreign, the Office of the Presidency itself.

We certainly hope all Members of our party will unite with the Members of the other party and independents in support of our candidate. We hope this will be the outcome. We recognize this is exactly the same hope shared in the other direction by those who oppose us, and I really look forward to an enlightening and informational campaign.

Mr. MANSFIELD. Mr. President, I wish to congratulate the President of the United States for having been nominated by his party at the convention in Kansas City, and also our colleague, Senator BOB DOLE, for having been selected by that same convention as his running mate.

While this will not be a reelection campaign for President Ford, I wish to emphasize that, somewhat contrary to the allegations which have been made that he is an unelected President, he is, in fact, an elected President because, under the Constitution, he had to have the approval of both the House and the Senate before he could be confirmed and, I dare say, in undergoing those proceedings, that no nominee for the Vice-Presidency has ever had his life and his background gone into so thoroughly.

So I would say, in effect, that he was elected by the representatives of the people who are themselves elected; that it was not an accident but rather in accord with the 25th amendment to the Constitution.

Regardless of the action taken last week, it is a relief to know that both parties have now had their nominees named and that the campaign will now get underway.

As of now I do not think it will make much difference as far as the Democrats are concerned but, perhaps, with the passage of time that may change, although I do not anticipate that, but from now on we will be in the thick of the campaign. We hope that the best men will win, and I anticipate without reservation that the best men will be Democrats come this November.

Mr. HUGH SCOTT. Mr. President, reserving the right to disagree, and I do disagree, I believe there is a time and a place in which we can expand our differing views.

I have high hopes and great confidence in the nominees of the Republican Party. I think they have deserved well of the Republic, according to the old Latin saying, and under those circumstances, deserving well of the Republic, I believe they will deserve well of the people and retain their franchise.

PRIVILEGE OF THE FLOOR—H.R. 8603

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that Mr. Kenneth Butler of my staff be granted the privileges of the floor during the consideration of H.R. 8603, the Postal Act Amendments of 1976.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE NEW RIVER BILL—S. 158

Mr. HELMS. Mr. President, I wonder if the Senator from Montana will yield to me for a question.

Mr. MANSFIELD. Oh, surely.

Mr. HELMS. I thank the able Senator. Can the Senator from Montana give the Senator from North Carolina any information as to when S. 158 will be acted upon by the Senate?

Mr. MANSFIELD. Is that the New River bill?

Mr. HELMS. Yes.

Mr. MANSFIELD. If the Senator will refer to the RECORD of August 10, it was indicated, hopefully—this is not ironclad because we have to have some flexibility—that during the week beginning August 30 we will try to get it up at that time. That would be before we would go out for the 2 or 3 days over Labor Day.

Mr. HELMS. I thank the Senator.

I just wanted the Senator to know that this Senator, who is the sponsor of the bill, is perfectly willing to enter into any time agreement which may be convenient with the leadership, anything from 30 minutes a side to decide on up or down.

Mr. MANSFIELD. The Senator has made his position known to the joint leadership several times. We have tried to reach a time agreement. We have been unsuccessful, so we will just have to take our chances. It will be through no fault of the Senator from North Carolina that we have been unable to obtain a time agreement.

Mr. HELMS. I thank the Senator.

MONTANA WILDERNESS STUDY ACT OF 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 968, which was passed by the Senate prior to the recess just concluded, but was then put back on the calendar.

The ACTING PRESIDENT pro tempore. The clerk will please state the bill by title.

The legislative clerk read as follows:

A bill (S. 393), to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the bill.

The Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Montana Wilderness Study Act of 1976".

Sec. 2. (a) In furtherance of the purposes of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132), the Secretary of Agriculture (hereinafter known as the "Secretary") shall, within five years after the date of enactment of this Act, review certain lands designated by this section, as to their suitability for preservation as wilderness, and report his findings to the President, as follows:

(1) certain lands in the Beaverhead National Forest, Montana, which are generally depicted on a map entitled "West Pioneer Wilderness Study Area: and dated April 1976, comprising approximately one hundred and fifty-one thousand acres, which shall be known as the West Pioneer Wilderness Study Area;

(2) certain lands in the Beaverhead and Gallatin National Forests, Montana, which are generally depicted on a map entitled "Taylor-Hilgard Wilderness Study Area" dated April 1976, comprising approximately two hundred and eighty-nine thousand acres, which shall be known as the Taylor-Hilgard Wilderness Study Area;

(3) certain lands in the Bitterroot National Forest, Montana, which are generally depicted on a map entitled "Bluejoint Wilderness Study Area" and dated April 1976 comprising approximately sixty-one thousand acres, which shall be known as the Bluejoint Wilderness Study Area;

(4) certain lands in the Bitterroot and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Sapphire Wilderness Study Area" and dated April 1976, comprising approximately ninety-four thousand acres, which shall be known as the Sapphire Wilderness Study Area;

(5) certain lands in the Helena and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Elkhorn Wilderness Study Area" dated April 1976, comprising approximately seventy-seven thousand acres, which shall be known as the Elkhorn Wilderness Study Area:

(6) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Ten Lakes Wilderness Study Area" and dated April 1976, comprising approximately thirty-four thousand acres, which shall be known as the Ten Lakes Wilderness Study Area;

(7) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Middle Fork Judith Wilderness Study Area" dated April 1976, comprising approximately eighty-one thousand acres, which shall be known as the Middle Fork Judith Wilderness Study Area:

(8) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Big Snowies Wilderness Study Area" and dated April 1976, comprising approximately ninety-one thousand acres, which shall be known as the Big Snowies Wilderness Study Area;

(9) certain lands in the Gallatin National Forest, Montana, which are generally depicted on a map entitled "Hyalite-Porcupine-Buffalo Horn Wilderness Study Area" and dated April 1976, comprising approximately one hundred and fifty-one thousand acres, which shall be known as the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area; and

(10) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Mt. Henry Wilderness Study Area" and dated April 1976, comprising approximately twenty-one thousand acres, which shall be known as the Mt. Henry Wilderness Study Area.

(b) The Secretary shall conduct his review and the President shall advise the United States Senate and House of Representatives of his recommendations, in accordance with the provisions of subsections 3(b) and 3(d) of the Wilderness Act, except that any reference in such subsections to areas in the national forests classified as "primitive" shall be deemed to be a reference to the wilderness study areas designated by this Act and except that the President shall advise the Congress of his recommendations with respect to such areas within seven years after the date of enactment of this Act: *Provided, however*, That the Secretary shall give at least sixty days' advance public notice of any hearing or other public meeting concerning such areas.

(c) The maps referred to in this section shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

Sec. 3. (a) Except as otherwise provided by this section, and subject to existing private rights, the wilderness study areas designated by this Act shall, until Congress determines otherwise, be administered by the Secretary of Agriculture so as to maintain their presently existing wilderness character and potential for inclusion in the National Wilderness Preservation System.

(b) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish in the national forests.

(c) Nothing herein contained shall (1) limit the President in proposing, as part of his recommendation to Congress, the alteration of existing boundaries of any wilderness study area or recommending the addition to any such area of any contiguous area predominantly of wilderness value, or (2) limit the authority of the Secretary of Agriculture to establish, protect, study, or make recommendations to the President and Congress with respect to additional wilderness study areas within national forests in the State of Montana.

Sec. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

UP AMENDMENT NO. 364

Mr. MANSFIELD. Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD) proposes an unprinted amendment numbered 364: On page 10, line 7, immediately before the period, insert a colon and the following: "*Provided*, That nothing in this Act or any other law shall be construed to prohibit the Secretary of Agriculture from considering, acting on, and apprviong any application for the construction of a transmission line through the Cedar Creek area, Ennis to Lone Mountain, with a capacity of not to exceed 161 Kv for the sole purpose of providing adequate and reliable electric service to the Big Sky complex and current electric power consumers in the Gallatin Valley (including allowance for future service to new residential or small commercial establishments in that area, or to prohibit any such construction based on such approval. In no event shall this proviso be construed as a precedent for any other construction of transmission lines through any other areas within the purview of this Act.".

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. Are there further amendments? If not, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and, passed as follows:

S. 393

An act to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Montana Wilderness Study Act of 1976".

Sec. 2. (a) In furtherance of the purposes of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132), the Secretary of Agriculture (hereinafter known as the "Secretary") shall, within five years after the date of enactment of this Act, review certain lands designated by this section, as to their suitability for preservation as wilderness, and report his findings to the President, as follows:

(1) certain lands in the Beaverhead National Forest, Montana, which are generally depicted on a map entitled "West Pioneer Wilderness Study Area: and dated April 1976, comprising approximately one hundred and fifty-one thousand acres, which shall be known as the West Pioneer Wilderness Study Area;

(2) certain lands in the Beaverhead and Gallatin National Forests, Montana, which are generally depicted on a map entitled "Taylor-Hilgard Wilderness Study Area" dated April 1976, comprising approximately two hundred and eighty-nine thousand acres, which shall be known as the Taylor-Hilgard Wilderness Study Area;

(3) certain lands in the Bitterroot National Forest, Montana, which are generally depicted on a map entitled "Bluejoint Wilderness Study Area" and dated April 1976 comprising approximately sixty-one thousand acres, which shall be known as the Bluejoint Wilderness Study Area;

(4) certain lands in the Bitterroot and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Sapphire Wilderness Study Area" and dated April 1976, comprising approximately ninety-four thousand acres, which shall be known as the Sapphire Wilderness Study Area;

(5) certain lands in the Helena and Deerlodge National Forests, Montana, which are generally depicted on a map entitled "Elkhorn Wilderness Study Area" dated April 1976, comprising approximately seventy-seven thousand acres, which shall be known as the Elkhorn Wilderness Study Area;

(6) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Ten Lakes Wilderness Study Area" and dated April 1976, comprising approximately thirty-four thousand

acres, which shall be known as the Ten Lakes Wilderness Study Area;

(7) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Middle Fork Judith Wilderness Study Area" dated April 1976, comprising approximately eighty-one thousand acres, which shall be known as the Middle Fork Judith Wilderness Study Area;

(8) certain lands in the Lewis and Clark National Forest, Montana, which are generally depicted on a map entitled "Bib Snowies Wilderness Study Area" and dated April 1976, comprising approximately ninety-one thousand acres, which shall be known as the Big Snowies Wilderness Study Area;

(9) certain lands in the Gallatin National Forest, Montana, which are generally depicted on a map entitled "Hyalite-Porcupine-Buffalo Horn Wilderness Study Area" and dated April 1976, comprising approximately one hundred and fifty-one thousand acres, which shall be known as the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area; and

(10) certain lands in the Kootenai National Forest, Montana, which are generally depicted on a map entitled "Mt. Henry Wilderness Study Area" and dated April 1976, comprising approximately twenty-one thousand acres, which shall be known as the Mt. Henry Wilderness Study Area.

(b) The Secretary shall conduct his review, and the President shall advise the United States Senate and House of Representatives of his recommendations, in accordance with the provisions of subsections 3(b) and 3(d) of the Wilderness Act, except that any reference in such subsections to areas in the national forests classified as "primitive" shall be deemed to be a reference to the wilderness study areas designated by this Act and except that the President shall advise the Congress of his recommendations with respect to such areas within seven years after the date of enactment of this Act: *Provided, however,* That the Secretary shall give at least sixty days' advance public notice of any hearing or other public meeting concerning such areas.

(c) The maps referred to in this section shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

SEC. 3. (a) Except as otherwise provided by this section, and subject to existing private rights, the wilderness study areas designated by this Act shall, until Congress determines otherwise, be administered by the Secretary of Agriculture so as to maintain their presently existing wilderness character and potential for inclusion in the National Wilderness Preservation System: *Provided,* That nothing in this Act or any other law shall be construed to prohibit the Secretary of Agriculture from considering, acting on, and approving any application for the construction of a transmission line through the Cedar Creek area, Ennis to Lone Mountain, with a capacity of not to exceed 161 Kv for the sole purpose of providing adequate and reliable electric service to the Big Sky complex and current electric power consumers in the Gallatin Valley (including allowance for future service to new residential or small commercial establishments in that area, or to prohibit any such construction based on such approval. In no event shall this proviso be construed as a precedent for any other construction lines through any other areas within the purview of this Act.

(b) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish in the national forests.

(c) Nothing herein contained shall (1) limit the President in proposing, as part of his recommendation to Congress, the alteration of existing boundaries of any wilderness study area or recommending the addition to any such area of any contiguous area predominantly of wilderness value, or (2) limit the authority of the Secretary of Agriculture to establish, protect, study, or make recommendations to the President and Congress with respect to additional wilderness study areas within national forests in the State of Montana.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I believe Mr. PELL is to be recognized at this time under an order.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent that Mr. PELL's time be allotted to Mr. STENNIS, or such time as Mr. STENNIS cares to use.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the distinguished Senator from the State of Mississippi (Mr. STENNIS).

THE WEST POINT HONOR SYSTEM

Mr. STENNIS. Mr. President, I thank the Chair and the distinguished Senator from West Virginia. I do not expect to use more than 4 or 5 minutes, anyway.

Mr. President, I have had a concern all the while and have a growing concern about the situation at the West Point Military Academy with reference to the continuation of the honor system and with reference to the alleged violations of the honor system. I have known for a long time, since I was in law school under an outstanding system of that kind, that the least said, the better; that we give things time in that field and they almost always work out.

I remember, some 8 or 9 years ago, being at the West Point Military Academy and I had the whole matter of the honor system explained to me by the cadets themselves. I remember the deep, intense pride that they had, the cadets had, in the system and their management thereof. I am speaking now, by the way, as an individual Senator. Our committee has not taken this up with the idea of legislating on it. The Senator from Georgia has held some hearings, but, as I understand him, we see it largely in the same way.

The situation there now is very grave, of course, Mr. President. I have decided to say something today in behalf of preserving the system as a continuing institution itself within that very fine academy and let the settling of the alleged violations that are there now be carried as a separate matter. I have no solution to that and I would not know how to counsel on it with my present knowledge. My plea today is, let us not let this matter there now kill the chance to have a system, a continuing honor system, that can operate.

Mr. President, Congress cannot create an honor system at West Point or anywhere else. Five hundred-odd members cannot operate it, the courts cannot operate it. There is some kind of appeal to one of the courts today. The courts cannot operate it. The administration of the West Point Academy cannot create or operate an honor system. This thing must come from the cadets. It is a spiritual thing. It must come from them wherein they must have a desire to have an honor system. It must be operated by them. Unless they are going to do that, it will not work, in my humble opinion.

As I say, I had the lifelong benefit of having been under this system as a young man in law school. It must come out of the hearts and feelings and dedication and warmth of these men involved.

Of course, they must have guidance. They must have some oversight to a small degree, but it is their product and it is theirs to operate. Unless we can get it back on that track and put it up to these young men, then we are going to be disappointed and we shall fail to have a real honor system, and there is only one kind: that is one that works 100 percent.

I hope that whatever is done as to the present situation, the individuals involved will be handled, as far as possible, as somewhat of a separate item or a separate consideration of some kind of an interim period to make a new start. I have not consulted with anyone about this, even the Secretary of the Army. I did write to the Superintendent of the Academy, saying we expect him to do the right thing, which we believe he will do, early. These are just things that come up in my mind as an individual Member of this body.

I hope, as I say, that some arrangement will be made to take care of the present situation on a interim basis. If we give those cadets a chance to preserve, maintain, operate, and have the responsibility for the honor system—after all, they are young men, taken there on trial, a very rigid trial, for 4 years, to determine whether or not they will be suitable for officers for the decades ahead. They are not fully mature to career responsibilities. They are on trial, I mean. But they can carry this responsibility of honor and trust and fidelity and dedication. I think some of the very finest training that they can possibly receive comes from the honor system and their participation in it and everyone will have to have a part or it will not work.

I appreciate the indulgence of the membership to allow me to express myself as one Member of this body.

I hope that we can get away from the idea that Congress is going to do this or going to do that and there is no honor system and that we can create an education by 8 o'clock in the morning or have a mature, trained military man in a few days. I believe that this is impossible. We expect them to do their best there—the men and the administration. I know that this is a delicate matter and if it takes time beyond the next session to work out a satisfactory system, for those young people to work it out, it will be worth the effort so that we shall not be overcome and that they will not, either, that they will run this race with patience and deliberation. I believe they will find a way.

I thank the distinguished majority leader.

EXPRESSION OF SORROW OF THE SENATE WITH RESPECT TO THE DEATH OF HAZEL R. GARN

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Utah (Mr. Moss) and the distinguished Senator from Nevada (Mr. LAXALT), I am sure that all their colleagues will join them and me in expressing their deepest sympathy to Senator GARN and his children on the loss of their beloved wife and mother, who was so suddenly and tragically taken from them last Tuesday.

Hazel Rhae Garn was, indeed, an exemplary woman. She devoted her life to the service and understanding of others. Her affection for youth and her competent leadership influenced her own four children and those of others. A faithful member of the Church of Jesus Christ of Latter-day Saints, she served for many years as president of the children's auxiliary in a Salt Lake City ward, and, until her death, as an adviser to a young adult auxiliary of the Mormon Church in McLean, Va., where the Garns make their home.

Her empathic concern for others was evident in every phase of her life. She served on the board of directors for the Salt Lake Community Mental Health Center and volunteered for the American Red Cross. In addition, she was an active worker in the American Cancer Society. A member of the boards of directors for the Salt Lake and Fairfax units and the Utah Division, she was awarded the society's highest honor in 1974, the Devoted Leadership Award.

The loss of her talents, her abilities, and leadership is inestimable for the many who loved and respected Mrs. Garn and felt her affection in return. In this time of sorrow, the thoughts and hearts of the Members of the Senate are with Senator GARN and his family. I pray that God will bless and comfort them. I ask my colleagues to join me in conveying to them, in this resolution, the sympathy and concern of this body.

Those are the words of Senator Moss of Utah in which Senator LAXALT and I join.

Mr. President, I send this resolution to the desk on behalf of Senator Moss, Senator LAXALT and myself, as well as the minority leader (Mr. HUGH SCOTT), the assistant majority leader (Mr. ROBERT C. BYRD), the assistant Republican leader (Mr. GRIFFIN), the distinguished Senator from North Carolina (Mr. HELMS), the Senator from Alabama (Mr. SPARKMAN), the Senator from Virginia (Mr. HARRY F. BYRD, JR), the Senator from Mississippi (Mr. STENNIS), and the Senator from Alabama (Mr. ALLEN), and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD), on behalf of himself, and Senators MOSS, LAXALT, HUGH SCOTT, ROBERT C. BYRD, GRIFFIN, HELMS, SPARKMAN, HARRY F. BYRD, JR., STENNIS, ALLEN, DOMENICI, MCCLURE, FANNIN, BUCKLEY, and BAKER, proposes the following resolution:

A resolution (S. Res. 519) expressing the sorrow of the Senate with respect to the death of Hazel R. Garn.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

The resolution is as follows:

Resolved, That the Senate has learned with profound sorrow of the death of Hazel R. Garn, wife of the Senator from Utah, and expresses its deepest sympathy to Senator GARN and his family.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Senator GARN and his family.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements therein limited to 5 minutes each.

ORDER FOR RECOGNITION OF SENATOR PELL ON WEDNESDAY, AUGUST 25, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PELL be recognized for not to exceed 15 minutes on Wednesday after the recognition of the two leaders under the standing order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MOSS ON TUESDAY, AUGUST 24, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Moss be recognized for not to exceed 15 minutes on tomorrow after the two leaders have been recognized.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—H.R. 8603

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Joanne O'Neal of my staff be granted privilege of the floor during the consideration of the Postal Reorganization Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now go into executive session to consider Calendar Nos. 7 and 8, Executive H and Executive I, 94th Congress, 2d session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTERNATIONAL COFFEE AGREEMENT, 1976

PROTOCOLS FOR THE THIRD EXTENSION OF THE WHEAT TRADE CONVENTION AND FOOD AID CONVENTION CONSTITUTING THE INTERNATIONAL WHEAT AGREEMENT, 1971

The Senate, as in Committee of the Whole, proceeded to consider the following agreement and protocols, which were read the second time:

INTERNATIONAL COFFEE AGREEMENT 1976

PREAMBLE

The Governments Party to this Agreement,

Recognising the exceptional importance of coffee to the economies of many countries which are largely dependent upon this commodity for their export earnings and thus for the continuation of their development programmes in the social and economic fields;

Considering that close international cooperation on trade in coffee will foster the economic diversification and development of coffee-producing countries, will improve the political and economic relations between producers and consumers and will provide for increasing consumption of coffee;

Recognising the desirabiilty of avoiding disequilibrium between production and consumption which can give rise to pronounced fluctuations in prices harmful both to producers and to consumers;

Believing that international measures can assist in correcting the effects of such disequilibrium, as well as help to ensure an adequate level of earnings to producers through remunerative prices;

Noting the advantages derived from the international cooperation which resulted from the operation of the International Coffee Agreements 1962 and 1968;

Have agreed as follows:

CHAPTER I.—OBJECTIVES

Article 1

Objectives

The objectives of this Agreement are:

(1) to achieve a reasonable balance between world supply and demand on a basis which will assure adequate supplies of coffee at fair prices to consumers and markets for coffee at remunerative prices to producers and which will be conducive to long-term equilibrium between production and consumption;

(2) to avoid excessive fluctations in the levels of world supplies, stocks and prices which are harmful to both producers and consumers;

(3) to contribute to the development of productive resources and to the promotion and maintenance of employment and income in Member countries, thereby helping to bring about fair wages, higher living standards and better working conditions;

(4) to increase the purchasing power of coffee-exporting countries by keeping prices in accordance with the provisions of paragraph (1) of this Article and by increasing consumption;

(5) to promote and increase the consumption of coffee by every possible means; and

(6) in general, in recognition of the relationship of the trade in coffee to the economic stablility of markets for industrial products, to further international cooperation in connection with world coffee problems.

Article 2

General undertakings by members

(1) Members undertake to conduct their trade policy in such a way that the obectives

set out in Article 1 may be attained. They further undertake to achieve these obectives by strict observance of the obligations and provisions of this Agreement.

(2) Members recognise the need to adopt policies which will maintain prices at levels which will ensure adequate remuneration to producers and seek to ensure that prices of coffee to consumers will not hamper a desirable increase in consumption.

(3) Exporting Members undertake not to adopt or maintain any governmental measures which would permit the sale of coffee to non-members on terms commercially more favourable than those which they are prepared to offer at the same time to importing Members, taking into account normal trade practices.

(4) The Council shall review periodically compliance with the provisions of paragraph (3) of this Article and may require Members to supply appropriate information in accordance with the provisions of Article 53.

(5) Members recognise that Certificates of Origin are a vital source of information on the trade in coffee. During periods when quotas are suspended, the responsibility for ensuring the proper use of Certificates of Origin rests with exporting Members. However, importing Members, while under no obligation to demand that Certificates accompany consignments of coffee when quotas are not in effect, shall cooperate fully with the Organization in the collection and verification of Certificates relating to shipments of coffee received from exporting Member countries in order to ensure that the maximum information is available to all Members.

CHAPTER II—DEFINITIONS

Article 3

Definitions

For the purposes of this Agreement:

(1) "Coffee' means the beans and cherries of the coffee tree, whether parchment, green or roasted, and includes ground, decaffeinated, liquid and soluble coffee. These terms shall have the following meaning:

(a) "green coffee" means all coffee in the naked bean form before roasting;

(b) "dried coffee cherry" means the dried fruit of the coffee tree; to find the equivalent of dried coffee cherry to green coffee, multiply the net weight of the dried coffee cherry by 0.50;

(c) "parchment coffee" means the green coffee bean contained in the parchment skin; to find the equivalent of parchment coffee to green coffee, multiply the net weight of the parchment coffee by 0.80;

(d) "roasted coffee" means green coffee roasted to any degree and includes ground coffee; to find the equivalent of roasted coffee to green coffee, multiply the net weight of roasted coffee by 1.19;

(e) "decaffeinated coffee" means green, roasted or soluble coffee from which caffein has been extracted; to find the equivalent of decaffeinated coffee to green coffee, multiply the net weight of the decaffeinated coffee in green, roasted or soluble form by 1.00, 1.19 or 3.00[1] respectively;

(f) "liquid coffee" means the water-soluble solids derived from roasted coffee and put into liquid form; to find the equivalent of liquid to green coffee, multiply the net weight of the dried coffee solids contained in the liquid coffee by 3.00[1];

(g) "soluble coffee" means the dried water-soluble solids derived from roasted coffee; to find the equivalent of soluble coffee to green coffee, multiply the net weight of the soluble coffee by 3.00.[1]

(2) "Bag" means 60 kilogrammes or 132.276 pounds of green coffee; "tonne" means a metric tonne of 1,000 kilogrammes or 2,204.6 pounds; and "pound" means 453.597 grammes.

(3) "Coffee year" means the period of one year, from 1 October through 30 September.

(4) "Organization", "Council" and "Board" mean, respectively, the International Coffee Organization, the International Coffee Council and the Executive Board.

(5) "Member" means a Contracting Party, including an intergovernmental organization referred to in paragraph (3) of Article 4; a designated territory or territories in respect of which separate Membership has been declared under the provisions of Article 5; or two or more Contracting Parties or designated territories, or both, which participate in the Organization as a Member group under the provisions of Articles 6 or 7.

(6) "Exporting Member" or "exporting country" means a Member or country, respectively, which is a net exporter of coffee; that is, a Member or country whose exports exceed its imports.

(7) "Importing Member" or "importing country" means a Member or country, respectively, which is a net importer of coffee; that is, a Member or country whose imports exceed its exports.

(8) "Producing Member" or "producing country" means a Member or country, respectively, which grows coffee in commercially significant quantities.

(9) "Distributed simple majority vote" means a majority of the votes cast by exporting Members present and voting and a majority of the votes cast by importing Members present and voting, counted separately.

(10) "Distributed two-thirds majority vote" means a two-thirds majority of the votes cast by exporting Members present and voting and a two-thirds majority of the votes cast by importing Members present and voting, counted separately.

(11) "Entry into force" means, except as otherwise provided, the date on which this agreement enters into force, whether provisionally or definitively.

(12) "Exportable production" means the total production of coffee of an exporting country in a given coffee or crop year, less the amount destined for domestic consumption in the same year.

(13) "Availability for export" means the exportable production of an exporting country in a given coffee year, plus accumulated stocks from previous years.

(14) "Export entitlement" means the total quantity of coffee which a Member is authorised to export under the various provisions of this Agreement, but excluding exports which under the provisions of Article 44 are not charged to quota.

(15) "Shortfall" means the difference between the annual export entitlement of an exporting Member in a given coffee year and the amount of coffee which that Member has exported to quota markets in that coffee year.

CHAPTER III—MEMBERSHIP

Article 4

Membership in the organization

(1) Each Contracting Party, together with those territories to which this Agreement is extended under the provisions of paragraph (1) of Article 64, shall constitute a single Member of the Organization, except as otherwise provided for under the provisions of Articles 5, 6 and 7.

(2) A Member may change its category of Membership on such conditions as the Council may agree.

(3) Any reference in this Agreement to a Government shall be construed as including a reference to the European Economic Community, or any intergovernmental organization having comparable responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements.

(4) Such intergovernmental organization shall not itself have any votes but in the case of a vote on matters within its competence it shall be entitled to cast collectively the votes of its member States. In such cases, the member States of such intergovernmental organization shall not be entitled to exercise their individual voting rights.

(5) The provisions of paragraph (1) of Article 16 shall not apply to such intergovernmental organization but it may participate in the discussions of the Executive Board on matters within its competence. In the case of a vote on matters within its competence, and notwithstanding the provisions of paragraph (1) of Article 19, the votes which its member States are entitled to cast in the Executive Board may be cast collectively by any one of those member States.

Article 5

Separate membership in respect of designated territories

Any Contracting Party which is a net importer of coffee may, at any time, by appropriate notification in accordance with the provisions of paragraph (2) of Article 64, declare that it is participating in the Organization separately with respect to any of the territories for whose international relations it is responsible, which are net exporters of coffee and which it designates. In such case, the metropolitan territory and its non-designated territories will have a single Membership, and its designated territories, either individually or collectively as the notification indicates, will have separate Membership.

Article 6

Group membership upon joining the organization

(1) Two or more Contracting Parties which are net exporters of coffee may, by appropriate notification to the Council and to the Secretary-General of the United Nations at the time of deposit of their respective instruments of approval, ratification, acceptance or accession, declare that they are joining the Organization as a Member group. A territory to which this Agreement has been extended under the provisions of paragraph (1) of Article 64 may constitute part of such Member group if the Government of the State responsible for its international relations has given appropriate notification thereof under the provisions of paragraph (2) of Article 64. Such Contracting Parties and designated territories must satisfy the following conditions:

(a) they shall declare their willingness to accept responsibility for group obligations in an individual as well as a group capacity;

(b) they shall subsequently provide satisfactory evidence to the Council that:

(i) the group has the organization necessary to implement a common coffee policy and that they have the means of complying, together with the other parties to the group, with their obligations under this Agreement; and that either

(ii) they have been recognised as a group in a previous international coffee agreement; or

(iii) they have a common or coordinated commercial and economic policy in relation to coffee and a coordinated monetary and financial policy, as well as the organs necessary to implement such policies, so that the Council is satisfied that the Member group is able to comply with the group obligations involved.

(2) The Member group shall constitute a single Member of the Organization, except that each party to the group shall be tested as if it were a single Member in relation to

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[1] The conversion factor of 3.00 shall be reviewed and may be revised by the Council in the light of decisions taken by recognised international authorities.

matters arising under the following provisions:

(a) Articles 11, 12 and 20 of Chapter IV;

(b) Articles 50 and 51 of Chapter VIII; and

(c) Article 67 of Chapter X.

(3) The Contracting Parties and designated territories joining as a Member group shall specify the Government or organization which will represent them in the Council on matters arising under this Agreement other than those specified in paragraph (2) of this Article.

(4) The voting rights of the Member group shall be as follows:

(a) the Member group shall have the same number of basic votes as a single Member country joining the Organization in an individual capacity. These basic votes shall be attributed to and cast by the Government or organization representing the group; and

(b) in the event of a vote on any matters arising under the provisions of paragraph (2) of this Article, the parties to the Member group may cast separately the votes attributed to them under the provisions of paragraphs (3) and (4) of Article 13 as if each were an individual Member of the Organization, except for the basic votes, which shall remain attributable only to the Government or organization representing the group.

(5) Any Contracting Party or designated territory which is a party to a Member group may, by notification to the Council, withdraw from that group and become a separate Member. Such withdrawal shall take effect upon receipt of the notification by the Council. If a party to a Member group withdraws from that group or ceases to participate in the Organization, the remaining parties to the group may apply to the Council to maintain the group; the group shall continue to exist unless the Council disapproves the application. If the Member group is dissolved, each former party to the group will become a separate Member. A Member which has ceased to be a party to a group may not, as long as this Agreement remains in force, again become a party to a group.

Article 7

Subsequent Group Membership

Two or more exporting Members may, at any time after this Agreement has entered into force, apply to the Council to form a Member group. The Council shall approve the application if it finds that the Members have made a declaration and have provided satisfactory evidence in accordance with the requirements of paragraph (1) of Article 6. Upon such approval, the Member group shall be subject to the provisions of paragraphs (2), (3), (4) and (5) of that Article.

CHAPTER IV.—ORGANIZATION AND ADMINISTRATION

Article 8

Seat and Structure of the International Coffee Organization

(1) The International Coffee Organization established under the 1962 Agreement shall continue in being to administer the provisions and supervise the operation of this Agreement.

(2) The seat of the Organization shall be in London unless the Council by a distributed two-thirds majority vote decide otherwise.

(3) The Organization shall function through the International Coffee Council, the Executive Board, the Executive Director and the staff.

Article 9

Composition of the International Coffee Council

(1) The highest authority of the Organization shall be the International Coffee Council, which shall consist of all the Members of the Organization.

(2) Each Member shall appoint one representative on the Council and, if it so desires, one or more alternates. A Member may also designate one or more advisers to its representative or alternates.

Article 10

Powers and Functions of the Council

(1) All powers specifically conferred by this Agreement shall be vested in the Council, which shall have the powers and perform the functions necessary to carry out the provisions of this Agreement.

(2) The Council shall, by a distributed two-thirds majority vote, establish such rules and regulations, including its own rules of procedure and the financial and staff regulations of the Organization, as are necessary to carry out the provisions of this Agreement and are consistent therewith. The Council may, in its rules of procedure, provide the means whereby it may, without meeting, decide specific questions.

(3) The Council shall also keep such records as are required to perform its functions under this Agreement and such other records as it considers desirable.

Article 11

Election of the chairman and vice-chairmen of the Council

(1) The Council shall elect, for each coffee year, a Chairman and a first, a second and a third Vice-Chairman.

(2) As a general rule, the Chairman and the first Vice-Chairman shall both be elected either from among the representatives of exporting Members or from among the representatives of importing Members and the second and the third Vice-Chairmen shall be elected from among representatives of the other category of Member. These offices shall alternate each coffee year between the two categories of Member.

(3) Neither the Chairman nor any Vice-Chairman acting as Chairman shall have the right to vote. His alternate will in such case exercise the voting rights of the Member.

Article 12

Sessions of the Council

As a general rule, the Council shall hold regular sessions twice a year. It may hold special sessions should it so decide. Special sessions shall also be held at the request of the Executive Board, of any five Members, or of a Member or Members having at least 200 votes. Notice of sessions shall be given at least thirty days in advance except in cases of emergency. Sessions shall be held at the seat of the Organization, unless the Council decides otherwise.

Article 13

Votes

(1) The exporting Members shall together hold 1,000 votes and the importing Members shall together hold 1,000 votes, distributed within each category of Member—that is, exporting and importing Members, respectively—as provided for in the following paragraphs of this Article.

(2) Each Member shall have five basic votes, provided that the total number of basic votes within each category of Member does not exceed 150. Should there be more than thirty exporting Members or more than thirty importing Members, the number of basic votes for each Member within that category of Member shall be adjusted so as to keep the number of basic votes for each category of Member within the maximum of 150.

(3) Exporting Members listed in Annex 1 as having an initial annual export quota of 100,000 bags of coffee or more but less than 400,000 bags shall, in addition to the basic votes, have the number of votes attributed to them in column 2 of Annex 1. If any exporting Member referred to in this paragraph elects to have a basic quota under the provisions of paragraph (5) of Article 31, the provisions of this paragraph shall cease to apply to it.

(4) Subject to the provisions of Article 32, the remaining votes of exporting Members shall be divided among those Members having a basic quota in proportion to the average volume of their respective exports of coffee to importing Members in coffee years 1968/69 to 1971/72 inclusive. This will constitute the basis of voting for the exporting Members concerned until 31 December 1977. With effect from 1 January 1978 the remaining votes of exporting Members having a basic quota be calculated in proportion to the average volume of their respective exports of coffee to importing Members as follows:

With effect from January 1, and coffee years:

1978—1969/70, 1970/71, 1971/72, 1976/77.
1979—1970/71, 1971/72, 1976/77, 1977/78.
1980—1971/72, 1976/77, 1977/78, 1978/79.
1981—1976/77, 1977/78, 1978/79, 1979/80.
1982—1977/78, 1978/79, 1979/80, 1980/81.

(5) The remaining votes of importing Members shall be divided among those Members in proportion to the average volume of their respective coffee imports in the preceding three calendar years.

(6) The distribution of votes shall be determined by the Council in accordance with the provisions of this Article at the beginning of each coffee year and shall remain in effect during that year, except as provided for in paragraphs (4) and (7) of this Article.

(7) The Council shall provide for the redistribution of votes in accordance with the provisions of this Article whenever there is a change in the Membership of the Organization, or if the voting rights of a Member are suspended or regained under the provisions of Articles 26, 42, 45 or 58.

(8) No Member shall hold more than 400 votes.

(9) There shall be no fractional votes.

Article 14

Voting procedure of the Council

(1) Each Member shall be entitled to cast the number of votes it holds and shall not be entitled to divide its votes. However, a Member may cast differently any votes which it holds under the provisions of paragraph (2) of this Article.

(2) Any exporting Member may authorise any other exporting Member, and any importing Member may authorise any other importing Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Council. The limitation provided for in paragraph (8) of Article 13 shall not apply in this case.

Article 15

Decisions of the Council

(1) All decisions of the Council shall be taken, and all recommendations shall be made, by a distributed simple majority vote unless otherwise provided for in this Agreement.

(2) The following procedure shall apply with respect to any decision by the Council which under the provisions of this Agreement requires a distributed two-thirds majority vote:

(a) if a distributed two-thirds majority vote is not obtained because of the negative vote of three or less exporting or three or less importing Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 48 hours;

(b) if a distributed two-thirds majority vote is again not obtained because of the negative vote of two or less importing or two or less exporting Members, the proposal shall, if the Council so decides by a majority of the

Members present and by a distributed simple majority vote, be put to a vote again within 24 hours;

(c) if a distributed two-thirds majority vote is not obtained in the third vote because of the negative vote of one exporting Member or one importing Member, the proposal shall be considered adopted; and

(d) if the Council fails to put a proposal to a further vote, it shall be considered rejected.

(3) Members undertake to accept as binding all decisions of the Council under the provisions of this Agreement.

Article 16

Composition of the Board

(1) The Executive Board shall consist of eight exporting Members and eight importing Members elected for each coffee year in accordance with the provisions of Article 17. Members may be re-elected.

(2) Each member of the Board shall appoint one representative and, if it so desires, one or more alternates. Each member may also designate one or more advisers to its representative or alternates.

(3) The Executive Board shall have a Chairman and Vice-Chairman who shall be elected by the Council for each coffee year and may be re-elected. Neither the Chairman nor a Vice-Chairman acting as Chairman shall have the right to vote. If a representative is elected Chairman or if a Vice-Chairman is acting as Chairman, his alternate will have the right to vote in his place. As a general rule, the Chairman and the Vice-Chairman for each coffee year shall be elected from among the representatives of the same category of Member.

(4) The Board shall normally meet at the seat of the Organization but may meet elsewhere.

Article 17

Election of the Board

(1) The exporting and the importing members of the Board shall be elected in the Council by the exporting and the importing Members of the Organization respectively. The election within each category shall be held in accordance with the provisions of the following paragraphs of this Article.

(2) Each Member shall cast for a single candidate all the votes to which it is entitled under the provisions of Article 13. A Member may cast for another candidate any votes which it holds under the provisions of paragraph (2) of Article 14.

(3) The eight candidates receiving the largest number of votes shall be elected; however, no candidate shall be elected on the first ballot unless it receives at least 75 votes.

(4) If, under the provisions of paragraph (3) of this Article, less than eight candidates are elected on the first ballot, further ballots shall be held in which only Members which did not vote for any of the candidates elected shall have the right to vote. In each further ballot the minimum number of votes required for election shall be successively diminished by five until eight candidates are elected.

(5) Any Member which did not vote for any of the Members elected shall assign its votes to one of them, subject to the provisions of paragraphs (6) and (7) of this Article.

(6) A Member shall be deemed to have received the number of votes cast for it when it was elected and, in addition, the number of votes assigned to it, provided that the total number of votes shall not exceed 499 for any Member elected.

(7) If the votes deemed received by an elected Member exceed 499, Members which voted for or assigned their votes to such elected Member shall arrange among themselves for one or more of them to withdraw their votes from that Member and assign or re-assign them to another elected Member so that the votes received by each elected Member shall not exceed the limit of 499.

Article 18

Competence of the Board

(1) The Board shall be responsible to and work under the general direction of the Council.

(2) The Council may, by a distributed two-thirds majority vote, delegate to the Board the exercise of any or all of its powers other than the following:

(a) approval of the administrative budget and assessment of contributions under the provisions of Article 25;

(b) suspension of the voting rights of a Member under the provisions of Articles 45 or 58;

(c) waiver of the obligations of a Member under the provisions of Article 56;

(d) decisions on disputes under the provisions of Article 58;

(e) establishment of conditions for accession under the provisions of Article 62;

(f) a decision to require the exclusion of a Member under the provisions of Article 66;

(g) a decision concerning renegotiation, extension or termination of this Agreement under the provisions of Article 68; and

(h) recommendation of amendments to Members under the provisions of Article 69.

(3) The Council may, by a distributed simple majority vote, at any time revoke any powers which have been delegated to the Board.

Article 19

Voting procedure of the Board

(1) Each member of the Board shall be entitled to cast the number of votes received by it under the provisions of paragraphs (6) and (7) of Article 17. Voting by proxy shall not be allowed. A member of the Board shall not be entitled to divide its votes.

(2) Any decision taken by the Board shall require the same majority as such decision would require if taken by the Council.

Article 20

Quorum for the Council and the Board

(1) The quorum for any meeting of the Council shall be the presence of a majority of the Members representing a distributed two-thirds majority of the total votes. If there is no quorum at the time appointed for the commencement of any Council meeting, the Chairman of the Council may decide to postpone the opening time of the meeting for at least three hours. If there is no quorum at the new time set, the Chairman may again defer the opening time of the Council meeting for at least a further three hours. This procedure may be repeated until a quorum is present at the appointed time. Representation in accordance with the provisions of paragraph (2) of Article 14 shall be considered as presence.

(2) The quorum for any meeting of the Board shall be the presence of a majority of the members representing a distributed two-thirds majority of the total votes.

Article 21

The Executive Director and the staff

(1) The Council shall appoint the Executive Director on the recommendation of the Board. The terms of appointment of the Executive Director shall be established by the Council and shall be comparable to those applying to corrsponding officials of similar intergovernmental organizations.

(2) The Executive Director shall be the chief administrative officer of the Organization and shall be responsible for the performance of any duties devolving upon him in the administration of this Agreement.

(3) The Executive Director shall appoint the staff in accordance with regulations established by the Council.

(4) Neither the Executive Director nor any member of the staff shall have any financial interest in the coffee industry, coffee trade or the transportation of coffee.

(5) In the performance of their duties, the Executive Director and the staff shall not seek or receive instructions from any Member or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization. Each Member undertakes to respect the exclusively international character of the responsibilities of the Executive Director and the staff and not to seek to influence them in the discharge of their responsibilities.

Article 22

Cooperation with other organizations

The Council may make whatever arrangements are desirable for consultation and cooperation with the United Nations and its specialized agencies and with other appropriate intergovernmental organizations. The Council may invite these organizations and any organizations concerned with coffee to send observers to its meetings.

CHAPTER V.—PRIVILEGES AND IMMUNITIES

Article 23

Privileges and immunities

(1) The Organization shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings.

(2) The status, privileges and immunities of the Organization, of its Executive Director, its staff and experts, and of representatives of Members while in the territory of the United Kingdom of Great Britain and Northern Ireland for the purpose of exercising their functions, shall continue to be governed by the Headquarters Agreement concluded between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the host Government) and the Organization on 28 May 1969.

(3) The Headquarters Agreement referred to in paragraph (2) of this Article shall be independent of this Agreement. It shall however terminate:

(a) by agreement between the host Government and the Organization;

(b) in the event of the headquarters of the Organization being moved from the territory of the host Government; or

(c) in the event of the Organization ceasing to exist.

(4) The Organization may conclude with one or more other Members agreements to be approved by the Council relating to such privileges and immunities as may be necessary for the proper functioning of this Agreement.

(5) The Governments of Member countries other than the host Government shall grant the Organization the same facilities in respect of currency or exchange restrictions, maintenance of bank accounts and transfer of monies, as are accorded to the specialized agencies of the United Nations.

CHAPTER VI.—FINANCE

Article 24

Finance

(1) The expenses of delegations to the Council, representatives on the Board and representatives on any of the committees of the Council or the Board shall be met by their respective Governments.

(2) The other expenses necessary for the administration of this Agreement shall be met by annual contributions from the Members assessed in accordance with the provi-

sions of Article 25. However, the Council may levy fees for specific services.

(3) The financial year of the Organization shall be the same as the coffee year.

Article 25

Determination of the budget and assessment of contributions

(1) During the second half of each financial year, the Council shall approve the administrative budget of the Organization for the following financial year and shall assess the contribution of each Member to that budget.

(2) The contribution of each Member to the budget for each financial year shall be in the proportion which the number of its votes at the time the budget for that financial year is approved bears to the total votes of all the Members. However, if there is any change in the distribution of votes among Members in accordance with the provisions of paragraph (6) of Article 13 at the beginning of the financial year for which contributions are assessed, such contributions shall be correspondingly adjusted for that year. In determining contributions, the votes of each Member shall be calculated without regard to the suspension of the voting rights of any Member or any redistribution of votes resulting therefrom.

(3) The initial contribution of any Member joining the Organization after the entry into force of this Agreement shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current financial year, but the assessments made upon other Members of the current financial year shall not be altered.

Article 26

Payment of contributions

(1) Contributions to the administrative budget for each financial year shall be payable in freely convertible currency and shall become due on the first day of that financial year.

(2) If any Member fails to pay its full contribution to the administrative budget within six months of the date on which the contribution is due, both its voting rights in the Council and its right to have its votes cast in the Board shall be suspended until such contribution has been paid. However, unless the Council by a distributed two-thirds majority vote so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement.

(3) Any Member whose voting rights have been suspended either under the provisions of paragraph (2) of this Article or under the provisions of Articles 42, 45 or 58 shall nevertheless remain responsible for the payment of its contribution.

Article 27

Audit and publication of accounts

As soon as possible after the close of each financial year, an independently audited statement of the Organization's receipts and expenditures during that financial year shall be presented to the Council for approval and publication.

CHAPTER VII.—REGULATION OF EXPORTS AND IMPORTS

Article 28

General provisions

(1) All decisions of the Council under the provisions of this Chapter shall be adopted by a distributed two-thirds majority vote.

(2) The word "annual" in this Chapter shall mean any period of twelve months established by the Council. However, the Council may adopt procedures for applying the provisions of this Chapter for a period longer than twelve months.

Article 29

Markets subject to quota

For the purpose of this Agreement, the world coffee market shall be divided into Member quota and non-member non-quota markets.

Article 30

Basic quotas

(1) Each exporting Member shall, subject to the provisions of Articles 31 and 32, be entitled to a basic quota calculated in accordance with the provisions of this Article.

(2) If, under the provisions of Article 33, quotas come into effect during coffee year 1976/77, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated on the basis of the average volume of the annual exports of each exporting Member to importing Members in coffee years 1968/69 to 1971/72. This distribution of the fixed part shall remain in effect until the quotas are suspended for the first time under the provisions of Article 33.

(3) If quotas are not introduced in coffee year 1976/77 but come into effect during coffee year 1977/78, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated by selecting for each exporting Member the higher of the following:

(a) the volume of its exports to importing Members during coffee year 1976/77 calculated on the basis of information obtained from Certificates of Origin; or

(b) the figure resulting from the application of the procedure established in paragraph (2) of this Article.

This distribution of the fixed part shall remain in effect until the quotas are suspended for the first time under the provisions of Article 33.

(4) If quotas come into effect for the first time or are reintroduced during coffee year 1978/79, or at any time thereafter, the basic quota to be used for the distribution of the fixed part of the quotas shall be calculated by selecting for each exporting Member the higher of the following:

(a) the average of the volume of its exports to importing Members for coffee years 1976/77 and 1977/78 calculated on the basis of information obtained from Certificates of Origin; or

(b) the figure resulting from the application of the procedure established in paragraph (2) of this Article.

(5) If quotas are introduced under the provisions of paragraph (2) of this Article and subsequently suspended, their reintroduction during coffee year 1977/78 shall be governed by the provisions of paragraph (3) of this Article and paragraph (1) of Article 35. The reintroduction of quotas during coffee year 1978/79, or at any time thereafter, shall be governed by the provisions of paragraph (4) of this Article and paragraph (1) of Article 35.

Article 31

Exporting members exempt from basic quotas

(1) Subject to the provisions of paragraphs (4) and (5) of this Article, a basic quota shall not be allocated to the exporting Members listed in Annex 1. Subject to the provisions of Article 33, in coffee year 1976/77 these Members shall have the initial annual export quotas set out in column 1 of that Annex. Subject to the provisions of paragraph (2) of this Article and to those of Article 33, the quota of these Members in each of the subsequent coffee years shall be increased by:

(a) 10 percent of the initial annual export quota in the case of Members whose initial annual export quota is less than 100,000 bags; and

(b) 5 percent of the initial annual export quota in the case of Members whose initial annual export quota is 100,000 bags or more but less than 400,000 bags.

These annual increments shall be deemed, for the purpose of setting the annual quota of the Members concerned whenever quotas are introduced or reintroduced under the provisions of Article 33, to have been effective from the entry into force of this Agreement.

(2) Not later than 31 July of each year, each Member referred to in paragraph (1) of this Article shall notify the Council of the amount of coffee it is likely to have available for export during the next coffee year. The quota for the next coffee year shall be the amount thus indicated by the exporting Member, provided that such amount is within the permissible limit defined in paragraph (1) of this Article.

(3) When the annual quota of an exporting Member having an initial annual export quota of less than 100,000 bags reaches or exceeds the maximum of 100,000 bags referred to in paragraph (1) of this Article, the Member shall thereafter be subject to the provisions applicable to exporting Members whose initial annual export quotas are 100,000 bags or more but less than 400,000 bags.

(4) When the annual quota of an exporting Member having an initial annual export quota of less than 400,000 bags reaches the maximum of 400,000 bags referred to in paragraph (1) of this Article, the Member shall thereafter be subject to the provisions of Articles 35 and the Council shall set a basic quota for such Member.

(5) Any exporting Member listed in Annex 1 which exports 100,000 bags or more may at any time request the Council to establish a basic quota for it.

(6) Members whose annual quotas are less than 100,000 bags shall not be subject to the provisions of Articles 36 and 37.

Article 32

Provisions for the adjustment of basic quotas

(1) If an importing country which was neither a member of the International Coffee Agreement 1968 nor of the International Coffee Agreement 1968 as Extended becomes a Member of this Agreement, the Council shall adjust the basic quotas resulting from the application of the provisions of Article 30.

(2) The adjustment referred to in paragraph (1) of this Article shall take into account either the average exports of individual exporting Members to the importing country concerned during the period 1968 to 1972 or the proportionate share of individual exporting Members in the average imports of that country during the same period.

(3) The Council shall approve the data to be used as a basis for the calculations necessary for the adjustment of basic quotas, as well as the criteria to be followed for the purpose of applying the provisions of this Article.

Article 33

Provisions for the introduction, suspension and reintroduction of quotas

(1) Unless the Council decides otherwise, quotas shall come into effect at any time during the life of this Agreement if:

(a) the composite indicator price remains on average, for 20 consecutive market days, at or below the ceiling of the price range currently in effect established by the Council under the provisions of Article 38;

(b) in the absence of a decision by the Council to establish a price range:

(i) the average of the indicator prices for

Other Mild and Robusta coffees remains on average, for 20 consecutive market days, at or below the average of these prices for calendar year 1975 as maintained by the Organization during the life of the International Coffee Agreement 1968 as Extended; or

(ii) subject to the provisions of paragraph (2) of this Article shall be reviewed and may price calculated under the provisions of Article 38 remains on average, for 20 consecutive market days, 15 percent or more below the average composite indicator price for the preceding coffee year during which this Agreement was in force.

Notwithstanding the preceding provisions of this paragraph, quotas shall not come into effect on the entry into force of this Agreement unless the average of the indicator prices for Other Mild and Robusta coffees remains on average, for the 20 consecutive market days immediately preceding that date, at or below the average of these prices for calendar year 1975.

(2) Notwithstanding the provisions of subparagraph (b) (ii) of paragraph (1) of this Article, quotas shall not come into effect, unless the Council decides otherwise, if the average of the indicator prices for Other Mild and Robusta coffees remains on average, for 20 consecutive market days, 22.5 percent or more above the average of these prices for calendar year 1975.

(3) The prices specified in sub-paragraph (b) (i) of paragraph (1) and in paragraph (2) of this Article shall be reviewed and may be revised by the Council prior to 30 September 1978 and to 30 September 1980.

(4) Unless the Council decides otherwise, quotas shall be suspended:

(a) if the composite indicator price remains on average, for 20 consecutive market days, 15 percent above the ceiling of the price range established by the Council and currently in force; or

(b) in the absence of a decision by the Council to establish a price range, if the composite indicator price remains on average, for 20 consecutive market days, 15 percent or more above the average composite indicator price recorded during the preceding calendar year.

(5) Unless the Council decides otherwise, quotas shall be reintroduced, after suspension under the provisions of paragraph (4) of this Article, in accordance with the provisions of paragraphs (1), (2) and (6).

(6) Whenever the relevant price conditions referred to in paragraph (1) of this Article are met, and subject to the provisions of paragraph (2) of this Article, quotas shall come into effect as soon as possible and in any event not later than the quarter following the fulfilment of the relevant price conditions. The quotas shall, except as otherwise provided for this Agreement, be fixed for a period of four quarters. If the global annual and quarterly quotas have not previously been established by the Council, the Executive Director shall set a quota on the basis of the disappearance of coffee in quota markets, estimated in accordance with the criteria established in Article 34; such quota shall be allocated to exporting Members in accordance with the provisions of Articles 31 and 35.

(7) The Council shall be convened during the first quarter after quotas come into effect in order to establish price ranges and to review and, if necessary, revise quotas for such period as the Council deems advisable, provided that such period does not exceed twelve months from the date on which quotas came into effect.

Article 34

Setting of the Global Annual Quota

Subject to the provisions of Article 33, the Council shall, at its last regular session of the coffee year, set a global annual quota taking into account *inter alia* the following:

(a) estimated annual consumption of importing Members;

(b) estimated imports of Members from other importing Members and from non-member countries;

(c) estimated changes in the level of inventories in importing Member countries and in free ports;

(d) compliance with the provisions of Article 40 concerning shortfalls and their redistributions; and

(e) for the introduction or reintroduction of quotas under the provisions of paragraphs (1) and (5) of Article 33, exports of exporting Members to importing Members and to non-members during the twelve-month period preceding the introduction of quotas.

Article 35

Allocation of Annual Quotas

(1) In the light of the decision taken under the provisions of Article 34 and after deducting the amount of coffee required to comply with the provisions of Article 31, annual quotas shall be allocated in fixed and variable parts to exporting Members entitled to a basic quota. The fixed part shall correspond to 70 percent of the global annual quota, as adjusted to comply with the provisions of Article 31, and shall be distributed among exporting Members in accordance with the provisions of Article 30. The variable part shall correspond to 30 percent of the global annual quota, as adjusted to comply with the provisions of Article 31. These proportions may be changed by the Council but the fixed part shall never be less than 70 percent. Subject to the provisions of paragraph (2) of this Article, the variable part shall be distributed among exporting Members in the proportion which the verified stocks of each exporting Member bear to the total verified stocks of all exporting Members having basic quotas, provided that, unless the Council establishes a different limit, no Member shall receive a share of the variable part of the quota in excess of 40 percent of the total volume of such variable part.

(2) The stocks to be taken into account for the purposes of this Article shall be those verified, in accordance with the appropriate rules for the verification of stocks, at the end of the crop year of each exporting Member immediately preceding the setting of quotas.

Article 36

Quarterly Quotas

(1) Immediately following the allocation of annual quotas under the provisions of paragraph (1) of Article 35, and subject to the provisions of Article 31, the Council shall allocate quarterly quotas to each exporting Member for the purpose of assuring an orderly flow of coffee to world markets throughout the period for which quotas are set.

(2) These quotas shall be, as nearly as possible, 25 percent of the annual quota of each Member. No Member shall be allowed to export more than 30 percent in the first quarter, 60 percent in the first two quarters, and 80 percent in the first three quarters. If exports by any Member in one quarter are less than its quota for that quarter, the outstanding balance shall be added to its quota for the following quarter.

(3) The provisions of this Article shall also apply to the implementation of paragraph (6) of Article 33.

(4) If, on account of exceptional circumstances, an exporting Member considers that the limitations provided in paragraph (2) of this Article would be likely to cause serious harm to its economy, the Council may, at the request of that Member, take appropriate action under the provisions of Article 56. The Member concerned must furnish evidence of harm and provide adequate guarantees concerning the maintenance of price stability. The Council shall not, however, in any event, authorise a Member to export more than 35 percent of its annual quota in the first quarter, 65 percent in the first two quarters, and 85 percent in the first three quarters.

Article 37

Adjustment of annual and quarterly quotas

(1) If market conditions so require, the Council may vary the annual and quarterly quotas allocated under the provisions of Articles 33, 35 and 36. Subject to the provisions of paragraph (1) of Article 35 and except as provided for in Article 31 and paragraph (3) of Article 39, the quotas of each exporting Member shall be varied by the same percentage.

(2) Notwithstanding the provisions of paragraph (1) of this Article, the Council may, if it finds the market situation so requires, make adjustments among the current and remaining quarterly quotas of exporting Members without, however, altering the annual quotas.

Article 38

Price measures

(1) The Council shall establish a system of indicator prices which shall provide for a daily composite indicator price.

(2) On the basis of such a system, the Council may establish price ranges and price differentials for the principal types and/or groups of coffee and a composite price range.

(3) In establishing and adjusting any price range for the purposes of this Article, the Council shall take into consideration the prevailing level and trend of coffee prices including the influence thereon of:

The levels and trends of consumption and production as well as stocks in importing and exporting countries;

Changes in the world monetary system;

The trend of world inflation or deflation; and

Any other factors which might affect the achievement of the objectives set out in this Agreement.

The Executive Director shall supply the data necessary to permit the Council to give due consideration to the foregoing elements.

(4) The Council shall make rules concerning the effect of the introduction of quotas or adjustments thereto on contracts entered into prior to such introduction or adjustment.

Article 39

Additional measures for the adjustment of quotas

(1) If quotas are in effect, the Council shall be convened in order to establish a system for the pro rata adjustment of quotas in response to movements in the composite indicator price, as provided for in Article 38.

(2) Such a system shall include provisions regarding price ranges, the number of market days over which counts shall be held and the number and size of adjustments.

(3) The Council may also establish a system for increasing quotas in response to the movement of the prices of the principal types and/or groups of coffee.

Article 40

Shortfalls

(1) Each exporting Member shall declare any anticipated shortfall from its export entitlement in order to permit redistribution in the same coffee year among exporting Members able and prepared to export the amount of shortfalls. Seventy percent of the quantity declared in accordance with the provisions of this paragraph shall be offered for redistribution in the first instance among other Members exporting the same type of

coffee in proportion to their basic quotas and 30 percent in the first instance to Members exporting the other type of coffee also in proportion to their basic quotas.

(2) If a Member declares a shortfall within the first six months of a coffee year, the annual quota of that Member shall, in the following coffee year, be increased by an amount of 30 percent of the volume declared and not exported. This amount shall be charged to the annual export entitlements of those exporting Members which have accepted the redistribution under the provisions of paragraph (1) of this Article, pro rata to their participation in that redistribution.

Article 41

Export entitlement of a member group

If two or more Members form a Member group in accordance with the provisions of Articles 6 and 7, the basic quotas or the export entitlements, as the case may be, of those Members shall be added together and the combined total treated as a single basic quota or a single export entitlement for the purposes of this Chapter.

Article 42

Compliance with quotas

(1) Exporting Members shall adopt the measures required to ensure full compliance with all provisions of this Agreement relating to quotas. In addition to any measures the Member itself may take, the Council may require such Member to adopt additional measures for the effective implementation of the quota system provided for in this Agreement.

(2) Exporting Members shall not exceed the annual and quarterly quotas allocated to them.

(3) If an exporting Member exceeds its quota for any quarter, the Council shall deduct from one or more of its subsequent quotas a quantity equal to 110 percent of that excess.

(4) If an exporting Member for the second time exceeds its quarterly quota, the Council shall make the same deduction as that provided for in paragraph (3) of this Article.

(5) If an exporting Member for a third or subsequent time exceeds its quarterly quota, the Council shall make the same deduction as provided for in paragraph (3) of this Article and the voting rights of the Member shall be suspended until such time as the Council decides whether to exclude such Member from the Organization under the provisions of Article 66.

(6) The deductions provided for in paragraphs (3), (4) and (5) of this Article shall be deemed to be shortfalls for the purposes of paragraph (1) of Article 40.

(7) The Council shall apply the provisions of paragraphs (1) to (5) of this Article as soon as the necessary information is available.

Article 43

Certificates of origin and re-export

(1) Every export of coffee by a Member shall be covered by a valid Certificate of Origin. Certificates of Origin shall be issued, in accordance with rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization.

(2) If quotas are in effect, every re-export of coffee by a Member shall be covered by a valid Certificate of Re-export. Certificates of Re-export shall be issued, in accordance with rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization, and shall certify that the coffee in question was imported in accordance with the provisions of this Agreement.

(3) The rules referred to in this Article shall contain provisions which will permit their application to groups of importing Members forming a customs union.

(4) The Council may make rules governing the printing, validation, issuing and use of Certificates and may adopt measures to issue coffee export stamps against payment of a fee to be determined by the Council. The affixing of such stamps to Certificates of Origin may be one of the means prescribed for the validation of such Certificates. The Council may make similar arrangements for the validation of other forms of coffee stamps on conditions to be determined.

(5) Each Member shall notify the Organization of the government or non-government agency which is to perform the functions specified in paragraphs (1) and (2) of this Article. The Organization shall specifically approve a non-government agency upon submission by the Member of satisfactory evidence of the agency's ability and willingness to fulfil the Member's responsibilities in accordance with the rules and regulations established under the provisions of this Agreement. The Council may at any time, for cause, declare a particular non-government agency to be no longer acceptable to it. The Council shall, either directly or through an internationally recognised world-wide organization, take all necessary steps so that at any time it will be able to satisfy itself that all forms of Certificate are being issued and used correctly and to ascertain the quantities of coffee which have been exported by each Member.

(6) A non-government agency approved as a certifying agency under the provisions of paragraph (5) of this Article shall keep records of the Certificates issued and the basis for their issue, for a period of not less than four years. In order to obtain approval as a certifying agency under the provisions of paragraph (5) of this Article, a non-government agency must previously agree to make such records available for examination by the Organization.

(7) If quotas are in effect Members shall, subject to the provisions of Article 44 and those of paragraphs (1) and (2) of Article 45, prohibit the import of any shipment of coffee which is not accompanied by a valid Certificate in the appropriate form issued in accordance with rules established by the Council.

(8) Small quantities of coffee in such forms as the Council may determine, or coffee for direct consumption on ships, aircraft and other international carriers, shall be exempt from the provisions of paragraphs (1) and (2) of this Article.

Article 44

Exports not charged to quotas

(1) As provided for in Article 29, exports to countries not members of this Agreement shall not be charged to quotas. The Council may make rules governing, *inter alia*, the conduct and supervision of this trade, the treatment of, and the penalties for, diversions and re-exports from non-member to Member countries and the documents required to cover exports to both Member and non-member countries.

(2) Exports of coffee beans as raw material for industrial processing for any purposes other than human consumption as a beverage or foodstuff shall not be charged to quotas, provided that the Council is satisfied from information supplied by the exporting Member that the coffee beans are in fact used for such other puropses.

(3) The Council may, at the request of an exporting Member, decide that exports of coffee made by that Member for humanitarian or other non-commercial purposes shall not be charged to its quota.

Article 45

Regulation of imports

(1) To prevent non-member countries from increasing their exports at the expense of exporting Members, each Member shall, whenever quotas are in effect, limit its annual imports of coffee from non-member countries which were not Members of the International Coffee Agreement 1968 to an amount equal to the annual average of its imports of coffee from non-member countries from either calendar year 1971 to calendar year 1974 inclusive, or from calendar year 1972 to calendar year 1974 inclusive.

(2) Whenever quotas are in effect, Members shall also limit their annual imports of coffee from each non-member which was a Member of the International Coffee Agreement 1968 or the International Coffee Agreement 1968 as Extended to a quantity not greater than a percentage of the average annual imports from that non-member during coffee years 1968/69 to 1971/72. Such percentage shall correspond to the proportion which the fixed part bears to the global annual quota, under the provisions of paragraph (1) of Article 35, at the time when quotas come into effect.

(3) The Council may suspend or vary these quantitative limitations if it finds such action necessary for the purposes of this Agreement.

(4) The obligations established in the preceding paragraphs of this Article shall not derogate from any conflicting bilateral or multilateral obligations which importing Members have entered into with non-member countries prior to the entry into force of this Agreement, provided that any importing Member which has such conflicting obligations shall carry them out in such a way as to minimise any conflict with the obligations established in the preceding paragraphs. Such Member shall take steps as soon as possible to bring its obligations into harmony with the provisions of paragraphs (1) and (2) of this Article and shall inform the Council of the details of the conflicting obligations as well as of the steps taken to minimise or eliminate the conflict.

(5) If an importing Member fails to comply with the provisions of this Article the Council may suspend both its voting rights in the Council and its right to have its votes cast in the Board.

CHAPTER VIII.—OTHER ECONOMIC PROVISIONS

Article 46

Measures related to processed coffee

(1) Members recognise the need of developing countries to broaden the base of their economies through, *inter alia*, industrialisation and the export of manufactured products, including the processing of coffee and the export of processed coffee.

(2) In this connection, Members shall avoid the adoption of governmental measures which could cause disruption to the coffee sector of other Members.

(3) Should a Member consider that the provisions of paragraph (2) of this Article are not being complied with, it should consult with the other Members concerned, having due regard to the provisions of Article 57. The Members concerned shall make every effort to reach amicable settlement on a bilateral basis. If these consultations do not lead to a mutually satisfactory solution, either party may bring the matter before the Council for consideration under the provisions of Article 58.

(4) Nothing in this Agreement shall prejudice the right of any Member to take measures to prevent or remedy disruption to its coffee sector by imports of processed coffee.

Article 47

Promotion

(1) Members undertake to encourage the consumption of coffee by every possible means. To achieve this purpose, a Promotion Fund shall be established with the objectives

of promoting consumption in importing countries by all appropriate means without regard to origin, type or brand of coffee, and of achieving and maintaining the highest quality and purity of the beverage.

(2) The Promotion Fund shall be administered by a committee. The membership of the Fund shall be limited to Members which contribute financially to the Fund.

(3) The Fund shall be financed during coffee years 1976/77 and 1977/78 by a compulsory levy on coffee export stamps or equivalent export authorisations, payable by exporting Members with effect from 1 October 1976. Such levy shall be 5 U.S. cents per bag for Members listed in Annex 1 having initial annual export quotas of less than 100,000 bags; 10 U.S. cents per bag for Members listed in Annex 1 having initial annual export quotas of 100,000 bags or more but less than 400,000 bags, and 25 U.S. cents per bag for all other exporting Members. The Fund may also be financed by voluntary contributions from other Members on terms to be approved by the committee.

(4) At any time, the committee may decide to continue to collect a compulsory levy in the third and subsequent coffee years if additional resources are necessary to comply with commitments undertaken in accordance with paragraph (7) of this Article. It may further decide to receive contributions of other Members on terms it shall approve.

(5) The resources of the Fund shall be used mainly to finance promotion campaigns in importing Member countries.

(6) The Fund may sponsor research and studies related to the consumption of coffee.

(7) Importing Members, or trade associations in importing Member countries acceptable to the committee, may present proposals for campaigns for the promotion of coffee. The Fund may provide resources to finance up to 50 percent of the cost of such campaigns. Whenever a campaign is agreed upon, the percentage contribution of the committee to the campaign shall remain unaltered. The campaigns may be for a period of more than one year but not more than five years.

(8) The payment referred to in paragraph (3) of this Article shall be made against the delivery of coffee export stamps or equivalent export authorisations. The rules for the application of a system of Certification of Origin, under the provisions of Article 43, shall incorporate provisions for the payment of the levy referred to in paragraph (3), of this Article.

(9) The levy referred to in paragraphs (3) and (4) of this Article shall be payable in U.S. dollars to the Executive Director, who shall deposit the funds derived therefrom in a special account to be designated the Promotion Fund Account.

(10) The committee shall control all funds in the Promotion Fund. As soon as possible after the close of each financial year, an independently audited statement of the receipts and expenditures of the Promotion Fund during that financial year shall be presented to the committee for approval. The audited accounts as approved by the committee shall be forwarded to the Council for information only.

(11) The Executive Director shall be the Chairman of the committee and shall report periodically to the Council on the activities of the committee.

(12) The administrative expenses necessary to carry out the provisions of this Article and those relating to promotion activities shall be charged to the Promotion Fund.

(13) The committee shall establish its own by-laws.

Article 48

Removal of obstacles to consumption

(1) Members recognise the utmost importance of achieving the greatest possible increase of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles which may hinder such increase.

(2) Members recognise that there are at present in effect measures which may to a greater or lesser extent hinder the increase in consumption of coffee, in particular:

(a) import arrangements applicable to coffee, including preferential and other tariffs, quotas, operations of government monopolies and official purchasing agencies, and other administrative rules and commercial practices;

(b) export arrangements as regards direct or indirect subsidies and other administrative rules and commercial practices; and

(c) internal trade conditions and domestic legal and administrative provisions which may affect consumption.

(3) Having regard to the objectives stated above and to the provisions of paragraph (4) of this Article, Members shall endeavour to pursue tariff reductions on coffee or to take other action to remove obstacles to increased consumption.

(4) Taking into account their mutual interest, Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article may be progressively reduced and eventually, wherever possible, eliminated, or by which the effects of such obstacles may be substantially diminished.

(5) Taking into account any commitments undertaken under the provisions of paragraph (4) of this Article, Members shall inform the Council annually of all measures adopted with a view to implementing the provisions of this Article.

(6) The Executive Director shall prepare periodically a survey of the obstacles to consumption to be reviewed by the Council.

(7) The Council may, in order to further the purposes of this Article, make recommendations to Members which shall report as soon as possible to the Council on the measures adopted with a view to implementing such recommendations.

Article 49

Mixtures and substitutes

(1) Members shall not maintain any regulations requiring the mixing, processing or using of other products with coffee for commercial resale as coffee. Members shall endeavour to prohibit the sale and advertisement of products under the name of coffee if such products contain less than the equivalent of ninety percent green coffee as the basic raw material.

(2) The Council may request any Member to take the steps necessary to ensure observance of the provisions of this Article.

(3) The Executive Director shall submit to the Council a periodic report on compliance with the provisions of this Article.

Article 50

Production policy

(1) To facilitate the achievement of the objective set out in paragraph (1) of Article 1, exporting Members undertake to use their best endeavours to adopt and to implement a production policy.

(2) The Council may establish procedures for coordinating the production policies referred to in paragraph (1) of this Article. These procedures may include appropriate measures for, or encouragement of, diversification, together with the means whereby Members may obtain both technical and financial assistance.

(3) The Council may establish a contribution payable by exporting Members which shall be used to permit the Organization to carry out appropriate technical studies for the purpose of assisting exporting Members to adopt the measures necessary to pursue an adequate production policy. Such contribution shall not exceed 2 U.S. cents per bag exported to importing Member countries and shall be payable in convertible currency.

Article 51

Policy relative to coffee stocks

(1) to complement the provisions of Chapter VII and of Article 50, the Council shall, by a distributed two-thirds majority vote, establish a policy relating to coffee stocks in producing Member countries.

(2) The Council shall adopt measures to ascertain annually the volume of coffee stocks in the hands of individual exporting Members in accordance with the provisions of Article 35. The Members concerned shall facilitate this annual survey.

(3) Producing Members shall ensure that adequate facilities exist in their respective countries for the proper storage of coffee stocks.

(4) The Council shall undertake a study of the feasibility of supporting the objectives of this Agreement by an international stock arrangement.

Article 52

Consultation and cooperation with the trade

(1) The Organization shall maintain close liaison with appropriate non-governmental organizations concerned with international commerce in coffee, and with experts in coffee matters.

(2) Members shall conduct their activities within the framework of this Agreement in a manner consonant with established trade channels and shall refrain from discriminatory sales practices. In carrying out these activities they shall endeavour to take due account of the legitimate interests of the coffee trade.

Article 53

Information

(1) The Organization shall act as a centre for the collection, exchange and publication of:

(a) statistical information on world production, prices, exports and imports, distribution and consumption of coffee; and

(b) in so far as is considered appropriate, technical information on the cultivation, processing and utilization of coffee.

(2) The Council may require Members to furnish such information as it considers necessary for its operations, including regular statistical reports on coffee production, production trends, exports and imports, distribution, consumption, stocks, prices and taxation, but no information shall be published which might serve to identify the operations of persons or companies producing, processing or marketing coffee. Members shall furnish information requested in as detailed and accurate a manner as is practicable.

(3) If a Member fails to supply or finds difficulty in supplying within a reasonable time statistical and other information required by the Council for the proper functioning of the Organization, the Council may require the Member concerned to explain the reasons for non-compliance. If it is found that technical assistance is needed in the matter, the Council may take any necessary measures.

(4) In addiion to the measures provided for in paragraph (3) of this Article, the Executive Director may, after giving due notice and unless the Council decides otherwise, withhold the release of coffee stamps or other equivalent export authorisations as provided for in Article 43.

Article 54

Studies

(1) The Council may promote studies concerning the economics of coffee production and distribution, the impact of governmental

measures in producing and consuming countries on the production and consumption of coffee, the opportunities for expansion of coffee consumption for traditional and possible new uses and the effects of the operation of this Agreement on producers and consumers of coffee, including their terms of trade.

(2) The Organization may study the practicability of establishing minimum standards for exports of coffee from producing Members.

Article 55

Special fund

(1) A special Fund shall be established to permit the Organization to adopt and to finance the additional measures required to ensure that the relevant provisions of this Agreement can be implemented with effect from its entry into force or as close to that date as possible.

(2) Payments to the Fund shall consist of a levy of 2 U.S. cents on each bag of coffee exported to importing Members, payable by exporting Members with effect from the entry into force of this Agreement, unless the Council decides to decrease or suspend such levy.

(3) The levy referred to in paragraph (2) of this Article shall be payable in U.S. dollars to the Executive Director against the delivery of coffee export stamps or equivalent export authorisations. The rules for the application of a system of Certificates of Origin under the provisions of Article 43 shall incorporate provisions for the payment of this levy.

(4) Subject to the approval of the Council, the Executive Director shall be authorized to expend monies from the Fund to meet the costs of introducing the system of Certificates of Origin referred to in Article 43, the expenditures involved in the verification of stocks required under the provisions of paragraph (2) of Article 51 and the costs of the improvements in the system for the collection and transmission of statistical information referred to in Article 53.

(5) To the extent possible, though separately from the administrative budget, the Fund shall be managed and administered in a manner similar to the administrative budget and shall be subject to an independent annual audit as required for the accounts of the Organization under the provisions of Article 27.

Article 56

Waiver

(1) The Council may, by a distributed two-thirds majority vote, relieve a Member of an obligation, on account of exceptional or emergency circumstances, *force majeure*, constitutional obligations or international obligations under the United Nations Charter for territories administered under the trusteeship system.

(2) The Council, in granting a waiver to a Member, shall state explicitly the terms and conditions on which and the period for which the Member is relieved of such obligation.

(3) The Council shall not consider a request for a waiver of quota obligations on the basis of the existence in a Member country, in one or more years, of an exportable production in excess of its permitted exports or which is the consequence of the Member having failed to comply with the provisions of Articles 50 and 51.

CHAPTER IX—CONSULTATIONS, DISPUTES AND COMPLAINTS

Article 57

Consultations

Each Member shall accord sympathetic consideration to, and shall afford adequate opportunity for, consultants regarding such representations as may be made by another Member with respect to any matter relating to this Agreement. In the course of such consultation, on request by either party and with the consent of the other, the Executive Director shall establish an independent panel which shall use its good offices with a view to conciliating the parties. The costs of the panel shall not be chargeable to the Organization. If a party does not agree to the establishment of a panel by the Executive Director, or if the consultation does not lead to a solution, the matter may be referred to the Council in accordance with the provisions of Article 58. If the consultation does lead to a solution, it shall be reported to the Executive Director who shall distribute the report to all Members.

Article 58

Disputes and complaints

(1) Any dispute concerning the interpretation or application of this Agreement which is not settled by negotiation shall, at the request of any Member party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under the provisions of paragraph (1) of this Article, a majority of Members, or Members holding not less than one-third of the total votes, may require the Council, after discussion, to seek the opinion of the advisory panel referred to in paragraph (3) of this Article on the issues in dispute before giving its decision.

(3)—

(a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting Members;

(ii) two such persons nominated by the importing Members; and

(iii) a chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the Council.

(b) Persons from countries whose Governments are Contracting Parties to this Agreement shall be eligible to serve on the advisory panel.

(c) Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(d) The expenses of the advisory panel shall be paid by the Organization.

(4) The opinion of the advisory panel and the reasons therefore shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) The Council shall rule on any dispute brought before it within six months of submission of such dispute for its consideration.

(6) Any complaint that any Member has failed to fulfill its obligations under this Agreement shall, at the request of the Member making the complaint, be referred to the Council which shall make a decision on the matter.

(7) No Member shall be found to have been in breach of its obligations under this Agreement except by a distributed simple majority vote. Any finding that a Member is in breach of its obligations under this Agreement shall specify the nature of the breach.

(8) If the Council finds that a Member is in breach of its obligations under this Agreement, it may, without prejudice to other enforcement measures provided for in other Articles of this Agreement, by a distributed two-thirds majority vote, suspend such Member's voting rights in the Council and its right to have its votes cast in the Board until it fulfills its obligations, or the Council may decide to exclude such Member from the Organization under the provisions of Article 66.

(9) A Member may seek the prior opinion of the Executive Board in a matter of dispute or complaint before the matter is discussed by the Council.

CHAPTER X.—FINAL PROVISIONS

Article 59

Signature

This Agreement shall be open for signature at United Nations Headquarters from 31 January 1976 until and including 31 July 1976 by Contracting Parties to the International Coffee Agreement 1968 as Extended by Protocol and Governments invited to the sessions of the International Coffee Council convened for the purpose of negotiating the International Coffee Agreement 1976.

Article 60

Ratification, acceptance, approval

(1) This Agreement shall be subject to ratification, acceptance or approval by the signatory Governments in accordance with their respective constitutional procedures.

(2) Except as provided for in Article 61, instruments of ratification, acceptance or approval shall be deposited with the Secretary-General of the United Nations not later than 30 September 1976. However, the Council may grant extensions of time to signatory Governments which are unable to deposit their instruments by that date.

Article 61

Entry into force

(1) This Agreement shall enter into force definitively on 1 October 1976, if, by that date, Governments representing at least twenty exporting Members holding at least 80 percent of the votes of the exporting Members and at least ten importing Members holding at least 80 percent of the votes of the importing Members, as set out in Annex 2, have deposited their instruments of ratification, acceptance or approval. Alternatively, it shall enter into force definitively at any time after 1 October 1976, if it is provisionally in force in accordance with the provisions of paragraph (2) of this Article and these percentage requirements are satisfied by the deposit of instruments of ratification, acceptance or approval.

(2) This Agreement may enter into force provisionally on 1 October 1976. For this purpose, a notification by a signatory Government or by any other Contracting Party to the International Coffee Agreement 1968 as Extended by Protocol containing an undertaking to apply this Agreement provisionally and to seek ratification, acceptance or approval in accordance with its constitutional procedures as rapidly as possible, which is received by the Secretary-General of the United Nations not later than 30 September 1976, shall be regarded as equal in effect to an instrument of ratification, acceptance or approval. A Government which undertakes to apply this Agreement provisionally pending the deposit of an instrument of ratification, acceptance or approval shall be regarded as a provisional Party thereto until it deposits its instrument of ratification, acceptance or approval, or until and including 31 December 1976 whichever is the earlier. The Council may grant an extension of the time within which any Government which is applying this Agreement provisionally may deposit its instrument of ratification, acceptance or approval.

(3) If this Agreement has not entered into force definitively or provisionally on 1 October 1976 under the provisions of paragraphs (1) or (2) of this Article, those Governments which have deposited instruments of ratification, acceptance, approval or accession or made notifications containing an undertaking to apply this Agreement provisionally and to seek ratification, acceptance or approval may, by mutual consent, decide that it shall enter into force among themselves. Similarly, if this Agreement has

entered into force provisionally but has not entered into force definitively on 31 December 1976, those Governments which have deposited instruments of ratification, acceptance, approval or accessions or made the notifications referred to in paragraph (2) of this Article, may, by mutual consent, decide that it shall continue in force provisionally or enter into force definitively among themselves.

Article 62

Accession

(1) The Government of any State member of the United Nations or of any of its specialized agencies may, before or after the entry into force of this Agreement, accede to it upon conditions which shall be established by the Council.

(2) Instruments of accession shall be deposited with the Secretary-General of the United Nations. The accession shall take effect upon deposit of the instrument.

Article 63

Reservations

Reservations may not be made with respect to any of the provisions of this Agreement.

Article 64

Extension to designated territories

(1) Any Government may, at the time of signature or deposit of an instrument of ratification, acceptance, approval or accession, or at any time thereafter, by notification to the Secretary-General of the United Nations, declare that this Agreement shall extend to any of the territories for whose international relations it is responsible; this Agreement shall extend to the territories named therein from the date of such notification.

(2) Any Contracting Party which desires to exercise its rights under the provisions of Article 5 in respect to any of the territories for whose international relations it is responsible or which desires to authorise any such territory to become part of a Member group formed under the provisions of Articles 6 or 7, may do so by making a notification to that effect to the Secretary-General of the United Nations, either at the time of the deposit of its instrument of ratification, acceptance, approval, or accession, or at any later time.

(3) Any Contracting Party which has made a declaration under the provisions of paragraph (1) of this Article may at any time thereafter, by notification to the Secretary-General of the United Nations, declare that this Agreement shall cease to extend to the territory named in the notification. This Agreement shall cease to extend to such territory from the date of such notification.

(4) When a territory to which this Agreement has been extended under the provisions of paragraph (1) of this Article subsequently attains its independence, the Government of the new state may, within 90 days after the attainment of independence, declare by notification to the Secretary-General of the United Nations that it has assumed the rights and obligations of a Contracting Party to this Agreement. It shall, as from the date of such notification, become a Contracting Party to this Agreement. The Council may grant an extension of the time within which such notification may be made.

Article 65

Voluntary withdrawal

Any Contracting Party may withdraw from this Agreement at any time by giving a written notice of withdrawal to the Secretary-General of the United Nations. Withdrawal shall become effective 90 days after the notice is received.

Article 66

Exclusion

If the Council decides that any Member is in breach of its obligations under this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may, by a distributed two-thirds majority vote, exclude such Member from the Organization. The Council shall immediately notify the Secretary-General of the United Nations of any such decision. Ninety days after the date of the Council's decision, such Member shall cease to be a Member of the Organization and, if such Member is a Contracting Party, a Party to this Agreement.

Article 67

Settlement of accounts with withdrawing or excluded members

(1) The Council shall determine any settlement of accounts with a withdrawing or excluded Member. The Organization shall retain any amounts already paid by a withdrawing or excluded Member and such Member shall remain bound to pay any amounts due from it to the Organization at the time the withdrawal or the exclusion becomes effective; provided, however, that in the case of a Contracting Party which is unable to accept an amendment and consequently ceases to participate in this Agreement under the provisions of paragraph (2) of Article 69, the Council may determine any settlement of accounts which it finds equitable.

(2) A Member which has ceased to participate in this Agreement shall not be entitled to any share of the proceeds of liquidation or the other assets of the Organization; nor shall it be liable for payment of any part of the deficit, if any, of the Organization upon termination of this Agreement.

Article 68

Duration and termination

(1) This Agreement shall remain in force for a period of six years until 30 September 1982, unless extended under the provisions of paragraph (3) of this Article or terminated under the provisions of paragraph (4) of this Article.

(2) During the third year of this Agreement, namely the coffee year ending 30 September 1979, Contracting Parties shall notify the Secretary-General of the United Nations of their intention to continue to participate in this Agreement for the remaining three years of its duration. Any Contracting Party which, by 30 September 1979, has not made a notification of its intention to continue to participate in this Agreement for the remaining three years of its duration, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall with effect from 1 October 1979 cease to participate in this Agreement.

(3) The Council may, at any time after 30 September 1980, by a vote of 58 percent of the Members having not less than a distributed majority of 70 percent of the total votes, decide either that this Agreement be renegotiated or that it be extended, with or without modification, for such period as the Council shall determine. Any Contracting Party which by the date on which such renegotiated or extended Agreement enters into force has not made a notification of acceptance of such renegotiated or extended Agreement to the Secretary-General of the United Nations, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall as of that date cease to participate in such Agreement.

(4) The Council may at any time, by a vote of a majority of the Members having not less than a distributed two-thirds majority of the total votes, decide to terminate this Agreement. Such termination shall take effect on such date as the Council shall decide.

(5) Notwithstanding termination of this Agreement, the Council shall remain in being for as long as necessary to carry out the liquidation of the Organization, settlement of its accounts and disposal of its assets and shall have during that period such powers and functions as may be necessary for those purposes.

Article 69

Amendment

(1) The Council may, by a distributed two-thirds majority vote, recommend an amendment of this Agreement to the Contracting Parties. The amendment shall become effective 100 days after the Secretary-General of the United Nations has received notifications of acceptance from Contracting Parties representing at least 75 percent of the exporting countries holding at least 85 percent of the votes of the exporting Members, and from Contracting Parties representing at least 75 percent of the importing countries holding at least 80 percent of the votes of the importing Members. The Council shall fix a time within which Contracting Parties shall notify the Secretary-General of the United Nations of their acceptance of the amendment. If, on expiry of such time limit, the percentage requirements for the entry into effect of the amendment have not been met, the amendment shall be considered withdrawn.

(2) Any Contracting Party which has not notified acceptance of an amendment within the period fixed by the Council, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall cease to participate in this Agreement from the date on which such amendment becomes effective.

Article 70

Supplementary and transitional provisions

(1) This Agreement shall be considered as a continuation of the International Coffee Agreement 1968 as Extended by Protocol.

(2) In order to facilitate the uninterrupted continuation of the International Coffee Agreement 1968 as Extended by Protocol:

(a) All acts by or on behalf of the Organization or any of its organs under the International Coffee Agreement 1968 as Extended by Protocol, in effect on 30 September 1976, whose terms do not provide for expiry on that date, shall remain in effect unless changed under the provisions of this Agreement;

(b) All decisions required to be taken by the Council during coffee year 1975/76 for application in coffee year 1976/77 shall be taken during the last regular session of the Council in coffee year 1975/76 and applied on a provisional basis as if this Agreement had already entered into force.

Article 71

Authentic texts of the agreement

The texts of this Agreement in the English, French, Portuguese and Spanish languages shall all all be equally authentic. The originals shall be deposited with the Secretary-General of the United Nations.

In witness whereof the undersigned having been duly authorized to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

PROTOCOLS FOR THE THIRD EXTENSION OF THE WHEAT TRADE CONVENTION AND FOOD AID CONVENTION CONSTITUTING THE INTERNATIONAL WHEAT AGREEMENT, 1971

PREAMBLE

The Conference to establish the texts of the Protocols for the third extensions of the Conventions constituting the International Wheat Agreement, 1971

Considering that the International Wheat Agreement of 1949 was revised, renewed or extended in 1953, 1956, 1959, 1962, 1965, 1966, 1967, 1968, 1971, 1974 and 1975,

Considering that the International Wheat Agreement, 1971, consisting of two separate legal instruments, the Wheat Trade Convention, 1971 and the Food Aid Convention, 1971, both of which were further extended by Protocol in 1975, will expire on 30 June 1976.

Has established the texts of Protocols for the third extension of the Wheat Trade Convention, 1971 and for the third extension of the Food Aid Convention, 1971.

PROTOCOL FOR THE THIRD EXTENSION OF THE WHEAT TRADE CONVENTION, 1971

The Governments party to this Protocol,

Considering that the Wheat Trade Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was further extended by Protocol in 1975, expires on 30 June 1976,

Have agreed as follows:

ARTICLE 1

EXTENSION, EXPIRY, AND TERMINATION OF THE CONVENTION

Subject to the provisions of Article 2 of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1978, provided that, if a new international agreement covering wheat enters into force before 30 June 1978, this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE 2

INOPERATIVE PROVISIONS OF THE CONVENTION

The following provisions of the Convention shall be deemed to be inoperative with effect from 1 July 1976:

(a) paragraph (4) of Article 19;
(b) Articles 22 to 26 inclusive;
(c) paragraph (1) of Article 27;
(d) Articles 29 to 31 inclusive.

ARTICLE 3

DEFINITION

Any reference in this Protocol to a "Government" or "Governments" shall be construed as including a reference to the European Economic Community (hereinafter referred to as "the Community"). Accordingly, any reference in this Protocol to "signature" or to the "deposit of instruments of ratification, acceptance, approval or conclusion" or "an instrument of accession" or "a declaration of provisional application" by a Government shall, in the case of the Community, be construed as including signature or declaration of provisional application on behalf of the Community by its competent authority and the deposit of the instrument required by the institutional procedures of the Community to be deposited for the conclusion of an international agreement.

ARTICLE 4

FINANCE

The initial contribution of any exporting or importing member acceding to this Protocol under paragraph (1)(b) of Article 7 thereof, shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing members for the current crop year shall not be altered.

ARTICLE 5

SIGNATURE

This Protocol shall be open for signature in Washington from 17 March 1976 until and including 7 April 1976 by Governments of countries party to the Convention as further extended by Protocol, or which are provisionally regarded as party to the Convention as further extended by Protocol, on 17 March 1976, or which are members of the United Nations, of its specialized agencies or of the International Atomic Energy Agency and are listed in Annex A or Annex B to the Convention.

ARTICLE 6

RATIFICATION, ACCEPTANCE, APPROVAL, OR CONCLUSIONS

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory Government in accordance with its respective constitutional or institutional procedures. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 18 June 1976, except that the Council may grant one or more extensions of time to any signatory Government that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE 7

ACCESSION

(1) This Protocol shall be open for accession

(a) until 18 June 1976 by the Government of any member listed in Annex A or B to the Convention as of that date, except that the Council may grant one or more extensions of time to any Government that has not deposited its instrument by that date and

(b) after 18 June 1976 by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency upon such conditions as the Council considers appropriate by not less than two-thirds of the votes cast by exporting members and two-thirds of the votes cast by importing members.

(2) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

(3) Where, for the purposes of the operation of the Convention and this Protocol, reference is made to members listed in Annex A or B to the Convention, any member the Government of which has acceded to the Convention on conditions prescribed by the Council, or to this Protocol in accordance with paragraph (1)(b) of this Article, shall be deemed to be listed in the appropriate Annex.

ARTICLE 8

PROVISIONAL APPLICATION

Any signatory Government may deposit with the Government of the United States of America a declaration of provisional application of this Protocol. Any other Government eligible to sign this Protocol or whose application for accession is approved by the Council may also deposit with the Government of the United States of America a declaration of provisional application. Any Government depositing such a declaration shall provisionaly apply this Protocol and be provisionaly regarded as a party thereto.

ARTICLE 9

ENTRY INTO FORCE

(1) This Protocol shall enter into force among those Governments which have depostied instruments of ratification, acceptance, approval, conclusion or accesions, or declarations of provisional application, in accordance with Articles 6, 7 and 8 of this Protocol by 18 June 1976, as follows:

(a) on 19 June 1976, with respect to all provisions of the Convention other than Articles 3 to 9 inclusive, and Article 21, and

(b) on 1 July 1976, with respect to Articles 3 to 9 inclusive, and articles 21 of the Convention, if such instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application have been deposited not later than 18 June 1976 on behalf of Governments representing exporting members which held at least 60 per cent of the votes set out in Annex A and representing importing members which held at least 50 per cent of the votes set out in Annex B, or would have held such votes respectively if they had been parties to the Convention on that date.

(2) The Protocol shall enter into force for any Government that deposits an instrument of ratification, acceptance, approval, conclusion or accession after 19 June 1976 in accordance with the relevant provisions of this Protocol, on the date of such deposit except that no part of it shall enter into force for such a Government until that part enters into force for other Governments under paragraph (1) or (3) of this Article.

(3) If this Protocol does not enter into force in accordance with paragraph (1) of this Article, the Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, may decide by mutual consent that it shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application.

ARTICLE 10

NOTIFICATION BY DEPOSITORY GOVERNMENT

The Government of the United States of America as the depositary Government shall notify all signatory and acceding Governments of each signature, ratification, accceptance, approval, conclusion, provisional application of, and accession to, this Protocol, as well as of each notification and notice received under Article 27 of the Convention and each declaration and notification received under Article 28 of the Convention.

ARTICLE 11

CERTIFIED COPY OF THE PROTOCOL

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE 12

RELATIONSHIP OF PREAMBLE TO PROTOCOL

This Protocol includes the Preamble to the Protocols for the third extension of the International Wheat Agreement, 1971.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall be equally authentic. The originals shall be deposited with the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party and to the Executive Secretary of the Council.

PROTOCOL FOR THE THIRD EXTENSION OF THE FOOD AID CONVENTION, 1971

The parties to this Protocol,

Considering that the Food Aid Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971, which was further extended by Protocol in 1975, expires on 30 June 1976,

Have agreed as follows:

Article I

EXTENSION, EXPIRY, AND TERMINATION OF THE PROMOTION

Subject to the provisions of Article II of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1978, provided that, if a new agreement covering food aid enters into force before 30 June 1978, this Protocol shall remain in force only until the date of entry into force of the new agreement.

Article II

INOPERATIVE PROVISIONS OF THE CONVENTION

The provisions of paragraphs (1), (2) and (3) of Article II, of paragraph (1) of Article III, and of Articles VI and XIV, inclusive, of the Convention shall be deemed to be inoperative with effect from 1 July 1976.

Article III

INTERNATIONAL FOOD AID

(1) The parties to this Protocol agree to contribute as food aid to the developing countries, wheat, coarse grains or products derived therefrom, suitable for human consumption and of an acceptable type and quality, or the cash equivalent thereof, in the minimum annual amounts specified in paragraph (2) below:

(2) The minimum annual contribution of each party to this Protocol is fixed as follows:

	Metric tons
Argentina	23,000
Australia	225,000
Canada	495,000
European Economic Community	1,287,000
Finland	14,000
Japan	225,000
Sweden	35,000
Switzerland	32,000
United States of America	1,890,000

(3) For the purpose of the operation of this Protocol, any party which has signed this Protocol pursuant to paragraph (2) of Article V thereof, or which has acceded to this Protocol pursuant to paragraph (2) or (3) of Article VII thereof, shall be deemed to be listed in paragraph (2) of Article III of this Protocol together with the minimum contribution of such party as determined in accordance with the relevant provisions of Article V or Article VII of this Protocol.

Article IV

FOOD AID COMMITTEE

There shall be established a Food Aid Committee whose membership shall consist of the parties listed in paragraph (2) of Article III of this Protocol and of those others that become parties to this Protocol. The Committee shall appoint a Chairman and a Vice-Chairman.

Article V

SIGNATURE

(1) This Protocol shall be open for signature in Washington from 17 March 1976 until and including 7 April 1976 by the Governments of Argentina, Australia, Canada, Finland, Japan, Sweden, Switzerland and the United States of America, and by the European Economic Community and its member States, provided that they sign both this Protocol and the Protocol for the third extension of the Wheat Trade Convention, 1971.

(2) This Protocol shall also be open for signature, on the same conditions, to any party to the Food Aid Convention, 1967 which is not enumerated in paragraph (1) of this Article, provided that its contribution is at least equal to that which it agreed to make in the Food Aid Convention, 1967.

Article VI

RATIFICATION, ACCEPTANCE, APPROVAL, OR CONCLUSION

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory in accordance with its constitutional or institutional procedures provided that it also ratifies, accepts, approves or concludes the Protocol for the third extension of the Wheat Trade Convention, 1971. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 18 June 1976, except that the Food Air Committee may grant one or more extensions of time to any signatory that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

Article VII

ACCESSION

(1) This Protocol shall be open for accession by any party referred to in Article V of this Protocol, provided it also accedes to the Protocol for the third extension of the Wheat Trade Convention, 1971 and provided further that in the case of any party referred to in paragraph (2) of Article V its contribution is at least equal to that which it agreed to make in the Food Aid Convention, 1967. Instruments of accession under this paragraph shall be deposited not later than 18 June 1976, except that the Food Aid Committee may grant one or more extensions of time to any party that has not deposited its instrument of accession by that date.

(2) The Food Aid Committee may approve accession to this Protocol, as a donor, by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, on such conditions as the Food Aid Committee considers appropriate, provided that the Government also accedes at the same time to the Protocol for the third extension of the Wheat Trade Convention, 1971, if not already a party to it.

(3) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

Article VIII

PROVISIONAL APPLICATION

Any party referred to in Article V of this Protocol may deposit with the Government of the United States of America a declaration of provisional application of this Protocol, provided it also deposits a declaration of provisional application of the Protocol for the third extension of the Wheat Trade Convention, 1971. Any other party whose application for accession is approved may also deposit with the Government of the United States of America a declaration of provisional application, provided that the party also deposits a declaration of provisional application of the Protocol for the third extension of the Wheat Trade Convention, 1971, unless it is already a party to that Protocol or has already deposited a declaration of provisional application of that Protocol. Any such party depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

Article IX

ENTRY INTO FORCE

(1) This Protocol shall enter into force for those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession

(a) on 19 June 1976 with respect to all provisions other than Article II of the Convention and Article III of the Protocol, and

(b) on 1 July 1976 with respect to Article II of the Convention and Article III of the Protocol

provided that all parties listed in paragraph (1) of Article V of this Protocol have deposited such instruments or a declaration of provisional application by 18 June 1976 and that the Protocol for the third extension of the Wheat Trade Convention, 1971 is in force. For any other party that deposits an instrument of ratification, acceptance, approval, conclusion or accession after the entry into force of the Protocol, this Protocol shall enter into force on the date of such deposit.

(2) If this Protocol does not enter into force in accordance with the provisions of paragraph (1) of this Article, the parties which by 19 June 1976 have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application may decide by mutual consent that it shall enter into force among those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, provided that the Protocol for the third extension of the Wheat Trade Convention, 1971 is in force, or they may take whatever other action they consider the situation requires.

Article X

NOTIFICATION BY DEPOSITARY GOVERNMENT

The Government of the United States of America as the depositary Government shall notify all signatory and acceding parties of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to this Protocol.

Article XI

CERTIFIED COPY OF THE PROTOCOL

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

Article XII

RELATIONSHIP OF PREAMBLE TO PROTOCOL

This Protocol includes the Preamble to the Protocols for the third extension of the International Wheat Agreement, 1971.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited with the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party.

The ACTING PRESIDENT pro tempore. Does the distinguished Senator from Alabama wish both of these calendar orders considered together with one vote?

Mr. SPARKMAN. Yes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered

Mr. SPARKMAN. Mr. President, I ask unaninmous consent that both treaties be considered as having passed through the various parliamentary stages up to the presentation of the resolutions of ratification thereon and that there be one vote on the two treaties to count as two votes, and that the voting time be 2 o'clock today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolutions of ratification of Executive H, 94th Congress, 2d session, and Executive I, 94th Congress, 2d session, will be read.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the International Coffee Agreement, 1976, which was open for signature at United Nations Headquarters from January 31 through July 31, 1976, and signed by the United States on February 27, 1976 (Executive H, Ninety-fourth Congress, second session).

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the Protocols for the Third Extension of the Wheat Trade Convention and Food Aid Convention constituting the International Wheat Agreement, 1971, open for signature in Washington from March 17 through April 7, 1976. (Executive I, Ninety-fourth Congress, second session.)

Mr. SPARKMAN. Mr. President, the Senate has before it today the question of giving its advice and consent to ratification of two international commodity agreements: The International Coffee Agreement—Executive H, 94–2—and the International Wheat Agreement—Executive I, 94–2. Both agreements provide for the membership by the United States in organizations to which we have belonged for some years. In the view of the Committee on Foreign Relations, neither agreement is a matter of controversy.

To take the Wheat Agreement first, since it is the simpler question, the two protocols to be accepted through one resolution of ratification merely provide for the continuation of our participation in the Wheat Trade Convention and Food Aid Convention. In the first case, the Wheat Trade Convention does not contain any provisions on maximum and minimum prices, or on purchase and supply obligations. In the second case, the U.S. contributions under the Food Aid Convention would be within the range of what the United States would be providing even without the convention.

In short, the Wheat Agreement simply provides for a 2-year extension of U.S. membership while efforts go forward to negotiate a more comprehensive international agreement.

The Coffee Agreement is somewhat more complicated in character, but it is basically also a continuation of the current situation. Again, there is no set price and no effort at indexation of prices in the agreement. Instead, it uses export quotas in times of price delines and provides incentives for exporting countries to stock coffee to cover short-term supply interruptions. There is, of course, a highly unusual situation at present because of the severe frost in Brazil, which during the past year caused a severe shortage of the commodity and a dramatic increase in its cost. It will take at least 3 years to recover fully from this drop in production.

In this last connection, the Coffee Agreement is valid for a period of 6 years, but it has a renewal clause at the end of the first 3 years. In other words, the United States and all other member countries will have the opportunity to drop out of the agreement automatically at the end of 3 years if renewal is not certified. This gives time for all members to assess the situation following a hoped-for return to the normal situation with respect to Brazilian coffee.

Finally, Mr. President, I would stress the fact that the annual cost to the United States for participation in the two agreements will amount to a few hundred thousand dollars. There is a provision for exporting countries to contribute to a promotion fund which they themselves will subsidize. And it is arguable that such a cost will be passed along to the consumers. On the other hand, it is hard to see that such a cost would go beyond something like a penny per pound. Considering the current price of a pound of coffee, it is hard to believe that consumers throughout the world will be seriously disturbed by any such development.

In sum, especially in view of the lack of controversy on these issues during the consideration by the Committee on Foreign Relations, I can recommend strongly that the Senate give its advice and consent to ratification of the agreements before us.

Mr. President, both these agreements we are now considering represent a continuation of existing agreements. They have been considered by the Foreign Relations Committee. The Foreign Relations Committee has reported both of them unanimously.

The ACTING PRESIDENT pro tempore. The question is on agreeing to Calendar No. 7, the International Coffee Agreement, 1976, and Calendar No. 8, the protocols for the third extension of the Wheat Trade Convention and Food Aid Convention constituting the International Wheat Agreement, 1971, and by previous order there will be one vote on the agreement and the protocols at 2 o'clock.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The ayes and nays were ordered.

The ACTING PRESIDENT pro tempore. At 2 o'clock, a single vote will be had on both treaties.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Senator from North Carolina (Mr. HELMS).

PRIVILEGE OF THE FLOOR—H.R. 8603

Mr. HELMS. Mr. President, I ask unanimous consent that Mr. Carl Anderson and Dick Bryan be granted privilege of the floor during consideration of H.R. 8603 and any votes thereon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of August 10, 1976, messages from the President of the United States were received on August 12, 1976, submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on August 12, 1976, are printed at the end of today's Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ESSENTIAL NATIONAL DEFENSE PROGRAMS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States:

To the Congress of the United States:

My total fiscal year 1977 Budget request for national defense, including amendments, is $114.9 billion in budget authority. This budget request is based upon a careful assessment of the international situation and of the contingencies we must be prepared to meet. The request is substantial, as it must be to provide what is necessary for our national security.

When I submitted my budget last January, I pointed out that the request might need to be increased for three reasons: (1) In the event that the Congress did not approve legislative proposals necessary to reduce spending in lower-priority areas involving manpower and related costs and sale of unneeded items from the stockpile; (2) in the shipbuilding area, where a National Security Council study then under way, could lead to an increase in the shipbuilding budget; and

(3) a possible increase later in the year depending on the progress of the SALT II negotiations and our continuing assessment of Soviet ICBM programs. Indeed, there have been changes in these areas and they have been reflected in my revised budget request.

On July 14, 1976, I approved legislation authorizing 1977 appropriations for procurement and for research and development programs. At that time I indicated that in a number of important respects the Congress has not fully faced up to the Nation's needs. First, the Congress has not approved a number of essential Defense programs. Second, the Congress has added programs and funds which are of a lower priority. Finally, the Congress has not yet acted upon certain of my legislative proposals which are necessary to restrain manpower cost growth and to achieve other economies. These three areas require remedial action by the Congress.

Therefore, today I am advising the Congress that failure to take the necessary remedial actions will result in a revised 1977 estimate for National Defense of $116.3 billion. This revised estimate reflects the following adjustments:

[In billions]	*Budget authority*
Amended budget request	$114.9
Congressional adjustments, net	−1.8
Congressional action to date	113.1
Adjustments in this message:	
(a) Resubmission of congressional authorization reductions	+2.4
(b) Deletion of programs added by Congress	−.6
(c) Congressional inaction on defense management economies	+1.4
(d) Additional recruiting requirements ($39 million)	------
Revised national defense estimate	116.3

RESUBMISSION OF CONGRESSIONAL AUTHORIZATION REDUCTIONS

I am having resubmitted authorization requests for $2.4 billion in program reductions imposed by the Congress.

Shipbuilding. Congress has not thus far authorized $1.7 billion requested for new ship programs that are needed to strengthen our maritime capabilities and assure freedom of the seas. In particular, funds have been denied for the lead ships for two essential production programs—the nuclear strike cruiser and the conventionally-powered AEGIS destroyer—and for four modern frigates. The 1977 program was proposed as the first step of a sustained effort to assure that the United States, along with our allies, can maintain maritime defense, deterrence, and freedom of the seas. Therefore, I am submitting a supplemental authorization request for 1977 to provide for these ships as well as for the research and development to upgrade U.S. ship capabilities in the near-term and to create longer-term alternatives to conventional surface forces.

Other Programs. The Congress has also failed to authorize over $900 million requested for other Defense procurement accepted due to fact-of-life program. While some of these adjustments can be accepted due to fact-of-life program developments, I must request a supplemental authorization of $759 million for programs which are urgently needed. In particular, I reaffirm the need for the following programs, and request restoration of the indicated amounts to the Authorization Act:

—$19 million for the Defense Agencies research and development appropriation, principally to provide the needed resources for the Defense Advanced Research Projects Agency.

—$20 million for civil aircraft modifications, clearly the most cost-effective option for enhancing our airlift capability. These modifications should be a part of any airlift improvement program, and the needed funds should not be denied while other airlift improvements are under consideration.

—$171 million for the Air Force research and development appropriation. Our most urgent needs here include funds for the MAVERICK missile needed to start engineering development for advanced warhead and single rail launches and advanced ICBM technology funds needed to identify the most cost-effective option for full-scale development.

—$136 million for the F-16 fighter aircraft, to provide full funding for 1977 in accordance with sound budgetary principles. Since Congress approved the full program, this cut is illusory and would serve only to complicate management and make potential foreign buyers less confident of this program.

—$122 million for the Army research and development appropriation to cover urgent programs such as the STINGER missile, where the Authorization Act would impair the development effort for an improved target-seeking technique. This effort is critical to achieving the needed improvements over the current REDEYE missile.

—$211 million for the Navy research and development appropriation to provide what is needed for several essential programs, in particular the Navy cruise missile program. The Authorization Act would prevent our moving forward at the pace needed to assure that sub and surface launch options can be operational by 1980.

—$66 million for production of the US-3A carrier delivery aircraft, necessary to replace aging aircraft and to provide the necessary numbers of aircraft with sufficient operating range to support our carrier forces. The Authorization Act does not meet our military needs, and would provide an uneconomical production rate.

—$15 million for the MK-30 mobile target, critically needed for antisubmarine warfare training.

PROGRAMS ADDED BY CONGRESS

While the Congress disapproved several programs which are essential to our national security, $1.1 billion was added to the budget request for items for which I did not request funds for 1977. Although I continue to believe that all of these programs are unnecessary at the present time, I specifically urge the Congress to delete $584 million for the following programs:

—Conversion of the cruiser *Long Beach* ($371 million) which can readily be postponed.

—Repair and modernization of the cruiser *Belknap* ($213 million) damaged in a collision, for which funds should be authorized in the Transition Quarter as I have requested.

I proposed that Congress authorize funds for repair of the *Belknap* in the current transition quarter, and delete the funds for the *Long Beach*, which is of lower priority than the conventionally powered *Aegis* destroyer and the *Strike Cruiser* which the Congress reduced. If the Congress does not act favorably upon this request, funds would have to be added on top of my revised 1977 Defense budget request.

CONGRESSIONAL INACTION ON DEFENSE MANAGEMENT ECONOMIES

My 1977 Defense budget estimates were based upon the assumption that the Congress would act favorably upon a number of specific legislative proposals, thereby achieving major economies. These savings involve pay costs and related compensation areas and sales of certain materials from the national stockpile.

In these areas alone, the budget reflected savings of $4.0 billion for FY 1977. For the five-year period FY 1977–81, my proposals would save $27 billion. Of these savings, nearly $11 billion can be realized by administrative action in revising the pay comparability process for general schedule and military personnel. I am taking the required actions. Over $16 billion of the savings are dependent upon Congressional action, however, and these are the items which I wish to address. Let me summarize these savings proposals requiring action by the Congress:

—$4.7 billion (including $276 million in FY 1977) would result from revisions in the Federal wage board pay system to provide pay rates that are truly comparable with those in the private sector.

—$1.1 billion (including $163 million in FY 1977) would result from changing pay practices in the Reserve and National Guard, modifying training and assignment policies, and transferring 44,500 Naval reservists to a different pay category. My proposals provide the levels of reserve readiness needed, and they are equitable.

—$1.7 billion (including $61 million in FY 1977) would result from holding future increases in military retired pay to changes in the cost of living, eliminating the additional increment which present law provides. I am aware that the Congress has approved this change for military retirees *contingent* upon Congressional approval of this change for civilian retirees as well.

—$1.4 billion (including $92 million in FY 1977) would result from reducing the subsidy in military commissaries on a phased basis, while still providing much lower prices than are available in commercial stores. This proposal is entirely equitable considering current levels of military compensation and other relevant factors.

—$2.6 billion (including $746 million in FY 1977) would result from sale of items from the national stockpile, which are excess to our requirements.

—$4.7 billion (including $384 million in FY 1977) would result from a number of proposals which appear to be well on their way to enactment. These include employment cutbacks, a move toward a fair-market-rental-system for military personnel, and revisions in certain payments for leave.

I am deeply concerned by the apparent intent to reject a large portion of these proposed savings, and to make up the difference by cutbacks in urgently-needed defense programs. The conference report on the first budget resolution states, in fact, that other defense cuts will be made if these proposed savings cannot be realized. This would be a totally unwarranted course of action. If Congress is unwilling to enact the necessary changes to end these unjustifiable outlays, then we must pay for these items from our pocketbooks—not by slashing our national security. We simply cannot sacrifice our national security to provide for unproductive fringe items and unwarranted levels of compensation.

Once again I urge the Congress to take the necessary actions I have proposed in order to achieve real economies in the national defense program, and not to add the new requirements now under consideration. While I am not now requesting additional appropriations for these items, I want to make it clear that if the Congress fails to take the proper action, I will request again that the additional appropriations be provided. Failure to do so would result in an unbalanced national defense program.

ADDITIONAL REQUIREMENTS

Finally, I have approved an amendment in the amount of $39 million to the 1977 Defense budget to provide additional funds for enlistment bonuses to recruit the required numbers of high school graduates for the Army. Recruiting success, particularly as measured in terms of quality, has proven to be sensitive to the level of resources available, and any significant reduction of resources reduces program effectiveness in the long run. We must reverse the recent practice of curtailing budget dollars devoted to recruiting and invest this amount as a contribution towards the relatively small additional resources necessary to maintain a successful program over the long term.

SUBMISSION OF LEGISLATIVE PROPOSALS AND APPROPRIATION REQUESTS

Proposals for authorizing legislation and appropriation requests will be submitted to the Congress as necessary to provide for these requirements. Requests covering weapons procurement, RDT&E and recruiting activities are being transmitted now. The remainder of the additional appropriation requests—principally those relating to the compensation area—will, in accordance with the normal budgetary cycle, be transmitted in January 1977. There is yet time for the Congress to act upon my restraint proposals so that this large additional January submission will not be necessary. Once again, I urge the Congress to act. If the Congress does not take the necessary action, the additional funds will be required and I will request that the Congress provide them.

In withholding my approval from the Military Construction Authorization Bill (H.R. 12384), I noted several points that are also germane here. Section 612 of that bill would impose severe restrictions and delays upon base closures or employment reductions at certain military installations. As I stated at that time, the Nation's taxpayers rightly expect the most defense possible for their tax dollars. Provisions such as Section 612 would add arbitrarily and unnecessarily to the tax burden of the American people. We must have the latitude to take actions to cut unnecessary defense spending and personnel. Congress should reenact this otherwise acceptable legislation without the objectionable base closure provision.

As I have consistently indicated, I am determined that the national security efforts of the United States shall be fully adequate. This message indicates what is necessary to ensure that adequacy. It is up to the Congress to act promptly to provide the resources to do the job.

GERALD R. FORD.

THE WHITE HOUSE, *August 23, 1976*.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President relative to national defense be referred jointly to the Committee on Appropriations, the Committee on Armed Services, and the Committee on the Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPROVAL OF BILLS

A message from the President of the United States announced that he had approved and signed the following bills:

On August 12, 1976:

S. 537. An act to improve judicial machinery by amending the requirement for a three-judge court in certain cases and for other purposes;

S. 3589. An act to designate the Federal office building located in Manchester, New Hampshire, as the "Norris Cotton Building"; and

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.

On August 13, 1976:

S. 1526. An act to make additional funds available for purposes of certain public lands in northern Minnesota, and for other purposes.

On August 14, 1976:

S. 1689. An act to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 94–388), as amended.

On August 19, 1976:

S. 2642. An act to provide for the establishment of the Ninety Six National Historic Site in the State of South Carolina, and for other purposes.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of August 10, 1976, a message from the House of Representatives was received on August 10, 1976, stating that the House agreed to the amendments of the Senate to the amendments of the House to the bill (S. 2642) to authorize the Secretary of the Interior to establish the Ninety Six and Star Fort National Historic Site in the State of South Carolina, and for other purposes.

The message also stated that the House agreed to the amendments of the Senate to the bill (H.R. 13359) to authorize loan funds for the government of the Virgin Islands, and for other purposes.

On August 11, 1976, a message from the House of Representatives stated that the House passed without amendment the bill (S. 3735) to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.

The message also stated that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14232) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes; that the House receded from its disagreement to Senate amendments Nos. 41 and 65 and concurs therein; that the House receded from its disagreement to Senate amendments Nos. 4, 8, 13, 36, and 48, and concurs therein, each with an amendment in which it requests the concurrence of the Senate; and that the House insists upon its disagreement to Senate amendment No. 68.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further stated that the Speaker had signed the following enrolled bills and joint resolutions:

S. 2642. An act to provide for the establishment of the Ninety-Six National Historic Site in the State of South Carolina, and for other purposes;

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program;

H.R. 1402. An act for the relief of John W. Hollis;

H.R. 5752. An act for the relief of Lucie Stein;

H.R. 6156. An act for the relief of Walma T. Thompson;

H.R. 7896. An act to amend sections 2734a (a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the Armed Forces, and for other purposes;

H.R. 9414. An act for the relief of TV Facts, Rochester, N.Y.

H.R. 9965. An act for the relief of Boulder Daily Camera, Boulder, Colo.;

H.R. 10374. An act to amend section 2301 of title 44, United States Code, to change the membership of the National Archives Trust Fund Board;

H.R. 12169. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such act; to provide an incentive for domestic production; to provide for electric utility rate design initiatives; to provide for energy conservation standards for new buildings; to provide for energy conservation assistance for existing buildings and industrial plants; and for other purposes;

H.R. 13359. An act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes; and

H.J. Res. 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California.

The enrolled bills and joint resolution were signed by the Acting President pro tempore (Mr. Metcalf) on August 11, 1976.

MESSAGES FROM THE HOUSE

At 1:35 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 10339) to encourage the direct marketing of agricultural commodities from farmers to consumers; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Vigorito, Mr. Poage, Mr. Bergland, Mr. Brown of California, Mr. Richmond, Mr. Findley, and Mr. Johnson of Colorado were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 10612) to reform the tax laws of the United States; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Ullman, Mr. Burke of Massachusetts, Mr. Rostenkowski, Mr. Landrum, Mr. Vanik, Mr. Schneebeli, and Mr. Conable were appointed managers of the conference on the part of the House.

The message further announced that the House has passed the bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 127), and for other purposes, in which it requests the concurrence of the Senate.

At 4:20 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11009) to provide for an independent audit of the financial condition of the government of the District of Columbia.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

Agreements Between the United States and Its NATO Allies

A confidential letter providing information required by the Department of Defense Appropriation Authorization Act, 1977, relative to four "offset" agreements between the United States and its NATO allies, signed by the Director, Defense Security Assistance Agency (with accompanying papers); to the Committee on Armed Services.

Reports of the Comptroller General

Two letters from the Comptroller General each transmitting a secret report; one describing the current capabilities, problems, and status of the Navy's F-14A/Phoenix weapon system; and one relating to a study of the research and development of high-energy lasers and their use for developing weapon systems (with accompanying reports); to the Committee on Government Operations.

Reports of the Department of Defense

A letter from the Assistant Secretary of Defense transmitting 43 secret Selected Acquisition Reports for the quarter ending June 30, 1976 (with accompanying reports); to the Committee on Armed Services.

Report of the Environmental Protection Agency

A letter from the Assistant Administrator of the Environmental Protection Agency reporting, pursuant to law, on the number of employees and grades employed by the Agency on June 30, 1975, and on June 30, 1976.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication transmitted by the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, as required by section 1310 of the Supplemental Appropriation Act of 1952, be referred jointly to the Committee on Post Office and Civil Service, and the Committee on Appropriations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Interchange of Certain Lands of the Department of the Army and the Department of Agriculture

A letter from the Secretary of the Army and the Secretary of Agriculture giving notice of the intention of the Departments to interchange certain lands (with accompanying papers).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of the Army and the Secretary of Agriculture relative to the intention of the Departments of Army and Agriculture to interchange lands, improvements and jurisdictions located at Leech Lake Reservoir Project, Minnesota, be referred jointly to the Committee on Armed Services and the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Reports of the Secretary of Defense

A letter from the Secretary of Defense transmitting two reports of violations of the Anti-Deficiency Act (with accompanying reports); to the Committee on Appropriations.

Approval of Loans by the Rural Electrification Administration

Two letters from the Administrator of the Rural Electrification Administration; one relating to the approval of an REA-insured loan to Plains Electric Generation and Transmission Cooperative, Inc., of Albuquerque, New Mexico; and one relating to the approval of a non-REA loan to Western Farmers Electric Cooperative of Anadarko, Oklahoma (with accompanying papers); to the Committee on Appropriations.

Proposed Legislation by the Secretary of Defense

A letter from the Deputy Secretary of Defense transmitting a draft of proposed legislation to authorize appropriations for construction of facilities on Guam, and for other purposes (with accompanying papers); to the Committee on Armed Services.

Proposed Legislation by the Department of the Navy

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to enable the Secretary of the Navy to change the name of a publication (with accompanying papers); to the Committee on Armed Services.

Report of the Department of the Navy

A letter from the Deputy Chief of Naval Material transmitting, pursuant to law, a report of research and development procurement actions of $50,000 and over for the period July 1, 1975, through June 30, 1976 (with an accompanying report); to the Committee on Armed Services.

Report of the Cost Accounting Standards Board

A letter from the Chairman of the Cost Accounting Standards Board transmitting, pursuant to law, the report of the Board for the year ending June 30, 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Export-Import Bank

A letter from the Chairman of the Export-Import Bank transmitting, pursuant to law, a report on loan transactions supported by Eximbank to certain Communist countries during June 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Export-Import Bank

A letter from the Chairman of the Export-Import Bank transmitting, pursuant to law, a report on the actions taken by the Bank during the quarter ended June 30, 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Securities and Exchange Commission

A letter from the Chairman of the Securities and Exchange Commission transmitting, pursuant to law, the third report of the Commission on the effect of the absence of fixed commission rates (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

International Agreements Other Than Treaties

A letter dated August 11, 1976, from the Assistant Legal Adviser for Treaty Affairs of the Department of State and a letter dated August 17, 1976, from the Acting Assistant Legal Adviser for Treaty Affairs, each transmitting copies of international agreements other than treaties (with accompanying papers); to the Committee on Foreign Relations.

NOTICE OF PROPOSED RULEMAKING BY THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a copy of a Notice of Proposed Rule Making relating to the child support program (with accompanying papers); to the Committee on Finance.

REPORT OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION

A letter from the Chairman of the Foreign Claims Settlement Commission transmitting, pursuant to law, the annual report of the Commission for the calendar year 1975 (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Acting Director of the Office of Management and Budget transmitting, pursuant to law, a report entitled "Cumulative Report on Rescissions and Deferrals, August 1976" (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Agriculture and Forestry, Commerce, Public Works, Labor and Public Welfare, Banking, Housing and Urban Affairs, Interior and Insular Affairs, Foreign Relations, Finance, the Judiciary, Armed Services, the District of Columbia, Government Operations, and Aeronautical and Space Sciences, and ordered to be printed.

DESIGNATION OF PORTUGAL AS BENEFICIARY DEVELOPING COUNTRY—(S. DOC. 94-250)

A letter from the President of the United States notifying the Senate, pursuant to law, of his intention to designate Portugal as a beneficiary developing country for purposes of the Generalized System of Preferences; to the Committee on Finance, and ordered to be printed.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

A resolution in tribute to Wright Patman adopted by the Credit Union National Association, Inc.; ordered to lie on the table.

House Concurrent Resolution No. 227 adopted by the Legislature of the State of Louisiana; to the Committee on the Budget:

"HOUSE CONCURRENT RESOLUTION NO. 227

"A concurrent resolution to memorialize the Congress of the United States to exercise fiscal responsibility in the spending policies of the federal government by adhering to a balanced federal budget

"Whereas, federal budget deficits are destroying the value of the dollar and undermining the economic future of this nation and it is predicted that fifty percent of the assets of middle class Americans will be lost to inflation within the next five years at the present rate; and

"Whereas, our national debt now approaches seven hundred billion dollars and these obligations total more than twice the total gross national products of all other nations on this globe; and

"Whereas, the finances of the federal government are actually in worse condition than those of the beleaguered city of New York, while the federal government continues to incur greater deficits, and the only reason the federal government is not bankrupt is that it can print money to cover its deficits while New York City cannot: and

"Whereas fully thirty-four of the fifty states of this nation successfully operate and render necessary services to their citizens under constitutional provisions requiring that they live within their means; and

"Whereas, National Taxpayers Union, in conjunction with legislative leaders in several states, believes that the time has come to bypass Congress and convene a convention upon application of two-thirds of the state legislatures to amend the constitution in order to require a balanced federal budget; and

"Whereas, the Legislature of Louisiana, through adoption of House Concurrent Resolution No. 269 of the 1975 Regular Session, did make application to the Congress of the United States pursuant to Article V of the Constitution of the United States to call a convention for the sole and exclusive purpose of proposing an amendment to said constitution to require a balanced federal budget, thereby joining eleven other states which had previously made similar applications; and

"Whereas, the fiscally irresponsible dependence on deficit spending by government inevitably results in financial disaster, a most recent example being afforded by the plight of New York City, which has until now only narrowly averted such financial disaster.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Legislature of Louisiana does hereby memorialize the Congress of the United States of America to exercise fiscal responsibility in the spending policies of the federal government by adhering to a balanced federal budget.

"Be it further resolved that a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States and to the members of the congressional delegation from the state of Louisiana."

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of August 10, 1976, the following reports of committees were submitted on August 20, 1976, during the adjournment of the Senate:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

H.R. 3035. An act to require the payment of interest on certain funds of the United States held on deposit in commercial banks, to provide for reimbursement of commercial banks for services performed for the United States, and for other purposes (title amendment) (together with additional views) (Rept. No. 94-1150).

H.R. 12934. An act to promote the independence and responsibility of the Federal Reserve System (together with additional views) (Rept. No. 94-1151).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, with amendments:

S. 400. A bill to establish the Frederick Law Olmsted Home and Office in Brookline, Massachusetts, as a national historic site (Rept. No. 94-1152).

S.J. Res. 139. A joint resolution to authorize the Secretary of the Interior to accept St. Paul's Church, Eastchester, and for other purposes (Rept. No. 94-1156).

H.R. 13713. An act to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park System, and for other purposes (Rept. No. 94-1158).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, without amendment:

S. 3441. A bill to authorize the Architect of the Capitol to perform certain work on and maintain the historical sections of the Congressional Cemetery for a 2-year period, and to authorize a study by the Secretary of the Interior to formulate proposals for renovation and permanent maintenance of such sections by the United States (Rept. No. 94-1154).

H.R. 10370. An act to amend the act of January 3, 1975, establishing the Canaveral National Seashore (Rept. No. 94-1157).

By Mr. GLENN, from the Committee on Interior and Insular Affairs, with amendments:

S. 3419. A bill to authorize the Secretary of the Interior to establish and operate a National Museum of Afro-American History and Culture at or near Wilberforce, Ohio (Rept. No. 94-1153).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 3681. A bill to guarantee certain obligations of the Guam Power Authority (Rept. No. 94-1155).

By Mr. MUSKIE, from the Committee on the Budget, adversely, without amendment:

S. Res. 495. A resolution waiving section 402 (A) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 10138 (together with minority views) (Rept. No. 94-1159).

EXECUTIVE REPORTS OF THE COMMITTEE ON FOREIGN RELATIONS SUBMITTED DURING ADJOURNMENT

Under authority of the order of August 10, 1976, the following reports of the Committee on Foreign Relations were submitted by Mr. SPARKMAN:

Executive H, 94th Congress, 2d session. International Coffee Agreement, 1976, which was open for signature at United Nations Headquarters from January 31 through July 31, 1976, and signed by the United States on February 27, 1976 (Exec. Rept. No. 94-30).

Executive I, 94th Congress, 2d session. Protocols for the Third Extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, open for signature in Washington from March 17 through April 7, 1976 (Exec. Rept. No. 94-31).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on August 11, 1976, he presented to the President of the United States the following enrolled bills:

S. 2642. An act to provide for the establishment of the Ninety-Six National Historic Site in the State of South Carolina, and for other purposes; and

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flue immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.

HOUSE BILL REFERRED

The bill (H.R. 13372) to amend the Wild and Scenic Rivers Act (82 Stat. 906;

16 U.S.C. 1271), and for other purposes, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BUCKLEY:

S. 3756. A bill to grant a Federal charter to the International Veteran Boxers Association. Referred to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 3757. A bill for the relief of Walter Louis Moritz Laqueur and his wife Barbara Auguste Helene Koch Laqueur. Referred to the Committee on the Judiciary.

By Mr. PEARSON:

S. 3758. A bill for the relief of Dr. Nazeeh A. O. Abdul-Hadi. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUCKLEY:

S. 3756. A bill to grant a Federal charter to the International Veteran Boxers Association. Referred to the Committee on the Judiciary.

Mr. BUCKLEY. Mr. President, I am today introducing a bill which would grant to the International Veterans Boxers Association a Federal incorporation charter. That association, which is nonprofit, nonpolitical, and nonsectarian, currently has 23 chapters—rings—located in 11 different States. The goals of the association includes the promotion of the general welfare of active and retired boxers throughout the United States, and the care of sick and disabled veteran boxers.

Currently, over 300 organizations throughout the country operate under Federal incorporation charters. The New York State Legislature has memorialized the U.S. Congress to introduce legislation to grant such a charter to the International Veteran Boxers Association; and, in view of the salutary goals of that organization, I am introducing such legislation in the hope that this request will be given full and fair consideration.

ADDITIONAL COSPONSORS

At the request of Mr. FANNIN, the Senator from Colorado (Mr. GARY HART) was added as a cosponsor of S. 3737, authorizing appropriations for certain educational programs.

AMENDMENT NO. 2155

At the request of Mr. FANNIN, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of amendment No. 2155, intended to be proposed to S. 2657, the Educational Amendments of 1976.

AMENDMENTS SUBMITTED FOR PRINTING

EDUCATION AMENDMENTS OF 1976—S. 2657

AMENDMENT NO. 2204

(Ordered to be printed and to lie on the table.)

Mr. McINTYRE submitted an amendment intended to be proposed by him to the bill (S. 2657) to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: Wilfred J. Smith, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1976 (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, August 30, 1976, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

THE NOMINATION OF ELLEN McCORMACK

Mr. BUCKLEY. Mr. President, during the Presidential campaigns of the last several months, there have been many memorable moments; but perhaps the outstanding instance of courage was the speech at the Democratic Party's national convention by James Killilea, a delegate from the State of Massachusetts. In nominating Ellen McCormack for the Presidency, Mr. Killilea powerfully expressed the concerns of millions of Americans, who are determined to legitimately use the electoral process as a peaceful, constructive means to end the tragedy of abortion.

Mr. Killilea's words were as strong as the necessity for them. And if they have been ignored in some quarters, I nonetheless share his confidence that they will be heard loud and clear this November. The Congress has discovered repeatedly during the last 3 years that the issue of abortion will not simply go away. Nor will those dedicated citizens for whom it represents the most important single moral issue of our time. In tribute to them, to Jim Killilea, and to one of the most remarkable women in American politics—Mrs. Ellen McCormack—I ask unanimous consent that Mr. Killilea's speech nominating her for the Presidency be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

NOMINATING SPEECH FOR ELLEN MCCORMACK

I rise today to nominate a mother of four children. Her name is Ellen McCormack. Although she is not a professional politician, Ellen McCormack has been running for our party's nomination because she saw several months ago what has now actually come to pass—that the Democratic Party was in danger of becoming the party of abortion.

Those who advocate abortion often admit that it take a human life but they say it does not matter because the unborn child is very small and is totally dependent on the mother. But Ellen McCormack believes that there is no human being too small or too young or too old or too handicapped or too dependent or too anything else not to count. She has a deep conviction that our society—the richest and most powerful in all history—does not need to choose between a mother and her baby. Our country has the resources to respect the dignity of every human life—if only we care enough to do so.

Tonight marks the end of her campaign. On her behalf, I would like to give a brief report to all those who helped her in the many primaries across the country.

Unfortunately, she was not successful in preventing the Democratic Party from becoming the party of abortion. To understand why this is so, I must refer to another candidate for this nomination. I will call him Mr. X because I realize that the mention of his name would allow his supporters to spend several minutes of my time for applause and I am permitted only a few minutes to speak out. Mr. X is the man who will certainly be the nominee of the Democratic Party. He is also the man who recently ordered the Democratic Platform Committee to adopt a strong pro-abortion plank. Ironically, back in Iowa, when Mr. X was but one of many candidates, he achieved his first success in the polls by persuading those who opposed abortion that he believed in their goals. It is now clear that those of us who supported Mr. X at that time were the victims of deception—deception from a candidate who looked us straight in the face and assured us he would never tell a lie.

Nobody is certain what the motives are behind Mr. X's sudden strong advocacy of the pro-abortion position. Perhaps he believes it will help him to obtain active support from the feminist movement. Whatever his motives, Mr. X has made certain that a pro-abortion stand will be not only his view but the view of the entire Democratic Party. Thus, he has disenfranchised millions of Democrats who favor the pro-life cause.

With regard to the platform, Mr. X exerted his power quickly and behind closed doors. The Democratic Party, following his command, arranged things in such a way that those who felt otherwise on abortion would have no opportunity to discuss this question on the floor of the convention. Since the delegates have not been allowed to hear any comments from those who disagree with what Mr. X has done, I would like to quote briefly from two statements that were made by prominent clergymen—one a Protestant and the other a Catholic.

Rev. Harold Brown is the Chairman of the Christian Action Council and professor of theology at Trinity Evangelical Divinity School. Like Mr. X, Rev. Brown is an Evangelical Christian. Expressing disappointment at the way in which Mr. X deceives people with his words, Rev. Brown writes—and I quote directly—

"For someone to say that he is morally opposed to abortion and then that he is against doing anything to stop the present flood of abortions is rather like Pontius Pilate's action in washing his hands at the trial of Jesus. Pilate didn't fool many people then, and this sort of thing will not fool many today. If it is true that Mr. X personally intervened to change the vote of several platform committee members to get a pro-abortion plank into the Democratic platform, then he is making it clear what he means when he says that his evangelical Christian commitment will not have an influence on his political conduct."

A Catholic reaction to the way in which Mr. X deceived people comes from the Rev. Edward O'Donnell. In an editorial in the St. Louis Review entitled "The Democrats Expel Catholics", Father O'Donnell writes as follows:

"The platform makes it official. The Democratic Party doesn't want Catholics. Oh, it will accept our votes. It will condescend to permit us to be poll-watchers and precinct captains. But as far as real power in the party goes, the Democrats have decided to revive the Nativist slogan: No Catholics need apply. They have read us out of the party.

". . . although not all pro-life people are Catholic, the vast majority of Catholics are pro-life. No matter—because it just doesn't make any difference to the Democratic Party what Catholics think . . .

"Don't look for a strong plank in the platform on busing for racial integration—it might offend blacks, or conservative whites. Don't look for strong planks in the platform on right to work laws, on the dissolution of ground-to-tank oil companies, or on the conflicting claims of environmentalists and energy producers. Such planks might offend people whom the Democrats consider important. But there is a plank on abortion. It can only offend Catholics—and who cares about them?"

Perhaps these voices are only isolated ones. Only time will tell. But it is important for those who oppose abortion to realize that, in officially becoming the party of abortion, the Democratic Party and Mr. X are not only saying something about themselves but they are saying something about us as well. They are saying that we do not care enough about this issue to protest what they have done. They are saying that a few soothing words will calm us down. They are saying that there are not enough of us to make any difference. Only if we prove them wrong on Election Day will they begin to move in the other direction.

There are those who say that it really does not matter if politicians deceive the public about their actual intentions. After all, they tell us, a skillful politician like Mr. X should be expected to do this. In their view, a politician is like a magician—both are in the business of deceiving people. The only difference is that the magician uses his hands to deceive while the politician uses his mouth.

But I do not think it is true that a politician should deceive the people. To be sure, we know it happens, but we always hope for something better. Unfortunately, for this year at least, it will be politics as usual within the Democratic Party.

Finally, as a matter of record, I think the public should be aware of an action that was recently taken by the Democratic National Committee. The Democratic Committee had previously announced that all Presidential candidates would be given access to the convention so that they could have a section on the floor where delegates could visit them. Mr. X, for example, was allowed thousands of feet of floor space. The McCormack campaign requested one small thing—enough space for a card table on which materials could be placed in case delegates were interested. The total space involved amounted to 5 feet. The Democrats responded by denying to Mrs. McCormack any space whatever, and, as a result, the card table is now set up in a hotel room a block away from the convention.

It is very hard for me to understand why the forces of Mr. X are so vengeful toward Mrs. McCormack. Mr. X has almost two thousand delegates—Mrs. McCormack has a handful. By excluding all space whatever for the McCormack campaign, it seems to me that Mr. X is like the millionaire who—not content with having a million dollars—found it necessary to take away the five dollars that was possessed by his neighbor. Even this present speech would probably have been banned had Mr. X known in advance what I would say.

To me this raises a very serious question about Mr. X. If he finds it necessary now to use his power in this way, then how will he use his power as President?

As for those of us who believe strongly in the Right to Life of every human being from the first moment of conception to the last moment of death, we have no intention of giving up. Faced with a Democratic Party and a Supreme Court that supports abortion, we say today what William Lloyd Garrison said a century ago—when faced with a Democratic Party and a Supreme Court that supported slavery.

We are in earnest; we will not equivocate; we will not excuse; we will not retreat a single inch; and we will be heard. We may be personally defeated but our principles never.

It is in this spirit that I nominate Ellen McCormack for President of the United States.

FARMERS SUBSIDIZING THE REST OF US

Mr. SYMINGTON. Mr. President, in the August issue of Today's Farmer, Mr. Fred V. Heinkel, president of the Mid-continent Farmers Association and one of America's most highly respected agricultural leaders, calls attention to the plight of American agriculture.

Commenting on a USDA pamphlet, the author reminds us that the very foundations of our high standard of living are the efficiency and productivity of the American farmer. But in reward for these economic virtues, which would assure high profits in almost any other industry, the farmer-businessman averages only $2.86 per hour for his labor, with no return on his investment. These low returns amount to a subsidy by the farmer for the rest of the country.

Mr. Heinkel believes the lack of adequate economic incentive for producers could result in the eventual destruction of our highly efficient agricultural system, which in turn would bring food scarcity and even the loss of our present living standards. He wisely calls for an improved government program to assure that the farmer's return on his labor and capital will be sufficient to guarantee that Americans will continue to "live so well."

I ask unanimous consent that this article, by one of American agriculture's most articulate spokesman, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Why Americans Live So Well

(By F. V. Heinkel)

A recently-released USDA pamphlet emphasizes one fact of which every person should be reminded:

An efficient and productive agriculture enables Americans to eat well and have enough money left over to upgrade the other elements of life-style.

Entitled "The Secret of Affluence," the 18-page booklet notes that U.S. citizens are spending only about 17 percent of their disposable income for food.

"After food needs are met, they can use the rest of their income for other things," the pamphlet explains. "They can dress better and have better homes . . . own cars . . . watch color tv . . . eat out occasionally . . . spend money for personal entertainment, give children music lessons and an opportunity to join clubs and go to college, take the family on weekend trips and vacations and enjoy life."

The USDA pamphlet fails, however, to emphasize one other factor in agriculture's contribution to American affluence. Through relatively low prices for farm products, farmers are subsidizing the life-style of consumers in this country.

That fact comes to light as you analyze the USDA summary of farm income and expense figures for 1975—which, relative to some other years, was not a bad year for farmers.

In return for providing food and fiber for himself and 56 other persons last year, the farmer got a return of just under 3.5 percent on his investment with nothing for his labor, the USDA pamphlet says. Or, to put it another way, the farmer received $2.86 per hour for his labor with no return on his investment.

Either way, it's hard to see how the farmer can stay in business.

Those figures, I remind you, come from an agency that is headed by a man who likes to tell us how well farmers are doing in the absence of a meaningful government farm program. So they must be valid.

Without pin-pointing the problem, the USDA pamphlet observes that farmers need economic incentive to produce food and do it well.

If farmers do not make money producing food, consumers will suffer eventually from food scarcity, the pamphlet warns.

My question: with such low returns, how can agricuture attract the capital and labor needed to maintain its efficiency and productivity?

This question, I submit, merits the attention of all Americans. At stake is food for the future and—as the USDA pamphlet implies—our life-style in the years ahead.

In the interest of all Americans, a way must be found to improve the returns to capital and labor involved in agriculture. In other words: To improve farm prices and farm income so that efficiency and productivity can be maintained and encouraged.

What's needed is an up-dated and improved government farm program—one that will protect farmers from price disaster, improve returns to capital and labor and provide incentives to maintain an efficient and productive agriculture.

Because the Agriculture and Consumer Protection Act of 1973 expires next year, the Congress we elect in November will have an opportunity to write the kind of farm law that's needed. And the President we elect in November will have an opportunity to provide leadership and direction.

Let's be sure they understand what's needed.

VERTICAL DIVESTITURE IN THE PETROLEUM INDUSTRY

Mr. THURMOND. Mr. President, in my years in the Senate, I cannot recall nine Government departments and agencies joining hands to so strongly oppose a bill. They have done so in the case of S. 2387.

The real energy problem facing our country in this election year is not making a "whipping boy of big oil." We have adequate antitrust laws to correct any misconduct on the part of the oil companies. Thomas E. Kauper, former Assistant Attorney General of the United States, Antitrust Division, agreed with the proponents of this bill on many provisions of S. 1284/H.R. 8532, the so-called Antitrust Improvements Act of 1976. He was cited then many times with satisfaction and approval by the proponents of S. 1284/H.R. 8532. The proponents of that bill are the same Senators who now propose to break up the oil companies with S. 2387. Thomas E. Kauper says they are wrong on S. 2387. He agrees with those of us who oppose this bill. In his testimony against S. 2387, he said in speaking of how to handle misconduct on the part of the oil companies:

> The traditional approach to these kinds of behavior abuses is to move against them directly under either the Sherman Act or the Federal Trade Commission Act. In the last ten years, for example, the Department alone has initiated 193 investigations into the petroleum industry and instituted 34 cases.

Our Nation's real energy problem is being avoided by the proponents of S. 2387. They choose to appeal to emotion rather than reason. Fortunately, most Americans are aware of the proponents' political ploy. They recognize our problem. Simply put, it is conservation of energy, finding new sources, producing energy more efficiently from old sources, and reducing insofar as is possible our reliance on foreign oil. This is the issue we need to address and solve in the Senate now. A solution would keep the industrialized economy of America on the move.

S. 2387, the vertical divestiture bill, will only paper over our real energy problem. That is all it could achieve. Few Americans are duped. They know that playing sleight of hand games with the structure of oil companies is not the answer. They know that this bill will not help us to find energy, produce it more efficiently or conserve energy. This bill has been correctly labeled by one newspaper editor in my State as a disaster design. Who will pay for the folly of the Senate should this bill pass? The American consumer will pay. The economy of our country will suffer, and the impact will be felt by hard-working Americans throughout the land.

It is nonsense to create a problem by passing S. 2387. We should move to the business of finding solutions to the one we now have.

Some editors of well-respected newspapers in my State have taken positions on S. 2387. I wish to call the attention of the Senate to their views. The first one appeared in the largest newspaper, the State. Two have been written by the editor of the Columbia Record. The Charleston Evening Post, the Greenville News, and the Orangeburg Times and Democrat have also taken positions on the oil divestiture issue. All oppose S. 2387, the vertical divestiture bill.

Mr. President, I ask unanimous consent that extracts from two of these editorials and the remaining four editorials be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Orangeburg (S.C.) Times and Democrat, Aug. 3, 1976]

Beliefs Versus Facts

Apparently most Americans are confused about the facts surrounding the oil industry in the United States. And, since Congress seems to be on its way to vote divestiture of the major oil producers, we wonder whether the congressmen and senators, themselves, have the underlying information on them.

For instance, an overwhelming majority of Amercans continue to overestimate oil industry earnings by as much as 1,100 per cent.

And most Americans mistakenly believe the largest oil company controls at least 20 per cent of the gasoline market.

Those facts were disclosed in a market research report made by one of the larger oil companies and based on a survey made which we have no reason to doubt because of the standing of the company.

Other information released in the report showed that only one in four motorists knew the average net profit was five cents per dollar of major oil company sales in 1975. Other respondents in the survey thought the average net profit was from 15 to 55 cents per dollar of sales.

A surprising 78 per cent of the balanced panel of motorists thought the nation's largest oil company, Exxon, had from two to five times more than its actual nine per cent of the retail gasoline market.

One market research director said responses to some parts of the survey questionnaire indicate that motorists understand some basic facts about the oil industry, but they continue to overestimate industry profits and underestimate competition.

"Although two of three motorists correctly cite the cost of an imported barrel of crude oil at $13 and nearly half know that a barrel contains 42 gallons, these same motorists fail to perceive that no oil company controls as much as 10 per cent of the petroleum market and that industry profits are only about five cents per sales dollar," he said.

The motorist survey consisted of a nine-part oil industry facts quiz with multiple-choice answers such as the following on "monolistic concentration" of the industry:

"Last year the largest automobile manufacturer, General Motors, accounted for 46 per cent of all cars sold in the United States. The largest oil company, Exxon, last year accounted for what per cent of gasoline sold at service stations in this country?"

Only 15 per cent of the respondents checked the correct answer of nine per cent. Fifty-six per cent answered that Exxon had 20 per cent of the market, and 22 per cent thought Exxon sold 48 per cent of all gasoline.

Nearly seven of every 10 motorists thought oil industry profits are 300 to 1,100 per cent higher than actual profits. The results are only slightly improved over a similar study in September, 1975, when 75 per cent of motorists vastly overestimated oil industry profits.

Everyone seems to jump on the oil industry, probably because of the oil crisis. But the beliefs surrounding that industry don't jibe with the facts.

[From the Columbia (S.C.) Record, Aug. 6, 1976]

Energy Silence

Let's face it: we Americans are steadily and deliberately, if not wisely, moving toward another energy crunch. We're not as energy conscious or as conservationist-inclined as we were when we lined up at the gas tanks during the Arab oil embargo.

The truth is not that we are without an energy policy, as some assert. We've got policies and policies, which aren't being wholly observed. Why? Because we don't realize the proportions of the problem we're creating.

Take petroleum. Just about everybody knows, at least vaguely, that petroleum (oil and natural gas) has been used by man for more than a century, that oil furnishes over half of the world's energy, that oil and gas supply more than three-fourths of the U.S. energy, and that by necessity petroleum must continue to furnish large portions of global energy through the rest of this century.

But federal Energy Administrator Frank Zarb knows that imports of oil, which accounted for 33 per cent of U.S. needs before the embargo, now run at the 40 per cent level and are climbing.

Consider these facts: in 1970, petroleum imports were valued at $3 billion; in 1975, after a 500 per cent increase in the price of oil, the cost flashed to $27 billion; and next year, cost of imports will be about $35 billion.

That's not all. We're using relatively less oil from friendly foreign suppliers and more from the Organization of Petroleum Exporting Countries (OPEC). The OPEC cartel provided 48 per cent of all imports in 1973, 59 per cent in 1975 and the total is rising.

In short, we're more susceptible to an embargo today than we were in 1973.

Zarb is honest. He says: "Even if there were an Arab-Israeli settlement, that doesn't guarantee oil supplies. We don't know the next issue that OPEC will use as a lever. Face it: oil is a political weapon."

Not only for OPEC. Oil is a political weapon in this land and while the major oil companies endeavor earnestly to wrestle in their fields and research labs to supply our energy needs, some politicians harrass them to death. Some want to break 'em up, foolishly and disastrously.

Conservation? What ever happened to our "policy" by which we'd help each other cut imports to six million barrels a day by 1985, or to 25 per cent of consumption, and to build a security stockpile of three billion barrels a day? We're not doing it. We're consuming energy like there's no tomorrow.

Who's concerned? The overly-maligned oil folk are. They suggest that we should use oil for transportation fuels; lubricants and petrochemicals; natural gas for domestic heating and cooking; and coal and nuclear power for large-scale industrial heating and electrical generation. They KNOW there's a tomorrow and the petroleum people know the headaches that continuous consumption without conservation will bring.

In the interim, folks, it's an election year. Nobody's really going to confront the American people with the rough facts and tell us that our gross overuse of energy directs us toward potential disaster.

Policies are present. Ideas are abundant. Facts are computerized. But priorities and tough political decisions, at national and international (as well as personal) levels must be made. However, not until after a November election. Meantime, we'll burn gas along with the touring politicians.

[From the Charleston (S.C.) Evening Post, June 17, 1976]

Breaking Oil's Back

Little is good; big is bad. This, at least, seems to be the philosophy that persuaded the U.S. Senate Judiciary Committee to approve, by an 8–7 vote Tuesday, legislation that would break up Exxon, Gulf Oil, Texaco and the other giant corporations that are the backbone of the U.S. oil industry.

The Oil Industry Vertical Divestiture Bill, S. 2387, is the work of Senate liberals who are convinced the solution to the nation's energy crisis lies in the shattering of an integrated oil industry into its component parts. Divestiture would forbid any one company from engaging in more than one of the industry's four principle activities: production, refining, transportation and marketing.

The kindest thing that can be said for this legislation is that it is consistent with other congressional initiatives to combat the energy crisis—that is, it qualifies as arrant nonsense. No evidence whatsoever has been presented to show that U.S. consumers will benefit one bit from this legislation. If signed into law, it will, in all likelihood, further diminish domestic production, increase consumer costs, and make the U.S. more dependent than ever on the whims of OPEC.

The bill will be debated on the Senate floor sometime after the July 4 congressional recess. We take note that Sen. Strom Thurmond cast one of the dissenting votes in committee, and we are confident he will continue the fight against this ruinous legislation when it is considered by the whole Senate.

[From the Greenville (S.C.) News, June 15, 1976]

Energy Chaos

Congress has played around and done little to solve or alleviate the country's energy problem, which is getting worse progressively. Bills enacted so far have been more cosmetic than substantive, and have done nothing but postpone inevitable additional price increases.

Instead of finally getting down to work on real solutions, Congress now is monkeying around with proposals to make conditions even worse. Taking off after a convenient whipping boy, "Big Oil," the Senate is considering measures to break up the 20 largest oil companies by forbidding them to continue their integrated operations.

Instead each company would have to become four firms—one to find and produce crude oil, another to refine it, a third to transport it and a fourth to market it. This sounds good because it would create 60 new companies to "compete" in the oil business. But that argument is as phoney as a $3 bill.

Divestiture or break-up of the oil companies along those lines would create not one additional producer, not a single new refiner, not one transporter, not one marketer. It would do absolutely nothing to create worthwhile competition, to increase available supplies of oil or to reduce the costs of finding, producing, refining, transporting and marketing oil.

Actually the idea, if enacted into law, would have the opposite effect. It would create additional administrative or overhead costs at each step of the process of getting oil into the hands of consumers.

It would require additional profit margins, since each of the four independent firms would have to earn profits, whereas now losses in one sector can be offset by earnings in another. These two factors would combine to raise the prices of oil products to consumers.

Worse still, the proposed break-up would weaken the oil companies and dilute their resources at a time when strength and resources are needed to finance the task of finding increasingly scarce new sources of crude oil. This includes exploration on land inside the United States, off American shores and in foreign areas. It is possible that a severe shortage of oil would occur almost immediately, once the forced break-up had taken place.

In addition, the divestiture process would severely disrupt the flow of oil from wells to consumers—at least for a fairly long period of time, as the new companies adjusted.

That adjustment would include an inevitable scramble for available supplies, meaning that competition among the producing, refining, transporting and marketing companies would be in the form of bidding against each other. That would produce a situation in which oil which now moves smoothly from wells to consumers would move to those organizations willing to pay the highest price for it at each step of the process.

All of this flies in the face of the country's real energy needs—to move toward self-sufficiency as rapidly as possible by increasing efficiency in production and conservation wherever possible and by working on new sources of energy. These needs are best served by so-called integrated oil companies.

Chances are slim that any divestiture bills will become law this year, since a presidential veto is inevitable even if Congress should be so unwise as to pass one. But it is unfortunate and disheartening that Congress is wasting a lot of time on measures like this when so much needs to be done on energy and other problems.

[From the Columbia (S.C.) State, June 13, 1976]

If Congress Splinters Oil Firms, What Next?

The issue of divestiture is not likely to be settled one way or the other by this week's congressional action, but a vote Tuesday in the Senate Judiciary Committee may well indicate whether Congress is determined to break up the nation's major oil companies.

Realistically "dismemberment" would be a more descriptive and certainly a more easily understood term for what a number of congressmen have in mind when they speak of "divestiture." They mean to enact federal laws which would splinter the big petroleum firms into a number of separate entities. No one company would be permitted to engage in exploration and production, refining, transporting, and marketing at the same time. Instead, such "vertical integration" would be prohibited.

The theory behind this movement (and we say "theory" because precious little has been presented in the way of facts upon which to base a persuasive prediction) is that divestiture would produce greater competition and thereby better serve the public.

Against the fuzziness of this argument, however, is a wealth of data which the oil industry presents in refutation of assertions that its current structure is monopolistic and anti-competitive.

Along with groups as diverse as the U.S. Department of Agriculture and the American Petroleum Institute, the Chamber of Commerce of the United States strongly opposes dismemberment. According to the U.S. Chamber, independent oil companies have increased their gasoline sales from 19 per cent of the market in 1967 to 31 per cent in 1975. The top four major oil marketers jointly enjoy only 30 per cent of sales, a figure 10 per cent below the average enjoyed by the leaders in all other manufacturing enterprises.

Out of this rancorous debate over the petroleum industry arises another worrisome question: If the Congress undertakes to break up the oil firms through government regulation, how long will it be before other industries will suffer the same fate?

For our part, we are willing to take our chances within a free enterprise system rather than have business and industry manipulated by and for political interests.

[From the Columbia S.C. Record, June 18, 1976]

"Disaster Design"

Unless the people rise up in their wrath, the Senate of the United States could succumb to a passing political prejudice and damage us all by forcibly breaking up our major oil companies. The alarm bell rang the other day when the Senate Judiciary Committee, by a narrow 8–7 vote, decided to report the vertical divestiture bill (S. 2387) to the Senate floor.

Fortunately, there's time remaining for the people to send their messages. Senator Mansfield says that debate won't be possible until after Congress returns from its July 4 recess.

Opponents of the major oil companies like Senator Birch Bayh of Indiana have constructed a bogeyman of straw. Their arguments cannot withstand even the gentlest winds of truth and topple—like straw. They want to limit major oil companies to do business in only one phase of oil operations. Companies would be federally directed to reorganize so that exploration and production, refining, transportation and the various phases of marketing are each separately owned and managed. This is called "vertical divestiture."

What's wrong with vertical integration? The free market notion is centuries old and didn't come to the oil industry by happenchance. In fact, the first of our major oil companies were not vertically integrated. Then, somebody found that by vertical integration, his company could sell its products to us (the consumers) less expensively than his competitors. So, others were forced by the economics of the open market to follow suit.

Dozens, literally dozens, of other businesses in our land are vertically integrated. And if the government can order one dismantled, it can order all.

Let us comprehend some facts. The oil industry is not dominated by a few large companies in which oil operations are concentrated and these can't control supply to drive up prices and compete unfairly.

The industry doesn't make exorbitant profits, doesn't freeze out independent competitors, doesn't withhold oil to drive prices up, doesn't control OPEC, doesn't expand unwholesomely into other industry areas like coal, and doesn't misserve the American consumer.

Vertical divestiture would force our government to explore other energy sources alone (driving up our taxes), would interrupt our supply of petroleum products for an indeterminate time, would completely disrupt short-range and long-range planning, would increase our dependence on foreign supplies, and would sharply increase your costs of energy over the long haul.

Hence, if you want to pay more for your gasoline as you drive up to the pump, go ahead—be FOR divestiture. But remember, right now you're paying less than a lot of other folk around the world. If you want to pay the Italian price, $1.72 per gallon; the Mexican, 64 cents; the Belgian $1.48; the West German $1.34; the French, $1.22; the Irish, $1.39 prices, then happily applaud the nonsensical proposition of Senator Bayh et al.

We oppose divestiture as a design for disaster involving the consumers of Carolina and the nation.

DECLARATION OF BROADCAST FREEDOMS

Mr. PROXMIRE. Mr. President, a resolution adopted by the board of directors of the National Association of Broadcasters this year sums up the reasons why this Nation's radio and television stations should have the same first amendment rights as newspapers.

When those rights are extended—as they must be—then the citizens of this country shall enjoy the full protection from governmental control of their sources of information as was intended by the writers of our Constitution.

This NAB resolution, the form of a loose paraphrase of our noble documents of self-government, recognizes the importance of sustaining our American freedoms.

Mr. President, I ask unanimous consent that the NAB's Declaration of Broadcast Freedoms be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

DECLARATION OF BROADCAST FREEDOMS

We, the broadcasters of the United States, in order to preserve and encourage a more perfect union of our country, insure the freedoms granted to us all 200 years ago, and to maintain the blessings of liberty to ourselves and our posterity, do hereby ordain and proclaim our intention to pursue, protect, and implement the rights of the electronic press under the guarantees of the freedoms granted to all Americans conceived of and inspired by our forefathers under the First Amendment of the Constitution of the United States.

A nation divided with different freedoms cannot long prevail. Our country today struggles with its freedoms in an atmosphere clouded by basic conflicts on one hand of narrow concerns for self advantage created by the pressures of those who would use government and the courts to shape society to serve their own interests, and on the other hand by the mechanisms created by our forefathers to permit a responsible press to speak freely by provoking thought, stimulating action, and protecting us all from the ongoing encroachments of government. The free press was created as a unique institution to preserve our freedoms, unique also in that it was not then, nor is it now, capable of providing access to all who would want an audience for their own special purposes.

The noble purpose of America as promulgated in the Declaration of Independence and the Constitution has been obscured and distored by the role of government according to demands of some of our citizens while compromising the very same freedoms guaranteed to them through an ever alert, vigilant, and provocative press.

While our founding fathers could not have conceived an electronic medium that would both inform and entertain an entire nation both simultaneously and independently in a system of 9000 voices throughout the country, we believe they would have, in their wisdom, understand that such a system of communications could and would be the very essence of the real diversities that further guarantee a highly informed and free society. To impose a common mold on our press by government decree would have been an anathema to the very vision and beliefs they held so dear. Indeed, it would have emulated the dangers of the very tyrannies from which they chose to escape.

We hold these truths to be self-evident, that all media are created equal, that they are endowed by our creators with certain inalienable rights, that among these are the right of free expression of content and viewpoint, the right to freely report news and information, the right with responsibility to provoke, investigate, and advocate, the right to self-integrity in serving the public interest.

But, when a long train of restraints, usurpations, creeping and overt controls further threaten to control and inhibit the principal communications of the 20th century, then it is the right and the duty of those entrusted to program and to inform our nation to petition the government to alter their systems of controls.

The people of our nation begin their second two hundred years lacking faith in their institutions and in their leaders; they live in a society of fear for their safety where they should have no fear, and indeed many even now doubt the written and electronic press created to protect their freedoms. James Madison noted "there are more instances of the abridgment of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations." Today our government has shown itself only too willing to obligate those who say "there ought to be a law" and while the broadcasting industry freely admits some may not achieve the higher aspirations of most, our democracy was founded upon the right of free expression and free enterprise in response to the public interests and taste, and these rights provided the right for human error.

Surely self-regulation is better than government control. But by what yardstick does government proclaim that 9000 broadcasters would be any less responsible with their freedoms than the 9000 newspapers whose influence becomes less as broadcasting's becomes greater? By what yardstick can the government judge the propriety of one viewpoint compared to another, one issue compared to another, or why or how controversy should or should not be treated? By what right does the government inject itself into a freethinking marketplace, to impose common molds upon all when these same 9000 offer the very opportunities for diversity which our citizens now demand?

There have been fears in our history of the power of the press. There are those now who would fear the power of broadcasters to shape issues and events. Recent history would suggest otherwise. Indeed the greatest protections from such fear is the very diversity a liberated electronic press would provide, an electronic press with built-in checks and balances through competition and regular accountability of their public trust.

Our forefathers, in their wisdom, created a system of broadcasting on one hand to permit free expression while specifically denying themselves the right of censorship over those to whom they would grant a license, and, in their wisdom, they chose to allocate a frequency so long as it was used to perform in the public interest, convenience, and necessity.

But in forty years, under pressures and challenges by a free society, our government and courts have slowly encroached upon the very essence of the safeguards created in the First Amendment. It has not been, we believe, a design of either tyranny or suppression, but the cause and effect has been and continues to be an abridgment of, and a direction towards, dangers as real and perverse as those which our forefathers courageously faced in seeking separation from their government 200 years ago. It has been said that truth is violated by falsehoods, but it is outraged by silence. Never before in our history has there been more need for a courageous and challenging press. Never before in our history has there been a greater need for journalism to seek the truth, inform the public, and help guard our mutual goals of life, liberty, and the pursuit of happiness. Daniel Webster said "God grants liberty only to those who love it and are always ready to guard and defend it," and never before has a society had such a means of communications which could so alert and enlighten its citizens.

Therefore, we, the broadcasters of these United States, do hereby resolve that we will increase our vigilance in defending our rights to stand equal to the written press, that we will ever more constantly look to our disciplines and our responsibilities, that we will work with our government to insure our public trust through the use of the airways, and that we will use every proper means to defend, on behalf of those we serve, their inalienable rights to have a free electronic press.

We take this solemn pledge knowing full well that like those few who may have failed to hold the public trust in the free press during two hundred years, there will be those in broadcasting who may also fail to hold public trust. This, we believe, is, nonetheless, in the spirit of the genius of our forefathers who visioned a free society, governed by the consent of the governed, and balanced by the assurance that a free press would protect and insure our freedoms.

(Resolution passed by The Board of Directors, National Association of Broadcasters, June 17, 1976.)

THE U.N.'S IDEA OF A FREE PRESS

Mr. THURMOND. Mr. President, recently, an editorial by William Randolph Hearst, Jr., concerning UNESCO's influence on the world press, was brought to my attention. This informative and articulate article, entitled "The U.N.'s Idea of a Free Press," appeared in the Baltimore News American on August 8, 1976. It calls our attention to the repressive and censorial effect that UNESCO, the United Nations Educational, Scientific, and Cultural Organization, is having on the free expression of ideas in newspapers throughout the world. UNESCO advocates government-operated news agencies to control the flow of information from within and from outside a country—a scheme to control the free press.

Mr. President, I ask unanimous consent that the article be printed in the RECORD so that my colleagues may have the advantage of Mr. Hearst's editorial

There being no objection, the article was ordered to be printed in the RECORD, as follows.

[From the Baltimore News American, Aug. 8, 1976]

THE U.N.'S IDEA OF A FREE PRESS

SAN SIMEON.—When radical politicians decide to control a nation by force one of the first things they do is seize or silence the free press. Lenin did it in 1917. Hitler did it in 1933. All other dictators throughout the years of both the extremes of the left and the right have done it—in fact, must do it to keep themselves in power.

Today the threat to a free press is virtually worldwide and a vast international conspiracy exists, directed by the United Nations Educational, Scientific and Cultural Organization. UNESCO is one of the leading Moscow-directed anti-democratic agencies operating out of Paris under the banner of the UN. But more about that later.

UNESCO's goal for the press: to have government-operated news agencies in each nation disseminate news from within and from outside the country. It seeks to foster this policy in all of the so-called "Third World" nations, and the frightening—yes, horrifying—truth is that it is succeeding.

We in America who understand the stark necessity for a free press and realize that we would not be free if we did not have a free flow of news and information, may not be able to comprehend what it would mean if three-fourths of the world were isolated from us by news blackout.

We are accustomed to a steady flow of news and information from all parts of the world, brought to us by The Associated Press, the giant newspaper cooperative, by United Press International, the resourceful independent American wire service, the worldwide and responsible British Reuters and the French Agence France-Presse.

It is these four independent and reliable news agencies that are the primary target of the UNESCO-inspired program of worldwide censorship. This is baldly stated in some of the papers prepared for presentation at UNESCO's conference last month in San Jose, Costa Rica, called for the purpose of forming "mass communications policies."

One such recommendation asked for legal measures—in each country, of course—to permit the arrest of correspondents from international press organizations "if their newspapers or wire services published anything critical of the country where the correspondent was stationed."

Just what does "critical of the country" mean? If some bully dictator executes a group of dissident citizens by a firing squad and a member of the foreign press reports it, he can then be arrested for writing something "critical." Clearly this is a monstrous attempt to repress the press.

The dictators of these small, emerging countries do not want UPI and AP to continue in the role they now fill, and through UNESCO they are trying to oust the tellers-of-truth from their lands. The governments alone want to tell us what is going on in their countries, and if we place little credence in what they say, so what? After all, it is their own people whom they want to keep in ignorance, not only of what goes on in their own countries, but of what transpires in the rest of the world. Thus, in effect, by controlling news in their own countries, they will be controlling news elsewhere, effectuating what is tantamount to a global news blackout.

As Americans, our attention is turned inward these days, to our all-absorbing presidential campaigns, our myriad domestic problems, our plans for the future. But we must not become so absorbed as to allow this Marxist branch of the UN to isolate us and the Western World from the rest of this ever-shrinking planet.

Even as our attention is directed to Kansas City next week when the Republican National Convention is gavelled to order, the heads of state of Third-World countries—the euphemistically-dubbed "nonaligned nations"—will meet that same day in Colombo, Sri Lanka, the former British Crown colony in the Indian Ocean that was once called Ceylon. The purpose of the meeting will be to ratify a draft constitution of the "news pool" that was approved at a similar conference in New Delhi, India, earlier. That conference was sponsored also by UNESCO, but naturally was blessed by Indira Gandhi who recently killed the free press in her country and expelled foreign journalists.

The Delhi constitution, drafted by 58 countries, would create a pool of government-controlled news agencies. They would present official versions of events in each country, and distribute this as "news" as a substitute for fare now supplied by UPI, AP and the other independent agencies.

The highest authorities of UNESCO have repeatedly claimed that it is not their intent to limit or undermine freedom of expression. After the Costa Rican conference, The Associated Press quoted the director general of UNESCO, Mahtar M'bow, of Senegal, as stating: "The UNESCO position was always very clear. UNESCO is in favor of total freedom of information."

I would say that what is clear is that UNESCO is more in favor of double-talk and propaganda.

The original directive for the UNESCO guidelines was proposed by the Soviet Union and Byelorussia in 1972. Meetings for further defining the guidelines were held in Bogota, Colombia, in 1974 and in Quito, Ecuador, in 1975.

This Marxist approach to journalism has united the small developing countries of both the radical left and the ideological right (though there are far more of the former). The reason is obvious: The leaders of these countries have great fear of the truth, and tragically, one must assume that a majority of people living in those countries are either too dumb to understand what's happening to them or just don't care.

Information from a country where the press is controlled is never to be trusted. Herewith one recent simple example. The Soviet Union has published what it considers an important work of literature and has recommended it as reading matter for the Soviet armed forces. It is called "The Basic Principles of Operational Art and Tactics," and was written by Col. Vasiliy Yefisovich Savkin.

Col. Savkin writes: "The employment of two atomic bombs also did not play a decisive role in the capitulation of imperialist Japan, since total victory over Japan was achieved as a result of the destruction of its Kwantung army by the armed forces of the Soviet Union."

That's a direct quote, friends. And it is the "truth" as it is understood in a country which controls its press. So while the happenings in Kansas City may be interesting to us, the event in Sri Lanka must be considered as having more significance for the world's future.

The word "News" is derived from the initials of the four major points of the compass—North, East, West and South. It would be a tragic word indeed, if only the people of the "W" world got the accurate message.

THE MODEL PETROLEUM INDUSTRY

Mr. PHILIP A. HART. Mr. President, in its advertising efforts the petroleum industry has been attempting to portray itself as a model with perfect, if not atavistic, competition. It would have us believe that it is composed of a large number of firms each possessing a small percentage of the market and subject to rigors of a harsh and impersonal market. In this market, there is no possibility of monopoly profit, waste, or inefficiency. Each firm must obtain its input as cheaply as possible and sell its products at a price permitting only modest survival.

Now and then, however, the proponents of this viewpoint must find themselves confronted by evidence that is difficult to reconcile with the theory. For example, several weeks ago U.S. Oilweek published an article which claimed that the leaders of the National Oil Jobbers Council—NOJC—had been jointly negotiating with the top management of several major companies. This fact by itself is somewhat surprising since collective bargaining between groups of private firms is at least questionable under the antitrust laws. But what is more remarkable is the claim that the bargaining was not simply over business questions such as price and supply contracts but involved the question of whether the Jobbers Council would give political support to the major oil companies in their battle against divestiture legislation. One might well ask what it is the major oil companies were bargaining with if they have no market power. How can they afford to give the jobbers a "deal" which will in effect buy their political support without monopoly profits. It would seem that the very existence of such bargaining indicates not only a substantial element of market power but also demonstrates in an exceptional way how that market power translates into political power. I ask unanimous consent that the Oilweek article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the U.S. Oilweek, July 12, 1976]

NOJC Poised To Oppose Divestiture

Satisfied at last that top leaders of big oil companies are becoming sympathetic to jobbers' problems, the National Oil Jobbers Council looks ready to come out against vertical divestiture this week.

In the two months since NOJC offered a tradeoff to the majors—a political stance against vertical divestiture in exchange for more security-jobber leaders have met with top executives of several major oil companies.

The meetings have been "well above the marketing vice president level," NOJC leaders say.

Nothing concrete came of the meetings—nothing NOJC leaders will talk about, anyway.

"But we've been able to solve a couple of localized problems we'd never been able to before," one leader says. "What we primarily have seen is a change in attitude."

"In some areas, we have accomplished more than we can ever tell anyone. There has been a realization of our problems by people who, two years ago, almost didn't know we existed."

Many within NOJC, with the notable exception of Union jobbers (story, p. 3), believe the majors have kept their noses clean during the last two months.

Wholesale gasoline prices have not spurted ahead sharply at holiday times, as they did last year. Refinery output has been cranking up rapidly to meet summer demand.

And no fuel oil dealers have been canceled yet in the wake of distillate decontrol, although the major could have canceled whomever they pleased.

Eighteen big oil companies apparently have told FEA in writing they intend to offer three-year contracts to regular customers after controls end, plus one-year contracts to FEA-assigned customers. FEA won't release the letters to NOJC but its officials have referred to them repeatedly in testimony.

The main thing jobbers want is long-term contracts. If the majors offered them, it would be an empty charade for NOJC to continue to take a nonposition on disvestiture.

The divestiture resolution likely to go to the floor at NOJC's board meeting in Asheville, N.C., this week emerged Thursday from the North Central region's meeting in Chicago. It calls for the "full resources" of NOJC to fight the Senate divestiture bill.

Does it matter if NOJC opposes divestiture?

Probably not in Congress—but it would smooth relations with suppliers, and hush dissent within NOJC.

Divestiture already looks like a dead duck in Congress this year. It's too late for NOJC to have much added impact.

Besides, NOJC has been on the fence so long it may have used up what clout it had.

But NOJC will find it hard to oppose divestiture at this week's Asheville meeting.

Refiners have pressured branded jobbers to swing NOJC against divestiture, saying a "nonposition" is tantamount to supporting breakup.

Many jobbers don't need refiner pressure to oppose divestiture. Vertical integration, to them, is sacred as mom's apple pie.

An anti-divestiture stance has already been taken by 22 NOJC affiliates, despite the national's lack of position.

NOJC risks tearing itself apart if it holds off again on opposing divestiture, several well-placed insiders say.

One insider thinks the move would be an empty gesture now. It might alienate Senate liberals who've befriended jobbers on other issues.

Currying favor with the Ford White House is pointless if Carter wins the election, he adds.

An official position on divestiture would strengthen NOJC's influence in the final shaping of the bill in Congress, an insider argues.

PRICE CHANGE SCOREBOARD

	Gasoline	Distillate	Date
Ashland	-----	−1.3[1]	7/6
Exxon	+1	-----	7/7
Getty	-----	+0.35[2]	7/7
Murphy	+0.5	+1.5	7/7
Union	+1	-----	7/7

[1] Northwest refining area.

[2] No. 2 diesel fuel only.

SETBACK FOR RACK PRICING

Major sections of the House's dealer day in court bill (HR 13000) are to be redrafted in sessions of the Energy and Power subcommittee in early August. Focus of most of the reworking will be on controversial Title II. Subcommittee staffers toyed with the idea of legislating rack pricing through Title II. That idea has been abandoned. Instead, staffers are leaning to a modified version of their original Title II that would impose a moratorium on refiner direct operations while the Federal Trade Commission is directed to investigate government mandated rack pricing.

SEVEN AGAINST DIVESTITURE

The evils of divestiture as seen by major oil companies were outlined in a dissenting report signed by seven of the 15 members of the Senate Judiciary Committee. Dismantling the oil industry would endanger national security, cause unemployment and strengthen the oil cartel, they warned. Divestiture would lead to higher energy costs, reduced production and "create greater dependence on insecure supplies of foreign oil," they said. The anti-divestiture group—Roman Hruska, R-Neb.; Hiram Fong, R-Haw.; Strom Thurmond, R-S.C.; William Scott, R-Va.; James Eastland, D-Miss.; John McClellan, D-Ark.; and Quentin Burdick, D-N.D. Divestiture should come to a Senate vote before Labor Day. It's given less than a 50–50 chance of passage. A House vote on divestiture isn't expected this year.

TOO MUCH PRODUCT

The following refiners told FEA they have excess product and are now free to do as they like with it. If you're looking for product, one of them may be the one to seek out. Expired surplus for the week ending July 9, 1976:

Gasoline: Agway Petroleum; Hunt Oil.

Underlifted motor gasoline: MacMillan Ring Free; Sun Oil of Pa.; Time Oil Co.; Agway Petroleum; Gulf Oil; Amoco.

Jet fuel: U.S. Oil & Refining Co.

DELAY OF NEEDED BLACK LUNG LEGISLATION

Mr. BAYH. Mr. President, the Black Lung Benefits Reform Act of 1976 has been pending in the Senate Labor Subcommittee for almost 3 months now. I understand that the chairman of the subcommittee, Mr. WILLIAMS, and my distinguished colleague and sponsor of that needed legislation, Mr. RANDOLPH, have attempted several times to mark up this bill. In every instance they have been frustrated.

I am particularly concerned, Mr. President, that the inability to mark up this legislation not only deprives miners of the needed benefits they deserve, but it represents a basic frustration of our political process. Under our process, legislative proposals referred to committee are allowed a full and fair hearing. If the committee or subcommittee does not feel the legislation is worthy, each member has the right to vote against that legislation or to amend it. Preventing this system from working through dilatory tactics is a denial of our basic political process.

I am also distressed over the lack of subcommittee action because I feel this legislation brings our coal miners much needed reform. The major thrust of this legislation is to reform entitlements for our miners and their dependents. Under the bill, if a miner was employed for 25 years or more in one or more underground or above ground coal mines, he would be presumptively entitled to benefits. Moreover, if a miner worked only part of a year, that year would be counted to determine his total for entitlement benefits as well.

However, if the location of a miner's employees has recently been changed to a mine area having a lower concentration of dust particles, or if the work were less rigorous, or if the work were changed so as to result in substantially less pay, these factors might preclude entitlement to benefits for that time period.

S. 3183 also mandates an extensive effort on the part of the Secretary of Labor to determine, in cooperation with operators and with the Secretary of Health, Education, and Welfare, and with the Secretary of the Interior, the names and addresses of their widows, children, parents, brothers, and sisters. The Secretary would inform these individuals of the possibility of their eligibility for benefits, and offer them individualized assistance in preparing their claims where it is appropriate that a claim be filed. These people would have 6 months after initial notification to file for benefits, in a similar fashion to claims filed before June 30, 1973.

Finally, a trust fund would be established in the Treasury known as the Black Lung Disability Insurance Fund. Coal mine operators would pay premiums into the fund to insure payment of benefits. The rate would be reviewed each year to insure that all benefits would be paid.

All in all, I believe this legislation was long in coming and should be enacted as expeditiously as possible. We owe these benefits to the men who gave so much, and at such a great personal sacrifice. More importantly, we owe it to our political process to give this legislation a fair hearing. I look forward to seeing the Senate Subcommittee on Labor move on this needed legislation within the very near future.

GEN. MATTHEW RIDGWAY

Mr. THURMOND. Mr. President, time has passed quickly since one of the giants of our times, Gen. Matthew Ridgway, retired from active service. Recently, I read an article which gave an account of how soldiers and former soldiers of the 82d Airborne Division welcomed their former commander to the annual convention of this great division in Cincinnati.

This article brings to mind some of the historic deeds of this patriot and soldier. General Ridgway was the senior tactical commander of our parachute and glider troops in Europe during World War II. It was he who proved the airborne concept of warfare on the battlefield for the U.S. Army. Always a leader, he parachuted into combat with his troops. Perhaps the most difficult assignment he faced occurred during the Korean war. As the newly appointed commander, it was he who snatched the 8th Army from the brink of defeat to drive the Chinese and North Korean armies from South Korea. Later, when General Ridgway became Chief of Staff of the Army, he was known and highly respected for his knowledge of his profession, love of his country, independence, and straightforwardness.

Integrity and leadership have marked this man throughout his life. Truly, he is one of the great soldiers of our time. I join the veterans of the 82d Airborne Division in saluting Gen. Matthew Bunker Ridgway.

I ask unanimous consent that the article in the Columbia Record, August 16, 1976, "General Matthew Ridgway—Old Soldier Finds Reunion Uplifting," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Columbia (S.C.) Record, Aug. 16, 1976]

GEN. MATTHEW RIDGWAY—OLD SOLDIER FINDS REUNION UPLIFTING

CINCINNATI.—The 81-year-old soldier tried to slip quietly into the banquet hall from the side, unintroduced.

But his "old troopers" had been watching for him, and when they first noticed the entrance from the wings, he quickly stood at attention and began applauding.

Immediately, 1,000 banquet guests were on their feet, cheering the old commander—Gen. Matthew Ridgway. The applause became thunderous.

"It's always an emotional and uplifting experience to come back for a gathering like this one," Ridgway said last week, gazing upon members of the Army's 82nd Airborne Division Association assembled for their 30th annual reunion.

"I don't know of any other organization with a higher degree of patriotism than the old 82nd," he added. "I commanded a lot of units, but there's none I hold closer than this one."

Ridgway, who looks more 51 than 81, commanded the 82nd paratroopers from 1942 through 1944 and dropped from the skies with leading elements over Normandy on D-Day, June 6, 1944.

"It was the greatest operation ever undertaken in military history," recalled Ridgway, who later became Army chief of staff before retiring in 1955. "It still seems exciting just to have been a part of it."

Many old-timers who chatted with the four-star general Friday never made rank beyond private.

"Rank didn't seem to make much difference in an airborne unit," Ridgway recalled. "When you jumped out of the plane it didn't matter what you had on your sleeve."

Ridgway watched his old troops present a sombre and somewhat eerie ceremony.

As a drum roll sounded, a chaplain read a casualty report for old 82nd division units.

MAN'S INHUMANITY TO MAN: A CALL FOR RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention has as its stated objective the preservation of man's most fundamental and precious right: the right to life.

History is full of countless instances of the brutal inhumanity of man to his fellow men. Examples in this century are numerous. The mass murder of almost 6 million Jews by the Nazis has been well documented. However, one of the most widely held misconceptions about Hitler's 12-year reign of terror is the belief that the Third Reich's program had as its exclusive victims Jewish people alone. How many of us are aware that during this same dozen years these same executioners murdered some 1 million Christians, most of them Eastern and Central European, as well? All civilized men condemn these acts of barbarism and mourn the victims and their families.

In the perverse Nazi lexicon, these victims were typed as "Christian subhumans." Russians, Poles, Czechs, Hungarians, and Rumanians—7 million of them—whose veins did not flow with "pure Aryan blood" were brutally eliminated.

The Senate and all people must grasp this fundamental fact: Genocide was not then and is not now an anti-Semitic problem; it is an anti-human cancer.

This horrendous policy is not merely anti-Semitic and anti-Christian: it is both anti-human and anti-American. Senate ratification of the Genocide Convention can serve as a strong proclamation to the world that this country and its citizens abhor the bloody crime of deliberate action to destroy national, racial, religious, or ethnic groups.

We have already wasted too much time and dishonored the memory of almost 13 million innocent human beings. Let the Senate now correct our grievous mistake by ratifying the Genocide Convention.

SENATOR ROBERT DOLE, VICE-PRESIDENTIAL CANDIDATE

Mr. PEARSON. Mr. President, the Republican Presidential campaign gained a great asset last Thursday. Perhaps the most valuable of Kansas' abundant natural resources is an independent, tough-mindedness. Senator ROBERT DOLE is the quintessential embodiment of that singularly Kansan quality. He will bring a new and dynamic leadership to the next Republican administration.

As another great Kansan, Alf Landon, reminded delegates to the 31st Republican Convention: BOB DOLE is not only an individual with governing experience and capability but also a man of substantial campaign ability.

This ability has led the press to describe BOB DOLE as intensely partisan. He is. It is true. He was the National Chairman of his party. He did a good job.

A measure of how well he did that job is reflected in a December 1972 newspaper column. Clark Mollenhoff, in lamenting BOB's unceremonious removal from the party's leadership position, noted that such was the fate of those who "showed an independent spirit," those who "balked at taking instructions" from the palace guard.

BOB DOLE was fired because he is the kind of partisan who counts loyalty to Republican principle above loyalty to a single Republican; because his partisanship led him to resist raids on congressional campaign resources by CREEP; because he would not suffer the party to be a pliant tool of the arrogant usurpers of party authority.

Yes, Mr. President, he is a partisan; a hard-nosed, effective, honest, human, humorous partisan. The kind that has kept this two-party democracy offering our country's voters a choice at the polls for two centuries.

"Partisan" is an accurate but incomplete description of my colleague from Kansas. He is a courageous legislator, who does not shy from the unpopular but necessary vote. He is an imaginative problem-solver who has designed a mechanism to increase employment without simultaneously increasing inflation. Sensitive to the needs of the Nation's poor, he has fought hard for liberal reform of the food stamp program. His intellectual facility for economics has gained the respect of his colleagues on the Budget and Finance Committees. As ranking minority member of the Agriculture Committee, he has repeatedly shown his readiness to work with Members from both sides of the aisle.

Mr. President, I did not rise to familiarize those in this body with a colleague they already know and respect. My intention is only to express my pride, a Kansan's pride that will soon be shared by the Nation.

A Kansan's pride in the courage and dedication that brought him through the wounds of war; and in the strength that has been demonstrated again and again in his work at peace.

It is a pride fostered over many years. During his 4 terms in the House of Representatives, I quickly recognized the stamina and vigor with which he represented a district that at one point encompassed 58 sprawling counties. Later, during our friendship in the Senate, I watched him tackle campaign reform and advance consumers' concerns. I have seen his innovative work in revenue sharing legislation and his thoughtful attention to the health needs of rural and inner-city America. BOB DOLE is a hard-working servant of the public.

And now, Mr. President, Senator DOLE is about to perform yet another service to the members of both great parties, indeed for all those who vote in November. He is going to force an uncommon clarity from what has been an uncommonly clouded Democrat campaign. Campaign promises can no longer be sanguinely vague and contradictory. BOB is going to assure that the voting citizenry knows in November what to realistically expect in January. And armed with that knowledge, I am confident that those voters will elect BOB DOLE as their Vice President.

PARENTAL RIGHTS IN MINORITY EDUCATION

Mr. BUCKLEY. Mr. President, even though the Senate, during its consideration of H.R. 10612, the Tax Reform Act, declined to approve a tax deduction for tuition paid by the parents of children in elementary and secondary schools, I am confident that this is an idea whose time has come. Thirty-seven Members of the Senate voted for this measure of fairness toward those taxpayers who bear the costs of educating their own children. On behalf of the thousands of parents and students who have written to me in support of this legislation, I want to thank those of our colleagues who gave it their support.

To those who did not do so, I would like to respectfully point out an important and perhaps eye-opening article, "Patterns of Black Excellence," by Thomas Sowell in the "Public Interest," spring, 1976. A distinguished black educator, Dr. Sowell has presented ample evidence to demonstrate that black students can perform academically on a level with their white peers—as if that obvious fact ever had to be demonstrated to anyone other than the misguided theorists who have, for the last decade, directed the education policies of the Federal Government.

Parts of Dr. Sowell's article have recently been excerpted in the newsletter of the Catholic League for Religious and Civil Rights. I ask unanimous consent that those excerpts, together with the accompanying editorial commentary from the Newsletter, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Patterns of Black Excellence

(By Thomas Sowell)

[Editor's Note: The contributions of Catholic schools to the educational success of blacks is a largely untold story. T. George Harris, editor-in-chief of *Psychology Today* wrote in the June, 1976, issue that "one of the hidden facts of ghetto education has been the black success in Catholic schools. About 10 percent of Chicago's ghetto kids now go to Catholic schools. Around the U.S. poor families, not just middle-class types, wait for months to get their children into parochial schools in ever-rising numbers.

["There's a deep irony in the situation at Catholic schools," continues Harris. "Their success rate is very high, and their cost is quite low, a fraction of the cost per pupil in public schools. The big difference comes less from the low pay to nuns, priests, and lay teachers, more from the low overhead in Church schools. They do not have the huge and growing bureaucracies that have become a sour joke in public schools. But just as their service to black people has become most obvious, many Catholic inner-city schools are being shut down for lack of money."

[Harris concludes that "nobody protests or helps. Black militants are suspicious of Catholic white ethnics. Liberals are busy busing. Congress worries over church-state tangles. Public educators are afraid of cost-benefit comparisons. Researchers are splitting hairs over the effect of different educational philosophies. [Thus,] there's nobody to save the parochial schools that are now badly needed to help meet a national need."

[Though Harris does not mention it, the U.S. Supreme Court has become the major obstacle to aiding the poor in Catholic schools. For example, in the recent *Meek* decision, the Court deprived the poorest of poor black children in Catholic schools of educational and welfare benefits "only because," as Chief Justice Burger charged, these children attend Catholic schools.

[It appears that Harris is not the only one who is sensitive to these issues. In the Spring, 1976 issue of *The Public Interest,* Thomas Sowell documented the successes of (among others) three black Catholic schools. The following is an excerpted version of Mr. Sowell's article.]

The history of the advancement of black Americans is almost a laboratory study of human achievement, for it extends back to slavery and was accomplished in the face of the strongest opposition confronting any American racial or ethnic group. Yet this mass advancement is little discussed and seldom researched, except for lionizing some individuals or compiling a record of *political* milestones.

One small, but important part of the advancement of black Americans has been educational achievement. Here, as in other areas, the pathology is well known and extensively documented, while the healthy or outstanding functioning is almost totally unknown and unstudied. Yet educational excellence has been achieved by black Americans.

Current speculative discussions of the "prerequisites" for the quality education of black children proceed as if educational excellence were only a remote possibility, to be reached by futuristic experimental methods—indeed, as if black children were a special breed who could be "reached" only on a special wave length. When quality education for black youngsters is seen, instead, as something that has *already* been achieved—that happened decades ago—then an attempt to understand the ingredients of such education can be made on the basis of that experience, rather than as a search for exotic revelations.

ATLANTA: ST. PAUL OF THE CROSS

In many ways, St. Paul of the Cross is a very different school. Its openness was the first of many contrasts [with other schools]. Records just received from a testing service were taken straight from the envelope and spread out on the table for inspection. This confidence was based on years of solid performance.

A sample of I.Q. scores for this Catholic elementary school shows them consistently at or above the national norm of 100—which is to say, significantly above the national average of about 85 for other black children. This school came to our attention as a result of an earlier research project surveying I.Q. scores. The mean I.Q. of the St. Paul student body for the years surveyed (1960–1972) ranged from 99 to 107.

PARENTS' BACKGROUND

St. Paul is located in a middle-class black suburban area of Atlanta, but its students are drawn from various parts of the city. Of all the schools in this study for which we were able to obtain the data, St. Paul has the highest proportion of white-collar and professional occupations among its students' parents. For the period 1960–1972, 40 percent of the parents were either white-collar or professional. But although St. Paul has a substantial proportion of white-collar and professional parents for a black school, it is still not predominantly middle-class, in the usual sense of having children whose parents are doctors, engineers, or professors, or are in similar occupations.

QUIET SCHOOL ATMOSPHERE

Quiet, calm, and orderliness prevail in St. Paul's modern building, even during the changing of class. Yet the students do not seem either repressed or apprehensive. There was talking during the change of classes, but no yelling or fighting. Corporal punishment is one of the disciplinary options, but it is seldom used.

Discipline is usually maintained through individual discussions between the teachers—half nuns and half laity—and the children. For example, a little boy who had spilled his soda in the hall without cleaning it up was told that the cleaning lady works hard to keep the school nice, and it was suggested that he apologize to her for making her job harder—but all this was done very gently without burdening him with guilt.

INDIVIDUALIZED INSTRUCTION

Instruction is highly individualized. Instead of the classic picture of the teacher standing in front of the class lecturing, the more usual scene in the classroom at St. Paul was a teacher very much engaged with an individual student or small group, while the other members of the class worked intently on their respective assignments.

The child's self-confidence is built up in subtle ways. However, there was no single teaching method or formula imposed from above. The usual bureaucratic paperwork was absent at St. Paul. Records were well kept and complete, but not cluttered with trivia. Administrators had time to circulate through the school and get to know the students, rather than being stuck at their desks behind piles of paper. Morale is high enough to attract lay teachers at lower salaries than they receive elsewhere.

NON-CATHOLIC STUDENTS PREDOMINATE

The children are encouraged to take pride in their black heritage, but the curriculum is heavily oriented toward the basics of education—especially reading. There is also religious instruction, but the student body is about 70 percent *non-Catholic*, though it was initially predominantly Catholic. Black non-Catholic students in Catholic schools are common in cities around the country, as black parents seek the education, the discipline, and the sheer physical safety which the public schools often cannot offer. The tuition is . . . $450 per year for the non-Catholics and $360 for Catholics and the school runs a deficit, which is made up from general church funds.

St. Paul has one problem: Some parents think that the school is *too* intellectually challenging for their children. Interestingly, this view is more common among those parents who are public school teachers.

NEW ORLEANS: ST. AUGUSTINE HIGH SCHOOL

St. Augustine High School is a school for boys founded in 1951 by the Josephite Fathers. Its first principal was a young priest, Father Matthew O'Rourke, with neither experience nor training in education.

The school was neither wedded to tradition nor seeking to be in the vanguard of "innovation." It did whatever worked educationally, and abandoned what did not. The wide range of student preparation led to ability-grouping, and to the jettisoning of the traditional English courses for the least prepared students in favor of an emphasis on reading, at virtually any cost. *Time* magazine was found to be an effective vocabulary tool for many students, and hundreds of St. Augustine students subscribed, at the urging of their teachers. A special summer course featured speed reading; with assignments of a novel per week, including reports.

IMPRESSIVE STUDENT ACHIEVEMENT

The teachers' inexperience and lack of familiarity with educational fashions paid off handsomely. The first Southern Negro student to win a National Merit Scholarship came from St. Augustine. So did the first Presidential Scholar of any race from the state of Louisiana in 1964, and 10 years later, St. Augustine had produced 20 percent of all the Presidential Scholars in the history of the state.

In the National Achievement Scholarship program for black students, St. Augustine has produced more finalists and semifinalists than any other school in the nation. In 1964—*before* the big college drive to enroll black students—St. Augustine's students won more than $100,000 in college scholarship money. This is all the more remarkable since the total enrollment is less than 700.

The pattern of I.Q. scores over time at St. Augustine shows a generally upward movement, beginning at a level very similar to the average for black students and reaching a level at or above that for the United States population as a whole. In its early years, St. Augustine had mean I.Q.'s as low as 86; but during the period from 1964 through 1972, I.Q.'s were just over 100 for every year except one.

TEACHING TRADITIONAL

Teaching methods at St. Augustine are traditional, and both its academic and behavioral standards are strict. Students must wear "a dress shirt with a collar," and the shirttail "must be worn inside the trousers at all times." The general atmosphere at St. Augustine is relaxed, but serious. Its halls are quiet and its students are attentive and engrossed in what they are doing, as are the teachers.

Yet it is not a wholly bookish place. Its athletic teams have won many local championships in football, basketball, and baseball. At lunch time, the students were as noisy as any other high school students, and the boys in the lunch room were visibly appreciative of a shapely young woman who was part of our research team. One of the real accomplishments of St. Augustine has been to give education a masculine image so that black youths need not consider intellectual activity as "sissy."

PARENTS NOT MIDDLE-CLASS

The achievements of St. Augustine cannot be explained by the usual phrase of dismissal, "middleclass." Although it is a private school, its modest tuition ($645 per year) does not require affluence, and about 15 percent of the students pay no tuition at all, while others pay reduced tuition because of their parents' low income. The school runs a chronic deficit, despite the low pay scale for those teachers who are clergy.

Our statistical tabulation of parents' occupations covers only the years from 1951 to 1957, but in each year during that span more than half of the known parental occupations were in the "unskilled and semi-skilled" category, and the parents with professional or white-collar jobs added up to less than one tenth as many.

While the students are seldom from the lowest poverty level, there is only occasionally the son of a doctor. Many come from families where the father is a bricklayer, carpenter, or other artisan, and has only a modest educational background. They are not middle-class in income, career security, culture, or lifestyle.

NEW ORLEANS: XAVIER PREP

Xavier Prep is an all-girl Catholic school run by the Sisters of the Blessed Sacrament. It was founded in 1915, and was coeducational until 1970. It had 18 graduating seniors in 1918, and the enrollment increased to about 500 in 1940. It has about 350 students today, after the male students were phased out in the 1960's.

Even when it was coeducational, it had more female than male students. One of the reasons for the difficulty of maintaining a masculine image for education among black youths is that, throughout the country and down through the years, Negro girls have out-performed Negro boys by a wide margin on grades, tests, and virtually every measure of intellectual ability. Studies of high I.Q. black students have consistently found the girls outnumbering the boys, by from two-to-one to more than five-to-one.

STUDENTS COLLEGE BOUND

Over 90 percent of the graduates of Xavier Prep go on to college. Until the 1960's, almost all went to Xavier University in New Orleans, run by the same order of nuns. Today about 60 percent of the graduates go to either Xavier University, Loyola, or Tulane—all in New Orleans—even though their academic preparation would make them eligible for many other colleges and universities in other parts of the country.

In the earliest years of Xavier Prep, many of the students were from Creole backgrounds. But today the colors and conditions of the students represent a cross section of black America. Over the years, about 40 to 50 percent of the students have come from low-income families, many entering with serious educational deficiencies, requiring remedial work. More than 60 percent of its students are eligible for the free lunch program. While Xavier is a private school, its tuition is only $35 a month.

AGAIN, NOT MIDDLE-CLASS

Our statistical tabulation of parental occupation shows that from one half to four fifths of the parents' occupations have been in the "unskilled or semi-skilled" category, in the period from 1949 to 1972 for which we have data. Parents in professional or white-collar occupations put together added up to only seven percent of the total during that same span. The principal, Sister Anne Louise Bechtold, recalls "one dentist" this year and "one lawyer last year" among the parents, but no engineers or college professors, and a small percentage of public school teachers—and otherwise parents of very modest socioeconomic backgrounds, with some of the mothers being domestics or store clerks and the fathers in smiliar occupations.

Unlike middle-class parents, the parents of Xavier students tend to be very cautious about their input into the school—even when invited and encouraged to participate. They seek discipline and an emphasis on basic education, and seem particularly pleased when their children's teachers are nuns.

REMEDIAL WORK EMPHASIZED

Classes at Xavier Prep in the past tended to be large (35–40 students), but since boys were phased out in the mid-1960's, classes have been reduced to about 25 to 30 students. These students are "tracked" by academic ability. The less prepared students are given intensive and imaginative remedial work.

Nuns and lay teachers are about equally represented on its faculty, and it principal is a nun. It is a quiet, low-key place where the changing of classes produces swarms of black teenagers in the halls but little noise. The classes in session have students and teachers absorbed in mutual endeavor, but with a certain relaxed geniality. Discussions with Xavier teachers indicate that they put much thought and work, on their own time, into the preparation of their classes.

Although subject to the guidance of superiors both inside and outside the school, the teachers seem to have more scope for personal initiative than do public school teachers. Among alumni of the school, their teachers' personal interest in them is a factor often cited as having given them the inspiration and self-confidence that came before the educational achievements themselves.

OBSERVATIONS AND CONCLUSIONS

Contrary to current fashions, it has not been necessary (or usual) to have a special method of teaching to "teach" black children in order to have high-quality education. Teaching methods used in the schools studied here have varied enormously from school to school, and even in particular schools the variation from teacher to teacher has been so great as to defy general characterization.

Everything from religious principles to corporal punishment has been used to maintain order. The buildings have ranged from the most dilapidated wrecks to a sparkling plate-glass palace. The teachers and principals have been black and white, religious and secular, authoritarian and gentle, community leaders and visitors from another social world. Their only common denominators have been dedication to education, commitment to the children, and faith in what it was possible to achieve.

FOUNDATION NEGATIVE

Perhaps the most disturbing aspect of contemporary education is the extent to which the very process of testing ideas and procedures by their actual *results* has been superseded by a process of testing them by their consonance with existing *preconceptions* about education and society. Father Grant, even after his remarkable success as principal of St. Augustine, found no receptivity at the Ford Foundation either to his appeals for money for the school or to his ideas about education. He was out of step with the rhetoric of his time and did not use the "innovative" methods that were preconceived to be necessary or beneficial to black students.

Xavier Prep, even after more than half a century of demonstrable results, is still looking for a modest sum of money to improve its library, but libraries are not "exciting" or "imaginative"—as "black English" or "black studies" are.

[*Addendum:* Some state legislatures have made efforts to give poor black parents a choice of schools, including Catholic schools. New York, for example, passed a law giving poor black, Hispanic and white parents grants to pay tuition in private scools—a kind of GI Bill or voucher plan for poor parents.

[But the Supreme Court ruled in *Nyquist* (1973) that poor parents were not entitled to a choice of schools because the tuition grants New York gave them were an "incentive" to send their children to Catholic schools—like St. Paul, St. Augustine and Xavier—and that giving such an "incentive" violated the Establishment Clause of the First Amendment. In other words, the Court said that poor parents, unlike better-situated parents, have no right to choose an education with values different from those inculcated in the public schools because poor parents "predominantly" choose Catholic schools. That choice, the Court ruled, it would not approve.

[Thus, quality education of most poor black, Hispanic and white children is sacrificed by a Supreme Court that is hostile to poor parents—including Protestants—who (given a state grant) choose to send their children to Catholic schools.

[Clearly, until the Supreme Court stops its campaign to force poor parents to subject their children to the inculcation of the moral, religious, educational and behavioral values espoused by state schools, the vast majority of black, Hispanic and white poor parents will never enjoy the fundamental constitutional right to send their children to schools like St. Paul, St. Augustine and Xavier Prep. They will continue to suffer the denial of this right because, as Chief Justice Burger said in *Meek*, they exercise their religious freedom rights in the choice of Catholic schools.]

1975–76 ENROLLMENT BY ETHNIC GROUPS IN CATHOLIC SCHOOLS SERVING INNER-CITY AREAS OF LARGER METRO DISTRICTS

Metropolitan area	Schools	Students	Minority groups								Non-Catholics	
			Blacks		Spanish-surname		Others		Total			
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percen
1. New York City	121	57,860	6,365	11.0	16,201	28.0	1,157	2.0	23,723	41.0	2,314	4.0
2. Brooklyn	81	43,000	8,170	19.0	10,320	24.0	430	1.0	18,920	44.0	860	2.0
3. New Orleans	69	32,109	11,238	35.0	963	3.0			12,201	38.0	6,743	21.0
4. Chicago	82	25,942	14,268	55.0	5,967	23.0	1,038	4.0	21,273	82.0	10,117	39.0
5. Philadelphia	53	22,144	9,300	42.0	664	3.0	221	1.0	10,185	46.0	2,214	10.0
6. Boston	46	20,609	1,649	8.0	824	4.0	206	1.0	2,679	13.0	618	3.0
7. San Francisco	50	19,326	1,739	9.0	3,672	19.0	2,899	15.0	8,310	43.0	2,899	15.0
8. Cleveland	56	16,223	2,596	16.0	487	3.0	162	1.0	3,245	20.0	2,109	13.0
9. Los Angeles	75	14,838	1,335	9.0	3,858	26.0	148	1.0	5,341	36.0	297	2.0
10. Washington, D.C	33	10,608	6,895	65.0	530	5.0			7,425	70.0	2,758	26.0
Total	666	248,057	63,555	25.7	43,486	17.5	6,261	2.5	113,302	45.7	30,929	12.5

Source: Data compiled from diocesan questionnaire by Rev. Msgr. Edward F. Spiers, Catholic University of America, February 1976.

GROWTH IN THE OZARKS

Mr. BUMPERS. Mr. President, in recent years the Ozark region in northwestern Arkansas and southwestern Missouri has been one of the fastest growing rural areas in the United States. The reconciliation of growth policy with the existing folkways of the area was the subject of a conference held by the U.S. Community Services Administration's Office of Human Concern in Eureka Springs, Ark. The conference was organized by Mr. Ed Jeffords, a new resident in the area. Mr. Jeffords' views on development of rural areas were included in a recent article in the National Observer, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GROWING PAINS IN OZARKS—AS FORMER CITY FOLK ARRIVE, RURAL AREAS TAKE STOCK

For more than 100 years this Ozark Mountain village has boasted that it's good for what ails you. In the last century its mineral waters built a reputation for soothing the body's aches and pains, and the village became a well-known health spa. Today its clean air, green lushness, twisting and mountainous streets, Victorian aura, and remoteness from skyscrapers, asphalt, and the suburban squeeze offer spiritual relief.

But, like a quick-acting aspirin, the relief may be only temporary. It was just a year ago that this isolated chunk of northwestern Arkansas and southwestern Missouri was identified as one of the nation's fastest-growing rural areas. In the 12 months, enough problems have surfaced to force the new migrants to begin taking a look at what they've done.

"NOT A FAD"

A few of them did just that at a Conference on Ozark In-Migration here recently. It may be the forerunner of similar conferences in far-off corners of the nation. The view that emerged may be a lesson for the nation's half-dozen or so other rural areas that are finding themselves awash with former city folks—retirees, youthful back-to-the-landers, leisure seekers, and fast-buck operators.

These other areas include: northern Michigan and its Upper Peninsula along with northern Wisconsin and northwestern Minnesota; the southern Appalachian area of southeastern Kentucky and southern West Virginia; the Rocky Mountains from New Mexico to the Montana and Idaho borders with Canada; northern New England; the central hill country of Texas; and the old Gold Rush areas of northern California.

Says Calvin L. Beale, a U.S. Department of Agriculture demographer who first spotted this back-to-the-country move, "It's difficult for people to accept this as permanent—that it's not some massive fad or aberration." Growth in the boondocks is approaching—and even surpassing—3 per cent a year, he says. This is more than four times the national growth rate. Here in the Ozarks the growth rate is an astonishing 5.5 per cent a year.

People are overwhelming housing, schools, jobs, roads, and the delivery of essential health and welfare services. Says Beale, who favors a slowdown in growth: "They're suffering from too much of a good thing in too short a time. No one really understood what the effects of large numbers of retired people would have on an area such as the Ozarks." Nor, he adds, "could one foresee the youth and environmental revolutions" that have ignited this back-to-the-land movement. Add to this the boom in recreation and leisure homes and you have Ozark hills and hollows chock full of people.

Beale notes that the population in the 21-county area of the Arkansas Ozarks increased 17.8 per cent between 1970 and 1975. The nation's growth during this same period was only about 4 per cent. Beale believes there is no way an area can cope with a 3 per cent annual growth rate without Government assistance and executive planning.

That's one reason the U.S. Community Services Administration's Office of Human Concern brought together here about 150 Federal, state, and local officials, and local residents (old and new) to call attention to what some of them see as crippling growth.

LEARNING TO ADAPT

Ed Jeffords, a 30-year-old dropout from main-stream society who organized this conference, pinpoints the difficulty: "Most people seem to want the economic benefits, services, and conveniences afforded by growth, but they don't want the problems that accompany it."

This is generally true, says Jeffords, of both the native Ozarkers and the recent arrivals. "The difference is that the new migrants, particularly the young, are accustomed to dealing with information and technology," he says. "They are learning to adapt the old ways to the new—they plant by the signs, never whittle toward themselves, never spit toward the wind, and heat their homes with solar panels. They are, for the most part, exponents of alternative energy sources, low-impact technology, intensive organic gardening, self-sufficiency, and environmental protection. They value their personal independence, they pride themselves on their resourcefulness, and in the best conservative tradition, they resist that sort of change that would see the mountains bulldozed into oblivion."

The example they cite is a proposed corridor expressway linking Kansas City and New Orleans that would slice through a corner of the Ozarks.

For some of the have-nots, the opening up of such a highway would mean economic progress to the area and is a good thing. Kevin Blanton, a school librarian in Bentonville, points out that the Ozarks are still poor and that the people who have fought poverty for two generations deserve the benefits that economic growth would bring.

That is one clash of values. Another is the conservative religious heritage, hardly shared by the youthful free spirits building their homes and tepees in the woods.

INHERENT CONSERVATISM

Thus one of the sharpest divisions is between the natives who finally see a "piece of the pie" coming their way and the new migrants who see growth as bringing all the things for which they fled Chicago, Los Angeles, Seattle, Miami, New York, and New Orleans.

Still, there are signs the two cultures may be able to work out their differences. Says Jeffords: "Traditionally independent, conservative, the region attracts like-minded migrants. While values and definitions are in a state of flux throughout the nation, many retirees and others come here specifically because of the region's inherent conservatism."

Adds Jeffords: "And it's not just the Midwestern retirees who profess that conservatism. It is, paradoxically, shared by many of the younger migrants, who, a few years back, would have been labeled radical. In fact, the entire rural migration I view as basically conservative, in that it appears to derive from people's need for stability, security, and simplicity in an increasingly complex and changing world." He calls the young back-to-the-landers the "vanguard of a new ruralism." Another way to look at it is the "urbanization" of America, he says.

Jeffords and his boss, William Brown, deputy director of the Office of Human Concern for a three-county area in the Ozarks, are pioneering co-operative ventures that may be models for rural areas elsewhere. Among them are community canneries, co-operative marketing, a return of the Grange, and a skills inventory that will enable neighbor to use neighbor to get jobs done.

THREE SMALL CANNERIES

Shortly, for example, there will be a small cannery each in Carroll, Benton, and Madison counties that will enable mountaineers to bring in their homegrown produce and can it themselves in half the time it would take at home.

Each unit costing $7,000 can serve from 50 to 200 families. They are produced by the Ball Corp. of Muncie, Ind., and are sold at discount to non-profit groups such as the Ozark Office of Human Concern.

By harvest season, Brown says, he expects

500 families of widely divergent backgrounds to be involved in the canning and marketing operations: "They'll be working side by side, sharing thoughts and values, and saving money by doing it yourself.

"We are establishing a sense of community here," says Brown. "We are learning co-operation. This is one of the things we have missed in our Twentieth Century life. It may be irony that we are discovering it here in the Ozarks."

CONFERENCE REPORT ON H.R. 14232 LABOR-HEW APPROPRIATION BILL

Mr. BAYH. Mr. President, in a few days the Senate will decide whether or not to accept the conference report on H.R. 14232, the Labor-HEW appropriations bill for fiscal 1977.

The House areed to the conference report on August 10, and also agreed to insist upon disagreement on amendment No. 68. This amendment, included in the House bill, provides that no funds shall be used "to pay for abortions or to promote or encourage abortions." The Senate bill entirely deletes this language. I strongly and vigorously support the Senate position on this issue.

Mr. President, although I disagree with the House on the important matter of amendment No. 68, I wish to compliment both the House and Senate Appropriations Committees on their actions on this bill—and particularly Representative FLOOD and Senator MAGNUSON, chairmen of the Labor-HEW Appropriations Subcommittees.

This is a huge and complex bill. It appropriates more than $56 billion for the fiscal year which begins on October 1. As my colleagues are well aware, the appropriations contained in this bill are for health research and health delivery; for immunization, rat control, and lead-based paint programs; for elementary and secondary education assistance, including specialized programs such as environmental, drug abuse and bilingual education; for handicapped, occupational, and adult education; for library assistance; for public assistance, child welfare, and rehabilitation services and facilities; for the Department of Labor and the Community Services Administration; for related agencies such as ACTION, the Corporation for Public Broadcasting, the National Labor Relations Board; for special institutions such as Gallaudet College and the American Printing House for the Blind.

It is very much to the credit of the leadership of both Houses, and to the chairman of the Appropriations Committees and subcommittees, that this bill is before us at such an early stage. Its speedy enactment will allow agency and department heads, and project administrators at the Federal, State, and local level to plan efficiently for the coming year.

Yet, Mr. President, the threat of a veto looms over this bill. Criticism has already been heard because the conference figure is $4 billion over the administration budget request. But I must repeat a comment I have made before—the budget request is not a magic figure.

Each and every appropriation which this Congress makes should be analyzed, first, in terms of its merits, and second, in terms of overall spending policy. In this context, it should hardly be necessary for me to note that each Labor-HEW Subcommittee conducted many days of hearings. In the Senate, for example, the hearing record of the Labor-HEW Subcommittee fills eight thick volumes. Markup at the subcommittee and full committee stage consumed several days. The Senate subcommittee considered more than 200 amendments. Additional amendments were debated in the full committee and on the floor. The House-Senate conference lasted a full week; there were 76 amendments in disagreement.

With respect to overall budgetary constraints, it is important to note that this bill is well within the targets of the first budget resolution passed by this Congress in May. I repeat, then, that the budget request is not a magic figure. It does not remove from the Congress either the right or the obligation to scrutinize the adequacy of recommended appropriations.

The President's budget request for Labor-HEW totaled about $52.618 billion for fiscal 1977—less than $1 billion more than the comparable appropriation for fiscal 1976. Now I do not believe that "more is always better." But I do believe that when inflation is running at a rate of 6 percent for the past year, I want to be presented with solid justifications for accepting a budget request that amounts, in terms of real spending power, to a cutback compared to the previous year. The administration has failed to convince me—and the majority of my colleagues in both Houses—that good reason exists for such a cutback.

Mr. President, the Labor-HEW appropriations bill has often been referred to as a "peoples bill" because it provides funds for so many humanitarian purposes. While it is true that this appropriations bill supports many programs representative of the compassionate instincts of our country for the disadvantaged, the sick, the undereducated, the handicapped—it is equally true that most of these programs are extremely cost effective. To put it bluntly: a dollar which is spent today teaching children to read, or preventing illness or disability, or training people for jobs, means the saving of many more taxpayers' dollars tomorrow in the payment of welfare costs or unemployment benefits.

One example of this cost effectiveness is research carried on at the National Eye Institute. Ninety-four million Americans are afflicted by eye disease in varying degrees; 10 million Americans—or 1 out of 20—suffer from uncorrectable visual impairment. One-half million of these are functionally blind; and one-half million are so severely impaired that they cannot read a newspaper even with glasses.

Blindness costs Americans billions of dollars each year. One billion dollars of income is lost annually due to blindness; another $500 million is spent by public welfare agencies for services to the blind. It has been estimated that visual problems cost this country a total of $5.2 billion annually.

The fiscal 1976 appropriation for the Eye Institute was $50 million. For fiscal 1977, the President requested a cutback to $46.9 million. Fortunately, both Houses of Congress rejected that request, and the conference report recommends a funding level of $64 million. This appropriation—and the benefits which flow from it in the prevention and treatment of vision defects—is a mere drop in the bucket compared to the lost income and public costs incurred by vision impairment.

I want to take note of several other items in this bill of particular interest to me. One of these is the appropriotion for family planning. From fiscal 1973 through 1976, the funding level for family planning project grants remained at $94.5 million. This year, I recommended full funding of $122.6 million for the program, and this level was included in the Senate bill. Unfortunately, the conference produced a compromise figure of $113.6 million.

The importance of this item is underscored by the controversy surrounding amendment No. 68, and by the veto threat. Regardless of one's stand on the abortion issue, I think we can all agree that family planning is preferable to abortion for preventing the birth of unwanted children—and statistics indicate that 20 to 25 percent of all births are unplanned or unwanted at the time of conception.

With respect to the budgetary impact, it is important to point out that every dollar invested in family planning services in 1 year results in a $2 saving during the next year in maternal costs, infant care, and public assistance. Considering the fact that, out of approximately 10 million women in need of subsidized family planning service, nearly 3½ million women of low and marginal income remain unserved, I can think of few more cost-effective expenditures of Federal funds.

This bill contains some $51 million for the newly authorized National Health Promotion and Disease Prevention Act of 1976. This important piece of legislation provides for the immunization of children against diseases such as measles, rubella, mumps, diphtheria, and whooping cough, and for control of venereal disease, rat-borne diseases and lead-based paint poisoning. What could be more cost effective, and more humane, than administering shots to children—shots which range in cost from $0.065 for diphtheria—tetanus—pertussis, $0.71 for measles, $0.60 for rubella, $2.02 for mumps—to prevent a recurrence of epidemics which cripple and even kill. And we are not talking about simple childhood diseases which only cause discomfort. For example, rubella—or german measles—if passed from a child to a pregnant woman can cause terrible deformities in the unborn child.

There is a relatively small item in this bill which deserves mention: $9 million for hypertension formula grants. Together with other members of the Labor-HEW Appropriations Subcommittee, I pressed for a full appropriation of $15 million for this item in the Senate bill—which finally provided $10 million.

Hypertension strikes 23 million Americans—14 percent of the population. Some 29 percent of Americans who have high blood pressure don't know it. Undetected and untreated, hypertension is responsible for at least 200,000 deaths each year; it frequently leads to stroke, heart attack, heart failure and kidney failure.

In the past few years, clinical and educative programs of the National Heart, Lung and Blood Institute have made great progress in the field of hypertension control. For example, the proportion of Americans who have hypertension, but are unware of it, has declined from 50 to 29 percent since 1971. Even more impressive is the fact that, between 1973 and 1975, the death rate from hypertension alone declined by 21 percent.

The appropriation provided in this bill for hypertension formula grant moneys will enable the States to bring treatment services to millions of people who cannot now afford them. The result will be the saving of many lives, of much suffering, and a tremendous addition to our human—and consequently, economic resources.

Mr. President, there are many excellent items in this bill in addition to those I have mentioned. Many difficult decisions were made by members of the Appropriations Committee and the Conference. I want to complement the Committee staff for their most able assistance at every stage.

I shall vote to accept the conference report on H.R. 14232, and shall vote to insist on the Senate position on amendment No. 68.

ON THE EIGHTH ANNIVERSARY OF THE SOVIET INVASION OF CZECHOSLOVAKIA

Mr. BUCKLEY. Mr. President, 8 years ago, on August 21, 1968, the Soviet Union committed an atrocity against freedom. Its troops stormed into the Republic of Czechoslovakia, ending that country's brief reassertion of its independence. While the world watched in horror, Leonid Brezhnev's armored legions desecrated the streets of Prague with their presence. It was a ruthless performance worthy of Joseph Stalin himself.

There was a time when American officials could offer to the Czechoslovak people strong words of sympathy and support in their silent determination to regain their national independence. But this year, those words do not come easily. Not after Vietnam, after Cambodia, after Laos. Not after the conquest of Angola by Marxists and the transformation of Mozambique into a totalitarian state.

And yet, this is not the time to be discouraged; for, as the Czechoslovak people know, history has a momentum of its own. The millions of persons in Eastern Europe and in this country who hope for a new dawn of freedom in Czechoslovakia should remember the example of Thomas Masaryk, father of the Czechoslovak Republic. Against overwhelming odds, his courage and determination persisted. Against the certainty of failure, his faith in the future prevailed. In the few glorious months before Soviet forces occupied his country 8 years ago, Masaryk's grave became a place of national pilgrimage, ringed with flowers and candles. Two generations after his death, he had not been forgotten by his people. He has not been forgotten now. The Soviet occupiers may keep pilgrims from his grave, but they cannot still the voice that comes from within it. It echoes through the halls of the Kremlin. It rings through the rooms of Hradcany Palace to disturb the slumber of Gustav Husak. It still speaks to the Czechoslovak nation.

That is why the eighth anniversary of the Soviet invasion is observed as the "Soviet Day of Shame" by the people of Czechoslovakia and by their friends in the United States. Like Masaryk, we know that tryanny does not endure forever. And so, in his memory, let us join his countrymen again this year in reaffirming the inevitability of Czechoslovak independence.

The national anthem of the Czechoslovak Republic asks, "Kde domoj muj?"—"Where is my home?" As if in answer to that question, Tom Paine once wrote, "Where liberty dwells, there is my country." From our American haven of liberty, which has been a refuge to thousands of Czechoslovaks fleeing from Hapsburg repression, Nazi terror, and Communist slavery, we look across the ocean and across the years to the day when liberty will again dwell in their land. For that day will begin a new "Prague springtime" of liberation which will warm all of Eastern Europe.

ROCKWELL'S MASSIVE LOBBYING CAMPAIGN FOR THE B-1 BOMBER

Mr. PROXMIRE. Mr. President, on August 18 I wrote a letter to Secretary of Defense Donald Rumsfeld asking that an investigation be made to determine if tax funds are being used by Rockwell International in support of their massive nationwide campaign for the B-1 bomber.

Within recent weeks Rockwell International has accelerated an already massive public relations campaign in support of the $22 billion B-1 program. Advertisements have been placed in major newspapers throughout the country including the Wall Street Journal, four times, the New York Post, Seattle Post Intelligencer, six times, and Seattle Times, six times, Providence Evening Bulletin and Providence Journal, Wilmington Morning News and Wilmington Evening Journal, three times, the Atlanta Constitution and Atlanta Journal, six times, St. Louis Post-Dispatch and St. Louis Globe Democrat, six times, Springfield Illinois Journal Register, Chicago Daily News, 13 times, the Chicago Sun Times, Chicago Tribune, and many others.

In addition, there are a number of other Rockwell practices which may have been written off for tax purposes as business expenses and thus borne by the American taxpayers. For example:

Rockwell employees touring the country to speak with newspaper editors encouraging support for the B-1.

Major advertising in aerospace publications such as Aviation Week and Space Technology and the Air Force magazine.

The payment of dues or membership fees to organizations which actively encourage support for the B-1 and/or lobby for the B-1, such as the Air Force Association, and the American Security Council.

The production and distribution of slide shows and films extolling the B-1. For example, the production of a film on the Rockwell Chief Test Pilot and his first flight in the B-1, as distributed by Paramount Pictures Co.

The costs of Rockwell's Washington office, including overhead personnel, travel, publicity, and consultants if any part of such funds were used for lobbying activities or in support of pro-B-1 forces during periods of legislation dealing with the B-1.

The sponsorship or financial support of research organizations or public relations firms which then either publicize the merits of the B-1 and /or encourage lobbying in behalf of the B-1 program.

The establishment and funding of Operation Common Sense by Rockwell International in 1974 as an internal lobbying organization designed to influence veterans organizations, provide pro-B-1 speakers to citizens groups, counter anti-B-1 activities and conduct public relations in support of the B-1.

Letters to all Rockwell stockholders and employees recommending that they write to Congress in support of the B-1.

Public relations and lobbying activities by themselves are a normal part of private enterprise and contribute to a healthy debate on national issues. Furthermore, it is not known if Rockwell has used tax funds in these cases.

Under no circumstances, however, should such activities be supported by tax funds or claimed under Government contracts. That results in the taxpayer financing a lobbying campaign against himself.

To be sure that this media blitz by Rockwell is not using tax funds, I have asked the Secretary of Defense to conduct a thorough inquiry into the facts.

Mr. President, I ask unanimous consent that a copy of a Rockwell letter to shareowners be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Rockwell International,
Pittsburgh, Pa., August 13, 1976.

Dear Shareowner: Because I believe the B-1 bomber, which is being developed by your Company for the Air Force, is of great importance to the future security of our country, I am taking this opportunity to bring to your attention some factual information about the program.

I believe you, as a Rockwell International shareowner, will be interested in reading Air Force Secretary Thomas Reed's enclosed comments made in response to an inaccurate and distorted article which appeared in a recent issue of Barron's, the financial publication. There is no question that Secretary Reed and other civilian and military leaders believe the B-1 program is essential.

It is most unfortunate, as Secretary Reed points out, that much of the information used about the B-1 "is outdated or badly misinterpreted. This leads to inaccurate conclusions and unwarranted allegations about the way the B-1 program is proceeding."

Whether the B-1 goes into production may well depend upon those who believe the program is necessary for the defense of this country and the maintenance of peace, but who have not been heard from by members of Congress.

There is an extremely vocal and well-organized group of individuals and organizations who are using every means possible to influence Congress to vote against the program. They are literally bombarding the congressional offices in Washington with mail urging that the B-1 be killed. You may recall that some of these same individuals attempted to disrupt our last shareowners meeting in Los Angeles.

Their immediate target is a Joint House-Senate Conference committee which will be meeting soon to resolve differences in the Military Appropriations Bill. The House of Representatives has authorized and appropriated funding for initial production go-ahead as requested by the DOD. The Senate also has authorized production but an amendment to the Senate version of the Appropriations Bill calls for the production decision to be delayed until February of next year.

Make no mistake. The opponents of the B-1 believe that if they can delay the start of production, they will be able to kill the program entirely. The Air Force has warned that such a delay will cost approximately $490 million.

If you believe, as I do, that production of the B-1 is critical to the defense of this nation and the Free World, I urge you to make your views known immediately to the U.S. representatives and senators of your state.

For your letter or wire to be effective, it should be written as soon as possible. I hope you will agree that this matter is of extreme imporance to you as an individual and to the nation.

Sincerely,

W. F. Rockwell, Jr.

Enclosure.

How To Contact Your Congressman

Telephone his office in your state or place a call to (202) 224-3121. That's the Capitol operator who can connect you with your senator or representative. To telegraph via Wesern Union, send the message to the Honorable ————. For senators, the address is: U.S. Senate, Washington, D.C. 20510. For representatives, the address is: House of Representatives, Washington, D.C. 20515. A Public Opinion Message of 15 words costs $2 and can be delivered within hours. A 100-word "Mailgram" costs $2.55 and will be delivered the following day. The charges can be billed to your home phone. Contact your local Western Union office.

EMERGENCY JOBS PROGRAM

Mr. BAYH. Mr. President, I support H.R. 12987, the Emergency Jobs Program Extension Act of 1976, which was passed by the Senate on August 10. The Federal Government's central role in moving this Nation toward economic recovery is no longer questioned by a majority of Americans. This bill goes a long way toward achieving that economic recovery.

Unemployment figures released August 6 by the Bureau of Labor Statistics show the nationwide unemployment rate climbing for the second month in a row. The 7.8-percent unemployment figure for July should be a cautionary sign for those who assume that we can turn our backs on efforts to stimulate further economic recovery.

A close examination of unemployment rates among various subsections of our workforce does not paint such a reassuring picture either. Unemployment rates for teenagers—16 to 19 years—was 18.1 percent, among construction workers, 17.7 percent, and 7.8 percent among manufacturing workers. For black teenagers the percent was still a staggering 34.1 percent.

These figures demonstrate the clear and compelling need to quickly approve the Emergency Jobs Program Extension Act of 1976. This legislation has four basic purposes: First, to extend the authorization for title VI of the Comprehensive Employment and Training Act—CETA—through fiscal 1977; second, to provide employment projects for the long-term unemployed; third, to provide unemployment compensation benefits to public service employees under CETA; and fourth, to establish a National Commission on Employment and Unemployment Statistics.

Mr. President, under CETA, approximately 320,000 previously unemployed persons have been hired to meet locally determined public service needs throughout the Nation. The program has been administered by some 430 State and local government prime sponsors. With this Nation still facing chronic unemployment, few question the need of continuing this vital program.

The legislation is more than a simple extension of title IV CETA programs however. It makes a number of changes in the administration of CETA programs which are designed to benefit both State and local sponsors as well as the jobless. For example, the bill provides that State and political subdivisions shall be reimbursed for the costs of providing unemployment benefits to workers directly from the special unemployment assistance program rather than through money provided under CETA for the creation of public service jobs.

The process of putting people back to work is a slow and frustrating one, but it is the most important economic task facing us today. The National Commission for Manpower Policy concluded its interim report to the Congress by commenting that the American people would no longer tolerate a government that would do nothing to stem the ravage that unemployment brings in its wake. CETA programs have been a vital step in stemming these ravages. I urge the Congress to move quickly in approving this legislation.

THE TURNING OF THE PRESS, OLYMPICS, AND OTHER INTERNATIONAL INSTITUTIONS INTO POLITICAL INSTRUMENTS

Mr. CASE. Mr. President, the 1976 Olympics have given us a further reason to examine the trend toward converting international events and institutions into political tools.

From the playing fields of Montreal to the meeting rooms of San Jose, Costa Rica—site of a recent UNESCO conference on the press—there have been renewed efforts by some governments to corrode channels of international exchange which should not be clogged by politics. The governments responsible for turning athletic games into political games and news coverage into political coverups should take a hard look at where they are heading.

The same mentality which has been seeking to misuse the educational and cultural efforts of UNESCO for political purposes would similarly pervert the Olympic games and—far more serious—the institution of a free press.

The resolutions adopted by the recent UNESCO conference on the press in San Jose and the attitudes expressed in some of the discussions point to a growing attempt to censor the flow of news and information. Under the guise of fighting "cultural imperialism," some of the developing countries reflect not just a misunderstanding of how news organizations operate, but a basic rejection of the value of the truth in ultimately helping their causes and the cause of justice and peace throughout the world.

We all want to help the developing nations reach their potential. But development cannot justify destruction of the institution of free speech which has been forged at such great cost.

Yet the UNESCO conference heard such statements as that of the agency's Director General, Amadou Mahtar M'Bow who said:

> When mass communications media instill standards of value alien to any given region they threaten to eradicate or nullify that region's own values.

With Mr. M'Bow's speech setting the tone, the UNESCO conference passed a resolution calling for government control over the kinds of information distributed in the Latin American and Carribean region via communications satellites. Another resolution called for the creation of a news agency for the region. Earlier, there had been discussions of proposals to make third world nations responsible for control of news dispatches from their area.

These ideas call for a curb on the flow of information to suit the convenience and political comfort of incumbent governments. Already, in some nations, all incoming news agency reports have to go through a government-controlled news agency before being distributed to newspapers and broadcasters.

These systems, combined with tightening controls on reports from such countries as India which until recently had been considered a leading democracy in the developing world, reflect a disturbing trend toward censorship. Contrary to Mr. M'Bow's impression, the mass communications media do not attempt to instill values—they try to report what is happening. Their only treat is the impact of the truth upon a dictatorship which does not want its people or the outside world to know what is going on.

Not only is this evil in itself, it works to the disadvantage of the developing countries in the long run. Unless correspondents are able to compile their dispatches from more than just a government's self-interested version, there can be no confidence that the government is telling the truth. Who believes Uganda radio for example? In losing their credibility, the censoring governments also can hurt their financial and political support from other countries. Thus it can be to the long-term disadvantage of the governments of developing nations to use the press for their political purposes.

The world already has enough political forums. The disrespect into which the United Nations has fallen, and the cheapening of the value of its resolutions, should be a warning sign that efforts to turn nearly every international activity into a political assertion only undermines more serious efforts to advance worthwhile causes.

I ask unanimous consent that several articles on the issue be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 22, 1976]

LATIN NEWS PANEL BACKS SATELLITE-RELAY CONTROLS

SAN JOSE, COSTA RICA, July 21.—A proposal that Latin American and Caribbean governments determine what information should be distributed by satellite in their regions was approved here today at a United Nations-sponsored conference.

The resolution, offered by Bolivia, Brazil, Honduras and Venezuela, was adopted at the final session of a communications conference organized by the United Nations Educational, Scientific and Cultural Organization.

It said the governments of Latin America and the Caribbean should meet "to define a concerted policy with respect to the information content that should circulate via satellite between Latin American countries, and between our region and other parts of the world."

The resolution was the most specific one approved here suggesting government control of the flow of information in the area.

Several Latin American countries have their own satellite systems. Others receive news by satellite from agencies in other countries.

Among other resolutions at the conference was one recommending the creation of a Latin American news agency or pool. The proposal asserted that most of the news circulated in the region was distributed by foreign agencies "not greatly concerned or interested in reflecting the real motivations, whole truth or background of regional events."

It added:

"It is the duty of the countries of the region to equip themselves with systems of their own, capable of counter-balancing the serious imbalances existing in communication and giving the world a true, objective and complete image of their own realities."

Another resolution called for the creation of national communications policies.

It said "social responsibilities" of the public and private mass communication sectors should be clearly defined. Governments were urged to guarantee "access to and joint participation" in mass communications and "full exercise of the freedom of expression and information" in accordance with national laws.

Emphasis was placed on the establishment of regional centers to upgrade the training of what was called "communicators" and radio and television journalists.

Other recommendations encouraged informative radio, television and movie programs, low-cost radio and television receivers and a Latin American common market for books.

[From the Bergen County, N.J. Record, Aug. 12, 1976]

THE THIRD WORLD OPTS FOR "DEVELOPMENTAL JOURNALISM"

(By Dial Torgerson)

"Why do our people persist in listening to the BBC?" asked an information department staffer in one of the developing countries of Africa. "Why don't they listen to our government radio?"

"I'll bet you," said an American journalist, "that the first item on your next news broadcast will be about some government official dedicating a cattle dip."

Although the next newscast did not lead off with a cattle dip, the journalist's point was made: The first item was about the opening of a new school for the handicapped. The BBC meanwhile, was telling about whether or not the Olympic Games would be held.

Anyone who could get the BBC in Africa would, of course, listen to it—to the distraction of local government officials who have a different idea of what is news. To them, news is the stuff of which young nations are made. People should be told what the government considers to be good for them and not simply exposed to the facts about what actually is going on in the world.

Philosophers of such Third World journalism call it "developmental journalism." They insist that their countries need a different framework of journalism from the free-press nations. In country after country and at international meetings in different parts of the world, it is becoming apparent that information ministries of the developing world would like to handle news along these lines:

The government must control the flow of news within its own country. A government news agency will release approved information, and it will be broadcast by government radio and TV stations and published in newspapers which are increasingly more government-controlled. Nationalization of independent newspapers is recommended.

There must be a curb on the free flow of news reports from agencies not under control of the government. "Foreign news agencies" like the Associated Press, United Press International, Reuters, and Agence France Press must not be allowed to compete with the government-run wire services. To bring news in from outside there should be a government news organization which will provide only approved news.

This government news agency, it was suggested at the Nonaligned Conference on News Agencies in New Delhi last month, could be organized by a consortium of Third World governments. Each country would submit its version of domestic news, and, through the agency, the member nations would share their versions of news with one another.

The news report would then be government propaganda, Western journalists have pointed out. It would have limited value as news. Its credibility would be meager.

Better this, say the proponents of "developmental journalism," than the "sensationalism" of the international news agencies which wish to tell only bad news about the Third World—natural disasters, stories suggesting the disasters were exacerbated by crooked or ineffective local relief officials, reports of coup attempts, tribal battles, and crime waves.

The international news agencies, in the view of Third World spokesmen, are a relic of colonialism: The former colonial masters run them (the British run Reuters; the French, the AFP), and the staffers, they say, are disposed to make the new governments look bad.

For government-run news agencies to succeed, something obviously has to be done about the news reports filed by the major international news agencies. Few will read reports from a government propaganda machine if those from the fiercely competitive and politically unshackled international agencies are available, any more than people will listen to the local radio station's dull recitation of nation-building news when the BBC is available.

A chilling forecast of how these outside agencies might be handled was among the proposals made to a meeting July 12 to 21 at San Jose, Costa Rica. Sponsored by UNESCO, the conference discussed "mass communications policies" for Latin American nations. It was suggested that laws be passed providing for the arrest of correspondents from international press organizations if their agencies published articles critical of the country where they were based.

Whatever happened to the free press—as called for in the United Nations Charter?

Government officials in the developing countries will tell you that Daniel Patrick Moynihan was wrong when he said that "none of the nations of the Third World is so poor that it can't afford a free press." Developing countries have fragile governments. Watergate-style reporting probably could bring down 100 of the 120 presidents of the developing world—and destroy the existing government structure, as well.

It does no good to argue that many are military dictatorships which deserve to topple: The people in power simply cannot afford to face the threat posed by a free press.

Another factor is the influence of the Russian school of press control on the Third World. The young ministers of the new nations admire it for the tidy sense of discipline it provides. Even those who are anti-Communist can agree that, controlling the press—and those troublesome reporters asking bedeviling questions—is a great way of facilitating the work of a shaky regime. "Beat the Press" is a favorite exercise among dictatorships of both the Left and Right.

But what about UNESCO? Why is the United Nations getting mixed up in matters of mass communications control? UNESCO maintains that it has not wavered in its dedication to "freedom of expression." But like other United Nations agencies, it is sensitive to the desires of the majority, which in the United Nations is the Third World, supported ideologically by the Communist bloc.

If the United Nations majority wants to curb the wire services, it soon will have the secretariat of UNESCO trying hard to find ways that "freedom of expression" can be deemed to be what the majority calls "freedom of expression."

A developmental-journalism theorist will argue that nation-building stories are denied freedom of expression by free-press journalism because the reader's interest is preempted by stories of sex, crime, war, coups, and disaster.

In Addis Ababa, Ethiopia, where the people's revolutionary government is in control, the newspaper is filled with government releases and padded with handouts from Eastern European nations ("Bulgaria's New Five-Year Plan") dull enough to cause brain damage if read beginning to end.

In contrast, a copy of Nairobi's breezy tabloid Daily Nation—which gives world news highlights from news agencies and describes the Kenya capital exactly as it is, beset with crime, bright with cinemas, bubbling with sex, and outrageously capitalistic—is passed from hand to hand until it rots.

If Ethiopia had a Daily Nation, who would read the Ethiopian Herald? Except, perhaps, the Bulgarian ambassador?

Papers like the Daily Nation infuriate the information ministers of countries without Kenya's free press. Our papers, they say, should not describe the way we are, but the way we should be; news is a commodity for nation-building.

And so in these developing countries, people cast aside the government's version of good news and turn on the BBC to see how close to home the latest disaster is striking.

[From the Washington Post, July 24, 1976]

PRESS GROUP HITS THIRD WORLD CONTROLS

(By Joan Krauter)

The Inter-American Press yesterday condemned a UNESCO conference on "communication policies" as an attempt to promote the control and manipulation of all news media in Latin America and the Caribbean.

In the statement released here today, IAPA said the decisions reached at the UNESCO conference confirm its conviction "that the peoples' right to be fully and freely informed is threatened today more than ever before."

The conference the first of its kind—was held July 12-21, in San Jose, Costa Rica, for Latin American nations. Its purpose was to form "mass communications policies."

The result, in the view of its critics, is a new and potentially more frightening kind of "big brotherism" control of the Third World's press freedom.

IAPA, strongly objected to most of the conference's recommendations, from the establishment of national councils that would issue "guidelines" to the press, to a proposal that government agencies be established to screen and over censor the "content of news dispatches" sent into the country from outside via satellite.

IAPA had criticized the conference before it opened, predicting that some of the delegates would seek to legitimize government management of the news.

Supporters of the trend toward exclusively government-controlled media in these countries claim that international news agencies distort what they report concerning the developing countries.

Journalists already have difficulties obtaining entry visas in many Third World Countries as a matter of routine, and often must show a favorable attitude to a nation's policies to be sure of having visa rights. Inside the country, the foreign correspondent often is shut off from sources of information and is not allowed to visit areas where there are sensitive situations or unrest.

The UNESCO resolutions further threaten the flow of information in these countries, IAPA charged. "Almost all the recommendations adopted in San Jose show that we are in the presence of a deliberate effort, backed by a strange alliance of popularly elected governments and totalitarian or authoritarian regimes, to deprive man of his right to arrive at intelligent decisions on matters that affect his daily life," it said.

Another recent development in the same area was a resolution passed in New Delhi last week my 58 developing countries, to merge their press agencies, most of which are owned or controlled by the governments.

Such a pool would then distribute the government's official version of each country's events. In Third World countries served by Western news agencies, the government verson could then be substituted.

The San Jose conference declared that the governments should "define a concerted policy with respect to the information content that should circulate via satellite between Latin American countries, and between our region and other parts of the world."

The conference ended Wednesday with another resolution saying, "It should be the state and the citizens to establish plans and programs for the extensive and positive use of communication media within the framework of development policies.

"National communications policies should be conceived in the context of national realities, free expression of thought, and respect for individual and social rights."

IAPA, however, charged that UNESCO's communications philosophy discarded such traditional principles as "freedom of the press" and "freedom of information" for concepts "made to order for those governments that seek absolute power."

IAPA said it did not object to a proposal for the establishment of national and regional news services controlled by governments, as long as existing independent news agencies are not restricted.

It expressed the fear, however, that the governments eventually would force newspapers to publish official dispatches against their will, accepting "uncritical information or outright propaganda."

UNESCO representatives earlier suggested that newspapers be forced to devote a certain percentage of space to official news.

[From the Wall Street Journal, July 23, 1976]

MUZZLING THE WORLD'S PRESS

With freedom everywhere under assault, it is hardly surprising that freedom of the press is having a rough time of it. It's hard enough keeping government's hands off the press in democratic nations, much less in states where civilian or military dictatorships hold sway. Yet whatever the future of freedom generally, all the available signs point to rougher going than ever for the unfettered gathering and dissemination of news.

The first clear sign surfaced early this month when representatives of 58 Third World nations met in New Delhi and resolved to pool their government-controlled news agencies. At first, delegates talked about "replacing" coverage by the principal independent news gathering organizations, although now the talk is of "supplementing" that coverage with the "authorized" version of events. This is not likely to be decided officially until the proposal is ratified next month in Sri Lanka.

An equally disturbing sign of news management emerged from the 10-day conference of Latin American nations that ended this week in Costa Rica, sponsored by the UN Education, Scientific and Cultural Organization. Delegates recommended creation of a Latin American and Caribbean news agency to correct "the existing imbalance" in the flow of news in and out of the region by entrusting to it the "positive use of communications media within the framework of development policies."

Delegates were properly vague about how to go about this, but the thrust of the resolutions and the underlying philosophy point unmistakably to increased government control over the news.

The UNESCO conference resolutions likely would have been far more blatant, except for prior warnings raised by the Inter-American Press Association and Freedom House. Officials of the latter widely publicized earlier background papers prepared by UNESCO "experts"—most of them government officials—making it clear that their prime motivation was not news or information but ideology. And why not, since the original directive for the UNESCO guidelines was proposed by the Soviet Union and Byelorussia? Subsequent recommendations at a UNESCO-sponsored meeting in Bogota in 1974 ranged from expropriation of the news media to direct and indirect controls.

If the resolutions were not as bad as they might have been, it is no doubt because they are viewed as only the opening wedge of concerted efforts to transform the media into obedient instruments of government policy. Serious discussion was given to holding correspondents personally responsible if their employers publish anything critical of the country where the correspondent is stationed; nationalizing print and broadcast media not yet under the government thumb; establishing "official communications policy" for resident newsmen and foreign correspondents, and licensing journalists.

The talk about licensing journalists is more than just talk, unfortunately. Colombia, ironically one of only two South American nations with an elected government and a free press, recently adopted regulations enabling a National Press Council dominated by government to issue credentials to journalists and revoke credentials of "unethical" journalists. Even foreign correspondents, unless subsequently exempted, must also be licensed.

Those who would make government the arbiter of what news is to be dispatched to the rest of the world claim, not surprisingly, that existing news agencies "distort" coverage. Subjectivity can never be entirely eliminated from communication, but international news services do strive hard for objectivity, not only out of professional pride, but out of self-interest, because they are acutely aware that they are serving a worldwide audience wtih highly diverse attitudes and ideologies. Are we expected to believe that government stooges would exercise the same concern for truth and objectivity?

It is of course obvious that what's really at issue here is an attempt to prevent the independent press from reporting news to the world that might prove to be embarrassing to governments and draw critical world opinion. It is but another sign of erosion of the UN charter and declarations that UNESCO is involved in this shabby game.

There still is a chance such efforts will fail. For one reason, there are substantial costs involved. For another, it will surely dawn on at least some nations that the price tag for controlling their own news will be knowing much less about what's happening in the countries around them. History has shown that such ignorance can be dangerous.

Still, it is disheartening to think that if the plans fail it will be for such narrow reasons rather than any concern for the rights of men and women everywhere to have the most dependable information possible about the world they live in.

[From the Washington Post, July 30, 1976]

UNESCO'S ASSAULT ON NEWS

UNESCO is at it again, trampling on the high principles it was created to serve. Its constitution commits all members to "recommend such international agreements as may be necessary to promote the free flow of ideas by word and image." But UNESCO is currently working up international agreements to block that vital flow. Its regional conferences have begun to act formally to convert news—which the Universal Declaration of Human Rights defines as something which "everyone" has a right to seek, receive and impart "through any media and regardless of frontier"—into a national commodity which it is any government's right to exclusively control.

Just last week, for instance, UNESCO's Latin-Caribbean sub-group proposed that regional governments "define a concerted policy" on what information should be distributed by satellite, and that the governments create a Latin news pool to "counterbalance" foreign-agency news. Another resolution called on governments to define the "social responsibilities" of the public and private mass communications sectors. Reinforcement is being given to these and other UNESCO moves by the conference of "non-aligned" states due to meet next month in Sri Lanka. Its members are expected to call for a pool of national news agencies so as to be in a position to counter, if not to exclude, the Western agencies now providing much of their news.

The Russians and the other Communist states, of course, have long treated news as a state commodity—that is to say, as propaganda. What is new and unfortunate is the degree to which large parts of the Third World are moving toward the Russian position. They are asserting a claim to control not only news about themselves in their own media but—by restricting the correspondents and copy of Western media—news about themselves in the media of other nations. And UNESCO, instead of defending the principles to which its charter commits it, is instead allowing itself to be used to lend the coloration, status and mutual encouragement of international legitimacy to news restrictions heretofore asserted chiefly on a national basis.

Now, this newspaper, which offers its news product for foreign sale, has an undeniable self-interest in nourishing an international climate in which the commercial opportunities for Western media are maintained. But this, of course, is no different from the vested interest that the American media—being free, competitive institutions—have in maintaining the same commercial opportunities at home. It is a simple matter of principle coinciding with commercial self-interest, and the principle involved here, of course, was set forth at a rather early stage in our history, in the First Amendment to the Constitution. And if it is a sound principle for us in this country, it follows, or so it seems to us, that it is also a good rule to apply to the communication of ideas abroad; government sponsorship of the gathering or distributing of news, no matter whether the news originates inside a country or from outside, promotes propaganda and deforms the whole idea of a free press. And so, like just about everybody else in our business, we reject the notion that a state should exercise exclusive control—or any control, for that matter—over what news should be published. It is saddening, though perhaps, given its record, not entirely surprising, that this principle should be lost on UNESCO and that such an organization, with so much potential for the promotion of free communication, should allow itself to be converted from an instrument for the transmission of ideas into an instrument for the national regulation of ideas.

We are not insensitive to the feeling in some Third World places that they are swamped by the Western media—news agencies, satellites or what have you. In our judgment, however, their proper response is to strengthen their own media, as many (with Western aid) have done. To convert all news to propaganda in the name of combatting "cultural imperialism" is simply to follow the Russian example of tailoring mass communications to the convenience of the ruling elite. Obviously the model appeals to a growing number of Third World states. And this, we submit, is a dangerous and dispiriting trend.

[From the Bergan Record, July 21, 1976]

More Dangerous Nonsense

The United Nations Educational, Scientific, and Cultural Organization is concluding today in San Jose, Costa Rica, a conference whose outcome is certain to have disturbing consequences for the free flow of international news.

The conference, which is attended only by Latin American nations, is expected to produce a resolution that would call for state control of the news media, allow Third World governments to screen news coming into or going out of their countries, and sanction the arrest of foreign correspondents whose organizations publish articles critical of the country they cover.

The Latin American resolution would then be used as a model for presentation at UNESCO's fall conference in Nairobi, Kenya, which would have global scope.

For Americans, the UNESCO move may ultimately mean that the only news they receive from Africa, Asia, and South America will be news that will have received a government censor's approval. For developing nations, it may not mean much, since the free flow of information there is already severely restricted by their governments. The intent of the UNESCO conference on press censorship becomes clearer when one considers that the idea was originated by the Soviet Union and that one of the prime movers behind the conference was India, where official censorship has been the policy since Prime Minister Indira Gandhi abandoned the pretense of running a democracy.

Since UNESCO has a built-in majority of developing nations, much like its parent organization, the Costa Rica resolution is likely to pass easily. Its chief provision would make Third World governments responsible for the content of news dispatches originating within their jurisdiction. This dovetails with the theory within UNESCO that international news organizations like the Associated Press, United Press International, Reuters, and Agence France-Presse have engaged in "cultural imperialism" by reporting news that places Third World nations in a bad light. The only solution, according to proponents of this theory, is to make sure that all information about developing countries comes directly from their governments, which would be empowered to screen all news dispatches.

Such claims and theories, of course are pure hogwash. But it would be foolish to dismiss them lightly. In all probability, UNESCO will approve the resolution. It may not mean much immediately, but it would give every tyrant and comic-opera despot in the Third World the chance to legitimize suppression of the news.

UNESCO's declaration would lend spurious dignity to the favorite tool of totalitarian regimes—state control of all information and the perversion of news into propaganda.

Just like the General Assembly at the United Nations, UNESCO is succumbing to pressure from its politicized membership, substituting repression for reason.

[From the New York Times, July 19, 1976]

Press Worried by Third World's Move to Restrict Flow of News

(By Deirdre Carmody)

A major movement appears to be under way by third-world and Latin American countries that would restrict the free flow of news reporting in and out of these areas and eventually replace it exclusively with government-controlled information.

The trend is called "developmental journalism" by those who espouse it. Its rationale, in the view of its adherents, is that most news about developing countries comes from international news agencies and that this news is distorted.

The theory goes on to state—and it is this which horrifies Western news organizations—that the only way to report the cultural, economic and social development of these countries accurately is to have the information come directly from the governments themselves.

TREND BEING WATCHED

The trend is being closely watched by a number of press and broadcasting groups and associations concerned with freedom of information such as Freedom House and the Anti-Defamation League of B'nai B'rith. The move toward developmental journalism is producing a situation of "extreme gravity," in the words of George Beebe, associate publisher of The Miami Herald, who is chairman of the executive committee of the Inter-American Press Association and of the World Press Freedom Committee.

One of the most recent causes of concern was a resolution last week by 58 developing countries, which met in New Delhi, to form a pool of their press agencies. The news organizations in most of these countries are owned by governments or controlled by them.

This pool of government-controlled news, which would represent official versions of events in each country, would then be substituted for the coverage that is now circulated by Western news agencies, such as The Associated Press, United Press International, Reuters and Agence France-Presse.

A draft constitution of the news pool was approved at the New Delhi conference. Its conclusions are to be ratified at a meeting of the heads of state of third-world countries next month in Colombo, Sri Lanka.

Of even greater concern to Western news agencies is a conference now being held by the United Nations Educational, Scientific and Cultural Organization in San Jose, Costa Rica, for Latin American nations with the purpose of forming "mass communications policies." The conference, from July 12 to 21, has become the source of controversy because papers submitted in preparation for it included the following alternatives:

Government-run news agencies "exclusively empowered" to disseminate information from outside the country.

Legal measures that would permit the arrest of correspondents from international press organizations if their newspapers or wire services published anything critical of the country where the correspondent was stationed.

Nationalization of independent print and broadcast news.

DISAVOWED BY UNESCO

When this information was made public earlier this month, UNESCO replied that these measures did not represent its policy but were simply the views of experts who had prepared papers for the San José meeting. However, the Inter-American Press Association, which met with members of the United Nations agency in San José, issued a statement saying that despite its disclaimers, "UNESCO's tendency to recommend official communications policy that could undermine freedom of the press remains unchanged."

"The highest authorities of UNESCO have repeatedly stated that it is not their intentions to limit or undermine freedom of expression," the statement went on to say. "It is clear, however, that freedom of expression means one thing to UNESCO and another to the Inter-American Press Association."

UNESCO officials in San José could not be reached for comment.

PARALLEL LANGUAGE NOTED

Although there does not seem to be an overt connection between the New Delhi meeting and the meeting sponsored by the United Nations agency, one of the stated purposes of the San José session was to set up "national communications policy guidelines" in Latin America that could be a model for African and Asian nations.

"The language used in Delhi and the language in the background papers for UNESCO are parallel—the exact arguments, the same phrases, the same references to 'cultural imperialism,' which is strictly a Marxist approach to journalism," said Leonard R. Sussman, executive director of Freedom House.

The original directive for the UNESCO guidelines was proposed by the Soviet Union and Byelorussia in 1972. Reports further defining these guidelines were given at meetings in Bogotá, Colombia, in 1974 and in Quito, Ecuador, in 1975.

This year's meeting was scheduled to have been held in Quito, but was called off after some Latin American journalists protested that government control of the press was implicit in background papers being circulated to participants.

NO DIRECT CRITICISM

One of the most threatening aspects of all of this, according to Mr. Sussman, is that "there is now a sense of regional solidarity on the issue so that the left and the right now have one thing in common—they know how to repress the press."

"This is the one thing we fear so much," he said. "The one thing they will always have in common will be that they will not want to see the A.P. and the U.P.I. have the role they now have."

The A.P. and the U.P.I. said that whereas a lot of general allegations had come out of the New Delhi meeting and during the preparations of the UNESCO meeting, neither press agency had been approached directly with specific criticisms about its coverage.

"We have for years been criticized for alleged failure to present views of the local governments in the ways they would like them presented" said Roderick W. Beaton, the U.P.I. president.

PROPAGANDA AIM SEEN

"But I can't see for the life of me how the kind of thing they are now proposing could have any credibility," he said. "The information that would be sent out would be sent into a pool by governments and then distributed. It would essentially be propaganda. But the thing that disturbs us most is the UNESCO sponsorship—they are going against the United Nations Charter."

Wes Gallagher, president and general manager of the A.P., pointed out that "these nationalization talks have gone on sporadically for years now and nothing much ever seems to come of them."

"First of all, when you get to forming a news service you're talking about millions of dollars," he said. "Then, if two national news services get together and give their government's version of the news, what happens if they get into a dispute? Country A's reports are not going to be very well received in Country B."

STATEMENT BY REUTERS

Gerald Long, managing director of Reuters, said:

"We welcome anything that would increase the flow of information within regions of the world and between those regions. If the idea behind these projects is to increase the flow of information, then we welcome them.

"I think it is a pity that each time these countries meet to discuss these projects some of the participants, usually the same ones, begin by attacking those organizations which already distribute information around the world.

"I consider these attacks to be largely rubbish. It is said that existing world news organizations are poisoning the minds of non-aligned countries.

"If the amount of information from world news organizations reaching the citizens of those countries were known, it would be seen that there is not enough of it to poison anyone's mind. The only people who see large amounts of such news services are presumably government ministers and officials and I would expect them to be secure against any sort of outside influence."

RESTRICTIONS ON REPORTERS

The threat to freedom of information comes at a time when much of the third world is joining the Communist nations and closing itself off from critical inquiry. Entry visas for journalists are no longer a matter of routine in many countries and are often dependent on what a nation regards as a positive attitude to its policies.

Once in the country, the foreign correspondent often finds that he is denied access to sources of information and that he is not allowed to visit areas where there are critical situations or unrest.

One New York Times correspondent, for instance, went to Tanzania to write an article about the Tanzanian approach to development. He was told on arrival that he should have submitted his precise program in writing so that a special government committee could rule on his request.

He was told that he could not leave the capital and that he would be unable to see any government officials. The sole official contribution to his piece was a collection of the speeches of President Julius K. Nyerere. The most recent of the speeches was three years old.

[From the New York Times, Aug. 2, 1976]

THIRD WORLD VERSUS PRESS—A MEETING IN LATIN AMERICA RAISES QUESTIONS ABOUT FREE FLOW OF NEWS

(By Deirdre Carmody)

Serious questions about the future of freedom of information in Latin America are being raised in the aftermath of a UNESCO conference in San Jose, Costa Rica, last month * * * of 21 Latin American governments met to draw up communications policies for the region.

The recommendations that emerged from the nine-day conference—for which the United Nations Educational, Scientific, and Cultural Organization had spent two years in preparation—are contained in a 60-page, single-spaced report that is still in draft form. But the language of the report is so rambling and filled with ambiguous phrases that those who are studying it find it difficult to determine exactly what the San José recommendations mean.

The first recommendation, for instance, states that "the free flow of messages throughout the world should be based upon juster criteria for the exchange between nations, as being a principle likely to hasten the new international order being sponsored by the United Nations."

In another instance, the report refers to "the need to demystify the media through experimental activities in alternative forms of communications"—a sentence that seems to need a bit of demystifying itself.

OUTCOME DISPUTED

As a result of the ambiguous wording, no one seems to agree on whether or not the conference continued warnings issued by some groups beforehand. They had asserted that its real purpose was to establish new government controls over the news media in Latin America.

Leonard R. Sussman, executive director of Freedom House, a national nonpartisan public affairs organization, had watched preparations for the conference with concern and has labeled the report "absolutely devastating." He said that its effect would be to "tie up the communications system of the hemisphere to the widest extent possible for control by individual countries."

On the other hand, Dr. Paul Fisher, head of the freedom of information center at the University of Missouri, who attended the conference as head of the United States observer delegation, said that he had expected the delegates to take a much harder line toward government control of the news media. He called the report "fairly mild and fairly exploratory."

THEME CAUSES CONCERN

What is perhaps most troubling to adherents of freedom of information is the theme that appears repeatedly in the report: that the news media "is one of the most effective instruments for promoting the development of peoples" and that it should be used to help bring about social change. * * * bland until it becomes apparent in the context of the report as a whole that it has replaced the concept of a "free flow of information." The aim of a balanced flow of information is to bring about "the new economic and social order" to which the participating countries aspire. It thus refers to a system of information inextricably linked to government, which implies government control of the news.

The logical extension of this, in the view of several people who have studied the report, is that negative news about a country should be suppressed because it can only cause the nation harm and that only news beneficial to the government should be communicated.

One of the recurring phrases is "the balanced flow of information," which is seemingly. * * *

REGIONAL AGENCY SOUGHT

There is also a recommendation for the establishment of a Latin American or Caribbean news agency with the purpose of counterbalancing the serious imbalances" attributed to existing news agencies. That recommendation specifically states that the establishment of the news agency should "in no way impair the free operation of existing agencies or their future development."

Another recommendation calls for the establishment of national councils that would issue "guidelines" to the press. This again implies the kind of control of news that is inimical to a free press.

The report will be presented to the general conference of UNESCO when it meets in Nairobi, Kenya, in October. The organization can then vote to accept, reject or amend the recommendations. Member nations whose governments were represented at the conference must also approve recommendations before they go into effect.

The conference reflects a concern that has been repeatedly voiced by third world countries—that existing news agencies do not cover developing countries adequately. At the San Jose conference, this was stated repeatedly—at times with considerable hostility as delegates accused foreign news services of "cultural aggression" that kept or tried to keep the developing countries in a state of dependence with respect to the nations where economic and political power was concentrated."

FOREIGN SERVICES CRITICIZED

Delegates complained that foreign agencies concentrated only on news of revolutions or natural disasters and paid little attention to educational and cultural news coming out of the developing countries. They said that there was so little emphasis on local news that they often would be ignorant of what was happening in neighboring countries if they depended on the foreign wire services.

Specialists in the news media here contend for the most part that these may be debatable points. What they object to however, is the extension of this argument by a number of delegates who say that foreign agencies cannot adequately cover the third world and that the only way to communicate accurate information is for the government to control the news.

"The conference has been useful on one point," said Dr. Pedro Simoncini, president of the Argentine Broadcasting Association and a delegate to the conference. "It has awakened the international organizations to be more alert than ever about what is going on behind the scenes that could make it impossible a few years from now to have any kind of free America."

REMARKS OF GEORGE BEBBE OF THE MIAMI HERALD AT THE SAN JOSE, COSTA RICA EMERGENCY SESSION OF THE IAPA EXECUTIVE COMMITTEE, JULY 12, 1976

The UNESCO-sponsored conference here this week not only is far more threatening to the free press of the Americas, but carries potential danger to the press of the entire world.

We would like to think that our concern is unwarranted; that the conference will back away from the previously drawn guidelines that would bring new government controls over the news media.

But we have been given no assurance that the recommendations adopted by a group of so-called UNESCO experts at meetings in Bogota and Quito will not be approved by the intergovernmental conference here.

Then the next step is to bring the declaration before UNESCO's 19th general conference in Nairobi, Kenya, in the Fall.

We are particularly bothered because this whole UNESCO thrust was generated in 1974 by Third World countries with the encouragement of the Soviet Union.

In fact, it is the Soviet-authored Article XII which says that "states are responsible for the activities in the international sphere of all mass media under their jurisdiction.

This declaration undoubtedly be approved at the African meeting, and while it is not legally binding, it is bound to be used by governments as authority to suppress the news media, especially the international wire services.

We are also interested in proposals of these UNESCO-sponsored conferences that national news agencies be organized in each Latin American and Caribbean country. We do not object to such agencies, but we are disturbed by the suggestion that these agencies control the news flow in and out of the country, including that of the international wire services.

The final report from the Quito meeting said in part:

"It is recommended that the respective governments take the necessary steps to insure that the national news agencies are exclusively empowered to disseminate news from outside the region referring to the internal affairs of each country, in order to avoid the distortion of news that is so frequent on the part of international agencies."

And that report also states that "objectives of a national news agency would be in line with the general intentions and aims governing the overall development strategy of the individual countries concerned."

Yes, they would institute news agencies paid for and supervised by governments, which would control the news flow in and out of a country.

Nowhere does the report show concern for strengthening freedom of the press or insuring the people's right to know.

Who can blame us for being concerned about the present and future when we review what UNESCO conferences have advocated in the past.

If the inter-governmental conference here this week persists in promoting the dangerous direction set in preliminary sessions, I as Chairman of the World Press Freedom Committee will seek to make IAPA's indignation of the entire journalistic world.

The World Press Freedom Committee now is composed of 11 international journalistic organizations, including the IAPA, International Press Institute, Press Foundation of Asia, Caribbean Publishers and Broadcasters Association, the Netherlands Newspaper Editors Association, American Newspaper Publishers Association, the American Society of Newspaper Editors and other leading journalistic groups.

No longer will any of these have to fight alone the abuses to a free press in their regions.

Our voices will be raised louder than ever before in condemning such a devious course.

As I indicated earlier, I hope that this will not happen. I believe the government representatives attending this conference will sense the dangers if these recommendations are offered—recommendations that in the long run can only be harmful to their own freedoms.

Declaration of San Jose

San Jose, Costa Rica.—Following is text of the "Declaration of San Jose," approved by the closing session of UNESCO on Wednesday:

The representatives of the governments of the states of Latin America and the Caribbean, members of the United Nations Educational, Scientific and Cultural Organization (UNESCO),

Meeting at the intergovernmental conference on communication policies in Latin America and the Caribbean, convened in San Jose (Costa Rica) from 12 to 21 July 1976, hereby declare: That man has a vital need to express himself and that therefore his free and spontaneous right to establish relations within his own community should be guaranteed; that this human attitude is encountered at all times, everywhere and in every type of society; that man, in his urge to communicate, has created a wide diversity of forms and media that constitute the whole range of cultural expression; that access to the entire range of cultural resources and the free and democratic participation of all men in the diverse manifestations of the spirit is a human right; that the growth of the population and the consequent increase in its spiritual and material needs have led men to apply their scientific talent to the creation of more and more efficient media and instruments that facilitate closer relations and communication between human beings; that those media form part of the resources of society and the scientific heritage of all mankind and therefore constitute fundamental components of universal culture; that there are sectors of the population which have yet to emerge from the isolation in which they live and be helped to communicate with one another and to be informed about national and world-wide affairs; that all the members of a society are responsible for ensuring the peaceful and beneficial use of communication media; the states have social, economic and ethical obligations and responsibilities in all matters relating to simulation, support, promotion and dissemination of the resources of the community in the interest of its overall individual and collective development; that they should therefore encourage individuals and peoples to become aware of their present and future responsibilities and their capacity for autonomy, by multiplying opportunities for dialogue and community mobilization; that it should be the joint responsibility of the state and the citizen to establish plans and programmes for the extensive and positive use of communication media within the framework of development policies; that national communication policies should be conceived in the context of national realities, free expression of thought and respect for individual and social rights; that communication policies should contribute to knowledge, understanding friendship, cooperation and integration of peoples through a process of identification of common goals and needs, respecting national sovereignties and the international legal principle of non-intervention in the affairs of states as well as the cultural and political plurality of societies and individuals, with a view to achieving world solidarity and peace; that the United Nations and the agencies of its system, especially UNESCO, should contribute, to the fullest extent that their possibilities allow, to this universal process.

SENATOR HARRY F. BYRD

Mr. STENNIS. Mr. President, last June, on the grounds of the capitol at Richmond, Va., a statue was unveiled honoring the memory of a great American and a distinguished public servant and U.S. Senator. I refer to the late Harry F. Byrd, who was the father of our present distinguished colleague, Senator Harry F. Byrd, Jr.

It was my privilege to serve with Harry F. Byrd and to number him among my close personal friends. A former Governor of the Commonwealth of Virginia, he was long an outstanding U.S. Senator in every sense of the word. He always put a high level of patriotism, honor, and duty above all else. The Nation has benefited greatly and will continue to benefit from his long and dedicated career of public service.

On the occasion of the unveiling of his statue, a distinguished journalist, Henry J. Taylor, wrote an article or column in tribute to the late Senator Byrd. In this splendid article, Mr. Taylor accurately described the Senator's many talents and virtues and painted a clear picture of this outstanding man and the noble ideals that he stood for. It will remind countless thousands of Americans, including a number of us of the many accomplishments of our departed friend and colleague. Therefore, I ask unanimous consent that Mr. Taylor's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senator Harry F. Byrd's Statue Unveiled In Richmond, Va.

(By Henry J. Taylor)

Richmond.—I was invited here for the unveiling of the statue of the late Sen. Harry F. Byrd, bless this great and noble Virginian.

The lovely statue—10 foot high—stands among the magnificent trees that grace the Capitol grounds, facing the equestrian statue of Virginia's George Washington. It is extremely difficult to obtain this honor. The Commonwealth of Virginia was one of the original 13 states and the nominations are legion. But the Commonwealth legislature has accepted only six or seven on the Capitol grounds.

The unveiling ceremony, the soft-spoken recollections of long-time friend E. Blackburn Moore, the presentation by able Virginia Gov. Mills E. Godwin Jr. and the response by Sen. Harry F. Byrd Jr., the chip-off-the-old-block son were deeply touching. For as naval hero Stephen Decatur said of naval hero James Lawrence: "He always stood with his conscience; his conscience told him his duty and he had no more dodge in him than the mainmast."

This might well be said of the great Sen. Harry F. Byrd.

We see on all sides the sorry sight of many contriving men who worship power and come to believe that the end justifies the means. They manipulate the peoples' emotions, beliefs and hopes in their own interest. Harry F. Byrd was not one of them.

It is shamefully easy to latch onto popular give-aways too complex for the public to understand, always in the stance of the humanitarian, the donor, the man indispensable to you, you and you. They know how to get for themselves the most out of the public by giving the public what it wants without letting the people know they are paying for it. Sen. Byrd never did this.

Yet he was elected to this state's Senate in 1916, served there until 1926, was the youngest governor of his state since Thomas Jefferson and, until his failing health forced him to resign in 1965, served in the United States Senate longer than any Virginian—32 years. Moreover, Sen. Byrd received in his last reelection the largest majority in his entire career.

This treasured friend was exasperated and alarmed by Washington's calculated expansion of centralized government. He agreed that a large increase was indispensable, but from his sentry post saw that much of the expansion was contrived for personal political purposes.

Sen. Byrd was convinced that Big Brother is the road to autocratic government and that this means not the balance of legal rights but a confrontation of power. Even the little man needs help from some insider to be left alone.

He felt that government should unify, not dominate; it should be a catalyst, not an absorbant. This is the true liberal concept and he supported it in the fighting way that makes true liberalism's name synonymous with justice.

Yet the professional liberals and image-makers everlastingly complained about Sen. Byrd Sr. as they complain today about Sen. Byrd Jr.

Thomas Jefferson's personal seal appears on the Mace of the University of Virginia. It bears the quotation: "Rebellion to tyrants is obedience to God." This favorite quotation of that Virginian, attributed to Benjamin Franklin's usage, is on Capt. John Bradshaw's monument, one of the three English judges who sentenced King Charles I.

It is the libertarian sort of stock from which Sen. Byrd sprang and in his 50 years in public life nobody ever captured his battle flag or silenced his drums.

It is very, very hard to say goodbye to a man like that.

Hardly known to the public, still another attribute among men's virtues was woven into him. Sen. Byrd was not only gracious and forthright. He was incredibly kind.

Although French President Charles de Gaulle said of aging Marshal Henri Phillippe Petain, "life is a shipwreck," Sen. Byrd's life was precisely the reverse, Born June 10, 1887 he died among his orchards at his lovely "Rosemont" home Oct. 20, 1966, age 79. And until the very last days of his life the years that passed over his head left only their springtimes behind.

NATIONAL MEALS-ON-WHEELS ACT

Mr. BAYH. Mr. President, I take this opportunity to express my support for the National Meals-on-Wheels Act of 1976, which now has 25 co-sponsors. This bill, which was initially inspired by the good will and unceasing efforts of private organizations and individuals, provides a mechanism by which 3.5 to 4 million of America's shut-in, homebound elders can avoid the debilitating physical effects of malnutrition as well as the mental anguish and dignity-robbing effect of the nursing home environs.

The thrust of S. 3585 is to provide elders with hot meals in their own houses, and thereby avoid the necessity of nursing home care. It has been estimated that as many as 40 percent of those presently in nursing homes require food preparation service only; if it could be provided for them at their own homes, they would not need to enter a nursing facility. Thus it is estimated that the $80 million authorized for fiscal 1977, and the $100 million fiscal 1978 authorization could, if expended as provided for in this bill, save $200 to $400 million per year in nursing home expenditures. Thus, by making a small expenditure now, we avoid unnecessary expenditures in the future. Considered as a fiscal and social investment, it is a small price to pay for the benefits that will be reaped by America's shut-in and homebound elders.

As each and every one of us knows—or at the very least can imagine—a nursing home is no resort community. Many who are effectively, if not literally, forced to live in them consider them to be impersonal dormitories as opposed to new homes. And this is so unnecessarily wasteful—not only of lives but also of dollars—dollars which could be used to serve America's elders in a manner more conducive of the enrichment, as opposed to the mere preservation, of lives.

The meals-on-wheels program, as proposed in S. 3585, provides elders with hot meals on a daily basis. This simple service is one of the most difficult for elders to provide for themselves. Shopping, preparation, cooking, and cleaning is an exhausting task for many, and is impossible for some. For those who live alone, this task is often a depressing reminder of a spouse departed and/or of a family unable or unwilling to care. It is these abandoned Americans, who have given so much and now ask for so little, who so desperately need the assistance that this bill provides, whom we must not neglect. How easy and convenient it would be to forget them; they have no political "pull," no one to protect and to lobby for their interests. Too old to fight and too proud to beg, this segment of our population easily slips from the forefront of our thoughts as more vocal and visible groups make their claims for recognition and assistance.

This bill provides the Senate with the opportunity to take a needed step forward in this area. The Older Americans Act of 1974 was a step in the right direction but, by its language, cannot reach the very persons who are most in need of its benefits.

Title VII of the Older Americans Act allows for a limited amount of moneys to be allocated for meals-on-wheels programs. Its emphasis has been and should continue to be on congregate meals. Any further diversion of title VII funds to the meals-on-wheels programs would not be constructive because of existing, long, waiting lists of elders anxious to participate in the title VII congregate meals program.

Nor has title XX of the Social Security Act been available as a source of funding for the meals-on-wheels programs. According to a report issued in June 1976 by the National Council on the Aging—

> Title XX provides a limited amount of service dollars over which groups in need of service are forced to compete at the local and State levels. Traditionally, the elderly have never fared very well under such a program. Thus, while 35 States report the inclusion of Meals on Wheels programs in their State Title XX plans, almost half do not provide the service state-wide and the percentage of Title XX monies being expended is less than one percent in most of these States. The number of persons estimated to be served by these Title XX Meals on Wheels programs is small and includes all age groups in need of service. At the same time these Title XX programs have been developed in too many cases outside the comprehensive planning program which is mandated by the Older Americans Act, making coordination with the Title VII program almost impossible.

Mr. President, I would, therefore, like to take this opportunity to announce my wholehearted enthusiasm for and support of the national Meals-on-Wheels Act. It represents a long overdue commitment to a small but nonetheless important segment of the population, America's elders.

A BLACK "CONSERVATIVE" DISSENTS

Mr. BUCKLEY. Mr. President, ours is a society which prides itself on a receptiveness to dissenting views, to those whose opinions challenge what we call the conventional wisdom. Thomas Sowell is one such man. In his open opposition to busing, to affirmative action programs and to what he calls the caretaker class—those Federal bureaucrats who have grown affluent as mercenaries in the war on poverty, this self-styled black conservative has much to tell us. A fellow at the Center for Advanced Study in the Behavioral Sciences at Stanford University in California, Mr. Sowell challenges our conventional ideas of what the majority of black Americans think about the well-intentioned but often counterproductive efforts made by Washington bureaucrats in their behalf.

I ask unanimous consent that an article by Mr. Sowell, "A Black 'Conservative' Dissents," that appeared in the August 8 ,1976, New York Times Magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A BLACK "CONSERVATIVE" DISSENTS

(By Thomas Sowell)

Being a black "conservative" is perhaps not considered as bizarre as being a transvestite, but it is certainly considered more strange than being a vegetarian or a bird watcher. Recently a network television program contacted me because they had an episode coming up that included a black conservative as one of the characters, and they wanted me to come down to the studio so that their writers and actors could observe such an exotic being in the flesh.

Am I a black conservative? Is it hard enough to know what a "liberal" or a "conservative" is, without the additional racial modifications. Supposedly a "conservative" is satisfied with the status quo, but in more than 40 years of listening to people, ranging from welfare recipients to the President of the United States, I have never come across this mythical being who is satisfied with the status quo. I know of no statistical research, or even casual observations, that would lead to the conclusion that so-called "conservatives" are more content, complacent, or less outraged than people who carry the label "liberal." Some of the angriest people I know are called "moderates." Since truth-in-labeling laws do not apply to politics, there is little that can be done about all this.

Once it is realized that "liberal" and "conservative" are simply arbitrary designations for opposing political teams (more elegant but not more meaningful than "Dodgers" and "Mets"), we can turn to the substance of the issues between them. From this point of view, a so-called "conservative" is nothing more than a dissenter from the prevailing liberal orthodoxy. A "radical" would simply be someone who carries the liberal orthodoxy to further extremes.

Why would a black man dissent from the prevailing liberal orthodoxy, and especially on such racial issues as busing, "affirmative action" and the like? The question itself shows how pervasively the mass media have stereotyped and filtered the news. Most black people oppose busing. Polls that showed a black majority in favor of busing a few years ago have begun to show black pluralities and, finally, an absolute majority of blacks against busing. What is rare is to see any black opponent of busing in the media. The media-created black "spokesman" usually shares media-created values. The impression is insinuated that such "spokesmen" represent the "grass roots," or "authentic" ghetto blacks, while black dissenters from the liberal orthodoxy are from a remote "middle class" fringe. This impression must be *insinuated,* because there is little *evidence* for it—and a tremendous amount of evidence to the contrary. Many of the most fiery "militants" are middle-class Negroes now trying to live down their past by being blacker-than-thou, like true converts.

When the Supreme Court struck down state-imposed segregation in 1954, the decision was justifiably hailed as the climax of a struggle of many decades against Jim Crow laws and gross discrimination in the availability of public services, including education as a crucial necessity. Two more decades of bad faith, foot dragging and evasions produced ever tighter judicial control, culminating in court-ordered busing to achieve racial "balance." In short, we have arrived at a position that was not implicit in the original decision, and in many ways goes counter to the original concern for insuring individuals constitutional rights *without regard* to color or other group characteristics.

The prevailing liberal orthodoxy insists that busing is essential for black children to receive their constitutional rights—and that they are to have their rights if it kills them. King Solomon is said to have chosen the true mother of a disputed infant by asking the two women concerned whether each would agree to having the baby cut in half to satisfy their rival claims. It was perhaps the first confrontation between principles of humanity and statistical "balance." Fortunately, King Solomon did not rely on H.E.W. guidelines for a solution.

Remarkably little attention has been paid to the black children who are supposed to benefit from busing. Certainly, little attention has been paid to the facts about their educational or psychological well-being before or after court-ordered "integration." It was assumed from the outset in 1954 that separate schools are inherently inferior. Anyone familiar with the history of numerous all-Jewish or all-Oriental schools could have exposed this for the sheer nonsense it was, and there also a number of all-black schools that would have exposed this fallacy. All-black Dunbar High School in Washington had an average I.Q. of 111 in 1939, compared with the national average of 100—and this 15 years before sociological stereotypes were enshrined as the "law of the land."

The really crucial assumption behind involuntary busing is that some tangible benefit will result—presumably to black children, but, one would hope, to white children as well, and to the cause of racial understanding and mutual respect. The hard evidence does not support any of these assumptions. One can select isolated pieces of data to support the assumptions, but at least as much evidence can be found showing declining academic performances, lower self-esteem by black children and greater racial antagonism on the part of both black and white children after busing is imposed.

Busing is not a policy but a crusade. For a policy, one can ask, "Does it work?" At what cost?" What is the human impact?" For a crusade, the relevant questions are: "Whose side are you on?" "Is your courage failing?" "Can we dishonor the sacrifices of those who went before by turning back now?" The last thing a crusader wants to hear is cost-benefit analysis. And if the crusader is a white liberal whose own children are in private schools, his courage knows no bounds.

One of the last refuges of those who admit the sorry academic and social record of involuntary busing is the so-called "hostage" theory of integration. According to this view, the only chance black children have for getting a fair share of educational resources is to be mixed in with white children, so that discrimination is thwarted. This assumes that it is easier for courts to control racial "balance"—in the face of "white flight"—than to control dollars and cents paid from a central fund. It also assumes a greater educational effect from differences in per-pupil expenditures than existing studies substantiate.

Finally, there is the simple vested interest of civil-rights lawyers and leaders who have a heavy personal stake in pursuing the courses of action that brought them success and prominence in the past. There is nothing peculiar in this. It is, in fact, all too human. Generals have long been known for fighting the last war. In view of history, it may be too much to expect any organization to stop on a dime and then head off in another direction in high gear. But it is not too much to expect the rest of us to be able to see when a given approach has made its contribution, served its purpose and become counterproductive. We certainly need not repeat the mistake of Vietnam by sacrificing the younger generation to spare leaders the embarrassment of losing face.

The question may once have been "segregation" versus "integration" but it is that no longer. Neither Federal, state nor local government may segregate any longer. "Racial balance," however, is in most cases a will-o'-the-wisp, as changing neighborhoods, private schools and exodus to the suburbs repeatedly defeat the numerical goals of busing. In some cases, there is more racial separation in the classroom after years of busing than before. As for "integration" in some more meaningful social and psychological sense, going beyond racial body count, compulsory transportation is the least likely process for achieving that goal. It is a tragic commentary on the liberals' misunderstanding of their fellow human beings that they cannot grasp the difference between the effects of voluntary interracial association and involuntary placement in the same buildings. It is true that, prior to the 1954 Supreme Court decision, much evidence showed greater tolerance and better educational results for black chidren when going to schools—usually neighborhood schools—with white youngsters. But these were black and white schoolchildren who *chose* to live and go to school in the same neighborhood, and who grew up around one another—not strangers confronting strangers in an atmosphere of compulsion, anxiety and heightened racial defensiveness.

The grand delusion of contemporary liberals is that they have both the right and the ability to move their fellow creatures around like blocks of wood—and that the end results will be no different than if people had voluntarily chosen the same actions. It is essentially a denial of other people's humanity. It is a healthy sign that those assigned these subhuman roles have bitterly resented it, though it may ultimately prove a social and political catastrophe if their anger at judicial and bureaucratic heavy-handedness finds a target in blacks as scapegoats.

The same statistical approach to human problems found in the busing controversy is applied to the labor market in the Federal "affirmative action" program. There is also the same heavy reliance on assumptions, the same disregard of facts and the same crusading assurance that whatever one does in a noble cause is right.

One of the first things that is done in many noble causes is lying. "Affirmative action" is no exception. The racial, ethnic and sex quotas that are set under "affirmative-action" hiring are denied by calling them "goals" and attempting to make elaborate scholastic distinctions between the two. We are told that "goals" are not "really" quotas because goals are flexible while quotas are rigid. But this revision of the English language ignores both facts and usage. "Quota" is no new or exotic word the liberal missionaries must explain to the heathen. There are immigration quotas, import quotas, production quotas and all kinds of other quotas—and whether those quotas happen to be met or not during a particular time period, no one denies that they are quotas. Quotas are quantitative rather than qualitative criteria. Everybody knows that, and that is precisely what critics object to.

"Affirmative action" quotas are supposed to compensate minorities and women for past injustices, but before any benefit can compensate anybody for anything, it must first be a benefit! There is very little hard evidence that "affirmative action" has that net effect, just as there is very little hard evidence that busing benefits black schoolchildren. Black income as a percentage of white income reached its peak in 1970—the year before mandatory quotas ("goals and timetables") were established—and has been below that level ever since (due largely to the recession). In short, blacks achieved the economic advances of the 1960's once the worst forms of discrimination were outlawed, and the only additional effect of quotas was to undermine the legitimacy of black achievements by making them look like gifts from the Government.

Undoubtedly, here and there some individuals have gotten jobs they would never have been eligible for otherwise. But however striking such examples might be, the overall picture depends on two other factors—what proportion of the labor force such people constitute, and the extent to which "affirmative action" has the offsetting consequence of actually reducing job opportunities for minority or female applicants. Since quotas apply not only to hiring but also to pay and promotion, some employers choose to avoid later problems by minimizing the initial hiring of nonwhite or female applicants. This is particularly true where there is a substantial risk that any applicant—of whatever race or sex—may have to be let go later on. For example, in the academic world, the "up-or-out" promotion system means that the top universities are constantly firing many junior faculty members at the end of their contracts, without any explicit "fault" being alleged. The legal and political dangers in applying this policy to minorities and women give universities an incentive either to avoid hiring minorities and women or to sidetrack them into special administrative jobs where this policy does not apply. Other industries also create "special" or "token" jobs for similar reasons, with the same net effect of reducing the career prospects of minorities and women—as a result of Government pressures designed to have the opposite effect.

Despite a tendency to consider women as a "minority," both the history and the present situation of women are quite different. Contrary to a fictitious history about having come a long way, baby, women today have less representation in many high-level positions than 30 or 40 years ago. In earlier times, women made up a higher proportion of doctors, academics, people in Who's Who, and in professional, technical and managerial positions generally. If you plot on a graph the proportion of women in high-level jobs over the past several decades, and on a parallel graph the number of babies per woman, you will see almost an exact mirror image. That is, as women got married earlier and earlier and had more and more babies, their careers declined. In recent times, as the "baby boom" passed and both marriage rates and child-bearing declined, women have started moving back up the occupational ladder relative to men—though in many cases not yet achieving the relative position they held in the 1930's. This upturn was apparent before "affirmative action" quotas.

If you go beyond the sweeping comparisons of "men and women" that are so popular, it is clear that marriage and childbearing have more to do with women's career prospects than employer discrimination. In 1970—before mandatory "goals and timetables"—single women in their 30's who had worked continuously since high school averaged higher earnings than single men in their 30's who had worked continuously since high school. In the academic world, single women with Ph.D.'s achieved the rank of full professor more often than single men who received their Ph.D.'s at the same time—and this again, before quotas.

These are among the many facts ignored by proponents of "affirmative action." Such facts are relevant to policy but they do not support a crusade, which requires an identifiable enemy, such as male chauvinist employers. A much stronger case can be made that career women are discriminated against in the home, where they are expected to carry most of the domestic burdens, regardless of their jobs. But there is no crusade to mount, and no political mileage to be made, from advising women to go home and tell their husbands to shape up. Both messiahs and politicians have to be able to promise people something, and very often that involves misstating the original problem, in order to make the promise sound plausible.

The grand assumption that body count proves discrimination proceeds as if people would be evenly distributed in the absence of deliberate barriers. There isn't a speck of evidence for this assumption, and there is a mountain of evidence against it. Even in activities wholly within each individual's control, people are not evenly distributed: The choices made as to what television programs to watch, what games to play, what songs to listen to, what candidates to vote for, all show the enormous impact of social, cultural, religious and other factors. One-fourth of the professional hockey players in the United States come from one state; [1] more than a quarter of all American Nobel prize winners are Jewish; more than half of all professional basketball stars are black.

Can one state discriminate against the other 49? Can Jews stop Gentiles from getting Nobel prizes, or blacks keep whites out of basketball? Obviously there are reasons of climate, tradition and interest that cause some groups' attention to be drawn strongly toward some activities, and that of other groups toward other activities. It need not even involve "ability." Some groups that have been tremendously successful in some activities have been utter failures in other activities requiring no more talent. Even such an economically successful urban group as American Jews had an unbroken string of financial disasters in farming, while immigrants from a peasant background succeeded, even though peasant immigrants could not begin to match the Jews' performance in an urban setting. As a noted historian once said, "We do not live in the past, but the past in us."

It takes no imagination at all to see the heavy weight of the past among both minorities and women. Even those minority and female individuals who are able to take advantage of higher education opportunities do not specialize in the same fields as others, but disproportionately choose such fields as education and the humanities—where most people are poorly paid, regardless of sex or race. There are good historical explanations for such choices, but these are not necessarily good economic reasons. However, unless we are prepared to deny free choice to the supposed beneficiaries of "affirmative action," it is arbitrary social dogma to expect an even distribution of results.

Should we do nothing? That is the bogeyman of unbridled discrimination that "affirmative-action" spokesmen try to scare us with. But we were not doing "nothing" before quotas came in. The decade of the 1960's saw some of the strongest antidiscrimination laws passed anywhere, backed up by changing public opinion and by a new awareness and militancy among minorities and women. The dramatic improvement in the economic position of blacks was just one fruit of these developments. Despite the tendency of "affirmative action" proponents to conjure up images of discrimination in decades past, the question is, what existed just before the quotas, and what has happened since? That is the relevant question, and the answer shows a mountain laboring to bring fourth a mouse—and often not succeeding. As we have seen, the ratio of black income to white income has never been as high since mandatory quotas as it was just before such "goals and timetables."

Why is "affirmative action" so ineffective, despite all the furor it stirs up? Simply because its shotgun statistical approach hits the just and the unjust alike. Just as the crime does not consist of demonstrable discrimination against someone, but of a failure to meet governmental preconceptions, so the punishment does not usually consist of penalties imposed at the end of some adjudicatory process but of having to go through the process itself. For example, the University of Michigan had to spend $350,000 just to collect statistics for "affirmative action." For all practical purposes, that is the same as being assessed a $350,000 fine without either a charge or proof of anything. Most "affirmative action" proceedings do not end up in proof of guilt or innocence, or in any penalty, though many end up settled by "peace with honor" in the form of elaborate plans with good intentions spelled out in statistical detail: 1.3 more black accountants per year, 2.7 more female chemists, etc. If King Solomon had operated under "affirmative action," he would have *promised* each woman 0.5 children, and gone back to business as usual.

It has long been known that the road to hell is paved with good intentions, and that is where they lead in this case. And since many of the quotas were virtually impossible of achievement from the outset, there is even less reason than usual to expect much from such statements under such pressures. Just as in television the medium is the message, so under "affirmative action" the process is the penalty. And since this penalty falls on the guilty and the innocent alike, it provides no reason for even the worst bigot to change. Nor will it exempt even the purest heart from the harassments of bureaucrats. Indiscriminate penalties do not produce change but only resentment. As in the case of busing, resentment against Government heavy-handedness is often misplaced as hostility to the supposed beneficiaries. The fact that there is really very little benefit to any group only completes this tragic farce.

One of the reasons why many programs that don't work still keep going strong is that they sound so noble. Moreover, championing the disadvantaged is not only an inspiration but an occupation. To be blunt, the poor are a gold mine. By the time they are studied, advised, experimented with and administered, the poor have helped many a middle-class liberal to achieve affluence with Government money. The total amount of money the Government spends on its many "antipoverty" efforts is three times what would be required to lift every man, woman and child in America above the official poverty line by simply sending money to the poor. Obviously, there are a lot of middlemen who get theirs: administrators, researchers, consultants, staffers, etc. These are the army of people who "take care" of the poor in a variety of ways. Such caretakers are the modern equivalent of the missionaries who came to do good and stayed to do well. It is no accident that the highest income counties in the United States are in the suburbs of Washington, D.C. Poverty is the cause of much of that affluence.

Central to the costly "caretaker" approach to helping the poor—by paying money to someone else—is an image of the poor as too helpless to make it was mere money. A picture is said to be worth a thousand words, but this particular image is worth billions of dollars to the caretker class. Public resentment at the tax cost of the "antipoverty" establishment takes the form of disenchantment with the poor and minorities, though most of the money ends up in the pockets of people who are neither.

Like every army, the army of caretakers requires both material and moral support. The taxpayers supply the material support. The moral support comes from those who accept the image of the helpless poor and who project that image—and the corresponding "need" for caretakers—through the mass media in the colleges, and to a captive audience of millions in "social studies" in the public schools. Since many who project such an image are themselves products of years of the same kind of sociopolitical conditioning, somethinig very close to perpetual motion has been created.

The image of the helplessness of the poor is repeatedly invoked to defeat proposals for income maintenance, educational vouchers and any other reforms that would enable the poor to make their own decisions and eliminate the caretakers. How helpless are the poor? And—since I am speaking as a black "conservative"—specifically, how helpless are blacks?

History shows that one of the most massive internal migrations in this country has been the movement of millions of blacks out of the South in the last two generations, in order to seek a better life for themselves. This was a spontaneous decision of millions of individuals, not organized by indigenous "leaders" nor promoted by outside caretakers. Going even further back in history, to 1850, the census of that year showed that most of the half-million "free persons of color" were literate, despite (1) being denied access to the public schools in most parts of the country, (2) being forbidden by law to go to any schools in many Southern states, and (3) having very low incomes and occupations and few opportunities to cash in on the education. Private and even clandestine schools for blacks existed all over the United States in 1850, most of them supported by blacks themselves out of meager incomes. Today, many ghetto blacks in cities across the country are sending their children to Catholic schools—though the blacks in question are usually Protestants—in order to seek better education than the public schools provide.

For example, it has been estimated that more than 10 percent of all black children in Chicago go to Catholic schools. If educational vouchers, were to make education free at both private and public institutions, would black parents be too helpless to make a choice among the various schools available to them? Or is the real problem that many caretakers in the educational bureaucracies would find themselves out of a job?

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[1] Minnesota.

At a time when every silly trend in education is proclaimed in the media as an "innovation," the struggle of thousands of poor black families to send their children to private schools is a nonevent for those who shape public opinion. Where these private schools are Catholic, they are often in ghetto neighborhoods abandoned by earlier Catholic immigrant minorities, and it is not uncommon today for the bulk of the student body in these schools to be non-Catholic. Some of the Catholic schools have achieved remarkable educational success with black students, at far lower cost per pupil than the public schools. But it isn't news.

Indeed, black advancement in general isn't news. The research team of Scammon and Wattenberg was roundly denounced in the media when it reported very substantial gains of blacks across a broad front, in education, income, occupation and housing in the decade of the 1960's. In olden times, messengers were sometimes killed for bringing bad news to the king. Today those who bring good news are in jeopardy, for they are threatening the whole caretaker industry and undermining an image supported by the caretakers' allies in the media and in politics.

How unusual is a so-called "black conservative"? Not very. Being an exception to a media image is not being an exception in real life. The real opinions of flesh-and-blood black people have repeatedly been found to be completely different from the "black" opinions of media-selected "spokesmen."

An Ebony magazine poll comparing the views of blacks with those of college students found blacks consistently more "conservative" than the college students. The great majority of blacks considered this country worth defending against foreign enemies and rejected violence as a means of achieving social change. A Gallup poll found that a substantial majority of blacks regard the courts as too lenient on criminals. Still another survey found that more than three-quarters of the blacks describe themselves as "sick and tired" of hearing attacks on "traditional American values."

So being a black "conservative" is not quite as distinctive as it might seem.

HUMAN RIGHTS AND THE POLICY OF TORTURE

Mr. McGOVERN. Mr. President, one of the most revolting facts of life in today's world is the prevalence of torture as official policy in many parts of the globe. The systematic, brutal torture practiced by many countries has shocked my sensibilities more than any other human perversion.

The editors of Time magazine have given us a graphic, astounding account of torture in a number of countries. An article in the August 16 issue of Time, entitled "Torture as Policy: The Network of Evil," should be read and pondered by every Member of Congress.

I think wye should make clear in the most forcible terms that no American aid will be granted to any government that is known to practice torture as an official policy. We ought to protest these barbaric practices in the most forceful possible way. I intend to increase my own efforts to separate American aid from any government where torture takes place as a matter of government policy. Any sense of decency demands that we do no less.

I ask unanimous consent that the excellent article appearing in Time be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TORTURE AS POLICY: THE NETWORK OF EVIL

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.—The Universal Declaration of Human Rights

Virtually every nation on earth subscribes to that straightforward principle. Yet like most other U.N. pledges, the clause is widely and brutally ignored. It is one of the grim truths of the second half of the 20th century that rarely before in history has torture been in such widespread use. Amnesty International, the widely respected human rights organization headquartered in London, estimates that in the last decade torture has been officially practiced in 60 countries; last year alone there were more than 40 violating states. From Chile, Brazil, Argentina, Uruguay and Paraguay to Guinea, Uganda, Spain, Iran and the Soviet Union, torture has become a common instrument of state policy practiced against almost anyone ruling cliques see as a threat to their power. Torture, says Marc Schreiber, director of the U.N.'s Commission on Human Rights, "is a phenomenon of our times."

Throughout much of the world, army barracks, police stations, offices and special wards in hospitals have been turned into interrogation centers, whose express purpose is inflicting hideous and often unbearable pain. There is a new subculture of terror with its own language and rituals (*see box*). There is also a new technology, involving sophisticated devices that can destroy a prisoner's will in a matter of hours, but leave no visible signs or marks of brutality.

OVERWHELMING EVIDENCE

Governments that routinely use torture as an instrument of state policy generally deny that such practices exist. At the same time, the difficulty of making unhindered investigations of conditions in closed societies and police states virtually guarantees that many abuses remain uncovered. Torture, moreover, is a most murky area, rife with exaggerated claims, politically motivated propaganda and just plain misinformation. Nonetheless, independent human rights organizations, reporters and others have managed through interviews and on-the-scene investigations to compile a credible and apparently accurate record of torture in many parts of the world.

In some places the evidence of torture is overwhelming and irrefutable. The brutality of General Augusto Pinochet Ugarte's regime in Chile, for example, has become something of an embarrassment to the Ford Administration. Last May, Treasury Secretary William Simon helped secure the release of at least 49 political prisoners. Shortly afterward, at the June meeting of the Organization of American States in Santiago, Secretary of State Henry Kissinger made his strongest statement yet on human rights. "A government that tramples on the rights of its citizens denies the purpose of its existence," Kissinger announced, adding: "There are several states where fundamental standards of human behavior are not observed."

Carrying Kissinger's sentiments further than he wanted them to go, Congress passed an amendment to the 1976 foreign military aid and arms sales bill that would have required reports on human rights conditions in countries receiving U.S. aid. President Ford vetoed the entire bill, but the rider's sponsor, Democratic Representative Donald Fraser of Minnesota, says the measure will come up before the White House again early next year.

Next to murder, torture is the most egregious violation of personal rights one human being can inflict on another. Sadly, the practice is almost as old as history. During the Middle Ages, suspected heretics were racked, scourged and burned by representatives of the Inquisition in order to make them recant, while in this century Hitler's concentration camps and Stalin's Gulag Archipelago institutionalized torture and brutality on a scale hitherto unknown. The 1948 United Nations' Declaration of Human Rights condemning torture was one notable reaction of the world community to the excesses of the Third Reich. But torture did not stop. The French used it systematically during the eight-year Algerian War. The British relied on torture to gain information about I.R.A. terrorists in Northern Ireland, while the Saigon regime brutally mistreated suspected Communists throughout most of the Viet Nam War.

WORST FEARS

Of the dozens of nations accused of practicing torture today, it is difficult to single out the worst violators. The examples most frequently cited by experts are Chile and Iran.

In the three years since the overthrow of the Marxist Allende government, according to respected church sources, an estimated 1,000 Chileans have been tortured to death by the ruthlessly efficient secret police, the DINA. In one wave of arrests 18 months ago 2,000 people were brought in; 370 have never been seen again. These gruesome statistics confirm the worst fears of many Chileans, that certain suspects are marked first to be tortured—generally for information about their political associations—and then executed.

The torture takes place in clandestine and ever changing places of imprisonment; one center is the Villa Grimaldi in Santiago, a former discothèque. Many suspects who live through their tortures are simply transferred to a detention camp, like Tres Alamos in Santiago. According to one report by reliable groups within the country, there were 85 female prisoners at Tres Alamos as of May; 72 of them insisted that they had been tortured. The most common methods: beating, rape (sometimes by trained dogs), electric shock and burnings with lighted cigarettes.

The DINA is fairly ecumenical in finding victims: former parliamentarians and army officers have been tortured, as well as suspect leftist terrorists. Recounts Carlos Pérez Tobar, once a lieutenant in the Chilean army arrested by the junta after he tried to resign his commission: "I was tortured with electric shock, forced to live in underground dungeons so small that in one I could only stand up and in the other only lie down. I was beaten incessantly, dragged before a mock firing squad, and regularly told that my wife and child and relatives were suffering the same fate."

As for Iran, since a coup restored Shah Mohammed Reza Pahlavi to his throne in 1953, says the Geneva-based International Commission of Jurists, human rights violations, including torture, "are alleged to have taken place on an unprecedented scale." Estimates of the number of political prisoners range from 25,000 to 100,000; it is widely believed most of them have been tortured by the SAVAK, secret police, which French lawyer Jean Michel Braunschweig, who investigated conditions in Iran last January, claims has 20,000 members and a network of some 180,000 paid informers. The country's repertory of tortures includes not only electric shock and beatings, but also the insertion of bottles in the rectum, hanging weights from testicles, rape, and such apparatus as a helmet that, worn over the head of the victim, magnifies his own screams.

SAME METHODS

Last week TIME Correspondent Christopher Ogden, in Iran with Secretary Kissinger, took up the torture allegations with the Shah. "We don't need to torture people any more," the Shah replied. "We use the same methods some of the very highly developed nations of the world are [using], psychological methods. We put them [prisoners] in front of confessions; when faced with a confession of their comrades, they tell us everything obviously." The Shah also rejected claims about the number of political prisoners in the country, saying that it was closer to 3,400 or 3,500. "But [those are] not political prisoners," he added. "These are Marxists, either terrorists, killers, or just people who have no allegiance to this country."

In fact, however, one group that SAVAK seems to have concentrated its attention on consists of writers, artists and intellectuals. Among those arrested and tortured in the past two or three years: Vida Hadjebi Tabrizi, a distinguished woman sociologist; Gholamhossein Sa'edi, a renowed Iranian playwright, and Writer Fereydoun Tonokaboni.

Perhaps the most terrifying feature of torture in Chile and Iran is its institutionalization, the fact that it has become the almost private domain of huge, semiautonomous police agencies. Once embroiled in the torture monolith, the individual has no appeal, no recourse to the kind of legal authority provided by functioning courts. But whether to an equal or lesser degree, torture is very much a part of life in many other countries as well. Some recent instances:

In Paraguay, the dictatorial regime of Alfredo Stroessner this year reportedly launched a new wave of political arrests involving several hundred people, it is the third such wave since late 1974. Witnesses to conditions in Paraguay's primitive jails claim that detainees are regularly tortured. One recent victim was internationally known anthropologist Miguel Chase Sardi, who was released in June after seven months in prison. Chase Sardi says he was drugged, beaten and dipped upside down in water to the point where his hearing may have been permanently damaged. Other methods of torture include electric shock, the extraction of fingernails and forcing a prisoner to drink water until he faints.

In Uruguay, once the democratic Switzerland of South America, it is estimated that an astonishing one out of every 50 citizens has been either interrogated detained or jailed since 1972. "Half the prisoners have been tortured," says former Senator Wilson Ferreira Aldunate, "by which is meant they have been submitted to electric shock or submerged in water until they passed out." Another common method is the "planton," whereby a prisoner is forced to stand for hours or even days with his weighted arms outstretched and feet spread far apart.

In India, claims of torture used against political prisoners have steadily increased since Prime Minister Indira Gandhi declared a state of emergency 13 months ago. The New York-based International League for Human Rights charged last June that Indian jailers have been guilty of "torture, brutality, starvation and other mistreatment of prisoners." Common methods: beatings with steel rods and rifle butts, electric shock and burning with candles.

In the Philippines, President Ferdinand Marcos has declared that "no one but no one has been tortured." An investigation by the Association of Major Religious Superiors, representing the leaders of the country's Roman Catholic orders, charged that prisoners in a police and army network of detention centers and "safe houses" have been tortured by beatings, electric shock and other methods. In an unreleased report that was presented to the Philippine government for comment last fall, Amnesty International charges that torture is used in the Philippines "freely and with extreme cruelty, often over long periods."

In Spain, the torture of political suspects, especially Basque separatists, apparently continues despite King Juan Carlos' seemingly genuine wish to liberalize political life. This is in part because the notorious Guardia Civil, the most feared of Spain's law-enforcement agencies, is virtually a law unto itself in the four Basque provinces. One common torture method used by the Guardia is bastinado, the continual flogging of the soles of the feet with a rubber truncheon.

Unfortunately, the list of countries continues to stretch across the globe. There have been several well-documented cases of torture and even death during interrogation in South Korea. According to Amnesty International, there have been numerous charges of brutal, disfiguring tortures in Iraq, especially in Baghdad's Kasr-al-Nihaya Prison. In many black African countries, few torture victims survive to tell their stories. In such one-man dictatorships as Francisco Macías Nguema's Equatorial Guinea, Idi Amin's Uganda, Jean Bédel Bokassa's Central African Republic and Ahmed Sekou Touré's Republic of Guinea, unimaginably cruel, capricious and unpredictable tortures are everyday occurrences. In tiny Equatorial Guinea, which has suffered a reign of terror since gaining independence eight years ago, political prisoners have had their eyes gouged out by torturers of the notorious Macías Youth. Other prisoners have been forced to stand for days in a pit, up to their necks in mud and water.

INTIMIDATING AIM

In Guinea, a common torture is confinement in a cell too small to allow a prisoner either to stand up or lie down. "The cell they put me in was about 4 ft. by 2 ft.," testifies Soumah Abou, 46, one of Sekou Touré's victims who now lives in France. "It had a tin roof and a metal door. There was no window, only some ventilation holes. There was no light, no bed, no place to go to the bathroom. For eight days I had no food or water."

The aim of torture is virtually the same everywhere: to gain information about subversives, terrorists, opposition groups, and to intimidate would-be dissidents. A show of brutality can be a devastatingly effective way of keeping people in line. Yet in many Communist nations this is simply not necessary: the torture chamber, anti-Communists argue is countrywide. All-powerful, ever vigilant party apparatus, supported by huge secret police forces, make opposition almost impossible; thus torture on a grand scale is superfluous.

Communist countries like China, North Korea, Cuba and others nevertheless have their networks of "labor reform" camps for "re-educating" dissidents. The harsh life of these camps, with their meager diets, minimum time for sleep and long hours of labor, can produce agony bordering on torture.

Among Communist states that use torture, the Soviet Union is probably the worst offender. A common method of dealing with dissidents is to declare them insane and lock them away for years in mental hospitals, like the notorious Serbsky Institute in Moscow. There low-calorie diets and drug treatments produce pain and suffering as acute as more physical methods of repression. One dissenter Cybernetics Specialist Leonid Plyushch, now living in Paris, testified that he was kept in the Dnepropetrovsk Special Hospital for 30 months after getting a spurious diagnosis of "torpid schizophrenia" with "reform-making illusions." Plyushch saw beatings applied to other patients. He himself received insulin and heavy doses of sulfur which caused discomfort so intense that all you could do was endlessly search for a new position."

How do nations justify torture? The most common argument is that the practice is an unfortunate but indispensable means of combating lawless elements that threaten the security of the state especially terrorist extremists. The argument draws some support from the reckless brutality of recent terrorist movements and from the massive Communist threat—at least as it is perceived in many countries. "Nobody wants to be called a torturer," says one senior Argentine officer. "The word stinks of cowardice. But nobody ever gave away important information because a gentleman came up to him and said: "Please tell me what you know.' "

The argument justifying torture as a necessary evil is dangerous and flawed. The fact is that the purpose of torture, more often than not is pure and simple repression of all opposition. Moreover, once torture is sanctioned, even against genuine terrorists, the network of torture has a way of becoming a Frankenstein's monster, finding reasons for a continued existence even after its initial tasks have been accomplished.

Last January, for example, Brazilian President Ernesto Geisel dismissed General Eduardo D'Avila Mela, the commander of the second army in São Paulo and a notorious advocate of torture. That seemed to reduce the mistreatment of prisoners in the city, but there was a flurry of new charges that prisoners in Rio were being tortured. Some civil rights activities believe that the São Paulo torturers simply shifted their operations to Rio. "There is a national network of torturers," says one exprisoner and torture victim; "they coordinate their work. It is a system and therefore very powerful."

What, if anything, can be done? "Make torture as unthinkable as slavery," answers David Hawk, the executive director of Amnesty International's New York branch. As Hawk well knows, that laudable goal is not easy to achieve—no easier, certainly, than the abolition of slavery was. Amnesty itself has had some limited success in securing the release of individual prisoners by means of letter-writing campaigns and appeals to conscience directed at government officials.

STILL SENSITIVE

Most countries are at least somewhat sensitive to foreign public opinion, if only because they fear that a bad human rights record could interfere with economic and military aid programs or foreign investments. Secretary Kissinger sensibly argues that U.S. foreign policy cannot be based on personal moral beliefs. Nonetheless, it does seem possible that regimes such as those of South Korea, Chile and Uruguay, which are heavily dependent on American support, could be nudged into loosening some of their grip by threats from Washington to withhold aid.

Little leverage, however, can be brought against such largely self-sufficient and comparatively wealthy states as Iran, Brazil and the Philippines—or for that matter even against such smaller countries as the African dictatorships.

One widespread hope is that torture-prone dictatorships will be overthrown, like the junta in Greece. But generally the odds are against such regimes being replaced by more benign ones, especially in countries where democracy and human rights have feeble roots to begin with. Another hope is that dictatorships will gain enough of a sense of security to cut out at least the routine use of the worst brutalities. Meanwhile, about the only avenues left are publicity and prayer—and, perhaps, keeping alive in memory a statement made by Vladimir Hertzog, a Brazilian journalist found dead a few hours after being detained in São Paulo last October. Said Hertzog: "If we lose our capacity to be outraged when we see others submitted to atrocities, then we lose our right to call ourselves civilized human beings."

MACABRE WORLD OF WORDS AND RITUAL

Azudi is just like
Genghis Khan when he walks
he walks on a pile of fresh corpses
the Khan did not clean his teeth either
the Khan also belched the Khan
did not take off his boots either Azudi
has shattered the mouths of twenty poets today*

In these savage lines Iranian Poet-Critic Reza Baraheni describes one of the men who tortured him in Iran's notorious Committee Prison, where Baraheni was held without charge for 102 days in 1973. Baraheni, who now lives in exile in New York City, recognized in torturers like Azudi the "typical thick-necked Iranian Jahel [ignoramus], fat and tall and dirty and, at the same time, shrewd, irrevocable, irresistibly virile and strong." Azudi insisted that prisoners address him with the honorific title "doctor," as do equally brutal thugs who run torture centers in Brazil and did so formerly in Greece. The title, apparently, confers on the torturer a kind of legitimacy vis-a-vis his victim.

The interrogator's need to be respected by his victims is one notable feature of a vague, inchoate subculture that exists in every country where torture is an established practice. This shadowy netherworld is marked most obviously by a mocking language of euphemisms and code words. Some former prisoners report, for example, that at the notorious São Paulo torture center of the Brazilian political police, a torture session has been called a "spiritual seance," as if it involved a cleansing of impurities. Victims in Chile say that DINA interrogators refer to Santiago's infamous Villa Grimaldi as the Palacio de la Risa—the Palace of Laughter. In Iran, Otagh-e Tamshiyat, or "the room in which you make people walk," is a name for the blood-stained chamber where prisoners are forced to walk after torture to help their blood circulate.

Torturers generally refer to themselves by nicknames, in part because they do not want their victims to know their real identities. Often the nicknames derive from a physical feature, such as "the Tall One," or "the Mustachioed One." In South America, such aliases as El Aleman (the German), Cara de Culebra (Snake Face) and El Carnicero (the Butcher) are common. One particularly brutal torturer at Chile's Tejas Verdes camp near San Antonio used to tell prisoners his name was Pata en la Raja, meaning Kick in the Ass.

The torturer's lexicon also includes mordant, mocking names for their techniques and instruments. The Wet Submarine, for example, means near-suffocation of a prisoner by immersing him in water, or, frequently, urine: the Dry Submarine is the same thing, except that a plastic bag is tied over the victim's head to deprive him of oxygen. In the Grill, the victim is stretched out face up on a metal frame while a "massage" of shocks is delivered to various parts of the body.

A Brazilian invention called the Parrot's Perch is used in many countries; it consists of a horizontal stick from which the prisoner is hung by the knees, with hands and ankles tied together. Another common technique, called the Telephone, consists of delivering sharp blows to both ears simultaneously, which often causes excruciatingly painful rupture of the ear drums. In the Hook, the victim is hoisted off the ground by his hands, which are tied behind his back in such a way that the stretching of the nerves often causes paralysis of the arms. Says one Uruguayan torture victim: "People on the Hook cannot take a deep breath or hardly any breath. They just moan; it's a dreadful, almost inhuman noise."

The torture subculture has its own rules and rituals, which sometimes parody the daily routine of infinitely less brutal professions. "It was just sort of a job to them," says former Methodist Missionary Fred Morris, who was tortured for 17 days in Recife, Brazil, in 1974. "These people had 9-to-5 jobs, except that their business was to torture for a living." There are often specific times of the night or day when victims are picked up by their torturer-interrogators. The prisoner is usually hooded or blindfolded. Sessions often begin quietly; physical torture starts only after the interrogator has built himself up to a feigned or genuine anger, which Andrew Blane of Amnesty International calls "an emotional state of furious self-righteousness." Some Chilean prisoners have reported torturers calling a prisoner to an interrogation session with the phrase "It's time to go to work." In Iran, where, as in many other countries, women are routinely raped during torture sessions, Reza Baraheni once watched a 13-year-old female prisoner calmly introduce her interrogator to her visiting family as "my rapist."

The prevalence of rape (of both men and women) as a torture technique indicates that the ranks of torturers contain many sexual psychotics as well as sadists. At the same time, some victims testify that their torturer were visibly strained by the routine and took pills to soothe their nerves; Fred Morris says that one of his torturers, a certain Major Maia, used to explain that he was a fellow Christian who went to Mass every day on his way to work.

Why do people willingly torture their fellow human beings? Oxford University Clinical Lecturer in Psychiatry Anthony Storr argues that often the torturer is motivated not by malice or by sadism but by an overpowering will to obey. "Torturers," says Storr, "are hierarchical people in that they accept and seek authority structures. They are people who obey orders without question." Whether leftist or rightist, many torturers link a fervent patriotism with a fanatical self-righteousness. Their victims often describe these torturers as intelligent but unbalanced, full of moral certitude but viciously vindictive toward people who hold beliefs contrary to their own.

Sadly enough, there seems to be no shortage of torturers; dictatorial regimes always manage to find enough people who—convinced of the righteousness of their cause—will maim or murder under orders from an absolute authority. The torture subculture provides these people with a kind of identity. It is also a dramatic and telling proof of what Historian and Social Critic Hannah Arendt called "the banality of evil." The most inhumane cruelty of man to man can become routine if it is surrounded and buffered by an apparatus of normality.

EDITORIAL SUPPORT FOR STUDENT'S FREEDOM OF CHOICE ACT

Mr. FANNIN. Mr. President, the editorial response to S. 3595, the Students' Freedom of Choice Act, has been gratifying.

This bill, which I introduced with Senators BARTLETT, CURTIS, HANSEN, HRUSKA, THURMOND, and TOWER, would guarantee to working students a genuine freedom of choice in labor matters. This legislation would provide them an exemption in the Federal labor laws from the onerous requirements of joining a union or paying dues or fees to a labor organization in order to hold a job.

As I emphasized in my statement of introduction, the purpose of this legislation is not to destroy unionism but to protect hard-pressed students enrolled in high school, college, and technical or trade schools who need temporary or summer employment in order to pay for their educational expenses. It is simply wrong to require that working students be required to shell out a portion of their hard-earned wages to a union when they are not eligible for and cannot possibly enjoy benefits negotiated by the union for which compulsory dues are supposed to be used. As pointed out by the Huntington, W. Va., Herald-Dispatch—

> You don't have to believe in Right to Work legislation to see the unfairness of compelling students, as a condition of their employment, to make mandatory payments to a union with money that they are trying to earn to finance their education.

Little wonder that students, recognizing the injustice of this situation, are, according to reliable public opinion surveys, even more opposed to compulsory unionism than the average citizen.

Mr. President, I bring to the attention of my colleagues several articles from small-town papers around the country endorsing the concept embodied in the Students' Freedom of Choice Act. I ask unanimous consent that the complete texts of editorials in the Ontario-Upland, Calif., Sun, the Bakersfield, Calif., Californian, the Waukesha, Wis., Freeman, the Huntington, W. Va., Herald-Dispatch, and the Marysville, Calif., Appeal-Democrat be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Ontario-Upland (Calif.) Daily Report, July 25, 1976]

FULL-TIME UNION DUES

Sen. Paul J. Fannin (R-Ariz.). "The average student works less than 12 weeks during the summer, and most of them hope to earn enough money during that short period to carry them through the following school year," he said.

However, he says, "under the present system, many of these young men and women are required to pay full initiation fees and dues in lieu of membership in a labor union in order to keep that job. Yet, in most instances, they cannot participate in the so-called benefits, such as health insurance, sick pay and wage increases, which have been negotiated by the union and for which compulsory dues are supposed to be used."

Should a student holding down a part-time or vacation job as, for example, a bagger in a grocery store, be required to give up part of his small pay—in some cases as much as 40 per cent—in union dues? In most states he is, but he no longer will be if a bill just introduced in Congress is passed.

Sponsored by seven senators, the legislation would amend the National Labor Relations Act and the Railway Labor Act to exempt all full-time students enrolled in a high school, college or technical or trade school from the requirements of compulsory unionism.

"Students are not especially wealthy individuals," points out the bill's principal sponsor.

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* From God's Shadow Prison Poems, © 1976 by Indiana University Press, reprinted by permission of the publisher.

[From the Bakersfield (Calif.) Californian, July 4, 1976]

STUDENTS OUGHT TO BE EXEMPT

Equity demands that Congress approve S. 3595, a bill granting students immunity from closed shop provisions of the National Labor Relations Act if they desire to avoid union membership.

The NLRA works a very real hardship on students whose work is generally parttime. They need every penny they earn to support their education. Union dues may take up to 40 per cent of a student's salary.

In some instances, they choose voluntarily to join a union. But not always, particularly when the job is but one or two days a week. These workers ought to be exempted from the union shop.

Consider the case of the Missouri high school student who was assessed $7 a month dues to work one day per week in a grocery store. One month he was two days late paying his dues and was assessed a $1 fine. Union bylaws required attendance at membership meetings under penalty of an additional $5 assessment.

We note that the Service Employes International Union will represent permanent workers in Yosemite National Park. There is the possibility that summer employes, mostly college students, also may be forced to surrender portions of their paychecks to the AFL–CIO union.

According to the National Right to Work Committee, the average student works less than 12 weeks during the summer. Because of reduced hours of employment, many are not eligible to participate in benefits—health insurance, sick pay and wage increases—negotiated by the union for which compulsory dues are supposed to be used.

Little wonder, then that 82 per cent of the voting age population under 29 years of age polled in a recent Opinion Research Corporation survey opposed mandatory unionization in the private sector. Perhaps some or all of those queried had held a student job and understands, firsthand, the injustice of the NLRA. Sen. Paul J. Fannin, R-Ariz., no doubt has their support in behalf of S. 3595.

[From the Waukesha (Wisc.) Freeman, June 28, 1976]

UNION WINDFALL FROM STUDENT LABOR

Seven U.S. Senators, six of them from Right to Work states, have introduced legislation that would amend the National Labor Relations and Railway Labor acts to exempt students from the requirements of compulsory unionism. There are two formidable arguments for the bill in which this newspaper concurs: (1) the right of individuals to decide for themselves whether or not to join unions; (2) the unfairness of compelling working students as a condition of keeping their temporary jobs, to make mandatory dues payments to a union with money they need for their education.

Under current laws, a single union may be selected to act as the sole bargaining agent for the entire work force of a company or industry. Ordinarily, workers within 30 days of employment, join the union or pay equivalent dues or fees in lieu of membership. Coming from students, this money represents a windfall for organized labor and the practice can't be justified on the usual grounds. Unlike other employes, these students are part-time who can work no longer than 12 weeks during the summer, depending on their good fortune in obtaining work early.

There is no thought on the part of these young men and women, or on the union, that they can participate in any of the benefits for which the money is paid—health insurance, sick pay and wage increases. The irony here is that the unions are taking money away from the people who don't intend to make such part-time employment their life's work, yet they are made to help pay for services from which they can expect no benefits.

Those who are sponsoring the bill point out that in some cases these compulsory dues add up to a third and even 40 per cent of a student's salary.

The case is cited of Brady Rapp, a Missouri High student, who was obliged to pay $7 a month to officials of the retail clerks union in order to work one day a week in a grocery store. Said Rapp, "One month I was late twice and they made me pay a $1 penalty each time. I was also told to attend union meetings or pay a $5 fine."

Sen. Paul Fannin (R-Ariz.) one of the sponsors, points to a study of the Opinion Research Corp., Princeton, N.J., which shows that 73 per cent of the voting age population under 29 years opposes forced unionization of public employes and 82 per cent reject forced unionization of industrial workers in the private sector. The figures are slightly higher than comparable figures among older workers.

The bill has been referred to the Senate Committee for Labor and Public Welfare. It should be reported favorably to the entire Senate and deserves early adoption.

[From the Huntington (W. Va.) Herald-Dispatch, July 6, 1976]

FORCED UNIONISM REQUIREMENTS SHOULD NOT INCLUDE STUDENTS

A new bill introduced in Congress would exempt students from the requirements of compulsory unionism.

Under the National Labor Relations Act, all workers at a factory or other business with a "union shop" contract must, within 30 days of their hiring, either join the union or pay equivalent dues or fees in lieu of formal membership.

Those who oppose the very idea of a "union shop" obviously will welcome the idea of exempting students from such strictures. But you don't have to believe in Right to Work legislation to see the unfairness of compelling students, as a condition of their employment, to make mandatory payments to a union with money that they're trying to earn to finance their education.

Most students work only a few weeks during the summer, seeking money to see them through the coming school year. Under the current law, if their employer has a "union shop" contract, they are required to pay full initiation fees and dues to the union in order to keep their jobs. Yet, at the same time, many are barred from receiving the same benefits—health insurance and the like—that regular union members receive.

Backers of the new legislation—introduced by Sen. Paul J. Fannin, R-Ariz., and co-sponsored by a half dozen other lawmakers—cite the case of a Missouri high school student who was required to pay $7 a month to a union in order to work one day per week in a grocery store. Complained the student: "One I was two days late (with my dues) and they made me pay a $1 penalty. They also said that I must attend their meetings or pay a $5 fine."

Indeed, if a student can only work one or two days a week—as often is the case—and then ends up having to pay $7 or $8 per month to a union that he or she is not even a full-fledged member of, then those payments can add up to a big chunk of his or her meager earnings.

Like other proposed legislation which would exempt high school and college students from the federal minimum wage law (the provisions of which often price students right out of the job market), Fannin's measure could go far in easing the plight of the student who must depend on a part-time job to pay a share of his or her educational expenses.

In today's uncertain economy, students find it hard enough to land part-time jobs, without then requiring them to turn over part of their initial earnings to a union

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[From the Marysville (Calif.) Appeal-Democrat, June 30, 1976]

STUDENT RIGHT-TO-WORK

Compulsory union membership as a condition of employment is insupportable in any case, but in some instances it is more of a glaring injustice than in others.

Students, for example, who work part-time in states that have not adopted right-to-work laws may be compelled to pay union initiation fees and union dues.

Legislation now before congress would exempt full-time students in high school, college, or technical or trade school from the union requirement.

Students are among the least able to pay the fees and dues. Some of them depend on income earned during summer months and part-time work during the school year to pay all of their expenses. Others may depend on it for extra-curricular expenses, but in any case their earnings are used to defray all of their expenses or part of them while they are in school.

Sen. Paul J. Fannin of Arizona, one of the seven senators introducing the legislation, pointed out that "The average student works less than 12 weeks during the summer, and most of them hope to earn enough money during that short period to carry them through the following school year. Under the current system, many of these young men and women are required to pay full initiation fees and dues in lieu of membership to a labor union in order to keep that job. Yet, in most instances, they cannot participate in the so-called benefits, such as health insurance, sick pay and wage increases, which have been negotiated by the union and for which compulsory dues are supposed to be used."

"The irony here," said Reed Larson, president of the National Right to Work Committee, "is that the unions are taking money away from the people who need it the most."

Students themselves, according to a study by the Opinion Research Corporation, are even more opposed to compulsory unionism than the public in general. The study showed that 73 percent of the voting age population under 29 years of age opposed forced unionization of public employes and 82 percent opposed forced union unionization of industrial workers in the private sector.

The legislation would alleviate the injustice of compulsory unionism in relation to students. Even the unions should be able to comprehend the rightness of the bill.

JOINT ECONOMIC COMMITTEE HEARINGS ON CAPITAL FORMATION NEEDS

Mr. HUMPHREY. Mr. President, I wish to share with Members of Congress and the public some of the main points made in testimony before the Joint Economic Committee at a hearing on June 9 on U.S. capital formation needs. The witnesses included representatives of some of our most capital-intensive industrial sectors plus the banking industry and independent economic observers. The following persons testified:

Frederick G. Jaicks, chairman of the board, Inland Steel Corp., Chicago.

James J. O'Connor, executive vice president, Commonwealth Edison Corp. of Chicago.

Leif Olsen, senior vice president and chief economist, Citibank, New York.

Robert Eisner, professor of economics, Northwestern University, Evanston, Ill.

Peter L. Bernstein, **Peter L. Bernstein, Inc.**, New York.

Norman B. Ture, **Norman B. Ture, Inc.**, Washington, D.C.

CAUSES OF THE 1974 ECONOMIC MALAISE

The testimony of Mr. Olsen and Mr. Bernstein was very interesting for its historical perspective and its analytical approach to the present and future situation regarding capacity and investment needs. Their statements tended to concur on many important points. Their main points are of great interest for the current debate on capital needs, and I would like to quote from them at some length. For instance, Mr. Olsen elucidated the causes of the 1973–74 inflation in the following terms:

> The most common explanation tends to emphasize the role of inadequate capacity growth in recent years. This conclusion is not without some substance if you look at increases in manufacturing capacity that grew only 2% a year between 1969 and 1973 in contrast to an average of 5% between 1954 and 1969 . . .
>
> Over a long period of time we observe that capital investment tends to move in cycles covering spans as long as seven or eight years. Investment tends to rise overall in response to improved rates of return and decline with diminishing rates of return. What is more, the presence of excess or unutilized capacity tends to produce relatively poor rates of return on capital investment. As a result of unusually rapid growth in investment—and in capacity—during the 1965–69 Vietnam war period, capacity utilization in manufacturing was somewhat low in the early 1970s. Thus, rates of return were not particularly conducive to continued strong investment growth . . .
>
> There exists another line of reasoning that offers as far better explanation of the traumatic events of 1973 and 1974. We begin with the imposition of price controls and devaluation of the dollar in the summer of 1971 . . .
>
> Nineteen seventy one was a recovery year from the recession of 1969–70. The imposition of price controls in the summer of 1971 caught many basic materials industries with cyclically low prices. This is not true of finished goods prices, however. As a result, under the controls period, basic materials prices were low relative to finished goods prices. This tended to increase the demand for basic materials . . .
>
> During the final period or price controls late in 1973 and early 1974, you may recall that controls were eased gradually. This led to widespread expectations of price increases once decontrol occurred and encouraged inventory hedging against those price increasses . . .
>
> Another event occurred in this country as well as internationally that helps to explain the extraordinary explosion of spending throughout the world. In 1971 and 1972, the rate of growth of the money stock for the United States accelerated sharply following the recession of 1969–70. This alone would have contributed to U.S. final demand and GNP growth. But in 1971 and 1972 the fixed exchange rate system was in its terminal phase. In an effort to continue to maintain fixed exchange rates, foreign central banks paid out large amounts of their own currencies in a futile effort to support the dollar exchange rates and this—in conjunction with other forces—accelerated the growth of the world's money stock to a rate of growth nearly double that of our long-run historic experience. The surge in new money creation and, consequently, income led to a worldwide buying spree that encompassed the spectrum from beef to automobiles, and the demand pressures in final products were then manifested back through stages of processing to the basic materials. This boom touched off a wave of speculative inventory buying that added more high powered fuel for price inflation.
>
> The devaluation of the dollar, coupled with price controls and an expansionary monetary policy, pushed U.S. prices down below those of the rest of the world, and that added substantially to the demands for U.S. products and basic raw materials.
>
> The evidence strongly supports a conclusion that the events of 1973 and 1974 were not the product of insufficient capacity but rather the extraordinary demand heightened by price controls and the anticipated end of those controls—industry-by-industry—that encouraged extraordinary inventory accumulation . . .
>
> Concern over capital adequacy typically springs forth during periods of historically high interest rates because inflation stimulates strong bidding for available funds necessarily squeezing out a large number of potential borrowers. Capital is perceived to be in short supply and the condition is extrapolated into the indefinite future. When inflation accelerates rapidly, departing from its expected trends, borrowers with short-term need such as those who roll over inventories bid aggressively. They can afford to pay rates of interests equal to the expected short-run rate of inflation plus a real rate of about 2½%.
>
> Long-term borrowers on the other hand, expecting inflation to be higher over the long-term life of their investment than they did at an earlier date, do not expect that it will be as high as in the year in which it accelerates. Consequently, these borrowers step back from the credit market as they are outbid by short-term borrowers. Among those who are outbid are housing, corporate issuers of long-term bonds and states and municipalities.

Mr. Bernstein regarded the decline in profitability and investment in the early 1970's to be largely a cyclical consequence of the high profitability and feverish investment of the late 1960's. He stated that he comes down squarely on the side of the optimists who believe that the economy's capacity to adjust automatically, left to itself, is going a long way toward solving these problems. The following except from Mr. Bernstein's testimony is especially interesting:

> While no one would argue with the unfavorable impact of the stagflation of recent years on corporate performance . . . these difficulties appear to be a natural result of unsustainably high rates of profitability during the mid-1960s in a generally euphoric environment during which capital costs were low and risk premiums virtually nonexistent. This set of conditions led to an equally unsustainably rapid growth in fixed capital—much of it in the wrong place. *This was a massive waste of precious resources on assets that turned out to be essentially nonproductive* . . . no wonder that profitability subsequently slumped, as the most profitable opportunities were exhausted and as growing disregard for risk led businessmen into unwise and ultimately unproductive investments . . . (author's italics).
>
> The carcasses of that euphoric period are still around us, although many of them have at great cost been written off the corporate balance sheets . . . Massive overexpansion in commercial real estate and retailing is only the most apparent and painful heritage of that period. We can also point to the ill-fated ventures of RCA and Xerox into the highly capital-intensive field of computers, the entire conglomerate madness, the movement of chemical companies into the oil business (an extremely expensive move that was bailed out only by the totally unpredictable decision of the OPEC countries to quadruple the price of oil at a moment when some of the chemical companies either had just, or were attempting to unwind their ventures into oil producing), automobile industry miscalculations about the nature of the market for their product, and so on.
>
> *Seen from this vantage point, much of the data on investment activity in the late 1960s is spurious: it should be included in current consumption rather than formation of capital.* As a consequence, I believe it is fair to assume that a much higher proportion of capital spending will be productive in the current environment, when risk premiums are high, rates of return are still depressed, long-term interest rates are flirting with 9 percent, and price-earnings ratios for common stocks average only about 10. In other words, *the odds are that one percent of GNP going to nonresidential fixed investment today is likely to be significantly more productive in the future than one percent of GNP was in 1968 or 1969* (author's italics).
>
> This possibility takes a good deal of the edge off the argument that pollution abatement expenditures dilute the significance of current levels of capital expenditures. Commerce Department estimates suggest that business capital outlays for pollution abatement now amount to about 4 percent of total expenditures for plant and equipment . . . the magnitude of unproductive investment undertaken during the second half of the 1960s would seem to have been at least as great as 4 percent of the total, and probably higher than that.
>
> . . . Corporate management has done an outstanding job in rectifying the errors and overexuberance of the late 1960s. The quality of both the investment expenditures and the profits now being achieved is markedly higher than it has been, with every indication that these favorable trends still have a long way to go.

CAPACITY ADEQUACY IN THE BASIC INDUSTRIES

Mr. Jaicks of Inland Steel told the committee that capacity utilization in the steel industry has risen from 67 percent at last summer's low point to 91.4 percent in the latest period. Since then, however, it has fallen below 90 percent again. Mr. Jaicks forecast total steel shipments of 98 million tons for 1976, up 22 percent from the recession year 1975. He foresees shipments next year of 108 million tons, which is just short of the alltime record of 111.4 million tons set in 1973. This is based, however, on an expectation of a substantial rise in business investment and other construction spending, which has yet to begin. Mr. Jaicks concludes that the outlook indicates tight supply conditions for flat rolled products later this year and a general tightness over the whole range of steel products in 1977.

Turning to capital requirements in the industry, Mr. Jaicks reiterated the industry's position that—

> All in all, it appears that the consensus forecast of a 2½ percent annual growth in domestic demand for steel is still void. Studies done at the American Iron and Steel Institute and confirmed by (Harvard) Professor Marshall's review, indicate that under this conservative steel demand projection the steel industry will have to install sufficient capacity to provide an additional 30 million tons of raw steel capacity by 1983. Using this

> estimate, we can confront our subject of capital adequacy in the steel industry head-on. To meet all of its requirements, the steel industry will have to spend, each year, between now and 1983, a minimum of $5.0 billion, applied as follows:
>
> About $1.5 billion annually to install additional capacity that our nation will need. This assumes a growth in steel consumption averaging 2½ percent per year.
>
> About $2.0 billion per year to maintain existing capacity.
>
> About $1.0 billion annually to meet pollution control requirements.
>
> And, about $0.5 billion per year for nonsteel activities.
>
> . . . The steel industry's record cash flow (that is, reinvested profits plus depreciation) was achieved in 1974—$3.4 billion. If steel companies were to continue to generate cash flow at this record level (and during 1975, with net cash flow of $2.5 billion, we fell far short of it), and if we were to continue to add new long-term debt of about $600 million per year (and thus maintain present debt-equity ratios), steel companies would nevertheless have only about $4.0 billion available annually toward their $5.0 billion needs—a billion dollars short of our average needs every year. . . .
>
> Some additional capital quite likely could be obtained through the sale of new shares.
>
> Inland was successful in raising equity funds recently, but I share Professor Marshall's view that equity financing will play a rather small role in steel industry expansion over the near-term.

I would note, however, that the estimated need for 30 million tons of new capacity has not been revised since 1974. I have therefore asked the staff of the Joint Economic Committee to reevaluate the future demand for steel and for other raw materials in light of the across-the-board size reductions being made in automobiles and failure of the construction sector to regain its 1972–73 activity levels.

Mr. O'Connor of Commonwealth Edison testified that the Edison Electric Institute has projected that electric power consumption will grow by some 5.3 to 5.8 percent annually, given moderate overall economic growth. This rate is somewhat lower than that of the 1960's. Mr. O'Connor told the committee furthermore that, in 1964, the electric utilities provided 64 percent of their investment funds from internal sources but only half this proportion in 1974. Of course, the rapid inflation of fuel prices and other costs, together with regulatory lag in revising electric rates, squeezed utilities profits severely in the latter year. This squeeze is now being relieved, and the utilities now are on somewhat firmer financial ground.

Mr. O'Connor stated that 181,000 megawatts of generating capacity were delayed or removed from the construction schedule during the economic slump and financial crisis of 1974–75. Some two-thirds of these were nuclear units due to be completed in 1980 or after. While the 2-year setback in electric power consumption growth and the reduction in projected future growth rates will obviate the need for some of this capacity, Mr. O'Connor warned that there may be shortages of power unless many of the deferred projects are restored.

Mr. Bernstein, on the other hand, has done analysis of recent industrial investment and capacity utilization that suggests that the basic industries in general, have rectified the capacity shortages that existed in 1973 relative to fabricating and finished goods sectors. He testified that:

> My measurement calculates nonfarm business gross domestic product in dollars of 1972 purchasing power as a percentage of gross corporate stocks of structures and equipment . . . It is in other words an output/capital ratio . . .
>
> While . . . capacity strains in the basic materials or advanced processing sectors were much greater in 1973 than in the finished goods sectors, more recent data indicate that these imbalances have been substantially eliminated and should cause no serious problems in the foreseeable future . . .
>
> Since 1973 . . . capacity growth has been significantly greater in the basic materials area. From the end of 1973 to the first quarter of 1976, the annual rate of growth in the basic materials sector has been 4.6 percent; for total manufacturing, it has been only 2.5 percent. As a result of this disparity in growth rates since 1973, growth rates measured from 1966 to early 1976 have been substantially even: 4.2 percent for basic materials and 4.6 percent for total manufacturing.
>
> Indeed, 1973 output of basic materials would utilize only 83 percent of current capacity—or ten percentage points less than it used in fact during 1973 . . .
>
> From the end of 1965 to the end of 1972, capacity utilization rates in the primary-processed goods area averaged two to three percentage points higher than in the advanced-processed goods area. The two rates were the same in late 1968, late 1971, and early 1972, but the "upstream" sector's utilization rate never fell below the "downstream" sectors' utilization rate during this period.
>
> By the end of 1974, however, the gap had narrowed to only two percentage points; by the second quarter of 1975, the primary-processed sector was operating three percentage points *below the finished goods sector, for the first time in the history of this series.* (italics in original).
>
> . . . expenditures for plant and equipment by manufacturers of primary metals, paper, chemicals and petroleum currently account for 23 percent of such outlays by all manufacturing industries, up from only 15 percent in 1972–73.
>
> In absolute dollar terms, plant and equipment expenditures by these four basic materials industries in 1976 will be just about double the 1972–73 average, compared with a rise of less than 40 percent for all manufacturing and less than 30 percent for all business.

FINANCING FUTURE INVESTMENT NEEDS

Mr. Ture presented to the committee his estimates of economywide investment and savings needs through 1985. Assuming that the capital-labor ratio continues to increase at its postwar rate, he calculated that business will need $443 billion—in 1975 dollars—for capital expansion. If replacement investment continues at its postwar rate, another $1,800 billion will be needed to maintain and replace existing capital. To these amounts Mr. Ture added a conservatively estimated $350 billion to meet Government-mandated environmental and OSHA requirements. These items, together with projected inventory accumulations total $2.77 trillion in business investment for the decade.

To cover these outlays, plus housing requirements and a Government deficit assumed to average $10 billion per year, Mr. Ture calculated that gross private saving would have to total $3.82 trillion through 1985. Such an amount would require an increase in private savings rates, according to his calculus, from the 15.5 percent postwar average to 19.3 percent for the coming decade.

To increase savings, Mr. Ture called for reversal of what he termed "the tax bias against savings." In fact, he urged the elimination of taxes on savings by converting the entire income tax system to an expenditure tax levied on individuals only. Short of this, he proposes a savings tax credit for individuals with a limit of, say, $1,000 per taxpayer and a series of other measures benefiting savers and investors. In this appeal he was joined by Mr. Jaicks and Mr. O'Connor, who argued for lower taxes on corporate profits, especially for quicker capital recoupment provisions through a higher investment tax credit and higher depreciation allowances.

I think that there is general agreement that savings and investment rates will have to go up from the levels of the past decade if full employment is to be reached and living standards are to resume a satisfactory rate of growth. This is largely because of the rapid current labor force growth. Some new savings incentives, particularly those benefiting the millions of modest individual savers, would seem to warrant sympathetic examination.

I would point out, however, that the private savings rate was at 17.6 percent in 1975 and remains high. The personal savings rate has risen steadily over the past 15 years and may rise more, and the corporate savings rate is now rising rapidly from its recent depressed levels as a result of today's swelling business profits. In the meantime, investment continues to lag. We seem to be caught in the paradox in which people increase saving by restraining their consumption, but investment remains sluggish because business lacks confidence that consumption will rise in the future sufficiently to utilize expanded capacity. This current paradox has relevance for judging proposals for new savings incentives. In the words of Mr. Bernstein's testimony at the hearing—

> Both theoretical and empirical considerations suggest that radical steps to increase our propensity to save may be counterproductive, in that they may result in less rather than more capital formation . . . On the one hand, capital formation is possible only if consumers and government do release resources. On the other hand, the businessman must expect to sell profitably the increased output that his capital formation will provide; he can justify taking the risks of that capital formation only if he believes that consumers and government are willing to buy more, not less. Thus saving is a necessary condition for capital formation, but it is not a sufficient condition. Growing markets for final demand are also a necessary condition for capital formation in a free enterprise, profit-oriented economy.

In other words, increasing savings in an underemployed economy just depresses the economy more. New measures to boost savings are warranted only together with forceful measures to restore full employment.

Professor Eisner made this point more graphically. He stated, "the greatest depressant of business investment is the lack of full employment." He pointed out that a 6.6-percent decline in real output during the last recession coincided with a 32-percent decline in real investment spending and concluded that "the one healthy economic way to stimulate investment is to bring about prosperity and a full employment economy."

Professor Eisner disputed the claim that the tax system discourages saving and investment:

> That is very far from clear . . . one big place . . . where the tax structure is heavily biased in favor of business investment is in the matter of capital gains. The fact is that most people save and most people invest not anticipating their dividend return. People put their money in the stock market; people buy land; people go into a corporation because they expect the value of that thing to go up. And that gain we don't tax. In fact, we don't tax it one penny unless the gains are "realized," and even when they are realized we tax only a portion, usually, of the total gain.
>
> You have the astonishing loophole for capital gains at death . . . Further, a major amount of business investment is financed by borrowing, borrowing and paying interest and, of course, the interest costs are deductible.
>
> So what it comes down to is that there is really no clear bias against saving or against business investment. There is a considerable discouragement of other kinds of investment, investment in human capital in particular.
>
> We keep talking about taxes discouraging business investment. Yet we have taxes on working people which begin from the very first moment they get a job—the payroll taxes which keep going up . . . So you have a situation where employers are discouraged by the amount of this tax from hiring employees and giving them the training that would prevent them from being unemployed . . .

Finally, Professor Eisner disputed the efficacy of the investment tax credit because, he said, it biases the economy in favor of business expenditures specifically for equipment in preference to other productive inputs. He asked rhetorically:

> How has Congress been able to decide that business can produce more efficiently with more equipment? How do you know they couldn't produce more efficiently with more buildings? How do you know they couldn't produce more efficiently with more research and development or by hiring better workers? Why this subsidy for equipment? I've been joking with my good friend, Norman Ture, asking him why not a credit for hiring economists from consulting firms? Why should Congress not decide that that's the better way to increase productivity?

These hearings provided an excellent debate on the main issues of the capital needs problem. The witnesses, of course, did not always agree. Indeed they were intended to represent different points of view on this subject. In closing, let me repeat that I think there is wide accord on the proposition that investment and saving rates should exceed their levels of the past decade and that they are very likely to do so in the natural course of things if the economy continues to recover and grow. There also is basic agreement among reasonable people that a return to full employment is a prerequisite of any vigorous investment boom. The issue to be debated is how, when and to what extent fiscal policy should be tailored in an attempt to boost the total savings and investment levels that will be attained at full employment.

A PROPOSAL TO END INTERNATIONAL TERRORISM

Mr. PERCY. Mr. President, my constituent Luis Kutner, the distinguished lawyer, a few years ago developed an original proposal to meet the threat of international terrorism. He called it constructive notice.

Now, at a time when the danger of international terrorism remains a major concern of the world community, I would like to bring Mr. Kutner's proposal to the attention of my colleagues for their information and consideration.

I ask unanimous consent that excerpts from Luis Kutner's article "Constructive Notice: A Proposal To End International Terrorism," New York Law Forum, fall 1973, be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS

International terrorism, which has taken root as part of the violence of the twentieth century, threatens the very fabric of civilization, the basic institutions of law, and respect for human life. Conceivably, a contemporary act of terrorism any place in the world could well provoke a rapid series of events resulting in thermonuclear horror.

Modern terrorists "operate with a destructive power often superior to that of the establishment in a 'standardized' society, and on any targets of their own selection." Though piracy and outlawry have long existed outside the law, terrorists claim full recognition as an acceptable political mode under international law. While banditry operates with a profit motive employing terror when necessary, terrorism *per se* emerges as a violent alternative to legitimate political, economic, and military power.

The recruits for international terrorism can be readily found. The tradition has long roots. The weaponry for international terrorism can be made on the kitchen table, as demonstrated by the republished *Anarchist Cookbook* by W. Powell. The original recipes, which were formulated in detail by Johann Most over seventy years ago, are still applicable today. The only addition to Most's work are chapters on the use of electronic equipment and drugs.

Up to now individual governments have taken two approaches in dealing with terrorism. Most nations readily surrender to the demands of terrorists. Others refuse to do so, frequently invoking reprisals or undercover operations against terrorist groups. Neither approach has provided a satisfactory solution. Acquiescence to terrorists' demands for ransom payment, or the release of prisoners has set a precedent whereby a terrorist knows that if captured and detained, the execution of a subsequent terrorist act may well secure his release. Accordingly, persons who have committed or conspired to commit murder, after a short period of detention, may be permitted to go free. While the reprisal approach directed against a state harboring terrorists has had some success in curtailing terrorism, it has also bred counter-reprisals adding to the state of international tension and disorder.

ASPECTS OF INTERNATIONAL LAW RELATIVE TO INTERNATIONAL TERRORISM

The United Nations General Assembly Resolution on The Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations asserts, *inter alia*, that "no State shall organize, assist, foment, finance, incite or tolerate subversive, terrorist, or armed activities directed towards the violent overthrow of the regime of another State, or interfere in civil strife in another State." This may be regarded as the assertion of an international norm of behavior.

Status of terrorist groups

Although the Geneva Convention of 1949 concerning prisoners of war does not encompass international terrorism, Article 4 provides that guerrilla forces are to be afforded protection. Irregular armed forces are recognized as lawful combatants if they comply with the following conditions: (1) they must be commanded by a person responsible for his subordinates; (2) they must wear a fixed distinctive sign recognizable at a distance; (3) they must carry arms openly; and (4) they must conduct their operations in accordance with the laws of war. The terrorists clearly do not meet these qualifications.

According to the United States Army, the Geneva Conventions of 1949 require that guerrillas must be instructed in the laws and customs of warfare, and must be warned by their superiors against the use of "treachery, denial of quarters, maltreatment of prisoners of war, wounded, and dead, improper conduct towards flags of truce, pillage, and unnecessary violence and destruction." Killing and wounding by treachery include acts of assassination. The use of poison and poisoned weapons is prohibited, as are all arms, projectiles, or material calculated to cause unnecessary suffering. Under no circumstances may prisoners be killed for the sake of mere disposal. Reprisals may be recognized only within narrow limits. Regardless of belligerent status, participants in unconventional internal warfare must comply with minimum standards of humanity. Noncombatants, prisoners, wounded and sick, regardless of race, color, creed, sex, or social standing, must be treated humanely. Their murder, mutilation, cruel treatment, and torture are forbidden. The taking of hostages, outrages on personal dignity, and sentences and executions without previous judgment by regularly constituted courts according universally recognized judicial guarantees are also forbidden. Both the government and the insurgents are under a legal obligation to apply these standards.

Terrorists have refused to adhere to these principles in committing acts of international terror. But they do press for recognition as insurgents. The granting of recognition in many instances, depends upon political considerations. In some instances, such recognition has been granted in the most doubtful cases. In one instance, the Santa Maria case, a hijacker seized a Portuguese ship. He claimed that he was supporting a rival to Portugal's leadership, and that the seizure was the beginning of a revolution. The captain was put under arrest, and the crew was terrorized, although the passengers were well treated. The hijacker, claiming to be an insurgent, searched for a port that would grant him asylum. Status as an insurgent is not accorded any citizen merely for the belief that his country's government should be overthrown. Rather, there must be an actual state of insurgency. The Santa Maria was unarmed and incapable of military action. While international law offers no valid precedent for the use of armed force in prosecuting a nonmilitary objective, the Brazilian authorities granted asylum, apparently motivated by internal considerations.

The tendency is to grant protective rights and stretch the application of international law principles where there is sympathy for the cause, such as resistance against a dictatorial regime. However, no matter how justified the cause, it may be sullied by the application of barbarous means.

Whether there exists a duty on the part of world nations to prosecute or extradite terrorists for proper disposition, depends on the general acceptance by the world community of the various conventions and agreements setting forth those duties and responsibilities. Such a uniformly accepted covenant is the International Covenant on Civil and Political Rights of December 16, 1966, which recognizes and incorporates the principles of the United Nations Charter and further proclaims the inherent dignity and equal and inalienable rights of all members of the human family. In pursuance of the recognition of the obligation of states under the United Nations Charter to respect and observe human rights and freedoms, the state signatories to the Covenant agree that:

"1. Each State Party to the present Covenant undertakes to respect and insure to all individuals within its territory and subject to its jurisdiction the rights recognized in the present Covenant: . . .

"2. [E]ach State Party to the present Covenant undertakes to take the necessary steps, in accordance with its constitutional processes and with the provisions of the present Covenant, to adopt such legislative or other measures as may be necessary to give effect to the rights recognized in the present Covenant."

The duty of a state to protect, respect and further the inalienable rights of human beings is generally accepted. In addition, there have been specific attempts by the international community, in furtherance of this duty, to deal with aircraft hijacking and other associated forms of terrorism.

International attempts to control hijacking

Perhaps the first such attempt was expressed in the Tokyo Convention of September 14, 1963. While the Convention was not aimed specifically at aircraft hijacking *per se*, Article 11 does not give a general definition of jurisdiction over crime in the air under which hijacking was subsumed, to wit:

"2. When a person onboard has unlawfully committed by force or threat thereof an act of interference, seizure, or other wrongful exercise of control of an aircraft flight or where such an act is about to be committed, Contracting States shall take all appropriate measures to restore control of the aircraft to its lawful commander or to preserve his control of the aircraft."

While the Tokyo Convention is a major step forward in the prevention of aircraft hijacking, it has several critical shortcomings. There is nothing in the agreement that creates an obligation to extradite a hijacker. Further, Article 2 states, *inter alia:*

"[N]o provision of this Convention shall be interpreted as authorizing or requiring any action in respect to offences against penal laws of a political nature . . . ."

Without the duty to extradite in the face of the ever-present possibility of political asylum, the Convention lacks the fortitude in the case of its own national, or to preserve the right of an individual to seek asylum in certain circumstances.

More recently the ICAO has called for universal jurisdiction to try the international crime of aircraft hijacking. This indicates a desire on the part of the international air transport community to view this crime as *hostis humani*. Such realization underscores the serious nature of aircraft hijacking and provides a method of dealing with asylum concepts in light of the fact that the United Nations Declaration on Territorial Asylum provides:

"(2) The right to seek and enjoy asylum may not be invoked by any person with respect to whom there are serious reasons for considering that he has committed . . . a crime against humanity, as defined in the international instruments drawn up to make provision in respect of such crimes."

Like the ICAO, the United Nations has also come to recognize that the political offense doctrine (precluding extradition) must be limited if terrorism is to be effectively combatted. This enlightened recognition was set forth in a resolution of the General Assembly stating:

"*Mindful* that such acts may endanger the life and health of passengers and crew in disregard of commonly accepted humanitarian considerations,

"*Aware* that international civil aviation can only function properly in conditions guaranteeing the safety of its operations and the due exercise of the freedom of air travel. . . . 2. *Urges* States in particular to insure that persons on board who perpetrate such acts are prosecuted."

Article 1 of the 1970 Hague Convention for the Suppression of Unlawful Seizure of Aircraft provides that:

"Any person who on board an aircraft in flight:

"(a) unlawfully, by force or threat thereof, or by any other form of intimidation, seizes, or exercises control of, that aircraft, or attempts to perform any such act, or

"(b) is an accomplice of a person who performs or attempts to perform any such act commits an offence (herein referred to as 'the offence')."

Article 4 obliges that:

"1. Each Contracting State shall take such measures as may be necessary to establish its jurisdiction over the offence and any other act of violence against passengers or crew committed by the alleged offender in connection with the offence, in the following cases:

"(a) when the offence is committed on board an aircraft registered in that State;

"(b) when the aircraft on board which the offence is committed lands in its territory with the alleged offender still on board;

"(c) when the offence is committed on board on aircraft leased without crew to a lessee who has his principal place of business or, if the lessee has no such place of business, his permanent residence, in that State.

"2. Each Contracting State shall likewise take such measures as may be necessary to establish its jurisdiction over the offence in the case where the alleged offender is present in its territory and it does not extradite him pursuant to Article 8 to any of the States mentioned in paragraph 1 of this Article.

"3. This Convention does not exclude any criminal jurisdiction exercised in accordance with national law."

Supplementing the efforts of the United Nations and the ICAO are several recent initiatives by the members of the world community to suppress aircraft hijacking. Among them is the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, signed at Montreal on September 23, 1971, and the Hague Convention for the Suppression of Unlawful Seizure of Aircraft. But, as with the Tokyo Convention, the majority of nations have refrained from signing these conventions primarily for political reasons.

Manifestly, the various conventions, resolutions and agreements presently before the international community delineate and expostulate the duty of nations to prosecute and extradite terrorists of any kind. Various members of the world community have come to recognize the *jure gentium* nature of terrorist activities and it remains for the rest of the family of nations to accept the legal and political realities of terrorism and assume their now well defined duty to respond effectively to this latest threat to world peace.

ACCOUNTABILITY OF HEADS OF STATE FOR CRIMES AGAINST HUMANITY

The acceptance of the international community, via the United Nations, of the principles set forth in the London Agreement, indicates individual criminal responsibility exists for the commission of crimes against humanity. Individual liability for crimes *hostis humnai*, by its very nature, implies certain inherent and inalienable rights concomitant with human dignity. These rights, reciprocal in nature to liability, have been affirmed by the international community in the Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights, and The European Convention for the Protection of Human Rights and Fundamental Freedoms.

Referring to the prosecution of Nazi officials, the London Agreement states:

"The official position of the defendants, whether as Heads of State or responsible officials in Government Departments, shall not be considered as freeing them from responsibility or mitigating punishment."

The willingness of the international community to hold individuals, particularly heads of state, responsible for their nation's conduct with respect to crimes against humanity, reflects the philosophy that individuals ultimately compose the repository of mankind. Increasingly, international legal thinking is moving away from the archaic Hegelian doctrines which postulated the State as the total integration of the individual and the necessary protector of his freedom and responsibility.

Recognizing this, and to facilitate the right of the individual to enforce those inherent rights which are his by virtue of human dignity, the European Court of Human Rights was created so that individuals might invoke its jurisdiction to redress violations of basic human rights. The European Convention for the Protection of Human Rights and Fundamental Freedoms expressly provides that individuals may submit their grievances to the European Court.

International legal theory once having established the individual as a subject of international law, with the associated rights and duties this connotes, might extend individual liability to reach terrorist activities on the basis of accepted principles of law. One such principle is that of constructive notice. According to this principle, knowledge of a fact is imputed *by law* to a person because he could have discovered the fact by proper diligence and his situation was such as to cast upon him the *duty* of inquiring into it. This theory of liability is well established in the Anglo-American common law. The theory is not one of absolute liability since it only requires a reasonable standard of diligence.

An individual as a head of state or chief executive is charged with the responsibility of securing due observance of the law. In international affairs, he represents his nation and is accorded the dignity and respect that nation-states inherently acquire upon attaining statehood. Heads of state, by virtue of the office they hold, should be aware of affairs within their state's territorial domain. It is reasonable to expect that the law should impute to them notice of terrorist activities within their jurisdiction. Having the requisite knowledge, the head of state is therefore duty bound to take appropriate action in accordance with international law to eliminate the activities. The community of nations recognizes that international law, as a higher level of authority, must take precedence over the laws of individual nations. All states and their backers must adhere to the obligations imposed by world law. Clearly, if heads of state are placed on constructive notice of terrorist activities and fail to take appropriate measures to prosecute or prevent the commission of an international crime they should be treated as principals to such crimes as though they had actually aided and abetted their commission.

World acceptance of the principles set forth in the London Agreement, which specifically hold heads of state criminally liable for international crimes, would serve to furnish the needed precedent. But at present there exists no international body capable of taking criminal jurisdiction over such individuals. What is needed is an International Criminal Court of Justice before which such matters could be adjudicated. International legal scholars, government experts and representatives of nongovernmental organizations, met recently at Wingspread, Racine, Wisconsin to draft a Convention on International Crimes and to propose a Statute for a World Court of Criminal Justice, for consideration by world governments and the United Nations. According to Professor Robert Woetzel, President of the Foundation for the Establishment of an International Criminal Court, the "proposed Convention and Statute would provide governments with an alternative to trying individual offenders in national courts."

RESPONSIBILITY OF STATES

One of the most highly developed branches of international law relates to the responsibility of states for injuries to aliens. Where an alien is injured, the offending state may be held responsible to the claimant state of which the alien is a national. On the traditional basis that only states and not individuals are objects of international law—a concept that is rapidly becoming outdated—the responsibility under international law of the state for injuries to an individual is owed to another state and not to the individual. The legal basis for the responsibility to another state rests upon the legal fiction that a state is injured through the injury to its citizens. But in the hundreds of claims cases adjudicated by international tribunals only lip service is paid to this principle with the inescapable realization that it is the individual who has been injured. The state bears responsibility for paying over the sum of money with the usually unexpressed assumption that the claimant state will pay the recovery over to the proper individual.

ENFORCEMENT AND SANCTIONS

When a nation has failed to take appropriate action to eliminate terrorist activities of which it had constructive notice, it would be fitting for the Security Council of the United Nations to impose sanctions against the offending nation in accordance with established international agreements and principles and those presently under consideration by the international community. While it is highly unlikely that member states would take military action, appropriate economic and diplomatic sanctions pursuant to Chapter VII of the United Nations Charter, would appear manifestly reasonable.

The majority of the world nations have indicated they consider hijacking and other forms of terrorism as threats to world peace and order. Pursuant to Article 39 of the Charter, the Security Council shall determine the existence of any threat to peace and shall decide what methods shall be taken to maintain or restore international peace. Article 41 sets forth those measures that may be employed short of the use of armed force, which include "complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations." Such sanctions directed at the offending governments would appear more feasible than those employed by nations to suppress terrorist activities. The terrorist groups themselves have become notoriously immune from such sanctions.

Aside from direct action by the Security Council, the Convention on International Civil Aviation (Chicago Convention) provides in Article 93 that the General Assembly of the United Nations can exclude a state from the ICAO, resulting in the withholding of civil aviation benefits from territory and flag lines.

The employment of internationally approved sanctions does not prevent the individual states from responding appropriately to the international crises of terrorism. The United States Senate, for example, has passed a bill which imposes a minimum sentence of 20 years for the crime of hijacking.

Hopefully, concepts of liability will increase the sense of responsibility necessary to deal with this world-wide problem. Responsible nations have indicated through their acceptance of various international agreements and conventions, that terrorism and more specifically, aircraft hijacking present an awesome threat to the safety of air travel and intentionally provokes tenuous political stability between nations. But before administering punishment to the aircraft hijacker, nations would do well to examine the recent medical data on these "criminals", for while some of the most spectacular incidents of hijacking are politically motivated, the majority appear to manifest the increased sense of alienation, impotence and loneliness pervading the entire world community.

Finally, as regards sanctions, attempts at economic boycott of a country that harbors hijackers are dangerous where such actions do not have the support of the entire international community. In the past, unilateral and multilateral actions have failed with respect to Italy, Rhodesia and South Africa as coercive measures to force political change. Therefore, not until all states realize it is in their best interest to take affirmative action against international terrorism, can such efforts hope for more than a modicum of success.

SUMMATION FOR CONSTRUCTIVE NOTICE

International law may properly be invoked as a means for obtaining international cooperation. As an acting legal advisor of the United States Department of State (C. N. Brower) stated:

"[International law] has graduated from being a somewhat esoteric discipline incident to the conduct of international affairs to become an important instrument of national policy in the United States and around the world. This world-wide expansion is abetted by a growing realization within most governments that many of the common problems affecting states can only be solved by international cooperation. In a number of fields we in the State Department have found that the development of international law can be one of the primary weapons used to develop an international climate favorable to the accomplishment of our national aims, and we are happily participating in this considerable expansion of the role of international law."

He cited terrorism as one aspect of this expansion as the State Department sought world cooperation by drafting international conventions.

The concern of international law with terrorism is an important aspect of the emergence of international criminal law. International criminal law may involve accommodation arising out of a commission of a public wrong by a member of one jurisdiction against a member of another jurisdictional unit. Mutual assistance or accommodation arises. Another type of international criminal law exists where nations for the sake of the common good of a greater community of interest cede part of their municipal criminal law to a larger jurisdictional unity without surrendering their sovereignty. In a process that has taken place for several hundred years, international criminal jurisdiction has been established over piracy, war crimes, crimes against humanity, genocide, drug traffic, and other international crimes as provided by treaty and convention. The emergence of international standards of human rights has added to the growing body of international conduct norms encompassed as part of international criminal law. Some offenses will require an optimum jurisdictional unit. Such is the case with international terrorism. A world agency will emerge as a co-existing jurisdictional unit.

One problem is that of sanctions. But there is no need to be limited to traditional concepts of sanctions. Education and propaganda are important means for the implementation of norms. These may be accompanied by national compliance reporting, (as has been undertaken regarding compliance with the Universal Declaration of Human Rights), verification or on-the-spot investigation, publication of data and the use of impartial *ad hoc* groups.

Judicial enforcement may also be applied. A model for such enforcement may include an agency which would receive and investigate complaints and would possess machinery for indictment and a tribunal for adjudication.

Accordingly, international terrorism, including hijacking, would be declared a crime under international criminal law. The terrorist who commits an offense would be branded a criminal as would any head of a state who had aided and abetted the terrorist activity or who had failed to indict and punish a terrorist. By the doctrine of state responsibility and the herein presented concept of constructive notice, the head of state would be held responsible for the commission of the act.

Under the proposed system, a state would be required to take measures and cooperate with other states to prevent acts of terrorism, *e.g.*, the protection of aircraft from hijacking, police protection to foreign visitors and others who would be susceptible to terrorist attack, and restriction of the movement and activities of persons and groups reputed to be engaged in terrorist activities. Where a state authority fails to take adequate security precautions where there is reason to anticipate the commission of acts of terrorism, the head of state would be held personally liable for the consequences of his nonfeasance. Where subsequent to an act of terrorism the state authority fails to invoke its criminal proceedings, the head of state and the state would be deemed criminally responsible. Likewise, a head of state would be personally liable and the state would be held responsible where it has accorded sanctuary to a terrorist and failed to either extradite him or undertake criminal proceedings.

Nations of the Asian-African bloc, in all proposals regarding the combatting of terrorism, have urged that an exception be made as to resistance groups fighting colonialism. Arab representatives, notably Saudi Arabia, have proposed exempting Palestinians. In the western countries there may be a tendency to exclude persons who resist dictatorial regimes.

Such attitudes ignore the basic issue. International terrorism cannot be condoned, regardless of motivation. Under no circumstances may the lives of passengers on a civilian aircraft be threatened, nor may the lives of civilians anywhere be endangered. The laws of a third state, or state not directly involved in a conflict whether internal or international may not be flaunted. Terrorism cannot be regarded as a legitimate or acceptable means for the achievement of goals, no matter what ideals are involved. In outlawing terrorism, the world would be taking a first step in the move to lessen the prevalence of violence.

The motivation for an act may be considered as mitigating circumstances for the imposition of punishment. For example, where individuals have hijacked a plane with its crew as a means for escaping from behind the Iron Curtain, extradition could be considered inhumane. Yet, criminal proceedings for the hijacking should be instituted. The penalty which would be imposed should be mitigated, especially if no passengers were threatened. Likewise, in the *Cheng* case the United States would consider the motivation and background as mitigating circumstances. A similar principle might apply to the struggles of African liberation movements. In each instance, however, the seriousness of the offense would also be weighed. For example, an act of premeditated murder, *e.g.*, the murders of the diplomats at Khartoum or the indiscriminate killing of civilians, would not merit mitigation of punishment.

In applying the principle of constructive notice and state responsibility, a terrorist should be extradited or tried within 30 days after the commission of the offense. The state involved would have the option to transfer the terrorist to the jurisdiction of a specially formed International Criminal Court.

In taking any action, the head of state would be required to duly inform an international agency of what action the state has taken. Observers may be permitted to attend the trial of the terrorist, who, regardless of the horror of his act, would be accorded the elementary principles of international due process of law. The punishment should be proper in accordance with the circumstances of the case.

Where a state fails to undertake any measures against the terrorists or has aided and abetted in the undertaking of the act, the state whose nationals were injured, or the individuals themselves who are injured (or persons acting on their behalf), may properly protest to a duly constituted international agency. Such an agency, functioning similarly to the European Commission on Human Rights, would investigate the complaint and seek to resolve the matter by negotiation. Failing such efforts, appeal would be taken to the International Criminal Court which would hear the matter and adjudge the head of state or the state itself to be responsible under the doctrine of constructive notice or the doctrine of responsibility of states. The state would be required to compensate the victims and to take action forthwith to prosecute the terrorist or implement other measures as may be appropriate.

The *ad hoc* International Criminal Court, on the presentation of a complaint, could itself try the terrorist and brand him on outlaw. States and heads of states which aided and abetted in the act of terrorism would also be tried. The judgments of the courts as well as findings by investigating bodies would have the sanction of world public opinion. International law is essentially a means for international communication and adjudication would be one means of such communication.

A state whose interests had been injured by a terrorist act committed with the aiding and abetting of another state or by its condonation can upon adjudication freely engage in reprisal actions to capture the terrorists or deter further action. Reprisal would be undertaken only if all effective measures of international sanction are absent. However, such reprisal, as distinguished from the present situation, would be undertaken within the framework of a considered judgment by an international agency.

Some countries may rightly be skeptical and distrustful of the efficacy of international legal institutions. Past experience has not been encouraging, particularly considering the biased decisions of the agencies of the United Nations. However, in its evolution, international institutions will invariably become impartial, comprised of judges and officials who dedicate themselves as civil servants of mankind. In the final analysis, true security for all nations can be found only within a framework of world law.

HUMPHREY-HAWKINS BILL ENJOYS GRASSROOT SUPPORT

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate yet another vigorous expression of broad-based support for the Full Employment and Balanced Growth Act. The president of the International Association of Machinists and Aerospace Workers, AFL–CIO, Mr. Floyd E. Smith, recently presented me with 700 petitions containing 8,321 signatures from 297 local lodges urging quick passage of the Humphrey-Hawkins legislation. Support was not confined to the large cities of the northeast. Petitions arrived from nearly every State in the Union, from Havre, Mont., to Birmingham, Ala.; from Paradise, Calif., to Rutland, Vt.

I am told by union leaders that this is the greatest response in its history to a petition drive of this kind. The magnificent turnout should come as no surprise. The IAM was one of the original backers of full-employment legislation. The industries covered by the union have been particularly hard-hit by the recession. These people are tired of the trickle-down economics of the Nixon-Ford era. They are not pleased with America's latest first—first in the industrialized world in unemployment. The machinists are not fooled by the Phillips curve myth that we must accept intolerably high unemployment to avoid inflation. They are clamoring for immediate action to get America back to work. They want more jobs, not more unemployment compensation handouts. In an article introducing the petition drive in the June issue of the magazine, the Machinist, the IAM reacted with extreme displeasure to President Ford's charge that Humphrey-Hawkins is but a "vast election year boondoggle" whose cost and inflationary impact "defied rational calculation." The article states:

> Any way you slice it, the big issue is jobs in this 1976 election campaign for the Presidency and Congress. More than 25 million Americans will have been unemployed at some time during the 12 months prior to election day. With today's prices, every layoff is a catastrophe for the individual—and for the family. More than 10 million workers are unemployed right now. The official figure is 7,000,000, but that misses 3,000,000 more who have either given up looking for work or are forced to work half-time or less.
>
> Six years ago when the Nixon-Ford leadership thought a little dose of unemployment would cure inflation, only eight of 150 metropolitan areas suffered from serious unemployment with 6 percent of the work force hunting jobs. Today there are 130 such areas and prices are higher than ever . . . Despite this, President Ford has made unemployment his political football.

Now, some point to the youth unemployment rate of over 19 percent and to the fact that the percentage of the labor force made up of young people has increased over the past decade, and conclude that the overall unemployment rate should not cause so much concern. They think that unemployment is mainly for kids. Well, I would just like to read you a letter, one of the many that accompanied the petitions, from Mr. Eugene J. Wehner, a 60-year-old man in St. Louis, Mo., who knows that unemployment is not just kids' stuff: "I am one of the unemployed, a skilled tool room machinist and because of being 60 years of age, I might as well die, as they feel there is no need for a man over 25 years old under these economic conditions." Mr. Wehner's eloquent words need no explanation.

Thank you, Mr. President.

THE LIBERAL TWILIGHT

Mr. FANNIN. Mr. President, one of the most intelligent and perceptive critiques I have seen of Government intervention in the marketplace, of Federal overregulation of business and of deficit spending as a panacea for our Nation's domestic ills was made by columnist M. Stanton Evans in a speech which he delivered on the campus of Hillsdale College.

Among his numerous accomplishments, Mr. Evans is a radio commentator on CBS and an author, the former editor of the Indianapolis News and current chairman of the American Conservative Union.

Mr. Evans has provided a well-written, well-documented indictment of liberalism—of the philosophy and programs that have dominated America's political and social scene for 40 years. Because of the mounting evidence that this philosophy and these programs are bankrupt, have outlived their usefulness, if ever they were useful, and have proven to be unsatisfactory responses to our Nation's mounting problems, Mr. Evans has concluded that we are entering a period of "liberal twilight," in which "the liberal world view as we have known it begins to fade from vision."

To demonstrate his thesis, Evans points to liberal failures in the economic sphere—in such areas as inflation, unemployment, and housing. As he points out, in these and other issues:

> The liberal argument has the situation backwards. It is not government that can cure the problems generated by private enterprise, but private enterprise that alleviates and diminishes problems created by government. . . . The final assurance is not economic but political and constitutional: that it is possible on the one hand to pile up all these powers in the hands of the federal government, eroding the barriers to the exercise of power built into the constitutional system by our founding fathers, and yet maintain our essential freedoms.

In Evans' view, liberals, who emphasize "human rights" as the "core values of a free society," are wrong-headed: You simply cannot separate freedom of expression, for instance, from a free economy. As an illustration, Evans points to regulation by the Federal Communications Commission which, through its licensing power, has been able to impose effective constraints on free speech, under the dubious doctrines of "fairness" and "equal time."

Mr. President, I need not reiterate the other examples cited by Mr. Evans. His excellent discussion of the issue needs no amplification by this Senator. Indeed, his argument that liberalism is fading away requires no qualifications: There is ample evidence all around us. The question remains, however, in what direction is our society heading? In Evans' opinion, the controversy surrounding the "quality of life" issues, especially abortion and euthanasia represents:

> . . . the ultimate phase of this development in which the liberal mind set becomes transformed into something quite the opposite of liberal: in which the libertarian shell has fallen away, and we're left with the bedrock principles of compulsion and the subjection of human beings to a planning elite.

It is the concern of Mr. Evans and other like-minded critics of the welfare state that a "united front" of conservatives and disenchanted liberals can work together to forge out of decadent liberalism and so prevent "the further erosion of our political system into authoritarian practice." I share that hope, and I commend Mr. Evans' view of our current dilemma to my Senate colleagues.

Mr. President, I ask unanimous consent that the complete text of "Liberal Twilight" by M. Stanton Evans, as it appears in "Imprimis" and was presented at Hillsdale as part of that college's "Ludwig von Mises Lecture Series", be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LIBERAL TWILIGHT

(By M. Stanton Evans)

In the past four decades, we have seen a dramatic growth in the scope of government power in the United States: a drainage of power upward out of the states into the central government, and within that central government, away from the Congress into the hands of the executive. And, I hasten to stress, not necessarily into the hands of the president, but into the hands of the executive bureaucracy.

As a result, we have established on the banks of the Potomac precisely the kind of unchecked, untethered monolithic power structure that our founding fathers wanted to avoid. This has been done on the basis of a number of arguments and alibis that need examination. One of these is the suggestion that the scope of federal power is not much larger than that which existed forty years ago. As a result of this activity, supposedly, we increase the absolute size of government, but since we are also increasing the productivity of our economy, relatively speaking there isn't that big an increase.

There are lots of ways of looking at that argument, but I think the simplest is to take the spending figures, and trace them down through this period of four or four and a half decades. If you go back to calendar year 1929, you discover that in that year, the entire outlay of the federal government came to less than $3 billion, $2.6 billion to be exact. If you come forward to fiscal '75, you discover that the outlay of the federal government was about $324 or $326 billion. If you round that back down just to $300 billion, you discover that in a span of 46 years, the budget outlays of the federal government increased by 10,000 percent, from $3 billion to $300 billion.

This was a period when the population of the United States was increasing from about 120 million people to perhaps 214 million, an increase of roughly 75 percent. So in those terms it is readily apparent that the compulsory sector of our economy, just measuring the federal component of it, has been increasing at a rate much greater than the growth of the economy as a whole.

Now it is true that the increase in spending is measured in dollars devalued by the process of inflation. But it is possible to correct for that and to take the percentage of government spending in terms of gross national product or personal income, and thus to get a constant measure of what is happening to our economy. If we do that, we discover that in 1929 the percent of gross national product consumed by government at all levels was just about 10 percent. Today, it is 37 percent.

A single proposal now before Congress, the National Health Insurance Plan of Senator Kennedy, would increase that percentage to 45 percent. If the trend of growth that has prevailed for the past two decades continues simply as it has been with no major additions, by the year 2000 the percent of GNP absorbed by government is going to be 67 percent, according to the estimates of the Office of Management and Budget. In terms of personal income, the story is much the same. In 1930, the percent of personal income consumed by governments at all levels was 15 percent. Today it is 44 percent.

And that, I might stress, is only a threshold measurement. On top of the spending measures, you have layer upon layer of regulatory intervention which itself imposes social costs and economic costs not included in the budget figures. We know, for example, that there are, at various levels of government, 283 different agencies which have some species of superintendence over the activities of American businesses. We know that there are about 150,000 government employees at every level involved in that activity. We know that in the federal government alone there are 63,000 employees involved in that activity.

We know that in paperwork alone, the costs to business and taxpayers amount to about $40 billion a year. We know that there are something like 6,000 different federal forms which have to be filled out by American businesses. President Ford's Council of Economic Advisors has estimated that the additional costs to consumers of various federal regulatory programs is $130 billion a year.

If we compare this level of intervention with the level prevailing in the explicitly collectivist countries, we find there is not much difference. The percent of GNP taken in the Scandanavian countries for social programs is not much higher than the percent which is being taken here. So the assurance that it's all in your mind, it's all relative and isn't really that big, is mistaken. But if that empirical point can be established, one finds other assurances and explanations forthcoming.

One of these is that the burden of guilt for all this spending rests on the military. We experience high taxes and ravaging inflation, allegedly, because we're spending so much money on unneeded military implements and responding to the pressures of the military-industrial complex.

That notion has been sold very effectively in many segments of the national media and by very articulate politicians. But it is totally unsupportable on the empirical record. If you examine the budget figures for the last decade, you discover that the percentage of the federal budget devoted to the military has been falling like a stone. In 1963, 46.9 percent of the federal budget went for defense, almost half. For fiscal '76, it's 27 percent, just a little over a quarter. Even though there has been an absolute dollar increase in outlays for defense, that proportion has fallen steadily because the major spending increases have been for non-defense items, and mostly for welfare.

It's interesting to note the spending history of the Department of Defense as put up against the spending history of the Department of Health, Education, and Welfare. In the two decades, 1952 to 1972, the DOD budget increased by 74 percent, which in constant dollars was not much of an increase at all. In fact, according to the Brookings Institution, that was roughly keeping even in terms of what could be purchased with the dollars.

In that same two decades when Pentagon spending increased by 74 percent, the spending of the Department of HEW increased 4,837 percent, from $1.9 billion to roughly $100 billion. Today, whatever one may think about the Department of Defense, it no longer has a distinction it once did have. That is, it is no longer the largest department of the federal government. Its budget for '76 is about $93 billion. The budget of the Department of HEW is $118 billion. That is where the truly enormous spending increases have occurred—not for defense but for domestic social welfare programs.

If that empirical point can be driven home, one encounters another explanation which also has its plausible aspects. This is the suggestion that even though we are spending all this money on social welfare programs, at least we are helping poor people. We are taking resources from people who don't need them and putting them into the hands of people who do. This is what all the transfer payment programs are about and indeed they have been growing very rapidly.

There is no question that some proportion of this enormous increase in federal spending has gone to help people who are in need. But I would suggest to you that is not the major impact of what has happened. The major impact is something else altogether.

Again we face the difficulty of how you quantify these things. I have a formula which I think suggests a kind of answer. It is possible to measure the net increase in social welfare spending over a given span of time. If we do that, we discover that between 1960 and 1971, the total level of expenditure on social welfare programs, broadly defined, increased from $50 billion in 1960 to $171 billion in 1971—about a $120 billion increase.

It so happens that, according to the Bureau of the Census, there are about 25 million poor people in the United States, defined as people with an income level of $4,137 or less for a given year, for a family of four. If we take those 25 million poor people and divide them into the $120 billion increase—*not* the whole thing, just the increase—we discover that if we had simply taken that money and given it to the poor people, we could have given each and every one of them an annual stipend of $4,800 a year, which means an income for a family of four of $19,200. That is, we could have made every poor person in America a relatively rich person. But we didn't. Those poor people are still out there.

What happened to the money? The answer is that some of it did get into hands of the people who are supposed to get it. But a lot of it didn't. I would say the majority of it went to people who are counseling the poor people, working on their problems, examining the difficulties of the inner city, trying to rescue poor families and devise strategies for getting them out of their doldrums. It went to social workers and counselors and planners, and social engineers and urban renewal experts, and the assistant administrators to the administrative assistants who work for the federal government.

Now it is very interesting to note, if we talk about relative impoverishment and affluence in our society, that the level of income among people who work for the federal government is considerably *higher* than the level of income of people who work for private industry. In 1972 the median income for someone working for the federal government in civilian employment was about $12,700. The corresponding income for someone working in private industry was about $9,000. This means that whenever these programs are adopted, the gross effect, and I use the word in both its senses, is to transfer money from people who are relatively poor—that is, taxpayers—to people who are relatively well off—that is, people who work for the federal government.

It's also interesting to note the two most affluent counties in the United States. What do you think they are? Westchester County, New York? Dupage County, Illinois? Marin County, California? Orange County, California? No, none of those.

The two richest counties in the United States, according to median family income, are Montgomery County, Maryland, and Fairfax County, Virginia, which happen to be the two bedroom counties for the federal government. That's where the government workers live. The median family income in Montgomery in 1972 was $16,000 plus. In Fairfax, which was not quite so good, it was about $15,700. Every time a program is adopted to enhance the power of the federal government, to cure impoverishment, those are the people who are enriched.

So it seems to me that argument is implausible, although superficially appealing. We simply have not been assuaging poverty by what we're doing. The other justifications are essentially subdivisions of that one. They are contentions that in problem areas throughout our economy, it is necessary to have a federal intervention of some type because the private market economy and the system of voluntary exchange have failed to get the job done.

We need a new health care program, supposedly, because the system of private health care delivery has failed. We need a new spending program to create jobs because the private market economy has failed to provide jobs. We need a new housing program because the private housing construction industry fails to provide new low-income housing. We need environmental constraints, we need energy programs—all allegedly because the system of private exchange doesn't do the job.

It is precisely here, however, that the liberal social philosophy has reached a watershed which even liberal theoreticians have come to recognize as such. If one takes the readouts on all these various programs and all of the difficulties that we allegedly are going to redress by enacting them, two things become apparent.

One is the fact that quite clearly these programs do not solve social problems. They are much more likely to *create* such problems. Second is the fact that in each and every one of these issue categories, you discover that every problem brought forward as a reason for further government intervention is the result of a *prior* intervention. The issue categories in which this is so are worth examining in a bit of detail because they show the phenomenon of self-generating interventions very clearly.

Inflation: We are being told that we have various kinds of government action because of rising oil prices or rising food prices. We've seen the enactment of a very complicated system of wage and price controls which obviously failed. We still have price controls in the energy field. We have exhortations on occasion to return to the system of full controls, all of this to cure the problem of inflation.

Well, who creates the problem of inflation? The answer is very plain on the record. Inflation, as I am sure the students of economics here are well aware, is essentially a phenomenon of more dollars chasing fewer goods, or an increasing money supply going after a relatively stable volume of production. That is exactly what has happened in the United States in recent years. Take a look at what happened to the money supply between '67 and '73, right through the period of controls. In that span, the money supply increased by 44 percent. The index of industrial production increased only 26 percent. What happened to consumer prices? They were right in between the increase in industrial production and the increase in the money supply, rising by roughly 35 percent. It is very clear on that record, as well as on the theoretical articulation of what causes inflation, that government itself creates the problem government is setting out to cure.

Unemployment: Government wants to cure unemployment through spending programs and job training projects. This is indeed a serious problem. Adolescent unemployment is very high these days; specifically, unemployment among black adolescents has soared to about 40 percent. Now why is black adolescent unemployment that high? What has caused this very serious problem?

The cause of that phenomenon, as it happens, is a "humanitarian" social program called the statutory minimum wage, one of those ideas that sounds great in theory but is not so great in practice. The theory is that we can raise people's wages by *fiat*. We simply pass a law saying workers ought to be paid a living wage and it is inhuman to pay less than that wage, making it illegal to go below it.

Unfortunately, it doesn't work that way, because in the final analysis, everybody's wage is paid by the consumer. If a given employee doesn't bring to the job the skills and the education to generate what he or she is being paid, that employee isn't going to get hired, or will be the first to be laid off when the economic crunch arrives. This means that any statutory floor under wages always works to the disadvantage of marginal workers, the people who can least afford further disadvantage because they've already had insufficient education and training.

We see that in our economy precisely in the phenomenon of black adolescent unemployment. In 1954, the federal minimum wage stood at 75 cents an hour. Black adolescent unemployment was 16.5 percent, which was bad enough in itself. By 1968, however, the federal minimum had gone to $1.60 an hour and black adolescent unemployment was 26.5 percent. Now the minimum is $2.10 and it's going to go to $2.20, and black adolescent unemployment is 40 percent.

So in this instance as well the federal government is creating the very problem it allegedly is setting about to cure. The answer to that problem is not further intervention into the market, but to phase out the intervention that we have.

Housing: We're told the private housing construction industry has failed. The record is directly the opposite. In the period since the 1930's in which the federal government has been involved in housing programs of one sort or another, what has been the result of those programs? There have been many computations made and they all point to the same conclusion. The net impact of federal involvement in the field of housing has been the destruction of over one million units of housing. Now some of that housing, agreed, was unliveable, but much of it was liveable, and much of it was destroyed by urban renewal programs which went in to inner cities, obedient to the vision of the planners, and knocked down row after row, unit after unit of liveable housing and threw the tenants or the owners of that housing out and packed them into very densely populated neighborhoods elsewhere.

Now while the federal government was creating a net destruction of one million housing units, what was the private construction industry doing? The answer is that it was upgrading American housing in a chronicle of progress, true progress, that is probably unequalled anywhere in the annals of productive enterprise. In 1940, 51 percent of the housing in the United States was rated standard—that is, not in need of major repair, not overcrowded, with indoor plumbing. In the census of 1970 the corresponding figure was over 90 percent.

The same kind of thing is true in the realm of transit, environmental controls, energy, and almost every other issue that is being debated in Washington. The liberal argument has the situation backwards. It is not government that can cure the problems generated by private enterprise, but private enterprise that alleviates and diminishes problems created by government.

There is finally, and perhaps most important of all, another assurance whose failure, in my opinion, indicates that we are entering a period of liberal twilight—a period in which the liberal world as we have known it begins to fade from vision.

The final assurance is not economic but political and constitutional: that it is possible, on the one hand, to pile up all these powers in the hands of the federal government, eroding the barriers to the exercise of power built into the constitutional system by our founding fathers, and yet maintain our essential freedoms.

What's important, in the liberal view, are human rights or rights of speech and advocacy and political association and religion. These are the core values of a free society, and we guarantee that even though we are doing all of these things to the economy and to the constitutional system, that all these rights are going to survive.

I regret to say that this final assurance is also unjustified, according to an enormous body of evidence that is piling up before us.

To begin with, it is theoretically impractical to reconcile these propositions. If in fact one can control the economic elements of a society, then one can control political activity as well. To take a very simple example, if one can control the supply of newsprint, one can control the press. It is interesting to recall that the closest we ever came to seeing a mass shutdown of newspapers in this country was in the fall and winter of 1973 when there were labor problems in Canada and the supply of newsprint was diminished. The result was that newspapers all over the Midwest cut back on the number of pages they could print, and there was a very real fear that they would have to stop publishing altogether. As a result of that particular economic constraint, a number of features and opinion columns were dropped from newspapers—a very clear example of economic factors impinging upon freedom of expression.

But there are other more direct illustrations as well. We know, for example, that there is not freedom of political communication today in a very large segment of the press, namely the electronic media. In that business the basic economic resource, the broadcast frequency, is controlled by the federal government—by the Federal Communications Commission. If you want to operate a commercial broadcasting station, you have to get a license from the FCC and that license is subject to renewal every three years.

If you do not conduct yourself in a manner the FCC considers appropriate, your license can be taken away. There are few instances in which licenses are actually removed but it isn't necessary to have many removed for the point to get across: if you conduct yourself peaceably and don't stir up a lot of fuss and feathers, you probably will get a routine renewal. But if you create problems and become excessively controversial, as has happened in certain cases, then your license can be taken away. Hundreds of thousands, perhaps million of dollars of revenue, can be lost as a result of that political decision.

Above and beyond this threshold constraint, the Federal Communications Commission has added other very explicit constraints through the fairness and equal time doctrines. The Federal Trade Commission has also gotten into the act with its rulings about commercial content. So the range of debate in commercial broadcasting has been severely constricted, principally, because the basic economic resource is in the hands of the government.

During the Watergate controversy, there was a considerable flap when Senator Lowell Weicker of Connecticut, a maverick Republican on the Watergate Committee, came up with a document which allegedly had been drafted by Jeb Stuart Magruder, a functionary with the Committee to Re-elect the President.

In this memorandum, Magruder spelled out a number of ideas for getting at people in the media who disagreed with the administration. He said things like this: The first thing we do when we get Dean Burch appointed chairman of th FCC is to start monitoring what the networks are doing, and build a case that they are not giving out with balanced programming.

Then we can get the Antitrust Division of the Justice Department to take a look at the networks and suggest that there are going to be actions on that score. And then we can get the IRS into the act and start taking a look at the tax situation. There are all kinds of things we can do to intimidate them and back them off a little.

When that came out it caused a tremendous uproar; there was indignation that the Nixon regime was planning to use the powers of government to punish dissenters. It reminded me of a very similar memorandum written back in the early 1960s by a man named Victor Reuther, one of the high officials of the United Auto Workers, addressed to then Attorney General Robert Kennedy. In that memorandum Victor Reuther spelled out a scenario very similar to that spelled out by Magruder.

Reuther said, in essence, we should take the FCC and the IRS and other agencies of the government and start putting heat on conservative broadcasters creating problems for the Kennedy administration. He very elaborately suggested some of the things that might be done. That advice was acted upon. We know now that this program for inhibiting dissent through the political use of the Federal Communications Commission was pursued very energetically by both the Kennedy and Johnson administrations.

I cite those parallel examples not to say that since it was done under the Kennedy administration and the Johnson administration, therefore it's all right under the Nixon administration—no. Both are wrong. The point is otherwise. That point, it seems to me, is that in neither of these memoranda was it suggested that we needed a single new governmental power to control the media in this country. What was being suggested was that *the power is already here*. We *have* the power. Just take it and use it against the people who disagree with us.

Ultimately the Nixon attempt failed because of Watergate. But nonetheless, the power *was* there and the power is still there. That power has not been dismantled as a result of Watergate. It's all sitting there in Washington, D.C., waiting to be used by somebody who knows how to deploy it in sophisticated fashion.

A second point implicit in what I've been saying is that almost all of these controls are economic in nature. All have to do with controlling some aspect of our economic lives, either through taxation, antitrust, or the FCC licensing power. By controlling the economy, we control political expression as well.

Alexander Hamilton said a power over a man's subsistence amounts to a power over his will. A very true and very obvious statement. If I could control the wherewithal of your life, I could control almost everything about you. If I can control your subsistence and I can control your will, I can certainly control your voice or pen.

In essence what the liberals have attempted to do, and it has been a heroic enterprise in its way, has been to abandon the premises of a free society, to adopt the premises of an authoritarian society, and yet to avoid authoritarian result: to say that we're going to have a collectivized, regimented society and still maintain our libertarian values. What is happening to us now, in the terminal phase of that experiment, is a final distintegration of libertarian values. We are beginning to see the indications of an authoritarian state—not simply a regimented state, but an explicitly authoritarian state—crop up around us.

I think we see this in some very mundane, very ordinary controversies debated all the time in communities around this country. The issues I pick are essentially three—busing, sex education, and the population issues.

Take a look at those issues. The usual debate on busing, for example, is as follows. The proponents of the neighborhod school want to preserve their local neighborhood and autonomy against the people who want to get authentically integrated schools. All the debate is about "unitary" and "dual" systems and *de jure* and *de facto* segregation.

But if one pursues the busing controversy to its heart, one discovers a totally different set of issues. If you go back and read the Coleman Report, published in 1966 by the Department of Health, Education and Welfare—named for Professor James Coleman, then of Johns Hopkins, now of Chicago—you find the rationale for busing spelled out pretty plainly. And it is articulated even further in another document called *Racial Isolation in the Public Schools*, published in 1967.

The Coleman Report in essence was a review of all the factors entering into public education and the things that resulted from those factors. It found that the enormous increase in spending for public schools over the past several decades had not resulted in a corresponding increase in learning gains, and in particular had not produced any diminution in the black-white learning gap which was observed at the beginning of school and was still observed at the end of school.

The problem as it was perceived by these researchers, and those explaining their research, was that we were sending black kids into these wonderfully appointed, very expensive public schools with all the right facilities and all the right preparation, and there we were programming into them the good things they ought to know. But then at the end of their school they were going home to their ignorant parents, where the good effects of the official programming were being washed away. They were slipping back into the same culture pattern from which they had originally emerged.

The conclusion drawn from that—to put it in its most brutal, but I think most accurate, form—was that we *had to break the link between the black child and his or her parents*. We had to take that child and get him as fully as possible in an artificial environment created by planners who had the proper credentials and the proper expertise and the backing of the state.

Coleman said it very plainly in an article in *The Public Interest* in the summer of 1966. He said that what is needed in a school that begins very early in the day and ends very late in the day, a school that preferably would begin very early in life. We had to replace the home environment by an official environment.

Now that's a very interesting idea, and it is particularly interesting when it is proposed in the name of civil rights—to take the black child as an experimental guinea pig in cultural homogenization, and to say that we're going to get that child away from his family and to mold him according to a design desired by official planners.

It is this same idea that is apparent beneath the surface in these other controversies. We see it in the sex education debate—and again the superficial level is one thing and the actual level is something else. The superficial, public level is: My kid is being exposed to pornography because they are showing him pictures of frogs copulating. On the other side is the school saying the kids have to learn hygiene and how to avoid getting pregnant, and it's important that we teach them these things.

Again, I'm not downplaying the importance of such issues, but they're not the real issues. The real issues are essentially the same as in the busing controversy. If you push that one far enough, you invariably reach a point where people on the side of the sex education programs say: Look. Let's face it. These parents are too dumb. They don't know what is right for their own kids. They've got all these hang-ups and can't talk to the kids about this. They don't know how to shape them emotionally and physically. We know. We've got the credentials. We studied this. We've got the degrees and we've got the state backing us up.

The population question is the ultimate version of this whole controversy. A plausible rhetoric about the "quality of life" would have us suppose that the issue here is *numbers* of people. And, without taking a particular side, that is an issue worth discussing. But it isn't the real issue. The real issue isn't the *number* of people. It's the *kind* of people. Read the literature that has emerged from the abortion and euthanasia movements and examine the meaning of the phrase "quality of life." Sounds good, doesn't it? Everyone wants a better quality of life. Well what that means is something rather different. *It means that some lives are better than others*, that there is such a thing as a life that isn't worth living and that it is up to those of us who have the expertise to make the decision as to which lives are worth living and which aren't. And that is the payoff. That is the ultimate phase of this development in which the liberal mind set becomes transformed into something quite the opposite of liberal: in which the libertarian remnants that have persisted through these forty years fall away, and we see the emergence of an authoritarian state.

If one adopts the authoritarian premises, ultimately one is going to emerge with the authoritarian conclusions. The libertarian shell has fallen away, and we're left with the bedrock principles of compulsion and the subjection of human beings to a planning elite.

It doesn't have to be that way and some liberals have turned back in the other direction. It is my hope that those who have become disenchanted with the liberal formula will join with those who have criticized this approach for many years, and that between them they will be able to attack, in an intelligent way, the economic distresses which have afflicted our society and prevent the further erosion of our political system into authoritarian practice.

If such a united front can be, then I think there is some hope that emerging from this liberal twilight will be a more libertarian product than that I have been describing, and that those of us who are concerned for the future of our society can restore it to the ways of freedom intended for it by its founders.

EIGHTH ANNIVERSARY OF SOVIET INVASION OF CZECHOSLOVAKIA

Mr. PELL. Mr. President, August 20–21 was the eighth anniversary of what has appropriately come to be known as the Soviet Day of Shame—the brutal invasion of Czechoslovakia in 1968 by 600,000 Soviet and other Warsaw Pact troops. It is lamentable that in the current atmosphere in the United States of skepticism—and even cynicism—about the course of East-West détente our memory of what the peoples of the small and peace loving country of Czechoslovakia tried to do 8 years ago seems to have dimmed.

In the spring and summer of 1968, the Czech and Slovak peoples, acting in accordance with the U.N. Charter's principle of "the sovereign equality" of all U.N. members, tried to humanize the Communist system under which they had lived for 20 years. This was a purely internal matter which threatened no other nation; yet the Soviet Union, apparently believing that some sovereign U.N. members are more equal than others, violated article 2(4) of the U.N. Charter which states that—

> All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

I have long had an interest in and personal acquaintance with Czechoslovakia. It seems only a short time ago when, as a young Foreign Service officer, I opened the American Consulate in Bratislava shortly before the Communist putsch of February 25, 1948. Through the years since then, I have sought to visit Czechoslovakia as often as I could and to stay in touch with conditions in that country. I was there just prior to and just following the Soviet invasion of 1968. I observed at the time that the fact that the Soviet Union did not have to use force directly to make Czechoslovakia a Communist country but had to employ a major military force to keep it Communist says something dramatic about the appeal of communism after two decades of exposure to it.

Mr. President, on August 1, 1975, the 35 participants in the Conference on Security and Cooperation in Europe signed a Final Act in Helsinki relating to security in Europe, and economic and humanitarian cooperation. I was encouraged at the time by the fact that among the principles to which the participants, including the Soviet Union, subscribed, was one which stated that "no consideration may be invoked to serve to warrant resort to the threat or use of force" against the territorial integrity or political independence of any state. My colleagues may recall that in 1968, the Soviets justified their invasion in the name of "proletarian internationalism"—also known as the Brezhnev doctrine.

The fact remains, however, that some 50,000 to 70,000 Soviet forces remain in Czechoslovakia with the principal mission of insuring that no more Prague springs occur. Until the Soviet occupation of Czechoslovakia ends, there is no realistic prospect for the Czechs and Slovaks to exercise their sovereign rights as set forth in the U.N. Charter and reiterated in the Helsinki Final Act.

A Commission on Security and Cooperation in Europe was set up by an act of Congress this past June, and signed by President Ford, to monitor compliance with the Helsinki Final Act. That Commission, of which I am proud to serve as cochairman along with Congressman DANTE FASCELL of Florida, will play an important role in the U.S. Government's effort to insure that the principles agreed to at Helsinki—including the nonuse or threat of force—will mean something to the peoples of both East and West.

While there is hope—and it is only that for now—that Soviet aggression in Eastern Europe may be a thing of the past, we must not forget what happened in 1968 nor allow the Soviet Union to forget that its invasion and continued occupation of a neighboring country is in contravention of solemn obligations.

Mr. President, I ask unanimous consent that a statement prepared by the Czechoslovak National Council of America and issued each year beginning in 1971 be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FREEDOM IS INDIVISIBLE

On this sad occasion of the eighth anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article I, Section 2):

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and cooperation among all nations on the basis of true progress and humanity.

The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a Day of Soviet Shame in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve.

"The Withdrawal of Soviet Troops From Czechoslovakia."

August 21, 1976.

Czechoslovak National Council of America,
Chicago, Illinois.

ADDRESSES BY GEN. A. C. WEDEMEYER, U.S. ARMY (RETIRED)

Mr. THURMOND. Mr. President, one of the truly outstanding soldier-statesmen of this century is Gen. Albert C. Wedemeyer. In World War II, he established a distinguished record as commander of American forces in the China Theater and as Chief of Staff to Generalissimo Chiang Kai-shek. Although the might of America's industrial and material strength was generally channeled to other theaters, General Wedemeyer demonstrated brilliance of command and of diplomacy in conducting the difficult assignments that were his.

After the war and with the additional rank of Ambassador, General Wedemeyer surveyed the entire situation in China and Korea with respect to U.S. policy in that part of the world. His advice should have been more closely followed. Today, the division of China with the Communists in control of the mainland and the Nationalist Chinese centered on Taiwan has immense consequences for the rest of the world.

Mr. President, General Wedemeyer's knowledge of Chinese history and its effect on the world is profound. He is particularly effective in relating it to U.S. policy and this Nation's own history. Significantly, he has delivered three addresses in recent times which reveal so clearly the wisdom of his views.

First, he prepared the commencement address for the June graduating class at the Fu Jen University in Taipei, Taiwan. In these well-chosen remarks he traced the pattern of freedom and opportunity which the graduates were inheriting.

A little over a year earlier, General Wedemeyer delivered a memorial tribute to the late President Chiang Kai-shek in services at Washington National Cathedral. His words on that occasion blend so well with the commencement address at Fu Jen University that, together, they provide a probing perspective on Chinese development.

Additionally, General Wedemeyer delivered a Fourth of July address this year which demonstrates thoroughly that his understanding of foreign affairs, in general, and Chinese affairs, in particular, is founded on a complete background in American history and principles. His remarks on that occasion, entitled "A Tribute to the Father of Our Country and the 56 Signers of the Declaration of Independence," are a splendid tribute to America's founders and the purposes they fostered.

Mr. President, in order that my colleagues of the Senate may also have the opportunity to profit from these enlightened addresses by General Wedemeyer, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

WEDEMEYER'S ADDRESS AT DOCTORATE CEREMONY

(Gen. A. C. Wedemeyer, a long-time friend of the Republic of China, was presented with an honorary doctorate at the Fu Jen University graduation ceremony yesterday in Taipei.

(Dr. Frederick Chien, vice foreign minister of the Republic of China, accepted the honor and gave a speech on Gen. Wedemeyer's behalf. Full text of the speech is as follows:)

Chancellor, Your Eminence Cardinal Yu-Pin, members of the faculty, distinguished guests, members of the graduating class, ladies and gentlemen:

Circumstances beyond my control have prevented me from joining you personally on this joyful occasion. His Eminence Cardinal Yu-Pin kindly suggested that I send my address to be read by someone whom I would designate. For many years I have heard glowing reports concerning the enlightened academic policies and the spiritual environment of Fu-Jen University in Taiwan. A few years ago while visiting the Eternal City, I was honored by an audience in the Vatican with His Holiness Pope Paul VI. As you can well appreciate, this was a memorable experience. It confirmed my personal impression of the Pope's deep spirituality and his compassionate interest in mankind. We discussed many subjects, including the Far East. His Holiness referred warmly to President and Madame Chiang Kai-shek, to His Eminence the late Thomas Cardinal Tien, and to His Eminence Paul Cardinal Yu-Pin. I told His Holiness of my previous associations with these distinguished Chinese, and of the high regard I bore for them. Knowledgeable concerning the turbulent history of China, His Holiness expressed kindly interest in the future well-being and the freedom of the Chinese people.

FUTURE

In 1911 the future looked promising when the decaying Manchu Empire was overthrown, and the dedicated leader, Dr. Sun Yat-sen, introduced a progressive, program for the unification and modernization of China. Dr. Sun faced an enormous task. The unjust system of concessions and privileges, which foreign powers had arrogantly imposed, weakened and divided the country. There were irreconcilable war lords who not only had to be subdued, but also had to be convinced that a strong central authority would mean security for themselves and for the Chinese people who had endured years of humiliating aggressions. Political and administrative institutions had to be created throughout a country wherein modern means of transport and communication scarcely existed. Economic and land reforms had to be established in order to lift the cruel burden of want and famine from the suffering millions. Dr. Sun, in his struggle to achieve these goals, was guided by three major principles: San Min Chu-I—Nationalism, Democracy, and the People's Livelihood.

CHALLENGE

The challenge was staggering. Even in the best of times progress would have been slow. Before Dr. Sun's revolutionary programs had progressed very far, China found herself again tragically the victim of Japanese aggression. During the 1930's, an expansionist Japan projected her economic and military power onto the continent with increasing force. The ensuing warfare sapped the strength of the young Republic, and deferred most hopes of progress for many bitter years. A dangerous internal force, Communism, was taking root in China at the same time. The revolutionary movement dedicated to the alien philosophies of Marx and Lenin now threatened the life of Dr. Sun's Republic from within its borders, even as the Japanese sought to crush it from without. With the attack on Pearl Harbor in 1941, the United States immediately became involved in the rapidly developing global war—with Allied nations resisting Japan in the Far East and the Fascist dictatorship in Europe.

Although the Western Allies decided to concentrate on winning victory in Europe first, they conducted limited operations against the Japanese, helping to some extent the hard-pressed Chinese. As the tide of battle turned against the German-Japanese alliance, however, and when it became clear that the Soviet Union was prepared eventually to enter the war against Japan, the concern of the Western Allies for the fate of China decreased perceptibly. The meager flow of sorely needed supplies that had been brought over the "hump" from India remained a trickle. Sustaining the effectiveness of the ill-equipped, ill-supplied, and often undernourished Chinese forces became an almost hopeless task, in spite of the heroic efforts of the late President Chiang Kai-shek. The miseries of a seemingly endless war had simultaneously strained the social fabric of China, and taxed the energies of her brave people to the outermost limits of endurance.

RUTHLESS PLANS

Meanwhile, the Communists in China pursued their ruthless plans for power and conquest. They made no effort to help their countrymen against the Japanese. Instead, they conserved their strength, and with consummate skill they carried forward a program of subversion and propaganda against the Nationalist Government. When the war against Japan ended in 1945, the Republic of China teetered on the brink of exhaustion. As an additional blow to its morale and strength, the military and economic aid which had been expected from the United States was at the critical moment drastically reduced or cut off entirely. Sensing that the hour of decision had arrived, the Communists struck. Rigidly controlled by their disciplined totalitarian ideology, supported generously by the Soviet Union, and with forces relatively fresh and strong, the Chinese Communists launched an all out military attack against the Republic. Two years later, the entire mainland was in their hands.

FALL OF CHINA

In the quarter century which has elapsed since 1949 the world has constantly sought to explain "the fall of China." A fashionable interpretation, as you know, is content with placing, primary blame on the faults and mistakes of the Nationalist regime. Even before the end of the war in 1945, a tendency had grown in the West to dwell on the shortcomings of the Nationalists. By way of contrast, the Communists were portrayed as honorable, efficient, and deserving men who truly represented the interest of the Chinese people. Much but not all of this criticism had its source in the political left. Countless persons of liberal outlook also joined the cry. As the record reveals, I was not unmindful of things which impressed me as weaknesses in the structure and policies of the Nationalist government, nor was I silent concerning them. I tried to serve the Chinese people, both during and after the war, as an utterly straight forward but friendly and constructive critic. However, I always remained convinced that the Nationalist cause was China's best hope, and that its leaders continued to deserve the understanding and firm support of my government, in fact of democratic regimes everywhere. The relentless onesideness of the left-liberal critique therefore struck me as unfair and ultimately self-defeating.

Such personal conviction had not been reached, in a vacuum. My earlier military career had taken me to the Far East for almost a decade during the nineteen twenties and thirties. A tour of duty in Tientsin (1929–31 had provided an especially favorable opportunity to study the history of China, and to follow the course of unfolding events. Among the many Chinese whom I met and admired at that time were the distinguished scholars Wellington Koo and Hu Shih. In 1943, in the midst of World War II, I returned to the Far East. A year later, I was sent to Chungking as Commander of American Forces in China, and as Chief of Staff to Generalissimo Chiang Kai-shek.

In this latter post, the opportunities presented to observe and evaluate the situation in war-torn China were of course exceptional. I travelled widely in those sections of the country not held by the Japanese, including areas under Communist control. I met and talked with most of the Republic of China's senior officials, military and civilian, and with many of the Communist leaders. I conferred almost daily with Generalissimo Chiang Kai-shek, either alone or in the company of members of our staffs, over a period of almost two years. The times were extremely difficult, and the problems we faced often seemed insurmountable. Although differences of opinion sometimes arose between us, they always were resolved in a spirit of mutual respect and good faith. Throughout the entire period, I found the Generalissimo an unfailingly honorable soldier and a staunch ally. His considerable administrative and political abilities were at the same time abundantly apparent. I was greatly impressed, then and later, with the obvious depth and sincerity of his love for the Chinese people. He often spoke to me of his hopes for their future. The programs he envisioned included land reform, industrial development, and a system of universal education aimed at creating the social basis of increasingly democratic institutions.

EXPERIENCES

These, then, were some of the experiences which sustained my faith in the Republic of China. When I shift my attention from the struggles and disappointments of the past to the Taiwan of 1976, I see further support for that faith. This always lovely but previously under-developed island has become a picture of heartening success. It has experienced extraordinary growth and transformation. Industries have flourished here through hard work, imaginative management, and increasingly sophisticated technology. The Republic of China has become an important factor in world trade. Its population has multiplied; its educational system has expanded from primary through college levels, the standards of health and prosperity of the people have risen to unprecedented heights. In spite of constant threats to the security of the island, civil liberties have survived, and gradual progress has been made in the direction of representative democracy. These achievements are an impressive testament to the wise leadership and faith of the late President Chiang Kai-shek and of the many able men who have loyally assisted him and successors President C. K. Yen and Premier Chiang Ching-kuo. They epitomize the exceptional vitality and talents of the Chinese people.

LESSONS

I believe, moreover, that the miracle of Taiwan contains lessons of contemporary significance for all the world. It affirms once more the superiority of free over regimented societies. One aspect that superiority obviously lies in higher economic productivity and greater abundance for all. By contrast with the perennial drabness and deprivation which characterize life in totalitarian societies, standards of living in Taiwan have steadily improved. Far from being "exploitative," as the Communists insist, your economic system gives scope to individual actions and opens a wide door of opportunity for all to prosper.

FACTORS

Although material factors are important, they do not comprise the essential qualities of a free society. More important by far are the opportunities freedom gives one to develop individual destinies and potential as moral beings. Freedom to read, to think, to speak, to practice the religion of our choice, to come and go as we wish, to engage in whatever occupations our talents and interests permit, to equality under the law, to be secure in our persons and property—these are the true and priceless blessings of liberty. Your families and friends on the mainland would tell you that these are precisely the things which are destroyed under Communism. The persecutions suffered by this University under Communist edict in Peking confirm these truths, as does evidence from countless sources around the world. The fact that freedom marches with progress on Taiwan surely suggests "what might have been" on the mainland. That fact must shine forth as a beacon of promise to the millions of Chinese temporarily enslaved in the People's Republic of China.

NEW FORCES

We continue to live in an uncertain and perilous world. New forces have arisen and new adjustments are constantly taking place. The United States has in recent years followed a policy of so-called "detente" with the Soviet Union and the People's Republic of China. This policy, aimed at promoting international stability and peace, has, I am sure, been well-intentioned. Its precise application and tendencies, however, have troubled many observers, including myself. Whether the security of free nations and the cause of peace will be served through "detente" remains to be seen. I speak, of course, as a private citizen, with no official status or sanction whatsoever. For my own part, I unequivocally oppose any policy, any agreements or any action which would result in the loss of one more free man, or an additional square inch of territory, to the domains of Communism.

As we look to the future, it is my fervent wish, and indeed my confident prediction, that the Republic of China will continue to grow in prosperity and freedom. Further trials will be inevitable. And who can say that the reverses of the past shall not, in the fullness of time, prove instruments of perfection? "A gem," Confucius is reported to have taught, "is not polished without rubbing, nor a man perfected without trials." Surely a nation's institutions, like a man's character, can be purified and strengthened by adversity. You, therefore, citizens of the Republic of China—each and every one of you—will, I know, carry on with good spirit, confident in the knowledge that on this island flows the authentic mainstream of the great civilization of China.

REMARKS

Before I close, may I address a few remarks to you, the members of the graduating class. The future of your country—and indeed of all Asia—will be strongly influenced by you. The generation of your grandfathers is passing with the hurrying years; the generation of your fathers now bears the major burden. You and your contemporaries must prepare yourselves with all possible seriousness for the responsibilities that soon will be yours. I speak to the young women as well as to the men. The world finally is awakening to an awareness of the long unused talents of women and their capacities for advancing human endeavors in all fields.

PATTERNS

I realize that one generation should not—indeed can not—arbitrarily impose its own patterns on the lives of its children. Even in a culture which, like the Chinese, has always honored the past, every generation must develop anew a distinctive outlook and sense of self. Change is inevitable in history; and only by constant renewal and reintegration can life remain dynamic and whole. It is a wise generation, however, which refuse to be swept off its feet by every fashionable shift of doctrine; which refuses, most importantly, to be seduced by the glittering but false promises of radical utopias.

You, the members of the graduating class, are now members of an elite group—eminently qualified to accept any challenge in fulfilling your duties as citizens of the Republic of China. I congratulate you and gladly join your families and friends in wishing you every success and happiness. I am confident that you will create and fulfill opportunities to preserve the dignity, the freedom, and the wholesome progress of your families, communities and country.

CHIANG KAI-SHEK—DEFENDER OF FREEDOM

(By Gen. A. C. Wedemeyer)

On the last day of October, 1887, in the Province of Chekiang, a boy was born who was destined to become one of the great leaders of China and the modern world. We pay tribute to him today. Chiang Kai-shek's forebears had worked the land for centuries, perpetuating the rich heritage of the "Good Earth." When the boy was eight, his father died, and his mother assumed full responsibility for his upbringing. He often recalled his mother's admonition, "All that I pray for you is that you love your country and preserve the good name of your ancestors, who were men of repute." He credited his mother with inculcating a strong moral code, a sense of duty, and the ability to face hardships with stoicism. After studying in the village school, the youthful Chiang went to Fenghua for higher education. Later he went to Japan, and for four years led the Spartan life of a cadet in a Japanese military school. There he came in contact with students who, like himself, were interested in political and social as well as military affairs.

Japan also was the scene of Chiang's introduction to the progressive ideas then agitating his own country. He not only became acquainted with the well-known Chinese revolutionary, Chen Chi-mei, but, by an eventful turn of fate, met and favorably impressed Dr. Sun Yat-sen, Father of the Republic of China.

Dr. Sun Yat-sen's new order envisioned the application of three great principles—San Min Chu-I. The first principle referred to national unity. In order to overcome the forces that had kept China weak and divided, this principle would unify the masses in a spirit of common destiny. The second principle conveyed the importance of "the peoples sovereignty" or democracy. It affirmed the ideal of universal participation of the people in the affairs of government. The third principle, "the people's livelihood," dealt with increased economic opportunity, an equitable distribution of land, and the development of industry.

The intuitive Dr. Sun, pointing a finger at Chiang, told Chen Chi-mei, "That young man will one day be the hero of our revolution." And so it came to pass, Dr. Sun and Chiang, dedicated to the three noble principles, San Min Chu-I, collaborated as joint architects and builders of the New China. Dr. Sun in the role of philosopher and theoretician, Chiang in the role of strategist and doer.

The aims of the movement, as laid down in the three principles, were ambitious ones and worthy of the great humanistic traditions of East and West alike. To achieve these aims, however, in the context of the time and place, and under the politically fragmented conditions prevailing half a century ago in China, was a task of superhuman dimensions.

It was under such conditions that Dr. Sun and Chiang Kai-shek launched their program to implement the three principles—San Min Chu-I. Until 1925 they worked effectively in eliminating or gaining the support of the majority of powerful and independent war lords. Further, they boldly countered the sinister political influence of Russian Communists who had been accepted as purely military advisors.

After the untimely death of Dr. Sun in 1925, Chiang alone bore, with courage and dedication, the burdens of leadership. He instituted many constructive programs, always within the framework of Sun Yat-sen's three principles. Progress was notable—so much so that throughout the Far East the period 1927–1937 was often referred to as "the Golden Decade."

Tragically, all of these constructive steps were abruptly halted in 1937. The Japanese, determined to prevent the development of a strong, unified government in China, and aware of China's military weakness, created an incident that inexorably led to war. For four embattled years, Chiang and his people fought bravely. They were no match, however, for the modern, well-equipped, and numerically superior Japanese invaders, who advanced steadily. All the seaports and communications in the eastern third of the country were soon overrun by the enemy. China's future was bleak. Then in December, 1941, the Japanese attacked Pearl Harbor, an event which dramatically changed the entire array of forces in the Far East. The hard-pressed Chinese were no longer isolated in their struggle against aggression. The war had expanded to global dimensions.

President Roosevelt and Prime Minister Churchill enthusiastically accepted Generalissimo Chiang as a co-equal partner, and he was designated the Supreme Commander for the Allied Powers in the Far East. America and Britain began to send military supplies which, though limited in quantity, greatly heartened the Generalissimo and his people. Crisis after crisis occurred as Japanese aggression continued. None the less, the Chinese kept fighting—even when the Japanese, alarmed by early American successes in the Pacific, twice offered the Generalissimo very favorable terms of peace. If he had accepted those peace terms, more than a million veteran Japanese soldiers who were fighting in China could have been released for immediate employment against American forces under Admiral Nimitz and General MacArthur.

Chiang attended the Cairo Conference in 1943 as a member of the Allied Big Four. It should be emphasized that Stalin was not present. During the deliberations, Mr. Roosevelt and Mr. Churchill unequivocally recognized Chinese sovereignty over Manchuria, Taiwan and the Pescadores. After one of the sessions in Cairo, I heard President Roosevelt describe Chiang Kai-shek as a man of great courage and vision, with a remarkably keen understanding of the problems of today and tomorrow.

The next conference of Allied leaders occurred almost two years later at Yalta. Chiang was not invited—nor was China represented. Completely repudiating the Cairo understanding regarding China, the conferees at Yalta granted the Soviet Union 50% control of the Chinese Eastern Railway in Manchuria, and control of the Chinese territories of Port Arthur and Darien. Chiang was subsequently informed and reluctantly accepted these decisions, bitter and humiliating as they were. His foreign policy had uniformly been based on cooperation with and reliance on the United States, China's traditional friend.

After eight long years of debilitating war, the Japanese were decisively defeated. Unfortunately, the victory celebration in China was short-lived. Chiang and his Nationalist forces were immediately confronted with another serious threat, the Chinese Communists. The Communists had not contributed to the defeat of Japan, but had used the long crisis to arm themselves, with the support of the Soviets, in preparation for the eventual seizure of power. Now in the hour of victory they struck. It soon became apparent to the Generalissimo that his government—which withstood for many years the savage attacks and exploitation at the hands of the Japanese—was no longer able to withstand the new onslaught. Weakened and demoralized, he and his loyal followers withdrew to the island stronghold of Taiwan and established a government in exile.

Today Taiwan exists as a showplace of freedom in the Far East. The same rehabilitation program which President Chiang had envisaged for mainland China at the close of World War II was promptly inaugurated on Taiwan. This program included land reform, compulsory education for all children, a modernized, well-trained army, and universal suffrage. Today the seventeen million people on Taiwan enjoy freedom, prosperity, and the unintimidated opportunity to exercise their God-given talents. Millions of Chinese have defected to Taiwan and elsewhere in the free world from mainland China, while millions more hopefully await their release from bondage and the opportunity to enjoy the freedom of San Min Chu-I.

May I briefly recount my personal experience with Generalissimo Chiang Kai-shek during nearly two years of almost daily association as his Chief of Staff and American Commander. During the closing years of World War II, and several months thereafter, China experienced many problems, both military and diplomatic. During these difficult times, my respect and esteem for President Chiang as a gentleman, as a patriot, and as a dedicated leader steadily grew. People really come to know each other when they strive together to turn the millstones and grind out the decisions where the lives, the destinies, and the treasure of a nation are involved.

I pay tribute to this great man, Chiang Kai-shek, with deep and abiding sympathy for his bereaved widow and loved ones, and for the Chinese people. They, and we, have lost a friend who symbolized the hope of millions of liberty-loving people throughout the world.

Chiang knew that human freedom was the foundation on which the modern state must be built, just as he knew that in the larger sphere of international relations, where there is freedom, there is little danger of war and a greater possibility of peace. He once wrote:

"If when I die I am still a dictator, I will certainly go down into the oblivion of all dictators. If, on the other hand, I succeed in establishing a truly stable foundation for a democratic government, I will live forever in every home in China."

It was not given to him, during his life, to establish such a foundation on the mainland of Asia. Who can doubt, however, that he laid a cornerstone of freedom on Taiwan, a foundation upon which future generations can build with confidence?

A TRIBUTE TO THE FATHER OF OUR COUNTRY AND THE 56 SIGNERS OF THE DECLARATION OF INDEPENDENCE

(By Gen. A.C. Wedemeyer)

It is a pleasure to join neighbors and friends in celebrating the 200th birthday of our beloved country. For most Americans the Fourth of July recovers valued memories of fireworks, parades and political oratory. If you lived in a small town, as I did, the glorious Fourth meant a double-header played on a local sandlot, after which there were picnics with hot dogs, homemade ice cream and watermelon. Today across the nation millions of fellow Americans are celebrating in various ways our nation's birthday and commemorating the signing of the Declaration of Independence.

In Maryland there were four signers of the historic Declaration: Charles Carroll, Samuel Chase, William Paca, and Thomas Stone. With pride we honor those courageous sons of Maryland; in fact we pay tribute to all of the men who had the courage and dedication to sign that momentous document. With a firm reliance on the protection of Divine Providence, those men proclaimed, "We mutually pledge our lives, our fortunes, and our sacred honor." Back in England, King George III was infuriated. He immediately denounced every signer as a traitor. Throughout the thirteen colonies they were continuously hunted down as criminals by the King's representatives.

There were 56 men who signed the Declaration of Independence. They were all men of stature—lawyers, teachers, merchants and farmers. The British Government offered each signer rich rewards and complete amnesty if he would but break his pledged word, renounce the Declaration of Independence, and publicly acclaim allegiance to His Majesty King George III. Not one signer changed his courageous stand in the struggle for independence, even during the darkest hours of the Revolution. Of those 56 brave men, 9 died of wounds or of severe hardships; 8 were imprisoned and subjected to terrible brutalities; the wives, sons and daughters of some were jailed, persecuted and, in one instance, a wife was killed; the homes of 12 were burned to the ground. That gallant band of patriots understood what it means to pledge one's sacred honor.

In June 1775 the American Minute Men routed the British Redcoats at Lexington. But more than a year elapsed before effective steps toward separation from England became a reality. Allegiance to the autocratic King of England ended with the signing of the Declaration of Independence on July 4, 1776.

Many of the Colonials were proud to be considered British subjects. Consequently they experienced mixed emotions comparable to those which occurred in America just before our Civil War. Loyalties were severely tested and friendships strained. In many cases families were divided. Some of the American leaders, including Washington, Adams and Franklin, had kinsmen among the Tories or Royalists. All the bonds of memory which bring loved ones and friends together were traditionally connected with English names, places and events. However, the sudden appearance of a remarkable pamphlet published by Thomas Paine, titled "Common Sense" served as a catalyst and, perhaps more than any other factor, strengthened the resolve of the majority of the people to fight for independence. In a letter to a friend, George Washington expressed his horror at the prospect of fraternal conflict, then added, "Can a virtuous man hesitate in his choice?"

Immediately after his appointment as Commander-in-Chief, Washington conducted a survey of the over-all situation. He knew that the British forces greatly outnumbered his own and, further, that they were well-equipped and trained. Accordingly he decided to play for time so that he could mobilize, equip, and train additional forces. He decided whenever possible to avoid decisive, large-scale operations and resorted to guerrilla tactics, making surprise attacks against the enemy's flanks and rear, thereby limiting the British freedom of maneuver. Washington experienced considerable difficulty in obtaining action by the Continental Congress. Repeatedly he requested more men, money and materials. The wretched condition of his army at Valley Forge particularly reflected the neglect, or at least the inability, of the members of Congress to comply promptly and adequately. An English officer reported that the Americans who had captured him were upstanding men—slender, wiry, and of fine military bearings, but he noted that they were poorly armed. A French observer reported their ragged appearance but emphasized that they had plenty of courage. The professional military leaders from Europe who were voluntarily helping the Americans, including Lafayette, Koskiusko, Pulaski and von Steuben, expressed the opinion that no European Army would have endured the hardships experienced by our soldiers in the Contintental Army.

Von Steuben received a letter from Berlin asking how the American soldiers compared with the Germans. He replied, "They compare favorably with any soldiers in the world," pointing out that they were brave, energetic and self-reliant. He emphasized, however, that "There is one fundamental difference between the American soldier and the German. The American invariably wants to know why he is ordered to do something, and if he isn't told why, he wants to know why he isn't told why."

The lack of transportation and communications throughout the colonies added to General Washington's difficulties in training and supplying the soldiers. Land transportation, for example, by stagecoach was exhausting and unpredictable. The dispatch of messages was understandably slow and often unreliable. From the beginning of the war, the British controlled the sea and blocked every Atlantic point of entry. During the winter of 1780–81 when American morale was at its lowest ebb, George Washington was constantly pleading to the Congress for desperately needed men, food, equipment and munitions. The members of the Continental Congress were sympathetic, but they had difficulty in taking concerted action quickly. Their dilemma was much the same as Abraham Lincoln's in the early stages of our Civil War. At that time Congress dared not draft men or approve huge outlays of money without the consent of the people they represented.

Fortunately, in the late summer of 1781, the members of Congress made generous provisions for additional men, equipment, munitions and clothing. Also there was most heartening news from abroad. Persuaded by Benjamin Franklin, King Louis XVI of France decided to dispatch a large naval force to American waters, including 20 battleships under Admiral de Grasse and also 7,000 French Regular Army troops under General Rochambeau. The British General Cornwallis had assembled a very strong force at Yorktown, Virginia. Washington boldly exploited this, his first opportunity for decisive, large-scale action. While French warships effectively contained the British along the Atlantic coast, Generals Washington and Rochambeau converged their forces on Cornwallis in Virginia. The British were surrounded. There were gallant sorties and counterattacks. On the 19th of October, realizing that further resistance would be useless, the British General Cornwallis surrendered. A dispatch to the Continental Congress in Philadelphia, announcing the greatest victory of the war, arrived at 3 a.m. on October 22nd. Windows flew open, candles were lighted, and bonfires appeared. Excited citizens in their night-clothes poured into the streets and embraced one another. Congress assembled in the morning and attended a service of thanksgiving. The victory news spread. It was one month later, however, before the British Prime Minister, Lord North, received the news of the Cornwallis surrender. He immediately dispatched a message to King George, stating, "Sire, it is all over," expressing also the futility of further fighting.

The British people were glad to end the fighting, for they had been at war not only with the American colonies but with France, Spain, and the Netherlands. Throughout Europe the creation of a new American Republic was hailed with enthusiasm. Many felt that the American colonies' victory had saved England from a king who was becoming a royal despot. The English historian, Lord Acton, stated, "It was from America that the plain ideas were revealed with emphasis that men ought to mind their own business, and that a nation can never abandon its fate to an authority it can not control." The historic result—no subsequent British monarch ever aspired to the power that King George III exercised between 1774 and 1781.

In the colonies, following widespread celebrations of victory, the people and the Continental Congress applied themselves in forming a truly representative government—establishing law and order, and promoting trade at home and abroad. The veterans of the Continental Army, who had fought so bravely and well under General Washington, now have sought their prompt discharge and return to their homes. Unfortunately, the Continental Congress had failed to appropriate money for their pay due and for the bounty and clothing they had been promised. This resulted in considerable unrest and disillusionment. Senior and junior officers throughout the Continental Army—loyal to their soldiers—strongly appealed to members of the Congress and to the people in general. Secret meetings were held, and there were even suggestions that the Continental Congress be bypassed and a monarchy be established at once with George Washington as King. The reaction of General Washington to the suggestion that he now be made King was swift and unequivocal. He announced, "If you have any regard for your country, concern for yourself or posterity, or respect for me, banish such thoughts and never communicate to anyone a sentiment of like nature." George Washington's strong opposition to a monarchy or to the establishment of him or anyone else as King met with enthusiastic acclaim throughout the thirteen colonies.

The Continental Congress finally made provisions for the soldiers, including their back pay, bounty and clothing, the victorious Continental Army was demobilized. After bidding his soldiers and friends a fond farewell, Washington returned to his plantation at Mount Vernon, Virginia. It was inevitable that he would be called upon again to participate in the convention at Philadelphia, called in 1787 to revise the Articles of Confederation and to forge a new government under a Constitution.

In 1789 the Constitution was approved by the thirteen colonies. George Washington was then unanimously chosen as the first President of the United States. Serving eight tempestuous years with dignity and wisdom, he was strongly urged by his grateful countrymen to continue as Chief Executive for a third term. However, he gracefully withdrew from such consideration, and in his farewell address to the people he urged the continued support of the Constitution.

In paying tribute to early Americans, we invariably place George Washington in the highest role as Father of Our Country. Throughout the long struggle for independence, he proved to be a peerless leader on the battlefield as well as in the political forum. He exhibited fortitude and courage under conditions more difficult than any American leader experienced throughout our history. His natural dignity, patience and calm demeanor inspired the trust and respect of his fellow men.

This tribute to George Washington would not be complete without emphasizing his loyalty—his deep feeling of respect and affection—for his comrades in the Army and for those gallant patriots and steadfast citizens who supported him in the struggle for independence. If he were present today, I believe he would want us to pay special tribute to Adams, Jefferson, Franklin, Hamilton, Madison, and the many other true patriots who rendered outstanding public service in the colonial period.

While we are setting off the fireworks and staging all of the reenactments, there is one thing we must all remember. That is the source of our American traditions. More than 100 years ago a brilliant young French philosopher, Alexis de Tocqueville, came to America in search of the genius that made it a great nation. After visting various places in the country, he wrote substantially as follows: "I came to America to search for her greatness. I did not find it in her legislative halls nor in her courts of justice. I did not find it in her libraries, art galleries or institutions of learning. I did not find it even in her Constitution, as noble as that document is. Nor did I find it in other historical documents. I found America's greatness in her pulpits, flaming with righteousness. America is great because America is good. When America ceases to be good, America will cease to be great."

That young Frenchman was not expressing an original thought—simply his impression of our country 100 years ago. He was paraphrasing a prophet of old who said, "Righteousness exalteth a nation, but sin is a reproach of any people." If ever a nation needs to remember its origins and traditions, its basic founding principles, it is the United States of America in this year of 1976.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on August 11, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

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I wish to inform Members of the Senate that such a notification was received on August 13, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

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Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that five such notifications were received on August 17, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on August 19, 1976.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976

The ACTING PRESIDENT pro tempore. At this time, under the previous order, the Senate will resume consideration of H.R. 8603, the unfinished business, which the clerk will state by title.

The second assistant legislative clerk read as follows:

> A bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. FONG. Mr. President, I ask unanimous consent that Mr. Larry Nakatsuka of the Post Office and Civil Service Committee staff be granted privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McGEE. Mr. President, in the same context, I ask unanimous consent that privilege of the floor be granted the following staff people and committee members of the Post Office and Civil Service Committee: Joe Jacobson and Steve Merrill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT 365

Mr. McGEE. Mr. President, I send to the desk three technical amendments and ask unanimous consent that they be agreed to en bloc.

The ACTING PRESIDENT pro tempore. The amendments will be stated.

The legislative clerk read as follows:

> The Senator from Wyoming (Mr. McGEE) proposes three technical amendments, unprinted amendment No. 365.

The amendments are as follows:

> On page 33, line 18, strike out "compensaton" and insert in lieu thereof "compensation".
>
> On page 33, line 21, strike out the colon and insert in lieu thereof a semicolon.
>
> On page 34, line 1, strike out "subparagraph" and insert in lieu thereof "Subparagraph".

The ACTING PRESIDENT pro tempore. Without objection, the amendments are considered en bloc.

The amendments were agreed to en bloc.

Mr. McGEE. Mr. President, I wish to take just 4 or 5 minutes to lay before the Senate the pending legislation with a brief statement in regard to what it is we have here that is being presented and what the conditions are that produced it, because therein hangs the real explanation of the business at hand and our procedures in coping with it.

Mr. President, in January of this year in a statement on the Senate floor, I invited the attention of Members to S. 2844, a bill which I sponsored as a vehicle for restoring the fiscal stability of the Postal Service. After 7 days of public hearings during the winter and spring, numerous discussions among members of the Senate and House Post Office and Civil Service Committees, the Postmaster General and representatives of the Office of Management and Budget, S. 2844 evolve considerably in its provisions as various options have been weighed and considered.

On June 11, 1976, the committee approved S. 2844 by a vote of 8 to 1 and ordered favorably reported to the Senate H.R. 8603, a House-passed postal bill amended to contain only the language of S. 2844 which the committee agreed to. This measure, representing the sometimes diverse views of those concerned, goes a long way toward resolving the major problems of the Postal Service; and it lays the groundwork for followup legislation next year.

First, H.R. 8603, as reported by the committee, addresses itself to the immediate financial problems of the Postal Service.

Between 1972 and 1975, the Postal Service accumulated a deficit of $1.6 billion. The estimated deficit for fiscal year 1976 is $1.4 billion and for the transitional quarter, $425 million, making a total at the beginning of fiscal year 1977 of $3.4 billion. The Postal Service estimates that the deficit for fiscal year 1977 will amount to another $1 billion.

The bill authorizes the appropriation of $500 million for Postal Service use in fiscal year 1977; and another $500 million for its use in fiscal year 1978.

As it provides financial relief to the Postal Service, the bill also gives the mail user a respite from increased postal rates and service cuts which have had an unsettling effect upon the Nation's communication system during the past several months. Specifically, beginning on the date on which the first $500 million authorized is actually appropriated until February 15, 1977, the Postal Service may not have in effect any permanent or temporary rate increases.

Further, under the bill, the Postal Service may not provide levels and types of service less than the levels and types provided on July 1, 1976; and it may not close any post office where 35 or more families regularly receive their mail.

Finally, the bill provides that during the period of the moratorium—from the appropriation date until February 15, 1977—the Postal Service will be required to provide door delivery or curbline delivery to all permanent residential addresses, other than apartment building addresses.

Part and parcel of the moratorium on rate increases and service cuts is the establishment by the bill of a Commission on Postal Service, members of which would be appointed 15 days after the date of enactment to serve until February 15, 1977. The 12-member Commission would be required to identify and study the problems facing the Postal Service and recommend to the President and the Congress actions to be taken to resolve those problems. The Commission would not be limited to any particular subject areas, but it is anticipated that rates, appropriate service levels, modes of residential delivery, procedures for financing the Postal Service, and means of retiring the postal deficit would be among the subjects reported upon by the Commission.

A further important provision of the bill is the requirement that 10 months must elapse between rate increases. Under current law, the Postal Service may impose temporary rate increases if the Postal Rate Commission does not issue a recommended decision on permanent rates within 90 days after a request is made. Under H.R. 8603 as reported by the committee, the Postal Service would be required to allow the elapse of 10 months after making its request before it could impose temporary rates. Since the Commission is mandated to issue its recommended decision within 10 months by the bill, it is possible that temporary rate authority will not be utilized.

Thus, in addition to its financial support of the Postal Service, the bill also offers substantial relief to the ordinary user of the mails—a moratorium until February 15, 1977, on rate increases and service cuts and permanent relief in that 10 months must elapse before any rate increases can be imposed. It is my belief that these benefits to the mail user will provide a stability to the Postal Service which will be further enhanced by the substantial monetary appropriations authorized.

Mr. President, as committee hearings progressed this year and as exploration of an increased appropriation for the Postal Service continued, no witness opposed the additional appropriation provision, except the Office of Management and Budget. As committee consideration proceeded, however, Senator Fong and I kept open the lines of communication between the committee and the OMB. After compromises on both sides, OMB accepts the provisions of H.R. 8603 as reported by the committee, agreeing to the two $500 million authorizations already described, to the moratorium, and to the establishment of the Commission on Postal Service.

It is my understanding and I believe that of Senator Fong that if H.R. 8603 is enacted in a form substantially similar to the provisions reported to the Senate by the committee, the President will not veto the bill and OMB will transmit a request to the Congress from the Postal Service for the funding authorized. As part of our negotiations with OMB, we included members of the leadership of the House Post Office and Civil Service Committee, who have participated in many of our discussions with OMB. We are aware of no serious objection on the part of the House committee leadership to the major provisions of H.R. 8603 as it has been amended by the Senate committee. In short, Mr. President, the committee recommends to the Senate a viable measure which has broad support in both Houses and in the executive branch. I urge Members to support it in its present form.

At its inception in July of 1971, the Postal Service had assets of $3.4 billion, with a capitalization balanced between liabilities of $1.7 billion and equity of $1.7 billion. It will end fiscal year 1977, in the absence of relief, with an accumulated deficit of approximately $4.5 billion.

If the Postal Service were truly a business, this parlous fiscal condition would spell almost certain bankruptcy. But the Postal Service is not a business. Although it was intended that the Service would use modern business methods in organizing its activities, the Congress, in the Postal Reorganization Act of 1970, specifically provided that:

> The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people.

Some of the reasons for the fiscal problems of the Postal Service were provided by the Postmaster General in his testimony before the Committee. He said:

> One major factor has been a breakdown in the ratemaking process established under the Postal Reorganization Act. In September, 1973, the Postal Service filed its application for a 10-cent first-class stamp. Had this rate been approved in a reasonable time, we would have been able to obtain a 13-cent first-class stamp when it was needed—in July, 1975. Instead, we were forced to wait for this essential increase until late December. Had we been able to obtain a 13-cent stamp last July, we would not have the better-than-a-billion-dollar deficit we have already accrued this year.

As I have described, H.R. 8603 as reported by the committee obviates this problem by requiring that the Rate Commission make its recommended rate decision within 10 months. In the most recent rate case, the Commission, under the able leadership of its Chairman, Clyde DuPont, has demonstrated the feasibility of the new time limitation. The Commission made its latest determination of 9½ months.

The Postmaster General continued:

> The increased cost of energy has hastened the rise of postal costs. Our public service appropriation, fixed at $920 million per year, has declined in real value. Clearly a substantial factor in the accumulation of the deficit is a reduction in the funds appropriated since Fiscal Year 1971. Total appropriations to the Postal Service for Fiscal Year 1975 came to about $1.53 billion, which was less than 12 percent of the cost of running the postal system. In contrast, for the last year of the old Post Office Department, Fiscal Year 1971, the Congress pumped almost $2.2 billion into the postal system, which was over 24 percent of the cost of running the system.

Postmaster General Bailar said:

> I suggest to you today that any emergency legislation reported by the Committee should have two basic components—the creation of a group to study issues related to postal service, costs, and funding, and the authorization of appropriations to assure adequate postal financing for the life of the study group."

Essentially, the committee has followed his recommendation.

Mr. President, in March of 1974, the Post Office and Civil Service Committee published a report on the committee's investigation of the Postal Service. The report was issued in accordance with Senate Resolution 61, which authorized an intensive investigation on the part of the committee, an investigation occasioned chiefly by the breakdown of postal services in the Christmas season of 1972. One of the findings of the committee's 1974 report:

> If the postal system is going to maintain service at levels which are compatible with what the public can reasonably be expected to pay, it will probably be necessary for the Congress to provide a greater degree of support through Treasury financing than was envisioned in the original provisions of the 1970 Act.

H.R. 8603 as reported by the committee responds to that finding.

The Postal Service as currently organized under the Postal Reorganization Act as an independent Government agency is in need of no radical revisions or reorganizations. Given the breathing space which this bill would provide, the Postal Service under its present organization provides a sound structure on which it can continue to build. In testimony before the committee, the General Accounting Office addressed itself to the question of whether the Congress should "take back" the Postal Service. GAO expressed the hope that the Congress would not lose sight of the problems plaguing the old Post Office Department which of course was under close congressional surveillance.

Then GAO cited the following as among those problems: A severe inability to obtain capital for needed improvements resulting in excess costs and service deficiencies; a lack of incentive to control operating costs when losses are routinely covered by appropriations; and an inability to take reasonable risks for new products, in research, new equipment and facilities; and lack of customer orientation.

GAO continued:

> The Postal Reorganization Act created the Postal Service as an independent agency in an effort to overcome these problems. As a result, the Service:
>
> Has been able to obtain the capital needed to upgrade its plant and equipment,
>
> Possesses a strong incentive to control costs because of the need to live within its own resources while keeping postage rate increases to a minimum,
>
> Has taken risks in offering new products and developing new equipment, and
>
> Does have a decided desire to please its customers.
>
> The Service has had problems, but of a different nature. In weighing the need to undo the Postal Reorganization Act because of them, we hope the Congress will consider the advantages of the Service's present independence.

Mr. President, I hope the Senate will pass H.R. 8603 as reported.

Last winter, the Senate Post Office and Civil Service Committee began a series of extended hearings on the fiscal plight of the Postal Service, that plight being simply that its indebtedness was steadily mounting.

The reason for the deficit in the Post Office was explained by the Postmaster General and ultimately verified by the GAO in its investigation of the problem as deriving from two factors: One factor, perhaps the largest single factor, was inflation. In the Postal Reorganization Act of 1970 we failed to make an allowance for double digit inflation. The result is that the public service formula was fixed at an arbitrary figure of $920 million instead of being adjusted to the inflationary factor. Thus, the 40 to 45 percent inflationary factor at all levels that swept through the private sector as well as the public sector had disastrous consequences for the Service.

The second factor that seems to be beyond doubt had to do with the slow rate of the rate adjustment process. Under the Postal Reorganization Act of 1970 a Postal Rate Commission was set up for the first time to accept requests for postal rate changes, to hear the litigants discuss the merits of those changes, or demerits, whatever the case may be, and then to make adjustments. The time it took in this new process, breaking new ground, setting precedents, was much longer than had been anticipated when the Commission had been created. The result was that the relevance of rate adjustments to the very sharp increase in cost of all facets of the Postal Service was lagging far behind the realities of cost changes. Therefore, those two factors explain the substance of the steadily mounting postal deficit.

The committee's hearings were aimed at adjusting the mechanism by modernizing the Postal Rate Commission, updating it, and at the same time assisting in closing that inflationary gap of the past 6 years with a direct appropriation that would total, at the time, about $3 billion. The proceedings along those lines were open to amendment. There were other members of the committee who had constructive and thoughtful amendments pending to go further than some envisaged was required at the time.

The roadblock we encountered very quickly was the determination on the part of the White House to oppose any subsidy allocations for the Postal Service. It simply reflects a difference in philosophy of what the post office system is all about. There are many of us who believe very strongly that there is a public service factor and a national interest factor. There are many post offices in the United States that cannot pay their own way, and it was felt unwise to force others who use the post office to carry the load in a direct way in rates. It was felt it was worth a great deal to the people of the United States and the Government of the United States to have a national postal system, as George Washington said when it was created, that would serve as a chain binding us all togther in one Nation.

Indeed, there is that ingredient present. But there are those still among us, and those at the other end of Pennsylvania Avenue, who believe that the Postal Service ought to be converted into a business and made to pay its own way. That is the gap in the operation of the system.

We were advised that if there were to be a subsidy bill passed closing the post office indebtedness and increasing its subsidy allowance for public service, it would encounter a veto at the White House.

We examined this prospect very realistically in regard to the committee itself. We sought to measure the implications in regard to Postal Service around the country. The Postmaster General, for example, without the subsidy money, would have to find other funds to meet his payrolls and to keep some kind of Postal Service in operation. Part of that process involved closing small post offices. That was impending by July 1. A few post offices had already been closed in the late spring.

It also involved consideration of cutting back postal services, the number of deliveries a day, the number of days a week that mail would be delivered and that sort of thing.

Because of the furor that created in the ranks of Members of the Congress, we made a basic decision in the committee that we had to at least achieve some kind of stability and remove the uncertainty about what was going to happen to the Postal Service as well as to the closing of post offices in a year in which most Members had only marginal time to devote to the full consideration of the question.

It was then that Senator FONG, the ranking minority member of the Post Office Committee, and I, representing the committee, sought to find some kind of common ground or formula by which we could keep the post offices going, avoid new rate increases and postal service cutbacks and, at the same time, assist the Postal Service in meeting its financial problems.

The upshot of that was an agreement worked out in the name of the White House by the Office of Management and Budget with our colleagues and the leadership in the House of Representatives, with the Postmaster General, whose task it is to manage this difficult operation, and with the Senate committee. What was put together was the basic package that it represented in the bill which is the pending business at the present time. That package is to leave in the one proposed recommended change or modification in postal reorganization that all sides involved agreed was a good one, which was to speed up the Rate Commission's procedure and confine it within an interval of 10 months for any particular proceedings. This, in itself, if I may inject, would have made it possible for the post office to have operated in the black for at least 2 of the last 3 years had the requests for rates that were ultimately granted been settled within the 10-month interval.

We think it is an important improvement. Due to the general unanimity of the importance of speeding up that ratemaking process this has been left in the pending legislation by agreement as a basis of the understanding with the White House, with the House, with the Postmaster General and certainly with the Senate committee.

So the rest of the agreement, Mr. President, says that there will be a moratorium on any new rate increases that will take effect otherwise between now and February 15, and a moratorium on further significant cutbacks in postal services for that same interval of time, February 15, 1977; that the White House, in addition, will agree to the payment of $1 billion toward the postal indebtedness to be paid out in two increments of $500 million each to represent a bona fide attack on the problem of the postal deficit.

Finally, a Commission on the Postal Service would be appointed to examine the public service factor, the levels of service factor, the rural post office factor, all facets of the post office problem, a Commission that would be made up of 10 appointed members, 3 by each House of Congress, 4 by the President, with the chairman to be designated among the President's 4, plus 2 ex officio members, the Postmaster General and the Chairman of the Postal Rate Commission, as the ongoing experts in the functioning of the Postal Service at the present time; and this Commission would be prepared to take the reports already made, which are voluminous, collate them, and make their recommendations to the President and to the Congress in these various fields by the 15th of February next winter, 1977.

At that point, once those recommendations are received, Congress would then proceed to legislate its will about any restructuring, redoing, undoing, reversing, or whatever it may be in regard to the Postal Service of the United States.

To be realistic about it, Mr. President, this means that if the basic structure of the existing reorganization plan in the postal system is tampered with at this time, we have been made to understand that it will be vetoed. If it is vetoed, it is the best judgment that we can get from the leadership of both Houses that an override of that kind of veto could not be achieved. So what we are facing is accepting a compromise that we believe to represent the art of the possible, that can stabilize and make more steady the uncertainties in the postal system during the remainder of this current calendar year and 6 or 7 weeks into the new calendar year beginning next January.

The reason why that is important is that we are all caught up in the throes of the impending election. Congress is running into a very crowded agenda, and must recess or adjourn in time for campaigning on the part of many of its Members, all this cast against the backdrop of a Presidential contest of significant dimensions which is likewise going on around us.

In the hope of avoiding the spasms of panic, haste, ill-consideration, or insufficient consideration, we thought it wise to recommend this compromise to the Senate—a compromise that the leadership in the House of Representatives has agreed to accept as a substitute for an earlier House bill on this general proposition—and that we use that compromise as a stability factor until we can open up the entire question, no holds barred, after the agreed-upon date of February 15, and undertake its consideration with sufficient time to explore the many ramifications and cross-currents at stake.

It is the position of the Post Office and Civil Service Committee that this body should view understandingly the necessity of this particular step. None of us are proud of the compromise. I am on many other kinds of amendments and many sorts of proposed changes in the system myself, as sponsor or cosponsor. But I firmly believe it is wise for this body to accept the temporary compromise in order that we might proceed to address ourselves fully to the problem without any limitations when we return after the election year politics. I think we have a responsibility that ought to require us to do that. I think we would have a better chance to do whatever we decide to do with a larger measure of wisdom and with the necessary time to doublecheck our feelings in regard to it.

So, Mr. President, that is the pending measure that we have before us.

Mr. RANDOLPH. Mr. President, will my able colleague, the chairman, yield?

Mr. McGEE. Yes, I am glad to yield to the Senator from West Virginia, really the ranking member of the committee, and almost the founding father of this committee, if I may say so.

Mr. RANDOLPH. Mr. President, I am appreciative of the cooperation of the able chairman of our committee (Mr. McGEE). At this time I wish to indicate that I shall offer an amendment to establish procedures for any closings of post offices. This provision would be effective after the expiration of the moratorium, as contained in the committee bill which is brought to the floor today.

I am aware, of course, of the fact that in a partial response to my request—though not in total—we did elicit and receive from the Postmaster General a letter on post office closings which I am sure would be helpful to have included in the record.

Mr. McGEE. Let us make that a part of the record at this point.

Mr. RANDOLPH. Thank you.

Mr. McGEE. I ask unanimous consent that the letter from the Postmaster General be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THE POSTMASTER GENERAL,
Washington, D.C., June 10, 1976.

Hon. Gale McGee,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: In analyzing the latest draft (Committee Print No. 5) of the proposed Postal Reorganization Act Amendments of 1976, I note a provision imposing a moratorium on the discontinuance of any post office where 35 or more families regularly receive their mail. This moratorium would be effective if the appropriation authorized for Fiscal Year 1977 were made available to the Postal Service.

Obviously your concern for the future of small post offices is as great as mine. Also, I know of Senator Randolph's deep and abiding interest for the future of small post offices in West Virginia and elsewhere as evidenced by this sponsorship of S. 3082. It is out of my awareness of the importance of this matter to so many interested parties that I write to you to indicate that the Postal Service clearly will consider the moratorium provisions in S. 2844 as a very strong expression of Congressional intent.

Mr. Chairman, you know and other knowledgeable Congressmen also know that the Service has approached the problem of closing small post offices with care. The Service is well aware of the provisions in Title 39 which require that no postal facility be shut down solely for operating at a deficit. We are equally aware of how much meaning a post office has to a small community in terms of its identity and its connection to the Federal Government. It is for these reasons that the Service has established criteria which provide for customers to be informed, consulted with and given adequate notice before the closing of a post office. Moreover, it is clear that the Service's responsibility must be to provide equal, if not better, service when a closing occurs.

Of course, presuming enactment of S. 2844, the Postal Service would not discontinue any office affected by the moratorium provisions of S. 2844. Further, the Service would carefully observe the aforementioned criteria even in the case of offices serving fewer citizens than stipulated in Committee Print No. 5 of S. 2844.

Despite the fact that there seems to be very grave problems confronting the Service, it is my firm intention to work closely with the Congress in attacking those problems. I am sure that informed Members of Congress understand that the Postal Service is in serious financial difficulty and must exercise the responsibilities placed upon it by the Congress by doing what it can to cut expenses in the face of exploding operating costs. For this reason, we must continue to search out opportunities for improved efficiency on all fronts, including consideration of small post office closings in appropriate circumstances. But I assure you that we will undertake such considerations in the full spirit expressed earlier in this letter.

Sincerely,

Benjamin F. Bailar.

Mr. RANDOLPH. What I shall attempt to do is call to the attention of our colleagues the urgent need for established guidelines on post office closings or consolidations. I have discussed this with the Senator from Wyoming. I am not sure he may oppose my proposal or ask that it be tabled. But I feel that before we move to substantive amendments which apparently will be offered—those amendments that I see on the desk of Senators—we should separate this issue from the other matters, because it has to do with the freeze or moratorium. It is a procedural question that must be resolved when certain types of offices serving the public are being closed.

I felt that we should move to this subject at this point, because the Senator has mentioned the problem of the closing of post offices. He recognizes it, as do all the members of our committee and I am sure, all Members of the Senate. My effort will be one that I think is well-reasoned. It will not do damage to the moratorium, but will give us a procedure that can start at the end of that period. My amendment will insure that there is participation of the patrons of an office in connection with the decisions on postal closings.

I do not wish to be what some might say is overly patriotic in this statement, but I do see a danger when thousands of post offices are being closed throughout the United States. I look on those offices, as I am sure my able colleague looks upon them, as representative of the Federal Government from the standpoint of actual day-by-day service, not just for the patrons of the offices, but also for the people of those communities who are helped by the postmaster.

These postmasters—men and women—are, in a sense, counselors to so many people. They help in many ways with the filling out of forms and reports, and they represent what I believe is the human side of the Government. I think it is important that in all of these smaller communities—and I am not speaking in disparagement of our great cities—there is not the same type of operation which people come to expect from a large number of employees. Out in those smaller communities there are just one or two or three persons who are on the job, and they are so identified. They strive daily to help citizens generally across a broad front.

I think that when such offices are closed, the American flag really comes down. My comments are not intended to stress patriotism, as such. Rather, I wish to indicate that throughout our countryside, our rural areas, there is a need to maintain the identity of these post offices, with the esprit de corps which comes with them.

I know our State of West Virginia is the second most rural State in the Union. It is a rural State although we are, of course, a State of manufacturing, mining, and many other facets that make up a prosperous and growing State, with a great potential. But I cannot overlook my responsibility, as I see it, to the less populated areas. I do not seek to throw a wrench into the machinery of the Postal Service. My desire is to have a very reasoned way in which the citizens of these communities can have the opportunity to bring their thoughts to the Postmaster General and to participate in the decisionmaking process.

There are other matters, of course, that are of more substance that are going to be offered through other amendments. I think the chairman will look upon this amendment as possibly in a different category. Am I correct? Will he agree to that?

Mr. McGEE. I look upon it as a necessary point to consider because of the importance of rural post offices everywhere in America, as a symbol much larger than just postal service. I think the Senator is right on the nose. The question that it raises, which I think would be opposed downtown, is changing the mechanism in the existing process. This is the thing that we agreed that for the short duration the moratorium would substitute for.

Mr. RANDOLPH. But there are figures, I remind the Senator, that are involved.

Mr. McGEE. Yes.

Mr. RANDOLPH. There are the number of patrons of an office.

Mr. McGEE. That is right.

Mr. RANDOLPH. I think that when we work on classification that is built solely upon figures we are possibly in danger. I believe there are some offices for some reasons—they might be climatic conditions or they might be conditions of geography, the very terrain that is involved—that might make the figure, regardless of what it is, 35 or some other level, unrealistic. That is why I am attempting to go beyond what has been done and in good purpose by the chairman (Mr. McGee), Senator Fong, and others.

Mr. McGEE. When we tried that question out on them they thought that was the sort of thing that would be prejudging the Commission report. But that is nonetheless the Senator's prerogative and I respect it very much.

Mr. RANDOLPH. I will then send to the desk an unprinted amendment. It is not that I have not been working on this; it has been a part of a bill, S. 3082, that I had earlier, although it has been changed somewhat. But I will ask unanimous consent that the amendment be at the desk and not to be called up at this time.

Mr. McGEE. Will the Senator ask for the question?

Mr. RANDOLPH. I do that because I wish to have, of course, the chairman, Senator Fong, and other Senators go into the matters in reference to the formal presentation of the bill.

But I will send the amendment to the desk.

The ACTING PRESIDENT pro tempore. At the request of the Senator from West Virginia the amendment will be held at the desk.

Mr. RANDOLPH. I do not want to press the point that my amendment should be the first considered, but I feel that it would be very natural that it be considered before other amendments.

Mr. McGEE. I certainly have no objection to that. I think in all fairness we should sit down with all the groups involved here a little later in the afternoon, and we can work out an agreed-upon order of procedure. I have no objection at all to it being taken up first.

Mr. RANDOLPH. I certainly wish to accommodate the chairman, Senator FONG, the ranking Republican, Senator HOLLINGS, and other Senators who may not only be interested but also wish to participate with amendments and discussion of the bill itself.

Mr. President, I ask unanimous consent that John Giannini of my staff be permitted to be in the Chamber during debate and on any rollcall votes on this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wyoming has the floor.

Mr. HOLLINGS. Mr. President, will the Senator yield for a similar request?

Mr. McGEE. I yield.

Mr. HOLLINGS. I thank the distinguished chairman.

Mr. President, I ask unanimous consent that my two assistants, Mr. Burt Rosen and Mr. Bill Keyserling, be allowed privileges of the floor during consideration of H.R. 8603.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RANDOLPH. Will the Senator yield again to me?

Mr. McGEE. I am glad to yield.

Mr. RANDOLPH. Although Ned Massee of my staff has the privilege of the floor, he does not have such permission during rollcalls, and I ask unanimous consent that Ned Massee be a part of the request I made earlier.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FONG. I also ask unanimous consent that Mr. Lawrence Nakatsuka be accorded the privilege of the floor during rollcall votes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wyoming.

Mr. McGEE. Mr. President, I yield to my distinguished colleague, the ranking minority member.

Mr. RANDOLPH. Before the Senator begins, if this does not break the continuity, I note that reference was made by our chairman to the Postmaster General and his duties. Does the Senator from Hawaii feel that there is reason now to do what we did earlier? The Postmaster General of the United States still carries that designation even though it is the Postal Service instead of Post Office Department. Does not the Senator feel that we would be better serving the Government of the United States and the people to whom we are responsive if the President had the prerogative of sending a nominee to Capitol Hill and, with the advice and consent of the Senate, that individual being approved as are members of the Cabinet? At the present time, the Postmaster General, as my good friend knows, is really not able to go to the White House and discuss postal matters with the President of the United States because there is that layer between the Postmaster General and the President. Does he care to comment on that situation?

Mr. FONG. Mr. President, the distinguished Senator from West Virginia has brought up a point which has some merit, but at this time I shall defer really saying what my stand is on the question. In 1970 when we turned the Post Office Department into the Postal Service we went into that matter very much in detail, and it was then thought that it would be better to have the Postmaster General appointed by the postal board of governors and that his salary be made contingent upon what the board of governors decided.

I would like to have hearings on this matter, on the whole question of amendments, after the Postal Commission has made its report, and at that time we would have a better insight into the problem.

Mr. RANDOLPH. I can understand the reasoning of the Senator from Hawaii in this matter, and I have an understanding of his feeling about the timing.

I think the American people generally would want the Postmaster General to be in the same position as the Secretary of the Interior, the Secretary of Commerce, and other members of the Cabinet. I believe that the mistake made, and understandably, was that the Postal Service was to be the operation of a service set apart from the regular handling of Government departments.

I would oppose, and I believe the Senators who speak now would oppose, any move to bring back to the Members of Congress the situation that existed in earlier years—the yes or no or approval or disapproval with respect to so-called postmaster appointments. I do not think anyone would argue that that is something that Congress would want to bring back unto itself.

Mr. FONG. I do not think any Member of Congress wants that. I believe we have done a good job in that respect and have left it to the Postmaster and his staff to decide that matter, because that is the most efficient way of handling it.

Mr. RANDOLPH. There is certainly the equity of the Civil Service of the United States. Our committee is not only a Post Office Committee; it is the Committee on Post Office and Civil Service. So we must recognize always the validity of the civil service or similar merit system and have it work, have adequate pay for persons who are doing the jobs to which they are assigned and committed.

It is very important that in the coming months we have oversight hearings in the Post Office and Civil Service Committee about some of the matters that are raised from the standpoint of personnel and personnel operations. That does not mean that I am attempting to be critical of the employees of the Postal Service. That is not my desire as I mention this.

I believe that, by and large, they are not only diligent and dedicated but also are efficient. Yet, there are cases in which that is not true, just as in a private business or any other operation in which people are employed. But we need to have a closer look sometimes, so that we can insure that in the Postal Service we are serving the public. They are the constituencies of all the Members of the House of Representatives and the Senate.

Mr. FONG. There is much to be said for the appointment of the Postmaster General by the President and to make him a member of the Cabinet. Being a member of the Cabinet would give the Postmaster General tremendous prestige, tremendous honor, and great respect. Many men would work hard at that position without reasonable compensation. As we have seen, many men have left their employment which pays much more than they are receiving as Cabinet members, and they have become very good Cabinet members. They want that prestige, they want to be near the President, and they can see the President from time to time.

There has been some mention that it was difficult for the Postmaster General to see the President because the Postmaster General was considered more or less a member of a quasi-independent corporation, and from that standpoint, he was expected to run his corporation the way it should be run, as a quasi-independent corporation, and therefore he did not have the tie with the President.

There is much to be said about the position of the Senator from West Virginia, that if we made the Postmaster General a member of the Cabinet, it would enhance his position, would give him better rapport with the President, and he would be able to bring to the President many of the problems with which he is now faced. As a result of not being in the President's Cabinet, he finds it sometimes a little difficult to speak with authority, as if he were a member of the Cabinet.

Mr. RANDOLPH. I suggest to my colleague that there may have been some thinking that traditionally the Postmaster General, be he Democrat or Republican, as a part of the administration, became in a sense the political arm of the President within the Cabinet. I think that the Postmaster General, in a sense, in the past has been more politically attuned to the administration and its program of selling itself to the American people than have other members of the Cabinet.

Mr. FONG. That has been quite true.

Mr. RANDOLPH. At times, we think that the Secretary of State is removed from that type of campaigning or political effort. Yet, today, if members of the Cabinet are a part of an administration, I am not upset with them in speaking well of that administration. I think that this is as it should be. There are, of course, the limits of propriety and good taste which we would agree must be practiced. Yet, I sometimes feel that there is a reason for the Secretary of the Treasury to speak out not only upon matters of finance but also upon his feelings about the administration of which he is a part. I do not object to that, nor do I object to it by any other member of a Cabinet of the President of the United States. So it would be with the Postmaster General.

However, in yesteryears there was a feeling that the Postmaster General was there just to carry the so-called political banner for the party in power. Certainly, I would want him to be a participant in the type of programs I have mentioned.

Does the Senator agree?

Mr. FONG. Yes, of course. In former years, we did not have the tremendous problems with which the Post Office is now faced. In former years, they did not have the volume; they did not have the tremendous number of employees. Now we have volume up to 90 billion pieces of mail per year. It has not risen because of other businesses coming in and taking part of the business away. It has 700,000 employees. It is a tremendous organization. In fact, it is the second largest, after the Defense Department.

In former years, it was not as large. They did not have all these problems. We did not have double-digit inflation. We did not have the rise in oil prices. All these are problems the Postmaster General has faced. Now that we have had 5 years of experience, perhaps we should give the organization a second look and see whether the Postmaster General should be an appointee of the President, with the prestige of being a Cabinet member.

Mr. RANDOLPH. So that I may not be misunderstood, I point out that I had the responsibility, as a Member of the House, of serving as chairman of the Civil Service Committee. That was during 1946. That was 30 years ago. It frightens me.

Mr. FONG. The Senator looks very young.

Mr. RANDOLPH. I thank the Senator. "For age is opportunity no less than youth itself, though in another dress." That is what Longfellow said.

I come back to the workers. I do not like a person to be called an employee. I like the word "worker." I sometimes think that we talk about people as employees as if they were not part of a team. I prefer the team effort, the work effort. I think that, by and large, those men and women who are employed in the Postal Service are workers. They are doing their jobs.

Mr. FONG. And very dedicated workers.

Mr. RANDOLPH. Yes, and I want the record so to reflect. I think of the carrier that came by the door rather early this morning, perhaps a little earlier than usual. I was able to greet him and we chatted for just a moment. I told him about the subject matter we would have in the Senate here today. It was an occasion for me to compliment him on his courtesy and the manner in which he does the job in our area as a city carrier. And out in those mountain reaches of our State and through our lush lands and the valleys that we have between those mountains and hills, the rural carriers are doing a job that is entirely worthwhile and very, very important; and so it is with the postmasters also.

I hope that we shall never forget that, even with all the computerization within the Postal Service as it now exists. The automated efforts are part of modern production—not of a manufactured product, but sometimes in the delivery of packages and the mail. But with all of this, we must remember that it is the human side of this business, I call it, that is essential. It is where workers feel a pride not only in working for themselves and the Postal Service but also, in a sense, as the direct representatives of the Federal Government with the people, wherever they may be. That, I think, is very, very important in the life of America.

As we consider this bill, let us be very very careful, in all of the work that we do to bring it to a finalization. We must realize that the Postal Service, the distribution of mail, the mobility of America, the communications of America, sometimes have been not so well understood. So I simply say that, as I offer this amendment a little later on closing of offices, I hope there will not be an effort to table the amendment. However, I can understand it if that is done. But here we have an opportunity to say, regardless of a letter from the Postmaster General, regardless of a moratorium into February of next year, that we have a procedure which is a workable procedure, one in which participation of people is involved.

When we began this country in the writing of those earlier documents our Founding Fathers did not speak of an emperor, or a king or a queen or a monarch. They were saying, "We, the people." So I think we must remember that out there, all over this countryside there is a very large population and a very comprehensive number of workers within the Postal Service throughout all of our States. And there is reason to improve the Postal Service. This is going to take the most careful, creative, innovative, and resourceful work that we have ever developed, in connection with an agency or a service within the Federal Government. It is not going to be easy to do this.

Mr. FONG. No.

Mr. RANDOLPH. The Senator recognizes it, certainly, as a businessman.

Mr. FONG. I do recognize it.

Mr. RANDOLPH. That human side of this job must never be forgotten. I think that, by and large, the worker does not want it to be forgotten.

Mr. FONG. We can never forget the human side of the Postal Service. There are 700,000 employees, and although the number of employees has not increased because of automation, they are there and they should be treated as human beings and they have been treated as human beings. They are dedicated, by and large, very dedicated public servants and the public employees of the Postal Service have done yeoman service. Although we have had many, many criticisms against the Postal Service, we have to consider that there are almost 100 billion pieces of mail. If a man does a 99-percent job but was 1 percent deficient, somehow, you would say the man is doing a good job. Yet if 1 percent of the mail of the post office goes haywire, and does not reach its destination according to time, that means 1 million pieces of mail did not reach their destination in time. Yet there is not that kind of dereliction, there is not that kind of holding up of service of a billion pieces. So looking at it from the standpoint of the bigger picture, we find that the Postal Service has been very efficient and the GAO, in its investigation of the Postal Service, has found that the service has been good.

Mr. RANDOLPH. The Senator spoke of the fact that something might go wrong.

Mr. FONG. Yes. If I could receive a score of 99 percent in anything I do, I would consider myself A-plus. Yet we find this criticism of the Postal Service, because some of the mail does not reach its destination according to time.

Mr. RANDOLPH. I shall place in the RECORD the facts about when the people complained about the delivery of their mail a long time ago, in the 1850's, perhaps—I am not sure of the exact date. I shall place it in the RECORD. It was in my home county in West Virginia. There was a complaint against the Trotter brothers.

The Trotter brothers, had a contract to carry the mail between Huttonsville in Randolph County and Staunton, Va. In the winter of 1855, after a trip south, heavy snowfall prevented their return across the mountain. The people of Tygarts River Valley, irritated by the delay in their mail, complained to the authorities in Washington. The Post Office Department relayed the complaint to the Trotters, who replied as follows:

STAUNTON, VA.,
1855.

MR. POSTMASTER GENERAL,
Washington, D.C.

SIR: If you knock the gable end out of hell and back it up against Cheat Mountain and rain fire and brimstone for 40 days and 40 nights it won't melt the snow enough to get your damned mail through on time.

Yours truly,

TROTTER BROTHERS,
By JAMES TROTTER.

So that was a problem, was it not? The mails were delivered if they could be. But when nature had an upheaval, or the snows were deep, they could not do it. Is that correct?

Mr. FONG. Yes, there are many obstacles.

Mr. RANDOLPH. So through the country, there exist these obstacles which have, of course, continued through the years, sometimes to the delay of the mail. But by and large, we do have the very best mail system in the world.

Mr. FONG. And one of the cheapest.

Mr. RANDOLPH. Yes. I expect that could be borne out. But there is no comparison, really, between any other country and the United States in its handling of the mail.

Mr. FONG. No, and the number of pieces.

Mr. RANDOLPH. All of this is documented. So at this point, thinking about the amendment which I shall offer, I do want to express that I have a very genuine esteem for the present Postmaster General. I feel that he is trying very, very hard to do this job.

Mr. FONG. No question; he has a tough job.

Mr. RANDOLPH. I do not want to pass any accolades on Ben Bailar at the moment, except to say that he has a very big job and he realizes it. I think he has been trying, insofar as possible, to confer with the Members of Congress, both Senate and House, on these matters that we are discussing. But whatever we do, I do not want it done with any rancor whatsoever or with any misunderstanding.

We are not out to get someone when we offer an amendment. In no sense, if an amendment is offered, is it offered for that purpose. I am sure it will be offered by a Senator or Senators who believe that there is a better way to do the job than the bill as reported from the committee. Our committee attempts always, inso far as possible, to be reasoned and to bring measures to the floor which merit the support of our colleagues.

Mr. FONG. May I say to the distinguished Senator from West Virginia that prior to 1970 we thought we could do a better job. That is why we had the postal reorganization bill and we reorganized the Postal Service. At that time we were told the Postal Service needed $6 billion for their capital improvements, and we were derelict in Congress in not appropriating the $6 billion to give them these capital improvements.

Because they were funded at less than what they should have been funded, the problems have grown and grown and grown. We thought at that time we should reorganize the Postal Service so we could give it a chance to go out and borrow money. We did provide that they could go out and borrow $10 billion, which Congress was not willing to give to the Postal Service, to rehabilitate some of the old post offices and to give it the machinery to make it a real modern, up-to-date post office.

That is one reason for the reorganized Post Service. We gave them the power to go out and borrow on their assets. They have been borrowing. They are now facing a deficit because of the rise in labor costs; the double-digit inflation which we have been experiencing; the rise in costs of fuel and all petroleum products.

We find there is much criticism against the post office because they say that some of the mail pieces are not being delivered on time, when you consider, as I have stated, that there are 90 billion pieces of mail, and if only 1 percent got waylaid, you have a billion pieces of mail delivered late or gone astray. We only have a very small fraction of the mail being delayed in time.

So, looking at it from the standpoint of the whole Postal Service, we find that the post office has done quite a fine job.

I was saying we had one of the cheapest postal services in the developing countries. Let us compare what it costs to send a first-class letter through the U.S. Postal Service with other postal services. In the United States, the first-class rate is 13 cents an ounce. Australia charges 22.9 cents, which is almost twice the amount we are charging. Belgium charges 16.7 cents. Canada charges 8 cents. Yet they had a strike, and now the rate has increased but I do not know what the increase is. As of February 1976 it was 8 cents per piece.

In Japan it costs 16.6 cents as compared with our 13 cents; the Netherlands 20.7 cents; Sweden 23 cents, Switzerland 15.5 cents, the United Kingdom 17.3 cents, and West Germany 19.5 cents. So the 13 cents for first-class mail through the U.S. Postal Service is the lowest outside of Canada. What the Canadian rate is now, I do not know. But you can see from these figures that the U.S. Postal Service rate is not high in comparison with the other developing countries.

So I say that with the limited amount of money they have been working with, with the great number of pieces of mail they have to handle, the Postal Service has done a good job. I think instead of condemning the Postal Service, we should really try to do everything we can to help it.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. FONG. I have not yielded.

Mr. HOLLINGS. Mr. President, I wonder if the Senator from Hawaii would yield for a question.

Mr. FONG. I yield.

Mr. HOLLINGS. I appreciate the conversation the Senator had with our senior colleague from West Virginia with respect to his amendment, which is perfectly agreeable on this side for us to vote first on his perfecting amendment before I lay down our substitute—however we wish to work it out. Perhaps that would be a good procedure.

While the Senator from Hawaii has the floor I would like to try to bring this into a little bit more responsible focus, because we are talking about Australia and Sweden, and we are talking about good employees—and they are good—in fact, that is one of the great motivations for me, the low morale now, and I think we have done them wrong in not supporting those employees.

But if I remember correctly now the Senator from Hawaii said this new system, the Postmaster General, had all these new problems to face, and I was noting it down that you did not have inflation, you did not have the number of employees, you did not have the volume. I would ask first about that inflation. Is the Senator from Hawaii familiar with the GAO report relative to the delivery contracts whereby there are some 12,000 contracts, and of which they only reviewed about 85? They stated this:

> The Service uses contracted vehicle service as one means to transport mail between postal and private facilities. About $300 million annually is expended on more than 12,000 contracts.
>
> We found the postal procedures were not identifying opportunities to reduce costs while maintaining the same service. Our review of 85 contracts disclosed that the Service could eliminate or reduce 16 of the contracts and save about $185,000 and 88,000 gallons of fuel annually.

Is the Senator familiar with that?

Mr. FONG. If we had a corporation that brings in $14 billion in receipts and expends $14 billion in expenditures, and if you want to look for things like that you are bound to find them. There is some leeway in which they could save some money, and here is a place where they say they could have saved $180,000 out of $14 billion. I do not dispute that. I would say there are many places in which we could save a lot of money if we really went after it. But when you look at the overall picture, I say it has done well.

Mr. HOLLINGS. That would sort of give us an indication of the overall. Here comes a responsible accounting organization, the General Accounting Office, and they find that in 20 percent of these contracts they could have either reduced or eliminated so many of them, and on 20 percent rather than the inflationary costs, for example, which we are all familiar with, with the jump in gasoline, I guess, which has gone from about 35 to 37 cents a gallon to 65 or 67 cents a gallon——

Mr. FONG. Almost double.

Mr. HOLLINGS. Between 73 and 76, and adding to that, what I am saying is looking even further on just 20 percent of the contracts you could have saved way more than inflation would ever have cost. That is not just a little one isolated thing at random, that was taken as a sample.

Maybe I should ask about the number of employees because the Senator indicated that they had so many more employees to handle.

Mr. FONG. I did say they had 700,000 employees. The number would have increased if they did not have automation. The 700,000 employees, I think, have been reduced by 30,000.

(At this point, Mr. FORD assumed the Chair.)

Mr. HOLLINGS. The actual figure which I am quoting now from the Postmaster General's 1974–75 report, at that particular time in 1971—and we passed this, of course, August 1970—the 1971 figure was 728,911 employees.

In the more recent GAO report which we asked for, the Post Office and Civil Service Committee shows 676,000 employees over there now, or a reduction in that many to be handled.

If number of employees or volume of employees was a problem, I understood the Senator from Hawaii was stating they did not have that number of employees.

Mr. FONG. I did not say that.

Mr. HOLLINGS. It reduced the problem by about 50,000.

Mr. FONG. I was responding to the distinguished Senator from West Virginia that we should look at the human problem, and I said, "Yes," because there were approximately 700,000 employees.

Mr. HOLLINGS. Then I heard that the distinguished Senator from Hawaii said the Postmaster General did not have this terrific volume with which to contend.

The truth of the matter is, going to that same report in 1971, they had 87 billion pieces. By 1974 they had gotten up to 91 billion. But they had a drop in 1975 of 832 million pieces of mail, and the projected drop by the Postmaster General of more than that, a billion pieces this year.

So, actually, the number of pieces to be handled rather than the volume going up and the bigger job, actually, there is a smaller job.

It is regrettable, we both agree on that.

Mr. FONG. No, the projection by the Kappel Commission was that it would have increased.

The Kappel Commission estimated by 1975 it would be over 100 billion pieces, and the 1975 projection by GAO was that it should be 93 or 94 billion pieces. The volume has fallen down to 91 billion pieces, but it has increased over the years.

Mr. HOLLINGS. But let us take the actual 1975 figure, which was 89.3, according to the report.

Mr. FONG. In 1968, the Kappel Commission projected the 1975 mail volume at 110 billion pieces, and in February 1975 the GAO projected it at 93.1 billion pieces.

Actually, the 1975 volume was 89.3 billion pieces.

Mr. HOLLINGS. That is right, 89.3.

Mr. FONG. And the slowing down of the number of pieces cut down the revenues. This is one of the problems.

Mr. HOLLINGS. Could it be because they have cut down their service?

Mr. FONG. No. It is because of mailgrams they have used, or the telephone. Many people find using the telephone is easier. Many people find sending a radiogram is easier. Many people find using other electronic means of communication is much better than using the mail.

These are the things we are contending with now which we never anticipated in 1970 when we passed the postal reorganization bill.

Mr. HOLLINGS. Of course, the people use mailgrams and all, but the Senator must know about the closing of the small post offices, the removal of the collection boxes, the reduction in the number of times that they actually picked up the mail, the reduction of deliveries, for example, at business offices from three times to sometimes less than one time a day.

We have a record here, on April 19 and 20, with all the statements of everyone concerned, the mail carriers, the American Legion, and everyone says service is down.

In addition to the service going down, of course, they have gone financially 8 billion bucks into the hole.

We gave them an outfit worth at least $3.5 billion in 1970 when they got it, and now we are facing, rather than a plush $3.5 billion, a $4.5 billion deficit.

That is a change in financial position which even the Senator's own report says that considered in private business, the Postal Service would be bankrupt.

Is that not really the case?

I mean, as we talk more generally, and we are being very tactful and I think it is wise that we do not be untactful or tactless and raucous and yet, at the same time, we are faced with a real problem.

As I see the Senator's amendment in the most kindly terms, it is no more than a holdup, like sticking a gun and saying, "give us some money and don't ask questions."

That is why I am asking these questions, because I think much talk has been made about the impairment of the obligation of the postal employees' contract. I think the Senator has a contract and I have a contract. We all do with the public, that puts us here to stop, look and listen, and find what we are giving out business for.

In looking at that, the Senator says we ought to have a hearing after the Commission reports in February. Is that the Senator's position?

Mr. FONG. Yes. The commission is going to delve into all the problems of the post office and see whether it can come up with recommendations. At that time, with those recommendations, I am sure we will be able to have a more deliberative session and see what amendments can be enacted.

Mr. HOLLINGS. But how can that occur?

Mr. FONG. May I go further?

Mr. HOLLINGS. Yes.

Mr. FONG. I will answer the Senator's question about the GAO as an arm of the Congress.

The GAO has made 126 reports on a wide range of postal topics in the last 4½ years. This is what it says about mail delivery standards:

Mail delivery standards as established by the Postal Service are generally being met.

This is what GAO says:

> Mail delivery standards as established by the Postal Service are generally being met.

The GAO also says that the lot of the postal employees has been greatly improved.

Mr. HOLLINGS. They really do not believe the morale in the Postal Service has improved, do they?

Mr. FONG. The GAO has issued 126 reports in 4½ years. They come out with a statement like that, and the GAO has not been very favorable in its report with the administration. The Senator knows that.

Mr. HOLLINGS. The fact is, exactly 140, not 126, but 140 GAO reports. They say the standards set themselves. That is, the new Postal Service, that they set themselves in 1970, in 1972, really, when they put in this testing service, they say, "Yes," and that is what they are referring to by meeting those standards.

But the GAO report says to look at the levels of service in 1969, when it was a political organization, and now in 1975, when it is a business organization, the service has diminished sharply.

It is diminishing sharply. That is really part of the report. Well, that is all right. We would not argue that.

I would like to find out how could the Senator have the overall report by the Commission in that amount of time? No one encompasses this being passed and signed by the President, if we could get together with the House, until after Labor Day or the middle of September. That would cause some appointments to come in in October. I believe the Senator would agree that would be pretty good timing, if we could get the Commission to start a study in October.

Mr. FONG. I know the time we have given the Postal Commission to report is a short period. We have been thinking in terms of about 6 months.

Mr. HOLLINGS. How can they do it with October, November, December, and January as the 4 months to study the overall needs? S. 2044, introduced by Senator McGee, called for a 2-year study on the sole question of the public service subsidy. He said it would take 2 years to determine that; namely, the public service subsidy. In this buy-off that we have facing us now, where we are not to ask questions but just give money, and in order to answer the questions we will get a blue ribbon commission to study for 4 months, with Thanksgiving, Christmas, the New Year's holidays, the inauguration, and everything coming in between, with them reporting to us in February, how can they give us an intelligent report?

Mr. FONG. If they require a little more time, they will come to us and ask for more time. At that time we will consider it.

Mr. HOLLINGS. So the Senator feels this Commission might be extended in February for another 6 months?

Mr. FONG. I do not know how much time will be given to them. I will not be here. That will fall upon other Senators.

Mr. HOLLINGS. This gets the Senator from Hawaii by but it does not get me by. I see. I thank the Senator.

Mr. FONG. In answer to whether this is a good bill, we have the employee organizations asking that this bill be passed. I think many employees from the post offices, the postmasters, and all the people identified with the Postal Service, are asking that we pass this bill as it is, that they require this amount of appropriation to tide them over.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. FONG. I yield.

Mr. WILLIAM L. SCOTT. A few years ago we set up this postal service corporation and started having long-term contracts between the employees organization that my distinguished friend from Hawaii is speaking of, long-term contracts negotiated for salaries and working conditions. I wonder if that is not really the root of the trouble we are having.

How does the salary of the postal worker compare with the salary of the classified civil service employee? I served on the House Post Office and Civil Service Committee. At a later time I will ask to include in the Record a copy of the minority report of that committee on the bill setting up this postal corporation.

As the distinguished Senator will remember, the Committee on Post Office and Civil Service of the House of Representatives would not pass this bill when the administration wanted it. It was only when the postal organizations and the administration joined together that they got a majority of the votes. The then Postmaster General Blount said:

> I am a businessman. I know how to deal with employees.

Later on, though, he gave the employees everything they asked for.

I just wonder if it is in the public interest, to let the employees run an organization as large as the Postal Service. I wonder if it is not the responsibility of the Members of Congress to exercise legislative oversight, and that we should have the Chief Executive as the final head of the Postal Service rather than the organization that we now have.

In other words, I am saying we made a mistake when we set this up. We made a very serious mistake that is not in the public interest.

Mr. FONG. This was in answer to whether this is the bill that should be passed and what the morale is. The morale was low, as was said.

Mr. WILLIAM L. SCOTT. The Senator is talking about the employee morale?

Mr. FONG. Yes.

Mr. WILLIAM L. SCOTT. What percentage of increase in pay have they received since the postal corporation was established? How does that compare with the general classified services? In other words, if they have received twice as much money as other Government employees received, I can understand their morale being rather high.

Mr. FONG. In answer to the distinguished Senator from Virginia, I want to say salaries constitute 86 percent of the operating expenses. Between July 1971 and March 1976, the typical annual salary payment rose 54 percent in the Postal Service as compared with an increase of 41 percent in equivalent civil service salaries.

Mr. WILLIAM L. SCOTT. Does the distinguished Senator have any figures showing the increases for all Government employees as compared with those in the Postal Service since the Postal Service became a separate instrumentality?

Mr. FONG. Yes. July 1971 would be the first time that the Postal Service employees received their increase. Between that date and March 1976, as I have stated, their salary rose 64 percent, whereas their equivalent in the civil service positions rose 41 percent. So there has been a 23-percent increase over and above that of the civil service.

Mr. WILLIAM L. SCOTT. But does that include an initial increase immediately upon the setting up of the Postal Corporation?

Mr. FONG. I believe this constitutes the whole thing.

Mr. WILLIAM L. SCOTT. The whole thing from the time they were entirely a part of the Government?

Mr. FONG. Yes.

Mr. WILLIAM L. SCOTT. I like to think they are still a part of the Government under a quasi-government corporation.

Mr. FONG. The fact that they were given the right of collective bargaining with the Postal Service has tended to increase their salaries over and above these of the other civil service employees.

Mr. WILLIAM L. SCOTT. Why does the distinguished Senator say that would give them something above what the other Government employees received?

Mr. FONG. Because of the threat of striking, because there was a strike in New York, and because they were in bargaining units these increases were granted. The fact that they have these bargaining units caused an increase in salaries.

Mr. WILLIAM L. SCOTT. Is it fair for them to have these bargaining units and the rest of the Government employees not to have them? Is there any reason they should have the right to collective bargaining and the other Government employees not have the right to collective bargaining?

In all candor, I do not favor collective bargaining for public employees. I consider the Postal Service public employees.

Mr. FONG. At the time of the postal reorganization in 1971, the whole matter was placed in the hands of the Board of Governors. They were free to get into a collective bargaining agreement with the employees, which followed. It resulted in a bargaining agreement and, as a result, employees' salaries have increased.

Mr. WILLIAM L. SCOTT. Does the Senator feel that this is in the public interest? That is the point I am getting at. I refer not to the employees' interests but the public interest, including the employees. I feel the distinguished Senator would agree with me that we are here to serve the public interest, not the employees' interests as a separate unit.

Is it in the public interest for them to have the right of collective bargaining and to receive higher increases in pay than other Government employees, if we call them all Government employees, or should all employees be treated alike?

Mr. FONG. If we look at it from the standpoint that this is a quasi public corporation, it is half private and half public. Then we follow the private rule, the private law, governing the right of collective bargaining.

Mr. WILLIAM L. SCOTT. They have no right to strike under the present setup, do they, under the Postal Service arrangement?

Mr. FONG. There is nothing here said about the right to strike.

Mr. WILLIAM L. SCOTT. Then the threat of a strike would, if carried into effect, be a violation of existing law?

Mr. FONG. Yes, it would be.

Mr. WILLIAM L. SCOTT. I do not feel that anyone should benefit from a threat to violate the law of the land, and in all candor I see no basis for giving additional compensation to people in a quasi-public corporation.

EXECUTIVE SESSION

INTERNATIONAL COFFEE AGREEMENT, 1976; PROTOCOLS FOR THE THIRD EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

The PRESIDING OFFICER (Mr. Curtis). The Senator will suspend.

The hour of 2 p.m. having arrived, under a previous order of the Senate, as in executive session, the votes will now occur on two treaties.

INTERNATIONAL COFFEE AGREEMENT, 1976

The PRESIDING OFFICER. The question is on agreeing to resolution of ratification on Executive H, 94th Congress, 2d session, the International Coffee Agreement. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from California (Mr. Cranston), the Senator from Iowa (Mr. Culver), the Senator from Ohio (Mr. Glenn), the Senator from Alaska (Mr. Gravel), the Senator from Colorado (Mr. Gary Hart), the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Leahy), the Senator from Louisiana (Mr. Long), the Senator from Washington (Mr. Magnuson), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. Muskie), and the Senator from California (Mr. Tunney) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), and the Senator from New Jersey (Mr. Williams) are absent because of official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) and the Senator from Washington (Mr. Magnuson) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I further announce that the Senator from Utah (Mr. Garn) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft) would vote "yea."

The yeas and nays resulted—yeas 76, nays 0, as follows:

[Rollcall Vote No. 516 Ex.]

YEAS—76

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Hansen
Hart, Philip A.
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Jackson
Javits
Johnston
Laxalt
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—0

NOT VOTING—24

Bentsen
Brock
Cranston
Culver
Garn
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hartke
Haskell
Humphrey
Inouye
Kennedy
Leahy
Long
Magnuson
Montoya
Moss
Muskie
Taft
Tunney
Williams

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

PROTOCOLS FOR THE EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive I, 94th Congress, 2d session, Protocols for the Third Extension of the International Wheat Agreement, 1971.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Ohio (Mr. GLENN), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. GARY HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. MUSKIE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS), are absent because of official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The yeas and nays resulted—yeas 76, nays 0, as follows:

[Rollcall Vote No. 517 Ex.]

YEAS—76

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Hansen
Hart, Philip A.
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Jackson
Javits
Johnston
Laxalt
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Morgan
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—0

NOT VOTING—24

Bentsen
Brock
Cranston
Culver
Garn
Glenn
Goldwater
Gravel
Griffin
Hart, Gary
Hartke
Haskell
Humphrey
Inouye
Kennedy
Leahy
Long
Magnuson
Montoya
Moss
Muskie
Taft
Tunney
Williams

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

The Senator will suspend.

Will the Senate please be in order? The Senator from Oklahoma is entitled to be heard.

The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Joe Heaton and Ed King of my staff be accorded the privilege of the floor during consideration and votes on H.R. 8603.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Hawaii.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Will Senators please take their seats and refrain from conversation? Those wishing to converse will please retire from the Chamber.

Mr. FONG. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I appreciate the courtesy of the distinguished Senator from Hawaii.

I ask unanimous consent that Mike Mishoe, of my staff, and John Napier, of the staff of the Committee on the Judiciary, have the privilege of the floor during the consideration of H.R. 8603.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FONG. Mr. President, I yield to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Bob Jerome, of my staff, be allowed the privilege of the floor during the debate and vote on the postal reorganization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Jimmy Kolker, of my staff, be allowed the privilege of the floor during the consideration of and voting on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FONG. Mr. President, I support the distinguished chairman of the Committee on Civil Service and Post Office in his position endorsing the committee amendments as contained in H.R. 8603, the Postal Reorganization Act Amendments of 1976.

As stated by the chairman of my committee, the purpose of the bill is to provide temporary financial relief for the hard-pressed U.S. Post Office Service.

At the outset, I believe it is fair to say that, based on my nearly 17 years of service on the Senate Post Office and Civil Service Committee, there are no fast and easy answers to all the Nation's postal problems. The problems of the Postal Service are tough, complicated, and changing. On the other hand, there are some solutions which are practical, reasonable, and attainable. They do not promise overnight success, but neither do they shy away from what has to be done now to save the postal system.

After long and arduous effort, the Senate Post Office and Civil Service Committee has reported H.R. 8603, the bill now being considered by the Senate. This measure gives top priority attention to the immediate financial problems of the Postal Service and at the same time provides the basis for an assessment of the longer term problems we are likely to face.

FINANCIAL ASSISTANCE

The accumulated operating indebtedness of the Postal Service stands at almost $1.5 billion as of June 30, 1976. Operating expenses will add an additional $125 million in the transition quarter and $500 million in fiscal year 1977. This total of $2.125 billion for operating indebtedness through the end of fiscal year 1977 is to be distinguished from borrowings made for capital expenses which are expected to total $2.808 billion through the end of fiscal year 1977.

To address this problem, during the long negotiations, involving Senator MCGEE, our counterparts in the House, the Postmaster General, and representatives of the administration, I proposed a mechanism to assist the Postal Service to alleviate this balance sheet problem while the Study Commission deliberates and reports. My proposal was accepted by all parties and is incorporated in this bill.

As an emergency measure to reduce this debt, H.R. 8603, would authorize a total of $1 billion—$500 million to be applied against the accumulated operating debt of the Postal Service as of September 30, 1976, and $500 million to be applied as of September 30, 1977.

These funds will be used for the purpose of reducing the Postal Service's outstanding operating debt—that is, borrowings which the Postal Service has already entered into for maintaing operations. This will reduce the burden on the Postal Service of having to carry this debt. It will not be used as an operating subsidy for on-going operations.

In requesting the appropriations authorized, the Postal Service would be required to submit to the Senate and House Post Office and Civil Service Committees comprehensive and detailed information on its budget; postal operations generally; and estimates of total spending and revenues. Congress would, therefore, be fully and currently consulted and informed on postal operations, plans, and policies.

STUDY COMMISSION

H.R. 8603 proposes the formation of an independent Commission on Postal Service to study and recommend actions to resolve the problems facing the Postal Service. It would make recommendations on wide-ranging subject areas, without limits as to any particular areas. The Commission of 12 members is to file its final report by February 15, 1977.

We are expecting the Commission in the course of its review to address such areas as the appropriateness of current mail service levels, the role of special services provided to various types of mailers, and the impact of new electronic communications techniques, all of which affect the cost of providing mail service acceptable to the public at the lowest cost. The Commission should also examine who should bear the cost of the various potential levels of postal service.

MORATORIUM

While the Study Commission is performing its task and before its final report is submitted next February, H.R. 8603 would impose a moratorium on postal rate increases and service reductions.

Specifically, for the period beginning with the appropriation of funds authorized by the bill and ending next February 15, the Postal Service would be:

Prohibited from having in effect any permanent or temporary postage rate or postal service fee higher than those in effect on the date H.R. 8603 is enacted;

Prohibited from providing lower levels and types of postal services than those provided on July 1, 1976;

Prohibited from closing any post office where 35 or more families regularly receive their mail; and

Prohibited from closing any post office where fewer than 35 families receive their mail, unless the Postal Service receives the written consent of at least 60 percent of the regular patrons who are at least 18 years of age.

In addition, the Postal Service would be required to provide door or curbline delivery to all new permanent addresses, except apartment buildings, until the Study Commission reports.

The various parts of the "postal package" embodied in the bill were the product of lengthy hearings and negotiations. The Senate Committee held 7 days of public hearings in recent months on the proposed legislation. The chairman and I, as the ranking minority member, actively sought out the assistance and participation of others in hammering out an acceptable and workable legislative proposal. We met with our counterparts in the House of Representatives, the Postmaster General, the Office of Management and Budget, and the White House. What eventually developed is a proposal which, as I noted earlier, has the approval of all parties.

The administration's views on the pending bill have been outlined by the Office of Management and Budget in a letter to Chairman McGEE.

Mr. President, I ask unanimous consent to have the text of that letter printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., June 18, 1976.
Hon. GALE McGEE,
Chairman, Senate Post Office and Civil Service Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter confirms our understandings regarding the provisions of H.R. 8603, as contained in Committee Print No. 8 of the bill, dated June 16, 1976.

The Administration is prepared to accept legislation and to transmit a request to the Congress from the U.S. Postal Service for the funding of the authorizations provided for under section 2, subject to the passage of a bill which is consistent with our agreement. The amounts provided for under the authorizations will be applied against the Postal Service's accumulated operating indebtedness and used for the purpose of reducing that outstanding indebtedness as of the period ending September 30, 1976, and the period ending September 30, 1977. These amounts will not be used directly for covering current operating expenses or deficits.

In addition, the mandate of the Commission on Postal Service, established under section 7, will be broadened and the Commission charged to identify and study the problems facing the Postal Service and to recommend actions to be taken to resolve those problems. While the Commission should not be limited to any particular subject area, we would expect it to look into such matters as: the appropriateness of current mail service levels including the services available to various types of mailers, the nature and extent of any "public service" aspect of postal operations, the status of the private express statutes, and postal policies with regard to personnel levels and employee compensation. We are also concerned that the Commission look into the future implications of changes in electronic communication technology and what impact these will have on postal operations.

The Administration's agreement is premised on these two important principles.

We would like to express our reservations about the composition of the Commission's membership, as amended by the Committee. While we can appreciate the concerns expressed for adding members to the Commission to reflect the views of the postal labor force, we do not believe that it is appropriate to designate two such representatives to a Commission of only ten members. Further, we believe that adding specific members from the labor force is inconsistent with the action taken to eliminate postal management's voting representation on the Commission. We believe that a Commission named jointly and equally by the President and the Congress can deal with all of the postal problems without having to bring specific viewpoints to the membership.

We note that during the period of the study, current postal policies will remain in force. Since the Commission is to look into the basic problems facing the Postal Service, there should be no changes in the Postal Reorganization Act which preempt the Commission's review of current postal policies or changes which compromise the independent status of the Postal Service by placing restrictions on postal operating flexibility that are unacceptable to the Postmaster General. In this regard, we understand that the Committee has reached an agreement with the Postmaster General.

I hope that the above information will be helpful in clarifying the Administration's position.

Sincerely,
DANIEL P. KEARNEY,
Associate Director for Economics and Government.

Mr. FONG. The "postal package" was reported favorably by the Senate Committee 8 to 1. It is a bill which combines the ideas of those who have worked hard to meet the realistic problems of the Postal Service. It is designed to reconcile the disparate views of the parties, with the full realization that no one person's judgment is necessarily the best or final answer to the problems at hand. It is a compromise in the highest sense of the word. But most important, if the proposed legislation is passed as it is, without any changes, it can and will become law soon—the sooner the better because of the severe strains under which the Postal Service is currently operating.

I wish to underscore the seriousness of the problems facing the Postal Service, and therefore, the necessity for early action to relieve the mounting pressure on the postal system.

BACKGROUND

I believe a brief review of how the Postal Service got where it is today might be helpful in understanding the approach we have taken in H.R. 8603.

When the Postal Service was created as an independent establishment of the executive branch by the Postal Reorganization Act of 1970, there were high expectations for its success. The reorganization was recommended by a Presidential Commission appointed to study the causes of major breakdowns in postal operations in the 1960's.

The Commission believed that if postal management were freed from the operating constraints that plagued the old Post Office Department, it would be able to overcome its problems and operate the system in a more business-like manner. It was predicted that, through improved performance, substantial cost savings would result—so substantial that the Postal Service would achieve financial self-sufficiency by 1984. Postal rates were to be adjusted upward until they covered costs, and subsidies to all classes of mail thus were phased out. It was even considered possible that there would no longer be a need for the Congress to appropriate funds to cover so-called public service costs—those costs associated with providing service in communities where the post office is not deemed to be self-sustaining. Persuaded by these arguments, Congress overwhelmingly approved the reorganization act.

These optimistic expectations have not yet been realized. Analyses made by the General Accounting Office, the Congressional Budget Office, and the Postal Service itself place most of the blame for the Service's poor financial performance since reorganization upon three factors—inflationary cost increases, a slow ratemaking process, and a stagnant mail volume.

A report by the Senate Budget Committee staff summarized the causes for the financial problems as follows:

> First, the Postal Service is highly labor intensive (salaries are 86% of operating expenses), and between July of 1971 and March of 1976 the typical annual salary payment rose 64%; this compares with an increase of 41% in equivalent civil service salaries. Second, the 1970 Act's projection of a financially self-sufficient postal service was premised upon timely rate increases to cover increasing costs; but the six-month delay (in 1975) in enacting the most recent increase (cost in revenue lost was $1.4 billion) is typical of the speed of the process. Third, partly due to the deterrent effect of higher rates, the growth in mail volume has slowed considerably and caused the Postal Service's revenue projections to fall far short of expectations. For example, in 1968 the Kappel Commission had projected 1975 mail volume at 110 billion pieces; and in February of 1975 the GAO projected it at 93.1 billion pieces; actual 1975 volume was 89.3 billion pieces.

An impartial, thorough evaluation of the performance of the Postal Service was completed in March this year by the General Accounting Office. In testimony before the Senate Post Office and Civil Service Committee, the GAO—which has issued 160 reports on a wide range of postal topics during the Postal Service's existence—summarized its evaluation as follows:

Mail delivery standards, as established by the Postal Service, are generally being met;

Rates may be getting close to the unacceptable level;

Self-sufficiency has not been attained and there are no immediate prospects of doing so; and

The lot of the postal employee has been greatly improved.

This forthright assessment of the Postal Service leaves much room for improvement in certain areas. At the same time, however, it is a long step forward in comparison with the old Post Office Department that was in deep trouble before it was replaced.

In view of its long and close monitoring of the postal system—which is more extensive than that by any other agency—the GAO's position on legislation to deal with the Postal Service's problems is important. The GAO believes the Postal Service needs financial relief; it endorses expediting the ratemaking process; and it supports the establishment of an independent postal study commission. In general, H.R. 8603, now before the Senate, embodies the type of legislation recommended by the GAO.

WHY H.R. 8603 SHOULD BE PASSED NOW

H.R. 8603 is a carefully balanced and thoroughly considered measure. It has the overwhelming, favorable recommendation of the Senate Post Office and Civil Service Committee. It has the endorsement of postal committee leaders in the House. It is legislation urgently desired by the Postmaster General, and generally by the postal unions and the rank and file employees. And the bill is acceptable in its present form to the administration, without whose support it is unlikely this type of postal legislation can be enacted into law.

This legislation provides a "breathing spell" which will pave the way for serious and thoughtful deliberations which would not be possible for Congress during the limited time remaining in this election year. Hence, we implore our colleagues to withhold their amendments to this bill until next session, when more time will be available for thorough and careful consideration of them.

I repeat: Because of the shortness of time remaining in this election year session of Congress, I hope every effort will be made to forgo amending the bill before us. Not only will this assure early enactment of H.R. 8603; this bill may be the only acceptable measure, and this is the last opportunity this year for Congress and the administration to work out urgent legislation to save the Nation's postal system.

Therefore, I strongly urge swift approval of H.R. 8603.

I yield the floor, Mr. President.

UP AMENDMENT NO. 366

Mr. RANDOLPH. Mr. President, I have an amendment at the desk. I ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from West Virginia (Mr. RANDOLPH) proposes an unprinted amendment numbered 366.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the bill, add the following new section:
>
> SEC. 9. (a) Section 404 of title 39, United States Code, is amended by inserting "(a)" immediately before "Without" and by adding at the end thereof the following new subsection:
>
> "(b)(1) The Postal Service, prior to making a determination under subsection (a)(3) as to the necessity for the closing or consolidation of any post office, shall provide adequate notice of its intention to close or consolidate such post office at least 60 days prior to the proposed date of such closing or consolidation to persons served by such post office to insure that such persons will have an opportunity to present their views.
>
> "(2) The Postal Service, in making a determination whether or not to close or consolidate a post office, shall consider—
>
> "(A) the effect of such closing or consolidation on the community served by such post office;
>
> "(B) the effect of such closing or consolidation on employees of the Postal Service employed at such office;
>
> "(C) whether such closing or consolidation is consistent with the policy of the Government, as stated in section 101(b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;
>
> "(D) the economic savings of the Postal Service resulting from such closing or consolidation; and
>
> "(E) such other factors as the Postal Service determines are necessary.
>
> "(3) Any determination of the Postal Service to close or consolidate a post office shall be in writing and shall include the findings of the Postal Service with respect to the considerations required to be made under paragraph (2). Such determination and finding shall be made available to persons served by such post office.
>
> "(4) The Postal Service shall take no action to close or consolidate a post office until 60 days after its written determination is made available to persons served by such post office.
>
> "(5) A determination of the Postal Service to close or consolidate any post office may be appealed to any court of appeals of the United States within 30 days after such determination is made available to persons served by such post office under paragraph (3). The court shall review such determination on the basis of the record before the Postal Service in the making of such determination. The court shall hold unlawful and set aside any determination, findings, and conclusions found to be—
>
> "(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;
>
> "(B) without observance of procedure required by law; or
>
> "(C) unsupported by substantial evidence on the record.
>
> The court may affirm the determination or order that the entire matter be returned for further consideration, but the court may not modify the determination. The court may suspend the effectiveness of the determination until final disposition of the suit by the court.".
>
> (b) The amendment made by this section shall take effect on the day after the date on which the Commission on Postal Service transmits its final report under section 7(f)(1) of this Act.

Mr. RANDOLPH. Mr. President, we have eight sections in the pending bill, as reported from the committee to the Senate. I seek to add a ninth section, section 9. In that amendment, I would, in a sense, be supplementing the moratorium which is contained in the bill as reported from the committee. Under the present moratorium on the closing of post offices—the smaller offices really, that is the problem in the rural areas of the country—there would be no action taken until the 15th of February 1977. Beginning on the 16th of February, my amendment, if it is adopted, would move into another area. I think there is a very real reason to go beyond just the moratorium which is contained on page 28 of the bill, H.R. 8603, which is pending in the Senate.

Under this amendment, the Postal Service, prior to a determination on the closing or consolidation of any post office, would permit patrons the opportunity to present their views on such a proposed closing. This insures that these postal patrons have the opportunity to make their views known—in actuality, to be participants in the process of either continuing the office or having the office ultimately closed. Sixty days of advance notice would be given to postal patrons.

In making the determination of whether or not to close or to consolidate a post office, the Postal Service would have to consider oral and written testimony that would be presented. The effect that the closing or consolidation of a post office has on the community must be a part of the determination and must be considered. The effect on the employees who are working in that post office would also be a consideration.

I understand that the Postal Service

will be interested—and properly so—in the provision dealing with economic savings resulting from such a closing.

Our amendment, the amendment I present, reiterates the need for consistency in carrying out the intent of the present statute.

I am not going to say that the Postal Service is presently in violation of the law. But the language of section 101(b) of title 39 of the United States Code, Mr. President, requires the Postal Service to provide a maximum degree of effective and regular postal services to rural areas, communities, small towns where post offices are not self-sustaining.

There are small post offices, we know, that are not self-sustaining. But, very frankly, the Postal Service itself as a whole is not self-sustaining. In this bill there is a request, of course, for money from Congress so as to carry forward the postal services. It is $1 billion to be exact.

But I refer here to the small towns—and I emphasize this—the rural areas, these communities in the countryside where these offices are not self-sustaining. They in many, many instances must be maintained.

At the completion of the review, my amendment would require the Postal Service to place in writing its findings, which shall be made available to the patrons, the persons, served by that post office. No action to close or consolidate a post office would be permitted until 60 days after this written determination is made and, of course, announced or delivered to the patrons.

If the patrons of that office disagree with the determination to close that office at a certain time or to consolidate that office, an appeal procedure is included in my amendment which goes to the courts for a decision.

The amendment, I believe, is a very meritorious approach to this problem.

We have a letter, as I discussed earlier with the able chairman of the committee, from the Postmaster General, Mr. Bailar, in which he says he has no intention of closing these offices of the type that I mentioned, pending action on this legislation, H.R. 8603 and this moratorium which runs until February 15. But I want to go beyond that.

I think it is necessary to go beyond that and set up a permanent procedure. I think the amendment should be adopted.

I would really hope that the managers of the bill would agree to this amendment. I think it does no harm to the measure as reported from the committee. It is a further assurance, let us say, to these small post offices in the rural areas that there will be set procedures on closings.

The PRESIDING OFFICER. Who seeks recognition?

Mr. McGEE. Mr. President, I would like to say for the record that the distinguished Senator from West Virginia, a member of the committee, and I have discussed this at some length. There is indeed a very legitimate and deep concern in the point that the Senator's amendment would make in terms of protecting the small local communities and their post offices, and we all are in that camp.

We think there is a place for the small post office that far exceeds just the material factor of postal service.

The problem that this amendment poses for the committee is simply the agreement that we put together to make it possible to hold the line against postal closings, against rate increases, against service cut-backs, and that has all been nailed down with the Postmaster General, with the White House and Office of Management and Budget, and that is the basis for the compromise agreement that we have here.

None of us are exceedingly proud of it. It was the best that we could get in order to hold the line until we opened wide, with no holds barred, the whole question of the Postal Service as soon as everybody gets out of this particularly busy political year.

So I oppose the amendment with reluctance, I say to my colleague, but I feel honor bound as one of those involved in trying to find a common denominator agreement by which we can avoid postal closings the remainder of the interval to the 15th of February as included in the compromise or avoid further cutbacks in services or avoid new increases in rates. There was no other way we could nail that because of the many factors involved.

On that ground I would say with reluctance that I would have to oppose the Senator's proposal at this time because it does change the mechanism which was a part of the operation involved in the machinery under the present postal law.

The other thing is we have from the Postmaster General that letter which Senator RANDOLPH and I have agreed should be in the RECORD at this point or at an earlier point in this colloquy, and that should be a sufficient assurance to protect us from closings, to try to put in a mechanism that would protect against future closings after the 15th of February which would be properly involved in the recommendations of the Commission and the will of Congress as it proceeds to legislate its will upon receipt of the Commission's special report as envisioned by the President.

So on those terms—and I think the Senator understands this fully—the committee would have to oppose the amendment at this point in time. It properly belongs as soon as the report is made to the Congress on the Postal Service.

Mr. RANDOLPH. Mr. President, I understand the chairman's argument. I think he is in error in indicating that this amendment would seem to throw out the arrangements that have been made with the committee, the ranking minority member and the able chairman, the Postal Service and the administration.

Yet I would remind him that as far as I am concerned, I had no such agreement. I do not want to be misunderstood. I have felt in doing this I am really helping in a sense the situation. It is my desire to establish a mechanism, which is a very simple one. It is not involved, and I think Members of Congress, the Senate, and, hopefully, the House would look with favor on the amendment.

I would hope that the chairman would decide not to table the amendment or offer such a motion, but would give us an opportunity here to vote the amendment either up or down.

Mr. McGEE. I have no objection to offering or to voting any kind of amendment up or down. I think under the preconditions in which the committee brought forth this unhappy child, which is the compromise, it is no man's child, or is the product of many efforts.

In the words of the distinguished Senator from Rhode Island who just walked in, it is the art of the possible. It is the art of the possible and it is as simple as that.

If this amendment were to be adopted by the will of the Congress in whatever way we care to vote this afternoon, it would require a veto under the terms of the compromise that was negotiated.

With all of the amendments in the proposal, I think a great many Members of Congress think it is a sort of thing that should be in the new postal system. But our limitation here, may I say to my colleagues, is that anything that goes beyond the 15th of February, beyond the terminal point for the Commission that is to be appointed if this is adopted, prejudges whatever that Commission should choose to report.

Second, depending upon what Congress legislates, it likewise sticks out alone as a factor that may not be relevant when a new system is put together. We do not know and we dare not prejudge.

So I feel compelled to have to move to table on that ground, as a matter of honor, because of the commitment made to work out a compromise.

Mr. PASTORE. Will the Senator yield?

Mr. McGEE. Yes.

Mr. PASTORE. The Senator from Rhode Island cannot walk into this Chamber without somehow becoming involved.

Mr. McGEE. So what is new?

Mr. PASTORE. But I will say this. I think the plan being suggested by my good friend, Senator HOLLINGS, would be a better answer to this problem if we could achieve it.

If we could possibly achieve it, I think it is a better answer.

Let us face it. This transition to privacy, or private venture on the part of the Post Office, has been a disaster. In my humble opinion, it has been a disaster.

Here we are, after all these grandiose promises that were made, let us run as a private venture, it will not cost the taxpayers any money. That has fallen flat on its face. Here we are talking about appropriating either $500 million or $1 billion, and it has been conceded that even $1 billion will not take care of the problem. That is where it stands now.

But we have been told very flatly and very clearly that if the Hollings amendment is agreed to, in all probability there would be a veto.

Practically everybody who works for the Post Office has been aroused over the fact. I have been receiving a lot of mail like everybody else.

As I understand it, the Senator from Wyoming, the chairman of the committee, has taken the position—and he has worked out this compromise—that this is not the end of the problem, this is not the ultimate solution to the problem, but this will stay until we have an election of a President.

Naturally, if Mr. Ford is reelected, in all probability we might have to do it his way. On the other hand, if Mr. Carter is elected President of the United States, I think we ought to give him a chance to take a good look at it.

This would be, more or less, a respite or an interlude between the disaster and the hope. That is about all we have here, a hope.

Mr. RANDOLPH. May I comment, while the Senator from Rhode Island is in the Chamber?

Mr. McGEE. Yes, I yield.

Mr. RANDOLPH. We are considering an amendment I have offered, which is not the overall program of the able Senator from South Carolina. But I am simply trying to insure that the smaller post offices of the United States in the rural areas of the countryside, the very small towns, are not closed.

I am not going into other issues.

Mr. PASTORE. If the Senator will yield, when we had the conference on this matter, I was made to understand that the purpose of this respite was to insure these post offices would not be closed down. That is the reason why we are putting up the money, to make sure that that will not happen. If my understanding is incorrect, I would like to be corrected on it.

But the point here is that there is no need trying to shake down this compromise through fear, because if we do, we might jeopardize getting this relief which must be granted at this time. I say frankly, put up the money or the price of the stamp is going up.

The public is going to be aroused and we are all going to be deluged with mail. There is no question about it.

Mr. McGEE. Is the Senator through?

Mr. RANDOLPH. I just wish to say that I think the President would sign the bill if my amendment is included.

Mr. McGEE. The Postmaster General recommended it not be signed if the Senator's amendment is included.

Mr. RANDOLPH. I can understand.

I think I have proven in 38 years in the Congress my belief in a postal service that functions and of a postal service that is strong. I will not go into all that.

I would not offer something that is "a tearing apart proposal."

I am really disappointed that the able Senator will not accept this situation as a real way in which we can establish a procedure after February 15. This does not go to all the options of the bill as a whole.

I would be very surprised, in fact I would be shocked, if an amendment of this kind, a very simple amendment, a very easily understood amendment, a modus operandi that is very plain in giving people a chance to be heard for 60 days, is something that would tear apart this agreement.

I cannot believe that is true.

Mr. McGEE. Their view is, very seriously, that it is because it starts after the 15th of February and prejudges an area of improved procedure that the Commission is supposed to make a judgment on in terms of its overall approach to the problem. Therefore, they really feel very strongly that we should not try to freeze that beyond the restructuring. We do not know what the total restructuring may be. It may have no relationship to this in any way, even the restructuring made to use some other division of the problem of the Postal Service.

So that is the only reason, and it is with reluctance I have to keep insisting that this falls into the category of those changes in the mechanism, that the principle of prejudgment, before the report, would be done violence to.

Mr. FONG. Will the Senator yield?

Mr. McGEE. Yes.

Mr. FONG. Mr. President, this amendment goes far beyond anything we have. This amendment really ties the hands of the Postmaster General.

Before he can close a post office or consolidate a post office, he has to go through a lot of actions.

Let us look at what he has to go through before he can close or consolidate a post office forever. If this amendment goes through, it is forever. It is not tied to that period where we await the report of the Commission.

If he wants to close or consolidate a post office, he has to give 60 days' notice to the patrons.

The Postal Service, in making a determination of whether or not to close or consolidate a post office, shall consider:

> (a) The effect of such closing or consolidation on a community served by such post office.
>
> (b) The effect of such closing or consolidation on employees of the Postal Service employed at such offices.

There is no question, if we close or consolidate the post office, it will affect the employees.

> (c) Whether such closing or consolidation is consistent with a policy of the Government associated in section 10(b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal service to rural areas and small towns where they are self-sustaining.

That is in the present law.

The economic savings to the Postal Service resulting from such closing or consolidation are considered, and then the Postal Service has to weigh such other factors as they determine are necessary. Determination of the Postal Service to close or consolidate post offices shall be in writing and shall include the findings of the Postal Service.

I have no objection to that.

If the Postmaster should decide that he will close a station, he can be taken to court. When we passed the postal reorganization bill we wanted to give the Postmaster a free hand, but we told him to follow certain guidelines in these small post offices, and he should not go helter skelter in closing post offices willy-nilly. I think he has been pretty fair and reasonable in closing and consolidating post offices. In this amendment he can be taken to court for a decision as to whether it was right for him to close a post office or not. The court could reverse him.

On one hand, we are trying to make the post office an efficient organization. We say it is losing money, that it has to be more efficient, that they should consolidate some of the post offices. For the period between the time when this bill is enacted and the Postal Commission comes and reports its findings, there will be no closing of any post office that has more than 35 patrons. For any post office that has less than 35 patrons, if 60 percent over 18 years of age say no, they cannot close the post office. We have gone pretty far in this bill.

Mr. BUCKLEY. Will the Senator yield for a unanimous-consent request?

Mr. McGEE. I promised to yield to the Senator from South Carolina.

Mr. HOLLINGS. I thank the Senator for yielding.

I would ask the distinguished chairman about the agreement, as I understand it, since it is so precise, so as not even to allow a clarifying and what I would deem to be a very worthy amendment with respect to closings. This is the same as the intent of the Senator from Wyoming, that the small post offices would be protected. Yet the agreement he has firmed up between the administration and the House, which is before the Senate, I think in fairness to my colleagues should be made clear. The agreement is so precise and exact that we cannot have the kind of an amendment the Senator from Wyoming would ordinarily agree to, as presented by Senator RANDOLPH. For my information, and for the information of my colleagues, with whom did the Senator talk in the administration to bind the administration?

Mr. McGEE. At the request of the President, Mr. Jim Lynn, of the OMB, was the official spokesman and the runner with the various terms in the negotiations between the White House and the Congress.

Mr. HOLLINGS. The Senator did not talk to the President himself?

Mr. McGEE. Not on each of these points. We have had conversations with the President that go back a long time on the broad postal measure, but this has nothing to do with hammering down the details of this particular agreement.

Mr. HOLLINGS. When last did the distinguished chairman discuss postal affairs with the President?

Mr. McGEE. I think the last conversation we had in the Oval Office, excluding any informal meeting socially, would have been at the time of the hearings last winter.

Mr. HOLLINGS. So the Senator has not heard directly from the President?

Mr. McGEE. As directly as we need to hear by the man we all agreed would carry the messages. The President had two or three other problems confronting him all during this interval and could not afford to have us sit down and discuss each participle that we stuck in the agreement. Therefore, he requested that that Mr. Jim Lynn transfer those messages and translate the President's intent. Ours were then sent back to Mr. Lynn who then met with the President and brought back the direct communication from the President.

Mr. HOLLINGS. But there are certain facts that cannot be disregarded. The difficulty of the Postmaster General himself to talk with the President on postal affairs is well known. In fact, he testified before our committee. When was that, in April or May?

Mr. McGEE. He testified to that effect in March.

Mr. HOLLINGS. He testified that he had called the President and the OMB intermittently, the White House and the Office of Management and Budget, some eight times without even a return of his calls. Since that time presumably, the Postmaster General has gotten in touch with OMB and they, in turn, told the chairman they negotiated with the President?

Mr. McGEE. And he also testified that he had a conversation with the President.

Mr. HOLLINGS. But the chairman has not talked with him since last winter?

Mr. McGEE. That session was had with the President as to what we could get through with respect to law and change.

Mr. HOLLINGS. Now this agreement would not allow even as simple an amendment as that proposed by the Senator from West Virginia. With whom did the chairman speak and negotiate the so-called compromise on the House side?

Mr. McGEE. On the House side the discussions involved the chairman of the House Post Office and Civil Service Committee, Mr. HENDERSON; the ranking minority member, Mr. DERWINSKI, and chairman and ranking minority member from the Postal Operations Subcommittee. They were the ones who were represented in these negotiations.

Mr. HOLLINGS. And the chairman talked with those three Members, fully aware——

Mr. McGEE. Four House Members. The two on each of the full committee and the subcommittee.

Mr. HOLLINGS. Two being Mr. HENDERSON and Mr. DERWINSKI. Who were the other two?

Mr. McGEE. Jim Hanley and Albert Johnson.

Mr. HOLLINGS. And the distinguished chairman was fully aware at the time he had those conversations that they had made a similar proposal to what is now in the so-called compromise to the House on two occasions and had that voted down, is that correct? Let us get one point at a time. It is very difficult. I have been here since early this morning and I have been ready. In fairness to our colleagues, I want to inquire into the so-called compromise, as to what it is, who the chairman discussed it with on the House side, and whether he has a valid enforceable agreement or compromise. He talked to four Members on the House side and they were voted down last October. Is that correct?

Mr. McGEE. They were not voted. Another proposal was submitted to the House in October of last year and the House supported the Alexander amendment, as the Senator knows full well. That had no relationship to the impasse that was reached when the Senate opened its hearings on the full area, including the Alexander amendment proposal. The point was that we then got the message that there would be a veto. Our problem was to decide whether to buy the veto and use it as a campaign issue or to try to keep the Postal Service from closing more post offices, to try to avoid further rate increases, to try to avoid further service cutbacks after all of this hit the fan. That is the basis for the compromise. It has nothing to do with the Alexander amendment of last October. It has nothing to do with any of the other proposals that are now being fielded. It was an attempt to find something to hold this together until we all have time when we get back after the election to spend a full go at it, to reexamine and reopen the entire postal system structure and its related problems. That is what it is all about.

Mr. HOLLINGS. I will ask for the yeas and nays on the amendment of the Senator from West Virginia. That is what he wants to ask for.

Mr. RANDOLPH. That is what I was trying to ask for.

The PRESIDING OFFICER (Mr. BAKER). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. The Senator is talking about the veto of the President. I am discussing the veto of the House of Representatives. The House of Representatives did have a financial assistance program without the appointment of the Postmaster General, without the salient features, without the annual authorization, and here came this Alexander amendment supported by members of the Post Office and Civil Service Committee.

After they had an overwhelming vote on that particular score, they took that bill back into the committee to work it over, to see if they could get a similar type compromise to divest them, if you please, of the Postmaster General's appointment, and also the annual authorization. They brought it back, and lost again.

Is the Senator familiar with—well, I ask unanimous consent to have printed in the RECORD this statement by five Representatives when they introduced legislation on the postal financial problems without further cutbacks, and rejecting Senator McGEE's "compromise" proposal.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FIVE CONGRESSMEN INTRODUCE LEGISLATION TO MEET POSTAL FINANCIAL PROBLEMS WITHOUT FURTHER CUTBACKS; REJECT SENATOR McGEE'S "COMPROMISE" PROPOSAL

Congressmen Charles H. Wilson (D-Calif.), Bill Alexander (D-Ark.), Richard C. White (D-Tex.), Patricia Schroeder (D-Colo.), and John Jenrette (D-S.C.) announced today that they completely reject Senator Gale McGee's version of postal legislation which originated in the House last year, and that they have introduced a new bill which would appropriate $500 million to the Postal Service this year to prevent further service cutbacks such as post office closings. The Representatives said that the Postal Service's acute financial difficulties warrant such an appropriation, but they also emphasized that real postal reform in the House-passed bill (H.R. 8603) requiring annual Congressional appropriation of postal funds and direct Presidential appointment of the Postmaster General with the advice and consent of the Senate must be approved by the Congress this year. Senator McGee, Chairman of the Senate Post Office and Civil Service Committee, has said that the White House would veto money for the Postal Service if any accountability requirements were also included, and therefore McGee developed "a compromise" proposal to give the Postal Service one billion dollars over two years with no service cutbacks before next February, but also no provision for greater accountability for postal managers to the Congress or the President.

"We think it's ridiculous for Senator McGee to refer to his plan as a compromise. The fact is it would amount to having the Congress walk away from its responsibility to regain some control over postal operations and the American people will not stand for it", the Congressmen said.

"Senator McGee says that we must gut House-passed legislation which will restore some reasonable degree of accountability to postal operations in order to provide short-term, emergency funds to the Postal Service. This is nonsense. We can appropriate the money needed for this year through the legislation we have introduced today", the Representatives said.

"Senator McGee obviously does not discern a difference between compromise and surrender, nor does he have any grasp of the magnitude of concern most Members of Congress have about the Postal Service," they said. "This is not surprising, of course, since the Senate Post Office and Civil Service Committee has held only a handful of oversight hearings on postal matters in the last four years".

"We're afraid that the conventional wisdom now held is that Senator McGee has presented an unpalatable fait accompli. It's a bad bill, but there's nothing that can be done. It's the only game in town. Well, we suggest that there is an alternative. We should simply do what the American people are demanding—regain some control over the Postal Service—and, if necessary, separately make an appropriation for this year."

"When H.R. 8603 reaches the Senate floor next week we would urge Senators who have any concern about the sorry record of the U.S. Postal Service since it became a quasi-business operation in 1971 to oppose the McGee approach and vote to reinstate accountability requirements approved by the House", they said.

H.R. 8603 as passed by the House last October 30, requires the annual appropriation of all postal revenues, and requires the Postal Service to present comprehensive statements of postal operations to the Congress when it requests such appropriations.

The bill revises the method of appointment of the Postmaster General and the Deputy Postmaster General, requiring that both positions shall be appointed by the President, by and with the advice and consent of the Senate.

The Postal Service is required to provide door delivery to each permanent residential address (excluding apartments) wherein the appropriate unit of local government has adopted zoning ordinances prohibiting the construction of curbline mail boxes.

The bill also would create a five-member "Commission on the Postal Service" to identify and study the "public service aspects" of the Postal Service, and other aspects about the Service. This Commission would transmit quarterly reports to the President and Congress and make its final report within two years.

Senator McGee's version of this bill would drop all of the above-noted provisions and simply give the Postal Service one billion dollars in exchange for not cutting back service before February. (The McGee version does include a so-called "blue-ribbon" study Commission which would be required, despite the absence of clear-cut directions and an impossible deadline, to make some kind of report before February, as well.)

Congressman Wilson has served on the House Post Office and Civil Service Committee for over a dozen years. He has been Chairman of the Postal Facilities, Mail, and Labor Management Subcommittee since early 1973.

Congressman Alexander is a member of the House Appropriations Committee. In the 93rd Congress, Alexander served as Chairman of the House Agriculture Subcommittee on Rural Development and conducted hearings on the effect of national postal policies on nonmetropolitan America. Alexander authored the amendment to the House bill that would return postal purse strings to the Congress.

Congressman White, who has served on the House Post Office and Civil Service Committee since 1967, chairs the Subcommittee on Retirement and Employee Benefits.

Congresswoman Schroeder is Chairwoman of the Census and Population Subcommittee of the House Post Office and Civil Service Committee.

Congressman Jenrette serves as a member of the House Committee on Post Office and Civil Service.

Mr. HOLLINGS. Addressing myself to this document, is the Senator familiar with those particular House Members having introduced, in accordance with section 2004 of the Postal Reorganization Act, H.R. 14963, to just appropriate some $500 million, for which no authorization is really necessary? Is the Senator familiar with that particular bill that has been introduced in the Ways and Means Committee over there?

Mr. McGEE. That bill, I am advised, they have not acted on yet. They introduced it in the House of Representatives.

Mr. HOLLINGS. That is right; and they introduced it, if you please, to be a backstop should there be a veto, because they have taken an adamant position that they are going to veto the McGee proposal, should we all just go ahead right now, bam, bam, bam, and vote on it as the Senator from Wyoming requests, and send it immediately to the House without amendment.

I understand the Senator's desire to work out compromises but in this particular case there is no question in my mind but that he is talking to the wrong group—certainly not the group sponsoring the legislation a House majority has voted for on two occasions.

These are the words of Charlie Wilson, Bill Alexander, Richard C. White, Patricia Schroeder, and John Jenrette. All of them, except Alexander, are members of the Post Office and Civil Service Committee on the House side. I quote from their statement:

> We think it's ridiculous for Senator McGee to refer to his plan as a compromise. The fact is it would amount to having the Congress walk away from its responsibility to regain some control over postal operations and the American people will not stand for it.

I am not going to read the entire matter, but this is pertinent to the point the Senator from Wyoming was making.

I quote further:

> Senator McGee says that we must gut House-passed legislation—

That is H.R. 8603, the bill now before the Senate—

> which will restore some reasonable degree of accountability to postal operations in order to provide short-term, emergency funds to the Postal Service. This is nonsense. We can appropriate the money needed for this year through the legislation we have introduced today.

That is the bill which I previously referred to, H.R. 14963.

> Senator McGee obviously does not discern a difference between compromise and surrender, nor does he have any grasp of the magnitude of concern most Members of Congress have about the Postal Service. * * *
>
> We're afraid that the conventional wisdom now held is that Senator McGee has presented an unpalatable fait accompli.

Almost the way the Senator is now presenting it on the floor.

> It's a bad bill, but there's nothing that can be done. It's the only game in town. Well, we suggest that there is an alternative. We should simply do what the American people are demanding—regain some control over the Postal Service—and, if necessary, separately make an appropriation for this year.

So now, as this statement says, it is so ridiculously worked out it is obvious—and I have been over on the House side to try to get a feel, because I did not want to waste the time of the Senate——

Mr. McGEE. I understood the Senator has been over on the House side.

Mr. HOLLINGS. That is right, and I wanted to talk to those Members. I have talked to the leadership over there, and tried to get a feel. I cannot tell exactly. I would not want to be the expert to try to say that it will pass or will not pass, but if we have a Presidential veto of H.R. 8603, which the Senator from Wyoming wishes to amend, but does not want anybody else to amend—I repeat, which the Senator wishes to amend but does not want anyone else to amend—the principal sponsors of H.R. 8603 say it is ridiculous, it is nonsense, and I agree with them on that particular point. And if there is any measure in the end instance, I repeat, if the President does veto it, they say, "We are introducing the $500 million appropriation, which does not require any authorization, so they can stay solvent."

So there is no emergency now, and we simply have a question of whether Congress or the Blue Ribbon Commission is going to do this job. The House says we are going to have to go back to work.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. McGEE. Let me make two points in regard to the Senator's remarks just now.

First, my distinguished colleague from South Carolina alludes to the fact that the House of Representatives has already passed judgment on this matter twice.

The House had nothing like this compromise to pass judgment on. What we are passing judgment on now is a compromise that was worked out with at least five sources of responsibility in postal affairs. They had no knowledge at that time—none of us did—that we were going to come up against the impasse of a veto and getting nowhere, at the same time we were being faced with mass closings of post offices, rate increases still in the offing, and a service cutback.

Because of the year, in which everybody was running for President in one party or the other, or they were running their own races back home, we felt we either had to play the old veto route and try to make a campaign issue out of it, letting the post office fall apart in the process, or take a more sensible route and try to stabilize it temporarily. I underscore temporarily.

We do not take pride in the compromise. It was the best that honorable men could put together, that they could all agree to.

Who agreed to it? The White House agreed to it. The Office of Management and Budget agreed to it. The House Members who are responsible for the legislating authority in postal affairs; the chairman, the ranking minority member, the chairman of the subcommittee, and the ranking minority member agreed to it.

That is as far as I am going to go on the House side. God help us all over here if we are going to tell the House what they think, or how to proceed. We do the best we can do in a responsible way to try to get the Senate to make its judgment on its responsibility. The House must make its own judgment.

It was the judgment of the leadership of the committee in the House of Representatives that the leadership on the House floor would be supportive, that they believed that when all the chips were down, as late in the year as it is, as far down the road in the campaign as it is, with every House Member standing for reelection, that this would be a sensible way to go about it. No one of them had enough time to devote, now, to reexamining the entire postal structure.

You cannot just half reorganize the postal structure. It ought to be done in an orderly fashion, instead of simply taking my preferences, Senator Randolph's, or Senator Fong's; it ought to be reworked in the light of all the experience we have had over these past 6 years with postal reorganization.

We admit nothing with this proposal. We are simply trying to hold the line and stabilize it until we can get back here after this political year, and then go at it full tilt, no holds barred, I guarantee the Senator, to reexamine it. That is the responsible way, I submit, to go at the problem of reorganization and determining what is in the public interest, I submit to my colleague, regardless of the arguments of five Members over on the House side, whether it is a compromise bill or whatever you want to call it.

They were not involved in the impasse that was reached and having to face up to the consequences of that impasse, as were those who were in charge of the committee whose jurisdiction it was over there. That is the House of Representatives problem. But our problem has to be do we evaluate it from the point of view of Senators, rather than what the House of Representatives is or is not going to do. Every one of the gentlemen who were cited by my colleague from South Carolina have long been opposed to this measure. They have long been opposed to any kind of a compromise. That is understandable. And it is an honorable opposition.

But our petition is not to disallow what they would propose to do but simply say to them:

> Let us throw it into the hopper with everything on reorganization at the time when everyone has gotten out of the business of a campaign year and we get back and go to the mat with the full question.

This is no way to be restructuring something as massive as a national monopoly, the Postal Service of the United States. So our request is that we simply hold the line with the compromise until February 15, at which time the report to Congress and to the President will have been submitted. It seems to me this is nothing that gives away anything. It simply gives us the chance to do in a more responsible way whatever it is in our collective wisdom we decide to do.

Mr. FONG. Mr. President, will the Senator yield?

Mr. McGEE. I am glad to yield, but the Senator from South Carolina has the floor.

Mr. HOLLINGS. Yes.

I say to the Senator one more time, though, that this group that he says will not compromise, fortunately or unfortunately, represents a majority in the House. True, if there were four Senators or five Congressmen, as we now cite it, who represent a minority rather than the majority view of the House of Representatives, then I could understand him not going to them about the compromise, but they are the ones who prevailed.

I sent for the original H.R. 8603 as introduced. I have here a summary from the Record at the end of October which virtually takes up over a page and the Chairman said they did not have these matters before it.

I am going now to the point made by the distinguished chairman, that is, they just did not have these matters.

They had these matters fully last fall almost a year ago. In fact, H.R. 8603 was introduced in July, and we had plenty of time to go full tilt, as the distinguished chairman says, and we have not done so.

But they have an amendment to place a limit on the kinds of material to qualify for second-class mail, an amendment that reduces the temporary rate from 33 to 20 percent, an amendment that sought to provide for an annual authorization, which incidentally passed, an amendment that sought to limit the number of postal rate increases, an amendment that sought to require that each class of mail bear the postal cost attributable to it, an amendment to protect charitable and nonprofit mail from increased postal rates, an amendment that sought to repeal private express statutes, down to an amendment for a grant of free postage for mailing to voters.

They went to everything up and down the entire gamut, coming out originally, which will be seen when I get that original bill. This is very interesting to me, because we were debating H.R. 8603. The amendment of the Senator from Wyoming is in the nature of a substitute to H.R. 8603, and here in the Senate Chamber I cannot obtain a copy of H.R. 8603. That is all I want in my hand. I wish to show the Senator not just what passed the House of Representatives, but also what was introduced originally.

I have H.R. 8603 as it passed the House of Representatives.

Has the aide to the Senator from West Virginia the original bill? That is right. I want the original bill to show just exactly what the House Committee on Post Office and Civil Service submitted for consideration.

I say to the Senator that, if he goes back there in July, he will see that they had the same idea as the Senator from Wyoming and the Senator from Hawaii, they wanted to get us by, to give them the money, and certainly not go back appointing a Postmaster General, annual authorization, and everything else. They had some provisions with respect to rates which stayed in. I am referring there to delivery of mail by nonprofit organizations. They had some other provisions that the Senator had in the original bill which were interesting to me, having served with the distinguished chairman. As we sat down, he will remember, when this bill was submitted, presently his amendment No. 2844, it had different provisions in there with respect to college catalogs.

We were in the committee and we were told let us not have any amendment. We agreed and worked it out. We changed around that commission in committee. We changed around the matter of college catalogs in committee, and we made some changes in the committee after the agreement was made to the compromise by the distinguished chairman. I do not see why, as committee members, having been able to get a little amendment in, as the Senator from West Virginia is trying to do this afternoon, we could do it as committee members but cannot do as Members of the Senate not on the committee.

But this was fully discussed, and this was supposed to have been debated, as the Senator well knows, the last week of July. We both went over there and they discussed it.

Let me jump then to the other point that the Senator was making as to how great the study is going to be so that then we could have expert facts and go full tilt. The Senator from Wyoming introduced S. 2844 in January calling for a 2-year study of one subject, the public service nature of the Postal Service. Now we have come around. I do not see how, in good conscience, we can argue to our colleagues how great this blue ribbon commission is going to be when the Senator thought it necessary for a 2-year study solely on public service subsidy, to have it at best a 4-month study on everything about the Post Office including the private express statutes, the matter of the public service subsidy, the matter of rates for college catalogs, the matter of closing post offices, the matter of the economy. At best, let us say that if his compromise is agreed to this afternoon, we could not get it through to the House of Representatives, agreed on and sent over to the President by the middle of September to appoint those commissioners. The blue ribbon commission could not report to the Capital City before the 4th of October. They have October, November, December, and January, with Thanksgiving, Christmas, New Year's inauguration, and everything else put in between.

We know that we have on our own staffs the expertise because they have been working over the years. Senator Fong has had 19 years, I think he said, or 17 years, with the Committee on Post Office and Civil Service. Those staff members would have a better working knowledge on what, how, and where to do than any Johnny-come-lately to town, a blue ribbon commission coming to have their pictures taken to say: "Look what the President has done. He has appointed us."

Does the Senator really conscientiously suggest that is a good alternative to his initial approach in S. 2844 where there is a 2-year study on postal subsidy alone?

Mr. McGEE. I say to my colleague that it is better than going his route. It is not what I would have advocated, but it is what we could get. This is a different circumstance now. We do have studies in hand, a rather substantial group of them, that have since been completed by the Office of Management and Budget as they see the problems, that have since been completed by the GAO as they see the problem, and we have a number of other private groups that have studied facets of this.

This would now involve, as the administration would foresee it, taking advantage of what has been put together in the various studies and putting them all together, because some of them did hot shot certain aspects of the Postal Service and tried to make it a part of the much larger whole, the post office system itself, and then from that make its recommendations.

I say to my colleague on that point that, the reason that we finally moved to February 15, a relatively short interval of time, was that by a divided vote, but nonetheless a substantial vote, we decided to put the odds on the sense of urgency rather than on the sense of just lagging along on this and putting it off for another couple of years.

I was one of those who argued for a longer period of time, but I was willing to abide by a substantial majority vote among the negotiators to put the bee on them to put the heat on. Let us get with it. This is not one of those weekend jaunts. This is not time off for various holidays. This is a matter of coming with a specific set of recommendations for the President of the United States and the two Houses of Congress.

It was the sense of urgency that really was uppermost in the final decision to place that date at the 15th of February.

Mr. HOLLINGS. The Senator would have to agree that we do have a $920 million subsidy and we have the $304 million that we appropriate for the phaseout on second-class mail rates, magazines and newspapers. Also, we have the $1 billion problem that confronts us now. That is a billion dollars plus a couple of billion dollars—a little more than $2 billion—that faces us, as Representatives and Senators, to act upon.

Does the Senator contend that the Senate can divorce itself from the oversight responsibility when we are asked to vote at this time on that amount of money for an organization that the Senator's own report calls bankrupt? The report of the Committee on Post Office and Civil Service, on H.R. 8603, says that if it were a private organization, as everybody is talking about it supposedly being, it would be bankrupt.

We are facing a bankrupt organization. We are trying to let it limp along, and we are asked, as Senators, to put up a little more than $2 billion, but not ask any questions.

Mr. McGEE. We are asking to put up the compromise money that everybody agreed on, that Congress said should have been put up long ago, that the administration would not agree to—to put up the compromise sum of money so that it would be addressing itself to retiring a part of the debt in good faith, while we win the time, after the election, to do justice to the oversight reexamination, reassessment, and restructuring—whatever the wisdom of Congress then determines. That is far better sense than to plunge into it now, shooting from the hip, in effect, in the ways that are proposed in the conglomerate things suggested by the Senator, because of the differences of points of view—not his differences with me or vice versa, so much as basic differences in other segments of the whole process of government.

The Postmaster General is a key man in this. He is a very effective manager in postal affairs, and he has been very responsible; but there are problems he is caught up with in the event we cannot proceed and which he is required to pursue—the kinds of procedures that would bring chaos into Congress as well as into the broad expanse of the land, the closing of more post offices, the cutback of more services, the increase of rates, and without delay.

That is the reason we think that before that is undertaken, under any set of exigencies, we should have a chance to open up the full question and examine all the facets of that question in relation to each other, not one shot here and one shot there. They are all interlinked in the final decision, whatever it may be. That is the reason for the request for what I would call reason—namely, to try to win the chance to do this right at the beginning of the new session of Congress, possibly with a new President.

Mr. HOLLINGS. When the Senator talks about looking at it in its entirety, why is it that we Senators are not allowed that but the American public is. In other words, the American public sees the Postal Service's demise in its entirety. They have had 6 years of it now, and it goes down, down the drain—as it cuts out services, cuts down on deliveries, closes post offices, increases rates prohibitively, and private endeavor is taking it over.

The American public sees it in its entirety. Why should we just look at these rates or closings but not some of the business judgments that constantly leak in white papers and 60-minute shows and Jack Anderson's columns? All one has to do is read day in and day out, and there is some reporter always coming out with another particular management booboo, a very faulty decision.

Specifically, I had the occasion to work with private industry, and I brought every great name of American industry to my home State. We have regional offices for those industries from time to time, either in Charlotte, N.C., or in Atlanta, Ga. But no one in his right mind has said, "Let's have a regional office that would operate efficiently and economically in Memphis, Tenn."

The postmaster from Charleston, S.C., has to go all the way to Tennessee. He can take an hour's flight to Atlanta, where he used to go. But they have closed Atlanta and nobody has been able to justify it.

If you mail a package in my home town, it must go through Greensboro, N.C. where it is processed. You cannot get a train or a plane to Greensboro, N.C. If you mail a package in Charleston, S.C., you can bet your boots that it somehow gets all the way to Greensboro, N.C., and is sent back to be delivered down the street.

These are the kinds of decisions they see day in and day out.

There is the matter of parcel post, to which the Senator referred in a letter. He said that the Parcel Post Association endorses his measure. That is almost impossible for me to believe because by 1975, the Postal Service lost about 166 million parcels. If we had the up-to-date figures, it would be more than 200 million.

Here is a crowd going out of business, and they say, "Let's continue with these particular decisions."

Does the Senator really believe that these organizations support his bill?

Mr. President, I ask unanimous consent to have the letter of August 19 printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
Washington, D.C., August 19, 1976.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, D.C.

DEAR FRITZ: Recently in my letters to you and on the Senate Floor, I have tried to describe the realities concerning the Postal Reorganization Act Amendments, H.R. 8603. Without going through all the rationale again, suffice it to say that the bill as reported out of the Senate Committee and soon to be voted upon is what the President will sign provided there are no substantive amendments.

It occurred to me that you might be interested in seeing a list of the supporters of the bill as reported from the Committee. They are:

1. National Association of Letter Carriers.
2. American Postal Workers Union.
3. Mail Handlers of Laborers' International Union.
4. Public Employee Department, AFL–CIO.
5. National Rural Letter Carriers Association.
6. National Association of Postmasters of the United States (91 percent of the postmasters are members)
7. National Association of Postal Supervisors.
8. United States Postal Service.
9. White House.
10. Office of Management and Budget.
11. Chairman and Ranking Minority Members of the two Congressional Committees.
12. National Newspaper Association.
13. Parcel Post Association.
14. American Legion.
15. Veterans of Foreign Wars.

Thanks again for your kind attention.

Sincerely,

GALE McGEE,
Chairman.

Mr. McGEE. I say to my colleague that he is indulging in a very interesting game of telling us what other people really think or what they really intend.

Mr. HOLLINGS. That is what the letter says.

Mr. McGEE. If they commit themselves and say, "We support this particular procedure as the lesser of evil alternatives," I am not going to make a second guess as to whether I think they are telling us what they really believe or what most of them believe, or what it is. They have stuck their necks out and laid it on the line: They believe that this is the minimal approach we have to give a chance to until we can redo the whole business in the next year.

By the same token, I cannot second guess what everybody in the House is going to do or think. That is not my prerogative, and I should keep my nose out of it. I have a responsibility to try to deal responsibly with this in my own body, the U.S. Senate. That is what we are striving to do here.

We have the direct word that under the conditions of tampering with the machinery of the postal system beyond February 15, that would be the immediate subject for a veto by the White House. It is as elementary as that.

Yet, there is a compromise that the White House does not like but will agree to and will sign, and that is the pending bill that wins us the kind of time between now and the middle of February that we are asking for, so that we can unleash everything and go after it full tilt.

Mr. HOLLINGS. As the Senator and I know, we could unleash it now.

I have a funny feeling that the Senator from Wyoming and I, as well as other Senators in the Chamber, are being contacted by this listed group and we are not really debating the issues.

The Senate is being told by the Committee on Post Office and Civil Service that this is the only game in town, that this is the only compromise, that any amendment will cause a veto and will kill the bill, when the fact is that they really support not the Senator's bill, but what I have submitted.

This is what the National Rural Letter Carriers Association says on page 357 of the hearings record:

> We do not feel the conversion of the Post Office Department into a Corporation is in the best interests of the American public . . .

That is what they said in their testimony years ago, and they maintain the same position.

The Public Employee Department of the AFL–CIO says on page 214:

> The simple fact is that the high hopes for postal operations engendered by enactment of the Postal Reorganization Act of 1970 have not been fulfilled. Instead, the past five years have witnessed a seemingly endless cycle of increased rates, declining business and reduced service to postal customers.

Then we can jump to another list, the first-class mailers, and some of the others in the hearing record we made. I read from page 193:

> We prefer, in every major intent the provisions of H.R. 8603—

Listen to this—

> and regret that your committee has not seen fit to take into consideration these views of a majority of the House of Representatives.
>
> When your committee goes into markup, we hope that it will expand its horizons and get to the core of the problem that faces the U.S. Postal Service: its current lack of responsibility.

I would say that, in contrast with this list which I can disassociate, the National Association of Postmasters support our substitute. The Laborers International Union of North America support some of our proposals, and the National Alliance of Postal Workers have given full support and they put out a release to that effect. Also we have support from the First Class Mailers Association, which I have just quoted, and the National Grange.

I have just gotten back from hearings in Alaska, where I met the little postmaster of Windy Cove. She told me Saturday night, "Don't let them——"

Mr. McGEE. This is where the post office is or that is her name?

Mr. HOLLINGS. That is where the post office is. That is outside of Ketchikan. She said, "Don't let them close down my post office up here at Windy Cove."

I say to the Senator from Alaska that you only have to see a State of that kind to appreciate what the Senator from West Virginia is trying to get to. They are all out there, little fishing villages hither and yon, and the central gathering point is our little post office. That jells them together into a community. I think that is valuable to America. I would rather pay it to the post office than to psychiatrists around this country.

The post office was the first thing that the Government started, with RFD—rural free delivery. We went off on this binge of how we can put it into a private corporation. It has been a virus.

I do not blame the Senator from Wyoming. We passed through a bill on a railway up in the Northeast; it went broke. Now they have a railway service and the president not only pays himself $63,000, but says, "Since I have to live in Washington, I am advancing myself $25,000 more. I am buying a $5,000 membership out at Burning Tree Country Club and am having parties down in Washington."

I believe in public oversight of the railroads and public oversight of our Postal Service. When we do that, we shall have a two-way communication between the Postal Service, the Postmaster General, and the people's representatives in Congress.

Then, if the gentleman has to cut back his Saturday delivery operation, there could well be a majority in the House and Senate which could vote to support it. Then we would know, when these economies are made, that billion dollar boondoggle on these mail things have to be closed down. It is not working.

We only have to look at the annual reports. We do not have to get the 140 GAO reports and the blue ribbon commission. I think we have run out of blue ribbon in this Congress. Every time we come up for responsibility, we say, oh the B–1, just put that off to the next President. The Post Office, put that off to the next President. Just put everything off to the next President and close down and go back home and tell them how we are conscientious and serving the people. Every Congressman and Senator can run around with billboards saying that: "He is concerned." Concerned my Aunt Eda. Let us get this out. Let us get the job done.

All we have to do, I say to the Senator from Wyoming, is take the annual report. Do not listen to the Senator from Wyoming or the Senator from South Carolina. Take the annual report and read it back. Anybody can read a balance sheet. The reports have a nice smiling face of somebody receiving the mail. They have all kinds of pictures. By the way, they pay a fortune on public relations. This is one of the public relations things.

Anybody reading a year-end report and the balance sheet would see that the headquarters employees have gone well. The number of headquarters employees, from 1971 to 1975, has gone from 2,611 to 2,988. They are now in district offices, in regional offices—this is the top heaviness of the whole thing.

The Senator says the man is a good manager. I wonder. I would like to ask him these questions if we could get some hearings.

There is not a postmaster in South Carolina who has not told me, "Senator, close the district office and get the regional office to where we can get to it and quit traveling all the way to Memphis."

We go, in the inspection service, from 2,511 to 5,610 employees. You can just go down the list and see that while the mail has gone up in cost, $3 billion—the volume has gone down.

Instead of it being 90.5, it is only 89.3. It has gone down 1 billion pieces. They are going out of business. They are cutting back. And the mail rates are going up, up, and away, and we are trying to say, we are deliberate about this. We are going about it in a responsible way, and we are not doing it off the cuff or shooting from the hip. How can anybody now, after 6 years, shoot from the hip? This thing has filled us up until it is overflowing on anybody who has had any kind of feeling for the situation. The newspapers of America, editorials, magazines, are full of it. You look at that balance sheet and say, if that is the kind of management we have, let us go back to the oversight responsibility. We are not getting back into politics, not appointing postmasters, not meddling with the ratemaking. We should allow that to be beefed up and accelerated. The Postal Rate Commission has agreed with the Senator from Wyoming that they can do it.

Except for the billions we are being asked to vote for, it is nothing less than a stickup, a holdup—"give me your money and don't ask questions."

When they talk about obligations of contracts in the employees' union, I have an obligation under my own contract with the people who elected me from South Carolina. That is to stop, look, and listen. We have not stopped, looked, or listened in 6 years, from August 1970 to August 1976.

I do not think it can be called shooting from the hip, particularly when the majority of the House on two occasions has said, "Let us regain the Postal Service oversight and regain that responsibility."

Mr. McGEE. I shall conclude this very shortly now so we may have a vote on Senator RANDOLPH's amendment. I wish just to make sure that the RECORD is straight, however, in the light of my colleague's comments just now.

While he was in Alaska, I attended the national convention of rural letter carriers. They voted virtually unanimously for this compromise bill. They testified against an approach like this last spring, before we had hit the snag. I repeat for my colleagues, this is something that none of us envisaged last spring when we were holding the hearings. But that is what we are up against and we have to do the best we can. That is what we are trying to do. The rural letter carriers now support the compromise as the lesser of the evil options confronting us at the moment. So does the National Association of Postmasters, who are sitting downstairs now, if the Senator would like to go down and talk to them. That is 91 percent of the postmasters of the United States.

There is a small postmaster group, the League of Postmasters, that represents a smaller percentage of the post offices, that has not endorsed this, so there is a difference of opinion. But the National Association of Postmasters of the United States, 91 percent of them, have endorsed the compromise as the necessary step to take in this interim until next winter. So has the National Newspaper Association. So have the letter carriers who were meeting down in Houston while the Senator was in Alaska. They endorsed it overwhelmingly, even though they do not like it. They would rather have a different kind of solution. But it is the best they can get now.

These people are realistic, I say to my colleague. We are trying to keep this together until we can do it the right way.

That is the whole basis for this overwhelming support, that those directly involved in postal business are reflecting support of the compromise. They do not like it any better than I do, but it is the best we can get for this short interval between a campaign year and the next year.

Mr. McGOVERN. Mr. President, I wish to express my strong support for the amendment offered by the distinguished Senator from West Virginia. I believe that Senator RANDOLPH has devised a reasonable formula to insure that the guarantees of adequate postal service for our rural areas and small communities included in the Postal Reorganization Act of 1970 will be implemented.

Mr. President, the small local post office holds a special place in rural America. In rural parts of my own State of South Dakota and in many other areas around the country, people are extremely dependent upon the Postal Service to conduct business, to obtain access to essential information, and to maintain contact with friends and relatives. When these post offices are closed or when service is reduced, the impact on every aspect of life is serious and very painful indeed.

In recent months, the U.S. Postal Service has created a great deal of concern and uncertainty in South Dakota and, I am sure, in other States as well, by predicting severe cutbacks and numerous closings in the near future. Relatively few post offices have, in fact, been closed to date, but a good many are under review. Postal Service officials have encouraged a widespread feeling that many more closings are in the offing.

This amendment would not prevent the Postal Service from closing out truly redundant facilities. It would not perpetuate unnecessary services, nor would it impose an undue burden on Postal Service management. Rather, the Randolph amendment would establish a fair and orderly process for considering rural closings where none now exists and it would assure the people in our rural areas of a clear line of recourse in the event that a facility is, in fact, terminated.

Mr. President, the Randolph amendment clarifies the intent of Congress with regard to rural service, provides a mechanism for carrying out that intent, and provides our rural people with a degree of protection from arbitrary bureaucratic actions. I assure my colleagues that where the Postal Service is concerned, this protection is badly needed.

Mr. McGEE. Mr. President, I move to table the Senator's amendment, as we agreed that I would do.

Mr. RANDOLPH. Mr. President, as I understand it, the yeas and nays have been ordered; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLINGS. On the motion to table?

Mr. McGEE. Yes.

Mr. HOLLINGS. The Senator just moved to table. We never did get that.

Mr. McGEE. Mr. President, I move to table the Senator's amendment.

Mr. HOLLINGS. The Senator moved for the yeas and nays on the amendment. But does the Senator want the yeas and nays on the motion to table?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. McGEE. What is the parliamentary situation on the yeas and nays, Mr. President?

The PRESIDING OFFICER. The yeas and nays have not been ordered on the motion to table. They have been ordered on the amendment.

Mr. FONG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. FONG. Mr. President, I suggest the absence of a quorum.

Mr. HOLLINGS. Let us vote. We can outshout them. [Laughter.]

Mr. President, the motion to table has been made.

Mr. FONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, the yeas and nays have been ordered on the amendment. I wonder if we can transfer the number that we had.

The PRESIDING OFFICER. By unanimous consent that can be done.

Mr. RANDOLPH. Can it be done by unanimous consent?

The PRESIDING OFFICER. Yes, it can be.

Mr. RANDOLPH. I so ask unanimous consent to transfer the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. Mr. President, reserving the right to object, what is the request?

Mr. RANDOLPH. I just want to get the yeas and nays transferred from the amendment to the motion to table.

Mr. HOLLINGS. I have no objection.

The PRESIDING OFFICER. Without objection, the yeas and nays are ordered on the motion to table and the clerk will call the roll. The question is on agreeing to the motion of the Senator from Wyoming to lay on the table the amendment of the Senator from West Virginia.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. GARY HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MANFIELD), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. Moss), the Senator from Maine (Mr. MUSKIE), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "nay."

The result was announced—yeas 17, nays 58, as follows:

[Rollcall Vote No. 518 Leg.]

YEAS—17

Bayh
Bellmon
Brooke
Burdick
Curtis
Fong
Glenn
Hruska
McGee
McIntyre
Pastore
Pell
Percy
Scott, Hugh
Stevens
Stone
Young

NAYS—58

Abourezk
Allen
Baker
Bartlett
Beall
Biden
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Ford
Hansen
Hart, Philip A.
Hatfield
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Laxalt
Mathias
McClellan
McClure
McGovern
Metcalf
Montoya
Morgan
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Symington
Thurmond
Tower
Weicker

NOT VOTING—25

Bentsen
Brock
Cranston
Culver
Garn
Goldwater
Gravel
Griffin
Hart, Gary
Hartke
Haskell
Hathaway
Inouye
Kennedy
Leahy
Long
Magnuson
Mansfield
Mondale
Moss
Muskie
Taft
Talmadge
Tunney
Williams

So the motion to lay on the table was rejected.

Mr. RANDOLPH. If it is necessary to have the yeas and nays, that is agreeable to the author of the amendment. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. THURMOND). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. GARY HART), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Missouri (Mr. SYMINGTON), the Senator from California (Mr. TUNNEY), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) and the Senator from Iowa (Mr. CULVER) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 60, nays 13, as follows:

[Rollcall Vote No. 519 Leg.]

YEAS—60

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Biden
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Dole
Domenici
Durkin
Eagleton
Fannin
Ford
Hansen
Hart, Philip A.
Hatfield
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Laxalt
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Montoya
Morgan
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Thurmond
Tower
Weicker

NAYS—13

Bellmon
Brooke
Burdick
Curtis
Fong
Glenn
Hruska
McGee
Percy
Scott, Hugh
Stevens
Stone
Young

NOT VOTING—27

Bentsen
Brock
Cranston
Culver
Eastland
Garn
Goldwater
Gravel
Griffin
Hart, Gary
Hartke
Haskell
Hathaway
Inouye
Kennedy
Leahy
Long
Magnuson
Mansfield
Mondale
Moss
Muskie
Symington
Taft
Talmadge
Tunney
Williams

So Mr. RANDOLPH's amendment was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2201

Mr. HOLLINGS. Mr. President, I call up my amendment No. 2201, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes amendment numbered 2201 in the nature of a substitute.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Postal Reorganization Act Amendments of 1976".

FINANCIAL MATTERS

SEC. 2. Section 2401 of title 39, United States Code, is amended by adding at the end thereof the following new subsections:

"(d)(1) There is authorized to be appropriated to the Postal Service for the fiscal year ending September 30, 1977, the amount of $1,000,000,000 to be applied against the accumulated operating indebtedness of the Postal Service as of September 30, 1976.

"(2) The Postal Service, in requesting amounts to be appropated under this subsection, shall present to the appropriate committees of the Congress a statement containing a description of the operations of the Postal Service together with any other information which any such committee considers necessary to determine the amount of funds to be appropriated for the operation of the Postal Service.

"(e) During the fiscal year ending September 30, 1977, or, if funds are not appropriated pursuant to the authorization provided in subsection (d)(1) of this section before the beginning of such fiscal year, during the portion of such fiscal year beginning with the day on which any funds are so appropriated, the Postal Service shall not—

"(1) have in effect any permanent or temporary rate of postage or fee for postal services exceeding the rates and fees in effect on the date of enactment of the Postal Reorganization Act Amendments of 1976, unless that excess is provided for under section 3626 of this title;

"(2) close any post office where 35 or more families regularly receive their mail and which was providing service on July 1, 1976; or

"(3) close any post office where fewer than 35 families receive their mail and which was providing service on July 1, 1976, unless the Postal Service receives the written consent of at least 60 percent of the regular patrons of such office who are at least 18 years of age.

"(f) During the fiscal year ending on September 30, 1977, or if funds are not appropriated pursuant to the authorization provided in subsection (d)(1) of this section before the beginning of such fiscal year, during the portion of such fiscal year beginning with the day on which any funds are so appropriated, the Postal Service shall provide door delivery or curbline delivery to all permanent residential addresses (or other than apartment building addresses) to which service is begun on or after the date of enactment of the Postal Reorganization Act Amendments of 1976.

"(g) Upon the request of the Post Office and Civil Service Committee of the Senate or of the House of Representatives the Postal Service shall be required to appear and to present testimony and respond to questions with respect to the operation and financial conditions of the Postal Service.

"(h) The rates and fees established under chapter 36 of this title for zone-rated mail matter formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates and fees for such mail matter would be if the funds authorized under this section were not appropriated.".

SEC. 3. (a)(1) Section 2401(a) of title 39, United States Code, is amended to read as follows:

"(a) All revenues and fees collected by the Postal Service shall be deposited in the general fund of the Treasury of the United States.".

(2) Section 2003(b)(1) of such title is amended to read as follows:

"(1) amounts appropriated pursuant to the authorization made by section 2401(b) of this title;".

(3) Section 2003(b)(3) of such title is amended by inserting immediately after "Postal Service" the following: "in addition to amounts appropriated pursuant to the authorization made by section 2401(b) of this title".

(4) Section 4(b) of the Postal Reorganization Act (Public Law 91–375; 84 Stat. 774) is amended by striking out "Postal Service" and inserting in lieu thereof "United States, and shall be deposited in the general fund of the Treasury of the United States in accordance with section 2401(a) of title 39, United States Code, as added by the Postal Reorganization Act Amendments of 1976.".

(b)(1) Section 2401(b) of title 39, United States Code, is amended to read as follows:

"(b) There are authorized to be appropriated to the Postal Service such sums as may be necessary for the operation of the Postal Service."

(2) Section 2401 of such title is amended by adding at the end thereof the following:

"(i) In requesting amounts to be appropriated under subsection (b), the Postal Service shall present to the Committees on Post Office and Civil Service and the Committees on Appropriations of the Senate and House of Representatives sufficient copies of the budget of the Postal Service for the fiscal year for which funds are requested to be appropriated. If such budget projects an operating deficit for such fiscal year, the Postal Service shall present with the budget a detailed financial analysis of proposals to eliminate such deficit including any proposals to increase rates or fees for services or proposals to reduce services.".

(c)(1) Section 3621 of title 39, United States Code, is amended by striking out "income" and inserting in lieu thereof "revenue".

(2) Section 3625(d) of such title is amended by striking out "income" and inserting in lieu thereof "revenue".

(d) The amendments made by this section shall take effect on October 1, 1977.

SEC. 4. (a) Section 2005(a) of title 39, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following: "The net increase in the amount of obligations outstanding for the purpose of capital improvements shall not exceed $1,500,000,000 in any one year. The amount of obligations which the Postal Service issues in any one fiscal year for the purpose of paying its operating expenses shall not exceed $500,000,000, and no obligation for such purpose shall be issued unless the Postal Service is required to retire such obligation in the fiscal year in which it was issued.".

(b) The amendment made by subsection (a) applies to obligations issued after October 1, 1976. Any obligations issued prior to such date shall be retired in accordance with the schedule adopted by the Postal Service and the Federal Financing Bank.

SEC. 5. Nothing contained herein shall be construed to impair the obligation of employment contracts that the Postal Service has entered into with its employees, and nothing contained herein shall be construed to impair the authority of the Postal Service to collectively bargain employment contracts with its employees as provided in the Postal Reorganization Act.

ORGANIZATIONAL MATTERS

SEC. 6. (a) Section 102 of title 39, United States Code, is amended to read as follows:

"As used in this title 'Postal Service' means the United States Postal Service established by section 201 of this title.".

(b) Section 201 of such title is amended by striking out ", as an independent establishment of" and inserting in lieu thereof "within".

(c) Section 202 of such title is repealed and the item relating to such section in the table of sections for chapter 2 of such title as amended to read as follows:

"202. Repealed.".

(d)(1) Sections 203 through 205 of such title are amended to read as follows:

"§ 203. Postmaster General

"The head of the Postal Service is the Postmaster General. The Postmaster General shall be appointed by the President by and with the advice and consent of the Senate. The Postmaster General shall receive compensation at the rate provided for level I of the Executive Schedule under section 5312 of title 5.

"§ 204. Deputy Postmaster General

"The Deputy Postmaster General of the Postal Service shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Postmaster General shall perform such duties as the Postmaster General may require. The Deputy Postmaster General shall receive compensation at the rate provided for level II of the Executive Schedule under section 5313 of title 5.

"§ 205. Senior Assistant Postmasters General; Assistant Postmasters General; General Counsel; Judicial Officer

"There shall be within the Postal Service 3 Senior Assistant Postmasters General, 8 Assistant Postmasters General, a General Counsel, and a Judicial Officer. The Senior Assistant Postmasters General, the Assistant Postmasters General, the General Counsel, and the Judicial Officer shall be appointed by, and shall serve at the pleasure of, the Postmaster General. The Judicial Officer shall perform such quasi-judicial duties, not inconsistent with chapter 36 of this title, as the Postmaster General may designate. The Judicial Officer shall be the agency for the purposes of the requirements of chapter 5 of title 5, to the extent that functions are delegated to him by the Postmaster General. The Senior Assistant Postmasters General shall receive compensation at the rate provided for level III of the Executive Schedule under section 5314 of title 5. The Assistant Postmasters General, the General Counsel, and the Judicial Officer shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5.".

(2) The items relating to sections 203 through 205 of such title are amended to read as follows:

"203. Postmaster General.
"204. Deputy Postmaster General.
"205. Senior Assistant Postmasters General; Assistant Postmasters General; General Counsel; Judicial Officer.".

(e) Section 402 of such title is amended to read as follows:

"§ 402. Delegation of authority

"The Postmaster General may delegate to any officer or employee of the Postal Service the responsibility for the performance of such functions as may be vested by law in him or in any other officer or employee of the Postal Service.".

(f) Section 2402 of such title is amended to read as follows:

"§ 2402. Annual report

"The Postmaster General shall transmit an annual report to the President and the Congress concerning the operation of the Postal Service under this title.".

SEC. 7. (a)(1) Section 3603 of such title is amended to read as follows:

"§ 3603. Duties and powers

"(a) The Commission shall have the duty to make final decisions for changes in postal rates and fees and in mail classification matters and to render advisory opinions on postal services and complaints in accordance with the policies and procedures of this title.

"(b) The Postal Rate Commission shall promulgate rules and regulations and establish procedures, subject to chapters 5 and 7 of title 5, and take any other action they deem necessary and proper to carry out their functions and obligations to the Government of the United States and the people as prescribed under this chapter. Such rules, regulations, procedures, and actions shall not be subject to any change or supervision by the Postal Service.".

(2) The item relating to such section in the table of sections for chapter 36 of such title is amended to read as follows:

"3603. Duties and powers.".

(b)(1) The first sentence of section 3621 of such title is amended by striking out "Governors" and inserting in lieu thereof "the Postal Rate Commission".

(2) Section 3622(a) of such title is amended—

(A) by striking out "to submit a recommended decision on changes" and inserting in lieu thereof "to decide on changes"; and

(B) by striking out "may submit such suggestions for rate adjustments as it deems suitable" and inserting in lieu thereof "may make such rate adjustments as it deems suitable".

(3) Section 3622(b) of such title is amended by striking out "the Commission shall make a recommended decision" and inserting in lieu thereof "the Commission shall make a decision".

(4) Section 3623(b) of such title is amended by striking out "recommended".

(5) Section 3623(c) is amended by striking out "recommended".

(6)(A) Section 3601 of title 39, United States Code, is amended to read as follows:

"§ 3601. Establishment

"(a) The Postal Rate Commission is an independent establishment of the executive branch of the Government of the United States. The Commission is composed of 5 Commissioners, appointed by the President, by and with the advice and consent of the Senate. The Commissioners shall be chosen on the basis of their professional qualifications and may be removed by the President only for cause. Not more than 3 of the Commissioners may be adherents of the same political party.

"(b) A Commissioner may continue to serve after the expiration of his term until his successor has qualified, except that a Commissioner may not so continue to serve for more than 1 year after the date upon which his term otherwise would expire under section 3602 of this title.

"(c) One of the Commissioners shall be designated as Chairman by, and shall serve in the position of Chairman at the pleasure of, the President.

"(d) The Commissioners shall by majority vote designate a Vice Chairman of the Commission. The Vice Chairman shall act as chairman of the Commission in the absence of the Chairman.".

(B) The provisions of section 3601(a) of title 39, United States Code, as amended by paragraph (a) of this section, shall not apply with respect to any Commissioner of the Postal Rate Commission holding office on the date of the enactment of this Act, except that such provisions shall apply to any appointment of such a Commissioner occurring after the date of the enactment of this Act.

(7) Section 3625 of such title is repealed and the item relating to such section in the table of sections for chapter 36 of such title is amended to read as follows:

"3625. Repealed.".

(8) Section 3628 of such title is amended—

(A) by striking out "decision of the Governors to approve, allow under protest, or modify the recommended";

(B) by striking out "and the Governors"; and

(C) by striking out "or Governors".

(9) The caption of section 3624 of such title and the item relating to such section in the analysis of chapter 36 of such title are each amended by striking out "Recommended decisions" and inserting in lieu thereof "Decisions".

(c) The third sentence of section 3662 of such title is amended by striking out "recommended".

SEC. 8. (a)(1) Section 1001(b) of title 39, United States Code, is amended by striking out "202, 204," and inserting in lieu thereof "203, 204, 205,".

(2) Section 1001(d) of such title is amended by striking out "of the Board or".

(b) Section 1002(a) is amended by striking out "a Governor or" and inserting in lieu thereof "a".

(c)(1) Section 1005(a)(3) of such title is amended by striking out "202, 204," and inserting in lieu thereof "203, 204, 205,".

(2) Section 1005(d) of such title is amended by striking out "(other than the Governors)".

SEC. 9. (a) Section 5312 of title 5, United States Code, is amended by inserting immediately after paragraph (13) the following new paragraph:

"(14) Postmaster General.".

(b) Section 5313 of such title is amended by inserting immediately after paragraph (22) the following new paragraph:

"(23) Deputy Postmaster General.".

(c) Section 5314 of such title is amended by inserting immediately after paragraph (63) the following new paragraph:

"(64) Senior Assistant Postmasters General (3).".

(d) Section 5315 of such title is amended by inserting immediately after paragraph (107) the following new paragraphs:

"(108) Assistant Postmasters General (8).

"(109) General Counsel of the United States Postal Service.

"(110) Judicial Officer of the United States Postal Service.".

RATE MATTERS

SEC. 10. (a) Section 3624 of title 39, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c)(1) Except as provided by paragraph (2) of this subsection, in any case in which the Postal Service makes a request under section 3622 of this title for a decision by the Commission on changes in a rate or rates of postage or in a fee or fees for postal services the Commission shall transmit its decision to the Postal Service under subsection (d) of this section no later than 10 months after receiving any such request from the Postal Service.

"(2) In any case in which the Commission determines that the Postal Service has unreasonably delayed consideration of a request made by the Postal Service under section 3622 by failing to respond within a reasonable time to any lawful order of the Commission, the Commission may extend the 10-month period described in paragraph (1) of this subsection by one day for each day of such delay.".

(b) The amendment made by subsection (a) shall not apply to any action or proceeding with respect to the decision of the Postal Rate Commission relating to proposed changes in rates of postage, and in fees for postal services, requested on September 18, 1975, by the United States Postal Service in a request which bears or which at any time has been included under Postal Rate Commission Docket Number R76–1.

SEC. 11. (a) Section 3641 of title 39, United States Code, is amended to read as follows:

"§ 3641. Temporary changes in rates and classes

"(a) In any case in which the Postal Rate Commission fails to transmit a decision on a change in rates of postage or in fees for postal services to the Postal Service in accordance with section 3624(c) of this title, the Postal Service may establish temporary changes in rates of postage and in fees for postal services. Such temporary changes may take effect upon such date as the Postal Service may determine, except that such temporary changes may take effect only after 10 days' notice in the Federal Register.

"(b) Any temporary rate or fee established by the Postal Service under subsection (a) of this section shall be in accordance with the policies of this title and shall not exceed such amount as may be necessary for sufficient revenues to assure that the total estimated revenue including appropriations, of the Postal Service shall, to the extent practicable, be equal to the total estimated costs of the Postal Service.

"(c) The Postal Service may not establish any temporary rate for a class of mail or any temporary fee for a postal service which is more than the permanent rate or fee requested for such class or postal service by the Postal Service under section 3622 of this title.

"(d) Any temporary change in rates of postage or in fees for postal service made by the Postal Service under this section shall remain in effect no longer than 150 days after the date upon which the Commission transmits its decision to the Postal Service under section 3624(d) of this title, unless such temporary change is terminated by the Postal Service before the expiration of such period.

"(e) If the Postal Rate Commission does not transmit to the Postal Service within 90 days after the Postal Service has submitted, or within 30 days after the Postal Service has resubmitted, to the Commission a request for a decision on a change in the mail classification schedule (after such schedule is established under section 3623 of this title), the Postal Service, upon 10 days' notice in the Federal Register, may place into effect temporary changes in the mail classification schedule in accordance with proposed changes under consideration by the Commission. Any temporary change shall be effective for a period ending not later than 30 days after the Commission has transmitted its decision to the Postal Service.

"(f) If, under section 3628 of this title, a court orders a matter returned to the Commission for further consideration, the Postal Service, with the consent of the Commission, may place into effect temporary changes in rates of postage, and fees for postal services, or in the mail classification schedule.".

(b)(1) The amendment made by subsection (a) of this section shall not apply to any action or proceeding with respect to the decision of the Postal Rate Commission relating to proposed changes in rates of postage and in fees for postal services requested on September 18, 1975, by the United States Postal Service in a request which bears or which at any time has been included under Postal Rate Commission Docket Number R76–1.

(2) The provisions of section 3641 of title 39, United States Code, as such provisions were in effect on the day before the date of the enactment of this Act, shall apply to any temporary rate or fee established by the Postal Service pursuant to its request to the Postal Rate Commission, dated September 18, 1975, for a decision, bearing Docket Number R76–1.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield for a request?

Mr. HOLLINGS. I yield.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

It is my understanding that the manager of the bill, the ranking member, and the author of the amendment are willing to enter into a time agreement on this amendment.

I ask unanimous consent that there be a time limitation of 4 hours on the amendment to begin running tomorrow morning at 10 a.m. with a vote to occur at no later than 2 p.m. on the amendment, the time to be equally divided on the amendment between Mr. HOLLINGS and Mr. McGEE, that there be——

Mr. FONG. Mr. HELMS will not agree to a time limitation agreement.

Mr. ROBERT C. BYRD. On this amendment?

Mr. FONG. I do not know if it is on this amendment.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request for the time being.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that as to the substitute amendment that I have called up and the clerk has stated there be added thereto at the end of that substitute the language of the Randolph amendment just agreed to by the Senate.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendment is so modified.

Mr. HOLLINGS. Mr. President, while we are trying to check with our colleague, as the distinguished assistant majority leader has reported, there will be no further votes this afternoon, but I wished to clarify with the few Members that we do have to listen, the fact that we have finally agreed to an amendment that we were unable to in committee. I know in good spirit our distinguished chairman from Wyoming will indulge this amendment on its merits rather than on the proposition that this would ruin that very tenuous, fragile, and exact compromise worked out among the Senate, the House of Representatives, and the administration, for already with the adoption of the Randolph amendment there is no question but what we will have a conference with our House colleagues.

I think this is the major point, Mr. President, with respect to the action by the House of Representatives.

I have had in the time allowed me with the rollcall votes to look at the bill that was introduced in the House at the very beginning. It was H.R. 2445 which was Mr. HANLEY's bill.

The Senator from Wyoming and I were discussing it, and in that discussion, the Senator's position, as I understood it, was that they did not have before them what we have now in the way of a McGee amendment, of simply putting up the money and altering the rate commission.

The fact is that they put in H.R. 2445 with the various subject matters. They were entitled "The Organization of Financial Matters of the United States Postal Service and Postal Rate Commission," introduced in January 1975, which encompassed the duties and powers of the Postal Rate Commission, the changes in its organizational structure, the membership of the Board of Governors, and the revision of the laws relating to private carriage of letters and application to the Postal Service of administrative procedures under title V, the rules governing certain Postal Service contracts, the fees on real property, publications of notice, and miscellaneous provisions, with the right of transfer and everything else.

Having sort of covered the waterfront, Mr. HANLEY, after having the hearings during the 6-month period from January to July, reported in July, for himself and others, H.R. 8603, which is presently under discussion.

Under H.R. 8603, we then come to the Hanley provision, which struck out the varied provisions, and came up with what could be characterized as a well worked out compromise; namely, dealing with just the Postal Rate Commission and the money.

I have tried to parallel the way the problem was posed in the House and the issues they were confronting at the time they adopted the Alexander amendment. At that time, they had—just as we have now—the so-called substitute streamlined, just taking care of the Postal Rate Commission and the money needed. Instead, they said:

> No. After five years, we have to go ahead and reassert the oversight responsibility, and we want the Postmaster General appointed by the President and confirmed by the Senate.

That, in essence, is our substitute amendment No. 2201.

Mr. President, I can commence at this time a prepared statement I have on the entire matter, and I will be glad to yield to the Senator from North Carolina. I think he has a point to make, or we will present a unanimous-consent request as to a time limitation on the substitute. However, we did not want to make any agreement without the consent of the Senator from North Carolina.

INTRODUCTION: WHY WE'RE HERE

The Post Office and Civil Service Committee has reported legislation which purports to seek a resolution to the many problems confronting the Postal Service. The committee bill essentially provides for an increased subsidy, the creation of a blue ribbon commission to study postal problems and a moratorium on increasing rates and decreasing services. This proposal is simply a buy away of the problems we should be working to understand and solve. I am deeply concerned over the course of action which is being suggested. I introduced S. 718 in February of 1975 but I have not been able to get hearings. Now after careful consideration, I propose an alternative which I feel would make the substantive changes necessary for an efficient and accountable Postal Service. I intend to offer my substitute to the Senate so that my colleagues will have the opportunity to consider the proposal on its merits.

My substitute contains seven major provisions. They are as follows:

First. Annual authorization.—Beginning in fiscal year 1978 the Postal Service would be required to come before the Congress each year for authorization and appropriation of its total budget. Additionally, the Service will be required to present an analysis of its projected deficit and an outline of possible actions which would balance the books.

Second. Transitional subsidy.—There would be a $1 billion authorization for fiscal year 1977 to prevent a disruption of postal operations while Congress reviews the needs of the Postal Service as we gear up for our authorization responsibilities.

Third. Moratorium on increased rates and decreased service.—A moratorium would be imposed on increasing rates, on the closing of post offices which serve 35 or more families and on eliminating door or curb delivery. This moratorium would be in effect until fiscal year 1978 when the Congress begins the annual authorization process for the Postal Service.

Fourth. Presidential appointment of Postmaster General.—The Postmaster General would be appointed by the President and confirmed by the Senate. The Postal Service requires positive attention and guidance from, as well as accountability to, the executive branch.

Fifth. Abolish Board of Governors.—The Board of Governors simply has not done the job. Also it should be the responsibility of the Congress, publicly accountable representatives, to guide and direct the Postal Service.

Sixth. Expedite ratemaking.—There would be a requirement that all rate decisions from the Postal Rate Commission shall be determined within 10 months. The delays of the Commission have been of major significance in contributing to postal losses.

Seventh. Limit borrowing authority.—The ability of the Postal Service to borrow funds to offset operating expenses would be limited to $500 million at any one time. This provision will also require that the debt be retired within the same fiscal year. This limited borrowing authority will provide the Postal Service with a buffer should a cash flow problem arise during the annual authorization and appropriations process.

Additionally, I must point out that Presidential appointment of the Postmaster General does not create a Post Office Department. Nor do these measures do away with collective bargaining. And, needless to say, we do not want to undo those portions of postal reorganization which prohibit political recommendations.

In 1970, the Congress, with the support of the President, past Postmasters General, and most mail users transformed the old Post Office Department into a publicly controlled corporation named the U.S. Postal Service. For 6 years we have watched the Postal Service hoping that it would be able not only to survive, but to provide more efficient service. We have been disappointed. Not only has service eroded, but the poorer service is costing us more every day. Now the committee wants to increase the subsidy and study the problems through a blue ribbon commission.

It is stressed that the committee's proposal is a compromise that has been worked out with leaders from the House Post Office Committee and the administration and that if the Congress moves away from this compromise, the President will veto the legislation. I disagree. It seems quite evident from the fact that the White House will not even return telephone calls from the Postmaster General that the Postal Service has not been a priority of the President's. I cannot believe the President is aware of the crucial state of postal affairs. However, if Congress sends him legislation such as I am proposing, he will need to take notice and sign this sensible approach to a very difficult situation. I cannot see the President by an act of veto raising rates and terminating Saturday deliveries just before November.

While the leadership of the House committee was a part of the compromise, I question whether or not the House of Representatives will agree to it. In September 1975, the House considered a bill that was similar to the approach being taken by the Senate committee. During their consideration they adopted an amendment by a vote of 267 to 123 which required annual authorization and thus accountability. The bill was later recommitted to committee and on their second attempt in October 1975 the House again expressed its desire for annual authorization. Additionally, the House adopted an amendment requiring the appointment of the Postmaster General and the Deputy Postmaster General by the President with the advice and consent of the Senate. It seems unlikely that the membership of the House would be willing to begin again.

I do not look forward to taking on the unpleasant task of straightening out the Postal Service. And while I was not a prophet when I voted against Postal Reorganization in 1970, I do not feel we can continue to avoid this responsibility. It is for this reason that I urge my colleagues to carefully review my substitute.

Due to the current financial crisis of the Postal Service and due to the inadequate time available to the Congress for review of Postal Service needs, the amendment authorizes $1 billion for fiscal year 1977. Then, beginning on October 1, 1977, the Postal Service would be required to come before the Congress each year for authorization and appropriation of its total budget request.

This would restore accountability of the Postal Service to the people it serves. We would not be giving the Postal Service an open-ended subsidy. We need a strong oversight and effort to halt the continued postal deficits and to assure continued postal services. It is still my intent that the Postal Service would make every effort to balance their receipts and expenditures.

Several months ago OMB Director James Lynn appeared before the committee. At that time, while Postmaster General Bailar was telling us that he could not survive the year without a subsidy, Mr. Lynn, speaking for the President, said he did not think that the Postal Service needed help. He said that the Service is strictly a business proposition and that it should be run as such. The President has continually said that the Postal Service should not be subsidized.

At the same time the OMB continues to review all Postal Service legislation and provide the administration's point of view. In fact, they held up the comments on my bill S. 718 for almost a year. For what other businesses, Mr. President, does the OMB have such tight control while at the same time abdicating any responsibility.

The Postal Service is an important institution to all of the American people. It deserves the positive attention, care, concern, and guidance from the executive branch at all times. And making the Postmaster General a Presidential appointment will insure that the Postal Service gets the necessary attention.

Of course, as I stated earlier, this does not recreate a Post Office Department. The law will continue to prohibit political recommendations and I am not altering the authority for negotiating and consummating labor-management "collective bargaining" agreements.

The most recent survey of the "collective bargaining" activities in the executive branch shows that there are 3,483 separate collective bargaining units. There are recognized labor unions in all major Government agencies. When the Congress created the Postal Service, it made the USPS unique among Federal entities in that the Postmaster General was instructed to enter into wage and hour agreements with employee labor organizations. I have not changed these provisions. In fact, I specifically provide that nothing in my legislation will interfere with the right to collectively bargain.

Next I move to the Board of Governors. The creation of the Board of Governors was an effort to create a corporate structure, modeled after those in the business world, for the newly established Postal Service. Each of the Governors was supposed to bring to his or her appointment an understanding of the workings of the service including business matters and the public service function of postal operations. It was intended that the Board of Governors would direct and oversee that Postmaster General who serves at its will.

With but a few exceptions, the Board of Governors has displayed little expertise in the field. Since its establishment, 13 members have been appointed. Of these, five members have resigned before the expiration of their terms and the two members who served their full terms were not reappointed. Furthermore, until earlier this month there were three vacancies on the Board: two were just filled. To sum up, the Board had done little more than rubberstamp decisions. Additionally, we should note that the President nor the Senate must take the Board seriously since they continually allow vacant seats not to be filled.

I would abolish the Board of Governors because it simply has not done the job. Besides, it is the Congress that should oversee the Postal Service.

My legislation also provides that all rate decisions from the Postal Rate Commission shall be determined within 10 months. The delays of the Commission have been of major significance in contributing to postal losses. While the committee bill takes a similar approach to expediting rate cases, I should point out that under my proposal the Postal Rate Commission would be making final decisions that are appealable to the courts. The committee would continue the practice of having the Commission send recommended decisions to the Board of Governors for their approval or disapproval.

Finally, I would limit the borrowing authority of the Postal Service. When considering Postal Reorganization, it was determined that the Postal Service, like other corporations, should be permitted to borrow money for capital expenditures and operating expenses. The law authorizes the Postal Service to issue and sell obligations not to exceed $10 billion outstanding at any one time. The net increase outstanding in any 1 year shall not exceed $1.5 billion for capital improvements and $500 million for the purpose of defraying operating expenses.

At the present time the Postal Service has an outstanding debt of about $3 billion. Of that amount, $2.8 billion is financed through the Federal Financing Bank, a division of the Treasury, and $250 million is financed through the issuance of bonds. At the FFB $1.3 billion is attributable to capital expenditures and $1.5 billion is attributable to operating expenditures. Of this $1.5 billion figure, $500 million was borrowed as recently as May 28, 1976.

Based on their present financial condition, there is a serious question as to the ability of the Postal Service to repay their present debt. Thus, the authority to borrow for operations should be limited to $500 million at any one time. If the Postal Service should default, the FFB would look to the Federal Treasury for repayment. This is obviously undesirable. This action would never be tolerated in any well run business enterprise.

As we all know, most Americans are dissatisfied with the U.S. Postal Service. We receive literally thousands of letters expressing this dissatisfaction from our constituents. Daily, we read news stories and editorials which express concern about the erosion of service and which question management of the Postal Service. We are not only seeing the erosion of service. We are experiencing a crisis in confidence in an institution which touches and affects the lives of almost every American daily.

It is high time that the Congress provide guidance to the U.S. Postal Service. It is time for us to take a critical look at this necessary institution and make changes which will help the Postal Service get on the track toward achieving the original goals of postal reorganization. These goals are improved service to all Americans and responsible management with the development of financial stability.

I have taken my critical look, Mr. President. And I am offering an alternative to postponing the inevitable. The purpose of my substitute is to insure better service, financial stability and more accountability to the people. We simply cannot continue to ignore the problems by hiding behind another blue ribbon commission as is being suggested by the Post Office Committee.

Mr. President, I know why the Postal Service has gotten into and continued down the road of business failure at the cost to the American people. I think we all know why. The service has been going downhill since the beginning, but we have refused to look. We did not want to see the problems.

Two years ago, Mr. President, after literally thousands of letters of complaints from postal users across our Nation, I decided that we should turn our attention to this mess. I introduced legislation. I asked for hearings. I was told to wait. I was told we should "give them some more time." We never had general oversight hearings and we have but a few staff investigations. But during the past few months, I have studied this issue. I have read the 140 some odd GAO studies and reports. I have reviewed the hearing record from our colleagues on the House side. And I have met with associations, mail users, Postal officials, and the GAO.

Mr. President, I am aghast at what I have learned. I would like at this time to share some of this information with the rest of my colleagues.

THE COMMITTEE REPORT AND OUR SUBSTITUTE

Let us begin by taking a look at the committee report which actually highlights and supports many of the provisions of our proposal. The committee points out that in face of an increasing deficit the Postal Service is reducing expenditures and service reductions. Small post offices have been closed; a number of business deliveries in many cities have been reduced; doors and to some extent, curb line delivery has been abandoned for new residential addresses; overtime work has been reduced, thereby increasing delivery time; and in many regions there has been a freeze on hiring which also increases delivery time. The committee further acknowledges that additional cuts in service are being considered and are extremely likely if the present conditions at the Postal Service remain unchanged.

Next, the committee points out that postal rates have been increasing. The first class rate has increased at a greater rate than the consumer price index and predictions are that rates will continue to increase. I am told that we could see another rate hike after the beginning of the year.

They then move to concerns over the fiscal posture of the Postal Service. The postal deficit increased from $175 million in 1972 to $989 million in 1975. A deficit of $1.5 billion is estimated for fiscal year 1976 and a $1 billion 55 million deficit is estimated for fiscal year 1977. I quote from the committee report:

> If it were truly a business, the United States Postal Service would be bankrupt.

In 1971 $3.4 billion worth of assets were turned over to the Postal Service. By the end of fiscal year 1977 the Postal Service will be faced with an accumulated deficit of approximately $4.5 billion. Thus, since postal reorganization, the Postal Service has lost around $8 billion.

The committee goes on to point out the abusive use of the borrowing authority granted to the Postal Service. Under reorganization we gave the Postal Service the authority to borrow up to $10 billion. It was intended that these funds would be used primarily for capital expenditures. However, the Postal Service has been borrowing $500 million a year to the extent of $1.5 billion outstanding which has been used to defray their operating deficits. The committee has expressed great concern that annual resort to off budget borrowing for operating expenses will only deepen the Service's insolvency.

The report further points out that according to the General Accounting Office mail is not moving as well as in 1969. Also, there have been problems in the rate setting procedures and problems in increased costs of operation to the Postal Service. Now, it is stated on page 15, after the ground work for consideration of the committee's legislation which began in February of 1973 the committee solution is to commence yet another study with yet another blue ribbon commission and to authorize funds as a stopgap measure.

The mail service to the public has deteriorated and is deteriorating The public has been expressing its dissatisfaction, not only through complaints to our offices, but also by withdrawing its business from the mails and switching to other means of communications. This is evidenced by a per capita drop in pieces of mail handled since 1971. In the most recent fiscal year, the Postal Service handled 89.3 billion pieces of mail, down nearly 1 percent from 90.1 billion the previous year. The volume drops result in increased rates which in turn produce a greater loss of business which again will force increased rates.

The cost of this vicious cycle has been staggering. The cost of mail service has risen by 63 percent since 1971, while prices of other services measured by the Consumer Price Index have increased by only 35 percent. Despite the negligible increase in total mail handled since 1971, when volume was 87 billion pieces, the public now pays $3 billion more for mail service than it did in 1971. But the real question, is what level of service does the public receive at this increased cost?

MAIL SERVICE: IS IT AS GOOD AS THEY SAY?

1. DELAYED MAIL

The Postal Service's measurement system shows that on a nationwide basis 96 percent of local first-class mail receives overnight delivery. However, this figure includes only stamped first-class mail, which accounts for only 40 percent of the first-class volume.

The measurement system has weaknesses. A major problem is that the information system can be, and has been, manipulated at the local level. We learned that in Detroit late mail was deliberately removed from the delivery units being counted in order to improve overnight delivery performance statistics. The General Accounting Office observes that during the night before certain tests, special emphasis was being given to the mail at the delivery units to be tested the following morning. Consequently, the GAO designed a test of mail processing operations to determine if late mail was being removed from a delivery unit before it was being tested.

On five separate days, letters which were canceled several days in advance were planted with other mail addressed to the delivery units to be tested. Mail for these delivery units was sorted at the Detroit Sectional Center and sent to another office where the tests were conducted. On 4 of the days, most of the last letters were removed from the delivery units before the tests. On three occasions GAO located their missing letters along with as many as 10 other late letters with the same delivery unit back at the Detroit Sectional Center.

Three Detroit mail processing foremen said they examined mail destined for delivery units to be tested and removed late letters. They then reinserted these letters in the mail processing operation at a point when they could not be delivered in time for the test. One foreman said he held out as many as 300 late letters in a single evening. Although these foremen said they had been instructed to withhold late mail, their superiors denied knowledge of these activities.

The system has another flaw resulting from the dual purpose measurement of mail delivery performance and volume. The origin destination information system—ODIS—was designed to measure mail delivery performance and volume. However, an accurate measure of both is precluded by ODIS's data collection procedures for recording misthrown mail.

Misthrown mail—mail at the right office but wrong delivery unit—is recorded as "delivered" during a test. Presumption is that mail is misthrown in equal amounts among all delivery mail units and will be sorted to the proper unit for delivery that same day. This presumption is not entirely correct because misthrown mail is not always delivered the same day. Also, offices cannot agree on how to treat such letters and headquarters has no written policy. Recording misthrown mail remaining at delivery units from the previous day overstates mail volume for that day and unit.

The GAO evaluation showed that overnight delivery areas are tailored to meet a 95-percent performance. Geographic areas committed for overnight delivery are determined by each sectional center facility—SCF. Generally, a commitment is made to only those areas where SCF postal management expects to meet its goal 95 percent of the time. Overnight delivery areas are continually being expanded and now include over 50 percent of the first-class mail volume.

Aside from the manipulation the Postal Service does not measure the time required for mail to be collected, transported, prepared for postmarking, sorted for delivery by carriers or clerks, and delivered. The Postal Service assumes that most mail is postmarked the same day it is mailed and that a carrier delivers the mail on the day he receives it. However, stamped first-class mail destined for delivery overnight and mailed by 5 p.m. is collected and canceled with an a.m. or p.m. postmark of the date on which it is mailed. Mail collected after 5 p.m. receives a minus p.m. cancellation. The minus p.m. cancellation is not recorded on an ODIS test as qualifying for overnight delivery and that mail is not included in the Service's overnight delivery performance statistics. About 20 percent of all overnight area mail receives a minus p.m. postmark and is included in the Service's 2-day delivery statistics.

The conclusion of the General Accounting Office is that the only continuing measure of first-class mail delivery performance before and after postal reorganization is average time to delivery. In 1969, the average time to deliver first-class mail was 1.5 days. Today, the average is about 1.65 days.

2. REDUCTIONS IN SERVICE

Fewer pickups and collections, missent mail, less window service in post offices, no more air mail, closing small post offices. Aside from this overall delay, there have been other reductions in mail service. Prior to the postal reorganization, mail was collected two or three times a day from residential collection boxes. Currently, mail is collected only once a day from most of these boxes. For example, before the reorganization, mail may have been collected from residential collection boxes at 9:15 a.m. and 4:45 p.m. each day and such mail would have been postmarked and dispatched during that day. Under current practice, mail may be collected from these boxes only at 11 a.m., and mail deposited between 11 a.m. and 4:45 p.m. will no longer be postmarked and dispatched on the day of mailing.

The number of mail collections in business areas has also been reduced. The former Post Office Department collected mail from collection boxes in business areas as late as 9 p.m. and some of this mail was postmarked and dispatched on the same night. Collections are now limited, and most evening deposits in business areas are no longer processed on the same day.

Also, prior to reorganization, business mail was delivered two or three times a day. However, except for a few designated areas, deliveries have been reduced to one per day.

Another cause of delay has been missent mail. To speed mail deliveries, increased productivity, and reduced costs, the Service has been increasing mechanization—largely through the installation of letter-sorting machines across the country. The Postal Service is currently processing about 60 percent of the 51 billion pieces of first-class mail by machines and about 7 percent is being missent. The delay in delivering missent mail is a major reason why the Service has not achieved its delivery standards in 2- and 3-day areas.

The Service is constantly adding more machines around the country to further mechanize the sorting of mail to speed deliveries and cut labor costs. At the time of reorganization, the Service had about 280 letter-sorting machines. Today, including those on order, the Service has 712 such machines. It follows that as more multiposition letter-sorting machines are added, and more mail is being processed on them, the amount of missent mail will rise proportionately unless the Postal Service can solve this problem. However, given the billions of pieces of mail being processed and the proneness of humans to err, a substantial amount of missent mail will continue to be a problem as long as the machines are in use.

A letter-sorting machine can process up to 43,000,200 letters per hour. Each machine accommodates 12 operators who process letters.

The operator depresses keys on a piano-style keyboard console, generally corresponding to the numbers and the letters zone improvement plan—ZIP—Code. The machine interprets the keying entry and directs the letter to one of the 277 bins or receptacles that has been assigned to key code. Letters are manually extracted from the bins, screened for correct keying, and then advanced to the next operation.

GAO's observation showed that machine operators keyed 9.1 percent of the mail incorrectly. After screening, 3.6 percent of the mail sent between States was missent due to incorrect keying and machine error. An additional 3.1 percent of the mail sent between States was missent because correctly keyed mail was mishandled after sorting. Missent mail was delayed an average of 3 days beyond delivery standards because no effort was made to remove it from the normal processing system.

These errors cause a letter to be sent to an improper location. Also, at a minimum these errors cause letters to be rehandled and cause mail delays and additional processing costs. The monetary effect of this rehandling is demonstrated by the House office where machine processing costs were increased by about $1,060 a day. If this figure were multiplied to reflect the increased costs across the county, we would be talking about millions of dollars per year.

I am not saying that mechanization per se is bad. Given the ever-increasing mail volume and the labor-intensive service operations, mechanization is necessary if the Postal Service is to provide a highly quality mail service at reasonable rates. The fact remains, however, the present mechanization has increased quantities of missent mail and, therefore, poorer service.

Over the last several years, about $39 million was spent to develop three pieces of advanced mail processing equipment. This effort has not resulted in the development of equipment that offered advantages over existing equipment. Of the $39 million, $28 million was spent on an advanced optical character reader. The Service has only one machine in operation and has decided against further deployment because it is uneconomical. Postal tests and evaluations of the $1.5 million air culler have shown that it is not economical either. The $9.5 million advanced facer-canceller encountered numerous developmental problems. The Service is still hoping that these machines can be deployed in the future.

Among other things, I feel the Service should reassess their research and development program.

Moving on to further deterioration in services, the Postal Service has curtailed the number of hours for window service. Beginning in the spring of 1971, the Postal Service began curtailing window service on Saturdays. Window services were usually available to the postal customers between 8 a.m. and 5 p.m. and the Saturday closings did not allow for pickup of parcels not deliverable during the week, general delivery, postage due, registered or certified mail.

Additionally, stamps cannot be purchased and parcels cannot be mailed on Saturdays unless the post office has self-service equipment available. Usually, these self-service machines' stamp supplies become depleted during the weekend and, if there are equipment malfunctions, they are not usually repaired on the weekend.

Further cutbacks have been made over the years in both the number of street letter boxes and the frequency of collections. Weekend and holiday collections have been particularly affected by collecting policies devised to meet with the service as determined or services consistent with the pattern of modern business and family life.

Collections are made from most residential neighborhood boxes only once daily by the carrier serving the area. More frequent collections have been sharply curtailed and, across the Nation in post office after post office, residential area street letter boxes have been removed from many former locations. Obviously, a reduction in collection and a reduction in the number of boxes is a clear reduction in service.

In its drive to become self-sustaining, the Postal Service took aim early on personnel costs. In the summer of 1971, former Postmaster General Winton Blount announced the first of two retirement offers which featured a half-year's salary as incentive. Many knowledgeable and experienced employees, including a fourth of the supervisory force, left. There were 13,000 retirements as a result of these programs, along with 17,000 additional voluntary or disability retirements between June 1 and December 31, 1972.

On top of this, a hiring freeze, imposed on understaffed as well as overstaffed offices, placed a serious strain on the Service's ability to move the mail. This necessitated wide use of mandatory overtime policy which rankled the employees. At one facility, the Merrifield, Va., mail processing facility, for example, postal workers were reportedly harassed by 6- or 7-day weeks of 11- and 12-hour duration. Later, national agreements between the Service and the craft unions require the Service to seek volunteers before ordering mandatory overtime, and then to order overtime work in inverse order of seniority. During this time, low morale and understaffing contributed to the Postal Service's failure to achieve delivery standards. It also caused the delay of millions of pieces of first-class mail. This cost control program proved to be intolerable as acknowledged by the Postmaster General in testimony before the Senate Post Office Committee in March of 1973. He said:

> We were so hell-bent on costs that we did not pay enough attention perhaps to service . . . we made some damn bad mistakes.

Presently some regions continue a freeze on new hiring. This practice along with reductions in overtime work necessarily increases the delivery time of mail.

Another attempt to improve service began in October of 1975 when the Service implemented the "first class improvement program," a test plan to upgrade first-class mail service to achieve delivery equal to or better than airmail. Prior to the new program, airmail service was destined for 1- to 2-day delivery while first class mail was destined for 1- to 3-day delivery depending on distance and available transportation. Under the new program, 90 percent of all first-class mail weighing 13 ounces or less is programed for next and second day delivery. For the mailing public, the practical effect of the program is that there is no longer an advantage in purchasing airmail postage for domestic delivery.

The Service initially estimated that it would save $90 to $96 million by implementing the program because airmail would no longer be collected, handled, and processed separately from first-class mail. An independent assessment by the Postal Rate Commission concluded the Service might be expected to achieve a net annual savings of at least $88 million.

According to GAO, the results of the program have been disappointing. While the Service is now delivering about 17 percent of its first-class mail faster, it has not been able to meet its upgraded commitments with any consistency. Also, it appears that only a portion of the estimated savings will be realized.

During the years 1970 to 1975, the Postal Service used the work load recording system—WLRS—to measure productivity in various mail processing operations within a post office. The Service fostered competition among post offices by generating a list of the top 80 offices in productivity.

The work load recording system was implemented to assist management in measuring and analyzing mail volume and staff hour data in specific operations, post offices, and regions. Chief elements of this system were a standardized description of mail processing, support, and administrative operations; records of mail volume by weight, containers and pieces; and records of hours worked by mail handlers and supervisors.

Postal management used data from this system to compare productivity office by office and to foster competition among post offices. Management started listing the top 80 post offices by productivity and by mail volume, both of these factors appear to increase nationwide.

When the top 80 list was first started, the D.C. Post Office ranked near the bottom. Before long, however, it began to rise. Larger and larger mail volumes were reported and productivity improved until the City Post Office consistently ranked at or near the top. Thus, it was considered one of the best run post offices in the Nation.

The City Post Office is one of several comprising the former capital district. The individual who served as the Capital District Manager from July 1971 until October 1975 served as postmaster of the City Post Office from December 16, 1958, until his promotion on July 23, 1971. After a series of officers in charge, the current postmaster was appointed on January 12, 1974.

In a GAO review the Postmaster told them that after being on the job for only a brief period, he realized that mail volumes being recorded were incorrect. His tours of the facility indicated:

First, the volumes recorded were higher than those he observed; and

Second, the facility was generally overstaffed. He said this overstaffing resulted from the inflated mail volumes. In his office, he found prior inspection service reports which documented the history of falsification of mail volumes. There is no record, however, of any corrective action having been taken by his predecessors. The Postmaster said at this point he really did not know what to do about the problem so he decided to allow mail processing operations to continue as they were for the time being.

The postmaster told GAO that after assuring himself that a serious problem existed, he took corrective action. During May 1974 he called a series of meetings of all tour supervisors and informed them he knew of the volume falsification and wanted it stopped immediately. He threatened to fire anyone caught falsifying volumes in the future. As a result, mail volumes and productivity reported in the workload recording system for the periods June 2 through June 28, 1974, declined about 25 percent.

When the results for this period became known at the district level, the district manager called the postmaster to his office and requested an explanation for the drop in productivity. When the postmaster said the prior productivity figures were false, the district manager disagreed and accused him of having lost control of the city's post office.

This controversy ultimately resulted in a request by the eastern regional postmaster general for an Inspection Service audit. The audit of the post office began in August 1974 and concluded in March 1975. The Inspection Service found that, in spite of the postmaster's warning to subordinates to cease all mail volume inflation, the situation had not been completely corrected. The Inspection Service estimated that inflation of total piece handlings may have exceeded 60 percent.

As a result of the audit, 28 supervisory employees, ranging from firstline manager to tour superintendent, admitted falsifying workload recording system data and/or were implicated by others. Eighteen craft employees also admitted deliberate falsification of data and/or were implicated by others.

The most common reason given by employees for participating in the fabrication were the pressure from higher management to achieve unrealistic productivity levels and a belief that their careers would suffer if these levels were not met. The inspection service report contains statements from employees such as "I, as a supervisor, knew that desired productivity had to be met or my career would suffer"; "Word from higher up would come down to improve productivity or be fired"; and, "For me, it meant that if I did not satisfy demands, my 20 years of service was in jeopardy."

Supervisors who were implicated said management had set unrealistic production goals and that if goals were not met, the person involved would be fired or transferred to a less desirable assignment.

The supervisors also cited as a reason for falsification the management practice of keeping staff on "acting status." Supervisors serving in acting status positions considered themselves to be more vulnerable to pressure than employees holding regular positions. They felt that they were being tested to determine whether they would conform to the system and meet productivity goals. To satisfy these goals, many employees either inflated mail volumes themselves or condoned such actions by subordinates.

The Inspection Service report concluded that, despite repeated letters from the region calling attention to Postal Service procedures and stating that mail volumes were inflated due to improper recording procedures, no corrective actions were taken.

On the basis of the GAO study it appears that falsification continued after the postmaster ordered it stopped because: First, the true productivity statistics would have painted an unfavorable picture; and second, the former postmaster, as district manager, was still in a position of authority and influence over city post office operations.

Fortunately, several improvements in the efficiency of the post office have been made. A number of employees and paid hours have been reduced and the trend of continually decreasing productivity has stabilized since the Inspection Service audit. There are now 554 fewer employees, 1,016,000 fewer paid hours.

While an audit has not been conducted on other post offices that are under the same program, it seems quite possible that other abuses of the workload recording system exist. The point to be made by this incident is that while the Postal Service claims increased efficiency and productivity, it just does not exist in many cases.

In another area of mail delivery the Service instituted a new policy of providing only curb side or cluster box delivery to new housing developments. Developments currently receiving door-to-door service would not be affected. The Service has met with strong opposition to this policy in many local areas, some in the form of ordinances which prohibit residents from installing curb side boxes. It is really the preference of the Postal Service to install cluster boxes.

And while they claim such action would significantly decrease the costs of delivery, the proposal is clearly discriminatory and the standard of service would not be the same for all residential households.

Finally, the Postal Service has recently decided to close small post offices in rural America. Mail service to rural areas is provided through 18,300 small post offices—formerly referred to as third- and fourth-class post offices; 2,100 contractor operated facilities; and 30,700 rural routes. About 4 million families are served by these facilities. Again, the Postal Service would close these offices in the name of saving dollars.

In instituting this program, the Postal Service decided to survey small post office facilities before commencing a plan to close offices. However, it has been reported that the decision to close was made prior to such survey. Obviously, a survey is useless when the result has been preconceived.

When considering whether or not to close a post office several factors must be considered. What level of service will the patrons receive? What contribution does the post office play in community identity? What is the expected growth of the community? What saving can be expected from the closing of the post office, and is this saving balanced by the dissatisfaction that may result of postal patrons?

In recent months we have seen the great stir that has been caused by closings and threatened closings of small post offices in America. In fact, a number of Congressmen and Senators joined in a lawsuit with the aim of stopping such closings. When Postmaster General Bailar was before the Senate Post Office Committee on March 29, 1976, he stated that the very small sum of about $2 million has been saved as a result of these closings.

The present status of the Postal Service has brought about major concern from just about everyone, particularly over current postal policies affecting mail service. The Postal Service is not a business, nor is it a public business. It is a service that touched upon the lives of just about everyone in America. This leaves intact the key issues of just how the mails should be delivered, and who is to pay for what. The answers to these questions cannot be postponed any longer.

I think it is fair to say that all economies, programs for saving money, have been costly to the quality of mail service.

Instead of saving money through service reductions, it is my opinion that better business practices might effect greater efficiency in management and better mail service to Americans.

POSTAL POOR BUSINESS PRACTICES INTRODUCTION

Mr. President, one of the major goals of postal reorganization was to make the newly constituted Postal Service a truly businesslike operation. Corporate managers were recruited from major industry to get the system going.

Unfortunately, Mr. President, most of these corporate operatives must have left their business and knowledge, principles and skills and integrity in private enterprise. The Postal Service is no more businesslike than it ever was. In fact, it is much worse. It is much worse, Mr. President, because the Service is not accountable to the President, the Congress, or the American people.

I do not pretend to be a management expert. But it does not take a specialist to detect the wrongdoings, mistakes, and outright scandalous business activities the Postal Service has put on the backs of postal users across this country.

The Postmaster General has indicated that he must cut services, close small post offices, and raise rates to keep the Service afloat. I ask, Mr. President, why the Postmasters General were not so frugal when they were giving sole source contracts to their friends to perform "services" for the Postal Service. I ask, Mr. President, why they were not more protective of taxpayers and postal funds when they planned the bulk mail system which put more than $90 million of contracts into the construction firm of a former Postmaster General. Why is the Postal Service not able to become aware of the bulk mail failure and write it off as other big corporations would do instead of trying once again to bail themselves out of this mistake by even further burdens on the American postal users.

Mr. President, why was the Postal Service not more protective of and aware of their financial situation when they contracted for designs of facilities which were never built because the concept was wrong from the beginning.

Why, why Mr. President, was the Service not more aware of Postal Service finances when they, unlike any other corporations about which I know, moved their regional offices from Atlanta—the commercial hub of the South—to Memphis. And why does the Postal Service continue to perpetuate the district level of management which is no longer necessary.

Mr. President, I would like at this time to share with my colleagues some of the information I have gathered from mail users, postal management, clerks, carriers, postmasters, and our colleagues here in the Senate and in the House. This information sheds an important light on the present postal situation. We must understand the nature of the problem before we can move forward on meaningful postal reform.

SOLE SOURCE CONTRACTS

Generally, the biggest problem I have found with the business practices of the Postal Service is reflective of the fact that they do not forecast. Whether it is with bulk mail, advertising, equipment and maintenance, or contracting for services, the Postal Service seems not to know what it is getting into until it has already done so.

Mr. President, early in the second session of the 93d Congress the House Subcommittee on Postal Facilities, Mail and Labor Management conducted extensive investigations and hearings which reviewed the Postal Service's contracting and procurements policies. This was done in response to loud public outcry through letters, news articles, and complaints from vendors who felt they were not being given a fair deal. There were strong allegations of impropriety, including alleged conflicts of interest, favoritism, intimidation, and circumvention of regulations by postal officials.

While it is not my intention to point a finger at any one particular Postmaster General, it is important that we understand both the history of postal procurement and the findings of the House.

Prior to postal reorganization, the Post Office Department was bound to follow all Federal procurement regulations. After postal reorganization, Postal officials argued that a new business-oriented agency they needed flexibility.

The broad authorities as provided for in section 410 of postal reorganization granted the Postal Service an exemption from Federal laws relating to contracts with a few exceptions such as those laws pertaining to labor, civil rights, and criminality. In the words of Mr. James Woods, a former high level procurement official for the Postal Service, reorganization "had granted us probably the greatest—procurement—authority any Government agency has ever been given."

With this new authority the Postal Service developed the Postal Contracting Manual which was to unify and systemize postal procurement in a way it had never been done before. During the House hearings, one of the authors of the manual stated:

> The first point in all of it (manual) is competition, no favoritism, and awarding contracts on a free and open basis.

We were encouraged to see postal management reorganize the system to best protect the interests of the consumers.

Unfortunately, however, this freedom to engage in contracts was abused. A 1974 GAO report "found extensive sole source contracting representing about 44 percent, by dollar value, of total headquarters procurement." The GAO, at that time pointed out:

> It is well established that there is less assurance that fair and reasonable prices will be obtained on procurements negotiated under sole-source, as opposed to competitive contracting.

Assistant Postmaster General Robert McCutcheon, in charge of postal procurement told the House that—

> I know competition versus sole source normally will save an average of 30 percent.

Mr. President, thanks to the initiatives of independent news reporters and the outcry of public response and the aggressive leadership of the House subcommittee, the following information surfaced. And the Postal Service has improved its contracting authorities.

The Postal Service justified sole source contracting because "an urgent or immediate need existed and/or a particular contractor was the only source of supply." In 1974, the public learned of Postal Service's relationship with Burnaford & Co., Inc., an advertising agency directed by Mr. Charles Burnaford, a friend of former Postmaster General Klassen.

Between June 1970 and August 1973, this company was awarded "about $815,000" for services. A number of audits by the Postal Inspection Service, the GAO, and independent investigation found that: First, Burnaford & Co. charged twice as much in salary in the second year; second, Burnaford & Co. billed the Postal Service for labor costs in excess of actual labor costs; third, Burnaford & Co. charged the Postal Service for all his auto expenses—Cadillac, Mercedes-Benz, and Datsun; fourth, Burnaford & Co. overcharged the Postal Service for travel expenses; fifth, Burnaford & Co. charged bad debts from other clients to the Postal Service; sixth, Burnaford & Co. charged for personal telephone calls; and seventh, Burnaford & Co. was charged with basing profits on a percentage of direct labor.

Mr. President, I cannot see any direct urgency in the acquisition of creative advertising services. Nor can I see that there was any urgency in Deputy Postmaster General's arrangement with another friend, with whom he was later employed, to consummate a consulting arrangement with a retirement advisory firm. Further details of this scandal are not worth our time. However, this issue was presented in the House subcommittee's report which can be reviewed by my colleagues if they desire.

The House committees study of postal contracting uncovered wastes of considerable sums of money. Some of these wastes were caused by sheer bad judgment or poor management, others can be explained by what the Postal Service calls poor "planning or forecasting."

In March of 1972, the Postal Service began contracting for executive recruitment to fill permanent job positions within the Postal Service. In the first 2 years of this program, the Service "spent about $660,000 in contractual costs to fill 78 positions, or an average cost of more than $8,400 per individual hired." To quote the House report further:

> Apparently, no consideration was given to whether the recruiting could have been done in-house or through the Civil Service Commission.

A postal official stated that it has become "unofficial" policy to engage search firms for executive level positions. He added that executives meant officials earning more than $21,000 or more at the time the program began.

Mr. President, I only wish that such expenditures could be more directly related to providing postal users better, more efficient, and reliable service. The Service said that "this program was intended to exemplify good business practice * * *" I am not sure that it is good business practice to spend so much money identifying talent through outside outlets when we all agree, including present postal management, that experienced postal workers can do the best job.

Audits of this program have shown that contracts, often oral agreements, have been extraordinarily wasteful. To quote the report again:

> Analysis of the $660,000 program shows that about $137,000 worth of "task orders" (informal contracts) resulted in no individuals being hired.

Additionally, the House subcommittee learned that one postal official was responsible for this program and that no one was responsible for evaluating or even monitoring the program. This waste, Mr. President, should not have occurred. But until accountability is restored, I feel that it could continue.

Mr. President, a number of years ago, we were outraged to learn about the Postmaster General's elaborate headquarters suite. We read in the news about the costly kitchen and furnishings. I have recently reviewed the GAO study of the costs for furnishing the Postmaster General's suite and I would like to insert these figures in the RECORD. I learned that the Postal Service spent $48,000 to furnish the Postmaster General's suite of offices. This includes art work, lush carpeting, and other accessories none the like of what we occupy here on Capitol Hill.

The Service also spent $130,000 to furnish the space where the Board of Governors meet monthly. This, of course, includes full dining and entertaining facilities on the top floor of the L'Enfant Plaza headquarters. Mr. President, I was also intrigued to learn that the Postal Service spent roughly $3,700 to outfit the Postmaster General's office with walnut doors. And Mr. President, we should all know that outfitting these suites was done on the basis of sole source contracts because, and I quote, there was "not sufficient time to solicit competitive bids."

Mr. President, I recognize that these are not terrifically large sums of money. However, there is waste. And the public becomes more aware of this waste when rates go up or when an important letter is delayed or lost. Mr. President, if we can restore accountability, we can restore confidence. But with no accountability, and thus continued waning of the public's confidence, the Postal Service and mail consumers are in for hard times ahead.

OTHER WASTES: BAD FORECASTING

A second major goal of postal reorganization was to make a major commitment to modernizing facilities and developing more mechanized systems for processing mail. The Postal Service has squandered many public dollars on developing systems which were never necessary or which will never work.

Mr. President, between the beginning of postal reorganization and the winter of 1974, the Postal Service spent $43.4 million to contract for developing modern equipment. They sought to develop and refine the air culler, the advanced facer-canceller, and the advanced optical character reader. This equipment was intended to reduce labor costs.

In 1974, the GAO evaluated the progress on these projects. They noted that:

> First, all three machines are "islands of mechanization" which means they are manually fed and unloaded; second, after six years in the developmental state none of the machines are suitable for production and de-

> ployment at this time; third, all three machines will cost two to thirty times more than the existing system and none of the machines will result in substantial manpower savings.

And they have not.

Mr. President, the GAO explained this problem. They told us that test and evaluation activities for these items were under the control of project management and that there was no "adversary function" to challenge program manager decisions.

The GAO recommended independent evaluation and/or supervision. In other words, oversight was needed. It did not exist. Nor does it now. And that, Mr. President, is one of the major thrusts of our substitute proposal. It is absolutely imperative that the executive and legislative branches of Government oversee the Postal Service in an effort to keep it alive and well.

One might argue that we are free to go on record with our advice to the Postal Service. In fact, the gag rule was suspended just this year and I am now free to talk with the postmasters in my State. However, informal talks do not work. The Postal Service has become an independent island unto itself. It is neither responsible nor responsive. In 1971, when Postmaster General Blount came to the Hill to tell us about his plan for a new $1 billion bulk mail system, a number of Congressmen indicated that they had reservations. This did no good. The Postmaster General returned to his office and proceeded with the project which has been the Service's largest and most obvious boondoggle to date. I will talk about the specifics of this problem later. The point I wish to make is best stated in the House Committee report. I quote:

> Many, and perhaps most, of these problems were caused by postal management's overeagerness "to get things done" despite insufficient planning . . .

Mr. President, a final example will be stated to further clarify and expand upon this important point I am making about poor planning and lack of foresight.

In June of 1972, the GAO issued a report, entitled "Examination of Selected Terminated Architect-Engineering Design Contracts." The report indicated that the Postal Service paid architectural-engineering design firms to design five multistory postal buildings in which preferential mail—letters—and bulk mail—advertising circulars and packages—were to be processed. However, in midstream the Postal Service determined that the concept of multistory buildings was not appropriate for mail processing, and that another approach would be developed. The vendors received payment.

The Postal Service had designed buildings which they could not use. To quote the GAO report about this endeavor:

> We believe that the Postal Service will receive little, if any, benefit from the work performed by the architectual-engineering contractors on the design of the five postal buildings.

Instead of building the five buildings the Postal Service decided to embark upon the development of the bulk mail system. Unfortunately, they have spent $1 billion thus far. And I am not alone in my thinking that they might soon abandon the idea of a national bulk mail system.

Mr. President, it is my strong feeling that Postal management wants so badly to succeed that they move too quickly, and needless to say, they have a pretty good record for falling flat on their faces.

BUSINESS INEFFICIENCIES

VEHICLE MAINTENANCE

Review of GAO studies indicates that the Postal Service practice of servicing and maintaining their own vehicles is wasteful. The Service has over 100,000 vehicles in its fleet which they service in their own facilities when possible. However, the GAO reviews show that "commercial maintenance generally costs less than that performed at the Service's facilities." The study shows that the commercial cost for replacing a starter is $16.45, but that it costs the Postal Service $67.37 to do the same work. The commercial cost for replacing a muffler is $17.34 but it costs the Postal Service $97.98 to do this work. The commercial cost of a tuneup is $21.55 versus the Postal cost of $42.05. And the commercial cost for installing a starter and ignition switch is $42.51 as opposed to the $81.50 it costs the Service to do the job. On the face of it, Mr. President, this is rather ridiculous that the Postal Service is encouraging such wastefulness, again at the expense of mail users. Again, I say that service suffers as a result of poor management. And to get better management of this massive and very important institution will require a renewed commitment to accountability.

MAIL TRANSPORTATION CONTRACTING

Mr. President, the Postal Service frequently contracts vehicle services as a means of transporting mail between postal and private facilities. They have more than 12,000 contracts on which the Service expends about $300 million every year.

A GAO study, which I reviewed, indicated a finding that postal procedures were not adequately identifying opportunities to reduce costs while maintaining the same service. A review of 85 such postal contracts disclosed that the Service could eliminate or reduce 16 of the contracts and save about $185,000 and about 88,000 gallons of costly fuel every year.

While the Postmaster General, supported by his Board of Governors, tells us that he must cut back service to keep the Service afloat, there is continued waste of funds which could be used to cover costs. The relatively small sums of money wasted add up over the course of a year. And I am convinced that these wastes would not continue if the Service was held accountable, if the Service was forced to report on its budget and have it reviewed by the OMB and the Congress.

PRODUCTIVITY MANAGEMENT

Mr. President, with the mechanization of postal facilities across the country, it was planned that productivity would rise considerably thus saving money and cutting the costs of operating. Unfortunately, reports on productivity improvement statistics are not reliable and I am not able to determine the degree to which productivity has decreased.

Between 1970 and 1975, the Postal Service used the workload recording system to measure productivity in various mail processing operations within a post office. As an incentive, Postal Service management injected competition between offices: they generated a list of the top eight offices in productivity.

On the surface, this system was initially very successful: both productivity and mail volume appeared to increase nationwide. But an audit in 1974 showed that in many offices purported productivity gains were achieved by manipulating the records.

This records falsification was so widespread, Mr. President, that the Postmaster General was forced in November 1974, to grant amnesty to all postal employees on the condition that the irregularities would cease. The Washington, D.C. Post Office was near the bottom of the list when the list of 80 was developed. In time, the productivity and mail volume increased steadily and the office reached the top of the list. However, the 1974 audit revealed that productivity may have been inflated by as much as 110 percent in that one office.

I am not trying to unnecessarily jab at the Postal Service. However, I think that it is important that we understand the complexities of the management problems. We in the Congress will never be able to improve postal productivity.

However, we were promised that, with the huge investments in mechanization, productivity would be improved, thus saving money and holding costs at reasonable levels. Unfortunately, the Service has not yet been able to adequately determine to my satisfaction the degree of success. I am astounded to hear how productivity has increased but then to learn that the figures have been grossly manipulated.

Mr. President, I am convinced that a public subsidy is necessary. However, I am equally convinced that the American people want to know what they are getting in return for the infusion of public fuels. Without reliable statistics, we are not able to know what we are getting.

WORKING CONDITIONS IMPROVEMENT PROGRAM

Another major goal of postal reorganization was to improve the working conditions in postal facilities. Poor lighting, bad ventilation, excessive noise, and cramped space made the working conditions very difficult for many hard working people in the Service.

Many of us were pleased to learn that in early 1972, the Postal Service created the working conditions improvement program. The objective was to have 95 percent of postal employees housed in adequate facilities by June 30, 1975.

In December of 1974, the GAO reported that the program was not well managed in its early stages. This poor management, the GAO tells us, inhibited progress on this needed program. Some of the problems included: First, insufficient staffing and direction to effectively execute the program; second, inadequate reporting procedures for informing management of program progress; third, a need for improved identification of needed facility improvements; fourth, a need to obtain employee views on required facility improvement, the Service's inadequate guidance on improving leased facilities, and fifth, a need to insure that improvements are made in order of their priority.

Mr. President, the program was completed in 1975 with a total commitment of $260 million. At that time, the GAO reported that "87 percent of postal employees were housed in fully adequate space or in buildings being upgraded." A high level postal official told us last week that these figures were not accurate, that the movement to new bulk mail facilities skewed the statistics and that many, many employees in numbers and not just statistics still work under bad conditions. I also learned, Mr. President, that much of the resources expended on this program were used to repaint flag poles, clean up lobbies, and so on. In other words, I learned that the conditions for employees had not improved as we all hoped they would.

It was good policy to improve working conditions. It was bad policy to not face this problem as fully as the Service should have.

MANAGEMENT OF EXCESS SPACE

Mr. President, I have just received a GAO report which indicated that "the opportunity exists to generate additional revenues by identifying excess space and leasing it to other Government agencies and commercial tenants."

Since postal reorganization, the Postal Service has taken over the management of many postal facilities which have more space than the Service presently needs. There are two explanations for the excess space:

First, the Postal Service has a policy of acquiring space to meet projected 10-year requirements.

Second, mail processing concept changes, such as the area mail processing plan and the bulk mail system—consolidated mail processing in large mechanized facilities—created excess space in a number of facilities.

If the forecasting and 10-year projections are valid, which parenthetically I am not sure is so, then the acquisition of excess space makes good sense. But letting the space go idle costs us revenues which could be derived from leasing the excess until it is needed.

(6) GOVERNMENT RELATIONS

Mr. President, we all know that large corporations have a Government relations function within their corporate structure. Essentially these units represent the organization's interests here in Washington and in the 50 State capitals. Most of these organizations are very aggressive in their efforts to hear and be heard.

The Postal Service has a Deputy Postmaster General for Government Relations. I do not know who this man is. I am sure that he has been with the Postmaster General when they have come up here to testify. But not once has he brought to me a legislative proposal which would make the service better. I understand that the Postal Service asked the committee for legislation which would permit them to use their own counsel instead of legal representation by the Justice Department.

Given this fact, it seems fair to assume that the Postal Service is happy with the Postal Reorganization Act as it was written and that no further modifications are necessary. All the Service wants is continued independence but with a higher allowance in the form of an increased subsidy.

Mr. President, every mail user, postmaster, union, or association representative, and mail user is unhappy with the Postal Service. The supervisors and postmasters have filed suit against the Service. Many large mail users are seeking alternative forms of delivery. Everyone of these interest groups has been in to see me or my staff. Each of these groups has indicated its support for changes in the law. Each has told me of its own problems with the Service as well as the more general problems. But not the Postal Service.

The Postmaster General came to see me once. He seemed to be a nice fellow, but he did not tell me of problems we could help with. I indicated that I have not met his Deputy for Government Relations. My staff does communicate frequently with the Deputy's regional representative who is very responsive when it comes to the handling of constituent complaints. More often than not written responses take from 4 to 7 weeks for canned responses. But I understand the backlog caused by at least 40,000 Congressional letters a year. Parenthetically, this is not to be excused. The Service should better equip itself to handle this volume—another example of poor management.

Mr. President, it troubles me deeply that the Postal Service is not more aggressive in their Government relations function. It troubles me that they react to our proposals but do not use their intimate knowledge of the problems to guide us. And, needless to say it troubles me that they took more than 1 year to respond and provide comments on the bill I introduced in February of 1975.

Mr. President, I have called for more congressional oversight because it is clear to me that if we do not watch the Postal Service no one, who can change the problems, will. If we do not review the budget, ask the hard questions, no one will. If we do not review the law to look for necessary modifications, no one will.

In concluding on this topic, I must reiterate my disappointment with the Postal Service's relationship with Congress. We should be working together for the American people.

(7) DISTRICT OFFICES: EXCESSIVE LAYER OF MANAGEMENT

Mr. President, I am concerned that the Postal Service is continuing its top heavy management stature. I have learned that there are 57 district offices across the country.

According to the GAO, "the district office has responsibility for supervising the operations of post offices within an established geographic area. They oversee all functions of the management sectional center-mail processing, customer services, personnel and financial aspects". According to Postal Service sources these offices operate on budgets which range from $250,000 to $500,000 per year.

Mr. President, not too long ago a postmaster in charge of a sectional center wrote me a letter in which he described the district layer of management. He said:

> This (district level) is one of the biggest problems for the Sectional Center Postmasters. The district office staffs frequently block, delay, amend and disrupt any and every progressive program of the Sectional Center. . . . The district level is a management layer that is unnecessary and expensive . . . they are high-salaried and stay on per diem most of the time.

I must take this postmaster at his word. For a year, I have asked the Postal Service, unions, associations, and layer mail users what they think. The Postal Service has never provided a formal reply. Others have indicated their beliefs that it is a management level used as a political dumping ground used to help the Service retain partisans whose jobs were phased out as a result of consolidation.

Mr. President, I am worried when I get no real hard information about such a large sum of money spent on a so-called management function which has never been adequately justified. I am convinced that this is one of those obvious functions which will never be justified until accountability is restored to the system of postal management.

Now, let me go back to the worst boondoggle.

THE BULK MAIL SYSTEM: THE WORST BOONDOGGLE

Mr. President, in an appearance before the House Post Office and Civil Service Committee in March 1971, Postmaster General Winton Blount announced his plans for a "national bulk mail system." This centralized system for processing fourth-class packages and some third-class mail was to consist of 21 new facilities with 12 auxiliary stations. It was to cost $950 million and it was to be in operation during fiscal year 1975. To quote the House Committee report of March 25, 1976:

> The project was to be the first significant leap forward initiated by a new postal management team which was to lead the Postal Service into a new era of efficiency through modernization.

The planning, design, and implementation of this project, Mr. President, represents, without a doubt, the worst postal boondoggle in postal history. The concept was bad from the beginning. The project planning was grossly inadequate and poorly thought out. The system designed does not work, packages are delayed, damaged or lost, money was wasted, and equally important, public confidence has been lost. Let us look at the background of this program and understand the problems which are, I believe, basic and symptomatic of poor management.

By the time postal reorganization was enacted, parcel post processing was in a state of chaos. Parcel damage rates and delays were driving away parcel post users. Postmaster Blount "was anxious to have something—anything—new and dramatic built within 5 years to symbolize the new postal management's determination to make changes." In spite of warnings from postal officials, Members of Congress and major mail users who feared the system would not work, Mr. Blount proceeded full steam ahead with the project.

According to the House Committee:

> "Unfortunately, there is very little documentation to explain the reasoning which led (Postal Management) to acceptance of the 21 unit concept, according to Mr. Brower (Assistant Postmaster General), because at that time the new management team did everything "on the back of an envelope" and eschewed standard government traceability procedures.

Mr. Brower indicated that he understood there were some abstract discussions of what could be done, but the House subcommittee "found no evidence that any serious cost-benefit evaluations were done on alternative concepts, such as a decentralized, less mechanized chain of facilities."

Mr. President, this represents the worst kind of management decisionmaking I have known. Furthermore, while not documented, there is reason to suspect some improprieties as Mr. Blount's family construction company received about $91 million worth of contracts. This is public knowledge and a point which I do not wish to belabor at this time.

I have learned that two very high ranking postal officials close to the project admitted that "if they had it to do over again, the present system would never have been built." According to the House Committee report Postmaster General Bailar said, "We'll have to live with what we've got." Two postmasters in major cities claimed that there was less damage and better service under the old system, and that the bulk mail system is a disaster. The former President of the National Association of Postmasters of the United States told the House Committee:

> I haven't heard anything good about (the NBMD) from any postal people I have talked to.

And the House Committee staff who interviewed employees across the country found this to be the prevalent thinking in the postal community. Let us now look at the problems.

The immediate problem of the system is damage. The GAO tells us that the "Service's goal is to keep damages below 0.5 percent of the mail processed." Between October 1975 and January 1976 the GAO reports that "three of the four operational centers we visited reported damage rates in excess of the Service's goal which ranged from 0.75 to 1.93 percent." As we read in the newspaper, Chairman CHARLIE WILSON of the House Subcommittee on Postal Facilities, Mail, and Labor Management paid a surprise visit to the Detroit facility. He reported that "tens of thousands of pieces of damaged mail were found awaiting claims processing at the downtown post office. Most of these items had clearly been crushed in the mechanization." There is also reason to believe that the damage statistics are not accurate and, therefore, the damage rate is much larger than is reported.

It is clear that the fast design, no trial period, immediate jump by Blount into this project was wrong. The machines cannot process all parcels so labor is still high—8 percent or, 25 million pieces must be hand sorted. I have learned that the personnel complement was inadequate and will have to be expanded. Manual sorts, customer relations personnel who must explain to customers, and others are needed to keep the system going. The House Committee reported:

> Most facilities rave been running extra hours and require extended use of overtime to process the mail.

Mr. President, in spite of the fancy machines, which many postal officials agree were unnecessary, service continues to be lousy. I understand that missent rates average 5 to 10 percent or 15 to 30 million parcels per year. Trucks are frequently not dispatched until they are full. This causes delays.

Mr. President, for those of use who believe the post office should be run by experienced postal workers, it is interesting to note that of the 21 general managers of major bulk mail facilities, only 4 have any postal background.

Safety is a major problem within the bulk mail system. Safety officers were not consulted during the design stages of development. Therefore, much of the equipment is dangerous. In one facility, a woman had her legs crushed in the system. The roof of the Phoenix facility caved in. The safety officers, who I have been told are overworked and their offices understaffed, are modifying the equipment where possible for the safety of employees. But it is clearly a catch-up proposition which could have been avoided had the system been adequately planned, designed, and implemented.

The safety factor as well as the mechanization and physical layout of the facilities has contributed to low employee morale. Workers are isolated from one another so that there is no one around with whom they can talk, ask advice or whatever other communication might be necessary. The House committee, after investigating the system, reported that "the rate of sick leave is increasing rapidly and efficiency is declining."

Mr. President, one of Mr. Blount's major goals in developing the system was to get back parcel business which was being lost to the Postal Service's competitor. Unfortunately, Mr. President, the Postal Service just dove right into their new program. They might have learned something by studying their competitor which presently controls a large segment of the parcel market and does so with a profit.

In 1971, when the bulk mail system was proposed the competitor had expanded from handling 7 million packages in 1952 to 547 million per year. USPS had shrunk from about 1 billion to 536 million packages per year between 1952 and 1971. The decision was made that spending $1 billion on new facilities would so improve parcel post that many packages would be taken from the competitor and from new sources as a result of this investment to reach the projected bulk mail system volume of about 1 billion packages.

No indepth study was made of the competitor or its method of operation. The competitor was simply dismissed as a "cream-skimmer" who selectively served portions of the market and provided delivery service only in these selected markets.

What was the competitor doing?

How had it become so successful and yet served only these "selected markets"?

It has provided among others the following service features which the Postal Service did not provide:

First. It gave pickup service—it went to the customers and picked up the packages from them saving them daily time-consuming trips to the post office and allowing them to avoid waiting in line,

Second. It insured every package automatically to a value of $100, and made additional insurance easily available. USPS only made this available for the packages on which the customer would pay a special fee and fill in special forms.

Third. It kept a simplified record system of every package which allowed it to prove that it had delivered the customer's package—these records were readily available to the shipper if needed in order to resolve the important questions of delivery and payment for the merchandise.

Fourth. In the areas it was certified to serve, it delivered the package to every address accessible by a passable road irrespective of whether that address was in a first-, second-, third-, or fourth-class post office and whether or not that post office had delivery service or whether or not that destination address was on a rural route.

Fifth. It expanded the selected markets it would serve as rapidly as it could accumulate the needed capital, promote and train the necessary management personnel, and secure authorization from the Interstate Commerce Commission and the many State regulatory bodies to serve these new areas. In 1971, the competitor expanded its operations into 12 States and late in that year applied to serve the remaining States which it did not serve in the 48 contiguous States, and finally,

Sixth. It had built a few big, new facilities. None as large as any of the bulk mail system facilities nor with as many employees. The great majority of facilities were smaller. Why were they smaller? Because they were built at the places needed to handle the packages in a given area and of a size sufficient to handle the volume in that area yet at the same time maintain a delivery time service standard which provided for better delivery service than that proposed as the goal of the bulk mail system.

There are more service features and more reasons why the competitor was and is successful in the package moving business. But of all the reasons I have mentioned for this success, which ones did postal management decide it should offer the public? Only buildings—not pickup, not automatic insurance, not easy proof of delivery, not delivery of every package to every address—$1 billion worth of only buildings. Today, the competitor serves every address in the 48 contiguous States, and on the Island of Hawaii. It plans to expand its service in the future to the neighbor islands of Hawaii and to portions of Alaska.

Having grown as it has, you would think that it would long ago have skimmed off all the cream and stopped but now it appears to be into the skim milk. A postal marketing survey introduced in the recent rate case shows that the competitor is now handling more zone-rated packages between families than is the Postal Service. These are the famous "Aunt Minnie" packages about which we have heard so much. But as we have known for a long time "Aunt Minnie" and "Uncle Mo" are not dopes—They sent us here. With gas costing 65 cents per gallon and parking meters gobbling dimes and quarters, getting the competitor to come and pick up the packages at the house for a $2 service charge is a pretty good deal. Is this cream or skim milk?

The record here contains a letter from the competitor to the Postmaster General asking him to detail the instances of cream skimming which he had knowledge of. His reply is a masterpiece of bureaucratic double talk which boils down to a simple answer. He cannot detail any.

Yet, despite all this, we are supposed to sit here and accept as fact the $1 billion of the taxpayers' money invested in the bulk mail system was: A necessary investment; a prudent investment; a businesslike investment, and the kind of investment which we should let the present managers of USPS continue to make. I say no.

POSTAL FINANCING: BORROWING IS NO WAY TO STAY SOLVENT

Mr. President, I would now like to turn to the financial condition of the Postal Service. It is in very poor shape and they just have not been able to balance their costs and their revenues.

Failure of the Postal Service to achieve self-sufficiency either now or in the future carries with it the failure of the idea that an independent Postal Service is a better way of providing service than existed previously. The Service has lost money every year since its creation.

The Postal Service commenced operations with assets in excess of $3.4 billion. As of December 31, 1975, the Postal Service was in a negative equity position of $381 million. Their estimated loss for fiscal year 1976 is $1.5 billion and for fiscal year 1977, the loss is expected to be one billion, 55 million. This means that by the end of fiscal year 1977, the Postal Service will be $4½ billion in debt, a loss of some $8 billion since its conception. In the private sector, their excess of liabilities over assets, coupled with revenues that regularly fail to cover expenses, strongly suggest that an entity is bankrupt.

The Postal Service's equity is not quite like that of a corporate entity since about $1.5 billion of the Service's liabilities are held by the Federal Financing Bank of the U.S. Treasury, another Government entity. In order to absorb its continuing deficits and to maintain the level of assets necessary to support adequate service to the public, the Postal Service has resorted to borrowing. There is currently outstanding $1.5 billion of debt incurred to meet operating expenses. This debt is in the form of promissory notes which are held by the Federal Financing Bank.

I do not feel that it was ever the intention of Congress to permit the Postal Service to borrow funds from the Treasury as a means of keeping them solvent. During the debate on postal reorganization, it was felt that the Service needed the authority to borrow funds for the purposes of capital improvements. The law authorized the Postal Service to borrow in an amount not to exceed $10 billion outstanding at any one time. Language of the administration's recommendation permitted the use of borrowed funds for any purpose whatsoever, subject to an annual limitation upon the net increase in debt of $1.5 billion for capital improvements and a $.5 billion annual limit for operating expenses.

In the Senate report on postal reorganization dated June 3, 1970, the committee approved the administration's recommendation by stating:

> . . . that we caution the Board of Governors that if borrowed money is used to meet current operating expenses, lenders will charge a very high premium. Thus, the use of borrowed revenue for operating expenses should be restricted to the most unusual circumstances. The basic purpose in authorizing the sale of bonds by the Postal Service is to avoid the annual battle between the Post Office Department and the Bureau of the Budget, which notoriously results in limitations upon funds available to be appropriated, and the occasional restrictions imposed by the President upon Federal construction spending.

Thus, it seems evident that the intention of granting borrowing authority was for purposes of construction and for the use of defraying operating expenses only in an emergency situation.

Further evidence of the misuse of borrowing authority was brought out in the committee's hearings on February 20, 1976. Mr. William Anderson from the General Accounting Office testified that in the absence of borrowing, the Postal Service would actually be insolvent, by the Service's own projections, and by the calculations of the General Accounting Office. He further stated that they intended to borrow some $700 million to tide them over, in the absence of a subsidy. In fact, the Postal Service did borrow $700 million in May of this year; $500 million was considered new debt and $200 million was used for refinancing previous debt.

According to GAO, the next crunch, even with this $700 million, would be about April of 1977. Anderson stated that—

> Having borrowed this money, and borrowed additional money in 1977, they would be at a point where they project that they would not have the cash to meet their expenses.

The testimony goes on to say:

> Their planned borrowing will come to $5 billion that they will have outstanding in debt at the end of fiscal year 1977. September 30, 1977, that is, including a net of payback of $604 million between now and then, but in any event, they will have $5 billion of debt that the organization will be saddled with. That is really going to impact on their operation at that point, and you might as well write off self-sufficiency, unless you give them some help.

Under examination, Mr. Anderson explained that the Federal Financing Bank was established and was supposed to go to the market on the issuance of bonds. However, it found that it was much cheaper to get its money from the Treasury. In effect, whatever the Postal Service borrows is coming right out of the U.S. Treasury and is just being funneled through the Federal Financing Bank. So, not only do we find that the Postal Service is bankrupt and that they are now requesting additional funds from the Congress, we also find that we have been giving additional back-door financing through the U.S. Treasury under the borrowing authority that was granted during postal reorganization. This point is clearly brought to our attention with the GAO response to the questioning of the chairman of the Post Office and Civil Service Committee. Mr. Anderson stated:

> In effect, the money that the Postal Service is borrowing from the Federal Government are Federal expenses. This is really a Federal organization and those monies are being expended to operate it. It is a question of whether you appropriate it annually or whether you are using your borrowing authority from the Treasury.

At this point I would refer for a moment to my legislative proposal and state that it would place a limitation on the borrowing authority of the Postal Service. My amendment would permit the Service to borrow as a means of cash flow only. It could borrow $500 million in any given year so long as the funds are repaid within that year. Such a provision would be supported by the GAO auditors as is evidenced again by the testimony of Mr. Anderson. He stated before the committee:

> I would even say that you would not want them borrowing for operating costs. Over the next 18 months they intend to borrow another $1 billion for operating costs, and to me they are really mortgaging the future. That is a violation of the basic tenets of good business, as you are well aware, borrowing money to pay your operating costs especially if it is long-term money, and they have already rolled over some of their short-term notes.

The financial disaster of the Postal Service is acknowledged by all. The committee report accompanying H.R. 8603 highlights this fact and even stated, "If it were truly a business, the United States Postal Service would be bankrupt." Also, in Postmaster General Bailar's testimony on March 29, 1976, he stated:

> We have the capacity of being effectively rendered insolvent within the course of a year if the Treasury were ever to choose not to loan us any more money from the Federal Financing Bank.

Recognizing this financial doom, the Postal Service has taken a position that in order to remain solvent it would have to cut services to the public. This is evidenced by Mr. Bailar's further statement that—

> I would have to point out to you that we have now got something on the order of

> a $3 billion deficit. We expect to lose money again next year. And our ability to render that service would be nil if we were insolvent.

Mr. President, it is very clear to me, and I hope it is clear to my colleagues that this is not a situation that can go unchecked. We simply cannot continue to authorize and appropriate additional funds and to commence yet another study while the Postal Service is falling around us. After 6 years, we should have learned by now that the public's demand for service can no longer be ignored by the Congress. Only the Congress as the peoples' representatives can determine the needs of the Postal Service. Only a constant oversight by Congress can make the Service sound and responsive. My hope was that by now we would be giving out awards for success rather than billions for failure. But the only way to steady these failures, the only way to prevent them in the future, the only way for a constant input by the public is to bring the Postmaster General back in communication with the Congress and the President and for us to resume budgetary authorizations. We simply cannot continue to do as we have been doing—giving out a billion a year—without oversight.

SUMMATION

In the face of current developments, it is time to take a fresh, imaginative look at our postal operations in terms of public policy. We must not overlook the fact that whatever organizational form postal delivery takes, the customer must come first.

It has now been 6 years since postal reorganization. The Postal Service has been wasteful and profligate in its spending and borrowing authority. The Service is costing the American public billions of wasted tax dollars as a result of costly business decisions and mistakes, not to mention the added interest expenses due to repeated borrowing for operational expenditures.

One obvious example of a bad business decision involves the bulk mail facility. A vast number of parcels have been found mangled by the new system and hidden in a trash dump. Other examples of mail damage problems caused by mechanization occurred in facilities where mail was placed in garbage cans and disposed of at the city dump. No wonder the Postal Service is losing business to private competitors. The United Parcel Service, a private organization and the Postal Service's major competitor for bulk delivery business, efficiently handled 930 million packages, approximately 29 million more than the U.S. Postal Service did in 1975. A UPS spokesman asserted that the Government "simply cannot move parcels as fast as he can, or for as low rates." The Postal Service and its predecessor have been in the parcel post business since 1921. There has been ample time to improve service, as well as to capitalize on possible economies of scale in handling parcels.

Not only is the public disturbed over deteriorated service but it is also plagued by the rise in the cost of postage. In the past 5 years, the price of a first-class stamp has gone from 8 cents to 13 cents, primarily to bring in more revenue. As a result, major mailers have reduced their use of the mails because rates are too high. The mail users might not mind paying a disproportionate share of the costs of handling their mail if it were delivered a little faster without damage and to the right mail boxes. Missent mail is a contributing factor to mail delays. Although millions of tax dollars have been invested in letter-sorting machines, much of the mail sorted by these machines are being sent to wrong locations. According to the General Accounting Office, delays in mail delivery are greater now than they were under the old system. In spite of this, taxpayers, who traditionally have borne the cost of paying the difference between revenues from postage and what it actually costs to deliver the mail, are finding that their postage costs are high and are getting higher.

The increase in second-, third-, and fourth-class postage and the probability of future increases have caused many businesses to consider either delivering their own products directly to the home or utilizing local private delivery services. It has also caused department stores and public utilities in many instances to bypass the mails by personally delivering their bills to customers. Some reported successful examples include: National Postal Service in northern California delivers for J. C. Penney over 400,000 circulars monthly plus other substantial business; and Carrier Boys of America Corporation of New Jersey serves 6 million households in that State, as well as New York, Pennsylvania, Delaware, and California. They deliver circulars for department store and supermarket advertising. Magazine publishers have already predicted a turnover to private delivery of from 60 to 65 percent of their volume in the near future. Also, many companies are moving to the electronic transfer system. In view of this, the general public, which is a particularly high volume user, will also be searching for cheaper and more dependable ways to get their communications delivered.

The Postal Service asserts its service today is good. At the same time the Postal Service Consumer Advocate Office continues to receive hundreds of complaints weekly. The most common complaints concern delayed mail, hours of service, trouble with self-service postal equipment, dissatisfaction with postal personnel, damaged mail, and other mail matters. Moreover, hardly a day passes without an article critical of our Postal Service appearing in one of the Nation's newspapers or magazines. Members of Congress are deluged with complaints from their constituents and are being requested to take a serious look at the quality of mail service.

The provisions of the Postal Reorganization Act of 1970 mandate that the Postal Service provide prompt, reliable, and efficient services to customers in all areas and communities. The act further directs that a maximum degree of effective and regular postal services be provided to rural areas, communities, and small towns where post offices are not self-sustaining. The only thing the Postal Service seems to have accomplished beyond argument is the mandate for fair treatment of its employees. There is no doubt that the postal worker has done well in terms of increasing pay and fringe benefits. My only wish is that the Postal Service could have been as successful at increasing services to the people.

My view on the future success of the Postal Service, under the present system, is very dim, indeed. However, it can be improved and it is my hope that this improvement will be legislated as quickly as possible.

Mr. MATHIAS. Mr. President, will the distinguished Senator from South Carolina yield to me for a minute or two, in order to discuss some of the aspects of our postal situation?

Mr. HOLLINGS. I yield.

Mr. MATHIAS. Mr. President, one of the points that should be made in a discussion of the Postal Service is the dedication of individual postal workers to public service. It is extremely disturbing to the public to find that mail takes as long as it does to get from one point to another; but I think it is even more disturbing to members of the Postal Service who have made this their profession, who are dedicating themselves in a very conscious and deliberate way to public service, to find that their efforts do not turn out to produce the results they hope for.

I had a very interesting example of the kind of dedication that the postal workers invest in their jobs. I was advised recently by the Maryland Rural Letter Carriers Association of an extremely interesting resolution they had adopted. It was the proposal of the Maryland letter carriers that they each donate 1 day's pay, that they give up a day of pay, as a contribution to the Postal Service. This was something more than just the dollars and cents involved. This was an act of personal dedication. They wanted to give something to the Postal Service. They wanted to make clear that the Postal Service is something in which they have a deep personal commitment and investment of their lives. So they adopted a resolution. I shall read the resolution. It says:

> Resolved, that each regular rural carrier voluntarily give one day's pay to the Postal Service as a token of our concern for the service's financial plight.
>
> Be it further resolved that others such as rural carriers who are concerned be given an opportunity to voluntarily contribute.

This is a magnificent gesture, for these rural letter carriers to say that they will give up a day of pay, renounce it, waive it, as a contribution to the service. Actually, it is a substantial sum of money. It is a way in which people can make a contribution. But more than that, it is a symbol of what they are willing to do. They are willing to make a personal sacrifice.

Mr. HOLLINGS. Will the Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. HOLLINGS. Were they allowed to come up, or what was the result of that?

Mr. MATHIAS. I regret to say that the Postal Service did not really have the same creativity and imagination as the rural carriers. They got a very nice, polite letter, but it was a turndown. They were told that their offer has not been considered lightly—

> But we feel that we can neither expect nor accept work from our loyal employees without fairly compensating them for their efforts. In overcoming our financial problems, we cannot, in good conscience, engage in a solution which has such a direct effect on the families of our people.

Well, that is a kind of cold answer to a very warm suggestion, in my judgment.

Mr. HOLLINGS. Very much so, since there are a lot of warm bodies running up and down the Hill right now. I just wondered what measure they had taken with respect to allowing carriers to do this, or supporting the suggestion, even with relinquishment of a day's pay, as I understand the Senator's rural carriers were willing to do.

Mr. MATHIAS. That is the only answer they got.

It seems to me, if the Senator will yield to me for just a moment further, that the effect of this very generous offer made by the rural carriers would have been to dramatize the interest of the post office personnel in the problems of the Postal Service, and would have been to make them increasingly conscious of the problems of the Service, of the need to economize, of the need for efficiency. I regret that the Postal Service failed to see the important symbolism of the offer that was made by these rural letter carriers, to give up a day's pay, to donate a day's work to the Postal Service, as a kind of token of their commitment to making the Postal Service work, making it a success, making it pay its own way. I think it was shortsighted. It was a completely voluntary offer on the part of the letter carriers. I think maybe this little incident says something about the way the management of the Postal Service approaches the difficult problem of bringing the Postal Service into the modern age.

Mr. President, I submit for the RECORD the letter from Mr. Perry H. Smith, the president of the Maryland Rural Letter Carriers Association, in its entirety at this point, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE MARYLAND RURAL LETTER CARRIERS' ASSOCIATION,
Rhodesdale, Md., July 7, 1976.

Hon. CHARLES McC. MATHIAS,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: I am sorry I have been so long in answering your inquiry about our resolution but I wanted to be sure of our course and procedures and to know that we were moving before I replied. Thankfully I think we are making progress.

First of all the resolution is quite simple. It is, Resolved: "That each regular rural carrier voluntarily give one day's pay to the Postal Service as a token of our concern for the Service's financial plight. Be it further resolved that others such as retired rural carriers who are concerned be given an opportunity to voluntarily contribute." This has been sent to the National Rural Letter Carriers Association for consideration by the Resolutions Committee, which is the usual procedure for all resolutions. The committee clears the resolutions of duplications and acceptability and reports them to the floor of the Convention.

We are going further than this. An article will appear in our State paper in July, which is the Maryland R.F.D., explaining the resolution and asking the support of all our membership. This article will be sent to the president of each State Rural Carrier Association with the information that it will be a resolution at the National Convention and asking their support.

Further, we are also in contact with the District Office of the Postal Service in Columbia in an effort to work out a procedure so each carrier can volunteer to participate. There may be some difficulty here and it is even possible the Service may refuse but we hope not. In our discussions we believe that a release so each of us could forfeit Labor Day's pay might be the easiest way to administer this program.

As to the origin of the resolution I believe Mrs. Dorothy Peck, who has been elected to succeed me, suggested this to some other carriers at the banquet Monday night as an outgrowth of your statements about Joe Holdcraft doing so much for Frederick County by himself. It was talked around informally and we thought it might be a good idea, so we had the resolution committee present it. There was much discussion but no real opposition and then it passed unanimously.

With the amount of progress made to this point we think any use you may make of the fact that the Maryland Rural Letter Carriers want to do this in order to show our concern for the future of the Postal Service can only help. We hope this gesture will show our customers, the management of the Postal Service and all others who can help that we are dedicated to saving what we consider a vital service to America.

If I can be of further service to you please let me know. With kindest personal regards,

Sincerely,

PERRY H. SMITH.

Mr. HOLLINGS. Mr. President, I had hoped that we could get into part of the debate with respect to one of the greater concerns. That is the matter of the obligation of the contract of the employees of the Postal Service. I am very much concerned and the substitute amendment does not impair that obligation.

Since my colleague from Maryland was pointing out how the Postal Service treated the request of the rural letter carriers to give up a day's pay to come on their own in order to be able to answer—that is the whole thing. Everybody wants to be heard, and no one is listening. We keep standing foursquare in the well, saying how we love the employees and how we admire the employees. Some have had the audacity to say their morale is up. I have talked to every one of them and their morale is down, deeply so, even though they are getting greater pay. Rather than having any appreciation from the public for the dilemma they have been put into because of these work practices of management at the Postal Service, they are being rebuffed at every turn. It used to be that the letter carrier would be invited in for a cup of coffee. Now he gets total scorn.

Let us look at the Department of Agriculture, where the distinguished chairman of our Committee on Post Office and Civil Service has the Agriculture Department before the Subcommittee on Appropriations. It is very interesting that the Department of Agriculture, being one department of the Government, is more or less abandoning another department and not using the Postal Service any longer. I have a letter here from Lincoln, Nebr., wherein the particular produce recipient, Meridith's Produce in Boone, Nebr., said that they see now that the U.S. Department of Agriculture, instead of sending the various cartons that they used to send each year by way of the U.S. Postal Service now sends the packages by the United Parcel Service. They asked them to explain.

I ask unanimous consent, Mr. President, that all of these letters, this entire transcript, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MERIDITH'S PRODUCE, INC.,
Boone, Nebr., July 30, 1976.

KENNETH "CHIC" JENNINGS,
President, National League of Postmasters,
Washington, D.C.

DEAR CHIC: Enclosed are some copies of letters for your information.

Copies of my letter, Senator Dworak's letter, and the one from the Nebraska Dept. of Animal Plant Health Inspection Service went to each Senator listed on the News release of June 2nd.

I sincerely trust the United States Postal Service will attempt to retrieve some of their lost business and revenue. This should be their prime concern, rather than reducing services and closing post offices.

A copy of these letters, less the one to the senators, was sent to the Sectional Center Manager in Lincoln.

I am sure the Sectional Center Manager in Lincoln was not aware of the loss of revenue.

Sincerely,

EARL MERIDITH.

MERIDITH'S PRODUCE, INC.,
Boone, Nebr., July 9, 1976.

STATE OF NEBRASKA,
Department of Agriculture, Bureau of Animal Industry, State Capitol, Lincoln, Nebr.

GENTLEMEN: A few days ago we received from the Agriculture Department of the State of Nebraska, a package of milk sample jars.

For years we have been receiving such packages by United States Postal Service. However, this package was delivered by United Parcel Service.

It is hard for one to understand that a government agency would use a private carrier (United Parcel Service) that is in competition to the United States Postal Service.

An explanation would be appreciated.

Sincerely,

EARL MERIDITH,
Owner.

U.S. DEPARTMENT OF AGRICULTURE,
ANIMAL AND PLANT HEALTH INSPECTION SERVICE,
Lincoln, Nebr., July 22, 1976.

Mr. EARL MERIDITH,
Meridith's Produce, Inc.,
Boone, Nebr.

DEAR MR. MERIDITH: Thank you for your recent letter expressing concern that our latest method of shipping milk sample collection bottles was by other than the U.S. Postal Service.

Under ordinary circumstances we would probably continue to use the services of the government agency for shipping packages. However, problems with the Postal Service combined with a projected increase of $2 million to $2.5 million if APHIS continued to use this method of shipping this year was sufficient reason to seek other alternatives

Our Management Improvement Division developed a Cost Analysis of the U.S. Postal Service versus United Parcel Service that indicated Veterinary Services could realize a savings of over $14,000 a week by using United Parcel Service nationwide for the shipping of packages.

The projected savings is being tested for a three month period to be followed by a reevaluation of the original Cost Analysis. If the original estimates are supported through an actual savings, there is every reason to believe use of UPS will be expanded even further. As a fellow taxpayer, I am certain that you have appreciation for any and all attempts to reduce government operating costs.

We appreciate and share your concern and thank you for writing.

Sincerely,

INA MAY ROUSE,
Program Analyst.

LINCOLN, NEBR.,
July 28, 1976.

Mr. EARL MERIDITH,
Boone, Nebr.

DEAR EARL: Thank you for sending me a copy of your July 9 letter to the Nebraska Department of Agriculture. I've also received their reply. It certainly is good when citizens constantly question actions of governmental agencies. I did feel the reply was specific and that there probably is some justification in the shifting of the service from the United States Postal Service to the United Parcel Service on a trial basis.

Please keep me informed if you are to pursue this further.

Best regards,

Senator DONALD N. DWORAK.

JULY 30, 1976.

Hon. ROBERT J. DOLE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR: I sincerely trust that you or one of your top aides would take the time to digest the information in the enclosed letters.

My personal thinking is that Senator McGee's bill alone without amendments to it, cutting postal services and closing post offices will not solve the problems of the United States Postal Service until top management takes a long look toward their competitor.

If the statement made by the Nebraska Animal and Plant Health Inspection Service is correct, and I presume it is, and if we agree their saving is 10% then the total amount that the United States Postal Service is losing from this one department would be $1,400,000 annually.

This, bear in mind, is only one department, and could be multiplied many times over, considering the various agencies each state has.

I trust you and your committee will consider some type of action.

Sincerely,

EARL MERIDITH.

Mr. HOLLINGS. The U.S. Department of Agriculture says:

DEAR MR. MERIDITH: Thank you for your recent letter expressing concern that our latest method of shipping milk sample collection bottles was by other than the U.S. Postal Service.

Under ordinary circumstances we would probably continue to use the services of the government agency for shipping packages. However, problems with the Postal Service combined with a projected increase of $2 million to $2.5 million if APHIS continued to use this method of shipping this year was sufficient reason to seek other alternatives. Our management Improvement Division developed a Cost Analysis of the U.S. Postal Service versus United Parcel Service that indicated Veterinary Services could realize a savings of over $14,000 a week by using United Parcel Service nationwide for the shipping of packages.

The rest of the letter is self-explanatory.

Mr. President, this is the Department of Agriculture of the Senator from Wyoming and the way they cast their vote on the Postal Service. Our distinguished friend has two hats. He chairs our Committee on Post Office and Civil Service and the Agricultural Appropriations Subcommittee. The Department of Agriculture says that for milk sample collection bottles, we are going to quit using the U.S. Postal Service and use the United Parcel Service because of the great savings in money. This is a Government agency. We are going to have a bill in here, not only substitute for the billions of dollars, the $8 billion in the hole for the last 5- to 6-years operation, but now we are going to have to pass a law requiring all the other Government agencies to keep this thing afloat and continue to use it. This practice is going to become more and more widespread.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. HOLLINGS, the amendment in the nature of a substitute, of 4 hours to begin running tomorrow morning at 10 o'clock, with time to be equally divided between Mr. MCGEE and Mr. HOLLINGS; provided further, that no amendments to the substitute be in order; and, provided further, that the vote occur at no later than 2 p.m. tomorrow, and that the vote occur on the amendment up or down with no tabling motion being in order.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Reserving the right to object, where does my protection come in?

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Yes. Provided further—and I apologize to and thank the Senator from North Carolina (Mr. HELMS)—provided further, that regardless of the outcome of the vote on the substitute by Mr. HOLLINGS, Mr. HELMS be recognized following that vote to call up two amendments, and that there be a time limitation on each of the two amendments of 30 minutes to be equally divided between Mr. HELMS and Mr. MCGEE.

The PRESIDING OFFICER. Thirty minutes on each amendment?

Mr. ROBERT C. BYRD. Thirty minutes on each amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will indulge me for just 1 additional minute. Mr. President, I have asked the Senator from South Carolina about this request, but I had forgotten that Senator DOLE, who has to fulfill an engagement tomorrow afternoon, wants to offer two amendments immediately upon the conclusion of the vote on the substitute by Mr. HOLLINGS, and Mr. DOLE would be willing to have a 20-minute limitation on each of his two amendments, the time to be equally divided.

So if the Senator from South Carolina would not object, Mr. President, I ask unanimous consent that regardless of the outcome on the votes of the substitute by Mr. HOLLINGS, Mr. DOLE first be recognized to call up two amendments on each of which there be a time limitation of 20 minutes to be equally divided between Mr. DOLE and Mr. MCGEE; and that upon the disposition of the Dole amendments the Senate then proceed to take up the two amendments by Mr. HELMS, as was previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I will have, perhaps, with the failure of my substitute, a couple of perfecting amendments also. I did not want to mislead the managers of the bill.

Mr. ROBERT C. BYRD. Yes. I thank the Senator for yielding.

The text of the agreement is as follows:

Ordered, That on Tuesday, August 24, 1976 at 10:00 a.m., when the Senate resumes consideration of H.R. 8603 (Order No. 915), an act to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes, the Senate shall proceed to the consideration of the amendment by the Senator from South Carolina (Mr. HOLLINGS), No. 2201, with the time for debate thereon to be limited to 4 hours, to be equally divided and controlled by the Senator from Wyoming (Mr. MCGEE) and the Senator from South Carolina (Mr. HOLLINGS), and with the vote thereon to occur no later than 2:00 p.m.: *Provided,* That no amendment to the amendment by the Senator from South Carolina (Mr. HOLLINGS) be in order: *Provided further,* That no motion to table the Hollings amendment shall be in order.

Ordered further, That following the disposition of the Hollings amendment regardless of the outcome, the Senator from Kansas (Mr. DOLE) shall be recognized to call up two amendments which shall be considered in order, on which there shall be 20 minutes each, to be equally divided and controlled by the Senator from Wyoming (Mr. MCGEE) and the Senator from Kansas (Mr. DOLE).

Ordered further, That following the disposition of the Dole amendments, the Senator from North Carolina (Mr. HELMS) shall be recognized to call up two amendments which shall be considered in order, on which there shall be 30 minutes each, to be equally divided and controlled by the Senator from Wyoming (Mr. MCGEE) and the Senator from North Carolina (Mr. HELMS).

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senator from Illinois (Mr. STEVENSON), the Senators from South Dakota (Mr. ABOUREZK and Mr. McGOVERN), the Senator from Nevada (Mr. CANNON), the Senator from Oregon (Mr. HATFIELD), the Senator from Maine (Mr. HATHAWAY), and the Senator from Connecticut (Mr. WEICKER) be included as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Various Senators have stated that they would like to vote for our amendment to H.R. 8603 but they are fearful that submitting the postal budget to annual congressional authorization would destroy collective bargaining. Let us look at the intent, at the law, and at the fact.

The intent.—Under section 5 of our substitute, amendment 2143, it clearly states:

> Nothing contained herein shall be construed to impair the obligation of employment contracts that the Postal Service has entered into with its employees, and nothing contained herein shall be construed to impair the authority of the Postal Service to collectively bargain employment contracts with its employees as provided in the Postal Reorganization Act.

The law.—Constitutionally, the Congress—even if it wanted to—could not come in now and impair the obligation of the contract between the Postal Service and its employees.

The fact.—In fact, there is one way to impair the obligation of the contract and that is to not give them any money. There is no obligation for the Congress to appropriate moneys but realizing a responsibility that the people expect of us, our substitute amendment appropriates $1 billion which is contemplated by the budget resolution. Ironically, the very instrument that will prevent the obligation from being impaired is being charged with impairment.

It goes without saying that congressional review of the budget in the future will bring congressional review of all facets of postal service including the employment contract. It is not the intent of the authors to disturb this collective bargaining process and it is our intent to rely on the provision of the Postal Reorganization Act that required comparability for Postal Service employees. However, there are no guarantees on what the present Congress or a future Congress do. Both present and future Congresses could refuse funds and the Postal Service would have to increase its borrowing, adjust its service or ask for an increase in rates. That is the fact today. That is the law today. And the present amendment does not change this one iota. Admittedly, a contract in the future could call for a 7-percent pay increase while Congress was only awarding a 5-percent increase to other Federal employees. But this is what we are presently faced with. Presumably, all Federal employees will be receiving a 5-percent pay increase October 1 but the present postal contract calls for an 8.23-percent increase. Our $1 million substitute amendment is to allow amongst other things the payment of this 8.23-percent increase. What a Congress will do in the future can best be told by what a Congress has done.

The cry that annual authorization would give Congress a veto power over negotiated contracts is begging the question. We have that power now and can exercise it simply by not appropriating the funds requested by the Postal Service.

Finally, Senators crying in fear that a postal contract in the future be impaired should be more careful that our contract not be impaired. We have a contract with the people to stop, look and listen. As we stop and look and listen our policy of benign neglect seems outrageous. Most assuredly, we cannot continue giving billions without oversight and to ask us to forego oversight any longer is nothing less than a request that we impair the obligation of our contract with the people.

The morale of the postal workers is down. Their jobs are threatened by poor management and a decline in mail volume. The best job security for them is our amendment to reestablish trust in the Postal Service.

I now yield the floor.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. McGEE. Mr. President, the Hollings substitute makes radical revisions in the organization of the Postal Service and its relationship with the Congress. Perhaps the most radical is the provision that all revenues and fees collected by the Postal Service would be deposited in the Treasury and that total Postal Service operating expenses—amounting to some $15.4 billion—would have to be appropriated by the Congress. This arrangement totally deprives the Postal Service of its fiscal autonomy and makes it the creature of a Congress which history shows can be capricious as regards the Postal Service. This provision alone blunts the thrust of the Postal Reorganization Act and brings back the days when the Postal Service was mismanaged by a committee of 535 Members of Congress.

Such a radical revision of the careful work which went into the Reorganization Act will, if enacted, be vetoed. H.R. 8603 is a compromise measure worked out among the majority and minority leadership of the committee, representatives of the administration and members of the leadership of the House committee. The President has repeatedly made it clear that he intends to veto any legislation making substantive changes in the Reorganization Act prior to receipt of the report of the study commission established by H.R. 8603. Our batting average on overriding vetoes is not good. Accordingly, Senate passage of the Hollings substitute would in reality be a vote for no legislation at all, and killing H.R. 8603 would constitute an avoidance of our responsibility to act in the public interest. The death of H.R. 8603 would be disastrous for the Postal Service, in view of its financial crisis.

The Hollings substitute if enacted could result in a payless payday for the Postal Service next summer. The measure authorizes $1 billion for Postal Service use in 1977, but it effectively chokes off the authority of the Postal Service to borrow for operating expenses and it imposes a moratorium on rate increases lasting for about a year—thus depriving the Postal Service of substantial sums it needs to meet its payroll and other expenses. The operating deficit for the transitional quarter and fiscal year 1977 is approximately $1.5 billion. These figures tell the story. The Hollings substitute, giving too little, taking away too much, could wreck the Postal Service financially and do it soon.

Annual appropriation of postal funds would create a nightmare of uncertainty in postal budgeting and ratemaking. The level of postal income would become an unknown because Congress' intentions would be unpredictable. This uncertainty would result in distorted postal ratemaking, because without a firm starting place, postal rate proceedings could set rates too high or too low.

In such an atmosphere of uncertainty, orderly postal budgeting would be impossible. The Postal Service would be unable to enter into good-faith collective bargaining if no one knew how much the Congress would be willing to appropriate. Congress might either provide or disallow funds for pay and benefits negotiated at the bargaining table. It is no wonder that the Federal employee groups fear and oppose the Hollings substitute.

Every cent of postal revenues is needed for the operation of the Postal Service. The Hollings proposal would jeopardize funds for services which everyone agrees are needed. It would do this by requiring the Postal Service to compete annually with every other Federal agency for funds within the total budget. We know from experience with the old Post Office Department that chronic underfunding is the inevitable result of this competition.

The overriding question raised by the Hollings amendment is whether, as a matter of public policy, the Congress should drive up Federal spending by requiring an annual appropriation of the whole postal operating budget—$15.4 billion in fiscal year 1977. Such an arrangement could increase the total obligation of the Federal Government by as much as $4.5 billion if the accumulated operating deficit of the Postal Service became an obligation of the Government.

One of the primary purposes of the Postal Reorganization Act was to remove partisan politics from the Post Office Department. As part of this corrective action, the Congress removed the President's authority to appoint top Postal Service executives. The Congress provided that the Postmaster General and his top associates would be appointed by, and would be responsible to, a bipartisan Board of Governors, who were charged with representing the interests of the American people generally.

The Hollings substitute provides for Presidential appointment and Senate confirmation of the Postmaster General and Deputy Postmaster General and abolition of the Board of Governors. This arrangement would tear down barriers carefully erected to prevent partisan manipulation of the Postal Service. The temptations faced by a Postmaster General appointed by and serving at the will of a President would be formidable. He would be tempted to give priority to the political obligations of that President in his selection of new facility sites, in his appointments to key positions within the Postal Service, possibly even in his stance on issues arising out of collective bargaining.

Protecting the public interest and achieving economy and efficiency in postal operations could become subordinated to a Presidentially appointed Postmaster General's primary goal of furthering administration policy. Again, here is an effort to strip away Postal Service autonomy—and as autonomy is removed the chances of achieving real efficiency are diminished.

The abolition of the Board of Governors removes any assurance that the public interest shall be the primary consideration in the appointment of the Postmaster General and his deputy. Further, without the Board to review its recommended decisions, the Postal Rate Commission would become the final arbiter in the setting of rates. This would leave the Postal Service with no recourse from Postal Rate Commission decisions—even decisions that produced insufficient revenues or provided uneconomic distortions in the classification system. We have come to expect good recommended decisions from the Commission. Nevertheless, the Postal Service needs and ought to have the right to reject such decisions. It would have no such right if the Board of Governors were abolished, as the Hollings substitute proposes to do.

The Hollings provision on borrowing would sharply curtail the authority of the Postal Service to manage its fiscal affairs. It would allow the Postal Service to borrow up to $500 million for operating expenses in any one fiscal year, but would require that the borrowing be paid back within the same fiscal year. Under current law, the Postal Service may borrow for operating expenses overtime periods most favorable to the Postal Service. Sometimes loans are made for one year; sometimes for longer periods, depending upon the Postal Service's own assessment of its cash flow and ability to repay at the end of varying periods of time. The Hollings borrowing provision is restrictive and arbitrary, placing unreasonable limits on the Postal Service's financial planning.

Mr. President, the overriding reason for defeating the Hollings substitute is that, if it is enacted, it will be vetoed. Thus, nothing will have been done to solve today's real and pressing postal problems. Beyond that, the Hollings amendments would, in my view, place the Postal Service in a position less favorable to the accomplishment of its goals than the one it occupied before the Postal Reorganization Act. The system proposed by the Hollings substitute simply will not work; it would require early corrective legislation. H.R. 8603, on the other hand, leads us through the current financial thicket and points the way to informed fine-tuning legislation under the next President.

ADDITIONAL STATEMENTS SUBMITTED

Mr. PERCY. Mr. President, I rise in support of the committee bill, H.R. 8603, with mixed feelings. Immediate passage of this bill is necessary to the stability of the Postal Service, but I regret that such a measure is necessary at all.

I voted for the Postal Reorganization Act of 1970 in the hope that it would correct the problems of the postal system and improve its efficiency. Based on my own experience of 25 years in private industry, I was encouraged by the act's establishment of a management structure patterned on the corporate form, with a Board of Governors determining policy and the Postmaster General as chief management official, together responsible for operating the Postal Service in a business-like fashion. The USPS was to pay its own way, with the exception of a small subsidy to be appropriated annually by the Congress to pay for the so-called "public service" function of the Service.

Mr. President, by no stretch of the imagination is the additional $1 billion we are considering here today a "small" subsidy. By no stretch of the imagination is the Postal Service close to paying its own way, nor is the American public close to being satisfied with the quality of its performance—my own mail from Illinois indicates that public patience is wearing thin. Six years after the establishment of the Postal Service, we are still waiting for our expectations to be realized. By creating an independent postal operation, we have by no means forfeited our right to demand efficient mail service.

There are countless, legitimate complaints about lost or delayed mail and damaged packages. Expensive machinery fails to work while clearly marked letters are sent to the wrong city. The immense volume of mail—89 billion pieces in 1975 alone—makes a large number of mistakes inevitable in many cases.

We cannot, however, lay all the blame at the feet of bad management and leave it at that. As popular as it is in an election year to knock the Postal Service, it is nonetheless unfair to say that the system established in 1970 is no good. Certainly, two of the most significant setbacks to Postal Service financial stability were beyond the ability of even the most enlightened management to rise above:

One. The inflation of the mid-1970's and its two aggravating component factors—the increased price of energy, which has direct impact on the cost of a transportation system intrinsic to mail delivery; and the cost of labor, representing 86 percent of total postal expenses, increased by an automatic cost-of-living escalator tied to the Consumer Price Index, and

Two. The concomitant recession which caused, for the first time since World War II, a decline in mail volume as businesses turned to less costly communications alternatives. For the USPS, volume declined but costs continued to rise.

The legislation before us, as reported by the Post Office Committee, is designed to meet the urgent financial needs created in part by the circumstances I have already mentioned. More importantly, it provides a vehicle in the form of a study commission for immediately determining the future directions the Service must take to achieve financial stability and improvements in service. It also protects the consumer, at least temporarily, from arbitrary cutbacks in service, including the closing of small, rural post offices, until an overall plan for the economic functioning of the Postal Service can be developed.

Several amendments will be offered during the debate which deal with changes in current procedure in the Postal Service or which implement long-range modifications in the structure of the American postal system. Because I believe that H.R. 8603 should be passed as quickly as possible in order for the study commission to begin its work, I will vote against these amendments without prejudice to their merit, with the expectation that they will be more fully considered as part of a comprehensive package based on the recommendations of the commission next year.

I do plan, however, to support a simple amendment relating to the membership of the study commission, one that would assure that a consumer representative is appointed. It is imperative that the ordinary mail user be represented in order for the study to be complete.

Mr. President, I regret that this bill is necessary, and that the Treasury and the taxpayer shall have to be burdened with an additional $1 billion subsidy when the consumer has already borne the cost of inflation to the mail service by paying increased first class postage rates and been frustrated by the prospect of less service, not more, in return for the increased payments. But, in spite of the problems of the USPS, the mail must go through. Even though the day-to-day business of moving the mails has been delegated to a quasi-independent corporation, the ultimate responsibility lies with the Federal Government.

The Post Office Committee has come up with a measure as reasonable and workable as possible under the circumstances and I commend the distinguished chairman and members of the committee for their diligent efforts. I understand that it has been carefully worked out among all those who have a commitment to the stability of the Postal Service and I give it my own support in the hope that no such future assistance will be necessary.

I will vote for this measure with the expectation that the study commission will come up with solid answers and recommendations and that the congressional committees involved will give them the highest priority. The Congress and the American people deserve to know as quickly as possible:

Whether or not the basic concept of an independent Postal Service, as we envisioned it in 1970, is still valid;

Whether or not there are alternatives or supplements to the present system capable of providing an expanded variety of services to the consumer without undue cost increases or cutbacks in other areas; and

Whether or not we have become accustomed to postal service we can no longer afford in today's world.

Armed with that knowledge, we can make the right decisions for the future and determine whether we can continue to maintain our mail service as it was portrayed by the great 19th century orator, Edward Everett:

> When I contemplate the extent to which the moral sentiments, the intelligence, the affections of so many millions of people—sealed up by a sacred charm within the cover of a letter—daily circulate through a country, I am compelled to regard the Post-office . . . as the right arm of our modern civilization.

Mr. STEVENS. Mr. President, the 91st Congress passed the most significant piece of postal legislation in over 100 years with the Postal Reorganization Act of 1970. It was essential that something be done to stem what Postmaster General Lawrence O'Brien termed the "race with catastrophe" faced by the old U.S. Post Office Department.

To meet that problem, the Congress, on the recommendation of a special postal commission, and after exhaustive hearings, established the independent U.S. Postal Service. The basic objective of the U.S. Postal Service was to provide quality mail service at reasonable and equitable rates to attain financial self-sufficiency by 1984, and at the same time provide fair compensation and fair treatment of postal employees. We all had high hopes that with the application of modern business methods and the elimination of partisan politics in the Postal Service, these goals could be attained. The very fact that we are now debating H.R. 8603, the first major piece of postal legislation since 1970, is evident that these hopes have not been realized. The fact that the U.S. Postal Service is in grave financial straits is not debatable.

There are some who maintain that the financial plight of the U.S. Postal Service is the result of an inherent structural weakness of the U.S. Postal Service, and therefore we should take this opportunity to significantly alter its structure. I do not agree. I want to remind my colleagues that when the U.S. Postal Service was conceived it replaced an organization which included a management system that rendered impotent those in positions of responsibility, it inherited an antiquated physical plan incapable of handling the ever-increasing volume of mail, it experienced a lack of mechanization necessitating vast armies of people to move the mail, and its work force suffered from poor pay, poor working conditions, poor career opportunity, and poor morale.

Turning around an organization which operates 40,000 offices, stations and branches, delivers and processes almost 90 billion pieces of mail yearly to well over 70,000 delivery points, employs 700,000 individuals, uses almost a quarter of a million vehicles on a budget of over $15 billion is not an easy task. Postal management has had over 5 years to accomplish this feat, but the prior organization had 195 years of existence. Despite the magnitude of the past problems and the size of the organization requiring the turnaround, we were optimistic and expected, indeed provided in the law, that the U.S. Postal Service would break even financially and thus would no longer be a burden to the taxpayers of this Nation. That forecast does not now look bright, for an unfunny thing happened on the way to financial independence—double digit inflation.

This inflation, caused in great part by the increase in oil prices, ate up postal revenues at an unprecedented rate.

The cost of living increases for postal workers alone have cost the USPS almost $1 billion in the past 2 years. For each 1 cent increase in the price of a gallon of gasoline, $3.5 million in direct costs per year is added to the budget of the U.S. Postal Service.

This double digit inflation necessitated increasing postal rates. These rate increases, coupled with a down-turn in business activities, have resulted in a decreasing mail volume for the first time since the 1930's. The increase in cost and the decrease in volume has again necessitated the need for further rate increases. This is a vicious cycle one which the U.S. Postal Service cannot live with nor can the American public accept. And I am confident that the American public will not allow it to continue. The bill we are discussing today, H.R. 8603, will help break that cycle.

It is the financial picture of the U.S. Postal Service that is the prime concern of the members of the Senate Post Office and Civil Service Committee, and it is the main thrust of this bill. In 1972, the Postal Service deficit was $175 million. In 1975, it was $989 million for a cumulative deficit of $1.6 billion. The future financial picture looks even bleaker. A deficit of $1.5 billion was estimated for fiscal year 1976 and a $1,055,000 shortfall is expected for fiscal year 1977. In 1971, the U.S. Postal Service had assets of $3.4 billion. It will have a negative equity of $2.8 billion by the end of fiscal year 1977. This is an accumulative operating deficit of $4.5 billion. If the U.S. Postal Service was in fact a private business, it would be bankrupt.

Somehow the U.S. Postal Service must meet this financial crunch. It must put its financial picture in order. It can do it alone in a number of ways, none of which would be pleasant. Some, however, are more unpleasant than others. For example, the Postal Service could increase postal rates to meet its financial needs. The postal rates have already increased 30 percent since August of 1974. When one considers that Sweden and Switzerland have each raised their postal rates 33 percent and the Netherlands 37 percent, France 60 percent, England 89 percent, Japan 150 percent, and Australia 157 percent in the same time period, the 30 percent increase does not seem all that out of line.

But I am not convinced that every American is going to look at an increase in those terms. The Postal Reorganization Act of 1970 stresses that postal rates should be reasonable. Increased postal rates alone will not answer the financial plight of the Postal Service, and I do not believe that the public will accept the prospect of a 34 cents postage stamp for a first class letter, which according to the General Accounting Office would be necessary by 1984 to solve the current financial crunch and allow the Postal Service to be financially self-sufficient.

A second possible solution to the financial problems of the Postal Service is to cut operating costs, and therefore cut services. There have been suggestions that Saturday mail delivery be eliminated, that in fact mail could be delivered 3 days per week in the larger populated areas and 2 days per week in the rural areas. It has been suggested that 12,000 post offices, stations, and branch offices be closed or consolidated. It has also been suggested that the door-to-door delivery service now enjoyed by many Americans be eliminated and be replaced by curb-side or corner cluster boxes.

Even with these drastic service cutbacks, it is questionable whether or not the Postal Service would save enough to wipe out this year's deficit. There is no doubt, however, that these cost-cutting measures would be unacceptable to the American public, and they are certainly unacceptable to me. There is no question that such cutbacks would be contrary to the intent of the Postal Reorganization Act of 1970.

A third choice available without H.R. 8603 would be a combination of one and two, raising rates and effecting cost-cutting measures. Yet I am not even sure moderate rate increases coupled with moderate service cuts would be acceptable to the American public. The prospect of raising postal rates to any significant degree is a chilling one. Recent experience has shown that further rate increases could affect mail volume, and postal rate increases have already affected mail volume. Even though there is no consensus regarding the elasticity or inelasticity of demand for postal services, mail volume did fall in fiscal year 1975 for the first time in modern history. In his 1975 report, the Postmaster General stated that: "This development demands attention—we are aware that postage rates may be reaching a point where price is causing mail users to increase their use of competitive means of distribution or electronic communications."

The whole question of electronic communications and technological advancement is of particular concern to me and is critical to Members of Congress who represent rural constituents. If rural America is dependent upon the Postal Service and the metropolitan areas become dependent upon computer and telecommunications services, rural America unless protected by a viable and financially sound Postal Service could lose out on its ability to communicate. The urban areas will be in a position where they will more and more refuse to accept the postage stamp/postage rate concept resulting in a total deterioration of existing communications systems via the postal systems for rural areas.

I intend to pursue this matter with the Office of Technology Assessment and the U.S. Postal Service to find out just what impact modern technological communications may have on the future of the Postal Service and the ability of rural America to communicate on an equal basis with those in the urban centers.

H.R. 8603 is a partial but essential answer to our current dilemma. This legislation addresses itself directly to the three major problems faced by the Postal Service: forestalling reduction of service, slowing down higher postal rates, and allowing the USPS to continue operating and, in addition, providing essential information whereby we can come to grips with a permanent solution.

The bill authorizes two consecutive appropriations in the amount of $500 million each to be applied against the cumulative operating indebtedness of the Postal Service. The first appropriation would be applied to the debt as it exists at the close of this fiscal year, and the second to be applied against the debt of fiscal year 1977. This bill prohibits service cuts during a period beginning with the appropriation of funds and ending on February 15 of next year. It will allow no postal rate increases during this same period although it would allow the Postal Service to propose postal rate increases to the Postal Rate Commission.

In addition, the bill does look to the future with the hope of obtaining the essential information we need so that Congress can assist the USPS find a permanent solution to its problems.

The bill establishes a 12-member Commission on Postal Service to identify and study the problems facing the Postal Service and recommend action which it feels is necessary to resolve them. This report will be due on or before February 15, 1977.

The importance of this "blue-ribbon commission" cannot be overstated. Among the areas which it will look into is the whole question of public service, its cost, and who should pay for it. We are aware that the U.S. Postal Service and its local post offices perform many functions which in reality have nothing to do with delivering the mail. No other Federal agency touches the lives of every American every day like the U.S. Postal Service does. For millions of Americans, the U.S. Postal Service is the only Federal agency with which they come in contact. The USPS to them is a governmental symbol and an important part of the Federal Government. In rural America there are hundreds and thousands, indeed GAO maintains there are 12,000, of post offices which in fact do not need to exist in order for the U.S. Postal Service to carry out its function of delivering the mail. On the other hand, they are needed for economic, social, and cultural benefits of rural America. An 11-year-old, not from my State, wrote me regarding his post office in rural mid-America, "I am in the seventh grade and I am writing this letter for my grandpa. Grandpa is 95 years old and every day he walks to the post office. The postmaster there helps him with his bills, makes out his money orders, and fixes his money so he would not get it mixed up. Our post office is very important. Please do not let them take it out. No one here wants to go on a rural route. Everyone wants the post office left alone."

Post offices provide a public service which I do not feel should be eliminated. These examples point up the need to maintain post offices even when mail can be delivered through another method. It is just these kinds of questions which we expect the Commission to address and report to us just what kinds of service costs should be borne by the postal users. I expect the blue-ribbon commission to tell us next year, and from there we can establish a more reasonable contribution to the U.S. Postal Service from the General Treasury.

The bill before the Senate today is the result of exhaustive hearings, numerous executive sessions, and considerable input by Members of Congress, labor organizations, postal users, businesses, the Postal Service itself, and even five prior Postmaster Generals. Indeed, the final bill itself was committee print No. 8. In addition, I am aware of considerable personal negotiations by Senators GALE McGEE and HIRAM FONG with the Postmaster General, the Director of the Office of Management and Budget, the President, and the leadership in the House Post Office and Civil Service Committee. These negotiations as well as all the other input have resulted in S. 2844 retitled H.R. 8603.

I am in full support of Senator McGEE's and Senator FONG's position and the position of the Senate Post Office and Civil Service Committee on this legislation. It is essential, it is imperative, that this bill be passed as it is written. We must assist the Postal Service to meet the financial crunch that it now faces. If we do not, I see no alternative left for the Postal Service but to make drastic cuts in service, as well as increased postal rates which would cause undue hardship and inconvenience to the entire country.

I know that many of my colleagues have amendments which they wish to introduce and have accepted as part of this bill. Indeed the original bill considered by the Senate Post Office and Civil Service Committee contained amendments I supported. However, we cleaned the bill in an effort to insure the passage and signing into law of a financial relief measure. I have some amendments I would like to introduce, but will not because it makes little sense to amend the current legislation if such amendments alter it significantly enough to prevent its enactment into law. I am convinced that a more appropriate process by which my good friends on both sides of the aisle may have enacted their particular concerns is for them to be considered on their own merits in separate bills and not cause the downfall of this essential piece of legislation. I hope my colleagues will refrain from introducing or supporting amendments to this legislation.

The Commission established in this bill must report on February 15 of next year. We will again have the opportunity to debate the postal question only from a more enlightened view for we will have the benefit of the Commission's findings and opinions. I strongly urge an affirmative vote on H.R. 8603 as it has been reported by the Senate Post Office and Civil Service Committee.

Mr. BEALL. Mr. President, today the Senate, at long last, is scheduled to consider legislation aimed at reforming our National Postal System. This legislation comes none too soon, because no portion of government generates greater frustration and anger by the average citizen than the Post Office.

Put simply, the American people are losing faith in the National Postal System. They are tired of getting less and less service, yet paying more and more for that declining service.

Further, they know that unless drastic action is taken soon, service will only get worse and costs will only go higher.

The Postal Service today is caught in a vicious circle of higher rates and declining volumes. Since May, 1971, when the 8-cent rate became effective, first-class postage has increased 63 percent, while over the same period the consumer price index has increased at only about half that rate, or 35 percent. This rapid rise in postal rates led last year to a net decline in mail usage of 800 million pieces, and this decline in mail usage of 800 million pieces, and this decline promises to continue in 1976.

This decline in usage means only one thing—higher rates. And those higher rates will themselves lead to even further declines in mail usage.

Faced with these skyrocketing losses, which have reached a level of $250,000 an hour, the present postal leadership responded with steps which would only cause unnecessary hardship for some postal users, but would do nothing whatsoever to solve the real problems of the postal system.

The keystone of their great strategy to rescue this inefficient giant, which is now $3 billion in the red, was to attempt to close 600 small, rural post offices. That move, if fully implemented, would save a grand total of $6 million, or enough to keep the Postal Service in operation for all of 9 more minutes a year.

This action would not only have deprived many people of efficient postal service, but would have literally wiped many communities off the map entirely.

Last May, I introduced legislation in the Senate which prohibits the Postal Service from making any service cuts, such as the closing of rural post offices, until a special commission has made a full study of the entire Postal Service operations.

I am pleased that the bill which the Senate will consider today contains essentially that very same prohibition as was included in the Beall proposal. Under the bill we have before us today, the Postal Service is forbidden to close any post office where 35 or more families regularly receive mail and which was providing service on July 1, 1976. Additionally, the bill provides that before the Postal Service can close any office serving fewer than 35 families, it must obtain the written concurrance of at least 60 percent of all patrons.

Today's legislation is not the final answers to the problems of the Postal Service. But it does represent a first step in our efforts to reform and improve the Nation's mail system. And, in my opinion, it is about time we took that step.

Mr. McGEE. Mr. President, "Congress and the public want fast regular mail deliveries to crowded cities, small towns, and isolated farms. They also want cheap stamps, efficient operations, and no deficits," according to Robert A. Rosenblatt of the Los Angeles Times.

Mr. Rosenblatt, whose excellent article on the background of the bill H.R. 8603 appeared in the July 14, 1976 edition of the Times, was right. He also was correct when he observed that "the goals conflict."

Indeed they do.

Across the country, and 3 months earlier, the Washington Post observed in a March 17 editorial that the postal services Americans rely on most heavily "are often those that make least sense in cost accounting terms: service to individuals, to small communities, to small businesses, and little publications."

The Post went on to say that some hard decisions about services and subsidies need to be made, while the L.A. Times, in an April 16 editorial favored granting—temporarily—a greater subsidy to the Postal Service until the investment and the changes involved in postal reorganization can be made to pay off.

In Philadelphia, on June 13, the Inquirer welcomed the news that the President and involved Members of Congress had agreed on the creation of a so-called blue ribbon Commission on the Postal Service. The Inquirer's editorialist wrote:

> Anytime the government creates another Commission to study a problem, there is a temptation to write its work off in advance as just an expedient way to get the irritant out of sight for a while. We now resist that temptation, however, to welcome the news that President Ford and key Members of Congress have agreed on the creation of a blue-ribbon Commission on the Postal Service.
>
> The fact is that such a commission is badly needed—not to bury the problem of the mails but to face up to it and help guide the country toward some hard choices.

And hard choices are coming. But, without them, we face a prospect which Don Oakley, writing for the Newspaper Enterprise Association, referred to in a June column. He said:

> The U.S. postal system is a lot like the trolley cars our cities used to have. We never appreciated their value until they were gone, and then we wished we had done something to preserve them when we could.

Mr. President, I quote these various editorials, news stories, and columns to show that there is a concern in the country for the preservation of postal services that are adequate to the needs and expectations of the people, and also to show that there are indeed some differences between what we demand and what we are willing to pay for.

Said another editorial, this one from the Eagle and Beacon of Wichita, Kans., April 3, 1976:

> A subsidized mail service is nothing new to us. Nor is it particularly shocking to think that the amount of subsidy needed in the future will be larger than it has been to date.

In truth, as Robert Rosenblatt pointed out in his piece in the Los Angeles Times, the Postal Service currently is getting roughly 12 percent of its total budget from appropriations, compared with 24 percent in the last year before reorganization took effect.

H.R. 8603 as amended by the Committee on Post Office and Civil Service and reported to the Senate does not decide the fate of the Postal Service for all time. A number of other bills, including my own, were discarded by the committee as it worked toward a measure acceptable to the legislative and the executive. It addresses the immediate short-term needs of the Postal Service. It addresses the immediate concerns of the people over rates and service cutbacks. And it insures Congress, not only a future opportunity to address the hard choices that admittedly are going to have to be made, but also more information on which to base its judgment.

Mr. President, I ask unanimous consent that the various editorials and articles I have referred to—including Robert Rosenblatt's article from the Los Angeles Times of July 14, an editorial from the Times of April 16, a Washington Post editorial of March 17, one from the Philadelphia Inquirer of June 13, Don Oakley's NEA column from the Rock Island (Ill.) Argus of June 25, and the Wichita Eagle and Beacon editorial of April 3—be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, July 14, 1976]

Post Office—Play It Again, Uncle Sam—Rising Rates May Force Congress To Reinstate Pre-1971 Subsidy System

(By Robert A. Rosenblatt)

Washington.—The Postal Service is in trouble once again, which means it will probably cost you 16 cents next year to mail a first-class letter.

The crisis could come as early as next spring, when, according to federal auditors, there will not be enough money to meet the service's operating expenses.

But it is not politically conceivable for the mail to stop. Instead, Congress will increase the postal subsidy, and the service will impose "temporary" rate increases.

The service has tried to save money. It saved $2 million a year by closing 186 small post offices. But according to Sen. Gale W. McGee (D-Wyo.), chairman of the Senate Post Office Committee, that $2 million would run the Postal Service for just 9 minutes.

"So for the equivalent of nine minutes of operating time," McGee said, "the Postal Service incurred the wrath of 53 members of Congress, provoked a lawsuit and persuaded thousands of mail users that, in yet another public area, the quality of life in the United States is diminishing."

Because Congress and the public are not happy, the Postal Service may pay a stiff price for desperately needed money from Washington—the loss of some management independence.

The House of Representatives, flooded with letters from constituents, already has voted to put the Postal Service back under the regular appropriations system. All revenues would go into the Treasury, with Congress approving the budget each year. The Senate will consider a similar proposal later this month.

Congressional control was abolished by the Postal Reorganization Act of 1971, which created an independent Postal Service with the goal of providing good mail service while breaking even financially.

Something went wrong. Deficits have grown each year since the reorganization. The speed of delivery for a typical letter is faster than in 1971 but still cannot match the performance of the old Post Office Department in 1969, according to a recent report by the General Accounting Office, a congressional watchdog agency.

"I think it would be fair to say that there is no more popular a whipping boy in our country today than the Postal Service," McGee told a recent meeting of his committee. "Whenever somebody runs out of things to be mad about, there is sort of a national pastime of blaming it on the Postal Service."

In two weeks, the Senate will debate a McGee-sponsored bill that would provide an extra subsidy of $1 billion over the next two years and bar service cutbacks or rate increases before Feb. 15.

Others in the Senate, led by Ernest F. Hollings (D-S.C.), will try to amend the McGee bill to bring the Postal Service back under direct congressional financial control.

But it is doubtful that Congress will take back full control of postal finances soon, despite the heated rhetoric. For one thing, the legislators now enjoy the luxury of criticizing the Postal Service without assuming responsibility for its operations.

Furthermore, any bill to put the Postal Service back into the federal budget almost certainly would be vetoed by President Ford, who is seeking to keep as low a ceiling as possible on federal spending.

The Postal Service gets approximately $1.6 billion a year from Congress, roughly 12% of its budget of $13 billion to $14 billion. In the last year before postal reorganization, Congress furnished $2.2 billion, then about 24% of the cost of running the post office.

Postal rates are established under a two-step procedure. The Postal Rate Commission approves "permanent" rates. Then the Postal Service itself can impose temporary rates, up to 33% higher. The commission recently recommended making the 13-cent charge permanent, clearing the way for a temporary increase to a maximum of 17 cents.

The Postal Service will probably seek a higher rate early next year, according to a high-level source.

"We won't go for more than 16 cents."

Returning to a full appropriations method, with Congress voting on the entire budget, would "sweep under the rug the fundamental nature of the problem," according to J. T. Ellington, Jr., senior assistant postmaster general.

"You would move away from economic justification of services which we are trying to do now, to a political justification," he said adding that the result would be enormous subsidies voted by a Congress anxious to avoid offending constituents with higher rates or reduced services.

The choice might be a 36-cent first-class stamp in 1985 or an annual subsidy of $8.5 billion, according to the GAO study.

"Of course, Congress would rather vote a huge subsidy than listen to the screams from back home if a stamp cost 36 cents," a congressional staff aide admitted.

In the view of many analysts, whether the Postal Service remains independent or returns to congressional control will not alter a basic contradiction: Businesslike efficiency and universal service do not mix.

Congress and the public want fast regular mail deliveries to crowded cities, small towns and isolated farms. They also want cheap stamps, efficient operations and no deficits.

The goals conflict. The Postal Service could save $350 million a year by eliminating Saturday deliveries, but the suggestion is anathema to Congress.

Another $100 million could be saved by closing 12,000 country post offices, but that is unthinkable to congressmen from rural districts.

Faced with protests, Postmaster Gen. Benjamin F. Bailar recently suspended the service's modest program of closing 250 to 300 such offices each year, at least until Congress completes its work on financial aid legislation.

Some small offices seem eminently closable. In Alabama, for example, one such office serves 26 families. It brings in only $4,500 a year in revenue compared with $17,000 in costs. Moreover, there is another office just 0.7 of a mile down the road.

But to many congressmen, the savings generated by such efforts are simply not worth the cost in outrage among constituents.

Despite the complaints, the Postal Service appears to perform reasonably well when compared with those of other countries.

A GAO survey of 10 foreign countries—Australia, Belgium, Canada, France, Japan, the Netherlands, Sweden, Switzerland, Great Britain and West Germany—disclosed an average charge of 19 cents to mail a first-class letter. Of the 10, only Canada, with an 8-cent rate, had a lower charge than the 13-cent rate in this country.

The U.S. Postal Service covers a much bigger geographical area and moves 5 to 56 times as much mail as its counterparts in other industrial nations. The American postal worker is much more productive, handling more pieces of mail per year than an employe in any of the 10 other countries.

Sheer size generates many of the complaints about poor postal service in the United States. More than 89 billion pieces of mail are processed every year, including 50 billion first-class letters. The error rate on first-class mail is only 2% or 3%, but that translates into more than a billion letters mishandled and sent to the wrong place.

A first-class letter is now delivered in an average of 1.65 days, compared with two days in 1971 when the Postal Service came into existence, and 1.5 days in 1969 under the old Post Office Department.

More letters are processed by machines, which have a higher error rate than the old method of hand-sorting.

"The great preponderance of mail still goes through the next day, but you run into more extreme errors because of machine processing," Ellington said.

Letter-sorting machines and other equipment installed since reorganization have provided substantial benefits in efficiency, allowing the Postal Service to handle more mail with fewer people. The service has 676,000 employes; it would need another 50,000 to process current mail volume using the old methods.

Postal workers are much more productive than they were as employees of the Post Office Department. In the five years before reorganization, mail volume rose 18% annually, but the work force of clerks and mail handlers climbed even faster—at 22%. Since reorganization, mail volume has risen another 5%, while manpower has dropped 8%.

The Postal Service is a labor intensive business—86% of its budget goes for labor—and has been especially hard hit by inflation. In one two-year period, for example, labor costs rose $987 million because of cost-of-living escalator provisions in union contracts.

Postal workers' wages have risen much more sharply than the salaries of other civil service workers, prompting critics to accuse the Postal Service of acting weakly in bargaining sessions.

Salaries and benefits have jumped $3.5 billion, or 47% since 1971, far outweighing the savings from mechanization and improved productivity.

Whenever gasoline goes up a cent per gallon, the Postal Service pays another $3.5 million a year to operate its fleet of vehicles.

Accelerated inflation has been only one surprise for Postal Service management in the last few years. Another was the realization that mail volume was no longer growing. For the first time since the Depression, volume actually declined in 1975.

Businesses, which account for 80% of volume, began balking at higher rates and are seeking other ways to move their messages and products. And higher rates are sure to drive away still more customers.

Business mail provides 80% of Postal Service revenues. Congressional attention, however, focuses on the personal letters of constituents, which make up only 3% of all first-class mail.

Critics of the Postal Service often denounce third-class mail, the so-called junk mail flooding into homes and offices, as a service that rides on the backs of other postal customers. Not so, according to Bailar.

"Third-class mail has a rate which is fully compensatory for its costs," he said. "It is cheaper than first-class mail—there is no question about it—in terms of the rate. But at the same time, we don't have to print stamps, we don't have to sell stamps, we don't have to go pick up the mail, we don't have to sort it by ZIP code."

Because mail volume has stopped growing, one major Postal Service investment looks as if it might turn into a white elephant.

A full $1 billion was spent to build 21 bulk mail centers aimed at winning business back from United Parcel Service. Originally, the Postal Service estimated it would save $300 million a year by concentrating parcel processing in these centers. The latest savings estimate is just $138 million a year because parcel volume won't reach previous expectations.

Americans must decide, postal officials argue what levels of desirable but uneconomic mail services they must have and how these will be financed.

[From the Los Angeles Times, Apr. 16, 1976]

THE MAILS: NO CHOICE

In an atmosphere of rampant dissatisfaction over mail service and over the rising cost of sending an ordinary letter, it is staggering to hear Postmaster General Benjamin F. Bailar asking Congress to double its mail subsidy, which already runs to $1.5 billion a year.

Yet the nation has no choice. The subsidy should be granted—temporarily. Otherwise the Postal Service will have to cut services further and raise rates again. That would drive away more business, increase the deficit and start another cycle of service cutbacks and rate increases. America has been through that too many times already.

Unquestionably, the people who run the mails have made some large and costly mistakes. But these are not the only reasons for the system's terrible problems today.

Inflation is affecting virtually everything, not just the mails. In fact, in no other major country except Canada is the cost of sending a first-class letter so low in relation to prevailing wages.

Further, some of the miscalculations behind the current mail problems cannot be blamed on the Postal Service alone. When Congress established the new semiautonomous system five years ago, everyone who took part in the decision assumed that mail volume would continue rising. And it was commonly believed that economy measures could take hold quickly because of the Post Office's high rate of employe turnover. But mail volume has begun declining, and fewer postal employees are quitting. So, what was done to save money has cost money. But the investments and changes probably will pay off eventually.

There are other problems. New equipment has been put into regular use too quickly, resulting in misdirected letters and damaged packages. Unions have been recalcitrant, fighting reasonable efforts to spread workloads more evenly and to make underworked employes bear a fairer share of the load. Rate increases have been delayed unconscionably by the Postal Rate Commission's indecision.

Some of these problems can be solved eventually if adequate financial help is forthcoming from Congress, and if the appropriate committees exercise tough discipline over the Postal Service. Rigorous congressional oversight must not mean ending the limited autonomy under which the Postal Service now operates. That would compound the problem by putting complicated decisions on thousands of rates—and thousands of executive appointments—back into the political process.

American mail service, according to some measures of error rates and delivery times, has begun to improve. One day the mails should be able to come nearer breaking even, but that day—at the very best—is several years off. Congress can help by insisting on better performance by both management and labor as the price for temporarily paying the deficit.

[From the Washington Post, March 17, 1976]

PAYING FOR THE MAIL

It may seem heretical for a Postmaster General to suggest that postal service as Americans know and love it "could become obsolete." But Postmaster General Benjamin F. Bailar said exactly that last week in a gloomy speech in Detroit. His message was not just that the era of six-days-a-week, door-to-door mail delivery is ending; he warned that the Postal Service may never be economically sound even if drastic cutbacks in service are made.

Problems at the post offices are nothing new. In fact, it was the government's inability to manage the mails that led Congress to put the system on a "business-like" basis in 1970 and direct the new agency to improve service, cut losses, increase workers' salaries and modernize facilities. But from the start those goals have been impossible to reconcile. Some major management mistakes and generous labor settlements have run up costs; soaring inflation and energy prices, unanticipated in 1970, have had a devastating effect. According to the General Accounting Office, cost-of-living increases in postal workers' pay have totaled $987 million in the past two years, while every one-cent increases in the price of gas has cost the Service $3.5 million per year.

Contrary to popular belief, the quality of postal service has improved since the dismal days of 1971. Even so, the immense volume of mail makes a large number of complaints inevitable. (GAO has noted that if 95 per cent of first-class mail were delivered on time, 2.6 billion letters per year would still be late.) What really worries Mr. Bailar is that as postal rates have climbed, postal patronage has begun to drop. More people are paying their bills in person; companies are stepping up their use of alternate delivery services and electronic communications systems. Yet declining volumes do not mean decreasing costs; the mailmen may be bearing fewer letters but they must still make their rounds.

Mr. Bailar maintains that more efficient systems and more flexible use of manpower can only reduce the deficits somewhat, and that the only way to save the Service may be to cut services. He has just announced that two-a-day business deliveries in many cities will be stopped. He wants to close some small post offices and substitute other types of service in rural areas; GAO has calculated that phasing out 12,000 of the 18,000 smallest post offices could bring savings of $100 million annually. Mr. Bailar is also promoting clustered or curb-side delivery instead of door-to-door service in new housing developments. He has even mentioned revising rates so that pre-sorted, standard-sized first-class mail sent by bulk users would cost less than a hand-addressed birthday card. And so on. But he fears that even if such drastic changes are made, the system may be unable to avoid the spiral of rising costs, declining patronage and gradual decay that has already made other services—local bus systems, passenger trains, the old-style telegraph—bankrupt as businesses.

That points to the problem: the premise is wrong. The nation's postal system should be business-like, but it is not a business. It is a basic public service that Americans rely on heavily. Indeed, the services that matter most are often those that make least sense in cost-accounting terms: service to individuals, to small communities, to small businesses and little publications. This does not mean that, for instance, every rural post office must be kept open forever if equivalent or better actual service can be provided another way. It does mean that postal communications have to be maintained; the mails simply must go through.

However, in order to preserve the kind of postal system Americans expect, the public has to be willing to pay—in part as users and in part as taxpayers. This is where the real problem arises because the numbers are immense. According to GAO, if current services are maintained and the federal payment to the Postal Service stays at its present $920 million per year, the price of a first-class stamp will rise to 23 cents by 1981. On the other hand, if stamps remain at 13 cents, the cost to the treasury could rise to $8.5 billion annually within 5 years. The most acceptable arrangement probably involves some rate increases, some streamlined services and more public support—but detailed formulas are not going to be easy to devise.

All in all, this is the kind of problem that Congress is least happy with: one that affects every voter and interest group, and costs far more than anybody likes to pay. So far, most legislators have ducked. Last year the House authorized greater subsidies, but also voted to return the system's management to Congress—a move that is not likely to solve anything. More recently, about 50 representatives went to court to save some rural post offices, at least temporarily. We hope that they will follow through by addressing the problem of who pays. That is, after all, what Mr. Bailar is basically getting at, although in a somewhat back-handed way. The postal system cannot just muddle along much longer; some hard decisions about services and subsidies need to be made.

[From the Philadelphia Inquirer,
June 13, 1976]

Whither the Postal Service?

Anytime the government creates another commission to study a problem, there is a temptation to write its work off in advance as just an expedient way to get the irritant out of sight for a while. We now resist that temptation, however, to welcome the news that President Ford and key members of Congress have agreed on the creation of a blue-ribbon Commission on the Postal Service.

The fact is that such a commission is badly needed—not to bury the problem of the mails but to face up to it and help guide the country toward some hard choices.

It has been only five years since quasi-independent Postal Service replaced the politically-dominated Post Office Department. In that short time, however, one of the basic assumptions in the reorganization—an ever-increasing volume of mail—has proved erroneous. And while volume has been decreasing, inflation and other factors have pushed costs up steadily.

Even with increased rates and a $1.5 billion federal subsidy, postal officials are predicting a $1.4 billion loss in the fiscal year which ends this month and another $1 billion loss next year.

That's just the short haul. For the long haul, Postmaster General Benjamin Bailar has warned, the Postal Service is "headed for potential disaster" unless something drastic is done.

"I believe we must re-evaluate traditional concepts of mail service to see if they still have value in modern America," Mr. Bailar said recently. "If the public elects to continue the postal system in its present form, it will have to pay a steep price. It may find the first-class stamp becoming a luxury item in the next decade and the Postal Service a ponderous and costly left-over from simpler, more affluent times."

Those are strong words with profound implications. If Mr. Bailar is right—and the evidence supports him—he is also right when he says:

"We must seriously examine the possibility of restructuring both the services provided by the postal system and the schedule of payments for those services. We must, I believe, consider trimming back those services that no longer make sense or label them for what they are and arrange a system of subsidies that covers their cost. And we must identify within each class of mail the actual costs of serving various types of users and charge accordingly."

That is why a commission is needed. Now that the President and the key lawmakers have agreed to its creation, Congress should give its approval.

[From Rock Island, ARGUS, June 25, 1976]

Postal Crisis Bad, But Others in Worse Shape

(By Don Oakley)

Washington.—When people start reducing serious things to the silly level we know the situation is bad—as when Lyndon Johnson went around turning off lights in the White House, or when the postmaster in one city orders mailmen to take shortcuts across lawns.

Unscrewing all the light bulbs in the United States wouldn't have made a dent in the billions of dollars Johnson poured into the Vietnam sinkhole. Neither would the grave financial crisis the U.S. Postal Service is in be helped in the slightest if every letter carrier walked over every lawn in the country.

The magnitude of that crisis is becoming staggering. The service's deficit may total $1.4 billion this fiscal year, compared with only $13 million in 1973, when we thought things were bad enough.

What would help? Failing a massive boost in the government's subsidy, which Congress seems to be in no mood to approve, closing smaller post offices would, says John Gentile, chief financial officer of the U.S. Postal Service. So would ending Saturday delivery, or delivering mail only every other day, or charging everybody on a postal route a monthly fee.

So would increasing postal rates again, although here we are already close to the point of diminishing returns, if not past it.

For whatever comfort it may be to Americans, it is interesting to learn from a recently reported survey that imperfect as it is, the U.S. Postal Service is superior to the systems in many other countries.

It may be cheaper in some countries—in India, for example, it costs as little as two cents to mail a letter—but there as elsewhere low postal rates usually reflect a low state of the economy.

Even in Western Europe and Japan, postal service has been deteriorating and there are routine deficits, which are met out of profits from telephone and telegraph services, which are also government run.

In many countries it is customary to pay a steep surcharge to insure delivery, and pilferage and the opening of mail by censors are common.

In any event, no country has anything approaching the volume of mail that is handled in the United States, and few have anything like the distances involved.

The U.S. postal system is a lot like the trolley cars our cities used to have. We never appreciated their value until they were gone, and then we wished we had done something to preserve them when we could.

[From Wichita, Kans., Eagle and Beacon,
April 3, 1976]

Postal Subsidy Must Continue

It has always cost more in America to deliver a letter than the amount of postage paid by the mailer. But now the General Accounting Office (GAO) is fooling around with a "self-sufficiency concept" for the postal service, and the news is purely bad.

By 1984, which is an ominous year in other respects as well, it will cost 34 cents to mail a first class letter, says GAO, and the postal service will be able to operate without subsidy.

The way things have been going, by 1984 34 cents may look no larger than 13 cents does today. Still, most survivors of less inflated days are likely to think twice before sticking a 34-cent stamp on an envelope.

Some of the effects might be fortunate. People might quit dashing off impulsive notes that they would later regret. There might be a resurgence in the carrier pigeon business.

But on the whole, it would seeem that Congress and even the federal bureaucracy would ultimately come to the conclusion that the postal service cannot be expected to pay its own way.

A subsidized mail service is nothing new to us. Nor is it particularly shocking to think that the amount of subsidy needed in the future will be larger than it has been to date.

Every precaution should be taken to insure that the postal system is operated as efficiently as possible. But with that assurance, Congress should have no hesitation in providing the necessary subsidy, as it always has done. Mail service is important to the nation, and the costs of transporting letters cannot be permitted to become prohibitively high to the user.

THE HELSINKI ACCORDS

Mr. THURMOND. Mr. President. recently I read an editorial which discussed progress made as a result of our country and many others signing the Helsinki accords just a year go.

In my opinion it was a mistake to officially recognize the post World War II borders of the Soviets' East European satellites. What is particularly objectionable to me, however, concerns the Soviet implementation of "Basket Three." This contains human rights provisions of the agreement. These provisions were to promote more personal freedom of persons, institutions, and organizations of the signatories. Specific attention was given toward permitting immigration so that families could again be reunited. One year later it is apparent that the Soviets, as we should have learned long ago, do not intend to keep their word. I urge the President and the Secretary of State to use all diplomatic means at their disposal to cause the Russians to adhere now to promises made promoting human rights.

Mr. President, I ask unanimous consent that the editorial, "One Year Later, Little Progress From Helsinki," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Columbia, S.C., The State, Sunday, August 8, 1976.]

One Year Later, Little Progress From Helsinki

Just over one year ago, on August 1, 1975, the heads of 32 European nations, Canada, the United States and the Soviet Union signed with considerable pomp the Helsinki accord which was widely hailed as an important element in detente between the East and the West.

More properly, the Helsinki meeting was called the Conference on Security and Cooperation in Europe. It had been promoted for years by the Soviets to gain official recognition of the post-World War Two borders of the Soviet's East European satellites.

There were four parts of the agreement, each called a "basket." The first basket recognized the borders and held that they may not be violated by force. Nations along the borders were required to notify one another in advance of military maneuvers.

The first basket was widely criticized as making legitimate the Soviets' seizure and occupation of territories in World War II, and to some it rang like the final slamming of a great steel door in the Iron Curtain. The Soviets have complied with notification requirements of their maneuvers.

Basket two held no real problems in promoting economic, scientific, technological and environmental cooperation. It has held up well during the year with many international conferences and some agreements.

Basket three, however, was the *quid pro quo* insisted upon by Western Europe in exchange for the Soviets' border agreement. Basket three dealt with East-West cooperation in humanitarian, information, cultural and educational fields. Specifically, it called for reunification of families.

As expected, basket three has not held up so well on the Soviet side, and it has become the standard by which Moscow's good faith is being measured. There appears to have been slight change in Moscow's emigration policies, notably for Jews. Nor is there any sign of improvement in the conditions under which political prisoners are held.

Speaking to Western newsmen in Moscow, a spokesman for a humanitarian group of Soviet scientists and writers, declared that "they are using Helsinki against us."

Pointing to the Helsinki pact on reunification of families, Soviet authorities are claiming precedence of Soviet law which says a family is the husband and wife and unmarried children. Hence, a sister in Moscow and a brother in Tel Aviv are not a family—and if the parents are in Russia, the authorities claim they would be in violation of the Helsinki agreement if they let them emigrate.

Such deviousness mocks the spirit of the Helsinki accords, demonstrating again the double standard wittingly utilized by the Kremlin for its own purposes.

But basket number four still remains—it provides for another conference in Belgrade, Yugoslavia, in 1977 to assess the implementation of the Helsinki agreement. Unless the Soviets change their ways in the coming year, they risk standing unmasked in an international stage, condemned by their own deceitful performance.

THE UNION DRIVE TO UNIONIZE OUR ARMED FORCES

Mr. THURMOND. Mr. President, on March 4, 1976, together with 24 Senators, I introduced S. 3079. This bill would prohibit unionization of our military forces. Six more Senators have since joined us as cosponsors. The timing to introduce S. 3079 was chosen after careful thought. Several unions were then planning to seek servicemen to become members of their unions.

It was my hope that S. 3079 would quickly pass in the Senate. Thus, the small number of unions interested would not amount a recruiting drive. Unfortunately, the bill has not been passed.

In the RECORD of July 28, I warned the Senate that the hour was late for consideration of S. 3079. An article appeared recently in the Army Times, which lends weight to that warning. It is reported that a recruiting drive is now underway in our Reserve Forces. According to this article, some reservists have already joined a serviceman's union, including 10 officers. Next month, in convention, the American Federation of Government Employees will vote on the question of whether or not to organize our Active Military Forces.

Shall we sit and watch? As I said on an earlier occasion, this is not a bill against unions. It is a bill for a sound and effective defense force to stand between the citizens of this Nation and a sometimes unfriendly world. The Defense Manpower Commission in its recent report to the President and Congress put it well in stressing the urgency of the situation: "The question is no longer moot, the possibility of a military union must be faced squarely and appropriate actions to deal with the possibility must be undertaken now."

The issue is faced squarely with S. 3079 and the time for action is now.

Under our constitutional mandate to raise and support armies and navies, we are also charged to take appropriate and necessary legislative action on matters related to the Armed Forces. We owe the people of this country no less.

Mr. President, I ask unanimous consent that the article from the Army Times, July 19, 1976, "Ten Reserve Officers Join Military Union," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Army Times, July 19, 1976]

TEN RESERVE OFFICERS JOIN MILITARY UNION

(By Lee Ewing)

WASHINGTON.—Ten officers, including at least one major, are among National Guardsmen and reservists who have joined a new union, the Association of Guard and Reserve, union officials say. Some active duty members also have signed up.

The union began a nationwide membership drive July 1 by mailing out information to individual members of guard and reserve units in each state and by some face-to-face recruiting on base during off-duty hours.

"We're quite elated over the response," said the union president, Air National Guard MSgt. William L. Spence, 182d Tactical Air Support Gp, Peoria, Ill.

In a telephone interview with *Army Times*, Spence refused to disclose how many persons have joined AGR, but he said union polls "have been showing about one out of three would be interested" in joining the union.

Based on that ratio, Spence said, his goal is to recruit 100,000 of the approximately 350,000 members of the Reserve Components by next year.

Although only Air National Guard and Army National Guard members signed up in an organizing test conducted in February, Spence said, the current drive has brought in members of the Air Force Reserve and Army Reserve as well.

So far, union organizers have not contacted reserve units of the Navy, Marine Corps or Coast Guard, but Spence said, "We certainly intend to."

Requests for information and membership applications from active and reserve military personnel have been received at a rate of 75-100 each week, Spence claimed.

While AGR was organized to represent uniformed members of the guard and reserve, Spence said active duty member service members also may join.

"We're not actively campaigning for their membership at the present time," he said.

AGR was established by officials of the Association of Civilian Technicians, which represents about 8,000 Guard and Reserve civilian technicians who also must belong to the military unit in which they work. ACT organizers have worked closely with AGR and ACT members have served as a cadre for signing up military reservists for AGR.

An informal clerk of membership applications received so far, Spence said, shows that aside from the 10 officers, the new members are evenly split between junior enlisteds and senior NCOs.

A U.S. Supreme Court decision last month that a commander may deny reenlistment to a career guardsman "in the best interest of the service" has stirred concern, Spence says. The ruling poses a threat to retirement for career guardsmen and reservists, Spence said, and thus points up the need for a union.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Federal Spending Practices of the Committee on Government Operations be authorized to meet on August 24 and 26 to conduct oversight hearings concerning overhaul of major systems acquisition policies.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized under the standing order tomorrow morning, Mr. JAVITS be recognized for not to exceed 15 minutes, and that the order for the recognition of Mr. Moss tomorrow morning be vitiated; and that following the remarks of Mr. JAVITS there be a brief period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., and that at the hour of

10 a.m. the Senate resume consideration of H.R. 8603, the Postal Service bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 TOMORROW MORNING

Mr. ROBERT C. BYRD. Mr. President, if the Senator would indulge another interruption, I ask consent that when the Senate completes its business today it stand in recess until the hour of 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 11552—TO ESTABLISH A VOTER REGISTRATION ADMINISTRATION

Mr. ALLEN. Mr. President, if the Senator will yield before he makes the announcement of the program for a parliamentary inquiry, I would like to inquire of the Chair as to the disposition, if any, that has been made of the so-called post card registration bill that was held at the desk, I believe, on the last legislative day, with the understanding that it was to be referred to a committee. Has that bill been referred or when is it anticipated that it will be referred?

The PRESIDING OFFICER (Mr. HOLLINGS). The bill is still being held at the desk.

Mr. ALLEN. For the purpose of deciding where the bill is to go?

The PRESIDING OFFICER. Pursuant to a unanimous-consent agreement request the bill is still being held at the desk.

Mr. ALLEN. Yes. It was understood, and it was so stated for the record, that it was being held merely pending decision as to what committee it was to be referred to.

I would imagine that the Parliamentarian by this time has had time to reach a decision on that question.

The PRESIDING OFFICER. As the Chair understands, it is not a decision by the Parliamentarian. It was a unanimous-consent request requiring Senate action as to one or both committees, and we would have to await when the Chair hears the request from the floor of the Senate.

Mr. ALLEN. I thank the Chair for this enlightening information.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. JAVITS will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. with statements limited therein to 3 minutes each.

At the hour of 10 a.m., the Senate will resume consideration of the Postal Service bill. The pending question at that time will be on the adoption of the substitute offered by Mr. HOLLINGS. There is a time limitation of 4 hours on that substitute with a vote to occur on the adoption of the substitute up or down, with no tabling motion in order and with no intervening amendments in order.

Upon the disposition of the substitute by Mr. HOLLINGS and regardless of the outcome of that vote on the substitute, Mr. DOLE will be recognized to call up two amendments on each of which there is a time limitation of 20 minutes. Upon the disposition of those amendments and regardless of the outcome of the vote on the substitute by Mr. HOLLINGS, Mr. HELMS will then be recognized to call up two amendments on each of which there is a time limitation of 30 minutes.

Rollcall votes will occur throughout the afternoon tomorrow, Mr. President, and it is anticipated that the Senate will remain in session tomorrow evening until the bill is disposed of.

RECESS TO 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 5:16 p.m., the Senate recessed until tomorrow, Tuesday, August 24, 1976, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 23, 1976:

DEPARTMENT OF STATE

William G. Bradford, of Illinois, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chad.

Robert J. McCloskey, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of the Netherlands.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Susan B. Gordon, of New Mexico, to be an Assistant Secretary of Health, Education, and Welfare, vice Lewis M. Helm, resigned.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Richard Giles Stilwell, [redacted], Army of the United States (major general, U.S. Army).

Executive nominations received on August 12, 1976, under authority of the order of the Senate on August 10, 1976:

FOREIGN CLAIMS SETTLEMENT COMMISSION

Wilfred J. Smith, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1976 (reappointment).

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapters 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Abbe, James G., [redacted].
Abel, Wilfred M., [redacted].
Achin, Albert J., II, [redacted].
Adams, Edwin H., Jr., [redacted].
Adams, Harold G., [redacted].
Aguilera, Manuel, [redacted].
Albi, Joseph R., [redacted].
Alexander, George H., [redacted].
Alexander, Stanley W., [redacted].
Alley, Gerald W., [redacted].
Allison, Lee R., [redacted].
Alton, George E., Jr., [redacted].
Alton, Thomas W., [redacted].
Anderson, Charles F., [redacted].
Anderson, David H., [redacted].
Anderson, John P., [redacted].
Anderson, Marlowe R., [redacted].
Anderson, Richard D., [redacted].
Andre, George M., [redacted].
Andruzzi, Anthony M., [redacted].
Applebee, John F., [redacted].
Arledge, Earnest E., [redacted].
Arnecke, Burleigh F., [redacted].
Ary, Charles D., [redacted].
Austin, Billy F., [redacted].
Axelson, William G., [redacted].
Bachik, Joseph, [redacted].
Bailey, Robert B., [redacted].
Baird, Albert R., [redacted].
Baird, Henry C., Jr., [redacted].
Baker, Marion E., [redacted].
Baldwin, Harold R., [redacted].
Bales, Daly R., [redacted].
Barab, John D. J., [redacted].
Barelka, Alexander J., [redacted].
Barney, John R., Jr., [redacted].
Barnitz, William S., [redacted].
Barringer, D. Dean, [redacted].
Bartlett, Clyde R., [redacted].
Bartsch, George F., [redacted].
Basinger, Donald A., [redacted].
Bastidas, Frank A., [redacted].
Baumler, Dale R., [redacted].
Baxter, Morris, B., [redacted].
Bay, Denis E., [redacted].
Baynard, Lester B., [redacted].
Beal, Thomas P., [redacted].
Beard, Richard E., [redacted].
Becker, Frederick W., Jr., [redacted].
Bell, Norman R , [redacted].
Bender, Franklin R., [redacted].
Benjamin, Mordy A., [redacted].
Bennett, Donald F., [redacted].
Bennett, Duane R., [redacted].
Bermel, Blaine L., [redacted].
Berry, Willard M., [redacted].
Berube, Wilfred R., [redacted].
Bessette, Norman L., [redacted].
Billiter, William O., Jr., [redacted].
Bisbano, Ennis J., [redacted].
Blackburn, Donald V., [redacted].
Blais, Frederick G., [redacted].
Blankenship, Verle K., [redacted].
Blohm, Robert A., [redacted].
Blue, John E., [redacted].
Blythe, Ardven L., [redacted].
Bogert, Herbert T., [redacted].
Bohuslav, Johnnie J., [redacted].
Boone, Jerry D., [redacted].
Boone, Robert R., [redacted].
Bornejko, Jack W., [redacted].
Bracken, William E., Jr., [redacted].
Bradkin, William E., [redacted].
Bradley, Earl K., Jr., [redacted].
Branch, Peter F., [redacted].
Brasher, Edward C., [redacted].
Braun, Gerard J., [redacted].
Brenna, John L., [redacted].
Briant, Robert C., [redacted].
Bricker, Rodney P. G., [redacted].
Bringardner, Wm. D., [redacted].
Broach, Robert E., [redacted].
Brooker, Laurence M., [redacted].
Brooks, Robert E., [redacted].
Brown, Robert A., [redacted].

Bruschi, Robert, [redacted].
Bucci, Rinaldo J., [redacted].
Buehler, Norman C., [redacted].
Bullard, Eugene E., [redacted].
Burgee, Richard R., [redacted].
Burggraf, Fran B., Jr., [redacted].
Burkett, David Y., III, [redacted].
Burningham, Dee S., [redacted].
Buyck, Mark W., Jr., [redacted].
Cabrinha, Lawrence C., [redacted].
Cadmus, Harold R., [redacted].
Caldwell, Dana T., [redacted].
Campbell, Conrad E., [redacted].
Campen, Walter R., [redacted].
Canavan, Leo J., Jr., [redacted].
Capling, Elwyn R., [redacted].
Carll, Donald W., [redacted].
Carlson, Richard A., [redacted].
Carpenter, William L., [redacted].
Carsten, Charles B., [redacted].
Caruth, James, [redacted].
Casbarian, Harvey T., Jr., [redacted].
Casey, Robert E., [redacted].
Cech, Andrew A., [redacted].
Cerisano, Vincent P., [redacted].
Cestaro, Joseph M., [redacted].
Chambliss, Alton M., [redacted].
Charlebois, Roland J., [redacted].
Chee, Frederick K. O., [redacted].
Chism, Charles B., [redacted].
Chong, Kenneth D. H., [redacted].
Christine, Charles T., [redacted].
Clark, Charles G., [redacted].
Clark, John E., Jr., [redacted].
Cleland, David H., [redacted].
Clifford, Jack R., [redacted].
Closner, John J., III, [redacted].
Clough, George J. Jr., [redacted].
Cnossen, Ronald J., [redacted].
Coffin, Erwin K., [redacted].
Cognevich, Elmo R., [redacted].
Coker, John T., Jr., [redacted].
Colange, Anthony, [redacted].
Cole, James L., [redacted].
Coleman, Jack N., [redacted].
Collis, Constantine G., [redacted].
Condon, Robert L., [redacted].
Condon, Robert P., [redacted].
Conti, Raymond, [redacted].
Cook, Peter G., [redacted].
Copland, Joseph P., [redacted].
Coran, Carl L., [redacted].
Corona, Alessandro, Jr., [redacted].
Craig, John A., [redacted].
Craven, Gary L., [redacted].
Crossen, Manford W., [redacted].
Cummings, John O., [redacted].
Cummings, John P., [redacted].
Curtis, Frederick P., [redacted].
Cusack, James L., [redacted].
Cutler, John W., [redacted].
Dabal, Edward R., [redacted].
Dabrowski, Paul J., [redacted].
Dale, Donald E., Jr., [redacted].
Dangelo, John J., [redacted].
Danzer, Ronald E., [redacted].
Davis, Horace M., [redacted].
Davis, James E., [redacted].
Davis, Lowell G., [redacted].
Dee, Duane L., [redacted].
Deking, Donald J., [redacted].
Detra, Thomas A., [redacted].
Dettl, John P., [redacted].
Devriendt, Eugene J., [redacted].
Dewitt, William W., Jr., [redacted].
Dik, Donald B., [redacted].
Dilling, Roger O., [redacted].
Dillmann, Clarence I., Jr., [redacted].
Dimiero, Alan C., [redacted].
Dismuke, Donald M., [redacted].
Dodge, Kenneth W., [redacted].
Doherty, Francis G., [redacted].
Dolin, Phyllis A., [redacted].
Dominguez, Jesse P., [redacted].
Donaldson, David W., [redacted].
Doss, William W., [redacted].
Doucette, Dail D., [redacted].
Dove, Edgar C., [redacted].
Doyle, Brendan T., [redacted].
Doyle, William R., [redacted].
Dranko, John L., [redacted].
Drew, Herman E., [redacted].
Dvarok, Frank J., Jr., [redacted].
Dye, Albert J., [redacted].
Dykes, Alfred H., [redacted].
Eagleson, Rolf D., [redacted].
Edens, Roland W., [redacted].
Edmondson, Jerry H., [redacted].
Edwards, Norman K., [redacted].
Eichhorn, Gary L., [redacted].
Eichner, John C., [redacted].
Elton, Burnham T., [redacted].
Emerson, Richard A. G., [redacted].
English, Harry J., [redacted].
Epstein, Heinz C., [redacted].
Erb, William A., Jr., [redacted].
Erwin, William G., [redacted].
Erwine, Everett D., [redacted].
Estock, Robert A., [redacted].
Evens, Marvin A., [redacted].
Farmer, John S., [redacted].
Fean, Robert A., [redacted].
Fehlig, James D., [redacted].
Ferguson, Arthur E., [redacted].
Ferguson, Hill A., [redacted].
Ferguson, Lowell G., [redacted].
Fier, John J., [redacted].
Fikes, Charles O., [redacted].
Fischer, Bradley H., [redacted].
Fish, Joseph A., [redacted].
Fisk, Danny F., [redacted].
Flaherty, Robert M., [redacted].
Fleischman, Jerome B., [redacted].
Flom, Owen M., [redacted].
Flook, Howard O., Jr., [redacted].
Forbes, Edward H., [redacted].
Foreman, Charles G., [redacted].
Fortson, Eugene T., [redacted].
Foster, Duane L., [redacted].
Fowler, Marvin E., [redacted].
Fox, Thomas E., [redacted].
Fox, Wade T., [redacted].
Francis, Mervin J., [redacted].
Frandsen, Alan D., [redacted].
Franklin, Calvin W., [redacted].
Franklin, Charles E., [redacted].
Frederick, William A., Jr., [redacted].
Frederick, William V., [redacted].
Freeman, William H., Jr., [redacted].
Freeze, Ronald L., [redacted].
French, Norman J. M., [redacted].
Frese, Eugene M., [redacted].
Freytag, Richard A., [redacted].
Frisch, John J., [redacted].
Frith, Carl E., [redacted].
Fryar, Donald F., [redacted].
Fryburger, Virgil P., Jr. [redacted].
Fuentes, Roland W., [redacted].
Fuller, Charles E., [redacted].
Furman, Donald, [redacted].
Furr, Robert H., [redacted].
Furukawa, Joseph K., [redacted].
Galley, Eugene C., [redacted].
Gambera, Robert J., [redacted].
Gamble, Richard S., [redacted].
Gardner, James D., [redacted].
Garland, Terry D., [redacted].
Gassiott, Bobby R., [redacted].
Gassman, Donald E., [redacted].
Gaston, Leonard G., [redacted].
Gaubatz, William A., [redacted].
Geddie, Ivan D., [redacted].
Genther, Richard D., [redacted].
George, Charles D., [redacted].
Gerry, Harold J., [redacted].
Giblin, Owen J., [redacted].
Gibson, Jack L., [redacted].
Gibson, John W., [redacted].
Gibson, Paul E., [redacted].
Gibson, Richard A., [redacted].
Gibson, Robert H., [redacted].
Gilbert, Harvey B., Jr., [redacted].
Glass, Charles S., [redacted].
Gleason, John T., Jr., [redacted].
Gordon, Donald L., [redacted].
Gordon, Richard J., [redacted].
Gorman, Irwin, [redacted].
Gorman, James M., [redacted].
Goss, Bruce R., [redacted].
Gould, James L., [redacted].
Grabo, George W., [redacted].
Grannis, Stuart L., [redacted].
Grant, Ronald W., [redacted].
Grant, Theo E., [redacted].
Green, John V., [redacted].
Green, Lester L., [redacted].
Green, Philip A., [redacted].
Green, William S., [redacted].
Greene, Abbott O., [redacted].
Greenhalge, Kenneth E., [redacted].
Greenwood, Leon D., [redacted].
Griffin, Edward L., [redacted].
Grinden, John C., [redacted].
Groesbeck, Monty C., [redacted].
Grubbs, Paul W., [redacted].
Grundmana, Valentine R., Jr. [redacted].
Guessford, Wayne K., [redacted].
Gunther, William J., [redacted].
Gural, Mike W., [redacted].
Haas, Joseph J., [redacted].
Hafler, Harry A., [redacted].
Hall, Joseph E., [redacted].
Hall, William G., [redacted].
Halpin, Joseph G., Jr., [redacted].
Hamel, Robert D., [redacted].
Mammack, Hurschel L., [redacted].
Hammond, Edward A., Jr., [redacted].
Hampton, Joe O., [redacted].
Hanaway, Richard J., [redacted].
Hansen, Orval H., [redacted].
Hardman, Mervin G., [redacted].
Harner, Cletus M., [redacted].
Harper, Charles W., Jr., [redacted].
Harper, Emmett D., [redacted].
Harrah, Larry A., [redacted].
Harris, Dillard J. F., [redacted].
Harris, Luther F., Jr., [redacted].
Harris, Sheldon, [redacted].
Hartley, Daniel B., [redacted].
Hartman, Richard C., [redacted].
Hartstra, Walter, [redacted].
Hartung, George H., [redacted].
Hayford, Earl L., [redacted].
Hazard, Francis E., [redacted].
Hazell, Richard G., [redacted].
Heap, Joseph L., [redacted].
Hebinck, Bernard L., [redacted].
Hedin, Gene R., [redacted].
Heimer, John M., [redacted].
Hellauer, Joseph F., Jr., [redacted].
Helms, Andrel K., [redacted].
Henderson, Robert T., [redacted].
Hendrix, Harold R., [redacted].
Hengen, Ronald F., [redacted].
Hennessey, John F., [redacted].
Hensley, William E., [redacted].
Hersom, Richard K., [redacted].
Hervey, Howard D., [redacted].
Hess, Robert G., [redacted].
Hester, Frederick E., [redacted].
Hilburn, Maurice C., Jr., [redacted].
Hildebrandt, Jay D., [redacted].
Hill, Quentin M., [redacted].
Hilliard, Jack B., [redacted].
Hillman, Donald W., [redacted].
Hinman, Paul E., Sr., [redacted].
Hoffman, Richard H., [redacted].
Hoffman, Robert J., [redacted].
Hoffmann, Warren E., [redacted].
Holtzmann, William C., [redacted].
Hom, Milton, [redacted].
Hondros, Spiro C., [redacted].
Horton, Lyman C., [redacted].
Horvath, Frank M., [redacted].
Hovey, Stanford T., [redacted].
Howell, George G., [redacted].
Hoy, William E., [redacted].
Hubbard, Larry M., [redacted].
Hubeli, Thomas E., [redacted].
Hughes, Patrick V., [redacted].
Hulsey, Donald R., Sr., [redacted].
Humm, John R., [redacted].
Humphries, Homer H., Jr., [redacted].
Hunt, Gary G., [redacted].
Hurlbut, Patrick B., [redacted].
Huss, George E., [redacted].
Hutchins, Robert B., Jr., [redacted].
Hyndman, Ernest R., [redacted].
Irick, Ralph W., [redacted].
Jackson, Floyd M., [redacted].
Jackson, Frank L., [redacted].
Jacobs, Reed M., [redacted].
Jacoby, Maclear, Jr., [redacted].

Jajko, Walter, [redacted].
James, Larry G., [redacted].
Jenkins, Joseph F., [redacted].
Jernigan, Howard P., [redacted].
Jim, Clarence F. L., [redacted].
Johnson, Clifton A., [redacted].
Johnson, Larry E., [redacted].
Johnson, Robert H., [redacted].
Johnson, Terry A., [redacted].
Johnson, Theodore D., [redacted].
Jones, Andrew R. J., [redacted].
Jones, George S., Jr., [redacted].
Jones, Herman A., [redacted].
Jones, Robert T., [redacted].
Jones, Thomas E., [redacted].
Jordan, Martin W., Jr., [redacted].
Jordanmusa, Enrique A., [redacted].
Kaley, Robert R., [redacted].
Kane, Paul R., [redacted].
Kavanagh, James J., [redacted].
Kawamura, George S., [redacted].
Keesling, Joseph R., [redacted].
Kelly, James P., [redacted].
Kemp, Thomas D., III, [redacted].
Kershlis, William R., [redacted].
Kimball, Robert C., [redacted].
Kimball, Wesley R., [redacted].
Kincaid, Don W., [redacted].
Kittock, James A., [redacted].
Klein, Daniel E., Jr., [redacted].
Kloess, Lawrence H., Jr., [redacted].
Knight, Kenneth L., [redacted].
Knight, Roger G., [redacted].
Koselka, William J., [redacted].
Kramer, Paul S., [redacted].
Krizek, Eugene L., [redacted].
Kroesen, Gerald C., [redacted].
Kwortnik, John C., [redacted].
Laborde, Bernard B., [redacted].
Lamb, Robert J., [redacted].
Landis, William J., [redacted].
Landry, Eual J., Jr., [redacted].
Larsen, Norman L., [redacted].
Laverty, William H., [redacted].
Law, Thomas J., [redacted].
Lear, Charles F., [redacted].
Lederer, Howard A., [redacted].
Lee, Clarence B. H., [redacted].
Lee, Rex L., [redacted].
Leonard, Thomas C., [redacted].
Lesesne, Thomas P., III, [redacted].
Levy, Ronald C., [redacted].
Lewis, James W., [redacted].
Lewis, Thomas E., [redacted].
Liddy, John A., Jr., [redacted].
Lindig, Theo P., [redacted].
Lindsey, Clifford M., [redacted].
Lingo, Billy R., [redacted].
Link, Rodney L., [redacted].
Lippold, Carl H., Jr., [redacted].
Lloyd, Garland R., [redacted].
Logsdon, Rodger C., [redacted].
Lome, Shia L., [redacted].
Lopez, Leroy E., [redacted].
Lowe, Charles L., [redacted].
Lucas, Joseph W., [redacted].
Lueg, Russell E., [redacted].
Lundell, Bert A., [redacted].
Lundy, Robert H., [redacted].
Lynch, Ancell D., [redacted].
Lynn, Robert D., [redacted].
MacFarland, Guy K., [redacted].
MacWhorter, George M., [redacted].
Magazzu, Peter L., [redacted].
Magee, Thomas G., [redacted].
Maier, Melvin G., [redacted].
Malliet, Delbert F., [redacted].
Malone, Claude D., Jr., [redacted].
Malone, Joseph R., [redacted].
Malucci, Louis J., [redacted].
Marcotte, Lamar R., Jr., [redacted].
Martin, Donald D., [redacted].
Martin, Richard L., [redacted].
Martinez, Joe E., [redacted].
Mason, Allen S., [redacted].
Mathews, Edward C., [redacted].
Maurer, James, [redacted].
Mayer, Robert E., [redacted].
Mayer, Roger W., [redacted].
McAuliffe, James R., [redacted].
McCarter, Harvey J., [redacted].
McCarthy, Bruce E., [redacted].
McCarthy, Richard D., [redacted].
McClusky, Gene D., [redacted].
McCord, Warren I., [redacted].
McCoy, Paul E., [redacted].
McElroy, Richard N., [redacted].
McGary, John M., [redacted].
McGough, James C., [redacted].
McKay, George, [redacted].
McMurray, Robert A., Jr., [redacted].
McNulty, Edward J., [redacted].
Meeker, Joe A., [redacted].
Mehelas, John N., [redacted].
Meredith, Jennings B., [redacted].
Merrow, Norman E., [redacted].
Messer, Robert S., [redacted].
Messner, Gary R., [redacted].
Meurlot, Karl E., [redacted].
Meyers, William E., [redacted].
Miller, Dorance L., [redacted].
Miller, Kenneth G., [redacted].
Miller, Ralph W., Jr., [redacted].
Miller, Roy C., [redacted].
Minteer, George E., [redacted].
Minter, Charles E., [redacted].
Mitchel, Alexander M., [redacted].
Moen, Jerry R., [redacted].
Molberg, Charles F., [redacted].
Monarch, John E., III, [redacted].
Monczewski, Matthew E., [redacted].
Moody, Walter D., [redacted].
Moody, Wayne L., [redacted].
Mooney, Daniel J., [redacted].
Mooney, Randall O., [redacted].
Moore, James A., [redacted].
Moore, Jim A., [redacted].
Moore, Richard A., [redacted].
Moore, Roger L., [redacted].
Moore, Sheppard N., [redacted].
Morgan, Wayne K., [redacted].
Morris, Everett E., [redacted].
Morton Lanny R., [redacted].
Mowl, Glenn E., [redacted].
Mugg, David W., [redacted].
Mumma, Willard H., Jr., [redacted].
Munson, Edward D., [redacted].
Murphy, Charles F., [redacted].
Murphy, Emmett D., [redacted].
Murphy, John A., [redacted].
Murphy, William J., [redacted].
Neilson, Gordon W., [redacted].
Nelson, Danny G., [redacted].
Nelson, Philip A., Jr., [redacted].
Nelson, Richard D., [redacted].
Nemoto, Herbert K., [redacted].
Nevarez, Julian E., [redacted].
Neville, Joseph P., Jr., [redacted].
Neville, William V., Jr., [redacted].
Newby, Waller J., [redacted].
Nichol, Richard K., [redacted].
Nielsen, William F., [redacted].
Ninnemann, Gene A., [redacted].
Nolley, John R., Jr., [redacted].
Noory, George G., [redacted].
Nowicki, Lubomir J., [redacted].
Nusbaum, William P., Jr., [redacted].
Odell, King B., Jr., [redacted].
Oden, Rolland S., [redacted].
Odonohue, Daniel J., Jr., [redacted].
Oglesby, Theodore N., Jr., [redacted].
Olcott, Victor G., [redacted].
Oldershaw, Bruce R., [redacted].
Olson, James K., [redacted].
Olson, Richard E., [redacted].
Olson, Roger W., [redacted].
Orloff, Alexander I., [redacted].
Orme, David L., [redacted].
Orosky, John R., [redacted].
Osberg, John R., [redacted].
Outland, Kenneth J., [redacted].
Owens, Roger L., [redacted].
Palmerberg, Mario J., [redacted].
Palumbo, Mario J., [redacted].
Paper, Lawrence N., [redacted].
Parker, Francis T., [redacted].
Parry, Robert A., [redacted].
Parsons, Warner K., [redacted].
Paskevicz, Louis, [redacted].
Patterson, Gary L., [redacted].
Paulson, John E., [redacted].
Peel, Robert K., [redacted].
Peery, Jerrold A., [redacted].
Perciballi, Angelo J., [redacted].
Perezbrennan, Jaime R., [redacted].
Perrine, Elton L., [redacted].
Perryman, John T., [redacted].
Peters, Charles W., [redacted].
Petersen, Robert G., [redacted].
Petree, Charles R., II, [redacted].
Petree, John R., [redacted].
Philbin, Edward J., [redacted].
Philpot, Orris E., Jr., [redacted].
Pickett, Hugh E., [redacted].
Pishkin, Vladimir, [redacted].
Pittman, Harvey C., [redacted].
Poquette, George W., Jr., [redacted].
Potts, Kenneth E., [redacted].
Poulos, Nicholas J., [redacted].
Poulsen, Neils R., [redacted].
Prater, James O., [redacted].
Pratt, William E., Jr., [redacted].
Prevallet, Donald E., [redacted].
Purselley, Alvie W., [redacted].
Pyle, Charles R., [redacted].
Radford, Albert F., [redacted].
Rady, Donald E., [redacted].
Raia, Anthony P., [redacted].
Ralstin, Gary W., [redacted].
Ramsey, Benny L., Jr., [redacted].
Rast, Jacob P., Jr., [redacted].
Ratcliff, Jimmy R., [redacted].
Rathbun, Grove A., Jr., [redacted].
Rawl, William B., [redacted].
Razzeto, Robert T., [redacted].
Redgate, William E., [redacted].
Redzinski, Gilbert E., [redacted].
Reed, Bert R., Jr., [redacted].
Rehak, Charles R., [redacted].
Reilly, Edward J., Jr., [redacted].
Repasky, Raymond G., [redacted].
Ricci, Caesar A., [redacted].
Riddle, John D., [redacted].
Ridgway, Donald L., [redacted].
Ring, James C., [redacted].
Robbins, James L., [redacted].
Roberts, Leander J., Jr., [redacted].
Roberts, Ronald E., [redacted].
Robertson, Gilbert A., [redacted].
Robertson, Wesley L., III, [redacted].
Robinson, Charles M., [redacted].
Robnett, Donald K., [redacted].
Roche, Herbert J., Jr., [redacted].
Rockett, Alton C., Jr., [redacted].
Rower, William H., [redacted].
Rogers, John R., Jr., [redacted].
Roquet, Jerry A., [redacted].
Rose, Ronald N., [redacted].
Roth, Donald C., [redacted].
Roth, Louis B., Jr., [redacted].
Rowe, Joseph P., [redacted].
Rowland, Martin J., [redacted].
Rubinstein, Louis, [redacted].
Ruebel, Alfred L., II, [redacted].
Rysavy, Moika A., [redacted].
Salerno, Samuel J., [redacted].
Sanders, Blake E., [redacted].
Sanders, Ned M., [redacted].
Sanders, Robert L., Jr., [redacted].
Sanders, Robert T., [redacted].
Sarafin, Raymond C., [redacted].
Sarkissian, Ira K., [redacted].
Saul, James W., [redacted].
Sayre, Philip R., [redacted].
Schaefle, William J., [redacted].
Schelley, Lee E., [redacted].
Schleicher, Lloyd G., [redacted].
Schloesser, Stanley F., [redacted].
Schoendienst, Floyd J., [redacted].
Schroeder, Lawrence J., [redacted].
Schroeder, Robert W., [redacted].
Schwab, Ernest A., [redacted].
Schweigert, Weldon W., [redacted].
Schwinger, William J., [redacted].
Scipione, Vincent M., [redacted].
Scott, Thomas D., [redacted].
Sefchik, Francis T., [redacted].
Sellers, Edward D., [redacted].
Sensenbrenner, Melvin B., [redacted].
Severson, Laverne D., [redacted].
Shanks, Ellis P., [redacted].
Sharp, Robert B., [redacted].
Shasholin, Sviatoslav T., [redacted].

Shaw, James R., [redacted].
Shearer, George A., [redacted].
Shearouse, Nesbit B., [redacted].
Sheeler, Donald W., [redacted].
Shiffman, Philip J., [redacted].
Shinn, Robert E., [redacted].
Shoflick, Donald L., [redacted].
Shreffler, Thomas D., [redacted].
Siegel, William C., [redacted].
Simon, Charles L., [redacted].
Simon, Harold L., [redacted].
Simon, James E., [redacted].
Singleton, Roy E., [redacted].
Sipple, John L., Sr., [redacted].
Sizemore, Oral G., [redacted].
Skeels, Richard S., [redacted].
Sklar, Arthur A., [redacted].
Skroch, Edward A., Jr., [redacted].
Small, Robert D., [redacted].
Smith, Broadus L., [redacted].
Smith, Charles V., [redacted].
Smith, Charles W., [redacted].
Smith, Donald J., [redacted].
Smith, Flynt L., [redacted].
Smith, Gordon K., [redacted].
Smith, James A., [redacted].
Smith, James W., [redacted].
Smith, John H., Jr., [redacted].
Smith, John R., [redacted].
Smith, Lloyd F., [redacted].
Smith, Melden E., Jr., [redacted].
Smith, Robert F., [redacted].
Smith, Roy I., Jr., [redacted].
Snelling, Hilda J., [redacted].
Stancik, William C., [redacted].
Stanton, Ronald L., [redacted].
Stark, Norman J., [redacted].
Stasio, August M., [redacted].
Staunton, Louis D., [redacted].
St. Clair, Jimmy C., [redacted].
Steinberg, Jack M., [redacted].
Stern, Jack I., [redacted].
Stevens, Douglas K., [redacted].
Stogsdill, Franklin L., [redacted].
Streeter, Richard G., [redacted].
Striebich, John H., [redacted].
Stroud, John F., Jr., [redacted].
Stucke, Lloyd J., [redacted].
Stuckey, Charles V., [redacted].
Sullivan, Joseph R., [redacted].
Sullivan, Laurence F., [redacted].
Sullivan, Philip L., [redacted].
Sumida, Henry M., [redacted].
Summerfield, John A., [redacted].
Sutton, Richard D., [redacted].
Swirnow, Donald M., [redacted].
Szymanski, Lawrence B., [redacted].
Tamura, Seigi, [redacted].
Tate, Robert L., [redacted].
Tatham, Thomas J., [redacted].
Taylor, Johnny S., [redacted].
Taylor, Robert E., [redacted].
Tegtmeier, Alexander E., [redacted].
Templin, Charles R., [redacted].
Teulie, Douglas J., [redacted].
Tharp, John W., Jr., [redacted].
Thomas, Donald A., [redacted].
Thomas, James A., [redacted].
Thompson, Ralph G., [redacted].
Thornton, Jack E., [redacted].
Tingley, Thomas E., [redacted].
Titus, John W., [redacted].
Titus, Ralph S., [redacted].
Tonkin, John J., [redacted].
Trafton, William F., [redacted].
Trimble, Preston A., [redacted].
Trojcak, Frank W., [redacted].
Tucker, Roger L., [redacted].
Tudor, George B., [redacted].
Tuntland, Richard D., [redacted].
Tuttle, Duane L., [redacted].
Tuxill, Robert D., [redacted].
Ugianskis, Romanas, [redacted].
Umphenour, Sterling G., Jr., [redacted].
Urbany, Francis S., [redacted].
Urdahl, Kenneth A., [redacted].
Vagnini, Louis T., [redacted].
Valladares, Alfredo, [redacted].
Vanetti, Donald E. E., [redacted].
Vanriper, Martin L., Jr., [redacted].
Vaughan, Robert H., Jr., [redacted].
Vendange, Oger J., [redacted].
Vorwald, Guenter W., [redacted].
Wadleigh, Nicholas H., [redacted].
Wagner, John G., [redacted].
Wahlin, Donald D., [redacted].
Walch, David W., [redacted].
Walker, Herbert O., [redacted].
Wallenmeyer, Robert L., [redacted].
Walters, Phillip R., [redacted].
Walters, Ronald J., [redacted].
Walton, Lawrence C., Jr., [redacted].
Warner, David B., [redacted].
Warren, James H., [redacted].
Watkins, Melvin C., [redacted].
Webb, Paul A., Jr., [redacted].
Weibel, Donald L., [redacted].
Weichert, Robert M., [redacted].
Welde, William L., [redacted].
Wenker, William J., [redacted].
West, Dwayne F., [redacted].
Westburg, Gale O., [redacted].
Wetzel, James T., [redacted].
Wheat, Ralph D., [redacted].
White Floyd O. Jr., [redacted].
White, Randall K., [redacted].
White, William O., Jr., [redacted].
Whitlock, John R., [redacted].
Whitman, Robert L., [redacted].
Whitman, Walter, [redacted].
Wiggin, Merlon E., [redacted].
Williams, James R., [redacted].
Williams, Joseph R., [redacted].
Williams, Lewis R., [redacted].
Williamson, Bruce M., [redacted].
Wilson, David S., [redacted].
Wilson, Donald E., [redacted].
Wilson, Harold K., [redacted].
Wilson, Jimmy D., [redacted].
Wilson, Richard J., [redacted].
Wingler, Norman L., [redacted].
Winston, Frank D., [redacted].
Wise, Donald A., [redacted].
Wish, Robert O., [redacted].
Wissmar, David F. III, [redacted].
Withington, Richard F., [redacted].
Witte, Carl W., [redacted].
Wokoun, Richard R., [redacted].
Wooding, Judson E., [redacted].
Woodiwiss, Ross E., [redacted].
Wortelboer, Ronald C., [redacted].
Wortham, Wilbur R., Jr., [redacted].
Wright, Larry F., [redacted].
Wright, Robert L., [redacted].
Yeck, Robert S., [redacted].
Yelton, Roy J., [redacted].
Yeoman, Arthur J., [redacted].
Zale, Robert J., [redacted].

CHAPLAIN CORPS

Copsey, Roy D., [redacted].
Duggan, Paul E., [redacted].
Fitzpatrick, John P., [redacted].
Haigler, Alvin H., Sr., [redacted].
Kolmer, Allen A., [redacted].
McEntarfer, Martin A., [redacted].
Peace, Philip C., [redacted].
Ressetar, Daniel D., [redacted].
Rubinstein, Morris L., [redacted].
Sawyer, Dale M., [redacted].
Warrington, James M., [redacted].
Whitehouse, Donald S., [redacted].
Williams, William N., [redacted].

DENTAL CORPS

Craig, James H., Jr., [redacted].
Lee, Lawrence B., [redacted].
Pegram, Walter B., [redacted].
Rodger, Willard F., [redacted].
Smilek, Stephen W., [redacted].
Toll, Douglas E., [redacted].

MEDICAL CORPS

Bobbitt, Roy L., [redacted].
Dougherty, Joseph C., [redacted].
Gay, Arthur M., [redacted].
Martin, Archibald, M., [redacted].
Ortiz, Jesus, [redacted].
Pidgeon, Joseph W., [redacted].
Walgren, Harold N., [redacted].
Wood, Philip, K., [redacted].

NURSE CORPS

Abshier, Barbara J., [redacted].
Ashton, Agnes A., [redacted].
Baeumel, Mary L., [redacted].
Betts, Marie T., [redacted].
Bohandy, Annie, [redacted].
Boulanger, Jacqueline, [redacted].
Butler, Norma J., [redacted].
Chappel, Louise L., [redacted].
Culpepper, Maria, [redacted].
Darmody, William C., [redacted].
Delgado, Maria E., [redacted].
Diehl, Joyce M., [redacted].
Dinish, Mae Helen, [redacted].
Duncan, Susan J., [redacted].
Dunn, Doris M., [redacted].
Falconer, Jessie L., [redacted].
Finnegan, James B., [redacted].
Flanik, Arthur P., [redacted].
Franklin, Doris R., [redacted].
Frerich, Margaret D., [redacted].
Grant, Eva D., [redacted].
Gray, Joan I., [redacted].
Halanych, Nicholas, [redacted].
Hamby, Shirley D., [redacted].
Harrell, Patricia A., [redacted].
Harrington, Helen C., [redacted].
Harry, Maureen B., [redacted].
Healy, Sara A., [redacted].
Hebb, Anna L., [redacted].
Henderson, Mary C., [redacted].
Hewitson, Joyce C., [redacted].
Hiler, Charlotte A., [redacted].
Kenney, Bertha G., [redacted].
Krusel, Emily T., [redacted].
Larson, Barbara J., [redacted].
Laurentz, Nancy J., [redacted].
Lemon, Marilynn A., [redacted].
Lindsey, Beverly S., [redacted].
Logan, Bennie S., [redacted].
Long, Patricia A., [redacted].
Mapstone, Sara J., [redacted].
Markowitsch, Olga, [redacted].
Mather, Helen C., [redacted].
Maurello, Albert W., [redacted].
May, Peggy S., [redacted].
McFadden, Elizabeth A., [redacted].
McLaughlin, Rosemary F., [redacted].
Meggers, Adele L., [redacted].
Mundy, Norma F., [redacted].
Nieberding, Shirley A., [redacted].
Pearson, Janet G., [redacted].
Pickett, Gayle L., [redacted].
Pohlman, Vivian C., [redacted].
Reed, Mary J., [redacted].
Schladoer, Carla R., [redacted].
Solomon, Evelyn L., [redacted].
Stash, Greta M., [redacted].
Steiner, Lorraine, [redacted].
Swanson, Clare M., [redacted].
Valsamides, Sally A., [redacted].
Wilson, Shirley A., [redacted].

MEDICAL SERVICE CORPS

Alexander, William K., [redacted].
Brady, Herbert C., [redacted].
Bublin, Charles A., [redacted].
Defelice, Louis J., [redacted].
Harrington, Charles L., [redacted].
Holmes, Robert C., [redacted].
Perry, Calvin G., [redacted].
Poliseno, Robert L. T., [redacted].
Shepherd, William L., [redacted].
Thompkins, George W., [redacted].
Turshen, Ethan A., [redacted].
Wallace, Jack E., [redacted].

VETERINARY CORPS

Barton, Claude E., [redacted].
Goodman, David E., [redacted].
Heinemann, Jack M., [redacted].
Joseph, Peter L., [redacted].
McCauley, Curtis L., [redacted].
Stein, Franklin J., [redacted].

BIOMEDICAL SCIENCE

Berry, Paul J., [redacted].
Chang, Albert H. M., [redacted].
Foster, Ralph V., [redacted].
Hauser, Walter F., [redacted].
Kuykendall, Edward A., [redacted].
Leonard, Leona L., [redacted].
Louie, Gordon C., [redacted].
Roseman, Gerald J., [redacted].

IN THE ARMY

The following officers for appointment in the Adjutant General's Corps, Army National Guard of the United States under the pro-

visions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Lt. Gen. (U.S. Army, retired) Glenn David Walker, [redacted].

To be brigadier general

Col. (ARNGUS) Charles Mercier Kiefner, [redacted].

Col. (ARNGUS) Francis Lally Winner, [redacted].

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, section 3383:

ARMY PROMOTION LIST

To be colonel

Anderson, Edmund A., Jr., [redacted].
Arras, Robert G., [redacted].
Beal, James E., [redacted].
Briggs, Lovett L., [redacted].
Durda, Frank J., III [redacted].
Gleason, Howard W., Jr., [redacted].
Gray, Johnnie L., Jr., [redacted].
Green, Robert J., [redacted].
Holiman, Oscar B., Jr., [redacted].
Holt, Frank J., [redacted].
Hughes, Robert D., [redacted].
Hyatt, Thomas P., [redacted].
Latham, Malcolm D., Jr., [redacted].
Lukiewski, Edward W., [redacted].
McGuire, James M., [redacted].
Sincore, Horace J., [redacted].
Stahl, Clement J., [redacted].
Tamura, Michael M., [redacted].
Wilkins, Ronald D., [redacted].

MEDICAL CORPS

To be colonel

Aftandilian, Emil E., [redacted].
Printen, Kenneth J. [redacted].

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, sections 3366, 3367, and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Albert, Robert L., [redacted].
Anderson, Peter A., [redacted].
Atherton, Harper B., [redacted].
Ballenger, William A., [redacted].
Bassard, Knowlton H., [redacted].
Bennett, Carl M., [redacted].
Biaggi, Luis E., [redacted].
Brewington, Robert M., [redacted].
Broach, Elmer M., [redacted].
Bromley, Richard W., [redacted].
Brookshire, Henry A., Jr., [redacted].
Broome, Bobby R., [redacted].
Brown, Theodore C., Jr., [redacted].
Bryant, Alvin, [redacted].
Burgmeier, Richard J., [redacted].
Burns, Donald A., [redacted].
Calder, Leslie G., [redacted].
Calkins, Florant L., Jr., [redacted].
Capalbo, John H., [redacted].
Carroll, Joseph R., [redacted].
Cash, Paul F., [redacted].
Crape, Elmer L., [redacted].
Crowe, Joseph E., [redacted].
Curcio, Leonard A., [redacted].
Cushing, Thomas S., [redacted].
Damico, Carl A., [redacted].
Darling, Allan L., [redacted].
Deibel, Charles L., [redacted].
Dewitt, Albert H., [redacted].
Dobbs, Wesley H., [redacted].
Duell, George H., Jr., [redacted].
Dunn, James W., [redacted].
Eitel, George L., Jr., [redacted].
Ferguson, John H., [redacted].
Ferneck, Frank A., [redacted].
Fleming, Blaine T., [redacted].
Franke, George E., [redacted].
Fry, Elgin G., [redacted].
Garcia, Edward G., [redacted].
Garrison, Carl D., [redacted].
Giles, Joe R., [redacted].
Goble, Bobby, [redacted].
Goceljak, John P., [redacted].
Gore, Gerald J., [redacted].
Grabeel, Jacob W., [redacted].
Greene, James L., [redacted].
Grine, Joseph R., [redacted].
Hale, Gene P., [redacted].
Hardt, Jerome D., [redacted].
Hinkle, Richard F., [redacted].
Hisle, Armer G., [redacted].
Hodges, Sam W., Jr., [redacted].
Hoeflich, Edward A., [redacted].
Hughes, Michael J., [redacted].
Hundrup, Tagg R., [redacted].
Johnson, James C., [redacted].
Johnson, James H., [redacted].
Jordan, Donald M., [redacted].
Jorling, Joseph H., Jr., [redacted].
Kaufman, Robert L., [redacted].
Kerr, John W., [redacted].
Lame, Robert A., [redacted].
Lanie, William J., [redacted].
Leggitt, James R., [redacted].
Lewis, Carl M., Jr., [redacted].
Lohrenz, Leander J., [redacted].
Long, William B., Jr., [redacted].
Madelbaum, Charles R., [redacted].
Malesky, Robert W., [redacted].
Manasco, Robert S., [redacted].
Marsh, Allen J., [redacted].
Matthews, John H., [redacted].
McAllister, Eugene D., [redacted].
McCully, Robert W., [redacted].
McDougall, Ronald V., [redacted].
McIndoe, James B., [redacted].
Meyer, Lynn D., [redacted].
Miller, Robert E., Jr., [redacted].
Mohr, Donnell S., [redacted].
Moore, David, Jr., [redacted].
Moore, Elza L., [redacted].
Musgrove, James E., [redacted].
Nelson, James A., [redacted].
Nugent, Edward J., [redacted].
Nyberg, Kenneth E., [redacted].
O'Brien, Frederick J., [redacted].
Orndorff, David A., [redacted].
Payne, Kenneth L., [redacted].
Pessin, Robert H., [redacted].
Peters, George A., [redacted].
Petosa, Joseph J., [redacted].
Peyton, William M., [redacted].
Piercy, Richard T., [redacted].
Pigg, Richard E., [redacted].
Plato, Artis I., [redacted].
Rahe, Dewain H., [redacted].
Regen, Sidney, [redacted].
Rehkamp, Paul G., [redacted].
Reinah, David, [redacted].
Robinson, Samuel J., Jr., [redacted].
Robison, Douglas A., [redacted].
Rogers, George V., [redacted].
Rothe, Herbert B., Jr., [redacted].
Schliefert, Mervyn L., [redacted].
Seeburger, George W., [redacted].
Serfass, Frederick M., [redacted].
Sherwood, Wallace C., [redacted].
Slezak, Donald J., [redacted].
Smith, Dickie, [redacted].
Smith, James E., [redacted].
Snare, Raymond J., Jr., [redacted].
Spencer, Thomas A., [redacted].
Squires, Walter H., [redacted].
Steiden, William E., [redacted].
Stone, Hugh W., [redacted].
Strickland, Jack C., [redacted].
Striffler, Russell F., [redacted].
Strobel, Guenter K. J., [redacted].
Stroud, Thomas F. III, [redacted].
Sullivan, Anthony D., [redacted].
Sweeney, Earle D., [redacted].
Travis, William T., [redacted].
Tuft, John R., [redacted].
Utley, Freddy D., [redacted].
Warren, William M., [redacted].
Watkins, John W., [redacted].
Wilson, Riley W., [redacted].
White, James M., [redacted].
Yitzthum, Edward F., [redacted].

CHAPLAIN

To be lieutenant colonel

Dowdell, Brian J., [redacted].
Howells, Robert D., [redacted].
Nietering, Donald G., [redacted].

DENTAL CORPS

To be lieutenant colonel

Favalora, Guy A., [redacted].
Shannon, John L., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Montgomery, Wally O., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Counts, Jon M., [redacted].
Elmer, Robert L., [redacted].
McGinn, George P., [redacted].
Schneider, John C., Jr., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Woodling, William L., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Sections 591, 593, and 594:

ARMY NURSE CORPS

To be lieutenant colonel

Davis, Marylin T., [redacted].

DENTAL CORPS

To be lieutenant colonel

Andrews, D. M., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Cierebiej, Albert, [redacted].
Delgado, Rizal R., [redacted].
Karunaker, Arsr, [redacted].
King, Roy D., [redacted].
Stuen, Marcus R., [redacted].
Sutton, Richard O., Jr. [redacted].
Tolson, James M., [redacted].

The following-named officers for appointment in the Army of the United States under the provisions of Title 10, U.S.C., Section 3494:

MEDICAL CORPS

To be lieutenant colonel

Bronson, Richard A., [redacted].
Bruhn, Frederic W., [redacted].
Creel, Stephen M., [redacted].
Ergas, Ralph E., [redacted].
Flye, Melvyn W., [redacted].
Garbowicz, Leon, [redacted].
Henderson, Haller S., [redacted].
Kashgarian, Mark, [redacted].
Kim, Young J., [redacted].
Kumari, Suresh, [redacted].
Monzingo, George, [redacted].
Moreira, Allan, [redacted].
Pardi, Mariateresa M., [redacted].
Rossiter, Francis, [redacted].
Rainess, Alan E., [redacted].
Sahukar, Satya P., [redacted].
Schatter, Egon K., [redacted].
Semenoff, Daniel J., [redacted].
Siddhivarn, Narumon, [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of Title 10, U.S.C., Section 3385:

ARMY PROMOTION LIST

To be colonel

Anderson, James D., [redacted].
Bax, Giles A., [redacted].
Duckett, Louis, [redacted].
Gibson, Billy D., [redacted].
Gore, John F., [redacted].
Hanna, Bobby G., [redacted].
Jones, Martin L., [redacted].
Kienlen, Bruce A., [redacted].
Mathieu, Jerome J., Jr., [redacted].
McClellan, Robert G., [redacted].
Parsons, Paul A., [redacted].
Pettit, Clarence A., [redacted].
Roux, Edwin P., [redacted].
Scharber, Edward H., Jr., [redacted].
Schneider, Elmer, [redacted].
Scott, Edgar H., Jr., [redacted].

Vestal, Reagan, Jr., [redacted].
Walker, Robert D., [redacted].
Whelchel, Jerry L., [redacted].
Williams, Richard E., [redacted].
Zydanowicz, Raymond J., [redacted].

MEDICAL CORPS

To be colonel

Stephenson, Jackie D., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Adams, Richard D., [redacted].
Altieri, John B., [redacted].
Bergeron, Lynn H., [redacted].
Broussard, Kermit C., [redacted].
Brown, Kenneth P., [redacted].
Burdick, Donald, [redacted].
Burruss, Merrill B., Jr., [redacted].
Caldarone, Rosindo E. Jr., [redacted].
Caldwell, Arthur H., [redacted].
Chapman, Michael G., [redacted].
Chavanne, Raymond E., [redacted].
David, Harold L., [redacted].
Defoor, Johnson B., [redacted].
Dehne, Duane A., [redacted].
Dickerson, William L., [redacted].
Dickinson, Robert M., [redacted].
Doll, Paul K., [redacted].
Duerr, Richard D., [redacted].
Esham, James T., [redacted].
Evans, William A., [redacted].
Finley, Philip B., [redacted].
Flanum, Arvid M., [redacted].
Gabaldon, Antonio, Jr., [redacted].
Harries, David G., III, [redacted].
Howland, Ronald L., [redacted].
Johnson, Daniel H., [redacted].
Lankford, Gerald L., [redacted].
Lee, John, [redacted].
Lee, Larry E., [redacted].
Lever, Herbert J., [redacted].
Leyva, Richard C., [redacted].
Lockwood, Harry E., Jr., [redacted].
Logan, Robert C., [redacted].
Maldonado-Albelo, Edwin D., [redacted].
Marinaro, Ralph C., [redacted].
McIver, Farris E., [redacted].
Meadows, Robert E., [redacted].
Montgomery, Harry J., [redacted].
Niven, Benjamin F., Jr., [redacted].
Ortiz, Jorge D., [redacted].
Ostrom, Robert E., [redacted].
Parrish, James R., [redacted].
Roberts, Harold E., [redacted].
Rowe, Benjamin D., [redacted].
Schaeffer, John W., Jr., [redacted].
Scully, John J., [redacted].
Shepherd, Raymond L., [redacted].
Stull, Harman A., [redacted].
Wachter, Barb L., [redacted].
Ward, Moody H., [redacted].
Wieck, Wayne R., [redacted].
Wilson, Robert W., [redacted].
Young, James R., Jr., [redacted].

CHAPLAIN

To be lieutenant colonel

Donahue, John G., [redacted].

DENTAL CORPS

To be lieutenant colonel

Lumpkin, Ernest E., Jr., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Carlson, Rodney R., [redacted].
Scott, George E., [redacted].
Solidum, Ruben, R., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Dickerson, James B. A., [redacted].
Gore, Thomas P., [redacted].
Smith, Billy R., Sr., [redacted].
Thrush, Donald R., [redacted].
Wilk, Stanley J., [redacted].

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent Ensigns in the line or staff corps of the Navy, subject to the qualifications therefore as provided by law:

John R. Bolton.
David S. Zebrowski.

The following-named (Naval Reserve officers) to be appointed permanent Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Comdr. Donald E. Boye, MC, USNR.
Comdr. Louis Copman, MC, USNR.
Comdr. Jerald B. Felder, MC, USNR.
Comdr. Timothy M. McCormick, MC, USNR.
Comdr. James E. Massman, MC, USNR.

The following-named (Naval Reserve officers) to be appointed permanent Lieutenant Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Comdr. Mario J. Balsam, MC, USNR.
Lt. Comdr. Joseph C. Benedict, MC, USNR.
Comdr. Robert W. Browning, MC, USNR.
Comdr. Cyrus M. Day, III, MC, USNR.
Lt. Comdr. George G. Edwards, Jr., MC, USNR.
Comdr. James J. Edwards, Jr., MC, USNR.
Lt. Comdr. Jerome H. Goldschmidt, MC, USNR.
Comdr. George E. Hill, MC, USNR.
Lt. Comdr. Kale C. Khoury, Jr., MC, USNR.
Lt. Comdr. Gregory B. Kirkorowicz, MC, USNR.
Lt. Comdr. Gabriel P. N. Lombard, MC, USNR.
Lt. Comdr. Luis A. Negron-Rivera, MC, USNR.
Lt. Comdr. Bernard P. Novak, MC, USNR.
Lt. Comdr. David L. Rayl, MC, USNR.
Comdr. Rafael A. Roure, MC, USNR.
Lt. Comdr. Kangavkar Shantinath, MC, USNR.
Lt. Comdr. Thomas W. Smith, MC, USNR.
Lt. Comdr. Arturo H. Solares, MC, USNR.
Lt. Comdr. John H. Tinker, MC, USNR.
Lt. Comdr. Peter L. Washburn, MC, USNR.
Lt. Comdr. Richard A. Weaver, MC, USNR.

The following-named (Naval Reserve officer) to be appointed a permanent Lieutenant Commander in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Appointment sent out Ad Interim (During the recess of the Senate).

Lt. Comdr. Robert G. Walter, DC., USNR.

The following-named Chief Warrant Officers to be appointed permanent Chief Warrant Officers, W-2, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

*CWO2 Charles D. Kelley, USN(T) Engineering Technician (Surface).

*CWO2 Jonathan T. Beatty, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Rex G. Bennett, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Kenneth N. Drewes, USN(T) Nuclear Power Technician (Submarine).

*CWO2 George W. Smith, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Lawrence M. Ramstad, USN(T) Nuclear Power Technician (Submarine).

*CWO2 George W. Smith, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Thomas G. Tinney, USN(T) Nuclear Power Technician (Submarine).

*CWO2 Howard R. Crist, USN(T) Ordnance Technician (Submarine).

*CWO2 David J. Frese, USN(T) Ordnance Technician (Submarine).

*CWO2 David L. Lebert, USN(T) Ordnance Technician (Submarine).

*CWO2 Bruce Bailey, USN(T) Aviation Maintenance Technician.

*CWO2 Nevin E. Daub, USN(T) Aviation Maintenance Technician.

*CWO2 Roy F. Fisher, USN(T) Aviation Maintenance Technician.

*CWO2 Reginald E. Forgays, USN(T) Aviation Maintenance Technician.

*CWO2 James Gonzalez, USN(T) Aviation Maintenance Technician.

*CWO2 Vivian W. Gorday, Jr., USN(T) Aviation Maintenance Technician.

*CWO2 Carlton R. Isbell, USN(T) Aviation Maintenance Technician.

*CWO2 Danny L. Proctor, USN(T) Aviation Maintenance Technician.

*CWO2 Gerald G. Reinke, USN(T) Aviation Maintenance Technician.

*CWO2 Jack Sizemore, USN(T) Aviation Maintenance Technican.

*CWO3 Jon L. Toombs, USN(T) Aviation Maintenance Technician.

*CWO2 Robert A. Zabielski, USN(T) Aviation Maintenance Technician.

*CWO2 Charles D. Bain, Aviation Ordnance Technician.

*CWO2 Paul M. Byrne, USN(T) Communications Technician.

*CWO2 John D. Cary, USN(T) Communications Technician.

*CWO2 Darryl D. Deseve, USN(T) Communications Technician.

*CWO2 John M. Mahoney, USN(T) Communications Technician.

*CWO2 Thomas R. Smith, USN(T) Communications Technician.

*CWO2 William J. Smith, USN(T) Communications Technician.

*CWO2 Dorniece Butler, USN(T) Aerographer.

The following-named Naval Reserve officers) to be appointed temporary Commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Comdr. Robert W. Browning, MC, USNR.
Comdr. Cyrus M. Day, III, MC, USNR.
Comdr. James J. Edwards, Jr., MC, USSR.
Comdr. George E. Hill, MC, USNR.
Comdr. Rafael A. Roure, MC, USNR.

The following-named enlisted candidates to be appointed temporary Chief Warrant Officers, W-2, in the U.S. Navy, in the classification indicated, subject to the qualifications therefor as provided by law:

*Claud M. Ahrens, Boatswain (Surface).
*Gary O. Beadle, Boatswain (Surface).
*George A. Carr, Jr., Boatswain (Surface).
*William C. Chadwick, Boatswain (Surface).
*George L. Gadsden, Boatswain (Surface).
*William E. Hendricks, Boatswain (Surface).
*Roy M. Holden, Boatswain (Surface).
*James C. Jackson, Boatswain (Surface).
*Keith H. Mittelstadt, Boatswain (Surface).
*Glenn R. Pentecost, Jr., Boatswain (Surface).
*Danny J. Williams, Boatswain (Surface).
*Gary L. Wood, Boatswain (Surface).
*David A. Young, Boatswain (Surface).
*Carl L. Ballard, Operations Technician (Surface).
*James E. Miller, Underwater Ordnance Technician (Surface).
*Daniel Villegas, Operations Technician (Submarine).
*Paul L. Duggan, Engineering Technician (Submarine).
*Frederick M. Humphrey, Underwater Ordnance Technician (Submarine).
*Carl J. Nicholas, Underwater Ordnance Technician (Submarine).
*Richard L. Warden, Underwater Ordnance Technician (Submarine).
*Victor P. Pinion, Aviation Boatswain.

*Sheldon M. Schrager, Aviation Maintenance Technician.

*Wesley E. Woodcock, Aviation Maintenance Technician.

*Thomas B. Frey, Aviation Electronics Technician.

*Charles G. Haskins, Aviation Electronics Technician.

*Lester L. Heath, Jr., Aviation Electronics Technician.

*Robert L. Hickman, Jr., Aviation Electronics Technician.

*Allen R. Hughes, Aviation Electronics Technician.

*Harlon R. Mills, Aviation Electronics Technician.

*Carroll R. Redding, Aviation Electronics Technician.

*Otis C. Stanley, Aviation Electronics Technician.

*Stephen S. Drago, Communications Technician.

*Malcolm E. Empey, Communications Technician.

*Earl F. Lienemann, Communications Technician.

*Sam P. Miciotto, Jr., Communications Technician.

*Joe F. Pasour, Communications Technician.

*George A. Severance, Jr., Communications Technician.

*James L. Turner, Communications Technician.

*Donald R. Ward, Communications Technician.

*Lindley C. Wert, Communications Technician.

*James W. Williams, Communications Technician.

The following-named Navy enlisted candidates to be appointed Ensigns in the U.S. Navy, for temporary service, for limited duty in the classifications indicated, subject to the qualifications therefor as provided by law:

*William E. Crouch, Aviation Maintenance.

*Anibal L. Delgado, Aviation Maintenance.

*David H. Johnston, Aviation Maintenance.

*Beasley K. Lewallen, Jr., Aviation Maintenance.

The following-named Chief Warrant Officers to be appointed Lieutenants (junior grade) in the U.S. Navy, for temporary service, for limited duty in the classification indicated, subject to the qualifications therefor as provided by law:

*CWO2 James M. Albertin, Jr., USN, Nuclear Power (Submarine).

*CWO2 Philip W. Beasley USN(T), Nuclear Power (Submarine).

*CWO2 Jonathan T. Beatty, USN(T), Nuclear Power (Submarine).

*CWO2 Rex G. Bennett, USN(T), Nuclear Power (Submarine).

*CWO2 Lloyd D. Davis, USN(T), Nuclear Power (Submarine).

*CWO2 Kenneth N. Drewes, USN(T), Nuclear Power (Submarine).

*CWO2 Lynn N. Johnson, USN(T), Nuclear Power (Submarine).

*CWO2 Charles D. Kelley, USN(T), Nuclear Power (Submarine).

*CWO2 Lawrence M. Ramstad, USN(T), Nuclear Power (Submarine).

*CWO2 George W. Smith, USN(T), Nuclear Power (Submarine).

*CWO2 Thomas G. Tinney, USN(T), Nuclear Power (Submarine).

*CWO2 Howard R. Crist, USN(T), Ordnance (Subarine).

*CWO2 David J. Frese, USN(T), Ordnance (Submarine).

*CWO2 Ralph J. Harker, Jr., USN (T), Ordnance (Submarine).

*CWO2 David J. Lebert, UNT(T), Ordnance (Submarine).

*CWO2 Albert L. Smith, USN(T), Ordnance (Submarine).

6CWO2 Charles F. Van Zandt, USN(T), Ordnance (Submarine).

*CWO2 James R. Hilt, USN(T), Aviation Operations.

*CWO2 Bruce Bailey, USN(T), Aviation Maintenance.

*CWO2 Nevin E. Daub, USN(T), Aviation Maintenance.

*CWO2 Roy F. Fisher, USN(T), Aviation Maintenance.

*CWO2 Reginald E. Forgays, USN(T), Aviation Maintenance.

*CWO2 James Gonzalez, USN(T), Aviation Maintenance.

*CWO2 Vivian W. Gorday, Jr., USN(T), Aviation Maintenance.

*CWO2 Carlton R. Isbell, USN(T), Aviation Maintenance.

*CWO2 Danny L. Proctor, USN(T), Aviation Maintenance.

*CWO2 Gerald G. Reinke, USN(T), Aviation Maintenance.

*CWO2 Jack Sizemore, USN(T), Aviation Maintenance.

*CWO3 Jon L. Toombs, USN(T), Aviation Maintenance.

*CWO2 Robert A. Zabielski, USN(T), Aviation Maintenance.

*CWO2 Charles L. Bain, USN(T), Aviation Ordinance.

*CWO2 Paul M. Byrne, USN(T), Cryptology.

*CWO2 John D. Cary, USN(T), Cryptology.

*CWO2 Darryl D. Deseve, USN(T), Cryptology.

*CWO2 John M. Mahoney USN(T), Cryptology.

*CWO2 Thomas R. Smith, USN(T) Cryptology.

*CWO2 William J. Smith, USN(T), Cryptology.

*CWO2 Louis F. West USN(T) Cryptology.

*CWO2 Dorniece Butler, USN(T), Meteorology.

The following-named (U.S. Navy officer) to be appointed a temporary Commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*CDR Gayle V. Voth, MC, USN.

IN THE MARINE CORPS

The following-named temporary disability retired officer for reappointment to the grade of major in the Marine Corps, subject to the qualifications therefor as provided by law:

Andrews, Donald W.

HOUSE OF REPRESENTATIVES—*Monday, August 23, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be strong in the Lord and in the power of His might.—Ephesians 6: 10.

O God, whose strength supports us in our labor and whose Spirit sustains us as we work, give us a fresh realization of Thy presence as we wait upon Thee in prayer. Grant unto us patience when we demand too much too soon and decisions do not go our way. Grant unto us courage in the face of apparent defeat that we may still believe in the ultimate victory of the good for the good of all. Grant unto us love when we falter in fear and fail in faithfulness that we may have the steady assurance that Thou art with us loving us unto the very end.

As we face the future

"God send us leaders whose aim will be
not to defend some ancient creed,
But to live out the laws of Thine in
every thought and word and deed.
"God send us leaders of steadfast will.
Patient, courageous, strong and true,
With vision clear and minds equipped
Thy will to learn, Thy work to do.
"God send us leaders with hearts aflame,
all truth to love, all wrong to hate;
These are the leaders our Nation needs,
These are the bulwarks of the state."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 10612. An act to reform the tax laws of the United States; and

H.R. 12987. An act to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10612) entitled "An act to reform the tax laws of the United States," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. BENTSEN, Mr. GRAVEL, Mr. HATHAWAY, Mr. HASKELL, Mr. CURTIS, Mr. FANNIN, Mr. HANSEN, and Mr. PACKWOOD to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12987) entitled "An act to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Nelson, Mr. Kennedy, Mr. Mondale, Mr. Cranston, Mr. Randolph, Mr. Hathaway, Mr. Williams, Mr. Taft, Mr. Schweiker, Mr. Beall, and Mr. Laxalt to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2951. An act to authorize the documentation of the vessel, *Barbara Ann*, as a vessel of the United States with coastwise privileges.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C., *August 11, 1976*.
Hon. Carl Albert,
The Speaker,
House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the permission granted on August 10, 1976, the Clerk has received this date the following message from the Secretary of the Senate:

That the Senate passed H. Con. Res. 709, directing the Clerk of the House to make corrections in the enrollment of H.R. 12169.

With kind regards, I am,

Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that, pursuant to the authority granted him on Tuesday, August 10, 1976, he did on Wednesday, August 11, 1976, sign the following enrolled bills:

H.R. 12169. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such act; to provide an incentive for domestic production; to provide for electric utility rate design initiatives; to provide for energy conservation standards for new buildings; to provide for energy conservation assistance for existing buildings and industrial plants; and for other purposes;

H.R. 13359. An act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes;

S. 2642. An act to provide for the establishment of the Ninety Six national historic site in the State of South Carolina, and for other purposes; and

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program.

APPOINTMENT OF CONFEREES ON H.R. 10612, TAX REFORM ACT OF 1976

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10612) to reform the tax laws of the United States, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none, and appoints the following conferees: Messrs. Ullman, Burke of Massachusetts, Rostenkowski, Landrum, Vanik, Schneebeli, and Conable.

PRESIDENT COMMENDED FOR HIS CHOICE OF SENATOR BOB DOLE AS HIS RUNNING MATE

(Mr. SHRIVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHRIVER. Mr. Speaker, it is with great pleasure and pride that I join today with other members of the Kansas delegation in the House of Representatives to commend the President for his choice of Senator Bob Dole, of Kansas, as his running mate this fall.

In picking Bob Dole, President Ford has recognized values cherished by millions of Americans—the values of middle America; the values of small-town America; the values of hard work and courage.

In picking Bob Dole, President Ford has recognized the importance—both politically and in a greater sense—of agriculture in America today. While only 5 percent of Americans are actively engaged in the business of farming, the economies of most of our States are heavily dependent on a strong agriculture. Millions of jobs are involved.

In picking Bob Dole, President Ford has chosen a man from America's heartland. Bob Dole understands the problems and potential of heartland America. He has served all Americans in war and peace with great distinction and great courage. He is supremely qualified to take the message of less Government interference and solid economic and social growth and opportunity to the people.

It has been my privilege to work with Bob Dole in serving the needs of Kansans and all Americans. We came to the House of Representatives at the same time—January of 1961. I can assure you that his talents of hard work, perspective, and good humor will serve our Nation well, both as a candidate and as Vice President. We wish him and his family well in the coming months.

SENATOR ROBERT DOLE, THE REPUBLICAN NOMINEE FOR VICE PRESIDENT OF THE UNITED STATES

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I rise today to offer a few words of tribute to my colleague from the State of Kansas, Senator Robert Dole, the Republican nominee for Vice President of the United States.

In his 16 years in Washington, Bob Dole has compiled a distinguished record. He has been an effective spokesman for the State of Kansas and for the agricultural interests of the rest of the Nation. He has been a strong advocate of small business and minority business efforts. Few Members of the House and Senate have been so active in pursuing legislation to aid the handicapped. And in addition to these accomplishments, he has authored and supported political campaign reform legislation, revenue sharing legislation and the Health Manpower Assistance Act.

Bob Dole's interests are those of the American people, and I am proud that this outstanding Kansan has been chosen as President Ford's running mate. I hope that during the campaign the people of the United States will come to know him as we in Kansas know him.

TRIBUTE TO SENATOR BOB DOLE AS REPUBLICAN VICE-PRESIDENTIAL NOMINEE

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, it is with a deep sense of personal pride that I join with my colleagues in paying tribute to the selection of Senator Bob Dole, Kansas' junior Senator, as the Republican Vice Presidential nominee.

Senator Dole is held in high esteem by the folks back home. He was given a hero's welcome when he returned to his hometown of Russell, Kans., which is part of my big First Congressional District.

Senator Dole has served with distinction in both war and peace. He was a highly decorated soldier in World War II. He still wears the scars of his heroism. He was first elected to public office at the age of 26. He has served at all levels of government, county, State, and Federal. He comes from our Nation's heartland and he appeals to the heart of America. The fact that he has never lost an election is a tribute to his ability to represent the people's interest and to his philosophy of making government serve people rather than making people serve government.

Senator Dole is also a superior campaigner. He defeated me in a primary race for the U.S. House of Representatives. After being drowned in pineapple juice, I will never forget his ability to close ranks and to unify various interest groups following this spirited primary. I look back now and wonder how we kept the margin to only some 600 votes. It is a privilege for me to occupy his former seat in the House of Representatives and his position on the House Agriculture Committee.

Senator Bob Dole is a champion of the American farmer, the backbone of this country. He supports the humanitarian instincts and personal freedoms of our Nation's heritage. He has served with distinction and has the pulse of America. I commend him to the American voter as an outstanding choice to be our Nation's next Vice President.

SELECTION OF BOB DOLE AS VICE PRESIDENT NOMINEE

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, it is with a true sense of pride that I join the members of the Kansas congressional delegation in paying tribute to one of our State's most distinguished citizens—and the Republican Party's nominee for Vice President—Senator Bob Dole.

I had the privilege of serving with Bob during his years in the House and I have the greatest admiration for his dedication to his State and his country.

Bob Dole is truly a man who has given his entire life to defending the form of government in which he so deeply believes.

In both war and peace, in the Halls of Congress and on the battlefields of Italy, against enemies both domestic and foreign, Bob has given his best to insure that every American is represented by a Government dedicated to the importance of the individual.

As a U.S. Senator from Kansas Bob has fought for the rights of the farmer, the small businessman, the handicapped, and the financially oppressed.

As Vice President Bob Dole will represent all Americans with the vitality and the dedication to public service that has endeared him to all Kansans.

I look forward to the coming campaign because I know Bob Dole.

I know he is the one person who can make Jimmy Carter take a position—or show the American people he does not have a position.

PROPOSED AMENDMENT TO TOXIC SUBSTANCES CONTROL BILL TO REGULATE PCB DISPOSAL

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, today, Mr. Dingell and I will offer an amendment to regulate PCB disposal and to eventually phase-out PCB production in the United States.

The Japanese have already confronted this problem head-on with a rapid phase-out of PCB's and the substitution of alternative, workable chemicals. After 3 years of control, there have been significant decreases in PCB levels in the environment with continued decreases expected.

A recent study by FDA concluded that consumption of Lake Michigan sport fish contributed substantially to PCB levels in the blood of humans. Current studies of lactating mothers in the United States have detected PCB's in all of the samples taken to date in the Southeastern and Midwest States. The breast milk of one female participant in the Michigan study contained 4 ppm PCB.

No one is certain what will happen to infants when they are fed a PCB-laced diet at such an early stage of development. By allowing the use of this chemical to continue we are putting our youngest generation in unknown jeopardy. The carcinogenicity of PCB's have been demonstrated in test animals and I agree with many experts that it is just a matter of time before we receive conclusive proof that it causes cancer in man.

PCB's are contaminating our wildlife and fisheries. Striped bass eggs in Chesapeake Bay were found to contain an average of 10 ppm. Trout reproduction would have failed at those levels. A few months ago, Federal officials condemned and buried 20,000 lbs. of carp taken from Lake Pepin, part of the Mississippi River downstream from the Twin Cities. These fish contained residues as high as 40 ppm PCB's. And just last week, the South Carolina Health Department issued an advisory against consumption of sport fish from Lake Hartwell due to the presence of PCB levels in these fish up to three times greater than the FDA tolerance level.

Mr. Dingell and I believe that the danger to human health and the environment is real and that further study and procrastination is unnecessary. We feel that the Japanese have shown us that decisive action is indeed possible. No creditable argument can be made against the need to get PCB's out of the environment now. Therefore, I urge my colleagues to support this amendment.

PERMISSION TO RESERVE ALL POINTS OF ORDER ON H.R. 15194, PUBLIC WORKS EMPLOYMENT APPROPRIATION ACT, 1977

Mr. MILLER of Ohio. Mr. Speaker, I ask unanimous consent that I may reserve all points of order on the bill H.R. 15194 making appropriations for public works employment for the period ending September 30, 1977, and for other purposes, on which a report was filed by the Committee on Appropriations on August 12, 1976, pursuant to permission granted on August 10, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

August 13, 1976.

Hon. Carl Albert,
The Speaker,
House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 4:35 p.m. on Friday, August 13, 1976, and said to contain H.R. 12944, "An Act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for six months," and a veto message thereon.

With kind regards, I am,

Sincerely,

Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT EXTENSION—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-585)

The SPEAKER laid before the House the following veto message from the President of the United States:

To The House of Representatives:

I am returning, without my approval, H.R. 12944, a bill "To extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for six months." If the only purpose of the bill were that set forth in its caption I would have no reservations about it.

The bill would, however, also make a serious substantive change in the law. It would subject rules and regulations issued under authority of the Act to a 60-day review period during which either House of Congress may disapprove the rule or regulation by simple resolution.

As I have indicated on previous occasions, I believe that provisions for review of regulations and other action by resolutions of one-house or concurrent resolution are unconstitutional. They are contrary to the general principle of separation of power whereby Congress enacts laws but the President and the agencies of government execute them. Furthermore, they violate Article I, section 7 which requires that resolutions having the force of law be sent to the President for his signature or veto. There is no provision in the Constitution for the procedure contemplated by this bill.

Congress has been considering bills of this kind in increasing number. At my direction, the Attorney General moved recently to intervene in a lawsuit challenging the constitutionality of a comparable section of the Federal election law. I hope that Congress will reconsider H.R. 12944 and pass a bill which omits this provision.

Gerald R. Ford.

The White House, *August 13, 1976.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, the message and bill will be printed as a House document.

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the message, together with the accompanying bill, be referred to the Committee on Agriculture.

The SPEAKER. Is there objection to

the request of the gentleman from Washington?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 10339, FARMER-TO-CONSUMER DIRECT MARKETING ACT OF 1975

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to take from the Speakers' table the bill (H.R. 10339) to encourage the direct marketing of agricultural commodities from farmers to consumers, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none, and appoints the following conferees: Messrs. Vigorito, Poage, Bergland, Brown of California, Richmond, Findley, and Johnson of Colorado.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 639]

Abdnor
Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Archer
Aspin
Aucoin
Badillo
Baldus
Bell
Boland
Bolling
Brodhead
Brown, Calif.
Brown, Mich.
Burke, Calif.
Cederberg
Chappell
Chisholm
Clay
Conlan
Conyers
Corman
Cornell
Cotter
de la Garza
Dingell
English
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Ford, Tenn.
Frey
Giaimo
Goldwater
Gonzalez
Green
Hanley
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Henderson
Hightower
Hinshaw
Holland
Holt
Holtzman
Howe
Hungate
Jarman
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Lehman
McDade
McKinney
Matsunaga
Meeds
Melcher
Milford
Miller, Calif.
Mills
Mink
Moffett
Moorhead, Pa.
Moss
Murphy, N.Y.
Nowak
O'Hara
Patten, N.J.
Pepper
Peyser
Pritchard
Randall
Rees
Riegle
Risenhoover
Roncalio
Rooney
Rosenthal
Rousselot
Ruppe
Russo
Santini
Scheuer
Sisk
Smith, Nebr.
Steelman
Steiger, Ariz.
Stokes
Stuckey
Sullivan
Symington
Thompson
Van Deerlin
Vander Jagt
Vigorito
Waxman
Whitten
Wilson, Bob
Wirth
Young, Alaska
Young, Ga.

The SPEAKER. On this rollcall 319 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE A REPORT ON H.R. 15116

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight tonight to file a report on the bill (H.R. 15116) to amend the Federal-Aid Highway Act of 1976 to provide an obligation limitation for fiscal year 1977.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS WISHES FOR PRESIDENT'S POLITICAL SUCCESS END HERE

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I want to welcome back the Members of the House. I want to welcome the Republican Members back from Kansas City. I want to welcome President Ford back to Washington; but, of course, he is not back yet.

Mr. Speaker, on August 7 I made reference to the President. I said that "instead of providing for productive employment, he preferred a dole."

Mr. Speaker, the President went directly from Cloud 9 at Kansas City to the mountain top at Vail. That is entirely in keeping with the governing principle of his administration, which is a strenuous effort to do nothing. I want to assure the President that his officials have carried on faithfully in his absence. Nothing has been done. That is roughly the same impact this administration has had when it is in Washington.

I want to congratulate the President. He won the toughest fight for the nomination of his own party that any incumbent President has had since Chester A. Arthur in 1884. The Republicans did that to him. In November the rest of the voters are going to finish the job. They are going to make him the first incumbent President since Herbert Hoover to be turned out of office by the voters. My wishes for the President's political success ended with last Thursday night and that is because of the national interest. The same goes to my good friend, the distinguished minority leader, who had himself nominated for higher office in this House.

People saw for themselves that the only thing they can expect out of the Republicans in Kansas City is a bum steer.

PRETRIAL RELEASE OR DETENTION

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 14957) to amend title 23 of the District of Columbia Code with respect to the release or detention prior to trial of persons charged with certain violent or dangerous criminal offenses, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 14957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 23–1321 of title 23 of the District of Columbia Code is amended—

(1) in subsection (a), by striking out "an offense punishable by death" in the first sentence and inserting in lieu thereof "murder in the first degree or forcible rape"; and

(2) in the section heading, by striking out "noncapital" and inserting in lieu thereof "other than first degree murder or forcible rape".

(1) Section 23–1325 of such title is amended—

(1) in subsection (a), by striking out "an offense punishable by death" and inserting in lieu thereof "murder in the first degree or forcible rape"; and

(2) in the section heading, by striking out "capital" and inserting in lieu thereof "first degree murder or forcible rape".

(c) The chapter analysis for chapter 13 of such title is amended—

(1) in the item relating to section 23–1321, by striking out "noncapital" and inserting in lieu thereof "other than first degree murder or forcible rape"; and

(2) in the item relating to section 23–1325, by striking out "capital" and inserting in lieu thereof "first degree murder or forcible rape".

SEC. 2. (a) Section 23–1322(c)(1) of title 23 of the District of Columbia Code is amended by inserting "or by the judicial officer sua sponte" immediately before the period at the end thereof.

(b) Section 23–1322(c)(2) of such title is amended by inserting the following new sentence immediately after the first sentence: "Such a pretrial detention hearing also may be initiated by the judicial officer sua sponte.".

SEC. 3. Section 23–1322(e) of title 23 of the District of Columbia Code is amended to read as follows:

"(e) The judicial officers may detain for a period not to exceed ten court days a person who comes before him for a bail determination charged with a dangerous crime as defined in section 23–1331(3), a crime of violence as defined in 23–1331(4), or any offense if such person obstructs or attempts to obstruct justice in the manner described in subsection (a)(3) of this section, if it appears that such person is presently, and was at the time of the offense charged, on release and awaiting trial for a felony offense under State or Federal law, is presently on probation, parole, or mandatory release pending completion of sentence for any offense under State or Federal law, or is under the custody of any State or Federal corrections department or facility, and that such person may flee or pose a danger to any other person or the community if released. During the ten-day period, the United States attorney shall notify the appropriate State or Federal court, probation, parole, or corrections officials. If such officials fail or decline to take the person into custody during such period, at the time of the preliminary hearing the judicial officer holding the preliminary hearing must make a determination as to whether to detain such person pending trial. In each such case, the preliminary hearing shall be scheduled no later than ten court days after the initial bail determination. A person ordered detained pursuant to this subsection shall have priority on the preliminary hearing calendar so long as he is detained under this subsection. Even if such person elects to waive his right to a preliminary hearing, the ten-day hold hearing must be held to determine whether such person shall be detained pending trial. After hearing the evidence presented in the preliminary or ten-day hold hearing, as well as any proffer of further evidence made by the United States attorney, the judicial officer may order the person detained pending trial if the judicial officer finds a substantial probability that the person committed the offense for which he is brought before the judicial officer. The procedures specified in paragraphs (4) through (7) of subsection (c) and the time limitations and other provisions of subsection (d) shall be applicable in the case of persons detained under this subsection. If such person is subsequently convicted of the offense charged, he shall receive credit toward service of sentence for the time he was detained during the ten-day period provided in this subsection.".

SEC. 4. Section 23-1322(d)(2)(A) of title 23 of the District of Columbia Code is amended by striking out "sixty" and inserting thereof "ninety".

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the measure under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of H.R. 14957, as set forth in the committee report (H. Rept. 94-1419), is to amend the existing pretrial detention law of the District of Columbia (D.C. Code, title 23, section 1321 et seq.) to make it a more effective tool for dealing with demonstrably dangerous or violent repeat criminal offenders. The bill is not designed to make broad changes in the basic requirements of the main pretrial detention section of existing law applicable to all defendants meeting the statutory criteria of District of Columbia Code, title 23, section 1322(a)-(d). Instead, it provides for a more efficient procedure for detaining that small group of "hard core" repeat offenders, who are already on pretrial release, probation or parole for a previous criminal offense when arrested again on new dangerous or violent criminal charges. As to this limited group of repeat offenders, the bill is intended to insure that at least a hearing would be held at which evidence of a defendant's dangerous conduct would be brought before the court and evaluated by a judge who will then make a determination as to whether to release or detain defendant pending trial as provided in this legislation. Thus, the purpose of this legislation is to better protect the public from dangeorus or violent criminals, and to ameliorate some of the inequities in the monetary bail system existing in the District of Columbia.

MAJOR PROVISIONS OF THE BILL

Section 1 of the bill changes "capital offenses" in the existing pretrail detention section of the D.C. Code (title 23, section 1325) to "first degree murder or forcible rape." As there are at present no capital offenses under the law of the District of Columbia, this change would reinstate viability for a provision of the law which has long-time historical antecedents.

Section 2 of the bill authorizes the judge to hold a pretrial detention hearing on his own motion, thereby amending existing law which presently provides for such hearing only upon a motion of the U.S. attorney.

Section 3 of the bill would amend the existing 5-day hold procedure for defendants who are on probation or parole when rearrested for a new offense. It expands this procedure to 10 court days, makes it also applicable to defendants rearrested for another offense while on some form of pretrial release, and provides that within the 10 court day period, the judge holding the usual preliminary hearing must also determine whether there is sufficient basis upon which to detain the defendant without bail pending trial. This new 10 court day hold procedure is strictly limited to these main categories of defendants: One, those on pretrial release—bail, personal recognizance, and so forth, two, probation, or three, parole. These are defendants who have been previously charged with, or convicted of, criminal offenses and are on such pre or post trial release at the time of their arrest for serious new criminal offenses. This procedure would be further limited to only those cases in which the present charges involve certain specific dangerous or violent crimes—such as murder, rape, mayhem, armed robbery, burglary, arson, threatening a witness or juror to obstruct justice, and other such felonies listed by statute. Thus, the new 10 court day hold procedure would not be applicable to defendants on release who are rearrested on nonviolent or less serious new charges.

Section 4 of the bill amends the existing main pretrial detention section of the D.C. Code to extend the maximum time a defendant can be detained thereunder from 60 to 90 days. Thereafter, if trial is not in progress, a defendant detained under this section would be given the opportunity of release under the conditions of 23 D.C. Code section 1321—the Bail Reform Act.

NEED FOR THE LEGISLATION

For some time there has been a general awareness in the criminal justice system of problems incident to pretrial release of defendants charged with criminal offenses in the District of Columbia. The public has become increasingly disturbed by the very substantial amount of crime being committed by repeat offenders who seemingly flout the law with impunity, passing through what has been aptly called a "revolving door" again and again.

The number of defendants rearrested for additional crimes while released on personal recognizance, probation, or parole for previous offense is truly shocking. In nearly 5,000 cases, defendant released on some form of pretrial release, probbation or parole were rearrested and charged with at least one new crime in the District of Columbia in 1974. Of all defendants arrested and charged in the superior court last year, approximately 30 percent were on pretrial release, probation, or parole when rearrested on the present charge.

Perhaps most significant is the fact that a mere 7 percent of defendants are responsible for approximately one-quarter of all crime in the District of Columbia, based on comprehensive 5-year statistical data disclosed at our subcommittee hearings. The hearings substantiated the need for the criminal justice system to establish priorities and concentrate on this 7 percent hardcore of repeat offenders, as well as the necessity for a reexamination of the various provisions of the law dealing with pretrial release and detention in the District of Columbia.

The time has come to strike a balance between the competing concerns of protecting law-abiding citizens from the criminal acts of dangerous lawbreakers who are already awaiting trial on substantial charges, and of guaranteeing to those lawbreakers all the legal safeguards to which they are entitled under the Constitution. It is submitted that the proposed legislation restores such a balance in protecting law-abiding citizens by dealing firmly but justly with this small group of hardcore repeat offenders.

SECTION-BY-SECTION ANALYSIS OF THE BILL

Section 1(a) is essentially a conforming amendment to rationalize the change made in section 1(b) described below.

Section 1(b) amends 23 D.C. Code section 1325, which presently authorizes a simplified pretrial detention of defendants charged with capital offenses, by changing the words "an offense punishable by death" to "murder in the first degree or forcible rape" therein. The law has long provided for detention prior to trial for defendants charged with the most heinous crimes, but when the death penalty was eliminated in the District of Columbia some years ago, section 1325 was rendered a nullity. The change proposed by this section of the bill would revive the viability of section 1325.

Section 1(c) is a conforming amendment.

Section 2 amends 23 D.C. Code section 1322(c), which presently authorizes only the U.S. attorney to initiate a request for the basic pretrial detention hearing, by permitting the judge to hold such a hearing on his own motion.

Section 3 amends 23 D.C. Code section 1322(e), which presently provides for a 5-day hold procedure for defendants rearrested while on probation or parole, by making the procedure applicable to defendants on pretrial release as well, by extending the initial holding period from 5 days to 10 court days, and by setting forth the specific criteria upon which certain defendants can be detained pending trial. Under this section of the bill, a defendant on pretrial release, probation or parole who is rearrested and charged with any of the enumerated dangerous or violent crimes may be detained by the judge—before whom he is initially brought—for up to 10 court days upon a finding that he may flee or pose a danger to others, a finding which will ordinarily follow routinely from the fact that he had been previously granted release and while on such release had subsequently engaged in conduct sufficiently dangerous or violent as to create probable cause for arrest on charges of one of the enumerated very serious crimes.

If, by the end of the 10 court day period, the appropriate parole or probationary authorities have not acted to initiate revocation proceedings, then the judge who would hold a preliminary hearing in the usual course must also make a determination as to whether to detain defendant pending trial. At this subsequent combined pretrial detention preliminary hearing the judge may detain defendant without bail pending trial upon finding a substantial probability that defendant committed the offense for which he is brought before the judge. The foregoing comprises the criteria, as specified in section 3 of the bill, upon which a defendant who falls within the enumerated categories may be detained pending trial. Additional safeguards presently in the law, such as right to counsel, testimony not later admissible on the issue of guilt, expedited appeals, and opportunity for release under conditions of section 1321 if defendant's trial is not in progress within the time period specified in section 1322(d), are incorporated by reference to sections 1322(c) (4)-(7), (d).

Section 4 amends the time period specified in section 1322(d) so as to provide that a detained defendant's trial must be in progress within 90 days after the judge orders him detained, or else he must be given opportunity for release under the conditions of section 1321. The existing statutory language provides for a 60-day time period.

Mr. Speaker, I now yield to the gentleman from South Carolina (Mr. MANN), chairman of the subcommittee of the Committee on the Judiciary, who will explain and analyze the bill.

Mr. MANN. Mr. Speaker, H.R. 14957 relates to the pretrial release and detention of dangerous criminal offenders in the District of Columbia. This is a consensus bill reported by the full District Committee with broad support on both sides of the aisle. In amending the existing pretrial detention sections of the D.C. Code, H.R. 14957 is designed to provide more effective tools for dealing with demonstrably dangerous or violent repeat criminal offenders. Of all defendants arrested in the District last year, nearly one-third were on some form of pretrial release, probation, or parole for a previous offense when rearrested on the subsequent charge. Significantly, a mere 7 percent of defendants are responsible for nearly one-quarter of all crime in the District of Columbia.

Our committee hearings disclosed that the existing pretrial detention provisions of the law have not been effective in dealing with those repeat offenders who seemingly pass through the "revolving door" of our criminal justice system with impunity. Various reasons were advanced to explain the very rare use by the prosecutor of the existing pretrial detention sections of the D.C. Code, including their burdensome requirements, too short a time period, et cetera. It may well be that the existing detention sections may be drawn to apply to potentially too many defendants generally. Nevertheless, our bill, rather than attempting to make far-reaching changes in the requirements of the main detention sections of the law, simply provides for a more efficient procedure for detaining that small group of "hard core" repeat offenders, who are already on pretrial release, probation, or parole for a previous criminal offense, when arrested again on new dangerous or violent criminal charges.

H.R. 14957 makes four basic amendments to title 23 of the D.C. Code:

One. An existing section of the D.C. Code[1] permits pretrial detention of persons charged with capital offenses. The bill changes "capital offenses" in this section of the Code to "first degree murder or forcible rape." As there are at present no capital offenses under the law of the District of Columbia, this change would restore viability to a detention procedure which had been authorized by law for many years until indirectly rendered a nullity by recent court decisions concerning capital punishment. This change does not revive or affect capital punishment as such in the District of Columbia. It merely authorizes detention under the circumstances already prescribed by section 1325 for defendants charged with the two heinous crimes of first degree murder or forcible rape.

Two. The bill authorizes the judge to hold a pretrial detention hearing on his own motion, rather than having to wait for the U.S. Attorney to initiate such a request as required by present law.

Three. The bill would amend the existing 5-day hold procedure to extend it to 10 court days, to make it applicable to defendants on pretrial release—in addition to probationers and parolees to which it already applies by existing law—and to provide for a combined 10-day hold/preliminary hearing at which the judge will make a determination as to whether there is sufficient basis upon which to detain defendant without bail pending trial. This new procedure is strictly limited to these main categories of defendants: One, those on pretrial release—bail, personal recognizance, and so forth, two, probation, or three, parole, who have been previously charged with, or convicted of, criminal offenses while on such release and have been rearrested for a new dangerous or violent crime as specified by statute.

Four. The bill would amend the existing main pretrial detention section of the Code[2] to extend the maximum time a defendant can be detained thereunder from 60 to 90 days.

As previously indicated, this bill represents a consensus of the best elements of proposals and suggestions made during hearings at which a wide range of views were heard. Among others in strong support of the bill are the Department of Justice, through the U.S. attorney for the District of Columbia, and a number of prominent trial and appellate court judges in the District. The bill has broad support on both sides of the aisle, reflecting a wide spectrum of what is often perceived to be liberal to moderate to conservative opinion. Committee supporters or cosponsors of the bill include Chairman CHARLES DIGGS, ranking minority members GIL GUDE and TOM RAILSBACK, as well as WALTER FAUNTROY, TOM REES, HERB HARRIS, HELEN MEYNER, RON MAZZOLI, HENRY NOWAK, BILL STUCKEY, and DAN DANIEL. These members of the House District Committee worked long and hard to produce legislation designed to strike a balance between the competing concerns of protecting law-abiding citizens from the criminal acts of dangerous lawbreakers previously charged with serious offenses, and of guaranteeing to those lawbreakers all the legal safeguards to which they are entitled under the Constitution. We believe the proposed legislation restores such a balance in protecting law-abiding citizens by dealing firmly but justly with this small group of hard core repeat offenders.

Before yielding, I would like to commend by distinguished colleagues on the committee, particularly GIL GUDE, RON MAZZOLI, WALTER FAUNTROY, and their staff assistants, for their fine cooperation and diligent efforts throughout the legislative process of this legislation. their constructive suggestions and continuous assistance made possible an end product which significantly improves the law dealing with repeat offenders in the District of Columbia.

Of interest to the Members is this brief history of bail reform in the District of Columbia:

The Bail Reform Act of 1966 was enacted to eliminate the inequities of the old bail system under which an accused's liberty pending adjudication of guilt was dependent upon his wealth or lack thereof. Thus the act provided for a presumption of release for all defendants pending trial except those whose appearance at trial would not be reasonably assured. By 1970, however, it was recognized that the personal safety of the public was not being adequately protected by the Bail Reform Act of 1966. The D.C. Court Reform and Criminal Procedure Act of 1970, among other things, amended the Bail Reform Act as applicable in the District, and for the first time authorized pretrial detention, on grounds of dangerousness, of certain defendants charged with noncapital offenses under certain stringently defined conditions. Various types of pretrial detention had been recommended or considered by the report of the President's Commission on Crime in the District of Columbia, the American Bar Association, the Model Penal Code, and the Hart Committee to Study the Bail Reform Act in the District of Columbia. The 1970 act embodied high expectations that its detention provisions would meet the changing needs of a modern criminal justice system.

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[1] (23 D.C. Code, Sec. 1325).

[2] (23 D.C. Code, Sec. 1322).

Unfortunately, from date of enactment until plans for subcommittee hearings on this subject were disclosed in the early part of this year, pretrial detention was rarely requested—only about 60 times during the entire 5 year period. Various explanations were given for such nonuse, but nearly all agree that the 1970 act's detention provisions have been a complete failure as a tool for dealing with the hard core group of repeat offenders. Because of the inadequacies of the detention provisions this anomalous situation has resulted when judges have resorted to the illegal alternative of setting excessive bail: some nondangerous defendants have been detained pending trial because they couldn't raise bail, while dangerous defendants have been released to repeatedly threaten the personal safety of the community. Under these provisions our judges have felt restricted and unfairly criticized, prosecutors frustrated, corrections officials disheartened, policemen a sense of futility, and the public is left with a perception that their personal safety is being threatened by the inadequacies of this law. This regrettable state of affairs has been succinctly described by D.C. Court of Appeals Judge Frank Nebeker as follows:

> The American society in general, and this jurisdiction in particular, suffers from criminal acts by malefactors who are on one form or another of post-conviction release. Too often those criminals are on probation or parole granted out of unrealistic or wishful thinking that such release is in the best interest of rehabilitation. Too often, either the safety of the community is ignored in making such judgments or it is put at such low priority as to be insulting to an ordered society.

In the early part of this year, the Subcommittee on the Judiciary began its inquiry into the operation of the Bail Reform Act of 1966 and the pertinent part of the D.C. Court Reorganization and Criminal Procedure Act of 1970. On April 28, 1976, H.R. 13403 was introduced by me as a first step toward improving the pretrial release and detention procedures of the law. On May 11, 1976, H.R. 13686 was introduced, May 24, 1976, H.R. 13975 was introduced, and June 11, 1976, H.R. 14334 was introduced. Hearings on these bills were held by the Subcommittee on the Judiciary beginning June 15, 1976, and ending June 22, 1976. A wide spectrum of opinion was reflected at the hearings, which included testimony or statements from an associate judge of the D.C. Court of Appeals, the chief judge of the D.C. Superior Court, the U.S. attorney, the public defender, the mayor's counsel, the chief of police, private citizens, attorneys representing the American Civil Liberties Union, the president of the D.C. Bar Association, the director of the D.C. Bail Agency, the chairman of the Board of Parole, and the director of the Department of Corrections, among others. All the foregoing cooperated fully with the subcommittee and its staff. Subcommittee markups were held July 22 and 29, 1976. A consensus bill, H.R. 14957, drawn from the best elements of the earlier bills and proposals suggested at the hearings, was reported to the full committee on July 29, 1976.

The following comments should aid in interpreting the legislative intent with regard to D.C. Code title 23 sections 1321–1331 as amended by this legislation.

"Forceable rape," as used in section 1 of the bill, is intended to mean carnal knowledge of a female forcibly and against her will (23 D.C. Code sec. 2801). In amending 23 D.C. Code section 1325 to include forcible rape, it is intended that the weight of the evidence will be taken into account in the determination as to whether or not to detain a defendant under this section of the law. For example, it would seem reasonable to require at least that the victim made a relatively contemporaneous report of the rape to the police, unless unusual circumstances can be demonstrated. In the first instance, there is every reason to expect the prosecutor to request detention only in cases based on substantial evidence, and not in weak cases. And the law clearly provides for the judge to exercise his sound discretion in making the ultimate determination. There is no reason to expect that judges will enter orders of detention in questionable cases under this section.

"Substantial probability," the basis upon which a defendant may be detained under the new 10 court day hold procedure in section 3 of the bill, is a higher standard of proof than simple "probable cause" to arrest, but is a lesser standard than proof "beyond a reasonable doubt" sufficient to persuade a jury to convict. It is intended that this standard will require a showing, by proffer or otherwise, of some reasonable likelihood that defendant committed the present offense. Thus, the prosecutor should be in a position to bring forth substantial information connecting defendant to the crime. For example, he may have a strong eyewitness whose description of the criminal in the initial report to the police was detailed as to physical characteristics, clothing, et cetera, which correspond to defendant's. If the eyewitness identification is not as strong, perhaps some additional corroborating information will be available such as the defendant having been caught at or near the scene of the crime, or having additional eyewitness. Other examples might include a bank robbery where defendant's picture is recorded on file, a burglary where defendant is caught inside the premises, a robbery where defendant is caught with the stolen property in his possession, scientific evidence connecting defendant to the crime, and the like. These examples are not designed to be definitive, but they should provide some guidance as to the legislative intention with regard to use of the term "substantial probability" in this legislation.

Mr. RAILSBACK. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I simply want to associate myself generally with the remarks of my good friend from South Carolina.

I would like to make just a few additional comments.

I think this bill responds very effectively, yet with reasonable restraint, to legitimate public alarm at the high rate of crime committed on probation, parole, and pretrial release.

However, we should be careful not to interpret this bill as a general change in policy toward pretrial detention.

Nor should the bill be interpreted as indicating any accelerated rate of serious crime on bail—which has, in fact, remained essentially in equilibrium in recent years.

Rather the bill is structured simply to encourage more use—more appropriate use—of the present laws as originally intended—an achievement thwarted by an understaffing at the prosecutors office, an inflated court backlog, maladjustments among the elements of the judicial system and inconsistent judicial philosophy.

In addition, we should encourage greater use of the present law to dispel allegations that its provisions have been a "complete failure." Indeed the law has scarcely been used and no record shows evidence of its failure.

Use of the statute, as amended by this bill, should provide a more effective deterrent to serious recidivist crime—especially if used in conjunction with career criminal program newly adopted by the U.S. attorney's office for the District of Columbia following our subcommittee hearings.

In conclusion, I simply ask for your support for these amendments in hope that favorable action will help solve a very serious problem and obviate further tampering with this preventive detention law.

Mr. MAZZOLI. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise to support H.R. 14957.

I would like to commend my distinguished colleague, the gentleman from South Carolina (Mr. MANN) for his effort and leadership in chairing the Subcommittee on the Judiciary as it drafted this bill. It was a pleasure and privilege to work with the gentleman on this important legislation.

It is documented that in the District of Columbia 7 percent of the criminals commit 25 percent of the serious crimes. This bill is designed to give prosecutors and judges additional procedures to deal with that 7 percent.

The single most important provision of this bill would double the time, to 10 days, that the judicial system could hold a repeat offender to review his bail, parole, or probation status. At the end of the 10 days the bill would then require a hearing on the further detention or release of the defendant. Such a hearing is now optional.

When these provisions are combined with the newly announced efforts of the prosecutors, police, and judges in the District to identify and deal swiftly and firmly with career criminals, we can seriously hope for a reduction in violent crime.

A substantial reduction in violent crime was recently experienced in New Orleans as the result of a similar program. My own home of Louisville is trying such a program under the leadership of our able Commonwealth's attorney, Mr. David Armstrong. Chief Cullinane, Judge Greene, and Mr. Silbert, the U.S. attorney in the District of Columbia are to be commended for their initiative in this area.

It should be noted that this bill does not interfere with an individual's right to be presumed innocent until proven guilty. The bill directs its strongest provisions at repeat offenders.

Indeed, the only provision of the bill which affects the first offender defines capital crimes, for which a judge may order preventative detention, to be first degree murder and rape. This clarification is necessary because of the current uncertainty over which crimes—if any—can constitutionally merit the death penalty.

Further, in placing rape in this category I believe that it is important that the judge carefully consider the strength of the case against the defendant before ordering detention without bail.

Because of the difficult nature of proof in rape cases it was the intent in drafting this bill that the judge carefully consider the likelihood of conviction before ordering detention.

I believe that H.R. 14957 is a good bill. A bill that would further the efforts begun in the District of Columbia to deal with repeat offenders. Now that the police courts and prosecutors have determined to give this task top priority we should give them the procedures in this bill to complete the task.

Mr. Speaker, I urge the passage of H.R. 14957.

Mr. GUDE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I must first state that the citizens of the Nation's Capital owe a debt of gratitude to our distinguished colleague from South Carolina (Mr. MANN) for his diligent and perceptive search for a workable solution of the problems associated with bail reform in the District of Columbia. H.R. 14957 would allow pretrial detention to be ordered for persons accused of first-degree murder or forcible rape pursuant to the requirements for capital offenses. Judges would be authorized to initiate pretrial detention hearings instead of having to rely on the U.S. attorney. The 5 calendar day hold for those arrested while released on probation or parole would be extended to 10 court days and would also be applicable to those on pretrial release. Finally, pretrial detention in cases not involving first-degree murder or forcible rape could be ordered for up to 90 days instead of just 60 days. Though I have no quarrel with the changes in existing law which the legislation before us makes, I do feel that it may not go far enough. Yet I feel this legislation does give District officials some useful additional tools which they need to cope with the ever-present problems of crime in the District The hearings held by our committee, I feel, have been responsible for the prosecutors officers and the court directing greater attention to this pretrial release phase of the criminal justice system.

Mr. EDWARDS of California. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I just arrived in town and did not yet have an opportunity to review the report or the bill under consideration. However, we have received some correspondence and a mailgram from the ACLU and from other reputable people objecting to portions of the bill.

I would like to ask this question of the chairman of the subcommittee: The purpose of this bill is to amend the preventive detention bill that was passed in 1971 and to make it tougher; is that correct?

Mr. MANN. No. I wish I could answer "Yes." I think it tightens up in one spot and loosens in another.

Let me point out one place in which it loosens up, I think very commendably. There is now a 5-day hold procedure under the bill that applies to one on probation or parole. When the probationer or parolee is rearrested, he can be held for those 5 days, no matter what his rearrest was for. It can be for drunkenness or for some petty offense.

Not only that, we discovered in our hearings that in many cases a parole hearing was never held until the second trial was disposed of. A parole warrant was issued and a person was sent off to Lorton and held pending the outcome of the second trial.

The procedure proposed in this bill is designed not only to not hold that person unless he is charged with a dangerous or violent or obstruction-of-justice crime but also for many of the petty offenses for which a person can now be held. Such person now actually will not be held under the 5-day provision.

This will also set up a procedure where the 10 days will almost require that the parole matter be disposed of, and a parole hearing hopefully will be held. At present no parole hearings are being held, virtually. The person is held pending the outcome of the second trial. Probation hearings have begun to be held by the courts since December of last year. Even though the law has been in effect for 5 years or more, in December of last year the chief judge issued an order directing that probation hearings now be held.

During the 5-day period during which the person was held, they were usually unable to schedule probation hearings, so now that will be disposed of; and within the 10 days the preliminary hearing will come along. In 10 days now the preliminary hearing will be held while the person is in custody, and a detention hearing will be held during that 10-day period.

If I can back up and recap, we are not going to hold people even now being held unless they are rearrested for a violent, dangerous, or obstruction-of-justice crime, for which they can now be held under preventive detention procedures.

Therefore, that is a loosening in some respects; and hopefully, will give more substantial justice to the parolee, and certainly the probationer recently has been better taken care of by the court.

There are three other minor provisions of the bill that I doubt concern the gentleman in the well too much. One of them affects detention. Other provisions of the bill are, first, that the judge, on his own motion, can order a pretrial detention hearing. That is a technicality. Another provision may concern the gentleman from California (Mr. EDWARDS) somewhat, and that is the extension from 60 to 90 days.

The effect of the current 60-day trial limitation is that the pretrial detention is not being used, because with the grand jury and other procedural problems which they seem to have in the District, it is very difficult for them to get a serious case up in 60 days.

Mr. EDWARDS of California. Mr. Speaker, is the gentleman saying that pretrial detention is not being used in Washington to any great extent now?

Mr. MANN. That is substantially correct.

The SPEAKER. The time of the gentleman from California (Mr. EDWARDS) has expired.

(By unanimous consent, Mr. EDWARDS of California was allowed to proceed for 5 additional minutes.)

Mr. MANN. To answer the gentleman again, Mr. Speaker, that is precisely correct.

Mr. EDWARDS of California. Therefore, the law, as originally enacted in 1971, was defective, or is it in enforcement that it has been defective?

Mr. MANN. That is the consensus of the entire community, based on our hearings. It has not been effective. It is not being used, and it is mainly because of these little procedural problems that we are seeking to correct.

The other provision that may cause the gentleman in the well concern, and the only other provision, is the one that would patch up section 1325, which now provides that a judge may, through rather summary proceedings, hold a person charged with a crime punishable by death or a capital offense—that term now not being very clear. We put into that section the crimes of "first-degree murder and forcible rape," without implying that the death penalty should be reinstated with reference to those, but saying that traditionally that is what that section is designed to cover.

Rather than passing judgment by

striking out the section and passing judgment on the issue of capital punishment, we at least keep it alive, prescribing those two offenses only as being subject to a procedure where a judge may, if he decides that a person may flee or be a danger to the community, order the person charged with either one of those two crimes to be held. That is the total purpose of that change.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentleman.

With regard to section 1325, does it not presently provide for a hearing to establish the basis for the detention? Are we doing away with that hearing in the new bill?

Mr. MANN. The answer is no. I am not sure the gentleman means section 1325. Section 1345 is the one that deals with offenses punishable by death. We are not changing any procedure in section 1325, by substituting for the words "punishable by death," the two violations, first degree murder and forcible rape. The pretrial detention section, and I think I know what the gentleman wishes me to respond to, is to provide first that there is the usual arrangement or presentment hearings within 24 hours. That is not set forth, but that is the procedure, 24 hours after arrest. The judge at that hearing in order to hold such a person for those 10 days must find first that he is on pretrial release, probation or parole, and, second, that he may flee or constitute a danger to the community. On those two findings he can order him held for the 10 days.

We then provide specifically that during those 10 days the pretrial detention hearing will be held where the question of substantial probability must be established.

So it is not quite the precise procedure that we have now with respect to those specific types of crimes, that is, a new crime or violation that constitutes a dangerous crime, a violent crime, or obstruction of justice.

Mr. EDWARDS of California. Would the great difficulty that is being experienced in Washington with recidivists and people on parole committing more crimes, not be better cured by enactment of a Speedy Trial Act such as we have enacted for the Federal district courts?

Mr. MANN. We discussed the Speedy Trial Act and we are willing to take that matter up, and indeed it is being considered, but the current provisions of the Speedy Trial Act are not violated by this device.

The Speedy Trial Act does not require a trial in 90 days, as it applies in the Federal courts. So we have provided in these specific categories of pretrial detention, and if the person is not on trial in 90 days, then he is released on bail, even personal recognizance. We felt that the 60 days was a truly unrealistic period.

Mr. EDWARDS of California. Mr. Speaker, I again thank the gentleman from South Carolina. I have great respect for the chairman of the subcommittee and the chairman of the full committee and indeed the membership of the entire Committee on the District of Columbia. I am sorry the bill came up today without any prior notice. It would seem to me that more study should be made of the constitutional aspects of the legislation. I have grave doubts about the bill and I will vote against it.

AMENDMENT OFFERED BY MR. MANN

Mr. MANN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANN: Page 3, line 6, insert "section" after "as defined in".

Mr. MANN. Mr. Speaker, this is merely a technical amendment, inserting the word "section" where it was omitted.

The SPEAKER. The question is on the amendment offered by the gentleman from South Carolina (Mr. MANN).

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SEIBERLING. Mr. Speaker, I move to strike the requisite number of words.

I was standing on my feet, Mr. Speaker, before the passage of this technical amendment.

The SPEAKER. Let the Chair advise the gentleman from Ohio that the Chair will ask to vacate the proceedings, but if the gentleman wants to offer a pro forma amendment, he should address the Chair. He did not do so.

Without objection, the proceedings whereby the bill was ordered engrossed and read a third time are vacated.

There was no objection.

Mr. SEIBERLING. Mr. Speaker, I thought I addressed the Chair, but if I did not, I apologize for not following the proper procedure, and I thank the distinguished Speaker for vacating the proceedings in order that I might ask some questions about this bill.

I would like to ask the gentleman from South Carolina some questions about this bill which, it seems to me, have some rather extraordinary aspects. First of all, as to the efficacy. On page 3 of the committee report there is a very dramatic statement by Police Chief Cullinane of the District of Columbia about the problem of people being repeatedly released and arrested for subsequent crimes, and released again.

As a matter of fact, my wife was mugged a couple of years ago in the District, and the guilty people, who had already served time for the same type of crime, were released on their own recognizance. Within a few weeks, and before the trial for the mugging of my wife, they were back in, arrested again for the same type of crime. Is this bill going to correct that kind of situation which, it seems to me, is a very serious situation.

Mr. MANN. I am afraid I will have to confess that I share the gentleman's concern and would have overreacted to it, had I not been ultrasensitive to the other problems of bail and release. In the process of our hearings, I would say that we got the message across that both the District Attorney's Office and the Metropolitan Police should have expedited procedures, a career criminals section, if you will, that can expedite the trial in such cases of recidivists of that type. However, we limited our tightening of the act to only those offenses which classify as dangerous, violent, or obstruction of justice. It will cover, for example, those people who may be out on bail for shoplifting and who then commit a dangerous offense. They would be covered by this, but if they are out on bail for a dangerous offense and commit a less violent offense, then they are not covered. So there are a lot of cases that this will not catch. And, of course, even if it catches them, it does not mean that the court would detain them.

Mr. SEIBERLING. A violent mugging would be a dangerous offense, I would think.

Mr. MANN. Yes, it would be; but the point is that unless the District Attorney's Office, as our colleague, the gentleman from California, very aptly made a point, and the Metropolitan Police and the courts expedite the disposition of cases with reference to those multiple offenders, there are still going to be a lot who drop through the cracks, even under our amended procedure.

Mr. SEIBERLING. I would hope that we could figure out some constitutional way to remedy that problem to the extent it is not already remedied. I have one further question. On page 4 of the bill, starting on line 6, it states:

> After hearing the evidence presented in the preliminary or ten-day hold hearing, as well as any proffer of further evidence made by the United States attorney, the judicial officer may order the person detained pending trial if the judicial officer . . .

makes certain findings.

That implies that a person can be held indefinitely, and, of course, if that is so, it would be a very grievous breach of a person's civil liberties. I wonder if that is what was intended.

Mr. MANN. Another section of the bill which follows this section now has a 60-day provision. If he was not given a trial within 60 days, he would then be entitled to personal recognizance or bail under those provisions of section 1321. We amended that, so as to extend the 60 days to 90 days, and that does modify and define the "pending trial" language.

Mr. SEIBERLING. The phrase "pending trial" has to be read in light of this other provision?

Mr. MANN. Precisely.

Mr. SEIBERLING. If this bill is enacted, it would mean that at the end of 90 days it would go back to the regular bail statute.

Mr. MANN. That is correct.

Mr. SEIBERLING. I thank the gentleman. Let me say that I have had, and continue to have, serious misgivings about the whole concept of preventive detention, which allows imprisonment of a person without bail and without a prompt trial. At the same time I am also deeply concerned about the seeming inability of our criminal justice system to get persons off the streets who have repeatedly committed dangerous crimes. I hope this bill will improve this situation. I also believe that the House Judiciary Committee should conduct a thorough review of the constitutional and criminal law problems inherent in the D.C. Criminal Code.

Mr. BIESTER. Mr. Speaker, I rise in opposition to H.R. 14957, amendments to the D.C. Code regarding pretrial release or detention.

I would like to share with my colleagues the reservations I have about this measure and the reasons I am unable to support it, as I was unable to vote for it either in the Judiciary Subcommittee or in full committee.

Apart from my doubts as to the necessity or desirability of extending the 5-day hold provision to 10 days and increasing to 90 days the 60-day period for preventive detention—in the light of testimony which reveals that prosecutors are utilizing the preventive detention procedure with increasing frequency—my foremost concern is with the inclusion of "forcible rape" in sections 23–1321 and 25 of title 23 of the D.C. Code. This legislation would amend the code to replace the term "offense punishable by death" with "murder in the first degree or forcible rape." It is this singling out of forcible rape and placing it on an equal footing with first degree murder to which I object. We do not include armed robbery, arson, burglary of a dwelling house or other heinous, and dangerous crimes.

The legislation would weaken detention criteria for those accused of forcible rape, and I feel very strongly that we will be seriously overreacting if we allow too much discretion and too little due process in the detention of those accused of this particular crime. I believe the present detention law—section 1322 with its plenary due process safeguards—is more than adequate to protect the Washington community from those who are charged with this most reprehensible crime. While we all are horrified by this outrageous act, there are several sound reasons for retaining the law as it presently stands.

First, detention under the standards set forth results in extensive and extreme pretrial punishment even though only one of five accused rapists will be found guilty at trial. Punishment would be extensive because section 1325 sets no time limit to the detention and no priority for the trial.

Second, we simply cannot afford to set a precedent for circumventing the carefully drawn safeguards and rights guaranteed the accused in the 1970 D.C. crime bill, such as: the right to counsel; the right to present witnesses; the right to cross-examine witnesses; the right to written reasons for detention; and the right to a finding that there is substantial probability that the defendant actually committed the crime.

Finally, let us not fulfill Chief Judge Harold Greene's prediction when the 1970 act was passed that once the precedent for preventive detention is set, however narrowly drawn, Congress will expand this law as law enforcement agencies may say they require at any particular time.

Mr. Speaker, I respectfully urge that my colleagues join me in rejecting this encroachment on the rights of the accused.

Mr. MOAKLEY. Mr. Speaker, I rise in support of the bill (H.R. 14957) to provide more effective pretrial detention laws for the District of Columbia.

I would like briefly to discuss one problem with the bill, however, the failure to establish any sensible definition for "forcible rape."

The section of the D.C. Code referenced in this bill, section 23–1331(3), lists among dangerous crimes, "Forcible rape, or assault with intent to commit forcible rape."

Yet the section of the D.C. Code which makes rape a criminal offense, section 22–2801, offers little help by way of definition. It states:

> Whoever has carnal knowledge of a female forcibly and against her will . . .

I would suggest, Mr. Speaker, that this definition is inadequate; a more useful definition might be "with force or threat of force," but even this may not deal adequately with a very problematical area of law.

It should be noted that the section dealing with robbery clearly makes this distinction. Section 22–2901 states:

> Whoever by force or violence, whether against resistance or by sudden or stealthy seizure or snatching, or by putting in fear . . .

By putting in fear, Mr. Speaker. That is all that is necessary for conviction of robbery. It is ironic that the laws we have written offer less protection to a woman than to her pocketbook.

While any amendment of this portion of the law would not be germane to the bill before us, I would urge the committee to consider substantial revision of the District's rape laws.

Mr. BIAGGI. Mr. Speaker, I rise in full support of H.R. 14957, legislation which will make important revisions in District law to extend the time period under which repeat criminal offenders can be held in pretrial detention. The bill offers an urgently needed approach for dealing with the problem of criminal recidivism in the District, which currently has one of the highest rates in this Nation.

The revisions which this bill will make in existing D.C. law are important and could ultimately achieve the much desired goal of keeping repeat offenders off the streets. These revisions include an increase from 5 to 10 court days, that judges can detain so-called "hardcore" repeat offenders who are either on pretrial release, probation or parole from earlier criminal offenses, and who are rearrested for a capital crime such as murder or rape. The bill also allows for a pretrial detention hearing to be called upon the motion of a judge, rather than the U.S. attorney. The judge under this bill will also be able during the 10-day period to determine if there is sufficient basis to hold a defendant without bail, pending a trial. Finally, the bill will increase from 60 to 90 days, the maximum time any defendant can be detained.

All of these revisions are extremely important for an efficient criminal justice system in the District. As a person affiliated with law enforcement for some 23 years, I take special interest in the positive effects which this legislation will have on police morale in the District. The satisfaction involved when a police officer is able to arrest and aid in the conviction of an individual criminal, is turned into frustration, when the criminal is released and commits another crime. The frustration is further compounded by the present D.C. retrial laws which allow a repeat criminal, no matter how serious the offense committed, to be released almost immediately after arrest.

The legislation will help correct this injustice while also serving to expedite the procedures which will allow a repeat offender to be brought to trial. It is further hoped that these revisions will lead to the D.C. criminal justice system giving a priority to the trials of repeat offenders.

The approach embodied in this legislation should be considered by other cities and States. The problem of criminal recidivism is national in scope and efforts such as this which are designed to combat the problem, should be viewed with favor by all criminal justice systems in this Nation.

It is estimated that more than one-fourth of all those arrested in the District are repeat offenders. It is imperative that the Criminal Code of this city be responsive to this problem. The criminal laws of our Nation's Capital must be more considerate of the law-abiding citizenry. Repeaters must be dealt with in a harsh fashion if they are to be deterred from committing future offenses. To deal effectively with the repeat criminal offender in the District, we must make it easier for the criminal justice system to do its job. It is time that the criminal laws of this land free, rather than tie the hands of those involved in law enforcement and criminal justice. We have an excellent opportunity to enact such a law here, today. I urge all of my colleagues who are genuinely concerned with reducing crime and getting hardened criminals off the streets, to support this important bill. I also hope that the mandate of this legislation will be adopted by other localities in this Nation and made part of an overall effort to reduce crime.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIGNATION AS CHAIRMAN AND MEMBER OF COMMITTEE ON SMALL BUSINESS

The SPEAKER laid before the House the following resignation as chairman and member of a committee:

WASHINGTON, D.C.,
August 23, 1976.

HON. CARL ALBERT,
The Speaker,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby tender my resignation as Chairman and Member of the House Small Business Committee effective, August 30, 1976.

It has been my privilege to serve the Committee as a Member since the opening of the 81st Congress in 1949 and as Chairman since 1963. I greatly appreciate the honor you conferred upon me by designating me to continue to serve as Chairman during the 92d, 93rd, and 94th Congresses.

The Committee, as you know, is now a legislative committee with expanded membership. Altho, as indicated, I am resigning from the committee effective next week, it is gratifying to see that the Committee is well established, well organized and functioning effectively.

With kindest regards and best wishes, I am,

Sincerely your friend,
JOE L. EVINS, *Chairman.*

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

BORROWING AUTHORITY FOR DISTRICT OF COLUMBIA

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 14971) to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 723 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241 note) is amended—

(1) in subsection (a) by striking out "the effective date of title IV" in the first sentence and inserting in lieu thereof "October 1, 1979"; and

(2) by adding at the end thereof the following new subsection:

"(d) The authority contained in this section to make loans shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.".

SEC. 2. Section 448(4) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-226(4)) is amended by striking out "November 1" and inserting in lieu thereof "February 1".

SEC. 3. (a) Section 431(e)(1)(C) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, title 11 App. 431(e)(1)(C)) is amended—

(1) by striking out "202' and inserting in lieu thereof "102"; and

(2) by striking out "subsection (b)(4)(D)" and inserting in lieu thereof "paragraph (3)(E)".

(b) Section 434(b)(1)(C) of such Act (D.C. Code, title 11 App. 434(b)(1)(C)) is amended—

(1) by striking out "202" and inserting in lieu thereof "102"; and

(2) by striking out "subsection (b)(4)(D)" and inserting in lieu thereof "paragraph (4)(E)".

Mr. DIGGS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of the bill, H.R. 14971, as is set forth in the committee report (H. Rept. 94-1420), which was requested by the government of the District of Columbia, is First, to provide the District government with authority to borrow from the U.S. Treasury until it can finance its capital works projects via bond issues, or other sources of revenue; second, to require the Mayor of the District of Columbia to submit to the Council of the District of Columbia a complete financial statement and report for the fiscal year by February 1, instead of November 1, for the District's preceding fiscal year, which now corresponds with the changed date of the Federal fiscal year, October 1 to September 30; and third, to make technical and clerical corrections in Public Law 93-198—The Home Rule Act—with regard to the qualifications for appointment to the Commission on Judicial Disabilities and Tenure and to the Judicial Nomination Commission.

BACKGROUND AND NEED FOR LEGISLATION

The District government is presently without any means to finance its capital works and related projects. The District has been unable to obtain loans for new construction projects since the expiration of the pre-Home Rule Act borrowing authority.

Prior to home rule, the District government was given authority to borrow from the U.S. Treasury to fund new construction for capital works projects—including those funded by the water fund, the sanitary sewage works fund, the highway fund, and the general fund.

However, section 743 of the Home Rule Act—D.C. Self-Government and Governmental Reorganization Act, D.C. Code, title 1, section 743—terminated the District government's authority to borrow from the Treasury and authorized the Treasury to loan the District only those sums required to complete capital projects for which construction and construction service funds were authorized or appropriated "prior to the effective date of title IV," that is, January 2, 1975.

Accordingly, since passage of the Home Rule Act no loans for new construction have been made for these four programs financed by the funds referred to above.

The Congress included the interim borrowing authority provision in the Self-Government Act to prevent undue disruption in the District's building and improvement programs during the transition from Treasury borrowing to the municipal bond market as the source of financing the District's capital program. Because of unexpected delays in the development and implementation of the District's bonding authority, an extension of the proposed extension in the period for which Treasury loans may be made is necessary; otherwise, vital ongoing improvement efforts will be halted and new projects may be delayed.

Continuing projects in the District for which financing may not otherwise be available include a vocational center for the handicapped, renovation and improvements to the Children's Center at Laurel, Md., major program of modernization and roof and boiler repairs and replacements for the public schools, major repairs to water and sewer mains, installation of new water and sewer mains and fire hydrants, major repairs to city highways, streets, and bridges, and street-lighting installations, modernization and replacement of fire department station houses.

Financing for such new projects approved by the District for inclusion in the 1977, 1978, 1979, and also 1980 fiscal year budgets may not be available in a timely manner unless the interim borrowing authority is revised and extended as requested.

DISTRICT'S BORROWING AND FINANCIAL SITUATION

The city's borrowing authority was terminated under section 743 of the Home Rule Charter because the Self-Government Act—section 723(a)—also provided the city with authorization to finance its capital projects through its own general obligation bonds. However, the recurring financial problems of New York City had negative implications for many urban areas, and the impact was especially great on the District of Columbia because of its recent emergence from Federal control. Subsequently, a disapproval resolution passed by the other body on December 6, 1975, in effect killed the District's Refunding Bond Authorization Act—Council Act 1-57—whereby the city had hoped to inaugurate its bond issues.

The District was placed in a situation which precluded funding by both the borrowing authority from the Treasury and its own expected bonding authority. This total blockage of funds led to the District's drafting and submission to the Congress of H.R. 14594, which was designed to extend the authority to borrow from the Treasury until January 1977. This additional time was to provide an interlude until the economic climate permitted a determination to authorize the sale of municipal bonds. But, the recent Arthur Andersen report, which was initiated by Congress, revealed that it would be several months before accurate and reliable data could be provided which would justify a decision to issue bonds.

Since the request to extend the borrowing authority was submitted, it has become apparent that the District may not be in a position to issue bonds until sometime after October 1978. That is the earliest date at which an audit of the city's financial reports can be undertaken, according to the schedule set forth in the report of Arthur Andersen & Co. and included in the conference report on H.R. 11009—to provide for an independent audit of the financial condition of the government of the District of Columbia.

While the city may be able to issue bonds without audited reports, there is now a great deal of uncertainty concerning the feasibility or desirability of doing so, according to testimony of District officials. Without an audited financial statement, the city may have to pay a substantial interest premium for any bonds issued, they testified. In addition, future legislation may require that municipal issues have audited financial statements in support of general obligation bond issues. Accordingly, the District government further requested the committee to extend the interim borrowing authority at least until October 1, 1979.

The bill was, therefore, amended to authorize an extension of the borrowing authority from the Treasury until October 1, 1979—the beginning of the fiscal year. It is hoped that this will allow time for a complete audit and other prerequisites for the issuance of bonds by the city.

If authority to secure further loans from the Treasury Department is not granted to the District, it will impair the District's ability to meet its obligation for prior Treasury loans. As of June 30, 1976, Treasury loans outstanding to the District for capital programs under the loan authority amounted to $1,071,131,370, including $213,956,000 advanced under the interim loan authority. It will be difficult, if not impossible, for the District to continue its capital projects if the borrowing authority from the Treasury is not extended as is provided in H.R. 14971.

PROVISIONS OF H.R. 14971

Section 1 of the bill, as stated, amends the Home Rule Act to extend until October 1, 1979, the District's interim authority to borrow from the Treasury of the United States to finance the District's capital improvements projects.

Section 2 of the bill amends section 448(4) of the Self-Government Act to change the date by which the Mayor must submit to the Council of the District of Columbia a complete financial statement and report for the preceding fiscal year. Present law requires the submission of such an annual report by November 1 of each fiscal year. The change in the end of the fiscal year of the District from June 30 to September 30, effective October 1, 1976, leaves insufficient time for the preparation of the required financial statements and reports by November 1. The proposed amendment will conform the reporting requirement with the change in the fiscal year by changing the date of submission from November 1 to February 1 of each fiscal year.

Section 3 of the bill simply makes procedural and technical changes to the existing law—Public Law 93-198, Home Rule Act—respecting qualifications for appointment to the Commission on Judicial Disabilities and Tenure, and to the Judicial Nomination Commission.

HEARING

The Subcommittee on Government Operations held a hearing on this proposed legislation on July 27, 1976, after which it reported same, amended, unanimously to the full committee.

Representatives of the U.S. Treasury and of the District government—which requested enactment of this legislation by the Congress—testified in support of the legislation. No opposition was then expressed or has since been received by the Committee.

COMMITTEE VOTE

On August 9, 1976, the full committee approved H.R. 14971 by voice vote.

CONCLUSION

The enactment of this legislation will provide the District government with a temporary means by which to finance its capital works project authorized since January 2, 1975. This measure would allow the District to borrow at low-interest rates which would not be unduly burdensome until it is feasible to use alternative means of financing. The absence of such legislation will allow no realistic alternatives for financing such projects.

Since the authority for the District's initial bond issue has, in effect, been retracted and the Arthur Andersen report now makes it infeasible for the District government to sell bonds on the market, the only option available which would not result in the District plunging into deeper fiscal difficulties would be an extension of the District's authority to borrow from the U.S. Treasury.

Mr. WHALEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of H.R. 14971. This bill extends from January 2, 1975 until October 1, 1979, the date until which new capital works construction projects in the District of Columbia may be authorized to be financed by loans from the U.S. Treasury. In passing the Home Rule Act, the Congress terminated this authority for projects not authorized prior to January 2, 1975. At the same time Congress granted the District government the authority to go to the private municipal bond market to finance such construction with general obligation bonds. However, at that time few if any of us anticipated the financial problems that so many of our large municipalities have subsequently experienced, so awesomely exemplified today by the precarious financial plight of New York City. We have also learned much more about the financial problems of our own Federal city, Washington, D.C., and indeed about our lack of knowledge and the ability to ascertain or immediately determine its true financial condition. Thus, the city has decided wisely, I believe, to defer a $50 million bond issue which it had authorized last October for the purpose of refunding at a more favorable interest rate certain loans from the U.S. Treasury. In light of the foregoing, it would be unwise, if not impossible, for the city to go to the private bond market, at least until after a satisfactory audit can be performed for the District as contemplated in H.R. 11009, also before us for action today. (The purpose of H.R. 11009, a bill to establish a Temporary Commission on Financial Oversight for the District of Columbia, is to put the District's financial management and accounting system on a sound financial footing.) In the meantime, in order for the city to carry out essential construction programs for public needs in education, health, welfare, public safety, and similar fields, it is manifestly necessary for this body to extend the city's authority to borrow from the U.S. Treasury until it can issue its own general obligation bonds.

In view of these facts, Mr. Speaker, I strongly urge the passage of this vital legislation.

Mr. GUDE. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the legislation.

Mr. Speaker, the District historically financed its construction program through Treasury loans. The Home Rule Act provided the District with the authority to use private markets to finance construction and terminated its authority to borrow from the Treasury. It was anticipated that the private market would demand a lower interest rate than the 8-percent rate required by the Treasury. Indeed, that was the reason why we refused to support a resolution disapproving the city's first bond authorization. However, in view of the recent disclosures that the city's books cannot be audited, the city is effectively barred from the private financial markets. If the city is to start any new construction while its books are being put in order, we must extend the city's authority to borrow from the Treasury. Therefore, I support passage of the bill.

Mr. FAUNTROY. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, on Monday, August 9, 1976, the House District Committee favorably reported H.R. 14971. The bill provides an extension of the District of Columbia's borrowing authority with respect to the U.S. Treasury until October 1, 1979.

The authority to borrow from the Treasury was superseded by the authority to issue bonds and short-term loans on January 2, 1975, the date on which title IV of the Home Rule Act (P.L. 93-198, section 723) took effect. But, the combined commencement of the bonding authority and the termination of the District's authority to borrow from the U.S. Treasury did not provide for a transitional period which would allow a gradual shift in financing the city's debt.

The lag in the District's ability to finance its programs led to the drafting of the original bill, H.R. 14594, which was to provide an extended period of 2 years in which the city could borrow from the U.S. Treasury. However, the recently released Arthur Andersen report dictates a longer extension. Therefore, at the subcommittee level amendments were made which were later incorporated into a clean bill, H.R. 14971. The modification changes the proposed date for the extension of the borrowing authority from

January 1977 to October 1, 1979. This will provide sufficient time to allow for accurate and reliable data relating to the fiscal situation to be developed. It is only after such data is available that a determination to issue general obligation bonds can be made.

At the D.C. Government Operations Subcommittee hearings, we heard the testimony of Mr. Comer S. Coppie, the special assistant to the mayor for budget and management systems, and Mr. Steve L. Cummings, the Comptroller of Government Financial Operations at the U.S. Treasury. Mr. Coppie expressed the dire need for an extension of the borrowing authority from the U.S. Treasury until the end of the 1979 fiscal year. He emphasized that there are no realistic alternatives for financing the city's capital works projects. Mr. Cummings expressed satisfaction with an extension saying:

> At the time the Home Rule Act was approved, it was apparent to us that if the District Government were prevented from issuing its obligations in the market for a significant period of time, as has been the case up to now, alternative financing arrangements would need to be provided by Congress—presumably in the form of additional borrowing authority from the Treasury.

The Congress should make every effort possible to avoid disruption of the District's affairs during the transitional period between Federal and local control. We should be especially sympathetic since it is we, as Members of Congress, who share equal responsibility for the District government's present financial difficulties. Therefore, I would urge the House to extend the borrowing authority from the U.S. Treasury, a measure which would provide sufficient time for the development of a sound base by which the city could go to Wall Street in a manner similar to other municipalities.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 221, nays 122, not voting 88, as follows:

[Roll No. 640]

YEAS—221

Addabbo
Allen
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Bafalis
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carr
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Cornell
Cotter
D'Amours
Daniel, Dan
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Erlenborn
Fary
Fascell
Fish
Fisher
Fithian
Flood
Foley
Ford, Mich.
Forsythe
Fraser
Fuqua
Gibbons
Gilman
Ginn
Gonzalez
Gude
Guyer
Haley
Hall, Ill.
Hamilton
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Hefner
Helstoski
Hicks
Hillis
Holtzman
Horton
Howard
Hubbard
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Kastenmeier
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Leggett
Lent
Lloyd, Calif.
Long, La.
Long, Md.
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
Madden
Maguire
Mann
Mazzoli
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Morgan
Mosher
Murphy, Ill.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pike
Preyer
Price
Quie
Railsback
Rangel
Reuss
Rhodes
Richmond
Rodino
Roe
Rogers
Rose
Rostenkowski
Roush
Roybal
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Taylor, N.C.
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Weaver
Whalen
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—122

Alexander
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bevill
Bowen
Brooks
Brown, Ohio
Broyhill
Burleson, Tex.
Burlison, Mo.
Butler
Carney
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Coughlin
Crane
Daniel, R. W.
Devine
Dickinson
du Pont
Early
Edwards, Ala.
Emery
English
Evans, Ind.
Fenwick
Findley
Florio
Flowers
Flynt
Fountain
Frenzel
Gaydos
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hall, Tex.
Hammerschmidt
Harsha
Heckler, Mass.
Hughes
Hutchinson
Jarman
Johnson, Pa.
Jones, N.C.
Kasten
Kazen
Kelly
Kemp
Ketchum
Lagomarsino
Landrum
Latta
Levitas
Lloyd, Tenn.
Lott
Lujan
McCollister
McDonald
Madigan
Mahon
Martin
Mathis
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Myers, Pa.
O'Brien
Paul
Pettis
Pickle
Poage
Pressler
Quillen
Regula
Rinaldo
Roberts
Robinson
Rousselot
Runnels
Satterfield
Schneebeli
Schulze
Sebelius
Seiberling
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Snyder
Spence
Symms
Talcott
Taylor, Mo.
Teague
Treen
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—88

Abdnor
Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Aspin
AuCoin
Badillo
Baldus
Bell
Boland
Bolling
Brown, Calif.
Brown, Mich.
Burke, Calif.
Chappell
Chisholm
Clay
Conlan
Corman
de la Garza
Duncan, Oreg.
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Ford, Tenn.
Frey
Giaimo
Green
Hanley
Hansen
Hayes, Ind.
Hays, Ohio
Hébert
Heinz
Henderson
Hightower
Hinshaw
Holland
Holt
Howe
Hungate
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Karth
Lehman
McKinney
Matsunaga
Meeds
Melcher
Milford
Mink
Moffett
Moorhead, Pa.
Moss
Murphy, N.Y.
Nowak
Pepper
Peyser
Pritchard
Randall
Rees
Riegle
Risenhoover
Roncalio
Rooney
Rosenthal
Ruppe
Russo
Santini
Scheuer
Sisk
Smith, Nebr.
Steelman
Steiger, Ariz.
Stokes
Sullivan
Symington
Thompson
Van Deerlin
Vander Jagt
Waxman
Wilson, Bob
Wirth
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Russo with Mr. Abdnor.
Mr. Moorhead of Pennsylvania with Mr. Hansen.
Mr. Rooney with Mr. Peyser.
Mr. Badillo with Mr. Adams.
Mr. Waxman with Mr. Anderson of Illinois.
Mr. Lehman with Mr. Bell.
Mr. Melcher with Mr. Conlan.
Mrs. Chisholm with Mr. Esch.
Mr. Jones of Oklahoma with Mr. Aspin.
Mr. Young of Georgia with Mr. Evins of Tennessee.
Mr. Symington with Mr. Frey.
Mr. Holland with Mr. Green.
Mr. Riegle with Mr. Brown of Michigan.
Mr. Moffett with Mr. Duncan of Oregon.
Mr. Santini with Mr. Hayes of Indiana.
Ms. Abzug with Mr. Steiger of Arizona.
Mr. Boland with Mr. Corman.
Mr. Chappell with Mr. Heinz.
Mrs. Burke of California with Mrs. Holt.
Mr. Giaimo with Mr. Eshleman.
Mr. Hanley with Mr. Ford of Tennessee.
Mr. Hébert with Mr. Hays of Ohio.
Mr. Jones of Tennessee with Mr. Howe.
Mr. Matsunaga with Mrs. Sullivan.
Mr. Meeds with Mr. Henderson.
Mr. Murphy of New York with Mr. Steelman.
Mr. Pepper with Mr. Hungate.
Mr. Roncalio with Mr. Karth.
Mr. Rosenthal with Mr. McKinney.
Mr. Stokes with Mr. Moss.
Mr. Thompson with Mr. Novak.
Mr. Van Deerlin with Mr. Rees.
Mr. Risenhoover with Mr. Pritchard.
Mr. Randall with Mr. Ruppe.
Mrs. Mink with Mr. Scheuer.
Mr. Evans of Colorado with Mr. Sisk.
Mr. Anderson of California with Mr. Baldus.
Mr. AuCoin with Mr. Clay.
Mr. de la Garza with Mr. Hightower.
Mr. Smith of Nebraska with Mr. Johnson of Colorado.
Mr. Wirth with Mr. Vander Jagt.
Mr. Bob Wilson with Mr. Young of Alaska.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TWO-YEAR EXTENSION ON PROHIBITION AGAINST D.C. COUNCIL'S REVISING CRIMINAL LAWS

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 12261) to extend the period during which the Council of the District of Columbia is prohibited from revising the criminal laws of the District, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 12261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (9) of section 602(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 1-147(a)(9)) is amended by striking out "twenty-four" and inserting in lieu thereof "forty-eight."

Mr. DIGGS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of H.R. 12261, as is set forth in the Committee report (H. Rept. 94-1418), is to continue, until January 3, 1979, the prohibition in the Home Rule Act [D.C. Self-Government and Governmental Reorganization Act, D.C. Code, Title 1, Sec. 147(a)(9)] against the Council of the District of Columbia legislating with respect to the provisions of Titles 22, 23, and 24 of the Criminal Code (crimes, criminal procedures, and treatment of criminals).

This legislation thus would extend for two additional years Congress' exclusive jurisdiction over the criminal laws of the District of Columbia. Its purpose is to give the Law Revision Commission adequate time to analyze the District's Criminal Code and to make specific recommendations to the Congress for comprehensive revision thereof, in order to turn over to the District of Columbia government updated and modern Criminal Code provisions.

NEED FOR THE LEGISLATION

Enactment of the bill is necessary because the condition which was to be a prerequisite to the prohibition being lifted, namely, the completion of the revision and recodification of the District's Criminal Code by the Congress, based upon recommendations of the congressionally-established Law Revision Commission, will not occur by the original target date, January 3, 1977.

While the Commission was established by Public Law 93-379, approved August 21, 1974, pursuant to House-approved legislation which was considered concurrently with the home rule legislation, the Commission was not organized and operational until a year later.

Delays in appointment of members of the Commission, in meeting to organize, and in funding its budget, have so handicapped the Commission that clearly the January, 1977, deadline referred to cannot be met.

In fact, the Commission by letter recently stated:

> Lack of staff and inability to make contracts with essential outside consultants make it impossible to predict when a final proposed draft of a new substantive Criminal Code can be completed.

Nevertheless, the Law Revision Commission has been given a mandate to turn initially to revision of the D.C. Criminal Code and report its recommendations to the Congress. The Congress will then have a chance to make the much needed revision of the Criminal Code. This should take no longer than 2 years. Subsequent to that action, it seems appropriate and consistent with the concept of self-determination that the Council was given the authority to make whatever further modifications in the Criminal Code are deemed necessary.

HISTORY OF PROPOSED CRIMINAL CODE REVISIONS

High priority for revision by the Congress of the District's Criminal Code has been sought for a number of years.

The 1966 report of the President's Commission on Crime in the District of Columbia urged that the Criminal Code of the District be revised, and stated:

> 1. The Criminal Law of the District of Columbia should be revised and reformed. The review should include a reexamination of all substantive and procedural provisions of the law to provide a clear definition of criminal behavior, to achieve fair and consistent policies of dealing with offenders, and to introduce new concepts of treatment into the code.
>
> 2. Congress should create and support a Commission to undertake revision of the District of Columbia Criminal Laws.

Examples given by the President's Commission are as follows:

> The District of Columbia Criminal Law was first codified in 1901 and has not been codified since . . . The District Code has a proliferation of theft sections: Six sections cover larceny and two apply to receiving stolen property; ten sections cover embezzlement and one the receiving of embezzled property; one section covers obtaining property by false pretenses, but five cover false personation . . . A code which embraced all traditional forms of theft but eliminated overlapping provisions could minimize confusion and litigation . . . The law of robbery in the District is another illustration . . . The penalties provided in the District of Columbia Code are inequitable and inconsistent. Various sections of the Code provide different penalties for essentially the same act.

The Nelsen Commission recommended a D.C. Law Revision Commission, and in 1972 stated its support of such a Commission as follows:

> Experience demonstrates that an active Corporation Counsel's Office, burdened with the day-to-day workload of litigation and accumulated administrative responsibilities, has little time or adequate facilities to undertake studies into legislative shortcomings, or exercise initiative in formulating recommendations for specific legislative improvement.

CRIMINAL CODE RESTRICTIONS IN HOME RULE ACT

At the time of the adoption of the Home Rule Act it was clear that Congress intended to make a long-needed and complete revision of the Criminal Code before turning over to the Council the power to amend the criminal laws.

The home rule bill, as it passed the House in October 1973, had a flat prohibition against the Council even amending the three titles of the Criminal Code.

In conference an arrangement was agreed to that would give such power to the Council after a hiatus of 2 years. It was the clear intention of the conferees that during those 2 years the Criminal Code would be revised and Congress would turn over to the new Council a finished product.

As stated, H.R. 12261 will give the Law Revision Commission a chance to complete its work on the criminal law, and will carry out the clear intention of the conferees expressed in the following words in the conference report to the Home Rule Act:

> It is the intention of the conferees that their respective Committees will seek to revise the District of Columbia Criminal Code *prior to the effective date of the transfer of authority referred to*. (Emphasis added.)

The intention of the conferees that an entire revised Criminal Code be turned over to the Council is emphasized by the special disapproval process for Criminal Code amendments in the Home Rule Act. The conferees assumed that the completed package would be a viable Criminal Code. They wanted to make sure that amendments to that Criminal Code would not be made hastily or without complete consideration. With the purpose of safeguarding the integrity and viability of the complete Criminal Code package, the conferees on the Home Rule Act provided for a single House veto of Criminal Code changes that might be made by the Council once the jurisdiction had been transferred.

This reinforces the commitment of the Congress to maintain exclusive jurisdiction over amendments to the Criminal Code until the Law Revision Commission has completed its study and made its recommendations, and the Congress has acted on the totally revised Criminal Code.

H.R. 12261 will change the effective date of the transfer of authority over the Criminal Code, and thereby keep faith with the assurance the Committee on the District of Columbia made to the House when the Home Rule Act was adopted.

HEARING

The Judiciary Subcommittee of the Committee held a hearing on this bill on June 29, 1976, after which it reported same favorably to the Full Committee by a vote of 6 to 2.

The Bar Association of the District of Columbia, a 105-year-old voluntary organization, consisting of over 4,000 attorneys, supported the bill.

The Council of the District of Columbia and private witnesses opposed same on a misinterpretation of the clearly-expressed intent of the Congress in its enactment of the Law Revision Commission and of the conditions under which it would consider revisions to the District's Criminal Code.

The Bar Association of the District of Columbia, through its president, presented its testimony in favor of H.R. 12261.

COMMITTEE VOTE

On August 9, 1976, the full committee approved H.R. 12261 by voice vote.

CONCLUSION

The great need for a revision of the District of Columbia's Criminal Code is well established. This need for a reform was expressly recognized by the President's Commission on Crime in the District of Columbia as being.

> Rooted in the fact an inadequate Criminal Code can result in improvisation and poorly guided discretionary authority by police, prosecutors and judges; a lack of understanding by the public as to what conduct is unacceptable; and ultimately, a decreased respect for the law and its enforcers.

The Committee feels that this needed reform can best be accomplished through the study and recommendations of the Law Revision Commission, now in process, and hence urge the House to support H.R. 12261, the purpose of which is to give the Commission the time it needs to accomplish the important task upon which it has already embarked.

Mr. RAILSBACK. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I simply want to offer my support for the comments of the chairman of the District Committee from Michigan.

I think the legislative history very clearly supports passage of this bill. The report of the Conference Committee on the home rule legislation is entirely conclusive. It states, in part, that:

> It is the intention of the Conferees that their respective legislative committees will seek to revise the . . . Criminal Code prior to the . . . transfer of authority . . . (Legislative History of the Home Rule Act, p. 1679).

The city council will certainly acquire jurisdiction over the criminal law and procedure and corrections titles of the D.C. Code in short time—only slightly over 2½ years. This should be sufficient time for the Law Revision Commission to make its study and recommendations, and for Congress to take action on those recommendations.

We would not have to take this action if the Law Revision Commission had been able to proceed with its work as originally scheduled. Unfortunately, it was delayed in its work unavoidably.

I urge you to support this bill with knowledge that the Law Revision Commission has recently commenced its work on the revision of the criminal laws and is fully staffed and geared-up to complete its defined task in due time.

AMENDMENT OFFERED BY MR. DENT

Mr. DENT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DENT: At the end of the bill, strike out the period, and insert in lieu thereof a comma and the words "and by inserting, immediately preceding the word 'during', a comma and the words 'or with respect to any criminal offense pertaining to articles subject to regulation under Chapter 32 of Title 22 of the District of Columbia Code'."

Mr. DENT. Mr. Speaker, this bill by its very title, of course, is a bill to prohibit, to continue to prohibit the District of Columbia City Council from revising the Criminal Code of the District. It is a very timely amendment, as introduced by the Chairman, the gentleman from Michigan (Mr. DIGGS) and it properly should be passed.

However, there are other considerations that ought to be given. If we are extending the time for a period of almost 2 years in order that the Revision Commission can get its work done, then we ought to at the same time prohibit the Criminal Code changes by any subterfuge or any roundabout, off-the-street method by any departmental police regulation. For instance, when 2 years ago the ruling was handed down, the court said that the police regulations passed by a previously appointed city council addressed an entirely different situation. Since that time this act prohibiting the change in the Criminal Code has been in effect. The reason we are not able to get the work done now is because we never know when by an act of police regulation, by an act of the police department, they will completely change the Criminal Code; and by so doing, they circumvent even this provision that is now being put into the act by the gentleman from Michigan. All he prohibits is the council from changing the Criminal Code, but at the same time the license is given to the police department to change the Criminal Code at will. We cannot say when the police, or any other authority, the Commission or the Congress makes this kind of a ruling that it is anything other than just an amendment to the Criminal Code. It makes it illegal for a homeowner to load a firearm in his own home to defend himself against an intruder or any housebreaker, or against any other unlawful act being performed by someone. It prevents the possession of any handgun not already registered in the District or even to reregister. It is foolish to say that by allowing the police regulations to change the Criminal Code that we are doing anything at all with this except postponing an action that might have been made by the council and not by the police regulations. Under all regulations a man is entitled to have in his home a weapon for his own self-defense. The right to bear arms, the right to own firearms, is inherent in American citizenship and in the Nation. The misuse of arms, of course, is not a right of anybody's.

Those of us who grew up during the prohibition of liquor days learned that prohibitions were only effective regarding those who did not know a bootlegger. There may be Members of this Congress who have a pistol permit in the city of Washington. If they leave Congress, that permit is no good to them any more, but if they come back 4 years from now after having spent 2 or 3 years out of Congress, they cannot be reregistered under regulations already put in, which are not in the Criminal Code.

I believe that the gentleman from Michigan's amendment is great; it ought to stay there; but my amendment would make it effective. The Council is a more responsive body, in my opinion, in matters of this kind than the police force is, and I would say that the Police Department should not have powers that are denied to the City Council. If the City Council cannot revise, if the City Council is prohibited from initiating change and yet has a duty to approve police initiatives, if City Council cannot write new law, if the City Council cannot change the Criminal Code, how can we justify giving this right to a department that comes under the City Council, that works under the city administration? How can we justify saying that they can change it as a matter of police regulation, which might be 24 hours in effect and changed again, and every time they change it, they postpone the revision that we are trying to get?

We are trying to get a workable Criminal Code. We can never justify a Criminal Code as long as any subordinate agency of government along the line can change it at will, and they can change it in this town under police regulation. If they did that in every city in the United States, we would not have any regulatory Criminal Code.

The SPEAKER. The time of the gentleman has expired.

Mr. DIGGS. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, during the debate on the home rule bill and during the development of the home rule legislation, we were very specific and narrow in limiting the scope of the prohibition, on the Council's legislative authority taking into consideration the spirit of home rule and the desire to get the Congress out of the business of legislating on purely local matters.

There is no question in my mind that the product of the Home Rule Conference Committee reflected the general spirit of partnership in that regard, and it was very carefully drawn.

The gentleman's amendment would seem to enlarge the scope of the limitation considerably. While I am not at all certain what the gentleman is trying to get at by his amendment, the present scope of the amendment seems to involve a considerable number of matters that are purely and solely local in nature. While we have not had a chance to thoroughly study the amendment, it appears to cover some 250 or 300 additional matters in the D.C. Code, all of which carry some measure or some provision relating to crimes and punishment. For example, all of the provisions governing licensing of the health professions carry criminal provisions of some type or another. It would seem to cover provisions, for example, which relate to false credentials and all these sorts of things. When we really get into it we may very well be talking about several pages of criminal sanctions and penalties that the city government would be prohibited from enacting legislation with respect to.

Most important, I think that it violates the kind of partnership spirit that was the product of our conference report and the very careful development of home rule legislation in its original form.

We still, Mr. Speaker, have appropriate authority within the Congress to prohibit any excesses on the part of the local government. Ample provisions are made for Congress to act in case where the Federal interest is at stake and I believe the record will show we have been diligent in monitoring the home rule government.

But, Mr. Speaker, if we really want to get into a violation of what I consider to be the fact and the spirit of the home rule partnership concept, then the adoption of this amendment would be a very long stride in that direction.

I know that the gentleman from Pennsylvania who supported the home rule concept really does not intend to go quite that far or to go even nearly that far, but the way this amendment seems to be drawn, that would be the net effect. My description of the net effect is not completely inclusive because the matter has not been the subject of hearings either at the subcommittee or full committee level in our committee, so in effect there are many unknown qualities about this amendment.

So I would hope the amendment offered by the gentleman from Pennsylvania would be rejected.

Mr. GUDE. Mr. Speaker, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Speaker, it is high time that the House of Representatives should stop trying to be the City Council for the District of Columbia and turn its attention to pressing national and international problems. So I hope the House will have the wisdom to vote down this amendment.

I would also like to bring to the attention of the House that the administration opposes the entire bill, which would extend for 2 years the prohibition against the District of Columbia City Council making changes in the Criminal Code in order that the D.C. Law Revision Commission can complete its work. The administration feels that there is no inherent conflict between the on-going work of the Commission and the exercise by the D.C. City Council of its power to amend the Criminal Code delegated under the Home Rule Act.

Mr. Speaker, I think the House should reject this amendment and the entire bill. I certainly hope the House does so, in view of the need to turn our attention to problems facing the entire country.

Mr. ASHBROOK. Mr. Speaker, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Speaker, as one who has sat through countless hours of hearings as a member of the Judiciary's Subcommittee on Crime, one glance at the Firearms Control Regulations Act of 1975 and its extreme provisions demonstrates the necessity for giving this legislation a closer look.

This bill calls for outright registration of handguns, a requirement that even a liberal House Judiciary Committee dared not to do in its national gun-control bill.

Even worse this legislation would ban possession of handguns to anyone who does not, on the day of enactment of the legislation, possess a valid registration for his handgun. Therefore, future possession of handguns by people or organizations in the District would be forbidden to those not now possessing guns. This is the best example of how bad this legislation is. Again, so-called ban bills, those forbidding possession of handguns by private citizens, got absolutely nowhere in the Crime Subcommittee and on one rollcall vote was soundly defeated. The constitutionality of this legislation is open to question and should be reviewed by Congress before it is allowed to become law.

The Firearms Control Regulations Act of 1975 is illegal because it violates the Home Rule Act. According to section 602(a)(9), the "Council shall have no authority to . . . enact any act, resolution, or rule with respect to any provision of title 23 of the District of Columbia Code—relating to criminal procedure—or with respect to any provision of any law codified in title 22 or 24 of the District of Columbia Code—relating to crimes and treatment of prisoners—during the 24 full calendar months immediately following the day on which the members of the Council first elected pursuant to this act take office."

The Firearms Act explicitly refers to title 22 of the District of Columbia Code seven times: Sections 101(1); 101(5); 203(4)(B)—twice; 203(9); 211; and 409.

The Firearms Act refers indirectly to title 22 of the District of Columbia Code twice: Sections 502(b)(1) and 709.

The elected District of Columbia Council took office on January 2, 1975, and passed the Firearms Act on July 23, 1976, within the 24 month period mentioned in the Home Rule Act.

The subject matter—crimes generally; specifically weapons' crimes—of the Firearms Act and title 22 of the District of Columbia Code is identical.

The Firearms Act contains serious errors. Section 709 refers to the "penalties prescribed in section 605 of this act." There is no section 605. Section 301(b) refers to the "criminal penalties of section 705." There are no criminal penalties in section 705. Section 502(d) refers to "subsections (b) and (f)." There is no subsection (f). Section 712 says that "This act shall take effect pursuant to the provisions of section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act." The act, however, deals with title 22 of the District of Columbia Code, and therefore falls under section 602(c)(2) of the Home Rule Act.

I support the amendment of the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I am happy to yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, the whole purpose of the amendment to the act of the gentleman's bill is to postpone for a 2-year period to give the Commission an opportunity to catch up with all the amendments to the Criminal Code now before the Council. If we allow this to stand, we are also taking their own whip notice that says that when the draft is finally ready, it must be submitted to the Congress for final review and enactment of Congress. To turn over to the City Council under the newly revised code and the authority to maintain it, as stated, H.R. 12261 will give the Law Commission a chance to complete its work.

That is right. That is why I commented on it. I think it is the proper thing to do; but at the same time, we are forbidding the Criminal Code from being tampered with by the Council. If we do not close the loophole that my amendment offers to take out of the hands of the police department the right for them to revise the Criminal Code, we will never have the final right to do so in our hands and we will have to extend it for another 2 years, because on the day before they will have to revise it and we will hear from some official in the police department.

Now they are not allowed to have a gun, but now they propose it is a gun not in working condition. It has to be separate. They have to have the firing pin or something loose from it. They are not allowed to have cartridges in the same housing they have the gun in. That is an open invitation to the criminal that has a gun.

So I believe this is a good amendment. It does not in any way hurt or do any damage to the bill offered by the gentleman from Michigan.

Mr. ASHBROOK. Mr. Speaker, I would say in addition that the elected District of Columbia Council took office on January 2, 1975, and they passed the so-called Firearms Act on July 23, 1976, within the 24-month period mentioned in the act.

Mr. BIAGGI. Mr. Speaker, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Speaker, I rise in support of the committee position and I commend the chairman, my good friend, Mr. DIGGS for the legislation that is before us today; but I rise also in support of the amendment offered by the gentleman from Pennsylvania (Mr. DENT).

Somehow, when we get involved in the area of gun control we get a little confused in our objectives. By one way or another, through the front door or the back door, we try to impose gun control on the segment of the population that is law abiding. In the city of New York, the police commissioner has adopted a very firm policy in connection with issuing licenses.

That policy is to deny all, notwithstanding the fact that the legal process provides for individuals to apply and, hopefully, to be approved. Notwithstanding the conditions being met, the police commissioner takes the position that he refuses to issue licenses. The effect here is the same only we are doing it in a different fashion by saying that those individuals who desire to purchase firearms to protect themselves, their homes and families, are denied that opportunity.

That is wrong. In my judgment, we are denying a right, because a careful review of all of the crimes committed will demonstrate that rarely do we have members of gun clubs or, in few instances, licensees or home owners whose guns are used in the commission of crimes. If we are to deal with control of firearms as far as the law is concerned, this is not the approach. The amendment offered by the gentleman from Pennsylvania is salutary; it would complement the bill, and I sincerely hope the amendment is agreed to.

I reiterate the point that gun control legislation whether it is adopted on the local, State or Federal level cannot infringe upon the legal rights of individuals to possess firearms for legitimate purposes. We must include the homeowner in this category. To deny a person the right to protect his property and his family is wrong, and we cannot be a party to laws which infringe upon this right.

As I have stated before, the issue in gun control is the uncontrolled uses of guns in the commission of crimes. This Congress time would be far better spent passing legislation such as H.R. 9904 which I have introduced imposing minimum mandatory prison sentences on persons convicted of using guns in crime. Let this Congress direct its efforts in this direction.

Mr. PAUL. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I would like to speak in support of this amendment. If possible, I would like to ask the gentleman from Pennsylvania (Mr. DENT) a question.

I would like to know whether or not this would negate the District of Columbia bill passed recently by the City Council. Recently, I have introduced a resolution to disallow this law, and I want to know whether, if we agree to this amendment, or not this will make that particular law which was passed by the District Council a nonfunctioning law which thus not go into effect.

Mr. DIGGS. Mr. Speaker, the gentleman asked for the gentleman from Pennsylvania, but I would say that it would not. That measure does not become effective, and therefore would not be applicable to this.

Mr. PAUL. I wanted to make that clear. That law will not go into effect if this amendment is agreed to?

Mr. DIGGS. It will go into effect regardless of this amendment, unless there is a disapproval resolution passed.

Mr. PAUL. I see. Because, I think it is very important to realize that this recently enacted law, enacted by the District of Columbia Council, did bypass the code and was changing the Criminal Code in the District of Columbia, which is the reason I introduced the legislation to disallow that law. I think this is important. I was hoping to bring that to a vote, because I think that the legislation that they have placed on the books is really an outrageous piece of legislation.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Pennsylvania.

Mr. DENT. I would answer by saying that the proposal of the gentleman from Michigan, the chairman of the committee, does not in any way take away the right of the Council, except upon the passage of this act, to amend the Criminal Code, so that anything previous to the amendment to the act today would be in effect, if they put it in effect.

Mr. PAUL. I thank the gentleman.

Mr. DELLUMS. Mr. Speaker, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Speaker, I thank my distinguished colleague for yielding to me.

I realize that on the floor of the Congress we pass on complicated questions and issues before the House, but this particular law has nothing to do with gun control. It seems to me that in our wisdom and eloquence, we ought to debate the question of whether the District of Columbia Council has the right to enact gun control legislation, but this has nothing to do with that question.

It would seem to me that it would behoove the gentleman to vote up or down the question. It would seem to me that the people of the District have the right to prohibit or revise their own Criminal Code. It would seem to me that we ought to be clear about what is before us.

We have many confusing questions. I realize that this is an election year, but it is the height of absurdity to complicate the issue before us, which is very clear.

Mr. McCLORY. Mr. Speaner, I move to strike the requisite number of words.

Mr. Speaker, I am reminded that there is languishing in the Committee on Rules a comprehensive so-called gun control bill, which, in my opinion, does nothing more than to direct Federal attention at the criminal misuse—and I emphasize "the criminal misuse"—of handguns. This is a measure essentially limited to handguns, limited to the acquisition, use, transportation, and so on, of handguns which find their way into the hands of criminals. The measure is principally directed at the criminal misuse of handguns in our larger cities, such as Atlanta, Chicago, Detroit, Washington, D.C., and other large cities where we find a prevalence of the use of the so-called Saturday night specials—cheap, nonsporting-type handguns.

One of the main arguments against bringing that handgun control bill to the floor of the House is that we should have more local control. It is argued that we should have this subject directed and controlled locally.

As I understand it, what the committee is endeavoring to do is to give some latitude with regard to the problem of serious crime in the District of Columbia, where I have a home and spend most of my time time, and to permit the District of Columbia police and Council some control with respect to handguns that are proliferating and that are used extensively in connection with crimes. Such handgun proliferation has extended even to the hands of small children and handguns are not uncommon on the school grounds, as our subcommittee of the Committee on the Judiciary discovered and disclosed in the course of our hearings.

We have also in this session of Congress denied funds—we have denied funds—to the Alcohol, Tobacco, and Firearms Bureau to enforce existing gun control laws. Let me repeat, we have denied funds for the enforcement of existing gun control laws, even though we say, "We have plenty of laws on the books. Why do we not enforce them?" It should be obvious that we cannot enforce the existing laws if we do not give our law enforcement agencies the means by which they can enforce the existing laws.

It seems to me that this thing has gone to the point of absurdity. I heard the emotional and misleading argument made here a few minutes ago about the right to possess and bear arms under the Constitution, which, in my opinion, this constitutional authority is limited to the rights of the States to have militias. Citizens' rights to possess and bear arms are a basic prerequisite to the maintenance of State militias or National Guard units. Federal, State, and local governments all provide some limitations on the possession of and bearing of arms. The constitutional argument on this whole issue is completely confused and misleading.

The Attorney General himself has talked about the "crazies," in the NRA, and I think that he speaks with some knowledge of the true situation. For us to rise here today to try to block the Committee on the District of Columbia from trying to do something for the people of this city to bring crime in the District of Columbia under some control seems to me to be just absolutely absurd. I certainly hope that the amendment offered by the Gentleman from Pennsylvania (Mr. DENT) will be defeated.

The SPEAKER. The time of the gentleman from Illinois has expired.

(On request of Mr. DENT and by unanimous consent, Mr. McCLORY was allowed to proceed for 2 additional minutes.)

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, I appreciate the gentleman's concern over the individuals who are disturbed over this legislation, and I am one of them. I appreciate the gentleman's very great concern, but I think I am just as much interested in keeping guns out of the hands of lawbreakers, juveniles, and incompetents. My voting record proves it.

Mr. McCLORY. May I ask, Would the gentleman's amendment not thwart the District Council from enforcing or maintaining its existing gun control law?

Mr. DENT. If the gentleman will yield, I will answer that.

Sometimes if we are not around to listen to all of the debate, we get confused. In this instance, as much as I know the gentleman is trying to keep from getting confused, the gentleman is confused.

All we are saying here is that the gentleman from Michigan, the Chairman's amendment is good, it is proper to give the Commission an extended period of 2 more years in order that they may write and revise the Criminal Code and come to the Congress with an plan and for the Congress to do what it will. What I am saying is this: What good is it to say that we are giving the Congress an opportunity to have a free rein for 2 years of study of the Criminal Code and come out with what it thinks ought to be a criminal code, and then turn right around and give to the police department the right to amend by regulation the Criminal Code any time they want to?

That is all I am saying.

Mr. McCLORY. I think I understood the gentleman correctly. I think the gentleman's amendment would prohibit the District of Columbia from doing anything with respect to gun control.

I think I understand the gentleman further correctly when he says that he wants to prohibit them for an extended 2-year period from effecting local gun control legislation—or regulations and have someone else write the law for them.

Mr. DENT. If the gentleman will yield, it has been said, and I think it is true, that when one speaks, sometimes very few listen and darn few hear; but even worse than that, a lot fewer understand.

At no time did I limit or make a direct statement that would lead any Member to believe my amendment to the Diggs amendment would change any part of the criminal code that was on the books prior to the passage of the original legislation by Congress which is being amended today.

The SPEAKER. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. DENT).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 262, nays 92, not voting 77, as follows:

[Roll No. 641]

YEAS—262

Alexander
Allen
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Baucus
Bauman
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Blanchard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
Delaney
Dent
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Eilberg
Emery
English
Evans, Ind.
Fary
Findley
Fish
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hannaford
Hansen
Harkin
Harsha
Hayes, Ind.
Hechler, W. Va.
Hefner
Hicks
Hightower
Hillis
Horton
Howard
Hubbard
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Martin
Mathis
Mezvinsky
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
Oberstar
O'Hara
Passman
Patterson, Calif.
Paul
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ryan
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steiger, Wis.
Stephens
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Treen
Ullman
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—92

Addabbo
Ambro
Beard, R.I.
Biester
Bingham
Blouin
Boggs
Bonker
Brademas
Brodhead
Burton, John
Burton, Phillip
Collins, Ill.
Conyers
Daniels, N.J.
Dellums
Derrick
Diggs
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fascell
Fenwick
Fisher
Forsythe
Fraser
Gonzalez
Gradison
Gude
Harrington
Harris
Hawkins
Heckler, Mass.
Helstoski
Holtzman
Hughes
Jacobs
Jarman
Jones, Ala.
Jordan
Kastenmeier
Koch
LaFalce
Lundine
McClory
McCloskey
Maguire
Mann
Mazzoli
Metcalfe
Meyner
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mosher
Murphy, N.Y.
Nix
Nolan
O'Brien
O'Neill
Ottinger
Patten, N.J
Pattison, N.Y.
Railsback
Rangel
Reuss
Richmond
Rodino
Roybal
St Germain
Sarbanes
Scheuer
Seiberling
Simon
Solarz
Spellman
Stark
Stokes
Studds
Thompson
Tsongas
Udall
Vanik
Whalen
Wolff
Yates

NOT VOTING—77

Abdnor
Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Aspin
AuCoin
Badillo
Baldus
Bell
Boland
Bolling
Breckinridge
Brown, Calif.
Brown, Mich.
Burke, Calif.
Chappell
Chisholm
Clay
Conlan
Corman
de la Garza
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Frey
Giaimo
Green
Hanley
Hays, Ohio
Hébert
Heinz
Henderson
Hinshaw
Holland
Holt
Howe
Hungate
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Karth
Lehman
McKinney
Mahon
Matsunaga
Meeds
Melcher
Mink
Moffett
Moorhead, Pa.
Moss
Obey
Peyser
Pritchard
Randall
Rees
Riegle
Risenhoover
Roncalio
Rooney
Rosenthal
Ruppe
Russo
Santini
Sisk
Smith, Nebr.
Steelman
Steiger, Ariz.
Sullivan
Symington
Van Deerlin
Waxman
Wirth
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Adams.
Ms. Abzug with Mr. Anderson of California.
Mr. Matsunaga with Mr. Baldus.
Mr. Badillo with Mr. Aspin.
Mr. Chappell with Mr. Brown of California.
Mr. Rooney with Mr. Esch.
Mr. Waxman with Mr. Conlan.
Mr. Lehman with Mr. Bell.
Mrs. Chisholm with Mr. Breckinridge.
Mr. Jones of Oklahoma with Mr. Eshleman.
Mr. Young of Georgia with Mr. Clay.
Mr. Holland with Mr. Abdnor.
Mr. Moffett with Mr. Evins of Tennessee.
Mr. Santini with Mr. Hays of Ohio.
Mr. Boland with Mr. Brown of Michigan.
Mrs. Burke of California with Mr. Green.
Mr. Hébert with Mr. Frey.
Mr. Hanley with Mr. Karth.
Mr. Meeds with Mr. Anderson of Illinois.
Mr. Roncalio with Mr. McKinney.
Mr. Rosenthal with Mr. Peyser.
Mr. Moorhead of Pennsylvania with Mr. Rees.
Mr. Van Deerlin with Mrs. Smith of Nebraska.
Mr. Risenhoover with Mrs. Holt.
Mrs. Mink with Mr. Steelman.
Mr. Evans of Colorado with Mr. Ruppe.
Mr. Giaimo with Mr. Pritchard.
Mr. Riegle with Mr. Heinz.
Mr. Symington with Mr. Sisk.
Mr. Corman with Mr. Steiger of Arizona.
Mr. AuCoin with Mr. Wirth.
Mr. Obey with Mr. Randall.
Mr. Moss with Mr. Melcher.
Mr. Russo with Mr. Hungate.
Mr. Mahon with Mr. Howe.
Mr. de la Garza with Mr. Henderson.
Mrs. Sullivan with Mr. Young of Alaska.

Mrs. BOGGS and Messrs. HELSTOSKI, WOLFF, and BRADEMAS changed their vote from "yea" to "nay."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. BIESTER. Mr. Speaker, as a member of the Judiciary Subcommittee which originally considered this legislation, I rise in opposition to H.R. 12261, a bill to extend for 2 years the prohibition against the District of Columbia City Council revising the criminal laws of the city.

When the Home Rule Act passed in 1973, a provision was included withholding authority from the D.C. Council until January 1977 over changes in the criminal laws of the city. In separate legislation passed in 1974 a Law Revision Commission was established for the purpose of modernizing the city's civil and criminal codes. With the January date just a few months away and the Commission's criminal code recommendations almost 2 years from completion, the question is whether the code revision must be readied and approved by Congress before the city can exercise its legislative powers over criminal law. In my opinion, the answer is "No."

The legislative intent of the two separate measures relevant to this discussion—the Home Rule Act and the Law Revision Commission Act—is somewhat ambiguous and subject to differing interpretation. The conferees in the Home Rule Act intended that Congress would "seek" to revise the criminal code prior to the transferral of authority to the city council, the time period being 2 years ending January 3, 1977. The Law Revision Commission, with a 4-year existence terminating in 1979, was directed to give priority attention to criminal code revision but no deadline for this aspect of its work was specified. Hence, there is no coincidence of timetables in these two acts, and therefore I believe it can be argued that the 2-year transferral date can pass without the completion of the Law Revision Commission's criminal code provisions.

The existence of an updated criminal code is not a necessary antecedent to the exercise of criminal law jurisdiction by the D.C. government. Giving the city authority now does not mean the work of the Commission will cease or be for naught; when the recommendations are ready, they can be implemented.

Assuring that the city has a modern criminal code is a worthy and unarguable objective, but if those working within the Federal criminal justice system can cope while the adoption of the Federal criminal code revision legislation is continuously postponed, I believe the District can continue with its present code, amended as need be, for a couple more years.

The Law Revision Commission, which has been hampered by delays in getting underway, estimates it will be another 2 years before its criminal code revisions will be ready for approval. Even then, who can be certain Congress will approve adoption of the code? How many more frustrations can be expected before the authority to make changes in the criminal law is turned over to the city where it belongs?

Let us be realistic. The Home Rule Act, itself, makes this legislation unnecessary. Under the act, Congress retains ultimate control over any and every legislative action of the city government. If the city were to make a change in the criminal code not to the liking of Congress, a simple majority in only one House could negate the city's action. Clearly, this veto power should be a sufficient check to satisfy anyone's concerns for what the council might do.

In conclusion, let me make the obvious but unfortunate observation that this legislation is dramatically inconsistent with the spirit of home rule. We would be well-advised to pay heed to the provisions of both the Republican and Democratic convention platforms as they pertain to the District of Columbia. The Republican document calls for "full home rule over those matters that are purely local," and the Democrats' advocates the "elimination of Federal restrictions in matters which are purely local." Criminal acts against people within the city of Washington but not within the Federal enclave are, it seems to me, matters of a local concern over which the city should have jurisdiction. Home rule will continue to be less than a reality the longer Congress persists in denying the people of this city control over one of the most critical concerns of their daily lives.

Mr. Speaker, this bill would perpetuate congressional involvement where it is neither wanted nor needed, and I urge its defeat.

The SPEAKER. Without objection, the previous question is ordered on the bill.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. MAHON. Mr. Speaker on rollcall No. 641 on the bill H.R. 12261 which provides for a "Prohibition Against the District of Columbia Council Revising Criminal Laws," I was not recorded. I had been called from the House Chamber and was not aware that the vote was in progress. Had I been in the Chamber I would have voted for the Dent amendment, as I am a strong believer in the right of the citizen to keep and bear arms.

RESIGNATION AS MEMBER FROM COMMITTEE ON SMALL BUSINESS

The SPEAKER laid before the House the following resignation as a member of a committee:

WASHINGTON, D.C.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: It has been a distinct honor and privilege to serve under the Honorable Joe L. Evins of Tennessee, Chairman of the Committee on Small Business, and to participate in its efforts to protect and improve that important segment of our economy.

As my term in Congress comes to a close, I respectfully tender my resignation from the Committee effective September 7, 1976, if it please the House.

Thank you for your attention to this, and I am,

Yours sincerely,
WILLIAM L. HUNGATE.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

CONFERENCE REPORT ON H.R. 11009, FINANCIAL PLANNING, REPORTING, AND CONTROL SYSTEMS FOR DISTRICT OF COLUMBIA GOVERNMENT

Mr. DIGGS. Mr. Speaker, I call up the conference report on the bill (H.R. 11009) to provide for an independent audit of the financial condition of the government of the District of Columbia, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The clerk read the statement.

(For conference report and statement, see proceedings of the House of August 3, 1976.)

Mr. DIGGS (during the reading). Mr. Speaker, in view of the fact that the conference report has been printed and is available to the Members and also was printed in the CONGRESSIONAL RECORD of August 3, 1976, and since it goes on to summarize the main provisions of the report, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. DIGGS) is recognized for 30 minutes.

Mr. DIGGS. Mr. Speaker, the conference report protects the House provisions on the great question of the audit of the District of Columbia's financial situation. This conference report and legislation would establish an eight-member temporary Commission on the Financial Oversight of the District of Columbia consisting of the mayor, the city council chairman, and three members from each of the two Federal legislative bodies. The commissioners would elect their own chairman and vice chairman, the commission would have authority to let contracts for design and development and implementation of financial planning and reporting, and the legislation would also permit the commission to have authority over the control systems for the District of Columbia.

Mr. Speaker, the conferees adopted a modified provision authorizing the commission to negotiate the scope of the contract, the schedule for completion of this task, and also giving them authority for establishing a fixed price. The contractors would also be required to establish an ongoing training program for effective D.C. government personnel.

Mr. Speaker, the conferees adopted also modified provisions which would give the Controller General 60 days in which to approve or disapprove or modify the financial systems plans submitted by the contractors and then such modifications or disapproval would be submitted to Congress which could reject the Controller's actions by adopting a concurrent resolution within 45 days.

The conference agreement, Mr. Speaker, provides that the D.C. Mayor, assisted by the contractor, would implement each part of a financial plan and that the contractor shall have access to all of the D.C. books and records and that the Controller General shall have access to all documents produced under the contract.

So this is a blending, Mr. Speaker, of provisions from both bodies. The conference committee agreed to authorize the commission to contract for a balance sheet audit as of September 30, 1977 or other date recommended by the Controller General. It also authorizes an annual audit for fiscal year 1978 and 1979, and then after that time the Mayor with the advice and consent of the city council is to select an auditor to make annual audits for the 4 years beginning with the fiscal year 1980. In other words once all of this is done, they will have and be directed to have annual audits at the local level. If the mayor and council are unable to agree for whatever reason, the selection of the auditor would be made by the Chairman of the House and Senate Appropriations Committee.

The conference agreement would authorize $8 million in Federal funds and $8 million in District funds. In other words, it is a 50–50 arrangement to pay for the contracts, to pay for the three audits, to pay for the cost of the Controller General and the commission. In this way whatever responsibility the Congress had prior to home rule, either directly or indirectly, for certain conditions that brought about the financial entanglements, the responsibility would be reflected there, and also wtih the District sharing on a 50–50 basis they of course would assume responsibility for the development of this arrangement and for the ongoing audits that will be necessary in order to try to restore some sort of fiscal sensibility to what has been widely characterized as a real systems problem here in the District of Columbia.

Mr. WHALEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report of H.R. 11009. This bill provides for the establishment of a Temporary Commission on Financial Oversight for the District of Columbia. It seems to me that there can be no question of the urgent need for the complete and thoroughgoing study and overhaul of the District's financial management system which this legislation would provide. Questions have been raised with respect to the District's budget and finances, and it has been pointed out that there has never been an independent audit of the books and records of the D.C. government. Considering the problems that have already come to the attention of the public since the advent of home rule, it would seem that the testimony of the U.S. Comptroller General in our hearings last December is especially pertinent, and I quote:

> The effort required to make a financial audit is obviously affected a great deal by the condition of the accounting records and the adequacy of the internal control procedures. When records and procedures are not properly designed and maintained, the extent of the testing and verification work is greatly increased. This causes the audit to become much more time consuming and therefore more expensive. The task of reconstructing the accounts may be impossible, or so major, as to preclude the rendering of an opinion at the conclusion of the audit . . .

And with what may be an understatement, he goes on to observe that:

> Unfortunately, the District's system suffers from these ills. We have found the weaknesses in internal control and the inadequacies in record keeping to be widespread and severe.

Mr. Speaker, anyone familiar with the record of this extensive proceeding will appreciate the work and expertise which has gone into this legislation. I believe that what has emerged is an excellent plan for the required analysis and study of the District's financial system. It will also provide the means for the development and implementation of the revision or complete revamping, if necessary, of the city's financial planning, reporting and control systems. It should be put into effect without a moment's unnecessary delay, starting with the passage of this legislation.

Mr. Speaker, the administration has stated that it has no opposition to this legislation. In view of the evident and urgent need and the comparatively insignificant cost to the Federal Government, I strongly urge a favorable vote on H.R. 11009 at this time.

Mr. DIGGS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TOXIC SUBSTANCES CONTROL ACT

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1458 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1458

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 14032) to regulate commerce and protect health and the environment by requiring testing and necessary restrictions on certain chemical substances and mixtures, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule and said substitute shall be read for amendment by titles instead of by sections. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 14032, it shall be in order to proceed to the consideration of the bill S. 3149, section 402 of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, and it shall be in order in the House to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions of H.R. 14032 as passed by the House.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I shall consume.

Mr. Speaker, House Resolution 1458 provides for the consideration of H.R. 14032, Toxic Substances Control Act, granting to the Administrator of the Environmental Protection Agency regulatory authority to protect public health and the environment from potentially harmful chemical substances.

The resolution would permit the House to consider the legislation under an open rule with 1 hour of general debate. The rule makes the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill in order as an original bill for the purpose of amendment.

The rule also makes it in order to call up the bill S. 3149 for the purpose of substituting the House-passed language, and waives points of order which could be raised under section 402 of the Congressional Budget Act—Public Law 93–344.

Section 402 prohibits consideration of authorization bills for fiscal year 1977 unless they were reported by May 15, 1976. This bill, S. 3149, was reported before May 15 in the Senate and thus was not in violation of the Budget Act when considered by that body.

H.R. 14032 does not contain authorizations for fiscal year 1977. The Senate bill does and when it is called up in the House it could be subject to a point of order. However, we are calling up the Senate bill solely for the purpose of inserting the House-passed language and, therefore, the waiver does not violate the spirit of the Budget Act. This assurance was given to the Committee on Rules by the Budget Committee which has no objection to the waiver.

Mr. Speaker, there are more than 30,000 chemicals on the market and only a few thousand have been adequately tested to determine if they are safe. This number grows by about 1,000 each year, and there is no requirement that these chemicals be evaluated for health and environmental effects before they are marketed. Moreover, there is inadequate authority to regulate a chemical once it is discovered to be hazardous.

Toxic substances control legislation was passed in the House and the Senate in both the 92d and 93d Congresses, but time did not permit the conferees to resolve the differences between the House and Senate passed bills. This year, I understand the legislation passed by the Senate and that reported by the House Commerce Committee are much more similar.

H.R. 14032 has the general support of the major industry trade groups, environmental groups, citizens, and labor. I urge adoption of House Resolution 1458 so that we may proceed to the consideration of the Toxic Substances Control Act.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as my colleague from Florida has explained House Resolution 1458 provides for the consideration of H.R. 14032, the Toxic Substances Control Act—a bill designed to regulate commerce and protect health and the environment by requiring testing of and restrictions on certain chemical substances and mixtures, and for other purposes. The resolution furnishes an open rule with 1 hour of general debate.

Upon the adoption of the resolution, it will be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment.

The substitute shall be read for amendment by titles instead of by sections. Subsequent to the passage of H.R. 14032, it will be in order to proceed to the consideration of the bill S. 3149, section 402 of the Congressional Budget Act of 1974 notwithstanding, and to move to strike out everything after the enacting clause of the Senate bill and insert the provisions of H.R. 14032 in its place.

H.R. 14032 will require manufacturers and processors of potentially harmful chemical substances and mixtures to test the substances or mixtures as required by rules issued by the Administrator of the Environmental Protection Agency so that their effect on health and the environment may be evaluated.

It will require manufacturers of new chemical substances and manufacturers and processors of existing chemical substances for significant new uses to notify the Administrator 90 days in advance of commercial production.

The bill will authorize delays or restrictions on the manufacture of a new chemcial substance if there is inadequate information to evaluate the health or environmental effects of the substance and if in the absence of such information, the substance may cause or significantly contribute to an unreasonable risk to health or the environment.

Further, it will authorize the Administrator to adopt rules to prohibit the manufacture, processing, or distribution of a chemical substance or mixture, to require labeling, or to regulate the manner of disposal of a chemical substance or mixture for which there is a reasonable basis to conclude that it causes or significantly contributes to an unreasonable risk to health or environment.

These provisions, and there are many more, are certainly comprehensive, but I wonder if, in our haste to deal with the onerous problems of toxic substances, if we are not paying too little attention to the ramifications of the legislation as it relates to the American chemical industry. In the more than 100 pages of this legislation, an incredibly complicated regulatory maze is mandated which is guaranteed to completely stymie any layman's attempt to wade through it. And the bill will be augmented by additional rules and regulations issued by the EPA.

As each layer of thick bureaucratic tape is applied over the hands and tools of American chemical companies, it will become more and more difficult to develop and process new chemical compounds, especially for the smaller companies involved. For them it will virtually be an impossible task. The larger chemical companies who have the means to retain vast legal staffs will, of course, be presented with only a minor problem.

But what of the small chemical companies? What are we forcing on these companies who are struggling to compete on the market? Mr. Speaker, is it really responsible for us to seek to solve one major problem at the risk of creating another of similar magnitude?

The House, Mr. Speaker, has passed toxic substances legislation previously—in both the 92d and 93d Congresses. Never before has this House made provision to place such a heavy burden on our competitive market where small chemical companies are concerned.

I would ask my colleagues to thoughtfully consider the consequences of the adoption of this legislation and to decide for themselves whether or not the burden is too heavy.

Mr. Speaker, in order that we may move to answer these questions and debate the provisions of the bill, I ask that the resolution be adopted.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14032) to regulate commerce and protect health and the environment by requiring testing and necessary restrictions on certain chemical substances and mixtures, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 14032, with Mr. MANN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. MURPHY) will be recognized for 30 minutes, and the gentleman from Nebraska (Mr. MCCOLLISTER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. McCOLLISTER. Mr. Chairman, I yield myself 10 minutes.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I would like to place special emphasis upon the remarks of the gentleman from Nebraska (Mr. MCCOLLISTER) in which he credits the gentleman from Texas (Mr. ECKHARDT) and the gentleman from North Carolina (Mr. BROYHILL) with extraordinary work in bringing together the necessary compromises that brought this legislation to the floor, work carried on during three successive Congresses with respect to this issue so vital to the American people.

Mr. Chairman, it is through their fine efforts that we have this bill here before us today, and I would like to pay particular tribute to these men for their productive work in this vital matter.

Mr. McCOLLISTER. I thank the chairman for his contribution. We may well wish to give to these gentlemen the principal responsibility for this legislation.

Mr. Chairman, H.R. 14032, the Toxic Substances Control Act, is designed to give the Administrator of the Environmental Protection Agency broad, new authorities to regulate the chemical industry. That this legislation is before us today in its present form is a mark of the fine work done by the gentleman from Texas and the gentleman from North Carolina who were successful in working out many of the problems which have surrounded this bill. On two previous occasions, this body has passed similar legislation only to have the bills die in conference. I will admit that the bill leaves unaddressed some of the issues voiced by both sides to the controversy surrounding this bill, that is the environmentalists and the affected industries. Indeed, as I will discuss in a moment, I still have questions about several provisions. But, on a whole, I believe that the legislation presents a fairly well-balanced regulatory scheme which, if implemented in a reasonable fashion, will not prove to be unduly burdensome on those regulated. Therefore, I hope that we can pass this legislation and send it on to the White House in its present form.

In general, the bill would give EPA the authority to promulgate testing standards for chemical substances and mixtures, require a 90-day premarket notification period for all new chemical substances, and prescribe various regulations which the chemical industry would have to meet. I want to take a moment to discuss the premarket notification provision of the legislation, since this provision has been one of the most controversial sections of the bill. The bill would require manufacturers of all new chemical substances to notify EPA and provide certain specified information at least 90 days prior to manufacture or marketing. This approach of requiring premarket notification for all new substances represents, in my view, quite a departure from previous House-passed bills which would have limited premarket scrutiny to substances which EPA found posed a danger to health or the environment. I believe that the more limited approach found in earlier House bills would serve to better focus EPA's attention and limited resources on the potentially dangerous chemicals, and I regret that we have decided to reject this more limited approach which the House did adopt in both the 92d and 93d Congresses.

Section 5 is probably one of the most onerous provisions of the legislation with its requirement for premarket notification of all new chemical substances. However, this section does contain exemptions. For example, chemicals which are manufactured in small quantities for sale to laboratories for research purposes would not be subject to the premarket notification provisions of the bill. Further, research and analysis being performed during the developmental stages of chemicals which may ultimately be produced commercially would also be exempt from the premarket notification provisions of the bill. This exception for research and analysis related to product development would exist regardless of whether the manufacturer were evaluating the product within its own plant or had made the product available to a potential customer with or without the payment of a fee. Section 5 must not be interpreted in such a way as to stifle product development and innovation, and we expect that EPA will implement section 5 and the other provisions of the bill so that this result will not occur.

Section 6 of the bill gives EPA the authority to promulgate rules regulating the manufacture, processing, use and disposal of chemical substances and mixtures. At the outset, EPA is directed to issue the least burdensome requirement possible. For example, EPA could not ban a substance for a particular use if a labeling requirement would provide adequate protection. We have followed past practice in establishing a fairly formal rulemaking procedure, including opportunity for an oral hearing, a limited right to cross-examination, and judicial review based on the substantial evidence test. Further, EPA would be required to make certain findings before issuing a rule, including a finding as to the economic consequences of the rule taking into account the impact of the rule on small business.

The legislation does give the EPA authority to require that manufacturers maintain records and periodically submit reports. However, we also recognize that such recordkeeping can be unduly burdensome. Consequently, the legislation directs the agency to require the maintenance of reports that are nonduplicative of those required by other Federal Government agencies. Further, the legislation contains a partial exemption for small businesses from the recordkeeping requirement.

Even though, as a whole, I believe that H.R. 14032 is a well-honed piece of legislation, it does contain what I believe to be a very troublesome provision in section 21 dealing with citizens' petitions. This section would allow a private citizen to petition the EPA to promulgate a rule requiring testing or the regulation of a particular chemical substance. Should EPA deny the petition or not act on the petition, the citizen could go to Federal court and, if he could show in a de novo proceeding that the substance could possibly pose a risk, then the court would direct the agency to initiate the rulemaking proceeding as requested by the petitioner. A provision such as this was first inserted in the Consumer Product Safety Act and became effective in late October of 1975, with respect to the Consumer Product Safety Commission. This provision was inserted in the Product Safety Act as an experiment, and I believe that it is too soon to determine what effect, if any, the citizens' petition provision will have, not only on the workload of the agencies, but also on the caseload of the Federal courts. I believe that we should resist the temptation to insert this provision in other legislation until we have more closely examined the experience of the Consumer Product Safety Commission over a particular period of time.

Further, I think it is inappropriate to insert this provision piecemeal into different bills. It may be that a citizens' petition provision is indeed a desirable concept and, if so, it should be made applicable to all regulatory agencies. If not, the concept should be dropped once and for all. To insert it in various bills in such a crazy-quilt fashion makes little sense, and I regret that the provision has found its way into the bill before us today.

Finally, I want to say a few words about the impact which this bill could have on small businesses. Certainly all Federal legislation falls more harshly on small businesses than on large companies who, as a rule, are better able to hire the legion of attorneys and accountants needed to cope with the myriad rules and regulations that some agencies hand down. However, we have, in this bill, made a genuine effort to deal with some of the unique problems that small businesses face. Further, we expect that EPA in implementing this bill, will pay special attention to the particular needs of small businesses. For example, in section 27 of the bill, we give EPA the authority to collect filing fees of up to $2,500 to defray the cost of administering the act. However, these fees are to be based on ability to pay and we expect that EPA would impost lower fees, if any at all, on small companies.

Finally, we expect that EPA will establish close contact with the Small Business Administration so that EPA can more adequately inform itself as to the particular problems faced by the small business community. Frankly, I have found that the small business community has little confidence in EPA's ability to issue sensible rules and regulations. This lack of confidence is based on EPA's past track record. If EPA will counsel with the Small Business Administration, to determine what effect its regulations will have on small companies, then this act need not have the harsh consequences that some are presently predicting. I, for one, will be closely watching EPA's performance in this regard.

Mr. Chairman, I think it probably should be said also that on both sides in the committee there was an effort made to hold to the language of the bill. I know that the conversations between the gentleman from North Carolina (Mr. BROYHILL) and the gentleman from Texas (Mr. ECKHARDT) will indeed be tested here and there, and some of the amendments offered may well seem to be very attractive. But I think we are obligated—we who have worked out the compromise—to hold to the language of the bill. I should have much preferred that the bill which I introduced originally would be the vehicle before us today. I regret that it is not. In any case, H.R. 14032 is the product of that labor before the Committee of the Whole today, and I hope that it passes in its present form.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCOLLISTER. Mr. Chairman, I yield myself 3 additional minutes.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I think that the distinguished gentleman in the well has underestimated his influence with respect to this bill in his very generous statement concerning myself and the gentleman from North Carolina (Mr. BROYHILL). Actually he has, I think, devised many of the provisions that afford protection to small business. Perhaps we have not adopted enough to totally suit him. I suspect that that is true. Because he has been such a stalwart defender of the interests of independent small businesses on our committee, it might be difficult for us ever totally to suit him on that matter. But I think great credit must be given to the gentleman in this regard.

There is one thing that I would like to bring out in this colloquy. The gentleman from Nebraska had referred to the premarket notification section of the bill and indeed that is perhaps the most controversial portion. He did mention certain exemptions and perhaps one other thing needs pointing out. This is on page 163 with respect to the administrative authority in identifying a chemical substance. It states:

> (2) To the extent consistent with the purposes of this Act, the Administrator may, in lieu of listing, pursuant to paragraph (1), a chemical substance individually, list a category of chemical substances in which such substance is included.

I may say to the gentleman, I think this is an extremely important leeway to the Administrator. Say for instance a chemical substance is manufactured and produced inhouse in an oil and chemical refinery. That chemical substance may be a catalyst that undergoes successive changes. Under these provisions we felt that instead of requiring a 90-day notice every time a change was made that had the result of changing the chemical constituency of the substance, the single category could be mentioned and changes could be made within that category.

I think that the gentleman will agree with me this is one of the provisions in which we carefully examined difficulties which could result from too rigid an act and met those possible objections.

Mr. McCOLLISTER. I do agree and I am grateful for the gentleman's comment.

Mr. MURPHY of New York. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, I thank the chairman of the subcommittee, and I compliment the committee on introducing this landmark piece of legislation.

Mr. Chairman, I rise in support of this landmark legislation. Everyone will agree that in considering legislation to protect the environment Congress must achieve a sensible balance between the needs of the economy and the need to protect the public health and welfare. No one will advocate shutting down the economy in order to protect the environment. And no one will advocate destroying the environment in order to protect the economy. Too often, however, the debate may lead us to believe that we can only satisfy one need or the other need, but not both. I strongly disagree. I believe that both needs can, should, and must be met. The fact is that society cannot live long without either. This is not to imply that satisfying both needs is an easy task. It requires difficult decisions. It also requires a strong desire to work for and to achieve moderate resolutions of competing interests.

Faced with this task of resolving the conflicting needs of the economy and the environment I undertook to bring a measure of balance to the Toxic Substances Control Act. The concerns expressed by the chemical companies in New Jersey as well as those of the citizens and workers of my State, who daily face living in environment which continues to deteriorate, had to be weighed and reconciled.

My efforts in the full Commerce Committee markup of this bill were aimed at developing new approaches which sought to alleviate the costs of compliance to chemical manufacturers and processors, especially those small and medium size companies to whom the additional costs of regulation might prove prohibitive without some kind of relief.

I sponsored three amendments to the bill in committee which were designed to approach this needed balance. All were approved. My first amendment, which redefines "mixtures" to include a broader range of formulations than did H.R. 10318, was incorporated in the drafting of the compromise bill, H.R. 14032, which we are now considering. By refining the mixture definition, to include certain kinds of reactive mixtures, it now more accurately differentiates between those mixtures to which the premarket notification requirements of section 5 would apply and those mixtures for which premarket notification would not be necessary. This has the effect of eliminating what would have been unnecessary regulation for a special class of mixture products which are generally produced by smaller chemical companies.

Two other amendments which I developed were unanimously approved in committee action.

The first requires the Environmental Protection Agency—EPA—to establish an identifiable office to provide technical, referral and other nonfinancial assistance to chemical manufacturers and processors. In the accompanying report language it is clearly stated that this office shall concentrate its efforts on reaching out to the small and medium size chemical companies who will benefit in a great way from such an office. Details as to the status of standing regulations, outstanding public comment periods, legal assistance made available for certain provisions of the bill, shared-cost testing arrangements, and so forth, will all be available to companies through this office. Another important function of the office would be to refer companies to the proper authorities in the regular Office of Toxic Substances who can handle specific problems. This concept of an identifiable office to assist small businesses may lead the way toward changes in other regulatory agencies where small businesses seem to be given less than adequate attention when regulations are proposed and implemented.

My final amendment addressed the question of which tests, from among available test methods, might be ordered by the Administrator under section 4 authority. Recent developments in the field of toxicological testing have centered on the emergence of low-cost, short-term bacteriological and mammaliancell tests for mutagenicity. These tests show great potential for cutting down on the cost to all companies of testing their products to show what degree of hazard, if any, may be posed by their products. These test methods are in need of further refinements and the National Cancer Institute is conducting a research program into this area. My amendment authorizes the Secretary of Health, Education, and Welfare, in consultation with the EPA Administrator and acting through the Assistant Secretary for Health, to conduct and make grants and contracts for continued research into the field of low-cost and efficient test methodologies.

Since the committee considered this bill the HEW appropriation for fiscal year 1977 has been announced and it directs that $3 million be included in the budget for the National Institute for Environmental Health Sciences to expand its programs for short-term testing research and the carcinogenesis bioassay program being conducted in collaboration with the National Cancer Institute. It appears from correspondence which I have conducted with the Assistant Secretary for Health that added funds will not be needed at this time. Even so, the Assistant Secretary, in his response to my inquiry on current testing programs, assured me that my amendment, in the context of this new regulatory bill, stands as an important statement of national policy that such test methods shall be considered, wherever feasible, for use in place of whole animal tests. The presence of grant and contract authority may yet prove significant for the purposes of this legislation. I am presenting the text of this letter for inclusion in the RECORD:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., August 19, 1976.

Hon. ANDREW MAGUIRE,
House of Representatives,
Washington, D.C.

DEAR MR. MAGUIRE: Thank you for your letter of July 27 concerning the current status of research in the development and validation of short-term toxicity tests in the Department of Health, Education, and Welfare laboratories. We share your view that establishing the reliability of rapid bioassay tests is very likely to have far-reaching impact on future regulatory decisions.

In addition to a wide variety of ongoing research activities in this area, the Department is presently developing a document on methods for determing mutagenic properties of chemicals which addresses the current utility of short-term tests for the identification of mutagens in the environment. This activity is under the direction of the Department's Committee to Coordinate Toxicology and Related Programs, chaired by the Director of the National Institute of Environmental Health Sciences (NIEHS).

As indicated by your letter, within the Department the NIEHS and the National Cancer Institute (NCI) are conducting and supporting most of the research and development in this area. These Institutes, beginning in the mid-to-late 1960's, pioneered in the development of short-term tests as a means of rapidly identifying chemicals having potential to cause either cancer or genetic defects. Since 1974 there has been considerable expansion of both Institutes' programs in this area utilizing grants, contracts, and, of course, intramural research to develop and evaluate inexpensive and efficient methods for assessing the health and environmental effects of chemicals.

As you may know, the Committee on Appropriations for the Department of Labor and the Department of Health, Education, and Welfare in its Report on the FY 1977 Appropriation directed that an additional $3 million be included in the budget for NIEHS to expand short-term testing and for collaborative activities with NCI concerning the carcinogenesis bioassay program. As pointed out in that report, a very close working relationship exists between these two Institutes for developing short term tests and establishing their acceptability as prescreens and possible alternatives to studies requiring years to conduct.

There are ongoing, continuous program activities at both NCI and NIEHS which seek to establish a matrix of procedures which can serve as an effective perscreen, and to establish priorities for further in-depth testing.

In our view the Public Health Service Act currently contains ample authority for our current and projected activities in this area. We would have no objection to additional language being included in the Toxic Substances Act as a statement of National policy.

In any event we agree with you that this is a vitally important area to the future health of the American people and we will continue to stress our efforts in this area.

Sincerely yours,

THEODORE COOPER, M.D.,
Assistant Secretary for Health.

With the Toxic Substances Control Act now being considered by the full House I will be proposing a further amendment to give the Administrator of EPA the authority to make grants to selected States, with severe problems related to toxic chemicals, like New Jersey, to cover up to 75 percent of the costs of establishing and operating programs to prevent or eliminate unreasonable risks in the States to health or the environment associated with chemical substances or mixtures. The grant money is earmarked for use in ways which will complement the activities already underway or being planned by EPA for the implementation of this act and for activities which the Administrator is unable to undertake because of inadequate resources or other higher priorities. It is not intended to, and will not replace, EPA's authority to require reporting, testing or any other of the authorities given in this act.

The need for strong provisions to begin reversing the deterioration of public health caused by toxic substances which is so evident in my own State of New Jersey is clear. The same is true of other States—New York, Pennsylvania, Ohio, and Texas, for example.

There can be no doubt that the chemical industry has brought great benefits to the people of this country through continuing advances in the manufacturing, agricultural, and service sectors of the economy. But we have paid a high price for that progress. For far too long the chemical industry has proceeded to conduct business without giving adequate attention to the health and environmental dangers of the substances which they produce. At last we have before us legislation which will take significant steps toward insuring that the industry assumes full responsibility in protecting the public from those chemical products which are hazardous.

As a representative from the State of New Jersey I am all too familiar with the serious health problems in my State and the relationship of these problems to the heavy concentration of industrial activity there. New Jersey is host to nearly one-fourth of the chemical companies in this country. Evidence mounts that some of this chemical manufacturing and processing activity may pose a genuine threat to the public health. The major study on cancer mortality by counties, conducted by the National Cancer Institute, found a high correlation between cancer deaths and densely concentrated industry. New Jersey's 21 counties were found to be in the top 10 percent of all counties in the Nation for the rate of cancer deaths. In Salem County, N.J., where 25 percent of the male population works in the chemical industry, the Nation's highest rate of bladder cancer deaths was recorded. This alarming rate of bladder cancer mortality, an occupational disease associated with exposure to various chemical substances, emphasizes the suspected relationship of chemicals in the workplace and the environment and the excessive cancer incidence and mortality in our State.

On May 28 of this year I chaired an official hearing in Newark, N.J., of the Commerce Committee's Oversight and Investigations Subcommittee. The subject of the hearing was "Cancer in the Environment" and the testimony of experts pointed to the fact that indeed the chemical pollution in New Jersey is extensive and that EPA does not yet know what chemical, toxic pollutants are present in our State. As a result of that hearing EPA granted a request from the commissioner of the New Jersey Department of Environmental Protection to conduct air monitoring, especially for nitrosamines known to be carcinogenic to humans. Not only were nitrosamines found in the atmosphere in our State but they were also present in significant concentrations in our soil and water along with significant amounts of other organic chemicals. Monitoring to establish the quantities of chemical substances must be continued and expanded; especially multimedia monitoring which would give a comprehensive evaluation of the passage of chemical substances from one medium to another. It is to problems such as exist in New Jersey, and for State programs such as this, which would augment EPA efforts, that the funds from another amendment I will be offering would apply. I will discuss the particulars of that amendment when I offer it later today.

In conclusion, let me stress that New Jersey is actively working to evaluate the extent of these serious threats to the public health. Gov. Brendan Byrne has established a cabinet committee on cancer in an effort to coordinate New Jersey's programs at the highest level of government. The department of environmental protection in our State, an agency whose programs have earned the respect of EPA, is presently drawing up plans to expand its programs for measuring the extent of exposure to and the presence of carcinogens, and other environmental contaminants, in the environment.

Specifically the department would like to undertake an inventory of toxic chemicals in use in the State which would record their amounts, forms, and sources of emission, and their ultimate pathways through the environment. Having identified types of substances and pinpointed the serious risks, monitoring programs would be refined to go beyond measuring the overall pollution of various media and take in more detailed information on organic and inorganic materials, concentrations of which may not be evident from general sampling techniques. Additionally much remains to be learned about the safe handling and disposal of toxic wastes and the department of environmental protection is presently drawing up plans to study and develop safer methods of disposal.

I enclose for the RECORD, a recent article "The War on Cancer", by Glenn Paulson and Peter W. Preuss of the New Jersey State Department of Environmental Protection.

[From the New York Times, Aug. 15, 1976]

WAR ON CANCER: THE DEADLY FIGHT

(By Glenn Paulson and Peter W. Preuss)

The Cancer Atlas, published in 1975 by the National Cancer Institute, showed that for a large number of different cancers the State of New Jersey as a whole and many counties within the state ranked significantly above the national average over the 20-year period from 1950 to 1970.

Cancer rates vary significantly between regions in the United States. In general, states with high rates are the industrial states, such as New Jersey.

We cannot precisely estimate, for New Jersey or for the nation, the extent to which observed cancer rates and changes in those rates are caused by chemicals. Some cancer undoubtedly arises from natural sources, such as cosmic or solar radiation; our best judgment is that this is a small fraction.

However, there are many examples of cancer directly traceable to industrial or other human activities that involve chemical or other cancer-producing agents.

Liver cancer caused by vinyl chloride, mesothelioma caused by asbestos fibers, lung cancer caused by arsenic compounds, uranium dust, and other agents, a particularly debilitating lung cancer caused by beryllium, and bladder cancer caused by dye and chemical intermediates such as beta-naphthylamine are a few of the well-understood examples. Unfortunately, even the primitive knowledge available at this time leads us to conclude that more such examples will be found in future years.

Exposure to carcinogenic materials is not confined to the industrial work place. In a preliminary assessment of drinking water carried out by the United States Environmental Protection Agency, known and suspected carcinogens (cancer-causing agents) were found in the two New Jersey sources of drinking water that were tested, the Passaic Valley Water Commission and Toms River Water Company. The significance of the levels that were found is not clear, however. This was a preliminary assessment; E.P.A. made no attempt to measure other families of known or suspected carcinogenic agents.

The Department of Environmental Protection should devote more effort to determining and defining the dangers New Jersey residents face as a result of exposure to carcinogens and other environmental contaminants. One important step would be to begin to inventory the presence and patterns of use of toxic chemicals in the environment. Another need is to expand efforts in measuring the concentrations of carcinogenic and other exotic pollutants that may be present in the air, drinking water supplies, fish and other wildlife, surface and ground waters, and sediments.

At present, the department has permit systems that collect data on the emissions of certain relatively common pollutants into the air and water. These existing systems should be expanded to provide information on the emissions of all potentially carcinogenic and other toxic substances. The Solid Waste Administration is developing an equivalent system that would allow it to collect information at a level of detail similar to that obtainable through the air and water permit systems; this system will allow collection of data regarding emissions, treatment and disposal of solid and liquid toxic wastes.

A department-wide inventory would provide information about the toxic chemicals currently in use in New Jersey, their amounts, and their emissions, as well as their ultimate pathways into the environment. This information will allow priorities to be established for monitoring and regulation. It will also help establish the criteria upon which regulations may be based, including, for example, toxicity, persistence in the environment, and amounts used in the state.

To avoid creating more problems in the future, a program should be established for the environmentally safe treatment and disposal of solid wastes. Such a program would logically be a part of the overall solid waste management program being developed by the

Solid Waste Administration. One of the first steps is to determine what kind of wastes are produced, how they are transported, and where they are treated and disposed.

There are a number of toxic substances for which sufficient information is available now, so that a determination may be made as to the unsuitability of their disposal on land. In order for these wastes to be disposed of properly, however, alternative treatment or disposal methods must be made available. This will require the development of criteria to define environmentally sound disposal procedures.

The first priority in this area is the development of performance criteria for incinerators that are or may be used to dispose of toxic and hazardous organic materials. These criteria must insure that the materials are burned completely, and that no toxic substances enter the air through the stack or into the water via water used for cleaning ("scrubbing") the exhaust gases.

The presence of one or more such facilities in New Jersey would provide a necessary alternative to help insure that environmentally dangerous chemicals may be safely treated.

Another problem is the disposal of sludge produced in sewage-treatment facilities. Sludge often contains toxic substances from the effluents of industrial facilities that feed into the sewage plant; sludge is presently disposed of in the ocean. The Federal policy for disposal of such sludges calls for the phasing out of ocean dumping by 1981; as a result, alternative methods will have to be found.

It will be necessary to monitor carefully the development of alternative programs, as well as the facilities themselves to insure that toxic substances present in sludge are not inadvertently released into the environment.

The Department of Environmental Protection, by building on its existing legal authorities and regulatory programs, can take sound steps toward minimizing the threat that cancer-causing agents and other toxic and hazardous pollutants pose to human health in New Jersey.

Mr. MURPHY of New York. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I would like to congratulate the subcommittee chairman and the gentleman from Nebraska for bringing this vitally important legislation before us, this legislation which is vitally important to the health of the Nation, and particularly to complement, as they did, the gentleman from Texas (Mr. ECKHARDT) and the gentleman from North Carolina (Mr. BROYHILL) for the adept manner in which they were able to work out with the chemical industry the very complicated, complex, economically significant, and controversial items in this bill. I think they did a superlative job and got a meaningful bill through the committee which obtained the support of the chemical industry. I think that is an attribute to both their efforts and the chemical industry.

The February 13, 1976 issue of Science Magazine had an article titled "Control of Toxic Substances: an idea whose time has nearly come." I dearly hope the time is now, for this legislation has been stalled for too long as the cancer rates of the country continue to soar. When medical authorities seem to agree that between 60 and 90 percent of all cancers have an environmental cause, surely the place to test new chemicals for their potential hazard is not after they have reached the environment, but in the laboratory.

The Toxic Substances bill, H.R. 14032, is not a perfect panacea for the frightening statistics mentioned above but it is a most important beginning and I commend my colleagues on the Interstate and Foreign Commerce Committee who have worked so hard to bring this legislation forward.

The issues dealt with in the legislation are of overwhelming importance; we are sadly more and more aware of the significance as we read of horrendous instances of either chemical pollution or of "mysterious fatal diseases"—all of which might have been prevented if legislation such as this had been in operation sooner. I want also to congratulate both the environmental and consumer groups who have worked together in support of the bill before us.

While I very strongly support the bill, I believe it needs to be improved with respect to the use of nonanimal tests where they are adequate and accurate.

TOXIC SUBSTANCES BILL

At the appropriate time, I will offer an amendment to H.R. 14032, the Toxic Substances Control Act, to prevent the unnecessary use of animals in laboratory experiments.

My amendment to section 4(2)(A) states that "* * * in prescribing tests the Administrator in his discretion shall give preference to available tests which do not involve the use of animals if such tests provide an adequate and accurate means for ascertaining the effect of a chemical substance or mixture on humans and the environment."

This amendment does not ban the use of animal tests, nor does it make it more difficult for the Administrator to prescribe animal tests if he feels they are necessary. Quite simply, it is meant to require the Administrator to consider alternative testing methods and direct him to use them when, in his discretion, he finds they are adequate and accurate.

Two nonanimal tests presently exist, and have been used to test the toxic effects of known and unknown carcinogens. One such test uses bacteria; the other laboratory-grown mammal cells. Both are cheaper, easier, faster, and as effective as their whole animal counterparts. I think we should promote their use where feasible and thus minimize the pain and suffering administered to laboratory animals.

I strongly support adoption of the bill and hope this improving amendment will be adopted.

Mr. McCOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, we have heard much discussion about the compromises that were reached between the two sides. I could not help but think as I kept sitting there and listening, I wish we would compromise all the facts so we did not have any bill at all. The people that advocated these compromises represented big companies, because big industries can send a lawyer down here. They can send technicians down here to express the views of big industry; but what we are faced with is the fact that the little businessman, who runs a small business with 40 or 50 people in it, does not have 10 people in his legal section. He does not have specialized chemists that can fight this thing. So what happens when we pass a bill of this type is that there is no way a small businessman can live under it. The bureaucracy, the paperwork, the complications, make it overbearing on the manager of small business. The least, I think, that anyone could process for approval would be about $50,000. That will be the least cost and he cannot put up that much or maybe $100,000. He cannot afford that sort of thing. So it is going to be the end of the line for all but the giants.

Mr. Chairman, I would like to further discuss some of the other features of this bill. One group that is probably going to be hurt the most of all is agriculture. We have in this country the greatest agricultural system that has ever been developed. I come from a city. I do not have over 20 farmers in my district, but the thing that always impressed me was that the American farmers make up only about 4 percent of our population; yet we produce more food than anybody. We really do produce. Over in China, I think it is 80 percent of the people work on farms. In order to produce, they need chemicals and they need these materials to help them.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I am happy to yield.

Mr. ECKHARDT. Mr. Chairman, is the gentleman under the impression that this bill would do anything at all with respect to pesticides?

Mr. COLLINS of Texas. I just think in general that anything could be involved through lawsuits. I understand pesticides are out; but we could say anything is a chemical. How do we define "a chemical"? I thought any combination of elements became a chemical.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, that is right; but there are exceptions in the bill. The principle thing this bill purports to do is require that those chemicals put on the market be reported and tested; but we have absolutely nothing in the bill that prevents them from flowing to the marketplace after a maximum of 180 days, unless court action has been taken and that court action has to be based on a determination that they pose a danger.

Now, how is the farmer affected by this bill? I cannot see it.

Mr. COLLINS of Texas. Well, it has been my experience with the courts that as they reach out on their interpretation of any and every subject, that they can go a long way to determine what is terminology. When they determine something to be a pesticide or not is whatever the court determines it to be.

I can give an example, not on this bill, but on busing. There is nothing on the books that says Congress has permitted busing, but courts over the country are defining busing to meet their views. When we raise the question that there is nothing here that says pesticides, I would remind my friend, the gentleman from Texas, that the lawyers, the judges on the benches, will read into this anything they want to.

When we set up the mechanism for EPA to develop it, then we have set up the toxic subject for full bureaucratic intervention.

We have so many bureaucratic rules now that EPA can get into anything they choose. What disturbed me especially in this bill was the fact that we have two sections in here that are going to make it possible for any employee who sees that he is about to be fired to take some action that should give him permanent employment. I am referring to sections 23 and 24. It not only protects him, but it seems that it would almost encourage lawyers to represent him.

Section 23 says:

> No employer may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—
>
> (1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act;
>
> (2) testified or is about it testify in any such proceeding; or
>
> (3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

What that will do, for instance, is to have this complaint go to the Secretary of Labor. Anybody who is a deadhead on the job, lazy, comes in drunk, tears up the whole place, can now file some kind of complaint on the grounds that something is wrong with the company's products, and from then on he has got built-in job protection. To carry that a step further, when they get through the company has to reinstate the complainant to his former condition as far as compensation goes, and also may include compensatory damages and exemplary damages.

I want to go to section 24, because we seem to be encouraging labor unrest in this bill. In section 24, they say:

> The Administrator shall evaluate on a continuing basis the potential effects on employment (including reductions in employment or loss of employment from threatened plant closures) of—
>
> (1) the issuance of a rule or order under setcion 4, 5, or 6, or
>
> (2) a requirement of section 5.
>
> (b) (1) INVESTIGATIONS.—Any employee (or any representative of an employee) may request the Administrator to make an investigation of—
>
> (A) a discharge or layoff or threatened discharge or layoff of the employee, or
>
> (B) adverse or threatened adverse effects on the employee's employment,
>
> allegedly resulting from a rule or order under section 4, 5, or 6 or a requirement of section 5. Any such request shall be made in writing, shall set forth with reasonable particularity the grounds for the request, and shall be signed by the employee, or representative of such employee, making the request.

We have a provision in this bill and in the terminology, of the report as written up to provide for any interested civic group to enter into this intervention action. The lawyer of this civic group is paid by the court on a full fee scale above his regular salary level. It seems to encourage these foundations and civic groups to have their salaried people enter into legal proceedings, because they are going to draw even more in compensation.

If I ever saw a mumbo-jumbo bill encouraging an employee to do a bad job for a company, this is it. It encourages lawyers, if they are not fully occupied, to stir up one of these lawsuits under this bill.

We have passed more laws in this session of Congress than in any session of the Congress. Yet, when we go home to talk to the folks back home, they will tell us that this is a poor Congress. The reason is that we are passing more bills than the public needs, more than it wants, and certainly more than it can afford. The only ones I can see who are going to benefit from this particular piece of legislation are lawyers.

At this time I would like to include the minority views that were filed with this bill where I was joined by my colleague, the gentleman from Ohio (Mr. DEVINE).

Mr. Chairman, the bill, H.R. 14032, which was reported by the Committee on Interstate and Foreign Commerce on June 9, would give the Administrator of the Environmental Protection Agency broad new powers over this country's chemical industry. In its barest form, the bill authorizes the EPA to require that manufacturers perform tests prescribed by the Agency, and give the Agency advance notification of its intent to market new chemicals or existing chemicals for new uses. Further, EPA is authorized to issue rules regulating the manufacturing processing, use or disposal of a chemical as well as require that the company maintain records and submit reports as required by the EPA.

The House has passed toxic substances legislation in both the 92d and 93d Congresses, but this bill goes far beyond anything we have ever voted on. We are especially disappointed that the committee abandoned the approach adopted in the 93d Congress with respect to premarket notification and screening—section 5. In earlier bills, the Administrator of EPA was authorized to compile a list of those chemicals which he finds pose a danger to health or the environment and the manufacturer of a listed chemical must then provide EPA with notice prior to marketing. In this manner the Administrator's attention would be focused on those potentially dangerous chemicals. The bill reported by the committee, on the other hand, would require that manufacturers of all new chemicals and new uses of existing chemicals notify and supply EPA with specified information 90 days prior to manufacture or marketing. EPA could extend that period another 90 days. This approach is objectionable because EPA will have to draw upon already limited staff and resources to give each reported substance or use thorough scrutiny within the time allotted. Further, we fear that EPA will be able to hold up the manufacturing of a chemical for up to 6 months for no better reason than administrative backlog.

We fear that this legislation will prove ruinous for the small companies which make up much of this country's chemical industry. Industry estimates put the cost of this legislation at between $358 million and $1.3 billion annually. Even the General Accounting Office estimated an annual cost of as much as $200 million. Further, it can cost as much as $800,000 to test a single chemical. Although we hope that EPA would not be so unreasonable as to routinely require testing of this magnitude, the costs of testing could be considerable, and the costs of testing will fall heaviest on smaller companies.

Further, in the more than 100 pages making up this legislation, there is set out an incredibly complicated regulatory maze which is guaranteed to completely baffle any layman attempting to pick his way through it. And the bill will be augmented by more rules and regulations issued by the EPA. As we add these increased layers of bureaucracy, it will become more and more difficult to develop and process new chemical compounds. This will not present a great problem to the large chemical companies with their vast legal staffs. But for the small company, the time and expense of fighting the bureaucratic machine, as well as the significant costs of testing, may serve to discourage him from undertaking the project at all. This is especially true when he is not able to predict the market a particular chemical may have.

We fear that the end result of this bill will be a long-range and insidious effect on inventiveness and innovation in the American chemical industry. Faced with extensive testing, the burden of premarket screening, and the rigors of regulation under this bill, development and innovation in the chemical industry will inevitably be curtailed.

Although the above observations are of a general nature, we are specifically concerned about sections 20, 21, 23, and 24, and recommend that they be deleted from the legislation. We do not believe that these provisions do anything to improve the legislation but, in fact, could be used to harass companies regulated by EPA.

Section 20 provides that any person may bring a civil action against a company regulated under this act or against the EPA in order to enforce the act. Further, the bill specifies that complete costs of the suit, plus attorneys' and expert witnesses' fees, will be paid. If any individual has any idea about suing, he will find an eager lawyer who will bring this case to the already overcrowded judicial docket.

Section 21 provides that any person may petition EPA to issue a rule requiring testing or regulating of a substance. If EPA denies the petition and if the petitioner can show, by a preponderance of the evidence in a de novo proceeding in U.S. district court, that the substance may cause or contribute to an unreasonable risk, the court must order EPA to begin the requested proceeding. The citizen petition provision, with its requirement for a trial de novo, will force the Federal courts to hear complex, scientific testimony and make technical decisions more appropriately left to an expert regulatory agency. In essence, the court will be called upon to second-guess the judgment of the EPA in areas in which it has no expertise. Requiring that courts consider and decide technical and scientific factual questions rather than questions of law, not only places an undue burden on the Federal courts but also destroys the purpose for creating EPA as an expert agency. Further, this provision substantially diminishes the agency's ability to determine its priorities and channel its resources.

Section 23 is entitled "Employee Protection" and would prohibit an employer from disciplining an employee because that employee may have or is about to issue a complaint with the EPA. Of course, this means that any time there is an incompetent employee who has been put on notice that he is doing a poor job, one can anticipate that he will commence a proceeding against the company. He will, thereby, have the Secretary of Labor and the Administrator of the EPA protecting him until the case is disposed of—possibly years in the future.

This section, along with section 24, which authorizes EPA to conduct investigations, issue subpenas and hold hearings to determine the effects on employment from threatened plant closing which might be brought about by this act, provide so much potential for harassment that we strenuously object to their inclusion in any final legislation.

Finally, we note that section 14(e) of the bill provides that information reported or obtained by the Administrator under this bill shall be made available upon written request of any duly authorized committee of Congress. We firmly believe that such a provision is needed in that both courts and Attorneys General of the United States have traditionally taken the position that disclosure to Congress of "trade secret" information which was statutorily obtained by agencies of the U.S. Government would be a breach of confidentiality. A clear example of this position is enunciated in the case of *Hearst* v. *Black*, 87 F. 2d 68 (D.C. 1936). In this case, the Federal Communications Commission was enjoined from turning over to a Senate committee certain material which the agency was statutorily required to treat as confidential. In the Hearst case there was no provision similar to section 14(e); if there had been Hearst would have had no case. Our position then is that Congress does have the power to acquire information of this sort, but not without the benefit of legislation that specifies that Congress can acquire it. The question of inherent authority is a matter for the courts to determine.

This provision in the bill raises an equally important question which the committee chose not to address. That question is: What is Congress obligation to keep "trade secret" material confidential? This bill recognizes that there is certain information that should be kept confidential by the executive branch, but then Congress grants itself access to this information with no restrictions on disclosure. We believe that if Congress grants itself access to this type of material then Congress should establish the internal mechanism that would insure that "trade secrets" be kept confidential. Bear in mind that Congress is continually requiring the business community to turn over highly valuable and sometimes sensitive material to Federal agencies, and the business community is complying. They are complying because they understand that their trade secret and proprietary data will not be disclosed. If it becomes painfully apparent to the business community that these valuable materials will not be safeguarded, we believe that this climate of cooperation will seriously deteriorate.

Mr. Chairman, I recommend that we vote against this bill.

Mr. MURPHY of New York. Mr. Chairman, I yield such time as he may consume to the chairman of the full committee, the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Mr. Chairman, I thank the chairman for yielding to me.

Mr. Chairman, members of the Committee, this bill has been considered in the 92d, 93d, and now the 94th Congress. The House has passed it twice, and so has the Senate. We have never been able to come to agreement in conference.

I would be remiss if I did not say that this is not a perfect bill. I do not know of a perfect bill that has passed this House. There are some flaws in it, but we will try to work them out in conference. This bill should be passed.

This bill principally is intended to have new chemicals coming on the market regularly tested to see that they are not going to harm people or the environment.

Mr. Chairman, as I said, it is not a perfect bill. We all know that. There are some imperfections, and there may be some amendments made to it. I am sure that if we find some things that are wrong with it, we can try to correct them. But this is legislation which has been needed for a great many years.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Nebraska (Mr. McCollister).

Mr. McCOLLISTER. I thank the gentleman for yielding.

Mr. Chairman, I want to say that we are at the point where we are because a great many difficult issues have been compromised and agreed upon, and I would hope we would not go further in our conference with the Senate than we have gone here; that we have a very delicate balance now, and I am just cautioning the Members that that balance can be destroyed rather readily.

Mr. STAGGERS. Mr. Chairman, I can agree with the gentleman. The gentleman remembers that is one of the reasons the first bill did not pass. The Senate insisted upon theirs, and we said, "We have to be reasonable to the business people of America," and we did not compromise on what we thought was right for business in the land.

Mr. Chairman, I want to compliment the gentleman from Nebraska on his part through the years in working on this legislation and for his interest. He has done a great job, as well as the chairman, the ranking member on the other side, and the gentleman from Texas (Mr. Eckhardt). They have all been very interested in these 4 or 5 years that we have been working on this bill and they have done an excellent job.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Washington (Mr. Hicks).

Mr. HICKS. Mr. Chairman, the action the Congress takes in considering the Toxic Substances Control Act is a test of our concern for the American people. It is also a test of our consistency. My special concern with this legislation stems from hearings that the Manpower and Housing subcommittee of the Government Operations Committee held on controlling toxic substances in the workplace. We all know that controlling hazardous materials is important in the marketplace and on the farm, but those who must handle potentially dangerous chemicals every day they earn their bread are at even greater hazard. They can neither select the chemicals to which they will be exposed, nor avoid such exposure except at the cost of their job.

The vote on this legislation will show where we strike the balance between imposing more requirements on those who produce and market chemicals—a fact we must recognize—and providing protection to many who cannot by any means provide it for themselves. I think this balance has to be struck by placing more responsibility on those who manufacture and formulate chemicals. A recent study by the National Institute for Occupational Safety and Health disclosed that almost half the exposures to identified cancer-causing chemicals was attributable to the use of products that were identified only by trade-names. The composition of these was treated as a secret by their formulators. Our hearings showed that we are way behind in our ability to identify chemicals that can destroy the health of workers who are exposed to them daily. We are even further behind in developing standards for the labeling and control of those chemicals that we already know are hazardous. Presently, complete standards exist for fewer than 2 dozen chemicals. Even here, the fact of exposure to these chemicals was unknown in close to half the cases because the ingredients of the products used were not disclosed. Surely this is a situation that we can no longer tolerate.

I said that our vote will also be a test of our consistency. In 1970, we passed the Occupational Safety and Health Act. As we all know, the Act has been the subject of much controversy. That controversy, however, has centered on some of the standards and the way they are applied; it has not swirled around the requirement in the act that an employer tell his employees whenever they are exposed to a dangerous concentration of hazardous chemicals. Since the passage of this act, employers have had a legal requirement to inform employees about dangerously high levels of exposure. Such a requirement is certainly warranted in these days when thousands of new chemical products are flowing into the workplace every year. Yet, in our hearings this year, the Assistant Secretary of Labor for Occupational Safety and Health agreed that employers could not comply with the law because they did not know the composition of products that they use in their plants.

Look at the size of the problem—the NIOSH Registry of Toxic Chemicals lists over 19,000 unique chemical substances. The Council on Environmental Quality estimates that 700 new chemicals enter commercial production each year. Yet, the Occupational Safety and Health Administration has been able to issue standards at a rate of only three per year. Both the Assistant Secretary for Occupational Safety and Health and the Director for the Institute of Occupational Safety and Health testified at our hearings that without a toxic substances control act, federal regulatory machinery will never catch up. Unless we require testing of chemicals before they are marketed, how are we to know the toxic effects of new chemicals? Regulation after the fact not only uses our workers as experimental groups without their consent, but also fails to protect them even after damage to their co-workers establishes that a chemical is dangerous.

It can be contended that the burden should be put on the employer—that he should refuse to purchase products unless the manufacturer discloses their composition. This approach is used by some large companies today, with varying degrees of success. In our hearings, we looked at the practices of the Federal Government—the Nation's largest employer—to determine how successfully the Government itself was complying with the law that this Congress passed 6 years ago. For the past 5 of these years, there has been a Federal standard that required Government purchasers to obtain hazardous material data sheets that disclosed the hazardous substances in any product. Despite this, the large purchasing agencies of the Government have obtained these sheets only in a few scattered instances, and Government hygienists, safety professionals, and doctors in the field installations we visited often had never received any data sheets on the hundreds of chemicals that these installations use daily. If the Federal Government cannot tell its employees what they are exposed to, what chance does the owner of a small establishment have of demanding and receiving this information from suppliers who have been effectively denying it to the Federal Government in the fact of existing regulations?

Mr. Chairman, our hearings have shown that the 1970 law is not being obeyed. Employers are not telling employees when they are using hazardous substances, and it seems doubtful that they will be able to unless they are able to find out the contents of the products that they purchase for their businesses.

It would be vastly more effective and less expensive, to identify these substances from the initial manufacturing process onward. Detective work to identify the ingredients of individual formulated products come only after they are already in American marketplaces and factories. The initial producer knows, or can find out, what chemicals he is using. In the chain of marketing, the level at which a substance is first introduced is the most effective and cheapest place to identify it. At this level, it is nearly always known, or can readily be determined. Without the requirement of disclosure by those who develop chemicals or blend them into products, millions of American workers will continue to be exposed to substances that can cause disease and death.

For some of these substances, there may not be an acceptable substitute, but there are protective measures available to reduce or eliminate the hazards to health. These protective measures will not be taken unless the employer and the workers are aware that they are needed. In 1970, the Congress said that American workers should not have to pay for their jobs with their health. In this legislation, we have the opportunity to fulfill the promise of that legislation. The toll of occupationally caused diseases and deaths is our workplaces today makes using that opportunity an obligation.

Mr. STAGGERS. With what I have said, Mr. Chairman, I would conclude. I believe the time has come when we must do something to protect the health of the people of America with regard to the new chemicals which are coming on the market, and this is about the only way we can do it.

I would hope that the EPA, in the administration of the bill, will use discretion. I think the committee will look into EPA's activities and see that they administer the bill fairly while protecting the people of this country.

Mr. McCOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Chairman, I rise in support of this bill. As has been documented, there are chemicals which have been coming on the market, new chemicals, by the thousands. Studies have shown that many of these chemicals, in many cases, are harmful to the health of humans and the environment. Facts have been presented to the committee which indicate that streams have been polluted as a result of dangerous chemicals having been dumped in the streams. The health of human is directly affected by their coming in direct contact with these dangerous chemicals.

There is no legal authority to deal with testing of dangerous chemicals or those that may pose danger to the health or the environment. We do have laws which regulate disposal of chemicals, but we do not have any laws relating to the testing of chemicals, that is, to assess the safety of these chemicals before they are marketed or before exposure does occur.

So what this bill would do would be to require that the manufacturers who bring new chemicals onto the market, or find any new uses for old chemicals, test them to assure that they are safe for use. This testing would be done by uniform regulations of EPA and the test results would be submitted to the EPA in advance of marketing.

Mr. Chairman, as has been stated, a number of amendments and compromises have been agreed to in this bill. I think that as a result of that we have made it a workable bill. I urge that the House adopt it in its present form.

As a cosponser of the bill, I want to commend the gentleman from Texas (Mr. ECKHARDT) and the gentleman from New York, (Mr. MURPHY), the chairman of the subcommittee, and the ranking minority member of the subcommittee, the gentleman from Nebraska, (Mr. McCOLLISTER) for their hardwork and cooperation in working out this compromise bill. This is balanced legislation. A balance has been reached between the need to protect health of humans and protection of the environment, and the concerns of small businesses and other industrial and marketing problems that give concern.

Mr. MURPHY of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I heard the expressed hope of the gentleman from Nebraska (Mr. McCOLLISTER) that this bill, which is well balanced, be retained in its present form in conference. Of course, in conference there is always a certain give and take which must take place.

As to this Member's feelings, I would hope that the considerations and resulting accommodations that I think have made this bill generally acceptable both to industry and to those concerned with the environment will in large measure be kept, and I would certainly attempt to keep them. I believe we have a good bill.

We started out with two deep and somewhat conflicting concerns. One was the deep concern of those primarily concerned with health and the environment that no new chemical that is in development stages will in effect sneak up on us before we have time to do something about it. On the other side was the concern of industry that we not adopt such a busybody policy as to interminably investigate, thus inordinately delaying the final decision so that chemicals could not flow to the marketplace. Industry insisted that innovation must be given some freedom of movement.

I believe that initially the Senate's approach was too tight in this respect. It came very close to embracing premarket screening. Under premarket screening no chemical could go into the market unless it had gone through the governmental screen.

We cannot be 100 percent sure that no danger will exist, no matter what legislation we pass. On the other hand, the environmentalists and those primarily concerned with health simply were not satisfied with an attempt to identify all dangerous chemicals and then let anything we had not thought of before go onto the market without notice.

I believe we have resolved the differences between these two groups in this act. Within the general parameters of this concept, I feel we should try to hold the bill to the position of the House. I think we can do that because I believe we have a good bill. It satisfies those two legitimate objectives.

Mr. McCOLLISTER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, as we proceed to the reading of the bill for amendment—and there will be amendments—I would simply like to add to what the gentleman from Texas (Mr. ECKHARDT) so kindly referred to earlier in regard to my interest in small business. I am very concerned about the impact of this legislation on small business. I hope that we have drafted a bill that will protect the interests of small business as well as the interest of the public.

Whether we have done that or not will, I think, probably be determined by the attitude of the EPA in administering the law. I would urge my colleagues to watch very carefully to see how that is done in order that some remedy can be fashioned, if it is necessary, so that we will not further concentrate our economic powers in fewer and fewer companies. I am very much concerned about the impact of this legislation on small business.

Mr. METCALFE. Mr. Chairman, I rise in strong support of H.R. 14032, the Toxic Substance Control Act. While the bill before us differs to some extent from the bill reported out of the Consumer Protection Subcommittee on which I serve, I nonetheless support the objectives of this legislation.

Testimony before our subcommittee clearly indicated the need for this type of legislation.

In April 1971, the Council on Environmental Quality released a report entitled "Toxic Substances." The Council reached the following startling conclusion: Several thousand new chemicals are discovered each year and we do not know which chemicals and at which level each chemical causes cancer, genetic mutation, or physical or chemical defects in offspring.

The Council on Environmental Quality as early as 1971 stated that:

> We should no longer be limited to repairing the damage after it has been done; nor should we continue to allow the entire population or the entire environment to be used as a laboratory.

Five years after this report was issued, the Congress is still grappling with a legislative response to this problem. We are still permitting our planet to be used as a giant laboratory and our population to be used as little more than passive participants in the experiments.

The inadequacy of current law is already documented in the hearing record established by the subcommittee. The point to be stressed is that we must have control of these chemicals before they are produced and entered into commerce. For all too long we have directed our attention to the effect of these toxic substances after the chemical is in the mass-production stage. We now propose to establish a schema whereby we can test and monitor these chemicals before they endanger our fellow man, the environment, and the very planet itself.

Recent studies of cancer mortality conducted by Drs. Robert Hoover and Joseph F. Fraumeni of the epidemiology branch of the National Cancer Institute show rates of cancer which are far in excess of the normal rate in 139 counties where there is a high concentration of chemical production facilities. The National Cancer Institute estimates that as high as 90 percent of all human cancer is environmentally caused. The World Health Organization estimates are as high as 85 percent.

Mr. Chairman, we either learn to control those products which are having a deleterious effect on the environment and on our fellow human beings or we will continue to endanger the health and well-being of generations to come.

The committee report clearly indicates that this bill is a major step forward. It does this primarily "through its testing and premarket notification provisions." Thus, this bill "provides for the evaluation of the hazard-causing potential of new chemicals before commercial production begins."

Mr. SLACK. Mr. Chairman, due to the particular problems of small business, the costs of testing are critical. The "basis for the legislation" section of the "report" accompanying TSCA—page 5—mentions that there are significant new methods which reduce the time required and the costs of testing for the cancer-causing properties of chemicals. The Ames test is specifically noted. Can we assume that the Ames test will be accepted as an effective indication of the carcenogenicity of new compounds?

Section 8(a)-(1)(A)&(B) generally exempts the small manufacturer from the reporting provisions of the bill. However later paragraphs (8(a)-(3)(A) (i) and (ii)) detail broad instances where this exemption may be canceled by the Administrator. Due to the general financial inability of small businesses to resist in court, they are anxious to be protected from arbitrary administration. Are there any assurances that can be given that real justification will be present before reporting will be required by small manufacturers?

In the same vein, section 3(2)(B)(i) excludes mixtures from jurisdiction, however later sections—4, 6, and 7—give the Administrator authority to include mixtures where deemed necessary. Since most small chemical manufacturers produce primarily mixtures, the exemption is critical. What assurances can be offered against arbitrary action on the case of: being required to report and test due to supposed "indications" that a hazard may exist? And being required to report and test due to supposedly "insufficient" data on a mixture?

Can some instances be hypothesized where a mixture might be required to comply as above?

Section 2(b)(3) states that there is no intention to impede or create unnecessary economic barriers to technical innovation. There are a group of specialized small companies who are engaged in the manufacture of highly sophisticated intermediate compounds which are marketed to other chemical concerns, universities, et cetera, who use these compounds as starting points in wide-ranging research. The demand for these chemicals is such that very small amounts of a large number of substances are produced annually. Since revenues from the sale of substances produced in such small quantities could not reasonably be expected to be sufficient to defray the costs involved in reporting and testing as could be required under the act, it is conceivable that these manufacturers might be forced to stop making these important items. Is there any way that these chemicals are exempted under the act as it now reads?

Section 5 establishes a 90-day period by the end of which the Administrator must take action on a substance of which he has been notified. A 90-day extension is also provided where deemed necessary. It seems possible that an agency deluged with newly reported chemicals might be tempted to require testing, on the basis of insufficient data, rather than take a chance on not objecting to a substance which they have not been able to find time or manpower to properly review. Are there assurances that this will not be the case?

Mr. MURPHY of New York. Mr. Chairman, the Ames test is certainly an exciting new testing method, and I would expect the Administrator to make considerable use of it. Especially with respect to organic chemicals, the Ames test should be particularly useful in determining if a chemical should be regarded as a carcinogen.

The bill requires specific justifications before reporting can be required of small companies. I assure you that my subcommittee will exercise careful oversight to see that the standards in the bill are adhered to.

Likewise, the bill sets out careful standards before mixtures can be subjected to testing or before reporting can be required. In addition to judicial review to strike down action by the Administration acting outside the bounds of the bill, my subcommittee will exercise very careful oversight to protect against abuses.

These chemicals are not exempted per se. However, before they can be subject to regulation, there must be a finding by the Administrator that the chemical may be hazardous. In making such a determination, the Administrator obviously will have to consider the quantities and the use of the chemical. The risk must be unreasonable in light of the use and amount produced or likely to be produced.

The language of the bill does not permit this result. Only in situations where there is insufficient information and the possibility of an unreasonable risk can production be stopped.

Mr. ASHBROOK. Mr. Chairman, I rise in opposition to H.R. 14032, the toxic substance control bill. This legislation would have severe repercussions on the Nation's chemical industry, pushing up prices, impeding research and development of new products that would aid the public and driving small firms out of business.

I want to make it clear that I support reasonable legislation to strengthen the control of toxic substances. The Government has a responsibility to protect the public from harmful chemicals and substances. We must not neglect matters of human health and environmental safety.

I cannot support H.R. 14032, however, because of its overburdensome regulations. These regulations would result in massive reporting requirements, yards of redtape and high costs.

Most disturbing is the part of the bill requiring premarket notification and screening of new chemical substances. The Environmental Protection Agency would be empowered to require manufacturers to give the Agency advance notification of their intent to market new chemicals. The Agency could also require manufacturers to conduct tests prescribed by the EPA. In addition, the EPA would be authorized to promulgate rules on the manufacture, processing, use and disposal of a chemical.

Under the provisions of H.R. 14032, manufacturers of all new chemicals as well as existing chemicals with new uses would have to notify EPA 90 days in advance of manufacturing or marketing. At that time they would also have to furnish EPA with specified information.

This may look good on the surface. The problem, however, is that there are approximately 2 million known chemical compounds with about 25,000 new ones added each year. Although most of these are confined to the laboratory, there are roughly 30,000 chemicals in commercial production. And that number is growing by 700 to 1,000 each year.

Consequently, it would be very difficult for EPA to give its approval in the time allowed. Manufacturing of a new chemical could be delayed for as much as 6 months simply because of administrative backlog.

Furthermore, the potential cost of this legislation is staggering. According to industry estimates, the cost could range between $358 million and $1.3 billion annually. The testing of a single chemical alone could run into the hundreds of thousands of dollars.

These regulations would be bad enough for large companies, resulting in higher product costs and less development of new products. For small companies, however, the impact would be even more disastrous. The expensive reporting requirements, filing fees and testing procedures would place a severe strain on their financial resources.

Small chemical companies play an important role in the economy of our Nation. Of the 11,000 chemical companies now operating, over 10,000 of them are small. It would be tragic if the Congress passed legislation pushing these small companies into oblivion. It would be tragic to create a situation where only the large companies can survive.

Mr. DRINAN. Mr. Chairman, I strongly endorse the passage of legislation to control the manufacture and dissemination of toxic substances.

With alarming rapidity we are becoming aware of the growing number of commonly used chemical substances that are being discovered to be hazardous to our health and our environment. The American consumer, our working men and women, and our environment must be protected from the violently destructive effects of these substances. H.R. 14032, the Toxic Substances Control Act of 1976, would establish a program with the urgently needed authority to regulate the use of hazardous chemicals; I heartily support enactment of this bill's strong provisions to safeguard human health and the environment.

In 1970, the President's Council on Environmental Quality—CEQ—investigated extensively the problem of our growing exposure to potentially hazardous substances. A year later, in its report, the CEQ documented substantial health and environmental hazards posed by chemicals and cautioned against the grave risks associated with toxic substances. Unfortunately, the inadequacies pinpointed in that report have yet to be confronted effectively. While both the House and the Senate passed toxic substances control legislation in the 92d and the 93d Congresses, the bills died in conference when House-Senate differences could not be worked out. In the 94th Congress the Senate passed toxic substance control legislation in March of this year. With enactment of its version of the Toxic Substances Control Act, the House advances the possibility that this critically needed legislation will become law this year.

H.R. 14032 will establish a national policy which places responsibility for testing chemical substances and for their environmental and health effects on the manufacturers of these chemicals. The Administrator of the Environmental Protection Agency is given the regulatory authority to prevent unreasonable risks of injury to human health and the environment associated with the manufacture and use of chemical substances. In brief, H.R. 14032 authorizes the Administrator of the EPA to issue rules requiring that manufacturers and processors of potentially harmful chemicals test these substances to determine their effect on human health and the environment. The bill also requires manufacturers to give the EPA 90 days notice before commercial production of a new chemical can begin. In addition, the EPA is given the authority to take regulatory action to protect against chemical substances that have been determined to pose unreasonable risks.

Mr. Chairman, the National Cancer Institute recently estimated that 60 to 90 percent of all cancers occurring in this country may be induced by environmental exposure to carcinogenic substances. The simple fact that untested and unregulated toxic chemicals contribute significantly to the incidence of cancer in our people has been amply documented. With frightening frequency this documentation of the critical environmental and health problems stemming from the manufacture and use of these chemicals continues to grow.

One of the most widely used chemicals—vinyl chloride—has recently been discovered to cause cancer. This chemical, which is used extensively in food wrappers, household aerosols, furniture coverings, and toys has been shown to produce tumors—first in animals and subsequently in man. Although vinyl chloride has been manufactured and sold for many years, it was only identified as carcinogenic in 1974 after several workers in polyvinyl chloride plants died of a rare form of liver cancer.

Another example of the grave risks posed by toxic substances is that associated with the chemical family known as polychlorinated biphenyls—PCBs. This group of chemicals is now known to be both extremely toxic and extraordinarily enduring. They are not readily biodegradable, and are found in our food, milk, and water. The commercial fishing industry in the area of our Great Lakes has been almost totally decimated because of PCB contamination.

Mr. Chairman, the list of chemical horror stories will undoubtedly continue to grow. Even the action we take in passing H.R. 14032 is tragically late. There is a 15–40 year latency period associated with chemical carcinogenesis, so it will be decades before we perceive the extent of the damage already unleased on our citizens and our environment. Thus the Toxic Substances Control Act of 1976 is one of our most critically-needed pieces of legislation. We have no choice but to take action today to begin to curb the lethal health and environmental dangers posed by chemical substances.

Mr. McCOLLISTER. Mr. Chairman, I have no further requests for time.

Mr. MURPHY of New York. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the committee amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce, now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Toxic Substances Control Act".

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Sec. 29. Annual report.
Sec. 30. Effective date.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that section 1 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any amendments to section 1? If not, the clerk will read.

The clerk read as follows:

FINDINGS, POLICY, AND INTENT

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) humans and the environment are being exposed to a large number of chemical substances and mixtures each year;

(2) among the many chemical substances and mixtures constantly being developed and produced are some whose manufacture, processing, distribution in commerce, use, or disposal may cause or significantly contribute to an unreasonable risk to health or the environment; and

(3) the effective regulation of interstate commerce in such chemical substances and mixtures also necessitates the regulation of intrastate commerce in such chemical substances and mixtures.

(b) POLICY.—It is the policy of the United States that—

(1) hazardous and potentially hazardous chemical substances and mixtures should be adequately tested with respect to their effect on health and the environment and that such testing should be the responsibility of those who manufacture and those who process such chemical substances and mixtures;

(2) adequate authority should exist to regulate chemical substances and mixtures which cause or significantly contribute to an unreasonable risk to health or the environment, and to take action with respect to chemical substances and mixtures which are imminent hazards; and

(3) authority over chemical substances and mixtures should be exercised in such a manner as not unduly to impede, or to create unnecessary economic barriers to, technological innovation while fulfilling the primary purpose of this Act to assure that such innovation and commerce in such chemical substances and mixtures do not cause or significantly contribute to an unreasonable risk to health or the environment.

(c) INTENT OF CONGRESS.—It is the intent of Congress that the Administrator shall carry out this Act in a reasonable and prudent manner, and that the Administrator shall consider the environmental, economic, and social impact of any action the Administrator proposes to take under this Act.

Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent that section 2 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any amendments to section 2? If not, the Clerk will read.

The Clerk read as follows:

DEFINITIONS

SEC. 3. As used in this Act:

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) (A) Except as provided in subparagraph (B), the term "chemical substance" means—

(i) any organic or inorganic substance of a particular molecular identity including a combination of such substances occurring (I) in whole or in part as a result of a chemical reaction or (II) in nature, or

(ii) any element or uncombined radical.

(B) Such term does not include—

(i) any mixture,

(ii) any pesticide (as defined in the Federal Insecticide, Fungicide, and Rodenticide Act) when manufactured, processed, or distributed in commerce for use as a pesticide,

(iii) tobacco or any tobacco product,

(iv) any source material, special nuclear material, or byproduct material (as such terms are defined in the Atomic Energy Act of 1954 and regulations issued under such Act),

(v) any article the sale of which is subject to the tax imposed by section 4181 of the Internal Revenue Code of 1954 (determined without regard to any exemptions from such tax provided by section 4182 or 4221 or any other provision of such Code), and

(vi) any food, food additive, drug, cosmetic, or device (as such terms are defined in section 201 of the Federal Food, Drug, and Cosmetic Act) when manufactured, processed, or distributed in commerce for use as a food, food additive, drug, cosmetic, or device.

The term "food" as used in clause (vi) of this subparagraph includes poultry and poultry products (as defined in sections 4(e) and 4(f) of the Poultry Products Inspection Act), meat and meat food products (as defined in section 1(j) of the Federal Meat Inspection Act), and eggs and egg products (as defined in section 4 of the Egg Products Inspection Act).

(3) The term "commerce" means trade, traffic, or transportation (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffic, or transportation described in clause (A).

(4) The term "distribute in commerce" or "distribution in commerce" when used to describe an action taken with respect to a chemical substance or mixture or article containing a substance or mixture means to sell, or the sale of, the substance, mixture, or article in commerce; to introduce or deliver for introduction into commerce, or the introducing or delivery for introduction into commerce of, the substance, mixture, or article; or to hold, or the holding of, the substance, mixture, or article after its introduction into commerce.

(5) The term "environment" includes water, air, and land and the interrelationship which exist among and between water, air, and land and all living things.

(6) The term "health and safety study" means any study of any effect of a chemical substance or mixture on health or the environment, including epidemiological studies, studies of occupational exposure to a chemical substance or mixture, toxicological, clinical, and ecological studies of a chemical substance or mixture, and any test performed pursuant to this Act.

(7) The term "manufacture" means to import, produce, or manufacture.

(8) The term "mixture" means any combination of two or more chemical substances if the combination does not occur in nature and is not, in whole or in part, the result of a chemical reaction; except that such term does include a combination which occurs, in whole or in part, as a result of a chemical reaction if each of the chemical substances comprising the combination is not a new chemical substance and if the combination could have been manufactured for commercial purposes without a chemical reaction at the time the chemical substances comprising the combination were combined.

(9) The term "new chemical substance" means any chemical substance not included in the chemical substance list compiled and published under section 8(b).

(10) The term "process" means the preparation of a chemical substance or mixture for distribution in commerce—

(A) in the same form or physical state, or in a different form or physical state from that, in which it was received by the person making such preparation, or

(B) as part of an article containing the chemical substance or mixture.

(11) The term "processor" means any person who processes a chemical substance or mixture.

(12) The term "standards for the development of test data" means a prescription of—

(A) the—

(i) health and environmental effects, and

(ii) information relating to toxicity, persistence, and other characteristics which affect health and the environment,

for which test data for a chemical substance or mixture are to be developed and any analysis that is to be performed on such data, and

(B) to the extent necessary to assure that such data are reliable and adequate, the manner in which such data are to be developed, the specification of any test protocol or methodology to be employed in the development of such data, and such other requirements as are necessary to provide such assurance.

(13) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, American Samoa, or the Trust Territory of the Pacific Islands.

(14) The term "United States", when used in the geographic sense, means all the States.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that section 3 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. HAGEDORN

Mr. HAGEDORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEDORN: On page 105, line 15, insert the following after the comma "including those combinations which would be mixtures but for the exclusion of all their component substances from the list drawn up by the Administrator pursuant to section 5(c)(2)(A)(i),". On page 108, line 5, substitute a comma for the period and add the following "provided that the combination contains component substances listed by the Administrator pursuant to section 5(c)(2)(A)(i)."

Mr. HAGEDORN. Mr. Chairman, the purpose of my amendment is to exempt from the act mixtures which contain no chemicals contained on the section 5(c)(2)(A)(i) list. This list is to be compiled by the Administrator of EPA and is to contain chemical substances which might significantly contribute to an unreasonable risk to health or the environment.

Although "mixtures" are explicitly excluded from the definition of "chemical substance" on page 105, the effect of this is only to exclude them from the operations of section 5, premarket notification procedures. They remain potentially subject to the entire network of regulations and recordkeeping contemplated by the rest of the act.

Mixtures are unlike other chemical formulations in the respect that the component elements do not have their chemical properties altered. Generally, they are as safe or unsafe as their components. While mixtures may result in the alteration of the physical properties of the components, as in shampoos or dish detergents, they retain the same chemical qualities as the substances which comprise them. There is no reason to burden chemical companies with the retesting of mixtures which simply partake of the qualities of their components, which have already been admitted to the marketplace. If they have not been, then the premarket notification requirements could be applied to the individual components, rather than requiring the entire mixture to be tested.

The great majority of the smaller chemical companies in this country make nothing but formulations of chemicals that are accepted as safe. If they are not, the Administrator always has the option, under my amendment, to place them on his section 5 list. If they are safe, I see no reason to subject these manufacturers to the extremely heavy testing and paperwork burdens of the bill. I believe that my amendment would markedly streamline the bill by requiring EPA to concentrate its focus on those chemicals which he considers harmful.

Most of the larger chemical companies say that they can live with this bill; that may be. The smaller chemical companies, however—the ones that produce 100 formulations and employ 50 to 100 people—they cannot live with this quite so easily. They cannot afford to hire new bookkeepers and paper-shufflers to comply with EPA regulations, they cannot afford the high-power legal staffs to challenge abuses of EPA authority, and they cannot afford legislative liaisons to work hand in hand with Congress in drafting and amending legislation to suit their needs. The Small Business Administration has already estimated that the average small chemical company spends approximately 10 percent of their pretax profits to comply with existing EPA rules. One small company in my district, employing less than 100 persons, claims that it is spending well over 25 percent of their time of Government compliance activities, nearly six times the amount spent only 3 years ago.

There has got to be some recognition of cost-benefit relationships by Congress. The smaller the company, the greater is the ratio of time spent testing and conforming to EPA edict to the volume of chemicals produced. There is no alternative for the small formulator but to hire new personnel that he cannot afford.

Finally, I am aware of the provisions in this bill that either give lip service to the small manufacturer, or distinguish between the treatment given chemical substances and mixtures. I have yet to speak to a small manufacturer, however, who feels comfortable with these. As one of them said to me—

> The people who drew up this bill seem to assume EPA will act reasonably. On the basis of past experience, I have to assume otherwise.

I read section 4(a)(2) as imposing that section's testing requirements upon all mixtures unless the Administrator makes certain findings that such testing will be duplicative or wasteful. To do this, undoubtedly he will have to overcome the presumption that the testing of chemical components is insufficient to enable conclusions about the mixture. Hearings may be required, rules necessitated, and civil suits, by those groups assuming that man is an intruder upon his environment, may have to be overcome.

Opponents of eliminating mixtures from the act argue that they may sometimes result in a synergistic effect, whereby the mixture takes on additional qualities beyond the qualities of the components. Although a detrimental synergistic effect may occur in one in a million mixtures, this bill may end up requiring the testing of the million in order to uncover the exception. Chemical producers rarely test their chemicals for every conceivable purpose to which they might be put. The Administrator would have extremely broad discretion under the act to contend that a chemical had not been tested for a particular application; hence, requiring additional testing for that application. Once the Administrator argues—correctly—that the hazard is always in the application of a chemical, the exemptions in this bill are effectively rendered meaningless.

The committee states that it has limited the Administrator to taking action only against unreasonable risks because to do otherwise assumes that a risk-free society is attainable, an assumption that the committee does not make. The inclusion of mixtures in this bill does not comport with that premise. Rather than requiring EPA to take affirmative action to exclude a mixture from testing, the resources of EPA—and the chemical industry—could far more properly be used if affirmative action was required prior to inclusion. Neither my amendment, nor the bill will do anything about the basic problem involved—abuse and misuse of chemicals; where, however, the chemical itself is the problem, I believe that my amendment strikes a far more reasonable balance between environmental and economic concerns.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. McCOLLISTER, and by unanimous consent, Mr. HAGEDORN was allowed to proceed for 3 additional minutes.)

Mr. McCOLLISTER. Mr. Chairman, I would like to have some clarification of the gentleman's amendment. Is it the gentleman's intent that the Administrator of EPA should be able to exempt the testing of mixtures if the component parts of that mixture can be tested?

Mr. HAGEDORN. Yes, if they have been tested.

Mr. McCOLLISTER. If they have been tested.

Mr. HAGEDORN. If they are listed as a priority or a section 5 chemical, then certainly they ought to be tested. If they are not included in the EPA list, then it is my feeling that they ought to be excluded, unless the EPA Director can show good cause for inclusion, which is still his discretion.

Mr. McCOLLISTER. In section 4, the testing section, at the bottom of page 110, line 21, it says:

> (2) in the case of a mixture, the effects which the mixture's manufacture, distribution in commerce, processing, use, or disposal or any combination of such actions may have on health or the environment may not be reasonably and more efficiently determined or predicted by testing the chemical substances which comprise the mixture;

In other words, the Administrator has the options?

Mr. HAGEDORN. Yes.

Mr. McCOLLISTER. It is not mandatory?

Mr. HAGEDORN. Right.

Mr. McCOLLISTER. He has the option of exempting the mixture from tests if the component parts have been tested?

Mr. HAGEDORN. That is true, but the presumption of innocence always has to be found on that chemical where we are reversing a finding of fault or of possible harm, and putting that burden on the EPA Director to evaluate the mixture as to its potential harmful effects.

Mr. McCOLLISTER. And the gentleman's testing of the components would be limited to only those chemicals that are on the list, that have a hazardous chemicals listing?

Mr. HAGEDORN. If the gentleman will yield further, certainly any of those lists can be expanded. If the EPA Director so chooses to include them, then my amendment would have no effect. I am not arguing that point. I am only talking about the unlisted chemicals not on the priority list or section 5 list as being included.

Mr. McCOLLISTER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ECKHARDT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I must say at the outset that I had great difficulty in understanding what this amendment means. It is an addition that is sought to be added after the term "mixture" on line 15, providing including those combinations which would be mixtures, but providing for the exclusion of all their component substances from the list drawn up by the Administrator pursuant to section 5(c)(2)(A)(i).

I do not see where 5(c)(2)(A)(i) which is contained on page 127 of the act, excludes things from the definition of "mixture" at all. I simply do not understand what the gentleman is trying to do. In the bill we provided that wherever possible, and unless a rule were made by the Administrator, testing of the ingredients of the mixture would be enough, and only in the event that that was not enough and found not to be, and positive action taken by the Administrator, would a mixture have to be tested separately.

In the argument in favor of the amendment it seems to me that the author seems to reach much further and go to the proposition of excluding everything that has not previously been identified on the list provided for in (2)(A)(i). I, frankly, do not understand what the amendment is attempting to get at. It seems to me that, if the amendment is trying to force the Administrator to leave alone a mixture that is properly tested because its ingredients are tested, the bill already takes care of that proposition. If it goes further than that, I do not agree that we should go further than that. I think it would be in opposition to the major thrust of the bill.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman.

Mr. HAGEDORN. I thank the gentleman for yielding.

I think what we are doing here, Mr. Chairman, is reversing the finding of fault. In other words, the chemical is presumed to be noncarcinogenic and nontoxic, unless the EPA Director, looking at the components involved in that mixture, concludes that it could be harmful.

Mr. ECKHARDT. We do not create any presumption of danger in the bill as it stands. We required in every instance that the EPA take the laboring oar in identifying the danger or else the chemical flows to the market. And even when the EPA does identify a potential danger, and says, "We cannot determine positively whether it is safe or it is not safe and, therefore, we cannot act finally," the EPA cannot make a ruling and keep the chemical off of the market. It flows right into the market just the same, unless an order by a court determines that, because of the great quantity of the substance going into the marketplace—and potentially into the environment—or because of the great risk involved that cannot be positively ascertained, harm would be done unless an injunction is issued.

We have tried to avoid the evil that the gentleman very properly points out, the evil of creating a presumption of risk without any proof of it, the evil of making the defendant prove himself not guilty with respect to the chemical. We put the burden on the EPA to identify the danger in every respect. I cannot see how the language of this amendment improves the bill and I think it might do mischief which might be inadvertent as far as the author is concerned.

I would urge that the committee vote against the amendment.

Mr. HAGEDORN. Mr. Chairman, if the gentleman would yield further, we are not trying to be mischievous, that is for sure, with this legislation. What we are attempting to do is to insure we will not put undue burdens on the small businessmen as far as testing, the small businessmen who will be manufacturing the vast majority of chemical substances. But with my amendment we will not give EPA any additional powers unless they act in a positive manner indicating that certain mixtures may have a potential of being toxic or carcinogenic agents and will be taken off. Otherwise there will not be testing requirements placed on that small manufacturer. That is my intent.

Mr. McCOLLISTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I might have the attention of the gentleman, as far as the comment he just made, I want to repeat that is my understanding of the bill the way it is now, that testing is required only when there is an unreasonable risk imposed and if there is no such risk no testing is required. Further the Administrator is told both by the language of the bill and by the comment of the gentleman from Texas a moment ago, that with the testing of the basic components, if that has been accomplished, then the testing of the mixture ought not to be required since the testing of the components has been made.

Mr. HAGEDORN. But the intent, Mr. Chairman, if the gentleman will yield, would be to exempt those chemicals not under section 5 or the list, they would be eliminated unless they are added in an affirmative manner to the required testing.

Mr. McCOLLISTER. As far as the required testing.

Mr. HAGEDORN. Yes.

Mr. SMITH of Iowa. Mr. Chairman, if the gentleman will yield, how will the manufacturer know what is required to be tested?

Mr. McCOLLISTER. He will know because it will be on the list and because there is a rulemaking process by which a potentially dangerous chemical is judged to be a dangerous chemical, and then there follows the testiing of it and all other requirements associated with it, and the manufacturer will have notice through the usual processes and in the Federal Register, and in the lists.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield, actually I think the author of the amendment may be under the misconception that merely by identifying a chemical the EPA may require testing. Actually of course there is a rulemaking process which must determine that the chemical poses the risk and should be tested in order to determine whether or not the risk is in actuality.

I am inclined to think that the terms of the act may be even stricter than the gentleman may conceive in his amendment because we do not permit the EPA merely by putting the chemical on the list to require its testing. The EPA must identify the chemical and by rule direct testing in the case.

Mr. McCOLLISTER. Mr. Chairman, if the gentleman will yield back to me, that rulemaking process is a good deal more different and more stringent and more formal, with cross-examination and substantial evidence and so forth, than the rulemaking processes we usually associate with what the earlier legislation provided.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, it is not quite so with respect to the testing rulemaking, because we do not want to overload an intermediate process to identify danger or to show that it does not exist. Where we put in the complete cross-examination rights is with respect to keeping the chemical ultimately off the market or limiting its entry into the market.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am concerned about this kind of legislation. I know the committee did its best to try to work out something acceptable and that the overriding reason for the legislation is to protect people. But, I think we have gone too far in running small business out of business in this country. Even if all they have to do is watch the Federal Register, it is too much for many small businessmen that are in this business.

Mr. Chairman, take for example a small business. One of them tells me he last year sold 300 formulations. He may only sell 1 ton of a certain product. He cannot afford to watch the Federal Register. He does not have time to watch the Federal Register all the time.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, the gentleman does not want to say that we want small business to be permitted to poison the populace? There has to be some protection here.

Mr. SMITH of Iowa. No. If the gentleman will listen. I am saying that it is not enough to work out an agreement with the big companies as to what will satisfy them and forget small business. That is what the committee did in this bill. It does something for companies like Du Pont but forgets all about small business. They did not even know this bill was under consideration until it was out of the full committee. How are they going to know how to protect themselves?

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. ECKHARDT. Will the gentleman please heed me on this? This bill has been before the Congress, or this concept has been before the Congress in a series of bills, for 5 years. There were full hearings in both the Senate and in the House in at least two terms of Congress. There was full opportunity and notice to everyone involved.

Mr. SMITH of Iowa. How do you give notice to all these manufacturers out there working 40, 50, and 60 hours a week in their plants making a living? How do they know what you are doing?

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, are they going to manufacture poisons in their plants?

Mr. SMITH of Iowa. Oh, no, it is not poison.

I just want to give this example. This manufacturer mixes coconut oil with some other reactants to form a wetting agent for washing floors. If he buys that from Du Pont, it costs twice as much as if he mixes it in his own plant. That is what this legislation does to small business. That is what it does to people who buy the product. It makes them buy it at a much higher price then they would have to. This legislation does for large companies what they are not allowed to do under the antitrust laws. It runs small business out of business by making it so expensive. They are subject to a $2,500 fee or they have to come to Washington to see the EPA. Or they may have to get the Congressional Record and watch it every day and to hire legal help. Many small businesses cannot operate that way, but the big companies can and after running their small business competition out of business, they can triple and quadruple their prices. That is what happens under too much of this kind of legislation.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield further, the gentleman gave an example of a company mixing coconut oil with a compound for cleaning floors. No. 1, the chances are there is no rule made with respect to testing either product.

Mr. SMITH of Iowa. How is this small businessman going to know there is a rule for that?

Mr. ECKHARDT. If there were a rule on that, the person producing the active ingredients in the product would be the one to give notice, not the man mixing the two compounds, because if the basic components had been tested he is under no responsibility.

Mr. SMITH of Iowa. We are forcing him to go to see a "Philadelphia lawyer". He would have to watch the Congressional Record and he would be afraid to be in business at all. If they catch one of them in some violation, if one slips up, he will be out of business and then others are afraid.

I think we have passed too much of this kind of legislation. I know it is worked out so big companies will be satisfied, but I think we ought to work it out for small business in this country. I understand the need to protect people, but we have gone too far. This is not the only bill in which we have been doing this. Month after month, we pass additional legislation. The importance of it and the intent of it is good, but it goes too far.

I think we have got to come to the time when we, as Members of Congress, are watching out for these people who are not here for the hearings, who are not here to have their side of the story heard. In fact, many of them do not even know what is about to be done to them, and they will not know until they find out in the newspaper, about a month or 2 months from now, that this bill has passed.

What I am saying is that it is too burdensome to make the little manufacturer pay up to $2,500 in fees, to come to Washington and get permission from the EPA, and to file numerous papers. There are too many legalities, and somehow we have to work it out better than what has been done in this bill.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New York.

Mr. OTTINGER. First of all, small chemical manufacturers do have an association, and they were heard. We did make provision for the small manufacturers in the bill.

Mr. SMITH of Iowa. The gentleman gave some discretion to the agency to make exemptions. That is not the same thing.

Mr. OTTINGER. It is my understanding that the committee is going to waive the fees for small business, even further aiding small business, in an amendment that is going to be offered. I do think we have considered small businesses and their problems, but their inclusion is vitally important because the incidence of cancer has grown so rapidly from environmental causes.

The time of the gentleman has expired.

(On request of Mr. Ottinger and by unanimous consent Mr. Smith of Iowa was allowed to proceed for 2 additional minutes.)

Mr. SMITH of Iowa. What we are doing here primarily is running small businesses out of business, and helping big companies to take more business and do what they could not do under the antitrust laws to run the small businesses competitors out of business.

Mr. OTTINGER. There is nothing in this bill which forces a man to buy from Du Pont if he is using a mixture of two chemicals that have already been tested.

Mr. SMITH of Iowa. If the people buying a few tons from this little manufacturer cannot buy it from him because he is no longer in business because fees are too high, they are going to have to buy it from a big company at a much higher cost.

Mr. OTTINGER. We are not going to drive him out of business unless his business is introducing toxic substances into the environment.

Mr. SMITH of Iowa. He gets driven out if he does not have a place to sell his product.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Would the gentleman consider transferring from the Budget Committee to the Committee on Interstate and Foreign Commerce, where we need him badly?

Mr. SMITH of Iowa. I appreciate the compliment but I doubt that it would make that much difference.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I want to commend the gentleman from Iowa for his very appropriate remarks as to what the impact of this legislation can be on the small businessman, because this is where new compounds are coming out. When we talk about poisons in our society today, it is true that there are a few that are mishandled and misused; but there are hundreds, literally thousands, of different compounds that are safe for society in a very positive way. I think we ought to look at it from that basis as well.

Mr. SMITH of Iowa. There is surely some way we can protect society without running out competition and running up the price.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I can understand the concern of my colleague from Minnesota in offering this language, but I think the needed protection is already provided. Throughout the hearings and throughout the markup session, the committee carefully considered and evaluated the effects on small business, and built safeguards into this legislation for the small businessman.

The committee does not feel and I do not feel that we can exempt certain mixtures and substances. We have so carefully considered and responded to small businesses. We have responded to the small business associations and representative groups which are here in Washington and across the country. This is the type of response that we have received in committee from their inquiries and from our reaction to those inquiries, and this is an example of one such from a small company in Iowa. It says:

> Dear Mr. Murphy: Thank you for your very comprehensive reply to our inquiry into the Toxic Substance Control legislation. In all of the reply's from other members of Congress, we were not granted such a detailed and clear cut understanding of this bill. The other replys were vague or down-right pro T.S.C.A.
>
> Since we first became aware of this bill, April of this year, our future plans have been in a state of limbo. Now, with the receipt of your letter we feel that we can get back to business without the threat of the second shoe hanging over our head.
>
> By design, we are a very small regional company that has been successful through quality, rather than quantity. We do not subscribe to the theory that "bigger is better", and have been extremely careful to maintain a close personal contact with our clients. The information we received on this bill convinced us that our days were numbered. Now, we will proceed with business as usual based upon the information which you have supplied.

We have carefully considered small business. We have other amendments that the Members have been kind enough to furnish us with that we will accept, which further consider small business. But I think in a consideration of balance and the health of the Nation, we cannot accept this amendment.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Nebraska (Mr. McCOLLISTER).

Mr. McCOLLISTER. I thank the gentleman for yielding.

Mr. Chairman, many of those comments which all of us received I think were directed to the original bill, H.R. 10318. The work of the gentleman from Texas and the gentleman from North Carolina to produce H.R. 14032 made it quite different from the original bill. I think many small chemical companies were concerned, and justifiably so, about the original bill. I have not heard from any small chemical companies on H.R. 14032 and the changes we have made in it.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I thank the gentleman for yielding.

Mr. Chairman, I think the key word that was used by the gentleman from New York (Mr. MURPHY) is the word "balance." We have achieved balance in this bill, and we have taken into consideration the needs to protect the environment and at the same time we make sure that we do not do undue harm to the small business interests or any other commercial interests.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. I thank the gentleman for yielding.

Mr. Chairman, I want to thank the gentleman from New York for his input, and the gentleman from Texas, as well. It can give reassurance to the small company about the role-making process.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(By unanimous consent, Mr. MURPHY of New York was allowed to proceed for 1 additional minute.)

Mr. HAGEDORN. If the gentleman will yield further, I think this has been worthwhile from that standpoint alone. When we talk about the role-making process, that is another matter, where the small company must come in and bring in his attorneys and legal counsel to fight this, as well, so that is an added burden, in addition to all the other problems of increasing costs that they face.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN).

The question was taken; and on a division (demanded by Mr. HAGEDORN) there were—ayes 10, noes 15.

So the amendment was rejected.

AMENDMENTS OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. FUQUA: Page 106, line 5, strike out "and"; at the end of line 10 strike out the period and insert ", and "; and after line 10 insert the following:

"(vii) any chemical substance manufactured or processed in small quantities (as defined by the Administrator by rule) solely for scientific experimentation or analysis or chemical research or analysis on such substance or another substance."

Page 141, strike out lines 6 through 21 and redesignate the succeeding paragraphs accordingly.

Page 159, beginning in line 1, strike out "(other than a chemical substance described in subparagraph (B)(ii))".

Page 159, strike out lines 8 through 15 and insert in lieu thereof the following: to manufacture or process a mixture,".

Mr. FUQUA. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Chairman, I wish to thank the committee for offering some conciliatory concern about the effects of this legislation on small business, but what I am concerned about is research chemicals, those chemicals specifically used for research processes.

I have in my district a small business employing approximately 60 persons, and that business deals solely in research chemicals. These are not chemicals that one may buy in a drug store; they are not chemicals that any individual could purchase from another person. These chemicals are in most cases purchased in very small quantities, sometimes as small an amount as 1 gram and in other cases perhaps a hundred grams.

This company offers a catalogue that contains several thousand chemical formulations that it has the capability of making. They transport the chemical in public commerce, and it is treated as a toxic substance. It does not get into the hands of, for instance, some 10th grade chemistry buff.

With all of these complex compounds that they offer solely for research purposes to universities, to those in research labs, and perhaps to a few other companies, they provide a short circuit for the researcher so that he can work further down the chain of the chemical compound rather than having to take simple compounds and breaking them down into these other types of compounds.

While we have waived the requirement of their having to pay the fee and given other considerations, they should be totally exempt from this because they would then be subject to having to see that every compound is tested and tested until it is proven that it is not toxic. They realize these compounds are toxic.

One can even go into a store today and buy nitric acid and glycerine in separate compounds and then put them together. We know, of course, what we then; we have nitroglycerine, which is a very dangerous substance.

Mr. Chairman, I plead with the committee to consider this amendment favorably. However, I think that in this particular case, in dealing with research chemicals, we are certainly going too far.

One of the more toxic substances that is now made in these labs is one that is used in one of the compounds for the treatment of cancer. Here we would be subjecting researchers to spending much more time, and it would probably cost twice as much because of the additional research necessary.

As I pointed out earlier, these substances do not get into the hands of incompetent individuals such as myself or any other lay person. These are research scientists; they are using these substances in universities, and they are used in other products.

Mr. Chairman, I believe this is a very, very important amendment. This bill will produce voluminous amounts of paperwork for the administration and for the EPA Administrator.

It would almost be too complicated to handle. There are very few of these companies in business today. As the gentleman from Iowa (Mr. SMITH) pointed out, these are very small individuals, not the large companies, even though sometimes they sell research chemicals to many of the large companies. However, these are small operators. They do not have attorneys here in Washington or a Washington staff to be up here every day and to get the permits that would be necessary for the manufacturing of these chemicals.

Mr. Chairman, I would hope that the committee would see fit to accept this amendment. I talked to them about it. I think it is also desirable because of the competitive nature involved, and these are not large amounts, but very small amounts.

Mr. Chairman, I am informed that with the increased cost involved these people may probably be forced to go to some other country in order to produce research chemicals. It is providing jobs in this country and the expertise that we need plus the technology that we need in this country.

Therefore, Mr. Chairman, I would certainly hope that the committee would accept this amendment. I think it goes a long way. It does not do violence to the purpose and intent of what the committee is trying to do.

Again, I say I support the committee's position, but I do think that in this particular instance with respect to research chemicals, those chemicals should be exempted from this requirement.

Mr. ECKHARDT. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, the provisions for premarket notification are contained in section 5 of the bill.

Chemical substances which are for scientific experimentation or analysis or chemical research or analysis on such substances are presently exempted from the premarket notification requirement.

Mr. Chairman, this is certainly enough. Mind you, no chemical, whether it is research or otherwise, is absolutely required to be tested. Therefore, it would not even come under section 6 providing a ban or limitation on its use unless there were some very good reason that it should not be distributed.

Mr. Chairman, it is perfectly proper not to inject control of EPA with respect to research chemicals for the purpose of notice. In most instances, since no notice is required, no testing would be applied and no ban or limitation would be placed on those chemicals. However, even if a chemical is produced in small quantities and used for analysis, it may be so dangerous and it may be so unnecessary to be used in that particular analysis as to require some limitation on its distribution.

Mr. Chairman, the Fuqua amendment would not only exempt some chemicals from the notification provisions, but it would also prevent the administrator, when he finds that the chemical causes or significantly contributes to or will cause or significantly contribute to an unreasonable risk to health or the environment from applying any of the remedies contained on page 143 and the following pages, a requirement prohibiting the manufacturing, processing, or distribution in commerce of such substance or mixture. Nor would it permit limiting the amount of such substance or mixture, or a requirement that such substance or mixture or any article containing such substance or mixture be marked with or accompanied by clear and adequate warnings and instructions with respect to its use or disposal, or with respect to both.

Mr. Chairman, it seems to me that in many instances it would be most desirable to notify students, for instance, engaged in analysis, in a university laboratory by having the mixture marked with accompanying clear and adequate warnings and instructions with respect to its use.

I give a lot of credit to the teachers in colleges, high schools, and technical institutions with respect to their expertise but we have some 800 new chemicals coming on the market each year. I think that the analysts and laboratory workers are entitled to know something about the dangers of those new chemicals. We do not require that those be covered by premarket notification but we do leave open the door to a situation where EPA has determined that this is a most dangerous chemical, perhaps it is a carcinogen. Why in those instances should we exempt it, so that we do not extend protection of persons working in laboratories? I do not think this is going to be abused. We do not require notification in advance. We cannot require any limitation until there is a full scale hearing and a ruling as required in section 6 of the act.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Fuqua, and by unanimous consent, Mr. Eckhardt was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, I yield to the distinguished gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I certainly appreciate the concern that the gentleman from Texas (Mr. Eckhardt) is making and I support that, but the point the gentleman is missing is that these are research chemists. They take it at face value that they are toxic and that they are not to breathe them. But research scientists know how to handle very highly toxic materials, and they can be handled. In addition, they are using these materials so as to break down other materials, if you please, to prove their acceptability or toxicity in the open market. So these materials are not available to just any person. They are available only to research people and they treat them as highly toxic and as something that should not be handled without due care. They are toxic but they are being handled by people who know chemicals and who know how to handle them. I think without that we will be stifling the very purpose of evaluating many products that later will be sold and that it impedes, really, what the purpose of the act is.

Mr. ECKHARDT. If the gentleman from Florida would yield back to me. Reading from the proposed bill, it says:

> . . . any chemical substance which is manufactured or processed, only in small quantities (as defined by the Administrator by rule) solely for—

Let us take one of these bases:

> . . . for scientific analysis . . .

Chemicals may be used for scientific analysis in a laboratory by not very well trained people and if that is done why should not the Administrator do what he can do under section 6—and, incidentally, he is not going to limit it at all unless he does something under section 6. Why should he not have the authority to say what the dangers are? This is a requirement that says any substances, mixtures, or any mixture thereof is supposed to be marked and accompanied by clear and adequate analysis and instruction. That is not too heavy a burden.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. Fuqua, and by unanimous consent, Mr. Eckhardt was allowed to proceed for 1 additional minute.)

Mr. ECKHARDT. I yield to the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Chairman, some of the things that they use in chemical analysis are exotic chemicals that are used to check other chemicals for toxic material and to secure a true analysis. We are only talking about research chemists, people who know what they are doing, not a 10th grade chemistry buff, or children playing with chemicals they buy at a toy store; we are talking about universities, research laboratories, professional people trained in this area so that they can use these chemicals or their components to break other materials down, so that they can shortcircuit the work that would otherwise be necessary, so by using these chemicals they can break these compounds down.

Mr. ECKHARDT. I do not think that the Administrator is going to restrict that kind of use anyway. In the first place, they are not required to give notice; therefore, he is not going to issue a rule requiring testing. But even if he did, the only limitation he would ultimately place on some such chemicals is the requirement that instructions be given concerning their danger. It seems to me that the bill is perfectly adequate as written, and there is no reason to alter it in this way.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I reluctantly oppose the Fuqua amendment which would exempt chemicals manufactured in small quantities for scientific experimentation or analysis, or chemical research or analysis, from the legislation. The reason is that the Fuqua amendment would create a dangerous loophole in the protection provided by the legislation, and it is not necessary to protect chemical research and innovation.

The bill already makes special provisions for research chemicals in order to insure that chemical research and innovation is not unduly impeded. Research chemicals are exempted from the premarket notification provisions of the bill. Thus there will be no slowdown in researchers obtaining chemicals they need to conduct their research.

During the subcommittee hearings on the legislation, representatives of the American Chemical Society, a professional organization comprised of more than 110,000 chemists, recommended that research chemicals be exempted from the premarket notification provisions of the bill. This the committee has done. The American Chemical Society, however, did not recommend that research chemicals be exempted from the other regulatory provisions. When questioned about the need for such an exemption, the chairman of the American Chemical Society Board of Directors specifically recommended against it. He pointed out that chemicals which find their way into supply houses for sale to anyone who wishes to purchase them are often purchased by high school students or people who have home laboratories. Such people may need protection from hazardous chemicals.

For example, if Mr. Fuqua's amendment is agreed to, the EPA could not require a manufacturer of a particularly hazardous research chemical to place warnings on the chemical, so that high school students using the chemical will be informed of the dangers of the chemical.

Before EPA could take regulatory action against a research chemical under the bill, the agency would have to find an unreasonable risk associated with the chemical. This requires that EPA weigh the risks against the benefits presented by the chemical. The risks would have to outweigh the research benefits before EPA could take regulatory action. If EPA can make the requisite showing that even considering the benefits of the research chemical, the dangers are so great that the public needs protection, should EPA not be authorized to take such necessary protective action? This does not necessarily mean that the chemical will be banned. All that may be necessary are warning labels. Or it may be necessary to prescribe disposal techniques.

It is instructive to note that other existing laws which regulate chemicals do not provide total exemptions for research chemicals. For example, the Food, Drug, and Cosmetic Act does not exempt chemicals used for research for drugs. Like the toxic substances bill, research drugs are exempted from the premarket clearance provisions. However, if FDA determined that a research drug were unreasonably endangering public health, it could act to protect against it.

Thus the Fuqua amendment is totally unnecessary to protect against chemical research and development. Further, it creates a gap in the protections provided by the bill. Therefore, it should be defeated.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I thank the gentleman for yielding.

I want to compliment the gentleman for giving a very adequate explanation of the many provisions in the bill that do exempt research chemicals from provisions of this bill. But would the gentleman not agree with me that striking the reporting requirements altogether would not be wise, because there is one thing the EPA should have, and that is adequate knowledge of the new chemicals that are being developed?

Mr. MURPHY of New York. That is one of the thrusts of this bill.

Mr. BROYHILL. That is not certainly an onerous burden to know the formulas of new chemicals that are being developed, is it?

Mr. MURPHY of New York. It is not.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida (Mr. FUQUA).

The amendments were rejected.

The CHAIRMAN. There being no further amendments to section 3, the Clerk will read.

The Clerk read as follows:

TESTING OF CHEMICAL SUBSTANCES AND MIXTURES

SEC. 4. (a) TESTING REQUIREMENTS.—If the Administrator finds that—

(1) (A) (i) the manufacture, distribution in commerce, processing, use, or disposal of a chemical substance or mixture or any combination of such actions may cause or significantly contribute to an unreasonable risk to health or the environment,

(ii) there are insufficient data and experience upon which the effects of such manufacture, distribution in commerce, processing, use, or disposal or combination of such actions on health or the environment can reasonably be determined or predicted, and

(iii) testing of such substance or mixture with respect to such effects is necessary to develop such data; or

(B) (i) a chemical substance or mixture is or will be produced in substantial quantities, and it enters or may reasonably be anticipated to enter the environment in substantial quantities or there is or may be significant or substantial human exposure to such substance or mixture.

(ii) there are insufficient data and experience upon which the effects of the manufacture, distribution in commerce, processing, use, or disposal of such substance or mixture or any combination of such actions on health or the environment can reasonably be determined or predicted, and

(iii) testing of such substance or mixture with respect to such effects is necessary to develop such data; and

(2) in the case of a mixture, the effects which the mixture's manufacture, distribution in commerce, processing, use, or disposal or any combination of such actions may have on health or the environment may not be reasonably and more efficiently determined or predicted by testing the chemical substances which comprise the mixture;

the Administrator shall by rule require that testing be conducted on such substance or mixture to develop data with respect to the health and environmental effects for which there is an insufficiency of data and experience and which are relevant to a determination that the manufacture, distribution in commerce, processing, use, or disposal of such substance or mixture or any combination of such actions does or does not cause or significantly contribute to an unreasonable risk to health or the environment.

(b) (1) TESTING REQUIREMENT RULE.—A rule under subsection (a) requiring the testing of a chemical substance or mixture shall include—

(A) identification of the substance or mixture for which testing is required,

(B) standards for the development of test data for such substance or mixture, and

(C) a specification of the period (which period may not be unreasonable) within which the persons required to conduct the testing shall submit to the Administrator data developed in accordance with the standards referred to in subparagraph (E).

In determining the standards and period to be included, pursuant to subparagraphs (B) and (C), in a rule under subsection (a), the Administrator shall consider the relative costs of the various test protocols and methodologies which may be required under the rule and the reasonably foreseeable availability of facilities and personnel for performing testing under the rule. Such a rule may require the submission of preliminary data during the period prescribed under subparagraph (C).

(2) (A) The health and environmental effects for which standards for the development of test data may be prescribed include carcinogenesis, mutagenesis, teratogenesis, behavioral disorders, cumulative or synergistic effects, and any other effect which may cause or significantly contribute to an unreasonable risk to health or the environment, and the characteristics of chemical substances and mixtures for which such standards may be prescribed include persistence, acute toxicity, subacute toxicity, chronic toxicity, and any other characteristic which may cause or significantly contribute to such a risk. The methodologies that may be prescribed in such standards include epidemiology, serial, or hierarchical tests; in vitro tests; and whole animal tests. Before prescribing epidemiology tests in such standards, the Administrator shall consult with the Director of the National Institute for Occupational Safety and Health.

(B) From time to time, but not less than once each twelve months, the Administrator shall review the adequacy of the standards for development of data prescribed in rules under subsection (a) and shall, if necessary, institute proceedings to make appropriate revisions of such standards.

(3) (A) A rule under subsection (a) respecting a chemical substance or mixture shall require the persons described in subparagraph (B) to conduct tests and submit data on such substance or mixture, except that the Administrator may permit two or more of such persons to designate one such person or a qualified third party to conduct such tests and submit such data on behalf of the persons making the designation.

(B) The following persons shall be required to conduct tests and submit data on a chemical substance or mixture subject to a rule under subsection (a):

(i) Each person who manufactures or intends to manufacture such substance or mixture if the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii) with respect to the manufacture of such substance or mixture.

(ii) Each person who processes or intends to process such substance or mixture if the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii) with respect to the processing of such substance or mixture.

(iii) Each person who manufactures or processes or intends to manufacture or process such substance or mixture for distribution in commerce if with respect to the distribution in commerce of such substance or mixture the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii).

(iv) Each person who manufactures or processes or intends to manufacture or process such substance of mixture if with respect to the disposal of such substance or mixture the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii).

(v) Each person who manufacturers or processes or intends to manufacture or process such chemical substance or mixture for a use with respect to which the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii).

(4) A rule under subsection (a) requiring the testing of a chemical substance or mixture shall expire at the end of the reimbursement period (as defined in subsection (c) (3) (B)) applicable to test data for such substance or mixture, unless the Administrator repeals the rule before such date.

(5) Rules issued under subsection (a) (and any amendment thereto or repeal thereof) shall be promulgated pursuant to section 553 of title 5, United States Code, except that in promulgating, amending, or repealing any such rule (A) the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions; and (B) a transcript shall be made of any oral presentation. The Administrator may not promulgate a rule under subsection (a) respecting a substance or mixture unless the Administrator makes and publishes with the rule the findings described in paragraph (1) (A) or (1) (B) of such subsection and, in the case of a rule respecting a mixture, the finding described in paragraph (2) of such subsection.

(c) EXEMPTION.—(1) Any person required by a rule under subsection (a) to conduct tests and submit data on a chemical substance or mixture may apply to the Administrator (in such form and manner as the Administrator shall prescribe) for an exemption from such requirement.

(2) If, upon receipt of an application under paragraph (1), the Administrator determines that—

(A) the chemical substance or mixture (including any contaminant present in such substance or mixture) with respect to which such application was submitted is equivalent to a chemical substance or mixture for which data has been submitted to the Administrator in accordance with a rule under subsection (a) or for which data is being developed pursuant to such a rule, and

(B) submission of data by the applicant on such substance or mixture would be duplicative of data which has been submitted to the Administrator in accordance with such rule or which is being developed pursuant to such rule,

the Administrator shall exempt, in accordance with paragraph (3) or (4), the applicant from conducting tests and submitting data on such substance or mixture.

(3) (A) If the exemption of any person from the requirement to conduct tests and submit test data on a chemical substance or mixture is granted on the basis of the existence of previously submitted test data and if such exemption is granted during the reimbursement period for such test data (as prescribed by subparagraph (B)), then (unless such person and the persons referred to in clauses (i) and (ii) agree on the amount and method of reimbursement) the Administrator shall order the person granted the exemption to provide fair and equitable reimbursement (in an amount determined under rules of the Administrator)—

(i) to the person who previously submitted such test data, for a portion of the costs incurred by such person in complying with the requirement to submit such data, and

(ii) to any other person who has been required under this subparagraph to contribute with respect to such costs, for a portion of the amount such person was required to contribute.

In promulgating rules for the determination of fair and equitable reimbursement to the persons described in clauses (i) and (ii) for costs incurred with respect to a chemical substance or mixture, the Administrator shall consider all relevant factors, including the effect on the competitive position of the person required to provide reimbursement in relation to the persons to be reimbursed and the share of the market for such substance or mixture of the person required to provide reimbursement in relation to the share of such market of the persons to be reimbursed. An order under this subparagraph shall, for purposes of judicial review, be considered final agency action.

(B) For purposes of subparagraph (A), the reimbursement period for any test data for a chemical substance or mixture is a period—

(i) beginning on the date such data was submitted in accordance with a rule promulgated under subsection (a), and

(ii) ending—

(I) five years after the date referred to in clause (i), or

(II) at the expiration of a period which begins on the date referred to in clause (i) and is equal to the period which the Administrator determines was necessary to develop such data,

whichever is later.

(4) (A) If the exemption of any person from the requirement to conduct tests and submit test data on a chemical substance or mixture is granted on the basis of the fact that test data is being developed by one or more persons pursuant to a rule promulgated under subsection (a), then (unless such person and the persons referred to in clauses (i) and (ii) agree on the amount and method of reimbursement) the Administrator shall order the person granted the exemption to provide fair and equitable reimbursement (in an amount determined under rules by the Administrator)—

(i) to each such person who is developing such test data, for a portion of the costs incurred by each such person in complying with such rule, and

(ii) to any other person who has been required under this subparagraph to contribute with respect to the costs of complying with such rule, for a portion of the amount such person was required to contribute.

In promulgating rules for the determination of fair and equitable reimbursement to the persons described in clauses (i) and (ii) for costs incurred with respect to a chemical substance or mixture, the Administrator shall consider the factors described in the second sentence of paragraph (3) (A). An order under this subparagraph shall, for purposes of judicial review, be considered final agency action.

(B) If an exemption is granted on the basis of the fact that one or more persons are developing test data pursuant to a rule promulgated under subsection (a) and if after such exemption is granted the Administrator determines that no such person has complied with such rule, the Administrator shall (i) after providing written notice to the person who holds such exemption and an opportunity for a hearing, by order terminate such exemption, and (ii) notify in writing such person of the requirements of the rule with respect to which such exemption was granted.

(d) NOTICE.—Upon the receipt of any test data pursuant to a rule under subsection (a), the Administrator shall, subject to section 14, promptly publish a notice of the receipt of such data in the Federal Register. Each such notice shall (1) identify the chemical substance or mixture for which data have been received; (2) list the uses or intended uses of such substance or mixture and the information required by the applicable standards for the development of test data; and (3) describe the nature of the test data developed. Except as otherwise provided in section 14, such data shall be made available by the Administrator for examination by any person.

(e) PRIORITY LIST.—(1) (A) There is established a committee to make recommendations to the Administrator respecting the chemical substances and mixtures to which the Administrator should give priority consideration for the promulgation of a rule under subsection (a). In making such a recommendation with respect to any chemical substance or mixture, the committee shall consider all relevant factors, including—

(i) the quantities in which the substance or mixture is or will be manufactured,

(ii) the quantities in which the substance or mixture enters the environment,

(iii) the number of persons who will be exposed to the substance or mixture in their places of employment and the duration of such exposure,

(iv) the extent of human exposure to the substance or mixture,

(v) the extent to which the substance or mixture is closely related to a chemical substance or mixture which is known to cause or significantly contribute to an unreasonable risk to health or the environment,

(vi) the existence of data concerning the effects of the substance or mixture on health or the environment,

(vii) the extent to which testing of the substance or mixture may result in the development of data upon which the effects of the substance or mixture on health or the environment can reasonably be determined or predicted, and

(viii) the reasonably foreseeable availability of facilities and personnel for performing testing on the substance or mixture.

The recommendations of the committee shall be in the form of a list of chemical substances and mixtures which shall be listed, either by individual substance or mixture or by groups of substances or mixtures, in the order in which the committee determines the Administrator should take action under subsection (a) with respect to the substances and mixtures.

(B) Not later than twelve months after the effective date of this Act, the committee shall transmit to the Administrator the list required by subparagraph (A) together with the reasons for the committee's inclusion of each chemical substance or mixture on the lists. At least every six months after the transmission to the Administrator of the list pursuant to the preceding sentence, the committee shall make such revisions in the list as it determines to be necessary and shall transmit them to the Administrator together with the committee's reasons for the revisions. The Administrator shall make available to the public the list transmitted by the committee, any revision by the committee in such list (including the date on which such revision was transmitted to the Administrator), and the reasons of the committee for inclusion of a chemical substance or mixture on the list and for any revision in the list. The Administrator shall provide reasonable opportunity to any interested person to file with the Administrator written comments on the committee's list or any revision of the committee of such list and shall make such comments available to the public.

(C) The Administrator may promulgate a rule under subsection (a) with respect to a chemical substance or mixture which is not contained on a list published under this subsection.

(2) (A) The committee established by paragraph (1) (A) shall consist of eight members as follows:

(i) One member (or designee of the member) appointed from the Environmental Protection Agency by the Administrator.

(ii) One member (or designee of the member) appointed by the Secretary of Labor from officers of the Department of Labor engaged in the Secretary's activities under the Occupational Safety and Health Act of 1970.

(iii) One member (or designee of the member) appointed from the Council on Environmental Quality by the Chairman of the Council.

(iv) One member (or designee of the member) appointed from the National Institute for Occupational Safety and Health by the Director of the Institute.

(v) One member (or the designee of the member) appointed from the National Institute of Environmental Health Sciences by the Director of the Institute.

(vi) One member (or designee of the member) appointed from the National Cancer Institute by the Director of the Institute.

(vii) One member (or designee of the member) appointed from the National Science Foundation by the Director of the Foundation.

(viii) One member (or designee of the member) appointed from the Department of Commerce by the Secretary of Commerce.

A member may designate an individual to serve on the member's behalf only with the approval of the applicable appointing authority and only if the individual is from the entity from which the member was appointed. A vacancy in the committee shall be filled in the same manner in which the original appointment was made.

(B) (i) The term of office of a member of the committee is four years, except that of the members first appointed, four members shall have initial terms of two years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term. If any member of the committee leaves the office or entity from which the member was appointed, such member may not continue as a member of the committee, and, for purposes of the preceding sentence, the member's position shall be considered as being vacant. A member may serve after the expiration of the member's term of office until a successor has taken office.

(ii) Initial appointments to the committee shall be made not later than the sixtieth day after the effective date of this Act. Not later than the ninetieth day after such date the members of the committee shall hold a meeting for the selection of a chairman from among their number and to determine, by lot, the four members who shall have initial terms of two years.

(C) The Administrator shall provide the committee such administrative support services as may be necessary for the committee to carry out its function under this subsection.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that section 4 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. OTTINGER: Page 112, strike out the period in line 20, and insert in lieu thereof a semicolon and the following: "except that in prescribing tests the Administrator in his or her discretion shall give preference to available tests which do not involve the use of animals if such tests provide an adequate and accurate means for ascertaining the effect of a chemical substance or mixture on humans and the environment."

Mr. OTTINGER. Mr. Chairman, as I have stated previously, I strongly support the Toxic Substances Control Act and I am proud to be one of its cosponsors. I believe it needs to be improved, however, with respect to use of nonanimal tests where they are adequate and accurate. Therefore, I offer now the amendment which I previously offered in committee and which was not adopted there, but I think it is a tremendously important amendment because there is a history of abuse of laboratory animals, and the use of animals where they are not necessary, and it results in pain and cruelty to animals which is totally unnecessary and which this amendment seeks to avoid.

The amendment requires the Administrator of the EPA to give preference to tests which do not involve the use of animals but which are found by him in his sole discretion to be accurate and adequate for testing the toxicity of any chemicals to be tested.

In committee it was argued that this would subject the enforcement of the act to possible litigation, but we did provide in the amendment that the Administrator will have sole discretion in making testing determination; all he has to do is to consider the use of nonanimal tests where they are available and make a determination that they are adequate and accurate, and if he does make that determination he is to give preference to those tests.

It seems to me that is a reasonable requirement which does not subject the implementation of the act to interference. Again, the amendment does not ban the use of animals, but it requires the Administrator to use nonanimal tests where, in his sole discretion, he finds them to be adequate and accurate.

The intent of the amendment is to require the Administrator to consider tests which do not involve the use of animals, and thus prevent unnecessary pain and suffering to which laboratory animals are often subjected—and provide much cheaper and equally accurate testing in many instances.

Two alternative testing methodologies presently exist and are used for testing possible carcinogenic substances. One test uses Salmonella bacteria grown upon animal tissues instead of animals themselves. It has been determined that the mutation of the bacteria catches between 80 to 90 percent of all cancer-causing chemicals. It has roughly the same accuracy as is found in animal tests.

The other test, a new laboratory procedure, involves the growth of mammal cancer cells or primary cells, and their exposure to a potentially carcinogenic chemical. These nonanimal tests achieve striking savings in time and dollars. To illustrate, the average animal test for carcinogenic substances costs $150,000 and uses 400 animals over a period averaging 3 years. The nonanimal Ames Salmonella test costs $500 to $750 and can be completed in 2 days. The mammal cell tests I referred to cost between $1,000 and $3,000 and take 3 to 6 weeks.

Nobel prize-winning biologist, Dr. Renato Dulbecco, in his prize-winning lecture printed in Science Magazine of April 1976, said:

> Identificaton by conventional (animal) tests is difficult because they are costly and laborious, but they can now be replaced by the bacterial tests for promutagens. Since these tests are easy and inexpensive, it should be possible to investigate many normal constituents of the environment, and every compound before it is offered to the public.

Similarly, Friends of the Earth conducted research which demonstrates that these bacterial tests achieve the same 85 to 90 percent accuracy as animal tests, at considerably less cost.

In addition, the Salem Research Institute of Germany recently published a bibliography of the many already published experiments using tissue culture to solve scientific problems. It published this compendium in an effort to spur researchers into using nonanimal experiments. The bibliography lists 286 selected tissue cultures used solely for cancer research; 626 such experiments for pharmacological research.

Congress involved itself in protecting animals in laboratory experimentation when it passed the Animal Welfare Act. We were responsible for changing existing attitudes about the treatment of laboratory animals, and these changes have been positive. We must continue what we have started and I believe my amendment is one more step in that direction.

In their book entitled, "The Principles of Humane Experimental Techniques," Russel and Burch presented a formula for alleviating suffering of laboratory animals, stating three criteria:

First. Refinement of experimental techniques.

Second. Reduction of animals used.

Third. Replacement by less or nonsentient material.

My amendment is fashioned around this formula. It has the support of the Society for Animal Protective Legislation, which sent a "Dear Colleague" letter to all offices to support the amendment; the Humane Society of the United States; Defenders of Wildlife; Friends of the Earth; and Fund for Animals.

Mr. Chairman, at the appropriate time, I will ask unanimous consent to have these statements of support put in the RECORD.

I just want to read briefly from the Fund for Animals:

> Reducing the unnecessary use of animals in experimentation is a subject that is of deep concern to the Fund for Animals and our 60,000 members across the country. Congressman Ottinger's amendment is an excellent step in the right direction which sets a valuable precedent in protecting animals without detracting one iota from the public's right to be safeguarded from toxic substances.

Mr. Chairman, I urge my colleagues to support the amendment and to support this important legislation.

Mr. WHITEHURST. Mr. Chairman, I rise in support of the gentleman's amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York which would prevent the unnecessary use of animals in laboratory experiments. This amendment would direct the Administrator to utilize available tests which do not involve the use of animals and which provide an adequate and accurate means of ascertaining the effects of chemical substances on humans and the environment.

It is important to note that this amendment does not ban the use of animal tests nor does it make it more difficult for the Administrator to prescribe animal tests if he feels they are necessary. The amendment simply requires the Administrator to consider alternate testing methods and directs him to use them when he finds they are adequate and accurate.

Fortunately, technology now exists to test the impact of chemicals on humans without the use of animals. These tests have the same 85 to 90 percent accuracy of animal tests and are actually much cheaper to perform. Current tests using animals to determine the cancer-causing potential of a chemical are expensive and lengthy, costing as much as $150,000 a test for 400 animals and 3 years of work. One alternative test using bacteria costs approximately $500 to $700 per test for a 2-day experiment. Another test involving lab-grown mammal cells costs about $1,000 to $3,000 a test and takes 3 to 6 weeks. Consequently, these newly developed tests are cheaper, easier, faster, and equally effective as the tests involving animals.

While it is true that we probably cannot eliminate the use of animals altogether, I believe that we have a responsibility to limit the pain and suffering of animals used in laboratory experiments to the maximum feasible extent. Since realistic and proven alternatives to the use of animals exist, I feel the Congress should make clear its desire to have these sound alternatives used whenever feasible. Once again, I urge the adoption of this humane amendment offered by the gentleman from New York.

Mr. ECKHARDT. Mr. Chairman, I rise in opposition to the amendment.

Now, Mr. Chairman, I recognize that it is always with some trepidation that one should take the floor opposing a fund for animals or a fund for anything else, because all these funds have behind them the people with long memories and they have an intense interest in the particular subject matter. Yet it seems to me inadvisable to direct the Administrator with respect to the manner in which he determines a danger to exist. In the first place, some of the dangers involve dangers to the lower species themselves. For instance, in the case of PCB there is danger to fish and in many instances new chemicals affect the environment by affecting animals.

Now, it is true, of course, that the amendment only applies if tests which do not involve the use of animals provide an adequate and accurate means for ascertaining the effect of a chemical substance or mixture on humans and the environment.

But actually, the Administrator usually does not come into the game early enough to determine what kind of tests are to be used, whether they are on animals or not on animals, because the Administrator ordinarily merely requires testing. He does not determine the precise nature of the tests in most instances. He only prescribes the tests to be applied to the extent necessary to assure that such data are reliable and adequate, the manner in which such data are to be developed, the specification of any test protocol or methodology to be employed in the development of such data, and such other requirements as are necessary to provide such assurance.

Of course, this amendment only goes to the Administrator's choice of the use of tests. Ordinarily, the choice of use of tests is with the person producing the chemical. He is conducting the tests, he is presenting the data, and the Administrator may either accept the data or may prescribe additional testing.

Now I suggest, Mr. Chairman, that we are ill advised to place in the law itself this kind of directive. If we do, we are going to have people meddling with the Administrator's process, with all good intention, and thus holding up the ultimate result of the tests for inordinately long periods of time.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. OTTINGER. On page 112, section (2)(A), it says that the Administrator can prescribe the standards for the development of test data, and says specifically, starting on line 18, "The methodologies that may be prescribed in such standards include * * *" and names the various kinds of tests.

So that there is provision here for the Secretary to prescribe the kinds of tests, and where there are nonanimal tests that are adequate, he should prefer those. I do not think that does any mischief, and I think it will help prevent some of the unnecessary carnage to animals that does unfortunately occur in some laboratories today.

Mr. ECKHARDT. It is true that he may prescribe the standards, and he may ultimately prescribe the tests in certain instances, but it seems to me that we would do great mischief to permit anyone who wants to, to come in and make an objection to the nature of these tests on the grounds of some particular preference or some particular kind of test or some particular prejudice against the use of a kind of testing.

For instance, concerning PCB's, I have a very interesting little document here that was sent to me by the gentleman from Michigan (Mr. DINGELL). One of the statements is with reference to rhesus monkeys:

> Rhesus monkeys exposed to dietary levels as low as 2.5 and 5.0 ppm of PCB (lower than Lake Michigan fish) developed facial acne, subcutaneous edema and loss of eyelashes.

Why not use these tests, and why should it be available for anyone who has a particular love for rhesus monkeys, to come in and try to hold up the testing and get some kind of a court determination as to whether or not there is an adequate and accurate means of ascertaining whether a poison would cause injury to people by some other means?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. OTTINGER. Mr. Chairman, I ask unanimous consent that the gentleman from Texas be allowed 30 seconds more.

Mr. ECKHARDT. I do not know whether I want 30 seconds. I might not be able to reply.

Mr. OTTINGER. I just want to say that the gentleman is playing monkeyshines with my amendment.

Mr. BROYHILL. Mr. Chairman, I move to strike the last word.

Just briefly, I want to say that I can understand the gentleman's concern, but our concern, of course, is that this amendment could do undue harm to testing of chemicals that might be dangerous to the health of mankind and to the environment. For these reasons, I oppose the amendment.

Mr. KOCH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment. I think it is a good one, and let me tell the Members why I think it is a good amendment. I am not someone who is an antivivisectionist. I believe that there is appropriate experimentation on animals to be done. That includes basic research; that includes matters which would relate to the welfare and the health of humankind as well as animals that are not human. But, obviously there are limitations, and wherever it is possible to use nonanimal substances for experimentation, surely that is to be preferred instead of the use of animals.

I do not think anyone would want to quarrel with that. But even those who would not want to quarrel with it are always reluctant, so to speak, to enter the battle because in some way or other we think we are going to limit the scope of experimentation and impose restraints on those who "know better" than we do.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. I thank the gentleman for yielding.

Who is to determine whether other experimentation is adequate? Is it going to be the court, or is it going to be a scientist?

Mr. KOCH. I will read the amendment. The amendment says:

> . . . except that in prescribing tests the Administrator in his or her discretion shall give preference to available tests which do not involve the use of animals if such tests provide an adequate and accurate means for ascertaining the effect of a chemical substance or mixture on humans and the environment.

It seems to me the amendment is very carefully drawn so as to allow that discretion to the Administrator, who certainly should know whether or not there are adequate substitutes.

Why would the gentleman not want to use a nonanimal substitute, if one is available, in the discretion of the Administrator?

Mr. ECKHARDT. If the gentleman will yield to permit me to answer the question, I would say he would have the discretion, clearly, if we did not put this in the bill. I would hope he would lean in the direction of humaneness.

Mr. KOCH. Let me tell the gentleman why it does not always happen.

Mr. ECKHARDT. The thing is that this discretion, as I understand it, is limited to a situation where there is not an adequate or an accurate means for ascertaining the effects of a chemical substance.

Mr. KOCH. Let me tell the gentleman a story, which happens to be true and which happens to be current.

In the city of New York today, the Museum of Natural History is engaging, quite properly, in experimentation with respect to basic research. But there are those who believe—and I am one of them—that the experimentation that they are undertaking with respect to cats is unwarranted.

That is a layman's opinion, and I have asked the National Institutes of Health for its opinion on it. I happen to have a lay opinion which will not decide for me what I will ultimately do without getting a more expert opinion, but it is a gut reaction.

I want to tell the Members what happened when I went to the Museum of Natural History, at the request of constituents who were distressed that the museum had received a grant from the Federal Government, NIH, to engage in an experimentation on cats relating to hyper- and hyposexuality. My constituents were told, based on the grant application, that this museum was going to engage in the following experimentation:

One, it was going to blind the cats. The fact is that they never did that. I want to make that very clear. But it was one of the programs that it was allowed to engage in under the grant that it received. And, second, it was going to surgically affect the penises of kittens to ascertain what effect that would have on sexuality, in addition to other experimentation. So I went to the museum and I asked them to tell me what it is that they were actually doing, and they asked me if I would like to go in and see the cats in their cages. I said yes, and I went there, and there were about 35 cats. They appeared well treated, in the sense that they were in clean cages, and they did not seem to be in any pain. So I said to the doctor who was explaining what was happening, "What do you do here? What is the purpose of this experiment?" And she said, "Well, the purpose is to look at the effects of hyper- and hyposexuality in cats. We find," said she, "that if you take a normal male cat and you place that cat in a room with a female cat that is in heat," said the professor, "the male cat would mount the female cat."

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. Koch was allowed to proceed for 2 additional minutes.)

Mr. KOCH. I said, "That sounds very reasonable to me."

Then she said, "Now, if you take a cat, a male cat, and you put lesions in its brain—"

I interrupted and asked, "What are lesions?"

She said, "Well, you destroy part of the brain cells."

I asked, "What happens then?"

She said, "Well, if you take that male cat that has lesions in its brain and you place it in a room with a female cat and a female rabbit, the cat will mount the rabbit."

I said to her, "How does the rabbit feel about all this?"

There was no response.

Then I said to this professor, "Now, tell me, after you have taken a deranged male cat with brain lesions and you place it in a room and you find that it is going to mount a rabbit instead of a female cat, what have you got?"

There was no response.

Then I ask, "How long, by the way, have you been doing this?"

She said, "Since the early 1940's."

I said, "How much has this cost the Government?"

She said, "$435,000."

Mr. Chairman, I tell this story, not because I am prepared to say that experimentation on cats is wrong. I repeat I am not an antivivisectionist. I am simply saying that there is a role here for lay persons and an opportunity for people to be interested in what is taking place in this field, and where we can explore any of these basic problems with nonanimal substitutes, if that is possible, then we should. Where it is not possible and if the project is scientifically worthwhile—and I am not the one to suggest which projects are worthwhile; I am going to leave that to the Administrator—then obviously it should proceed.

All the amendment offered by the gentleman from New York (Mr. Ottinger) does is it says that the Administrator in his discretion shall give preference to nonanimal tests wherever those are available, and that is on the basis of the facts as I have outlined them.

The CHAIRMAN. The time of the gentleman from New York (Mr. Koch) has expired.

(By unanimous consent, Mr. Koch was allowed to proceed for 1 additional minute.)

Mr. KOCH. Mr. Chairman, on that basis would the gentleman not wish to support this Ottinger amendment?

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield, I think that the cat and rabbit situation may be most interesting, and it would be more interesting if they used a male rabbit and a female cat. However, it seems to me it is far beside the point. This is an experiment for the sake of experimentation.

What we are talking about is experimentation with respect to a poison. If it affects a cat or a rabbit, it will probably, or may possibly, affect a person.

Mr. KOCH. Mr. Chairman, if the gentleman will bear with me, I repeat if there is no other way, if there is no nonanimal substitute available, the gentleman from New York (Mr. Ottinger) and I do not disagree with the gentleman from Texas. What we are saying is that there ought to be consideration given to the use of nonanimal substitutes when they are available.

Mr. Chairman, I think this is a very reasonable amendment, and I urge the Committee to accept it.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regretfully oppose the amendment offered by my colleague, the gentleman from New York (Mr. Ottinger). The Ottinger amendment on its face directs the Administrator in his or her discretion to give preference to tests which do not involve the use of animals if such tests provide an adequate and accurate means of ascertaining the health and the environmental effects of a chemical.

This amendment could result in undermining the protection of human health which can be achieved under this bill. The amendment could result in EPA's not receiving the use of the most reliable and effective means of determining the effect that a chemical might have on a human being.

Although a nonanimal test may be adequate and accurate, a test using animals may be more acceptable and more reliable. When the objective is to protect human health, EPA should not be discouraged from using the best means available of determining whether a chemical is safe.

The gentleman from New York (Mr. Ottinger) argues that the amendment will result in reducing testing costs to manufacturers because nonanimal tests are less expensive to perform. The bill already fully protects manufacturers from being subjected to unnecessarily expensive testing.

What it does do is that it permits a scientific evaluation by the Environmental Protection Administrator as to whether to use photochromatography or necessary animal testing, if that is required to protect human health and human life.

Mr. Chairman, I think we should respect the various test protocols and methodologies and the discretion of scientists within the tight guidelines that we have in this bill.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, my good colleague, the gentleman from Tennessee (Mr. Allen) points out that we could even insulate this further from the courts if, before the word "discretion," we put "sole," so that it would read: "The Administrator, in his sole discretion, shall give preference * * *."

Mr. Chairman, I have no objection to that.

Mr. Chairman, I ask unanimous consent that the word "sole" be inserted before the word "discretion."

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. Ottinger)?

There was no objection.

The CHAIRMAN. The amendment is modified accordingly.

Mr. MURPHY of New York. Mr. Chairman, if I might close, my colleague, the gentleman from New York (Mr. Ottinger) and I have supported legislation with respect to the slaughtering of animals in laboratory animal testing, and our committee put strict Federal guidelines on animal testing in laboratories.

We also worked very closely on humane slaughtering in the slaughter houses of America.

Mr. Chairman, with respect to the fact that certain societies have written and have said that they support this amendment on the basis of humane conditions for animals, I certainly can understand their feelings; but I think we should underscore the philosophy here that we are trying to protect humans as well as animals and that we should use the most effective and reliable methods. If animal testing is needed, the discretion should be with the scientists at EPA to make that determination.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from New York (Mr. Murphy).

As I said, the sole basis for determining what tests are to be run ought to be: What is best to preserve and protect human life?

Mr. Chairman, I think the amendment of the gentleman from New York (Mr. Ottinger) provides additional criteria that might well interfere with that objective.

Mr. MURPHY of New York. Mr. Chairman, I urge my colleagues to reject the Ottinger amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Ottinger), as modified.

The question was taken; and on a division (demanded by Mr. OTTINGER) there were—ayes 14, noes 19.

Mr. OTTINGER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Mr. OTTINGER. Mr. Chairman, I will withhold my request for a quorum and see whether we get enough people to stand for the recorded vote so that we will just have the recorded vote.

The CHAIRMAN. The Chair will state to the gentleman from New York (Mr. OTTINGER) that the Chair has already announced the absence of a quorum. The withdrawal of the point of order comes too late. We will therefore proceed with the quorum call.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The CHAIRMAN. The pending business is the demand of the gentleman from New York (Mr. OTTINGER) for a recorded vote.

A recorded vote was refused.

So the amendment, as modified, was rejected.

The CHAIRMAN. Are there further amendments to section 4? If not, the Clerk will read.

The Clerk read as follows:

MANUFACTURING AND PROCESSING NOTICES

SEC. 5. (a) NOTIFICATION FOR MANUFACTURE OF NEW CHEMICAL SUBSTANCES.—On and after the date on which the Administrator first publishes under section 8(b) a list of chemical substances manufactured or processed in the United States, no person may manufacture a new chemical substance unless (except as provided in subsection (i) (relating to exemptions)) such person—

(1) has, at least ninety days before such manufacture, submitted to the Administrator, in accordance with subsection (f) (relating to notice content), a notice of such person's intention to manufacture such substance, and

(2) has complied with any applicable requirement of subsection (d) (relating to submission of test data).

(b) NOTIFICATION FOR THE MANUFACTURE OR PROCESSING OF A CHEMICAL SUBSTANCE FOR A SIGNIFICANT NEW USE.—(1) No person may manufacture or process a chemical substance for a use which the Administrator has determined, in accordance with paragraph (2), is a significant new use of such substance unless (except as provided in subsection (i)) such person—

(A) has, at least ninety days before such manufacture or processing, submitted to the Administrator, in accordance with subsection (f), a notice of such person's intention to manufacture or process such substance for such use, and

(B) has complied with any applicable requirement of subsection (d).

(2) A determination by the Administrator that a new use of a chemical substance is a significant new use with respect to which notification is required under paragraph (1) or subsection (c)(1)(B) shall be made by a rule promulgated after a consideration of all relevant factors, including—

(A) the projected volume of manufacturing and processing of such substance for such use,

(B) the extent to which such use changes the type or form of exposure of humans or the environment to such substance, and

(C) the extent to which such use increases the magnitude and duration of exposure of humans or the environment to such substance.

The last sentence of section 19(c)(1) shall not apply to judicial review of any rule promulgated under this paragraph.

(c) NOTIFICATION FOR THE MANUFACTURE OR PROCESSING OF LISTED CHEMICAL SUBSTANCES.—(1)(A) No person may manufacture a chemical substance—

(i) which is listed under paragraph (2), and

(ii) which was a new chemical substance at the time of publication of the earliest proposed rule under paragraph (2) listing such substance,

unless (except as provided in subsection (i)) such person has, at least ninety days before such manufacture, submitted to the Administrator, in accordance with subsection (f), a notice of such person's intention to manufacture such substance and has complied with the requirement of subsection (d).

(B) No person may manufacture or process a chemical substance, listed under paragraph (2), for a use which the Administrator has determined, in accordance with subsection (b)(2), is a significant new use of such substance unless (except as provided in subsection (i)) such person—

(i) has, at least ninety days before such manufacture or processing, submitted to the Administrator, in accordance with subsection (f), a notice of such person's intention to manufacture or process such substance for such use, and

(ii) has complied with the requirement of subsection (d).

(2)(A)(i) Within twelve months after the effective date of this Act, the Administrator shall, by rule, compile, and from time to time thereafter revise, a list of chemical substances the manufacture, processing, distribution in commerce, use, or disposal of which, or any combination of such actions respecting which, the Administrator finds causes or significantly contributes to or may cause or significantly contribute to an unreasonable risk to health or the environment.

(ii) In making a finding under clause (i) that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance or any combination of such actions causes or significantly contributes to or may cause or significantly contribute to an unreasonable risk to health or the environment, the Administrator shall consider all relevant factors, including—

(I) the effects of the chemical substance on health and the magnitude of human exposure to it; and

(II) the effects of the chemical substance on the environment and the magnitude of environmental exposure to it.

(B) The Administrator shall, in prescribing a rule under subparagraph (A) which lists any chemical substance, identify those uses, if any, which the Administrator determines, in accordance with subsection (b)(2), would constitute a significant new use of such substance. The last sentence of section 19(c)(1) shall not apply to judicial review of any provision of a rule under subparagraph (A) which provision is prescribed pursuant to this subparagraph.

(C) Any rule under subparagraph (A), and any amendment or repeal of such a rule, shall be promulgated pursuant to the procedures specified in section 553 of title 5, United States Code, except that (i) the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions, and (ii) a transcript shall be kept of any oral presentation. The Administrator may not promulgate under subparagraph (A) a rule listing a chemical substance unless the Administrator makes and publishes with the rule the finding described in such subparagraph.

(d) REQUIREMENT RESPECTING SUBMISSION OF TEST DATA.—(1)(A) If—

(i) a person is required by subsection (a), (b), or (c) to submit a notice to the Administrator before beginning the manufacture or processing of a chemical substance, and

(ii) such person is required to submit test data for such substance pursuant to a rule promulgated under section 4 before the submission of such notice or such person has been granted an exemption under section 4(c) from the requirement of such rule,

such person may not, before the expiration of the period prescribed by subparagraph (B), manufacture such substance if the person is subject to subsection (a) or (c)(1)(A) or manufacture or process such substance for a significant new use if the person is subject to subsection (b) or (c)(1)(B).

(B) The period referred to in subparagraph (A) is—

(i) in the case of a person required to submit test data pursuant to a rule promulgated under section 4(a) a period of ninety days which begins on the date on which such person submits to the Administrator such data in accordance with such rule, and

(ii) in the case of a person who under section 4(c) is exempt from a requirement to submit test data pursuant to a rule promulgated under section 4(a), a period of ninety days which begins on the date of the submission in accordance with such rule of the test data the submission or the development of which was the basis for the exemption.

(2)(A) If—

(i) a person is required by subsection (c) to submit a notice to the Administrator before beginning the manufacture or processing of a chemical substance, and

(ii)(I) a rule promulgated under section 4 before the submission of such notice requiring the submission of test data for such substance does not require such person to submit such data, or

(II) the Administrator has not promulgated such a rule for such substance before the submission of such notice,

such person may not, before the expiration of the ninety-day period which begins on the date such person submits to the Administrator data prescribed by subparagraph (B), manufacture such substance if such person is subject to subsection (c)(1)(A) or manufacture or process such substance for a significant new use if such person is subject to subsection (c)(1)(B).

(B) Data submitted pursuant to subparagraph (A) shall be data which the person submitting the data believes show that—

(i) in the case of a substance for which notice is required under subsection (c)(1)(A), the manufacture, processing, distribution in commerce, use, and disposal of the chemical substance or any combination of such actions would not cause or significantly contribute to an unreasonable risk to health or the environment, or

(ii) in the case of a chemical substance for which notice is required under subsection (c)(1)(B), the intended significant new use of the chemical substance would not cause or significantly contribute to an unreasonable risk to health or the environment.

(3) Data submitted under paragraph (1) or (2) shall be made available, subject to section 14, for examination by interested persons.

(e) EXTENSION OF NOTICE PERIOD.—The Administrator may for good cause extend for one additional period of not to exceed ninety days the period, prescribed by subsection (a), (b), (c), or (d), before which the manufacturing or processing of a chemical substance subject to such subsection may begin. Subject to section 14, such an extension and the reasons therefor shall be published in the Federal Register and shall constitute a final agency action subject to judicial review.

(f) CONTENT OF NOTICE; PUBLICATION IN THE FEDERAL REGISTER.—(1) The notice required by subsections (a), (b), and (c) respecting a chemical substance shall include—

(A) the name of the chemical substance;

(B) the chemical identity and molecular structure of the substance, insofar as such are reasonably ascertainable;

(C) the proposed categories of use of such substance, insofar as such are reasonably ascertainable;

(D) a reasonable estimate of the amount of the substance to be manufactured or processed and, insofar as reasonably ascertainable, a reasonable estimate of the amount of the substance to be manufactured or processed for each proposed category of use of the substance;

(E) a description of the byproducts, if any, resulting from the manufacture, processing, use, or disposal of the substance, insofar as such are reasonably ascertainable; and

(F) any test data in the possession or control of the person giving such notice which are related to the effect on health or the environment of any manufacture, processing, distribution in commerce, use, or disposal of the substance or any article containing such substance.

Such a notice shall be made available, subject to section 14, for examination by interested persons.

(2) Subject to section 14, not later than five days (excluding Saturdays, Sundays and legal holidays) after the date of the receipt of a notice under subsection (a), (b), or (c) or data under subsection (d) the Administrator shall publish in the Federal Register a notice which—

(A) identifies the chemical substance for which notice or data has been received;

(B) lists the uses or intended uses of such substance; and

(C) in the case of the receipt of data under subsection (d), describes the nature of tests performed on such substance and any data which was developed pursuant to subsection (d) or a rule under section 4.

Notice under this paragraph respecting a chemical substance shall identify the chemical substance by generic class unless the Administrator determines that more specific identification is required in the public interest.

(g) REGULATION PENDING DEVELOPMENT OF INFORMATION.—(1)(A) The district courts of the United States shall, upon application of the Administrator made through attorneys of the Environmental Protection Agency, have jurisdiction to enjoin in accordance with subparagraph (B), the manufacture, processing, or distribution in commerce of a chemical substance subject to a notification requirement of subsection (a), (b), or (c) if the court finds that—

(i) information available to the Administrator is insufficient to permit a reasoned evaluation of the effects on health or the environment of the manufacture, processing, distribution in commerce, use, or disposal of such chemical substance or any combination of such actions, and

(ii) in the absence of such information, the manufacture, processing, distribution in commerce, use, or disposal of such substance or any combination of such actions may cause or significantly contribute to an unreasonable risk to health or the environment.

(B) An injunction issued under subparagraph (A) with respect to a chemical substance subject to a notification requirement under subsection (b) or (c)(1)(B) respecting a significant new use of such substance shall apply only to the manufacture, processing, or distribution in commerce, as the case may be, of the substance for such use.

(C) An injunction issued under subparagraph (A) with respect to a chemical substance shall expire—

(i) upon the expiration of the five-day period beginning on the day after the issuance of the injunction, if the Administrator does not within such period publish the notice required by paragraph (2), or

(ii) if the Administrator publishes such notice within such period, upon the completion or termination of the proceeding begun by publication of such notice.

(2)(A) Within five days after the issuance of an injunction under paragraph (1) with respect to a chemical substance, the Administrator shall publish, in accordance with section 553(b) of title 5, United States Code, a general notice of proposed rulemaking to begin proceedings for the promulgation of a rule to apply to such substance one or more of the requirements described in section 6(a) as is necessary to adequately protect against the risk to health or the environment found by the court under paragraph (1)(A)(ii).

(B) Upon publication of such a notice the Administrator shall, as expeditiously as possible, provide reasonable opportunity for a hearing (in accordance with paragraphs (2) and (3) of section 6(c)) on such proposed rule, and either adopt such rule (as proposed or with modifications) or by notice published in the Federal Register terminate the proceeding for the promulgation of the rule. If such a hearing is requested, the Administrator shall commence the hearing within fifteen days from the date such request is made unless the Administrator and each person making the request agree upon a later date for the hearing to begin, and after the hearing is concluded the Administrator shall, within thirty days of the conclusion of the hearing, either adopt such rule (as proposed or with modifications) or terminate the proceeding (as prescribed in the preceding sentence).

(3) After a rule promulgated under paragraph (2) has taken effect any person may petition the Administrator to initiate a proceeding to amend or repeal such rule. Within thirty days of the receipt of such a petition, the Administrator shall by order either grant or deny the petition. If the Administrator grants such petition, the Administrator shall promptly initiate a proceeding for the amendment or repeal, as the case may be, of such rule. Such a proceeding shall be conducted in accordance with paragraphs (2) and (3) of section 6(c).

(h) PETITION FOR STANDARDS FOR THE DEVELOPMENT OF TEST DATA.—A person intending to manufacture or process a chemical substance for which notice is required under subsection (a), (b), or (c) and who is not required under a rule under section 4 to conduct tests and submit data on such substance may petition the Administrator to prescribe standards for the development of test data for such substance. The Administrator shall either grant or deny any such petition within sixty days of its receipt. If the petition is granted, the Administrator shall prescribe such standards for such substance within seventy-five days of the date the petition is granted. If the petition is denied, the Administrator shall publish in the Federal Register the reasons for such denial.

(i) EXEMPTION.—(1) The Administrator may, upon application (made in such form and manner as the Administrator may prescribe) exempt any person from the requirement of subsection (a), (b), (c), or (d) or of any combination of such subsections to enable such person to manufacture or process a chemical substance for test marketing purposes—

(A) upon a showing by such person satisfactory to the Administrator that the manufacture, processing, distribution in commerce, use, and disposal of such substance for such purposes would not cause or significantly contribute to any unreasonable risk to health or the environment, and

(B) under such restrictions as the Administrator considers appropriate.

Within forty-five days of the receipt of an application under this paragraph the Administrator shall either approve or deny such application.

(2)(A) The Administrator may upon application (made in such form and manner as the Administrator may prescribe) exempt any person from the requirement of subsection (d)(2) to submit data for a chemical substance. If, upon receipt of an application under the preceding sentence, the Administrator determines that—

(i) the chemical substance (including any contaminant present in such substance) with respect to which such application was submitted is equivalent to a chemical substance for which data has been submitted to the Administrator in accordance with subsection (d)(2), and

(ii) submission of data by the applicant on such substance would be duplicative of data which has been submitted to the Administrator in accordance with such subsection,

the Administrator shall exempt the applicant from submitting such data on such substance. No exemption granted under this subparagraph with respect to the submission of data for a chemical substance may take effect before the beginning of the reimbursement period applicable to such data.

(B) If the Administrator, under subparagraph (A), exempts any person from submitting under subsection (d)(2) data for a chemical substance because of the existence of previously submitted data and if such exemption is granted during the reimbursement period for such data, then (unless such person and the persons referred to in clauses (i) and (ii) agree on the amount and method of reimbursement) the Administrator shall order the person granted the exemption to provide fair and equitable reimbursement (in an amount determined under rules of the Administrator)—

(i) to the person who previously submitted the data on which the exemption was based, for a portion of the costs incurred by such person in complying with the requirement under subsection (d)(2) to submit such data, and

(ii) to any other person who has been required under this subparagraph to contribute with respect to such costs, for a portion of the amount such person was required to contribute.

In promulgating rules for the determination of fair and equitable reimbursement to the persons described in clauses (i) and (ii) for costs incurred with respect to a chemical substance, the Administrator shall consider all relevant factors, including the effect on the competitive position of the person required to provide reimbursement in relation to the persons to be reimbursed and the share of the market for such substance of the person required to provide reimbursement in relation to the share of such market of the persons to be reimbursed. An order under this subparagraph shall be considered final agency action, for purposes of judicial review.

(C) For purposes of this paragraph, the reimbursement period for any previously submitted data for a chemical substance is a period—

(i) beginning on the date of the termination of the prohibition, imposed under this section, on the manufacture or processing of such substance by the person who submitted such data to the Administrator, and

(ii) ending—

(I) five years after the date referred to in clause (i), or

(II) at the expiration of a period which begins on the date referred to in clause (i) and is equal to the period which the Administrator determines was necessary to develop such data,

whichever is later.

(3) The requirements of subsections (a), (b), (c), and (d) do not apply with respect to the manufacturing or processing of any chemical substance which is manufactured or processed, or proposed to be manufactured or processed, only in small quantities (as defined by the Administrator by rule) solely for—

(A) scientific experimentation or analysis, or

(B) chemical research or analysis on such substance or another substance, including such research or analysis for the development of a product,

if all persons engaged in such experimentation, research, or analysis for a manufacturer or processor are notified (in such form and manner as the Administrator may prescribe) of any risk to health which the manufacturer or processor has reason to believe may be associated with such chemical substance.

(4)(A) The requirements of subsections (a) and (e)(1)(A) do not apply with respect to the manufacturing or processing of any chemical substance which is the same as a listed chemical substance.

(B) For purposes of subparagraph (A), a chemical substance shall not be considered as different from a listed chemical substance solely because—

(i) the proportion of the inert chemical substances which are present in the listed chemical substance is different from the proportion of such substances present in the chemical substance being compared to the listed chemical substance; or

(ii) an inert listed chemical substance has been added to or deleted from the chemical substance being compared.

(C) For purposes of this paragraph—

(i) the term "inert chemical substance" means a chemical substance which when combined with other chemical substances to produce another chemical substance does not react chemically with such other chemical substances; and

(ii) the term "listed chemical substance" means a chemical substance included in the list compiled and published under section 8(b).

(5) The Administrator may, upon application, by rule exempt the manufacturer of any new chemical substance from all or part of the requirements of this section if the Administrator determines that such chemical substance will not cause or significantly contribute to an unreasonable risk to health or the environment. A rule under this paragraph (and any substantive amendment to, or repeal of, such a rule) shall be promulgated in accordance with pagraraphs (2) and (3) of section 6(e).

(j) DEFINITION.—For purposes of this section, the terms "manufacture" and "process" mean to manufacture or to process for commercial purposes.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that section 5 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is important to point out to my colleagues that research chemicals are exempted from the requirements of section 5. It has come to my attention that some people have interpreted this exemption as applying only to research chemicals which are manufactured and used in-house by a company. While the exemption does include such research chemicals, it is not limited to them. If a chemical is manufactured by one person in small quantities for use as a research chemical and sold to another person to use for research purposes, then the exemption covers such a chemical. In other words, one company can make chemicals to be used for research by another company or by another person and the exemption covers that chemical.

I would like to ask the authors of the legislation, the gentleman from Texas (Mr. ECKHARDT) and the gentleman from North Carolina (Mr. BROYHILL) if that is their understanding of the exemption?

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield.

Mr. ECKHARDT. Mr. Chairman, that is my understanding of the exemption.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield.

Mr. BROYHILL. Mr. Chairman, I agree with the gentleman from New York.

Mr. MURPHY. of New York. Mr. Chairman, I would also like to note that there are requirements in section 5 and elsewhere in the bill that the Administrator publish information in the Federal Register within a set number of days. The committee recognizes, of course, that the Administrator does not have control over the printing schedule of the Federal Register. Thus, the requirement should be construed as imposing on the Administrator the duty to submit the information to the Federal Register for publication within the requisite time period.

One further point on section 5. A small manufacturer told me the other day that he interpreted section 5 as permitting the Administrator to stop manufacture of a new chemical solely on the basis that the new chemical would not be effective for its proposed use. Mr. Chairman, I just want to clarify that this is totally untrue. Section 5 does not permit the Administrator to stop manufacture on the grounds that a chemical will not be effective.

The CHAIRMAN. Are there amendments to section 5? If not, the Clerk will read.

The Clerk read as follows:

REGULATION OF HAZARDOUS CHEMICAL SUBSTANCES AND MIXTURES

SEC. 6 (a) SCOPE OF REGULATION.—If the Administrator finds that there is a reasonable basis to conclude that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance or mixture or any combination of such actions causes or significantly contributes to or will cause or significantly contribute to an unreasonable risk to health or the environment, the Administrator shall by rule apply to such substance or mixture one or more of the following requirements as is necessary to adequately protect against such risk:

(1) A requirement prohibiting the manufacturing, processing, or distribution in commerce of such substance or mixture or limiting the amount of such substance or mixture which may be manufactured, processed, or distributed in commerce.

(2) A requirement—

(A) prohibiting the manufacture, processing or distribution in commerce of such substance or mixture for (i) a particular use or (ii) a particular use in a concentration in excess of a level specified by the Administrator in the rule imposing the requirement, or

(B) limiting the amount of such substance or mixture which may be manufactured, processed, or distributed in commerce for (i) a particular use or (ii) a particular use in a concentration in excess of a level specified by the Administrator in the rule imposing the requirement.

(3) A requirement that such substance or mixture or any article containing such substance or mixture be marked with or accompanied by clear and adequate warnings and instructions with respect to its use or disposal or with respect to both. The form and content of such warnings and instructions shall be prescribed by the Administrator.

(4) A requirement that manufacturers and processors of such substance or mixture make and retain records of the processes used to manufacture or process such substance or mixture.

(5)(A) A requirement regulating the manner or method of disposal of such substance or mixture or article containing such substance or mixture by its manufacturer or processor or any other person who uses it for commercial purposes.

(B) A requirement under subparagraph (A) may not require any person to take any action which would be in violation of any law of a State or political subdivision, and shall require each person subject to it to notify each State and political subdivision in which a required disposal may occur of such requirement.

(6) If the rule imposes on a chemical substance or mixture a requirement described in paragraph (1) or (2), a requirement directing the manufacturer, processor, or distributor in commerce of such substance or mixture or article containing such substance or mixture or directing any combination of such persons (A) to give notice of such risk to processors or distributors in commerce of such substance, mixture, or article, or to both, and, to the extent reasonably ascertainable, to any other person in possession of or exposed to such substance, mixture, or article; (B) to give public notice of such risk; or (C) to give both such notices.

A requirement imposed under this subsection shall be the least burdensome requirement necessary to adequately protect against the risk with respect to which the requirement was imposed and may be limited in application to specified geographic areas.

(b) PROTECTION AGAINST ADULTERATION OR CONTAMINATION OF SUBSTANCES AND MIXTURES.—If the Administrator has good cause to believe that a particular manufacturer or processor is manufacturing or processing a chemical substance or mixture in a manner which unintentionally causes the chemical substance or mixture to cause or significantly contribute to or to be likely to cause or significantly contribute to an unreasonable risk to health or the environment—

(1) the Administrator may by order require such manufacturer or processor to submit a description of the relevant quality control procedures followed in the manufacturing or processing of such chemical substance or mixture; and

(2) if the Administrator determines after the issuance of an order described in paragraph (1)—

(A) that such quality control procedures are inadequate to prevent the chemical substance or mixture from causing or significantly contributing to such risk, the Administrator may order the manufacturer or processor to revise such quality control procedures to the extent necessary to remedy such inadequacy; or

(B) that the use of such quality control procedures has resulted in the distribution in commerce of chemical substances or mixtures which cause or significantly contribute to an unreasonable risk to health or the environment, the Administrator may order the manufacture or processor to (i) give notice of such risk to processors or distributors in commerce of any such substance or mixture, or to both, and, to the extent reasonably ascertainable, to any other person in possession of or exposed to any such substance, (ii) to give public notice of such risk, and (iii) to provide such replacement or repurchase of any such substance or mixture as is necessary to adequately protect health or the environment.

A determination under subparagraph (A) or (B) of paragraph (2) shall be made on the record after opportunity for hearing in accordance with section 554 of title 5, United States Code. The manufacturer or processor subject to a requirement to replace or repurchase a chemical substance or mixture may decide whether to replace or repurchase the substance or mixture and shall take either such action in the manner prescribed by the Administrator.

(c) PROMULGATION OF SUBSECTION (a) RULES.—(1) In promulgating any rule under subsection (a) with respect to a chemical substance or mixture, the Administrator shall consider all relevant factors and make findings with respect to—

(A) the effects of such substance or mixture on health and the magnitude of human exposure to such substance or mixture,

(B) the effects of such substance or mixture on the environment and the magnitude of environmental exposure to such substance or mixture,

(C) the benefits of such substance or mixture for various uses and the availability of other substances or mixtures for such uses, and

(D) the reasonably ascertainable economic consequences of such rule taking into account the impact on small business.

If the Administrator determines that a risk to health or the environment could be eliminated or reduced to a sufficient extent by actions taken under another Federal law (or laws) administered in whole or in part by the Administrator, the Administrator may not promulgate a rule under subsection (a) to protect against such risk unless the Administrator makes a finding that it is in the public interest to protect against such risk under such rule taking into consideration all aspects of the risk, the authorities under this Act and such other law (or laws) to enforce actions taken under this Act or such law (or laws) to protect against such risk, a comparison of the estimated costs of complying with actions taken under such law (or laws), and the relative efficiency of actions under this Act and under such law (or laws). In the judicial review of a rule under subsection (a) the last sentence of section 19(c)(1) shall not apply with respect to the determinations and findings required to be made by this paragraph.

(2)(A) Rules under subsection (a) shall be promulgated pursuant to section 553 of title 5 of the United States Code; except that in promulgating any such rule (i) the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions; (ii) a transcript shall be kept of any oral presentation; and (iii) during any such oral presentation, the Administrator shall include an opportunity for cross-examination as provided in subparagraph (B). The Administrator may not promulgate a rule under subsection (a) respecting a chemical substance or mixture unless the Administrator makes and publishes with the rule the finding described in such subsection.

(B) An interested person is entitled, if the Administrator determines that it is necessary to resolve disputed issues of material fact, to conduct or have conducted by the Administrator such cross-examination of persons as the Administrator determines (i) to be appropriate in view of any need for expedition, the nature of the issues involved, and the number of participants and the nature of their interests, and (ii) to be required for a full and true disclosure with respect to such issues.

(C)(i) If the Administrator determines that a group of persons, each of whom would but for this subparagraph be entitled to conduct (or have conducted) cross-examination, has the same or similar interests in a proceeding, the Administrator may (I) conduct cross-examination on behalf of such group, or (II) require such group to designate a single representative of such interests for purposes of conducting cross-examination in such proceeding and such representative shall, except as provided in clause (ii), conduct such cross-examination. If such group cannot agree upon a single representative for such purposes, the Administrator may limit the representation of such interests for such purposes.

(ii) When any person who is a member of a group with respect to which the Administrator has made a determination under clause (i) is unable to agree upon group representation with the other members of the group, then such person shall not be denied under the authority of such clause the opportunity to conduct (or have conducted) cross-examination as to issues affecting the person's particular interests if (I) the person satisfies the Administrator that the person has made a reasonable and good faith effort to reach agreement upon group representation with the other members of the group and (II) the Administrator determines that there are substantial and relevant issues which are not adequately presented by the group representative.

(D) The Administrator may issue procedural rules for the conduct of any oral presentation (including cross-examination) under this paragraph and may impose such reasonable time limits on each person's oral presentations authorized by this paragraph as may be appropriate in view of any need for expedition, the nature of the issues involved, and the number of participants and the nature of their interests.

(E) In the judicial review of a rule under subsection (a) the last sentence of section 19(c)(1) shall not apply to any determination of the Administrator under this paragraph.

(3)(A) The Administrator may, pursuant to rules prescribed by it, provide compensation for reasonable attorneys' fees, expert witness fees, and other costs of participating in a rulemaking proceeding for the promulgation of a rule under subsection (a) to any person who represents an interest which will substantially contribute to a fair determination of the issues to be resolved in the proceeding taking into account the number and complexity of such issues and whether representation of such interest will contribute to widespread public participation in the proceeding and representation of a fair balance of interests for the resolution of such issues if—

(i) the economic interest of such person is small in comparison to the costs of effective participation in the proceeding by such person, or

(ii) such person demonstrates to the satisfaction of the Administrator that such person does not have sufficient resources adequately to participate in the proceeding in the absence of compensation under this subparagraph.

In determining whether compensation should be provided to a person under this subparagraph and the amount of such compensation, the Administrator shall take into account the financial burden which will be incurred by such person in participating in the rulemaking proceeding.

(B) The aggregate amount of compensation paid under this paragraph in any fiscal year to all persons who, in rulemaking proceedings in which they receive compensation, are persons who either—

(i) would be regulated by the proposed rule, or

(ii) represent persons who would be so regulated, may not exceed 25 per centum of the aggregate amount paid as compensation under this paragraph to all persons in such fiscal year.

(4) Paragraphs (1), (2), and (3) of this subsection apply to the promulgation of a rule repealing, or making a substantive amendment to, a rule promulgated under subsection (a).

(d) Effective Date.—(1) The Administrator shall specify in any rule under subsection (a) the date on which it shall take effect, which date shall be as soon as feasible.

(2)(A) The Administrator may declare a proposed rule under subsection (a) to be effective upon its publication in the Federal Register and until the effective date of final action taken, in accordance with subparagraph (B), respecting such rule if—

(i) the Administrator determines that—

(I) the manufacture, processing, distribution in commerce, use, or disposal of the chemical substance or mixture subject to such proposed rule or any combination of such activities is likely to result in an unreasonable risk of serious or widespread harm to health or the environment before such effective date; and

(II) making such proposed rule so effective is necessary to protect the public interest; and

(ii) in the case of a proposed rule to prohibit the manufacture, processing, or distribution of a chemical substance or mixture because of the risk determined under clause (i)(I), a court has in an action under section 7 granted relief with respect to such risk associated with such substance or mixture.

(B) If the Administrator makes a proposed rule effective upon its publication in the Federal Register, the Administrator shall, as expeditiously as possible, give interested persons prompt notice of such action, provide reasonable opportunity, in accordance with paragraphs (2) and (3) of subsection (c), for a hearing on such rule, and either affirm such rule (as proposed or with modifications)

or revoke it; and if such a hearing is requested, the Administrator shall commence the hearing within five days from the date such request is made unless the Administrator and the person making the request agree upon a later date for the hearing to begin, and after the hearing is concluded the Administrator shall, within ten days of the conclusion of the hearing, either affirm such rule (as proposed or with modifications) or revoke it.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that section 6 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. M'COLLISTER

Mr. McCOLLISTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCOLLISTER: Page 145, line 6, strike out "law of" and insert "law or requirement of or in effect for".

Mr. McCOLLISTER. Mr. Chairman, I will not take the 5 minutes.

Mr. Chairman, this is in the nature of a technical or clarifying amendment. Under the bill, EPA can issue regulations concerning the manner and method of disposal. These regulations must be in conformity with State law. This amendment would make clear that when State regulations are in effect as required by Federal law, such as the Clean Air Act or the proposed Solid Waste Disposal bill—which would require State plans—the EPA disposal regulations would also have to be in conformity with these requirements.

I have discussed the amendment with the gentleman from New York and the gentleman from Texas, and I believe that they are in agreement on the clarifying intent of it.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, the ranking minority member has well stated the case, and I am happy to accept this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. McCOLLISTER).

The amendment was agreed to.

Mr. HAGEDORN. Mr. Chairman, I move to strike the last word.

I have just two points I would like to cover in a colloquy with the gentleman from New York (Mr. MURPHY).

On page 148 the Administrator is directed to consider various factors before imposing sanctions permitted under section (6)(a). Among these are (C) "the benefits of such substance or mixture for various uses and the availability of other substances or mixtures for such uses . . ."

My question, is this intended to involve the Administrator ruling upon the efficacy of a chemical for its intended purpose in any way?

Mr. MURPHY of New York. No. The purpose of this language is to be certain that the benefits of a substance are considered in any determination of whether a risk is an unreasonable one.

Mr. HAGEDORN. I thank the gentleman. I have a further question, Mr. Chairman, for the gentleman from New York.

Section (6)(a) permits the Administrator to prohibit the manufacturing, processing or distribution of a chemical substance, or to limit the amount which may be manufactured, processed or distributed in commerce. My question is at this point, what does the term "limit" contemplate? Does it mean quotas or levels of production, or how is that word "limit" to be defined?

Mr. MURPHY of New York. This would in no way mean quotas for individuals. It would mean a limitation on the total manufactured volume. Such limitations would have to apply equally to all companies.

Mr. HAGEDORN. Throughout all chemical companies?

Mr. MURPHY of New York. On that particular chemical.

Mr. HAGEDORN. Would all companies be able to participate in the manufacturing of that chemical, or would it be given possibly to certain companies for that process?

Mr. MURPHY of New York. No, it would not be limited by companies. It would be limited by volume.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HAGEDORN. I yield to the gentleman from Texas.

Mr. ECKHARDT. I would think that the bill would envisage the Administrator treating all manufacturers desiring to produce a limited quantity of a substance equitably, and in that way there would have to be a division among companies.

Mr. HAGEDORN. Then there is adequate protection for the small businessmen so that they will not be squeezed out?

Mr. ECKHARDT. I would think not only should it be equitably divided as among companies, but should be in terms of something like equal quantities so as to give small producers something of an advantage.

Mr. HAGEDORN. I thank the gentleman.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 154, insert after line 21 the following:

(e) POLYCHLORINATED BIPHENYLS.—(1) Within 6 months after the effective date of this Act the Administrator shall initiate proceedings for the promulgation of rules to—

(A) prescribe methods for the disposal of polychlorinated biphenyls, and

(B) require polychlorinated biphenyls to be marked with clear and adequate warnings and instructions with respect to their processing, distribution in commerce, use, or disposal or with respect to any combination of such activities. Requirements prescribed by rules under this paragraph shall be consistent with the requirements prescribed by or under paragraphs (2) and (3).

(2)(A) Except as provided under subparagraph (B), effective one year after the effective date of this Act no person may manufacture, process, or distribute in commerce any polychlorinated biphenyl for any use other than a use in a totally enclosed manner.

(B) The Administrator may by rule authorize the manufacture, processing, or distribution in commerce (or any combination of such activities) of any polychlorinated biphenyl for any use other than a use in a totally enclosed manner if the Administrator finds that such manufacture, processing, or distribution in commerce (or combination of such activities) will not cause or significantly contribute to an unreasonable risk to health or the environment.

(C) For the purposes of this paragraph, the term "totally enclosed manner" means any manner which will ensure that any leakage of a polychlorinated biphenyl from its enclosure will be insignificant as determined by the Administrator by rule.

(3)(A) Except as provided in subparagraphs (B) and (C), effective two years after the effective date of this Act no person may manufacture any polychlorinated biphenyl, and effective two and one-half years after such effective date no person may process or distribute in commerce any polychlorinated biphenyl.

(B) Any interested person may petition the Administrator for an exemption from the requirements of subparagraph (A) for a particular use of a polychlorinated biphenyl, and the Administrator may grant by rule such an exemption if the Administrator determines that—

(i) the exemption is necessary for the protection of the health or environment, and

(ii) good faith efforts have been made to develop a chemical substance which may be substituted for such polychlorinated biphenyl in such use and which does not cause or significantly contribute to an unreasonable risk to health or the environment.

An exemption granted under this subparagraph shall be subject to such terms and conditions as the Administrator may prescribe and shall be in effect for such period (but not more than one year from the date it is granted) as the Administrator may prescribe.

(C) Subparagraph (A) shall not apply to the distribution in commerce of any article containing any polychlorinated biphenyl if such article was manufactured before two and one half years after the effective date of this Act.

(4) Any rule under paragraph (1), (2)(B), or (3)(B) shall be promulgated in accordance with paragraphs (2) and (3) of subsection (c).

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, this is a very simple amendment. My colleagues have recently received "Dear Colleague" letters from both my friend and colleague, the gentleman from Maryland (Mr. GUDE), who joins me in the sponsorship of it, and from myself. It has the support of all of the conservation organizations.

The amendment directs itself very clearly and very directly at one substance, polychlorinated biphenyls. Polychlorinated biphenyls have been one of the biggest environmental problems that we have had in the State of Michigan. And PCB's are also one of the biggest problems that most of the States in the Union have, in terms of long-term degradation of the human environment and hazard to human health. They are found in fish, they are found in the flesh of cattle, they are found in fowl, and they are found in the milk of the mothers of the State of Michigan. They are a long-term hazard to human beings. They are not biodegradable. They do not break down. They persist. They accumulate in the food chain. They are in the fish in the Hudson River, they are in the fish in the Great Lakes, and they are one of the reasons that the fish caught in the Great Lakes cannot be marketed commercially, in many instances.

Mr. Chairman, the Toxic Substances Control Act is a good proposal and it provides environmental protection, with urgently needed authority. But there are no clear requirements in the bill mandating action by EPA within a specified period of time to control or to regulate this most persistent and this most hazardous of substances, the polychlorinated biphenyls.

The amendment requires the Environmental Protection Agency to initiate proceedings within 6 months to prescribe methods for the disposal of the polychlorinated biphenyls. There is no such requirement in the bill. It requires them to be marked with warnings and with instructions for disposal, and it requires certain safeguards with regard to rulemaking for the manufacture, processing and distributing in commerce of the polychlorinated biphenyls for any other use except in a totally enclosed container. It also authorizes certain minor exemptions which may become necessary where the requirement is quite clear that there is going to be no hazard to human health.

Mr. Chairman, in a large number of other instances, such as the Federal Water Pollution Control Act, the Administrator has authority to control the discharge of PCB's, but it should be noted that this authority, which was given in 1970, was not exercised by EPA until July 23, 1976, after this amendment had been brought forward.

We must ask: Why did EPA issue proposed regulations that would prohibit discharges of this substance which will not become effective for another 2 years? Why do we single out PCB's?

For many reasons. First of all, they are enormously persistent. Second, they are enormously dangerous. Third, they accumulate in the food chain. They flow upward toward human use. As I pointed out, they are found not only in fish, the flesh of fowl and animals, but also in the milk of human mothers concentrating on the feeding of children.

Under section 6 of the bill the Administrator does not have authority during the pendency of administrative decisionmaking to effect the immediate prohibition of manufacture, processing or distribution of any chemical substance. This amendment gives him that authority, and I say that it is desperately needed.

Curiously enough, I spoke, on the way over here, to a representative of one of the major manufacturers of PCB's, and he advised me his company does not object to this amendment. His company felt that it is a good one and it would help his company to be citizens. The amendment does not call, I want my colleagues to know, for immediate prohibition but, rather, a gradual phase out, to assure action within a reasonable period of time.

As previously noted, the history of EPA is not one of vigorous and quick action.

This amendment defines PCB's to be bad, hazardous, and dangerous, and it mandates a program for their gradual removal, beginning with those uses which are outside of enclosed containers.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 3 additional minutes.)

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I am very happy to yield to my good friend, the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, the gentleman describes the risks assosociated with PCB's. Is the gentleman aware of similar risks with PBB's?

Mr. DINGELL. Mr. Chairman, I am fully aware of those risks, and it would be my hope that some of my colleagues would offer an amendment to apply this same principle to PBB's.

Mr. McCOLLISTER. Mr. Chairman, on my own time and not on the gentleman's time, I will suggest that we could go on and on and on with these substances, but that is not what this whole legislation is about.

Mr. DINGELL. Mr. Chairman, if the gentleman wishes to offer an amendment to add PBB's, I will support it, because I am fully aware of the perils of PBB's. If the gentleman wants to offer such an amendment, I would be happy to support it. I think it might be a meritorious amendment.

I would point out that we have a long history of PCB's. We know of their perils, we know that PCB's are not biodegradable, we know that they accumulate in the food chain, we know they are a hazard, we knew they are universal, and we know that they actually have a longer life than many radioactive substances. For those reasons, I urge my colleagues to support the amendment.

I would point out that PCB's have caused a major cessation of commercial fishing activities in all the Great Lakes. A $95 million-a-year industry could be shut down because of PCB's. A similar situation has occurred in the rivers of New York, in the rivers of New England, in the Mississippi River, the Missouri, the Ohio, the Columbia River system, and in the Sacramento River. It even extends to the Gulf Stream and to the Yukon in Alaska.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I rise in support of the gentleman's amendment.

All of the commercial fishing activities have been very substantially damaged in the Hudson River. Even fishing has been barred because of the presence of PCB's in the Hudson River at the present time, and that has caused tremendous damage to the commercial fishing industry in New York. I think the gentlemen's amendment is a very important one.

Mr. DINGELL. Mr. Chairman, I thank my good friend, the gentleman from New York.

There is no assurance unless this amendment is adopted that PCB's will be attacked. Section 6 does not give immediate power to the EPA to get PCB's off the market and out of places where they are a hazard to humankind.

Mr. Chairman, I urge my colleagues to support the amendment which my colleague and friend, the gentleman from Maryland (Mr. GUDE), and I have offered to the House at this time.

Mr. McCOLLISTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendments for some of the reasons that our brief colloquy suggested.

This legislation that we are considering gives the EPA general authority to regulate hazardous chemicals. I think consequently it is improper in the context of this legislation to attempt to regulate a specific chemical in a specific fashion. Further, there is no reason why PCB's should be treated in this fashion and other known environmental hazards such as perhaps vinyl chloride or asbestos, for example, should be excluded from the same specific treatment.

Second, the amendment would restrict EPA to an inflexible schedule. Under the provisions of the bill EPA could do all of the things that the gentleman from Michigan (Mr. DINGELL) would like to do. However, EPA has the authority to establish its own timetable for regulating PCB's. Indeed, the EPA may feel that the 2½ years the gentleman from Michigan (Mr. DINGELL) suggests is too long and that more immediate action might be necessary. The Dingell amendment could in this case actually slow down the regulatory process.

Mr. Russell Train, the Administrator of EPA, has indicated in a press report that I have seen that he would prefer that the bill did not set specific deadlines for phasing out PCB's.

The third reason why I am opposed to the amendment offered by the gentleman from Michigan (Mr. DINGELL) is that by mandating a complete phasing out of PCB's in 2½ years the amendment is attempting to legislate technology. Although substitutes with the necessary electrical characteristics are now being developed, the perfect substitute for PCB's in closed electrical systems does not yet exist.

Banning the use of PCB's in closed electrical systems before a suitable substitute has been developed may result in a cure which is worse than the problem. For example, PCB's are used in capacitors and transformers not only because of their electrical characteristics, but also because the substance is nonflammable. Therefore, any substitute for PCB's must also have the same fire-resistant properties. Such a substitute has not yet been developed.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I would like to point out to my good friend, the gentleman from Nebraska (Mr. McCollister), that, first of all, the phaseout is required to take place over a period of time. Second of all, there is provision for an exemption in the amendment which we have offered to allow year-by-year extension where no substitute is available.

Mr. McCOLLISTER. Fourth, Mr. Chairman, there is no need for the amendment since the EPA has indicated a willingness to proceed expeditiously in this area. For example, in April of this year, EPA published its "Recommended Procedures for Disposal," applicable to wastes containing PCB's. PCB's are found in many small appliances as well as in fluorescent light bulbs, and, consequently, disposal of these items must be closely checked. Further, on July 23 of this year, EPA issued proposed effluent standards for PCB's affecting all PCB manufacturers and transformer and capacitor manufacturers. These standards were issued pursuant to a consent agreement entered into between EPA and the National Resource Defense Council.

Fifth and finally, Mr. Chairman, coverage under the amendment is unclear. It would appear, although it is not certain, that the Dingell amendment would not require that existing equipment containing PCB's must be discarded. That existing equipment could be used for the rest of the useful life should be made clear. Further, it would be helpful if the gentleman from Michigan (Mr. Dingell) would state that the amendment is not intended to curtail the resale or repair of existing equipment.

For all these reasons, Mr. Chairman, I oppose the amendment of the gentleman from Michigan (Mr. Dingell).

Mr. GUDE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, this legislation is certainly meritorious and goes a long way to deal with toxic substances in our environment. But, in the case of PCB's, however, we have a problem that is a little different from some of the ones that have been discussed on the floor.

There has been concern about the act injuring small business; but our amendment does not affect small business except in the handling of articles that have PCB's in them; in such cases there is a provision whereby small firms would be protected.

Mr. Chairman, there is only one company, which is a large manufacturer of PCB's in this country; they have already indicated to EPA their interest in phasing out this material.

But, the most important thing about PCB's, as opposed to other materials which are unknown quantities as far as danger is concerned, is that we have identified a mad dog—a known bad actor in the case of PCB. There is no doubt about its toxicity and danger in the environment. It has caused millions of dollars worth of damage in the United States; the time has arrived to get rid of it.

Mr. Chairman, State governments all across the country, not just the Federal Government, have been concerned.

The States of New Jersey, Georgia, California, Washington, Texas, Michigan, and my own State of Maryland favor this amendment and wish to see the PCB's phased out.

As my colleague, the gentleman from Michigan (Mr. Dingell), has pointed out, this amendment does not specify replacement of PCB's in existing equipment or the equipment itself. New language that we have added to the amendment makes it clear that the distribution as well as the resale of PCB-containing equipment manufactured prior to the ban, is not prohibited. This would apply to such everyday products as air conditioners.

Also, the amendment does have flexibility in it in that it includes exemptions in certain cases if acceptable substitutes are not yet developed.

For example, an electric company must show that continued use of PCB's in transformers is necessary to guarantee safety from fire and that they are making a good faith research effort to find substitutes.

Mr. Chairman, the amendment which has been drawn by the gentleman from Michigan and myself is well thought out.

It provides a timetable which will speedily eliminate the introduction of additional PCB's into the environment without damage to the citizens and industry.

The Japanese people suffered a terrible tragedy from PCB poisoning; probably because of the centralized system of their government they were able to move swiftly and eliminate this product from the industrial and business technology of their country. Because of the need for conformance of State regulations and requirements that would provide for PCB substitutes the amendment my colleague, the gentleman from Michigan (Mr. Dingell), and I have offered will give a strong impetus to the phasing out of the manufacture and distribution of all PCB's.

This is a bad problem; it has already caused millions of dollars of damages to the fisheries across the Nation. It is a problem that has been identified by the State and Federal governments—let's act before we have another environmental tragedy.

Mr. Chairman, I urge the adoption of the amendment.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have today in the legislation of the United States four environmental and safety laws of major significance. We have the Clean Air Act, the Water Pollution Control Act. We have OSHA and we have the Product Safety Act. This would be a fifth major piece of legislation to protect the environment and the safety of the people. But we are now just initiating a new act in an extremely important field and we have not ordinarily, when we enacted legislation in any of these fields, attempted to address specifically particular scientific questions. I think we have done well not to do so here.

Why should we, in enacting this act, move specifically to deal with PCB's and not PBB's? We are not attempting to, and of course it is a little too late to deal with vinyl chlorides by preventing their entry into the market. Nor are we attempting to regulate OMB's, a pernicious and persistent toxin that get in the legislative environment. I do not think we should try to anticipate each specific danger to the environment. If we do, we will overly encumber this bill.

Suppose it is discovered that in the entire range of dangerous substances some type of pattern of removing them from the marketplace or limiting their use to control the environment is desirable; then the agency may set up regulations in which the treatment of PCB's is specifically dealt with in a different way than the present pattern of control which may ultimately seem the most desirable. Why carve out one chemical to treat in this manner? There are many other chemicals that presently pose potential danger. I think that we would be well advised to let the agency chart its course in the same manner that we have let other agencies with like authority chart their courses, and not foist upon a preconceived manner of control before we find whether they will in due course address the question.

As has been pointed out before, the EPA has already indicated its willingness to move in this direction.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. Certainly I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I thank the gentleman from Texas. I would like to ask the gentleman some questions. I would like to ask the gentleman whether under section 6 of the bill the Administrator has not the authority during the pendency of the administrative law making the function of immediately prohibiting the manufacturing or processing of chemical substances such as PCB's?

Mr. ECKHARDT. When he goes through the procedures provided by section 6, he has, yes.

Mr. DINGELL. But he may not do it during the pendency, even though the peril is as great as it is in PCB's?

Mr. ECKHARDT. No. He is required to give due process to the person against whom the rule may be issued, and I think that is most desirable.

Mr. DINGELL. The answer to the question is he may not during the pendency of the rulemaking rule out substances like PCB's?

Mr. ECKHARDT. Wait just 1 minute. He can use the imminent hazard technique of stopping PCB's if he can in fact prove they are hazardous.

Mr. DINGELL. But in that, that action is subject to long and sustained court review which may drag out over a period of years.

Mr. ECKHARDT. Not unless a higher court actually stays the action of a lower court. One can easily get the same instant relief that one can get in other cases involving a court's peremptory authority to enjoin.

Mr. DINGELL. The gentleman is very carefully and I think very prudently, and in a very lawyer-like fashion, pointing out that the failure to rule this out would be dependent upon the prudence of a higher court upon appeal. That is, there is not immediate power in the administrator to move them out except subject to court review; am I correct in that statement?

Mr. ECKHARDT. Except subject to court action. I think that the only way that the agency can finally outlaw PCB's or limit them under section 6 is after a rather complete due process-oriented type of hearing.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. DINGELL, and by unanimous consent, Mr. ECKHARDT was allowed to proceed for 2 additional minutes.)

Mr. ECKHARDT. But if during the pendency of the rulemaking, the continued release of PCB's into the environment would constitute an imminent hazard, the agency may go into court and by proving that such is the case, may get an injunction which would immediately stop the complained of activity.

Mr. DINGELL. This is a matter, though, which is time consuming and which is subject to judicial review and which could take a substantial amount of time.

Mr. ECKHARDT. It is not time consuming from the time the action is brought in court until the time the court has the power to act; it may be time consuming in the long run, but that may work against either the manufacturer of the PCB's or against the public. The question has to be decided by the court as to whether or not a preliminary injunction will be granted, or whether action will be upheld pending the ultimate ruling.

Mr. DINGELL. The gentleman is a very able lawyer and valuable Member of the House. The hard fact of the matter is that the committee bill, as opposed to the amendment offered by my friend and colleague, the gentleman from Maryland (Mr. GUDE) and me, regarding PCB's which are a proven hazard—this would much more quickly and expeditiously remove them from the environment than would be the situation under the committee bill.

Mr. ECKHARDT. That is right. Of course, we can legislatively do anything to anybody as long as we comply with due process of law. I suppose that is done, but I think judicial process would be preferable in this case.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to take time on the PCB's except to give the Members a related situation which I think many Members—most Members of this Congress—have heard something about.

If this type of legislation had been brought before this House 3 years ago, there would probably be a group of citizens who would have some hope of living out their lives in an orderly and normal fashion. Kepone was a chemical. It was known to be a dangerous chemical. It was known to be the kind of chemical that could not be restrained in any given course. It could not be held within any confined area. Yet with warning after warning and appeal after appeal to various State, local, and Federal Government inspection agencies, nothing was done. It took two committees of this House, the gentleman from New Jersey's, Mr. DANIELS, and my own, to spend a weekend after a great deal of research at the homesite of the Kepone manufacturer. To the best of our knowledge, this entire family of workers—and I mean family by going into not only the worker himself but the family and the children—was affected. We saw before us children whose eyes flickered constantly. The workers were told that they had some sort of Parkinson's disease.

However, they could not get any evidence in the town from any of the medical authorities or from the Federal or State or local inspection officials that it was the kind of toxic material which ought to be investigated thoroughly and on which work ought to be stopped immediately and that they should not be permitted to continue.

There is no hope for any of the workers who worked in that plant, as far as we know. The people have had to go to the extreme precaution of completely burning down the plant and cleaning that up. Now, there is a suit pending and a plea and an admission of guilt on the part of one of the officers of the company, which may result in hundreds of millions of dollars of damages—but these damages will do no good for the sick people.

This kind of action should have been taken whenever there was any reasonable cause to expect that by stopping and investigating we could avoid that kind of disaster. And it is a disaster. The folks today are nothing but living dead.

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. LEGGETT. Mr. Chairman, I rise in support of the amendment. As chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, this issue has been of particular concern to our Members. The subcommittee held 3 days of oversight hearings in January 1976, to examine the impact of polychlorinated biphenyls—PCB's—and similar toxic substances on fisheries and wildlife resources. Witnesses from the administration and from the industry presented us with startling evidence of the critical levels of PCB residues found in samples of birds and fresh water fish all over the United States. Consequently, the survival of some threatened and endangered species is involved. PCB contamination appears to severely reduce the reproductive success of the bald eagle, along with other waterfowl and mammals, according to the U.S. Fish and Wildlife Service.

The adverse and far-reaching effects of PCB's are most vividly demonstrated in the Great Lakes region. In the past decade, Canada and the United States have invested solidly in restoring the fishery resources of the Great Lakes, and their programs—such as trout restoration—are threatened by PCB levels in Great Lakes fish which now exceed the permissible amount established by the FDA. Many species are close to being considered unmarketable, raising the potential spectre of the closing of the $95 million commercial fishing industry and the $300 million sport fishing industry of the Great Lakes. This is no exaggerated speculation, as Lake Michigan and the Hudson River have already been closed for given periods to commercial fishing because of high levels of PCB's.

PCB's are difficult to regulate as they are used in widely different industries for a variety of uses. They contaminate our rivers and waterways through the dumping of waste materials—such as plastic bottles, ink, papers—containing toxic substances. Although the only American manufacturer of PCB's Monsanto, has voluntarily restricted its production to enclosed uses—such as in electrical transformers—such industrial self-regulation and existing laws have failed to prevent the seepage of 10 million pounds of PCB's into the environment, and even greater quantities through sewage treatment systems and imported products. In view of the fact that PCB's cannot be removed from the environment and are not readily biodegradable, it will take years before our contaminated waterways will be ready again for commercial and recreational fishing if PCB's were eliminated now.

The flexibility of the Dingell-Gude amendment is shown by its exemption provisions, which recognize that some uses of PCB's outweigh safety considerations. Feasibility of PCB elimination has been shown by the example of Japan's almost complete PCB ban and its successful use of substitutes.

It is significant that the executive departments' involved voice strong support of this amendment. The U.S. Fish and Wildlife Service supports a complete ban of PCB's. Russell Train, Administrator of EPA, told us:

> So far as I am concerned, there is absolutely no disagreement whatsoever that PCB's should be eliminated, all uses should be gotten rid of just as rapidly as we can."

I stress today just the sense of emergency that Russell Train did in January. If PCB's were abolished tomorrow, it would be 100 to 200 years before they would allow a decision on PCB's to undergo the review process of H.R. 14032, PCB's will continue to seep into the environment, endangering human health, our wildlife resources, and our freshwater fishing industries for several years. The Dingell-Gude amendment will give us a program immediately, setting the mandatory deadline for a phase-out of PCB's.

I trust that my colleagues will recognize the profound detrimental effects this one toxic substance has on our environment, and will realize the need to clarify the phase-out of PCB's as a priority under the Toxic Substances Act of 1976, as this amendment would do.

There is no partisan division in the subcommittee with respect to the urgency and importance of solving this PCB problem. Therefore, I would urge that the House support this amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I have been told, and I would like to have the gentleman confirm it, that in many places in the United States, mothers' milk is now so contaminated with PCB's that it would not be allowed to be shipped in interstate commerce if it were in any other container. Is that correct?

Mr. LEGGETT. I have not heard that, but if the gentleman makes that assertion I am sure it is worthy of review.

The CHAIRMAN. The time of the gentleman from California (Mr. LEGGETT) has expired.

(By unanimous consent, Mr. LEGGETT was allowed to proceed for 1 additional minute.)

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I want to commend the gentleman for his remarks, particularly in drawing attention to the widespread dispersal of this contaminate in our environment.

To further illustrate, Mr. Chairman, I would like to just quote from a telegram from the Georgia Game and Fish Division:

> Serious polychlorinated biphenyls (PCB) contamination problem just encountered at Lake Hartwell with harsh impact affecting sport fishermen and businesses dependent thereon. PCB ubiquitous in the environment and posing serious threat to human health and all living natural resources.

Mr. Chairman, I think we have ample testimony that we have a mad dog, in the form of PCB, on our hands. We must pen him up and I urge support of this amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank my distinguished colleague and would like to associate myself with the gentleman's remarks.

Mr. Chairman, I also would like to point out, I think the distinguished gentleman from Pennsylvania (Mr. DENT) made a very telling and important statement, that is, where there is reasonable documentation as to the danger of a substance to life in general and to human life specifically, there is no obligation more important than the human responsibility to protect that life.

It would seem to me almost incredible as I have sat here quietly and patiently listening to the debate for any person to raise the legal argument or the political argument or the economic argument that in any way transcends the important responsibility we have to protect human life under conditions which are injurious or a danger to human life and we have a responsibility, clinical and moral, to protect the citizens.

Mr. LEGGETT. Mr. Chairman, the gentleman is exactly correct.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, during the debate in the committee, I supported this amendment. I supported it because polychlorinated biphenyls have been proven today to be a highly toxic and persistent chemical. It causes skin ailments, liver ailments, and undersized infants. In laboratory animals they have produced skin cancer and genetic effects.

True, the substances are necessary at the present time for use in capacitors and transformers. We have heard the debate on what the Japanese have done and what they have been forced to do because of the effects on their environment.

This amendment seems reasonable. It gives at least 2 years to the industry to come up with substances other than PCB's. I think 2½ years is certainly a reasonable compromise and warning to the industry. The EPA Administrator is given the flexibility to extend, if necessary, that period of time. PCB's are a highly persistent and toxic chemical. They have caused great damage to the Great Lakes, and irreparable damage in the Hudson River. The State of New York estimates it will take over $20 million to correct the damage at the present time to bring back the fisheries areas that have been so harmfully affected.

Mr. Chairman, I hope we adopt this amendment.

Mr. DOWNEY of New York. Mr. Chairman, polychlorinated biphenyls (PCB's) have been used widely since the 1930's, but discovery in 1966 that they had widely dispersed through the environment and had accumulated to toxic levels in wildlife prompted efforts to assess and control their environmental impacts. But since the 1960's our efforts at control have been somewhat less than inspiring, even though the findings of many private and public studies have been conclusive and condemning.

PCB's are not readily biodegradable; they are bioaccumulative in the food chain and they are found in ever increasing concentrations in the environment. The potential harm these substances pose to human health is undisputed.

As early as May 1972 a Federal interagency task force, created by the Council on Environmental Quality and the Office of Science and Technology concluded that PCB contamination was ubiquitous, that it represented an unquantified but indisputable hazard and that all nonessential uses of the substances should be discontinued.

Largely because of these findings Monsanto, the sole U.S. producer of these substances, voluntarily limited sales of PCB's to use in closed-system capacitors and transformers. Nevertheless, despite Monsanto's action at least 10 million pounds of PCB's are lost into the environment each year through vaporization, leaks, and spills. Moreover, this country still imports products which contain PCB's.

Mr. Chairman, we have known these facts for several years now, and while Congress has delayed and debated toxic substances control legislation and while the EPA has failed to administer the hazardous substance provision in the Water Pollution Act in a timely fashion the eminent danger grows. In 1971 the Great Lakes were closed to fishing. In 1975 striped bass from the Hudson River were found to contain PCB's in levels seven times the safe limit set by the FDA. Just recently Lake Hartwell in South Carolina was cited as contaminated with PCB's. Fish taken from that lake contain levels three times the FDA recommended level. Moreover, exceedingly high levels of this chemical occur in fish from many drainage systems including the Hudson River, the Great Lakes, the Merrimac and Connecticut Rivers, the Mississippi, Missouri, and Ohio Rivers, the Columbia and Sacramento Rivers as well as the gulf coast streams.

In 1972 the Congress gave the EPA the authority to control the discharge of hazardous substances into our waters. Today, 4 years after the Federal Water Pollution Control Act became law, the EPA has still not finalized its regulations pertaining to hazardous substances.

Mr. Chairman, the bill we are considering today is an important one and will go a long way toward preventing the unfortunate situation we face time and again; banning chemicals used widely in industry because of disastrous environmental effects. But like the Federal Water Pollution Control Act this legislation fails to mandate action for known hazards in a timely fashion. Section 4 only requires the development of a priority list for testing, it does not specifically set forward a timetable for the eventual elimination of existing hazards such as PCB's.

How long must we wait for EPA to decide to take action against the use of PCB's under this legislation? Experience tells us that this is a decision which may take years and PCB's must be stringently controlled now.

The amendment before us today will force EPA to take the timely actions which are necessary. This amendment will direct EPA to prescribe methods for the disposal and labeling of PCB's; it will ban the use and manufacture of PCB's in nonenclosed uses within 1 year; it will prohibit the manufacture of PCB's for enclosed uses within 2 years and will end the processing and distribution of PCB's for enclosed uses within 1½ years. Moreover, the amendment will make all imported PCB's subject to these same restrictions.

And there is tangible evidence that this kind of action can be undertaken without major detriment to our economy or to our industry. Japan has already banned these chemicals, and their vast electronics industry has made the conversion to substitutes with no apparent difficulty.

Mr. Chairman and colleagues, the evidence is clear. PCB contamination is pervasive and nonselective. Existing laws are not capable of curtailing this contamination in any timely or complete fashion. The amendment before us will accomplish the task. I urge all of my colleagues to give it their fullest support.

Mr. RUPPE. Mr. Chairman, I strongly support the amendment related to polychlorinated biphenyls offered by my colleagues, Mr. DINGELL and Mr. GUDE, and which I hope will be passed by the House. The introduction of toxic chemicals into the environment has been a source of continuing concern to the people of northern Michigan and, indeed, to the entire Great Lakes region.

Polychlorinated biphenyls, along with others such as DDT, PBB, and Dioxin, possess a very interesting set of characteristics. First, they are fat soluble. In other words, if you are looking for concentrations of such chemicals, you do not look for them in inorganic matter, but in living organisms such as fish, poultry, and human beings.

Second, these compounds are very poisonous. The Food and Drug Administration currently indicates that PCB concentrations of 5 parts per million in food can be harmful to people.

Furthermore, concentration levels as low as 0.3 parts per million are set for similar chemicals by FDA with which we also have little known environmental experience.

Third, such chemicals are extremely persistent. Because living organisms have little experience with them, it takes a very long period of time to break them down.

In fact, some evidence has existed over the past few years to indicate the half-life of DDT and its relatives may be immortal.

Fourth, such chemical compounds are very mobile. They move throughout the environment very quickly and can, as we found in Michigan, with polybrominated biphenyls, become widespread rather quickly.

Finally, to put the "topper" on it, these compounds tend to concentrate as they move up the food chain. This provides an important source of concern for all of us because human beings feed high off oceanic and fresh water food chains.

In my view, there is no more serious threat to our fishery resources and thereby to our citizens than that emanating from PCB's.

On the Great Lakes, the PCB problem is potentially the most devastating blow to sport and commercial fishing since the introduction of the lamprey eel.

The problem is not confined to the Great Lakes, but is present in a great number of streams and waterways in every section of the country and so is a serious health threat to extremely large numbers of our citizens.

The Monsanto Co. has announced that it would phase out the production of PCB's and EPA has announced an "emergency" and largely voluntary program to stem the introduction of PCB's into the environment awaiting the Toxic Substances Control Act to take more positive action, yet PCB's and one of its harmful effects was first identified in several water resource areas in 1970. In each succeeding year since, there have been recommendations for stopping PCB's and its deleterious effects. The Dingell-Gude Amendment will insure such action.

I understand that EPA and HEW share responsibility for systematically testing water supplies, such as the Great Lakes, for the presence of poisonous substances and for determining their metabolic fate in humans.

My own State of Michigan has been in the van of efforts to study the effects of PCB's, methods of detection and a blood-diet relationship with the cooperation of FDA. Hopefully, we will not only discover ways to treat those affected by PCB ingestion, but also will perfect systems for purging such chemicals from the human system.

Again, I endorse this positive curbing effort of Mr. DINGELL and Mr. GUDE to thwart the further spread of the PCB evil—and to protect the public health. I strongly urge that this provision be retained in conference and enacted into law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 6?

Mr. OTTINGER. Mr. Chairman, I move to strike the last word.

Very briefly, I ask the chairman of the committee, since my amendment was not adopted which would require preference be given to nonanimal tests, it does appear that that is the intent of the committee in the report on page 19 which reads as follows:

> However, the Committee does not intend that the Administrator needlessly require whole animal tests. The Administrator should consider alternative test methods. With the development of reliable non-animal tests for predicting the long-term effects of chemicals on health, the need for animal test data to determine if a substance or mixture causes or significantly contributes to an unreasonable risk will diminish.

The report also says that the committee opposes the amendment only so as not to put a legal restriction on the Administrator, though it agrees with the thrust of the amendment that nonanimal tests should be preferred where adequate. I take it that the gentleman would stand behind the language of the report?

Mr. MURPHY of New York. The committee did intend that the Administrator not needlessly require animal testing.

Mr. OTTINGER. I thank the gentleman.

The CHAIRMAN. Are there further amendments to section 6? If not, the Clerk will read.

The Clerk read as follows:

IMMINENT HAZARDS

SEC. 7. (a) ACTIONS AUTHORIZED AND REQUIRED.—(1) The Administrator may file an action in a district court of the United States—

(A) for seizure of an imminently hazardous chemical substance or mixture or any article containing such a substance or mixture.

(B) for relief (as authorized by subsection (b)) against any person who manufactures, processes, or distributes in commerce an imminently hazardous chemical substance or mixture or any article containing such a substance or mixture, or

(C) for both such seizure and relief.

An action may be filed under this paragraph notwithstanding the existence of a rule under section 4, 5, or 6, and notwithstanding the pendency of any administrative or judicial proceeding under any provision of this Act.

(2) If the Administrator has not made a rule under section 6(a) immediately effective (as authorized by subsection 6(d)(2)(A)(i)) with respect to an imminently hazardous chemical substance or mixture, the Administrator shall file in a district court of the United States with respect to such substance or mixture or article containing such substance or mixture an action described in subparagraph (A), (B), or (C) or paragraph (1).

(b) JURISDICTION OF COURT.—(1) The district court of the United States in which an action under subsection (a) is brought shall have jurisdiction to grant such temporary or permanent relief as may be necessary to protect health or the environment from the unreasonable risk associated with the chemical substance, mixture, or article involved in such action.

(2) In the case of an action under subsection (a) brought against a person who manufactures, processes, or distributes in commerce a chemical substance or mixture or an article containing a chemical substance or mixture, the relief authorized by paragraph (1) may include the issuance of a mandatory order requiring (A) in the case of purchasers of such substance, mixture, or article known to the defendant, notification to such purchasers of the risk associated with it; (B) public notice of such risk; (C) recall; (D) the replacement or repurchase of such substance, mixture, or article; or (E) any combination of the actions described in the preceding clauses.

(3) In the case of an action under subsection (a) against a chemical substance, mixture, or article, such substance, mixture, or article may be proceeded against by process of libel for its seizure and condemnation. Proceedings in such an action shall conform as nearly as possible to proceedings in rem in admiralty.

(c) VENUE AND CONSOLIDATION.—(1)(A) An action under subsection (a) against a person who manufactures, processes, or distributes a chemical substance or mixture or an article containing a chemical substance or mixture may be brought in the United States District Court for the District of Columbia or for any judicial district in which any of the defendants is found, resides, or transacts business; and process in such an action may be served on a defendant in any other district in which such defendant resides or may be found. An action under subsection (a) against a chemical substance, mixture, or article may be brought in any United States district court within the jurisdiction of which the substance, mixture, or article is found.

(B) In determining the judicial district in which an action may be brought under subsection (a) in instances in which such action may be brought in more than one judicial district, the Administrator shall take into account the convenience of the parties.

(C) Subpenas requiring attendance of witnesses in an action brought under subsection (a) may run into any judicial district.

(2) Whenever proceedings under subsection (a) involving identical chemical substances, mixtures, or articles are pending in courts in two or more judicial districts, they shall be consolidated for trial by order of any such court upon application reasonably made by any party in interest, upon notice to all parties in interest.

(d) ACTION UNDER SECTION 6.—Where appropriate, concurrently with the filing of an action under subsection (a) or as soon thereafter as may be practicable, the Administrator shall initiate a proceeding for the promulgation of a rule under section 6(a).

(e) REPRESENTATION.—Notwithstanding any other provision of law, in any action under subsection (a), the Administrator may direct attorneys of the Environmental Protection Agency to appear and represent the Administrator in such an action.

(f) DEFINITION.—For purposes of subsection (a), the term "imminently hazardous chemical substance or mixture" means a chemical substance or mixture which causes or significantly contributes to an imminent and unreasonable risk of serious or widespread harm to health or the environment. Such a risk to health or the environment shall be considered imminent if it is shown that the manufacture, processing, distribution in commerce, use, or disposal of the chemical substance or mixture or any combination of such actions is likely to result in such harm to health or the environment before a final rule under section 6 can protect against such risk.

REPORTING AND RETENTION OF INFORMATION

SEC. 8. (a) REPORTS.—(1) The Administrator shall promulgate rules under which—

(A) each person (other than a small manufacturer or processor) who manufactures or processes or proposes to manufacture or process a chemical substance (other than a chemical substance described in subparagraph (B)(ii)) shall maintain such records, and shall submit to the Administrator such reports, as the Administrator may reasonably require, and

(B) each person (other than a small manufacturer or processor) who manufactures or processes or proposes to manufacture or process—

(i) a mixture, or

(ii) a chemical substance in small quantities (as defined by the Administrator by rule) solely for scientific experimentation or analysis or for chemical research or analysis on such substance or another substance, including such research or analysis for the development of a product,

shall maintain records and submit to the Administrator reports but only to the extent the Administrator determines the maintenance of records or submission of reports, or both, is necessary for the effective enforcement of this Act.

The Administrator may not require in a rule promulgated under this paragraph the maintenance of records or the submission of reports with respect to changes in the proportions of the components of a mixture unless the Administrator finds that the maintenance of such records or the submission of such reports, or both, is necessary for the effective enforcement of this Act. For purposes of the compilation of the list of chemical substances required under subsection (b), the Administrator shall promulgate rules pursuant to this subsection not later than one hundred and eighty days after the effective date of this Act.

(2) The Administrator may require under paragraph (1) reporting with respect to the following:

(A) The common or trade name, the chemical identity, and the molecular structure of each chemical substance or mixture for which such a report is required, insofar as known to the person making the report or insofar as reasonably ascertainable.

(B) The categories or proposed categories of use of each such substance or mixture, insofar as known to the person making the report or insofar as reasonably ascertainable.

(C) Reasonable estimates of the amount of each substance and mixture to be manufactured or processed and, insofar as known to the person making the report or insofar as reasonably ascertainable, a reasonable estimate of the amount of each such substance and mixture to be manufactured or processed for each of its categories or proposed categories of use.

(D) A description of the byproducts resulting from the manufacture, processing, use, or disposal of each such substance or mixture, insofar as known to the person making the report or insofar as reasonably ascertainable.

(E) All existing data concerning the adverse environmental and health effects of such substance or mixture, insofar as known to the person making the report.

(F) Estimates of the number of persons who will be exposed to such substance or mixture in their places of employment and the duration of such exposure, insofar as known to the person making the report.

To the extent feasible the Administration shall not require under paragraph (1) unnecessary or duplicate reporting.

(3)(A)(i) The Administrator may by rule require a small manufacturer or processor of a chemical substance to submit to the Administrator such information respecting the chemical substance as the Administrator may require for publication of the first list of chemical substances required by subsection (b).

(ii) The Administrator may by rule require a small manufacturer or processor of a chemical substance or mixture—

(I) subject to a rule proposed or promulgated under section 4, 5(c), 5(g), or 6, or

(II) with respect to which relief has been granted pursuant to a civil action brought under section 7, to maintain such records on such substance or mixture, and to submit to the Administrator such reports on such substance or mixture, as the Administrator may reasonably require. A rule under this clause requiring reporting may require reporting with respect to the matters referred to in paragraph (2).

(B) The Administrator, after consultation with the Administrator of the Small Business Administration, shall by rule prescribe standards for determining the manufacturers and processors which qualifying as small manufacturers and processors for purposes of this paragraph and paragraph (1).

(b) INVENTORY.—(1) The Administrator shall compile, keep current, and publish a list of each chemical substance which is manufactured or processed in the United States. Such list shall at least include each chemical substance which any person reports, under section 5 or subsection (a) of this section, is manufactured or processed in the United States or was manufactured or processed in the United States within three years before the effective date of the rules promulgated pursuant to the last sentence of subsection (a)(1). In the case of a chemical substance for which a notice is submitted in accordance with section 5, such chemical substance shall be included in such list as of the earliest date (as determined by the Administrator) on which such substance was manufactured or processed in the United States. The Administrator shall first publish such a list not later than one year after the effective date of this Act. The Administrator shall not include in such list any chemical substance which is manufactured or processed only in small quantities (as defined by the Administrator by rule) solely for scientific experimentation or analysis or for chemical research or analysis on such substance or another substance, including such research or analysis for the development of a product.

(2) To the extent consistent with the purposes of this Act, the Administrator may, in lieu of listing, pursuant to paragraph (1), a chemical substance individually, list a category of chemical substances in which such substance is included.

(c) RECORDS.—Any person who manufactures, processes, or distributes in commerce or proposes to manufacture, process, or distribute in commerce any chemical substance or mixture shall, as required by the Administrator by rule, maintain records of adverse reactions to health or the environment alleged to have been caused by the substance or mixture. In such a rule the Administrator may require that—

(1) records of adverse reactions to the health of employees be retained for a period of not more than fifty years from the date such reactions were first reported to or known by the person maintaining such records, and

(2) any other record be retained for a period of not more than five years from the date the information contained in the record was first reported to or known by the person maintaining the record.

Records required to be maintained under this subsection may include records of consumer allegations of personal injury or harm to health, reports of occupational disease or injury, and reports or complaints of injury to the environment submitted to the manufacturer, processor, or distributor in commerce by individuals or governmental agencies. Upon request of an officer or employee duly designated by the Administrator, each person who is required to maintain records under this subsection shall permit the inspection of such records and shall submit copies of such records.

(d) HEALTH AND SAFETY STUDIES.—The Administrator shall promulgate rules under which the Administrator may require any person who manufacturers, processes, or distributes in commerce or who proposes to manufacture, process, or distribute in commerce any chemical substance or mixture (or with respect to paragraph (2), any person who has possession of a study) to submit to the Administrator—

(1) lists of health and safety studies conducted or initiated by or for such person at any time or known to such person; and

(2) copies of any such studies appearing on a list submitted pursuant to paragraph (1) or (2), or otherwise known by such person.

(e) NOTICE TO ADMINISTRATOR OF UNREASONABLE RISKS.—Any person who manufactures, processes, or distributes in commerce a chemical substance or mixture and who obtains information which reasonably supports the conclusion that such substance or mixture causes or significantly contributes to a substantial risk to health or the environment shall immediately inform the Administrator of such information unless such person has actual knowledge that the Administrator has been adequately informed of such information.

(f) DEFINITIONS.—For purposes of this section, the terms "manufacture" and "process" mean manufacture or process for commercial purposes.

RELATIONSHIP TO OTHER FEDERAL LAWS

SEC. 9. (a) LAWS NOT ADMINISTERED BY THE ADMINISTRATOR.—(1) If the Administrator has reason to believe that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance or mixture or any combination of such actions causes or significantly contributes to or is likely to cause or significantly contribute to an unreasonable risk to health or the environment and determines that such risk may be prevented or reduced to a sufficient extent by action taken under a Federal law not administered by the Administrator, the Administrator shall submit to the agency which administers such law a report which describes such risk and includes in such description a specification of the activity or combination of activities which the Administrator has reason to believe so causes or contributes to such risk. Such report shall also request such agency—

(A)(i) to determine if the risk described in such report may be prevented or reduced to a sufficient extent by action taken under such law, and

(ii) if the agency determines that such risk may be so prevented or reduced, to issue an order declaring whether or not the activity or combination of activities specified in the description of such risk causes or significantly contributes to such risk; and

(B) to report such determination and order to the Administrator.

Any report of the Administrator shall include a detailed statement of the information on which it is based and shall be published in the Federal Register. The agency receiving a request under such a report shall make the requested determination, issue the requested order, and make the requested report within such time as the Administrator specifies in the request, but such time specified may not be less than ninety days from the date the request was made. The report of an agency in response to a request of the Administrator shall be accompanied by a detailed statement of the findings and conclusions of the agency respecting the order and determination requested to be made and shall be published in the Federal Register.

(2) If the Administrator makes a report under paragraph (1) with respect to a chemical substance or mixture and the agency to which such report was made either—

(A) issues an order declaring that the activity or combination of activities specified in the description of the risk described in the report does not cause or significantly contribute to the risk described in the report, or

(B) initiates, within ninety days of the publication in the Federal Register of the report of the agency under pararaph (1) in response to the Administrator's report, action under the law (or laws) administered by such agency to protect against such risk,

the Administrator may not take any action under section 6 or 7 with respect to such risk.

(3) If the Administrator has initiated action under section 6 or 7 with respect to a risk associated with a chemical substance or mixture which was the subject of a report made to an agency under paragraph (1), such agency shall before taking action under the law (or laws) administered by it to protect against such risk consult with the Administrator for the purpose of avoiding duplication of Federal action against such risk.

(b) LAWS ADMINISTERED BY THE ADMINISTRATOR.—The Administrator shall coordinate actions taken under this Act with actions taken under other Federal laws administered in whole or in part by the Administrator. If a risk to health or the environment associated with a chemical substance or mixture could be eliminated or reduced to a sufficient extent by actions taken under the authorities contained in such other Federal laws, the Administrator shall use such authorities to protect against such risk unless the Administrator determines that it is in the public interest to protect against such risk by actions taken under this Act. This subsection shall not be construed to relieve the Administrator of any requirement imposed on the Administrator by such other Federal laws.

(c) OCCUPATIONAL SAFETY AND HEALTH.—In exercising any authority under this Act, the Administrator shall not, for purposes of section 4(b)(1) of the Occupational Safety and Health Act of 1970, be deemed to be exercising statutory authority to prescribe or enforce standards or regulations affecting occupational safety and health.

(d) COORDINATION.—In administering this Act, the Administrator shall consult and coordinate with the Secretary of Health, Education, and Welfare and the heads of any other appropriate Federal executive department or agency, any relevant independent regulatory agency, and any other appropriate instrumentality of the Federal Government for the purpose of achieving the maximum enforcement of this Act while imposing the least burdens of duplicative requirements on those subject to the Act and for other purposes. The Administrator shall report annually to the Congress on actions taken to coordinate with such other Federal departments, agencies, or instrumentalities, and on actions taken to coordinate the authority under this Act with the authority granted under other Acts referred to in subsection (b).

RESEARCH, COLLECTION, DISSEMINATION, AND UTILIZATION OF DATA

SEC. 10. (a) AUTHORITY.—The Administrator shall, in consultation and cooperation with the Secretary of Health, Education, and Welfare and with other heads of appropriate departments and agencies, conduct such research and monitoring as is necessary to carry out the purposes of this Act. The Administrator may enter into contracts and may make grants for such research and monitoring. Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529, 41 U.S.C. 5).

(b) DATA SYSTEMS.—(1) The Administrator shall establish, administer, and be responsible for the continuing activities of an interagency committee which will design, establish, and coordinate an efficient and effective system, within the Environmental Protection Agency, for the collection, dissemination to other Federal departments and agencies, and use of data submitted to the Administrator under this Act.

(2)(A) The Administrator shall, in consultation with the Secretary of Health, Education, and Welfare and other heads of appropriate departments and agencies design, establish, and coordinate an efficient and effective system for the retrieval of toxicological and other scientific data which could be useful to the Administrator in carrying out the purposes of this Act. Systematized retrieval shall be developed for use by all Federal and other departments and agencies with responsibilities in the area of regulation or study of chemical substances and mixtures and their effect on health or the environment.

(B) The Administrator, in consultation with the Secretary of Health, Education, and Welfare, is authorized to make grants and enter into contracts for the development of a data retrieval system described in subparagarph (A). Contracts may be entered into under this subparagraph without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529, 41 U.S.C. 5).

INSPECTIONS

SEC. 11. (a) IN GENERAL.—For purposes of enforcement of this Act the Administrator, or any representative of the Administrator, duly designated by the Administrator, may inspect any establishment, facility, or other premises in which chemical substances or mixtures are manufactured, processed, stored, or held before or after their distribution in commerce and any conveyance being used to transport chemical substances or mixtures in connection with distribution in commerce. Such an inspection may only be made upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge of the premises or conveyance to be inspected. A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness and shall be conducted at reasonable times, within reasonable limits, and in a reasonable manner.

(b) SCOPE.—(1) Except as provided in paragraph (2), an inspection under subsection (a) shall extend to all things within the premises or conveyance inspected (including records, files, papers, processes, controls, and facilities) bearing on whether the requirements of this Act applicable to the chemical substances or mixtures within such premises or conveyance have been complied with.

(2) No inspection under subsection (a) shall extend to—

(A) financial data,

(B) sales data other than shipment data,

(C) pricing data,

(D) personnel data, or

(E) research data (other than research data required by this Act),

unless the nature and extent of such data are described with reasonable specificity in the written notice required by subsection (a) for such inspection.

EXPORTS

SEC. 12. (a) GENERAL.—(1) Except as provided in paragraph (2) and subsection (b), this Act (other than section 8) shall not apply to any chemical substance, mixture, or an article containing a chemical substance or mixture if—

(A) it can be shown that such substance, mixture, or article is being manufactured, processed, sold, or held for sale, for export from the United States, unless such substance, mixture, or article was, in fact, manufactured, processed, or distributed in commerce, for use in the United States, and

(B) such substance, mixture, or article when distributed in commerce, or any container in which it is enclosed when so distributed, bears a stamp or label stating that such substance, mixture, or article is intended for export.

(2) Paragraph (1) shall not apply to any chemical substance, mixture, or article if the Administrator finds that the substance, mixture, or article will cause or significantly contribute to an unreasonable risk to health within the United States or to the environment of the United States. The Administrator may require, under section 4, testing of a chemical substance or mixture exempted from this Act by paragraph (1) to determine whether or not such substance or mixture causes or significantly contributes to an unreasonable risk to health within the United States or to the environment of the United States.

(b) NOTICE.—(1) If any person exports or intends to export to a foreign country a chemical substance or mixture for which the submission of data is required under section 4 or 5(d), such person shall notify the Administrator of such exportation or intent to export and the Administrator shall furnish to the government of such country notice of the availability of the data submitted to the Administrator under such section for such substance or mixture.

(2) If any person exports or intends to export to a foreign country a chemical substance or mixture for which a rule has been proposed or promulgated under section 5 or 6, or with respect to which an action is pending, or relief has been granted under section 7, such person shall notify the Administrator of such exportation or intent to export and the Administrator shall furnish to the government of such country notice of such rule, action, or relief.

ENTRY INTO CUSTOMS TERRITORY OF THE UNITED STATES

SEC. 13. (a) IN GENERAL.—(1) The Secretary of the Treasury shall refuse entry into the customs territory of the United States (as defined in general headnote 2 to the Tariff Schedules of the United States) of any chemical substance, mixture, or article containing a chemical substance or mixture offered for entry if—

(A) it fails to comply with any rule in effect under this Act, or

(B) it is offered for entry in violation of section 5, a rule or order under section 5 or 6, or an order issued in an action brought under section 5 or 7.

(2) If a chemical substance, mixture, or article is refused entry under paragraph (1), the Secretary of the Treasury shall notify the consignee of such entry refusal, shall not release it to the consignee, and shall cause its disposal or storage (under such rules as the Secretary of the Treasury may prescribe) if it has not been exported by the consignee within ninety days from the date of receipt of notice of such refusal, except that the Secretary of the Treasury may, pending a review by the Administrator of the entry refusal, release to the consignee such substance, mixture, or article on execution of bond for the amount of the full invoice of such substance, mixture, or article as such value is set forth in the customs entry), together with the duty thereon. On failure to return such substance, mixture, or article for any cause to the custody of the Secretary of the Treasury when demanded, such consignee shall be liable to the United States for liquidated damages equal to the full amount of such bond. All charges for storage, cartage, and labor on substances, mixtures, or articles which are refused entry or release under this section shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against any future entry made by such owner or consignee.

(b) Rules.—The Secretary of the Treasury, after consultation with the Administrator, shall issue rules for the enforcement of subsection (a) of this section.

DISCLOSURE OF DATA

Sec. 14. (a) In General.—Except as provided by subsection (b), any information reported to, or otherwise obtained by, the Administrator (or any representative of the Administrator) under this Act, which is exempt from disclosure pursuant to subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) of such section, shall not be disclosed by the Administrator or by any officer or employee of the United States, except that such information may be disclosed—

(1) to officers and employees of the United States—

(A) in connection with their official duties under laws for the protection of health or the environment, or

(B) for specific law enforcement purposes;

(2) to contractors with the United States and employees of such contractors if in the opinion of the Administrator such disclosure is necessary for the satisfactory performance by the contractor of a contract with the United States entered into on or after the effective date of this Act for the performance of work in connection with this Act; or

(3) when relevant in any proceeding under this Act, except that disclosure in such a proceeding shall be made in such manner as to preserve confidentiality to the extent practicable without impairing the proceeding.

(b) Data From Health and Safety Studies.—(1) Subsection (a) does not prohibit the disclosure of—

(A) any health and safety study submitted under this Act with respect to—

(i) any chemical substance or mixture which on the date the study is to be disclosed has been offered for commercial distribution, or

(ii) any chemical substance or mixture for which testing is required under section 4 or for which notification is required under section 5, and

(B) any data reported to, or otherwise obtained by the Administrator from a health and safety study which relates to a chemical substance or mixture described in clause (i) or (ii) of subparagraph (A).

This paragraph does not authorize the release of data which discloses processes used in the manufacturing or processing of a chemical substance or mixture or, in the case of a mixture, the release of data disclosing the portion of the mixture comprised by any of the chemical substances in the mixture.

(2) If a request is made to the Administrator under subsection (a) of section 552 of title 5, United States Code, for information which is described in the first sentence of paragraph (1) and which is not information described in the second sentence of such paragraph, the Administrator may not deny such request on the basis of subsection (b)(3) or (b)(4) of such section.

(c) Designation of Confidential Data; Disputes.—(1) In submitting data under this Act, a person may (A) designate the data which the person believes is entitled to confidential treatment under subsection (a), and (B) submit such designated data separately from other data submitted under this Act.

(2) If the Administrator proposes to release for inspection data which has been designated under paragraph (1)(A), the Administrator shall notify, in writing and by certified mail, the person who submitted such data of the intent to release such data. If the release of such data is to be made pursuant to a request made under section 552(a) of title 5, United States Code, such notice shall be given immediately upon approval of such request by the Administrator. The Administrator may not release such data until the expiration of thirty days after the person submitting such data has received the notice required by this paragraph.

(d) Criminal Penalty for Wrongful Disclosure.—(1) Any officer or employee of the United States or former officer or employee of the United States, who by virtue of such employment or official position has obtained possession of, or has access to, material the disclosure of which is prohibited by subsection (a), and who knowing that disclosure of such material is prohibited by such subsection, willfully discloses the material in any manner to any person not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000 or imprisoned for not more than one year, or both. Section 1905 of title 18, United States Code, does not apply with respect to the publishing, divulging, disclosure, or making known of, or making available, information reported or otherwise obtained under this Act.

(2) For the purposes of paragraph (1), any contractor with the United States who is furnished information as authorized by subsection (a)(2), and any employee of any such contractor, shall be considered to be an employee of the United States.

(e) Access by Congress.—Notwithstanding any limitation contained in this section or any other provision of law, all information reported to or otherwise obtained by the Administrator (or any representative of the Administrator) under this Act shall be made available, upon written request of any duly authorized committee of the Congress, to such committee.

PROHIBITED ACTS

Sec. 15. It shall be unlawful for any person to—

(1) fail or refuse to comply with (A) any rule or order promulgated or issued under section 4, (B) any requirement prescribed by section 5, or (C) any rule or order promulgated under section 5 or 6;

(2) use for commercial purposes a chemical substance or mixture which such person knew or had reason to know was manufactured, processed, or distributed in commerce in violation of section 5, a rule or order under section 5 or 6, or an order issued in an action brought under section 5 or 7;

(3) fail or refuse to (A) establish or maintain records, (B) submit reports, notices, or other information, or (C) permit access to or copying of records, as required by this Act or a rule thereunder; or

(4) fail or refuse to permit entry or inspection as required by section 11.

PENALTIES

Sec. 16. (a) Civil.—(1) Any person who violates a provision of section 15 of this Act shall be liable to the United States for a civil penalty in an amount not to exceed $25,000 for each such violation. Each day such violation continues shall for purposes of this subsection constitute a separate violation of section 15.

(2)(A) A civil penalty for a violation of section 15 shall be assessed by the Administrator by an order made on the record after opportunity (provided in accordance with this subparagraph) for a hearing in accordance with section 554 of title 5, United States Code. Before issuing such an order, the Administrator shall give written notice to the person to be assessed a civil penalty under such order of the Administrator's proposal to issue such order and provide such person an opportunity to request, within fifteen days of the date the notice is received by such person, such a hearing on the order.

(B) In determining the amount of a civil penalty, the Administrator shall take into account the nature, circumstances, extent, and gravity of the violation or violations and, with respect to the violator, ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, and such other matters as justice may require.

(C) The Administrator may, in the Administrator's discretion, compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed under this subsection. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

(3) Any person who requested in accordance with paragraph (2)(A) a hearing respecting the assessment of a civil penalty and who is aggrieved by an order assessing a civil penalty may file a peitition for judicial review of such order with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which such person resides or transacts business. Such a petition may only be filed within the thirty-day period beginning on the date the order making such assessment was issued.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final order and does not file a petition for judicial review of the order in accordance with paragraph (3) or after a court in an action brought under paragraph (3) has entered final judgment in favor of the Administrator, the Attorney General shall recover the amount assessed (plus interest at currently prevailing rates from such date) in an action brought in any appropriate district court of the United States. In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

(b) Criminal.—Any person who knowingly or willfully violates any provision of section 15 shall, in addition to or in lieu of a civil penalty which may be imposed under subsection (a) of this section for such violation, be subject, upon conviction, to a fine of not more than $25,000 for each day of violation, or to imprisonment for not more than one year, or both.

(c) Notice, Repurchase, or Replacement.—If in a proceeding for the issuance of an order under paragraph (1) to assess a civil penalty against a person the Administrator determines that such person manufactured, processed, or distributed in commerce a chemical substance or mixture in

violation of a requirement applicable to such substance or mixture under paragraph (1) or (2) of section 6(a) or otherwise determines by order made on the record after opportunity for agency hearing that a person has so violated such a requirement, the Administrator may, in such order, require such person (1) to give notice of the risk associated with the chemical substances or mixture subject to such requirement to processors or distributors in commerce of such substance or mixture, or to both, and, to the extent reasonably ascertainable, to any other person in possession of or exposed to such substance or mixture; (2) to give public notice of such risk; (3) to either replace or repurchase such substance or mixture, as determined by the person (or persons) to whom the requirement is directed, in the manner prescribed by the Administrator; or (4) to take any combination of the actions described in the preceding clauses.

SPECIFIC ENFORCEMENT AND SEIZURE

SEC. 17. (a) SPECIFIC ENFORCEMENT.—(1) The district courts of the United States shall have jurisdiction over civil actions to—

(A) restrain any violation of section 15,

(B) restrain any person from manufacturing or processing a chemical substance before the expiration of the period before which such manufacturing or processing is prohibited under section 5,

(C) restrain any person from taking any action prohibited by section 5 or by a rule or order under section 5 or 6, or

(D) compel the taking of any action required by or under this Act.

(2) A civil action described in paragraph (1) may be brought—

(A) in the case of a civil action described in subparagraph (A) of such paragraph, in the United States district court for the judicial district wherein any act, omission, or transaction constituting a violation of section 15 occurred or wherein the defendant is found or transacts business, or

(B) in the case of any civil action described in such paragraph, in the United States district court for the judicial district wherein the defendant is found or transacts business.

In any such civil action process may be served on a defendant in any judicial district in which a defendant resides or may be found. Subpenas requiring attendance of witnesses in any such action may run into any judicial district.

(b) SEIZURE.—Any chemical substance, or mixture which was manufactured, processed, or distributed in commerce in violation of this Act or any rule or order promulgated under this Act or any article containing such a substance or mixture shall be liable to be proceeded against by process of libel for the seizure and condemnation of such substance, mixture, or article, in any district court of the United States within the jurisdiction of which such substance, mixture, or article is found. Such proceedings shall conform as nearly as possible to proceedings in rem in admiralty.

PREEMPTION

SEC. 18. (a) EFFECT ON STATE LAW.—(1) Exempt as provided in paragraph (2), nothing in this Act shall affect the authority of any State or political subdivision of a State to establish or continue in effect regulation of any chemical substance, mixture, or article containing a chemical substance or mixture.

(2) Except as provided in subsection (b)—

(A) if the Administrator requires by a rule promulgated under section 4 the testing of a chemical substance or mixture, no State or political subdivision may, after the effective date of such rule, establish or continue in effect a requirement for the testing of such substance or mixture for purposes similar to those for which testing is required under such rule; and

(B) if the Administrator prescribes a rule or order under section 5 or 6 of this Act (other than a rule imposing a requirement described in subsection (a)(5) of section 6) which is applicable to a chemical substance or mixture, and which is designed to protect against a risk to health or the environment associated with such substance or mixture, no State or political subdivision of a State may, after the effective date of such requirement, establish or continue in effect a requirement applicable to such substance or mixture, or an article containing such substance or mixture, and designed to protect against such risk unless such requirement is identical to the requirement prescribed by stance or mixture, and designed to protect the Adminisrator or unless such requirement is adopted under the authority of the Clean Air Act or any other Federal law.

(b) EXEMPTION.—Upon application of a State or political subdivision of a State the Administrator may by rule exempt from subsection (a)(2), under such conditions as may be prescribed in such rule, a requirement of such State or political subdivision designed to protect against a risk to health or the environment associated with a chemical substance, mixture, or article containing a chemical substance or mixture if—

(1) compliance with the requirement would not cause the manufacturing, processing, distribution in commerce, or use of the substance, mixture, or article to be in violation of the applicable requirement under this Act described in subsection (a)(2), and

(2) the State or political subdivision requirement (A) provides a significantly higher degree of protection from such risk than the requirment under this Act described in subsection (a)(2) and (B) does not, through difficulties in marketing, distribution, or other factors, unduly burden interstate commerce.

JUDICIAL REVIEW

SEC. 19. (a) IN GENERAL.—Not later than sixty days following the promulgation of a rule under section 4, 5, or 6(a) of this Act, any person may file a petition for judicial review of such rule with the United States Court of Appeals for the District of Columbia Circuit or for the circuit in which such person resides or in which such person's principal place of business is located. Copies of the petition shall be forthwith transmitted by the clerk of such court to the Administrator and to the Attorney General. The Administrator shall transmit to the Attorney General, who shall file in the court, the record of the proceedings on which the Administrator based such rule as provided in section 2112 of title 28, United States Code. For purposes of this section, the term "record" means such rule; any transcript required of any oral presentation; any written submission of interested parties; and any other information which the Administrator considers to be relevant to such rule and with respect to which the Administrator, on or before the date of the promulgation of such rule, publish a notice in the Federal Register identifying such information.

(b) ADDITIONAL DATA.—If the petitioner applies to the court for leave to adduce additional data, views, or arguments, and shows to the satisfaction of the court that such additional data, views, or arguments are material and that there are reasonable grounds for the petitioner's failure to adduce such data, views, or arguments in the proceeding before the Administrator, the court may order the Administrator to provide additional opportunity for oral presentation of data, views, or arguments and for written submissions. The Administrator may modify findings or determinations upon which the rule subject to review by such court was based, or make new findings or determinations by reason of the additional data, views, or arguments so taken and shall file such modified or new findings or determinations, and the Administrator's recommendation, if any, for the modification or setting aside of such rule, with the return of such additional data, views, or arguments.

(c) AUTHORITY AND REVIEW STANDARD.—(1) Upon the filing of a petition under subsection (a), the court shall have jurisdiction (A) to review the rule involved, in accordance with chapter 7 of title 5, United States Code, and (B) to grant appropriate relief, including interim relief, as provided in such chapter. Any rule promulgated by the Administrator under section 4, 5, or 6 of this Act and reviewed under this section shall be affirmed, unless the determination or findings required to be made by the Administrator under the applicable section are not supported by substantial evidence on the record taken as a whole.

(2) The judgment of the court affirming or setting aside, in whole or in part, any rule reviewed in accordance with this section shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

(3) The judgment of the court in an action (a) may include an award of costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. The Supreme Court of the United States in its decision on a review of judgment in such an action may provide for the award of costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(d) OTHER REMEDIES.—The remedies provided in this section shall be in addition to and not in lieu of any other remedies provided by law.

CITIZENS' CIVIL ACTIONS

SEC. 20. (a) IN GENERAL.—Except as provided in subsection (b), any person may commence a civil action—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of this Act or any rule prescribed under section 4, 5, or 6(a) to restrain such violation, or

(2) against the Administrator to compel the Administrator to perform any act or duty under this Act which is not discretionary.

Any civil action under paragraph (1) shall be brought in the United States district court for the district in which the alleged violation occurred or in which the defendant resides or in which the defendant's principal place of business is located. Any action brought under paragraph (2) shall be brought in the United States District Court for the District of Columbia, or the United States district court for the judicial district in which the plaintiff is domiciled. The district courts shall have jurisdiction over suits brought under this section, without regard to the amount in controversy or the citizenship of the parties. In any civil action under this subsection process may be served on a defendant in any judicial district in which the defendant resides or may be found and subpenas for witnesses may run into any judicial district.

(b) LIMITATION.—No civil action may be commenced—

(1) under subsection (a)(1) to restrain a violation of this Act or rule under this Act—

(A) before the expiration of sixty days after the plaintiff has given notice of such violation (i) to the Administrator, and (ii) to the person who is alleged to have committed such violation, or

(B) if the Administrator (or the Attorney General on behalf of the Administrator) has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with this Act or such rule, but if such action is commenced after the giving of notice, any person giving such notice may intervene as a matter of right in such action; or

(2) under subsection (a)(2) before the expiration of sixty days after the plaintiff has given notice to the Administrator of the alleged failure of the Administrator to perform an act or duty which is the basis for such action or, in the case of an action under such subsection for the failure of the Administrator to file an action under section 7, before the expiration of ten days after such notification.

Notice under this subsection shall be given in such manner as the Administrator shall prescribe by rule.

(c) GENERAL.—(1) In any action under this section, the Administrator, if not a party, may intervene as a matter of right.

(2) The court, in issuing any final order in any action brought pursuant to subsection (a), may award costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. Any court, in issuing its decision in an action brought to review such an order, may award costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(3) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or any rule under this Act or to seek any other relief.

(d) CONSOLIDATION.—When two or more civil actions brought under subsection (a) involving the same defendant and the same issues or violations are pending in two or more judicial districts, such pending actions, upon application of such defendants to such actions which is made to a court in which any such action is brought, may, if such court in its discretion so decides, be consolidated for trial by order (issued after giving all parties reasonable notice and opportunity to be heard) of such court and tried in—

(1) any district which is selected by such defendant and in which one of such actions is pending,

(2) a district which is agreed upon by stipulation between all the parties to such actions and in which one of such actions is pending, or

(3) a district which is selected by the court and in which one of such actions is pending.

The court issuing such an order shall give prompt notification of the order to the other courts in which the civil actions consolidated under the order are pending.

CITIZENS' PETITIONS

SEC. 21. (a) IN GENERAL.—Any person may petition the Administrator to initiate a proceeding for the issuance, amendment, or repeal of a rule under section 4, 5(c), or 6(a).

(b) PROCEDURES.—(1) Such petition shall be filed in the principal office of the Administrator and shall set forth the facts which it is claimed establish that it is necessary to issue, amend, or repeal a rule under section 4, 5(c), or 6(a).

(2) The Administrator may hold a public hearing or may conduct such investigation or proceeding as the Administrator deems appropriate in order to determine whether or not such petition should be granted.

(3) Within ninety days after filing of a petition described in paragraph (1), the Administrator shall either grant or deny the petition. If the Administrator grants such petition, the Administrator shall promptly commence an appropriate proceeding in accordance with section 4, 5(c), or 6(a). If the Administrator denies such petition, the Administrator shall publish in the Federal Register the Administrator's reasons for such denial.

(4)(A) If the Administrator denies a petition filed under this section (or if the Administrator fails to grant or deny such petition within the ninety-day period) the petitioner may commence a civil action in a United States district court to compel the Administrator to initiate a rulemaking proceeding to take the action requested. Any such action shall be filed within sixty days after the Administrator's denial of the petition or, if the Administrator fails to grant or deny the petition within ninety days after filing the petition, within sixty days after the expiration of the ninety-day period.

(B) If in an action under subparagraph (A) respecting a petition to initiate a proceeding to issue a rule under section 4, 5(c), or 6(a) the petitioner demonstrates to the satisfaction of the court, by a preponderance of the evidence in a de novo proceeding before the court, that—

(i) in the case of a petition to initiate a proceeding for the issuance of a rule under section 4, that the manufacture, distribution in commerce, processing, use, or disposal of the chemical substance or mixture to be subject to such rule may cause or significantly contribute to an unreasonable risk to health or the environment.

(ii) in the case of a petition to initiate a proceeding for the issuance of a rule under section 5(c), that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance petitioned to be included in a list compiled under such rule causes or significantly contributes to or may cause or significantly contribute to an unreasonable risk to health or the environment, or

(iii) in the case of a petition for the issuance of a rule under section 6(a), that there is a reasonable basis to conclude that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance or mixture to be subject to such rule causes or significantly contributes to or will cause or significantly contribute to an unreasonable risk to health or the environment,

the court shall order the Administrator to initiate the action requested by the petitioner unless the court finds, after considering the extent of the risk to health or the environment alleged by the petitioner in relation to the extent of risks to health or the environment with respect to which the Administrator is taking action under this Act, the resources available to the Administrator to take the action requested by the petitioner, and other relevant factors, the failure of the Administrator to initiate such action was not unreasonable.

(C) The court in issuing any final order in any action brought pursuant to subparagraph (A) may award costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. Any court, in issuing its decision in an action brought to review such an order, may award costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(5) The remedies under this section shall be in addition to, and not in lieu of, other remedies provided by law.

NATIONAL DEFENSE WAIVER

SEC. 22. The Administrator shall waive compliance with any provision of this Act upon a request and determination by the President that the requested waiver is necessary in the interest of national defense. The Administrator shall maintain a written record of the basis upon which such waiver was granted and make such record available for in camera examination when relevant in a judicial proceeding under this Act. Upon the issuance of such a waiver, the Administrator shall publish in the Federal Register a notice that the waiver was granted for national defense purposes, unless, upon the request of the President, the Administrator determines to omit such publication because the publication itself would be contrary to the interests of national defense, in which event the Administrator shall submit notice thereof to the Armed Services Committees of the Senate and the House of Representatives.

EMPLOYEE PROTECTION

SEC. 23. (a) IN GENERAL.—No employer may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—

(1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act;

(2) testified or is about to testify in any such proceeding; or

(3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

(b) REMEDY.—(1) Any employee who believes that the employee has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, file (or have any person file on the employee's behalf) a complaint with the Secretary of Labor (hereinafter in this section referred to as the "Secretary") alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(2)(A) Upon receipt of a complaint filed under paragraph (1), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within thirty days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting on behalf of the complainant) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this paragraph. Within ninety days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for agency hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If in response to a complaint filed under paragraph (1) the Secretary determines that a violation of subsection (a) of this section has occurred, the Secretary shall order (i) the person who committed such violation to take affirmative action to abate the violation, (ii) such person to reinstate the complainant to the complainant's former position together with the compensation (including back pay), terms, conditions, and privileges of the complainant's employment, (iii) compensatory damages, and (iv) where appropriate, exemplary damages. If such an order is issued, the Secretary, at the request of the complainant, shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(c) REVIEW.—(1) Any person adversely affected or aggrieved by an order issued under subsection (b) may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within sixty days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code.

(2) An order of the Secretary, with respect to which review could have been obtained under paragraph (1), shall not be subject to judicial review in any criminal or other civil proceeding.

(d) ENFORCEMENT.—(1) Whenever a person has failed to comply with an order issued under subsection (b)(2), the Secretary shall file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief, including injunctive relief and compensatory and exemplary dammages. Civil actions brought under this subsection shall be heard and decided expeditiously.

(2) Any nondiscretionary duty imposed by this section is enforceable in mandamus proceeding brought under section 1361 of title 28, United States Code.

(e) EXCLUSION.—Subsection (a) of this section shall not apply with respect to any employee who, acting without direction from the employee's employer (or any agent of the employer), deliberately causes a violation of any requirement of this Act.

EMPLOYMENT EFFECTS

SEC. 24. (a) IN GENERAL.—The Administrator shall evaluate on a continuing basis the potential effects on employment (including reductions in employment or loss of employment from threatened plant closures, of—

(1) the issuance of a rule or order under section 4, 5, or 6, or

(2) a requirement of section 5.

(b)(1) INVESTIGATIONS.—Any employee (or any representative of an employee) may request the Administrator to make an investigation of—

(A) a discharge or layoff or threatened discharge or layoff of the employee, or

(B) adverse or threatened adverse effects on the employee's employment,

allegedly resulting from a rule or order under section 4, 5, or 6 or a requirement of section 5. Any such request shall be made in writing, shall set forth with reasonable particularity the grounds for the request, and shall be signed by the employee, or representative of such employee, making the request.

(2)(A) Upon receipt of a request made in accordance with paragraph (1) the Administrator shall (i) conduct the investigation requested, and (ii) if requested by any interested person, hold public hearings on any matter involved in the investigation unless the Administrator determines that there are no reasonable grounds for holding such hearings. If the Administrator makes such a determination respecting a request for a hearing, the Administrator shall notify in writing the person requesting the hearing of the determination and the reasons therefor.

(B) If public hearings are to be held on any matter involved in an investigation conducted under this subsection—

(i) at least five days' notice shall be provided the person making the request for the investigation and any person identified in such request,

(ii) a transcript shall be made of the hearings, and

(iii) each employee who made or for whom was made a request for such hearings and the employer of such employee shall be required to present information respecting the applicable matter referred to in paragraph (1)(A) or (1)(B) together with the basis for such information.

(3) Upon completion of an investigation under paragraph (2), the Administrator shall make findings of fact, shall make such recommendations as the Administrator deems appropriate, and shall make available to the public such findings and recommendations.

(4) In connection with any investigation or public hearing conducted under this subsection, the Administrator may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and the Administrator may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of contumacy or refusal to obey a subpena served upon any person under this paragraph, the United States district court for any district in which such person is found or resides or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Administrator to appear and produce papers, books, and documents before the Administrator, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

STUDIES

SEC. 25. (a) INDEMNIFICATION STUDY.—The Administrator shall conduct a study of all Federal laws administered by the Administrator for the purpose of determining whether and under what conditions, if any, indemnification should be accorded any person as a result of any action taken by the Administrator under any such law. The study shall—

(1) include an estimate of the probable cost of any indemnification programs which may be recommended;

(2) include an examination of all viable means of financing the cost of any recommended indemnification; and

(3) be completed and submitted to Congress not less than two years from the effective date of this Act.

The General Accounting Office shall review the adequacy of the study submitted to Congress pursuant to paragraph (3) and shall report the results of its review to the Congress within six months of the date such study is submitted to Congress.

(b) CLASSIFICATION, STORAGE, AND RETRIEVAL STUDY.—The Council on Environmental Quality, in consultation with the Administrator, the Secretary of Health, Education, and Welfare, the Secretary of Commerce, and the heads of other appropriate Federal departments or agencies, shall coordinate a study of the feasibility of establishing (1) a standard classification system for chemical substances and related substances, and (2) a standard means for storing and for obtaining rapid access to information respecting such substances. A report on such study shall be completed and submitted to Congress not later than eighteen months after the effective date of this Act.

ADMINISTRATION OF ACT

SEC. 26. (a) COOPERATION OF FEDERAL AGENCIES.—Upon request by the Administrator, each Federal department and agency is authorized—

(1) to make its services, personnel, and facilities available (with or without reimbursement) to the Administrator to assist the Administrator in the administration of this Act; and

(2) to furnish to the Administrator such information, data, estimates, and statistics, and to allow the Administrator access to all information in its possession as the Administrator may reasonably determine to be necessary for the administration of this Act.

(b) FEES.—The Administrator may, by rule, require the payment of a reasonable fee from any person required to submit data under section 4 or 5 of this Act to defray the cost of administering this Act. Such rules shall not provide for any fee in excess of $2,500. In setting such a fee, the Administrator shall take into account the ability to pay of the person required to submit the data and the cost to the Administrator of reviewing such data. Such rules may provide for sharing such a fee in any case in which the expenses of testing are shared under section 4 or 5 of this Act.

(c) ACTION WITH RESPECT TO CATEGORIES.—(1) Any action authorized or required to be taken by the Administrator under any provision of this Act with respect to a chemical substance or mixture may be taken by the Administrator in accordance with that provision with respect to a category of chemical substances or mixtures. Whenever the Administrator takes action under a provision of this Act with respect to a category of chemical substances or mixtures, any reference in this Act to a chemical substance or mixture (insofar as it relates to such action) shall be deemed to be a reference to each chemical substance or mixture in such category.

(2) For purposes of paragraph (1):

(A) The term "category of chemical substances" means a group of chemical substances the members of which are similar in molecular structure, in physical, chemical, or biological properties, in use, or in mode of entrance into the human body or into the environment, or the members of which are in some other way suitable for classification as such for purposes of this Act, except that such term does not mean a group of chemical substances which are grouped together solely on the basis of their being new chemical substances.

(B) The term "category of mixtures" means a group of mixtures the members of which are similar in molecular structure, in physical, chemical, or biological properties, in use, or in mode of entrance into the human body or into the environment, or the members of which are in some other way suitable for classification as such for purposes of this Act.

(d) ASSISTANCE OFFICE.—The Administrator shall establish in the Environmental Protection Agency an identifiable office to provide technical and other nonfinancial assistance to manufacturers and processors of chemical substances and mixtures respecting the requirements of this Act applicable to such manufacturers and processors, the policy of the Agency respecting the application of such requirements to such manufacturers and processors, and the means and methods by which such manufacturers and processors may comply with such requirements.

DEVELOPMENT AND EVALUATION OF TEST METHODS

SEC. 27. (a) The Secretary of Health, Education, and Welfare, in consultation with the Administrator and acting through the Assistant Secretary for Health, may conduct, and make grants to public and nonprofit private entities and enter into contracts with public and private entities for, projects for the development and evaluation of inexpensive and efficient methods (1) for determining and evaluating the health and environmental effects of chemical substances and mixtures, and their toxicity, persistence, and other characteristics which affect health and the environment, and (2) which may be used for the development of test data to meet the requirements of rules promulgated under section 4. The Administrator shall consider such methods in prescribing under section 4 standards for the development of test data.

(b) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be submitted in such form and manner and contain such information as the Secretary may require. The Secretary may apply such conditions to grants and contracts under subsection (a) as the Secretary determines are necessary to carry out the purposes of such subsection. Contracts may be entered into under such subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

(c)(1) The Secretary shall prepare and submit to the President and the Congress on or before January 1 of each year a report of the number of grants made and contracts entered into under this section and the results of such grants and contracts.

(2) The Secretary shall periodically publish in the Federal Register reports describing the progress and results of any contract entered into or grant made under this section.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 28. There are authorized to be appropriated to the Administrator for purposes of carrying out this Act (other than section 27 thereof) $11,100,000 for the fiscal year ending September 30, 1978, $10,100,000 for the fiscal year ending September 30, 1979, and $11,100,000 for the fiscal year ending September 30, 1980. No part of the funds appropriated under this section may be used to construct any research laboratories.

ANNUAL REPORT

SEC. 29. The Administrator shall prepare and submit to the President and the Congress on or before January 1, 1979, and on or before January 1 of each succeeding year a comprehensive report on the administration of this Act during the preceding fiscal year. Such report shall include—

(1) a list of the testing required under section 4 during the year for which the report is made and an estimate of the costs incurred during such year by the persons required to perform such tests;

(2) the number of notices received during such year under section 5, the number of such notices received during such year under such section for chemical substances subject to a section 4 rule, and a summary of any action taken during such year under section 5(g);

(3) a list of rules issued during such year under section 6;

(4) a list, with a brief statement of the issues, of completed or pending judicial actions under this Act during such year;

(5) a summary of major problems encountered in the administration of this Act; and

(6) such recommendations for additional legislation as the Administrator deems necessary to carry out the purposes of this Act.

EFFECTIVE DATE

SEC. 30. This Act shall take effect October 1, 1977.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there amendments to the remainder of the bill?

AMENDMENTS OFFERED BY MR. MOORE

Mr. MOORE. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. MOORE; Page 210, after line 3, add the following new section:

RULE REVIEW

SEC. 30. (a) Any rule prescribed pursuant to this Act by the Administrator may by resolution of either House of Congress be disapproved, in whole or in part, if such resolution of disapproval is adopted not later than the end of the first period of 60 calendar days when Congress is in session (whether or not continuous) which period begins on the date such rule is finally adopted by the Administrator, Secretary of the Treasury, or Secretary of Health, Education, and Welfare, as the case may be. The authority which prescribes a rule pursuant to this Act shall transmit such rule to each House of Congress immediately upon its final adoption. Upon adoption of such a resolution of disapproval by either House of Congress within such 60-day period, such rule, or part thereof, as the case may be, shall cease to be in effect.

(b) Congressional inaction on or rejection of a resolution of disapproval of a rule promulgation under this Act shall not be deemed an expression of approval of such rule.

Redesignate the succeeding section accordingly.

Page 103, insert after the item in the table of contents relating to section 29 the following new item:

SEC. 30. RULE REVIEW.

Redesignate the succeeding item accordingly.

Mr. MOORE. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MOORE. Mr. Chairman, one of the biggest problems today in the Federal Government operations is the massive regulatory power of the bureaucracy. Let us not forget that regulations have the full force and effect of law, and often go far beyond what we intend here in Congress, in the act we passed under which the regulations may be issued.

They are made by bureaucrats who are not elected and cannot even be readily removed, as many of them are employees of independent agencies and actually may well answer to no one, especially the people.

Our Government is an ingenuous one of checks and balances. We do have checks and balances for the three branches of Government, and we have had it for 200 years. But there has come upon us a fourth branch of Government, one for which we do not have any checks and balances. That fourth branch is the bureaucracy. We have no effective way today to undo an undesirable regulation, as the court will not touch a regulation if it is in fact legal. Congress itself is not going to pass a law to reverse a regulation as it is far too cumbersome to overturn every undesirable or oppressive regulation.

The fourth branch we have today of the bureaucracy was not contemplated by our Founding Fathers. Indeed, the first regulatory agency that appeared in this country did so after this country was well over 100 years old, in 1887, when the ICC was created. Today we have over 105,000 Federal bureaucrats, according to the Office of Management and Budget, cranking out regulations on every aspect of our lives, at a cost, according to the OMB, of $130 billion a year. But far more important is the cost of our personal freedom infringed upon by the issuance of every regulation. I point out to my colleagues that this is being done without any effective checks or balances of this great power of the rulemaking agencies. I point out to my colleagues that this problem is not just going to go away. It is not one that we can sit here and make speeches about and go home and say, "Yes, bureaucracy is a terrible thing but there is nothing I can do about it." We can do something here and now with the passage of this amendment.

In the last 15 years this Congress created 236 different rulemaking agencies, while disbanding only 21. Today the number of agencies, bureaucrats, rules and regulations are growing at an alarming rate. This problem is becoming more acute. It is not going away. The people, rightfully, want us to do something now to correct this imbalance of power. It is a very real, a very legitimate campaign issue, which we must address.

Some 10,000 people responded so far to my latest questionnaire sent out last month, and 80 percent of the people responding heartily support this proposal. They fear today the very real excessive and unchecked power of regulatory agencies, they feel a loss of personal freedom and they feel a frustration, as they know that nothing is currently being done to check this power. As one of my constituents put it, when he answered the questionnaire, "We often could live better with the problem than we can with the Federal Government's solution to it."

This amendment is not a cure-all solution, but it is a tool with which we can begin to solve this problem. It will help check the imbalance of power by giving either House of Congress at long last, as one of the three legitimate branches of Government, a veto over any rule or regulation issued under this bill by the bureaucracy. It will begin to bring into balance this out-of-balance power of the bureaucracy.

This House during the 94th Congress has already eight times accepted this same amendment to eight other bills. This House has not rejected it once. I will also point out that this is very similar to the Administrative Rulemaking Reform Act (H.R. 12048) which has been reported from the Committee on the Judiciary, and is now pending before the Committee on Rules, which we all hope will soon grant a rule.

According to the Library of Congress, there are 19 other provisions such as this that are currently existing in law, some going back as far as 1946.

I feel very strongly that this amendment should be adopted, to give protection the awesome powers of this bill and more importantly protection from the rulemaking powers of the bureaucracy. We must protect our people from any further loss of personal freedom and to bring into check this out-of-balance power.

Mr. ECKHARDT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we are considering one of the most important issues that has been raised here. I would like to say that if we should vote favorably for this amendment, we would put into this bill precisely the same provision that was the expressed reason and the only reason for the veto of the Pesticide and Rodenticide Act by the President the other day.

There may be many Members who disagree with me with respect to the desirability of attaching a yo-yo string to legislative authority. I have always been against that, and in this respect I agree with the President's objection in his veto message. Indeed the attachment of a yo-yo string which may pull back authority by legislative veto has exactly the opposite effect that many of my colleagues think it has. It tends to make Congress grant more irresponsible authority because we feel we can pull it back when in fact we cannot.

But if Members believe in principle in this type of review, in this type of mixing of legislative with executive authority, if Members believe in this retention of a qualified power to change a law after it is enacted, I believe they should nevertheless vote against this amendment in this particular case, because this amendment requires legislative review of every type of rule that is finally adopted by the Administrator, by the Secretary of the Treasury, or by the Secretary of the Department of Health, Education, and Welfare. This includes a testing rule under which the only thing the Administrator has done is to say that "This chemical poses a threat to humans or to the environment, and we think it ought to be tested."

A chemical company that does not want to have it tested, a company that does not want to submit it to testing, then could come up to Congress and lobby before Congress to reject the testing rule. Now, are we not in a fine position to review the question of whether or not testing should be had? And, of course, the EPA has authority in some instances to say that "We want this kind of testing." Should we come in and second-guess the agency and say that we want another kind of testing?

The second review is with respect to a ban under section 6 if ultimately a chemical is found to be dangerous such as PCB. We had this argument, and nearly all the Members voted to ban PCB's legislatively after a given period of time. But would we permit some person or some industry that thinks something similar to PCB's, like PBB's are not dangerous to come in and lobby before Congress to reverse a rule?

It seems to me that if we provide for a congressional veto in this instance we are inviting every large chemical manufacturer in the country to come in and ask us to veto an administrative act. Why should we encumber ourselves with this kind of provision?

We have been talking here about little business. Who is going to have the money to come up here and lobby for a change, for an amelioration, or for a removal of the limitation with respect to a chemical? Is a little business going to have the money to do that?

When we delegate authority, we ought to delegate it in restricted fields, as we have done in this bill. When we are dealing with a ban, we ought to give full due process, as we have done in this bill. When we are considering prohibiting a person from putting a product that he manufactures on the market, we should permit him to have the opportunity of cross-examination; he should be allowed to cross-examine with respect to the rule, and we have done that here.

But let us not make this a political matter that can be later raised by anyone who has the clout to change the legislative process.

Mr. BROYHILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ordinarily agree with amendments that are similar to that offered by the gentleman from Louisiana (Mr. MOORE). In fact, I have cosponsored legislation which would require the agencies to submit the rules which subject individuals to criminal penalties and to submit those rules and regulations to Congress for a period of time for review.

However, Mr. Chairman, this amendment actually goes far beyond the terms of that bill. Under this amendment, even nonsubstantial rules, rules of just ordinary procedure of the agency to guide people in their access to the agency, would be subject to this amendment.

I also would point out that there are some very technical rules that are going to come about as a result of section 4. Particularly, these are the rules of the agency which spell out what kind of tests are going to be required on these various chemicals.

Mr. Chairman, I just do not think that the Congress has the expertise to be making these judgments on technical subjects like this.

Furthermore, Mr. Chairman, under this amendment there is no guarantee that the Congress would act. There is no procedure spelled out in this amendment that would require the consideration of these rules by Congress. What I am saying, Mr. Chairman, is that, in considering the way in which this amendment is written, it is reasonable to assume that all of the rules that would be submitted pursuant to this amendment would lie in the committee; and no action will be taken by the Congress. There is no procedure spelled out in this amendment which gives the right to a Member to discharge a committee, for example, from further consideration of that rule or regulation.

For these reasons, Mr. Chairman, I ask that this amendment be rejected. Let us consider this subject in the bill which has been cosponsored by close to 200 Members, which I understand is now pending before the Committee on Rules; and let us consider this idea of congressional review of rules and regulations in one bill under which we can debate the merits of the legislation and not do it piecemeal in this way.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from North Carolina (Mr. BROYHILL), as well as with the remarks of the gentleman from Texas (Mr. ECKHARDT).

It seems to me that this is an abdication of the legislative process when we, on a blanket basis like this and without consideration of distinctions between different types of rules and rulemaking situations, would have every one come back to the Congress. We would soon find that we were utterly incapable of coping with the flood and would have to triple the size of our committee staffs if we were to handle it in a proper manner.

Mr. BROYHILL. Mr. Chairman, let me comment. I do not personally go all the way along with the argument of the gentleman from Ohio (Mr. SEIBERLING). I am just speaking in opposition to this particular amendment.

As I pointed out, Mr. Chairman, I have cosponsored legislation which would apply to those rules which would subject the individual to a criminal penalty. This amendment goes far beyond that. This would apply to any rule.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield further, I thought that was a particularly good distinction which the gentleman from North Carolina (Mr. BROYHILL) made, and I simply wanted to commend him and associate myself with his remarks.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think one thing ought to be pointed out: It was said that we never rejected these matters.

I think, as the gentleman has indicated, we need to consider them individually. We have rejected such an amendment on the Coal Leasing Act.

Each bill raises a different question and makes out a different case. I think the gentleman has very clearly distinguished this case from any of the others in which we have adopted such an amendment.

Mr. MARTIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to commend the gentleman from Louisiana (Mr. MOORE) for his timely amendment, the arguments of the gentleman from North Carolina (Mr. BROYHILL) and the gentleman from Texas (Mr. ECKHARDT) to the contrary notwithstanding.

Mr. Chairman, in 1771, over 200 years ago, a group of North Carolina farmers, ironically calling themselves regulators, set out to oppose excessive control by the King's agents. Today our people resent those people who are contemporary regulators. It is time, regardless of the opinion of the executive branch, to limit our regulatory agencies, to hold them accountable—in other words, to regulate the regulators.

Congress will respond under this amendment offered by the gentleman from Louisiana (Mr. MOORE) only where the cost of the regulators clearly exceeds the benefits.

It seems to me we would reserve the authority to make that judgment. The executive branch should not be allowed to enlarge its power without being subject to elective authority. If we in the Congress are indeed wise enough to judge the necessity to create such an agency as is being proposed here today to regulate the chemical industry, it again seems to me we should need the right to review those regulations and reject them where they exceed our intent.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding to me. From some of the comments by my colleagues who oppose this amendment they would leave the impression that Congress is mandated to review every single rule issued, and that is not the case. We merely can take up the ones that our appropriate committees think should be taken up, or that we feel are excessive. Is that correct?

Mr. MARTIN. That would be the way it would work out, I can assure the gentleman from California.

Mr. ROUSSELOT. So that there is no demand that we absolutely take up every new rule * * * it merely gives us a reviewing procedure. As the gentleman from Louisiana (Mr. MOORE) has wisely tried to provide in his amendment, it gives a veto capability to the Congress that we have needed for some time. Because, unfortunately, so many of our regulatory agencies assume powers by implementing rules which we never intended in original legislation.

I think this would be an excellent practice. I think that 60 days is more than adequate time for our committees to take a hardnosed look at many of these rules and regulations.

Again I compliment the gentleman from North Carolina (Mr. MARTIN) and my colleague, the gentleman from Louisiana (Mr. MOORE). We have voted on this amendment many times although I have noticed that my colleague, the gentleman from Louisiana (Mr. MOORE) has very carefully worded this amendment to make sure that it does not create any legal problems. I compliment both of my colleagues for offering this important amendment.

Mr. MARTIN. Mr. Chairman, I thank the gentleman for his observations. Over the past 15 years it has become the practice of Congress to create agency after agency and charging it to "Go ye forth into ye streets and do ye thing." These agencies have proceeded to do just that, without restraint from any elected officials, and they themselves are not elected and are not accountable for their actions. It is high time for such an amendment as this and other amendments that I have seen to enable the Congress to reserve that authority to review the regulators and give them timely guidance.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. I think the amendment is even more important because this bill affects so many small chemical businesses. The rulemaking power provided in this legislation is very substantial. It is important that the Congress give itself the chance to review this rulemaking power.

Again I congratulate my two colleagues for bringing this amendment before the House.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise hopefully so as to close the debate.

Mr. Chairman, the President vetoed earlier this month the Pesticide Control Act amendments because of an amendment similar to that of the gentleman from Louisiana.

My colleague, the gentleman from Louisiana (Mr. MOORE) has offered his amendment in good faith and I can know and understand the reason surrounding it. But I think the way to approach legislating properly is the way we have done in this bill, and that is to get guidelines for the agency regarding the hearing process.

As a consequence, Mr. Chairman, I would ask that the committee reject this amendment.

Mr. ROUSSELOT. Mr. Chairman, would the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding. I would ask the gentleman from New York, is there any great harm in the Congress taking the prerogative of review? Does the gentleman see any great damage that would be done to the congressional process for us to assume our responsibilities of reviewing what agencies have done under the rulemaking process? Is that harmful?

Mr. MURPHY of New York. I think we have the resolution and the joint resolution route if we want to veto the Administrator's actions. And we have oversight responsibilities. As the Members know, at the beginning of this Congress the majority caucus adopted a resolution to broaden the oversight function of Congress for just the reason the gentleman has stated.

Mr. ROUSSELOT. Will the gentleman yield further?

Mr. MURPHY of New York. I am happy to yield to the gentleman.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I am not suggesting that we should stop the congressional oversight process. I think that is terribly important. But related to that oversight process, we ought to make sure that agencies do not engage in rulemaking that goes either beyond the legislative intent or maybe has not been properly thought out. Four hundred thirty-five Members of this body hear from their constitutents very regularly on this problem of arbitrary rulemaking. They also hear from those affected by legislation we pass. So is the gentleman really agreeing with me that there is no great harm in this amendment?

Mr. MURPHY of New York. I would say the harm is this: This Congress has worked 2 years, the previous Congress 2 years, and the Congress before that 2 years, to try to bring out a Toxic Substances Control Act to protect the health and the environment of Americans. We can see that we can be vetoed after we have worked these 6 years because of amendments such as this. I think to obviate that possibility we have written the regulatory rules so that the Environmental Protection Administrator can bring forth proper rules. Accordingly I would ask that the committee defeat the amendment.

Mr. KETCHUM. Mr. Chairman, since regulatory reform has become the name of the 1976 game, the opportunity once again arises for us to demonstrate our devotion to this cause. There is no doubt that this catchy slogan has great appeal, but there has been doubt in the minds of many as to whether or not those who bandied it about meant to follow through on their promise. This is not the circumstance under which we offer this amendment to the Toxic Substances Control Act. We have had ample occasion during the past several months to debate the merits of the "Congressional veto"—successfully adopting such language to EPA's R. & D. bill, to the ERDA authorization bill, FEA legislation, the Federal Water Pollution Control Act, the Outer Continental Shelf Act Amendments, and as recently as July 28, to the Mine Safety and Health Act. Some of my colleagues have termed this "faddish success," I say it's the first real reform to emerge from this phony reform Congress.

This amendment requires that all of EPA's rule and regulation changes made pursuant to this act receive a Congressional OK—in the form of a resolution by either House of Congress—prior to implementation. If we are ever to stem the tide of unnecessary and onerous Federal regulations being promulgated by the independent agencies, if we are ever to reassert our vital role of congressional oversight, we must begin here. The bill from which this amendment language was borrowed—the Administrative Rulemaking Reform Act—H.R. 12048—is a commendable piece of legislation, but this country cannot continue to suffer the burden of overregulation until Congress gets around to considering this legislative remedy. The House Committee on the Judiciary has favorably reported the bill, but we still await action by the Committee on Rules.

Opponents of the congressional veto contend that Congress does not have the adequate technical and specialized expertise with which to deal with complex chemicals and their use. This reaction begs the real point of a legislative veto. This amendment merely provides the most meaningful and direct avenue for the public to be able to say "no" to improper controls the Federal Government places upon the chemical industry. This country cannot afford a repetition of the fire ant and DDT episodes, without placing our food supply in serious jeopardy. Congressional review of administrative rules with the means of legislative veto is vitally necessary. I respectfully request that my colleagues go on record as favoring responsible regulatory reform through the adoption of this amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Louisiana (Mr. Moore).

The question was taken; and on a division (demanded by Mr. Moore) there were—ayes 19, noes 41.

Mr. MOORE. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 642]

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Archer
Aspin
AuCoin
Badillo
Baldus
Beard, Tenn.
Bolling
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burton, John
Burton, Phillip
Cederberg
Chappell
Chisholm
Clay
Collins, Ill.
Conlan
Conyers
Corman
de la Garza
Derrick
Diggs
Dingell
Drinan
du Pont
Esch
Eshleman
Evins, Tenn.
Fish
Flynt
Green
Hanley
Hansen
Harsha
Hays, Ohio
Hébert
Heinz
Henderson
Hinshaw
Holland
Holt
Howe
Jacobs
Jarman
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Karth
Landrum
Lehman
McKinney
Mathis
Meeds
Mikva
Mink
Moorhead, Pa.
Moss
Passman
Peyser
Pike
Pressler
Randall
Rangel
Rees
Riegle
Risenhoover
Roncalio
Russo
Santini
Scheuer
Schneebeli
Sikes
Sisk
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Stuckey
Sullivan
Symington
Teague
Van Deerlin
Waxman
Wilson, C. H.
Winn
Young, Alaska
Young, Ga.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Mann, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 14032, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 336 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to the spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On August 6, 1976:

H.R. 1558. An act for the relief of Doctor Gernot M. R. Winkler.

On August 9, 1976:

H.R. 1762. An act for the relief of Mrs. Lessie Edwards; and

H.R. 14233. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending September 30, 1977, and for other purposes.

On August 10, 1976:

H.R. 14514. An act to permit a State which no longer qualifies for hold harmless treatment under the supplemental security income program to elect to remain a food stamp cashout State upon condition that it pass through a part of the 1976 cost-of-living increase in SSI benefits and all of any subsequent increases in such benefits.

On August 12, 1976:

H.R. 5360. An act to increase benefits provided to American civilian internees in Southeast Asia.

On August 14, 1976:

H.J. Res. 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California;

H.R. 1394. An act for the relief of Suk Chin and Hae Suk Chin;

H.R. 1395. An act for the relief of Mee Kyung Cho and Hee Kyung Cho;

H.R. 1396. An act for the relief of Sang Kook Chung and Hwa Soon Chung;

H.R. 1397. An act for the relief of Ae Sook Song and Mi Yun Lee;

H.R. 1425. An act for the relief of Juliet Elizabeth Tozzi;

H.R. 1507. An act for the relief of Marisa Marzano;

H.R. 1645. An act for the relief of Kevin Patrick Saunders;

H.R. 2118. An act for the relief of Cheryl Lynn V. Camacho;

H.R. 2278. An act for the relief of Mrs. Mary Saxton (Mary Nuku);

H.R. 2399. An act for the relief of Leonard Alfred Brownrigg;

H.R. 2411. An act for the relief of Alinor Anvari Adams;

H.R. 2495. An act for the relief of Miss Malgorzata Kuzniaek Czapowski;

H.R. 2502. An act for the relief of Peter Olav Mesikepp;

H.R. 2565. An act for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes;

H.R. 2940. An act for the relief of Maria Sylvia Macias Elliott;

H.R. 2941. An act for the relief of Susan Rosemary Harwood;

H.R. 3372. An act for the relief of Tze Tsun Li;

H.R. 4053. An act for the relief of Roderic Patrick Stafford;

H.R. 5052. An act for the relief of Yolanda E. Vez;

H.R. 5500. An act for the relief of Rafael Strochlitz Wurzel;

H.R. 5648. An act for the relief of Violetta Cebreros;

H.R. 6093. An act for the relief of Maria D'Arpino;

H.R. 6392. An act for the relief of Koviljka C. Clendeden;

H.R. 6687. An act for the relief of Doo Hoon Park;

H.R. 7404. An act for the relief of Christine Donnelly;

H.R. 7494. An act for the relief of Luigi Santaniello;

H.R. 7882. An act for the relief of Miss Leonor Young;

H.R. 7908. An act for the relief of Edward Drag;

H.R. 8557. An act for the relief of Carmen Thomas;

H.R. 8695. An act for the relief of Eugene Homsy Phillips;

H.R. 10076. An act for the relief of Mrs. Kazuko Scillion;

H.R. 11076. An act for the relief of Ok Ja Choi;

H.R. 12169. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such Act; to provide an incentive for domestic production; to provide for electric utility rate design initiatives; to provide for energy conservation standards for new buildings; to provide for energy conservation assistance for existing buildings and industrial plants; and for other purposes;

H.R. 13121. An act to direct the Law Revision Counsel to prepare and publish the District of Columbia Code through publication of supplement V to the 1973 edition, with the Council of the District of Columbia to be responsible for preparation and publication of such Code thereafter; and

H.R. 14234. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

On August 19, 1976:

H.R. 1402. An act for the relief of John W. Hollis;

H.R. 5752. An act for the relief of Lucie Stein;

H.R. 6156. An act for the relief of Walma T. Thompson;

H.R. 7896. An act to amend sections 2734a (a) and 2734b(a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the armed forces, and for other purposes;

H.R. 9414. An act for the relief of TV Facts, Rochester, N.Y.;

H.R. 9965. An act for the relief of Boulder Daily Camera, Boulder, Colo.;

H.R. 10374. An act to amend section 2301 of title 44, United States Code, to change the membership of the National Archives Trust Fund Board; and

H.R. 13359. An act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes.

The SPEAKER. The committee will resume its sitting.

TOXIC SUBSTANCES CONTROL ACT

The Committee resumed its sitting.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Louisiana (Mr. Moore) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 157, not voting 64, as follows:

[Roll No. 643]

AYES—210

Alexander
Allen
Ambro
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Blanchard
Blouin
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Butler
Carr
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Devine
Dickinson
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Tenn.
Edgar
Emery
English
Erlenborn
Evans, Ind.
Findley
Fish
Fithian
Flowers
Flynt
Ford, Mich.
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hannaford
Hansen
Harkin
Harsha
Hechler, W. Va.
Hefner
Hightower
Hillis
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Melcher
Milford
Miller, Ohio
Mills
Mineta
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
O'Brien
O'Hara
Paul
Pettis
Pickle
Pike
Poage
Pressler
Pritchard
Quie
Railsback
Regula
Roberts
Robinson
Roe
Roush
Rousselot
Runnèls
Ruppe
St Germain
Sarasin
Satterfield
Schroeder
Schulze
Sharp
Shipley
Shuster
Sikes
Smith, Iowa
Snyder
Spence
Steed
Stephens
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Teague
Thornton
Traxler
Treen
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wirth
Wolff
Wright
Wydler
Wylie
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOES—157

Addabbo
Annunzio
Ashley
Bedell
Bergland
Biester
Bingham
Boland
Bonker
Brademas
Brodhead
Brooks
Broyhill
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carter
Clay
Collins, Ill.
Conable
Conte
Cornell
Danielson
Delaney
Dellums
Dent
Derwinski
Diggs
Dingell
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Evans, Colo.
Fary
Fascell
Fenwick
Fisher
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fraser
Giaimo
Gibbons
Gonzalez
Gude
Harrington
Harris
Hawkins
Hayes, Ind.
Heckler, Mass.
Helstoski
Hicks
Holtzman
Horton
Howard
Jordan
Kastenmeier
Koch
Leggett
Long, Md.
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
Madden
Maguire
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Minish
Mitchell, Md.
Moakley
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Nix
Nolan
Nowak
Oberstar
Obey
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Preyer
Price
Quillen
Rangel
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Ryan
Sarbanes
Scheuer
Schneebeli
Sebelius
Seiberling
Shriver
Simon
Skubitz
Slack
Smith, Nebr.
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Studds
Taylor, N.C.
Thompson
Thone
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Weaver
Whalen
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Yates
Yatron

NOT VOTING—64

Abdnor
Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Aspin
AuCoin
Badillo
Baldus
Bolling
Brown, Calif.
Brown, Mich.
Burke, Calif.
Chappell
Chisholm
Conlan
Conyers
Corman
de la Garza
Derrick
du Pont
Esch
Eshleman
Evins, Tenn.
Green
Hanley
Hays, Ohio
Hébert
Heinz
Henderson
Hinshaw
Holland
Holt
Howe
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Karth
Lehman
Lundine
McKinney
Meeds
Mink
Moorhead, Pa.
Moss
Passman
Peyser
Randall
Rees
Riegle
Risenhoover
Roncalio
Russo
Santini
Sisk
Steelman
Steiger, Ariz.
Sullivan
Symington
Van Deerlin
Waxman
Wilson, C. H.
Young, Alaska
Young, Ga.

Mr. HEFNER changed his vote from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MAGUIRE

Mr. MAGUIRE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAGUIRE: Page 208, insert after line 19 the following:

STATE PROGRAMS

SEC. 28. (a) For the purpose of complementing (but not reducing) the authority of, or actions taken by, the Administrator under this Act, the Administrator may make grants to States for the establishment and operation of programs to prevent or eliminate unreasonable risks within the States to health or the environment which are associated with a chemical substance or mixture and with respect to which the Administrator is unable to take action under this Act for their prevention or elimination. The amount of a grant under this subsection shall be determined by the Administrator, except that no grant for any State program may exceed 75 per centum of the establishment and operation costs (as determined by the Administrator) of such program during the period for which the grant is made.

(b) (1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Administrator. Such an application shall be submitted in such form and manner as the Administrator may require and shall—

(A) set forth the need of the applicant for a grant under subsection (a),

(B) identify the agency or agencies of the State which shall establish or operate, or both, the program for which the application is submitted,

(C) describe the actions proposed to be taken under such program,

(D) contain or be supported by assurances satisfactory to the Administrator that such program shall, to the extent feasible, be integrated with other programs of the applicant for environmental and public health protection,

(E) provide for the making of such reports and evaluations as the Administrator may require, and

(F) contain such other information as the Administrator may prescribe.

(2) The Administrator may approve an application submitted in accordance with paragraph (1) only if the applicant has established to the satisfaction of the Administrator a priority need, as determined under rules of the Administrator, for the grant for which the application has been submitted. Such rules shall take into consideration the seriousness of the health effects in a State which are associated with chemical substances or mixtures, including cancer, birth defects, and gene mutations, the extent of the exposure in a State of human beings and the environment to chemical substances and mixtures, and the extent to which chemical substances and mixtures are manufactured, processed, used, and disposed of in a State.

(c) Not later than six months after the end of each of the fiscal years 1979, 1980, and 1981, the Administrator shall submit to the Congress a report respecting the programs assisted by grants under subsection (a) in the preceding fiscal year and the extent to which the Administrator has disseminated information respecting such programs.

(d) For the purpose of making grants under subsection (a) there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1978, $1,000,000 for the fiscal year ending September 30, 1979, and $1,000,000 for the fiscal year ending September 30, 1980. Sums appropriated under this subsection shall remain available until expended.

Page 208, line 23, strike out "section 27" and insert in lieu thereof "sections 27 and 28".

Redesignate the succeeding sections accordingly.

Page 103, insert in the table of contents after the item relating to section 27 the following new item:

SEC. 28. State programs.

Redesignate the succeeding items in the table of contents accordingly.

Mr. MAGUIRE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MAGUIRE. Mr. Chairman, I support this landmark legislation and rise to offer an amendment which would provide financial assistance to selected States to complement and augment the EPA efforts authorized under this bill.

My amendment will give the Administrator of EPA the authority to make grants to selected States, with severe problems related to toxic chemicals, like New Jersey, to cover up to 75 percent of the costs of establishing and operating programs to prevent or eliminate unreasonable risks in the States to health or the environment associated with chemical substances or mixtures. The grant money is earmarked for use in ways which will complement the activities already underway or being planned by EPA for the implementation of this act and for activities which the Administrator is unable to undertake, because of inadequate resources or other higher priorities. It is not intended to, and will not replace, EPA's authority to require reporting, testing, or any other of the authorities given in this act.

We have before us a formidable challenge—to take stock of the chemical substances and mixtures now present in the environment and to undertake, in an equitable manner, the task of determining which substances may pose an unreasonable risk. It is a job so great that the Federal Government cannot be expected to handle it alone. The leadership in this effort properly belongs with the Federal Government but the States too will play an important role in the process.

Under this amendment assistance for programs, in selected States most heavily impacted by chemical pollution problems, will support further innovation and expansion on the existing body of knowledge in this field. The implications are significant for the chemical industry and the Nation. Teamwork of State and Federal Governments in tackling the problem of chemical pollution should ultimately prove more efficient for meeting the purposes of this act and could help to minimize the burden on industry in submitting information and data which will be required of them by this act.

This amendment gives the Administrator the authority to establish rules for evaluating applications for grant assistance. These rules shall take into consideration three basic criteria for determining priority need; first, the seriousness of health effects associated with chemical substances and mixtures including cancer, birth defects and gene mutations; second, the extent of exposure of human beings and the environment in a State to chemical substances and mixtures; and third, the extent to which chemical substances and mixtures are manufactured, processed, used and disposed of within a State. By these criteria we can be assured that a State receiving this assistance has an immediate need and that their experience in developing management procedures and multimedia monitoring and inventorying procedures will bolster EPA's efforts in building a nationwide approach for assessing the impact of chemical pollution on the public health and the environment.

Concern has been expressed that this provision might represent a "foot in the door" whereby the Environmental Protection Agency might take advantage of the grant program to pass some of its testing, monitoring, and enforcement responsibilities on to State agencies. This amendment has been carefully drafted to explicitly eliminate such a possibility.

I have discussed my amendment with the floor manager, Chairman MURPHY, and with the majority and minority sponsors and I understand that it is acceptable to them. I would like to add that a similar amendment, sponsored by Senators WILLIAMS and CASE, was accepted in the Senate version of the toxic substances bill.

My colleagues from New Jersey (Mr. FLORIO and Mr. RINALDO) join me in urging that this amendment be unanimously adopted.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

I want to compliment my colleague, the gentleman from New Jersey, on a well-thought-out amendment. It does perfect the bill. Some States do have a concentration of chemical industry within the confines of those States. This amendment would permit grants to be given to those States to protect themselves. I think the amendment supplements the legislation, and I will agree to the amendment.

Mr. MAGUIRE. I thank the gentleman.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I thank the gentleman for yielding.

I understand this is only a 3-year program as envisioned in the bill?

Mr. MAGUIRE. That is correct. The amendment is for 3 years.

Mr. BROYHILL. For 3 years?

Mr. MAGUIRE. For 3 years; that is correct.

Mr. BROYHILL. There are only 3 years of authorization; it is not an unlimited authorization?

Mr. MAGUIRE. The gentleman is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. MAGUIRE).

The amendment was agreed to.

AMENDMENTS OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mrs. FENWICK: Page 205, line 10, after "(b) FEES.—" and insert "(1)".

Page 205, line 14, after "$2,500" insert "or, in the case of a small business concern, any fee in excess of $100.00".

Page 205, after line 19, insert the following:

(2) The Administrator, after consultation with the Administrator of the Small Business Administration, shall by rule prescribe standards for determining the persons which qualify as small business concerns for purposes of this subsection.

Mrs. FENWICK. Mr. Chairman, I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. FENWICK. Mr. Chairman, I will not take the time of the House. These are small, simple amendments merely to make it possible for small businesses for which the $2,500 fee is a very grave difficulty. They are applied to persons required to submit data under sections 4 and 5 on request of the Administrator, and the $2,500 fee maximum is impossible particularly if there is more than one substance to be tested.

Mr. McCOLLISTER. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. I thank the gentlewoman for yielding.

I commend the gentlewoman on her amendments and support them.

Mrs. FENWICK. I thank the gentleman.

Mr. MURPHY of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentlewoman for yielding.

The gentlewoman states the case previously debated on protection for small business. It was inherent in the committee's intent in this legislation. We thank her for clarifying these amendments, and we will be happy to accept them.

Mrs. FENWICK. I thank the gentleman.

Mr. NOLAN. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Minnesota.

Mr. NOLAN. I thank the gentlewoman for yielding.

I commend the gentlewoman for her amendments, and urge their adoption.

Mr. Chairman, I rise in support of the amendments. The $2,500 filing fee would work a severe hardship on small business enterprises who manufacture chemicals.

Many small manufacturers thrive on limited-volume specialty products. These chemicals are often produced in quantities as small as 2,000 pounds per year. This compares with the thousands of tons which some of the large manufacturers produce.

In addition, small companies often manufacture hundreds of these limited-volume chemicals. One Midwest company, for example, handles 1,000 different chemicals. Others produce an average of 200 or 300 chemical products. To impose repeated filing fees on these companies is destructive, unfair and unnecessary.

Proponents of the bill proudly point to its endorsement by 186 manufacturers who produce 90 percent of our chemicals. This amendment is designed to protect the 11,000 small businesses who produce the other 10 percent. Du Pont with $5 billion in yearly sales or Union Carbide with $3.5 can afford a $2,500 filing fee. But a small manufacturer with a few million dollars in sales will not long survive a series of hefty filing fees.

Mr. Chairman, I believe these amendments are worthy of support and I strongly urge my colleagues to adopt them.

Mrs. FENWICK. I thank the gentleman also for his endorsement and encouragement.

Mr. MAGUIRE. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentlewoman for yielding.

I commend the gentlewoman on her amendments. My colleague, the gentlewoman from New Jersey, has improved the bill in this respect, and I hope the amendments will be accepted.

Mrs. FENWICK. I thank my colleague for his comments.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from New Jersey (Mrs. FENWICK).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. HECHLER OF WEST VIRGINIA

Mr. HECHLER of West Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HECHLER of West Virginia: On page 208, between lines 19 and 20, insert the following new section:

"SUNSHINE IN GOVERNMENT

"SEC. 28. (a) Each officer or employee of the Administrator and the Secretary of Health, Education and Welfare who—

"(1) performs any function or duty under this Act; and

"(2) has any known financial interest (A) in any person subject to this Act, or (B) in any person who applies for or receives any grant, contract, or other form of financial assistance pursuant to this Act;

"shall, beginning on February 1, 1977, annually file with the Administrator or the Secretary of Health, Education and Welfare, as appropriate, a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

"(b) The Administrator and said Secretary shall—

"(1) act within ninety days after the date of enactment of this Act—

"(A) to define the term 'known financial interest' for purposes of subsection (a) of this section; and

"(B) to establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator and said Secretary of such statements; and

"(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

"(c) In the rules prescribed in subsection (b) of this section, the Administrator and said Secretary may identify specific positions within the appropriate agency which are of a nonregulatory or nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirementts of this section.

"(d) Any officer or employee who is subject to, and knowingly violates, this section or any regulation issued thereunder, shall be fined not more than $2,500 or imprisoned not more than one year, or both."

Renumbered the succeeding sections.

Mr. HECHLER of West Virginia (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER of West Virginia. Mr. Chairman, I have a "Sunshine in Government" amendment to H.R. 14032, as reported, at the desk which is printed in the August 9, 1976 RECORD at page 26470. The amendment adds a new section 28 and succeeding sections.

Mr. Chairman, the purpose of this amendment is to bring more sunshine into Government. It is the same provision which the Congress adopted last December for the Federal Energy Administration and some of the employees of the Interior Department administering Public Law 94–163—the Energy Policy and Conservation Act. On May 20, 1976, the House adopted this provision for ERDA employees in H.R. 13350, which authorized appropriations for fiscal year 1977 for ERDA. Earlier this year, the House added it to H.R. 8560 for employees of Interior administering the Outer Continental Shelf leasing program and to H.R. 9560 for EPA employees administering the water pollution program. The House also added it to H.R. 1377, the public lands bill, for employees of Interior and to H.R. 13555, the mine health and safety bill, for Interior, HEW, and Labor employees. It was also added to H.R. 88401, the nuclear assurance bill, for ERDA employees. In addition, it is included in H.R. 12112, as reported by three committees, including the Interstate and Foreign Commerce Committee, for ERDA employees and in H.R. 14496 for EPA employees.

My amendment requires officers and employees of the agencies who perform any function under the Toxic Substances Act to file annually statements of any known financial interest in the persons subject to this bill or who receive financial assistance under the bill. Such statements would be available to the public and would have to be reviewed by EPA. Positions within EPA that are of a nonregulatory or nonpolicymaking nature could be exempted from this requirement by the Administrator.

The amendment does not prevent any employee from having such interests. It merely requires that they disclose such interests. It does not apply to consultants.

Currently, EPA and other Federal agencies require their employees who are at the GS–13 level or above and in a decisionmaking position to file financial interest statements which are not available to the public. This requirement is not based on any statutory provision but on a 1965 Executive Order No. 11222 and Civil Service Commission regulations. But the Executive order and regulations do not have any teeth. My amendment does.

Moreover, in a series of reports on the effectiveness of the financial disclosure system for agency employees, the GAO has found "deficiencies" in the system at Interior and several agencies, including in the collection and timely review of such statements, and the resolution of problems associated with the statements. In a March 3, 1975, report, the GAO said:

> Many USGS employees have financial interests which appear to conflict with their Government duties. Many of these holdings violate the Organic Act of 1879. We believe that the ownership of these conflicting interests is due to deficiencies in the Department's financial disclosure system and that they will have to be corrected to prevent the situation that now exists from continuing.
>
> To improve the effectiveness of the USGS financial disclosure system, we recommend that the Secretary of the Interior:
>
> Review, and take remedial action on, the financial interests of USGS officials which raise conflict of interest possibilities or violate the Organic Act.
>
> Prepare, keep current, and issue to USGS personnel specific guidelines, including a list of prohibited securities, concerning financial interests which may violate the Organic Act.
>
> Require the Bureau Counselor to strictly adhere to the restrictions imposed on USGS employees by the Organic Act.
>
> Insure that adequately trained and experienced personnel, who are knowledgeable of employees' duties and potential conflicts of interest, are appointed to counsel employees and review financial disclosure statements.
>
> Insure that officials responsible for reviewing financial disclosure statements are given specific guidelines and reference manuals to enable them to adequately evaluate the statements.
>
> Require reviewing officers to sign and date the financial disclosure statements to indicate they have reviewed them and determined that the financial interests do not violate the Organic Act or raise conflict of interest possibilities.
>
> Require the USGS Counselor to report the results of the annual financial disclosure review to the Department and to note any financial interests questioned and any remedial action taken.
>
> Establish procedures for periodically reviewing financial disclosure statements to insure that Bureau Counselors adequately enforce conflict of interest regulations.

In a later report of December 1975, the GAO said that Interior was taking steps to improve the situation but the GAO said there were 1,435 additional employees who should file statements, of which 1,000 were below the GS–13 level.

The GAO made similar findings in eight other studies since late 1974.

My amendment makes it clear that the Administrator of EPA must periodically look at the positions to determine who should file and not base his decision on the grade level of the employee. It also mandates annual filing by the affected employee and review by the agency and provides criminal penalties for knowing violation. Adequate provision is made for the Administrator to define what a "known financial interest" is. Indeed, as example of such a definition, Interior published proposed regulations defining this term on March 22, 1976, for the purposes of Public Law 94–163. That definition, which is not yet finalized, of course, is as follows:

> Any pecuniary interest of which an officer or employee is cognizant or of which he can reasonably be expected to have knowledge. This includes pecuniary interest in any person engaged in the business of exploring, developing, producing, refining, transporting by pipeline or distributing (other than at the retail level) coal, natural gas, or petroleum products, or in property from which coal, natural gas, or crude oil is commercially produced. This further includes the right to occupy or use the aforesaid business or property, or to take any benefits therefrom based upon a lease or rental agreement, or upon any formal or informal contract with a person who has such an interest where the business arrangement from which the benefit is derived or expected to be derived has been entered into between the parties or their agents. With respect to officers or employees who are beneficiaries of "blind trusts," the disclosure is required only of interests that are initially committed to the blind trust, not of interests thereafter acquired of which the employee or officer has no actual knowledge.

Finally, the regulations would be expected to make it clear that public disclosure of financial statements shall be only for lawful purposes. A violation of this requirement is subject to criminal prosecution.

I urge adoption of my amendment.

Mr. MURPHY of New York. Mr. Chairman, if my colleague will yield, I think this is a worthy and constructive amendment. It would certainly prevent conflicts of interest or even allegations of conflicts of interest. The committee would be happy to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. HECHLER).

The amendment was agreed to.

Mr. DEVINE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to pending legislation. I would like to have the Members read and to pay attention to the minority views which appear on page 139 of the report. I will not enlarge on them due to the lateness of the hour.

Also I would like to point out that the administration opposes this legislation as it is now being considered. It objects to the requirement for the premarket notification on all new chemical substances, the reporting requirements on substances prior to manufacture, and the bill's unnecessarily broad definition for requiring testing of chemical substances.

I might add further that the adoption of the Moore amendment a few moments ago, which I voted for, makes the bill, in my opinion, even more objectionable to the administration and I cannot predict what the final outcome might be.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in vigorous opposition to the legislation H.R. 14032, Toxic Substances Control Act. In my estimation, this bill is nothing more than one more attempt to legislate Utopia by an unrealistic and a reckless Congress. The worthy intention of the legislation is good—to protect the health and welfare of the Nation's citizens. But when one considers that this goal is already being accomplished by at least 27 different laws now on the books, that the proposed new law could potentially run about 10,000 small companies out of business, and that the bill may be unconstitutional, one questions whether or not H.R. 14032 is really necessary. I think it is not.

There are at least three reasons why this bill should be soundly defeated. First, the bill has serious constitutional problems. Provisions of this legislation—section 11—provide for unconstitutional search or entry without a warrant. A person can be subjected to fine and imprisonment without trial by jury—section 16. This is a clear violation of the seventh amendment. Section 6 provides that the EPA Administrator may prohibit the manufacture of new chemicals by rulemaking procedures without due process, a violation of the 14th amendment. On constitutional grounds alone, then, this bill should be rejected.

Second, this bill would result an endless delay and would overload regulatory agencies. Similar regulations covering the safety and effectiveness of drugs currently are in effect in the Federal Drug Administration and have served to greatly burden the development and marketing of new drugs and medicines. With passage of this bill, the same type of testing could be required of all new chemicals. The EPA alone could be forced by environmental groups to process at least 300 and possibly over 1,000 new chemicals every year.

Third, it has been estimated that enactment of H.R. 14032 could force as many as 10,000 small chemical manufacturers out of business. It has pointed out today that the Toxic Substances Control Act is being supported by the chemical industry. While the Manufacturing Chemists Association, representing 186 of the largest chemical companies in the country, has come out in favor of this bill, the other 10,000 smaller companies involved in the chemical business, cannot possibly comply. The costs associated with compliance with many of the restrictive testing measures—testing costs per product have been estimated at between $50,000 and $800,000—would simply force them out of business.

For these reasons, Mr. Chairman, I urge my colleagues to vote down this unnecessary, costly, and unconstitutional piece of legislation.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: Page 208, in line 23, strike out "$11,100,000" and insert in lieu thereof "$12,625,000"; in line 24 strike out "$10,100,000" adn insert in lieu thereof "$16,200,000"; and in line 25, strike out "$11,100,000" and insert in lieu thereof "$17,350,000".

Mr. MURPHY of New York. Mr. Chairman, my amendment increases the authorization levels contained in the legislation. The amendment would increase the authorizations for the 1978 fiscal year from $11.1 million to $12,625,000. It would increase the 1979 authorization from $10 million to $16.2 million, and it would increase the 1980 authorization from $11.1 million to $17.35 million.

The authorizations presently in the bill were based upon estimates made when it was assumed the bill would become effective during the 1975 fiscal year. Time delays and the budget deadlines have resulted in the effective date for the legislation being moved back to October 1977. As a result, anticipated inflation and increased costs of operation make it necessary to increase the levels of authorizations of appropriations for the first 3 years of operation under the bill.

The increased authorizations have been cleared by the Office of Management and Budget. The ranking minority members of our committee support the increase.

There should be absolutely no inflationary impact upon the economy as a result of this minor increase.

The need for the increased authorization is clearly demonstrated if one compares the authorization levels contained in this bill with the sums appropriated for administering other, similar programs. For example, the Congress has appropriated $39 million for administration of the Federal Insecticide, Fungicide, and Rodenticide Act. Over $147 million have been appropriated for carrying out the Clean Air Act, and $422 million for operation of the Water Pollution Control Act. As you can see, the sums authorized here are far below those for any of these other similar programs. Even with the increased level of authorization, we will be authorizing the bare minimum necessary for effective implementation of this highly important legislation. I urge my colleagues to support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of New York: Page 169, insert "DEVELOPMENT," after "RESEARCH," in line 14.

Page 169, insert ", development," after "research" in lines 19 and 22.

Page 170, insert after line 26 the following:

(c) SCREENING TECHNIQUES.—The Administrator shall coordinate with the Assistant Secretary for Health research undertaken by the Administrator and directed toward the development of rapid, reliable, and economical screening techniques for carcinogenic, mutagenic, teratogenic, and ecological effects of chemical substances and mixtures.

(d) MONITORING.—The Administrator shall establish and be responsible for research aimed at the development, in cooperation with local, State, and Federal agencies, of monitoring techniques and instruments which may be used in the detection of toxic chemical substances and mixtures and which are reliable, economical, and capable of being implemented under a wide variety of conditions.

(e) BASIC RESEARCH.—The Administrator shall establish research programs to develop the fundamental scientific basis of the screening and monitoring techniques described in subsections (c) and (d), the bounds of their reliability of such techniques, and the opportunities for their improvement.

(f) MANPOWER TRAINING.—The Administrator shall establish and promote programs and workshops to train or facilitate the training of Federal laboratory and technical personnel in existing or newly developed screening and monitoring techniques.

(g) EXCHANGE OF RESEARCH AND DEVELOPMENT RESULTS.—The Administrator shall, in consultation with the Secretary of Health, Education, and Welfare and other heads of appropriate agencies, establish and coordinate a system for exchange among Federal, State, and local authorities of research and development results respecting toxic chemical substances and mixtures, including a system to facilitate and promote the development of standard data format and analysis and consistent testing procedures.

Page 208, insert after "other than section 27" in line 23 the following: "and subsections (a) and (c) through (g) of section 10".

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURPHY of New York. Mr. Chairman, this amendment is an amendment that would have been offered by the gentleman from California (Mr. BROWN), who is the chairman of the Subcommittee on Environment and the Atmosphere of the Committee on Science and Technology.

Mr. Chairman, this amendment provides additional guidance to the Administrator regarding research and development work conducted under the bill. It directs the Administrator to develop improved monitoring techniques and instruments for the detection of toxic chemical substances and mixtures. It also directs the Administrator to establish and promote programs to train Federal laboratory and technical personnel in existing or newly developed chemical screening and monitoring techniques. Because the authorization levels in this bill are extremely low, the moneys to carry on this expanded research and training program will come from authorization of appropriations provided in the legislation originating in the Committee on Science and Technology.

Mr. Chairman, this amendment provides constructive guidance and direction to the Environmental Protection Administration in carrying out research and related programs respecting toxic chemicals.

The subcommittee, chaired by the gentleman from California (Mr. BROWN), has invested considerable time and effort in reviewing current EPA research and development activities. This amendment would help overcome some of the shortcomings which exist in the present programs, and it should improve the research activities conducted under the auspices of the toxic substances legislation.

Mr. Chairman, I would urge acceptance of the amendment.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield.

Mr. McCOLLISTER. Mr. Chairman, we have no objection to the amendment.

Mr. HECHLER of West Virginia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of the Committee on Science and Technology, I strongly support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The amendment was agreed to.

Mr. BUTLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my purpose in arising is to inquire of the gentleman from Nebraska (Mr. MCCOLLISTER) if the gentleman can explain the effect of the preemption provision on the ability of a State to meet local problems of great magnitude; as for example the Kepone problem, which is not a toxic substance, but one which illustrates a local problem that might arise. Will a State be foreclosed by this legislation from taking effective legislation on their own?

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, the State law is preempted only when the EPA has issued a rule under section 4, section 5 or section 6. If the EPA has not acted, the States are free to act. If the EPA has acted, then the States must apply for an exemption from the preemption.

Before the State can put a different requirement into effect, it has to ask for an exemption from the preemption.

This provision was designed to discourage differing State requirements which would put an undue burden on those companies that do business in a number of States.

Mr. BUTLER. Mr. Chairman, I thank the gentleman. I judge that in the absence of action by the EPA under section 4, 5, or 6, that the States are free to take whatever action they deem appropriate under the circumstances.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, there is nothing in this act that affects the right of States to act in their authority over disposal of hazardous properties or hazardous chemicals, for that matter.

Mr. BUTLER. Mr. Chairman, I recognize that and I appreciate the gentleman's contribution.

The CHAIRMAN. If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MANN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 14032) to regulate commerce and protect health and the environment by requiring testing and necessary restrictions on certain chemical substances and mixtures, and for other purposes, pursuant to House Resolution 1458, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. COLLINS OF TEXAS

Mr. COLLINS of Texas. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. COLLINS of Texas. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. COLLINS of Texas moves to recommit the bill H.R. 14032 to the Committee on Interstate and Foreign Commerce.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker. I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 319, nays 45, not voting 67, as follows:

[Roll No. 644]

YEAS—319

Addabbo
Alexander
Allen
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Bafalis
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.

Danielson
Davis
Delaney
Dellums
Dent
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Erlenborn
Evans, Colo.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gradison
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.

Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jeffords
Johnson, Calif.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mikulski
Michel
Mikva

Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Rangel
Regula
Reuss
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shriver
Sikes
Simon
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Talcott
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—45

Archer
Armstrong
Ashbrook
Beard, Tenn.
Cederberg
Clawson, Del
Collins, Tex.
Crane
Devine
Dickinson
Edwards, Ala.
English
Evans, Ind.
Goldwater
Grassley
Hall, Tex.
Hammerschmidt
Hansen
Hutchinson
Ichord
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Kelly
Kindness
McDonald
Montgomery
Moorhead, Calif.
Myers, Ind.
Paul
Rhodes
Rousselot
Runnels
Schneebeli
Sebelius
Shipley
Shuster
Smith, Iowa
Stuckey
Symms
Taylor, Mo.
Traxler
Waggonner
Wiggins

NOT VOTING—67

Abdnor
Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Aspin
AuCoin
Badillo
Baldus
Bolling
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burleson, Tex.
Chappell
Chisholm
Conlan
Conyers
Corman
de la Garza
Derrick
du Pont
Esch
Eshleman
Evins, Tenn.
Green
Hays, Ohio
Hébert
Heinz
Henderson
Hinshaw
Holt
Howe
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Karth
Lehman
Lundine
McKinney
Meeds
Mink
Moorhead, Pa.
Moss
Obey
Ottinger
Passman
Peyser
Randall
Rees
Riegle
Risenhoover
Roncalio
Russo
Santini
Sisk
Skubitz
Spence
Steelman
Steiger, Ariz.
Sullivan
Symington
Van Deerlin
Vander Jagt
Waxman
Young, Alaska
Young, Ga.

The Clerk announced the following pairs:

Mr. Moorhead of Pennsylvania with Mr. Jones of Tennessee.

Ms. Abzug with Mr. Karth.

Mr. Badillo with Mr. Hébert.

Mr. Waxman with Mr. Evins of Tennessee.

Mr. Anderson of California with Mr. Symington.

Mr. Santini with Mr. Riegle.

Mr. Russo with Mr. Baldus.

Mr. Lehman with Mr. Conlan.

Mrs. Chisholm with Mr. Derrick.

Mr. Jones of Oklahoma with Mr. Abdnor.

Mr. Young of Georgia with Mr. du Pont.

Mr. Chappell with Mr. Esch.

Mrs. Burke of California with Mr. Passman.

Mrs. Mink with Mr. Eshleman.

Mr. AuCoin with Mr. Anderson of Illinois.

Mr. Brown of California with Mr. Hays of Ohio.

Mr. Conyers with Mr. Green.

Mr. Corman with Mr. Heinz.

Mr. de la Garza with Mr. Brown of Michigan.

Mr. Lundine with Mr. Henderson.

Mr. Meeds with Mr. Aspin.

Mr. Moss with Mrs. Holt.

Mr. Obey with Mr. Burleson of Texas.

Mr. Ottinger with Mr. Adams.

Mr. McKinney with Mr. Howe.

Mr. Rees with Mr. Jones of Alabama.

Mr. Risenhoover with Mr. Young of Alaska.

Mr. Roncalio with Mr. Randall.

Mr. Sisk with Mr. Skubitz.

Mr. Spence with Mr. Steelman.

Mr. Van Deerlin with Mr. Steiger of Arizona.

Mr. Vander Jagt with Mrs. Sullivan.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, pursuant to the provisions of House Resolution 1458, I move that Committee on Interstate and Foreign Commerce be discharged from the further consideration of the Senate bill (S. 3149) to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS).

The motion was agreed to.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STAGGERS moves to strike out all after the enacting clause of the Senate bill S. 3149 and to insert in lieu thereof the provisions of H.R. 14032, as passed, as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "Toxic Substances Control Act".

TABLE OF CONTENTS

Sec. 1. Short title.
Sec. 2. Findings, policy, and intent.
Sec. 3. Definitions.
Sec. 4. Testing of chemical substances and mixtures.
Sec. 5. Manufacturing and processing notices.
Sec. 6. Regulation of hazardous chemical substances and mixtures.
Sec. 7. Imminent hazards.
Sec. 8. Reporting and retention of information.
Sec. 9. Relationship to other Federal laws.
Sec. 10. Research, collection, dissemination, and utilization of data.
Sec. 11. Inspections.
Sec. 12. Exports.
Sec. 13. Entry into customs territory of the United States.
Sec. 14. Disclosure of data.
Sec. 15. Prohibited acts.
Sec. 16. Penalties.
Sec. 17. Specific enforcement and seizure.
Sec. 18. Preemption.
Sec. 19. Judicial review.
Sec. 20. Citizens' civil actions.
Sec. 21. Citizens' petitions.
Sec. 22. National defense waiver.
Sec. 23. Employee protection.
Sec. 24. Employment effects.
Sec. 25. Studies.
Sec. 26. Administration of Act.
Sec. 27. Development and evaluation of test methods.
Sec. 28. State programs.
Sec. 29. Sunshine in government.
Sec. 30. Authorization for appropriations.
Sec. 31. Annual report.
Sec. 32. Rule review.
Sec. 33. Effective date.

FINDINGS, POLICY, AND INTENT

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) humans and the environment are being exposed to a large number of chemical substances and mixtures each year;

(2) among the many chemical substances and mixtures constantly being developed and produced are some whose manufacture, processing, distribution in commerce, use, or disposal may cause or significantly contribute to an unreasonable risk to health or the environment; and

(3) the effective regulation of interstate commerce in such chemical substances and mixtures also necessitates the regulation of intrastate commerce in such chemical substances and mixtures.

(b) POLICY.—It is the policy of the United States that—

(1) hazardous and potentially hazardous chemical substances and mixtures should be adequately tested with respect to their effect on health and the environment and that such testing should be the responsibility of those who manufacture and those who process such chemical substances and mixtures;

(2) adequate authority should exist to regulate chemical substances and mixtures which cause or significantly contribute to an unreasonable risk to health or the environment, and to take action with respect to chemical substances and mixtures which are imminent hazards; and

(3) authority over chemical substances and mixtures should be exercised in such a manner as not unduly to impede, or to create unnecessary economic barriers to, technological innovation while fulfilling the primary purpose of this Act to assure that such innovation and commerce in such chemical substances and mixtures do not cause or significantly contribute to an unreasonable risk to health or the environment.

(c) INTENT OF CONGRESS.—It is the intent of Congress that the Administrator shall carry out this Act in a reasonable and prudent manner, and that the Administrator shall consider the environmental, economic, and social impact of any action the Administrator proposes to take under this Act.

DEFINITIONS

SEC. 3. As used in this Act:

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2)(A) Except as provided in subparagraph (B), the term "chemical substance" means—

(i) any organic or inorganic substance of a particular molecular identity including a combination of such substances occurring (I) in whole or in part as a result of a chemical reaction, or (II) in nature, or

(ii) any element or uncombined radical.

(B) Such term does not include—

(i) any mixture,

(ii) any pesticide (as defined in the Federal Insecticide, Fungicide, and Rodenticide Act) when manufactured, processed, or distributed in commerce for use as a pesticide,

(iii) tobacco or any tobacco product,

(iv) any source material, special nuclear material, or byproduct material (as such terms are defined in the Atomic Energy Act of 1954 and regulations issued under such Act),

(v) any article the sale of which is subject to the tax imposed by section 4181 of the Internal Revenue Code of 1954 (determined without regard to any exemptions from such tax provided by section 4182 or 4221 or any other provision of such Code), and

(vi) any food, food additive, drug, cosmetic, or device (as such terms are defined in section 201 of the Federal Food, Drug, and Cosmetic Act) when manufactured, processed, or distributed in commerce for use as a food, food additive, drug, cosmetic, or device.

The term "food" as used in clause (vi) of this subparagraph includes poultry and poultry products (as defined in sections 4(e) and 4(f) of the Poultry Products Inspection Act), meat and meat food products (as defined in section 1(j) of the Federal Meat Inspection Act), and eggs and egg products (as defined in section 4 of the Egg Products Inspection Act).

(3) The term "commerce" means trade, traffic, or transportation (A) between a place in a State and any place outside of such State, or (B) which affects trade, traffic, or transportation described in clause (A).

(4) The term "distribute in commerce" or "distribution in commerce" when used to describe an action taken with respect to a chemical substance or mixture or article containing a substance or mixture means to sell, or the sale of, the substance, mixture, or article in commerce; to introduce or deliver for introduction into commerce, or the introducing or delivery for introduction into commerce of, the substance, mixture, or article; or to hold, or the holding of, the substance, mixture, or article after its introduction into commerce.

(5) The term "environment" includes water, air, and land and the interrelationship which exist among and between water, air, and land and all living things.

(6) The term "health and safety study" means any study of any effect of a chemical substance or mixture on health or the environment, including epidemiological studies, studies of occupational exposure to a chemical substance or mixture, toxicological, clinical, and ecological studies of a chemical substance or mixture, and any test performed pursuant to this Act.

(7) The term "manufacture" means to import, produce, or manufacture.

(8) The term "mixture" means any combination of two or more chemical substances if the combination does not occur in nature and is not, in whole or in part, the result of a chemical reaction; except that such term does include a combination which occurs, in whole or in part, as a result of a chemical reaction if each of the chemical substances comprising the combination is not a new chemical substance and if the combination could have been manufactured for commercial purposes without a chemical reaction at the time the chemical substances comprising the combination were combined.

(9) The term "new chemical substance" means any chemical substance not included in the chemical substance list compiled and published under section 8(b).

(10) The term "process" means the preparation of a chemical substance or mixture for distribution in commerce—

(A) in the same form or physical state, or in a different form or physical state from that, in which it was received by the person making such preparation, or

(B) as part of an article containing the chemical substance or mixture.

(11) The term "processor" means any person who processes a chemical substance or mixture.

(12) The term "standards for the development of test data" means a prescription of—

(A) the—

(i) health and environmental effects, and

(ii) information relating to toxicity, persistence, and other characteristics which affect health and the environment,

for which test data for a chemical substance or mixture are to be developed and any analysis that is to be performed on such data, and

(B) to the extent necessary to assure that such data are reliable and adequate, the manner in which such data are to be developed, the specification of any test protocol or methodology to be employed in the development of such data, and such other requirements as are necessary to provide such assurance.

(13) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, American Samoa, or the Trust Territory of the Pacific Islands.

(14) The term "United States", when used in the geographic sense, means all the States.

TESTING OF CHEMICAL SUBSTANCES AND MIXTURES

SEC. 4. (a) TESTING REQUIREMENTS.—If the Administrator finds that—

(1) (A) (i) the manufacture, distribution in commerce, processing, use, or disposal of a chemical substance or mixture or any combination of such actions may cause or significantly contribute to an unreasonable risk to health or the environment,

(ii) there are insufficient data and experience upon which the effects of such manufacture, distribution in commerce, processing, use, or disposal or combination of such actions on health or the environment can reasonably be determined or predicted, and

(iii) testing of such substance or mixture with respect to such effects is necessary to develop such data; or

(B) (i) a chemical substance or mixture is or will be produced in substantial quantities, and it enters or may reasonably be anticipated to enter the environment in substantial quantities or there is or may be significant or substantial human exposure to such substance or mixture,

(ii) there are insufficient data and experience upon which the effects of the manufacture, distribution in commerce, processing, use, or disposal of such substance or mixture or any combination of such actions on health or the environment can reasonably be determined or predicted, and

(iii) testing of such substance or mixture with respect to such effects is necessary to develop such data; and

(2) in the case of a mixture, the effects which the mixture's manufacture, distribution in commerce, processing, use, or disposal or any combination of such actions may have on health or the environment may not be reasonably and more efficiently determined or predicted by testing the chemical substances which comprise the mixture;

the Administrator shall by rule require that testing be conducted on such substance or mixture to develop data with respect to the health and environmental effects for which there is an insufficiency of data and experience and which are relevant to a determination that the manufacture, distribution in commerce, processing, use, or disposal of such substance or mixture or any combination of such actions does or does not cause or significantly contribute to an unreasonable risk to health or the environment.

(b) (1) TESTING REQUIREMENT RULE.—A rule under subsection (a) requiring the testing of a chemical substance or mixture shall include—

(A) identification of the substance or mixture for which testing is required,

(B) standards for the development of test data for such substance or mixture, and

(C) a specification of the period (which period may not be unreasonable) within which the persons required to conduct the testing shall submit to the Administrator data developed in accordance with the standards referred to in subparagraph (B).

In determining the standards and period to be included, pursuant to subparagraphs (B) and (C), in a rule under subsection (a), the costs of the various test protocols and methodologies which may be required under the rule and the reasonably foreseeable availability of facilities and personnel for performing testing under the rule. Such a rule may require the submission of preliminary data during the period prescribed under subparagraph (C).

(2) (A) The health and environmental effects for which standards for the development of test data may be prescribed include carcinogenesis, mutagenesis, teratogenesis, behavioral disorders, cumulative or synergistic effects, and any other effect which may cause or significantly contribute to an unreasonable risk to health or the environment, and the characteristics of chemical substances and mixtures for which such standards may be prescribed include persistence, acute toxicity, subacute toxicity, chronic toxicity, and any other characteristic which may cause or significantly contribute to such a risk. The methodologies that may be prescribed in such standards include epidemiology, serial, or hierarchical tests; in vitro tests; and whole animal tests. Before prescribing epidemiology tests in such standards, the Administrator shall consult with the Director of the National Institute for Occupational Safety and Health.

(B) From time to time, but not less than once each twelve months, the Administrator shall review the adequacy of the standards for development of data prescribed in rules under subsection (a) and shall, if necessary, institute proceedings to make appropriate revisions of such standards.

(3) (A) A rule under subsection (a) respecting a chemical substance or mixture shall require the persons described in subparagraph (B) to conduct tests and submit data on such substance or mixture, except that the Administrator may permit two or more of such persons to designate one such person or a qualified third party to conduct such tests and submit such data on behalf of the perosns making the designation.

(B) The following persons shall be required to conduct tests and submit data on a chemical substance or mixture subject to a rule under subsection (a):

(i) Each person who manufactures or intends to manufacture such substance or mixture if the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii) with respect to the manufacture of such substance or mixture.

(ii) Each person who processes or intends to process such substance or mixture if the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii) with respect to the processing of such substance or mixture.

(iii) Each person who manufactures or processes or intends to manufacture or process such substance or mixture for distribution in commerce if with respect to the distribution in commerce of such substance or mixture the Administrator makes a finding describing in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii).

(iv) Each person who manufactures or processes or intends to manufacture or process such substance or mixture if with respect to the disposal of such substance or mixture the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii).

(v) Each person who manufactures or processes or intends to manufacture or process such chemical substance or mixture for a use with respect to which the Administrator makes a finding described in subsection (a) (1) (A) (ii) or (a) (1) (B) (ii).

(4) A rule under subsection (a) requiring the testing of a chemical substance or mixture shall expire at the end of the reimbursement period (as defined in subsection (c)(3)(B)) applicable to test data for such substance or mixture, unless the Administrator repeals the rule before such date.

(5) Rules issued under subsection (a) (and any amendment thereto or repeal thereof) shall be promulgated pursuant to section 553 of title 5, United States Code, except that in promulgating, amending, or repealing any such rule (A) the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions; and (B) a transcript shall be made of any oral presentation. The Administrator may not promulgate a rule under subsection (a) respecting a substance or mixture unless the Administrator makes and publishes with the rule the findings described in paragraph (1)(A) or (1)(B) of such subsection and, in the case of a rule respecting a mixture, the finding described in paragraph (2) of such subsection.

(c) EXEMPTION.—(1) Any person required by a rule under subsection (a) to conduct tests and submit data on a chemical substance or mixture may apply to the Administrator (in such form and manner as the Administrator shall prescribe) for an exemption from such requirement.

(2) If, upon receipt of an application under paragraph (1), the Administrator determines that—

(A) the chemical substance or mixture (including any contaminant present in such substance or mixture) with respect to which such application was submitted is equivalent to a chemical substance or mixture for which data has been submitted to the Administrator in accordance with a rule under subsection (a) or for which data is being developed pursuant to such a rule, and

(B) submission of data by the applicant on such substance or mixture would be duplicative of data which has been submitted to the Administrator in accordance with such rule or which is being developed pursuant to such rule,

the Administrator shall exempt, in accordance with paragraph (3) or (4), the applicant from conducting tests and submitting data on such substance or mixture.

(3)(A) If the exemption of any person from the requirement to conduct tests and submit test data on a chemical substance or mixture is granted on the basis of the existence of previously submitted test data and if such exemption is granted during the reimbursement period for such test data (as prescribed by subparagraph (B)), then (unless such person and the persons referred to in clauses (i) and (ii) agree on the amount and method of reimbursement) the Administrator shall order the person granted the exemption to provide fair and equitable reimbursement (in an amount determined under rules of the Administrator)—

(i) to the person who previously submitted such test data, for a portion of the costs incurred by such person in complying with the requirement to submit such data, and

(ii) to any other person who has been required under this subparagraph to contribute with respect to such costs, for a portion of the amount such person was required to contribute.

In promulgating rules for the determination of fair and equitable reimbursement to the persons described in clauses (i) and (ii) for costs incurred with respect to a chemical substance or mixture, the Administrator shall consider all relevant factors, including the effect on the competitive position of the person required to provide reimbursement in relation to the persons to be reimbursed and the share of the market for such substance or mixture of the person required to provide reimbursement in relation to the share of such market of the persons to be reimbursed. An order under this subparagraph shall, for purposes of judicial review, be considered final agency action.

(B) For purposes of subparagraph (A), the reimbursement period for any test data for a chemical substance or mixture is a period—

(i) beginning on the date such data was submitted in accordance with a rule promulgated under subsection (a), and

(ii) ending—

(I) five years after the date referred to in clause (i), or

(II) at the expiration of a period which begins on the date referred to in clause (i) and is equal to the period which the Administrator determines was necessary to develop such data,

whichever is later.

(4)(A) If the exemption of any person from the requirement to conduct tests and submit test data on a chemical substance or mixture is granted on the basis of the fact that test data is being developed by one or more persons pursuant to a rule promulgated under subsection (a), then (unless such person and the persons referred to in clauses (i) and (ii) agree on the amount and method of reimbursement) the Administrator shall order the person granted the exemption to provide fair and equitable reimbursement (in an amount determined under rules by the Administrator)—

(i) to each such person who is developing such test data, for a portion of the costs incurred by each such person in complying with such rules, and

(ii) to any other person who has been required under this subparagraph to contribute with respect to the costs of complying with such rule, for a portion of the amount such person was required to contribute.

In promulgating rules for the determination of fair and equitable reimbursement to the persons described in clauses (i) and (ii) for costs incurred with respect to a chemical substance or mixture, the Administrator shall consider the factors described in the second sentence of paragraph (3)(A). An order under this subparagraph shall, for purposes of judicial review, be considered final agency action.

(B) If an exemption is granted on the basis of the fact that one or more persons are developing test data pursuant to a rule promulgated under subsection (a) and if after such exemption is granted the Administrator determines that no such person has complied with such rule, the Administrator shall (i) after providing written notice to the person who holds such exemption and an opportunity for a hearing, by order terminate such exemption, and (ii) notify in writing such person of the requirements of the rule with respect to which such exemption was granted.

(d) NOTICE.—Upon the receipt of any test data pursuant to a rule under subsection (a), the Administrator shall, subject to section 14, promptly publish a notice of the receipt of such data in the Federal Register. Each such notice shall (1) identify the chemical substance or mixture for which data have been received; (2) list the uses or intended uses of such substance or mixture and the information required by the applicable standards for the development of test data; and (3) describe the nature of the test data developed. Except as otherwise provided in section 14, such data shall be made available by the Administrator for examination by any person.

(e) PRIORITY LIST.—(1)(A) There is established a committee to make recommendations to the Administrator respecting the chemical substances and mixtures to which the Administrator should give priority consideration for the promulgation of a rule under subsection (a). In making such a recommendation with respect to any chemical substance or mixture, the committee shall consider all relevant factors, including—

(i) the quantities in which the substance or mixture is or will be manufactured,

(ii) the quantities in which the substance or mixture enters the environment,

(iii) the number of persons who will be exposed to the substance or mixture in their places of employment and the duration of such exposure,

(iv) the extent of human exposure to the substance or mixture,

(v) the extent to which the substance or mixture is closely related to a chemical substance or mixture which is known to cause or significantly contribute to an unreasonable risk to health or the environment,

(vi) the existence of data concerning the effects of the substance or mixture on health or the environment,

(vii) the extent to which testing of the substance or mixture may result in the development of data upon which the effects of the substance or mixture on health or the environment can reasonably be determined or predicted, and

(viii) the reasonably foreseeable availability of facilities and personnel for performing testing on the substance or mixture.

The recommendations of the committee shall be in the form of a list of chemical substances and mixtures which shall be listed, either by individual substance or mixture or by groups of substances or mixtures, in the order in which the committee determines the Administrator should take action under subsection (a) with respect to the substances and mixtures.

(B) Not later than twelve months after the effective date of this Act, the committee shall transmit to the Administrator the list required by subparagraph (A) together with the reasons for the committee's inclusion of each chemical substance or mixture on the lists. At least every six months after the transmission to the Administrator of the list pursuant to the preceding sentence, the committee shall make such revisions in the list as it determines to be necessary and shall transmit them to the Administrator together with the committee's reasons for the revisions. The Administrator shall make available to the public the list transmitted by the committee, any revision by the committee in such list (including the date on which such revision was transmitted to the Administrator), and the reasons of the committee for inclusion of a chemical substance or mixture on the list and for any revision in the list. The Administrator shall provide reasonable opportunity to any interested person to file with the Administrator written comments on the committee's list or any revision of the committee of such list and shall make such comments available to the public.

(C) The Administrator may promulgate a rule under subsection (a) with respect to a chemical substance or mixture which is not contained on a list published under this subsection.

(2)(A) The committee established by paragraph (1)(A) shall consist of eight members as follows:

(i) One member (or designee of the member) appointed from the Environmental Protection Agency by the Administrator.

(ii) One member (or designee of the member) appointed by the Secretary of Labor from officers of the Department of Labor engaged in the Secretary's activities under the Occupational Safety and Health Act of 1970.

(iii) One member (or designee of the member) appointed from the Council on Environmental Quality by the Chairman of the Council.

(iv) One member (or designee of the member) appointed from the National Institute for Occupational Safety and Health by the Director of the Institute.

(v) One member (or the designee of the member) appointed from the National Institute of Environmental Health Sciences by the Director of the Institute.

(vi) One member (or designee of the member) appointed from the National Cancer Institute by the Director of the Institute.

(vii) One member (or designee of the member) appointed from the National Science Foundation by the Director of the Foundation.

(viii) One member (or designee of the member) appointed from the Department of Commerce by the Secretary of Commerce. A member may designate an individual to serve on the member's behalf only with the approval of the applicable appointing authority and only if the individual is from the entity from which the member was appointed. A vacancy in the committee shall be filled in the same manner in which the original appointment was made.

(B) (i) The term of office of a member of the committee is four years, except that of the members first appointed, four members shall have initial terms of two years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term. If any member of the committee leaves the office or entity from which the member was appointed, such member may not continue as a member of the committee, and, for purposes of the preceding sentence, the member's position shall be considered as being vacant. A member may serve after the expiration of the member's term of office until a successor has taken office.

(ii) Initial appointments to the committee shall be made not later than the sixtieth day after the effective date of this Act. Not later than the ninetieth day after such date the members of the committee shall hold a meeting for the selection of a chairman from among their number and to determine, by lot, the four members who shall have initial terms of two years.

(C) The Administrator shall provide the committee such administrative support services as may be necessary for the committee to carry out its function under this subsection.

MANUFACTURING AND PROCESSING NOTICES

SEC. 5. (a) NOTIFICATION FOR MANUFACTURE OF NEW CHEMICAL SUBSTANCES.—On and after the date on which the Adminisrator first publishes under section 8(b) a list of chemical substances manufactured or processed in the United States, no person may manufacture a new chemical substances unless (except as provided in subsection (i) (relating to exemptions)) such peson—

(1) has, at least ninety days before such manufacture, submitted to the Administrator, in accordance with subsection (f) (relating to notice content), a notice of such person's intention to manufacture such substance, and

(2) has complied with any applicable requirement of subsection (d) (relating to submission of test data).

(b) NOTIFICATION FOR THE MANUFACTURE OR PROCESSING OF A CHEMICAL SUBSTANCE FOR A SIGNIFICANT NEW USE.—(1) No person may manufacture or process a chemical substance for a use which the Administrator has determined, in accordance with paragraph (2), is a significant new use of such substance unless (except as provided in subsection (i)) such person—

(A) has, at least ninety days before such manufacture or processing, submitted to the Administrator, in accordance with subsection (f), a notice of such person's intention to manufacture or process such substance for such use, and

(B) has complied with any applicable requirement of subsection (d).

(2) A determination by the Administrator that a new use of a chemical substance is a significant new use with respect to which notification is required under paragraph (1) or subsection (c) (1) (B) shall be made by a rule promulgated after a consideration of all relevant factors, including—

(A) the projected volume of manufacturing and processing of such substance for such use,

(B) the extent to which such use changes the type or form of exposure of humans or the environment to such substance, and

(C) the extent to which such use increases the magnitude and duration of exposure of humans or the environment to such substance.

The last sentence of section 19(c) (1) shall not apply to judicial review of any rule promulgated under this paragraph.

(c) NOTIFICATION FOR THE MANUFACTURE OR PROCESSING OF LISTED CHEMICAL SUBSTANCES.—(1) (A) No person may manufacture a chemical substance—

(i) which is listed under paragraph (2), and

(ii) which was a new chemical substance at the time of publication of the earliest proposed rule under paragraph (2) listing such substance,

unless (except as provided in subsection (i)) such person has, at least ninety days before such manufacture, submitted to the Administrator, in accordance with subsection (f), a notice of such person's intention to manufacture such substance and has complied with the requirement of subsection (d).

(B) No person may manufacture or process a chemical substance, listed under paragraph (2), for a use which the Administrator has determined, in accordance with subsection (b) (2), is a significant new use of such substance unless (except as provided in subsection (i)) such person—

(i) has, at least ninety days before such manufacture or processing, submitted to the Administrator, in accordance with subsection (f), a notice of such person's intention to manufacture or process such substance for such use, and

(ii) has complied with the requirement of subsection (d).

(2) (A) (i) Within twelve months after the effective date of this Act, the Administrator shall, by rule, compile, and from time to time thereafter revise, a list of chemical substances the manufacture, processing, distribution in commerce, use, or disposal of which, or any combination of such actions respecting which, the Administrator finds causes or significantly contributes to or may cause or significantly contribute to an unreasonable risk to health or the environment.

(ii) In making a finding under clause (i) that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance or any combination of such actions causes or significantly contributes to or may cause or significantly contribute to an unreasonable risk to health or the environment, the Administrator shall consider all relevant factors, including—

(I) the effects of the chemical substance on health and the magnitude of human exposure to it; and

(II) the effects of the chemical substance on the environment and the magnitude of environmental exposure to it.

(B) The Administrator shall, in prescribing a rule under subparagraph (A) which lists any chemical substance, identify those uses, if any, which the Administrator determines, in accordance with subsection (b) (2), would constitute a significant new use of such substance. The last sentence of section 19(c) (1) shall not apply to judicial review of any provision of a rule under subparagraph (A) which provision is prescribed pursuant to this subparagraph.

(C) Any rule under subparagraph (A), and any amendment or repeal of such a rule, shall be promulgated pursuant to the procedures specified in section 553 of title 5, United States Code, except that (i) the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions, and (ii) a transcript shall be kept of any oral presentation. The Administrator may not promulgate under subparagraph (A) a rule listing a chemical substance unless the Administrator makes and publishes with the rule the finding described in such subparagraph.

(d) REQUIREMENT RESPECTING SUBMISSION OF TEST DATA.—(1) (A) If—

(i) a person is required by subsection (a), (b), or (c) to submit a notice to the Administrator before beginning the manufacture or processing of a chemical substance, and

(ii) such person is required to submit test data for such substance pursuant to a rule promulgated under section 4 before the submission of such notice or such person has been granted an exemption under section 4 (c) from the requirement of such rule,

such person may not, before the expiration of the period prescribed by subparagraph (B), manufacture such substance if the person is subject to subsection (a) or (c) (1) (A) or manufacture of process such substance for a significant new use if the person is subject to subsection (b) or (c) (1) (B).

(B) The period referred to in subparagraph (A) is—

(i) in the case of a person required to submit test data pursuant to a rule promulgated under section 4(a) a period of ninety days which begins on the date on which such person submits to the Administrator such data in accordance with such rule, and

(ii) in the case of a person who under section 4(c) is exempt from a requirement to submit test data pursuant to a rule promulgated under section 4(a), a period of ninety days which begins on the date of the submission in accordance with such rule of the test data the submission or the development of which was the basis for the exemption.

(2) (A) If—

(i) a person is required by subsection (c) to submit a notice to the Administrator before beginning the manufacture or processing of a chemical substance, and

(ii) (I) a rule promulgated under section 4 before the submission of such notice requiring the submission of test data for such substance does not require such person to submit such data, or

(II) the Administrator has not promulgated such a rule for such substance before the submission of such notice,

such person may not, before the expiration of the ninety-day period which begins on the date such person submits to the Administrator data prescribed by subparagraph (B), manufacture such substance if such person is subject to subsection (c) (1) (A) or manufacture or process such substance for a significant new use if such person is subject to subsection (c) (1) (B).

(B) Data submitted pursuant to subparagraph (A) shall be data which the person submitting the data believes show that—

(i) in the case of a substance for which notice is required under subsection (c) (1) (A), the manufacture, processing, distribution in commerce, use, and disposal of the chemical substance or any combination of such actions would not cause or significantly contribute to an unreasonable risk to health or the environment, or

(ii) in the case of a chemical substance for which notice is required under subsection (c) (1) (B), the intended significant new use of the chemical substance would not cause or significantly contribute to an unreasonable risk to health or the environment.

(3) Data submitted under paragraph (1) or (2) shall be made available, subject to section 14, for examination by interested persons.

(e) EXTENSION OF NOTICE PERIOD.—The Administrator may for good cause extend for one additional period of not to exceed ninety days the period, prescribed by subsection (a), (b), (c), or (d), before which the manufacturing or processing of a chemical substance subject to such subsection may begin. Subject to section 14, such an extension and the reasons therefor shall be published in the Federal Register and shall constitute a final agency action subject to judicial review.

(f) CONTENT OF NOTICE; PUBLICATION IN THE FEDERAL REGISTER.—(1) The notice required by subsections (a), (b), and (c) respecting a chemical substance shall include—

(A) the name of the chemical substance;

(B) the chemical identity and molecular structure of the substance, insofar as such are reasonably ascertainable;

(C) the proposed categories of use of such substance, insofar as such are reasonably ascertainable;

(D) a reasonable estimate of the amount of the substance to be manufactured or processed and, insofar as reasonably ascertainable, a reasonable estimate of the amount of the substance to be manufactured or processed for each proposed category of use of the substance;

(E) a description of the byproducts, if any, resulting from the manufacture, processing, use, or disposal of the substance, insofar as such are reasonably ascertainable; and

(F) any test data in the possession or control of the person giving such notice which are related to the effect on health or the environment of any manufacture, processing, distribution in commerce, use, or disposal of the substance or any article containing such substance.

Such a notice shall be made available, subject to section 14, for examination by interested persons.

(2) Subject to section 14, not later than five days (excluding Saturdays, Sundays and legal holidays) after the date of the receipt of a notice under subsection (a), (b), or (c) or data under subsection (d) the Administrator shall publish in the Federal Register a notice which—

(A) identifies the chemical substance for which notice or data has been received;

(B) lists the uses or intended uses of such substance; and

(C) in the case of the receipt of data under subsection (d), describes the nature of the tests performed on such substance and any data which was developed pursuant to subsection (d) or a rule under section 4.

Notice under this paragraph respecting a chemical substance shall identify the chemical substance by generic class unless the Administrator determines that more specific identification is required in the public interest.

(g) REGULATION PENDING DEVELOPMENT OF INFORMATION.—(1) (A) The district courts of the United States shall, upon application of the Administrator made through attorneys of the Environmental Protection Agency, have jurisdiction to enjoin in accordance with subparagraph (B), the manufacture, processing, or distribution in commerce of a chemical substance subject to a notification requirement of subsection (a), (b), or (c) if the court finds that—

(i) information available to the Administrator is insufficient to permit a reasoned evaluation of the effects on health or the environment of the manufacture, processing, distribution in commerce, use, or disposal of such chemical substance or any combination of such actions, and

(ii) in the absence of such information, the manufacture, processing, distribution in commerce, use, or disposal of such substance or any combination of such actions may cause or significantly contribute to an unreasonable risk to health or the environment.

(B) An injunction issued under subparagraph (A) with respect to a chemical substance subject to a notification requirement under subsection (b) or (c) (1) (B) respecting a significant new use of such substance shall apply only to the manufacture, processing, or distribution in commerce, as the case may be, of the substance for such use.

(C) An injunction issued under subparagraph (A) with respect to a chemical substance shall expire—

(i) upon the expiration of the five-day period beginning on the day after the issuance of the injunction, if the Administrator does not within such period publish the notice required by paragraph (2), or

(ii) if the Administrator publishes such notice within such period, upon the completion or termination of the proceeding begun by publication of such notice.

(2) (A) Within five days after the issuance of an injunction under paragraph (1) with respect to a chemical substance, the Administrator shall publish, in accordance with section 553(b) of title 5, United States Code, a general notice of proposed rulemaking to begin proceedings for the promulgation of a rule to apply to such substance one or more of the requirements described in section 6(a) as is necessary to adequately protect against the risk to health or the environment found by the court under paragraph (1) (A) (ii).

(B) Upon publication of such a notice the Administrator shall, as expeditiously as possible, provide reasonable opportunity for a hearing (in accordance with paragraphs (2) and (3) of section 6(c)) on such proposed rule, and either adopt such rule (as proposed or with modifications) or by notice published in the Federal Register terminate the proceeding for the promulgation of the rule. If such a hearing is requested, the Administrator shall commence the hearing within fifteen days from the date such request is made unless the Administrator and each person making the request agree upon a later date for the hearing to begin, and after the hearing is concluded the Administrator shall, within thirty days of the conclusion of the hearing, either adopt such rule (as proposed or with modifications) or terminate the proceeding (as prescribed in the preceding sentence).

(3) After a rule promulgated under paragraph (2) has taken effect any person may petition the Administrator to initiate a proceeding to amend or repeal such rule. Within thirty days of the receipt of such a petition, the Administrator shall by order either grant or deny the petition. If the Administrator grants such petition, the Administrator shall promptly initiate a proceeding for the amendment or repeal, as the case may be, of such rule. Such a proceeding shall be conducted in accordance with paragraphs (2) and (3) of section 6(c).

(h) PETITION FOR STANDARDS FOR THE DEVELOPMENT OF TEST DATA.—A person intending to manufacture or process a chemical substance for which notice is required under subsection (a), (b), or (c) and who is not required under a rule under section 4 to conduct tests and submit data on such substance may petition the Administrator to prescribe standards for the development of test data for such substance. The Administrator shall either grant or deny any such petition within sixty days of its receipt. If the petition is granted, the Administrator shall prescribe such standards for such substance within seventy-five days of the date the petition is granted. If the petition is denied, the Administrator shall publish in the Federal Register the reasons for such denial.

(i) EXEMPTION.—(1) The Administrator may, upon application (made in such form and manner as the Administrator may prescribe) exempt any person from the requirement of subsection (a), (b), (c), or (d) or of any combination of such subsections to enable such person to manufacture or process a chemical substance for test marketing purposes—

(A) upon a showing by such person satisfactory to the Administrator that the manufacture, processing, distribution in commerce, use, and disposal of such substance for such purposes would not cause or significantly contribute to any unreasonable risk to health or the environment, and

(B) under such restrictions as the Administrator considers appropriate.

Within forty-five days of the receipt of an application under this paragraph the Administrator shall either approve or deny such application.

(2) (A) The Administrator may upon application (made in such form and manner as the Administrator may prescribe) exempt any person from the requirement of subsection (d) (2) to submit data for a chemical substance. If, upon receipt of an application under the preceding sentence, the Administrator determines that—

(i) the chemical substance (including any contaminant present in such substance) with respect to which such application was submitted is equivalent to a chemical substance for which data has been submitted to the Administrator in accordance with subsection (d) (2), and

(ii) submission of data by the applicant on such substance would be duplicative of data which has been submitted to the Administrator in accordance with such subsection,

the Administrator shall exempt the applicant from submitting such data on such substance. No exemption granted under this subparagraph with respect to the submission of data for a chemical substance may take effect before the beginning of the reimbursement period applicable to such data.

(B) If the Administrator, under subparagraph (A), exempts any person from submitting under subsection (d) (2) data for a chemical substance because of the existence of previously submitted data and if such exemption is granted during the reimbursement period for such data, then (unless such person and the persons referred to in clauses (i) and (ii) agree on the amount and method of reimbursement) the Administrator shall order the person granted the exemption to provide fair and equitable reimbursement (in an amount determined under rules of the Administrator)—

(i) to the person who previously submitted the data on which the exemption was based, for a portion of the costs incurred by such person in complying with the requirement under subsection (d) (2) to submit such data, and

(ii) to any other person who has been required under this subparagraph to contribute with respect to such costs, for a portion of the amount such person was required to contribute.

In promulgating rules for the determination of fair and equitable reimbursement to the persons described in clauses (i) and (ii) for costs incurred with respect to a chemical substance, the Administrator shall consider all relevant factors, including the effect on the competitive position of the person required to provide reimbursement in relation to the persons to be reimbursed and the share of the market for such substance of the person required to provide reimbursement in relation to the share of such market of the persons to be reimbursed. An order under this subparagraph shall be considered final agency action, for purposes of judicial review.

(C) For purposes of this paragraph, the reimbursement period for any previously submitted data for a chemical substance is a period—

(i) beginning on the date of the termination of the prohibition, imposed under this section, on the manufacture or processing of such substance by the person who submitted such data to the Administrator, and

(ii) ending—

(I) five years after the date referred to in clause (i), or

(II) at the expiration of a period which begins on the date referred to in clause (i) and is equal to the period which the Administrator determines was necessary to develop such data,

whichever is later.

(3) The requirements of subsections (a), (b), (c), and (d) do not apply with respect to the manufacturing or processing of any chemical substance which is manufactured or processed, or proposed to be manufactured or processed, only in small quantities (as defined by the Administrator by rule) solely for—

(A) scientific experimentation or analysis, or

(B) chemical research or analysis on such substance or another substance, including such research or analysis for the development of a product,

if all persons engaged in such experimentation, research, or analysis for a manufacturer or processor are notified (in such form and manner as the Administrator may prescribe) of any risk to health which the manufacturer or processor has reason to believe may be associated with such chemical substance.

(4)(A) The requirements of subsections (a) and (c)(1)(A) do not apply with respect to the manufacturing or processing of any chemical substance which is the same as a listed chemical substance.

(B) For purposes of subparagraph (A), a chemical substance shall not be considered as different from a listed chemical substance solely because—

(i) the proportion of the inert chemical substances which are present in the listed chemical substance is different from the proportion of such substances present in the chemical substance being compared to the listed chemical substance; or

(ii) an inert listed chemical substance has been added to or deleted from the chemical substance being compared.

(C) For purposes of this paragraph—

(i) the term "inert chemical substance" means a chemical substance which when combined with other chemical substances to produce another chemical substance does not react chemically with such other chemical substances; and

(ii) the term "listed chemical substance" means a chemical substance included in the list compiled and published under section 8(b).

(5) The Administrator may, upon application, by rule exempt the manufacturer of any new chemical substance from all or part of the requirements of this section if the Administrator determines that such chemical substance will not cause or significantly contribute to an unreasonable risk to health or the environment. A rule under this paragraph (and any substantive amendment to, or repeal of, such a rule) shall be promulgated in accordance with paragraphs (2) and (3) of section 6(c).

(j) DEFINITION.—For purposes of this section, the terms "manufacture" and "process" mean to manufacture or to process for commercial purposes.

REGULATION OF HAZARDOUS CHEMICAL SUBSTANCES AND MIXTURES

SEC. 6. (a) SCOPE OF REGULATION.—If the Administrator finds that there is a reasonable basis to conclude that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance or mixture or any combination of such actions causes or significantly contributes to or will cause or significantly contribute to an unreasonable risk to health or the environment, the Administrator shall by rule apply to such substance or mixture one or more of the following requirements as is necessary to adequately protect against such risk:

(1) A requirement prohibiting the manufacturing, processing, or distribution in commerce of such substance or mixture or limiting the amount of such substance or mixture which maybe manufactured, processed, or distributed in commerce.

(2) A requirement—

(A) prohibiting the manufacture, processing, or distribution in commerce of such substance or mixture for (i) a particular use or (ii) a particular use in a concentration in excess of a level specified by the Administrator in the rule imposing the requirement, or

(B) limiting the amount of such substance or mixture which may be manufactured, processed, or distributed in commerce for (i) a particular use or (ii) a particular use in a concentration in excess of a level specified by the Administrator in the rule imposing the requirement.

(3) A requirement that such substance or mixture or any article containing such substance or mixture be marked with or accompanied by clear and adequate warnings and instructions with respect to its use or disposal or with respect to both. The form and content of such warnings and instructions shall be prescribed by the Administrator.

(4) A requirement that manufacturers and processors of such substance or mixture make and retain records of the processes used to manufacture or process such substance or mixture.

(5)(A) A requirement regulating the manner or method of disposal of such substance or mixture or article containing such substance or mixture by its manufacturer or processor or any other person who uses it for commercial purposes.

(B) A requirement under subparagraph (A) may not require any person to take any action which would be in violation of any law or requirement of or in effect for a State or political subdivision, and shall require each person subject to it to notify each State and political subdivision in which a required disposal may occur of such requirement.

(6) If the rule imposes on a chemical substance or mixture a requirement described in paragraph (1) or (2), a requirement directing the manufacturer, processor, or distributor in commerce of such substance or mixture or article containing such substance or mixture or directing any combination of such persons (A) to give notice of such risk to processors or distributors in commerce of such substance, mixture, or article, or to both, and to the extent reasonably ascertainable, to any other person in possession of or exposed to such substance, mixture, or article; (B) to give public notice of such risk; or (C) to give both such notices.

A requirement imposed under this subsection shall be the least burdensome requirement necessary to adequately protect against the risk with respect to which the requirement was imposed and may be limited in application to specified geographic areas.

(b) PROTECTION AGAINST ADULTERATION OR CONTAMINATION OF SUBSTANCES AND MIXTURES.—If the Administrator has good cause to believe that a particular manufacturer or processor is manufacturing or processing a chemical substance or mixture in a manner which unintentionally causes the chemical substance or mixture to cause or significantly contribute to or to be likely to cause or significantly contribute to an unreasonable risk to health or the environment—

(1) the Administrator may by order require such manufacturer or processor to submit a description of the relevant quality control procedures followed in the manufacturing or processing of such chemical substance or mixture; and

(2) if the Administrator determines after the issuance of an order described in paragraph (1)—

(A) that such quality control procedures are inadequate to prevent the chemical substance or mixture from causing or significantly contributing to such risk, the Administrator may order the manufacturer or processor to revise such quality control procedures to the extent necessary to remedy such inadequacy; or

(B) that the use of such quality control procedures has resulted in the distribution in commerce of chemical substances or mixtures which cause or significantly contribute to an unreasonable risk to health or the environment, the Administrator may order the manufacturer or processor to (i) give notice of such risk to processors or distributors in commerce of any such substance or mixture, or to both, and, to the extent reasonably ascertainable, to any other person in possession of or exposed to any such substance, (ii) to give public notice of such risk, and (iii) to provide such replacement or repurchase of any such substance or mixture as is necessary to adequately protect health or the environment.

A determination under subparagraph (A) or (B) of paragraph (2) shall be made on the record after opportunity for hearing in accordance with section 554 of title 5, United States Code. The manufacturer or processor subject to a requirement to replace or repurchase a chemical substance or mixture may decide whether to replace or repurchase the substance or mixture and shall take either such action in the manner prescribed by the Administrator.

(c) PROMULGATION OF SUBSECTION (a) RULES.—(1) In promulgating any rule under subsection (a) with respect to a chemical substance or mixture, the Administrator shall consider all relevant factors and make findings with respect to—

(A) the effects of such substance or mixture on health and the magnitude of human exposure to such substance or mixture,

(B) the effects of such substance or mixture on the environment and the magnitude of environmental exposure to such substance or mixture,

(C) the benefits of such substance or mixture for various uses and the availability of other substances or mixtures for such uses, and

(D) the reasonably ascertainable economic consequences of such rule taking into account the impact on small business.

If the Administrator determines that a risk to health or the environment could be eliminated or reduced to a sufficient extent by actions taken under another Federal law (or laws) administered in whole or in part by the Administrator, the Administrator may not promulgate a rule under subsection (a) to protect against such risk unless the Administrator makes a finding that it is in the public interest to protect against such risk under such rule taking into consideration all aspects of the risk, the authorities under this Act and such other law (or laws) to enforce actions taken under this Act or such law (or laws) to protect against such risk, a comparison of the estimated costs of complying with actions taken under this Act and under such law (or laws), and the relative efficiency of actions under this Act and under such law (or laws). In the judicial review of a rule under subsection (a) the last sentence of section 19(c)(1) shall not apply with respect to the determinations and findings required to be made by this paragraph.

(2)(A) Rules under subsection (a) shall be promulgated pursuant to section 553 of title 5 of the United States Code; except that in promulgating any such rule (i) the Administrator shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions; (ii) a transcript shall be kept of any oral presentation; and (iii) during any such oral presentation, the Administrator shall include an opportunity for cross-examination as provided in subparagraph (B). The Administrator may not promulgate a rule under subsection (a) respecting a chemical substance or mixture unless the Administrator makes and publishes with the rule the finding described in such subsection.

(B) An interested person is entitled, if the Administrator determines that it is necessary to resolve disputed issues of material fact, to conduct or have conducted by the Administrator such cross-examination of persons as the Administrator determines (i) to be appropriate in view of any need for expedition, the nature of the issues involved, and the number of participants and the nature of their interests, and (ii) to be required for a full and true disclosure with respect to such issues.

(C)(i) If the Administrator determines that a group of persons, each of whom would but for this subparagraph be entitled to conduct (or have conducted) cross-examination, has the same or similar interests in a proceeding, the Administrator may (I) conduct cross-examination on behalf of such group, or (II) require such group to designate a single representative of such interests for purposes of conducting cross-examination in such proceeding and such representative shall, except as provided in clause (ii), conduct such cross-examination. If such group cannot agree upon a single representative for such purposes, the Administrator may limit the representation of such interests for such purposes.

(ii) When any person who is a member of a group with respect to which the Administrator has made a determination under clause (i) is unable to agree upon group representation with the other members of the group, then such person shall not be denied under the authority of such clause the opportunity to conduct (or have conducted) cross-examination as to issues affecting the person's particular interests if (I) the person satisfies the Administrator that the person has made a reasonable and good faith effort to reach agreement upon group representation with the other members of the group and (II) the Administrator determines that there are substantial and relevant issues which are not adequately presented by the group representative.

(D) The Administrator may issue procedural rules for the conduct of any oral presentation (including cross-examination) under this paragraph and may impose such reasonable time limits on each person's oral presentations authorized by this paragraph as may be appropriate in view of any need for expedition, the nature of the issues involved, and the number of participants and the nature of their interests.

(E) In the judicial review of a rule under subsection (a) the last sentence of section 19(c)(1) shall not apply to any determination of the Administrator under this paragraph.

(3)(A) The Administrator may, pursuant to rules prescribed by it, provide compensation for reasonable attorneys' fees, expert witness fees, and other costs of participating in a rulemaking proceeding for the promulgation of a rule under subsection (a) to any person who represents an interest which will substantially contribute to a fair determination of the issues to be resolved in the proceeding taking into account the number and complexity of such issues and whether representation of such interest will contribute to widespread public participation in the proceeding and representation of a fair balance of interests for the resolution of such issues if—

(i) the economic interest of such person is small in comparison to the costs of effective participation in the proceeding by such person, or

(ii) such person demonstrates to the satisfaction of the Administrator that such person does not have sufficient resources adequately to participate in the proceeding in the absence of compensation under this subparagraph.

In determining whether compensation should be provided to a person under this subparagraph and the amount of such compensation, the Administrator shall take into account the financial burden which will be incurred by such person in participating in the rulemaking proceeding.

(B) The aggregate amount of compensation paid under this paragraph in any fiscal year to all persons who, in rulemaking proceedings in which they receive compensation, are persons who either—

(i) would be regulated by the proposed rule, or

(ii) represent persons who would be so regulated, may not exceed 25 per centum of the aggregate amount paid as compensation under this paragraph to all persons in such fiscal year.

(4) Paragraphs (1), (2), and (3) of this subsection apply to the promulgation of a rule repealing, or making a substantive amendment to, a rule promulgated under subsection (a).

(d) EFFECTIVE DATE.—(1) The Administrator shall specify in any rule under subsection (a) the date on which it shall take effect, which date shall be as soon as feasible.

(2)(A) The Administrator may declare a proposed rule under subsection (a) to be effective upon its publication in the Federal Register and until the effective date of final action taken, in accordance with subparagraph (B), respecting such rule if—

(i) the Administrator determines that—

(I) the manufacture, processing, distribution in commerce, use, or disposal of the chemical substance or mixture subject to such proposed rule or any combination of such activities is likely to result in an unreasonable risk of serious or widespread harm to health or the environment before such effective date; and

(II) making such proposed rule so effective is necessary to protect the public interest; and

(ii) in the case of a proposed rule to prohibit the manufacture, processing, or distribution of a chemical substance or mixture because of the risk determined under clause (i)(I), a court has in an action under section 7 granted relief with respect to such risk associated with such substance or mixture.

(B) If the Administrator makes a proposed rule effective upon its publication in the Federal Register, the Administrator shall, as expeditiously as possible, give interested persons prompt notice of such action, provide reasonable opportunity, in accordance with paragraphs (2) and (3) of subsection (c), for a hearing on such rule, and either affirm such rule (as proposed or with modifications) or revoke it; and if such a hearing is requested, the Administrator shall commence the hearing within five days from the date such request is made unless the Administrator and the person making the request agree upon a later date for the hearing to begin, and after the hearing is concluded the Administrator shall, within ten days of the conclusion of the hearing, either affirm such rule (as proposed or with modifications) or revoke it.

(e) Polychlorinated Biphenyls.—(1) Within 6 months after the effective date of this Act the Administrator shall initiate proceedings for the promulgation of rules to—

(A) prescribe methods for the disposal of polychlorinated biphenyls, and

(B) require polychlorinated biphenyls to be marked with clear and adequate warnings and instructions with respect to their processing, distribution in commerce, use, or disposal or with respect to any combination of such activities.

Requirements prescribed by rules under this paragraph shall be consistent with the requirements prescribed by or under paragraphs (2) and (3).

(2)(A) Except as provided under subparagraph (B), effective one year after the effective date of this Act no person may manufacture, process, or distribute in commerce any polychlorinated biphenyl for any use other than a use in a totally enclosed manner.

(B) The Administrator may by rule authorize the manufacture, processing, or distribution in commerce (or any combination of such activities) of any polychlorinated biphenyl for any use other than a use in a totally enclosed manner if the Administrator finds that such manufacture, processing, or distribution in commerce (or combination of such activities) will not cause or significantly contribute to an unreasonable risk to health or the environment.

(C) for the purposes of this paragraph, the term "totally enclosed manner" means any manner which will ensure that any leakage of a polychlorinated biphenyl from its enclosure will be insignificant as determined by the Administrator by rule.

(3)(A) Except as provided in subparagraphs (B) and (C), effective two years after the effective date of this Act no person may manufacture any polychlorinated biphenyl, and effective two and one-half years after such effective date no person may process or distributed in commerce any polychlorinated biphenyl.

(B) Any interested person may petition the Administrator for an exemption from the requirements of subparagraph (A) for a particular use of a polychlorinated biphenyl, and the Administrator may grant by rule such an exemption if the Administrator determines that—

(i) the exemption is necessary for the protection of the health or environment, and

(ii) good faith efforts have been made to develop a chemical substance which may be substituted for such polychlorinated biphenyl in such use and which does not cause or significantly contribute to an unreasonable risk to health or the environment.

An exemption granted under this subparagraph shall be subject to such terms and conditions as the Administrator may prescribe and shall be in effect for such period (but not more than one year from the date it is granted) as the Administrator may prescribe.

(C) Subparagraph (A) shall not apply to the distribution in commerce of any article containing any polychlorinated biphenyl if such article was manufactured before two and one half years after the effective date of this Act.

(4) Any rule under paragraph (1), (2)(B), or (3)(B) shall be promulgated in accordance with paragraphs (2) and (3) of subsection (c).

IMMINENT HAZARDS

SEC. 7. (a) ACTIONS AUTHORIZED AND REQUIRED.—(1) The Administrator may file an action in a district court of the United States—

(A) for seizure of an imminently hazardous chemical substance or mixture or any article containing such a substance or mixture,

(B) for relief (as authorized by subsection (b)) against any person who manufactures, processes, or distributes in commerce an imminently hazardous chemical substance or mixture or any article containing such a substance or mixture, or

(C) for both such seizure and relief.

An action may be filed under this paragraph notwithstanding the existence of a rule under section 4, 5, or 6, and notwithstanding the pendency of any administrative or judicial proceeding under any provision of this Act.

(2) If the Administrator has not made a rule under section 6(a) immediately effective (as authorized by subsection 6(d) (2) (A) (i)) with respect to an imminently hazardous chemical substance or mixture, the Administrator shall file in a district court of the United States with respect to such substance or mixture or article containing such substance or mixture an action described in subparagraph (A), (B), or (C) or paragraph (1).

(b) JURISDICTION OF COURT.—(1) The district court of the United States in which an action under subsection (a) is brought shall have jurisdiction to grant such temporary or permanent relief as may be necessary to protect health or the environment from the unreasonable risk associated with the chemical substance, mixture, or article involved in such action.

(2) In the case of an action under subsection (a) brought against a person who manufactures, processes, or distributes in commerce a chemical substance or mixture or an article containing a chemical substance or mixture, the relief authorized by paragraph (1) may include the issuance of a mandatory order requiring (A) in the case of purchasers of such substance, mixture, or article known to the defendant, notification to such purchasers of the risk associated with it; (B) public notice of such risk; (C) recall; (D) the replacement or repurchase of such substance, mixture, or article; or (E) any combination of the actions described in the preceding clauses.

(3) In the case of an action under subsection (a) against a chemical substance, mixture, or article, such substance, mixture, or article may be proceeded against by process of libel for its seizure and condemnation. Proceedings in such an action shall conform as nearly as possible to proceedings in rem in admiralty.

(c) VENUE AND CONSOLIDATION.—(1) (A) An action under subsection (a) against a person who manufactures, processes, or distributes a chemical substance or mixture or an article containing a chemical substance or mixture may be brought in the United States District Court for the District of Columbia or for any judicial district in which any of the defendants is found, resides, or transacts business; and process in such an action may be served on a defendant in any other district in which such defendant resides or may be found. An action under subsection (a) against a chemical substance, mixture, or article may be brought in any United States district court within the jurisdiction of which the substance, mixture, or article is found.

(B) In determining the judicial district in which an action may be brought under subsection (a) in instances in which such action may be brought in more than one judicial district, the Administrator shall take into account the convenience of the parties.

(C) Subpenas requiring attendance of witnesses in an action brought under subsection (a) may run into any judicial district.

(2) Whenever proceedings under subsection (a) involving identical chemical substances, mixtures, or articles are pending in courts in two or more judicial districts, they shall be consolidated for trial by order of any such court upon application reasonably made by any party in interest, upon notice to all parties in interest.

(d) ACTION UNDER SECTION 6.—Where appropriate, concurrently with the filing of an action under subsection (a) or as soon thereafter as may be practicable, the Administrator shall initiate a proceeding for the promulgation of a rule under section 6(a).

(e) REPRESENTATION.—Notwithstanding any other provision of law, in any action under subsection (a), the Administrator may direct attorneys of the Environmental Protection Agency to appear and represent the Administrator in such an action.

(f) DEFINITION.—For purposes of subsection (a), the term "imminently hazardous chemical substance or mixture" means a chemical substance or mixture which causes or significantly contributes to an imminent and unreasonable risk of serious or widespread harm to health or the environment. Such a risk to health or the environment shall be considered imminent if it is shown that the manufacture, processing, distribution in commerce, use, or disposal of the chemical substance or mixture or any combination of such actions is likely to result in such harm to health or the environment before a final rule under section 6 can protect against such risk.

REPORTING AND RETENTION OF INFORMATION

SEC. 8. (a) REPORTS.—(1) The Administrator shall promulgate rules under which—

(A) each person (other than a small manufacturer or processor) who manufactures or processes or proposes to manufacture or process a chemical substance (other than a chemical substance described in subparagraph (B) (ii)) shall maintain such records, and shall submit to the Administrator such reports, as the Administrator may reasonably require, and

(B) each person (other than a small manufacturer or processor) who manufactures or processes or proposes to manufacture or process—

(i) a mixture, or

(ii) a chemical substance in small quantities (as defined by the Administrator by rule) solely for scientific experimentation or analysis or for chemical research or analysis on such substance or another substance, including such research or analysis for the development of a product,

shall maintain records and submit to the Administrator reports but only to the extent the Administrator determines the maintenance of records or submission of reports, or both, if necessary for the effective enforcement of this Act.

The Administrator may not require in a rule promulgated under this paragraph the maintenance of records or the submission of reports with respect to changes in the proportions of the components of a mixture unless the Administrator finds that the maintenance of such records or the submission of such reports, or both, is necessary for the effective enforcement of this Act. For purposes of the compilation of the list of chemical substances required under subsection (b), the Administrator shall promulgate rules pursuant to this subsection not later than one hundred and eighty days after the effective date of this Act.

(2) The Administrator may require under paragraph (1) reporting with respect to the following:

(A) The common or trade name, the chemical identity, and the molecular structure of each chemical substance or mixture for which such a report is required, insofar as known to the person making the report or insofar as reasonably ascertainable.

(B) The categories or proposed categories of use of each such substance or mixture, insofar as known to the person making the report or insofar as reasonably ascertainable.

(C) Reasonable estimates of the amount of each substance and mixture to be manufactured or processed and, insofar as known to the person making the report or insofar as reasonably ascertainable, a reasonable estimate of the amount of each such substance and mixture to be manufactured or processed for each of its categories or proposed categories of use.

(D) A description of the byproducts resulting from the manufacture, processing, use, or disposal of each such substance or mixture, insofar as known to the person making the report or insofar as reasonably ascertainable.

(E) All existing data concerning the adverse environmental and health effects of such substance or mixture, insofar as known to the person making the report.

(F) Estimates of the number of persons who will be exposed to such substance or mixture in their places of employment and the duration of such exposure, insofar as known to the person making the report.

To the extent feasible the Administration shall not require under paragraph (1) unnecessary or duplicate reporting.

(3) (A) (i) The Administrator may by rule require a small manufacturer or processor of a chemical substance to submit to the Administrator such information respecting the chemical substance as the Administrator may require for publication of the first list of chemical substances required by subsection (b).

(ii) The Administrator may by rule require a small manufacturer or processor of a chemical substance or mixture—

(I) subject to a rule proposed or promulgated under section 4, 5(c), 5(g), or 6, or

(II) with respect to which relief has been granted pursuant to a civil action brought under section 7, to maintain such records on such substance or mixture, and to submit to the Administrator such reports on such substance or mixture, as the Administrator may reasonably require. A rule under this clause requiring reporting may require reporting with respect to the matters referred to in paragraph (2).

(B) The Administrator, after consultation with the Administrator of the Small Business Administration, shall by rule prescribe standards for determining the manufacturers and processors which qualify as small manufacturers and processors for purposes of this paragraph and paragraph (1).

(b) INVENTORY.—(1) The Administrator shall compile, keep current, and publish a list of each chemical substance which is manufactured or processed in the United States. Such list shall at least include each chemical substance which any person reports, under section 5 or subsection (a) of this section, is manufactured or processed in the United States or was manufactured or processed in the United States within three years before the effective date of the rules promulgated pursuant to the last sentence of subsection (a) (1). In the case of a chemical substance for which a notice is submitted in accordance with section 5, such chemical substance shall be included in such list as of the earliest date (as determined by the Administrator) on which such substance was manufactured or processed in the United States. The Administrator shall first publish such a list not later than one year after the effective date of this Act. The Administrator shall not include in such list any chemical substance which is manufactured or processed only in small quantities (as defined by the Administrator by rule) solely for scientific experimentation or analysis or for chemical research or analysis on such substance or another substance, including such research or analysis for the development of a product.

(2) To the extent consistent with the purposes of this Act, the Administrator may, in lieu of listing, pursuant to paragraph (1), a chemical substance individually, list a cate-

gory of chemical substances in which such substance is included.

(c) RECORDS.—Any person who manufactures, processes, or distributes in commerce or proposes to manufacture, process, or distribute in commerce any chemical substance or mixture shall, as required by the Administrator by rule, maintain records of adverse reactions to health or the environment alleged to have been caused by the substance or mixture. In such a rule the Administrator may require that—

(1) records of adverse reactions to the health of employees be retained for a period of not more than fifty years from the date such reactions were first reported to or known by the person maintaining such records, and

(2) any other record be retained for a period of not more than five years from the date the information contained in the record was first reported to or known by the person maintaining the record.

Records required to be maintained under this subsection may include records of consumer allegations of personal injury or harm to health, reports of occupational disease or injury, and reports or complaints of injury to the environment submitted to the manufacturer, processor, or distributor in commerce by individuals or governmental agencies. Upon request of an officer or employee duly designated by the Administrator, each person who is required to maintain records under this subsection shall permit the inspection of such records and shall submit copies of such records.

(d) HEALTH AND SAFETY STUDIES.—The Administrator shall promulgate rules under which the Administrator may require any person who manufactures, processes, or distributes in commerce or who proposes to manufacture, process, or distribute in commerce any chemical substance or mixture (or with respect to paragraph (2), any person who has possession of a study) to submit to the Administrator—

(1) lists of health and safety studies conducted or initiated by or for such person at any time or known to such person; and

(2) copies of any such studies appearing on a list submitted pursuant to paragraph (1) or (2), or otherwise known by such person.

(e) NOTICE TO ADMINISTRATOR OR UNREASONABLE RISKS.—Any person who manufactures, processes, or distributes in commerce a chemical substance or mixture and who obtains information which reasonably supports the conclusion that such substance or mixture causes or significantly contributes to a substantial risk to health or the environment shall immediately inform the Administrator of such information unless such person has actual knowledge that the Administrator has been adequately informed of such information.

(f) DEFINITIONS.—For purposes of this section, the terms "manufacture" and "process" mean manufacture or process for commercial purposes.

RELATIONSHIP TO OTHER FEDERAL LAWS

SEC. 9 (a) LAWS NOT ADMINISTERED BY THE ADMINISTRATOR.—(1) If the Administrator has reason to believe that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance or mixture or any combination of such actions causes or significantly contributes to or is likely to cause or significantly contribute to an unreasonable risk to health or the environment and determines that such risk may be prevented or reduced to a sufficient extent by action taken under a Federal law not administered by the Administrator, the Administrator shall submit to the agency which administers such law a report which describes such risk and includes in such description a specification of the activity or combination of activities which the Administrator has reason to believe so causes or contributes to such risk. Such report shall also request such agency—

(A) (i) to determine if the risk described in such report may be prevented or reduced to a sufficient extent by action taken under such law, and

(ii) if the agency determines that such risk may be so prevented or reduced, to issue an order declaring whether or not the activity or combination of activities specified in the description of such risk causes or significantly contributes to such risk; and

(B) to report such determination and order to the Administrator.

Any report of the Administrator shall include a detailed statement of the information on which it is based and shall be published in the Federal Register. The agency receiving a request under such a report shall make the requested determination, issue the requested order, and make the requested report within such time as the Administrator specifies in the request, but such time specified may not be less than ninety days from the date the request was made. The report of an agency in response to a request of the Administrator shall be accompanied by a detailed statement of the findings and conclusions of the agency respecting the order and determination requested to be made and shall be published in the Federal Register.

(2) If the Administrator makes a report under paragraph (1) with respect to a chemical substance or mixture and the agency to which such report was made either—

(A) issues an order declaring that the activity or combination of activities specified in the description of the risk described in the report does not cause or significantly contribute to the risk described in the report, or

(B) initiates, within ninety days of the publication in the Federal Register of the report of the agency under paragraph (1) in response to the Administrator's report, action under the law (or laws) administered by such agency to protect against such risk,

the Administrator may not take any action under section 6 or 7 with respect to such risk.

(3) If the Administrator has initiated action under section 6 or 7 with respect to a risk associated with a chemical substance or mixture which was the subject of a report made to an agency under paragraph (1), such agency shall before taking action under the law (or laws) administered by it to protect against such risk consult with the Administrator for the purpose of avoiding duplication of Federal action against such risk.

(b) LAWS ADMINISTERED BY THE ADMINISTRATOR.—The Administrator shall coordinate actions taken under this Act with actions taken under other Federal laws administered in whole or in part by the Administrator. If a risk to health or the environment associated with a chemical substance or mixture could be eliminated or reduced to a sufficient extent by actions taken under the authorities contained in such other Federal laws, the Administrator shall use such authorities to protect against such risk unless the Administrator determines that it is in the public interest to protect against such risk by actions taken under this Act. This subsection shall not be construed to relieve the Administrator of any requirement imposed on the Administrator by such other Federal laws.

(c) OCCUPATIONAL SAFETY AND HEALTH.—In exercising any authority under this Act, the Administrator shall not, for purposes of section 4(b)(1) of the Occupational Safety and Health Act of 1970, be deemed to be exercising statutory authority to prescribe or enforce standards or regulations affecting occupational safety and health.

(d) COORDINATION.—In administering this Act, the Administrator shall consult and coordinate with the Secretary of Health, Education, and Welfare and the heads of any other appropriate Federal executive department or agency, any relevant independent regulatory agency, and any other appropriate instrumentality of the Federal Government for the purpose of achieving the maximum enforcement of this Act while imposing the least burdens of duplicative requirements on those subject to the Act and for other purposes. The Administrator shall report annually to the Congress on actions taken to coordinate with such other Federal departments, agencies, or instrumentalities, and on actions taken to coordinate the authority under this Act with the authority granted under other Acts referred to in subsection (b).

RESEARCH, DEVELOPMENT, COLLECTION, DISSEMINATION, AND UTILIZATION OF DATA

SEC. 10. (a) AUTHORITY.—The Administrator shall, in consultation and cooperation with the Secretary of Health, Education, and Welfare and with other heads of appropriate departments and agencies, conduct such research, development, and monitoring as is necessary to carry out the purposes of this Act. The Administrator may enter into contracts and may make grants for such research, development, and monitoring. Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529, 41 U.S.C. 5).

(b) DATA SYSTEMS.—(1) The Administrator shall establish, administer, and be responsible for the continuing activities of an interagency committee which will design, establish, and coordinate an efficient and effective system, within the Environmental Protection Agency, for the collection, dissemination to other Federal departments and agencies, and use of data submitted to the Administrator under this Act.

(2) (A) The Administrator shall, in consultation with the Secretary of Health, Education, and Welfare and other heads of appropriate departments and agencies design, establish, and coordinate an efficient and effective system for the retrieval of toxicological and other scientific data which could be useful to the Administrator in carrying out the purposes of this Act. Systematized retrieval shall be developed for use by all Federal and other departments and agencies with responsibilities in the area of regulation or study of chemical substances and mixtures and their effect on health or the environment.

(B) The Administrator, in consultation with the Secretary of Health, Education, and Welfare, is authorized to make grants and enter into contracts for the development of a data retrieval system described in subparagraph (A). Contracts may be entered into under this subparagraph without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529, 41 U.S.C. 5).

(c) SCREENING TECHNIQUES.—The Administrator shall coordinate with the Assistant Secretary for Health research undertaken by the Administrator and directed toward the development of rapid, reliable, and economical screening techniques for carcinogenic, mutagenic, teratogenic, and ecological effects of chemical substances and mixtures.

(d) MONITORING.—The Administrator shall establish and be responsible for research aimed at the development, in cooperation with local, State, and Federal agencies, of monitoring techniques and instruments which may be used in the detection of toxic chemical substances and mixtures and which are reliable, economical, and capable of being implemented under a wide variety of conditions.

(e) BASIC RESEARCH.—The Administrator shall establish research programs to develop the fundamental scientific basis of the screening and monitoring techniques described in subsections (c) and (d), the bounds of their reliability of such techniques, and the opportunities for their improvement.

(f) Manpower Training.—The Administrator shall establish and promote programs and workshops to train or facilitate the training of Federal laboratory and technical personnel in existing or newly developed screening and monitoring techniques.

(g) Exchange of Research and Development Results.—The Administrator shall, in consultation with the Secretary of Health, Education, and Welfare and other heads of appropriate agencies, establish and coordinate a system for exchange among Federal, State, and local authorities of research and development results respecting toxic chemical substances and mixtures, including a system to facilitate and promote the development of standard data format and analysis and consistent testing procedures.

INSPECTIONS

Sec. 11. (a) In General.—For purposes of enforcement of this Act the Administrator, or any representative of the Administrator, duly designated by the Administrator, may inspect any establishment, facility, or other premises in which chemical substances or mixtures are manufactured, processed, stored, or held before or after their distribution in commerce and any conveyance being used to transport chemical substances or mixtures in connection with distribution in commerce. Such an inspection may only be made upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge of the premises or conveyance to be inspected. A separate notice shall be given for each such inspection but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness and shall be conducted at reasonable times, within reasonable limits, and in a reasonable manner.

(b) Scope.—(1) Except as provided in paragraph (2), an inspection under subsection (a) shall extend to all things within the premises or conveyance inspected (including records, files, papers, processes, controls, and facilities) bearing on whether the requirements of this Act applicable to the chemical substances or mixtures within such premises or conveyance have been complied with.

(2) No inspection under subsection (a) shall extend to—

(A) financial data,

(B) sales data other than shipment data,

(C) pricing data,

(D) personnel data, or

(E) research data (other than research data required by this Act),

unless the nature and extent of such data are described with reasonable specificity in the written notice required by subsection (a) for such inspection.

EXPORTS

Sec. 12. (a) General.—(1) Except as provided in paragraph (2) and subsection (b), this Act (other than section 8) shall not apply to any chemical substance, mixture, or an article containing a chemical substance or mixture if—

(A) it can be shown that such substance, mixture, or article is being manufactured, processed, sold, or held for sale, for export from the United States, unless such substance, mixture, or article was, in fact, manufactured, processed, or distributed in commerce, for use in the United States, and

(B) such substance, mixture, or article when distributed in commerce, or any container in which it is enclosed when so distributed, bears a stamp or label stating that such substance, mixture, or article is intended for export.

(2) Paragraph (1) shall not apply to any chemical substance, mixture, or article if the Administrator finds that the substance, mixture, or article will cause or significantly contribute to an unreasonable risk to health within the United States or to the environment of the United States. The Administrator may require, under section 4, testing of a chemical substance or mixture exempted from this Act by paragraph (1) to determine whether or not such substance or mixture causes or significantly contributes to an unreasonable risk to health within the United States or to the environment of the United States.

(b) Notice.—(1) If any person exports or intends to export to a foreign country a chemical substance or mixture for which the submission of data is required under section 4 or 5(d), such person shall notify the Administrator of such exportation or intent to export and the Administrator shall furnish to the government of such country notice of the availability of the data submitted to the Administrator under such section for such substance or mixture.

(2) If any person exports or intends to export to a foreign country a chemical substance or mixture for which a rule has been proposed or promulgated under section 5 or 6, or with respect to which an action is pending, or relief has been granted under section 7, such person shall notify the Administrator of such exportation or intent to export and the Administrator shall furnish to the government of such country notice of such rule, action, or relief.

ENTRY INTO CUSTOMS TERRITORY OF THE UNITED STATES

Sec. 13. (a) In General.—(1) The Secretary of the Treasury shall refuse entry into the customs territory of the United States (as defined in general headnote 2 to the Tariff Schedules of the United States) of any chemical substance, mixture, or article containing a chemical substance or mixture offered for entry if—

(A) it fails to comply with any rule in effect under this Act, or

(B) it is offered for entry in violation of section 5, a rule or order under section 5 or 6, or an order issued in an action brought under section 5 or 7.

(2) If a chemical substance, mixture, or article is refused entry under paragraph (1), the Secretary of the Treasury shall notify the consignee of such entry refusal, shall not release it to the consignee, and shall cause its disposal or storage (under such rules as the Secretary of the Treasury may prescribe) if it has not been exported by the consignee within ninety days from the date of receipt of notice of such refusal, except that the Secretary of the Treasury may, pending a review by the Administrator of the entry refusal, release to the consignee such substance, mixture, or article on execution of bond for the amount of the full invoice of such substance, mixture, or article (as such value is set forth in the customs entry), together with the duty thereon. On failure to return such substance, mixture, or article for any cause to the custody of the Secretary of the Treasury when demanded, such consignee shall be liable to the United States for liquidated damages equal to the full amount of such bond. All charges for storage, cartage, and labor on substances, mixtures, or articles which are refused entry or release under this section shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against any future entry made by such owner or consignee.

(b) Rules.—The Secretary of the Treasury, after consultation with the Administrator, shall issue rules for the enforcement of subsection (a) of this section.

DISCLOSURE OF DATA

Sec. 14. (a) In General.—Except as provided by subsection (b), any information reported to, or otherwise obtained by, the Administrator (or any representative of the Administrator) under this Act, which is exempt from disclosure pursuant to subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) of such section, shall not be disclosed by the Administrator or by any officer or employee of the United States, except that such information may be disclosed—

(1) to officers and employees of the United States—

(A) in connection with their official duties under laws for the protection of health or the environment, or

(B) for specific law enforcement purposes;

(2) to contractors with the United States and employees of such contractors if in the opinion of the Administrator such disclosure is necessary for the satisfactory performance by the contractor of a contract with the United States entered into on or after the effective date of this Act for the performance of work in connection with this Act; or

(3) when relevant in any proceeding under this Act, except that disclosure in such a proceeding shall be made in such manner as to preserve confidentiality to the extent practicable without impairing the proceeding.

(b) Data From Health and Safety Studies.—(1) Subsection (a) does not prohibit the disclosure of—

(A) any health and safety study submitted under this Act with respect to—

(i) any chemical substance or mixture which on the date the study is to be disclosed has been offered for commercial distribution, or

(ii) any chemical substance or mixture for which testing is required under section 4 or for which notification is required under section 5, and

(B) any data reported to, or otherwise obtained by the Administrator from a health and safety study which relates to a chemical substance or mixture described in clause (i) or (ii) of subparagraph (A).

This paragraph does not authorize the release of data which discloses processes used in the manufacturing or processing of a chemical substance or mixture or, in the case of a mixture, the release of data disclosing the portion of the mixture comprised by any of the chemical substances in the mixture.

(2) If a request is made to the Administrator under subsection (a) of section 552 of title 5, United States Code, for information which is described in the first sentence of paragraph (1) and which is not information described in the second sentence of such paragraph, the Administrator may not deny such request on the basis of subsection (b)(3) or (b)(4) of such section.

(c) Designation of Confidential Data; Disputes.—(1) In submitting data under this Act, a person may (A) designate the data which the person believes is entitled to confidential treatment under subsection (a), and (B) submit such designated data separately from other data submitted under this Act.

(2) If the Administrator proposes to release for inspection data which has been designated under paragraph (1)(A), the Administrator shall notify, in writing and by certified mail, the person who submitted such data of the intent to release such data. If the release of such data is to be made pursuant to a request made under section 552(a) of title 5, United States Code, such notice shall be given immediately upon approval of such request by the Administrator. The Administrator may not release such data until the expiration of thirty days after the person submitting such data has received the notice required by this paragraph.

(d) Criminal Penalty for Wrongful Disclosure.—(1) Any officer or employee of the United States or former officer or employee of the United States, who by virtue of such employment or official position has obtained possession of, or has access to, material the disclosure of which is prohibited by subsection (a), and who knowing that disclosure of such material is prohibited by such subsection, willfully discloses the material in any manner to any person not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000 or imprisoned for not more than one year, or both. Section 1905 of title 18, United States Code, does not apply with respect to the publishing, divulging, disclosure, or making known of, or making available, information reported or otherwise obtained under this Act.

(2) For the purposes of paragraph (1), any contractor with the United States who is furnished information as authorized by subsection (a)(2), and any employee of any such contractor, shall be considered to be an employee of the United States.

(e) Access by Congress.—Notwithstanding any limitation contained in this section or any other provision of law, all information reported to or otherwise obtained by the Administrator (or any representative of the Administrator) under this Act shall be made available, upon written request of any duly authorized committee of the Congress, to such committee.

PROHIBITED ACTS

Sec. 15. It shall be unlawful for any person to—

(1) fail or refuse to comply with (A) any rule or order promulgated or issued under section 4, (B) any requirement prescribed by section 5, or (C) any rule or order promulgated under section 5 or 6;

(2) use for commercial purposes a chemical substance or mixture which such person knew or had reason to know was manufactured, processed, or distributed in commerce in violation of section 5, a rule or order under section 5 or 6, or an order issued in an action brought under section 5 or 7;

(3) fail or refuse to (A) establish or maintain records, (B) submit reports, notices, or other information, or (C) permit access to or copying of records, as required by this Act or a rule thereunder; or

(4) fail or refuse to permit entry or inspection as required by section 11.

PENALTIES

Sec. 16. (a) Civil.—(1) Any person who violates a provision of section 15 of this Act shall be liable to the United States for a civil penalty in an amount not to exceed $25,000 for each such violation. Each day such a violation continues shall for purposes of this subsection constitute a separate violation of section 15.

(2)(A) A civil penalty for a violation of section 15 shall be assessed by the Administrator by an order made on the record after opportunity (provided in accordance with this subparagraph) for a hearing in accordance with section 554 of title 5, United States Code. Before issuing such an order, the Administrator shall give written notice to the person to be assessed a civil penalty under such order of the Administrator's proposal to issue such order and provide such person an opportunity to request, within fifteen days of the date the notice is received by such person, such a hearing on the order.

(B) In determining the amount of a civil penalty, the Administrator shall take into account the nature, circumstances, extent, and gravity of the violation or violations and, with respect to the violator, ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, and such other matters as justice may require.

(C) The Administrator may, in the Administrator's discretion, compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed under this subsection. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

(3) Any person who requested in accordance with paragraph (2)(A) a hearing respecting the assessment of a civil penalty and who is aggrieved by an order assessing a civil penalty may file a petition for judicial review of such order with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which such person resides or transacts business. Such a petition may only be filed within the thirty-day period beginning on the date the order making such assessment was issued.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final order and does not file a petition for judicial review of the order in accordance with paragraph (3) or after a court in an action brought under paragraph (3) has entered final judgment in favor of the Administrator, the Attorney General shall recover the amount assessed (plus interest at currently prevailing rates from such date) in an action brought in any appropriate district court of the United States. In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

(b) Criminal.—Any person who knowingly or willfully violates any provision of section 15 shall, in addition to or in lieu of a civil penalty which may be imposed under subsection (a) of this section for such violation, be subject, upon conviction, to a fine of not more than $25,000 for each day of violation, or to imprisonment for not more than one year, or both.

(c) Notice, Repurchase, or Replacement.—If in a proceeding for the issuance of an order under paragraph (1) to assess a civil penalty against a person the Administrator determines that such person manufactured, processed, or distributed in commerce a chemical substance or mixture in violation of a requirement applicable to such substance or mixture under paragraph (1) or (2) of section 6(a) or otherwise determines by order made on the record after opportunity for agency hearing that a person has so violated such a requirement, the Administrator may, in such order, require such person (1) to give notice of the risk associated with the chemical substance or mixture subject to such requirement to processors or distributors in commerce of such substance or mixture, or to both, and, to the extent reasonably ascertainable, to any other person in possession of or exposed to such substance or mixture; (2) to give public notice of such risk; (3) to either replace or repurchase such substance or mixture, as determined by the person (or persons) to whom the requirement is directed, in the manner prescribed by the Administrator; or (4) to take any combination of the actions described in the preceding clauses.

SPECIFIC ENFORCEMENT AND SEIZURE

Sec. 17. (a) Specific Enforcement.—(1) The district courts of the United States shall have jurisdiction over civil actions to—

(A) restrain any violation of section 15,

(B) restrain any person from manufacturing or processing a chemical substance before the expiration of the period before which such manufacturing or processing is prohibited under section 5,

(C) restrain any person from taking any action prohibited by section 5 or by a rule or order under section 5 or 6, or

(D) compel the taking of any action required by or under this Act.

(2) A civil action described in paragraph (1) may be brought—

(A) in the case of a civil action described in subparagraph (A) of such paragraph, in the United States district court for the judicial district wherein any act, omission, or transaction constituting a violation of section 15 occurred or wherein the defendant is found or transacts business, or

(B) in the case of any other civil action described in such paragraph, in the United States district court for the judicial district wherein the defendant is found or transacts business.

In any such civil action process may be served on a defendant in any judicial district in which a defendant resides or may be found. Subpenas requiring attendance of witnesses in any such action may run into any judicial district.

(b) Seizure.—Any chemical substance or mixture which was manufactured, processed, or distributed in commerce in violation of this Act or any rule or order promulgated under this Act or any article containing such a substance or mixture shall be liable to be proceeded against, by process, of libel for the seizure and condemnation of such substance, mixture, or article, in any district court of the United States within the jurisdiction of which such substance, mixture, or article is found. Such proceedings shall conform as nearly as possible to proceedings in rem in admiralty.

PREEMPTION

Sec. 18. (a) Effect on State Law.—(1) Except as provided in paragraph (2), nothing in this Act shall affect the authority of any State or political subdivision of a State to establish or continue in effect regulation of any chemical substance, mixture, or article containing a chemical substance or mixture.

(2) Except as provided in subsection (b)—

(A) if the Administrator requires by a rule promulgated under section 4 the testing of a chemical substance or mixture, no State or political subdivision may, after the effective date of such rule, establish or continue in effect a requirement for the testing of such substance or mixture for purposes similar to those for which testing is required under such rule; and

(B) if the Administrator prescribes a rule or order under section 5 or 6 of this Act (other than a rule imposing a requirement described in subsection (a)(5) of section 6) which is applicable to a chemical substance or mixture, and which is designed to protect against a risk to health or the environment associated with such substance or mixture, no State or political subdivision of a State may, after the effective date of such requirement, establish or continue in effect a requirement applicable to such substance or mixture, or an article containing such substance or mixture, and designed to protect against such risk unless such requirement is identical to the requirement prescribed by the Administrator or unless such requirement is adopted under the authority of the Clean Air Act or any other Federal law.

(b) Exemption.—Upon application of a State or political subdivision of a State the Administrator may by rule exempt from subsection (a)(2), under such conditions as may be prescribed in such rule, a requirement of such State or political subdivision designed to protect against a risk to health or the environment associated with a chemical substance, mixture, or article containing a chemical substance or mixture if—

(1) compliance with the requirement would not cause the manufacturing, processing, distribution in commerce, or use of the substance, mixture, or article to be in violation of the applicable requirement under this Act described in subsection (a)(2), and

(2) the State or political subdivision requirement (A) provides a significantly higher degree of protection from such risk than the requirement under this Act described in sub-

section (a)(2) and (B) does not, through difficulties in marketing, distribution, or other factors, unduly burden interstate commerce.

JUDICIAL REVIEW

SEC. 19. (a) IN GENERAL.—Not later than sixty days following the promulgation of a rule under section 4, 5, or 6(a) of this Act, any person may file a petition for judicial review of such rule with the United States Court of Appeals for the District of Columbia Circuit or for the circuit in which such person resides or in which such person's principal place of business is located. Copies of the petition shall be forthwith transmitted by the clerk of such court to the Administrator and to the Attorney General. The Administrator shall transmit to the Attorney General, who shall file in the court, the record of the proceedings on which the Administrator based such rule as provided in section 2112 of title 28, United States Code. For purposes of this section, the term "record" means such rule; any transcript required of any oral presentation; any written submission of interested parties; and any other information which the Administrator considers to be relevant to such rule and with respect to which the Administrator, on or before the Administrator, the court may rule, published a notice in the Federal Register identifying such information.

(b) ADDITIONAL DATA.—If the petitioner applies to the court for leave to adduce additional data, views, or arguments, and shows to the satisfaction of the court that such additional data, views, or arguments are material and that there are reasonable grounds for the petitioner's failure to adduce such data, views, or arguments in the proceeding before the Administrator, the court may order the Administrator to provide additional opportunity for oral presentation of data, views, or arguments and for written submissions. The Administrator may modify findings or determinations upon which the rule subject to review by such court was based, or make new findings or determinations by reason of the additional data, views or arguments so taken and shall file such modified or new findings or determinations, and the Administrator's recommendation, if any, for the modification or setting aside of such rule, with the return of such additional data, views, or arguments.

(c) AUTHORITY AND REVIEW STANDARD.—(1) Upon the filing of a petition under subsection (a), the court shall have jurisdiction (A) to review the rule involved, in accordance with chapter 7 of title 5, United States Code, and (B) to grant appropriate relief, including interim relief, as provided in such chapter. Any rule promulgated by the Administrator under section 4, 5, or 6 of this Act and reviewed under this section shall be affirmed, unless the determination or findings required to be made by the Administrator under the applicable section are not supported by substantial evidence on the record taken as a whole.

(2) The judgment of the court affirming or setting aside, in whole or in part, any rule reviewed in accordance with this section shall be final to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

(3) The judgment of the court in an action brought pursuant to subsection (a) may include an award of costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. The Supreme Court of the United States in its decision on a review of a judgment in such an action may provide for the award of costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(d) OTHER REMEDIES.—The remedies provided in this section shall be in addition to and not in lieu of any other remedies provided by law.

CITIZENS' CIVIL ACTIONS

SEC. 20. (a) IN GENERAL.—Except as provided in subsection (b), any person may commence a civil action—

(1) against any person (including (A) the United States, and (B) any other governmental instrumentality or agency (to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of this Act or any rule prescribed under section 4, 5, or 6(a) to restrain such violation, or

(2) against the Administrator to compel the Administrator to perform any act or duty under this Act which is not discretionary.

Any civil action under paragraph (1) shall be brought in the United States district court for the district in which the alleged violation occurred or in which the defendant resides or in which the defendant's principal place of business is located. Any action brought under paragraph (2) shall be brought in the United States District Court for the District of Columbia, or the United States district court for the judicial district in which the plaintiff is domiciled. The district courts shall have jurisdiction over suits brought under this section, without regard to the amount in controversy or the citizenship of the parties. In any civil action under this subsection process may be served on a defendant in any judicial district in which the defendant resides or may be found and subpenas for witnesses may run into any judicial district.

(b) LIMITATION.—No civil action may be commenced—

(1) under subsection (a)(1) to restrain a violation of this Act or rule under this Act—

(A) before the expiration of sixty days after the plaintiff has given notice of such violation (i) to the Administrator, and (ii) to the person who is alleged to have committed such violation, or

(B) if the Administrator (or the Attorney General on behalf of the Administrator) has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with this Act or such rule, but if such action is commenced after the giving of notice, any person giving such notice may intervene as a matter of right in such action; or

(2) under subsection (a)(2) before the expiration of sixty days after the plaintiff has given notice to the Administrator of the alleged failure of the Administrator to perform an act or duty which is the basis for such action or, in the case of an action under such subsection for the failure of the Administrator to file an action under section 7, before the expiration of ten days after such notification.

Notice under this subsection shall be given in such manner as the Administrator shall prescribe by rule.

(c) GENERAL.—(1) In any action under this section, the Administrator, if not a party, may intervene as a matter of right.

(2) The court, in issuing any final order in any action brought pursuant to subsection (a), may award costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. Any court, in issuing its decision in an action brought to review such an order, may award costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(3) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or any rule under this Act or to seek any other relief.

(d) CONSOLIDATION.—When two or more civil actions brought under subsection (a) involving the same defendant and the same issues or violations are pending in two or more judicial districts, such pending actions, upon application of such defendants to such actions which is made to a court in which any such action is brought, may, if such court in its discretion so decides, be consolidated for trial by order (issued after giving all parties reasonable notice and opportunity to be heard) of such court and tried in—

(1) any district which is selected by such defendant and in which one of such actions is pending,

(2) a district which is agreed upon by stipulation between all the parties to such actions and in which one of such actions is pending, or

(3) a district which is selected by the court and in which one of such actions is pending.

The court issuing such an order shall give prompt notification of the order to the other courts in which the civil actions consolidated under the order are pending.

CITIZENS' PETITIONS

SEC. 21. (a) IN GENERAL.—Any person may petition the Administrator to initiate a proceeding for the issuance, amendment, or repeal of a rule under section 4, 5(c), or 6(a).

(b) PROCEDURES.—(1) Such petition shall be filed in the principal office of the Administrator and shall set forth the facts which it is claimed established that it is necessary to issue, amend, or repeal a rule under section 4, 5(c), or 6(a).

(2) The Administrator may hold a public hearing or may conduct such investigation or proceeding as the Administrator deems appropriate in order to determine whether or not such petition should be granted.

(3) Within ninety days after filing of a petition described in paragraph (1), the Administrator shall either grant or deny the petition. If the Administrator grants such petition, the Administrator shall promptly commence an appropriate proceeding in accordance with section 4, 5(c), or 6(a). If the Administrator denies such petition, the Administrator shall publish in the Federal Register the Administrator's reasons for such denial.

(4)(A) If the Administrator denies a petition filed under this section (or if the Administrator fails to grant or deny such petition within the ninety-day period) the petitioner may commence a civil action in a United States district court to compel the Administrator to initiate a rulemaking proceeding to take the action requested. Any such action shall be filed within sixty days after the Administrator's denial of the petition or, if the Administrator fails to grant or deny the petition within ninety days after filing the petition, within sixty days after the expiration of the ninety-day period.

(B) If in an action under subparagraph (A) respecting a petition to initiate a proceeding to issue a rule under section 4, 5(c), or 6(a) the petitioner demonstrates to the satisfaction of the court, by a preponderance of the evidence in a de novo proceeding before the court, that—

(i) in the case of a petition to initiate a proceeding for the issuance of a rule under section 4, shall the manufacture, distribution in commerce, processing, use, or disposal of the chemical substance or mixture to be subject to such rule may cause or significantly contribute to an unreasonable risk to health or the environment,

(ii) in the case of a petition to initiate a proceeding for the issuance of a rule under section 5(c), that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance petitioned to be included in a list compiled under such rule causes or significantly contributes to an unreasonable risk to health or the environment, or

(iii) in the case of a petition for the issuance of a rule under section 6(a), that there is a reasonable basis to conclude that the manufacture, processing, distribution in commerce, use, or disposal of a chemical substance or mixture to be subject to such rule causes or significantly contributes to or will cause or significantly contribute to an unreasonable risk to health or the environment,

the court shall order the Administrator to initiate the action requested by the petitioner unless the court finds, after considering the extent of the risk to health or the environment alleged by the petitioner in relation to the extent of risks to health or the environment with respect to which the Administrator is taking action under this Act, the resources available to the Administrator to take action requested by the petitioner, and other relevant factors, the failure of the Administrator to initiate such action was not unreasonable.

(C) The court in issuing any final order in any action brought pursuant to subparagraph (A) may award costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. Any court, in issuing its decision in an action brought to review such an order, may award costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(5) The remedies under this section shall be in addition to, and not in lieu of, other remedies provided by law.

NATIONAL DEFENSE WAIVER

SEC. 22. The Administrator shall waive compliance with any provision of this Act upon a request and determination by the President that the requested waiver is necessary in the interest of national defense. The Administrator shall maintain a written record of the basis upon which such waiver was granted and make such record available for in camera examination when relevant in a judicial proceeding under this Act. Upon the issuance of such a waiver, the Administrator shall publish in the Federal Register a notice that the waiver was granted for national defense purposes, unless, upon the request of the President, the Administrator determines to omit such publication because the publication itself would be contrary to the interests of national defense, in which event the Administrator shall submit notice thereof to the Armed Services Committees of the Senate and the House of Representatives.

EMPLOYEE PROTECTION

SEC. 23. (a) IN GENERAL.—No employer may discharge any employee or otherwise discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee) has—

(1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this Act;

(2) testified or is about to testify in any such proceeding; or

(3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other action to carry out the purposes of this Act.

(b) REMEDY.—(1) Any employee who believes that the employee has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, file (or have any person file on the employee's behalf) a complaint with the Secretary of Labor (hereinafter in this section referred to as the "Secretary") alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint.

(2)(A) Upon receipt of a complaint filed under paragraph (1), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within thirty days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting on behalf of the complainant) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this paragraph. Within ninety days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for agency hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If in response to a complaint filed under paragraph (1) the Secretary determines that a violation of subsection (a) of this section has occurred, the Secretary shall order (i) the person who committed such violation to take affirmative action to abate the violation, (ii) such person to reinstate the complainant to the complainant's former position together with the compensation (including back pay), terms, conditions, and privileges of the complainant's employment, (iii) compensatory damages, and (iv) where appropriate, exemplary damages. If such an order is issued, the Secretary, at the request of the complainant, shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(c) REVIEW.—(1) Any person adversely affected or aggrieved by an order issued under subsection (b) may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within sixty days from the issuance of the Secretary's order. Review shall conform to chapter 7 of title 5 of the United States Code.

(2) An order of the Secretary, with respect to which review could have been obtained under paragraph (1), shall not be subject to judicial review in any criminal or other civil proceeding.

(d) ENFORCEMENT.—(1) Whenever a person has failed to comply with an order issued under subsection (b)(2), the Secretary shall file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief, including injunctive relief and compensatory and exemplary damages. Civil actions brought under this subsection shall be heard and decided expeditiously.

(2) Any nondiscretionary duty imposed by this section is enforceable in mandamus proceeding brought under section 1361 of title 28, United States Code.

(e) EXCLUSION.—Subsection (a) of this section shall not apply with respect to any employee who, acting without direction from the employee's employer (or any agent of the employer), deliberately causes a violation of any requirement of this Act.

EMPLOYMENT EFFECTS

SEC. 24. (a) IN GENERAL.—The Administrator shall evaluate on a continuing basis the potential effects on employment (including reductions in employment or loss of employment from threatened plant closures of—

(1) the issuance of a rule or order under section 4, 5, or 6, or

(2) a requirement of section 5.

(b)(1) INVESTIGATIONS.—Any employee (or any representative of an employee) may request the Administrator to make an investigation of—

(A) a discharge or layoff or threatened discharge or layoff of the employee, or

(B) adverse or threatened adverse effects on the employee's employment,

allegedly resulting from a rule or order under section 4, 5, or 6 or a requirement of section 5. Any such request shall be made in writing, shall set forth with reasonable particularity the grounds for the request, and shall be signed by the employee, or representative of such employee, making the request.

(2)(A) Upon receipt of a request made in accordance with paragraph (1) the Administrator shall (i) conduct the investigation requested, and (ii) if requested by any interested person, hold public hearings on any matter involved in the investigation unless the Administrator determines that there are no reasonable grounds for holding such hearings. If the Administrator makes such a determination respecting a request for a hearing, the Administrator shall notify in writing the person requesting the hearing of the determination and the reasons therefor.

(B) If public hearings are to be held on any matter involved in an investigation conducted under this subsection—

(i) at least five days' notice shall be provided the person making the request for the investigation and any person identified in such request,

(ii) a transcript shall be made of the hearings, and

(iii) each employee who made or for whom was made a request for such hearings and the employer of such employee shall be required to present information respecting the applicable matter referred to in paragraph (1)(A) or (1)(B) together with the basis for such information.

(3) Upon completion of an investigation under paragraph (2), the Administrator shall make findings of fact, shall make such recommendations as the Administrator deems appropriate, and shall make available to the public such findings and recommendations.

(4) In connection with any investigation or public hearing conducted under this subsection, the Administrator may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and the Administrator may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of contumacy or refusal to obey a subpena served upon any person under this paragraph, the United States district court for any district in which such person is found or resides or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Administrator to appear and produce papers, books, and documents before the Administrator, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

STUDIES

SEC. 25. (a) INDEMNIFICATION STUDY.—The Administrator shall conduct a study of all Federal laws administered by the Administrator for the purpose of determining whether and under what conditions, if any, indemnification should be accorded any person as a result of any action taken by the Administrator under any such law. The study shall—

(1) include an estimate of the probable cost of any indemnification programs which may be recommended;

(2) include an examination of all viable means of financing the cost of any recommended indemnification; and

(3) be completed and submitted to Congress not less than two years from the effective date of this Act.

The General Accounting Office shall review the adequacy of the study submitted to Congress pursuant to paragraph (3) and shall report the results of its review to the Congress within six months of the date such study is submitted to Congress.

(b) CLASSIFICATION, STORAGE, AND RETRIEVAL STUDY.—The Council on Environmental Quality, in consultation with the Administrator, the Secretary of Health, Education, and Welfare, the Secretary of Commerce, and the heads of other appropriate Federal departments or agencies, shall coordinate a study of the feasibility of establishing (1) a standard classification system for chemical substances and related substances, and (2) a standard means for storing and for obtaining rapid access to information respecting such substances. A report on such study shall be completed and submitted to Congress not later than eighteen months after the effective date of this Act.

ADMINISTRATION OF ACT

SEC. 26. (a) COOPERATION OF FEDERAL AGENCIES.—Upon request by the Administrator, each Federal department and agency is authorized—

(1) to make its services, personnel, and facilities available (with or without reimbursement) to the Administrator to assist the Administrator in the administration of this Act; and

(2) to furnish to the Administrator such information, data, estimates, and statistics, and to allow the Administrator access to all information in its possession as the Administrator may reasonably determine to be necessary for the administration of this Act.

(b) FEES.—(1) The Administrator may, by rule, require the payment of a reasonable fee from any person required to submit data under section 4 or 5 of this Act to defray the cost of administering this Act. Such rules shall not provide for any fee in excess of $2,500 or in the case of a small business concern, any fee in excess of $100. In setting such a fee, the Administrator shall take into account the ability to pay of the person required to submit such data and the cost to the Administrator of reviewing such data. Such rules may provide for sharing such a fee in any case in which the expenses of testing are shared under section 4 or 5 of this Act.

(2) The Administrator, after consultation with the Administrator of the Small Business Administration, shall by rule prescribe standards for determining the persons which qualify as small business concerns for purposes of this subsection.

(c) ACTION WITH RESPECT TO CATEGORIES.—(1) Any action authorized or required to be taken by the Administrator under any provision of this Act with respect to a chemical substance or mixture may be taken by the Administrator in accordance with that provision with respect to a category of chemical substances or mixtures. Whenever the Administrator takes action under a provision of this Act with respect to a category of chemical substances or mixtures, any reference in this Act to a chemical substance or mixture (insofar as it relates to such action) shall be deemed to be a reference to each chemical substance or mixture in such category.

(2) For purposes of paragraph (1):

(A) The term "category of chemical substances" means a group of chemical substances the members of which are similar in molecular structure, in physical, chemical, or biological properties, in use, or in mode of entrance into the human body or into the environment, or the members of which are in some other way suitable for classification as such for purposes of this Act, except that such term does not mean a group of chemical substances which are grouped together solely on the basis of their being new chemical substances.

(B) The term "category of mixtures" means a group of mixtures the members of which are similar in molecular structure, in physical, chemical, or biological properties, in use, or in mode of entrance into the human body or into the environment, or the members of which are in some way suitable for classification as such for purposes of this Act.

(d) ASSISTANCE OFFICE.—The Administrator shall establish in the Environmental Protection Agency an identifiable office to provide technical and other nonfinancial assistance to manufacturers and processors of chemical substances and mixtures respecting the requirements of this Act applicable to such manufacturers and processors, the policy of the Agency respecting the application of such requirements to such manufacturers and processors, and the means and methods by which such manufacturers and processors may comply with such requirements.

DEVELOPMENT AND EVALUATION OF TEST METHODS

SEC. 27. (a) The Secretary of Health, Education, and Welfare, in consultation with the Administrator and acting through the Assistant Secretary for Health, may conduct, and make grants to public and nonprofit private entities and enter into contracts with public and private entities for, projects for the development and evaluation if inexpensive and efficient methods (1) for determining and evaluating the health and environmental effects of chemical substances and mixtures, and their toxicity, persistence, and other characteristics which affect health and the environment, and (2) which may be used for the development of test data to meet the requirements of rules promulgated under section 4. The Administrator shall consider such methods in prescribing under section 4 standards for the development of test data.

(b) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be submitted in such form and manner and contain such information as the Secretary may require. The Secretary may apply such conditions to grants and contracts under subsection (a) as the Secretary determines are necessary to carry out the purposes of such subsection. Contracts may be entered into under such subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

(c)(1) The Secretary shall prepare and submit to the President and the Congress on or before January 1 of each year a report of the number of grants made and contracts entered into under this section and the results of such grants and contracts.

(2) The Secretary shall periodically publish in the Federal Register reports describing the progress and results of any contract entered into or grant made under this section.

STATE PROGRAMS

SEC. 28. (a) For the purpose of complementing (but not reducing) the authority of, or actions taken by, the Administrator under this Act, the Administrator may make grants to States for the establishment and operation of programs to prevent or eliminate unreasonable risks within the States to health or the environment which are associated with a chemical substance or mixture and with respect to which the Administrator is unable to take action under this Act for their prevention or elimination. The amount of a grant under this subsection shall be determined by the Administrator, except that no grant for any State program may exceed 75 per centum of the establishment and operation costs (as determined by the Administrator) of such program during the period for which the grant is made.

(b)(1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Administrator. Such an application shall be submitted in such form and manner as the Administrator may require and shall—

(A) set forth the need of the applicant for a grant under subsection (a),

(B) identify the agency or agencies of the State which shall establish or operate, or both, the program for which the application is submitted,

(C) describe the actions proposed to be taken under such program,

(D) contain or be supported by assurances satisfactory to the Administrator that such program shall, to the extent feasible, be integrated with other programs of the applicant for environmental and public health protection,

(E) provide for the making of such reports and evaluations as the Administrator may require, and

(F) contain such other information as the Administrator may prescribe.

(2) The Administrator may approve an application submitted in accordance with paragraph (1) only if the applicant has established to the satisfaction of the Administrator a priority need, as determined under rules of the Administrator, for the grant for which the application has been submitted. Such rules shall take into consideration the seriousness of the health effects in a State which are associated with chemical substances or mixtures, including cancer, birth defects, and gene mutations, the extent of the exposure in a State of human beings and the environment to chemical substancec and mixtures, and the extent to which chemical substances and mixtures are manufactured, processed, used, and disposed of in a State.

(c) Not later than six months after the end of each of the fiscal years 1979, 1980, and 1981, the Administrator shall submit to the Congress a report respecting the programs assisted by grants under subsection (a) in the preceding fiscal year and the extent to which the Administrator has disseminated information respecting such programs.

(d) For the purpose of making grants under subsection (a) there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1978, $1,000,000 for the fiscal year ending September 30, 1979, and $1,000,000 for the fiscal year ending September 30, 1980. Sums appropriated under this subsection shall remain available until expended.

SUNSHINE IN GOVERNMENT

SEC. 29. (a) Each officer or employee of the Administrator and the Secretary of Health, Education and Welfare who—

(1) performs any function or duty under this Act; and

(2) has any known financial interest (A) in any person subject to this Act, or (B) in any person who applies for or receives any grant, contract, or other form of financial assistance pursuant to this Act;

shall, beginning on February 1, 1977, annually file with the Administrator or the

Secretary of Health, Education and Welfare, as appropriate, a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

(b) The Administrator and said Secretary shall—

(1) act within ninety days after the date of enactment of this Act—

(A) to define the term "known financial interest" for purposes of subsection (a) of this section; and

(B) to establish the methods by which the requirement to file written statements specified in subection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator and said Secretary of such statements; and

(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

(c) In the rules prescribed in subsection (b) of this section, the Administrator and said Secretary may identify specific positions within the appropriate agency which are of a nonregulatory or nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

(d) Any officer or employee who is subject to, and knowingly violates, this section or any regulation issued thereunder, shall be fined not more than $2,500 or imprisoned not more than one year, or both.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 30. There are authorized to be appropriated to the Administrator for purposes of carrying out this Act (other than sections 27 and 28 and subsections (a) and (c) through (g) of section 10 thereof) $12,625,000 for the fiscal year ending September 30, 1978, $16,200,000 for the fiscal year ending September 30, 1979, and $17,350,000 for the fiscal year ending September 30, 1980. No part of the funds appropriated under this section may be used to construct any research laboratories.

ANNUAL REPORT

SEC. 31. The Administrator shall prepare and submit to the President and the Congress on or before January 1, 1979, and on or before January 1 of each succeeding year a comprehensive report on the administration of this Act during the preceding fiscal year. Such report shall include—

(1) a list of the testing required under section 4 during the year for which the report is made and an estimate of the costs incurred during such year by the persons required to perform such tests;

(2) the number of notices received during such year under section 5, the number of such notices received during such year under such section for chemical substances subject to a section 4 rule, and a summary of any action taken during such year under section 5(g);

(3) a list of rules issued during such year under section 6;

(4) a list, with a brief statement of the issues, of completed or pending judicial actions under this Act during such year;

(5) a summary of major problems encountered in the administration of this Act; and

(6) such recommendations for additional legislation as the Administrator deems necessary to carry out the purposes of this Act.

RULE REVIEW

SEC. 32. (a) Any rule prescribed pursuant to this Act by the Administrator may by resolution of either House of Congress be disapproved, in whole or in part, if such resolution of disapproval is adopted not later than the end of the first period of 60 calendar days when Congress is in session (whether or not continuous) which period begins on the date such rule is finally adopted by the Administrator, Secretary of the Treasury, or Secretary of Health, Education, and Welfare, as the case may be. The authority which prescribes a rule pursuant to this Act shall transmit such rule to each House of Congress immediately upon its final adoption. Upon adoption of such a resolution of disapproval by either House of Congress within such 60-day period, such rule, or part thereof, as the case may be, shall cease to be in effect.

(b) Congressional inaction on or rejection of a resolution of disapproval of a rule promulgated under this Act shall not be deemed an expression of approval of such rule.

EFFECTIVE DATE

SEC. 33. This Act shall take effect October 1, 1977.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 14032) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 3149, TOXIC SUBSTANCES CONTROL ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill (S. 3149) to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances, and for other purposes, and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and without objection appoints the following conferees: Messrs. STAGGERS, MURPHY of New York, STUCKEY, ECKHARDT, METCALFE, McCOLLISTER, and BROYHILL.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 12168, AMENDING NATURAL GAS PIPELINE SAFETY ACT OF 1968

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12168), to amend the Natural Gas Pipeline Safety Act of 1968 to authorize additional appropriations, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia? The Chair hears none and, without objection, appoints the following conferees: Messrs. STAGGERS, DINGELL, WIRTH, SHARP, BRODHEAD, BROWN of Ohio, and MOORHEAD of California.

There was no objection.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 14032, the Toxic Substances Control Act, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objectioon.

FURTHER LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I have asked for this time in order to announce the program for tomorrow. We are putting over until tomorrow the bill H.R. 14070, the guaranteed student loan amendments. It will be placed at the end of the calendar.

Also on tomorrow, Mr. Speaker, we are adding three suspensions at the end of the list: H.R. 14681, termination of Overseas Private Investment Corporation insurance in certain circumstances; S. 3542, Teton Dam disaster assistance; and House Joint Resolution 519, appointing Gen. George Washington General of the Armies.

We will then consider a resolution originally listed for Wednesday, House Resolution 1462, anti-trust resolution.

Also as the third bill on Wednesday we are adding H.R. 8911, supplemental security income amendments which will be considered under a modified open rule with 2 hours of debate.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I am happy to yield to the distinguished gentleman from Arizona.

Mr. RHODES. Mr. Speaker, it would seem to me that tomorrow must be about a 26 hour day. Does the gentleman from Massachusetts really believe we can complete this program tomorrow within a reasonable time?

Mr. O'NEILL. As the gentleman from Arizona knows, the rollcalls will be taken up at the end of the day. We appreciate the fact that it will be a long day due to the schedule but we do believe we can complete it, the Lord being on our side.

Mr. RHODES. I would further ask the distinguished gentleman from Massachusetts if there is any agreement, or whether there will be any agreement as to the time for adjournment tomorrow.

Mr. O'NEILL. We will go to a reasonable hour.

Mr. RHODES. I appreciate that.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague, the gentleman from Massachusetts (Mr. O'NEILL) yielding to me.

I would inquire of the distinguished gentleman from Massachusetts when unanimous consent was gained before the recess for the suspension calendar, we understood that there were only going to be three or four bills to be taken up. What increased the number so rapidly, the lull?

Mr. O'NEILL. I am sorry, but would the gentleman from California please repeat his inquiry?

Mr. ROUSSELOT. Mr. Speaker, when the unanimous consent request was gained to take up the suspension calendar for tomorrow, which was done before the recess, we understood that there would be only three, four or five bills. How come the number proliferated so fast?

Mr. O'NEILL. Because the Committee on Ways and Means came out with a group of bills.

Mr. ROUSSELOT. They are primarily Ways and Means Committee bills?

Mr. O'NEILL. That is correct.

Mr. ROUSSELOT. I thank the gentleman for yielding.

1977 BUDGET REQUEST FOR NATIONAL DEFENSE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-586)

The SPEAKER pro tempore (Mr. McFALL) laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Armed Services and the Committee on Appropriations, and ordered to be printed:

To the Congress of the United States:

My total fiscal year 1977 Budget request for national defense, including amendments, is $114.9 billion in budget authority. This budget request is based upon a careful assessment of the international situation and of the contingencies we must be prepared to meet. The request is substantial, as it must be to provide what is necessary for our national security.

When I submitted my budget last January, I pointed out that the request might need to be increased for three reasons: (1) in the event that the Congress did not approve legislative proposals necessary to reduce spending in lower-priority areas involving manpower and related costs and sale of unneeded items from the stockpile; (2) in the shipbuilding area, where a National Security Council study then under way, could lead to an increase in the shipbuilding budget; and (3) a possible increase later in the year depending on the progress of the SALT II negotiations and our continuing assessment of Soviet ICBM programs. Indeed, there have been changes in these areas and they have been reflected in my revised budget request.

On July 14, 1976, I approved legislation authorizing 1977 appropriations for procurement and for research and development programs. At that time I indicated that in a number of important respects the Congress has not fully faced up to the nation's needs. First, the Congress has not approved a number of essential Defense programs. Second, the Congress has added programs and funds which are of a lower priority. Finally, the Congress has not yet acted upon certain of my legislative proposals which are necessary to restrain manpower cost growth and to achieve other economies. These three areas require remedial action by the Congress.

Therefore, today I am advising the Congress that failure to take the necessary remedial actions will result in a revised 1977 estimate for National Defense of $116.3 billion. This revised estimate reflects the following adjustments:

	Budget authority ($ Billions)
Amended budget request	114.9
Congressional adjustments, net	−1.8
Congressional action to date	113.1
Adjustments in this Message:	
(a) Resubmission of Congressional authorization reductions	+2.4
(b) Deletion of programs added by Congress	−.6
(c) Congressional inaction on Defense Management economies	+1.4
(d) Additional recruiting requirements ($39 million)	-----
Revised National Defense estimate	116.3

RESUBMISSION OF CONGRESSIONAL AUTHORIZATION REDUCTIONS

I am having resubmitted authorization requests for $2.4 billion in program reductions imposed by the Congress.

Shipbuilding. Congress has not thus far authorized $1.7 billion requested for new ship programs that are needed to strengthen our maritime capabilities and assure freedom of the seas. In particular, funds have been denied for the lead ships for two essential production programs—the nuclear strike cruiser and the conventionally-powered *Aegis* destroyer—and for four modern frigates. The 1977 program was proposed as the first step of a sustained effort to assure that the United States, along with our allies, can maintain maritime defense, deterrence, and freedom of the seas. Therefore, I am submitting a supplemental authorization request for 1977 to provide for these ships as well as for the research and development to upgrade U.S. ship capabilities in the near term and to create longer-term alternatives to conventional surface forces.

Other Programs. The Congress has also failed to authorize over $900 million requested for other Defense procurement and research and development programs. While some of these adjustments can be accepted due to fact-of-life program developments, I must request a supplemental authorization of $759 million for programs which are urgently needed. In particular, I reaffirm the need for the following programs, and request restoration of the indicated amounts to the Authorization Act:

—$19 million for the Defense Agencies research and development appropriation, principally to provide the needed resources for the Defense Advanced Research Projects Agency.

—$20 million for civil aircraft modifications, clearly the most cost-effective option for enhancing our airlift capability. These modifications should be a part of any airlift improvement program, and the needed funds should not be denied while other airlift improvements are under consideration.

—$171 million for the Air Force research and development appropriation. Our most urgent needs here include funds for the MAVERICK missile needed to start engineering development for advanced warhead and single rail launches and advanced ICBM technology funds needed to identify the most cost-effective option for full-scale development.

—$136 million for the F-16 fighter aircraft, to provide full funding for 1977 in accordance with sound budgetary principles. Since Congress approved the full program, this cut is illusory and would serve only to complicate management and make potential foreign buyers less confident of this program.

—$122 million for the Army research and development appropriation to cover urgent programs such as the STINGER missile, where the Authorization Act would impair the development effort for an improved target-seeking technique. This effort is critical to achieving the needed improvements over the current REDEYE missile.

—$211 million for the Navy research and development appropriation to provide what is needed for several essential programs, in particular the Navy cruise missile program. The Authorization Act would prevent our moving forward at the pace needed to assure that sub and surface launch options can be operational by 1980.

—$66 million for production of the US-3A carrier delivery aircraft, necessary to replace aging aircraft and to provide the necessary numbers of aircraft with sufficient operating range to support our carrier forces. The Authorization Act does not meet our military needs, and would provide an uneconomical production rate.

—$15 million for the MK-30 mobile target, critically needed for anti-submarine warfare training.

PROGRAMS ADDED BY CONGRESS

While the Congress disapproved several programs which are essential to our national security, $1.1 billion was added to the budget request for items for which I did not request funds for 1977. Although I continue to believe that all of these programs are unnecessary at the present time, I specifically urge the Congress to delete $584 million for the following programs:

—Conversion of the cruiser LONG BEACH ($371 million) which can readily be postponed.

—Repair and modernization of the cruiser BELKNAP ($213 million) damaged in a collision, for which funds should be authorized in the Transition Quarter as I have requested.

I proposed that Congress authorize funds for repair of the BELKNAP in the current transition quarter, and delete the funds for the LONG BEACH, which is of lower priority than the conventionally powered AEGIS destroyer and the STRIKE CRUISER which the Congress reduced. If the Congress does not act favorably upon this request, funds would have to be added on top of my revised 1977 Defense budget request.

CONGRESSIONAL INACTION ON DEFENSE MANAGEMENT ECONOMIES

My 1977 Defense budget estimates were based upon the assumption that the Congress would act favorably upon a number of specific legislative proposals, thereby achieving major economies. These savings involve pay costs and related compensation areas and sales of certain materials from the national stockpile.

In these areas alone, the budget reflected savings of $4.0 billion for FY 1977. For the five-year period FY 1977–81, my proposals would save $27 billion. Of these savings, nearly $11 billion can be realized by administrative action in revising the pay comparability process for general schedule and military personnel. I am taking the required actions. Over $16 billion of the savings are dependent upon congressional action, however, and these are the items which I wish to address. Let me summarize these savings proposals requiring action by the Congress:

—$4.7 billion (including $276 million in FY 1977) would result from revisions in the Federal wage board pay system to provide pay rates that are truly comparable with those in the private sector.

—$1.1 billion (including $163 million in FY 1977) would result from changing pay practices in the Reserve and National Guard, modifying training and assignment policies, and transferring 44,500 Naval reservists to a different pay category. My proposals provide the levels of reserve readiness needed, and they are equitable.

—$1.7 billion (including $61 million in FY 1977) would result from holding future increases in military retired pay to changes in the cost of living, eliminating the additional increment which present law provides. I am aware that the Congress has approved this change for military retirees *contingent* upon Congressional approval of this change for civilian retirees as well.

—$1.4 billion (including $92 million in FY 1977) would result from reducing the subsidy in military commissaries on a phased basis, while still providing much lower prices than are available in commercial stores. This proposal is entirely equitable considering current levels of military compensation and other relevant factors.

—$2.6 billion (including $746 million in FY 1977) would result from sale of items from the national stockpile, which are excess to our requirements.

—$4.7 billion (including $384 million in FY 1977) would result from a number of proposals which appear to be well on their way to enactment. These include employment cutbacks, a move toward a fair-market-rental-system for military personnel, and revisions in certain payments for leave.

I am deeply concerned by the apparent intent to reject a large portion of these proposed savings, and to make up the difference by cutbacks in urgently-needed defense programs. The conference report on the first budget resolution states, in fact, that other defense cuts will be made if these proposed savings cannot be realized. This would be a totally unwarranted course of action. If Congress is unwilling to enact the necessary changes to end these unjustifiable outlays, then we must pay for these items from our pocketbooks—not by slashing our national security. We simply cannot sacrifice our national security to provide for unproductive fringe items and unwarranted levels of compensation.

Once again I urge the Congress to take the necessary actions I have proposed in order to achieve real economies in the national defense program, and not to add the new requirements now under consideration. While I am not now requesting additional appropriations for these items, I want to make it clear that if the Congress fails to take the proper action, I will request again that the additional appropriations be provided. Failure to do so would result in an unbalanced national defense program.

ADDITIONAL REQUIREMENTS

Finally, I have approved an amendment in the amount of $39 million to the 1977 Defense budget to provide additional funds for enlistment bonuses to recruit the required numbers of high school graduates for the Army. Recruiting success, particularly as measured in terms of quality, has proven to be sensitive to the level of resources available, and any significant reduction of resources reduces program effectiveness in the long run. We must reverse the recent practice of curtailing budget dollars devoted to recruiting and invest this amount as a contribution towards the relatively small additional resources necessary to maintain a successful program over the long term.

SUBMISSION OF LEGISLATIVE PROPOSALS AND APPROPRIATION REQUESTS

Proposals for authorizing legislation and appropriation requests will be submitted to the Congress as necessary to provide for these requirements. Requests covering weapons procurement, RDT&E and recruiting activities are being transmitted now. The remainder of the additional appropriation requests—principally those relating to the compensation area—will, in accordance with the normal budgetary cycle, be transmitted in January 1977. There is yet time for the Congress to act upon my restraint proposals so that this large additional January submission will not be necessary. Once again, I urge the Congress to act. If the Congress does not take the necessary action, the additional funds will be required and I will request that the Congress provide them.

In withholding my approval from the Military Construction Authorization Bill (H.R. 12384), I noted several points that are also germane here. Section 612 of that Bill would impose severe restrictions and delays upon base closures or employment reductions at certain military installations. As I stated at that time, the nation's taxpayers rightly expect the most defense possible for their tax dollars. Provisions such as Section 612 would add arbitrarily and unnecessarily to the tax burden of the American people. We must have the latitude to take actions to cut unnecessary defense spending and personnel. Congress should reenact this otherwise acceptable legislation without the objectionable base closure provision.

As I have consistently indicated, I am determined that the national security efforts of the United States shall be fully adequate. This message indicates what is necessary to ensure that adequacy. It is up to the Congress to act promptly to provide the resources necessary to do the job.

GERALD R. FORD.

THE WHITE HOUSE, *August 23, 1976.*

AMENDMENT TO H.R. 14070

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, I am proposing an amendment to H.R. 14070, the guaranteed student loan amendments, together with Congresswoman BARBARA JORDAN, that would allow an institution having a default rate in excess of 10 percent—calculated on the basis of the amount of loans which are in repayment—to require endorsement. The language of our amendment is not mandatory, but permissive, and is merely providing a tool that institutions that have a default rate over 10 percent can use to help them lower their default rate.

This problem particularly concerns us because HEW is threatening to cut funds for student loan programs in Texas. They have already done this to New Mexico, and we do not know which state may be next. We feel that HEW is taking this action in Texas because of Texas' hesitation to sign a "compliance agreement" which gives HEW the go-ahead to limit funds to those schools which have a 10 percent or greater default rate.

This has the effect of hurting the schools that most need student loans. We feel that this amendment will encourage both the schools and the borrowers to take a more responsible attitude. It is most important that the student loan program be continued. We will appreciate your support.

The amendment follows:

Page 18, strike out lines 16 through 20 and insert in lieu thereof the following:

(A) is made without security and without endorsement, except that—

(1) if the borrower is a minor and such note or other written agreement executed by

him would not, under applicable law, create a binding obligation, endorsement may be required; and

(ii) if the borrower intends to use the loan at an eligible institution having a default rate in excess of 10 per centum (calculated on the basis of the amount of loans which are in repayment as determined under section 428(c)(1),** endorsement may be required,

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Sarasin) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, on August 10, 1976, I was absent from Washington for part of the legislative afternoon as I was in Kansas City submitting testimony before the platform committee of the Republican National Convention. Had I been present, I would have voted in the following fashion:

Rollcall No. 634—H.R. 14232, Labor-HEW appropriations, fiscal year 1977—the House failed to recede from its disagreement and concur in Senate amendment No. 68, "aye";

Rollcall No. 635—S. 3735, swine flu—the House agreed to consider the rule, House Resolution 1473, "yea";

Rollcall No. 637—S. 3735, swine flu—the House agreed to the rule, House Resolution 1473, "yea"; and

Rollcall No. 638—S. 3735, swine flu—the House passed the measure to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program, "yea."

TOXIC SUBSTANCES CONTROL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. Meyner) is recognized for 5 minutes.

Mrs. MEYNER. Mr. Speaker, during the past few years, Congress has taken a critical look at a number of environmental problems. Although various bills have emerged—toxic substance control legislation passed the House in both the 92d and 93d Congresses, but time did not allow final resolution of the measures in conference committees—a few recent occurrences have shown us that gaps still exist. One glaring inadequacy in present law is the lack of control of toxic substances, and it is for that reason that I rise today in support of H.R. 14032, the Toxic Substances Control Act.

Toxic substance control is especially important to the people of New Jersey, although by no means unique to them. Recent medical findings have shown that a strong relationship exists between environmental factors and disease, especially cancer. The director of the National Cancer Institute speaks of correlations up to 90 percent. It would seem to be no coincidence, therefore, that New Jersey, the Nation's center for petroleum and chemical production, is also one of the Nations' leaders in cancer of the colon, rectum, esophagus, larynx, mouth, throat, and bladder. This is a national problem, and it deserves a national solution.

For a number of years, known carcinogens have been released into the environment primarily because it has been easier than controlling them. Apparently we cannot control even the most blatant abuses, as the decision in the EPA against the Reserve Mining Co. case shows. In this example, a Minnesota mining firm was openly discharging 67,000 tons of taconite into Lake Superior daily, in spite of the fact that this compound contains high levels of asbestos fibers, a known carcinogen. Although evidence of the fiber was found in the drinking water of three States, the EPA was unable to stop operations. It should be noted at this point that a recent study indicates that of the 1 million current and former asbestos workers who still survive, fully 300,000 have been projected to die of cancer. The need for tighter control of toxic substances seems obvious.

Mr. Speaker, it is my understanding that during consideration of this important legislation today, Congressman Ottinger will offer an amendment that would direct the Administrator of the Environmental Protection Agency to give preference in testing suspected toxic substances to those tests which do not involve the use of animals. Let me point out that the amendment does not ban the use of animals in testing but merely asks that alternatives be considered if they are adequate and accurate. I support this amendment and commend Mr. Ottinger for his efforts on behalf of those creatures who inhabit this planet who cannot protect themselves.

But, returning to the main issues of toxic substance control legislation, one of the major criticisms of such legislation is that since such a high number of substances is introduced into the environment each year, the cost of testing for industry would be enormous. The introduction rate of new substances is between 400 and 600 each year. This figure, on first blush, might lead us to believe that industry's burden for testing would be far too great. A careful look at the subject reveals that the cost of such action would not be excessive. The GAO and EPA have estimated that the cost for the chemical industry would be somewhere between $100 and $200 million per year. This represents only 2 to 4 percent of that industry's net profit in 1974. While I am fully aware of the strategic economic importance of the chemical industry in New Jersey, I believe strongly that preventive measures to assure health and safety must take precedence. I am sure that the chemical industries share this viewpoint and, as in the past, will be receptive to regulations involving the protection of millions of citizens.

Too often we have seen tragic events that could have been avoided if someone had taken the time and effort to establish the safety of a product. Considering the large amount of substances that reach the market every day and the current lack of thorough testing it is not surprising that mistakes have been made. Certainly we are always willing to make amends after a tragedy has occurred, but what consolation is that to those who have suffered? The effects of a cancer-causing agent do not generally show up in humans for 30 to 40 years after the initial exposure. I do not think it is unjustified to ask whether we are presently destroying the health of ourselves and our descendants.

I believe that the Toxic Substances Control Act asks this question, and gives us the ability to act when we have to. Congress must act promptly on this very important legislation.

CURBING UNEMPLOYMENT—THE YOUTH OPPORTUNITIES INDUSTRIALIZATION CENTERS JOB CREATION AND TRAINING ACT OF 1976

The SPEAKER pro tempore. Under a pervious order of the House, the gentleman from Ohio (Mr. Stokes) is recognized for 60 minutes.

Mr. STOKES. Mr. Speaker, today I have introduced the Youth Opportunities Industrialization Centers Job Creation and Training Act of 1976—YOIC. It is a pleasure for me to introduce this important legislation for it is not often that a legislator has the opportunity to improve upon an organization of demonstrated effectiveness. I make specific reference to the opportunities industrialization centers of America—OIC.

Founded in 1964 by Dr. Leon Sullivan, a Philadelphia pastor, the first OIC was an abandoned jailhouse which rented for $1 per year. Today, OIC is a 200-center, 47-State network of nonprofit corporations serving the poor and unemployed of all races, creeds, and nationalities in cities, counties, and rural communities throughout the Nation. Under the guidance of Dr. Sullivan, OIC has trained 353,485 persons and placed 250,000 persons in meaningful jobs. Of those 250,000 persons trained and placed, 212,500 or 85 percent have retained their jobs. Not insignificantly, OIC has produced $4.8 billion in wages earned by people placed in jobs, $600 million in taxes paid on wages, and $1.5 million saved in welfare payments which otherwise would have been paid. Unquestionably, the opportunities industrialization centers of America have had a tremendous impact upon the American economy, yet neither Dr. Sullivan nor OIC are willing to sit on their laurels. They realize, as we also must, that inflation and unemployment are still very much a part of American life and require constant attention. Thus, Dr. Sullivan's future plans call for placing a cumulative total of 1 million persons in jobs through 1980. It is projected that the economic impact would be $11.3 billion in wages earned, $1.4 billion in Federal income taxes paid, and a savings of $3.6 billion in welfare payments.

To assist Dr. Sullivan and OIC in the

*** Italic portions are new.**

**** Section 428(c)(1) may be found on page 41 of the bill.**

task that lies before them, the Youth Opportunities Industrialization Centers Job Creation and Training Act of 1976 will be vital. As you can see, I have entitled my bill the "Youth" OIC Act. In my bill I make 17 specific references to the employment needs of unemployed youth. My purpose is to focus national attention on the unemployment plight of our young people.

In 1975, the American population as a whole experienced an unemployment rate of 8.5, while the 1976 average has shown little improvement. When it is realized that from 1948 to 1969 unemployment averaged 4.7 percent the current figures represent the worst in over 35 years. Yet as outrageous as these figures are they do not approach the dismal unemployment trends evidenced by America's youth. The present unemployment rate for youth ages 20 to 24 is over 13 percent, for youth 16 to 19 it is over 20 percent. In the cities and in poverty pockets the rate is even higher. Among minority youth, unemployment has reached the chronic level of 40.3 percent. And unfortunately, this 40.3 percent figure is not an aberration. For it has all the characteristics of irreversibility and consistency necessary to make it a permanent feature of the American economic picture. The most illustrative indication of this alarming condition has been the constant widening in the gap between minority youth and white youth unemployment. For example in 1954, when white teenage unemployment was 12.1 percent, black teenage unemployment was 16.5 percent—a 4-percent gap. In 1975, when white teenage unemployment increased to 16.8 percent, black teenage unemployment soared to 38.2 percent—an astounding 21-percent gap. With minority youth unemployment presently at 40.3 percent, there is no indication that unemployment differentials will narrow.

It is clear to me that the increase and gap in the unemployment rates of black and white teens indicates a structural inefficiency in the economic system. Moreover, black youth unemployment has the potential of becoming a human catastrophe in which millions of black youth become adults with no hope of ever finding employment. It is time for Congress to recognize the deleterious social and economic effects of relegating our unemployed black and white teenagers to city streets and crime. It is time for Congress to initiate a national youth policy that would be in effect regardless of political party or climate. It is time for Congress to do more than simply maintain the status quo. Congress must lend its support to efforts to train and prepare our youth for a place in this society. The Youth Opportunities Industrialization Centers Job Creation and Training Act of 1976 represents such a commitment to the unemployed youth of America.

MAJOR PROVISIONS OF THE YOUTH OPPORTUNITIES INDUSTRIALIZATION CENTERS JOB CREATION AND TRAINING ACT OF 1976

The Youth Opportunities Industrialization Centers Job Creation and Training Act of 1976 follows a 9-point approach in an effort to curb unemployment. The following discussion of sections 2 through 9 will serve to highlight the salient features of this important job creating and training legislation.

SECTION 2. DECLARATION OF POLICY AND PURPOSE

This section is a statement of the achievements of OIC and a congressional commitment to assist OIC in its efforts to train and provide jobs for 1 million Americans in the Bicentennial Year and the 3 succeeding years. Section 2 also addresses the employment problems of those who are neither highly skilled nor so readily employable; namely, the inhabitants of depressed urban and rural areas and the unemployed youth. Section 2 recognizes the value in utilizing young people in work-study projects. Such projects could include community improvement and development; including housing rehabilitation, neighborhood improvement, removal of urban blight and the revitalization of areas of rural poverty. These efforts would serve the dual function of beautifying our neighborhoods and busying idle hands.

Another important part of section 2 is part 7 which establishes the OIC urban career education center (UCEC). The UCEC is a prototype youth dropout career opportunity center which provides education, career exploration and training for young high school dropouts. The initial UCEC was designed as an experimental project in Philadelphia in conjunction with the National Institute of Education, and was funded by the Department of Health, Education, and Welfare. The Philadelphia experiment is regarded as one of the most successful alternative education plans in the Nation. Working with high school dropouts and near dropouts from Philadelphia's disadvantaged community, the UCEC has recorded an 80-percent success rate in graduating students from the local school system and placing them in jobs or advanced training. Vital to the success and replication of future UCEC is the close cooperation between local and State boards of education, industry, and community-based groups. My legislation recognizes that the UCEC is an indispensible link in OIC efforts to train the Nation's 3,302,740 elementary and high school dropouts.

SECTION 3 AND 4 PROGRAM AUTHORIZATION; CONTRACT PROVISION; TARGETED GROUPS

Under sections 3 and 4 of my bill, the Secretary of Labor is authorized and directed to enter into a contract with OIC centers and any other community-based organization of demonstrated effectiveness. The inclusion of "any other community-based organization" is an important provision for it gives recognition to the fact that unemployment is a national crisis which cannot wait for start-up projects.

Immediate relief must be made available through community-based organizations already funded by the Federal Government. Though this provision has eliminated any exclusiveness in reference to OIC, other community-based organizations should attempt to follow the innovative structure and process of OIC. It is noteworthy that by mandating that the Secretary of Labor enter a national contract with OIC, that OIC would be eligible to participate in Federal jobs programs under revenue sharing, railroad revitalization, rural and urban economic development projects under the Departments of Commerce, Agriculture, Transportation, as well as, the Department of Labor. OIC would also be eligible to participate in public works projects such as the recently vetoed overriden Local Public Works Employment Act of 1976. OIC would also continue its highly successful role of stimulating private sector employment. I feel that the cost-effective record of OIC clearly demonstrates that OIC should receive this primary designation in legislation that provides employment projects, through community-based organizations. Section 3 also has a special stipulation for career education and counseling services for secondary school students. Section 4 is designed to insure that the jobs created are not only meaningful, but lead to permanent positions. "Special efforts" should be made to acquaint Vietnam veterans, the handicapped, ex-offenders, and youth to programs and jobs available to them.

In further reference to the employment problems of veterans, section 4(b) (4) provides that special consideration in filing jobs should be given to veterans who served in the Armed Forces in Indochina or Korea on or after August 5, 1964. Unlike past OIC bills, my bill would apply to all veterans "regardless of type of discharge received." Thus, the 446,000 enlisted personnel who received less than fully honorable discharges from 1965 through 1973 would be given consideration. I have included this provision for I have long realized that veterans receiving less-than-honorable discharges are the most unemployable segment of our population. I also realize that most of these individuals did not receive bad papers as a consequence of committing serious crimes. Most simply reacted adversely to discrimination or combat stress. Others merely exercised poor judgment. Often these were the very young and immature. As a result of their less-than-honorable discharges, they are now stigmatized and unable to secure employment. The YOIC Act would give all veterans a fighting chance.

Consistent with the OIC philosophy of maximum utilization of resources and "we help ourselves" slogan, my bill indicates that unemployed teachers should be given special consideration in filing teaching positions in OIC education and training centers. When it is considered that yearly less than 40 percent of the 255,899 trained teachers secure employment, special consideration should be given to this teacher reserve.

SECTION 5. CIVIL RIGHTS COMPLIANCE

Unlike some Government funded private nonprofit corporations, OIC believes that it has an absolute duty to guarantee that there is no discrimination in its program administration. According to Dr. Sullivan:

> OIC is a community-based organization which is clearly all-american, that serves the poor, disadvantaged and unemployed without distinction or ethnic emphasis, that counts among its supporters a cross-section of Americans, from the poor of Appalachia, northern intercities, southwestern barrios, rural and farming America and depressed communities throughout the land."

Section 5 would legislate the OIC creed.

SECTIONS 6 AND 7. COOPERATION WITH STATE AND LOCAL GOVERNMENT AND PRIVATE ENTERPRISE

Section 6 encourages OIC cooperation with State and local governments and private enterprise. Fortunately, State and local governments have devoted $55 million of their revenue sharing funds to the OIC effort. However, with the acceptance of these funds OIC has had to struggle against tremendous odds in order to maintain the comprehensiveness of its training process and the quality of finished product. State and local governments would do well to follow the OIC model.

Cooperation with private enterprise is nothing new for OIC for during the last 12 years OIC has developed over 500 partnerships with major industries. This OIC industry partnership is spearheaded by the OIC National Industrial Advisory Council. This council is comprised of leading executives from America's major businesses and plays a pivotal part in lending corporate cooperation to the OIC cause, section 7 forges the union between the Department of Labor and OIC by placing OIC under the direction of the Department and extending the major responsibility for combining job creation with job training to OIC inherent in this union, is my belief in the cost-effectiveness of OIC. To appreciate the cost-effectiveness of OIC a brief recant of OIC funding history is in order.

In 1962 at the time of the manpower development training act, Dr. Sullivan in Philadelphia's Zion Baptist Church, initiated a cooperative savings plan that led to a capital formation project called the Zion investment associates. The Zion investment associates has grown from 1962 to 1976 from 200 investors to 5,000 investors at $360 per share to create an investment trust worth $15 million. Money accumulated has been invested in shopping centers, housing projects and numerous other business projects with profits being utilized to fund OIC training projects.

In addition, financial support and developmental help has come from Government agencies such as the Departments of Agriculture, Commerce, HEW, the Small Business Administration, the Office of Minority Business Enterprise, and HUD. As a result of the Manpower Development Training Act of 1962 and the Economic Opportunities Act of 1964, further assistance was given to OIC. Because the Manpower Development Training Act of 1962 was scheduled to expire in 1972, Dr. Sullivan and OIC persuaded the Congress to make special provision for OIC in the 1973 Comprehensive Employment and Training Act—CETA. CETA was signed into law on December 28, 1973, and OIC was named as a community based organization eligible to receive revenue-sharing funds from prime sponsors. Again, in 1974, when the Emergency Employment Act of 1974 was passed amending title II and creating a new title VI, OIC was included by name as a community based organization eligible for participation in the title VI emergency jobs program. In the 1974 Senate report of the Appropriations Subcommittee on Labor-HEW, OIC was designated to receive $75 million to train 75,000 Americans at an average per capita cost of $1,000 per trainee placement. Although the Appropriations Committee instructed the Secretary of Labor to make $15 million available from title III moneys for OIC special projects dealing with ex-prisoners, drug abuse rehabilitation, Indian and migrant job training projects and rural farm projects, the Department of Labor indicated that there was not enough money available in title III funds. Thus OIC received but $2 million. Fortunately, OIC was able to convince prime sponsors under CETA that they should invest their revenue-sharing funds in OIC. The result has been an investment of over $55 million. When the last 12 years of Federal investment in OIC are totaled, OIC has received more than $150 million. As a return for every $1 invested by the Federal Government, the United States has received $20 in economic impact. Thus, OIC is the highest interest paying investment in America.

SECTION 8. YOUTH PROGRAMS

The Youth Opportunities Industrialization Centers Job Creation and Training Act of 1976 would amend section 304(a)(3) of CETA to create a year around employment program. Currently, the youth employment program is a summer program. However, youth unemployment statistics document a pressing need for the continuation of these same or equivalent jobs on a permanent basis.

SECTION 9. TAX CREDIT FOR HIRING UNEMPLOYED PERSONS

The final section is section 9.

Under this provision any employer may receive a tax credit equal to the first 12 months of salary he pays to an unemployed person, provided this employee does not displace other workers and is an individual without a job. This provision would assure OIC continued success in its efforts to maximize and mobilize employment opportunities within the private sector.

Mr. Speaker, the Youth Opportunities Industrialization Centers Jobs Creation Act of 1976 is a nonpartisan measure designed to curb the problem of unemployment. Utilizing OIC job training and placement expertise my bill has focused on the major problem of youth unemployment.

Mr. Speaker, I encourage my colleagues to move quickly to enact this legislation. We must avoid the temptation of waiting until after the election in November or until the debate subsides over the Full Employment and Balanced Growth Act of 1976. OIC is running out of funds and Americans are running out of time. When it is considered that 7,426,000 Americans are unemployed; 5,800,000 Americans receive $19 billion annually in unemployment compensation benefits; 18 million Americans are dependent on food stamps and the U.S. prison population has pinnacled to a quarter-million persons, the time to aid OIC is now. OIC has demonstrated its effectiveness and cost efficiency. Now let us demonstrate our support. I urge you to endorse the Youth Opportunities Industrialization Centers Jobs Creation and Training Act of 1976.

NORTH KOREA—HOW LONG MUST WE CONDONE ITS VICIOUS INHUMANITY?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 10 minutes.

Mr. CHARLES H. WILSON of California. Mr. Speaker, North Korea has once again demonstrated—by the brutal murder of two American officers—that it is an ever-present menace to South Korea and other nations.

What, today, do the bleeding-heart editorialists and other critics of the Republic of South Korea have to say? Do they still feel, in the face of this latest outrage, that the Government of South Korea is "repressive" when it tries to prevent North Korean-inspired insurrections among the South Korean populace?

Once this tragic episode dies down and fades from the front pages of our newspapers, are we again to hear poorly conceived suggestions that the United States remove its one division of troops from South Korea, and that we cut back on U.S. military aid to that country, and otherwise abandon South Korea to its fate?

Surely even the most shrill critics of South Korea will now be stilled in the face of the inhumanity we have witnessed so recently. That they ever spoke at all is beyond my comprehension.

Time after time, North Korea and its mad dog dictator, Kim Il Sung, has demonstrated that it is not to be trusted to honor the truce agreement so laboriously worked out at Pyongyang, after a cost, I might add, of 163,000 American casualties.

The Korean war itself is proof enough of North Korea's intentions toward its neighbor to the south. Some might say that the wounds of war should heal, and that once-warlike nations should be forgiven, after their governments have been changed and their war criminals punished.

To that, I point out that in the case of North Korea, its government is of the same philosophy as the one that attacked South Korea in 1950, and at the close of that war, North Korea's blatant power and territory-seekers were never punished.

Were the criminals of Nazi Germany and militant Japan not tried and convicted? Were the Third Reich and the Tojo cabal still intact would we be so trusting of those countries as we are today? The answer, of course, is that we would not.

Why then should anyone in his or her right mind think that the Government of North Korea does not intend to take over, by force, if necessary, all of the territory and people of the entire peninsula?

Let us look at the record. Not the complete record, mind you because a list of all North Korea's truce violations and aggressive acts is far too lengthy to go into here.

Most recently two U.S. officers were hacked to death while on a routine mission to trim a tree in the DMZ, a tree that was obscuring the vision of both sides. Four other men were severely wounded and two hover near death.

Only a year ago, another U.S. officer, on a similar mission, was attacked and permanently maimed by a kick in the throat from a North Korean soldier in an unprovoked assault.

In 1969, five U.S. soldiers were killed when their truck went over a land mine placed in the DMZ by North Korea in violation of the truce agreements. These men were also machinegunned.

Then there is the matter of the North Korean tunnels, which were found leading under the DMZ toward South Korea. Who needs more proof than that that North Korea someday is planning a surprise troop attack across the truce line?

While exploring these tunnels, two officers, one U.S. Navy and one South Korean, were killed by a North Korean booby trap. What the peace situation might be today, had the tunnels not been discovered, is impossible to say.

And, of course, there is the matter of the U.S.S. *Pueblo*, an American ship that was snatched from the high seas and held captive, along with its crew, for more than a year.

According to the New York Times of August 18, 1976, there have been 35,000 separate truce violations by North Korea in 23 years. Think of that, 35,000 violations, and still some of my colleagues maintain that North Korea can be trusted and that all of our troops can safely be removed without South Korea falling to communism.

Occasionally, in the press, and in this Chamber, there are complaints that the ROK's President Park is not observing all of the niceties of democracy enjoyed by the citizens of the United States.

It is true that South Korea arrests and has executed spies in peacetime. The United States has also done this. The Republic of South Korea, it is true, is not as understanding about permitting demonstrations as is the United States.

Otherwise, though, there is a free press, freedom of religion, women's rights and scores of other democratic principles are in effect. But it is foolish to say that some emergency measures now in force are not necessary.

The Republic of South Korea gets almost daily reminders of the intentions of North Korea. Its citizenery is, frankly, quite happy to give up some marginal freedoms in order to prevent losing them all.

Finally, to return to this latest atrocity by North Korea, it is disgusting to note that out of the 35,000 times that it has violated the so-called truce, it has apologized only three times, if what it said last week can be called an apology.

In fact, the North Korea Government has only said that the act was "regrettable."

And, I suppose, from the North Korean viewpoint, that act was regrettable in that it once again demonstrated to the world that North Korea maintains its warlike posture. It was regrettable in that it caused the United States to dispatch to South Korea two squadrons of war planes and an aircraft carrier.

Obviously, this particular incident could not have come at a worse time for North Korea; it came just when critics of South Korea, even some Members of this House, were suggesting that all U.S. troops be withdrawn, and that U.S. military aid be curtailed.

I think that there probably is no need for the United States to demand that those North Koreans who hacked our men to death be punished. They probably will be punished by their government, unfortunately for the wrong reasons.

So, while I do not think that, at this time, the North Korean Government wanted to intentionally provoke or alert the United States, the fault for what happened still remains with North Korea.

Our men would never have been killed had not the philosophy of North Korea instilled in its own troops an irrational hatred of troops on the other side, peaceful though they might be.

But despite the whys, wherefores, recriminations and regrets, the act does demonstrate this:

That not only should we maintain our peacekeeping troops in South Korea, but that perhaps we should even beef them up, so that they might be more able to withstand a surprise attack from an enemy surely not to be trusted.

And it has demonstrated that through U.S. aid, we must see to it that the 600,000-man army of South Korea never be allowed to deteriorate to the point that an imbalance of power encourages North Korea to attack.

For this reason, I support the resolution introduced by Mr. MURPHY, of New York, and I urge my colleagues to support it, too, so that this administration will have a clear idea of the sentiments of the House on this issue.

I would, at this time, also like to include in the RECORD two editorials from the New York Times of August 19 and 23, 1976, which echoes many of the sentiments I have just expressed:

[From the New York Times, Aug. 19, 1976]

PICKAXE DIPLOMACY

North Korea's die-hard Stalinist Government has stooped to a new low in barbarism with the apparently premeditated axe-murder of two American officers at the Panmunjom cease-fire village.

The regime of President Kim Il Sung may hope by its brutal act to build support for recent suggestions in this country for a gradual phase-out of some 40,000 American ground troops still stationed in South Korea. The effect will be exactly the opposite—to strengthen the argument for a continuing strong United States presence in Korea to help preserve the truce in the face of such evidence of persisting aggressiveness from the North. The brutishness engaged in by Pyongyang could even serve to mute the concern of many Americans who have become increasingly disenchanted with the Government of South Korean President Park Chung Hee, whose despotism is made to appear less onerous by comparison.

It is also possible that the Panmunjom atrocity was designed to provoke an extreme American retaliation—a retaliation that in turn would rally sympathy for the North Koreans at the "nonaligned" conference in Sri Lanka and support for the North Korean Prime Minister's request that the conference demand withdrawal of all United States troops and nuclear weapons from South Korea. Both Washington and the nonaligned nations should surely be trusted to have better sense than to fall for such an inhumane and primitive ruse.

[From the New York Times, Aug. 23, 1976]

MEASURED RESPONSE

Three days after North Korean guards brutally assaulted and killed two American officers supervising a tree-pruning operation in the demilitarized zone, allied forces returned Friday and cut down the tree, which had been obstructing the view of a United Nations Command post.

This symbolic gesture was backed by a show of military power sufficient to discourage any further North Korean interference and to evoke a belated apology of sorts from Pyongyang. It did not—as nothing could—adequately make amends for the lives lost as a result of North Korea's calculated barbarism. Nevertheless, the measured allied response drives home the essential message that the United States will not be bullied or otherwise driven from fulfilling its role as guardian of the 23-year Korean armistice; and it did so without additional loss of life and without unnecessarily exacerbating an already tense situation.

The incident of the tree strongly reinforces the conclusion reached by last week's "nonaligned" conference in Colombo that a "grave" threat of new conflict exists in Korea. But the evidence in no way supports the conference's incredibly myopic conclusion that the provocation is all on the allied side and that the danger of war would be removed by dissolution of the United Nations Command and withdrawal of American forces.

On the contrary, Pyongyang's latest brute display of unpredictable aggressiveness underscores the continuing need for a strong and patient United States presence, preferably under United Nations auspices, until North Korea's leaders abandon their persistent dream of military conquest and sit down to negotiate a final peace settlement.

NEW VOTE RECORDING FEATURES OF THE ELECTRONIC VOTING SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON), is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, as you know, the electronic voting system, which is used here in the Chamber to record Members' votes, has been modified many times in the past to comply with the changing rules and precedents of the House and to add enhancements for use by the leadership and the Members. Today the Committee on House Administration is placing in operation a new capability to retrieve voting information from past rollcalls of this session in the same manner that the leadership and Members retrieve rollcall information on the day the rollcall is taken. If the number of the rollcall in question is known, it can be retrieved simply by entering that number on the display terminal keyboard. If the rollcall number is not known, another feature is available to retrieve by bill number or by issue type.

This new capability is designed to reduce the time and effort expended by the leadership, the Members, and their staffs to locate and extract past rollcall information from the CONGRESSIONAL RECORD. The desired information will now be available almost instantaneously on the display terminals so that Members may quickly verify how they voted on a bill that is the subject of a conference report, that has been vetoed, or that is similar to a bill now before the House.

The operators at the leaders' display terminal tables have been trained to use the new capabilities. Rollcall information starting with Rollcall No. 55, recorded on February 17, is now available for viewing. In January, all rollcalls from the beginning of the first session of the 95th Congress will be retained and available for viewing at any time during the session.

The Committee on House Administration is pleased that it can continue to respond to requests for new features of the electronic voting system that will assist the leadership and the Members accomplish their basic responsibilities.

House information systems staff will be available in the Chamber this week to assist in the use of this feature.

HYPOCRISY BY NINTH CIRCUIT JUDGES ON FINANCIAL DISCLOSURE LEGISLATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER), is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, it has come to my attention that the Judicial Conference of the ninth circuit recently passed a resolution at its annual meeting in Spokane, Wash., objecting to title III of S. 495, the Watergate Reorganization and Reform Act of 1976. Title III is the requirement for public financial disclosure by the President, Vice President, Members of Congress, judges, and justices and other high ranking Government officials.

The Ninth Circuit Judicial Conference resolution stated that title III "impugns the integrity" and "demeans the positions" of honest and dedicated officers and employees. The resolution went on to say that:

> There is no crisis of public confidence in the Judiciary which require such draconian measures to assure the public of the honesty of the Federal judges.

The Judicial Conference statement recommended that either title III be deleted from S. 495 or that it should be amended "so as not to apply to the judiciary."

To further buttress their position, the Ninth Circuit Judicial Conference pointed out that the Federal judiciary has already adopted a system for public reporting of any income earned from nonjudicial services.

Indeed, the Judicial Conference code directs Federal judges, although not the Justices of the U.S. Supreme Court, to file periodic public reports disclosing income from nonbench work and gifts of more than $100. However, what the hypocritical judges of the ninth circuit neglected to mention is that there are those Federal judges who do not comply with the Judicial Conference code, including several, not surprisingly, from the ninth circuit. The latest report of the proceedings of the Judicial Conference of the United States contains the names of those Federal judges in the ninth circuit and elsewhere who have not complied with the Judicial Conference code in filing reports on their extrajudicial income during the January 1–June 30, 1975, period. The U.S. district judges of the ninth circuit who have not honored the code are Warren J. Ferguson, Pierson M. Hall, Harry Pregerson and Manuel L. Real.

Mr. Speaker, contrary to the views of the judges of the ninth circuit, financial disclosure neither "impugns the integrity" nor "demeans the positions" of honest and dedicated Federal officers and employees. It is not a "draconian" measure. I would like to remind the judges of the ninth circuit of the precept that a public office is a public trust, and that they, too, owe an accountability to the public. I want to assure the ninth circuit judges that when Congress passes financial disclosure requirements, such as those recommended by title III of S. 495 or H.R. 3249, the major financial disclosure bill in the House, Federal judges and justices will not be singled out for preferential treatment by an exemption from the coverage of such legislation, but that they will be treated equally with the President and Vice President, Members of Congress, and other high ranking Federal officials.

JUDGE POOS SUCCUMBS AT 73

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE. Mr. Speaker, I was saddened over last week's recess to hear of the death of my good friend, Judge Omer Poos, U.S. senior district judge for the southern district of Illinois.

Judge Poos was a distinguished jurist who served for nearly two decades on the Federal bench. He was a community leader in his home town of Hillsboro, Ill., and throughout his career received the respect of his colleagues in the legal profession across the State of Illinois.

At this time I would like to insert into the RECORD the following article from the August 12 edition of the Metro-East Journal:

JUDGE POOS SUCCUMBS AT 73

U.S. Senior District Judge Omer Poos, who served 18 years on the federal bench in the U.S. Court for the Southern District of Illinois, died of lung cancer Wednesday at the Hillsboro Hospital, near his home. He was 73.

Poos, who gained national attention as the judge in the Collinsville drug raid agents' trial in 1974, had served as a senior judge in Alton since 1973.

Appointed to the federal bench in 1958 by President Dwight D. Eisenhower on the nomination of his close friend, the late U.S. Sen. Everett M. Dirksen, Poos sat until 1973 in Springfield.

A respected jurist, his habit of popping lemon drops during trials and offering candy to lawyers and visitors also made him popular. He loved fishing.

Poos was a graduate of St. Louis University, where a new law library was named after him in 1973. His son Robert, a former Vietnam war correspondent for the Associated Press, is the chief press officer for the American Association of Railroads in Alexandria, Va.

Poos, of Hillsboro, had been ill for several months and had lived at the Hawthorne Nursing Home there.

Services will be at 10 a.m. Friday at St. Agnes Catholic Church, Hillsboro. Friends are calling at the Bass Funeral Home, Hillsboro.

Survivors include his wife, Virginia Van Liew Poos; a son, Robert of Alexandria, Va.; a brother, John of Bronson, Kans., and a sister, Mrs. Sara Green of California.

He was a member of Moose Lodge, Hillsboro; Elks Lodge, Litchfield; Knights of Columbus, Hillsboro; Antlers Club, Litchfield; the Montgomery County, Illinois and American bar associations and the Bar Assn. of the U.S. Circuit Court of Appeals, Seventh Circuit.

He served on the war finance committee of Illinois during World War II and received the distinguished service citation. He was former president of the Hillsboro School Board and the Hillsboro Hospital Assn.; a former member of the board of the Montgomery County National Bank.

HOW SLIPPERY THE SLOPE—PRIVATE BANK LENDING TO DEVELOPING COUNTRIES?

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, in the last several weeks we have seen growing concern about the ability of developing countries to repay their foreign debt. Recently the Peruvian Government sought some $400 million from American banks to cover its short-term payment commitment on its external debt. Similarly Argentina hopes to succeed in putting together a $850 million refinancing package to help meet the bulge in its debt payments for the rest of the year. Zaire, on the other hand, has already reached a position of default and is currently negotiating a longer term rescheduling of its official debts. Are we sliding down the slope to a spate of forced reschedulings of repayment obligations, or even a general abrogation of LDC debt?

There has been a lot of doomsday rhetoric on this subject. But what is the reality? Is a policy change by U.S. bank regulatory authorities required?

To date, the U.S. Government has resisted rescheduling of official debt until such time as default is imminent. U.S. authorities have dealt on a case-by-case basis with the particular problems of indivadual countries as they arise. Demands by the Third World in the recent UNCTAD conference for an across-the-board debt moratorium have been resisted by this country.

A few developing countries account for the bulk of borrowing from U.S. commercial banks. The two most important are Brazil and Mexico, with over $5½ billion worth of loans each. Next in order are South Korea, Argentina, and Peru, each with total loans of between $1 and $2 billion each.

These loans tend to be concentrated among a few major creditor banks. Claims on Mexico and Brazil each constitute about 1½ percent of the total assets but one-third of the capital of the six largest U.S. banks.

Therefore, while some individual countries will have problems, a general moratorium on LDC debt to American financial institutions is unnecessary. There is no general threat to the liquidity or solvency of the U.S. banking system.

This general conclusion does not imply that U.S. political and monetary authorities and bank supervisory agencies should be blasé about the exposure of individual developing countries, or that we should be unsympathetic to the debt burdens and financing needs of the poorer Southern Hemisphere. Rather, we should monitor closely several continuing issues.

First. Official debts should not be rescheduled to permit LDC borrowers to meet obligations to commercial bank creditors.

Private commercial bank lending to developing countries mushroomed in the early 1970's as the commodities boom made many of the developing countries richer and hence able to meet the creditworthiness criteria of banks. The flow of funds from private banks continued high in 1974 and 1975 as these countries sought financing for the current account deficits caused by the oil price rise and the subsequent recession.

Previously, most private bank lending in the Third World had been to subsidiaries of U.S. and European corporations. The more recent trend has been for loans by syndicates of banks to governments and government enterprises. Such loans by commercial banks directly to government entities immobilize assets because no secondary market exists for them. When private banks lend to the U.S. Government, they do so through marketable notes, bills, and bonds. Without the secondary market, the regulatory agencies have no objective measure of the soundness of commercial bank loans to foregin governments.

The lack of a secondary market also impairs the liquidity position of creditor banks, since there is no way to sell off these loans to raise cash. The risk is concentrated among relatively few banks, because nonbanking financial institutions, like insurance companies or pension funds, cannot purchase any of this debt. Any increase in the liquidity of one bank would require another member of the banking syndicate to assume a greater portion of the loan. In the case of a default, the entire syndicate would be injured, perhaps severely.

The relationship of private bank lending activities to official activities is closely intertwined. Private bankers continue to be optimistic that no major rescheduling of private debt will be required. Developing countries seek to meet their private debt commitments first in order to retain access to private markets. Private debt increases the total repayment burden, since these obligations carry commercial interest rates. Often private borrowings provoke the payments crunch which official lenders then must counter. The initial burden in a rescheduling consequently falls on governments and multilateral development banks.

In the event that a syndicate of major American banks were threatened with serious injury by the prospective default of a LDC debtor, the U.S. Government might contemplate a rescheduling of official debt repayments—or worse still—extend additional aid in order to help the country meet its private obligations. The purpose of government lending should not be to spare banks the losses that result from faddish follow-the-leader leading. Lending to LDC's should not become the successor to the real estate investment trust debacle. The regulatory authorities should emphasize to commercial banks the risks that arise in lending to developing countries. In the event that rescheduling of debts to the U.S. Government is required in a particular case, obligations to private creditors should be similarly restructured. American commercial banks should get no better terms than the U.S. Government. The taxpayer should not be expected to bail out the handful of U.S. commercial banks that hold LDC paper.

Second. U.S. commercial banks lending to developing countries should not influence U.S. foreign policy.

Lending by private U.S. commercial banks to a particular country should not cause our Government to extend political support to that country in order to avoid a default. This is a point I raised with regard to Chile in a May 11 letter to Comptroller of the Currency James E. Smith. Additional private lending to Chile could not only oblige the next administration to continue the present level of aid disbursements to Chilean Government, but also produce a reluctance on the part of U.S. officials to take a firm stand against the violations of human rights practiced by that country's totalitarian regime. Private banks have also lent billions to countries such as Argentina, Brazil, and South Korea—countries that are facing difficulties in meeting their debt burden—and countries whose domestic political climate we ought not to admire. Indeed, we should make our disapproval evident. Debts to private U.S. banks should not diminish our official repugnance toward the anti-democratic policies pursued by the governments of these countries.

Protecting the overseas direct investments of American companies, particularly in the event of expropriations, have occasionally had a major impact on U.S. Government relations with host countries. A default by a major debtor to American banks could produce losses for the investors similar to the consequences of an expropriation. The possibility of a U.S. political response to a threatened default is, consequently, not farfetched.

A political reaction could occur in a variety of ways. Let me cite a possibility. Brazil and Mexico have borrowed especially heavily. Their ability to meet their debt burdens depends on their capacity to export. Future export expansion will be largely in manufactured and semimanufactured goods—not primarily in raw materials. The growth of these exports will depend in part on our willingness to import their manufacturers. The substantial degree of private bank exposure to these countries might cause U.S. policymakers to be less sympathetic than they would otherwise be toward American firms and workers that happen to be injured by import competition from major borrowers, such as Brazil or Mexico. The ability of foreign debtors to repay loans to American banks should not influence determinations to grant relief from import competition to domestic firms and workers.

Similarly, aid policy, official positions regarding respect for democratic values and human rights, and trade policy should all be determined on the basis of considerations other than the extent of foreign borrowing from U.S. commercial banks. This injunction will not be easy to observe, but we must try.

3. A lack of concessional aid should not force the poorer LDC's to borrow from banks at commercial rates.

Inadequate funding of the International Development Association—IDA—and other concessional lending facilities in recent years has forced some low-income countries to obtain loans on terms they can ill afford. Just as aid should not be used to bail out the more advanced LDC's that can afford to pay commercial terms, concessionary financing should be available to those who need it most. To give inadequate aid is also to court default, although not necessarily in massive proportions.

The liberalization of the International Monetary Fund's compensatory financing facility and the creation of additional IMF credit lines make more official financing available to the developing countries. We should encourage poor countries to draw on these resources to meet their difficulties.

The poor countries have sometimes been critical of the IMF, because the conditions attached to its loans require them to undertake difficult and painful domestic adjustments. Nevertheless, these measures are often necessary if a borrowing country's development is to be sustainable.

The search for adequate financing for the LDC's has led to a survey of new ways to increase the amounts of available funds. Cofinancing—the use of private bank loans in conjunction with multilateral development bank projects—can both protect private banks and insure that the funds borrowed by a developing country are put to use productively. We should welcome more cooperative arrangements of this type.

Fourth. What the U.S. Government can do.

The Treasury has introduced an early warning system to identify countries that potentially have debt repayment problems. This program should be perfected, and every effort should be made to improve the available data on both public and private debt. But private bank lending must remain the responsibility of the regulatory agencies. It is they who ultimately must monitor the soundness of commercial bank credit policies.

We are not on the brink of a disaster. But the issues I have raised deserve serious consideration, since they affect the soundness of our financial system and our relations with all developing countries.

WHY DOES NOT THE STATE DEPARTMENT COME CLEAN ON URUGUAY?

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the House International Relations Committee's Subcommittee on International Organizations recently concluded hearings on repression in Uruguay and U.S. policy toward that country. Testimony was taken from Mr. Wilson Ferreira Aldunate, a Uruguayan exile who received a plurality of votes in the last free Presidential election, Edy Kaufman, of Amnesty International, and Prof. Martin Weinstein. All of this testimony pointed to a "consistent pattern of gross violations of internationally recognized human rights" in Uruguay. The situation was described succinctly by Professor Weinstein:

> Let us be very clear about the current state of human rights and civil liberties in Uruguay. The constitution has been cast aside. Parliament is closed. Newspapers and the electronic media are under complete censorship. The once powerful trade union movement has been destroyed with most of its leaders under arrest, in exile, or dead. Many political parties and newspapers have been declared illegal and all political activity is banned. The university and primary and secondary school system have been intervened by the military with the dismissal of faculty and teachers based on their ideas and beliefs. Literally tons of books, the works of many writers and artists are prohibited. Anyone can be arrested at any time for any reason and held incommunicado indefinitely.

But perhaps most disturbing to me was the charge, made by both Ferreira and Weinstein, that the U.S. Embassy in Uruguay favors the present regime in Uruguay and has not told the full story about the repression in Uruguay to our own State Department.

On August 4, the State Department was given the opportunity to respond to these charges. Its position was that human rights violations had taken place in Uruguay, that the Uruguayan Government had provided assurances that the situation was temporary but necessitated by internal threats, and that, in any event, the State Department did not have a working definition of "a consistent pattern of gross violations of internationally recognized human rights" to make a determination with regard to aid to Uruguay.

Mr. Speaker, I have a genuine desire to reconcile my differences with the State Department. The fact is that we ought to be on the same side, but we cannot be if we do not get the whole truth. There are certain crucial issues which remain unresolved. There are two basic problems. The first is State Department credibility. I cannot determine where the fault lies: Whether the U.S. Embassy in Uruguay is not providing all the facts to the State Department or whether the State Department is intentionally excluding information which is not supportive of its position. I will be specific in a moment. The second problem is one of policy: Through all the argument over Uruguay, the Foreign Operations Subcommittee has never been told what interests in Uruguay require us to provide military assistance to a country that is the torture chamber of Latin America.

I want to enumerate instances in which the State Department has failed to state all relevant information concerning Uruguay. The record is a long one so I shall speak only of my personal experience. I must say that the State Department is proficient at stopping just short of lying in its statements.

First. In a letter of June 11 from Hewson Ryan, Deputy Assistant Secretary for Inter-American Affairs, Ryan stated that the human rights situation in Uruguay "is clearly better" than it was 2 or 3 years ago. Both Amnesty International and the International Commission of Jurists have refuted this assertion, saying that in some ways the situation has worsened.

Second. In that same letter, Ryan said that—

> It is inaccurate to describe the Uruguayan government as a military dictatorship.

The military forced the closing of the Uruguayan Parliament in 1973 when the legislature requested an end to the deepening repression. An unclassified CIA memo to me confirmed that the Uruguayan military viewed President Bordaberry as "an instrument of military rule." In any event, the irony of Ryan's letter is that it was being prepared at the exact time when the Uruguayan military had decided to depose Bordaberry and end all pretense of civilian rule.

Third. In a July 14 letter to me, Ryan responded to my request for a biography and evaluation of Wilson Ferreira with one statement that particularly irked me:

> Mr. Ferreira went into self-imposed exile in 1973 and since that time has been in contact with events in his country at a distance.

As in so many cases, while this statement is technically correct, it has implications which I consider insulting to Mr. Ferreira. "Self-imposed exile" implies that there was no compulsion to leave. Even Mr. Ryan later admitted to me in the hearings that Mr. Ferreira probably had good reason to leave. Let us face reality. The Uruguayan security forces operating in Argentina would have murdered Mr. Ferreira along with Michelini and Gutierrez Ruiz if Austria had not offered him asylum. Furthermore, I believe Mr. Ferreira, who kept in contact with his party and his sons while living in Argentina, has a much better idea of the Uruguayan situation than our Embassy has.

Fourth. As is also the case with the State Department, what is not said is as important as what is said. On July 7 the Uruguayan Government indicted Ferreira for "subversion." Mr. Ferreira is universally viewed as a peaceful and democratic opponent of that regime. I think this is a very vital piece of information. Why then did the State Department neglect to include it in an evaluation of Ferreira? There are two possibilities: The U.S. Embasy in Uruguay did not include this information in its report or the State Department decided to delete it in writing its letter to me. Either way, I believe, it represents a serious breach in the credibility of the State Department as a whole. Several exchanges between Ambassador Ryan, Subcommittee Chairman Don Fraser, and myself during the hearings pointed up this same problem.

Fifth. Let me quote some of the transcript of the hearing of August 4:

> Mr. Fraser. Mr. Ryan, there is torture in Uruguay, is there not?
>
> Mr. Ryan. There has been apparently. The Government of Uruguay has admitted that there have been occasional cases of this but they tell us they have taken steps to prevent its recurrence.
>
> Mr. Fraser. Do you believe it?
>
> Mr. Ryan. It is what the Government tell us. We have no reason to doubt them at this moment. I cannot prove that they have not taken the steps.

The Uruguayan Government has been giving these kind of assurances for years. Why does the State Department uncritically accept the word of that regime when it indicts a former Presidential candidate who polled a plurality of votes in the last free election for subversion, reaches beyond its borders to slaughter two articulate advocates of human rights in exile in Argentina, jails one in every 500 of its citizens, and has institutionalized torture, according to Amnesty International and the International Commission of Jurists.

Sixth. A discussion of the status of labor unions brought another statement which did not contain the full truth:

> Mr. Ryan. The labor unions have been intervened in that the Communist controlled labor center was destroyed and a number of its leaders are still in custody. As we indicated in the answers to your questions there is a labor movement, the ILO investigated trade union freedom in Uruguay in 1975 and their Committee on Freedom of Association, as I indicated in the answers to the questions on page 10, "recognize that the present labor situation was the result of the grave economic, social and political crisis that the country suffered prior to 1973 and that the government had restricted the activity of the labor movement in order to eliminate political opposition to its policies.
>
> "The committee noted organized labor has been politically active but said it is necessary to differentiate between purely political activity of organized labor and trade union activity and calls on the government to deflect which would permit normal trade union activity."
>
> Mr. Fraser. How does that differ from the statement here?
>
> Mr. Ryan. That there is no activity at all I would point out to you that the U.S. labor movement has a representative and there is a trade union representative that runs a program of about $160,000 a year to

> encourage and develop trade union leadership in Uruguay. This includes also the training of trade union leaders in the United States at Front Royal run by the AFL–CIO.

What Mr. Ryan failed to mention was that AID phased out funding for the American Institute for Free Labor Development in Uruguay in 1975 in response to an Auditor General's report stating that the program was in large part a failure. According to the Auditor General:

> This condition is not directly related to the capabilities of AIFLD, but reflects more on the limitations of actions imposed on the workers by Government of Uruguay statute, which prohibits workers from striking or bargaining for wages.

When Congressman Fraser pressed Mr. Ryan on this point, this exchange followed:

> Mr. Fraser. Is there a free trade union movement now that is fully free outside of government?
>
> Mr. Ryan. No, sir.

The second problem, as I see it, is that the State Department is not really sure why we are assisting Uruguay at the moment. What is our mission in Uruguay? What interests in Uruguay drive us to support the present regime? Given the fact that there is no external threat and we have no vital strategic military interests in Uruguay, the sole remaining reason for our providing military assistance is to assist the Uruguayan Government in maintaining its internal security.

Let me try to set out the State Department's rationale for providing assistance. First, Ryan's testimony states that there is "a treaty-like obligation." But the truth is that there is no treaty:

> Mr. Ryan. Military aid, of course, has background in the Rio Treaty. We have certain obligations for mutual defense of the hemisphere which go back to World War II. There is a long tradition of support and interdependence in military establishments.
>
> I think this is more of a treaty obligation than an active act of support of any specific government. It is a support of the countries and the governments of the hemisphere, not a specific party in power or specific group in power.
>
> Mr. Fraser. Mr. Ryan, can you quote the provision of any treaty that compels the United States to give military grants or assistance?
>
> Mr. Ryan. It is seen as a traditional, treaty-like obligation.
>
> Mr. Fraser. Is it a treaty obligation or not?
>
> Mr. Ryan. It is not a written treaty obligation.
>
> Mr. Fraser. We are not required to give aid, is that right?
>
> Mr. Ryan. That is right.
>
> Mr. Fraser. And we are giving aid?
>
> Mr. Ryan. Yes.
>
> Mr. Fraser. Could you define U.S. national interests in helping arm the Uruguayan forces?
>
> Mr. Ryan. I think this is a matter of tradition I referred to. We have a long tradition of support of the various military establishments in this hemisphere going back to just about the time of World War II.
>
> Mr. Fraser. Uruguay once was a country which like Chile very much valued democratic values. This has largely disappeared at least for the present time.
>
> Do you automatically continue to give countries military assistance without reference to what happens?
>
> Mr. Ryan. This is the last year of grant military assistance.

That last response by Ryan, "This is the last year of grant military assistance," is clearly a nonanswer. It indicates to me that our policy is based on momentum. We have allied ourselves with Uruguay, and without regard to the death of democracy and the establishment of military dictatorship in Uruguay, we will continue to support that country. For instance, we will continue to provide aid to Uruguay "to maintain an adequate counterinsurgency capability," which to the State Department is somehow different from helping in their internal security. I want to let the testimony speak for itself:

> Mr. Koch. What I am trying to do is to establish the fact that we are providing aid relating to internal security. You did not place the term there but if DOD calls it counterinsurgent capability, you and I know that we are talking about some revolutionary action against the government within the country, and I believe, and I think that you are in a sense bearing it out, that that is not what we are supposed to be doing.
>
> It is not our function to engage in counterinsurgency support within a country. Wouldn't you agree with me on that?
>
> Colonel Quigg. I think you are cutting a very fine line here——
>
> Mr. Koch. I am trying to.
>
> Colonel Quigg. In the definition of a military. They have a military and that military has certain roles and functions that the Uruguayans have assigned it, as our military has roles and functions that our government has assigned it.
>
> If the national security of Uruguay and the protection thereof is one of them and they have asked for training to assist in that, we are being responsive to their needs. We are not participating.

So all we are doing is being responsive to their needs. That is probably indictment enough of our policy.

Mr. Speaker, I do not know what if anything we can do to help the Uruguayan people. Wilson Ferreira believes we should do nothing, that the Uruguayan people want to be left alone to solve their own problems. Certainly, I do not see any way in which military assistance to Uruguay helps the situation. There are those who say that a cutoff of assistance will not help the situation. Although debatable, that is not really the question. We should go back to first principles and ask ourselves why we are assisting Uruguay at all. Frankly, I see military assistance to that country as being against the national interest of the United States, based on a simple cost-benefit analysis. The State Department disagrees with my assessment. But as far as I can determine, the State Department position is based on incomplete and erroneous information and our aid posture is based on a view of the Uruguay of earlier days.

Perhaps the policymakers have not reviewed the Uruguayan situation since then. But the House of Representatives has, and it has determined that the United States shall provide no military assistance to Uruguay.

RESPONDING TO JUVENILE CRIMES OF VIOLENCE—AN UPDATE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on July 1, I voiced my concern in this Record about the difficult problems facing society in dealing with the increasing number of juvenile violent offenses. In an article in the June issue of the American Bar Association Journal, Judge Irving R. Kaufman summarized the alarming statistics of which I speak:

> Since 1960 arrests of juveniles for violent crimes have increased by 246 per cent, more than double the comparable figure for adults. Indeed, children between the ages of ten and seventeen—a mere 16 per cent of the population—now account for almost 50 per cent of all arrests for theft and criminal violence. Other statistics reflect the distressing magnitude of violent conduct directed against children. For example, roughly thirty thousand official reports of parental abuse or neglect involving almost sixty thousand children, were filed last year in New York State alone.

Judge Kaufman is chairman of the joint American Bar Association-Institute of Judicial Administration Commission on Juvenile Justice Standards which is now completing an exhaustive 5-year study of the juvenile justice system in the United States. The recommendations from this study, contained in approximately 20 volumes of standards, will be presented to the American Bar Association's House of Delegates for approval in February 1977. These recommendations will be eagerly awaited by all who seek direction in coping with this serious and complex problem which threatens, more than many of our other ills, the basic fiber of our society. No matter how one views the causes or the solutions to the rise in juvenile violent crimes, no one can deny that this startling rise in juvenile crime, unless abated, will serve only to increase the fear which diminishes the quality of our lives and those of our children.

In my earlier statement I presented, together with other views, the responses I had received from directors of youth services across the country who are attempting to cope with juvenile violent crime in their own States. For the continued information of my colleagues I am appending excerpts from the additional responses I have received since that earlier statement:

Responses of States to Juvenile Crimes of Violence

District of Columbia: (Juvenile cases referred to Family Division) . . . A dispositional order vesting legal custody of a child in a department, agency, or institution shall remain in force for an indeterminate period not exceeding two years. Unless the order specifies that release is permitted only by order of the Division, the department, agency, or institution may release the child at any time that it appears the purpose of the dispositional order has been achieved . . . The District of Columbia Law Revision Commission which was established by Congress in 1974 . . . is authorized to propose such changes as it deems necessary to bring the civil and criminal law into harmony with modern conditions . . . The District of Columbia Government, at this time, has no authority to change existing law, but we will be making recommendations to the Law Revision Commission regarding proposed changes at the appropriate time.

Florida: Your letter requesting information on how Florida deals with its serious juvenile offenders is indeed timely. The Legislature passed H.B. 1300 this session, which represented an effort by the Legislature to allow the State's Attorney greater discretion and ease in prosecuting certain classes of 16 and 17 year olds as adults . . . The Youth Services Program Office, however, recommended that the legislation be vetoed by the Governor, which he did on June 23. We believe that the Florida Statutes already contain adequate provisions for any "child" to be waived to the Adult System in order for the State to proceed against the child as it would were he adult . . . the reluctance of adult courts to send young people to prison combined with more stringent due process procedures, actually result in fewer young people being removed from the community than would have occurred if they were processed as juveniles . . . only a small minority of the 16 and 17 year olds referred to this agency were charged with the violent crimes of murder, rape, or armed robbery. However, these specific crimes represent the greatest threat to the citizenry and are a major part of the impetus to get "tough" with juveniles . . . only a small number of juveniles cannot be handled within the juvenile justice system. Of the 106,822 delinquency referrals to this agency in Fiscal Year 1974–75, 71% of them were handled informally . . . fully 21% of those referrals were 17 years old. In addition, 4.1% of all delinquency referrals were actually committed to this agency by the Court and, of these, only 13% were offenders against persons.

Georgia: The Division of Youth Services has developed policy affecting youth of any age committed to our Department by Juvenile and Superior Courts for the offenses of: murder, manslaughter, rape, armed robbery, kidnapping, sexual molestation, serious arson, and some cases of aggravated assault. The majority of such youth are admitted to Youth Development Centers where they must remain for a minimum of one year. The policy provides for community placement of serious offenders if the committing judge concurs . . . Youth age 15 or over who have committed a second felony may be bound over to Superior Court if Juvenile Court finds them not amenable to treatment in the Juvenile System.

Michigan: . . . we have no programs for the violent offender *per se*. When a youth becomes a delinquent state ward, case planning is highly individualized. A case history of aggressiveness—particularly to dispose a youth to be placed with the Institutional Services Division of our Office of Children and Youth Services. In short, degree of aggressiveness displayed is one (but only one) of the factors involved in determined degree of structure provided . . . Within the Institutional Services Divsion, most youth are in "open" residential programs. Only one unit (Green Oak Center, capacity 100) is a high-structured unit. Both open and closed programs feature group treatment modalities that focus youth on helping one another and on the active development of pro-social values . . . One recent development in Michigan has been the implementation of a policy that prohibits training school entry for youth who have only been convicted of juvenile status offenses (truancy, etc.). The effect is to create an institutional population composed of youthful offenders. Less than a third of the youth entering the open programs are aggressive, however. Most are property offenders . . . There is in juvenile corrections what appears to be an almost inevitable tension between the goals of treatment and the goals of protection. In Michigan, we have tried to steer a middle course, and to weigh each case individually.

Missouri: Juvenile delinquency is an enormously complicated problem, and certainly one that does not have a single answer. Juvenile delinquents who commit serious or violent crimes, in my opinion, manifest the most complicated part of the delinquency problem. They do, in my opinion, require special attention and special programming in which they can gain insight into their behaviors . . . It is my opinion that there are delinquency prevention programs or, put a better way, different methods of involvement with our young people in the home, school, and community that improve their socialization process . . . (By a newly passed law) . . . When a child has been committed to the Division (of Youth Services), the division shall forthwith examine the circumstances of his background for the purpose of facilitating the placement of the child in the most appropriate program or residential facility to assure the public safety and the rehabilitation of the child . . . The division is authorized to release on aftercare supervision children committed to its control, to impose conditions upon which aftercare supervision is granted; to revoke and terminate after care supervision; and to discharge from less custody . . . (This) recently passed legislation . . . gives this agency some responsibility to get into the areas I mentioned above. It will be difficult to evaluate our progress, certainly the law is too new to be evaluated this soon, but we can see some progress in the prevention area already . . .

Ohio: There is a provision whereby the Juvenile Court may transfer a youth who is fifteen or more years of age at the time of his offense, for criminal prosecution as an adult . . . this provision requires a felonious offense and a determination that the youth is not amenable to rehabilitation as a child in any OYC (Ohio Youth Commission) facility . . . The OYC . . . is charged with providing care and treatment for all permanent commitments. The program and facilities are designed to provide greater security and screening prior to release for youth who have committed more serious offenses . . . There is an indirect effort being made to provide more treatment, supervision, and screening for the serious offender. This approach is to provide community treatment for the non-serious offender. This indirect approach will, hopefully, free up resources for greater impact and care for the serious offender. It is further thought that the criminalizing process of commingling will be lessened if the minor offenders are kept out of the correctional system . . . We feel that development of community-based programs is top priority. This will allow a greater capacity and hopefully a greater rate of success for the serious offender in our institutions to be deterred from further offense and redirected toward a more socially productive life.

Rhode Island: A youth is remanded to the Department of Corrections via the Family Court. This court has jurisdiction over the individual from age seven (7) to twenty-one (21). There are various agencies with the Department to deal with these youths . . . The Training Schools and especially the Youth Correctional Center deal with youths who need a more secure and controlled type of environment . . . The youths remanded to the Youth Correctional Center are usually those who are associated with more serious types of charges (rape, attempted murder, breaking and entering, etc.) . . . Although, it is difficult to measure the success rate of this type of program, it has been found that youth who undergo secure settings for a short period of time and are then released to a half-way house facility for a six (6) to seven (7) month period, tend not to become part of the adult correctional system.

Tennessee: The Tennessee Juvenile Code allows for the transfer to the adult criminal courts at age 15 individuals who have committed capital crimes such as murder, armed robbery, and rape and at age 16 on other felony offenses. There is no formal legislation dealing with the further disposition of a person once transferred into the adult criminal court jurisdiction . . . The Tennessee Department of Corrections, through initial classification, does make an effort to separate the young offender from the older offenders. This is hampered by overcrowding and lack of facilities . . . The Youth Services Division has recently initiated a program which allows a juvenile convicted of a crime of violence under the juvenile court law to spend a longer time in an institution; thereby we hope to encourage courts to continue to keep juveniles in the juvenile justice system while still recognizing the need for the community to protect its members.

Utah: With regard to the particularly violent and persistent offender, Utah's Juvenile Court Act provides that in the case of a person fourteen years of age or older who commits an act which would constitute a felony if committed by an adult, and if the Court, after full investigation and a hearing finds that it would be contrary to the best interest of the child or of the public to retain jurisdiction, the Court may enter an order certifying to that effect and direct that the child be held for criminal proceedings in the adult court. Upon conviction in the District Court, sentencing alternatives are limited to those presently available in the adult system, namely commitment to the Utah State Prison or probation. Because of the lack of dispositional alternatives, very few juveniles are certified for trial in the adult courts. Currently, Utah is examining the need for programs and facilities to handle the young adult offender in the age group sixteen through twenty-one or twenty-two. While relatively few in number, that is the age group accounting for a significant amount of the aggressive or violent crimes. That population or offender seems neither to fit into present juvenile or adult programs or institution. There is clearly a need to develop programs designed to handle that population . . . the preponderance of offenses are those against property . . . Acts against persons, or violent acts total 3.8% of all offenses. Of course it is the violent category of offenses, the armed robberies, assaults, homicide, etc., which concerns us most. We have been careful over the years to monitor closely any trends which would reflect a significant increase in the number of offenses reported which represent acts against persons. Fortunately, over the past ten years no such trend has developed in Utah . . .

Puerto Rico: . . . there are three principal agencies directly responsible for the prevention, control, rehabilitation and treatment of juvenile delinquency within the justice system . . . However, there are other governmental agencies concerned directly or indirectly with this problem. The Youth Action Administration is charged by law to develop programs and coordinate services for minors over twelve years of age to facilitate their participation in the social and economic development of the Puertorrican Society . . . To fulfill this charter, the Administration is implementing a computerized Information System on Intervened Minors. This system, initiated on July 1974, will constitute a principal planning tool for the design of rehabilitation and prevention programs for juveniles . . . This project, although not one of providing direct services, will assist the Commonwealth in the identification, definition, and location of the juvenile delinquent and pre-delinquent target group, and help planners design and implement prevention and rehabilitation programs for juveniles . . .

American Samoa: For juveniles over 16 (18 is the Juvenile cut off age) who commit armed robbery or aggravated assault, the court usually adjudicates them adults and when convicted commits them to the adult jail. Since our state has no youth detention facility of any sort, those under 16 but over 12 years of age could be committed in jail after several involvements with the law. Minor cases are handled very informally. Juveniles involved in petty larceny or runaway may be placed on unsupervised probation . . . American Samoa is very fortunate that it does not have the violent juvenile delinquents your type of society seems to breed—"social psychopaths." Our violent juvenile delinquents are Samoans who are being raised in the United States, their parents being in the armed forces or residents, and then transported to Samoa by order of some juvenile court judges who threaten them with detention in youth facilities if they did not concur . . . At the present, I believe we have "manageable juvenile delinquents" . . . we can still work with the parents of these juveniles who can be redirected and jailed those who may be classified incorrigible. In my one year of working in our court, I found no record of rape or murder attributed to a juvenile. Crimes of murder or rape are not associated with persons less than 18 years of age. Burglary makes up the bulk of crimes committed by juveniles.

Virgin Islands: Since the closing of our juvenile facilities, no facilities have been made available for hard core juveniles under the age of sixteen years. A temporary Youth Care Center has been granted to the Department of Social Welfare through a court order issued by the Municipal Court by the Chief Judge Cyril Micheal. This temporary Youth Care Center as stated in the order is for the detention of minors, sixteen (16) years of age or older and will only be utilized until a more suitable Youth Care facility is available . . . Because of the inadequate facilities many of the juveniles after being tried in juvenile court are released in the custody of their parents and guardian, only to be picked up the following day or some other day for some other serious crime . . . My thoughts on the existing juvenile laws in the Virgin Islands is that they were effective until the closing of our two juvenile detention centers. Since these facilities were closed many juveniles that could have been helped have turned into chronic and habitual repeaters, idols and educators of other youths and are advancing rapidly toward the adult criminal stage . . . I feel very strongly that until our government provides *proper* detention for hard core juveniles, proper facilities for mentally and emotionally disturbed children and facilities for neglected and other domestic problem children, our juvenile crimes will continue to increase. At present the transferring of all juvenile responsibilities from the Department of Social Welfare to the Department of Public Safety is in the planning stage; seventeen (17) year olds can be tried as adults for serious crimes. We are hoping that in our next Legislative session that an amendment will be made to drop the age to sixteen (16) years.

FREEDOM FOR CZECHOSLOVAKIA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, August 21 marked the eighth anniversary of the Soviet Union's immoral and ruthless occupation of Czechoslovakia. On that day in 1968, the Soviet army marched into Czechoslovakia smashing all efforts at progress and freedom. The small Eastern European state gave way with no armed resistance to the force of the U.S.S.R., but even so, there were 23 Czechoslovakians killed by the Russian army the very first day.

What was the reason for this unprovoked invasion? The reason was that the Czechoslovakian Government dared to voice some democratic positions. For that they were overrun by the Soviet army.

Mr. Speaker, August 21, 1968, should serve as an important reminder to the free world about the ways of the U.S.S.R. It represented Soviet repression, unmasked. Indeed, that summer day of 8 years ago has rightly earned the name "Soviet Day Shame." Even other Communist countries were so appalled that 78 out of the 88 usually monolithic Communist nations joined the Western world in decrying the unwarranted invasion of Czechoslovakia.

The struggle for freedom of the Czechoslovakian people has been a long and hard one. In 1918, Czechoslovakia joined the allied nations in the struggle against the Central Powers, and did indeed achieve independence. But 1938 was to bring the Nazi occupation, and the freedom won in May of 1945 was swiftly lost by the Communist Party takeover in 1948. Czechoslovakian independence was crushed, but the desire for liberty was not extinguished.

Despite the rhetoric to the contrary of the U.S.S.R., as a satellite of the Soviet Union, Czechoslovakians enjoyed few freedoms. The temporary progress made after the fall of Khrushchev was to end abruptly in August 1968, as the Soviet troops abolished any facade of independence.

It is indeed a bitter irony that Russia in 1973 chose Czechoslovakia over other Soviet bloc countries as the site of the large and extravagant 50th anniversary celebration. The gala affair was supposed to help ease tensions and promote goodwill between the two countries; however, any such outcome could have only been superficial. Czechoslovakians are still in their oppressed state, their political and ethnic integrity are still in bondage. And the Soviet Union's promises continue to prove false.

In 1975, 20,000 ethnic Germans wanted to emigrate to West Germany, but only a mere 317 were permitted to leave. There is only token dissemination of free world newspapers which are usually found in Western hotels or other Western institutions. Such newspapers are made inaccessible to the average Czechoslovakian. Thus the tyranny of the Communist rule prevails, with the Czechoslovakian people daily experiencing the trauma of 1968.

In this Bicentennial Year, we as Americans should pay special tribute to these people who continue to fight for the very ideals which led to the birth of our Nation. The Czechoslovakians' 58-year-old quest for freedom, human rights, and dignity is proof of their endurance, and all freedom-loving people should join in condemning the Soviet Union's occupation of Czechoslovakia in 1968.

We must never forget these violations of rights and liberty by the Soviet Union, for truly, in the words of John F. Kennedy:

> The rights of all men are diminished when the rights of one man are threatened.

STEP PROGRAM HUGE SUCCESS IN DADE/MONROE, FLA.

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, as a strong supporter of the summer teen employment program—STEP—I am proud to advise our colleagues that this program has been a tremendous success in Dade and Monroe Counties, Fla.

Sponsored by the Dade-Monroe Manpower Planning Consortium, the STEP program this year was the largest ever, providing valuable job experiences to 8,900 young people. One of these individuals, Ms. Susan E. Cook, spent her summer under the program as a journalism intern in the office of the Dade County manager's Communications Department. She has written a summary of the program which expresses very well the contributions made by the teenagers as well as the value they receive from being able to participate. I am pleased to call Ms. Cook's report to the attention of our colleagues:

REPORT BY SUSAN COOK

This summer for the ninth year, a variety of career opportunities are being explored by economically disadvantaged youths in Dade and Monroe Counties, thanks to the Summer Teen Employment Program (STEP). STEP is a federally funded program under Title III of the Department of Labor's Comprehensive and Employment Training Act (CETA), and this year, $4,413,151 has been allocated for the employment of 8,900 young people between the ages of 14 and 21.

Sponsored by the Dade-Monroe Manpower Planning Consortium, the teenagers work for 25 hours a week at a wage of $2.30 an hour for seven weeks. STEP's goals are to expose youth to the world of work, to provide them with pay for their work and to encourage the completion of educational goals.

Though the jobs vary from site to site, and there are 1,500 worksites, the teens are most commonly employed as clerical workers, recreational assistants, teachers' aides, environmental cadets and peer counselors.

According to STEP Coordinator Pat Merkin, this year's expanded program has been the most successful ever. STEP workers have been placed with thirteen different operators in the two counties as well as in the Cities of Miami, Miami Beach and Hialeah. These operators sponsor the youths and distribute the jobs.

Dade County's Manpower Administration Division (MAD) is responsible for placing the majority of youths at worksites. The Department of Parks and Recreation alone has provided 102 positions.

At Bunche Park, for instance, neighborhood children have enjoyed complete supervision in games and sports, thanks to STEP recreational aides. At other parks, young people are cleaning and beautifying the open spaces by planting trees and shrubs. They form the youth action group called environmental cadets.

Teens who are considered by their peers to be "street-wise," were put to work by Youth Co-op at Kinlock Park, and they ran a recreational program aimed at preventing younger teenagers from getting into trouble.

South Dade also employs its share of STEP workers through the operators of Perpetual Regeneration in the Development for Equality (PRIDE) and Organized Migrants in Community Action (OMICA).

PRIDE placed 300 STEP youths at the Homestead Air Force Base as clerical, maintenance, and mechanics' aides. STEP employes placed with OMICA, which services migrant camps in the Homestead area, aid with recreational and child care facilities, and help with the mounds of paper work that accumulates.

The City of Hialeah offers career-oriented positions for youths. Secretarial skills are sharpened in the Department of Public Works-Division of Planning and Zoning, as well as the City Clerk's Office.

Supervisor Earl C. Crooks says his STEP worker, a young bilingual girl, "more than earns her pay." He states, "She is a big help. She saves me a lot of time and effort and does a heck of a job!"

The Cities of Miami and Miami Beach, the South Florida Young Adult Program, North and South Central Manpower, Opportunities Industrial Center (OIC), the School Board and the Edison-Little River Self Help Community, in addition to the operators already mentioned, have networks of supervisors and workers through STEP.

Approximately half of the Dade-Monroe STEP employes receive free lunches through the federally funded Summer Food Service Program. Another 1976 innovation is the Job Bible Clinic, a series of eight one-hour seminars that explore the options, goals and values associated with the work ethic. Discussions cover employment tests, resume preparation personal observation on future careers, and more.

As the days of July yield to the days of August, worksites throughout Dade and Monroe will begin releasing STEP workers from their seven-week jobs. For some, it will mean an end to the grind of work and the beginning of vacation. For others, it will mean saying goodbye to newly made friends. But for all 8,900, August 11, the final work day, will signal the termination of a job experience that probably wouldn't have been possible without the government's Summer Teen Employment Program.

Peer Counselor Felecia McCloud, employed with STEP at Ingram Park, summed it up nicely when she said, "There's no telling what I would be doing if I hadn't gotten this job. I know a lot of my friends who work with me would be hanging out, doing nothing and getting into trouble. Here we're doing something worthwhile. We're helping others."

SOCIAL SECURITY AND THE NONPROFIT ORGANIZATIONS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, a serious situation exists concerning social security benefits for employees of nonprofit organizations who, because of a capricious ruling by the Internal Revenue Service that a particular Government form was not filed, may have failed to properly waive their exclusion from participation in this program, thus subjecting thousands of employees to loss of coverage. There is urgent need for quick action on corrective legislation I have introduced to prevent hundreds of thousands of additional employees from arbitrary loss of social security coverage for what they have paid.

Briefly, the situation is as follows. Nonprofit organizations were excluded by law from social security coverage of their employees until 1950. The 1950 law provides that organizations that choose to provide social security coverage for their employees can waive this exclusion from participation by filing a form SS15 with the Internal Revenue Service. Over a period of about 2 years now, numerous organizations have discovered that they and their employees have been paying social security taxes without the waiver ever having been filed. The Internal Revenue Service happily accepted the employer and employee tax payments without notification that failure to file the magic form prevented coverage. Now, when employees seek coverage, they find to their consternation that they are not covered despite their payments.

If proof of filing cannot be produced, the affected organization and its employees become eligible to claim a refund of all social security taxes paid during the most recent 3 years, 3 months, and 15 days of participation, the period of the Statute of Limitations. When a refund is claimed by an employer, the employees are automatically deprived of coverage, regardless of their desire to continue in the program. No matter what they have paid they lose coverage and are only entitled to their 3 year, 3 month refund of payments. This has the potential for producing quite a raid on the social security trust fund, to say nothing of the inequity involved in denying benefits to people simply because a perfunctory piece of paper was not filed or cannot be found.

This problem should have been settled administratively by the Social Security Administration and the Internal Revenue Service declaring that payment of FICA taxes constituted constructive filing of the form SS15. I have appealed to the agencies to do this, but have met with unexplained resistance, particularly from the IRS. The Social Security Administration has indicated some degree of willingness to cooperate in an administrative remedy so long as they are backed up eventually with legislation. The IRS position that, despite continuous payment by employers and employees of FICA taxes, and acceptance of these taxes by IRS, refunds will be continued to be paid in cases where the waiver cannot be located, is arbitrary and outrageous. IRS persists despite court precedents. For example, in 1968 a Federal District Court in the State of Texas—*Methodist Home and Hotel Corp. et al.* v. *U.S. Secretary of Health, Education, and Welfare and Internal Revenue Service*, 291 F. Supp. 595, U.S. District Court, S.C. Texas, Corpus Christi Division, October 30, 1968—ruled in favor of granting benefits to employees of a nonprofit organization that had failed to file waiver forms, stating:

> What better way to show an intent to waive their exemption than to pay the taxes? We cannot allow the failure to file an apparent perfunctory government form to deprive citizens of benefits under the law when the facts are such that the intent to accomplish what the form would provide is clearly evident, as in this case.

In the face of continued refusal by the appropriate officials to settle this matter administratively, I have introduced two bills, together with my colleague from Illinois (Mr. MIKVA) to try to solve the problem. Both of these bills are pending before the Social Security Subcommittee of Ways and Means, where I am hopeful they will receive prompt attention. The major difference between the two bills is that one provides total forgiveness of back taxes when an organization files a waiver constructively on behalf of employees who received a refund, while the other provides no forgiveness of back taxes. The following is an outline of the provisions of each bill:

H.R. 15000

1. Organizations which have not filed the SS15 waiver but have not received a refund will simply be deemed to have filed the waiver and will continue paying as before.

2. Organizations which had not filed the SS15 and have received a refund will be given 120 days to file the waiver. In filing, the organization will poll its employees and file the SS15 only on behalf of those who want to rejoin the system without a break in coverage.

3. Organizations which fail to file an SS15 by the end of the 120 day period will be deemed to have filed the waiver on behalf of all those employees who had previously been covered. (In other words, if the organization does not file under No. 2 above, on the 121st day all employees who had been covered will be deemed to be covered again, without option.)

4. In both 2 and 3 above, restoration of coverage, including the period of the refund, will take place without the repayment of the refund or payment of back taxes.

H.R. 15121

1. Organizations which have failed to file an SS15 but have not received a refund will be treated the same as in H.R. 15000, though the revised language makes clear that the constructive filing clause will apply in the future.

2. Organizations which have filed an SS15 and have received a refund will have 180 days to file a waiver on behalf of those employees who want coverage. The period was extended from 120 to 180 days at the request of a number of non-profit organizations. When the SS15 is filed, both employer and employees will be responsible for the accumulated back taxes for the period of coverage being restored. (Of course, by filing a supplemental form, employees will still have the option under present law of joining the system again prospectively. This would obviate them from repaying their refund but would not eliminate the break in coverage.)

3. Organizations which fail to file the SS15 by the end of 180 days will be deemed to have filed on the 181st day, and will be liable for all back taxes—both the employer's share and the employees' share. This is regarded as a significant disincentive not to file.

Clearly these two bills take opposite positions on the forgiveness question. There are a variety of middle grounds which would be appropriate alternatives, most desirable among them a forgiveness of the employees' back taxes, but not the employer's, the presumption being that most employees who took the refund are young, lower-salaried workers who would have great difficulty paying back taxes. On the side of total forgiveness, it may be reasonable to argue that since this situation was created by government error, the government should bear the cost of rectifying the matter. Some argue, on the other hand, that any forgiveness of tax discriminates against the millions of Social Security beneficiaries who can only draw benefits on the basis of their past contributions.

I have met with representatives of both the Internal Revenue Service and the Social Security Administration and have asked for their comments on my bills by August 25. I also met with a task force of representatives of nonprofit organizations to discuss how such legislation would affect them and to obtain their suggestions on any technical changes that might be needed. My office has been literally swamped with phone calls and letters since the press began to devote attention to the problem.

Recently I learned that the General Accounting Office has simultaneously been studying this situation. I expect the GAO report to reveal the seriousness of the problem by giving us an accurate picture of exactly how much money has been refunded to date. Unfortunately, the report is not sufficiently near completion at this date to make any estimates of the amounts involved.

Mr. Speaker, there are other points about this incredible bureaucratic debacle that could be made. The important point, however, is the seriousness of the situation and the terrible injustice that will occur if potential social security beneficiaries are denied benefits through what is basically a stupid, bureaucratic Government error.

Clearly this is a problem that demands our immediately attention. I am hopeful that we can get quick action on Mr. MIKVA'S and my proposals both in committee and on the floor, in order that the social security benefits of thousands of people not be left hanging in the balance after the conclusion of the 94th Congress.

OAS ACTS TO MAINTAIN PEACE IN CENTRAL AMERICA

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, I would like to call attention to one of the more encouraging developments in inter-American affairs in recent years. The Organization of American States, the world's oldest regional organization, is once again serving the cause of peace in this hemisphere.

In late July, the longstanding boundary dispute between El Salvador and Honduras, which resulted in a brief war in 1969, flared in a series of new incidents. The Permanent Council of the OAS, acting as representatives of the foreign ministers of all the member states, took fast action. It voted to establish an observer mission of 29 officers from 11 countries to oversee compliance with a withdrawal plan. Initially, the OAS funded the observer mission and reimbursed the contributing governments for the costs. The U.S. Government provided the services of three majors and leased four helicopters and one fixed-wing aircraft.

The OAS observer group went into action on both sides of the Honduras/El Salvador border on August 9. Gen. Luis Miro of Argentina reported to the Permanent Council on August 16 that the first phase of the peacekeeping operation—separating the contending forces—had been accomplished. Much credit was owed to the Governments of El Salvador and Honduras, he said, for lending full cooperation to the OAS-supervised disengagement effort. He recommended that a smaller observer group stay on the scene until negotiations are underway for a true settlement of the basic issues underlying the earlier conflict.

The representatives of both El Salvador and Honduras have expressed gratitude to the OAS for its prompt action and have requested that the observer group remain pending initiation of bilateral negotiations. The two countries have promised to take over the funding of the observer mission on a 50–50 basis while its work continues.

I would like to pay tribute to the representatives of the member states of the OAS for their efficient handling of this potential crisis and for the dispatch with which it organized and supported the observer mission. Secretary General Orfila and other senior officials of the OAS Secretariat deserve credit for this operation in furtherance of the highest purposes of hemispheric solidarity. The Governments of Honduras and El Salvador should also be cited for their full cooperation in the disengagement plan and their expressed determination to enter into bilateral negotiations that will end the dispute. It is also worth mentioning that this method of financing a peacekeeping operation purely through an international organization, and ultimately with the parties concerned covering the costs, sets a most encouraging precedent and is further cause for praise and credit for the OAS.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. CORMAN (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. MATSUNAGA (at the request of Mr. O'NEILL), until 2:30 today, on account of official business.

Mr. MCKINNEY (at the request of Mr. RHODES), for today, on account of a serious automobile accident involving a member of his family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. BAUMAN) and to include extraneous matter:)

Mr. SARASIN, for 5 minutes, today.

(The following Members (at the request of Mr. NEAL) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mrs. MEYNER, for 5 minutes, today.

Ms. ABZUG, for 10 minutes, today.

Mr. STOKES, for 60 minutes, today.

Mr. CHARLES H. WILSON of California, for 10 minutes, today.

Mr. THOMPSON, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. PRICE, for 5 minutes, today.

Mr. REUSS, for 20 minutes, today.

Mr. BRADEMAS, for 5 minutes, August 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BAUMAN) and to include extraneous matter:)

Mr. HEINZ in four instances.

Mr. DERWINSKI in three instances.

Mr. MCCLORY.

Mr. KEMP in four instances.

Mr. PAUL.

Mr. GILMAN.

Mr. ASHBROOK.

(The following Members (at the request of Mr. NEAL) and to include extraneous matter:)

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mrs. KEYS.

Mr. FARY.

Mr. WAXMAN.

Mr. ROSENTHAL in 10 instances.

Mr. RODINO.

Mr. MAZZOLI.

Mr. VANIK in three instances.

Mr. MCCORMACK.

Mr. MCDONALD.

Ms. ABZUG in two instances.

Mr. ROGERS in five instances.

Mr. WOLFF in two instances.

Mr. CHARLES H. WILSON of California.

Mr. DRINAN.

Mrs. BOGGS.

Mrs. MEYNER.

Mr. DOWNEY of New York.

Mr. HAMILTON.

Mr. CONYERS in two instances.

Mr. ROE.

Mr. RANGEL.

Mr. WIRTH.

Mrs. SCHROEDER.

Mr. BENNETT.

Mr. FRASER.

Mr. NEAL.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2951. An act to authorize documentation of the vessel, *Barbara Ann*, as a vessel of the United States with coastwise privileges, to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 12169. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such act; to provide an incentive for domestic production; to provide for electric utility rate design initiatives; to provide for energy conservation standards for new buildings; to provide for energy conservation assistance for existing buildings and industrial plants; and for other purposes; and

H.R. 13359. An act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2642. An act to provide for the establishment of the Ninety Six National Historic Site in the State of South Carolina, and for other purposes.

S. 3735. An act to amend the Public Health Service Act to authorize the establishment and implementation of an emergency national swine flu immunization program and to provide an exclusive remedy for personal injury or death arising out of the manufacture, distribution, or administration of the swine flu vaccine under such program

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that

that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On August 9, 1976:

H.R. 14234. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

On August 10, 1976:

H.R. 1394. An act for the relief of Suk Chin and Hae Suk Chin;

H.R. 1395. An act for the relief of Mee Kyung Cho and Hee Kyung Cho;

H.R. 1396. An act for the relief of Sang Kook Chung and Hwa Soon Chung;

H.R. 1397. An act for the relief of Ae Sook Song and Mi Yun Lee;

H.R. 1425. An act for the relief of Juliet Elizabeth Tozzi;

H.R. 1507. An act for the relief of Marisa Marzano;

H.R. 1645. An act for the relief of Kevin Patrick Saunders;

H.R. 2118. An act for the relief of Cheryl Lynn V. Camacho;

H.R. 2278. An act for the relief of Mrs. Mary Saxton (Mary Nuku);

H.R. 2399. An act for the relief of Leonard Alfred Brownrigg;

H.R. 2411. An act for the relief of Alinor Anvari Adams;

H.R. 2495. An act for the relief of Miss Malgorzata Kuzniarek Czapowski;

H.R. 2502. An act for the relief of Peter Olav Mesikepp;

H.R. 2565. An act for the relief of Luisa Marillac Hughes, Marco Antonio Hughes, Maria del Cisne Hughes, Maria Augusta Hughes, Miguel Vicente Hughes, Veronica del Rocio Hughes, and Ivan Hughes;

H.R. 2940. An act for the relief of Maria Sylvia Macias Elliott;

H.R. 2941. An act for the relief of Susan Rosemary Harwood;

H.R. 3372. An act for the relief of Tze Tsun Li;

H.R. 4053. An act for the relief of Roderic Patrick Stafford;

H.R. 5052. An act for the relief of Yolanda E. Vez;

H.R. 5500. An act for the relief of Rafael Strochlitz Wurzel;

H.R. 5648. An act for the relief of Violetta Cebreros;

H.R. 6093. An act for the relief of Maria D'Arpino;

H.R. 6392. An act for the relief of Koviljka C. Clendenen;

H.R. 6687. An act for the relief of Doo Hoon Park;

H.R. 7404. An act for the relief of Christine Donnelly;

H.R. 7494. An act for the relief of Luigi Santaniello;

H.R. 7882. An act for the relief of Miss Leonor Young;

H.R. 7908. An act for the relief of Edward Drag;

H.R. 8557. An act for the relief of Carmen Thomas;

H.R. 8695. An act for the relief of Eugene Homsy Phillips;

H.R. 10076. An act for the relief of Mrs. Kazuko Scillion;

H.R. 11076. An act for the relief of Ok Ja Choi;

H.R. 12944. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 6 months; and

H.R. 13121. An act to direct the Law Revision Counsel to prepare and publish the District of Columbia Code through publication of supplement V to the 1973 edition, with the Council of the District of Columbia to be responsible for preparation and publication of such Code thereafter.

On August 11, 1976:

H.R. 1402. An act for the relief of John W. Hollis;

H.R. 5752. An act for the relief of Lucie Stein;

H.R. 6156. An act for the relief of Walma T. Thompson;

H.R. 7896. An act to amend sections 2734a (a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the Armed Forces, and for other purposes.

H.R. 9414. An act for the relief of TV Facts, Rochester, N.Y.;

H.R. 9965. An act for the relief of Boulder Daily Camera, Boulder, Colo.;

H.R. 10374. An act to amend section 2301 of title 44, United States Code, to change the membership of the National Archives Trust Fund Board;

H.R. 12169. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such Act; to provide an incentive for domestic production; to provide for electric utility rate design initiatives; to provide for energy conservation standards for new buildings; to provide for energy conservation assistance for existing buildings and industrial plants; and for other purposes;

H.R. 13359. An act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes; and

H.J. Res. 738. Joint resolution providing for Federal participation in preserving the Tule elk population in California.

ADJOURNMENT

Mr. NEAL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Tuesday, August 24, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3802. A letter from the President of the United States, transmitting notice of his intention to designate Portugal as a beneficiary developing country for purpopses of the Generalized System of Preferences, pursuant to section 502(a)(1) of the Trade Act of 1974 (H. Doc. No. 94–587); to the Committee on Ways and Means and ordered to be printed.

3803. A letter from the Secretary of Defense, transmitting two reports of violations of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the Revised Statutes; to the Committee on Appropriations.

3804. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies, and commodities provided by the Berl in Magistrate, and under the German Offset Agreement for the quarter ended June 30, 1976, pursuant to section 719 of Public Law 94–212; to the Committee on Appropriations.

3805. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to authorize appropriations for construction of facilities on Guam and for other purposes; to the Committee on Armed Services.

3806. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports for the quarter ended June 30, 1976, pursuant to section 811 of Public Law 94–106; to the Committee on Armed Services.

3807. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend chapter 639 of title 10, United States Code, to enable the Secretary of the Navy to change the name of a publication of the Naval Observatory providing data for navigators and astronomers; to the Committee on Armed Services.

3808. A letter from the Director, Defense Security Assistance Agency, transmitting a report on offset agreements presently in force between the United States and its NATO allies, pursuant to section 814(a)(1) of the Department of Defense Appropriation Authorization Act, 1976, as amended (90 Stat. 930); to the Committee on Armed Services.

3809. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during June 1976 to Communist countries; to the Committee on Banking, Currency and Housing.

3810. A letter from the First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a report covering the quarter ended June 30, 1976, on the export expansion facility program, pursuant to Public Law 90–390; to the Committee on Banking, Currency and Housing.

3811. A letter from the Chairman, Cost Accounting Standards Board, transmitting the annual report of the Board for fiscal year 1976, pursuant to section 719(k) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Currency and Housing.

3812. A letter from the Assistant Secretary of the Interior, transmitting the annual report for calendar year 1975 on the administration of the Federal Metal and Nonmetalic Mine Safety Act, pursuant to section 20 of the act (Public Law 89–577); to the Committee on Education and Labor.

3813. A letter from the Acting Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed regulations governing the administration of awards for statewide early education plans under section 624 of the Education of the Handicapped Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3814. A letter from the Acting Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed amendments to regulations governing eligibility of Indian students for BIA grants-in-aid and financial assistance from the Commissioner of Education, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3815. A letter from the Acting Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed final regulations governing the college work-study program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3816. A letter from the Secretary of the Interior, transmitting a report on the disposal of surplus Federal real property for park and recreation purposes during fiscal year 1976, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended [40 USC 484 (o)]; to the Committee on Government Operations.

3817. A letter from the Chairman, Federal Power Commission, transmitting notice of proposed new or intended routine uses of information in existing records systems of the Commission, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

3818. A letter from the Secretary of the Interior, transmitting notice of the cancellation of irrigation operation and maintenance charges against individuals of the Wind River Indian Reservation, pursuant to the act of July 1, 1932 (47 Stat. 564); to the Committee on Interior and Insular Affairs.

3819. A letter from the Secretary of the Interior, transmitting the annual report for calendar year 1975 on the state of the domestic mining, minerals, and mineral reclamation industries, pursuant to section 2 of Public Law 91-631; to the Committee on Interior and Insular Affairs.

3820. A letter from the Secretary of the Interior, transmitting a copy of a proposed contract with the Bendix Corp., Southfield, Mich., for a research project entitled "Develop a Sensory Feedback System for a Remote Controlled Continuous Miner," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

3821. A letter from the Secretary of the Interior, transmitting a copy of a proposed contract with Princeton Gamma-Tech, Inc., Princeton, N.J., for a research project entitled "A Borehole Probe for In Situ Neutron Activation Analysis," pursuant to section 1 (d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

3822. A letter from the Secretary of the Interior, transmitting a copy of a proposed contract with McDonnell Douglas Electronics Co., St. Charles, Mo., for a research project entitled "Development of Operational Aids for Improved Dragline Utilization," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

3823. A letter from the Secretary of the Interior, transmitting a copy of a proposed contract with Point Mining Co., Tams, W. Va., for a research project entitled "Testing and Evaluating a Modified Surface Longwall Strip Mining System," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

3824. A letter from the Secretary of the Interior, transmitting a copy of a proposed contract with Southwest Research Institute, San Antonio, Tex., for a research project entitled "Development and Testing of Variable Wall Miner Breadboard Prototype," pursuant to section 1(d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

3825. A letter from the Under Secretary of the Interior, transmitting a proposed plan for the use and distribution of Seneca Indian awards granted by the Indian Claims Commission in Dockets 84, 342-B and C and 368, 342-F, and 342-I, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

3826. A letter from the Deputy Assistant Secretary of the Interior, transmitting a request for the withdrawal of the application by the Consolidated Irrigation District of Selma, Calif., for a loan under the Small Reclamation Projects Act, previously submitted under section 4(c) of the act; to the Committee on Interior and Insular Affairs.

3827. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Robert J. McCloskey and his family, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

3828. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassador-designate William G. Bradford, Ronald D. Palmer, and Ralph E. Becker, and their families, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

3829. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a determination by the Secretary of State that International Narcotics Control funds furnished to Mexico, Burma, Thailand, and Pakistan, are significantly reducing the amount of illegal opiates entering the international market, pursuant to section 482 of the Foreign Assistance Act of 1961, as amended (90 Stat. 764); to the Committee on International Relations.

3830. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request from the Government of Australia for permission to transfer certain U.S.-origin defense articles to the Government of Papua New Guinea, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

3831. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Jordan for permission to transfer certain U.S.-origin military equipment to the Government of Morocco, pursuant to section 3(a) of the Arms Export Control Act, as amended; to the Committee on International Relations.

3832. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense services to Iran (transmittal No. 7T-12), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3833. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92-403; to the Committee on International Relations.

3834. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92-403; to the Committee on International Relations.

3835. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the Commission's annual report for calendar year 1975, together with the annual report of the Micronesian Claims Commission; to the Committee on International Relations.

3836. A letter from the Chairman and members, U.S. Commission on Civil Rights, transmitting a report on school desegregation, pursuant to section 104(b) of Public Law 85-315, as amended; to the Committee on the Judiciary.

3837. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third- and sixth-preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

3838. A letter from the Secretary, Aviation Hall of Fame, Inc., transmitting the report of the annual audit of the organization for calendar year 1974, pursuant to section 15(b) of Public Law 88-372; to the Committee on the Judiciary.

3839. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend section 2632 of title 10, United States Code, to provide the Secretary of the department in which the Coast Guard is operating with the authority to transport Coast Guard employees to and from certain places of employment; to the Committee on Merchant Marine and Fisheries.

3840. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on scientific and engineering positions established in NASA as of June 30, 1976, pursuant to section 206(b) of Public Law 87-367; to the Committee on Post Office and Civil Service.

3841. A letter from the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, transmitting a report on the number of EPA employees in each general schedule grade as of June 30, 1975, and June 30, 1976, pursuant to section 1310 of the Supplemental Appropriation Act of 1952; to the Committee on Post Office and Civil Service.

3842. A letter from the Secretary of the Army transmitting a draft of proposed legislation to authorize the Secretary of the Army, acting through the Chief of Engineers, to grant permits for the discharge of dredged or fill material after consideration of water quality and fish and wildlife factors, to authorize State regulation over the discharge of dredged or fill material into certain waters of the United States, to exempt all areas currently in agricultural, ranching or silvicultural use from permit requirements, and for other purposes; to the Committee on Public Works and Transportation.

3843. A letter from the Secretary of Agriculture and the Secretary of the Army, transmitting notice of the intention of the Departments of the Army and Agriculture to interchange lands at the Leech Lake Reservior project, Minnesota, and the Chippewa National Forest, pursuant to 70 Stat. 656 [16 USC 506a]; jointly, to the Committees on Public Works and Transportation, and Agriculture.

RECEIVED FROM THE COMPTROLLER GENERAL

3844. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during July 1976, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

3845. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Federal Home Loan Bank Board, the Federal home loan banks, the Federal Savings and Loan Insurance Corporation, and the Federal Home Loan Mortgage Corporation for calendar year 1975, pursuant to the Budget and Accounting Act, 1921 [31 U.S.C. 53], the Accounting and Auditing Act of 1950 [31 U.S.C. 67], the Government Corporation Control Act, as amended [31 U.S.C. 850 and 857], the Federal Home Loan Bank Act, as amended [12 U.S.C. 1431(j)], and the Federal Home Loan Mortgage Corporation Act [12 U.S.C. 1456(b)] (H. Doc. No. 94-588); to the Committee on Government Operations and ordered to be printed with illustrations.

3846. A letter from the Comptroller General of the United States, transmitting a report on ways to improve management and development of federally funded computerized models; to the Committee on Government Operations.

3847. A letter from the Comptroller General of the United States, transmitting a report on the implementation of the Federal energy reduction program in 77 Government field installations; to the Committee on Government Operations.

3848. A letter from the Comptroller General of the United States, transmitting a report describing a proposed revision of the Federal budget's function/subfunction classifications; jointly, to the Committees on Government Operations, and Appropriations.

3849. A letter from the Comptroller General of the United States, transmitting a report describing major cost savings which can be achieved by increasing productivity in the Department of Defense real property maintenance operations; jointly, to the Committees on Government Operations, and Armed Services.

3850. A letter from the Comptroller General of the United States, transmitting a report on the current standards, rules, and regulations of the Cost Accounting Standards Board; jointly, to the Committees on Government Operations, and Banking, Currency, and Housing.

3851. A letter from the Comptroller General of the United States, transmitting a report on the use of injury and illness data by the Department of Labor to determine the effectiveness of administering occupational safety and health activities; jointly, to the Committees on Government Operations, and Education and Labor.

3852. A letter from the Comptroller General of the United States, transmitting a report on opportunities to increase the hydroelectric generating capacity available for sale at Federal projects; jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

3853. A letter from the comptroller General of the United States, transmitting a report describing the status of the Grand Coulee-Raver transmission line project and ways to improve the procurement of future similar major civil acquisitions of the Bonneville Power Administration; jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

3854. A letter from the Comptroller General of the United States, transmitting a report of the management system for the disaster relief operation mounted by the international community in response to the February 1976 earthquake in Guatemala; jointly, to the Committees on Government Operations, and International Relations.

3855. A letter from the Comptroller General of the United States, transmitting a report on improvements needed in the management control functions of the Small Business Administration, pursuant to section 13 of Public Law 93-386; jointly, to the Committees on Government Operations, and Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on August 10, 1976, the following report was filed on August 11, 1976*]

Mr. de la GARZA: Committee of conference. Conference report on S. 3052 (Rept. No. 94–1424). Ordered to be printed.

[*Pursuant to the order of the House on August 10, 1976, the following report was filed on August 12, 1976*]

Mr. MAHON: Committee on Appropriations. H.R. 15194. A bill making appropriations for public works employment for the period ending September 30, 1977, and for other purposes (Rept. No. 94–1425). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on August 9, 1976, the following reports were filed on August 13, 1976*]

Mr. BROOKS: Committee on Government Operations. H.R. 13828. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes (Rept. No. 94–1426). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 13160. A bill to designate certain lands within units of the national park system as wilderness; to revise the boundaries of certain of those units; and for other purposes; with amendments (Rept. No. 94–1427). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on August 10, 1976, the following reports were filed August 13, 1976*]

Mr. HALEY: Committee on Interior and Insular Affairs. S. 2371. An act to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the national park system, and for other purposes; with amendments (Rept. No. 94–1428). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 14451. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of Federal surplus personal property to the States and local organizations for public purposes, and for other purposes; with amendments (Rept. No. 99–1429). Referred to the Committee of the Whole House on the State of the Union.

[*Filed August 23, 1976*]

Mr. FOLEY: Committee on Agriculture. H.R. 15068. A bill to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina (Rept. No. 94–1430). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. Report of the Committee on House Administration pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 94–1431). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 15116. A bill to amend the Federal-Aid Highway Act of 1976 to provide an obligation limitation for fiscal year 1977 (Rept. No. 94–1432). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DON H. CLAUSEN:

H.R. 15195. A bill to modify the project for harbor improvement at Noyo Harbor, Calif.; to the Committee on Public Works and Transportation.

By Mr. COUGHLIN (for himself, Mr. Badillo, Mr. Harrington, Mr. Hughes, Mr. Mineta, Mr. Mollohan, Mr. Richmond, Mr. Roe, Mr. Simon, Ms. Spellman, and Mr. Charles H. Wilson of California):

H.R. 15196. A bill to amend title 18 of the United States Code and the Omnibus Crime Control and Safe Streets Act of 1968 for the purpose of designating certain electric weapons as destructive devices; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.R. 15197. A bill to eliminate prevented planting payments to cotton farmers able to plant cotton or other nonconserving crops on their cotton allotments; to the Committee on Agriculture.

By Mr. HEINZ (for himself and Mr. Mr. Schulze):

H.R. 15198. A bill to impose quantitative limitations on the importation of mushrooms into the United States; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself Mr. Steelman, and Mr. Vanik):

H.R. 15199. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; to the Committee on the Judiciary and Standards of Official Conduct.

By Mr. JACOBS:

H.R. 15200. A bill to terminate the authorization of the navigation study and survey of the Wabash River, Ind.; to the Committee on Publics Works and Transportation.

By Mr. JACOBS (for himself, Mrs. Keys, and Mrs. Heckler of Massachusetts):

H.R. 15201. A bill to establish the Federal right of every unemancipated child to be supported by such child's parent or parents and, therefore, to confer upon certain local courts of the District of Columbia and every State and territory of the U.S. jurisdiction to enforce such right regardless of such child's residence; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Ms. Heckler of Massachusetts, and Mr. Peyser):

H.R. 15202. A bill to establish a Commission on the Humane Treatment of Animals; to the Committee on Agriculture.

By Mr. McHUGH:

H.R. 15203. A bill to assist States in collecting sales and use taxes on cigarettes by controlling all types of illegal transportation of cigarettes; to the Committee on the Judiciary.

By Mr. MOTTL:

H.R. 15204. A bill to provide that passenger motor vehicles must comply with certain requirements respecting inspection, insurance, and transfer of title; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 15205. A bill to amend the Securities Exchange Act of 1934 to require the preparation of annual reports and distribution statements by issuers of municipal securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MYERS of Pennsylvania:

H.R. 15206. A bill to allow fire departments to transmit nonemergency communications relating to official fire department business over fire department radio frequencies; to the Committee on Interstate and Foreign Commerce.

By Mr. MYERS of Pennsylvania (for himself, Mr. Flood, Mr. Lundine, Mr. Scheuer, Mr. Stratton, Mr. Charles Wilson of Texas, and Mr. Winn):

H.R. 15207. A bill to provide an opportunity to individuals to contribute $1, in connection with the payment of their Federal income tax, to the U.S. Olympic Fund, and for other purposes; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself and Mr. Ford of Tennessee):

H.R. 15208. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Ways and Means.

By Mr. ROBINSON (for himself, Mr. Breckinridge, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Downing of Virginia, Mr. Howe, Mr. Kelly, Mr. Ketchum, Mr. Mann, Mr. Preyer, Mr. Whitehurst, and Mr. Won Pat):

H.R. 15209. A bill to provide for the striking of a medal to commemorate the 200th anniversary of the drafting of the Virginia Statute for Religious Freedom; to the Committee on Banking, Currency, and Housing.

By Mr. VANIK:

H.R. 15210. A bill to amend title XVIII of the Social Security Act to make it clear that payment may be made under the supplementary medical insurance program for wheelchairs and other durable medical equipment furnished on a lease-purchase basis; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself and Mr. Patterson of California):

H.R. 15211. A bill to amend the Internal Revenue Code of 1954 to provide for individual supplemental retirement savings; to the Committee on Ways and Means.

By Mr. BAUCUS (for himself, Ms. Abzug, Mr. Bevill, Mr. Bergener, Mr. Cornell, Mr. Downey of New York, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Gude, Mr. Hughes, Mr. Jenrette, Ms. Keys, Mr. Lehman, Mr. Long of Maryland, Mr. Moakley, Mr. Ottinger, Mr. Richmond, Mr. Scheuer, Mr. Thompson, Mr. Thone, and Mr. Charles Wilson of Texas):

H.R. 15212. A bill to authorize Federal assistance under the Consolidated Farm and Rural Development Act with respect to using solar energy in residential structures on family farms; to the Committee on Agriculture.

By Mr. BAUCUS (for himself, Ms. Abzug, Mr. Bevill, Mr. Burgener, Mr. Cornell, Mr. Downey of New York, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Gude, Mr. Hughes, Mr. Jenrette, Ms. Keys, Mr. Lehman, Mr. Long of Maryland, Mr. Moakley, Mr. Ottinger, Mr. Richmond, Mr. Scheuer, Mr. Thompson, Mr. Thone, and the Charles Wilson of Texas):

H.R. 15213. A bill to provide more Federal assistance under certain housing programs for dwelling units which utilize solar energy; to the Committee on Banking, Currency and Housing.

By Mr. BAUCUS (for himself, Ms. Abzug, Mr. Bevill, Mr. Burgener, Mr. Cornell, Mr. Downey of New York, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Gude, Mr. Hughes, Mr. Jenrette, Ms. Keys, Mr. Lehman, Mr. Long of Maryland, Mr. Moakley, Mr. Ottinger, Mr. Richmond, Mr. Scheuer, Mr. Thompson, Mr. Thone, and Mr. Charles Wilson of Texas):

H.R. 15214. A bill to amend title 38, United States Code, to provide Federal loans and loan guarantees to veterans for the purchase and installation of heating and cooling systems which utilize solar energy; to the Committee on Veterans' Affairs.

By Mr. BAUCUS (for himself, Mr. Andrews of North Dakota, Mr. Bergland, Mr. Ginn, Mr. Kindness, Mr. Mathis, Mr. Montgomery, Mr. Pickle, Mr. Quie, and Mr. Roncalio):

H.R. 15215. A bill to amend medicare and medicaid provisions as they relate to rural health care facilities; to the Committee on Ways and Means.

By Mr. BEDELL (for himself, Mr. Thone, Mr. Baldus, Mr. Krebs, Mr. Burlison of Missouri, Mr. Abdnor, Mr. Kindness, Mr. Aspin, Mr. Fithian, Mr. Nolan, Mr. Simon, Mr. Grassley, Mr. Obey, Ms. Abzug, Mr. Hayes of Indiana, and Mr. Stark):

H.R. 15216. A bill to amend the Agricultural Act of 1949 to provide for increased benefits with regard to disaster relief for any farmer who plants wheat, feed grains, cotton, or rice in excess of his or her allotments for the commodity; to the Committee on Agriculture.

By Mr. BEVILL:

H.R. 15217. A bill authorizing the inclusion of regional economic development benefits in computing the benefit-to-cost ratio for the Alabama-Coosa River, Ala., project; to the Committee on Public Works and Transportation.

By Mr. BRECKINRIDGE (for himself, Mr. Andrews of North Dakota, Mr. Steed, Mr. Jenrette, Mr. Santini, and Mr. Howe):

H.R. 15218. A bill to provide for improvements in the annual report on rural development submitted to the Congress by the Secretary of Agriculture, and to require the prompt appointment of a new Assistant Secretary of Agriculture for Rural Development in the case of a vacancy in that position; to the Committee on Agriculture.

By Mr. BRINKLEY:

H.R. 15219. A bill to provide that the park referred to as the East Lake Park located within the West Point Lake project on the Chattahoochee River, Ga., shall hereafter be known and designated as the "R. Schaefer Heard Park"; to the Committee on Public Works and Transportation.

By Mrs. FENWICK (for herself, Mr. J. William Stanton, Mr. Whitehurst, Mr. Florio, Mr. Hyde, Mr. LaFalce, Mr. Mosher, Mr. Mineta, Mr. Downey of New York, Mr. Charles Wilson of Texas, Mr. Helstoski, Mr. Sarasin, Mr. Mazzoli, Mr. Roybal, Mr. Jeffords, Mr. Murphy of New York, Mr. Solarz, Mr. Conte, Mr. Cederberg, Mr. Bergland, Mr. Koch, Mr. Howe, and Mr. Edwards of California):

H.R. 15220. A bill to amend the Immigration and Nationality Act to permit the adoption of more than two children; to the Committee on the Judiciary.

By Mrs. FENWICK (for herself, Mr. Simon, Mr. Wirth, Mr. Hechler of West Virginia, Mr. Duncan of Oregon, and Mr. Cleveland):

H.R. 15221. A bill to amend the Immigration and Nationality Act to permit the adoption of more than two children; to the Committee on the Judiciary.

By Mr. PATTISON of New York:

H.R. 15222. A bill to authorize the States to carry out certain functions of the Secretary of the Army and the Chief of Engineers on intrastate waters; to the Committee on Public Works and Transportation.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 15223. A bill to amend title 10, United States Code, to provide for the investigation of accidents involving aircraft of an armed force, and to clarify the use of reports of those investigations; to the Committee on Armed Services.

By Mr. QUIE:

H.R. 15224. A bill to authorize the Great River study; to the Committee on Public Works and Transportation.

By Mr. RAILSBACK (for himself, Mr. Kastenmeier, and Mr. Vanik):

H.R. 15225. A bill to regulate lobbying and related activities; jointly, to the Committees on the Judiciary and Standards of Official Conduct.

By Mr. STOKES:

H.R. 15226. A bill to provide a special program for financial assistance to Opportunities Industrialization Centers and other nonprofit community-based organizations of demonstrated effectiveness, in order to provide 1 million new jobs and job training opportunities, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. THOMPSON:

H.R. 15227. A bill to amend the Service Contract Act of 1965 to extend its geographical coverage to contracts performed on the Canal Zone; to the Committee on Education and Labor.

By Mr. THOMPSON (for himself and Mr. Corman):

H.R. 15228. A bill to amend the Service Contract Act of 1965 to extend its coverage to professional employees; to the Committee on Education and Labor.

By Mr. VANIK:

H.R. 15229. A bill to amend the Internal Revenue Code of 1954 to revise the rate schedule for estate and gift taxes; to the Committee on Ways and Means.

By Mr. VANIK:

H.R. 15230. A bill to amend the Internal Revenue Code of 1954 to revise the rate schedule for estate and gift taxes; to the Committee on Ways and Means.

By Mrs. KEYS:

H.J. Res. 1051. A resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. ROBINSON (for himself, Mr. Breckinridge, Mr. Burgener, Mr. Robert W. Daniel, Jr., Mr. Howe, Mr. Kelly, Mr. Ketchum, Mr. Mann, Mr. Paul, and Mr. Won Pat):

H.J. Res. 1052. A resolution to designate January 13, 1977 as "Religious Freedom Day"; to the Committee on Post Office and Civil Service.

By Mrs. COLLINS of Illinois (for herself, Mr. Phillip Burton, Ms. Abzug, Mr. Stokes, Ms. Chisholm, Mr. Diggs, Mr. Solarz, Ms. Meyner, Mr. Metcalfe, Mr. Derwinski, and Mr. Mitchell of Maryland):

H. Con. Res. 714. A resolution expressing the sense of Congress that the President should furnish disaster assistance to the Peoples Republic of China; to the Committee on International Relations.

By Mr. HARSHA:

H. Con. Res. 715. A resolution expressing the sense of Congress with respect to Presidential actions which should be taken pursuant to the Trade Act of 1974 to remedy the serious injury being caused to the domestic shoe industry by imports of nonrubber footwear; to the Committee on Ways and Means.

By Mr. PAUL (for himself, Mr. Kindness, Mr. Hall of Texas, Mr. Symms, Mr. Collins of Texas, Mr. Ashbrook, Mr. Ketchum, Mr. Melcher, and Mr. Rousselot):

H. Con. Res. 716. A resolution to disapprove the Firearms Control Regulations Act of 1975 passed by the Council of the District of Columbia; to the Committee on the District of Columbia.

By Mr. KETCHUM (for himself, Mr. Bingham, Mr. Michel, Mr. O'Brien, Mr. Breaux, and Mr. McHugh):

H. Res. 1478. A resolution to amend rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution; to the Committee on Rules.

By Mr. LENT (for himself, Ms. Abzug, Mr. Archer, Mr. Broomfield, Mr. Dodd, Mr. Eilberg, Mr. Fascell, Mr. Fish, Mr. Gude, Mr. Kemp, Mr. Koch, Mr. Krebs, Mr. Lehman, Mr. Mazzoli, Mr. Ottinger, Mr. Pepper, Mr. Peyser, Mr. Rangel, Mr. James V. Stanton, Mr. Wirth, Mr. Wolff, Mr. Brodhead, Mr. Long of Maryland, and Mr. Zeferetti):

H. Res. 1479. A resolution condemning the Soviet Union's failure to observe the spirit of existing international conventions to which it is a party, especially the newest restriction respecting the delivery of parcels from the United States; to the Committee on International Relations.

By Mr. MURPHY of New York:

H. Res. 1480. A resolution calling upon the President of the United States to terminate certain agreements with the U.S.S.R. if that Government persists in its refusal to abide by agreement's requirement that a proportion of the cargo covered in the instrument be transported in U.S. vessels; to the Committee on International Relations.

By Mr. PAUL (for himself, Mr. Kindness, Mr. Hall of Texas, Mr. Symms, Mr. Collins of Texas, Mr. Ashbrook, Mr. Ketchum, Mr. Melcher, and Mr. Rousselot):

H. Res. 1481. A resolution to disapprove the Firearms Control Regulations Act of 1975 passed by the Council of the District of Columbia; to the Committee on the District of Columbia.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

444. By the SPEAKER: A memorial of the Legislature of the State of Louisiana, relative to balancing the Federal budget; to the Committee on Appropriations.

445. Also, a memorial of the Legislature of the State of California, relative to military honors at funerals of veterans of the armed services; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 15231. A bill for the relief of Rudy Montemayor Cacho; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 15232. A bill for the relief of Samuel Darby; to the Committee on the Judiciary.

By Mr. DOWNING of Virginia:

H.R. 15233. A bill for the relief of Roswitha Haller; to the Committee on the Judiciary.

By Mr. HARRINGTON:

H. R. 15234. A bill for the relief of Juana Todd Atherley; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 15235. A bill for the relief of Norman Shubinsky; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 15236. A bill for the relief of Dr. Noemi Palmira Colmenero; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

548. By Mr. FASCELL: Petition of officers and members of various credit unions in Florida, relative to the proposed "Financial Institutions Act of 1975"; to the Committee on Banking, Currency and Housing.

549. By the SPEAKER: Petition of Hildred McMasters, Reseda, Calif., and others relative to gun control; to the Committee on the Judiciary.

550. Also, a petition of the Board of Directors, Oklahoma City Chamber of Commerce, Oklahoma City, Okla., relative to opposing divestiture of petroleum firms; to the Committee on the Judiciary.

551. Also, a petition of the Catholic Order of Foresters, Chicago, Ill., relative to abortion; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 8911

By Mr. CORMAN:

Page 24, after line 14, insert the following new section (and redesignate the succeeding section accordingly):

EXCLUSION OF CERTAIN ASSISTANCE PAYMENTS FROM INCOME

SEC. 17. Section 1631(b) of the Social Security Act is amended by inserting "(1)" after "(b)", and by adding at the end thereof the following new paragraph:

"(2) No part of any benefit paid to an individual under this title for any month beginning before October 1, 1976, shall be considered an overpayment by reason of assistance paid under any provision of law with respect to a dwelling unit in which such individual was living if, under section 2(h) of the Housing Authorization Act of 1976, the value of assistance paid under that provision of law would not be considered as income or a resource for purposes of benefits under this title on or after that date.".

By Mr. FRASER:

Page 24, after line 14, insert the following new section (and redesignate the succeeding section accordingly):

MAINTENANCE OF STATE SUPPLEMENTATION

SEC. 17. (a) Title XVI of the Social Security Act is amended by adding immediately after section 1617 the following new section:

"OPERATION OF STATE SUPPLEMENTATION PROGRAMS

"SEC. 1618. (a) In order for any State which makes supplementary payments of the type described in section 1616(a) (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93-66), on or after June 30, 1977, to be eligible for payments pursuant to title XIX with respect to expenditures for any calendar quarter which begins—

"(1) after June 30, 1977, or, if later,

"(2) after the calendar quarter in which it first makes such supplementary payments, such State must have in effect an agreement with the Secretary whereby the State will—

"(3) continue to make such supplementary payments, and

"(4) maintain such supplementary payments at levels which are not lower than the levels of such payments in effect in December 1976, or, if no such payments were made in that month, the levels for the first subsequent month in which such payments were made.

"(b) (1) The Secretary shall not find that a State has failed to meet the requirements imposed by paragraph (4) of subsection (a) with respect to the levels of its supplementary payments for a particular month or months if the State's expenditures for such payments in the twelve-month period (within which such month or months fall) beginning on the effective date of any increase in the level of supplemental security income benefits pursuant to section 1617 are not less than its expenditures for such payments in the preceding twelve-month period."

(b) Section 401(a)(2) of the Social Security Amendments of 1972 is amended—

(1) by inserting "(subject to the second sentence of this paragraph)" immediately after "Act" where it first appears in subparagraph (B), and

(2) by adding at the end thereof the following new sentence: "In determining the difference between the level specified in subparagraph (A) and the benefits and income described in subparagraph (B) there shall be excluded any part of any such benefit which results from (and would not be payable but for) and cost-of-living increase in such benefits under section 1617 of such Act (or any general increase enacted by law in the dollar amounts referred to in such section) becoming effective after June 30, 1977.".

(c) The provisions of this section shall be effective with respect to benefits payable for months after June 1977.

By Mr. MIKVA:

Strike out line 15 on page 5 and all that follows down through line 10 on page 6, and insert in lieu thereof the following:

SEC. 4. (a) Section 1615 of the Social Security Act is amended to read as follows:

"REHABILITATION SERVICES FOR BLIND AND DISABLED INDIVIDUALS

"SEC. 1615. (a) In the case of any blind or disabled individual who—

"(1) has not attained age 65, and

"(2) is receiving benefits (or with respect to whom benefits are paid) under this title, the Secretary shall make provision for referral of such individual to the appropriate State agency administering the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act, or, in the case of any such individual who has not attained age 16, to the appropriate State agency administering the State plan under subsection (b) of this section for rehabilitation services under such plan, and (except in such cases as he may determine) for a review not less often than quarterly of such individual's blindness or disability and his need for and utilization of the rehabilitation services made available to him under such plan.

"(b) The Secretary shall by regulation prescribe criteria for approval of State plans for the offering of appropriate, comprehensive rehabilitative services (including social and developmental services) to blind and disabled persons who have not attained the age of 16 (hereinafter referred to as 'disabled children'). Such criteria shall include—

"(1) administration—

"(A) by the agency administering the State plan for crippled children's services under title V of this Act, or

"(B) by another agency which administers programs providing services to disabled children, and which the Governor of the State concerned has determined is capable of administering the State plan described in the first sentence of this subsection in a more efficient and effective manner than the agency described in subparagraph (A) (with the reasons for such determination being set forth in the State plan described in the first sentence of this subsection);

"(2) coordination with other agencies serving disabled children; and

"(3) establishment of an identifiable unit within such agency which shall be responsible for (A) assuring appropriate counseling for disabled children and their families, (B) establishment of an individual service plan for each child, and prompt referral to and arrangements for appropriate medical, educational, and social services, (C) monitoring to assure adherence to each individual service plan, and (D) provision for disabled children, who are 6 years of age and under or who require preparation to take advantage of public educational services, of medical, social, developmental, and rehabilitative services, in all cases where such services reasonably promise to enhance the child's ability to benefit from subsequent education or training, or otherwise to enhance his opportunities for self-sufficiency or self-support as an adult.

"(c) Every individual with respect to whom the Secretary is required to make provision for referral under subsection (a) shall accept such rehabilitation services as are made available to him under the State plan for vocational and rehabilitation services approved under the Vocational Rehabilitation Act and no individual shall be an eligible individual or eligible spouse for purposes of this title if he refuses without good cause to accept rehabilitation services for which he is referred under subsection (a).

"(d) The Secretary is authorized to pay to the State agency administering or supervising the administration of the applicable State plan the costs incurred in the provision of rehabilitation services to individuals so referred (not including the costs of any services to which individuals have been referred under a State plan approved pursuant to subsection (b) of this section except to the extent that provision for such services is made under and in accordance with subsection (b)(3)(D)).

"(e) The Secretary shall, within 120 days after the enactment of this subsection, promulgate by regulation criteria (including medical, social, personal, educational, and other criteria) for the determination of disability in the case of persons who have not attained the age of 16."

(b) The amendment made by subsection (a) shall take effect on the first day of the second calendar month beginning after the date of the enactment of this Act.

By Mr. PICKLE:

Page 23, strike out lines 1 through 19 and insert in lieu thereof the following: "the benefit for such individual for such month shall be payable—

"(iii) in the case of an individual who does not have an eligible spouse, at a rate not in excess of $300 per year (reduced by the amount of any income of such individual which is not excluded pursuant to section 1612(b));

"(iv) in the case of an individual who has an eligible spouse, if only one of them is in such a hospital, home, or facility throughout such month, at a rate not in excess of the sum of—

"(I) the rate of $300 per year (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the one who is in such hospital, home, or facility), and

"(II) the applicable rate specified in subsection (b)(1) (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the other); and

"(v) in the case of an individual who

has an eligible spouse, if both of them are in such a hospital, home, or facility through such month, at a rate not in excess of $600 per year (reduced by the amount of any income of either spouse which is not excluded pursuant to section 1612(b));

except that for purposes of any provision of law other than this subparagraph, any benefit determined under clause (iv) shall be deemed to be payable at a rate equal to the sum of the rate of $300 per year and the applicable rate specified in subsection (b)(1), reduced by any income of either spouse which is not excluded pursuant to section 1612(b).".

Page 24, after line 14, insert the following new section (and redesignate the succeeding section accordingly):

COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF CERTAIN EXCLUDABLE INCOME

SEC. 17. (a) Section 1617 of the Social Security Act is amended by inserting "subsection (b)(2)(A) of section 1612," after "1611,".

(b) The amendment made by subsection (a) shall apply with respect to months after the month following the month in which this Act is enacted, so as to reflect in the benefits payable for such months under title XVI of the Social Security Act the percentage increase in benefit amounts under title II of such Act which became effective (pursuant to section 215(i) thereof in 1976.

H.R. 14844

By Mr. VANIK:

Beginning on page 3, strike out the rate schedule which follows line 9 and insert the following:

"If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over $10,000	18 percent of such amount.
Over $10,000 but not over $20,000	$1,800, plus 20 percent of the excess of such amount over $10,000.
Over $20,000 but not over $40,000	$3,800, plus 22 percent of the excess of such amount over $20,000.
Over $40,000 but not over $60,000	$8,200, plus 24 percent of the excess of such amount over $40,000.
Over $60,000 but not over $100,000	$13,000, plus 29 percent of the excess of such amount over $60,000.
Over $100,000 but not over $150,000	$23,800, plus 30 percent of the excess of such amount over $100,000.
Over $150,000 but not over $250,000	$38,800, plus 33 percent of the excess of such amount over $150,000.
Over $250,000 but not over $500,000	$71,800, plus 36 percent of the excess of such amount over $250,000.
Over $500,000 but not over $750,000	$161,800, plus 39 percent of the excess of such amount over $500,000.
Over $750,000 but not over $1,000,000	$259,300, plus 41 percent of the excess of such amount over $750,000.
Over $1,000,000 but not over $1,250,000	$361,800, plus 44 percent of the excess of such amount over $1,000,000.
Over $1,250,000 but not over $1,500,000	$471,800, plus 48 percent of the excess of such amount over $1,250,000.
Over $1,500,000 but not over $2,000,000	$591,800, plus 52 percent of the excess of such amount over $1,500,000.
Over $2,000,000 but not over $2,500,000	$851,800, plus 56 percent of the excess of such amount over $2,000,000.
Over $2,500,000 but not over $3,000,000	$1,131,800, plus 60 percent of the excess of such amount over $2,500,000.
Over $3,000,000 but not over $3,500,000	$1,431,800, plus 64 percent of the excess of such amount over $3,000,000.
Over $3,500,000 but not over $4,000,000	$1,751,800, plus 68 percent of the excess of such amount over $3,500,000.
Over $4,000,000	$2,091,800, plus 72 percent of the excess of such amount over $4,000,000.

Page 16, line 8, strike out "$153,000" and insert in lieu thereof "$142,000".

Page 16, strike out lines 18 through 20 and insert: "1977, by substituting '$112,000' for '$142,000', and

"(B) in the case of a decedent dying during 1978, by substituting '$127,000' for '$142,000'."

Page 55, line 17, strike out "$345,800" and insert in lieu thereof "$386,200".

Beginning on page 3, strike out the rate schedule which follows line 9 and insert the following:

"If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over $10,000	18 percent of such amount.
Over $10,000 but not over $20,000	$1,800, plus 21 percent of the excess of such amount over $10,000.
Over $20,000 but not over $40,000	$3,900, plus 23 percent of the excess of such amount over $20,000.
Over $40,000 but not over $60,000	$8,500, plus 25 percent of the excess of such amount over $40,000.
Over $60,000 but not over $80,000	$13,500, plus 29 percent of the excess of such amount over $60,000.
Over $80,000 but not over $100,000	$19,300, plus 32 percent of the excess of such amount over $80,000.
Over $100,000 but not over $150,000	$25,700, plus 34 percent of the excess of such amount over $100,000.
Over $150,000 but not over $250,000	$42,700, plus 36 percent of the excess of such amount over $150,000.
Over $250,000 but not over $500,000	$78,700, plus 38 percent of the excess of such amount over $250,000.
Over $500,000 but not over $750,000	$173,700, plus 41 percent of the excess of such amount over $500,000.
Over $750,000 but not over $1,000,000	$276,200, plus 44 percent of the excess of such amount over $750,000.
Over $1,000,000 but not over $1,250,000	$386,200, plus 47 percent of the excess of such amount over $1,000,000.
Over $1,250,000 but not over $1,500,000	$503,700, plus 50 percent of the excess of such amount over $1,250,000.
Over $1,500,000 but not over $2,000,000	$628,700, plus 53 percent of the excess of such amount over $1,500,000.
Over $2,000,000 but not over $2,500,000	$893,700, plus 57 percent of the excess of such amount over $2,000,000.
Over $2,500,000 but not over $3,000,000	$1,178,700, plus 61 percent of the excess of such amount over $2,500,000.
Over $3,000,000 but not over $3,500,000	$1,483,700, plus 65 percent of the excess of such amount over $3,000,000.
Over $3,500,000 but not over $4,000,000	$1,808,700, plus 69 percent of the excess of such amount over $3,500,000.
Over $4,000,000	$2,153,700, plus 72 percent of the excess of such amount over $4,000,000.

Page 16, line 8, strike out "$153,000" and insert in lieu thereof "$142,000".

Page 16, strike out lines 18 through 20 and insert: 1977, by substituting '$112,000' for '$142,000', and "(B) in the case of a decedent dying during 1978, by substituting '$127,000' for '$142,000'."

Page 55, line 17, strike out "$345,800" and insert in lieu thereof "$386,200".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of August 10, 1976, page 26946.

HOUSE BILLS

H.R. 14840. July 22, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 14841. July 22, 1976. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 14842. July 26, 1976. Government Operations. Requires the Office of Management and Budget to study the efficiency and effectiveness of all Federal agencies every ten years.

Terminates such agency ten years after the submission of such report to the President and Congress unless Congress acts to continue such agency.

H.R. 14843. July 26, 1976. Education and Labor. Authorizes appropriations for the continuation through fiscal year 1977 of specified grants under the Indian Elementary and Secondary School Assistance Act, the Elementary and Secondary Education Act, and the Adult Education Act.

H.R. 14844. July 26, 1976. Ways and Means. Amends the Internal Revenue Code to provide a single unified rate schedule for estate and gift taxes. Repeals the estate and gift tax exemptions. Substitutes for such exemptions a credit against estate and gift taxes.

Increases the estate and gift tax marital deduction. Allows the executor of an estate which includes real property used for farming, or in a trade or business, to value the property at its current use rather than at its fair market value determined on the basis of its best use. Provides a carryover basis for property acquired from a decedent.

H.R. 14845. July 26, 1976. Ways and Means. Amends the Internal Revenue Code to establish graduated corporate income tax rates. Increases the estate tax exemption and establishes a new rate schedule for the estate tax. Increases the gift tax exclusion and exemption and establishes a new gift tax rate. Provides special treatment for the sale of stock in a closely held corporation when sold to pay estate taxes. Redefines a subchapter S corporation. Allows tax credits for the hiring of new employees. Redefines section 1244 stock (small business stock, losses on which are treated as ordinary losses).

H.R. 14846. July 26, 1976. Armed Services. Authorizes the Secretaries of the Army, Navy, Air Force, and Defense to establish or develop specified military installations and facilities. Authorizes the Secretary of Defense to acquire or construct military family housing.

H.R. 14847. July 26, 1976. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of Doctor Martin Luther King, Junior.

H.R. 14848. July 26, 1976. Banking, Currency and Housing. Amends the Federal Reserve Act to extend the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury.

H.R. 14849. July 26, 1976. Education and Labor. Amends the National Labor Relations Act to require that an employer who assumes the ownership or operation of a business must honor the terms and conditions of an existing collective bargaining contract.

H.R. 14850. July 26, 1976. Interior and Insular Affairs. Amends the Alaska Native Claims Settlement Act to direct the Secretary of the Interior to withdraw 70,000 acres of public lands in order that the Village Corporation for the Village of Klukwan may select 23,040 acres.

H.R. 14851. July 26, 1976. Judiciary. Authorizes the Secretary of the Treasury to reimburse State and local governments for expenditures made at the request of the United States Secret Service for the protection of any person the Service is authorized to protect.

H.R. 14852. July 26, 1976. Post Office and Civil Service. Permits employees of either the Federal or District of Columbia government to elect to receive a lump-sum payment for accumulated and current sick leave upon separation from service. Prohibits employees electing to receive such payment from taking accumulated and current sick leave into account in determining eligibility for or the amount of any retirement annuity.

H.R. 14853. July 26, 1976. Interior and Insular Affairs. Directs the Secretary of Agriculture to review as to suitability for preservation as wilderness specified lands in the Sam Houston National Forest, the Sabine National Forest, and the Davy Crockett National Forest, Texas.

H.R. 14854. July 26, 1976. Agriculture. Directs the Secretary of Agriculture to provide financial assistance through loan guarantees and interest payment reimbursement to farmers for loans to restock their livestock herds and for meeting operational expenses in the event of a natural disaster or emergency. Authorizes the Secretary to make loans to farmers in areas which have been declared natural disaster or emergency areas two or more times since January 1, 1971.

H.R. 14855. July 26, 1976. Ways and Means. Amends the Internal Revenue Code to require the Internal Revenue Service to audit all income tax returns filed by Members of Congress.

H.R. 14856. July 26, 1976. Judiciary; Education and Labor. Prohibits the requirement of quotas, goals designed to establish quotas, or programs to expand applicant pools in affirmative action programs required of Federal grantees or contractors.

Prohibits findings of discrimination (1) based solely on composition of work or membership, and (2) unless based upon an act of discrimination.

Prohibits court or agency ordered relief for discrimination to enforce quotas or goals which establish quotas.

Prohibits Federal instrumentalities from requiring the collection of data relating to race, color, religion, national origin, or sex, by employers, labor organizations, or Federal grantees or contractors.

H.R. 14857. July 26, 1976. Ways and Means. Exempts from Federal income taxation, under the Internal Revenue Code, a corporation organized and operated for mutual purposes and without profit for the purpose of providing, either or both, reserve funds for, and insurance of, shares and deposits in credit unions which have no capital stock and are organized and operated for mutual purposes and not for profit.

H.R. 14858. July 26, 1976. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to authorize a program of grants to States for preschool educational programs for migratory children.

H.R. 14859. July 26, 1976. Banking, Currency and Housing. Directs the Administrator of the Energy Research and Development Administration to assist communities in developing solar energy community utility programs. Establishes a revolving fund for continued financing of such program.

H.R. 14860. July 26, 1976. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to prohibit the issuance of solid waste management regulations with respect to the sale or distribution of beverage containers at Federal facilities.

H.R. 14861. July 26, 1976. Interior and Insular Affairs; Merchant Marine and Fisheries. Directs the Secretary of the Interior to make payments based on a specified formula to each unit of local government in which are located lands within the National Wildlife Refuge System. Directs that additional payments be made for five fiscal years with respect to lands acquired by the United States for addition to the National Wildlife Refuge System after December 31, 1970, which were subject to local real property taxes within five years preceding such acquisition.

H.R. 14862. July 26, 1976. Merchant Marine and Fisheries; Public Works and Transportation. Establishes a fund for the purpose of paying for otherwise uncompensated losses resulting from oil pollution.

Imposes, within certain monetary limits, joint, several, and strict liability on the owners and operators of each pollution source. Requires petroleum facilities and certain vessels to maintain evidence of financial responsibility in an amount equal to applicable liability limits.

Sets forth procedures for identifying and publicizing pollution sources.

H.R. 14863. July 26, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States based on injuries received in a bus accident while employed by the United States Government.

H.R. 14864. July 26, 1976. International Relations. Authorizes a certain retired military noncommissioned officer to accept employment with the Government of Saudi Arabia.

H.R. 14865. July 26, 1976. Judiciary. Permits a certain individual to file a claim with the Comptroller General of the General Accounting Office with respect to the unpaid portion of combat pay incident to such individual's service with the United States Army.

H.R. 14866. July 27, 1976. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to allow air carriers to offer reduced-rate transportation on a space-available basis to persons who are 65 years of age or older or 21 years of age or younger, to handicapped persons, and to attendants of such handicapped persons.

H.R. 14867. July 27, 1976. Ways and Means. Amends the Internal Revenue Code to exclude from the definition of a private foundation an organization which is federally chartered and which is organized for the purpose of honoring the memory of a former President of the United States.

H.R. 14868. July 27, 1976. Ways and Means. Amends the Internal Revenue Code to establish graduated corporate income tax rates. Increases the estate tax exemption and establishes a new rate schedule for the estate tax. Increases the gift tax exclusion and exemption and establishes a new gift tax rate. Provides special treatment for the sale of stock in a closely held corporation when sold to pay estate taxes. Redefines a subchapter S corporation. Allows tax credits for the hiring of new employees. Redefines section 1244 stock (small business stock, losses on which are treated as ordinary losses).

H.R. 14869. July 27, 1976. Education and Labor. Authorizes appropriations for the continuation through fiscal year 1977 of specified grants under the Indian Elementary and Secondary School Assistance Act, the Elementary and Secondary Education Act, and the Adult Education Act.

EXTENSIONS OF REMARKS

STUDENT WRITES EDITORIAL ABOUT HELEN MEYNER

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Ms. ABZUG. Mr. Speaker, recently, a student from Trenton, N.J., sent me this editorial which he had written for his school newspaper about our colleague, HELEN MEYNER.

In it, the student—Daniel Popkin—states his faith in government, based on the responsiveness and sensitivity of our colleague from New Jersey. It is a moving and delightful comment on the way in which Representative MEYNER deals with her constituents:

[From the George School News, May 1976]

POLITICS

(By Dan Popkin)

In the United States, there is a group of people who are constantly complaining that politicians don't give a damn about the peoples' beliefs. They assert that politicians are not responsive to the people and that they are all corrupt. Unbelievably, these are the very same people who disgree with every bill that comes out of Congress and off the President' desk. Instead of writing to their Congresspersons and presenting their opinions, or finding out the other side of the issues, these complainers only grumble about the politicians' indifference toward the people they represent. What they do not realize is that it is their own indifference that causes this continuing gap between government and the people.

It has been my observation that our elected officials do care and will listen to their constituents. It came to my attention, recently, that the United States tuna fishermen are killing thousands of dolphins and porpoises each year, while they are fishing for tuna in the sea. I wrote a letter to my Congresswoman, Helen Meyner, and asked her what was being done about this problem. Several days later she sent me a personal note explaining the entire situation, including past, present and future legislation on the issue. She also informed me that she would vote for any decent legislation to save the fish, and thanked me for voicing my opinion.

Another issue that came to my attention was the Robert Sikes affair in Congress. Even though Congressman Sikes is clearly involved in many conflicts of interest, the House Ethics Committee decided not to investigate his case. I noticed that a petition was started in the House of Representatives to begin an investigation, but that only 44 of the 435 House members signed it. This put my pen in motion again, and I mailed a letter to Mrs. Meyner asking her opinion of the issue. She responded that she had not voted for the petition because she "didn't feel adequately informed about the nature of the accusations against him" but that it appeared to her "that some sort of inquiry into this matter is in order." An inquiry wasn't enough for me, because the more I read about the case and the man, the more eager I became to persuade her to sign the petition. I was successful, because in response to my third letter on the subject, she informed me that she had just voted for the petition, and that she fully supported an investigation.

This is a proof to me that government can be responsive to the people. I am convinced that I had some influence on Mrs. Meyner's final decision.

In my most recent correspondence with her, I suggested the idea of a tollfree Public Pressure Hotline which would be connected directly to the Capitol Building, or to the Congressperson's district office, whereby people could voice their opinions or inquire about issues. She indicated interest in the idea and invited me down to her office in Washington to discuss the idea in greater detail.

I think it is very important for people in the United States to realize the power that they have, and to use it to the fullest. After all, the job of each Congressperson is to represent the consensus of the constituents he represents in his district, and it is the voting record of each elected official that determines whether or not he will be reelected. In the words of Plato:

"The punishment suffered by the wise who refuse to take part in the government, is to live under the government of bad men."

SHE COMFORTS THE AFFLICTED AND AFFLICTS THE COMFORTABLE: TRIBUTE TO DOROTHY DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. FARY. Mr. Speaker, during this past recess I had an opportunity to visit with many of my constituents in my district, and on one of these visits met with my dear friend Monsignor Joseph L. Mroczkowski, pastor of St. Turibius Church, who had just returned from the meeting of the Eucharistic Congress recently held in Philadelphia.

Monsignor Mroczkowski talked at length of a very delightful lady he had read about through the years, and of her many acts of charity in behalf of the poor. His meeting with Dorothy Day was one of the highlights of the Eucharistic gathering of over 1 million pilgrims from throughout the United States who traveled to Philadelphia for spiritual renewal.

The life story of this gracious lady of the Catholic Workers movement in New York City slums is so filled with compassion and love that we should try to emulate her in our daily pursuits.

I know you and my colleagues would like to know more about this unselfish and dedicated woman:

> Dorothy Day, editor and publisher of the Catholic Worker and cofounder of the Catholic Worker movement, will be 79 years old this November. Although she is not listed in "Who's Who," she is perhaps the most influential lay person in the history of American Catholicism, and she will certainly be numbered among the outstanding Christians of the twentieth century.
>
> Born in the Bath Beach section of Brooklyn, Miss Day has spent all her life in New York. In the 1920's, she worked as a journalist, for radical periodicals and causes of the time. Among her friends were Eugene O'Neill, Max Bodenheim, John Reed, Mike Gold, Emman Goldman, Hart Crane and Sinclair Lewis—the Greenwich Village literary-social avant-garde of her day. When she was 30, she surprised her associates by embracing Roman Catholicism. Some of her friends at first looked upon her conversion as a kind of sell-out, a turning away from the poor and oppressed and radical causes. They could not have been more wrong.
>
> Actually, Miss Day outdid them all in the steadfastness of her devotion to the poor, her inexhaustible outrage with the injustices in American life, her opposition to war, and contempt for materialistic values.
>
> While other erstwhile radicials moved uptown, she remained with the poorest of the poor. When others enthusiastically endorsed war against Hitler and Franco, she remained a dedicated pacifist. For herself, she has never sought power or celebrity. She urged her followers to heed St. Paul, and be "fools for Christ." Jesus, she insists, is to be found among the poorest of His brothers.
>
> She speaks with the authority of one who has acted on her own words for so many years that even the severest critics are silenced. She has proven her devotion to the poor by being poor herself. She has demonstrated her dedication to peace, time and again, by going to jail. She has strengthened the cause of women, not by haranguing men, but by actually leading them, by example in her life, in her work, and within the Roman Catholic Church itself.
>
> In 1972, Notre Dame University awarded Dorothy Day its prestigious Laetare Medal, in recognition of her work as editor of the Catholic Worker, leader of the movement that developed among readers of the paper, and director of the house of hospitality and communal farm, where society's hopeless, broken and rejected are welcomed, comforted and cared for. On that occasion, the Rev. Theodore Hesburgh, president of Notre Dame, commended her for a lifetime spent "comforting the afflicted and afflicting the comfortable."
>
> It was a perfect summing-up. Dorothy Day's courageous example has touched and changed the lives of countless persons. She has truly lived her faith: "Insomuch as ye have done it unto these, the least of my brethren, ye have done it unto Me."

INTRODUCTION OF COST-SAVING LEGISLATION ON DURABLE MEDICAL EQUIPMENT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. VANIK. Mr. Speaker, I am today introducing legislation which mandates an end to the delays caused by HEW in implementing more economical means of utilizing medicare durable medical equipment by requiring the Secretary to enter into lease-purchase agreements for durable medical equipment in cases where purchase is obviously more economical than prolonged leasing.

Testifying before the Ways and Means Oversight Subcommittee on May 17, 1976, Mr. Gregory Ahart, Director of the Manpower and Welfare Division of GAO, described studies conducted by GAO which strongly supported the purchase, rather than rental, of durable medical equipment for patients who will need it on a long-term basis. In its report, issued to Congress in 1972, entitled "Need for Legislation To Authorize More Economical Ways of Providing Durable Medical Equipment Under Medicare," GAO found that for 13,000 patients covered by 5 medicare carriers in 4 States, a savings of $234,000, including the patients' share of $47,000, could have been realized had the equipment been purchased when the extended period of need had been anticipated. At a sixth carrier, in a fifth State, with 7,000 patients, $763,000, including the patients' share of $153,000, could have been saved.

Mr. Ahart expressed his disappointment with HEW's failure to develop research projects in the area of durable medical equipment. He explained that by the time HEW awarded a contract—and that was expected to be this summer—and the time the experiment was completed;

> At least 7 years will have passed since the enactment of Section 245 of Public Law 92-603 before the reimbursement improvements envisioned in that legislation are implemented.

He continued:

> We believe that our 1972 report demonstrated the economic benefits available from the use of lease-purchase agreements for durable medical equipment.

Mr. Ahart stated flatly:

> It seems to us, Mr. Chairman, that the issues involved here are relatively simple. I think at this point in time we question whether there is a need to get involved in a rather lengthy and complicated experiment. There is legislation before the House which would give the authority necessary to go ahead without experimentation, and we would endorse that legislation, and cut down the time for bringing in the benefits that are available here at an earlier time.

I agree. Why should we stand idly by while HEW conducts a useless experiment to provide us with information we already have—that is, the purchase of durable medical equipment can effect a savings? Patients and HEW will only lose out on substantial savings during the period of experimentation. In order to decrease the unnecessary delays, I am introducing legislation today as a member of the Health Subcommittee, identical to H.R. 8717, a bill originally introduced by our colleague from Rhode Island (Mr. ST GERMAIN). I hope that this simple but potentially significant legislation can be enacted in the near future.

STATEMENT BY THE HONORABLE JOHN M. MURPHY TO ACCOMPANY A HOUSE RESOLUTION ON THE BREACH OF THE U.S.-U.S.S.R. TRADE AND SHIPPING AGREEMENT BY THE SOVIET UNION

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. MURPHY of New York. Mr. Speaker, I am introducing today a House resolution which calls upon the President to terminate the so-called wheat deal between the United States and the Soviet Union if the Russians persist in their refusal to abide by the agreement's shipping terms.

Under the 1972 agreement, Soviet vessels have access to some 40 American ports. At the same time, it was agreed that the national flag vessels of each country should carry equal and substantial amounts of the ocean-borne commerce between the two countries. Regrettably, the Soviet Union has resorted to various devices to deny the U.S. vessels their fair share of the cargo covered by the agreement, which is one-third of total tonnage shipped.

My resolution will urge the President to terminate the 1972 agreement upon 90 days notice unless he can notify Congress that the U.S.S.R. has indicated a willingness to honor the express terms of the agreement.

I have asked the chairman of the House Committee on Merchant Marine and Fisheries to schedule hearings immediately on this matter so that the unemployed merchant seamen in this country can hear representatives of the executive branch explain their apparent inability to hold the Soviet Union to a standard of commercial reasonableness.

During this month alone some 360,000 tons of cargo are to be shipped under the trade agreement, and, as of this moment, the U.S. merchant marine is not scheduled to carry a single pound. Of the 30.6 million metric tons of grain already shipped to Russia only 22 percent, or less than 7 million tons, has been shipped by the American merchant fleet.

Whatever diplomatic advantage there may be in placating the Soviet Union with respect to this matter is more than outweighed by the penalties which this approach imposes on the American maritime industry. The figures speak for themselves and are stark reminders that it is high time that the Soviets live up to their agreements—or pay the price for breaching them.

My resolution will simply hold the Soviets to the standard of honesty and decency which most other nations find easy to attain. If that standard is impossible for them to attain, then the United States should exercise its right to deal appropriately with a party in breach of a clear agreement by terminating that agreement.

The resolution follows:

RESOLUTION

Whereas in 1972 there was executed the "Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding Certain Maritime Matters", which provides that Soviet vessels have access to forty designated United States ports and also that the national-flag vessels of each country will carry equal and substantial amounts of the ocean-borne commerce between the two countries;

Whereas said agreement was extended and modified and agreed upon again, effective January 1, 1976; and

Whereas the Union of Soviet Socialist Republics has taken full advantage of the access of its national-flag vessels to United States ports, but through various devices is denying the national-flag vessels of the United States their right to carry an equal and substantial share of the ocean-borne commerce between the two countries: Now, therefore, be it

Resolved by the House of Representatives, That unless the President notifies the Congress that the Union of Soviet Socialist Republics has ceased denying the national-flag vessels of the United States their right to carry an equal and substantial share of the ocean-borne commerce between the two countries, the President shall notify the Union of Soviet Socialist Republics of the intention of the United States to terminate the agreement upon ninety days notice, pursuant to the terms of the agreement.

THE HOLY TRINITY LUTHERAN CHURCH IN BELLEROSE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. WOLFF. Mr. Speaker, the perpetuation of customs and tradition, the teachings of faith and citizenship, are characteristics that must be recognized. Such were the goals of the Holy Trinity Lutheran Church when it was founded. Fifty years hence, the parish hall in Bellerose stands as a shining and guiding light to young and old alike. Today, I ask my colleagues to join with me and the Holy Trinity Lutheran Church congregation in celebration of their 50th anniversary.

Among its services to the community, the church provides inspiration to Boy and Girl Scout troops that congregate within its halls. Sunday school, confirmation classes, adult groups, the youth groups, and the youth ministry group, all under the supervision of the esteemed and devoted Pastor Howard E. Funk, play an important role in perpetuating the tenets of the faith.

It is my privilege to have the opportunity to publicly recognize such a fine organization. The people who will be leading the activities for the coming year are:

ACTIVITIES OF GROUPS AND PEOPLE

WOMEN'S SERVICE GUILD

Mrs. Lillian Evers, president.
Mrs. Jean Matthei, vice president.
Mrs. Helen McEvoy, recording secretary.
Mrs. Caroline Deringer, corresponding secretary.
Mrs. Charlotte Hohorst, financial secretary.
Mrs. Ursula Prescht, treasurer.

WOMEN'S MISSIONARY GUILD

Mrs. Gertrude Muller, president.
Mrs. Ann Hipwell, vice president.
Mrs. Annetta Diekroger, corresponding secretary.
Mrs. Florence Mayer, recording secretary.
Mrs. Ana Angevine, financial secretary.
Mrs. Katherine Yake, treasurer.

ALTAR GUILD

Mrs. Thelma Meyer, president.
Mrs. Dorothy Corell, vice president.
Mrs. Marjorie Snyder, secretary.
Mrs. Maria McDougall, treasurer.

PUBLICITY COMMITTEE CHAIRMAN

Mr. Walter O'Neill.

The Holy Trinity Lutheran Church in Bellerose deserves recognition for its invaluable service to the social and religious welfare of the community. It is organizations such as this one that are the spiritual and moral backbone of this great country.

DR. LEON KEYSERLING RESPONDS TO CRITICISM OF HAWKINS-HUMPHREY FULL EMPLOYMENT BILL

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. CONYERS. Mr. Speaker, I and many others have been distressed by the distorted treatment of the Hawkins-Humphrey full employment bill in some of the media, and especially by their unwillingness to carry rejoinders to criticisms of the bill. As an example of both, I ask to have inserted in the RECORD an article submitted by Dr. Leon Keyserling on June 14, 1976 to the New Republic in response to criticism of H.R. 50 by Dr. Melvin J. Ulmer published in that journal on June 12. I believe Dr. Keyserling's article contains correct and necessary information about this vital legislation, and the failure of the New Republic to publish it raises questions about whether it is fulfilling its responsibilities to inform in a balanced way its audience on the most pressing issues of the day. I have long valued, and still do, the quality of the New Republic and its essentially liberal thrust, and am sorry to have to note its departure in this instance from what I regard as its usually fair journalistic practice.

The article follows:

A BRIGHTER VIEW OF HUMPHREY-HAWKINS

(By Leon H. Keyserling*)

Dr. Melvin J. Ulmer's article on Humphrey-Hawkins in *The New Republic* of June 12 expresses "a dim view" of the bill. A brighter view is sound and just. My comments apply equally to an article containing similarly erroneous criticisms of the bill by Dr. Charles L. Schultze in the Washington Post of June 7.

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*Chairman, Council of Economic Advisers under President Truman. President, Conference on Economic Progress.

However, the quotations I cite are from the Ulmer article.

These critics regard the bill as wildly inflationary. Dr. Ulmer implies that wage rates for Government-financed last-resort jobs would be so high as to draw 10 million workers from the private sector. The last-resort jobs would pay the same wages as received by other workers doing the same type of work for the same employer; anything else would be patently unjust and unworkable. But the bill and its Congressional history thus far make it clear that up to three-quarters of the 10-12 million additional jobs needed between end of 1976 and end of 1980 would be conventional private jobs, and that many other new jobs would be high priority private jobs with marginal Federal assistance. The Congressional Budget Office has estimated peak last-resort jobs of less than one million, and the bill contains almost airtight prohibitions against movement from private to last-resort jobs. As these jobs, when started two years after enactment, would be only about one percent of about 95 million total employment, and as most public jobs pay less than comparable private jobs, not more than 100,000 at most of the last-resort jobs would be paid more than comparable private jobs. It is thus fantasy to assert that last-résort jobs would inflate total wages. Besides, the wage lag has been serious. From first quarter 1975 to first quarter 1976, real wages and salaries rose about 2.3 percent, while real G.N.P. rose about 7 percent.

Nor is it true that the bill provides no assurance that public employment would be "carefully directed toward those high priority needs that still remain unfulfilled." The bill mandates that priority programs (preponderantly private and some public) shall be budgeted in accord with economic and social needs, inter alia energy, transportation, food, environmental improvement, health, education and training, day care, and housing.

As the bill proposes fiscal and monetary policies to restrain "inflation when total demand threatens to exceed the nation's capabilities at full employment" (the proper role for such policies), Dr. Ulmer asserts that the bill neglects inflation arising long before full employment. Not so. To deal with such inflation, the bill includes mirco-economic measures such as countercyclical, regional and structural, and youth employment. Other creative features, also mainly unmentioned by Dr. Ulmer are: goals to reduce unemployment to 3 percent, instead of permitting Administrations to accept and even contrive rates ranging from 5 to more than 9 percent; provisions to bring the Federal Reserve into line with national goals and needs; more constructive Federal Budget policy; recognition that concern with price trends per se must not blot out primary attention to resource allocation and income distribution; and new mechanisms to substitute coordinated and long-range policies for disjointed and improvised policies.

It is mistaken for Dr. Ulmer to urge that taxes be increased immediately to cover the full cost of any additional public employment. This proposal confuses (a) when fiscal policy should be tightened to curb excessive aggregate demand during full resource use (tightening it when unused resources are now tremendous simply aggravates this condition) and (b) when selective microeconomic policies should be used to combat inflation during a very slack economy.

As to price and wage movements, these (like taxes and monetary policy) are but means to attainment of the ultimate ends of full resources use, attention to priorities, and social justice. The prevalent obsession about inflation, instead of balanced attention to it, has abandoned these ultimate objectives, and also intensified inflation.

Regarding a wide gap between the rate of overall unemployment and the rate among youth, women, and minority groups as a structural cause of inflation, high unemployment widens this gap, and vice versa. For example, during 1951-1953, when overall unemployment averaged 3.1 percent, unemployment among women averaged 3.8 percent. The provisions in this bill for structural programs and against discrimination would reduce these gaps much further.

During stagnation or recession, real wage rate gains sometimes exceed repressed productivity. But the reverse is almost always true during movements toward full employment, thus working against wage-push inflation. From the first quarter 1975 to first quarter 1976, productivity rose 5.2 percent, while real wages and salaries rose only 2.3 percent. And Humphrey-Hawkins, far from encouraging excessive wage increases, specifies real wage rate gains in accord with productivity gains.

Dr. Ulmer's statement that Humphrey-Hawkins in its present form would "probably stimulate a more spectacular price advance than that of World War II" is almost inexplicable. The inflationary pressures then were not because unemployment was brought so low. They occurred because we were burning up almost half of G.N.P. in fighting the war, and this yielded no civilian goods, while civilian incomes were equal to total G.N.P. No such situation could possibly occur under Humphrey-Hawkins.

There is scant empirical support (and none appears in the Ulmer or Schultze articles) for asserting that fuller employment augments inflation, and that this in turn brings on recession. The Great Depression, several earlier depressions, and the recessions of 1953, 1957, and 1960, were preceded by very moderate price trends. The unusually severe recession of 1973-75 was preceded, during 1970-1972, by average annual price increases of less than 4 percent. It is rather misallocations of resources and incomes that mainly explain the cycle, and at times these have occurred under falling, stable, or rising prices because prices alone are only one factor among many, and relationships among prices and incomes are far more important. Humphrey-Hawkins stresses correcting these misallocations.

Nor does less unemployment usually bring more inflation. During 1947-1953, when I served on the Council of Economic Advisers, unemployment averaged low and was reduced to 2.9 percent in the last year; inflation averaged low, and was reduced to 0.8 percent in the last year. The low inflation was not primarily due to controls (which were hardly used in late 1952, and not used in 1953). It was because we gave top priority to full employment and production, remedying shortages, and breaking bottlenecks, and integrated planning policies adjusted to quantitative goals. Humphrey-Hawkins stresses these approaches (without controls, because current and foreseeable conditions are not analogous to the Korean war period).

During 1955-1958, including a serious economic recession and with unemployment rising from 4.4 percent to 6.8 percent, inflation averaged annually several times as high as during the immediately preceding years. From 1958 to 1966, with unemployment reduced to 3.8 percent in the last year, the average annual rate of consumer price inflation was only 1.5 percent.

The quickening of inflation during 1966-1969 was not due to a slight further reduction in unemployment, but to unwise delay in lifting taxes with vast acceleration of the Vietnam war. From 1969 to 1975, unemployment rose from 3.5 percent to 8.5 percent, and inflation rose to 9.1 percent by 1974-1975. Recently, with the severest economic downturn since the Great Depression, double-digit inflation was the highest since the Civil War. Only about half of this was due to Arab oil actions and crop failures; besides, these events would have had only minor effects if the long-range planning and priority programs under Humphrey-Hawkins had been in effect. Still more recently, a very sharp decline in inflation has accompanied substantial though inadequate reduction of unemployment.

Thus, the thrust of Humphrey-Hawkins toward a full economy is the first and foremost weapon against inflation. Nonetheless, and unmentioned by Drs. Ulmer and Schultze, the bill provides numerous other anti-inflationary weapons: action against shortages and bottlenecks, structural improvements, improved anti-trust and pro-competition measures, etc. For reasons already stated, the bill does not now call for price-wage controls. And even those who still cling to the discredited "trade-off" admit that unemployment under the bill would not get low enough to call for controls until at least two years after enactment. It is prudent to adopt a wait-and-see attitude on controls, not saddle the bill prematurely with extremely controversial provisions which would hurt changes of passage.

Finally, it is unwise to disparage the bill as "political." The political process shapes national policies, and it is fortunate that the Democratic Party and its next nominee for President are espousing all basic features of Humphrey-Hawkins—albeit with some improvements which its sponsors are now developing.

BUSINESS SHOWS FAITH IN NEW YORK

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. BINGHAM. Mr. Speaker, on August 6, 1976, the Freeport Minerals Co. announced its determination to maintain its corporate headquarters in New York City. Chairman Benno C. Schmidt, in a brief but eloquent statement, explained why his company has concluded New York is "the finest place in the world * * * to conduct business." I wish to congratulate Mr. Schmidt on his statement and on his company's decision.

Mr. Schmidt's statement follows.

BUSINESS SHOWS FAITH IN NEW YORK

Freeport Minerals Company will continue to maintain its world headquarters in New York City. Freeport has had its head offices in New York City since 1912 and it is our intention to keep them here. We have just signed a new, long-term lease to consolidate all of our top executive offices in one location in the Pan American building. We will have in excess of 200 employees at this headquarters location.

New York City is the finest place in the world, in our opinion, to conduct business. The best banks, the best lawyers, the best investment bankers, and the best service facilities of all kinds are available here. It is also, in my opinion, still the best place in the world to live. No other city can match its attractions.

There is no denying that New York City, like many other cities, has its problems. These problems are serious and they must be solved if New York is to retain its preeminence. However, I believe that the fact that New York's problems have surfaced in so vivid a way is an encouraging sign. The problems of New York, like those of many other American cities, are now understood and it is up to the City, with the cooperation of the State and Federal governments to find solutions to these problems. I am convinced that solutions will be found and that New York will remain the great city that we have known. If the first step in the solution of our problems is the recognition, definition and understanding of those problems, then we are already on the road to a better New York.

Freeport is casting its vote on the side of confidence in the ability and determination of New York, with the cooperation of the State and Federal governments, to solve its problems.

SPEAKING WITH TWO VOICES ON SOVIET MILITARY PREPARATIONS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. KEMP. Mr. Speaker, the Honorable Eugene Rostow, Sterling Professor of Law at Yale University and former Under Secretary of State for Political Affairs, stated in the spring 1976 issue of Strategic Review that—

> The United States and its allies are in danger, and the danger is increasing with every passing day. The growing imbalance of military forces is one stark measure of the danger. There are others, evident in the climate of politics and the character of events from Lebanon and Angola to the pressure on South Korea.
>
> It is a disturbing political and psychological phenomenon, as the Assembly of the Atlantic Treaty Association noted in Paris last October, that "although the Soviet threat to the Alliance has increased, the perception of it in Western opinion has diminished." We have witnessed no such flight from reality since the thirties, when prevailing opinion throughout the West dithered and hesitated, until it was too late to prevent World War II.

Mr. Speaker, far too much is being done to keep knowledge from the American people that the United States and its Allies are increasingly in peril, and far too little is being done to get the facts out. There seems to be no end of apologists for the Soviet military buildup. It is amazing to hear how some people explain away the facts.

Fortunately, the American apologists for the Soviet military buildup are contradicted by what the Soviets are themselves saying. The Center for Advanced International Studies at the University of Miami, under the leadership of Foy Kohler, former American Ambassador to the U.S.S.R., has published in the August 15 issue of Soviet World Outlook an analysis of the Soviet press which shows that the Soviets openly stress the "building up of Soviet armaments on a huge scale" as well as the massive Soviet civil defense program.

I believe we should all feel indebted to the Center for Advanced International Studies for the energy and courage with which it attempts to get the facts out. I am certain that an informed American public opinion will demand that the United States take the necessary steps to protect our peace and freedom.

I believe the Soviet press is a good antidote to the wishful thinking that has done so much damage to our foreign policy and defense posture. I include the Center's analysis in the RECORD at this time:

SPEAKING WITH TWO VOICES ON SOVIET MILITARY PREPARATIONS

Moscow is attempting to undercut the growing attention being given in the US and Western Europe to the massive Soviet civil defense program, which has been sustained for many years and which has been significantly escalated since SALT I, and to the asymmetry resulting from the Soviet program in respective capabilities of the USSR and the US to survive a nuclear attack. Thus Pravda on July 11, in a rare attempt at humor, gave prominence to an article entitled "Trouble with Moles" which focused on recent hearings of the Joint Congressional Committee on Defense Production on the US-Soviet civil defense situation. Characterizing the hearings as "a molehill on Capitol Hill," it charged that "political moles" had quickly emerged to blurt out "some curious things" and to fill the Capitol "with squeaking and squealing" regarding the need for added civil defense efforts by the US.

"Participants," the article said, "stated zealously brandishing the hackneyed bugbear of the 'Soviet threat.' They have been diligently citing the falsifying book of a certain Leon Gouré with the indigestible title 'War Survival in Soviet Strategy'." The object, according to the article, was "to intimidate ordinary Americans, drag them back into the holes and bunkers of the cold war and bar the way to detente with molehills." However, the organizers "forget what year it is. They also forget that, in contrast to purblind moles who cannot see present-day realities, Americans are acquiring better and better vision and are striving for peace and light."

(See Soviet World Outlook No. 4, March 1976, p. 12 for a descriptive announcement of the Gouré book to which Pravda referred. The book was published by the University of Miami's Center for Advanced International Studies in March of this year. As noted in the announcement, Leon Gouré is a Professor and Director of Soviet Studies in the Center who has specialized for some twenty-five years on research and analysis of Soviet civil defense, and is the recognized foremost western authority on this area of Soviet military activity and its place in overall Soviet strategy. The book, which includes a sobering foreword by Ambassador Foy D. Kohler, a co-editor of Soviet World Outlook, is now in a second printing and can be procured from the Center's Director of Publications. The softback price is $6.95).

OPEN STRESS ON USSR CIVIL DEFENSE

In contrast to Soviet disdain of American concern over the civil defense situation, direct open evidence is currently being provided by highly authoritative Soviet spokesmen that civil defense not only continues to occupy a central place in Moscow's strategic preparations but that it is being treated as increasingly crucial in those preparations. Thus, Army General V. Kulikov, Chief of General Staff of the USSR Armed Forces and First Deputy Minister of Defense of the USSR, wrote in the May, 1976 issue of Voennye Znaniia:

"Modern war requires a carefully thought through and organized system of measures for insuring the stability of the functioning of the national economy and the reliable protection of the population throughout the country's territory. A particular role in the implementation of this task is played by Civil Defense, which now has become a factor of great strategic significance in assuring the viability of the state."

Backing up the Kulikov generalization, the July 1976 issue of Voennye Znaniia contained 18 separate articles on various specific aspects of civil defense enterprises and activities. Similarly, Red Star, Soviet Armed Forces' daily, contained special reports on civil defense exercises in various localities in its issue of July 1, July 2, and July 14. The last, devoted to an exercise at the "Rodolsk Production Combine," said that this was "a part of complex exercises held in Nikolaev Raion of the Lvov Oblast: In it participated all enterprises and collective farms in the raion, institutions and organizations and educational institutions."

The main journal of the Soviet military establishment, Communist of the Armed Forces, carried major articles emphasizing civil defense in its May, June and July issues. The thrust is indicated by the article in May entitled "The XXV Party Congress Concerning the Strengthening of the Defense Capability of the Country, the Combat Might of the Soviet Armed Forces." In this it was stated: "Together with the army and navy there continues the perfecting of the Armed Forces' Rear Services and of the Civil Defense of the country. They are at the level of the requirements of a modern war."

The newspaper Sovietskii Patriot of July 14, 1976 contained reports on civil defense activities in Rostov-on-the-Don, Leningrad, and Moscow. The report on Leningrad noted that at the Pioneer Camp at "Lada," near the city, shelters and fallout covers have been built for the "training of Pioneers," i.e., eight through fourteen year olds. The same periodical on June 30 examined the complexities of civil defense exercises and training as revealed in the program for Monchegorsk, and on June 9 carried on article, "When the Siren Has Sounded," in which it was reported that: "During the complex enterprise exercises which have been conducted in the Moscow oblast, the personnel of the non-military [civil defense] formations, the majority of the workers and employees have received a firm practical knowledge in conducting rescue and emergency repair and restoration work. This has made possible conducting complex exercises on the scale of cities and raions with the participation of all inhabitants."

The attention currently being given by Red Star to civil defense is far greater than at any time in the past. The exhortative motivation is well demonstrated by an article in its July 3 issue entitled "The Director Sets the Tone." Centering on the situation at the Kaluga Electrical Machinery Plant, which was characterized as "first among the raion's enterprises in terms of the standard of organization of civil defense," the article said that "a clear plan of civil defense measures has been elaborated at the plant. Its fulfillment is under the constant control of the directors. Civil defense questions are regularly examined at weekly operation conferences of shop and section leaders." The plant party committee also does a great deal for civil defense and civil defense competitions are held. "The plant director is in constant contact with the enterprise civil defense staff. The work of the director and the civil defense staff is efficient and coordinated. These qualities were displayed in the preparation for the last comprehensive exercise." In this exercise:

"A 'nuclear' strike in the region of the plant produced devastation, obstacles and fires. The immediate liquidation of danger which had arisen began at once. Reconnaissance scouts rushed to the center of the destruction. They were followed by a rescue detachment under the command of the communist, V. Ninchev. He was given first-aid teams and mechnized subunits with bulldozers, mobile cranes, a compressor unit and other equipment. People worked in unison. Some put out flames, others cleared obstacles, others rescued the 'wounded' and administered first aid. . . . All services and formations operated with precision at the comprehensive exercise, to whose preparation and holding the plant director devoted great attention."

An important point to consider is that Soviet stress on civil defense activities and their importance is within the context of a prevailing Soviet line that in a nuclear war the Soviet Union will emerge victorious. Indeed, Soviet leaders are the only ones who speak of "victory" in a nuclear war. For example, Brezhnev pledged in 1967 that in the event of a war "the Soviet Union would win a victory worthy of our great people." In 1973, USSR Minister of Defense Grechko asserted that "we are firmly convinced that victory in this war would go to us—to the socialist system," and a year later again claimed that "if the imperialist aggressor risks encroaching on our country, he will be beaten everywhere." In May 1974 Grechko wrote that "the fundamental impact of the military content of Soviet military doctrine consists in ensuring the complete defeat of any aggressor." More recently, other Soviet spokesmen have used similar words, as for example, the Commander of the Transcaucasus Military District, who wrote in February 1975: "Let everybody know that in a clash with any aggressor, the land of the Soviets will achieve victory worthy of our great people." It is also frequently asserted in echo of Grechko that Soviet military doctrine "elaborates" the "conditions and means of insuring victory in a war."

CONTRADICTORY POSTURES ON MILITARY EXPENDITURES

Meanwhile, it should be emphasized that Moscow speaks with the same two voices regarding its overall military efforts as for its civil defense program.

Continuing to show great sensitivity over sharply increased western estimates of the size and rate of growth of Soviet military expenditures (See Soviet World Outlook, No. 6, June 15, 1976, pp. 7–8) USSR spokesmen liturgically repeat at every opportunity Brezhnev's statement at the June, 1976 Berlin Conference of European Communist Parties that "the Soviet Union is the only great power which does not increase its military spending from year to year."

At the same time, however, Soviet authorities not only stress the recent phenomenal growth and qualitative improvements in USSR military capabilities but also the decisive role which its military gains as against the US is playing in a claimed accelerating shift in its favor in the overall correlation of world forces. Kommunist, most authoritative of Soviet journals, indicated the sweep of Soviet advances in an article signed by First Deputy Minister of Defense General Kulikov in its May, 1976 issue,

"If one summarized all the changes in the army and navy following the 24th [1971] Congress, then the main fact is that the successes in the development of the socialist economy, science and culture permitted the implementation of basic qualitative changes in all fields of military affairs."

The top journal of the Soviet Navy, Morskoi Sbornik, spoke in more concrete terms in its May issue: "The process of really revolutionary changes in the army and navy continued in recent years. All branches of the armed forces and types of troops received the newest weapons, military equipment for various purposes, automated complexes, and highly effective means for command and control." The article continued with a tick-off of major accomplishments and with a portrayal of the great weight given to military requirements in close link with Soviet economical planning and activity:

"The current stage of development in military affairs is characterized by the expansion of material expenditures for the production of military equipment and arms, the increase in the requirements for their quality. Only during the last 10–15 years second and third generations of missiles, radioelectronic systems, naval craft and airplanes were replaced among us and abroad. All this means that for supporting the Armed Forces on a contemporary level a developed industry, advanced science and technology, trained cadres, a significant amount of raw materials and equipment are needed. The Party's economic strategy adopted at the 25th [Party] Congress will permit creating the necessary prerequisites for successfully fulfilling these tasks."

Communist of the Armed Forces for June 1976 developed the same themes:

"The defense power of socialism is a vital necessity. Therefore the [XXV] Congress approved the party line on the strengthening of the defense capability of the country and the perfecting of the Armed Forces. . . . The defense might of the country . . . must be such that the aggressor understands the inevitability of the defeat of his political and military goals in the military actions which he has planned; and that one can foil his criminal intentions at their birth, and, if the armed attack becomes a fact to decisively crush any aggressor. . . ."

An even more revealing account of Soviet military expansion was provided by an editorial article in Communist of the Armed Forces for May 1976:

"One must again emphasize that the problem of strengthening the defense capability of the country is constantly at the center of attention of the Communist Party and its Central Committee. . . . The Party outlines and carries out all necessary measures which ensure the further strengthening of the defense might of the Soviet state, and for raising the combat capabilities and combat readiness of the Armed Forces. As a result of the successes in the development of the socialist economy, the utilization of the achievements of science and technology, there took place serious qualitative changes in all aspects of military affairs."

The article then ticked off details respecting provision of all branches of the Armed Forces with "the most modern weapons and military equipment: The Strategic Military Forces; the Ground Forces; the Air Forces' Rear Services; Civil Defense; the Navy. "The combat capabilities of all," the article said, "have been immeasurably increased." The article continued with a promise of more to come:

"The successful development of the economy will allow the Soviet Union to systematically further strengthen its defense capability. In the solution of this question important significance is attached, as is known, not only to the rapid growth of industrial production, but also to those qualitative changes which are occurring in our industry at the present stage. [In the 10th Five-Year Plan] large measures have been outlined for the further improvement of the structure of industry, the raising of the share in the total volume of production of those sectors which determine technological progress. Thus, the output of machine-building and metal-working equipment will increase in the five-year plan by approximately 1.6 times. In line with this primary progress, growth will occur in the atomic, metallurgical and chemical machine building and also in a number of branches of the electric, electronic, lathe building industries and in instrument building. By these means will be created the bases for qualitative changes in the development of all branches of the economy. All this is not only of enormous significance for the economy but also is quite important for defense. . . .

"However, we communists cannot rest on what has been achieved, because to stop means to fall behind. Therefore our achievements in all spheres of military building must be seen only as a step towards the further raising of the combat might of the Armed Forces."

MILITARY GAINS TILT "CORRELATION OF FORCES"

The growth in the military prowess of the USSR, Soviet spokesmen continue tirelessly to contend, has been the prime factor in, as the journal USA put it in July 1976, "changes in the correlation of forces in the world arena as a result of the strengthening of the forces of peace and socialism, changes in the military balance between the biggest states belonging to the two systems—the USSR and the US." Red Star asserted on June 10, 1976:

"In our ear the correlation of class forces in the world has definitely and irreversibly changed in favor of socialism.

"Imperialism is obliged to consider the new correlation of forces in the international arena and realistic statesmen and politicians in the capitalist countries are obliged to consider this in shaping and pursuing their foreign policy and in elaborating practical measures in the field of detente. . . . Under these conditions the consolidation of the defense capability of the Soviet state is an objective necessity. Our military cadres . . . devote all their knowledge, energy and creative initiative to insure that the readiness [of the forces] to deal a crushing rebuff to an aggressor and to defeat him at any moment are improved and perfected."

Along the same lines, Communist of the Armed Forces of May 1976 said that, "The Party and the Soviet people take into account that in agreeing to negotiations with the Soviet Union and other socialist countries the imperialists were forced to do so first of all by the change in the correlation of forces in the international arena in favor of socialism, which is expressed in the economic and defense might of world socialism and foremost of those if its main link—the Soviet Union."

To the Chinese communists, if not to others who observe the Soviet scene, Soviet affimations that the USSR does not increase its military spending from year to year raises a difficult problem in logic in light of Moscows' revelations of "building up of Soviet armaments on a huge scale." Thus, Radio Peking puzzled on July 15, 1976:

"One would ask: Has the Soviet Union found any secret method to far surpass Western arms expansion without increasing its national defense expenditure and bring about 'a new balance of force in the world'?"

LET THE BELLS TOLL

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. ROGERS. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following: During this Bicentennial Year numerous tributes have been made which have acclaimed this country as the greatest experiment in democracy ever attempted and successfully achieved.

I would like to take this opportunity to acknowledge the writing of one of my constituents, Mr. Jesse I. Fuchs of West Palm Beach, Fla., whose poem entitled, "Let the Bells Toll," reiterates some of the thoughts and ideas felt by all Americans as they celebrate this Nation's Bicentennial. It is my pleasure to include this poem at this point:

Let the Bells Toll

(By Jesse I. Fuchs)

Let the bells toll throughout the land.
Let the bells ring with pride
In memory of the freedom won
With liberty sanctified.

Our Founders struggled with one aim in view,
To build a great and glorious land,
So that we might carry on their wish,
This nation respected and truly grand.
In all the troubles and woes today
Across our land from East to West,
Our country continues to prosper;
It's still the very best.

Though some in high places, in greed have
faltered,
We'll not let them hide behind our flag.
Who dare challenge the test of time.
We're still the mightiest nation—liberty's the
tag.

ERDA ANNOUNCES PROPOSALS FOR SOLAR ENERGY RESEARCH INSTITUTE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. McCORMACK. Mr. Speaker, the Energy Research and Development Administration — ERDA — has announced that it has received 20 proposals, acceptable for comprehensive evaluation, for a manager-operator for the Solar Energy Research Institute—SERI. I am pleased to inform my colleagues in the House that this Nation's Solar Energy Research, Development and Demonstration and the plans to establish the SERI are moving forward in an orderly manner, and at an accelerated pace. We expect that the difficulties encountered in initiating the Solar Energy Heating and Cooling Demonstration program have been overcome and that the ERDA will reach the goals established by Congress to have 2,000 demonstration units for solar heating on the line by the end of calendar year 1977 and, in addition, 2,000 more combined heating and cooling solar demonstration facilities by the end of 1979, provided that a practical and economically competitive solar energy air conditioning unit is developed in time.

The Solar Energy Research, Development and Demonstration Act of 1974 established the SERI to perform "such research, development, and related functions" in the area of solar energy, as determined necessary by ERDA to support the solar energy program.

The proposals will be evaluated by a Source Evaluation Board made up of ERDA personnel. Dr. Robert C. Seamans, Jr., Administrator of ERDA, is the source selection official who has responsibility for the final selection.

The initial role of SERI will be the performance of analysis, assessment, information dissemination, research activities in specific aspects of the solar energy program, and support of international cooperative programs.

SERI's future role could include increased research, development and related activities in support of ERDA's solar energy program.

ERDA estimates that the cost of the contract for the first year of performance will be between $4 and $6 million.

Through a phased-growth approach both in terms of organizational and site size, SERI could evolve into ERDA's lead solar energy laboratory, subject to several criteria including performance and availability of funds.

The following organizations submitted proposals acceptable for comprehensive evaluation, prior to the deadline of 5 p.m., July 15, 1976. The address of a proposer does not necessarily indicate the location of the proposed site for initial and/or future operation.

Battelle Memorial Institute, teamed with the State of Arizona, 505 King Avenue, Columbus, Ohio 43201.

Corporation for Solar Energy, sponsored by the California Energy Resources, Conservation & Development Commission, 633 University Hall, Berkeley, California 94720.

State of Georgia for Solar Consortium, Georgia Institute of Technology, Atlanta, Georgia 30332.

Goodrich-Bartlett & Associates, 1105 Gardner, Las Cruces, New Mexico 88801.

Icarus Corporation, sponsored by The City Council, City of Wilkes-Barre, City Hall, Room 21, Wilkes-Barre, Pennsylvania 18701.

Purdue University in cooperation with the State of Indiana, West Lafayette, Indiana 47907.

Solar Research Management Corporation, Lockheed Missiles & Space Company, Inc., in cooperation with the State of Florida, Lockheed Palo Alto Research Laboratory, 3251 Hanover Street, Palo Alto, California 94304.

Midwest Research Institute, in cooperation with the State of Colorado, 425 Volker Blvd., Kansas City, Missouri 64110.

Michigan Energy and Resource Association, teamed with Bendix, Lansing, Michigan 48033.

National Solar Energy Research Consortium, Inc. (NSERC, Inc.), 2101 L Street, NW., Suite 801, Washington, D.C. 20037.

National Solar Energy Research Institute, Inc., P. O. Box NSERI 365, Minneapolis, Minnesota 55401.

Nebraska Energy Research Corporation, State Capitol, Lincoln, Nebraska 68509.

State of New Jersey, State House, West State Street, Trenton, New Jersey 08625.

Solar Energy Research Institue, on behalf of The States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island & Vermont, 1031 Statler Office Bldg., Park Square, Boston, Massachusetts 02116.

Southwest Research Institue, 8500 Culebra Road, P. O. Drawer 28510, San Antonio, Texas 78284.

Stanford Research Institute, teamed with the State of New Mexico, 333 Ravenswood Avenue, Menlo Park, California 94025.

System Development Corp., teamed with the El Paso Regional Solar Energy Task Group, 2500 Colorado Avenue, Santa Monica, California 90406.

Thermo Electron Solar Huntsville, Corp., P. O. Box 5837, Huntsville, Alabama 35807.

University City Science Institute, 3624 Science Center, Philadelphia, Pennsylvania 19104.

Department of Natural Resources, State of Utah, Salt Lake City, Utah 84112.

DIFFERENT BILLS

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Ms. MEYNER. Mr. Speaker, I have introduced legislation, along with 17 cosponsors, to exempt most farm vehicles from the highway use tax. A similar bill, H.R. 6521, will be considered by the House of Representatives on Tuesday.

There are some important differences between these bills, however. My bill seeks to relieve farmers of the burden of the highway use tax. H.R. 6521 seeks to relieve farm trailer manufacturers of the burden of the Federal excise tax. These manufacturers have virtually admitted that they have been absorbing the cost of this tax. There is no guarantee whatsoever that passage of this bill will result in any savings for the purchasers of these trailers. I urge the Members of this body to carefully consider the merits of this bill before going along with this revenue-reducing legislation.

I am pleased to report that Senator RUSSELL LONG, the chairman of the Senate Finance Committee, has promised Senators McGOVERN and DOLE that he will schedule hearings on farm vehicle tax relief this fall. I am hopeful that these hearings will provide the impetus necessary to carry this legislation through to final passage.

SWINE FLU LEGISLATION

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. FISHER. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement relating to the swine flu immunization bill which was passed by the House on the day before our recent recess and explaining my vote in support of this legislation.

The statement follows:

STATEMENT ON S. 3537, THE SWINE FLU LIABILITY LEGISLATION

Mr. Speaker, on August 10, the day before the Congressional recess, the House passed by a vote of 250 to 83 a Senate-passed bill (S. 3735) to expedite the swine flu immunization program by giving the Federal government a directed role in the indemnification process for product or professional liability litigation arising out of the program. This action by the House cleared the legislation for approval by the President.

Because of the well-reported differences this program, and because the legislation was passed under an extraordinary legislative procedure, I should like briefly to explain the situation and the reasons for my vote in support of the bill.

Earlier this year the Congress passed legislation authorizing Federal funds to underwrite the costs of manufacturing and distributing a new vaccine to provide public protection in the event of a threatened outbreak of swine flu. Despite some initial delays, the production phase of the program is well advanced, and some 100 million units of the vaccine have been produced. In recent weeks, however, a new threat to the program developed when the insurance carriers which normally provide liability coverage for the drug firms refused to extend protection to the companies with respect to this particular program. Their refusal was not based, they said, on any indication that this is a dangerous vaccine, but rather on their fears that such a large-scale program might stimulate a large and costly volume of liability litigation. Without insurance coverage the manufacturers felt they could not continue their program efforts. Hence, with the normal influenza due to begin in September or October, we faced a major program breakdown.

To avoid such a breakdown the Administration submitted new legislation to authorize the Federal government to fill the liability insurance gap on an emergency basis. The bill passed by the Congress differs somewhat from the Administration proposal, but it employs the same approach.

There is far from unanimous agreement in the Congress on the details of the new legislation—or, indeed, on the desirability of having the Federal government fill the insurance coverage gap. Most of us in the Congress concluded, however, that we had to act fast and affirmatively to make sure that the program we had earlier approved would not collapse. That explains the strong vote of support in both the House and the Senate.

It should be clearly understood, however, that this new legislation does not represent a Congressional position on the scientific controversy over what groups in the population should be vaccinated. When the Congress passed the original enabling legislation for this program, we left to the Secretary of HEW and his expert advisors the determination of what groups within the total public should ultimately be innoculated. Whatever differences of scientific opinion there may be on this score, they are not differences which the Congress should resolve. What the Congress decided was that the Federal government should underwrite the costs of producing enough vaccine to implement whatever ultimate coverage is determined to be necessary. I believe we acted wisely then, and I also believe we needed to act again to make sure that this authorization would not be thwarted by the surprising reluctance of the insurance industry to play its customary role in this undertaking.

Although the critical program support legislation has now been passed, I hope there will be further legislative exploration—by one or more congressional committees—into some of the broader implications of the insurance industry's role in indemnity coverage in the future. Such an exploration should not necessarily be limited to immunization programs, but might well cover other facets of product and professional liability in the health field.

I am not suggesting that the Federal government should take responsibility for the whole field of health liability insurance. Until there is more expert agreement and more actual program experience relating to liability problems I would not like to have any national mandates being issued from Washington. In view of the Federal government's present and expanding responsibilities relating to health services and to the containment of spiralling health costs, however, I doubt that Congress can stay completely out of the picture. My thought is that the Congress might first explore the possibilities of relatively limited supportive or collaborative roles which the Federal government might play to guard against program or system breakdowns while the states are developing and testing more basic approaches to the whole liability insurance problem.

Much of the debate regarding medical liability insurance seems to be focused on pinning the blame on some identifiable villian group—the health professions, the legal profession, the insurance industry, or those consumers of health services who seek risk-free medical miracles. There may well be enough blame for all to share, but I would rather interrupt this debate for a little remedial action, even if the action may at first have to be aimed at selected problems only.

The bill that we passed on August 10 represents this kind of action, but it had to be passed in such a hurry that we did not really have a chance for a careful definition of future Federal roles and policies. That job remains to be done, and I hope it can at least be begun before the end of the present session of Congress.

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. MAZZOLI. Mr. Speaker, on rollcall No. 625, I am recorded as being absent.

I was unavoidably detained. Had I been present, I would have voted "aye" on the motion that the House resolve itself into the Committee of the Whole for the consideration of H.R. 13372.

EIGHTIETH BIRTHDAY OF B'NAI B'RITH MESSENGER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. WAXMAN. Mr. Speaker, I should like to call to the attention of my colleagues and of the public a noteworthy journalistic event which will take place in my district on September 17, 1976. On that date, publisher-editor Joseph Jonah Cummins will mark the 80th birthday of the B'nai B'rith Messenger by issuing a special Jewish New Year Keepsake Edition. The Keepsake Edition will focus on the history of the Jewish community in southern California from the first settlers in the 19th century up to the present day. This theme is in keeping with the role the Messenger has placed over the years in increasing the information, awareness and pride of the local Jewish community in our historical roots.

Since 1929, Joseph Cummins has been the publisher, editor and driving force behind the B'nai B'rith Messenger. During the past 47 years the Messenger has not only borne the clear mark of Mr. Cummins' journalistic genius but also has reflected every facet of the complex man's commitment to the United States of America, to the State of Israel, and to a diverse and dynamic Los Angeles Jewish community.

Joseph Cummins' concerns with our own community have never reduced his vital interests in the State of Israel. A lifelong Zionist, Cummins dedicated his paper first to the establishment of a Jewish state, and after the founding of Israel in 1948, to the safety and survival of the embattled Jewish nation. His readers came to cherish the B'nai B'rith Messenger as one of the most comprehensive and reliable sources of news in the world not only about events within Israel but also about the Middle East in general and about American and world affairs of consequences to Israel.

In many respects, the B'nai B'rith Messenger has helped Los Angeles Jews exist as a true community rather than a mere population concentration.

With more than a half million souls in the general southern California area, adequate communications could not possibly be maintained by word-of-mouth or organizational newsletters. Certainly, the meager coverage the metropolitan press has seen fit to give Jewish community events could not sustain an authentic community. Rather, community publications such as the Messenger have done the job. It is to the Messenger that every group within the community—Zionist organizations, cultural and fraternal societies, synagogues, temples, educational institutions, charitable and benevolent institutions, political, and recreational groups—have turned for coverage. Readers have long relied heavily on the Messenger not only for news and information but also for numerous entertaining features, inspirational columns, and especially, outspoken editorials reflecting Joseph Jonah Cummins' deepest personal commitment as an American, as a Jew and as a journalist.

Among the institutions indebted to the Messenger perhaps none owe more than the Jewish schools of Los Angeles. Without regard to such denominational distinctions as Reform, Conservative, Orthodox or Orthodox Chassidia, Joseph Jonah Cummins has always given news on Jewish education top priority. He has also devoted editorial space, time after time, to praising the local Jewish day-schools and urging citizens to support the schools financially and to give them every consideration as the educational setting for their own children.

Joseph Jonah Cummins during his 47 years stewardship has raised the Messenger to the highest level of ethnic journalism. The Messenger has helped maintain and develop the Jewish community and enhance the unique cultural and religious values on which it rests.

Joseph Jonah Cummins well deserves the praise and good wishes he will be receiving as the B'nai B'rith Messenger marks its 80th anniversary.

JUDGE LAVERNE DIXON HONORED IN RETIREMENT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. McCLORY. Mr. Speaker, one of my longtime friends, Judge LaVerne A. Dixon, Circuit Court Judge of the 19th Judicial Circuit of Illinois, has announced his retirement from the bench. Following a long and successful career as an attorney practicing in the State and Federal courts, Judge Dixon has served as Circuit Court Judge of the 19th Judicial Circuit for 14 years during the reform period of the Illinois court system. Until recently he was the Chief Circuit Judge which demanded not only active judicial service, but an overall administration of the courts in the 19th Circuit.

Judge Dixon has been far more than a judicial officer. His service has included many civic and community activities in his home town of Gurnee, Ill., as well as in Lake County. His earlier active participation in Republican politics involved him as a political leader who influenced events and candidacies of many who have served in public office in Lake County and in the State of Illinois.

Mr. Speaker, I should recall also the faithful and devoted work of Judge Dixon's wife, Ruth, who has given steadfast support to his career and who in her own right has been a public and political leader during the years of Judge Dixon's distinguished service.

Mr. Speaker, many public figures, as well as family and personal friends of Judge Dixon, will gather at the Holiday Inn, Gurnee, on Thursday evening, August 26, for a retirement party and tribute to Judge Dixon. While it is my hope that I can be present, I take this occasion nevertheless to recall to you, Mr. Speaker, and all my colleagues in this body the honorable and important service of a leading figure of the Bar and Bench of Lake County and the State of Illinois, His Honor, LaVerne A. Dixon, Judge of the 19th Circuit Court of Illinois.

My wife, Doris, joins in extending to Judge Dixon and his devoted wife, Ruth, our heartfelt congratulations and good wishes for many happy and healthy years together.

THE SOUTHWEST SEWER DISTRICT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. DOWNEY of New York. Mr. Speaker, on June 2, 1976, the Amityville Chamber of Commerce sponsored a public forum to discuss the controversial Southwest Sewer District in Suffolk County, N.Y. This meeting gave the people a much-needed opportunity to express their views and grievances on this important issue.

At this time I would like to share my comments on the Southwest Sewer District with my colleagues. The following is a copy of the written statement I submitted to the meeting.

STATEMENT OF CONGRESSMAN THOMAS J. DOWNEY ON THE SOUTHWEST SEWER DISTRICT

I am sorry that I am not able to be with you tonight as you consider one of the most serious and controversial issues facing the people of my congressional district and all of Suffolk County. Unfortunately, the House of Representatives is in late session all this week and I do not leave Washington when there is a chance that I will miss legislative votes. Indeed, we are considering legislation that would increase Federal funding of sewer projects across the country, including our own District, and I expect passage of the bill in the next few days.

However, I do want to bring you up to date on some of our activities regarding the Southwest Sewer District. I am grateful that the Amityville Chamber of Commerce has provided this opportunity for public consideration of the Sewer issue, and for accepting my written comments.

My office has been working in four areas to make some sense out of the sewer mess and to help ease the unconscionable burden imposed on our taxpayers by this massive project.

First, as one of my initial actions as a Congressman after I was sworn in last year, I introduced legislation that would permit taxpayers subject to such special taxing authorities as the Southwest Sewer District to deduct the amount of their assessments on their income tax. This bill has been referred to the Committee on Ways and Means, and Chairman Al Ullman has assured me that it will be considered when the committee takes up comprehensive tax reform. If passed, this deduction could produce significant tax savings for residents of the sewer district, and could reduce average sewer tax payments as much as 25%.

Second, I have been in close and constant contact with the Governor's office and the State Department of Environmental Conservation about the possibility of obtaining money for the construction of lateral lines. We have been successful in convincing the state of the importance of channeling this federal money to the sewer district, and in the state's priorities, we are now near the top of the list. I am hopeful that the State will be acting within a matter of weeks to release these funds, which will be in the millions of dollars.

Third, I believe that we must make every conceivable effort to determine whether improper or illegal acts have been committed by any of the governmental or private entities with authority over the Sewer District. As your Congressman, I have initiated an investigation by the General Accounting Office of the federal role in the sewer project, which will focus primarily on the action or nonaction by the Federal Environmental Protection Agency, which has the ultimate federal jurisdiction in sewer questions. The GAO will determine whether EPA was negligent in its oversight capacity, and how much responsibility it must bear for the mess we are in today.

Fourth, and finally, I am working very closely with our neighboring Congressman, Jerry Ambro, who, as a member of the House Public Works Committee, is spearheading a comprehensive investigation of the Sewer Project in his Subcommittee on Investigations. The subcommittee is looking into all aspects of the sewer project and has already sent investigators up here, and because of the extensive federal role in the project, a report will be issued detailing what went wrong and where, if anywhere, there has been a misuse or inefficient use of federal dollars.

As your Congressman, I stand ready to take any appropriate action within my power to aid in dealing with the sewer crisis. I welcome any suggestions regarding other proper federal action, from Suffolk County officials and from the general public.

Thank you for including my remarks in your meeting.

DOCTOR FAIL-SAFE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. VANIK. Mr. Speaker, during the past year, I have had the opportunity of several discussions with Dr. Henry Damm concerning the work of his professional organization, Damm & Associates, in measuring the quality of medical care and helping medical institutions improve their service to the public. Dr. Damm has developed unique standards by which to judge the existence of malpractice and improper procedures. During this time in which we so desperately need to reduce the costs of medical care and malpractice, Damm & Associates are able to offer statistically proven ways of improving care and thus reducing malpractice claims.

Recently the work of Damm & Associates, which is located in my congressional district, was discussed in the July 26 issue of Newsweek. I commend the article to my colleagues, since it indicates that there may, indeed, be some hard answers to the hard questions of medical costs.

The article follows:

DOCTOR FAIL-SAFE

When a manufacturer is plagued by complaints from customers, he can hire a quality-control consultant to inspect his plant and find the glitches on the assembly line that are causing defects in his product. The same kind of troubleshooting is now being used by hospitals to reduce the risk of malpractice suits. For a fee, a highly specialized Cleveland consulting firm will go over a hospital from emergency room to pathology lab to uncover medical accidents that are waiting to happen.

"Malpractice isn't just a matter of incompetence," says Henry C. Damm, 42 founder of Damm & Associates. "Eighty to 90 per cent of the cases arise in the hospital—usually because of a failure to observe fail-safe standards that are on the books." A Ph.D in endocrinology and biostatistics, Damm entered the field of hospital "risk management" after completing a teaching stint at Cleveland's Case Western Reserve University Medical School and writing a classic text on standards for clinical laboratories.

At first, Damm worked for insurance companies and attorneys, reviewing malpractice claims to find out what had gone wrong. From analyzing many cases of this sort, Damm and his colleagues amassed a huge data bank of potential trouble spots in hospitals, and are now using it as the basis for preventing malpractice occurrences. The firm, which employs seventeen full-time specialists in clinical procedures and hospital administration, conducts detailed on-scene surveys of client hospitals, makes recommendations to correct deficiencies and offers periodic return visits to monitor progress. The charge is $30 to $50 a bed for smaller hospitals and up to $80 per bed for larger institutions.

To preserve confidentiality, Damm is understandably cautious about discussing his findings. But one hospital survey recently uncovered 40 danger spots that Damm considers typical. Among them: improperly functioning temperature controls in a lab refrigerator, which could lead to inaccurate test results; emergency-room personnel who were lax about washing their hands; failure to conduct routine blood typing in the obstetrics ward to detect possible Rh problems; improperly functioning monitors and alarms in the coronary-care unit.

RECORDS

He also discovered that the hospital's committees met informally, if at all, and that the pharmacy committee had no records of adverse drug reactions or improperly filled prescriptions. As a result of Damm's findings, the deficiencies have been cleared up.

In general, the biggest danger spots in the hospital, says Damm, are in the emergency room, the intensive-care unit and the post-surgical recovery room. "The more things you have going on at one time," he says, "the more chance you have of getting into trouble." Large teaching hospitals, where the more complex and sophisticated procedures are carried out, face a higher risk than do the small community institutions.

With family approval, many hospitals post "do not resuscitate" lists of patients who are terminally ill. Damm warns against the practice on the grounds that it may be legally indefensible and that it amounts to euthanasia in the eyes of many courts.

Risk management as a method of preventing malpractice problems is a new concept. But with the rise in malpractice premiums and the recent trend for hospitals to join together to underwrite their own malpractice coverage, Damm expects a busy future—and is planning a fivefold increase in his staff.

AID PROGRAM AND REPRESENTATION IN HAITI

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. HAMILTON. I would like to bring to the attention of my colleagues some correspondence I had recently with the Agency for International Development regarding a Jack Anderson column of August 4, 1976 concerning our economic aid program in Haiti and contrasting the lifestyle of our AID employees with conditions of extreme poverty that exist in that small country.

While AID's response addresses the article's sharp criticisms of the living standards of AID personnel and aspects of our aid effort in Haiti, some questions remain concerning whether or not our aid program is well organized for trying to relieve the severe problems of poverty and unemployment in the rural areas of the country.

Following are copies of the Anderson column, my letter to AID of August 4 and AID's response of August 17:

[From the Washington Post, Aug. 4, 1976]

AMERICAN LUXURY, HAITIAN POVERTY

(By Jack Anderson and Les Whitten)

Nestled high on the hills above Port-Au-Prince are fashionable, walled villas, equipped with sparkling swimming pools and staffed by gracious servants.

This is where the U.S. Agency for International Development officials reside, with their families. They came to Haiti to administer American aid. Their mission is to help develop the impoverished nation and feed its hungry people.

A generous portion of the U.S. offering goes to maintain the AID administrators in the high style they have adopted. They live in luxury; they are waited on by servants; they belong to exclusive private clubs, they attend lavish cocktail and dinner parties.

Yet believe it or not, they collect extra hardship pay of about 15 per cent for enduring the rigors of Port-Au-Prince. They are also granted two extra weeks of stateside vacation, on top of their normal leave, to recuperate from the hard life.

They draw a generous housing allowance to help pay the rent on their fancy villas. They make biweekly flights to Guantanamo Bay to pick up inexpensive American food from the U.S. commissary. They can claim a generous "educational allowance," too, to help with their children's education.

After hundreds of thousands of dollars have been squeezed out of the AID budget for the care and comfort of the administrators, the rest of the money is usually turned over to the Haitian government to distribute. Additional amounts are diverted into the pockets of Haitian officials. Grain intended for the poor, for example, has been stolen and sold by corrupt customs officials.

We sent our reporter, Hal Bernton, to Haiti to find out whether any of the aid reaches the people it was intended for. With a knapsack on his back, he traveled to the most desolate, drought-stricken region of the tiny Caribbean country. He lived for more than a week with the people in a remote village.

He saw naked children too weak from hunger to play, their bellies bloated by malnutrition. The villagers subsisted largely on mangoes. But the last mango would soon be devoured. The people didn't know what they would eat after that.

The American AID officials are usually too busy planning and partying in Port-Au-Prince to visit the villagers. Those who do usually drive through on jeeps. Most are too tied up with paperwork to leave their desks.

During the fiscal year that ended on June 30, the American taxpayers donated nearly $18 million in foreign aid to Haiti. A tiny trickle of food-for-work has reached the remote village that Bernton visited.

In the past, American aid has also helped to build hospitals, construct roads, tap water and distribute food. This has saved lives and alleviated suffering. But it's the AID officials who are the most comforted, the Haitian officials who are enriched.

Bernton inspected a road construction project, that is partially financed with U.S. development funds. He found 240 peasants slowly building a road to their village, which was located on top of a high mountain plateau. With picks, shovels and wheelbarrows, they moved the road ahead.

The men were gaunt, lean and angry. For more than two months they had toiled without a penny in pay. The Haitian government had promised them 50 cents a day. But the money had never made it through the sticky fingers of the Haitian officials.

The ragged workers gathered around Bernton. In broken Creole French, they pleaded: "We have almost nothing left to eat now. We have only one meal a day of cornmeal. Get us our money."

Not only Haitian but American officials are depriving the hungry workers. The great need in the Haitian hinterland is for jobs. But American officials have stipulated that most of a $5 million road construction loan must be spent on heavy machinery purchased from United States firms.

The field experts told Bernton that the new machines will soon join other bulldozers and tractors littering the Haitian countryside. The best way to build roads in Haiti, no matter how inefficient it may seem, is with manpower. And the people desperately need the work.

Bernton spent some time in an impoverished village where the people had no jobs and little land that could be cultivated. Each day, they would scale the steep hillside in search of wood that could be burned into charcoal. After they laboriously produced a few sacks of charcoal, they would trek 10 miles to the nearest market to exchange the charcoal for mangoes.

But they couldn't produce enough charcoal to buy the food they needed. Their children, weak from hunger, sat around listlessly. It was an agonizing contrast to the villas in the Port-Au-Prince hills.

COMMITTEE ON INTERNATIONAL
RELATIONS, HOUSE OF REPRESENTATIVES,
Washington, D.C., August 4, 1976.

Hon. DANIEL PARKER,
Administrator, Agency for International Development, Department of State, Washington, D.C.

DEAR MR. PARKER: I enclose a copy of the Jack Anderson column of August 4, 1976 commenting on aspects of our AID mission's activities and programs in Haiti.

I would like a detailed response by the agency to the charges made in the article.

I appreciate your consideration of this matter.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigations.

DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, D.C., August 17, 1976.

Hon. LEE H. HAMILTON,
Chairman, Special Subcommittee on Investigation, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of August 4 requests a detailed response to the charges made in the Jack Anderson column which appeared in the Washington Post that day. Dan Parker has asked me to provide that response and to express his thanks for the opportunity to respond to the column and to provide further information about the U.S. Government assistance program in Haiti.

Anderson: ". . . fashionable, walled villas, equipped with sparkling swimming pools and staffed by gracious servants . . . where the U.S. Agency for International Development officials reside, with their families."

Comment: The living standards of A.I.D. personnel in Haiti are comparable to those of employees of other U.S. Government agencies, international organizations and the official representatives of other nations. In Haiti, as in developing countries throughout the world, there is a very small middle class. Most of the population live in poverty. As a result, there is almost no housing available for rent in Haiti that is comparable to middle class housing in the United States. U.S. Government employees in Haiti receive a housing allowance as they do in other countries. They make individual arrangements to rent their accommodations. For 15% of the employees in Port-au-Prince, the housing allowance currently covers their housing costs. For the remaining 25%, the allowance falls short of their costs by 10% or more. Currently, allowances range from $4,600 to $6,900 per year.

Most houses available for rent to U.S. personnel in Port-au-Prince have walls at the edges of the property, as is the case in many countries. Those employees who have swimming pools pay personally for their operation and maintenance.

Americans living in Haiti usually employ servants. Inadequate kitchen and laundry facilities, lack of U.S. style foods and lack of child care facilities are some of the factors that make the use of servants necessary to maintain living standards similar to those in the U.S. The cost of servants is borne by individual employees, except for the A.I.D. Director who receives partial reimbursement for costs of operating his official residence.

Anderson: "A generous portion of the U.S. offering goes to maintain the A.I.D. administrators in the high style they have adopted."

Comment: The cost of salaries and benefits (including housing allowances and all other employee allowances) for all A.I.D. employees in Haiti amounts to about 3% of the cost of our assistance program there. The word "offering" is misleading as applied to our assistance. The program is described later.

Anderson: "[A.I.D. employees] belong to exclusive private clubs . . ."

Comment: There are no public swimming pools in Haiti, no public tennis courts and no public golf courses. Americans in Haiti who want to participate in these popular American activities must either provide their own facilities or join private clubs. The clubs available to A.I.D. employees are also available to Haitians and to other foreigners living in Haiti.

Anderson: "[A.I.D. employees] attend lavish cocktail and dinner parties. . . ."

Comment: Key A.I.D. officials do attend receptions and dinners given by the representatives of other countries and international agencies. Partly because of the lack of recreational facilities, Americans in Haiti tend to do a good deal of entertaining in their own homes. Except for an occasional official function, they entertain at their own expense and do so as lavishly, or as simply, as they might in the U.S.

Anderson: "[A.I.D. employees] collect hardship pay of about 15 percent. . . ."

Comment: The U.S. Government, along with other governments, international agencies and private businesses, offers "hardship allowances" in certain overseas posts. One hundred forty-four different factors are considered in determining allowance for any given post. In Port-au-Prince the allowance is 15% of salary. It is subject to U.S. income tax as ordinary earned income. The most important consideration in determining this allowance for Haiti is the prevalence of a variety of communicable diseases not found in the U.S. and the inadequate facilities available in Haiti for their treatment. Service in Haiti exposes all employees and their families to several diseases endemic to Haiti, including malaria and dengue fever. Among the 40 employees of A.I.D., the State Department and the U.S. Information Agency in Haiti, four have been evacuated in the last three months for emergency medical treatment. Two of these have dengue fever. Other recent evacuees have suffered hepatitis and pneumonia.

Anderson: "[A.I.D. employees] are also granted two extra weeks of stateside vacation, on top of their normal leave. . . ."

Comment: A.I.D. employees in Haiti do not receive any leave beyond that earned by all U.S. Foreign Service career employees. While serving abroad, such employees earn one month of home leave at the end of a two year tour of duty.

Anderson: "[A.I.D. employees] make biweekly flights to Guantanamo Bay to pick up inexpensive food from the U.S. commissary.

Comment: There is a U.S. military flight between Guantanamo Bay and Port-au-Prince every other week. During the past six months A.I.D. employees and dependents made a total of 120 trips on this flight. Over half of these were for medical appointments with U.S. doctors at Guantanamo. When space is available, some employees and dependents travel to Guantanamo to obtain U.S. goods unavailable at reasonable prices in Haiti. In addition, a cooperative commissary organized by U.S. Government employees in Port-au-Prince obtains its supplies via the Guantanamo flight. Passengers who are physically fit load and unload the plane. The cooperative stocks about 200 grocery items (compared to the 10,000 items in a typical U.S. supermarket) and sells them to its members at prices slightly above those prevailing in the U.S. One result of this self-financed activity is that no cost-of-living allowance is required for Port-au-Prince.

Anderson: "[A.I.D. employees] can claim a generous 'educational allowance'. . . ."

Comment: Education allowances are provided for all foreign service employees abroad with children of kindergarten through high school age. The amount of the allowance is determined by the tuition cost at a school that provides the approximate equivalent of U.S. public education. Extra costs, including some supplies, are borne by the parents. The result is that the foreign service family abroad incurs about the same cost per child for education through high school as it would in the U.S.

Anderson: "After hundreds of thousands of dollars have been squeezed out of the A.I.D. budget for the care and comfort of the administrators, the rest of the money is usually turned over to the Haitian Government to distribute. Additional amounts are diverted into the pockets of Haitian officials."

Comment: The 3% of U.S. assistance which is allotted to employee salaries and benefits is not "squeezed out" of the development funds in A.I.D.'s budget. It is separately appropriated by Congress in addition to the program funds made available. No funds are turned over to the Haitian Government to distribute, nor to any individual Haitian official. A.I.D. funds are normally vouchered and paid directly by A.I.D. to the suppliers of goods and services (mostly in the U.S.) or are reimbursed to the Government of Haiti on the submission of detailed vouchers after it has spent its funds for stipulated purposes. Moreover, A.I.D. uses careful procedures for audit. During the past year the Haiti program has been the subject of an A.I.D. audit, two State Department inspections and an audit by the General Accounting Office of the Congress. None of these has found any evidence of misappropriation of U.S. Government funds.

Anderson: "Grain intended for the poor . . . has been stolen and sold by corrupt customs officials."

Comment: Although there have been food losses experienced in the past in the Food for Peace programs administered by U.S. voluntary agencies, recent expanded use of containerized shipments has reduced these losses in Haiti to about 1 percent, a level below those at most ports. Contrary to the impression provided in the column, there has been no evidence of dishonest diversion of A.I.D. relief food by customs officials. During the 1975 drought when some of the food supplied by non-U.S. donors was stolen from customs, the Haitian Government reacted promptly with an investigation of the Customs Service. Some employees were imprisoned and others dismissed. Much of the food which had been stolen was subsequently recovered and distributed to the intended recipients.

Anderson: "The American A.I.D. officials are usually too busy planning and partying in Port-au-Prince to visit the villages."

Comment: Key A.I.D. staff are regularly in the countryside visiting and monitoring each A.I.D.-supported project. About half the Americans funded by A.I.D. in Haiti are permanently stationed at project sites outside Port-au-Prince.

Anderson: "During the fiscal year that ended on June 30, the American taxpayers donated nearly $18 million in foreign aid to Haiti."

Comment: For the year ended June 30, 1976, U.S. assistance to Haiti included $4.2 million in grant-funded technical assistance, primarily for improving public health and increasing small farm production. A loan of $5 million, repayable in dollars, was made to assist in building unpaved all-weather roads to isolated farming areas throughout Haiti. An estimated rural population of 349,000 will benefit from this loan. $4.1 million of food was donated, all of which was distributed in Haiti by three U.S. voluntary agencies: CARE, Church World Service and Catholic Relief Services. Over $1 million of this food was used to avert starvation among the families hit hardest by a drought which lasted more than 9 months. During the year, over 250,000 hungry Haitians received food aid in A.I.D.'s continuing programs, in addition to the 146,000 who received emergency food supplements during the drought. A loan of $5.2 million, also repayable in dollars, was made for the purchase of wheat. Thus, the total of grants (donations) was $8.3 million and the total of loans was $10.2 million.

Anderson: "Bernton inspected a road construction project that is partially financed with U.S. development funds. He found 240 peasants slowly building a road to their village . . . For more than two months they had toiled without a penny in pay."

Comment: No A.I.D. funds were involved in the project cited. Concerning the alleged failure of the Haitian Government to pay peasants constructing a road to their village, delays in paying workers in outlying districts unfortunately do occur. Eventually, however, they usually receive their money as, in fact, they did on this project.

Anderson: "The great need in the Haitian hinterland is for jobs. But American officials have stipulated that most of a $5 million road construction loan must be spent on heavy machinery purchased from United States firms."

Comment: The issue of human labor versus machines for road construction is misrepresented in the column. A.I.D. recently signed a $5 million loan as part of an $11 million project to help Haiti reconstruct 583 miles of rural secondary roads. The project was carefully designed to provide for the maximum feasible use of hand labor for road construction. The $3 million in heavy construction equipment to be ordered will be utilized for such work as moving large quantities of heavy, embedded shale rock. The loan also finances a pilot study to improve efficiency of existing labor intensive maintenance and construction techniques with the objective of providing a model for labor intensive programs throughout Haiti at the village level.

Such loans are included in the program of assistance the United States provides to Haiti as part of an international effort. The program has been developed in response to requests from the Government of Haiti and in close collaboration with the World Bank, Inter-American Development Bank, the Organization of American States, Canada and other donors.

A.I.D.'s program focuses on assisting the rural poor through projects in agriculture, maternal and child care, nutrition, family planning, and a malaria control program that has benefitted more than 1.5 million Haitians. A.I.D. also helps to finance voluntary agencies such as CARE, Catholic Relief Services and Church World Service. These provide U.S.-supplied food to school lunch programs, maternal and child health programs and a variety of food-for-work projects.

Thank you for this opportunity to provide information on one of our A.I.D. programs.

Sincerely yours,

DENIS M. NEILL,
Assistant Administrator,
for Legislative Affairs.

AFL–CIO JOINS FIGHT AGAINST THE ARAB BOYCOTT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. ROSENTHAL. Mr. Speaker, on July 19, the executive board of the AFL–CIO issued a statement calling upon the Congress and the administration to "move swiftly to enact legislation and to take such other measures as necessary" to end the—

> Imposition of (the Arab) boycott on Americans, American-owned businesses, or on any transactions occurring on American territory.

I applaud this action which reaffirms the AFL–CIO's traditional commitment to the principle of open competition. Several businesses with extensive dealings with the Arabs have supported cooperation with the boycott on the ground that it preserves jobs. I daresay that no institution is more concerned with saving jobs than the AFL–CIO. Yet they have now joined the dozens of major corporations, political spokesmen of every persuasion and numerous of our colleagues in urging an end to this affront to American ideals and sound business practice.

The House International Relations Committee, of which I am a member, will consider shortly an extension of the Export Administration Act which expires on September 30. Together with several colleagues, I will be offering an amendment outlawing all U.S. cooperation with the Arab boycott.

In remarks before the committee—reproduced in the RECORD at page 17585, June 10, 1976—I discussed my belief that strong U.S. action against the boycott would not cause a severe or long-term disruption of American/Arab trade. Briefly, I cited the following evidence: Commercial relations between the United States and the Arabs have survived other political vicissitudes, that is, Iraqi anti-Americanism; numerous Arab businessmen have expressed private misgivings about the boycott as their need for sophisticated U.S. equipment and services grows; recent Commerce Department regulations prohibiting U.S. firms from complying with Arab demands involving religious, racial or sex discrimination have had no discernible adverse affect upon our Mideast trade.

Not surprisingly, the Commerce Department and industry groups doing business with the Arabs are the most vigorous protestors of the risk to American jobs of a strong antiboycott stance. Since 1965, the Commerce Department has been under a statutory mandate to oppose compliance with the boycott. During this period, the number of firms reporting cooperation with the boycott has soared. In the last 2 years, 637 U.S. exporters sold at least $352.9 million and as much as $781.5 million in compliance with boycott conditions. Until last year, the Commerce Department actively promoted among U.S. businesses contract offers requiring boycott cooperation. Had the Commerce Department done its job of enforcing the 11-year-old U.S. policy against the boycott, the strong action now required might have been unnecessary.

The opposition of certain industry groups is even easier to understand. Edwin L. Jones testified on behalf of the Associated General Contractors of America that opposition to the Arab boycott could cost hundreds of thousands of U.S. jobs. Mr. Jones' company has $400 million in contracts with Arab firms. He is naturally reluctant to support legislation that could pose even a minimal risk to some of this business. Moreover, the end of the boycott would mean the elimination of the artificial schism among U.S. competitors where some can trade with the Arab world and at least 1,500 others, those on the Arab blacklist, cannot. Some American businessmen may not be pleased about this prospect which could mean more vigorous domestic competition for lucrative Arab contracts.

I hope my colleagues on the International Relations Committee will give some thought to these wider implications of the AFL-CIO Executive Board's statement. The text of the statement follows:

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON THE ARAB BOYCOTT, JULY 19, 1976, WASHINGTON, D.C.

The Arab boycott raises issues which go far beyond those of Israel's rights as a free nation. By imposing secondary and tertiary boycotts, the Arabs have put at issue America's willingness to defend its own principles and sovereignty. Not only do the Arab nations refuse to deal commercially with Israel, they also demand that American firms which wish to do business with them refrain from transactions with Israel. They demand that American firms practice religious discrimination in hiring, promotion, job assignment, selection of corporate officers and in dealing with other American firms

The boycott attempts to impose upon the American people practices of racial and religious bigotry which violate American belief and law, and to make American firms the agents of hostile acts against a friendly nation. This constitutes a repugnant intrusion into American domestic life, and an unacceptable effort to coerce American foreign policy. The American people will not tolerate this dictation.

The Executive Council believes that the imposition of this boycott on Americans, American-owned businesses, or on any transactions occurring on American territory must end now. We call upon the Congress and the Administration to move swiftly to enact legislation and to take such other measures as necessary to achieve this goal.

THE HELSINKI ACCORD 1 YEAR LATER—OPPRESSION CONTINUES IN CZECHOSLOVAKIA

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. ANNUNZIO. Mr. Speaker, I rise to bring the attention of my colleagues to a statement published by the Council of Free Czechoslovakia on the Communist failure to implement the final act of the Conference on Security and Cooperation in Europe.

Personally, I was opposed to the signing of this act by the United States, because I felt that our Nation should not give official recognition to the conquests of the illegal and immoral Communist dictotorships in Eastern Europe.

However, the bill I cosponsored to establish a Commission on Security and Cooperation in Europe to monitor compliance with the act is now public law, and I am hopeful that this Commission, along with systematic public exposure of the record, will encourage all participating states, especially the Communist states, to take seriously the pledges they have made by signing this document.

The statement follows:

FIRST ANNIVERSARY OF THE HELSINKI CONFERENCE STRUGGLE FOR THE MEANING OF THE FINAL ACT

The communists make no secret about the necessity to suppress any criticism of the party and socialism (*Rude Pravo*, 8 June 1976).

The first anniversary of the signing of the Helsinki declaration offers us an opportunity to draw a partial balance sheet of what has been achieved and, more importantly, of what kind of atmosphere the Final Act helped to create on the international scene.

There seems to be a general consensus that the existing detente has produced more liabilities than assets. Europe, and West Germany in particular, feel the increased international tension more than the United States. East European leaders and mass media, of course, blame the West for this state of affairs and Czechoslovakia leads the way. The Czechoslovak press and mass media have staged a concerted campaign which may be briefly characterized as a "struggle for the meaning of the Helsinki Declaration." The purpose is obvious: to mount an offensive against the West in preparation for the conference to be held in Belgrade next year to evaluate the impact of the Helsinki meeting.

The strategy of the Czechoslovak mass media is to blame the West for placing too much emphasis on the so-called Third Basket and neglecting the other provisions of the Final Act. Instead, the Czechoslovak press is stressing the significance of the first two sections of the Helsinki declaration, namely, the section on the preservation of the status quo of the existing borders and its change by peaceful means only, and the section concerning the expansion of scientific, technological and economic cooperation.

The truth is that, contrary to communist assertions, the West has always honored the first two sections of the Final Act. Nobody here in the West wants to change the European territorial status quo by force. And as far as cooperation in various fields is concerned, the Czechoslovak press itself admits that the Prague government was able to enter into a number of international agreements regulating scientific, technological, and economic cooperation after the Helsinki meeting. Indeed, East-West trade has expanded rapidly and the sagging economy of the communist bloc has been kept alive by huge Western credits surpassing 30 billion dollars.

Czechoslovakia alone runs a trade deficit with the West of more than a billion dollars. Rightly, Western governments and bankers are questioning whether their credits have not been over extended and whether the communist states will ever be able to repay their debts. It is becoming increasingly evident that the communist call for detente is nothing more than a desperate attempt to avoid an economic collapse of the very system which not long ago had promised to "bury" the West.

But ideology, not the well-being of the people, comes first in the communist countries. Any move toward ideological detente is regarded by the communist governments as subversive and directed against the 'socialist system.' Contrary to the Western view—which is shared by most of the people in Central and Eastern Europe—that an international detente would improve the lot of the common man, the Prague regime calls for government-controlled exchange and cooperation within the sphere of arts and science, and government-controlled contacts between citizens of East and West. Those points in the Third Basket which benefit human rights without governmental interference are considered by the Czechoslovak rulers as unimportant or plainly subversive.

And so we find that nothing has changed in the life of the Czechs and Slovaks. Oppression and political tension have not subsided. The antireligious campaign continues despite Prague's signature of the Final Act.

The Czechoslovak government continues to persecute scientific and cultural workers who refused to be 'normalized' and 'consolidated.' University professors, writers, artists, journalists, scientists and priests dismissed from their professional positions continue to work in menial jobs, if they are lucky to find one. Nothing has been done to implement the provisions of the Third Baskets. Permission for the reunification of families was granted in just a few cases. Bureaucratic red tape impedes visits of relatives to and from Czechoslovakia, exactly as before the Helsinki conference.

One of the most recent illustrations of Prague's unwillingness to implement the exchange of information as stipulated in the Third Basket has been the attitude of the Czechoslovak press toward the European Communist Conference in East Berlin. In reporting the speeches of Tito, Berlinguer, Marchais and Carillo, Czech and Slovak newspapers carefully omitted all their demands for independence for their parties from Moscow's domination, all their calls for a pluralistic system of government, and their emphasis on the need for their individual roads to socialism. The East Berlin conference was pictured in the Czechoslovak media as a model of unity under the leadership of Moscow.

If the Czechoslovak government is unwilling to tell the truth about developments in the international communist movement how can one expect that the Czechoslovak communists will be ready to facilitate an exchange of information between the countries of the West and the East?

All well-intentioned statements in an international declaration concerning human rights are meaningless when confronted with the oppressive laws in the communist countries. This is the true lesson of the Helsinki Declaration.

The struggle for the meaning of the Helsinki Declaration will continue and will intensify as we approach the time of the Belgrade conference. Consequently, it is necessary for the West to be prepared to counter false accusations and have material ready to prove that it was the Soviet Union and its satellites which have not altered their repressive policies since the declaration was signed. For this reason the Council of Free Czechoslovakia welcomes the creation of a Congressional watch-dog committee whose purpose is to supervise the implementation of the Final Act.

Below are excerpts from the Czechoslovak press illustrating the situation we have just described:

. . . one has always to bear in mind the fact that the defense of socialism is, in the nature of its law, a collective concern, and that the defense of the Central European area must be organized in a complex form which, among other things, is predetermined by a future war if the imperialists should wage it. In other words, it means that the defense of the socialist world is not just a concern of the individual countries, but is an international obligation of the entire socialist community. The unprecedented development of warfare in the period following World War II, especially its destructiveness and totality, has created completely different conditions and different criteria for military actions in a potential war. What in the past was possible within the framework of a single country must today be organized within the framework of an entire coalition. . . . Socialist states as a group will not tolerate any country of the socialist system being threatened by direct or indirect aggression or subversion. The resolute action undertaken by the socialist countries in 1968 and their assistance rendered to the Czechoslovak people is the best example. . . . (*Slovansky Prehled,* No 5, 1975.)

The document adopted in Helsinki generated a whole set of unjustifiable illusions about relations between capitalism and socialism within the ideological sphere. As expected, such illusions have offered a welcome opportunity for Western propaganda centers and individual publicists to circulate once again the already discredited appeals for "ideological coexistence," "reconciliation of ideologies" and "de-ideologized" cultural contacts between capitalist and socialist countries. The main interest of the Western writers has concentrated on the so-called Third Basket of the Helsinki Declaration, namely, the provisions on the exchange of information and cultural contacts between East and West. Bourgeois propagandists are divorcing these provisions from the rest of the Final Act. They demand a free flow of information on the one hand but a suppression of the ideological content of information on the other, depending on whether such information comes from the West or the East. . . . (*Nove Slovo,* No 23, 1976.)

Even before the ink dried on the signatures of the Final Act the Western press began to publish articles arguing that the Helsinki Declaration was worth less than the paper on which it was written. Western journalists asserted that the signature was an act which did not possess the character and validity of an international agreement and that, consequently, it did not bind anybody and anything.

But the bourgeois press quickly abandoned this line and went over to another extreme, namely, it put itself into the role of an interpreter of the Final Act and narrowed the defense of the Helsinki principles to a single topic: problems related to international cooperation in humanitarian and related areas . . . to problems known as the Third Basket which can be put into effect . . . only in the atmosphere of peaceful coexistence and mutual understanding when we all manage to establish the rule of noninterference in the domestic affairs of other countries.

Western media intentionally disregard such a goal and argue that the socialist countries owe something to the "democratic society of the West" because they do not facilitate a "free exchange of people, ideas and information."

We are realists and we know that agreements are one thing and their implementation another . . . The socialist community is powerful enough . . . to put into effect the provisions of the Helsinki Declaration even in spite of the attempts of certain "liquidators" who distort the ideas of the Third Basket. (*Tribuna,* No. 22, 1976.)

An exchange of ideas should not be understood as their harmonious coexistence or their mechanical acceptance by both systems. Our dialogue will have the character of an ideological struggle and may sometime be very sharp. But both sides must not use inadmissible forms, that is, denunciation and disinformation. The Soviet Union and other socialist countries observe this rule whereas the Western countries are far from doing so . . .

The events of recent months have clearly proved that the bourgeoisie is extremely alarmed by the social consequences of the process of detente. . . . The Western countries come forward therefore with theories that peaceful coexistence should mean some kind of a social status quo, a "ban" on the revolutionary aspirations and the struggle of nations against imperialism, against the rule of the monopolistic capital . . . The influence of the socialist countries on the development of world events is steadily increasing . . . and will grow further in the future . . . Our fraternal parties in the capitalist countries . . . are learning the Leninist art of applying . . . the principles of communism to the problems peculiar to their countries and their special conditions . . . The logic of a merciless class struggle against a powerful adversary teaches them to appreciate unity and international solidarity . . .(*Rude Pravo,* 20 March 1976.)

Comrade Gustav Husak declared in Moscow in June 1969: "Because of Marxist-Leninist principles the Czechoslovak Communist Party regards the Soviet Union and its Communist Party as the main pillars of the socialist camp and of the international communist movement . . . The attitude towards the Soviet Union has been and always will remain the main criterion for distinguishing progressive forces from reactionary ones, a determining factor of the proletarian internationalism. The history of Czechoslovak-Soviet relations has proved that those who do not understand and do not wish to understand the historical role and significance of the Soviet Union, or even deny it, are perforce against not only Marxism-Leninism and the interests of the working class, but also against the highest national interests of their own country . . . The renewal of our national and state independence, the very existence of the Czechoslovak state, the whole past period of building socialism in our country, have proved the unrefutable truth that no freedom, no independence, no socialism can exist for the nations of Czechoslovakia without the closest fraternal union with the Soviet Union." (*Spolecenske Vedy ve Skole,* No. 4, 1975.)

SOVIET BUSTED THOUGH FEW HAVE NOTICED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. McDONALD. Mr. Speaker, it was painfully apparent when East-West trade started busting out all over late in President Johnson's last term that eventually, it was all going to have to be very limited, due to the eternal hard currency shortage of the Soviet Union. Lacking a convertible currency, the Soviet Union has to sell gold to make purchases, or as they sometimes do now, sell Eurodollars, but even this has limits. Basically the problem is that the Soviets need to buy so much more than they have to sell and on top of this have come the continual grain shortages requiring additional funds. Neither of these problems is liable to go away. This is not to say that the Soviets have not taken measures to correct the situation. They are frantically digging out their gold and such fields as Kolyma are the center of constant attention by the Red bureaucracy, but this measure has been blunted by weakening world gold prices. Increased capital investment has been poured into Soviet agriculture, but the stubborness of the peasantry, shortages of machinery, and uncooperative weather have blunted these efforts.

Elliot Janeway, in an article which appeared in the Washington Star on August 8, 1976, now points out that the Soviets are in serious difficulty as regards its balance of payments and is becoming known as "slow money" in the world financial market. Moreover, if one takes into account inflation, the real increase in East-West trade is largely an illusion, the propaganda from our Departments of State and Commerce, notwithstanding.

The article follows:

SOVIET BUSTED, THOUGH FEW HAVE NOTICED

(By Elliot Janeway)

Revolution by repudiation is a novel possibility—still too novel to have been stated as a formal political concept. The textbook alternatives to this threat of capitalist collapse are limited to the various apocalyptic projections of Marx, Lenin, and Stalin. Their warnings range from defeat in war to collapse into depression.

The standard Communist ideology regards capitalism as on the wane and Communism as on the rise. It assumes that the eventual outcome is a foregone conclusion; only the timing and the circumstances of the revolution are admitted to be open to question. It is an article of faith that the inherent weakness and progressive disintegration of capitalism is responsible for its vulnerability to Communist takeover.

The Communist prophets never suspected that the shoe might wind up on the other foot; that is, that a serious threat to the very foundations of the capitalist structure might develop as a result of the acute weakness of the Communist system. Yet this is the very trick which financial history is now playing on political philosophy.

The fact is that during this decade, Moscow has engineered a worldwide cover-up to conceal this weakness. It began exactly three years before it surfaced at the time of the great Moscow grain steal of 1973. Since then its very conspicuousness has protected the cover-up; the obvious is always obscure until the economics of crisis forces recognition. While the process of recognition has begun, it is far from complete. Russia's food shortages and gold sales are making headlines, but few people understand their significance: Russia is busted—and no one has really noticed.

Familiarity with the history of Communist theology sharpens the contrast between Marxist expectations and admissions. Of the "big three", Marx himself was the most realistic; partly because he was the only one of them who had the benefit of an education, and who commanded a cultural reach. Marx envisioned the revolution beginning with the insurrection of the proletariat in an advanced industrial country—most probably Germany. He missed his mark by little more than a generation, which is not too bad for a millenial thinker.

Marx's famous failure to foresee that Russia would be the first important country to go Communist is offset by one of his less publicized insights. As I showed in my *Economics of Crisis*, Marx himself originated the theory of "American exceptionalism," which Stalin later declared to be heretical and punishable by death. Marx based the exemption he gave America on his recognition that this was a new world enjoying a fresh start. To paraphrase the send-off given the Bolshevik Revolution by John Reed, the idealistic American reporter whose ashes are embedded in the Kremlin Wall, Marx had seen the future, and it worked. He foresaw the rise of American agripower as the key to world power that it is now.

Marx's political judgments have actually stood the test of time better than his economic pronouncements. His politics were his own; but his economics—by his own admission—were borrowed from the classical English economists, whose models were limited to the relationships between industrial employers and their workers. While the work of Ricardo and his fellow pioneers offers a remarkable preview of the spectacle of Russia selling gold reserves to finance emergency purchases of corn, the problems and the potential of modern agriculture were beyond their ken. This a major limitation of Marx's work as well.

Lenin, the second of the "big three," mobilized the Bolshevik Revolution behind a three-ply slogan: "Bread, land and peace." Apologists for Lenin have intellectualized about this appeal as offering something to all the downtrodden: the proletariat as consumers, the peasantry as producers and the military as victims. On scrutiny, however, this three-pronged appeal breaks down into demagogic camouflage and focuses on the peasants. Bread could come only from what the peasants produced; land was offered to them as an inducement to produce more grain; and they served as cannon-fodder in the Russian army.

The original Soviets were officially designated as councils of workers and peasants. When Stalin took over, he projected a grandiose scheme for "proletarianizing" the peasantry. His other gamble was on "socialism in one country." These bets assumed that Russia could both feed herself and find the processed fuels needed to develop a modern agricultural system, especially in a cold modern climate.

Stalin himself was too ignorant to grasp the interrelated ramifications of food and fuel technology. In his primitive view, the way to produce food was to produce tractors. He had no conception of the magnitude of the investment in fuel, chemistry and transportation necessary to develop farm productivity from tractor availability. Today Russia is helplessly behind in her food production—but she has all the tractors she needs. Stalin's slogan of "socialism in one country" would be perfectly workable if Russia could depend on America to underwrite her glaring deficiencies in grains, gas transportation, technology and, above all, dollars.

It is the financial squeeze on Russia which has earned her the title of "Typhoid Mary" in the world's credit markets. Only yesterday Moscow was basking in the glory of financial respect. Her most carefully guarded secret was the size of the Kremlin's gold reserve. Her most self-serving fantasy was of finally cashing in gold chips at the expense of the American investing public. Her most impressive boasts were that import bills were paid promptly, that her credit rating was top notch, and that she never needed to borrow. Her most imaginative achievement had been the move which created the Eurodollar market.

Now Russia has worn out her welcome there. Until 1970, she loomed as the modern equivalent of a merchant prince in Europe's financial markets. In a few years since, even the most indulgent bankers have discovered that she is a pauper, and are treating her accordingly. The major New York bank with the biggest portfolio of dubious overseas loans has just decided that Russia is no longer entitled to advances—this with Russia still exploiting her shadowy role behind the more rambunctious members of the oil cartel, and squeezing more profit out of the present oil price structure than any of them.

The figures on Russia's borrowings are horrendous. Combined with the forced borrowings of her European satellites, they amounted to $35–37 billion by the end of last year, as opposed to only $2 billion in 1970. The only reason why 1976 may not prove to be Russia's biggest borrowing year yet is that the lenders are running out of both confidence and money, while she is running out of plausibility. At 7 percent, just the annual interest bill on $40 billion (a very conservative estimate for 1976's total of Russian and satellite country borrowings) would approximate the entire principal outstanding in 1970.

Russia is no longer making any bones about passing her distress on to her satellites. She is forcing them to overborrow so that she can step up her bleeding of them. For example, in 1970 Poland owed only $770 million to Western creditors; but by the end of 1975, her floating debt to capitalist banks was up to $6.8 billion. The comparable figures for East Germany are $990 million and $3.7 billion.

The plight of Hungary is equally symptomatic of the gathering crisis. Russia had been shipping oil to Hungary for 40 percent under the cartel price. She has just rescinded the discount and stepped up her food requisitions. Historically, Hungary has been the granary of Central Europe; now it is seething with food riots.

Suddenly, "debt rescheduling" is an issue whose time has come. Until Moscow ran out of willing lenders, only the over-borrowed debtors of the Third World have been pressing for a moratorium in one form or another. Now she is beginning to fear it may be necessary.

The sparring between the Third World prodigals and their capitalist angels is an ominous reminder of the pragmatic definition of bankruptcy: "when you can no longer borrow the interest." In the climactic preliminaries to the formalization of bankruptcy, when lenders are under pressure to engineer a credit Watergate and borrowers have nothing to lose by resorting to blackmail, forced borrowing is accelerated. But none of the cash generated by borrowing flows through the system of the sick borrower. The frightened lender needs all of it recycled into interest payments to protect the credit coverup.

Russia's distress is genuine. There's no doubt that she wants to fight a rear-guard action against the increasing inevitability of debt rescheduling. But there's no way that Russia can tide herself or her creditors over the brewing crisis without admitting that her bullying will not save her from bankruptcy, that her squandering of resources on armaments will not save her from austerity, and that her distress gold selling won't begin to pay her interest—let alone raise new money. It has taken this trip to the brink of bankruptcy to force the Kremlin to recognize, however grudgingly, the common interest which now binds Communist mendicants to capitalist benefactors.

"Kto kuo"—who will conquer whom?—was Lenin's most menacing battle cry. The Kremlin is now too far gone to revive it. Russia has dissipated the sinews of war; but while she is not about to conquer any one she can still drive her creditors to the brink with her. This means that the contributions Russia and the satellites have been making to worldwide business activity with their borrowings is in for a drastic shrinkage.

Gradually, the calamitous implications of a forced rescheduling of Russian and satellite debts are recalling the meaning of the moratorium that triggered the last Depression. But America has the means to save the world financial structure from Russia's weakness. Hopefully, the presidential campaign will focus on the strategy of strength needed to buy the time and sell the resources America has been wasting.

VOTING RECORD OF HON. MARTHA KEYS

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mrs. KEYS. Mr. Speaker, because I think it is important that voters be aware of the actions taken by their elected officials, I am committed to making my positions on proposals before the Congress readily available to all of my constituents. I therefore have compiled a list of all the votes taken during the 94th Congress up through the recess for the Republican Convention and have indicated how I voted on each of these.

The votes are categorized by date in chronological order. Following a brief description of each vote is recorded its outcome, an [X] or an [O] denoting passage or failure, respectively. On those few votes for which I was unavoidably absent I have recorded the position I inserted into the CONGRESSIONAL RECORD following the absence. Such votes are indicated by an *.

The voting record follows:

Proposal	My vote
JAN. 14, 1975	
Election of the Speaker of the House. [Albert won]__	Albert.
H.Res. 5. On ordering the previous question on the resolution, thus ending debate. [X]	Yea.
H.Res. 5. On passage of the Rules of the House for the 94th Congress. [X]	Yea.
FEB. 4, 1975	
H.R. 1589. On passage of a bill to prohibit the implementation of Ford Administration food stamp regulations. [X]	Aye.
FEB. 5, 1975	
H.R. 1767. On passage of a bill to suspend for 90 days the President's authority to increase oil import fees. [X]	Aye.
H.R. 2634. On passage of a bill to increase the temporary debt ceiling, pursuant to a Treasury Department request, to $531 billion through June 30, 1975. [X]	Yea.
FEB. 19, 1975	
H.R. 2051. On passage of a bill authorizing assistance to financially troubled railroads in the Northeast and Midwest. [X]	Nay.
H. Res. 138. On an amendment to give both parties 5 seats on the committee. [O]	No.
H. Res. 138. On passage of a resolution to establish a Select Committee on Intelligence. [X]	Yea.
FEB. 20, 1975	
H.J. Res. 210. On an amendment deleting the appropriation for the renovation and maintenance of an old FBI building for use as additional House office space. [O]	No.
H.J. Res. 210. On passage of supplemental appropriations providing assistance to Northeast and Midwest railroads and monies for additional House office space. [X]	Yea.
FEB. 25, 1975	
H.J. Res. 219. On passage of a resolution extending until Mar. 31, 1975 the continuing resolution under which foreign assistance programs are funded and until June 30, 1975 the funding for certain health and Community Services Administration programs. [X]	Yea.
H.R. 3260. On an amendment which would have disapproved the President's proposed rescission of $284 million for the Hill-Burton hospital construction program. [O]	No.
H.R. 3260. On an amendment approving the rescission request of $123 million for the procurement of 12 Air Force F-111 fighter bombers. [X]	Aye.
H.R. 3260. On passage of a bill to approve $243 million in fiscal 1975 budget rescissions. [X]	Yea.
FEB. 27, 1975	
H.R. 2166. On ordering the previous question on the rule, thus ending debate. [X]	Yea.
H.R. 2166. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 2166. On an amendment which would have retained the depletion allowance on natural gas regulated by the Federal Government. [O]	No.
H.R. 2166. On an amendment which would have retained the depletion allowance for the first 3,000 barrels of oil, or 18 mcf of natural gas, produced daily by an independent producer. [O]	No.
H.R. 2166. On an amendment which would have retained a 15 percent depletion allowance until 1985 on oil pumped from the Northern Slope oil fields in Alaska. [O]	No.
H.R. 2166. On an amendment repealing the 22 percent oil and gas depletion allowance, effective Jan. 1, 1975. [X]	Aye.
H.R. 2166. On an amendment which would have cut taxes by $12.1 billion instead of $16.2 billion. [O]	No.
H.R. 2166. On passage of a bill cutting individual and business income taxes and repealing the oil and gas depletion allowance. [X]	Aye.
MAR. 4, 1975	
H. Con. Res. 133. On passage of a resolution expressing the sense of the Congress that the Federal Reserve should conduct monetary policy in the first half of 1975 so as to lower long-term interest rates. [X]	Yea.
MAR. 10, 1975	
H.R. 4075. On an amendment which would have approved a proposed budget rescission for 25 programs in the Department of HEW. [O]	No.
H.R. 4075. On passage of a bill rescinding $16.5 million in fiscal 1975 appropriations for several federal agencies. [X]	Yea.
MAR. 11, 1975	
H.R. 1767. On a motion to refer to the Ways and Means Committee President Ford's veto message on a bill suspending for 90 days the President's authority to increase oil import fees. [X]	Yea.
MAR 12, 1975	
H.R. 4481. On a motion to recommit the bill with instructions to the Appropriations Committee. [O]	No.
H.R. 4481. On passage of a bill making supplemental appropriations in fiscal 1975 to stimulate employment. [X]	Yea.
MAR. 13, 1975	
H.R. 4592. On passage of a bill making appropriations in fiscal 1975 for foreign military and economic aid. [X]	Nay.
MAR. 14, 1975	
H.R. 25. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 25. On an amendment to require the Director of the Office of Surface Mining Reclamation and Enforcement to report directly to the Assistant Secretary of the Interior for Land and Water Resources rather than to the Assistant Secretary for Mineral Resources. [X]	Aye.
H.R. 25. On an amendment which would have transferred the responsibility for administering strip mining regulations from the Department of the Interior to the Environmental Protection Agency. [O]	Aye.*
MAR. 17, 1975	
H.R. 25. On an amendment which would have abolished the reclamation fee on coal and instead financed the reclamation of abandoned strip mined lands with $200 million per year from Outer Continental Shelf leasing revenues. [O]	No.
H.R. 25. On an amendment which would have prohibited strip mining on slopes over 20°. [O]	Aye.
MAR. 18, 1975	
H.J. Res. 258. On passage of a resolution designating Mar. 21, 1975 as Earth Day. [X]	Yea.
H.R. 25. On an amendment which would have prohibited strip mining in national grasslands. [O]	Aye.
H.R. 25. On an amendment which would have deleted the section in the bill exempting anthracite coal mines from coverage under the new law if they were already covered by state environmental standards. [O]	No.
H.R. 25. On passage of a bill to set minimum Federal standards for the regulation of surface mining and the reclamation of strip mined lands. [X]	Yea.
H.R. 4296. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAR. 19, 1975	
H. Res. 314. On confirming the nomination of Neil O. Staebler for appointment to the Federal Election Commission. [X]	Yea.
H.R. 4296. On an amendment which would have lowered the cotton target price from 45 to 38 cents per pound and the loan rate from 40 to 38 cents per pound. [O]	Aye.
H.R. 4296. On an amendment lowering the cotton target price from 48 to 45 cents per pound and the loan rate from 40 to 38 cents per pound. [X]	Aye.
H.R. 4296. On an amendment which would have retained 1974 target prices for 1975 crops of cotton, corn, and wheat with adjustments to reflect increased production costs, and reduced the laon rate for corn from $1.87 to $1.34 per bushel and for wheat from $2.50 to $1.67 per bushel. [O]	No.
MAR. 20, 1975	
H.R. 4296. On an amendment to keep the existing dairy support price of 80 percent of parity, but retaining a provision in the bill for quarterly cost-of-living adjustments. [X]	Aye.
H.R. 4296. On an amendment which would have raised the existing 80 percent dairy support to 82 percent of parity beginning with the third quarter of 1975. [O]	No.
H.R. 4296. On a motion to recommit the bill with instructions to the Agriculture Committee. [O]	Nay.
H.R. 4296. On passage of a bill adjusting the target prices and loan rates for 1975 crops of wheat, corn, cotton and feed grains, and setting dairy prices supports at 80 percent of parity. [X]	Yea.
H.R. 4485. On ordering the previous question on the rule, thus ending debate. [X]	Aye.
MAR. 21, 1975	
H. Res. 267. On a motion to recommit the resolution with instructions to the House Administration Committee. [O]	Nay.
H. Res. 150. On an amendment which would have reduced from $30,000 to $6,000 the amount authorized for travel. [O]	Nay.
H.R. 4485. On an amendment which would have increased the value of houses eligible for subsidy assistance from $42,000 to $48,000 in 11 metropolitan areas. [O]	No.
H.R. 4485. On an amendment which would have allocated 50 percent of the bill's subsidy assistance for the purchase of new housing and 50 percent for preexisting homes. [O]	No.
H.R. 4485. On an amendment which would have required that anyone receiving a 6 percent interest mortgage subsidy must commit 25 percent of their income toward mortgage payments, taxes, and insurance. [O]	No.
H.R. 4485. On an amendment in the nature of a substitute bill which sought to expand the existing Home Purchase Assistance Act of 1974 by providing for the Government National Mortgage Association (GNMA) to purchase mortgages and by increasing the amount of mortgages the GNMA can hold at one time. [O]	No.
H.R. 4485. On passage of a bill providing temporary emergency assistance to subsidize mortgages on housing purchases by middle income persons. [X]	Yea.
MAR. 22, 1975	
H.R. 2166. On a motion to request a conference committee with the Senate. [X]	Yea.
MAR. 24, 1975	
H.R. 4592. On agreeing to the rule under which the conference report on the bill would be considered. [X]	Nay.*
H.R. 4592. On agreeing to the conference report on a bill making appropriations in fiscal 1975 for foreign economic and military aid. [X]	Nay.*
H. Con. Res. 133. On agreeing to the conference report on a concurrent resolution expressing the sense of the Congress that the Federal Reserve should conduct monetary policy in the first half of 1975 so as to lower long-term interest rates. [X]	Yea.
H.R. 4222. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAR. 25, 1975	
H.R. 3260. On agreeing to the conference report on a bill approving $243 million in fiscal 1975 budget rescissions. [X]	Yea.
H.R. 4222. On an amendment to delete a provision in the bill providing a subsidy for the difference between 35 cents and the actual cost of the meal. [X]	Aye.
H.R. 4222. On a motion that the committee rise, the effect of which would have been to postpone further consideration of the bill until after the Easter recess. [X]	Aye.
MAR. 26, 1975	
H.R. 2166. On agreeing to the rule under which the conference report on the bill would be considered. [X]	Aye.
H.R. 2166. On a motion to recommit the conference report to the conference committee.[O]	Nay.
H.R. 2166. On agreeing to the conference report on a bill cutting individual and business income taxes and repealing the oil and gas depletion allowance. [X]	Yea.
n.Res. 27. On agreeing to the resolution providing for conditional adjournment of the House and Senate from Mar. 26 to Apr. 7, 1975. [X]	Aye.
APR. 8, 1975	
H.R. 3922. On passage of a bill authorizing appropriations in fiscal 1976–79 for programs assisting the elderly under the Older Americans Act and for senior volunteer programs run by ACTION. [X]	Yea.
H.J. Res. 148. On passage of a resolution to designate Apr. 24, 1975 as "National Day of Remembrance of Man's Inhumanity to Man." [X]	Yea.
APR. 9, 1975	
H.R. 4700. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter for the National Aeronautics and Space Administration. [X]	Yea.
.R. 4723. On an amendment which would have required specific Congressional approval of funding for promotion and marketing of any NSF curriculum programs. [O]	No.
R. 4723. On an amendment which would have required local school boards to hold public hearings on the use of NSF-funded courses. [O]	No.
H.R. 4723. On an amendment requiring the NSF to submit to Congress every 30 days a list of all proposed grants and allowing either House of Congress 30 days to disapprove any of the grants. [X]	No.
H.R. 4723. On passage of a bill authorizing appropriations in fiscal 1976 for the National Science Foundation. [X]	Yea.
S. 1310. On passage of a bill authorizing appropriations to extend special summer food service programs for children through Sept. 30, 1975. [X]	Yea.
H.R. 37. On passage of a bill authorizing appropriations in fiscal 1976 to administer the standard reference data system. [X]	Yea.
APR. 10, 1975	
H.R. 4005. On passage of a bill authorizing appropriations in fiscal 1976–77 for Federal programs for the developmentally disabled. [X]	Yea.
APR. 14, 1975	
H.R. 5398. On passage of a bill authorizing appropriations for temporary mortgage assistance for unemployed homeowners facing foreclosure. [X]	Yea.

Proposal	My vote
APR. 15, 1975	
H.J. Res. 375. On passage of a resolution providing additional fiscal 1975 appropriations for Veterans' Administration programs. [X]	Yea.
H.R. 5899. On passage of a bill making supplemental fiscal 1975 appropriations to several Federal departments and agencies. [X]	Yea.
APR. 16, 1975	
H. Res. 46. On passage of a resolution amending the Code of Official Conduct of the House to provide that any Member who has pleaded guilty to, or has been convicted of a crime carrying a sentence of 2 or more years should refrain from voting on the floor or in committee. [X]	Yea.
H.R. 5901. On an amendment which would have increased funding for only 4 instead of 13 programs. [O]	No.
H.R. 5901. On an amendment increasing funding for 13 educational programs. [X]	Aye.
H.R. 5901. On an amendment to prohibit the Department of HEW from issuing regulations to require integration by sex in physical education classes, fraternities, and service organizations. [X]	No.
APR. 17, 1975	
H.R. 46. On an amendment in the nature of a substitute which would have narrowed the definition of youth camps and authorized grants to the States to develop their own camp safety standards. [O]	No.
H.R. 46. On passage of a bill authorizing appropriations to assist States in developing and implementing youth camp safety standards. [X]	Aye.
APR. 21, 1975	
H.R. 3787. On passage of a bill making environmental impact statements prepared by States acceptable for federal highway projects in New York, Vermont, and Connecticut, if adopted by Federal officials. [X]	Nay.
H.R. 3130. On passage of a bill making environmental impact statements prepared by States acceptable if a Federal official participated in the preparation of the statement. [X]	Yea.
APR. 22, 1975	
H.R. 5541. On passage of a bill allowing Federal agencies to modify or cancel fixed-price contracts with small businesses where unanticipated cost increases have adversely impacted them. [X]	Yea.
H.R. 4296. On agreeing to the conference report on a bill raising target prices and loan rates for 1975 crops of wheat, corn, cotton, and feed grains, and setting dairy price supports at 80 percent of parity. [X]	Aye.
H.R. 6096. On agreeing to the rule under which the bill would be considered. [X]	Yea.
APR. 23, 1975	
H.R. 6096. On a procedural motion, the intent of which was to delay consideration of the bill. [O]	Nay.
H.R. 6096. On a motion to resolve into the Committee of the Whole for consideration of the bill. [X]	Yea.
H.R. 6096. On an amendment to prohibit the use of funds to aid the Democratic Republic of Vietnam or the Provisional Revolutionary Government. [X]	No.
H.R. 6096. On an amendment which would have added an additional $150 million for military aid to South Vietnam. [O]	No.
H.R. 6096. On an amendment to add language stating "this Act was made necessary by the flagrant violations of the Paris Peace Agreement by the North Vietnamese and the Viet Cong." [X]	No.
H.R. 6096. On an amendment to clarify the intent of the bill and Congress' war powers. [X]	No.
H.R. 6096. On an amendment which would have restricted to 30 days the use of American armed forces for the evacuation of United States and foreign personnel from South Vietnam. [O]	No.
H.R. 6096. On an amendment which would have channelled humanitarian aid funds to South Vietnam, wherever feasible, through the United Nations, international organizations, and private voluntary agencies. [O]	Aye.
H.R. 6096. On a motion that the committee rise, the intent of which being to delay further consideration of the bill. [O]	No.
H.R. 6096. On an amendment which would have deleted a provision waiving prohibitions in 5 public laws against the U.S. Armed Forces in Indochina. [O]	Aye.
H.R. 6096. On an amendment which would have limited to 10 days the use of American forces to accomplish the evacuation. [O]	Aye.
APR. 24, 1975	
H.R. 6096. On an amendment which would have set a 10-day limit on evacuation, provided $150 million for humanitarian assistance to South Vietnam, and required that the assistance be distributed through international agencies. [O]	Aye.
H.R. 6096. On an amendment adding language stating "this Act was made necessary by the flagrant violations of the Paris Peace Agreement by the North Vietnamese and Viet Cong." [X]	No.
H.R. 6096. On an amendment to prohibit the use of funds to aid the Democratic Republic of Vietnam or the Provisional Revolutionary Government [X]	No.
H.R. 6096. On an amendment which would have limited assistance to areas of South Vietnam not controlled by the Communists. [O]	Aye.
H.R. 6096. On passage of a bill authorizing humanitarian assistance and evacuation programs in South Vietnam. [X]	No.
H.R 4111. On passage of a bill to modify and strengthen the regulatory powers of the Securities and Exchange Commission. [X]	Yea.
H.R. 4975. On an amendment which would have deleted a provision increasing the maximum salary of the Amtrak president. [O]	Aye.
H.R. 4975. On passage of a bill authorizing appropriations in fiscal 1977 for Amtrak. [X]	Yea.
APR. 28, 1975	
H.R. 4222. On an amendment to provide a supplemental 5 cent subsidy in fiscal 1976 for each school lunch sold at the regular price. [X]	Aye.
H.R. 4222. On an amendment that would have required the Secretary of Agriculture to make grants to agencies that States determined were capable of administering supplemental feeding programs for pregnant women, infants, and children. [X]	Aye.
H.R. 4222. On a motion to recommit the bill with instructions to the Education and Labor Committee. [O]	Nay.
H.R. 4222. On passage of a bill authorizing appropriations in fiscal 1976 for the Federal school lunch and breakfast programs, and expanding the supplemental feeding program for the WIC program. [X]	Aye.
MAY 1, 1975	
H.R. 6096. On a procedural motion, the defeat of which would have delayed consideration of the conference report on the bill. [X]	Yea.
H.R. 6096. On agreeing to the conference report on a bill authorizing humanitarian assistance and evacuation programs in South Vietnam. [O]	Nay.
H. Con. Res. 218. On an amendment to set budget outlays at $361 billion. [X]	No.
H. Con. Res. 218. On an amendment to close certain tax loopholes, thus raising Federal revenues by $3 billion. [X]	Aye.
H. Con. Res. 218. On an amendment which would have set budget outlays at $299.5 billion. [O]	No.
H. Con. Res. 218. On an amendment which would have set budget outlays at $350 billion. [O]	No.
H. Con. Res. 218. On an amendment setting budget outlays at $368 billion. [X]	Aye.
H. Con. Res. 218. On passage of a resolution setting forth fiscal 1976 budget targets of $368.2 billion in outlays and $298.1 billion in revenues. [X]	Yea.
MAY 5, 1975	
H.R. 5272. On passage of a bill authorizing appropriations in fiscal 1976–7 for the Environmental Protection Agency's noise control program. [O]	Nay.
H.R. 1244. On passage of a bill establishing procedures and regulations for certain protective services provided by the Secret Service. [X]	Yea.
H.R. 5158. On passage of a bill authorizing payments to the former inhabitants and descendants of Bikini Atoll, which was used by the United States as a nuclear bomb test site in 1946. [X]	Yea.
S. 326. On passage of a bill authorizing appropriations in fiscal 1975 for the U.S. Trust Territory of the Pacific Islands, including funds enabling the Mariana Islands to change to commonwealth status. [X]	Nay.
MAY 6, 1975	
H.R. 4510. On passage of a bill authorizing funds for the disposal of old and the purchase of new properties in the United Arab Republic. [X]	Yea.
H.R. 5810. On passage of a bill authorizing funds in fiscal 1976–77 for the construction, acquisition, operation and maintenance of buildings for the State Department, USIA, and other agencies. [X]	Yea.
S. 1236. On passage of a bill extending the Emergency Livestock Credit Act of 1974 until Dec. 21, 1976, increasing Federal loan guarantees from 80 percent to 90 percent, and increasing the loan repayment time from 5 to 7 years. [X]	Yea.
MAY 7, 1975	
S. Con Res. 23. On a motion to recommit the resolution to the House Administration Committee. [O]	Nay.
S. Con. Res. 23. On passage of a resolution authorizing the printing of 20,000 additional copies of "Congressional Program of Economic Recovery and Energy Sufficiency." [X]	No.
H.R. 25. On agreeing to the conference report on a bill setting minimum Federal standards for the regulation of surface mining and the reclamation of strip-mined lands. [X]	Yea.
H.R. 4114. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 4114. On passage of a bill authorizing appropriations for the remainder of fiscal 1975 and in fiscal 1976 for the National Health Service Corps. [X]	Yea.
H.R. 4115. On passage of a bill authorizing appropriations in fiscal 1976–78 for Federal programs to assist nursing schools and nursing students. [X]	Yea.
MAY 8, 1975	
H.R. 6209. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 6209. On an amendment which would have allowed Federal savings and loan associations to offer variable rate mortgages for an experimental period in States which already permit the offering of such loans. [O]	No.
H.R. 6209. On an amendment which would have ended the prohibition on variable rate mortgages on June 30, 1977. [O]	No.
H.R. 6209. On passage of a bill to prohibit the Federal Home Loan Bank Board from allowing Federal savings and loan associations from offering variable rate mortgages on 1 to 4 family dwelling units. [X]	Yea.
MAY 12, 1975	
H.R. 6573. On passage of a bill approving $17.9 million in budget rescissions. [X]	Yea.
H.R. 3902. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 3902. On passage of a bill authorizing appropriations in fiscal 1976 for shipbuilding and other Maritime Administration programs. [X]	Nay.
MAY 13, 1975	
H.R. 4296. On overriding the President's veto of a bill raising target prices and loan rates for 1975 crops of wheat, corn, cotton, and feed grains, and setting dairy price supports at 80 percent of parity. [O]	Yea.
H.R. 5357. On passage of a bill authorizing appropriations in fiscal 1976–79 to promote tourism in the United States through programs of the Department of Commerce. [X]	Yea.
MAY 14, 1975	
H.R. 6755. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H. Con. Res. 218. On agreeing to the conference report on a resolution setting fiscal 1976 budget targets of $367 billion in outlays and $298.2 billion in revenues. [X]	Yea.
H.R. 6755. On an amendment which would have required the President to report to Congress every 30 days on the progress of the refugee program. [O]	Aye.
H.R. 6755. On an amendment which would have imposed domestic relief standards on the Indochina refugee assistance programs. [O]	No.
H.R. 6755. On an amendment which would have authorized the use of funds for educational assistance after Sept. 30, 1977. [O]	Aye.
H.R. 6755. On an amendment to substitute a $507 million authorization for an open-ended authorization. [X]	Aye.
H.R. 6755. On passage of a bill authorizing appropriations through fiscal 1977 for support and resettlement of Vietnamese and Cambodian refugees in the United States. [X]	Yea.
H.R. 4481. On agreeing to the conference report on a bill making appropriations of fiscal 1975 funds to stimulate employment. [X]	Yea
H.R. 4481. On an amendment to a Senate amendment to the conference report that would have appropriated funds for the restoration of railroads. [O]	Aye.
MAY 15, 1975	
H.R. 6674. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAY 19, 1975	
H.R. 4073. On passage of a bill authorizing appropriations for highway and nonhighway programs under the Appalachian Regional Development Act. [X]	Yea.
H.R. 12. On passage of a bill increasing the size of the Executive Protective Service. [X]	Yea.
H.R. 5710. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter to regulate ocean dumping and establish marine sanctuaries. [X]	Yea.
H.R. 6674. On an amendment which would have deleted $260.3 million for the AWACS command and control aircraft. [O]	Aye.
H.R. 6674. On an amendment which would have deleted $46 million for the Civil Reserve Air Fleet. [O]	Aye.
H.R. 6674. On an amendment which would have deleted $108 million for procurement of the B-1 bomber. [O]	Aye.

Proposal	My vote
MAY 20, 1975	
H.R. 5247. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 5247. On passage of a bill authorizing appropriations for local public works projects. [X]	Yea.
H.R. 6674. On an amendment which would have prohibited the flight testing of maneuverable reentry vehicles (MARV) on ballistic missile systems. [O]	Aye.
H.R. 6674. On an amendment which would have reduced the number of U.S. troops stationed overseas by 70,000. [O]	Aye.
H.R. 6674. On an amendment which would have provided 5,000 additional civilian personnel for the Department of Defense. [O]	No.
H.R. 6674. On an amendment to the following amendment which would have substituted language directing the Secretary of Defense to instead study the feasibility of establishing a separate academy to train women for careers in the Armed Forces. [O]	No.
H.R. 6674. On an amendment to permit women to enter the U.S. Army, Air Force, and Naval Academies on the same basis as men. [X]	Aye.
H.R. 6674. On an amendment which would have reduced the ceiling on the authorization for procurement and R. & D. of new weapons systems from $26.54 billion to $24.64 billion. [O]	Aye.
H.R. 6674. On an amendment which would have required the Secretary of Defense to submit to Congress every 30 days a list of defense contracts, subcontracts and grants. [O]	Aye.
H.R. 6674. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter for Department of Defense weapons procurement and research and development programs. [X]	No.
MAY 21, 1975	
H.R. 25. On a motion to postpone consideration of the President's veto of the bill. [X]	Yea.
H.R. 6950. On an amendment which would have prohibited the use of funds in the bill to pay for increases in Members' allowances approved by the House Administration Committee on May 20, 1975. [O]	No.
H.R. 6950. On an amendment which would have limited the authority of the House Administration Committee to increase Members' allowances in fiscal 1976. [O]	No.
H.R. 5727. On passage of a bill restructuring the U.S. Parole Board as the U.S. Parole Commission within the Justice Department. [X]	Yea.
H.R. 6900. On passage of a bill extending unemployment benefits to unemployed persons who had exhausted regular benefits or who were previously ineligible. [X]	Yea.
MAY 22, 1975	
H.R. 5899. On agreeing to the conference report on a bill making supplemental fiscal 1975 appropriations. [X]	Yea.
H.R. 5899. On a motion that the House concur in a Senate amendment reaffirming congressional consent to construction of a locks and dam project on the Mississippi River at Alton, Ill. [O]	Nay.
H.R. 5899. On a motion that the House concur in a Senate amendment appropriating funds to repair railroad facilities. [O]	Nay.
S. Con. Res. 42. On a resolution providing for the conditional adjournment of Congress from May 22 to June 2, 1975. [X]	Yea.
JUNE 2, 1975	
H.R. 5899. On an amendment to a Senate amendment to the conference report appropriating $5 million of the funds in the bill for administrative planning of railroad assistance programs. [X]	Yea.
JUNE 3, 1975	
H.R. 6219. On an amendment which would have applied coverage of the Voting Rights Act only to jurisdictions where minorities comprise more than 5 percent of the voting population and where less than 50 percent of minority voters voted in the previous general election. [O]	No.
H.R. 6219. On an amendment which would have exempted from coverage of the Act states and political subdivisions where (1) 60 percent of minority voters voted in the previous federal election; (2) the jurisdiction is taking affirmative action to encourage participation of minority voters; and (3) the jurisdiction was free of voting rights violations for the previous 5 years. [O]	No.
H.R. 6219. On an amendment which would have repealed provisions of the Voting Rights Act under which a state in violation of the act must obtain prior approval of election law changes from the Department of Justice. [O]	No.
H.R. 6219. On an amendment which would have provided a 10-year extension of the ban on literacy tests rather than a permanent ban. [O]	No.
H.R. 6219. On an amendment which would have deleted Title II, which expands protections to cover Spanish Americans, Asian Americans, American Indians and Alaskan Natives. [O]	No.
H.R. 6219. On an amendment which would have deleted Alaskan Natives from the definition of language minorities. [O]	No.
JUNE 4, 1975	
H.R. 4481. On overriding the President's veto of a bill making appropriations in fiscal 1975 to stimulate employment. [O]	Yea.
H.R. 6219. On an amendment which would have excluded persons whose dominant language is English from "language minorities" included in the special remedies of the Voting Rights Act. [O]	No.
H.R. 6219. On an amendment to substitute the word "citizens" for "persons" in language outlining conditions necessary to trigger coverage under the Voting Rights Act. [X]	No.
H.R. 6219. On an amendment which would have expanded the definition of language minority to all persons whose principal spoken language is other than English. [O]	No.
H.R. 6219. On passage of a bill to extend the Voting Rights Act through 1985. [X]	Aye.
JUNE 5, 1975	
H.R. 4485. On agreeing to the conference report on a bill providing temporary emergency assistance to subsidize mortgages on housing purchases by middle income persons. [X]	Yea.
H.R. 4035. On an amendment which would have allowed the Emergency Petroleum Allocation Act to expire on Aug. 31, 1975, instead of extending it until Dec. 31, 1975. [O]	No.
H.R. 4035. On passage of a bill to extend from Aug. 31, 1975 to Dec. 31, 1975 the expiration date of the Emergency Petroleum Allocation Act. [X]	Yea.
H.R. 4925. On a motion to recommit the bill to the Committee on Interstate and Foreign Commerce. [O]	Nay.
JUNE 9, 1975	
H.R. 5899. On a motion that the House disagree with a Senate amendment to the conference report that appropriates $175 million for a rail rehabilitation program, thereby reaffirming a House amendment appropriating $5 million for administrative planning of rail assistance programs. [X]	Yea*.
H.R. 6860. On ordering the previous question on the rule, thus ending debate [X]	Yea*.
S. 818. On passage of a bill to authorize funds for the U.S. share of expenses of United Nations peacekeeping forces in the Middle East. [X]	Yea.
JUNE 10, 1975	
HR. 25. On overriding the President's veto of a bil setting minimum Federal standards for the regulation of surface mining and the reclamation of strip mined lands. [O]	Yea.
H. J. Res. 492. On passage of a resolution making appropriations in fiscal 1975 for summer youth employment programs. [X]	Yea.
H.R. 6860. On an amendment which would have made the Federal Government the sole purchasing authority for imported oil. [O]	Aye.
H.R. 6860. On an amendment to delete a provision empowering the government to start a voluntary program of foreign oil purchases to stabilize prices and supplies. [X]	No.
H.R. 6860. On an amendment which would have deleted a provision establishing oil import quotas of 6 million barrels a day in 1975 and 1976, 6.5 million in 1977; 6 million in 1978, and 5.5 million in 1979 and thereafter. [O]	No.
JUNE 11, 1975	
H.R. 6860. On an amendment to increase oil import quotas in 1979 from 5.5 million to 6 million barrels a day, and in 1980 and thereafter from 5.5 million to 6.5 million barrels a day. [X]	No.
H.R. 6860. On an amendment which would have required that petroleum import quotas be raised by amounts determined by the Federal Power Commission to be necessary to compensate for natural gas curtailments. [O]	No.
H.R. 6860. On an amendment to delete the additional Federal gasoline tax of up to 20 cents per gallon. [X]	Aye.
H.R. 6860. On an amendment to delete the additional gasoline tax of 3 cents per gallon in 1976 to raise revenues for an energy development trust fund. [X]	No.
JUNE 12, 1975	
H.R. 6860. On an amendment which would have imposed a per-car excise tax on fuel inefficient autos beginning in model year 1977. [O]	Aye.
H.R. 6860. On an amendment which would have prohibited the importation or manufacture of cars which fail to meet Federal fuel efficiency standards. [O]	Aye.
H.R. 6860. On an amendment which would have imposed a fine on manufacturers of cars which fail to meet Federal fuel efficiency standards. [O]	Aye.
H.R. 6860. On an amendment to impose fines on automobile manufacturers or importers if fleetwide auto efficiency standards were not met. [X]	Aye.
H.R. 6860. On an amendment which would have phased out the excise tax on radial tires by 1980, instead of repealing it immediately. [O]	No.
H.R. 6860. On an amendment which would have deleted tax credits for installation of insulation in one's permanent residence. [O]	No.
JUNE 13, 1975	
H.R. 6860. On an amendment to increase the tax credit for installation of residential solar energy equipment. [X]	No.
H.R. 6860. On an amendment which would have reduced the funds earmarked for an energy conservation and development trust fund by the cost in revenue of the tax incentives in the bill. [O]	No.
H.R. 6860. On an amendment which would have required that at least 25 percent of the energy trust fund be allocated for research and demonstration projects in local and regional transportation systems. [O]	No.
JUNE 16, 1975	
H.R. 1607. On passage of a bill to provide newspapers with an exemption, equivalent to that provided to radio and television stations, from laws prohibiting the publication of lottery information. [X]	Yea*.
H.R. 7222. On passage of a bill to increase from one-third to one-half the Federal Government's contribution to the cost of employee group life insurance. [O]	Yea.
H.R. 7767. On passage of a bill increasing the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation. [X]	Yea.
On accepting the resignation of Representative Lucien N. Nedzi (Democrat of Michigan) as chairman of the House Select Committee on Intelligence. [O]	Yea.
H.R. 7545. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 7545. On an amendment which would have made the increase in the debt limit permanent rather than temporary. [O]	No.
H.R. 7545. On an amendment to increase the debt ceiling to $599.9 billion instead of to $616.1 billion. [X]	Aye.
H.R. 7545. On passage of a bill increasing the temporary debt ceiling, pursuant to a Treasury Department request, to $599.9 billion through Mar. 31, 1976. [O]	Nay.
JUNE 17, 1975	
H.R. 4723. On a motion to instruct House conferees to insist on a House amendment to provide for congressional review of all NSF grants. [O]	Nay.
H.J. Res. 499. On passage of a resolution to make continuing appropriations of fiscal 1976 funds for various departments and agencies. [X]	Yea.
H.R. 6860. On an amendment which would have deleted language establishing an Energy Conservation and Conversion Trust Fund. [O]	No.
JUNE 18, 1975	
H.R. 6799. On an amendment to give the prosecutor rather than a judicial officer the authority to determine whether a summons or a warrant should be issued, thus conforming the rule to current practice. [X]	No.
H.R. 6799. On an amendment which would have deleted the provision that would require the prosecutor to reveal to the defendant before trial the names and addresses of Government witnesses. [O]	No.
JUNE 19, 1975	
H.R. 7950. On an amendment which would have reduced the amount of the authorization for the Federal Election Commission from $7.8 million to $2.6 million, and the term of the authorization from 18 months to 6 months. [O]	Nay.
H.R. 6860. On an amendment which would have made investments in solar energy manufacturing facilities eligible for rapid 5-year tax depreciation schedules. [O]	No.
H.R. 6860. On an amendment to delete a section providing a 10-percent investment tax credit for the purchase of recyclable materials and recycling equipment. [X]	Aye.
H.R. 6860. On a motion to recommit the bill to the Ways and Means and Interstate and Foreign Commerce Committees. [O]	Nay.
H.R. 6860. On passage of a bill to promote energy conservation through tax incentives, establish oil import quotas, and create an energy conservation trust fund. [X]	Yea.
On a motion that the House meet at 10 a.m. on June 20, 1975, instead of at noon. [X]	Yea.
JUNE 20, 1975	
H.R. 3474. On an amendment which would have deleted $92 million in funding for long leadtime items for the Clinch River breeder reactor demonstration project and to limit the authorization for the reactor to 1 year. [O]	Aye.
H.R. 3474. On an amendment which would have deleted $804 million for nuclear warhead production and testing. [O]	Aye.
H.R. 3474. On passage of a bill to authorize appropriations in fiscal 1976 and the transition quarter for the Energy Research and Development Administration. [X]	Yea.

Proposal	My vote
JUNE 20, 1975—Continued	
H.R. 7001. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 7001. On an amendment which would have prohibited the export of nuclear fuel or nuclear technology to countries not signers of the nuclear nonproliferation treaty or which do not place their nuclear facilities under international nuclear safeguards. [O]	Yea.
H.R. 7001. On an amendment which would have prohibited the transportation of plutonium by air until the Nuclear Regulatory Commission certified to Congress that a rupture proof container had been developed. [X]	Yea.
H.R. 7001. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter for the Nuclear Regulatory Commission. [X]	Yea.*
JUNE 23, 1975	
H.R. 6799. On passage of a bill revising the rules governing federal criminal cases. [X]	Yea.
H.R. 6676. On agreeing to the rule under which the bill would be considered. [X]	Aye.
H.R. 6676. On passage of a bill to require the Federal Reserve Board to obtain periodic reports from a sample of the Nation's 200 largest federally insured banks on the amount of funds they were lending. [O]	Yea.
H.R. 5358. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter to implement the Federal Railroad Safety Act and the Hazardous Materials Transportation Act. [X]	Yea.
H.R. 7500. On passage of a bill authorizing appropriations in fiscal 1976 for the Department of State. [X]	Yea.
H.R. 6434. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter for the Peace Corps. [X]	Yea.
JUNE 24, 1975	
H.R. 8070. On an amendment which would have deleted all funding for the sec. 8 rent subsidy program. [O]	No.
H.R. 8070. On an amendment which would have reduced federal subsidies for sec. 8 housing. [O]	No.
H.R. 8070. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the Department of Housing and Urban Development and independent agencies. [X]	Yea.
H.R. 8030. On passage of a bill increasing the temporary debt ceiling, pursuant to a Treasury Department request, to $577 billion through Nov. 15, 1975. [X]	Yea.
H.R. 8122. On an amendment which would have deleted $1 billion appropriated to the Energy Research and Development Administration for nuclear warhead development. [O]	Aye.
H.R. 8122. On an amendment which would have increased the appropriation for solar energy research and development. [O]	Aye.
H.R. 8122. On an amendment which would have deleted the $1.45 million appropriated for the Dickey-Lincoln School hydroelectric project in Maine. [O]	Aye.
H.R. 8122. On an amendment which would have prohibited the use of funds for the Trinity River project in Texas. [O]	Aye.
H.R. 8122. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for public works, water and power development, and energy research and development. [X]	Aye.
JUNE 25, 1975	
H.R. 4485. On overriding the President's veto of a bill to provide temporary emergency assistance to subsidize housing purchases by middle income persons. [O]	Yea.
H.R. 8069. On an amendment which would have prohibited the use of funds by the Occupational Safety and Health Administration to issue penalties for 1st violations of Federal job safety rules by firms employing 25 or fewer employees. [O]	No.
H.R. 8069. On an amendment increasing the appropriation for maternal and child health programs. [X]	Aye.
H.R. 8069. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the Departments of Labor, HEW, and related agencies. [X]	Yea.
JUNE 26, 1975	
H.R. 8121. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 8121. On an amendment to prohibit the use of funds in the bill to negotiate the relinquishment of any U.S. rights in the Panama Canal Zone. [X]	Aye.
H.R. 8121. On an amendment to increase the appropriation for the Justice Department's Antitrust Division. [X]	Aye.
H.R. 8121. On an amendment which would have increased the appropriation for the Immigration and Naturalization Service. [O]	Aye.
H.R. 8121. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies. [X]	Yea*
JULY 8, 1975	
H.R. 5608. On passage of a bill to extend the Wetlands Loan Act through fiscal 1983. [X].	Yea.
H.R. 49. On an amendment which would have retained military control of the naval petroleum reserves and the oil produced therefrom for military purposes. [O]	No.
H.R. 49. On passage of a bill to transfer control of naval petroleum reserves to the Interior Department and create a national petroleum reserve on lands owned by the Federal Government. [X]	Yea.
JULY 9, 1975	
H.R. 6706. On agreeing to the rule under which the bill would be considered. [X]	Yea.
S. 555. On passage of a bill to extend the program of emergency loans for farmers, ranchers, and certain other victims of natural disasters. [X]	Yea.
H.R. 7567. On passage of a bill authorizing appropriations in fiscal 1976–77 to fund operations of the Arms Control and Disarmament Agency. [X]	Yea.
H.R. 5884. On passage of a bill authorizing appropriations in fiscal 1976–77 for the Council on International Economic Policy. [X].	Nay.
H.R. 6706. On an amendment which would have maintained the number of high level White House staff jobs at 54 instead of increasing the number to 95. [O]	Aye.
H.R. 6706. On an amendment which would have provided for control over the size of White House staff through the Congressional appropriations process instead of establishing statutory limits on the numbers the President may employ. [O]	No.
JULY 10, 1975	
H.R. 8365. On an amendment which would have prohibited the use of funds for operations of supersonic aircraft within the United States. [O]	Aye.
H.R. 8365. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the Department of Transportation and related agencies. [X]	Aye.
H.R. 7108. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter for the research and development programs of the Environmental Protection Agency. [X]	Yea.
JULY 11, 1975	
H.R. 5546. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 5546. On an amendment to require health professions students either to repay the Federal Government the amounts the school received on their behalf, or practice in a medically underserved area for as many years as their schools received assistance on their behalf. [X]	Aye.
H.R. 5546. On an amendment to delete the provision that would have limited the number of residency positions to 125 percent of the number of U.S. medical school graduates, establish a mechanism to distribute residencies geographically, and encourage residencies in the primary care specialties. [X]	No.
H.R. 5546. On passage of a bill authorizing appropriations in fiscal 1976–78 for Federal health manpower, public health, and allied health programs. [X]	Yea.
JULY 14, 1975	
H.R. 8561. On an amendment to increase by $250 million the appropriation for the Farmers Home Administration revolving loan fund to help small farmers meet federal water pollution control standards. [X]	Aye.
H.R. 8561. On an amendment which would have deleted $3 million for Cotton, Inc., an organization to promote cotton sales and research activities. [O]	Aye.
H.R. 8561. On a motion to recommit the bill to the Agriculture Committee. [O]	Nay.
H.R. 8561. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the Department of Agriculture and related agencies. [X]	Yea.
JULY 15, 1975	
H.R. 7014. On agreeing to the rule under which the bill would be considered. [X]	Yea.*
JULY 16, 1975	
H. Res. 591. On an amendment which would have abolished the House Select Intelligence Committee. [O]	No.
H. Res. 591. On an amendment which would have abolished the House Select Intelligence Committee and create a permanent House-Senate Joint Committee on Intelligence. [O]	No.
H. Res. 591. On a motion that the committee rise. [X]	Aye.
H.R. 5901. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for various education programs. [X]	Yea.
H.R. 5901. On a motion that the House insist on House language prohibiting the Department of HEW from issuing regulations requiring integration by sex in physical education classes, fraternities, and service organizations. [X]	Nay.
H.R. 8597. On an amendment to delete the section which would have prohibited the Internal Revenue Service from denying tax-exempt status to schools and organizations who had not proved that their policies were nondiscriminatory. [X]	Aye.
JULY 17, 1975	
H.R. 8597. On an amendment which would have reduced the funds for the Council on Wage and Price Stability from $1.5 million to $500,000. [O]	Aye.
H.R. 8597. On an amendment which would have prohibited the use of White House funds to pay employees detailed from Government agencies to the White House for full-time service. [O]	Aye.
H.R. 8597. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the Treasury Department, U.S. Postal Service, the Executive Office of the President, and certain independent agencies. [X]	Yea.
H. Res. 591. On an amendment which would have reduced the size of the new Select Committee from 13 members to 7. [O]	No.
H. Res. 591. On an amendment which would have allowed Members presently belonging to the House Select Intelligence Committee created on Feb. 19, to become members of the new committee authorized by this resolution if they so choose. [O]	Aye.
H.R. 4035. On agreeing to the conference report on a bill extending to Dec. 31, 1975, the expiration of the Emergency Petroleum Allocation Act. [X]	Yea.
JULY 18, 1975	
H.R. 5901. On a motion that the House agree to the Senate deletion of a House amendment to prohibit the Department of HEW from issuing regulations to require integration by sex in physical education classes, fraternities, and service organizations. [X]	Yea.
H.R. 7014. On an amendment which would have provided that contingency plans for gasoline rationing and energy conservation would become effective if neither House of Congress disapproved them within 60 days. [O]	Aye.
JULY 21, 1975	
H.R. 6971. On passage of a bill to repeal Federal antitrust law exemptions which allowed States to legalize certain instances of price fixing. [X]	Yea.
H.R. 8240. On passage of a bill to allow the Veterans' Administration to increase the salaries to its doctors and dentists above the basic pay ceiling. [X]	Yea.
H.R. 8598. On passage of a bill to modify the program scheduled to go into effect Aug. 1, 1975, for the collection of child support payments from parents who deserted their families. [X]	Yea.
JULY 22, 1975	
S.J. Res. 23. On passage of a bill to posthumously restore the full rights of citizenship to Gen. Robert E. Lee. [X]	Yea.
H.R. 6950. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for operation of the legislative branch, the Library of Congress, and related agencies controlled by Congress. [X]	Yea.
H. Res. 605. On a resolution disapproving the proposed plan of President Ford to phase out price controls on domestic oil. [X]	Yea.
H.R. 7014. On an amendment which would have provided a gradual decontrol of domestic oil prices, with a price ceiling of $11.28 a barrel on new oil. [O]	No.
JULY 23, 1975	
H.R. 8773. On an amendment to increase funding for the acquisition of wetlands as a habitat for migratory birds. [X]	Aye.
H.R. 8773. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the Department of the Interior and related agencies. [X]	Yea.
H.R. 7014. On an amendment which would have reworded the windfall profits tax condition for the decontrol program. [X]	No.
H.R. 7014. On an amendment which would have decontrolled the price of domestic oil by 1980, contingent upon the enactment of a windfall profits tax. [O]	No.
H.R. 7014. On a motion to limit debate on the following amendment. [X]	No.
H.R. 7014. On an amendment to delete the oil pricing provisions which would have rolled back the price of new domestic oil to $7.50 per barrel, and slightly increased the price of old oil. [X	No*.

Proposal	My vote
JULY 24, 1975	
H.R. 8714. On passage of a bill to increase unemployment and medical benefits for railroad workers. [X]	Yea.
S. 846. On agreeing to the rule under which the bill would be considered. [X]	Yea.
S. 846. On passage of a bill to partially lift the embargo on the shipment of United States arms to Turkey. [O]	Nay.
H.R. 5900. On agreeing to the rule under which the bill would be considered. [X]	Yea.
JULY 25, 1975	
S. 555. On agreeing to the conference report on a bill to extend the program of emergency loans for farmers, ranchers, and certain other victims of natural disasters. [X]	Yea.
H.R. 5900. On an amendment which would have exempted union and nonunion employers not primarily engaged in the construction industry from the common site picketing allowed by the bill. [O]	No.
H.R. 5900. On an amendment to disallow common site picketing where State laws require direct and separate contracts on State or municipal projects. [X]	Aye*.
H.R. 5900. On an amendment which would have prohibited common site picketing on all direct and separate contracts. [O]	No*.
H.R. 5900. On an amendment to prohibit common site picketing designed to force a boycott of products used at a site. [X]	Aye*.
H.R. 5900. On an amendment which would have exempted residential structures of three stories or less without an elevator from common site picketing provisions. [O]	No.*
H.R. 5900. On passage of a bill to amend the National Labor Relations Act to make it legal for a construction union with a grievance against its contractor to picket at the construction site. [X]	Yea*.
JULY 28, 1975	
S. Con. Res. 35. On a resolution expressing congressional approval of a bilateral agreement giving Romania most-favored-nation trade status. [X]	Yea.
H.R. 6219. On a Senate amendment to the Voting Rights Act to extend the act for 7 years instead of 10 years. [X]	Yea.
S. Con. Res. 54. On a resolution providing for a conditional adjournment of Congress from Aug. 1 to Sept. 3, 1975. [X]	Yea.
H.R. 5210. On an amendment to delete $562,000 for construction of facilities at Pine Bluff, Ark., to produce binary nerve gas munitions. [X]	Aye.
H.R. 5210. On an amendment which would have deleted $65 million for construction of the military medical school at Bethesda, Md. [O]	Aye.
H.R. 5210. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter for military construction and family housing. [X]	Yea.
H.R. 6844. On agreeing to the rule under which the bill would be considered. [X]	Yea.
JULY 29, 1975	
S. 66. On overriding the President's veto of a bill to authorize appropriations in fiscal 1976–78 for health revenue sharing and health services, the National Health Service Corps, and nurse training programs. [X]	Yea.
H.R. 3130. On agreeing to the conference report on a bill to clarify Federal and State roles in the preparation of environmental impact statements, making such statements prepared by State officials legal under certain conditions. [X]	Yea.
H.R. 7217. On an amendment which would have reduced the level of funding by changing the formula for distributing grants to the States for the education of handicapped children. [O]	Nay.
H.R. 7217. On passage of a bill providing educational assistance to all handicapped children. [X]	Yea.
H.R. 5272. On passage of a bill authorizing appropriations in fiscal 1976, the transition quarter, and fiscal 1977 for noise control programs administered by the Environmental Protection Agency. [X]	Yea.
H.R. 6844. On an amendment which would have allowed the Consumer Product Safety Commission to regulate defective firearms and ammunition. [O]	Aye.
JULY 30, 1975	
H.R. 6674. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1976 and the transition quarter for Department of Defense weapons procurement and research and development programs. [X]	Nay.
H.R. 8597. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for the Department of the Treasury, the U.S. Postal Service, and the Executive Office of the President. [X]	Yea.
H.R. 8597. On agreeing to a Senate amendment to the conference report that appropriates $5 million to the revolving fund in the U.S. Postal Service which is used for payments to U.S. air carriers who cannot collect from foreign governments fees owed them for carrying mail pursuant to international agreements. [X]	Nay.
H. Res. 653. On agreeing to consider the resolution. [X]	Nay.
H. Res. 653. On agreeing to a resolution that the House agree to Senate amendments to H.R. 2559 (a bill authorizing a work-safety program for postal workers) providing for an automatic cost-of-living pay increase for Members of Congress and top officials of the executive and judicial branches. [X]	Nay.
H.R. 6799. On a motion to recommit the conference report on the bill with instructions to the conference committee. [O]	Yea.
H.R. 7014. On a resolution making it in order for the House to consider an amendment containing the President's oil decontrol plan. [X]	Nay.
H.R. 7014. On an amendment in the form of a substitute to the subsequent amendment to set ceiling prices of $5.25 a barrel for old oil, $7.50 for most new oil, and $10 a barrel for high-cost oil. [X]	Aye.
H.R. 7014. On an amendment, as modified by the previous amendment, that would set ceiling prices on the cost of oil. [X]	Aye.
H. Res. 641. On a resolution disapproving President Ford's plan for the gradual decontrol of the price of domestic oil over a 39-month period. [X]	Yea.
JULY 31, 1975	
S. 1849. On passage of a bill to extend from Aug. 31 until Mar. 1, 1976, the Emergency Petroleum Allocation Act, thus continuing the authority of the Government to control the price of "old" domestic oil. [X]	Yea.
H. Con. Res. 198. On agreeing to a concurrent resolution expressing the opposition of Congress to any change in the present method of providing financial support for military commissaries through appropriations to meet their payroll costs. [X]	Yea.
H.R. 8731. On an amendment which would have deleted provisions giving the Council power to subpoena business records and required periodic reports. [O]	Aye.
H.R. 8731. On passage of a bill extending the authority of the Council on Wage and Price Stability through Sept. 30, 1977. [X]	Yea.
H.R. 7014. On an amendment which would have prohibited joint ventures by major oil companies in developing oil, natural gas, coal, or oil shale resources on federal lands. [O]	Aye.
H.R. 7014. On an amendment which would have prohibited the leasing of Federal mineral lands—other than those where oil is located—to vertically integrated oil companies and the leasing of oil lands to such companies if they own or control interests in competing energy sources. [O]	Aye.
H.R. 7014. On an amendment which would have suspended until May 1, 1976 all lease sales in frontier waters of the Outer Continental Shelf. [O]	Aye.
S. 2230. On a motion that the House adjourn and thus prevent consideration of the bill. [O]	Yea.
S. 2230. On a motion that the House adjourn [O] ----	Yea.
S. 2230. On a motion that the House adjourn. [O] ---	Yea.
S. 2230. On a motion that the House adjourn. [O] ----	Yea.*
S. 2230. On a motion that the House adjourn. [O] ----	Yea.*
S. 2230. On a motion that the House adjourn. [O] ----	Yea.*
AUG. 1, 1975	
H.R. 4723. On agreeing to the rule under which the conference report on the bill would be considered. [X]	Yea.
H.R. 4723. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1976 for the National Science Foundation. [X]	Yea.
H.R. 7014. On a motion that the House resolve itself into the Committee of the Whole for consideration of the bill. [X]	Yea.
H.R. 7014. On a motion to limit debate on the following amendment. [X]	Aye.
H.R. 7014. On an amendment to provide that oil price costs be equitably distributed among refined petroleum producers. [X]	Aye.
H.R. 7014. On a motion to strike the enacting clause from the bill. [O]	No.
H.R. 7014. On an amendment which would have struck the provision exempting small refiners from the requirements of the entitlements program. [O]	No.
SEPT. 3, 1975	
H.R. 4415. On an amendment to delete the extension of the authorization for the Federal Government to pay some of the cost of programs to strengthen State and local government personnel systems. [X]	No.
H.R. 4415. On an amendment which would have deleted the section which authorized grants to public employee unions under certain conditions. [O]	No.
SEPT. 4, 1975	
H.R. 3884. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 3884. On passage of a bill to establish new procedures for the declaration and termination of national emergencies. [X]	Yea.
SEPT. 5, 1975	
H.R. 8674. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 8800. On passage of a bill authorizing appropriations in fiscal 1976–80 for an electric vehicle research and demonstration project. [X]	Yea.
H.R. 8674. On passage of a bill declaring a national policy that the United States convert to the metric system of weights and measures on a voluntary basis. [X]	Yea.
SEPT. 8, 1975	
H.R. 6673. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 8650. On passage of a bill to assist low-income persons in winterizing their dwellings and to encourage states to adopt conservation standards for new buildings. [X]	Yea.
H.R. 6673. On passage of a bill authorizing appropriations in fiscal 1976–8 to create an American Folklife Center in the Library of Congress. [X]	Yea.
SEPT. 9, 1975	
H.R. 5901. On overriding the President's veto of a bill making appropriations in fiscal 1976 and the transition quarter for various education programs. [X]	Yea.
S. 331. On passage of a bill to return the commemoration of Veterans' Day to Nov. 11, effective in 1978. [X]	Yea.
SEPT. 10, 1975	
H.R. 9005. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 9005. On an amendment to deny aid to countries that consistently engage in "gross violations of the internationally recognized human rights" of their citizens. [X]	Aye.
H.R. 9005. On passage of a bill authorizing appropriations in fiscal 1976, the transition quarter, and fiscal 1977 for foreign economic development, disaster relief, and food aid. [X]	Yea.
SEPT. 11, 1975	
H. Res. 335. On passage of a resolution to establish a House select committee to investigate U.S. servicemen missing in action in Indochina. [X]	Yea.*
H.R. 8150. On an amendment which would have deleted provisions extending the life of the Special Action Office for Drug Abuse Prevention. [O]	Nay.
H.R. 8150. On passage of a bill authorizing appropriations in fiscal 1976–8 for various drug abuse prevention programs. [X]	Yea.
SEPT. 17, 1975	
H.R. 7014. On an amendment which would have deleted the oil price control provisions setting price ceilings of $5.25, $7.50, and $10 per barrel on old, new and high-cost oil, respectively. [O]	No.
H.R. 7014. On an amendment which would have deleted the sections requiring the President to restrict and allocate domestic gasoline supplies. [O]	No.
H.R. 7014. On an amendment to delete the requirement that industrial energy consumers comply with energy saving guidelines established by the Federal Energy Administrator. [X]	No.
H.R. 7014. On an amendment which would have deleted a provision authorizing the President to act as the exclusive purchasing agent for oil imported into the United States. [O]	No.
H.R. 7014. On an amendment which would have deleted the requirement that auto manufacturers attain a 28 miles per gallon fleetwide average by 1985. [O]	No
H.R. 7014. On an amendment which would have required that Government owned or leased vehicles use, where feasible, fuels that were a blend of gasoline and gasoline substitutes. [O]	Aye.
SEPT. 18, 1975	
H.R. 4222. On agreeing to the conference report on a bill to expand school lunch and breakfast nutritional programs and to extend the special supplemental food program for pregnant women, infants, and children. [X]	Yea.
H.R. 7014. On an amendment to designate the Federal Trade Commission, rather than the Department of Commerce, as the agency to administer energy efficiency standards and labeling requirements for appliances. [X]	Aye.
H.R. 7014. On an amendment which would have deleted provisions requiring mandatory standards for appliance energy efficiency. [O]	No.
H.R. 7014. On an amendment which would have deleted the provisions granting the Federal Energy Administrator the authority to prohibit power plants from using natural gas as a boiler fuel. [O]	Aye.
H.R. 7014. On an amendment which would have provided $750 million a year for loans to companies to begin the liquefaction and gasification of coal. [O]	No.

Proposal	My vote
SEPT. 19, 1975	
H.R. 6227. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 5397. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 5620. On passage of a bill increasing the authorization for the construction of new mint facilities in Denver. [X]	Yea.
SEPT. 23, 1975	
H.R. 7014. On an amendment to authorize the General Accounting Office to conduct verification audits of energy information reported by oil and gas producers to Federal agencies. [X]	Aye.
H.R. 7014. On an amendment to prohibit the use of gasoline or diesel fuel to transport schoolchildren, other than one's own, to a school other than the public school closest to the student's home. [X]	Nay.
H.R. 7014. On a motion to recommit the bill to the Interstate and Foreign Commerce Committee. [O]	Nay.
H.R. 7014. On passage of a bill extending price controls on domestic oil, establishing a mandatory gasoline allocation program, setting fuel efficiency standards for domestic automobiles, and preparing for national emergencies. [X]	Yea.
SEPT. 24, 1975	
H.R. 8121. On a motion to recommit the conference report with instructions to the conference committee. [O]	Nay.
H.R. 8121. On a motion that the House agree to Senate language (replacing a House restriction on the use of funds to negotiate the relinquishment of U.S. rights in the Panama Canal Zone) stating that in negotiating a new canal treaty the vital interests of the United States must be protected. [O]	Yea.
H.R. 6844. On an amendment to prohibit the Consumer Product Safety Commission from including product sampling plans as part of mandatory product safety standards. [X]	Aye.
SEPT. 25, 1975	
H.R. 1287. On an amendment which would have included products containing chromium in any form in the prohibition on importation of steel mill products containing Rhodesian chrome. [O]	No.
H.R. 1287. On passage of a bill to amend the United Nationals Participation Act of 1945 and bring the United States into compliance with the U.N. sponsored boycott of Rhodesia. [O]	Yea.
SEPT. 26, 1975	
H.R. 6844. On a motion that the committee rise. [X]	Aye.
H.R. 8841. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 9524. On passage of a bill extending the Emergency Petroleum Allocation Act to Nov. 15, 1975. [X]	Yea.
H.R. 8841. On a motion that the House resolve itself into the Committee of the Whole. [X]	Yea.
H.R. 8841. On a motion that the committee rise. [X]-	Aye.
On agreeing to a motion that the House adjourn. [X]-	Yea.
SEPT. 29, 1975	
H.R. 8603. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 8603. On an amendment to require the Postal Service to go before Congress each year for authorization and appropriations of its total budget. [X]	Aye.
SEPT. 30, 1975	
H.R. 9861. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 9861. On an amendment which would have increased funding for Army recruiting counseling services. [O]	No.
H.R. 9861. On an amendment which would have restored $15.6 million for Army recruiting activities. [O]	No.
OCT. 1, 1975	
H. Res. 688. On a motion to table (and thus kill) a motion which would have discharged the Committee on Post Office and Civil Service from further consideration of a resolution disapproving the President's proposed 5 percent pay increase for Federal employees. [X]	Nay.
H.R. 9861. On an amendment which would have required disclosure of funds appropriated for activities of the Central Intelligence Agency. [O]	Aye.
H.R. 9861. On a motion to limit debate on the following amendment. [O]	No.
H.R. 9861. On an amendment which would have deleted funds for research and development of the Navy F-18 fighter aircraft. [O]	No.
H.R. 9861. On an amendment to prohibit the use of funds in the bill to relocate the National Oceanographic Office. [X]	Aye.
OCT. 2, 1975	
H.R. 9861. On an amendment which would have prohibited the use of funds in the bill to close any military installation named in the amendment. [O]	Aye.
H.R. 9861. On an amendment which would have prohibited the use of funds in the bill to relocate the National Oceanographic Office. [O]	Yea.
H.R. 9861. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the Department of Defense. [X]	Yea.
H.R. 7656. On passage of a bill to allow cattle producers to establish, finance, and administer a program of beef research and promotion of beef products. [X]	Yea.
S. 2230. On an amendment which would have limited United States arms shipments to Turkey to the amount contracted to Turkey before the arms embargo took effect and so long as the President certified that progress had been made regarding the plight of refugees on Cyprus. [O]	Aye.
S. 2230. On an amendment which would have provided that 60 days after the President reported to Congress on the Cyprus situation as required in the bill Congress could, by nonvetoable resolution, terminate the arms sales authorized in the bill. [O]	Aye.
S. 2230. On passage of a bill to partially lift the embargo on U.S. arms shipments to Turkey. [X]	Yea.
OCT. 3, 1975	
H.R. 8070. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for the Department of Housing and Urban Development and several independent agencies. [X]	Yea.
H.R. 8070. On a motion to concur in a Senate amendment to require that 50 percent of the contract authority for the sec. 8 rental subsidy program be used for new construction. [X]	Yea.
H.R. 8070. On a motion to concur in a Senate amendment to prohibit the Environmental Protection Agency from implementing proposals to tax, limit, or regulate parking. [X]	Yea.
H.R. 8841. On an amendment which would have given the Secretary of Agriculture veto power over EPA decisions to ban or restrict the use of a pesticide. [O]	No.*
H.R. 8841. On an amendment which would have extended without amendment the Federal Insecticide, Fungicide, and Rodenticide Act through fiscal 1976. [O]	No.*
OCT. 6, 1975	
H.R. 9576. On passage of a bill terminating veterans education benefits for persons entering the military after Dec. 31, 1975. [X]	Nay.
H.R. 9968. On passage of a bill to grant tax-exempt status to development bonds used to construct dams used substantially for irrigation purposes. [X]	Yea.
OCT. 7, 1975	
H.R. 4222. On overriding the President's veto of a bill expanding the school lunch and breakfast nutritional programs and extending the special supplemental food program for pregnant women, infants, and children. [X]	Yea.
H.R. 8121. On agreeing to compromise language in the conference report regarding the Panama Canal Zone. [X]	Yea.
H.R. 200. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 9500. On passage of a bill establishing within the Department of Labor a committee composed of labor and contractor representatives to assist in negotiating new contracts in the construction industry. [X]	Yea.
OCT. 8, 1975	
H.R. 10029. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H. Con. Res. 424. On passage of a rule providing for the conditional adjournment of Congress from Oct. 9 to Oct. 20, 1975. [X]	Yea.
H.R. 10029. On an amendment which would have deleted $64.9 million for construction of a military medical school at Bethesda, Md. [O]	Aye.
H.R. 10029. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for military construction and family housing for military personnel. [X]	Yea.
H.J. Res. 683. On an amendment which would have limited to 2 years the President's authority to commit U.S. technicians to the Sinai early warning stations. [O]	Aye.
H.J. Res. 683. On passage of a resolution to provide for the assignment of up to 200 American civilian technicians to man the Sinai early warning stations. [X]	Nay.
OCT. 9, 1975	
H.R. 7706. On agreeing to the conference report on a bill to suspend the duty on imported natural graphite, to delay enforcement of staffing standards for federally funded day care centers, and to make explicit the confidentiality of records of alcoholics and drug addicts covered by the Social Security Act. [X]	Yea.
H.R. 8841. On an amendment which would have required concurrence of the Department of Agriculture for major Environmental Protection Agency regulations relating to pesticide control. [O]	No.
H.R. 8841. On an amendment to permit the Environmental Protection Agency to require completion of a training program by private applicators of restricted use pesticides. [X]	Yea.
H.R. 8841. On passage of a bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act through Sept. 30, 1976. [X]	Yea.
H.R. 200. On an amendment which would have permitted the President to suspend the enforcement provisions if it is deemed in the national interest. [O]	Aye.
H.R. 200. On passage of a bill to extend the U.S. fishing limit from 12 to 200 miles. [X]	Yea.
OCT. 20, 1975	
H.R. 9924. On passage of a bill authorizing funds to organize and convene a National Women's Conference in 1976. [O]	Yea.
H. Res. 780. On passage of a resolution to disapprove a proposed regulation of the Federal Election Commission that would have required House and Senate candidates to file campaign finance reports first with the FEC rather than with the Clerk of the House or the Secretary of the Senate. [O]	Nay.
H.R. 7988. On passage of a bill authorizing appropriations in fiscal 1976–77 for heart, lung, and blood research programs. [X]	Yea.
S. 584. On a motion to recommit the bill to the Post Office and Civil Service Committee. [O]	Nay.
OCT. 21, 1975	
H.R. 8617. On an amendment which would have permitted Federal employees to seek election or engage in political activities only on the local and State level. [O]	No.
H.R. 8617. On a motion to recommit the bill with instructions to the Post Office and Civil Service Commttee. [O]	Nay.
H.R. 8617. On passage of a bill to give Federal employees the right to participate in partisan political campaigns and to run for local, State, or Federal office, and to protect such employees from improper political solicitations. [X]	Yea.
H.R. 7222. On passage of a bill to increase from one-third to one-half the Federal Government's contribution to the cost of employee group life insurance. [O]	Yea.
OCT. 22, 1975	
H. Res. 780. On agreeing to the rule under which the resolution would be considered. [X]	Yea.
H. Res. 780. On passage of a resolution to disapprove a proposed regulation of the Federal Election Commission that would have required House and Senate candidates to file campaign finance reports first with the FEC rather than with the Clerk of the House or the Secretary of the Senate. [X]	Nay.
H.R. 6844. On an amendment which would have deleted a provision to authorize the Consumer Product Safety Commission to choose, on a case-by-case basis, which of the 4 major laws it administers to use in regulating a product. [O]	No.
H.R. 6844. On an amendment to allow the House or the Senate to disapprove within 30 days any rule or regulation promulgated by the Consumer Product Safety Commission. [X]	No.
H.R. 6844. On an amendment which would have allowed private parties to bring civil suits against the Commission. [O]	No.
H.R. 6844. On a motion requesting a call of the House. [X]	Yea.
H.R. 6844. On an amendment to delete a provision of the bill authorizing the Consumer Product Safety Commission to conduct its own civil litigation, rather than using Justice Department attorneys. [X]	Nay.
H.R. 6844. On a motion to recommit the bill with instructions to the Committee on Interstate and Foreign Commerce. [X]	Nay.
H.R. 6844. On passage of a bill authorizing appropriations in fiscal 1976–8 for the Consumer Product Safety Commission. [X]	Yea.
OCT. 23, 1975	
H.R. 8672. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 8672. On passage of a bill authorizing appropriations to provide unemployed railroad workers with jobs repairing and rehabilitating railroad roadbeds and facilities. [X]	Yea.
OCT. 28, 1975	
H.R. 6227. On passage of a bill to allow Federal civilian employees under investigation for misconduct which could lead to their suspension, removal, or reduction in pay, the right to have representation of their choice during questioning. [X]	Yea.
H.R. 8835. On passage of a bill to require companies leasing consumer goods to disclose fully the terms and costs of the lease. [X]	Yea.

Proposal	My vote
OCT. 28, 1975—Continued	
S. 2195. On passage of a bill to establish a National Center for Productivity and Quality of Working Life. [X]	Nay.
OCT. 29, 1975	
H.R. 10049. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 10049. On passage of a bill increasing the temporary debt ceiling, pursuant to a Treasury Department request, to $597 billion through Mar. 31, 1976. [O]	Nay.
OCT. 30, 1975	
H.R. 8603. On an amendment which would have deleted a previously adopted amendment requiring the Postal Service to go before Congress each year for authorization and appropriation, and instead require annual congressional authorization only when the existing automatic authorization is exceeded. [O]	No.
H.R. 8603. On an amendment which would have repealed the statutes which grant the Postal Service a monopoly on processing first-class mail. [O]	No.
H.R. 8603. On a motion to recommit the bill with instructions to the Post Office and Civil Service Committee. [O]	Nay
H.R. 8603. On passage of a bill to require the U.S. Postal Service to go before Congress each year for authorization and appropriation of its total budget, and to reduce the proposed first-class rate from 13 cents to 12 cents. [X]	Yea.
OCT. 31, 1975	
H.R. 10024. On an amendment to delete provisions that would have allowed negotiable order of withdrawal accounts to be offered nationwide. [X]	No.
H.R. 10024. On an amendment which would have deleted provisions requiring lenders in metropolitan areas to disclose the number of mortgage loans made and the amount of money lent. [O]	No.
H.R. 10024. On an amendment which would have applied the mortgage disclosure requirements to 20 metropolitan areas selected by the Federal Reserve Board, instead of from every standard metropolitan area. [O]	No.
H.R. 10024. On passage of a bill to extend until Dec. 31, 1977, the authority of Federal bank regulatory agencies to set ceilings on the amount of interest paid on savings accounts, and to require lenders in metropolitan areas to disclose the number of mortgage loans made and amount of money lent. [X]	Yea.
NOV. 3, 1975	
H.R. 9915. On passage of a bill to make minor technical revisions in the Federal Rules of Evidence and Federal Rules of Criminal Procedure. [X]	Yea.
S. 24. On passage of a bill to implement the provisions of the Patent Cooperation Treaty. [X]	Yea.
NOV. 4, 1975	
H. Res. 732. On passage of a resolution to authorize the voluntary withholding of state income taxes for Members of Congress and congressional employees. [X]	Yes.
H.R. 10339. On passage of a bill authorizing appropriations for a program to be administered by the Department of Agriculture to encourage direct marketing of agricultural products from farmers to consumers. [X]	Yea.
H.R. 10355. On passage of a bill to provide an 8 percent increase in veterans' and survivors' pension rates. [X]	Yea.
NOV. 5, 1975	
H.R. 7575. On an amendment to exempt businesses with less than $1 million in net assets or 25 or fewer employees from the requirement to answer interrogatories issued by the Agency. [X]	Aye.
NOV. 6, 1975	
H.R. 7575. On an amendment to transfer to the Agency for Consumer Protection programs and activities of each Federal agency which would be duplicative of or performed more appropriately by the Agency. [X]	No.
H.R. 7575. On an amendment which would have deleted provisions exempting from the Agency purview suits under the Norris-LaGuardia Act, proceedings before the National Labor Relations Board, and assistance in the negotiation of labor agreements by the Federal Mediation and Conciliation Service. [O]	No.
H.R. 7575. On passage of a bill to create an independent Agency for Consumer Protection to coordinate Federal consumer protection activities and represent consumer interests before other Federal agencies and the courts. [X]	Nay.
H.R. 10230. On passage of a bill to establish an Office of Science and Technology Policy in the Executive Office of the President. [X]	Yea.
H.R. 6346. On agreeing to the rule under which the bill would be considered. [X]	Yea*.
NOV. 7, 1975	
H.R. 9019. On a motion that the House resolve itself into the Committee of the Whole for consideration of the bill. [X]	Yea.
H.R. 9019. On passage of a bill to extend the health maintenance organization program through 1980 and to ease the requirements which HMO's must meet in order to be eligible for Federal assistance. [X]	Yea.
H.R. 1753. On passage of a bill to authorize the Secretary of Commerce to provide a tabulation of population statistics, upon request, for use by individual States to facilitate the apportionment of State legislatures. [X]	Yea.
H.R. 6346. On passage of a bill to extend through Sept. 30, 1977 the authority of the Secretary of Agriculture to conduct title V rural development and small farm research and development programs. [X]	Yea.
NOV. 10, 1975	
H.R. 10035. On passage of a bill to establish an annual judicial conference to improve the operation of the justice system in the District of Columbia. [X]	Yea.
H.R. 4287. On passage of a bill authorizing funds for an additional law clerk for each of the 9 judges of the D.C. Court of Appeals. [X]	Yea.
H.R. 9958. On passage of a bill to authorize the transfer of certain Federal property in the District of Columbia to the D.C. Redevelopment Land Agency. [X]	Yea.
H.R. 10041. On an amendment to retain the federal enclave within the District of Columbia and to empower the President to appoint a National Capital Service Area director. [X]	Nay.
H.R. 6461. On passage of a bill authorizing appropriations in fiscal 1976–80 for the Corporation for Public Broadcasting. [X]	Yea.
NOV. 11, 1975	
H.R. 8365. On a motion to recommit the conference report with instructions to the conference committee. [O]	Nay.
H.R. 8365. On a motion to agree to a Senate amendment limiting obligations for certain highway construction programs to $9 billion in fiscal 1976 and the transition quarter. [X]	Yea.
H. Res. 855. On passage of a resolution condemning the United Nation's approval of a resolution which equated Zionism with racism. [X]	Yea.
NOV. 12, 1975	
H. Con. Res. 466. On an amendment which would have set outlays at $301.8 billion. [O]	No.
H. Con. Res. 466. On an amendment to set outlays at $373.9 billion. [X]	No.
H. Con. Res. 466. On an amendment which would have set outlays at $369.3 billion. [O]	No.
H. Con. Res. 466. On passage of a budget resolution setting ceilings in fiscal 1976 of $374.9 billion in outlays and a floor of $301.8 billion in revenues. [X]	No.
H.R. 10585. On ordering the previous question on the rule. [X]	Yea.
H.R. 10585. On agreeing to the rule under which the bill would be considered. [X]	Yea.
NOV. 13, 1975	
H.R. 10585. On passage of a bill increasing the temporary debt ceiling, pursuant to a Treasury Department request, to $595 billion through Mar. 15, 1976. [X]	Yea.
H.R. 10647. On an amendment which would have prohibited food stamps for individuals and families whose gross income exceeded the official poverty level. [O]	No.
H.R. 10647. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for various federal departments and agencies. [X]	Yea.
NOV. 14, 1975	
H.R. 5512. On passage of a bill to require that the National Wildlife Refuge System be administered through the U.S. Fish and Wildlife Service. [X]	Yea.*
H.R. 10031. On passage of a bill to extend the Defense Production Act for 2 years. [X]	Yea.*
NOV. 17, 1975	
S. 2327. On passage of a bill to modify provisions of the Real Estate Settlement Procedures Act of 1974, specifically repealing provisions requiring disclosure of closing costs to home buyers. [X]	Yea.
H.R. 10561. On passage of a bill to prohibit sellers from imposing surcharges made with credit cards, and to strike out the 5-percent limitation on discounts for paying cash. [X]	Yea.
H.R. 9691. On passage of a bill to make certain disability retirement determinations by the Secretaries of the military departments subject to review by the Secretary of Defense. [X]	Yea.
S. 2114. On passage of a bill to extend until June 30, 1976, the authority to pay bonuses to nuclear-qualified officers in the Navy and to extend entitlement to special pay to optometrists and veterinarians in the uniformed services. [X]	Yea.
H.R. 8089. On passage of a bill to increase from $25 to $35 per day the maximum amount authorized for per diem expenses for members of the military traveling on official business. [X]	Nay.
H.R. 9573. On passage of a bill to limit to 60 days the total cumulative entitlement to payment for unused accrued leave for the military services. [X]	Yea.
NOV. 18, 1975	
H.R. 10029. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for military construction and family housing for military personnel. [X]	Yea.
S. 1517. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1976 for the Department of State, the foreign buildings program, and the Arms Control and Disarmament Agency. [X]	Yea.
S. 6. On agreeing to the conference report on a bill to provide educational assistance to all handicapped children. [X]	Yea.*
H.R. 8841. On agreeing to the conference report on a bill authorizing appropriations through Mar. 31, 1977, to implement the Federal Insecticide, Fungicide, and Rodenticide Act. [X]	Yea.
H.R. 30. On passage of a bill to establish the Hells Canyon National Recreation Area in Oregon, Idaho, and Washington, and to deauthorize the construction of a dam. [X]	Yea.
NOV. 19, 1975	
H.R. 8578. On passage of bill to increase the Federal share of funding for community action agencies serving the poor to 80 percent through fiscal 1977. [X]	Yea.
H.R. 3992. On agreeing to the conference report on a bill authorizing appropriations through fiscal 1978 for programs assisting the elderly under the Older Americans Act and for senior volunteer programs run by ACTION. [X]	Yea.
DEC. 1, 1975	
H.R. 10727. On passage of a bill to revise procedures for holding hearings on previously denied applications for benefits under several social security programs. [X]	Yea.*
H.R. 7782. On passage of a bill to allow the Federal Government to insure foreign art works and artifacts while on display in the United States. [X]	Yea.*
S. 267. On passage of a bill to designate 235,230 acres in Colorado as national forests. [X]	Yea.*
DEC. 2 ,1975	
H. Res. 864. On passage of a resolution expressing the sense of the House that the United States should continue its nonrecognition of the annexation of Estonia, Latvia, and Lithuania by the Soviet Union. [X]	Yea.
H.R. 10481. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 10481. On passage of a bill authorizing Federal loans to help New York City avert default. [X]	Nay.
DEC. 3, 1975	
S. 1537. On agreeing to the conference report on a bill extending the Defense Production Act through fiscal 1977. [X]	Yea.
H.R. 10612. On ordering the previous question on the rule. [X]	Yea.
DEC. 4, 1975	
H.R. 10612. On an amendment deleting the provision permitting individuals with capital losses in excess of $30,000 in any year starting in 1974 to carry them back to offset taxes paid on capital gains in 3 previous years. [X]	Aye.
H.R. 10612. On a motion to strike the enacting clause. [O]	No.
H.R. 10612. On an amendment which would have applied the limitation on artificial losses rule on real estate on a property-by-property basis so that artificial losses from 1 real estate venture could not be used to reduce income from another real estate venture. [O]	Aye.
H.R. 10612. On an amendment strengthening the minimum tax by increasing the number of tax preference items subject to the minimum tax and by eliminating completely a deduction for 50 percent of regular Federal income taxes. [X]	Aye.
H.R. 10612. On an amendment which would have established a minimum taxable income schedule instead of the limitation on artificial losses and minimum tax provisions in the bill. [O]	No.
H.R. 10612. On an amendment to delete provisions eliminating the existing 30 percent withholding tax on dividends and interest earned by foreign portfolio investments in the United States. [X]	Aye.

Proposal	My vote
DEC. 4, 1975—Continued	
H.R. 10612. On an amendment which would have shortened from 5 years to 3 years the grace period provided in provisions limiting the amount of export income of a domestic international sales corporation eligible for deferral of Federal taxes. [O]	Aye.
H.R. 10612. On a motion to recommit the bill with instructions to the Ways and Means Committee. [O]	Nay.
H.R. 10612. On passage of a bill cutting individual and business income taxes, establishing a limitation on artificial losses, strengthening the existing minimum tax, and closing other tax loopholes. [X]	Yea.
H.R. 8069. On a motion to recommit the conference report to the conference committee. [O]	Nay.
H.R. 8069. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for the Departments of Labor, HEW, and related agencies. [X]	Yea.
H.R. 8069. On a motion which would have amended a Senate amendment to the conference report so as to prohibit the transportation of any student to a school other than the nearest or next nearest to the student's home. [O]	Yea.
H.R. 8069. On agreeing to the Senate amendment to the conference report to prohibit the Department of HEW from using funds in the bill to require school districts to transport students beyond the school closest to their homes for the purpose of school integration. [X]	No.
DEC. 8, 1975	
H.R. 8631. On an amendment which would have removed the $560 million limitation on the liability of the nuclear power industry for damages resulting from a nuclear power accident. [O]	Aye.
H.R. 8631. On an amendment which would have given the public the right to challenge the constitutionality of the $560 million liability limit in court. [O]	Aye.
H.R. 8631. On passage of a bill to extend for 10 years the Federal program to pay claims arising from a nuclear accident, up to $560 million, and limiting the liability of the nuclear power industry to that amount in event of accident. [X]	Nay.
H.R. 9721. On agreeing to the rule under which the bill would be considered. [X]	Yea.
DEC. 9, 1975	
H.R. 9721. On a motion to recommit the bill to the Banking, Housing and Currency Committee. [O]	Nay.
H.R. 9721. On passage of a bill authorizing funds for U.S. shares in various funds of the Inter-American Development Bank and for a U.S. contribution to the African Development Fund. [X]	Yea.
H.R. 9005. On agreeing to the conference report on a bill authorizing appropriations through fiscal 1977 for foreign economic development, disaster relief, and food aid. [X]	Yea.
H.R. 10624. On an amendment which would have retained present bankruptcy provisions with regard to cities of less than 1 million persons. [O]	No.
H.R. 10624. On passage of a bill establishing a procedure for Federal court supervision of settlement and adjustment of debts between a municinality and its creditors. [X]	Yea.
DEC. 10, 1975	
H.R. 9924. On agreeing to the rule under which the bi l would be considered. [X]	Yea.
S. 95. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 9924. On passage of a bill authorizing funds to organize and convene a National Women's Conference in 1976. [X]	Yea.
S. 95. On passage of a bill to assure American citizens who live abroad the right to vote in Federal elections. [X]	Yea.
DEC. 11, 1975	
H.R. 5900. On agreeing to the conference report on a bill to make it legal for a construction union with a grievance against its contractor to picket at the construction site. (The report included the provisions of H.R. 9500, which provides a framework within which labor and management in the construction industry could work to resolve collective bargaining disputes). [X]	Yea.
H.R. 8773. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for the Department of the Interior and related agencies. [X]	Yea.
H.R.3474. On a motion to delete from the conference report the authorization of up to $6 billion in Federal loan guarantees for the construction of commercial demonstration facilities for synthetic fuels. [X]	Aye.
R. 3474. On a motion to delete from the conference H.report language authorizing the Energy Research and Development Administration to select a ract of public land and conduct an underground til shale demonstration project there in cooperation with a private company [X].	Yea.
DEC. 12, 1975	
H.Con.Res. 466. On agreeing to the conference report on a resolution setting a budget ceiling for fiscal 1976 of $374.9 billion in outlays and a floor of $300.8 billion in revenues. [X]	Yea.
H.R. 8122. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for public works projects. [X]	Yea.*
H.R. 9861. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for the Department of Defense. [X]	Yea.*
DEC. 15, 1975	
H.R. 11016. On passage of a bill to extend through June 30, 1976, the authorization for the Renegotiation Board. [X]	Yea.
H.R. 3035. On passage of a bill to require the payment of interest on certain funds of the United States held in deposit in commercial banks. [X]	Yea.
H.R. 11070. On passage of a bill to make permanent the 1973 ban on television blackouts of certain professional sports events if sold out 72 hours in advance of game time. [X]	Yea.
H.R. 10647. On a motion to recommit the conference report with instructions to the conference committee. [O]	Nay
H.R. 10647. On agreeing to the conference report on a bill making supplemental appropriations in fiscal 1976 and the transition quarter for several Federal departments and agencies. [X]	Yea.
S. 622. On a motion to delete from the conference report an authorization of $130 million for advanced automobile technology. [X]	Yea.
S. 622. On ordering the previous question on the conference report. [X]	Yea.
S. 622. On agreeing to the conference report on the Energy Conservation and Oil Policy Act. [X]	Yea.
H.R. 7656. On a motion to recommit the conference report on the bill. [X'	Yea.
DEC. 16, 1975	
H.R. 8529. On an amendment which sought to continue acreage allotments for rice production, delete the target price concept, and authorize a loan level of 60 percent of parity or $8 per cwt whichever is greater. [O]	No.
H.R. 8529. On a motion to recommit the bill to the Agriculture Committee. [O]	Nay.
H.R. 8529. On passage of a bill to suspend marketing quotas for the 1976 and 1977 crop years, remove restrictions on production by new producers, and establish an $8 per cwt target price and a $6 per cwt loan level for rice. [X]	Yea.
H.R. 5559. On agreeing to the conference report on a bill extending 1975 tax cuts through June 30, 1976. [O]	Yea.
DEC. 17, 1975	
H.R 5559. On ordering the previous question on the rule under which the bill would be considered. [X]	Yea.
H R. 10979. On an amendment which would have deleted provisions creating an Office of Rail Public Counsel in the Interstate Commerce Commission. [O]	No
H.R. 10979. On an amendment to delete provisions allowing freight forwarders who specialize in less than carload shipments to contract with railroads. [X]	Aye.
H.R. 10979. On a motion to limit debate. [X]	No.
H.R. 10979. On an amendment which would have cut Federal subsidies to commuter rail services from 75 to 50 percent. [O]	No.
S.J. Res. 121. On agreeing to the conference report on a resolution to increase the dairy price support to 85 percent of parity with quarterly adjustments. [X]	Yea.
H.R. 6461. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1976–80 for the Corporation for Public Broadcasting. [X]	Yea.
DEC. 18, 1975	
H.R. 5559. On overriding the President's veto of a bill extending 1975 tax cuts through June 30, 1976. [O]	Yea.
H.R. 8235. On an amendment which would have deleted the $750 million discretionary fund to be used by the Secretary of Transportation to complete gaps in the Interstate Highway system. [O]	No.
H.R. 8235. On amendments which would have required that the cost of highway projects rejected for mass transit be based on 1972 estimates, the mileage withdrawn from one State's highway system be available in another, and right-of-way sales proceeds be returned to the Government. [O]	No.
H.R. 8235. On an amendment which would have reduced the maximum allowable weight for trucks on interstate highways from 80,000 to 73,280. [O]	No.
H.R. 8235. On an amendment which would have permitted local officials in urban areas to submit plans directly to the U.S. Department of Transportation under certain conditions. [O]	Aye.
H.R. 8235. On passage of a bill authorizing appropriations in fiscal 1977–78 for Federal-aid highway programs and for construction of interstate highways. [X]	Yea.
H.R. 9771. On an amendment to limit the use of funds for development of airport terminals. [X]	No.
H.R. 9771. On an amendment to prohibit for 6 months the landing of supersonic aircraft at federally funded airports. [X]	Aye.
H.R. 9771. On passage of a bill authorizing appropriations in fiscal 1976–80 from the Airport and Airway Trust Fund for airport development and other aviation activities. [X]	Yea.
DEC. 19, 1975	
H.R. 10284. On a resolution to agree to a Senate amendment to the bill, but deleting a Senate provision which would have allowed persons aged 60 to 64 to "buy-in" to the medicare program. [X]	Yea.
H.R. 10727. On a resolution to agree to Senate amendments to the bill which revises procedures for holding hearings on previously denied applications for benefits under several social security programs. [X]	Yea.
H.R. 8069. On a motion to postpone consideration of the President's veto of the bill. [X]	Yea.
H. Res. 939. On a resolution making it in order by simple majority vote to consider reports from the Rules Committee on the same day the reports are ordered reported for the remainder of the 1st sess. of the 94th Cong. [X]	Yea.
H. Res. 945. On a resolution providing that for the remainder of the 1st sess. of the 94th Cong. the House would meet only on Tuesdays and Fridays of each week. [X]	Yea.
H.R. 9968. On agreeing to Senate amendments to a previously passed House bill to provide for a 6-month extension of 1975 tax cuts. [X]	Yea.
S. 2718. On agreeing to the conference report on a bill authorizing financial assistance to the Nation's railroads. [X]	Yea.
JAN. 19, 1976	
H.R. 7897. On an amendment to provide that school districts would only be reimbursed for the actual costs which they have incurred in providing the necessary supplementary educational services for Indochina refugee children. [X]	Aye.
H.R. 7897. On passage of a bill to authorize funds for assistance to local educational agencies for the education of Cambodian and Vietnamese refugees. [X]	Yea.
JAN. 20, 1976	
H.R. 10537. On passage of a bill authorizing appropriations for the construction of 2 irrigation projects in Wyoming and South Dakota and modification of the spillway of 2 existing dams in North Dakota and Oregon. [X]	Nay.
H.R. 3710. On passage of a bill authorizing the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs. [X]	Yea.
H. Con. Res. 527. On passage of a resolution vacating previous House and Senate action on the conference report on S. 2718 and recommitting the bill to the conference committee. [X]	Yea.
JAN. 21, 1976	
H.R. 6721. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 6721. On an amendment prohibiting coal mining in any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, and the Wild and Scenic Rivers System. [X]	Aye.
H.R. 6721. On an amendment which would have eliminated the provision requiring that a logical mining unit be limited to 25,000 acres. [O]	No.*
H.R. 6721. On a motion to recommit the bill to the Committee on Interior and Insular Affairs. [O]	Nay.
H.R. 6721. On passage of a bill to amend the Mineral Leasing Act to revise procedures governing the leasing and development of coal deposits on Federal lands. [X]	Yea.
JAN. 22, 1976	
H.R. 10807. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 10807. On passage of a bill authorizing appropriations through fiscal 1977 to establish and enforce certain Federal auto standards. [X]	Yea.
JAN. 27, 1976	
HR. 8069. On overriding the President's veto of a bill making appropriations in fiscal 1976 and the transition quarter for the Departments of Labor, HEW, and related agencies. [X]	Yea.
H.R. 9861. On a motion to concur in a Senate amendment to the conference report to prohibit use of any funds under the bill for direct or indirect military aid to any of the factions fighting in the Angola civil war. [X]	Yea.

Proposal	My vote
JAN. 28, 1976	
S. 2718. On agreeing to the conference report on a bill authorizing financial assistance to the Nation's railroads. [X]	Yea.
JAN. 29, 1976	
H.R. 5247. On a motion to strike Title II from the conference report on the bill. (Title II provides aid to states and local governments to maintain basic services during high unemployment). [O]	Nay.
H.R. 5247. On agreeing to the conference report on a bill authorizing appropriations for public works projects. [X]	Aye.
H.R. 10680. On an amendment which would have extended the Renegotiation Board for 5 years rather than making it permanent, and would have struck all other parts of the bill. [O]	No.
H Res. 982. On an amendment to provide that if the final report of the Select Committee on Intelligence contained classified information it must be released as a classified document unless the President gave prior certification that it would not be damaging to U.S. intelligence activities. [X]	Nay.
FEB. 3, 1976	
H.R. 9464. On agreeing to the rule under which the bill would be considered. [X]	No.
FEB. 4, 1976	
H.R. 9464. On an amendment deleting provisions that end Federal Power Commission authority to reduce price ceilings on gas still under Federal regulation. [X]	Aye.
H.R. 9464. On an amendment which would have allowed the FPC to set varying 5-year ceilings instead of a single national ceiling on prices for offshore natural gas. [O]	Aye.
FEB. 5, 1976	
S. Con. Res. 92. On passage of a resolution providing for a conditional adjournment of the House from Feb. 11 to Feb. 16 and of the Senate from Feb. 6 to Feb. 16. [X]	Yea.
H.R. 9464. On an amendment which would have included industrial users that needed natural gas in the manufacturing process in the first order of priority along with agricultural users. [O]	No.
H.R. 9464. On an amendment in the nature of a substitute to deregulate prices of all independent gas producers with sales of less than 100 million mcf per year, while continuing controls on sales by major producers but with a more flexible and incentive-oriented FPC pricing formula. [X]	Aye.
H.R. 9464. On a vote affirming the previous vote. [X]	Aye.
H.R. 9464. On a motion to recommit the bill to the Interstate and Foreign Commerce Committee. [O]	Nay.
H.R. 9464. On passage of a bill to deregulate the prices of all independent gas producers with sales of less than 100 million mcf per year while continuing controls on sales by major producers. [X]	Yea.
FEB. 9, 1976	
H.R. 5808. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 5808. On an amendment which would have made violations of the bill subject only to State criminal enforcement. [O]	No.
H.R. 5808. On an amendment to prohibit the use of interstate facilities for the purpose of cockfighting. [X]	Yea.
H.R. 5808. On passage of a bill establishing new protections for animals during shipment and prohibit the use of interstate facilities to promote dog and cockfights. [X]	Yea.
FEB. 10, 1976	
H.R. 11665. On an amendment which would have approved the President's proposed impact education aid rescission. [O]	Nay.
H.R. 11453. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 11453. On an amendment which would have struck language in the bill and instead continue at existing funding levels Title IV of the Comprehensive Employment and Training Act through fiscal 1977. [O]	No.
H.R. 11453. On an amendment which would have changed the criterion for distribution of pt B funds to a 50–50 formula under which 50 percent of the funds would be allocated to areas of highest unemployment and the remainder to prime sponsor areas with over 4½ percent unemployment. [O]	Yea.
H.R. 11453. On passage of a bill authorizing funds to maintain public service jobs through the end of fiscal 1977. [X]	Yea.
FEB. 17, 1976	
H.R. 11233. On passage of a bill extending the authorization for the Library Services and Construction Act for 5 years. [X]	Yea.
H.R. 11455. On passage of a bill authorizing appropriations for the acquisition of an additional 4,340 acres for the Indiana Dunes National Lakeshore. [X]	Yea.
H.R. 11645. On passage of a bill authorizing additional appropriations for the completion of the Library of Congress Madison Memorial Building. [X]	Yea.
FEB. 18, 1976	
H.J. Res. 801. On passage of supplemental appropriations enabling the U.S. Railway Association to purchase Conrail debentures and preferred stock over a 4-year period. [X]	Yea.
FEB. 19, 1976	
H.R. 5247. On overriding the President's veto of a bill authorizing appropriations for public works projects [X]	Yea.
H. Res. 1042. On a motion to refer the resolution to the Rules Committee. [O]	Yea.
H. Res. 1042. On passage of a resolution directing the Committee on Standards of Official Conduct to investigate publication of parts of the final report of the Select Committee on Intelligence. [X]	Nay.
FEB. 24, 1976	
H.J. Res. 811. On passage of a resolution appropriating additional funds for completion of the Library of Congress Madison building. [X]	Yea.
FEB. 25, 1976	
H.R. 11893. On agreeing to the rule under which the bill would be considered. [X]	Yea.*
H.R. 11893. On passage of a bill increasing the temporary debt ceiling, pursuant to a Treasury Department request, to $627 billion through June 30. 1976. [X]	Yea.
FEB. 26, 1976	
H. Res. 868. On passage of a resolution amending House rules to provide that no committee report, bill, resolution, or conference report may be considered on the floor of the House unless copies of such have been available to Members at least 2 hours prior to consideration. [X]	Yea.
MAR. 1, 1976	
H.R. 11700. On passage of a bill providing that the actions of five New York City pension plans in purchasing city obligations under the agreement of Nov. 21, 1975, would not be considered violations of the exclusive benefit rule or the prohibited transaction rules of the Internal Revenue Code. [X]	Yea.
MAR. 2, 1976	
H.R. 10760. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 10760. On an amendment which would have deleted a provision which permitted survivors of miners killed in mine accidents prior to 1971 to receive black lung benefits. [O]	No.
H.R. 10760. On passage of a bill providing black lung benefits for miners (and their widows and dependents). [X]	Nay.
MAR. 3, 1976	
H. Res. 1054. On ordering the previous question on the resolution. [X]	Nay.
H. Res. 1054. On passage of a resolution giving to the Committee on Standards of Official Conduct subpoena power in its investigation of the publication of the final report of the Select Committee on Intelligence. [X]	Nay.
H.R. 11963. On an amendment which would have extended the committee prohibition on arms sales to Chile to include Government-backed cash arms sales and commercial arms sales. [O]	Aye.
H.R. 11963. On an amendment which would have struck the provision of the bill permitting trade with North and South Vietnam. [O]	No.
H.R. 11963. On passage of a bill authorizing international military assistance in fiscal 1976. [X]	Nay.
MAR. 4, 1976	
H.R. 12203. On agreeing to the rule under which the bill would be considered. [X]	Nay.
H.R. 12203. On an amendment which would have restored a proposed cut in funds to be used to assist voluntary organizations in running programs and shipping materials overseas. [O]	Aye.
H.R. 12203. On an amendment which would have deleted funding in the bill for the United Nations Development Program. [O]	No.
H.R. 12203. On an amendment to prohibit the use of any funds in the bill for planning or carrying out of assassinations, or direct or indirect financing or influencing any foreign election in peacetime. [X]	Aye.
H.R. 12203. On an amendment which would have reduced the $1.5 billion ceiling on foreign military credit sales of arms to Israel to $1.3 billion. [O]	Aye.
H.R. 12203. On an amendment to prohibit aid under the bill to any nation in default on an obligation to the United States for over a year, if the debt had not been disputed prior to enactment of this prohibition. [X]	Aye.
H.R. 12203. On passage of a bill making appropriations for foreign economic and military assistance programs in fiscal 1976 and the transition quarter. [X]	Nay.
MAR. 9, 1976	
H.R. 6516. On agreeing to the conference report on a bill amending the Equal Credit Act adding age, race, color, religion and national origin to sex and marital status as categories under which no creditor may discriminate against an applicant for credit. [X]	Yea.
H.R. 11124. On agreeing to the rule under which the bill would be considered. [X]	Yea.
S. Con. Res. 98. On passage of a resolution which would have provided for a 25-Member congressional delegation to travel to England to pick up a copy of the Magna Carta for display in the Capitol. [O]	Nay.
H.R. 11124. On passage of a bill requiring the Secretary of HEW, with the assistance of medical and scientific specialists, to classify all medical devices intended for human use into regulatory categories. [X]	Yea.
MAR. 11, 1976	
H.R. 3981. On passage of a bill authorizing funds for a coastal energy activity program that would assist coastal States experiencing adverse impacts as a result of Outer Continental Shelf activity and other energy facility siting. [X]	Yea.
H.R. 11481. On an amendment which would have increased the cadet student subsidy at the 6 State maritime academies from $600 to $1,200 per year. [O]	No.
H.R. 11481. On passage of a bill authorizing appropriations for maritime programs conducted by the Maritime Administration within the Department of Commerce. [X]	Yea. Yea.
MAR. 15, 1976	
H.R. 12188. On passage of a bill making technical and conforming changes in the Community Services Act of 1974. [X]	Yea.
H.R. 7743. On passage of a bill authorizing appropriations through fiscal 1978 for the implementation of the Pennsylvania Avenue Corporation development plan. [O]	Nay.
MAR. 16, 1976	
H.R. 12455. On passage of a bill to allow all elderly persons, regardless of income, to continue to receive services at Federal senior citizens centers. [X]	Yea.
H.J. Res. 857. On passage of a bill making continuing appropriations in fiscal 1976 for various departments for which regular appropriations bills had not yet been enacted. [X]	Yea.
H.J. Res. 280. On agreeing to the rule under which the resolution would be considered. [X]	Yea.
MAR. 17, 1976	
H. Con. Res. 580. On an amendment which would have reduced the size of the proposed delegation from 25 to 5, and place a limit of $10,000 on the expenses of the delegation. [O]	Nay.
S. Con. Res. 98. On a motion to strike all the language in the resolution and substitute the language contained in H. Con. Res. 580. [X]	Nay.
MAR. 18, 1976	
H.R. 8532. On an amendment which would have limited fluid class recovery to those instances in which there was an agreement to fix prices in willful violation of the antitrust law.[X]	No.
H.R. 8532. On an amendment which would have allowed private attorneys to be contracted for on a contingency fee basis by State attorneys general. [O]	Aye.
H.R. 8532. On a motion to recommit the bill to the Judiciary Committee. [O]	No.
MAR. 22, 1976	
H.R. 12226. On passage of a bill authorizing appropriations in fiscal 1977 for the Peace Corps. [X]	Yea.
H.R. 12046. On passage of a bill authorizing appropriations for earthquake disaster relief and rehabilitation activities in Guatemala. [X]	Yea.
H.R. 12453. On passage of a bill authorizing appropriations in fiscal 1977 for NASA. [X]	Nay.
MAR. 23, 1976	
H.R. 9803. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 9803. On a motion to recommit the conference report with instructions to the conference committee. [O]	Nay.
H.R. 9803. On agreeing to the conference report on a bill postponing until July 1, 1976, the effective date of the requirement that day care centers meet Federal staffing standards. [X]	Yea.

Proposal	My vote
MAR. 23, 1976—Continued	
H.J. Res. 280. On an amendment that would immediately provide the District of Columbia with 1 elected representative in the House of Representatives and allow further representation in the House or Senate subject to majority vote of the Congress. [X]	Aye.
H.J. Res. 280. On an amendment which would have provided voting representation for the District of Columbia in the House of Representatives only. [O]	No.
H.J. Res. 280. On passage of a resolution to amend the Constitution to provide for representation of the District of Columbia in Congress. [O]	Yea.
H.R. 10799. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAR. 24, 1976	
H.R. 10799. On passage of a bill permitting the Legal Services Corporation to use part of its annual appropriation for contracting for research and training, technical assistance, and clearinghouse activities. [X]	Yea.
H.R. 11598. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter for the U.S. Information Agency. [X]	Yea.
MAR. 25, 1976	
H.J. Res. 801. On agreeing to the conference report on a resolution providing supplemental appropriations in fiscal 1975 enabling the U.S. Railway Association to purchase Conrail securities. [X]	Yea.*
H.R. 12566. On an amendment which would have required the Director of the National Science Foundation to respond to written requests for information from Members of Congress within 15 days. [O]	No.*
H.R. 12566. On an amendment which would have shifted funds from precollege curriculum programs to summer training programs for elementary and secondary school science teachers. [O]	No.*
H.R. 12566. On passage of a bill authorizing appropriations in fiscal 1977 for the National Science Foundation. [X]	Yea.*
MAR. 29, 1976	
H. Res. 1097. On a motion to recommit the resolution with instructions to the Committee on House Administration. [O]	Nay.
H. Res. 1060. On passage of a resolution providing funds for the Committee on Standards of Official Conduct for its investigation of the publication of the final report of the Select Committee on Intelligence. [X]	Nay.
H.R. 12262. On passage of a bill authorizing appropriations for the Board of International Broadcasting in fiscal 1977. [X]	Yea.
MAR. 30, 1976	
H.R. 8617. On agreeing to the conference report on a bill giving Federal employees the right to participate and run in local, State, and Federal election campaigns. [X]	Yea.
H.R. 200. On agreeing to the conference report on a bill extending the U.S. fishing limit from 12 to 200 miles. [X]	Yea.
H.R. 12406. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAR. 31, 1976	
H.R. 12406. On an amendment which would have struck the section of the bill requiring that all Federal Election Commission advisory opinions become regulations which are subject to the approval of Congress. [O]	No.
H.R. 12406. On an amendment to restore the requirement that candidates and committees file duplicate reports with secretaries of state. [X]	Aye.
H.R. 49. On agreeing to the conference report on a bill establishing a National Petroleum Reserve in Alaska under the jurisdiction of the Secretary of the Interior. [X]	Yea.
APR. 1, 1976	
H.R. 12406. On an amendment which would have required labor unions and corporations to report all funds spent on internal communications with their members or employees advocating the election or defeat of a candidate for Federal office. [O]	No.
H.R. 12406. On an amendment to strike the provision which would have allowed either the House or the Senate to terminate the authority of the Federal Election Commission after Mar. 31, 1977. [X]	Aye.
H.R. 12406. On a motion to limit debate on the following amendment. [X]	No.
H.R. 12406. On an amendment which would have provided for public financing of congressional elections on a matching fund basis beginning in 1978. [O]	Aye.
H.R. 12406. On a motion to recommit the bill with instructions to the House Administration Committee. [O]	No.
H.R. 12406. On passage of a bill reconstituting the Federal Election Commission, limiting the size of political contributions, and strengthening congressional control of the FEC. [X]	Yea.
H.J. Res. 606. On agreeing to the rule under which the resolution would be considered. [O]	Yea.
APR. 2, 1976	
H.R. 12572. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 12572. On an amendment which would have required the federalization of the grain inspection system at export points. [O]	Aye.
H.R. 12572. On passage of a bill requiring the U.S. Department of Agriculture to inspect and weigh grain at export locations. [X]	Yea.
APR. 5, 1976	
H.R. 11722. On passage of a bill expanding Federal jurisdiction to prohibit all Government supervisors from threatening employees with dismissal if they do not contribute to a political party. [X]	Yea.
H.R. 11140. On passage of a bill authorizing the establishment of a national cemetery at the Marine Corps base in Quantico, Va. [X]	Yea.
H.J. Res. 670. On passage of a resolution designating Apr. 13, 1976, as Thomas Jefferson Day. [X]	Yea.
S.J. Res. 35. On passage of a resolution authorizing the President to declare the 2d week in March, 1977, as "National Employ the Older Worker Week." [X]	Yea.
S.J. Res. 101. On passage of a resolution authorizing the President to issue a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week." [X]	Yea.
H.R. 5446. On passage of a bill implementing the 1972 Convention on the International Regulations for Preventing Collisions at Sea. [X]	Aye.
H.R. 11670. On passage of a bill authorizing appropriations for the procurement of Coast Guard vessels and aircraft and construction of facilities. [X]	Yea.
H.J. Res. 890. On passage of a resolution providing an emergency supplemental appropriation for a nationwide influenza immunization program. [X]	Yea.
APR. 6, 1976	
H.R. 12388. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter for the Energy Research and Development Administration's weapons research and development testing. [X]	Nay.
H.R. 3863. On an amendment which would have redefined the boundaries of the wilderness areas so as to exclude 6,270 acres known as East Meadow Creek. [O]	No.
S. 1941. On agreeing to the conference report on a bill establishing new protections for animals during shipment and prohibiting the use of interstate facilities to promote dog and cockfights. [X]	Yea.
APR. 7, 1976	
H.R. 10686. On passage of a bill providing for the transfer of decennial census population records to the National Archives no later than 50 years after the census date. [X]	Yea.
H.R. 11337. On an amendment providing for a mid-decade population census and for the removal of penalties for refusing to answer census questions. [X]	No.
H.R. 12678. On a motion to recommit the bill with instructions to the Committee on Interstate and Foreign Commerce. [O]	Nay.
APR. 8, 1976	
H.R. 12438. On an amendment which would have placed in escrow $960.5 million in procurement funds for 3 B–1 bombers until Feb. 1, 1977. [O]	Aye.
H.R. 12438. On an amendment which would have deferred any expenditure of funds for a new nuclear aircraft carrier pending completion of a congressional study of future carrier usefulness. [O]	Aye.
APR. 9, 1976	
H.R. 12438. On an amendment which would have prohibited the overland testing of terminal-guidance, high-accuracy MARV nuclear warheads. [O]	Aye.
H.R. 12438. On an amendment which would have reduced the number of U.S. active forces stationed overseas by 47,000 persons. [O]	Aye.
H.R. 12438. On an amendment which would have required 3 years notice for base closings if such closings would reduce operations at the installation or facility by over 50 percent from the level which existed as of Mar. 15, 1976. [O]	Aye.
H.R. 12438. On passage of a bill authorizing appropriations in fiscal 1977 for the procurement of weapons systems and research and development on new weapons systems. [X]	Aye.
APR. 12, 1976	
H.R. 12132. On passage of a bill to extend for 1 year the District of Columbia Medical and Dental Manpower Act of 1970 to assist private nonprofit medical and dental schools. [X]	Yea.
H. Res. 1032. On passage of a resolution disapproving President Ford's proposed deferral of funds appropriated for the Soil Conservation Service's emergency watershed repair work. [X]	Yea.
H.R. 7988. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1976–77 for prevention and control of heart and lung diseases. [X]	Yea.
APR 13, 1976	
H.R. 13172. On an amendment providing additional appropriations for education for the handicapped and for grants to students under the basic educational opportunity grant programs. [X]	Aye.
H.R. 13172. On passage of a bill providing supplemental appropriations for fiscal 1976 and the transition quarter for various departments and agencies. [X]	Yea.
H. Res. 1135. On passage of a resolution to disapprove the President's exemption of residual fuel oil from price and allocation controls. [O]	Yea.
S. 644. On a motion to recommit the conference report to the conference committee. [O]	Nay.
APR. 26, 1976	
H.R. 12838. On passage of a bill authorizing appropriations through fiscal 1980 for the Arts and Humanities Endowments. [X]	Yea.
APR. 28, 1976	
S. 2662. On a motion to recommit the conference report to the conference committee. [O]	Yea.
S. 2662. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1976 and the transition quarter for the International Security Assistance and Arms Export Control Act. [X]	Nay.
H. Con. Res. 611. On an amendment increasing the veterans function target ceiling to cover a possible extension of the expiration date for the utilization of educational benefits under the GI bill. [X]	Aye.
H. Con. Res. 611. On an amendment increasing the veterans function target ceiling to cover increases in veterans' entitlement programs indexed to the cost of living by law. [X]	Aye.
H. Con. Res. 611. On an amendment which would have reduced the defense spending target. [O]	Aye.
APR. 29, 1976	
H.R. 8617. On overriding the President's veto of a bill permitting Federal employees to participate and run in local, State, and Federal election campaigns. [O[	Yea.
H. Con. Res. 611. On an amendment which would have reduced the defense spending target and redistributed the budget authority between various domestic programs. [O]	Aye.
H. Con. Res. 611. On an amendment which would have deleted from the resolution's targets startup funds for the Humphrey-Hawkins full employment bill and national health insurance legislation. [O]	No.
H. Con. Res. 611. On an amendment which would have deleted from the resolution's targets startup funds for the Humphrey-Hawkins full employment bill [O].	No.
H. Con. Res. 611. On an amendment which would have reduced the budget target for the food stamp program. [O]	No.
H. Con. Res. 611. On an amendment which would have set outlays at $399.9 billion. [O]	No.
H. Con. Res. 611. On an amendment which would have set outlays at $363 billion. [O]	No.
H. Con. Res. 611. On passage of a resolution setting fiscal 1977 budget targets of $415.4 billion in outlays and $363 billion in revenues. [X]	Nay.
APR. 30, 1976	
H.R. 12987. On an amendment which would have earmarked 1 percent of the funds under Title IV for public service jobs for unemployed or underemployed artists. [O]	Yea*.
H.R. 12987. On passage of a bill authorizing appropriations in fiscal 1976 and the transition quarter to maintain public service jobs. [X[	Yea*.
H.R. 366. On an amendment which would have required that all payments in the bill must be paid through general revenue sharing funds. [O]	Nay*.
H.R. 366. On passage of a bill providing a $50,000 payment by the Law Enforcement Assistance Administration to the spouses or eligible dependents of law enforcement personnel who die as a result of injury sustained in the performance of duty. [X]	Aye*.
H.R. 365. On passage of a bill providing a $50,000 payment by the Law Enforcement Assistance Administration to spouses or eligible dependents of firefighting personnel who die as a result of injury sustained in the performance of duty. [X]	Yea.*
MAY 3, 1976	
S. 3065. On agreeing to the conference report on a bill reconstituting the Federal Election Commission and placing limitations on political contributions. [X]	Yea.

Proposal	My vote
MAY 3, 1976—Continued	
H.R. 7656. On agreeing to the conference report on a bill allowing cattle producers to establish, finance, and administer a program of beef research and product promotion. [X]	Yea.
H.R. 5523. On passage of a bill establishing uniform standards for the enforcement of fish and wildlife laws under the jurisdiction of the Departments of Interior and Commerce. [X]	Yea.
H.R. 11505. On passage of a bill authorizing appropriations in fiscal 1977 for the Environmental Protection Agency's ocean dumping regulation programs and to the National Oceanic and Atmospheric Administration. [X]	Yea.
H.R. 13035. On passage of a bill extending for 1 year the sea-grant program.[X]	Yea.
H.R. 11920. On passage of a bill closing the loophole by which wealthy individuals join together to diversify their stock holdings and redistribute their stock market risks while continuing to postpone tax on the unrealized gains on the stock they pool together. [X]	Yea.
H.R. 12168. On passage of a bill authorizing appropriations through fiscal 1977 for the Office of Pipeline Safety Operations. [X]	Yea.
MAY 4, 1976	
H.R. 9803. On overriding the President's veto of a bill postponing until July 1, 1976, the effective date of the requirement that day care centers meet new Federal staffing standards. [X]	Yea.
H.R. 12216. On passage of a bill extending the authorization for the Domestic Volunteer Service Act through fiscal 1978. [X]	Yea.
H.R. 12704. On an amendment providing that regulations promulgated under the Environmental Protection Agency Act be subject to congressional disapproval. [X]	No.
H.R. 12704. On passage of a bill authorizing appropriations for the research and development programs of the Environmental Protection Agency. [X]	Yea.
MAY 5, 1976	
H.R. 12234. On an amendment which would have reduced the authorization in the bill. [O]	No.
H.R. 12234. On an amendment which would have decreased the level at which the bill's revised state allocation formula would be triggered. [O]	No.
H.R. 12234. On an amendment to strike from the bill a provision allowing fund moneys to be used for shelters for swimming pools and ice skating rinks. [X]	Yea.
H.R. 12234. On passage of a bill increasing the authorization level of the land and water conservation fund. [X]	Yea.
H.R. 8410. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAY 6, 1976	
H.R. 12384. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 9043. On an amendment striking from the bill the requirement that all Federal agencies establish a flexible or compressed work schedule for employees. [X]	No.
H.R. 9043. On an amendment would have required that for workers represented by unions the waiver on payment of overtime in the case of a flexible work schedule must be part of the written labor agreement between the union and the Federal agency. [O]	No.*
MAY 7, 1976	
H.R. 12384. On an amendment which would have changed the criterion for requiring Department of Defense justification to Congress of any proposed closings or transfers affecting military bases. [O] (A repeat with wrong vote).	Aye.
H.R. 12384. On an amendment which would have extended the wage protections of the Davis-Bacon Act to certain non-advertised military construction contracts. [O]	No.
H.R. 12384. On passage of a bill authorizing appropriations for military construction projects and for family housing for military personnel. [X]	Yea.
MAY 10, 1976	
H.R. 10451. On agreeing to the resolution under which the bill would be considered. [X]	Yea.
H.R. 10451. On passage of a bill increasing the pay incentives available to the Navy to enable it to attract and retain qualified officers to serve on nuclear vessels. [X]	Nay.
H.R. 12387. On passage of a bill authorizing appropriations in fiscal 1977 for the Nuclear Regulatory Commission. [X]	Yea.
H.R. 12934. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 12934. On passage of a bill making the terms of the Chairman and Vice Chairman of the Federal Reserve Board coterminous with that of the President of the United States and expanding the size of the Board of Directors of the Federal banks. [X]	Yea.
H.R. 12851. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAY 11, 1976	
H.R. 12835. On passage of a bill extending the authorization for the Vocational Education Act of 1963. [X]	Yea.
MAY 12, 1976	
H.R. 12851. On an amendment which would have deleted a provision requiring that when appropriations for student aid exceed $2.5 billion, an amount equal to the excess would have to be appropriated for community services, continuing education and facilities. [O]	No.
H.R. 12851. On an amendment to prohibit the use of funds for the teaching of "secular humanism". [X]	No.
H.R. 12851. On an amendment which would have exempted professional fraternities and sororities from Title IX provisions. [O]	No.
H.R. 12851. On passage of a bill extending for 1 year the expiring provisions of the Higher Education Act including the student assistance programs and Title VI of the National Defense Education Act. [X]	Yea.
MAY 13, 1976	
S. Con. Res. 109. On agreeing to the conference report on a resolution setting forth a fiscal 1977 budget ceiling of $413.3 billion in outlays and a floor of $362.5 billion in revenues. [X]	Nay.
S. 2498. On agreeing to the conference report on a bill easing funding for the acquisition of pollution control equipment by small business and liberalizing provisions of the Small Bnsiness Investment Act. [X]	Yea.
H.R. 12972. On passage of a bill authorizing appropriations through the end of fiscal 1977 for grants to State and local governments for local public works projects. [X]	Yea.
MAY 17, 1976	
S. 2679. On passage of a bill establishing a Commission on Security and Cooperation in Europe. [X]	Yea.*
H.R. 10210. On agreeing to the rule under which the bill would be considered. [O]	Yea.*
MAY 18, 1976	
H.R. 13308. On passage of a bill extending until May 7, 1977, the authority of the Secretary of Transportation to issue aviation war risk insurance to air carriers that have contracts with the Defense or State Departments. [X]	Yea.
H.R. 13724. On passage of a bill increasing the maximum direct Federal housing loan to veterans and the Federal share of mobile home loan guarantees. [X]	Yea.
H.R. 13172. On agreeing to the conference report on a bill providing supplemental funds for fiscal 1976 and the transition quarter for various departments and agencies. [X]	Yea.
MAY 19, 1976	
H.R. 13350. On an amendment which would have reduced funds for solar energy. [O]	No.
H.R. 13350. On an amendment to the subsequent amendment which redistributes solar energy funds between solar heating and cooling programs and other solar energy programs. [X]	No.
H.R. 13350. On an amendment (as amended by the previous amendment) distributing solar energy funds in the bill between various solar research projects. [X]	Aye.
H.R. 13680. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAY 20, 1976	
H.R. 9721. On agreeing to the conference report on a bill authorizing increased U.S. participation in the Inter-American Development Bank. [X]	Yea.
H.R. 13350. On an amendment which would have deleted funds for nuclear weapons activities from the bill. [O]	Aye.
H.R. 13350. On an amendment which would have required that utilities in the Clinch River breeder reactor joint venture pay certain percentages of cost overruns. [O]	Aye.
H.R. 13350. On an amendment to require that the Nuclear Regulatory Commission make a determination to assure public health and safety during construction of the Clinch River nuclear plant, but prior to operation. [X]	No.
H.R. 13350. On passage of a bill authorizing appropriations in fiscal 1977 for the Energy Research and Development Administration. [X]	Nay.
MAY 21, 1976	
H.R. 12453. On passage of a bill authorizing appropriations in fiscal 1977 for NASA. [X]	Nay.
H.R. 12677. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 12677. On passage of a bill authorizing appropriations in the transition quarter and fiscal years 1977–79 for the Federal effort to meet the problems of alcoholism. [X]	Yea.
H.R. 12679. On a motion to recommit the bill with instructions to the Committee on Interstate and Foreign Commerce. [O]	Nay.
H.R. 12679. On passage of a bill authorizing appropriations in the transition quarter and fiscal years 1977–79 for the National Center for Health Services Research, the National Center for Health Statistics, and the National Library of Medicine. [X]	Yea.
MAY 24, 1976	
H.R. 13121. On passage of a bill directing the Law Revision Counsel of the House to prepare and publish the District of Columbia Code. [X]	Yea.
H.R. 11009. On passage of a bill providing that the Comptroller General enter into contracts for design and implementation of financial planning, reporting, and budget control systems for the District of Columbia government. [X]	Yea.
H.R. 6810. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 6810. On passage of a bill providing for an additional Assistant Secretary of Commerce for Congressional Affairs. [O]	Yea.
MAY 25, 1976	
H.R. 10138. On passage of a bill creating the Young Adult Conservation Corps as a year-round complement to the existing summer-only Youth Conservations Corps. [X]	Yea.
H.R. 12945. On agreeing to the rule under which the bill would be considered. [X]	Yea.
MAY 26, 1976	
H.R. 13965. On passage of a bill making appropriations in fiscal 1976 and the transition quarter for the District of Columbia. [X]	Yea.
H.R. 12945. On an amendment to strike from the bill set-asides for new construction, publicly owned housing projects, and modernization of public housing, and instead allow the Department of HUD to use the moneys as it sees fit. [X]	Aye.
H.R. 12945. On an amendment to provide that social security benefit increases occurring after May, 1976, would not be included in the computation of income of tenants in public housing. [X]	Aye.
H.R. 12945. On an amendment which would have created a new direct housing loan program to make mortgage loans directed at middle-income home buyers. [O]	No.
H.R. 12945. On passage of a bill extending and amending existing housing and community development programs. [X]	Aye.
MAY 27, 1976	
H.R. 12169. On agreeing to the rule under which the bill would be considered. [X]	Nay.
JUNE 1, 1976	
H.R. 12169. On an amendment to delete funding for the Office of Conservation and the Environment. [X]	No.
H.R. 12169. On an amendment to provide that whenever the FEA submits a decontrol submission, the decontrol of allocation and decontrol of price must be submitted separately. [X]	Aye.
H.R. 12169. On an amendment providing for congressional review of new rules or regulations that are likely to have a substantial impact on the economy. [X]	Aye.
H.R. 12169. On an amendment that provides for an 18-month extension of the FEA. [X]	Aye.
H.R. 12169. On an amendment requiring that hearings regarding complaints about any rules or regulations be conducted in the geographic area where the complaint originates. [X]	No.
H.R. 12169. On passage of a bill authorizing appropriations in fiscal 1977 for the Federal Energy Administration. [X]	Nay.
JUNE 2, 1976	
H.R. 13680. On an amendment to strike language that limited security assistance to South Korea to $290 million for fiscal years 1976–77. [X]	No.
H.R. 13680. On passage of a bill authorizing appropriations for foreign military and security assistance in fiscal 1976–77. [X]	Nay.
JUNE 3, 1976	
H.R. 13655. On an amendment to provide that funds for fiscal 1977–81 be included in the annual authorizations for the Energy Research and Development Administration for those years. [X]	NAY.
H.R. 10930. On passage of a bill terminating government funding for Cotton, Inc., and permitting increased producer assessments for cotton promotion. [X]	Yea.
H.R. 9560. On an amendment limiting dredging and fill material permit regulation to navigable waters and adjacent wetlands and excluding normal farming operations from regulation. [X]	Aye.
H.R. 9560. On passage of a bill authorizing appropriations for water pollution control programs. [X]	Aye.
JUNE 4, 1976	
H.R. 6218. On agreeing to the rule under which the bill would be considered. [X]	Yea.

Proposal	My vote
JUNE 7, 1976	
H.R. 13567. On passage of a bill providing for a number of changes in programs administered by the Small Business Administration. [X]	Yea.
JUNE 8, 1976	
H.R. 5621. On passage of a bill authorizing appropriations for the establishment of the Valley Forge National Historical Park in Pennsylvania. [X]	Yea.
H.R. 2177. On passage of a bill exempting from duty certain aircraft components and materials installed in the United States in aircraft previously exported from the United States and reimported without having been advanced in value or improved in condition while abroad. [X]	Yea.
H.R. 13500. On passage of a bill permitting charitable organizations exempt from Federal income taxation to replace the "substantial part of activities" test with specific expenditure limits for efforts to influence legislation. [X]	Yea.
H.R. 9549. On passage of a bill providing for the establishment of the Old Ninety-Six Star Fort National Battlefield in South Carolina. [X]	Yea.
JUNE 9, 1976	
H.R. 13367. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 13367. On a motion that the House resolve itself into the Committee of the Whole for consideration of the bill. [X]	Yea.
H.R. 13179. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H. Res. 1274. On passage of a resolution authorizing the testimony and presentation of evidence by officials of the House before the Federal grand jury regarding the investigation of the Representative Wayne Hays' case. [X]	Yea
H.R. 13589. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 13490. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 13601. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 11804. On agreeing to the rule under which the bill would be considered. [X]	Yea.
JUNE 10, 1976	
H. Res. 1260. On agreeing to the rule under which the resolution would be considered. [X]	Yea.
H. Res. 1260. On passage of a resolution amending the Rules of the House to allow all expenses of the Committee on Standards of Official Conduct to be obtained directly from the contingent fund of the House. [X]	Yea.
H.R. 13367. On an amendment that strikes out provisions for supplemental fiscal assistance, modernization of State and local governments, and the provisions applying the Davis-Bacon prevailing wage rates to State and local government construction projects. [X]	Aye.
H.R. 13367. On an amendment which would have earmarked 20 percent of the revenue sharing funds for local property tax relief. [O]	No.
H.R. 13367. On an amendment which would have provided that when localities were identical in terms of their power and duties they would be treated identically under the formula. [O]	Aye.
H.R. 13367. On an amendment which would have extended the entitlements provisions for 2 years and then make revenue sharing subject to annual appropriations after fiscal 1978 on a forward-funded basis. [O]	Aye.
H.R. 13367. On an amendment which would have extended Davis-Bacon prevailing wage rates to all construction projects using any revenue sharing funds. [O]	No.
H.R. 13367. On passage of a bill extending the general revenue sharing program through Sept. 30, 1980. [X]	Aye.
JUNE 11, 1976	
H.R. 11804. On a motion to resolve into the Committee of the Whole for consideration of the bill. [X]	Yea.
H.R. 11804. On an amendment which would have authorized the Secretary of Transportation to use penalty fees for railroad safety improvements. [O]	Aye.
H.R. 11804. On passage of a bill authorizing appropriations in fiscal 1977–78 for the Federal Railroad Safety program. [X]	Yea.
H.R. 13490. On passage of a bill authorizing appropriations for the construction of facilities for the 1980 Winter Olympic Games at Lake Placid, N.Y. [X]	Nay.*
H.R. 9291. On agreeing to the rule under which the bill would be considered. [X]	Yea.*
JUNE 14, 1976	
H.R. 14261. On an amendment which would have prohibited the Internal Revenue Service from using funds for its informer program. [O]	No.
H.R. 14261. On an amendment which would have mandated an unspecified 5 percent cut in total new budget authority in the bill. [O]	No.
H.R. 14261. On an amendment which would have prohibited funds appropriated to the IRS from being used for the compilation and making public of records of contacts made by a Member of Congress with regard to matters pending before the IRS. [O]	Nay.
H.R. 14261. On passage of a bill making appropriations in fiscal 1977 for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and various independent agencies. [X]	Yea.
H.R. 14114. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 14114. On passage of a bill increasing the temporary debt ceiling, pursuant to a Treasury Department request, to $700 billion through Sept. 30, 1977. [X]	Nay.
H.R. 6218. On 3 amendments en bloc, all technical in nature. [O]	No.
H.R. 6218. On an amendment which would have deleted language specifically requiring the Secretary of the Interior, before leasing a tract of the Outer Continental Shelf, to give the Attorney General and the FTC the information they need to determine whether the leasing was inconsistent with antitrust laws. [O]	No.
H.R. 6218. On an amendment which would have revised the procedure by which Outer Continental Shelf lands are leased. [O]	No.
JUNE 15, 1976	
H.R. 14236. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 14236. On an amendment which would have deleted funding for the next major feature of the Garrison diversion irrigation project in North Dakota. [O]	Aye.
H.R. 14236. On an amendment which would have mandated an unspecified 5 percent cut in new budget authority in the bill. [O]	No.
H.R. 14236. On passage of a bill making appropriations in fiscal 1977 for water and power development, the Energy Research and Development Administration, and independent power agencies. [X]	Yea.
JUNE 16, 1976	
H.R. 14237. On an amendment which would have limited the peanut subsidy program for the 1977 crop to no more than $59 million. [O]	Aye.
H.R. 14237. On an amendment which would have reduced funds for the food stamp program. [O]	No.
H.R. 14237. On a motion to recommit the bill with instructions to the Appropriations Committee. [O]	Nay.
H.R. 14237. On passage of a bill making appropriations in fiscal 1977 to the Department of Agriculture and related agencies. [X]	Yea.
H.R. 12384. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1977 for military construction projects and family housing for military personnel. [X]	Yea.
H.R. 14235. On an amendment which would have mandated an unspecified 5 percent cut in total new budget authority in the bill. [O]	No.
H.R. 14235. On passage of a bill making appropriations in fiscal 1977 for military construction and family housing for military personnel. [X]	Yea.
JUNE 17, 1976	
H.R. 14262. On agreeing to the rule under which the bill would be considered. [X]	Yea.*
H.R. 14262. On an amendment restoring funds to the Army budget and deleting funds from the Navy budget so that the Defense Department could proceed with its plan to consolidate undergraduate helicopter pilot training. [X]	Aye.
H.R. 14262. On an amendment deleting funds for the 1 percent add-on to retirement pay for military personnel. [X]	Aye.
H.R. 14262. On an amendment which would have deleted funds for long leadtime procurement for a new Nimitz-class attack carrier. [O]	Aye.
H.R. 14262. On an amendment which would have deferred until Feb. 1, 1977, $948 million for the production of 3 B–1 bombers. [O]	Aye.
H.R. 14262. On passage of a bill making appropriations in fiscal 1977 for the Department of Defense. [X]	Yea.
JUNE 18, 1976	
H.R. 13179. On an amendment which would have inserted language more strongly asserting a desire to maintain the exclusive use of the rights of sovereignty to the Panama Canal Zone. [O]	No.
H.R. 13179. On an amendment in the nature of a substitute to the following amendment that specifies that any new Panama Canal treaty must protect the vital interests of the United States in the Panama Canal Zone. [X]	Aye.
H.R. 13179. On an amendment as amended by the previous amendment. [X]	Aye.
H.R. 13179. On passage of a bill authorizing appropriations for the Department of State in fiscal 1977. [X]	Yea.
H.R. 13589. On passage of a bill authorizing appropriations in fiscal 1977 for the United States Information Agency. [X]	Yea.
H.R. 14239. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 14239. On an amendment which would have increased funding for the Law Enforcement Assistance Administration. [X]	Aye.*
H.R. 14239. On a motion to recommit the bill with instructions to the Committee on Appropriations. [O]	Nay.*
H.R. 14239. On passage of a bill making appropriations in fiscal 1977 for the Departments of State, Justice and Commerce, the Judiciary, and related agencies. [X]	Yea.*
JUNE 21, 1976	
S.J. Res. 203. On passage of a resolution extending the guaranteed student loan program and the Emergency Insured Student Loan Act through fiscal 1977. [X]	Yea.
H.R. 14299. On passage of a bill increasing the rates of disability compensation for service-connected disabled veterans and the rates of dependency and indemnity compensation for widows and children. [X]	Yea.
H.R. 14298. On passage of a bill extending the "interim" 8 percent increase in pension benefits to veterans and survivors through the end of 1976. [X]	Yea.
S.J. Res. 49. On passage of a resolution clarifying certain provisions of the flag code as to the proper use and display of the U.S. flag. [X]	Yea.
H.R. 9689. On passage of a bill permitting translator broadcast stations to originate limited amounts of local programming, and authorizing FM radio translator stations to operate unattended. [X]	Yea.
H.R. 13711. On passage of a bill making permanent the authorization for the Horse Protection Act of 1970. [X]	Yea.
JUNE 22, 1976	
H.R. 8125. On passage of a bill eliminating the present bracket system of taxing large cigars on the basis of the intended retail price and replacing it with a flat tax on the wholesale price. [O]	Nay.
H.R. 10051. On passage of a bill preventing the imposition of a special tax on amounts inadvertently distributed by a life insurance company from the policyholders' surplus account, provided that the amount distributed is returned to the company no later than the time prescribed by law for filing the company's return for the taxable year in which the distribution was made. [X]	Yea.
H.R. 12254. On passage of a bill extending the suspension of duty on certain bicycle parts from Dec. 31, 1976 to June 30, 1978. [X]	Yea.
H.Res. 1216. On passage of a resolution expressing the sense of the House that the U.S. Postal Service shall not close or suspend the operation of any post office, unless there is a clear and compelling need to do so. [X]	Yea.
H.R. 13955. On passage of a bill amending the Bretton Woods Agreement providing for floating exchange rates and abolishing the fixed price of gold. [O]	Yea.
S. 2853. On passage of a bill increasing the accountability of food stamp vendors. [X]	Yea.
H.R. 14394. On passage of a bill extending the Federal Energy Administration until Sept. 30, 1976. [O]	Yea.
H.R. 13680. On a motion to recommit the conference report with instructions to the conference committee. [O]	Nay
H.R. 13680. On agreeing to the conference report on a bill authorizing appropriations for foreign military and security assistance in fiscal 1976–77. [X]	Nay.
H.R. 14233. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 14233. On a motion to recommit the bill with instructions to the Appropriations Committee. [O]	Nay.
H.R. 14233. On passage of a bill making appropriations for the Department of Housing and Urban Development and independent agencies in fiscal 1977. [X]	Yea.
On a motion that the House meet at noon on Wednesday, June 23. [X]	Yea.
JUNE 23, 1976	
H. Res. 1344. On passage of a resolution electing Representative Thompson as chairman of the House Administration Committee. [X—	Yea.
S. 3201. On agreeing to the rule under which the conference report on the bill would be considered. [X]	Yea.
S. 3201. On a motion to delete Title II of the conference report, which authorizes cyclical grants for local public works projects for State and local governments. [O]	Nay.
S. 3201. On agreeing to the conference report on a bill authorizing appropriations through the end of fiscal 1977 for grants to State and local governments for public works projects. [X]	Yea.
H.R. 14232. On an amendment increasing funds for the summer youth employment and training assistance program. [X]	Aye.
H.R. 14232. On a motion that the committee rise. [X]	Aye.

Proposal	My vote
JUNE 24, 1976	
H.R. 14232. On a motion to limit debate. [X]	No.
H.R. 14232. On an amendment to the following amendment which would have prohibited the penalizing of any farming operation of five or less employees for violations of sec. 17 of the Occupational Safety and Health Act, unless the violation is willful, repeated, or serious. [O]	No.
H.R. 14232. On an amendment exempting farm operations employing 10 or less individuals from the regulations of the Occupational Safety and Health Administration (OSHA). [X]	Aye.
H.R. 14232. On an amendment prohibiting funds to carry out the issuance of first instance citations for OSHA violations against small business firms employing ten or fewer persons. [X]	Aye.
H.R. 14232. On an amendment which would have increased funding for development and population research within the National Institute of Child Health and Human Development. [O]	Aye.
H.R. 14232. On an amendment increasing funding for new community health center startups and mental health research. [X]	Aye.
H.R. 14232. On an amendment increasing the appropriation for multipurpose senior citizen centers. [X]	Aye.
H.R. 14232. On an amendment prohibiting funds in the bill to be used for abortions or to promote or encourage abortions. [X]	No.
H.R. 14232. On an amendment to the following amendment which would have insured that the proposed cut would not reduce funding for any item below fiscal 1976 levels or the amount requested by the administration for fiscal 1977, whichever is higher. [O]	No.
H.R. 14232. On an amendment which would have mandated an unspecified 5 percent cut in total new budget authority in the bill. [O]	No.
H.R. 14232. On an amendment increasing the appropriation for summer youth employment and training assistance programs. [X]	Yea.
H.R. 14232. On an amendment prohibiting funds in the bill from being used to pay for abortions or to promote or encourage abortions. [X]	Nay.
H.R. 14260. On agreeing to the rule under which the bill would be considered [X]	Yea.*
JUNE 25, 1976	
H.R. 14231. On agreeing to the rule under which the bill would be considered. [X]	Yea.*
H.R. 14231. On an amendment increasing funding for energy conservation programs in the Energy Research and Development Administration. [X]	Aye.*
H.R. 14231. On a motion to recommit the bill with instructions to the Appropriations Committee. [O]	Nay.*
H.R. 14231. On passage of a bill making appropriations in fiscal 1977 for the Department of Interior and related agencies. [X]	Yea.*
JUNE 28, 1976	
H.R. 14234. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 14234. On an amendment which would have prohibited commercial flights of supersonic aircraft to U.S. airports that do not meet established noise standards. [O]	Aye.
H.R. 14234. On an amendment which would have prohibited commercial flights of supersonic aircraft to the John F. Kennedy International Airport in New York unless such flights can comply with established noise standards. [O]	Aye.
H.R. 14234. On an amendment striking the obligation ceiling of $7.2 billion on the Federal-aid highway and related mass transit programs. [X]	Aye.
H.R. 14234. On passage of a bill making appropriations in fiscal 1977 for the activities of the Department of Transportation and related agencies. [X]	Yea.
H.R. 12203. On agreeing to the conference report on a bill making appropriations in fiscal 1976 and the transition quarter for foreign economic and military aid. [X]	Nay.
JUNE 29, 1976	
H.R. 14236. On agreeing to the conference report on a bill making appropriations in fiscal 1977 for public works projects and energy research and development. [X]	Yea.
S. 3184. On agreeing to the conference report on a bill authorizing appropriations in the transition quarter and fiscal 1977–79 for the Federal effort to meet the problems of alcoholism. [X]	Yea.
H.R. 14237. On agreeing to the conference report on a bill making appropriations for the Department of Agriculture and related agencies in fiscal 1977. [X]	Yea.
H.R. 14260. On an amendment which would have reduced the funding for the International Development Association in fiscal 1977. [O]	No.
H.R. 14260. On an amendment which would have mandated an unspecified 5 percent cut in total new budget authority in the bill. [O]	No.
H.R. 14260. On an amendment which would have prohibited funds from being used by any international financial institution for the purpose of extending loans for the production of palm oil to be exported to the United States. [O]	No.
H.R. 14260. On passage of a bill making appropriations for foreign economic and military assistance programs in fiscal 1977. [X]	Nay.
S. 3168. On agreeing to the conference report on a bill authorizing appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, in fiscal 1977. [X]	Yea.
S. 268. On agreeing to the conference report on a bill designating the Eagles Nest Wilderness, Arapaho and White River National Forests in the State of Colorado. [X]	Yea.
H.R. 13555. On agreeing to the rule under which the bill would be considered. [X]	Yea.
JUNE 30, 1976	
S. 3625. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 12438. On agreeing to the rule under which the conference report on the bill would be considered. [X]	Yea.
S. 3625. On passage of a bill extending the Federal Energy Administration until July 30, 1976. [X]	Nay.
S. 3295. On a motion to recommit the conference report on the bill to the conference committee. [O]	Nay.
S. 3295. On agreeing to the conference report on a bill extending and amending existing housing and community development programs. [X]	Yea.
H.R. 14261. On agreeing to the conference report on a bill making appropriations in fiscal 1977 for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies. [X]	Yea.
H.R. 14261. On a motion to recede and concur in a Senate amendment to the conference report that restricts the authority of the General Services Administration to purchase stainless steel flatware from a nondomestic supplier. [X]	Nay.
H.R. 9771. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1976–80 from the airport and airway trust fund for airport development and other aviation activities. [X]	Yea.
H.R. 12438. On a motion to recommit the conference report on the bill to the conference committee. [O]	Yea.
H.R. 12438. On agreeing to the conference report on a bill authorizing appropriations in fiscal 1977 for the procurement of new weapons and research and development of new weapons systems. [X]	Yea.
S. 586. On agreeing to the conference report on a bill authorizing appropriations for a coastal energy activity program that would assist coastal states experiencing adverse impacts as a result of Outer Continental Shelf activity. [X]	Yea.
H.R. 14239. On agreeing to the conference report on a bill making appropriations in fiscal 1977 to the Departments of State, Justice and Commerce, the Judiciary, and related agencies. [X]	Yea.
H. Res. 1302. On a motion to discharge from the Interstate and Foreign Commerce Committee (thus giving the full House a chance to vote on) a resolution disapproving the proposed exemption of No. 2 heating and No. 2-D diesel fuel from the mandatory petroleum and allocation and price regulations. [O]	Yea.
JULY 1, 1976	
H. Res. 1368. On a motion to recommit the resolution with instructions to the Committee on Rules. [O]	No.
H. Res. 1368. On passage of a resolution establishing. a Commission on Administrative Review in the House of Representatives. [X]	Yea.
H. Res. 1372. On agreeing to the rule under which the resolution would be considered. [X]	Yea.
H. Res. 1372. On a motion to recommit the resolution with instructions to the House Administration Committee. [O]	Nay.
H. Res. 1372. On passage of a resolution requiring the full House to approve House Administration Committee decisions to fix and adjust allowances. [X]	Yea.
H.R. 14235. On agreeing to the conference report on a bill making appropriations in fiscal 1977 for military construction and housing for military personnel. [X]	Yea.
H.R. 12455. On agreeing to the rule under which the conference report on the bill would be considered. [X]	Yea.
H.R. 12455. On a motion to recede from disagreement and concur in a Senate amendment to the conference report on a bill extending the maximum period during which certain social security recipients can defer implementation of Federal day care standards. [X]	Yea.
JULY 19, 1976	
H.R. 12939. On passage of a bill making technical changes in the Coast Guard law. [X]	Yea.
H.R. 13326. On passage of a bill extending until Nov. 1, 1983, the existing exemption of the steamboat Delta Queen from certain fire regulations. [X]	Yea.
H.R. 13218. On passage of a bill permitting the S.S. United States to be used as a floating hotel on navigable waters in the United States. [X]	Yea.
H.R. 13720. On passage of a bill amending the Consumer Protection Act to regulate debt collection practices. [O]	Yea.
H.R. 10210. On agreeing to the rule under which the bill would be considered. [X]	Yea.
JULY 20, 1976	
H.R. 14311. On passage of a bill reducing the interest payment which the Panama Canal Company annually pays to the U.S. Treasury. [X]	Nay.
H.R. 12224. On passage of a bill amending the Internal Revenue Code to provide that gain or loss on closing transactions shall be treated as capital gain or loss. [X]	Yea.
S. 2447. On passage of a bill making it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected. [X]	Yea.
H.R. 14291. On passage of a bill authorizing a plebiscite in which the voters of American Somoa will vote on the question of whether they want an elected Governor and Lieutenant Governor. [X]	Yea.
H.R. 14231. On ordering the previous question on a motion to recede and concur in Senate Amendment No. 54 to the conference report. [X]	Nay.
H.R. 10210. On an amendment that would have deleted language which requires coverage of State and local government employees. [O]	No.
H.R. 10210. On an amendment reducing the taxable wage base to $6,000. [X]	Aye.
H.R. 10210. On an amendment that would have added language requiring States to pay a weekly benefit equal to 50 percent of the claimant's weekly wage, up to at least two-thirds of the statewide average weekly wage in covered unemployment. [O]	No.
H.R. 10210. On passage of a bill to extend coverage under the permanent Federal-State Unemployment Compensation Law, increase employer-paid unemployment compensation taxes, modify the trigger mechanism for the Federal extended benefit program, and establish a National Commission on Unemployment Compensation. [X]	Yea.
JULY 21, 1976	
H.R. 6218. On an amendment that would have made it optional for the Coast Guard to mark for navigation and oil drilling rights in the Outer Continental Shelf. [O]	No.
H.R. 6218. On an amendment to the following amendment which would have permitted suspension of leasing activities only after the interested parties had had an opportunity to correct the claimed errors and had an opportunity for a hearing. [O]	No.
H.R. 6218. On an amendment allowing a 5-year suspension period prior to the cancellation of any lease or permit. [X]	Aye.
H.R. 6218. On an amendment that would have left the authority for issuing safety regulations applying to the construction and operation of offshore oil rigs to the Coast Guard. [O]	No.
H.R. 6218. On a motion to recommit the bill with instructions to the Ad Hoc Select Committee on the Outer Continental Shelf. [O]	Nay.
H.R. 6218. On passage of a bill amending the Outer Continental Shelf Lands Act of 1953 by providing specific statutory guidelines, standards, and procedures for the development of OCS oil and gas. [X]	Yea.
JULY 22, 1976	
S. 3201. On overriding the President's veto of a bill authorizing appropriations through the end of fiscal 1977 for grants to State and local governments for local public works projects. [X]	Yea.
H.R. 12384. On overriding the President's veto of a bill authorizing appropriations for military construction projects and for family housing for military personnel. [X]	Yea.
H.R. 13777. On agreeing to the rule under which the bill would be considered. [X]	Yea
H.R. 13777. On an amendment which would have given Congress review and possible veto of only those land withdrawals exceeding 25,000 acres. [O]	Aye.
H.R. 13777. On a motion to recommit the bill with instructions to the Committee on Interior and Insular Affairs. [O]	Nay.
H.R. 13777. On passage of a bill providing a legislative charter for the Bureau of Land Management and the Department of Agriculture's Forest Service to manage public lands on a multiple use and sustained yield basis. [X]	Nay.
JULY 26, 1976	
H.R. 7743. On an amendment which would have terminated the Pennsylvania Avenue Development Corporation in one year. [O]	Aye.
H.R. 7743. On passage of a bill authorizing appropriations for the operation and administration of the Pennsylvania Avenue Development Corporation in fiscal 1976–78 and its plan to redevelop part of Pennsylvania Avenue. [X]	Nay.

Proposal	My vote
MAY 26, 1976—Continued	
H.R. 11743. On passage of a bill providing for an additional Assistant Secretary of Agriculture to coordinate and disseminate information related to agricultural research and establishing a 22-member National Agricultural Research Advisory Board. [X]	Yea.
H.R. 10133. On an amendment that would have upgraded the position of Administrator, Food and Nutrition Service. [O]	Aye
H.R. 10133. On passage of a bill upgrading and augmenting certain top-level administrative positions in the U.S. Department of Agriculture. [X]	Yea.
H.R. 13955. On agreeing to the rule under which the bill would be considered. [X]	Yea.
JULY 27, 1976	
H.R. 13955. On a motion to resolve into the Committee of the Whole for consideration of the bill. [X]	Yea.
H.R. 13955. On passage of a bill amending the Bretton Woods Agreement providing for floating exchange rates in place of fixed exchange rates and abolishing the fixed price of gold. [X]	Yea.
H.R. 14233. On agreeing to the conference report on a bill making appropriations in fiscal 1977 to the Department of Housing and Urban Development and independent agencies. [X]	Yea.
H.R. 13720. On agreeing to the rule under which the bill would be considered. [X]	Yea
H.R. 13720. On passage of a bill amending the Consumer Credit Protection Act to regulate debt collection practices. [X]	Yea.
H.R. 13555. On an amendment which would have retained the functions of the Mining Enforcement and Safety Administration within the Department of the Interior. [O]	No*.
JULY 28, 1976	
H.R. 13555. On an amendment which would have included independent contractors within the term "operator" as defined for the purposes of the bill. [O]	No.
H.R. 13555. On passage of a bill transferring administration of both coal and noncoal health and safety from the Department of Interior to the Department of Labor and authorizing a variety of health safeguards and prevention programs. [X]	Yea.
H.R. 11656. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 11656. On an amendment requiring that reason and statutory authority be set forth when an agency deletes material from transcripts. [X]	Aye.
H.R. 11656. On an amendment clarifying the definition of meeting to include only those meetings called for the purpose of discussing agency business. [X]	No.
H.R. 11656. On an amendment deleting the verbatim transcript requirement and replacing it with a requirement that minutes be recorded and retained by the agency. [X]	No.
H.R. 11656. On an amendment which would have deleted the language providing that any person can bring suit against any agency for violation of the requirements of the bill. [O]	No.
H.R. 11656. On an amendment clarifying the provisions of the bill and its effect upon existing statute criteria of the Freedom of Information Act. [X]	No.
H.R. 11656. On passage of a bill requiring that meetings of federal regulatory and other agencies be open to the public. [X]	Yea.
JULY 29, 1976	
H. R. 1421. On agreeing to a resolution reprimanding Representative Robert L. F. Sikes. [X]	Aye.
H. Res. 14514. On an amendment in the nature of a substitute that would have enabled California to retain its food stamp cash-out basis without any conditions or qualifications. [O]	No.
H.R. 14514. On passage of a bill permitting a state to retain food stamp cash-out status under the supplemental security income program if the state meets certain conditions. [X]	Yea.
H.R. 13876. On a motion to recommit the bill with instructions to the Committee on Banking, Currency and Housing. [O]	No.
H.R. 13876. On an amendment which would have deleted language authorizing the Federal Reserve Board to require the termination of securities activities of foreign banks after a 10-year "grandfather" period. [O]	No.
H. Res. 1350. On passage of a resolution establishing a Select Committee on Narcotics Abuse and Control. [X]	Yea.
JULY 30, 1976	
H.R. 8401. On an amendment that strikes those sections which provide for ERDA-private industry uranium enrichment contracts. [X]	Aye.*
H.R. 2525. On agreeing to the rule under which the bill would be considered. [X]	Yea.*
H.R. 2525. On passage of a bill implementing the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs. [X]	Yea.*
AUG. 2, 1976	
H.R. 12882. On passage of a bill eliminating dual payment of annuities and salaries to civil service retirees during the period that they are reemployed as judges or justices. [O]	Yea.
H.R. 10546. On passage of a bill authorizing additional funds for the acquisition of lands in the Boundary Waters Canoe Area in northeastern Minnesota. [X]	Yea.
H.R. 14566. On passage of a bill providing for a national research and education program available to freestone peach growers and establishing a National Freestone Peach Research and Education Board. [O]	Nay.
H.R. 14360. On passage of a bill authorizing funds for the repair and reconstruction of damage caused by numerous water leaks within the John F. Kennedy Center for the Performing Arts. [X]	Yea.
H.R. 13489. On passage of a bill providing the Antitrust Division of the Justice Department with additional authorities during investigations of possible civil violations of the Federal antitrust laws. [X]	Yea.
H.R. 14580. On passage of a bill establishing premerger notification and waiting requirements for corporations planning very large mergers or acquisitions. [X]	Yea.
H.R. 3605. On passage of a bill reducing the excise tax on beer produced by small breweries. [O]	No.
H.R. 14469. On passage of a bill extending special and incentive pay to physicians and dentists of the Veterans' Administration through fiscal 1977. [X]	Yea.
H.R. 13676. On passage of a bill creating a new Energy Extension Service Office within the Energy Research and Development Administration and providing for the positions of Director and Deputy Director to administer the new Federal-State program. [X]	Yea.
AUG. 3, 1976	
H.R. 14234. On agreeing to the conference report on a bill making appropriations in fiscal 1977 for the Department of Transportation and related agencies. [X]	Yea.
H.R. 14234. On a motion to recede and concur with the Senate amendment to the conference report which establishes a $7.2 billion obligation ceiling on Federal highway programs. [X]	Nay.
H.R. 11909. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 11909. On an amendment striking out all of the bill except language authorizing appropriations for the Commission in fiscal 1977. [X]	Aye.
H.R. 11909. On passage of a bill authorizing appropriations for the Indian Claims Commission in fiscal 1977. [X]	Yea.
H.R. 12944. On passage of a bill extending the authorization for the Federal Insecticide, Fungicide, and Rodenticide Act from Mar. 31, 1977 to Sept. 3, 1977. [X]	Yea.
AUG. 4, 1976	
H.R. 8401. On an amendment which would have deleted those sections which provide for ERDA-private industry uranium enrichment contracts. [O]	Aye.
H.R. 8401. On passage of a bill permitting the Energy Research and Development Administration to enter into agreements with private industry to encourage the development of competitive private uranium enrichment plans. [X]	Nay.
H.R. 4634. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 10498. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 4634. On passage of a bill establishing an average workweek of 54 hours for Federal firefighters and authorizing payment of 25-percent premium pay to firefighters having a 54-hour workweek. [O]	Nay.
S. 391. On overriding the President's veto of a bill revising the procedures governing the leasing and development of coal deposits on Federal lands. [X]	Yea.
AUG. 5, 1976	
H.R. 9719. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 9719. On a motion that the House resolve itself into the Committee of the Whole for consideration of the bill. [X]	Yea.
H.R. 9719. On an amendment which would have deleted reference to the national park system from section 3 of the bill. [O]	Yea.
H.R. 9719. On an amendment which would have deleted land within the national park system as "entitlement land" for the purposes of the bill. [O]	Yea.
H.R. 9719. On an amendment that exempts Federal payments for lands conveyed to the United States which were previously exempt from State taxes. [X]	Yea.
H.R. 9719. On passage of a bill providing for annual payments to units of local government to compensate them for tax revenues that they cannot collect on tax-immune Federal lands within their jurisdictions. [X]	Yea.
H.R. 11552. On agreeing to the rule under which the bill would be considered. [X]	Yea.
AUG. 9, 1976	
H.R. 11552. On an amendment to the following amendment which would have postponed the implementation date until Jan. 3, 1977. [O]	No.
H.R. 11552. On an amendment eliminating the House from the approval mechanism for administrators, providing for one deputy administrator rather than two, and providing for immediate implementation of the act under the Federal Election Commission until such times as the administrators are nominated and confirmed. [X]	Aye.
H.R. 11552. On an amendment which would have exempted elections for national nominating convention delegates. [O]	No
H.R. 11552. On an amendment to the following amendment making technical and perfecting changes. [X]	Aye.
H.R. 11552. On an amendment to eliminate the mass mailing of postcard registration forms. [X]	Aye.
H.R. 11552. On an amendment in the nature of a substitute which would have authorized funds for States to implement their own methods to improve voter registration systems. [O]	No.
H.R. 11552. On passage of a bill establishing within the Federal Election Commission a Voter Registration Administration for the purpose of administering a voter registration program through the Postal Service. [X]	Yea.
H.R. 13372. On agreeing to the rule under which the bill would be considered. [X]	Yea.
H.R. 13372. On a motion that the House resolve itself into the Committee of the Whole. [X]	Yea.
AUG. 10, 1976	
H.R. 12169. On agreeing to the rule under which the conference report on the bill would be considered. [X]	Yea.
H.R. 12169. On agreeing to the conference report on a bill extending the authorization for the Federal Energy Administration for 18 months. [X]	Nay.
H.R. 13372. On passage of a bill designating the New River in North Carolina as a part of the National Wild and Scenic Rivers System. [X]	Yea.
H.R. 14232. On agreeing to the conference report on a bill making appropriations in fiscal 1977 for the Departments of Labor, HEW, and related agencies. [X]	Yea.
H.R. 14232. On a motion to recede from disagreement with a Senate amendment to the conference report which deleted House language prohibiting the use of funds for abortions or to promote or encourage abortions. [O]	Aye.
S. 3735. On a motion to consider the rule under which the bill would be considered. [X]	Yea.
S. 3735. On agreeing to the rule under which the bill would be considered. [X]	Yea.
S. 3735. On passage of a bill authorizing the establishment and implementation of an emergency national swine flu immunization program. [X]	Yea.

ELIZABETH DREW

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. RODINO. Mr. Speaker, on May 17, Yale University conferred upon journalist Elizabeth Brenner Drew the honorary degree of doctor of humane letters. The citation reads:

ELIZABETH BRENNER DREW, DOCTOR OF HUMANE LETTERS

Almost alone among political commentators, you have avoided being pitched into hyperbolic rhetoric by the rude jolts and wild careening of our battered ship of state. Your exposition of people, issues and events has a literary quality not often found in public journals. Your broadcasts have shunned the oversimplification which is television's most dangerous temptation. Whatever the medium, it does not seem to get in the way of your message. Understanding remains your goal, undistracted by dramatic cleverness, undiluted by concessions to the popular. Yale honors a thoughtful and literate journalist as it confers upon you the degree of Doctor of Humane Letters.

Mr. Speaker, Elizabeth Drew possesses a quality rare among journalists of any age: an abiding faith in the ability of her readers to draw intelligent conclusions when presented with the dispassionate facts.

To that end she depicts events honestly and fairly. Her observations and opinions never intrude upon the reality that she strives so hard to present. She pictures people as human beings, with flaws and virtues.

There is nothing really unique in any of this—it is the journalist's stock in trade. Yet few at any time have seriously attempted it and fewer still have mastered it. Elizabeth Drew is one of them.

She deserves the respect of both her profession and her readers.

LET'S STAND UP FOR AMERICA

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mrs. BOGGS. Mr. Speaker, it is a great pleasure to rise today to salute the Honorable J. William Middendorf II, the Secretary of the U.S. Navy. Ordinarily we would honor the Secretary for his fine accomplishments in administering the Navy; but today I would like to call your attention to Secretary Middendorf's talents as a songwriter.

Mr. Middendorf is a composer of music. He has written a number of symphonies and marches, one named the "Holland Symphony," written for Queen Juliana of the Netherlands and played over Dutch National Television. His marches include those written for the Navy, the Marine Corps and the Bicentennial band after he became Under Secretary and then Secretary of the Navy.

To commemorate our Nation's 200th anniversary, Secretary Middendorf has written a special Bicentennial song, entitled "Let's Stand Up for America". The lyrics are easily recited and when combined with the music the Secretary composed to go along with them, they make a beautiful patriotic song which inspires the listener with love for this great Nation. The Members of the House of Representatives were honored by the Secretary when he conducted the playing of this Bicentennial song during our ceremonies commemorating Thomas Jefferson's birthday.

With the Secretary's permission I am pleased to include the lyrics of the song for the benefit of those Members and the public who may be interested:

LET'S STAND UP FOR AMERICA

Let's stand up for America,
America, America,
Let's stand up for America,
It's the land of Liberty.

Believe in her, praise God for her,
and shout for all your worth.
Let's stand up for America,
it's the greatest land on earth!

J. William Middendorf, II, was born in Baltimore, Md., on September 22, 1924. He received a bachelor of naval science degree from Holy Cross College, Worcester, Mass., in 1945, and a bachelor of arts degree from Harvard University in 1947. In 1954, he received an MBA from New York University Graduate School of Business Administration.

Mr. Middendorf is the 62d Secretary of the Navy. He is the first to hold a naval science degree. His college education was interrupted in 1943 by his enlistment in the U.S. Navy's V-12 program at Harvard. He transferred to the NROTC program at Holy Cross College in 1944 and was commissioned an ensign in 1945. He served in the Pacific on board a landing craft—LCS-53—from 1945 to 1946 as an engineering and communications officer, and then returned to Harvard.

In 1969, Mr. Middendorf left an investment banking career as one of America's leading financial specialists in insurance stocks—he serves on the Insurance Hall of Fame Selection Committee—to become the U.S. Ambassador to the Netherlands. In this capacity, he conducted an active balance of payments program, promoting American exports of industrial, military and agricultural goods. He received the Superior Honor Award from the State Department for these efforts. At the same time, he maintained an active interest in programs and issues where American interests were affected by NATO and European Common Market decisions.

He was appointed Under Secretary of the Navy in 1973 and was sworn into office on August 3, 1973 by Secretary of Defense Schlesinger. He became Acting Secretary of the Navy on April 8, 1974, and on May 15 was nominated by the President to be the Secretary of the Navy. He was confirmed by the Senate on June 6 and assumed office on June 10, 1974. In December 1975 he received the Department of Defense Distinguished Public Service Award for his work as Under Secretary and then Secretary of the Navy.

One of Secretary Middendorf's direct ancestors, Captain William Stone, was one of America's first naval officers, commanding the original *Hornet*, which is believed to be the first ship of the Continental Navy to put to sea—February 1776.

Secretary Middendorf is an honorary member of the Society of the Cincinnati and Honorary Companion of the Military Order of the Loyal Legion. He is a member of the Society of Sons of the Revolution in the State of Maryland, the Sons of the Revolution in New York, the Sons of the Revolution in the District of Columbia, the Company of Military Historians, the Salmagundi Club, and the Olympic Committee for Field Hockey. He is a member of the Board of Governors, National Symphony Orchestra, the Corcoran Gallery, and the Hoover Institution for War and Peace. He has an honorary doctor of letters degree from the School of the Ozarks.

Secretary Middendorf is Chairman of the Board, Wolf Trap Foundation, a private, nonprofit foundation in charge of all selection and presentation of programs given at Wolf Trap Farm Park for the Performing Arts, the Nation's first and only national park dedicated to the performing arts.

Mr. Middendorf is married to the former Isabelle Paine, of Newton, Mass. They have five children: Frances, Martha, Amy, John W. IV, and Ralph Henry.

THE WORLD WATCHES AMIN'S REIGN OF TERROR

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. DRINAN. Mr. Speaker, an excellent article by the last U.S. Ambassador to Uganda, Thomas Patrick Melady, appeared in the Philadelphia Inquirer on July 22, 1976.

Dr. Melady, now executive vice president of St. Joseph's College in Philadelphia, portrays the tragedy of Uganda from firsthand experience and points out the incredible racism and brutality of the President of Uganda, Idi Amin.

The article follows:

THE WORLD WATCHES AMIN'S REIGN OF TERROR

(By Dr. Thomas Patrick Melady)

The long week of terror and tension that began on June 27 for the Air France passengers when their plane was taken over by pro-Palestinian hijackers ended with their rescue by the Israelis in Uganda on July 3.

The safe return of the 103 hostages was a pleasant comparison to the loss of the one hostage, a 75-year-old Mrs. Dora Bloch, who unfortunately was not rescued. There are reports that she was tortured and murdered.

This, in my opinion, would have been the fate of all the hostages if they had not been rescued by the Israelis. President Amin of Uganda is a fanatic anti-Semite. He knew that a good number of the hostages were Jewish.

I followed the events very closely, as I was the last U.S. ambassador to Uganda. As one of the few Americans who had to negotiate with Amin, I feared the worst for the hostages. Amin's record since coming to power has been that of murder, torture and other crimes.

Since 1971, Idi Amin has by all accounts presided over the liquidation of at least 60,000 of his own people. Such bodies as the International Commission of Jurists have testified to the horror. Many estimate that the number is higher.

The arrests, tortures and killings are still going on.

Amin has turned the "pearl of Africa" into a chamber of horror.

In August, 1972, shortly after I arrived in Kampala, as the U.S. ambassador, Amin initiated a racist program to drive all Asians out of the country. He thus began the brutalization of a helpless minority group. I lived there throughout the 90 days when over 50,000 Asians, including many who were considered Ugandan citizens, were expelled in circumstances of mass suffering and cruelty.

Despite world-wide protests, Amin persisted in carrying out his racist program against brown Ugandans. At no time has he ever apologized for this grave violation of human rights.

Several months before I arrived in Kampala, Amin turned against Israeli aid technicians and their families. Later in 1972, Amin sent a telegram to U.N. Secretary General Kurt Waldheim in which he endorsed Hitler's genocide policy against the Jews.

The anti-Semitic mania of Amin continues to grow.

Several months after his telegram to Waldheim, Amin remarked, "People all over the world now agree with me that the Israelis are criminals" and that Hitler had been "right to burn six million Jews during the Second World War."

More recently, in April 1975, Radio Uganda announced that Amin would erect a monument to Adolf Hitler at the site of a supposed battle between the British and the Germans.

What can the community of nations and world bodies do in the fact of such conduct? It certainly does not bestow honors upon him. It should not consider censuring Israel for its heroic action to save the lives of the hostages who faced certain torture and death.

Have we not learned one single lesson from dealing with brutal tyrants like Hitler, Duvalier, Stalin and Amin? Pleasing confirmed despots never solved any problems. Rather, the despots became more cruel.

The late Secretary General U Thant said, "The promotion and protection of human rights form the very essence and provide the deepest meaning and motivation of the U.N. as an international organization." The United Nations charter refers to human rights in its preamble and in six different articles. The Charter, adopted in 1945, was reinforced in its human rights mandate by the Universal Declaration of Human Rights.

The U.N. played a significant role in aiding the peoples of the Third World in obtaining their freedom. It is continuing to do so in the attention it gives southern Africa. Furthermore, the U.N. is now highlighting the dehumanizing effects of the triple curse of poverty, illiteracy and disease.

Just a handful of heads of state and a few governments have had the courage and conviction to speak out against President Amin's actions.

In 1973, the U.S. withdrew its diplomatic mission to Uganda. I strongly recommend this as an action for all states. Does any state wish to dignify Amin by accrediting their ambassador to him?

If nothing is done, the tyrant will continue to torture and murder his own people and others living in Uganda.

PROTECTING THE PUBLIC FROM TOXIC SUBSTANCES

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. HEINZ. Mr. Speaker, 5 years ago the Council on Environmental Quality warned that the public was inadequately protected from the dangers of toxic chemicals. Despite that warning, Americans are still exposed to the hazards of manmade poisons. Today we have an opportunity to help correct this intolerable situation by passing H.R. 14032, the Toxic Substances Control Act.

The need for this legislation has been well documented both by scientific study and by tragic experience. The catalog of these tragedies is increasingly familiar. The hazards of asbestos were not known until that substance killed hundreds of workers who came into daily contact with it. We did not know that vinyl chloride was carcinogenic until it had already become widely used. Nearly 400,000 tons of polychlorinated biphenyls had been released into the environment before PCB's were recognized as a long-term poison.

The American people are rightfully concerned about persistent threats to their health and welfare from the proliferation and misuse of harmful chemicals. They have a right to be safeguarded from exposure to toxic substances that endanger their lives. On their behalf, we must act to insure that effective steps are taken to avoid unnecessary and unreasonable risks to the public health from uncontrolled toxins.

THE B–1: THE ONLY ALTERNATIVE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. CHARLES H. WILSON of California. Mr. Speaker, the Air Force's B–1 bomber program will meet a final challenge this week in its fight for congressional approval of fiscal year 1977 production funds. As a ranking member of the House Armed Service Committee and one who has worked steadfastly for a strong but efficient national defense, I wholeheartedly support this vital bomber system.

In another attempt to make clear its urgent necessity, I am submitting for the record an excellent article published Sunday by the Los Angeles Times. Francis P. Hoeber makes a powerful case for the B–1 by proving that this plane is the only alternative, deployable in the near future, which would insure the American capabilities of retaliation against dispersed targets and of flexible response to limited threats. It is the only weapons system with the ability to maintain a credible strategic deterrence and a place of real equivalence with the Soviet Union.

These objectives become even more important when viewed against a background of improving Soviet air defenses and the overall escalation of their security efforts, and in the light of incidents such as the recent outbreak of hostilities on the Korean peninsula. Détente obviously has an unclear and perilous path to travel, filled with torturous roadblocks. We must not allow Presidential stumping to reduce the B–1, and the very survival of this Nation, to the often irrational depths of partisan politics.

I highly commend the Los Angeles Times and Mr. Hoeber for presenting the compelling story of the B–1 in the article which follows:

B–1 DELAY COSTLY IN MONEY AND U.S. STRENGTH

(By Francis P. Hoeber)

The massive lobbying effort against the B–1 strategic bomber will resume this week as Congress ends its recess and a House-Senate conference committee prepares to take up the question. Led by the National Campaign to Stop the B–1, a coalition of 27 groups opposing various defense appropriations, the lobby wants Congress to delay funding the bomber until "the next President" can make that important decision.

Such a postponement would be expensive, even if the President decides promptly in February to order production of the first three planes (the first of 241 to be built over the next eight years). Three prototype B–1's already are flying, and contracts have been let for the three production models. Further delay, even for a few months, will cost an estimated $500 million because existing subcontracts will have to be canceled and work forces disbanded, requiring new contracts, hiring and training if the program is resumed. Inflation in the meanwhile could make the figure larger.

Still, those who press for delay sound reasonable and temperate. The truth, however, is that they want the program delayed forever.

The basic argument of the anti-B-1 lobby is that the bomber represents overkill: We have more than enough missiles to destroy all the Soviet cities, and bombers would only come along later and "bounce the rubble," in Winston Churchill's vivid phrase. The missiles' potential for accomplishing the "assured destruction" of Soviet population and industry is seen as sufficient to make war impossible.

Assured destruction, however, never was an adequate concept of deterrence, and it is rapidly becoming infeasible because the Russians have implemented an aggressive war-fighting, war-winning, war-surviving doctrine. For example, a massive Soviet civil-defense effort, accelerated in the early 1970s, includes training the population for evacuation of cities, building shelters, dispersing industrial plants and making them blast-resistant. Making no secret of this program, they publish detailed "how to" manuals on civil defense. According to Russian claims, their losses from a U.S. mass attack would be only 5 to 8% of their urban population and essential production would continue.

Even if they do only half that well, we could still not achieve the level of assured destruction that has long been considered necessary to deter the Russians from attacking us: obliterating 20 to 25% of the population and 50 to 67% of their industrial capacity.

Meanwhile, the Russians are rapidly approaching strategic superiority. Taking full advantage of concessions they received under the SALT I interim agreement on offensive arms signed in 1972, they are building more and larger missiles. Three new Soviet ICBMs are larger and each is equipped with several individual nuclear warheads.

In addition to this, they are developing a "new generation" of ICBMs. The Russians have tested a land-mobile missile that can be moved around to evade our weapons. They are deploying a new 4,200-nautical mile submarine-launched missile in a new class of submarine (years before our 4,000-mile Trident 1 missile, which is still in development), and they are deploying a new supersonic bomber, the Backfire, capable of reaching the United States.

In the early 1980s they will have more strategic nuclear power than the United States and will be capable of partially disarming us while withholding enough forces to make it suicidal for us to retaliate.

This growth in Soviet capabilities makes it imperative that the United States take action to maintain its policy objectives of (1) "credible deterrence," meaning the Russians will be convinced we are as strong as we say we are; (2) "assured retaliation" against dispersed military, economic and political targets; (3) flexibility to respond to less than all-out threats or attacks; and (4) "equivalence"—that is, denying the Russians the advantage they would obtain militarily and psychologically if they achieved actual and apparent superiority.

Modernization of our bomber force is one of the keys to achieving these policy objectives:

Credible deterrence: Is it credible for us to threaten, when faced with Soviet provocation or attack, to push the button that irrevocably sends massive numbers of U.S. missiles to the Soviet Union? The Russians and many of our allies think not. Only the bomber offers the President a rational alternative that retains America's credibility. He can launch all or some of his bombers and keep them subject to recall, gaining several hours in which to negotiate. Because the bomber is recallable, its very slowness is a virtue.

Assured retaliation: Far from being able to merely "bounce the rubble," a manned bomber—with a pilot responsible for assessing the success of an attack and switching targets if necessary—could carry out the much more difficult task of seeking out the many dispersed targets which, if destroyed, would deny the Russians victory in war and survival as a superpower.

American ICBMs still may be able to do this job, but that may not be true much longer because they are becoming increasingly vulnerable. The new, large Soviet missiles are more accurate than our ICBMs and by the 1980s will be able to knock out many of our Minuteman and Titan missiles unless we "launch on warning"—that is, unless we fire our own missiles in fear of losing them by not using them.

Similarly, our submarine-launched missiles conceivably could do the job, but their warheads are both smaller and less accurate than those of either the ICBMs or our strategic bombers. Moreover, the Russians have increasing antisubmarine capability to sink our submarines—not all at once, perhaps, but certainly one at a time. Would we want to bomb Soviet cities—thus risking the loss of our own—all because they torpedoed a few U.S. submarines?

Beyond that, communications with submarines are inherently difficult: Only very large, low-frequency transmitters can reach subs beneath the water, and if the Russians were to knock these out, our subs would be beyond our control.

Flexible options: The bomber would also provide a special, flexible capability for limited attacks. Using bombers instead of missiles for early, small responses would create less psychological incentive for escalation.

Equivalence: Given the small size and number of U.S. missiles relative to the Russians, the bombers, with their large payloads, contribute immensely to both real and perceived equivalence.

For these reasons, it is important to continue to have an effective bomber component in our strategic forces. However, even if this point is granted, foes of the B–1 argue that it is the wrong bomber; in their view, cruise missiles are a better alternative since the B–1 is not the ultimate bomber and is too costly.

B–1 opponents propose that a cheaper, better substitute for the B–1 would be the new cruise missile, launched from outside the Soviet airspace from a wide-bodied aircraft like the Boeing 747. The problem is that the time required to design, test and produce both the longer-range cruise missiles and a new transport would mean that the system would not be ready until the late 1980s at best. We need new forces by the early to mid-80s; and the B–1 would be ready.

Moreover, there are serious doubts whether the cruise missile could perform all the necessary missions, whether the 747-type carrier would survive and whether the combined system would be cheaper, let alone as effective as the B–1.

Cruise missiles that can be built in the next 8 to 12 years could not carry the 'penetration aid" used by the B–1 to ensure that most of the bombers will get through Soviet defenses—for example, electronic devices to fool enemy radar and missiles. Nor does the cruise missile have the bomber's ability to perceive that a given target has already been hit and to select another target.

The United States is certain to lose equivalence in the early 1980s if we do not push on with existing plans while preparing new initiatives in both force modernization and arms control proposals. The only new systems we can deploy by that date are those now under way: not only the B–1 but also the Trident subs and their missiles.

The B–1 clearly is the best bomber for its purposes *that can be built now*. If we start over and develop a new strategic bomber—even one that takes advantage of new technological developments—we might come up with a bomber for the 1990s, but our delay would assure the Russians' reaching superiority in the preceding decade.

In any event, we are told that the B–1 "would be the most expensive weapons system in history" and would be a drag on the economy. The opposite is true: production would stimulate the economy, but that is not the reason we need the B–1. Furthermore, the $92 billion figure for 244 B–1s which has been bandied about is blown up by a series of accounting tricks. It includes 30 years of operating costs; it includes predictions of inflation; it includes new tankers which will be built for other purposes and at most shared by the B–1, and it includes improved weapons that will be built for the B–12 of there is no B–1.

In reality, the 244 B–1s will cost about $1 billion a year in 1976 dollars, if they are used for 30 years, or 1% of the defense budget—far less than the amount that has customarily been allocated to strategic bombers.

At this reasonable cost, the B–1 has a far better chance to maintain our capability for assured retaliation and flexible options against improving Soviet air defenses than the far less capable B–52, which would require an estimated $40 million per plane—three-quarters of the cost of a B–1—for modernization and rebuilding so that it could keep flying for one-half of the life of the B–1.

For all these reasons, Congress should decide to get on with B–1 production—not because the Air Force pilots want it, not because it would provide jobs, but because it is a plane that can do what is required in time to help meet the mushrooming Soviet threat and to help provide the essential strength from which the United States can try to negotiate acceptable arms-control agreements.

PRESIDENT FORD AND THE VETO

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. RANGEL. Mr. Speaker, I am pleased to have the opportunity to place in today's RECORD an article by the distinguished political writer, Mr. Gus Tyler. Mr. Tyler has served the International Ladies Garment Workers Union for many years as political director and political analyst and is a frequent contributor to the AFL–CIO News from which the following editorial is taken.

In this piece which follows, Mr. Tyler cogently discusses Mr. Ford's power to veto and his misuse of that power during the 94th Congress. His statement speaks strongly for the need to elect a Democratic administration in November. Only then can the social legislation for which the people of this Nation desperately yearn, be enacted.

STALEMATED GOVERNMENT—FORD'S ABUSE OF VETO POWER STIRS CONSTITUTIONAL QUESTIONS

(By Guy Tyler)

Is the use of the presidential veto constitutional?

The question sounds ridiculous, but between now and November there will be more and more talk about this matter as Democrats assail Ford's use of the power to say "no" to Congress.

Ford is getting some kind of a record in the use of the veto, a record that is causing his political critics and some commentators to question the propriety of the way in which he has been using the executive power in the legislative process.

In his two years in office, Ford has issued 53 vetoes. Before his term ends, the total will be even higher. The pace is enough to have caused Congressional Quarterly to note that "Ford has risen to rank among the most veto-prone Presidents."

In one distinctive way, Ford outpaces others. CQ notes that "up to 1969, Presidents usually vetoed more private than public bills . . . But Presidents Nixon and Ford reversed the picture." Two thirds of Truman's vetoes, for instance, were applied to "private" bills; Ford vetoed only three such proposals.

As a consequence, Ford vetoes affect big chunks of the population, often the most sensitive and exposed. He has vetoed bills for public works and to curb strip mining, for day care centers and health programs, for aid to jobless homeowners and for tax cuts, for school lunches, nurses training, educational benefits for Vietnam and Korean veterans. In the campaign, Ford proudly proclaims: "I will veto them again and again and again."

In frustration, leaders of Congress have begun to denounce the President's acts as an abuse of the veto power. And to back up their arguments, they have begun to do some homework, re-reading the Federalist papers, to see what the Founding Fathers had in mind when they granted the Executive the means to interfere in the legislative process.

The real reason for granting the veto was to give the President a weapon to protect his office against the trespass of the legislature.

As Hamilton put it in the Federalist Paper No. 66, the veto was "an indispensable barrier against the encroachments of the latter (Congress) upon the former (the President)."

In Paper No. 78, Hamilton is clearer: "The primary inducement to conferring the power upon the President is to enable him to defend himself; the secondary one is to increase the chances in favor of the community against the passing of bad laws through haste, inadvertence or design." Under Ford, the "secondary" rationale has become the prime—virtually the sole—reason for the use of the veto.

In any event, the Founding Fathers assumed that the veto was a power that would be used sparingly. Argued Hamilton: "If a magistrate so powerful and well fortified as a British monarch would have scruples about the exercise of the power under consideration, how much greater caution may reasonably be expected in a President of the United States."

However the constitutional debate turns out, one point will be made: the danger of a stalemated government when a veto-prone President of one party is confronted by an action-prone Congress of the opposite party.

APPRAISING COMMUNICATIONS POLICYMAKING

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. WIRTH. Mr. Speaker, the Aspen Institute for Humanistic Studies has sponsored a wonderful variety of distinguished projects over its 25-year history. Recently, under the able direction of Mr. S. Douglass Cater, the institute spawned a new project entitled "Program on Communications and Society." Underway for 3 years, this communications program has initiated a series of seminars and publications in the field of communications.

Now under the direction of Mr. Roland Homet, the program on Communications and Society has undertaken a project to appraise policymaking in communications. The following paper outlines this project.

I urge my colleagues in the Congress to read this short outline, because it summarizes some of the potential in the field of communications, and begins the necessary analysis of some of the institutional constraints to broad progress in communications in this country and throughout the world.

We in the Congress should be particularly concerned about the future of communications, since it touches so many thorny issues which we face, such as electronics in the banking industry, and alternatives to our present postal system. I believe the following description of "A Project To Appraise Communications Policymaking" at the Aspen Institute provides a good basis for beginning to think about some of the future communications issues facing us in the Congress and in the country.

A PROJECT TO APPRAISE COMMUNICATIONS POLICYMAKING

Social revolutions can take place dramatically or quietly, suddenly or by degrees. We remark the Atomic Era, for example, by its explosive advent. It provoked immediate and wide-ranging concern, and led to the formation of fresh and responsive political structures aimed at governing unleashed forces: an AEC and Joint Committee of Congress in this country, a Euratom and International Atomic Energy Agency abroad. Such galvanic institutional reactions are less likely to occur when technology advances by quietly accelerating evolution; here the concern is that Society will be disarmed into relying on existing and no longer adequate systems of governance to contain the cumulative revolutionary impact of the new forces.

There are insistent signs that just such concern is now demanded in the field of communications. From Gutenberg to Marconi took several centuries; from radio to the satellite, several decades; and every few years we now witness quantum leaps in capacity and reductions in cost of electronic computing. We have already become, without knowing it, an "Information Society": More than half of our GNP and more than half of our employment is today attributable to the production, storage, distribution or use of information. This implies a radical shift in patterns of activity and forces refocused attention on our computer-communications infrastructure. Yet the social and economic implications of the Information Society, and the host of complex public-policy issues it presents, have largely escaped the notice of all but a relative handful of experts.

The institutions established to deal with national communications policy have changed little since the Communications Act of 1934. The values impacted by new communications technology and services are essentially unchanged: the free play of facts and ideas, the protection of personal privacy, the attainment of economic justice and efficiency, the pursuit of national and international harmony. But the peculiar strains to which established values and old institutions are today subjected represent, both in kind and in intensity, a new challenge to which a fresh and timely response is required. Otherwise, the accelerating pace of change could well outstrip the governing process and leave us with an Information Society that is neither efficient nor harmonious nor free.

It is the basic thesis of this Project that the issues clustered within the communications revolution are too important to be left to the experts, and too important also to be left to the inertial resultant of stresses within and among the interested industries. Both groups must, of course, be fully heard from, along with government officials and other representatives of the public; but an effort must be made to frame judgments from a larger, value-oriented perspective that serves the interests of society as a whole.

Consider the following sampling of issues as illustrative of the value stresses and institutional drawbacks we face in this new era:

FREE SPEECH VS. CONTENT CONTROLS

The justification for curtailments of editorial freedom in broadcasting—Fairness Doctrine, family hour, the whole notion of "public trusteeship"—has been compounded equally of spectrum-scarcity considerations and of regard for the intrusive, unbidden nature of much broadcast-program reception. Yet it is widely believed that such content controls have served more to deter any controversial programming on issues of public importance than they have to elicit robust debate. Newly competitive services such as pay cable television and video discs have now arisen to challenge the foundation for content restrictions as applied, at least, to them. These services operate free of appreciable frequency interference difficulties, and they give the home viewer a degree of control over program selection that is not found in broadcasting. As yet, however, the competitive video services are available to a negligible number of viewers whereas broadcasting reaches about 96 percent of all homes. Several questions arise: Will content controls be extended uncritically to the new-technology services, in an effort to maintain some kind of regulatory and economic parity? If so, how can controls be made to apply to video discs played and "communicated" entirely within the home? If not, and if the result is an escape from regulatorily induced program blandness, will the vivacity of the new services cause viewers to shift away from broadcast programming at a faster rate than they would under a scheme of content-control parity? If controls are largely removed over all competing media, will we witness a "race against taste" such as has taken place on the magazine racks of the drug store? Comparably insistent questions could be asked about the relationship of new video technology to the demands for "access"—that is, programming opportunities—by groups in our society who feel their perspectives are not represented in mass-audience programming. But despite periodic suggestions by the Supreme Court and others that the 1934 Communications Act fails to address these questions, the Congress thus far has not responded. What appears to be needed is adequate time and resources for forward-looking policy development base on something more than mediation between competing industry claims.

INTRUSIONS ON PRIVACY

The electronic technologies used by both government and private enterprise to snoop upon and harass American citizens are growing in capacity and pervasiveness. There is at present no statutory prohibition against "tapping" into communications with or between computers. Nor is there any rule to restrain the monitoring of personal viewing preferences on cable television systems with two-way capability. Similarly, the threats to individual privacy posed by remote access to commercial credit institutions and other private data banks are only now being considered by a Privacy Commission—which itself co-exists with a Privacy Committee, a Committee for Reduction of Paperwork, an Electronic Funds Transfer Commission, and several other federally chartered *ad hoc* groups working with the same general field. Coherent and comprehensive policy formulation may require the integration into one Executive department or agency of all such concerns.

CONVERGENCE OF COMMUNICATIONS MODES

The 1934 Communications Act establishes separate schemes of regulation for "common carriers" (telephone and telegraph) on the one hand and for broadcasters on the other. Since 1934, however, there has been a steadily growing stream of new or newly deployed technology—microwave, coaxial cable, satellite, fiber optic—whose service capacities have increasingly converged to confound the clear distinctions drawn in the Act. Cable television, for example, can compete both with the over-the-air transmission of broadcast signals and with telephonic delivery of data communications. A satellite earth station can receive or transmit both individual messages and public entertainment. "Teletext" information is being offered for display on home television screens. The day is not distant when all electronic communications may be deliverable via a single, all-purpose, local communications "pipe" to business and home "information centers" with two-way voice, video, data and facsimile capabilities. In the course of such developments a series of complex investment and regulatory choices will have to be made in order to integrate and harmonize potentially redundant systems. The 1934 Act offers little if any guidance to the Federal Communications Commission, the various affected industries, or the general public about how the impending changes are to be accommodated. Indeed, no single existing federal institution appears to be concerned with all aspects of this challenge. The question is how to stimulate the necessary integrative thinking through institutional reform.

CONVERGENCE WITH NON-ELECTRONIC COMMUNICATIONS

The volume of mail carried by the U.S. Postal Service is beginning to decline, just as unit costs of labor and of transportation for mail delivery are soaring—because business firms are starting to avail themselves of swifter and more efficient forms of electronic message distribution. This highly attractive alternative to conventional mail can be expected, if not checked, to garner increasing percentages of intra-institutional message transfers, then reach for inter-institutional mail, and later perhaps capture a dominant share of billing and other business transactions between institutions and the home. The effects on postal delivery—the only communications service mentioned in the Constitution—and on the public could be severe. Postal rates could rise dramatically during the period of transition, and could become prohibitive for households beyond the economic reach of electronic distribution. If conventional mail is to escape the fate of message telegraph service, the Postal Service may either have to (a) enter the electronic communications business itself, competing on a basis of technological parity with other carriers; (b) seek to retain a monopoly over whatever physical deliveries may be necessary to and from electronic message centers (e.g., by invoking the private express statutes); or (c) aim for some kind of tacit understanding with the major electronic carriers. Each of these courses is fraught with serious legal, economic and social complexities, not least of which is who will preside over the terms of the confrontation. The FCC, and its oversight committees in the Congress for that matter, have no jurisdiction to interpret or modify the Postal Reorganization Act or the private express statutes, just as the Postal Rates Commission and the postal subcommittees have no jurisdiction over electronic common carriers. The prospects for full public accountability of decision-making in this field are accordingly not bright, and will remain so until and unless ways are found to surmount jurisdictional parochialism.

NON-COMMERCIAL PUBLIC SERVICE OPPORTUNITIES

Each technological addition to the speed or convenience or pervasiveness of communications is usually appropriated in the first instance by private enterpreneurs whose incentives are supplied by the market. Reliance on market forces does tend to produce efficiencies and to promote innovation, but it may also leave unfulfilled certain public-service needs or opportunities. This raises new challenges for the organization and financing of communications technology and service offerings. To take one example, a non-profit Public Service Satellite Consortium has recently been formed with start-up funding from HEW to aggregate a marketplace for health-care and educational uses of high-powered satellites and other comparable "broadband" technology. As another example, sporadic support has been given to "New Rural Society" experiments aimed at deploying the new communications to relieve and disperse population stresses. Concern for such matters—to the extent it exists—is currently diffused among several federal agencies and Congressional committees, the FCC, and State governments—with no coherent guiding hand or philosophy. Greater emphasis seems needed on the various non-regulatory means by which government can contribute to the social opportunities for use of communications technologies.

INTERNATIONAL COOPERATION

In forum after forum, among traditional friends as well as others, the United States has gained the opprobrious designation of a "cultural imperialist." In part this is a backhanded tribute to the mass appeal and marketing skill underlying our news services, our magazines, our films, and our television programs. In part, however, it reflects concern about the growing pervasiveness of the Information Society and the technological head start that positions the United States to be a leader in exploiting it. U.S. strengths carry with them a vulnerability—to nationalistic interruption or jamming of cross-boundary electronic links, and more broadly to a refusal of cooperation on matters of multilateral import. This country has already lost its former domination of Intelsat, and is now confronted with demands for aeronautical and maritime satellite arrangements affording an even lesser U.S. role. The International Telecommunication Union, a technical body concerned with frequency allocations, has been taking on an increasingly political and sometimes acrimonious tone. Even the OECD, whose member nations make up the advanced, post-industrial societies of the world, has consistently declined to take up a U.S. proposal for creation of a multilateral Committee on Computers, Communications, and Information Policy. These setbacks appear to reflect a basic lack of appreciation for the harmonizing as well as divisive potential of information in today's world. They also stem, however, from a lack of foresight and of policy coordination among the several U.S. agencies charged with international communications responsibility (a failing that has also inhibited policymaking with respect to U.S. international industry structure). The roles, functioning, and relationships of these agencies need a fresh assessment that is responsive to the over-all national interest.

The foregoing range of examples should serve to illustrate the likelihood that large and significant policy issues will not be adequately identified, let alone dealt with, by the institutional arrangements now in place. The FCC's statutory mandate has essentially not been revisited since 1934. The Commission lacks relevant decision-making criteria, and may lack some of the needed tools, for resolution of today's thorny issues of intermodal convergence and competition, public access and free press.

Some of the major issues are not "regulatory" in the usual sense at all, and should be dealt with by the Executive branch. The White House Office of Telecommunications Policy has, however, in its brief five-year history oscillated between misuse and neglect; it has no firm statutory basis and currently lacks the resources to coordinate policy-making among the various interested departments and agencies. There is, moreover, a growing tendency to create ad hoc commissions for resolution of particular policy questions—resulting, almost inevitably, in jurisdictional overlaps and a failure to articulate bridging themes.

As for the Congress, its various concerned Subcommittees—of Commerce, Operations, and Appropriations—are as a rule fully occupied trying to keep abreast of current piece-meal controversies. Their jurisdictions and staffs are typically small in relation to the policy dimensions of new and emergent issues. Further resources, along with a recognition of heightened priority, and the development of jurisdictional bridging mechanisms, might better equip the Congress to review and formulate forward-looking policy guidance.

By and large, both the Congress and the Executive branch today seek to affect policy by influencing specific decisions of the FCC, which in some cases can raise questions about the purported independence of regulation. So can the process of judicial review, nominally restricted to a narrow compass: Some have observed a trend towards greater activism by the courts in reviewing communications policy decisions, especially in the field of broadcasting. Yet the courts do not normally accept responsibility for broad or consistent policy formulation in the communications field.

All of these trends need examination against a backdrop of the major policy-making requirements of our era.

SHIPBUILDING IS KEY TO MEDITERRANEAN

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. BENNETT. Mr. Speaker, I recently read an interesting article in the August 2, 1976, Navy Times which I would like to share with other Members of Congress. It was written by Brig. Gen. J. D. Hittle, U.S. Marine Corps (retired), as a result of his visit to the Mediterranean in the recent past. I include his comments as follows:

SHIPBUILDING IS KEY TO MEDITERRANEAN

(By Brig. Gen. J. D. Hittle, U.S. Marine Corp (retired))

There was a time when the Mediterranean was a U.S. lake. But those strategically comfortable days are gone. And gone forever.

I have just returned from a visit to the Naples area and to the 6th Fleet at sea. One doesn't have to do a Ph. D. study to realize what has happened to this vital sea area that is the southern flank of NATO Europe.

As press reports indicated, the Russians have been building up their naval strength to a high point, both in terms of total navy ships and combat ships in the Mediterranean. Longtime Russia-watchers told me that as a result of the recent buildup, the Kremlin's ship count in the Mediterranean is far greater than ours.

This Soviet naval buildup has profoundly affected the strategic balance in the entire Mediterranean area. Its effects are so far reaching that they extend beyond the usual strategic considerations. For instance, at the time of my visit to the fleet, a large carrier had been at sea about 50 days, with only two days in port. One of the reasons there had been so little liberty in such a long time at sea is a direct result of the deteriorating U.S. position in the Mediterranean.

Many 6th Fleet veterans can remember, on previous deployments, visits to the fabled ports of the Eastern Mediterranean. U.S. servicemen were assured a welcome at such places as Izmir, Istanbul, Salonica, Athens and Rhodes.

But not today. From the practical standpoint, there isn't a sure U.S. liberty port in the Eastern Mediterranean.

U.S.-Turkish relations have been badly bruised by the restrictions on military aid to Turkey. This has played right into the hopes of Turkish left-wing troublemakers. The Kremlin, of course, is chuckling with delight at how our relations with Turkey, the stalwart ally and friend, have turned sour.

When you can't put a U.S. liberty party ashore in a country, it tells more about conditions than a college lecture course.

Greece, unfortunately, is not the solution to liberty in the Eastern Mediterranean.

Example: Some few weeks ago, the carrier America was scheduled for a two-day port call and liberty at the Greek island of Rhodes. Arrangements for the visit had been made according to long standing procedures. Sources close to NATO told me that the carrier's visit to Rhodes had been cleared at the Greek Ministry of Defense level. Remembering the friendly way Rhodes had welcomed U.S. crews in the past, plus the fact that it was estimated that a long time at sea had put at least a million dollars in the pockets of our crewmen to spend in Rhodes, a reasonably trouble-free visit was expected.

But what was expected and what happened were two different things. I was told that, as the shore patrol boat approached the dock at Rhodes, a mob started throwing stones at the boat. The result was that the shore patrol couldn't even get ashore.

One of the junior officers I talked with said, "If I wrote home and said I got "stoned" in Rhodes, my wife would never believe I didn't get drunk!" At least the U.S. serviceman still has his sense of humor. The way things are going in the Mediterranean, he needs it.

The sad situation at Rhodes didn't get any better. The leftists were making the most of it. High U.S. officers who were conferring with Greek officials in the government building discovered they were practically under siege. One of the Greek political leaders decoyed the mob with a speech so that the U.S. officers could make a quick getaway.

It got so bad the Greek government sent a top official to Rhodes to arrange for the liberty parties to get ashore. It wasn't long before he announced that, since safety for U.S. personnel couldn't be guaranteed, the visit was off.

While the Rhodes incident reflects how the U.S. position has changed from the recent times on certain Greek welcome to the U.S. Navy, there are still spots of hospitality and cooperation. Occasionally, I was told, a liberty party gets to Athens. And when a ship goes to Suda Bay for repairs or upkeep, there is no trouble for U.S. personnel.

But, unfortunately, there is far more to the squeeze-out than loss of shore leave and routine port facilities in the Eastern Mediterranean.

What is involved is a very basic and, from the strategic standpoint, alarming development. The eastern Mediterranean is becoming a Russian lake. Not, completely, of course, but the clear trend is there.

Such things don't happen overnight. It is the result of several factors. Some, like cutting off Turkish military assistance, could have been avoided. But, whatever, the contributing reasons, one fundamental Russian policy is basic to our problems in the Mediterranean area.

It is the rise of Soviet sea power. This has been compounded by our failure, as a nation, to maintain even a reasonable degree of our one-time huge margin of seapower superiority over the Soviet Union.

The Kremlin, in the post World War II period, was smart enough to know that penetration of the Mediterranean area was dependent on a fleet that could challenge U.S. control of that vital sea. And so, the Soviet Union began the deliberate, well-planned construction of a new Russian Navy.

The things that have happened in the Mediterranean area since Russia became a major sea power are dividends for the Kremlin, and strategic setbacks for NATO. And that includes the United States. Greece is militarily out of NATO. Thus, the Thracian Neck, the western land-link with Turkey is exposed. Turkey, the eastern anchor of NATO, is isolated. Israel is in jeopardy. Lebanon is in ruins. Algeria is developing into a potential Russian staging area on the northern rim of Africa. NATO is in dire danger of being outflanked on the South by Russian seapower in the Mediterranean.

This is not to claim that the new Soviet Navy by itself did all these things. But these things would not have happened without the existence of a powerful, modern and growing Russian Navy.

Doubters should think about this: Only a few years back, in 1957, Communist influences tried to topple the pro-western government of Lebanon. But it wasn't toppled. Why? Because the U.S. fleet had full control of the eastern Mediterranean. The fleet moved in. The Marine landing force moved ashore. The airfield was secured and a major U.S. military buildup by sea and air began. Lebanon was protected, and the eastern littoral of the Mediterranean was stabilized.

Since then, the Kremlin has gotten itself a fleet. We didn't, as a nation, want to make the financial sacrifice to stay far enough ahead of the Russians at sea. But, fortunately we still do have a margin of naval superiority over the Russian fleet. The Kremlin may, as European sources close to NATO say, have more cruisers and subs in the Mediterranean than we do.

On balance, though, we have a margin over them in two categories. We are superior in aircraft carriers and amphibious forces. We may have only a narrow margin over the Soviet fleet, but it could be decisive. There's no reason, though, for complacency, for the margin is narrowing.

In spite of all the claims of some so-called experts in past years that the aircraft carrier is outdated, that we shouldn't build big ones any more, that since the Russians didn't have any we shouldn't either, the Russians have gone into a surprisingly large aircraft carrier construction program. In addition to the early and smaller anti-sub helicopter carriers, the Russians have just completed the first of a series of 40,000-ton carriers. This is about the tonnage of the U.S. Hancock-class carriers. Once they get to this size, they have, from the practical standpoint, a navy with aircraft carriers. The Kremlin is also placing emphasis on an amphibious capability.

Obviously, Kremlin naval planners know where our margin of seapower superiority is. And they have decided to do something about it.

Another thing about the Russian Navy is that the Kremlin uses it as a prime instrument of national policy.

Example: In June as the Lebanon war intensified, and the effect of Russian-equipped guerrillas and Syrian troops became more alarming, the Russian fleet was still flooding into the Mediterranean. At that critical time, the Russian fleet conducted major maneuvers. To spotlight the presence of the fleet and to emphasize its importance and strength, the Commander-in-Chief of the Soviet Union's Navy, Admiral of the Fleet Sergei Gorshkov, entered the Mediterranean and flew his flag from the soviet cruiser Sverdlov. Selected ships passed in review of the naval commander.

It's hard to believe that the Soviet fleet buildup, complete with major maneuvers and a naval review by Gorshkov in the Mediterranean, at the same time that Lebanon was exploding, was a pure coincidence. The timing was just too good for it to be accidental.

That Soviet fleet buildup was a signal from the Kremlin to us not to try to do this time what we did before in Lebanon. The U.S. did conduct a skillful and timely evacuation of U.S. citizens from Beirut. But it wasn't the kind of naval intervention with which we straightened out the Lebanese crisis in 1957 when we had unchallenged seapower control of the Mediterranean.

There is a lesson in what is going on in the Mediterranean: We had better realize what margin of naval superiority we have, and the vital necessity of preserving it. That means to keep on building more big carriers, and maintaining a modern amphibious force.

Someday a Russian naval boss will fly his flag from a carrier in the Mediterranean. If we don't have more and bigger and better ones than they do, it will also be a flag signaling Soviet dominance of the Mediterranean and the decline of NATO out-flanked on the sea.

A CONGRESSIONAL SALUTE TO FATHER BAGA, EXECUTIVE DIRECTOR, AND THE FACULTY OF THE INDUSTRIAL AND FARM WORKER DEPARTMENT OF THE CATHOLIC UNIVERSITY OF CHILE FOR PROVIDING VOCATIONAL EDUCATION TO COMBAT UNEMPLOYMENT

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. ROE. Mr. Speaker, as chairman of the Subcommittee on Economic Development of the House Public Works and Transportation Committee, I am particularly interested in programs to increase employment and advance economic growth both at home and abroad because economic productivity is truly the cornerstone of the free enterprise system. Therefore, I applaud the efforts of DUOC, the Industrial and Farm Worker Department of the Catholic University of Chile, under the guidance of Father Juan Baga, executive director, to develop the human potential of the Chilean worker through self-help and through vocational education. Such training enhances and improves the individual's skills and is one of the key elements in solving the problem of high unemployment.

The DUOC program is a splendid example of a university at the service of the whole society.

Surely much of the success of the program is due to strong local participation. Parochial and public school classrooms are borrowed for the adult educational activities after regular school hours in an exemplary use of existing facilities.

This is a low cost, self-help program in large measure for students seeking gainful employment. Local costs are financed from minimal tuition and registration fees and the only need for funds is to purchase imported tools and equipment required for the technical courses.

Developing nations must have technically trained workers to contribute to national economic growth and to the formation of an industrial base, DUOC is hastening to supply them for Chile.

Also praiseworthy is the fact that the Inter-American Foundation, established in 1969 by the Congress of the United States and funded under the Foreign Assistance Act as an experimental organization to advance social change in the other Americas by support of projects which meet human needs and make visible impact on the daily lives of people, has recognized the fact that the DUOC organization has accurately perceived the needs of the Chilean people as reflected in its programs. In the past year or so the IAF has contributed to DUOC a total of $198,565 to provide training to organizations of small farmers. The sums are not large, but the social and economic impact is enormous.

To better enable me to bring information on these noteworthy programs in adult vocational education to the attention of my colleagues, I am including a translation of an article which appeared in Ercilla magazine in December of last year, as follows:

A CHALLENGE IS MET

Juan Baga, Executive Director of the Industrial and Farm Worker Department of the Catholic University (DUOC) analyzes seven years of effort.

63,000 students from all over the country study everything from plumbing to electronics. $600,000 are needed to purchase equipment for the technical courses.

Twenty-five percent of the eligible Chilean students—fifteen thousand of them—took the Academic Aptitude Test for 1974. The high school graduates discussed in this article are those who have selected the DUOC programs (Industrial and Farm Worker Department of the Catholic University which is operated by a Foundation) as an educational alternative to the University. It is interesting to note that this year DUOC received as many or more graduates from the high school level program than did the University of Chile or all the private universities put together.

Information taken from the report submitted by the Center for Research and Educational Development (CIDE) on the activities and qualifications of the student body of DUOC indicates that seventy-seven percent of the students are pleased to have found what they were seeking educationally, that seventeen percent express reasonable satisfaction with their courses, and only two percent mention definite deficiencies.

Thus, DUOC is definitely responding to a need for instruction and apprenticeship by Chilean adults and its growth has been explosive in its seven years of existence—from a single location in Santiago with only 475 students it has grown to 103 educational units from Arica to Magallanes with 63,016 students.

DIPLOMAS AND CERTIFCATES

The Spanish priest Juan Baga Ballus (45 years of age with seventeen spent in Chile) is the Executive Director and was not offended when ERCILLA asked the difference between his organization and other academies and institutes that operate in the country. "If they exist, it is because a need exists. The people want to learn something more than they find in the traditional educational system. We are not looking for profits and besides we are answering the concrete needs of the people with limited funding, but with highly dedicated personnel and faculty."

DUOC, says Baga, wants to be the arm of the social conscience of the University and it wants to develop a program to aid those having the least education.

The educational program brings together the professional with the future worker and the technician he will meet later on during the course of his professional career. Some seventy percent of the twelve hundred teachers in the department are studying or have obtained their university degrees. They are paid roughly one dollar per hour, but only for the hours devoted to teaching.

This relationship between professionals and technicians is fundamental according to the Executive Director of DUOC. "In Chile we have excellent professionals capable of constructing splendid, sturdy buildings which can withstand earthquakes, but continually people complain that the faucets drip or that the tiles become loose." To generate this brotherhood and complementary effort is one of the proposed goals.

SHIRTS AND COMPUTERS

DUOC started out with only night school basic education courses and now offers 148 different courses. This is not a fixed figure because the courses offered vary according to the needs of each area and the requirements and aspirations of the adult students. Thus, for example, a course in industrial hygiene for the dairy industry will be offered in Osorno, but in Talca the Secretarial School was closed because the demand for secretaries had been satisfied. A zealous university Department of Planning using official statistics ascertains the needs to be fulfilled and also decides when the mission has been accomplished.

There are courses of varying duration and diverse subject matter that run from a minimum of twenty-four class hours to learn to make a shirt or a pair of trousers to those for middle-level management requiring five semesters of fourteen class hours per week for computer programmers. There are also personal advancement courses. For example, if a secretary with a knowledge of typing and shorthand wants to become a bi-lingual secretary, there are ways she can do so within the wide range of courses offered by DUOC. Although some professionals complain at times that "it is a shame that the Catholic University teaches hairdressing and plumbing", the administration hastens to make clear that the Foundation operates on a different level from the main University and that, therefore, they should not be worried about such regional activities.

$600,000 ARE NEEDED

"DUOC", says Father Juan Baga, "wants to serve the established community. I do not argue with the people about the problems that are presented to me, nor do I recommend or give solutions, but only try to satisfy their needs as outlined." And so it is in tens of villages the length of the entire country between three and five o'clock in the afternoon (despite the television serials), dining rooms are converted into improvised classrooms where the women study dressmaking, handicrafts, first aid or elemental principles of nutrition which permit them to prepare a more healthful menu commensurate with their income. By carefully applying their learnings and by taking full advantage of purchasing opportunities, it is calculated that family budgets in the great majority of cases can be stretched approximately fifteen percent.

Special programs in Chiloe, in the Santiago Municipal Jail where the chapel is converted into a classroom, and in various industries complete the educational panorama of DUOC. But wherever they go, new course requirements are submitted. A course must be prepared academically, organized and its development carefully nurtured. For instance, the expanding cactus leaf handicrafts in Til-Til required help from DUOC. Instructors teach the fundamentals of molding and esthetics to the artisans who work with the raw material.

Sixty percent of the funding of DUOC is provided from the income it generates, that is to say from the registration fees that the students pay (for example about a dollar and a half monthly for a course in radio and television repair). The remaining forty percent comes from financial contributions to public education made by the Ministry of Education. What problems are faced? There is only one and it is an important one, the lack of equipment especially for the technical branches. "With $600,000 we would be completely equipped," said Father Baga. And they hope to find it.

With continued dedication and assiduous effort, operating in most cases from homes or classrooms that they use free of charge after regular hours (recently they have acquired seven headquarter locations of their own), the personnel of the department works enthusiastically with great confidence in the future. The Director, Juan Baga, emphasized this communion of effort when he presented the annual report of the DUOC Foundation to the Catholic University officials.

Thus the tasks of another year are concluded and preparations begin immediately for the next. However, next year a problem beclouds the operation that for many would prove of great concern. The proposed reduction in class size by the universities will force many more high school graduates to look to DUOC. But Father Baga is prepared. "Let them come. We can absorb them. We can expand at least eighty percent more. The idea is that DUOC must expand according to the needs of the people. Of course it will be necessary to work harder, arrange to borrow more classrooms and improve the efficiency of the organization. There is no trace of conceit in my reply, but rather a willingness to accept a challenge," he concluded.

GUN CONTROL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. PAUL. Mr. Speaker, an article appeared in the June-July 1976 issue of the Civil Liberties Review, a bimonthly magazine published by the American Civil Liberties Union Foundation of New York City, which discusses the reasons why a civil libertarian opposes gun control. Authored by Prof. Don B. Kates, Jr. of the St. Louis University School of Law, the article presents a forceful argument for the right to keep and bear arms, a right guaranteed by the second amendment to the Constitution. I suggest that the question with which he begins the article is the most important question that can be raised about the issue of gun control: "How can a civil libertarian trust the military and the police with a monopoly on arms with the power to determine which civilians may have them?" I insert the article at this point in the RECORD so that other Members may benefit from its insights:

WHY A CIVIL LIBERTARIAN OPPOSES GUN CONTROL

(By Don B. Kates, Jr.)

I am frequently asked: how can a civil libertarian oppose gun control? My reply is: how can a civil libertarian trust the military and the police with a monopoly on arms and with the power to determine which civilians may have them? I consider self-defense a human right—and one that is particularly vital for women who choose to live without "male protectors" in an increasingly violent society. I also fear that enforcement of even a partial prohibition on handguns would take an immense toll in human liberty and bring about a sharp increase in repugnant police practices as well as hundreds of thousands of jail sentences.

If as both British and American studies assure us, gun prohibition has no ascertainable effect upon violence, then it seems that its rationale is revulsion against the handgun as a symbol and antagonism toward the conservative but generally law-abiding people who value that symbol. Such a rationale, however, is no more acceptable than the conservative's argument against homosexuality: "I don't do it and I don't like people who do—so it ought to be illegal."

Advocacy of controversial political or social views frequently provokes violent antagonisms. Although they are usually unwilling or politically unable to overtly suppress these views, officials can covertly withdraw police protection, leaving the job to such groups as the Ku Klux Klan, the White Citizens Council, the Storm Troopers, the Cherry Society, and the Black Hand.

What might have happened to civil rights workers if there had been strict gun control in the South is exemplified in the 1969 machine-gunning of several hundred marchers by right-wing extremists in Mexico City. Both the possession of automatic weapons and the act of murder are as strictly forbidden by law in Mexico as they are in the U.S. Nevertheless, the police made no arrests—either on the scene or when the attackers later invaded hospitals to finish off the wounded.

Even assuming that gun prohibition would be enforced against right-wing extremists also, the effect is to render dissenters defenseless without meaningfully preventing lethal attacks upon them. A group of Klansmen or other neo-fascists will hesitate to attack someone they know to be armed or to fire-bomb his house, because they don't want their members to risk injury or death. Even though they may be unarmed, they will not hesitate to attack if they know that their intended victim is also unarmed and that the police will not defend him. No one had guns in the hostile mob which burned the headquarters of the Marxist W. E. B. DuBois Club in 1966 while New York City police looked on. But the DuBois Club member who had to pull a pistol on the mob in order to get out of the burning clubhouse was immediately arrested for gun possession. Needless to say, no members of the mob were arrested.

During the civil rights turmoil in the South, Klan violence was bad enough; it might have been worse with gun control. It was only because black neighborhoods were full of people who had guns and could fight back that the Klan didn't shoot up civil rights meetings or terrorize blacks by shooting at random from cars.

Moreover, civil rights workers' access to firearms for self-defense often caused southern police to preserve the peace as they would not have done if only the Ku Kluxers had been armed. I remember how Klansmen broke up a series of marches in a Louisiana town with hideous violence and head-bashing while the police looked on in benevolent neutrality. The unarmed marchers' appeals to the governor for state police protection were in vain. After many weeks of heavy injuries to the marchers, a black man shot one of several Klansmen who attacked him with clubs. The state police arrived the next day, and there was no further violence.

Contrast an incident that occurred in Madrid on November 6, 1975. A meeting of opposition reform parties was broken up and its participants severely beaten by right-wing gunmen. The victims could offer no resistance, since Spanish law strictly forbids civilian possession of handguns (except by right-wing thugs with permits). Falangist policy follows the gun laws of Nazi Germany and fascist Italy, under which Jews and political opponents were disarmed and left helpless against mob violence in the early 1930s. As Hermann Göring said in 1933, "Certainly I shall use the police—and most ruthlessly—whenever the German people are hurt; but I refuse the notion that the police are protective troops for Jewish stores. The police protect whoever comes into Germany legitimately, but not Jewish usurers."

Not only political and racial minorities but also women would be handicapped by gun restrictions. Throughout history women's status has been fixed, and their self-determination curtailed, by male authority figures to whom they had to look for protection. Today, as women increasingly choose lifestyles independent of male protection, their ability to protect themselves in a violent society becomes more important. Obviously, in most situations it is futile and perhaps dangerous for a woman to resist a male attacker. Armed defense is even more dangerous, since a rapist will invariably get a gun away from a woman and use it on her—or so most movie and television scripts tell us. It seems that a woman who doesn't have a male to protect her had better just "lie back and enjoy it" and hope her attacker doesn't intend to murder or mutilate her afterward.

Men—even police chiefs—who voice such opinions, however, are usually surprisingly short on specific examples. I have researched the subject in detail and have found no case in which a rapist was able to disarm his victim. Those who are familiar with the martial arts know how extraordinary dangerous it is to attempt to disarm anyone—even an untrained person. Police training emphasizes that this maneuver should be avoided, unless the alternative is immediate death.

If women defend themselves with firearms less frequently than they could, it is only because they have been brainwashed by the steady stream of propaganda generated by males. The Eisenhower Commission Firearms Task Force Report, for example, contemptuously dismisses women in a single sentence: They are "less knowledgeable than men about guns and generally are less capable of self-defense." (To make certain they stay that way, the commission recommends banning handguns.) Having trained women to handle guns and having studied police training for women, I know that they are at least as capable of combat shooting as are men. In a mechanical age which has largely rendered irrelevant male-female differences in strength, the concept that women are incapable of using firearms is an anachronism. I have investigated over 150 cases in which women rejected this notion. It is noteworthy that in 80% of the cases studied, women chose to defend themselves with handguns. Such weapons are infinitely preferable to long guns because they are more portable and maneuverable and far less lethal. Here are some abbreviated examples:

California, 1969: A Los Angeles woman shot and seriously wounded an attempted rapist who broke into her house. Police later charged him with two other rapes.

California, 1970; An armed Modesto woman storekeeper who had wounded armed robbers on two other occasions captured a third.

Maryland, 1970: Knocked to the street by punches in the face and stomach by a mugger who told her, "You know what I want," a Baltimore woman drew her pistol and gave him a bullet in the neck instead.

Maryland, 1971: A Baltimore women shot to death a man who had raped her and threatened to kill her children if she called the police.

Tennessee, 1972: When a Chattanooga woman drew a pistol, the man who was preparing to rape her left in too great a hurry to collect the clothes he had just taken off. He was later traced and apprehended through identification found in his abandoned clothing.

Florida, 1973: Although she was seriously wounded by a burglar who stabbed her several times, a Barstow woman shot him to death.

Kansas, 1974: Commenting, "I don't think you want to do that," a Wichita storeowner's wife drew a pistol on two armed robbers. They departed in haste.

West Virginia, 1975: A retired schoolteacher awakened to find an armed burglar in her bedroom. Knocking his gun away, she seized her own pistol and shot him to death.

Gun prohibitionists deny the value of civilian possession of firearms in combatting crime. They cite the Eisenhower Commission's conclusion that "the gun is rarely an effective means of protecting the home against either the burglar or the robber: the former avoids confrontation, the latter confronts too swiftly." But the report, unlike many people who cite it, makes clear that this conclusion applies only to householders, and specifically to those householders who do not have firearms immediately at hand because a criminal attack is completely unexpected. Robbers do not "confront too swiftly" for armed storekeepers, who, the report admits, foil appreciable numbers of them each year. And, although it offers no figures on the success rate of citizens who carry arms for self-defense, the report admits that this practice (which it deplores) does allow for some resistance to street crime.

Like much gun control propaganda, the report does not discuss the utility of guns in defending householders against political or other criminal attacks which they have reason to expect. But among over one hundred people murdered by Ku Kluxers in the 1950–65 era, I can recall only one who was armed. While his gun did not prevent that civil rights worker's death, it did lay down covering fire which allowed his wife and children to escape the Klansmen who surrounded their burning house. The shots also disabled a Klan car through which the FBI was able to trace, catch, and convict the murderers.

The Eisenhower Commission report admits that there are no comprehensive statistics on the number of lives saved by armed citizens. Its negative conclusion on the ability of armed householders to defend themselves is based on a limited study, conducted in only two cities and over two short periods of time, of the number of criminals *killed* by armed householders. My own study, which is national in scope and covers hundreds of incidents, shows that householders and others against whom crimes are attempted injure far more criminals than they kill, and capture without shooting far more criminals than they wound. Moreover, at least half of the incidents I studied were not cases of self-defense but a householders coming to the aid of their neighbors—an issue which the Eisenhower Commission report ignores.

The hundreds of incidents reported by the national gun magazines, culled by readers from their local newspapers, represent only the tip of an immense iceberg. The local newspapers do not publish every case of civilian self-defense reported to police, and certainly the gun magazines' readers do not check every newspaper or clip every item they see. Far more importantly, the vast majority of such instances are never reported to the police—because the near victim cannot provide an adequate description of the criminal and/or because the citizen possessed or carried his gun illegally.

One rough indication of the frequency of such incidents is the fact that hundreds of thousands of felony arrests are made each year by off-duty police. A trained officer doubtlessly is more capable of pursuing and arresting a robber or a rapist than is an ordinary person who is armed. But an off-duty officer is no more likely to encounter such a situation. Perhaps a better indicator is the apparent success of civilian firearms defense training. In 1968, after Orlando, Florida conducted a highly publicized shooting course for over 6,000 women, it became the only city with a population over 100,000 which showed a decrease in crime. Rape, aggravated assault, and burglary were reduced by 90%, 25%, and 24% respectively. After a similarly publicized program for retail merchants in Highland Park, Michigan, armed robberies dropped from a total of 80 in a four-month period to zero in the succeeding four months. In Detroit, after grocers received firearms training and shot seven robbers, the number of armed robberies dropped by almost 90%.

The Eisenhower Commission's view that crime will cease when its victims are deprived of the means of self-defense reflects the commission's privileged white intellectual membership and their elitist disregard for those who cannot afford to move to "safe" neighborhoods or the high-security apartment buildings. This constitutes the easy pacifism of those who may never need a gun for self-defense because they can obtain armed security services or special police protection whenever they need it.

A very different view is taken by underprivileged and/or minority people who lack the wealth to flee the areas in which the police have given up on crime control. They know that the only real protection they have is that which they provide themselves. Studies and surveys have repeatedly established that blacks are the most frequent victims of crime, are most afraid of crime, and are most likely to keep and carry guns for self-defense regardless of the law. Indeed, the only in-depth study of the question concludes that even the high rate of firearms prosecution against blacks will not stop them from carrying guns for self-defense so long as ghetto areas continue to be plagued by violence.

Selectively misleading American statistics and misrepresentations of British experience have led many people in this country to believe that banning handguns would reduce violence. Guns make an easy scapegoat for problems which would otherwise be insoluble short of radically reshaping the mores and institutions which produce violent people. Demands for gun prohibition allow us to ignore our own unwillingness either to make the necessary fundamental changes or to accept and live with a violent society. Criminological studies both in the U.S. and in England overwhelmingly demonstrate that peaceful societies do not need handgun prohibition and violent societies will not benefit from it.

Handguns were banned in England in 1920. The only indepth study of that prohibition, conducted at Cambridge University in 1970, concluded that it has had no ascertainable effect on violence. The prohibition was obeyed only because England was so peaceful in the 1920s that firearms were not necessary for self-defense. The Cambridge study reports that Britain has remained peaceful despite the fact "that 50 years of very strict controls on pistols has left a vast pool of illegal weapons." The study notes that although New York City's firearms controls are more stringent than England's, New York has far more violence. On the other hand, Switzerland's firearms violence rate is negligible even though it has the world's highest rate of gun possession among civilians.

A 1975 study at the University of Wisconsin concluded that "gun control laws have no individual or collective effect in reducing the rate of violent crime." This study involved a computerized comparison between each state's gun control laws and its crime data. It took into account demographic, economic, racial, and other variables relating to gun control effectiveness which could be quantified statistically.

Gun control propagandists have evaded the same conclusions of many previous studies by arguing that violence persists only because existing state prohibitions just have not been able to get rid of enough pistols. To test this theory, the Wisconsin study examined handgun ownership statistics and found no correlation between high civilian pistol ownership and violence.

Without the societal changes necessary to diminish violence, an effective handgun ban would drive people to the far more lethal long guns for self-defense or for criminal purposes. Those who wish to carry their weapons could, working for a few minutes with a hacksaw, reduce long guns to handgun size. Thus a handgun ban would make the shootings in our violent society as deadly as they are in England without reducing their incidence.

However erroneously, millions of Americans feel that they have the constitutional right to own guns or that guns are necessary for their personal security. The sign frequently displayed in their homes and stores, "They'll get my gun when they pry it from my cold, dead fingers," undoubtedly exaggerates the degree of their resistance to gun prohibition. But experience with the far more enforceable prohibitions on liquor and marijuana indicates that millions of people would be alienated by what they deem a tyrannical law, and that those who believe they can get away with it will disobey the law. British police, unhampered by the Fourth Amendment, have nevertheless been unable to stem illegal arms traffic—even with the special search and other powers which successive gun prohibition bills have given them. The British army has been unable to enforce gun laws in Northern Ireland, even with mass street searches and random raids in homes.

In this country, even partial enforcement of a handgun prohibition would result in large numbers of snoopers and informers, "stop and frisk" laws, "no knock" searches, and other repugnant police practices. The result of such invasions of privacy would probably be the jailing of hundreds of thousands of otherwise law-abiding citizens who would react to gun prohibition with the same self-righteous spirit against tyranny that greeted liquor and marijuana prohibitions. In a free society, those who would restrict the people bear the burden of proving probable benefit. The proof would not need to be great in order to ban that which few people value deeply. But mere speculation—against the weight of the evidence—cannot justify banning that which is valued as deeply as some 40 million Americans value their handguns.

Such a band is not desirable in itself. It would be virtually unenforceable, and would not be worth the enormous costs in civil liberties of even partial enforcement. As the Wisconsin study concludes: "If the law cannot control such highly visible criminal activity as drug traffic, gambling, and prostitution, with their continuing sales of commodities and services to the general public, then it seems unlikely that it could control the one-time sale of an item that can last for generations. The basic question is, then, are we willing to make sociological and economic investments of such a tremendous nature in a social experiment for which there is no empirical support?"

WHY HAS INDIA ESCAPED SERIOUS CRITICISM?

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mrs. SCHROEDER. Mr. Speaker, August 10, I inserted in the Record an article on political repression in India written by Ved Nanda, professor of international law at the University of Denver. Today I insert another article by Mr. Nanda that focuses on the West's inattentiveness to this problem:

[From the Rocky Mountain News, Apr. 4, 1976]

Why Has India Escaped Serious Criticism?

(By Ved Nanda)

Why has the story of India under Indira Gandhi's dictatorship received inadequate attention in the U.S. media? Why has there been so little criticism abroad?

The future historian, writing about India, will likely be puzzled by the lack of in-depth reporting, coverage, and analysis in the Western media of events in India since the "emergency" was declared on June 26, 1975. Was it primarily due to an understandable preoccupation with events closer to home, or was it perhaps, at least in part, due to lack of proper concern with violation of civil liberties and human rights in a distant land? Was the task difficult because of the stringent press censorship in India which has completely muzzled the once lively Indian press?

All of these reasons sound fairly convincing. But they do not seem to tell the whole truth. Perhaps there are other, albeit subtle, reasons why Indira Gandhi's dictatorship has escaped serious criticism at the hands of those whose task it is to provide fair and accurate reporting and analysis of significant happenings around the world.

For one, the liberal U.S. media was disappointed and disheartened at the spectacle of India as a hapless giant. The government in New Delhi seemed to be falling into disarray and with each succeeding year drifting into a "functional anarchy" as John Kenneth Galbraith aptly described it.

Disenchanted with what it considered "democracy in action" in India, the U.S. media has apparently concluded that democracy as the West knew it was not suited to the conditions in India—masses of illiterate people, facing formidable economic and social problems. In the aftermath of the Vietnam debacle many questions were still unanswered and even those who firmly believed in freedom and democracy had second thoughts about its application to alien lands in Asia and Africa.

And then there was the freshly discovered Peoples Republic of China, presenting a model which was attracting increasing attention and admiration in the United States. Observers kept saying that it was hard to ignore the marked contrast between rampant corruption and mounting disorder in India and the disciplined and orderly progress in China.

As a skillful manipulator, Indira Gandhi used this situation to her utmost advantage. As Nehru's daughter and with Gandhi's name (she is no relation to India's independence leader Mohandas Gandhi), she projected the image of the protector of democracy who was "forced to destroy it in order eventually to save it." These disciplinary measures were absolutely necessary, she claimed, for the survival of India, and the impression she often gave was that they would be of limited duration.

This in part explains why the liberal U.S. media have been soft on Indira Gandhi. Since democracy had apparently failed to solve India's problems, or so the media concluded, it felt obliged to give her totalitarian measures a chance. Otherwise, given the penchant U.S. correspondents have for investigative journalism and the disregard they have consistently shown for their personal safety and security in gathering news (witness their risky ventures in the Vietnam war), there is no reason to believe they would not have exposed Indira Gandhi's ruthless suppression of the political opposition in India.

After all, India's jails are full of political prisoners whose number is reportedly between 100,000 and 200,000. In police stations and jails, prisoners have been tortured and treated inhumanely, occurences which I personally verified during my recent visit to India last December.

The second reason has to do with what the U.S. media consider the absence of a viable opposition to Mrs. Gandhi's ruling Congress party. Only a few opposition leaders enjoy any visibility or credibility in Western eyes; none of the opposition parties have, according to most Western observers, shown a track record or even a promise of providing a fair alternative to the Congress party.

Why criticize Indira Gandhi's regime, if there is no viable alternative, would be the argument.

And finally, in a country as large and varied as India, where masses have been traditionally apathetic and the opposition was shocked and stunned by Indira Gandhi's action, the Western media found less than vocal opposition to the "emergency." Hence it did not consider events such as mass arrests newsworthy. Similarly, since protests by the opposition, and their civil disobedience and passive resistance movement were nonviolent (the underground in India has rejected the demand by some to resort to violent measures to overthrow the government) there was not much to report.

Are these reasons valid? Maybe in part, but not really.

It was not democracy that failed in India; what failed is the leadership of the ruling Congress party that has been continuously in power ever since India became independent in 1947, and Indira Gandhi and her cronies who have had a majorty, often an overwhelming majority, in the parliament of India for over a decade. The leadership failed and betrayed India, and democracy did not have a chance.

To set the record straight, India has a rich tradition of democracy that goes back centuries in the form of village Panchayats. Democracy, civil liberties and human rights on the one hand, and the solution of economic and social problems which will eventually lead to an orderly society based on human dignity, are not mutually exclusive.

Also, the criticism of the political opposition in India is valid, but only up to a point. It is true that until recently the political scene in India presented a confused picture of a large number of political parties—both on the right and left of the Congress party—constantly bickering among themselves and united only in their desire to dislodge from power the Congress party.

The situation was, however, dramatically changed with the emergence of the 72-year-old leader Jayaprakash Narain, a widely revered leader and a follower and former colleague of Mohandas Gandhi. Narain brought unity to the ranks of all the centrist elements which are presently waging a united struggle against the "emergency" rule.

The non-left opposition parties including the Socialist parites and the Jan Sangh have decided to form a single political party. They have already prepared a platform for the new party. Their blueprint offers a viable alternative to the program of the Congress party. The leftist parties in India which range from Naxalites who believe in violent uprisings by labor and peasants, the Peking wing of Marxist groups, and Trotskyites, to the Moscow wing, have only a limited following and are no threat to this centrist coalition.

Finally, it is a sad commentary if the events considered worthy of reporting are only terroristic and violent acts and if nonviolent and passive resistance movements are ignored because they are not sensational.

Also, why is the U.S. government silent? Should it not speak up against the violation of human rights?

The U.S. is left with very little political leverage in India. Even its aid program is at present no longer of great significance. Also, it is weary of hearing the accusation of intervention in internal affairs of foreign countries.

Is it possible that the Department of State feels more comfortable in dealing with a strong regime? As U.S. relations with the colonels in Greece, Franco's Spain and Latin American dictatorships provide some clues, it seems that the department prefers a strong dictatorship to a weak democracy because the former lends certainty and predictability to U.S. foreign relations.

Meanwhile, there are several unanswered nagging questions such as: Why did Indira Gandhi resort to such unprecedented means of political repression? What was the extent, if any, of direct or indirect Soviet participation and counsel at various stages of Mrs. Gandhi's decision making, beginning with the imposition of the "emergency" rule? Why was the opposition so easily squelched?

There are other, speculative questions. For example: What would have happened if the opposition political parties were not caught woefully unprepared for the emergency? What would have been the outcome if Indira Gandhi had resigned in response to the mounting pressure from the opposition?

Only the verdict of history will provide authentic answers to these questions.

The current situation in India calls for wider discussion of the violation of human rights. The newly formed World Committee for Human Rights in India is giving final touches to a petition which it expects to present to the U.N. Commission on Human Rights this summer. Indira Gandhi's government is sensitive to world pressures and therein lies the hope for political detainees and prisoners in India's jails.

THE FED: EXERCISE IN SELF-CONTROL

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. NEAL. Mr. Speaker, the 12 Federal Reserve banks conduct the public's business in a variety of areas, including monetary policy, bank mergers, bank holding company activities and consumer credit. Yet, most people are only dimly aware that the boards of directors of the 12 Federal Reserve district banks are dominated by banking and big business interest.

As Chairman HENRY S. REUSS of the House Committee on Banking, Currency and Housing points out in an article in the Washington Post of August 15, 1976, other groups such as consumers, farmers, or small businessmen who have a vital stake in monetary policy and other Federal Reserve operations are barely represented. The article by Chairman REUSS, which follows, is extremely informative and I commend it to my colleagues:

THE FED: EXERCISE IN SELF-CONTROL

(By HENRY S. REUSS)

Next month, a vitally important and little-noticed election process will get under way in this country. You and I will not participate in this process. Instead, some 6,000 commercial banks that are members of the Federal Reserve System will make the determination. They will decide, by the end of 1976, who controls the nine-member boards of directors of each of the 12 Federal Reserve banks throughout the country.

When we go to the polls in November and select our next President, our new congressmen and senators and our state and local officials, each of us hopes to have some effect on the forces that rule our lives. But even as we vote, that other election process—the Federal Reserve's—will be almost complete.

And it, too, will involve policies of profound importance for each one of us.

How can this happen? It happens because the Federal Reserve banks exercise regulatory power over commercial banks—examinations, holding companies, mergers, because they exercise, through their membership on the Federal Open Market Committee, governmental power over the money supply and interest rates—and, through them jobs, prices and production; and, because they are the official agents for channeling through to Washington, in Chairman Arthur Burns' phrase, economic intelligence from the "grass roots".

The Federal Reserve System consists of three major divisions: (1) the Board of Governors, seated in Washington, having seven members appointed by the President, with the advice and consent of the Senate, for 14-year terms; (2) the Federal Open Market Committee, consisting of the seven governors and five of the 12 district bank presidents (each district bank president is selected by the directors of that bank, with Board of Governors' approval, for a five-year term); (3) the 12 Federal Reserve banks, and their branches, in 37 cities across the country.

SPECIAL INTERESTS

The "independence" of the Federal Reserve is an article of faith. Most Americans agree that the Fed should have a measure of independence—secured by long terms of office—from the President. But is it too much to ask that the Federal Reserve System enjoy as well independence from special interest groups, specifically banking and big business?

Yet it is precisely these two groups which have an unhealthy dominance within the Fed's structure. As the staff report of the House Committee on Banking, Currency and Housing, "Federal Reserve Directors: A Study of Corporate and Banking Influence," makes clear the Federal Reserve System has a built-in conflict of interest by reason of the extremely narrow spectrum of America which is represented on the boards of directors of the twelve regional banks.

[The report is scheduled for release today. It has not been officially adopted by the committee.]

In a nutshell, says the staff report, the Fed's boards of directors are dominated by banking and big business. Each of the 12 banks has nine directors, three from each of the following classes:

Class A, elected by the member banks, and consisting of bankers. Following the provision of the Federal Reserve Act that Class A directors be representative of the various sizes of banks, large, medium and small banks—perfectly reasonably—share the representation. But diversity of interest may be more apparent than real, because 30 of the 36 Class A directors have been in leadership positions in state and national bankers associations. These trade associations by their nature tend to take a monolithic position on bank issues. Banking association politics also surface in the present custom, in five of the 12 reserve districts, of making the state bankers association a sort of informal nominating committee for Federal Reserve bank directors. In these regions, the bankers' associations make the nominations, and all directors now sitting have apparently been nominated without dissent.

Class B, also elected by member banks, representing the borrowers—in the language of the Federal Reserve Act, those "actively engaged in commerce, agriculture, or some other industrial pursuit." Small businessmen and owners of family-size farms are among the more wistful borrowers in our society, but not one of the present 36 directors fits either description. The three Class B directors of the Boston Federal Reserve Bank, for example, are the president of Textron ($2.1 billion in annual sales), the chairman of Filene's Department Store (a subsidiary of Federated Department Stores, which has annual sales of $3.27 billion) and the president of Southern New England Telephone Co. ($435 million annual sales). The New York Fed's Class B directors are the chairman of Texaco ($23.3 billion annual sales), the president of Union Carbide ($5.3 billion annual sales) and the president of J. C. Penney ($6.9 billion annual sales). The San Francisco Fed's directors are the president of Boeing ($3.73 billion annual sales), the president of Crown Zellerbach ($1.7 billion annual sales) and the chairman of C. L. Peck Contractor ($125 million sales). And so on.

Class C, the "public" directors, named by the Board of Governors. Excluded are "officers, directors, employees or stockholders of any bank," but in practice, the Federal Reserve Board's appointments reflect the same narrow concentration as the Class A and B categories. Twenty-nine of the 36 Class C directors are executives or directors of corporations, mostly large. Moreover, nine were formerly directors of banks. And one of the New York Bank's Class C directors is a partner in the New York law firm that represents First National City Corp., the nation's largest multi-bank holding company.

MISSING VOICES

As unsettling as the banking and big business concentration among the 108 Reserve bank directors is the absence, virtual or absolute, of representation of groups that ought to be included.

There are no women directors among the 108; indeed, a woman has not filled one of the 1,042 positions available since the system was set up in 1913. Family-size farms are not represented. Small business is barely visible. Only two directors are members of minority groups.

Former Federal Reserve Governor Andrew Brimmer has testified that the responsibility of the bank directors is to "foster high employment and economic growth." Yet, the 108 directors charged with the responsibility for assuring "high employment" include not one single representative of organized labor.

Chairman Burns at a hearing last March praised the directors for their detailed knowledge of "consumer psychology." And the Reserve banks enforce consumer protection laws such as truth-in-lending, equal credit opportunity and fair credit billing. Yet, not a single representative of consumer groups sits on the 12 boards.

The Federal Reserve banks exercise in the first instance the system's regulatory authority, particularly over holding companies. Yet 25 of the 108 directors serve now or formerly served as officers or directors of bank holding companies. At the Minneapolis Federal Reserve Bank, all three of the Class C "public" directors were formerly directors of First Bank System, Inc., the nation's 12th largest multi-bank holding company, or one of its affiliates.

The banking-big business domination of the Fed produces the clearest conflict of interest of all in the Federal Open Market Committee. Five of the committee's 12 members are Reserve bank presidents who must be approved for reappointment every five years by their bank-dominated directors. Yet to Washington they go every month, there to participate in the nation's vital monetary decisions.

In monetary policy, as in fiscal policy, what's good for General Motors and the banks is not necessarily good for the country. Tight money for three years, and then easy money in the year of a presidential election—the Fed's record for the last eight years—can be a formula for both inflation and recession.

Letting the Reserve bank presidents make governmental monetary policy is not only unwise, it is probably unconstitutional. The Supreme Court earlier this year held the Federal Election Commission unconstitutional because the commissioners exercised governmental power without being, under Article II, Section 2 of the Constitution, "officers of the United States" appointed by the President and confirmed by the Senate. The five Reserve bank presidents, lacking presidential appointment and senatorial confirmation, have no more right to make decisions on money and interest rates than the federal election commissioners had to make decisions on campaign finances.

A PLAN FOR REFORM

Concentration of financial power in the United States has gone too far. The nation would be better served by making the Federal Reserve System truly independent of big business and banking, freed of its built-in conflicts of interest and more open in its activities.

Voting membership on the Federal Open Market Committee should be restricted to officers appointed by the President and confirmed by the Senate.

The three Class A Reserve bank "banker" directors should be prohibited from participating in decisions on bank regulatory matters.

The Class B "borrower" directors should include representation of small business, family-size farms and other non-giant borrowers. Moreover, the publicly appointed Federal Reserve Board of Governors, rather than the banker-dominated Reserve bank boards of directors, ought to appoint the Class B directors.

The Class C "public" director category should be expanded from three to six members, and the overemphasis on big business and banking lessened, by representation for women, minorities, consumers and labor. A provision to achieve this is contained in the Federal Reserve Reform Act, which passed the House last May and has been favorably reported by the Senate Banking Committee.

WOMEN'S EQUALITY DAY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Ms. ABZUG. Mr. Speaker, this year, as in the past few years, the President has proclaimed August 26, 1976, Women's Equality Day. This action was taken before the Congress acted on my resolution: H. Res. 996 which called for a joint resolution of Congress to designate Women's Equality Day. I would like to submit a list of Representatives who joined in cosponsoring my resolution.

For the past 6 years, August 26, the anniversary of the ratification of the 19th amendment, which gave women the right to vote, has been a day of celebration and commemoration for women all over America. On this day women have joined together to evaluate their progress and formulate their goals for the coming year. It is also a day when both men and women can learn more about the problems facing women in our society.

In our Bicentennial Year, when the historical consciousness of our Nation has become increasingly emphasized, it is especially important for the contributions of women in all areas to be recognized. This chapter of our Nation's history is conspicuously missing from our textbooks. The achievements and the sacrifices American women have made throughout our history have too long been ignored. We must hold up women of distinction as examples to be emulated rather than quietly forgotten.

We fully recognize that the mere declaration of a commemorative day has little practical impact on the situation facing women today. Though there has been much progress, there are still many problems of pressing importance which must be resolved. Women remain the object of job discrimination, which has resulted in the high unemployment rate among women. There is still a lack of adequate child-care facilities for working mothers and women continue to be discriminated against in the areas of credit availability and professional recognition. These are only a few of the areas where our struggle must continue. But we must especially strive to obliterate those attitudes within our society which have allowed and perpetuated the inequitable situation that exists today. This is truly our greatest challenge.

The purpose of Women's Equality Day is to set aside a day in the year on which we recognize and celebrate the progress American women have made toward social and political equality. But it is also a day when we can reconfirm our national commitment to full and true equality for all women throughout our society.

I applaud President Ford for his proclamation of Women's Equality Day this year. However, I hope in the future Women's Equality Day will become a national holiday. It will then become a permanent part of our calendar and so will demonstrate our continual dedication to achieving complete equality for women.

The following Members are cosponsoring my resolution:

WOMEN'S EQUALITY DAY COSPONSORS

Abzug, Allen, Ashley, AuCoin, Badillo, Baldus, Beard, Bedell, Bell, Bergland, Bingham, Blanchard Blouin, Boggs, Boland, Brademas.

Brodhead, Brown, Calif., Buchanan, Burke, Calif., Burke, Mass., Burton, Phillip, Chisholm, Clay, Cleveland, Cohen, Collins, Ill., Conte, Conyers, Corman, Cotter, Daniels, N.J.,

Dellums, Diggs, Dodd, Downey, N.Y., Drinan, du Point, Edwards, Calif., Eilberg, Fascell, Fenwick, Flood, Ford, Tenn., Fraser, Frenzel, Gibbons, Green, Gude, Hamilton, Hannaford, Harrington, Harris, Hawkins, Heckler, Mass.

Heinz, Helstoski, Hicks, Hinshaw, Holtzman, Horton, Howard, Hughes, Jeffords, Jones, N.C., Jordan, Kastenmeier, Kemp, Krebs, Keys, Koch, Leggett, Lehman, Long, Md., McClory, McCormack, McFall, McHugh, Madden, Mann, Matsunaga, Mazzoli, Meeds, Melcher, Metcalfe.

Meyner, Mikva, Miller, Calif., Mineta, Mink, Mitchell, Md., Moakley, Moffett, Moorhead, Pa., Moss, Murphy, Ill., Murphy, N.Y., Nix, Nowak, O'Neill, Patten, N.J., Patterson, Calif., Pattison, N.Y., Pepper, Pettis, Peyser, Pickle, Preyer, Rangel, Rees, Richmond.

Riegle, Rodino, Roe, Roncalio, Rooney, Rose, Rosenthal, Roybal, Ruppe, Sarbanes, Scheuer, Schroder, Seiberling, Simon, Smith, Iowa, Solarz, Spellman, Stanton, James V., Stark, Steelman, Stokes, Stratton, Symington, Tsongas, Udall, Vander Veen, Walsh, Waxman, White, Wilson, C. H., Wilson, Tex., Wirth, Wolff, Yates, Yatron, Zeferetti.

TERRORISM OF PLO—EQUATING ZIONISM WITH RACISM

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. WOLFF. Mr. Speaker, there recently came to my attention an article, written by Ms. Lorraine Nicholas, which discusses the United Nations failure to condemn the terrorism of the PLO, while at the same time it adopts a resolution equating Zionism with racism. The article represents the views of a Christian who lived for a time in Israel. I found it extremely worthwhile, and I would like to share Ms. Nicholas' article with my colleagues:

TERRORISM OF PLO—EQUATING ZIONISM WITH RACISM

(By Lorraine Nicholas)

As a Christian who has lived and studied in Israel I can no longer remain silent concerning recent actions taken by the United Nations. These vicious attempts to degrade a constructive movement and dirty Israel in the eyes of the world are not even worthy of an attempt on my part to defend any actions taken by Israel of Zionism. I rather seek to enlighten others as to the other side of the coin which cannot be ignored, Arab actions.

During October, 1974 terrorists suddenly became respectable and worthy of diplomatic honors. The PLO is directly responsible for the loss of several American lives including U.S. Ambassador Cleo Noel. The ultimate objective of the PLO is the destruction of a member state of the United Nations through violence and armed force. The self-conferred title of "Liberation Organization" is misleading. Liberation movements use violence against military and political targets and operate solely within the territory they seek to liberate. The PLO does neither but chooses innocent women and children as its victims such as in the terrible massacres at Maalot and Qiryat Shemonah in 1974. Most PLO activities are conducted outside Israel. In 1972 eleven Israeli athletes were murdered at the Olympic Games in Munich. In 1970 a Swissair jet exploded in midair and killed forty seven—a fete proudly claimed by the PLO. Other massacres have occurred in Roman and Greek airports.

This new prestige given international murderers was only the beginning of a series of poisonous resolutions and attacks aimed at Israel. A few months later UNESCO voted to withhold funds from Israel because of alleged negligence concerniing historical sites. Where was UNESCO or an arm of the UN during the years before 1967 when half of Jerusalem was under Jordanian occupation? At Al-Hazariya Jewish tombstones were used to construct barracks for the Jordanian army. The centuries old Jewish Quarter was nearly destroyed and only years of hard, painstaking work promises its restoration.

In November, 1975 the UN General Assembly approved a resolution equating Zionism with rascism, the logic of which eludes me completely. Rascism is discrimination or persecution based on racialism, a feeling of racial antagonism, due to beliefs of racial superiority or purity. Zionism is the movement of the Jewish people to return to their ancient homeland and rebuild the Jewish state of Israel. There is no connection between the two whatsoever. If Zionism is rascism then any state born of nationalism is also rascist, including the Palestinian state Arafat hope for in what is now Israel. It is only my understanding of the fact that this evil resolution was pushed through the Assembly by the Arab-Soviet bloc that I can understand how it was passed.

Last month (June, 1976) the UN Human Settlements Conference reaffirmed this resolution. But how easily the world forgets! The typical low grade Arab propaganda constantly reminds us of the state of Palestinian refugees. This situation is deplorable, a condition to which any Israeli would readily admit. But who reminds the world of the 600,000 Jews in Arab lands who were forced to flee with the birth of the State in light of impending persecution at the hands of Arab governments? I must not neglect to mention the active support and open collaboration given Hitler by the Grand Mufti of Jerusalem, Haj el Amin Husseini, in the "final solution."

On his return from exile in Algeria, Black Panther Eldridge Cleaver named Moslems as among the world's worst rascists. History verifies this. In February, 1970 Muammer Qaddafi of Libya confiscated all Jewish property and forced homeless Jews into special camps. The outbreak of the Six Day War in June, 1967 resulted in mass arrests of Jews in Egypt as well as confiscation of their property. It was only the direct intercession of Spain, Italy and France which prompted the release of 110 of them. In June, 1969, Iraq publicly hung nineteen Jews in a Baghdad square. Public radio called upon the population to witness the event. Almost a half million appeared to chant "Death to Israel" and dance past the scaffold. The world's outcry to the spectacle was brushed aside as "the barking of dogs" by President Bakr.

Arab rascism is by no means limited to Jews. The majority of the Italian population of Libya was expelled in 1969 in an effort to purge the land of "infidels." In 1962 Syria forcibly removed its Kurdish population from the Jezrieh region. Half were stripped of their citizenship. Persecution is still continued by Iraq who repeatedly attacks Kurdish villages despite government guarantees of autonomy. Since 1956 approximately 500,000 Black Sudanese have been murdered by their fellow Moslem Sudanese to the North. The Sudan closed the South to the outside world and refused foreign reporters. Fortunately, several hundred thousand of the oppressed were able to flee to neighboring countries.

Most recently, the Organization of African Unity had the audacity to charge Israel's rescue operation at Entebbe Airport as a "flagrant violation of Uganda's sovereignty." This came despite the mounting evidence showing Adi Amin's lack of action in freeing the hostages and his possible open collaboration with the terrorists. Luckily, these charges died but they did so along with a U.S.-British sponsored resolution condemning airline hijackings. Perhaps only when more countries are affected in the same manner, through random violence, murder and terror by obscure nationalist movements will such a resolution pass. By then it may be too late.

I am not surprised by the UN's lack of action. Its failure to settle disputes is well known as in the cases of Vietnam, Ireland, the Spanish Sahara and Cyprus. So why does the rest of the world not speak out against terrorism and the like? Could it be the pressure of Arab oil and petrodollars which causes us to be silent? The present Civil War in Lebanon has taken the lives of thousands of Christians and Moslems. Recent reports tell of the financing of a world wide terrorist ring by Libyan President Muammer Qaddafi. Why does our international peace keeping body, the "last, best hope of man" not speak out on these events instead of passing judgments on Jewish ideologies and Israeli policies?

MUNICIPAL SECURITIES DISCLOSURE

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. MURPHY of New York. Mr. Speaker, I am today introducing a bill to amend the Securities Exchange Act of 1934 to upgrade the quality and uniformity of financial and other information concerning State anl local issuers.

Since 1933 municipal securities have been exempt from the disclosure requirement applicable under the Federal securities laws to other publically held securities. The reasons for this original exemption are not clear, but presumably they are related to the relatively few instances of misrepresentation or fraud on behalf of municipalities. In addition, at the time the Securities Act of 1933 was enacted, most investors in municipal securities were sophisticated institutions who were able to fend for themselves.

Today, of course, the original reasons for the exemption have become less valid. The financial condition of many of our municipalities has become weakened, through a number of causes such as the erosion of the tax base and fiscal mismanagement. This fact, coupled with the increasingly large proportion of municipal debt that has been sold to individuals of small and moderate means, requires some action on the part of Congress to require full disclosure of the financial condition of municipal issuers in order to protect public investors and to rekindle their confidence in the integrity of this most important sector of our Nation's securities markets.

Briefly, the bill I am introducing today would not require registration under the 1933 act for any State or municipal issue, but, rather would require that any State or municipality with aggregate outstanding securities exceeding $50,000,000: First, file annual reports with the Commission, containing, among other things, certified financial statements, pursuant to accounting standards to be established by the Commission; and second, disseminate with each offer of securities exceeding $5,000,000 a distribution statement containing, to the extent possible, the kind of information to be required in the annual report.

This bill, I recognize, may not resolve all of the difficult questions which will be raised during the deliberative process. However, I am confident that it will serve as a vehicle for the development of legislation which will ultimately insure full and fair disclosure of municipal offerings, on terms and conditions acceptable to the issuer, the underwriter, and the investor.

A copy of the bill to which I refer follows:

H.R. 15205

A bill to amend the Securities Exchange Act of 1934 to require the preparation of annual reports and distribution statements by issuers of municipal securities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Municipal Securities Full Disclosure Act of 1976".

SEC. 2. (a) Section 3(a)(12) of the Securities Exchange Act of 1934 is amended by inserting "13A," immediately after the phrase "for the purposes of sections".

(b) Section 3(a)(10) of such Act is amended by inserting "guarantee of," immediately after "receipt for,".

(c) Section 12(h) of such Act is amended by inserting "13A," immediately after "section 13,".

(d) Section 15B(d)(1) of such Act is amended by striking out "Neither the Commission nor the Board is" and inserting in lieu thereof "The Board is not", and by striking out "with the Commission or the Board" and inserting in lieu thereof "with the Board".

(e) Such Act is further amended by inserting after section 13 the following new section:

"MUNICIPAL SECURITIES DISCLOSURE

"SEC. 13A. (a) (1) Any issuer of municipal securities which has outstanding during any portion of a fiscal year an aggregate principal amount of municipal securities exceeding $50,000,000 shall prepare for such fiscal year an annual report and reports of events of default in accordance with such rules and regulations as the Commission may prescribe as being necessary or appropriate in the public interest or for the protection of investors.

"(2) The annual report required by paragraph (1) shall contain the following information, if applicable:

"(A) An identification and description of the issuer of the securities outstanding;

"(B) A description of any legal limitation on the incurrence of indebtedness by the issuer or the taxing authority of the issuer;

"(C) A description of the issuer's debt structure, including information with respect to amounts of authorized and outstanding funded debt; estimated amount of short term debt, character of amortization provisions of funded debt, sinking fund requirements, security for debt, nature and extent of guaranteed debt, and debt service requirements;

"(D) A description of the nature and extent of other material contingent liabilities or commitments of the issuer;

"(E) If any payment of principal or interest on any security of the issuer or any predecessor thereof has been defaulted on, or has been postponed or delayed, within the past twenty years, a description of the date, amounts and circumstances of such event and of the terms of any succeeding arrangements thereof;

"(F) A description of the issuer's tax authority and structure over the past five years including the nature of taxes levied, tax rates, property (real and personal) valuation and assessment procedures, amounts of property valuations and assessments, amounts of tax levies, amounts of tax collections and delinquent tax procedures and experience;

"(G) A description of the issuer's major taxpayers;

"(H) A description of the principal governmental and other services provided or performed by the issuer, the extent to which similar or differing services are performed by other governmental entities which serve the same geographic area and any major changes in such services in the last ten years;

"(I) A description of the nature and extent of Federal or other assistance programs available to the issuer; and

"(J) Financial statements of the issuer in such detail and form and for such periods beginning not earlier than the fifth previous fiscal year as the Commission may prescribe, which statements for any fiscal year commencing on or after December 31, 1978, shall be audited and reported on by an independent public or certified accountant in such manner as the Commission may prescribe.

"(3) The reports of events of default referred to in paragraph (1) shall contain such of the information required by paragraph (2) as the Commission may by rule or regulation prescribe.

"(4) The reports required by paragraph (1) shall, in addition, contain such other similar and specific information as the Commission may by rule or regulation prescribe as being necessary or appropriate in the public interest or for the protection of investors.

"(b) (1) Except as provided in subsection (c), any issuer that offers or sells an issue of municipal securities, the aggregate principal amount of which exceeds $5,000,000, to or through a municipal securities broker, municipal securities dealer, or bank acting as agent, shall, prior to such offer or sale, prepare a distribution statement in accordance with such rules and regulations as the Commission may prescribe as being necessary or appropriate in the public interest or for the protection of investors.

"(2) The distribution statement required by paragraph (1) shall contain such of the information pertaining to the issuer required by subsection (a) (2) as the Commission may by rule or regulation prescribe, and the following:

"(A) A description of the offering, including amount to be offered, price, plan of distribution, and underwriting arrangements and compensation;

"(B) A description of the security to be offered, including provisions as to security, events of default, payment of principal and interest, sinking fund, redemption, debt reserve funds, priority, legality and authorization for issue and rights of security holders to bring suit against issuers;

"(C) A description of any project or enterprise of the issuer to be financed from the proceeds of revenue or special assessment securities, and any engineering or financial feasibility reports or studies on the construction and operations of the project or enterprise;

"(D) A description of the intended use of the proceeds of the offering;

"(E) A statement of counsel's opinion as to the legality of the issuance of the securities to be offered;

"(F) A statement of the availability of the reports required by this section; and

"(G) Such other similar and specific information as the Commission may by rules or regulations require as necessary or appropriate in the public interest or for the protection of investors;

except that, prior to any sale, the information specified in subparagraphs (A), (B), and (E) may be set forth in preliminary form.

"(c) The provisions of subsection (b) shall not apply to an issuer solely by reason of an offer or sale of municipal securities—

"(1) the disclosure with respect to which has been approved, after hearing, as adequate for the protection of investors by a State governmental authority (other than the issuer) expressly authorized by law to grant such approval, or

"(2) which would meet the criteria set forth in sections 3(a)(9), 3(a)(10), 4(1), 4(2), 4(3), or 4(4) of the Securities Act of 1933 if such offer or sale were not within the scope of section 3(a)(2) thereof.

"(d) The Commission may from time to time by its rules and regulations, and subject to such terms and conditions as may be prescribed therein, change the minimum amounts set forth in subsections (a)(1) and (b)(1) if, giving due regard to such factors as general economic conditions, costs involved, and the nature of the distribution system for municipal securities, such change is deemed to be appropriate in the public interest.

"(e) The Commission may prescribe, in regard to reports and distribution statements made pursuant to this section, the form or forms in which the required information, including the financial statements, shall be set forth, and the accounting methods to be followed in the preparation of financial statements.

"(f) (1) The issuer shall make the reports required by subsection (a) (1) of this section available upon request to security holders at the issuer's expense and to others at their expense and shall give appropriate public notice of such availability.

"(2) The issuer shall make the distribution statement required by subsection (b) (1) of this section available to municipal securities brokers, municipal securities dealers, and banks acting as agent for delivery to prospective purchasers in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) The reports and distribution statements required by this section shall also be maintained by the issuer at a designated location for examination by the public in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. The Commission may also contract to establish a central repository which shall receive and maintain such reports, and may require the contractor to adhere to such rules and regulations as the Commission may prescribe in furtherance of the purposes of this section. Each person subject to the requirements of this secion shall, upon the establishment of any such repository, thereafter file copies of reports and distribution statements required to be prepared by this section with the repository in accordance with such rules and regulations as the Commission finds are necessary or appropriate in the public interest.

"(g) In no event shall any underwriter of an issue of municipal securities (unless such underwriter shall have knowingly received from the issuer for acting as an underwriter some benefit, directly or indirectly, in which all other underwriters similarly situated did not share in proportion to their respective interests in the underwriting) be liable in, or as a consequence of, any suit for damages in excess of the total price at which the issue was sold by it to the public.".

SEC. 3. The amendments made by section 2 take effect on January 1, 1977.

SUPPLEMENTAL SECURITY INCOME PASS THROUGH

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. FRASER. Mr. Speaker, the gentleman from Massachusetts (Mr. O'NEILL) and I plan to offer an amendment to H.R. 8911, the Supplemental Security Income Amendments of 1976, expected to reach the House floor on Wednesday of this week.

Our amendment will insure that nearly 1 million elderly, blind, and disabled recipients of Supplemental Security Income (SSI), who have been denied cost-of-living increases in the past, will receive those increases in the future.

Our amendment, known as the pass through amendment, affects those recipients who receive a State supplemental payment in addition to their SSI benefit. This year, because a majority of the States chose to reduce the size of their State supplement payments by the amount of the increase in Federal payments, close to 1 million SSI recipients received no increase in benefits at all. Those poor enough to require a supplement to SSI benefits were kept at the same level, not compensated for the escalating cost of living around them.

Mr. Speaker, our amendment corrects this flaw in the SSI law. The proposal requires States to pass cost-of-living increases through their supplement programs and onto recipients. We do not obligate States to spend more for their supplement programs and we protect them against increased expenditures that could potentially be incurred from a pass through. Our amendment simply prevents States from saving Federal cost-of-living increases in the future by keeping them from recipients of State supplements. In those States affected by the hold harmless provisions of the 1973 SSI Act, our amendment also prevents the Federal Government from cutting back its supplemental payments.

We don't feel that Congress intended States to save Federal cost-of-living increases we voted for the poor. I urge my colleagues to give careful consideration to this proposal and give it support on Wednesday.

In addition, I would like to share a sampling of letters I have received from individuals and advocacy groups in my own State of Minnesota which demonstrates of what grave concern this is to the poor. Undoubtedly my colleagues have constituents in similar circumstances.

The letters follow:

AUGUST 6, 1976.

DEAR MR. FRASER: Needless to say that as an elderly citizen I certainly hope your bill coming up soon, will pass.

In discussing this bill with other elderly citizens, some on SSI, I find they are confused and bewildered that they are given a raise and then have some taken away. The ones getting SSI of course are at the bottom of the totem pole in finances anyway so why pick on them. I do not understand that way of thinking. Even if they had to take away some from somebody—why for goodness sakes the ones at the very bottom.

Naturally I wish to thank you for your concern whether the bill passes or not. It's like a breath of fresh air. I think I speak for my group and many of your constituents.

Thank you,

BARBARA CARLTON.

MINNESOTA RECIPIENTS ALLIANCE,
Minneapolis, Minn., August 9, 1976.
Hon. DONALD M. FRASER,
Congressman, State of Minnesota,
Washington, D.C.

DEAR CONGRESSMAN FRASER: Our organization is gravely concerned over the plight of Minnesota citizens who are unable to maintain the most minimal standard of living due to the fact that Minnesota does not pass along increases in Supplemental Security Income programs to those citizens who are supplemented from public assistance funds.

We believe the states should be mandated to pass on increases in this program. We therefore strongly endorse pending legislation which would provide for the mandatory pass through of increases in Supplemental Security Income.

Thank you for your attention to this matter.

Sincerely,

JOAN GUERNSEY,
State Coordinator,
Minnesota Recipients Alliance.

STATE OF MINNESOTA,
House of Representatives, August 3, 1976.
Hon. DONALD FRASER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FRASER: I'm pleased to hear that you are offering an amendment to the Social Security Act which is presently being considered in Congress which would provide the requirement that states pass along federal benefits to the recipients in their states.

I authorized legislation during the last session to try to provide that no one receiving the Minnesota supplement would receive less than the federal government was providing through cost-of-living increases. Unfortunately, this legislation did not pass. It did pass the Senate and passed one committee in the House. Unfortunately, time did not permit it to receive final hearing before the House Appropriations Committee in 1976.

I have been working with many citizen groups who are concerned about what the policies of the state and federal government do to some of the poorest people who are receiving this type of government assistance. While we do intend to reintroduce legislation in the 1977 session, it would certainly be helpful if action could be taken at a federal level.

If I can be of any further assistance to you in regard to this matter, please do not hesitate to let me know.

Sincerely,

LINDA L. BERGLIN,
State Representative.

CATHOLIC CHARITIES OF THE ARCHDIOCESE, OF ST. PAUL AND MINNEAPOLIS,
Minneapolis, St. Paul, Minn., August 5, 1976.
Representative DONALD M. FRASER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FRASER: We are writing in strong support of your activity in Congress to enact "pass-through" legislation beneficial to the aged, handicapped, and others benefitting from public programs.

It seems inconceivable to us that legislation passed to benefit the poorest of our society, can work to the disadvantage of a segment of that population. "Real" increases in spendable incomes are what is needed to maintain a dignified state of existence for our citizens.

We applaud your continued efforts to work for justice and the dignity of our less fortunate citizens.

Sincerely,

RICHARD A. FLESHER,
SUSAN J. CARTER,
Program for Aging.

THE TESTIMONY OF WENDELL WILKIE GUNN BEFORE THE REPUBLICAN PLATFORM COMMITTEE ON BEHALF OF BLACK AMERICANS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. KEMP. Mr. Speaker, the lead editorial of the Washington Post today, states very perceptively that:

> Economic growth makes it possible for the newcomers to move up the ladder without pushing down the people who got there before them. Education has been, for most people, the surest route up into the middle classes, and it was economic growth that made possible the past generation's massive expansion of this country's school and university systems. If productivity ceases to improve over the coming years, a lot of other things in this country will also cease to improve—and one of them is equality of opportunity.

This case was most eloquently stated by Mr. Wendell Wilkie Gunn before the Republican Platform Committee on August 10. Mr. Gunn points out that taxes and other burdens placed on people by government are as detrimental to the success of black Americans, as was discrimination. Mr. Gunn says that black Americans do not wish to see the value of their civil rights victories diminished by having "the tax of discrimination" replaced by the increasing burden of other forms of taxation. After fighting for the right to buy a ticket on the train of economic growth, as black Americans to come aboard, they want to see the train moving again. And so do I, Mr. Speaker, for black, indeed all Americans.

Mr. Gunn points out that income redistribution is not economic growth and will not get the train of economic progress moving. He also points out that increased government spending and monetary expansion "are only useful as tools for income redistribution, not real economic growth." He emphasizes that—

> The only way for the government to induce real growth of the private economy is by lifting from the private economy those burdens placed on it by the government itself.

Mr. Speaker, the 132 cosponsors of the Jobs Creation Act have long realized that the burdens placed by government on the private economy reduce social mobility and economic progress. The Jobs Creation Act is the concept behind legislation that must be enacted to get the train of progress moving again for all Americans, in the name of equity and opportunity.

I strongly recommend Mr. Gunn's eloquent testimony to all Members of Congress. His testimony follows.

TESTIMONY OF WENDELL WILKIE GUNN, BEFORE REPUBLICAN PLATFORM COMMITTEE, AUGUST 10, 1976

I am Wendell Wilkie Gunn, private citizen, of Morristown, New Jersey. My name might suggest that I am a life-long Republican. In fact, however, I am a life-long liberal Democrat who, only in recent years, has turned Independent.

I was born in 1942 in Tuscumbia, Alabama. My father was a laborer and an officer in a Black local of a metalworkers' union. I earned a degree in chemistry at nearby Florence State University where, in 1963, I was admitted by Federal court order over the protest of the Alabama State Board of Education. I subsequently earned a Master of Business Administration degree at the University of Chicago and am now employed at a New York bank.

The purpose of my testimony today is not to trace my political and economic pilgrimage from an Alabama farm to a New York bank. Rather, it is to present a personal perspective on where Black America has been in my lifetime, where it is today, and where it can go with the assistance of this distinguished Committee.

From my personal vantage point, clearly the most significant occurrence of our generation was that of the riots and subsequent demonstrations of the mid-1960's, beginning in the Watts section of Los Angeles. The significance of these upheavals is that they brought about a marked change in the human chemistry of all of America, both Black and White. They revealed a change in the perception of Blacks by themselves. And they initiated a change in the perception of Blacks by Whites. Prior to the riots, many

Blacks lived under poor economic conditions compared to their neighbors across the tracks and felt powerless to do anything about it. White attitudes were characterized by such often-expressed remarks as: "Blacks live that way because they want to," and "They are happy with their condition."

Then came the dramatic surge of economic growth and prosperity of the mid-1960's. Black America stood on the roadside and watched White America reap the benefits of an affluent society while only minimal improvement occurred in their own situation, due to widespread discriminatory practices.

As a result of the riots, which spread in rapid succession across the towns and cities of America, White America came to realize that Blacks were not at all happy with their condition and that change was necessary. At the same time, Blacks—feeling a new surge of political and economic influence—no longer felt powerless to fight the discriminatory practices that held them back.

At first, White America may have misread the significance of these riots, viewing as a Black demand for an immediate equal share in the wealth of America. But the truth is that this was an insistence on full access to the promise of America. The society was levying a tax on Blacks that was not being levied on Whites. The rebellions of the 1960's, to a significant degree, brought about the repeal of this unjust system of taxation.

From the beginning of recorded history, there have been two fundamental economic impulses in political deliberations. One is society's striving for economic growth and well-being. The other is the pressure for the transferral of prosperity and well-being from those who have to those who have not. It should come as no surprise to anyone that prior to the lifting of the burdensome tax of discrimination, Black Americans, in great numbers, gravitated toward those political forces which promised a forced dividing of the wealth of America. However, since that tax has been lessened, some important—though I fear unnoticed—changes have occurred. Now Black Americans, again in large numbers, have acquired a larger interest in that other fundamental impulse, that of striving for economic growth.

At the present moment, the problem facing all of us is finding methods of achieving that growth. Senator Hubert Humphrey has aptly pointed out that the civil-rights movement has shifted from the political arena to the economic arena, that "Blacks are crushed in a recession." He further says, and I agree, that if the private sector cannot supply the necessary growth, the government should be the employer of last resort. However, my difference with Senator Humphrey, and with liberal Democrats in general, is crucial. That difference is my chief reason for traveling to Kansas City to address this Republican committee.

Liberal Democrats believe that the way to achieve growth in the private economy is by stimulating the economy through government expenditures and monetary expansion. But such policies are only useful as tools for income redistribution, not real economic growth.

The only way for the government to induce real growth of the private economy is by lifting from the private economy those burdens placed on it by the government itself.

I have no doubt that the lessening of the burden of racial discrimination is the force that has led to an increase in the incentive of Black Americans to produce. It has therefore caused a natural alignment of the basic objectives of Black and White Americans. In other words, the more Black Americans succeed in alleviating the peculiarly black tax of discrimination, the more energy and attention we can direct toward those burdens of government that fall on all Americans.

The notion of reducing the burden of government on the private economy has been long embraced by the Republican Party. It is evident to me, however, that the Republican Party has not perceived the important changes that I have just discussed. Hence, the Party does not realize the potential level of support that it has in the Black community.

The Republican Party has a case and is not making it!

Yes, we do have high unemployment. Yes, we do need a jobs program. I am aware of two legislative proposals that address this problem. One is the Humphrey-Hawkins "Full Employment Act," based on the aforementioned belief that economic growth can be achieved through increased government expenditures and monetary expansion. The other is the Kemp-McClure "Jobs Creation Act." While the details of the Kemp-McClure bill are not precisely what I would have come up with, the bill's approach is completely consistent with my firm belief that growth of the private economy can only be achieved by lessening the burden of government. Its specific thrust is to reduce the burden of taxation on businesses and individuals, including indexation of the graduated personal income tax schedule.

The boldness of its approach is worthy of the Republican Party, and I am surprised that it has received so little consideration by the Party's senior officials, including President Ford. The thrust of the Kemp-McClure bill in a more simplified form is the specific item that I recommend for inclusion in the Republican Party platform.

This form of relief from direct taxation, along with other forms of relief from indirect taxation, would find a high degree of receptivity among Black Americans as well as White Americans. This is the case that the Republican Party should be making.

Because Black workers who have been laid off, like White workers who have been laid off, have an interest in a return to profitability by their employers.

Because Black workers, like White workers, are discouraged at seeing the fruits of their labor eroded by inflation and at having their incomes pushed by inflation alone into higher tax brackets, thereby reducing their real incomes.

Because Black entrepreneurs, like White entrepreneurs, are crushed by burdens of paperwork and expensive technical assistance imposed by unnecessary government regulation.

Because Black teenagers, like White teenagers, could and would find work at two dollars per hour, but are prohibited by law from doing so.

It is no mere coincidence that the dramatic growth and prosperity of the mid-1960's followed closely behind the sharp cuts in the corporate and personal income-tax rates initiated during the Kennedy Administration. Since then, Black Americans have expended tremendous amounts of energy and blood fighting the tax of discrimination in order to achieve full participation in that prosperity. We do not wish to see the value of our victories diminished by having the tax of discrimination replaced by the increasing burden of other forms of taxation. We saw the train moving and fought for the right to buy a ticket. Now, as we come aboard, we want to see the train moving again.

If this Republican National Convention would draft a bold proposal to get that train moving, and make a genuine effort to sell its case, it would receive far more support from Black Americans than anyone here imagines.

SENIOR CITIZENS ABLE TO WORK FAR BEYOND 65TH BIRTHDAY

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. HEINZ. Mr. Speaker, many of our senior citizens are willing and able to work far beyond their 65th birthday. But they are often confronted by mandatory retirement rules and age discrimination which forcibly idle thousands of our best and most experienced workers. One unique solution to this problem is described in the following article in The Wall Street Journal, which I commend to my colleagues' attention:

[From the Wall Street Journal, August 9, 1976]

Specialized Agencies Beat Youth Bias, Help Hard-Pressed Retirees Find Work

(By Joan Libman)

When a person reaches age 78, one thing seems certain: It is very tough to get a job.

But with unusually little frustration, 78-year-old Joseph Schwarz recently found a job he likes at Stanford Research Institute, Menlo Park, Calif. A retired director of training and development for Ampex Corp., Mr. Schwarz works at the Institute two days a week checking references of applicants seeking technical positions.

Stanford Research says it didn't have any reservations about hiring Mr. Schwarz. Indeed, it retired its last reference checker at the age of 88. The Institute once hired students for the job. "But they were always leaving," says Harriet Wherry, supervisor of staff relations and recruiting. She says the older people make excellent workers, and that Mr. Schwarz has more energy than she does. For his part, Mr. Schwarz says he likes a full day's work because "keeping busy is the only way to longevity."

Mr. Schwarz found his job through Retirement Jobs Inc. of nearby Palo Alto, one of about 70 private, non-profit community referral agencies across the nation that specialize in placing old workers. These unusual groups charge nothing to either employer or job-seeker and rely heavily on volunteer labor. They are experiencing growing demand for their services.

I KNEW THEY WERE LYING

At a time when older workers often encounter endless discrimination and disappointments in seeking work, these specialized referral services are finding jobs for thousands of elderly citizens—jobs that many desperately need. A few years ago, for instance, when Floyd Thompson was age 60, his plant closed and he lost his job. In four months, the California machinist drove hundreds of miles seeking work, answered newspaper advertisements and registered with public as well as private employment agencies.

"Pretty soon, after I put in so many applications and didn't hear anything, I knew none of them was going to call me," Mr. Thompson recalls. "I knew they were lying to me, but I didn't know why. Finally, one man told me. He said, 'You're too old.' Discrimination is against the law, but it's frustrating because you can't prove it."

But Mr. Thompson also turned to Retirement Jobs Inc. and found a part-time machinist job at Storm Products Co., Palo Alto, that pays $55 a week. This provides the income he and his wife need to supplement their $426 monthly Social Security income. "Without the $55 a week, we couldn't get by," he says.

According to the Social Security Administration, about 9.5 million Americans over age 62, like Thompsons haven't any retirement pension income other than Social Security checks. Though these payments rise periodically to reflect inflation, the adjustments lag many months behind the price retirees still find they can't make ends meet.

Even people who own their own home and have paid for it just can't get by," says Gladys Sprinkle, director of Over 60 Counseling and Employment Service, a Chevy Chase, Md., referral agency. Besides people of "normal retirement age," there is a large group of older people forced during the recession into early retirement they never expected. They often find their reduced income doesn't pay the bills.

These hard-pressed retirees and older workers increasingly use the job referral services. Retirement Jobs says its 12 offices spread through Northern California interviewed a total of 5,400 applicants in the first six months this year, up from 3,400 job seekers in all of 1975. Other agencies like We Help Elders Establish Employment (WHEEE) in New Haven, Conn., and Golden Age Employment Service in Atlanta, also report increases in requests for help.

Sometimes applicants are seeking work after years of retirement. In Chevy Chase, Robert Bailey has started hunting for work at the age of 82. Back in 1954, at the age of 60, Mr. Bailey retired from his job as a map analyst for the U.S. Army. He then worked eight years as a full-time maintenance supervisor and subsequently worked another four years part-time in a bookkeeping office. He says that since the age of 72, he has been "taking it easy."

LOOKING FOR WORK AT AGE EIGHTY-TWO

But Mr. Bailey's wife died a few years ago after a long illness that involved large expenditures. Mr. Bailey says he had promised his wife he would care for her ailing sister, whom he now supports. He thus finds that with his high medical bills, his $800 monthly retirement income isn't enough, and he has had to turn to his son, a teacher, for help. But Mr. Bailey who lives frugally, doesn't complain about looking for work at age 82. "I have a sound mind and an able body, and I feel I should be putting it to good use," he says.

More commonly, applicants simply find they are strapped by normal expenses, including property taxes. V. B. Copenhaver, a 66-year-old Atlanta job-seeker, and his wife, receive a monthly Social Security check of $474—but they pay $100 a month alone in taxes on their home. Mr. Copenhaver, who suffered a stroke a year and a half ago and had to give up his home remodeling business, says he answered several newspaper job advertisements only to be told employers wanted a younger man. He is currently looking for work through Golden Age Employment Services in Atlanta.

The referral services that help these older workers are mainly economy-minded, low-budget operations. Retirement Jobs Inc., which is typical, relies entirely on contributions from foundations, corporations, community groups and others. Though it says it expects to make 10,000 placements this year, its 1976 budget for all 12 offices is only $100,000—or $10 per placement.

The agency finds potential employers through community relations work, publicity and a newsletter. Besides using volunteers, it practices its philosophy by hiring older people. (They work part-time for $230 a month because earning more would reduce Social Security payments.

Today, the manager of the sparsely furnished Palo Alto office is 70-year-old Alyce West, a white-haired former executive director of a local American Cancer Society unit. The assistant office manager—whom Mrs. West sometimes refers to as "junior"—is 67-year-old Joseph Himes, a retired contract administrator for Lockheed Aircraft Corp.

On a typical summer day, Mr. Himes answers a call from a local woman who needs someone to landscape half an acre of land surrounding a backyard badminton court. Mr. Himes tries to reach one of his applicants, a retired editor who works with his hands. "You'd be surprised," he tells a visitor, "but even a lot of our former executives want to be gardeners."

On another telephone, Mrs. West offers a 63-year-old woman an interview for a part-time, $3.50-an-hour clerical job in a psychiatrist's office. The applicant refuses the appointment, saying she doesn't "feel right" about working for a psychiatrist. "I think the place to go for advice is the church."

BABYSITTERS AND ENGINEERS

Most jobs the agency finds are part-time positions for office workers, handymen, housekeepers and babysitters. But Retirement Jobs has placed a number of professionals too. One applicant, an engineer, took a job developing and designing equipment for Education Engineering Associates, a maker of audio-visual learning aids.

Sometimes, the older workers stay on the job for many years. Nine years ago, Barron Park Supply Co., a Mountain View, Calif., plumbing, electrical and gardening equipment concern, received a mailing of applicants' qualifications from Retirement Jobs and hired Robert Wayne to manage its office. The company says this worked so well that two years later, it turned to Retirement Jobs again and hired Earl Eustace, a former electrical engineer, to advise customers and order all the electrical supplies. Mr. Wayne, currently aged 76, and Mr. Eustace, aged 74, are still on the job. Mr. Eustace says he never intends to stop working.

The two men "do the job as well as any young men," says William Gabbard, owner of Barron Park Supply. "Those fellows are better workers than I am," he adds.

CONYERS CITES THE FIRST BLACK OWNED TELEVISION STATION IN AMERICA

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. CONYERS. Mr. Speaker, television and the electronic media reaching into nearly all American homes, far from merely providing entertainment, conveys concepts and symbols which have a powerful effect on the way people view the world and one another. In many cases it is the only medium through which people learn about the problems that affect our country. For this very reason everyone ought to be concerned that television and the broadcast airways are utilized in the best public interest of all.

In 1972 the Congressional Black Caucus conducted hearings to examine the relationship of the electronic media to minority communities around the country. The hearings disclosed that in the areas of programing, employment, and ownership and control, minority Americans faired poorly. For example 19 of some 7,000 radio stations were then black owned; there were no black-owned UHF or VHF television stations. Today the complexion of the industry has changed somewhat. There are more minority professional staff, but not nearly enough. One black-owned television station exists, however, Station WGPR Channel 62 in Detroit, which began broadcasting September 29, 1975. Its president and general manager is Dr. William V. Banks, a respected attorney and minister and a distinguished citizen.

James M. Blount has written an account of WGPR's history in the August 1976 issue of About . . . Time magazine. I would like to share this article with my colleagues.

When local bankers told William V. Banks the terms under which they would help him raise $2 million to underwrite the first year of broadcasting of the nation's first black television station, he said a polite "No Thanks."

For every $50,000 that Banks' International F. & A.M. Masons would put up, the banks would loan $10,000, then take a mortgage on the whole operation.

"We sold some assets," Banks says to explain how the Masons initially capitalized the business.

"There were 100 acres of land about 35 miles north of Miami—I can't remember the name of the town. I bought it for the Masons in 1971 for $5,000 an acre—$50,000. Then in 1973, when the Federal Communications Commission insisted on us having the money on hand for one year's operation, we were offered $1 million, on time, for that Florida land, or $750,000 cash."

"We took the cash," said Banks. "Then we sold other things. We owned the Mackinac Hotel in Mackinac City, and we sold it. There were lesser assets that we liquidated."

"We got commitments in writing from advertisers—the auto companies and others—that they will spend these many thousands or that many. That all was added in to what we had to show for the first year."

"But that's how we did it. We never did have to go back to the banks," explained Banks.

As a result, Channel 62, WGPR-TV/Detroit, has been on the air since September 29, 1975. So far, Banks said, more than $4 million has been sunk into WGPR-TV for studio facilities, equipment, and manpower. Its new headquarters are located at 3140 East Jefferson.

Channel 62 has heavily emphasized the black heritage in its programming, but has also included a good sprinkling of the non-black commercial programs that build audiences. Dr. Banks says he hopes the black programming will help the whole community, whatever the listeners color, get a better idea of who blacks are and what their background is. "Who can explain blacks better than blacks?" he asks.

The common stock of WGPR, Inc. is owned 100% by the International Free and Accepted Modern Masons, a black fraternal organization. In addition to the television station, the Masons have invested a half-million dollars in Florida land, bought FM radio station WGPR-Detroit in 1964, and the 35-story

David Broderick Tower in downtown Detroit in 1972.

One of the driving forces behind the investment portfolio of the International Free and Accepted Modern Masons had been Dr. William V. Banks. He is 73 and the only Supreme Grand Master the International Masons have ever had. Dr. Banks and 21 other black Masons organized the new Masonic Order in 1950 in Canton, Ohio. Today, 26 years later, there are 350,000 members located in almost all the states and in several foreign countries.

Dr. Banks has practiced law for over 35 years. He graduated from Detroit College of Law in September, 1929 and was admitted to the bar the following year. Admittedly, Dr. Banks said that his quest for education did not end at that point, for he received his Doctorate Degree of Law September 19, 1968. He also attended the Baptist Seminary in Detroit and received his Doctor of Divinity degree and became ordained as a minister of the gospel.

Even though WGPR–TV is completing its first full year of operation, it has not been a bed of roses. There have been technical problems with equipment that have caused broadcast down time. The engineering department under Gary Schmildt and technical representatives from equipment manufacturers have worked hard to minimize down time.

Because television broadcasting is technical by its very nature, it has been difficult for WGPR–TV to attract and keep experienced people. There has been a tremendous effort put forth to train people with some technical background, but it has taken time to get a sufficient technical staff that's capable of giving WGPR what it needed.

Because WGPR is not affiliated with a major television network (CBS, ABC, or NBC), a large percentage of their shows are produced on location. This simply means larger budgets and the addition of more technical people to produce these shows.

However, the prestigious American Research Bureau (ARB), which publishes monthly audience ratings on the media, in its November 1975 report disclosed that WGPR–TV already had viewers in numbers large enough to show in the ratings. It had become a standard of the industry that a minimum of six months to a year is required for a new television station to attain a measurable audience. Equally significant is the fact that WGPR–TV not only has the anticipated black audience, but also has substantial viewers in the white community.

The most successful Channel 62 show is "The Scene," a 5 to 6 P.M. Monday thru Friday dance party show. ARB shows between 28,000 and 30,000 households tuned in with an average of two viewers per household.

Channel 62 has one advance many new stations do not, particularly new UHF stations. Detroit has three other well-established UHF stations and surveys show over 90 percent of the area's TV sets can pick up UHF.

But Channel 62 has a special disadvantage in a problem area that affects all big city stations—the difficulty of measuring inner city audiences. It is a problem the rating services recognize and they are working on methods of surveying that audience. The problem is one that hampers surveys of any kind in ghetto areas—the peoples are suspicious of any kind of authority figures and don't co-operate.

As the nation's firt black owned and black operated television station, WGPR–TV, Channel 62 has added a new dimension and stature to the entire communications industry. The station has provided a different emphasis and an alternative viewpoint. The community good will that has derived from the new station is great, not only for the local Detroit area, but for the entire nation.

SOCIAL SECURITY ADMINISTRATION FAILS TO PROVIDE ADEQUATE REFERRAL SERVICES TO SUPPLEMENTAL SECURITY INCOME FOR AGED, BLIND, AND DISABLED

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 23, 1976

Mr. VANIK. Mr. Speaker, the Ways and Means Oversight Subcommittee, which has been studying the supplemental security income—SSI—program for the aged, blind, and disabled, has received a great deal of information that the Social Security Administration has failed to provide adequate information and referral services to SSI beneficiaries. It is obvious from our hearings and surveys of State and local officials that aged, blind, and disabled welfare recipients are missing out on major benefits because social security does not provide adequate information and referral for other forms of aid to these people at local social security offices.

For example, the subcommittee has received reports from California that social security offices failed to pass on information about in-home care as a supplemental benefit available from the State. The legal services program for Pasadena and San Gabriel-Pomona Valley reported:

> This (in-home) benefit information had not been passed on to 4 eligible persons—all homebound; one 94 years old; one with a severe heart condition; one whose leg had just been amputated; and one wheelchair invalid. In particular, the 94-year-old had called us because her benefits had been cut off because she did not show up at the SSA office for a reconsideration hearing. None of the prior phone messages regarding her condition had ever been placed in her file.

In other cases cited by this legal services program, there was a person:

> 66, female, black. SSI checks delayed. Not advised that the State has an emergency fund available for this purpose. When she contacted us for assistance, we found she was getting the minimum SSI benefit and was entitled to the blind benefit as well.
>
> 73, female, white. SSI application problem due to a name mix-up. She was not informed that she would be eligible for food stamps during the time she was not receiving the SSI benefits.

Mr. Speaker, its appears that when the Federal Government took over the SSI program, we created a serious split between Federal programs and information about State programs. It was expected that social security would so organize their offices that individuals would be kept advised of State programs which could be of assistance. In State after State, however, we have received reports that social security is incapable of informing these low-income aged, blind, and disabled about State programs.

The following statements to the subcommittee from State welfare directors indicate the dimension of the problem:

> ". . . I feel that social services to aged, blind, and disabled persons have diminished after the initiation of the SSI Program. This has resulted from several factors including provisions of the Privacy Act which preclude outreach to SSI recipients using SSI listings, Social Security's procedures which makes identification of all but obvious service needs impossible and general lack of interest by Social Security in making referrals to social service agencies.
>
> "Likewise, many SSI recipients who are eligible for food stamps do not apply or participate. This is due to lack of referral, the need to go to two offices to get SSI and food stamps and the inability of the Department of Welfare to effectively issue stamps to SSI recipients by mail. The net result of this is that we have 20,000 additional SSI recipients in 1976 over the number converted in 1973 but food stamp participation among that group is essentially the same."—Thomas Tinder, Commissioner, West Virginia Department of Welfare.
>
> "New SSI recipients are not receiving all needed services due to inability of Social Security staff to identify needs. Inability grows from lack of training in identification and pressure of work on SSI staff."—Max M. Cole, Commissioner, Mississippi Department of Walfare.
>
> "On the one hand, the State has saved money, because eligible persons are unaware of available services, and on the other hand, the State has been criticized for failure to help truly needy people. . . . eligible persons are not being referred to the County Departments. It would be impossible for the State to screen all new SSI recipients to see if there are other services or programs under which they or members of their families would qualify. We must depend on SSA for referrals."—R. Archie Ellis, Commissioner, South Carolina Department of Social Services.
>
> "(There have been) Significant decreases in the number of clients referred for services based on experience prior to conversion. We have attempted to contact all new SSI cases, based on SSI openings sent via SDX, to determine service needs. However, we do not have sufficient staff to do (this) on an on-going basis. Screening for referrals was always an intake activity at the local Dept. of Social Service office. We maintain statistical data on SSI referrals to DSS; a low number of referrals has been consistently reported.
>
> "Information and Referral Services between the Michigan Department of Social Services (MDSS) and the district office appear to have diminished since conversion. . . . Much misunderstanding still exists locally between each agency's role. Referrals for services . . . never approached the previous levels of 50–70% . . . and actually declined to a low of 270 statewide in May, 1976. Our data suggests we should anticipate a minimum of 500 a month. We still have the responsibility for the human services. We don't expect the district office to do social services. We do expect them to join us in providing information to us that will allow us to carry out social services."—Joseph Larosa, Deputy Director, Michigan Department of Social Services.

These statements from local groups and State officials point to the desperate need:

(1) to simplify drastically the welfare structure in this Country so that programs are easier to understand and keep track of and so that eligible individuals can be kept aware of their rights;

(2) to improve the operations of local Social Security offices so that they maintain better contact and awareness of local programs.

The Oversight Subcommittee will be discussing these criticisms with Social Security Commissioner James B. Cardwell during our further SSI hearings in September.

SENATE—*Tuesday, August 24, 1976*

(Legislative Day of Monday, August 23, 1976)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord, our God, in whom we live and move and have our being, we know not what a day may bring but we know who will be with us all the day. Thou hast promised never to leave us nor forsake us. Wilt Thou now add to our own strength that power which comes to all who call upon Thee in spirit and in truth. Lead us moment by moment and step by step in the right direction to the correct conclusions. Preserve in us an inner serenity, an outward courtesy, and an obedience to conscience in all that we think and say and do. As we pray for those who labor here, so we lift our prayer for all whose vocation is fulfilled in Government service, the President and his counselors, all who serve in the legal, the diplomatic, and military services to the end that we may be a nation which upholds justice and righteousness and shows mercy and compassion to all people.

We pray in the name of Him who was Servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 24, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, August 23, 1976, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished minority leader.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

Mr. JAVITS. Mr. President, I just wish to inform the leadership I do not think I will require the full 15 minutes.

STATEMENT ON THE OCCASION OF THE FUNERAL OF MAJ. ARTHUR G. BONIFAS

Mr. JAVITS. Mr. President, I would like to address the Senate concerning the August 18 murder by North Korean soldiers of two American members of the United Nations command, at the site of the neutral zone of the Korean Military Armistice Commission at Panmunjom.

As we all know, two American soldiers were killed in this tragic incident: Maj. Arthur G. Bonifas, of Newburgh, N.Y., and 1st Lt. Mark T. Barrett, whose bereaved wife is living in Florida.

I wish to express my deepest condolences to the families of these two fine soldiers who were so senselessly and tragically—and brutally—killed in the service of their country.

Major Bonifas is to be buried today with full military honors at the U.S. Military Academy at West Point, of which he is a distinguished graduate. A circumstance of this tragedy that must be especially painful to Major Bonifas' wife Marcia and their three children was that the major was scheduled to return to the United States and his family in Newburgh only 2 weeks after his untimely death.

Major Bonifas' service in the Army was particularly distinguished: He served in Vietnam in 1968 and 1969 and was an instructor at West Point between 1972 and 1975. He has been awarded the United Nations Service Medal, the Bronze Star, the Army Commendation Medal, and the Vietnam Defense Service Medal. He received training as a parachutist and a ranger and earned an M.A. in math from Syracuse University.

This incident at the DMZ is only the most recent of a long history of ceasefire violations charged by the United Nations Command against North Korea; in fact the United Nations command has charged the North Koreans with 35,000 violations in the 23-year-old Korean armistice. Forty-nine Americans have died in these incidents, and over 1,000 Koreans of both sides also have died.

If the North Koreans were motivated to instigate this incident to weaken United States resolve to maintain its 41,000-man United Nations force in South Korea until objective political and military conditions permit their withdrawal, they will find that they are very mistaken.

As we have already witnessed, United States forces in Korea have been augmented with two additional fighter-bomber squadrons, an aircraft carrier task force; and, all forces have been put in an increased state of readiness. The United States show of force on August 21 supporting the cutting down of the tree—the pruning of which served as the alleged catalyst for the North Korean attack—should serve notice on North Korean President Kim Il Sung that the United States intends to maintain its commitments to the integrity of the demilitarized zone on the 38th parallel, its mutual defense treaty commitments to the Republic of Korea, and its intention to retain its forces in Korea as long as conditions there require it and at a minimum until the Republic of Korea is fully capable of meeting its defense needs with its own South Korean forces.

We must also remember in this connection that this is the United Nations command and, therefore, debate, discussion and decision in the United Nations could change the juridical situation.

In fact, this latest incident is only counterproductive to what is the likely objective of the North Koreans to weaken United States will. Many in this country have been justifiably concerned with South Korean policy respecting human rights in that nation—even though the North Korean record in human rights is infinitely worse. This incident only tends to mute that debate as it also impedes any solution of the overall question of the two Koreas in its most proper form, the negotiating table.

On August 14, South Korean President Park Chung Hee called for renewed negotiations between South and North Korea on the territorial division of Korea. This commendable action by the South Korean President stands in stark contrast to North Korea's violent action involving these two officers.

It is my sincere hope, Mr. President, that this would be the best memorial for this fine U.S. officer, Major Boniface, that a constructive lesson will come from this terrible incident which has cost the lives of two Americans. That the United States will not accept and will respond effectively to any further North Korean attempt to alter the status quo by the use of force.

North Korea is making a grave mistake if it believes that it can create dissension in the United States by its action. Even the Democratic Party's nominee for President, Governor Carter, has stated his agreement with President Ford's response to this incident. I fully support the appropriate and decisive action by the President and Secretary of State Kissinger in this regard.

The United States lost over 30,000 soldiers in the Korean war; the United States has retained its 41,000 U.N. Command troops there for over 23 years. Our resolve to maintain our commitments there will only be strengthened by such wanton and barbaric acts of North Korea as we have just witnessed.

Korea remains, since the 1950's, as one of the striking examples in which the world, through the United Nations, decided that it would not countenance aggression and took action against it. Fortunately for the world at that particular moment the Soviet Union was not sitting in the Security Council and hence could not express a veto. Therefore, notwithstanding the strident criticisms of President Truman, the fact is that the United States did what ultimately we will have to do, and that is lend our strength to the rule of law over the rule of force as administered through some effective and just international mechanism.

I might say too, finally, Mr. President, that the United States resolve to maintain our commitments in that area of the world will only be strengthened by such wanton and barbaric actions of North Korea as I have just mentioned. If I read the American people right, there is no diminution whatever in their determination to use such strength as Providence has given us to bring about a more peaceful and a more just world.

The only difference is that we will treat our own strength and the strength of those with whom we are allied in this effort with a great deal more restraint and discretion, and, beyond everything else, a great deal more respect for the views of all our people and for the constitutional intercession by the Congress in these awesome decisions of peace or war. There is no diminution, in my judgment, in the determination of the American people to utilize such power as we have in the interests of peace, and especially in the interests of the rule of law. We may be irritated and annoyed on occasion as to how the various international agencies work, but the ultimate objective is one with which I feel America's profound identity is deeply involved, and to which it is firmly and I hope permanently committed.

I ask unanimous consent to have printed in the Record a series of newspaper articles concerning this incident.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From The Washington Post, Aug. 6, 1976]

2 Koreas Trade Gunfire Across Buffer Zone

Seoul, South Korea.—North and South Korean troops exchanged machine gun and recoilless rifle fire across the demilitarized zone yesterday.

No casualties or damage were reported by either side during the few minutes of shooting. Each side later accused the other of starting the fight that took place 45 miles northeast of here.

The incident, the second of its kind along the 151-mile-long buffer zone in seven weeks, was reported by both the U.N. Command and North Korea at a meeting of the Korean Military Armistice Commission at Panmunjom.

In Washington, a Pentagon spokesman said yesterday's incident was "not unusual. Sometimes somebody will take a pot shot just for the hell of it. This is one more in a series of incidents over the years."

[From The New York Times, Aug. 15, 1976]

Park Is Calling for New Talks Between Koreas

Seoul, South Korea, Aug. 14.—President Park Chung Hee is calling for renewed negotiations between South and North Korea on the territorial division of the country.

In a speech prepared for tomorrow's commemoration of the 31st anniversary of Korea's liberation from Japanese colonial rule, Mr. Park declared that peaceful coexistence with the North remained a key policy of his Government.

At the same time, the President implied that any alternative to coexistence was war. Another aggression, he said, would mean a "disruption of the North's activities in all fields—political, economic and social."

This paragraph apparently was inserted to stress his often-asserted claim that the South was becoming capable of independently coping with another invasion from the North.

Basically, however, his statement echoed one he delivered six years ago inviting the North to join in a peaceful competition between differing ideologies. The North-South dialogue that began in this spirit in 1972—in the wake of former President Richard M. Nixon's visit to Peking—abruptly ended after a year over the North's demand that Communism be made legal in the South.

[From The New York Times, Aug. 19, 1976]

2 Americans Slain by North Koreans in Clash at DMZ—4 U.S. Soldiers and 5 South Koreans Hurt in Assault by Communists With Axes

Seoul, South Korea, Aug. 18.—North Korean soldiers, wielding axes and metal pikes, attacked a group of American and South Korean soldiers in the demilitarized zone today, killing two American officers and wounding four American enlisted men and five South Korean soldiers.

The attack took place as the American and South Korean soldiers were trimming branches from a tree at the Panmunjom truce site near an allied checkpoint at the south end of the "Bridge of No Return," over which prisoners were exchanged after the Korean War.

According to the United Nations Command, the American and South Korean work group was performing a routine task when two North Korean officers and some soldiers approached and, after some discussion, demanded that the Americans and South Koreans stop trimming the tree.

ORDER TO "KILL" OVERHEARD

Shortly afterward a truck carrying North Korean soldiers drove up and one of the officers was heard to tell the soldiers to "kill" the Americans and South Koreans. Then, according to the United Nations Command's account, the North Koreans rushed the Americans and South Koreans with axes, metal pikes and ax handles.

[In Kansas City, President Ford in a statement condemned the attack on the Americans and South Koreans as "brutal and cowardly" and warned that the North Korean Government would be responsible for "the consequences."

The North Koreans charged in a radio broadcast tonight that "U.S. imperialist troops" armed with "lethal weapons" had pounced on North Korean soldiers who had protested the trimming of the tree, which the broadcast said was in an area under North Korean control.

The broadcast made no mention of any casualties on either side in the clash. A Japanese news agency quoted military sources as having said that three North Koreans had been killed in the clash, but the report could not be confirmed and the United Nations Command made no mention of North Korean casualties in its statement.

[The Pentagon identified the slain American officers as Capt. Arthur G. Bonifas, 33 years old, and First Lieut. Mark T. Barrett, 25. Captain Bonifas' wife, Marcia, lives in Newburgh, N.Y. Lieutenant Barrett was the husband of Julianne R. Barrett of Columbia, S.C.]

The attack occurred at 10:45 A.M. (11:45 P.M. Tuesday, New York Time) south of Panmunjom, which is 35 miles north of Seoul. The place where the incident occurred is just south of the Quonset hut used by the Military Armistice Commission, where United States and North Korean officers have held armistice meetings for the last 23 years.

Under the 1953 armistice agreement, Americans, and South Koreans, members of the United Nations Command, as well as North Koreans are guaranteed free movement and access inside the zone.

Panmunjom, where the prolonged negotiations took place to end the Korean War in 1953, lies astride the demarcation line separating the two Koreas in the area of the 38th Parallel. Numerous clashes have occurred in the past in the small, jointly administered zone designated as the Joint Security Area.

The United Nations Command said that tree-trimming had been routinely conducted for better surveillance of both sides in this area, which is covered by thick foliage.

The United Nations Command has asked for a meeting of the Armistice Commission tomorrow to discuss the incident. Most such meetings, however, consist of inconclusive exchanges of charges and countercharges by the two sides, yielding no positive results. In 23 years the North Koreans have admitted cease-fire violations on their side only twice, out of 35,000 instances charged by the United Nations side.

Although the deaths of the two American officers today were the first in Panmunjom since the end of the Korean War, there have been numerous violent incidents in the area and along the demilitarized zone.

Even by the level of past provocations, today's attack appeared unusually brutal. In July last year, an American officer was surrounded, beaten and kicked by North Korean guards near the armistice conference building.

The United Nations Command's communique said that the Communist soldiers rushed down on the Americans today with axes, metal spikes and ax handles. The two American officers were hit in the head and died from severe head injuries and stab wounds. A South Korean enlisted man was hospitalized, but details of his condition were not given.

Today's clash came as North Korea stepped up its campaign against the United States presence in Korea, charging that the Americans had completed plans for an invasion of North Korea from the South and that a new war could break out at any moment.

North Korean Gives Warning

Colombo, Sri Lanka, Aug. 18.—Foreign Minister Ho Dam of North Korea warned today that "the situation is becoming more urgent in our country, and a war may break out at any moment."

Mr. Ho's comment, at a news conference, was not made in the context of the shooting incident in Korea's demilitarized zone, and he gave no indication, that he was aware of the incident.

The Foreign Minister, who is here as a member of his country's delegation to the conference of nonaligned leaders this week, has been making the same point ever since he arrived, in speeches and in informal conversations with newsmen and other delegates.

He talked to reporters this afternoon in an elegant red-carpeted drawing room aboard the 200-foot ship that his delegation brought here from Korea. As a white-uniformed waiter served North Korean beer and mineral water, the Foreign Minister urged that the United States withdraw from South Korea.

[From the New York Times, Aug. 19, 1976]

Pickaxe Diplomacy

North Korea's die-hard Stalinist Government has stooped to a new low in barbarism with the apparently premeditated axe-murder of two American officers at the Panmunjom cease-fire village.

The regime of President Kim II Sung may hope by its brutal act to build support for recent suggestions in this country for a gradual phase-out of some 40,000 American ground troops still stationed in South Korea. The effect will be exactly the opposite—to strengthen the argument for a continuing strong United States presence in Korea to help preserve the truce in the fact of such evidence of persisting aggressiveness from the North. The brutishness engaged in by Pyongyang could even serve to mute the concern of many Americans who have become increasingly disenchanted with the Government of South Korean President Park Chung Hee, whose despotism is made to appear less onerous by comparison.

It is also possible that the Panmunjom atrocity was designed to provoke an extreme American retaliation—a retaliation that in turn would rally sympathy for the North Koreans at the "nonaligned" conference in Sri Lanka and support for the North Korean Prime Minister's request that the conference demand withdrawal of all United States troops and nuclear weapons from South Korea. Both Washington and the nonaligned nations should surely be trusted to have better sense than to fall for such an inhumane and primitive ruse.

[From the New York Times, Aug. 19, 1976]

Ford Condemns North Korean Killing of Two Americans

(By Philip Shabecoff)

Kansas City, Mo., Aug. 18.—President Ford today condemned in harsh terms last night's killing of two American officers at Panmunjom in Korea, and warned that the North Korean Government would be responsible for "the consequences."

In a statement issued while he was preparing for the balloting for the Republican Presidential nomination, the President called the killing of the Americans a "vicious and unprovoked murder."

He also said that the assault on a combined American-South Korean work party in the neutral demilitarized zone between North Korea and South Korea was a "brutal and cowardly attack totally without warning."

Ron Nessen, the White House press secretary, said at a news briefing that the United States was seeking a meeting of the Military Armistice Commission as a result of last night's slayings. A White House aide said the meeting was being asked so the United States could demand an explanation of the attack.

The commission, which came into existence after the 1953 cease-fire in the Korean war, is nominally supposed to conduct negotiations leading to a peace settlement in Korea. In practice its functions have been limited to housekeeping matters in the demilitarized zone and to serving as a forum for attacks and recriminations between the United States and North Korea.

Occasionally it does serve a beneficial purpose. Negotiations for the release of the crew of the *Pueblo*, the United States intelligence ship captured by North Korea, were conducted at Panmunjom.

Mr. Nessen said that the United States Embassy in Seoul has so far been unable to determine he reason for the attack by the North Koreans.

PRESIDENT'S STATEMENT

Here is the complete statement by the President this morning:

"The President condemns the vicious and unprovoked murder of two American officers last night in the demilitarized zone in Panmunjom in Korea. These officers were peacefully supervising a work detail in the neutral zone when they were subjected to a brutal and cowardly attack totally without warning. Responsibility for the consequences of these murders rests with the North Korean Government."

Mr. Nessen was unable to say what the consequences might be.

State Department Warning

Washington, Aug. 18.—The State Department said today that it viewed "with gravity and concern" the North Korean slaying of two American military officers and warned North Korea that it "must bear full responsibility for all the consequences of its brutal action."

In a sharply worded statement it said that the North Korean action in the joint security area of the demilitarized zone was "brutal and unprovoked." But a department spokesman, Frederick Z. Brown, refused to say what retaliatory action, if any, the United States might take.

Mr. Brown speculated that the incident might have been fomented by the North Koreans to raise tension at the current nonaligned conference in Sri Lanka where the North Koreans have made the withdrawal of American forces from South Korea a major issue. A similar resolution has been introduced in the United Nations General Assembly by Communists and others.

The United States statement said: "This brutal behavior by the North Korean regime tells us something of its true nature and demonstrates the hollowness of North Korea's alleged desire for a peaceful resolution of the differences that exist between it and South Korea."

"The United States Government considers these cowardly acts of murder a serious violation of the armistice agreement.

"The North Koreans have committed violent acts in the joint security area before but these murders are the first such deaths that have occurred in that area since the signing of the armistice agreement 23 years ago.

"The United States views this brutal and unprovoked assault with gravity and concern and warns the North Koreans that such violent and belligerent actions cannot be tolerated. North Korea must bear full responsibility for all the consequences of its brutal action."

[From the New York Times, Aug. 19, 1976]

Violence Can Flare Quickly at the Front Line in Korea

(By Andrew H. Malcolm)

Tokyo, Thursday, Aug. 19.—The immediate area around Panmunjom, where two American soldiers were killed yesterday, has been the scene of so many violent incidents since the armistice that ended the Korean War 23 years ago that it is the only part of the Korean peninsula still officially designated a combat zone by the United States.

It is now the only site in Asia where American combat troops directly confront Communist forces. Incidents there range from obscene hand gestures and spitting to minelaying and machine-gun ambushes. Forty-nine Americans have died in such skirmishes in the demilitarized zone, along with a total of more than 1,000 Koreans on both sides.

Incidents usually occur without warning. They erupt so quickly and end so fast that there is little time for reaction. Generally both sides—the South Koreans and Americans under the United Nations Command, on the one hand, and the North Koreans on the other—blame their opponents.

But there appear to be elements of premeditation in many of the outbreaks. On June 30, 1975, when Maj. William D. Henderson sat by himself by a bench in Panmunjom, he was surrounded by North Korean guards. One pushed him. Another tripped him. And a third kicked at his head. Major Henderson was beaten unconscious and suffered a crushed larynx.

On June 26 this year as a United States guard and his South Korean partner were driving their jeep toward a Panmunjom checkpoint, 20 North Korean guards stepped into the road carrying ax handles and sharp instruments that they used to flatten the vehicle's tires. The two men escaped with only bruises.

But the American soldiers serving at Panmunjom actually have very little protection.

There are 160 American and 75 South Korean soldiers assigned as guards in the unit officially known as the Joint Security Force. They are assigned to Panmunjom on one-year tours of duty. They are volunteers specially screened for their large physiques and cool tempers. They receive special training in martial arts, riot control and hand-to-hand combat. And they carry .45-cal. pistols.

But their standing orders are to take pictures first of any incident for official documentation.

"It's really nerve-racking," Specialist Kenneth Harper of Denver said at Panmunjom recently. "You can never do anything unconsciously. You are always thinking that as soon as you do something wrong, they will jump on you."

As a result, all of the United Nations forces' guardposts at Panmunjom are built within sight of one another, a sort of structural buddy system for mutual protection.

The farthest forward outpost is Checkpoint 3, which the guards have dubbed "the loneliest spot in the world." The closest one to the site of yesterday's incident, it is at the southern end of the so-called Bridge of No Return, the only official land link between the two Koreas, which was used by returning Allied prisoners after the Korean War and by the released crew of the American intelligence ship Pueblo in late 1968.

Whenever fog, snow or darkness block the view of that checkpoint from Post 5 on a nearby rise, the forward guard contingent is immediately withdrawn.

The men stand eight-hour tours guarding the truce site and monitoring the movements of North Koreans in the northern half of the two-and-a-half-mile-wide demilitarized zone. Regular American troops, part of the force of 41,000 United States servicemen stationed in South Korea, guard a symbolic 550-yard strip of the demilitarized zone nearby. South Koreans man the rest of the 151-mile-long strip of fields and mountains.

There was a rash of incidents in the late 1960's and early 1970's. On April 15, 1968, for instance, two Americans died when their truck was ambushed and machine-gunned near Panmunjom. In November 1966, six American soldiers were slain from ambush by North Koreans near Panmunjom shortly after President Lyndon B. Johnson had inspected the area.

In 1968 there were 760 incidents, including 356 shooting clashes, with a total of 500 deaths on the two sides.

That was the year a large American reconnaissance plane was shot down, the Pueblo was seized and North Korean agents attempted a raid on President Park Chung Hee's official residence in Seoul, 42 miles south of Panmunjom.

Many of the incidents seem to be connected to propaganda campaigns of North Korea which is experiencing severe financial difficulties in meeting its overseas debts. On

Aug. 5, the same day that the Pyongyang radio announced a full military alert in the North, the United Nations Command said a North Korean guardpost opened fire on a South Korean post several dozen miles east of Panmunjom.

This week at the meeting of nonaligned nations in Colombo, Sri Lanka, North Korean officials have been telling other delegates that an invasion of their country by South Korea was imminent.

[From The Washington Post, Aug. 20, 1976]

Panmunjom: Almost Breeding Ground for Clashes

London, Aug. 19.—It may seem strange to the rest of the world that the pruning of a tree in Korea should lead to the threat of war. But the 38th Parallel is a strange survival from an old war, and the truce village of Panmunjom, which I visited earlier this year, is a political oddity almost guaranteed to produce incidents between the opposing sides of North and South.

I passed within yards of this week's fatal clash as I entered Panmunjom over a bridge from the North Korean side of the Demilitarized Zone.

At the end of the bridge sits a U.S. watchpost, one of half a dozen that share the truce site with the same number of North Korean posts. As my black sedan from Pyongyang, North Korea—license plates masked to avoid identification—swept past the post, an American soldier peered rudely in through the windows, then rushed back to his intercom set. On the other side of the road was a clump of trees, the exact place where two U.S. officers were axed to death yesterday.

The oddity of Panmunjom consists in its status as a joint security area where, in theory, both sides may roam freely and unarmed. Hence this uncanny juxtaposition of the free world and socialism, of the GI in fatigues and the North Korean private in his natty Soviet-style tunic, of the Dodge truck and the Changohun jeep.

At the heart of the "village" (there are now no authentic villagers or habitable houses) lies a rather bare set of huts where the Military Armistice Commission and its north-south negotiating bodies can acrimoniously meet. Close by is a very splendid "reception building" for foreign visitors, built by the North Koreans where tea and biscuits will be served while one is told how many thousands of incidents have been perpetrated by the U.S. imperialists since the armistice was signed in 1953.

Across the way is a much more utilitarian hut, flanked by a watchtower from which the U.S. forces—nominally the "United Nations Command"—keep an eye on the North's comings and goings.

The point is this: The 2.5-mile-wide DMZ, which runs the breadth of Korea from West to East has a national dividing line down the middle so that each side controls, in effect, a 1.25-mile-wide strip. But the joint security area of Panmunjom is an everyman's land where both sides rub shoulders.

A likely explanation for this week's tree-trimming is that the Americans wanted to improve their line of vision along the river bank at the northern edge of Panmunjom. The North Koreans have now complained that this sort of operation should only be done "by joint agreement," and that the Americans refused to stop cutting the trees when asked.

The North Koreans are quite likely in the right to claim that their agreement should have been sought, in an area that is supposed to be jointly administered before altering its physical features even by lopping off a few branches. But the triviality of the issue only underlines the total lack of communication or understanding between North and South—a state of affairs that has not changed in more than 30 years.

Although both sides make occasional noises about reconciliation, the gap between their two social systems is unbridgeable, and they know it. It is not surprising that suspicions of war preparations should be so easily aroused. No other way is open to reunification for two opposing sides who only agree on one thing—the oneness of their country.

[From the New York Times, Aug. 21, 1976]

U.S. Asks Amends by North Koreans—Kissinger Says That Moves Depend on Responses— Carrier Ordered to Sea

(By Bernard Gwertzman)

Washington, Aug 20.—Secretary of State Henry A. Kissinger said today that the United States was demanding "explanations and reparation" from North Korea for the killing of two American military officers in the Korean demilitarized zone two days ago.

Mr. Kissinger, asserting that the United States absolutely cannot and will not accept" what he termed the "premeditated act of murder" of the men, said that the American response will be determined in part by the North Korean actions in the next few days.

A Defense Department official said, meanwhile, that as part of the growing show of American strength in Korea, orders had been given to the aircraft carrier Midway to sail from the Tokyo Bay port of Yokosuka with her accompanying task force of destroyers, cruisers and frigates.

There are about 75 fighter-bombers on the carrier. Korean waters are about two days away.

Justifying the buildup of American forces, Mr. Kissinger said:

"We cannot permit the principle to be established that Americans can simply be assaulted with impunity any place that some dictator or some aggressive country decides to score some points."

The American response, he said, depends on the North Koreans' intentions, "and it also depends on whether we get any satisfactory response to our demands for explanations and reparation, Mr. Kissinger, interviewed in Kansas City, Mo., on NBC–TV's "Today" program would not say what the alternatives would be if the North Korean response was unsatisfactory, but a high State Department official said that "I would not rule out military force."

Among the actions under study, the spokesman said, was a plan to use force, if necessary, to cut down the tree in the demilitarized zone that was the center of the dispute that led to the killings of the two American military officers by North Korean guards.

The official said the tree, in the Joint Security Area of the demilitarized zone, has obstructed the American view of the North Korean checkpoint in the area.

The Washington Special Action Group of the National Security Council, which deals with crisis of this nature, met yesterday and Wednesday on the Korean situation and made the basic decisions that led to increasing the combat-ready status of the 41,000-man force in South Korea, the dispatching of two squadrons of a total of 40 fighter-bombers to South Korea from Okinawa and Idaho, and the orders for the Midway to put to sea.

The special-action group, of which Mr. Kissinger is chairman, did not meet today. He was with President Ford and the President's running mate, Senator Robert J. Dole, and they arranged to go to Kansas, Mr. Dole's state.

On "Today," Mr. Kissinger caused some initial confusion in Washington when he said that the United States was demanding "reparation" from North Korea.

At first some officials and reporters interpreted this to mean that the United States wanted some kind of material compensation for the two deaths. But later reporters were advised by State Department officials that Mr. Kissinger was using "reparation" in the sense of "amends" or some kind of "atonement" for the incident.

He was not seeking "reparations," plural, which generally means payment in cash or in kind, the officials said.

Threat by Park

(By Andrew H. Malcolm)

Seoul, South Korea, Aug. 20.—Noting that there is a limit to national patience, South Korea's President, Park Chung Hee, vowed today that "prompt punitive measures" would follow future "provocations" by North Korea.

The President was referring to the ax slayings of two American military policemen supervising a tree-pruning operation in the Korean demilitarized zone Wednesday. The incident erupted when North Korean guards objected to the branch cuttings.

The North Koreans have charged that the Americans instigated the fight. But officials here believe it was planned by North Korea as part of a global propaganda campaign to focus attention on American troops and a Communist resolution in the United Nations to force their withdrawal from the Korean peninsula.

Charging that the North Koreans "deliberately provoked" the argument, one of many since the Korean armistice was signed 23 years ago, President Park said: "There is a limit to our patience. A mad dog needs an occasional whipping."

"There is no reason," he added, "that we should be the target of their unilateral provocations. From now on if they again commit illegal provocations—no matter how big or small the provocation is—we will take prompt punitive measures."

Mr. Park did not elaborate on what these measures might be.

He made the statement in an address before a class of graduating officers at the Third Army Cadet School here.

The South Korean President, an army officer who seized power in a military coup 15 years ago, spoke at the same time that another ceremony was under way across town, Seoul's Kimpo International Airport was shut down for one hour, delaying hundreds of passengers, to provide quiet during a brief memorial and farewell service for the two Americans slain Wednesday morning at Panmunjom, 42 miles north of here.

The two men, Capt. Arthur George Bonifas, 33 years old, of Newburgh, N.Y., and First Lieut. Mark Thomas Barrett, 24, of Columbia, S.C., were honored by about 150 South Korean and American soldiers and civilians, including Gen. Richard G. Stilwell. The general paid tribute to the courage and bravery of the two men, whose bodies rested in flag-draped aluminum coffins nearby. And he announced that Captain Bonifas had been promoted posthumously to the rank of major.

Meanwhile, Representatives of the North and South Korean Red Cross met again at Panmunjom, the 18th such conference of low-level officials since substantive talks were suspended in July 1973. The South Korean delegation accused the North of "inhuman provocations." The North Koreans asserted that an invasion from the South was imminent.

U.N. Resolution Asked

United Nations, N.Y., Aug. 20.—The United States and 18 other countries submitted a draft resolution to the forthcoming General Assembly today stressing the need for "constructive dialogue and negotiation" to settle the Korean problem peacefully and bring about reunification to the country.

Earlier this month, 24 Communist and third-world members requested inclusion in the agenda of an item asking "acceleration of the independent and peaceful reunification of Korea." Their draft resolution would dissolve the United Nations Command and withdraw all foreign troops.

[From the New York Times, Aug. 22, 1976]

U.S. CARRIES OUT A SHOW OF FORCE IN THE KOREA DMZ; CUTS DOWN TREE THAT WAS CENTER OF FIGHT IN WHICH 2 AMERICANS WERE SLAIN; TROOPS AND JETS SENT; OPERATION REPORTED FORCED BY 300 MEN, B–52's, F–4's AND COPTER GUNSHIPS

(By Bernard Gwertzman)

WASHINGTON, Aug. 21.—The United States conducted a major show of force today in support of the cutting of a tree in the demilitarized zone in Korea where two American military officers had been killed by North Koreans.

According to Administration officials, the tree-cutting took place without incident at 7 A.M. today, Korean time (7 P.M. Friday, New York time), to deter North Koreans from interfering and to demonstrate American determination to use force if necessary. Officials said a large-scale military demonstration had been ordered in South Korea.

AWARENESS IN NORTH

Neither the State Department, nor the Defense Department would disclose the details publicly, but officials said that the show of force included B–52 strategic bombers from Guam, F–4 Phantom and F–111 fighter-bombers, helicopter gunships, and about 300 armed soldiers from the United States and South Korea.

One official said that the aircraft were "just flying around", in South Korean airspace and the North Koreans "had to know they were there." Likewise, the North Koreans could see the troops on the allied side of the Joint Security Area in the demilitarized zone where the 40-foot poplar was located.

[News of the cutting of the tree was warmly welcomed by the people of South Korea.]

"NEW WAR PROVOCATION"

At Vail, Colo., Ron Nessen, the White House press secretary, said that President Ford discussed the operation with Secretary of State Henry A. Kissinger yesterday in Kansas City for 45 minutes. Mr. Nessen said the meeting "focused on plans to go in there and cut the tree down."

According to Mr. Nessen, the President "approved the operation."

The latest incident in the demilitarized zone has provoked additional warnings from North Korea, which for the last three weeks has been accusing the United States and South Korea of having completed plans to launch an invasion of the North.

In a broadcast over Pyongyang radio this morning, the North Korean news agency said that "because of the frantic new provocation maneuvers of the United States imperialists an exteremely dangerous situation on the verge of explosion has been created in our country."

But American analysts said that the North Korean charges so far were not alarming and—in North Korean terms—relatively restrained.

For instance, one analyst said that another North Korean news agency dispatch merely concluded that "the United States imperialist aggressors must deport themselves with discretion, clearly mindful of what consequences such provocations going against the trend of the time may bring to them."

American officials said the decision to cut down the tree was taken to demonstrate to the North Koreans—and to other nations—that the United States would not be intimidated by North Korea from doing what it was in the demilitarized zone set up in the 1953 armistice.

EARLIER INCIDENT

The North Koreans had turned away a United Nations command party seeking to cut down the tree about two weeks ago because it reportedly blocked the view of the United Nations command post at the southern end of the security area—a neutral zone.

Last week, another party, led by the two American military officers to the zone to prune the limbs of the tree. In an ensuing fight, the officers were killed by the axes taken from the party. The North Koreans have since charged that the Americans provoked the fight.

American officials said that the tree-cutting today did not necessarily mean that the book on the incident had been closed. The United States, in Mr. Kissinger's words, wants some "explanations and reparation" from North Korea—some gestures or actions to make amends for the killings.

Analysts do not expect Korea to apologize, and therefore various military and diplomatic responses have been discussed.

The tree-cutting, one official said, was the absolute minimum that could be done.

U.S. SHIPS ON WAY

Meanwhile, to bolster the South Korean and American forces in South Korea, the Midway was heading for Korean waters from Japan with an escort of four frigates and one destroyer. They are expected to arrive tomorrow.

American officials felt that North Korea was not seeking a military confrontation with the United States and South Korea but was trying to draw world attention to the Korean situation and to bring pressure at the United Nations General Assembly for an end to the United Nations command and the withdrawal of American forces, now numbering more than 41,000.

The Ford Administration, since the fall of Indochina to the Communists last year, has repeatedly pledged in the strongest terms its military support for South Korea in order to convince North Korea of the risks it would run if it tried to duplicate the Communist actions in Vietnam.

The United States has proposed that negotiations be held among North Korea, South Korea, the United States and China—the main protagonists in the Korean war—to bring about a final peace and end the 23-year armistice.

So far, North Korea has rejected the idea, preferring to negotiate directly with the United States, or to have some kind of all-Korean conference to settle the problems.

REPORT BY NORTH KOREA

HONG KONG, Aug. 21.—North Korea said 700 United Nations command troops, with trucks and a helicopter, were mobilized to fell a tree in the truce village of Panmunjom today.

The North Korean news agency said in a report monitored in Hong Kong that 300 soldiers, some of them Americans in full combat gear, entered the Joint Security area. They were guarded by 400 soldiers dug in some 400 yards away, it said, adding that troops were also deployed in five large trucks, and a helicopter was sent aloft.

[From the Washington Star, Aug. 22, 1976]

THIRD WORLD FEARFUL OF WAR IN KOREA

COLOMBO, SRI LANKA.—The nonaligned summit conference said in its final political report yesterday that war may break out at any moment in Korea and that the United States should give up the Panama Canal.

The section on Korea did not mention the killing of two U.S. army officers by North Koreans at Panmunjom, but referred to North Korean statements denouncing the United States during the four-day, 85-nation conference.

"The conference expressed deep concern over the grave situation in Korea created by the imperialists, a situation in which a war may break out at any moment," the declaration said.

"The conference strongly demanded that the imperialists immediately stop their maneuvers to provoke war and remove nuclear weapons, military installations and all other means of war from South Korea.

"The conference called for the withdrawal of all foreign troops from South Korea, for the closure of foreign military bases, for the termination of the United Nations command and for the replacement of the Korean military armistice agreement by a durable peace agreement."

In the Latin America section of the document, which was adopted by consensus without a vote, the Third World leaders said Panama should be given total control over the Panama Canal.

"The conference reaffirmed the support of the nonaligned countries for the Panamanian control of the Panama Canal and reiterated their firm support for all efforts that the Republic of Panama will make before international forums, in particular the United Nations bodies," it said.

The section also called for the United States to give up its naval base at Guantanamo, Cuba; to end efforts to isolate Cuba economically and to "halt all political or repressive maneuvers that tend to perpetuate Puerto Rico's colonial status."

The final report contained some chapters distributed or leaked to newsmen earlier, including a section calling for an oil embargo against France and Israel for selling arms to South Africa, and a Middle East section urging more pressure on Israel in the United Nations and possibly her eventual expulsion from the world body.

An economic resolution issued earlier called for a new international economic order, including a new monetary system, curbs on international corporations and easier terms for repayment of Third World debts.

The conference also announced plans for Third World countries to set up their own commercial bank.

[From the Washington Post, Aug. 22, 1976]

U.S. SENDS JETS, SHIPS TO KOREA—DISPLAY OF FORCE BACKS UP FELLING OF TREE IN DMZ

The United States staged a show of military power in and around Korea as allied troops, with the express approval of President Ford, felled a controversial tree at dawn Saturday in the truce village of Panmunjom.

North Korea said 700 United Nations command troops, some of them U.S. soldiers in full combat gear, backed up with trucks and a helicopter, were mobilized to cut down the tree in what North Korean radio called a "large-scale military provocation."

U.S. officials gave few details of the operation, beyond announcing the cutting down of the tree, which U.N. personnel had been attempting to trim earlier in the week when North Koreans attacked them, killing two American army officers.

An armada of U.S. warplanes and troops were poised near the Demilitarized Zone during the cutting of the 40-foot poplar and a U.S. Navy task force was steaming toward the area.

Twenty-six helicopter gunships backed by an unspecified number of F–4 Phantom and F–111 jet fighters and three B–52 bombers from Guam circled nearby while a "quick reaction force" of 300 U.S. and South Korean soldiers protected the tree-cutting, allied military sources said.

North Korean soldiers at the scene limited their response to shooting photographs but their government accused the United States of a grave military provocation.

A Pyongyang broadcast charged that 300 troops entered the DMZ separating North and South Korea and not only cut down the tree but also destroyed North Korean guard posts and smashed barriers. Another 400 allied troops took combat positions 400 yards away, backed up by five truckloads of soldiers and a helicopter, all "creating a terrible war atmosphere," the broadcast said.

The allied sources, declining to be identified, denied that the combat force had entered the DMZ but did not say how close it approached.

The North Korean broadcast also accused the United States of violating North Korean airspace along the armistice line. A U.S. helicopter, the broadcast said flew into "the air above the area of our side south of Taedoksan mountain in the western sector of the front."

The 151-mile-long DMZ was quiet elsewhere but armies on both sides were on the alert and Washington sources said the 51,000-ton aircraft carrier Midway and its 75 warplanes, four frigates and a guided missile cruiser were en route from Japan to Korea.

Pentagon officials have stressed that the military moves, including earlier reinforcement of jet fighter units in South Korea, did not foreshadow military retaliation for the killings last Wednesday but were aimed at discouraging possible North Korean military action.

The official statement of the United Nations Command said merely that a work party had felled the tree and "got safely out."

A free-for-all between Communist and allied soldiers ending in the two American deaths and injuries on both sides broke out Wednesday when the North Koreans tried to stop an allied team from pruning branches from the tree, which the U.N. command said hindered its observations of the North Korean side.

Capt. Arthur G. Bonifas, 33, of Newburgh, N.Y., and Lt. Mark T. Barrett, 25, of Columbia, S.C., were axed and beaten to death by North Korean guards who seemed to be concentrating on hurting the Americans, the command said.

The bodies were flown to the United States and arrived yesterday at Travis Air Force Base, Calif.

Military sources have also reported three North Koreans were killed but this was not confirmed. North Korean broadcasts have mentioned no deaths on either side.

Five hours after yesterday's tree-cutting, U.S. Rear Adm. Mark P. Frudden, chief allied representative on the joint armistice commission, had a 13-minute secret talk at Panmunjom with Maj. Gen. Han Juekyong, the chief North Korean representative, a Seoul newspaper, Chosun Ilbo, reported.

The U.N. command declined to confirm or deny that such a meeting was held.

The newspaper said the two met at Communist request and Han replied to an allied letter protesting the killing of the Americans to North Korean President Kim Il Sung.

The newspaper said Kim had sent a personal message to the U.N. forces' commander—the first personal message Kim has addressed to the U.N. commander in the 23 years of the Korean armistice.

In Vail, Colo., White House press secretary Ron Nessen told reporters that before President Ford left the Republican National Convention in Kansas City on Friday he held a 45-minute meeting with Secretary of State Henry A. Kissinger and National Security Director Brent Scowcroft.

"The meeting largely focused on the situation in Korea and the plan to go in there and cut the tree down," Nessen said. "The President approved the operation and has been kept posted on development by Scowcroft."

[From the New York Times, Aug. 21, 1976]

A West Point Burial Is Planned for U.S. Officer Slain in Korea

Capt. Arthur G. Bonifas, one of the two American officers slain Wednesday by North Korean soldiers in Korea's demilitarized zone at Panmounjom, will be buried with military honors next Tuesday at the United States Military Academy at West Point, N.Y.

Captain Bonifas was a 1966 graduate of the Academy and served as an instructor in its mathematics department from 1972 to 1975 before volunteering for duty in Korea.

He was 33 years old and was put on the promotion list to major last Tuesday, a day before he and First Lieut. Mark T. Barrett, 25, of Columbia, S.C., were killed in the truce strip dividing South Korea and North Korea.

The bodies of the two men were flown to Yokota Air Base, outside Tokyo, yesterday en route home, a United States Air Force spokesman in Japan said.

Maj. Thomas Ferguson, duty officer at West Point, reported that the body of Captain Bonifas was expected to reach Kennedy International Airport early Sunday. He said the body would lie that day and Monday at the William F. Hogan Funeral Home in Highland Falls, near the Academy.

A mass will be offered at noon Tuesday in Holy Trinity Roman Catholic Church at West Point, after which Captain Bonifas will be buried with a full military funeral at the Academy, Major Ferguson said.

At his death, the captain was concluding his Korean tour of duty. He had expected to return to the United States within two weeks to rejoin his wife, Marcia, and their three children in Newburgh, N.Y.

The family had planned to move to Savannah, Ga., for a new assignment. The captain, a native of Omaha, also leaves his parents, Mr. and Mrs. Raymond Bonifas of Omaha.

Lieutenant Barrett was a native of Jacksonville, Fla., and was stationed at Fort Jackson, S.C., before being assigned to duty in Korea less than two months ago. He leaves a wife, Julianne.

The Defense Department said yesterday that Lieutenant Barrett's family had not yet decided on funeral arrangements.

[From the New York Times, Aug. 23, 1976]

Measured Response

Three days after North Korean guards brutally assaulted and killed two American officers supervising a tree-pruning operation in the demilitarized zone, allied forces returned Friday and cut down the tree, which had been obstructing the view of a United Nations Command post.

This symbolic gesture was backed by a show of military power sufficient to discourage any further North Korean interference and to evoke a belated apology of sorts from Pyongyang. It did not—as nothing could—adequately make amends for the lives lost as a result of North Korea's calculated barbarism. Nevertheless, the measured allied response drives home the essential message that the United States will not be bullied or otherwise driven from fulfilling its role as guardian of the 23-year Korean armistice; and it did so without additional loss of life and without unnecessary exascerbating an already tense situation.

The incident of the tree strongly reinforces the conclusion reached by last week's "nonaligned" conference in Colombo that Korea. But the evidence in no way supports the conference's incredibly myopic conclusion that the provocation is all on the allied side and that the danger of war would be removed by dissolution of the United Nations Command and withdrawal of American forces.

On the contrary, Pyongyang's latest brute display of unpredictable aggressiveness underscores the continuing need for a strong and patient United States presence, preferably under United Nations auspices, until North Korea's leaders abandon their persistent dream of military conquest and sit down to negotiate a final peace settlement.

[From The Washington Post, Aug. 23, 1976]

North Korea Calls Fight "Regretful"—U.S. Says Message Fails to Admit Guilt in "Brutal Murders"

(By Murrey Marder)

North Korea, in a message given U.S. officials, has described as "regretful" the tree-pruning fight last week that took the lives of two U.S. Army officers and led to a major show of American force in the region.

But the State Department yesterday said it considered the North Korean message unacceptable on the grounds that it lacked "acknowledgement of responsibility for the brutal and premeditated murder of two United Nations Command officers."

Ford administration officials, nonetheless, expressed the belief that military tension will subside along divided Korea's Demilitarized Zone, with the dispute now expected to shift to diplomatic channels.

As a continuing precaution, however, U.S. officials said, reinforced American air, sea and ground forces in South Korea and its surroundings will remain on alert status.

At a secret meeting at Panmunjon, the neutral truce village, Saturday, Korean time, North Korea signaled its intention to halt military escalation of the bizarre sequence that began Wednesday over pruning a poplar tree to provide better visibility. But North Korea avoided anything that could be termed an apology for the killings by North Korean forces, and continued to charge the United States with initiating a "provocation."

Four hours before the meeting Saturday, in a deliberately exaggerated display of military might, the United States had mounted a screen of air and ground power while armed troops entered the truce zone to cut down the disputed tree.

U.S. officials said yesterday that the meeting sought by the North Koreans on Saturday to ease the mounting tension evidently was requested before the retaliatory tree-cutting.

North Korean Maj. Gen. Han Ju Kyong gave U.S. Rear Adm. Mark Frudden a message that he said North Korean President Kim Il Sung had asked him to convey to U.S. Gen. Richard Stillwell, the U.N. Command chief.

The message said:

"It was a good thing that no big incident occurred at Panmunjom for a long period. However it is regretful that an incident occurred in the Joint Security Area, Panmunjom, this time. An effort must be made so that such incidents may not recur in the future. For this purpose both sides should make efforts. We urge your side to prevent the provocation. Our side will never provoke first, but take defensive measures only when provocation occurs. This is our consistent stand."

The North Korean officer then said he had a second message, which obviously referred to the militarily reinforced tree-cutting ordered by the United States:

"I have one thing to add. This morning your side again committed provocation by bringing hundreds of completely armed personnel in the Joint Security Area without any advance notification. Such actions on your part might cause such incidents as the one that occurred on the 18th. I strongly demand that your side commit no such provocations."

In Vail, Colo., White House Press Secretary Ron Nessen, initially said yesterday that the North Koreans "expressed regrets" about the Wednesday melee. Later, White House Deputy Press Secretary John Carlson said, "The White House supports the State Department version."

State Department spokesman John Ordway expressed official dissatisfaction with the North Korean statements. He said: "In our opinion this represents, in a backhanded way, an acknowledgment that they (North Korea) were wrong, and secondly, we are skeptical about it. We are not going to let down our guard for propaganda ploys. . . ."

Ordway said, "We do not find the message acceptable since there is no acknowledgment of responsibility for the brutal and premeditated murder of the two United Nations Command officers."

Ordway also said that the United States will maintain its position in the United Nations that the basic Korean crisis, continuing since the 1953 armistice in the Korean war, must be resolved by North and South Korea.

In addition, the spokesman said the United States intends no meetings with North Korea except in the Military Armistice Command. The latter comment was evidently intended to allay South Korean suspicions that the secret 15-minute American-North Korean meeting Saturday will not be a pattern for future secret meetings.

Although North Korea stopped considerably short of an apology in its statements, administration sources noted that it was believed unprecedented for North Korea to express regret in any form about a clash involving the United States.

It was also said to be unprecedented for North Korean President Kim Il Sung to send a message to Gen. Stillwell, American chief of the U.N. command.

North Korea, however, has continued to charge the United States with initiating war provocations and, in recent days, with "kicking up a more vicious, frantic din against us."

A broadcast from Pyongyang, North Korea's capital, said yesterday, "Ford the rascal made this decision after having a huddle with U.S. Secretary of State (Henry) Kissinger, the notorious troublemaker."

Mr. JAVITS. I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., with statements therein limited to 3 minutes each.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

REVISIONS TO TWO DEFERRALS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, the Budget, Commerce, and Finance:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report revisions to two deferrals previously transmitted.

Both of the revised reports reflect routine increases to the amounts deferred. The Federal Aviation Administration's Facilities and equipment deferral has been increased by $193.8 million, and a deferral for the State and local government fiscal assistance trust fund in the Department of the Treasury has been increased by $1.4 million.

The details of each revised deferral are contained in the attached reports.

Gerald R. Ford.

The White House, *August 24, 1976.*

MESSAGES FROM THE HOUSE

At 12:28 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 12261. An act to extend the period during which the Council of the District of Columbia is prohibited from revising the criminal laws of the District;

H.R. 14957. An act to amend title 23 of the District of Columbia Code with respect to the release or detention prior to trial of persons charged with certain violent or dangerous criminal offenses; and

H.R. 14971. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia, and for other purposes.

The message also announced that the House has passed the bill (S. 3149) to regulate commerce and protect human health and the environment by requiring testing and necessary use restrictions on certain chemical substances, and for other purposes, with an amendment; that the House insists upon its amendment to S. 3149 and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Staggers, Mr. Murphy of New York, Mr. Stuckey, Mr. Eckhardt, Mr. Metcalf, Mr. McCollister, and Mr. Broyhill were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 12168) to amend the Natural Gas Pipeline Safety Act of 1968 to authorize additional appropriations, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Staggers, Mr. Dingell, Mr. Wirth, Mr. Sharp, Mr. Brodhead, Mr. Brown of Ohio, and Mr. Moorhead of California were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Proposed Changes In the System of Records of the Federal Power Commission

A communication from the Chairman of the Federal Power Commission, transmitting, pursuant to law, a report on proposed changes in the system of records of the Federal Power Commission for implementing the Privacy Act, to the Committee on Government Operations.

Reports of the Comptroller General

Six communications from the Comptroller General of the United States, transmitting, pursuant to law, reports as follows:

A report stating that better data on severity and causes of worker safety and health problems should be obtained from workplaces, Occupational Safety and Health Administration and the Department of Labor; a report stating that Federal hydroelectric plants can increase power sales, Department of the Interior; a report on the status of the Grand Coulee-Raver Transmission Line Project, Bonneville Power Administration and the Department of the Interior; a report on the examination of the financial statements of the Federal Home Loan Bank Board and related agencies for the year ended December 30, 1975, Federal Home Loan Bank Board, Federal Home Loan Banks, Federal Savings and Loan Insurance Corporation, and the Federal Home Loan Mortgage Corporation; a report on energy conservation at government field installations—progress and problems; a report stating that major cost savings can be achieved by increasing productivity in real property management, Department of Defense; to the Committee on Government Operations.

Report on List of Reports Sent to the Congress by the General Accounting Office

A communication from the Deputy Comptroller General of the United States, transmitting, pursuant to law, a list of the reports submitted to the Congress by the General Accounting Office during July 1976; to the Committee on Government Operations.

Disposal of Federal Real Property for Park and Recreation Purposes

A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the disposal of Federal real property for park and recreation purposes for fiscal year 1976, to the Committee on Government Operations.

Annual Report on Mining and Minerals Policy

A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on mining and minerals policy required by the Mining and Mineral Policy Act of 1970, dated July 1976, to the Committee on Interior and Insular Affairs.

Elimination of Reimbursable Charges of the United States Against a Certain Indian Tribe

A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the cancellation of irrigation operation and maintenance charges against individuals of the Wind River Indian Reservation, dated May 20, 1976, to the Committee on Interior and Insular Affairs.

Proposed Plan for the Use and Distribution of Certain Indian Judgement Funds

A communication from the Under Secretary of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of certain Indian judgement funds awarded before the Indian Claims Commission, to the Committee on Interior and Insular Affairs.

Application for a Loan Under the Small Reclamation Projects Act

A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, an application by the Consolidated Irrigation District of Selma, California, for a loan under the Small Reclamation Projects Act, to the Committee on Interior and Insular Affairs.

Negotiated Sales Contracts of the Department of the Interior

A communication from the Director of the Bureau of Land Management, Department of the Interior, transmitting, pursuant to law, a semiannual report on negotiated sales contracts by the Bureau for disposal of materials, timber, and other vegetative resources on a noncompetitive basis during the period January 1, 1976, through June 30, 1976, to the Committee on Interior and Insular Affairs.

Report on Effectiveness of Miles-Per-Gallon Meters

A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the effectiveness of miles-per-gallon meters as a means to conserve gasoline in automobiles, to the Committee on Interior and Insular Affairs.

Proposed Contracts for Research Projects

Five communications from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Point Mining Co., Tams, W. Va., for a research project entitled "Testing and Evaluating a Modified Surface Longwall Strip Minting System"; a proposed contract with McDonnell Douglass Electronics Co., St. Charles, Mo., for a research project entitled "Development of Operational Aids for Improved Dragline Utilization"; a proposed contract with the Bendix Corp., Southfield, Mich., for a research project entitled "Develop a Sensory Feedback System for a Remote Controlled Continuous Miner"; a proposed contract with Southwest Research Institute, San Antonio, Tex., for a research project entitled "Development and Testing of Variable Wall Miner Breadwater Prototype"; and a proposed contract with Princeton Gamma-Tech Inc., Princeton, N.J., for a research project entitled "A Borehole Probe for In Situ Neutron Activation Analysis"; to the Committee on Interior and Insular Affairs.

Visa Petitions Accorded Third and Sixth Preference Classification

A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on certain aliens whose visa petitions have been accorded third and sixth preference classification under section 204(d) of the Immigration and Nationality Act, to the Committee on the Judiciary.

Education Regulations Printed in the Federal Register

A communication from the Acting Director of the Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on certain regulations regarding various aid to education programs administered by the Department of Health, Education, and Welfare, to the Committee on Labor and Public Welfare.

Report on the Administration of the Federal Metal and Nonmetallic Mine Safety Act

A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, the annual report on the administration of the Federal Metal and Nonmetallic Mine Safety Act during calendar year 1975, to the Committee on Labor and Public Welfare.

Report on Professional and Scientific Positions Established in the National Aeronautics and Space Administration

A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report on scientific and professional positions established in the National Aeronautics and Space Administration during fiscal year 1976, to the Committee on Post Office and Civil Service.

Proposed Legislation Concerning Dredged or Fill Material

A communication from the Secretary of the Army, transmitting a draft of proposed legislation to authorize the Secretary of the Army, acting through the Chief of Engineers, to grant permits for the discharge of dredged or fill material after consideration of water quality and fish and wildlife factors, to authorize State regulation over the discharge of dredged or fill material into certain waters of the United States, to exempt all areas currently in agricultural, ranching or silviculture use from permit requirements, and for other purposes, to the Committee on Public Works.

Postponement of Report of the Federal Aviation Administration

A letter from the Administrator of the Federal Aviation Administration proposing a change from January 3 to April 3 in the submission of an annual report.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a communication from the Administrator of the Federal Aviation Administration, relative to section 24 of the Airport and Airway Development Act of 1970, be referred jointly to the Committee on Finance and the Committee on Commerce.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Report by the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense reporting, pursuant to law, on the value of property, supplies, and commodities provided by the Berlin Magistrate for the quarter April 1–June 30, 1976; to the Committee on Appropriations.

Report of the Department of the Air Force

A letter from the Secretary of the Air Force transmitting, pursuant to law, a report on experimental, developmental, and research contracts of $50,000 or more for the period January 1 through June 30, 1976 (with an accompanying report); to the Committee on Armed Services.

Proposed Legislation by the Secretary of Transportation

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend section 2632 of title 10, U.S.C. (with accompanying papers); to the Committee on Commerce.

Published Regulations of the Department of Health, Education, and Welfare

A letter from the Acting Director, Office of Regulatory Review, of the Department of Health, Education, and Welfare, transmitting, pursuant to law, a copy of published regulations relating to the college work-study program (with accompanying papers); to the Committee on Labor and Public Welfare.

Reports of the Comptroller General

Six letters from the Comptroller General, each transmitting a report entitled as follows: (1) "Management Control Functions of the Small Business Administration—Improvements are Needed"; to the Committee on Banking, Housing and Urban Affairs; (2) "An Evaluation of Proposed Federal Assistance for Financing Commercialization of Emerging Energy Technologies"; (3) "Ways To Improve Management of Federally Funded Computerized Models"; (4) "Standard Budget Classifications—Proposed Functions and Subfunctions"; (5) "Observations on the Guatemalan Earthquake Relief Effort"; and (6) "Status Report on the Cost Accounting Standards Program—Accomplishments and Problems"; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of the committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. Res. 67. A resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian (Rept. No. 94–1160).

By Mr. INOUYE, from the Select Committee on Intelligence, with amendments:

S. 3197. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information (Rept. No. 94–1161).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3395. A bill to authorize appropriations for the construction of the Uintah Unit of the Central Utah Project (Rept. No. 94–1162).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Thomas H. Quinn, of Rhode Island; and

John T. Murphy, of Ohio, to be members of the Board for International Broadcasting.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following bills were read twice by title and referred as indicated:

H.R. 14957. An act to amend title 23 of the District of Columbia Code with respect to the release or detention prior to trial of persons charged with certain violent or dangerous criminal offenses; to the Committee on the District of Columbia.

H.R. 14971. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MOSS (for himself and Mr. Ford):

S. 3759. A bill to develop, establish and validate an Earth Resources Information System, to direct the National Aeronautics and Space Administration to continue a research and development program, to provide, if necessary, for establishment of a corporation to operate the domestic ground segment of such a system, to establish an office of Earth Resources Policy, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

By Mr. BUCKLEY:

S. 3760. A bill to grant certain nationals of Italy and the spouses, children, and parents of such nationals status as permanent residents of the United States. Referred to the Committee on the Judiciary.

S. 3761. A bill to amend the Internal Revenue Code of 1954. Referred to the Committee on Finance.

By Mr. BENTSEN:

S. 3762. A bill to amend the Internal Revenue Code of 1954 to extend the present rates of withholding of income tax until the end of the year. Referred to the Committee on Finance.

By Mr. EASTLAND:

S. 3763. A bill for the relief of Isaias Berrones Reyes. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S. 3764. A bill to amend the National Environmental Policy Act in order to establish a timetable for issuance of environmental impact statements and final agency determinations upon such statements, to define the standards for review of agency environmental decisions, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BURDICK:

S. 3765. A bill to provide for the construction of a certain memorial along the route of the Lewis and Clark Expedition in North Dakota, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. WILLIAMS:

S. 3766. A bill to amend the Export Administration Act of 1969 to prohibit the export of horses from the United States for purposes of slaughter. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. SYMINGTON:

S. 3767. A bill for the relief of Opal Garnet Branch. Referred to the Committee on Foreign Relations.

By Mr. BENTSEN (for himself, Mr. Cranston, Mr. Inouye, Mr. Fong, Mr. Gravel, Mr. Allen, Mr. Johnston, Mr. Hatfield, Mr. Tunney, and Mr. Long):

S. 3768. A bill to provide for the development of Aquaculture in the United States and for other purposes. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOSS (for himself and Mr. Ford):

S. 3759. A bill to develop, establish, and validate an Earth Resources Information System, to direct the National Aeronautics and Space Administration to continue a research and development program, to provide, if necessary, for establishment of a corporation to operate the domestic ground segment of such a system, to establish an Office of Earth Resources Policy, and for other purposes. Referred to the Committee on Aeronautical and Space Sciences.

EARTH RESOURCES INFORMATION SYSTEM

Mr. MOSS. Mr. President, earlier this month I made a statement here about the need for a Global Resources Information System based on NASA's Landsat satellites. Today, Senator Ford and I are introducing proposed legislation which would establish such a system.

In addition, I am releasing a report of the Committee on Aeronautical and Space Sciences which discusses in detail the need for such an operational earth resources information system. The bill, which Senator Ford, the chairman of the Subcommittee on Aerospace Technology and National Needs, and I are cosponsoring, is based in part on this report.

The major objectives of the legislation we present today are straightforward.

The remote sensing of the Earth's resources and the use of that data would be promoted from a research stage to a permanent, operational stage. Thus, the bill would seek the creation of a new regulated industry in the domestic handling and processing of the satellite data. And the availability of an uninterrupted flow of data would be assured by the Government.

The private sector involvement in receiving processing and disseminating the data is seen as a means of expanding and marketing new uses of the data. The goal is some degree of economic self-sufficiency of the system so that Government funding will be minimized.

Simultaneously, Government involvement is retained to provide safeguards for the integrity of the system. Foreign countries, understandably might be adverse to commercialization of worldwide satellite imagery.

Overall, the objectives can be summarized as the further utilization and development of Earth resources satellite technology in order to increase our available resources such as food, water, minerals, and timber. In the final analysis what we are seeking is better management of our use of the Earth's resources.

SUMMARY OF THE BILL

First, the bill decrees the existence of an Earth Resources Information System that is divided into two segments. The data handling segment begins with reception of the signal from space and ends with dissemination of data to users.

The satellites and their associated command and control facilities constitute the "space segment."

The U.S. Government is responsible for continuing the space segment and for assuring a continuity of data.

The bill states that U.S. policy will be to encourage the private sector to assume responsibility for establishing and operating the U.S. data handling segment. This in no way prohibits other Government agencies from analyzing the data and distributing such analyses.

Besides assuring the continuity of the space segment and availability of data, the bill has other provisions that would encourage the private sector to participate.

The Federal Government is required as a matter of policy to satisfy its need for processed Earth resources data from the private sector once that capability is established. NASA is charged to cooperate with the private sector in this regard and to provide service on a reimbursable basis.

As a matter of policy, the bill finds that qualified private entities prepared to perform the complete function of data handling should be able to have access to U.S. Earth resources information systems on an equal basis.

If the President finds that it is necessary to create a private corporation to take responsibility for the data handling segment then the bill gives him the power to appoint incorporators for that purpose.

The corporation, if it is established, is authorized to do those activities necessary to manage the data handling segment.

In order to achieve the objective of the act the bill establishes an Office of Earth Resources Policy in the Executive Office of the President. The Director of that office is given general power to aid in planning and development, to review, coordinate, and supervise Federal efforts on the Earth Resources Information System. Finally, once the validation phase of the system is underway he shall present recommendations to the President for necessary legislation to regulate or license the private sector entities engaged in the data handling segment.

Each year the President is required to transmit to Congress a report on the activities of the Federal Government with regard to the Earth Resources Information System, including recommendations for additional legislation.

The Government established corporation is also required to report to Congress on its operations. Finally, title V requires notice to the Department of State of any negotiations of any U.S. private entity with any foreign entity regarding the Earth Resources Information System.

Title V also provides for sanctions against the corporation or anyone who violates any provision of the act. The last miscellaneous provision of title V is an authorization of funds.

GENERAL REMARKS

As you can see, the bill attempts to have private industry supplant some of the current Federal role. We recognize that there are potentially severe concerns among foreign nations on this matter and so we have kept the Federal Government in ownership and control of the space segment. And the Government will monitor the activities of any private corporation engaged in the data handling segment. The bill seeks to encourage private industry to establish a commercial market in an Earth Resources Information System and if that fails, the President can create a profit earning corporation for that purpose.

We also recognize that while the private sector may supply some services more efficiently than Government, there may be unprofitable but nevertheless highly beneficial remote sensing activities that the private sector would discontinue. This bill looks to NASA and to other Government agencies to continue pursuing such activities if they merit continuation. But where the market exists for that activity, then we feel it is in the national interest to transfer that activity to the private sector.

I think this proposed bill and the report of the committee is a good start, but they are only a start. Senator FORD and I welcome and solicit comments from knowledgeable government, academic, and industry sources.

The subcommittee chaired by Senator FORD will conduct preliminary hearings on specific points. Our committee report will be updated and then I will call for full committee hearings and I hope that we can report a bill to create an Earth Resources Information System in the next session of Congress.

Mr. President, I ask unanimous consent that the Earth Resources Information Satellite System Act of 1976 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3759

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Earth Resources Information Satellite System Act of 1976".

TITLE I—EARTH RESOURCES INFORMATION SYSTEM POLICIES AND MANAGEMENT

DEFINITIONS

SEC. 101. (a) For the purposes of this Act—

(1) "Administration" means the National Aeronautics and Space Administration;

(2) "Corporation" means the corporation established under Title III of this Act;

(3) "data handling segment" means that portion of an earth resources information system which includes receiving data from the space segment, archiving, retrieval, processing and duplication and dissemination of the products of the system on demand to users or subscribers.

(4) "Director" means the Director of the Office of Earth Resources Policy established by section 301 of this Act;

(5) "Earth Resources Information System" means a combination of one or more earth satellites or other observation sources and associated ground equipment for satellite command, control, data reception including data aggregation, preprocessing, processing, and dissemination, all of which are designed to contribute to information relating to the quality and quantity of earth resources; except systems established primarily for purposes of national defense, or systems whose purpose is that of a commercial telecommunications nature, either domestic or international;

(6) "Operational Phase" means the phase following the validation phase and during which there are continuing commitments to organizational, financial and operational provision of earth resources data systems, and services, and during which there is a routine supply of products and services;

(7) "research and development" refers to the conception, design, first creation and use of experimental or prototype operational devices for the operation of an earth resources satellite system, including the assembly of separate components into a working whole and their operational validation;

(8) "space segment" means that portion of an Earth Resources Information System which includes satellites or other observation sources and the associated ground equipment for command and control of the satellites; and

(9) "Validation Phase" means the phase in which the government is committed to validate the performance of space and ground equipment, service products, data handling, archiving and packaging and the dissemination of data products to users.

FINDINGS

SEC. 102. The Congress recognizing that the resources of the earth are limited and will be depleted unless better knowledge and management of those resources are established, and that the acquisition and interpretation of data which will help to determine both the quality and quantity of the earth's resources is a major element in the efficient and effective management of the earth's resources, hereby finds that—

(1) there now exist new technologies which can assist in better management of the earth's resources;

(2) Landsat and other earth resources satellites and systems though financed, built, launched, and operated for national purposes are also intended to make available data of the earth's resources and environment to the world community, and there has been extensive international sharing of the data from these satellites;

(3) the earth resources data provided by Landsat and other satellites has a broad community of users who consider the major deterrent to more extensive use of available data to be the lack of commitment to the development of a fully operational Earth Resources Information System;

(4) until there is some assurance of continuous data availability, major improvements in both the development and the use of earth resources observational data will be inhibited;

(5) the further development, operation, and production of satellites and other systems is essential to provide for an operational Earth Resources Information System;

(6) a period of validation of the Earth Resources Information System is needed to provide the framework for an operational system;

(7) the continued successful development of an Earth Resources Information System is dependent upon the continuation of the resource and development of earth resources technology satellites by the National Aeronautics and Space Administration;

(8) the validation of an Earth Resources Information System can be successfully completed in the shortest time if government, industry, domestic users and international users will cooperate to complete such validation;

(9) the government should be responsible for the development and establishment of the space segment portion of an Earth Resources Information System;

(10) the private sector should be encouraged to assume the responsibility for the domestic data handling segment;

(11) qualified private entities prepared to perform the complete function of the data handling segment should be able to access U.S. earth reosurces data systems on an equal basis; and

(12) an operational Earth Resources Information System should be organized to accomplish national objectives and to provide for the betterment of all mankind.

POLICY AND PURPOSE

SEC. 103. The Congress hereby declares that it is the policy of the United States that—

(1) the products, services, tools, and knowledge offered by advanced technology shall be applied to meet public needs for data and information on the resources of the earth, which shall include but not be limited to food, water, air, minerals, and materials;

(2) there shall be established an Earth Resources Information System which will be responsive to public needs and national objectives, which will serve the earth resource data and information needs of the United States and other countries, and which will contribute to world peace and understanding;

(3) such data services will be provided to developing countries and areas as well as to those which are more highly developed;

(4) all users shall have equal access to products of the system, and there will be both quality of services and reasonableness of charges for the services offered by this new technology;

(5) competition shall be promoted in the acquisition of equipment and services that the system utilizes;

(6) an Earth Resources Information System shall be developed in two phases—validation and operation;

(7) The Earth Resources Information System shall consist of two primary management segments which shall be a "space segment" and a "data handling segment";

(8) in order to facilitate the validation and development of an Earth Resources Information System, the private sector shall be encouraged, on a commercially viable basis, to assume the responsibility for establishment and operation of the United States data handling segment and for the management of the dissemination of all earth resources data;

(9) access on an equal basis to the United States government Earth Resources Information System data shall be granted to qualified private entities prepared to perform the complete data handling segment function during the validation and operational phases;

(10) upon the establishment by the private sector of a capability to deliver processed earth resources data, the federal government shall satisfy its requirements for such data from such sources;

(11) the National Aeronautics and Space Administration shall manage all government research and development activities relating to an Earth Resources Information System, and shall provide for the establishment and operation of the space segment of the system, including replacement of satellites and other equipment to assure continuous availability of data; and

(12) continuity of the space segment shall be a priority consideration.

TITLE II—ESTABLISHMENT OF THE EARTH RESOURCES INFORMATION SYSTEM

SEC. 201. (a) There is hereby established an Earth Resources Information System.

(b) To implement such system the President shall begin immediately to take such actions as are necessary to achieve the policy and purposes of section 103 of this Act with particular regard to continuity of the space segment and data availability.

TITLE III—FEDERAL COORDINATION, PLANNING, AND REGULATION

IMPLEMENTATION OF POLICY

SEC. 301. (a) In order to achieve the objectives and to carry out the purposes of this Act, there shall be established in the Executive Office of the President an Office of Earth Resources Policy.

(b) The President shall appoint a Director of the Office by and with the advice and consent of the Senate, who shall be compensated at the rate provided by Level 2 of the Executive Schedule in Section 5313 of Title 5, United States Code.

(c) The Director shall—

(1) aid in the planning and development and foster the execution of national policies for the establishment and operation, as expeditiously as possible, of an Earth Resources Information System;

(2) provide for continuous review of all phases of the development and operation of such a system, including the activities of the Earth Resources Information Corporation authorized under Title III of this Act;

(3) coordinate the activities of governmental agencies with responsibilities in the field of Earth Resources Information and earth resources use, so as to ensure that there is full and effective compliance at all times with the policies set forth in this Act;

(4) exercise such supervision over institutional relationships of the Corporation, other private entities involved in the provision of earth resources information services, and government agencies with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

(5) take all necessary steps to ensure the availability and appropriate utilization of the Earth Resources Information System for general governmental purposes except where a separate earth resources satellite system is required to meet unique governmental needs, or is otherwise required in the national interest;

(6) exercise his authority in order to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing earth resources data collection and processing facilities both in the United States and abroad; and

(7) recommend to the President such steps as may be necessary to assure continuity of the space segment.

(d) In carrying out his functions under this Act, the Director is authorized to—

(1) appoint such officers and employees as he may deem necessary to perform the functions now or hereafter vested in him and to prescribe their duties;

(2) obtain services as authorized by Section 3109 of Title 5 of the United States Code, at rates not to exceed the rate prescribed for grade GS-18 of the General Schedule by Section 5332 of Title 5 of the United States Code; and

(3) enter into contracts and other arrangements for studies, analyses, and other services with public agencies and with private persons, organizations, or institutions, and make such payments as he deems necessary to carry out the provisions of this Act without legal consideration, without performance bonds, and without regard to Section 3709 of the Revised Statutes (41 U.S.C. 5).

(e) Based on experience during the validation phase and prior to commencement of the operational phase, the Director shall provide recommendations to the President for necessary legislation to regulate or license the Corporation or other private entities involved in the provision of earth resources information services in order to ensure that the purposes of this Act are carried out.

FUNCTIONS OF THE ADMINISTRATION

SEC. 302. The Administration shall—

(1) continue research and development to maintain the technological leadership of the United States;

(2) advise and consult with the Corporation or other private entities involved in the provision of earth resources information services on technical characteristics of an Earth Resources Information System;

(3) cooperate with the Corporation or other private entities involved in the provision of earth resources information services with respect to research and development;

(4) to the extent feasible, furnish other services, on a reimbursable basis, to the Corporation or other private entities involved in the provision of earth resources data services in connection with the establishment and operation of an Earth Resources Information System.

TITLE IV—CREATION OF AN EARTH RESOURCES SATELLITE CORPORATION

CREATION OF A CORPORATION

SEC. 401. (a) If the President determines that a corporation is required to be established to operate the domestic ground segment in order to accomplish the purposes and objectives of this Act, such corporation shall be established in accordance with Title III of this Act.

(b) The Corporation shall be a corporation for profit which will not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act, to the laws of the jurisdiction in which it was incorporated.

(c) If with regard to section 401(a) of this Title the President determines that a Corporation is required he shall appoint incorporators, by and with the advice and consent of the Senate, who shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and qualified. Such incorporators shall arrange for an initial stock offering and take whatever other actions are necessary to establish the Corporation, including the filing of the articles of incorporation.

(d)(1) The Corporation shall—

(i) establish and operate a commercial domestic data handling segment of the Earth Resources Information System as defined by section 101(a)(3) of this Act;

(ii) receive by transfer such property, including but not limited to, data, records and equipment owned by any private entity which participates in the validation phase, upon consent of such entity and under fair and reasonable terms and conditions.

(iii) provide a full line of services to all users with due regard to bi-lateral agreements with the Administration.

(2) The Corporation is further authorized to—

(i) plan, initiate, construct, own, manage, and operate itself or in conjunction with foreign governments or business entities a commercial Earth Resources Information System;

(ii) receive by transfer such property including but not limited to data, records and equipment held by government agencies at such times and under such terms and conditions for reimbursement as approved by the President; and

(iii) own and operate domestic data receiving terminals.

(3) In addition to the activities authorized to the Corporation for the accomplishment of the purposes stated in subsection (2) of this section, the Corporation is authorized—

(i) to conduct or contract, for research and development related to its mission;

(ii) to acquire the physical facilities, equipment and devices necessary to its operations, including earth resources associated equipment and facilities, whether by construction, purchase, or gift;

(iii) to contract with users, including the United States Government, for the services of the Earth Resources Information System; and

(iv) in cooperation with the administration, to develop plans for the technical specifications of all elements of an Earth Resources Information System.

(4) To carry out the foregoing purposes, the Corporation shall have the usual powers conferred upon a corporation by the laws of the jurisdiction in which it is incorporated.

TITLE V—MISCELLANEOUS PROVISIONS

NOTICE OF FOREIGN BUSINESS NEGOTIATIONS

SEC. 501. Whenever a private entity shall enter into business negotiations with respect to facilities, operations, or services authorized by this Act with any international or foreign entity, that private entity shall notify the Department of State of the negotiations, and the Department of State shall advise it of relevant foreign policy considerations. Throughout such negotiations the private entity shall keep the Department of State informed with respect to such considerations. The private entity may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

SANCTIONS

SEC. 502. (a) If the Corporation shall engage in or adhere to any action, practices, or policies inconsistent with the policy and purposes declared in section 103 of this Act, or if the Corporation or any other person shall violate any provision of this Act, or shall refuse, fail, or neglect to discharge his duties and responsibilities under this Act, or shall threaten any such violation, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which such Corporation or other person resides or may be found shall have jurisdiction, except as otherwise prohibited by law, upon petition of the Attorney General of the United States, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct or threat.

(b) Nothing contained in this section shall be construed as relieving any person of any punishment, liability, or sanction which may be imposed otherwise than under this Act.

(c) It shall be the duty of the Corporation to comply, insofar as applicable, with all provisions of this Act and all rules and regulations promulgated thereunder.

REPORTS TO THE CONGRESS

SEC. 503. (a) The President shall transmit to the Congress in January of each year a report which shall include a comprehensive description of the activities and accomplishments during the preceding calendar year under the national program referred to in Title III of this Act, together with an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act and any recommendations for additional legislation or other action which the President may consider necessary or desirable for the attainment of such objectives.

(b) The Corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 504. There are arthorized to be appropriated for the purpose of carrying out section 301(a) of this Act, $1,000,000 for the period ending September 30, 1976.

Mr. FORD. Mr. President, I am pleased to join the senior Senator from Utah in sponsoring this proposed legislation which would seek to establish an Earth Resources Information System.

I believe that the remote sensing technology which NASA has developed offers an impressive potential to not only this country but also to the world.

The legislation which I am cosponsoring presents a means of realizing that potential on a worldwide scale. Yet there is another more local yet very important aspect here.

I know that Landsat imagery is valuable on the State level as well because as Governor of Kentucky I saw how our State used the imagery to its advantage in monitoring strip mining and surveying our bodies of water to prevent flooding. Even then I urged Senator Moss to proceed with an operational satellite system. Senator Moss has asked the Subcommittee on Aerospace Technology and National Needs, of which I am chairman, to examine the needs of the States relative to the proposed Earth Resources Information System. As a former Governor I welcome this opportunity to help determine how such a system can be managed in a way that is sensitive to those needs.

By Mr. BUCKLEY:

S. 3761. A bill to amend the Internal Revenue Code of 1954. Referred to the Committee on Finance.

Mr. BUCKLEY. Mr. President, I am today introducing a bill which would allow corporations to make contributions to American charities which provide relief to disaster victims overseas. Currently, individuals are allowed to make contributions which will provide charitable services abroad, so long as those contributions are made to a "corporation, trust, or community chest, fund, or foundation created or organized in the United States—under the law of the United States." But a contribution or gift made by a corporation to one of those organizations must be used in the United States or its possessions, or it will not be deductible as a charitable contribution under the provisions of that section.

In recent years, Congress has been quick to appropriate funds for relief of disaster victims abroad, most recently in the tragic case of earthquake-devastated areas in Italy. Such appropriations are, in my opinion, commendable reflections of the national will, as I am sure that an overwhelming proportion of Americans would strongly approve of expenditures of their taxes in these merciful endeavors.

Yet, I would consider it even more appropriate if Congress would remove restrictions from tax provisions to encourage American corporations to engage in such charitable acts on a private basis.

My staff has been in contact with both the Library of Congress and the Internal Revenue Service. Neither has thus far posited any credible reason for distinguishing between the deductibility of contributions made by individuals and corporations for relief overseas. It is my conviction, therefore, that this discriminatory restriction is an anachronism which should be removed from the tax code.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of subsection (c) of section 170 of part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 be amended to read as follows:

"(2) A corporation, trust, or community chest, fund, or foundation—

"(A) created or organized in the United States or in any possession thereof, or under the law of the United States, any State, the District of Columbia, or any possession of the United States;

"(B) organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children or animals;

"(C) no part of the net earnings of which inures to the benefit of any private shareholder or individual; and

"(D) no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

"A contribution or gift by a corporation to a trust, chest, fund, or foundation which is to be used outside the United States and its possessions may, if the Secretary of the Treasury shall determine that such contribution is not in the best interests of the United States, be expected by him from the provisions of this section."

By Mr. BENTSEN:

S. 3762. A bill to amend the Internal Revenue Code of 1954 to extend the present rates of withholding of income tax until the end of the year. Referred to the Committee on Finance.

TAX CUT EXTENSION FOR MIDDLE- AND LOW-INCOME FAMILIES

Mr. BENTSEN. Mr. President, I am today introducing legislation to extend the $15 billion a year tax cut for middle- and low-income Americans through the end of the year. Their taxes are now due to go up on September 1.

Mr. President, when the cost of living keeps going up, as it has with great regularity for the past several years, middle-income people and low-income people have to have money from somewhere to pay the grocery bill, and the rent, and rising utility bills.

The tax reduction, which was originally approved by Congress last year and extended into this year, means $246 a year to the average family of four.

The tax cut that this legislation extends raises the minimum standard tax deduction to $1,700 for a single person and $2,100 for a couple from $1,300 for both. It raises the maximum standard tax deduction to $2,400 for a single person and $2,800 for a couple from $2,000 for both. It also establishes a $35 tax credit for each dependent.

No one seriously expects Congress to work out differences in the next 7 days between the tax reform bill passed by the Senate and the tax reform bill passed by the House of Representatives. Yet if some action is not taken by that time, the taxes paid by middle-income families in Texas and around this country are going to increase substantially. I want to keep that from happening. Rising prices are making it tough enough for the middle-income and low-income families to meet their budgets without adding a tax increase on top of everything else.

By Mr. MOSS:

S. 3764. A bill to amend the National Environmental Policy Act in order to establish a timetable for issuance of environmental impact statements and final agency determinations upon such statements, to define the standards for review of agency environmental decisions, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. MOSS. Mr. President, today I introduce a bill to amend the National Environmental Protection Act to establish a timetable for issuance of environmental impact statements and final agency determinations and to define the standards for review.

The section on findings emphasizes the development of natural resources within strict environmental safeguards; establishes procedures for prompt analysis and decisionmaking with particular attention to the views of citizens who reside in the area of primary environmental impact.

Section 2 establishes a timetable for decisionmaking and mandatory relief, as follows:

Within 30 days it must be determined whether subsection 102 of the act requires an EIS; the lead agency must be designated and 5 days thereafter publication of notice thereof must be published in the Federal Register;

Within 1 year of such designation of lead agency a draft environmental impact statement must be circulated to other agencies by lead agency and be published in the Federal Register;

The applicant may be required to provide information, including a draft environmental impact statement, but in no event shall the applicant be required to furnish information after the expiration of 270 days following the designation of the lead agency;

Applicant's failure to provide information precludes any relief, except for requests made subsequent to the expiration of the aforementioned timetable:

Within 120 days following publication of the EIS, the lead agency shall circulate and receive other agency comments, conduct public hearings and issue and publish the final EIS;

Within 30 days of publication the lead agency must issue final decision approving or disapproving the application.

Upon failure of the lead agency to comply timely with these amendments the application is deemed approved upon petition by applicant to any district court.

Right of appeal is provided for a rehearing and/or review of final agency decision in the U.S. Court of Appeals for the U.S. circuit wherein the lands subject to the application lie.

The party seeking to set aside or enjoin any action pursuant to a final decision shall post security for costs and damages in an amount not less than $1,000 to be set by the court.

Quite simply this legislation is aimed at getting rid of foot dragging and administrative delay. It is intended to expedite decisionmaking. If this bill is enacted the executive branch can no longer hide behind the EIS requirements.

Let me use energy needs as a case in point. Our energy situation deteriorates steadily. Reliance upon foreign oil puts us in a more vulnerable position daily. Oil production from domestic sources is dropping some 3 to 4 percent each year, even though exploration and development budgets of domestic companies have nearly doubled over the past 5 years—New York Times, August 15, 1976, Charles Maxwell—voluntary conservation efforts are an abject failure. Added to that are the uncertainties of capital expenditures brought about in part by delays in the regulatory process. Yet we continue to delay interminably in getting from the drawing board to reality with EIS statements.

Let me give you three examples. First—the delay of the Alaska pipeline—for which the Congress finally found it necessary to enact specific provision to abate further environmental delay. With EPA, FEA, and Interior delay of approvals, and with State and local as well as the FPC foot dragging, it will be 9 years, if then, before we finally obtain oil from the North Slope.

The second example is the proposed powerplant at Kaiparowits in the State of Utah.

Escalating costs and administrative delay forced the withdrawal by the companies from the planned project.

I ask unanimous consent to have printed in the RECORD a chronology prepared by the Salt Lake office of the Bureau of Land Management of significant dates and events in the preparation of the environmental impact statement on Kaiparowits:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DATE AND EVENT

June 9, 1971: State Indemnity Lieu Selection Application (U–1516) filed for Nipple Bench town site.

1972 and 1973: Preliminary meetings and field trips.

January 3, 1974: Secretary Whitaker assigned responsibility for EIS to BLM.

February 25, 1974: State Indemnity Lieu Selection Application (U–25511) filed for Four Mile Bench site.

March 18–19, 1974: Formal start of EIS organization.

May 16–17, 1974, Interior Agencies, Forest Service, Companies: Transmission system meeting. The Companies were informed by BIA that they would not be able to cross the Navajo Reservation.

May 28, 1974, BLM, Companies: Discuss further requirements for description of proposed action.

July 2, 1974, Interior Agencies, Companies: Met with Companies and reviewed outline of their submission. Final agreement that complete submission would be made by Companies on August 15, 1975.

July 15, 1974, Office of Environmental Project Review Solicitor, Interior Agencies, Companies, State of Utah: Further organization and initial review of work.

August 8, 1974: Southern California Edison submitted the description of the proposed project, excluding the Arizona Public Services transmission system, alternatives, and environmental data.

August 21, 1974: Description of APS transmission system submitted.

August 23, 1974: Review by Interior stating that project description was inadequate.

August 27, 1974: BLM informed of limestone quarry proposal for first time. Companies informed of what information would be necessary.

August 28, 1974, Interior, BLM, SoCalEd: Meeting to review Companies project description. Companies were informed that description was inadequate and would have to be rewritten.

August 30, 1974, BLM, Companies: Meeting to try to clarify limestone quarry proposal.

September 6, 1974: Letter informing Companies again of inadequate project proposal.

September 17, 1974: New description of proposed action submitted. Mine output changed from 9 million to 12 million tons per year.

September 19, 1974: Interior, Interior Agencies, Companies: Reviewed September 19 submittal. Project description determined to be indefinite and incomplete. Detailed requirements provided to Companies.

September 24, 1974: Companies informed in writing that conflicts between SoCalEd and APS transmission system will have to be resolved and one submission made.

September 26, 1974: Limestone quarry team started to work.

September 30, 1974: Description of some transmission system atlernatives delivered.

October 7, 1974: Revised description of coal mine and limestone quarry submitted.

October 8, 1974: Additional transmission route alternative requested to avoid Navajo Reservation. Description not provided.

October 23, 1974: Revised description of generating station and transmission system submitted.

October 24, 1974: Revised description of alternative submitted.

November 4, 1974: Final submission on description of proposed project from Companies.

November 19, 1974: First preliminary draft finished.

November 21, 1974: Final decision on location of new highway submitted by Kaiparowits Planning and Development Advisory Council.

December 2–6, 1974, OEPR, SOL, Interior Agencies Forest Service Navajo Nation, EPA: First interagency review.

December 4, 1974: Description of new city received from Planning and Development Advisory Council.

December 20, 1974: Proposed new city increased from 4,000 to 8,000 acres.

January 6, 1975: Description of alternative new city locations received from Planning and Development Council.

January 30, 1975: Second preliminary draft submitted to BLM Washington Office.

February 25, 1975: SoCalEd feels that a right-of-way crossing the Navajo Reservation may not be viable.

February 28, 1975: Interior review of second preliminary draft completed.

March 19, 1975: Representatives from Southern California Edison (El Hathaway and Frank McCracklin) met with BLM and Departmental officials to discuss recent problems in the transmission system to California. Developments with respect to transmission lines proposed to cross the Navajo Indian Reservation indicate SoCalEd may opt to select other more viable alternatives. It was agreed these alternatives require more depth of analysis in the draft EIS. SoCalEd agreed to supply more detailed data on these alternatives to the EIS team by April 3, 1975.

March 25, 1975: Director, BLM, outlined steps that need to be taken to the SD, Utah, to complete draft EIS.

April 1, 1975: Conference call to EIS team from W.O., where Departmental and Solicitor's Office explained review comments on work done to date.

April 3, 1975: EIS team in Utah received detailed data and information on SoCalEd's preferred alternatives for transmission line systems. Analysis of data for completeness scheduled for April 7 through 11.

April 14–18, 1975: Office of Environmental Project Review, Solicitor's Office, and Bureau of Land Management representatives to meet in Salt Lake City with ETS team to review work done on review comments, assist in analysis of new data, and determine how best to portray it in EIS, and develop a realistic time schedule for completion of the draft.

April 21, 1975: A detailed, revised schedule for the completion of a draft EIS will be submitted to the Secretary's Office.

April 23, 1975: Under Secretary Lyons approved revised schedule for completion of draft statement. New completion date is July 11, 1975. Other involved Interior Bureaus and organizations were instructed on same date to review the January draft and provide written comments to BLM by May 9, 1975.

June 11, 1975: Memorandum from SD, Utah, requesting extension of draft completion date from July 11 to July 28. Request granted by Deputy Under Secretary.

June 26 to 27, 1974: Final review of draft statement conducted in Salt Lake City by Office of Environmental Project Review staff.

July 21, 1975: Submission of draft statement to W.O. for filing with CEQ.

July 25, 1975: Draft statement filed with CEQ as DES 75–43.

September 15, 1975: Meeting between Deputy Assistant Sec. Robinson and Senator Moss' staff and Charles Hansen on transferring public lands for townsite.

September 23, 1975: An additional 45-day period was granted for receiving public comments on the draft statement, extending the original 60-day period to November 14, 1975.

September 23, 1975: Memorandum from the Director to the SD, Utah directing that the final impact statement be completed and submitted to the W.O. by January 1976 at the very latest.

September 30, 1975: Southern Calif. Edison submitted comments on the draft statement and revisions and changes in the project description.

October 9, 1975: SD, Utah requested additional information from the proponent concerning project changes.

October 15, 1975: Meeting held in W.O. with representatives of Utah, Arizona, and Nevada BLM to recommend way to handle proponents changes in the final EIS. Recommendations presented to Robinson, Koenings, and Monroe who agreed and extended the date for getting the final statement into W.O. in a printed form of February 29, 1975.

October 28, 1975: Additional information requested of the proponent received by the SD, Utah.

November 14, 1975: Public review period for commenting on the draft statement expired.

December 3, 1975: OEPR received the revised Chapters I, II, and VIII (final) for their review and comments.

December 9, 1975: Traylor, Staten, and Stone transmitted their review comments on Chapters I, II, & VIII of the final statement to the study team.

December 12, 1975: Partial review of Chapt. III transmitted to the study team.

December 13, 1975: Chapter IV transmitted to the reviewers. Chapters V, VI, VII, VIII, and IX transmitted to the reviewers.

January 15, 1975: Memo from the Under Secretary to the Asst. Secretary for FW&P, PD&B, and L&WR directing the review and printing procedures to be followed on the final EIS.

January 30, 1976: Review of the draft FEIS completed. Necessary changes and modifications to the draft agreed upon between the reviewers and the SD, Utah. Material scheduled to the printer by 2–11–76.

March 4, 1976: Filed final EIS with CEQ.

March 8, 1976: Notice of Availability published in Federal Register.

March 8, 1976: Draft PDOD received in WASH office and distributed to Interior Office for review and comment.

March 8, 1976: NPS released air quality study entitled "Analysis of Kaiparowits Powerplant Impacts on National Recreation Resource."

March 16–19, 1976: Utah S.O. personnel in WASH to incorporate review comments into PDOD.

April 2, 1976: Executive Secretary distributed preliminary final PDOD and planned schedule to Asst. Secretaries.

April 14, 1976: Southern California Edison and San Diego Gas and Electric Companies announced they were withdrawing financial support of the project.

April 16, 1976: PDOD finalized.

April 29, 1976: Letter from Arizona Public Service Co. withdrawing application A–9335.

May 10, 1976: Letter from San Diego Gas and Electric Co. stating that So-Cal-Ed will request withdrawal of the ROW applications.

May 17, 1976: Letter from Southern California Edison Co. withdrawing all ROW applications and special land use permits except the two for a weather station and water quality monitoring. No further action is required by the Department.

Mr. MOSS. Obviously the efforts of the companies to provide more power to communities within their ambit did not begin with the 1971 date. Much planning, exploratory work and commitment of time and money preceded the first listed date. And much bureaucratic delay and confusion followed.

The third example is again from my State—the Bonneville Unit of the Central Utah Project—a reclamation project essential to providing additional needed water supply for domestic use in Salt Lake Valley.

The Project Office of the Bureau of Reclamation in Utah started to prepare the EIS statement on the Bonneville Unit in January 1972. The first draft was filed with the Council on Environmental Quality on August 4, 1972.

CEQ then circulated the draft to other Government agencies, and some asked for more than the 45 days allowed for comments. This was granted. It took extra time for the preparation of the final draft EIS, and it was not filed with CEQ until a year later—August 2, 1973.

It then required several months to get final clearance from the Secretary of the Interior.

A court case filed by environmental groups was pending generally during some of the time the EIS was under preparation. So the Bonneville Unit was held up further. The Court case was settled shortly after the Secretary of the Interior cleared the EIS—so the project could go ahead.

During the months the EIS was under preparation, construction continued on the project underway—The Soldier Creek Dam. But no contracts for future work were let.

The Court determined that the EIS prepared by the Bureau of Reclamation was adequate only for the collection system of the project—the Strawberry Acqueduct and its related parts. Three additional impact statements are now under preparation: First, Jordanelle Reservoir—Provo River; second, Diamond Fork System, third Utah Lake, Sevier River System. The first of these should be completed in first draft form this fall.

And there is not a drop of water delivered yet.

In addition to the procedural problem of untold delay which this legislation would alleviate, I believe there are substantive faults in the way we handle our quest for protection of natural resources.

As D. W. Schindler said in "The Impact Statement Boondoggle" printed May 7, 1976 in Science:

> The advancement of the scientific method is also in jeopardy. First-rate natural scientists are finally learning to set and test hypotheses and to study mechanisms and processes that are important in natural systems, rather than simply to survey and catalog the systems. They are, however, usually not attracted to the undefined scientific problems, complex committee hierarchy, and unrealistic time constraints that are usually attached to impact studies. Instead, such studies are often done by scientists who cannot successfully compete for funding from traditional scientific sources. In general their methods are ancient, descriptive "textbook" techniques, which do not reflect either the many scientific advances of the past decade or the problems unique to the study undertaken. The same tired old bag of tricks is applied to studies of every type, regardless of the type of impact anticipated. The type of data generated cannot usually be extrapolated from one ecosystem to another, because studies were not planned with that as a major objective. As a result, each new study begins with little or no logical background, and no master plan for studying environmental processes is emerging. How well a particular study is funded is a direct function of the value of the resource to be affected, with no consideration given to the amenability of the system to study or to the quality of science which might result. Enormous sums are therefore spent with little or no scientific return.

Clearly, we appear to the scientific community, not to be using the best, most efficient, scientific method possible.

So I propose to make substantive suggestions in this area. There are also jurisdictional questions as between agencies and departments which should be resolved. At a later date I will have more to say on both of these matters.

I commend to the Senate this bill and hope it will serve as a mechanism to direct our thinking to these problems.

We are unduly frustrating our energy and productivity requirements of this country. We need to take a long hard look at NEPA. We need to evaluate our environment and any impact upon it, but we must act promptly and with awareness of the penalties of prolonged delays and bureaucratic confusion.

By Mr. WILLIAMS:

S. 3766. A bill to amend the Export Administration Act of 1969 to prohibit the export of horses from the United States for purposes of slaughter. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. WILLIAMS. Mr. President, today I am introducing a bill designed to halt the inhumane shipment of horses abroad for slaughter.

U.S. humane investigators have brought this sordid trade to public attention. Horses and ponies, many of which are former pleasure mounts, are purchased at auctions throughout the United States. They are then transported and held at ports until enough can be assembled for a shipload, which may vary in size from 100 to 1,000 horses. Most of the shipments originate in Richmond, Va., and disembark in Bari, Italy, or Le Treport, France. From there the horses are taken to slaughterhouses. However, many do not reach their destination.

According to John C. Walsh, a field officer for the International Society for the Protection of Animals—

> There have been instances, one that I know of personally, where a boatload of horses has been unloaded and then a day or so later dead ones have floated up to the dock. They just pitched them overboard.

The horses which do arrive are often dead, sick or injured. "Many of them are emaciated," says Walsh:

> They have sores and bloody injuries from banging their heads on metal ductwork, and all of them are exhausted. They can't sleep because of the rolling of the ship.

In response to protests over this inhumane activity, particularly as a result of a New York Times article published last year, the U.S. Department of Agriculture proposed new regulations for the handling, shipment, and inspection of livestock for export.

The Department also plans to monitor future voyages in order to determine the adequacy of current regulations. Although these are steps in the right direction, I do not feel they go far enough. There is no way the Department can insure that horses are treated humanely once they leave the United States.

And, many persons experienced in the handling and transport of horses, contend that there simply is no humane way to ship large consignments of horses by sea over long distances.

The Canadian Government banned the shipboard transport of live horses on July 1, 1974. After an extensive investigation, the Canadian Ministry of Transport found that "horses cannot be carried in large numbers on board ship without undue suffering."

The USDA's National Horse Industry Advisory Committee recommended in its December 1975 meeting that a similar ban be instituted in the United States.

The bill I am introducing today would do just that. It would provide limited exemptions for small consignments of horses not intended for slaughter. Such shipments would be strictly regulated by the Secretary of Commerce, in consultation with the Secretary of Agriculture. Ths would allow individual owners to ship horses by sea for pleasure, breeding, or racing purposes when air transportation is not practical.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Export Administration Act of 1969 is amended by adding at the end thereof the following:

"(j) Notwithstanding any other provision of this Act,

"(1) the export from the United States of any horse by vessel after December 31, 1976, is prohibited: *Provided, however,* That the Secretary of Commerce, in consultation with the Secretary of Agriculture, may establish regulations to provide waivers which permit the export from the United States of special consignments of not more than ten horses, if the Secretary of Commerce determines, in accordance with procedures contained in such regulations, that no horse in any such consignment is being exported for purposes of slaughter. Such regulations shall contain humane standards specifying the physical conditions under which any horse permitted to be exported shall be transported.

"(2) In no event may horses be exported transatlantic by vessel from November 1 to March 31 inclusive."

By Mr. BENTSEN (for himself, Mr. Cranston, Mr. Inouye, Mr. Fong, Mr. Gravel, Mr. Allen, Mr. Johnston, Mr. Hatfield, Mr. Tunney, and Mr. Long):

S. 3768. A bill to provide for the development of aquaculture in the United States and for other purposes. Referred to the Committee on Commerce.

NATIONAL AQUACULTURE ORGANIC ACT OF 1976

Mr. BENTSEN. Mr. President, today I am introducing a bill which, if enacted, will enable this country to open up a new major industry. More than that, this bill will enable us to increase our supplies of valuable foodstuffs and lower our dependence on other countries for these commodities.

This bill is entitled "The National Aquaculture Organic Act of 1976." It will state that it is America's policy that a strong aquaculture industry be established in this country. This National policy will be backed up with a strong commitment to cooperation and coordination between all levels of Government and between the public and the private sector. This national policy will act as a stimulus to an industry which is still in its infancy in America, but which has proven itself over and over again in other countries.

As my distinguished colleagues are well aware, aquaculture is the culture of fish, shellfish and seaweed. It is used to either add to natural supplies or to produce commercial products for sale to consumers. Currently, U.S. aquaculture is responsible for all trout produced in this country, for over half our catfish and crawfish, and for sizable portions of our oysters and salmon. In 1973 and 1974 aquaculture was a $191 million industry in the United States, accounting for about 3 percent of all fish and shellfish consumed domestically.

When these figures are compared to what has been accomplished in other countries and what could be accomplished in America, they indicated that we have not yet begun to exploit the full potential of this industry. Right now, in the free world, aquaculture accounts for fully 10 percent of all fish and shellfish consumed. Too, in this country we only produce five or six species on anywhere near a commercially successful basis, while in other countries dozens of species are now produced in controlled environments for supply to consumers.

The chief reasons for the success of other countries are three-fold:

First, capital is available and goes further in those countries than in the United States.

Second, consumption and price are higher.

Third, in those countries there is a national policy to promote aquaculture.

U.S. consumption of fish and shellfish is on the increase according to every study on the subject. Demand is growing. However, the technology for U.S. aquaculture has not yet been perfected, and there is still high risk in the industry. Consequently, venture capital, already scarce in these difficult economic times, is not available in sufficient quantity for further development of aquaculture. With more practical knowledge and with a few vivid demonstrations of success, of practicality and of commercial viability, private industry will increase its investment in the industry.

There are several good reasons for us to make aquaculture more attractive to the private sector right now, rather than in the distant future:

Normal international supplies of fish appear to be diminishing while demand is increasing. Too, due to increase in fuel prices it has become more expensive to send fishing vessels thousands of miles to distant international waters. Greater production of fish and shellfish in inland, coastal, and near-coastal waters will both increase supply and cut down on energy costs.

Currently, the U.S. imports more than 50 percent of our fishery products; in 1974 this amounted to $1.5 billion. More domestic production, which would come through aquaculture, will help with our balance of payments problems. One estimation predicts an annual balance of payments savings of $580 million annually.

Aquaculture is an ideal industry for coastal wetlands, many of which are now being underutilized. Also, it can make use of thermal effluents from power plants, thus bring value to a resource that is now regarded as a nuisance and largely wasted. Currently power plants in New York, Florida, Texas, and California are experimenting with this type of system.

Since it began ages ago, the open-seas and coastal waters fishing industry has been plagued not only by shortages of fish, but by fluctuations in the supply of fish available for catching. Introduction of juvenile species, known as ocean ranching, now makes it possible to stabilize and increase this supply to the benefit of the fishing industry.

In general, protein-rich foods are in short supply around the world. Increased yield in the fishing industry, brought about by aquaculture, can make significant contributions towards increasing these supplies of necessary protein-rich foods.

Aquaculture has benefited the large corporations, "Mom and Pop" operations, and small farmers. Facilities may range from multi-million dollar operations yielding thousands of tons per year to small tanks and ponds. For several species, current technology is sufficient to allow small operations; what is needed is the perfection of marketing systems designed to bring fish from small producers to consumers. One object of the National Aquaculture Act is to aid in the development of these marketing systems.

My interest in this industry was prompted by the many successful aquaculture projects carried out by and through the Cooperative State Research Service of the Department of Agriculture. Currently, CSRS sponsors 48 research projects at State Agricultural Research Stations and at land grant colleges. These projects include studies on breeding and genetics, nutrition, disease and parasite control, and quality control. The scientists involved in these projects take a shirt-sleeve, hard-working approach to their research, and they have done much to further the development of foodfish.

Mr. President, the major provisions of the National Aquaculture Organic Act are as follows:

The act would establish a national aquaculture development plant under the Secretary of Commerce, who will consult with the Secretary of the Interior and the Secretary of Agriculture. The plan is to identify priority species to which efforts will be devoted.

The act calls for the Federal Government to provide information and technical assistance to persons and organizations interested in aquaculture. One method of accomplishing this will be to establish a public aquaculture information center.

The act will establish an Interagency Committee on Aquaculture, which will include representatives from Commerce, Interior, Agriculture, ERDA, EPA, and FDA.

The act provides for contracts and grants to colleges, universities, and other entities to further develop aquaculture.

The act permits the Secretary of Commerce to guarantee commercial loans and obligations made to persons for the purpose of construction, reconstruction, or reconditioning of aquaculture facilities in the United States.

The National Aquaculture Organic Act of 1976 is of particular importance to those States which have made significant strides in the development of aquaculture industries. To be sure, these include all the coastal States, but it also includes many of our inland States. In Texas, shrimp are now being raised successfully in Corpus Christi, utilizing the thermal effluent from a nearby powerplant. Yet we of Texas have found that shrimp need not be raised only on the coast. Hundreds of miles inland near Pecos we are, on an experimental basis, raising these same shrimp in ponds located in a semi-arid region. These ponds are fed by the salt waters pumped from an ancient ocean which still exists deep underground.

Too, in the farmlands, Texas catfish are raised in ponds and tanks. These fish are sold to local markets or are used to stock other ponds, rivers, and lakes.

Many of our Southern States are also engaged in the raising of several aquaculture species. In the Northeast, oysters and lobsters are now being raised like farm animals. In the Northwest juvenile salmon are being released into native streams which carry them out to sea where they mature. In just a few years these salmon return to those same streams to spawn, and there they are harvested by local citizens. On the Western coastlands abalone are now being grown commercially.

These are just a few examples of what is happening now. What can happen in the future is even more exciting: The production of fish from old offshore oil platforms; the release of shrimp into coastal waters where they will mature and be harvested by the shrimping industry; the breeding and development of superspecies, larger, better, and more nutricious than those that now exist.

As we farm the land, so can we farm the waters. The National Aquaculture Organic Act of 1976 is a major step in that direction. I hope that my colleagues will join me in support of an act which will bring more progress in an area on which we must place increasing reliance.

Mr. FONG. Mr. President, I am happy to join in cosponsoring the proposed National Aquaculture Organic Act of 1976, introduced by the junior Senator from Texas (Mr. BENTSEN).

I wholeheartedly endorse the purpose of the bill, to provide for the development of aquaculture in the United States. Aquaculture has been defined scientifically as "the culture and husbandry of aquatic organisms of value under a controlled or selected environment." In general, aquaculture is thought of as the growing of fish, shellfish, and seaweeds.

In a study prepared this year, the Congressional Research Service noted that the Chinese have been in the fish culture business for some 20 to 30 centuries but in the United States commercial fish culture is only a few decades old.

Aquaculture is receiving increasing attention in the United States and worldwide because of the threat of mass famines in countries where continuing human population growth is outstripping food production capabilities. Domestically, overexploitation of fish stocks and the extension of fisheries jurisdictions by other countries have underscored the need for increasing food fish production in the United States.

In summarizing the Congressional Research Service's study, its consultant, Dr. Robert Shleser, made these conclusions:

1. A review of the status of aquaculture in the world indicates that (a) aquaculture is contributing significantly to the economies of other countries, and (b) aquaculture makes a very small contribution to the economy of the United States.

2. There is an extensive market for sea food in the United States.

3. The United States imports more than 50 percent of it sea food.

4. The United States has the potential to provide a significant portion of marine products by acquaculture.

5. Aquaculture can produce feed stuffs for terrestrial animals.

Aquaculture was a $191,480,000 industry in the United States in 1973–74. It accounts for only about 3 percent of all U.S. consumption of fish and shellfish. However, in Japan and Czechoslovakia, aquaculture produces 10 percent of their fish and shellfish.

It is, therefore, encouraging to note that a number of bills have recently been introduced in Congress which recognize the potential of a nationwide aquaculture industry in this country.

The purpose of the proposed National Aquaculture Act introduced today is to establish a national policy to promote aquaculture through further technological development and by making less risky private capital investment in the industry. It is hoped that with more practical knowledge and with examples of successful operations, private enterprise will increase its investment in the industry.

Under the bill, aquaculture development in this country would be assisted through basic and applied research, coordination of existing and future activities, sharing of information, and guaranteeing loans for the development of commercial aquaculture facilities.

I am pleased that my State of Hawaii is taking active steps to promote aquaculture. Under its own initiative, Hawaii is currently developing an aquaculture master plan sponsored by the State Department of Planning and Economic Development and the University of Hawaii Sea Grant College program. They are receiving the expert services of the consultant mentioned earlier, Dr. Robert Shleser, assistant professor of Food Science and Technology, University of California at Davis, and director of the aquaculture program of the University of California's Bodega Marine Laboratory.

Because of its strong commitment to marine resource development, the University of Hawaii is strategically located to advance aquaculture in the Pacific. As one of the first institutions to be designated a Sea Grant College, the University is providing strong leadership under the able direction of Ronald Linsky, who says:

> Clearly, Hawaii can be identified as a principal location to carry out the culture of shrimp, salt water fin fish, and economically important seaweeds.

Experts point out that many species have specific requirements that are only met in certain regions of the world. One of the principal requirements for many aquatic species—shrimp, lobsters, prawns, catfish, to name a few—is warm water. The State of Hawaii has an abundance of this resource and a strong desire to develop commercial aquaculture. The master plan now being developed for the State will identify those species which offer the greatest economic opportunities.

The importance of aquaculture to Hawaii is further reflected by the fact that there are Federal, State and private programs directed toward developing aquaculture industries in the State. One result has been the establishment of a profitable fresh water prawn industry in the State. I share their feeling that Hawaii would be an ideal location for a center for tropical aquaculture.

The National Aquaculture bill can be of great benefit not only to Hawaii but to the Nation as a whole in developing aquaculture's potential. It deserves widespread support and approval.

ADDITIONAL COSPONSORS

S. 755

At the request of Mr. BURDICK, the Senator from Michigan (Mr. PHILIP A. HART) was added as a cosponsor of S. 755, to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service.

S. 2020

At the request of Mr. RIBICOFF, the Senator from Missouri (Mr. SYMINGTON) was added as a cosponsor of S. 2020, to provide optometric coverage under part B medicare payments.

S. 2335

At the request of Mr. MOSS, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 2335, the Fairness in Franchising Act.

S. 2547

At the request of Mr. McGOVERN, the Senator from North Dakota (Mr. BURDICK) and the Senator from New Hampshire (Mr. MCINTYRE) were added as a cosponsors of S. 2547, to provide for medicare coverage for nutrition counseling in the home.

S. 3182

At the request of Mr. TAFT, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 3182, to amend the Occupational Safety and Health Act of 1970.

S. 3516

At the request of Mr. BENTSEN, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 3516, relating to the suspension of certain loans by the Export-Import Bank.

S. 3691

At the request of Mr. McGOVERN, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of S. 3691, to provide emergency loans to certain farmers.

S. 3704

At the request of Mr. HUGH SCOTT, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 3704, relating to the importation of mushrooms.

S. 3715

At the request of Mr. CHURCH, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 3715, the Honey and Honey Products Inspection and Identification Act.

AMENDMENT NO. 2094

At the request of Mr. BEALL, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of Amendment No. 2094, intended to be proposed to S. 2657, the Education Amendments of 1976.

SENATE RESOLUTION 520—SUBMISSION OF A RESOLUTION CONCERNING THE SITUATION IN NORTHERN IRELAND

(Referred to the Committee on Foreign Relations.)

Mr. BUCKLEY submitted the following resolution:

S. RES. 520

Whereas the Irish people of the six county area known as Northern Ireland have been denied fundamental civil rights, and

Whereas the continued tempo of violence poses a grave threat to the interests of individual liberty, justice, and the peace of the region, and

Whereas it is in the best interests of all parties concerned that the Northern Ireland question be resolved peacefully, therefore be it

Resolved, That it is the sense of the Senate that the President make available the good offices of the United States to effect a peaceful resolution of the dispute in Northern Ireland.

Mr. BUCKLEY. Mr. President, I am today submitting, for proper referral, a resolution concerning the situation in Northern Ireland. This resolution, which is identical to a resolution I introduced in 1971, states that it is the sense of the Senate that the President make available the good offices of the United States to effect a peaceful resolution of the dispute in Northern Ireland.

When I first introduced this resolution, I noted that there existed in the United States a great sympathy for the plight of the Catholic minority in Northern Ireland. This observation is as true in 1976 as it was in 1971. Americans will always have a legitimate concern over injustice, oppression, and discrimination practiced against any people anywhere in the world. In this, our Bicentennial Year, we are reminded of that commitment to those who do not enjoy in full the blessings of freedom and equal justice.

We frequently hear that the problems in Northern Ireland cannot and never will be resolved. We are told that the centuries' old religious and cultural hatred and mistrust will prevent a peaceful resolution of Northern Ireland's problems. We are tempted to believe that there are no signs of progress in Northern Ireland, and further, that there will not be any rays of hope.

I today submit that these gloomy forecasts are wrong. There are rays of hope in Northern Ireland. The 10,000 Catholics and Protestants who recently marched for peace in Belfast prove that hope for peace does exist.

This march, which joined Protestant and Catholic together, offers us proof that the Irish people want the killing and strife to end. The Irish Echo, a newspaper published in New York, carried a moving account of this demonstration. This article pointed out that:

> Protestants risked their lives to march into Republican strongholds to join the demonstration demanding peace. It was probably the first time that many had dared venture in the Andersontown Road and Falls Road since the troubles began.
>
> The people came from the length and breath of Catholic West Belfast, from the Protestant East, from the mixed Ormeau Road and the simple joy of being able to mix in a common rejection of violence and advocacy of peace made it one of those rare occasions in Belfast when the extreme emotion aroused was uplifting rather than enraging or depressing.

The organizers of the demonstration are planning further rallies across Northern Ireland in order to unite Catholic and Protestant women in the cause of peace. An article in last Sunday's New York Times remarked on their effectiveness as follows:

> The peace movement's strength is its lack of political involvement and the simplicity of its demand—that gunmen on both sides stop the violence and that the British army pull out and leave Protestants and Catholics to heal the deep religious and political divisions that have plagued them for centuries.

Mr. President, the courageous women of Northern Ireland are pointing the way. The people of Northern Ireland are crying out for an end to the tragic violence they have endured for too many years. The close friendship of the United States to both Ireland and England provides our country with an extraordinary opportunity to assist in the negotiation of a peaceful resolution of the dispute in Northern Ireland. The Senate can prove to the American people and the dedicated marchers in Belfast that their hopes for peace can be fulfilled.

To this end, Mr. President, I am submitting the resolution which petitions the President of the United States to make the good offices of the United States available for the purpose of restoring peace to the six counties of Northern Ireland.

AMENDMENTS SUBMITTED FOR PRINTING

EDUCATION AMENDMENTS OF 1976—H.R. 12851

AMENDMENT NO. 2205

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. ALLEN (for himself and Mr. SPARKMAN) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 12851) to extend and amend the Higher Education Act of 1965, as amended, and for other purposes.

EDUCATION AMENDMENTS OF 1976—S. 2657

AMENDMENT NO. 2206

(Ordered to be printed and to lie on the table.)

Mr. ALLEN (for himself and Mr. SPARKMAN) submitted an amendment intended to be proposed by them jointly to the bill (S. 2657) to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes.

AMENDMENT NO. 2207

(Ordered to be printed and to lie on the table.)

Mr. BELLMON. Mr. President, the education amendments of 1976, S. 2657, includes authorizations for several programs which provide assistance for higher education. S. 2657 proposes an increase in the income eligibility limit in the guaranteed student loan program.

This increase will have a cumulative cost of $840 million over the next 5 years. While I support the basic guaranteed student loan program, I object to this increase which places the Congress in the position of subsidizing the college education of students from families well above the median family income. I am therefore offering this amendment to strike the proposed change in income limit.

AMENDMENT NO. 2208

(Ordered to be printed and to lie on the table.)

Mr. BELLMON. Mr. President, on Thursday of this week, it is expected that the Senate will take up S. 2657, the Education Amendments of 1976. While I support the purposes and most of the provisions of the bill, the proposed increase to the basic educational opportunity grant—BEOG—has serious budgetary implication. I am therefore proposing an amendment which strikes the proposed BEOG's increase, but leaves the program at the current funding level.

Section 121(b)(1) of S. 2657 raises the ceiling per grant in BEOG's from the current $1,400 level to $1,800. In order to fully fund such a change, the appropriation for the program would have to be significantly increased. The minimum additional cost assuming the same participation rate as in fiscal year 1976 is $600 million and the increased cost per year could be as high as $1.15 billion. The Labor and Public Welfare Committee did not include this proposed change in its March 15 recommendation to the Budget Committee. Since we had no knowledge of the proposed change, the funds necessary for this increase were not included in planning for the first concurrent resolution. Because of the size of the increase and the committee's failure to report the increase, I am offering this amendment which strikes the increase in ceiling, restoring the program to its present ceiling of $1,400 per grant. If this amendment is not accepted, we run the risk of either raising the deficit or crowding other education programs out of the budget.

I ask unanimous consent that a table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BASIC EDUCATIONAL OPPORTUNITY GRANTS

Current Level ($1,400 ceiling, 74% participation), $1,300 million.

Increase in FY 77 (S. 2657), $600 million to $1,200 million.

Total FY 77 funding range for full funding (74%–100% participation), $1,900 million to $2,500 million.

NATIONAL FOREST MANAGEMENT ACT OF 1976—S. 3091

AMENDMENTS NOS. 2209, 2210, AND 2211

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY. Mr. President, I am today submitting three amendments to S. 3091, the National Forest Management Act of 1976. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2209

On page 13, strike out lines 20 through 24 and insert in lieu thereof the following:

"(4) specifying procedures to insure that plans are prepared in accordance with the National Environmental Policy Act of 1969, including, but not limited to, direction on when and for what plans an environmental impact statement required under section 102 (2)(c) of that Act shall be prepared;".

AMENDMENT No. 2210

On page 20, line 17, insert immediately after "in" the words "present or future".

AMENDMENT No. 2211

On page 31, strike out lines 5 through 9 and insert in lieu thereof the following: SEC. 17(a) The Act of March 1, 1911 (36 Stat. 961), as amended; 16 U.S.C. 480, 500, 513–517, 517a, 518, 519, 521, 552 563), is amended as follows:

(1) Section 4, as amended, is repealed.

(2) Section 5 is repealed.

(3) Section 6 is amended to read as follows: "The Secretary of Agriculture is hereby authorized and directed to examine, locate and purchase such forested, cut-over or denuded lands within the watersheds of navigable streams as in his judgment may be necessary to the regulation of the flow of navigable streams or for the production of timber. The examination for purchase of lands necessary to the regulation of the flow of navigable streams shall be made in cooperation with the Director of the Geological Survey who shall submit a report to the Secretary of Agriculture showing that the control of such lands by the Federal Government will promote or protect the navigation of streams. No deed or other instrument of conveyance of lands referred to herein shall be accepted or approved by the Secretary of Agriculture under this Act until the legislature of the State in which the land lies shall have consented to the acquisition of such land by the United States for the purpose of preserving the navigability of navigable streams."

(4) Section 7, as amended, is amended to read as follows: "When the public interests will be benefited thereby, the Secretary of Agriculture is hereby authorized, in his discretion, to accept on behalf of the United States title to any lands within the exterior boundaries of national forests acquired under this Act which, in his opinion, are chiefly valuable for the purposes of this Act, and in exchange therefor to convey by deed not to exceed an equal value of such national forest land in the same State, or he may authorize the grantor to cut and remove an equal value of timber within such national forests in the same State, the values in each case to be determined by him: *Provided*, That before any such exchange is effected notice of the contemplated exchange reciting the lands involved shall be published once each week for four successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted, and in some like newspaper published in any county in which may be situated any lands or timber to be given in such exchange. Timber given in such exchanges shall be cut and removed under the laws and regulations relating to such national forests, and under the direction and supervision and in accordance with the requirements of the Secretary of Agriculture. Lands so accepted by the Secretary of Agriculture shall, upon acceptance, become parts of the national forests within whose exterior boundaries they are located, and be subjected to all provisions of this Act."

(5) Section 9, as amended, is amended by striking out the following language in the first sentence: "the National Forest Reservation Commission and".

(6) Section 14, as amended, is repealed.

Mr. HUMPHREY. Amendment No. 2209 would authorize the Secretary to determine when and for what plans an environmental impact statement will be required, in addition to requiring the Secretary to insure that the plans are in accordance with the National Environmental Policy Act of 1969. It is essential, with the many levels and types of plans required in S. 3091, that the Secretary have statutory authority to prescribe in regulations when and for what plans the NEPA impact statement must be prepared. This provision will not enlarge or diminish the Forest Service's responsibilities under NEPA.

Amendment No. 2210 is a clarifying amendment. It will remove any possible confusion that may exist concerning the committee's intent that revisions in both present and future permits, contracts, and other instruments made pursuant to the act would be subject to valid existing rights. This amendment is necessary because it is important that the transition provision be clear and designed to prevent disruption of ongoing activities under valid existing rights.

Amendment No. 2211 is a technical amendment to accomplish the purpose of section 17(a) of S. 3091, the abolition of the National Forest Reservation Commission.

AMENDMENTS NOS. 2212 THROUGH 2216

(Ordered to be printed and to lie on the table.)

Mr. RANDOLPH submitted five amendments intended to be proposed by him to the bill (S. 3091) to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the act of June 4, 1897 (30 Stat. 35).

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE ENERGY RESEARCH AND WATER RESOURCES SUBCOMMITTEE OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. CHURCH. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Energy Research and Water Resources Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for August 26, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding two bills which are presently before the subcommittee. The measures are: S. 3263, a bill to provide for consideration of the comparative productive potential of irrigable lands in determining nonexcess acreages under Federal reclamation laws; and H.R. 589, an act to authorize the Secretary of the Interior to provide relief to the Santa Ynez River Water Conservation District due to delivery of water to the Santa Ynez Indian Reservation lands.

For further information regarding the hearing, those interested may wish to contact Mr. Russ Brown of the subcommittee staff on extension 4–1076. Those wishing to testify or desiring to submit a written statement for the hearing record should contact the Energy Research and Water Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C.

NOTICE OF HEARINGS AND BUSINESS MEETINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

August 26: Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, hearing. S. 3263, to provide for consideration of the comparative productive potential of irrigable lands in determining nonexcess acreages under Federal reclamation laws; H.R. 589, Santa Ynez Water Conservation District in California.

August 27: Environment and Land Resources Subcommittee, 10 a.m., room 3110, hearing. H.R. 9719 and S. 3468, payments in lieu of taxes legislation.

August 31: Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, hearing. S. 3827, Allen Camp reclamation project; and S. 3712, authorizing the extension of the American Canal at El Paso, Tex.

NOTICE OF HEARING

Mr. CHURCH. Mr. President, the Senate Committee on Aging will conduct a hearing on "Improving Legal Representation for Older Americans" on August 30, 1976. The hearing will be held in Boston, Mass., at the Gardner Auditorium in the State House. The hearing will begin at 9:30 a.m.

Senator KENNEDY will preside at the hearing.

NOTICE ON HEARINGS ON MEDICAID FRAUD

Mr. MOSS. Mr. President, I am pleased to announce hearings by the Subcommittee on Long-Term Care to be held on August 30 and 31, in room 318 of the Russell Senate Office Building. At these hearings, we will announce the results of our recent 6-month investigation into fraud and abuse among practitioners participating in the medicaid program.

NOTICE OF HEARING

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, September 1, 1976, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations: Kenneth K. Hall, of West Virginia, to be U.S. circuit judge for the Fourth Circuit, vice John A. Field, retired; John T. Copenhaver, Jr., of West Virginia, to be U.S. district judge for the Southern District of West Virginia, vice Kenneth K. Hall.

Any persons desiring to offer testimony

in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Mississippi (Mr. EASTLAND) chairman; the Senator from Arkansas (Mr. McCLELLAN) and the Senator from Nebraska (Mr. HRUSKA).

ADDITIONAL STATEMENTS

MUTUAL BENEFIT LIFE'S SPONSORSHIP OF "THE GLORIOUS FOURTH"

Mr. WILLIAMS. Mr. President, on July 4, the National Broadcasting Co. presented day-long coverage of Americans celebrating our Nation's Bicentennial. The Mutual Benefit Life Insurance Co., whose headquarters are located in Newark, N.J., was sole sponsor of an 8-hour segment of that programing, called, "The Glorious Fourth," and as its birthday gift to America, refrained from any commercial sales pitch. Instead, the company presented a series of messages called, "Americans on America."

"Americans on America" was an unqualified success as a tribute to our great country and its citizens. It has deservedly received widespread acclaim in all of the major newspapers. Millions of people throughout the land watched as six persons, each in different sections of the country and different walks of life, told in their own words, what they thought was right about America and about their homes. Without being trite or contrived, it was both patriotic and inspiring.

The six Americans were William C. Unbreit, Jr., a wood sculptor from Hampton, N.J., Dr. Katherine Rodgers, a pediatrician from San Antonio, Tex., Tom Coffey, a newspaper editor from Savannah, Ga., Sam Mc Daniels, the chief grip on a cable car from San Francisco, Calif., Carl Johanningsmayer, a dairy farmer from Edwardsport, Ind., and Willard Nickerson, the owner of a fish market from Chatham, Mass.

In speaking of the company's sponsorship of "The Glorious Fourth," Dr. Robert V. Van Fossan, the president of Mutual Benefit, said that rather than broadcasting sales messages, or even commercially oriented institutional messages—

> in keeping with our own strong beliefs about the character of this day and the entire Bicentennial celebration, we will concentrate our message solely on the greatness of America and its people.
>
> Americans who watch TV, and for that matter all Americans are conscious of the extensive problems and difficulties which challenge our country today. Some are troubled by these things to the extent that they cannot get fully enthused about the Bicentennial, or its importance.
>
> But we at Mutual Benefit believe that the Bicentennial can best be appreciated and understood in the light of the very problems which might now discourage us. When our Nation was founded there were massive problems and difficulties facing the Americans of that day. The American Revolution was not a festival. It was a grim event which resulted in deep hardship and tragedy for many. There was discouragement then, too, along with desperation, despair and often death.

Mutual Benefit Life's role in helping to make the United States 200th birthday a glorious occasion was a meaningful addition to our national celebration and I would like to express my appreciation for their efforts.

CLOSING THE GAP

Mr. THURMOND. Mr. President, recently, Secretary of Health, Education, and Welfare David Mathews announced a number of reforms in the methods by which his Department develops and issues its regulations.

I have written to Secretary Mathews and congratulated him on these initiatives. I have also written to the President to let him know of my strong support for the type of reforms Dr. Mathews is endeavoring to bring about at HEW.

As for the rulemaking changes he is attempting to bring about at HEW, I think this process has long been in need of reform at every Federal agency. Accordingly, I asked the President to strongly consider issuing directives to all Federal agencies to undertake immediately a similar review and reform of their regulatory procedures.

Regulatory reform is an issue which deserves the immediate and undivided attention of Congress, as well as the executive branch. We would do well to take our lead from the initiatives sponsored by Dr. Mathews. These steps are greatly needed to involve more people in the government process, to restore faith in the Federal Government, and to insure that the U.S. Government is truly a servant of the people.

Mr. President, Dr. Mathews announced these initiatives on July 25, 1976, and I believe that they merit the attention of the Congress. Accordingly, I ask unanimous consent that they appear at the end of my remarks in the RECORD.

Fortunately, this effort has not gone unnoticed in the news media. The Houston Post, in a lucid and forthright editorial dated August 10, 1976, analyzed the effect of the Mathews initiative in an editorial entitled "Closing the Gap." The Post editorial makes two points which I think are particularly important. First, they commend Dr. Mathews for his belief that regulations should be written in plain English, not gobbledygook. Second, the Post editorial points out that the Mathews program is a modest beginning, and that HEW is a good place to begin.

Mr. President, this editorial reinforces the view that we need to do something about Government overregulation. It is a timely analysis which deserves the attention of the Congress.

Mr. President, I ask unanimous consent that the excellent editorial from the August 10, 1976, edition of the Houston Post entitled "Closing the Gap," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HEW NEWS

HEW Secretary David Mathews today instituted sweeping reforms in the way the Department develops and issues its regulations.

Most extreme of these is the requirement for HEW to consult broad segments of the public before it puts pen to paper in preparing controversial regulations mandated by Congressional action or compelling administrative need.

"For far too long HEW has gone to the public in these situations only to tell them what it intends to do. From now on our first step will be to ask the people of this country what they think we should do," Secretary Mathews said.

The Secretary believes strongly that the regulations process is HEW's most intrusive channel into people's lives. He considers it as powerful in terms of human impact as the Department's $128 billion budget or its 135,000 employees.

This undergirds his view that HEW has an unequivocal obligation to seek maximum citizen participation in the development of regulations which significantly affect people and institutions.

Reform of the regulations process has been Secretary Mathews' highest priority since he assumed office last August.

"Under the previous system," he said, "when the need for a regulation arose, the Department consulted largely with the groups having a special interest in a given program and then proposed a regulation which often reflected their common preconceptions. The public at large was shut out of the process.

"Effective today, HEW will open the process by framing the issues for the public and laying out available options. Once these are on the table, we will work to stimulate the widest possible public discussion.

"We will not put forward a major proposal until the people affected by it have had their say," Secretary Mathews said.

Departmental communication with the public will be through town hall-type meetings, advertisements, public service announcements, news releases, professional and service organizations, mailings, the Federal Register, and HEW's 10 regional offices.

Following are the steps to be taken by HEW in drafting its most important regulations:

1. Preparation of a regulation implementation plan by HEW agencies which identifies issues and options for the Secretary. This plan must receive Secretarial approval before further action can be taken.
2. Publication of a Notice of Intent to propose regulations which places issues and options before the public and invites comment. If the Department has a preference, it will be stated clearly at the outset. Like the regulation implementation plan, this is an innovation.
3. Evaluation of public comment.
4. Publication of a Notice of Proposed Rule Making—this is a proposed regulation—which takes into account the requirements of the law, Congressional intent, the public's views, and the professional expertise of HEW.
5. Evaluation of the second round of public comment.
6. Publication of a final regulation.

The Mathews' reforms insist on feedback to the public on the scope and nature of their comments. Feedback will be included in both proposed and final regulations.

The public normally will have 45 days to comment following publication of both HEW's intent to regulate and its proposed regulations. Each of these documents will include the name of a person in HEW who can be contacted for clarification or further information.

Other parts of the reform package call for:

Training sessions for Department regulations writers so that regulations are written in clear, concise English.

Review of regulations to determine if they are, in fact, doing what was intended.

Modification of regulations which impose too numerous or needlessly complex requirements on program administrators. (For example, a special task force is now at work in HEW simplifying the Medicaid regulations.)

Secretary Mathews also announced nullification of directives which prohibited the Department from distributing proposed regulations before they were published in the Federal Register. At the discretion of HEW agency heads, these now may be made available, but with the proviso that their availability be made known to the public at large.

[From the Houston Post, Aug. 10, 1976]

CLOSING THE GAP

Tired of the federal bureaucracy making rules that reflect small knowledge of the activities to which they apply? Fed up with regulations whose language is so confusing it defies a battery of Washington lawyers? So is David Mathews, the secretary of Health, Education and Welfare, who is determined to do something about it.

Mathews has had what amounts to a fetish about federal rule-making since he became HEW secretary last year. He insists that regulations be sound and that they be written in plain English, not gobbledygook. His department hasn't always lived up to the high standards he has set for it, but each failure seems to strengthen his determination to improve the product.

Mathews' latest attack on the problem comes hard on the heels of a controversial HEW ruling (subsequently suspended) that public schools risk loss of federal funds by sponsoring father-son and mother-daughter social functions in violation of federal anti-sex-discrimination laws. The secretary's new program has a dual objective: To encourage broader public participation in making major HEW rules and to train the department's staff to write more clearly.

In the past HEW has consulted largely with those directly affected by specific regulations. But in the future the department will use a two-step approach. First, it will publish a "notice of intent" to issue a significant set of regulations. The notice will lay out the issues involved, the options available and the department's views. The public will be given 45 days to cemment and Mathews says HEW will try to stimulate public response through advertisements, public forums and other means. The information gathered during this period will be considered in drafting a set of proposed regulations.

Step 2 in the new rule-making process will include publication of the regulations, followed by a second comment period, after which the rules will be issued in final form. Summaries of public reaction will accompany both the preliminary and final versions of the regulations. To improve the clarity of HEW rules, the department's 1,000 writers of regulations will attend sessions on writing plain, concise English.

Mathers' new program is a modest, sensible effort to breach the barrier that separates the citizen from the giant, monolithic federal bureaucracy. HEW is a good place to begin closing the gap between us and our government. It administers Social Security, welfare, Medicare and aid to education—programs that touch in the lives of most Americans. This search for consensus in making public policy could lessen our resentment of big government by giving us a stronger voice in it. And, incidently, it might keep the government from putting its foot in its mouth.

OIL DIVESTITURE

Mr. TALMADGE. Mr. President, there appeared in the summer issue of Dixie Business magazine, edited and published by Hubert Lee of Decatur, Ga., an article on the issue of oil divestiture.

I bring this article to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BREAKING UP THE BIG OIL COMPANIES—DEKALB BOARD OPPOSES VERTICAL DIVESTITURE BILL

The DeKalb Chamber of Commerce, Decatur, Georgia, where I edit Dixie Business, has passed a resolution opposing Congressional attempts to break up the nation's large oil companies.

I was in Ranger, Texas, in 1919 during the oil boom and 50 years later in 1969, I returned and found that the only oil the natives there knew about was in the filling stations.

So I tear out pages from the Congressional Record, magazines and newspapers having to do with oil and other subjects I would like to pose as an authority on.

Senator Herman Talmadge addressed the Atlanta Rotary in Atlanta April 26, 1976. Reported: "Senator Talmadge does not believe that Government can run an industry as well as private enterprise. He would attempt to employ a private enterprise to run our decrepit post office. He cannot understand how intelligent Senators could conceive of breaking up our great oil companies.

Harold J. Haynes, Chairman of Standard Oil Co. of California, said:

"At this moment in Congress, a number of proposals are being considered that would dismantle the very type of industrial organizations that help make it possible for every citizen to own an automobile, to have a well-heated home, and to enjoy a steadily increasing standard of living.

"The oil industry is one of the most competitive basic industries in America, with more than 10,000 companies involved in oil and gas exploration and production.

"More than 130 companies compete in refining petroleum products and there are more than 15,000 wholesalers, and 190,000 service stations. Ninety-five per cent of these retail stations are operated by independent dealers.

"Petroleum is one of the least concentrates and most competitive of any major U.S. Industry.

"The entire premise of this divestiture legislation is based on incorrect claims."

Sen. Clifford P. Hansen, Wyoming, told the Senate that "Editorial comment around the country has been solidly against breaking up the oil companies" . . . and inserted editorials:

Louisville Courier-Journal: "its merits needs more examination than the advocates of this proposal have been willing to give it . . ."

Hartford Times: "The effort is so laughable that the initial inclination is to ignore the ranting of petty demogoguery . . ."

Salt Lake City Desert News: ". . . instead of trying to break up oil companies, the government should get on with the job of formulating a rational and comprehensive national energy policy . . ."

Washington Post: "How many of those who push trustbusting solutions of this primitive sort to the baffling issue of oil industry competition really believe in them? . . ."

Denver Post: "This is bad legislation . . . too hastily drawn . . ."

Houston Chronicle: "The entire basis of this attack is political and emotional. There are no facts . . ."

Arizona Republic: Breaking up the oil companies would be a national disaster . . . The industry demands bigness . . ."

[From the Wall Street Journal, Mar. 15, 1976]

DIVESTITURE IS DEAD

Where does Jimmy Carter stand on divestiture? Remember the Iowa caucuses, where Mr. Carter cleaned up, the very first sign that he was a genuine contender? Prior to the caucuses, the Energy Action Committee financed by movie actors Paul Newman and Robert Redford asked all the candidates what to do about Big Oil. "Break it up," the liberals answered. But Mr. Carter, who refused to answer the query, took out an ad to explain he didn't like the way the questionnaire was worded. He said he supported some restraints on the industry, but said he didn't want to do anything to limit production or increase consumer prices.

THE TEAMSTERS UNION AND ORGANIZED CRIME

Mr. GRIFFIN. Mr. President, it has been over a year since James R. Hoffa, former president of the Teamsters' Union failed to keep a luncheon appointment at a suburban Detroit restaurant. His disappearance remains a mystery, despite a massive investigation by the Justice Department which has utilized all of the tools at its disposal. There have been numerous predictions that a solution is close at hand; but at this point in time the mystery remains unsolved.

Of course, it is essential that the person or persons responsible be brought to justice. "What happened to Jimmy Hoffa and who was responsible?" are important questions. Even more important, I suggest, is the question: "Why did it happen?"

Recently, the Detroit News published a series of articles entitled "Inside the Mafia." The first in the series detailed ties between Hoffa and Detroit's underworld in the early 1960's, during a period when Hoffa headed the Nation's most powerful labor union.

Months ago, on November 18, 1975, I introduced Senate Resolution 302. It seeks to establish a Senate Select Committee—like the McClellan Committee of the 1950's—to conduct a comprehensive, in-depth investigation of widespread allegations of corruption in the labor-management relations field, particularly with respect to the Teamsters Union. Unfortunately, the resolution still rests on the Senate Calendar and has not been taken up or considered.

Certainly, the recent Detroit News article offers additional convincing evidence, if further evidence were needed, of the links between some Teamsters Union officials and the underworld.

Mr. President, I ask unanimous consent that the Detroit News article be printed in the RECORD—and I again urge my colleagues to join in support of Senate Resolution 302.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Detroit Sunday News, Aug. 1, 1976]

TAPES TIE MOB TO HOFFA PLOT

(By Seth Kantor, Robert Pavich, and Michael Wendland)

WASHINGTON.—As long ago as 1966, the Mafia schemed to abduct Teamster boss James R. Hoffa, according to a secret transcript of an FBI "bug" of gangleader Anthony "Tony Jack" Giacalone.

The plan to "grab that Jimmy Hoffa"—proposed by Detroit Mafia czar Anthony "Tony Z" Zerilli—was dropped, however, after Giacalone defended Hoffa as "our connection" with the Teamsters' multi-million-dollar pension fund.

Ironically, Giacalone today is a prime suspect in Hoffa's year-old disappearance and presumed murder.

The transcript of the so called "Giacalone Tapes," made between 1961–64, documents the close—but often exploitive—relationship between the mob and the Teamsters.

Containing thousands of pages, the transcript is comprised of Mafia conversations picked up by a listening device installed in Detroit offices of the Home Juice Co., 6431 Palmer, a fruit juice distributing firm then owned by Giacalone and his younger brother, Vito "Billy Jack" Giacalone.

The Giacalones have no present interest in the company which, according to law enforcement officials, is now run by reputable businessmen.

Also "bugged"—from early March through mid-October of 1963—was the apartment of the late Sylvia Paris, girl-friend of Anthony Giacalone and the mother of Charles "Chuckie" O'Brien, again a central figure in the investigation of the Hoffa case.

The transcript is studded with profanity and vulgarities which appear to be a trademark of intimate conversations between mob members.

Frequently the Giacalones laughed about their knowledge that their telephones were tapped. Never did they mention the possibility of an office bug although, perhaps from an instinctive inclination to security, they at times lapsed into conversation described by the FBI as Italian, or turned on music which fouled the efforts of listeners.

The text is replete with talk of murder, the mixture of legitimate and illegitimate mob business and bribery of policemen and judges.

Many of those named and discussed are dead or retired from the public scene. Others remain on FBI lists of Mafia operatives. And, throughout, there are discussions from a decade ago of matters still intriguing to police and congressional investigators, specifically the relationship between the mob and the powerful Teamsters union.

Jimmy Hoffa's closeness to the mobsters was equalled, according to the transcript, by the Mafia's relations with O'Brien.

The name of Frank Fitzsimmons, current Teamster president, repeatedly appears as a Giacalone friend, and there are discussions of their relationship with Allen Dorfman, a key figure in the operation of the Central States Teamsters pension fund, which also is a current focal point of congressional investigation.

Although the transcript has been referred to in at least two federal cases, it has never been made public.

Most recently, existence of the transcript became a matter of court record two months ago when lawyers for Anthony Giacalone asked Federal Judge Damon Keith in Detroit whether he had considered the transcript in determining a sentence on Giacalone following his conviction for income tax fraud. The judge said he had not, and then sentenced the Mafia leader to 10 years in a Federal penitentiary.

Giacalone, who is appealing the sentence, is free on bond.

The significance of the 12-year-old transcript, however, is the insight it has provided law enforcers on the daily operations of the mob.

Through the electronic surveillance, the FBI was able to listen as virtually every major underworld figure in Michigan discussed Mafia organization and operations, murder plots, police bribery, clandestine business dealings and Teamster loans.

The transcript vividly portrays the underlying treachery of the mob.

For example, even as the Giacalone brothers were accepting Hoffa's help in paying off a judge to dismiss police bribery charges against Tony Jack, the transcript shows they were making secret plans to get Hoffa's wife, Josephine, drunk and loot the Teamster leader's Washington apartment while Hoffa was out of town.

This particular plan apparently did not work.

But perhaps the most startling revelation deals with the once-considered plan to "grab" Hoffa.

Just why Mafia chieftain Zerilli wanted to abduct Hoffa is unclear in the transcript, although at the time Hoffa was facing a number of Federal charges that conceiveably could have jeopardized underworld ties with the Teamsters.

Concerning the incident, an FBI agent wrote a summary of a monitored conversation between the Giacalone brothers, dated Nov. 27, 1963. (In the following material the *sic* designation indicates spelling is correct.) Quoting Anthony Giacalone, the summary of the conversation reads:

"Tony comments that Tony Zerilli is the type of guy who doesn't know what he's doing half the time. Tony Z made the remark that he thought that they should 'grab that Jimmy Hoffa.' I said Jimmy Hoffa is the type of guy you can't bulldog. Number one, they'd never get in. Number two, I said whose connections do you think are keeping me out of jail, this is our connection? (sic)

"No, I said I just come from the man, I was in Washington with him; I said the man, when he tells me, you go ahead and tell me when to come in I will take the plane and go (anywhere) he says, for me.

Three, if Oona (sic) has got those intentions . . . (foreign language) . . . but as far as me, I could never do this to him. I said this is the wrong guy.

"Mike Polizzi (a mob cohort now serving time in a federal prison with Zerilli for conspiring to obtain a hidden interest in a Las Vegas gambling casino) said that he would never have gotten his loan of $630,000 (sic) without Jimmy, Mike said Tony G got this for me through Sylvia. Mike said he could have never gotten this loan from nobody, and he wanted to pay 10 percent. Mike said that Jimmy Hoffa had to put his stamp on it in order to fore (sic) these guys to give it to him. Hoffa took a shot with it.

"Mike said that we need this guy, for instance. (Tony repeating what Mike Polizzi told Zerilli et al) say we get something that looks good and we present it to him. He said this guy is in a position to loan us money on what we want. Tony says that he agreed with Mike."

Some three weeks before the talk of grabbing Hoffa, Giacalone had met with Hoffa and, according to the transcript, secured the Teamster boss help in paying a Detroit Recorder's Court judge $10,000 to "fix" a police bribery charge against Giacalone.

The "Giacalone tapes" outline a close, almost daily, contact with Hoffa. The conduit, or pipeline, between the mob and the Teamsters was Sylvia Paris, Giacalone's friend.

Mrs. Paris, a divorcee, was a traveling companion and friend of Mrs. Hoffa. She lived with Mrs. Hoffa while Hoffa was away from home on union affairs. Mrs. Paris' son, Charles "Chuckie" O'Brien, was raised as a member of the Hoffa family with the Hoffa children, James P. and Barbara.

"Sylvia is the only person . . . that can handle Jimmy Hoffa . . .," Giacalone once bragged to a Mafia associate.

The transcript shows Giacalone was in contact with Mrs. Paris daily and that nearly each and every move Hoffa made was reported to the mob.

Besides helping Giacalone and his friends arrange for Teamster loans, Mrs. Paris also was described in the transcript as a conspirator with the Giacalone brothers to loot Hoffa's Washington safe.

The plan involved visiting Josephine Hoffa in Washington while her husband was out of town.

"While you're in there (the Hoffa apartment) I'll go cabareting with her (Josephine) for a couple of hours," Vito Giacalone proposed to his brother on Nov. 4, 1963.

"You don't have to go cabareting, drink right there," the transcript quotes Anthony as replying.

"Yeah, knock her out . . . knock her out. Leave the bottle in bed with her. That's better yet.

"Sylvia (Paris) says it's got to be that closet," said Anthony. "That's what I'm thinking of too. That's the only way I can figure of him having some big safe right in the closet."

The Giacalones discussed the possibility that the Hoffa safe might have an alarm and they worried that they might be caught breaking into it. But they decided the chance was worth taking.

Three days later, Anthony Giacalone flew to Washington to examine the apartment and to talk with Hoffa about Giacalone's police bribery case, then assigned to the late Joseph A. Gillis, Jr., a judge in Detroit's Recorder's Court during those years.

Back in Detroit the next day, Anthony Giacalone told his brother what occurred.

Upon arriving at the apartment with his attorney, Larry Burns, Giacalone said on the tapes he was greeted at the door by Josephine Hoffa. Soon thereafter, they went out to have dinner and drinks while waiting for Hoffa to return to Washington from New York.

Burns, according to Giacalone, became intoxicated and the trio returned to the apartment.

"Larry (Burns) is drunk on the couch," Giacalone related to his brother. "I want to look around . . . so, naturally, she shows me."

Giacalone said he was interrupted by the arrival of Hoffa.

"So we (Anthony Giacalone and Hoffa) were sitting down talking so . . . I said Jimmy, you know about my case. He says, Tony, I have been reading it in the paper . . . so then he says, what do you want me to do?

"I says, here's what I want you to do. You want to talk to (the late Recorder's Court judge) Gillis? He says, Gillis, when do you want me to? I'll go myself, right now . . . we can't talk on the phone. I said, that's right . . . later on . . . we'll tell you here's where the man is, you get ahold of him. He says, fine . . ."

In another conversation recorded Dec. 13, 1963, between Anthony Giacalone and Dominic "Fats" Corrado (later in the tapes identified as Menico), whom police identify as another mob administrator, Giacalone explained the outcome of the Hoffa contact with Judge Gillis.

"Jimmy told him like this: Listen Gillis, he says, I am concerned with Tony Giacalone's case . . . I don't want no conviction to come out of this here. I want you to throw it out . . . He (Gillis) says, I want $15,000 . . .

"He (Gillis) named his (expletive) price."

The deal worked out, Giacalone explained, was that Hoffa paid the judge $10,000 on the spot, with the balance to be paid when the Giacalone case yas officially dismissed.

Six days later, Giacalone's lawyer, Burns, appeared in court before Judge Gillis with a motion to dismiss the charges.

There were numerous attempts by the defense after that to scuttle the bribery case against Giacalone. Gillis eventually refused to grant the dismissal motions, but granted the first in a series of delays which stalled the case for three years. Over that period, six judges handled the case.

In the spring of 1966, Giacalone finally was acquitted by a jury after a trial presided over by then Recorder's Judge Vincent J. Brennan. Brennan currently is a Michigan Appeals Court judge.

The crucial moment in the case came when a key police witness testified that he had lied on the witness stand about where he had transcribed his notes on the case. This smashed the prosecution's hopes for a conviction of the racketeer.

But Hoffa's help had its price

"I've done you a favor; I'd like a favor of you," Giacalone quoted Hoffa as stating on Dec. 13, 1963.

Like Giacalone, Hoffa at the time had his legal problems, chiefly a jury-tampering charge in Nashville, Tenn., where he eventually was convicted and sent to prison.

Hoffa, according to the tapes, wanted the then 45-year-old Giacalone, a Mafia enforcer who ran the mobs gambling and loan-sharking activities, to "talk to" Larry Campbell, a Teamster business agent and co-defendant in the jury-tampering case whom Hoffa felt was working against him.

But Giacalone balked at muscling Campbell because he was afraid that "if we mess up this guy," his (Giacalone's) own police bribery case might be jeopardized.

But regularly, the mob discussed definite uses for Hoffa. On Dec. 13, Giacalone told his brother that Joseph Zerilli, the aging patriarch of the Detroit mob who, in semi-retirement, had turned over the daily operation to his son, Anthony, wanted a "set-down" meeting to discuss how Hoffa could be better "used."

Giacalone cautioned him, however, about pushing too much. According to the transcript, Giacalone said he told Zerilli:

"With Jimmy Hoffa, we'll take one step at a time. Not now, we'll go according to see what's what. How the picture looks. How to let him know, just what we were talking about, what can get in with him. We'd like to go with him, you know.

"I said, let's take one step at a time and see what happens. He says, what do you think? I says, I told you before I'm in favor of it, we got to do it in a diplomatic way. So our buddy, Menico (Corrado), you know, he's a good guy, he's used us. I says, hey buddy, he'll (Hoffa) use me, he'll use you, he'll use everybody, in the meantime, he's all through the (expletive) country and making millions of dollars with this guy, they're using him too, ain't they.

"They're using us and we're not making no (expletive) money, I told him. Here's your difference here. He says, yeah, yeah. So he must have heard Vince say, well Jimmy Hoffa this and that. I says, listen, they ain't nobody sharp enough for Jimmy Hoffa. In this town or any other town. He's going to use everybody, every SOB in the world."

The Hoffa-Giacalone friendship did indeed blossom.

On Dec. 18, 1963, Hoffa sent 14-carat gold money clips and cigaret lighters to the Giacalones as Christmas presents. When Josephine was a patient in Detroit's Grace Hospital in March of 1964, Anthony Giacalone had one of his errand boys deliver specially-made Greek lunches and whiskey to her room each day. Hoffa, too, apparently reaped financial rewards from his dealings with Giacalone. One such deal referred to in the transcript involved a $60,000 kickback paid on a $600,000 insurance claim. The tapes do not detail what the "deal" entailed.

But Anthony Giacalone was overheard on March 3, 1964, outlining that Hoffa was to get $30,000, Sylvia Paris was to get $15,000 and the remaining $15,000 was to be divided between the Giacalone brothers and their mob associates.

Giacalone wasn't particularily pleased at the deal, grousing that he figured to get more than $1,500 as his share.

The Giacalones also were on a first-name basis with present Teamsters president, Frank Fitzsimmons, who then was Hoffa's number two man, and Anthony "Tony Pro" Provenzano, an East Coast Teamster official also linked with Hoffa's 1975 disappearance.

Through Hoffa, the Detroit mob was trying to gain a foothold into gambling in Las Vegas. Hoffa, whose union was lending tens of millions of dollars to casino operators, referred mobsters to various Vegas connections.

One such referral was transcribed by agents on Dec. 31, 1963, when Hoffa spoke to Anthony Giacalone over the telephone. Because the bug was in the Giacalone office and not on the telephone, Hoffa's end of the conversation is not on the tape.

After the conversation, Anthony Giacalone filled in his brother on the call.

"That was Jimmy Hoffa who called and he told me that this guy is waiting for a call. From the Las Vegas. This here (Jay) Sarno. (Hoffa) talked to him," said Giacalone.

Jay Sarno is now the operator of the huge Circus-Circus casino on the Las Vegas strip, a venture financed largely by Teamsters' loans.

"He (Hoffa) told him (Sarno) that somebody would like to talk to him. I told Hoffa last night what we wanted, now he must have talked to this guy (Sarno).

"Hoffa talked to him already, that these people in Detroit are going to get ahold of you. Except I told him (Hoffa) that Tony Zerilli will be the guy to talk to him (Sarno). He (Hoffa) said, get ahold of him (Zerilli), the man is waiting for your call."

Vito noted that whatever deal the mob was trying to set up was contingent upon "the loan."

"They (the Teamsters) got to give it to him, Billy, $10-million. He (Hoffa) just okay'ed it."

It is unclear from the transcript how helpful Hoffa's referrals to various Las Vegas gamblers were. However, Anthony Zerilli was convicted in 1975 of conspiring to obtain a hidden interest in the Frontier Hotel in Las Vegas and is now serving a 14-month federal sentence.

It was during Zerilli's trial on the hidden ownership case that existence of the FBI's so-called "Giacalone Tapes" first came up.

Federal prosecutors hinted they would introduce the transcripts as evidence after Zerilli testified that he had no organized crime ties.

For unknown reasons, however, the transcript was not introduced.

The close communication between the mob and Frank Fitzsimmons is also shown in the transcript.

On Feb. 24, 1964, a Giacalone friend went to Anthony to complain that the Teamster union wanted to audit the books of his trucking company, primarily because the trucker had lowered his rates to retain a large account.

Giacalone, the transcript shows, told the friend he thought he could "fix it up." He telephoned Fitzsimmons.

Again, only Giacalone's side of the conversation was recorded.

"Tony calling. Let me talk to him, will you please, miss. Alright. What do you say, Fitz, how are you? Okay. Listen, I have a man here that I was born and raised with you know. No, no, no. In here . . . this man here, he's trying to make a living . . . (and a Teamsters representative) would like to go through my friend's books.

"What the (expletive) is he (the Teamster representative) supposed to be, the government? Uh? I'll see you personally when you come back. Now in the meantime, I'll give you the name of the company. (Giacalone spells out the name of his friend's trucking firm.) Alright, give him (the union representative) a call and tell him to sit tight till you come back and then we'll sit down with him.

"Just tell him that I would like to sit down with him when you come back. Alright? Okay.

Giacalone's friend was recorded as saying, "thanks Tony very much; if I hear anybody say anything bad about you, I'll kill them."

But despite the apparent friendship and favors extended by the union, the Giacalone brothers did not give up their plan to loot the safe in Hoffa's Washington apartment, the transcript shows.

On Feb. 7, 1964, Anthony Giacalone and his brother worked out a new plan. The tapes quote him as saying:

"Now the way it looks, what we got to do . . . Josephine goes back to Washington. I'll send Sylvia (Paris) there . . . we got to make a trip to wine and dine her (expletive), look ourselves . . . Italian . . . we work it this way.

"Now you can go down there and she wants to zoop it up. Fine, you make her zoop it up . . . now when she is zooped up . . . why don't you go down there and have a couple of cocktails and I'll be down there."

Billy—"And then you putz around upstairs."

Tony—"Right. Understand? then we will work it that way."

On Feb. 25, 1964, the transcript shows, Anthony told his brother that they would "have Sylvia in Florida to advise them of the movements of Jimmy and Josephine Hoffa."

Somehow the Giacalones apparently discovered the serial number of the Hoffa safe. On Tuesday, Feb. 25, 1964, Anthony Giacalone is quoted in the transcript as declaring:

"Yesterday I had Shrieky (a mob associate) go to that safe company." The FBI then summarized Giacalone's statements as follows:

"Tony says that if they got a key made they wouldn't have to worry about the door jamming or anything like that. That's why he told Shrieky to go over there but they couldn't get a key without the initial. There was no initial on the serial number, the only thing was this here 48311.

"Shrieky gave the story that his wife is a sick woman and she lost the key but he had no initial. Then the guy started getting too personal. I said, Shriek, don't park your car near the joint, park it two blocks away and walk there. You know, they could take the license number and remember this guy came in for a key. So they didn't give it to him.

"So I said (expletive), they (Sylvia Paris and Josephine Hoffa) are going to come in Wednesday morning (and) I'll make arrangements and I'll go out there."

Exactly what happened next is unclear in the transcript although, on April 23, 1964, the Giacalones held a brief discussion that indicated Anthony did steal some money from the Hoffa apartment, but not from the safe.

The summary of their conversation about the matter notes:

"Tony said he was in the bedroom and Billy asks if he made a mess there. Tony says no, but he had only one shot at it, so he took the money that was right there. Tony says it was cast iron. Tony also says he didn't have a flashlight, so she (Sylvia Paris?) went and got one, but he couldn't get any more and there was someone outside the door, so he didn't want to push his luck."

CHEYENNE PEACE CORPS VOLUNTEER GIVES TECHNICAL AID TO FARMERS IN PARAGUAY

Mr. McGEE. Mr. President, given the facts that Wyoming is one of the country's leading agricultural States and the University of Wyoming has one of the finest agricultural programs in higher education circles, it is pleasing and proper that a product of the State and the university is passing on his knowledge and expertise to people in need of such basic information as to how to grow a garden.

James Pry of Cheyenne, Wyo., is that individual and the Peace Corps is the program enabling him to do so. As you will note in a press release from ACTION, Mr. Pry is serving his country in Paraguay—from the ground up.

Mr. President, I ask unanimous consent that this news release, "Cheyenne Peace Corps Volunteer Gives Technical Aid to Farmers in Paraguay," be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

CHEYENNE PEACE CORPS VOLUNTEER GIVES TECHNICAL AID TO FARMERS IN PARAGUAY

Cheyenne, Wyoming's James Pry, a Peace Corps volunteer in Paraguay, calls himself a "roaming ambassador."

"My office is my suitcase," explains Pry, who serves in a crop extension program in the South American country. On a typical day, Pry, 25, walks five to 10 miles, providing four or five farmers with technical advice on their crops and animals.

The volunteer trains farmers to plant new crops, to improve their traditional crops and grow gardens. He also has given them technical assistance in the construction of fish tanks.

"These programs," he says, "have lasting value because they increase the farmers' income and improve the diet of their families."

Pry, the son of Mr. and Mrs. Daniel J. Pry, of Box 20, Little Bear Rt., Cheyenne, graduated in 1973 from the University of Wyoming in Laramie with a degree in agronomy, the study of field crop production and management. While at the university, he was a member of the agriculture club, and since 1975 has been a member of the Wyoming Stockgrowers Association.

Before joining the Peace Corps in January, 1975, Pry farmed wheat and raised cattle and sheep. Now, in Paraguay, he lives in a small village and helps give technical assistance to some 9,000 people in the surrounding area.

"I enjoy a confidence with the people I work with," he says. "I had very little problem adjusting to the culture because the people are very friendly.

"The only adjustment," Pry notes, "was getting used to the lack of privacy. Everybody here knows what I am doing all the time."

Paraguay is a landlocked country in the heart of South America, surrounded by Argentina, Brazil and Bolivia. About the size of California, the country has population of 400,000, most of whom speak Spanish and an Indian language called Guarani.

Pry received training in both these languages from the Peace Corps, and says that he uses both in everyday living. "The most satisfying experience I have had," he says, "is talking to people about the cultural differences between our countries."

Pry studied Spanish in Costa Rica as part of a 12-week Peace Corps training program. While there, he says, he experienced his most embarrassing moment.

"One night when the electricity went out, the people I live with asked me to go to the neighbors and borrow a candle," he explains. "But in Spanish, candle and ladder sound the same and I though they had said ladder. So I came back with a ladder and they all laughed like crazy."

The Paraguayan people he works with are poor, but know how to enjoy themselves, he reports. "They know how to have a good time and dance like crazy," he says.

Pry is one of 65 Peace Corps volunteers in Paraguay serving in such areas as environmental sanitation, nurses' training, agricultural marketing cooperatives, the national credit cooperative organization and the agricultural extension program.

Worldwide, more than 6,200 Peace Corps volunteers and trainees currently serve in 69 developing countries around the world.

The Peace Corps is part of ACTION, the federal agency for volunteer service established in July, 1971 to administer volunteer programs at home and overseas. Mike Balzano is the director of ACTION.

THE SOVIET NAVY

Mr. TAFT. Mr. President, the ongoing debate about the Soviet naval challenge has tended to revolve around the ships of the Soviet fleet. Comparing United States and Soviet ships is indeed an important part of this debate, and, as I have attempted to point out, it can be a highly disturbing exercise. To offer one more point on that aspect of the debate, I ask unanimous consent that a UPI dispatch describing the new Soviet aircraft carrier, the *Kiev*, be printed in the RECORD at this point.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

UPI DISPATCH—AUGUST 20, 1976

(By Robert Musel)

LONDON.—Naval scientists now have had a chance to evaluate photographs and visual information gathered on the shakedown cruise of the 40,000-ton Soviet aircraft carrier *Kiev*. The verdict: It is the most heavily armed surface vessel in the world.

It is no comfort to Western navies that at least four of the same type are under construction.

The *Kiev*, which recently sailed from the Black Sea through the Bosporus and on to the Atlantic, was described by the Russians as an "antisubmarine interceptor"—to circumvent the Montreux convention limiting the size of aircraft carriers allowed through the straits.

But this is only one of the wide variety of roles for which it was designed, according to New Scientist magazine.

The magazine says the ship lacks the electronic sophistication of American craft and crew facilities have had to take second place to machinery. But its mechanical engineering is impressive.

It is faster than its U.S. counterparts and is designed to operate in rougher seas. Every inch of deck and superstructure is crowded with armament or weapon control equipment.

Acording to New Scientist, the *Kiev* carries about 12 YAK36 V-STOL (vertical short take off and landing) fighter bombers. These have not been seen in the west before. They were photographed by the Royal Navy Frigate *Torquay*, which shadowed the Russian ship.

They are slightly larger than the British Harrier jets use by U.S. Marines, presumably for the same assignment—striking against shore targets in support of an amphibious landing.

They also are useful in defending the carrier and in attacking surface shipping.

The *Kiev* also carries more than 20 antisubmarine helicopters of the type known as KA25K as well as antisubmarine rockets that may be tipped with nuclear depth charges. Its other missiles including the SSN12, capable of flying 1,875 miles.

There also is formidable conventional gun armament.

"NATO used to rely on technological superiority to compensate for the Warsaw Pact's greater numbers," said New Scientist.

"Weapons systems such as the *Kiev* are tilting the balance all the time, however, and with Soviet defense spending put by some sources at $120 billion annually there is little doubt that the writing on the wall is in Cyrillic script."

Mr. TAFT. Mr. President, the high quality of Soviet warships is only one of the problems we face. Another is the increasingly competent manner in which the Soviets use their ships. The July 1976 issue of Naval Institute Proceedings contains an article on the latest worldwide Soviet naval exercise, Okean–75, which discusses the progress the Soviet Navy has made in employment of its ships. I strongly urge my colleagues to read this article, since it effectively dispells the notion that the Soviet can build ships, but not sail them.

Mr. President, I ask unanimous consent that the article from Naval Institute Proceedings on Okean–75 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OKEAN–75

(By Lt. Com. Bruce W. Watson, and Lt. Com. Margurite A. Walton, U.S. Navy)

The April 1975 worldwide Soviet naval exercise, called Okean–75, gave the U.S. Navy and other Western navies an excellent opportunity to observe at close hand just how far the Soviet Navy has progressed over the past two decades.

The Soviet Navy has expanded in a deliberate and precise fashion under the direction of Admiral of the Fleet of the Soviet Union Sergei Gorshkov, a man who has held the top position in the Soviet Navy for 20 years, survived major changes in government, and directed not only the growth but also the operational application of Soviet naval power. This growth has not been one or numbers but of capabilities. The Soviet Navy today has about as many ships as it did in 1956, although many of today's ships are much larger than their 1956 counterparts. The real change has been in a qualitative sense, not only of improvements to the ships, sensors, and weapon systems, but in the operational patterns of the Soviet Navy.

The most notable Soviet Naval exercise prior to 1975 was in April 1970 when the Soviet Union deployed over 200 ships and submarines in an evolution which it called its "first worldwide coordinated naval exercise . . . for testing and further improving the level of combat skill of the navy and operational preparedness of staffs." The 1970 exercise, also called Okean (ocean), employed many of the then recently developed weapon systems, ships, and aircraft, including the Moskva-class guided-missile helicopter ships, "Kresta"-class guided-missile cruisers. "Kanin"-class guided-missile destroyers, and the Il–38 "May" antisubmarine warfare aircraft. Although Okean–70 was described as "coordinated," a very stylized, pre-planned scenario was used, and the exercise more precisely demonstrated the four Soviet fleets' abilities to deploy and operate their separate elements under the coordination of Moscow.

Following Okean-70, the Soviets continued their extensive ship building program and deployed more modern naval platforms, including the "Kresta-II"- and "Kara"-class of guided-missile cruisers, the "Krivak"-class destroyer, the "Nanuchka"-class missle attack boat, and the "Delta"-class nuclear-powered ballistic missile submarine equipped with missiles having an estimated range of over 4,200 nautical miles. In addition, the U.S.S.R. has also concentrated on employing modern space technology, including electronic intelligence, active radar, and communications satellites, both for more efficient ocean surveillance of enemy forces and for coordinated command of its fleet elements.

During 1970–1975, the Soviet Navy conducted small-scale exercises within its home waters and waters adjacent to the U.S.S.R. Until 1973, these exercises centered on antiaircraft carrier warfare. After 1973, exercise emphasis switched more toward antisubmarine warfare and ocean surveillance. These exercises brought together modern ships carrying advanced weapons and innovative tactics, thus enabling the Soviets to test and evaluate new systems and concepts under relatively realistic combat conditions.

In early April 1975, approximately 220 ships, submarines, and naval associated units, representing the four fleets—North, Baltic, Black Sea, and Pacific—deployed from the Soviet Union. The majority of these elements participated in the exercise. The ships operated worldwide in major ocean areas and were supported by Soviet aircraft which, operating from airfields both within and outside the Soviet Union, flew approximately 700 sorties. The major areas of exercise activity included the Norwegian, Barents, and North seas, North Atlantic Ocean, Mediterranean Sea, and the Northwest Pacific Ocean. Some of the Soviet aircraft operating over the Indian Ocean and Mid-Atlantic Ocean utilized airfields in South Yemen (People's Democratic Republic of South Yemen [P.D.R.Y.]), Somalia, Guinea, and Cuba. Use of these airfields was realistic since contingents of naval aircraft fly to these countries periodically, and these facilities would probably be available to the Soviets in crisis situations.

The real significance of the exercise was neither in the numbers nor types of forces deployed, but in the missions which they fulfilled during the exercise's four phases: deployment, reconnaissance, strike, and termination.

Phase I: Deployment (1–14 April 1975)—Although official announcement of the exercise was first published in a 10 April Tass article. Soviet ships began deploying on 1 April 1975. During the two-week initial phase, approximately 100 ships deployed from all fleet areas to augment the approximately 120 ships and submarines routinely deployed beyond Soviet home waters. Eventually, the total force consisted of a dozen individual groups. In the Atlantic Ocean, Soviet ships were loated north of North Cape, Norway, northeast of Iceland, in the Greenland-Iceland-United Kingdom gap, southwest of the English Channel, in the North Sea and Baltic Sea approaches, and off the hump of Africa. Groups of Soviet ships also operated in the central Mediterranean Sea, in the Arabian Sea, east of Japan, in the Philippine and East China seas, and east of the Kamchatka peninsula.

As the surface and submarine units maneuvered into exercise positions, Tu–95 "Bear-D" long-range naval reconnaissance aircraft flew to Conakry, Guinea, and Havana, Cuba; Il–38 "May" antisubmarine warfare aircraft deployed to Hargeisa, Somalia; and An–12 "Cub" surveillance aircraft flew to Aden, South Yemen. This deployment pattern gave the Soviets excellent staging areas from which to conduct the next phase of the exercise.

Phase II: Reconnaissance (15–17 April 1975)—Coordinated activity by both reconnaissance and antisubmarine warfare aircraft and satellites, supported by surface ship and land-based sites, highlighted this phase. The surveillance aircraft appeared to have operated without prior knowledge of the location of the naval exercise forces, resulting in a more realistic test of surveillance capacity than that seen in previous exercises. The surveillance forces were apparently successful in locating and identifying most if not all designated "hostile" surface units prior to the commencement of Phase III. The seeming success of the coordinated reconnaissance effort indicates that the Soviets have a commendable ocean surveillance system.

Phase III: Strike (18–19 April 1975)—The commencement of simulated warfare inaugurated the third phase. On 17–18 April, coordinated simulated strikes were accomplished by both aircraft and antisubmarine warfare combatants, and the interdiction of commercial sea lines of communications was simulated. Prime targets included submarines, carrier task forces, other surface task forces, and convoy formations. After the initial strikes, a rapid simulated escalation of hostilities occurred, apparently culminating in nuclear warfare exercise activity on 19 April. Admiral Gorskhov and Defense Minister Grechko witnessed this phase of the exercise activity in the Barents Sea.

Phase IV: Termination (19–27 April 1975)—The final phase included the completion of exercise activity and the return of many units to local waters. A 27 April 1975 Soviet press release signaled the formal conclusion of the most ambitious Soviet naval exercise to date.

During Okean-75, the Soviets demonstrated many innovations, including a greatly expanded area of exercise play, coordinated surveillance of the various ocean areas, coordinated worldwide strike operations, more effective utilization of aircraft and submarines, increased emphasis on participation of merchant shipping assets, interest in the interdiction of sea lines of communications, and an emphasis on showing the Soviet flag.

Traditionally, Soviet naval exercises have concentrated on a 1,500 nautical mile "defense perimeter" around the Soviet Union. In *Okean*-75, however, many units operated well beyond this perimeter. The expanded exercise area shows Soviet appreciation for the changing capabilities of the Western navies and planning for early attrition of hostile forces on the high seas before potentially hostile forces can reach the primary Soviet defense zone. This tactic, if successful, increases the threat to NATO defensive and convoy operations, reduces the threat to Soviet land forces in Europe, and permits a smaller concentration of major surface units in the U.S.S.R.'s coastal waters. The recent deployments of such craft as the "Nanuchka"-class missile attack boat and the "Grisha"-class patrol escort may indicate that the Soviets will use these fast, heavily armed, ligt-weight craft in coastal areas, thus permitting more extensive deployments of heavier guided-missile destroyers and larger ships to the open sea.

The only exception to the general pattern of extending exercise activity over wider geographical areas occurred in the Mediterranean, where Soviet naval activity was minimal.

Perhaps political tensions in Mediterranean littoral countries, including unsettled situations in Cyprus and the Middle East, dictated that the Soviet Mediterranean Fleet maintain a low profile in the exercise. Alternatively, the Mediterranean exercise activity may have occurred before or after the more obvious phases of the exercise, as has been observed in previous exercises. At the beginning of the exercise there was a concentration of Soviet combatants in the Mediterranean, but a number of these ships departed for other exercise areas. The remaining ships conducted very limited operations, including barrier duties in the straits of Sicily and Gibraltar. The only other significant activity was that conducted by a modified "Sverdlov"-class command and control cruiser and supporting ships. These ships circumnavigated Sardina and Corsica from the south and west and returned to the eastern Mediterranean via the Tyrrhenian Sea where they possibly conducted an antiaircraft carrier warfare exercise.

The Soviets' ability to locate "enemy" forces during *Okean*-75 was impressive. Soviet reconnaissance aircraft flew several hundred missions during the exercise over the North Atlantic, Norwegian Sea, Indian Ocean, and Pacific Ocean. The Indian Ocean flights were significant in that they required overflight permission from Iran and Egypt and interim basing of Il–38 ASW aircraft and An–12 reconnaissance aircraft in Somalia and South Yemen. The Il–38s, flying from Somalia, conducted most of the Indian Ocean aerial reconnaissance activity and flew coordinated missions with two Tu–95 "Bear-D" aircraft, which flew over Iran from the Soviet Union, executed their missions, and returned nonstop to the Soviet Union. Additionally, the Soviets launched several reconnaissance satellites before and during the exercise, suggesting that aircraft reconnaissance and space reconnaissance activity were coordinated. Finally, more traditional surveillance also was conducted by surface ships and submarines.

The Soviets' capability for coordinating operational activity worldwide became increasingly apparent during Okean-75. This capability includes not only the previously discussed reconnaissance activity, but concerted surface, submarine, and air attacks as well. During the strike phase of the exercise, the Soviets carried out repeated simulated antishipping strikes against simulated task forces in the Atlantic and Pacific oceans and in the Norwegian Sea. The strikes were executed primarily by aircraft, but may well have been supported by, or coordinated with, submarine attacks. The near-simultaneous attacks in all areas indicated that strike forces were provided with very good locating data and effectively controlled and coordinated. The ability to accomplish worldwide simultaneous coordinated attacks is one of Admiral Gorshkov's prime objectives in the postulation of his stated concept of the overwhelming preemptive attack: "the battle for the first salvo."

In comparison to previous Soviet naval exercises, Okean-75 was unique in that increased priority seemingly was assigned to coordinated air and submarine attacks against surface shipping. This shift in emphasis could reflect a Soviet desire to exercise aircraft and submarines in an antishipping role and portend a greater use of aircraft and submarines against sea lines of communication than was the case in the past. The Soviets have sufficient inventories of aircraft and submarines capable of effective interdiction operations, and, as a result of the activity observed during Okean-75, it appears their mission almost certainly has been expanded.

As indicated by the large numbers of ASW-capable aircraft involved in the exercise and their apparent coordination with surface ASW ships, one of the prime missions of the Soviet Navy is clearly antisubmarine warfare. This activity shows the continuing Soviet concern over the NATO submarine threat—particularly the SSBN threat.

Demonstrating that Soviet sea power is not limited to its impressive modern navy but includes a vast maritime fleet—the world's fourth largest merchant fleet, the largest ocean-going fishing fleet, and the largest ocean research and survey fleet—Okean-75 included incidents aimed at testing the Soviet Navy's ability to protect the U.S.S.R.'s maritime assets. At least two of the known Soviet task forces had Soviet merchant ships deployed with them. Some of these ships possibly departed from foreign ports in order to join Soviet combatants at sea and participate in the exercise. This was the first Soviet major open ocean exercise in which operations to protect non-naval ships were included. In the Norwegian Sea, at least seven merchant ships were observed in company with amphibious units, indicating the utilization of merchant ships as troop carriers and support ships for amphibious operations. Before this exercise, the only significant merchant-associated activity in naval operations observed beyond Soviet home waters had been non-military tanker support to combatants, and, in 1972, civilian assistance in submarine rescue operations. Okean-75 convoy operations were probably, in part, designed to exhibit a determination to protect the large and expanding merchant and fishing fleets which daily travel to diverse areas of the world.

Closely allied with the previously discussed expanded area of exercise play was the concentration of forces in the transit lanes of the major ocean areas including the Arabian Sea, the Indian Ocean, off the hump of Africa, the eastern North Atlantic, Strait of Gibraltar, and the South Asia/Pacific sea lanes. Effective Soviet interdiction operations in the Arabian Sea would deprive the United States and Western Europe of primary crude oil supplies from the Persian Gulf. Soviet forces operating off West Africa could not only interdict Middle East oil destined for Western Europe but possibly intercept ships transiting to defend this sea route or coming from the Indian Ocean to reinforce the Atlantic as well. Additionally, the West Africa patrol could attempt to sell the western approaches to Gibraltar. Soviet ships in the Bay of Biscay would be in position to attack convoy through France or through England. The Soviet Norwegian Sea and North Sea deployed naval units, while not lying along major transit lanes, could provide a deterrent to the Free World's utilization of the recent oil finds and oil production in those areas. The *Okean-75* convoy-type formations west of Portugal and east of Japan were probably designed to pit Soviet forces again "enemy" convoys as well as the previously mentioned exercise of naval control of its own shipping. As a result, the Soviets had the opportunity to erercise both mission. It is particularly significant that, in this era of world dependence on Middle East oil, the Soviets, for the first time, displayed an interest in exercising in the primary sea lanes from the Persian Gulf to Europe and from the Persian Gulf to Japan, as well as straddling the classic lanes from the United States to Western Europe. This is a manifestation of a major Soviet threat: the denial of vital raw materials and oil to the United States, Western Europe, and Japan and the interdiction of sea lanes between the United States and her NATO partners.

The Soviet naval presence off the west and east coasts of Africa may have implications in addition to the denial of sea lines of communication to Europe and the United States. Soviet visibility in this area may be designed to enhance Soviet influence in Africa and to diminish current Chinese (People's Republic of China) inroads in the continent. Soviet naval presence in the vicinity of Angola, in the Gulf of Guinea, and in Guinea in the winter of 1975–1976 vividly demonstrated this point. A large Soviet naval presence in these areas was a direct reversal of the former policy of maintaining the Soviet fleet within the established defense perimeter and underscores the growing Soviet interest in showing the flag in many areas of the world. The announcements publicizing the initial and final phases of the exercise also created interest in the Soviet Navy and helped the Soviets in establishing a firmer presence on the seas and in expanding their political and economic base.

Okean-75 vividly demonstrated the progress that the Soviet Navy has made in the first five years of this decade. In contrast to *Okean*-70, *Okean*-75 was a true worldwide exercise in which the capabilities of the most modern ships could be tested. The Soviets were also able to judge the degree to which those units have been integrated into the fleet.

This exercise, the Soviet Navy's most sophisticated to date, should not be viewed as the terminal point of the Soviet naval buildup for the last 20 years, but as an indication of progress made thus far. In 1970, many Western naval analysts described *Okean*-70 as the ultimate in Soviet naval development; however, in comparison with the 1975 exercise, it is readily apparent that Soviet naval capabilities in 1970 were modest indeed. As the *Kiev*-class aircraft carriers and other new classes of Soviet ships deploy, *Okean*-75 naval tactics will become dated and must yield to even more sophisticated doctrines. To this extent, *Okean*-75, like its 1970 predecessor, may impress the West as equally modest when *Okean*-80 has been reviewed.

In this light, we should anticipate further developments in Soviet ocean surveillance capabilities as they develop newer satellites and more precise air, surface, and subsurface detection systems. These developments will include a capability for increased coordination of existing and future detection systems. Additional developments in antisubmarine warfare, one of the Soviet Navy's critical problem areas, certainly will occur. The missions of naval aircraft and submarines will continue to expand and will probably include an even broader antishipping mission. Given expected continued expansion of the Soviet merchant and fishing fleets, the techniques employed to protect Soviet merchant shipping will be refined. And, as Soviet naval operations continue to spread out over the oceans of the world, all nations face an increasing threat that their shipping will be interdicted on the high seas.

Finally, employment (indeed, the *application*) of the Soviet Navy, in support of Soviet goals, particularly as an instrument of Soviet foreign policy, is sure to continue. The Soviets currently are pursuing a complex policy of gradually extending their influence over many third-world nations. As the Soviet Navy becomes larger, more powerful, better directed, and more widely deployed, it will serve to support worldwide Soviet political goals and pose an increasingly grave threat to the navies of the United States and our allies.

FARMERS TRAVEL A ROUGH ECONOMIC ROAD

Mr. NELSON. Mr. President, the economic history of the American farmer in this century is a simple story of boom and bust that poses a critical problem for American consumers if we do not soon develop an overall, long-range agricultural policy. Repeatedly, I have pointed out that the American family farmer has been subsidizing the American consumer at the cost of survival for the farmer. The history of this economic disaster in a brief form is set forth very well in an article by Erwin J. Benne, professor emeritus at Michigan State University, in the distinguished farm journal, Hoard's Dairyman, August 10, 1976, and I ask unanimous consent that it be printed in full in the Record at the end of my remarks.

Current farm legislation will expire in 1977 and the Congress will have an opportunity to devise a comprehensive agricultural policy to solve the problems of our family farmers and provide security for our consumers. I would hope that the Members of Congress who do not represent agricultural constituencies would read this brief history which so clearly describes the problems and the plight of the American men and women who produce our food and fiber.

There being no objection, the article was ordered to be printed in the Record, as follows:

Farmers Travel a Rough Economic Road

(By Erwin J. Benne)

(Booms, busts, depressions, and weather hazards have made the economic road traveled my American farmers the first three quarters of the 20th century a rough one.)

During the early part of this century, much of American agriculture was still in large measure subsistence farming. Except for steam-powered threshing rigs and use of stationary gasoline engines for small farm chores, horses and mules and human muscles furnished the power.

Feed for livestock and much of the family food was produced on the farm. Farm-butchered and home-procesed meats, vegetables from hand-tended gardens, and fruits from farm orchards were preserved and stored in many ingenius ways for years-around use.

Sale of surplus eggs from farm flocks of chickens and cream from hand-milked cows provided small amounts of spending money for farm families, but annual cash income for most of them were very low.

Money from the sale of low-priced grains and livestock was in many cases barely enough to pay taxes and interest on the ever-present farm mortgages.

The First World War began in 1914 and son engulfed almost all of Europe in the horrors and destruction of a large-scale war. This conflict ultimately exerted profound and long-lasting effects on farmers and agricultural production in America.

Due to the war's disruption of European agriculture, products from U.S. farms and ranches were in great demand and prices for them rose dramatically. Gross incomes rose substantially for fortunate farmers whose field crops yielded well and whose livestock flourishes; however, increases in labor, land, and operational costs limited profits.

There was an especially great demand for wheat. As an incentive to raise wheat, the federal government established a floor price that guaranted a minimum of $2 for every bushel that was produced.

In response to this pressure, many farmers expanded their operations and went into debt to buy more land and other essentials. Believing it to be a patriotic duty, many acres of grassland in the semiarid regions of the southwest were plowed up and planted to wheat, an unfortunate practice that later increased the severity of the "dust bowl" era.

The war ended in 1918, but the wartime boom prices for most agricultural products continued through 1919 and 1920. For the most part, farmers and their families were cheerful and optimistic. But all of this was soon to change, bringing bitter disappointments and changing optimism into pessimistc uncertainty.

The government floor price for wheat was still in effect, and the 1920 harvest was a bountiful one. But the very abundance of the harvest proved to be a detriment. Wheat threshed early soon filled local elevators and not enough railroad cars were available to move it quickly to larger terminals.

Unable to handle more, dealers quit buying; and many farmers were forced to store much of their wheat on the farm, often in makeshift storages. The government's guarantee of at least $2 per bushel expired during the summer, foreign demand for wheat was less than had been expected, and prices began to drift downward. By January of of 1921, it was obvious that the postwar boom was turning into a bust.

By February of 1921, the price paid farmers for wheat had dropped more than $1 per bushel since harvest time. The decline continued and eventually wheat sold locally for less than a dollar a bushel. Prices for other grains, livestock, cotton . . . in fact, those for all kinds of farm products suffered corresponding decreases, thus ushering in a disastrous, widespread depression in the agricultural sector.

MANY WENT BANKRUPT . . .

These severe losses in farmers' buying power had ruinous effects on farming communities. Unable to meet financial obligations, many farmers went bankrupt and lost their farms and other holdings to banks and lending institutions. Often the value of these properties did not equal debts owed, causing many banks and financial institutions to close their doors.

Stripped of their possessions and means of livelihood, many rural families were forced to move to cities and towns and seek employment there. Merchants, machinery dealers, and other businesses in farm towns, unable to sell to customers without buying power, likewise suffered losses and failures.

In retrospect, some writers are glamorizing the so-called "roaring 20's." However, they were certainly not glamorous for the American farmer who had nothing to roar about.

By early 1933, business was at a standstill; millions were unemployed; a third of the people in the nation were in need. Wheat was selling for 30 cents and corn for 15 cents per bushel, hogs for $3.50 per hundredweight, eggs for 10 cents per dozen, and all other farm products at similar give-away prices.

Farmers' costs of production exceeded incomes, their buying power was lost, and many were unable to meet financial obligations and became bankrupt. About half of the rural banks failed and closed their doors, thereby depriving farmers and rural businessmen of credit needed to continue operations.

At the urging of President Roosevelt and his advisors, Congress passed a public works bill to provide jobs for the needy and a farm bill designed to raise prices for agricultural products. The object of the latter bill was not primarily to benefit farmers, but to restore some incentive for them to produce enough foodstuff and fiber to feed and clothe the nation.

This farm legislation was based on the theory that, if agricultural products were in scarce supply, demand for them would raise prices and enable and encourage farmers to continue to produce. Scarcity was to be achieved by imposing rigid quotas limiting amounts of food and fiber each farmer could produce.

The press and other news media gave much hostile and exaggerated publicity to "plowing up fields of wheat and cotton and killing baby pigs." This brought cries of indignation from consumers, who failed to realize the program was intended to furnish them adequate supplies of food and clothing and not only to benefit farmers.

Actually, the program proved to be of only limited benefit to the small independent farmer. Limiting his production also limited his income which in many cases was insufficient to cover essential living costs.

INFAMOUS "DUST BOWL"

In some widespread areas, severe droughts and soil particles driven by ceaseless winds created the infamous "dust bowl" of the 1930's. Hundreds of families made destitute by these uncontrollable acts of nature were forced to leave their farm homes and seek to earn a meager livelihood elsewhere, often without success.

In 1939, German armies invaded Poland and World War II began, again disrupting European agriculture and increasing demands for products from our farms and ranches. Eventually prices for these commodities advanced, and subsidies were no longer needed as incentives for farmers to produce more.

In 1941, the Japanese attack on Pearl Harbor forced our entrance into war against the Axis Powers, and a strenuous, nationwide effort was begun in industry and agriculture to fulfill wartime needs.

American farmers were faced with the stupendous task of producing enough food and fiber to feed and clothe the civilian population, our armed forces, and our allies abroad. Many obstacles stood in their way.

Farm machinery was in short supply and prices soared for what was available. Gasoline became scarce and hard to obtain for use in tractors and farm trucks. Production costs and taxes went up. The federal government set ceiling prices that farmers could receive for agricultural commodities to prevent runaway inflation as demands for them increased and scarcities developed.

Many rural people, both men and women, flocked to cities to work for high wages in industries manufacturing military supplies. Sons and young husbands left farms for military service, leaving mostly older men, women, and school-age children to produce the agricultural materials that were so vital to the war effort.

FOOD WAS RATIONED

Their response to this task was magnificent. But in spite of long days and years of unremitting toil, supplies fell short of need; and, as the war progressed, it became necessary to ration food.

The year 1945 brought the defeat of the Axis Powers and beginnings of conversions of wartime industries to the manufacture of peacetime goods. However, price controls continued in effect for some time after hostilities ceased.

All kinds of goods, including foodstuffs and clothing, were in great demand and money was plentiful and cheap. Consequently, when government price controls were removed the following year, inflation became rampant and prices soared.

Prices for many agricultural products doubled, and the story of earlier times was repeated. Established farmers who owned their land and machinery, and who had products on hand for sale—grains, soybeans, cotton, wool, livestock—profited greatly. However, production costs rose proportionally, thus lowering profit margins for subsequent crops.

Because of the high costs of machinery, land, rent, seeds, breeding stock, and other essentials, it was difficult for returning veterans and others to establish new farming businesses.

SURPLUSES DEVELOPED

The Marshall Plan was initiated in 1947, and through it and other agencies, the federal government sent billions of dollars abroad to aid the recovery of war-torn foreign countries. Such aid and improvement of European agricultural production lessened demand for American farm commodities and surpluses of some products resulted.

This prompted Congress to pass the Agricultural Stabilization Act in 1949 and a series of subsequent legislation, which, by means of loans, purchases, subsidy payments, and other operations through the Commodity Credit Corporation, provided mandatory price supports for certain specified basic farm products and discretionary supports for nonbasic ones.

These programs evoked much adverse public criticism on the grounds that farmers were being paid for not producing. However, they served to provide consumers an abundance of low-cost food and clothing in spite of the tragic Korean and Vietnam conflicts and the spectacular but costly space program. Prejudiced people failed to realize that farmers' incomes and profit margins were being restricted by the programs while the consuming public was reaping benefits from them in the form of cheap food and clothing.

Expanded foreign trade, especially with Russia, in the early 1970's increased shipments abroad, and suddenly government-owned surpluses of farm commodities were gone. Panic fears of scarcities resulted, prices for farm products skyrocketed, and the same familiar story was again repeated.

Farmers lucky enough to have products on hand to sell profited greatly; however, they were in the minority. Most farmers had already marketed their crops at lower prices and now faced inflationary costs and scarcities of materials necessary to produce new ones.

Food processors and distributors used scarcities as justification for raising prices to unprecedented highs, bungling attempts by the federal government to control such prices failed, and uninformed consumers blamed farmers for their high grocery bills.

As in earlier periods of scarcities, the federal government and various relief agencies have urged farmers to produce as much food and fiber as possible to feed and clothe needy people throughout the world with the implied promise that shipments abroad would be encouraged and aided in every way possible.

Yet an embargo was placed on foreign shipments of soybeans, and later, from July to October of 1975, a moratorium was imposed on shipment of grains and soybeans to Russia and Poland. These actions together with the refusal of dock workers to unload ships with commodities bound for Communist countries, encouraged by irresponsible labor leaders, cost American farmers billions of dollars in business.

At present, American farmers are in a period of false prosperity. Financial risks have never been greater, and prices for land, labor, machinery, and other materials required for production are the highest in history. Like other citizens, farmers are entangled in a web of many kinds of taxes: Local property taxes, state and federal income taxes, sales taxes, and when they wish to transfer their farms and holdings to heirs: Gift, estate and inheritance taxes.

Although gross incomes for some producers are large, costs and expenses make for low returns on large investments, meager wages for farmers and their families, and thin profit margins.

Lurking in the background are the specters of overproduction and surpluses threatening devastating effects on prices received by producers. Last year according to published estimates, national production amounted to 2.1 billion bushels of wheat, 5.8 billion bushels of corn, and 1.5 billion bushels of soybeans.

The alarming thing is that our people can never consume such vast quantities of commodities. We can, and must, export half the wheat and soybeans and a third of the corn without creating domestic shortages. If this is not done, surpluses will accumulate and prices paid producers will plummet.

Much of last year's crop of wheat, corn, and soybeans is still stored on the farms that produced them. A new planting season is behind us and another harvest of winter wheat is in progress. If this year's crop yields are comparable to those of last year, and much of the stored surpluses cannot be sold abroad, domestic markets and storages will be glutted and drastic price declines will follow.

Every boom period in this century has been followed by a bust. This is not only unfortunate for farmers but for the nation as a whole. Agriculture is our country's largest and most basic industry. We Americans, who pride ourselves on being an intelligent and progressive people, should be able to muster enough common-sense wisdom to protect farmers in the future against the precarious economic uncertainties they have suffered in the past.

If this is not done, more farms will be lost by owners, and independent farm families farming their own land, which has really been the foundation of America's greatness, eventually will disappear from the American scene.

THE POST CARD REGISTRATION BILL, H.R. 11552

Mr. THURMOND. Mr. President, on August 9, 1976, the House of Representatives passed and sent to the Senate H.R. 11552, the so-called post card registration bill, which is now being held at the desk.

I have examined this bill in detail. It is one of the most ominous and dangerous bills I have seen during my 22 years in the Senate.

Mr. President, it is my firm conviction that if we enact this bill, we will not only be invading a province within the jurisdiction of the States, but we will be opening the door to the most widespread and uncontrolled voter registration fraud and abuse in the history of our country.

The Spartanburg Herald, in an August 11, 1976, editorial entitled "Opening the Way to Election Abuse," succintly capsuled many of the opinions I have heard from my South Carolina constituents and from concerned citizens throughout the Nation. The Herald points out some of the administrative problems with the bill, which I share with my colleagues:

> . . . By federal demand, there is hardly any residence requirement anymore. Educational standards have been lowered.
>
> South Carolina, along with many other States, has expanded drastically its absentee ballot provisions.
>
> . . . The law would apply only to federal elections. However, it is not practical for a State to operate elections with a different set of rules for State and local than apply to federal. So States are pretty much stuck with conforming to federal provisions.
>
> . . . Think of hordes of organized canvassers out to get signatures, not to improve the quality of participation, but to get on the rolls those they can turn to their own purposes.
>
> . . . Fairness and integrity in the elective process are far more important objectives than wholesale voter turnout.

During the recess, I read three other excellent editorials on the potential abuse resulting from voter registration by mail. First, there appeared in the August 17, 1976, Charleston, S.C., News and Courier an excellent editorial entitled "Voter Registration." Second, the Providence, R.I. Journal of August 12, 1976, carried a persuasive analysis entitled "An Invitation to Fraud." Third, another excellent editorial entitled "The Post Card Fraud" appeared in the August 11, 1976, Indianapolis News.

Mr. President, I am pleased to see that the news media has taken notice of the potential danger of the so-called post card registration scheme, and exposed it for what it is. As I read additional editorials on this subject, I intend to bring them to the attention of the Senate.

Unfortunately, one of the Presidential candidates has already tried to inject partisan politics into this issue by trying to ramrod this legislation through the Congress prior to the November election. I consider this a grave mistake. I hope that more reasonable minds in the Senate will not look at this issue in a partisan manner, but will examine it and defeat it because of the fraud it would perpetrate on the American people and chaos it would create for State and local governments. If the Senate should pass it, I feel so strongly about this measure that I intend to urge President Ford to veto it.

Mr. President, in addition to the excellent editorial from the Spartanburg Herald, and in order to share these other three timely and persuasive editorials from the Charleston News and Courier, the Providence Journal, and the Indianapolis News with my colleagues, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Indianapolis News, Aug. 11, 1976]

THE POST CARD FRAUD

Congress is being asked to move quickly on a bill establishing Federal voter registration by postcard.

The man doing the asking is Jimmy Carter, the Democratic presidential nominee who wants the system in effect in time for the November election.

Postcard registration, administered by Washington, is generally presumed to be helpful to Democrats. The advertised reason for the bill is that Americans do not vote in adequate numbers because registration, under existing state procedures, is too difficult.

This claim is frequently supported by the observation that only 55.6 percent of the potential voters actually cast ballots in the 1972 presidential election. The fact is that no relationship can be found on the record between registration procedures and voter turnout.

The case of Washington, D.C., is instructive. In 1972 only 53.4 percent of the voters already registered bothered to vote.

It is reasonable to suggest that something other than registration requirements are keeping people from voting, for instance, the quality of the candidates or the belief that it simply doesn't make any difference who is president.

Since the late 1950s, the Congress and the Federal courts have been chipping away at obstacles to voting. Literacy tests, poll taxes, residency requirements, etc., have been outlawed by legislation or struck down by the courts. The result has not been the rise in voter participation we would have the right to expect if the supporters of postcard registration are correct. Such an increase has occurred only in the South where a large segment of the population had previously been deliberately excluded.

In the North, voter participation in presidential contests dropped from more than 70 percent in 1960 to less than 60 percent in 1972.

Information developed by a House committee in 1968 showed almost no difference in voter turnouts between states having relatively simple registration procedures and those with such obstacles as no mobile registrars, no deputy registrars, the need for a voter to travel great distances to register, etc. In fact, most of the states having such "obstacles" showed greater voter turnout than the regional average.

While there is no evidence that postcard registration, managed by the Federal government, will increase voter participation, there is ample evidence it will facilitate wholesale voting fraud, further erode the autonomy of the states, and help Democratic candidates—which probably explains Carter's unusual haste to get it enacted.

[From the News and Courier, Aug. 17, 1976]

VOTER REGISTRATION

South Carolinians should hope the U.S. Senate lets die a House-passed bill providing for voter registration by mail. It is not needed. In this state it would create a monumentally complex and costly administrative problem.

As we understand it, the bill now leaves it up to the states to distribute postcards for registering voters. That registration would be good only for presidential and congressional elections. So South Carolina would wind up with two registration lists—the regular list, good for all elections, and a second applying only to federal offices. That is a nightmare prospect both for election officials and voters. Separate ballots, eligibility questions and the possibility of fraud are other bad aspects of this dual registration.

The whole thing is so needless. South Carolina's computerized registration system has worked beautifully to insure all persons who want to vote a chance to exercise that right. The automatic purging process has helped to clarify eligibility questions and as a deterrent to fraud. It makes no sense to complicate and confuse things now by going also to registration by postcard.

As voter turnouts at all recent elections have demonstrated, the weakness in the system is not registration but getting people to actually go to the polls and vote. The postcard proposal is no solution to that problem.

Had Democratic presidential nominee Jimmy Carter not pushed for this legislation, we doubt it would ever have cleared the House. The Senate, with more time to consider the probable results, should ignore Mr. Carter and opt for sanity, denying the bill passage.

[From the Providence Journal, Aug. 12, 1976]

AN INVITATION TO FRAUD

A postcard voter registration bill has passed the House at the behest of Jimmy Carter, the Democratic nominee for the presidency, and the door is opening to massive voting fraud in November unless the Senate rejects the plan or President Ford vetoes it. The bill is an open invitation to stuffed registration rolls.

The original bill would have allowed voters to register by postcards sent out by the federal government. The House amended the measure to leave distribution of the cards up to the states. Control of the federal end of the operation would be under the Federal Election Commission, but how it would enforce the proposal is unclear.

The plan envisions getting cards to voters through private groups, such as labor unions, as well as through conventional sources such as party organizations. Cards would have to be in the mail by Oct. 4, a month before the general election in November. Everyone who meets state eligibility requirements could register by mail in federal elections.

The administrative problems are staggering. How would local boards of registration manage to establish and observe separate voting lists in one month? Who would check the authenticity of requests for registration by postcard?

But by far the worst aspect of the plan is the naked invitation to abuse. Do the sponsors think that the Daley machine in Chicago, notorious vote manipulator that it is, would fail to take advantage of unchecked postcard registration? What machine could reject an invitation to load voting rolls with hundreds of phony names?

It is astonishing that a man such as Mr. Carter, who is so strongly committed to open, honest government, should endorse such a plan and urge its swift passage. Concerned Americans will hope that if the Senate gives way to Carter pressure, Mr. Ford will stand firm and veto it out of hand.

IS ROCKWELL PRESSURING EMPLOYEES TO WRITE CONGRESS?

Mr. PROXMIRE. Mr. President, within recent days, I have been receiving mail from California and Ohio urging me to vote against my own amendment to postpone production of the B-1 bomber.

It is interesting to note that this mail almost exclusively comes from the areas surrounding two of Rockwell International's plants. This gives rise to the impression that the firm is encouraging its employees to write to Congress.

And in fact that is the case. Rockwell has been distributing a pamphlet called Wake Up Citizen, Your National Security Is At Stake. Not unsurprisingly this handout argues that the B-1 is vitally needed to insure U.S. security.

Another handout to employees is a list of all U.S. Representatives and their district office addresses. Other literature has a list of the conferees.

Mr. President, today I received a very interesting letter from one Rockwell employee. He wrote:

> SIR: You might be surprised at the subtle pressure Rockwell International applies on us employees to get us to write thousands of letters to you, other representatives, and to "Letters to the Editor."
>
> They tell us how important it is for us to save our jobs. They give us sample sentences to use. They imply it is ok to write them on "company time."
>
> If you and your colleagues are showered with letters favoring the B-1, you'll know why.
>
> Incidentally, do you remember that so many of these same arguments were used a few years ago to save the B-70? What would happen to "national defense" if we didn't build a fleet of B-70's?
>
> We have problems today but we aren't additionally burdened by the B-70! The B-1 is a bigger monstrosity, a bigger burden.

Mr. President, I mention these facts and the contents of that letter so that there is no confusion about where many of these letters are coming from. They come as a result of a massive publicity campaign sponsored by Rockwell International. And it should be noted that Rockwell is hardly an impartial source of information on this subject.

MENTAL HEALTH SERVICE MODELS FOR HISPANIC POPULATIONS

Mr. KENNEDY. Mr. President, I would like to bring to the attention of my colleagues a valuable and worthwhile article which appeared in the June 1976 issue of La Luz. The article, "Mental Health Service Models for Hispanic Populations," which was written by Dr. Raquel E. Cohen, deals with the delivery system for mental health services for the Hispanic community. Dr. Cohen is project director for the New England Resource Center for Protective Services, associate professor of psychiatry, and senior associate in psychiatry at Children's Hospital Medical Center, and a board member of the National Coalitions of Spanish-Speaking Mental Health Organization—COSSMHO.

Community mental health and human services programs must today adopt special measures when serving minorities such as Spanish-speaking Americans.

Most of our human services systems have trouble both in aiding chronic and multiproblem families, and in utilizing approaches needed to support positive mental health among minorities.

Many innovative programs are now being experimented with in Massachusetts in dealing with the mental health problems of Hispanics. Dr. Cohen's article outlines the cultural conflicts experienced by Hispanic-Americans and the new focus of intervention being used in Massachusetts.

I believe that my colleagues should and would be interested in this article, and I therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MENTAL HEALTH SERVICE MODELS FOR HISPANIC POPULATIONS

(By Raquel E. Cohen, M.D., M.P.H.)

It has become increasingly obvious that human services programs or community-oriented programs to assist persons with varying degrees or levels of mental disorder must adopt special measures when serving individuals from minority groups. These groups are considered "high risk" populations, that is, among them there is a higher than average probability that persons may have difficulty in adapting to stress or to harsh life conditions and thus have a greater potential to develop emotional and physical illness or dysfunctioning.

In the United States most systems for providing human services have trouble not only in aiding chronic and multi-problem families, but also in making use of approaches needed to support positive mental health among minority populations.

In considering how this unfortunate situation affects community mental health programs for the Spanish-speaking, let us look at the poor "fit" that occurs when human services are not adapted to our needs. By understanding better what does not work and why, we can identify the types of mental health intervention that do hold more promise for Hispanos in need.

CULTURAL CONFLICTS

Cultural conflicts are at the heart of the problem now plaguing mental health service delivery systems. These conflicts arise from the one-sided process by which the services are developed and provided. In short, the services are fashioned, for the most part, for members of the majority population—not for the Spanish-speaking or other minorities. As a result, they embody values appropriate to the majority—they do not account for the presence and power of other values. In this sense, they can be said not to respect culture. Their quality thus deteriorates because, deprived of cultural relevance, they tend to have no impact on mental health problems—in fact, they may make them worse by adding stress to persons already troubled.

The cultural conflicts inherent in the process by which mental health services are fashioned are aggravated by the migration of the Spanish-speaking to already congested urban centers.

Hispanos are attracted to urban areas by job opportunities, but the conditions under which many of them must live place severe stress on emotional well-being. Women, both as wives and mothers, seem to have more difficulty in making the necessary adaptation.

Many Hispanos thus undergo what is called "culture shock." They must adapt quickly to new surroundings, yet maintain their cultural heritage. They must rapidly acquire the "know-how" of their new social and economic environment, while at the same time develop a life support system that is in harmony with their cultural/ethnic groups. Many find housing and form "Hispanic neighborhoods." These enclaves are usually in parts of the city where services are absent or are very limited.

Thus, for example, in order to obtain ambulatory mental health care, they must travel a lot, and each time they travel, they must arrange for someone to look after dependents at home. Under these circumstances, most will seek professional help only when the signs of mental disorders are serious indeed. And, as we have seen, even when help is obtained, we can expect that it will not be adapted to their particular needs.

On top of these problems, there are other problems burdening the human services delivery systems in urban centers, problems that affect all citizens in need. Lack of sufficient personnel, increased demand for services, proliferation of agencies and programs with no coordination, and the multiplication of new laws and new regulations—these are major obstacles that make the quest for services seem like a journey through a labyrinth, with scant promise of success in reaching the end.

The stage is thus set for unsatisfactory experiences by both the Spanish-speaking seeking help and the mental health bureaucracy. Herein lies the challenge for the mental health worker. For this is the person who should be equipped to overcome cultural and psychological distances and offer help in easing or removing manifestations of emotional disturbance.

What technical knowledge should the mental health worker have for this purpose? He or she must understand the dynamics by which stress is generated between minority individuals and the so-called "helping" institutions.

He or she should work in the community and develop a public health and a community health orientation. In this regard, we are beginning to see an increased awareness and sensitivity to the plight of vulnerable persons in need of services caught within depersonalized and dehumanized bureaucratic processes.

As a result, the priority of professional activities in the community mental health field is beginning to shift toward objectives of secondary prevention. By this term, we mean the activities that aim at reducing the duration of mental disorders that do occur, thus shortening the duration of existing cases and cutting back on the prevalence of mental disorder in the community.

The shift toward secondary prevention may be seen in such efforts as organizing case-finding, diagnostic, and remedial services so that mental disorders are detected early and dealt with efficiently and effectively. We must also analyze the patterns of all types of human services to local groups, taking into account whether they are stable or migrant within the social organizational structure of their own communities.

After 10 years of experience with Federal and State supported mental health centers, we have accumulated much knowledge that can guide us in improving the delivery of services to Hispanic populations.

We know that most human service systems are based on value systems, and that both are historically and traditionally geared toward persons from the American middle class. We know that those functioning in these systems are not fully aware of, or willing to acknowledge the need to modify services for persons of dissimilar backgrounds and preferences.

So these systems struggle to deal with

problems presented by large, ethnically heterogeneous, and low income groups that, in turn, are increasingly critical of how the systems have many ambivalent feelings about how to relate to this growing crisis, which is often aggravated in urban areas by other conflicts in education, welfare, and housing.

To those of us who work in the psychosocial field, these human reactions and feelings are an expression of the frustrations engendered by cultural clashes, when the predominant culture is asked to change in order to adapt to the needs of a smaller, dissimilar group that is speaking out for its own welfare.

In this situation we can clearly see the disparity in cultural values and in the ways that priorities are determined—a disparity with profound implications for the ways that these institutions behave and for the type and quality of the services offered or not offered in response to Hispanos.

NEW FOCUS OF INTERVENTION

Approaches to the delivery of mental health services should be based on principles of prevention. This will modify and amplify the design of many components and traditional services.

In mental health, the emphasis on prevention seems the best way to spend our limited time and energy, directing our efforts toward the reduction of the effects of emotional disturbance and the strengthening of the capacity of individuals to sustain stress.

Today, when jobs and services are being curtailed for lack of funds, we must mobilize our resources in such a way that we can intervene with the most efficient approaches at the most effective time and place. Those who provide mental health services should be positioned and should intervene where people live and work, if the shift to prevention is to yield satisfactory results.

Programs in the community should be designed in such a way that they integrate mental health procedures into human services systems. The latter, in turn, should share common values with regard to life styles and beliefs on health and illness.

These prescriptions indicate that the integration of comprehensive mental health procedures into community service networks would be an apt model to use in improving the delivery of services to Hispanic populations. For example, the potential for better utilization of mental health services appears greatest in health centers where aspects of mental health and public health are integrated. Many such centers are now extending services farther into the community, providing mental health consultation to schools, welfare agencies, the police, and the courts—areas where Hispanos have traditionally been most in jeopardy and most in danger of having their needs ignored or denigrated.

The approach afforded by such a model gives the mental health worker an opportunity to intervene at many levels of various social systems that are oriented toward assisting persons in need.

One significant type of intervention would be to influence the traditional service methods of professionals who might not be sensitive to the social and cultural conflicts that are aggravated when people experience different degrees or levels of dysfunctioning. Mental health professionals, in general, base their activities on the premise that the better the "fit" between human services and individual needs, the lower the stress will be. The type of intervention just cited cannot help but assist in improving the mental health condition of the individual.

With this factor in mind, the community mental health worker can utilize several approaches.

In the first place, when both providers and recipients of services are educated in mental health principles, we increase the likelihood that communication between them will improve and that more appropriate services will result. The predominant community can be helped to understand and relate to the problems of minorities through the media, conferences, and lectures sponsored and developed by mental health consultants.

Secondly, consultation with other professionals providing mental health services to Hispanos offers a wide opportunity for positive intervention. By sharing knowledge and culturally relevant approaches with community agencies, we can further sensitize them to Hispanic needs and gain a better chance to take part in the design of service programs that these agencies underwrite—programs that can significantly ameliorate the stressful environment of many families and children.

At another level it can be very important to collaborate with advisory groups that report to the Executive branch of State government. One such example is afforded by the new Title XX program. We should work with task forces for Hispanos that study needs and suggest ways that programs can address needs and receive assistance under the State plan for comprehensive services to families, adults, and children.

Although much of the intervention described thus far has related to modifying the attitudes of providers vis-a-vis Hispanos, at the same time we need to help one another work more constructively with providers. There are examples today in the community at large where Hispanic consumers are invited to help in the planning for services. Hispanic families are also being invited to participate in the development of services for broad groups in their own communities.

We Hispanos need to encourage this cooperation on the part of our professionals, paraprofessionals, and consumers. In this way, we can serve as a linking agent, assisting in the breaking down of language and cultural barriers which often exacerbate gaps in services that are desperately needed.

In the long run we must be concerned about training manpower to better relate to the problems of Hispanos. Such manpower should be bilingual and bicultural, and specifically, be trained to act as linking agents between staff and recipients in human service systems. Such highly trained specialists can work with other personnel who combine mental health knowledge and skills with expert knowledge of Hispanic values and language. These trained professionals and paraprofessionals can gather accurate, pertinent data in problem areas and communicate this information to other service personnel or program planners who are not as familiar with the ramifications of language or culture in assisting Hispanos.

And finally, we Hispanos have a continuing need to gather and analyze data to sustain the scientific, systematic development of human services. Research is an indispensable tool if we are to determine what services are being used and why, and what are the most appropriate means for providing services to Hispanic populations.

SUMMARY

The delivery system for mental health services must develop greater sensitivity to the psychological and sociological concerns of Hispanos.

Serious problems arise when individuals entering new situations attempt to adapt to the social matrix of an alien culture. Self-esteem levels are strongly influenced by interactions with representatives of the social systems of this culture—teachers, welfare workers, employers, the police, and judges, In these cases, inherent cultural conflicts aggravate the distress already felt from psychosocial dysfunctioning.

The mental health worker has the challenge and the opportunity to intervene in stressful situations, especially by directing his or her activity toward preventing the occurrence of mental disorder.

In making this effort relevant to Hispanic communities, mental health workers have at their disposal a growing body of knowledge and skills to develop and practice. Utilizing this knowledge and these skills will require increased input from Hispanic professionals, paraprofessionals, and consumers of services in both the design and implementation of service programs and ongoing research.

THE NEED FOR A NEW TANK

Mr. TAFT. Mr. President, I call to the attention of my colleagues an excellent editorial from the Wall Street Journal of August 12, "The Tank Dilemma."

The editorial notes that there are a number of questions which can be asked relating to which tank we should acquire. But it also argues quite persuasively that we do need a new tank.

Mr. President, I ask unanimous consent that this editorial, "The Tank Dilemma," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 12, 1976]

THE TANK DILEMMA

The U.S. Army is undertaking the laborious business of selecting a new main battle tank to replace the aging M–60, and this process has been much in the news recently as a result of the agreement to standardize important parts of American and German tanks. The agreement adds complexity to an already terribly difficult and technical decision.

The first, and easiest, point to deal with is the claim by some politicians and journalists that we may not need a new tank at all. The contention is that technological advances are making the tank "obsolescent," that precision-guided munitions such as laser-directed "smart bombs" and improved hand-held anti-tank weapons are denying tanks mastery of the battlefield. In a letter asking for a General Accounting Office review of the question, for example, Senator Thomas F. Eagleton cited the tank losses to anti-tank weapons in the Yom Kippur war.

The notion that these casualties make the tank obsolete is not supported by informed accounts of that war. On the Golan front, massed Syrian tank-infantry attacks were blocked by tank-infantry defenders until the reinforced Israelis successfully counter-attacked with conventional tank-infantry tactics. On the Sinai front, the initial Israeli response was a premature tank attack without the infantry support called for by conventional tactics. This attack was badly punished by Egyptian anti-tank weapons. But once the Israelis provided an infantry screen to suppress anti-tank fire, they drove off Egyptian assaults and counter-attacked across the Suez Canal.

The Yom Kippur war demonstrated, in fact, improved surface-to-air missiles make the battlefield much more dangerous for tank-killing aircraft. The best way to kill a tank is still with a tank.

If we needed any further justification of the desirability of a main battle tank we have only to look at the equipment of foreign armies. According to London's International Institute of Strategic Studies, the Soviets have 40,000 first line tanks compared with our 8,500. In the simmering Middle East the Israelis deploy 2,700 tanks while their Arab adversaries have 7,000.

The only serious question is which tank to procure—the winner of the XM–1 competition between GM's diesel-powered version and Chrysler's gas-turbine prototype or the German Leopard II? The evaluation of the two U.S. versions has been completed, but not published, and evaluation of the German version will begin in September.

Although the Army maintains that the Leopard will be given equal consideration with the U.S. contenders, most observers of the military are skeptical about its impartiality. The economics factor sometimes cited is a false issue, because the Leopard would be manufactured in the U.S. if selected. But there are precedents for believing that the decision will be biased for the domestic design because of national pride and a long record of hostility to weapons "not invented here."

Defense Secretary Rumsfeld's agreement with the Germans is intended to meet this criticism, though it raises the question of why the trials should be held at all. It in effect directs the Army to go back to the drawing board to redesign the American contenders so that they have more interchangeability with the German tank in several key components, particularly the main gun, engine, and tracks.

Tank design is necessarily an extremely complex business. Obviously a big gun and heavy armor are desirable, but these are heavy, and weight reduces speed and maneuverability. A bigger gun usually means fewer rounds for that gun can be carried. The designer must also consider crew comfort, survivability of the tank if hit, how big a target it is, reliability, repairability, not to mention cost.

The equation is more complex if political considerations are factored in. Cooperation with the Germans on tank design is a signal to the Russians and a reassurance to ourselves that we take NATO seriously. This is worth quite a lot, and Mr. Rumsfeld believes it justifies additional cost and some delay in re-equipping our forces with new armor. Some members of Congress and some Army officials do not agree, putting more weight on the cost and especially the delay.

Serious men can disagree on which factors to stress, but we hope the parties to the decision will be able to thrash out their differences rapidly. And clearly, differences of opinion about which tank to choose should not be confused with the false issue of whether the U.S. Army needs a new tank or not.

SOUTH'S HALL OF FAME FOR THE LIVING

Mr. TALMADGE. Mr. President, Dixie Business magazine, edited in Decatur, Ga., by Mr. Hubert Lee, has named nine outstanding southerners to "The South's Hall of Fame for the Living," including Democratic Presidential nominee former Gov. Jimmy Carter.

All these men are distinguished leaders and dedicated citizens, and I bring to the attention of the Senate an article in Dixie Business on their selection. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOUTH'S HALL OF FAME FOR THE LIVING

(By Hubert F. Lee)

For "Distinguished Service to the South" the editors of Dixie Business have named D. W. Brooks, Jimmy Carter, Emory Cunningham, Hon. Sam Ervin, Jr., Rawson Haverty, George A. Mattison, Jr., Dillard Munford, Dean Rusk, and Jack W. Warner to the South's "Hall of Fame for the Living," the honor group limited to 200 Living Leaders, from which the "Man of the South" is named.

D. W. Brooks is the World's Foremost Agribusiness Leader and is chairman of Gold Kist Inc., Cotton States Mutual Insurance Co., and Cotton States Life & Health Insurance Company.

I remember when Mr. Brooks started Cotton Producers Association in 1933, now Gold Kist, Inc., the second largest Georgia-based Corporation, doing in excess of $1-billion a year.

The University of Georgia, where he graduated in 1922 and taught agronomy for 3-years, in 1972 released a film of "D. W. Brooks—A Great Georgian."

Others honored include: Hon. Carl Vinson, Biship Arthur Moore, William E. Dillard, Wally Butts, Benjiman E. Mays, Irvin S. Ingram, Lamar Dood, Virginia Callaway, John A. Sibley, and Robert W. Woodruff.

James L. Townsend, former editor of Atlanta and Georgia magazines, wrote an article on "Jimmy Carter: Definitely Not Peanuts" in the Georgia Tech Alumni Magazine. A cutline read: "Jimmy Who: A farmer, a businessman, a planner, a governor, and a Christian."

In my letter notifying Jimmy Carter, I wrote:

"You were nominated by Tresia Ivey, my 11 year old grandaughter.

"While you were governor, my phone rang one morning.

"Tresia, in a thrilling tone of voice, exclaimed:

"Pa Pa, Guess What?

"I saw the Governor last night.

"And he kissed me.

Emory Cunningham, president of the Progressive Farmer Co., was selected 1975 "Publisher of the Year" co-winner along with Richard Babcock, chairman of Farm Journal—by the Magazine Publishers Association, New York.

He joined DeWitt Wallace of Reader's Digest (who with his wife, Leila Acheson Wallace, were named "Great Americans" for 1972 by Dixie Business editors), Harry R. Luce of Time, Arnold Ginrich of Esquire and Norman Cousins of Saturday Review-World as recipients of the award.

His selection was announced in the Spring 1976 issue, which prompted Irving Beiman, "Dean of Business News Editors" to report in The Birmingham News for May 17, 1976:

CUNNINGHAM HONORED

Emory Cunningham, president and publisher of Progressive Farmer and Southern Living magazines, Birmingham, has been named to the South Hall of Fame for the Living by the editor of Dixie Business, Hubert F. Lee.

Lee pointed out also that Dr. Clarence Poe, who was editor of Progressive Farmer for 67 years, was named to the honor group.

Cunningham earlier this year received the 1975 Henry Johnson Fisher Award as "U.S. Publisher of the Year," from the U.S. Magazine Publishers Association.

Former Senator Sam Ervin, Jr. presented the "Man of the South" award for 1959 to the late Norman Cocke former Duke Power Co., president, at the Charlotte Country Club.

I can use the words of Rudyard Kipling to describe Sen. Ervin he used to describe Mr. Cocke:

"Leal servant, loved master,
Rare comrade, sure quide."

What more can I say about so great a man and friend.

Rawson Haverty takes the place of his father, the late Clarence Haverty, on the honor group.

When Sara Ivey, my daughter, graduated from Avondale High School, her first job was with Haverty's.

"She said Clarence Haverty was named because of his years of service and as the greatest merchant of our time."

Rawson's latest public service is as chairman of trustees of St. Joseph infirmary where he is spearheading a drive for a new plant adjacent to the Scottish Rite Childrens Hospital and the Northside Hospital.

"I assure you I am among the least qualified—but if I am to be named to a "hall of fame" I prefer a "hall of fame for the living," he wrote.

Past Imperial Potentate George Mattison, Jr., was sketched in 1940 in a big book "A Book of the South," edited by John Temple Graves, II, Ralph Nicholson, George Fort Milton, Ralph McGill and Millwee Owens, which noted:

"George Mattison, Jr. started his career in the automobile business and in 1919, became associated with his father in the organization of the Woodstock Slag Company.

I met George on a train going to Birmingport from Birmingham in the middle 30s and I am reprinting his sketch in Who's Who in America. . . .

Dillard Munford, chairman of Munford, Inc., is a real life Horatio Alger entrepreneur.

I attended his last stockholders meeting and liked that cool business way he has of making people happy.

In 1946, Munford got a $30,000 loan from RFC and started the Munford Co., to manufacture Rock Wool insulation, mostly for Sears.

In 1962 the Munford Co. merged with Atlantic Ice & Coal Co. which delivered ice and coal by mule drawn wagons until Robert W. Woodruff became sales manager in 1911 and decided to switch to trucks without consulting his father, who fired him in 1913 and he joined Walter White's Company where he was the nation's top salesman until 1923 when he became head of the Coca Cola Company.

In 1969, through merger with Jack's Mini Markets the name became Jackson-Atlantic, Inc. and in 1971 the firm became Munford, Inc.

Dean Rusk takes the place of the late Cordell Hull on the honor group and ranks in history as one of the nation's greatest secretaries of State.

On July 1, 1976, he was dubbed an Honorary Knight Commander of the British Empire; on May 9, 1976 was given an honorary doctor of political science by Presbyterian College; on April 5, 1976, Senator Herman Talmadge presented a $1,000 to the Woodrow Wilson International Center in honor of Dean Rusk at the Smithsonian Institute in Washington.

I know Dean Rusk best as the kid brother of Parks Rusk, who was a star reporter on the Constitution in 1921 when he was helpful to me as a cub reported and a friend since.

Jack W. Warner was named to the Alabama Academy of Honor for his outstanding public service and his leadership.

When the Alabama Business Hall of Fame was established at the University of Alabama in 1974, Jack's mother, Mildred Westervelt Warner (1893–1974) was one of six enshrined, along with Braxton Bragg Comer, Thomas Wesley Martin, Edward Aubert Roberts, Benjamin Russell and Frank Park Samford.

Two of the greatest "Man of the South" dinners honored paper manufacturers—Ernest Kurth at Lufkin, Texas, in 1949 and Reuben B. Robertson in '50.

His father, the late Herbert D. Warner, and I were on the same speakers platform in the 30s.

INTERNATIONAL MONETARY FUND: THE INFLATION/AID MACHINE

Mr. HELMS. Mr. President, in January, Secretary Simon signed an agreement at the International Monetary Fund—IMF—meeting in Jamaica, which put the IMF stamp of approval on the present system of floating exchange rates: a system in effect since the United States suspended convertibility of the dollar into gold for balance-of-payments transactions in 1971.

Although a number of nations led by France favored a return to stable exchange rates, the IMF, with U.S. encouragement, has institutionalized the present nonsystem of international currency exchange. The floating system already has shown its weakness: the lira and pound crises being the two greatest examples, but the franc and the Danish kroner have also been subject to great fluctuations.

The IMF also agreed in Jamaica to sell off one-third of its gold reserves, or 50 million ounces. One-sixth will be sold back to the nations who initially contributed the reserves at the "official price," $42.22 per ounce, and one-sixth will be sold at public auction: The profits of such sale going into a new "trust fund" for loans to "less-developed countries"—LDC's.

The LDC's which will receive assistance include the Communist Vietnam dictatorships. Idi Amin's Uganda, and numerous other petty dictatorships in the world—many of which cannot get American assistance under present law. They will get a great deal of American assistance under the IMF agreement.

The United States contributed approximately 48 million ounces of gold to the IMF, or 25 percent of its stock. The sale of 25 million ounces will mean a sale of approximately $700 million of American gold being used for foreign aid; purposes not contemplated when Congress authorized the transfer of gold holdings to the IMF. This gold sale has already begun, and it seems that Congress cannot stop it.

A loophole in the IMF charter was used to avoid the necessity of obtaining congressional approval for this new foreign aid venture. The loophole that the IMF used—again with U.S. approval—was something called the "scarce currency clause"—a provision of the IMF charter which states that the IMF can sell off its reserves if certain currencies are declared to be in scarce supply. However, the IMF has made no attempt to demonstrate conformity with the letter or the spirit of the scarce currency clause. It is a recognition that this gold dumping scheme would not be allowed if the legislatures of various members, and particularly, the Legislature of the United States of America, had to approve the gold selling scheme.

In a study prepared by the American Law Division of the Congressional Research Service, it is shown that in spite of the tangled arguments made by the Treasury Department, the enabling portion of the IMF Articles of Agreement, article VII, section 2, "does not appear to give the specific or implied power for the proposed disposition."

However, Senators TAFT and RIBICOFF have introduced a bill which would direct the Secretary of the Treasury—the U.S. representative to the IMF—to oppose future gold sales without Congress OK.

The House of Representatives has already approved the amendments to the Bretton Woods Agreement. Unfortunately, proposals to improve the bill were defeated.

The reasons Congress has been asked to consider the bill are numerous. The most obvious is that the present Articles of Agreement do not recognize the present system of floating exchange rates. Today's system of day-to-day changes in international currency values requires formal recognition by the IMF bankers.

In the minds of many economists, the present situation is a condition of international financial anarchy and the IMF is now without purpose. It can only act as a provider of foreign aid, and this is why added changes in the IMF charter are needed. International liquidity has mushroomed in recent times and it is difficult to imagine the need for added liquidity. However, private sources of liquidity—credit—charge competitive rates. The IMF does not. The IMF charges rates in its normal operations near its cost of capital and it can raise capital with Government guarantees.

For example, if the United States raises money for use by the IMF, the Treasury loans the IMF money, and the bill before the Senate asks for a $2 billion lending authority, the Treasury has to borrow that money at the going rate for Treasury bills. But, of course, that is far below the going rate for private loans negotiated through the private market. This difference in interest rates is nothing less than a subsidy to those who come to the IMF window. In the majority of cases, it is a subsidy from the developed nations to the less developed. It is done without specific congressional approval.

The trust fund being established will have "concessionary" loan terms, meaning that its so-called loans will be even bigger transfers of wealth from the developed to the less-developed nations.

In order to provide more funds for the IMF's regular loan authority, authorization is needed to increase the U.S. quota by 25 percent. This will require the pledging of 1.7 billion SDR's or approximately $2.0 billion. No appropriation will be required for this operation: the Federal Reserve System will merely credit the IMF's acount at the Fed, thus "creating money" for IMF use in balance-of-payments transactions. Treasury officials deny that this is a "printing press" operation, but increasing the IMF quotas will clearly increase international liquidity, thus, resulting in inflationary pressures at home and abroad.

The delegation of U.S. resources to the IMF used to be via the budgetary process. In years gone by, authorizations were approved and then appropriations were made for the U.S. subscription to the fund. For example, the Treasury, Post Office, and Executive Office Appropriations Act of 1966 had a $1.035 billion appropriation in it to increase our quota in the IMF.

Congress took it out of the budget on the grounds of the recommendations of the President's Commission on Budget Concepts, just about the time people began talking about "full employment budgets," "unified budgets," and related number-juggling operations.

Now, Congress is restudying the budget processes and I believe we should put these figures back into the budget. We have the International Development Association in the budget, we have the Export-Import Bank in the budget, and we should put this agency back into the budget. The effects of the use of these resources is identical to the effects of appropriated resources. If an animal looks like a horse, acts like a horse, smells like a horse, and sounds like a horse, it makes little sense to call it a cow.

Legislation is also required to drop the "official price" of gold, presently $42.22 per ounce. This is part of the effort to demonetize gold: Replacing gold in international transactions with special drawing rights—SDR's. This paper exchange medium, like all paper money is worth the same amount as the promises of the politicians who issue it. In this case, it is worth the promises of politicians of 16 major nations—all of which have experienced currency debasements of record proportions in recent years. If the central banks of the major nations whose currencies make up the SDR, could agree to keep all respective currencies stable, we might trust SDR's to be worthwhile medium of international exchange. As it is, central bankers cannot even agree on a common rate with which to inflate their currencies.

The weakness of the Jamaica agreement was further illustrated recently in Basle, Switzerland, home of the central bankers' bank, the Bank for International Settlements—BIS. The central bankers of France, Switzerland, Holland, Belgium, and even Italy decided to buy gold bullion when the IMF gold is auctioned off. This is in direct conflict with U.S. understanding of the Jamaica agreement which states that the gold stocks of the major nations in IMF are not to be increased. According to Barron's weekly financial newspaper:

> Johannes Witteveen, director of the IMF, stayed away from last week's meeting of central bankers in Basle because it would have been unseemly for him to actually be present while central bankers completed their plans to thwart his demonetization operation.

In addition, the Jamaica agreement stated that there will be no government action to stabilize the price of gold, yet Barron reports:

> One is entitled to suspect that the European central bankers also infringed the agreement by fixing (in the presence of Arthur Burns, incidentally), the price at which they will buy gold. If the metal is being bought by government owned banks at a price arranged by international accord, in what sense is gold being demonetized?

A very good question, and perhaps one that can only be answered in this way: As long as rational men have reason to distrust paper currency, they will seek an alternative stable store of value and traditionally that has been and remains, gold. Gold cannot be "demonetized."

The IMF, in a period of floating exchange rates, is in a very real sense, a paper tiger. Some have said that this is the reason the IMF has adopted the trust fund foreign aid scheme; as sort of a means to perpetuate itself. Certainly the last thing we need is another foreign aid agency, and particularly, one that attempts to cloak its activities under the guise of international monetary stability.

The Bank for International Settlements can serve the purposes of an international currency clearinghouse, and it has shown far less of a proclivity to base its decisions on political rather than fiduciary reasons.

Unless nations adopt sound monetary policies, no international institution will be able to prevent regular devaluations, speculation on the direction of currency valuations and the incentives nations have today to inflate. In other words, in a system of stable exchange rates, an international clearinghouse could serve to prevent those things which characterize the system we now have.

I should point out that the new IMF agreement emphasizes "conditionality," a banker's term for attaching strings to the IMF loans. The U.S. Treasury contends that IMF will impose strict requirements on nations seeking to use IMF resources for balance-of-payments purposes. Critics point out that such conditions are meaningless in a world which no gold reserves are pledged to the integrity of a currency. In fact, with the IMF standing ready to finance balance-of-payments deficits, nations are faced with greater, not smaller, incentives to inflate. The poorer nations, who need stable economies to encourage investment to promote the economic growth, and who lack the intestinal fortitude to adopt non-inflationary policies, will be given long-term, low-interest rate loans from the new "trust fund," making inflation seem less costly to them, and allowing them to continue inflationary policies.

Congress oversight role in the administration of U.S. participation in the IMF has been far too limited. All too often bureaucrats in the Treasury Department have been allowed a free hand in administering our role in this organization. However, increased recognition of the importance of monetary policy, both internationally and domestically, has focused new light on the IMF. It is time that some hard questions are answered. The present Treasury line does not do the job.

SAD LOSS IN MEXICO

Mr. KENNEDY. Mr. President, I am deeply concerned by recent events at a leading Mexican newspaper, Excelsior. What disturbs me most is the possibility that it was the independent, inquisitive, and tough-minded reporting and editorial commentary of that newspaper under its distinguished editor, Julio Scherer, which fired the wrath of the Mexican authorities.

I long have had a great respect for the vigor of the intellectual and cultural spirit of the Mexican people, a spirit which Excelsior has been reflecting over recent years. It would be tragic if the takeover of Excelsior is permitted to stand. It would be even worse if it becomes a prelude to further restrictions on a free press in our great neighbor. I am hopeful that is not the case. The most recent news of the possibility of the creation of a newspaper, led by Mr. Scherer, is somewhat more hopeful.

As in this country, the need to restore and reinvigorate political institutions is never at an end, and a free and healthy and critical press is crucial to that revitalizing process.

I ask unanimous consent that a letter from the former chief correspondent of Excelsior here in Washington, Armando A. Vargas, as well as news articles on this subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JULY 13, 1976.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. KENNEDY: This letter has the purpose of informing you that as of this date I have resigned from my position as Chief Correspondent of Mexico's daily newspaper, Excelsior. The attached clippings speak for themselves.

On July 8, 1976, the freedom of the press as well as the dignity and integrity of hundreds of professional journalists suffered a devastating blow. . . .

The liberal editors, who for the last eight years have been trying to expand both the freedom of information and of opinion, were betrayed by a minority of conservative workers who succeeded in manipulating a number of the workers on the production staff. This minority, encouraged and supported by the Government of Mexico, the official political party of Mexico, and with the undeniable blessing of the President of Mexico . . . implies enormous and terrible consequences for the Mexican social and political systems.

The eminent poet, Octavio Paz, who until that ill-fated day was the editor of Plural, the monthly literary magazine published by Excelsior, told me—"The transformation of Excelsior into a loudspeaker for the applause and eulogies to the powerful is a signal that the authoritarian shadow of darkness, already covering most of our Latin America, is advancing upon Mexico."

I was in Mexico from Wednesday, July 8, through Sunday, July 11. I lived through those tragic events. I remained with my colleagues and friends, witnessing the murder of a newspaper which up until then had been a proud example of what a free journalistic institution should be.

I refuse to be used as a legitimizer of this crime against freedom. I have a family. I am in a foreign country. I have no fortune. But dignity, integrity, and solidarity are concepts in which I believe as strongly as I despise their perversions.

Today I proudly join the ranks of the millions of unemployed, along with hundreds of my dear colleagues—editors, reporters, foreign correspondents, columnists, and photographers—who live and abide by the same principles and values which are cherished by any person who truly believes in freedom and democracy.

Sincerely,

ARMANDO A. VARGAS.

[From the Washington Post, July 14, 1976]

THE MAN WHO KILLED EXCELSIOR

President Luis Echeverria Alvarez of Mexico has chosen a strange way to call attention to his final months in power. He has just managed to liquidate his country's one important independent center of political criticism, the newspaper Excelsior. According to reports from Mexico City, he is personally behind the crude economic pressures and the nasty strongarm tactics which resulted in the ouster of Excelsior's editor, Julio Scherer, and some 200 of his leading staffers. About the only major question still in dispute in this episode is whether President Echeverria acted out of hostility to the newspaper's tangy criticism of some, not all, of his policies, or whether he acted—equally squaledly—to advance his new financial interest in a competing newspaper group.

This is not just another Third World situation in which a tinpot dictator seeks to close out alternative institutions and ideas. For Mexico is no ordinary Third World state. It is a country which, for all its economic disparities, has sustained a sophisticated "Western" intellectual and political life. The plain proof lies in the publication of a newspaper like Excelsior—the *old* Excelsior—and in the stability of a system which allows for the orderly rotation of political power. At the top, at least, Mexico has benefitted enormously, in terms of political dialogue and self-image alike, from cultivating this tradition. It has been a valuable substitute for a two-party system. Mexico has only one party and it has been a source of cultural vitality. In the past, Mr. Echeverria himself has contributed importantly to it. As he prepares to step down, does he really want to be remembered as the man who killed Excelsior?

[From the New York Times, July 13, 1976]

MEXICO'S NEW PRESIDENT * * *

José López Portillo has, as expected, been elected overwhelmingly as the new President of Mexico to succeed Luis Echeverría Alvarez next Dec. 1. It would miss the point to emphasize the obvious: Mr. López Portillo was the only official candidate and his triumph was a foregone conclusion.

More important, in Mexico's unique circumstances, is the fact that he spent many months campaigning throughout the country, selling himself as though he had immediate opposition and seeking to get a feeling for the nation's problems as seen from the grass roots. One result of his intensive effort may have been his success in reversing the hitherto rising trend of abstention from voting, which had previously suggested a growing alienation of the citizenry from Mexico's ruling Institutional Revolutionary Party.

Mexico's basic long-term problem, with which Mr. López Portillo will have to struggle, is the population explosion. Here is a classic case of a nation whose death rate has been reduced sharply by modern advances in public health and medicine while its birth rate continues extraordinarily high. The result is a rate of natural increase sufficient to double the population every 20 to 25 years.

The corollary of that rapid population growth is a nation that has an extraordinarily large percentage of children and adolescents, as well as increasing numbers of young people coming of age annually and requiring jobs whose availability cannot be increased as rapidly as the growth in population. The result is a huge rate of unemployment and grinding poverty in much of the nation's rural areas as well as in the extensive and rapidly increasing urban slums.

In these conditions the surprise is not that there have been signs of political dissidence, as in the student explosion of 1968, but that the ruling party has been able to retain as much stability as it has.

President Echeverría rode the stormy waves of Mexican political life the past few years by appropriating as his own the symbols of radicalism, loudly proclaiming his devotion to the third world and his advocacy of a basic redistribution of the world's wealth between the haves and the have-nots.

Useful as this political rhetoric may have been to him, its negative result was to scare off potential foreign investors as well as to frighten Mexican entrepreneurs. Yet large-scale and rapidly increasing capital investment is badly needed if Mexico is to have the jobs, the housing, the public utilities and the other essentials required to give its growing population even a minimally satisfactory standard of living.

The challenge facing Mr. López Portillo when he takes over the presidency is to exhibit the political skill essential to contain the nation's internal tensions, while making possible the more rapid economic development required to meet the Mexican people's material needs.

* * * Loses a Free Press

President Echeverria's term has only a few more months to go; but his Government has just taken a fateful step whose consequences could be felt long after he is out of office. That step is the silencing of the most important independent journalistic voice of Mexico, the newspaper Excelsior. The paper itself continues to appear; but all that made it fresh, interesting and valuable in a democratic society has vanished to be replaced by conformist attitudes that would never have had a chance in the previous, genuine Excelsior.

The manner in which this journalistic coup d'état was carried out is particularly disturbing. For months a propaganda campaign was directed against Excelsior. Government-tolerated—and almost certainly Government-encouraged—squatters were permitted to seize a large and valuable tract of land the newspaper owned. Then, almost immediately after the presidential election, a well-financed rebellion was organized within the paper's staff to create a situation in which the editors risked armed conflict if they sought to carry out their normal duties.

The editors bowed to the threat of force and quit their employment. The bully boys of Lenin in 1917 or of Hitler in 1933 could not have done a more efficient job of enslaving a once proud and free newspaper. But this act of totalitarian suppression discredits those who now boast of Mexico's stability and democracy; while it presents a moral challenge of the first magnitude to President Echeverria's selected successor.

[From the Washington Post, July 11, 1976]

Coup at Mexican Paper Smothers Prominent Voice of Dissent

(By Marlise Simons)

Mexico City, July 10.—The dramatic conservative palace coup in Mexico's leading independent newspaper, Excelsior, has stunned the country's political and intellectual circles since it has, in effect, smothered Mexico's main critical forum.

The surprise is all the greater since there is overwhelming evidence that the reform-minded government of President Luis Echeverria itself engineered the removal of Excelsior's liberal editor and his senior assistants.

The move came only four days after Mexico's voters approved Jose Lopez Portillo as their new president in an uncontested election July 4. Lopez Portillo, Echeverria's handpicked successor, takes office Dec. 1.

Over the past five years, Echeverria has frequently encouraged "constructive criticism" by the press and just last week he noted that greater freedom of expression was one of his administration's main accomplishments.

Only Excelsior and its three magazines, however, took full advantage of the relaxation of traditional controls and constantly sought to extend the boundaries of press freedom.

Not only did its younger reporters delve into previously ignored social problems, but its editorial writers and independent columnists also began criticizing the government's economic policies often with a directness unknown here for more than five decades.

Under the leadership of the now-deposed editor, Julio Scherer, 50, the newspaper gained a reputation as one of the most prestigious publications in Latin America as it attracted the country's learning intellectuals to write on its pages and even poet Octavio Paz to edit its literary magazine.

Its daring liberal view of domestic affairs and its frequent anti-Americanism also angered local and foreign businessmen and bankers to the point that they organized an advertising boycott against the newspaper in 1972. Among supporters of the boycott, which was abandoned as unsuccessful in changing Excelsior's policies after four months, were such U.S. companies as General Motors and Sears Roebuck.

For most of the past five years, Excelsior's Christian Democrat policies concurred with the government's own rhetoric on the abuses of over-concentrated wealth and the need for drastic social change.

On many issues considered taboo, however, Excelsior also attacked the government, noting for example that it had repressed independent union activity, that it was unwisely sustaining an over-valued currency and that it had failed explaining the violent deaths of 30 students in June 1971.

Last fall, the administration became angered by Excelsior's criticism of its handling of foreign policy, particularly on the issues of Spain's execution of several Basque terrorists, which the administration condemned, and of Mexico's support for a U.N. resolution equating Zionism with racism. The resignation of Foreign Minister Emilio Rabasa last December was directly related by observers to Excelsior's attack.

Since then, a broad propaganda offensive has been launched against Excelsior in the country's media, with growing evidence of government involvement in the campaign. One official was even quoted as complaining that "we gave you press freedom and now look what you do."

At first, Excelsior did not recognize the attacks as the first skirmishes of a battle for its editorial independence. Even after a 215-acre property owned by the newspaper was invaded by a group led by a government politician June 10, Excelsior withheld an open denunciation of the campaign for fear of exacerbating the situation on the eve of the general elections.

Then, a small group of conservative reporters, led by the editor of Excelsior's afternoon edition, Regino Diaz Redondo, began agitating among printers and arguing that Scherer and his group were threatening the survival of the newspaper.

This week, when it became known privately that Diaz Redondo was coordinating his campaign with senior officials of the Interior Ministry and that he had ample funds with which to assure cooperative members' votes, Excelsior executives finally realized that the government was fully determined to oust Scherer and his group.

The night before the decisive meeting of the paper's members on Thursday, the right-wing group took over the presses and forcibly prevented publication of a full-page advertisement signed by 50 leading intellectuals giving their support to Scherer and denouncing the campaign against freedom of expression.

After the dissidents held their minority assembly and voted the suspension of the editor and six other senior staff members, more than 200 reporters and photographers joined Scherer in walking out rather than face a violent battle for physical control of the editor's office. The rebels, so the management said, had brought in outside aid for the takeover.

Excelsior executives are linking the government's efforts to weaken the paper's political strength to the formation of a massive new newspaper group three months ago. At that time the daily El Sol was brought from the government and the El Universal group was brought from its previous owners. Industry sources maintain that one of the principal shareholders of the new group—known as the Mexican Editorial Organization—is President Echeverria.

[From the New York Times, July 11, 1976]

Mexican Editors Are Deposed

The editor and senior staff members of Excelsior, Mexico's most liberal and independent newspaper, have been abruptly removed by conservative employees, possibly with tacit Government support. The editors fled the paper's offices rather than risk a confrontation with the other group, some of whom were said to be armed.

Under the deposed editor, Julio Scherer Garcia, Excelsior had pursued an editorial policy urging social reforms at home and a more independent policy abroad. That was generally in line with the policies of the outgoing Mexican President, Luis Echeverria Alvarez, but in recent months the paper and the Government have been in conflict over such matters as Mexico's support for a United Nations resolution equating Zionism with racism.

Most analysts suggested that it was to curb this independence that last week's action was taken. But others linked the action to the growth of a newspaper group, the Mexican Editorial Organization, which is partly owned by Mr. Echeverria and close aides. The weakening of Excelsior would presumably improve the competitive position of the new press empire's 37 papers.

[From the New York Times, July 10, 1976]

Paper in Mexico Ends Liberal Tone—Conservative View Appears Following Editor's Ouster

(By Alan Riding)

Mexico City, July 9.—Excelsior, the independent newspaper that was seized yesterday by its conservative employees, appeared today with its traditionally liberal view of Mexican affairs replaced by a conservative outlook.

The conservative dissidents, who last night ousted the editor of the newspaper cooperative, Julio Scherer Garcia, and some 200 of his top staff, were apparently encouraged and assisted in their move by the Government of President Luis Echeverria Alvarez.

In a long editorial today, the new leaders of Excelsior said they would continue to inform the people of Mexico "with truth and independence." They added that "the decision taken by the editorial policies we should adopt."

Nevertheless, the ousting of Mr. Scherer and his liberal associates is equivalent to the silencing of independent opinion in Mexico since Excelsior offered the only forum for serious analysis of the country's problems and for criticism of the Government's performance.

It is now expected that none of the intellectuals and political commentators who have written regularly in Excelsior over the past eight years will be published by the conservatives.

Octavio Paz, the poet, has resigned as editor of Excelsior's literary monthly, Plural, in protest of Mr. Scherer's removal.

The columnists who wrote on today's editorial page were either unknown or using pseudonyms, but all reflected a more conservative position. One writer called for a truce between Excelsior and the huge television empire, Televisa, that had joined the campaign against the former editor.

NO CLEAR EXPLANATION

The dramatic events of yesterday afternoon, when Mr. Scherer and his aides abandoned the Excelsior building for fear of a violent confrontation with the rebels, came as a shock to many Mexicans. They seemed unaware of the seriousness of the six-month propaganda campaign against Excelsior in newspapers and on radio and television.

Many Government officials also expressed dismay at the silencing of the newspaper's liberal editors, saying that Excelsior was the only daily that brought life and interest to Mexican journalism. Most newspapers here are run by conservative families that use their publications to promote their business interests. They are therefore careful to avoid clashes with the Government.

The reasons behind the ousting of Mr. Scherer are still not entirely clear, although evidence of the Government's involvement appears to be overwhelming.

In Mexico, a propaganda campaign of the kind directed against Excelsior generally takes place only with the approval of the Government.

The campaign was accompanied by the occupation of property owned by Excelsior by a group of squatters led by Humberto Serrano, a recently elected member of Parliament representing the governing Institutional Revolutionary Party. He said the occupation would end only on Mr. Scherer's removal.

In addition, the Attorney General, Pedro Ojeda Paullada, was quoted as having said that he could order the eviction of the occupiers only on what turned out to be the day after the rebellion at Exceislor.

POLICE FAIL TO ARRIVE

During yesterday's events, when the dissidents decided to take the editor's office by force and a gun-battle was feared, Mr. Scherer called for police protection. After one hour, the police had not arrived and the editor was forced to leave the building.

President Echeverria, who is due to hand over power to former Finance Minister Jose Lopez Portillo on Dec. 1, has frequently stated that one of the principal achievements of his Government has been to strengthen freedom of expression.

However some Mexican analysts who formerly wrote for Excelsior have suggested that Mr. Echeverria simply became irritated with Excelsior's frequent questioning and criticism of his Administration's economic and foreign policies. They also felt that, by encouraging a change in Excelsior's editorial policy, he might be forestalling further attacks on his performance after he leaves office.

But other Mexican analysts believe yesterday's events are linked to the recent acquisition of a 37-member newspaper chain by a new group which includes Mr. Echeverria among its principal shareholders.

These analysts said that the newspaper group, which is called the Mexican Editorial Organization, and includes the Mexico City dailies El Sol and El Universal, will provide Mr. Echeverria with his principal power base after December.

By weakening Excelsior both politically and economically—its current circulation of 170,000 per day is expected to drop sharply in coming weeks—industry sources believe the new group should assume a relatively greater role in Mexican politics.

[From the Washington Post, July 10, 1976]

MEXICAN EDITORS DRIVEN OUT

MEXICO CITY.—A mutiny in Mexico's leading independent newspaper appeared to have succeeded yesterday as liberal editors and managers were ousted and conservative rebels produced their own version of Excelsior.

The conservative leader of the rebellion, now acting editor, Regino Diaz Redondo, said the newspaper would remain independent, and critical "for the benefit of the country, but in a human and elegant way."

The editor, Julio Scherer Garcia, and top staff of the newspaper abandoned the Excelsior building Thursday night in face of strong threats of violence provoked by the rebels. Staff members have accused the government of supporting the takeover in order to silence its criticism.

The editors said that even if they had stayed in the building, the paralysis of the presses by the rebels would have made their work impossible.

Excelsior is a cooperative and the ousted majority called for a new assembly July 21. But the Diaz Redondo group said it will refuse to participate, claiming the take over was supported by two thirds of the membership.

[From the New York Times, July 9, 1976]

REVOLT RENDS A LEADING MEXICAN DAILY

(By Alan Riding)

MEXICO CITY, July 8.—A conservative faction inside Mexico's leading liberal newspaper, Excelsior, is trying with the apparent support of the Government to overthrow the daily's editor and senior staff members.

Early this morning, about 50 members of the conservative group entered the printing shop and stopped publication of a full-page advertisement signed by well-known intellectuals giving support to the editor. The page was left blank in the morning edition.

Since the newspaper is a cooperative and the posts of editor and managing editor are subject to election, a meeting of members was called by the conservative faction for today to vote out the editor, Julio Scherer Garcia, and the managing editor, Hero Rodriguez Toro.

SEPARATE MEETING HELD

But minutes after the meeting began, the Scherer group walked out after a disagreement over procedure and held a separate assembly in the crowded newsroom at which it claimed to have the support of 812 of the 1,302 cooperative members.

The conservative group, led by the editor of Excelsior's afternoon newspaper, Regino Diaz Redondo, then voted the expulsion from the cooperative of the editor and managing editor even though its meeting lacked a quorum.

Mr. Scherer's supporters, on the other hand, have called a new meeting for July 21 at which time they plan to expel Mr. Diaz Redondo's group. They were also warned to prevent the conservative members from carrying out their plan to occupy the editor's office.

Mr. Scherer, who has moved Excelsior to a more leftist and independent position in his eight years as editor, told reporters that the campaign was not directed at him personally but rather was aimed at forcing a change in the newspaper's editorial policy.

Behind this internal dispute, however, is an apparent effort by the Government of President Luis Echeverria Alvarez to silence the country's only outspoken critical newspaper.

Although for most of the current administration Excelsior and the Government have agreed on the need for sweeping social reforms at home and a more independent foreign policy, the newspaper's editorials and columns apparently began to annoy the regime late last year.

UNDER HEAVY ATTACK

Strong criticism by Excelsior of Mexico's support for a United Nations resolution terming Zionism a form of racism, for example, led to the dismissal of Foreign Minister Emilio O. Rabasa last December.

Early this year, the country's generally conservative newspapers, radio stations and television channels began to carry increasingly sharp attacks on Excelsior and even insulted the editor personally.

The latest crisis began June 10 when a group of slum dwellers, under the leadership of a politician belonging to the government party, occupied a 215-acre property that Excelsior was developing for middle-class housing.

The newspaper immediately turned to the authories to evict invaders, but while its title to the property and other legal provisions were found to be in order, no attempt was made by the Government to return the property to the newspaper.

FINANCIAL AID CHARGED

At the same time, agitation within the newspaper began to grow, with Excelsior officials asserting that large sums of money had become available to the conservative group to buy the votes of some cooperative members.

While the dispute appears to be largely related to Excelsior's independent position in Mexican political affairs, some well-placed political observers have also linked it to the recent acquisition of a huge newspaper empire by the newly formed Mexican Editorial Organization.

According to reliable government sources, this organization, which now owns 37 newspapers throughout the country, including El Sol and El Universal in Mexico City, is partly owned by President Echeverria and several of his closest aides.

According to the political observers, the campaign against Excelsior also has the objective of weakening the country's most powerful newspaper and thus improving the competitive position of the new press empire.

[From the Washington Post, July 8, 1976]

MEXICAN NEWSPAPER THREATENED

(By Marlise Simons)

MEXICO CITY, July 7.—Executives of Mexico's leading newspaper, Excelsior, believe the government is sponsoring a campaign to force it to abandon its independent stance in Mexican politics.

The principal objective of the campaign appears to be the removal of Excelsior's editor, Julio Scherer, under whose leadership the daily's editorial policy has become more independent and often sharply critical of the government.

In Mexico, where the press is largely conservative and traditionally subservient to the government, Excelsior's liberal editorial line is considered provocative in both official and business circles.

The latest incident in the campaign was an illegal invasion and occupation on June 10 of property owned by Excelsior. The majority of the 300-strong invasion group are slum dwellers paid to occupy and claim the land as their own. They reportedly are led by a government party politician.

Even though the minister of agrarian reform has recognized that Excelsior's title to the land is valid, authorities have failed to evict the squatters.

The leader of the invasion, according to one Excelsior executive, is Deputy-elect Humberto Serrano, who has stated that he will only end the occupation after Scherer is dismissed as editor.

The newspaper is a cooperative, and Scherer's position is subject to popular election. A special assembly of the cooperative has been called Thursday, and conservative members of the organization apparently hope to oust the editor, who has held the post for eight years.

In an editorial today, Excelsior said it had decided to draw the public's attention to the case now that the presidential elections are over.

"The passivity of the police authorities and the district attorneys is alarming," the editorial said. "Almost one month after a number of crimes were committed and no one had lifted a finger to remedy the situation, we have to ask ourselves whether the government passivity is due to a lack of will or a lack of authority."

Excelsior executives say privately that, in the context of Mexican politics, the government's refusal to act against the squatters is equivalent to sponsoring the campaign.

After the invasion occurred, they point out, the local district attorney refused to record the newspaper's legal protest, saying he had "instructions not to receive complaints." In addition, the executives showed photographs of trucks belonging to the ruling Institutional Revolutionary Party and to the Ministry of National Patrimony delivering food and building materials to the leaders of the squatters.

The invasion of the 215-acre property south of Mexico City, which was being developed as a middle-class residential district, came as a surprise to the newspaper, although relations between Excelsior and the government had deteriorated in recent months.

During the first years of the administration of President Luis Echeverria, who leaves office Dec. 1, Excelsior generally supported the government's efforts at social reform at home and a more independent and anti-American stance abroad. Then it increasingly attacked the government for, inefficiency, corruption, and slow progress in eliminating social injustices.

Late last year, after the newspaper had sharply criticized the government's support for an anti-Zionist resolution at the United Nations and had effectively forced the resignation of Foreign Minister Emilio Rabasa, the government began to show signs of irritation with Excelsior.

The state-owned television station, Channel 13, canceled its advertising contracts with Excelsior. In the government's official newspaper, El Nacional, as well as in other Mexico City dailies, ad hoc committees spent thousands of dollars on advertising space criticizing Excelsior. These ads personally insulted editors and several of the paper's most independent columnists.

[From the Washington Star, June 27, 1976]

YES! A WAY OUT OF THE PANAMA IMPASSE

(By Clifford Hynning)

Must the United States either turn the Panama Canal "back" to the Republic of Panama, as President Ford says or keep it in United States hands forever, a la Ronald Reagan? Why not a third alternative of international control?

President Ford has been plainly uneasy over the American "commitment" to turn the Canal back to Panama, so much so, in fact, that he initially denied any such intent. The public record already made by Secretary Kissinger and Ambassador Bunker, presumably with the full authorization of the President, contradicted him embarrassingly.

But it is a tangled situation. The word "commitment" is loosely used, for it derives from no treaty or act of Congress. On the contrary, an impressive number of Senators are already on public record in opposition to any major treaty revision that would surrender United States control over the Panama Canal.

Governor Reagan's insistence on perpetual United States sovereignty over the Canal is equally shakey. The relevant treaties speak in terms of use, occupation and control, not ownership or conquest, vesting the U.S. with the rights "as if" the United States possessed sovereign power. True, much of the private property in the Canal Zone has been purchased by the United States from prior private owners, but that does not put the Panama Canal in the same category of national possession as the Louisiana Purchase or Alaska or the Florida settlement.

President Ford and Secretary Kissinger justify "the commitment" to negotiate a new Canal treaty, replacing the old treaties for the Canal and the Canal Zone, on the basis of public announcements tracing back to Presidents Nixon and Johnson. To some degree, the shades of Presidents Truman and Eisenhower are also invoked, not from anything either President did or said while in office, but because President Johnson later conferred with them over Panama. The real reason for the commitment is that successive Presidents have—with reason—feared that guerrilla attacks and revolutionary uprisings in Panama would endanger the continued functioning of the Canal. There is also the specter of UN condemnation (over a US veto?) and OAS solidarity behind the demands of Panama.

In the Joint Statement of Principles by Secretary Kissinger and Panama's Minister of Foreign Affairs on February 7, 1974, the Panama-U.S. Treaty of 1903 would be abrogated; the concept of perpetuity would be eliminated and a new "fixed" termination date provided; United States jurisdiction over "Panamanian territory" would be terminated "promptly" and such territory "returned to the jurisdiction of the Republic of Panama."

In exchange, the United States would receive from Panama, "in its capacity as territorial sovereign," a *de novo* statement of a series of rights to use the lands, waters and air space for the operation, maintenance, protection and defense of the Panama Canal and the transit of ships. The Republic of Panama would be entitled to a "just and equitable" share of the benefits from the operation of the Canal, would participate in the administration of the Canal and would assume total responsibility for the operation of the Canal upon the termination of the treaty.

In a press release of September 20, 1975, the Republic of Panama made somewhat more explicit assertions to the effect that the U.S. had agreed with Panama that "There will be no Canal Zone Government. The Government and the administrative apparatus will disappear . . . no North American police . . . no North American laws, courts or judges . . . The Panama Canal Company disappears."

This would mean a distinct break in treaty continuity and the basic authority and controls exercised by the United States over the Panama Canal. Such a break is an invitation to mischief.

So far, the Republic of Panama and the U.S. have not agreed on the duration of the treaty. Panama puts the terminal date at the end of the 20th Century, while the United States proposed a 25-year period for the Canal treaty and 50 years for the defense of the waterway. These U.S. proposals have been "emphatically rejected" by Panama.

Yet, incredibly, the possibility of a third approach has been conspicuously missing from the public discussions. Why not replace the present arrangement with an international authority geared not merely to the interests of either Panama or the United States but to the long-range benefit of the whole region?

This third approach would require the United States to continue negotiations with the Republic of Panama, but on these points:

(1) On increasing Panama's current $2.3 million per year share of Canal revenues;

(2) On increasing American and multilateral aid programs for Panamanian development;

(3) On increased use of Panamanian nationals in the Canal; and

(4) On reducing frictions caused by the rigidities of Zonal administration, including the judicial system.

At the same time, the newly elected President should call upon the World Bank to oversee explorations of the feasibility of a new international organization to control the policies of the Panama Canal and eventually to operate the Canal for the benefit, not only of Panama, and the United States, but of the Western Hemisphere and the world at large. The World Bank would serve the purpose better than the OAS, and certainly the UN, for three major reasons. The World Bank is peculiarly qualified to resolve engineering, environmental, financial and economic issues arising out of the modernization and operation of the Panama Canal. Secondly, the World Bank has demonstrated its capacity to handle delicate problems without politicalization.

And, finally, the World Bank is an international institution respected and trusted by most of the nations of the world, including Latin America, to which approximately one-third of its loans are currently made.

It would be politically naive to expect anything acceptable to the United States to come out turning the Panama problem over to the United Nations, with the mischief-making potential of the Communist bloc in that body. Yet what happens to the Panama Canal is important to Europe, Asia and Africa as well as to the Western Hemisphere.

The goal would be to set up an entity closely associated with the World Bank and able to draw upon its financial and engineering resources. The principal purposes of this new entity would be:

To provide political guarantees for the continued operation of the Panama Canal in the service of the world community;

To fix Canal rates with due regard to the interest of world shipping and the claims of Panama;

To maintain, modernize and enlarge the Canal; and

To plan for constructive use of Canal revenues.

The arrangement should provide that a fixed minimum of Canal revenues should be turned over to Panama as "riparian" owner of the land and waters which constitute the Canal, the balance of the net Canal revenues being made available to the World Bank for loan and development projects.

In transferring to this new international entity its rights and possessions in the Canal Zone, the United States would not be making concessions on treaty rights.

There would be an orderly transition from the old treaties to the new international regime, without a surrender by the United States of its treaty control of the Panama Canal to the Republic of Panama. The Republic of Panama would benefit not only from the bilateral changes negotiated directly with the United States but also from the continued growth of the Panama Canal as a vital oceanic communication.

In other words, this is a way to turn a struggle that could only damage both the United States and Panama into a situation where everybody wins.

REDS IN THE CARIBBEAN

Instead of worrying about Cuban domination of the Caribbean, Luers suggested, Congress should be exploring ways to help these island-nations modernize their economies.

The State Department official said the United States should not be unduly alarmed by the fact that an increasing number of Caribbean states are committing themselves to far-reaching social and economic change, including the nationalization of industries, and looking to Cuba for assistance.

The encouraging thing, Luers said, is that, for all their radical economic and social policies, the governments of Jamaica and Guyana have shown "no inclination to violate the basic human rights of their people, and they have shown respect for international legal norms in their efforts to reorganize and redirect their economies."

Luers and Jamaica and Guyana seem "zealously interested in preserving their hard-won status of independence" and are not likely to succumb to new masters, Cuban or otherwise.

While it is true that Prime Minister Burnham has expressed his admiration for Castro and what he views as some of Cuba's major achievements, he has made it clear that his country's political and economic development will not be modeled specifically on any other government.

Jamaican Prime Minister Michael Manley

has taken a similar position. Jamaica's democratic system is non-Communist and its economy is still geared almost completely to trade with non-Communist nations. And Manley has consistently promised to preserve Jamaica's parliamentary system and strong tradition of a free press and respect for individual rights.

U.S. officials acknowledged that Luers' carefully prepared remarks to the subcommittee signal an important turning point in Washington's attitude toward the Caribbean.

An independent Jamaica or Guyana finding its own path to social and economic progress is no longer perceived as a threat to U.S. interests in the hemisphere.

THE WORLD QUESTIONS DANIEL GEARHART'S EXECUTION

Mr. MATHIAS. Mr. President, Daniel Gearhart is dead and buried. He died before a firing squad in Angola after 3 days in that country and without inflicting any injury on a single Angolan. Although his judgment in being there at all may be faulted, it is hard to see how he earned the death penalty.

This question arises in many parts of the world among people who were not, like ourselves, his neighbors and fellow citizens. An example is an editorial from LUTA, published in Lisbon, Portugal, on July 10, 1976. By way of locating the political position of the editors of LUTA, I understand that they usually support Socialist causes. Their view in this matter has therefore, a high degree of objectivity and interest.

I ask unanimous consent that an English translation of the article be placed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

THE POET'S REFUSAL

(Translated by Wesley Kerney)

Indifferent to the various appeals he received, the president of the young Peoples Republic of Angola confirmed the death sentence of four of the thirteen mercenaries recently tried in Luanda. Thus, it is possible that when reading these lines, the reader will be doing so after the firing squad has already carried out its dreadful task.

If, on one hand, we have to reproach any and all type of activity identical to that carried on in Angola by the now condemned mercenaries, it doesn't seem, on the other hand, that we can suppress a word of reproach on Agostinho Neto's latest decision. We didn't suppress it when Franco, cachectic dictator, turned a deaf ear to the voices that were raised against the murderous garrote. We hope to have the freedom to not keep quiet whenever anyone—mercenary or chief of state—disposes, at his pleasure, of the life of a single one of his fellowmen. There isn't one single valid argument to justify a man's killing another man, it doesn't follow that one crime justifies another crime.

Over and above all the rest, in the present case, Agostinho Neto would have certainly won over to his cause the empathy of the whole civilized world had he used the prerogatives of his office in order to set an exemplary lesson of humaneness and benevolence. And it wouldn't have been very difficult, especially for him: it would have sufficed that he let the sensitivity of the poet take precedence over the indifference of the politician. But, from appearances, Agostinho Neto didn't see it this way. Or might it have been all those who now surround him, in Angola or in the world? Despite the peace and harmony they preach to the four winds, there is still a surplus, on our troubled planet, of many hardened men to whom poetry is only tolerable when it rhymes with certain totalitarian ideologies or follows the devastating metrics of the rifle or howitzer. Agostinho Neto could have written his most beautiful poem. Too bad.

THE NATIONAL FOREST MANAGEMENT ACT OF 1976

Mr. METCALF. Mr. President, tomorrow we will begin consideration of S. 3091, the National Forest Management Act of 1976.

Since the bill was reported by the Committee on Agriculture and Forestry and the Committee on Interior and Insular Affairs, there has been a considerable exchange of correspondence between several Senators, including myself, and the Forest Service. I ask unanimous consent that a number of these letters be printed in the Record for the benefit of Senators and other interested persons.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Interior
and Insular Affairs,
Washington, D.C., May 27, 1976.

Mr. John R. McGuire,
Chief, Forest Service, Department of Agriculture, Washington, D.C.

Dear Chief McGuire: Attention has been directed since the reporting of S. 3091 to the Section 5(H)(iii) dealing with an economic test on National Forest lands for timber production as a management goal. Senator Talmadge in a recent speech recognized this and said he would be receptive to a clarification of this section.

We feel it would be useful to get the Forest Service viewpoint on the problems associated with the section in its present form, along with suggestions for improvement.

The reason for this subsection was to assure that timber growing investments be economically justified. When this bill is considered by the full Senate it would help to have the following points addressed:

What will be the expected impact on the arid timber sites in the West and the ability of the Forest Service to sell timber as part of the management program for these lands under the present language?

In the absence of harvesting timber on these arid sites, what is the impact on other multiple use values as trees become old and die without the opportunity to be utilized?

Are there problems in developing economic data for any sort of economic test in the light of the volatile nature of the forest products prices?

There is language in the Forest and Rangeland Renewable Resources Planning Act of 1974 (P.L. 93-378) as well as the S. 3091 that deals with economic consideration. Can the economic and arid lands concerns both be addressed by revised language? If this is not possible, can the economic concerns be addressed by P.L. 93-378 and other language in the bill should it be proposed to strike Section 5(H)(iii) in its entirety?

It would be helpful to have an answer at your earliest convenience for study by the full Senate prior to floor action.

Sincerely,

James A. McClure,
Mark O. Hatfield,
Dale Bumpers,
U.S. Senators.

U.S. Department of Agriculture,
Forest Service,
Washington, D.C., June 8, 1976.

Hon. James A. McClure,
U.S. Senate.

Dear Senator McClure: In reply to your letter of May 27, 1976, signed also by Senator Hatfield and Senator Bumpers, we would like to comment on subsection (d)(6)(H)(iii) of S. 3091 dealing with an economic test for timber production as a management goal on National Forest lands.

We believe there is adequate direction in existing law to ensure economic analysis of anticipated cost of investments as compared to anticipated benefits, and we recommend that subsection (d)(6)(H)(iii) be deleted. The Forest and Rangeland Renewable Resources Planning Act of 1974 in section 3, items (2) and (3), already specifically direct that the Renewable Resources Program contain such analyses. Section 3 provides that the Program shall include, but not be limited to—

"(2) specific identification of Program output, results anticipated, and benefits associated with investments in such a manner that the anticipated costs can be directly compared wth the total related benefits and direct and indirect returns to the Federal Government;

"(3) a discussion of priorities for accomplishment of inventoried Program opportunities, with specified costs, outputs, results, and benefits; and".

We have established procedures to provide this analysis. Land management plans which are the subject of subsection (d)(6)(H)(iii) are developed as part of the Program and subject to the analysis contained in the Program.

In addition to our belief that subsection (d)(6)(H)(iii) is not necessary, we are concerned about the difficulties of describing in statute a separation of costs and benefits associated with one resource when joint costs and benefits associated with all resources are so frequently involved.

If subsection (d)(6)(H)(iii) is retained, we would interpret it as follows:

The general cost of multiple use management, such as providing access, protection, revegetation including reforestation, and administration would not be considered a cost of production for timber production purposes. A direct timber production cost would only be a single purpose expense, such as road access needed for timber purposes or the thinning of a stand of trees to increase timber production. Further, the Committee report states, "The Committee also excludes the economic cost of carrying trees for the rotation cycle." We interpret this statement to mean that direct costs would not be capitalized in comparing them to future value.

In your letter, you specifically raised the question of the impact of subsection (d)(6)(H)(iii). First, we do not believe it would act as a constraint on overall multiple use management. Second, we believe that it would prohibit establishing intensive timber production as a management goal on only a small percentage of National Forest System lands, these lands being of low productivity at high elevations or relatively arid lands. We would not expect that such a prohibition would significantly affect National Forest allowable harvests because such lands contribute so little to present harvest levels. This estimate is based on our understanding that general multiple use management costs would not be considered a direct timber production cost, that investment costs would not be capitalized, and that the initial harevst of a stand of trees would normally bear the costs of roading and revegetation including reforestation. In further response to your questions, we believe the economic analysis which would be required by subsection (d)(6)(H)(iii) as presently worded can be developed, even though it might duplicate or overlap existing analyses.

You also raised the question of the possible effect of letting certain trees become old and die without utilization. The provision of subsection (d)(6)(H)(iii) could limit the removal of some old growth trees for timber production purposes, but if such prohibition would result in a threat to other values by significantly increasing fire or insect and disease hazards or otherwise affect multiple resource values, we believe the trees could be removed in accordance with land management plans for affected areas.

In addition to the discussion of subsection (d)(6)(H)(iii) contained in the Committee reports, we note that the additional description which Senator Humphrey provided for the record on June 3, 1976, is in agreement with our understanding of the subsection. Although we do not anticipate any major problems in management based on our interpretation of subsection (d)(6)(H)(iii), we are aware that various groups have questioned the interpretation and effects of the subsection, and if retained the subsection could be a source of future controversy. For this and the reasons previously stated, we would prefer that the subsection be deleted.

We would be happy to discuss the matter further with you if you desire.

Sincerely,

JOHN R. MCGUIRE,
Chief.

U.S. SENATE, COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., June 21, 1976.

Mr. JOHN MCGUIRE,
Chief, U.S. Forest Service, Department of Agriculture, South Agriculture Building, Washington, D.C.

DEAR CHIEF MCGUIRE: Section 11 of S. 3091, as reported by the Senate Agriculture and Interior Committees, limits the sale of timber from each National Forest "to a quantity equal to or less than a quantity which can be removed from such forest annually in perpetuity on a sustained-yield basis."

I understand that this limitation is consistent with current Forest Service policy. However, I am aware that the Forest Service is preparing a "Harvesting Issues Study" which would, among other things, evaluate various alternatives for harvest scheduling. This report was to be available by July, 1976.

The current non-declining even flow harvest policy has been questioned both by the forest industry and by several prominent forest economists from well-known universities. Opponents of this policy claim that it prevents the "effective use" of old-growth timber present in most western National Forests. They contend that significant volumes of old-growth timber can be harvested without jeopardizing the long-term sustained-yield level.

It would be helpful if you would describe the history of the development of present National Forest allowable harvest policy—giving particular attention to those factors considered most important to the decision to implement the policy in its present form. In addition, enclosed is a list of questions which I would like you to address concerning present allowable cut policies and how the Forest Service would implement Section 11 if S. 3091 were enacted.

You undoubtedly have explored some of these questions in the "Harvesting Issues Study". What is your current estimate of when this report will become available?

I hope that you will be able to reply before S. 3091 comes before the Senate.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

Enclosure.

QUESTIONS

1. When did the present non-declining yield policy become effective? How does the present timber harvest regulation policy differ from that which was in effect previously? What are the practical implications of these differences? What is the rationale for the policy? Is it true that this policy will often result in a reduction in harvest levels today to avoid possible reductions in the future?

2. How many approved National Forest timber management plans have been developed under the present harvest limitation policy?

3. Would the harvest levels of these plans differ if they had been issued under the previous Forest Service harvest policy (assuming identical management and investment considerations)? If so, why?

4. Is the policy being applied in all Forest Service regions? If so, is its interpretation uniform? If not, what would be the implications of uniform application in all regions?

5. Is there any significant difference between present harvest limitation policy and the requirements of Section 11 of S. 3091? If so, what impact might these differences have on harvest levels from National Forest lands?

6. The Western Timber Association in San Francisco, California, is presently pursuing an administrative appeal of the timber management plan of the Lassen National Forest. In this appeal, present Forest Service harvest policies are being challenged. What is the background and current status of this litigation?

7. If there was a relaxation of the present Forest Service harvest limitation policy, what reasonable increases in annual allowable harvest levels could be achieved between now and the year 2020 without jeopardizing long-term National Forest sustained-yield levels? What investment levels would be needed to achieve these increases (assuming relaxation in present policy)? What investment levels would be needed to achieve identical increases if present policies are maintained? What income levels will result from each of these alternatives?

8. In the Committee mark-up of S. 3091, you recommended relaxation of the language of Section 11 to allow a permissible decline in harvest levels of five percent per decade. What would be the implications for harvest levels if this flexibility were available to you?

9. The present harvest limitations are based only upon projected yields from National Forest lands. They do not consider the potential yields from private and state lands. What would be the implications to National Forest harvest levels and community stability considerations if these non-National Forest lands were included in the base for calculation of allowable harvest levels? Would you favor such a policy?

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., July 2, 1976.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your June 21, 1976, request for information concerning Forest Service sustained yield policy and section 11 of S. 3091, as reported by the Senate Agriculture and Interior Committees.

Section 11 of S. 3091 is consistent with Forest Service policy on calculating National Forest allowable harvest. Over the year this policy has evolved toward a relatively strict, nondeclining even-flow interpretation of sustained yield. Critics on both sides of the issue have questioned this interpretation and have suggested alternative methods for scheduling harvest.

To explore the feasibility and consequences of these suggested alternatives and several related issues, we have been conducting the study you referred to, The Timber Harvest Issues Study. We expect to have the draft report on the finding of that study in mid-July. It will be a technical report we will use to reevaluate our policy.

I have asked my staff to prepare detailed answers to your questions and we will strive to have that material to you before S. 3091 comes before the Senate.

Thank you for your continued interest in the management of the National Forest.

Sincerely,

JOHN R. MCGUIRE,
Chief.

U.S. DEPARTMENT OF
AGRICULTURE, FOREST SERVICE,
Washington, D.C., August 17, 1976.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: Your letter of June 21 asks for information concerning Forest Service sustained yield policy in relation to Section 11 of S. 3091, as reported by the Senate Agriculture and Interior Committees.

On July 2, we acknowledged your letter and answered in part some of the questions you had asked. Here is additional comment on the questions you raised and an enclosure which responds to each of the specific questions.

Present Forest Service policies concerning even flow are based on Secretary of Agriculture Regulation 36 CFR 221.3 as amended in 1963. The regulation provides for preparing timber management plans that shall be designed to (1) aid in providing a continuous supply of National Forest timber; (2) be based on the principle of sustained yield; (3) provide so far as is feasible an even flow of timber to facilitate the stabilization of communities and opportunities for employment; and (4) provide for coordination of timber production and harvesting with other uses of National Forest land in accordance with the principles of multiple use management.

The even flow policy is not new, stemming from the concept of the "regulated" forest developed by European Foresters more than a century ago. In concept, this is a forest which has achieved an approximately equal distribution of age classes, the oldest of which is at rotation age. Such a forest would produce a perpetually sustainable and even flow of annual yields of forest products. Presently, most National Forests are far from a regulated condition. Typically, the forests of the West have large areas and volumes in old-growth timber (age classes over rotation age) but have deficiencies in areas and volumes of young timber. Until the 1970's, allowable harvests in the Western Regions were calculated using a formula method, with conversion to a regulated forest planned by end of the first rotation.

Calculations by formula methods envisioned strict even flow (without declines) through the first rotation; seldom were calculations made for periods longer than one rotation. The 1969 Forest Service Douglas Fir Supply Study was the first major study to make projections of yields well beyond the end of the first rotation period. The development of computerized harvest scheduling programs to simulate various forest growth and harvest regimes was instrumetnal in allowing this type of study to be reasonably accomplished. The Douglas Fir Study results showed that with the then current rotations, management intensities, and utilization standards, harvest levels would decline after the first rotation. Shortening the rotation period would aggravate the drop in yield at the end of the rotation, although substantially increasing the first rotation allowable cut levels. Management intensification would increase the level of yield immediately but the projections showed that end of rotation declines would still occur.

As a result of the Douglas Fir Supply Study, we became concerned that timber management plans permitting a decline in yields following the first rotation period might be in violation of the Multiple Use-Sustained Yield Act. Therefore, the Forest Service adopted the non-declining, even flow policy as stated in our Emergency Directive No. 16.

The curent policy has been analyzed as part of a study of policy alternatives relating to timber harvest scheduling. This study is now nearing completion and a draft should be available for review in September.

Sincerely,

JOHN R. MCGUIRE,
Chief.

Enclosure.

RESPONSE TO QUESTION ASKED BY SENATOR JACKSON WITH HIS LETTER OF JUNE 21, 1976

1a. When did the present nondeclining yield policy become effective?

Answer.—May 1, 1973.

1b. How does the present timber harvest regulation policy differ from that which was in effect previously?

Answer.—The present policy only refined the earlier even flow policy stated in the Secretary of Agriculture Regulation 16 CFR 221.3 (as amended in 1963) which requires that timber management plans shall, ". . . provide so far as feasible an even flow of National Forest timber in order to facilitate the stabilization of communities and opportunities for employment." This refinement required a stricter application of even flow by providing that allowable harvest levels can be no higher than a level that can be maintained from one decade to the next, indefinitely. The earlier policy applied to one rotation.

1c. What are the practical implications of these differences?

Answer.—On several of the old-growth forests in the West the planned period for harvesting the old growth will have to be extended. This can cause additional risk of mortality loss and it does result in some reduction of future growth. However, many of the highest risk stands have been harvested in the past and are now under management. Further, much of the mortality risk can be mitigated through proper planning by establishing harvest priorities for high risk stands, by increasing intermediate harvests, and by accelerating salvage programs when losses occur.

The strict even flow policy avoids any eventual decline in the flow of timber from the National Forests and thus contributes to community stability. It is also often more environmentally acceptable than a more rapid liquidation of old growth.

1d. What is the rationale for the policy?

Answer.—Nondeclining even flow, by National Forests, appears to be the policy alternative most consistent with the statutory direction. Generally, but not always, it contributes more to long run community stability than other alternatives.

Policies that seek to maximize present net worth, stabilize consumer prices, or achieve some other worthy objective are alternatives; but we cannot find a statutory rationale for applying them to the National Forests.

1e. Is it true that this policy will often result in a reduction in harvest levels today to avoid possible reductions in the future?

Answer.—Our experience to date does not indicate any significant reduction in the level of National Forest timber harvest as a result of the refined even flow policy. Limited analysis made for the Renewable Resource Planning Act indicated that 12 Western National Forests experienced reduction in allowable harvest of approximately 80 million board feet (a reduction of ½ of 1%) due to the refined even flow policy.

2. How many approved National Forest timber management plans have been developed under the present harvest limitation policy?

Answer—Thirty-two.

3. Would the harvest levels of these plans differ if they had been issued under the previous Forest Service harvest policy (assuming identical management and investment considerations)? If so, why?

Answer.—The intent of National Forest timber management planning has been to set harvest levels that could be maintained over time without major fluctuations between or within planning periods. Thus, on some of the new or revised plans, assuming the same land base, there would be little difference in projected harvest levels. The harvest level on others, especially in the Rocky Mountain Region where adjustment periods had been accelerated to reduce losses from the Engelmann Spruce beetle, some minor reductions have been experienced. However, it is important to recognize that only about ⅓ of the allowable harvest in this Region has ever been sold, thus there is no real effect, nor will there be until markets are developed.

4. Is the policy being applied in all Forest Service Regions? If so, is its interpretation uniform? If not, what would be the implications of uniform application in all Regions?

Answer.—The policy is being applied on new or revised timber management plans in all Regions. The interpretation of this policy, with the objective of harvesting timber in the old growth conversion period at a rate no higher than the sustained yield anticipated in the period following conversion, is uniform. However, the Regions vary to some degree in the use of the computer technique employed to scheduled harvest. Particularly when seeking harvest schedules for very long periods, two rotations or more, Regions use a variety of approaches that all arrive at the same long term objective.

Uniform application of the array of necessary assumptions could materially raise or lower harvest levels of many forests depending on what the assumptions were and a forest's current age class distribution. The key to consistent results appears to be substantial flexibility withi the broad even flow policy.

5. Is there any significant difference between present harvest limitation policy and the requirements of Section 11 of S. 3091? If so, what impact might these differences have on harvest levels from National Forest lands?

Answer.—We do not expect any significant difference.

6. The Western Timber Association in San Francisco, California, is presently pursuing an administrative appeal of the timber management plan of the Lassen National Forest. In this appeal, present Forest Service harvest policies are being challenged. What is the background and current status of this litigation?

Answer.—This administrative appeal claims there is no basis in law for the current even flow policy and that its application on the Lassen National Forest results in "waste" or over 1 billion board feet during the first 10 years of the plan. The written record and oral presentation to the Deputy Chief for National Forest Systems have been completed, and the record has been reviewed. The findings of that review were that the Regional Forester had not erred in approving the Lassen timber management plan, nor was there a valid basis for amending either that plan or its final environmental statement. The request for relief was denied.

7. If there was a relaxation of the present Forest Service harvest limitation policy, what reasonable increases in annual allowable harvest levels could be achieved between now and and the year 2020 without jeopardizing long-term National Forest sustained-yield levels? What investment levels would be needed to achieve these increases (assuming relaxation in present policy)? What investment levels would be needed to achieve identical increases if present policies are maintained? What income levels will result from each of these alternatives?

Answer.—The Timber Harvest Issues Study examines the physical, economic, and social consequences of alternative timber harvest scheduling methods on eight "sample" Western National Forests under several assumed levels of future investment and utilization. The level of annual allowable harvest that could be achieved between now and the year 2020 is dependent on the degree of relaxation. However, all of the scheduling alternatives studied result in approximately the same long-term total yield over the study period, assuming the same levels of future investment and utilization.

The study covers only eight forests so we do not have information on total National Forest harvest levels that could be achieved, investment levels that would be required, or income levels that would result from a relaxation of our present policy. The Renewable Resource Program presented to Congress earlier this year provides a great deal of information on alternative National Forest harvest levels possible under our present policy. Table 1 displays some details of the Recommended Program, which provides for an increase in the level of allowable harvest, and Alternative B, which maintains the current allowable harvest level. Copies of the RPA source documents are enclosed.

8. In the Committee mark-up of S. 3091, you recommend relaxation of the language of Section 11 to allow a permissable decline in harvest levels of 5 percent per decade. What would be the implications for harvest levels if this flexibility were available to you?

Answer.—The relaxation recommended in the Committee mark-up envisioned a fluctuation of plus or minus 5 percent per decade around the long-term sustained yield level. Any decade increase above the long-term level would have to be offset by a corresponding decade decrease. We believe it would be desirable to have this flexibility in the law to manage the extremely diverse nature of the National Forests and their widely varying stand conditions.

While Section 11 provides for salvaging timber stands which are substantially damaged by catastrophe, it does not prevent such catastrophes. Responsible entomologists, pathologists, and foresters can often identify 20 to 30 years in advance where catastrophic losses will occur. It would be desirable to manage these situations by departing from strict even flow to avoid these catastrophes. Expenses for sales programing revisions and for control programs could be reduced by anticipating and managing these situations.

It would also be desirable to permit minor fluctuations, less than 5 percent, to moderate effects of large reduction in National Forest timber supply. This would reduce local impacts on employment and permit a phasing-in period. Satisfactory criteria can be established to accomplish this goal. However, we would expect to continue our present strict application of even flow on most National Forests.

9. The present harvest limitations are based only upon projected yields from National Forest lands. They do not consider the potential yields from private and state lands. What would be the implications to National Forest harvest levels and community stability considerations if these non-National Forest lands were included in the base for calculation of allowable harvest levels? Would you favor such a policy?

Answer.—The land base for calculating allowable harvest is the forest area from which timber harvest can be scheduled. In most cases, it consists of a single National Forest or a single ownership. The size of unit is significant under the even flow scheduling policy because, if the age-class distribution can be improved by combining planning units, the allowable harvest can often be raised. An improvement in the age-class distribution is usually possible when a planning unit with a large volume of mature standing timber is combined with a unit of primarily young timber. Once a planning unit has been regulated or achieved a balance of age-classes, it will produce an even flow of annual yield of forest products in perpetuity. Therefore, it is only during the conversion to a regulated forest that increases can be obtained through combining planning units.

In the West other forest ownerships typically have larger areas of young timber and insufficient mature timber volume to sustain immediate harvest at or near their full sustained yield capacity. If planning units in this condition are combined with a National Forest with a large volume of mature standing timber, an immediate harvest, approaching the combined full sustained yield would be possible. However, this would mean harvesting large areas and volumes of timber from the National Forest during the first 3 or 4 decades of the conversion period. The magnitude of this increased harvest level from National Forest level would depend on the present condition of the other lands. We estimate that during the first decade the harvest might be two or three times the harvest from the National Forest if managed as a single unit.

We have two concerns with a policy of combining ownership in calculating allowable harvest levels. First, the large increases in the area harvested could have undesirable impacts on other resources to the extent that this would be a violation of the requirement of the Multiple Use-Sustained Yield Act of 1960. The other concern is with the difficulty of regulating harvest of private forests after the timber reaches harvest size.

The Forest Service would not favor such a policy.

TABLE 1

	1980	1981-90	1991-2000	2001-10	2011-20
Recommended program: [1]					
Allowable harvest level (billion cubic feet) [2]	2.9	3.1	3.3	3.5	3.7
Receipts to Federal Treasury (million dollars) [3]	681	744	837	942	1,040
Investments (millions of appropriated dollars) [4]	263	195	185	196	207
Alternative B: [5]					
Allowable harvest level (billion cubic feet) [6]	2.8	2.9	2.9	2.9	2.9
Receipts to Federal Treasury (million dollars) [7]	654	724	859	962	962
Investments (millions of appropriated dollars) [8]	224	169	147	147	147

[1] Increase timber supplies and quality in an environmentally sound manner to the point where benefits are commensurate with costs (RPA program, p. 640).

[2] Potential yield on National Forests, table 120 RPA program, p. 641, mid-point of output range.

[3] Table 120, RPA program, p. 641, mid-point of output range.

[4] Table CCC-24, supplemental appendix RPA program, p. CCC-25, capital investments NFS with appropriated funds.

[5] Provide supplies of timber consistent with current policies and recent trends in utilization research, assistance, and management efforts.

[6] Potential yield on national forest, table 53, RPA program, p. 334.

[7] Table 53, RPA program, p. 334.

[8] Table CCC-21, supplemental appendix RPA program, p. CCC-22, capital investment NFS with appropriated funds.

Committee on Interior and
Insular Affairs,
Washington, D.C., July 2, 1976.

Mr. John McGuire,
Chief, Forest Service, U.S. Department of Agriculture, Washington, D.C.

Dear Chief McGuire: In the mark-up of S. 3091, the Committees on Agriculture and Interior were interested in insuring that the results of intensified timber management practices are reflected in increased allowable harvests when there is reasonable assurance that the output is being or can be achieved, and that the programs for achieving these intensive management investments are reasonably assured of being continued. In order to achieve this objective, the Committees adopted Subsection 5(d)(6)(H)(iv) directing the Forest Service to prepare guidelines which provide that increases in allowable harvest based upon intensified management practices shall be made "only upon demonstration that such practices justify increased allowable harvests and that the outputs projected are being secured."

Please outline for me how the Forest Service would implement the guidelines if S. 3091 were enacted.

Very truly yours,

Lee Metcalf,
Chairman, Subcommittee on Minerals, Materials and Fuels.

U.S. Department of Agriculture,
Forest Service,
Washington, D.C., July 2, 1976.

Hon. Lee Metcalf,
Chairman, Subcommittee on Minerals, Materials and Fuels, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

Dear Senator Metcalf: This letter is in response to your July 2, 1976, request to outline how the Forest Service would implement guidelines required by Subsection 5(d)(6)(H)(iv) of S. 3091 if that legislation were enacted.

The Secretary of Agriculture is required to issue regulations setting guidelines for land management plans which:

> "(iv) provide that increases in allowable harvests based on intensified management practices such as reforestation, thinnings, or tree improvement, shall be made only upon demonstration that such practices justify increased allowable harvests, and that the outputs projected are being secured."

Demonstration and secure are the key words in this subsection. We would consider the results of intensive management practices to be demonstrated if the following conditions are met:

(1) that projected outputs from the practices are supported by research or other evidence;

(2) that adequate funding to carry out the practices can be reasonably expected; and

(3) that the practices can be implemented on the ground.

Therefore, we interpret this subsection to allow increases in allowable harvest from intensive mangement practices at the time those practices are scheduled for treatment in approved management plans and the above conditions are met.

To insure that the projected outputs are being secured, guidelines would provide for control and monitoring procedures to be incorporated in the management plans. These procedures would provide for monitoring the intensive practices to assure that practices are carried out on schedule and that they produce the anticipated results. Allowable harvest levels would be adjusted appropriately if the practices were not accomplished during the planned period or if research or remeasurement of areas treated indicated that projected growth must be revised. To stabilize the process, most adjustments would be made at the 10-year revision point.

This interpretation is supported in general by the Agriculture and Forestry Committee's Report No. 94–893 which, in the fifth paragraph on page 38, states, "The Committee bill is designed to insure that increases in harvest rates are instituted only when a sound basis exists for projecting future yields and when control and monitoring procedures are incorporated in the management plan to insure that practices are carried out on schedule and that they produce the anticipated results."

The assurance of adequate and continued funding to carry out scheduled treatments is a key factor in taking credit for increases in allowable harvest levels. We view the Forest and Rangeland Renewable Resources Planning Act as providing a framework to gain that assurance as a basis for assumed management levels for the purposes of Subsection 5(d)(6)(H)(iv).

We appreciate the opportunity to offer our interpretation of how one provision of S. 3091 would affect the management of the National Forests.

Sincerely,

John R. McGuire,
Chief.

Committee on Interior and
Insular Affairs,
Washington, D.C., July 8, 1976.

Mr. John McGuire,
Chief, U.S. Forest Service, Department of Agriculture, Washington, D.C.

Dear Chief McGuire: I would very much appreciate having the following information by Monday, 19 July.

1. The number of National Forest acres included in the National Wilderness Preservation System;

2. The number of such acres that would technically be rated as commercial forest;

3. To the extent available, a breakdown by the site classes as used in timber surveys showing acres in each site and annual timber growth capacity;

4. For comparison purposes, show the acreage of other commercial forest land in the National Forest system by site class, showing actual current growth and potential growth for timber;

5. For areas that you currently project as potential wilderness areas, show the acreage, commercial forest acreage, site class breakdown, actual current timber growth and potential timber growth;

6. For the Wilderness System lands as the System now exists, how many acres are lands that were in the allowable harvest base in 1964 when the law was enacted? How many acres were in areas where timber was actually sold from the lands? What was the average site, actual timber growth and potential timber growth for these lands?

7. Using the data for the lands currently in the "commercial forest" base for the National Forest System and, to the extent available showing them by site class, what is the current level of growth and the potential level of growth and the current level of removals? Under a concept of achieving a perpetual output from these lands, what is your best judgment of the level that could be achieved if not fiscally constrained? If you have this data by forest regions, can you also set it forth in this manner?

8. How much higher would be the sustained yield harvest level percent on a perpetual output level under the language in S. 3091, as reported, viewed in terms of potential growth versus actual growth?

9. The Bureau of Domestic Commerce, Department of Commerce, issued a report in June, 1976, which purports, among other things, to describe the alleged effects of Section 11 of S. 3091, as reported. Did the Department of Commerce or its contractor, Data Resources, Inc., contact personnel in the portion of the Forest Service defined as National Forest Administration, Timber Management Staff, either to secure information for its "modelling" process or to confirm the results of that modelling process displayed in the Commerce report? Please explain what was discussed, if there were contacts, and supply copies of any data given to the Department or its contractor or material they supplied you subsequent to 14 May, 1976.

10. Appendix II of that report displays a model "Alternative National Forest Simulation" and page 3 of the report discusses two additional scenarios: (a) a 20% reduction if S. 3091 as reported is enacted, and (b) a 10% increase if S. 3091, as introduced, is enacted. Please outline in detail the basis for your disagreement with the 20% reduction thesis outlined by Commerce.

11. Section 11 of S. 3091 creates a policy which requires that the agency define for each National Forest the amount of timber that can be annually removed in perpetuity on a sustained yield basis. This would be the "potential" based on site capability after consideration of known current constraints developed under the Multiple Use Sustained Yield Act of 1960, as those two terms are defined in that Act. It then sets a general policy that the harvest level may equal, but not exceed that level. It further permits variations annually throughout any 10-year period so long as the total for the period is not exceeded. It also sets a policy for moving from the current rate of growth to the potential rate of growth so that the actual harvest levels may move up to the potential multiple use sustained yield level. Finally, it permits prompt removal of timber substantially damaged by catastrophes, over and above the harvest level set into any particular plan.

In essence, the language directs using the harvest system to convert each National Forest from an unmanaged to a managed forest moving the harvest level up to the potential, using the existing forest where present to achieve an orderly transition. In the case of a National Forest composed of lands that were cut over in private ownership and acquired as denuded lands, the policy would be secured by the application of appropriate intensive management procedures to create a growing stock base that would sustain the potential output. In those National Forests with existing stands of timber which had a low growth rate and mortality due to age, other aspects of the bill would encourage careful but prompt development of transportation systems so that multiple use management would be effectively applied. As a part of this process, forest harvesting could concentrate on removal of trees that would otherwise be lost to economic use. This would encourage harvest levels at those nearer the potential during the transition period by capturing potential losses in usable wood. Recognizing that the Congress has the responsibility to set policy for the public lands and the Executive Branch has the responsibility to carry out the policy, please explain how this policy will aid the basic concept of multiple use and sustained yield.

On this matter, I would also want to have your personal views as a professional resource manager on the utility and effectiveness of this policy for publicly held resources.

Very truly yours,

LEE METCALF.

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., July 19, 1976.

Hon. LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: Your letter of July 8, 1976, asks for information regarding legislation related to management of the National Forest timber resource which is now pending before the Congress. In addition, you specifically asked for my personal views on the utility and effectiveness of the policy that would be created by Section 11 of S. 3091.

I have asked my staff to assemble the available information and to the extent possible answer the first 10 items addressed in your letter. We will strive to have that material to you as soon possible.

The policy you described on page 3 of your letter deals with the determination of timber harvest limitation on the National Forests. This policy would be created by Section 11 of S. 3091 and be affected by increases possible under guidelines established by Subsection (d)(6)(H)(iv). Section 11 would incorporate into law our current nondeclining even-flow policy for determining timber harvest levels. It would allow for increases in allowable harvest rates based on future improvements in forest management technology. However, it would not allow setting harvest rates within any 10-year planning period that could not be sustained at that level or above in any future period. Harvest levels could be increased in any plan period to reflect factors such as increased reforestation, better utilization, or intensified management, but not to the extent that a future reduction in the allowable harvest was deliberately planned.

You requested an explanation of how this policy will aid the basic concept of multiple use and sustained yield. The Multiple Use-Sustained Yield Act defines sustained yield in this way:

"(b) 'Sustained yield of the several products and services' means the achievement and maintenance in perpetuity of a high-level annual or regular periodic output of the various renewable resources of the National Forests without impairment of the productivity of the land."

Key to the interpretation of sustained yield are the words "achievement and maintenance in perpetuity." Achievement deals with the conversation of a less than regulated forest to a regulated forest, which would then be maintained in the regulated condition. In concept, a regulated forest is a forest which has achieved an approximately equal distribution of age classes of standing volume, the oldest of which is at rotation age. Such a forest would produce a perpetually sustainable and even-flow of annual output. However, the timber resource is not the only renewable resource that must be managed for sustained yield.

This policy by providing a even-flow of annual timber output, also provides assurance that the other forest resources will not generally be subjected to sudden potentially adverse changes or disruption and, therefore, aids multiple use and sustained yield concepts.

You also asked for my views on the utility and effectiveness of the policy for publicly held resources. To manage the extremely diverse nature of our National Forests and their widely varying stand conditions, I believe it would be desirable to have flexibility in the law. While Section 11 provides for salvaging timber stands which are substantially damaged by catastrophes, it does not prevent such catastrophes from occurring. For example, short-lived species such as lodgepole pine require prompt harvest after reaching maturity to prevent major mortality. In a natural state these stands deteriorate rapidly on achieving maturity, become hosts for epidemic levels of mountain pine beetles, and often are destroyed by wildfire. The best alternative now available is prompt harvesting at maturity under appropriate multiple use and environmental restraints.

Section 11 of S. 3091 as reported would restrict harvesting mature lodgepole pine at a higher level than could be maintained over time, even though failure to harvest would make major losses to insects and fire rather certain in many parts of the West.

I believe the best interest of the Nation would be served by not adopting our current policy into law. I also believe increased flexibility would aid in furthering the basic concepts of multiple use and sustained yield. It is much easier to adjust agency policy in the law that nondeclining even-flow should be the objective of the National Forest and recognize that it may take several decades to achieve in certain locations.

I would be happy to discuss this matter further with you if you desire.

Sincerely,

JOHN R. MCGUIRE,
Chief.

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., July 27, 1976.

Hon. LEE METCALF,
Chairman, Subcommittee on Minerals, Materials and Fuels, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR METCALF: This is in response to your July 8 request for information regarding legislation related to the management of the National Forest timber resource which is now pending before the Congress.

On July 19, we acknowledged your letter and answered your questions concerning Section 11 of S. 3091 as reported. Enclosed are answers to your remaining questions.

We appreciate the opportunity to furnish you with this information and explanation.

Sincerely,

JOHN R. MCGUIRE,
Chief.

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1. The number of National Forest acres included in the National Wilderness Preservation System;

As of January 1, 1976, there were 11,942,000 acres of National Forest System lands included in the National Wilderness Preservation System.

2. The number of such acres that would technically be rated as commercial forest;

As of January 1, 1976, there were 7,158,000 acres of National Forest System land classified as Productive Reserved Forest land. This is land which would technically be rated as commercial, but which has been withdrawn from timber utilization by statute, administrative regulation, or by designation in land-use plans approved by the Regional Forester. We do not have a comparable figure for wilderness areas only.

3. To the extent available, a breakdown by the site classes as used in timber surveys showing acres in each site and annual timber growth capacity;

There is no information available to answer this question. National Forest timber inventories and forest surveys conducted by Forest Service Research are only conducted on commercial forest land. The majority of National Forest System land included in the National Wilderness Preservation System that would technically be rated as commercial forest had previously been reserved as National Forest Primitive Areas and thus not included in recent forest surveys.

4. For comparison purposes, show the acreage of other commercial forest land in the National Forest System by site class,

showing actual current growth and potential growth for timber;

Table 1 displays the acreage of commercial forest land in the National Forest System by site class. We do not have available statistics for actual current growth by site class. The site classes are a classification of forest land in terms of potential cubic-foot volume growth per acre at culmination of mean annual increment in fully stocked natural stands. The potential growth per acre figures shown were determined by weighting the mid-point of each site class by the estimated acreage in the same class. Higher growth rates per acre can be attained in intensively managed stands.

This information was taken from "The Outlook for Timber in the United States," Forest Resource Report No. 20, Forest Service, USDA, October 1973. The information is as of January 1, 1970.

5. For areas that you currently project as potential wilderness areas, show the acreage, commercial forest acreage, site class breakdown actual current timber growth and potential timber growth;

In 1973 the Forest Service selected for study 274 areas to be further evaluated as to the desirability of adding them to the National Wilderness Preservation System. These New Study Areas contained 12,322,000 acres of National Forest System land of which 3,497,000 acres was estimated to be commercial forest land. There is no available information on a breakdown of the commercial forest land by site class or actual current or potential timber growth. As the areas are studied information on timber volume and value is being assembled.

6. For the Wilderness System lands as the System now exists, how many acres are lands that were in the allowable harvest base in 1964 when the law was enacted? How many acres were in areas where timber was actually sold from the lands? What was the average site, actual timber growth and potential timber growth for these lands?

Approximately 1.1 million acres of National Forest System land now in the National Wilderness Preservation System were not in a reserve status in 1964 when the law was enacted. The balance of the existing acreage was in a reserve status in 1964 and, therefore, could not have been in the allowable harvest base. We estimate that 586,000 acres of the previously unreserved land would be technically rated as commercial forest land. However, we have no available information on how much of this land may have been in allowable harvest calculation or was in areas where timber was actually sold.

7. Using the data for the lands currently in the "commercial forest" base for the National Forest System and, to the extent available showing them by site class, what is the current level of growth and the potential level of growth and the current level of removals?

Table 1 displays the available information to answer this question. Our response under question 4 discusses this in more detail. The current level of removals was given for 1970 so that all of the information would be expressed at the same point in time.

Under a concept of achieving a perpetual output from these lands, what is your best judgment of the level that could be achieved if not fiscally constrained? If you have this data by forest regions, can you also set it forth in this manner?

The Recommended Renewable Resource Program achieves a level of output of National Forest timber that can be maintained to perpetuity. This program was presented to Congress earlier this year in response to requirements of the Forest and Rangeland Renewable Resource Planning Act of 1974.

The National Forest potential yield rises from a current level of 2.7 billion cubic feet to 3.7 billion cubic feet in the period 2011–2020. This level of timber output results from an overall program that considers the sustained yield of all renewable resources, and requires an increased level of funding. We are currently in the process of disaggregating the program and do not have the output data available by forest regions.

8. How much higher would be the sustained yield harvest level percent on a perpetual output level under the language in S. 3091, as reported, viewed in terms of potential growth versus actual growth?

The recommended program developed in response to the Forest and Rangeland Renewable Resources Planning Act was based on our current nondeclining even flow policy. Since S. 3091, as reported, would continue this policy, the National Forest potential yield would be similar to that in the recommended program.

9. The Bureau of Domestic Commerce, Department of Commerce, issued a report in June 1976, which purports, among other things, to describe the alleged effects to Section 11 of S. 3091, as reported. Did the Department of Commerce or its contractor, Data Resources, Inc., contact personnel in the portion of the Forest Service defined as National Forest Administration, Timber Management Staff, either to secure information for its "modeling" process or to confirm the results of that modeling process displayed in the Commerce report? Please explain what was discussed, if there were contacts, and supply copies of any data given to the Department or its contractor or material they supplied you subsequent to May 14, 1976.

Neither the Department of Commerce nor its contractor, Data Resources, Inc., contacted any personnel in the National Forest System Timber Management staff to secure information for its "modeling" process. On May 24, 1976, the Office of the Chief received a Review Draft of the Department of Commerce "Study of the Economic Impact of National Forest Timber Curtailments Based on Monongahela Issue" dated May 1976. A copy of the Data Resources, Inc. study for the Department of Commerce was enclosed. The undated transmittal letter from the Department of Commerce (copy enclosed) requested comments or suggestions be returned by May 28, 1976. A copy of the letter and enclosures was also sent to George M. Leonard, Assistant Director for Timber Sales, Timber Management Staff.

The two draft studies were given a preliminary review due to the brief review period given by the Department of Commerce. This review revealed serious deficiencies in both studies.

The starting point for these studies was a Forest Service projection of the impacts of nationwide application of the Fourth Circuit's interpretation of the Organic Act. The Forest Service projected in August 1975, that if the decision were immediately applied nationwide, the fiscal year 1976 sale program would be reduced by about 75 percent below financed goals. We projected in future years that sustainable harvest levels would be reduced 90 percent in eastern National Forests and 40 percent in western National Forests for an overall reduction of about 50 percent in the sale program.

The Commerce Draft was based on the assumption that the above reductions in sales would be immediately translated into reductions in harvest levels. Thus the report ignores the 30 billion board feet of timber presently under contract and available for cutting, outside of Alaska. While there is the possibility of an invalidation of existing contracts, we have not anticipated a broad invalidation of existing contracts.

The studies predict impacts of the reductions in National Forest timber harvest during the period 1977–1980. Since they ignored the volumes presently under contract, the predicted impacts for this period were invalid. The basic problem of the harvest level assumptions and the resulting impacts were discussed by George Leonard with William E. Penoyar of the Department of Commerce. In addition, Dr. Dwight Hair of our Forest Economics and Marketing Research staff discussed the overall report with the Commerce staff. The Forest Service representatives in these discussions urged, because of the faulty assumptions, that the study be redone or not released.

10. Appendix II of that report displays a model "Alternative National Forest Simulation and page 3 of the report discuss two additional scenarios: (a) a 20 percent reduction if S. 3091 as reported is enacted and (b) a 10 percent increase if S. 3091, as introduced, is enacted. Please outline in detail the basis for your disagreement with the 20 percent reduction thesis outlined by Commerce.

The Commerce study does not explain why the 20 percent reduction would occur. Without some rationale for the reduction it is difficult to outline in detail the basis for our disagreement. We have reviewed the legislation and found no provisions that would cause a significant reduction in the availability of National Forest timber during the period 1976 to 1980 providing funding is made available to carry out the new requirements in Section 3 and Section 11 and the preparation of guidelines for Section 5.

TABLE I.—STATISTICS ON NATIONAL FOREST COMMERCIAL FOREST LAND BY SECTION, 1970[1]

	North	South	Rocky Mountains	Pacific Coast	Total
Area by forest site productivity class (thousands of acres):[2]					
120 plus	225	568	3, 949	6, 695	11, 437
85 to 120	773	2, 217	5, 844	8, 701	17, 535
50 to 85	6, 890	5, 228	8, 085	12, 518	32, 721
20 to 50	2, 568	2, 750	16, 861	3, 001	25, 180
Total	10, 456	10, 763	34, 739	30, 915	86, 873
Average net growth per acre (cubic feet):					
Current	38	55	23	27	30
Potential	66	70	65	88	73
Net annual growth of growing stock on commercial forest land (thousands of cubic feet):					
Softwood	115, 906	398, 398	744, 759	790, 378	2, 049, 441
Hardwood	285, 812	189, 337	37, 882	45, 041	558, 072
Total	401, 781	587, 735	782, 641	835, 419	2, 607, 513
Annual removals of growing stock on commercial forest land (thousands of cubic feet):					
Softwood	32, 205	109, 958	569, 410	1, 360, 978	2, 072, 551
Hardwood	58, 172	35, 424	2, 251	16, 100	111, 947
Total	90, 377	145, 382	571, 661	1, 377, 078	2, 184, 498

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[1] Not including 5,000,000 acres of unregulated commercial forest land on National Forests in the Rocky Mountain section.

[2] Classes are the average net growth (cubic feet) attainable in fully stocked natural stands.

DOMESTIC AND INTERNATIONAL
BUSINESS ADMINISTRATION,
Washington, D.C., May 24, 1976.

Mr. JOHN R. MCGUIRE,
Chief, Forest Service,
Washington, D.C.

DEAR JOHN: In recognition of your interest in national timber supply problems, we are enclosing, for your review and comment, a draft of the Department of Commerce "Study of the Economic Impact of National Forest Timber Curtailments Based on the Monongahela Decision."

One portion of the study has been prepared by Data Resources, Inc. (DRI) under contract to the Department. The DRI portion includes specific data on potential impacts on the softwood lumber and plywood industries, overall regional impacts on employment, and potential secondary impacts on forest products dependent industries, such as home building.

The remainder of the study was prepared by analysts in the Bureau of Domestic Commerce, Forest Products Division. This section contains background information and impact analyses of those industry sectors not covered by DRI. Although they are presented separately here, these two sections will be integrated in the final report.

Please mark comments or suggestions you may have directly on the enclosed draft. If you wish to have them considered for inclusion in the final report, please return the marked draft to us by May 28, 1976.

Thank you for your assistance.

Sincerely,

WILLIAM E. PENOYAR,
Director, Construction and Forest Products Division.

DOMESTIC AND INTERNATIONAL
BUSINESS ADMINISTRATION,
Washington, D.C., May 20, 1976.

Review copies of "Study of the Economic Impact of National Forest Timber Curtailments Based on Monongahela Issue" have been sent to:

American Plywood Association.
American Wood Preservers Institute.
Appalachian Hardwood Manufacturers, Inc.
Federal Timber Purchasers Association.
Hardwood Plywood Manufacturers Association.
Industrial Forestry Association.
National Particleboard Association.
National Woodwork Manufacturers Assn.
Northeastern Lumber Manufacturers Assn.
Red Cedar Shingle & Handsplit Shake Bureau.
Southern Forest Products Association.
Southern Hardwood Lumber Manufacturers Assn.
Western Wood Products Association.
United States Forest Service.
National Forest Products Association.
American Paper Institute.
American Pulpwood Association.
Western Timber Association.
Environmental Protection Agency.
Office of Management & Budget.

RETIREMENT OF BISHOP WILLARD DANDRIDGE PENDLETON

Mr. HUGH SCOTT. Mr. President, William Shakespeare, in "As You Like It," wrote: "All the world's a stage, and all the men and women merely players." Some men and women, however, rise above the role of mere player and help shape the very stage on which they act. Such a person is Executive Bishop Willard Dandridge Pendleton, who last month retired as head of the General Church of the New Jerusalem.

Since his humble beginnings in the General Church 43 years ago, when he was ordained into the first degree of the priesthood, Bishop Pendleton has served at various times as an instructor, a pastor and an official of the church before becoming the fourth bishop of the General Church in 1962. Aided by his wife of 42 years, Gabriele Pitcairn Pendleton, Bishop Pendleton has served Pennsylvanians of the Swedenborgian faith admirably in all of his capacities. Although he retired last year from his positions as president of the academy of the New Church and Bishop of the General Church, it is with sadness that I note his retirement next month from all offices of the General Church he has ever held.

Through his devoted service, Bishop Pendleton has made a great mark on society. Because of this, his contribution will be missed.

ARTHUR BRISCOE OF ST. MARY'S

Mr. MATHIAS. Mr. President, of all the available prizes the world offers, one of the most important is the affection and confidence of one's neighbors and fellow citizens. Few people hold that prize more securely than Arthur Briscoe of St. Mary's County, Maryland.

"Buck" Briscoe's family have been a part of the scene in St. Mary's County since the *Ark* and the *Dove* brought the first Maryland settlers in 1634. His own career, therefore, has carried forward a great Maryland tradition.

I am glad that "Buck" Briscoe has got the recognition he has earned by years of service to his community. A recent editorial in the Enterprise of Lexington Park, Md., summarizes "Buck's" life's work and I ask unanimous consent to have this editorial and an accompanying article printed in the RECORD.

There being no objection, this material was ordered to be printed in the RECORD, as follows:

To "BUCK"

We have wanted for some time to recognize the many accomplishments of one of St. Mary's County's best known and best loved sons, Arthur "Buck" Briscoe.

This week we have tried. The Close to Home feature story on page C-1 is a result of many hours of work and quite a few "takes." But it does not begin to completely detail the countless things Mr. St. Mary's County has done for us all.

Looking at the aging man in his big straw hat it's easy to forget that this is a man who has made and spent millions, who has rubbed elbows with the high and mighty, and who has devoted his life to St. Mary's County.

It's easy to forget that this is the man who began the Economic Development Committee and who envisioned St. Mary's County as the land of pleasant living more than 25 years ago.

Looking back over the past 25 years, there are very few accomplishments in this County that Buck Briscoe has not had a hand in, from the dualization of Route 5 to the development of Point Lookout State Park, to the establishment of many businesses.

But as important as what he has done within the County is what he has done outside the County, putting St. Mary's County on the map. His contacts throughout the country are awesome and he has used his influence to attract attention to the County's beauty, history and recreational potential.

So we would like to take this opportunity to give a heartfelt thank you to Mr. Buck Briscoe.

St. Mary's County would never be the same without you, Buck.

ARTHUR "BUCK" BRISCOE, MR. ST. MARY'S COUNTY

(By Dorothy Shannon)

They call him "Mr. St. Mary's County."

Arthur "Buck" Briscoe was born in 1900 in Baltimore. His paternal grandfather was an Episcopalian minister and his maternal grandfather (Lee) was a diplomat at the Court of Austria. His mother was the former Saphire Howard of Myrtle Point in St. Mary's County.

His father's sister Elizabeth Briscoe Cashnir sold the Briscoe home at Sotterley to Mr. Satterlee, for $27,000, Buck said. Arthur Briscoe is a cousin of Judge H. T. Briscoe, who was the last person to be born at Sotterley.

Young Arthur went to Leonard Hall School in Leonardtown. After graduation at 17 years old, he returned to live in Baltimore. He got a job as assistant purser aboard one of the Old Bay Line boats which plied between Baltimore and Norfolk, three trips each week. He earned $5.00 per trip.

While on this job, he met a passenger with whom he became friends—Bill Sheen. The passenger told him about an idea he had for a waterproof asphalt burial vault. But, he told Buck, "I need about $1,800 to get it started." He suggested Buck might join him if he ever got the business going.

Buck told him he'd get the money, and bring it to Sheen's apartment. Sheen smiled thinking this young man was talking pretty big.

The following Tuesday, the tall youthful Arthur Briscoe knocked at the apartment door. "Here's your money, Mr. Sheen," he said, as he smiled that broad grin which seems to encompass everyone.

"Where the hell did you get this kind of money?" Sheen asked.

"You've got it, now don't ask questions," Buck replied. "Now when do we go into business?"

And how did Buck get the money? From bootleggers, he says.

While travelling on the boat, he had to go through Virginia, which was dry. St. Mary's County and Maryland were not, and some of the finest stills possible were on the private properties, unknown to any revenuer.

He became known as "Buck" when he went into the burial vault business, which remained successful until the time came when steel, such as that used for construction of the burial vaults, was needed in the country's war effort. So the Baltimore Burial Vault Co. folded.

OFF TO NEW YORK

Completely confident of his abilities, yet always self effacing and willing to give others credit, Arthur "Buck" Briscoe went to New York where the Liberty Ships were being built.

He needed money to start a welding business on Liberty Ships. He had an honest manner and made an impression on the banker to whom he applied for a loan of $67,000. That anyone would ask for such a sum, unknown then in New York, evidently surprised the banker. He apparently considered this must be an unusual person. He said he would check to see if the money could be made available.

Buck went back to his St. George Hotel room (in Brooklyn) to await a call. The ideas Buck offered the banker for his request must have been satisfactory, and the telephone call a few days later was in the form of an "A O.K."

Throughout his career in the welding business at times he borrowed 2 million to 3 million dollars from the same banker. He always repaid the loans promptly. In a letter to Briscoe in 1972, the banker told Briscoe the three rules for credit: character, capacity and capital. He added Briscoe had met the test.

The banker and Buck corresponded frequently throughout the years. Recently the banker wrote from Florida and said in his 40 years of banking, Buck Briscoe was the only person to whom money was loaned by the firm who ever took the time to write, "Thank you."

The welding business which required specially made machinery and equipment for the job on Liberty Ships earned millions for Buck. He was generous to a fault, and found more ways to spend money than anyone believed.

He had friends in high places in government, finance, the theatrical and musical world, sporting world, socially, in fact he was known wherever he went and welcomed. His "fog horn" voice could be heard loud and clear as he greeted friends enthusiastically. He towered above many men in a gathering. Buck Briscoe in his years there, endeared himself to New York and made lasting friends.

PROBLEMS

Then the war ended! There was no more need for Liberty Ships to be created or repaired. Welding equipment, a million dollars worth, was obsolete, since it had been created for special type jobs. The government taxed him $70,000 and he was unable to salvage that money.

"Why not take the welding business and sell the equipment to get your money," he asked the government agent?

"We're not in that business," he was told. So, for the next decade and more, every so often the Internal Revenue ran a check on Arthur Briscoe, to find out if he had any income to pay the levied tax, which kept increasing interestwise.

While Buck was in New York, he met and married the former Marie Gaffney, an attractive actress. Buck had been married earlier, but his wife died. He has a son in Baltimore from that marriage.

COME HOME

Buck always wanted to return to live on some farm in St. Mary's County, which he knew so well as a boy. He often asked his mother to seek out a farm there for him. She finally found one in Compton, the former Leach family farm of 145 acres on St. Clements Bay.

It was here, with his wife, Marie, they settled down as farm owners, where the tobacco "grew up almost overnight." The Cusics were the family who ran the farm.

There was much remodeling and rebuilding to be done to the old buildings, but the result was a charming type farm home, with a small front porch, and a library overlooking the bay.

It was here Buck stored and displayed trophies for his years in business, including letters and mementos from some of the most prominent persons of the era. His massive desk was always strewn with papers, folders, letters.

But, ask him a question, and he could put his hand on the exact piece of literature, etc. you wanted to know about. He still does that in his office today.

Before Marie died, she and Buck often gave parties, inviting Countians and friends from New York. The Briscoe crest on silverware was evident, and the crystal and china were of the finest.

Like many, Arthur "Buck" Briscoe is not a paragon of virtue. He has many visible weaknesses among which was his ability to drink, and stay drunk until he went somewhere to be sobered up. One of the sports writers who admired Buck's ability to achieve whatever he set his mind to said of him, "He has thrown away more personal money and spilled more whiskey than a company of marines on a three day pass."

Buck adds, "I didn't spill it. I drank it!"

The writer added, "Buck has only two operating speeds, wide open and stop. There's no middle ground in Buck's life. But he is a genius when it comes to selling the virtues of St. Mary's County."

After several sessions in the hospital for his particular "failing," Buck's dear friend and physician, Dr. Greenwell, died. Buck stopped drinking, because he said, "My doctor died, and I don't dare take a chance and drink anymore. No one else understands me like he did."

When he decided to return and live in St. Mary's County, where his ancestors were among the early adventurers to this new land, he began a dedication of purpose to make St. Mary's County known and loved. Prior to this it was a little known, quiet place where politics were a prime activity (a place where the people resented the invasion of strangers).

Briscoe realized this was a most unusual area—a place where history originated in Maryland, some of the most beautiful waterways, the bounteous Chesapeake Bay. It offered a way of life from another century, almost unchanged. There were the Amish Carriages, the farmers' market, lovely old homes, a town (Leonardtown) with a village green, one of the few left now in the country. Tobacco farms were along the roads, where rows of tall tobacco in bloom heavily scented the air after a rain.

It was the pleasantness of another era. It was indeed "The Land of Pleasant Living." Buck decided to "sell" the idea to tourists and business, and money would come into the County merchants' till, and into the banks' vaults. His imagination and brilliant talent filled with ideas were too much to be contained in one person's mind.

So began the first St. Mary's County Economic Development Committee, then operating from Buck Briscoe's home, with he and Bill Chapman founders, in the late 1950's. Dorothy Dunn was the committee's "girl Friday" and secretary. She still is.

Buck and Bill worked well together for a long time, until Chapman went into his own business in Lexington Park. Briscoe became the director of the County EDC, a job he holds today.

THE HAT

All during this time, although Buck Briscoe was known to have 50 suits, each with a vest, hanging in the copious closet at his home, he'd tell people who asked where his office was located, "My office is under my hat."

This was an oversized stetson, and later a yellow straw with "Mr. St. Mary's County" stenciled on it. He has worked through the years (from under his hat) even though now he has an office selling an almost impossible dream—St. Mary's County as "The Land of Pleasant Living."

Talk to him a few moments, and he'll tell you, "St. Mary's County has everything." The Sunday Star used this as a caption about this man, June 14, 1964.

In another news item it said Buck has "succeeded in converting many stumbling blocks into stepping stones." He'd do almost anything to bring others to his beloved St. Mary's County, another news service reports.

There are hundreds of inches of praise which have been leveled at Buck Briscoe's achievements. He smiles modestly when asked how it happened to happen—"Oh I had a friend, and I made a phone call . . ."

It was an article called "Budget Vacation" in the old Collier's magazine, which originally whetted Buck's appetite to create a way to let others know of this County vacationland.

Through his magic personality, a doorway opened through which outboard motors became plentiful and used on local water ways. Business in this field zoomed, marinas were built, skiing fans came, the fishing trade grew, Cobia became a trade name and charter boats became a weekend business. Buck reasoned that everyone who bought an outboard motor or a boat should know what the County has to offer. The hospitality increased to include many strangers—and money jingled in cash registers of local businesses.

He was exhibited for St. Mary's County at national boat shows, home shows, the Armory in Washington, Baltimore, New York.

Tom Cofield and Bill Burton, among other sports editors of nationally known newspapers (Baltimore, Washington, Pittsburgh, New York), came down to see this place the "fog-horned" voiced man talked about endlessly. They have been the biggest boosters for Briscoe's St. Mary's County. Radio and TV picked up the fishing news from the bay area through the sports stories.

Tours were instigated through Buck Briscoe's office, and some who came to see, stayed to make this their home. He dictates answers to every letter received, and the faithful Dorothy Dunn gets out hundreds each week. Letters come from other lands outside the United States as well.

Buck began concentrating on making the County's roads more navigable and atttractive. When he and Chapman worked together as the Economic Development Committee, they approached the County commissioners with the request to repair the local highways and to broaden them for traffic. It was hard to make the commissioners see this visionary man's idea as a beautification program.

Back in November 1960, Briscoe wrote to John Funk, chairman of the State Roads Commission, requesting dualization of Route 5. He offered to plant crepe myrtle and white dogwood in the median strip. He cited the cherry blossoms in Washington as a tourist attraction and compared the value of beautification of the highway for tourists.

In December 1960 Funk replied. He'd have the dualization and the median strip could be planted if Buck would buy the shrubs. The State Roads would do the planting.

It cost about $2,000 to buy the shrubbery. Each of the local financial institutions donated $500 toward this. Then the strip from Mechanicsville to the Halfway House was left without beautification. So an oil company and Harry S. Waller, of Queen Anne Apartments supplied the balance of the money needed.

This was all before Mrs. Lady Bird Johnson got her beautification program into operation.

POINT LOOKOUT

Things which are accomplished on a County level do not happen without a lot of work and time consumed. Such was the case at Point Lookout. It was in 1961 Briscoe discussed the possibility of creating that historical area into a park for campers, boating, and fishing, with Gov. Millard Tawes. In 1962, he invited Joe Kaylor, director of Parks, Forests, Recreation of Maryland, to "come on down, I have something to show you." This was Point Lookout.

The seven-mile stretch of roadway from Ridge to Point Lookout was deemed "horrible" and nearly 100,000 cars travelled over it. In 1976, in spite of several requests for improvement, 1½ miles of road is finally being resurfaced.

Point Lookout was made into a State park.

Briscoe kept checking to see if all went well. He had a boat ramp put in just this year, where one was badly needed.

Last month, Countians who realized the value of Briscoe's interest in Point Lookout Park, now called one of the finest on the East Coast, unveiled a plaque at Point Lookout's entrance in Briscoe's honor.

STUFFED HAM

Perhaps one of the ideas of Buck Briscoe's which has travelled farther and farther is that of the famed St. Mary's County Stuffed Ham. Lenore Stewart, the cook for the Briscoes for many years, was responsible for stuffing many, and later Dorothy Dunn also did some.

In 1964–65, St. Mary's County Stuffed Ham was on the menu at the Maryland Pavilion of the World Fair in New York. Dorothy Dunn gave a demonstration of how to stuff the hams which was observed by TV cameras and the chief chef at the Maryland Pavillion. The demonstration was in the RCA Building at the fair. There were 700 stuffed hams delivered to the fair in New York.

When the International Races were run at Laurel, 20 stuffed hams found their way into the restaurant at the clubhouse.

The White House has enjoyed gifts of stuffed ham, brought by Briscoe, with the annual Thanksgiving Turkey and oysters when wanted to publicize St. Mary's products. President Eisenhower was the first to receive the turkey, and it came from Bob Thompson's farm at Great Mills.

Cookbooks have vied for the stuffed ham recipe.

INDUSTRY

From airport to business firms, Buck Briscoe's letters went throughout the states, inviting firms to settle in St. Mary's County. His idea was to provide jobs for local people. He remembered he left the County when he was young because there were no jobs.

He has lured several industries, among which was the former dress factory which opened in the new building just below the hill in Leonardtown. When this firm wrote they could come here, if there was a building, Buck Briscoe immediately made one of his famous "calls" to someone he'd known.

It seems each year he received a Christmas card from two of the County's business people, a husband and wife team. They were pleased with his interest and activity for the County's good and said, "If you ever need anything, call on us." Just as he does with other messages, he filed the card, "somewhere" in his desk, and in his mind.

The result, after many months of negotiating, the dress factory building was constructed, through the financial aid of the interested County people. And they made financing in keeping with what the factory owner was prepared to pay.

When, through unusual circumstances, the factory failed, another firm, Minitec was prepared to move in.

Most recently the J&J Mailing Co. came here. After some discussion they settled in the former Leonardtown Laundry Building. So successful has the operation of this firm proved, they have now built their own much larger building into which they are preparing to move. When they vacate, another firm, which Briscoe had written to some time ago, will move in with their tubular aluminum products.

The wood pulp factory in Hollywood flourished when the railroad siding took their products to Hammermill Paper Co. in Pennsylvania. The airport after many years, finally became a reality, through letters Briscoe wrote and discussions he conducted. Three hundred letters emanate through Buck Briscoe's office in a week, and are given a personal reply through Buck and his girl Friday, Dorothy Dunn.

Perhaps the best summation of the esteem many in the County have for this dynamo's talents may be quoted in excerpts from the Rotary Club's publication, The Rotary Spark, when on Nov. 22, 1965, Arthur "Buck" Briscoe was honored as "Man of the Year."

The article was headed "One Man County Public Relations Agency Awarded Citation by Rotarians."

It states, "It was a thrilling ceremony which draped well merited honors around the shoulders of a gentleman who for many years has raised an exciting and compelling voice on behalf of the County. A voice which has been heeded by thousands of people around the country, especially here in the east."

Gov. Tawes also praised this "solid, talented esteemed citizen, who has done more to publicize the virtues of St. Mary's County and Southern Maryland, than any other person. His energies have won for him the title of 'Mr. St. Mary's County.'"

Another point in the citation stated, "To the man who has done more to reveal the magic of the County to strangers, whose guidance, leadership, eloquence and gift of friendship is respected and cherished," signed by the Rotary Club members of the County.

This is the man who is now growing on in years, whose step no longer has that bounce and hurry to get there, and if you drive behind him on a road where you cannot pass, be prepared to go 20 miles an hour—endlessly.

But his personality has not changed. He can still reach for a telephone and call the occupant of the White House, the impresario of a fabulous establishment in New York, Hollywood, Palm Beach, or elsewhere in the world.

He knows the gamblers with influence, politicians, members of the clergy. The members of the diplomatic corps have talked with him, as well as those in the theatrical world (he gets mail from Kate Smith, and Tippy Stringer frequently, among others). Many high ranking government officials know Buck. You just ask for a favor, Buck knows the right person for the right request to call. And, usually he gets what he needs.

His office as the director of the County's Economic Development Commission is now located in the County's annex at Leonard Hall School. His life has taken him in a complete circle, from the era when he was a student at Leonard Hall School, to the era when he may soon be willing to rest on his laurels, knowing he has done the best job any public relations expert in the country could have done for the place he dearly loves—St. Mary's County.

He has watched the County emerge from its cocoon into a beautiful, recognized place in Maryland, earning the accolade of "The Land of Pleasant Living."

Many, many will agree—how fortunate St. Mary's has been these years to have had Buck Briscoe—"Mr. St. Mary's County"—when the County needed growing up.

A PROFILE OF A CHRISTIAN CITIZEN

Mr. TALMADGE. Mr. President, there was recently brought to my attention a splendid Bicentennial sermon delivered by the Reverend Robert J. Blankenship, pastor of the First Baptist Church of Alma, Ga.

Reverend Blankenship very eloquently and forcefully discussed the importance of Christian citizenship in this year of our Nation's Bicentennial in order to strengthen our Nation and insure its future.

I commend Reverend Blankenship for his devotion to God and country, and I ask unanimous consent that his outstanding message be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

A PROFILE OF A CHRISTIAN CITIZEN, ROBERT J. BLANKENSHIP, PASTOR

(The Alma Baptist Church, First. July 18, 1976)

Scripture Reading: Romans 13(RSV).

Practically speaking, I do not know if or believe that Christian society could ever entirely exist. The very nature of mankind dooms such recognition and understanding. However, I do believe that Christians can and must live in society, working for the good of society and helping keep the conscience of society alive to God's grace, mercy, and justice. There is the possibility and probability that any people or nation can be directly influenced by the Christian graces of "Faith, Hope, and Love." We, as Americans, like to think that a little of this influence has happened to us. No one can reflect on two previous centuries of American life without expressing deep appreciation for self-sacrificing men and women who have left a vision and a legacy of servanthood as their witness to truth: ". . . with liberty and justice for all." However, let us also be reminded of the apostle Paul's words: ". . . not to think of himself more highly than he ought to think, but to think with sober judgment . . ." (Romans 12:3, RSV). The grave danger of any people or nation is that a people or nation will seek to preserve self through vainglory or self-pride; so much so until not even the God who blessed is ever able to positively speak or act again.

When the two words, Christian citizen, are put together, what is the result? What does each word mean? Who is a citizen? Who is a Christian? I, personally, believe in Christian citizenship. Put another way, I believe that religion and politics can and must mix in principle and in ethics. There are many Christian people debating whether a Christian person should get involved in politics. Some say, "Yes." Others say, "No."

Baptists of all people have some peculiar debts to pay in "loving discipleship" and to our nation. It is in the special environment designed by our founding fathers that our kind of people in church life and in cultural life, along with others, have existed and prospered. Some countries threaten or penalize church people. We have had it good! Not to be thankful would be "downright ungrateful."

All is not well in our land. There is obvious despair regarding the functional realities of our political system. Freedom is under attack from various approaches. Without the effort of Christian citizenship, the result could possibly be a perversion of freedom or even the loss of freedom. This is no "manifest destiny" ultimate. It is illustrative of such probabilities as expressed through recent disclosures of the alterations in civil liberties by civil leaders through the defensive cliches of "national security" or "national defense." Often, it seems to be no more than personal defenses from the alterations. So, at such a time, it is not the pragmatic nor existential posture of the Christian citizen to be defeated by fear or anxiety. Benjamin Franklin's warning is apt: "Those who would give up essential liberty to purchase a little temporary safety deserve neither liberty nor safety."

Unity in party politics could possibly afford an open door for better things to happen. But it is going to take a heap more that a little party unity, based on faddism or opportunism, to guide us faithfully home! What ought to be and can be accomplished, from where we are, needs proclamation and clarity. The polarity of Thanksgiving and Obedience is the only pathway for a people, who cherish any of our historic values, to follow. Especially is this true for Christian people and citizens.

Motivation for being a Christian citizen is taken seriously because of the authoritative teachings of the Bible and because of the comprehensive demands of Jesus, The Christ, over every area of life: religious, educational, psychological, social, philosophical, and political. Christian people do not ultimately make distinctions of days, rites, and blessings. Questions are never too big. Issues are never too dirty. Challenge is never too demanding. All things are theologically and ethically incarnational. This is the authenticity of Christian citizenship.

THE BIBLE AND POLITICS

When Christian people take seriously the teachings of the Bible and the comprehensive demands of Jesus, The Christ, on all of life, then Christian people will come to see that the Bible speaks to such a functional practicality as religion and politics on the grounds of the nature of government and the nature of the Christian life. (Welton Gaddy, "Profile of A Christian Citizen," Student, October, 1974, p. 25)

The Biblical nature of government is based on the view of mankind and in the process that builds up and works for the individual dignity of man as well as for the good of all men. Government can operate either for the good or for the evil; therefore, working, as the Bible presents it, in behalf of man or against man. (John Macquarrie, ed., "State," Dictionary of Christian Ethics (Philadelphia: The Westminster Press, 1967), p. 331.)

Any time a government fails to function as an order for creation and as a defense against evil, then that government has failed to act with responsibility and for the Valued destiny of man. Freedom and responsibility go together in a "democracy of politics." Freedom is not so much a conceptualization of being from something as much as it is being for something. Christian discipleship is this very thing, as Ephesians 2:10 (RSV) says: "For we are his workmanship, created in Christ Jesus for good works . . ."

The people of God, though ultimately accountable only to God ("For we are to obey God rather than men . . ." Acts), are expected to be responsible people in the world, not isolated from the world nor better than the world (John 17; Deuteronomy 16:18–20; Romans 13; I Peter 2:13–16). The Bible speaks very directly in spirit and in principle about such realities.

One must grant that the political context was different in both the Old and New Testament times, offering no creative opportunity. Yet, responsibilities in government were taken seriously. This does not mean that the Bible offers a structured interpretation on a planned ideology of government. However, the Bible does sound forth principles to be applied, understood, and believed in by individuals and societies. These principles are dignity, social good, and compassion for the down-trodden. In essence, God's people are to be "salt . . . light . . . and leaven . . ." (Matthew 5).

Biblical theology is not content to only pray for God to grant solutions to our needs; but rather, that God would work, redemptively, through his people as part of the solution. Thus, Christian people should never pray, "Our Father, bless our national and world leaders, giving them a sense of your presence," and then go on believing that politics is ultimately dirty. As Emil Brunner has so imperatively said: "The Christian must take an active part in politics . . . because there he must show whether he really cares about the weal and woe of his brethren, whether he is really in earnest about active love. Only when we know how a man acts in the sphere of the State have we to some extent a reliable criterion by which to judge whether faith has a real penetrating influence on his life or not" (The Divine Imperative. New York: The Macmillan Co., 1937, p. 480).

THE CHRISTIAN LIFE AND POLITICS

The nature of the Christian life demands responsible citizenship. Christian life cannot be lived apart from the Biblical principles. Such an understanding is not backed up with just quoting a few proof texts from the Bible; but rather, such is backed up in the very life of Jesus' words and deeds. When Jesus, The Christ, becomes the Lord of a person's life through faith, then Jesus is Lord. The Christian believer is a true citizen, and the Christian citizen is a true believer.

Certain basic facts of a Biblical Christian life are suggested by these two foundations (Foy Valentine, Citizenship for Christians, Nashville: Broadman Press, 1965):

1. To be blessed of God is to be charged with responsibility, not just position or self-pride. This is the Biblical meaning of election. Jesus meant this when he said: "You have not chosen me, but I have chosen you . . . I have sent you forth."

One valid way to translate personal faith into concrete acts is through the crucial issues of one's (our) time. We say that we have been blessed! Where is our charge of responsibility? Where is our election? Where is our mandate unconditionally exercised that the "suffering servant" symbolizes and expresses only through "thanksgiving and obedience"?

2. Jesus was always found sending his followers into an active world . . . TO ACT! Transformation comes about only through the penetration of something greater than that which is being acted upon. Is not Good News, in word and in deed, this kind of transforming penetration, change by involvement, and process through integrity?

To keep the conscience of man and society alive to Good, Mercy, and Justice is the task of Christians and The Church.

CHRISTIAN POLITICAL INVOLVEMENT

At the close of the Constitutional Convention in 1787, Benjamin Franklin is reported to have said: "We have given you a republic—if you can keep it." Political activity is the means by which our form of government is kept alive and maintained. Either we master this art and truth of functional necessity or we lose the values of democracy (Gottfried Deitze, America's Political Dilemma, Baltimore: The Johns Hopkins Press, 1968).

Mark Hatfield has drawn an excellent conclusion about the personal involvement of a Christian in politics: "For the Christian man to reason that God does not want him in politics because there are too many evil men in government is as insensitive as for a Christian doctor to turn his back on an epidemic because there are too many germs there. For the Christian to say that he will not enter politics because he might lose his faith is the same as for the physician to say that he will not heal men because he might catch their disease (Clouse, Linder, and Pierard, eds., Protest and Politics: Christianity and Contemporary Affairs, Greenwood: The Attic Press, 1968).

The contribution of a Christian person in politics can be unique, based on the very nature of our governmental process and the very nature of the Christian life.

In a sphere where proper motives must be weighed and valued, Christians can and must minister to the meaning of love and of justice in decisions and applications.

In the plans, dreams, and needs of all, when in review or when they need to rise to view or review, Christians can and must minister to the total man in his total world, not just to part of man or to a select few.

When issues are at stake, but deferred through strife, petty vices, conformity, and a denial of courage, then Christian people speak up for the issues to be known, spoken to, and worked for.

When the conscience of a people is weighed in the balances of Value, Justice, and Good, Christians must bring a message that is decisive, even disruptive, but of hope and forgiveness toward the dawning of a new day.

When issues and personalities become intertwined, as so frequently happens in politics, then Christians must carefully separate the two as objectively as possible through the spawning of knowledge, will, ethical principles and methods that match, and through personal integrity.

When the ethical principles and causes supersede the morality of the persons identified with a cause, then Christians take the road of Value and of Good.

Such matters are forcefully put in the words of Joshua: "Choose you this day whom you will serve; but as for me and my house, we will serve the Lord." This is the kind of responsible integrity needed in political life today by Christian citizens.

A REFLECTIVE CONCLUSION

As I reflect upon life, both its gift and its redemptive Grace, I am led to the lookout point of Calvary. Here is where the negative or print of the picture for a Christian citizen takes form, shape, and focus. The hymn of the early Christian community describes the spirit and function of such a meaning, as found in Philippians 2:3–8 (RSV):

Do nothing from selfishness or conceit, but in humility count others better than yourselves. Let each of you look not only to his own interests, but also to the interests of others. Have this mind among yourselves, which you have in Christ Jesus, who, though he was in the form of God, did not count equality with God a thing to be grasped, but emptied himself, taking the form of a servant, being born in the likeness of men. And being found in human form he humbled himself and became obedient unto death, even death on a cross.

Involvement with the world! That's our task, with Jesus leading the way, even if it means the road of humility. Even if it means walking among men who try and try to put you down—even put you down. Even if it means that some will listen and mutually share, though others may laugh you to scorn. To become, with the meaning of life for self and others in every dimension and area of life, is the existential posture and way of faith for the Christian citizen. As the great German Christian, Martin Niemoller, both in personal and ecumenical commitments, solemnly vowed, so must we never let our involvement be the bondage of silence: "In Germany they came first for the Communist . . . the Jews . . . the trade unionists . . . the Catholics, and I didn't speak up because I was a Protestant. Then they came for me, and by that time no one was left to speak up" (Robert D. Linder and Richard V. Pierard, Politics: A Case for Christian Action, Downers Grove, Ill.: Inter-Varsity Press, 1973, (p. 124).

This message is not given to say that each of us must become what we call "politicians." However, it is to announce the meaning of the Bible and Christian faith to and about the world we live in, the kind of life we must have together, and the necessity that Christian people are to be "servants." This is what God has done for us through Jesus, and we who follow can do none other than follow. This is our profile: Belief in the Biblical message, Active in the world in which we live, and living a life of personal and cooperate integrity.

To sum it all up, may we remember the words of Micah 6:8: "What is it, O man, that the Lord requireth of thee, but to seek mercy, to do justly, and to walk humbly with thy God?"

CUBA

Mr. KENNEDY. Mr. President, in recent days, the Inter-American Commission on Human Rights has issued a scathing report on the condition of political prisoners in Cuba. The continued refusal of the government of Cuba to permit objective international organizations to visit maximum security areas and interview prisoners privately continues to disturb many Americans.

The report much of it based on letters and documents smuggled out of the country, detail individual violations of human rights as well as the continuing failure of the Cuban government to cooperate with the Commission.

Nor is the Commission alone in its having been ignored by the Cuban government. The International Red Cross, which simply has sought to obtain access to prisons to carry out its humanitarian obligations, and Amnesty International have had their requests to enter Cuba rejected.

Members of my staff who visited Cuba urged the Cuban government to permit international organizations such as the International Red Cross, Amnesty International, and the International Commission on Jurists to enter Cuba and to visit political prisoners, including those in maximum security areas. While they themselves were permitted to visit prison work camps where conditions appeared adequate, the maximum security areas could not be inspected.

In the process of normalization of relations, it is evident that a tremendous concern exists and the negotiating process inevitably must include the condition of human rights and the condition of political prisoners.

I ask unanimous consent that several articles be printed in the Record including one by Frank Calzone, who has been a spokesman for the Cuban-American community with regard to pressing for release and more humane treatment of political prisoners in Cuba.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Boston Sunday Globe, June 20, 1976]

OAS Criticizes Cuba on Jail Conditions

(By Fletcher Roberts, Globe Staff)

Washington.—Jose Luis Prado was condemned by the Cuban Revolutionary Tribunal on Jan. 7, 1961, and confined in the prison on the Isle of Pines in the province of Pinar del Rio.

During a 10-month period in 1967, he and nine other prisoners were confined to a single cell six feet by 12. They were kept completely nude and, on one occasion, Prado went 72 days without being permitted to bathe.

On Jan. 6, 1970, Prado was told by prison authorities that he would be allowed to see his ailing mother. While he readied himself for the visit, a guard attacked him with a baseball bat. He tried to escape, but was shot at point-blank range by a second guard.

Seventeen years after the revolution, Cuban jails still bulge with political prisoners. Premier Fidel Castro admits that there are still 5,000 political prisoners from the first six years of the revolution in jail.

As many as 15,000 more prisoners have reportedly been taken since 1965 for crimes with political overtones.

The Inter-American Human Rights Commission recently issued a report decrying the alleged mistreatment of political prisoners in Cuba since 1970. The case above was taken from this report.

The report, the fifth since the commission was set up in 1960, notes that numerous communications from individuals and organizations provide a "solid basis" for the belief that Cuba treats its political prisoners with "complete disdain."

Complaints received by the commission allege that prisoners in Cuba are often subjected to extreme physical and psychological cruelty, lack of medical assistance and adequate food. The report lists the names of more than 450 persons it says are in need of medical attention inside of Cuban jails.

The complaints further allege degrading conditions, forced labor, solitary confinement, prohibition of visits and measures to force acceptance of political indoctrination.

The report does not, however, identify the sources of the complaints.

The commission, a branch of the Organization of American States, said it had forwarded many complaints about the mistreatment of prisoners to the Cuban government, but has never received a reply. Cuba has withdrawn from the organization.

Castro apparently is unconcerned. He has discussed political prisoners with American journalists on only two occasions in the past 12 years. Several humanitarian groups, including the International Red Cross and Amnesty International, have repeatedly sought to inspect Cuban prisons to no avail.

"Frankly, Cuba hasn't replied to our letters," Amnesty International spokesman Mark Grantham told the Miami Herald.

The State Department concludes that Castro's unresponsiveness on the matter is founded on the belief that political prisoners inside Cuba are a strictly internal affair.

[From the New York Times, June 13, 1976]

Prisoners of Castro

International agencies, official or private, that try to monitor human rights violations around the world are often accused of concentrating their fire on right-wing governments and ignoring abuses by Communist regimes. The truth is that Communist rulers are often more ruthless and more effective in maintaining closed societies; and documented information from those countries is difficult to acquire.

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Publication of the report will doubtless provoke another round of savage attacks by Havana against the parent O.A.S. But far more convincing than Castroite oratory would be an offer to allow the Human Rights Commission to come to Cuba to investigate the charges freely. The Cuban report, along with others in Chile and the entire hemisphere, underscores the impartiality of the Human Rights Commission and reinforces its mandate.

[From the New York Times, June 12, 1976]

Rights Unit Appeals to Havana To End 'Disdain' for Prisoners

Washington, June 11 (AP)—The Inter-American Human Rights Commission has appealed to the Cuban Government to take immediate steps to end what it calls "cruel, inhuman and degrading" treatment of political prisoners.

In a report, the commission says that numerous communications from individuals and organizations provide a "solid basis" for the belief that Cuba treats its political prisoners with "complete disdain."

Complaints received by the commission allege that prisoners in Cuba are often victimized by extreme physical and psychological cruelty, lack of medical assistance and adequate food. They allege degrading conditions, forced labor, solitary confinement, prohibition of visits and measures to force acceptance of political indoctrination. The commission declined to identify the sources of the complaints.

The commission, a branch of the Organization of American States, said it had forwarded many complaints about mistreatment of prisoners to the Government of Fidel Castro but never received a reply. Cuba withdrew from the organization but is still technically a member.

The report is the first by the commission on Cuba in six years but it was completed late last month, too late for consideration by the current meeting of the organization's General Assembly in Chile.

In a speech to the O.A.S. meeting on Tuesday, Secretary of State Henry A. Kissinger said an initial review of the report "confirms our worst fears of Cuban behavior." He praised the commission's efforts to find the truth despite "a total lack of cooperation from Cuba."

[From Dissent, Summer 1976]

How Many Prisoners Does Castro Hold?

(By Frank Calzon)

". . . A triumphant revolution has to use repression because with its triumph the class struggle does not end. . . . We have no mercy for those who take weapons against us; it does not matter if they are weapons of destruction or ideological weapons. . . ."
—Ernesto Guevara, *El Mundo* (Havana), October 1, 1963

Among those who have studied the Cuban revolution, few have focused on the tens of thousands of people in prison for "political crimes." Last March the *Journal de Genéve* reported some 50,000 "political" prisoners. Estimates of the number of prisoners are difficult to obtain and the Cuban government is reticent to release such figures or allow international organizations to visit its prisons.

In mid-1965 Premier Castro acknowledged that there were close to 20,000 political prisoners in Cuba. Lee Lockwood, not unsympathetic to the Cuban Revolution and author of *Castro's Cuba, Cuba's Fidel,* indicated that the number "was still growing . . . in spite of the fact that counterrevolutionary actviity has been slackening gradually since the Missile Crisis."

Other estimates fluctuate around the 50,000 figure. The *New York Times* estimated 40,000 back in 1967; that same year Marino de Medici, an Italian journalist who visited the island, wrote that there were 50,000 in the regular political prisons, and an additional 80,000 in "work camps." Professor Edward Gonzalez, an American scholar at

UCLA who also has visited Cuba, reported in 1974 that there were between 25,000 and 80,000; and the *Washington Post* published a 25,000 to 50,000 estimate on June 1, 1975.

Relatively few figures of the old Batista regime are still in jail. Most of them either were dealt with by firing squads or fled the island immediately after the collapse of the old regime. Although not a homogeneous group, the political prisoners are a different sort than the grizzled old reactionaries often stereotyped in pro-Castro literature—prisoners range from Fidel's former comrades in the 26th of July Movement to young peasants who were infants when Castro took over.

Enough information has filtered out from the island, so that the International Rescue Committee, the International League for the Rights of Man, the Inter-American Commission on Human Rights, and Amnesty International have been able to assess the situation.

In a statement this past summer, the respected International Rescue Committee pointed out that "Conditions in the prisons have been described as dismal and worse. Lack of food, lack of water, lack of medical attention, lack of space, and brutal treatment have frequently been reported." The IRC also explained that "what is most appalling in the case of Cuba's political prisoners is the unconscionable length of incarceration."

The Washiington Post reported last June that letters from prisoners received in this country charged that "some Cuban political prisoners who have completed their terms have been 'resentenced' without ever leaving custody." The Post cited the case of Oracio Giordano Orta Gómez, who managed to send to his brother a handwritten copy of his sentence extension, which, the document explains, is a result of his "postcriminal dangerousness" and a type of preventive detention. According to the new sentence, passed by an administrative court, Gómez "had been in punishment cells at various times" for refusing to wear the blue uniform of the rehabilitation plan (a program that sometimes entails attending political indoctrination classes) and for participating in hunger strikes. In answer to this last charge, Gómez wrote in a letter smuggled out of prison:

> ". . . Only on one occasion did I participate for two days in a hunger strike. I was one of 11 prisoners who were held naked in a locked cell with no lights and in a space of 8 hand-breadths by 12 hand-breadths, for a week before we took this decision. . . . And of course we had to defecate squatting over a hole with only the privacy that the darkness of the cell provided. . . ."

The Washington Post also mentioned the case of former student leader Pedro Luis Boitel, a leader in the underground against the Batista dictatorship and an opponent of Castro's takeover of the University of Havana.

Boitel's case became a *cause célèbre* for the Inter-American Commission on Human Rights, a group attached to the OAS, which had made appeals to the Cuban government since 1965 to save his life:

> ". . . In May 1972, the Commission was informed that Pedro Luis Boitel, still a prisoner in the El Principe Castle in Havana, was seriously ill as a result of maltreatment and torture to which he continued to be subjected. . . . On May 28, the Commission received a communication informing it that he had died in prison. . . ."

About this same case, the National Catholic News Service reported that

> ". . . He was beaten, tortured with bayonets and denied food and medical attention. . . . He weighed 70 pounds at death. Last April prison officials damaged his spine during beatings, besides inflicting bayonet wounds. When he went on a hunger strike to protest, he was transferred to a security cell and told 'this time we will let you die, no doctors.' "

In calls to the United States, his mother, Mrs. Clara Abrahantes viuda de Boitel, who had also wired Pope Paul begging him to intercede, sought help from the International Red Cross and other world organizations. Boitel died in prison, without receiving medical attention, while his fellow prisoners rioted, burning their mattresses in a futile attempt to save his life. None of his friends or fellow prisoners was permitted to attend Boitel's funeral; he was buried in secret.

Reports on widespread use of torture in Cuban prisons have appeared ever since the consolidation of the Castro regime. In the May–June 1970 *Dissent* appeared an appeal to the United Nations by 47 prisoners at La Cabaña Fortress, in which they wrote of murders, beatings, mental torture, and human experiments. In June 1971 *Paris Match* reported that the Cuban government was using "gavetas" or lockers, cells two feet wide, six feet long, and seven feet high, in each of which are held three prisoners.

In 1973 Amnesty International reported that Cuba was engaging in systematic torture in a pamphlet on the worldwide "torture epidemic." And in March of 1975 this London-based organization began a campaign, calling on its members to write to Fidel Castro in support of Huber Matos, a former leader of the 26th of July Movement and provincial commander in Castro's rebel army. Matos had been sentenced to 20 years in 1959 for resigning his commission and writing to Castro, warning of a Communist takeover of the Revolution.

According to a document presented by Mrs. Maria Luisa Matos to the Commission on Human Rights of the United Nations in Geneva last March, her husband

> ". . . was condemned to 20 years in prison because he disagreed ideologically with the leader of the ruling government in Cuba. . . . He has been kept incommunicado for periods of more than one year. He has been the victim of countless abuses and humiliations. Because he refused to accept a program of indoctrination he was forced to live completely nude for two years. In February of 1970 he was isolated in a dark cell with a small window covered with a heavy cloth, sewn to the bars. I do not know if that situation persists since for the past five years he has not been allowed to receive visitors."

One surprising fact is the high percentage of young men and men of rural backgrounds among the prisoners. René Dumont in *Is Cuba Socialist?* mentioned one such case:

> "A young sentinel guarding some new rice plantings had one night let cows graze amidst them, and Castro wanted to have him shot. He was restrained with difficulty by being reminded that the grazing would in fact encourage the plant growth. Once over his rage, he agreed to have the sentence changed to 15 years on a prison farm."

Although initially the revolution had the support of the rural population, in the early '60s, when the government reneged on its word "to give land to the toilers," the regime began to have difficulty in enforcing its collectivization policies. In 1967 Lee Lockwood, in his very favorable account of the Revolution, pointed out that ". . . the majority of the internees are not, as one might assume, men of urban backgrounds, but 'campesinos,' peasants from the mountains and the outlying rural areas. Most are serving terms ranging from two to twenty years. . . ." Since then, the revolutionary leadership has tightened its controls, prohibiting the peasants from slaughtering their animals and requiring that their crops be sold to the government.

Regimentation of the union movement caused resistance among workers and produced a spate of political prisoners over the last 15 years. David Salvador, one-time leader of the Camaguey sugar workers and secretary-general of the CTC (Confederation of Cuban Workers) for the first year of the revolution, has not been heard of since his arrest on November 5, 1960.

The application of government labor decrees has also contributed to the number of politically oriented "crimes" in Cuba. Since 1970 the regime has enacted a series of decrees punishing "absenteeism" and "loafing." The government also has introduced the "worker's biography," a type of labor passport that records a worker's behavior, attitudes, and production quotas. This document is to be kept for every worker at his work place and required for any job transfer.

The Cuban prison system is a source of forced labor along the Stalinist model. Besides the "maximum security prisons" there are dozens of other establishments, including prison farms and work camps.

In every province there are also the "open fronts," composed of traveling brigades. In Havana alone there are eight "fronts." Prisoners are used for many construction projects, doing many hours of "voluntary work" in the hope of an early release. These brigades are composed for the most part of young people who for one reason or another have fallen into disgrace. Ironically, these very units have built many of the revolutionary "showcases" displayed on guided tours of the island.

A particularly painful issue is the plight of women in prison. In 1967 the Inter-American Commission on Human Rights reported that

> "the treatment they receive, in addition to being inhuman, violates all pertinent treaties . . . over 350 of these, suffering from serious ailments, particularly tuberculosis, are deprived of medical care . . . some have given birth in their prison cells, and several have died of hemorrhages and infections."

A letter from a former Cuban political prisoner, printed by the Washington Post on July 8, 1975, stated that there was a group of women political prisoners on a hunger strike at the America Libre (Free Americas) Prison Farm, Wajay, Havana. They had been transferred from La Cabaña Prison, and "at least two of them, Doris Delgado and Ana Lazara Rodriguez, need medical attention."

The International Rescue Committee in a statement presented at a congressional hearing last summer pointed out that

> "women prisoners who have refused to submit to reeducation were being held at Farm "El Nuevo Amanecer" (New Dawn) at Punta Brava in Havana. . . . Many women who have refused to be reeducated are victims of the Cuban version of Gulag Archipelago, among them as of January of 1975 were Clara Alonso, Maria M. Alvarez, Zoila Aguila, Albertina O'Farril at El Nuevo Amanecer; Miriam Ortega, Bertha Aleman and Esther Campos at Havana; and Doris Delgado and Mercedes Pena at the Boniato Prison in Oriente. . . ."

Groups who in another context might not be considered "political prisoners," but who have been singled out by official policy as threats to the Revolution, are members of Jehovah's Witnesses and other minor religious sects, and homosexuals. The Witnesses were denounced at the First National Congress on Education and Culture (1971), and the year before last they were finally declared illegal and their churches closed. They are kept in separate camps in order to prevent them from proselytizing among other prisoners.

Homosexuals received early attention during the mid-1960's with the creation of special units, at one time called UMAP (Military Units for Aid to Production) that, according to Jose Yglesias in the *New York Review of Books* (June 3, 1971), were created

> ". . . to include only young men of draft age whose moral outlook did not in the eye

of the authorities make them fit for regular military duty. The units became a catch-all for homosexuals and other undesirables and in fact functioned as prison camps."

Since then the UMAP camps have been abolished, perhaps because of their exposure in the foreign press, but the official policy remains as enunciated in *Granma*, the official organ of the Cuban Communist party on May 9, 1971: "... the pathological character of homosexual deviations was recognized ... all such manifestations are to be firmly rejected. ..."

The continuing imprisonment of homosexuals—now in regular camps—cannot be excused, as some have attempted to do in the U.S., by blaming the "machismo mentality." The fact is that in spite of social pressures, before the Revolution there was never a systematic massive repression of homosexuals in Cuba.

One final aspect of the prison problem is a result of the intellectual policy of the regime. Cuban intellectuals are free to write as long as they remain subservient to the Revolution. The situation, however, was somewhat fluid until 1971, when a more strict cultural policy began to be enforced with the arrest and recantation of the poet Heberto Padilla (see *Dissent*, Spring 73). Padilla's imprisonment for writing "counterrevolutionary poetry" and his confession prompted a group of intellectuals including, Susan Sontag, Jean-Paul Sartre, Octavio Paz, Alberto Moravia, and Simone de Beauvoir, to write to Fidel Castro expressing their "shame and anger" and begging Castro "to spare Cuba ... the repressive system that Stalinism imposed in the socialist countries. ..."

The Cuban cultural scene can be divided into a pre-Padilla and a post-Padilla period. The post-Padilla period has been marked by the imprisonment of a growing number of younger intellectuals and the subsequent clandestine publication of a Cuban version of *samizdat*. In La Cabana Fortress, Miguel Sales, a 24-year-old poet, has written about the creation of "a new socialist man." According to Sales: "through the streets of my old Havana, has never walked this new man."

Other underground poems have been written by men and women too young to have participated in the revolutionary movement of the late 1950s:

Beware of those who grow in obscurity
and carry worlds underneath their eyelids. ...
Beware of those who did not see you make the earth,
nor distribute worlds, or punish angels.
Those unaware of your beards' mythology
who have not seen the death rays
flowing from your rifles. ...

Whether it be poets or peasants, idealistic revolutionaries or iconoclastic youths, the prisons and work camps of Cuba will probably continue to add to their number as long as the wishes of large sections of the population are ignored. Each new government program, decreed from above and without an opportunity for free discussion among the people, has brought in its wake a new influx into Cuba's political prisons.

[From the New York Times, June 13, 1976]

Prisoners of Castro

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[From The Miami Herald, May 23, 1976]

Castro's Jails: Still Bulging 17 Years Later

(By Frank Greve and Miguel Perez)

With a spoon and a piece of wire Laureano Valdes extracted his teeth because dental care is negligible in his prison. He contracted tetanus.

Laureano's brother, Secundino Valdes-Gallardo, a janitor at the Lindsey-Hopkins building in downtown Miami, reads the news in a letter smuggled from Cuba.

Marta Valladarez learns from Cuban friends that her husband, Armando, stricken with polio while in prison, recently has seen a doctor. The doctor prescribed a proper diet but Armando isn't getting it in prison.

Much news about political prisoners passes through Miami's Cuban exile underground and mostly it's dismal. Thus comes the report that Rolando de Vera has completed his 12-year sentence for unspecified crimes against the security of Cuba. But he has been sentenced to three more years because he refused to work as a prisoner.

Seventeen years after the revolution, Cuba's jails still bulge with political prisoners. Premier Fidel Castro says 5,000 still are held from the revolution's first six years. Most neutral observers agree. But they add perhaps 15,000 prisoners, taken since 1965 for crimes with political overtones. Within Miami's exile community, where political emotion simmers on minor issues and boils on the subject of political prisoners, estimates sometimes rise above 100,000.

No matter the number, most adults in Miami's 400,000-plus Cuban exile community know somebody who is, or was, a Castro prisoner. That's not surprising. More than 100,000 persons were held at least briefly after the Bay of Pigs invasion in 1961. Most of those who could later fled to Miami.

Editorialists in Latin media lionize the prisoners still held. Rival committees seek their release through invasion of Cuba and counter-revolution or, alternatively, through amnesty or ransom negotiated with the man one group calls "Dr. Castro."

Castro has shown neither interest nor alarm. On only two occasions in the past 12 years has Castro discussed political prisoners with American journalists. Both the international Red Cross and Amnesty International, a respected, studiously neutral, London-based advocate of the world's political prisoners, have sought repeatedly to inspect Cuba's prisons.

"Frankly, Cuba hasn't replied to our letters," says Amnesty International spokesman Mark Grantham.

Cuba didn't respond to Herald inquiries either. When letters to Prensa Latina, the Cuban information agency, and the Foreign Affairs Ministry gained no response, Prensa Latina spokesman Carlos Mora was called. He promised comment in two days. Mora was out of town, the receptionist said when The Herald called back. Three days later he was still gone. Two days later he was said to be in the Soviet Union. Other officials at Prensa Latina and the Foreign Affairs Ministry would not answer calls from The Herald.

Repeated allegations of mistreatment of prisoners, pressed by human rights subcommittees of the United Nations and the Organization concludes the allegations are verified by Cuba's unresponsiveness. The U.S. State Department concludes that Castro considers his political prisoners a strictly internal affair.

From a month's interviews with scholars, intelligence sources, recent visitors to Cuba, Cuban ex-prisoners and American ex-prisoners held for nonpolitical crimes in the same jails, The Herald has concluded many mistreatment allegations appear to be true. Two corroborating, detailed confirmations from neutral or pro-Castro sources were required when reports of mistreatment came from ardent anti-Castroites.

Among the strong verified allegations:

In 1974, 44 leading die-hard anti-Castro prisoners were denied food and medical attention for almost two months as a disciplinary measure. That's when Armando Valladares and five other prisoners contracted polio, a disease malnourishment can abet. The 44, held at La Cabana prison in Havana, had led numerous hunger strikes and some were known to have successfully smuggled letters from the prison to anti-Castro exiles in Miami.

Two other groups of prisoners have been denied all visitors for the past seven years. "His wife divorced him and then remarried," says a Miami relative of one of those prisoners. Bitterness and understanding are both in her voice.

Prior to 1972, prisoners were sometimes executed without trial or while their cases were under appeal. Mercedes Rojas, 73, attended her son's trial March 9, 1961. From 3 a.m. to 4 a.m. on March 10, she talked with him. Mrs. Rojas heard him executed as she walked away from the prison.

Prisoners on hunger strikes have been allowed to die and other prisoners have died of natural causes exacerbated by poor medical treatment. Pedro Luis Boitel, once a Castro supporter, then an anti-Communist, then a Havana student leader, weighed 80 pounds when he died in June 1972. He starved and probably wanted to. "Boitel'd (would) pull out the serum needles as soon as they got them in his arms," says a Miami ex-prisoner held with him. Boitel had finished his sentence two years before he died, but he wouldn't recant and wasn't released.

Some prisoners are held for years without trial. "Like I remember this one guy, a Batistiano," recalls a prisoner released in 1975, "he'd been arrested in 1969 for a 1953 crime and didn't get tried until 1972."

Some prisoners are kept in cells totally without toilet facilities, inadequately fed, inadequately attended medically, granted only two to three hours of outdoor exercise monthly. "He has his ideals," says the Miami mother of a prisoner reportedly held in this group. "He must be crazy though, because only a crazy person could stand those things."

All allegations are believed to have involved prisoners who refused to work or attend indoctrination classes in Cuban communism.

Not all the mistreatment claims checked out. Recently released prisoners say beatings of political prisoners are rare and generally provoked by some kind of resistance. Miami anti-Castroites say beatings are frequent and gratuitous. They say food and medical attention haven't improved since the '60s, for prisoners who refuse to work or recant. Recent releases say conditions have improved for all.

Fervently disputed are the numbers of political prisoners. The U.S. State Department says 20,000. The National Council of Churches says 10,000. The International Rescue Committee uses the figure 20,000. Nobody really knows. Anti-Castroite estimates soar because their definition of political prisoner includes anyone acting from presumed political beliefs. Humanitarian agencies exclude persons who used or advocated violence and prisoners of conscience, like draft resisters. Some anti-Castroites include the entire noncommissioned army because it is made up of draftees. But pro- and anti-Castroites agree that about 5,000 prisoners are still held from the first years of the revolution.

In a speech last July, Castro said of the 5,000: "3,000 are already in rehabilitation camps and 2,000 remain in hard-core prisons. It is our hope that by 1980 all of the political prisoners who have shown good behavior will be released."

Those 2,000 concern Miami exiles most. Prisoners who work and attend indoctrination classes are paid $40 to $100 a month, allowed frequent visitors, fed well and, for exemplary behavior, allowed weekend passes to see their families. Prisoners who won't yield see none of the leniency.

Since late 1971 prisoners who "maintained a reactionary stand in regard to the Revolutionary Process,"—as one transcribed trial document terms it, have been subject to "post-offense security measures." Translated, that means prisoners who finish their sentences without working or accepting indoctrination remain in prison until they recant. So exceptions appear to be made for the old and ailing.

A Harvard scholar who studied 27 authoritarian regimes in terms of the number of political prisoners taken as a proportion of population, and their length of imprisonment, concludes that only Albania greatly exceeds Cuba in repressiveness against dissenters. Cuba's treatment is most comparable to Romania's, found Prof. Jorge Dominguez of the Harvard Center for International Affairs. His study used government statistics or those of neutral diplomatic or church sources.

Dominguez found that Cuba held 259 prisoners per 100,000 population in 1965 and in 1974 still held 44. By comparison, Romania held 242 in 1950 and 10 years later still held 65. For Cuba in 1974 he used the ultraconservative statistic of 4,000 political prisoners. Cuba's population then was about 9.2 million.

Dominguez terms the Cuban repression "very severe by worldwide standards." Of Chile, presently under heavy attack for treatment of political prisoners, Dominguez observes: "There's no comparison. The Chilean rate of imprisonment, two years after the big round-up of dissidents is about equal to the Cuban rate after more than 15 years." Chile, says Dominguez, held 391 prisoners per 100,000 in September 73 and by December 1975 held only 47.

"What's hardest for us to understand," says Dr. Humberto Medrano, leading Miami advocate for Cuban prisoners, "is how free Americans can be indifferent to these horrors 90 miles offshore." Medrano, and other exiles, have been especially critical of the U.S. press, including The Herald, for failing to report fully about the Cuban political prisoners.

Medrano, publisher of a Havana newspaper confiscated by Castro in 1959, pleads his case weekly in a column in Miami's Diario Las Americas and has pressed it also before the Interamerican Human Rights Commission in Washington, the U.N. Subcommission on Human Rights in Geneva and Amnesty International.

With what results?

Medrano pauses, sighs, and says: "None."

"Our problem is data and verification," says Amnesty International's Grantham. "It's as difficult to get information out of Cuba as it is from North Korea or Uganda."

If mistreatment allegations are true, he explains, Cuba is in violation of the U.N. Universal Declaration of Human Rights to which all U.N. members, Cuba included, are committed. The declaration "doesn't say what happens if these rights are denied," however. "The declaration is no more than a moral agreement and there's no teeth to it, no enforcement machinery."

Washington's interest in Cuban political prisoners peaked in 1962 with the release of 1,193 Bay of Pigs prisoners for $55.9 million in drugs, medical supplies, baby food and powdered milk. Presently Congress is divided. Conservatives like Sen. Richard Stone (D., Fla.) oppose relations with Castro and use the prisoners to make the point. Liberals like Sen. Edward Kennedy (D., Mass.) feel U.S. leverage on prisoners can come only after relations between the two countries are normalized.

A net result: Capitol Hill's apparent top expert on Cuban political prisons is Kay Stubbs, 24, a second-year law student and intern for the House Subcommittee on International Organizations. Ms. Stubbs estimates she's spent three hours a week on the matter since April.

The issue of Cuba "is not now an active issue in terms of U.S. foreign policy," then-assistant secretary of state for inter-American affairs William D. Rogers explained last December. Therefore, Cuban political prisoners "are a back-burner issue," says a well informed State Department source. When might it heat up? "After we get a face-to-face dialogue going?" Administration interest in a thaw in the Caribbean Cold War has dropped as conservative Republican Ronald Reagan's fortunes have risen.

Who are the prisoners still held?

Most senior are onetime Batista supporters taken in 1959. His death sentence commuted 30 years for unknown reasons, Felipe Mirabal, second in command of Batista's national police, remains in prison.

Next came fellow revolutionaries who rejected Castro's communism. Maj. Huber Matos, once Castro's military chief for Camaguey Province, resigned his commission in 1959 because he wanted the free elections Castro didn't. Matos, probably the single most famous prisoner still held, was sentenced to 20 years for counter-revolutionary activities.

Influential subverters of the regime—students, academic professionals, labor leaders and journalists followed. Then anti-Castro resistance leaders, both U.S.-backed and independent.

While most would-be saboteurs were executed on the spot or sentenced to death by Revolutionary Tribunals, some survived. Caught with an arms cache, two co-conspirators of Tomas Fernandez Travieso were executed in 1961. He survived because he was a juvenile. Now 31, Travieso remains in prison.

One fact is clear: very few of the remaining prisoners have ever killed anyone. Revolutionary tribunals of the regime's early days, says American journalist Lee Lockwood, "meted out justice with a vindictive severity reminiscent of the Reign of Terror in revolutionary France." Estimates of the dead range upward from 5,000. Lockwood was trusted enough for fairness by Castro to be permitted indepth interviews with the Cuban premier in 1966.

Since 1965 perhaps 15,000 prisoners have been taken for crimes with varying degrees of political implication. They include would-be exiles caught fleeing without emigration papers; shopkeepers who resisted state takeover and became black-marketeers; farmers who resisted taking of their land for state farms; industrial saboteurs. whether intentional or merely convicted and persons charged with aiding counter-revolutionary exiles in Miami. Their crimes range from smuggling letters to conspiracy to flee Cuba.

Most have been sentenced to stiff but shorter terms than the old-line resisters. An exception is Miguel Sales, 25. He escaped Cuba in July 1974, visited his parents in Hialeah, and returned to Cuba with two friends 17 days later to pick up his wife and daughter. So Sales told friends.

When intercepted at sea, Sales and his companions were armed with two rifles, a pistol and two hand grenades. Friends said they were for personal protection. Alpha 66, one of Miami's oldest anti-Castroite groups, claimed the trio was on a mission to pick up escaped political prisoners. Later Alpha 66 withdrew its statement. On Nov. 13, 1974, the trio was sentenced to 30 years as "agents of Yankee imperialism."

Sales, a poet, left his mother, Aida, a collection of poems. "To read them is to cry," he says.

Governments are less easily moved than parents.

In a fall 1975 conversation with Cuban Supreme Court Justice Dr. Mario Ugidos, Barry Sklar, a U.S. Library of Congress Cuba specialist, brought up the political prisoner question.

Dr. Ugidos alleged the remaining prisoners were "hard-line Batistianos," Sklar recalls, and claimed they were "buoyed up by reports they receive from their exile supporters that the Castro government is in trouble and one day will be toppled." According to Sklar, Ugidos said that hope "has given this group of prisoners the strength to resist rehabilitation programs and eventual freedom.

Not so for him, Maj. Huber Matos wrote his wife in a smuggled letter that reached her in Elizabeth, N.J., in March 1975. While some prisoners hope for liberation, Matos wrote, "I have a presentiment—no, something more than a presentiment—I am practically convinced that I shall spend my last days in these barred corners. But such a prospect does not take away a drop of my enthusiasm for life. There is no joy in my heart; neither do I mourn."

Matos, 57, is known to have been offered amnesty if he would renounce his anti-Castroism.

"You wake up sometimes at three o'clock in the morning and it seems unbelievable and unbearable," says Huber Matos, Jr., 31, who manages the Swiss Chalet restaurant in San Jose, Costa Rica.

"When I break down, I think of him. He is strong; he's not crying in there. He's in for what he believes.

"So when I suffer, I don't suffer like an old lady. I suffer because I don't hear him and I miss him. But I know he's right to be in there and I support him completely."

Huber Matos, Jr. sounds cheerful * * * thing as someone protesting on a street-corner and being thrown in jail.

Does Ms. Levinson know the particular cases of the three?

"No."

According to Amnesty International, respected neutral advocate for political prisoners, Pablo Ricardo Valerio Castellanos Caballero, Emilio Adolpho Rivero Caro and Carlos Betancourt Rodriguez are still in prison, Rivero is said to have been offered liberty if he would renounce his anti-Castroism. Castellanos, 55, reportedly suffers from a serious heart condition.

Rolando Perez Cerezal, 37, an unemployed Miami truck driver released from prison in 1973, has a sad hobby. He collects the names of Cuban prisoners, pressing his memory of 12 years in jail and the memories of his friends. His head and dreams, he says, are full of faces he can't name.

How many names does he have?

Perez's wife, Lilia, herself an ex-prisoner, goes to a closet of their small apartment. From a top shelf she pulls down a gray plastic file that says "Pedigree File and Recipe Box" on the outside. It's jammed with cards. Perez extracts a fist-full and starts reading them in a droning voice. Name, case number, sentence, location; name, case number, sentence, location . . .

The effect is stunning. Lilia smiles grimly. She reaches into the closet and produces another four-inch pack of cards, bound with a thick rubber band. Then she produces a third. Seven-hundred names in all.

Another conversation comes to mind. A soft-spoken ex-prisoner, asked who the real martyrs in political prisons were, had said: "The ones nobody's ever heard of."

[From the Miami Herald, Sunday, May 23, 1976]

THEY CAN'T BE HELPED, BUT AREN'T FORGOTTEN

(By Frank Greve and Miguel Perez)

The night that still gives Benito Candelario nightmares is the night he entered prison.

"August 30, 1962." Sixteen months after the Bay of Pigs invasion, two before the Missile Crisis. "As they took me in I heard the firing squad executing one after the other. They shot them about 15 minutes apart," says Candelario, 51, a maintenance man at Austin Ford.

"Please, a piece of paper," asks Alfredo Garcia-Menocal, 48, a Coral Gables real estate salesman, like Candelario a member of the Association of Ex-Political Prisoners of Cuba.

He sketches quickly the harp-shaped layout of La Cabana prison in Havana. "It happened here," says Garcia-Menocal, making a dot at the diagram's sharpest angle.

"At first the ones about to die shouted for God's blessing," says Candelario. "Then they gagged them. It lasted until three or four o'clock in the morning."

Garcia-Menocal stares at his sketch, meanwhile, tracing the dot, making it grow, until it blots the paper.

Other ex-prisoners recall vast dynamite charges planted around the five pavillions of the Isle of Pines prison in 1962. Premier Fidel Castro had expected an invasion during the Missile Crisis. The explosives were to make the penitentiary's 7,000 prisoners hostages against their would-be liberators.

And other ex-prisoners recall the beatings and deaths of the first forced labor programs.

"The prison commandant called in our leaders. He said he had carte blanche to kill the first 25 prisoners to make the program work. When he wanted to kill the 26th, he said, he'd have to call Havana."

The program ended in 1967, replaced by an institutional alternative. Now prisoners who won't work, except for the old or ailing, remain in prison, even after their sentences are complete, until they yield. The Isle of Pines prison is now a school. Executions of political prisoners have stopped. Where Castro once held an estimated 30,000 to 50,900 political prisoners in maximum security jails, he now holds perhaps 5,000. The most recalcitrant are in La Cabana and Guanajay in Havana Province and Bonito in Oriente Province. Others are held in provincial jails and work camps throughout Cuba. What can be done for them?

Rodolfo Capote, president of the association, says his group's goal is "to create the conditions for the fight to return to our country." The ex-political prisoners group has $200 in its treasury.

The opposite strategic approach is taken by the Committee of Relatives of the One Hundred. Fernando Bendoyro and his wife are willing to take a second mortgage on their home at 11762 SW 31 Terr. if cash can free her ailing brother, Migual, from Boniato prison.

Dr. Jorge Roblejo, executive director of the committee, recently announced that his group had offered Castro $100 million in food and medical supplies in exchange for the release of an undetermined number of prisoners. The committee has $800 in its treasury. Since Roblejo first voiced optimism about a prisoner exchange, 11 years have passed. In that period, the committee has brought his cousin to the United States and, Roblejo claims, 15 to 17 ex-prisoners whose names he cannot remember.

The conclusion is easy, and wrong, that Cuban political prisoners are of receding significance. In 10 random interviews of exiles at bus stops, street corners and in luncheonettes, four had friends thought among Fidel Castro's prisoners. Four others knew persons who had been imprisoned. Political prisoners are not forgotten; they just can't be helped.

News of them is needed and passed. "We used to write on toilet tissue or tissue paper if we could get it," says an ex-prisoner who asked not to be identified. "I'd wrap the letter in cellophane and tie a long string around it. Then I'd knot the string around a back tooth and swallow the note. During the visit you could go to the bathroom. I'd cough up the note and pass it in an embrace."

A post card-sized sheet of the ultra-thin paper, when folded six times, is about the size of a Chicklet.

Prisoners released for work, or trustees allowed weekend leave, also bear messages. Generally, they're mailed to the United States via a third country, such as Spain, since Miami mail undergoes postal inspection. Sometimes relatives of inmates have friends write for them to Miami friends and the word is passed along.

The most sophisticated message-passing is done with high-speed RC–48 radio transmitters, left in Cuba from the CIA subversion days. Capable of compressing a half-hour tape recording into a 20-second bleep, the transmitters have a 40-mile range. Receivers on boats far offshore can pick up the bleeps, passed too quickly to be traced, and decompress the messages. The battery-powered transmitter is about the size of a Coke bottle.

The multiple systems of the underground are good enough to give political prisoners some clout beyond passive martyrdom. Their reports of prison conditions and incidents are the substance of human rights denunciations. Cuba knows this. Frank Emmick, an American held since 1963 on spying charges, recently had 30 years tacked onto his sentence for letter-smuggling, says his brother, Joseph, of Hollywood, Fla.

If anti-Castro organizations seek atrocities, persons favoring improved relations tend to overlook the political prisoner matter.

Sen. George McGovern (D., S.D.), urged to visit prisoners prior to his 1975 trip to Cuba, didn't. "I went to see the accomplishments of the Cuban revolution," McGovern explained.

Sens. Jacob Javits (D., N.Y.) and Claiborne Pell (D., R.I.), similarly urged, saw only prisoners who had accepted indoctrination, building a school. "Maybe we were underinformed about the degree of specificity we had to provide in order to see incorrigible political prisoners," says a Javits aide.

Asked about three journalists imprisoned since 1961–62 for no known crimes except public criticism of the Castro regime, Sandy Levinson, director of the Cuba Resource Center, a New York library of Cuban government materials, responded:

"They were arrested for criminal acts and they were politically motivated criminal acts. They were tried and sentenced and I think Cuba has a perfectly legitimate right to try and sentence people for those crimes. * * *"

THE NEGRO ALMANAC—A REFERENCE WORK ON THE AFRO-AMERICAN, 1976

Mr. STONE. Mr. President, at this point in the history of our country, and particularly since we are celebrating our 200th birthday, it is important to note the recent publication of the 1976 Negro Almanac, entitled "The Afro-American."

Published by the Bellwether Co., this revised edition has been completely restructured and updated. All the vital facts on the Afro-American are contained in one authoritative volume. Specifically, this book contains 40 percent more material than the previous edition. A few highlights of this excellent publication are: A chronology of the major events in black American history from 1492 to 1976; a guided tour of black historical landmarks throughout the United States; a section on the black woman; a complete history of black education from the earliest schools to the content of current college courses.

I bring this to the Senate's attention because I believe it will be a valuable resource to Members of Congress in understanding the history and contributions of black Americans.

A PERSPECTIVE ON THE NEGOTIATIONS OF ARMS CONTROL AGREEMENTS

Mr. HUMPHREY. Mr. President, in a recent publication by the Stanley Foundation entitled "The Arms Race, Secret Negotiations and the Congress," Mr. Lawrence D. Weiler of Stanford University discusses in a very compelling manner the need for a more open process of negotiating arms control agreements. As a former Counselor of the Arms Control and Disarmament Agency, Mr. Weiler brings to this discussion practical experience and a unique perspective on the effects of secrecy which shroud most efforts to reach arms control agreements.

While totally open arms control negotiations are rarely an effective device to obtain workable agreements, the degree of secrecy imposed upon recent negotiations is so extensive and pervasive as to have severe consequences on the policy process and the public's ability to have an input, understand and even support the final outcome of the negotiations. Mr. Weiler discusses this issue at length and makes several worthwhile suggestions.

Mr. President, I commend Mr. Weiler's monograph to my colleagues because this type of thoughtful analysis is especially appropriate at a time when there are indications that the administration may be close to the conclusion of another SALT negotiation with the Soviet Union. At the heart of the careful analysis undertaken in this study is the ultimate question of the future of arms control agreements among major military powers. Without adequate congressional and public information concerning the options under study and the effect of such agreements on our national security, the foreign policymaking process in a democratic society is being hampered to an extent which may be unwise and inappropriate in view of the importance of these negotiations.

I urge my colleagues to carefully read this study and ask unanimous consent that an edited version of it be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE ARMS RACE, SECRET NEGOTIATIONS AND THE CONGRESS

(By Lawrence D. Weiler)

In 1974 it looked as though we would see the beginning of a much needed endeavor. The congressional hearings that were begun on the meaning of national security in the nuclear age and on related issues concerning détente were, in part, a result of Secretary of State Kissinger's call for a national debate on these questions, particularly those concerning strategic arms control. Mr. Kissinger's call for public discussion followed his outburst in Moscow about ". . . what in the name of God is strategic superiority?" [1]

That prematurely touted public debate, however, never developed very far, in part because the discussion was short and general in nature, without much focus on specific issues. That discussion and the possible precedent involved in a later two-day executive session Senate debate on defense policy may in time lead to some much needed changes. However, if this is to occur, there will have to be an awareness of where some of the major ills of our present system are. They reside in large part in the secrecy-shrouded process that has evolved in the course of our efforts to control the arms competition through negotiations. More specifically, they lie in the cloak of secrecy that has been woven over public policy during negotiations, for that is where the real options develop, the crucial decisions are made and the course of events is largely determined.

The present mood of the Congress and much of the country seems clearly inclined to insist upon a greater degree of openness in the development and conduct of foreign affairs and the supportive area of defense policies. With Mr. Nixon's departure there seemed to be a disposition in the executive branch to respond in a more positive manner, though subsequent congressional involvement in foreign policy has prompted Kissinger to complain that Congress has unduly restricted executive flexibility. Still, the Ford Administration has conveyed an impression of a desire for some consultation with Congress and the latter gives no evidence of a declining interest in participation. Is it not, therefore, pushing at an open door to challenge the practice or secrecy and closed decision-making in connection with our efforts at strategic arms control? It is not, for this particular area remains rather tightly closed. Moreover, many who argue for a more open foreign policy appear content with the existing state of affairs as far as the process of arms negotiations is concerned. This is a crucial omission in any effort to correct current ills for, as noted earlier, it is in the process of negotiation that the critical decisions in arms control efforts are made.

It is instructive to reflect on some facts. The texts of the various U.S. proposals submitted to the Soviet Union in SALT I and SALT II have never been shown to the Congress, even in executive session, let alone made available for public comment. U.S. proposals, even in non-textual form, have not been available for scrutiny by the Congress as a whole nor by the public. The specific counter proposals submitted by the Soviets have never been made available for public assessment. The news stories about the SALT II negotiations prior to Vladivostok, for example, related to the alleged differences between Secretaries Kissinger and Schlesinger concerning what should be the U.S. position, with only the haziest of indications of the specifics of this controversy over a critically important area of national policy. (While it does not involve broad policy issues, the fact that the agreements concluded with the Soviets concerning implementation of the SALT I accords are, at Soviet request, secret documents is symptomatic of our current affliction.)

The current degree of secrecy surrounding strategic arms control efforts has had a variety of adverse effects. In the analysis and selection of means for halting the arms race, the professional community's contribution has been significantly lessened. The traditional role of the press in maintaining an informed and involved citizenry has, in this area, very nearly ceased to exist. The Congress has not been able to perform its proper role in public policy determination and in assuring Executive accountability. Arms control efforts have been hurt, not helped. And there has been, in this area, a not inconsiderable abridgment of the democratic process.

If the public discourse has tended to become sterile because of the obsession with secrecy, is not the situation better as far as the Congress is concerned? The executive branch has, after all, "briefed" the leadership and certain committees during the course of SALT. While some members of Congress obviously have had access to more information than the public, the situation here has been, nevertheless, probably more serious for a variety of reasons. Congress is the responsible institution for ensuring the public processes of government through which, aided by the press, the wider discourse on public issues can bring into play the array of talent and wisdom that exists beyond the contending forces inside the executive branch. We seem to have forgotten, at least in this field, that this was intended to be and has been one of the vitalizing features of our system of government. Moreover, to the extent that in our system of government we delegate a certain responsibility to members of Congress to exercise judgment for the nation in sorting out alternative courses of action and in allocating public money, the assumption is that they will be informed. That they have not been adequately informed during the course of SALT prevents them from exercising their responsibilities in this area. In what other area of public policy of comparable import do we continue to tolerate a situation where, if a constituent asks his congressman his views on the government's proposals, he must reply: "I do not know what they are"?

An irony of this situation is that the officials who, aside from Mr. Kissinger, have been or are primarily responsible for briefing the Congress on the course of the negotiations (former SALT negotiator and Director of the Arms Control and Disarmament Agency [ACDA], Gerard Smith; former ACDA Deputy Director, Philip Farley; and the current Director, Fred Iklé) are candid and open men. They are disposed to straight talk and unshackled with the too pervasive tendency among officials in the bureaucracy to regard diplomatic information and conduct as something to be shielded from "outsiders"—which includes the public in general, most congressmen, but not necessarily one's allies or one's adversary in negotiations. Smith's general attitude was perhaps best illustrated by his positive personal response to suggestions that there be congressional participation in the U.S. SALT I Delegation.[2] While relegated to a lesser role in the SALT negotiations than his predecessor, Iklé in his public statements has exhibited a strong desire to open up public discussion of some of the broader issues of nuclear policy. He apparently also has made an effort to make himself available to members of Congress.

But honorable and open men are captives of the existing system. When spokesmen operate under what are, in effect, White House instructions to avoid serious discussion of most of the issues under debate in the executive branch and not to volunteer detailed explanation that would reveal the real positions of an administration, there can be little real collaboration in developing national policies. Nor can there be under such a system an honest exchange between government and citizen.

Such briefings in recent years, moreover, have tended to be after-the-fact reporting. They are usually structured at White House direction to conceal many of the critical issues under debate within the narrow confines of the executive branch political/military bureaucracy that arise during the process of negotiation. The transcripts of these classified hearings, it should be noted, are available only to committee members, and do not include texts of proposals.

Those who would contend that the current system is not at fault would quite properly note that many of the oral briefings in executive sessions were quite detailed. They would argue that many committee members exhibited little interest in pursuing details that would have uncovered "hookers" in positions or in pressing for discussion of alternative options (usually under debate within the executive branch) that might have brought the two sides together. There is some validity in their description if not in their argument. Not infrequently in recent years did one hear among those who hoped that issues would receive more ventilation outside the closed debate of the executive branch: "If only they would ask the right questions!" But this is a case not only where two wrongs do not make a right but also where the first wrong makes the second more likely.

Consultation with Congress in a meaningful sense does not exist when specific proposals are not available, when such information as is provided is not accessible for study and reflection and when Congress is largely denied the right of staff access for analysis. Most importantly, consultation does not exist when such interchange between the two branches of government as does occur takes place only at the prenegotiation time, when general opening positions are discussed, or in a subsequent review of results of a particular negotiating session that have been produced by the key decisions made during the course of negotiations. Mr. Kissinger's impressive capabilities as a briefer, particularly at congressional leadership meetings at the White House, may in the past have given a select few some sense of being informed. But neither such briefings, not those conducted before committees by lesser officials, alter the fact that none of the above requirements for real consultation currently exist.

The argument for more openness in our efforts to control the arms race through negotiation is in a general sense an argument for a return to a situation more akin to that which predated the current excessive secrecy than it is a call for radical departure from our traditional practices. While efforts to keep the Congress and the public at arms length and to exclude them from awareness of key issues and options were not totally absent in the more distant past, arms control negotiations have been conducted with the nation informed of what the positions and even the specific texts of the proposals of its government were. The Nuclear Test Ban and the Non-proliferation Treaty negotiations are two examples that involved important and often contentious issues. (The Seabed Treaty and Biological Weapons Convention negotiations

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Footnotes at end of article.

are more recent examples which, while contemporary with SALT, were exceptions to the rule of secrecy because of the multilateral character of the negotiating forum, the absence of serious domestic differences and the insignificant effect either of negotiation on real security issues or questions of national priorities.)

During both the test ban and non-proliferation negotiations there were frequent consultations with Congress, and texts of key articles were often discussed with members of relevant committees before their submission to the Soviets. During both of these negotiations, the Senate, in the 1963 "Dodd-Humphrey Resolution" on a limited test ban and the 1966 "Pastore Resolution" on the non-proliferation negotiations, made a significant contribution to the success of the efforts; in part this was because of the strong political base these resolutions afforded for officials in the executive branch who favored sustained further efforts at a time when negotiations seemed at an impasse and conflict existed over whether further efforts should be made.

Among those who may perceive the need for greater openness, there will be differing views regarding the nature and extent of change required. Some suggestions are offered here.

The basic proposals of the U.S. government should be available to the Congress and the public. The *texts* of such proposals should be available at least to the appropriate congressional committees and their staffs; indeed, the burden of proof should rest on those who would deny public access to the texts. The issues involved in policy alternatives and considerations bearing on them should be discussed with congressional committees and, to the extent mutually acceptable to those committees and the executive branch, be made part of the public record, "sanitized" if necessary to remove sensitive technical information regarding weapons or intelligence. Key issues, including Soviet counterproposals, that develop in the course of the negotiations should be discussed with the appropriate congressional committees on a regular basis and at a minimum prior to executive branch decisions stemming from those issues and counterproposals. Major changes in U.S. positions during the course of negotiations should not, for any extended period, remain the secret property of the Executive after they have been tabled in the negotiations. Except as modified by the above considerations, the existing procedures regarding the privacy of the formal and informal exchanges between the two SALT delegations and higher level officials should continue.

The results of the existing SALT process do not argue against reassessment; they argue for it. This is true of both the major positive result and the major negative result.

The two major strategic weapons developments of the past decade that have been perceived as threatening strategic stability, that have been the principal catalysts of—or internal arguments used to support—the strategic arms competition and that have been the central SALT issues have been ABMs (anti-ballistic missiles) and MIRVs (multiple, independently targeted re-entry vehicles). The former has for all practical purposes been effectively controlled through the ABM Treaty and its subsequent Protocol. However, the failure in SALT I to ban MIRVs for offensive forces,[3] with the subsequent high MIRV-launcher levels permitted under the proposed SALT II accord, constitutes the great tragedy of SALT, the full consequences of which for the taxpayer and for strategic stability are yet to be counted. These two widely different results of SALT are directly related to the issue of secrecy.

In the case of ABMs, there was an extensive public and congressional debate prior to the beginning of SALT, a debate which continued as SALT began and which produced a real if not specifically articulated political consensus outside the executive branch. While the Nixon Administration "won" the great ABM debate in the Senate when then Vice-President Agnew cast the tie-breaking vote on the Safeguard ABM program it became increasingly clear that the Safeguard program was, in the words of one high official, "a busted flush." The public airing of the issues that surrounded the Safeguard program had produced enough opposition to deployment—based on technical, emotional, strategic and arms control grounds—that only the "bargaining chip" argument could keep the program alive. With the ABM issues relatively simpler than those surrounding offensive limitations, this meant that in a broad sense of a major arms control issue had been decided in open discussion and through participation of a wider group than the usual limited circle of executive branch officials. The severe SALT limitations imposed on ABMs flowed directly from this open national discussion, and from Soviet interest in such an outcome. When such an interest was indicated very early in SALT I, the limitation of ABMs in any agreement to such low levels as would render them ineffective in both fact and perception was close to inevitable.[4]

Thus the cloak of secrecy imposed on SALT did not have the same effect on ABMs as it did on efforts to limit offensive arms.[5] At the same time, it might be noted that without such secrecy there would have been greater likelihood of a total ABM ban, an option the Soviets indicated interest in during the later stages of SALT I.

The effort to control MIRVs was a different story. In this case the pressures for deployment were able to operate within the protected, closed environment which secret negotiations afford. The Congress had to some extent exhausted itself in the great ABM debate, and efforts to develop a comparable public examination and debate on MIRVs prior to the beginning of SALT never quite got off the ground. Some committee hearings were held,[6] and some congressional discussion took place concerning a MIRV testing and deployment moratorium. However, the general disposition at that time was to let the negotiations begin without outside intervention, particularly after the administration let it be known that qualitative limitations, including controls on MIRVs, would be explored by the United States.

The nature of the administration's MIRV ban proposal, however, was never disclosed to the public or most members of Congress, and for those who did receive oral briefings it was never fully understood. Making a MIRV ban proposal and letting it be known that such a proposal had been advanced helped pacify those outside the executive branch who wished to halt MIRVs. However, the specifics of the proposal were constructed in such a way as to assure that it would not be accepted by the Soviets. (Whether the proposal was constructed as it was to defer a real decision on a MIRV ban or whether it represented a firm decision remains a matter of conjecture.) In addition to calling for a MIRV test ban, which, though it would have precluded the Soviets from attaining a MIRV technology, was then regarded as the essential means of assuring that no Soviet MIRVs would be deployed, the U.S. proposal called for on-site inspection of strategic missiles and also, if MIRV's were to be banned. on-site inspection for any ABM limitation. In addition, the proposal would have permitted the United States to continue to produce and stockpile MIRVs as long as they were not deployed.[7] Finally the MIRV proposal was submitted as an inseparable part of the opening U.S. offensive limitations proposal, which included limitations not only on central strategic systems but also on Soviet IRBMs (intermediate-range ballistic missiles) and MRBMs (medium-range ballistic missiles).

The Soviet MIRV ban proposal included a production and deployment ban but not a test ban. Though a test ban was not included in the Soviet proposal, throughout SALT I the Soviets conspicuously avoided any official rejection of a test ban.

With secrecy concealing the issues and developments in the negotiations, a critical opportunity in efforts to control strategic arms was to be debated within a closed group, and let fall.

Negotiations on specific proposals did not begin in SALT I until mid-April of 1970. While unaware of the real nature of the administration's MIRV proposal, many members of the Senate, led by Senator Edward Brooke, were concerned that the ongoing U.S. MIRV program would preclude chances of stopping this new system. This Senate discussion was unable to focus on the specifics of the MIRV negotiations and the result was a general call, set forth in Senate Resolution 211, for a quick standstill freeze on further deployments by both sides of defensive and offensive strategic weapons. This occurred in May. In mid-June a recess was called in the negotiations to assess the results of the exchanges resulting from the presentation of initial positions. The "forward-based systems" issue that had been raised early by the Soviets was the offensive arms issue that received most of the attention. The critical issue within the administration, however, was how or even whether the MIRV negotiation would be pursued.

In July the White House decided to advance a more limited proposal for offensive arms limitation which excluded limitations on MIRVs. While it maintained in congressional briefings and in public comments that efforts to achieve limitations on MIRVs would continue, the July White House decision to focus offensive arms negotiations on a proposal that excluded MIRV controls meant that the effort to stop MIRVs in the talks with the Soviets was abandoned after only two months of actual negotiations!

While periodic attempts were made by some within the executive branch to get a decision that would permit a serious negotiation on MIRVs started, the secret nature of the negotiation largely ruled out effective participation in that effort by elements outside the executive branch.[8] No new MIRV proposal was ever put to the Soviets, though behind the curtain of secrecy the controversy over whether to make a real effort on MIRVs was to continue throughout most of SALT I.

Perhaps Moscow would never have agreed to a MIRV test ban if a MIRV proposal, revised and separated from other elements of the comprehensive package, had been advanced, though some senior officials within the executive branch believed the odds were sufficiently good to make an effort. Even if Moscow had continued to resist a MIRV test ban and had insisted on acquiring a MIRV technology for political as well as "springback insurance" purposes, a serious negotiation might have disclosed that future Soviet MIRV plans did not involve MIRVing existing missiles, as was assumed in Washington and which was the basis for the call for a ban on further testing, but rather involved new larger missiles which would require verifiable silo modifications (and which now form the basis for the "counting rule" to be applied to the MIRV limitations in any SALT II accord).

It is ironic, and perhaps instructive, that Mr. Kissinger was to comment after Vladivostok that he wished the government had thought through more fully in SALT I the implications of a MIRVed world. In any event, the effort was not made in SALT I; the Soviets, concluding that Washington had put forth its MIRV ban proposal merely to satisfy domestic opinion and faced with a U.S. pro-

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Footnotes at end of article.

posal that involved no restrictions on any then planned U.S. strategic programs, lost interest in early limitations on offensive arms almost immediately after the presentation of the U.S. proposal which followed the July decision to exclude MIRV limitations. Soviet talk about focusing initially on ABMs, which was to surface formally in the Soviet position later in the year, occurred within weeks of the new U.S. proposal on offensive arms limitations.

Certain relevant points emerge from this arms control failure. The country and the Congress were in a very real sense deceived as to the *bona fides* of their government's effort to halt MIRVs. After only two months of actual negotiations, a critical decision in efforts to control strategic arms was taken, with the Congress and the public precluded by the cloak of secrecy from any participation in that decision. And, finally, the secret nature of the negotiations, by preventing the application of a wider spectrum of analysis and wisdom—as well as pressures—directly contributed to the major arms control failure of SALT.

The abandonment of MIRV control efforts in SALT I was followed in the still secrecy-shrouded SALT II negotiations by failure to seeks that which was still technically possible, either a phased program for a de-MIRVed world or a very low level for permitted MIRVed forces.

However, despite the fact that secrecy has been counterproductive for arms control efforts, those who have established, or accepted, the process of secret negotiations are likely to put forth a series of additional arguments for retention of the present system. These arguments, the more probable of which are set forth below, lack either sufficient validity or sufficient weight to carry the case against the need for change.

The Soviets want secret negotiations and have complained about the few breaches of privacy that have occurred in SALT.

True. There may have been same justification for this view at the very beginning of SALT, when the talks were exploratory discussions without proposals on either side and when the Soviets carried a certain sensitivity about bilateral talks with the United States because of the then state of the Vietnam conflict and were thus undecided as to whether to enter "negotiations." However, SALT has long since become an established process.

Soviet preference, moreover, cannot be allowed, or used as an excuse, to alter the proper functioning of our system of government. When vital issues of public policy are placed under wraps of secrecy during the course of negotiations having a duration of two or three years, the proper functioning of the system *is* altered. While this is the controlling consideration on this point, we should also be aware that Soviet preference for the current state of secrecy surrounding SALT may relate to consideration, understandable from Moscow's view, which diverge from U.S. interests. For example, the greater the degree of secrecy that surrounds SALT, the greater the subtle psychological assist to the idea of condominium and the greater the feeling of exclusion on the part of U.S. allies, and effect that can be mitigated only in a limited way through periodic restricted briefings. Moreover, a Soviet preference—and granted it is a strong one—is not the same as a Soviet condition—though even if it were, it should not be acceptable. The history of postwar arms negotiations refutes any such idea. The Soviet Union, like other states, negotiates, and negotiates seriously, when it is in its interest to do so. And the Soviets have not been hesitant in acknowledging that SALT, for a variety of reasons which we can share, is in their interest.

The present arrangement is necessary because SALT involves, on both sides, very sensitive matters of strategic policy and strategic weapons.

There is a certain ominous impressiveness in these words, but they lack real meaning. Strategic force structures and capabilities of the United States and the Soviet Union, as well as projections regarding future developments, are today not secret.[9] The extensive public treatment of these matters in the annual Posture Statement of the Secretary of Defense is more detailed than that required for the basic analysis and judgment of SALT proposals. And the available public data are more detailed than those which have developed in the private exchanges between the two SALT delegations—though, as indicated earlier, it is not suggested here that the privacy of such exchanges be lifted.[10]

Moreover, there have not been any third party issues bearing on critical choices regarding arms limitations that have arisen in SALT which are not a matter of public record. In any event, should the need arise in the future, sufficient privacy is provided for such discussion through retention of the present arrangements for the meetings of the two delegations and for the high level "back-channel" exchanges.

Absence of secrecy during the course of negotiations leads to more propaganda exchanges and precludes serious negotiations.

This is a widely held view in the diplomatic community and one that observers have tended to give more credence to than is deserved, at least in the arms control field. It is true that when plenary sessions of a negotiating forum are open there is somewhat more tendency to "play for the gallery" and to indulge in polemics. The exclusion of the press from the meetings of the multinational forum in Geneva, now the Conference of the Committee on Disarmament (CCD), was for the purpose of reducing this tendency. The multilateral nature of that forum, however, has meant that there is always an "audience," and this fact has made the plenary meetings of that body more public, even to the extent of daily press briefings.[11] The privacy of the exchanges of the two delegations in SALT has probably contributed to the moderation in tone that has characterized that forum and this arrangement need not be modified.

But the view—quite honestly held by many current officials—that the almost total secrecy imposed on the SALT process has been responsible for a unique seriousness in negotiations and the absence of polemics is in part false and in part overdrawn. This is largely due to two misconceptions.

The first concerns the supposed uniqueness of SALT with respect to serious non-polemical exchanges. Such exchanges in arms control negotiations preceded SALT and occurred in conditions of openness that were not greatly different than those suggested earlier in this article. There was, for example, no significant difference during private exchanges in the tone and in the "businesslike" nature of discussion and exploration of issues as between SALT and the Non-Proliferation Treaty negotiations, where the areas of agreement and disagreement were more widely known to the Congress and the public. This fact was never really appreciated by some officials in the Nixon Administration, who had a tendency to think that they were writing the first chapters of history in the arms control field. Thus, they tended to equate what was to them a surprising degree of civility and seriousness in discussion on the part of the Soviets with the strict secrecy imposed on the SALT process.[12]

The second misconception is that polemics and propaganda of a kind that interferes with negotiations are caused primarily by public exposure of the issues and the positions of the parties. There is little historical evidence in the postwar history of arms negotiations to support this view. What that history does indicate is that the degree of polemics and propaganda is more directly related to the general political climate and/or the expectation of serious negotiations. When the political climate improves, public polemics decline, and even if some remain they are usually not allowed to interfere with serious negotiations. While perhaps the point should not be stretched too far, it is, nevertheless, true that even when the political climate is such as to produce polemics, if the desire for agreement *and* the expectation of a serious negotiation exists, nations have not allowed the verbal excesses to interfere with serious negotiations. In 1963, for example, Soviet acceptance of the U.S. proposal for a "Hot Line" agreement was contained in a statement so full of polemics that after it was delivered, half of the U.S. delegation was unaware that the first U.S.-Soviet arms control agreement of the postwar period was at hand.[13]

All of this is not to say that when issues are in the public domain the parties will not make their case, at times rather strongly; this consumes time. But, contrary to another of the myths that has grown up around SALT, that forum has not escaped the apparent need of nations to have time-consuming "debates for record" that add little to the negotiating process. Time-consuming debates of this nature are sometimes a nuisance but do not really interfere with serious negotiations, which, if the will is present, often proceed simultaneously.

Congressional and public knowledge of U.S. proposals tends to freeze positions, making more difficult the adjustments and compromises required in any negotiation.

There is some element of truth in this argument, but there is little evidence in the history of postwar arms negotiations to suggest that it has affected *important* modifications of position, except in a few cases where modification would have involved action opposed by a large segment of the Congress. Perhaps the most important instance of this kind was the strong feeling in the Senate in 1963 that the United States should hold firm in its position regarding on-site inspection for any comprehensive nuclear test ban. This case, however, illustrates an important point. The restraint on flexibility exercised by strongly held congressional views stems primarily from the constitutional requirement that two-thirds of the Senate must approve a treaty. This consideration applies whether negotiations are enclosed in secrecy or are more open.

Any congressional restraint on flexibility that might exist under a more open process is likely to be balanced by a reduction of the current restraint exercised by forces operating within the closed executive branch environment, a development that will occur when "arms control supporters" outside the present system can exercise some influence. And, in any event, a more direct and open dialogue between the two branches of government is likely to demonstrate that congressmen are not unaware of the need for give and take in achieving mutually acceptable solutions; it is when they are excluded from the action that they tend to react with seemingly inflexible stances.

Greater flexibility, moreover, is not always a virtue, either from the standpoint of U.S. interests or that of effective arms control. There are many times when it is important to stand firm. Congressional support for a firm stand on any given issue is something the Soviets seldom fail to take into account. Indeed, it may, on occasion, be one of the least expensive and more persuasive "bargaining chips" a U.S. delegation can take to the negotiating table.

Greater congressional involvement during

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negotiations increases the chance of leaks of fallback positions.

This may be true, but the weight of this consideration is much less than would appear to be the case. There are some fallback positions on minor issues which are included in a delegation's instructions that often reflect efforts to placate various elements of the bureaucracy, or allies, by making a "college try" for their pet ideas; these are elements that a government expects to see fall by the wayside. Fallbacks from such positions are less likely to be leaked, but in any event are seldom "moving elements" in a negotiation.

Regarding the more important and contentious issues, it is useful to consider the real world as opposed to that of the theorists, at least in connection with arms control negotiations. Presidents, who traditionally regard the bureaucracy as something of a sieve, have always been reluctant to include important fallback positions in written instructions to a delegation, unless they are merely part of a plan to pace the tempo of the negotiation and/or are of the type that can be clearly foreseen by the logic of the negotiating situation. The more significant fallback positions, those to be used only after a serious and lengthy attempt to achieve initial positions, may be held in mind by a President or Secretary of State, but are seldom committed to paper prior to the time when they are introduced in negotiations. Thus, in practice, the fallback positions shared by the highest officials with the bureaucracy almost never represent vital elements of a negotiation, the leaking of which as a result of greater congressional knowledge of a negotiation would cause serious injury to U.S. interests.

Without the benefit of the numerous technical studies conducted within the executive branch, the public and Congress are in no position to make intelligent judgments on strategic arms control questions.

Some observations are in order regarding this argument. A certain mystique was fostered in the early days of SALT about the importance of the voluminous interagency studies conducted in connection with the SALT process. Obviously, technical studies can be helpful and on occasions are necessary in forming judgments. Sometimes, however, technical studies are deficient and sometimes technical mistakes are made; situations that secrecy hides. It is important not to accept with unskeptical awe the notion that voluminous studies produced unique wisdom on the part of decisionmakers, or were even, in most cases, relevant to decisions that were made. One can grant the sincerity of an administration's desire to assemble and analyze facts and still note that one principal purpose of the study exercises has been to keep the bureaucracy occupied. It is also relevant to recognize that the "crystal ball image" of such interagency efforts that has been projected has been used to create an impression of exclusiveness of wisdom that has helped to keep the public and Congress at arms length.[14]

Policy-makers in the executive branch are no less occupied with many other problems in addition to SALT than congressmen or members of the informed public. For the most part, the only ones who read the lengthy SALT studies are the staff members who write them. While the negotiator, with his responsibilities more focused, will usually manage to read the "Executive Summaries" of such studies, the National Security Council (NSC) or Verification Panel member who manages to do the same is an exception—with Mr. Kissinger, endowed with his prodigious energy, usually being one.

This, however, is not the only or even the principal reason why senior officials with equal access to technical studies have often differed regarding policy options. The various influences that affect decision-makers in the executive branch have been noted in the recent literature on this subject, but strikingly prevalent in the postwar history of arms control is the influence of what have sometimes been referred to as "decisional premises."[15] The values and beliefs that decision-makers bring with them to the meeting room have been far more important determinants of their views on arms control questions than the expert analyses which administrations are prone to point to, but not reveal, in justification of special if not exclusive wisdom. SALT is, perhaps, a classic case study of this aspect of policy-making.

Because of this, the major issues in this field, once clarified, involve relatively basic—if sometimes difficult—choices that are essentially political decisions. (This is not to deny the importance of some of the more technical aspects of strategic arms control.) While constitutional responsibility for such decisions rests more directly on the President and his advisers, special competence for such political decisions is less real than it is myth. Access to facts, knowledge of the specifics of issues in a negotiation and opportunity to reflect on them are necessary for broader public and congressional participation; these are matters that need, and are receiving, some attention.[16] Executive branch wisdom stemming from voluminous interagency studies, however, is not exclusive, nor is it a valid argument against broader participation in this area of public policy.

This does not mean that considerable improvement in the resources available to the Congress is not desirable. Access, under appropriate arrangements, to the analytical capability of ACDA as well as to the considerations relating to resolution of issues would be helpful.[17] Greater use of the resources of the Congressional Office of Technology Assessment would also reduce the present inequality of resources available to the two branches in this area. Of perhaps even greater practical importance would be enlargement of congressional committee staff facilities beyond what is at present largely a part-time support capability. However, the strengthening of congressional capabilities in this regard, including, perhaps, reorganization and consolidation of committee responsibiltes,[18] is not likely to proceed very far nor be very effective in the absence of a determination to bring about a reduction of the secrecy that surrounds the actual negotiations.

More open negotiations would be advantageous to the Soviets, for they would seek to influence public and congressional opinion and thereby exert pressure on U.S. positions.

If this argument holds, the question naturally arises as to why Moscow has favored secret negotiations. The answer is not unrelated to the fact that the degree of openness in arms negotiations does not usually affect Moscow's options in lifting the veil and pursuing such endeavors on major issues whenever such action is judged to be propitious. The rapid disclosure during SALT I of the Soviet proposal to reach an agreement first on ABMs is a case in point. If, however, there may be some marginal increase in Soviet capabilities to attempt to influence U.S. policy in this manner, again, this feature must be weighed against those considerations which call for change. The democratic process has always involved some complications with which closed societies are not burdened.

On the other hand, it is also possible, perhaps even probable, that more openness would result in relatively greater equality of opportunity for exerting beneficial influence upon the Soviet government, with a potentially significant improvement in future prospects for arms control. The immensely less pluralistic nature of Soviet society and the limitation placed on opportunities for forces outside a small corps of the official hierarchy to influence policy present obvious difficulties. Nevertheless, issues of priority exist there as here. There are Soviet as well as U.S. "mayors," some of whom are Central Committee members, who seek reallocation of resources. Differences over arms control policy among Soviet officials have been evident during the course of SALT. There has been comment in this country about the potentially beneficial effects of the SALT process in modifying the compartmentalization that has existed in the Soviet government regarding strategic arms information and policy. Whatever the degree of change that has occurred so far, it is unlikely to extend much beyond officials directly involved in negotiations so long as the present system of secret negotiations continues, for there is then no opportunity for those elements of Soviet society outside the central corps of officials to exert influence. I do not believe it naive to consider the possibility of such expansion. We are not without some historial evidence to encourage us. The widespread concern about radioactive fallout that developed in the Soviet scientific community significantly strengthened the forces in Moscow seeking a nuclear test ban; while it cannot be documented wtih available evidence, it appears that the strength of this sentiment in the scientific community played a part in Krushchev's offer of three annual on-site inspections in an attempt to achieve a comprehensive test ban. Significant redirection of current arms trends will require a larger mobilization of support for arms control than currently exists, in this country and in the Soviet Union. There, even more than here, secret negotiations stand as a barrier.

The most compelling argument for change is that the present system has resulted in an abridgement of the democratic process in an area that affects national security, general foreign policy, and such domestic issues as allocation of resources and cost of government. In this nation we have traditionally placed the process of democratic government before the substance of particular policy question. The present nature of secret arms negotiations constitutes a rejection of that order of values.

To secure a more stable and less costly strategic environment and to bring the strategic arms race under control will require major political decisions, not debate among the weapons experts and diplomats. Such broad political questions belong among the public issues that are treated in open, not secret, discussion.

SALT, moreover, extends beyond "arms control" issues. One of the major questions of foreign policy will continue to be the state of U.S.-Soviet détente. Differences regarding its proper scope and judgments about its functioning vary with individuals. One who has reservations about Soviet détente policy, however, has expressed a view that is probably generally held, that the results of SALT should be regarded as a "major litmus test" of Soviet intentions.[19] How can such a litmus test be properly made by the nation if secret negotiations conceal the nature of efforts on both sides which produce a given result? If results are unsatisfactory, we need to be sure there are not undisclosed reasons which would alter the nation's judgment; if judgment requires action of some consequence, we need a broad base of political agreement that is possible only through an open process of negotiation.

To the extent that prudent use of federal funds is required to sustain arms programs, we will require, over the long run, a citizenry convinced that alternatives to unilateral efforts have been fully explored. Reactions to the SALT II efforts are clear evidence that suspicions abound that such has not been the case. Moreover, beyond the im-

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mediate issue of arms policy, continued secrecy in arms negotiations will surely contribute to continuation of the estrangement between government and citizen.

Beyond the issue of the process of government there is the requirement for change in order to improve the prospects for effective control of the arms race. Secret negotiations have worked against this objective in the past; success was obtained in SALT when the opportunity for a wider application of wisdom and of political forces was able to circumvent the narrowness of debate which secrecy engenders.

Future efforts to control the arms race will require discussion, decisions and actions on a broad rather than a narrow front. As Marshall Shulman has observed, "SALT involves three sets of negotiations: one is between the Soviet Union and the United States, and the other two are internal negotiations within each of the two countries."[20] On balance, prospects for success in all three will be enhanced by a more open process.

Only through a determination to work toward an openly arrived at and broadly supported effort in this country to seek specific major arms control adjustments are we likely to see significant alterations of current trends in view of the pace of technological change. And as arms competition has a variety of motivating forces beyond considerations focused on hardware and strategic doctrines, so must our future efforts encompass the broader considerations which are the proper subject of political debate and decision. There is small prospect for broad public understanding and support for arms control efforts if secret negotiations cloud the normal political process.

A more open process and a greater real sharing of responsibility and effort between the executive branch and Congress would also give us greater flexibility to deal with the problems presented by the rapid pace of technological change compared with the slow pace of formal treaty negotiation. Secret negotiations tend to focus efforts on formal arrangements of a more lasting nature, all of which require time. Presidents are reluctant to accept sole responsibility for short term, less formal mutual undertakings which might prevent the momentum of ongoing programs from outdistancing the treaty negotiations, particularly when they fear political charges of cricumventing the "advice and consent" prerogatives of the Senate. (The converse is the understandable congressional suspicion of "bargaining chip" and "hedging" authorizations.) With more open negotiations, and a greater degree of congressional participation and responsibility in the process, a major practical problem of arms control efforts in an age of rapid change could be approached with more sensible realism than the current process permits. George Bunn, Dean of the Wisconsin Law School, has outlined some possibilities in this area, as well as some historical precedents.[21] "Escrow authorizations" might also be considered as one means of resolving the "bargaining chip" and "hedging" problem that currently exists. Specific arrangements to be decided upon (probably on a case-by-case basis) to enlarge our flexibility to bring the arms race under greater control must, however, await a change from the present process of secret negotiations.

Not only would we achieve greater flexibility of means to deal with the pace of technology and the difficulties inherent in the current negotiating process, we would also improve prospects for wise decisions. Comment has already been offered on the general value of a wider base of analysis and debate that a more open process would provide. There are, however, certain other considerations relating to decisionmaking that are relevant.

The narrow base of composition of the NSC, the result of the outdated National Security Act of 1947, results in a policy group with a disproportionate, if understandable, focus on the "national security" considerations of any given arms control issue. Usually this means the military hardware aspects of the issue. This, of course, is not always the case, but it tends to be so. Yet the arms race, and arms control issues, involve a much broader set of considerations, including such domestic questions as resource priorities. There have been some suggestions for broadening the composition of the Executive decision-making body to include other Cabinet officers. This would be a desirable improvement; but the most effective means of assuring more effective broadly based "multiple advocacy" during the process of negotiation would be to involve appropriate members of Congress.

The case against secret arms control negotiations is, I believe, substantial and compelling. A more open process is called for in order to correct the current serious abridgement of the democratic process in a vital area of public interest. And it is necessary if we are to remove one of the root causes of recent failures to control effectively the arms race in strategic weapons and if we are to improve prospects for significant reversal of current trends.[22]

An appropriate time to make this needed change would be immediately following whichever comes first, a final agreement on the Vladivostok accord or the beginning of the administration that will result from the 1976 elections. If this is done, we can anticipate at least the possibility of some fundamental rethinking of what is required to halt the strategic arms race—and also to prevent the proliferation problem from getting completely out of control. This may require something on the order of the boldness of the Marshall Plan and the North Atlantic Treaty, but as then, so now, this will necessitate open presidential leadership and shared participation and responsibility with Congress before and during negotiations.

Moving away from secret negotiations will involve some problems of adjustment, as is always the case when improper and malfunctioning arrangements are corrected. In this regard, however, I would recall some words of Benjamin Cohen, a former U.S. negotiator and a wise and experienced man in both foreign and domestic affairs:

> It may be conceded that politicians lacking vision and insight on the international scene as on the national scene try to conceal their own inadequacies by appeals to popular passions. It may be conceded that small minds in international affairs as in national affairs prefer to indulge in moral judgments rather than to tackle the hard problems of determining what concrete policies and practical programs would be really effective to reconcile deep-seated differences. True at times it may appear that inflamed public opinion stands in the way of reasonable solutions. But wise statesmen know that public opinion is capable of greater understanding than ordinary politicians and even technical experts are inclined to believe. Leadership with ideas and with the ability of explaining and defending them is an essential ingredient of democracy. The people are interested not only in the soundness of our objectives but even more in the effectiveness of the means chosen to move in the direction of their achievement.[23]

FOOTNOTES

[1] Press conference, July 3, 1974.

[2] Whatever the merits of this idea—and there would have been very real problems relating to selection of participants and their role within the delegation—there is no question but that, had it been implemented at an early period during SALT I, it would have produced profound changes in the somewhat Byzantine maneuverings within the executive branch. It might have produced some confusion and conflict in the functioning of the system that then operated. It might also have produced two other results: a "Zero ABM" treaty and a MIRV ban.

[3] It is generally not recognized that a ban on MIRVs for ABMs is contained in the ABM Treaty: Article V and Agreed Interpretation [F].

[4] This is not to say that an agreement became inevitable. It required strenuous efforts and uncommon skills on the part of many of those involved, not the least of which were directed at resolving the highly technical problem of radar limitations. There was also, of course, much shifting of positions (some of which was for the purpose of "pacing" the negotiations) on the exact nature of the low ABM levels before the Treaty limitations were set. In part, this shifting on the U.S. side was due to another delayed result of the open debate, congressional opposition to any ABM "area defense," which caused the White House to seek an alternative to its original proposal to limit ABMs to national capitals.

[5] Another factor working against Safeguard within the executive branch was the continuing interagency analysis and re-analysis of the effectiveness of the Safeguard system, conducted as part of the SALT process. Safeguard became in time the most extensively analyzed strategic weapons system of the post-war period. The continuing nature of this analysis was probably not unrelated to the political weakness of the system outside the executive branch.

[6] For the most extensive, see Diplomatic and Strategic Impact of Multiple Warhead Missiles: Hearings before the Subcommittee on National Security Policy and Scientific Developments of the Committee on Foreign Affairs, 1969. Washington, D.C.: U.S. Government Printing Office.

[7] The argument used was that since production was not verifiable, there should be no limitations; but since the United States, having tested, was the only side that would benefit from this arrangement, the Soviets strongly objected to it.

[8] One of these efforts later in SALT I was an unsuccessful attempt by Senator Hubert Humphrey to obtain a Senate resolution more specifically focused on the MIRV problem than the "Brooke Resolution" had been.

[9] A distinction, of course, must be made between projections and firm knowledge about future Soviet programs. Soviet secrecy regarding their programs has been a major contributor to the arms competition.

[10] One exception, perhaps, relates to the reason for classifying the agreements that establish detailed procedures for implementing the SALT I accords. This effort apparently involved some detailing of technical military information that the Soviets preferred not be made public. This is a special case for which an argument can at least be made, but it is not central to the question at issue here.

[11] The verbatim records of the CCD sessions are subsequently made available after the committee submits its annual report to the United Nations.

[12] This view was especially strong in the White House.

[13] The final text of the "Hot Line" accord was agreed upon within a few weeks.

[14] Typical of this image projection is the following comment on the SALT studies: "The result was the development of 'building blocks' for all offensive and defensive weapons. We can combine these blocks in various clusters of limitations and reductions to produce alternative proposals for the negotiations. This enables us to respond quickly and meaningfully to any Soviet counter-proposals; at home we are not the prisoners of bureaucratic jockeying to come up with an agreed response." Richard Nixon, *U.S. Foreign Policy for the 1970's: Building for Peace*, a Report to the Congress, February 25, 1971, p. 189.

[15] In his close analysis of foreign policymaking, Alexander George notes that "ideo-

logical values and various cognitive beliefs of policy-makers (what we have called 'decisional premises') may sometimes be so firmly and uniformly held as to surely constrain the choice of policy . . . . Often, however, there are competing values and a variety of decisional premises within the decision-making group . . ." (George, "The Case for Multiple Advocacy in Making Foreign Policy," *The American Political Science Review*, 3 [September 1972], p. 784.)

[16] Sponsored by Representative Clement Zablocki and Senator Humphrey, amendments to the Arms Control and Disarmament Act have recently been adopted. One of these which indicates congressional desire to become more involved in arms control issues will require submission to Congress by the Executive of an "arms control impact statement" on specified types of proposed new weapons programs. Another will require ACDA to submit to Congress an expanded annual report similar to the posture statement of the Secretary of Défense which will include an analytical statement of arms control and disarmament goals, negotiations and activities, together with an evaluation of the status and prospects of the various negotiations; it is not clear, however, how this will vary from the type of reports on arms negotiations that were, for some years, contained in the annual reports to Congress of the Nixon Administration.

[17] For comments by Bundy and Richardson on this, see *Arms Control and Disarmament Agency: Hearings*, pp. 104–106.

[18] For Rusk's and Smith's comments on this topic, see *ibid.*, pp. 114, 121–124.

[19] Zbigniew Brzezinski, "What Kind of Détente?" *Washington Post*, August 4, 1974.

[20] Marshall D. Shulman, "SALT: Through the Looking Glass," *Arms Control Today*, 2 (February 1975), p. 1.

[21] George Bunn, "Missile Limitation: By Treaty or Otherwise?" *Columbia Law Review*, Vol. 70 (January 1970), pp. 1–47.

[22] This commentary has focused on SALT, where secrecy is most extreme. However, other areas, particularly other bilateral negotiations with the Soviet Union, require reassessment. For example, in the bilateral nuclear test ban negotiations of 1974 which produced the unfortunate draft "threshold" test ban agreement, neither the nation nor the Congress was aware of what proposals the United States or the Soviet Union made. The official, U.S. position is that the United States seeks a comprehensive test ban, adequately verified—which the administration says requires on-site inspection. It is an "open secret" that this is not the real position of the government. Executive branch experts have testified that on-site inspection would not improve verification capabilities over those possible with "national technical means." The real reasons why the government has not sought a comprehensive ban are that the military wishes continued testing and Mr. Kissinger believes U.S.-Soviet agreement on a complete test ban would, by appearing to be directed at pressuring China, interfere with his China policy. These are arguments which should be debated, but in the open. Only then, and if a U.S. effort to achieve a complete ban is made, can pressure be applied to alter two elements of Soviet policy which require change, Moscow's current wish to exclude explosions for peaceful purposes and its apparent unwillingness to agree to a permanent ban if China is not a party. Given the direct relationship of a full test ban to nuclear non-proliferation efforts, secrecy here is incompatible with increasing public concern about the proliferation problem.

[23] Benjamin V. Cohen, "The Quest for Peace," delivered at an academic convocation at Dropsie College, Philadelphia, March 17, 1952.

MASSACHUSETTS LOCAL INITIATIVE PROGRAM

Mr. KENNEDY. Mr. President, I would like to call to the attention of my colleagues an innovative approach to manpower training being implemented by the State of Massachusetts with CETA funding.

Massachusetts has adapted the Canadian Local Initiative program to our State's unemployment problems. More than $1 million in CETA funds has been awarded to 27 local government sponsors and community groups to implement these locally conceived job creation programs in rural Massachusetts, in Boston and on the Cape. The Executive Office of Economic Affairs will sponsor the Massachusetts Local Initiative program, MLIP, to operate on a 6-month experimental basis. More than 300 people will be employed under MLIP projects.

Among the projects receiving aid will be a training program for slightly retarded adults to serve as teachers' aides to seriously retarded young people, a Cape Verdean cultural center for the Portuguese-speaking community of southeastern Massachusetts, a program to convert an unused Chelsea synagogue into a bilingual day care center, fire prevention assistance to Lawrence, the Allston-Brighton Residential Improvement project, a Roxbury Community Hypertension Screening Referral and Information Service, and the Jamaica Plain/Roxbury Food Cooperative Community Outreach project.

The Executive Office of Economic Affairs designed the experimental program on the recommendation of the Massachusetts State Manpower Services Council. Special provisions in CETA legislation giving Governors the opportunity to fund special employment-creating projects were utilized. Nearly 500 individuals, local governments, and community organizations applied. The distinguishing feature of the program is to hire unemployed persons on short-term projects contributing to the community's quality of life, as defined by the community.

The unique approach of the Canadian program in encouraging project initiation outside of Government agencies, as well as its administrative ease, low overhead, and simplicity, has drawn much attention. The Canadian results have been encouraging within the limits of the program goals. Hopefully, a successful Massachusetts experiment will set a precedent in this country for community involvement in job development efforts.

The June–July newsletter of the Center for Community Economic Development in Cambridge, Mass., includes an article by Cynthia Rose on the MLIP. This article describes the projects and details their goals, requirements, and prospects for success. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MASSACHUSETTS LOCAL INITIATIVE PROGRAM

In an adaptation of the Canadian Local Initiative Program to U.S. unemployment problems, 27 Massachusetts community groups and local government sponsors have been awarded over $1 million in CETA funds to implement innovative job creation programs in their communities. The Massachusetts Local Initiative Program (MLIP) will operate on a six-month experimental basis beginning this summer, under the sponsorship of the Executive Office of Economic Affairs. Projects expected to employ some 300 persons in such diverse activities as cultural summer programming and a community canning project will operate in areas as varied as metropolitan Boston, rural western Massachusetts, and the rock cliffs of Marthas Vineyard.

Utilizing special provisions in CETA legislation that give the Governor the opportunity to fund special employment-creating projects, the Executive Office of Economic Affairs designed the experimental program this spring on the recommendation of, and with assistance from, the State Manpower Services Council (which consists of the chief administrative officers of the state's larger cities and representatives of business, labor, government, and community groups). Individuals, community organizations, and local governments were invited to apply. More than 1,200 Requests for Proposal were distributed throughout the state, and 487 applications were submitted for funds to hire the unemployed on short-term projects that would "contribute in some special way to the quality of life in the community."

DESCRIPTION OF PROJECTS

Awards for community service projects range from $25,000 to $50,000. One grant will be used to train mildly retarded adults to serve as teachers aides to seriously retarded youngsters; another will help establish a Cape Verdean Cultural Center for southeastern Massachusetts Portuguese-speaking community. Other projects selected include a $31,000 program to convert an unused three-story synagogue in the Chelsea area of Boston into a bilingual day care center to serve the city's sizable Spanish-speaking population, and a $42,000 grant to assist the city of Lawrence in fire prevention by hiring special "fire monitors" who will be trained in these techniques as well as in evacuation procedures. Most projects are designed to last the entire 26-week period, and some have the specific goal of becoming self-sufficient by that time.

Among the other grants:

A Community Hypertension Screening Referral and Information Service project in Roxbury has received $39,000 to employ 9 persons to screen more than 10,000 residents—at shopping malls, stores, and homes of the elderly—as well as to provide referrals and educational services.

The Allston-Brighton Residential Improvement project received $32,581 to employ 7 persons to offer home improvements, at low or no cost, to senior ciitzens or financially burdened small homeowners.

A $44,743 grant to the Jamaica Plain/Roxbury Food Cooperative Community Outreach Project will help establish a neighborhood food co-op and supply food at little more than wholesale prices; it will also provide a center for community activities.

The Wareham Historical Society plans to hire 8 persons on a $42,000 grant to finish reconstructing several old historic buildings in the New Bedford area and provide necessary staff to open the sites to the public, hoping eventually to keep the sites open year-round and to train local residents to maintain them.

With a $32,000 grant, the Chester Bicentennial Committee proposes to teach several hundred residents traditional handicrafts (crewel embroidery, rug-hooking, and handweaving) as well as to provide marketing training and services to participants.

A $44,000 grant to the Gay Head (Martha's Vineyard) Economic Development Project will help train 12 resident Native Americans of the Wampanoag Tribal Council of Gay Head in various aquaculture procedures—shellfish management and water quality maintenance among them—and expects these trainees to be absorbed later into the Tribe's ongoing aquaculture program.

Women in Agriculture, Food Policy, and Land proposes to hire 13 persons to stimulate local, small-scale farming in central/western Massachusetts. The project intends to create a community canning center with its $48,000 grant, which will serve as a model for other such centers throughout the state. Anticipating contracts with local public service food-providers (schools, elderly nutrition programs), the organization hopes to establish a firm economic base for continuing the canning center beyond the MLIP grant period.

MLIP GOALS AND REQUIREMENTS

MLIP incorporates many of the concepts of the Canadian Local Initiative Program (see the February 1976 *CCED Newsletter*), which is designed to provide short-term, seasonal employment opportunities, and is meant to encourage individual and community initiative rather than simply to add money to existing state (provincial) or local governments services—or even to duplicate these services. Hiring will take place through local Division of Employment Security offices, with employee wages not to exceed the prevailing community wage scale for similar work.

Projects were selected for funding on the basis of their experimental value, as well as the extent to which they met MLIP objectives of providing a good or service to a community that in some way improves the quality of life, is currently needed but unavailable, and at the same time offers productive employment to those certified as eligible for participation in CETA programs. Other criteria for project selection involved human development potential, services to the disadvantaged, lack of duplication of existing programs, significance to the community, linkages to other programs and/or service networks, and the possibility of the project's continuing on an independent basis after the expiration of the MLIP grant period.

Overall program administration will be conducted by the State Manpower Services Council and is designed to be minimal; one of the most attractive features of the Canadian model, in fact, is its reduced bureaucracy. Evaluation of the program by an outside, independent evaluator will begin with the inception of the experiment; a report on the status of specific projects will be issued by the sponsoring agency after three months, with an overall report upon completion of the program in February.

PROSPECTS FOR SUCCESS

The Canadian program has attracted a good deal of attention in this country because of its simplicity, ease in administration, and low overhead costs, as well for its unique approach of encouraging project initiation outside of government agencies. But the very nature of the Canadian model that makes it attractive to some is at the same time a drawback in the eyes of advocates of community economic development strategies who view building an institution and establishing a financial base as crucial to having any significant effect in combating joblessness or changing the nature of job creation from a top-down to a bottom-up procedure.

The restriction of the MLIP to short-term, nonprofit ventures, although it does meet some of the more strident demands for jobs, does not offer hope for any long-range effect on unemployment statistics. The grants that were awarded are disappointing in certain respects; only a small number of projects are truly innovative or have any possibility of self-sufficiency, and few provide any primary sector employment. MLIP thus appears to be just one more form of public service employment, even though a small number of the grantees are community-based organizations who have taken their constituency's needs into consideration in submitting their proposals.

Moreover, the MLIP requirement that any revenues generated during the grant period (although not afterward) be returned to the Office of Economic Affairs for use in furthering CETA objectives reduces the ability of the project to generate any degree of self-sufficiency. It likewise limits the possibility for continued employment of participants, since their chances of being absorbed into already swollen municipal payrolls are slim, and no effort will have been made to create an institution to perpetuate these jobs.

(The Canadian LIP is similarly limited, and, with this in mind, officials are contemplating an "Entrepreneurial LIP" for more permanent, profitingmaking enterprises. In addition, there already exists a long-term job-creation program, the Local Employment Assistance Program (LEAP), whose major objective is the development of employment alternatives for the chronically unemployed through funding projects that have the capacity to become self-sustaining, thus providing more stable employment possibilities.)

Results of the Canadian LIP have been encouraging within the limits of the program goals. A successful experiment in Massachusetts, however limited, could well set a precedent in the United States for community involvement in job development efforts. Other programs utilizing the Canadian model are under way in North Dakota, Montana, and Utah. Taken all together, these local initiative job-creating programs represent a start to attacking unemployment at a level where the community gets to determine some of the priorities. However, community groups must be wary of some of the other dimensions, such as where the actual control lies, since this is what will distinguish "local initiative" from other, run-of-the-mill government programs.

CYNTHIA ROSE.

A CAMPAIGN FOR FOOD AND AGRICULTURE: THE CARTER-MONDALE VIEW

Mr. TALMADGE. Mr. President, the real core of our Nation's agricultural policy for the past 40 years has been the unique "delivery system" of our farm programs—the county offices and county committees, elected by the farmers themselves, which are the people's contact with their Government.

It is fitting, therefore, that my longtime friend, Bobby Smith, chairman of the National Carter-Mondale Committee for Food and Agriculture, chose the two groups of people who are instrumental in the committee system to outline the policies and hopes of Jimmy Carter for agriculture and rural America during this campaign.

On July 20, Bobby Smith, himself a cotton farmer from Winder, Ga., who has an intimate knowledge of these programs, spoke to the National Association of Farmer-Elected Committeemen here in Washington. He was critical of the way that the current administration has dealt with farmer-elected committees and outlined his thoughts on their role in a Carter administration.

And on August 13, he addressed the National Association of ASCS County Office Employees, also in convention in Washington, and spoke about the importance of the traditional values of rural people in this campaign and in this society.

In order that our colleagues have an opportunity to study these views, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF P. R. SMITH, CHAIRMAN, NATIONAL CARTER COMMITTEE FOR FOOD AND AGRICULTURE, TO THE NATIONAL ASSOCIATION OF FARMER-ELECTED COMMITTEEMEN

Last Thursday night, Jimmy Carter made a promise to the American people. He said:

"It is time for the people to run the government, and not the other way around."

Today, I want to expand on that promise. I say that it is time for America's farmers and ranchers to have a voice in farm policy once again. We have been ignored for eight long years.

Eight years of frustrations, foreclosures and fears.

Eight years of a systematic effort to destroy our farmer-elected committees.

Eight years of intentional efforts to make farm programs confusing and unpopular with farmers.

Eight years of systematic back-pedalling on conservation programs.

Eight years is enough. In fact it's eight years too much.

Our farmer-elected committees represent one of the unique and successful experiments in two hundred years of American democracy. Forty-three years ago last May, President Franklin D. Roosevelt signed into law the Agricultural Adjustment Act of 1933. Many of you can remember those days. We were in the depths of the depression—a depression that was farm-bred and farm-spread, until it reached every corner of America.

Farm prices were measured in pennies. Mortgages piled up. Markets shut up. The land dried up. What the grasshoppers missed, the scorching sun and the hot wind got.

FDR knew that agriculture was at the base of the depression. He knew that it would be the leading edge of the recovery. Thus began your experiment in democracy. Thus began a success story that should be a model for other parts of our economy. The system was improved in 1936, and modified throughout the years. But its two basic concepts remained the same; first, committeemen were to be elected through the democratic process, in their communities and in their counties; and second, the person best able to administer farm programs is the farmer himself.

America and its farms and ranches have changed a lot in forty-three years. Your government's response to the problems of American agriculture has to change along with it. But this Administration doesn't want simply to modernize farm programs or make them more efficient. They want to destroy farm programs altogether. Ezra Taft Benson tried it in the 1950's, but your friends in Congress remained steadfast. The last eight years has sounded like a re-run of the Benson days—and it's been almost like a long-playing record. We've been fortunate to have good friends in Congress these past eight years. Nevertheless, they have been difficult years.

Our next vice president, Senator Mondale, said it perfectly:

"The Congress has been able to prevent the worst, but the President has been able to prevent the best."

For more times than I can count, the Congress has had to order the President to carry out the law. Most recently, the

Senate re-emphasized its support for "the grass roots participations of farmers in the programs of the Department of Agriculture through the farmer-elected community committeemen."

But the search-and-destroy missions in this Administration have not been limited to the programs of ASCS. They took farm policy out of the hands of a Secretary of Agriculture who has managed to insult and infuriate the 96 per cent of the population who don't live on farms. It's one thing to stick up for the farmer and rancher. But it's quite another thing to set out to drive a wedge between farmers and consumers.

Whoever Jimmy Carter picks to be Secretary of Agriculture will carry out his pledge to bring this country back together. He will choose a Secretary who can heal the bitter wounds of the last eight years. We're going to have balance in our food and agricultural policies once again. I've heard it said that this year's choice is between President Ford's policies of the free market and returning to a Democratic way of high price supports and rigid controls on farmers. Nothing could be further from the truth.

We're going to have high support levels—you can bet on that. The Ford-Butz support levels are as outdated as the Ford Model T. But nobody wants rigid controls on the basic crops today—not you, not Bobby Smith, nor Jimmy Carter. There are markets for all we can produce—if we go about building and securing them. And we can't keep stable markets if we have off-again, on-again export controls. We can't maintain our markets if we look the other way while exporters dump dirt and chaff in their ships and call it Number 2 yellow corn.

Jimmy Carter's detailed farm and food policy is due for publication within the next several weeks. It will build on the successes of the system that has served our farmers and ranchers for more than 40 years. It will put behind us the "we know best" theories of the ivory tower agricultural economists. It will mean a farm and food policy developed after farmers and ranchers have had their say in the matter—through your committees, through farm organizations, through commodity groups and others. It will mean a complete reassessment of how the USDA bureaucracy has been tangled up and tied up these last eight years. It may mean realignment—so farmers can be served better, so farmers can trust their own Department of Agriculture once more. And it will mean some new faces.

One of Jimmy Carter's major goals for farm and ranch families is to send Earl Butz back to Purdue—and Ralston-Purina. But I have a different goal. Back home in Winder, Georgia, I grow cotton. I think we have a real future—real growth ahead—for the cotton industry. So we need to produce all the cotton we can grow. And I want Ken Frick back in the cotton business. I want him to raise more cotton and quit raising farmers' blood pressure.

So a number of us have organized a retirement club for Ford, Butz and Frick. We call it the National Carter Committee for Food and Agriculture. Your association must remain non-partisan. But that fact must not prevent each of your members and officers, as individuals, from participating in political activities which are important to you and to your neighbors.

I am here today to enlist as many of you as I can—Democrats, Republicans, and Independents—in our crusade to send Frick back to Fresno. A few of you, no doubt, will end up on the other side. That's what makes our political system healthy. But for the vast majority of you who share our goals, I need your help in the National Carter Committee for Food and Agriculture. Within the next few weeks we hope to announce more than 200 members of the National Committee—from every commodity, every region, every sector of food and agriculture. Already we have an impressive leadership group. Your friend, Congressman Bob Bergland, will be our national vice chairman. We have four regional chairmen: Congressman Tom Foley in the West, Illinois Agriculture Director Robert Williams in the Midwest, West Virginia Agriculture Commissioner Gus Douglass for the South, and U.S. Senator Patrick Leahy for the Northeast.

We fully intend to be organized and effective in every state, every region of rural America. We will spread the positive story of Jimmy Carter, the Georgia farmer, and his understanding of the real problems facing farm and ranch families today. Never in recent years have we had a presidential candidate with such intimate knowledge of food and agriculture. Farmers and ranchers have a real opportunity in 1976 to affect the choices which will bear so heavily on their lives and livelihoods in the next four years.

I need your help—Jimmy Carter needs your help—and the future of American agriculture needs your help.

And our nation will understand the importance of rural America only when our national leadership shows the way. We need the kind of leadership that recognizes the importance of the American farm family in our economic recovery, and understands the contribution of food and agriculture to peace among men.

When I say the best way to achieve those goals—the best way to bring an understanding view of agriculture to our national government—is to put a farmer in the White House, you can believe that I mean it. But if we are to achieve that goal, we need your help.

I realize that this is not a political organization. And I realize that you are public employees—that you are limited in what you can do in partisan politics. Obviously, you may not handle political contributions or manage political campaigns. You can't line up rallies, but you can go to them. There is nothing that can prevent you from speaking out, or writing a letter to the editor, to express your views on farm issues or about a particular candidate. I can't ask you to wear a Carter button in the County Office.

But I can appeal for your support and for your vote. Farm families this year have a big stake in how this election comes out. When I say that the decisions in food and agricultural policy in the next few years may affect the lives and livelihoods of millions of our fellow humans—you can believe it. When I say that the directions we take in next year's farm bill are going to depend in large measure on who is in the White House—you can believe it. When I say that the future of our whole system of bringing Agriculture Department services to the people of rural America may depend on this year's election—you know you believe it.

And when Jimmy Carter tells us that his Secretary of Agriculture will be a full partner in this Government, I believe him—and so can you.

It's time we put American argriculture up front—where it belongs.

I know that's your goal.

I can assure you that it's my goal.

And it's Jimmy Carter's goal too—you can count on it.

REMARKS OF P. R. SMITH, CHAIRMAN, NATIONAL CARTER COMMITTEE FOR FOOD AND AGRICULTURE, TO THE NATIONAL ASSOCIATION OF ASCS EMPLOYEES

American agriculture is complex and exciting today. It is productive all of the time, and prosperous part of the time. Agriculture is indispensible. It is essential. And it is basic to our everyday survival. It is constantly changing, always challenging, and forever one of the highest-risk adventures known to mortal man.

But above all, our agriculture is truly American in character—broadly based across our land, and intimately connected with jobs, the strength of our economy, and peace throughout the world. I am proud to be part of this exciting business. And you can be proud of the important service you render to American agriculture. In a very real sense, you are the "service corps" of our national government—the link that brings our people and their government together. You are the people who make it all work.

I am a cotton farmer from Winder, Georgia, and I am here today on behalf of a peanut farmer from Plains, Georgia. But it might as well be Winder, Idaho—or Plains, Iowa—because our interests in agriculture are national in scope. Our products may be different, but our problems are the same. The wool grower in Wyoming is concerned about synthetic fiber. And so is the cotton farmer in California. The tobacco farmer in North Carolina wants better markets overseas. And so does the wheat producer in North Dakota.

There is so much that unites us—so much that we share in common—across this wide spectrum of America's farming and ranching. But there is an even greater bond—even stronger than the fact that we are in the same business—that ties us all together. And that is the common sense of values that is important to the people of rural America. It is the recognition that, in the final analysis, an honest day's hard work will pay off.

It is the feeling of neighborliness, the certain knowledge that we will have friends even when the chips are down. It is in the way we do business—where a man's handshake is often as good as his signature on a contract. And it is in our homes and in our churches—families that are the backbone of our society and churches that are the hub of our communities. It is, I believe, this shared sense of values—this common bond, that explains more than any other factor the success of Jimmy Carter with the American voters this year.

It is, I am convinced, the reason he won the Democratic nomination and the reason he will be elected President this fall. Americans have been bombarded in the last few years—besieged with war, scandal, crime and controversy—almost to the point of exhaustion.

We are ready to see some of the rural virtues restored—to return honesty to government, to put trust back in politics. We're fed up with the same old game. We're tired of politics as usual. The prospect of a Jimmy Carter Administration is also the hope of a clean break with the shady dealings that we've seen so often. Jimmy Carter means to change the way that Washington has run things for these past eight years—and to change them for the better—all the way across the board.

Let's look at what this will mean to you—what it will mean in food and agriculture. First, it means that we're going to have a food and agricultural policy. We're going to replace the scatter-gun, nonsensical, non-policy of Nixon, Ford and Butz—with a policy that makes sense to farmers, ranchers and all Americans. It means that we're going to have a policy that has a little predictability for a change—so farmers can make plans based on reasonable assurances that they won't be wiped out.

We're going to send Butz back to Ralston-Purina and put Ken Frick back in the cotton business—and then we can make the Department of Agriculture work once again. Furthermore, the Carter Administration's food and agricultural policy will be developed by the people, and not by the special interests. It means close communication with farmers—through your farmer-elected committees, through farm organizations, and through commodity groups.

During the next several weeks, you can count on hearing a lot of charges and political claims from those who think they know what our farm policy will be like. Already we're seeing the opening shots in a campaign of distortions and half-truths. In some cases they have been outright falsehoods. It's almost as if Earl Butz has a touring show of trained puppets ready to give the American farmer a snow job. It's almost as if they believe that we have a secret plan to bring back the dust bowl, the great depression and a plague of grasshoppers.

A couple of weeks ago, I read a newspaper column that said, flat out, that Jimmy Carter wants—and I quote: "an end to the present growing-for-market concept and a return to the old days of growing for the government loan." That's a lot of baloney. The fellow who wrote that article must know it. Earl Butz knows it. You know it and I know it. But I'm afraid that's a sample of what we're in for between now and November.

A few days ago, one of the more passionate apologists of Nixon, Ford and Butz claimed that electing Jimmy Carter would mean "grain embargoes whenever labor leaders want them" and "prices fixed by bureaucrats." That's a lot of baloney too. It's the same kind of political bunkum we used to hear from the Republican National Committee in 1972—and I think American voters have had their fill of that sort of campaign. I don't believe we are going to be fooled again. Farmers and ranchers are too sophisticated to be taken in by that kind of politics. They know full well it was not a Democratic administration that knuckled under to pressure and clamped an embargo on grain sales last year.

They know full well it was the Administration of Gerald Ford and Henry Kissinger and Earl Butz. Another newspaper article the other day said that Fritz Mondale had proposed that we "scuttle the market system for setting farm prices." He said no such thing. I've read his press release and I've read a word-for-word transcript of what he said. Nothing in either one remotely suggests that he wants to "scuttle" the market system.

I'm beginning to wonder if any of these writers would recognize a free market if they saw it. But then again, after the past few years, I wonder if anyone would recognize a free market. The President keeps telling folks that we have a free market. Perhaps he's at least part way right. He does fight for the free market when farm prices are low. But when prices start getting profitable for farmers, then Mr. Ford's government bureaucrats decide they should intervene in the marketplace.

When cattle prices are profitable, they put a price ceiling on them. But when cattle prices collapse, they holler "hands off." When grain prices are profitable, they manage to come out with four embargoes in three years—so they can push farm prices down. But when prices look like they'll drop—and your friends in Congress try to increase your price supports—Nixon, Butz and Ford holler "veto."

The current Secretary of Agriculture loves to fly around the world, and tell other countries that they need to provide better incentives for their farmers. I'm for a little more consistency. If price incentives are good for the rest of the world, they're good for American farmers too.

We're going to have a farm and food policy that lets the market work—so that farmers can be assured of covering their production costs and have a chance to make some money too. I'm looking forward to a tough and challenging campaign between now and November second. But I want it to be a clean and fair campaign. Jimmy Carter wants to discuss the issues. So do you; so do I.

When Jimmy Carter or Fritz Mondale say they can remove the threat of embargoes, I believe them—and so can you. Food and agriculture are fast becoming the most important issues that will face us as a nation. But we are not facing up to the importance of these issues today. We are not facing up to them when we permit our agricultural research budget to drop to less than two-thirds of what it was ten years ago.

We are not facing up to a really global agricultural challenge when we allow our farm programs to be dismantled on a systematic basis. We are not facing up to our responsibilities when we allow our conservation programs to be impounded, vetoed, cut back and allowed to die. We are not facing up to our obligations when we allow thousands of dairy farmers and hundreds of cattle growers to go broke each and every year.

It's time we recognized the critical importance of food and agriculture on a worldwide scale.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on January 12, 1951, 25 years ago, the International Convention on the Prevention and Punishment of the Crime of Genocide went into effect. At present there are 75 nations party to the Genocide Convention, including almost all of our NATO and SEATO allies. Americans who have traveled to Western Europe, Canada or Mexico were in countries where the Genocide Convention is in full force.

There is no need to engage in speculation about the possible effects of the Genocide Convention on the United States. Instead, we can look at the countries that have ratified the convention and see how it has actually affected them. Many are democracies and some have federal forms of government. Their experience with the convention should give us the basis for making a realistic assessment of the impact of the convention on the United States.

No citizen of any of these 75 nations has been tried by an international court on charges of genocide. No citizen of these countries has ever been extradited to a Communist country to stand trial for genocide. This convention has not abridged the freedoms of speech and assembly of any of the citizens of these countries. The convention has not disrupted the governmental structure of any nation established on principles similar to those upon which the United States is based. With this experience behind us, there is no reason to be fearful that ratification of the Genocide Convention will have harmful effects on the United States or its citizens.

American ratification of this document will put the United States formally on record as opposed to the crime of genocide. It is not enough to say that we are opposed to genocide; we must act. Ratification of this treaty is the most constructive action we can take. Mr. President, I urge the Senate to ratify the Genocide Convention without delay.

NATIONAL SCIENCE FOUNDATION

Mr. KENNEDY. Mr. President, as chairman of the Senate Subcommittee on the National Science Foundation, I want to express my concern over information which has come to my attention concerning the manner in which the Foundation has awarded grants for energy policy research.

The basis for that concern is outlined in the following letter which was sent today by the subcommittee to the General Accounting Office.

The material developed by the subcommittee thus far has also been provided to the Senate Antitrust Committee for the assistance of its members in evaluating testimony in which the findings of the grants in question have been cited.

I ask unanimous consent that the text of my letter to the Comptroller General be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 24, 1976.

Hon. ELMER B. STAATS,
Comptroller General,
General Accounting Office,
Washington, D.C.

DEAR MR. STAATS: As Chairman of the Senate Subcommittee on the National Science Foundation, I am gravely concerned over information which has come to the Subcommittee's attention concerning the manner in which the Foundation has awarded grants for energy policy research. The material developed by the Subcommittee to date casts serious doubt on whether the Foundation has been diligent in weighing the impact of outside funding on the findings of the policy analysts it supports, the Foundation's ability to determine whether that research can be presented to the Science Adviser as objective and independent, and whether, in the energy policy area in particular, the criteria of excellence which have always been the hallmark of NSF-sponsored research are being rigorously applied.

The situation which prompted the Subcommittee's inquiry is that of the award of $130,000 to Dr. William Johnson of the George Washington University's Energy Policy Research Project for the preparation of a series of papers on federal oil and gas policies. These papers were to provide information and analysis for the President's Science Adviser to assist him in making recommendations on appropriate Federal actions in the oil and gas segment of energy policy.

Dr. Johnson stated clearly in his grant applications that the National Science Foundation would not be his only source of support and that he would be spending one-fourth of his time on non-N.S.F. supported activities. The Foundation, however, made no effort to determine the source of that outside funding—some $125,000—and did not learn until one month ago, following inquiries from the Subcommittee, that this support came from elements of the oil industry which hold clear and well-defined positions on divestiture and other subjects of Dr. Johnson's inquiries. Moreover, among those federal employees selected by the Foundation to review the proposal were two who had worked under Dr. Johnson's supervision and who had been his superior. The opinion of only one outside reviewer who was not an employee of the Treasury Department or the National Science Foundation was sought prior to the award of the grants.

Because this research is designed for use by the President's Science Adviser in making federal energy policy recommendations, I feel that a thorough inquiry is required into the situation I have outlined above, along with recommendations for the improvement of N.S.F.'s procedures. Moreover, I am concerned over the propriety, without an accompanying disclosure of all sources of funding, of the use now being made by the oil industry of Dr. Johnson's work in its advertisements urging opposition to divestiture. I would urge, therefore, that you inquire into what procedures govern the dissemination of policy research results, to ensure that users of that research are aware of all sources of funding, the policies which now exist, and any recommendations for change which may be necessary.

I have attached for the G.A.O.'s use the material developed by the Subcommittee thus far, and am requesting a full investigation by G.A.O. into this matter. I would hope hat by using the information gathered by the Subcommittee thus far, your own investigation could be completed promptly and that you will be able to provide us with a full report no later than September 15, 1976.

Sincerely,
EDWARD M. KENNEDY,
Chairman, Special Subcommittee on the National Science Foundation.

IMPORTANCE OF R. & D. TO MATERIALS POLICY

Mr. MOSS. Mr. President, the bill that I introduced on June 29, 1976 (S. 3637) is titled "National Materials Policy Research, and Organization Act of 1976." Part of the declaration of policy of that bill states:

> The Congress declares that a central objective of the materials policy of the United States is to establish a strong foundation of basic and applied research in materials science.

Why is research important to a materials policy? If we need more iron, or copper, or other critical material, why do we not just go out and find some more; how is research related to that?

The answer is, of course, that the problem of iron and copper and other such materials is not just a matter of seek-and-find—although even here research on better detection methods may be crucial—but may also be a matter of developing brand new materials as substitutes. And not just second-choice substitutes, but new materials whose properties may actually be superior to the original material.

Let me give you some examples. As iron ore begins to get scarce and more expensive to find, what can we do? Steel is absolutely essential to the construction of roads, bridges, buildings, and many other products. The answer is composite materials—tiny whiskers of super-high-strength boron or carbon embeded in a matrix of a more abundant material such as aluminum or epoxy. Not only are some of these materials stronger than steel, they also are lighter than aluminum.

Therefore, they can be used to advantage in applications where steel would be too heavy, such as in aircraft construction. You can already buy superior golf clubs, tennis rackets and racing bicycles made from these super strength materials, but, as of now, they are expensive. Additional research and development and wider usage will bring these costs down.

Copper is another basic material that is becoming harder to find and therefore more expensive. And yet, our vast communications systems are a veritable maze of interlacing copper wires. How will we build these communications systems when we run out of copper? The answer is fiber optics. A glass fiber thinner than a human hair can carry thousands of times more information than a copper wire.

In addition to carrying razor-sharp TV pictures, these fibers do not emit and are not susceptible to electromagnetic interference. But best of all, these fibers are made from cheap, abundant silicone—glass. Widespread use of these fibers is expected to come quickly, thereby helping us to conserve our dwindling copper supplies.

Another problem we have is with solid wastes. Americans generate an incredible 150 million tons of solid waste each year. Not only does this create an enormous disposal and environmental problem, but it is a profligate waste of useful materials. Research projects under way will allow us to remove useful solids such as metals, paper, and glass more efficiently and also to convert much of the remaining organic material to protein for animal food, or to oil, methane gas, or solid fuel for ultimate conversion to energy.

Some of NASA's efforts in materials research are worthy of noting here. Experiments performed recently on Project Skylab indicated that the processing of materials under conditions of weightlessness may produce materials with different characteristics, as needed for specific functions, or with superior performance qualities. The importance of processing in space to the materials scientist is two-fold: the removal of gravity allows the observation of basic material forces at work, and the use of the high vacuum of space allows discovery of exceptional shaping and purification capabilities in materials.

Ten new materials experiments were also included aboard the Apollo-Soyuz Test Project, and NASA plans more activities of this nature for future Space Shuttle projects. The implications for materials policy center mainly on the opportunity to develop acceptable substitutes for materials in short supply, or the discovery of new synthetic materials that could affect the future selection of materials for various uses.

NASA scientists and others have been conducting significant R. & D. on thin film techniques for solar cell concentrators. Recently, the results of scientists at NASA's Jet Propulsion Laboratory were described, in which thin films of gallium-arsenide are deposited on the collector surfaces of solar cells. Improved efficiencies of 19 to 21 percent have been reported. The implications for materials policy are obvious. Many people look to solar energy as a means of relieving dependencies on foreign supplies of oil and to produce a cleaner, more environmentally acceptable form of energy. Continued research will help to develop an acceptable efficient and inexpensive solar collector to help meet these goals.

Agricultural products are materials, too, and the importance of research in the development of new and better agricultural products cannot be underestimated in the face of burgeoning world populations.

Recently, researchers have developed several new soybean varieties that are not only resistant to pests but also produce a higher level of protein, thus increasing both quantity and quality.

New corn hybrids and wheat strains have been developed that resist pests and disease and increase production while significantly reducing the need for chemicals. Carrots are being developed with more vitamin A, cabbage with more vitamin C, and potatoes with more protein.

And in an exciting new experiment off the coast of California, kelp plantations are being designed that would produce abundant quantities of methane gas for fuel and nutrients for food crops and livestock.

These fast-growing kelp plants may be the most efficient users of the photosynthesis process on earth, and, through increased R. & D., may make a considerable contribution toward solving our energy and materials problems.

Mr. President, the world population now stands at 4 billion, and every day that passes it grows by another 200,000. The 4 billion will be 6 to 8 billion before the end of this century—a scant 24 years away. Somehow, we are going to have to feed all these people, and clothe them, and provide homes and transportation and energy and a decent and healthy environment for them within which to live. The strain on the earth's resources of materials will be great. The challenge to provide these materials will be staggering. It is unlikely that we can adequately meet this challenge without a substantial increase in our R. & D. efforts to produce new and better materials and more efficient means of using the resources that we have.

Mr. President, many of the examples that I have used in this statement have been taken from a paper prepared at my request by the Congressional Research Service. I ask unanimous consent that this paper be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

EXAMPLES OF MATERIALS R. & D. WHICH ILLUSTRATE THE IMPORTANCE OF R. & D. ACTIVITY; JULY 20, 1976

(By George N. Chatham, Specialist in Aeronautics and Space)

Research is basically conservative by nature whatever the stated goals may be. A product of research—a new concept or device is considered successful when it is generally accepted or widely used. Achieving wide acceptability, however, requires that the new product offer significant advantages. These advantages are almost without exception defined as the performance of a needed or valued function at a significantly reduced cost in some valued resource.

Even when the product of research is solely knowledge, such as is the case with much medical research, the effect can still be defined as conserving life.

Providing a new function or improving a function already available by existing means are generally identified as the goals of a research effort but, on the whole, success in this sense may be of secondary importance in determining the degree of application. The following examples were selected to illustrate that it is almost always the degree to which a new product of research conserves one or more valued resources that determines its success.

THE LASER

Some innovations and inventions are successful because they provide a new function or effect for which useful applications can be found. The new ubiquitous laser is an example of this type. In 1960, it was called a "laboratory novelty" and an invention "in search of an application".

Within a short time, however, it became clear that the thin beam of coherent light emitted by the laser could be made to transmit a higher concentration of energy than any known device. It could serve as a surgical knife, or serve as a heavy duty industrial cutter. As an industrial drill, the laser could flash precise holes through the hardest substances, performing operations formerly requiring many days of continuous operation. The beam could be modulated to transmit information directly or through a filament of glass with a density order of magnitude beyond any existing conductor.

Within a decade hundreds of successful applications appeared, in each case success being determined because the use of the laser provided a function at a significantly lower, sometimes fractional, cost in resources formerly required.

The coherent beam of light emitted by the laser did not exist prior to the laser and therefore the uses for this beam of light were unknown when the laser appeared. More commonly, the products of research offer an alternative means of providing an already existing function, such as the production of thrust to power an aircraft.

JET ENGINES

The jet engine reduced the weight of aircraft power plants by more than an order of magnitude for a given power output. However, the amount of thrust they produced for fuel consumed was something less than the competing reciprocating engines. This "fuel hungry" reputation led to early forecasts of no commercial success. However, the secondary effects of such great savings in weight quickly reversed these forecasts.

The simplicity of the jet permitted engine designs with power outputs of an order of magnitude beyond the largest practical reciprocating design. The weight savings provided initially by the engine comparison could be augmented by the additional reductions on weight related to the simpler, smaller and lighter airframe requirements. Translating these gains into payload quickly insured the economic success of the jet engine. Even the valid observation about the higher fuel consumption for a given level of thrust had to be viewed in the larger perspective of total payload carried per unit of fuel consumed. In this perspective, the jet engine again proved its superiority. Within only six years following the introduction of the jet on the Boeing 707, the piston powered airliners had become, by comparison, too expensive to afford and virtually all of them had been replaced by the jet powered aircraft.

The conservative nature of this innovation becomes clear from the consideration that during the twelve years following the introduction of the jet, passenger air mileage in the U.S. rose almost by a factor of 10. The size of the commercial fleet, however, increased by only a few percent. Air fares reflected lower operating costs by remaining almost fixed during this period—failing to reflect the general cost increases due to inflation.

It is likely the aerial transportation growth may never have occurred if the jet engine had failed to be adopted. The continuation of the piston powered aircraft to meet today's market would have required a tenfold increase in aerial traffic, aerial navigation and traffic control systems, airports and all other ancillary facilities.

TRANSISTERS AND "CHIPS"

Another product to provide an alternate means of accomplishing an existing effect emerged from research in solid state electronics—the transister and its derivatives, the most recent of which is the integrated circuit or "chip." The processing of electronic signals was accomplished by vacuum tubes and ancillary devices prior to the solid state innovation. How much more for how much less the solid state devices provided when compared to older methods was dramatically illustrated by Mr. C. Lester Hogan of Fairchild Camera at a recent convention in Boston.[1]

Mr. Hogan took 18 chips from his pocket and tossed them to the audience. He explained that he had just given them . . . "$18 million worth of computer power—or it was 20 years ago." He was comparing the chip to an equivalent IBM computer which cost $1 million in 1950, but costs less than $20 today.

Here we have an innovation of higher reliability than the devices it replaced, requiring less energy by six orders of magnitude and requiring less material to fabricate by about the same extent.

OTHER EXAMPLES: RESEARCH TO IMPROVE PLANTS[2]

The most pressing issue for R&D is to increase food production totals in spite of the ever-decreasing acreage total.

Some of the traditional and new ways in which food quantity and quality are being increased with R&D follow:

1. Soybeans.—Recently researchers developed new soybean varieties which have increased resistance to a major pest, nematodes. Quantity increased. They also developed three new varieties of soybeans with a higher level of protein. Quality increased.

2. Corn.—Recently, a corn hybrid variety was developed to resist the pest, the corn borer. Approximately 30 million acres in U.S. now grow this variety which has a significantly reduced need for insecticides.

3. Wheat.—Research has reduced "stinking smut" in wheat. This resistant strain also requires less chemicals to control the disease.

4. Insect pests.—Efforts are currently going on to minimize genetic vulnerability of food stocks to diseases and pests. Example, creating wheat variety which is more resistant to the pest, the Hessian Fly. This will reduce the wheat loss.

5. Vegetables.—Vegetable research and projects underway:

a. Develop carrots with 20% more carotene, used for Vitamin A in humans.

b. Develop potatoes with increased protein content.

c. Develop cabbage with two times the Vitamin C that is found currently in cabbage.

6. Kelp Research.—Originally this work was funded by N.S.F., then by ERDA, and soon will also involve the Dept. of Agriculture.

a. Kelp captures and store energy. It is a good model to study and use.

b. It is already an important animal food.

c. Good source of iodine.

d. Marginal human source of food.

e. Model in increasing biomass.

OTHER EXAMPLES: INORGANIC AND ORGANIC MATERIALS[3]

1. Materials R&D for Advanced Communication Systems.—Optical glass fibers—literally "wires made of glass"—are being developed to replace ordinary wire communications cables. Advantages are the use of a cheap and abundant material, sand, instead of copper and other metals; decreased weight, by 85 percent or more in specific applications; and vastly increased signal carrying capacity. Optical fibers can, theoretically, carry millions of voice channels simultaneously, as compared with only a few thousand such channels for a typical wire coaxial cable. Recently a glass fiber about the thickness of a human hair was successfully substituted for a standard ¾ inch coaxial cable for transmission of television pictures. In addition to these advantages, optical fibers do not radiate electromagnetic fields, and crosstalk between elements can be reduced virtually to zero; hence, messages sent by such fibers are immune to espionage.

2. Employment of Solid Waste for Useful Purposes.—Considerable R&D is currently being conducted to develop uses for the approximately 150 million tons of municipal solid waste now being generated by Americans each year. About 7 percent of this discarded waste, especially metals, paper, and glass, is now recovered for reprocessing and reuse. Research has shown that much of the remainder, and in particular the organic fraction, can be converted to protein for food, or to oil, methane gas, or solid fuel for ultimate conversion to energy. Other research is being directed toward making possible the use of specific waste materials, for example, use of ground-up rubber tires in asphalt for building highways. Such R&D has large-scale implications for both the environmental quality and materials conservation elements of national materials policy.

3. Composite Materials.—Much materials R&D is currently directed toward developing a wide range of materials in which glasses, plastics, metals, and various other materials are combined so as to produce materials having properties considerably superior to those of any of their constituents. Glass fibers can be used in cement to form a material so strong that walls of concrete blocks can be formed without mortar, held in place by a ⅛-inch thick coating of the fiber cement sprayed on each side of the wall. Glass-fiber reinforced plastics can be readily fabricated with high strength-to-weight ratios and excellent resistance to corrosion, and can be economically formed into virtually any size and shape. Such metals as steel, aluminum, copper, nickel, nickel silvers, brass, bronze, and many others can be clad selectively to resist corrosion and permit unusually severe forming and stamping operations. Silicon carbide filaments can be combined with a silicon filler to produce a material having the high temperature and corrosion resistance of a ceramic with many properties of a metal. In general, use of composites results in materials of higher strength, lower weight, greater resistance to corrosion, and sometimes lower cost, than does use of the basic materials which the composites replace.

4. Production of Aluminum From Non-Bauxite Sources.—The U.S. Government and U.S. industry have, over the past several years, turned their attention to exploring the technological and commercial feasibility of producing aluminum from the Nation's large domestic supplies of non-bauxite raw materials. Aluminum can be produced from high-alumina clay and ores like anorthosite, alunite, and dawsonite. These latter four major domestic sources of aluminum have a potential of containing approximately 172 billion tons of alumina, compared with the approximately 40 million tons of domestic commercial grade bauxite. If the international supply of bauxite from countries like Jamaica, incentives may be sufficient to develop the U.S. supply of non-bauxite resources in a major way for the long-term future.

5. "Materials Processing in Space."—Experiments performed recently on Project Skylab indicated that the processing of mate-

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[1] Business Week, July 5, 1976, p. 39.

[2] Examples furnished by Dr. Jack Bresler, SPRD.

[3] Example furnished by Mr. Harold Bullis, Mr. William Boseman and Mrs. Carol McBee of SPRD.

rials under conditions of weightlessness may produce materials with different characteristics, as needed for specific functions, or with superior performance qualities. The importance of space-processing to the materials scientist is two-fold: the removal of gravity allows the observation of basic material forces at work, and the use of the high vacuum of space allows discovery of exceptional shaping and purification capabilities in materials. Ten new materials experiments were also included aboard the Apollo-Soyuz test project, and NASA plans more activities of this nature for future space shuttle projects. The implications for materials policy center mainly on the opportunity to develop acceptable substitute materials, for those in short supply, or the discovery of new synthetic materials, which could affect the future selection of materials for various uses.

6. "Solar Cell Research."—Materials scientists have been conducting significant R&D on thin film techniques for solar cell concentrators. Recently, the results of scientists at NASA's Jet Propulsion Laboratory were described, in which thin films of galliumarsenide are deposited on the collector surfaces of solar cells. Scientists at Varian Associates also have conducted similar research. The two groups report collection efficiencies of 19 and 21 percent respectively with their slightly different approaches. The implications for materials policy in this era of energy-concern are obvious. Many policy-makers and citizens look to a solar energy future to relieve dependencies on foreign supplies of oil, to produce 'clean' energy, and to restore the environment. Until research helps to develop an acceptable, efficient, and inexpensive solar collector, these goals cannot be realized.

7. "R&D on Ceramic Automobile Engines." — The major automobile manufacturers and ERDA have substantial research programs underway on the development of an acceptable ceramic gas turbine engine. Advantages include the fact that ceramics can withstand higher temperatures than most alloys (except the most exotic, very expensive ones). Ceramics are generally inexpensive in comparison to most alloys used in present automobile engine constructions. The major improvement to be gained by use of ceramic piston heads and cylinder walls, however, will be the ability to operate the turbines at higher temperatures, thus improving gas mileage (to as much as 50 miles per gallon) and reducing pollution. The implications for materials policy include the reduction of dependency on natural resources in short supply, such as oil and certain metals; lower costs and greater economy for the automobiles of the future; and less impact on the environment from an automobile-oriented society.

8. "Human Tissue Characterization."—Human tissues, although not normally included in the class 'materials', has recently been undergoing some research efforts that would place it very much in that category. Medical researchers and clinicians have been seeking diagnostic techniques that present the minimum insult to the patient, while providing maximum useful information. This sort of technique is normally referred to a non-invasive medical diagnosis. Many materials scientists have been involved in joint projects with health researchers to develop an accurate set of acoustical characteristics for normal and pathological tissues. Such characterizations will help establish the use of ultrasound as a major tool for non-invasive diagnosis. The implications for materials policy formulations are that materials policy involves *more* than just the metallic, mineral, timber, and agricultural commodities normally thought of. Materials policy and subsequent R&D can also have a major impact on the health services of the future and can improve the possibilities for detecting pathologic conditions without the necessity of an operative procedure.

9. "Laser Hardening of Iron and Steel."—Lasers are now being explored as a means to heat-treat machined parts made of iron and steel. It is hoped that such processes of heat-treating will produce less distortion in the parts than the more conventional means. The first uses envisioned for such parts will be in the steering mechanisms of automobiles. It is felt that, with the front end of cars becoming heavier due to the addition of air-conditioners, etc., that such hardened parts may prove safer to use in the steering gears. In this case the materials R&D effort may produce a substitute process which could improve the safety and performance of automobiles.

10. "Alloys that Remember Their Past.—Although metals are products of their past thermal and mechanical strain history, metallurgists cannot restore metals to their earlier shape or bring back their original mechanical properties. A new class of alloys, shape memory alloys, is currently being developed which can remember the past. Such alloys are finding industrial applications, and may be specially suited to a number of surgical and dental devices. One of these alloys, under current research, consists of a mixture of nickel and titanium in approximately equal amounts. These alloys can be formed in one shape at one temperature. In actual use, the alloy will take its shape, depending on the ambient temperature. Among the many possible imaginative uses for such alloys, is the current effort to use it at a temperature sensor to prevent derailing of railroad cars. The device can be made to assume a certain shape and 'trip' braking systems or warning devices when journal bearings on freight cars overheat. Normally, such overheating percipitates derailment. In the medical field, the use of shape memory alloys is under research for blood clot filters. A surgeon can easily insert a cooled "wire of this alloy into the venous system of a patient suffering from blood clots in the legs, thighs or pelvis. The cooled filter warms to its mesh configuration temperature once it reaches the vein where it can filter the clots, thus preventing the onset of pulmonary embolism.

11. "Materials for Nuclear Power System."—The high temperature, high stresses, and exposure to damaging radioactivity and cooling liquids in nuclear reactor systems will demand extensive materials R&D efforts. Alloys will be needed to withstand the harsh conditions and provide the maximum safety for these reactors. Extensive work is currently underway to develop new alloys and new methods of welding these materials in order to produce fail-safe reactor vessels. Low chromium and nickel alloys offer the best hopes for withstanding the temperatures of operation, while the need for stress corrosion resistance will also have to be a factor. For the latter quality, the use of small additions of molybdenum is being examined. Until the development of efficient solar energy or other alternate energy sources is established, the R&D on appropriate alloys for nuclear systems will be highly beneficial in terms of the added safety, efficiency and acceptability that can be attained by their use in the generation of nuclear power.

SENATOR McGOVERN WINS PRAISE FOR CONVENTION COMMENTARY

Mr. NELSON. Mr. President, our colleagues, Senators George McGovern of South Dakota and Barry Goldwater of Arizona—two former Presidential nominees—were engaged by the American Broadcasting Co. as guest commentators for the two national conventions of this summer. Senator Goldwater served in this capacity at the Democratic convention in New York, while Senator McGovern was the guest commentator at the Republican convention in Kansas City.

As George McGovern's longtime seatmate in the Senate, I am proud of his excellent performance as a convention commentator. He has drawn high praise from television executives and news commentators. But beyond this, he won the praise of the Nation's leading television critics. New York Times' TV critic John J. O'Connor observed in the New York Times of August 18 :

> One distinct plus for ABC's abbreviated evening coverage is the presence of Senator George McGovern of South Dakota. The former Democratic Presidential candidate proved remarkably thorough and perceptive Monday evening in analyzing the keynote speech of Senator Howard H. Baker, Jr. of Tennessee.

Former television commentator for NBC and the Public Broadcast System and now TV critics for the Washington Post, Sander Vanocur, concluded in the Washington Post of August 20:

> The best analysis at this convention was done by Sen. George McGovern, sitting in the ABC anchor booth with Harry Reasoner and Howard K. Smith. He talked candidly about how he handled the Eagleton matter and about all the convention talk about Mrs. Howard Baker's drinking problem. Said "I think the fact that Sen. Howard Baker's wife at one time had a drinking problem is totally irrelevant. After all, she is not running for Vice President, or anything else. It occurs to me that here is a woman who is the daughter of a very prominent senator—Everett Dirksen—who was in the public eye for a good many of her early years, and then she marries a senator. I would say that combination is almost enough to drive anybody to drink."

And in a critique of the television coverage of the convention, Time magazine in its August 30 issue singled out George McGovern's commentary on the Vice Presidency for special praise.

On a related matter, the celebrated TV commentator, Barbara Walters, who has played a major role in NBC's Today Show and who will begin a new service with ABC this fall, has written an interesting piece for the August 20 issue of the Washington Post. Miss Walters became interested in a group of young people between the ages of 7 and 13 who provided a special news service called the Children's Express which was offered at both national conventions. These enterprising youngsters actually came up with interesting news stories that eluded some of the senior press. They interviewed top political leaders at both conventions. Miss Walters reports that at the Republican convention, the Children's Express reporters gave the highest praise to Vice President Nelson Rockefeller. At the Democratic convention, Miss Walters writes:

> They voted Rep. Barbara Jordan and Sen. George McGovern the most respectful of them.

I think it is typical of our colleague, George McGovern, that he would show respect and consideration for these serious young reporters.

Mr. President, I ask unanimous consent that the full texts of the four articles I have mentioned be printed in the Record.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TV: LIVELY CONVENTION

(By John J. O'Connor)

In television, timing is very nearly all. CBS News made an error Sunday afternoon with a live "Special Report" covering Ronald Reagan's arrival in Kansas City, Mo. In the New York area, the report pre-empted the final 10 minutes of "Dragon Seed," starring Katharine Hepburn. Just as Walter Huston and Aline MacMahon, playing Chinese peasants in noticeably heavy eye makeup, were preparing to leave for the hills to continue their fight against the Japanese invaders, Walter Cronkite appeared on screen to announce that the Reagan arrival was imminent.

Apart from the fact that the event was minimal in these terms, Mr. Reagan didn't actually get off the plane for another 15 minutes. Movie fans including this one, were legitimately furious.

The White House, however, did not err that day as ABC and CBS began their convention "Previews" at 7 P.M. At that hour, precisely, the plane carrying President Ford was landing at Kansas City and, of course, the arrival was carried live on both networks. A little later, Mr. Ford and family arrived at a hotel rally, just in time to preempt a Reagan rally at another location. Again both networks switched to the Ford event, merely reflecting some of the power inherent in Presidential politics. The Reagan affair was then condensed for subsequent coverage on videotape.

Monday evening, during the first prime-time session of the convention, Mrs. Reagan appeared in the hall to discover an enthusiastic welcoming demonstration. This was quickly followed by the entrance of Mrs. Ford at the other end of the hall and an equally enthusiastic demonstration. NBC's John Chancellor noted this "interesting piece of political timing."

Unlike the Democratic convention last month, the Republican affair has taken on all the appearances of a horse race between the President and the former Governor, and that is exactly the type of story television seems to appreciate best. Early commercials for the coverage were stressing the G.O.P.'s new element of drama.

Of course, this suspense prompts a number of chicken-and-egg questions that avoid easy answers. Would the Reagan challenge be as strong without the massive coverage by reporters? But, then, wouldn't the news organizations be overly partial to Mr. Ford if they did not take the challenge seriously?

The Democratic convention was a dud in the audience ratings, swamped even by one of the duller all-star games on the already dull record for that baseball non-event. Will the Republican horse race get higher ratings this time? Monday night was not encouraging. In New York, both CBS and NBC lost out to a Baltimore vs. Minneapolis baseball game on ABC. When all three networks carried the convention in the later evening, only 30 percent of the sets being used in the metropolitan area were tuned in.

Whatever the rating story, television continues to be powerful and revealing in its purely visceral impact. Simply watching the two conventions discloses intriguing information about the differences between the two parties. The Republicans look older and seem generally more prim or at least self-conscious. They claim far fewer black delegates. The G.O.P presentation of the colors was made to a militaristic march. The Democrats used Aaron Copland's "Fanfare for the Common Man." The G.O.P. featured a very proper Miss U.S.A. The Democrats unleased Representative Bella S. Abzug of Manhattan.

The cameras are constantly supplying commentaries without need of reportorial underlining. Monday evening, as Senator Barry Goldwater of Arizona warned about socialism and extolled the virtues of free enterprise. NBC's cameras offered a college of bald-businessmen types looking content and well-fed. NBC's cameras are fond of collages.

The rest of the coverage is tending toward standard footage. All three networks have provided typical Chamber of Commerce tours of Kansas City. Only CBC's Charles Kuralt insisted on remaining a touch grumpy, complaining about the chore of getting a decent hotel room.

The convention's feature material can be questionable, if not boring, but it is still infinitely preferable to the almost total disinterest of "Good Morning, America" on ABC, which sometimes seems to be on the verge of ignoring the conventions entirely. During one segment of that network's morning testimonial to trivia, Geraldo Rivera and Nancy Dussault could be seen playing tennis with Billie Jean King. "How are you doing?" bubbled Geraldo to Billie Jean. "What are you into?" Tennis shorts, presumably. (One distinct plus for ABC's abbreviated evening coverage is the presence of Senator George McGovern of South Dakota. The former Democratic Presidential candidate proved remarkably thorough and perceptive Monday evening in analyzing the keynote speech of Senator Howard H. Baker Jr. of Tennessee.)

It was left to Betty Furness to provide this week's zinger in television criticism. Cohost with Jim Hartz for the "Today" show, she sat looking rather soggy Monday morning in an unprotected outdoor tent and observed: "Can you believe that we are out on a room this damp day? That's how we plan things on the 'Today' show."

THE K.C. SOUND

(By Sander Vanocur)

KANSAS CITY.—It was a strange sound. It came early on the evening of the balloting for the presidential nomination, when the Reagan delegates began to blow their plastic air horns in search of the Promised Land.

At first it sounded almost Biblical, the sound of a plague of locusts, inviting the visitation of Old Testament judgments on a modern political process. But the sound seemed too high-pitched for locusts. It was more like a swarm of killer bees or of the old Roman horns in Fellini's "Satyricon," a tactic of disruption on the part of the Reagan forces that ended up sounding like a dirge.

We like to think that television emphasizes the visual over the spoken elements of a convention. But the sounds at this convention were at least as important as the pictures.

Peggy Pinder, a blind delegate from Iowa, told NBC's Tom Brokaw, in the most poignant interview of the convention, that she could hear everything that was going on. What she could not see, her friends would describe.

The way people talk to television floor reporters has changed. They no longer use real talk to answer questions. They use television talk. No matter how tough the question, they do not become angry. They merely smile. They also do not answer the question that is being asked. They merely avoid it, and give an answer to a question that has not yet been asked.

That is what has become different at conventions. Television used to use the participants at a convention. Now the participants use television. It is a variation of William Randolph Hearst's message to Frederick Remington in Cuba on the eve of the Spanish-American War. The participants at the convention now seem to be saying to the networks: "You furnish us the pictures. We'll furnish you the words."

Analysis is difficult at a convention, especially when it is a closely contested one. Chancellor and Brinkley handle it better than Sevareid and Moyers. They use it almost as throwaway lines, without disrupting that delicate flow of information between them and their floor reporters, plus action inside the convention hall and outside it.

When Cronkite comes back from the floor and turns the proceedings over to Sevareid and Moyers, who seem suspended in some glass booth somewhere, it is as if subliminal marquee lights are flashing: Analysis: Analysis: Deep Thoughts! Deep Thoughts! It's time to go to the refrigerator for another beer.

The best analysis at this convention was done by Sen. George McGovern, sitting in the ABC anchor booth with Harry Reasoner and Howard K. Smith. He talked candidly about how he handled the Eagleton matter and about all the convention talk about Mrs. Howard Baker's drinking problem. Said McGovern: "I think the fact that Sen. Howard Baker's wife at one time had a drinking problem is totally irrelevant. After all, she is not running for Vice President, or anything else. It occurs to me that here is a woman who is the daughter of a very prominent senator—Everett Dirksen—who was in the public eye for a good many of her early years, and then she marries a senator. I would say that combination is almost enough to drive anybody to drink."

Pictures that needed no words: Nancy Reagan turning her back to the camera to hide her tears as she listened to her husband thanking his workers.

Words that needed no pictures: Sherry Martschink, opposing Rule 16C: "I realize that politics is not a game, but the principles are the same. For example, let's take the simple game of checkers. Probably many of you in this arena have played checkers before. When we play checkers in South Carolina, we know that we can play one of two ways. We can either play that you have to take your jump, or we can play that you don't have to take your jump."

Words and pictures that needed each other: Tom Pettit's continuing series of interviews on NBC from Monday through Wednesday with Gail Healy, an uncommitted Mississippi delegate who finally voted for Reagan. It was the best single continuing portrait of the difficulties and anguish of a delegate trying to make the right decision.

Marathon award for the longest walking, pushing, shoving, perfect marriage of words and pictures: CBS's Dan Rather interviewing Rogers Morton all the way across the convention floor as the Ford campaign manager tried to get to the Mississippi delegation to explain what he had really said to a Birmingham, Ala., newspaper.

When is a picture not worth a thousand words? It is at that moment well past midnight when floor reporters, bruised, battered and weary, must fill time waiting for Mr. Ford to visit Gov. Reagan, and then after their joint news conference are called upon for erudite explanations of what both men said.

Question: What was the most perfect sound at the convention? Answer: That moment when Pat Boone, being interviewed by CBS' Mike Wallace, decided not to put words to music.

It is all over. It was in many ways a sad convention for those who put such fervor and dedication into the Reagan campaign. For them, there are no longer any words. There are only the haunting echoes of the plastic horns that were brought into the hall to celebrate triumph, only to end sounding the forlorn note of defeat.

THE MADE-FOR-TV CONVENTION

Tom Ellis felt doublecrossed. It was nearly 2 a.m., and the chairman of the North Carolina delegation had asked for a roll-call vote on a pro-Reagan foreign policy amendment to the Republican platform, when pro-Ford Convention Chairman John Rhodes ordered a voice vote and gaveled the session to a close. Reagan delegations exploded in anger.

Screamed Ellis: "Railroaded! You have broken the rules!" It was one of the most dramatic moments of last week's Republican National Convention.

Except the nation never saw it. CBS's Lesley Stahl ran up, shouting "Mister, who are you?" and other network reporters witnessed Ellis' rage. But the TV cameras had already homed in on the anchor men for closing comments. Much of the week was like that. In spectacular contrast to last month's Democratic Convention, the early part of the Republican gathering was so laced with suspense, color, passion and occasional humor that the show seen on the tube was far hotter than a made-for-television movie.

Too many of the convention's best moments, however, came while television looked the other way. All three networks missed seeing Vice President Nelson Rockefeller set off a near fistfight when he grabbed a North Carolina delegate's Reagan placard. While New York Senator Jacob Javits delivered the week's lone liberal address, and Reagan delegates broke into noisy disapproval, NBC Anchor Men John Chancellor and David Brinkley contemplated a souvenir towel from the 1968 convention. With few thoughtful exceptions in the anchor booths—ABC's George McGovern on the vice presidency, CBS's brisk Bill Moyers on virtually anything, Walter Cronkite on mercifully little for a change—television proved once again that it explains less effectively than it informs.

Not that the three networks did not try. Altogether they spent some $12 million in Kansas City, and accounted for nearly one-fifth of the 9,500 journalists and support troops. CBS alone assembled a fleet of 400 rental cars for its staff of 650. NBC finished off a half-built Kansas City apartment building for some of its people and imported seven vans full of furniture from Raleigh, N.C. Even ABC, which devoted only 60% as much air time to the convention as its competitors, put up a 300-ft.-long structure (dubbed "the Bridge on the River Kwai") to carry cables into the Kemper Arena.

BRISK ESCORT

The networks trained their combined force of 84 cameras in and around the arena on almost anything that moved, including the delegate, late Tuesday night, who brandished a hand-lettered sign that read: Janet, order me two eggs and coffee. I'll be there in 30 minutes. Then there was Delegate Dene Pace of Corinth, Miss., who told Mike Wallace on CBS that she had waited for "a vision from the Lord" before making up her mind, and that the Lord had just sent word—"Ford."

Television also captured a few incidents that might not have taken place had it not been for its power. When Ford Campaign Chairman Rogers Morton said he was unable to reach the troubled Mississippi delegation by telephone, CBS' Dan Rather briskly escorted him across the floor. Morton was halfway there before he thought better of it and escaped. While the Mississippi delegation caucused in a CBS trailer, Mike Wallace was locked outside, but three young CBS pages inside—sons of Commentator Moyers, Correspondent Roger Mudd and Producer Perry Wolff—took in every word. They were deprived of a major scoop only because the delegation failed to reach an agreement.

The electronic push into the business of the convention did not go unnoticed—or unpunished. Just before the balloting on rule 16c, Temporary Convention Chairman Robert Dole ordered reporters off the floor, while the delegates cheered. CBS Floor Producer Don Hewitt immediately phoned Dole to protest, but television reporters and their bulky equipment were not back clogging the aisles at full strength for nearly an hour. When NBC Reporter Tom Pettit's earphone antenna was banged and bent by an unidentified flying object during a Wednesday-night Ford demonstration, David Brinkley remarked: "You get ten points for hitting a reporter. There have been conventions in the past where you got 20 points."

OLD DISTRUST

Despite a few antipress outbursts, the Sunbelt Republicans, who provided most of the convention action, appeared to have outgrown their old distrust of the Eastern-based networks. "They have discovered what protesting students and blacks discovered a decade ago," concluded Columnist Joseph Kraft. "They have come to know how to play media games." Indeed, in many ways the convention was a manipulated-for-TV event. President Ford and Ronald Reagan scheduled their arrivals in Kansas City to ensure live coverage on the ABC and CBS pre-convention specials. The Ford forces posted two men in trailers just outside the arena to furnish pro-Ford luminaries for interviews with network floor reporters.

The reporters, pressing for news breaks, were themselves pressed. "I can't move. I can't breathe, I can't see, I can't talk. This is awful," muttered ABC's Ann Compton as she tried to swim upstream through a crowded aisle. Compton rose to the occasion, beating her colleagues to several good interviews, including one with Rockefeller just after the Vice President's scuffle. Trouble was, her producers chose not to use it, a common frustration for floor reporters. ABC's Sam Donaldson, unable to sell his control room an interview with one politician, quickly called in another possibility: "Hello! Hello! Here comes Senator Baker! Wanna do something with Howard Baker?"

NBC's Douglas Kiker fought his way to Betty Ford in a dead heat with CBS's Sylvia Chase, but gracefully let her go first. Even NBC's Pettit, a raging bull at Madison Square Garden last month, was a model of courtliness, standing by patiently while Mudd of CBS beat him to an interview with former Missouri Representative Thomas Curtis. "The kind of abrasiveness that was customary and sometimes necessary in 1968 is out of place now," explained Dan Rather. "We're a little cooler headed."

Whether this new politesse will survive until 1980, and whether convention coverage has by now frozen into a mold, are open questions. "We have reached such a point of sophistication that the changes become less major every four years," says CBS Executive Producer Ross Bensley. "We won't change, but the parties might," predicts NBC Executive Producer Gordon Manning. "Do they really need four days?"

PECULIAR WAY

No matter how many days they will need in 1980, some viewers will probably find the national political conventions to be little more enlightening than other made-for-television productions. "It's a noisy, big show and a very peculiar way to choose your leader," sniffed one biased observer in Kansas City last week, Novosti Press Agency Correspondent Gene Gerasinov. "In my country, we have our conventions in the daytime."

Out of the Mouths of Babes

(By Barbara Walters)

Kansas City.—It's the rare politician who doesn't know which camera has the red light on, or who isn't able to single out the senior Washington correspondent in a sea of faces. It's his business to charm, debate and wrangle with the press, and the smart ones are extremely careful about how they go about it. So a better test of character may be how a politician behaves to animals, for example, or children, when nobody that matters is supposed to be looking.

That's why it's worth examining the candid opinions of those members of the Republican convention press known as the Children's Express. The Children's Express is new to the ranks of the press corps. Supported by a grant from Sears Roebuck and Company, the organization is made up of boys and girls between the ages of 7 and 13. Eighteen of them from New York, California and Kansas City are covering the Republican convention and a similar group reported on the Democratic convention last month. Their interviews and comments are published in the Children's Express national monthly magazine and also distributed on the spot to convention delegates. In New York the Children's Express scooped the older and reputably wiser reporters by being the first to announce that Senator Mondale was the vice presidential nominee; they elicited from Chicago's Mayor Daley the opinion that "1968 never really happened." But here in Kansas City their collective hunches were only half right; they predicted the ticket would be President Ford and Senator Baker.

The kids are not hard to spot. They wear matching yellow tee-shirts with "Children's Express" printed in bold black letters, and they are seemingly ubiquitious, popping up in elevators, in hotel lobbies and press conferences, always with tape recorders and microphones in hand. Their hidden weapon, they admit, is their youth. They can ask the most personal questions and get away with it.

Some examples, from an interview with Mrs. Richard Schweiker: "Are you going to beat up on Betty (Ford)?" "Did you agree with (Mrs. Ford) when she said 'I would not be worried if Susan told me that she was having an affair'?" "Do you think it was on purpose that Mrs. (Rose Mary) Woods goofed up on the tapes?"

The reporters for Children's Express try for anyone important. Some talk with them. Others won't. I did. My deal with them was that they could interview me for a half hour and I could interview them for a half hour.

Among the others at the Republican convention who talked with them were Vice President Nelson Rockefeller, Sens. Baker, William Brock, Edward Brooke, Jesse Helms, Jacob Javits, Strom Thurmond, former Secretary of the Treasury John Connally, and assorted television newscasters.

Of this group, the kids were most impressed with Nelson Rockefeller. They had expected him, they said, to be a big snob, but he sat with them for almost an hour and answered every question, though his staff members repeatedly tried to pull him away. He almost lost them at the start with the same obsequiousness that turns off many of the kids' older comrades. "Oh, my," he gushed when he first saw them, "look at all those bright faces." But maybe it's because Rockefeller himself has two young sons or maybe he was just taken by their questions. In any event, he gave them his all. When they asked about the Panama Canal, he not only gave them his personal view but a history lesson. And when an 11-year-old piped up and asked, "Why did you stick with President Ford when he dumped you?" the Vice President thought for a long moment and answered: "No he didn't dump me. You're very thoughtful to put it that way. I withdrew. Bo Calloway said he thought I would be a detriment to Mr. Ford in getting the nomination . . . Now perhaps I should have said to Mr. Calloway, 'when you deliver the Southern delegates then I'll get off the ticket.' I wasn't smart enough to think of that."

Some other Rockefellerisms:

Q: "Would you accept an offer to be Vice President again?"

Rockefeller: "Well you're just a dear and I appreciate that thought . . . but now I am glad to get back to my family."

Q: "Are you for or against gun control?"

Rockefeller: "Well, I'll tell you, this is a very delicate question and I think that handguns and particular those, what is it, Sunday Night? Oh, Saturday Night Specials—they're a menace . . . but if you're in a peace-loving part of the country, then that's a different question . . . we ought to deal with it by various areas."

The Children's Express also gave high marks to Tennessee Senator Baker and Massachusetts Senator Brooke. Both men scheduled appointments with them, showed up on time and answered all of their questions. "Although," the kids complained, "a real pushy lady from UPI kept butting in on our interview with Senator Brooke."

The youngsters gave low marks to Ronald Reagan's campaign manager, John Sears. "When we went to a press conference, he dodged and evaded all of our questions," they said.

The lowest score went to North Carolina's Sen. Jesse Helms. Helms growled at them and refused to answer at all. Of course, the kids admit, they did corner him in an elevator that was barred to the regular press. John Connally, they felt, was kind of snotty and not too nice to the grown-up reporters, much less the kids. But at least, they point out, he did talk to them.

At the Democratic convention, the Children's Express got to every member of the Carter family except the candidate himself and the one they liked most was Carter's mother, Miss Lillian.

At that convention, they voted Rep. Barbara Jordan and Sen. George McGovern the most respectful of them. Former Senator—and current independent candidate for President—Eugene McCarthy wouldn't give them the time of day.

But the worst offender they agreed wasn't a politician at all but a fellow member of the press, a highly respected senior correspondent. Eric Severeid, they said, totally ignored them. "Go away," he snapped, when they wanted to ask a question. "I am too busy for you."

In interviews with various other television newsmen, the Children's Express asked repeatedly if any of them had ever done anything "outrageous," such as telling a lie, in order to get a story. There were some interesting confessions. Dan Rather acknowledged he had dressed up as a waiter in order to get into a closed meeting in a Chicago hotel room during the 1960 Republican convention, but "I didn't tell anybody a white lie or even a grey lie except by dress."

Edwin Newman of NBC confessed to having conducted interviews "when there was no film in the camera and we didn't want to have any film in the camera but somebody involved in the story we were dealing with insisted on being interviewed." Newman revealed that "one of them was the United States ambassador," to which the CE reporter responded, according to the transcript of the interview with Newman: "Oh, my gosh!"

Perhaps that's why only one of the 16 members of the Children's Express I talked with wanted to be a reporter. But then, as I said earlier, maybe they know something we don't know.

REPORT ON CYPRUS BY THE HELLENIC CHRONICLE

Mr. KENNEDY. Mr. President, last month the editor of the Hellenic Chronicle—the largest newspaper published for Greek-Americans, which is headquartered in my home State—made a field trip to Cyprus to report on the continuing crisis which divides that beleaguered country.

In a series for four excellent reports, Mr. James Anagnostos reviews the most recent developments in the Cyprus problem. At a time when the Cyprus tragedy has been pushed from the pages of our daily newspapers by other crises in other parts of the globe, these reports in the Hellenic Chronicle serve as a reminder that the plight of the Cypriot people continues and that the challenges before us remain unchanged.

Mr. President I commend to the attention of all Senators the reports on Cyprus published in the Hellenic Chronicle and I ask unanimous consent that they be printed in the Record.

There being no objection the reports were ordered to be printed in the Record, as follows:

[From the Hellenic Chronicle, June 17, 1976]

Chronicle Editor Interviews President: Marakrios Says Only United States Can Solve Cyprus Crisis

(By James Anagnostos)

Note.—(Hellenic Chronicle Editor James Anagnostos is in Nicosia, Cyprus and will be arriving in Athens soon. He will be reporting on talks with officials of both countries. Following is a personal interview with Archbishop Makarios in the president's Nicosia office.)

Nicosia.—Though he could "not say there are any good prospects for a settlement of the Cyprus problem in the near future" Archbishop Makarios nevertheless sounded optomistic this week that the Greek Cypriot cause will prevail in the long run.

The Cyprus president, in an interview today announced that Kurt Waldheim, U.N. secretary general would soon determine a date for resumption of talks, probably by the end of this month or in July. The Archbishop said the European economic community and state secretary Henry Kissinger had asked Waldheim to make arrangements.

Archbishop Makarios also announced that a visit to the U.S. in August and possibly another in September were being planned for him but that nothing has yet been determined. He said he enjoys his visits to America as he is always well received. "Greeks in America are great," he said. "They may have differences but on the theme of Cyprus they have been united. They are all willing to help, first, second or third generations. I wish them great success in their politics and other enterprises. When I have gone to the U.S. I have been well received. In Chicago, it was the most enthusiastic ever, in fact."

He assured us that the Greek Cypriot response to intercommunal talks will be positive. "I have doubts that the talks will make any progress," he added. "My feeling is that the Turkish Cypriots are not prepared to return any territory or to make any concessions to provide for a basis for settlement unless there is some pressure on Turkey. The only country which can exert such pressure is the U.S.

"The U.S. however, I mean the administration, is of the view that no pressure on Turkey will make Turkey reorientate her foreign policy. I don't think Turkey will leave NATO. Her best interests are certainly served as long as she remains in the western world."

The Archbishop conceded that the American bases in Turkey are a factor for consideration but he added that he was "afraid Turkey is blackmailing the U.S. rather successfully."

President Makarios, who now occupies offices in the Ministry of Information, referred to the recent American pact with Turkey and Greece and said he hoped Congress would not ratify them. "I will be happy if both are rejected by the American congress." he emphasized. He said hopefully Turkey would see no reason and show some moderation.

"In any case" he added, "we the Greek Cypriots are not prepared to recognize the de facto situation created by use of military force. We may suffer for many years but we are not prepared to give in to brutal force."

"It is my view the American administration was unable to conceive the problem in its real dimensions." He said he didn't want to interfere in the internal affairs of the U.S. but hoped things would be better after the elections. He said that Kissinger had made certain statements which would be considered constructive but there was no action. He said that the two sides must try to compromise and then added that the Turkish Cypriots are not prepared to give any real territory.

The president, responding to a question, said he feels the Turks stopped in their invasion because they had followed a previously conceived plan. The biggest problem he said was the missing Greek Cypriots. "We are trying to find some way to get some group to investigate to see the graves. We believe all are not alive but we must have assurances that these people are dead".

He noted that despite the destruction of property there has been much progress in re-establishing the Cypriot economy. "I am sure we will succeed. We lost industries but I think in the reasonably near future we will be able to reach the standards of the days before the invasion."

He said another area being improved is tourism. "Cyprus is an ideal island with sun and many beaches." He concluded with an invitation for Americans to come to Cyprus.

[From the Hellenic Chronicle, June 24, 1976]

Forced Exodus of Greeks Continues in Cyprus

(By James Anagnostos)

(Note.—Hellenic Chronicle Editor James Anagnostos is in Nicosia, Cyprus and will be arriving in Athens soon. He will be reporting on talks with officials of both countries.)

Nicosia.—There is peace along the green line—the line which separates Greek and Turkish Cypriot forces with U.N. peace corpsmen between them—but the forced exodus of Greeks from the north continues.

Crossing the green line last week was easy. All that was required was checking of passports by Greek and U.N. authorities, and entry into the Turkish occupied zone would have been just as easy if one desired to have his passport stamped by the Turks.

The Turks were pleasant but businesslike, and when we told them we were not interested in going beyond the check point, they returned our passports. Had they stamped them we learned later, we would not have been permitted to return to Nicosia but would have had to apply for permission from Turkish authorities.

Discretion was the better part of valor. We turned around and with Turkish soldiers keeping us in their sights returned first to the U.N. command outside the Ledra Palace and then to the Greek Cypriot check point, which ironically is opposite the Greek Embassy.

We were in Cyprus to study tourism potential. We found the potential excellent, but we also found the saga of the Greek-Cypriot refugee continuing.

The visit to the Green line elicited from those on both sides that everything was peaceful, but some refugees we met by chance at Charlie's Bar—a rather unpretentious yet well-patronized restaurant completely lacking in frills—gave us a different picture.

The group included George Pantelides, 27, an assistant manager of the Dome Hotel, Kyrenia; Kostokis Zambaloukos, 27, one of the managers and member of one of the families which co-owned the hotel, and Dina Epiphany, 20, school teacher. They were sitting with a British couple, which still resides in the Turkish zone.

The British man, a retired businessman, preferred to remain anonymous.

"Do you want me to get shot," he said. "Conditions are terrible. What has happened to a lot of nice innocent people is sad." He noted that after being held for nearly two years, they have now lost their homes which they had stayed to protect.

The refugees told of having received a limited amount of food from the Red Cross and the U.N. and of having used savings to supplement the rations.

The refugees noted that the Turks did not resort to physical violence but used psychological violence to get them to leave. The Turkish modus operandi, they said, was to call eight Greek men to the police station, to concoct some story and then present them with an application to sign. They were told if they signed voluntarily they could take their furniture, if not, they would be expelled with just the clothing on their backs or, the other alternative, they would be sent to jail. Seventy-five per cent signed, it was noted.

The furniture permitted to the refugees was only that which remained after the Turks took what they wanted under one restriction or another.

The refugees told one story after another of Turkish psychological terror, and the Briton wrapped it up by saying, "there is visciousness in everything they (the Turks) do."

Dome Hotel had been home for 700 refugees after the invasion. It is now operated by Turks for Turkish tourists from Turkey. It escaped devastation in the invasion. The Turks had plans for it, it seems.

The green line is quiet, yes, but on both sides there is much travail because of it.

[From the Hellenic Chronicle, July 1, 1976]

Four Cyprus Officials Share Views With U.S. Newsmen

(By James Anagnostos)

Nicosia.—There is no hesitancy on the part of Cyprus officials to discuss the island's problems nor their ideas of the best way to solve them.

We recently met with four top Cyprus officials including the Greek representative to the intercommunal talks, and all four were agreed on one thing, that a solution will be slow and that patience is the best course.

We met Tassos Papadopoulos, 40, following our deplaning at Larvaca Airport. He was enroute to Paris and agreed to an informal conference within the limited facilities of the airport being reconstructed hastily to service free Cyprus now that Nicosia airport is closed due to Turkish action.

We met Andreas C. Sophocleous, public information officer, and Miltiades Christodoulou, press officer for President Makarios, prior to their conference with the latter in Nicosia.

Finally, we met Antonios Andronikou, director general of the Cyprus Tourism Organization, at a luncheon he hosted for the newsmen at Charlie's Bar-Restaurant. He was accompanied by the top three members of his office.

Pappadopulous, deputy speaker of the house of representatives, was one of two Cypriot leaders at the Vienna and New York intercommunal talks, the other being Glafcos Clerides, his predecessor as spokesman.

He spoke freely of the departure of Clerides, who had been Greek spokesman in talks with Turks for at least eight years, noting that his exit was due to secret agreements concluded with his Turkish counterpart, Rauf Denktash. His denial of such agreements after they had been exposed by a foreign news source caused his departure.

Pappadopoulos said the relationship between Clerides and Denktash—they have been friends since school days—at no time affected the talks. Pappadopoulos was insistent on this.

Pappadopoulos painted a rather grim picture of chances for any quick solution. "I am a realist," he said, "and pessimistic, especially when they insist on 40% of Cyprus land."

He said the "Turkish pronouncements do not leave any openings for hope." He also did not see any hope that the UN would do much good. He noted that Turkey even voted for one of the UN resolutions but has continued to ignore them.

A lawyer, who took his degree in London in 1955, Pappadopoulos is married and the father of four children.

Even though "I know we are morally and legally right," he said, the only language Turkey seems to understand is force. He said that U.S. Secy Henry Kissinger's move on air was "a vote of confidence for the Turks."

Pappadopoulos noted that the Turks are still forcing Greeks out of the north and that all Turks have now left from the south.

"Why shouldn't they go?" he asked. "If they offered me a free home and land I would do the same."

He said the "one ace Cyprus has up her sleeve is the unity of her people. No one will accept what Turkey offers because it amounts to absolute surrender."

Sophocleos and Christodoulou spoke similarly, but both indicated that from a positive point of view Cyprus is making a remarkable recovery and in another year will have achieved an economic position similar to the one at the point of invasion in July, 1974.

Sophocleos said a strong infrastructure is needed and economic stability. He said Cyprus is not preparing for offense.

"We do not want war. War does more harm than the problems it solves," he said. "The solution must come through building our economy.

Sophocleos was against any accord now.

"If we sign now," he said, "we will legalize the conditions. We will have given up everything and gained nothing. By delaying a while, we could gain more."

He, as well as others met in Cyprus, indicated that chances of a split in northern Cyprus among the transplanted Turkish Cypriots and the mainland immigrants is a real possibility. They see this as working in their favor.

And all Cypriots feel that a unitary state is a prerequisite for such a small island, a state which will be independent and which will offer rights for all of its citizens. They recited statistics to show that when the two ethnic groups lived together there was no trouble.

Christodoulou spoke at length in Greek, noting that rebuilding of the economy had to be the first priority. He noted that tourism can play a great role, and said there was nothing to fear in visiting Cyprus. His remarks were borne out generally as we found complete serenity even with the green line splitting the island capital. Peace prevails on both sides, but the peace in the south was most evident and quite contagious. Except at the green line, there were no uniforms to be seen on the streets and everyone seemed relaxed. The consensus seems to be that the Turks took all they wanted, following the preconceived plan now called Attila, and that nothing further will happen.

The refugees—some 200,000—are being quickly incorporated into the mainstream of life, though one still sees tent cities. The Greek Cypriots, our hosts noted, do not agree with the Palestinians on the matter of refugees. They do not want to keep them in a prolonged condition of hopelessness.

"We feel we should help the refugee to improve his condition and make him a viable part of the community," Christodoulou said. "This will make him a lot more cooperative in the general Cyprus effort."

Andronikou spoke mostly in the area of tourism, noting that though the best tourist areas had been in the north, the south, particularly in Limassol and Paphos, had much to offer and that more accommodations were being built.

We must concur as some of the sites we visited could rival some of the better resort areas in America, and Cypriot hospitality and service is second to none.

[From the Hellenic Chronicle, July 8, 1976]

Young Abbot Urges Greek Cypriots To Persevere

(By James Anagnostos)

(Editor's Note.—Following is report on recent visit with the leader of one of Cyprus' monasteries.)

Paphos.—One of Cyprus' oldest monasteries has one of the island's youngest abbots, but his message to his fellow Cypriots in their hour of travail over loss of two-fifths of their homeland is one of maturity.

Abbot Chrysostomos, 36, told a group of Greek-American journalists visiting Ayios Neofitos monastery here that the Turks waited 11 years and that the Greeks can wait as long.

"We are to blame for the loss of part of Cyprus," the Abbot said. "We practiced ridiculous things."

The Abbot wso first came to the monastery from his native Tala, a nearby village, at 8, has been at the monastery since, except when he was a student at the University of Athens.

Speaking with an apparent great knowledge of the political situation of not only Cyprus but also of the United States and Turkey, Abbot Chrysostomos said that it was realistic to give up 22 to 25½ of the occupied territory but not 40½ as sought by the Turks.

In a few years, he said, Cyprus will be back in the economic position she was prior to the invasion and this despite the occupiers.

He said he doesn't feel the Turks will leave on their own. The only thing they recognize, he said, is force.

"The Turks must see force in order to leave. I believe if the 'big powers' force the troops to leave, the Turkish Cypriots will return to their homes and the Turkish immigrants will go home, because they have nothing here."

The Abbot said that he doesn't feel that Turkey will be the pet child of the U.S. He said that when Greece becomes economically independent she will be able to handle Turkey.

"If any war comes, it will come within two years; if not, it will never come as Turkey will be less able to confront Greece", the abbot said.

As for differences between the Cypriot communities, he said the principal one today is force, the force of troops.

As for tourism, which Cyprus is seeking to encourage, the abbot said, "so many will come as we are able to accommodate." He feels in two years there will be a vast improvement in accommodations. He spoke of the great loss of tourist facilities in the occupation of Famagusta by the Turks.

Responding to reports that Turks were prepared to withdraw from Famagusta and Morphou, the abbot said that Glafcos Clerides, negotiator for the Greeks, had never had any such assurances from the Turks when he made the statement. He said it was his opinion that Clerides erred.

"Clerides may have believed it, but the Turks never said it," abbot stated.

As for the controversy over the exchange of proposals for settling the dispute, the abbot said that Rauf Denktash knew the Greek proposals even if they were not written because he knew them from Clerides.

"The talks are going nowhere," he said. "They will go nowhere. We don't need them. For talks to have any reason for success, the troops must leave."

The abbot, who is independent ecclesiastically of Archbishop Makarios, said that no one can blame Makarios for Cyprus' plight.

The monastery which he heads lies alongside a mountain. It is home for 14 monks.

During the past two years it has been a haven for many refugee families from the north. Only two remained, the day we visited.

Besides the newer facilities, the community also has the original chapel and habitat of the saint after whom it was named.

The saint's chapel and quarters were hacked out of the mountains and iconography by himself covered walls and ceilings. These paintings date to the 12th century.

The community's larger chapel is similarly blessed with 12th century icons, some in poor condition owing to the ravages of time and the visits of unappreciative invaders.

The visit on the abbey lasted more than an hour, the meeting with the gerontos, the aged one, the abbot being called that as a term of honor, despite his youth, took twenty minutes.

The strapping young six-footer led us to our car and bade us a good journey. We could do nothing for him he said, but for his community he would accept help in establishing a much needed library.

JOBS: WE MUST DO BETTER

Mr. HUMPHREY. Mr. President, I cannot convey how frustrating it is that in this political year "full employment" has become a codeword. It is something liberals "must" be for and conservatives "must" be against—at least you would believe that from scanning the newspapers.

Well, that does not make any sense. If any issue should cross party and ideological lines, this should be it. The conservative who wants crime control and fiscal responsibility, the liberal concerned with just treatment of the Nation's poorest citizens, we are all in the same boat.

Therefore, I was especially pleased to see that the Philadelphia Daily News fullheartedly supports the Humphrey/Hawkins Full Employment and Balanced Growth Act of 1976 (S. and H.R. 50), and their reasons for endorsing it. Philadelphia is a working city, and her people are hardly the chique radiclibs of the eastern establishment so fondly manhandled by the administration in years gone by.

But, their city does have 128,000 fewer jobs than 7 years ago. And they are concerned about self-worth and the work ethic. They do know there is too much violent crime, and it is related to the job contraction during the Nixon-Ford administrations. And finally, they know a bargain when they see one, and the Humphrey/Hawkins bill has to be the buy of the century.

I ask unanimous consent that the feelings of the people of Philadelphia, as expressed in the July 20, 1976, Daily News editorial, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JOBS: WE MUST DO BETTER

Philadelphia has lost 128,000 jobs since 1969, the year Richard Nixon became President. Last year, 28,000 went, the biggest decrease since the U.S. Labor Department began keeping local records 23 years ago.

More than 8 million Americans want to work and can't. Another 3½ million have part-time jobs and want full-time. This must be a key issue in the upcoming election. Either the federal government lets economic recovery "take its normal course," or it actively fights unemployment. Economist Louis H. Bean says the "normal course" will leave an unemployment rate of 6.5 percent in 1977 (it's 7.5 percent today).

Foes of government intervention say it costs money and causes inflation. The former is true; the latter is denied by many experts.

The Humphrey-Hawkins bill, which aims at "full employment" (no more than 3 percent unemployed) within four years, has a $20–$25 billion price tag. But reductions in unemployment compensation and other jobless benefits would reduce that to $12 billion. That's 2 percent of our gross national product. Compare it to today's Viking I landing on Mars, a $1-billion project.

But let economists and statisticians debate unemployment in those terms. The public must consider it on the human level. Being jobless costs more than a diminished savings account, lost home, delayed college education, reduced standard of living.

Tell a person society has no need of him and you have wounded his self-image. Tell him there is no use for his talents and you have crippled his self-image. People break; families crumble.

Among the most recent local individuals to warrant the newspaper headline "Crazed Gunman" were George Geschwendt, Leon Harasimowicz and Richard Kochensky. All were unemployed. Perhaps they were "crazed" before they were jobless. But we will never know whether the stability that comes with regular employment would have made them rational. How much of our crime is linked to joblessness?

To deny people the opportunity of work, the pride of earning their own way, is unconscionable. This country must do better.

TAX REFORM—SECOND BEST SOLUTIONS

Mr. KENNEDY, Mr. President, in the next day or so, the conferees will meet to begin the arduous task of resolving the hundreds of differences between the tax bills passed by the Senate and the House of Representatives. Even if the Senate had passed the best of tax reform bills, reaching agreement on the two bills would not be quick or easy. The difficulties are multiplied many fold by the fact that the Senate has sent to the conference the worst of tax reform bills, a bill that requires major surgery if the tax reform patient is to survive.

In the weeks that have passed since the Senate approved H.R. 10612, I have given considerable thought to the most responsible course of action to be taken by those in Congress who have worked diligently—if to a disappointing degree unsuccessfully—to produce a tax bill that would improve both the fairness and efficiency of our tax system.

Some have urged that Congress would be better advised—and the cause of tax reform better served—if we simply extended the current tax cuts through 1977 and let the balance of this bill die. Those who adopt this view believe that the Senate bill is beyond repair in the conference with the House; they hope that with the election of a new administration, committed to real tax reform, we can begin again next year and do a much better job—in the meantime, the tax laws would be better left in their present condition, rather than in the worse condition that the Senate bill would leave them.

This is a tempting position to take. Certainly, I look forward to working with the Carter administration in the coming years as we try to transform the Nation's tax laws from their present status as a "disgrace to the human race" into the "essence of common sense"—a source of confidence and pride in our ability to achieve a fair tax system for all citizens. It is clear that Jimmy Carter's backing of substantial tax reform will be of material assistance to those of us in Congress who have had to work uphill for tax reform against 8 years of indifference or outright hostility by the present and previous administration. A rejuvenated Treasury Department backed vigorously by a new administration, will mean the difference between success and defeat in achieving meaningful tax reform.

Although these arguments for delay are appealing, it is not yet clear that the time has come to abandon ship on tax reform this year. It will be time enough to make that critical decision when the results of the conference committee deliberations are known. If they are as disappointing as the Senate bill, or only marginally better, it will be necessary for Congress simply to extend the current tax reductions and defer tax reform for another year and another administration. If this proves to be the case, I will not hesitate to urge such an action.

Certainly, such an outcome would be no loss to the cause of tax reform. Many of the most undesirable provisions and special interest giveaways in the Senate bill were enacted in a "fin de siecle" atmosphere on the Senate floor, reflecting the view in some quarters that this might be the last bill for many years with the opportunity for such giveaways—the last tax gravy train to leave the Senate station before a more reform-minded administration takes over.

But I do not think we need to take such a pessimistic view at this time, before the conference begins. I believe Congress still has time to legislate responsible tax reform measures this year. There are features in the two tax reform bills—the House and Senate versions the conferees will consider—that represent solid steps toward a fairer tax system.

It is also true that many provisions—a majority in the Senate version—would constitute regressive steps and would convert the present "disgrace" into a scandal for the future. But it is open to the conferees to drop most of these antireform measures from the final bill and present Congress and the American people with a modest but responsible piece of tax reform legislation—a bill that will be both an improvement over our present tax laws and a downpayment on our pledge of more comprehensive tax reform next year.

To help achieve that goal, I am presenting here some suggestions for actions that should be taken by the conferees in reconciling the two bills before them. If these or similar recommendations are followed by the conference committee, the resulting legislation can and should be supported by all in Congress who have worked for tax reform.

Obviously, these recommendations do not add up to an ideal tax reform bill. Many of the reforms that I and others have been working for during recent months cannot be achieved by the conferees. Nonetheless the recommendations represent a major improvement over present law. If they are adopted by the conference committee, we will have a better tax system than we now have. The solutions available to Congress in this legislation thus are "second best," but they are better than none at all.

AN OVERALL PERSPECTIVE

Before turning to a detailed analysis of actions that should be taken with respect to particular provisions, it may be helpful to give an overall perspective on the situation that confronts the Senate-House conferees, with special emphasis on the budget aspects of the bill.

As the Finance Committee and then the full Senate considered the bill, Congress had determined in its first concurrent budget resolution that certain tax and spending policies should be followed to achieve a balanced and sustained national economic growth in fiscal year 1977. Insofar as the tax bill was concerned, these policies called for two broad actions:

An extension of tax reductions for individuals and businesses totaling $17.3 billion.

Tax reforms that reduced tax expenditures by a net amount of $2 billion.

The Finance Committee failed on both aspects of this budget test, reporting a bill that met neither objective. It provided only $15.4 billion in tax reductions and less than $1 billion in tax reforms Even the $1 billion proved to be illusory, disappearing within a year under an avalanche of new tax loopholes approved by the committee. In essence, the committee chose to finance the new loopholes by raising taxes on the average citizen.

In the debate on the Senate floor, the Senate did vote to bring the bill into conformity with the first aspect of the congressional budget resolution, by continuing the full tax cuts for individuals for 1977. Thus, the bill before the conference committee in this respect needs no improvement—the task of the conferees is to hold the line on the Senate bill, resisting the pressures likely to reappear, to revert to the Finance Committee's device of raising taxes on average taxpayers as a way of paying for new tax loopholes in other parts of the bill.

The Finance Committee and the Senate left the second policy objective under the budget resolution—tax reform by reducing tax expenditures by $2 billion—in shambles. The net result of the Senate floor actions put the bill $300 million in the hole—as finally passed, the bill will actually increase tax expenditures by some $300 million in 1977, a swing of $2.3 billion below the budget resolution. By fiscal 1981, the Senate version will produce a net revenue loss of $2.8 billion. In a real sense, future Federal budgets are being mortgaged now to new tax loopholes.

The latter point is especially important. Even if the Senate bill were brought into line with the 1977 budget target, it would be a pyrrhic victory if the price is acceptance of large revenue losses from new tax loopholes in future years. Thus, the minimum goal in the conference should be to meet the budget target for 1977 and to maintain the target at least at that level for future years.

Fortunately, the conference committee has more than just the Senate bill to work with. The House version, even though it was passed before the first concurrent resolution was adopted, would bring in some $1.7 billion in new revenues from tax reform in 1977, and $2.5 billion by 1981.

By adopting the best of the House and Senate versions, it is possible for the conference committee to substantially surpass the $2 billion tax reform target that Congress has set for itself in 1977, and to increase this target significantly for future years. All the conferees need is the will.

As an example, the following table indicates how, with the Senate bill as a starting point, the conferees could realistically produce a bill that actually raises $2.7 billion in tax reforms in 1977 and $3.7 billion in 1981:

MAJOR REVENUE EFFECTS OF POSSIBLE COMPROMISE SENATE-HOUSE TAX REFORM BILL

[In millions of dollars]

	Fiscal year—	
	1977	1981
Senate bill as passed	−300	−2,800
Add:		
1. House LAL	+450	+400
2. House interest limit	+250	+250
3. Compromise minimum tax (50 percent deduction for taxes paid)	+500	+650
4. House sick pay	+300	+300
5. House DISC date	+300	--------
6. House capital gain	+150	+400
7. House gambling	+100	--------
Subtract:		
1. ESOP	+400	+900
2. Insulation	+250	--------
3. Estate tax		+2,000
4. Tuition credit		+1,100
5. Miscellaneous	+300	+500
Conference bill	+2,700	+3,700

But the task will not be easy. The Senate bill not only emasculated a basically sound House tax reform bill—it actually succeeded in adding innumerable provisions that make present law even more unfair than it already is.

This point is made clear by a chart I have prepared, which indicates whether an item in the Senate bill is better than present law, or worse than present law, or makes it neither better or worse. A provision is rated "better" if it improves the equity or efficiency of the tax system by eliminating, cutting back, or making more rational an existing special exemption, deduction, credit, preferential rate or deferral of tax. It is rated "worse" if it adds or expands a special tax preference. A "neutral" rating indicates either that nothing is done in the bill or that a provision represents a change that does not appreciably affect present law.

The chart shows in broad outline the large task facing the House-Senate conferees if they are to report a bill meeting both the requirements of the budget resolution and the expectations of the American people on tax reform.

As the chart demonstrates, only about one-third of the provisions in the Senate bill can be said to constitute an improvement over present law. In addition, the degree of improvement represented by each provision varies. In some instances the improvement is relatively slight—such as the DISC changes; in others, it is more substantial—such as the minimum tax.

On the other hand, fully half of the Senate provisions actually make present law worse. Again, the degree of harm varies from item to item, ranging from the merely annoying—such as the tax credit for windmills—to the genuinely outrageous—such as the ESOP and estate tax exemption provisions. Clearly, the present tax laws would be much better off without the Senate bill.

I have also prepared a summary and analysis of the House and Senate provisions, which is offered in the hope that it will assist the conferees as they begin their work. I am hopeful that these recommendations for conference action will assist the Senate and the American public by providing a tax reform standard against which the results of the conference committee's efforts can be measured.

While those of us who seek tax equity and efficiency can no longer expect a far-reaching bill from this Congress worthy of the name "tax reform," we are entitled to expect from the conference the best reforms possible within the parameters set by the two bills.

Mr. President, I ask unanimous consent that the chart and the summary and analysis to which I have referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHART—SENATE "TAX REFORM" ACTION COMPARED TO PRESENT LAW—MAJOR ACTIONS

Item	Better	Neutral	Worse
1. Tax shelters: Limitation on artificial losses		×	
2. Tax shelters: At risk rules	×	----------	
3. Recapture of depreciation: Real estate	×	----------	
4. Sports franchises and players contracts	×	----------	
5. Investment interest deduction limitation			×
6. Prepaid interest deduction limitation		×	
7. Farm syndicates	×	----------	
8. Movies: Capitalization of production costs	×	----------	
9. Minimum tax	×	----------	
10. Maximum tax	×	----------	
11. Mixed business-personal expenses (office in home, vacation homes, foreign conventions, state legislators' travel expenses)	×	----------	
12. Gasoline tax deduction		×	
13. Alimony deduction		×	
14. Retirement income credit	×	----------	
15. Child-care credit	×	----------	
16. Sick pay	×	----------	
17. Moving expense deduction			×
18. Stock options	×	----------	
19. Accumulation trusts			×
20. Investment credit (basic)		×	
21. ESOP's			×
22. Investment credit: Movies			×
23. Investment credit: Ships			×
24. Net operating loss rules	×	----------	
25. Railroad provisions			×
26. Airline provisions			×
27. Residential insulation credit			×
28. Residential, solar, geothermal, or wind energy credit			×
29. Residential heat pump credit			×
30. Business insulation credit			×
31. Business solar, geothermal, or wind energy credit			×

Item	Better	Neutral	Worse
32. Wast conversion equipment credit			X
33. Organic fuel conversion equipment credit			X
34. Railroad equipment credit			X
35. Deep mining coal equipment credit			X
36. Coal processing equipment credit			X
37. Shale oil conversion equipment credit			X
38. Percentage depletion for geothermal energy			X
39. Intangible deduction for geothermal energy			X
40. Repeal of excise taxes	X		
41. Foreign earned income exclusion	X		
42. Foreign trusts	X		
43. Repeal of provisions concerning WHTC's and China Trade Act corporations	X		
44. Tax deferral for U.S. controlled foreign subsidiaries		X	
45. Foreign tax credit (basic)		X	
46. Recapture of foreign losses	X		
47. Changes in treatment of less developed countries' corporations	X		
48. Foreign oil and gas income treatment			X
49. Foreign tax credit limit on oil and gas	X		
50. 30 percent withholding tax on foreign investors in bonds		X	
51. DISC	X		
52. Tax exempt organizations			X
53. Pension and insurance rules			X
54. REIT rules		X	
55. Private utilities receipts			X
56. WIN tax credit			X
57. Architectural barriers deduction			X
58. Percentage depletion: Expansion of "small" retailers exemption			X
59. Expansion of industrial development bond exceptions			X
60. Life insurance provision			X
61. Deadwood bill	X		
62. Administrative provisions	X		
63. Capital gains		X	
64. Tax credit for education expenses			X
65. Exchange funds	X		
66. Exemption for contributions to group legal services plans			X
67. Tax incentives for historic structures			X
68. Tax credit for artist donations			X
69. Tax credit for athletes			X
70. Increased estate tax exemption			X
71. Marital deduction increase		X	
72. Special valuation rules for certain lands			X
73. Extensions of time for paying estate tax	X		
74. Generation-skipping transfers	X		

SUMMARY

	Number	Percent
Better	26	35
Neutral	11	15
Worse	37	50
Total	74	100

Note: In order to keep the chart to a manageable length, more than 1 provision may be grouped under a single heading in some instances. The listing of each individual provision in the bill would not produce a significantly different picture.

SUMMARY OF PRINCIPAL RECOMMENDATIONS FOR TAX REFORM ACTIONS BY THE SENATE-HOUSE CONFERENCE COMMITTEE

I. Provisions appearing in one or both versions that should be adopted (references in parentheses indicate the version which should be adopted) *

A. Tax Shelters

1. Limitation on artificial losses (LAL) (House bill)

2. At risk rules

a. Farm operations (Senate bill; but apply to corporations as in House bill)

b. Oil and gas (House bill)

c. Motion picture films (House bill)

d. Equipment leasing (Senate bill)

e. Limitation on deductions by limited partners to amount at risk (Senate bill)

3. Sports franchises and player contracts (House bill; plus apply recapture rules in Senate bill)

4. Partnership provisions (Senate bill)

5. Interest

a. Prepaid interest (Senate bill)

b. Limitation on interest deduction (House bill)

6. Other provisions

a. Farming syndicates (Senate bill)

b. Accrual accounting for farm corporations (House bill)

c. Recapture of intangible drilling and development costs (House bill)

d. Recapture of depreciation—real estate (Senate bill)

e. Amortization of production costs for motion pictures, books, records etc. (Senate bill)

B. Minimum Tax

1. 15% rate (Senate bill)

2. Repeal of deduction for regular taxes (House bill)

3. Repeal of carryover for regular taxes (House bill)

4. $10,000 exemption phasing out at $20,000 (compromise of House-Senate bills)

5. New items of tax preference (House bill)

6. Apply changes to corporations (Senate bill)

C. Maximum Tax (Senate bill)

D. Individual Income Tax Provisions

1. Alimony payments (both bills)

2. Retirement income credit (both bills)

3. Child care credit (Senate bill)

4. Sick pay exclusion (House bill)

5. Moving expenses (House bill)

E. Mixed Business-Personal Tax Provision

1. Office in home (House bill)

2. Vacation homes (House bill)

3. Foreign conventions (Section 602 of Senate bill)

4. Stock options (House bill)

5. Legislators' travel expenses (Senate bill)

6. Non-business loan guarantees (House bill)

F. Accumulation Trusts (Senate bill)

G. Investment Credit

1. Extension of 10% rate (House bill)

2. Motion picture films (House bill)

H. Net Operating Losses (Senate bill)

I. Corporate Surtax Exemption (House bill)

J. Foreign Income

1. Exclusion for income earned abroad (§ 1011(a) of House bill only)

2. Foreign trusts (both bills)

3. Controlled foreign corporations: investment in U.S. property (Senate bill)

4. Foreign tax credit: 48% limit on oil and gas income (Senate bill)

5. Withholding tax on foreign investment in U.S. (Senate bill)

K. DISC

1. Adopt 75% incremental rule (House bill)

2. Base period years and grace period (combination of both bills)

3. Agricultural and military exports (House bill)

4. Effective date (House bill)

L. Administrative Provisions (Senate bill)

M. Capital gains: Increase holding period to one-year (House bill)

N. Railroad and airline provisions (House bill provisions only)

O. Other Amendments

1. Gains on sales or exchanges between related parties (Senate bill)

2. Exchange funds (Senate bill)

3. Donation of government publications (Senate bill)

II. Provisions appearing in one version that should not be adopted (references in parentheses indicate in which bill the provision to be deleted appears)

A. Investment Credit (Senate bill)

1. Extension of expiring investment tax credits

2. Additional 2% credit for contributions to ESOPs

3. Credit for shipping constructed from tax-free funds

B. Foreign Income

1. Foreign earned income (§ 1011 (b) and (c) of House bill; adopt none of Senate bill)

2. Foreign tax credit

Oil and gas extraction income provisions (Senate bill)

Source of underwriting income (Senate bill)

3. Controlled foreign corporations

Shipping profits (House bill)

Agricultural products (House bill)

4. Denial of tax benefits on international boycott income and bribe-produced income (Senate bill)

C. Technical and miscellaneous provisions (drop provisions that are opposed by Treasury or public interest groups or that do not conform to House procedures)

D. Capital losses: Increase in ordinary income offset (House bill)

E. Pension and insurance provisions (Senate and House bills)

F. Railroad and airline provisions (adopt none of provisions added by Senate)

G. Tax credit for home garden tools (House bill)

H. Energy related provisions (Senate bill)

I. Tax credit for education expenses (Senate bill)

J. Other amendments

1. Expansion of industrial development bond exceptions (Senate bill)

2. Exemption for payments to group legal services plans (Senate bill)

3. Tax incentives to encourage preservation of historic structures (Senate bill)

4. Tax credit for contributions of literary, musical or artistic compositions by the donor (Senate bill)

5. Tax credit for expenses of amateur athletes (Senate bill)

6. Consolidated tax returns for life insurance companies (Senate bill)

K. Estate and gift tax provisions (Senate bill)

DETAILED DESCRIPTION OF RECOMMENDATIONS FOR ACTION IN TAX REFORM BY THE CONFERENCE COMMITTEE

I. PROVISIONS APPEARING IN ONE OR BOTH VERSIONS THAT SHOULD BE ADOPTED

A. Tax shelters

1. LAL and the "At Risk" Rules.

The Senate accepted the premise of the Finance Committee that its "at risk" rules constituted an effective alternative to the House-passed "Limitation on Artificial Losses" (LAL) provision. That premise is, however, invalid. The "at risk" rules should be a supplement to LAL, not an alternative to LAL. The two separate approaches are needed to reach different aspects of the factors that tax advisers use to prepare and market tax shelters.

LAL is directed at the deferral aspect of tax shelters. Deferral results when accelerated deductions in excess of income from an investment activity, such as intangible drilling and development expenses, can be taken against other income, such as professional service fees. The taxes that would be due on the other income are thus deferred and are not payable until the investment income begins to exceed deductible expenditures attributable to the investment.

It is important to understand that the benefit of the tax deferral as described above exists even when the taxpayer has purchased the investments entirely with his own funds.

The "at risk" rules, however, are directed to the leverage element in tax shelter deals. If a taxpayer can get the same deductions by using borrowed funds (especailly on a

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*Identical or nearly identical provisions in the two versions may not be listed.

nonrecourse basis), the advantages of tax deferral are greatly magnified.

In order effectively to combat the tax avoidance abuses created by tax shelters, it is necessary to employ both LAL and the "at risk" rules. A simple example will make this clear. Suppose an investor put $10,000 in a real estate limited partnership and the partnership borrows additional funds on a nonrecourse basis. The investor's share of the borrowing is $90,000. In year one, excess accelerated deductions from the partnership total $20,000. Assumes the investor also has $20,000 of income from another real estate investment.

The House-passed version of LAL would have no impact on the investor, because his $20,000 of accelerated deductions could be used against his $20,000 of real estate income. Thus he would in effect have a totally tax-exempt investment in real estate.

But the "at risk" rule adopted by the Senate would prevent him from being able to exempt his real estate income from tax in this example. Under the Senate "at risk" rule, the investor would only be entitled to claim deductions from the partnership to the extent of his investment "at risk." The "at risk" investment is $10,000. Thus, he would be required to pay tax on one-half of his income from the real estate investment showing the $20,000 taxable profit.

Conversely, LAL is needed to catch situations in which the "at risk" rule is inapplicable. Suppose in the above example, the investor is personally liable on the $90,000 loan and his other $20,000 of income is from dividends. The Senate "at risk" rule alone would not prevent him from taking the $20,000 in excess partnership deductions against his dividend income. Thus, the "at risk" rule would still permit him to enjoy tax-exempt dividend income. But if LAL were also applicable, this result would be prevented. He would not be entitled to deduct any of the $20,000 real estate deductions against the unrelated dividend income. The dividends would be fully taxable.

These examples make it clear that both LAL and effective "at risk" rules are necessary to combat tax shelters. Either approach, standing alone, can be avoided by proper structuring of the transaction. The House bill recognized this fact in part by providing, in addition to LAL, "at risk" rules for motion picture films, oil and gas drilling operations, and livestock and certain crops.

The Senate, on the other hand, adopted a general "at risk" rule applicable to all limited partners and more specific "at risk" rules for equipment leasing, farming, oil and gas, and motion picture tax shelter operations.

I would hope that the conferees do not spend any time in debating whether LAL or the "at risk" rules represent a more effective approach to the tax shelter problem. The point to understand is both approaches are needed; neither alone is adequate.

Recommendations for Conference Committee action:

1. The conferees should accept the House-passed LAL provision.

2. The conferees should also insist that the Senate "at risk" approach to tax shelters be adopted. More specifically, the following provisions represent the most effective of the "at risk" versions contained in the two bills and should be adopted by the conferees:

The Senate provision should be adopted limiting deductions by limited partners to the amount actually at risk. This would provide the same rule for limited partnerships that currently exists for subchapter S corporations (small business corporations that are taxed similarly to partnerships). It provides a rule of general applicability to all types of tax shelter operations that use the limited partnership form.

The Senate "at risk" rule applicable to farm operations should be adopted. The Senate bill applies to all types of farm operations, rather than just livestock and certain crops, as in the House bill. However, the House provisions did apply to corporations and the Senate Conference should accept this modification to ensure that tax shelter farm operations will not be shifted to corporations.

The House "at risk" rule applicable to oil and gas operations should be adopted. Under the House version, no deductions for intangible drilling costs (IDCs) can be taken except to the extent the taxpayer is at risk. Under the Senate rule, only IDCs in excess of oil and gas income are subject to the at risk rule. The House approach is thus the more effective and should be adopted by the conferees.

The House "at risk" rule applicable to motion picture films should be adopted. The Senate version contains an escape from the "at risk" rules for motion picture films that may offer substantial possibilities for avoidance. However, the conferees should adopt the Senate provision requiring amortization of production costs of motion pictures, as discussed below. As the Senate bill recognizes, both provisions are necessary.

3. Sports franchises and player contracts.

Both the House and Senate bills provided rules to prevent the use of sports franchises as tax shelters. The problem has arisen from the practice of allocating an artificially large proportion of the purchase price of a sports franchise to depreciable player contracts. Both bills employ the same formula to ensure a proper allocation. In addition, however, the House bill places an upper limit on the amount allocable to the player contracts. This is a desirable safeguard and should be accepted by the Senate conferees. Likewise the Senate bill sets forth rules for recapture of depreciation on player contracts that should be accepted by the House.

4. Partnership provisions.

Both bills contain very similar provisions to prevent manipulation of partnership rules in tax shelter transactions. The Senate rules are somewhat more refined and should be adopted.

5. Interest.

a. Prepaid interest.

Both bills contain similar provisions to prevent investors from prepaying interest in order to accelerate the interest deduction and thus defer tax on other income. The Senate provision is somewhat broader, covering points as well as stated interest, and should therefore be adopted.

b. Limitation on non-business interest deduction.

The interest deduction constitutes the single biggest item in the returns of the 244 wealthy individuals who in 1974 had adjusted gross incomes in excess of $200,000 but paid no federal income taxes. The House bill contains a provision that should be effective in closing this particular source of tax avoidance by the rich. Under the proposed House rule, an individual could deduct interest in the current year to the extent of $12,000 plus net investment income (dividends, rents, royalties, etc.) and long-term capital gains. Any excess interest would be carried forward and deducted under the same rule in future years. The House bill will insure a proper matching of interest costs and investment income. The $12,000 exemption is more than adequate to ensure that normal home mortgage interest and consumer interest will not be affected (the exemption covers $150,000 of debt bearing 8% interest, for example—a level of indebtedness achieved only by the well-to-do).

Unfortunately, the Senate bill not only failed to accept the House provision, but it also repealed the present admittedly weak limitation on the deductibility of investment interest. Thus a gaping loophole was widened still further.

The Senate bill did include excess investment interest in the minimum tax base. But this is a mere slap on the wrist. There is little significance in imposing a 15% tax on an item that is protecting the investor from taxes at a 70% rate. The tax equity problems created by an unlimited interest deduction are too substantial to be solved by the minimum tax. More direct action is required.

Accordingly the conferees should adopt the House bill as a responsible and effective solution to the interest problem.

6. Other tax shelter provisions.

a. Farming syndicates.

Both the House and Senate bills contain specific provisions to end the disruption that tax shelter syndicates have caused in the farm economy. The House bill included rules on farming syndicates in its LAL rule. The Senate bill provides a separate but similar rule for farm syndicates used as tax shelter operations.

In addition, the Senate bill requires the development costs of groves, orchards and vineyards to be capitalized (as is presently required in the case of citrus and almond groves). The Senate provisions are appropriate steps to take to insure that farm tax rules really aid the legitimate farmer rather than Wall Street investors and should be adopted.

b. Accrual accounting for farm corporations.

Farmers have been permitted to use the cash method of accounting because of its greater simplicity. Whatever the present validity of this justification, it plainly has no relevance to the larger farm corporations that increasingly have come to dominate the agricultural sector. These sophisticated operations take the cash method intended for the small family farmer and convert it into a tool for tax avoidance. The House bill provided that farm corporations must use the accrual method of accounting required of other business operations. Exceptions were provided for small farms and for family farms. Inexplicably, the Senate bill omitted this provision. The House provision should be adopted so that the rules intended for the benefit of small family farmers will be available only to this group.

c. Recapture of intangible drilling and development costs.

The House bill provided that the gain on the sale of an oil and gas interest should be treated as ordinary income (i.e. recaptured) to the extent that the taxpayer had claimed deductions for intangible drilling and development costs in excess of the amount that would have been deductible had such costs been capitalized. This is similar to the rule that presently applies to improved real estate. The Senate failed to adopt the House provision. With the present high prices prevailing for oil and gas, there is no justification for refusing to apply a recapture rule to these intangible costs. The House provision should be adopted.

d. Recapture of depreciation on real estate.

Both the House and Senate bills provide for the full recapture of the excess of accelerated over straightline depreciation in the case of residential real estate (as is already true of commercial real estate). Both bills provided special transition sales for low-income housing, but the Senate version is the more comprehensive in this respect and should be adopted.

e. Amortization of production costs of motion pictures, books, records, and other similar property. The Senate bill requires the matching of production costs with income from the project in the case of motion pictures and similar property. The rule prevents the acceleration of deductions to create a tax shelter. The House bill contained no corresponding provision. The Senate bill should be adopted (and coordinated with the LAL rules applicable to motion pictures).

B. MINIMUM TAX

The minimum tax is intended to insure that wealthy individuals pay a fair share of federal taxes. The present minimum tax fails to achieve a satisfactory result because of its inadequate rate, omissions from the tax base, an excessive exemption, and the deduction (and carryover) for regular taxes paid. A judicious adoption by the conference committee of the best of the provisions in each of the bills can insure a much more effective minimum tax.

1. Rate. The conference should accept the 15% rate contained in the Senate version, rather than the 14% rate in the House bill.

2. Deduction for Regular Taxes. It is essential that the conference accept the House-passed version repealing the deduction for regular taxes paid (and the carryover for unused regular taxes). The deduction for regular taxes is inconsistent with the concept of an additive minimum tax and is the major reason why individuals with large amounts of preference income escape paying any minimum tax on that income.

3. Exemption. The House version provided a $20,000 exemption, phased out at $40,000 of preference income. The Senate version provided an exemption equal to the greater of $10,000 or regular taxes paid. The conference committee should approve a compromise between the two versions. As noted above, the deduction for regular taxes paid should be repealed entirely. Then the basic exemption should be established at $10,000, phasing out at $20,000. This exemption will insure that persons with relatively small amounts of preference income will not have to make the minimum tax computation, but will also eliminate an unjustified exemption for those with very large amounts of preference income.

4. New Items of Preference Income. The conference committee should adopt the new items of tax preferences as set forth in the House bill. These include:

Itemized deductions in excess of 70% of AGI. While the comparable Senate version utilized a 60% figure, it deleted some of the itemized deductions from the computation; on balance the House version is preferable.

Construction period interest and taxes with an appropriate transition rule for low income housing. Interest and taxes incurred during the construction period are both granted preferential tax treatment and both should be included in the minimum tax base.

The excess of intangible drilling and development costs over the amount allowable if such costs had been capitalized and recovered through straight line amortization. The Senate bill only includes such excess to the extent it exceeds the taxpayer's gross income, from oil and gas; the Senate version virtually insures that such costs will never be included in the minimum tax of wealthy oil investors and operators. Any item of tax preference that is not deferred under LAL should be subject to minimum tax. Under LAL, accelerated deductions are allowed to the extent of related income and these allowable tax preferences thus are properly subject to the minimum tax. The Senate provisions deleting certain items of tax preference and restricting others should be rejected by the conference since they unnecessarily weaken and complicate the minimum tax.

5. Application to Corporations. The Senate bill applied the minimum tax changes to corporations. Inexplicably, the House bill did not. The Senate bill should be adopted in this respect, since there is no reason for corporations not to be subject to the new minimum tax.

C. MINIMUM TAX

Although the Senate failed to repeal the minimum tax in its entirety, it did make one change that should be approved by the conference committee. The Senate version eliminates the present $30,000 exemption which is employed in connection with the tax preference offset. Thus, the earned income qualifying for the 50% maximum rate must be reduced by all of the taxpayer's preference income (which includes the new items of tax preference added to the minimum tax base). This is a desirable change and should be adopted in conference.

D. INDIVIDUAL INCOME TAX PROVISIONS

Both bills contain several desirable changes in income tax rules applicable to individuals. Thus both include nearly identical provisions improving the treatment of alimony and the retirement income credit. There are differences between the two versions with respect to the other individual income tax provisions.

1. Child Care Credit. Both versions convert the present child care deduction to a tax credit. This is a step in the right direction, since it insures that the financial benefit does not increase as income rises, thus providing a relatively greater benefit to upper income families. In addition, both bills eliminate the present income ceiling. But it is important that the conference also adopt the Senate provision making the child care credit refundable. Without the refundable feature, the credit would provide no financial benefit to those who need help the most—working parents whose level if income is not sufficient to incur federal income tax liability.

2. Sick Pay Exclusion. The House bill, with a minor exception, repealed the present sick pay exclusion. This exclusion is unjustified since, by definition, those payments received by an individual are in lieu of otherwise taxable compensation. Thus, they really represent a form of compensation that is properly subject to tax. The Senate bill retained the exclusion for those with AGI of $15,000 or less. The conference should adopt the House version. Congress has steadily narrowed the scope of the exclusion over the years and it is now time to eliminate this tax preference.

3. Moving Expenses. Both bills expanded the present deduction for employee moving expenses. The House version should be adopted in conference. The Senate version expends the present deduction more than the House bill. While some liberalization of the deduction may be appropriate, it is important that Congress move cautiously to be sure that it does not create an unjustifiable avenue of tax avoidance by highly paid corporate executives. The lower limits in the deduction contained in the House bill represent an appropriate modification of the present deduction. Further study of the effects of the deduction are needed before it is expanded still further, as suggested by the Senate.

E. MIXED BUSINESS-PERSONAL TAX PROVISIONS

A number of expenditures incurred by individuals contain both business and personal elements. Only the amount attributable to the taxpayer's business are properly deductible. Both bills contain provisions that appropriately tighten the rules applicable to several of the mixed business-personal situations.

1. Office in the Home. This is an area of significant abuse at present, as individuals seek to convert their personal living costs into tax deductions. The House version contains tighter rules and should be adopted by the conference.

2. Vacation Homes. Both versions represent appropriate responses to attempts by upper income individuals to provide themselves with tax deductible vacation homes. Again, the House version is tighter, especially in providing that the new limitations are applicable when the vacation home is utilized by the owner more than 5% (rather than 10% as in the Senate version) of the total number of days during the year for which the vacation home is rented.

3. Foreign Conventions. The House bill tightens the rules on the deduction of costs incurred in attending conventions held in foreign countries. The House rule is not ideal, and a more appropriate provision was developed by the Finance Committee (section 602 of the Senate bill). Unfortunately, a conflicting provision retaining present law was adopted on the Senate floor (section 2707 of the Senate bill). Action to end tax deductible foreign vacations is urgently needed. Section 602 of the Senate bill should be adopted by the conferees.

4. Stock Options. Both bills repeal the present tax preference granted to qualified stock options. However, the Senate version includes a provision that will invite taxpayer manipulation and needless controversies between the IRS and employees over whether an option can in fact be valued and, if so, the determination of the value. The House bill is thus preferable and should be adopted by the conferees.

5. Legislators' Travel Expenses. The Senate bill contains an appropriate clarification of the tax treatment of costs incurred by state legislators when away from their homes.

6. Non-Business Loan Guarantees. The House bill provides that losses incurred on loan guarantees are to be subject to the same rules on deductibility that apply to direct loans. The Finance Committee deleted this provision.

The House provision should be adopted since there is no justification for different tax treatment between losses from direct loans and losses from loan guarantees.

F. ACCUMULATION TRUSTS

One of the areas in which the conference committee is precluded from improving present law is in the area of accumulation trusts. Unfortunately, both bills retreat from reforms achieved in the 1969 Tax Reform Act. Although each version represents an inappropriate regression in the tax treatment of accumulation trusts—which benefit only wealthy families with sophisticated tax advisers—the Senate version contains a somewhat more preferable rule with respect to the treatment of appreciated property transferred in trust.

G. INVESTMENT CREDIT

1. Extension of 10% Rate. The House bill extended the present 10% investment tax credit for 4 years; the Senate version made the 10% rate permanent. It is unwise to freeze the rate of the credit at a level that may be inappropriate to economic conditions in the future. Extension of the 10% rate for four years as in the House bill insures that the credit will be reviewed by Congress within a reasonable period of time, both as to the level of the rate and as to whether structural changes in the credit itself are required, such as whether the credit should be refundable or incremental. The House version should be adopted.

2. Investment Credit for Motion Pictures. This is another area in which the conferees are precluded from improving present law. Both bills unfortunately grant the credit for the costs of personal services of actors, directors, and producers, which account for the bulk of motion picture film costs. The House version is somewhat more tightly drawn than the Senate version and is the lesser of the two evils.

H. NET OPERATING LOSSES

The Senate bill contains provisions to clarify and tighten the rules restricting trafficking in losses for tax avoidance purposes. The House bill contained no corresponding provisions. The Senate bill represents a desirable change in this area and should be adopted.

I. CORPORATE SURTAX EXEMPTION

Both the House and the Senate bills extend the changes in the corporate surtax exemption in the Tax Reduction Act of 1975. The exemption is increased from $25,000 to $50,000 of taxable income, and the rate on the first $25,000 is reduced to 20%. The Senate bill makes these changes permanent; the House bill extends them for two years. Small businesses need and are entitled to aid and encouragement by the Federal Government. But an increased corporate surtax exemption may not be the best and most effective means of achieving this objective. In addition, there are disturbing indications that increasing the surtax exemption offers tax avoidance possibilities for upper income individuals. Therefore, the best course of action for the Conference Committee is to adopt a four-year extension, comparable to the extension of the investment credit, and require the Treasury to study the effectiveness of the increased exemption in aiding small business and its effects on tax equity. Congress will then be in a position to compare the measure to other suggestions for aiding small business.

J. FOREIGN INCOME

1. Exclusion for Income Earned Abroad. The House repealed the present $20,000 (or $25,000) exclusion for income earned by U.S. citizens working abroad. The Senate retained the exclusion, merely cutting back on some of the double tax benefits enjoyed by these employees. The House provision repealing the exclusion over a three-year period should be adopted by the conference committee. The exclusion is simply a federal subsidy to multinational corporations to help pay the wages of their personnel employed overseas.

However, the conference committee should not adopt the new tax preferences for U.S. citizens working abroad that are contained in the House bill. These include a new deduction for tuition costs, an exclusion for certain employer-furnished services, and a special exclusion for employees of tax-exempt organizations. U.S. taxpayers should be treated alike whether they are employed at home or abroad. The provisions in the House bill grant tax preferences to U.S. citizens working abroad that are not granted to citizens working in the U.S. No similar provisions are contained in the Senate bill.

2. Foreign Trusts. Both bills contain nearly identical provisions to restrict the tax avoidance possibilities involved in the utilization of foreign trusts by taxpayers.

3. U.S.-Controlled Foreign Corporations. Neither bill unfortunately took the badly needed action of ending the tax deferral presently granted for income earned by U.S.-controlled foreign subsidiaries. Both bills unwisely provide exceptions to the present broad and desirable rule that investment in U.S. property by a U.S. controlled foreign corporation constitutes a dividend to the U.S. parent. The Senate provision is, however, more tightly drawn than the House bill and is therefore less susceptible to abuse. The conferees should adopt the Senate version.

4. Limitation on Foreign Tax Credit for Oil and Gas Operations. To help insure that multinational oil operations claim a credit against U.S. tax only for foreign income taxes and not for royalties paid to foreign governments, the Senate imposed a 48% limit on the amount of foreign tax credit that can be claimed for foreign oil and gas extraction income. The provision is a logical extension of action taken by Congress in the Tax Reduction Act of 1975. The Senate provision should be adopted by the conferees.

5. Withholding Tax on Income From Foreign Investment in the U.S. Consistent with long-established principles of international taxation, the U.S. imposes a 30% withholding tax on the dividend and interest income earned by foreign investors from U.S. stocks and bonds. A statutory exception, subject to periodic Congressional review, has been granted for interest earned on deposits in U.S. banks. Treaties have modified the 30% rate in instances where U.S. taxpayers received a corresponding tax benefit from the other treaty country. The House bill would make permanent the exemption from bank interest and unilaterally extend the exemption to bond interest. The Senate deleted the exemption for bond interest and extended the bank interest exemption for three years. The Senate provision should be adopted in conference. The U.S. should maintain the principle of taxing bond interest earned by foreign investors unless, through treaty negotiations, American investors can get a benefit in exchange for the U.S. foregoing or reducing the rate of tax on bond interest.

Similarly, as in the past, Congress should extend the exemption for bank deposit interest for only three years, thus insuring that Congress can continue oversight and review of this provision in light of changing international conditions.

K. DISC

One of the more disappointing results of the present tax reform debate was the failure of either the Senate or the House to repeal DISC, the controversial tax subsidy for U.S. exports. As a result, all the conferees can do is make the best of a bad situation. Both the House and Senate bills do place DISC on an incremental basis. Thus, the ripoff of U.S. taxpayers by multinational corporations is alleviated somewhat, although it is not eliminated. Under the House bill, DISC benefits are available for exports in excess of 75% of base period export sales. The Senate bill reduces the figure to 60%. Both percentages are too low, but the conference should adopt the higher House figure of 75%. Both bills also adopt a three year base period, but with different beginning dates and different points at which the base period begins to move. The House bill provision for a base period of 3 years, commencing with 1972, and an effective date of January 1, 1976 should be adopted. However, the Senate rule that the base period begins to move in 1980 should be adopted in lieu of the House provision that defers movement of the base period until 1981.

L. ADMINISTRATIVE PROVISIONS

Both bills contain similar provisions to improve the administration of the tax laws. The Senate bill, especially as to disclosure of IRS rulings, should be adopted.

M. TECHNICAL PROVISIONS

During Senate consideration of the bill, it became apparent that the term "technical provision" was in fact a euphemism for "special interest provision" for certain favored lobbyists and pressure groups. As a result, some of the provisions were dropped. However, numerous unjustified provisions that benefit only a few economic interests were retained in the bill or added on the Senate floor. A sense of the pervasive nature of these provisions is evident from the fact that they are found lurking in at least five different titles of the Senate bill:

Title XIII: Miscellaneous Provisions

Title XXIII: Other Amendments

Title XXV: Additional Miscellaneous Provisions

Title XXVI: Other Miscellaneous Amendments

Title XXVII: Additional Senate Floor Amendments

More study of most of these provisions is required before they become law.

Accordingly, when possible none should be adopted by the conferees, unless they are not opposed by the Treasury Department or public interest tax reform groups, or have satisfied the more rigorous House screening procedures for such provisions. Many create new or expand existing loopholes, and should be subjected to further Congressional scrutiny.

N. CAPITAL GAINS

The conferees should adopt the provision in the House bill extending the holding period necessary to qualify for preferential long term capital gains treatment from 6 months to one year. There is no reason why an investor should be able to turn over his inventory of stocks twice a year and pay tax at half the normal rates, while a retail merchant who turns over his inventory twice a year pays tax at full rates. While a one-year holding period does not solve all of the problems created by preferential capital gains rules, it represents a step in the right direction.

O. RAILROAD PROVISIONS

The House bill contained two provisions providing more favorable tax rules for railroads. The Senate then proceeded to add still more, and to extend some to airlines. Since the Senate bill includes the two provisions adopted by the House, the conferees must accept these new tax preferences for railroads. However, the conferees should reject the additional tax preferences for railroads added by the Senate. New or expanded deductions and credits help only those railroads that are showing a profit. Where federal aid is needed most is for those railroads that are in financial difficulties. Direct federal aid is the answer to their problems, not the creation of arbitrary new tax preferences. Congress has not been provided with any objective study to show whether the Senate-added tax preferences for railroads are either efficient or effective federal subsidies.

P. OTHER AMENDMENTS

The Senate bill contains three provisions improving present law that should be accepted by the Conferees. These are the provisions relating to the treatment of gains on sales or exchanges between related parties, exchange funds, and donations of government publications.

All these provisions tighten existing rules to show off possible areas of tax avoidance.

Q. TENTATIVE CONCLUSION ON PROVISIONS THAT SHOULD BE ADOPTED

If the conference committee follows the recommended actions set forth above, Congress could enact a tax bill that represented on the whole, a significant tax reform measure. A conference report that included these measures (plus those as to which there was no significant disagreement between the two bills)—and only these measures—would, I believe, deserve the support of those who have worked for meaningful tax reform in this Congress.

But I label this conclusion "tentative" because the two bills contain so many other provisions that, if accepted by the conferees to any significant extent, will turn the bill into a travesty of tax reform. These new or expanded tax loopholes must not be agreed to by the conferees if Congress is to keep its promise of true tax reform this year.

The following section discusses why these measures fail to meet the test of tax reform and why they should not be accepted by the conferees. If such measures are incorporated into the final bill, then the only responsible course of action for tax reform minded Senators and Representatives will be to defeat the Conference Report.

II. PROVISIONS APPEARING IN THE SENATE OR HOUSE BILLS THAT SHOULD NOT BE ADOPTED

A. INVESTMENT CREDIT

The Senate bill contained several changes in the investment credit that should be rejected by the conference.

1. *Additional 2% Investment Credit for ESOPs*. Perhaps the biggest waste of Federal money and the most irresponsible Senate action is contained in the additional 2% investment credit that is provided if an equivalent amount of funds is contributed by an employer to an employee stock ownership plan. In spite of the rhetoric surround-

ing ESOPs and the desirable goal of enhancing employee participation in capitalism, the fact is the Congress has not the faintest idea whether tax-funded ESOPs are effective or equitable. The tax literature is replete with how ESOPs can be used by corporate management as a tax avoidance technique, but there is little indication that rank and file employees are getting any substantial benefit from them. Before Congress starts sweetening the ESOP pot, it should find out precisely how ESOPs are working in practice. There is very good reason to suspect that, like most "trickle down" ideas, ESOPs really benefit only the upper income owners of corporations and involve a significant waste of federal money .

Or perhaps supporters of ESOP's are correct in their view that these devices represent a 20th Century pot of gold for employees. But before Congress pours another $3.3 billion of tax dollars over the next five years into ESOPs, even a bare semblance of fiscal responsbility requires that we have at least some idea whether the program is effective, rational and equitable. Pending a full study of the effect of ESOPs, Congress should provide extra financial rewards for their use. The conferees should reject the inflated Senate provisions and quietly extend the existing law for another year, to enable a proper study to be carried out.

Investment Credit for Shipping Constructed with Tax-Free Funds. One of the tax preferences now provided to the shipping industry is the deferral of tax on income placed in a qualified capital construction fund. Indeed, the income is in effect exempt so long as investment in new ships is continued. The purpose of this provision is to provide a federal tax subsidy to assist in the construction of new shipping for the U.S. maritime fleet. On top of this current tax exemption, the shipping industry, the Senate bill adds an investment credit for ships built with the tax exempt funds. In effect, the provision is a negative income tax for the shipping industry. For years the IRS has properly refused to grant the credit for costs attributable to the tax-free funds. The Senate now seeks to bail out the shipping industry with still another subsidy. As the Wall Street Journal has had occasion to point out, there are many things wrong with the shipping industry, but additional federal subsidies are not going to correct any of them. The additional and retroactive tax subsidy voted by the Senate should be rejected by the conference committee.

B. FOREIGN INCOME

1. Earned Income. As noted above, the new tax preferences voted by the House for U.S. citizens working abroad (House bill § 1011(b) and (c)) should be rejected. The earned income exclusion should be repealed in its entirely, and no new tax preferences should be enacted to give U.S. citizens working abroad tax advantages over their counterparts working in the United States. The House bill provisions should be rejected by the conferees.

2. Foreign Tax Credit.

a. Oil and Gas. The Senate bill as originally reported by the Finance Committee contained several hidden giveaways for the oil industry. Fortunately, they were exposed to the light of day, and were deleted by the Finance Committees after it became obvious that these special interest provisions were unjustified.

b. Source of Underwriting Income. The Senate bill also contains a $5 million annual gift to the insurance industry (Senate bill § 1036). Although the Finance Committee report casts the reasons for the provision in terms of "clarification" of present law, the only thing the section clarifies is the fact that the insurance industry will pay $5 million less in taxes than it does now. Present rules are adequate for the IRS to reach correct results. The Senate provisions should be rejected by the conferees.

3. Controlled Foreign Subsidiaries. The House bill contains two provisions to give unjustified tax benefits to certain multinational corporations. These provisions would grant deferral of tax benefits to certain shipping profits and agricultural products. We need to move in the direction of less scope for the tax deferral provisions, not greater scope. The Senate wisely eliminated these provisions from the bill. The conferees should approve the Senate action and delete the House bill provisions.

4. Denial of Tax Benefits on International Boycott Income and Bribe Produced Income. The Senate bill (§§ 1061–66) contains well intentioned provisions denying certain tax rules to taxpayers who participated in international boycotts or who realize income as a result of bribes paid to foreign persons. I deplore the actions to which the Senate bill provisions are directed and I also support direct actions by the appropriate agencies and departments, if the government is to bring these illegal and unethical practices to an end. But I do not believe that the tax provisions in the Senate bill are either effective or appropriate responses to the problems of international boycotts and foreign bribes. The Senate provisions should therefore not be adopted by the conference.

C. TECHNICAL PROVISIONS

As explained above, the "technical provisions in the Senate bill are really disguised "special interest" provisions in most instances. Only those provisions passing muster with the Treasury and special interest groups or under the House screening procedures should be adopted. The balances of the provisions should be rejected by the conferees.

D. CAPITAL LOSSES

The House bill provided an expanded preference for capital losses. Under present rules, capital losses can only be used to offset capital gains. A limited exception allows capital losses to produce a $1,000 deduction against ordinary income. The House bill expanded this exception to $4,000. The Senate properly deleted this provision from its version of the bill. What is required is a tightening of the tax treatment of capital transactions. Once the rules on capital gains are brought into line with other income, then Congress can consider more liberal treatment of capital losses.

Until then, no further expansion of the provision allowing ordinary deductions for capital losses is warranted. The conferees should reject the House provision.

E. PENSION AND INSURANCE PROVISIONS

The House and Senate bills each contain different provisions expanding the tax preferences for private pension plans and for insurance companies. Fortunately, none of the provisions in either version is contained in the other. Therefore, the conferees should simply eliminate Title XV from the final bill. The provisions contained in each bill require further study. If they prove to be meritorious, Congress will act next year.

F. RAILROAD PROVISIONS

For the reasons outlined above, none of the new tax preferences for railroads added by the Senate should be adopted by the conferees. The measures contained in both bills are of doubtful merit, and the conferees should not accept the provisions added by Senate.

G. TAX CREDIT FOR HOME GARDEN TOOLS

The House bill would provide a tax credit for home garden tools. The Senate struck this provision, since it would be impossible to administer and would be subject to wide abuse. The Senate action was correct and the conferees should reject the House provision.

H. ENERGY RELATED PROVISIONS

The Senate bill contains a tidal wave of new and expanded tax expenditures that are nominally directed at the nation's energy problems. These measures are ill-conceived and wasteful. They cost hundreds of millions of dollars. And I predict that if they are enacted, they will contribute nothing to the solution of our energy problems. There has not been a single study to show that any of these new or expanded tax credits—for windmills, for heat pumps, for scrap processing—constitute an effective, equitable and rational response to our energy needs. There is too much money involved in these tax expenditures for Congress to irresponsibly enact them and then hope they will do some good.

Before we embark on this dubious method of meeting our energy problems, we should at least give the next Administration a chance to evaluate the various proposals. The conference committee should reject every one of the Senate passed energy-related provisions, and defer action on them until next year.

I. TAX CREDIT FOR EDUCATION EXPENSES

One of the late amendments adopted by the Finance Committee was a tax credit for certain educational expenses. While I strongly support federal assistance to education, I do not believe that the tax expenditure route is the best path to follow. For example, I believe that federal aid to students should be provided in the maximum amount to poverty level families, and that the amount of federal aid should gradually decrease as income rises. High income families do not need federal aid to meet educational expenses. The problem with the Senate-passed tax credit is that it provides no aid to the poverty level family because that family has no tax liability against which to use the credit. Further, the provision gives the same dollar amount of federal aid to the richest families in the country as it gives to low and middle income families. And, there is nothing to prevent educational institutions from raising the cost of tuition to absorb the credit. This is neither a rational nor an equitable way to provide federal financial aid for education. Congress has already enacted promising direct programs to help students meet educational expenses. Congress should concentrate on providing adequate funding and improving of these programs, rather than embarking on a costly tax expenditures program of doubtful equity or effectiveness. The conferees should not adopt the Senate-passed tax credit for education expenses.

J. OTHER INCOME TAX AMENDMENTS

The Senate, in all too familiar fashion, loaded on to the tax bill a number of other provisions that expand existing tax preferences or create new ones. The following provisions should be rejected by the conferees to insure that the bill is the "tax reform" rather than the "tax loophole" bill of 1976.

1. Expansion of Industrial Development Bond Exceptions. Despite the overhelming evidence that industrial development bonds constitute an enormously wasteful and inequitable method of providing federal financial assistance, the Senate bill backtracks on the reforms achieved in 1969 and expands the scope of these tax avoidance devices. The Conferees should reject the Senate provisions providing for wider use of these IDBs.

2. Exemption for Contributions to Group Legal Services Plans. One of the most frustrating aspects of the Senate bill is that its provisions are not even consistent among themselves. On the one hand, the bill prop-

erly cuts back on the sick pay exclusion, because it is inequitable to exclude this form of compensation from income. Then the Senate turns around and proposes to exempt another form of compensation from tax—contributions to group legal services plans. While I yield to no one in my desire to see adequate legal—as well as medical—services available to all Americans, the new Senate-proposed tax expenditure is the wrong mechanism.

As a program to help finance prepaid legal services, here is how the Senate bill would work. If an employee's income is less than $5,000 per year, the Government will pay nothing toward his legal service costs. For each $100 of such costs incurred by an employee with $10,000 of income, the government will pay $22; for an employee with $25,000 income, the government pays $36; at $100,000 of income the government pays $60; and for those with over $200,000 of income, the government absorbs $70 of the $100 costs. In other words, the Senate bill proposes to provide no help to those who need it most in obtaining legal services; and it provides the maximum federal aid to those whose incomes are so high that they have demonstrated they need no help in paying their legal bills. This kind of "upside down" federal assistance is the wrong way to help finance prepaid legal services. Congress should have learned lessons from providing upside down tax expenditures in other areas. The conferees should reject the Senate provision and let a new Administration come up with a fair program for federal aid to prepaid legal services plans.

3. Charitable Contributions of Inventory. In another provision to turn back the tide of tax reform, the Senate voted to return to a system of giving double tax benefits to the drug companies. It did this by restoring a charitable deduction for contributions of inventory. Under the Senate bill, not only does the business continue to pay no tax on the value of the inventory, but it will also receive a charitable deduction for one half that value. To be sure, the Senate bill requires drugs to comply with FDA procedures before the deduction is allowed. But in 1969, Congress decided that one tax preference for the contribution was enough.

The 1969 Act restricted the charitable deduction, but continued the tax exemption for the gain. The 1969 rule is the correct one and the conferees should reject or substantially cut back the Senate provision reinstating this unjustified double tax benefit.

4. Other New Tax Expenditures. The conferees should also reject the new tax expenditures in the Senate bill in the form of tax incentives to encourage the preservation of historic structures, the tax credit for contributions of artistic works created by the donor, and the tax credit for the expenses of amateur athletes. There are no analyses available to Congress to give us the faintest idea whether these proposed tax expenditures are either efficient or rational methods of spending federal funds. What we do know is that all of them make the tax system more inequitable by creating tax preferences for a few. The conferees should reject these provisions of the Senate bill.

K. ESTATE AND GIFT TAX PROVISIONS

One of the most urgent items of business before Congress is comprehensive reform of the federal estate and gift tax system. The Senate version of the tax reform bill contains a number of estate and gift tax provisions. Unfortunately, the provisions are in general inadequate and misguided. The result is not surprising, in view of the fact that the Finance Committee undertook to draft the estate and gift tax sections of the bill after only one day's hearing on this difficult and complex subject. The Ways and Means Committee has reported out a comprehensive tax reform bill. While I do not agree with all of the results reached in that bill, it does address the major issues of estate and gift tax reform in a more responsible way, with far less revenue cost. Therefore the conferees should not accept the ill-considered proposals in the present Senate bill. We should follow an orderly path by letting the full House consider the bill pending before it. Then the Senate, with the help of tax lawyers and advisers, should examine the House bill and reach our own informed judgments on the proposed changes. In this way we can be more assured that estate plans are not thrown into turmoil by inadequately considered measures.

More specifically, the Senate bill provisions dealing with estate and gift tax reform are deficient in the following respects:

a. Unified Transfer Tax. The Senate bill fails to replace the present inequitable dual estate and gift tax system with a single unified transfer tax that taxes lifetime and deathtime taxes alike.

b. Rate Structure. The Senate bill makes no adjustment in the present irrational rate structure applicable to transfers.

c. Marital Deduction. The Senate bill fails to provide an unlimited marital deduction. It does increase the marital deduction, but it is difficult to determine any rational basis for the $250,000 figure chosen by the Finance Committee. Rationality and equity in the transfer tax structure require that wife and husband be treated as a single unit for transfer tax purposes. An unlimited marital deduction accomplishes this purpose.

d. Generation Skipping Transfers. In this respect the Senate bill appears to be moving in the right direction. However, it fails to deal with straight generation skipping transfers. Moreover, further study is needed to determine if the bill adequately deals with discretionary trusts.

e. Exemption level. The Senate bill provision increasing the estate tax exemption (via a tax credit) to the $200,000 level is unacceptable. No convincing reason has yet been offered why the wealthiest 7% of families in the country are primary candidates for tax reductions. An increase in the present $60,000 exemption has no place in an estate and gift tax reform bill. Relief for the estate tax liquidity problems of farmers and small business persons is essential, but it should not be a pretext for massive tax relief for others who do not deserve it.

CONCLUSION

The list of provisions recommended for adoption by the conferees reveals that Congress has the tools to enact a genuine tax reform bill. But the list of provisions that need to be rejected by the conferees indicates the extent of further tax inequities that can be inflicted on the average taxpayer. It is my hope that the conference committee will carefully choose from the two bills the meritorious proposals that promise a fairer tax system for all Americans.

BABY SELLING

Mr. MONDALE. Mr. President, in 1975, the Subcommittee on Children and Youth, which I am privileged to chair, held hearings on the implications of the black and gray market in adoption in which an intermediary charges an exorbitant fee for placing a child with an adoptive family. The hearings established that there is in fact a "market" in which babies are "sold" in this country, and in many cases these "sales" of human beings are actually legal.

I call to the attention of my colleagues an excellent series of articles which appeared in the Chicago Sun-Times on this subject in June. The series featured a number of personal stories of unwed mothers and adoptive parents who were involved in such "baby selling" activities. The series demonstrates that this highly questionable practice of baby selling continues to flourish. The articles raise numerous important questions about the morality of baby selling, the adequacy of governmental regulatory authority, and the effects of baby selling on the children involved.

Because it represents a significant contribution to our knowledge about the problem of baby selling, I ask unanimous consent that the Sun-Times series be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Chicago Sun-Times, June 13, 1976]

The Vast Market in Instant Infants

The woman who sat in the office of a Loop lawyer had just been told that if she wanted to adopt a baby, she could be moved to the top of the waiting list for $7,500—$1,500 by check and $6,000 in small bills.

"Why, this is selling flesh," she said with repugnance.

"Yeah, I know," the lawyer answered casually. "It's my business. I sell flesh."

The lawyer had just defined the black market in babies as baldly as anyone could—human beings selling other human beings for a profit.

And a two-month investigation by Sun-Times reporters has found flourishing black and gray markets for adoptable babies in Chicago, across state lines and between countries.

The investigation also found that the big majority of lawyers and agencies involved in adoptions are ethical and fair. In fact, the woman who related the conversation above went on to adopt two children through other lawyers and is happy she did.

But the wait of up to four years for a baby from the old-line agencies drove her to explore Chicago's word-of-mouth underground, where one desperate couple tells another the names of lawyers who wheel and deal in babies and who can work miracles for a price.

Legalized abortions and the new willingness of unwed mothers to keep their own babies have drastically shrunk the supply of infants. Up to 200 couples compete for each healthy, white, adoptable baby, according to estimates by state officials.

Because courts in most states seal adoption records, ostensibly to protect everyone involved, the public and even adoption experts themselves have been kept ignorant of the extent of the black and gray market in babies.

So Sun-Times reporters impersonated unwed mothers and childless couples in order to find out firsthand what is happening today. Among other things, they found:

A Chicago lawyer who, by his own account, has handled 1,500 adoptions in nearly 20 years. He told two Sun-Times reporters posing as an adoptive couple he could get them a baby for $10,000.

A Chicago lawyer who was ready to give a baby to Sun-Times reporter following a five-minute phone conversation in which he was told she and her husband were moving to well-to-do Glencoe. He told another reporter posing as an unwed mother, the parents he had in mind were fit parents because their Glencoe home must cost $80,000.

Lawyers who instructed reporters posing as unwed mothers and adoptive couples how to lie to the court and sign false affidavits about illegal payments and the identity of the unwed father.

That the black market is most flagrant in interstate and international deals that are out of the control of state authorities and where there is an absence of federal control.

A licensed adoption agency in Chicago that adopts babies from Mexico, shuffles applicants through a maze of agencies and foundations from here to Holland that are all controlled by the same man.

These and other personal stories of unwed mothers and adoptive parents who were touched by the gray and black markets in babies will appear in this and succeeding issues of the Sun-Times.

[From the Chicago Sun-Times, June 13, 1976]

How Baby Broker Deals—No. 1 Operator: Slick and Costly

(By Pam Zekman and Bob Olmstead)

Meet Norman Rothbart, Chicago's No. 1 baby broker for nearly 20 years.

His current top price, quoted to The Sun-Times, is $10,000 per adoption, all expenses paid, and he says he has handled 1,500 adoptions in his career.

Rothbart is a 5-foot restless dynamo who seems always to be doing several things at once, and through it all talks, talks, talks.

By his own count, distraught women call him 20 times a day to plead with him to find them a baby so their lives can have new meaning.

And—less frequently these days—unwed mothers hesitantly call Rothbart to ask his help in the painful ordeal of getting through a hopeless pregnancy without harming the child.

With his energy and experience, Rothbart has branched out to other positions of influence. In his spare time he is a special assistant attorney in Atty. Gen. William Scott's consumer fraud division and a member of the Chicago Bar Assn.'s committee on adoption law.

In his two decades of dealing with wounded women, Rothbart has developed a casualness—even a jauntiness—that some women who dealt with him told The Sun-Times they found distressing.

For a firsthand look at Rothbart's methods, Sun-Times reporters visited him several times, posing first as an unwed mother and again as a childless couple who desperately wanted to adopt a baby.

Through it all, Rothbart appeared oblivious of Illinois law that forbids the selection of a home for an adopted baby by anyone but a licensed agency, and that also forbids the payment of excessive fees to attorneys handling adoptions, lest it amount to baby-selling.

The following is the account of reporter Laura Green, who telephoned Rothbart and told him she was pregnant and needed help finding a good home for her baby:

"You don't want a good home for the baby," he told me on the phone, "you want an excellent one."

He assured me that I would be given the finest medical care and that I wouldn't have to go to a clinic. He also said we would not discuss money over the phone, but added:

"Anything you want, I can give you. You won't have to skimp." It was his only offer of money.

The next day, in Rothbart's 12th-floor offices in the 188 W. Randolph Building, Rothbart's secretary, Ruth, asked if I had lunch money and advised me not to be so nervous. Rothbart was "Uncle Norman" to thousands of babies, she said.

Rothbart, who was late for our appointment, came blustering in, a short, bull-necked man with a very full head of hair who looks 10 years younger than his age, which is 53.

"Am I a bad boy? Am I a bad boy? Am I a bad boy?" he rattled, each time waiting for an answer. "I ran into a man who was running for judge and we had lunch."

First, Rothbart had me fill out a two-page questionnaire about myself and my family. He especially wanted to be certain that I was not married, had never been married, and had neither previous children nor pregnancies.

When I told him I knew who the father was and that he was a married man, Rothbart told me to lie to court social workers who would ask me about it. Otherwise, he said, the father would have to be notified and his wife would divorce him.

"The social worker will interview you for a half hour and ask questions like the ones I ask," he said. "Don't worry, it's simple. Tell him you don't know who the father is."

Rothbart rambled on about all the girls in trouble he had helped.

"You wouldn't believe how many girls have sat there and said the same things," he said.

He pointed to a credenza in his nicely furnished office and said it was full of scrapbooks with pictures of beautiful girls and their babies.

While we talked, a call came in from a woman inquiring about adoption. He said there were 1,500 couples waiting and suggested she call back in three or four months unless she would consider a mixed-race child.

Later, when "Uncle Norman" bought me lunch, he said he would pay all my hospital bills, even if the baby were born by cesarean section.

I said I hope the parents would be college graduates.

"You'll have pro-fesh-shun-als," he assured me. They would be in their mid-30s, and he would try to put the baby with another adopted baby so it would not be an only child. However, I could not know the adoptive parents' names.

When I asked what would happen if the baby were born deformed, he said not to worry, it rarely happened. But if the baby were real bad, God forbid, I could give it to the state. And if it weren't too bad, he said, the adoptive parents could "patch it up."

Through it all, Rothbart kept up a stream of comments, advice and ancedotes of pregnant women who suffered miscarriages, depression, or who ended up with scars, which he described in vivid detail. I winced and thought how I would resent this even more if I were really distraught, unwed and four months pregnant.

He told me: How he placed three babies—a Filipino-Puerto Rican and two interracial infants—with a 300-pound girl "who nobody would marry."

How a mother who once gave him a baby for adoption came back years later to adopt one because her husband had a low sperm count. (He thought that one was pretty funny.) How the restaurant's waitresses had "big melons."

For a final indignity, back in his office, Rothbart reached over and patted my supposedly pregnant abdomen to see how things were coming along.

Then he took time out to place a call to his stockbroker, meanwhile continuing the interview.

To the broker: "Great. Great. It's going up, eh? Great."

To me: "Have you been to the doctor, right?" I nodded.

To the broker: "How's the other one? Down. Down. Eh."

To me: "For a general physical? Did they give you a chest X-ray or take blood?" I shook my head.

"Just an internal, right?" he said as he thrust his middle finger upward in a probing gesture. He offered to give me an examination and when I refused, said, "Funny. All the girls say that."

When we parted, Uncle Norman told me not to worry. Then he insisted I kiss him good-by.

I did.

Later, when Sun-Times reporters Mary Dedinsky and Tom Dolan visited Rothbart in his office, posing as John and Mary Dolan who want to adopt a baby, Rothbart at first discouraged them.

He said that although he had 41 babies last year, so far this year he hadn't heard from a single unwed mother. "How do I get babies? I have a network of 75 doctors." But, he repeated: "There are no babies."

Later in the 1½-hour interview, Rothbart warmed up, telling John and Mary repeatedly: "You want a baby, I'll get you a baby, (but) it's going to cost you a great deal."

When he was pressed on exactly how much it could cost, Rothbart said, "It will not cost you more than $10,000. Does that scare you?"

A Sun-Times reporter asked Circuit Court Judge Harry G. Comerford, one of two judges who hears adoption cases, to define what constitutes the black market sale of babies. He answered that it would be a situation where a lawyer keeps lists of clients who want babies and, in addition, charges them an unreasonably high amount for medical costs and legal fees.

Legitimate charges, he said, could go as high as around $1,200 in medical costs for a normal birth or $2,500 for a cesarean, plus legal fees of $350 to $1,000. In a rare instance, he said, this would mean a total of $3,500 for abnormal medical costs and the services of a high-priced lawyer.

What about a lawyer who would charge $8,000 to $10,000 for an adoption, he was asked.

Judge Comerford answered: "I want that man's name."

Facts About the Baby Markets Here

What are the black and gray markets in babies?

Cook County Circuit Court Judge Harry G. Comerford defined a black market transaction as one in which the adoptive parents are charged an exorbitant amount—one higher than the sum of reasonable legal, medical and hospital fees.

He put that reasonable amount at around $2,500, or $3,500 at the most rare circumstances.

A gray market deal, the judge said, is one where an intermediary acts as an unauthorized agency by keeping lists of couples who want babies and by matching them up with babies who come along.

There are few statistics around to show whether independent adoptions are any more successful than those by licensed adoption agencies.

Cindy Bane, a family therapist and former caseworker for the Illinois Department of Children and Family Services, has assembled one of the few sets of facts on the question.

She says her limited study indicates that the phenomenon of "adoption fallout"—where parents turn against their adopted children during normal child-raising problems—happens more frequently in independent adoptions than in agency adoptions.

Her study also indicated that a high proportion of the troubled independent adoptions were highly irregular black and gray market deals that left emotional time bombs of anguish in store for the children and adoptive parents.

She found that of 29 traceable cases, 19 were from independent adoptions, even though independent adoptions involving non-relatives make up less than 15 per cent of the whole.

Also, Ms. Bane found, 16 of the 19 couples had never been the object of a home study to find out if they would be reasonable risks as adoptive parents.

Most startling, she found that in 7 of the 19 cases, one or both of the parents had what was thought to be a terminal illness at the time of the adoption—something that would have disqualified them at any adoption agency.

The parents had adopted, Ms. Bane believes, mostly to fill a psychological need to extend their lives through children. When some of them lived past the time they were supposed to die, they no longer needed the children and the troubles began.

[From the Chicago Sun-Times, June 14, 1976]

Illegal Adoption Pay: "Done Every Day"

(By Pam Zekman and Bob Olmstead)

Adoptions in Cook County are routinely turned into black-market sales by under-the-table money paid to the natural mother or a lawyer, a Sun-Times investigation has found.

One lawyer who said he would arrange such illegal pay has told a Sun-Times reporter posing as an unwed mother that the practice is "done every day."

Paying the natural mother not only is illegal in itself, the state's attorney's office said, it also is used as an excuse by some lawyers to jack up the bill presented to the adoptive parents—whether or not the mother actually is demanding the extra money.

Circuit Court Judges Harry G. Comerford and Helen F. McGillicuddy, who hear adoption cases, told The Sun-Times they do not believe there is much of a problem here.

"I would say that we are basically clean in the black-market and gray-market areas," Comerford said. "The main safeguard is the affidavit on which the attorneys and adoptive couples must attest to the veracity of the costs and fees paid for attorneys, doctors and hospitals.

"Our general policy is we will not approve of adoptive couples' paying living expenses for the mother, because the more avenues you create for the natural mothers to get money the more avenues you create for unscrupulous or improper payments."

In the nine years since he instituted the affidavit system, Comerford said, "We have never had a situation we know of where they had lied under oath. We have rumors of it . . . but in following it up it is difficult to get any hard information."

Information is hard to come by for two reasons:

Adoption records are sealed by the court, supposedly to protect the privacy of those involved.

The natural mothers, adoptive parents and lawyers are reluctant to talk about any illegal acts. In addition, the adoptive parents are afraid of losing the baby, and the unwed mother does not want publicity about the pregnancy.

So Sun-Times reporters posing as unwed mothers went directly to adoption lawyers themselves to see firsthand what is being done. Most were correct in their advice, but some were not.

Reporter Mary Dedinsky went to lawyer Stephen G. Pinto in his 10th-floor offices at 188 W. Randolph, where he soon instructed her how to lie to the court investigator if she didn't want the court to know who the father was. Otherwise, he indicated, the father could block the adoption.

He told her she could either say that she was raped or that she got drunk at a party and went to bed with three or four men. "You can say you don't know how you could have done it, but you did," he coached, and added that he would brief her more fully when the time came.

Pinto at first told Ms. Dedinsky she was legally entitled only to the payment of medical and hospital bills, and not to a direct payment for the baby. When she remarked that she would have to move away from home so that her parents would not learn she was pregnant, Pinto suggested she move in with one of her girl friends.

Then he added—cautioning her not to discuss it with anyone—that he might be able to get some extra money for her, say around $150 a month, starting in her seventh or eighth month of pregnancy. He twice told her not to tell anyone about this, and explained that he would bring her the money and she would have to pay her own bills.

In a second instance, reporter Pam Zekman, posing as an unwed mother, went to see lawyer Peter N. Kamberos at 77 W. Washington. She had been directed to him by another lawyer who, during several weeks of negotiations, had alternately dangled before her the possibility of getting living expenses and then reproached her for showing interest.

If Kamberos was sensitive to the charge of child-buying, he didn't show it. Almost immediately, he told Ms. Zekman the adoptive parents would want to know the race of the father. "They want to know what they're buying, you know," he said. "They don't want to buy a pig in a poke."

Then Kamberos got to the point: "OK, now what do you want?"

Ms. Zekman told him the previous lawyer had confused her for weeks with an on-again, off-again expense money.

"Well, I can get you expenses," Kamberos said. "Don't worry about that."

Ms. Zekman said the previous lawyer had told her that was illegal.

Ms. Zekman said the previous lawyer said such a thing would involve falsifying an affidavit.

"I'll put it in the medical bills in some other category like medical," he said. "That's what I'll probably do. . . . It's sort of stretching the imagination, you know.

Then he smiled as he thought of a little joke: "See, if your father found out, it WOULD be a medical bill. This is sort of preventative medicine."

On the other end of the transaction, lawyers sometimes coach adoptive parents on how to pay illegal money without being caught.

Asst. State's Atty. Nicholas Iavarone said investigators in 1974 tape-recorded a conversation in which a lawyer falsely told an adoptive parent the mother was demanding big money and jacked up the adoption cost to $6,500. Ivarone said the lawyer advised the parents that the best way to obtain the money without leaving telltale bank records would be to borrow it from a relative and discreetly pay it back later.

A third lawyer who offered illegal payments to Sun-Times reporters was Jerome J. Zelden, who has offices at 33 N. Dearborn.

After several conversations with reporter Zekman, who again was posing as an unwed mother, Zelden told her: "I have talked to the couple again and they are willing to subsidize you by $150 a month, so that should work out perfectly. They will pay me and I will give you the money."

When Ms. Zekman later pressed him for a full explanation of how the money would be accounted for, the lawyer answered:

"There is an affidavit which will be filed with the court which sets forth the expenses an individual has to pay—that is, what the adoptive couple paid. I am going to have to say that these expenses were for things other than what they were for.

"It's prohibited by law," he said, and then changed his mind: "It's not illegal." Then he hedged once more: "Well, it's sort of a gray area. But in the affidavit we will just have to list this as something else."

"What will it be listed as?" Ms. Zekman asked.

"Well, possibly we'll show it as part of my legal fees—but you see, this is something the adoptive parents have to worry about. They have to say on the form that these are legal fees. You don't.

"You will only have to talk to a social worker from the court," he advised. "I will be with you and prepare you every step of the way. You are going to state, since this money is being paid to you in cash, that this money was for prenatal expenses. Do you understand?

"Actually," he added, "I'm the one who is on the hook, if you really want to know, because I have to account for the money spent, the expenses. It is my risk. I am the one who can get in trouble, but you have nothing to worry about."

[From the Chicago Sun-Times, June 15, 1976]

Baby Deals: How Doctors, Lawyers Do It

(By Pam Zekman and Bob Olmstead)

It's the black-market-baby version of ambulance chasing—doctors and lawyers who team up to make money on the babies of unwed mothers.

Raymond I. Suekoff, the chairman of the Chicago Bar Assn. committee on adoption law, calls such doctor-lawyer teams "an unholy alliance."

"When a doctor and lawyer work together referring cases, it becomes a commercial operation. It is very bad. They are not trying to do something good. It's a lucrative business that way."

It happens often enough that social workers cited these examples which they say happened to unwed mothers they were counseling:

The girl was on the hospital delivery table, her feet in stirrups, when the doctor asked if he could arrange the adoption of her still unborn baby. The girl went into hysterics.

The doctor was furious at his patient when she saw her baby for the first time and decided to keep it rather than give it away through him for adoption. "You're costing me $2,000," he screamed.

Another doctor was so angry at his patient—who decided to give her baby up through an agency rather than through him—that he refused to release her from the hospital even though she was fit.

A doctor's lawyer hounded a girl in the hospital for her baby so much that her room had to be changed and her calls screened.

Lawyer Stephen Pinto explained to a Sun-Times reporter who was posing as an adoptive parent the economics of the "unholy alliance."

"Usually I get three or four girls a year on my own, and then it is just the hospital and medical expenses, plus my fee, which is reasonable" ($500, he said).

"But when you have to find a child. . . . Well, the referrals I get usually come from doctors and hospital administrators and that means it could cost between $5,000 and $6,000."

"Is that a finder's fee?" the reported asked.

"Well, yes," Pinto said. "It is selling a baby, that's what it is."

One example of a doctor-lawyer team explored by The Sun-Times was that of Dr. Albert Chams, an obstetrician at 30 N. Michigan, and lawyer Jerome J. Zelden, of 33 N. Dearborn.

On the telephone, reporter Pam Zekman told Zelden she was Patricia O'Malley, single and pregnant, and was determined to give up her baby. Then she visited him at his office, where she found him to be in his 40s, rather courtly and with long graying hair and a goatee that makes him look like Burl Ives.

He told her he had handled 150 to 200 adoptions since he became a lawyer in 1959. He told her he had three possible couples lined up for her baby, "all personal acquaintances of mine."

"Do you have a doctor?" he asked. When he was told yes, he went on: "Well, I would prefer that you use my doctor. He is a very fine doctor. He is the head of OB-GYN (obstetrics and gynecology) at Edgewater Hospital and he works at several other places.

"He is a personal friend of mine and I would feel more comfortable if you use him. You do not have to, of course, but I would prefer it."

At their next meeting, Zelden told "Miss O'Malley" he had arranged for the adoptive parents to pay her monthly living expenses, and the money could begin as soon as she saw Dr. Chams.

"I want you to make an appointment with him as soon as possible. I have talked to him about you and he is expecting a call from you. As soon as he checks you out and makes sure everything is put together right (here he smiled at his euphemism for pregnant), then we can start giving you the money."

To find out if Dr. Chams, in turn, referred unwed mothers back to Zelden, the pregnant wife of a Sun-Times staff member went to Chams' office for an examination. She said she was from out of state, unmarried, and had gotten Chams' name out of the phone book.

When the woman and reporter Zekman, who posed as her sister-in-law, arrived for a 3:30 p.m. appointment, they found 24 women, most of them pregnant, in the crowded waiting room and even out in the hall, where they sat on folding chairs and on the floor.

More than an hour later, the pregnant woman was summoned to an examination room. Dr. Chams, a stocky, olive-skinned man, entered and looked at her chart. She told him she was going to give her baby up for adoption and he said:

"Do you want me to arrange it?"

"Can you do that?"

"Oh, yes," said Chams.

"Should I go to an agency?"

"Oh, no. We can take care of it. . . . All your expenses will be paid by the people who are going to adopt. They will pay for everything but the first (doctor's) bill" (which was $40).

"Is that legal?"

"Oh, yes. I have a patient who wants a baby. We can take care of it."

Dr. Chams, who knew nothing of the pregnant woman's finances, next urged her to "apply for public aid in case there's something wrong with the baby. Then public aid will pay and you won't be stuck with the expenses."

Later, Dr. Chams again urged the pregnant woman not to go to an adoption agency because, he said, she probably would receive inferior medical care at a public hospital. "It is much better if you are seen by a private physician," he said.

Dr. Chams, who addressed his patient as "Sweetheart" and "Honey," also urged her again to sign up for public aid. When she said she couldn't because she lived with her brother, he told her to lie.

"Tell them you are not living with your brother," he said. "Tell them you are living by yourself. I want you on public aid because, God forbid, if something should happen with the baby, then they (the adoptive parents) won't pay for it."

In a phone conversation, Chams once again coached her on a phony story for public aid. He not only told her to lie about living alone, but also to say she intended to keep the baby and that she did not intend to return to her home in Maryland.

"Tell them that story. OK, Sweetheart?"

He also gave her a phone number and told her to get in touch with a lawyer, who turned out to be Jerome Zelden. "I usually tell him to take care of it," said Dr. Chams. "He handles adoptions."

He added that Zelden would represent the parents, and the unwed mother could get her own attorney if she chose.

The pregnant woman called Zelden, who proved skittish over the telephone. "People shouldn't talk on the telephone," he told her. "You never know who's listening."

Then, accompanied by her "sister-in-law" (this time impersonated by Sun-Times reporter Carolyn Toll), the woman visited Zelden in his office, where he interviewed them in a library.

"I presume the father is unknown," said Zelden.

"No, he is not unknown," said the mother, "but I do not want to reveal his name."

"Then," Zelden repeated meaningfully, "he is unknown."

"'No, he is not unknown," said the mother, "but I do not want to reveal his name."

Zelden looked at her, exasperated by her apparent denseness, and explained carefully:

"If the welfare department knew that you could name him, because of the Supreme Court Stanley decision you would be required to track him down and get his consent to give the baby up for adoption. But if you said he was unknown, this would not be required.

"So," he tried once again, "if any of these agencies ask you about the father, what . . . is . . . your . . . answer?"

"Unknown," she said at last.

Zelden seconded Dr. Chams' urging for her to get on public aid, but told her not to lie about it. He assured her that if she were turned down and anything happened to the baby, he would personally pay for medical bills.

He also said he would pay for her plane fare home to Maryland, although he emphasized that this was not an expense allowed by the court. "It will be our little secret," he said, and winked conspiratorially.

THE INSTANT-INFANT MARKET HURTS

The series of stories that began in Sunday's Sun-Times lays out a bleak picture of baby-selling in Chicago and the nation and even internationally. Black- and gray-market baby sales have zoomed in the last five years as legalized abortion and the recent willingness of unwed mothers to keep their babies have drastically cut the supply. Federal and local laws and court regulations, shaped when babies were more plentiful and less profitable, can no longer control the situation.

That the law is being broken is bad enough. But the real issue is that people are being hurt—people who have virtually no recourse because they're afraid, ashamed or unable to complain afterward.

Who gets hurt?

First, the children, whose fate is too often placed in the hands of adoptive parents whose overriding virtue—in the eyes of the black-marketeer—is that they have the money.

Two social workers told a Sun-Times reporter about the adopted child who was "a lemon."

The parents had paid $10,000 for her as a baby, and when she was almost 2 they realized she was brain-damaged. The father took her to a welfare agency and told the stunned social workers: "If you buy a car you don't like, you can always return it. If it's a lemon, well, what do you do with lemons but return them?"

Another told of a boy adopted for "a great deal of money" who was committed by the parents at age 5 to Lincoln State School as retarded. He stayed there for nine years until "someone discovered he wasn't retarded at all. . . . He was a little hyperactive, and of course nine years at Lincoln didn't help."

The adoptive parents can get hurt by price-gouging, blackmail and years of fear that their adopted baby will be taken away because the mother was paid illegally. And, unfortunately, they're correct in that fear. One child-welfare expert says the chances of having an independent adoption reversed by the courts is 13 times greater than in conventional agency adoptions.

Sun-Times reporter Pam Zekman talked with many adoptive parents, all of whom were afraid to allow use of their names. One man told her his wife lived in fear of their lawyer because he once told her: "The only one who can take your baby away is me."

The natural mother in black-market deals can also be subtly but cruelly hurt. The middleman will hardly give her even-handed counseling, including the possibility of abortion or keeping the baby herself. His money depends on one thing—getting her to sign away her baby 72 hours after it is born. Without counseling, she often lives out her life with a feeling of guilt, wondering if she had been bought.

Even those not involved can get hurt. They are the hundreds of equally deserving adoptive parents who don't have the money to compete in the high-stakes bidding in the black market—the parents who wait up to four years in Illinois to get a baby from a conventional adoption agency.

In response to the Sun-Times series, John Cadwalader Menk, Chicago Bar Assn. president, has announced the bar will investigate the role of lawyers in black-market adoptions. This is a good start, but not enough.

Congress and the General Assembly must bring up to date their laws to control this newly flourishing evil. Circuit Court, where judges said they believed there was little abuse in Cook County, must crack down on the small number of lawyers who make big money casually arranging people's lives with less thought than most people spend on matching up blind dates.

[From the Chicago Sun-Times, June 16, 1976]

BABY BROKERS TWIST LAW IN SALES PITCH

(By Pam Zekman and Bob Olmstead)

Chicago's gray market in babies has all shades of gray from the lightest to the darkest—with a little purple passion thrown in.

The surprising purple was turned up by reporters posing as unwed mothers who found that lawyers tended to treat them casually and unprofessionally. One politically well connected lawyer insisted on discussing business with a woman reporter in his bachelor apartment, where he made suggestions seldom found in law school textbooks.

The phenomenon illustrated what ethical lawyers and social workers say is a frequent evil of gray market adoptions—the conflict of interest that arises when a lawyer represents both the natural mother and the adoptive parents.

In such instances, which have been ruled improper by the Chicago Bar Assn., the natural mother can fail to get adequate counseling and the same respect and protection from the lawyer as the couple for the simple reason that the couple is paying him and the mother isn't.

The gray market in adoptions, as defined by Circuit Court Judge Harry G. Comerford, is when "the attorney keeps a list of clients on hand who want to adopt.

"The very fact that he keeps a list of clients like that for babies—even though he doesn't charge much money, say $500 or $600—that is gray market.

"He is doing nothing illegal as far as his charge is concerned, but he is in violation of the Child Care Act if he is selecting parents. . . . He's functioning as an attorney, but he is spilling over into the Child Care Act and he is technically violating the law."

The lightest shade of gray found by Sun-Times reporters were the lawyers who kept lists of prospects but who unequivocably told reporters in their poses as unwed mothers or adoptive parents exactly what the law allows in other areas.

Darker gray surrounded lawyer Bernard Davis, of 124 N. La Salle.

Like other lawyers reached in the two-month investigation, Davis rather unsubtly coached reporter Pamela Zekman on the desirability of lying to the court investigator who would ask her who was the father of her unborn child.

After Ms. Zekman initially said she knew the father, Davis gave her a lecture on the U.S. Supreme Court's Stanley decision, which has held that illegitimate fathers also have rights to the child.

"The only way you are going to get around that," he said, "is if you don't know who he is. Now, do you know who the father is? What would you say to the social worker?"

He approved her revised answer, that she didn't know who the father was.

Unlike a competent and unbiased counselor who would make sure the unwed woman had carefully thought about all her options, including abortion and keeping the baby, Davis praised her for giving her baby away, which he said was the only sensible course.

He was also vehemently against her exercising her right to see and hold the baby during the 72-hour period the law gives her to decide whether she wants to give it away or keep it.

"I don't like that," he said, waving his arms. "I don't like that at all. It's no good for you, no good at all. I don't want you to see that baby . . . I don't want you touching that baby."

Davis also told reporter Carolyn Toll, posing as an adoptive mother, that the natural mother of her prospective baby was insisting on getting five to six months living expenses.

"It's not permitted to do that, of course," he said candidly, "but you have to decide if it is morally digestible to you."

He also advised her that he could get her Mexican or black babies.

Later, Davis telephoned Ms. Toll and offered her another baby, to be born to a married couple that already had several children and had unsuccessfully attempted to abort their expected baby. During a second office visit, he showed Ms. Toll, accompanied by reporter Tom Dolan posing as her husband, photographs of the couple and their family. He estimated the cost at $3,500, of which $1,000 was his fee and the rest medical expenses, he said.

The gray-market lawyer with the fastest footwork was Marshall Ravich, who shares offices with Stanley T. Kusper, Jr., the county clerk. Ravich alternately proclaimed his ethical purity, dangled the possibility of illegal acts before a reporter posing as an unwed mother, berated her for showing interest, boasted of his political clout, insisted the woman reporter meet with him in his bachelor apartment, and ultimately referred her to another lawyer, who he said would not flinch at anything.

Reporter Zekman, posing as Pat O'Malley, a pregnant 22-year-old ice skater who didn't want an abortion, was referred to Ravich by a nurse at an abortion counseling center that advertised in The Sun-Times.

At first, Ravich told her he didn't specialize in adoptions, but later told her he was currently handling three.

Ravich appeared to face the conflict-of-interest problem squarely by telling the "unwed mother" he would represent the adoptive couple and technically he could not also represent her. However, he gruffly added that if, after their little chat, she felt she could not trust him and wanted to have her own lawyer, "Well then, it would be difficult for us to do business."

He told her she would get hospital and medical expenses paid and "that is your right under the law. . . . Now we don't sell babies in this office. If you are interested in selling your baby, then there are plenty of attorneys out there who will do that, but not here."

He also told her not to lie about the identity of the father because the father would have to be notified and his consent obtained.

He gestured around him and told the "unwed mother" to note the lush offices and the names of the politically powerful men on the door. The lesson, he said, was that she was "in good hands here and everything is above board."

However, he soon began suggesting how corners could be cut.

He pulled out a copy of the affidavit of expenses that must be submitted to the court and said, "Now there is a category here called 'care.' I never understood what care meant. But there are all kinds of things we could list under care.

"Now you mentioned something about needing to move out of the house and getting an apartment. Well, we could list that under care and pay our expenses that way. I can understand that. And then there is convalescence."

Without prompting, Ravich went on to a new area: "Now if you should want something in addition to that—say you should want $5,000 over and above that—well, that would be what we call under the table. It is illegal. It is criminal."

But the subject was not yet closed. He continued: "Only three people would know about that and it would not be included here. It would be me, the parents and you. Now, if you are thinking about something like that, well, we have to talk about that."

He paused and waited for a response, and Ms. Zekman, as the unwed mother, said, "Well, I don't want to do anything illegal. But I do need some money."

"You are not getting my point," he said, irritated. "I have explained to you how we can put in for a lot of costs under care and convalescence. That will take care of your living expenses when you want to move out. You are not getting my meaning. . .

"Now listen carefully. There are all kinds of ways to do things. Now if you should want $5,000 under the table or something, well then, we have to handle that differently. It would be totally under the table.

"Now what do you want, Pat?"

Pat tried to remain an uncommitted dullard, but Ravich wouldn't let her off the hook, demanding to know how much she wanted "over and above what we can put in convalescence."

When the "mother" finally muttered "a couple thousand," he abruptly changed his tack, calling her a criminal and telling her she would end up spending her skating career in a reformatory.

After thoroughly scaring "Pat" on the possibility of going to jail, he shifted gears again:

"Now I am not saying you can't have it. I am not saying that at all. But I have to think about it and you have to think about it. And I have to ask the couple if they want to take the chance. If not, I may have to find another couple for you."

During a later telephone call, Ravich said the adoptive parents had balked on the advice of another attorney they had hired. He returned to his theme that such a payment would be illegal and that it wasn't a good idea anyhow. He then turned to one of his favorite topics—his connections and power.

"And like I told you before," he said, "the court that handles this—well, that court, they'll do a political favor once in a while. You know, the judge (Harry G. Comerford) will bend over and not always be prim and proper—but in adoption procedures he is a maniac, he is prim and proper to the letter."

Ravich likewise told reporters Mary Dedinsky and Larry Weintraub, posing as adoptive parents, that although the judges handling adoptions could be influenced on other issues, they were very strict on adoptions.

He also drew their attention to Kusper's name on the door and boasted: "I could hold up the First National Bank in broad daylight and not get in trouble with this firm."

Judge Comerford angrily denied the suggestion that the court could be influenced on any matter. "That is not true," he said, "in adoptions or any other area."

"Pat" later called Ravich and said she needed only money for living expenses. He gave her his home telephone number and said he wanted to meet her in his bachelor apartment high in Lake Point Towers to talk about how the money could be paid. Such matters could not be discussed in his office or on the phone, he said.

When she asked if such payments were proper, he said: "If we do it, we can't show it. We would have to put the living expenses in with the doctor bills or under care if your doctor would be willing to do that. . . . It is OK if you do it the way I tell you to do it. That's what we have to talk about. I won't talk about it on the phone."

A few days later Ravich brought up the proposed meeting again, and jested about whether or not he could trust her alone. In her condition, he certainly could trust her, she said, and Ravich laughed. He set a time for the meeting, which took place a short time later.

In Ravich's plush apartment overlooking Lake Michigan, he assured her the payments were possible, and that she had nothing to worry about. First, he told her to ask her doctor to issue inflated medical bills to cover the illegal living expenses. Getting the inflated bills approved by the court would be no problem, he said.

"Just give them to me," he said. "I will just get them approved."

If the doctor refused, he told her, "I will refer you to someone or I will handle it, but don't worry. It will be taken care of."

Even though he couldn't formally represent her, he said, "I'm going to help you and protect you even though you can't say I'm your lawyer. . . ." He told her she wouldn't have to pay anything for his services, adding: "You just have a beautiful baby."

Currently, he said, he was keeping a low profile because "I'm about to be made a judge, and I can't take any chances; it's not worth it." The judicial robes could come, he said, "anytime I decide and I am ready."

Ravich also told the supposedly pregnant woman, in what she took as heavy-handed humor, that because he worked in a "politically heavy" law firm he could get any kind of license he wanted, including a marriage license for the two of them. He suggested they could back-date it to before she was pregnant. "You could say it was our kid. Then we could get a divorce."

Then the 40-ish lawyer told the "unwed mother," "I'm not used to sitting in my living room with my clothes on. Would you mind if I took them off?"

When she said she would mind, he wanted to know if her experience had turned her off to all men, or if she could be interested in him.

In her condition, she repeated, she wasn't much interested.

Could she be interested afterward? he pressed. Did he have a chance?

She firmly suggested no, and the urgent legal conference ended with Ravich observing that "Miss O'Malley" was certainly one of the "colder cookies" he had ever met.

Top Law Officials Pledge Probe of Adoption Abuses

(By Pam Zekman and Bob Olmstead)

Top officials of four law agencies Tuesday promised an aggressive investigation seeking abuses in Illinois adoptions.

The officials met in response to stories in The Sun-Times that have told of baby black-market and gray-market practices found during a two-month investigation by reporters posing as unwed mothers and adoptive parents.

Those who met and promised the investigation were Circuit Court Judge Harry G. Comerford, one of two adoption judges in Cook County; Illinois Atty. Gen. William J. Scott; State's Atty. Bernard Carey; John Cadwalder Menk, president of the Chicago Bar Assn., and their aides.

The spokesman for the group, Raymond I. Suekoff, chairman of the bar's committee on adoption law, said, "There will be no whitewash but no witch-hunt. If there is something illegal, we want to correct it."

Suekoff said the Bar Association will be especially concerned with determining if Illinois law can regulate adoptions as babies become increasingly scarce and profitable.

Judge Comerford did not say whether he intends to open sealed adoption court files to investigators from the state's attorney's office or if he will grant immunity to adoptive parents who talk about black-market involvement.

On another front, the Illinois Department of Public Aid opened an investigation into bills submitted by Dr. Albert Chams, who has offices at 30 N. Michigan and 3425 W. Peterson.

The Sun-Times in Tuesday editions told how Dr. Chams repeatedly urged a pregnant woman to lie to the department so the state would pay her medical bills.

Chams told the woman, who was taking part in The Sun-Times' investigation of the adoption scene, that it was important to lie to get on public aid so the state could pick up the medical bills that might ensue if her baby were born deformed.

Public Aid Director James L. Trainor Tuesday called such an act by a doctor "reprehensible."

He said the department would review all the bills submitted by Chams and three other doctors in the same office.

A public aid spokesman said that in 1975 Dr. Chams submitted bills totaling $56,000 and was paid $28,000. The spokesman said the two figures were different because Chams repeatedly submitted bills that were higher than the allowable payments.

The spokesman also said records showed that another doctor in Chams' office submitted bills for $162,996 in 1975 and was paid $83,243.

Trainor also said department investigators would question the 37 public-aid patients cared for by Dr. Chams, an obstetrician and gynecologist, to determine whether any were urged to lie to get on welfare.

Tuesday's story described the co-operation of Dr. Chams and lawyer Jerome Zelden of 33 N. Dearborn in referring adoption cases to each other.

[From the Chicago Sun-Times, June 17, 1976]

One Man's "Far-Flung" Adoption Agency

(By Pam Zekman and Bob Olmstead)

The most needlessly complicated adoption agency in the world may be that run by Easter House, 111 N. Wabash—and at least half a dozen governmental bodies would like to know why.

The structure involves five foundations and agencies in Chicago, Delaware, The Netherlands and Mexico that shuffle applications for babies back and forth with an impressive show of paperwork.

In reality, however, the far-flung machinery is controlled by one man, Seymour G. Kurtz, 46.

Kurtz, a lawyer, has dabbled in setting up a rejuvenating health farm in the Bahamas in addition to his adoption interests.

One of Kurtz's agencies is Stichting (Foundation) Susu (named after his daughter Susan), located in The Hague in The Netherlands. Kurtz and his associates repeatedly have told adoptive couples that their applications would be processed through Stichting Susu, which they described as a child welfare body with international contacts.

In reality, Stichting Susu was nothing but a post office box, with Kurtz himself flying to Holland to pick up the mail.

Asked about the five agencies, Kurtz admitted to The Sun-Times, "Actually, I am the only one who controls the whole shooting match. It's all me."

One of his explanations of why this byzantine organizational structure is necessary is engaging but uninformative. "What can I say?" he laughs. "I'm an incurable romantic."

When pressed, Kurtz says the network is the preliminary stage of an international effort to find new sources of babies for American couples who want to adopt.

However, some investigators see the Kurtz operation as shot through with misrepresentations and opportunities for tax-dodging, illegal baby-selling and freedom from effective regulation by any one state or country.

"He may have found the foolproof scheme," said an investigator for the Illinois Department of Children and Family Services, who has turned over his findings to the state's attorney's office.

"He has created such jurisdictional problems that no one can get their teeth into it. He's all over the map."

The normal charge to an American couple getting a baby through Kurtz is $4,000, plus $900 in legal fees (should a couple wish to employ attorneys referred by Kurtz), plus $150 for a home study, plus the cost of going to Mexico to pick up the baby.

Thomas Howard, chief enforcement officer for the Department of Children and Family Services, said, "A bell goes off in my head when we are talking about $4,000 to $5,000.

"I understand that the agencies have to pick up medical and other expenses, but my concern is when you can't really trace any of this money . . . and that is awfully close to what I call selling."

A fee of $4,000 to $5,000 is high even in the United States, where medical expenses for a cesarean birth could run $2,500. But Kurtz's babies are born in Mexico at a far lower cost.

For example, Kurtz told the Sun-Times that in Juarez the unwed mothers are cared for in a clinic where the medical bills average $120.

Al Velarde, Southwest regional director of the U.S. Catholic Conference, who has handled many Mexican adoptions, was asked his opinion of the $4,900 cost. "You've got a black market with kids," he said. "Oh, boy, that is high."

Velarde said that in his experience in Mexico the court and lawyers fees total around $150.

Kurtz admitted to The Sun-Times that there is fat in the $4,900, but said he gets none of it. Americans who pay that amount help subsidize his Mexican agency, Casa del Sur, so it can allow Mexican couples to adopt for nothing, he said. There are three free Mexican adoptions for every single American adoption, he said.

Another disturbing aspect of Kurtz's operation discovered by The Sun-Times is that one of his five agencies, Suku Inc. (again named after Susan Kurtz) is a for-profit corporation registered in Delaware.

Private attorneys recommended by Kurtz keep only $90 of the $900 in legal fees paid by the couples. The remainder—$810—goes to Suku Corp.

Kurtz, the sole Suku stockholder, says he hasn't made a penny from it. He said part of the money pays the expenses for Suku to handle legal paperwork and negotiations with immigration offices. Some $300 is used to pay Mexican attorneys, he said. In addition, Suku lent $6,700 to Casa del Sur last year, Kurtz said.

Suku is late in filing a financial statement with Delaware and owes taxes there.

A Sun-Times investigation also discovered that the fifth Kurtz agency, the Tzyril Foundation, also at 111 N. Wabash, filed federal income tax returns in 1973 and 1974 as a tax-exempt organization even though it was not registered with the IRS as tax exempt.

Kurtz acknowledged this, calling it "an error by the accountant . . . a misunderstanding." In any case, he said, it was unimportant because the Tzyril Foundation didn't make any money to pay taxes on.

One reason Kurtz's Tzyril Foundation didn't make money is that it gave a total of $61,000 in 1973 and 1974 to Kurtz's Casa del Sur, which he said is registered in Mexico as a not-for-profit body. In addition, records supplied by Kurtz show Tzyril spent $16,000 for his own travel in the same two years, a period when he was flying to Holland to pick up Stichting Susu's mail.

One couple who adopted a baby through their own efforts in Mexico ran into Kurtz at Casa del Sur and remember him well.

"His opening remark to us," said Mrs. Beryl Soparker, "was, 'Any questions you have, the answer is yes.' Then he told us he would get us a child that matched our coloration, which was impossible. My husband is Indian and I am blond and fair."

Mrs. Soparker said Kurtz told them the cost would be between $3,000 and $6,000. She and her husband looked elsewhere.

Kurtz contends he is the victim of a politically inspired attempt by the Department of Children and Family Services and a former employe, Millicent Smith, to blacken his name and steal his files and his business. He is suing both, and has charged Ms. Smith with selling a baby for $3,000 to a couple his agency handled after she left his employment.

Ms. Smith was executive director of Easter House for 10 years until she quit in January, 1975, and opened her own agency, which uses the name Easter House Adoption Agency Inc.

She says that until 1973 Kurtz, who was president of Easter House, paid little attention to it, that adoptions cost $2,500 and the operation was entirely ethical. Then, she says at a time when Kurtz was pressed by financial troubles, including years of IRS tax liens against him, he unveiled his Mexican operation, promising that "we were going to make lots of money."

The way it was outlined, she said, adoptive parents who called Easter House would be referred to Stichting Susu in Holland, which would be described as an organization having affiliates around the world. "The truth was the agency in The Hague was a post office box," she said. "A year ago he rented an office there, but it has no personnel."

(One couple told The Sun-Times that for a long time after applying for a baby at Easter House they were under the impression the baby was going to come from Holland or European agencies working with Susu.)

Actually, Ms. Smith said, the only agency Susu dealt with was Casa del Sur in Mexico. Casa del Sur, in turn, would tell the couple that Easter House would do the fitness home study, at a cost of $150.

"I couldn't understand why he was going this circuitous route to do the same thing we were already doing. It didn't make any sense to send couples all the way to Holland and have them wind up back with us anyway. . . . He said it was a tax shelter, a way of getting money out of the city."

Ms. Smith also said that Kurtz told employes to process the applications fast so they could collect the $150 home study fee on each one. In addition, she said, Kurtz told them they would get a "kickback" on the legal fees.

One day, she said, Kurtz brought into the office a sample sign being tacked on trees and posts on country roads in Mexico. The signs urged people to send their unwed women to Casa del Sur, which would arrange for adoptions.

Kurtz confirmed that not only were such posters put up but similar brochures were handed out in churches. He said the Roman Catholic Church in Mexico was grateful for his anti-abortion efforts.

Also grateful to Kurtz are some couples who got Mexican babies at reduced prices.

Mrs. Audrey Kaplan, whom Kurtz referred to the Sun-Times, said she paid only $1,500, plus the $900 legal fee. She said Kurtz told her that he approved the reduced rate but that she would also have to get the special approval of Stichting Susu in Holland.

Mrs. Kaplan, told that Kurtz and Stichting Susu are synonymous, refused to believe it.

Incorporation and other records give this background of the Kurtz network:

Easter House, 111 N. Wabash, a licensed adoption agency in Illinois, registered as not for profit since 1962. Kurtz is president. Four of the nine directors listed in the 1975 annual report told The Sun-Times they were never asked and did not know they were listed as directors. Another refused to comment.

Tzyril Foundation, 111 N. Wabash, listed as a tax-exempt charitable organization with the Illinois attorney general's office, but not with the IRS. Not a licensed adoption agency. Its only known activity is receiving applications from Easter House and referring them to Casa del Sur or Stichting Susu.

Stichting Susu, The Netherlands, registered with the Dutch government in August, 1973, as a not-for-profit foundation. The only known staff is Kurtz as president and Margo A. Hamilton of Skokie as associate director.

Casa del Sur, Mexico City and Juarez, a licensed adoption agency. Kurtz is the founder. Kurtz says it has handled 43 adoptions to Mexicans and 13 to U.S. citizens.

Suku Corp., registered in 1974 in Delaware, where authorities say it has never filed an annual report and owes $120 in taxes. Kurtz is vice president and sole stockholder. President is Gary Davidson, who Kurtz says has been paid $4,000 in salary.

A final unsettling note for Americans picking up babies with what they believe are final adoption decrees is this:

Agent Ted Georgetti of the U.S. Immigration and Naturalization Service in Chicago says Kurtz appears to have made special arrangements to avoid the usual six-month wait before the adoption decree becomes final.

"He's getting decrees from judges that get around normal Mexican custody procedures. There is a custody regulation that the child has to be with the adopting parents for at least six months before the adoption can become final," Georgetti said.

"The judges are issuing special decrees in Kurtz cases negating the law. There is nothing we can do about it as long as the Mexican government or courts are willing to put up with it."

Kurtz contends the six-month wait is only for abandoned children. When the mother signs a consent there is no such wait, he said.

Probers To Get Affidavits on Expenses of Adoption

(By Pam Zekman and Bob Olmstead)

Circuit Court Judge Harry G. Comerford said Wednesday he will give state and county prosecutors affidavits filed in the last 18 months attesting to adoption expenses.

Comerford, one of two Circuit Court judges hearing adoption cases, said the move is the preliminary step in the co-operative investigation into adoption abuses announced Tuesday by four law agencies.

The investigation by the Circuit Court, the attorney general's office, the state's attorney's office and the Chicago Bar Assn. was in response to a continuing Sun-Times series detailing adoption abuses.

Comerford said the affidavits would give investigators the names of couples involved in independent adoptions. The investigators want to know if lawyers in the cases filed a false account of expenses paid by the couples and if the lawyers violated the Child Care Act by acting as unlicensed adoption agencies.

Both offenses are misdemeanors.

John Cadwalader Menk, bar association president, said the investigators have "agreed that everything should be done to protect any adoptive parents who would be willing to assist in this investigation."

Comerford said that at this point the only affidavits examined would be those of lawyers mentioned in The Sun-Times series. However, Atty. Gen. William J. Scott said he wasn't certain the investigation should be limited to these lawyers.

Scott said the investigators were concerned that some lawyers might be farming out adoption cases to hold down their own total and avoid suspicion that they are methodically seeking babies.

The announcement did not mean that sealed adoption records are being opened. Comerford said the affidavits are kept separate from the sealed adoption records, and at this point the names of the natural mothers will not be given to investigators.

[From the Chicago Sun-Times, June 18, 1976]

Unwed Mothers Who Didn't Sell Out

(By Pam Zekman and Bob Olmstead)

She was 22, had two years of college and was on a summer vacation in Germany when she was raped.

It was a violent experience that exploded during a date with a young German. She didnt report it because she didn't want the red tape, and she left immediately for her home in a Chicago suburb.

"I knew I was pregnant right from the start because everything bad happens to me," said Carol, which is not her real name. "I just knew it.

"I didn't know what to do. I was actually dreaming about just running away and having the baby and then reappearing. It was a fantasy.

"When I started showing, I knew I was going to have to tell my parents, and I was so distressed about it. Then I had a stroke."

The stroke was a mild one that she blames on the turmoil she was going through. And her parents found out about the pregnancy when she collapsed and was examined by a doctor.

When Carol was six months pregnant she decided to put the baby up for adoption. But at this point she trusted nobody—neither her doctor, who said he had a family that would adopt the baby, nor Lutheran Children Services in River Forest, where a social worker gave her legal papers to sign if she wanted to go through the agency.

So she took the agency's papers to a woman lawyer in Chicago and asked her if the papers were proper.

"I figured she would be sympathetic because she was a woman," said Carol. "I wanted to ask her about my rights if I kept the baby. She didn't know anything about the adoption statutes and kept looking them up as we went along.

"Then she said that if we went the independent way and she handled it, she could probably get $8,000 for me. She said she knew people who wanted babies.

"She said that I would get money for my mental anguish and retroactive pay for the time lost on my job. Also the medical bills and doctor bills. It was like she was dealing with a personal-injury case or something and I was the injured party.

"I was shocked. I didn't know anything about this sort of thing until I got pregnant. I was angry. If I was going to charge someone for my mental anguish I wouldn't stop at $8,000.

"I said I would call her when I decided. She charged me $50 for an hour's consultation, and I never called her back.

"I'd never give up my child for money. I don't think you can put a price on a baby—and there was more to it than that. I wanted to be sure the parents would be good parents, not just people who could afford to pay for it."

So Carol went back to Lutheran Children Services, where a social worker she became close to helped her talk her way through the rough times. She doesn't think she could have gotten that kind of help from a lawyer who would have handled an independent adoption.

"People don't think of unwed mothers as anything more than a little pregnant creature who wants to get rid of the child and that they are there to help them get rid of the child.

"What do doctors and lawyers know about it? All they know is you have a nice smile and a nice dress and that the adoptive parents have money to pay.

"When I was going through this, I needed a lot of help. I was ambivalent. I had a hard time making up my mind, and the agency never pushed me.

"I was feeling like nobody cared about me. Nobody cared about the baby. Here I was going through hell and someone wanted to make money off of it."

Carol said the agency was invaluable. The social worker helped her weigh the pros and cons of placement, what problems to expect if she kept the baby, what problems to expect if she didn't.

"We met on a weekly basis," Carol said. "I needed it. There really aren't many people you can talk to about this, you know. Especially after.

"I went back to work and met new people, but what can you do when you can't talk about it—how you feel sick inside and depressed. I mean you can't go up to people and say, "Sorry, I'm so depressed, but, you see, I just had a baby and gave it away for adoption.' I was depressed and I was angry and I was hostile.

"The agency was my only outlet. It gave me someone to talk to."

Carol knows that if she had gone to a lawyer, he or she probably would have been able to give her more money and material help than did Lutheran Children Services.

"All someone like a lawyer can do," Carol said, "is relieve my physical problems. But he's not helping with my emotional problems like the agency did."

Judy Bemis, a social worker at Lutheran Children Services, acknowledged the agency can't compete materially with the independent adoption process.

"We have a $12,000 yearly budget for medical expenses," she said. "We are in a real crunch. We probably see 180 pregnant women a year, and we can't begin to pay all their hospital and medical expenses.

"We have arranged special deals with a couple of hospitals and get special rates, but we can't promise to pay for everything."

The agency also sometimes make arrangements with families, mostly on the North Shore, who will let a girl stay during her pregnancy if she has to get out of her own home. The girls do some household chores and baby-sitting in exchange for room, board and $20 to $25 a week spending money.

Girls in need of more supervision are sent to Booth Memorial Hospital, which has a clean and regulated dormitory.

If she had it to do over again, Carol said, she still would choose the agency over the lawyer who offered her $8,000.

"I have peace of mind," she said, "and that's what I needed."

Illinois Senate Approves Adoption Probe

Springfield, Ill.—The Illinois Senate Thursday adopted a resolution, sponsored by Sen. Richard M. Daley (D-Chicago), calling for an investigation of alleged abuses behind adopting babies in Illinois.

The action was taken while The Sun-Times published a series of stories disclosing irregular adoption procedures by some Chicago lawyers and doctors.

Daley's resolution specifies that a special Senate panel investigate The Sun-Times disclosures and report back in the fall session of the Senate.

[From the Chicago Sun-Times, June 19, 1976]

Senate Adoption Probers Promised Full-Scale Help

(By Pam Zekman and Bob Olmstead)

Sen. Richard M. Daley (D-Chicago) said Friday that a special Illinois Senate panel on adoption abuses will hire a full-time staff of investigators and consultants to help revamp Illinois adoption laws.

He said the investigative unit has been promised all the money and staff it needs to get the job done. "I talked to (Senate President Cecil M.) Partee (D-Chicago) yesterday," he said, "and he said we'll get as much money as we need."

The Senate adopted a resolution Thursday calling for Daley, chairman of the Judiciary Committee, to appoint a special subcommittee to investigate allegations of adoption abuses in a continuing series of stories in The Sun-Times.

Daley said the subcommittee will hold public hearings in August in Springfield and Chicago and hopes to have suggestions for new laws by the fall term.

"Truthfully," said Daley, "I don't think anyone realized the profit in this thing."

Daley said the investigators will work closely with the Department of Children and Family Services, Circuit Court Judge Harry G. Comerford, the Chicago and Illinois Bar Associations, the medical profession, social workers and private agencies.

"We will bring in everyone who has something to contribute," he said. "At the end we will try to come out with specific recommendations and changes in the law.

"We will try to be very careful not to hurt people—many are afraid to talk about it."

Daley said he had talked with Comerford, one of the two adoption judges in Cook County Circuit Court, and found him "very co-operative."

"I think very few people know about the entire adoption process, and people don't know there are abuses," Daley said.

"The sad thing is that when someone wants to adopt a child, they will succumb to any pressures that are made. Many of them will pay exorbitant prices for them."

The Sun-Times series, which began Sunday, has related how reporters posed as adoptive parents and were told they could adopt babies for prices as high as $10,000 and $14,000.

The reporters also found that some lawyers are methodically recruiting babies and keeping lists of hopeful couples, in violation of state law against baby-placing by anyone but licensed adoption agencies. The violation is classed as a misdemeanor.

In addition, Illinois law that prohibits paying an intermediary anything but "reasonable" fees for adoption cases is being challenged as unconstitutionally vague. That challenge will be heard Tuesday by the Illinois Supreme Court.

The Sun-Times investigative reporters were forced to impersonate unwed mothers and adoptive couples because there is virtually no other way to uncover adoption abuses. Adoption records have traditionally been sealed by court order to protect the privacy of the participants. And parties to black-market deals have been understandably reluctant to talk.

Especially reluctant have been the adoptive parents, who fear their baby may be taken away from them.

Atty. Gen. William J. Scott and State's Atty. Bernard Carey have also announced a co-operative investigation into adoptions. They, too, have promised to try to protect adoptive parents who come forward to talk.

Adoption authorities reached by The Sun-Times have explained that the price of adoptable babies has zoomed in the last five years as legalized abortions and the new willingness of unwed mothers to keep their babies have sharply reduced the supply.

A minority of abortion counseling centers have emerged as a new source of black-market babies supplied by women who can't have or object to abortions.

The reporters' investigation also has found that interstate and international traffic in black-market babies is even more flagrant than the local market. Child welfare experts say an absence of federal law regulating interstate adoptions and inability of local authorities to investigate and prosecute the interstate deals make the difference.

[From the Sunday Sun-Times, June 20, 1976]

A Baby Via Hotline Connection

(By Pam Zekman and Bob Olmstead)

It was both funny and horrifying.

Sun-Times reporter Pam Zekman, posing as an unwed mother-to-be, telephoned the number in a newspaper ad that said "Abortion Info Hotline, 787–3567," and offered her future baby for adoption.

Within days, the agency promised her baby to Sun-Times reporter Carolyn Toll, who posed as a childless woman married eight years.

As far as either could tell, Toll was chosen as the worthy parent simply because she was the first to come along and ask—this at a time when hundreds of Illinois adoptive couples wait up to four years for a baby and others are rejected altogether after careful investigation by licensed adoption agencies.

By any definition, it appeared that "Abortion Info Hotline" was breaking Illinois law by operating as an unlicensed adoption agency, promising a baby after an investigation that could only be called laughable.

Here are their stories:

ZEKMAN

I am Margaret Daniels, a 25-year-old professional ice skater, 12 weeks pregnant. I don't want an abortion. When I call "Abortion Info Hotline," I am told to come in the next day, a Saturday, and talk to "Liz" in the IBM Building, Room 2923.

The offices are plushly done—bold print wallpaper, white shag carpet with lots of plants and a big glass-topped desk. Liz is tall, slim and attractive, gliding around like a model in a print silk blouse, suede leather skirt and long bouffant hair. On her desk is a copy of a book on how to sell and make money, and lots of hotline messages.

She tells me about a home she heard about in Winnetka where I would have to work. Then she tells me about arrangements that could be made at Booth Memorial Hospital. In both instances my medical and hospital expenses would be paid.

I explain that I would prefer not to work and that I wondered if I can have an idea about what kind of people are getting the baby.

"Well, we could arrange to find adoptive parents for you," she tells me. She picks up the phone and calls her attorney, Bruce Richards, who tells her to get some basic information and note any questions she can't answer. The information consists only of this:

My name, address, phone number, birthdate, when I am expecting, and do I live with my parents. Period.

"Now," she says, "you would like to go to a hospital out of the city?"

I say I wouldn't mind, because my folks don't know.

"Well, we can arrange that. . . . We can arrange almost anything you want. I don't want to fill your head with pipedreams, but just tell me what you want—Hawaii, California, Florida—what do you want?"

When I ask if I can have living expenses, she says, "Sure. We should be able to arrange that. After all, you are giving away something, aren't you? You don't want to work, do you? Why should you? Actually, you are giving them something, aren't you? Why shouldn't you get your expenses?"

She says she will get some answers and get back to me.

But when I call her five days later, the possibilities of Hawaii, California or Florida have shrunk drastically. "We have a very nice place we'll be able to get for you in Wilmette or Winnetka," she says. "Lovely hospitals . . . the best care."

Eleven days after my visit, she still has no word on who will get my baby. "I am dealing with the parents right now. I've talked to two of them, but I have nothing to tell you right now."

TOLL

I am Carolyn Muchnik, age 33, married to a real-estate broker for eight years, no children, live in Park Forest. I call Abortion Info Hotline, 787–3567, and begin hesitantly, "It may be a long shot, but I wondered if girls too pregnant to abort might be known to you . . ."

I never get to finish my sentence because the woman on the other end interrupts me excitedly with: "We've got one."

"Excuse me?"

"We've got a baby right now. A girl just called us who wants to give her baby up. But she wants a lot of money. She wants to go out of town to do it all very privately because she's very embarrassed about the whole thing."

Barely taking a breath, she continues: "She's a professional ice skater, white, 25, a very responsible person who inadvertently got pregnant. Someone gave her the idea that an adoptive family would be able to help her financially, so she'll be wanting a lot of money. When do you want to come in?"

My head was spinning, it was all so fast. I made an appointment for the next day.

When we met, Liz was in a stunning outfit—white pants, black boots, leather belt and a blouse with a very low V-neck showing bits of navy blue bra. She sat down at her desk, pulled out a filled-in application form, placed it dramatically in front of her and said: "This is the baby!"

Then she placed a blank application form on top of it, gave me a congratulatory smile and said: "And this is the mother!"

The placement, apparently, was made.

For the record, she took my name, age, husband's name, his age, our address, husband's occupation, whether we had children or could have children. We want to adopt a newborn. We are Jewish and will take any white baby.

I ask her for a ballpark figure of what this is going to cost, and she says, "Oh, several thousand. There's the hospital, medical, lawyer's fees, and then something to keep her from getting depressed—at least until after the sixth month when it's too late to have an abortion."

She tells me this pregnant ice skater is very concerned about getting her baby into a white, middle-class, Protestant home.

I say, "Oh, we're Jewish, is that a problem?"

She says she'll find out, and offers me a cigaret. When I refuse, she asks, "Do you smoke?" I say no, and neither does my husband.

She writes furiously on a notepad and says, "Oh, any information we can get is useful."

It is as close as she ever got to asking one medical question about myself or my husband.

ZEKMAN—SAME DAY

I return a call to Liz, and as soon as I identify myself, she says breathlessly, "Oh, good. Are you Jewish?"

"No."

"Do you smoke?"

"I . . . Well, I . . . No, but I used to smoke . . . Why do you ask?"

"Because I have interviewed three couples and all three want answers to those questions," says Liz. "I don't know why, but they all do . . . Funny, the couples that can afford this thing are all Jewish."

"Well," I say in a brilliant afterthought, "the father's Jewish."

"Oh, that's terrific. Good. You don't mind if the child goes in a Jewish home, do you?"

TOLL

I get a call from Liz, who says, "I didn't get the lawyer, but I did talk to Margaret Daniels . . . Oops. Youre not supposed to know that. I'm not supposed to tell you her name. Anyway, she's Lutheran. The father's Jewish. She doesn't smoke."

ZEKMAN

I keep an appointment with Liz's attorney, Bruce Richards, 1 N. LaSalle, who spends 45 minutes with me, doing a conscientious job of pointing out my options, such as an abortion or going through an adoption agency.

He informs me unequivocally that it is "illegal and unethical for attorneys to solicit cases . . . This is a very funny business, very touchy . . . All I am is an intermediary. This is a friend of yours that you want to place this baby with, and I am just doing the legal work."

When I tell him that I do not know the adoptive couple, he answers, "Well, the point is, I did not solicit you."

I get the impression Richards is suspicious about my pregnancy. "When are you going to drop?" he says, and I stammer in embarrassment as I gather he is asking when the baby will be born. Richards has me stand up and observes that I am not showing, even though I am three months pregnant.

Throughout the interview, he reports over and over that it is illegal for attorneys to make a placement, that in this case he has not made the placement, that I and the adoptive parents were all matched up before we walked in the door.

However, he has no qualms about my receiving living expenses, and gives no hint how he will handle that illegal payment in the affidavit listing expenses paid by the adoptive couple.

He chuckles as he confides that once he had an associate who dealt in black-market babies "and a very sweet-looking reporter like yourself came to see him and pretended to be pregnant and the next thing he knew he was in the headlines."

* * * * *

That was so far as it went. Reporter Toll never adopted reporter Zekman's baby, although if it had been for real there apparently was nothing to prevent the baby from being handed to the first person who came along and asked.

There would have been a home visit by a court social worker after the baby was in its new home, but adoption observers say that such inspections are perfunctory and that tentative adoptions are rarely reversed by the courts.

Carl Amadio, the Department of Children and Family Services' adoption co-ordinator for Cook County, commented:

"It's so sad, you know. There is so much destructive stuff going on. The laws are just no good when you consider that somebody can't cut somebody's hair without a license, but we're allowing nincompoops to determine three sets of lives.

"It's one of those crimes against children that no one cares about."

[From the Chicago Sun-Times, June 22, 1976]

AN INSIDE VIEW OF A PROSECUTED BLACK-MARKET BABY ADOPTION RING

(By Pam Zekman and Bob Olmstead)

The tape-recorded voice on the telephone-answering machine identified the caller as Rosemary. Rosemary left this message:

"I just went to see Dr. Taris. He said I am fertile on the 8th, 9th, 10th and 11th. Get someone for me. I want to do it this month."

The message was found by Los Angeles investigators during the only known successful prosecution of an interstate baby-selling ring, a ring headed by one Ronald Silverton, a disbarred lawyer. The evidence turned up gives a fascinating glimpse into the way one large-scale baby market worked.

Silverton's operation was wide open. What Silverton and his associates lacked in discretion they made up for in flamboyance and imagination, said Richard Alan Moss, the Los Angeles County deputy district attorney who won the conviction.

Silverton's agency, called the Save-A-Life Adoption Service, placed gaudy ads in newspapers. His agents passed out brochures offering women money to become pregnant and give the babies out for adoption. They also cruised Sunset Blvd., stopping pregnant women and asking them if they were married and if they wanted money for their babies.

Despite the flagrancy, Los Angeles authorities didn't discover Silverton's game on their own. They were tipped off by a Utah judge who complained to them that Silverton had approached an unwed mother in Utah and proposed selling her baby to a Los Angeles couple.

"We investigated this case for 10 months," Moss said, "and then we were piecing it together even after they were indicted and during the trial.

"Operating this way (between states) makes it a mess to put a case together. There is no federal law or California law making it a violation to get a fee for placing a child," Moss said. He had to dredge up an old anti-slavery statute to prosecute the case.

"Distance, divergent jurisdictions, fictitious residences, questionable affidavits, all make it difficult," he said. That, coupled with the fear and reluctance of adoptive couples to co-operate with us and the absence of federal regulation and the legal loopholes. . . . Well, all that together permits an environment in which this activity flourishes."

Moss said Silverton started out placing colorful ads that pictured airplanes and swaying palm trees and gave this message: "Don't have that abortion. Have your child and a Caribbean vacation at the same time. All expenses paid, plus $5 per hour for light work suitable for pregnancy."

At first the women were promised the vacation and $3,000, but no one actually got it. To keep costs down and profits up, Silverton afterward offered only $1,000.

The ring charged $10,000 per baby, at which rate Silverton, who also was a certified public accountant, estimated they could make $3.3 million the first two years. Later, the cost to the adoptive couple went up to nearly $15,000.

Silverton also approached obstetricians and offered them $250 to $500 for each referral of an unwed mother, plus, of course, the medical fees.

He also lined up tipsters in welfare offices, abortion clinics and birth-control associations in nearly every state, Moss said. The kickback was to be $500 to $1,000 for every baby. Silverton was so convinced that everyone in abortion counseling was motivated by greed that he got into a ludicrous misunderstanding with Jane Pendergast, a figure in the antiabortion Right to Life League.

She rebuffed his offer of money for each referral of a pregnant woman by saying, "I'm not interested in money, I'm interested in babies." So Silverton, thinking she too wanted to sell babies, offered her one free baby for every five referrals of pregnant women.

Silverton's contracts even extended to a half-dozen foreign countries, Moss said.

Investigators found a carbon copy of a Silverton letter to a Yugoslavian woman promising her 2,000 dinars ($117) to get pregnant, free passage to another country where she would give birth, 24,000 dinars ($1,412) for the baby and free passage back to Yugoslavia.

And the offers of money for baby-making were not just fantasy. Investigators who checked into the Rosemary tape-recording found a note in Silverton's handwriting that said, "Rosemary is fertile 8th, 9th, 10th and 11th." They also found medical records that showed that a woman named Rosemary did indeed visit Dr. Taris and told him she was unemployed, didn't have a boy friend and wanted to get pregnant.

She had her IUD removed and had a baby nine months two days later.

Taris' records also showed that Rosemary said she was staying at the home of Wayman Wilkes, vice president of Save-A-Life and a chiropractor who had lost his license.

Wilkes, incidentally, testified at the trial that he was involved in Save-A-Life because he did not believe in abortions. The prosecutors thought this curious, since Wilkes had lost his chiropractor's license for performing an illegal abortion.

The case against Silverton, Wilkes and three others involved the attempted sale of the baby in Utah and three actual sales, all interstate. Moss said the three sales involved:

A baby from Los Angeles to a New Jersey couple. The couple's lawyer was Joseph Spencer, a nationally known baby broker from New York, who received $2,500 of the $10,000 sale price, Moss said.

A Los Angeles baby to a couple in Nassau County, New York, contrary to both California and New York laws.

A pregnant Canadian woman who was transported to Boston, where she gave birth to a baby sold to a Boston couple.

Silverton was convicted last July and was given a one-year sentence, which he is appealing.

Wilkes and the three others were convicted of making unauthorized baby placements, and were given lesser sentnces.

HOW BABY MARKETEERS UTILIZE THE YELLOW PAGES

(By Pam Zekman and Bob Olmstead)

Pregnant and unwed?

A home for your unborn baby is no farther than the Yellow Pages.

The competition for scarce adoptable babies has become so intense, a Sun-Times investigation shows, that out-of-state baby seekers advertise discreetly but widely in business telephone directories in dozens of cities.

They can be found under "Birth Control Information Centers" or "Clinics" in the Yellow Pages, where they thoughtfully provide toll-free numbers for customers to call.

Most of the clinics' business, of course, comes from women seeking abortions—either in their home states or, if they are more than three months pregnant, in a state with controls less strict than their own.

And, it must be said, the overwhelming majority of abortion counselors and clinics contacted by the Sun-Times did not appear to dabble in adoptions. They either told reporters, who posed as unwed mothers, that they had no special knowledge about adoptions or referred them to conventional agencies.

A popular state for abortion clinics that do act as conduits for adoptable babies, reporters found, is Pennsylvania, where adoption laws are vague to nonexistent.

One such center was the Abortion Assistance Assn., Havertown, Pa., which, a random check revealed, was listed in the Yellow Pages in Chicago and at least 17 other cities in 10 other states. When reporter Pam Zekman, posing as an unwed mother, called the toll-free number, she was instructed to telephone their "legal department," Philadelphia lawyer Allen Newman, at 10 that night.

He told her he could arrange to pay her medical expenses and could put her up in an apartment, probably in New York. He became irritated when she asked why in New York, inasmuch as she was in Chicago and he was in Philadelphia.

"Look, the geography doesn't mean anything," he said. "Why should it mean anything to you? . . . You are in Chicago. I am in Philadelphia. So what?"

He also told her the adoptive parents could come from "anywhere in the country."

Later, a reporter posing as a woman who wanted to adopt a baby phoned Newman and told him a friend had given her his name.

"Yeah," he laughed, "I have a national reputation." He also told her he had very few babies and many adoptive couples these days and that if a baby became available it could cost as much as $5,000.

Authorities and Judges in the adoption field in Philadelphia told reporters and elements of the Yellow Pages deal smacked of black market.

Joseph H. Reid, executive director of the Child Welfare League of America, commented:

"Black marketeers tend to operate in states where the supply of children is good and also where intermediaries are allowed to function."

Even if both states involved have strict laws, he said, it is easier to escape prosecution in an interstate deal, where some or all of those involved leave the state afterward.

"I personally believe we need a federal law that would enable the federal government to step into those situations in which it is not possible for the states to control the traffic," Reid said.

[From the Chicago Sun Times, June 23, 1976]

MEXICAN ADOPTION PITFALLS BARED

(By Pam Zekman and Bob Olmstead)

To anxious couples who have failed to adopt a child through conventional channels, the idea of picking up a baby in Mexico can sound like a lark—a foreign vacation combined with the realization of their dreams. But the experience of three couples who have gone the Mexican route indicates it can be a harrowing, Kafkaesque tangle of red tape unless your contacts are reliable. Some couples live for years with the fear their babies will be taken away because they or their agents—even unknowingly—broke the law.

Because of this fear, the names of the following couples and some details of their stories have been changed to conceal their identities. Mr. and Mrs. Adams were charged $4,750 for their adoption, and they spent another $1,000 in living expenses when red tape stretched their Mexico stay into two weeks. When word came that the baby was born and available, they wanted to leave Chicago for Mexico City immediately. But their lawyer said there was some legal work to do first, and then it would be smooth sailing. "There were all kinds of incredible delays," said Mrs. Adams. "Our baby was 6 months old before we could actually go down and get him.

"Once down there, the Mexican judge gave us trouble; he wouldn't sign the order. We were told it was political. Finally, we went to another judge and he got the order.

"Then there was a problem with the police. The operator of the orphanage wanted everything done properly and had notified police officials, and one of them wouldn't approve the adoption. But finally we got the thing through without him.

"I didn't think we'd get the baby out of the country. To tell the truth, I was scared the whole time that we would be stopped somewhere along the line.

"To this day, we haven't gotten the medical history of the mother and child. First they told us they had it in Spanish and couldn't translate it. Finally they sent us one paragraph, which wasn't much help."

The Adams' experience was mild compared with what happened to the Bennetts. The Bennett's, too, had to wait until their baby was nearly 6 months old before they could leave Chicago to pick him up, something they fear was harmful to the child.

"What we first noticed about him was that he would shake his head from side to side like he was trying to see," said Bennett. "I had read this magazine article about a study done on monkeys taken away from their mothers after birth. They shook their heads from side to side like they were trying to find their mothers, just like our baby.

"So we picked him up and took him out of the clinic. We got some baby formula and went to our hotel room. We were so thrilled we broke out some champagne to toast the baby.

"The next day we tried to pick up the papers for the baby's passport, and that's when the trouble started.

"First we had to get the baby's health checked. At last, some doctor listened to his heart and let him through.

"Then we had to go to the American Embassy to get his papers, and were directed to a Mrs. Lopez. Mrs. Lopez kept calling my son 'the orphan,' saying it was impossible for us to get our son into the United States. She kept repeating it was impossible.

"She said we had to be fingerprinted by the FBI and submit our tax returns for the past few years. She said we had to have a study done of our home, even though we already had a very thorough one.

"She said we could go home and wait, or stay in Mexico City, but all this would take 30 to 60 days. She told us they didn't know if we were suitable parents.

"All this with the baby in my wife's arms.

"Finally, she directed us to the visa section, where there were 400 people waiting in line. We stood in line with our baby for two hours.

"When we finally got to the front of the line, we were told there was no way to get the child out."

That night, the Bennetts managed to arrange an interview the next day with the American vice counsel. Again they went back to the embassy with the baby in their arms.

"We waited six hours for this 10-minute interview," said Bennett. "And we walked out of that meeting with nothing accomplished. He told us absolutely not. There was nothing that could be done.

"How did I feel? Oh my God, how would you feel? This is all happening in one week. We're away from home—rather in the American Embassy, our home away from home—and we're getting the bureaucratic fish in the face.

"We met with several other embassy people, and they finally said there was only one department that could help us and that was immigration and naturalization. That was back to Mrs. Lopez.

"We went back to the hotel thoroughly dejected and convinced there was more at play here than normal bureaucracy. We thought they were all crooks.

"Finally, we put down on paper an account * * *."

STATE COURT WEIGHS RULING PITFALLS BARED IN SEEKING MEXICAN ADOPTIONS

(By G. Robert Hillman)

SPRINGFIELD, Ill.—Attorneys argued before the Illinois Supreme Court Tuesday the constitutionality of the state's law intended to ban the brokering of babies for adoption.

The case, taken under advisement by the seven high court justices, centers on charges filed Sept. 4, 1974, in Cook County against Chicago attorney Spencer Schwartz for allegedly illegally requesting a $6,500 fee for arranging the adoption of a newborn baby.

Schwartz, according to the criminal complaints, received $500 as a down payment for his services.

The case was thrown out Jan. 27, 1975, by Cook County Circuit Court Judge George Dolezal, who ruled unconstitutional the law under which Schwartz was charged. The state, through Illinois Atty. Gen. William J. Scott and State's Atty. Bernard Carey, appealed the case directly to the Supreme Court.

Scott and Carey are also conducting a joint investigation into adoption abuses reported in Sun-Times stories that began June 13. The stories have detailed instances of lawyers who quoted fees of $10,000 to $14,000 for adoptable babies and who systematically acted as adoption agencies even, though they had no such agency license.

Under the statute in question, no one may receive a fee or other compensation for "placing out" a child for adoption or care. Judge Dolezal had ruled the law was "vague, indefinite and uncertain."

Dom J. Rizzi, arguing for Schwartz before the court urged it to uphold Dolezal's decision . . .

"The embassy closes at 5 p.m. At 5:30 we got a call from Mrs. Lopez, who said she hadn't realized we had a sick mother-in-law back in the States. (The Bennetts had never mentioned such a thing.) All of a sudden, what was going to take 60 days now could be done in one day.

"We got the approval the next day and at 3 p.m. were on a plane out."

The Bennetts still wonder what caused the abrupt turn-around and wonder if they were involved in anything illegal. The experience has left them with wild memories and illogical fears.

"By the time we got through with it," said Bennett, "we felt like fugitives. We feared for our lives. We felt like we had illegally smuggled a baby out of the country."

The Bennetts' fears won't stop until their baby becomes 3 years old, when he automatically becomes a U.S. citizen.

The third couple, the Carlsons, have more genuine fears, according to one adoption agency head. He described a couple who adopted a Mexican baby without contacting U.S. authorities.

"They came back across the (Mexican) border. . . . They just did it illegally. They just drove right across.

"It's risky, but border officials seldom look inside a baby bundle.

"This couple, well, they just said, 'Let someone come and try to get this baby away. It's our baby.' "

[From the Chicago Sun-Times, June 24, 1976]

LICENSED UNITS ALSO CRITICIZED ON ADOPTIONS

(By Pam Zekman and Bob Olmstead)

On May 28, a few seconds before 9 a.m. all three telephones in the Family Counseling Center Inc. in Grayslake began ringing. Scores of callers besides the first three were also dialing, getting busy signals, hanging up and dialing again.

Three employes answered the phones as quickly as they could and put the callers' names on a list. By 9:25 a.m., the list reached 25 names and was closed.

About 75 more callers were told: Sorry, too late, please try again when the list is reopened, tentatively at 9 a.m., Sept. 7.

A radio disk jockey's contest? The sign-up list for the Park District's McClurg tennis court?

No, the bizarre scene is only one of the desperate methods used by licensed adoption agencies in the Chicago area to sift through the approximately 200 couples who compete for each healthy, white, available baby.

The lucky 25 on the Grayslake list weren't even assured of a baby; they merely qualified for further consideration.

Or how about a lottery, the methods used by the Bensenville Home Society? (The society prefers to call it "the random selection method.")

Every three months, the agency puts into a box the names of 100 or so couples who have attended orientation meetings. Depending on the number of babies available, the names of about five couples are drawn out for consideration. The other 95 are disqualified from applying again for another year.

One woman, who asked that her name not be used, was one of those who called the Grayslake agency shortly after 9 a.m. on the designated day some time ago and was told she was too late.

"The next time we called we got it down to a system. My husband and I both used different phones and we kept calling and finally one of us got through at five minutes after 9. I couldn't believe it," she said.

"Then they put us through five hours of testing and we had to have several counseling meetings. We had to pay a $700 deposit and then they told us it would be a wait until January. In January, they had run out of babies and they said it would be another six months."

The stories illustrate that even though it's the independent adoptions that draw much of the criticism, all is not well with licensed agency adoptions, either.

One of the agencies' critics is Donna Cullom, founder and president of Yesterday's Children, a national organization made up of 3,000 adult adopted children.

"Before they blast attorneys and doctors off the map, agencies must rectify their own mistakes," she said, adding that she sees little difference in the quality of the job done by either licensed agencies or private lawyers.

"There can be good social workers and bad social workers," she said. "A good social worker could work for a lousy agency and vice versa. And a lawyer (in a private adoption) may be interested and kind.

"It is our feeling that the entire field of adoption is bad. The placement of children is bad. They go out and check the parents once. How do they know from one home study that the home is good?"

Mrs. Cullom also is convinced that some licensed agencies lie to adoptive parents about where the babies have come from.

She said she knows of two cases where the adoptive parents were told their babies came from girls of upper crust North Shore families.

When the children grew up, she said, they traced their parentage. One found the natural mother was a New York madam and the other found the mother had been arrested 19 times for prostitution.

Another frequent criticism of agencies is that they arbitrarily "play God" in deciding which couples get children. In the process, it is charged, some social workers mercilessly delve into all areas of the couple's lives, including their sex lives.

Kathy Sreedhar, a Washington representative of the Council of Adoptable Children, is another who criticizes adoption agencies.

"Every few years," she said, "some senator or congressman decides he is going to submit a bill to outlaw independent adoptions. What happens is people print horror stories and don't tell the whole issue. Then a bill gets introduced and never passes."

At present, she said, the Senate's Mondale committee, which is drafting federal adoption laws, is also not persuaded that independent adoption agents are the only villains.

Ms. Sreedhar said the committee, for which she was a consultant, concluded that the primary evil is making money on adoptions, whether it is done by a lawyer or a licensed agency.

Licensed Adoption Agencies Also Reap Severe Criticism

Roger Derstein, a lawyer with the Legal Aid Society, recalled a case he said illustrates how agencies resort to desperate tactics to keep control over potentially adoptable children.

The case involved three children abandoned by their natural mother and made wards of the Department of Children and Family Services, which placed them in the temporary custody of the Lake Bluff Homes for Children. That agency in turn placed the children in temporary separate foster homes, pending adoption by the foster parents.

When the Alabama relatives of the children heard about their abandonment, Derstein said, they asked Legal Aid to help get the children back.

Alabama child welfare authorities found the relatives would be fit substitute parents, but the Lake Bluff agency argued they were "borderline" because they lacked college educations and wealth, he said.

When Lake Bluff's records were subpenaed by the court, Derstein said, they showed the agency had been pressuring the natural mother to sign the children over to the agency at the same time it was telling the court it was "working with" the mother because she had asked for the children back.

Derstein said the subpenaed records also showed that Lake Bluff had kept the children under unnecessary "therapy" in order to persuade the court they needed Lake Bluff's continued care.

He said the records also showed the agency's representatives had lied to the court, falsely stating that the children never asked about their Alabama relatives and that they had protested the possibility they might be returned to relatives.

The reason for all this, charged John Shullenberger, another Legal Aid attorney, was that the Lake Bluff agency had promised the foster parents they could eventually adopt the children.

Shullenberger said the case was unusual only because Legal Aid was successful in subpenaing the agency's usually secret records.

"The insulation of private agencies from the public view makes cases like this difficult," Shullenberger said.

"Agencies hid behind the confidentiality of Juvenile Court proceedings. The concept of confidentiality in such matters presumes the integrity and honesty of the agencies and people involved.

"Now with the tight baby market more children are in demand. That affects the agencies as well as any independent operator.

"Their intentions may be pure. There may be no money motive. But the abuses may be worse."

D. Coye Taggert, director of the Lake Bluff Homes, said the Legal Aid lawyers were "confused" and that "the court did not indict our agency or any workers."

Taggert said the mother didn't want her children returned to her Alabama in-laws because they drank too much. "The people in Alabama never showed any interest beyond writing a letter. Then they attempted to indict us to take the focus off the disinterest of the relatives in Alabama," he said.

Although the judge eventually placed the children with an Alabama aunt and uncle, Taggert said, "our decision to get out of it was based on the feeling that these things can drag on for years and that in the interest of the children it was better not to."

[From the Chicago Sun-Times, June 21, 1976]

Have-Adoption, Will-Travel Operation

(By Pam Zekman)

Stanley B. Michelman, a boyish New York City lawyer, relaxed in his room in the Hyatt Regency Chicago and enthusiastically told me how he had got into the have-adoption, will-travel business.

"It formally began five years ago, on Oct. 23. I'll never forget the date. My wife gave birth to our first child, and there I am at the hospital waiting for her to deliver while this girl I am supposed to be meeting is landing at the airport."

The girl he referred to was a pregnant woman he was importing from Germany to give birth in New York to supply a baby for one of his clients.

"I sent a friend out there and paced the floor of the delivery room, looking at my watch, wondering if he made it. When my wife delivered, as soon as I knew she was safe, I rushed to the airport, but I couldn't find them.

"It's been like that ever since. I am rushing around and around taking care of these things. I love it. Why, there are people I am supposed to be seeing right now in New York, but here I am.

"I never unpack my suitcase. I am here today, gone tomorrow. I have to be there when the baby is delivered and I am everywhere."

Michelman is one of the new breed of adoption entrepreneurs who operate nationally with babies supplied by tipsters in many of the nation's abortion clinics who steer his way women who balk at abortions. Many of these women are flown by Michelman to New York City, where he puts them up in apartments until the babies are born.

The national operations are thriving, child-welfare officials say, because there is an absence of federal regulation because hopscotching pregnant women from one state to another can circumvent with tough adoption laws, and because even a well-regulated state can't keep tabs on a deal where the participants go home afterward to another state.

New York state court spokesmen told The Sun-Times that Michelman's operation appears to conflict with New York law that prohibits anyone but a licensed agency from placing an adopted child. They also said the law prohibits paying the unwed mother anything more than "reasonable and necessary expenses."

Michelman was in Chicago talking so freely to me because he wanted to impress upon me that I was in good hands if I, "Patricia O'Malley," unwed and pregnant, let him put me up in New York and sign away my baby.

Behind him on a bed in Room 2708 sat Cindy and Jean (not their real names), two Chicago girls who said they had babies for Michelman in New York City last November and December, respectively.

"There's so much to do you just can't do it all," bubbled Cindy, who said they lived just off Times Square on 62d St. "We had a fabulous time. I want to go back."

Cindy was particularly pleased with the money arrangement. "It's so great. See, you get a certain amount on food. And then you get your allowance to take care of yourself. I used to even skimp on food, and then with my allowance I could go out and buy some things for myself. I loved it."

In phone conversations, Michelman had told me that besides living expenses and the best in medical care, I would get $30 a week in pocket money.

I was introduced to Michelman through answering an ad in The Sun-Times for "Abortion Counseling, to 24 weeks, immediate, private, confidential . . . American Women's Center."

I was genuinely scared as I climbed the stairs at 6770 N. Lincoln and entered Room 201, where "American Women's Center" is on the door. It had that spare clinic look, with a step-by-step wall poster showing how an abortion is performed and a giant drawing of a uterus.

I told Bob Schell, a counselor, that I was a 22-year-old ice-skater who couldn't let a baby interfere with a career, but that I was definitely opposed to an abortion.

Schell—soft-spoken, confident and understanding—discouraged me from pursuing an adoption through a public agency. "There are no assurances about the parents," he said, "and you will probably be sheltered in a boarding house situation with several hundred girls." And at delivery time, he said, "They frequently use County Hospital."

I wrinkled my nose.

"On the other hand, there are private adoptions," he said, where a girl gets the best and most considerate care. And it seems, he just happened to know a New York lawyer named Michelman who is familiar with such things. He could arrange for me to live in New York, or Florida, or wherever I wanted until after my delivery.

He put me on the telephone with Harvey J. Michelman, brother of Stanley and a partner in Michelman & Michelman, 250 W. 57th St., New York City, who reassured me: "We of course, will take care of everything."

"We do this all the time," he said. "We have represented people in 200 or more adoptions and we know what it is all about."

When I hung up after talking to Michelman, Schell re-entered the room with a form for me to sign. It was on the letterhead of the New York law firm of Michelman & Michelman. I read the two pages of legal jargon and gradually realized I was being asked to sign a statement promising that if I did not turn over the child in my womb, I would repay every cent spent on me.

Even though I was not pregnant—or perhaps because I was not—I hesitated. What could they do to me if I failed to turn over my firstborn? But I signed.

(Later, lawyers whom I consulted laughed at such a document. They said it is nothing more than a meaningless device designed to scare the gullible into staying in line.)

Then another counselor took my picture with a Polaroid camera so that the prospective parents would know what kind of baby they could expect. Somehow, I felt like a breeding animal that had just been sized up, bought and cataloged.

In ensuing phone calls, however, Stanley Michelman worked hard to put me at ease. He always sounded cheerful, genuinely concerned about me ("Hi Patty. How are you?") and able to solve all my problems.

He said he had four apartments available in New York, including "a fantastic place for you to stay . . . a two-bedroom luxury apartment on the East Side of Manhattan."

He said, I could come any time, as long as I gave him a little notice so he could arrange for me to stay with a suitable roommate, probably in a "luxury apartment" with another pregnant girl from North Carolina.

When I finally phoned Michelman as a reporter, he was less friendly and cheerful, and more businesslike.

Asked how he reconciled his operation with New York law that forbids anyone outside a licensed adoption agency from arranging placements, Michelman replied: "I represent various people in private adoptions. Each of my procedures is processed through the courts and is in strict accordance with the laws of the State of New York."

He said he asks every unwed mother, including "Patricia O'Malley," if there are particular people they want as parents. (He had.) Therefore every one had the chance to select the parents if they wanted.

On this point, New York Surrogate Court Judge Millard Middonick told The Sun-Times: "It is totally against New York law for anyone but the natural mother to choose the adoptive parents. The testimony I get is that these people have been introduced and know each other, or she had picked them."

Michelman denied he had ever told me or Cindy and Jean that pregnant women get up to $30 a week spending money over and above their food money. He also denied he had told me they had four apartments, but declined to say how many there are. He said every penny spent on the natural mother is reported to the court, including the rent for the $200-a-month apartments, air fare and food allowances.

New York Family Court Judge Nanette Dembitz, before whom Michelman said he practices, told The Sun-Times: "The principle is supposed to be that the biological mother is not supposed to be paid for the child. And anything that appears to be off the usual expenses appears to smack of paying for the child. If there were some item like renting an apartment for two months, it would be looked askance at here. I don't recall ever seeing that."

Michelman said that his law firm handles only about a dozen adoption cases a year (well under his brother's estimate of 200 cases in five years) and that his fee doesn't exceed $2,500, plus medical costs.

This jibed with the low end of Michelman's cost estimate given to a reporter who went to him posing as an adoptive parent. He told the woman an adoption would cost $4,000 to $7,500, including medical expenses. He also had her fill out a form that asked what was the highest amount she would be willing to pay.

Shad Polier, a New York lawyer who helped write the state's adoption law and who was recommended by the court as an expert in the field, told The Sun-Times that any legal fee for an adoption over $1,000 is suspect.

Polier also said he had personal knoweldge of what Michelman has sometimes asked in medical expenses. In one case, he said, Michelman asked a medical payment of $8,100 to cover not only delivery but psychiatric care and removal of varicose veins, which he claimed were pregnancy-related. The adoptive parents withdrew from the deal.

Michelman said he gets referrals from many abortion clinics, including the American Women's Center in Chicago. He said he made contact with the center through a mutual client. But Leonard Nelson, director of the American Women's Center, told The Sun-Times that Michelman was among several lawyers who had solicited referrals. "We are solicited all the time by lawyers who want us to refer them cases when a girl is interested in adoptions," he said.

Nelson declined to name any other lawyers to whom the center refers women and denied that the center steers pregnant women to any one adoption agency.

When it was pointed out that Schell, the center's guidance counselor, had certainly steered "Miss O'Malley" to Michelman, Nelson answered, "I was not here when Mr. Schell saw you, and I'm sure he was not aware of the circumstances then."

Asked if the center gets paid for referrals to Michelman, Nelson declined to comment. Similarly he had no comment on whether the center was doing unlicensed adoption work when it helped "Miss O'Malley" fill out an application blank for Michelman.

New York and Illinois are not the only states where Michelman has been reported operating with his unpacked suitcase.

Stanley R. Freeman, chief social worker for the Cuyahoga County (Cleveland) Probate Court, told The Sun-Times that Michelman on five occasions solicited babies from pregnant women in Ohio. Once, he said, Michelman and the adoptive parents showed up at the hospital and tried to take the baby away with them. Freeman said he told Michelman that this was illegal in Ohio and directed him to the courthouse.

"He left the hospital and made as if he was going to court," Freeman said, "but he didn't. He just turned around, went back to the hospital superintendent and reported that the court had changed its mind."

When the court got wind of this, Freeman said, it sent out a deputy sheriff who arrived shortly after Michelman's hasty departure without the baby.

Joseph H. Reid, executive director of the Child Welfare League of America Inc., said he has no doubt there is a growing national black market for babies. "And it is getting so bad that these people sometimes aren't afraid to operate in the open. We believe that most of the real hard-core black-market placements are across state lines. . . . We are concerned because black marketers have better access to unmarried mothers through abortion clinics."

HOW MIDDLEMAN INFLATES ADOPTION

The brazenness of the national black market in babies is perhaps best illustrated by Joseph Spencer, a New York lawyer who has been in adoptions for more than 25 years and who is known to adoption authorities from New York to California.

When Sun-Times reporter Pam Zekman phoned Spencer posing as a prospective adoptive parent, Spencer was eager to help although New York, like Illinois, bars unlicensed persons or agencies from placing a child.

"What kind of a child are you seeking?" he asked. "Do you want a white newborn infant or would you be interested in a (racially) mixed or a Korean child?

"Those are easier to get, you know. It is very difficult to get a healthy white newborn child now. . . .

"There was a time, before Florida closed out, when I could have shown you seven biographies of seven mothers and you could have had your pick of a baby that would be delivered soon. But since July they have passed a law in Florida that has made it very difficult to operate there."

He was equally frank when asked what a baby might cost.

"Here's what I can say: Most of the children come through other lawyers. They are like a middleman, you see. So besides the hospital costs and the living costs for the mother, there would be a finder's fee—which is called a legal fee—to the other lawyer for his services. Actually it is a finder's fee because he will help find us a baby, but we can't call it that.

"Now, an adoption that is handled in that manner—which yours would most likely be—could run as high as $14,000."

New York adoption judges and other authorities questioned by The Sun-Times said that adoption costs of $14,000 appeared exorbitant and that Spencer's operation appeared to break New York law against unlicensed adoption agencies.

When Spencer was called by reporter Zekman again, this time as a reporter, he declined to confirm his quoted price of $14,000 and was angry at what he called entrapment.

"I'm not a criminal," he said. "I've been practicing half a century. I don't want to be treated like a criminal with entrapment."

Later, he said his fee fluctuates. "Fourteen thousand dollars is a figure plucked out of the sky," he said. "There probably could be situations where the legal cost is $14,000."

SPECIAL RECOGNITION FOR PEACE CORPS VOLUNTEER

Mr. KENNEDY. Mr. President, one of my constituents, Miss Debbie Eldredge of North Falmouth, Mass., has received special recognition from ACTION for her activities as a Peace Corps volunteer in Colombia, South America.

Miss Eldredge has been working as a volunteer consultant on child development and education. She has seen both the effects of malnutrition and poverty, and the results of the efforts of local community organizations.

Today, 194 Peace Corps trainees and volunteers are working in social service, education, business, agriculture, and health programs in Colombia. I feel sure that all of them have benefitted from their experiences.

The special kind of dedication shown by Miss Eldredge deserves commendation. I would hope that my colleagues join me in congratulating her.

I ask unanimous consent that ACTION's press release commending Miss Eldredge be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Peace Corps Volunteer From North Falmouth Assists Pre-School Education in Colombia

Bogota, Colombia.—As a volunteer education and child development consultant in Colombia, South America, Peace Corps volunteer Debbie Eldredge of North Falmouth, Mass., has seen how poverty and malnutrition affect young children. But she also has witnessed how the efforts of a local community organization are bringing about changes to improve the lives of the poor.

Miss Eldredge, 23, earned a bachelor's degree in child development from the University of Massachusetts, Amherst, in February, 1974. She worked for about five months as a volunteer remedial reading teacher, tutoring students with learning disabilities at North Falmouth Jr. High School before joining the Peace Corps in June, 1974.

Following three months of intensive training in Spanish at the Peace Corps training center in Bogota, she was assigned to the Corporación of the Sacred Family in Manizales, a beautiful mountainous city in the heart of Colombia's coffee-growing region.

"The corporación is a private organization set up by leading citizens to provide for children and mothers of low-income families," she explained. "They run 13 day care centers, serving about 550 children ages three to seven. For the children to enter, their mothers must be working or the family must have about eight children and a minimum of income."

The centers also offer classes for the mothers, she noted, in subjects such as home improvement, embroidery, knitting, cooking, sewing and pattern drafting.

As a pre-school consultant, Miss Eldredge tried to visit each center every two or three weeks. She supervised the teachers, set-up teacher training workshops and introduced materials development.

"I made an adaption of the Denver Development Test to check the children's physical and language development when they entered the schools and then after a year," she said. "I also did an analysis of the nutritional status of the children. Most were subnormal in weight or height for the average Colombian middle class child. The centers provide lunches to supplement their diets."

Miss Eldredge said that she became especially concerned about the small number of trained teachers and the lack of educational materials.

"In one day care center in an old church, there was one teacher with a sixth grade education for 80 children between the ages of three and six. There was a blackboard, but no chalk. There was no paper, no color on the walls and no outdoor play equipment. The children sat in rows and rows of benches, copying letters in their notebook.

"You could make recommendations until you were blue in the face," she continued. "There just was no money. I at least tried to provide the teachers with the basic necessities whether it was paper, crayons or scissors."

She asked a local newspaper to donate paper for the children to use, and some of the other teachers also got donations of supplies from local stores or businesses.

In August, 1975, the Peace Corps office in Bogota asked Miss Eldredge to assume the position of volunteer coordinator for the Peace Corps' education program in Colombia. Before she left Manizales, however, the Corporación of the Sacred Family received some good news.

"Things really began to pick up," she said. "They were able to get the state government to give them 10 trained teachers. The current teachers all became aides. Also, the Colombian agency for family welfare began to help out with additional services, money and a social worker."

Miss Eldredge's job as Peace Corps coordinator involved placing other education volunteers in schools and organizations and serving as an all-round program planner and problem solver. The administrative position also provided time for her to work on what she feels will be her most meaningful achievement as a volunteer—a handbook in Spanish on how to make teaching materials from local products.

"When I first went to Manizales, I would make a lot of materials and give them to the teachers," she said. "But I felt that in the long run this would not have much value. So I started to write a book about all the materials you need to teach pre-school and how to make them.

"In art, for example, I cover how to make fingerpaints, easels, brushes, books and even outdoor equipment.

"It's in Spanish and includes illustrations and measurements," she said with quiet pride. "I am just finishing it now."

The Peace Corps plans to print the 200-page handbook and the U.S. Agency for International Development has asked to publish the book, she said. The Colombian Ministry of Education also will utilize the book in its training program for rural pre-school teachers.

Miss Eldredge said she sees an important role for the Peace Corps in Colombia—providing teachers in special education and in child development. But she also feels that Colombia must maintain its own directions in pursuing its educational, social and economic development.

Miss Eldredge will be leaving Colombia this month, her Peace Corps service completed. In a personal sense, she has found many rewards in Columbia.

"I could live here and be perfectly happy," she commented. "Once you get to know the people, you find out how sincere and faithful they are.

"I think also that the Latin lack of time-consciousness has been good for me. It's helped to balance the 'hyperness' that Americans carry around. Where an American will run around like a chicken without his head, a Colombian will sit back and look things over.

"The American concept of Latins as being lazy is not true," she asserted. "But they will take time for self-reflection and to relax."

Miss Eldredge is the daughter of Mr. and Mrs. Stanley M. Eldredge Jr. of 229 Old Main Rd., North Falmouth. She graduated in 1970 from Mt. Vernon High School in Alexandria, Va. In 1969, she worked as a summer Head Start aide in Alexandria. In August, she plans to enter graduate school at the University of Texas in Austin in the field of bilingual education.

Miss Eldredge is one of about 194 Peace Corps volunteers and trainees now serving in Colombia in education, health, social service, agriculture, and business programs. Around the world, 6,220 volunteers and trainees are working in 69 developing countries.

The Peace Corps is part of ACTION, the federal agency for volunteer service established in July, 1971 to administer volunteer programs at home and overseas. Mike Balzano is the director of ACTION.

ACTION's domestic programs include Volunteers in Service to America (VISTA), Foster Grandparent Program, Retired Senior Volunteer Program (RSVP), Senior Companion Program and University Year for ACTION.

Persons interested in ACTION programs can call 800–424–8580 toll free for more information.

ALABAMA POLITICS, 1930–1955

Mr. SPARKMAN. Mr. President, I have just had the pleasure of reading one of the Franklin Lectures delivered at Auburn University by Mr. Charles G. Dobbins of Washington, and recently printed in the Alabama Historical Society Review.

Mr. Dobbins talks of his experiences during 25 years as Alabama writer and editor, and brings us the full flavor of Alabama politics during a lively and interesting period.

Mr. Dobbins has had a distinguished career as editor, historian and educator in Alabama and Washington. I ask unanimous consent that his lecture be printed in full in the Record.

There being no objection, the lecture was ordered to be printed in the Record, as follows:

Alabama Governors and Editors, 1930–1955: A Memoir[1]

(By Charles G. Dobbins)

These notes, related in a modest way to the nation's Bicentennial Celebration, are based on experiences in the newspaper and political life of Alabama from 1930 to 1955. This was essentially the period between graduation in 1929 from Howard College (now Samford University), and my departure in 1956 for 17 years in Washington with the American Council on Education. What I have to say is very personal, without pretension as to reseach or scholarship. And with that disclaimer, I feel Scot-free to ramble!

In college I had learned something about student politics and even won an election, but my A.B. Degree reflected little knowledge of county, state, or national politics, or of the issues, money, and influence by which individuals are elected or defeated. Such innocence may reflect on higher education in those days, but more likely it was simply the naiveté of a preacher's son who had grown up in small Alabama towns like Orrville, Hurtsboro, Luverne, and Camden.

Yet the campus experience did provide a political introduction of sorts. Another student at Howard College was W. C. Davis, Jr., whose father was Alabama's Lieutenant-Governor. We students viewed Bill Davis with a certain awe not only for his high grades but also because his father, already an important state official, was regarded as the heavy favorite for election as governor in 1930. He was serving capably in the first administration of Governor Bibb Graves (1927–1931), and many assumed that as a candidate he would inherit much of the Graves following. I looked forward to having a friend who was the Governor's son!

But early in 1930 the scenario changed. A darkhorse entered the race from my home town, Camden, population about 1,000. Plans for casting my first vote for governor suddenly changed.

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[1] Presented in the program of Franklin Lectures in Science and Humanities at Auburn University, October 13, 1975.

Circuit Judge Benjamin Meek Miller was a large man, of magnificent dignity. I saw him almost daily when I was home from college as he peered over rimless spectacles in the process of extracting mail from his post office box. He was friendly and always spoke, though in a surprisingly small voice for his size. Walking two short blocks back to his white frame antebellum office, he would have his face deep in the pages of the *Montgomery Advertiser* hardly aware of who or what might be in his way. Miller was a big property owner and proud of it. He told my father that a man could walk six miles in a straight line and never leave Miller land!

Camden people held Judge Miller in great respect and were excited by his announcement for governor, though at first skeptical about his chances. Well known and liked in the counties of his Black Belt district, Miller was not a major name in state politics while Lieutenant-Governor Davis was highly publicized and running hard.

But Miller knew his state and his time. Alabama was mired in the Great Depression. People were jobless, hungry, losing their homes. The state was heavily in debt to its institutions and even to its people. With his major opponent a member of the free-spending Graves administration, Miller pounded his strict economy gospel, speech after speech. A lesser theme—dear to his heart—was prohibition. I heard him more than once wagging a schoolmaster's admonishing finger and quoting from Proverbs almost in a whisper, "Wine is a mocker, and strong drink is raging; and whosoever is deceived thereby is not wise."

There were other issues, one of them the Ku Klux Klan. The Klan had ridden high in the 1920s and the Graves administration was Klan tainted. But by 1930 the secret order had passed its peak of influence and Miller stood uncompromised.

The Klan issue held a special significance for me. As a high school student in Luverne (1923–1925), I had watched the hooded men parade in the streets and at the ballpark as their leaders, to the light of flaming torches, poured out hatred for Jews, Blacks, and Catholics. They would march into church and deposit gifts at the altar. At last my father could no longer endure the shame of it even though he knew Klansmen were in his congregation. When he denounced the Klan one Sunday from the pulpit, two deacons left their pews. The church was badly split. My father resigned his pastorate in 1925 and went to the Camden Baptist Church where our family was well received. The Klan did not flourish in Wilcox or in several other Black Belt counties. The reason, I have always believed, was the influence of first-rate men like Benjamin Meek Miller.

Miller was a 20th Century carry-over from Alabama pioneer days. His father came from South Carolina in 1846 to serve as minister of the Associate Reformed Presbyterian Church in Oak Hill, Wilcox County, for 31 years—except during "The War" when he was Chaplain of the Wilcox True Blues. His son refused not only alcoholic beverages, but electricity! The light in his home was from oil lamps. Born in the Confederacy, Miller was 66 years old in 1930, had been a Circuit Judge since 1904, and for him it was now or never for a high state office.

The skeptics about Miller's candidacy changed when Editor Grover C. Hall, Senior of the *Montgomery Advertiser*, winner of the Pulitzer Prize in 1928 for his battle against the Klan, came out with a thundering editorial in support of the "Sturdy Oak of Wilcox" for Governor. Voters responded to the big, plain-spoken candidate who promised fiscal responsibility for Alabama. Miller was elected, and in 1931 he set out to do what he had promised—to pay off the state's $20 million debt, much of it in warrants held by citizens, and to make Alabama live within its income. He did it by economy, by enactment of a budget control act, and by pushing through the state's first income tax rather than the sales tax preferred by conservatives. Addressing a Special Session of the Legislature on August 16, 1932, Miller put the issue squarely:

"Should this debt be paid by levying a 'Sales Tax on all retail sales to be paid by the consumer'? If so, it should be called the consumer's tax. The consumer now, as a rule, is battling for bread, hunting for food, seeking clothes; and thousands and tens of thousands of them are idle, hungry and begging for the necessities of life. To raise taxes we should go to those who have made money, who have money, who have the ability to pay and where profits and incomes have never been taxed in Alabama." [2]

What political leader in any state—or in Washington—is speaking today so perceptively and honestly?

The art of image-building was not then so advanced as now, but old Governor Miller understood the public mood in that depression time. Noting the response to his oil lamps, he added to the image of frugality by bringing from Wilcox County to Montgomery the personally owned cow that would supply milk and butter for the Mansion in his administration. Newspapers had their fun with this cow at the Mansion, but Miller knew what he was doing. The Legislature enacted most of his program.

The Governor was a kindly man. In 1934, when I was thinking of quitting a certain job, I went to see him in his office on Goat Hill and asked his advice. "Do you have another job to go to?" he asked. "No, Sir." "Well," said the Governor, "Don't give up one job until you have another. It's much easier to get a job when you have one."

In my files is an envelope addressed in long-hand to me at Alabama College, Montevallo, dated March 14, 1937, from B. M. Miller, Attorney-At-Law, Camden, containing the printed document, "Message of Gov. B. M. Miller to the Legislature of Alabama, January 31, 1933." I do not recall the circumstances, but probably I had talked to him about the financial problems of Alabama College. He proudly wrote across the cover of the pamphlet, "Read from page 3 to 19 inclusive. The schools, colleges, normal schools, and university debts aggregated $14,279,823.29. They were all paid in full in 1933."

Governor Miller demonstrated that a man of qualities not ordinarily popular may, in time of stress, be called on for leadership. I doubt that a candidate of Miller's economic conservatism and strict moral code could have been elected Governor in any quadrennium since 1930, but he was somehow bred, trained, and toughened for dealing with the problems of Alabama in the time of the Great Depression.

Though out of the state for much of the gubernatorial campaign of 1934, I kept in touch. The voter resentment of Graves's free spending in his first administration was largely forgotten. Economic conditions had begun to improve, and adding strength to "the Little Colonel," as he was known from World War I, was Roosevelt's program for spending the nation out of the Depression. Graves, known for generosity toward schools, colleges, welfare, and highways—a program hotly opposed by Alabama conservatives in the 1920s even as they denounced Roosevelt and all his works in the 1930s—was riding with the tide.

I came to know Bibb Graves during my experience 1936–1939 as Executive Secretary of Alabama College, working with President Arthur Fort Harman. Graves in 1935 had supported Dr. Harman, a former State Superintendent of Education, for the vacancy left at Montevallo when President O. C. Carmichael became the Chancellor of Vanderbilt. Dr. Harman was, of course, a strong Graves man, as indeed were most educators in view of Graves' demonstrated devotion to their cause.

On his visits to Montevallo, I was surprised to find how small the Governor was in stature, though somehow he turned this to advantage by projecting extraordinary warmth, energy, and intelligence. Bibb Graves loved to be with people, and he won them by humor, alertness of mind, and constant awareness of their interests. No mean phrase-maker, he labeled his opposition the "Birmingham Big Mules" and promised to harness them and make them pull their fair share of the tax load. A bit careless of his person, always with his suspicion of tobacco stain on his mouth, he fairly earned the right to be called "Bibb The Builder." Bibb Graves Halls are all over this state. Even the Archives and History Building in Montgomery is his. He went to Washington and wangled a grant from the Works Progress Administration (W.P.A.) for most of the construction—"shaking the old plum tree," Graves called it—then finished the job with state funds.

A major Graves contribution to Alabama was his support of Lister Hill for the United States Senate. When Senator Hugo Black was named to the Supreme Court in the summer of 1937, Graves appointed his wife, Mrs. Dixie Bibb Graves, to fill the vacancy until there could be a special election in January, 1938. Then he helped Hill beat "Cotton Tom" Heflin. My subject is governors—not senators—but permit me to note that during my years in Alabama, Lister Hill was the leader and inspiration of progressives. His loyalty to the New Deal and to the Tennessee Valley Authority made him the constant target of attack from conservatives. His close friends and chosen leaders formed a powerful influence in support of "The Cause." That was the phrase used by Hill leaders such as Marc Ray (Foots) Clement, the Tuscaloosa lawyer, and Postmaster Roy Nolen of Montgomery, when they referred to the Senator's liberal program. The political genius of these men first elected Senator John Sparkman in 1946, and then for twenty years kept in Washington what I believe was the ablest senatorial team of any state—namely Senators Lister Hill and John Sparkman.

During my Montevallo years I joined and was influenced for good by a small group of progressive Alabamians in the Alabama Policy Committee. Among the leaders were the Secretary and spark of the group, Charles W. Edwards, Registrar of Alabama Polytechnic Institute; an Auburn History Professor, Ralph B. Draughon; Neil O. Davis, editor and publisher of the Lee County Bulletin; Gould Beech, editorial writer for the Montgomery Advertiser; James H. Faulkner, editor-publisher of The Baldwin Times; and George LeMaistre, a Tuscaloosa attorney and professor at the University. To some of the more apoplectic editorial observers we were revolutionaries, though our objectives were no more radical than an end to the cumulative poll tax, equal justice under the law for all, and the elimination of "Pittsburgh-plus" and other discriminatory freight rates against the South. Most of our objectives were reached long ago, and today it is hard to believe that anybody could have regarded us as dangerous 40 years ago!

In the mid-30s, progressive Alabamians were encouraged by the political promise of a Birmingham lawyer who had lost a leg in World War I, was clean-cut in appearance, and advocated efficient state government. Frank M. Dixon said he wanted the poll tax abolished, and fair treatment for all the people. The two Graves administrations had been liberal in terms of schools, welfare, and highways, but the quality of appointments and the lush use of patronage were at times disappointing. We liberals consoled ourselves with the theory expounded in Lincoln Steffens' Autobiography—that the governor or mayor who rejects special interests and their kind of rewards, and instead governs for the people, must strengthen his arm by free spending and appointments of lesser quality—but we continued to hope for a governor dedicated both to the people and to efficient government.

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[2] *Message of Gov. B. M. Miller To The Legislature of Alabama, August 16, 1932* (Special Session, 1932, Legislative Document No. 1.) 4.

In 1938 Frank Dixon won election as governor with broad voter support, including that of many liberals. I had talked with him on his campaign visits to Montevallo and been impressed by his good mind, his incisive way of speaking, and his plans for a state merit system. My interest was not altogether selfless or in the interest of good government. Politics appealed to me, and I broached to Dixon the possibility, in the event he was elected, of being the Governor's secretary. In view of my inexperience at age 30, it seems unlikely that Dixon considered me seriously but, after being elected, he invited me to a family dinner in his pleasant Birmingham home. I have two distinct recollections: the feeling that some of my comments did not go over very well; and the wild rice, my first, which was good with duck! He did not mention the matter of my being his secretary, and not surprisingly, that was the last I heard of the matter.

Dixon quickly gained the reputation of being cold and inaccessible. He became vigorously anti-New Deal, and strictly conservative in his appointments. But in fairness, let it be said that Dixon strengthened the machinery of state government. He reorganized the executive department, improved the prisons, and installed a state merit system. He showed courage by dropping a prominent Montgomery newspaperman from the state payroll where he had been for years, whereupon the Governor suffered savage attacks which discredited both that writer and his newspaper. Dixon was respected as an administrator, though his attentions to the special interests were a disappointment.

The full force of Dixon's arch-conservatism was not apparent, however, until he had retired as Governor. In 1948, from his Birmingham law office, he was the key strategist of the Dixiecrat Movement which, by maneuvers too complicated for description here, deprived the people of Alabama of the right to vote for President Truman in his 1948 election. Dixon's most publicized associates in that endeavor were Gessner T. McCorvey, Mobile, chairman of the State Democratic Executive Committee, and Horace Wilkinson, an outspoken racist and Klansman in Birmingham. In May of that year I wrote in the Montgomery Examiner an editorial expressing as vigorously as I knew how my opposition to the Dixiecrats. I headed the editorial, "McCorvey-Dixon-Wilkinson," knowing that the Wilkinson association was not helpful to the Dixiecrats. To my astonishment, Dixon sent me a five-paragraph letter protesting the editorial and declaring that "in our personal friendship we have come to the parting of the ways. I regret it. Under the circumstances, I of course do not wish to continue my subscription to the Examiner. Please cancel it as of this date." [3] In retrospect, I believe Dixon had a valid complaint, for in linking him to Horace Wilkinson, I was using guilt by association. My only defense is that the Dixiecrat maneuver was an outrage against the democratic system, and tempers were hot.

When I bought the weekly Anniston Times in 1939 and left Montevallo, I was eager to help Bibb Graves win a third term. Graves had established himself as a governor who could work with the Roosevelt Administration, and Dixon was demonstrating the cost to the state of fighting the New Deal. By 1941 the Anniston Times was in battle with Mayor Coleman, a fairly natural issue since Editor Harry Ayers of the Anniston Star was on cordial terms with City Hall. The Times, by circulating a petition, forced the city to install voting machines. Our editorial support of Bibb Graves for governor won attention, since the Star, like most newspapers, was against him. Soon there were messages of appreciation from Bibb Graves, and an invitation to call on him in Montgomery. There he clearly intimated—or so I understood—that he wanted me to be his campaign manager in Calhoun County. Of course I accepted, exhilarated that at last I was making an entrance to the world of practical politics!

This was fine while it lasted, but in a few weeks I heard rumors of a political meeting of Graves leaders in Anniston with—of all people—Mayor Coleman. And I had not even been notified! I went to Montgomery to ask the Little Colonel about this. It was a cold day, and he and "Miss Dixie," his wife, received me kindly by the living-room fire. I cannot recall his explanation, if there really was one. All I remember is that after he had talked for awhile my resentment was gone, and I left for Anniston feeling that now, for the first time, I really understood why Bibb Graves had been elected Governor of Alabama twice, and might be the first man in history elected a third time. Graves was a great persuader!

But the political "sure thing" did not happen. Graves was 68 and not well, though opponents' comments on this were guarded. His major announced opponent was Chauncey Sparks, of Eufaula, a legislative leader referred to by opposing newspapers as "the Bourbon from Barbour County," whose chances against a healthy Graves were regarded as nil. Another candidate was a tree-tall young man from Elba and Cullman named Jim Folsom who for years had been running for Congress, and getting nowhere. There were two other candidates, virtually unknown. As reports of Graves' declining health persisted, Chris Sherlock, highway director under Dixon, entered the race with a blunt reference to Graves' health which offended the Colonel's friends and later cost Sherlock dearly. (William D. Barnard in The Alabama Review for July, 1975, has told this story in excellent detail.)

Graves died in March, 1942. I went to his funeral at the First Christian Church on Perry Street in Montgomery. The church was filled very early and I remember the amazing collection of political figures unable to get in and quietly conversing on the church lawn. Governor Dixon was among them, smiling more than I liked to see. Political talk on that occasion was hushed, but already most of the Graves people, led by Richard T. Rives, of Montgomery, now a distinguished Federal judge, had decided on Sparks as their candidate. Sherlock had spoken crudely of Graves' health, and Folsom was regarded as a country boy running no better than third, if that well. In one of the curious turns that make politics so fascinating, Sherlock, seeing Sparks in front and Folsom dragging for lack of money, put some of his ample funds behind Folsom in hope of getting at least a run-off with Sparks. But in the May election, Folsom out-polled Sherlock by 20,000 votes, and Sparks won a clear majority.

That fall I left for military service, and when I returned in 1946, it was Sparks' last year as Governor. As one who had voted for him to make the best of an unhappy situation, let me say that I came to respect Sparks as one of Alabama's ablest, most courageous leaders. He governed with calm decency and a liberal program of support for education, health, and welfare, which was a pleasant surprise considering his previous leadership of a conservative bloc in the Senate. Sparks literally grew in office as he faced problems broader than those of Barbour County. Also, he was influenced by getting to know Lister Hill, an association nurtured by friends of both leaders. But the full quality of the man was not revealed until 1948 and 1950 when he fought the efforts of McCorvey and Dixon to split Alabama Democrats away from the National Party and make them a regional party of no certain commitments. Sparks' forthright position contributed to his defeat when he again ran for Governor in 1950.

In March of 1946, after three-and-a-half years in the Navy including six months in the heart of China, I became editor of the Montgomery Advertiser. The circumstances were unusual. While still in the service I had corresponded with R. F. Hudson, Sr., the publisher, about an editorial page job. I went to see him during the 1945 Christmas holidays and was given the editorial page with the title of associate editor notwithstanding my request for a unique provision.

"Mr. Hudson," I said, "the effectiveness of an editor, and the appeal of a newspaper are enhanced when the public knows the editor, and knows he writes out of conviction rather than upon the instruction of a publisher or a corporation. I would like readers of the Advertiser's editorials to know they are getting my honest expression, unpressured by R. F. Hudson. If the time should ever come when you and I can not agree on a position—and I would expect them to be few—then I would ask that you state your position in an editorial signed by you." To my astonishment, and that of all who knew R. F. Hudson, he agreed.

But there was still more of the unusual. On arrival in Montgomery that February to buy a house, I was approached by an old friend who represented a business group with plans to start a new daily. The original promoter, John B. DeMotte, a former Advertiser-Journal employee, had died suddenly but the group wanted to proceed—with me as editor and publisher. The decision was not hard for me. First of all, I had been offered a job, had accepted it, and felt committed. Also—adding strength to my rectitude—was the 1939–42 experience of trying to compete with the able Harry Ayers' Anniston Star. This had made me cautious on the business side. Furthermore, I was not at all sure what kind of new daily these businessmen wanted. I declined, making sure, however, that R. F. Hudson knew the story. He responded by putting my name on the masthead as "Editor" rather than "Associate Editor." This made me happy, but not everybody.

On my first day, the late Grover C. Hall, Jr., son of the Pulitzer Prize-winning Advertiser editor, boyhood friend of the publisher's son, R. F. Hudson, Jr., and a writer I had known pleasantly for years as a talented columnist on both the Journal and the Advertiser, came a few steps inside my office and said, "I hate your guts for sitting in that chair. It's a spot I've always wanted."

"Grover," I said, "I can understand why you would like to follow your father as editor. But you are a young man and have plenty of time for that. We have always been friends, let us keep it that way."

My tenure as editor was exciting and brief—from early March 1946 to my resignation on July 2, 1947. During that time I was permitted to write what I believed. The paper had been committed to Lieutenant Governor Handy Ellis in the 1946 race for Governor before my arrival, and I honored the commitment. Later in the year I tried to persuade the Hudsons to support John Sparkman for United States Senator following the death of John H. Bankhead, but succeeded only in getting them to withhold any endorsement. The Hudsons did not share my enthusiasm for Lister Hill, but they tolerated it.

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[3] Letter dated May 24, 1948 in author's file.

In the summer of 1947, however, there arose a major disagreement with the Hudsons over plans by the Rural Electrification Administration for a steam generating plant at Gantt, in Covington County, to serve the needs of southeast Alabama. The plan was supported by Hill, Sparkman, and eight of the state's nine Congressmen. Only Frank Boykin of Mobile stood with the Alabama Power Company in opposition. After I declined to attack the R.E.A., R. F. Hudson, Jr., came in at 6 p.m. one day, just as we were closing the editorial page. He handed me a long editorial denouncing the R.E.A. proposal and announced, "We are going to run that tomorrow." I said, "Dick, this is one I'll have to ask you to sign." "No," he replied, "the paper is going to say it." "This breaches our agreement," I said, "and you have my resignation."

There followed a summer of indecision during which I received praise for my independence, but little in the way of job offers. The Nashville Tennessean invited me for a talk but once there, I had to apologize to Silliman Evans, the publisher, for letting him pay my expenses up there when, faced with the serious possibility of a move, I knew that I simply was not ready to leave Alabama.

Instead, I accepted as a gift—of no monetary value—the weekly Montgomery Examiner, which had been established less than a year before as a liberal voice in the state's capital. It was running a heavy deficit, and in my next eight years as editor and publisher the deficits never quite disappeared, though I gained a front row seat for the unfolding of a fascinating period in Alabama history.

In that summer of 1947, Jim Folsom, today something of a legend in his own time, had been Governor only six months. If in recent campaigns he may have appeared stumbling and ineffectual, running for no apparent reason, be assured that 28 years ago he was scaring the hell out of a large part of Alabama. And while I never voted for him—neither in 1946 nor in 1954—I liked him personally and wished for him a better fate in his two administrations.

Jim and I had been student friends at Howard College about 1928. Jim liked basketball, as you might suspect of a man 6 foot 8, but he was not what you would call a serious student. I knew him as a fun-loving, easy-going country boy type from Elba who, to my knowledge, made no effort whatever toward student leadership or distinction. I have often wondered what stimulated his remarkable ambition and drive in later years.

His 1946 platform—something of a combination of Bibb Graves and Franklin Roosevelt—had appeal to progressives. He promised better schools ($1,800 teacher salaries, extravagant at the time), more generous old-age pensions, hard-surfaced farm-to-market roads, a constitutional convention, reapportionment, elimination of the poll tax. What more could one ask? The problem for me, and for many like me, was doubt about Folsom's administrative experience and ability to deliver. He had done little in the ten years prior to his election but run for office—twice for Congress, twice for governor. He was a great campaigner with that bucket and mop, promising to clean the rascals out of the Capitol, but what about the hard decisions from behind the big desk on Goat Hill?

Our fears were well founded. Folsom's program fell apart for two reasons—bad advice, and the easy life. William D. Barnard, in his "Dixiecrats and Democrats: Alabama Politics 1942–1950,[4] suggests that the special interests, both farm and industrial, wrecked Folsom. In a sense this is true, but an alert Folsom, on his feet and drawing on his remarkable political instinct and understanding of the electorate, could have achieved many of his objectives and remained a power even beyond his second term, 1955–58. Instead, with too much partying when hard work was called for, his public image of the strong man devoted to the people—as I believe he truly was in his heart—soon faded.

As for the bad advice, it is hard to know whose advice a Governor takes. But Governor Folsom attacked on too many fronts—industry, the Farm Bureau, the Extension Service, Wall Street, the British, and President Truman. Small wonder that two months after taking office he said in a radio address on March 18, 1947, "If I have made a mistake in these fights it was due to one thing. I have taken on too many enemies of the people's interests at one time."[5] He resisted the opportunity for friendship with Senators Hill and Sparkman, and in 1948 put his close friend Philip Hamm in the race against Senator Sparkman, thus provoking a serious split among progressives. Unfortunate, too, was his decision in 1948 to announce for President of the United States. Gould Beech, editor of the Southern Farmer, was close to Folsom and important in the presidential move, though I do not know whether it was his idea. Beech invited me to the press conference announcing Folsom's presidential campaign. Afterward, when we walked out into the Capitol corridor, he asked, "Are you with us?" When I shook my head he said, "Well, you can come with us or be crushed."

On the plus side, however, Big Jim did support schools and colleges, he did pave roads, he did give more voice to the little people. In struggles against the Boswell Amendment and other efforts to restrict the electorate, Folsom was courageous. Most important of all to me, neither in his campaigns nor in his two administrations did he seek to capitalize on race. I believe the record will show that Folsom was the first Alabama Governor of whom this can be said. It was a fine distinction, won at greater cost than can be appreciated today.

When Folsom was elected in 1946, an also-ran was Gordon Persons, President of the Public Service Commission and a former protégé of Bibb Graves. Persons had built a statewide reputation for honest and intelligent dealing with the public utilities. There were good political brains in the family. Gordon's brother, Major-General Wilton B. Persons, was to serve in the White House as Deputy Assistant to President Eisenhower. In the wake of Folsom's flamboyant campaign in 1946, Persons knew he could not travel with something like Folsom's "Strawberry Pickers" Band, for that would have been out of character for him, a man of considerable dignity. For his campaign he needed something different, and he found it—a helicopter! The idea quickly caught on. Persons' announced landings brought good crowds, often on school grounds. Opponents tried to shame him for disrupting the schools, but he blithely continued his landings. There was always a brief talk to the crowd. "I figure," he told me, "that those kids will go home and tell the folks what they saw and heard." He must have been right, for in a field of fifteen candidates including Philip Hamm, Folsom's candidate, former Governor Sparks, and "Bull" Connor of Birmingham, Persons, with the slogan "He Keeps His Promises," won with ease.

He gained this astonishing victory with the support of only five newspapers. Two of these were the *Lee County Bulletin* and the *Montgomery Examiner*. I have his autographed photograph, which reads "To Charlie Dobbins, one of the few." It puzzles me that Gordon Persons could earn such overwhelming confidence among the people, but could persuade only five Alabama publishers to support him for Governor.

An experience not long before Persons took office astonishes me today as much as it did 25 years ago. In a conversation in his campaign headquarters in the Exchange Hotel—the Exchange was supposed to be the state's lucky political headquarters—Persons abruptly said, "I want you to do something for me. Write me an inaugural address."

At first I thought he was kidding, but he was dead serious. "Well," I replied, "that will be something new for me, but I'll try. When do you want to give me the points to be covered?"

"That's up to you," he said. "Just write it the way you think it ought to be."

I left quite confused, wondering how many of his friends Gordon had asked to do the same thing. But I studied his platform and wrote what I would have said, given his circumstances. The draft was delivered in December very privately, as I figured the next Governor of Alabama might not want people to know the Dobbins was helping with his speeches. From then until Inauguration Day there was no word from Gordon, which was a little disappointing for I thought he might have let me help in sorting out the best stuff from his several versions and deciding on a final document.

But out of curiosity, and some pride, I brought my draft to the inauguration to check against what Gordon would say. To my surprise, he started out speaking word for word from what I had written. I kept waiting for material from the other drafts to show up, but none ever did. Right on to the end, he spoke the lines I held in my hands. But at the last he added something new, and it was right out of any smart politician's handbook. He concluded—"Finally, I want to assure the people of Alabama that I will never again be a candidate for office."

On another occasion, Persons said, "Charlie, what is it I can do for you?" I replied "Nothing in particular, though I guess I would like the State Board of Education since it is my special interest." "O.K.," he said. "I thought that might be it, but I wish I could do something that would mean a little money for you."

So Persons named me to fill an unexpired one-year term on the Board of Education, and he named Neil O. Davis to the State Pardon and Parole Board. We had fought for Persons, and by the accepted rules of politics he "owed us" something though no quid pro quo had been discussed. Still, Davis and I were probably the state's most liberal and denounced newspaper editors, and Persons could have shown his appreciation in some way less conspicuous and possibly damaging to him.

As it was, the Montgomery Advertiser in two columns on page one announced happily, "Senate Fight Indicated Over Davis and Dobbins." By next day, however, the headline had changed to "Fight Against Davis Wanes . . . Possible Trouble Seen for Dobbins."

"Trouble" it was, with a hearing before the Senate Rules Committee and Senator J. Miller Bonner, an arch conservative. Fortunately, he was from Camden, and a family friend. Still, I went into the hearing a very scared nominee.

Senator Bonner asked some fairly general questions, then came to the one apparently intended as the clincher. "Mr. Dobbins," he asked, slowly and gently, "I hold in my hand the ballot of the Democratic Party of Alabama. At the top you see a crowing rooster with the words 'For White Supremacy.'—Do you believe in white supremacy?"

"Senator Bonner," I said, "I have been taught as an American and as a Christian to believe in right supremacy above white supremacy. Never under our democratic system of government has it been proper for one group of citizens to rule another."

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[4] William D. Barnard, *Dixiecrats and Democrats: Alabama Politics 1942–1950* (University, Ala., The University of Alabama Press, 1974), 5.

[5] "Governor's Radio Address." Press release in author's file

That answer pulled me through. Bonner moved to approve the appointment, saying my answers satisfied him 95 percent of the time and "I'm willing to give him the benefit of the doubt on the rest." My nomination was approved by the Senate 29-3, with opposition from only Bullock, Lowndes, and Marengo counties. By 1952, when Persons named me to a full six-year term, the no votes were only two.

Though understandably I may be suspected of bias, I see Gordon Persons as an unusually successful, middle-of-the-road Governor. The public was in the mood for a more dignified and efficient administration, and especially for a clean-up of corruption in the prison and pardon and parole system. Persons essentially achieved both objectives. In a time of racial stress, he virtually ignored that issue in his campaign, then in office stood fast against extremists. When the Supreme Court decision of 1954 outlawing school segregation produced demands for a Legislative Special Session to demonstrate the State's defiance, he showed courage. It was hard 21 years ago for an Alabama Governor to ignore this kind of clamor, but Persons just quietly did nothing. That was his style. And in the Dixiecrat effort to split Alabama away from the National Democratic Party, he stood with Senators Hill and Sparkman as a forthright Loyalist.

Persons was a devoted—even fanatical—Auburn man. His first public statement as Governor was a demand for the firing of Auburn's football coach, Earl Brown, and the hiring of Shug Jordan. Persons caught more editorial brickbats for that outburst than for almost any act of his administration, but it is doubtful that Auburn historians will hold it against him.

Out of these recollections of 25 years in Alabama come two observations: First, I am bewildered but encouraged by the change for good that can take place in less than a lifetime. My father said to me in the 1930s, "We don't have politics in Alabama based on issues. All our politics is race." That is no longer true. And second, I am impressed by the fluid character of politics as reflected in the diversity of governors discussed here. It was a long way from the lifestyle of B. M. Miller to that of Jim Folsom; from the economic philosophy of Bibb Graves to that of Frank Dixon; from the Bourbon background of Chauncey Sparks in Eufaula to the New Deal maturing of Gordon Persons in Montgomery. Yet each man, in his time, and out of his peculiar talents, made a contribution to the building of Alabama.

I offer a suggestion for the spirit of Alabama's Bicentennial Observance. It is the campaign battle cry of Bibb Graves with which he closed every speech.—"Keep On Keeping On!"

SENATOR HELMS' SPEECH TO THE COMMITTEE ON MONETARY RESEARCH AND EDUCATION

Mr. McCLURE. Mr. President, the Committee for Monetary Research and Education is a leading national organization of economists, academicians, businessmen, and average American citizens concerned about our economy and our monetary system.

Recently, my colleague, the senior Senator from North Carolina, JESSE HELMS, was asked to speak at the CMRE annual meeting in New York City.

Unfortunately, the Senate remained in session until 10:30 on the evening of the CMRE meeting and Senator HELMS was unable to go to New York as planned. His speech was, however, read to the CMRE membership, and I understand it was greeted enthusiastically.

I have reviewed Senator HELMS' comments and I believe the Senate should heed them. He discussed the level of debate in the Senate concerning monetary policy and he is critical of it. He assesses the condition of our Nation's economic policy and proposes a national debate on reforms he proposes.

Mr. President, I ask unanimous consent that Senator HELMS' speech to the Committee for Monetary Research and Education be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR JESSE HELMS

Thank you for inviting me to speak to a distinguished group such as this.

Since this is such an erudite audience, perhaps I should first tell you what I am not going to talk about.

I am not going to say anything about the "Open Market Committee." I am not going to talk about "credit aggregates." And, I am not going to talk about " 'M' one, two, three, four, five or six."

When I was asked by Mrs. Currier, your gracious Executive Vice-President, to come to your meeting, my immediate reaction was this: What could a former businessman, now a member of the U.S. Senate, tell the Committee on Monetary Research and Education that you don't already know?

Now, I have had some feelings about money for some time. I know that inflation hurts. It hurts people. It hurts business. I know that since the United States went off the gold standard completely in 1971, we have had 37% inflation.

I know that money that does not have something more than a political promise behind it, has only the value of a political promise.

I know that throughout history, successful economies have had a currency backed by gold. That is a fact, more than just a feeling.

That is not much knowledge about something as complex as monetary policy, but it is something. In the past six months or so, my knowledge has increased. Thanks, in large part, to people in CMRE, such as Professor Kemmerer, Carl Wiegand, and others.

But what about my original question: What can I tell a group such as this about monetary policy?

Let's put that question in the opposite context for a minute. What sort of situation are we in, when a man who has had some years of experience running a small business, speaking out on public issues, and now called on to vote in the U.S. Senate—what sort of situation are we in when men in such a situation cannot talk about money? Unfortunately, that is the situation we are in.

In the Senate, and in the House of Representatives, there is a great and an unfortunate lack of understanding of monetary issues.

All too often, a debate will rage hot and long in the Senate on a particular bill. "This is inflationary." "This isn't inflationary." Discussion can go on for page after page in the Congressional Record (at $286 per page, I might add); and not once will it be pointed out that inflation is not the number of subsidized widgets we produce, or the number of anchovies harvested by Peruvian fishermen.

Not once is it mentioned that inflation is caused by too much money chasing too few goods. Not once is it mentioned that inflation is caused by political appointees trying to produce a magic quantity of dollars to speed the economy up, or slow it down, or make amends for a seventy-billion dollar federal deficit.

Well, such is an unfortunate thing for the U.S. Senate, and even more unfortunate for the people of this country; and I hope that the level of debate will be raised. I hope the Congress will soon consider the issue of monetary policy and recognize its importance.

In the membership of CMRE is one of the newest members of the U.S. Congress, Dr. Ron Paul, a leader in the U.S. House of Representatives in the fight on the International Monetary Fund Bill. When he was sworn in, the Keynesians in the House of Representatives suddenly found that they had an outspoken, courageous, and obviously intelligent new opponent.

The IMF Bill is that first significant piece of economic legislation to come to the attention of the Senate this year; and I hope that we will use this opportunity to inflict a few new scars in the hide of the Keynesian tomcat. It's time he's made to know he will not have the run of the road without a fight.

As you may know, the House of Representatives passed the IMF Bill last week after turning down some important, good amendments offered by Congressman Paul and others.

Most recently, the Senate Foreign Relations Committee voted to recommend passage of the IMF Bill after a brief hearing. The hearing was enlivened by the attendance of Dr. Patrick Boarman, a member of the CMRE Board and by Dr. Gene Birnbaum, Chief Economist at the First National Bank of Chicago. For the first time in a long time, the Foreign Relations Committee heard witnesses that were critical of the IMF.

On August 27, the Senate Banking Committee will consider the bill. There will be some strong criticism made of the IMF Bill, and I will be one of those asking some hard questions.

Here is a case where the Administration is asking Congress to approve tremendous authority for the Secretary of the Treasury to exercise vast economic power over our economy. Almost at no time has the real potential impact of this proposal been discussed.

I know members of this group are well aware of what the IMF is doing with one-sixth of its gold reserves. It is selling this gold off so that it can give low-interest loans to nations that are already up to their ears in indebtedness. Much of the gold it is selling off, is gold the Congress gave to the IMF for purposes of monetary stabilization. An honest approach would simply state that the IMF—with full approval of the Treasury Department—is just handing the IMF gold over to the less developed countries: So Idi Amin can exercise his unique form of statesmanship with a few more dollars.

The IMF is a topic I know everyone here is fully aware of. I will not go into it in any further length. I will ask, however, that the shoe be put on the other foot. I ask that members of the CMRE give me their thoughts on the IMF. My office has already worked closely with some members of this Committee on the topic, but I want to see that this fight is on as sound a footing as possible. And CMRE has the kind of intellectual armament needed to help fight this fight.

It is that kind of serious battle that I want to see fought in the Senate. The IMF is just one of the topics which have not been analyzed thoroughly in the past. It is similar to the many bills which have been previously considered without a full recognition of their effects. All too often, even if full effects were recognized, the few advocates of sound money in Congress found that their resources had to be devoted to other issues—usually more popular and easily understood issues.

In the area of monetary policy, the Keynesians have held sway for so long that they have not had to answer any hard questions. They have not had to answer for their failures. They have not had to admit the great human and economic costs of these utopian schemes and policies.

I would like to mention briefly three topics on which I am working at this time.

The first is in cooperation with many other members of Congress on both sides of the aisle. This is the battle of the Humphrey-Hawkins Bill, the $40 billion per year make-work proposal called the "Full Employment and Balanced Growth Act of 1976." What a title! If there were a truth-in-legislation law, the sponsors might be headed for the jailhouse.

The Senate Banking Committee held some hearings on this proposal; and as a matter of course, about 50 economists were asked for their views. Senator Proxmire, our Committee's Chairman, asked the Library of Congress to assemble a list of "important" economists; and as you might expect, the names were a "Who's Who" of orthodox liberal economists. There were a few conservative names on the list; but, by and large, the list was slanted. The Library of Congress didn't do this maliciously, however. It is, after all, "common wisdom" that all economists are Keynesians, and the few remaining are followers of the "Chicago School" headed by Dr. Milton Friedman.

I consulted with my staff about how we can build the case against the Humphrey-Hawkins Bill—Jimmy Carter's plan for an economic Disneyworld.

After some consultation with individual members of the CMRE, I sent a request for comments to a number of good, sound-money economists; and I received many excellent responses. And, I would like to say that the selection of economists asked to comment on this bill was such a good one, that I found myself in agreement with every response I received.

I have asked that the responses be put in the Committee record; and I have provided copies to Senator John Tower who will be one of the leaders in the fight in opposition to this particular bill.

On another front, I want to mention what some Senate advocates of sound money are doing to restore an important freedom to Americans.

I have introduced S. 3563, a bill to repeal the Joint Resolution of June 5, 1933. This bill would effectively restore the right of Americans to write a contract—enforceable in the courts—containing a clause which says that payment may be made in gold or in dollars measured in gold.

This is a logical extension of the freedom to own gold, which was restored in 1974.

This is a reasonable proposal since similar contracts can now be written using any other commodity—except gold.

This is a prudent piece of legislation because like cost-of-living escalator clauses, it can protect people against inflation.

And, my friends, this is a fun piece of legislation because it scares the Keynesians silly.

They fear extending freedom to individuals. They fear relinquishing a monopoly power held by politicians that they would never tolerate were it held by businessmen.

The Treasury Department bureaucrats drafted a letter on this bill containing almost identical objections that the Treasury expressed to the restoration of the freedoms of Americans to own gold. Their prediction of doom fell flat, of course, on January 1, 1975.

An interesting ally has come from the Federal Reserve Board. Chairman Arthur Burns supports, or rather, "has no objection" to, the repeal of the prohibition.

I am optimistic about our chances for passage of this bill. It is a good one, and it should be passed.

A third topic I wish to mention is a bill I have been working on for some time.

It might be considered to be a response to the Humphrey-Hawkins Bill; and in some respects, it is a mirror image of that bill. Where the Humphrey-Hawkins Bill says that government should do something; my bill says it shouldn't.

However, there is a major difference. Where the Humphrey-Hawkins Bill is a logical—if frightening—extension of the same old government remedies to problems, my proposal would provide for a major change in direction.

My bill is entitled "The Job Opportunities and Economic Reform Act of 1976." The bill is offered in recognition of the status of the economy today. Despite the predictions coming out of the White House, the status of the American economy is not good.

We are not coming out of just another recession, we have had a recession with record inflation. We are supposedly entering a period of growth, but with record unemployment. What preceded the high unemployment we had, and the newly diagnosed recovery, was a period of inflation of unparalleled depth and duration. Previous to that inflation, we witnessed government intervention in the economy unprecedented in peacetime. We witnessed government-spending practices which must be termed both reckless and irresponsible.

What does this list add up to? It adds up to government intervention in the economy with evidently little private regard, and almost no public regard to the consequences.

We just finished a fiscal year with a deficit of "only" $69 billion. I see no immediate prospect of serious changes in the government fiscal or monetary policies.

Is it not, therefore, reasonable to suppose that if all things remain the same, inflation next time may get at least to the twenties? We may see that boom followed by double-digit unemployment, and a recession accompanied by inflation that could effectively prevent any significant recovery.

Government does not appear to be willing to start spending less to allow business to invest for the future. In fact, we are threatened with programs like $100 billion compulsory health insurance, a $40 billion make-work program under the Humphrey-Hawkins Bill and other big spending proposals.

Such a program for the future—more spending, more government, more controls, less growth, less economic freedom, and less investment—means what might be called the Britainization of America. It is a sad prospect.

It has come about in large part because we have vested Government with the responsibility to do things it is incapable of doing. Most politicians elected to such a government are determined to do good, or at least do something about the problems they perceive. So great acts of Congress are offered. If you don't believe they're great, just ask the Keynesians who propose them. Just ask The New York Times!

Most of the bills are passed with altruistic purposes in mind. The motivation comes, in large part, from the unfortunate belief that government can make proper decisions about the use of the nation's resources to achieve all sorts of desirable ends—that government can indeed bring about heaven on earth. In the process of achieving the desirable ends, we find that the means become burdensome, the allegedly necessary schemes become more and more expensive—and more bureaucrats are required to write rules, administer them, and enforce them. If a government goal is in fact impossible to achieve, then one could expend an infinite amount of resources and still not achieve it. That is what I am afraid is happening in many cases in our Federal Government today.

With these assumptions, how should one approach the problem of growth, government, and unemployment? The bill I introduced two days ago, the Job Opportunities and Economic Reform Act, has four titles.

Title one establishes goals for the Federal Government to reduce intervention in the nation's economy and avoid it whenever possible. This is a major shift in federal policy. For years, it has been the accepted wisdom in Washington that it is the Federal Government that has the ability and the full responsibility to see to it that the economy grows or doesn't grow, inflates or doesn't inflate, according to the wishes of Washington economists and central bankers.

It is not within finite abilities of men or machines to decide the condition of the American economy. What will be the best set of circumstances for all. Any goal, set of goals, or parameters set by a group or groups of politicians is by definition, subjective and reflective only of those various individuals personal viewpoints.

What economic fine-tuners propose to do is change the tax system, change the monetary system, or change federal spending policies to conform with their goals; or, change all three. It is just as though the rules of the game are changed so that the desired outcome would be achieved. However, changing the rules has an awesome effect on the players—the average American, the businessman, the person planning a career or retirement. Changing the rules of the game means that everyone loses.

My second criticism of such economic intervention is that the size and magnitude of the American economy is such that the only just regulator can be the marketplace. The only responsibility of Government must be to provide a stable framework and to prevent non-market forces from making market decisions. In other words, government must not only keep its role to a minimum in the marketplace; but it must serve as policeman to see that other groups do not do the same sort of things that the government now is doing.

My bill would amend the employment act of 1946 to state that "fiscal and monetary policies when used for purposes of regulating the economy tend to be counterproductive, and that the absence of such intervention tends to foster and promote free competitive enterprise; the general welfare; conditions which promote balanced growth; and useful employment opportunities. . . ."

The second title of the bill contains a statement of findings which indict federal deficits, and attribute many of our current and past economic ills to federal deficits. The achievement of reform in this area would be with a Congressional acceptance of its role in causing recessions and inflations by deficit spending and, most importantly, a Congressional pledge that change will be effected by a gradual return to balanced budgets.

My bill, therefore, amends the Congressional Budget Act of 1974 to provide that Congress will gradually adopt over a period of years a budget which would balance federal outlays with federal income.

The third title of the bill is, I am sure, of special interest to this organization, for it would phase out the political power of the Federal Government to manipulate the value of money. This is a most significant relinquishment of power. It would provide for a limit on the Federal Government's power to inflate the currency by restoring the market as the place where the value of money is determined. It would do this by providing for a gradual adoption of the market price for the free sale and purchase of gold. It would, in effect, place great constraint on the Federal Reserve Board's freedom to destroy the purchasing power of the dollar. It would provide for the gradual assumption of a standard gold price for the dollar, over a period of years. It would be phased in by first offering U.S. gold for sale at a price above the market and offering to purchase gold at a price below the market.

Over time, the purchase price offered and the selling price would be brought together and fixed at the market price. From that time, unless Congress acted, the dollar would have a fixed relationship with gold.

Why gold? The best reason is that it works. People throughout history have chosen gold as a monetary standard. "Why not politicians?" as the determiners of monetary values? The answer is that politicians have failed. The dollar has been inflated for a variety of reasons; and as a result, our economy has been beaten and battered. We have exported inflation to our allies, and their economies are in tragic conditions.

At worst, gold will do as well as the politicians of the Federal Reserve Board. At best, it will usher in an era of economic growth and stability, an era of prolonged growth and minimum price level changes. From 1879 to 1914, the U.S. averaged 3.6% real economic growth per year and price levels that varied no more than 2% per year.

In proposing that the Federal Government adopt a fixed price for gold, and a fixed measurement for the dollar in gold, I am proposing nothing less than the depoliticization of the monetary system. Such a proposal would mean that if the Federal Reserve Board chose to inflate the dollar for whatever reason, dollars would soon be turned into the Treasury for gold. This would indicate that people did not trust the dollars, and that they sought refuge from inflation in gold. Depletion of our gold supplies would place pressure on the government to reverse its policies.

A refusal would result in the voluntary or compulsory devaluation of the dollar. This would be an action to be avoided, for it would destroy future credibility in our currency, and lead to greater speculation against the dollar.

Eventually, it would lead to boom and bust inflation cycles and the kind of international monetary chaos we have today. Under the present system of unhinged exchange rates, prices change daily. Trade becomes a refined form of currency speculation. Capital flows are stagnated.

We cannot view money as an instrument of national policy. Such a view has led to the Keynesian excesses which we have witnessed. It will lead to the Britainization of America.

Economic reform must, therefore, be a recognition that money cannot be used to cover up foolish fiscal policies. It cannot be used to accomplish utopian social goals. Money is the means of economic activity, and the politicization of money can only lead to the disruption of economic activity.

I propose restoring freedom to individuals to engage in economic activity without having to guess how the political manipulation of the currency will affect their economic position. I propose shifting the burden from the individual to the government. I propose forcing government to conform with monetary constraints and freeing individuals by removing capricious government manipulation.

The fourth title of my bill would establish a Federal Commission on Barriers to Employment. The Commission would be devoted to the investigation and delineation of the costs and effects of impediments to employment. By this, I do not mean the sociological and psychological theories dreamed up by highly paid professors at Harvard or bureaucrats in the Department of Health, Education, and Welfare. By impediments, I mean what keeps the jobs available and the unemployed apart. In large measure, it is government.

There are some economists who state that in a truly free market, there is no such thing as unemployment. They say that if individuals are free to bargain, then all who seek jobs should find them. I do not think that we can or would want to eliminate all disincentives or barriers to employment; but we should recognize that government restrictions and regulations are some of the greatest causes of unemployment. We should know just what the exact causes and effects are. Then we can propose remedies.

The bill I am proposing is a major one. I believe that the provisions must be studied at great length before Congress adopts them. We must make sure that any hardships which may result from these changes are minimized. I am convinced, however, that on the whole, the reforms in this proposal are good ones. Indeed, they are necessary ones.

I submit the Job Opportunities and Economic Reform Act of 1976 so that Congress can begin a serious debate on real economic reform.

We have passed the time when we can throw money at the nation's economic problems and expect more good results than bad. We have passed the time when we can afford something like the "guaranteed" jobs bill which attempts to treat symptoms and not causes.

In full recognition of the political tone of the day, I do not expect approval of this bill in the near future. The United States Congress is far more likely, unfortunately, to adopt bills which provide for "more of the same." We will, unless the American people begin to demand meaningful reform, continue down the road to big government; to centralized decision making; to economic intervention; to the Britainization of America.

I introduce the Job Opportunities and Economic Reform Act of 1976 to begin the debate. After thirty years of Keynesian economics, we must assess the results; and the Keynesians must defend them. The Job Opportunity and Economic Reform Act of 1976 is a comprehensive reply to the economic polices of the past. It is comprehensive because we cannot attack any single one of our economic difficulties separately. Money, unemployment, growth, and stability are integral; and they must be looked at in the same context.

I look forward to reviews, comments, and criticism on this proposal. It has been so long since Keynesian economics began to hold sway that critics of it are looked upon as being either fools or knaves. But, I hope that the Keynesians will recognize this proposal as a serious and comprehensive critique of their policies. I hope those who are sincere in their regard for this nation will look twice and consider these proposals. I hope that members of the Committee for Monetary Research and Education, businessmen, economists, and political leaders from all sides will comment on this bill and contribute to the debate. It is a debate on the most important domestic issue our nation has faced since the Civil War. It is a debate on whether we will have an economy that can provide resources for our children, for their betterment, and for the accomplishment of national goals, or whether we will go the way of some nations and stagnate our productive enterprise in government coercion, economic disruption and the relinquishment of our freedoms.

I apologize for spending that much time on one specific proposal, but I want very much to bring it to the attention of this group. There is precious little that individuals such as myself can do to effect real changes without the support of opinion leaders such as yourselves.

With your help, we can bring closer the day when this great nation will begin to drop the economic shackles with which it has so tragically burdened itself.

Thank you for your time and consideration.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point six notifications I received during the recess. Portions of some of the notifications are classified information and have been deleted for publication, but are available to Senators in the office of the Foreign Relations Committee, room S-116 in the Capitol.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

AUGUST 10, 1976.

In reply refer to: I-5630/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 7T-9, concerning the Department of the Army's proposed Letter of Offer to Iran for ammunition estimated to cost $45.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH.

TRANSMITTAL NO. 7T-9—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(a) Prospective Purchaser: Iran.

(b) Total Estimated Value: $45.0 million.

(c) Description of Articles or Services Offered: Conventional 175mm ammunition.

(d) Military Department: Army.

(e) Date Report Delivered to Congress: August 10, 1976.

ADDITIONAL INFORMATION RELATED TO TRANSMITTAL NO. 7T-9

The proposed sale will not impact on the U.S. readiness or procurement programs. The items in this proposed sale will be supplied from production capacity in excess of that required to satisfy the U.S. Army requirements.

This is a major defense item over $25 million and; therefore, must be a foreign military sale in accordance with Section 38 of the Arms Export Control Act.

This ammunition will add to Iran's overall defensive capability.

The Government of Iran will pay all cost for this proposed sale plus an administrative service charge for handling this as a foreign military sale. This sale would have a positive net effect on the U.S. balance of payments.

AUGUST 10, 1976.

In reply to: I-5634/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 7T–10, concerning the Department of the Army's proposed Letter of Offer to Iran for ammunition estimated to cost $69.4 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH.

TRANSMITTAL NO. 7T–10—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(a) Prospective Purchaser: Iran.

(b) Total Estimated Value: $69.4 million.

(c) Description of Articles or Services Offered: Conventional 155mm and 105mm ammunition.

(d) Military Department: Army.

(e) Date Report Delivered to Congress: August 10, 1976.

ADDITIONAL INFORMATION RELATED TO TRANSMITTAL NO. 7T–10

The proposed sale will not impact on the U.S. readiness or procurement programs. The items in this proposed sale will be supplied from production capacity in excess of that required to satisfy the U.S. Army requirements.

This is a major defense item over $25 million and; therefore, must be a foreign military sale in accordance with Section 38 of the Arms Export Control Act.

This ammunition will add to Iran's overall defensive capability.

The Government of Iran will pay all cost for this proposed sale plus an administrative service charge for handling this as a foreign military sale. This sale would have a positive net effect on the U.S. balance of payments.

AUGUST 11, 1976.

In reply refer to: I–5742/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 7T–11, concerning the Department of the Air Force's proposed Letter of Offer to Iran for an estimated cost of $25.0 million.

Sincerely,

H. M. FISH.

TRANSMITTAL NO. 7T–11—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO 36(b) OF THE ARMS EXPORT CONTROL ACT

(a) *Prospective Purchaser:* Iran.

(b) *Total Estimated Value:* $25.0 million.

(c) *Description of Articles or Services Offered:* [Deleted.]

(d) *Military Department:* Air Force.

(e) *Date Report Delivered to Congress:* August 11, 1976.

AUGUST 11, 1976.

In reply refer to: I–4220/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 7T–12, concerning the Department of the Air Force's proposed Letter of Offer to Iran for a logistics program estimated to cost $200.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH.

TRANSMITTAL NO. 7T–12—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

(a) Prospective Purchaser: Iran.

(b) Total Estimated Value: $200.0 million.

(c) Description of Articles or Services Offered: Contractor development of a functional logistics organization of the Iranian Air Force and contractor training of Iranian personnel to operate the logistics system. The program designation is "Peace Log".

(d) Military Department: Air Force.

(e) Date Report Delivered to Congress: August 11, 1976.

AUGUST 11, 1976.

In reply refer to: I–3479/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 7T–13, concerning the Department of the Army's proposed Letter of Offer to Israel for an estimated cost of $76.0 million.

Sincerely,

H. M. FISH.

TRANSMITTAL NO. 7T–13—NOTICE OF PROPOSED ISSUANCE OF LETTERS OF OFFER PURSUANT TO SECTION 36(B) OF THE ARMS EXPORT CONTROL ACT

(a) Prospective Purchaser: Israel.

(b) Total Estimated Value: $76.0 million.

(c) Description of Articles or Services Offered: Deleted.

(d) Military Department: Army.

(e) Date Report Delivered to Congress: August 12, 1976.

AUGUST 11, 1976.

In reply refer to: I–4063/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 7T–14, concerning the Department of the Army's proposed Letter of Offer to Israel for an estimated cost of $59.0 million.

Sincerely,

H. M. FISH.

TRANSMITTAL NO. 7T–14—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE ARMS EXPORT CONTROL ACT

(a) *Prospective Purchaser:* Israel.

(b) *Total Estimated Value:* $59.0 million.

(c) *Description of Articles or Services Offered:* [Deleted.]

(d) *Military Department:* Army.

(e) *Date Report Delivered to Congress:* August 12, 1976.

COMPETITION IN THE OIL INDUSTRY

Mr. GARY HART. Mr. President, in the past year or so, many have questioned the merits of restructuring the oil industry in the interest of increased competition. It is important that the consuming public appreciate the benefits of increased competition as more than just academic or theoretical in nature.

In an article published in the July 18 issue of Newsday, Senator PHILIP A. HART points out how the consumer loses by an industry structure in petroleum that discourages competition for crude oil. He explains how increased competition in the oil industry will benefit both the industry and the consuming public.

It is a piece well worth the attention of my colleagues and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BY PHILIP A. HART

It happened in mid-sentence during a Senate antitrust and monopoly subcommittee hearing a couple of years ago: I went blank and couldn't think of a single example of a competitive industry. Stumped, I turned to the staff. No suggestions. I tossed the question to the audience—about 150 persons who work in industry or follow antitrust matters closely, or both. Silence.

That memory comes back now because it seems to typify a problem of those who favor divestiture for the oil industry. We argue that this will bring consumers the benefits of competition. We get back blank looks.

People are hard put to imagine what a competitive oil industry would look or act like. They are especially hard put to imagine how competition would affect consumers.

Frankly, I should have realized long ago that murmuring "competition" doesn't automatically bring blissful visions to consumers' minds. They don't often get a chance to see it practiced—even in this land supposedly dedicated to the free enterprise system.

Every one of our basic industries—such as steel, autos, copper, computers, communications—are dominated by a handful of companies that are able to control their market instead of being controlled by it. In a country of more than 300,000 manufacturing concerns, 200 control more than two thirds of total manufacturing assets.

The oil industry also suffers from a lack of competition. It is not defined as easily as some other industries in terms of concentration of ownership figures. But the bottom line is that there is no free market in crude oil or refined products.

The top oil firms own more than 79 per cent of crude reserves directly. When indirect control is added—in the operation of joint producing leases and such—the figure hits 90 per cent. The industry spokesmen tell us there are 10,000 producers. So the other 9,980 must control 10 per cent of the reserves.

Consider these other barometers of concentration in the industry. In 1972, the top eight refiners had 56 per cent of production. The top 20 had 84 per cent. Crude oil is generally sold to the pipeline on which it travels, and in 1973, 92 per cent of crude oil shipments were carried in the majors' lines (the top 18 companies in volume of crude production, refining and marketing are included among the "majors"). The same year the majors' pipelines carried 76 per cent of the refined oil products in the country. And in 1974, the top refiners held 80 per cent of the domestic market. That type of control by a group of companies that meet each other daily as partners in production, transportation and/or marketing thoroughly dilutes free markets in this industry and makes nonintegrated companies less than free-wheeling competitors. The loser, ultimately, is the consumer.

During the debate on the wisdom of divestiture for this industry, we are often asked: How much money will the consumer save? Frankly, I haven't the faintest idea. Nor, I am sure, does anyone short of God. We do know that if you take an industry that is not competitive and make it competitive, there is a downward pressure on prices.

At the moment this industry is dominated by an international cartel that may or may not hold together after divestiture. If it holds, the OPEC countries have announced they intend to continue to raise crude prices. But that will not be as easy after divestiture.

Then the companies buying the oil will not have an incentive to just pay the asking price. They will be the largest refiners in the world, the ones buying 95 per cent of the OPEC crude, and they will be getting their profits solely from refining and marketing. In other words, they will be tough negotiators and price-shoppers.

Today the major integrated oil companies have no incentive to bargain for lower prices. They have a stake in price increases. That's because their own reserves increase in value each time the world price is hiked. The magnitude of that incentive is impressive. For example, a $1 increase for a barrel of crude means the value of the reserves that Exxon, Atlantic-Richfield and Sohio/BP hold just in Prudhoe Bay, Alaska, increases by $10 billion.

That's the kind of condition in which sweetheart contracts flourish. OPEC scratches the oil companies' back, and vice versa. On the other hand, we do know that with the 5 per cent of the OPEC production now being purchased by nonintegrated refiners there has been some eroding of the cartel price.

So there is every reason to believe that competition over the years would keep prices from rising as fast and as high as they would without competition. For consumers, the stake is considerable.* * *

But saving money is not the only benefit competition promises consumers. The almost universal trait of monopolists is their comfort. They don't have to hustle—and they usually don't. Therefore inefficiencies creep in; technological advances are slow to be made or implemented. In general, there are signs of stagnation in the industry. As Business Week magazine reported last month, "Compared with their sales volume, big oil companies have never spent heavily on research and development—at least the engineering kind. Ford Motor Company's budget alone exceeds the $715 million that oil companies, with combined sales of $175 billion, reported."

On the average, the oil industry last year spent less than one half of one percent of sales dollars on research and development.

One company, Phillips Petroleum Company, broke down its research and development expenditures like this: More than 50 per cent went to research on chemicals, including fibers and plastic. Fifteen to 25 per cent went to finding improved techniques to discover and evaluate oil and mineral deposits.

Evidence of the inefficiency of the majors shows up at the service station: The nonintegrated independents traditionally undersell the majors by three to five cents a gallon. Robert Yancey, president of Ashland Oil, a large independent refiner, told the subcommittee he could "spot the majors a dollar a barrel and still beat them at the pump."

Clearly, the only noticeable competition in the industry comes from the independents. The independents, not the majors, came up with new marketing techniques, such as unmanned "gas-and-go" stations. Innovations like this and lower prices helped them capture about 25 per cent of the market. That took a bit of hustling.

Incidentally, after the subcommittee members thought about the competition question a bit, we did come up with a very good example of a competitive industry—the hand-held calculator industry. As you may recall, about five years ago when they first began appearing, you had to pay $300 to $500 for a model that today sells for less than $100. And you can now buy simple models for less than $10. What made the difference? Competition. That's what brought improvements in technology, lower prices and a good deal of other benefits for consumers.

Wouldn't it be nice to see a little of that in the oil industry?

POSITION ON VOTES

Mr. BIDEN. Mr. President, beginning on the evening of August 4 and running through August 10, I was absent due to illness and was unable to vote. I have now studied the issues connected with the votes that occurred and wish to record my position on the various record votes that were held during that period. Therefore, I ask that the record reflect that had I been present and voting at the following votes, I would have voted as I have indicated below:

AUGUST 4, 1976

H.R. 10612—Tax Reform Act of 1976:

Vote 472: Kennedy amendment No. 2141, "yea."

Vote 473: Kennedy amendment No. 2140, "yea."

Vote 474: Kennedy amendment No. 2073, Division I, "yea."

Vote 475: Kennedy amendment No. 2073, Division II, "yea."

Vote: 476. Committee amendment on Title VIII, as amended, "yea."

Vote 477: Hart (Colo) unprinted amendment No. 310, motion to table, "nay."

AUGUST 5, 1976

S. 3219—Clean Air Amendments of 1976:

Vote 478: Hart (Colo) amendment No. 1608, "yea."

Vote 479: Hart (Colo) amendment No. 1609, "yea."

Vote 480: Packwood amendment No. 1577, "nay."

Vote 481: Scott (Va) amendment No. 2115, "nay."

Vote 482: Final passage S. 3219, "yea."

H.R. 10612—Tax Reform Act of 1976:

Vote 483: Buckley amendment No. 1993, "yea."

Vote 484: Packwood unprinted amendment No. 314, "yea."

Vote 485: Muskie motion to indefinitely postpone further consideration of Sec. 2601, "nay."

Vote 486: Weicker motion to recommit bill, motion to table, "nay."

H.R. 10612—Tax Reform Act of 1976:

Vote 487: Hruska amendment No. 2154. Motion to table, "yea."

Vote 488: Kennedy amendment No. 2138: "yea."

Vote 489: Muskie motion to recommit bill. Motion to table, "nay."

Vote 490: Kennedy amendment No. 2168, "nay."

Vote 491: Packwood unprinted amendment No. 313, "yea."

Vote 492: Title XXII, Estate and Gift Taxes, as amended, "yea."

AUGUST 6, 1976

H.R. 10612—Tax Reform Act of 1976:

Vote 493: Committee amendment on Title XXVII, "nay."

Vote 494: Inouye unprinted amendment No. 323. Motion to table, "yea."

Vote 495: Inouye unprinted amendment No. 323, "nay."

Vote 496: Percy amendment No. 2166. Motion to table, "yea."

Vote 497: Dole unprinted amendment No. 326. Motion to table, "nay."

Vote 498: Hart (Colo.) unprinted amendment No. 328. Motion to table, "yea."

Vote 499: Montoya unprinted amendment No. 330. Motion to table, "yea."

Vote 500: Bayh amendment No. 2156, "yea."

Vote 501: Gravel amendment No. 2171. Motion to table, "yea."

Vote 502: Nelson amendment No. 2157. Motion to table, "nay."

Vote 503: Kennedy amendment No. 2176. Motion to table, "nay."

H.R. 10612—Tax Reform Act of 1976:

Vote 504: Sparkman amendment No. 2142. Motion to table, "yea."

Vote 505: Hollings unprinted amendment No. 340, "nay."

Vote 506: Final passage H.R. 10612, "nay."

Vote 507: Clark unprinted amendment No. 344. Tabled by voice vote. Motion to table motion to reconsider vote, "nay."

AUGUST 9, 1976

H.R. 14262—Defense Appropriations:

Vote 508: Hart (Colo.) amendment No. 2146, "nay."

Vote 509: Leahy amendment No. 2145, "yea."

Vote 510: Abourezk unprinted amendment No. 352, "yea."

Vote 511: Final passage H.R. 14262, "yea."

Vote 512: Nomination of H. Buyford Stever to be Director of Office of Science & Technology Policy, "yea."

S. Res. 463:

Vote 513: Buckley amendment No. 2096. Motion to table, "yea."

Vote 514: Final passage—S. Res. 463, "yea."

AUGUST 10, 1976

Vote 515: H.R. 12987—Emergency jobs program authorization. Final passage, "yea."

VALENTYN MOROZ

Mr. GRIFFIN. Mr. President, this morning the Senate Committee on Foreign Relations approved Senate Resolution 67, expressing concern for the safety and freedom of the Ukrainian historian, Valentyn Moroz.

I ask unanimous consent that a statement in support of the resolution which I presented to the committee be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY U.S. SENATOR ROBERT P. GRIFFIN

Mr. Chairman, I am pleased that the Committee has agreed to consider S. Res. 67 this morning.

This resolution, which I introduced more than 18 months ago on behalf of Senator Taft and eight other colleagues, requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz, the Ukrainian historian. The Resolution is identical to S. Res. 392, introduced two years ago by Senator Taft, a resolution which I also cosponsored.

Valentyn Y. Moroz was born on April 15, 1936, in the village of Kholoniv in the Volhynia oblast of Ukraine. He graduated from the University of Lviv in 1958, and taught both history and geography in Lutsk and Ivano-Frankivsk.

As my colleagues on the Foreign Relations Committee are aware, eleven years ago, this month, Moroz was arrested on charges of "anti-Soviet propaganda and agitation." A man of unusual courage, he was not deterred by the physical and mental abuses he suffered in Soviet prisons.

Shortly after being released from prison in 1969, he was again arrested by the KGB and placed on trial. Rather than pleading for his personal safety at his November 17, 1970, trial, Moroz stated:

"Only a submissive Moroz would prove useful to you, for by 'confessing' he would repudiate himself. . . . But for a Moroz of that breed you have to wait forever . . . I am being tried behind closed doors; but your secret trial will 'boomerang' regardless of whether I am heard, or whether I remain silent, isolated from the world in a cell in Vladimir Prison. There is a silence more deafening than thunder and it cannot be muffled, even should you destroy me. Liquidation is an easy answer, but have you ever considered the truth—that the dead often count more than the living? The dead become a symbol—they are the substance that nourishes the will and strength of noble men."

It is tragic, but perhaps not surprising, that this performance earned a 14-year prison term for Valentyn Moroz.

Deprived of his rights, Moroz began a hunger strike in protest. It was perhaps in part because of the subsequent publicity in the West that Congressional interest developed in the Moroz case, with resolutions of support being introduced in both the House and the Senate. In November 1974, as reports on Moroz's condition became more alarming, I took the initiative to write a letter of personal concern to President Ford, urging him to apprise the Soviets of American concern for Valentyn Moroz. Perhaps the campaign was successful; in any event, the harassment of Mr. Moroz slackened in the months that followed.

A new crisis developed earlier this year, however, when it was learned that Moroz had been transferred from Vladimir Prison to the Serbsky Institute for Forensic Psychiatry. This was not the first time accounts had reached the West that dissident intellectuals were being placed in Soviet mental hospitals in an effort to silence them.

This past June 4, I joined with 22 of my Senate colleagues—including four other members of this Committee (Senators Javits, Percy, Scott and McGee)—in voicing concern for the welfare of Valentyn Moroz. This time, our effort took the form of a letter to Soviet Communist Party General Secretary Brezhnev. Just eighteen days later, the *Washington Post* reported that doctors at the Serbsky Psychiatric Institute had found Moroz "sane," and that he had been transferred to a Moscow prison.

Clearly, progress has been made. But just as clearly, much more remains to be done. The Resolution before the Foreign Relations Committee this morning—S. Res. 67—is a continuing step in the right direction. I am pleased that it is being considered, and I urge my colleagues to give it strong and prompt approval, so that it may be considered by the full Senate in the near future.

As you know, Mr. Moroz has been offered a position as a lecturer at Harvard University should he be released from prison and allowed to leave the Soviet Union. This is a worthy goal to pursue.

SOVIETS PLAN TO LINK CENSORSHIP TO 1980 MOSCOW OLYMPIC COVERAGE

Mr. ROBERT C. BYRD. Mr. President, in negotiations for news coverage during the 1980 Moscow Olympics, Soviet officials are apparently trying to impose censorship on the world media. And unless steps are taken immediately, they will continue to exert pressure which could result in a 4-year moratorium on news from the Soviet Union which would reflect negatively on the Soviet regime.

A recent article in the New York Times reporting on the high-level competition between executives of the American television media described attempts by Soviet officials to tie awarding of the lucrative contract to "other considerations" which could lead to self-censorship.

According to the U.S. network executives, Soviet negotiators have made it clear that matters other than objective reporting on athletic events in Moscow in 1980 will be weighed before the contract is awarded.

These actions by the Soviets are early indications of how they will use the Olympics for propaganda purposes unless the United States and other democratic nations establish ground rules on all conditions concerning the news media.

The Soviet Government has always made it difficult to report news objectively from Moscow, and television coverage has been particularly hampered by government regulations. Western newsmen have been banned from the country or denied return visas after reporting news unfavorable to the Soviet regime.

There have already been comments in the Soviet press which reveal the context in which they plan the 1980 Olympics to be held. An American news magazine has reported a major Moscow newspaper as saying:

> The Olympic Games are not just a major sports festival but are one of the fronts of fierce struggle between the supporters and opponents of international cooperation and mutual understanding.

This is a thinly veiled reference to the adversary political relationship between the free and Communist nations which the Soviets would like to inject into the 1980 Olympics.

The pressures exerted during the preliminary negotiations with American executives reveal how the Soviets attempt to manipulate all news information for their benefit. It is possible that the Soviets may exert pressure on a network or newspaper to withhold reporting a story if it portrayed Soviet life or politics in a negative manner.

It is also possible that the media may be informed that the Soviets would be reviewing all requests for press credentials just prior to the Olympics, at which time the other conditions would be evaluated. Under any circumstances, this would have to be considered a form of journalistic blackmail.

In the interests of protecting the tradition of free press in America, I am writing to the Federal Communications Commission to request that the Commission monitor negotiations involving the American media and Soviet officials. I believe that this action should be taken to assure that American media are not placed under any undue pressure in their coverage of the Soviet Union and Soviet affairs.

QUORUM CALL

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending question?

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment (No. 2201) by the Senator from South Carolina (Mr. HOLLINGS).

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Maine (Mr. HATHAWAY) has an amendment which would qualify under the exceptions made in our unanimous-consent agreement on yesterday relative to the Helms amendment and the two Dole amendments. Mr. HATHAWAY desires that, whether or not the Hollings substitute is adopted, his unprinted amendment relative to agricultural qualification or classification of fisheries may also be submitted for consideration.

I ask unanimous consent that irrespective of the action by the Senate on the Hollings substitute, the Hathaway amendment be in order.

Mr. FONG. There is no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I have not had the time to review the entire statement in yesterday's RECORD made by the distinguished chairman; but I notice that there is a general feeling on the part of those in the leadership that the business decisions of the Postal Service have been wise ones. In fact, the Senator from Hawaii says:

> Look, you have a $14 billion business. It has 89.3 billion pieces of mail. One percent

mistakes would amount to millions of pieces of mail missent, and you have to expect that with such a tremendous volume.

The truth of the matter is that we are not picking on a missent letter, because that is bound to occur under any organization, and I will have to agree with the Senator from Hawaii on that. But, on balance, we are trying to study the Postal Service and give an objective judgment. We in Congress have not been afforded that opportunity. We are told at every turn, like the coach I had in college days, "Wait 'til next year." The football coach always wants to wait until next year.

H.R. 8603 had its genesis in January of 1975. It was reported to the floor of the House in July of last year and was passed by the House in October of last year, almost a year ago.

When we are talking about a blue ribbon commission and a 4-month study and how we have to get to work and keynote and cooperate and coagulate the different issues for Congress, the truth is that the Senate had Senator McGEE's bill in January. We have had it for 8 months. In those 8 months, with the expertise of our Committee on Post Office and Civil Service, we could have done a far more salutary job, I am convinced, than any blue ribbon commission coming into town that did not have any knowledge and working responsibility with respect to the Postal Service.

There should be a GAO study of Congress. We have substituted the GAO for the Committee on Post Office and Civil Service. We have had 140 studies by the Government Accounting Offices. It is almost like guerrilla warfare; because while we are not doing the work in the committees and within the committee structure, the individual members are trying to show some awareness, some understanding, some appreciation. So they are writing to Elmer Staats and the GAO.

I have the GAO budget on the Appropriations Subcommittee for legislative matters, and I found that we had an inordinate number of studies for the Postal Service—140 in all—costing more than $6.5 million, much more than the cost of the operation of the Committee on Post Office and Civil Service. All of the work done by GAO, plus more, could have been accomplished by having the committee performing those studies.

You do not need a Sherlock Holmes to investigate to find what is wrong. You can, on the one hand, look at the business decisions of the Postal Service and the Postmaster General, or you can, on the other hand, look at that United Parcel Service, that element of real private free enterprise, that has succeeded, and very quickly learn of the decisions that they made in order to be competitive, in order to be economical, in order to give service, in order to survive in a demand and supply situation.

First, going to the decisions made by the Postmaster General with respect to being a private corporation—I included a good part of this in the RECORD on yesterday with respect to sole source contracting. For one thing, the General Accounting Office went in to see how any business with a competitive base would get competitive bids to try to effectuate economies. In fact, even the Postal Service testified, plus the GAO experts, that, rather than sole source contracting, if you had multiple source, if you had competitive bids for the various services performed, it amounted to at least a 30-percent saving.

We find out that half of the contracts of this great, big, free enterpise, unfettered, unpolitical group made half of their contracts under sole source contracting, which was a tremendous loss for the Government. In fact, there has been some question raised about the award of contracts to relatives and business concerns of the former Postmaster Generals and some of their intimates with respect to the management consultant contracts that were entered into with very, very little result, if any, that could be proved.

Again, I am back to the original point: If we had the opportunity to have these hearings, we could have called the Postmaster General, we could have called the parties involved and having the testimony on both sies, we would have known the truth so that we could give it to Congress. As it stands now, we are still saying, wait until next year, after a blue ribbon commission reports back. All the time not knowing, really, whether or not there was a bad decision.

We do know that between June of 1970 and August of 1973, a company, Burnaford & Co., Inc., an advertising agency, directed by Mr. Charles Burnaford, a friend of former Postmaster General Klassen, was given $815,000 in contracts for different services. GAO reported Burnaford & Co. charged twice as much in salary, that they billed the Postal Service for labor costs in excess of the actual labor cost. They charged the Postal Service for all auto expenses—incidentally, in Cadillacs and Mercedes Benzes. The Democratic candidate is out on the west coast doing away with Cadillacs. Private free enterprise is hiring them and paying for them. In turn, of course, the American public is paying for additional Cadillacs here.

Burnaford & Co. overcharged the Postal Service for travel expenses. Burnaford & Co. charged bad debts and personal telephone calls that would have caused a congressional scandal. When you get congressional oversight and when they know there is congressional oversight, they are a little bit more careful with these kinds of personal consultant contracts just given out willy-nilly.

We have many other things with respect to the Postmaster General's elaborate headquarters suite, but let us not pick at that. Let us go to the matter of vehicles. We cited yesterday, with respect to inflation and incidentally, let us say we have had inflation. The Consumer Price Index has said the cost for all services between 1971 and 1976, in the last 5 years, has gone up 35 percent. But the Postal Service cost of services has zoomed up 65 percent. So we can account for 35 percent of the 65 percent, but we cannot account for the additional 30 percent which is given there. So again, we cannot just slough it off on, look, we have a big organization and 1 percent of the missent letters would cause the thing to go awry.

Let us look at the business decisions. Let us look, as businessmen are required to do with respect to their business judgments, not only at the Consumer Price Index, but we again go to the matter of the cost of vehicles. We found out that of the 85 contracts that were picked by the GAO, they could have eliminated 16 of those contracts and reduced others to a saving of $185,000 and about 88,000 gallons of gasoline, or a 20 percent saving. Well, 20 percent on 12,000 contracts would zoom into millions and millions of dollars being wasted on bad business judgments. So that is the sole source contracting, the management consultant contracts or advertising contracts, the vehicle decisions. Then we go to the bulk mail facility.

Mr. President, when we were in school, we would send out the laundry. They said they had a special machine there, I say to Senator FONG, that ripped the buttons off your shirts and shot them through your socks, so you got back your shirts without buttons and your socks were full of holes. That man who ran the laundry, I think, is in charge of the bulk mailing facilities. No one outside of the post office says it has been a good decision. While they have cost a billion dollars, I will use the Senator's logic or argument that, being a $14 billion annual operation, they could write off a billion dollars. They certainly have gone in the hole $8 billion. They could have written off the $1 billion bad decision and resumed speed under the old operation.

But, no, they continue with this bulk mail facility, of which they have improperly placed some 21 around the country, most of them operated by those who have never had any connection whatever with the mail service. All of them had total breakdowns. Congressman WILSON went into the Detroit office and found piles and piles of damaged packages. The same occurred, we saw in the news, at the Chicago post office. If anybody wants any old packages, we are going to have some rummage sales sometime, when the Postal Service finally makes a decision that it is going to have to take the people's mail and start opening up a Postal Service rummage sale and start selling the stuff, whatever it is, to dispose of it.

If we think we have good business management decisions, we look then to the vehicles, the management decisions, the sole source contracts, the advertising contracts, the bulk mail facilities. Then I guess this was the pressure that finally got upon the Postal Service to do something right. They had to get some kind of competition. They designed a workload program recording system, but we finally found out what to do with the poor junior class at West Point that we had a hearing on yesterday. They were told, "Take the exam home," and anywhere from 400 to 600, almost half of that class, was found—they have not concluded it, of course, but evidence is that half were engaged in a breach of the honor code at West Point.

Well, they have not had amnesty, but

this program go so bad—incidentally, my Senator friend from South Dakota, if he would come back, would appreciate this, rather than having former Senator Goodell in charge, we could get the Postmaster General, because he knows how to get amnesty. It got so bad that he gave amnesty.

Let us find out just exactly what happened.

They instituted—if I can find that fancy name that they have for it, it is called—the workload recording system. Under the workload recording system, they were trying to make records then of the workload, and the GAO review said the postmaster told them that after being on the job for only a brief period—this is the postmaster right here in the district office—this is all of a sudden over a period of a few years, all of a sudden in Washington, where everything goes awry, all of a sudden we had the No. 1 post office in America because the workload recording system had said so.

Of course, they did not tell us it was manipulated. They did not tell us it was totally falsified. But in any event when the GAO went to look at it, they talked to the new postmaster who had come in in January of 1974, and in talking to that postmaster, it was said that he realized the mail volumes being recorded were incorrect.

His tours of the facility indicated that the volumes recorded were higher than those he observed; the facility was generally overstaffed. He said this overstaffing resulted from the inflated mail volume, and in his office he found prior inspection service reports which documented the history of falsification of mail volumes. There is no record, however, of any corrective action having been taken by his predecessors.

The postmaster said at that point he really did not know what to do about the problems. He decided to allow the mail processing operations to continue for the time being, and then, after assuring himself, he called a series of meetings of all the tour supervisors and informed them that he knew of the volume falsifications and wanted it stopped immediately and he threatened to fire anyone who did not do it.

As a result, the mail volumes and productivity reported in the workload recording system for the period June 2 through June 28, 1974, about a 3-week period, declined 25 percent. Bam. As soon as it started making honest reports it declined 25 percent.

Now, the district manager did not like that because he had to report. You see, they have a tremendous hierarchy, by the way. The district managers ought to be discharged as a total waste. They have some 57 of them over the country, and everybody in this business says that you have the sectional managers, you have the regional officers, you have the Postal Service up here, and the district offices are just a superimposed hierarchy that is unneeded and is uneconomic.

But the district manager had to continue to show and get his blue ribbon, I guess, so he accused the postmaster of having lost control of the city's post office.

The controversy ultimately resulted, Mr. President, in a request by the eastern regional postmaster general for an inspection service audit, and the audit of the post office began in August 1974 and concluded in March 1975.

The inspection service found that in spite of the postmaster's warming to subordinates to cease all mail volume inflation the situation had not been completely corrected, and the inspection service estimated that the inflation of total piece handlings exceeded 60 percent—60 percent falsification.

Twenty-eight supervisory employees, as a result, ranging from first line manager to tour superintendent, admitted falsifying the workload recording system. I could elaborate more on it.

It got so far out of hand, that rather than reviewing it and going on further, the Postmaster General threw up his hands and what did he do? He granted amnesty. So there is a section of Government where you can receive amnesty, my distinguished friends, and that is from the Postmaster General. [Laughter.]

So when you are talking about improved service in statistics and everything else you are talking about falsification of records.

Now, look at the other particular property management decisions with respect to getting improved conditions. One report of the Postmaster General earlier this year said that 87 percent of the employees were now under good working conditions. But on a close inspection, and hearings would bring this out, money had been spent in obtaining flagpoles and in bulk mail facilities, but not necessarily in improvement. There has been an improvement obviously in some of them, but many still work under bad conditions.

As far as business judgments go, with the new facilities projecting future use over a 10-year period, GSA says there is much excess space that could be rented. As a business concern impressed with the duty to make a profit or in this case break even, it would have long since rented, but they are not doing it.

I mentioned the district offices. I have tried to get into what they have called the improved service and everything else of that kind. I am trying to reserve some of the time for my other colleagues, and then answer some of the questions.

But let me say this, Mr. President, with respect to what is wrong; let us find out also what is right. We only have to go to the United Parcel Service, where many would say they are just skimming the cream. The fact of the matter is that you can go right down into Atlanta, Ga., right where the district office used to be. Every private industry has a headquarters in Atlanta. Even the Democratic nominee for President of the United States is now running from Atlanta. But, no, no, that is not a good decision, that is not a good business decision, they say. "We have got to go to Memphis, Tenn.," where there are no airline connections or anything else. You have to fight to get reservations, and you have to find a train that goes out there and if I do I will get it, but there are not any. The bus service is all interconnected. Nobody goes from Charleston, S.C., to Mississippi, and no one from Memphis, Tenn., on the Mississippi comes all the way to Charleston, S.C.

But down in Atlanta, where they have one of these parcel situations, the United States Postal Service built a facility there. They are great on cost, on buildings, and if you look at all the money spent, they are just big realtors. Of course, that is where the former Postmaster General, Mr. Blount, spent his life building buildings and, incidentally, his firm got $91 million worth of contracts in the construction of buildings.

So they built one down there for the parcel service, and it cost them $35 million. They have a daily volume down there of 95,571 pieces, and they have 549 employees. That is not a $14 billion corporation, with 89.3 billion pieces of mail, with 1 percent of those going awry causing millions of letters being missent. I am not talking statistics, but talking facts, I am talking business judgment and where business judgment was made.

A similar United Parcel Service went in there and they built a facility that is serving them extremely well. Rather than $35,585,000, they contructed one for $4,500,000, one-seventh of the cost, on a business judgment, because they have to pay for it. There is no Federal financing bank to run to and get $500 million as the Postal Service did on May 28 this year, less than 90 days ago. They have already been to the Federal bank and gotten $500 million, and they come here now asking for $1 billion more, and they say, "We are going to run another deficit of another $1 billion, and over our 5-year history we have gone $8 billion in the hole." And the United Parcel Service built one for one-seventh the cost, and rather than 549 employees, they have 619 employees, and their 619 employees rather than handling just 95,571 pieces of parcel post, they daily handle 220,000. So, over double, almost three times, the volume at one-seventh the cost. Those are not missent letters due to little mistakes that are bound to happen. Those are calculated business misjudgments on behalf of the Postal Service.

Looking at how they are being accused now of skimming the cream, they do not just build buildings, they give a pickup service. Of course, they charge for it, but they go in and they find customers. Now, nothing prevents, under the Postal Reorganization Act, the Postal Service from going around and giving a pickup service. They used to have one in business areas and everywhere else. That has been totally eliminated. Windows have been closed on Saturdays when working people get off and get a chance to wrap a package and mail a letter. Maybe we should not have Saturday deliveries, because they are too costly, but at least they ought to have the window open and the facility alive and doing business as they used to, and get the package off. Windows have been closed and there are no pickups.

The United Parcel Service has a pickup and they have automatic insurance. They cover the package, so you do not worry about some kind of little limitation of $100, and if it was over $100 then it was lost. Mr. President, if you look at Detroit, if you look at Chicago, and look at the bulk mail facilities, I can guarantee it will be lost and it will be destroyed going through that machine.

So they are worried about it and would like to have adequate insurance. United Parcel Service realizes that is something desired by the consuming public and they give automatic insurance. They give easy proof of delivery, because, when they deliver that package, they do not just throw it off somewhere and then wrangle and have an argument about whether or not it was or was not delivered. They give them back a slip that has been signed. They give these additional services.

There is no mystery and no mistake in billions of pieces of mail which are being sent. This is a business judgment; they do not have to hire consultants.

An ordinary politician like myself can ask around and see they are succeeding in what they are doing.

So find what they are doing and, if it makes good business sense, which apparently it does, emulate and copy what they are doing and provide the same services at the same cost. We know they have Federal financing.

I do not want to put the United Parcel Service out of business. I do not think I have any chance in this Congress. I think the United Parcel Service will grow. I do not think I have any chance with the Postal Service. But I would, certainly, if I were Postmaster General, give them competition.

To bring it into focus at this time, Mr. President, this is not a casual proposition. We are not in any crunch or rush for money. They just borrowed half a billion dollars. The House has another half billion dollars; it has been tentatively approved on both sides. We can give them the necessary money, whether it is a billion or half a billion dollars.

But, really, after 6 years, August 1970 to August 1976, we have to make a formative judgment.

I was asked once earlier this morning, "How do you go back to what it was?"

I happen to have been here. It was not that sorry. We were tired and, in my earlier years in the U.S. Senate, at least 40 percent of my time was on Vietnam. We were wrangling and moving up aircraft carriers or battleships. One day we were having electronic line bombing, or no bombing, playing war on the floor of the U.S. Senate for a good 6 to 7 years.

The judgments made at that particular time were that we were spending too much time over appointment of postmasters and in special interest groups coming in here for special postal rates.

My particular amendment does not go back to the political appointment of postmasters. It does not go back to the ratemaking. We have beefed up the ratemaking commission and expedited it. It had been delayed in the courts, but we have had that test case.

The Postmaster General and the majority of our Postal Civil Service Committee think that the expedited procedures, even under the McGee or similar provision under the Hollings substitute, will take care of the ratemaking. But it does say that with all these judgments we cannot come back to Congress year in, year out, asking as we are doing this year for a public service subsidy of approximately a billion dollars, an additional $1 billion to get solvent, to keep from going bankrupt, and $307 million for the phaseout of second-class mail rates.

They are asking for $2.3 billion and saying, "All right, just give us the money and don't ask any questions."

I do not see how we can continue to do our job after 6 years' experience—and we oversee everybody and tell everybody how to run an oil company, how to fly a plane or defend the country. If you want to know anything, come down here to the Senate floor and we will tell you how to bomb, or build a bomber, build an oil company, price gas, or what you should do for consumers. You will find experts here on anything you want until it comes to taking responsibility.

When it does that, what we see is, "Let's get a blue ribbon commission and that commission can go ahead and correlate all these fine facts which we do not have time to do.

We just had 8 months. Senator McGEE's bill was introduced in January and we have done nothing. We had a year and a half to title and number this bill, H.R. 8603, and that commenced in January. A year and a half ago, and we have still done nothing.

The Postal Service was instituted in August 1970. That is 6 years ago and we have not done anything. You can bet your boots that old political axiom of when in doubt do nothing, and stay in doubt all the time, will reign supreme in the U.S. Senate. We will tell every cabinet member everybody's finances.

If we sent OSHA around to the bulk mail facility tomorrow morning, they would be closed down. They would lock up all the Postal Service employees. They are all in violation. One lady lost a leg. They are unsafe.

I think, not being facetious, maybe we can get an OSHA amendment for the bulk mail facility to see how it would work.

They would not pass muster. They would close them all down and we would not have any mail at all.

Maybe that is the way to bring it to the attention of the U.S. Senate.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. STONE). Who yields time?

The Senator from Wyoming.

Mr. McGEE. Mr. President, I have been listening with interest here to my colleague from South Carolina. I think he underscores very well not only the differences that prevail in regard to how best to approach postal problems, but even the uncertainties and the dimensions of a proper national postal service.

The shortcoming of it all is that he would propose a solution, his solution, the kind of catch-all grab bag of proposals to plug up leaks in a system, as he sees it, that was put together 6 years ago.

God knows there have been plenty of leaks, plenty of gaps, and we have all learned a little in the 6 years of postal reorganization.

But I submit, Mr. President, that there are many deep running differences still in the wisest way to come to grips with this problem. That is the reason we have no business trying to plug a hole here and stop a gap there and patch on another proposal here from the floor of this body in these closing days of the session.

The Postal Service of the United States is too important to our country, to every person in this country, and it ought to be approached in a reorganization updating, modernizing, whatever we want to call it, with the kind of thought and care that the magnitude of that service demands.

That is the reason for the pending proposal here on the floor, what my colleague loosely calls the McGee bill.

It is a compromise measure to try to hold the Postal Service in a state of relative stability in regard to rates, in regard to cutback in services, in regard to small post office closings, until we get out of the hectic, pellmell pace that this election year has thrust upon all of us, one way or another.

If we can hold that until the new year, whatever that administration may be, we will then have the report from the Presidential commission. At that point, with no end in sight in terms of the time imposed upon the Senate for its deliberations the Congress, the elected representatives of the people, can work their will on a thoughtfully put together bill for the postal system in the best interests of all the country as a whole.

I think that is the point that is uppermost in the consideration of the bill that is pending before this body today.

We have a proposal that was worked out very carefully with different groups that would approach the postal problem on an acceptable hold-the-line compromise. If we start at the White House end of the street, we find an adamant position there in regard to any kind of public funds being plowed into the Postal Service, including the postal subsidy concept.

I personally believe that a substantial public subsidy in the national interest is a must in the postal system. The White House disagrees. I do not know whether I am wiser than the White House or they are wiser than McGee. In any case, that very point requires that we take the time thoughtfully to sort out the various approaches to the postal system and then put them together in a collective effort in the best way we are able to do. That really is what is at stake here. We cannot do it from the seat of the pants in this body, in these late hours of this session. We would ill serve not only our own record, and we are supposed to be responsible legislators, but most of all we would betray a very much larger public responsibility to try to provide the best Postal Service possible.

I appreciate my colleague's efforts to try to improve that system. He has a great feel in his proposal which I think requires the most serious evaluation. My point is it is only part of the input that is required before we dare make a new assessment at this late hour. His is one approach. There are 121 approaches, I am sure, and maybe 435, because we have that many Postmasters General in the Congress. It is 535 if we dare to include the Senate but I would not include Senators as Postmasters General. They are statesmen who simply are trying to solve a public problem. We have more Postmasters General than we have problems in the Postal Service. When we run out of problems, we invent more, with loose rhetoric, with quick solutions, and with seat-of-the-pants judgments.

What I am saying, Mr. President, is it is time that we sober up on this question. It is time that we let the mantle of public responsibility settle down upon our shoulders in a way we can look back upon when this year has worn itself through the electoral trials in both parties, and look back upon it with a sense that we did the wise thing, frustrating though it may have seemed at the time. That really is what is at stake in the issue which is pending here.

I call to the attention of the Members of this body what the GAO told the Congress, for those who care to read it, who care to study it, in an in-depth examination at the request of the Post Office and Civil Service Committee for an evaluation of the system. It was a 4-year study into which they plowed 200 man-years of evaluation. They submitted their report to the Senate committee last spring.

Some of the things they concluded ought to at least give us pause as we ponder what steps to take next and what kind of a move we ought to make.

What they told us was that a lot of operational things had gone wrong in the new effort undertaken 6 years ago. I suppose the major boo-boo in the new system was indeed, as my colleague has rightfully pointed out, the bulk mail system. That was launched under the first Postmaster General under the new system, Winton Blount, and the commitments and the contracts were made.

It was a gamble; it was an estimate. It was an estimate made by the private sector, and it turned out to have been a wrong guess. It was a sincere guess, a sincere estimate, but I think it did not work in the dimensions that had been envisaged. The GAO said so. But they also say that the responsibility of the Postal Service is so much larger than the handling of packages, many billions of pieces larger, that it is important that in our frustration over something that went wrong we not throw out the baby with the bath. That was their final conclusion.

The GAO puts its finger on something else that went wrong in the Postal Service. They did not need to tell us this, but they were able to authenticate the impression that most of us have. That is that a lot of mail was not getting where it was supposed to go; that more mail than before was failing to get where it was supposed to go. They analyzed why. The why was the explosion in the volume of mail between 1964 and 1970, a volume of mail that jumped by billions of pieces; that broke down the Chicago Post Office. That had nothing to do with postal reorganization. That was under the old system. It had already begun to happen because of volume.

In an attempt to cope with the volume problem, one of the changes in the new system was mechanization in the sorting of mail, machines to replace hand sorting. The machines are vast keyboards, as those who have visited these installations will discover readily, but operated by a human being. The missent, missorted mail jumped from about 1.5 percent error when sorted by humans to 5 to 6 percent error with the machines. Why? Because this was a new and sophisticated technique, and the training of new personnel to operate these master keyboards without human error was a rather torturous process. It has made a steady improvement ever since, just as even McGEE makes an improvement in trying to operate a typewriter. I have my words per minute now up to 38. I used to be only 20. If one practices, he gets better.

That is precisely the problem here. They say the 5 to 6 percent error in sorting mail constitutes the larger segment of the popular headache with the Postal Service. What is their conclusion about it? Their conclusion is that "Without the introduction of mechanized sorting there would have been worse mail service because of the avalanche of volume, sheer volume, that would have buried the whole country's mail service as it buried the system in the city of Chicago."

That is a real problem.

It is nice to gloss over and forget that ever happened, and tell us what to do about the Postal Service now. The point is something is being done about the Postal Service in a way that can lead to lasting gains.

The error incidence has been falling at steady, regular intervals since the institution of the sorting machines. They still have more machines to put in. Many post offices have old plants that cannot absorb machines of that dimension. Those changes are still underway.

It simply says that each one of those changes is basic to the success of the system, and points steadily toward a lowering of the incidence of errors.

I remember Fred Kappel, who used to be Chairman of the Kappel Commission, who was appointed to recommend dimensions for reorganization of the Postal Service back in the 1960's. He was chairman of the board of "Ma Bell."

He was always prone to say two things: First, what an education it had been to him to get involved in the Postal Service of the United States. He recognized that it was a bigger and more complex problem than any private business had ever had to undertake, with a complete dimension of its own. I think it is well that we keep that in mind.

And he said one other thing. He said, "You know, with the volume of mail that we have in this country, we deliver more mail in America than all the rest of the world added together." Sheer volume: almost 90 billion pieces. He said, "If you have a 5-percent error"—which he said would be a very efficient system in the private sector—"you have 4.5 billion mad people because something did not arrive on time, did not arrive at all, arrived damaged, or whatever it was; but the percentage of performance is still incredibly high."

I can recite, along with my friend from South Carolina, all these headaches, and we have plenty of headaches. But the point, Mr. President, is that we are going to have a lot more headaches, we are going to have a whole mass of pains and aches and disasters, if we start tampering with an institution that is methodically building a more effective and efficient system.

We have gained a lot in 5 years. We have learned more in 5 years, and we have a great deal more yet to learn. But I say that, as we can gather by looking around this magnificent Chamber, we are not going to learn it here on the floor of the Senate, and this is no way to be engaged in a restructuring of the postal system of the United States. Responsibility alone, election year or no election year, requires that we take this issue very seriously.

The GAO's final conclusion on that 4-year, 200-man-year study, had two other significant findings. First, how do we compare in our nationwide postal system, in first-class rates, with the rest of the world? It is very interesting. There are few places that have a lower first-class rate than the United States. One is Canada, where they have one major railroad all along the border and have all the mail fanning out from that particular central spine; and the rate is lower in Canada when they deliver the mail. They did not deliver any mail for several weeks last year because they had another problem. No mail was delivered; but that is an alternative, to go to the Canadian system.

Another nation with a lower first-class rate is the Soviet Union. We are told that you can send a first-class letter in the Soviet Union for a nickel, every time they decide to deliver. So you can go there if you want a better postal system.

But the GAO's final conclusion is that among the more advanced countries of the world, those where we can get into the country and examine the details and take their records and make an evaluation, the average first-class stamp costs 21.5 cents.

Their conclusion was that a 13-cent stamp was a very fine bargain in these inflated times. That leaves out the human factor of the problems that may cause individuals of very low income, and we are not unmindful of that; I am simply trying to place this whole picture in perspective, Mr. President.

We have one of the lowest cost first-class mailing operations in the world, in which the operation is measurable in any way or in any significant dimension. But the second conclusion they reached ought to be of great interest to our colleague from South Carolina, because it addresses itself to the manpower input, the per-man-hour input into the product that comes out. The conclusion was measured in the only common denominator in which it could be measured: How many pieces of mail were carried or delivered, and how many people did it take to do the job?

The conclusion that the GAO reached was that in the United States it took 8,000 man-years—that is, 8,000 men working for a year each—to deliver 1 billion pieces of mail. You interpose that in our total volume, and you get the dimension of the employment force in the Postal Service—a little under 700,000.

But the next most efficient system in the world, which was Switzerland, had 11,000 man-years for the delivery of each 1 billion pieces of mail, and the next was 13,000, the next 14,000, and the next 17,000.

What I am trying to say is that the per man input into the system in this country was the lowest in the world.

Before we get all carried away with our rhetoric and our exacerbation, let me say, Mr. President, that it is time we recognized that the vast dimensions of our Postal Service requirements make it almost a one of a kind system. In terms of our fellow beings around the world, we are very lucky people. It is not good enough for us, because we demand perfection, and that is why we will continue to harangue and haunt the Postal Service of the United States. It is everybody's fair game; when you run out of issues, you can always berate the Postal Service and get a very warm response back home. We have all found that out. If you have a hard time getting a good punch line, take a crack at the post office. That is the standard formula in this election year.

Election shenanigans and fun and games are one thing; but the responsibility for an ongoing Postal Service without interruption is quite another thing. That is why it imposes upon us in this body a special responsibility as we ponder what to do.

My friend from South Carolina put together a package of proposals on this. He has given a lot of thought to it. So have a lot of other people—a great many other people—and there are many views and many different approaches. That is why it is imperative that we sort this thing out. That is why we seek to put together the best that human beings can contrive, in order to make the system work better. And we are not going to be able to do it here on this floor, or in the remaining days of this session, in an atmosphere that is charged with sharp political overtones.

Our colleague from South Carolina has included in his proposal what used to be the so-called Alexander amendment—it is now the Alexander-Hollings amendment—that would return the annual funding of the Postal Service to the Congress.

Now, that is a very appealing proposal, until you begin to examine its consequences; but one of the basic changes in the Postal Reorganization Act was to get it out of the uncertainty of annual appropriations, for one reason: No good management could plan with confidence on capital investments or plant replacements, or updating a system that was rapidly running into the ground like the old "one-hoss shay." You have to be able to knowingly plan ahead, which cannot be done without knowing what the congressional appropriation will be this year; and what the appropriation was each year was an attempt to try to pare it down as much as you could get by with for 1 more year, and that meant that we always cut out of it the requests for funds for post office plant improvement, for building new postal facilities and this sort of thing. And a very heavy proportion of the postal physical plant was as much as 50 years out of date at the time that reorganization got underway.

We are returning to a funding approach that courts that kind of disaster once again. We have been there, Mr. President. We know the cost of that. And we have to do something better.

The Hollings proposal does not. It only aggravates that particular approach.

And with a very telling point my friend from South Carolina said:

> We have to put the Postmaster General back in the Cabinet of the President because this Postmaster General could not even get in to see the President of the United States after he tried eight times in telephone calls.

He was referring to the new Postmaster General, Mr. Bailar, the present one.

Let me say to my friend from South Carolina that Mr. Bailar did get in and he was able to see the President of the United States in a very meaningful way for one reason: Because the Postmaster General of the United States is an independent public officer heading this massive public agency. Because of that he dared come before this committee of the Senate and say, "I cannot get through; they would not receive my call." And it did not take very many hours before there was a call once this was made public. The independence of judgment of the Postmaster General is a very important ingredient in this new operation.

Senators know, with all the great respect that we attach to the Postmaster Generals that we have under some of our fine Democratic administrations, that was kind of their secondhand job. They invariably were assigned much larger jobs from the standpoint of the party in power, whether it was the Democrats or the Republicans. They were charged with political appointments, with loading the Postal Service with all of the people for whom sometimes they could not find any other place, with advising the President on political judgments, and with sharpening the President's political capabilities around the country. This was true as to both parties. The Postmaster General spot in the Cabinet was specifically an activist political role, not a management operational role for a very massive service.

Therefore, I think we ought to go slow on that. My colleague thinks that is going to solve that problem, and we have an understandable and a sincere difference on that, but it again says that is why we should not be jumping at this and throwing it out with a swing of our arms, saying this is going to be the answer. We need to work the will of Congress in thoughtful and carefully examined ways as soon as we get back. That is the essence of the difference.

I am concerned about the patchwork aspects of my colleague's plan. He started out with the Alexander amendment, having Congress appropriate annually all the money, and there was so much flak that came up from that for one basic reason: Because that would impugn the integrity of any collective bargaining negotiation between management in the Postal Service and the work force under the Postal Service. One of the great reforms in postal reorganization was the first workable case of collective bargaining. That was a major breakthrough, and it has worked effectively. Oh, I notice that much later in one of his later versions of his bill, to accommodate to all the flak that was flying around all of us here, he added a little paragraph later on in his bill that said nothing in this bill shall be read to contradict or impugn the rights of collective bargaining.

Well, Mr. President, what kind of mishmash is that? Congress either can appropriate the money, in its own wisdom, or it cannot. Or they can collective bargain or they have to wait and see what Congress says first. I say it is important that we cut clean the separation from this appropriations uncertainty and the right of collective bargaining.

I think it is worth noting that after the first two sitdowns in collective bargaining—the third one occurred last year—and that collective bargaining agreement was held up by this administration, this President, as an example to the private sector of responsible collective bargaining agreements between management and labor.

What I am saying is it has come a long way and it is very responsible. But these same workers who have bargained collectively with a great sense of responsibility are now deeply disturbed by the implications of my colleague's proposed substitute for the compromise bill. And that is why they have gone on record against his bill, and I say it is time again that we set the record straight. My colleague did not intend to misrepresent it.

I received a letter which was hand delivered to me special this morning from the Rural Letter Carriers saying that they did not appreciate being misrepresented yesterday as having been in support of the Hollings bill. They are not in support of it. They oppose it. The same thing came from the Letter Carriers, one of the largest of the unions in the postal system. The same thing came from others in this sector, including the postmasters. To have it said of the postmasters of the United States, NAPUS, the National Association of Postmasters of the United States, that they supported the Hollings bill, turned out fury that was delivered through my telephone system overnight, and they want the record repeated here today that they oppose the Hollings amendment and that they believe that the compromise bill is the only one that can hold us together until we reexamine the much larger and complex picture more carefully in the spring.

I could recite all other groups, but I need not repeat that which we talked about yesterday. I simply say that the misgivings in many significant parts of our country about a quickie approach to the changes here envisaged or proposed ought to give us pause and slow us down just a little bit in order to try to be responsive.

Mr. President, the last of the points I want to make now is that the proposal of my distinguished colleague from South Carolina, with all of its sincere intentions, will produce a Presidential veto. Then we are back at square one. And we have every chance to do it the right way in February, March, April, whatever it is, as Congress works its will once the report is submitted to the White House and to the two bodies of Congress.

Much fun has been had with another blue ribbon commission. Well, there are commissions and then there are commissions. Sometimes we have them running out our ears. But there is a rather strong and abiding belief that a carefully selected group of experts from many levels could render a public service under the gun, as it were, with the heat of the calendar keeping them in action, and that is the reason that they put a terminal point of mid-February on such a commission report.

Mr. President, you and I have been through many commissions, I am sure. We appoint a commission for 2 years. We spend the first year appointing the commission, the next 6 months deciding what the commission is going to study, and the last 6 months the commission gets down to business.

We want no delays of that type. This problem is too large and the urgency of wiser solutions hangs too heavily over us to play that kind of delaying game again. That is why the time fuse was added to the proposal. But at the same time we put in this compromise bill an agreed upon moratorium on the existing Postal Service with the administration downtown accepting the $1 billion defrayal of some of the postal deficits.

It does not defray it all.

I do not know where my colleague got the $8 billion number he is playing around with as a deficit. It is bad enough to be $2 billion or $3 billion. It happens to be $4.5 billion in 1977. But that is neither here nor there. It is all horrendous. After you get past a million dollars, it gets to be pretty impressive stuff.

The basic concept that I believe to be present now is the concept of what a Postal Service of the United States should be. It should be service. It can benefit from the expertise of improved management techniques, but that never should be confused with a private business or with profitmaking.

With the expertise of good management to tighten the operation, the knowhow to address itself to this impressive volume of mail responsibility, I think it is impressive that we put into the new system a floating subsidy quotient, I should say, to allow for future inflationary periods, because that is what cuts into the present subsidy so severely. We nailed the subsidy to $920 million in reorganization; $920 mililon is about only 50 percent of that proportion now, in 1976. Yet, it is still riveted at $920 million.

Somewhere along the line, we should be able to arrive at a wise formula for what that percentage should be in the postal budget. How much is it worth to the Government of the United States to have a nationwide postal system as envisaged from its inception, a system, as George Washington said, that would be a chain binding our country together, a postal system that in some 25,000 of the 30,000 postal communities is the only symbol of the Government of the United States, with the flag above it?

This says a great deal for a country as widely scattered as ours, as deeply diversified as ours, and as geographically separated as ours. It means something. I think it is not without point that no other postal system in the world is not a government monopoly, and we should not forget that.

Mr. FONG. Mr. President, will the Senator yield for a question?

Mr. McGEE. I am happy to yield.

Mr. FONG. It has been said that United Parcel Service has a more efficient operation. Does United Parcel deliver parcels everywhere in the United States?

Mr. McGEE. The United Parcel Service has been a very efficient service in the areas that it has creamed off, because they are able to take the best of the returns they can get, at a price that others are willing to pay for it. I think they have been a good yardstick for comparative purposes. But, no, they could not deliver parcels at all the corners of the land.

Mr. FONG. Does United Parcel, for example, use the Postal Service in its operations?

Mr. McGEE. The United Parcel Service has used the Postal Service occasionally. United Parcel, for example, was not delivering any parcels this spring because they were struck.

Mr. FONG. What about a little town in Wyoming?

Mr. McGEE. It is easier to use parcel post than it is to deliver it themselves in many cases. I am told it has been done.

Mr. FONG. In other words, it is like an airline. An airline is required by the Government to service various cities. United Parcel is not required, like an airline, to service every city, every little town, every little village. Is that correct?

Mr. McGEE. That is correct.

Mr. FONG. Whereas, the post office must go into the little towns and see that mail is delivered and mail is collected. That is part of the public service charge to which we are now alluding.

Mr. McGEE. That is correct.

Mr. FONG. $920 million was the amount that the Government was appropriating at that time as part of the deficit in running the post office.

Mr. McGEE. Indeed. The Senator makes a good point.

What it really says is that what United Parcel is engaged in is not what the responsibility of the Postal Service of the United States is. They are two entirely different things.

Only 2.8 percent of United Parcel's business in 1975 was generated by casual telephone calls from somebody who wanted them to pick up a package, or who walked in with business. The bulk of it is commercially generated from businesses, piled up in one place, and they get it out and move it on.

So it is a misleading analogy to draw the comparison to United Parcel. United Parcel does good work in its own way and in its own place, but it is not the Postal Service of the United States. They do not even pretend to assume the responsibilities of the Postal Service of the United States. It is a wrong analogy to draw in regard to the Postal Service.

Mr. FONG. Would it be like a carrier picking out good paying cities and flying its airplanes to the big cities and leaving out the small cities?

Mr. McGEE. Yes. That is the real effect of the profit incentive. You are not trying to go into the hole. You are not trying to lose money. If you are going to give the responsibility that the Postal Service has to meet, you cannot penalize an individual because he chose to live in Spotted Horse, Wyo., because that happens to be quality living.

Mr. FONG. The law requires that the Postal Service serve every individual in our country?

Mr. McGEE. Every individual.

Mr. FONG. Wherever he lives.

Mr. McGEE. No matter what the geographical location may be, without penalty.

Mr. FONG. Is it not a fact that under the present law, the postal committees and Congress still have oversight with respect to the Postal Service?

Mr. McGEE. Indeed, they do. Both Post Office Committees, in the House and the Senate, have that oversight responsibility.

Mr. FONG. So if the Committee on Post Office and Civil Service wishes to investigate the various criticisms that have been put forth by the distinguished Senator from South Carolina, it can do so.

For example, the distinguished Senator from South Carolina says that there is excessive space, that there has been excessive cost in building facilities, that competitive bids have not been given out, that high consulting fees have been made, and that there has been falsification. If Congress wishes to investigate that, it has the oversight power to do so.

Mr. McGEE. Indeed, it has.

Mr. FONG. It need not throw out the whole postal organization.

Mr. McGEE. That is right.

Mr. FONG. It need not throw out the whole system we have, in order to do that.

Mr. McGEE. That is correct.

Mr. FONG. Is it not a fact that some of the complaints that have been generated against the Postal Service have been caused by the misdirection of mail and the slowness of mail?

Mr. McGEE. That is where at least the burden of the explosion comes from.

Mr. FONG. And some of the criticism against the post office has been because of the closing and consolidation of post offices.

Mr. McGEE. That is correct.

Mr. FONG. One of the big criticisms against the post office is that there have been deficits. Is that correct?

Mr. McGEE. That is right.

Mr. FONG. Is it not correct that as of June 30, 1976, the operating debt of the Post Office was $1.5 billion?

Mr. McGEE. Yes, that is correct.

Mr. FONG. Is it not a fact that the rate-making process was so delayed because this was a new venture, that it took a long time, 17 months and 23 months, to have two rate decisions by the Postal Rate Commssion?

Mr. McGEE. Yes. The delay was due to the newness of the Rate Commission rather than to the mechanism.

Mr. FONG. Is it not a fact that if the rate had gone into effect at the time it was requested, there would be a recovery of $1.4 billion?

Mr. McGEE. Yes. There would have been a very slight deficit—very slight—almost operating in the black.

Mr. FONG. About $100 million.

Mr. McGEE. That is correct.

Mr. FONG. Almost operating in the black.

Mr. McGEE. That is right.

Mr. FONG. So the deficit could have been alleviated if we had had a prompt rate-making process and the Commission did not have to go through the long, tedious process of trying to look into every phase of the problem before it arrived at its decisions.

Mr. McGEE. The Senator is absolutely right.

Mr. FONG. Is it not a fact that inflation, rising labor costs, and very much higher oil costs within the last few years, have driven the cost of the organization to a point where it has created this difference?

Mr. McGEE. Indeed, it did create the difference. I think it is important there that we put the finger on why. Inflation hit everybody. It did not just pick on the post office; it hit everybody. When it hit General Motors, they raised the price of their cars to cover the inflationary costs. When it hit the big food chains, they closed down some of their stores to meet the capital flow needs that inflation imposed on them. But the post office can do neither of those things. The post office has to keep plugging along every day. They do not have the option that those other corporations have.

Mr. FONG. If they close down, they must give comparable service.

Mr. McGEE. Right.

Mr. FONG. If they consolidate, they must give comparable service.

Mr. McGEE. That is right.

Mr. FONG. Naturally, when you close down a post office, you are going to have a postmaster protesting.

Mr. McGEE. And whomever he gives service to. But recently, we have had an operation that has been surprisingly effective. The Postal Service, in the last 6 months, has been consulting in very small post office areas with the mail users in that area to examine whether there was not a better or at least equal alternative in order to save a little money. They found the constituents ratifying that proposal. The old post office that no longer served, because it probably had been encompassed by suburban sprawl that had developed around what used to be a little rural area, had gotten out of date.

We had a case like that in Ryan Park, Wyo., a very proud little rural post office. The citizens there decided they would get better service with a carrier from the nearby community than the service they had been getting before. They were mindful of the importance of every little rural post office to the community as a whole. I think the Senator from West Virginia, who is not able to be here this morning, made an excellent point on that. Rural America needs these rural post offices. But I think they need them wisely.

Under the old system as well as the new, the average closings of rural post offices has remained at a fairly constant figure—170 to 185, usually no more than 200 a year. This was under the old system. Because they found the population shifting, they found capabilities improving. This is always ongoing. It is not something invented recently.

Mr. FONG. The postmasters welcomed consolidation.

Mr. McGEE. Some of them, yes.

Mr. FONG. And, of course, some do not want it. Naturally, for those who do not want it, we are going to have them writing to their Congressmen or Senators and objecting.

Mr. McGEE. I think that is understandable. We would probably do the same thing.

Mr. FONG. The majority of the 30,000 postmasters were appointed by politics.

Mr. McGEE. Yes.

Mr. FONG. Whereas, since the postal reorganization, they have been appointed by the Postal Service.

Mr. McGEE. It has created a career opportunity within the service that is an invaluable factor. But that invaluable factor of career opportunity is hinged to the independence of the agency, not by linking it again to the ups and downs of the political climates in the Congress and the White House.

Mr. FONG. Is it not a fact that the reason we went into the postal reorganization in 1970 is that Congress was unwilling to appropriate approximately $6 or $7 billion which was needed for capital improvement?

Mr. McGEE. It was needed for post office building improvement, acquisitions, capital investment. Congress was unwilling to do that because they could put that off to next year and, therefore, appear to be coming closer to balancing the budget, at the cost of deteriorating facilities.

Mr. FONG. Every year it fell into another year?

Mr. McGEE. It fell sadly behind.

Mr. FONG. Until the postal system became sadly in need of new post offices, new machines.

Mr. McGEE. One of the burdens of this new postal system was that they had to address themselves to an accumulated problem over the past 20 years or so all in one year or 2 years, or try to.

That was an excessive burden at the time. They have had to catch up to where we are now and that pace is going to be rather vigorous for a few more years.

Mr. FONG. Some of the borrowing made by the Postal Service is for capital improvements?

Mr. McGEE. Exactly.

Mr. FONG. As of June 30, 1976, the Postal Service borrowed $1.5 billion for capital improvement?

Mr. McGEE. That is correct.

Mr. FONG. It is anticipated that the Postal Service will borrow around $10 billion because we——

Mr. McGEE. They have that authorization.

Mr. FONG. To borrow up to $10 billion?

Mr. McGEE. For capital improvements, yes.

Mr. FONG. So there is a difference between what is owed under operating expenses and what is owed under capital improvement.

Up to $5 billion, up to June 30, 1976, was borrowed to build facilities or buy machines, which were not operating expenses.

Mr. McGEE. It is capital investment.

Mr. FONG. Whereas the operating expenses were $1.5 billion in debt.

Mr. McGEE. That is right.

Mr FONG. If we had gotten that rate increase in time, we would have been able to wipe out that $1.5 billion deficit?

Mr. McGEE. The Senator is correct.

Mr. FONG. So, from the standpoint of financial responsibility, financial soundness, the operating side of the postal system is not bad.

Mr. McGEE. That is correct.

Mr. FONG. Due to the fact that it could have been made whole if we had gotten that rate increase.

Mr. McGEE. Yes.

Mr. FONG. Because we did not get that rate increase on time, we are now saying that, since it was our fault, we want to provide the Postal Service this $1 billion to take care of part of that?

Mr. McGEE. That is correct.

Mr. FONG. Is that not the logic of it?

Mr. McGEE. That is the logic of it.

Mr. FONG. Is it not a fact that the Postal Service has reduced the number of employees?

Mr. McGEE. It has indeed.

Mr. FONG. Since the postal reorganization went into effect, in fact, it has reduced employees by 60,000, is that correct?

Mr. McGEE. 65,000, I am told.

Mr. FONG. It was approximately 730,000 when the postal reorganization went into effect, and now it is around 670,000?

Mr. McGEE. 665,000.

Mr. FONG. 665,000.

Mr. McGEE. They have been reduced by attrition.

Mr. FONG. If we had not mechanized the post office, we would still have the 730,000 employees?

Mr. McGEE. That is right. Mechanization has made it possible gradually to reduce the numbers through attrition, so that nobody loses these jobs, but a job was not filled in those areas where the mechanization made it possible for fewer individuals to produce a much larger volume of work.

Mr. FONG. And together with the reduction of the number of employees by 65,000, we lessened the number of post offices by about 1,300.

Mr. McGEE. Over that total period of time.

Mr. FONG. And that has been a saving of around $671 million a year?

Mr. McGEE. That is correct.

Mr. FONG. Over the 6-year period, it

will be a $3.355 billion saving, which would have been a charge against the post office had we not——

Mr. McGEE. And a charge against the Congress of the United States, which we would have had to be bailing out.

Mr. FONG. Had we not gone into mechanization.

Mr. McGEE. That is correct.

Mr. FONG. Let us take the problem of mechanization. We have these bulk mail centers, 21 of them.

Mr. McGEE. Right.

Mr. FONG. To have the most efficient operation of a bulk mail system, you have to have volume.

Mr. McGEE. That is essential, right.

Mr. FONG. Therefore, you funnel all of the parcels into this bulk mail system. For example, suppose there is a post office in this small town 5 miles from another small town. Instead of taking the mail from the first town to the second town, which could have been done in, maybe, 20 minutes, you send it to the bulk mail center.

Mr. McGEE. Yes.

Mr. FONG. So the parcels can be gathered together mechanically and distributed. It may sound ridiculous, but it is not ridiculous.

Mr. McGEE. Well, that is the whole theory behind it. It does produce some freakish cases, but it did before. Under the old system, when they did not have the advantage of mechanization, when they got stacked up with a little too much mail, they would put the mail bags on the train and send it to the Pacific Coast. By the time it got back there, the jam was relieved. But that was going on all the time. This is designed to alleviate that kind of problem happening again.

Mr. FONG. You have to have that kind of problem, because you cannot run a big bulk, efficient mail service through machines without trying to get all that mail in.

Mr. McGEE. That is right.

Mr. FONG. So that when you send it back there, any man can say, why, you travel 100 miles for a 5-mile delivery of a piece of mail. That sounds ridiculous, but it is not ridiculous.

Mr. McGEE. The time lapse on the average mail delivery has been cut considerably in these last 6 years, overall. It is the ones that go wrong that we hear about. But on the overall average, the time has been cut, first by a much larger use of aircraft and, second, by overnight deliveries, by truck and whatever other means is immediately available. This has stepped up the delivery capability.

Mr. FONG. In that regard, the post office handles approximately 89 billion to 90 billion pieces of mail a year, is that correct?

Mr. McGEE. That is correct.

Mr. FONG. If 5 percent of the mail are missent, that means 4.5 billion pieces have gone haywire.

Mr. McGEE. That means how many letters you and I get every year from people who are mad at us?

Mr. FONG. We do not get a million complaints.

Mr. McGEE. It seems like it some days.

Mr. FONG. But it seems like it with everybody yelling.

Mr. McGEE. Yes.

Mr. FONG. If the post office was 99 percent efficient, it would still have——

Mr. McGEE. Almost 1 billion.

Mr. FONG (continuing). 900 million pieces of mail going haywire.

Mr. McGEE. Yes.

Mr. FONG. With millions of people yelling, you can see the criticism generated against the post office. But actually it has been doing a good job.

Mr. McGEE. It has been doing an improving job. I guess it is good compared with perfection.

Mr. FONG. But it is not perfection.

Mr. McGEE. But it is steadily improving. With all of the things going wrong, it is making a steadily improved work record, delivery record and management record, and these are important yardsticks by which to judge it.

Mr. FONG. The post office has set for itself a standard by which it delivers its mail. The standards established by the Postal Service:

> For delivery of qualified first-class mail (stamped, zip coded and deposited prior to the last mail pickup, generally 5 p.m.) are as follows: Overnight (except Sunday) delivery within local areas, usually meaning a city's metropolitan area; 2-day delivery within a 600-mile radius, and 3-day delivery to all other areas.

Mr. McGEE. Yes.

Mr. FONG. I understand that since these standards were established, overnight local delivery has consistently been achieved for 95 percent of that mail.

Mr. McGEE. That was the last reading that we were advised of was about 95 percent.

Mr. FONG. Yes.

I understand that the cost of mail in the United States is much, much lower than all of the developed countries except Canada.

Mr. McGEE. Canada has a lower rate when they deliver the mail, as I suggested earlier.

Mr. FONG. Yes.

Is it not correct that a first-class letter which is sent through the post office in the United States costs 13 cents?

Mr. McGEE. 13 cents.

Mr. FONG. The cost for a first-class letter in Australia is 22.9 cents.

Mr. McGEE. That is right.

Mr. FONG. In Belgium it is 16.7 cents; in Canada it was 8 cents. The post office people went on strike; the first-class letter rate is now higher in Canada.

Mr. McGEE. It is 10 cents now, I believe.

Mr. FONG. 10 cents.

Mr. McGEE. I think it went up to 10 cents.

Mr. FONG. Canada is the only developed nation which has a first-class letter rate lower than the United States.

Mr. McGEE. Yes, I believe that is correct.

Mr. FONG. Ours is 13 cents and theirs is 10 cents.

France is 18 cents; Japan is 16.6 cents.

Mr. McGEE. And going to 18 this next month, I am told.

Mr. FONG. Going to 18.

Mr. McGEE. Yes.

Mr. FONG. The Netherlands 20.7 cents; Sweden 23 cents; and Switzerland 15.5 cents; the United Kingdom 17.3 cents; and West Germany 19.5 cents.

Mr. McGEE. That is correct.

Mr. FONG. So compared with these countries we are getting cheap mail; is that not correct?

Mr. McGEE. That is correct.

Mr. FONG. Except for Canada.

Mr. McGEE. That is right. And I mentioned earlier the Soviet Union, so they can move to the Soviet Union if they want a cheaper rate. Again they deliver almost every month there.

Mr. FONG. The efficiency of the people in the U.S. Postal Service has increased.

Mr. McGEE. The efficiency has markedly increased.

Mr. FONG. In 1967 to move 78.4 billion pieces of mail required 115,952 pieces per man-year.

Mr. McGEE. Right.

Mr. FONG. In 1970, it was 116,930 pieces per man-year, and in 1973, it was 131,079 pieces per man-year. It continues to be more efficient; is that correct?

Mr. McGEE. That is correct.

Mr. FONG. So, all in all, with the Postal Service having operated for only 6 years, with the tremendous amount of work it has to handle, with the complexity of the system, with the conditions it found itself in at the time of reorganization in 1970, it has not done badly.

Mr. McGEE. It has done better, let us put it that way. It is constantly and steadily improving.

Mr. FONG. Yes. Instead of picking on the postal system, we should give it all the cooperation we can. Why should we with one fell swoop of the Hollings amendment eliminate the postal organization as we have had it for the past 6 years?

Mr. McGEE. I think former President Kennedy had a very excellent way of putting that. He said, "Out in the West there is an old expression that ought to give us pause and that is we never take down a fence until we find out why it was put up in the first place."

Mr. FONG. Yes.

Mr. McGEE. Instead of running around wrecking the fences, let us try to do that in an orderly way and measure it.

Mr. FONG. Because we were in that jam, in that trouble——

Mr. McGEE. Right.

Mr. FONG (continuing). Because we saw the mounting amount of mail coming in, because we saw the increasing costs and increasing subsidies, we thought this postal organization should go into effect.

Mr. McGEE. That is right.

Mr. FONG. And we pushed it through in 1970. We have given it 6 years of experience, and in the 6 years of experience we find we have reduced the number of men in the post office by 65,000; we have reduced the number of post offices by 1,300; we have increased the efficiency of our people working in the post office, and they are getting a higher salary than they had been.

Mr. McGEE. They have a career opportunity now, really a career. They do not have to wait to see who wins the next election to find out whether they still have a job.

Mr. FONG. The Congress of the United States still has the oversight power.

Mr. McGEE. Yes.

Mr. FONG. So we need not destroy the postal system by saying "Bring it back to the Congress," where we are going to have a lot of politics and we will be reverting to the old political system, aside from and except that we will not——

Mr. McGEE. The Senator from Hawaii has stated it very well.

Mr. FONG. Except that we will not appoint the postmasters.

Mr. McGEE. Yes.

Mr. FONG. So I believe we should give it all the help we can. We should provide them with the $1 billion that we have in this bill—$500 million this year and $500 million next year to reduce the $1.5 billion deficit that it was operating under as of June 30, 1976, and where if the Postal Service had been given the rates they had asked for, the $1.5 billion would not have existed.

Mr. McGEE. That is absolutely right.

Mr. FONG. From that standpoint I think this bill is very reasonable, and I think it should pass, and this amendment should be defeated.

Mr. McGEE. It is not only reasonable, I think what is even more it is responsible because it is the best we can do in an election year when everybody is busy doing other things. The continued reform of the Postal Service and the upgrading of it ought to become a full-time job.

Mr. FONG. Before we enacted the Postal Reorganization Act, we had a lot of hearings.

Mr. McGEE. That is right, hours and hours and hours.

Mr. FONG. Hours and hours and days and days of hearings.

Mr. McGEE. Right.

Mr. FONG. Hearing from all of the interested parties.

But we have not had an hour of hearings on the Hollings amendment, which would wipe out the Postal Reorganization Act we enacted.

Mr. McGEE. That is right.

Mr. FONG. So before we do anything along that line we had better listen, we had better call hearings, we had better ask the people who are interested in this operation to come in and testify.

Mr. McGEE. Right. It is not a matter now of trying to measure what is popular on the spur of the moment——

Mr. FONG. Yes.

Mr. McGEE (continuing). —or what people are crying for. It is a matter of trying to move with a sense of responsibility. That really is the key.

Mr. FONG. Well, here you have an operation that takes into its coffers $15 billion and spends $15 billion. This is a tremendous corporation from any standpoint.

Mr. McGEE. Right.

Mr. FONG. And by one little amendment coming in at this time, without any hearings, with no interested parties taking part in the hearings, we say, "Let us wipe it out." Is that fair?

Mr. McGEE. That is not only not fair, it is very, very unwise and irresponsible. I just cannot see a legislative body such as ours, the greatest deliberative body in the world, some cliche——

Mr. FONG. And not to deliberate on this.

Mr. McGEE. Not to deliberate on it would be a most serious blunder.

Mr. FONG. Because deliberation consists also of hearings.

Mr. McGEE. Indeed it does.

Mr. FONG. Long hearings.

Mr. McGEE. Indeed it does.

Mr. FONG. Detailed hearings.

Mr. McGEE. So that all sides, not just my side, but so all sides can be heard.

Mr. FONG. Right, because this is a very complex and very serious issue.

Mr. McGEE. Right.

Mr. FONG. And should be debated, should be heard. All of the witnesses should come in and we should listen to them and hear what they say to us.

Mr. McGEE. That is precisely the procedure that was envisaged in the creation of this body, and that is why it ill behooves us to try to put the whole system to the very careful thought and study.

Mr. FONG. I thank the distinguished Senator from Wyoming.

Mr. McGEE. I thank my colleague, the ranking minority Member on the committee. He has always been extremely searching in his examination of the postal problems. He has been a tower—I guess the proper word is statesmanship—on that committee.

Mr. FONG. I thank the distinguished Senator, my distinguished leader, for the very laudatory remarks.

Mr. President, I ask unanimous consent to have my two statements printed in the Record at this point.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Why the Hollings Substitute for H.R. 8603 Should be Defeated

Mr. President, I rise to oppose Amendment No. 2201 offered by the Senator from South Carolina (Mr. Hollings) as a substitute for H.R. 8603, the Postal Reorganization Act Amendments of 1976.

On June 11, during the markup of H.R. 8603, Senator Hollings submitted an amendment substantially the same as the one now before the Senate, and the Committee overwhelmingly rejected it by a vote of 6 to 2. His amendment had its day in Committee and has been turned down.

The amendment should be defeated now just as it was in the Committee. It has a number of basic defects which make it unacceptable. I will discuss these points later but, first, I shall set forth the fundamental reasons for my very strong opposition to the amendment.

OBJECTIONS TO THE SUBSTITUTE BILL

The Hollings substitute bill, if enacted, would destroy the entire fabric of H.R. 8603. H.R. 8603 was woven together as a compromise bill.

It is a bill carefully and thoughtfully put together, piece by piece, after long hearings and difficult negotiations.

The Chairman of the Senate Post Office and Civil Service Committee, the distinguished Senator from Wyoming (Mr. McGee) labored for months to write a bill which could be accepted by the Committee and also by the House Committee leadership, the Postmaster General, the Office of Management and Budget, and the White House.

The separate and often opposing points of views of the parties had to be resolved. This took time, patience, and a spirit of conciliation and cooperation among the participants. As a participant myself, as the ranking Minority Member of the Senate Committee, I can attest to the hard bargaining and difficult discussions that were necessary to bring about a meeting of the minds on the bill.

Having developed a bill acceptable to the principals, those who worked on the legislation realize fully how necessary it is to keep it intact and how difficult, even perhaps impossible, it would be to develop another proposal acceptable to all parties concerned, if H.R. 8603 were to fail of enactment now. It cannot be amended in any substantive manner if all parties to the agreement are to remain committed to the bill.

SUBSTITUTE BILL WOULD DESTROY H.R. 8603

The Hollings substitute has been described as a "wrecking bar" approach to attacking postal problems. It would indeed wreck the agreement reached on H.R. 8603. If approved, the substitute amendment would undercut and destroy H.R. 8603.

The Hollings proposal is a radical departure from the present system created by the 1970 Postal Reorganization Act. I am not against changes but I believe they should be carefully and thoroughly studied before being adopted.

The substitute proposal goes far beyond emergency financial assistance for the Postal Service. It would discard the present method of handling postal revenues and spending, and would install an entirely new system on a permanent basis. It would abolish the Board of Governors. It would change the method of appointing the Postmaster General and his Deputy. It would revamp the organizational structure and salary levels of the top postal executives.

All these changes would be brought about with one broad sweep of a piece of legislation which has had only the most cursory consideration by the Senate committee involved. No hearings have been conducted in the Senate on this far-reaching proposal. No witnesses have been called to testify.

I, for one, would like to hear the views of the people and organizations vitally concerned with these sweeping changes. How do they feel about this substitute bill—the Postmaster General and the postal management; the postal union leaders and their rank and file; the mail users across the country; the White House and the Office of Management and Budget?

If we are going to change the Postal Service in significant ways, let's do it with the benefit of full hearings and full consideration.

The Administration has made it clear it will not accept any bill which makes basic changes in the Postal Reorganization Act at this time. It is strongly opposed to the Hollings proposal.

The Administration's views on postal legislation have been outlined by the Office of Management and Budget to the Chairman of the Senate Post Office Committee. Briefly, its position is that "Since the (study) commission is to look into the basic problems facing the Postal Service, there should be no changes in the Postal Reorganization Act which preempt the Commission's review of current postal policies or changes which compromise the independent status of the Postal Service by placing restrictions on postal operating flexibility that are unacceptable to the Postmaster General."

The Hollings substitute is opposed also by the Postmaster General.

Since the substitute bill invites a veto, can a veto be overridden? There is scant possibility of such an action. Congressional committee leaders of both parties in the Senate and the House are committed to stand by H.R. 8603 and they can be counted to lead the fight to sustain a veto. Thus, the substitute bill is doomed. The net result will be that no bill would become law in that event. In view of the critical financial condition of the Postal Service, it would be disastrous if Congress did not provide emergency financial relief soon. The Postal Service cannot wait until next year for Congressional help. The only postal relief bill likely to succeed in this session is H.R. 8603.

OBJECTIONABLE PROVISIONS

Among key provisions of the Hollings substitute which are unacceptable are the following:

1. Annual Appropriation of Postal Budget. Beginning with fiscal year 1978, the substitute bill would require all postal revenues to be placed in the General Fund of the Treasury, from which would be appropriated annually such sums as are necessary to operate the Postal Service. This provision should not be adopted for many reasons:

First, it would require Congress to review every detail of postal management and operations. This would be contrary to the purpose of the 1970 Postal Reorganization Act because it would eliminate the independent status accorded the Postal Service in the Act. The net effect of such a proposal would be to "throw in the towel" on postal reform.

Second, the proposal would also drive up Federal spending by requiring Congress to appropriate the entire postal operating budget—$15.4 billion in fiscal year 1977. Budget and spending ceilings would have to make room for this entire amount. Since all revenues would go into the General Fund, postal managers would have no incentive to economize and aggressively to pursue revenue protection programs.

Third, the proposal would make orderly postal budgeting impossible by leaving perpetually uncertain the level of postal appropriations.

Fourth, the proposal would distort postal ratemaking because the level of postal income would depend on the uncertainties of the appropriation process.

Fifth, the proposal could lead to arbitrary reductions in postal services. Congressional concern over Federal spending might lead to haphazard deletion of funding for specific types of services.

2. No Increase in Rates Or Decreases in Service. Under the Hollings substitute, no change in postal rates or closing of small post offices would be allowed until the annual appropriation process begins in fiscal year 1978. This is a longer moratorium than is specified in H.R. 8603, which would extend only to the time the study commission report is submitted on February 15, 1977. There is no need to unnecessarily extend the moratorium beyond the time needed for the commission to review the current state of the Postal Service's financial difficulties.

3. Reduction of Borrowing Authority. Borrowing for operating expenses under the Hollings substitute would be limited to $500 million in any one fiscal year, and each obligation must be retired in the fiscal year in which it was issued.

The level is unnecessarily restrictive. It would hamper the Postal Service in meeting unexpected crises such as an oil embargo or a wage and price freeze.

It would force the Postal Service to budget more for emergency reserves, thus adding new burdens on postal rate-payers. By worsening cash-flow problems, it could make it more difficult for the Postal Service to meet its payroll on schedule.

4. Presidential Appointment of Postmaster General and Abolition of Board of Governors. This would result in a loss of independence for postal management and put the legislative and executive branches back into the business of running the Postal Service. The goal of political independence for the Postal Service intended by the Postal Reorganization Act would be nullified. The proposal to make the Postmaster General a political appointee would encourage partisan tampering with political policies, appointments to key jobs, rate and classification requests, enforcement of the private express statutes, or even the confidentiality of first-class mail. In addition, abolishing the nonpartisan Board of Governors, whose members are chosen to represent the interests of the general public, would remove the buffer between postal management and special interests with an ax to grind. It would also make rate and classification decisions of the Postal Rate Commission final without the present decision review function performed by the Board of Governors.

5. Restrictions on Executive Compensation. The substitute would severely limit both the compensation and the number of statutory postal executive positions. This provision would undercut the effort to attract and retain competent, highly motivated managers, requiring some officials to absorb significant pay cuts. It ignores the need of the Postal Service, a business-type government organization, to compensate individuals with the special skills to surmount its problems. It would expose the Postal Service to the same problems of pay compression, depressed salary levels, and lack of incentive that plague the present upper level Federal salary structure.

SUMMARY

The proposed substitute would aggravate, rather than solve, the problems facing the Postal Service. It would emasculate the 1970 Postal Reorganization Act. It would destroy H.R. 8603, a postal bill carefully developed and agreed to by Senate and House committee leaders, the Postmaster General, the Office of Management and Budget, and the White House. It would contravene the agreement between the Senate Committee and the White House and it would be vetoed—a veto which would be supported by a bipartisan coalition of Senate and House committee leaders who are committed to a fight for H.R. 8603.

For all these reasons, I strongly urge my colleagues to defeat the substitute amendment.

RECOGNITION FOR THE POSTAL SERVICE'S PERFORMANCE

The Postal Service has come under severe criticism in trying to cope with its problems. But too often its critics have overlooked or downgraded the progress and improvements the Postal Service has made since it was created by the Postal Reorganization Act of 1970. I believe the Postal Service should receive proper recognition and credit where it has performed well.

The Postal Service recently assembled a report outlining its performance over the last five years. I would like to call attention to some of the highlights of this report.

1. Regarding its service performance, the Postal Service is generally meeting its mail delivery standards.

The standards established by the Postal Service for delivery of qualified first class mail, that is, first class mail which is stamped, Zip-coded and deposited prior to the last mail pickup, generally at 5:00 p.m., are as follows:

Overnight (except Sunday) delivery within local areas, usually meaning a city's metropolitan area; two-day delivery within a 600-mile radius; and three-day delivery to all other areas.

In view of this statistical evidence of good delivery performance, why have there been so many complaints from the public? There are three reasons:

First, mail volume is so large—almost 88 billion pieces per year including 50 billion first-class letters—that even a very small error rate produces a substantial volume of mail susceptible to complaints.

Second, first-class letters, by virtue of the postmark, contain highly visible evidence of any delay.

Third, as machine processing of mail (which has saved hundreds of millions of dollars in processing costs) has increased, so has missent mail.

A major program of machine modifications, operator training, and audits is underway to improve this situation. In addition, a commitment has been made to deploy optical character reading equipment replacing coding operators in larger installations. This deployment will save money and reduce the error rate significantly.

In addition to delivery time, other important aspects of service performance include the following:

The number of delivery points for fiscal 1976 stands at about 76 million, an increase of about 14% over fiscal 1971, largely reflecting the growth of new households.

Window service in the vast majority of cases is provided 8½ hours each weekday and on Saturdays where needed.

The Postal Service now offers 24 hour service through 1,075 self-service units that dispense stamps and contain mail drops. In 1971 there were only 565 self-service units in operation.

At present there are 30,576 post offices, down 1,371 from the level in fiscal 1971. As an average, 233 post offices have been closed per year from 1972–75 while an average of 323 per year were closed in the 10 years prior to postal reorganization.

2. As to fair and reasonable rates, U.S. postage rates compare very favorably to other countries. With the exception of Canada, where heavy wages increases may change the situation, the U.S. Postal Service charges less for letter postage than any of the following nations: Australia, Belgium, France, Japan, Netherlands, Sweden, Switzerland, United Kingdom, and Western Germany.

The price of postage takes, in most other countries, a far greater share of the individual's income. For example, in the U.S., the average worker must spend one minute and 22 seconds to pay for the letter while in Japan, it is 3 minutes and 50 seconds and in the United Kingdom 4 minutes and 36 seconds.

Cost for first class letter in each country is as follows: Australia 22.9¢; Belgium 16.7¢; Canada 8.0¢; France 18.0¢; Japan 16.6¢; Netherlands 20.7¢; Sweden 23.0¢; Switzerland 15.5¢; United Kingdom 17.3¢; United States 13.0¢; West Germany 19.5¢.

3. Wages and benefits paid to U.S. postal employees are comparable to those paid to workers in the private sector. Postal workers in bargaining units receive in wages plus benefits $8.05 per hour worked compared to $8.04 for the average private-industry worker, according to a survey of 67 companies conducted a year ago.

While postal salaries rose rapidly in the first four years after postal reorganization, the rate has now slowed. A three-year collective bargaining agreement signed in August, 1975 provided a fixed wage increase of slightly less than 4% per year plus a cost-of-living allowance that adds one percent per hour for every 4/10ths of a point increase in the Consumer Price Index.

This contrasts with the Labor Department's estimates of an average 10.2% increase in wages in the first year of industrial contracts last year and an average annual increase of 7.8% over the life of the contract.

The Postal Service has made substantial savings through personnel reductions over the past five years.

In Fiscal 1970, just before reorganization, the Postal Service had 741,216 employees. By June this year, it had reduced the number of employees to 678,949, or 62,267 fewer employees than before reorganization.

The Postal Service was thus able to realize average savings of $671 million a year for each of the five years, or a total savings of $3.355 billion.

4. Financial Self-Sufficiency. As part of the statutory mandate to "break even" each year, the Postal Service must estimate its projected operating costs and revenue requirements well in advance and apply to the Postal Rate Commission for rates at a level that will cover these costs during the applicable period. These projections are for periods generally 18 months or so in the future.

A deficit may result from either unanticipated increases in costs, lower volumes and revenues than forecast, or unanticipated delay in completing the rate proceedings, or from a combination of these events. Over the past five years, the Postal Service has experienced all three and therefore incurred substantial deficits over this period.

As a result of the continuing deficits, the Postal Service has been criticized for "inefficiency". A few facts may help put this in perspective. First, a comparison of productivity as measured by pieces of mail processed per man-year before and after postal reorganization.

USPS Productivity: 1967–76 [1]

Fiscal year	Mail volume (billions)	Man-years (thousands)	Pieces per man-year	Index 118,304 from 1966
1967	78.4	676	115,952	(1.7)
1968	79.5	697	114,090	(3.3)
1969	82.0	714	114,856	(2.7)
1970	84.9	726	116,930	(1.0)
1971	87.0	724	120,212	1.8
1972	87.2	708	123,158	4.3
1973	89.7	684	131,079	11.0
1974	90.1	704	127,977	8.0
1975	89.3	693	128,764	9.1
1976 Est.	88.0	674	130,564	10.6

[1] When indexed against the productivity figure for fiscal 1966, a clear pattern emerges of static performance through fiscal 1971 and significant improvement thereafter.

In addition to overall productivity, the Postal Service also measures efficiency in mail processing and delivery, each of which totals about one-third of the cost of operations. In the following table, the comparison is for two five-year periods, before and after reorganization.

Productivity Before and After Reorganization

[In percent]

Increase/decrease in:	1966–70	1971–75
Mail volume	+12.3	+2.6
Clerk-mailhandler man-years	+14.2	−5.8
Clerk-mailhandler productivity (pieces per man-year)	−1.7	+8.9
Total delivery points serviced	+8.4	+9.5
Carrier man-years	+11.4	−4.6
Carrier productivity (deliveries per man-year)	−2.7	+14.0

The substantial improvement in clerk-mailhandler productivity can be explained in part by the increased use of mechanization. The incidence of mechanical processing of letters has increased from 28 percent in fiscal 1972 to over 60 percent today. As a result, actual work hours devoted to mail processing have declined by more than 7 percent over the past 5 years, representing more than $1 billion in costs avoided. In the same vein, today, 80 percent of carrier routes are motorized.

One further way of comparing productivity in the postal system is to relate it to performance in other countries. A comparison based on pieces of mail per employee shows postal productivity in the United States far above other nations, including Canada, Japan, Switzerland, the Netherlands, Australia, Great Britain, West Germany, France, and Italy.

Perhaps the most significant point regarding productivity is that it is rapidly reaching a point of diminishng returns. Increased mechanization, improved methods, and greater managerial skills are expected to reduce man-years by about 6 to 7% over the next five years. However, this will not be enough to offset rapidly rising costs.

The Postal Service will continue to suffer severe financial strain in the immediate future and also the effects of some long-term problems.

It was to meet both these needs that the Senate Post Office and Civil Service Committee reported H.R. 8603, the Postal Reorganization Act Amendments now being considered by the Senate. The purpose of the bill is to provide temporary financial relief for the hard-pressed Postal Service, while a study commission seeks ways to attack the longer-range problems facing the Service.

As an emergency measure to reduce the $2.125 billion operating indebtedness of the Postal Service through the end of fiscal 1977, H.R. 8603 would authorize $500 million to be applied against the accumulated operating debt of the Postal Service as of September 30, 1976, and another $500 million to be applied as of September 30, 1977.

The bill proposes the formation of an independent Commission on Postal Service to study and recommend actions to resolve the problems facing the Postal Service. It would make recommendations on wide-ranging subject areas and file its report and recommendations by February 15, 1977.

While the study commission is performing its task and before its final report is submitted, H.R. 8603 would impose a moratorium on postal rate increases and service reductions.

H.R. 8603 is a carefully balanced and thoroughly considered measure. It has the overwhelming, favorable support of the Senate Post Office and Civil Service Committee. It has the endorsement of postal committee leaders of the House. It is legislation urgently desired by the Postmaster General, and by nearly all the postal unions and their rank and file members, and by the Administration.

I wish to repeat the appeal I made in this chamber yesterday: Because of the shortness of time remaining in this election-year session of Congress, I hope every effort will be made to forego amending the bill before us. Not only will this assure early enactment of H.R. 8603; this bill may be the only acceptable measure, and this is the last opportunity this year for Congress and the Administration to work out vital legislation to save the Nation's postal system.

Therefore, I again strongly urge swift approval of H.R. 8603—without amendments from the floor.

Mr. McGEE. Mr. President, how much time remains?

The PRESIDING OFFICER. The final vote comes no later than 2 p.m., the time equally divided.

Mr. McGEE. That means 2 hours on a side. I was wondering how much time remains.

The PRESIDING OFFICER. The Senator from Wyoming has 53 minutes remaining.

Mr. McGEE. Fifty-three minutes.

The PRESIDING OFFICER. The Senator from South Carolina has 86 minutes remaining.

Mr. McGEE. I yield the floor.

Mr. HOLLINGS. Mr. President, before I yield to my distinguished colleague from South Dakota, I wish to ask the chairman of the committee, the Senator from Wyoming (Mr. McGEE) on my time about the veto by the President.

Is it not a fact that the Senator was informed by the administration that since the passage now of the Randolph amendment the deal is off?

Mr. McGEE. Whether they would veto or sign with the Randolph amendment.

Mr. HOLLINGS. Since that passed yesterday, has the Senator not also been informed that now the deal is off?

Mr. McGEE. No, we have not been so informed. The only information was that because this was not one of the anticipated proposals that was pending, the Senator's was the main vehicle, that it had not been examined, that there is the inclination also from the Postmaster General that they cannot live with it in terms of management planning.

How that comes out with the President, the recommendation is that may lead to a veto.

I am hoping they would reserve that judgment and see how we come along.

Mr. HOLLINGS. What did the OMB tell the Senator, anything at all?

Mr. McGEE. That the amendment gives them very serious misgivings because of the management principles.

Mr. HOLLINGS. Is the deal on, or not? We are telling everybody—

Mr. McGEE. I just told the Senator that the conclusion was that they were going to reserve their judgment to see what happens now and then evaluate it specifically.

Mr. HOLLINGS. So it could be signed by the President. They did not tell the Senator about an absolute veto as a result of the Randolph amendment?

Mr. McGEE. Yes, that was the indication on the idea.

Mr. HOLLINGS. What was the indication?

Mr. McGEE. The indication was that this was an interference with a management decisionmaking operation in terms of introducing more efficient operations and that with an independent agency this runs violently against that.

I suspect one of the reasons why they say they would like to reserve that judgment a little bit is that they were impressed by not only the eloquence of the Senator from West Virginia and the Senator from South Carolina, but the overwhelming vote of this body.

I think they probably are looking at it in realistic terms, in that fashion.

Mr. HOLLINGS. I yield to the Senator from South Dakota such time as he desires.

Mr. ABOUREZK. I thank the Senator.

Mr. President, I am very happy to join with the Senator from South Carolina as a cosponsor on the substitute provisions for the Senate Post Office Committee bill.

In 1970, Congress passed the Postal Reorganization Act. Although I was not yet in the Congress at that time, I was one of those who shared high hopes for reorganization, and especially that it would lead to streamlined management and better service.

We have been disappointed in both respects.

I regard Postal Reorganization as a well-intentioned experiment which failed. We found from experience that we could not demand that the Postal Service both break even and provide the level of service the public has a right to expect. We found that turning the upper levels of the Postal Service and its Board of Governors over to corporate executives resulted in distorted priorities and poor decisions.

We have found that the whole new structure of the Postal Service is neither fish nor fowl, that it is responsive neither to public demands nor to the market economy, that it answers essentially to no one on both financial and policy matters.

The question before us is what to do about what used to be and probably still is the best postal system on Earth, which has recently discovered itself, somewhat belatedly, between a rock and a hard place.

There are two questions for the Congress to answer. The first is whether for the short run, the Postal Service meets its budget through significant service cuts, such as the closing of small post offices, the reduction in delivery and desk hours, and the curtailment of special services or through a subsidy from the Treasury.

On this question, the committee bill and the alternative supported by the Senator from South Carolina (Mr. Hollings) and myself agree. We believe the public will not stand for service reductions and that the public interest calls for subsidy over and above the statutory limit to continue these services.

Because there has been some implication that the committee version of H.R. 8603 is the only one that will really help the Postal Service, I want to reemphasize that our substitute contains identical rate and service-cut moratorium provisions, and a short-term subsidy, which, if anything, is more generous and realistic in meeting the operating deficits now faced by the Postal Service.

There is another question, however, which is at least as important as the choice between reducing service and subsidizing it.

That question is who will determine the course the Postal Service should follow to right itself, remain solvent and maintain and improve mail service to the public. On that question, my distinguished friends and colleagues (Mr. McGee and Mr. Fong) do not agree with me or with Senator Hollings.

The bill brought to the floor by the Senator from Wyoming says that a 5-month Presidential-congressional wonder commission should examine the past, present, and future problems of the Postal Service and make recommendations to the Congress for action next year.

With due respect for the good will and good intentions of the Senator from Wyoming, and to the undoubted integrity and brillance of the members who would be appointed to the Commission, the so-called Blue Ribbon Study Commission is a sham.

It is a sham because in 5 months no Commisison can do a thorough job of independently evaluating the operations and finances of the Postal Service. The Commissioners will bring with them a certain point of view and come out with the same one. Or, alternatively, if the Commission members have no particular views on what should be done, they will rely on overpowering dominance of the Postmaster General who will serve on the Commission and on the staff.

The sham is that the 5-month wonder commission will come up with nothing new or comprehensive, and if their recommendations are good ones—and I hope they would be good ones—it will be because the Commissioners or the staff or the Postmaster General already have these good ideas and will let the so-called Study Commission ratify them.

The establishment of a 5-month wonder commission is wrong for another reason. We in Congress have a constitutional responsibility, in article I, section 8, to "Establish Post Offices and Post roads"—in other words to establish and oversee the postal system. Right here in this Chamber there is a blue ribbon commission, which already has a mandate from the Constitution of the United States, to make the judgments necessary to set goals for the Postal Service.

That we have been laggard in our responsibility of oversight does not mean that we should not start at at this late date. If the so-called study Commission report to Congress next February, we all know that a debate like the one today will take place again. There is no information so startling, so unforeseen, so compelling, that without it Congress cannot make these decisions. Or if there is, let us have it now, rather than later. Why waste the time of 10 or 12 Commissioners, a large staff, a pile of lobbyists trying to get the Commission to protect their interests and of the American people on this sham?

The only reason I can see for wasting the time of everyone with a Five-Month-Wonder-Commission is that it will take us until after the election.

Now, by next February, I am very optimistic that we will have a new administration. I certainly hope we do. We will have a new President, a new Director for the Office of Management and Budget. If the amendment passes, we will also have a new Postmaster General.

Our new President will understand about post offices in places like Plains, Ga., and Pringle, S. Dak. The new director of the OMB will understand that being penny-wise and pound-foolish with the Postal Service is a mistake and a betrayal. Senator McGee, Senator Hollings, and our other experts in this body, will take it upon themselves to educate our new President and our new administration about the Postal Service.

There is another understandable reason for putting off the issue until after the election. That is to buy time until the public is lulled into complacency by the moratoria, and then lower the boom. We all know that the President, the Office of Management and Budget and even the hierarchy of the Postal Service were dragged kicking and screaming into the agreement negotiated by the Senator from Wyoming and the Senator from Hawaii. I think all of us know that in their hearts, the current administration would just as soon see the Postal Service twist slowly in the wind, so that they can repeal the private express statutes or whatever, and probably hope that this bill provides just enough rope for the Postal Service to hang itself by next February.

On the one side, we can remain silent and wait for a more sympathetic administration after the election, or on the other side we can remain silent and postpone the unpleasant carnage until after the election. That is the choice this bill presents to the Senate.

I think that is an insult to the Senate.

The U.S. Senate is a blue-ribbon commission. Here we have a body constitutionally charged with responsibility for the postal system; here we have the committee, the staffs, the GAO audits, the constitutent mail. Here we have everything we need in the Senate to reexamine postal reorganization, and to continue the good points to change what needs to be changed.

It has been 5 long years since Congress had a chance to say anything about postal reorganization. The Senate as a whole has had no chance at all. Five more months will not straighten things out on their own. Five years could not do it. It is our job—the Senate's job—to get a hold on this situation. The public expects it, the Constitution demands it, and it is long past time that we reviewed the Postal Service operations and give ourselves a mechanism to do so regularly.

Postal reorganization has not resulted in either more efficient management or better service to the public.

It was based on the assumption that mail volume would continue to increase. Mail volume is declining. It was based on the assumption that politics was the cause of most of the postal problems. Politics, of a different order, remains and the problems do, too. Reorganization was based on the assumption that the Postal Service should be responsible only to good business sense, represented by the Board of Governors. It has demonstrated what I consider mediocre business judgment, and an insensitivity to public concerns in which no business would take pride.

I ask unanimous consent that a table

from the annual report of the Postmaster General, 1974–75 be printed at this point in the RECORD. It shows the distribution of employees in 1971 at the beginning of postal reorganization and what it is today.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	1975	1974	1973	1972	1971
EMPLOYEES (ON PAYROLL AS OF JUNE 30)					
Employee groups:					
Headquarters employees	2,988	2,931	2,531	2,301	2,611
Field regular employees: Regional and other field units reporting to headquarters	13,615	10,079	5,128	5,460	5,761
Inspection service	5,610	5,461	4,680	4,716	2,511
Postmasters	30,050	30,288	29,490	30,731	29,945
Post office supervisors and technical personnel	37,157	37,422	34,474	38,102	37,357
Post office clerks and mail handlers	238,913	243,291	238,727	250,390	229,571
City delivery carriers and vehicle drivers	166,946	171,460	171,504	174,974	166,006
Rural delivery carriers	30,828	30,674	30,423	31,024	31,131
Special delivery messengers	2,878	2,964	2,995	3,205	2,661
Building and equipment maintenance personnel	25,050	24,708	23,508	23,962	22,768
Vehicle maintenance facility personnel	5,029	5,289	5,416	5,823	5,598
Total, regular employees	559,064	564,567	548,876	570,688	545,911
Total, substitute employees	143,193	145,866	152,175	135,712	183,000
Grand total	702,257	710,433	701,051	706,400	728,911
OFFICES, STATIONS AND BRANCHES (AS OF JUNE 30)					
Number of post offices	30,754	31,000	31,385	31,686	31,947
Number of branches and stations:					
Classified branches and stations	3,993	3,955	3,939	3,729	3,906
Contract branches and stations	3,808	3,952	4,096	4,603	4,437
Community post offices	1,991	2,007	2,014	2,236	1,997
Total	9,792	9,914	10,049	10,568	10,340
Grand total	40,546	40,914	41,434	42,254	42,287

Mr. ABOUREZK. The figures are extraordinary. They show an increase of 14 percent in headquarters personnel. The increase in what they describe as "regional and other field units reporting to headquarters" is an astronomical 136 percent.

During the same 5 years, the number of postmasters increased by thirty-five one-hundredths of 1 percent, the number of clerks and mail handlers declined by twenty-seven one-hundredths of 1 percent and the number of city carriers increased by fifty-seven one-hundredths of 1 percent. Rural carriers decreased by ninety-seven one-hundredths of 1 percent.

This is a devastating picture. While changes in number of operational personnel are down slightly, though negligible, there has been a ballooning at the top, and especially at a new level hardly imagined—regional office bureaucracy.

At the same time we saw 1,200 post offices close—a 4-percent reduction in 5 years—it took twice as many people to administer the Postal Service. If this is businesslike management, I fear for the future of American business.

Probably the major innovation in the past 5 years has been the bulk mail sorting machines and the mechanization of mail handling. This has been a decidedly mixed blessing.

A recent General Accounting Office study confirmed what many of us and our constituents knew from empirical evidence. The error rate of missing or lost mail has tripled to about 6 percent of total mail volume. While the average or typical letter gets to its destination marginally faster under the new system, it has three times more chance of being misdirected. Because of centralization, it also creates the anomaly of having mail to a neighboring town, or in some cases to a recipient in the same town, go 50 or 100 miles to sectional center to be thrown in with other mail, re-sorted and returned to its destination very near its point of origin. In rural States like South Dakota, intrastate mail takes a tortuous course and the benefits of the so-called improvements are not widespread.

All of this innovation was paid for on the basis of a projected increase in mail volume, which, we subsequently found out, would not take place. The Postal Service, like everyone else, is entitled to honest errors and miscalculations, but this does not strike me as a glowing example of efficient management, which deserves a vote of confidence from the Congress and the American public when it asks for subsidy dollars with no strings attached.

Perhaps even worse is that the Postal Service has gone out of its way to antagonize, alienate, and ignore the people it employs and the people it serves.

Although a court order requires consultation with customers affected by a small post office closing, the questionnaire universally used to solicit public opinion deliberately misleads the respondents into believing that they cannot opt for maintaining the status quo, that closing is a foregone conclusion.

Often the postmaster is informed of management's plans when his or her superior shows up unannounced, offered a transfer which by postal rules the postmaster cannot refuse, and then surreptitiously surveys individuals trying to get them to sign a form approving the change management has in mind, without allowing the opportunity for any rebuttal or consideration.

If a firm in the private sector used these "sales" tactics, they would be reported to the Better Business Bureau. If it were a monopoly, the Federal Trade Commission should investigate. But this is not in the private sector. It is the U.S. Postal Service which is running roughshod over its employees, customers, and all standards of fair play.

The Postal Service resolutely maintains that they want to provide "equal or better service," that service cuts are in the public interest. If that is true, why does every action aim at deceiving, cajoling, or outsmarting the public? Why do they not tell it straight?

Why do they not tell the people which post offices, or at least how many, they plan to close? Why do they not tell us what instructions, criteria, or memoranda they have given to their field people on which to base postal closing recommendations? Why in developing the postal closing policy did they never consult with any residents, businesses, officials, or representatives of small towns and rural areas to get their reactions and suggestions for this method of "improving" rural service?

One woman, who has been fighting with her neighbors to save the post office in her small town, wrote me about a meeting with a postal official who said that in spite of the court order, in spite of the unanimous feelings of the customers, there was absolutely no way to convince him to reconsider his decision to recommend closing of the post office, and concluded the meeting by saying that he was rather proud, because he had never lost a postal closing recommendation case.

The woman wrote:

> If this is the way our government operates, why don't we move to Spain, where the weather is beautiful and a dictator makes all the decisions?

The Postal Service is accountable—to the board of governors. The chairman of the board of governors is M. A. Wright, who is also, it so happens, the chairman and chief executive officer of the Exxon Corp.

Most people in this country realize what the big oil companies are doing to the public, but not too many of them realize where the Postal Service is getting its inspiration for doing the same. If we want a Postal Service which has to answer to the head of Exxon, and answers the questions of the business executives at the Economic Club of Detroit, we should support the McGee bill.

But if we think the Postal Service must respect the needs of the average family, the farmer, the worker, the widow, those who receive more mail than they send, we must support the amendments to make the Postal Service accountable to the people, to the Congress and to its customers.

We would abolish the board of governors, which is a useless appendage and a poor substitute for oversight. We would make the Postmaster General answerable to the President for his actions and to the Congress for his budget decisions.

We can and must have both efficient management and responsiveness to the public needs. Congress should be more than a noisy lobby, trying to wheedle considerations for the home folks. None of us is so foolish that we want to wreck the Postal Service, politicize it, make it inefficient.

It is already doing that to itself. We do not want patronage; we do not want open-ended subsidy; we do not want to keep open every post office serving three customers. What we want is a Postal Service that once again sees its duty as delivering the mail, respecting the public, willing to defend its policies and priorities before the Congress, the administration, and the Nation.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. ALLEN). Who yields time?

Mr. HOLLINGS. Mr. President, first, I thank my distinguished colleague from South Dakota. He has been a leader in the concern that all of us have. I will be more explicit when the distinguished chairman returns to the Chamber.

Quickie amendments and a quickie approach? The fact of the matter is that all Senators over the past 6 years have been listening to complaints trying to study, trying to fathom, and trying to solve some of these problems. The Senator from South Dakota has come forward in support of what we have worked out as a very comprehensive, very deliberate, very well-studied solution to this particular problem. It is not a quickie thing or a political thing. It is an effort on behalf of a substantial number of Senators to be responsible and to face up to our responsibilities.

Mr. ABOUREZK. Will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. ABOUREZK. I have been hearing the distinguished chairman say that this is a quickie amendment and we should study it and have hearings. I seem to recall a couple of points. No. 1, our friend from South Carolina, chairman of the Post Office Subcommittee of the full committee, has never been allowed to hold hearings on this question in the last several years.

Mr. HOLLINGS. That is correct.

Mr. ABOUREZK. Second, at the same time the Postal Service and the administration were telling the chairman and the committee that they were going to ease off the political pressure by not closing up any more small post offices, a regional post office director in South Dakota called a meeting in a small town and announced the closing of five more post offices.

Mr. HOLLINGS. That is correct.

Mr. ABOUREZK. This is the kind of thing we are faced with.

Mr. HOLLINGS. I thank the Senator.

I am addressing my comments to a document entitled "Errors in Senator Hollings' letter."

I forward this document to Senator Moss so we can discuss it.

I ask Senator Moss, is that a document of the Senate Post Office and Civil Service Committee, a document of Senator McGEE and Senator FONG?

Mr. MOSS. In response to the question, I am sure I have no ready answer since I have seen it for the first time. I would doubt it is from the committee. Otherwise, I might have been aware of it. I know nothing about its authorship. I assume, therefore, it was prepared by one who is opposed to the Senator's point of view.

Mr. HOLLINGS. That is quite obvious. Will the Senator hand it to Senator FONG and ask him if he is familiar with that document, if he has seen it before? I have just received a copy of it myself.

It parallels, in large fashion, some of the arguments made by the chairman a few moments ago which we will now answer.

Mr. FONG. I have not seen this document before.

Mr. HOLLINGS. I thank the distinguished Senator. This is the way the Senate works. If we take time to get a live quorum to come in and only answer momentarily and go about their business, no one listens. The Postal Service, I understand, prepared this document. We will try to find out who prepared the document. Then the Service runs around to the several Senators talking about errors in the letter.

It is very interesting that the Postmaster General and the Postal Service would come out with so-called errors that the crisis is not really financial, stating that my letter, which I had documented and mailed around to all Members of the U.S. Senate, is inaccurate in misunderstanding about the financial figures.

I had simply taken those financial figures from the committee report. It is very interesting that they say that "The Senator's letter is inaccurate," but they do not say that the committee report, Mr. President, is inaccurate. Because I am quoting from the committee report, "Postal Reorganization Act Amendments of 1976," submitted by Mr. McGEE, from the Committee on Post Office and Civil Service, which states, on page 2:

> If it were truly a business, the United States Postal Service would be bankrupt. At its inception in July of 1971, the Service had assets of $3.4 billion, with a capitalization balanced between liabilities of $1.7 billion and equity of $1.7 billion. It will end fiscal year 1977, in the absence of relief, with an accumulated deficit of approximately $4.5 billion and it already has negative equity.

So I am only quoting just exactly what they said there. Since there is a statement prepared by the Postal Service and the Postmaster General to say that we are inaccurate, we can only go to the Postmaster General's testimony in a hearing before the committee on March 29 of this year, on page 23. I quote from the testimony of Postmaster General Bailar:

> We have the capacity of being effectively rendered insolvent within the course of a year if the Treasury were ever to choose not to loan us any more money from the Federal Financing Bank.

So if the Treasury decided not to lend them the money, they would be bankrupt. This takes me to the point of the Senator from Hawaii, about this money being used to build buildings, when the fact of the matter is they have been using the majority of the money for operating expenses. There is only $1.5 billion of the projected $4.5 to $5 billion deficit by the end of this next fiscal year, only $1.5 billion of that has been for buildings. Talking about quickies, talking about politics, talking about misleading, I was quoting the man who testified to Senator FONG at that hearing, and I am quoting Mr. Anderson from the GAO, on that exact amount.

Mr. FONG. Mr. President, if the Senator will yield, I was referring to June 30, 1976. That was $1.5 billion in operating debts, and $1.5 billion which was borrowed for capital expenditures.

Mr. HOLLINGS. All right. Mr. President, I am turning now to the hearings, which show Senator FONG questioning the witness on February 16 and 20, on page 47. Mr. Anderson is testifying:

> Their planned borrowing will come to $5 billion that they will have outstanding in debt at the end of fiscal year 1977. September 30, 1977, that is, including a net of payback of $604 million between now and then, but in any event, they will have $5 billion of debt that the organization will be saddled with. That is really going to impact on their operation at that point, and you might as well write off self-sufficiency, unless you give them some help.

Then Mr. Anderson states, on page 63:

> Over the next 18 months they intend to borrow another $1 billion for operating costs, and to me they are really mortgaging the future. That is a violation of the basic tenets of good business, as you are well aware, borrowing money to pay your operating costs especially if it is long-term money, and they have already rolled over some of their short-term notes.

Then, at the top of page 50 of the same hearings, Mr. Anderson, the expert from GAO, answers:

> That is right, sir. In effect, the money that the Postal Service is borrowing from the Federal Government are Federal expenses. This is really a Federal organization, and those moneys are being expended to operate it.
>
> It is a question of whether you appropriate it annually, or whether you are using your borrowing authority from the Treasury.

That is the crux of the matter. You either go over to the Treasury and keep borrowing, or you come to Congress and keep borrowing. We know the Postmaster General said eight times he tried to get either the Director of Management and Budget or the President of the United States on the telephone eight times, without success. And when it was finally printed in the New York Times, that is when they answered the telephone—it is a question of whether we take my amendment, or take the stickup amendment, Senator McGEE's amendment, in the nature of a substitute. The McGee amendment says, "Give them the money and don't ask any questions."

Now I am glad to yield to the Senator from Hawaii, if he has a question.

Mr. FONG. Yes. Is it not a fact that as of June 30, 1976, there was a $1.5 billion operating indebtedness?

Mr. HOLLINGS. That is exactly right.

Mr. FONG. That in the transitional period, that is, July, August, and September, they will have a debt of $125 million?

Mr. HOLLINGS. That is right. That is what they project.

Mr. FONG. Then, in fiscal 1977, that is, from October 1, 1976, to September 30, 1977, they expect to be in debt again by $500 million?

Mr. HOLLINGS. No, they have projected another billion-dollar deficit for next year. The Postmaster General testified to that.

Mr. FONG. So that the——

Mr. HOLLINGS. Wait a minute. What the Postmaster General testified was——

Mr. FONG. Well, I will get to that.

Mr. HOLLINGS. All right.

Mr. FONG. So there will be $2.125 billion in operating indebtedness as of September 30, 1977.

Now let us get to the capital expenditures, money borrowed to build facilities. $1.5 billion up to June 30, 1976. They will borrow in the transitional period—that is, July, August, and September of this year—$375 million. And then, for 1977, they would borrow a billion dollars.

So this would bring it up to $2.875 billion borrowed, as of September 30, 1977, but they will pay back $67 million in 1977, so there will be capital expenditures owing, that is, debt due to capital expenditures, of $2.808 billion.

So if you added together that operating debt of $2.125 billion up to September 30, 1977, and the $2.808 billion for capital expenditures, you have approximately $5 billion.

So you have to divide that into operating debt and capital expenditures. To say that they are $5 billion in the hole is not a true picture.

Mr. HOLLINGS. Well, the Senator just got to the $5 billion. I thought his arithmetic was working very well. The Senator got the $5 billion, the witness from the GAO got the $5 billion, and I got the $5 billion the same way.

Mr. FONG. Yes. But almost $3 billion of that is borrowed to build facilities. The asset is there. It has not run away.

Mr. HOLLINGS. Now, Mr. President, the Senator does not consider May 28, 1976, just less than 90 days ago, when they borrowed an additional $500 million from the Federal Financing Bank. They did not come to Congress; they just went down to the bank.

And when they borrowed that, they rolled over, not only borrowing $500 million, but they rolled over a note that was due for an additional $200 million. They really renegotiated an added loan of $700 million.

We talked about their testimony in February and March, but their activity in May and the Postmaster General's testimony said they would go into the hole this year another billion dollars or more, and another billion next year. It is reasonable to assume that it will be at least another $3 billion. But let us take Senator FONG's testimony of $2.125 billion. Two billion dollars in operating deficits is not a small amount. We provided $10 billion so there would not be a hiatus. Congress said that with that added $5 billion and the $125 million, we could balance the budget by asking the Post Office to wait another year for their money.

I was on the committee at that time, and we debated it. The $10 billion was a kitty for capital improvements and not for operating expenses—certainly not for operating expenses 6 years after the enactment of the bill in August 1970.

To come up to the admitted figure of $2.1 billion in operating expenses with no idea what they are going to do next is fiscal irresponsibility. It is like the gentleman from the GAO said that he certainly would not put any money at all in that kind of business if he were in business. He said:

> But I know one thing. I thought to myself this morning that if I was a private investor and this organization had to survive on its own, I do not think I would put a dime in it. It would have to live on other resources.

That is what the GAO talked about.

They come around here with all these GAO reports. They say how grand and splendid it is that everyone is happy, and what have you. The GAO witness says: "Do not put a dime in it. It is broke."

The Postmaster General says that he would be insolvent had he not borrowed the money and could continue to borrow it and, if they cut him off, then he is broke.

Then they come up with the smear sheet at the last minute talking about inaccurate statements when we are only quoting the Postmaster General and quoting the committee report.

Mr. President, let us get on to some of these other points that were made. The Senator from Hawaii is still exercised about that United Parcel Service, and they had quite a nice, delightful dialog congratulating themselves as being statesmen, the Senator from Wyoming and the Senator from Hawaii, and said that United Parcel Service could not deliver parcels everywhere, that they just took little specific pieces and creamed them off.

The fact of the matter is United Parcel Service is subject to lawsuits and they could not do as the Postal Service does and take all the packages and break them all up and throw them in the corner. In fact, it has exercised the Senator from North Carolina so much that he has an amendment to deal with this.

So if you are going to operate a private business and you take my package, break it up, and throw it around, and I go ask about it and they say, "go see somebody else; we are a private service; we cannot talk to you," there is no service at all in that. One cannot subject the Postal Service to lawsuits.

The Unitel Parcel Service can be sued, and of course they respond. But if we had lawsuits against the Postal Service for missent packages, then that Postal Service crowd would all be really behind bars. I can tell Senators that right now.

I have given the facts about the excellence of the United Parcel Service. I have given their capital investment, how they handle the volume, how they have a certain number of employees in order to handle it, showing one-seventh of the cost right there in Atlanta. They are not creaming off anything. In fact, it sounds like pretty good skimmed milk which is rather sturdy, full of protein and no cream. When they build a building to handle almost three times the volume at one-seventh of the cost, that is not creaming. They are making sound business judgments and giving that service.

With respect to collective bargaining about which we were misled, I wish the Senator from Wyoming were still here, that he would come back in the Chamber, because we only have limited time, and he is the chairman handling his bill. I quoted two groups on yesterday. I quoted from the statement which was made. I read it, and it is not misquoted. I read it from the Laborers International Union, where they stated in their testimony on April 26, 1976, at our hearing:

> Abolishing the board and having the Postmaster General appointed by the President and confirmed by the Senate needs to be one of the first actions of Congress.

That is what the Laborers International Union of North America said. The gentleman's name is Mr. James J. Lapenta, Jr.

I did not say that he endorsed the Hollings substitute. I just said he said that it was the first order of business.

Going further from that, we hear now of the Alliance and Industrial Labor Union. I have their statement of July 23, where they say, amongst other things:

> The failure of the Senate bill to require annual authorization of all Postal Service funds and Presidential appointment of the Postmaster General subject to Senate confirmation will seemingly be a fatal mistake, and now you are urged to have such a provision included.

That is what we have in our substitute amendment here.

I did not say all of labor was behind us. But we know labor has become a mix, as Senator JACKSON found out in the State of Pennsylvania.

How could any southern Governor, coming from a right-to-work State and having voted for the right-to-work law, get into the State of Pennsylvania and carry Pennsylvania with all of organized labor's leadership for Senator JACKSON, and take it? He took it with labor voters. That is what he did.

I think we have learned to look objectively as to what labor says and what labor does not say down the line.

I am only citing those two, and it was not misleading. And I resent the implication that the Senator made that I misled. I am quoting exactly what they have said.

With respect to the matter of collective bargaining, let me tell Senators here and now that there is one way Congress could impair the obligation of a contract. They could do that by simply not appropriating any money. That is under the Constitution and law. We have legal opinions. We have the legal opinion as to our particular amendment where we had under section 5:

> Nothing contained herein shall be construed to impair the obligation of employment contracts that the Postal Service has entered into with its employees, and nothing contained herein shall be construed to impair the authority of the Postal Service to collectively bargain employment contracts with its employees as provided in the Postal Reorganization Act."

Nothing could be more clear. Under the *Illinois Bank & Trust Co.* v. *Chicago, Rock Island, and Pacific*, 294 U.S. 648, we see that although the Constitution does not expressly prohibit Congress from impairing the obligation of contracts, it has been held that Congress may not act directly and independently upon a specific contract to impair the obligation or rights thereof.

Everyone knows that. Obviously, with

the oversight provision, we cannot tell what a future Congress would do, but we can only tell what we are doing now.

I put in $1 billion to make sure that the present contract was lived up to, the contract on this second year, duly entered into by the Postal Service and the bargaining unions, calls for an 8.3-percent increase. So someone could well argue, maybe in 4 or 5 years from now, Congress will only give Federal employees a 5-percent increase. What a Congress will do in the future is best told by what a Congress has done in the past. If this Congress acts on our substitute amendment we will be giving that 8.3-percent increase because we will be giving them $1 billion in money to pay for it. The way to impair that obligation is not to give them any money. So if Congress does not give them any money, and the administration indicates they do not need any money, and they did not have it, the Postmaster General says, if he cannot borrow he is insolvent. Then how do they pay their contract? It is impaired. That is the way to impair it.

So let us get out of the fuzzy area talking around in a circle because we considered this, we talked to the attorney for the union, and we drew this substitute amendment with this particular thing in mind.

Mr. President, the chairman of the committee started talking about lackeys, and the fact that the Postmaster General did finally get in to talk to the President about this. The Senator will remember the eight times he called on the telephone and could not talk. But the chairman said the Postmaster General could talk to that President in the Oval Office, since he was not in the Cabinet, he was not a lackey. Ergo, Secretary Kissinger, the Secretary of State, must be a lackey, the Secretary of the Treasury, under the chairman's view, must be a lackey, or the Secretary of Commerce, Mr. Elliot Richardson, must be now a lackey.

I do not think Cabinet members are lackeys. I do not think by putting the Postmaster General as a Presidential appointment with confirmation by the Senate he becomes a lackey.

Mr. HUMPHREY. No; he becomes a Cabinet officer.

Mr. HOLLINGS. The fact is, when the Senator comes back—unless the Senator from Utah wants to answer for him—I have committee print No. 1, dated January 12, a bill introduced by Mr. McGee, the chairman of the Committee on Post Office and Civil Service, which reads on page 14 at line 15:

> "The chief executive officer of the Postal Service is the Postmaster General appointed by the President by and with the advice and consent of the Senate."

He provided for the same thing. But now, when we come to debate the amendment, he says he is a lackey and he should not be appointed. The chairman should see his original bill.

Now the Senator from Hawaii has left. I do not know whether we should have a live quorum or not. I know that the Senator from Utah is not going to get into this. If he does, I would appreciate it, because the inference here is that what we have is a tricky amendment, that this is a big, mammoth organization. They have a $14 billion budget and 672,000 employees and 1 percent mistakes in missent letters, and we should not be excited.

I got into the business judgments, and I listed the problems of mail carriers and elimination of services. I had a study of how they handled their vehicles, and their falsification of records.

Does the Senate know what the Postmaster General did in November of 1974? He gave amnesty. No one else in Government has been able to give amnesty, but the Postmaster General had to do it because so many of his employees were falisfying too many records.

However, we went into all those things, and then the idea was put forth that we should not have this substitute amendment, because it is a little tricky thing, and we should get a blue ribbon commission and get us past the election and come back.

If I were chairman of the major committee and the chairman of the Subcommittee on Postal Operations put in a bill, as I did, S. 718, in February of last year, that called for measures like the House has voted upon; namely, the appointment of the Postmaster General, limits on borrowing, on annual authorization for public subsidy, the expediting of the ratemaking process—not the political appointment of postmasters, not getting into the ratemaking, just the expediting—I would give it a little consideration. Zilch. Zero. No hearing. Every time.

Suppose one is the chairman of a subcommittee in the U.S. Senate and that committee had not met in 5 years. He would have to explain that to the public, would he not? They are just finding out about it. The public does not realize it.

I began to resent the idea that we could not even have hearings on the bill. They do not give you the hearings, on the one hand, and on the other hand they say, "We have to have hearings. We don't want to do tricky things and everything else." They give you the double treatment.

Mr. HUMPHREY. The double whammy.

Mr. HOLLINGS. I have never seen such a thing. And they call me quicky and political. I do not come up for reelection until 1980. I do not need this for a headline. As a matter of fact, I would like to be giving out good government awards to the Postal Service for excellent service rather than billions for a deficit. It would please me no end if the Postal Service had been successful, if it had worked out. There might be a few kinks here and there. But it is a disaster. Everybody knows that.

So we offer an amendment. The House acted, and when they acted, they did so in very deliberate fashion. They came over, and I counseled with some of my colleagues on the House Post Office Committee. Mr. Alexander took the leadership, and there were Mr. Wilson, Mr. Jenrette, and Ms. Schroeder. Four of them already said categorically that they are going to stand fast.

I met with the leadership over there. There is talk about a veto by the President. What worries me is a veto by the other body. On September 29, they passed this. Then the Senator from Wyoming introduced his bill as a substitute amendment for the House action. He does not want us to amend anything, but he wants to amend. He says: "Stick 'em up. Give me your money, and don't ask questions." That is all his amendment does.

After the House tried that last summer, on September 29, after a vote of 267 to 113, does the Senate know what the committee chairman did over there? He put the bill back in his committee and started lobbying. He called in all the unions, the Postal Service, the White House interest groups and everybody: Chicken Little, the sky is falling. Then he took the bill out and he got beaten again, on October 30. That is how deliberate it was. That was not a quickie. This House bill has been before us.

The Senator from Wyoming put in his bill in January. We have had 8 months to consider this. Instead of considering it, or anything like that, he spent all his time running around seeing fellow colleagues in the Senate, and said:

> Don't do anything. It's a worked out bill. Anything else would be vetoed. We don't want to hear about any complaints. Get us past the election and we'll come back next year.

The Senator from Hawaii says:

> That will be your headache, not mine, because I will be gone at that time.

He intimates that we might have to extend the time for the commission. But he will be gone.

Then he has the audacity to come here to talk about a political amendment and how political we are, how irresponsible we are, characterizing by way of a substitute the deliberate action by the House and the consideration of last year.

The House did have hearings; they had months of hearings. After their hearings, they had full debate, and they pulled the bill back into committee and then reworked the body and the membership, with all the lobbyists, and went back on the floor again, and again they had a vote. This is the action taken which is being described as political, as a quickie, and as irresponsible.

They also stated here—and we will have to tie ourselves in our chairs—that to have this amendment now, with no hearings, gives us pause. This is a mammoth thing, to have a quickie amendment with no hearings. They are telling that to the gentleman who has been asking for hearings.

In 1971, they said:

> Wait a minute. You're a new subcommittee chairman. Don't get all excited. Give the private corporation a chance.

So we finally got some hearings in 1972 or 1973, and we had 2 days with the Postmaster General. He was running around, trying to get the rugs on his floor and his new kitchen set and hiring top-flight personnel. All one needs to do is not listen to Senator McGee or Senator Hollings. All one is required to do in this debate is to get a copy of the annual report. It will show actually what this crowd did.

Look at the annual report. All one has to do is to look at the balance sheet on the back page. Everybody can read the annual report. I wish we had this year's annual report.

Here is big business going to get rid of all those politicians sitting around—Larry O'Brien and Marvin Watson and all those other politicians. So Kappel, the big telephone man from AT & T, was going to come in here and put in good business procedures. So they just took the 2,611 managers and increased that to 2,988 and increased their pay all over the lot. I am telling you right now, it was terrible. The Senator and I could not pay them politically, because they make more than Senators and we would not want to pay them that. We know that.

We got to the regional and other field units. They increased employees to 13,615 from 5,761. Can you imagine that? More than double.

The Postal Inspection Service staff doubled from 2,500 to 5,610. Then, they have eliminated 50,000 employees, the mail carriers, like a trucking service just doing away with the trucks. They got in a bunch of management consultants, supervisors, sales personnel, advertising executives, auditors, and accountants, we got in everything in the world except trucks. That costs us too much, to run trucks, so we get rid of the trucks. Here we get rid of the letter carriers.

Mr. HUMPHREY. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. HUMPHREY. This is about what happened with Amtrak and ConRail.

Mr. HOLLINGS. Exactly. And you know what that railroad fellow did? He came in and bought himself a $5,000 membership to Burning Tree Country Club. Then, since he was living in Washington, D.C., he said his $63,000 salary was not enough; he had to embellish it with $26,000 more. That is what they call railway service. One of the key words in Government today is "service." If you do not want to get service, call it a service, have it instituted, and take it out of politics.

Mr. HUMPHREY. That is right.

Mr. HOLLINGS. They will not even answer the phone. Does the Senator not know that postmasters in all States were not allowed to talk to us until this year? Does he not know it was against the rule to talk to a Senator? They had an unwritten rule. Talk about silence at West Point. Your postmaster could not talk to you. And they called that service.

Mr. HUMPHREY. I have had an opportunity to listen to the remarks of the Senator from South Carolina. Of course, those remarks are buttressed by my great respect for his sense of integrity and his knowledge of this matter. Without going into all the details, I just make one observation: When the Postal Service was established, it seemed that it was going to be the great new way of handling the postal needs of our people. There was all this hue and cry about getting the Post Office out of politics, that is true. And almost everybody was for the Postal Service. Now, after several years of this experience, I think one fact stands out: regardless of how bad the politics of the postal service may have been back in earlier days, they delivered the mail. What is more, they delivered it at a whole lot less cost.

The present Postal Service is really a nightmare of mismanagement. It just does not get the job done. Every Senator, if he is honest with himself, knows how long it takes to get a letter from his constituents here to Washington, D.C. We should reestablish the Pony Express. Really, they could run it, actually, with marathon runners. The Greek that ran from one place to another to tell that the Spartans were coming could have done it quicker than some of these present routes. This is regrettably, while humorous, a fact, a sad fact. But I do not believe the problems lie with postal employees.

Mr. HOLLINGS. It is a sad fact.

Mr. HUMPHREY. The amount of time to get a letter from Washington to New York is unbelievable. And they say they do it all by air mail. They must be flying it on the backs of wounded pigeons. What do they mean, air mail? It is just outrageous.

What is more, this business of trying to make the Postal Service a business itself is ridiculous. First of all, if we really want rural free delivery, it cannot pay out. Second, if we want to give service to people in small towns, it cannot possibly be put on a profit basis and it ought not to be.

We do not run our universities for a profit. We do not run our public libraries for a profit. We run them as sources of information, as additions to our culture, as a way of communication, as a part of the commerce of the Nation. The Postal Service is supposed to be a service, just as the weather service is a service. It does not pay any profit. You do not call up the Weather Bureau on the telephone and ask: "What is the weather?" and have them say, "Well, it will cost you $2 to get that information." What they will tell you is there is about a 20-percent chance it will rain or an 80-percent chance it will not. That way, they cannot be too wrong.

We used to get weather service that would say it will rain or it will not rain. Now, we have maybe a 20-percent chance it will rain, an 80-percent chance it will not. We do not know what the weather is going to be, either.

I am pointing out that the Postal Service is supposed to be a part of the educational, commercial, cultural life of this Nation.

I want to say something else to the Senator, if he will yield further. I wrote to the Postmaster General when they decided they were going to close all these post offices and suggested he take a look at the National Rural Development Act passed by Congress. I authored that act with Senator TALMADGE of Georgia. We held hearings all over the United States. That act requires that services of the Government in rural areas be commensurate with services in urban areas. If they are going to close the post office out in my town, then they are going to close it in Philadelphia. I wonder how they would like that.

Mr. HOLLINGS. Amen.

Mr. HUMPHREY. Or how would they like it to close up on Wall Street? There is no reason at all why we cannot have a decent postal service. Whatever reorganization it takes, we ought to have the courage to do it.

Frankly, a business of this scope, a service on the part of the Federal Government of this size, ought to be under the constant oversight operations of Congress. The best way to have accountability is to have the Postmaster General appointed by the President, confirmed by the Senate, and held accountable to the Congress of the United States. Then we would be able to call him on the telephone and say, "Hey, Mr. Postmaster General, the parcel post didn't get here."

That would shake him up a little bit. If we have a President who wants to improve the Postal Service, he will call him in and have some meetings. If we want better service, we shall get better service. But I do not understand this business of sanitizing everything so we cannot touch it. We have all kinds of people in the Government who say, "You must not bring any political pressure to bear." Well, I say if the people of Minnesota need or want something, I shall bring political pressure to bear if I have to get a club. That is what they want. That is what they sent me down here for.

I have had people in Government agencies say, "Well, now, we don't want any pressure." I say, "What do you mean, you don't want any pressure?" When a farmer out in my State needs a loan from the Farmer's Home Administration, I want some action. I was sent down here to do something for the people I represent.

One of the simplest things we always thought was needed was postal service. Good heavens, the United States of America ought at least to have something to represent the Government in every community in this country.

I guarantee one thing: The same government that wants to close the post offices likes to have the income tax. Well, they are picking up the tax. The post office is a symbol they would like to have in these little towns. They have the United States flag out there in front of the post office. I hope they have not cut that out.

They have a sign on the door that says, "U.S. Government Post Office." What we have now are a lot of high-minders that are going to bring corporate efficiency. Let me tell the Senator something: If we get enough corporate efficiency, we shall have about four companies running the country. Corporate efficiency is one thing. A corporation is supposed to make a profit for its stockholders. We in Congress are supposed to see that those who make that profit do not fleece the public. That is our job. If there is a Government corporation that is trying to make a profit for the Government of the United States, my job is to represent the people of the United States and to see that the people get service, that they get a warranty that their letters are going to be delivered.

The Postal Service is pricing itself out of the market, and it is giving poor service. It has reduced the number of employees that do the job of delivering the mail and, as the Senator has pointed out very well, they have taken care of the people at the top.

Mr. HOLLINGS. Yes.

Mr. HUMPHREY. We have an administrative structure over there that is overhanging the whole operation. I want to thank my distinguished colleague, Senator HOLLINGS, for bringing these matters up in the manner he has done, because this positive debate is long overdue.

Mr. HOLLINGS. I thank my friend. I am obviously delighted, not just because he has thanked me but because of his grasp of what he said with respect to the fundamental power of the Congress of the United States. The first department of this Government of ours was the Post Office Department. We instituted, in a county in West Virginia, where the postmaster happened to be Mr. Wilson and he instituted rural free delivery.

I never was more impressed—obviously, I have small areas in my own State, small post offices. But I went up to Alaska to look at the Big Inch, the big pipeline from Prudhoe to Valdez and coming across the Yukon. We were going up on oil hearings, coastal zone management, and other things, and had hearings at Fort Wainwright, Eielson, and Elmendorf. I had a hearing that I did not plan on. Everywhere I went, we would stop so they could meet the Senators. There were five of us visiting. Somebody would seek me out and say, "Senator, I hear you are trying to keep our post office open here at Windy Cove," a little place in Alaska. That was the center of the community activity. There were outposts that had fishermen, some even had farming up in that area, logging interests, and what have you. "Please keep our little post office going."

The United States is still a pioneer country.

Now, they have got a bunch of crazies running around here with their computers. I ran into one in Charlotte, N.C. He was a former letter official way down the line, and now they have found something for him to do.

He was coming from Savannah to Charlotte by way of Columbia, and what he was to do was to follow a person who was mailing a letter in Savannah, and the mail going through Columbia, S.C., and then go up and discuss it in Charlotte, and put the information into the computer and then spit it out in Winnsboro, S.C. That is just what the fellow would be doing the week before last.

Mr. HUMPHREY. I will be back.

Mr. HOLLINGS. Please come back.

What we have done is to say that 5 percent of the majority of Americans have flown in airplanes. Well, 95 percent still depend on the penny postcard, what used to be a penny postcard, and the little old letter that used to be 8 cents when we had politics in it, and it has gone up to 13 cents, and you cannot get it delivered. It only gets lost for you now.

You cannot go on Saturday and get to the window to get stamps or anything else because they slammed that in your face. If it is a package they will grind it up and spit it out, and put it in a corner.

I see my distinguished friend from Arkansas has arrived. I emphasize, since we are being condemned for quickie amendments, the fact of the matter is that the distinguished Congressman, Mr. ALEXANDER of Arkansas, after 6 months of hearings—this bill started as H.R. 2445, Mr. HANLEY's bill, in January of 1975, and then after 6 months of hearings they reported out in July H.R. 8603, debated it in September, and on September 29, when they adopted the Alexander amendment, they put it back into committee to get it lobbied and get it beaten. They worked it all over with unions and all the other people, the postmasters, the letter carriers, the administration, saying, "You have got to do it our way or no other way."

They took it back out, and Congress, the House of Representatives, spoke very deliberately and positively one more time to have that Postmaster General appointed and confirmed by the Senate, and have the annual review. That is the distinguished Congressman from Arkansas, and he worked on it deliberately. It was not any quickie thing.

The Senator touched on the matter of the confidence, and I think that is why Jimmy Carter is the nominee of our party. He is out there talking sense and he is trying to give the people a feeling of trust that they can get something done. His strong statement is "You can depend on it."

Well, everything, when you look at Washington, look at the rail service, you cannot depend on that. When you look at the Postal Service, you cannot depend on that. Have a look at the results of the Pentagon, and you can argue it all the way around, and Vietnam and everything else, seemingly they say the greatest, primary function of national defense, and you cannot depend on that.

Every time you get to the Secretary of State, well, you cannot find him, it is a secret, for one thing. But much less depends upon him. They finally sneaked him in the last day. I was rather amused with that last week. Here is the poor fellow in such disrepute that he is trying to play catchup football and say nice things to you and nice things to me. But on foreign policy you cannot depend on that. If it had not been for Congress, we would be in another Vietnam in Angola.

In every division, every institution of government, you cannot depend on it. But the nominee now comes and says you can depend on it, and they believe him. They think he is sincere.

When we take this little matter of the Postal Service up, it is simply a proposition of taking up a distasteful task. It is not a happy thing. There will be a lot of hearings, that constant oversight, and you emphasize the word "constant." There is going to be a lot of work, a lot of listening, and a lot of support for that Postmaster General that he does not have now because he is operating all by himself. The Postmaster is disallowed from communicating, or he was, until this year. We could not talk to him, could not have a hearing. The Postal Operations Subcommittee could not meet for 5 years to have him over and get general oversight. So what have you done? You have a void on it, you cannot depend on it, you cannot get your hands on it. That is what the people of America are asking.

Mr. HUMPHREY. May I say to the Senator that the one thing we in Government ought to be able to assure the public is a reliable Postal Service, an efficient Postal Service.

It is not like the questions of developing the atom bomb or the supersonic transport or the space program, and so forth. This is something we have known how to do since Day 1 of this Republic, and the Postal Service has been as much a part of the services of the Government of the United States, and the lives of the people of the United States, as water is to a field in agriculture. It has been part of our national life. It has been absolutely essential.

I come from a family of small business people. I wonder if the Senators here recognize what is happening to the little independent merchant out there—and many of them are not so little. They are so vital to this country. When they want to send out a bulletin to advertise their business or their commodities, they are priced right out, may I say to the Senator. As a matter of fact, it is almost impossible for the hundreds of thousands of smalltown merchants who still represent a tremendous amount of the total gross national product of this country, because they are priced right out of it.

They cannot pass all the costs along. A big corporation can take its postal account, whatever it is, and just build it into the cost and pass it on to the consumer. But you are sitting out there and you are one of five or six supermarkets or one of five or six drugstores or hardware stores out there in a small town, and you cannot pass the increased cost on. You are stuck with it.

I can tell you that to send out the kinds of circulars and ads that we used to be able to mail—that was a part of a contact of a merchant with his constituency or his customers—today is impossible.

First of all, even if you can pay for it, it is impossible. Second, it is uneconomic because you cannot possibly justify the cost of advertising; and, third, the mail service is so bad that the sale is apt to be over before the folder gets where it is going. Believe me, I know of what I speak.

Now, to go back to what the Senator is saying, one of the duties of Government is accountability. We are elected, and whether the Postmaster General is in the Cabinet or whether he is Presidentially appointed and confirmed by the Senate, the simple fact is that every Member of Congress is held accountable for the Postal Service. If you do not think so, go on home and talk to the people. They do not understand all this business Congress has done about setting up a quasi-public or private corporation that has the U.S. Government label on it, but which is not the Government, and so forth. They do not understand that at all. What they know is that the mail did not get there. What they know is it cost

13 cents to send a letter to your mother, and more to come.

And there are just a lot of things we have got to get into that are just not working. Plain commonsense is needed.

If Congress could lay down a mandate saying to the business people of America that the Postal Service will give prompt service, you would get your postal business back. The reason people are leaving the Postal Service, the reason they are going to United Parcel Service and all these other services—and I am not opposed to there being competition—is very simple: the private service gets the job done.

Mr. HOLLINGS. Exactly.

Mr. HUMPHREY. But we are held accountable for a public service that does not get the job done. All we are asked to do is to appropriate money now.

Mr. HOLLINGS. Give them the money and do not ask questions, just like highway robbery. They want $500 million this year out of the Congres, but do not ask a question because asking a question would be irresponsible, using their words, it would be a quickie.

Mr. HUMPHREY. The same sort of thing has happened in the railroad situation. They come in here and have a scoop-shovel, and they say "Fill it up and give us billions of dollars." They run the railroads, and then they come back and say, "We are sorry, we are $1 billion short."

Mr. HOLLINGS. That is right.

Mr. HUMPHREY. That is justified by saying that is the way business is. It is not that way at all.

In the meantime, we are held accountable. I am saying to Members of Congress simply that whether we like it or not the public thinks we are the ones who made this mess and we have not got the courage or the willingness to do something about this situation, and we are being held accountable.

I want the accountability to be shared. I want that accountability to be in the administration as well as in the Congress.

I think that if some of the Senator's proposals are given favorable consideration, we will have an improved service. This is not to select out whoever is the head of the Postal Service at the present time. The gentleman who heads the Postal Service, Mr. Bailar——

Mr. HOLLINGS. That is right, Mr. Bailar.

Mr. HUMPHREY. I have had a chance to visit with him. He has been over to see me. I know he works hard. I know he wants to do his job. The simple fact is, however, that it is not working, and we have to make a change.

I predict that the next President of the United States will be asking for change because we have to have something better than we currently have.

Mr. HOLLINGS. That is right. I think it really is a shame to come after 6 years and actually say that we should do nothing.

We are not asking anything dramatic. We are giving them money in a deliberate fashion. We can start hearings this year and get ready for next year. The Postmaster General can come in with a report. We can take all the GAO reports, start oversight and get to work. We can start that at least in the month of September before we recess. The staffs can be working all fall. The House committee staff is going to be working in October, November, and December. They are going to be getting this information together and get in the support for the Postmaster General.

I understand that my time is about to run out.

In fairness to another group, I shall put their letter in the RECORD. I did not ask for this letter, but this has to do with my quoting yesterday the National Association of Postmasters of the United States and the National League of Postmasters of the United States before the Senate Post Office and Civil Service Committee, April 20, 1976, and these gentlemen said:

> Following this reasoning, we support efforts to return the power of appointment of the Postmaster General and the Deputy Postmaster General to the President and confirmation authority to the Senate. We have every hope this Senate committee will make the needed effort to secure a suitable level of funding from the Congress for a 2-year period while public service aspects are being studied. We would anticipate these funds would be subject to congressional oversight. We believe sufficient time has elapsed in the experiment of a break-even philosophy for the agency responsible for the delivery of the mail. We submit that a more responsive postal system will evolve if the Postal Service is required to submit budget proposals to the Congress.

They say now that some of them have changed their minds because of the threatened veto. We had the Randolph amendment. I asked now and they said that perhaps the deal is off because the Postmaster General said he cannot live with that, so we really ought not bother.

I do not bother about vetoes anyhow. I have to vote my conscience, and the Senator has to vote his conscience, regardless of what the President will do.

I do not want to go back home and say, "Jerry Ford made me vote this way." They would say, "Boy, if you are that immature, we'll send somebody up there that can think for himself and represent his people, not Jerry Ford." That is exactly what they would tell me.

But here is a letter as of this morning:

> DEAR SENATOR HOLLINGS: As National President of the National League of Postmasters, I feel it incumbent on me to correct a misstatement made during colloquy on the Senate floor on yesterday, August 23, 1976.
>
> The error was made by Senator MCGEE during discussions on the Substitute Bill offered by you and supported by a number of other Senators. It was stated that the National Association of Postmasters represented 91 percent of the nation's Postmasters and that the National League of Postmasters represented a mere 9 percent.
>
> To correct the record of proceeding, I call to your attention the fact that the National League of Postmasters vigorously represent not 9 percent but, approximately 60 percent of the nations Postmasters. I am sorry that I can not attest to the numbers claimed by the other organization, since a large number belong to both Postmaster organizations.
>
> The three more prominent speakers on the postal matter considered on yesterday were Senator MCGEE of Wyoming, which has 167 Post Offices—we have 49 members in that state; yourself from South Carolina which has 391 Post Offices—we have 296 members in that state; and Senator RANDOLPH of West Virginia which has 1008 Post offices—we have 926 members in West Virginia.

I am beginning to wonder how Senator RANDOLPH got that many post offices there.

I am quoting further:

> I would hope that you would correct the record to reflect our membership totals. Let me also take the opportunity, on behalf of the National Executive Board and our nearly 20,000 members, to repledge our support to your efforts to resolve the postal mess in a manner that addresses itself to the needs of the Citizens of this nation. Your fight to restore integrity and confidence in our postal system is not going unnoticed by this nation's Postmasters.
>
> Again, we pledge the support of our great organization to you and others as you attempt to correct, not compound, the postal problems of our nation.
>
> With highest regards,
>
> KENNETH H. JENNINGS,
> *President, National League of Postmasters.*

I think that takes care of the bill of particulars.

I retain the remainder of my time.

Mr. FORD. Mr. President, will the Senator yield me 30 seconds?

Mr. HOLLINGS. I yield.

Mr. FORD. Just 30 seconds.

Mr. HOLLINGS. I yield to the Senator from Kentucky.

Mr. FORD. Mr. President, I want to raise my voice in support of the Senator from South Carolina.

Mr. President, once again the Congress has been confronted with the necessity of bailing the U.S. Postal Service out of its latest financial crisis. As we consider what course of action to take, I want to remind my colleagues of a small but important group that will be greatly affected by our actions—the small daily and weekly newspapers of this land.

Rising postal rates have had a disrupting impact on Americans of all walks of life, but nowhere has this impact been greater than on the publishing field. The larger newspaper and magazine enterprises, because of their volume and diversity, are better able to cope with the new and additional mailing costs than the smaller operations who now find their very existence threatened.

In Kentucky alone, more than 160 small daily and weekly operations are dependent on the mails to deliver the paper to subscribers.

We are witnessing a trend among the larger metropolitan papers to devote less space to coverage of news in small towns and rural areas. For many papers, this is a matter of simple economics.

Yet, as this occurs, a greater responsibility falls on the small daily and weekly papers—the community press—to transmit the news of local events.

Those of us with roots in small or rural areas have strong feelings about the community press and recognize how a small daily or weekly paper can serve to tie together the various elements of a community.

That is why I am disturbed about the impact and implications of yet another hike in postal rates.

In recent weeks, I have received a considerable amount of mail from the publishers and editors of Kentucky's community press, many of them still family owned and operated. These letters spell out the many pressing problems which have been left for them to shoulder as a result of an unstable Postal Service.

In the first 6 months of 1976, it has not been unusual for postage expenses to increase between 30 to 50 percent over the first half of last year. These added costs of production are, of course, shared by the subscribers, and it is the very real fear of those editors and publishers that the cost of subscribing to their papers might soon become prohibitive.

I, for one, hope that day never comes. I cannot imagine it being the intent of our Founding Fathers, who went to such great lengths to insure a free and strong press, to see a time when the citizens of this land could not afford the costs incurred in the dissemination of news.

I strongly support a moratorium on postal rate increases as well as a moratorium on the closing of small post offices.

I urge my colleagues to keep these thoughts in mind as we deliberate what needs to be done in order to restore order and stability to our Postal Service, while at the same time preserving the health and well-being of this essential part of American life—the community press.

I thank the Senator from South Carolina.

The PRESIDING OFFICER. Who yields time?

Mr. MOSS. I yield to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. FONG. Mr. President, the distinguished Senator from South Carolina stated that we are now $5 billion in deficit.

If he will look at the bill which was passed in 1970, the Postal Reorganization Act, we did anticipate that the Post Office would have to borrow money.

We provided that the post office could borrow up to $10 billion. One billion five hundred million dollars for capital improvements and $500 milion for operating expense each year.

I will read the pertinent section, section 2005, paragraph (a):

> The Postal Service is authorized to borrow money and to issue and sell such obligations as it determines necesary to carry out the purpoe of this title.
>
> The aggregate amount of any such obligations outstanding at any one time shall not exceed $10 billion.

This is law. This was approved when we enacted the bill for the U.S. Postal Service in 1970.

We anticipated the Postal Service's needs to borrow because at that time it was anticipated that the Postal Service had to borrow approximately $6 to $7 billion for capital improvement since the Congress was unwilling throughout the years to give it the amount of money to rehabilitate its post office, to buy machinery, and do all the things necessary to have a first-class post office.

So here, under section 2005, we gave the post office the power to borrow each year not exceeding $2 billion—$1.5 billion for capital improvements and $500 million for operating expenses.

They have been in operation for 6 years. If the Postal Service wanted to borrow money up to the limit that it was authorized to borrow, it could borrow up to $10 billion. Six times $1.5 billion is $9 billion, which would be for capital improvements. Six times $500 million is $3 billion. Of course, that would be $12.5 billion which would exceed the $10 billion limit. But it could, if it wanted to, borrow up to $3 billion today, and borrow that for operating expenses, and the balance, $7 billion, for capital improvements.

It has not done so. As of June 30, 1976, the Postal Service had borrowed $1.5 billion for operating expenses, whereas it could have borrowed up to $3 billion.

As of June 30, 1976, it borrowed $1.5 billion for capital improvements. It could have borrowed five times $1.5, or $7.5 billion.

So to all of this talk about the post office going broke, that the post office has borrowed too much money, I want to call to the attention of my colleagues that we did anticipate that the post office would have to borrow money and, therefore, following that, it has borrowed, but it has not borrowed to the extent authorized. It could have borrowed, as I said, up to $10 billion, but it has not done so. As of June 30, 1976, it has borrowed only $3 billion. It has $7 billion more in borrowing authority.

It is anticipated that it will need, and this has been verified by the distinguished Senator from South Carolina, $125 million more for the transitional period of July, August, and September, and another $500 million in fiscal 1977, from October 1, 1976, to September 30, 1977, giving it a total of $2.2 billion at the end of fiscal 1977.

For capital expenditures it is anticipated it will have to borrow $375 million for the transitional quarter of July, August, and September 1976. And then borrow another $1 billion for fiscal 1977. That is, up to September 30, 1977. That gives it $2,875,000,000 borrowed and it will be returning $67 million. So it will be borrowing, up to September 30, 1977, $2,808,000,000.

Because it has borrowed this money, the distinguished Senator from South Carolina has made a big fuss over it, saying that they have not carried on the functions of the post office in an efficient manner.

Yes, there is evidence of consulting fees being high; there is evidence that there have been no competitive bids; there is evidence that costs and billings may be excessive. But when we look at the figures from the overall figure, we see that $1,400,000,000 was shortchanged the Post Office Department from its operating cost because the Rate Commission took so long in putting into effect the rate asked. The operating loss would have only been $100 million instead of $1.5 billion. If we look at it from the standpoint of having lost only $100 million, when it was authorized by the Congress to borrow up to $500 million a year, I would say it has not done poorly.

The distinguished Senator from Minnesota in his colloquy with the distinguished Senator from South Carolina said that it costs 13 cents to send a letter to his mother. He seemed to berate the fact that this is a very costly expenditure on his part, to send a letter to his mother. Then he talks about a small businessman in his State who wants to send out bulletins or pamphlets so that he could increase his business. He cannot take it out of the business because he is a small businessman, and there is the fact that he would have to pay 13 cents for a first-class letter.

When we look at the developed countries in the world, Mr. President, we will find that there is only one nation in the world, and that is Canada, with a lower first-class rate than the United States. Canada, I believe, has a 10 cent rate for first-class letters. The rate in the United States is 13 cents for a first-class letter.

Let us look at other developed countries in the world and see the cost of sending a first-class letter. Then we can come to the conclusion as to whether 13 cents for a first-class letter is high.

To send a first-class letter in Australia costs 22.9 cents, not 13 cents. That is almost 10 cents more than the United States. It is 16.7 cents in Belgium, 3.7 cents more than a first-class letter sent in the United States. It is 18 cents in France, 5 cents more than the postage of the United States. It is 16.6 cents in Japan, and I understand that is going up. Even at 16.6 cents it is 3.6 cents more than the charge for a first-class letter sent in the United States. It is 20.7 cents in the Netherlands, 7.7 cents more than a letter sent in the United States. It is 23 cents in Sweden, 10 cents more to send a first-class letter than in the United States. It is 15.5 cents in Switzerland, 2.5 cents more than in the United States. It is 17.3 cents in the United Kingdom, 4.3 cents more than in the United States. It is 19.5 cents in West Germany, which is 6.5 cents more than that in the United States.

The price of postage in most other countries takes a far greater share of the individual's income. For example, in the United States, the average worker must spend 1 minute 22 seconds to pay for a letter while in Japan, it is 3 minutes 50 seconds. The average American works 1 minute 22 seconds to pay for the 13 cents for which the Japanese worker will have to work 3 minutes 50 seconds.

When they say that the postage being charged for sending mail through the post office in the United States is exhorbitant, those who say that do not know what is being charged in the other countries in the world.

If they want cheaper postage rates, they can go to Canada and save 3 cents, or they can go to the Soviet Union. Those are the only two countries that I know of which have a lower rate, which have an economy comparable to that of the United States.

So the 13 cents per letter which is now being charged is not an exorbitant cost to the mailer in the United States. But because it has risen to 13 cents, many of those who do not know the comparable figures for other countries complain loudly that this is an exorbitant amount. I do not know whether they want the post office to be wholly subsidized by the people of the United

States. But when we enacted the Postal Reorganization Act in 1970, we said that it would pay its way.

It has not been able to pay its way because of the inflationary costs, because of the increase in labor costs, because of the lateness of the increase in postal rates—those are the reasons why we are now faced with a deficit.

The deficit of $1.5 billion up to June 30, 1976, is actually a deficit caused by a late finding by the Postal Rate Commission, which would have given the Postal Service an additional $1.4 billion in revenue had it acted immediately after the request was made.

Of course, we cannot blame the Postal Rate Commission, because it was a new thing; it had to study all the facts, and studying the facts took a lot of time. The first rate decision came out 23 months after it was requested. The second rate decision came out 17 months after it was requested, and the third rate decision came out in about 10 months. So we can see that he ratemaking procedure now is getting quicker.

All in all, if we look at the Postal Service in the light of the amount of mail that is being sent through the post offices—approximately 90 billion pieces—we can see how easily there can be a hue and cry in the community that some of the mail is slow in coming, and some of the packages are broken; because if we had only a 1-percent slowness of the mail, we would have 900 million pieces that would be slow. If we had 5 percent of the mail going through the post office being misdirected or delayed, we would have almost 5 billion pieces of mail, and that certainly would raise a hue and cry in the country.

But what has the Postal Service done? Since its inception, from 1970, it has decreased its number of employees by 65,000. It has closed post offices—naturally this is where the hue and cry is coming from. Some postmasters do not like that. People who work in the post office do not like it. It has consolidated other post offices; and certainly people do not want to move from where they are living to another post office in another community, and they hang on the lapels of their Congressmen and beseech their Senators, and tell them of their anguish, and that they do not like what is going on in the Postal Service.

But when you consider the closing of 1,300 post offices by consolidation or by elimination, 1,300 post offices since 1971 either by consolidation or by elimination, and the reduction in forces of 65,000 in the Postal Service, and that if they had not mechanized, we would have had to have those 65,000 more people, which has resulted in a saving of approximately $600 million a year, the Postal Service, by doing that, in the last 6 years has saved $3.6 billion.

I am not saying that everything is good in the Postal Service. Surely, we have torn packages. Surely, we have misdirected mail. Surely, we have mails that have not been delivered. Surely, there have been contracts given out which have not been competitive. Surely, we have had buildings built which probably have been far in excess of what should have been built. Surely, we have excess space which could be rented out.

But if you look at the whole picture, a corporation that deals with figures of $15 billion a year, with 675,000 employees—whereas there were 730,000 employees before, it now has been reduced by 65,000 to 675,000 employees—with all of the responsibility of trying to give most of the mail 1 day delivery, some mail 2 days delivery, and some mail 3 days delivery—and there is a schedule here that the Postal Service has tried to follow, which we feel is a reasonable schedule—and that it has lived up to 90 to 95 percent of its schedule, that may not be the maximum or the ultimate in Postal Service efficiency, but I say when you look at the whole picture, where they have saved so much money and they have reduced their number of employees, whereas they would have had to increase the number of employees otherwise, when they are beginning a new type of service, with a new method of delivering the mail by having bulk mail centers where they try to handle the mail by automation, there are bound to be errors, and I say that if we have a 5-percent error in anything we do, we are doing pretty well.

So all this fuss about the Postal Service not being efficient, by people who say they know persons whose mail has been late, that they know that mail which has been carried by aircraft did not reach its destination in time—certainly there are these complaints, but I say that when you look at the whole picture, I would say the Postal Service has done a fair job.

This Postal Service has been in operation for only 6 years. When you consider it is a corporation that deals with $15 billion a year in revenues and expenditures, you are dealing with a very, very large corporation, one of the biggest in America. The complexity of running the Postal Service, of trying to give everyone fast and efficient service, of taking care of the rural communities as well as the metropolitan areas, of seeing that service is not being curtailed, and the fact that every time you do something you have the people in Congress watching, jumping at you, and saying that you have not done the right thing, all in all, I would say, the Postal Service has done a fair job.

Certainly it could be improved, and I do hope that it will be improved. I think the colloquy and discussion that we had will be very conducive to the improvement of the Service, because the managers of the Postal Service will know what the criticism is, and I know they will look into these criticisms and see what can be done.

I, for one, would like to see the Postal Service continued as it is. Give it some time; in time it will work out its deficiencies. But do not say, "Let us drop the whole thing, because here we have a consulting contract that should have been for less money," or "Drop the whole thing because here we have a few more people in the administrative end."

To run an efficient business you must have efficient administrators and if your administrators are not efficient at the top, if they are not able to give you a good system, you will not be able to run an efficient service.

I do not know why the administrative force has been increased, but I think it is because of that. And as a businessman I know that you have to have good men at the top to really direct the operations of the business.

Just because they build a building which is in excess of what they feel that it should be is no reason to throw the whole postal system out. It is like saying here is a baby who has a cold, has a running nose, and has a little itch. Let us throw the whole baby out. You cannot do that. We just take care of the things as we see it. If the baby has a cold, let us see the doctor and see what we can do to prescribe medication for the cold. If the baby has a little itch, let us put a little salve on him. Let us see what we can do to put this baby in good health.

I do not say this post office is in very good health. I say it is in fair health. It has done what it was supposed to do.

We have given it the right to borrow $10 billion. I think it will borrow approximately $5 billion up to September 30, 1977. It has not gone to the $10 billion we anticipated, and I think that it should be given a fair chance to exist.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, what is the time situation that remains?

The PRESIDING OFFICER. The Senator from South Carolina has 10 minutes remaining, and the Senator from Wyoming has 28 minutes remaining.

Mr. McGEE. If it is agreeable with my colleague from South Carolina I shall proceed for a few minutes.

Mr. HOLLINGS. I appreciate it.

Mr. McGEE. I have the time here.

Mr. FONG. Before the chairman begins, may I ask him a question?

Mr. McGEE. Yes.

Mr. FONG. The GAO has made many reports on the Post Office. It has made approximately 140; is that correct?

Mr. McGEE. That is correct, usually at the request of individual Members of Congress one way or another.

Mr. FONG. And they have found some of these discrepancies and some of these shortcomings; is that correct?

Mr. McGEE. That is correct.

Mr. FONG. What was the final conclusion of the GAO? Did it say that the Postal Service needs financial help?

Mr. McGEE. They indeed did say that they needed financial assistance.

Mr. FONG. This is what we have in the bill.

Mr. McGEE. That is in the bill.

Mr. FONG. Did the GAO say that the post office should continue the Postal Service as it is?

Mr. McGEE. As a matter of fact their words were that the reorganized structure was indeed on track and, to quote them, there was nothing basic in the structure of the reorganized post office to spell its doom, that there were many quirks and curves in its course that still needed to be tightened up, and God knows we all are aware of that, but they said do not throw out the baby with the bath.

Mr. FONG. So the General Accounting Office after 140 reports, after looking into this post office as it has by so many years of study and inquiry, has come up with a report that we should keep it; is that correct?

Mr. McGEE. That we do not throw it out.

Mr. FONG. We do not throw it out.

Mr. McGEE. Or put it away. There is room for improvement.

Mr. FONG. Yes.

Mr. McGEE. But let us not disturb its basic infrastructure that seems to be on the right track according to their evaluation.

Mr. FONG. And this bill keeps it.

Mr. McGEE. This bill seeks to do that, at least until next spring at which time we shall have a report from the commission and at which moment any proposals, including those from my colleague from South Carolina, my colleague from South Dakota, or our colleagues from any place, all should be put into the mill, hearings should be held on them, an examination and a correlation of them should be undertaken, and then we will decide, in the judgment of Congress, what is the wise way to proceed.

Mr. FONG. As I understand the General Accounting Office also endorses the idea of this postal commission.

Mr. McGEE. They thought the commission was a good idea for again a specific reason. The commission originally was conceived as a group to assess what the public interest factor is and the GAO had a look at that, had run it through their computers and their studies, but they felt that their studies left out the human factor and the political factor and that only Members of Congress could best judge that one; that is, what the public interest ingredient ought to be in the postal budget, and that also ought to be the point of very intensive hearings in order to make a good judgment on it. I think there ought to be rather substantial public service subsidies in it, but that is only my point of view. We have to have an indepth study on this one that the GAO pulled back from because theirs was mechanistic rather than injecting the political-human factor.

Mr. FONG. So the three recommendations made by the General Accounting Office, after all of its studies, are those embodied in the bill which we have before us?

Mr. McGEE. That is correct.

Mr. FONG. We have followed the recommendations of the GAO.

Mr. McGEE. And we have interpreted those recommendations as sustaining where we are as the lesser of the evil options that may confront us and in order to permit us to take the next steps wisely. There is the recommendation that we then have a moratorium and a commission study, because until we get out of the throes of politics of a Presidential election year, no one has full time to devote to this. This will enable us then to ask the right questions in the right depth in an attempt to arrive at wise recommendations next spring.

Mr. FONG. Since we do not have the time to really investigate and study the problem, the General Accounting Office, after making 140 reports, after all these years of investigating and inquiry, is the best agency to really come out with a recommendation.

Mr. McGEE. It is the investigative arm of Congress; in other words, it is our baby, and we have reason to believe that they have done a very credible job in trying to assess this forthrightly.

Mr. FONG. I believe that the General Accounting Office has done a credible job and that its recommendations are good recommendations, and we have embodied these three recommendations in the bill before us.

Mr. McGEE. They are all in the bill, and it is the only way we are going to be able to move ahead. Otherwise, we will move backwards and introduce chaos.

Mr. FONG. When we passed this bill in 1970 we did anticipate that the Postal Service would have to borrow money.

Mr. McGEE. We anticipated that they not only would have to borrow money but that we would have a great many headaches along the way, because they had to undo a lot of things from a kind of a jumbled past in an attempt to bring order out of the hodgepodge that was the old Postal Service.

Mr. FONG. Then we stated in the bill, which we passed in 1970, that the Post Office could borrow up to $10 billion.

Mr. McGEE. $10 billion, that is right.

Mr. FONG. We anticipated it needed that money?

Mr. McGEE. That is for capital investment.

Mr. FONG. Capital and operating expenses.

Mr. McGEE. Right.

Mr. FONG. The Postal Service could borrow up to $2 billion a year.

Mr. McGEE. Right.

Mr. FONG. $1.5 billion for capital expenditures and $500 million for operating expenses.

Mr. McGEE. Right.

Mr. FONG. Six years have passed; is that correct?

Mr. McGEE. That is correct.

Mr. FONG. Six years have passed. So if the Postal Service wanted to go out, it could have borrowed $10 billion.

Mr. McGEE. All $10 billion.

Mr. FONG. All of the $10 billion. But it has not borrowed all of the $10 billion. As of September 30, 1977, they would have borrowed approximately $5 billion.

Mr. McGEE. Right.

Mr. FONG. That is correct. That is about one-half of what we had told them they could borrow.

Mr. McGEE. The Senator is absolutely correct.

Mr. FONG. I thank my distinguished chairman.

Mr. McGEE. Mr. President, I am in receipt of a letter from the Postmaster General of the United States, and I want to make that letter in its entirety part of the Record, but I want to select from it its key points. He says:

> DEAR MR. CHAIRMAN: As the Senate continues its consideration of H.R. 8603 today, I want to share with you some of my thoughts regarding the legislation....
>
> The four goals that the Postal Service was established to attain were:

And these are quotes now out of the act.

> One, to provide uniform, quality mail service to all Americans.
>
> Two, to charge fair and reasonable rates.
>
> Three, to provide wages, benefits and physical working conditions for postal employees comparable to those in the private sector.
>
> Four, to achieve financial self-sufficiency.

The evaluation that has been run on the Postal Service by investigative groups, added to the contracted evaluations that have been undertaken, lead him to these conclusions.

Service is the first attainment:

> According to every objective standard available to us, service today is better than at any point in the last five years.

It represents a constant, go slow upgrading. This is because of the complications of taking over and changing over a very complex system.

Second, fair and reasonable rates: While we acknowledge the obvious fact that postal rates have increased, everything has increased because of the inflationary impulse of our times—double-digit inflation much of that time. Compared with the other developed countries of the world, as my colleague explained a few moments ago, ours is the lowest first class mail rate in the Western World, with the exception of Canada, where it is now going up to 10 cents, compared to our 13 cents, but they will deliver it in Canada when they are not on strike, and that is a big if.

The average among the Western nations is 21.5 cents for first-class mail. The GAO's conclusion on this, he points out, was that 13 cents, much as it was a sharp jump, is still one of the better bargains at loose in our society.

The third objective of the Postal Service is comparable wages, benefits, and working conditions. This goal has been attained. Those who are the beneficiaries of the attainment of those goals now have expressed their organized misgivings about slipping back into yesteryear, and that is why the organizations that must work within the midst of this system, upon whose shoulders falls the responsibility for the success of the system, support this proposal. Eighty-five percent of the budget of the Postal Service is worker oriented because of the very personal nature of the kind of service that is required. It is these groups which say that we must accept the compromise that is pending today. They are on the record, virtually without exception, saying that they have to oppose the Hollings amendment. That is the essence of the third attainable proposal in the mandate to the postal system as envisaged by the Postmaster General.

Fourth is financial self-sufficiency. This is the major goal around which centers more failure than anything else, but those failures have to do with the inflationary process, with the very slow rate-making machinery that would have made is possible to balance that budget in 2 of the last 5 years had the rate increases been allowed within a reasonable period of time.

Finally, the ultimate assessment, as the

Postmaster General says, is that no matter what changes in the law may be made, hard decisions also must be made along with that. The choices are difficult, at the very best. The Postal Reorganization Act, which set forth these laudable objectives, is indeed being lived up to, and its ultimate objectives are in sight.

The Postmaster General concludes:

> I urge you and your colleagues not to undo the work of the last five years and to give postal reform a full chance to prove itself by enacting H.R. 8603 without substantive amendment.

I again point out to Senators where this matter stands now. We have had repeated quotations from almost every relevant group interested in postal service saying that they supported something else. Of course they did. I supported something else, because we were groping for a meaningful way to move ahead.

But now we have come up against the prospect of an impasse—namely, a veto—if there are substantive structural changes in the bill. For that reason, there has been a change in the point of view, an adjustment in the point of view, of the related postal groups that are involved in the process of trying to make the system work.

While other citations have been made, we have double checked, and I will read into the record now the support for the compromise measure, what the Senator from South Carolina calls the McGee bill. It is the McGee bill only because we tried to hammer together what we could get from all sides, what would be attainable, and what would hold the postal system together.

First, I have a letter hand-delivered to me from the National Rural Letter Carriers. They were represented yesterday by the Senator from South Carolina as opposing this proposal and favoring his approach. It is signed by their president, Lester Miller. They want the record to show that they are totally in support of the compromise bill, the one that is pending here, as the substantive legislation, "we are unalterably opposed to any weakening amendments," including the one we are debating at this moment.

We have similar statements of support now, in the light of the realities of the impasse to which I have just alluded, from the National Association of Letter Carriers. That is one of the largest of the work force units in the Postal Service. We have one from the large American Postal Workers Union; from the Mail Handlers-Laborers International Union; from the Public Employee Department of the AFL–CIO; from the National Rural Letter Carriers, which I just cited; from the National Association of Postmasters of the United States, who have 91 percent of the postmasters in their membership; from the National Association of Postal Supervisors, who are meeting at this moment in St. Louis and have relayed this message to us; from the U.S. Postal Service; from the White House; from the Office of Management and Budget; from the chairmen and the ranking minority members of the relevant committees in the House and the Senate; from the Parcel Post Association; from the American Legion and the Veterans of Foreign Wars—both of which groups have some concern in the various levels of mail service and mail rates.

That is a formidable grouping. It is not an exhaustive list, but it is a representative list. The burden of their support is not that they love this compromise, not that they are delighted with this proposal; but, rather, it is the best we can get and still hold the Service together. That is the name of the business here, in this body—the art of the possible, not the art of fun and games; not the art of attack with a sword; but what we can do in an agency and with an agency that cannot afford to be stopped, to be shoved aside, until we make up our minds, an agency that has to continue to serve without interruption all the time that our discussions in this body are going on.

Therefore, it is with that in mind that I submit that this is the best we can do until all the excitement of an election year can be put behind us and we have adequate time to assess what should be done in the long run, in the big picture, to evaluate all the points of view, not just a quick point of view from the Senator from South Carolina or the Senator from Hawaii or the Senator from Wyoming, who may have a particular approach to a problem.

We owe it to the whole Nation to integrate the entire philosophy, the entire problem sector, and the entire structural operation of a postal system that has been put together in the national interest with service, public service, as its first priority.

Mr. President, let us examine the impact of the proposed substitute amendment on the total of Federal expenditures in future fiscal years.

Under the open-ended authorization of "such sums as may be necessary for the operation of the Postal Service", Congress would be required to appropriate annually the entire operating budget of the Postal Service. This figure is currently around $15.4 billion for fiscal year 1977, and it is expected to increase substantially in future years. Budget and spending ceilings would have to make room for this entire amount.

The burden would fall upon Congress to appropriate sufficient funds to meet the demands of large mailers for special rates, the demands of labor negotiators for improved benefits, the demands of public interest blocs for special services or for the maintenance of noneconomic facilities, and whatever other demands for postal frills might conceivably emerge. What is more, we would be unable to refuse these demands without offending some significant portion of the voting public.

Mr. President I ask unanimous consent to have printed in the RECORD the letter addressed to me by the Postmaster General.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE POSTMASTER GENERAL,
Washington, D.C., August 24, 1976.

Hon. GALE W. MCGEE,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As the Senate continues its consideration of H.R. 8603 today, I want to share with you some of my thoughts regarding the legislation.

Regarding amendments expected to be offered today, I am concerned that the fabric of postal reorganization could, if some of these amendments are adopted, be irrevocably torn. I would urge that you share with your colleagues some of the pertinent facts of the situation.

As Postmaster General, I have come to appreciate the vast complexity of the problems faced by the Postal Service. However, I have also concluded that the Postal Service—in its five short years of existence—has been able against large odds to make major steps toward realizing the goals of the Postal Reorganization Act.

During this period, the Postal Service has been forced to make many decisions that, while unpopular, have been necessary. Yet it must be realized that a permanent solution of postal problems will probably never meet popularity standards, and I question whether reverting to Congressional control, which would be the practical effect of the amendments being considered today, would do anything other than redistribute the blame for these problems.

The four goals that the Postal Service was established to attain were:

One, to provide uniform, quality mail service to all Americans.

Two, to charge fair and reasonable rates.

Three, to provide wages, benefits and physical working conditions for postal employees comparable to those in the private sector.

Four, to achieve financial self-sufficiency.

Following is our record matched against these goals:

1. Service: According to every objective standard available to us, service today is better than at any point in the last five years. This has been substantiated by the General Accounting Office.

2. Fair and reasonable rates: While we acknowledge the obvious fact that postage rates have increased during the lifespan of the Postal Service, it is also true that measured against every industrialized Western nation, the United States continues to enjoy the lowest rates with only one exception. That exception is Canada, where—when subsidies are taken into account—the true rate today is higher than the United States rate.

3. Compared wages, benefits and working conditions: This goal has been attained.

4. Financial Self-Sufficiency: This is the one goal we have failed to achieve or the Senate would not be considering the legislation now before it. However, the reasons for this failure are primarily the extraordinary economic circumstances—double digit inflation and recession—of the past five years; inordinate delays in the rate-making process; and the basis costs of accomplishing the first three goals of postal reorganization.

Further, it should be recognized that the primary intent of this fourth goal was to establish responsible fiscal management within the Postal Service based on discipline and sound planning. In this sense, this goal has been realized. Yet ironicaly it has been the exercise of this responsibility that has brought about the current weakening of public support.

When faced with an estimated $1.4 billion deficit in fiscal 1976, the Postal Service acted to cut its costs and reduce this deficit in every responsible way without affecting the basic service we provide. Since January 1975, we have reduced our payroll by 38,000 jobs, saving $610 million. We have accomplished other substantial savings, including a reduction in the use of overtime. In addition, we have attempted to realistically evaluate the number of post offices, stations and branches needed to serve the American people, while also attempting to establish a dialogue about the long-range postal needs of the American people.

I continue to believe that, no matter what changes in the law may be made, these hard decisions should be confronted and difficult choices made.

The Postal Reorganization Act began the process of postal reform, and current postal policies are the extension of this process. During the 18 months I have been Postmaster General, these policies have been consciously pursued in the knowledge that while they would not necessarily be popular, they represent the true postal reform that the Congress intended.

I urge you and your colleagues not to undo the work of the last five years and to give postal reform a full chance to prove itself by enacting H.R. 8603 without substantive amendment.

Sincerely,

BENJAMIN F. BAILAR.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. HOLLINGS. Mr. President, right quick, with regard to the National League of Postmasters, I want to cite a letter, if Senator McGEE will listen:

DEAR SENATOR HOLLINGS: As National President of the National League of Postmasters, I feel it incumbent on me to correct a misstatement made during colloquy on the Senate floor on yesterday, August 23, 1976.

The error was made by Senator McGee during discussions on the Substitute Bill offered by you and supported by a number of other Senators. It was stated that the National Association of Postmasters represented 91 percent of the nation's Postmasters and that the National League of Postmasters represented a mere 9 percent.

To correct the record of proceeding, I call to your attention the fact that the National League of Postmasters vigorously represent not 9 percent but, approximately 60 percent of the nation's Postmasters. I am sorry that I can not attest to the numbers claimed by the other organization, since a large number belong to both Postmaster organizations.

The three more prominent speakers on the postal matter considered on yesterday were Senator McGee of Wyoming, which has 167 Post Offices—we have 49 members in that state; yourself from South Carolina which has 391 Post Offices—we have 296 members in that state; and Senator Randolph of West Virginia which has 1008 Post Offices—we have 926 members in West Virginia.

I would hope that you would correct the record to reflect our membership totals. Let me also take the opportunity, on behalf of the National Executive Board and our nearly 20,000 members, to repledge our support to your efforts to resolve the postal mess in a manner that addresses itself to the needs of the Citizens of this Nation. Your fight to restore integrity and confidence in our postal system is not going unnoticed by this Nation's Postmasters.

Again, we pledge the support of our great organization to you and others as you attempt to correct, not compound, the postal problems of our nation.

I want to reserve a couple of minutes, Mr. President, for getting right to the main point. We can keep correcting this record. I rather resent and resist, I would say, the idea that we have "a quick approach," "a quick point of view," "the art of playing games," "to come now in this fashion with a substitute is irresponsible," that "there were no hearings; you should give us pause"—these are quotes from the distinguished chairman of the Committee on Post Office and Civil Service. Obviously, I resent it, because I have been trying to have just that—hearings.

"Do you want to have a lunch?" That is what I was told, we would have a lunch with the Postmaster General. As the chairman of the Post Office Subcommittee, to the Senator from North Carolina, I say we have not had a hearing in 5 years.

Now, when they come with a substitute, they say, "Why not have hearings, let us be more deliberate, let us not be too quick."

How quickie is this? This H.R. 8603 we are now considering started in January last year, after 6 months of hearings, not here, on the House side. They reported it out in July, voted on it in September. After an overwhelming 3 to 1 vote, the chairman over there, that the Senator from Wyoming says he is making this firm agreement with, pulled it back into his House Post Office Committee. They brought it back after a month of lobbying by postal employees, the labor unions, the organizers for the mail carriers, the White House, and everybody else. And the House still passed H.R. 8603. The GAO says it still supports provisions in the House-passed bill, H.R. 8603. And he is the one offering the committee amendment in the nature of a substitute. Let us get that clear.

I am bringing this back in, after a year and a half. The Senator from Wyoming put his bill in in January, 8 months ago. He says, let us wait until next February and start hearings. He has had 8 months. He has only given his blue ribbon commission 4 months. They could not get organized until October, as everybody knows.

I am saying this has been very deliberate, very well worked out within the budget. I have a letter signed off from the Committee on the Budget.

Mr. MUSKIE. Mr. President, the Senate has before it H.R. 8603, the Postal Reorganization Act Amendments of 1976. This is an authorization bill that if enacted will most likely lead to increased Federal spending in a supplemental appropriation, and so it particularly requires scrutiny in terms of its relationship to the first budget resolution for fiscal 1977. While there are also important organizational issues surrounding our consideration of this legislation, my comments are addressed only to the budget implications of the pending proposals.

To begin with, Senators will recall that the Senate version of the first budget resolution assumed inclusion of an additional $1 billion payment in fiscal year 1977 to assist the Postal Service in financing its projected deficit. The House version of the budget resolution did not assume inclusion of these funds, and they were subsequently removed in conference. However, in an exchange of correspondence, Senator Moss, speaking as chairman of the Senate conferees, wrote to Senator McGEE, chairman of the Post Office and Civil Service Committee, that it was the intention of the conferees that the Senate's consideration of H.R. 8603 was not to be prejudiced by this exclusion.

Now the authorizing committee has concluded its deliberations and reported its bill, which would authorize an additional $500 million to be applied in fiscal 1977 to the Postal Service's debt. Senator HOLLINGS is sponsoring a substitute amendment that would authorize $1 billion. Since passage of the first budget resolution, the staff of the Budget Committee has further studied the financial problems of the Postal Service, and they agree that additional amounts up to $1 billion are needed by the Postal Service to finance its projected deficit. They also agree with the analysis offered by the authorizing committee that if additional funds are not provided, the Postal Service could experience an impairment of its operating capability, which in turn would intensify the pressure for postal rate increases and service reductions.

Let me explain as precisely as I can what it would mean in fiscal 1977 budget terms to enact and fund H.R. 8603 either as reported by the authorizing committee or as provided by Senator HOLLINGS' substitute amendment. I refer you to page 13 of the August 23 Senate budget scorekeeping report. Here it shows that the Budget Committee staff's current estimate is that funding of additional budget requirements could produce fiscal 1977 budget totals of $447.7 billion in budget authority and $414.3 billion in outlays.

This would be $6.5 billion in budget authority under, and $1 billion in outlays over the first budget resolution targets. These totals include the estimated effect of possible later requirements which have not yet been considered by the Senate, and therefore are tentative at this time. But the general budget picture is clear—we have a little room left in budget authority, but budget outlays are very tight.

Relating this to the legislation before us, my current estimate is that enactment and funding of either the committee bill or the Hollings substitute would not cause us to breach the first resolution budget authority target. However, enactment and funding of either would create serious pressures that could cause us to exceed the outlay target.

The Budget Committee is about to go into markup on the second budget resolution, and I believe I speak for all the members of the committee when I say we will try our best to keep the second budget resolution ceilings from exceeding the first resolution targets. Clearly this will be easier to accomplish if the Senate approves additional Postal Service assistance of $500 million instead of $1 billion, but I will not tell you that it is impossible at the higher level. There are just too many uncertainties. We will be considering these uncertainties in more detail when we actually get into markup next week.

Mr. President, let me say again that the first budget resolution adopted in May contemplated that the second budget resolution might need to be adjusted upward to accommodate some or all of the cost of this legislation. The conferees gave explicit recognition to this possibility when they agreed to accept the House position and eliminate the additional Postal Service funds as provided in the Senate's version of the first budget resolution. They agreed to wait for the decision of the Congress on the legislation now before us. The conferees felt that the most important consideration was that legislation representing the most responsible approach to financing the Postal Service's deficit be enacted. The Budget Committees would then do the best they could to have the budget resolution accommodate that approach.

Each Senator must make up his own mind as to the most responsible approach. Speaking as an individual Senator, and not as Budget Committee chairman, I can say that I am prepared to support an additional fiscal 1977 Postal Service authorization up to a maximum of $1 billion. This is the amount the Postal Service is projected to lose next year, and I believe we would be kidding ourselves if we assumed that the Postal Service could get by without additional funds. Finally, I believe the Postal Service organizational issues should be considered on their merits, separate from the funding level question.

THE POSTAL REORGANIZATION ACT: MORE DEFORM THAN REFORM

Mr. CHURCH. Mr. President, under the slogan "Take Politics out of the Post Office" the Nixon administration prevailed upon the Congress to enact the 1970 Postal Reorganization Act. I said at the time that I was skeptical it would work. I felt that removing Congress completely from overseeing postal operations went too far. Without recourse to Congress, I feared that small towns and individual patrons would have little leverage in dealing with the gigantic quasi-independent corporation that the Postal Service was to become.

What has happened since 1970 has confirmed my worst apprehensions. Acting on its own, and without accountability to Congress, the Postal Service sharply increased postal rates, permitted its service to steadily decline, and incurred larger deficits than ever before.

Clearly, as it turned out, there was more deform than reform in the Reorganization Act of 1970. It is time for Congress to try to find a remedy. For this reason, Mr. President, I am supporting the amendment offered by the distinguished Senator from South Carolina (Mr. Hollings).

The Hollings amendment would reassert congressional control over the postal budget by requiring annual congressional authorizations, and by making the Postmaster General an appointee of the President, to be confirmed by the Senate. In addition, the amendment would freeze postal rates and preserve existing services until the first review is completed next year. With the inclusion of the Randolph amendment, which I also support, it would also guarantee the right of small towns to be heard and to appeal any proposed closure of their post offices.

Mr. President, the time has come for Congress to reassert its responsibility for the mail, to better insure that the people receive adequate service at reasonable rates. I urge my colleagues to support the Hollings amendment.

Mr. HATHAWAY. Mr. President, I am pleased to be a cosponsor and supporter of the amendments to H.R. 8603 offered by the Senator from South Carolina (Mr. Hollings).

These amendments incorporate a number of the provisions affecting the operations of the Postal Service as contained in my own bill, S. 3569, which I introduced on June 15, 1976.

Over the last few years it has become apparent to me that the ongoing problems of the Postal Service have been of great concern to many of my constituents, and that they feel this entity has become out of touch with their needs. I have heard from small businessmen, from those associated with educational institutions, from users of the mail in both rural and urban areas, and from postmasters and postal employees, all of whom have urged that some corrective action be taken by Congress with respect to the Postal Service.

Both my bill and our amendments are based on the assumption that in order to restore the Postal Service to a position of public confidence and trust, it is necessary for both the Congress and the President to exercise greater oversight and control over its operations. The Postal Service must be made more accountable and responsible to the elected representatives of the American people. Furthermore, if we are to fulfill our own responsibility to those who elected us, we must again undertake this job.

The problem with the Postal Service in recent years has been that both the Congress and the President have viewed the situation as someone else's problem and not their own.

In supporting these amendments, I would like to address the point made by the distinguished chairman of the committee that his bill must not be amended. He stresses that the committee has worked hard in creating the legislation now before us, that this bill is the only vehicle which is acceptable to all of the various interest groups affected, that any changes whatsoever will destroy this acceptability and will run the very substantial risk of a Presidential veto.

Consequently, we are told that this bill before us today must be passed without amendment, no matter how attractive individual amendments might be, and that if amendments are approved by this body, the whole bill will be doomed and the future of the Postal Service will be at stake.

I respect the chairman's position on this and appreciate his hard work in what is admittedly a complex and difficult area. I know he is sincere in his assessment of the administration's position and I know he has put together the best bill possible given his view of the circumstances.

It would, however, be a terrible precedent for this body to refuse any and all amendments, no matter what their merit, simply to preserve a tenuous compromise and to avoid the mere threat of a veto.

We should never act or refuse to act simply out of fear of a veto. Our constitutional system contemplated a different set of goals for us. The rules of this body require that except in very limited circumstances, there be full and open debate on any measure brought before it and that individual Members be able to offer and discuss such amendments as they see fit. We consider this structure to be vital to our ability to produce legislation which addresses the problems and concerns of all our citizens in all parts of the country in as complete a fashion as possible.

A Presidential veto is of course a possibility with regard to the measure before us, as it is with any measure we consider. Unfortunately in recent years, vetos have been an increasing possibility.

If there is a veto, we shall deal with it appropriately and I sincerely hope we will be successful in overriding it.

Despite arguments made earlier, an amended bill, followed by a Presidential veto would not result in a stalemate, an impasse in which the Postal Service would be unable to receive needed subsidy. On the contrary, our failure to amend the measure before us would be far more damaging to the future of the Postal Service and would result in a continued situation of malaise and stagnation.

I have discussed this matter with a number of my constituents who have urged that I support the committee bill as a less than ideal, but still acceptable, compromise. They have stressed, as has the chairman, that they wish to avoid a Presidential veto and want to see Congress take a first step toward putting the Postal Service back on its feet.

Many of these individuals are postal workers or are otherwise directly affected by this legislation, and I can understand and appreciate their concern and their sentiment.

At the same time I have explained my view of my function—to work to produce the best possible legislation to meet the needs of all my constituents, to begin to address the problems of the Postal Service on a long-term basis, and not to accept some watered-down compromise.

Furthermore, this measure before us today is not an all or nothing proposition as far as the continued solvency of the Postal Service is concerned. Under existing law, section 2004 of title 39, there is standing authority for Congress to appropriate necessary funds to provide needed public service subsidy to the Postal Service. Therefore, if the President were to veto this measure which specifically authorizes an additional $1 billion in such subsidy, Congress would still be able to appropriate such funds under the open authority already in the law.

In this way we will be able to meet the current crisis of the Postal Service and at the same time we will have met our duty by sending to the President legislation which addresses the Postal Service's problem on a more long-term basis.

When Congress enacted the Postal Reorganization Act of 1970, it hoped to set up an independent business entity which would ultimately need no Federal funding whatsoever. Day-to-day business decisions would be left to the Postal Service and its managing Board of Governors. Rate decisions would be made by the separate Postal Rate Commission, subject to the approval of the Postal

Service. The idea was based on similar systems already in effect in such segments of the economy as the telephone industry and electric utilities.

At the time this legislation was enacted, it was hailed as the beginning of a long-needed modernization effort which would bring new efficiency to an enterprise which some had claimed was outdated and riddled with political appointees.

With such a promising beginning, the Postal Service seemed to be off to a good start in its first 2 years of operation. The old post office system had suffered a $204 million loss in its last year of operation, but by 1973 the postal system had cut this figure down to $13 million, still a large sum, but indicative of substantial progress. Then in 1974, the loss figures jumped to $438 million, and to $989 million in 1975. The projected loss for 1976 is $1.5 billion and another $1 billion loss is expected in 1977.

Coupled with these startling figures has been a rising public outcry over deteriorating services. This problem has been studied and restudied by the General Accounting Office and other bodies.

There have been mixed conclusions to such studies, but the GAO has noted that even if the Postal Service were to deliver 95 percent of all first class mail on time, 2.6 billion letters would arrive late each year.

The Postal Service has been faced with the same rising costs for gasoline, other fuels, and essential items which all Americans have had to endure. It has responded with a series of rate increases and recently with tentative announcements of closings of rural post offices, and is considering other service cutbacks such as eliminating Saturday deliveries.

These events and tentative announcements have understandably disturbed both my constituents and citizens in other parts of the country. They now feel that they need to have more of a voice in the decisions made by the Postal Service and that many decisions which could be made by the Postal Service in pursuit of ostensible cost-saving would, in the long run, be very detrimental and contradictory to the original concept behind the Postal Service and its predecessor; namely, to function as a service to deliver mail promptly and efficiently to all parts of the country. It now appears that this mission is inconsistent with the independent, corporate approach which the Postal Reorganization Act envisioned. It is clear that what is good for the financial condition of the Postal Service may be very bad for the American people.

Given this situation, the Postal Service must be more directly accountable to Congress, and also must be given such financial assistance as is necessary for it to meet its primary mission, within our national budget priorities. The Postal Service must be made to operate efficiently, but this ought not to allow the wholesale elimination of historic services.

Rather, Congress should undertake the primary responsibility of deciding which services are essential and which are not, and provide sufficient funding for the former, and take responsibility to eliminate the latter. Without such a structure of Postal Service accountability to Congress and congressional responsibility for effective oversight, the current postal problems seem destined to continue, with all parties involved blaming each other for costs and cutbacks.

The original concept behind the creation of the Postal Service under the Reorganization Act—to make the Postal Service independent and therefore to function as a business—was intended to foster overall efficiency, to cut costs, and to maximize service. This was a noble and perhaps valid experiment. But based on our experience of the last 6 years, it has clearly backfired. We should admit to our mistake and take steps today to begin to correct the damage, and begin anew with mechanisms for oversight and responsibility.

When I received mounting complaints from my constituents over deteriorating service and threatened cutbacks, I could have responded by telling them that the Postal Service is an independent corporation, that whatever inconvenience they suffered was outside my jurisdiction as a legislator to take steps to correct. But this would have been a copout. Congress right now is responsible for the damage done by the enacting of the 1970 Reorganization Act. Yet Congress lacks any effective tools to exercise its responsibility.

We will be reneging on our duty to the American people if we do not act to give us the power to effect changes in the Postal Service.

I would agree with the Senator from South Carolina that the Blue Ribbon Commission proposed to be set up by the reported version of the bill before us represents a total avoidance on our part to exercise our duty to our constituents.

The Commission must report back to Congress on February 15, 1977. This is less than 6 months from today.

I find it hard to believe that this Commission will be able to offer any comprehensive solution in such a short period of time. The only solution which has any hope of succeeding is for both the Congress and the President to reassert their responsibility over the Postal Service on an ongoing basis. It is doubtful that the Commission will reach this conclusion and hence we are pressing forward today with a series of amendments designed to achieve this goal.

I am afraid that the Commission will instead serve as a vehicle for giving increased credibility to the views of the Postal Service held by some in the current administration.

For example, it is my understanding that the Office of Management and Budget has already prepared a letter to the Commission, assuming it is created, that asks it to give close attention to whether the Postal Service monopoly on first-class mail ought to be eliminated.

Such a move would signal the end of the Postal Service's ability to function as a service and would cripple its efforts to serve rural America.

Private competitors would probably be very successful in gaining control of the intra-city mail in our largest metropolitan areas, but I doubt very much whether these corporations would be willing or able to undertake delivery to outlying rural areas. That job would be left, as it is now, to the Postal Service. Thus, the private carriers would skim the cream of the business and leave the less lucrative and often losing business to the Postal Service. This would only aggravate the current situation.

While the idea of allowing private enterprise to compete with the Postal Service in delivery of first-class mail is on the surface an appealing one, it is clear that such a move would greatly limit the Postal Service's ability to meet its statutory obligation to deliver mail to all parts of the country.

I am pleased also to support the amendment offered by the Senator from West Virginia (Mr. RANDOLPH) included in our substitute, which mandates that the Postal Service must give advance notice of any post office closing, and institutes sound procedures for the public to participate in that decision.

The procedures set up under this amendment are reasonable ones, designed to insure that the Postal Service considers all relevant facts and circumstances before concluding that it is necessary to close a post office.

I shall be supporting a number of other amendments to be offered later which are designed to restore accountability and responsibility to the American people on the part of the Postal Service. This amendment represents a sound first step toward that goal.

We are not attempting to totally prevent the Postal Service from instituting any post office closings whatsoever, but rather to have sound procedures governing any decision which the Postal Service might make in this area.

Consistent with the primary goal of all of these amendments, to increase the accountability of the Postal Service to the American people, I urge my colleagues to support our amendment which makes the Postmaster General a Presidential appointee, subject to confirmation of the Senate. This simple change would go a long way toward restoring the notion that both the executive and the legislative branches ought to be responsible for the success or failure of the Postal Service.

The Postmaster General would once again be a public servant, owing his job to the elected representatives of the people.

The argument is raised against this amendment that it would be a step backward to the days when the old Post Office suffered from an overabundance of political appointees who some allege were more interested in politics than efficiency.

I would not support this amendment if this charge were in any way true. This amendment does not disturb the provision contained in existing law which makes it a crime for an elected official to recommend any individual for a position with the Postal Service.

This should continue to be the strongest possible deterrent against any return to the days of political patronage.

Under the amendment, only the Postmaster General and his Deputy would be Presidential appointees. The very top officials of the Postal Service would serve at the pleasure of the Postmaster General, but the remainder of the Postal Service employees would continue to be chosen on a nonpartisan basis.

Thus, under this amendment, we would gain the very substantial benefit of making the Postmaster General and his top assistants directly accountable so the people and we would not incur the admitted detriment of allowing political influence to overwhelm the rank and file postal workers.

Under existing law, the Postmaster General is appointed by the Board of Governors. Because the President would now undertake this function, this amendment would abolish the Board.

The establishment of the Board under the 1970 act was consistent with the notion that the Postal Service would function as an independent corporation. The Governors would function in the manner of a corporate board of directors. Since that approach has not worked well, and since it is my view that the responsibility for the functioning of the Postal Service ought to be vested in one Postmaster General and not nine Governors, there would seem to be no need for their continued existence and accompanying expense to the taxpayers.

Requiring direct Presidential involvement in the appointment of the Postmaster General will have the added benefit of insuring that the President maintains an ongoing interest in the Postmaster General's success in doing his job.

It was disclosed in the hearings held this spring before the Senate Committee on Post Office and Civil Service that the current Postmaster General, Benjamin Franklin Bailar, was having a great deal of difficulty in getting through to the White House. In fact, for a time, telephone calls he placed to the White House were not returned.

This sort of attitude on the part of the executive must stop, and this amendment would establish the mechanism to remedy the problem.

Senate confirmation of the Postmaster General would also confer an additional and substantial benefit. Each of us would in a direct way have a stake in the ability of the Postmaster to do his or her job well.

As is presently the case for all other officials whose appointment must be confirmed by this body, we would be given the opportunity to hold hearings on the individual's qualification to hold the office, to ask questions on the policy goals that individual intends to implement, and to accept or reject that individual depending on our assessment of his fitness to hold the office in question.

We have been disappointed on more than one occasion with regard to our decision on appointments, but we know at least that we had our chance at one time.

I also support the amendment which limits the borrowing authority of the Postal Service to a total of $500 million. This is necessary to prevent the Postal Service from mounting an ever increasing debt which would further impair its financial condition.

Equally important, this amendment would prevent the Postal Service from using its borrowing power as a form of backdoor spending and thereby avoiding its need to come to Congress to request and justify its need for increased public service subsidy. Limitless borrowing authority allows the Postal Service to avoid congressional scrutiny of its financial structure and its service functions.

If we are to begin anew to exercise our responsibility over the operation of this vital service we must eliminate this loophole in existing law.

The $500-million figure is a reasonable one, designed to assist the Postal Service to cope with cash flow problems and at the same time place a ceiling on what is now a runaway sum.

I firmly support the provision of the amendment now before us which requires, beginning in fiscal year 1978, that the Postal Service come before Congress for annual authorization and appropriation of its total budget needs.

In this way we will be able to exercise direct oversight over its function, oversight which has been noticeably lacking for the last 6 years.

We will once again be able to respond to the legitimate needs of our constituents to have a voice in the cost and the quality of our postal services as do all our other committees with authorization power over particular Federal agencies and departments which fall under their jurisdiction. The Senate Committee on Post Office and Civil Service will be in a position to oversee the operations of the Postal Service on an ongoing basis. The Committee on Appropriations will similarly be able to require the Postal Service to justify its financial needs given the service it provides.

Further, the Postal Service will be subject to the budget procedures which we recently established and have imposed upon all other public services.

It has been suggested that this change will serve to eliminate whatever incentive there is within the Postal Service to operate efficiently and to provide high quality service to the American people. According to this argument, the Postal Service will be tempted to let its operation slide and simply come to Congress each year for whatever money it needs.

I do not think this analysis is correct, and on the contrary, it is my view that the present lack of accountability to Congress is by far the greater danger.

Furthermore, until we regain the power of the purse in this area, we are powerless to address the questions which so concern our constituents. These questions include the ever-rising rates and declining services and the threatened closing of many of our outlying rural post offices.

In evaluating our rate structure, we ought to consider the costs of the equivalent to first-class service in other countries of the world. For example, in France, the cost is 18 cents; in Sweden 23 cents; and in Japan, over 16 cents. In the United Kingdom the cost is over 17 cents, and this cost has jumped a total of 89 percent in the last 2 years. Compared to these figures, Canada has maintained a constant cost of 8 cents. The point of this comparison is that the final per-letter cost to consumers will depend to a large degree, on the extent to which the individual governments are willing to subsidize their postal services. Other factors of course are efficiency and overhead services. By giving Congress increased budgetary authority, this amendment would allow for closer attention to the appropriate mix of subsidies and rate increases.

I am not saying that our rates should always remain constant or that under no circumstances should we close any post office. I think these matters will require close attention and study. It may well be that the costs which would be incurred by such policies, which inevitably would be passed on to all our taxpayers, cannot be justified when compared with the benefits of these policies. But the point is that until Congress again becomes involved, the appropriate level of public subsidy vis a vis private cost bearing will never be determined.

We will continue to flail away at the Postal Service while we lack the legislative tools and the conviction to confront the problem directly ourselves.

The amendment would remedy this situation. Postal revenues would again go directly into the Treasury and the appropriate amount of subsidy would come out of the Treasury. The system would mesh.

We would be accountable to our constituents for the tough decisions involving post office closings and rate increases. With this modified structure they too would be in a better position to determine the level and type of service they consider appropriate.

Congress would not be making all of the business decisions for the Postal Service. This would still be the job of the Postmaster General. Nor would Congress be setting rates. This would be left to the Postal Rate Commission.

But Congress would be in a position to have an impact on these decisions, and to alter their direction in broad policy terms, through the authorization and appropriation mechanism.

This amendment would impose a moratorium on any further rate increases, service cutbacks, or post office closings until the end of the upcoming fiscal year, September 30, 1977, by which time Congress will have its oversight mechanisms in place.

All curbline delivery must be continued. All post offices serving more than 35 families must remain open. Those serving fewer than 35 families can be closed only with the consent of at least 60 percent of the patrons.

This is a necessary provision to prevent such events until such time as Congress is again in a position to participate and judge as a matter of policy whether these cutbacks are appropriate.

We are late by 6 years in our addressing this matter in a comprehensive fashion, but we are still not too late to alter the situation of despair and decay.

Mr. HATHAWAY. Mr. President, I would like to make one additional point, not directly related to the legislation before us today, but of interest to me in my capacity as chairman of the Subcommittee on Alcoholism and Drug Abuse of the Senate Committee on Labor and Public Welfare.

I have followed with great interest the Postal Service's work in the area of alcoholism rehabilitation, and have noted the substantial progress being made by its program for alcoholic recovery—PAR. This program should serve as an excellent example for other industries in the process of setting up similar programs.

Also, it is my understanding that the Postal Service is in the initial stages of starting a similar effort to deal with drug abuse. I wish it success in this area, too, and hope it is able to realize the same good results as it has in PAR.

Such programs, if successful, are able to greatly increase productivity, reduce absenteeism, and foster overall efficiency.

Mr. MUSKIE. Mr. President, I will vote for the legislation offered by the distinguished Senator from Wyoming (Mr. McGee) as a reasonable approach to our postal service problem.

The Postal Service threatens to become a national embarrassment. Services have been reduced in quality and scope while rates have been increasing. People in my home State of Maine, and I am sure millions of people in rural areas across America, are understandably suspicious when the Postal Service suggests that their local post office be closed in the name of efficiency. The average postal patron is understandably upset by frequent reports of delays, destroyed parcels, and lost letters. One enterprising newspaper in Maine sponsored a contest between the Postal Service and a canoe. The letter sent by canoe arrived first.

It is clear that the present system is not working. When we acted 6 years ago to detach the Postal Service from the Federal bureaucracy, we had high hopes that the new agency could maintain the American tradition of mail service while operating an economically sound agency. We now face the fact that this approach was a failure, and we must try something new.

The bill presented by Mr. McGee, which is supported by the Committee on Post Office and Civil Service, offers us the opportunity to examine closely just what our next step should be.

There are literally billions of dollars at stake in any decision we make on the Postal Service. But as importantly, there is a need to reemphasize a tradition of service in the mails which is as old as our Nation. These are decisions we must not make lightly, and following the course recommended in this legislation will give us all the opportunity to explore all the logical alternatives before we take action to restructure the agency.

The bill contains several crucial features during the period of the study: a moratorium on post office closings to assure our rural citizens their needs will not be abandoned; a moratorium on postal rate increases; and a requirement that door and curbline delivery be continued.

We may well conclude after careful review that the Postal Service should be reestablished as a Government agency. But we should have before us other alternatives before we take that step.

Mr. President, postal service workers, postmasters and postmistresses from across Maine have supported the approach recommended by this amendment. I support it as well. It is the only course supported by the administration, and taking it would avoid a long struggle at a time when action is demanded.

Mr. HOLLINGS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. McGEE. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. Ten minutes.

Mr. McGEE. Would the Senator be interested in yielding back the time? We have 10 minutes left.

Mr. HOLLINGS. Yielding back both times?

Mr. McGEE. Yes.

Mr. HOLLINGS. I am prepared to yield back my time.

Mr. McGEE. Mr. President, I am prepared to yield back my time.

Mr. BUCKLEY. Will the Senator yield for a unanimous-consent request?

Mr. McGEE. I am happy to yield.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that Mr. Brian Bennett of my staff be accorded the privilege of the floor during debate on this bill, including all the rollcalls.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time is yielded back. The yeas and nays have not been ordered.

Mr. HOLLINGS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a second second.

The yeas and nays were ordered.

Mr. McGEE. Mr. President, as we have proceeded with this consistently, we have just gotten the yeas and nays on the Senator's amendment. I have not had an opportunity to explain to him that, on the basis of the procedural operation, I must move to table. Therefore, I——

Mr. HOLLINGS. I thought under the unanimous-consent agreement——

The PRESIDING OFFICER. A motion to table is not in order under the unanimous-consent agreement.

Mr. McGEE. That is right. I forget about that. It is my error.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. WEICKER (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from South Carolina (Mr. Thurmond). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "aye." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Iowa (Mr. Culver), the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), the Senator from Washington (Mr. Magnuson), the Senator from Minnesota (Mr. Mondale), the Senator from California (Mr. Tunney), the Senator from Iowa (Mr. Clark), the Senator from Montana (Mr. Metcalf), and the Senator from Michigan (Mr. Philip A. Hart) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mr. Tunney), the Senator from Washington (Mr. Magnuson), and the Senator from Iowa (Mr. Clark) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Wyoming (Mr. Hansen), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I also announce that the Senator from South Carolina (Mr. Thurmond) is absent on official business.

I also announce that the Senator from Utah (Mr. Garn) is absent due to a death in the family.

The result was announced—yeas 26, nays 58, as follows:

[Rollcall Vote No. 520 Leg.]

YEAS—26

Abourezk
Baker
Biden
Cannon
Case
Church
Durkin
Eagleton
Ford
Gravel
Hart, Gary
Hatfield
Hathaway
Helms
Hollings
Kennedy
Laxalt
Mansfield
McGovern
Nelson
Nunn
Packwood
Randolph
Ribicoff
Scott, William L.
Stevenson

NAYS—58

Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Glenn
Goldwater
Griffin
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Leahy
Long
Mathias
McClellan
McClure
McGee
McIntyre
Montoya
Morgan
Moss
Muskie
Pastore
Pearson
Pell
Percy
Proxmire
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Tower
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Weicker, for.

NOT VOTING—15

Brock
Clark
Cranston
Culver
Garn
Hansen
Hart, Philip A.
Hartke
Haskell
Magnuson
Metcalf
Mondale
Thurmond
Tunney
Young

So Mr. Hollings' amendment was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2034

Mr. DOLE. Mr. President, I call up amendment No. 2034.

The PRESIDING OFFICER (Mr. Goldwater). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. Dole), for himself and Mr. Pastore, proposes an amendment numbered 2034:

On page 38, line 9, strike the semicolon, substitute a comma, and add the following: "and of whom one shall be designated to represent the individual noncommercial users of first-class mail;".

The PRESIDING OFFICER. The Chair announces that there is controlled time on this amendment. There will be 20 minutes to be equally divided and controlled by the Senator from Kansas (Mr. Dole) and the Senator from Wyoming (Mr. McGee).

The Senator from Kansas.

Mr. DOMENICI. Will the Senator yield?

Mr. DOLE. I yield to the Senator.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Dick Getzinger of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I join my colleagues and the American public in expressing satisfaction that the postal reform issue has finally reached the Senate floor. I do not believe there is one of us that has not been affected by the Postal Service crisis in one way or another, whether we be private citizens, Members of Congress, or Postal Service employees. All of us have an interest in implementing solutions as quickly as possible. None of us wants to stand by and see our national postal network fall apart at the seams.

The Members of the Senate Post Office and Civil Service Committee have labored many hours, in consultation with the White House and the Postal Service, to draft reasonable legislation that addresses several of the more critical problems facing the Postal Service today. I think the result, which is before us today—H.R. 8603—is a reasonable and responsible compromise among the various interests associated with postal reform. It is a good bill; it is not a perfect bill. I generally favor this proposal and believe that, with a few perfecting changes, it will resolve the most immediate pressing problems before us.

In short, it will provide a temporary subsidy for postal service debts accrued through September 30, 1977. It will provide a temporary moratorium on postage rate increases and post office closings. And it will establish a professional Study Commission to provide further insight and more detailed recommendations on recurring postal problems. I support these principal components of H.R. 8603 and have no wish to diminish their effectiveness in any way.

NEED FOR MODIFICATION

However, there are some minor weaknesses within this bill which, in my opinion, need to be modified at this time. It is for this reason that I am offering two amendments to H.R. 8603 as it was reported from committee. I seek only to perfect this bill so that it may be more responsive to the mail users' interests and needs, and believe these changes will also work to the benefit of Postal Service interests. This is not a time for ill-considered amendments. These proposals of mine have been given the most careful and thorough consideration and should only improve upon the beneficial qualities of this legislation.

I would call to the attention of my colleagues that these amendments have bipartisan support, and have both logical and practical application to the provisions of this bill.

CONSUMER REPRESENTATIVE ON STUDY COMMISSION

I believe that the Study Commission established by this bill can provide valuable insight into recurring postal problems, as well as useful recommendations for solutions to those problems. Consistent with these expectations, I believe it is important for the private first-class mail users to be represented on the Commission.

As reported by the committee, H.R. 8603 provides for 12 Study Commission members. Each House of Congress is to appoint three persons to the Commission, the President is to appoint four members, and the Postmaster General and Chairman of the Postal Rate Commission are to serve as ex officio members of the Study Commission. In addition, the committee bill stipulates that two commission members, among those appointed by Congress, are to be members of the Postal Service work force. Thus, with postal employees and the Postmaster General and Postal Rate Commission Chairman on the Study Commission, both management and labor are well represented. It is reasonable to expect that they will effectively represent the interests of postal management and postal labor in developing recommendations for later postal reforms.

I believe it is both unjust and counterproductive to the purposes of this Study Commission if the interests of the postal consumer are not equally represented. This is particularly important in view of the fact that first-class mail users comprise the largest segment of postal volume and postal revenue annually. It is those private individuals who will be providing the tax dollars for the postal subsidy contained within this bill. And it is those individuals who will be directly affected by the recommendations of this Study Commission next year. There are those who would argue that consumer interests will be represented as an incidental interest of any person appointed to the Commission by Congress or the President. However, unless specific congressional mandate is provided within this bill as it is for postal labor and management interests, there can be no assurance that careful attention will be devoted to the specific concerns and viewpoints of the largest segment of mail users.

Let me provide a particular example of an issue area where consumer input would be useful. First-class postage rates have risen 117 percent during the past 5 years. This substantial rise in postage costs is having a negative impact on both the private individual and the Postal Service alike. The relationship between declining first-class mail volume and rising postage rates is nothing but a "vicious circle." Postmaster General Benjamin Bailar recently noted that—

> Our customers are curtailing their use of the mail, or turning to alternate, less expensive means of communication. And as rates go higher, public resistance grows firmer, and the volume drops even more.

Already, postal officials are discussing plans for a first-class postage increase next year, and rates may well double again in the next 5 years. The private consumer will be hardest hit by these rate increases. As this Study Commission examines the concept of public service in the Postal Service, it must not forget who that service is primarily intended to benefit.

My amendment No. 2034 provides for effective input of the private mail users' viewpoints into Study Commission deliberations. It simply states that, of the four Commission members to be appointed by the President, "one shall be designated to represent the individual noncommercial users of first-class mail." It is my thinking that the President may wish to appoint a member of the Office of Consumer Affairs to perform this duty, or perhaps some other individual who is well acquainted with the interests and practices of first-class mail users. Certainly, the problematical issues of postage rate increases and post office closings should be addressed by the Study Commission, and the "consumer representative" should offer a useful perspective on these matters from the private individual's point of view.

Mr. President, I hope the distinguished chairman of the Post Office Committee will accept this amendment to the committee's bill. If not, I will ask for the yeas and nays on the amendment.

Mr. President, I have discussed this amendment with the distinguished floor leader (Mr. McGee). I have also discussed it with others who have an interest.

The first amendment has to do with the Study Commission established by this bill.

It was hoped by the Senator from Kansas that we would have some nonusers, some consumer representative, a member of this Study Commission.

It was the hope of the Senator from Kansas that one of the Presidential appointees might be someone who would fit that category.

I understand the reluctance of the executive branch to say that we are going to be tied down on who we can appoint because of some act of Congress.

I discussed this with the distinguished floor manager of the bill. Perhaps it should be made clear that the intent is that one of the members appointed by the President would be a consumer representative. Postal rates have gone up 117 percent in the last 5 years. Many people are turning to alternate forms of service. It seems to the Senator from Kansas that a consumer representative would be a most appropriate representative. Perhaps we could urge the President to appoint such a representative without legislating that he do it.

Mr. McGEE. It would be my judgment, may I say to my colleague from Kansas, that urging it will be an effective way for the simple reason that the equity in the suggestion of the Senator from Kansas is so conspicuous that I think it would carry of its own weight.

The issue that was explained to the committee was the President just felt a little sensitive about hamstringing his prerogative or the small group that he would have the prerogative for appointing to the Commission. I would think it would serve him well to appoint a consumer representative as one of his four appointees. That is, somebody who is not a large commercial user or who is not personally participating in the postal system of the United States. It would be a very wise move with very good input. I can assure the Senator that the two managers of the bill will express a very strong urging of the administrative branch to accord to this request in selecting their four appointees.

Mr. FONG. Will the Senator yield?

Mr. McGEE. I yield.

Mr. FONG. I would like to join my distinguished chairman in saying that we will urge the President to do what the Senator proposes here. I am sure one of the Members he appoints will be a mail user.

Mr. McGEE. Why not say a user of the mail. Otherwise, the Senator will be called to task by the ERA that he has discriminated. [Laughter.]

Mr. FONG. A user of the mails.

Mr. DOLE. It seems we could end up with labor and management but no one representing the users of the mails. I have indicated that the postal rate has gone up 117 percent in the last 5 years. It does have a negative impact on the consumers. The Senator from Kansas is also sensitive to the wishes of the President, more so this week than last week. Based on the assurance of my distinguished colleagues, I will withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The Senator from Kansas is still recognized.

UP AMENDMENT NO. 367

Mr. DOLE. Mr. President, I send a modified version of printed amendment No. 2033 to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment No. 367, a modification of printed amendment 2033.

The amendment is as follows:

On page 27, line 23, strike all after the words "ending on" through the word "Congress," on page 28, line 3; and insert in lieu thereof the words "September 30, 1977,";

On page 28, line 4, strike the words "have in effect" and substitute in lieu thereof "submit a request for";

On page 28, line 7, replace the semicolon with a comma, and add the following: "it being understood that prior to the submission of any such request, the Service shall give careful consideration to the recommendations of the Commission on the Postal Service;";

On page 37, beginning with line 14, strike out all through page 38, line 3, and insert in lieu thereof the following:

"(b)(1) The amendment made by subsection (a) of this section shall not apply to any action or proceeding with respect to the recommended decision of the Postal Rate Commission relating to proposed changes in rates of postage and fees for postal services requested by the United States Postal Service in the first request made after the period during which the Postal Service may not make any such request as provided under section 2401 (e)(1) of title 39, United States Code, as added by section (2) of this Act.

"(2) The provisions of section 3641 of title 39, United States Code, as such provisions were in effect on the day before the date of enactment of this Act, shall apply to any temporary rate or fee which may be established pursuant to the first request described in paragraph (1).";

On page 41, line 12, strike the words "or before February 15," and insert in lieu thereof "September 30,".

Mr. DOLE. Mr. President, I have modified my original amendment to insure that there will be no detrimental consequences to the financial status of the Postal Service. As introduced, this amendment still accomplishes three principal tasks: First, it will extend the moratorium on postage rate increases and service cutbacks until September 30, 1977; second, it will extend the lifetime of the Postal Study Commission until September 30, 1977; and third, it will require that the final report of the Study Commission be given proper consideration by the Postal Service before action is taken to increase postage rates. The basic concepts underlying each of these objects are already embodied within the bill before us, H.R. 8603. My amendments only improve upon those concepts, to the advantage of both the Postal Service and the postal consumer.

The modification to my amendment should resolve any concern that extension of the moratorium would have major impact on Postal Service finances. Under present law, the Postal Service may implement a "temporary rate increase" 90 days after making the request, if no decision is forthcoming from the independent Postal Rate Commission. The bill before us would prevent that temporary increase until 10 months after a request is made. Since my amendment delays the first opportunity for a rate increase request, and because I have no desire to unduly delay the rate increase if the Study Commission's report finds additional increases advisable, my modified amendment allows for implementation of a temporary rate increase 90 days after request is made. This conforms to current law, and would only apply to the first request following the extended moratorium. In effect, a temporary rate increase could be implemented as early as January 1978, and the extended moratorium would therefore cause no serious financial consequence to Postal Service revenue.

I want to emphasize the reason why the moratorium should be extended and the request delayed. But first, I will point out the need for extension of the lifetime of the Study Commission.

If the Postal Study Commission established by H.R. 8603 is to be anything more than a farce, it must be given adequate time to perform a worthwhile task. The committee language would have the Commission issue its analysis of postal problems and recommendations for solutions as early as next February 15.

Does the committee really believe that 6 years' worth of postal problems can be properly studied, analyzed, and useful recommendations issued in that short a period? I think not. Assuming enactment of this bill as early as mid-September, there would be barely 5 months to select Commission members, organize the agenda, and perform the mandated task.

Frankly, the short period allowed by the committee's bill discredits the whole argument for such a commission. My amendment will allow approximately 1 full year to get professional and useful work out of the Study Commission—comprehensive work which no other Federal agency can undertake.

EXTENSION OF MORATORIUM

With my amendment, the moratorium on postage rate increases and service cutbacks—including arbitrary rural post office closings—will be extended for the additional lifetime of the Study Commission. More importantly, the moratorium will coincide with the fiscal year 1977, for which Congress will be providing the Postal Service with a substantial subsidy. It is both fair and logical that the mail-using public be granted a "reprieve" from higher rates and service cutbacks during the period for which their tax dollars provide a $1 billion subsidy for the Postal Service indebtedness.

Most Americans have been exposed to the recurrent theme that they must either support the Postal Service with a larger tax subsidy, or expect higher postage rates and more post office closings. Provisions of H.R. 8603, as currently drafted, suggest the probability of both circumstances burdening the public at the same time. My amendment resolves this inequity.

The Postal Board of Governors would be restrained from submitting a new postage rate increase request to the Postal Rate Commission until after the Study Commission issues its September 30 report. I think the legislative history of H.R. 8603 should make it clear that one very important duty of the Study Commission will be to examine and report on the impact of higher postage rates upon mail use in the future. Is the incident of rising rates and declining mail volume just—as Postmaster General Benjamin Bailar has suggested—"a vicious circle?" Do higher postage rates effectively defeat their purpose by driving mail users to other forms of transfer and communication over a distance? There should be no request for higher rates until this key question has been addressed by a professional study commission, and its findings examined in a responsible manner by postal officials.

Finally, the extended "breathing spell" offered by this lengthened moratorium should give the Post Office Committees of both Houses of Congress ample time to organize their agendas next year, to facilitate additional legislative attention to postal problems. Under the February 15 cutoff date for the moratorium established by the bill, Congress will barely have reconvened and committee assignments will barely be made before the Postal Service resumes rate hikes and rural post office closings—with no chance for congressional debate or legislative action in the 95th Congress. Let us not be blind to the fact that it will be "business as usual" for the Postal Service after

February 15, 1977, as rates shoot up, hundreds of small post offices are closed, and services are further curtailed.

Mr. President, I generally support the bill now before us, but truly believe that these well-considered concerns must be resolved before the Senate approves the measure. My amendment offers a more logical and effective method to facilitate the objectives of the bill, and I ask for its immediate consideration.

Mr. President, I understand the administration opposes this amendment and the committee opposes the amendment. We are under time constraints. I am prepared to yield back the remainder of my time.

Mr. McGEE. I have nothing to add to what the Senator has said. The only complication in his proposal is that it goes beyond the dimensions of the truce, the moratorium. It would be a legitimate subject for reconsideration when the report by the Commission comes back on the 15th of February. But up to that point it would stand in violation. That is the reason, I am sure, that the White House could not accept that within the terms of this temporary compromise that this has been prepared.

Mr. FONG. Will the Senator yield?

Mr. McGEE. I yield.

Mr. FONG. This means that up to September 30, 1977, there could not be any kind of a request for a rate increase, if this amendment goes through. The Postal Service feels that it would have no money with which to pay the payroll in fiscal 1978. They say this amendment is an exercise in false economy and it would cost more money in having this amendment enacted. If this amendment is enacted it will be very costly to the post office. From that standpoint, I urge the Senator to withdraw his amendment.

Mr. DOLE. The Senator from Kansas does not wish to withdraw it, but I am willing to accept the verdict of a voice vote.

Mr. McGEE. I yield back the remainder of the time on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

It would seem that the ayes might have it.

Mr. McGEE. Mr. President, is it in order in a parliamentary sense to ask for the voice vote to be repeated since we were not listening?

The PRESIDING OFFICER. The Senator can ask for a division.

Mr. McGEE. Can we ask for a repetition of a voice vote?

The PRESIDING OFFICER. Not a repetition.

Mr. McGEE. I ask for a division on the question, Mr. President.

The PRESIDING OFFICER. A division is requested. Senators in favor of the amendment will rise and stand until counted.

[After a pause.]

Those opposed will rise and stand until counted.

On a division, the amendment was rejected.

AMENDMENT NO. 2069

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. McGEE. Mr. President, what is the time limitation on this next series of amendments?

The PRESIDING OFFICER. The Senator from North Carolina has two amendments on which there shall be 30 minutes to be equally divided and controlled by the Senator from North Carolina (Mr. HELMS), and the Senator from Wyoming (Mr. McGEE).

Mr. HELMS. I call up amendment No. 2069, Mr. President, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) on behalf of himself and Mr. FANNIN proposes amendment No. 2069.

Mr. HELMS. I ask unanimous consent that further reading of the amendment be dispensed with, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. 10. (a) Chapter 6 of title 39, United States Code, is amended—

(1) by striking out sections 601 and 602;

(2) by redesignating section 603 through section 606 as section 601 through section 604, respectively; and

(3) by adding at the end thereof the following new section:

"§ 605. Carriage of mail by private express permitted

"Notwithstanding any other provision of law, the carriage of mail, or other licit matter, by private express or carrier for compensation, or otherwise, is expressly permitted.".

(b)(1) The table of chapters for part I of title 39, United States Code, is amended by striking out the item relating to chapter 6 and inserting in lieu thereof the following:

"6. Private carriage of mails.......... 601".

(2) The caption for chapter 6 of title 39, United States Code, is amended to read as follows:

"CHAPTER 6—PRIVATE CARRIAGE OF MAILS".

(c) The table of sections for chapter 6 of title 39, United States Code, is amended to read as follows:

"Sec.
"601. Searches authorized.
"602. Seizing and detaining letters.
"603. Searching vessels for letters.
"604. Disposition of seized mail.
"605. Carriage of mail by private express permitted.".

(d)(1) Chapter 83 of title 18, United States Code, is amended by striking out sections 1694, 1695, 1696, 1697, and 1725.

(2) The table of sections for chapter 83 of title 18, United States Code, is amended by striking out the items relating to sections 1694, 1695, 1696, 1697, and 1725.

(e) Section 1698 of title 18, United States Code, is amended by inserting "(other than letters or packages carried by private express)" immediately after the word "cargo".

(f) Section 1699 of title 18, United States Code, is amended by inserting "except where carried by private express and" immediately after the phrase "nearest post office," and inserting the same language immediately after the phrase "under my power or control,".

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, we all realize the gravity of the postal crisis which has been thrust upon us, and I well understand the efforts of the distinguished members of the Post Office and Civil Service Committee to cope with the many problems involved. But at the same time, the Senator from North Carolina feels, along with many others, that these efforts, in the long run, are only treating the symptoms of postal mismanagement and inefficiency. Controls and constraints applied from the outside only act as a bandage; they do nothing to stimulate the internal discipline and innovation that are necessary for the survival of any organism.

Therefore, the amendment which I am submitting on behalf of myself and the Senator from Arizona (Mr. FANNIN), is intended as a supplement to the emergency efforts proposed by the committee. The text of the amendment is the same as the bill I proposed not long ago, S. 3025. Basically, it repeals the so-called private express statutes, thereby permitting the carriage of first-class mail by private express. In other words, my amendment would restore the beneficial remedy of private competition in order to stimulate internal renovation in the Federal Postal Service, and to provide a service benchmark for the efficient delivery of mail.

Mr. President, when Congress enacted the Postal Reorganization Act of 1970, it was hoped that the mail service would, at long last, operate on an efficient, fiscally sound basis. There would be an end to mounting postal deficits. Future rate increases would be substantially curtailed. The post office operation would be self-sufficient.

None of these goals, of course, has been reached. Indeed, we may be further from them today than we were in 1970.

In 1971, the Postal Service began operations with an equity of $1.7 billion in cash. During its first full year of operation, the Postal Service ran up a deficit of $13 million. By 1975, the Postal Service reported a deficit of $989 million. Recently, postal officials predicted a $1.5 billion deficit for fiscal year 1976 and an accumulated deficit of $3.1 billion.

However, while the postal deficit has increased, postal rates, as every American knows all too well, have increased just as rapidly.

Since 1971, the cost of mail service has increased 63 percent, while in comparison, the Department of Labor's Consumer Price Index reports that the cost of other services has increased by 35 percent.

During this time, the public has watched the price of a first class stamp rise from 8 cents to 10 cents to 13 cents and postal experts suggest that within the near future the cost of mailing a first class letter may jump to between 35 cents and $1.

Concurrently, Americans pay for their postal service, not only as postal customers, but as taxpayers as well. The House Postal Committee has determined that the average tax subsidy for the mail service is approximately $37.50 for each household in the United States. This figure could also double within the next few years as a result of the increasing postal deficit.

Regardless of how far we are today from achieving the goals of the Postal Reorganization Act of 1970, the objectives articulated in this legislation still merit our continued support. Financial self-sufficiency; improved working conditions and standards; decisionmaking on a business, rather than a political basis, are goals still to be sought after. In part, they have been achieved. Still, it is evident that the Postal Service lacks the flexibility and self-sufficiency to meet the demands of the marketplace in a businesslike manner. We should encourage every opportunity for greater flexibility on the part of the Postal Service in meeting the demands of the American postal consumer.

One of the most serious problems confronting the Postal Service is the reduction of mail volume. In 1975, mail volume declined for the first time since the Great Depression. Today, postal officials predict a continuing reduction of 4 percent per year for the indefinite future. The reasons for this projected decline are simply a combination of rising postal rates and commercially feasible alternatives provided by the free enterprise system. For example, United Parcel Service already processes more than half of the parcel post volume in the United States.

I believe that the competition provided from private enterprise will encourage the Postal Service in meeting the goals of the Postal Reorganization Act of 1970. Indeed, it may be the greatest stimulus to the creation of a healthy and self-sufficient national postal system.

Several of the cost-cutting procedures adopted by the Postal Service have been in existence in private enterprise for quite some time. The competition provided by private delivery of parcel post has stimulated the Postal Service to make needed improvements. However, it is clear that the Service still has far to go in becoming competitive enough to win back part of its lost share of the parcel post market.

Historically, private enterprise has assumed just such a role in the development of our national postal service. Wayne E. Fuller, in his book "The American Mail," states that—

> The invasion of the government's postal monopoly by private business was really a boon to the mail service, for it forced the government to improve its postal system.

Legally, the U.S. Postal Service enjoys a monopoly in the carriage and delivery of first-class letter mail. As a practical matter, it is evident that the Postal Service will be losing more and more business every year to private companies who provide more economical alternatives to the traditional postal letter. I believe it is time that the law reflect the current economic realities of the postal delivery industry.

Some argue that the entrance of private enterprise into the first-class mail delivery market would result only in a "cream skimming" operation. Under this scenario, private enterprise would only enter the most profitable markets while neglecting the less profitable ones. The difficulty with this view is that such competition is already taking place in regard to other classes of mail and is about to take place regarding first-class delivery.

First-class mail accounts for 60 percent of all postal volume and revenue. Of that 60 percent, more than half consists of bills and invoices being sent out and checks and money orders being returned. Without doubt, this is the most profitable and most manageable portion of the mail industry. Although the present private express statutes prohibit the use of third parties to deliver one's mail, there is no prohibition against self-delivery and many department stores, banks and utility companies are now experimenting with self-delivery. In another instance, banks are also experimenting with electronic funds transfer systems which would allow depositors to automatically pay their bills through the electronic alteration of their accounts without the use of the mails.

Careful attention to the technological development of information distribution systems, as well as the fluctuations in the mail delivery market, suggest that the state of the art in the near future will be such as to force consumers from the Postal Service to private distributors. Faced with declining volume and increasing rates, the Postal Service is caught in the classic scissors situation. It cannot compensate for declining volume by increasing its rates. And because the Postal Service is limited to the degree of postal rate increases which are economically feasible in relation to their adverse affect on user volume, the result of the committee's proposal is a perpetually increasing Federal subsidy.

Those who may oppose repeal of the private express statutes should realize that, as a practical matter, private enterprise is already providing alternatives to Government carriage and delivery of first-class letter mail.

In part, this competition is responsible for the current crisis facing the postal system. But simply ignoring the development will not make the problem go away.

I believe that Congress should recognize the fact of the private sector's entry into the postal delivery market and prepare for the orderly and productive transformation of the industry itself as a result of this development.

It is evident that it will be some time before the Postal Service recovers from the crisis with which it is presently faced. Congressional attention will continue to be necessary for the immediate future.

And only Congress can prevent an industry in crisis from becoming an industry in anarchy. The first step is to allow private competition in the delivery of first-class mail and let the competitive forces of the marketplace determine the natural character of the industry.

The President's Council on Wage and Price Stability has recently recommended that Congress abolish the private express statutes which prohibit competition in the carriage and delivery of first-class letter mail. This recommendation comes on the heels of a formal notice of the Postal Rate Commission, which was published in the Federal Register on October 22, 1975, for the purpose of soliciting comments on the impact and administration of the private express statutes. In a 66-page report, the Council expressed the view:

> That permitting competition to the Postal Service's first-class mail service probably would result in significant benefits to the economy and to the mail user.

The Council concludes that:

> In addition to promoting allocative efficiency, relaxation or repeal of the private express statutes might be expected to promote operating efficiencies within the postal system. It would likely stimulate innovation and changes in postal technology, and restrain increases in postal labor costs reflecting improved productivity.

At present, the private express statutes make it illegal to carry a letter for profit, to "knowingly convey" anyone carrying letters for profit, to give anyone letters to be carried for profit, or to use a letter box mail slot for privately carried mail for profit. If these statutes were repealed, or relaxed, the nature of the postal industry would change, of course, as new competitors entered the field. Although we cannot precisely predict the variety and extent of this competition, it is reasonable to assume that high volume businesses in the metropolitan areas would be particularly attractive to private carriers. According to the Council on Wage and Price Stability, about 51 percent of all first-class mail is generated by businesses, much of this is sent by high-volume businesses, such as utility companies, and "it is generally expected that this is the segment of first-class business that would be the initial target of new entrants."

Adjustments would have to be made concerning the Postal Service's loosely constructed classification schedule; and there would have to be some relaxation of the uniform first-class rate so that all segments of the population would be assured of continued service and equitable treatment. In this regard, we must be especially mindful of the possibility that private carriers would be less attracted to rural delivery than urban delivery, and that there may be a need to continue the delivery of mail in the rural areas on a subsidized basis. Likewise, we must be on guard to protect the rights and interests of the postal employees themselves. If there is job dislocation or the threatened loss of employment benefits or pensions as a result of this legislation, then we must stand ready to take corrective action.

During the early phases of demonopolization, there will surely be problems, given the size and complexity of the postal operation. Not being omniscient, I cannot predict with accuracy each and every problem; but I am confident that we can deal with these problems as they arise, and take the necessary steps to correct them, so that all individuals and communities affected are assured of uninterrupted service and fair treatment. Without exploring in detail all of the changes that would have to be made if the private express statutes were repealed, suffice it to say that the Council on Wages and Price Stability expresses no serious reservations about the feasibility of making the mail more competitive.

As my colleagues are aware, there are already 11 privately owned postal services, carrying second-, third- and fourth-class mail in various parts of the country. These firms are continuing to attract business. The privately owned United Parcel Service, for example, has attracted so many customers away from the U.S. Postal Service that it now delivers more packages than the Postal Service. And no wonder. It damages only one package for every five damaged by the Postal Service, and its rates are lower. What is more, the United Parcel Service continues to make substantial profits, producing more revenue to the Government.

In retrospect, we should bear in mind, Mr. President, that there is nothing radically new or bizarre about competition in the delivery of the Nation's mail. During the first half of the 19th century, for example, private carriers flourished in America. In 1844, Senator James Simmons of Rhode Island estimated, while speaking on the floor that 20 letters were sent by private carriers for every letter carried by the post office, so extensive was the practice of private delivery at that time. The private express statutes are of relatively recent origin.

My amendment will allow private carriers to carry and deliver first-class mail, and it will abolish the principle of public ownership and control of mailboxes and mail slots, making them the private property of their respective owners.

This amendment repeals section 601 and 602 of title 39 of the United States Code, which prescribes certain criteria for letters not carried through the U.S. mails. It also establishes a new section 605, and expressly permits the carriage of mail by private express.

With respect to provision of the Federal Criminal Code that have the effect of prohibiting the private carriage of mail, section 1694 of title 18 of the United States Code makes it a crime to carry mail by private express; section 1695 makes it a crime to carry any mail on board a vessel other than through the Postal Service; section 1696 makes it a crime to carry mail by private express over an established postal route; and section 1697 makes it a crime for anyone to transport a person who is carrying mail by private express.

Section 1725 of title 18 of the United States Code makes it a crime for anyone to deposit any mail on which U.S. postage has not been paid in any mailbox established to receive U.S. mail. This amendment repeals sections 1694, 1695, 1696, and 1697, thereby eliminating these criminal penalties regarding the private carriage of the mail. It also repeals section 1725, in order to permit private express carriers as well as U.S. postal carriers, to deposit mail in mailboxes and mail slots. It is well to remember that mailboxes are bought and paid for by American citizens, and not by the Government, and that repeal of this section does not, therefore, involve any loss of Government property.

Finally, my amendment makes a technical, conforming amendment to sections 1698 and 1699 of title 18, which relate to the delivery of mail carried by vessel. These amendments simply exempt private carriers from the requirements imposed upon vessels carrying U.S. mail. The rationale, of course, is that the private carrier will henceforth negotiate with shipowners through contract, thereby eliminating the need for Federal law to set out the specifications for delivery.

The PRESIDING OFFICER. Who yields time?

Mr. FONG. Mr. President, I yield myself whatever time is needed.

This amendment provides that private firms can take over mail deliveries now exclusively entrusted to the Postal Service. Repeal of the Private Express Statutes would have a tremendously adverse effect on the Postal Service, and ultimately on the American public. The majority of postal costs are fixed costs, largely unrelated to mail volume. If the volume were to decline significantly due to such an action, the fixed cost would remain to be apportioned over fewer pieces of mail. The result would be considerably higher postage prices. Private companies would, most assuredly, concentrate on service to high density areas and large volume business mailers.

In other words, there would be cream-skimming by private carriers that would take the more profitable areas and leave the unprofitable areas alone, whereas the Postal Service would be forced to take everything. Individuals, particularly those outside metropolitan areas, would not have alternate services available to them and would, consequently, bear the burden of increased postage rates. There are a myriad of other implications associated with repeal of the statutes, ranging from the problems of tying numerous private firms into the international mail system to controlling the use of mails for criminal purposes.

And may I say, Mr. President, that with the Postal Service now running an operating deficit, by cream-skimming the more profitable part of its business, that is, in the metropolitan areas where private enterprise could go in and probably perform the service much cheaper than the Postal Service, because it does not have all of the public service charges and the public service operating expenses because it need not go to far-flung portions of the Nation to deliver the goods, they could cream skim the really profitable part of the business of the Postal Service, and in this respect, if they cream skim the profitable section, then the Postal Service will be called upon to pick up the slack, and persons in outlying areas will be called upon to pay more for their postal rates, and in this regard I do not think it is a good thing.

I think where there is a monopoly in this area, there is a tendency to have a cheaper service, and by having one carrier doing the job and doing it exclusively, without anybody coming in to take the more profitable portions of the business, we would have a better system. From that standpoint we oppose this amendment.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. HELMS. I yield the Senator as much time as he desires.

Mr. FANNIN. I thank the distinguished Senator from North Carolina.

I have great admiration, Mr. President, for the distinguished Senator from Hawaii. I know he is respected, and certainly he is to be commended for the excellent service that he has rendered as the ranking Republican member of the Post Office and Civil Service Committee.

I do agree, though, with the distinguished Senator from North Carolina that there are tremendous problems facing the U.S. Postal Service.

Mr. President, I am pleased to cosponsor the amendments offered by Senators HELMS and BUCKLEY to H.R. 8603, the Postal Reorganization Act Amendments of 1976.

The effect of these amendments would be to end the Postal Service's monopoly on first class mail deliveries and on the use and control of mailboxes and mail slots. This would be done by: First, repeal of the private express statutes so as to allow private carriers to carry and deliver first-class mail; and second, abolishing public ownership and exclusive control of postal boxes, making them the private property of their owners-users and permitting other carriers, as well as U.S. postal carriers, to deposit mail there.

Mr. President, we are all aware of the tremendous problems facing the U.S. Postal Service. I am sure that my colleagues have received from their constituents the same kind of angry letters I have received from Arizonans complaining about the operations of the Postal Service and the recent increases in postal rates.

I think that we can all agree on that. But people do not understand why the rates keep rising and the quality of the service continues to decline and the efficiency declines. I share their concern.

I also agree with those who say that the Postal Service should be required to pay its own way. Unfortunately, since passage of the Postal Reorganization Act, our postal system has failed to function well, either as a business or a public service, and I do feel that a little competition may be very helpful rather than derogatory.

The proponents of H.R. 8603 would have us believe that a simple authorization of another $1 billion to be applied against accumulated operating indebtedness and another special commission study of postal problems will be sufficient to clear up the present postal mess. Moreover, under their proposal the Postal Service would not be permitted to raise rates or curtail existing services—in fact, door and curbline deliveries would be mandated.

However, nowhere in H.R. 8603 or in the Post Office Committee's majority report does one find the sponsors recommending any fundamental reforms in postal operations. Nowhere do they urge or suggest the implementation of specific changes to improve postal services. Their bill also fails to insure accountability to the taxpayers who are expected to foot the bill for this emergency $1 billion subsidy. It should be clear to all that in 2 years, without substantive reforms, the Postal Service will be right back where it was before. We can expect that the Postal Service will come to Congress to plead for another $1 or $2 billion to bail itself out of its continuing difficulties.

Mr. President, wholesale reform of our Nation's postal system is called for and long overdue. The present Postal Service crisis has become intolerable. Taxpayers are sick and tired of footing the postal bill while postal services deteriorate and postal rates continue to spiral. The people are demanding real change, not cosmetic reform.

Mr. President, I feel that what the distinguished Senator from North Carolina judged in his amendment is very much needed.

Transitional subsidies may prevent a temporary disruption of postal operations, but would not provide long-range improvements in those operations.

I think the Senator from North Carolina realizes that. A moratorium on increased rates and service cuts would insure only continued incompetence and bureaucratic inefficiency throughout the postal system.

I certainly commend the Senator from North Carolina for wanting to get the Postal Service in a position where it must render good service to be competitive if they are going to justify their existence. Bringing the Postal Service back under congressional control, as proposed by some critics, would only subject the system once more primarily to political rather than economic considerations. Such control did not work before; in fact, it worked so badly that reorganization was widely welcomed. I also question whether increased subsidies or higher mail rates will be sufficient to improve postal services or meet the mounting deficit.

Mr. President, under the circumstances perhaps the answer is to end the Postal Service's monopoly on first-class mail delivery. Congress should give serious consideration to an approach which, at the very least, shows greater promise than the legislative proposals contained in H.R. 8603, namely, to continue subsidies for an indefinite period to rural and small post offices to keep them open until they can pay for themselves while permitting free competition in the delivery of all classes of mail. That is why I am pleased to cosponsor a bill, S. 3025, to repeal the private express statutes and now to support the Helms amendment to H.R. 8603. In my view, if the Postal Service were run as efficiently as private business, an American could mail a letter for much less than 13 cents and be sure it would arrive safely, speedily, and in one piece. That certainly is not asking too much.

Mr. President, it should be pointed out that the reforms contained in the Buckley and Helms amendments and incorporated in S. 3065 follow closely the recommendations of the President's Council on Wage and Price Stability. The Council suggested that study be given to repeal of legislative barriers to free entry into mail delivery and concluded that strictly local mail would be the initial target of new entry. These reforms would not in any way affect Postal Service delivery to rural or urban areas, eliminate rural post offices, or affect the security or privacy of mail deliveries. Rural postal service would continue under the U.S. Postal Service; moreover, in the view of the Council on Wage and Price Stability, there would be sufficient relaxation of uniform first-class rates to make such service more attractive and competitive.

Mr. President, when we are talking about what is happening in this Nation, there are already 11 privately owned postal services carrying second, third, and fourth class mail in all regions of the Nation. United Parcel Service, for instance, does such a good job that it now delivers more packages than the Government mail service. Little wonder that Federal agencies prefer to utilize UPS than to rely on the free, but unreliable services of the USPS.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. FANNIN. Mr. President, will the Senator yield me 1 additional minute?

Mr. HELMS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from North Carolina has 7 minutes remaining.

Mr. HELMS. I yield as much time as the Senator requires.

Mr. FANNIN. I thank the Senator.

A number of local government officials have complained about the problems they have in delivering utility bills and statements to customers in light of Postal Service restrictions. In my own State of Arizona, recently, Mayor Hance of Phoenix urged support for legislation permitting the city to drop its bills in mailboxes and slots. In my opinion, exclusive USPS control of mailboxes and slots is unreasonable and costly to businesses and consumers.

Ending the Postal Service's monopoly by adopting the amendments that are being offered this afternoon by Senator HELMS and Senator BUCKLEY would seem to make good economic sense.

For these reasons, I urge my colleagues to support the Helms and Buckley amendments to H.R. 8603. If these amendments are not adopted, I shall have great difficulty supporting the postal bill. I cannot, in good conscience, vote for increased funding to bail out the U.S. Postal Service without also requiring reform in postal operations and insuring improvements in service.

Mr. President, I ask unanimous consent that the article by the distinguished Senator from Arizona (Mr. GOLDWATER), entitled "How Postal Costs Endanger America's Reading Habit," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW POSTAL COSTS ENDANGER AMERICA'S READING HABIT

(By Barry Goldwater)

A serious threat to the American reading public has gone almost unnoticed. The news media, possibly out of self-consciousness, have conveyed little information to the public about the problem, treating it more as in-house business than as the legitimate news story it really is.

But haunting the American press today are monstrous increases in the cost of sending its product in the mails. This financial burden on the press endangers its very existence as a diverse, numerous and independent institution.

As a result of the reform of the old Post Office Department from a governmental unit into a quasi-independent, private business known as the U.S. Postal Service, the rate for mailing publications has shot up drastically. At one point in 1975, the ruling of a single administrative law judge for the Postal Rate Commission threatened to increase mailing rates for local newspapers by 250 per cent, books by 96 per cent, magazines by 121 per cent and nonprofit publications by 132 per cent.

Although the Rate Commission did not adopt the recommendations of the law judge in full, stunning increases are nevertheless scheduled under two decisions already made by that body. For example, the rates currently paid by magazines and metropolitan newspapers have doubled since 1971, when the Postal Service began operations. As a result of the most recent rate decision and new Postal Service proposals, the average rate paid by these publications will be nearly *four* times greater than what they were in 1971. In dollar terms, these magazines and newspapers paid $128 million to the Postal Service in 1971, and they will pay more than $450 million in 1979. Average rate increases for nonprofit publications will be up 700 per cent to 1000 per cent by 1981!

The impact of these increases can be disastrous to publications trying to keep their economic heads above water. Many nonprofit and profit magazines and newspapers that depend on mail delivery will simply fold up. Libraries will be forced to curtail their book-by-mail services and their book purchases. (The total circulation of newspapers and magazines in the mails is almost *9 billion* issues a year; half the books purchased by American libraries are delivered by mail).

It's the general public that stands to suffer the most. And remember, our society is based upon the premise that a self-governing people will receive the knowledge and information that is necessary for us to make responsible decisions.

And if churches find it too expensive to distribute religious materials in the mails, if retired persons' groups are unable to meet the cost of mailing news bulletins to their membership, if schools must trim mail purchases of classroom publications because of higher rates, or if small-circulation newspapers that meet the special needs of local communities disappear, who can predict what the impact upon the culture of the American people might be?

With this in mind, I sponsored legislation with other members of Congress, eventually enacted, phasing large postal rate increases on mailers of publications over a longer period of time than originally mandated by the Congress when it changed the postal structure. "For-profit" magazines, newspapers and books are given until 1979 to adjust to the rising postage rates. Nonprofit publications are allowed until 1988 to cope with these increases. In other words, mailers of publications will pay the full rate of all postage increases by the end of their respective adjustment times, but instead of having to meet what is in effect several years of increases in a single year, publications will be given a reasonable period of time for absorbing the costs. During the phasing period, Congress is to appropriate for the Postal Service budget the difference between the rate actually paid by mailers and the rate which would have been paid absent the phasing.

The bill's sponsors had inserted language in the legislation which they believed would make the annual appropriations process nearly automatic, but did not count on the resourcefulness of the Office of Management and Budget in defending what they believe is an executive prerogative. So it shall be my aim to persuade Congress and the President to carry out the commitment we made in putting the law on the books by funding the phasing program each year until it ends.

How can a political conservative who ordinarily is skeptical of more public spending support this program? Basically there are six grounds which appear compelling:

First, no permanent federal payments are provided. By 1988, all publications will be paying the entire amount of all postage increases.

Second, the rate increases were unanticipated and unforeseeable consequences of action taken by the government when it transformed the old Post Office Department into the Postal Service. Instead of stabilizing postal costs as Congress expected, the change created a postal nightmare in the form of alarming rate increases.

Third, the increases are beyond the control of mailers, and not the result of bad business judgment by publishers.

Fourth, there is solid proof that mailers have made every feasible effort they could to cope with increased mailing rates by implementing numerous cost-cutting measures which verge on affecting the very nature and equality of the publications being mailed.

Fifth, the circulation of the printed word in the mails has historically been treated as a public service which should be promoted by the government.

Sixth, this is an area in which the subject of free speech, and all that means to the general public and our way of life, is truly involved.

Does aid from the government in this case hold any possibility of undermining the freedom of the press? With the historic acceptance of the press by the American people as a fundamental component of our liberty, there can be no serious fear that our press would yield its independence for a chance to feed at the public trough. The press in the United States would reject public aid long before it became too pervasive. The American public would never accept press aid at a level where it would approach the danger point—even if a rare publication could be found that would accept it.

Thomas Jefferson once wrote that "were it left to me to decide whether we should have the government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter." His words do not end there, as is a common misconception, but with the added warning that "I should mean that every man should receive those papers, and be capable of reading them." Media historian John Tebbel writes: "Jefferson understood that the effectiveness of the press in a democracy is in proportion to the number of people who are able to read its publications and take the time to do it."

A relatively small amount of public funds is needed to provide time in which American publications can adjust to steep increases in postage rates. Surely this program is deserving of the support of all who support freedom.

Mr. FANNIN. I thank the Senator.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. FANNIN. I yield.

Mr. FORD. Is the Senator saying that this amendment will allow private carriers to move to an area, any area they want, that they can pick and choose the area they want to go into and take over a profitable area and leave the unprofitable area to the U.S. Postal Service? Is that what he is supporting here? Is that what he is saying?

Mr. FANNIN. I am supporting the Helms amendment which would permit competition, and when we talk about the areas they move or would not move into I think that if we have the proper postal service there will not be any incentive for the company to move into those areas.

Mr. FORD. As I understand it, what this amendment will do is a private carrier can pick and choose and pick the area where he is going to make good money and that would eliminate the ability of the U.S. Postal Service to at least have that profitable area which will allow all the private operators to come in and pick up the profitable areas. Then we are just going to leave the U.S. Postal Service with the most expensive area in which to operate.

Mr. FANNIN. Excuse me. I did not mean to interrupt the Senator from Kentucky. But the Senator from Arizona feels that if the U.S. Postal Service renders the proper service and does what certainly under the intent of Congress it should do it will not be necessary to move into those areas as far as that is concerned because I will say this. Certainly we all must be realistic. There are many areas of the country where it would be very advantageous for them to operate and render a service that is not being rendered beneficially today, and that means that they are not going to cover every area of the country. I do not think that is of great significance because they still——

Mr. FORD. I think it is because all I have heard in argument in the Chamber is how much money the Postal Service loses. Yet we have an amendment here that is going to take away their ability to make some money. It is going to cost the Government even more.

Mr. FANNIN. I think the Senator from Kentucky is aware why they have lost the money. It has been through inefficiency based upon the way they operate. In my State I can certainly confirm that they have not justified their exclusive franchise that they, of course, have, and I do not feel that that should be continued. I feel that competition is going to be very beneficial, and I certainly support the Helms amendment.

Mr. HELMS. Mr. President, if the Senator will yield, the United Parcel Service is itself an answer to the distinguished Senator from Kentucky. The UPS provides service throughout the land.

This amendment simply gives Senators an opportunity to go on record as to whether they truly believe that competition increases efficiency and thereby lowers the cost of the service. It is as simple as that.

Most of what we have heard here today is quite irrelevant. It is really a matter of whether we believe in the free enterprise system, is it not?

Mr. FANNIN. That is correct.

Mr. HELMS. That is all there is to it when we put the red herrings to one side. The United Parcel Service has demonstrated that a service can be rendered more efficiently, at less cost, and without any damage to the Postal Service.

All we want is for the Postal Service to get on the ball and become an efficient mechanism. That is what we seek, is it not?

Mr. FANNIN. Absolutely.

In many areas of private industry today they make more money in one area of the country than in other areas of the country. That does not mean there are not companies operating in other areas of the country.

I feel this would be very beneficial as far as challenging the Postal Service to give better service and certainly not increase rates.

I thank the distinguished Senator from North Carolina.

Mr. HELMS. Just as United Parcel Service provides good service to Chinquapin, N.C., so will a competitive private carrier provide first-class-mail service to Chinquapin, N.C. So we are talking about whether we believe in a free enterprise system and whether we believe that competition will best serve the American people.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. Ten minutes.

Mr. McGEE. Mr. President, this proposal literally guts the Postal Service of the United States under any guise.

There is not a country in the world that does not have a national monopoly on the postal service. To repeal the private express statutes simply destroys one of the keys to its existence, and that is equal service without penalty to geographical locations, where one lives, what State it is in, and how far away it is. That was a basic concept.

The only way one can extend that equality of service at the same price is through the protection of the private express statutes. That is the whole nub of it.

Of course, one can have a private indulgence in a very heavily populated area or an area where they can make frequent stops. The price immediately goes up and while they have efficiencies it is easy to be efficient with the cream, literally with the cream. But this is the heartbeat of a national postal service, a part of the symbol of which is the flying of the flag of the United States over the only institution in three-fourths of the small communities of America that remind them that indeed this is, as President Washington said, "a chain that binds the country together."

And I think it is an important fact in that regard. It is important in the service it renders to mailers, to beneficiaries of magazines and books that tie people together to the ease of first class mail.

The privacy of the first class mail concept is really what is at stake as well. That, likewise, is the harbinger of the same principle that we believe sustains the Postal Service. The committee would vigorously oppose this amendment and feel compelled to do so, and I am sure for understandable reasons, I say to the Senator from North Carolina.

Mr. FONG. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. FONG. Is there open competition so far as electricity is concerned?

Mr. McGEE. In most cases, no.

Mr. FONG. And telephone service?

Mr. McGEE. In most cases, no. There are small exceptions.

Mr. FONG. This is a monopoly, is it not?

Mr. McGEE. That is correct.

Mr. FONG. Because it is to the benefit of the public that we have a monopoly in certain cases. In this instance, we have a monopoly so far as the post office is concerned.

Mr. McGEE. There is no private sector that is comparable to the Postal Service.

Mr. FONG. Because they cannot reach the rural areas.

Mr. McGEE. They cannot go into the remote areas.

Mr. FONG. If there is competition, the competition will steal the best parts of the business and will leave the other parts.

Mr. McGEE. That is correct.

Mr. FONG. It will mean more cost to the people of the United States.

Mr. McGEE. The unification of a national monopoly in the mails has many great advantages in the sense of national consciousness, national awareness, national service—everything. We could not have that through the private sector.

Mr. FONG. The distinguished Senator from Arizona stated that mail cost is high. What does the Senator from Wyoming say as to that?

Mr. McGEE. Mail cost is not high. Our first-class mail rate is about the cheapest in the world, save Canada. The average is 21.5 cents around the world.

Mr. FONG. And in Australia it is 22 cents.

Mr. McGEE. In terms of the kind of service we would get from a private group, we would find that it would be perhaps a bargain in a very heavily congested area and it would be a hold-up in areas where the population mass went below the profit point. That is in most of America.

Mr. FONG. In West Germany, it is 19.5 cents.

Mr. McGEE. And ours is 13 cents.

Mr FONG. In the United Kingdom, it is 17.3 cents; in Australia, 22.9 cents; in Belgium, 16.7 cents; in France, 18 cents; in Japan, 16.6 cents; in The Netherlands, 20.7 cents. Ours is only 13 cents, for first class mail. Is that correct?

Mr. McGEE. That is correct.

Mr. FONG. And we have a very reasonable cost system.

Mr. McGEE. In any case, it is equitable across the board, because no area or no resident is penalized because of location.

Mr. FONG. If this amendment is enacted into law, it will mean more than 13 cents for first class mail.

Mr. McGEE. That is correct.

Mr. HELMS. Mr. President, I have never been double teamed by two finer Members of the Senate. However, I still say, with all due respect to them—and I greatly admire them both—that they appear to be expressing timidity about letting competition work.

Moreover, unwittingly, they are using the very same argument that every monopolist has ever used: We cannot dare let competition work. All manner of horrible things will happen. But, as a matter of fact, competition is what built this country.

Mr. President, I yield back the remainder of my time.

Mr. McGEE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston), the Senator from Iowa (Mr. Culver), the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), the Senator from Washington (Mr. Magnuson), the Senator from Minnesota (Mr. Mondale), the Senator from California (Mr. Tunney), the Senator from Iowa (Mr. Clark), and the Senator from Montana (Mr. Metcalf) are necessary absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. Clark) and the Senator from Washington (Mr. Magnuson) would each vote "Nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock) is necessarily absent.

I also announce that the Senator from South Carolina (Mr. Thurmond) is absent on official business.

I further announce that the Senator from Utah (Mr. Garn) is absent due to a death in a family.

I further announce that, if present and voting, the Senator from South Carolina (Mr. Thurmond) would vote "Yea."

The result was announced—yeas 6, nays 82, as follows:

[Rollcall Vote No. 521 Leg.]

YEAS—6

Buckley
Fannin
Goldwater
Helms
Laxalt
Scott,
William L.

NAYS—82

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tower
Weicker
Williams
Young

NOT VOTING—12

Brock
Clark
Cranston
Culver
Garn
Hartke
Haskell
Magnuson
Metcalf
Mondale
Thurmond
Tunney

So Mr. Helms' amendment was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Louisiana (Mr. Long).

CHILD DAY CARE SOCIAL SERVICES UNDER TITLE XX OF THE SOCIAL SECURITY ACT—CONFERENCE REPORT

Mr. LONG. Mr. President, I submit a report of the committee of conference on H.R. 12455 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The Legislative Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12455) to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV–A and VI of the Social Security Act, may continue to receive services under title XX of that act without individual determinations, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the Record of June 30, 1976, beginning at page 21664.)

Mr. LONG. Mr. President, I ask unanimous consent that the Senate vote on the conference agreement immediately after the disposal of the pending bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 14232

Mr. MANSFIELD. Mr. President, I ask unanimous consent that immediately after the disposition of the vote on the conference report on H.R. 12455, the Senate proceed immediately to the consideration of the conference report on H.R. 14232, the Labor-HEW appropriations bill, and that the debate on the conference report and all amendments in disagreement, except amendment No. 68, be limited to a total of 30 minutes, and that the debate on amendment No. 68 be limited to 1 hour and a half, with a half-hour for the distinguished Senator from Oregon (Mr. PACKWOOD). The remaining time divided between and controlled by the Senator from Indiana (Mr. BAYH) and the Senator from Massachusetts (Mr. BROOKE); and that any amendments to such amendment or other motions or appeals associated therewith be limited to 30 minutes, the time in all instances to be limited and controlled in the usual manner; and that this agreement be in the usual form.

Mr. BROOKE. Out of the hour do we have to give a half hour to the junior Senator from Oregon?

Mr. MANSFIELD. No, we have provided specifically for one half hour to the Senator from Oregon.

Mr. BROOKE. So we have an hour on amendment No. 68 and the junior Senator from Oregon has a half hour?

Mr. MANSFIELD. The Senator is correct.

The PRESIDING OFFICER (Mr. BUCKLEY). Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, so that first we will vote on final pasage on the pending business, when we get to it; then we will vote on the conference report presented by the distinguished Senator from Louisiana (Mr. LONG), and then we will take up the Labor-HEW conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in the day the following proceedings occurred:)

Mr. MANSFIELD. Mr. President, on the unanimous-consent agreement covering the conference report on Labor-HEW appropriations, I ask unanimous consent that the 30 minutes granted to the Senator from Oregon (Mr. PACKWOOD) be vacated, and that 15 minutes be taken out of the time of the Senator from Massachusetts (Mr. BROOKE) and 15 minutes out of the time of the Senator from Indiana (Mr. BAYH)—with their full agreement—and transferred to Senator PACKWOOD.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That, during the consideration of the conference report on H.R. 14232, the Labor-HEW Appropriations Bill, debate on the question of the adoption of the conference report and all amendments in disagreement shall be limited to a total of 30 minutes, to be equally divided and controlled by the manager of the conference report and the Minority Leader or his designee:

Ordered further, That debate on the amendment in disagreement, No. 68, shall be limited to 1 hour, to be divided and controlled with 30 minutes to the Senator from Oregon (Mr. Packwood), 15 minutes to the Senator from Indiana (Mr. Bayh), and 15 minutes to the Senator from Massachusetts (Mr. Brooke), and with time on any amendment, debatable motion, or appeal thereto being limited to 30 minutes, to be equally divided and controlled by the manager of the conference report and the Minority Leader or his designee.

ORDER FOR THE RECOGNITION OF MR. BEALL TOMORROW

Mr. MANSFIELD. Mr. President, I would like to ask unanimous consent that after the leaders have been recognized tomorrow the Senator from Maryland (Mr. BEALL) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Is this to come after the Senator from Rhode Island?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, it is the intention of the leadership if an agreement is reached on the Higher Education Act and the vocational education bill, to endeavor to call up the rangelands bill tomorrow.

I thank the Senator from North Carolina for his usual graciousness and patience.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized to present his amendment.

AMENDMENT NO. 2070

Mr. HELMS. I thank the Chair.

Mr. President, I have an amendment at the desk, No. 2070, which I call up and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes amendment numbered 2070.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. 9. (a) Section 1346(b) of title 28, United States Code is amended—

(1) by inserting "(1)" immediately after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) subject to the provisions of chapter 171 of this title, the district courts, together with the United States District Court for the District of the Canal Zone and the District Court of the Virgin Islands, shall have exclusive jurisdiction of civil actions on claims against the United States for money damages arising out of the loss, miscarriage, or negligent transmission of any mail matter by any employee of the United States Postal Service while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred. In any such civil action, in which the length of the period for the transmission of any mail matter is a factor, a prima facie case and a rebuttable presumption of negligence, omission, or a wrongful act shall be established if the plaintiff offers evidence of the date on which such mail matter was delivered to the United States Postal Service for transmission and the date on which the addressee received such mail matter from the United States Postal Service, and evidence with respect to the unreasonableness of the length of the period between delivery to the United States Postal Service and receipt by the addressee."

(b) Section 2680(b) of such title is amended to read as follows:

"(b) Any claim for money damages for the replacement or repair costs of any mail matter arising out of damage to or loss of such mail matter as a result of loss, miscarriage, or negligent transmission of such mail matter and any claim arising out of the loss, miscarriage, or negligent transmission of any mail matter as a result of a strike by employees of the United States Postal Service, warfare, a natural disaster or catastrophe, or an epidemic.".

(c) The amendments made by this section apply to claims arising on and after the date of enactment of this Act.

Mr. HELMS. Mr. President, I think that Senators will agree that the American people, almost as a single voice, are now demanding a meaningful reform of the U.S. Postal Service—a comprehensive restructuring of an integral part of the Federal Government which is an embarrassment and frustration to this entire Nation. I am indeed gratified that this long-needed reform is now the topic of serious and sincere discussion in the Senate.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senator suspend? May we have order on the floor so that Senators may hear the debate. The Senator may proceed.

Mr. HELMS. I thank the Chair.

While I am sure the intent of the pending legislation is commendable, I feel that it fails to address itself to a serious problem which deserves to be considered by the Senate today.

Mr. President, I suspect that every Member of the Senate is being constantly bombarded with literally hundreds of complaints regarding the operations of the Postal Service. Many of these complaints are concerned with the needless monetary losses brought upon businesses and individuals by the Postal Service.

Let me recite just two examples of small businesses and citizens in my State helplessly penalized by the Postal Service. The first example is contained in excerpts from a letter dated June 9, 1976:

On May 14 a check for White Furniture Company was mailed from Chase Manhattan Bank in New York to Central Carolina Bank here in Mebane. The check was for $15,000. The post office still has it. This is a total of 26 days.

This gentleman was writing on June 9, 1976, as follows:

> On April 30, Duke Power Company mailed White Furniture Company an electric bill. The bill was received May 5.

Let me repeat those two dates, Mr. President. The bill was mailed on April 30. The bill was received on May 5.

> It was paid promptly (amount $7,221.05) and the check was mailed to Duke Power Company; however, the post office still has it. Yesterday, we stopped payment on this check. We received a bill from Duke Power Company for our May bill and they added 1% for late payment in the amount of $72.21 . . .
>
> The above was just a couple of the more glaring, more expensive, post office "services" that have been experienced here recently; there are numerous others which are unnecessary to mention. By the way, we didn't trust the post office to deliver our most recent check to Duke Power Company; I personally took it to the Mebane Duke Power Company Office and handed it to the manager.

Mr. President, the second example, also contained in a letter, is dated April 6, 1976. I quote:

> On March 24, 1976, we delivered to the Greensboro, North Carolina, Post Office 187 bags of mail, weighing 7,334 pounds. Each bag was properly coded and mailed in accordance with postal instruction under our bulk rate permit No. 8.
>
> All Greensboro, North Carolina, items were bagged by zip code direct.
>
> The delivery of this mailing to some of our own employees in Greensboro, North Carolina, was made over a period of several days with deliveries being made on Friday, March 26; Saturday, March 27; Monday, March 29; Tuesday, March 30 and Wednesday, March 31.
>
> No mailings were received in our home office in Greensboro, North Carolina, until Tuesday, March 30.
>
> Secretaries in my office who live in nearby communities of Franklinville, North Caroline, and Stoneville, North Carolina, still have not received their annual reports as of April 6.

In other words, Mr. President, this mailing, all of which was delivered to the Post Office on March 24, 1976, took varying amounts of time ranging from 2 days to 2 weeks to be delivered in the same community, if it was delivered at all.

Mr. President, these two examples simply point out a continually growing problem of which I am confident all Senators are aware. It is one thing when our Postal Service makes things uncomfortable, but when it begins causing businessmen and individuals to be monetarily penalized for something over which they have absolutely no control, then we have a situation where simple fair play demands immediate action. It is the small businessman, that class of entrepreneur, that cannot afford alternative forms of delivery and cannot afford monetary penalties, who is suffering as a result of postal mismanagement and congressional inaction.

Mr. President, we must give the people of this Nation a tool by which to recover damages suffered due to an unreliable Postal Service. The Postal Service, of course, denies it is unreliable. What this amendment now pending does is to take the Postal Service at its word. If it is reliable, as it claims to be, if claims of mismanagement are exaggerated, which they say they are, then the right of redress granted by this amendment should be of minor consequence to the Postal Service.

The amendment I am offering will provide the citizens of this Nation with a tool by which to make the Postal Service truly what it says it is: a service. This amendment will give the average citizen the right to maintain a suit under the Tort Claims Act against the U.S. Postal Service and/or the United States for negligence in the delivery of mail. This newly created liability would be restricted to delayed or incorrect delivery and would not involve liability arising from damaged parcels, which are presently covered by an optional insurance system. For example, when a citizen mails an important letter to a destination that would normally involve a 2- or 3-day delivery period and the Postal Service does not deliver the letter until 2 or 3 weeks, or months, following the mailing of the same, and the citizen suffers a monetary loss as a result of the delay, a claim for relief would lie against the Postal Service for any provable — provable — actual damages suffered.

George Washington once referred to the Postal Service as "a chain that can never be broken."

I think that chain is being taxed rather strenuously, Mr. President, by the inefficiency of the Postal Service as it is now operated.

But, in any case, this amendment would strengthen a vital link of that chain.

I urge adoption of the amendment, and I reserve the remainder of my time.

Mr. FONG addressed the Chair.

The PRESIDING OFFICER (Mr. BUCKLEY). The Senator from Hawaii.

Mr. FONG. Mr. President, we oppose this amendment very vigorously.

What the distinguished Senator is asking is this, for one dime and 3 cents one can sue the Government for damages. That is what he is really saying. For 13 cents, for a postage stamp that costs 13 cents, we put it on an envelope and if anything goes wrong we have a suit against the Government. Thirteen cents and we have a suit against the Government.

If we have an efficient Postal Service, for example, and we are now processing 19 million pieces of mail, if 99.9 percent is efficiently delivered and only 0.1 percent—or .01 percent—is undelivered, what have we got? We may have 19 million lawsuits against the United States.

What does that mean? That means, to protect itself, the post office would have to know when every piece of mail that is dropped, is delivered, because it has to protect itself. The man or woman who received the mail would say, "I received this mail 10 days after it was stamped." The post office would have no way of saying they did not receive it on the day after it was postmarked.

So the post office would have to register or keep a record of every piece of mail that is thrown into its box and every piece of mail that is delivered. That is a tremendous burden.

If we are going to have lawsuits there will be claims, and claims will be paid. That means that the 13-cent stamp will be increased to take care of the cost of paying for this lawsuit. Then we will have everyone paying a larger amount for postal service.

Presently, we have insured mail. If a person wants to be protected, he can insure his mail. If he wants to register his mail, he can register his mail. He has the option of an experimental express mail option 5, which offers overnight delivery between major cities with a money-back guarantee, or control pack, which gives special security treatment to a postal customer's large mailing.

If a person wants security, he can have security by having his mail insured. Why subject everyone in the country to larger mail costs just to give him a chance to sue the Federal Government?

Every man should have the right to choose by what his particular needs are. In that case, if he does not want that service, he should not be forced to take that service. If we provide a suit against the Federal Government, necessarily he must pay added cost.

This amendment will create the possibility of a tremendous increase in the number of court suits brought each year against the Federal Government. I do not think the Federal Government is equipped to defend itself against the tremendous number of lawsuits which can be generated.

As I said, if we had only 0.01 percent of the mail misdirected, we would have 90 million lawsuits against the United States. Every person having paid 13 cents will have a lawsuit against the United States.

Mr. McGEE. Will the Senator yield?

Mr. FONG. I yield.

Mr. McGEE. I asked the Senator to yield because he has made a very blunt case for the committee having to oppose this, particularly in this particular setting. This is a serious proposal with many ramifications attached to it, and it is presented without hearings. Our committee has had no hearings on it. As a matter of fact, I do not even think it is in our jurisdiction. I am told that there is such a proposal pending before the Judiciary Committee. That is their baby properly, I think, in a jurisdictional sense. But they have not had a chance to hold their hearings and to evaluate this. In that depth surely a move without hearings would not be well advised. I think the Senator might withdraw the amendment after this colloquy so he could pursue the proper legislative channels in its consideration.

Mr. FONG. I do not think a patron could seriously consider that for 13 cents he can sue the Government.

Mr. HELMS. But a patron can go into the lobby of a post office to buy a 13-cent stamp, slip on a slippery floor, and sue the Government.

The Senator from Hawaii has all sorts of statistics. But only a very small amount of misdirected letters involve probable monetary loss. Further the burden of proof is upon the plaintiff, as the Senator knows.

Mr. FONG. But the Senator has a presumption of negligence which is rebuttable.

Mr. HELMS. That is correct insofar as it is necessary to establish the res ipsa loquitur principle. But I do not believe it would be awesomely difficult for the Postal Service to demonstrate whether it is or is not efficient, as it says it is by going back to the cancellation stamp.

I think the citizens of this country, since we are talking about an efficient postal system, are entitled to know where the Senate stands on this question. We have citizen after citizen writing to us—and I am sure the Senator from Hawaii has had the same experience—saying, "This incident has cost me hundreds or thousands of dollars because of the inefficiency of the post office." These people are not manufacturing these incidences. They are just not getting the service.

Mr. FONG. He could insure his mail if he wished to.

Mr. HELMS. Does the Senator really want to go that far? All we are talking about is achieving efficiency in the Postal Service. We do not have it now, because there is no incentive. We have labor unions running the Postal Service.

Mr. FONG. I disagree that we do not have efficiency in the Postal Service. If the Senator will look at the overall picture, the Senator will see that they have reduced the number of employees by almost 65,000. They have saved about $600 million a year in costs. I think they have done a pretty fair job.

Mr. HELMS. As a matter of fact, a great deal of the criticism of the Postal Service that I receive comes from postal employees who have to try to operate it as it is now functioning, or malfunctioning as the case may be. So I am not criticizing those hardworking people who are doing the best they can.

Mr. FONG. When we consider that there are 90 billion pieces of mail that go through the post office every year, if only 1 percent went haywire, we will have 900 million complaints. The Senator can see the enormity of this problem.

Mr. HELMS. I sometimes think I have had half of those 900 million complaints in my office in the last 6 months. I do not know what the proportion is for the other States, but we are having a great number of complaints.

Mr. FONG. If there are 1 million complaints, that is a lot of complaints. If there is 1 percent of all mail not being delivered at the right time or which has gone astray, the Senator will find that there are 900 million pieces going awry. I do not think we have that kind of criticism.

Mr. HELMS. Mr. President, if the Senator has no further comment after obtaining the yeas and nays I will yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. FONG. I yield back the remainder of my time.

Mr. HELMS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Washington (Mr. MAGNUSON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I also announce that the Senator from South Carolina (Mr. THURMOND) is absent on official business.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 9, nays 79, as follows:

[Rollcall Vote No. 522 Leg.]

YEAS—9

Case
Durkin
Fannin
Helms
Kennedy
Mathias
McClure
Scott, William L.
Stafford

NAYS—79

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Curtis
Dole
Domenici
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Laxalt
Leahy
Long
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tower
Weicker
Williams
Young

NOT VOTING—12

Brock
Clark
Cranston
Culver
Garn
Goldwater
Hartke
Haskell
Magnuson
Mondale
Thurmond
Tunney

So Mr. HELMS' amendment (No. 270) was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TIME LIMITATION AGREEMENT—H.R. 12455

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate turns to the vote on the conference report presented by the Senator from Louisiana (Mr. LONG), the child day care conference report on H.R. 12455, that the Senator from Oklahoma (Mr. BARTLETT) be recognized for not to exceed 15 minutes and the Senator from Louisiana (Mr. LONG) be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in the day the following proceedings occurred:)

Mr. MANSFIELD. Mr. President, following up on the agreement already entered into, in which the Senator from Oklahoma will have 15 minutes and the Senator from Louisiana 10 minutes, it would be at the conclusion of those remarks that the vote on the conference report will take place.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a subcommittee of the Committee on the Judiciary may have permission to meet tomorrow to consider certain nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes.

AMENDMENT NO. 2125

Mr. BUCKLEY. Mr. President, I call up my amendment No. 2125 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. BUCKLEY) proposes amendment numbered 2125.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . (a) Chapter 6 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 607. Use of letter boxes by private carriers

"(a) A private carrier of mail may deposit any mailable matter in any letter box established, approved, or accepted by the Postal

Service for the receipt or delivery of mail matter on any mail route.

"(b) For the purposes of this section, the term 'mailable matter' does not include any matter, which with respect to the Postal Service is nonmailable under section 3001 (a) and (e), 3002–3006, and 3008–3010 of this title."

(b) The table of sections for such chapter is amended by adding at the end thereof the following new item:

"607. Use of letter boxes by private carriers.".

(c) Section 1725 of title 18, United States Code, is amended by inserting "(a)" immediately before "Whoever" and by adding at the end thereof the following new subsection:

"(b) This section shall not apply to a private carrier authorized to deposit mail in a letter box under section 607 of title 39.".

(d) (1) Chapter 83 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1738. Deposit of nonmailable matters

"Whoever knowingly and willfully deposits any matter which is nonmailable with respect to the Postal Service under section 3001 (a) and (e), 3002–3006, and 3008–3010 of title 39, in any letter box established, approved, or accepted by the Postal Service for the receipt or delivery of mail matter on any mail route, shall for each such offense be fined not more than $300.".

(2) The table of sections for chapter 83 of title 18, United States Code, is amended by inserting at the end thereof the following:

"1738. Deposit of nonmailable matter.".

Mr. BUCKLEY. Mr. President, this amendment is a simple one. It would serve to allow private carriers now authorized to deliver mail to deposit mailable matter in letterboxes.

The intent of my amendment is threefold:

First, to guarantee the safety of all mail;

Second, to establish rightful control over a letterbox; and

Third, to end the discrimination levied against private carriers of the mail.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is correct.

The Senate will be in order.

The Senator may proceed.

Mr. BUCKLEY. Mr. President, I wish to make clear that my amendment will not permit the deposit in mailboxes of mail declared illegal by the Postal Service under sections 3001 (a) and (e), 3002 through 3006, and 3008 through 3010 of title 39, United States Code. I speak of such "nonmailable matter" as: Mail bearing a fictitious address, unsolicited advertisements for contraceptives; delivery of mail to persons not residents of that place for the purposes of escaping identification; and certain pandering and sexual advertisements.

My amendment subjects private carriers to the same penalty, namely prosecution and fine, that postal employees and the general public presently face for violation of these statutes.

Mr. President, in spite of the fact that an individual buys, installs, and maintains a mailbox at his residence, it is legally the property of the U.S. Government. The Postal Service is the sole determiner of what may be deposited into it. I believe this is an unnecessary infringement on the individual's property rights and an arrogant disregard for the respect and choices of the people. To deny private carriers access to the mailboxes is discriminatory, and unfairly penalizes those who receive mail from private carriers. Mail delivered by private carriers is denied the same security of a mailbox that mail delivered by the Postal Service receives. Often mail delivered by private carriers is deposited under the door, in the crack of the door, or between doors. Not surprisingly, the threat of theft or mail loss to the recipient is very real. Furthermore, the alternatives employed by private carriers often advertise the absence of a homeowner.

It has been estimated that significant savings to the consumer can be realized by passage of my amendment. For example, I am informed that the Utah Power and Light Co. spends on postage $22,810.71 per month based on 13 cents per bill. The studies of U-Til-Bill Service, Inc. of Salt Lake City shows that these bills can be delivered at a cost of 8 cents per bill or $14,037.36 per month by private carriers or company employees. This constitutes a savings of $8,773.35 per month or $105,280.20 per year. We cannot afford to deny savings of this magnitude to consumers and the businesses that serve them.

Chairman Alfred Kahn of the Public Service Commission of the State of New York recently expressed his support for my amendment, noting that savings could ultimately be realized by the consumer if utility companies were allowed to deliver their own bills. In letters to the chairman, Consolidated Edison of New York, Rochester Gas and Electric Corp., Long Island Lighting Co., and Orange and Rockland Utilities, Inc., were a few of the New York utilities that expressed a desire or studied the feasibility of delivering their own bills in order to cut costs. In each case, however, the inability of these firms to deposit the bills in mailboxes was a significant factor in their abandoning this alternative.

Mr. President, I ask that Chairman Kahn's May 7, 1976, letter to me and the letters received by Chairman Kahn from the aforementioned utility companies be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

May 7, 1976.

Hon. James Buckley,
U.S. Senate,
Washington, D.C.

Dear Senator Buckley: It has just come to my attention that you have introduced a bill that would permit private carriers to use customers' mailboxes. I write to express my support for your effort.

My support is based first on the same kinds of economic and philosophical considerations as, I am sure, motivate you: namely, a distaste for monopoly, and a belief that, wherever feasible, government monopoly should be just as thoroughly subjected to the test of competitive alternatives as private.

I write, also, in my capacity as Chairman of the New York Public Service Commission. It came to my attention recently that some utility companies were considering the possibility of resorting to their own delivery of their bills, instead of relying on the Postal Service; I wrote to the major utility companies within the State to ask whether they had given consideration to this alternative, as one possible means of holding down the rate increases that we have been constrained to permit, and that have been so painful to the customers in New York State.

One response was that their inability, under the law, to use the mailboxes was an impediment to their resort to this possibility.

I do not know that ability to use the mailboxes would tip the balance. But I see no reason why there should be this artificial impediment to this possibility of offering some relief, however small, to the utility customers of the State.

Sincerely,

Alfred E. Kahn.

May 4, 1976.

Hon. Alfred E. Kahn,
Chairman, Public Service Commission, State of New York, Empire State Plaza, Albany, N.Y.

Dear Chairman Kahn: Thank you for forwarding the New York Times article on the hand delivery of utility bills. We have given a considerable amount of thought to this possibility over the past few years and serious consideration was given to implementation of hand delivery prior to the increase in the first class postage rates from $.10 to $.13. Our conclusion was that the Postal Service still provides the most practical and economical service available even at the $.13 rate.

There are legal impediments to the hand delivery of bills. Delivery of first class mail by other than the Postal Service is illegal unless done by Company personnel, the law limits the use of home mail boxes to the Postal Service, and the legal questions regarding the lack of a post mark and its effect on the due date of bills and expiration date of collection notices would have to be resolved before hand delivery was instituted.

We were aided in our review by a Long Island hand delivery company which agreed with our conclusions. They advised that five deliverers per vehicle plus a driving supervisor were necessary for quality control and to keep costs in line, a situation not compatible with our present meter routing. With hand delivery companies legally eliminated, we concluded that we could not hire employees at a low enough hourly rate, including fringe benefits, to make hand delivery economical.

Utilities claiming economically successful hand delivery are largely limited to urban areas. Hand delivered bills are placed under doors or in plastic bags hung on doornobs with the obvious attendant problems. In contrast, Postal Service delivery in Long Island Lighting territory has been very good to date with the majority of our bills being delivered on an overnight basis and no major problems being encountered.

Although postal rates have doubled since 1971, these costs represented only $.66 per year of a total customer accounts expense of $12.95 per year per average customer for the 12 months ending February 1976. The most optimistic estimates would save approximately $.20 per year per customer at this time even if all of the practical problems could be resolved. We believe these estimates do not include all associated costs and that hand delivery saves little or nothing at all.

In addition to studying the possibility of hand delivery of bills, other steps have been taken to moderate the impact of the increase in postal rates. Hand delivery has been used successfully for invitations to our residential consumer insulation seminars. In such non first class applications we do not have to be assured of 100 percent delivery reliability. Several years ago we programmed our collection notice routines so that these notices were incorporated with regular billing wherever possible. We have also worked with the Council of Public Utility Mailers to achieve a discount for bulk mailers with pre-sorted mail. This industry effort has resulted in a recommendation for a $.01 per item discount which will be presented to the Postal Service Board of Governors this week for final approval.

Our Customer Relations people are meeting with the hand deliverers again this week to review changes that have taken place recently and in light of predictions of even higher postal rates in the near future. Please be assured that we will continue to follow this matter closely and keep you advised of any developments which would change our position.

Very truly yours,

CHARLES R. PIERCE.

MAY 4, 1976.

Mr. ALFRED E. KAHN,
Chairman, State of New York, Public Service Commission, Empire State Plaza, Albany, N.Y.

DEAR CHAIRMAN KAHN: I could swear that you have my office bugged.

Within the past few days I have reviewed a report, which I requested, in regard to the possibility of hand-delivering our service bills. Although the report shows some anticipated savings, I do not feel it is substantial enough to start hand-delivery at this time.

Other companies were contacted and their experiences range from good to poor. The major problems were with personnel willing to deliver bills, places to leave the bills, and customer complaints. Florida Power and Light Company received some adverse publicity as indicated in the enclosed letter to the editor. You are probably aware, however, of Senator Buckley's bill which would allow private carriers to use customers' mail boxes. This could ease some of the problems of hand-delivery.

We are expecting a reduction in postage of one cent for each bill if we sort to zip code. This should be resolved within the next few weeks.

I have asked my people to continue their review and to keep me informed.

Cordially,

FRANCIS E. DRAKE, Jr.

WELCOME, BURGLARS?

To The Editor:

Poor Florida Power & Light Company has earned, and deserves, an award from all associated and unaffiliated real and would-be housebreakers and robbers.

Its action in instituting door-to-door, hand-on-the-knob delivery of monthly statements has done almost as much to improve the climate for crimes of breaking and entering as would abolition of street patrolling by police. The plastic bag with the FPL bill left hanging on any door for any length of time signals: "I'm away for a while. Come on in and take your time and help yourself."

WILLIAM W. HERSHEY.

MAY 10, 1976.

Dr. ALFRED E. KAHN,
Chairman, State of New York, Public Service Commission, Empire State Plaza, Albany, N.Y.

DEAR DR. KAHN: In response to your letter of April 27 which refers to the New York Times article on utilities handling the delivery of their own bills due to the unusual increases in postage costs, Orange and Rockland has taken positive action as follows:

We originally made a feasibility study on the hand delivery of customer bills in 1971, when the cost of first class postage was scheduled to increase from 8¢ to 10¢.

This initial study revealed that hand delivery would not be economical for Orange and Rockland as we serve a mainly suburban territory. Practically all utilities utilizing this method serve densely populated areas, thus making it possible to more easily deliver a substantial number of bills per day and therefore derive considerable cost savings. The suburban utilities inherently lose these economies due to the greater time consumed in walking and driving between each bill delivered.

The hand delivery method was again reviewed during 1975 when first class postal rates were scheduled to increase to 13¢. In this current study the cost differential lessened. However, lack of population density is still a major factor.

In addition, we presently are reviewing the cost justification of revising our customer billing computer programs to obtain the 01¢ savings in postage cost which is scheduled to go into effect in June 1976 for all companies that pre-sort by zip code. If this cost justification proves negative, we definitely will be able to derive the postage savings by July 1977 when our new customer information system is scheduled to be in effect.

Two future actions may eventually contribute to deriving cost savings through the hand delivery of bills.

The first factor would be passage of the bill introduced by Senator James L. Buckley which would allow delivery services to use mailboxes. This action would both reduce delivery walking time and eliminate the need for special costly doorknob hangers.

Secondly, Orange and Rockland will be re-routing customer billing cycles to specific geographical areas. By so doing, we would concentrate deliveries geographically. This re-routing should reduce manpower requirements and basically eliminate the current travel time now required between several geographical areas.

You can be assured that any potential savings or cost reductions that may be available to us will be continually reviewed as part of our overall and continuing cost reduction program.

Sincerely,

DEAN B. SEIFRIED,
President and Chief Executive Officer.

Dr. ALFRED E. KAHN,
Chairman, Public Service Commission, Empire State Plaza, Albany, N. Y.

DEAR CHAIRMAN KAHN: I refer to your letter of April 27th concerning the article in the New York Times relative to an increase of mail service competition.

We are very much aware of the rising costs of postage and with each increase, the feasibility of hand delivery of our customer bills is evaluated. However, it is our opinion that the disadvantages of hand delivery still outweigh the advantages.

In October, 1972 we did conduct a pilot program involving hand delivery of customer bills. Many of the high rise apartment houses, secured by doormen who restrict entrance to buildings to tenants and visitors, prohibited our employees from gaining admittance. In addition, postal laws prohibit placing bills in postal boxes provided for residents of those buildings which permit our access.

Despite close supervision of bill deliverers, hired solely for this mission, rather numerous complaints were made for the following reasons:

1. Bills not completely slipped under customer's door.
2. Bills shoved too far under customer's door, ending up in closets, under rugs, etc.
3. Bills left in hallways, on radiators, in lobbys, etc.
4. Bills delivered to wrong apartments.
5. Bills chewed up by pets.
6. Bills left with superintendents, doormen, etc.

We recently established a Tuesday to Saturday work schedule to process bills more promptly in an endeavor to improve our cash flow. Bills presently mailed are received by our customers three days after the meter has been read. This prompt delivery is not possible in most cases of hand delivery, because of the need to re-sort bills for proper sequencing at the delivery site.

You are doubtless aware that the U.S. Postal Service is expected to approve a one-cent discount for pre-sorting a minimum of 500 pieces of first class mail to the five digit zip code. We are prepared to take advantage of this discount for an estimated saving of $385,000 per year. It is anticipated that this regulation will become effective by July 6, 1976.

Please be assured that we will continue to keep this matter under close surveillance and should it become operational and economically feasible, we will undertake such a program. Our people would be happy to talk with any of your staff on this subject.

Sincerely,

CHARLES F. LUCE.

Mr. BUCKLEY. Mr. President, Southern California Gas Co. conducted studies on the economic feasibility of an employee delivery program. The economic report proved favorable. However, according to officials of that company, their inability to deposit their bills in mailboxes was the single most significant factor in their decision to abandon this program. The Boston Gas Co. delivers its bills for approximately 9 cents per bill; People's Gas Co. of Chicago delivers its bills for 10.5 cents per bill; and Philadelphia Gas Co. delivers its bills for 6.9 cents per bill. Miami Power & Light recently implemented an employee bill delivery program with estimated savings of $77,000 per year, serving 214,000 customers. In May 1976, Georgia Power Co. instituted the same program in Atlanta with expected savings to amount to $25,000 per month. Each of these companies have advised my office that lifting the mailbox restriction would greatly facilitate their operations and, for some, possibly enable them to expand their programs.

In the village of Kenmore, N.Y., Mayor Robert A. Malloy had municipal employees deliver the village's 25,000 water bills when they read the meters. He estimated this would save the village between $3,000 and $4,000 per year and also avoid employee layoffs. However, when the employees deposited the bills in the mailboxes, the Postal Inspection Service removed the bills from the residential mailboxes and threatened to prosecute the village officials.

Mr. President, there are no justifiable reasons to deny consumers such savings or to retain this artificial barrier against private carriers, utility companies, and municipalities who seek alternative ways to deliver their mail. Furthermore, it is essential that we guarantee the safety of the mails no matter who delivers it. This means allowing all mail to enjoy the security of a mailbox. Finally, we must restore to the owner the right to have his mailbox used for all mail and not just that delivered by the U.S. Postal Service.

Mr. McGEE. Mr. President, the committee must oppose this amendment, even though it is well intended, particularly in urban areas. A case can be made that it would facilitate the delivery of bills by utility firms, perhaps at a lower cost. That is variable in different areas.

However, it does so at the expense of the Postal Service of the United States, for the Postal Service seeks to distribute the costs without any selecting out, clear across the country—rural areas, urban areas.

Any items that ordinarily would pass through the mails and pay their way help to keep the costs under control in areas where they cannot afford the luxury of an urban distribution by, let us say, electric companies and the like. It is part of the same principle at stake and would at least repeal a part of the private express statutes, because it is intruding into that prerogative which is reserved as a total monopoly for any postal service almost anywhere around the world.

For those reasons, the amendment would have to be opposed by the committee, for understandable reasons, even though I think it has some sense in a heavy population area as a distribution factor, where there is a question of security in some of the mailing systems and where a mail system is utilized that somebody has to pay for.

We think the equity really lies in avoiding this intrusion into a mail service prerogative.

Mr. BUCKLEY. Mr. President, I appreciate the arguments advanced by the Senator from Wyoming, but I suggest that equity is not done under the present system.

Basically, people living in more heavily populated areas are in fact already subsidizing mail service to people in sparsely inhabited areas.

Second, I think it is a well-known fact that it costs a great deal more to live in a heavily populated area than it does out in the country.

So it seems to me that to eliminate the small measure of relief that would otherwise be available to people who could have the benefit of direct delivery of utility bills—water bills and things of that sort—means that they are, in effect, asked to sacrifice on top of the sacrifice already made to sustain a nationwide system.

It seems to me that in asking the taxpayers to provide the funds that sustain our overall postal system, that is the more appropriate and the more equitable way of meeting a deficit than, in effect, to force utilities to deliver bills to their customers by the U.S. mails, in order to provide the security that the householder would naturally want.

I also point out that in many of the areas that we speak of, the householders are paying very high prices for energy. Certainly in New York City and the metropolitan areas of New York, we have the highest electrical rates in the country. The amendment that I suggest, I think, is not only reasonable and not only equitable, but would offer some small measure of reduction in these costs.

Mr. FONG. Mr. President, there are two matters to be considered here. First is the matter of whether we want to take revenue away from the Postal Service; second, what security are we taking away from the letter box? The Postal Service is firmly against this amendment and it states as follows:

> We firmly believe that legislation permitting the deposit of matter other than mail in letterboxes or similar receptacles is not in the public interest. As a practical matter, because of the requirement to pay postage on mailable matter placed in a letterbox, letterboxes are now legitimately visited only by postal employees or by persons who receive or send mail through letterboxes. The security of mail in letterboxes depends in large measure on public knowledge of this fact.

In other words, we know that this mail box is secure because the only person who can touch that mail box is the receiver of the mail or the postman. If we allow all kinds of things to be deposited in this mail box, we shall not have that kind of security, especially now, when we place so much importance on the receipt of social security checks, retirement checks, financial instruments, and similar mailed matter.

The Postal Service says:

> . . . we believe the security of the individual's letterbox is a consideration which deserves every reasonable protection that the Government can provide.

The other question to be decided upon is, do we want to take away revenues from the Postal Service? This is what the Post Office says:

> In addition, forbidding the deposit of unpaid matter in letter boxes provides important protection for postal revenue. The enactment of 18 U.S.C. Section 1725 occurred in part because Congress found that private delivery of certain material to letterboxes had produced a significant drain on postal revenues. The protection of postal revenue through laws discouraging the carriage of letters outside the mails continues to be a national policy.

To allow the nonpayment of postage by mailers would take away a lot of the revenues from the Postal Service.

The distinguished Senator from New York has stated that many of these utility companies, for 8 cents, instead of paying the 13 cents for postal mail, can deliver a piece of mail to a post office box. If we take away all of the mailings of these utilities, take away the mailings of many of these large companies in the urban areas, where they can do it much cheaper because the mail boxes are concentrated and where the residents are concentrated, we shall be taking a tremendous amount of money from the Postal Service. We shall be doing a great disservice to the Postal Service, because it will not then be equipped to do the service for those in the outlying areas where the boxes will not be used, and the general public will be called upon to pay a larger cost for delivering their mail.

For these two reasons, we oppose this amendment.

Mr. BUCKLEY. Mr. President, I shall not prolong this. I believe that the issues are simple enough. The distinguished Senator from Hawaii did raise an additional point that had not been raised by the Senator from Wyoming, who concentrated on the cost factor. That is security. First of all, my amendment is still limited to access to the mailbox by authorized private carriers.

No. 2, let us face it: The fact that legal access to mailboxes is limited does not in any way disturb the criminal who is going to have access to such mailboxes as he can reach. I really do not think that argument outweighs the considerations of convenience and safety for the householder, consideration of enabling real savings to be passed through to certain consumers.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. (Mr. BELLMON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The question is on agreeing to the amendment of the junior Senator from New York. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Washington (Mr. MAGNUSON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK) is necessarily absent.

I also announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that the Senator from South Carolina (Mr. THURMOND) is absent on official business.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 25, nays 64, as follows:

[Rollcall Vote No. 523 Leg.]

YEAS—25

Bartlett
Beall
Biden
Buckley
Byrd, Harry F., Jr.
Curtis
Dole
Fannin
Goldwater
Hansen
Hatfield
Helms
Hollings
Javits
Laxalt
Leahy
Mathias
McClure
Morgan
Nunn
Packwood
Scott, William L.
Stevenson
Stone
Tower

NAYS—64

Abourezk
Allen
Baker
Bayh
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Griffin
Hart, Gary
Hart, Philip A.
Hathaway
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Symington
Taft
Talmadge
Weicker
Williams
Young

NOT VOTING—11

Brock
Clark
Cranston
Culver
Garn
Hartke
Haskell
Magnuson
Mondale
Thurmond
Tunney

So Mr. Buckley's amendment was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

PRIVILEGE OF THE FLOOR—H.R. 14232

Mr. BAYH. I ask unanimous consent that Misses Kim Holmes, Mary Jane Checchi, and Barbara Dixon of my staff be granted access to the floor during the debate and vote on the H.R. 14232 conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on August 27 concerning the procurement of the Army XM-1 tank and also to consider House-passed legislation providing for malpractice protection for medical personnel of the Department of Defense and National Guard.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 2657

Mr. MANSFIELD. Mr. President, I am about to propound a unanimous-consent request involving Calendar No. 838, S. 2657, a bill to extend the Higher Education Act of 1965, and so forth.

Mr. President, I ask unanimous consent that when the bill is called up there be a time limitation of 4 hours on the bill, 1 hour on all amendments except the Buckley amendment on which there will be 1½ hours, and 30 minutes on second degree motions, appeals and so forth, and in the usual form.

Mr. JAVITS. If the Senator will yield, just to be sure about one thing, under the unanimous-consent request may tabling motions be made?

Mr. MANSFIELD. Yes.

Mr. JAVITS. Second, the Buckley amendment relates, as I understand it, to a procedural question which does involve substance, but it relates to a procedural question when money goes from HEW or under its authority to a school district.

Mr. MANSFIELD. The Senator knows more about it than I do.

Mr. JAVITS. I have asked about it. I just wanted the Record to show what the amendment is.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That during the consideration of S. 2657 (Order No. 838), a bill to extend the Higher Education Act of 1965, to extend and revise the Vocational Education Act of 1963, and for other purposes, debate on any amendment in the first degree (except an amendment to be offered by the Senator from New York (Mr. Buckley), on which there shall be 90 minutes) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Majority and Minority Leaders, or their designees: *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. Moss obtained the floor.

Mr. MOSS. Mr. President, I yield to the Senator from Massachusetts for the purpose of a unanimous-consent request.

The PRESIDING OFFICER. The Senate is not in order. The Senator is entitled to be heard. Will Senators please take their seats and those who wish to converse retire to the cloakroom.

Mr. MOSS. I yield to the Senator from Massachusetts.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1976

Mr. KENNEDY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 5546.

The PRESIDING OFFICER (Mr. Bellmon) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 5546) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KENNEDY. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Kennedy, Mr. Williams, Mr. Nelson, Mr. Eagleton, Mr. Cranston, Mr. Pell, Mr. Mondale, Mr. Hathaway, Mr. Durkin, Mr. Schweiker, Mr. Javits, Mr. Beall, Mr. Taft, Mr. Stafford, and Mr. Laxalt conferees on the part of the Senate.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1975

The Senate continued with the consideration of the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes.

AMENDMENT NO. 2083

Mr. MOSS. Mr. President, I call up my amendment No. 2083 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. Moss) proposes amendment No. 2083:

At the appropriate place add the following new section:

Sec. 9. Section 3401(b)(1)(B) of title 39, United States Code, is amended by striking out "15 pounds" and "60 inches" and substituting in lieu thereof "70 pounds" and "100 inches", respectively.

Mr. MOSS. Mr. President, this amendment is a very simple one and I can quickly explain it.

Mr. President, in 1972, the Congress passed legislation (Public Law 92-469) which increased the weight and size limitations for parcel post packages eligible to be shipped by air on a space available basis—SAM—by U.S. servicemen and women from military installations abroad to the United States. The limits were increased from 15 pounds and 60 inches in girth to 70 pounds and 100 inches in girth. At that time the U.S. Postal Service felt that it could not accommodate similar service in both directions because of its limited airport facilities. Consequently, outbound parcels to our servicemen and women were limited to 15 pounds and 60 inches.

With the operation of the new bulk mail processing centers, the Postal Service has changed its position and now supports equalization of SAM parcel post weight and size standards.

The amendment I submit would have that and only that effect. It would raise the limits on outbound parcels to 70 pounds and 100 inches. This amendment would eliminate unnecessary confusion. It would provide military personnel a speedy and reliable method to ship larger packages at a substantial cost savings over regular air rates and at a considerable time savings over surface transportation. Most important, it would contribute to the morale of our forces abroad and their families here at home.

Simply stated, parcels going out of the country have to be a certain size and parcels coming back into the country have to be a different size. This would make the size uniform both ways. It would, of course, increase the size of those going out to 70 pounds and 100 inches in girth. That is the amendment, simply stated.

Mr. McGEE. Mr. President, we have talked to all of the participants downtown and elsewhere. I think the amendment would facilitate matters. Since there is merit in this, without introducing any new structural complications, we would be willing to accept this amendment and take it to conference.

Mr. MOSS. I thank the Senator from Wyoming. Simply a voice vote or without objection would be satisfactory.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

UP AMENDMENT NO. 368

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici) proposes an unprinted amendment numbered 368.

On page 39, line 8, strike out the period and insert in lieu thereof the following: ", but the Commission shall consider the desirability and feasibility of allowing—

"(1) the carriage of mail by private express or carrier, and

"(2) a private carrier of mail to deposit any mailable matter in any letter box established, approved, or accepted by the Postal Service.

Mr. DOMENICI. Mr. President, the manager of the bill and the ranking Republican have seen this amendment. I do not intend to take long. I will briefly explain it and hope they will engage in a dialog with me which will insure that what I seek in this amendment will occur.

As Senators will remember, the first Helms amendment was a rather serious amendment because it would have changed the basic postal laws with reference to the permission to deliver first class mail through the private sector. There were good arguments against that amendment and it lost.

Senator Buckley proposed an amendment which would expand upon what mailboxes, those open mailboxes, could be used for. All I have done in my amendment, Mr. President, is to take the basic bill and see to it that the blue ribbon commission that will work on this matter for us will study these two proposals, in particular the proposal with reference to the private sector delivering first-class mail.

In summary, I would insert in the bill a mandate that these two approaches that were discussed here by way of an amendment be thought through, that the blue ribbon commission not ignore them, and that it be part of their deliberations and report.

As I understand it, the committee would do this. I just want to be assured that in fact they will.

Mr. FONG. It is intended that the commission will look into this matter. We are willing to accept the amendment.

Mr. DOMENICI. I thank my good friend from Hawaii.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

UP AMENDMENT NO. 369

Mr. GRIFFIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan (Mr. Griffin) proposes an unprinted amendment No. 369.

On page 32, line 14, insert the following: strike the period at the end of the sentence and insert the following:

When such Commissioner has served at least two years.

Mr. GRIFFIN. Mr. President, this bill moves in the right direction by requiring Senate confirmation of the appointment of members of the Postal Rate Commission. However, there is a need for some degree of stability in the Commission's membership. We have had a rapid turnover of commissioners. In less than 6 years, 11 different individuals have served as commissioners and only two have completed a full term. This amendment promotes a small degree of stability while at the same time recognizing that Senate confirmation of appointees is desirable.

This amendment has been discussed with the managers of bill, and I understand there is no objection.

Mr. FONG. There is no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 370

Mr. HUMPHREY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. Humphrey) proposes an unprinted amendment No. 370:

On page 27, line 23, strike the words "on the date on which" and substitute in lieu thereof "120 days after";

On page 28, line 21, strike the words "on the date on which" and substitute in lieu thereof the words "120 days after".

Mr. HUMPHREY. Mr. President, the purpose of this amendment is to make sure that after the commission, which is authorized in this legislation, reports, that there will be sufficient time for whatever legislative action may be required as a result of the commission's recommendations and as a result of congressional deliberation and procedures.

Under the bill as it is written, then the commission has made its report, then the moratorium on all matters as outlined in the bill is over. In other words, new rate increases can go into effect, personnel changes can be made, et cetera. My amendment would simpy say that following the commission's report there ought to be time for the Congress to be able to review the work of the commission and to make its judgment based on that commission report and other information as to the direction that the Postal Service should take.

I have discussed this amendment with the chairman of the committee. I would like to have his observations. It may be that the amendment is not necessary. It may very well be that the committee has this in mind without the specificity of the language.

Mr. McGEE. I want to say to my friend from Minnesota that that is the case. In an attempt to crowd the five legs of this agreement to the same stature and same height so we could have an agreement, we backed into, in effect, a February 15 date. But, very candidly, the understanding was there would be no hanky-panky. The instant that date arrived, it would give the Congress a chance to work its will. That is the whole point of the thing. If we were to legislate that now, it would require going back and trying to get a new agreement on another time certain.

The Senator from Minnesota has the assurance of the chairman of the committee and the ranking minority member that there will be every intent and every effort to make sure that there is not some sudden explosion. There is no intent of that among those who are doing the conversing.

Mr. HUMPHREY. May I press my case a little further? It is my judgment that if the moratorium were to end at the time the commission report is made, it would place an impossible burden upon the Congress to be able to fashion any kind of remedial legislation.

Mr. McGEE. That is understood.

Mr. HUMPHREY. Therefore, it is my understanding from the chairman of the committee and the ranking member that when the commission reports there will be every effort made to get expeditious action.

Mr. McGEE. That is right.

Mr. HUMPHREY. But it does not mean that on day one or day two after the report the moratorium is over, is that correct?

Mr. McGEE. The agreement and the understanding among those who participated in putting it together is that there would be no explosion or rush into this. There would be a reasonable allowance for an expeditious movement in terms of the Congress reviewing the whole problem and making its recommendations.

Mr. HUMPHREY. In the instance of a rate increase, of course, there is always the delay procedure on that, is there not?

Mr. McGEE. That is correct. That would fall a good many days away, at the most extreme circumstance, under the existing law.

Mr. HUMPHREY. Under existing law it takes time for a rate increase to be implemented.

Mr. McGEE. That is correct.

Mr. HUMPHREY. So Congress would have the opportunity to take whatever action seemed advisable?

Mr. McGEE. That is correct.

Mr. HUMPHREY. The other matter, of course, is the matter of personnel—personnel cuts and personnel shifts. Does the Senator from Minnesota correctly understand that in the case of personnel as well, there will be no precipitate action?

Mr. McGEE. Services cut-backs, closings, that sort of thing, yes.

Mr. HUMPHREY. And, of course, the Randolph amendment gives us some additional protection with regard to the smaller post offices.

Mr. McGEE. That is already in. Yes, that is right.

Mr. HUMPHREY. I thank the Senator. Under those circumstances, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. RANDOLPH. Mr. President, who has the floor?

Mr. HUMPHREY. I have the floor.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. I yield to the Senator from West Virginia.

Mr. RANDOLPH. The Senator has discussed a very important matter, and the chairman of the committee, of course, has properly explained the situation with reference to time. The able Senator from Minnesota, of course, supported the amendment I offered yesterday.

Mr. HUMPHREY. Yes, I did indeed.

Mr. RANDOLPH. The amendment provides a procedure which must be followed by the Postal Service prior to the closing or consolidation of post offices.

I want the record once again to indicate that in my opinion—and I believe I am reasoned in this statement—we are developing a sound legislative package. I have joined in voting against amendments. But whatever is finally fashioned here, which will probably be in the form of the bill reported by the committee except for my amendment that was passed yesterday, I can see absolutely no reason why the President of the United States should veto the bill if that amendment is included. I ask the Senator from Minnesota if he believes there is a danger, with a bill of this kind, that the President would veto such a measure because it contains the procedure for decisions on closings beyond February 15.

Mr. HUMPHREY. Let me say most respectfully to my colleague and friend from West Virginia that I cannot speak with any certainty as to what the President would do, but the President, hopefully, will be a reasonable man. The Senator's amendment is a very reasonable and, I think, sensible amendment. The President is also aware of the fact that there is great concern in the country over the possibility of the closing down of essential postal services, particularly in the rural communities and the smaller towns.

The President is a candidate for reelection. I cannot imagine that he will want to deliberately go about the country insulting community after community by saying, "Take down the American flag from in front of your post office and close up the post office."

In the little village where I am privileged to live, called Waverly, Minn., we have 593 people, and the finest little building we have and the best place we have is our post office. The postmaster there is not just a postmaster, but an adviser on every conceivable thing: Civil Service, income tax, Farmers Home Administration, you name it.

Mr. RANDOLPH. He or she is a counselor and a confidant.

Mr. HUMPHREY. The postmaster is the Government of the United States in that community. If they do not want our community in the United States, then they ought to tell us. I have never believed in secession, but they ought to tell us. And I have said before that I insist that the Government of the United States provide services for our people, and I want to say again, as the author of the Rural Development Act, that I call upon the Postmaster General and the President of the United States to read that act. That act says there shall be governmental services in rural communities equal and commensurate with those supplied in urban communities. I say if you are going to close down my post office, then close down the post offices in Washington, D.C., New York, Philadelphia, and even Atlanta.

Mr. RANDOLPH. Or Plains. [Laughter]. Pardon me.

Mr. McGEE. Mr. President, will the Senator yield to me 1 minute on that point?

Mr. RANDOLPH. I yield.

Mr. McGEE. I want to pledge to him my cooperation in this effort. I think the message was very clear, and it is a very high level proposal; and as the fellow in charge for the moment at least, I want to say I will make every effort in that direction.

Mr. RANDOLPH. It is my sincere hope that we can keep my amendment to prevent the indiscriminate closings of post offices in smaller towns and rural areas during the Senate-House conference. We should fight for the amendment in conference.

In this regard, I am very appreciative of the statement by our able chairman (Mr. McGee) on the support he will give when we meet with the House.

I entered this colloquy only to underscore what I thought was the reasoning behind the effort to give us a modus operandi where people will have an opportunity to speak and be heard in reference to possible closings of post offices. I thank the Senator from Minnesota and the chairman.

Mr. HUMPHREY. Mr. President, I am going to yield the floor and withdraw my amendment. I just want to say that in reference to the Hollings amendment, I thought the Senator from South Carolina made a brilliant case, but I understand the constraints under which we operate here, namely, that the Senator from Wyoming, in order to get any kind of a bill that might be passed and signed by the President, had to make some adjustments and some understandings. I did not want to see that effort disrupted, but I wanted the record clear that I do believe the President of the United States should appoint the Postmaster General, and he ought to be confirmed by the Senate of the United States.

I do believe there ought to be congressional oversight, and the postal budget should be a line item of the budget, and ought to go under the general operations of the Senate and House Budget Committees. That is my judgment, and I hope that will be the case when the new administration takes over in Washington come January 20, 1977.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ADDITIONAL STATEMENTS SUBMITTED

Mr. BAYH. Mr. President, today the Senate is considering H.R. 8603, legislation designed to provide temporary financial assistance to the Postal Service and allow time for Congress to find solutions to the numerous problems facing the Postal Service.

The bill has three major provisions. First, it provides a $500 million subsidy for fiscal year 1977 and another $500 million for fiscal year 1978. This gives the Postal Service much needed financial assistance enabling them to continue necessary services for our citizens. Second, the bill establishes a Study Commission to conduct an in depth study of the problems facing the Postal Service and make recommendations to Congress. This report is due by February 15, 1977.

Finally, for the duration of the study, there will be a moratorium on any cutback in services, such as ending Saturday deliveries and closing small rural post offices. In addition no rate increases will be permitted while the study is in progress.

The form of this bill was arrived at as a result of negotiations between the Senate and House Post Office and Civil Service Committees, the Postal Service, and the administration. The parties involved in these negotiations feel that this legislation will be signed by the President, thus saving the Postal Service from financial ruin.

Senator Hollings offered an amendment containing several sweeping changes to the bill as reported—changes such as the confirmation by the Senate of the Postmaster and Deputy Postmaster General, congressional oversight of the Postal Service budget, and improvements in the ratemaking process.

While I opposed this amendment, in the interest of hopefully obtaining a veto-proof bill at this time, I would not want to rule out these suggestions for the future. It may well be that the Study Commission will recommend many of these alterations in the Postal Service and perhaps they will come up with additional alternatives. I think we should take the time to carefully study the current situation and evaluate our needs for future postal services before making any wholesale changes in the Postal Service. It is quite possible that changes made without due consideration may result in a worsening of our postal services.

It is, however, becoming increasingly clear that something needs to be done about the financial problems of the Postal Service. The establishment of the independent Postal Service in 1971 began with high hopes of financial solvency. The Kappell Commission, which recommended dissolving the old, Cabinet-level Post Office Department, projected an annual savings of at least $1.6 billion annually if the postal service was removed from political control. Even with this rosy projection, Congress provided a subsidy to cover public service costs. In spite of this subsidy the Postal Service has increased its deficit from $175 million in 1972 to a cumulative deficit of $1.6 billion through 1975 and the deficit is still climbing.

In order to combat the spiraling deficit the Postal Service has instituted a series of rate increases—first class postage rates have increased 117 percent, from 6 cents in 1971 to 13 cents in 1976. There is evidence that these increases have led to a decline in the volume of first-class mail in 1975, the first peacetime decline in usage since the 1930's Depression.

In addition, there seems to be a general perception by the American people that the increases in rates have resulted in worse rather than better mail delivery from the Postal Service. I have received hundreds of complaints in the past year from constituents who are tired of paying more for stamps and having slower deliveries.

It is my hope that H.R. 8603 will be enacted into law and that the Study Commission will conduct its investigation as expeditiously as possible. Congress can then take the necessary action to insure financial stability and a high level of service from the Postal Service.

This must be done soon. The mail is a valuable and necessary means of communication between our citizens and we must not let them continue to suffer increasing deterioration in the speed and efficiency of the delivery of mail.

Mr. EAGLETON. Mr. President, my office surveyed 500 randomly selected Missourians about various postal matters. Because the rural, small town, and urban makeup of Missouri is proportionately the same as that of the United States I thought that my colleagues in the Senate might be interested in the results of the poll.

The survey informed all of the people questioned that the average household in the United States pays approximately $200 each year for the postal services presently available. It was explained that this payment is made through stamp purchases, Federal taxes, and business stamp expenses passed on to the consumer. They were told that according to the Postal Service, inflation has created a situation where either the Postal Service will have to cut back some of the services presently available or the consuming household will have to pay more money next year.

The first question told the survey respondents:

> If Saturday mail delivery is kept at today's levels around the country your household will have to pay an additional $4.50 each year. Do you want to pay the additional $4.50 and retain the present Saturday mail delivery schedule?

Forty-one percent of those surveyed answered that they would be willing to pay $4.50 each year if they could keep their Saturday mail delivery. Fifty-nine percent said they would rather forego Saturday mail delivery and not spend the additional $4.50.

The survey asked:

> If mail is only delivered to a curb side mailbox wherever possible your household will not have to pay an additional $2.50 each year. Are you willing to pay the additional $2.50 so that those who presently receive door-to-door service can continue to do so?

The response to this question was nearly split down the middle. Fifty-two percent said that they are willing to pay an additional $2.50 so that those people that now receive door-to-door delivery can continue. Fifty-eight percent said they would not be willing to pay the additional amount.

The people in Missouri were told that—

> The General Accounting Office claims that 12,000 rural post offices can be closed without reducing the basic service to rural postal patrons. The people living in small towns claim that it will make the postal service less convenient, reduce the towns identity, and will eliminate an enjoyable gathering place for the towns people. To keep them open will cost your household an additional $1.50 each year. Are you willing to pay the $1.50 and keep the 12,000 rural post offices open?

Seventy-seven percent of those questioned indicated that they were willing to pay the extra money so that rural post offices can stay open. Twenty-three percent said that they would not pay the additional $1.50 each year.

Those surveyed were told:

> According to the postal service, if you are willing to receive mail delivery only three days a week your household will not have to pay an additional $15.00 each year. Do you want to pay the additional $15.00 each year and keep your present mail delivery frequency?

Sixty-two percent of those questioned indicated that they were willing to pay an additional $15.00 while 38 percent said that they were not.

The most common complaint expressed by those people surveyed concerning the Postal Service were: High stamp prices, inefficiency in the operation of the postal services, slow and inaccurate delivery, too much "junk mail," and damaged packages.

This country's postal policymakers will have to make some very difficult decisions concerning which of the postal services should be maintained at an additional cost to all of us and which can be curtailed without too much difficulty. It is my hope that the results of this survey will be of some help as we consider this issue.

Mr. McGOVERN. Mr. President, in the 6 years since the Postal Reorganization Act was signed into law, we have experienced a steady decline in the quality of postal service, accompanied by sharp increases in postal rates. If present trends are not reversed, service will almost certainly continue to deteriorate, rates are likely to go much higher, postal volume will decline further and deficits will remain with us.

Mismanagement has obviously had a good deal to do with bringing this disastrous situation upon us. Postal management has abandoned proven mail dispatch and delivery systems in favor of complex, expensive, and unreliable methods. Experienced postal managers have been encouraged to retire early and have been replaced by people with no experience whatever in moving the mail. Huge investments have been made in unworkable gimmickry—canceling machines which require the mail to pile up for as much as 24 hours to produce "uniform flow," other machines seemingly designed for the express purpose of eating packages and letters. As Ronald Kessler of the Washington Post pointed out in a scathing series of articles on the Postal Service—

> . . . postal management has shown remarkable consistency. When faced with major decisions, it invariably chooses the wrong course.

Management personnel can be changed and foolish decisions can be reversed. But there is one crucial area, accountability, in which it seems to me necessary to change the law. I believe that Congress must take responsibility once again for insuring that service—not the illusion of profitability—is the prime objective of the USPS.

Although I can understand the complex concerns which led the Committee on Post Office and Civil Service to report what amounts to a stop-gap bill, I believe that Senator Hollings is correct in moving to make the Postal Service accountable to the Congress once again. I do not favor restoring the old political post office. But I do believe that the postal bureaucracy must be required to come before the Congress to justify its operations and its budget. As things stand now, the taxpayer will inevitably inherit any deficit run up by the Postal Service in the end. But the Congress has little to say about setting postal priorities in practice and the public has no recourse in dealing with this classic example of an unrestrained bureaucracy.

Some may argue that if we bring Congress back into the postal business in any way at all, we shall inevitably have a system in which rates are frozen in perpetuity and in which redundant services will continue. I do not believe that this objection is valid, particularly now that the congressional budget process is working so effectively. A Congress operating within well-defined spending guidelines will need to be mightily persuaded to pour scarce resources into postal subsidies. In such circumstances, Congress will be under the strongest pressure to require the Postal Service to operate responsibly and the Postal Service will have every incentive to provide for the public needs.

Mr. President, I think that another study of the Postal Service may be useful with regard to improving operating efficiency and using resources more effectively. I do not, however, expect that any study, however competent, will solve the problem of accountability. In the end, Congress will have to make a decision about the degree to which it is necessary to oversee the postal operations. The issues seem to me quite clear at this time. I see no good reason to wait to take the necessary action.

Mr. GOLDWATER. Mr. President, as much as I recognize that postal service is becoming less of a public service, and as much as I would like to support a bill which is supposed to keep the Post Office running without service cuts or rate increases even for a temporary period, I cannot vote for the spending of another billion dollars out of the National Treasury unless we get immediately at the basic reasons for our Nation's postal troubles.

Unless we get at the fundamental problems that are causing the Postal Service to come running to us for more money all the time, I am afraid that the American taxpayer will be asked to pump endless amounts of money into a bottomless well.

Now, I know that the study commission provided for in the bill is supposed to study without limitation all the problems facing the Postal Service. But I wonder if it will? And I must ask: "Don't we already have committees in Congress that are fully equipped to do this?"

Mr. President, I can remember all too well the last major commission that was set up to review the Post Office. This was the Kappell Commission which assured Congress that if we reorganized the old Post Office Department it would bring about improved service for all mail users at reduced cost. Well, as we know these "expert" views were wrong. In the words of Robert J. Myers, author of a recent book on the Post Office, all the American public has gotten from reorganization is "less for more—less service at much higher costs."

Now, we are being asked to repeat that mistake. "Let's set up another study commission," we are told. "Let's shuck the responsibility for making hard decisions ourselves and turn the matter over to a group of so-called experts, many of whom will have a vested interest in keeping things as they are."

Mr. President, we should do the job ourselves. And one of the first things we should examine is whether or not Congress made a mistake in 1971 by exempting postal employees from Government pay ceilings.

Mr. President, wages and benefits for employees account for 86 percent of operating costs of the Postal Service. If we are going to get at the source of the perennial deficits facing the Post Office, we must take a hard look at these expenses.

Just a month ago, Mr. President, the Library of Congress gave me a report saying that salary increases at the Postal Service have overrun all other Government wage increases by $5.4 billion. This is more than the total accumulated deficit of the Postal Service. It means that if postal employees were subject to the same wage ceilings as other Government workers are, the Postal Service would today show a surplus of $2.3 billion, and might be reducing postage rates, instead of increasing them all the time.

Mr. President, since 1971, when the postal reorganization law became effective, the average annual salary of postal employees has increased from $8,694 to $13,755. The actual, total compensation is $16,228 if benefits are included. In comparison, GS workers with the same salary of $8,694 in 1971 have had their salaries increased only to $11,191.

Mr. President, I do not want to give the impression that labor costs are the only matter we should be concerned with. Not by any means. In my opinion, Congress must root out unwise management decisions just as actively as it probes into labor questions.

Some issues we might examine are these: Is money being wasted for new buildings that will not be fully utilized due to the centralization of mail processing? Are bulk mail centers a billion dollar blunder? Is the consolidation of post office facilities resulting in poorer service to local communities? Can overtime costs be reduced by wiser management?

Another aspect of the Reform Act, which I believe demands reevaluation, is the requirement in law for appointment on the Postal Rate Commission of a public interest officer. For the information of the Senate, such an officer has been appointed in each rate case and has been given a completely independent staff of lawyers, accountants, economists, and clerical assistants. Yet, with all this staff, none of the officers has ever, to my knowledge, held any formal or informal hearings to learn what the public interest is. Nor have they solicited the views of the elected representatives of the people, whether local, State, or Federal.

Judging from some of the impractical proposals that these officers have made in proceedings before the Rate Commission, I believe that the positions they are taking would destroy the entire Postal Service. They appear blind to the fact that mail delivery is a public service.

For example, one of the public officers has been urging the Rate Commission to abolish second-class mail, which consists of newspapers and magazines. He actually recommends that a book, which has the same size and weight as a brick, should be charged the same rate as a brick. And he wants a magazine, which has the same physical characteristics as an advertising catalog, to be charged the same rate as a catalog.

Under this notion, no importance is given to the actual contents of the mail. A book or a magazine contains knowledge. It stimulates thinking. Yet to this officer, the printed word is worth no more than a brick.

Mr. President, I believe these subjects must be squarely faced up to by Congress before we spend another billion or more dollars to bail out the Postal Service from losses which may repeat themselves over and over again unless we correct the basic defects in the mail system.

We cannot have someone else do this job for us. We cannot simply study the matter.

We must act and act now, not later.

Mr. DOMENICI. Mr. President, it is abundantly clear that something must be done, and very soon, to rescue the U.S. Postal Service from its present course which has seen service cuts and rate increases in combination with staggering deficits. The congressional effort, initiated in 1971, to have a financially independent Postal Service has not been successful. Given the fundamental inconsistency between a break-even postal operation and the continuing substantial public service obligations we have expected the Postal Service to fulfill, it might never have succeeded. Be that as it may, difficulties have been compounded in recent years by rapidly increasing operational costs and dwindling volumes of mail. These have combined to produce a cumulative operating loss estimated to reach $4.5 billion by the end of fiscal year 1977. This has far more than erased the initial positive equity in 1971 of $1.7 billion.

It is also clear that we must find a way to make our postal system work. The existence of a truly effective postal delivery service is vital to the well being of the American people. Prompt and reliable mail service is a key link in the communications system which binds this Nation together. It is essential to the effective transmittal of information between individual citizens. It is essential also for our country's commerce and trade.

We have before us now two legislative alternatives designed to address this problem. On one hand, the Post Office Committee has reported out a bill, H.R. 8603, establishing a special blue ribbon committee charged with the responsibilities of examining all aspects of the Postal Service operation and recommending to the Congress at a very early date steps that might be taken to correct present inadequacies. This so-called compromise bill has the support of the administration and the leadership of the two relevant congressional committees.

On the other hand, we have a proposal quite similar to legislation passed by the House, which will immediately return direct budgetary and managerial control of the Postal Service to the Federal Government. Proponents of this second alternative contend that the positive gains made during 5 years of independent Postal Service operation would be maintained while, at the same time, Postal Service accountability to the American people would be restored.

I am prepared to support H.R. 8603 as reported by the Post Office Committee. It is premature to abandon the principle behind the Postal Service Reorganization Act of 1970, that of establishing an independent U.S. Postal Service capable of managing its own operation, without at least examining what might be done to correct the deficiencies that have become evident over the past 5 years. I believe this examination can best be carried out by the blue ribbon committee created by H.R. 8603. It may very well be that this committee will recommend increased subsidies and greater Postal Service accountability. It may also be, however, that the committee will develop realistic alternatives, applicable within the present legislative framework that will bring about substantial improvements in Postal Service operations.

I do not anticipate that the blue ribbon committee will be able to develop a panacea for all that ails the Postal Service. Indeed, I doubt if one exists. But I do expect the committee to come back to us with a realistic report on what is wrong with the Postal Service and what we can do to change it for the better. This study is not to be a whitewash; I want them to "tell it like it is."

Finally, let me say that if this committee will make the necessary hard and realistic recommendations, this Senator is prepared to make the difficult decisions needed to get Postal Service operations on a firm footing. I believe this is an obligation we all must accept if the present version of H.R. 8603 becomes law.

INSURING CONTINUED POSTAL SERVICE

Mr. GRIFFIN. Mr. President, I will support the bill reported by the Committee on Post Office and Civil Service. It is a sad and regrettable fact that the Postal Service faces a crippling operating deficit of nearly $3 billion. If the Congress fails to provide sufficient funds before the end of this session, the result may be further postal rate increases and service reductions. Such a situation, understandably, would be viewed as intolerable by the American public.

H.R. 8603 would authorize two appropriations of $500 million each to be applied against the Postal Service's accumulated debt. The moneys will not be used for operating subsidies. The first appropriation would be made September 30, 1976, and the second on September 30, 1977. In addition, the bill would establish a 12-member Commission on Postal Service to make recommendations to Congress by February 1977, on ways of best resolving the chronic operating difficulties which have plagued our national postal system.

During the period of the Commission's study, the bill mandates a moratorium on all rate increases and service reductions, including the closing of small post offices. Thus, the public is assured that no further rate increases or service cuts will occur until the Congress is provided an adequate opportunity to explore thoroughly all the alternatives for reform.,

Significantly, this legislation represents a compromise—reached after much discussion and negotiation—between the House and Senate committees with jurisdiction over our postal system and the administration. As such, it may very well be the only approach now under consideration which can be passed by the Senate, accepted in conference by the House, and signed into law by the President during this session of the Congress.

Many provisions of the substitute package offered by the Senator from South Carolina (Mr. HOLLINGS) are appealing and worthy of the Senate's close consideration. At this juncture, however, the adoption of substantive amendments would threaten the delicate compromise of interests so carefully worked out in the legislative process.

Thus, opposition to the substitute package should not be misconstrued as opposition to postal reform. There will be ample opportunity for a full hearing on the relative merits of various reform proposals advanced—including those of the Senator from South Carolina—after the study commission makes its recommendations in February.

While it is unfortunate that Congress has not been able to agree upon a genuine reform package this session, it must be recognized that we are confronted with a very urgent situation that demands a response now. It is essential that we allow postal services to continue at existing levels and rates while we attempt to work out the best approach to reform. I believe that the bill before us offers the best approach available for achieving that objective.

Mr. MATHIAS. Mr. President, as I look at the changes in the Postal Service since the Postal Reorganization Act of 1970, I find some signs of the improvement which Congress was looking for when it passed that bill.

Delivery performance of first class mail in overnight delivery areas has improved to the point where 95 percent of first class mail is reported to be delivered overnight. I sometimes feel discouraged that I am personally among the other 5 percent, but nothing is perfect.

The wages and working conditions of postal employees have been somewhat improved. With the signing of collective-bargaining agreements in 1975, increases in base pay averaging 4 percent per year over the next 3 years plus cost-of-living adjustments have been achieved for the men and women of the Postal Service.

And the previous taint of political appointments within the Service has abated.

I think it is important that we in the Congress as well as our Nation's citizens remind ourselves of the postal policy the Congress set forth in the Postal Reorganization Act of 1970:

> (a) The U.S. Postal Service shall be operated as a basic and fundamental service provided to the people by the government of the United States, authorized by the Constitution, created by Act of Congress and supported by the people. The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt reliable and efficient services to patrons in all areas and shall render postal services to all communities. . . .
>
> (b) The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining. No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities.

We knew what we were saying when we in Congress stated that policy. We wanted to insure that "service" would be the foremost goal and that the geographically remote sections of our country would not be disadvantaged—left out of the mainstream of our national communication system—in order to achieve some operating efficiencies. There are some services, such as rural mail delivery, whose benefits far outweigh any "costs" which may be attributed to them.

The people want and need to know that someone cares about them. That someone cares about the mail which they entrust to the postal system each day and that the mail will be handled with the same concern as that of the person mailing it.

Of course all is not well with the Postal Service as we are all keenly aware. Volume is down, rates are up, complaints are up, and the threat of competition by private carriers is always hovering in the background.

The Senate Post Office and Civil Service Committee has been grappling with these issues and completed work on a Postal Reorganization Act amendments bill recently for full Senate action.

That bill, I believe, satisfies the immediate financial needs of the Postal Service for an operating subsidy of $1 billion for the period of October 1, 1976, through October 1, 1977.

It goes on to establish a 10-member Commission on the Postal Service. The Commission is charged with identifying the major service, cost, and funding problems of the Postal Service and making recommendations by February 15, 1977.

The bill limits reduction in service to insure that service remains the main goal. It also spells out criteria which must be met before rural post offices are closed. This will avoid indiscriminate closings while guaranteeing existing door-to-door or curbline delivery.

Here again, better service was the overriding concern of the committee.

And lastly, the bill places a temporary moratorium on rate increases until the Study Commission reports back to the Congress on the rate-making and cost-attribution procedures of the Postal Rate Commission.

This last issue of rate increases is perhaps the most publicly aired concern of citizens. It is a very difficult task which the Study Commission has before it—to provide guidance to the Postal Rate Commission in determining costs, attributing them to the various classes of mail, and setting a reasonable time for final rate determinations.

One particular area which I believe the Postal Service should devote more effort to is that of public information. The Postal Service should let the public know about its mail handling procedures, its bulk mail centers, and the highlights of its operating costs. This information will contribute to a better understanding of postal services and the ways in which citizens can insure that their parcels or letters are properly packaged, addressed, and ultimately delivered. It is my belief that if the general public has a better understanding of the way the Postal Service operates, citizens will have fewer complaints, and will be better equipped to mail their parcels and letter. This should lead to greater satisfaction with the Postal Service and reduce complaints.

The end result of such a public information effort would be better public service by the USPS for their customers—the American citizen.

Mr. PACKWOOD. Mr. President, Oregon and a number of other States have been faced with the closure of numerous small post offices. I believe that small post offices serve a necessary social function. They are a hub of small communities, and are often the only Federal agency in town to give needed information on taxes, social security, civil service, and other public service materials. These rural post offices are necessary services.

As we all know, the post office is facing massive deficits. I have suggested that as an alternative to closing small post offices the Postal Service should study the effects of going from 6- to 5-day delivery.

Because I have had the personal assurance of Senator McGEE, the distinguished chairman of the Senate Post

Office and Civil Service Committee, that the Commission created under his bill would look into the cost savings and other effects of 5-day delivery, I will not offer the amendment I had prepared. My amendment would have directed the new blue-ribbon Commission to study the feasibility of providing regular delivery service to any mailing address on not more than 5 days in any one week. But the chairman assures me that the mandate of the Commission is sufficiently broad to include this study.

I have been tremendously impressed by the estimated savings in just the State of Oregon. The Portland postal district, which includes virtually all of Oregon, estimates that 5-day delivery would save about $6 million per year. Currently the Portland postal district operates with an annual deficit of about $5 million. Five-day delivery would result in an estimated net savings of about $1 million per year, and this is just in the State of Oregon.

Particularly in relation to closing small, rural post offices, the best solution to the rising postal deficits may rest with 5-day delivery. I would hope that the Commission thoroughly studies the question of 5-day delivery and reports its findings at the soonest possible time.

Mr. WILLIAM L. SCOTT. Mr. President, I spoke briefly yesterday and oppose this bill for a number of reasons. One is that the 1970 act setting up the Postal Service has not accomplished the purposes the proponents felt that it would. Even though the Postal Reorganization Act of 1970 creating this quasi-independent Government agency provided for various subsidies, the bill before us would add an additional billion dollars over a period of 2 years and undoubtedly result in still further subsidies in the years to come.

Therefore, the desirability of studying the operation of the Postal Service is readily apparent. Rather than creating a new commission, however, to make the study, it would appear that appropriate committees of the Congress could readily perform this function.

While none of us want to see any additional increases in postal rates, one of the major bargaining points when the Postal Service was created was that it would be self-sustaining. To accomplish this the costs of operation must be decreased or postal rates must be increased. Yet this bill would tend to meet the financial gap by more subsidies.

When the measure creating the Postal Service was considered in the House of Representatives in 1970, then Congressman H. R. Gross of Iowa, and I, joined in submitting minority views. Mr. President, I ask unanimous consent that these views commencing at page 252 of the "Explanation of the Postal Reorganization Act," revised in July of this year, as well as my supplemental views beginning at page 257 of the same committee report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF HON. H. R. GROSS AND HON. WILLIAM L. SCOTT ON H.R. 17070

This legislation, H.R. 17070, reported by a bare majority of the committee, proposes a cure for the problems of the postal service which in the final analysis is worse than the conditions it seeks to remedy.

Change, for the mere sake of change, is dangerous legislative policy. It is absolute misrepresentation to try to fool the American public into thinking that the creation of an "independent establishment" with corporate powers will in itself result in increased efficiency, greater economies, and better service to them.

The basic philosophy behind this legislation is that changing the organization of the Post Office Department will, by itself, provide better postal service to the American people. It is seriously doubtful that such will be the case. The only thing we can reasonably predict is that after this legislation is enacted, postal rates will go up and postal service to the public will be drastically reduced.

RESPONSIBLE TO WHOM?

One of the core issues in postal reform is to whom should the operating head of the postal service be responsible? Under this legislation, the management of the postal service will be insulated from both the public and their representatives in Congress by a nine member politically appointed commission.

Under the terms of the bill, if the claim has any validity that politics will be removed from the postal service, the way is certainly open for personal patronage and cronyism to be substituted.

SERVICE TO THE POSTAL PATRON

If the legislation supported by the majority of the committee is finally enacted, the postal service, as we know it today, will cease to exist. It has been learned that a so-called "5-year plan" is now circulating at Postal Headquarters to be implemented as soon as this legislation is enacted. The plan would eliminate all Saturday delivery service and window service, consolidate existing postal facilities, curtail mail delivery service to colleges and universities, curtail parcel post service, reduce clerical hours, discontinue air taxi service, discontinue airlift first-class mail, and many other services as we now know them.

The question might be asked as to why the postal service has not taken such action prior to this time. The answer is simple—Congress would never permit such a curtailment of postal service to the American public. It will be through this legislation, creating an agency unresponsive to Congress that the postal service will be curtailed and postal rates drastically increased in obedience to a blind "break-even" obsession.

PUBLIC SERVICE

The public service concept of the postal service in the present law has been painstakingly developed by Congress over a period of many years. It provides essential recognition of the public service role of the Post Office Department and assists in keeping postal rates for the public at a reasonable level.

The committee bill is contradictory. First, it recognizes the validity of a public service allowance by starting out with an adequate figure. Then it proceeds to scale down the total allowance over a period of years ending with a low figure produced by a new and unrealistic formula. The new formula, for example, totally wipes out any public service allowance for the deficit incurred in providing the rural areas of America with adequate postal service.

LABOR-MANAGEMENT RELATIONS

The committee report completely sidesteps the critical issue that is created by the labor-management provisions of this bill. It will, if enacted, destroy long-standing personnel policies in the Federal government. For example, the policies enunciated by Presidents Kennedy, Johnson, and Nixon of the right of all Federal employees to join or to refrain from joining a labor organization are not contained in this legislation.

In a drastic departure from established Federal personnel policies, this legislation removes postal workers from competitive civil service and brings the Postal Service and its employees under the coverage of the Labor Management Relations Act of 1947. This act permits a union and employer to make an agreement requiring all employees to join the union in order to retain their jobs.

Never before in our history has an individual been faced with the requirement of having to join a labor organization if he wished to work for the Federal Government. Once established in the Postal Service, the consequences of this policy throughout the Federal service ought to be apparent to all.

Over the years, by law, and by administrative and judicial actions, all barriers—race, religion, age, sex, ideological beliefs, etc.—have been removed between an American citizen and the privilege of working for his government, but this bill paves the way for union membership as a rigid condition of Federal employment.

If there is any doubt that we are faced with the prospect of a union shop policy for all Federal employees, then here is what George Meany, president of the AFL–CIO had to say in testifying in favor of this bill:

"We in the AFL–CIO hope to be back before this committee in the very near future, urging adoption of a measure that will insure genuine collective bargaining for all aspects of employment for all civilian workers of the Federal Government. We think this bill is only a beginning.

"As we see it, the Congress is today paving the way for a new day in Federal employer-employee relationship."

COLLECTION OF UNION ASSESSMENTS

One of the interesting features that came out of the so-called postal strike negotiations is the language in section 226 of chapter 2 governing the collection of union dues. This "dues checkoff" procedure under both the Labor Management Relations Act and under Executive Order 11491 on Federal employee-management relations is limited to the collection of "regular and periodic dues." Under H.R. 17070, however, the Postal Service will collect not only regular dues, but will collect from the pay of the employees, "regular and periodic" union assessments and initiation fees as well. Even in private industry, labor organizations are not given such a guarantee.

POSTMASTERS

The omissions of this bill are as significant as its commissions. For example, you can look in vain for any language in this legislation which, under the new Postal Service, governs the appointment, qualifications, or residency of postmasters as such. Whether or not the office of postmaster will continue to exist is debatable. If the proponents of this bill wish to install a system of rotating "office managers," then they should tell us so in so many words.

UNACCEPTABLE IN THIS FORM

For these and a multiplicity of other reasons this legislation is unacceptable in its present form. Foremost is the new personnel policy established which is diametrically opposed to the history of our competitive civil service and it is reason enough to reject the committee bill, H.R. 17070.

H. R. GROSS,
WILLIAM L. SCOTT.

SUPPLEMENTAL VIEWS OF CONGRESSMAN WILLIAM L. SCOTT ON H.R. 17070

While I have joined with my colleague, H. R. Gross, in minority views, I would like to add these supplemental comments.

My primary objections to the bill, H.R. 17070, as reported by the committee are:

(1) The almost unlimited control given the

Postal Service over salaries, conditions of employment, postal rates and expenditures of funds without any responsible control over the Service either by the President or the Congress. In my opinion, all Government officials should be ultimately responsible to the elected representatives of the citizens.

(2) The probability that all postal workers will have to belong to a union in order to retain their Government positions. Compulsory unionism for public workers seems untenable and while it may be argued that section 14(b) of the Taft-Hartley Act would apply to employees of the Postal Service, yet the National Right To Work Committee advises that there are a number of suits questioning the validity of right-to-work laws insofar as they relate to Federal employees or persons employed on Federal property.

(3) Removal of more than 730,000 postal employees, or roughly one-quarter of all Federal civil service workers, from the provisions of the competitive civil service merit system. In my opinion, the appointment and promotion of Federal employees through the civil service laws and regulations is in the interest of both the employees and the Government.

When the committee reported H.R. 4 earlier this year, which was another version of the administration's postal reform legislation, I requested the Comptroller General of the United States and the Chairman of the Civil Service Commission to review the legislation from the point of view of employees' rights and benefits. There is no difference, in this respect, between H.R. 4, as reported, and H.R. 17070, as reported, other than a minor variation that has to do with workmen's compensation. The letters set forth below, therefore, are applicable to the language contained in H.R. 17070.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., March 31, 1970.

Hon. WILLIAM L. SCOTT,
House of Representatives.

DEAR MR. SCOTT: This refers to your letter of March 13, 1970, transmitting for our consideration a copy of the postal reform bill which was reported out of the Committee on Post Office, and Civil Service, House of Representatives, on March 6, 1970. Specifically, you request information regarding the extent to which the rights and benefits of present postal employees would be altered by the provisions of such bill if enacted into law.

Initially, we point out that section 209 of title 39, United States Code, as proposed by section 102 of the bill provides, inter alia, that no Federal law dealing with officers and employees of the United States shall apply to the exercise of the powers of the United States Postal Service Authority except as otherwise provided in title 39 and except insofar as such laws remain in force as bylaws or regulations of the authority.

Subsection 801(a) of the proposed title 39 provides that the officers and employees of the United States Postal Service Authority shall be in the postal career service, which shall be a part of the civil service, and that appointments and promotions shall be in accordance with procedures established by the Authority. We believe the intent of subsection 801(a) is to remove postal employees from the competitive service. In the competitive service appointments and promotions are based upon merit and fitness as determined by examinations. See U.S.C. 3304 and 3361. However, as stated, subsection 801(a) provides that appointments and promotions shall be in accordance with procedures established by the Authority. It is evident, therefore, that such personnel actions are not to be subject to the laws and regulations governing the competitive service. Moreover, bearing in mind the language of section 209, as discussed above, we note that the provisions of title 5, United States Code, pertaining to the competitive service, are not specifically made applicable to employees of the Authority.

Subsection 801(a) further provides that the provisions of chapter 75 of title 5 shall be applicable to employees of the Authority subject to the provisions of any collective bargaining agreements and subject to procedures established by the Postal Service (the Authority) and approved by the Civil Service Commission. Chapter 75 of title 5 encompasses provisions derived from the Lloyd-LaFollette Act of 1912 prohibiting removal of individuals in the competitive service except for cause, provisions relating to actions adverse to preference eligibles, provisions relating to removal of hearing examiners, and provisions relating to suspension and removal of employees for reasons related to the national security. Subsection 801(c) of the proposed title 39 specifically adopts the veterans preference provisions of chapter 75 and subsection 1251(b) adopts the hearing examiner provisions. Therefore, we assume that only those provisions of chapter 75 that are derived from the Lloyd-LaFollette Act prohibiting removals except for cause (section 7501) and those concerning national security (sections 7531 and 7532) are subject to collective bargaining agreements and procedures established by the Authority as provided in subsection 801(a).

With the exception of the provisions of title 5 which were formerly known as the Veterans Preference Act and of retirement benefits, which would continue to be provided under the civil service retirement program (chapter 83 of 5 U.S.C.), all compensation, benefits and other terms and conditions of employment would be determined by the Executive Council of the United States Postal Service Authority through collective bargaining in accordance with section 806. No change in those rights occur until affirmative action is taken by the Authority. It is not possible to determine the extent to which benefits such as leave, travel, training, back pay, etc., would be affected by the bill.

With respect to unemployment compensation, compensation for injuries and death, life and health insurance, subsection 803(c) provides that the present statutory provisions governing such benefits shall apply to employees of the Authority unless varied, added to, or substituted for pursuant to that subsection. However, the subsection provides that no variation in fringe benefits shall result in a program which, on the whole, is less favorable to the employees than that in effect on the date the Authority commences operation. Although the bill provides for employee protection through collective bargaining agreements and sets forth procedures for the settlement of disputes, we note that it does not contain any minimum requirements for compensation such as for fringe benefits but, rather, provides only for comparability with the non-Federal sector. See section 805 of title 39 as proposed.

Under subsection 803(d) any employee of the Post Office Department on the effective date of that section would be eligible to transfer to any position within the Government which is open and for which he is qualfied. The subsecton places no time limit on such transfers. Compare subsection 803(d) of H.R. 11750, 91st Congress, which provides for a one-year period on trasfer eligibility.

In summary, it appears that very few of the statutory provisions presently applicable to postal employees would continue to be mandatorily applicable to them under the bill in question. Generally, however, the provisions of the bill are designed to afford postal employees benefits and protections no less than they presently enjoy.

Sincerely yours,

R. F. KELLER,
Assistant Comptroller General of the United States.

APRIL 17, 1970.

Hon. WILLIAM L. SCOTT,
House of Representatives,
Washington, D.C.

DEAR BILL: We received the House committee print on postal reform which you sent us. In line with your request, we focused on the effect the proposed bill would have on the status of career service employees and what changes would take place in the rights and protections they now have in the event the bill is enacted into law.

Employees of the Post Office Department, with the exception of the nine presidential appointees at headquarters, would automatically become employees of the new Postal Service Authority. Any of these employees serving under a career or career-conditional appointment, as well as any other employee with the same kind of appointment who moves to the Authority later on, would retain his eligibility to return to the competitive service in any position for which he qualifies and for which an agency wishes to hire him.

With respect to changes in the rights and protections afforded employees, nonveterans who now have a right to appeal to the Civil Service Commission in an adverse action would no longer have that right. The Authority is required, however, subject to collective bargaining agreements, to establish procedures which would assure its employees of an opportunity to be heard before adverse actions are taken against them.

Additionally, employees of the Authority may have lesser reemployment rights than other Federal employees on returning from military service. The new section 801(c) provides that insofar as reemployment rights after military service are concerned, employees of the Authority shall be entitled to them to the same extent and in the same manner as employees in the private sector. This means that if circumstances in the Postal Service change to such an extent that it is considered impossible or unreasonable for the Authority to reemploy a veteran, he would not come under the provision of law that lets the Civil Service Commission direct placement in another Federal agency. Further, the postal employee would no longer be entitled to the benefits of the Commission's regulations under the Military Selective Service Act of 1967 (including the right to be considered for promotion in absentia and the right of appeal to the Commission when an employee claims improper restoration).

It should be noted that there are some questions about the rights of veterans in adverse actions that would have to be resolved if the proposed legislation is enacted in its present form. On the one hand, the new section 801(c) provides that the provisions of title 5 formerly known as the Veterans' Preference Act shall apply to the Postal Service. On the other hand, the new section 801(b) provides that the Authority has the right, consistent with the Labor-Management Relations Act of 1947, as amended, and chapter 11 of title 29, United States Code (the Labor Management Reporting and Disclosure Act of 1959), and consistent with applicable laws, regulations, and collective-bargaining agreements to suspend, demote, discharge, or take other disciplinary action against employees.

The reason a question arises is that section 14 of the former Veterans' Preference Act not only prescribed the procedures to be followed in adverse actions (now chapter 75 of title 5) but also provided that an agency may take adverse action against a preference eligible only after appropriate notice for such cause as will promote the efficiency of the service. Section 14 also provided for appeal to the Civil Service Commission (now chapter 77 of title 5).

Similar questions would have to be resolved in the matter of releasing employees when reductions in work force occur. Under section 12 of the former Veterans' Preference Act (now subchapter I of chapter 35 of title 5), the method of releasing employees in a reduction in force is established by the terms of the act and the Commission's regulations issued thereunder. But this is another area that would appear to be subject to collective bargaining agreement under the proposed legislation.

I hope the information provided will be useful to you.

Sincerely yours,

ROBERT E. HAMPTON,
Chairman, U.S. Civil Service Commission.

In my opinion this measure should either be recommitted to the Post Office and Civil Service Committee to be revised in the aforesaid manner or be defeated.

WILLIAM L. SCOTT.

Mr. WILLIAM L. SCOTT. Mr. President, I believe that a careful study, whether conducted by congressional committees or a specially created commission, will find many defects in the present operation of the Postal Service, and it seems to me that it is time for us to return legislative oversight to the Congress and administrative responsibility for the operation of the post office to the executive branch of the Government.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MONDALE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), the Senator from Washington (Mr. MAGNUSON), the Senator from California (Mr. TUNNEY), and the Senator from Iowa (Mr. CULVER) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK) and the Senator from Kansas (Mr. DOLE) are necessarily absent.

I also announce that the Senator from South Carolina (Mr. THURMOND) is absent on official business.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Utah (Mr. GARN) and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 79, nays 9, as follows:

[Rollcall Vote No. 524 Leg.]

YEAS—79

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Curtis
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Griffin
Hansen
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tower
Weicker
Williams
Young

NAYS—9

Abourezk
Fannin
Goldwater
Helms
Hollings
Laxalt
Mansfield
McClure
Scott, William L.

NOT VOTING—12

Brock
Clark
Cranston
Culver
Dole
Garn
Hartke
Haskell
Magnuson
Mondale
Thurmond
Tunney

So the bill (H.R. 8603), as amended, was passed.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the amendments to the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I move that the Senate insist upon its amendments to the bill, request a conference with the House of Representatives thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. McGEE, Mr. RANDOLPH, Mr. BURDICK, Mr. FONG, and Mr. STEVENS conferees on the part of the Senate.

CHILD DAY CARE SOCIAL SERVICES UNDER TITLE XX OF THE SOCIAL SECURITY ACT—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on the bill (H.R. 12455) to extend from April 1 to October 1, 1976, the maximum period during which recipients of services on September 30, 1975, under titles IV–A and VI of the Social Security Act, may continue to receive services under title XX of that act without individual determinations.

Mr. LONG. Mr. President, as I understand the parliamentary situation, the first vote will be a procedural vote on the conference report, and then we will have a rollcall vote on the House amendment to the Senate amendment.

The PRESIDING OFFICER (Mr. DURKIN). Since the conference report is a disagreement, the Senator is correct.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BEALL. I should like to ask the Senator to clarify something.

Mr. LONG. The first vote should be a voice vote, clearing the way for the second vote, a rollcall vote on concurring to the House amendment to the Senate amendment.

Mr. BEALL. Before proceeding to vote, I wanted to engage in colloquy with the Senator on another matter. Will the Senator yield to me?

Mr. LONG. I yield.

Mr. BEALL. Mr. President, as the ranking minority member of the Labor and Public Welfare Committee's Subcommittee on Aging, I am pleased that the conference report on H.R. 12455 addresses itself to our efforts to limit the use of individual means tests for social services to the elderly. The Subcommittee on Aging has responsibility for the Older Americans Act and other legislation designed to improve the quality of life for senior citizens. Most of the programs authorized by our subcommittee do not require means tests of the individual participants. We have specifically avoided making these "poverty" programs or giving them a "welfare" orientation. Income alone is not a good measure of the social and nutritional service needs of the elderly.

On July 22, 1975, I joined in cosponsoring S. 2157 which would allow the States to substitute group eligibility for individual means tests in the delivery of social services to the elderly. I am personally convinced that the elderly will not abuse these services and I do not believe that the Congress intended to exclude senior citizens who are currently participating in social and nutritional programs.

The conferees on H.R. 12455 agreed to an amendment that would ". . . on a permanent basis, permit States to determine eligibility for social services on a group basis. The group would have to be such that the State can reasonably conclude that substantially all members of the group have incomes below 90 percent of State median income." The key words in this compromise are "substantially all." If the regulation writers at HEW choose to interpret that language narrowly, they could literally require the States to impose a form of means testing in order to insure compliance with this group eligibility provision.

Mr. President, if HEW, by regulation, sets high rigid-fixed percentage targets for this provision they will defeat the objective of group eligibility and exclude needy senior citizens from participating in vital social services. Spot checks would indicate that approximately 70 percent of the participants in the title VII nutrition program, which does not involve a means test, are low income individuals. I do not believe that we need worry about serious abuse by the elderly in this type of social services program. We do have to be concerned that rigid means testing increases Administrative costs, discourages participation, complicates the integration of title XX programs with other Federal and State programs, and degrades the proud senior citizens who have built 20th century America.

I believe that HEW regulations should not seek to define "substantially all" but instead allow maximum latitude to the States in establishing and enforcing these standards.

I have recently received a copy of the mailgram from Dr. Matthew Tayback, director of the Maryland Office on Aging, to Senator Long regarding this provision, and I ask unanimous consent that it be printed in the Record.

There being no objection, the mailgram was ordered to be printed in the Record, as follows:

Baltimore, Md.

Hon. J. Glenn Beall, Jr.,
Senate Office Building,
Washington, D.C.

This is a copy message sent to Honorable Russell B. Long:

In considering H.R. 12455 we urge that the Senate Finance Committee clarify the definition of "Substantially all" so as to give maximum flexibility to States in determining eligibility for services through title XX of the Social Security Act.

Matthew Tayback, Sc. D.,
Maryland State Director on Aging.

Mr. BEALL. Mr. President, I think it would be very helpful, in establishing congressional intent, if the distinguished chairman of the Senate Finance Committee would clarify the meaning of "substantially all."

Mr. LONG. Mr. President, the conferees adopted language permitting group eligibility for social services when a State determines that "substantially all" members of a group have incomes below 90 percent of the State median income. I believe the conferees used this language precisely because they did not think it appropriate to set a specific percentage of the group who must be below 90 percent of State median income. I hope the Department will not attempt to establish some such firm dividing line in regulations or other administrative issuances. This bill is intended to increase flexibility and eliminate redtape, and I hope it will be accepted as such. Whether a given group meets the requirements is a matter for each State to determine by applying reasonable judgment in all good faith to each situation on a case-by-case basis.

Mr. BEALL. I thank the Senator from Louisiana for that clarification. I think that does indeed give the kind of flexibility that States feel is needed in order to make sure that the largest number of people are eligible to participate in this program.

The PRESIDING OFFICER (Mr. Gary Hart). Who yields time?

Mr. LONG. Mr. President, as I understand it, the first question is procedural rather than substantive, to agree to the conference report. It is the second question that ought to be decided by a rollcall vote.

I ask unanimous consent that we have the first vote by voice vote. Then I would like to suggest the yeas and nays on the vote to concur in the House amendment to the Senate amendment.

The PRESIDING OFFICER. Does the Senator from Louisiana want the question put on the conference report at this point?

Mr. LONG. Yes, just as a voice vote. Then I would suggest that a division of time occur on the House amendment to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. LONG. Mr. President, I ask for the yeas and nays on the motion that the Senate concur in the House amendment to the Senate amendment.

The PRESIDING OFFICER. Is the Senator making a motion?

Mr. LONG. Yes.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LONG. The new social services law which became effective on October 1, 1976, was intended to improve the program and to give the States the necessary flexibility to provide services in the way in which the needs of their citizens could best be met. In practice, many States found that the Federal eligibility rules in the new statute were overly restrictive and that the child care requirements would have substantially increased their costs so that, without additional funding, cutbacks in services would be required.

The conferees on the bill H.R. 12455 have reached an agreement which resolves these problems. While the House conferees were again unwilling to accept the Senate approach to social services eligibility which would leave the States free to set eligibility requirements, agreement was reached on a procedure which will permit States to determine eligibility on a group basis rather than by mandating eligibility determinations to be made for each individual to be served.

With respect to child care, the House accepted the Senate provisions suspending preschool staffing standards until October 1, 1977, providing certain waivers, and extending and improving the incentives for hiring welfare recipients in child care jobs. I believe that this bill meets the principal objections that the President voiced when he vetoed a previous bill involving this subject.

The conference agreement also provides an additional $240 million in Federal child care funding between now and September 30, 1977, as compared with $375 million in the Senate bill. $200 million of this would be provided in fiscal year 1977 without a State matching funds requirement.

I ask unanimous consent that a more detailed summary of the provisions of the conference agreement be printed at this point.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Description of Conference Action

Eligibility for social services.—The House bill would have permitted States now determining eligibility on a group rather than individual basis to continue this procedure until October 1, 1976. The Senate bill would have repealed all Federal eligibility requirements. The amendment agreed to by the conferees would, on a permanent basis, permit States to determine eligibility for social services on a group basis. The group would have to be such that the State can reasonably conclude that substantially all members of the group have incomes below 90 percent of State median income. Except for children of migrant workers, however, eligibility for child day care services would have to continue to be determined on an individual basis. Under the amendment, there would be no Federal eligibility requirements for family planning services.

Deferral of child care standards.—Federal staffing standards for child day care serving children aged 6 weeks to 6 years were suspended from October 1, 1975, to February 1, 1976, under prior legislation. The amendment approved by the conferees would extend this suspension retroactive to February 1, 1976, and forward to October 1, 1977. (State law requirements would have to be met, and standards could not be lowered from September 1975 levels.)

Increased social services funding for child care.—Through September 30, 1977, the conference amendment increases the existing $2.5 billion limit on social services by $40 million for the July-September 1976 quarter and by $200 million for fiscal year 1977. The additional funding cannot exceed the Federal funding due a State for child care expenditures. The additional funds would be allocated among the States on a population basis (as is the $2.5 billion available under current law).

Emphasis on employing welfare recipients.—Requires States, to the extent they determine feasible, to use the added Federal funding in a way which increases employment of welfare recipients and other low-income persons in child care jobs.

State grants to aid employment of welfare recipients.—Permits States, without regard to usual title XX requirements, to use the added Federal funding under the bill to make grants to child care providers to cover the cost of employing welfare recipients. These grants would be limited to $4,000 per year per employee in the case of proprietary providers thus providing (in conjunction with the tax credit under section (4)) full Federal funding of employment costs up to $5,000. (For public and nonprofit providers, which are ineligible for tax credits, the limit on grants under this section would be $5,000.) Grants could be made under this authority only if at least 20 percent of the children served by the child care provider have their care paid for through the title XX program.

Increased matching for child care.—Increases the Federal matching rate for child care expenditures from 75 percent to 100 percent. The increased rate would apply only to the additional amount of Federal funding provided under the amendment for fiscal year 1977.

Expiration of welfare recipient tax credit.—The present law provision granting a tax credit equal to 20 percent of wages to employers who hire persons who receive Aid to Families with Dependent Children is scheduled to expire June 30, 1976. The conferees agreed to continue this provision in effect, in the case of child care employers only, through September 30, 1977. This section would also limit the tax credit, in the case of child care jobs, to a maximum of $1,000 per employee per year.

Waiver provisions and modification of family day care requirements.—The amendment agreed to by the conferees permits State welfare agencies to waive the Federal staffing requirements in the case of child care centers and group day care homes which meet State standards if the children receiving federally funded care represent no more than 20 percent of the total number of children served (or, in the case of a center, there are no more than 5 such children), provided that it is infeasible to place the children in a facility which does meet the Federal requirements. The section would also modify the limitations on the number of children who may be cared for in a family day care home by providing that the family day care mother's own children not be counted unless they are under age 6. This change would apply retroactive to October 1, 1975. This entire section would be inapplicable after September 30, 1977.

Addicts and alcoholics.—The conferees agreed to extend through September 30, 1977, certain modifications provided under P.L. 94–120 governing funding of services for addicts and alcoholics. The provisions, which expired January 31, 1976, require that special confidentiality requirements of the comprehensive Alcohol Abuse Act be observed with regard to addicts and alcoholics, clarify that the entire rehabilitative process must be considered in determining whether medical services provided to addicts and alcoholics can be funded as an integral part of a State social services program, and provide for funding of a 7-day detoxification period even though social services funding is generally not available to persons in institutions.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Is this question—the distinguished Senator from Louisiana says that the amendment provides for an additional $240 million, and second, that it waives the enforcement of the Federal standards as to staffing. The question I ask is: Is the issue the business? If so, I would like a division of the question.

The PRESIDING OFFICER. The Senator from Louisiana has not moved to divide the issue. It is simply a motion to concur.

The motion is to concur in the House amendment to the Senate amendment to the House bill and it is not divisible.

Mr. ALLEN. A further parliamentary inquiry, then. An amendment would take priority, would it not, over a motion to agree?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. I therefore suggest the absence of a quorum in order that I might prepare an amendment.

The PRESIDING OFFICER. On whose time?

Mr. ALLEN. I shall wait until the time is up to make that suggestion if the time is limited.

Mr. BARTLETT. Mr. President, do I have time on this amendment?

The PRESIDING OFFICER. The Senator has 15 minutes.

Mr. BARTLETT. Mr. President, I advise the Senator from Alabama that I would like to speak on this and perhaps he can prepare his amendment while I am speaking.

Mr. ALLEN. Very well.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Ed King of my staff be accorded the privilege of the floor during debate and consideration of this proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, today we have before us the conference report on H.R. 12455. The conferees have reduced the authorization to $240 million, but we are still confronted with the same unsupportable arguments for the expenditure of this money. This matter has been debated at great length, and the inconsistency of providing money for standards that have been postponed has been pointed out.

It is certainly folly to reason that this bill will receive a different reaction than H.R. 9803, which at least provided a scintilla of need for the expenditure of tax dollars.

In other words, the rationale of that proposal was that the $375 million was needed to finance the additional staffing standards thrust upon the States and private enterprise by the Federal Government. In this case, the staffing standards are postponed, so it is $240 million for nothing.

Rather than argue further the specifics of this bill which were substantially covered by the honorable Senator from Nebraska and myself in the original debate on May 20, 1976, I would like to pose the question of using taxpayers' dollars for standards that will be postponed and may be in substantially different form when they are reconsidered in the fall of 1977.

This is like buying a pig in a poke when we know the poke is empty.

There is no doubt that the standards which were adopted in 1974 would have substantially increased the cost of providing day care. In the debate which occurred on January 29 of this year, the proponents of H.R. 9803, the honorable Senators from Louisiana and Minnesota, both explained that the purpose of funding through the bill was to offset the additional cost created by the title XX staffing standards.

In the debate on H.R. 9803 on January 29, 1976, the honorable Senator from Louisiana (Mr. LONG), said:

> Since personnel costs are the major element of cost in the provision of child care, the Federal staffing standards have been given the greatest attention.

On the same date, January 29, 1976, the honorable Senator from Louisiana (Mr. LONG), in the debate of H.R. 9803, said:

> This matter has dragged along long enough, Mr. President, basically, this bill simply provides the foundation so that the States will have the money needed to meet the Federal staffing requirements and other special standards, but it is basically the staffing requirements that we are talking about, to provide adequate care for these little children.

On the same date, January 29, the Honorable Senator from Louisiana (Mr. LONG) said:

> But the standard does increase the cost of providing day care, because additional people will be needed to provide adequate care for these little children.

This proposal postpones the staffing requirements and postpones the requirement of additional people who will be needed to provide adequate care for these little children, as the distinguished chairman said.

Then on March 24, debate on the conference report, H.R. 9803, the Honorable Senator from Minnesota (Mr. MONDALE) said:

> This compromise bill would cut the cost of compliance with day care standards in half. It supplies funding to meet those costs. It is within the congressional budget, as measured by both Budget Committees.

On May 5, debate on H.R. 9803 President's veto, the Honorable Senator from Louisiana (Mr. LONG) said:

> The issue is whether we will make it possible for the States to obey that Federal law without seriously curtailing their child care programs. H.R. 9803 will accomplish this by providing additional child care funding—$125 million for the period between now and September 30 of this year—and by making it attractive for States to meet the Federal child care staffing requirements by employing welfare recipients in child care jobs.

Of course, H.R. 9803 authorized another $250 million for the succeeding full year.

On May 20, 1976, the Honorable Senator from Minnesota (Mr. MONDALE) in debate on H.R. 12455, said:

> In the meantime, the compromise in the pending bill would continue the key provisions of the vetoed day care bill, H.R. 9803, until October 1, 1977. This would include funding at the annual rate of $250 million; incentives for employment of welfare recipients in day care centers; and modifications in standards for family day care and for centers with few federally assisted children.

Mr. President, I think it is clear from those quotes from the RECORD that the intent originally was to provide additional authorization to the States to compensate the States for additional expenditures that would be occasioned by the increased staffing standards. The increased staffing standards have been postponed in this proposal we have before us, so it is $240 million for nothing.

What are we now offsetting in H.R. 12455? It would seem that some are saying, "Let us use the taxpayers' money to pay for staffing standards that have been postponed and have been agreed as having no sound basis."

We are simply spending to be spending. This body sustained a veto of authorizing $375 million to fund the new staffing standards. Does it make sense now to fund the postponement of those same standards by authorizing $240 million? Absolutely not.

This is questionable logic, and I am concerned about how you explain this to the citizens who are paying for this funding. This is a question that not only the proponents have to answer, but each one of us must do the same. If I were to go to my hometown automobile dealer and tell him that I would pay for an auto but the dealer could keep it, not only would the dealer, my wife, and the neighbors question my sanity, but I would probably find myself before the district judge for a mental health hearing resulting in the appointment of a guardian for my person and assets.

We are elected as empowered guardians of the citizens of this country, but now we are paying for something we do not have have decided that we do not want. Who will then appoint a guardian for Congress to protect our person and the assets that the public entrusts to our discretion?

I think we should demonstrate that we are capable of handling the trust that has been placed in our hands. We should reverse our position and await the final study report on day care staffing standards, which will be available next year. At that time, if we desire, we can assess how best to implement and to fund any additional Federal requirements. I ask my colleagues to vote against the unnecessary authorization of this large amount of money. This is a ripoff of the American taxpayer.

Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER (Mr. GARY HART). The Senator has the only time remaining.

Mr. BARTLETT. Mr. President, may I have the attention of the Senator from Alabama. I wonder if the Senator from Alabama is ready to proceed. I have additional time. How much time does the Senator from Oklahoma have?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. ALLEN. I will wait until the time on the motion has expired, and then I may offer my amendment.

Mr. BARTLETT. I will be glad to yield the 3 minutes that I have.

Mr. ALLEN. That is fine.

Mr. BARTLETT. Does the Senator, Mr. President, then desire me to yield back the time since I have finished?

The PRESIDING OFFICER. The question is on agreeing to the motion to concur in the House amendment to the Senate amendment to the House bill.

Mr. LONG. How much time remains?

The PRESIDING OFFICER. There is no time remaining.

The yeas and nays have been ordered. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 371

Mr. ALLEN. Mr. President, I move that the Senate concur in the House amendment to the Senate amendment with an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Alabama (Mr. ALLEN), for himself and the Senator from Oklahoma (Mr. BARTLETT), proposes an unprinted amendment No. 371:
>
> On page 3, beginning with line 6, strike all of section 3, down through line 20 on page 7.

Mr. LONG. Mr. President, I ask that the time on the amendment be limited to 10 minutes, to be divided 5 minutes to the Senator from Alabama and 5 minutes to the manager of the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Alabama.

Mr. ALLEN. Mr. President, originally, the child care bill provided the additional money, I think some $375 million, and required compliance with Federal standards by the child care center. That bill was vetoed by the President and the veto was sustained.

The effect of the House amendment, which the distinguished Senator from Louisiana moved that the Senate concur in, would have set the additional funds—and when I say additional, it is $2.5 billion—in the overall social services program, providing the money but not requiring compliance with the standards. That was the theory of the additional money at the outset, that the Federal standards would be complied with.

Now, the money is being given, if we go the path of the motion of the distinguished Senator from Louisiana. We would provide the money and not require the standards. So the amendment that the distinguished Senator from Oklahoma (Mr. BARTLETT) and I have offered would waive the compliance with the standards but would not provide the additional $240 million.

In other words, the child care centers would get what they are now getting out of the $2.5 billion for social services, but they would not get this additional money, nor would they have to comply with the increased Federal standards. I hope this amendment will be agreed to. I reserve the remainder of my time.

I yield such time as the distinguished Senator from Oklahoma might require.

Does the Senator from Oklahoma desire time?

Mr. BARTLETT. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BARTLETT. Mr. President, I will be very brief. I made some remarks a minute ago and they certainly apply to the amendment of the distinguished Senator from Alabama. I think it is clear when this body sustained the veto by the President, which was a veto of increased staffing standards with an authorized $375 million to fund those standards, we are going to look very silly now if we postpone those staffing standards but fund a nonprogram to the tune of $240 million.

The proposal by the distinguished Senator from Alabama and myself in the form of an amendment is to postpone the staffing standards but at the same time to delete the authorization for additional funding of $240 million. I think to proceed and not pass this amendment is to proceed in a fiscally irresponsible manner.

Mr. PACKWOOD. Will the Senator yield?

Mr. LONG. I yield 2 minutes to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, I have been involved in this issue since the time it was started in the Finance Committee. The original cost was $375 million. I did not find that cost excessive. I objected to the imposition of the Federal staffing ratios.

At the time we estimated the $375 million cost it was not all to meet Federal staffing ratios. Part was to meet other requirements in this bill. As far as I am concerned, I would be still prepared to vote for a full $375 million to be used for day care left to the discretion of the States. This has been now cut back to $240 million. It is not an excessive amount. All of the money that we gave was not just to meet the staffing requirements. I think it would be a travesty if, after having gone this far, we were to back down now and not pass this bill in its present form.

Mr. LONG. Mr. President, the Senate voted for $375 million to help provide day care for children. Though the Federal staffing standards would be suspended under the bill, day care would still have to meet the health and the safety standards. From the $375 million passed by the Senate this bill has been cut back to $240 million. Now the Senator from Alabama wants to eliminate all the rest of it, to cut the funding back to zero.

Mr. President, we believe these children require care. They require someone to look after them. That care requires better health and safety standards. We do require States to comply with health standards. We do require them to comply with safety standards. Even though the staffing standards would be voluntary, we would still like to see better care for these little children and the funds could be used to improve staffing. Therefore, we provide for an additional $240 million, substantially less than the $375 million for which the Senate had originally voted.

It would be ridiculous, in my judgment, the Senate having already voted for $375 million for day care, for the Senate now to proceed to vote for zero for child care. I do not think the Senate wants to reverse itself to that extent.

Mr. President, the bill further provides a tax incentive to hire welfare recipients. The tax provision, however, only pays 20 percent of the cost. The other 80 percent would have to come from the additional $240 million provided in the bill. That is an additional reason why the bill provides the additional money. Otherwise, the tax credit would not meet its objective.

I yield back the remainder of my time, Mr. President.

Mr. ALLEN. I yield back the remainder of my time.

Mr. LONG. I move that the amendment, be laid on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to lay on the table. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRAN-

STON), the Senator from Iowa (Mr. CULVER), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK) and the Senator from Kansas (Mr. DOLE) are necessarily absent.

I also announce that the Senator from South Carolina (Mr. THURMOND) is absent on official business.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 65, nays 22, as follows:

[Rollcall Vote No. 525 Leg.]

YEAS—65

Abourezk
Bayh
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Weicker
Williams

NAYS—22

Allen
Baker
Bartlett
Bellmon
Buckley
Byrd, Harry F., Jr.
Curtis
Domenici
Fannin
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClellan
McClure
Morgan
Scott, William L.
Sparkman
Tower
Young

NOT VOTING—13

Brock
Clark
Cranston
Culver
Dole
Garn
Hartke
Haskell
Magnuson
Mondale
Moss
Thurmond
Tunney

So the motion to lay on the table was agreed to.

Mr. MANSFIELD. I call for the question.

The PRESIDING OFFICER (Mr. STONE). The question now recurs on the motion of the Senator from Louisiana to concur.

The yeas and nays have been ordered. The clerk will call the roll.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair withdraws that and recognizes the Senator from West Virginia.

Mr. MANSFIELD. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate is not in order.

The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO CONSIDERATION OF S. 3091

Mr. ROBERT C. BYRD. Mr. President, this next rollcall will be the last rollcall today.

I ask unanimous consent that upon the disposition of the pending conference report the Senate proceed to the consideration of S. 3091 without any action to be taken thereon today. That is the bill to amend the Forest and Rangeland Renewable Resources Planning Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow the Senate resume the consideration of the Rangeland Resources Act, and that the leadership be authorized at some point tomorrow afternoon not earlier than the hour of 4 p.m. to proceed to the consideration of the HEW conference report.

Mr. HUMPHREY. Just as a matter of information, is there a time limit agreement on the Rangeland Act? I believe there was one entered into.

Mr. ROBERT C. BYRD. There is.

Mr. HUMPHREY. On the bill there are 2 hours; is that correct?

Mr. BUMPERS. And 1 hour on each amendment.

Mr. HUMPHREY. And an hour on each amendment evenly divided. Is that correct?

Mr. ROBERT C. BYRD. I believe that is correct. It is laid out on page 3 of the calendar.

Mr. HUMPHREY. I thank the Senator.

Mr. RANDOLPH. Mr. President, as to the rangeland bill, is that the forestry bill?

Mr. ROBERT C. BYRD. That is. That is the one the Senator has in mind.

Mr. RANDOLPH. I thank the Senator very much.

Mr. ROTH. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. ROTH. On the HEW conference report, what time will the vote be not later than?

Mr. ROBERT C. BYRD. The HEW conference report would not be called up earlier than 4 p.m. tomorrow afternoon. It is hoped that the leadership can proceed at about that hour.

Mr. HANSEN. Mr. President, reserving the right to object, and I do not intend to object.

Mr. ROBERT C. BYRD. Please do not.

Mr. HANSEN. What is the time limitation on the rangelands act?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The agreement calls for 1 hour on any amendment in the first degree and on debate on the bill 2 hours.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. I have no objection.

Mr. ROTH. Mr. President, reserving the right to object, going back to the HEW conference report, does the Senator have any anticipation of what time the final vote will be?

Mr. ROBERT C. BYRD. I do not. There is an agreement on that conference report also. There may be more than one vote in connection with the conference report.

Mr. PACKWOOD. It should not take more than 2 hours.

Mr. ROTH. I withdraw my objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CHILD DAY CARE SOCIAL SERVICES UNDER TITLE XX OF THE SOCIAL SECURITY ACT—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on the bill (H.R. 12455).

ADDITIONAL STATEMENTS PRESENTED

Mr. PACKWOOD. Mr. President, this bill contains a very fair compromise on the question of day care staffing ratios and I am pleased that the Senator from Minnesota (Mr. MONDALE) and I were able to cooperate together to achieve it.

The Senate has considered the issues dealt with in this legislation several times since last January. The biggest issue each time has been the question of federally imposed day care staffing standards.

On January 28, I proposed an amendment to an earlier version of this legislation. Under my amendment the day care staffing ratios would be deleted from Federal law, but day care providers would be given more funds under title XX. I believe that we should insure that day care facilities provided under title XX are of highest quality by providing the necessary additional funds, but that we should not attempt to impose arbitrary, controversial staffing ratios nationwide. Such ratios would deny people responsible for day care the flexibility they need on the grounds that we in Washington know more about managing day care facilities than the day care professionals in each community.

Mr. President, the issue of day care staffing ratios is far from over, but we will debate the merits of that issue another day, after the Department of Health, Education, and Welfare has had a chance to report its views on the subject.

Yet the States need additional funding to improve their day care programs, and this bill gives it to them. The Finance Committee studies the needs of the States in this area and it was proved by and large that the money was vitally important.

This bill is designed to help the State meet staffing needs and—at the same time—reduce the welfare rolls. The Finance Committee believed that when a State uses these funds for day care it should—to the extent feasible—use the money to hire low-income persons for child care related jobs. Most States seem ready and eager to try and do this.

Furthermore, this bill will extend the tax credit for child care providers who hire welfare recipients—a measure which also helps meet day care staffing needs while easing the welfare burden.

Mr. President, I am pleased that this bill also deals with another important problem—the way States determine eligibility for their social services programs. Two Finance Committee bills, one passed by the Senate in 1973 and the other passed in 1974, gave States the right to set their own eligibility standards for the social services they offer. However, since then Congress has established Federal eligibility standards as part of its attempt to restructure the social services program. Specifically, States were required to provide social services only to those citizens whose incomes were below certain limits.

To comply with this requirement the State must determine the income level of each individual—something they were reluctant to do in some cases. Some States, including Oregon, had been determining eligibility for some of their programs on a group basis, particularly in connection with senior centers.

Many groups objected to this requirement, especially the aged, and many State governments found it imposed burdensome administrative requirements. In response to these objections the Department of Health, Education, and Welfare twice modified this requirement and twice postponed its effective date. Finally the Department told the States to use any method of determining eligibility they wished.

This requirement was so stringent that it forced the Department of Health, Education, and Welfare to be intentionally lax in its enforcement. Determining eligibility for the wide variety of social services which the States offer can be a very complex matter. The feeling of the Finance Committee was that this was a matter better left to the States. Each State has its own individual needs, and each should be free to develop its own social services program to meet those needs. Overly specific Federal regulations simply impede their progress.

This bill will not change the purposes for which States spend their social services money; the social service law under this bill will continue to require States to develop social service plans and spend their money accordingly. What this bill does is allow States to determine social services eligibility on a group basis if they wish. But except for children of migrant workers, eligibility for child care services will continue to be determined on an individual basis.

We are simply saying to the States: "Develop your own eligibility requirements. If you want to set up even more stringent requirements than the Federal standards, go ahead. If you want to provide certain services for mentally retarded children, the elderly, or disabled individuals without requiring them to meet specific income limits, go ahead."

Mr. President, this bill does not have in it everything that I wanted; it does not have in it everything the Senator from Minnesota wanted. But I believe that it is a fair compromise and one which I think we can all support. I hope the Senate passes this bill overwhelmingly.

Mr. JAVITS. Mr. President, I am pleased to support the conference report on H.R. 12455, which provides for increased funding for child care and social services programs.

The conferees are to be complimented for the expeditious manner in which they have resolved differences with the House. The plight of day care in this country needs expedition. The $240 million provided through fiscal year 1977 will go far toward providing better day care for those presently enrolled, but will by no means adequately reach all those who desire and could benefit from quality day care services.

I am especially gratified that the conference committee agreed to permit group eligibility for title XX. This eliminates the unnecessary individual means test which threatened thousands of older Americans seeking assistance under title XX.

This threat to senior citizens led me to introduce S. 2157 with 39 of our Senate colleagues to abolish the means test by permitting the use of group eligibility, a concept now incorporated in the conference report.

The conference report includes the approach we supported in S. 2157. The report will eliminate the need for individual means tests be given to older Americans and certain others receiving title XX services. I compliment the conferees for reaching an agreement which allows the use of group eligibility for senior centers, but retains the original thrust of the title XX legislation, to wit, that social services would be provided for those most in need.

The report provides for group eligibility so long as substantially all those served are on income levels below 90 percent of the average State median income. This approach assures that services under title XX are provided to those intended, while avoiding the unseemly and wasteful spectacle of the Federal Government forcing from a senior center an older American whose income happens to be a dollar too high. In this instance, such specific determinations are best left to the State.

Mr. ROTH. Mr. President, I rise in support of this compromise legislation dealing with child care centers. This new legislation will replace the bill vetoed by the President in May, a veto which I supported. I had supported the President's veto of the earlier day care bill because that legislation would have imposed on the States restrictive Federal staffing standards for day care centers. Since these Federal standards would have increased day care costs, the bill would have authorized millions of dollars to pay for the increased costs. That legislation would not have provided more day care services, it would have only imposed additional burdens on the States and on taxpayers.

As I have repeatedly stated, the logical approach to the staffing controversy is to let the individual States determine what staffing standards are appropriate to maintain quality child care services.

Therefore, I am pleased that the conference committee, which I served on, has agreed to suspend the Federal staffing regulations under this legislation. In addition, the conference report will authorize an additional $240 million in increased social services funding for child care. This means that the funds in this bill will be used to improve and expand child care services, while the funds in the vetoed bill would merely have been used to offset the increased costs of the Federal staffing regulations.

One of the most important benefits of the day care services is that it enables families to stay off of welfare. Without day care services, many working parents would have to quit their jobs to care for their children and be forced to rely on welfare. By eliminating the costly staffing requirements, the States will be better able to meet the local needs of the people who are most in need. In my own State of Delaware, this legislation will provide approximately $650,000 in additional funds for day care centers, while the original legislation would not have benefited Delaware at all. I think this compromise child care bill is a great improvement over the vetoed bill, and I urge the President to sign this bill.

Mr. SCHWEIKER. Mr. President, I am pleased to express my support for H.R. 12455, to amend title XX of the Social Security Act, especially the provision giving States the option of using group eligibility procedures rather than individual means tests to determine eligibility for senior citizens' services.

As a member of the Senate Subcommittee on Aging and a strong supporter of the Older Americans Act, which provides services for senior citizens on the basis of age only, I am deeply concerned that the introduction of title XX funds into programs formerly funded only under the Older Americans Act has discouraged many of our Nation's senior citizens from continuing to receive services because of their embarrassment in revealing and documenting their income. Because I view this poverty test as an insult to our Nation's elderly, I was an original sponsor last year of S. 2157, which also would have given States the option of using group eligibility determinations.

Moreover, I am alarmed that administration of individual means tests results in less money available to provide services to those truly in need. On March 8 of this year I met with over 700 elderly Philadelphians who came to Washington to testify before the House Ways and Means Committee on this measure. The Philadelphia Corporation for Aging, Pennsylvania's largest area agency on aging, reported that 16 percent of its title XX service budget would have to be shifted to administration of individual means tests and that less than 10 percent of current expenditures are going to recipients who would be determined ineligible. Therefore, at least 6 percent of this agency's allocation, over $300,000 per year, would not be available to carry out the intent of Congress—providing services to senior citizens. In view of the inadequacy of Federal funds for these vital programs, I feel that as much of the funding as possible should be used for direct services for those who need them and expenditures for administrative redtape should be minimized.

Mr. President, this conference report is responsive to the widespread concern that individual eligibility procedures are burdensome and wasteful in such situations as senior citizens' programs where clear and substantial majorities of the participants meet an income test of 90 percent of the median income. It is my understanding that this method of group eligibility would not require a set "percentage-of-participants test" to define the groups nor would it deny Federal financial participation to the States where they reasonably conclude that a clear and substantial majority of the participants of a particular program meet the group income test. To require minimum percentages, beyond the accepted sense of a substantial majority, would result in a reimposition of some kind of means test to provide the threshold percentage. States should be encouraged to make reasonable judgments in the application of group eligibility and to consider such elements as unit cost, administrative savings in waiving individual eligibility determinations, including declarations, the general needs and vulnerability of the client group, and coordination with other State or Federal programs.

Most group services for senior citizens should qualify in light of the general economic status of the elderly, their pressing need for nutrition, recreation, socialization, and other senior center services and the generally lower unit cost for such services. The States, under this provision, will be given the authority to cover such services with group eligibility as long as they can reasonably conclude that the predominance of the groups using these services meets the income test of up to 90 percent of median income. It is my hope that the regulations of the Department of Health, Education, and Welfare will accurately reflect the intent of Congress in providing flexible authority to the States and that these regulations will be marked by simplicity and latitude.

Mr. President, I believe this conference report will provide a workable alternative so we can continue these needed social services to our Nation's elderly. I urge the support of all my colleagues in this body for this worthwhile legislation.

The PRESIDING OFFICER. The question recurs on the motion to concur. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. CULVER), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. DOLE) is necessarily absent.

I also announce that the Senator from South Carolina (Mr. THURMOND) is absent on official business.

I further announce that the Senator from Utah (Mr. GARN) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 72, nays 15, as follows:

[Rollcall Vote No. 526 Leg.]

YEAS—72

Abourezk
Baker
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Curtis
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary
Hart, Philip A.
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Weicker
Williams
Young

NAYS—15

Allen
Bartlett
Buckley
Byrd, Harry F., Jr.
Fannin
Goldwater
Griffin
Hansen
Helms
Hruska
Laxalt
McClure
Morgan
Scott, William L.
Tower

NOT VOTING—13

Clark
Cranston
Culver
Dole
Garn
Hartke
Haskell
Johnston
Magnuson
Mondale
Moss
Thurmond
Tunney

So the motion to concur was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISTRICT OF COLUMBIA AUDIT—CONFERENCE REPORT

Mr. EAGLETON. Mr. President, I submit a report of the committee of conference on H.R. 11009 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. GARY HART). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11009) to provide for an independent audit of the financial condition of the government of the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of August 3, 1976, beginning at page 25305.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

CRIMINAL LAWS OF THE DISTRICT OF COLUMBIA

Mr. EAGLETON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 12261.

The Presiding Officer laid before the Senate H.R. 12261, an act to extend the period during which the Council of the District of Columbia is prohibited from revising the criminal laws of the District of Columbia.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the bill be considered as having been read twice by its title and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill.

Mr. EAGLETON. Mr. President, I move the passage of the bill.

The PRESIDING OFFICER. If there be no amendment, the bill will be read the third time.

The bill was ordered to a third reading, read the third time, and passed.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, that, before the Chair lays before the Senate the rangelands bill, the Senate proceed to the consideration of the following calendar orders, numbered 1076 through 1079; then 1082; then 1088 through 1090.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

NEE-ME-POO TRAIL STUDY

The bill (S. 3273) to authorize a study for the purpose of determining the feasibility and desirability of designating the Nee-Me-Poo Trail as a national scenic trail, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(c) of the National Trails System Act (16 U.S.C. 1244(c)) is amended by adding at the end thereof the following:

"(15) Nee-Me-Poo Trail, extending approximately one thousand three hundred and fifty miles from Wallowa Lake, Oregon, to Bear Paw Mountain, Montana, by way of—

"(A) Clearwater River, the Lolo Trail, and the Lolo Pass in Idaho;

"(B) the Bitterroot River, Big Hole River, and Targhee Pass in Montana;

"(C) Yellowstone National Park and Clark's Fork in Wyoming; and

"(D) Canyon Creek, Musselshell River, and Cow Island, Montana.".

FLORIDA TRAIL STUDY

The bill (S. 2486) to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Florida Trail as a national scenic trail, was considered, ordered to be engrossed for a third reading, read the third, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 5 of the National Trails System Act is amended by adding at the end thereof the following:

"(15) Florida Trail, extending north from Everglades National Park, including the Big Cypress Swamp, the Kissimmee Prairie, the Withlacoochee State Forest, Ocala National Forest, Osceola National Forest, and Black Water River State Forest, said completed trail to be approximately 1,300 miles long, of which over 400 miles of trail have already been built.".

BARTRAM TRAIL STUDY

The bill (S. 2112) to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Bartram Trail as a national scenic trail, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 5 of the National Trails System Act is amended by adding at the end thereof the following:

"(15) Bartram Trail, which extends from Mobile, Alabama, through the area of Montgomery, Alabama, to the Alabama and Georgia State border about due east of Montgomery, Alabama; continues through Georgia to the area of Savannah, Georgia, thence south to the Georgia and Florida State border; and terminates in the area of Manatee Springs, Florida, after passing through the area of Jacksonville, Florida, and south along the Saint Johns River to Lake George, and thence through the Alachua Savanna to the Suwannee River.".

DANIEL BOONE TRAIL STUDY

The bill (S. 2783) to authorize a study for the purpose of determining the feasibility and desirability of designating the Daniel Boone Trail as a national scenic trail, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(c) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by adding at the end thereof the following new paragraph:

"(15) Daniel Boone Trail extending from the vicinity of Statesville, North Carolina, to Frankfort, Kentucky.".

DESERT TRAIL STUDY

The bill (S. 3528) to authorize the Secretary of the Interior and the Secretary of Agriculture to conduct a study with respect to the feasibility of establishing the Desert Trail as a national scenic trail, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 5 of the National Trails System Act is amended by adding at the end thereof the following:

"(15) The Desert Trail, which extends from the Canadian border of Idaho, through parts of Washington, Oregon, Nevada, California, and Arizona, to the Mexican border.".

GUAM POWER AUTHORITY GUARANTEE

The bill (S. 3681) to guarantee certain obligations of the Guam Power Authority, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the Organic Act of Guam (64 Stat. 387, 48 U.S.C. 1423a) is hereby amended by adding at the end thereof the following language: "The Secretary of the Interior (hereafter in this section referred to as 'Secretary') is authorized to guarantee for purchase by the Federal Financing Bank bonds or other obligations of the Guam Power Authority maturing on or before December 31, 1978, which shall be issued in order to refinance short-term notes due or existing on June 1, 1976, and other indebtedness not evidenced by bonds or notes in an aggregate amount of not more than $36,000,000, and such bank, in addition to its other powers, is authorized to purchase, receive, or otherwise acquire these same. The interest rate on obligations purchased by the Federal Financing Bank shall not be less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, adjusted to the nearest one-eighth of 1 per centum, plus 1 per centum per annum. The Secretary, with the concurrence of the Secretary of the Treasury, may extend the guarantee provision of the previous sentence until December 31, 1980. Such guaranteed bonds or other obligations shall, while outstanding, include a provision for semiannual payments of interest only. If the Secretary determines that the Guam Power Authority will not meet its obligation to pay interest, the Secretary shall request the Secretary of the Treasury to deduct such payments from sums collected and paid pursuant to section 30 of this Act (48 U.S.C. 1421h). Should there be default at maturity on the bonds or other obligations so guaranteed, (1) the Secretary may withhold such sums as he determines may be necessary from sums collected by the Secretary of the Treasury pursuant to section 30 of this Act (48 U.S.C. 1421h) until losses incurred by the Secretary under the guarantee plus interest at the rate specified in this section have been reimbursed to the Secretary, and (2) notwithstanding any other provision of law, Acts making appropriations may provide for the withholding of any payments from the United States to the Government of Guam which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the United States may have against the Government of Guam or the Guam Power Authority pursuant to this guarantee. For the purposes of this Act, under section 3466 of the Revised Statutes (31 U.S.C. 191) the term 'person' includes the Government of Guam and Guam Power Authority. The Secretary may place such stipulations as he deems appropriate on the bonds or other obligations he guarantees."

ST. PAUL'S CHURCH, EASTCHESTER

The Senate proceeded to consider the joint resolution (S.J. Res. 139) to authorize the Secretary of the Interior to accept St. Paul's Church, Eastchester, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That the Secretary of the Interior shall prepare and transmit to the Committees on Interior and Insular Affairs of the Senate and House of Representatives within one year from the date of enactment of this resolution a feasibility/suitability study of Saint Paul's Church, Eastchester. The study shall include cost estimates for any necessary acquisition, operations and maintenance, and development as well as any alternative.

The amendment was agreed to.

The joint resolution, as amended, was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to direct the Secretary of the Interior to conduct a one-year feasibility/suitability study of Saint Paul's Church, Eastchester."

AMENDING THE ACT ESTABLISHING THE CANAVERAL NATIONAL SEASHORE

The bill (H.R. 10370) to amend the act of January 3, 1975, establishing the Canaveral National Seashore, was considered, ordered to a third reading, read the third time, and passed.

H.R. 13679—GUAM POWER AUTHORITY GUARANTY

Mr. ROBERT C. BYRD. Mr. President, is there a bill at the desk, H.R. 13679, which is a companion bill to S. 3681, which was just passed?

The PRESIDING OFFICER. The Senator is advised that the House bill, by unanimous consent, is being held at the desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the House bill be considered as having been read the first and second times and that all after the enacting clause be stricken; that the text of S. 3681 be inserted in lieu thereof; and that the bill be considered as having been passed, the motion to reconsider laid on the table, and S. 3681 indefinitely postponed.

The PRESIDING OFFICER. Would the Senator include in his request to vitiate the passage of the Senate bill first?

Mr. ROBERT C. BYRD. Yes, I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUDICIAL NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, the White House today announced that two judicial nominations are being sent to the Senate from Vail, Colo. One of these would fill a vacancy on the Fourth Circuit Court of Appeals; the other would fill the district court vacancy created by the appointment to the Fourth Circuit Court of the judge who presently holds the seat on the Southern District Court of West Virginia.

The nominations are expected to be received tomorrow by the Senate.

I ask unanimous consent—and this request has been cleared with Mr. EASTLAND and Mr. HRUSKA—that if the nominations are received this week public hearings may be held on the two nominations on Wednesday, September 1, 1976.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a notice of such hearings.

The PRESIDING OFFICER. The notice will be received.

(The notice of hearings is printed in today's RECORD under routine morning business.)

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two orders for the recognition of Senators have been completed on tomorrow there be a period for the transaction of routine morning business not to extend beyond the hour of 11:45 a.m., with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL FOREST MANAGEMENT ACT OF 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate the rangeland bill, in accordance with the order previously entered.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 3091) to amend the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) and the Act of June 4, 1897 (30 Stat. 35).

ORDER FOR THE RECOGNITION OF SENATOR ALLEN ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. ALLEN have 15 minutes on Thursday morning after the two leaders are recognized under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 11 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. PELL will be recognized for not to exceed 15 minutes, after which Mr. BEALL will be recognized for not to exceed 15 minutes. There will then be a period for the transaction of routine morning business not to extend beyond the hour of 11:45 a.m. with statements limited therein to 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of S. 3091, a bill to amend the Forest and Rangeland Renewable Resources Planning Act of 1974.

There is a time agreement thereon. Rollcall votes will occur on amendments in relation thereto and on final passage.

At no earlier than 4 p.m. tomorrow, the leadership has been authorized to call up the HEW conference report. Presumably that report will be called up soon after 4 p.m. Rollcall votes will occur in relation to that conference report.

Tomorrow promises to be a reasonably long day, with rollcall votes occurring throughout the day.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 6:34 p.m., the Senate adjourned until tomorrow, Wednesday, August 25, 1976, at 11 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, August 24, 1976*

The House met at 12 o'clock noon.

Rev. Kenneth L. Folkes, Mount Carmel Baptist Church, Bronx, N.Y., offered the following prayer:

Almighty God and our Father, we bow before Thee this morning thanking Thee for the assurance that whatsoever we ask in Thy Son's name shall be granted unto us.

We thank Thee for our country and for the ways Thou hast brought these 200 years; for the men and women who have given their lives for the principles upon which this country was founded.

We thank Thee for the American dream. We thank Thee for those who have labored in these Halls in days past. And we ask Thy divine blessings upon the Members of Congress as they wrestle with the problems of our time.

We pray that somehow the Members of this Chamber will catch a stimulating vision of the Lord of Hosts, and be led to answer the call and to bring liberty and justice to all.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Roddy, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 393. An act to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes.

REV. KENNETH L. FOLKES

(Mr. BADILLO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADILLO. Mr. Speaker, I am proud that the Reverend Kenneth Lawrence Folkes has been chosen to give the invocation today; for he represents the best spirit of the district I serve, the 21st New York Congressional District in the South Bronx. It is a very poor district, and many people there have given up hope. Reverend Folkes has spent his life, both by his own example and his almost numberless activities, in rekindling that hope, in making the people believe that there can be a better life and that there will be a better life in the district.

While Reverend Folkes' activities have spread far beyond the confines of the 21st District to encompass the whole city, he has never forgotten the people of his home area and continues to work tirelessly for them.

Born in Jamaica, he came to this country in 1945, and since receiving his degree in theology from the American Bible College, has been very active in the religious life of the Bronx and the whole city. He is the pastor of the Mount Carmel Baptist Church in the Bronx, which he founded in 1956, the same year he joined the New York City Council of

Churches. He has been a vice president of that organization—the largest city council of churches in the Nation—and past president of the Bronx division. He is now the president of the whole organization, and despite this, still finds the time to minister to the people of his home district, as official Protestant chaplain of Lincoln Hospital. He is an active participant in the Baptist Ministers' Evening Conference of the Bronx, and the Baptist Ministers' Conference of Greater New York. He was one of the Protestant ministers representing the Council of Churches at the consecration of Cardinal Cooke in Rome.

But not even these many activities have been enough for Reverend Folkes, and he has helped his community in other ways as well. He is an organizer of the Woodstock Terrace Mitchell-Lama cooperative housing and has worked long and hard with the retarded, being involved with the Southeastern Bronx Neighborhood Center and erecting the Rev. K. L. Folkes Group Home for the Mentally Retarded.

Still not finding his time fully occupied, Reverend Folkes has for years served as the elected member to Community School Board No. 12 and as treasurer of the Bronx branch of the NAACP and a member of its executive board. He has also lent his talents and apparently boundless energy to the Bronx Boys Club, the Bronx Red Cross, HPCC, the Bronx Rotary Club, and the USO.

I have known Reverend Folkes as a constituent and as a friend for many years. Any Congressman would be heartened to have him live in his district. For the 21st district—where people such as Reverend Folkes are so deperately needed—we are particularly fortunate.

"BLANK CHECK" POSTAL REFORM BILL

(Mr. **ALEXANDER** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, the other body will conclude consideration today of the postal reform bill. The House passed postal reform legislation last October which included my amendment to require the Postal Service to come to Congress annually for an authorization and an appropriation, as well as a provision to require that the Postmaster General and his chief deputy be appointed by the President and confirmed by the Senate.

Neither of these provisions was included in the "blank check" bill as reported from the Senate Post Office and Civil Service Committee. However, Senator HOLLINGS of South Carolina has offered a substitute which includes similar provisions to the House bill, the difference being that his amendment gives the Postal Service a transitional subsidy of $1 billion for fiscal year 1977 and begins the annual authorization and appropriation with fiscal year 1978.

If the Senate fails to accept the Hollings substitute or provisions similar to the House provisions, Congressman CHARLES WILSON of California and I will offer a motion to instruct the House conferees to insist on the House position on these two issues when a conference is requested. If the Senate accepts the Hollings substitute, it is our intention to urge the House conferees to accept the Senate amendment with regard to an annual authorization and appropriation.

EGYPTIAN AUTHORITIES PRAISED IN RESCUE OF AIRCRAFT PASSENGERS

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLFF. Mr. Speaker, as the author of the amendment against air piracy and terrorism in the foreign aid bill, I should like to say a word of praise and congratulations for the splendid manner in which the Egyptian authorities frustrated yesterday's attempt by Arab extremists to hijack an Egyptian civilian aircraft, carrying some 100 innocent passengers. The whole civilized world, and especially those of us who travel by air, is in the debt of the brave and skillful Egyptian officials. It is also worthy of note that the Arab extremists, Lybian and Algerian nationals in the pay of the demented Lybian dictator Muammar Quaddafi, did not hesitate to stoop to an ignoble attack on an Arab neighbor to pursue their shameful purposes.

At the same time, and as chairman of the Select Committee on Narcotics Abuse and Control, I want to praise the Egyptian Anti-Narcotics Administration, which I understand is the oldest such service in the world, for the excellent police work in the Alexandria-Port Said area last July, in which some 124 kilograms of opium originally transported by Turkish smugglers, were seized. It is particularly gratifying to learn that cooperation between the Egyptian Anti-Narcotics Administration and our own Drug Enforcement Administration was excellent, and that the Turkish National Police is now seeking to apprehend the culprits. This all reflects real progress in this important struggle against illicit drug traffic, and shows that our task, however difficult, is not impossible.

SALUTE TO EGYPTIAN COURAGE

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, this Congress, and every other governmental body which abhors the terrorizing of innocent civilians through "skyjacking" and admires courage of those who resist terrorism, should congratulate the Egyptian Government and particularly President Anwar el Sadat and Egyptian Prime Minister Mamdouh Salem on their rescue of hostages at the Luxor, Egypt, airport. Prime Minister Salem personally directed the rescue of the more than 100 people on board the plane seized by Arab guerrillas after takeoff from Cairo yesterday morning.

The plane was the first Egyptian craft to be skyjacketed and hopefully it will be the last. The Egyptian Government has publicly accused Muammar el Quaddafi, chairman of the Revolutionary Council of Lybia, of being behind the skyjacking. Quaddafi has been financing terrorists around the world, and has been accused of backing terrorist activities in Egypt. The Egyptian Government reported that the plane had been seized by three terrorists: one carrying a Kuwaiti passport, the second a Jordanian passport, and the third a Palestinian travel document. In a brave and daring move, Egyptian commandos stormed the plane at Luxor Airport and captured all the hijackers. Prime Minister Salem states that the terrorists had been promised $250,000 to divert the airliner to Libya. The Egyptians, in yesterday's demonstration of courage at Luxor and the Israelis in their courageous rescue of hostages held at Entebbe, have set standards which other countries faced with terrorists should strive to equal.

Would it not be wonderful for Egypt and Israel, and for the world, if those two peoples, whose history is intertwined through the millennia, were to permanently end the hostilities, fortunately muted at the moment and in a state of nonbelligerency, and join together in peaceful endeavors that would benefit not only the whole of the Mideast but the whole world. As a member of the Foreign Operations Subcommittee of the Appropriations Committee in 1975, I was fortunate enough to meet with President Anwar el Sadat, and within a few days thereafter to meet with Prime Minister Yitzhak Rabin. These are two remarkable leaders of remarkable peoples. Each one is dedicated to his people. Hopefully, each will see in the courage of the other a mirror image, and will extend to each other the hand of friendship.

CONGRESSMAN YOUNG OF TEXAS CLEARED IN FRAUD INQUIRY

(Mr. BURLESON of Texas asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BURLESON of Texas. Mr. Speaker, of the many allegations and charges being made against the Congress as an institution and against individual Congressmen personally, an article appearing in the media last week should be of interest to the membership. The following article by Jerry Oppenheimer of the Washington Star appeared last week, paragraphs pertinent to the Justice Department position are reproduced:

YOUNG CLEARED IN FRAUD INQUIRY

(By Jerry Oppenheimer, Washington Star)

WASHINGTON.—Federal prosecutors have found no evidence of fraud on the part of U.S. Rep. John Young of Corpus Christi who is accused by his former secretary of paying her a substantial salary for sexual favors in addition to her normal duties.

Informed sources said that prosecutors, after hearing the allegations of Colleen Gardner and reviewing other information in the case, will recommend that the inquiry be formally ended because no evidence was found of fraudulent misuse of public funds.

* * * * *

> Included in the evidence she turned over to prosecutors were a number of tapes she made of telephone conversations with Young without his knowledge and a personal log she kept of times and places when she allegedly met Young in motel rooms.
>
> But, sources familiar with the inquiry said, there was nothing in the material suggesting that she was not doing work or that she was coerced into the alleged intimacies. Thus, no fraudulent activities could be shown.
>
> *One source said that, while investigators from the outset had no suspicions of wrongdoing on Young's part, they felt obligated to hear Miss Gardner's story because her charges overlapped those of Miss Ray's.* (Italic added).

Mr. Speaker, it seems to me that since many news items refer to "sources" of information in these recent accusations, this item is deserving of also being made part of the official Record.

MEMBERS OF CONGRESS CONDUCT VIGIL FOR SEPARATED FAMILIES

(Mr. FISHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. FISHER. Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Because the Soviet Union is not living up to that promise, Members of Congress are conducting a vigil on behalf of the families which remain separated.

A case history of these families entitled "Orphans of the Exodus" dramatically details this tragic problem. At this time I would like to bring to the Members' attention another family's situation:

> Stella Goldberg and her son Alexander, have been separated from their husband and father for seven years. Stella is an accomplished concert pianist who has been waiting to join her husband, Victor Yoran, a well-known cellist, now in Israel, since 1969.
>
> Victor has come to this country many times to appeal for the release of his family which includes his mother, Maria Tsirulnikova, as well as his wife and son. He recently played his cello on the streets of Tel Aviv outside of the Finnish Embassy (which transacts business for Israel with the USSR since no relations exist between the two countries) to call attention to his family's plight and did the same thing in Washington three years ago across from the Soviet Embassy. In spite of appeals from world famous musicians the family has not been allowed to leave the country in punishment for Victor's defection 7 years ago—as a result they are being kept as hostages punished unfairly, two women and a child alone and miserable. Victor truly believed, naively, that if he went to the west he could then accomplish the release of the entire family more easily.
>
> Political pressure did obtain the release of the family of another defector, Mischa Eppelman, a few years ago, so there is precedent for this case.

APPOINTMENT OF CONFEREES ON H.R. 12987, EMERGENCY JOB PROGRAMS STOPGAP EXTENSION

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12987) to authorize appropriations for fiscal year 1976, and for the period beginning July 1, 1976, and ending September 30, 1976, for carrying out title VI of the Comprehensive Employment and Training Act of 1973, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. Perkins, Dominick V. Daniels, Dent, O'Hara, Phillip Burton, Gaydos, Beard of Rhode Island, Hawkins, Lehman, Meeds, Quie, Ashbrook, Esch, and Sarasin.

PERMISSION FOR SUBCOMMITTEE ON WATER RESOURCES OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT THIS WEEK DURING 5-MINUTE RULE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Public Works and Transportation be permitted to sit this week while the House is proceeding under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

RESIGNATION OF JAMES HUTCHISON FROM DEPARTMENT OF LABOR PENSION DIVISION

(Mr. PICKLE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, one of the most complicated and most important tasks facing the Federal Government today is the successful implementation of the pension reform bill, that is, the Employee Retirement Income Security Act of 1974, which the Congress passed last year.

We all knew it would not be an easy road. An event yesterday reveals there may be some additional chuckholes which need our full attention.

Mr. James D. Hutchison resigned, as of October 1, as Administrator of the pension and welfare benefits programs in the Department of Labor. I think his resignation underscores a need for greater interagency cooperation, and I think it also raises questions about the commitment of this Government with respect to the implementation of the ERISA program and the full investigation of the Central States Teamsters Union Fund. There are serious questions which must be asked, and responsible answers given to Congress.

As election time nears, it appears this situation may be more delicate.

I regret to see the resignation of Mr. Hutchison. He seemed to be a dedicated servant committed to quicken action within the agencies. This frustration apparently caused him to resign. We must wonder why.

REV. KENNETH L. FOLKES

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, the opening prayer in the House this afternoon, was offered by my good friend, the Reverend Kenneth Folkes, pastor of the Mount Carmel Church located in the Bronx, N.Y.

Reverend Folkes has had an outstanding career in the ministry, spanning some 30 years. In addition to his many time-consuming duties as pastor of Mount Carmel, Reverend Folkes has been deeply involved in religious affairs of the entire city of New York as president of the council of churches for the city. He further provides important spiritual guidance for the patients at Lincoln Hospital, in the capacity of senior chaplain.

Reverend Folkes has also lent his considerable talents to a number of leading New York City commissions, created to study some of the city's more pressing social problems. Most recently, he was appointed a member of the gun control commission.

Mr. Speaker, I am especially proud that Reverend Folkes accepted my invitation to be here today. He has proven himself to be a man of exemplary stature and is recognized as a leader in the religious community of New York City. I welcome him and his family today and extend to them the sincere thanks of all my colleagues.

DEMOCRATIC LEADERSHIP DECIDES IMPORTANT BILLS WILL NOT BE BROUGHT UP IN THIS SESSION

Mr. DEVINE. Mr. Speaker, I read with interest in the Washington Post this morning that the Democratic leadership of the House has decided that there is not enough time to bring up the Humphrey-Hawkins bill in this session. There is a further story that probably the national health insurance bill will not come up this session.

Mr. Speaker, it seems to me the leadership of the House is developing a nonissue stance, just as the Democratic candidate for President is a nonissue candidate. I wonder if that is the reason why these bills will not be brought up. The public should have an opportunity to know how we all stand on these important issues. It looks like the Democrat leadership is trying to duck out.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

HEW SHOWS LACK OF INTEREST IN SICKLE CELL ANEMIA PROGRAMS

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, I take this time to bring to the attention of the House the complete lack of interest of one of our bureaucrats. I speak today of a medical doctor who now handles funding of programs dealing with sickle cell anemia in the Department of Health, Education, and Welfare.

Two weeks ago I called and asked five questions dealing with the sickle cell programs. As to date I had not received an answer. Today I talked to Dr. Audrey Manley and she said that she would try to answer my questions if I wrote her a letter on this matter. I told her that my phone call was an official request for information.

Mr. Speaker, it seems as though once again we who are Members of this body, as we try to serve our constituents are being given the run around by the bureaucrats. I realize more and more why many of our programs seems so ineffective and the reason being these hidden grey individuals such as Dr. Manley.

I hope if elected Mr. Carter will keep his promise to trim the Government but in the meantime I hope and pray that the people of the United States will not suffer any more than necessary because of the lack of cooperation in such offices as Dr. Manley's.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 645]

Abzug
Adams
Andrews, N.C.
Ashley
Boland
Bolling
Buchanan
Chisholm
Conlan
Conyers
de la Garza
Diggs
du Pont
Eckhardt
Esch
Eshleman
Evins, Tenn.
Foley
Giaimo
Gilman
Green
Harsha
Hays, Ohio
Hébert
Heinz
Hinshaw
Holt
Howard
Howe
Jones, Okla.
Jones, Tenn.
Karth
Lehman
Lundine
McKinney
Melcher
Mills
Mink
Moorhead, Pa.
Neal
O'Hara
O'Neill
Peyser
Rangel
Riegle
Risenhoover
Roncallo
Scheuer
Sisk
Spence
Stanton, James V.
Steelman
Steiger, Ariz.
Stuckey
Symington
Symms
Teague
Thompson
Walsh
Waxman
Young, Alaska

The SPEAKER. On this rollcall 370 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REVISIONS TO DEFERRALS OF FEDERAL AVIATION ADMINISTRATION'S FACILITIES AND STATE AND LOCAL GOVERNMENT FISCAL ASSISTANCE TRUST FUND—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-589)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I report revisions to two deferrals previously transmitted.

Both of the revised reports reflect routine increases to the amounts deferred. The Federal Aviation Administration's facilities and equipment deferral has been increased by $193.8 million, and a deferral for the State and local government fiscal assistance trust fund in the Department of the Treasury has been increased by $1.4 million.

The details of each revised deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *August 24, 1976.*

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

AUTHORIZING CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

Mr. ICHORD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14846) to authorize certain construction at military installations, and for other purposes, as amended.

The Clerk read as follows:

H.R. 14846

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—ARMY

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $33,293,000.

Fort Campbell, Kentucky, $65,387,000.

Fort Carson, Colorado, $10,589,000.

Fort Drum, New York, $7,114,000.

Fort Greely, Alaska, $2,854,000.

Fort Hood, Texas, $20,033,000.

Fort Lewis, Washington, $2,114,000.

Fort George G. Meade, Maryland, $1,142,000.

Fort Ord, California, $14,453,000.

Fort Polk, Louisiana, $47,613,000.

Fort Riley, Kansas, $5,694,000.

Fort Stewart/Hunter Army Air Field, Georgia, $39,634,000.

Fort Wainwright, Alaska, $17,163,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Belvoir, Virginia, $6,052,000.

Fort Benning, Georgia, $10,394,000.

Fort Bliss, Texas, $3,856,000.

Fort Eustis, Virginia, $3,016,000.

Fort Gordon, Georgia, $2,224,000.

Fort Benjamin Harrison, Indiana, $987,000.

Fort Knox, Kentucky, $10,379,000.

Fort Leavenworth, Kansas, $190,000.

Fort Lee, Virginia, $1,115,000.

Fort Rucker, Alabama, $1,841,000.

Fort Sill, Oklahoma, $1,181,000.

Fort Leonard Wood, Missouri, $15,249,000.

UNITED STATES ARMY MILITARY DISTRICT OF WASHINGTON

Fort McNair, District of Columbia, $722,000.

UNITED STATES ARMY MATERIEL COMMAND

Aberdeen Proving Ground, Maryland, $726,000.

Detroit Arsenal, Michigan, $340,000.

Kansas Army Ammunition Plant, Kansas, $493,000.

Letterkenny Army Depot, Pennsylvania, $8,357,000.

Fort Monmouth, New Jersey, $495,000.

Natick Laboratories, Massachusetts, $118,000.

Picatinny Arsenal, New Jersey, $560,000.

Pine Bluff Arsenal, Arkansas, $6,934,000.

Pueblo Army Depot, Colorado, $417,000.

Radford Army Ammunition Plant, Virginia, $25,663,000.

Redstone Arsenal, Alabama, $1,126,000.

Scranton Army Ammunition Plant, Pennsylvania, $162,000.

Seneca Army Depot, New York, $421,000.

Sharpe Army Depot, California, $551,000.

Sierra Army Depot, California, $1,489,000.

Tooele Army Depot, Utah, $2,572,000.

USA Fuel Lubrication Research Laboratory, Texas, $469,000.

Watervliet Arsenal, New York, $3,383,000.

White Sands Missile Range, New Mexico, $349,000.

Woodbridge Research Facility, Virginia, $2,130,000.

Yuma Proving Ground, Arizona, $6,978,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $1,118,000.

Indiana Army Ammunition Plant, Indiana, $6,758,000.

Lone Star Army Ammunition Plant, Texas, $116,000.

Longhorn Army Ammunition Plant, Texas, $86,000.

Milan Army Ammunition Plant, Tennessee, $512,000.

Radford Army Ammunition Plant, Virginia, $387,000.

Sunflower Army Ammunition Plant, Kansas, $15,238,000.

Volunteer Army Ammunition Plant, Tennessee, $285,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $2,857,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fitzsimmons Army Medical Center, Colorado, $244,000.

Walter Reed Army Medical Center, District of Columbia, $1,108,000.

UNITED STATES ARMY MILITARY TRAFFIC COMMAND

Sunny Point Army Terminal, North Carolina, $531,000.

NUCLEAR WEAPONS SECURITY

Various locations, $2,575,000.

OUTSIDE THE UNITED STATES

EIGHTH UNITED STATES ARMY, KOREA

Various locations, $13,669,000.

UNITED STATES ARMY, JAPAN

Okinawa, $124,000.

UNITED STATES ARMY SECURITY AGENCY

Various locations, $4,480,000.

UNITED STATES ARMY, EUROPE

Germany, various locations, $15,907,000.

Italy, various locations, $1,088,000.

Various locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations, including international military headquarters, for the collective defense of the North Atlantic Treaty Area, $80,000,000. Within thirty days after the end of each quarter, the Secretary of the Army shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred as the United States share of such multilateral programs.

NUCLEAR WEAPONS SECURITY

Various locations, $49,393,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment in the total amount of $10,000,000. The Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1978 except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

TITLE II—NAVY

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

TRIDENT FACILITIES

Various locations, $92,278,000.

MARINE CORPS

Marine Corps Supply Center, Albany, Georgia, $1,965,000.

Marine Corps Base, Camp Lejeune, North Carolina, $22,001,000.

Marine Corps Base, Camp Pendleton, California, $12,720,000.

Marine Corps Air Station, Cherry Point, North Carolina, $526,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $1,900,000.

Fleet Marine Force Atlantic, Norfolk, Virginia, $799,000.

Headquarters, Fleet Marine Force Pacific, Camp Smith, Oahu, Hawaii, $1,046,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $4,499,000.

Marine Corps Development and Education Command, Quantico, Virginia, $532,000.

Marine Corps Air Station, Yuma, Arizona, $940,000.

CHIEF OF NAVAL OPERATIONS

Naval Support Activity, Brooklyn, New York, $491,000.

Naval Support Activity, New Orleans, Louisiana, $1,400,000.

Commander in Chief Pacific, Pearl Harbor, Hawaii, $4,300,000.

Naval Support Activity, Philadelphia, Pennsylvania, $201,000.

Naval Support Activity, Seattle, Washington, $667,000.

Headquarters Naval District Washington, Washington, District of Columbia, $1,300,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Cecil Field, Florida, $272,000.

Oceanographic System Atlantic, Dam Neck, Virginia, $8,048,000.

Naval Air Station, Jacksonville, Florida, $6,101,000.

Naval Station, Mayport, Florida, $1,674,0000.

Naval Submarine Base New London, Connecticut, $300,000.

Flag Administrative Unit, Atlantic, Norfolk, Virginia, $223,000.

Naval Station, Norfolk, Virginia, $24,246,000.

Naval Air Station, Oceana, Virginia, $14,457,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Station, Adak, Alaska, $1,418,000.

Naval Air Station, Barbers Point, Hawaii, $12,836,000.

Naval Air Station, Fallon, Nevada, $2,376,000.

Naval Air Station, Miramar, California, $4,958,000.

Naval Air Station, Moffett Field, California, $896,000.

Naval Air Station, North Island, California, $11,720,000.

Naval Station, Pearl Harbor, Hawaii, $4,051,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $975,000.

Naval Facility, Point Sur, California, $160,000.

Naval Station, San Diego, California, $8,386,000.

Naval Air Station, Whidbey Island, Washington, $1,055,000.

NAVAL EDUCATION AND TRAINING

Naval Academy, Annapolis, Maryland, $1,639,000.

Naval Supply Corps School, Athens, Georgia, $670,000.

Navy Fleet Ballistic Missile Submarine Training Center, Charleston, South Carolina, $2,504,000.

Naval Air Station, Memphis Tennessee, $1,871,000.

Naval Submarine School New London, Connecticut, $672,000.

Naval Education and Training Center, Newport, Rhode Island, $490,000.

Naval School of Diving and Salvage, Panama City, Florida, $10,800,000.

Naval Air Station, Pensacola, Florida, $1,546,000.

Naval Technical Training Center, Corry Station, Pensacola, Florida, $900,000.

Naval Submarine Training Center, San Diego, California, $3,520,000.

Naval Training Center, San Diego, California, $5,455,000.

Naval Air Station, Whiting Field, Florida, $1,208,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center Jacksonville, Florida, $7,393,000.

Portsmouth Naval Regional Medical Clinic, Kittery, Maine, $4,058,000.

Naval Regional Dental Center, Newport, Rhode Island, $1,975,000.

Naval Hospital, Orlando, Florida, $23,850,000.

Navy Environmental and Preventive Medicine Unit No. 6, Pearl Harbor, Hawaii, $283,000.

Naval Regional Dental Center, San Diego, California, $2,501,000.

Navy Environmental and Preventive Medicine Unit No. 5, San Diego, California, $1,270,000.

CHIEF OF NAVAL MATERIAL

Naval Air Rework Facility, Alameda, California, $1,191,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $10,876,000.

Charleston Naval Shipyard, Charleston, South Carolina, $11,256,000.

Naval Weapons Station, Charleston, South Carolina, $8,796,000.

Polaris Missile Facility, Atlantic, Charleston, South Carolina, $2,315,000.

Naval Weapons Center, China Lake, California, $950,000.

Naval Weapons Support Center, Crane, Indiana, $988,000.

Naval Weapons Station, Earle, New Jersey, $2,835,000.

National Parachute Test Range, El Centro, California, $732,000.

Naval Air Facility, El Centro, California, $3,500,000.

Naval Construction Battalion Center, Gulfport, Mississippi, $4,551,000.

Naval Ordnance Station, Indian Head, Maryland, $383,000.

Naval Torpedo Station, Keyport, Washington, $2,145,000.

Portsmouth Naval Shipyard, Kittery, Maine, $12,789,000.

Naval Air Station, Lakehurst, New Jersey, $117,000.

Long Beach Naval Shipyard, Long Beach, California, $3,981,000.

Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania, $135,000.

Navy Public Works Center, Norfolk, Virginia, $454,000.

Naval Air Test Center, Patuxent River, Maryland, $2,701,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $11,985,000.

Naval Air Rework Facility, Pensacola, Florida, $7,784,000.

Navy Public Works Center, Pensacola, Florida, $95,000.

Navy Aviation Supply Office, Philadelphia, Pennsylvania, $629,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $4,607,000.

Pacific Missile Test Center, Point Mugu, California, $3,087,000.

Naval Construction Battalion Center, Port Hueneme, California, $183,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $5,909,000.

Naval Undersea Center, San Diego, California, $811,000.

Navy Public Works Center, San Francisco, California, $190,000.

Mare Island Naval Shipyard, Vallejo, California, $9,302,000.

OCEANOGRAPHER OF THE NAVY

Naval Oceanographic Center, Bay Saint Louis, Mississippi, $7,400,000.

NUCLEAR WEAPONS SECURITY

Various locations, $34,581,000.

OUTSIDE THE UNITED STATES

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Station, Keflavik, Iceland, $6,009,000.

Naval Station, Roosevelt Roads, Puerto Rico, $4,160,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Magazine, Guam, Mariana Islands, $1,861,000.

NAVAL TELECOMMUNICATIONS COMMAND

Classified location, $1,832,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Keflavik, Iceland, $3,000,000.

NUCLEAR WEAPONS SECURITY

Various locations, $2,494,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000. The Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1978 except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

DEFICIENCY AUTHORIZATIONS

SEC. 203. Public Law 93-166, as amended, is amended by striking out in clause (2) of section 602 "$549,849,000" and "$608,682,000" and inserting in place thereof "$560,849,000" and "$619,682,000", respectively.

TITLE III—AIR FORCE

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Tyndall Air Force Base, Florida, $1,720,000.

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $16,587,000.

Kelly Air Force Base, Texas, $2,374,000.

McClellan Air Force Base California, $1,194,000.

Newark Air Force Station, Ohio, $266,000.

Robins Air Force Base, Georgia, $10,051,000.

Tinker Air Force Base, Oklahoma, $5,348,000.

Wright-Patterson Air Force Base, Ohio, $35,804,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $439,010,000.

Eglin Air Force Base, Florida, $354,000.

Laurence G. Hanscom Air Force Base, Massachusetts, $671,000.

Patrick Air Force Base, Florida, $198,000.

Pillar Point Air Force Station, California, $450,000.

Various locations, $10,250,000.

AIR TRAINING COMMAND

Columbus Air Force Base, Mississippi, $6,467,000.

Keesler Air Force Base, Mississippi, $1,350,000.

Mather Air Force Base, California, $3,883,000.

Randolph Air Force Base, Texas, $4,927,000.

Reese Air Force Base, Texas, $250,000.

Williams Air Force Base, Arizona, $825,000.

AIR UNIVERSITY

Maxwell Air Force Base, Alabama, $123,000.

ALASKAN AIR COMMAND

Elmendorf Air Force Base, Alaska, $210,000.

Shemya Air Force Base, Alaska, $3,110,000.

Fort Yukon Air Force Station, Alaska, $448,000.

HEADQUARTERS COMMAND

Andrews Air Force Base, Maryland, $2,880,000.

Bolling Air Force Base, District of Columbia, $1,415,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $11,377,000.

Charleston Air Force Base, South Carolina, $1,468,000.

Dover Air Force Base, Delaware, $900,000.

Little Rock Air Force Base, Arkansas, $2,305,000.

McChord Air Force Base, Washington, $286,000.

Norton Air Force Base, California, $900,000.

Pope Air Force Base, North Carolina, $200,000.

Scott Air Force Base, Illinois, $90,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, $4,145,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $3,628,000.

Beale Air Force Base, California, $7,825,000.

Blytheville Air Force Base, Arkansas, $2,200,000.

Carswell Air Force Base, Texas, $732,000.

Castle Air Force Base, California, $1,270,000.

Davis-Monthan Air Force Base, Arizona, $2,192,000.

Fairchild Air Force Base, Washington, $100,000.

Grand Forks Air Force Base, North Dakota, $2,441,000.

Griffiss Air Force Base, New York, $699,000.

K. I. Sawyer Air Force Base, Michigan, $270,000.

Malmstrom Air Force Base, Montana, $3,150,000.

McConnell Air Force Base, Kansas, $2,948,000.

Minot Air Force Base, North Dakota, $980,000.

Offutt Air Force Base, Nebraska, $38,060,000.

Plattsburgh Air Force Base, New York, $588,000.

Rickenbacker Air Force Base, Ohio, $704,000.

Vandenberg Air Force Base, California, $1,454,000.

Whiteman Air Force Base, Missouri, $133,000.

Wurtsmith Air Force Base, Michigan, $1,607,000.

TACTICAL AIR COMMAND

England Air Force Base, Louisiana, $198,000.

Holloman Air Force Base, New Mexico, $500,000.

Luke Air Force Base, Arizona, $987,000.

MacDill Air Force Base, Florida, $1,022,000.

Moody Air Force Base, Georgia, $5,796,000.

Myrtle Beach Air Force Base, South Carolina, $1,570,000.

Nellis Air Force Base, Nevada, $245,000.

Seymour-Johnson Air Force Base, North Carolina, $1,030,000.

East Coast Range, $7,500,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $354,000.

NUCLEAR WEAPONS SECURITY

Various locations, $15,523,000.

AIR INSTALLATION COMPATIBLE USE ZONES

Various locations, $2,217,000.

OUTSIDE THE UNITED STATES

AIR FORCE SYSTEMS COMMAND

Classified locations, $1,300,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $4,170,000.

UNITED STATES AIR FORCES IN EUROPE

Various locations, $38,000,000.

NUCLEAR WEAPONS SECURITY

Various locations, $13,180,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines the deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $10,000,000. The Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1978 except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

TITLE IV—DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE MAPPING AGENCY

Defense Mapping Agency Aerospace Center, Saint Louis, Missouri, $1,023,000.

Defense Mapping Agency Topographic Center, Bethesda, Maryland, $455,000.

DEFENSE SUPPLY AGENCY

Cameron Station, Alexandria, Virginia, $8,000,000.

Defense Construction Supply Center, Columbus, Ohio, $855,000.

Defense Electronics Supply Center, Dayton, Ohio, $130,000.

Defense Fuel Support Point, Cincinnati, Ohio, $191,000.

Defense Fuel Support Point, Lynn Haven, Florida, $1,393,000.

Defense Fuel Support Point, Melville, Newport, Rhode Island, $225,000.

Defense General Supply Center, Richmond, Virginia, $1,624,000.

Defense Logistics Service Center, Battle Creek, Michigan, $1,862,000.

Defense Property Disposal Office, Ayer, Fort Devens, Massachusetts, $500,000.

Defense Property Disposal Office, Duluth Air Force Base, Minnesota, $135,000.

Defense Property Disposal Office, Groton, Connecticut, $231,000.

Defense Property Disposal Office, Gunter Air Force Base, Alabama, $150,000.

Defense Property Disposal Office, Fort Riley, Kansas, $772,000.

Defense Property Disposal Office, Wurtsmith, Michigan, $162,000.

TERMINAL PROCUREMENT

Harrisville, Michigan, $700,000.

Verona, New York, $200,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $2,247,000.

OUTSIDE THE UNITED STATES

DEFENSE SUPPLY AGENCY

Defense Property Disposal Office, Kaiserslautern, Germany, $575,000.

Defense Property Disposal Office, Nuremberg, Germany, $649,000.

Defense Property Disposal Office, Seckenheim, Germany, $867,000.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation appurtenances, utilities, and equipment, in the total amount of $10,000,000. The Secretary of Defense, or his designee, shall notify the Committee on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

TITLE V—MILITARY FAMILY HOUSING

AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 501. (a) The Secretary of Defense, or his designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such locations in the United States until the Secretary has consulted with the Secretary of the Department of Housing and Urban Development as to the availability of suitable private housing at such locations. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if he, or his designee, determines such action to be in the best interests of the United States; but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority; and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units:

Fort Polk, Louisiana, six hundred fifty-two units, $25,510,000.

Naval Complex, Bangor, Washington, two hundred forty-two units, $9,375,000.

Naval Station, Keflavik, Iceland, one hundred sixty units, $17,200,000.

Gila Bend Air Force Auxiliary Field, Arizona, forty units, $1,676,000.

(d) Any amount specified in this section may, at the discretion of the Secretary of Defense, or his designee, be increased by 10 per centum, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time the request for such amount was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, design, supervision, inspection, overhead, land acquisition, site preparation, and installation of utilities.

ALTERATIONS OF EXISTING QUARTERS

SEC. 502. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Department of the Army, $12,000,000 for energy conservation projects;

(2) for the Department of the Navy, $7,000,000 for energy conservation projects; and

(3) for the Department of the Air Force, $6,890,000 for energy conservation projects.

RENTAL QUARTERS

SEC. 503. (a) Section 515 of Public Law 84–161 (69 Stat. 324, 352), as amended, is further amended by revising the third sentence to read as follows: "Expenditures for the rental of such housing facilities, including the cost of utilities and maintenance and operation, may not exceed: For the United States (other than Alaska, Hawaii, and Guam) and Puerto Rico, an average of $265 per month for each military department or the amount of $450 per month for any unit; and for Alaska, Hawaii, and Guam, an average of $335 per month for each military department, or the amount of $450 per month for any one unit.".

(b) Section 507(b) of Public Law 93–166 (87 Stat. 661, 676) is amended by striking out "$380" and "$670" in the first sentence and inserting in lieu thereof "$405" and "$700", respectively.

SETTLEMENT OF CLAIMS

SEC. 504. Notwithstanding the provisions of any other law:

(1) The Secretary of the Navy is authorized to settle claims regarding construction of public quarters at the Naval Station, Charleston, South Carolina, in the amount of $1,675,000.

(2) The Secretary of the Air Force is authorized to settle claims regarding construction of mobile home facilities at MacDill Air Force Base, Florida, in the amount of $88,000, plus interest at 8⅞ per centum from April 23, 1975, the date of settlement.

HOUSING, APPROPRIATIONS LIMITATIONS

SEC. 505. There is authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) For construction or acquisition of sole interest in family housing, including demolition. authorized improvements to public quarters, minor construction, relocation of family housing, rental guarantee payments, and planning, an amount not to exceed $80,576,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, as amended (12 U.S.C. 1715m), an amount not to exceed $1,223,947,000.

TITLE VI—GENERAL PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interest in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

APPROPRIATIONS LIMITATIONS

SEC. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V shall not exceed—

(1) for title I: Inside the United States, $419,837,000; outside the United States, $164,661,000; or a total of $584,498,000.

(2) for title II: Inside the United States, $481,580,000; outside the United States, $19,356,000; or a total of $500,936,000.

(3) for title III: Inside the United States, $679,759,000; outside the United States, $56,650,000; or a total of $736,409,000.

(4) for title IV: A total of $32,946,000.

(5) for title V: Military Family Housing, $1,304,523,000.

COST VARIATIONS

SEC. 603. (a) Except as provided in subsections (b) and (c), any amount specified in titles I, II, III, and IV of this Act may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Hawaii and Alaska) and by 10 per centum when outside the United States or in Hawaii and Alaska, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time the request for such amount was submitted to the Congress.

(b) When the amount named for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (a), he may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(c) When the Secretary of Defense determines that any amount named in title I, II, III, or IV of this Act must be exceeded by more than the percentages permitted in subsections (a) or (b) to accomplish authorized construction or acquisition, the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding any provision to the contrary in prior military construction authorizations Acts, the provisions of this subsection shall apply to such prior Acts.

(d) Notwithstanding the foregoing provisions of this section, the total cost of all construction and acquisition in each such title may not exceed the total amount authorized to be appropriated in that title.

(e) No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installation for which the current working estimate is $400,000 or more may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress, until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for such reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either (A) thirty days have elapsed from the date of submission of such report, or (B) both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(f) The Secretary of Defense shall submit an annual report to the Congress identifying each individual project which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress, shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each such firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR AUTHORIZATIONS; EXCEPTIONS

SEC. 605. (a) As of January 1, 1978, all authorizations for military public works, including family housing to be accomplished by the Secretary of a military department, in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Act of October 7, 1975, Public Law 94–107 (89 Stat. 546), and all such authorizations contained in Acts approved before October 7, 1975, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before January 1, 1978, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of section 605 of the Act of October 7, 1975, Public Law 94–107 (89 Stat. 546, 565), authorizations for the following items shall remain in effect until January 1, 1979:

(1) Defense Satellite Communications System construction in the amount of $1,054,000 at Stuttgart, Germany, authorized in section 101 of the Act of December 27, 1974 (88 Stat. 1747), as amended.

(2) Cold storage warehouse construction in the amount of $1,215,000 at Fort Dix, New Jersey, authorized in section 101 of the Act of October 25, 1972 (86 Stat. 1135), as amended and extended in section 605(3)(B) of the Act of December 27, 1974 (88 Stat. 1762), as amended.

(3) Land acquisition, Murphy Canyon in the amount of $3,843,000 at Naval Regional Medical Center, San Diego, California, authorized in section 201 of the Act of December 27, 1974 (88 Stat. 1750), as amended.

(4) Land acquisition in the amount of $800,000 at Naval Security Group Activity, Sabana Seca, Puerto Rico, authorized in section 201 of the Act of December 27, 1974 (88 Stat. 1750), as amended.

UNIT COST LIMITATIONS

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction project inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $39 per square foot for permanent barracks;

(2) $42 per square foot for bachelor officer quarters;

unless the Secretary of Defense, or his designee, determines that because of special circumstances application to such project of the limitations on unit costs contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

INCREASES FOR SOLAR HEATING AND SOLAR COOLING EQUIPMENT

SEC. 607. The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In addition to all other authorized variations of cost limitations or floor area limitations contained in this Act or prior Military Construction Authorization Acts, the Secretary of Defense, or his designee, may permit increases in the cost limitations or floor area limitations by such amounts as may be necessary to equip any projects with solar heating and/or solar cooling equipment.

LAND CONVEYANCE, NEW JERSEY

SEC. 608. (a) The Secretary of the Navy is authorized to convey, without consideration, to the Airship Association, a nonprofit organization, incorporated under the laws of the State of New Jersey, all right, title, and interest of the United States in and to that portion of the lands comprising the Naval Air Station, Lakehurst, New Jersey, described in subsection (b), for use as a permanent site for the museum described in subsection (c), subject to conditions of use set forth in such subsection.

(b) The land authorized to be conveyed by subsection (a) is a certain parcel of land containing 13.98 acres, more or less, situated in Ocean County, New Jersey, being a part of the Naval Air Station, Lakehurst, New Jersey, and more particularly described as follows:

Beginning at a point on the westerly side of Ocean County Route Numbered 547, 205.40 feet northerly from the intersection of the center line of new road and the westerly side of Route Numbered 547 thence (1) north 10 degrees 14 minutes 19 seconds east, 770.25 feet along the westerly edge of road to a point thence (2) north 66 degrees 35 minutes 41 seconds west, 724.55 feet to a point thence (3) south 23 degrees 24 minutes 19 seconds west, 750 feet to a point thence (4) south 66 degrees 35 minutes 41 seconds east, 900 feet to the point and place of beginning.

(c) The conveyance authorized by subsection (a) shall be subject to the following conditions and such other terms and conditions as the Secretary of the Navy, or his designee, shall determine necessary to protect the interest of the United States:

(1) The land so conveyed shall be used primarily for the construction and operation of an airship museum to collect, preserve, and display to the public material, memorabilia,

and other items of historical significance and interest relative to the development and use of the airship, and for purposes incidental thereto.

(2) All right, title, and interest in and to such lands, and any improvements constructed thereon, shall revert to the United States, which shall have an immediate right of entry thereon, if the construction of the airship museum is not undertaken within five years from the date of such conveyance or if the lands conveyed shall cease to be used for the purposes specified in paragraph (1).

(3) All expenses for surveys and the preparation and execution of legal documents necessary or appropriate to carry out the provisions of this section shall be borne by the Airship Association.

LAND CONVEYANCE, WEST VIRGINIA

Sec. 609. Notwithstanding any other provisions of law, the Secretary of Defense, or his designee, is authorized to convey to the city of South Charleston, West Virginia, subject to such terms and conditions as the Secretary shall deem to be in the public interest, all right, title, and interest of the United States in and to a section of land located on the property formerly known as the South Charleston Naval Ordnance Plant, with improvements, such land consisting of approximately 4.5 acres. In consideration of such conveyance by the Secretary, the city of South Charleston shall convey to the United States unencumbered fee title to eight acres of land owned by the municipality, improved in a manner acceptable to the Secretary, and subject to such other conditions as are acceptable to the Secretary. The exact acreages and legal descriptions of both properties are to be determined by accurate surveys as mutually agreed upon by the Secretary and the city of South Charleston. The Secretary is authorized to accept the lands so conveyed to the United States, which lands shall be administered by the Department of the Army.

STUDIES OF REUSE OF MILITARY BASES

Sec. 610. (a) Whenever a final decision has been made to close any military installation located in the United States, Guam, or Puerto Rico and, because of the location, facilities, and other particular characteristics of such installation, the Secretary of Defense determines that such installation may be suitable for some specific Federal or State use potentially beneficial to the Nation, the Secretary of Defense is authorized to conduct such studies, including, but not limited to, the preparation of an environmental impact statement in accordance with the National Environmental Policy Act of 1969, in connection with such installation and such potential use as may be necessary to provide information sufficient to make sound conclusions and recommendations regarding the possible use of such installation.

(b) Any study conducted under authority of this section shall be submitted to the President and the Congress together with such comments and recommendations as the Secretary of Defense may deem appropriate. Such studies shall also be available to the public.

(c) As used in this section, the term "military installation" includes any camp, post, station, base, yard, or other installation under the jurisdiction of any military department.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

IMPACT ASSISTANCE, NONPROFIT COOPERATIVES

Sec. 611. Notwithstanding section 7 of the Act of August 23, 1912 (31 U.S.C. 679), the Secretary of Defense is authorized to use any funds appropriated to carry out the provisions of section 610 of the Military Construction Act, 1971 (84 Stat. 1224), to reimburse nonprofit, mutual aid telephone cooperatives for their capital expenditures for the purchase and installation of nontactical communications equipment and related facilities, to the extent the Secretary determines that (1) such expenditures are not otherwise recoverable by such cooperatives, (2) such expenditures were incurred as the direct result of the construction, installation, testing, and operation of the SAFEGUARD Antiballistic Missile System, and (3) such cooperatives, as a result of the deactivation and termination of such system, would sustain an unfair and excessive financial burden in the absence of the financial assistance authorized by this section.

NAVAL MUSEUM, CHARLESTON, SOUTH CAROLINA

Sec. 612. The Congress hereby expresses its approval and encouragement with respect to the establishment, by the State of South Carolina, of a naval and maritime museum in the city of Charleston, South Carolina, and recognizes the historical importance of such museum and the patriotic purpose it is intended to serve.

AMENDMENT TO TITLE 10 UNITED STATES CODE; REAL PROPERTY EXCHANGE

Sec. 613. Section 2662(a) of title 10, United States Code, is amended by adding at the end thereof a new sentence as follows: "The report required by this subsection to be submitted to the Committees on Armed Services of the Senate and House of Representatives concerning any report of excess real property described in clause (5) shall contain a certification by the Secretary concerned that he has considered the feasibility of exchanging such property for other real property authorized to be acquired for military purposes and has determined that the property proposed to be declared excess is not suitable for such purpose.".

SHORT TITLE

Sec. 614. Titles I, II, III, IV, V, and VI of this Act may be cited as the "Military Construction Authorization Act, 1977".

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

Sec. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1) For the Department of the Army:

(a) Army National Guard of the United States, $54,745,000.

(b) Army Reserve, $44,459,000.

(2) For the Department of the Navy: Naval and Marine Corps Reserves, $21,800,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $33,900,000.

(b) Air Force Reserve, $9,773,000.

WAIVER OF CERTAIN RESTRICTIONS

Sec. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SHORT TITLE

Sec. 703. This title may be cited as the "Guard and Reserves Forces Facilities Authorization Act, 1977".

The SPEAKER. Is a second demanded?

Mr. WHITEHURST. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Missouri (Mr. Ichord) will be recognized for 20 minutes, and the gentleman from Virginia (Mr. Whitehurst) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Missouri (Mr. Ichord).

Mr. ICHORD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the first item for consideration under suspension of the rules today is the bill H.R. 14846, the Military Construction Authorization bill for fiscal year 1977. The House Committee on Armed Services presents this bill to provide military construction authorization and related authority in support of the military departments and defense agencies.

Before I describe the features of the bill I want to express my appreciation to the ranking minority member of the subcommittee, the gentleman from Virginia (Mr. Whitehurst), and the other members of the committee for their efforts in arriving at this new bill.

This bill is to replace the bill H.R. 12384 which was vetoed by the President. The legislative history of H.R. 12384 is clear and I hope is still fresh in the minds of each. Nevertheless let me take a moment to quickly review that history.

The bill H.R. 12384 was passed by this body on May 7 by a vote of 299 to 14. A companion bill was passed by the Senate on May 20 of this year by a vote of 80 to 3. The conference report was adopted by the House on June 16 by a vote of 375 to 20. The Senate adopted it by a voice vote on June 17. The bill was vetoed by the President on July 2 because of section 612 of the bill, which dealt with base closures and base realinements.

The House on July 22 by a vote of 270 to 131 overrode the veto of the President. But on the other hand the Senate on July 22 voted to sustain the Presidential veto by a vote of 51 to 42.

The bill H.R. 14846 which we are considering now is a substitute for and exactly the same as the bill H.R. 12384 except that the provision for dealing with base closures has been deleted.

The concern of the Armed Services Committee, I would state, Mr. Speaker, over base realinements and base closures has not diminished and the committee will expect to be fully informed by the Department of Defense of its justification for implementing any realinement or closure of bases recently identified as candidates for closure by the armed services. Moreover it is the clear intention of the Subcommittee on Military Installations and Facilities to hold hearings on this issue during consideration of the military construction bill for the fiscal year 1978.

However, the committee does have an overriding responsibility to place into law a bill that will authorize military construction and family housing operations and maintenance for the fiscal year 1977 so that corresponding appropriations already signed into law can be used. Under existing law, I would point out, Mr. Speaker, no funds can be obligated or expended until this authorization bill is passed so there is a pressing need to pass this bill under suspension of the rules today.

The bill with the exception of the elimination of section 612 is exactly the same as the bill that was so overwhelmingly adopted by this body on June 16 and again on July 22 over the President's objections. It is the responsibility of this body, Mr. Speaker, to authorize military construction and I do not think there is any need to discuss all of the issues that have been so thoroughly discussed during the adoption of the original bill.

Mr. Speaker, I believe that this is the best bill that we can get signed into law at this time and I recommend its approval. I will be glad to answer any questions Members may have about the committee's recommendation.

I have committed myself first to yield to the gentleman from Maine (Mr. Cohen), and I yield now to the gentleman from Maine.

Mr. COHEN. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Maine (Mr. Cohen).

Mr. COHEN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this spring, during House consideration of H.R. 12384, military construction authorization for fiscal year 1977, the able chairman of the Subcommittee on Military Installations and Facilities the gentleman from Missouri (Mr. Ichord) accepted an amendment to the bill that was designed to establish a much needed procedure for the reasonable and orderly realinement of military installations.

The amendment, which I cosponsored with the distinguished majority leader the gentleman from Massachusetts (Mr. O'Neill), was designed to enhance the oversight capacity of the Congress in matters pertaining to major base closures and realinements. This amendment, section 612 of the bill, required that the Defense Department provide the Armed Services Committees of the House and Senate with reports detailing the full fiscal, economic, budgetary and military effects of certain, specified base closures and reductions. The reports would not have constituted a legislative veto; rather they represented an attempt to seek a complete explanation and examination of a major military action.

I was very pleased that the chairman and the ranking minority Member the gentleman from Virginia (Mr. Whitehurst) accepted this important amendment, and I was also pleased when the Senate passed a similar amendment.

Unfortunately, the Defense Department and the President did not agree with the Congress on this matter. On July 2, the President vetoed the bill and issued a statement in which he called section 612 "highly objectionable."

On July 22, after a lengthy floor debate, the House voted 270–131 to override the President's veto. The House vote indicated the broad, bipartisan support for section 612 by Members representing a wide political spectrum and many different regions of the Nation. At that time, the chairman and the ranking minority Member led a very informative and effective floor debate on the veto in which they sought to demonstrate that section 612 was a constitutional and rational exercise of congressional powers over the budget. I commend the gentleman for their capable defense of this measure, and I wish that the Senate had adequately considered the House debate on the veto override because that same day the Senate sustained the President's veto by 11 votes.

I understand that the chairman and ranking minority member are still committed to the principle of section 612 and that they have pledged to hold hearings and seek new legislation on this matter in the next Congress. But I am disappointed that section 612 has been deleted from the new military construction authorization bill now before the House, because a majority of the members have indicated by accepting the original amendment and voting to override the President's veto their strong support for this provision.

Since this bill has been brought to the floor under Suspension of the Rules, section 612 cannot be offered again as an amendment to the bill.

Mr. Speaker, I would like to say that no one has worked any harder for including the congressional oversight provision, section 612, than the gentleman from Missouri (Mr. Ichord) and also the gentleman from Virginia (Mr. Whitehurst). I certainly commend both the gentleman for their efforts in this regard. The administration, under pressure from the Pentagon, originally objected to section 612 because it maintained that it was unconstitutional, but upon examination, rather than instant Pentagon reaction, the administration was satisfied that this was, indeed, a constitutional exercise of power by this body as indicated in the President's veto message.

Mr. ICHORD. Mr. Speaker, that is why they could not get any objection out of the Department of Justice. I do not think there is any question as to the constitutionality of section 612.

Mr. COHEN. Mr. Speaker, if the gentleman will yield further, I agree.

What remains troublesome to me is that while the administration agrees that this is an exercise of constitutional authority by this body, they have maintained, at least informally or privately, that section 612 gave a veto power to Congress which clearly it did not.

Mr. ICHORD. I agree with the gentleman.

Mr. COHEN. Mr. Speaker, if the gentleman will yield further, I have talked to a number of White House personnel who have explained that the President's principal objection to section 612 was that it gave a veto power to this body.

I hope the Senate will reexamine its vote and agree to the language of section 612.

Mr. Speaker, if the gentleman will yield further, I would like to ask several questions of the chairman. My understanding is that section 612 has been deleted from this bill principally because of the President's veto message.

Mr. ICHORD. The gentleman is correct.

Mr. COHEN. Mr. Speaker, if the gentleman will yield further, does the gentleman still believe that the Congress must establish some measure of effective oversight of major base realinements and closures?

Mr. ICHORD. I have not changed my position whatsoever; but I do recognize the situation that we are now in. The House has done its duty. We overrode the veto by a vote of 270 to 131, with eight votes more than the two-thirds majority, depending on how it is figured; but there is no need for us to press for section 612 if the Senate cannot override the President's veto. For this reason, the committee is bringing the bill to the House for consideration under a suspension of the rules.

No, the Senate, of course, is still permitted to exercise its will.

Mr. COHEN. Mr. Speaker, if the gentleman will yield further, am I correct in the understanding that as far as the gentleman's position is concerned, if the Senate chooses to adopt language similar to section 612, that the gentleman would be inclined to accept that in conference?

Mr. ICHORD. I could not commit myself personally to any language that I have not yet seen and I certainly cannot commit the other members of the House Committee on Armed Services. There will be members on the conference committee that are opposed to section 612. I cannot speak for them, but I can speak for myself. If the Senate were to develop language that would be effective and would be constitutional and could give us some assurance that they could muster their vote as we mustered our vote in the House of Representatives, I personally would be amenable to accepting such an amendment in conference.

Mr. COHEN. Mr. Speaker, if the gentleman will yield further, it is my understanding that the gentleman from Virginia is of a similar opinion, that the gentleman from Virginia also would be amenable to accepting such language.

Finally, when the gentleman from Missouri states that the Committee on Armed Services intends to be fully informed about proposed base closures or reductions for those bases that have been selected as "candidates for realinement," does that phrase mean the Pentagon must supply full justification not only of the military significance of the realinements, but also of the economic implications?

Mr. ICHORD. Yes; that is my feeling personally and I think that is the feeling of the majority of the members of the committee.

Mr. COHEN. Mr. Speaker, I thank the gentleman for his responses to these questions. I am very pleased that the gentleman would accept a Senate-initiated base oversight amendment and I look forward to the continuing efforts of the chairman and the ranking minority members to establish effective procedures for the closure and reduction of military installations.

Mr. WHITEHURST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished chairman of our Military Installations and Facilities Subcommittee, the gentleman from Missouri (Mr. Ichord) has given us the basic reasons for the need for H.R. 14846.

We made a good fight to keep section 612 on base closures and realinements in H.R. 12384, but we lost that fight.

As a matter of political reality, H.R. 14846, which is the same as H.R. 12384 with section 612 deleted, is, we believe, the best bill that we can get signed into law at this time.

The overriding consideration now is to get this bill acted on by the House so that the Senate can consider it and the needed authorization for military construction can be placed into law. This action is necessary so that already-appropriated funds can be used for military construction and facilities operation.

Mr. Speaker, this is a good bill. I support it and urge my colleagues to vote for its passage.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WHITEHURST. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I wonder if the gentleman from Missouri (Mr. Ichord) could indicate to the House whether or not he has received any indication on the part of the armed services or the Pentagon that they are, at least, now willing to give Congress more information prior to these decisions being made on base closings or transfers?

Quite obviously this issue has been brought to a head by the veto and the provision inserted in this bill to which the President objected. As one who represents an area which includes three major military installations I know my people want to know, and should have a right to know, what the plans are for future base closings or transfers.

I supported the provision. I voted to override the veto. I commend the gentleman for his position, but has the military shown any willingness up to this point to at least inform Congress of what their plans are in these instances?

Mr. ICHORD. I would have to answer the gentleman from Maryland in this way: Relationships were quite strained between the military and the committee, particularly with all the paid DOD lobbyists who were lobbying on Capitol Hill to sustain the Presidential veto. Perhaps that is the reason why the gentleman from Missouri has not received any word whatsoever.

Mr. BAUMAN. If the gentleman would yield further, I would suggest that possibly it behooves the military, who are in fact in the debt of this committee for the authorizations for military construction every year, to at least inform this committee and House Members at large what their plans are. I think that is the basic problem that gave rise to this entire provision in the first place.

Mr. ICHORD. The gentleman from Virginia may have received such word, but I have received nothing except the information of the bases that were candidates for closing back in March of this year.

Mrs. HECKLER of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WHITEHURST. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER of Masachusetts. Mr. Speaker, I would like again to address this question to the gentleman from Missouri (Mr. Ichord). My impression from his earlier actions, when we first considered this bill, and from his statements in the well today, were that he was conceptually amenable to the idea—and what I consider to be the justice—of section 612. Now if that can be drafted into language that answers the constitutional objections, which I think can be done, I would like to have the gentleman elaborate on the kinds of assurances he would request from the Senate.

He spoke earlier of the fact that the Senate was unable to get the necessary votes, and he would be amenable to language to the effect of section 612 if the Senate could garner the votes the next time. What kinds of assurances is he going to ask, and what expectations does he have from Senators at this point who might be on the conference, of being able to satisfy his conditions?

Mr. ICHORD. Well, as the distinguished gentlewoman from Massachusetts knows, the attempt to override the veto was strongly objected to by Members of the Senate whom we would normally describe as of a very liberal philosophy, and against military spending. They thought that the veto override of the President would be construed as being in favor of military spending.

I have gathered some information that some of those Members of the Senate who voted against overriding the veto have changed their minds, but at this point I am not in a position to make an intelligent assessment as to whether the Senate could muster enough votes to override a veto.

As I stated to the gentleman from Maine, I could not commit myself personally to language that I have not seen, nor could I commit the other members of the committee, but I can personally commit myself to the proposition that if they come up with an effective amendment, one that is constitutional, I personally would support the same and endeavor to carry on a fight to override a veto if it is vetoed.

Mrs. HECKLER of Massachusetts. I thank the gentleman for his comment. I also would like to ask him to comment further on the composition of the House Members of this conference committee. He spoke of some not being disposed to the concept of section 612. I would like to know what strength the different points of view in the conference committee would be on the House side.

Mr. ICHORD. I would state that there are at least two members on the subcommittee who stated that they are opposed to the principle of section 612, but I do not want to state what members will do. But, it is my feeling at this time that a majority of the members of the subcommittee, and a majority of the members of the conference committee, would probably favor the principle of section 612, but I certainly would not be bound by that assessment.

Mrs. HECKLER of Massachusetts. Based on my confidence in the gentleman's knowledge and on the expression of opinion from someone whom I consider to be an export in this House on this subject matter. I am going to cast my vote in the gentleman's favor.

Mr. ICHORD. I thank the gentlewoman from Massachusetts for her very kind comment.

Mr. BRINKLEY. Mr. Speaker, will the gentleman yield?

Mr. WHITEHURST. I yield to the gentleman from Georgia (Mr. Brinkley).

Mr. BRINKLEY. I thank the gentleman for yielding.

Mr. Speaker, in further response to the chairman of our committee and the gentlewoman from Massachusetts (Mrs. Heckler), I am one of those who do take exception to section 612, and on any conference committee I would anticipate sustaining the position of the House of Representatives.

In my opinion the O'Neill amendment was engrafted upon this bill here on the floor of the House. It was not developed in committee. Therefore, although I did support the earlier conference, had I been here on the day of the vote to override or sustain the Presidential veto, my vote on that occasion would have been to sustain.

I think the correct action here today would be to pass the bill and then later to have studies, to which our chairman has alluded, to see what language would be best, how it can be refined. I think it will not be passed over lightly. However, for this year, for this bill, I think the measure as presented is the way the law should be enacted.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. WHITEHURST. I yield to the gentleman from Massachusetts (Mr. Drinan).

Mr. DRINAN. Mr. Speaker, I commend the distinguished chairman and the minority member for their promptness in bringing this bill back to the floor. While the exigencies of the situation preclude an amendment, I was happy to hear the chairman, the gentleman from Missouri (Mr. Ichord), say that he would be amendable to a compromise along the lines of the original section 612.

I wonder if the gentleman from Virginia, or possibly my friend, the gentleman from Georgia (Mr. Brinkley) would want to talk to this: Martin R. Hoffman, Secretary of the Army, said recently in Massachusetts that the original O'Neill amendment was totally consistent with what the Army does now under the provisions of the National Environmental Protection Act. Despite the assurance of the Secretary of the Army, the President vetoed that particular section with which the Secretary of the Army said he had no difficulties.

I wonder if the distinguished gentleman from Virginia would want to comment on what the chairman of the committee has already spoken to at some length on more than one occasion, namely, the possibility of some accommodation along the lines of section 612 coming from the Senate.

I would of course liked to have proposed my own compromise amendment on the House side, to insure that the House had some input into the amendment process. I was disturbed by the fact that the Military Construction Authorization was brought up under the suspension of the rules procedure. Under this procedure, no amendments may be added to the bill.

I think it is unfortunate, Mr. Speaker, that the House will not get a chance to go on record for base closing legislation once again. As my colleagues know, the issue of military base closings or reductions has been contested within the framework of the Military Construction Authorization Act which we debate today. On May 7, 1976, the House agreed to an amendment which would have delayed any major base closings or reductions by 1 year from the date they were originally announced. In addition, the Secretary of Defense was required to submit a detailed justification for the base closings or reduction decision, together with the estimated fiscal, economic, budgetary, environmental, strategic and operational consequences of the action.

Mr. Speaker, after this base closing amendment was included in the House version of H.R. 14846, it was also successfully inserted in the Senate version of the bill. The amendment then became part of the conference report and went to the President's desk for his signature. Shortly thereafter, the President vetoed the construction authorization and the bill was returned to the Congress. Although the President's veto was successfully overridden in the House, the Senate failed to muster the required two-thirds vote and the President's veto was sustained.

This legislative history shows that the House is very much in favor of legislative provisions which deal with military base closings or reductions. The Members of this body want the Pentagon to deal with communities affected by base closings or reductions in a much more fair manner, giving them a chance to adjust to the tremendous unemployment and other impacts which are caused by Defense Department decisions. Up until now, little or no safeguards existed in this area, even when thousands of individuals lost their jobs in a region already hard pressed by unemployment.

The House has approved this base closing legislation on two separate occasions, showing that the original vote on May 7 was by no means a chance victory. On July 22, 1976, the House overwhelmingly expressed its approval of this legislation by a margin of 270 to 131, gaining even a two-thirds majority to override a Presidential veto. The House's will is clear here.

While I am unhappy with the procedures being used today, I understand that this procedure will not preclude a compromise amendment from being adopted in the final House-Senate conference. The Senate will shortly be voting on a compromise amendment dealing with the base closing issue which should satisfy the objections raised by the President to the original military construction authorization. Given the assurances which we have received today, I am confident that the House conferees will insure that the past legislative positions taken by the House on the base closing issue will be well represented in the final conference report.

Mr. Speaker, I feel sure that a compromise can be worked out such that the Congress can overcome the objections of the President and still pass a meaningful base closing or reduction provision. Surely, in these times of high unemployment it is not right for the Federal Government to be the worst possible employer, operating with little regard for the lives of citizens and their employment opportunities when a major military facility is closed or greatly reduced in force.

Mr. WHITEHURST. Mr. Speaker, I have no comment, but I understand the gentleman from Texas wants to talk about this, so let us wait until he gets the time.

Mr. ICHORD. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. BROOKS), the chairman of the Committee on Government Operations.

Mr. BROOKS. Mr. Speaker, I thank my distinguished friend, the gentleman from Missouri (Mr. ICHORD) for yielding. I want to say that I am not opposed to most of the provisions of this bill, but I do have some serious reservations about several provisions dealing with the authority to exchange Government-owned property.

As chairman of the Committee on Government Operations, I have been increasingly aware of the abuses which occur when Government agencies acquire new property through exchange. The Committee on Government Operations and the General Accounting Office have documented case after case where the exchange of properties has resulted in the failure of the Government to get the best value for its property, not to mention the acquisition of unneeded and unauthorized properties.

The most objectionable feature of the exchange procedure is that it circumvents the usual legislative process. It permits the agencies to bypass in most cases the authorization process and in all cases the appropriations process. One glaring example of this practice is the GSA's acquisition of a $20 million office building in southern California which was never authorized by Congress, never appropriated for, and for which we have yet to identify a need.

I recognize that the military construction authorization bills have for many years contained general authority to acquire property by exchange. However, in this bill a new provision has been added which requires the Secretary of each of the services to certify in his report seeking to declare property excess to his department's needs that he has considered the feasibility of exchanging such property for other real property and has determined that the property proposed to be declared excess is not suitable for exchange.

This section would appear to encourage an aggressive use of the exchange authority by the military departments. I hope that is not the intention of the gentleman from Missouri (Mr. ICHORD) nor of the Committee on Armed Services which reported this bill.

The Government presently has extensive statutory provisions dealing with the disposal of Government property. Section 203 of the Federal Property Act is intended to provide the Government with a uniform and equitable program that will enable the Government to receive the most overall benefit from its property investments. I am sure the gentleman intends that disposals occurring as a result of the use of the exchange authority contained in the bill now under consideration should be consummated in full compliance with the provisions of the Federal Property Act, and I hope that it is not his intention or the committee's intention to bypass or abrogate the provisions of that law.

The SPEAKER. The time of the gentleman from Texas (Mr. BROOKS) has expired.

Mr. ICHORD. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, let me state to the distinguished gentleman from Texas (Mr. BROOKS) that we are dealing with some very complicated provisions of the law. It was not my feeling nor was it the feeling of the members of the Committee on Armed Services that we were in any way in violation of the 1947 Federal Property Act nor were we in any way infringing upon the jurisdiction of the committee which the distinguished gentleman in the well chairs.

I will state to the gentleman from Texas (Mr. BROOKS) that what we were concerned about was this: During the calendar years 1974 and 1975 alone, the Department of Defense collectively reported as excess property to the General Services Administration 220,000 acres of improved real property at an acquisition cost of $687 million, without any of the proceeds except for family housing sales accruing to or benefiting the Department. In other words, I will state to the gentleman from Texas and the Members of the House that what we have been doing for several years is to operate another local revenue-sharing program through the use of Department of Defense funds. This is what we were concerned about; we were concerned with saving some money. We asked ourselves the question: How can we get an adequate defense for the United States as cheaply as we can?

It was our feeling that we found too many cases where the Department of Defense has reported excess land to the GSA, and then the GSA has given it to some municipality or some State government, only to have the Department of Defense come back later and acquire land either nearby or in some other jurisdiction. It is our feeling that if the Department of Defense can exchange existing held land which it does not use for other land which it needs, that should be done in order to save some money. We have been able to work this out in many instances, particularly in the AICW program, where we are trying to protect the military airports from increasing civilian encroachments in the districts of nearly every Member of this Congress. We are able to exchange land and get the easements and perhaps fee interests where needed with the expenditure of further funds.

Mr. Speaker, I would state to the gentleman from Texas (Mr. BROOKS) that I believe he is in error as far as DOD exchanges are concerned. I believe the gentleman from Texas should look into this matter, because it is true that GSA does have the authority to exchange land without his committee or any other committee specifically authorizing the lands to be acquired.

That is not true in the case of DOD lands. Yes, I think if the gentleman checks the law, and I have looked into this matter for many, many months, and am familiar with most of the ramifications of the laws governing exchanges.

In the case of DOD land, there is no committee in this Congress that rides this matter any closer than does the Committee on Armed Services. We specifically require, before any land can be exchanged, that the land for which the land is being exchanged must be specifically authorized by the Congress. Then again, when they come back through the exchange, we approve of the disposal of the land, so we ride herd on the DOD very, very hard, I would state to the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, I appreciate the gentleman's comments, but I want to reiterate that when we make appropriations to the Department of Defense, I vote for them; but when they have land that is to be declared surplus, it should be handled under the appropriate legislation, which is section 203 of the Federal Property Act. I think we would be much wiser and would get better results and better returns on our investment if we handled it under the same uniform program.

Mr. Speaker, I think there is a tremendous danger of fraud in the exchange of properties when we have values that are different and uses that are different.

I think that the concept of the gentleman from Missouri (Mr. ICHORD) has merit. I think his motives are excellent. I do not think there is anything wrong with the effort, and I agree with him that there is difficulty of getting a fair exchange and a fair return of Federal tax money, but I know from handling thousands of these cases in the last 20 years that exchange programs are fraught with danger and with difficulty.

Mr. ICHORD. Mr. Speaker, let me state in reply to the gentleman from Texas (Mr. BROOKS) that in the committee report we have asked the DOD to study all of their land acquisitions, their land disposals, and their land exchange matters and give us a complete report on the same.

Mr. BROOKS. I would be interested in seeing that report and will ask that they make that available to me too.

Mr. ICHORD. That will be done and let me state that there are some members on the committee, including the gentleman from Florida, who have been greatly concerned about this problem for many, many years.

We intend to hold hearings on this report when the report is received by the committee and also make an effort to develop legislation in the area; but I am sure that since the gentleman and his Committee on Government Operations do have jurisdiction over surplus land, there would be no difficulty in getting a concurrent referral or a simultaneous referral to his committee, and in that event the committee of the distinguished gentleman can also examine whatever legislation might be developed.

Mr. BROOKS. We will be glad to cooperate with the gentleman from Missouri.

Mr. RANDALL. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Missouri.

The SPEAKER. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

Mr. ICHORD. Mr. Speaker, I yield myself 1 additional minute, and I yield to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Speaker, while the gentleman from Texas (Mr. BROOKS) remains standing in the well, I wanted to express appreciation for his comments.

As chairman of the Subcommittee on Government Activities of the Committee on Government Operations which the gentleman from Texas (Mr. BROOKS) headed for so long, I know that he is expressing a sincere and genuine concern with respect to exchange of properties. I simply want to say that I appreciate the gentleman's concern and the caution he raises.

As chairman of the subcommittee, many times interested Members have urged me to clear properties that were part of military installations, either by exchange or by sale. There is always a hurry and urgency to get some industry to locate on the property involved. Such property disposition is something upon which we must keep a close eye.

Mr. Speaker, once again, I commend the gentleman from Texas (Mr. BROOKS) for his concern and expression of caution.

Mr. MOAKLEY. Mr. Speaker, I rise in strong opposition to the motion offered by the gentleman from Missouri (Mr. ICHORD).

The House has already passed a military construction authorization for fiscal year 1977 and I see no need for a second bill.

The President chose to veto that bill (H.R. 12384). I do not propose that the House now join in any rush to undo that mischief.

The President objected to section 612 of the bill which was added as a floor amendment offered by the distinguished majority leader (Mr. O'NEILL). The O'Neill amendment would have provided a 12-month period for review and justification of proposed base closures or major reductions in staff at military installations.

The O'Neill amendment fulfilled two vital purposes. It would have insured that Congress played a full and vigorous role in decisions which can have a major impact on the economic health of States and localities affected by base realinements. But of equal importance, even when Congress agrees with the justifications for the proposal, the economic catastrophe would be delayed for 1 year. It would enable communities to spend a reasonable period of time working with the services, the Department of Defense, the Economic Development Administration, and the General Services Administration in developing a sensible and economically viable reuse plan. It would enable the locality and the State to coordinate their efforts to attract new industry and insure a conversion to civilian reuse in the least disruptive manner possible.

To accommodate major bases communities make enormous sacrifices, gear many community services to meet the needs of base personnel and generally integrate the facility into the community's economy. All the O'Neill amendment asked was that these towns and cities be given 12 months before the ax falls and that Congress have an opportunity to decide if there is any justifiable reason for the ax.

I would suggest to my colleagues that my own experience with the closing of the Boston Naval Shipyard could strike any congressional district. In a period of months, a million dollars of economic activity and 6,000 jobs were gone. Without warning. Without reason.

Boston has yet to recover from the enormous blow.

Yet Massachusetts had deprived Richard Nixon of the honor no President since George Washington had attained—a unanimous vote of all the States in the electoral college.

And so a political decision was made that Massachusetts would lose all its military bases. The last, Fort Devens, is now in the process of being closed.

And it was indeed a political decision. At the height of the energy crisis, the Navy pushed ahead with the realinement that now forces ships to steam hundreds of extra miles to southern ports for overhaul and repairs. Some of the Navy's most experienced workers have been lost. And it lost the yard with the best record for on-time completions and the fewest cost overruns.

The decisions are too important. They concern issues of national security and the economic health of our country. We must not allow such decisions to be made by one man.

The amendment has the clear support of the House. We passed the original bill by a substantial majority. The decisive vote on the vote on the override gave a clear message by a vote of 270 to 131. In the Senate, the override was supported by a constitutional majority—51—and a substantial majority of those voting.

And now, Mr. Speaker, I propose that we wait.

The President has vetoed the entire bill in order to keep vital economic decisions entirely in his own hands for the election campaign. I propose that we leave those hands empty.

In no way does this infringe on the security of our Nation. Foreign military aid, civilian personnel and our fighting men, weapons research and procurement are all provided in other authorizing legislation.

I urge my colleagues to reject this measure. There is no justification for this bill which represents a complete surrender by one branch of government to another.

GENERAL LEAVE

Mr. ICHORD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ICHORD. Mr. Speaker, I renew my recommendation that the rules be suspended and that this bill do pass.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. ICHORD) that the House suspend the rules and pass the bill H.R. 14846, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TAX TREATMENT OF CEMETERY PERPETUAL CARE FUND TRUSTS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1142) to amend the Internal Revenue Code of 1954 to provide for a distribution deduction for certain cemetery perpetual care fund trusts.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 642 of the Internal Revenue Code of 1954 (relating to special rules for credits and deductions of estates and trusts) is amended by redesignating subsection (j) as subsection (k) and by adding after subsection (i) the following new subsection:

"(j) CERTAIN DISTRIBUTIONS BY CEMETERY PERPETUAL CARE FUNDS.—In the case of a cemetery perpetual care fund which—

"(1) was created pursuant to local law by a taxable cemetery corporation for the care and maintenance of cemetery property, and

"(2) is treated for the taxable year as a trust for purposes of this subchapter,

any amount distributed by such fund for the care and maintenance of gravesites which have been purchased from the cemetery corporation before the beginning of the taxable year of the trust and with respect to which there is an obligation to furnish care and maintenance shall be considered to be a distribution solely for purposes of sections 651 and 661, but only to the extent that the aggregate amount so distributed during the taxable year does not exceed $5 multiplied by the aggregate number of such gravesites.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to amounts distributed during taxable years ending after December 31, 1963.

The SPEAKER. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Oregon (Mr. ULLMAN) and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill now before the House (H.R. 1142) permits cemetery perpetual care funds to deduct the amounts they distribute for the care and maintenance of gravesites.

Under this provision, a "perpetual care fund" is a trust established under local law by a taxable cemetery for the care and maintenance of the cemetery. The deduction allowed is to be the amount actually distributed during the year for the care and maintenance of these gravesites, but only under the following restrictions:

First. The deduction can be not more than $5 per gravesite;

Second. The gravesite must have been sold before the beginning of the taxable year;

Third. The gravesite must be one as to which the fund has an obligation to furnish care and maintenance; and

Fourth. The cemetery company has to actually spend the money for the care and maintenance of those gravesites.

Also, the taxable cemetery companies that receive these distributions have to include these amounts as ordinary income.

The position of the Internal Revenue Service has been that the deduction for income distributed by perpetual care funds is not allowable because these funds do not have any ascertainable beneficiaries. Since these distributions benefit gravesite owners, heirs, and the general public, the committee concluded that they were essentially the same as distributions to beneficiaries. Consequently, the committee recommended that these funds be allowed the limited distribution deduction which I have just described.

The bill is expected to reduce tax liabilities by $10 million per year.

Mr. Speaker, H.R. 1142 straightens out an anomaly under present law. With the cooperation of the Treasury Department, the bill has been drafted with appropriate safeguards against abuse. I urge the House to give its approval to this bill.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1142, which would amend the Internal Revenue Code of 1954 to provide a distribution deduction in the case of certain cemetery perpetual care fund trusts. Under present law these funds are usually created as either irrevocable trust under State law or under the bylaws and contracts of cemetery companies. Such trusts are funded out of the gross receipts from the sale of burial lots and crypts, with the income of the trusts going to the care and maintenance of the cemetery, the lots and the crypts. The Internal Revenue Service has taken the position that a trust established by a taxable cemetery would be subject to tax.

Inasmuch as these distributions by perpetual care trust funds are for the care and maintenance of gravesites and, therefore, basically equivalent to distributions for beneficiaries, in the opinion of the committee a limited deduction such as provided for by this bill should be permitted. The committee intends that the deduction would be allowable only insofar as the cemetery company actually spends the funds received from the trust for gravesite care and maintenance.

The amendments to the relevant trusts and estates income tax provisions of the Internal Revenue Code would apply with respect to amounts distributed by such trust funds during taxable years ending after December 31, 1963, which date is related to the year in which the Internal Revenue Service issued a ruling in this area. I urge enactment of this bill.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration, H.R. 1142.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 1142.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

TAX TREATMENT OF SOCIAL CLUBS AND OTHER MEMBERSHIP ORGANIZATIONS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1144) to amend the Internal Revenue Code of 1954 with respect to the tax treatment of social clubs and certain other membership organizations, as amended.

The Clerk read as follows:

H.R. 1144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501(c)(7) of the Internal Revenue Code of 1954 (relating to exempt organizations) is amended to read as follows:

"(7) Clubs organized for pleasure, recreation, and other nonprofitable purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any private shareholder."

(b) Section 512(a)(3)(A) of such Code (relating to unrelated business taxable income) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, the deductions provided by sections 243, 244, and 245 (relating to dividends received by corporations) shall be treated as not directly connected with the production of gross income."

(c) Section 277(a) of such Code (relating to deductions incurred by certain membership organizations in transactions with members) is amended by adding at the end thereof the following new sentence: "The deductions provided by sections 243, 244, and 245 (relating to dividends received by corporations) shall not be allowed to any organization to which this section applies for the taxable year."

(d) The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

Sec. 2. (a) Section 501 of the Internal Revenue Code of 1954 (relating to exemption from tax on corporations, certain trusts, etc.) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) Prohibition of Discrimination by Certain Social Clubs.—Notwithstanding subsection (a), an organization which is described in subsection (c)(7) shall not be exempt from taxation under subsection (a) for any taxable year if, at any time during such taxable year, the charter, bylaws, or other governing instrument, of such organization or any written policy statement of such organization contains a provision which provides for discrimination against any person on the basis of race, color, or religion.".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. Ullman) and the gentleman from Minnesota (Mr. Frenzel) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Oregon (Mr. Ullman).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1144 clarifies the tax treatment of social clubs and similar organizations, including college fraternities and sororities, and adds one new requirement for such organizations' exempt status.

Under present law, in order to be exempt from tax under section 501(c)(7) of the Internal Revenue Code, a social club or similar organization must be organized and operated "exclusively" for pleasure, recreation, and other nonprofitable purposes, and no part of its net earnings may inure to the benefit of any private shareholder. This dates back to the time before the Tax Reform Act of 1969, when social clubs were not taxed on their unrelated business income. The 1969 act made those organizations taxable on their unrelated business income and also on nonmember income and investment income.

Because of the 1969 act changes, the Ways and Means Committee concluded that the "exclusively" test I mentioned is no longer needed to protect against tax abuse. As a result, this bill removes the exclusively test and substitutes a requirement that "substantially all" of the club's activities have to be for pleasure, recreation, and other nonprofitable purposes. Under this approach, up to 15 percent of the club's gross receipts can come from nonmember sources and up to 35 percent can come from nonmember sources plus investment income.

I would like to make it clear that this bill does not change the tax status of this income; that is, this income from nonmembers—and also the club's investment income—still remains subject to income tax, as the Congress provided in the Tax Reform Act of 1969.

The bill also resolves a question that has been raised about the corporate dividends received deduction—it specifically disallows this deduction in computing the taxable investment income of tax-exempt social clubs, tax-exempt employee beneficiary associations, and taxable membership organizations. This rule is needed, because otherwise substantially all the dividend income of a membership organization could escape taxation even though that income was used entirely for the benefit of the members. The Ways and Means Committee agreed with Treasury that nondeductability is the result that was contemplated in the 1969 Tax Reform Act but that it might be helpful in the administration of the law actually to write this rule into the statute.

The bill also adds a new requirement that no organization can be exempt under section 501(c)(7) if the charter, bylaws, governing instrument, or any written policy statement or the organization contains a provision providing for discrimination against any person on the basis of race, color, or religion.

Mr. Speaker, the effect of this bill on the revenues is expected to be a small revenue gain, probably less than $100,000 a year. I urge that H.R. 1144 be adopted.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1144, which would amend the Internal Revenue Code with regard to tax treatment of social clubs and certain other membership organizations. The bill makes several changes in the tax law with regard to such organizations. First, H.R. 1144 would amend the requirement of present law that such organizations be operated and organized "exclusively" for pleasure, recreation, and other nonprofitable purposes to require that "substantially all" such activities would have to be for such purposes. This change would permit these organizations to receive income from nonmember sources to a limited extent and to have a certain amount of investment income, all of which would be subject to tax, without endangering the organizations' general exemption from the income tax.

The intent of the committee in H.R. 1144 is to permit these social organizations to receive a maximum of 35 percent of gross receipts—which would include investment income—from nonmembership sources without having their tax-exempt status threatened. In addition, the committee intent is that within the 35-percent limit, no more than 15 percent of gross receipts could be derived from use by the general public of the social club's facilities or services. This 15-percent limitation is an increase from the present IRS audit standard of 5 percent.

The committee believes that this relaxation of the requirements regarding sources of income is appropriate inasmuch as since enactment of the Tax Reform Act of 1969, the income received from nonmembers, as well as investment income, of these social organizations is subject to tax, even though the clubs are classified as tax exempt. Therefore, although it is necessary that a social club be required to be principally devoted to pleasure, recreation, and other nonprofitable purposes, it seems appropriate to liberalize the extent to which such organizations may receive income from nonmember sources.

The second major change in the tax law in this bill with regard to social organizations relates to tax-exempt status and any antidiscrimination provisions which are part of the official policy of such organizations. H.R. 1144 provides that if an organization has provisions providing for discrimination against any persons based on race, color, or religion contained in the organization's charter, bylaws, other governing instruments, or any written policy statements, its tax-exempt status under section 501(c)(7) shall be lost.

Finally, the bill resolves certain questions regarding the corporate dividends-received deduction in the case of organizations which are generally exempt from income taxation under section 501(c)(7), but which must pay taxes on their investment income. The bill disallows the deduction for purposes of computing taxable investment income of these social organizations, as well as in the case of taxable membership organizations, in computing the investment income of such clubs, as described in detail in the committee report.

The amendments made by H.R. 1144 would apply to taxable years which begin after date of enactment of the bill. With regard to income from nonmembers and investment sources, and the corporate dividends-received deduction, the amendments contained in the bill are considered by the committee to be clarifications of present law under the 1969 Tax Reform Act. I urge its passage.

Mr. Speaker, I have no requests for time, and I yield back the remainder of my time.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. Ullman) that the House suspend the rules and pass the bill H.R. 1144, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REFUNDS IN THE CASE OF CERTAIN USES OF TREAD RUBBER AND TIRES

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2474) to amend the Internal Revenue Code of 1954 to provide refunds in the case of certain uses of tread rubber, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (L) of section 6416(b)(2) of the Internal Revenue Code of 1954 is amended to read as follows:

"(L) in the case of tread rubber in respect of which tax was paid under section 4071(a)(4)—

"(i) used or sold for use otherwise than in the recapping or retreading of tires of the type used on highway vehicles (as defined in section 4072(c)),

"(ii) destroyed, scrapped, wasted, or rendered useless in the recapping or retreading process,

"(iii) used in the recapping or retreading of a tire the sale of which is later adjusted pursuant to a warranty or guarantee, in which case the overpayment shall be in proportion to the adjustment in the sales price of such tire, or

"(iv) used in the recapping or retreading of a tire, if such tire is by any person exported, used or sold for use as supplies for vessels or aircraft, sold to a State or local government for the exclusive use of a State or local government, or sold to a nonprofit educational organization for its exclusive use,

unless credit or refund of such tax is allowable under paragraph (3);".

(b) Section 6416(b)(3) of such Code is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) in the case of tread rubber in respect of which tax was paid under section 4071(a)(4) used in the recapping or retreading of a tire, such tire is sold by the subsequent manufacturer or producer on or in connection with, or with the sale of, any other article manufactured or produced by him and such other article is by any person exported, sold to a State or local government for the exclusive use of a State or local government, sold to a nonprofit educational organization for its exclusive use, or used or sold for use as supplies for vessels or aircraft, unless credit or refund of such tax is allowable under subparagraph (C);".

(c)(1) Section 6416(b)(2)(F) of such Code is amended by inserting after "paragraph (3)" the following: "(or in the case of the tread rubber on a recapped or retreaded tire, resold for use as provided in subparagraph (D) of paragraph (3)),".

(2) Section 6416(a)(1)(C) is amended by striking out "(b)(3)(C)" and inserting "(b)(3) (C) or (D)".

(3) Section 6416(b)(3)(A) of such Code is amended by inserting "(D)," after "(C),".

(4) Section 6416(b)(4)(A) of such Code is amended by striking out "section 4071" and inserting in lieu thereof "section 4071 or a recapped or retreaded tire in respect of which tax under section 4071(a)(4) was paid on the tread rubber used in the recapping or retreading".

(d) Section 6416(b)(2) of such Code is amended by inserting after subparagraph (M) the following new subparagraph:

"(N) in the case of a tire in respect of which tax was paid under section 4071(a)(1) or (2) or section 4071(b), adjusted after the original sale pursuant to a warranty or guarantee, in which case the overpayment shall be in proportion to (i) the adjustment in sales price of such tire or (ii) in the case of a contract providing an overall adjustment or reimbursement with respect to tire warranties or guarantees, an average amount per tire based on the adjustment method (whether the method is tread wear or otherwise) used by the ultimate vendor in making the adjustments and the aggregate amount of such adjustments made by the ultimate vendor unless credit or refund of such tax is allowable under paragraph (3);".

(e) Section 6511 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) SPECIAL RULE FOR CERTAIN TREAD RUBBER OR TIRE EXCISE TAX CREDITS OR REFUNDS.—The period for allowing a credit or making a refund of any overpayment of tax arising by reason of subparagraph (L)(iii) or subparagraph (N) of section 6416(b)(2) with respect to any adjustment of sales price of a tire pursuant to a warranty or guarantee shall not expire if claim therefor is filed before the date which is 1 year after the day on which such adjustment is made."

(f) Section 4071 of such Code is amended by adding at the end thereof the following new subsection:

"(f) IMPORTED RECAPPED OR RETREADED U.S. TIRES.—For purposes of subsection (a)(4), in the case of a tire which has been exported from the United States, recapped or retreaded (other than bead to bead) outside the United States, and imported into the United States, the person importing such tire shall be treated as importing the tread rubber used in such recapping or retreading (determined as of the completion of the recapping or retreading)."

(g) The amendments made by this section shall take effect on the first day of the first calendar month which begins more than 10 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. SCHNEEBELI. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. SCHNEEBELI) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 2474, modifies the application of the manufacturers excise tax on tread rubber to provide for tread rubber the same treatment as is now provided in various circumstances for new tires. In addition, the bill clarifies the excise tax laws as they relate to new tires. The bill does not change the present law tax of 5 cents per pound on tread rubber nor the tax of 10 cents per pound on new tires of the type used on highway vehicles.

There are several instances under present law where a manufacturers excise tax is imposed on tread rubber when in a similar situation the tax is not imposed or a credit or refund of the tax is allowed for the tax on new tires. The bill corrects this problem by making a credit or refund of the tread rubber tax available where rubber is destroyed, scrapped, wasted, or rendered useless in the recapping or retreading process.

The bill also provides for credits or refunds of the excise tax on tread rubber where tax-paid tread rubber is used in the recapping or retreading of tires, the sale of which is later adjusted under a guarantee or warranty. Further, credits or refunds are provided where tax-paid tread rubber is used in the recapping or retreading of tires which are exported or are sold to State or local governments, to nonprofit educational institutions, or as supplies for vessels or aircraft, all of which are presently exempt sales for new tires.

In addition, the bill clarifies the treatment of credits or refunds for the excise tax on new tires where sales are later adjusted as the result of a warranty or guarantee, and it modifies the statute of limitations so that a credit or refund of the tread rubber or new tire tax can be obtained for a period of at least 1 year after the warranty or guarantee adjustment is made.

Finally, where a tire has been exported from the United States, is recapped or retreaded abroad, and then imported into the United States, the bill imposes the tread rubber tax on the tread rubber used in that recapping or retreading. This corrects the present tax advantage in such cases over tires recapped or retreaded in the United States.

The amendments made by this bill are to take effect on the first day of the first calendar month which begins more than 10 days after the date of enactment.

These provisions are estimated to result in a net revenue reduction of only about $200,000 per year.

Mr. Speaker, this makes the tax treatment of tread rubber and tires more consistent with each other, it makes their treatment more logical, and it removes an unintended discrimination against U.S. retreaders. I urge the adoption of this bill, H.R. 2474.

Mr. SCHNEEBELI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2474, which would amend the Internal Revenue Code to provide for refunds in the case of certain uses of tread rubber. Under present law, there is a 5 cent per pound tax imposed on tread rubber used for retreading tires and 10 cents a pound on new tires. With regard to new tires, tax-free sales may be made in the case of exported tires, tires sold for use as supplies for aircraft or vessels engaged in foreign trade, tires sold to a State or local government and tires sold to a nonprofit educational organization.

There are a number of instances under present law where the excise tax imposed on tread rubber is imposed in situations where the same tax would not be imposed on new tires. First, although rubber wasted in new tire manufacture is not subject to the excise tax because the tax is imposed on the finished tire, the tax on tread rubber is computed in a way which results in tax on wastage in the retreading of used tires. Second, in the case of retreaded tires adjusted under warranty, no credit or refund of the tax on tread rubber is available. Third, there is no refund or credit available from the tax on recapped or retreaded tires in those situations where sales of new tires, as described above, may be made tax free.

In addition, because of the way credits or refunds of tax permitted for new tire warranty adjustments are computed, there are often incorrect computations of refunds, or computations are extremely complicated, or disallowed for no good reason, as described in detail in the committee report on the bill.

H.R. 2474 would provide for refunds or credits of the excise tax in the case of tax-paid tread rubber where such rubber is either wasted in recapping or retreading, used in recapping or retreading tires which are later adjusted under warranty, or used in recapping or retreading tires in situations where under present law, as described above, sales of new tires could be made tax free. There is also provision in the bill for imposition of a tax on tread rubber where such tread rubber is used in recapping or retreading tires abroad, following which such tires are then imported into the United States.

Finally, H.R. 2474 would clarify treatment of refunds or credits of the excise tax in the case of new tires when adjustments are later made under warranty or guarantee. The bill would take effect on the first day of the first calendar month beginning more than 10 days after enactment. I urge its passage.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 2474, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EXEMPTION FROM TAX FOR FARM TRAILERS AND HORSE OR LIVESTOCK TRAILERS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6521) to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers, any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCISE TAX EXEMPTION FOR CERTAIN TRAILERS DESIGNED TO BE USED WITH LIGHT-DUTY VEHICLES

(a) IN GENERAL.—Section 4063(a) of the Internal Revenue Code of 1954 (relating to exemptions from motor vehicle excise taxes) is amended by adding at the end thereof the following new paragraph:

"(8) CERTAIN TRAILERS USED FOR FARMING OR FOR TRANSPORTING HORSES OR LIVESTOCK.—The tax imposed under section 4061(a) shall not apply in the case of any trailer or semitrailer, or any chassis or body for any trailer or semitrailer, which is—

"(A) suitable for use with a vehicle having a gross vehicle weight of 10,000 pounds or less (as determined under regulations prescribed under section 4061(a)(2)), and

"(B) designed to be used for farming purposes (determined in accordance with section 6420(c)) or for transporting horses or livestock.".

(b) FLOOR STOCKS REFUNDS.—

(1) IN GENERAL.—Where, before the day after the date of the enactment of this Act, any article made exempt from taxation by reason of the amendment made by subsection (a) has been sold by the manufacturer, producer, or importer and on such day is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of the article, if—

(A) claim for such credit or refund is filed with the Secretary of the Treasury or his delegate before the first day of the tenth calendar month beginning after the day after the date of the enactment of this Act based upon a request submitted to the manufacturer, producer, or importer before the first day of the seventh calendar month beginning after the day after the date of the enactment of this Act by the dealer who held the article in respect of which the credit or refund is claimed; and

(B) on or before the first day of such tenth calendar month reimbursement has been made to the dealer by the manufacturer, producer, or importer in an amount equal to the tax paid on the article or written consent has been obtained from the dealer to allowance of the credit or refund.

(2) LIMITATION ON ELIGIBILITY FOR CREDIT OR REFUND.—No manufacturer, producer, or importer shall be entitled to credit or refund under paragraph (1) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed by the Secretary of the Treasury or his delegate under this subsection.

(3) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4061 of the Internal Revenue Code of 1954 shall, insofar as applicable and not inconsistent with paragraphs (1) and (2) of this subsection, apply in respect of the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayments of the tax.

(c) DEFINITIONS.—For purposes of subsection (b)—

(1) The term "dealer" includes a wholesaler, jobber, distributor, or retailer.

(2) An article shall be considered as "held by a dealer" if the title thereto has passed to such dealer (whether or not delivery to him has been made) and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

SEC. 2. EFFECTIVE DATE.

The amendment made by subsection (a) of section 1 shall apply with respect to articles sold on or after the day after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. DRINAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 20 minutes, and the gentleman from Massachusetts (Mr. DRINAN) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6521 provides an exemption from the 10-percent manufacturers excise tax imposed on sales of certain types of trailers and semitrailers. This change is to eliminate administrative complications and possible inequities under the present law's exemption provisions.

Under present law, any trailer or semitrailer is exempt if it meets the double weight limitation test of itself having a gross vehicle weight of 10,000 pounds or less and of being suitable for use with a towing vehicle having a gross vehicle weight of 10,000 pounds or less. Under the bill now before the House, the first of these somewhat repetitious weight limitation tests is eliminated, but only for trailers or semitrailers designed to be used for farming purposes or for transporting horses or livestock. The bill also applies to chassis and bodies for such trailers or semitrailers.

Mr. Speaker, there have been indications that the Internal Revenue Service, because of inherent difficulties in determining whether a chassis or body is or is not suitable for use with a trailer or semitrailer having a gross vehicle weight of 10,000 pounds or less, has been overlooking the fact that some characteristics of what would be heavy-duty trailers and semitrailers in other industries are needed in light-duty trailers and semitrailers that are used for farming or transporting horses or livestock. As a result, it appears that many chassis and bodies of trailers and semitrailers used for farming or transporting horses or livestock are taxed although their actual use is with trailers or semitrailers having a gross vehicle weight of 10,000 pounds or less. This bill eliminates those problems by substituting a simpler provision with respect to this farming or animal-hauling equipment.

The exemptions made by this bill are to apply to items sold on or after the day of enactment. The bill also provides for floor stocks refunds or credits with respect to those exempted items held in dealers' inventories on the day of enactment.

The provisions of the bill are estimated to involve a tax reduction of less than $2 million per year.

Mr. Speaker, H.R. 6521 is a limited

response to a limited problem; I urge the House to enact this bill.

Mr. DRINAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I reluctantly object to this bill on several grounds. One is that in the very scant hearings that were held on the bill, it was indicated by the Truck Equipment and Body Distributors Association that this bill discriminates against a particular trade organization and group of individuals. The individual who testified on behalf of that organization indicated that this bill would introduce chaos into the truck manufacturing industry.

Above and beyond that, I have great difficulty with the estimate of the committee that $2 million would be lost. I think the Members of the House should know that on December 9, 1975, the estimate was considerably above that. It was a $5 million estimate at that time.

Furthermore the testimony that was opposed to this bill said that it discriminates in favor of the race horse owners and redounds to the benefit of the very large trailers such as those used by racing stables.

At this time, Mr. Speaker, when we need all the revenue we can get, I see no justification for enacting a bill which is obviously going to help a particular class of individuals and which would cost somewhere between $2 million and $5 million per year. On that basis I am opposed.

Mr. DUNCAN of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield 5 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 6521, a bill to provide an exemption from the present manufacturers excise tax of 10 percent on sales of certain trailers and semitrailers in those cases where the vehicles in question are for use with light-duty towing vehicles and intended to be used for either purposes of farming or transporting horses and livestock. The bill would also provide for exemption from the present excise tax on sales of separate bodies and chassis for such trailers and semitrailers.

Under present law, there is an exclusion from the 10 percent excise tax in the case of bodies and chassis of light-duty trucks, buses, truck trailers and semitrailers. In order to qualify for the exemption, chassis and bodies must be suitable for use with semitrailers and trailers with gross vehicle weights of 10,000 pounds or less. Also, the trailer or semitrailer must be suitable for use with towing vehicles having gross vehicle weights of 10,000 pounds or less.

The Ways and Means Committee understands that because of the way that this 10,000-pound requirement is administered by the Internal Revenue Service, unrealistically low limits are imposed upon trailers intended to be used for farming or for horse or livestock transport purposes. As described in the committee report, the reference to axle capacities and the use of similar axles on recreational vehicles, in the mobile home industry, and on farming and horse or livestock vehicles have resulted in this undesirably low limitation on the availability of the tax exemption in the case of farm and horse or livestock carrying vehicles.

The committee believes that in order to further the congressional intent in providing the exemption for light-duty vehicles, the exemption should be made specifically available in the case of certain sized trailers or semitrailers which are intended for use in farming or horse or livestock transport. H.R. 6521 would apply to sales of such vehicles taking place after its enactment. I urge passage of the bill.

Mr. ULLMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I rise in support of H.R. 6521 that would provide an exemption from tax for farm trailers and horse or livestock trailers. Present law under section 4063(a) of the Internal Revenue Code already exempts trailers designed "to haul feed, seed, or fertilizer to and on the farm." However, the Internal Revenue Service has interpreted section 4061 in such a manner that trailers designed and used to haul cattle, horses, and other livestock are taxable. The livestock trailer used by farmers and ranchers is not customarily used to transport animals over great distances and the requirement that it be suitable for use with light duty trucks is sufficient to limit the exempt trailers to those used primarily by farmers and ranchers in going from farm to market, as opposed to trailers used in long distance hauling.

These trailers are manufactured by relatively small producers in 38 States, who employ approximately 15,000 workers. The removal of the livestock trailer from the list of taxable items would help both the trailer manufacturer and the agricultural industry in general. It would eliminate the discrimination between feed, seed, and fertilizer trailers and livestock trailers.

All this amendment does is to eliminate the requirement that the exempt farm and ranch trailers have a gross vehicle weight of 10,000 pounds, or less, to be exempt. It retains the requirement that the trailer be sutiable for use with a light duty truck. The types of trailers involved that would now be tax exempt include cattle trailers, general livestock trailers, flatbed farm and ranch equipment trailers, horse and other show animal trailers, and other agricultural trailers which are presently considered taxable by IRS.

The committee and Treasury Department both agree that this bill will reduce tax liability by less than $2 million per year. Since this bill will have such a minor effect on revenue, and will make the definition of trailers exempt from the 10-percent manufacturers excise tax more fair, I urge the adoption of this bill.

One point that needs to be emphasized, and that is that we are not talking about heavy trucks that haul livestock for long distances. They are not covered by this bill. This bill would cover only trailers used with light-duty trucks, and there is no way that these large trailers would fall into this category. We are talking here about the farmer taking a few animals to market in a light-duty towing vehicle. This bill will help the farmer and I urge your vote for the bill.

Mr. Speaker, the present law provides that we would exempt trailers designed to haul feed, seed, or fertilizer to and from the farms. The Internal Revenue Service, however, has interpreted section 4061 in a manner that trailers designed to haul horses, cattle, or other livestock are taxable.

The purpose of this bill is to try to make those two provisions the same.

This was the recommendation of the Interal Revenue Service, which said that it would help in interpretation of the code.

When we had hearings before the committee one organization did come and raise questions that have been mentioned by the gentleman from Massachusetts, but I think the organization really felt that this might be a loophole for some of the large trucks on the large hauls.

Upon investigation, they came back later and removed their objection to it and said that this would not apply and, therefore, they would be in favor of the bill.

Mr. Speaker, I would say to the gentleman from Massachusetts (Mr. DRINAN) that this bill would still limit and still require the use of light-duty haul trucks with the trailers. It cannot be used for long-haul and big trucks. It cannot be used for recreational purposes or by racehorse drivers. It is to be limited, as much as possible, to or from the farm, just as they would haul feed, seed, and fertilizer. They would be able to haul their trailers to and from the market.

Mr. Speaker, this is certainly an equitable bill. It balances off the differences that now exist and would be a great help to the rural people who need this.

Mr. ULLMAN. Mr. Speaker, the original bill would have also exempted parts and accessories for those trailers and that exemption was removed from the bill, so that the revenue effect, as agreed by the Treasury Department and the staff, is less than $2 billion.

Mr. PICKLE. Mr. Speaker, if the gentleman will yield further, that is true and that makes the difference in the revenue that the gentleman from Massachusetts mentioned originally.

Mr. Speaker, the committee, I think, passed on this unanimously. Certainly, it would be a great help to our farmers in the United States.

Mr. Speaker, I rise in support of the bill.

Mr. ULLMAN. Mr. Speaker, I think the record should be clear that the Ways and Means Committee gave full public notice and everyone that wanted to be heard was heard. This was a full committee hearing and the bill was reported unanimously by the committee.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 6521, the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill (H.R. 6521), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended, was passed.

A motion to reconsider was laid on the table.

INTEREST ON CORPORATE DEBT TO ACQUIRE ANOTHER CORPORATION

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7929) relating to the deduction of interest on certain corporate indebtedness to acquire stock or assets of another corporation, as amended.

The Clerk read as follows:

H.R. 7929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (i) of section 279 of the Internal Revenue Code of 1954 (relating to interest on indebtedness incurred by a corporation to acquire stock or assets of another corporation) is amended by striking out the last sentence thereof.

(b) The amendment made by subsection (a) shall apply to taxable years ending after October 9, 1969. If refund or credit of any overpayment of income tax resulting from the amendment made by subsection (a) is prevented on the date of the enactment of this Act, or at any time within one year after such date, by the operation of any law or rule of law, refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within one year from such date.

The SPEAKER. Is a second demanded?

Mr. SCHNEEBELI. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Oregon (Mr. ULLMAN) and the gentleman from Pennsylvania (Mr. SCHNEEBELI) will be recognized for 20 minutes each.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us, H.R. 7929, modifies a transition rule relating to the deductibility of interest on corporate acquisition indebtedness.

Under present law, the deduction for interest is denied, under certain circumstances, where the interest is incurred by a corporation to acquire the stock or assets of another corporation. This rule was added to the code as part of the Tax Reform Act of 1969 because of congressional concern over a large number of corporate mergers in which debt, rather than equity, was being exchanged for control of acquired corporations.

Under a transitional rule contained in that act, however, a corporation which held at least 50 percent of the voting stock in an acquired corporation on October 9, 1959, is permitted to acquire 80-percent control—but not more—of that corporation without being subject to the restrictions on the deductibility of interest on corporate acquisition indebtedness. This exception was adopted to allow a corporation which had acquired practical control of another corporation by October 9, 1969, to acquire the additional stock necessary to give it control for tax purposes—that is, 80-percent control.

However, since the purpose of the basic rule was to stem the tide of tax-motivated corporate acquisitions, and since in the transition rule situations the acquisitions have already occurred, your committee has concluded that the 80-percent limitation does not serve a useful purpose. In addition, minority shareholders of a corporation which is 80-percent controlled may find themselves without a ready market for their stock, unless the controlling corporation is ready and able to purchase the shares.

For these reasons, Mr. Speaker, this bill, H.R. 7929, removes the 80-percent limitation, and provides that a corporation which held at least 50 percent of the voting stock of another corporation on October 9, 1969, is to be allowed to acquire up to 100-percent control of that corporation without being subject to any special limitations on the deductibility of interest on the acquisition indebtedness.

Your committee's bill applies to all taxable years ending after October 9, 1969, which is also the effective date of the 1969 act's corporation acquisition indebtedness provisions.

Mr. Speaker, I urge the House to approve H.R. 7929 to eliminate possible hardship in transition situations under the rules on corporate acquisition indebtedness.

Mr. SCHNEEBELI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7929, which relates to the interest deduction for income tax purposes on certain corporate debt issued to acquire either stock or assets of another corporation. Under present law, in certain cases a deduction for interest paid by a corporation on debt incurred after October 9, 1969, in order to acquire either stock or assets of another corporation is not allowed.

This disallowance does not apply, however, in those cases where the corporation issuing the debt in question had at least a 50-percent voting interest in the other corporation on that date, even if the indebtedness in question is issued after October 9, 1969. The exception which permits the deduction for interest on indebtedness in this limited circumstance only applies to indebtedness issued for purposes of acquiring stock up to the amount necessary for "control" for certain Federal income tax purposes, namely, 80 percent.

These limiting provisions with regard to the interest deduction were added to the Internal Revenue Code in 1969 because of congressional concern that in an increasing number of corporate acquisitions, debt rather than equity was being used. The trend toward heavy reliance on debt was considered to have negative implications for the economic well-being of a number of companies, due to the deterioration in their debt-equity ratios and accompanying dangerous burdens on liquidity. The limited exception to the disallowance of a deduction for interest in these situations was intended to permit acquiring corporations which already had majority control of other corporations to acquire up to the 80-percent control necessary for certain tax purposes.

The committee has concluded that the 80-percent control ceiling which was imposed in 1969 does not act to serve the purpose of the interest disallowance enacted in the Tax Reform Act, inasmuch as in such cases the acquisition of majority control has already taken place. In such situations we are not talking about new acquisitions heavily financed by debt. Also, discouraging acquisition of over an 80-percent interest can result in minority stockholders in a company being left with no ready market for their stock.

This bill, therefore, would remove the 80-percent limitation in such cases for taxable years ending after October 9, 1969. I urge its enactment.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 7929, as amended.

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

EXCLUSION FROM INCOME OF RENTAL VALUE OF PARSONAGE FURNISHED TO SURVIVING SPOUSE OF MINISTER

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8046) to amend the Internal Revenue Code of 1954 to provide that the rental value of a parsonage furnished to the surviving spouse of a minister shall be excluded from gross income, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107 of the Internal Revenue Code of 1954 (relating to exclusion from gross income of the rental value of parsonages) is amended—

(1) by striking out "In the case of a minister" and inserting in lieu thereof "(a) GENERAL RULE.—In the case of a minister"; and

(2) by adding at the end thereof the following new subsection:

"(b) 1-YEAR EXCLUSION FOR SURVIVING SPOUSE OF MINISTER.—

"(1) EXCLUSION.—If—

"(A) a deceased minister of the gospel was furnished a home immediately before the minister's death the rental value of which was excludible under subsection (a), and

"(B) after the minister's death, such home continues to be furnished to the minister's widow or widower.

then the rental value of such home (if otherwise includible in gross income) shall be excluded from the gross income of such widow or widower.

"(2) LIMITATIONS.—The exclusion provided by paragraph (1) shall terminate at whichever of the following is the earlier:

"(A) the date which is 1 year after the date of the minister's death, or

"(B) the date of the remarriage of the widow or widower."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years ending on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. DUNCAN of Tennessee. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 20 minutes.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 8046 provides that if the widow or widower of a deceased minister of the gospel continues to be furnished a home after the death of the minister, and if the rental value of such home was excludible by the minister under present law, then the widow or widower may likewise exclude the rental value from gross income for a limited time. The exclusion by the surviving spouse is to apply only for a period of up to 1 year after the date of the minister's death, or until such time as the surviving spouse remarries, whichever is earlier. The exclusion is to apply only where a home was furnished to the minister and the same home is furnished to the surviving spouse; it is not to apply to any allowance which might be furnished in lieu of a home.

Generally, the rental value of a home furnished to the surviving spouse of a deceased minister should be includible in the gross income of the surviving spouse. However, it was decided that, during a limited transition period of 1 year after the minister's death or at such time as the surviving spouse remarries, whichever is earlier, the rental value of the home should not be includible in the gross income of the surviving spouse.

This provision is to apply to taxable years ending on or after the date of enactment.

It is estimated that the bill will result in a revenue reduction of about $500,000 per year, which may be considered as a tax expenditure—although the "parsonage exclusion" of present law has not previously been classified as a "tax expenditure."

Mr. Speaker, I urge that the bill, H.R. 8046, be adopted.

Mr. DUNCAN of Tennessee. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 8046, which would amend the Internal Revenue Code of 1954 to provide that in the case of a parsonage furnished to the surviving spouse of a minister, the rental value of that parsonage shall be excluded from the surviving spouse's gross income for a period not to exceed 1 year after the minister's death.

Under present law, a minister of the gospel may exclude from gross income the part of his compensation which consists of either the rental value of a parsonage furnished to him or the amount paid to him for housing. There is no provision under present law for such an exclusion for a surviving spouse of a deceased minister.

It is the committee's understanding that in certain circumstances a surviving spouse is furnished a home by the employer following the minister's death, even when the surviving spouse is not a minister of the gospel. In the opinion of the committee, the rental value of that home which is furnished to a surviving spouse should be generally includable in gross income. However, the committee has also concluded that it would be appropriate to provide a limited period, under this bill up to 1 year, following the minister's death during which time the surviving spouse would not have to take the rental value of the home which is furnished into income.

The exclusion would only apply if the home is furnished and would not apply to any housing allowance furnished in lieu of a home. In addition, the exclusion period which is not to exceed 1 year for the surviving spouse would in any event end on the date of a surviving spouse's remarriage, if that occurs within the 1-year period.

H.R. 8046 would apply with regard to taxable years ending on or after the date of its enactment. I urge passage of the bill.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. I thank the gentleman for yielding.

Mr. Speaker, I seem to see a contradiction between the hearing on the bill, where it was indicated that the enactment of this bill will result in a decrease of tax liability of approximately $5 million per year, and in the report of the bill, on page 93, where it is stated that the revenue loss from this provision is estimated currently as $130 million per year, that is, for the pre-existing exemption, and this amount is increased by the bill by about $500,000 per year.

Mr. DUNCAN of Tennessee. I think that is the reason we have two different figures. I do not know why we have the two; but first we asked for the permanent exemption, and then in the committee we reduced it to the 1 year, for each surviving spouse, the $500,000.

Mr. DRINAN. If the gentleman will yield further, that is not for 1 year, but that goes on every year, that we will lose at least the tax revenue of $500,000.

Mr. DUNCAN of Tennessee. That is the estimate by the Treasury Department. I question the amount, but that is what they report, $500,000 revenue loss per year.

Mr. DRINAN. If the gentleman will yield further, the gentleman questions that amount?

Mr. DUNCAN of Tennessee. I think they are a little high. I think it is somewhat excessive, but that is what they reported. It does go on year to year, yes, sir.

Mr. DRINAN. If the gentleman will yield further, I do not want to appear harsh on the widows of ministers, but at the same time I just raise the question whether the distinguished Committee on Ways and Means thought of this as another loophole. In the very meager testimony that was given, a witness on behalf of the Public Citizens Tax Research Group said that this is another loophole, and the best that he could say is that it is one of the more progressive loopholes of the miscellaneous bills that were under consideration at the time these hearings were held.

Would the gentleman say this is another loophole?

Mr. DUNCAN of Tennessee. Let me say that to the Public Citizens Tax Research Group everything is a loophole to them except their own operation. I do not think it is any more of a loophole than any other tax provision we have in the tax code.

Mr. DRINAN. If the gentleman will yield further, I think it is discriminatory among churches. It says, "A minister of the gospel," and that clearly precludes a rabbi, and no provision could be made under this bill for the widow of a rabbi. Also it is uneven across the board because some churches do give the rental value of a home or parsonage and others do not. Consequently, it raises the question of whether this is an aid to religion, whether the pre-existing clause or provision can be justified under the first amendment. It would seem to me that this is another extension of something that is already dubiously unconstitutional.

Mr. DUNCAN of Tennessee. The intent was to include the surviving spouse of a rabbi; and if the bill is not clear, I am sure the chairman would ask that they be included.

Mr. DRINAN. I thank the gentleman.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. I thank the gentleman for yielding.

Mr. Speaker, it is my understanding that existing law does apply to Protestant ministers, to rabbis, to Catholic priests, and to any others engaged in the ministry of the gospel.

Mr. DRINAN. If the gentleman will yield, I would hope that certain provisions would not apply to Catholic priests.

Mr. ULLMAN. The gentleman from Massachusetts raised the issue about this being a progressive loophole.

I want to say that the Committee on Ways and Means looked at that very carefully in the testimony, and the reason that the bill as introduced had a higher revenue estimate was that it provided no limit to the time that the minister's widow could enjoy this tax benefit.

But by limiting this provision to 1 year after the minister's death, together with the other committee amendments, the committee brought the revenue loss down to a very low amount, less than $500,000 a year. We think it is an equitable provision.

Mr. DUNCAN of Tennessee. In fact, the revenue was cut 90 percent from the original proposal.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 8046, as amended.

The question was taken.

Mr. MOTTL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

TAX TREATMENT OF CERTAIN INCOME OF POLITICAL ORGANIZATIONS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10155) to amend the Internal Revenue Code of 1954 with respect to the exempt function income of a political organization, as amended.

The Clerk read as follows:

H.R. 10155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (3) of section 527(c) of the Internal Revenue Code of 1954 (relating to exempt function income) is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) proceeds from any trade or business of conducting qualified games if substantially all the work in carrying on such trade or business is performed for the organization without compensation,".

(b) Such section 527(c) is amended by adding at the end thereof the following new paragraph:

"(4) QUALIFIED GAME.—For purposes of paragraph (3)(D), the term 'qualified game' means any game—

"(A) of a type in which usually—

"(i) the wagers are placed,

"(ii) the winners are determined, and

"(iii) the distribution of prizes or other property is made,

in the presence of all persons placing wagers in such game,

"(B) the conductiing of which is not an activity ordinarily carried on on a commercial basis, and

"(C) the conducting of which does not violate any State or local law."

(c) Paragraph (3) of such section 527(c) is amended by striking out "or" at the end of subparagraph (B) and by adding "or" at the end of subparagraph (C).

SEC. 2. The amendments made by this Act shall apply to taxable years beginning after December 31, 1975.

The SPEAKER pro tempore. Is a second demanded?

Mr. VANDER JAGT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) and the gentleman from Michigan (Mr. VANDER JAGT) will each be recognized for 20 minutes.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill that is before us—H.R. 10155—broadens somewhat the type of income of a political organization that is exempt from Federal income tax.

Under present law, political organizations, such as political parties or committees, are generally subject to Federal income tax on income from investment and income from any trade or business. However, the "exempt function income" of these organizations is not taxable. Exempt function income includes contributions and membership fees, dues, or assessments. It also includes proceeds from political fund raising or entertainment events, and proceeds from the sale of political campaign materials which are not received in the ordinary course of any trade or business.

Under some State laws, political organizations, as well as other nonprofit organizations, are allowed to conduct bingo games or other similar games of chance to raise funds for political purposes. In some States, political organizations, seeking to broaden the base of their support, have begun conducting bingo games and other similar games on a regular basis. When they do this, however, they are at a significant tax disadvantage when compared with tax-exempt organizations. Most exempt organizations are exempt from the unrelated business income tax with respect to any trade or business regularly carried on if substantially all the work in carrying on the trade or business is performed by volunteer labor. However, no similar exemption exists for political organizations.

This bill extends this exemption to political organizations within the limited framework of businesses which involve only the carrying on of bingo, keno, and other games of chance in which the participants are generally present when the wagers are placed, the winners are determined, and the prizes are distributed. However, the exemption applies only if similar activities are not ordinarily conducted on a commercial basis and if the conducting of the activity does not violate any State or local law.

I want to point out to my colleagues that the bill at the desk has one change from the form reported by the Ways and Means Committee; the bill applies to 1975, as well as to 1976 and future years.

Mr. Speaker, as can be seen, this bill seeks to encourage political organizations in their search for a broad-base source of funds by putting them onto the same general footing, in a limited area, with tax-exempt organizations. However, at the same time, it insures that their tax exemption cannot be used in competition with taxable organizations or for any activity which is conducted in violation of State or local law.

Mr. Speaker, I urge the House to approve H.R. 10155.

Mr. VANDER JAGT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 10155, which would amend the tax treatment of certain income of political organizations. Under present law, such organizations are subject to Federal income tax on their income from investments or conduct of a trade or business. Certain exempt function income is not taxable, however.

This exempt function income includes contributions, membership fees or assessments and proceeds from political fundraising events. It also includes proceeds from the sale of campaign materials. In all such cases, however, the income is exempt function income only if the event is not one carried on in the ordinary course of trade or business.

The determination of what fundraising and entertainment events are in the ordinary course of a trade or business is made by considering a number of factors, including frequency of the event, how the event is conducted and the length of time over which the event is carried on. With regard to the sale of campaign materials, if the activity in question is not in the ordinary course of business and is closely related to the organization's political activities, income from the sale of such materials will not be taxable.

Under the laws of some States, political organizations can conduct bingo or other games of chance for fundraising purposes. In addition, other nonprofit organizations may conduct similar games. Under the Federal tax law as it now stands, these other exempt organizations are not taxable on income from trades or businesses of conducting such games even if the games are carried on regularly, so long as substantially all the work is performed by unpaid labor. The committee has concluded that, generally speaking, a political organization should be granted the same tax treatment in these instances.

Therefore, H.R. 10155 would provide that a political organization which receives income from certain types of trades or businesses, namely, "qualified games," which it regularly carries on would not be taxed on such income if a number of requirements are met. Tax exemption in this situation would require that substantially all the work in conducting the trade or business in question be performed for the political organization without pay, that ordinarily the activity would not be conducted on a commercial basis and that under the applicable State or local law the game in question would be legal.

H.R. 10155 would apply to taxable years beginning after December 31, 1974. I urge enactment of the bill.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore (Mr. Brademas). Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. Ullman) that the House suspend the rules and pass the bill H.R. 10155, as amended.

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

TAX TREATMENT OF SECURITIES ACQUIRED FOR BUSINESS REASONS AND NOT AS AN INVESTMENT

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10902) relating to the income tax treatment of securities which are acquired for business reasons and not as an investment, as amended.

The Clerk read as follows:

H.R. 10902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules for determining capital gains and losses) is amended by adding at the end thereof the following new section:

"Sec. 1254. Certain Securities Not Treated as Capital Assets.

"(a) Notification Required for Ordinary Loss Treatment.—Loss from the sale or exchange of any security shall in no event be considered as a loss from the sale or exchange of property which is not a capital asset unless the taxpayer, before the expiration of the 30th day after the date of the acquisition of the security, notified the Secretary or his delegate that the security was not acquired by the taxpayer as an investment. Such notification shall be made in such manner as may be required under regulations prescribed by the Secretary or his delegate, and shall contain such information with respect for the reason for the acquisition of the security as may be required under such regulations.

"(b) Treatment as Ordinary Gain.—If the notification provided for under subsection (a) has been given with respect to any security, and gain on the sale or exchange of such security shall be treated as gain from the sale or exchange of a security which is not a capital asset.

"(c) Definitions and Special Rules.—

"(1) Security defined.—For purposes of this section, the term 'security' has the meaning assigned to such term by section 165(g)(2).

"(2) Treatment of securities which become worthless.—For purposes of this section, if a security (other than a security described in section 165(g)(3)) becomes worthless during the taxable year, the loss resulting therefrom shall be treated as a loss arising from the sale or exchange of the security.

"(3) Exceptions from application of section.—This section shall not apply—

"(A) with respect to a security acquired by a taxpayer who is a dealer in securities at the time of the acquisition of the security,

"(B) in the case of a financial institution to which section 585, 586, or 593 applies, with respect to a bond, debenture, note, or certificate or other evidence of indebtedness, and

"(C) with respect to any stock described in section 1242 (relating to losses on small business investment company stock), 1243 (relating to loss of small business investment company), or 1244 (relating to losses on small business stock).

"(4) Transitional rule for notification.—In the case of a security acquired before the date of the prescribing of the final regulations first prescribed pursuant to subsection (a), the period for making the notification provided for under subsection (a) shall not expire before the day which is 30 days after the date of such prescribing."

(b) The table of sections for such part IV is amended by adding at the end thereof the following:

"Sec. 1254. Certain securities not treated as capital assets."

(c) The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act; except that such amendments shall not apply to any sale or exchange occurring (or any security becoming worthless) on or before the 30th day after the day on which regulations first prescribed under section 1254 of the Internal Revenue Code of 1954 become final.

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER of Wisconsin. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. Ullman) and the gentleman from Wisconsin (Mr. Steiger) will each be recognized for 20 minutes.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 10902, provides that a taxpayer cannot get ordinary loss treatment on disposition of a security unless he has filed a notice with the Internal Revenue Service that the security was not acquired as an investment. This notice must be filed on or before the 30th day after the security was acquired.

In many cases, individuals or corporations which have acquired stock or securities and later sold the stock at a loss have argued that they acquired the stock for a purpose so closely related to their trade or business that their loss should be deductible in full, as an ordinary loss. On the other hand, if the stock is later sold at a gain, the taxpayer has argued that he held the stock as an investment and his gain should, therefore, be taxed at the lower capital gain rates—rather than as ordinary income.

For example, a company which conducts a retail business may buy stock in one of its wholesalers in order to assure that the wholesaler will continue to supply products to the retailer. Later, the retailer may sell the stock at a loss or the stock may become worthless. The taxpayer usually wants to deduct his loss in full as an ordinary loss.

In many cases the courts have upheld taxpayers in claiming ordinary losses in situations of this kind; but courts have also allowed taxpayers capital gain treatment when they sell stock in a related enterprise at a gain.

The Ways and Means Committee has concluded that these results give taxpayers "the best of both worlds" in such cases and that this result is unfair to the bulk of the taxpaying public.

The bill deals with this problem by providing that a loss on the disposition of a security is not to be treated as an ordinary loss unless the taxpayer files a notice with the Internal Revenue Service when he acquires the stock that he is not acquiring the stock as an investment. This notice must be filed on or before the 30th day after the acquisition. If a taxpayer does not file the notice, he can claim capital gain if he later realizes a gain. But any loss which he may suffer on the sale of the stock is to be treated as a capital loss.

The bill makes these rules generally effective for taxable years ending after the bill is enacted.

Mr. Speaker, this bill adds a desired symmetry to the tax rules and prevents the Public Treasury from being whipsawed unfairly in situations beyond its control. The bill, H.R. 10902, makes an important reform and I urge that it be adopted.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 10902, which would amend the Internal Revenue Code with regard to the tax treatment of securities acquired for business reasons and not as an investment. The bill would provide that ordinary loss treatment would not be available to a taxpayer on disposition of a security unless he has timely filed a notice with the Internal Revenue Service that the security was not acquired for investment. Such notice would have to be filed before the 31st day following acquisition of the security in question. If such notice is filed, gain on disposition of the security would be ordinary income, not capital gain.

At present the determination of whether gain or loss on sale of a security is capital gain or loss or ordinary gain or loss depends on whether or not the security in question was a capital asset in the taxpayer's hands. Stock or other securities held for business reasons generally would not be treated as capital assets and, therefore, would on disposition receive ordinary income treatment. Generally, a taxpayer who sells stocks or securities prefers capital gains treatment in the case of gains and ordinary income treatment in the case of loss.

Whether a security is a capital asset or not is a factual question depending upon the facts and circumstances in a particular case. There have been a number of situations in which individuals or companies that acquired stock and later disposed of it have argued that although such stock may technically have been a capital asset, their acquisition of the stock in question was for a purpose so closely related to their trade or business that upon loss on sale they were entitled to ordinary loss treatment under the Internal Revenue Code. Similar arguments have been made in cases where stock has been purchased to protect various taxpayers' sources of income or supply of another company's products. In cases where there is gain on disposition of these securities, however, few if any situations have arisen in which taxpayers have argued that they are entitled to ordinary income treatment on gain.

Therefore, the committee has concluded that in the present situation taxpayers can easily obtain the best of both worlds on sale of these securities, trying for ordinary income treatment where they experience losses and capital gains treatment when they realize gains. This bill would require a taxpayer, if he desires to receive ordinary loss treatment on sales or exchanges of such securities, to notify the Internal Revenue Service within 31 days of purchase that he has acquired the security other than for investment.

H.R. 10902 would apply to taxable years ending after the date of enactment of the bill, provided, however, that these new rules would not apply to sales or exchanges on or before the 30th day following issuance of regulations under this new provision of the Internal Revenue Code. I urge enactment of the bill.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 10902, as amended.

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

TAX TREATMENT UPON DISPOSITION OF PROPERTY FOR WHICH A BUSINESS DEDUCTION WAS ALLOWED

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10936) to provide for the income tax treatment of amounts received on the sale of property the cost of which was deducted as a business expense, as amended.

The Clerk read as follows:

H.R. 10936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1245(a)(2) of the Internal Revenue Code of 1954 (relating to gain from disposition of certain depreciable property) is amended by adding at the end thereof the following new sentence: "For purposes of this section, if any portion of the purchase price of property acquired after December 31, 1975, was deducted as an expense and the deduction was not disallowed, the amount so allowed as a deduction shall be treated as allowed for depreciation.".

(b) The amendment made by subsection (a) shall be applicable to dispositions of property after the date of the enactment of this Act in taxable years ending after such date.

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER of Wisconsin. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) and the gentleman from Wisconsin (Mr. STEIGER) will each be recognized for 20 minutes.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us, H.R. 10936, provides for recapture of amounts taken as deductions for the purchase of property where the property is later sold or otherwise disposed of at a gain.

Under present law, gain realized upon the sale or exchange of property subject to an allowance for depreciation or amortization is subject to recapture as ordinary income to the extent of any depreciation or amortization allowed with respect to that property. Also, in the case of a contribution of property to charity, the deduction otherwise allowable with respect to that contribution is reduced by the amount of ordinary income which would have been recaptured had the property been sold for its fair market value.

However, there is not a comparable recapture rule where the purchase price of property is written off currently as a deductible expense. Your committee sees no reason for this distinction. Therefore, the bill provides that, for the future, where the price of property is deducted, and the deduction is not disallowed, the amount of the deduction is to be subject to recapture—on the same basis as recapture occurs where the cost of the property is depreciated—if the property is later sold or disposed of at a gain.

The recapture rules apply to the purchase price of property acquired after December 31, 1975, in cases where the property is disposed of after the date of enactment of this legislation.

The Treasury Department supports this bill.

Mr. Speaker, I urge the House to approve H.R. 10936—to provide for recapture where the purchase price of property is deductible on the same basis as amounts allowed as depreciation are subject to recapture under present law.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 10936, which relates to an amendment to the Internal Revenue Code of 1954, concerning the income tax treatment of amounts received on the sale of property, the cost of which has been deducted as a business expense. Under the law at present, a gain realized upon the sale or exchange of certain property, referred to as section 1245 property, is subject to recapture as ordinary income and not treated as capital gain insofar as any depreciation or amortization on that property after December 31, 1961, has been allowed.

In addition, with regard to charitable contributions of property, the charitable contribution deduction otherwise permitted must be reduced by the amounts of ordinary income which would have been realized by the donor for Federal income tax purposes if the property in question had been sold at its fair market value. This treatment of charitable contributions has the effect of reducing the allowable charitable deduction by amounts which would be subject to recapture pursuant to section 1245 of the Code.

However, under the law at present, in cases where the purchase price of property has been deducted currently, rather than being depreciated or amortized, the deducted amount is not later subject to recapture as ordinary income when such property is sold at a gain. The Ways and Means Committee does not see any basis for this distinction and believes that in cases where the taxpayer has had an ordinary deduction, the benefit of that deduction should be recaptured before any gain on disposition of the property in question is treated as a capital gain.

The bill provides, therefore, that in cases where the purchase price of property has been deducted, the deduction must be subject to recapture on the same basis as in those cases in which the cost of such property has been depreciated or amortized. H.R. 10936 would apply to properties acquired after December 31, 1975, which are disposed of after enactment of the bill. I urge its enactment.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation presently under consideration, H.R. 10936.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 10936, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AUTHORIZATION OF APPROPRIATIONS FOR THE PRIVACY PROTECTION STUDY COMMISSION

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 3435) to increase an authorization of appropriations for the Privacy

Protection Study Commission, and to remove the fiscal year expenditure limitation.

The Clerk read as follows:

S. 3435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provision of law referred to in the note immediately preceding section 553 of title 5, United States Code, is amended to read as follows:

"SEC. 9. There is authorized to be appropriated, without fiscal year limitation only to such extent or in such amounts as are provided in appropriation Acts, the sum of $2,000,000 to carry out the provisions of section 5 of this Act for the period beginning July 1, 1975, and ending on September 30, 1977.".

The SPEAKER pro tempore. Is a second demanded?

Mr. THONE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection. a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. BROOKS) and the gentleman from Nebraska (Mr. THONE) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 3435 is a bill increasing the authorization of appropriations for the Privacy Protection Study Commission and removing ths fiscal year expenditure limitations on that Commission. This Study Commission was created by the 1974 Privacy Act, to consider the privacy aspects of records on individuals kept at all levels of government and in the private sector.

This Commission, which consists of seven members, began its work on June 10, 1975 and its final report is due on June 10, 1977, after which the Commission will cease to exist. The Commission is to make a study of the data banks, automatic data processing programs, and information systems of governmental, regional and private organizations, in order to determine the standards and procedures now in force for the protection of personal information. The second task of the Commission is to make recommendations to the President and the Congress on the extent, if any, to which the principles and requirements of the Privacy Act of 1974 should be applied to such organizations through legislation, administrative action or voluntary adoption.

The Privacy Act of 1974 authorized $1,500,000 for the work of the Commission. A limitation of $750,000 was placed on expenditures for each fiscal year. This limitation was placed in the act before Congress enacted the change in the Federal fiscal year. The Office of Management and Budget has since ruled that the fiscal year 1976 and the transition quarter, which runs from July 1 to September 30 of this year, constitute a single fiscal year. For this reason the Commission has been unintentionally limited to expending only $750,000 during the 15-month period. This is hampering the agency by delaying the start of several studies which need to begin during this period. The removal of the fiscal year expenditure limitation would obviate this difficulty.

S. 3435 also increases the total authorization by $500,000 for the Commission from $1,500,000 to $2,000,000. The $500,000 increase represents $250,000 appropriated in the Second Supplemental Appropriation Act, 1976 and $250,000 will be available for future appropriation to the Commission. The Government Operations Committee has carefully considered the testimony and written evidence presented by the Commission on the need for this increased authorization. The committee does recommend that this increased authorization be approved by the House so that this Commission may continue its important work. I urge the passage of this measure.

Mr. THONE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when the subcommittee inquired into the legislation and the activities of the Commission we found that—

First. When the Congress created this Commission it also mandated rather broad and comprehensive goals which were to be completed in a relatively short period of time. Commission terminates summer of 1977.

Second. The Commission has performed well in carrying out many of its objectives.

Third. This additional authorization of funds will provide the necessary budgetary flexibility that may be needed to complete its work.

Fourth. Without this additional authorization many worthwhile projects partially completed will be scraped, resulting in a loss of already expended man hours and funds.

I would, therefore, recommend favorable consideration of this legislation.

Mr. BROOKS. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) that the House suspend the rules and pass the Senate bill, S. 3435.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

FEDERAL RECORDS MANAGEMENT AMENDMENTS OF 1976

Mr. RANDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13828) to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes.

The Clerk read as follows:

H.R. 13828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Records Management Amendments of 1976".

AMENDMENT OF CHAPTER 29, TITLE 44, UNITED STATES CODE

SEC. 2. (a) Chapter 29 of title 44, United States Code, is amended—

(1) by striking out sections 2901 and 2902 of such chapter and inserting in lieu thereof the following:

"§ 2901. DEFINITIONS

"As used in this chapter, and chapters 21, 25, 27, 31, and 33 of this title—

"(1) the term 'records' has the meaning given it by section 3301 of this title;

"(2) the term 'records management' means the planning, controlling, directing, organizing, training, promoting, and other managerial activities involved with respect to records creation, records maintenance and use, and records disposition;

"(3) the term 'records creation' means the production or reproduction of any record;

"(4) the term 'records maintenance and use' means any activity involving—

"(A) location of records of a Federal agency;

"(B) storage, retrieval, and handling of records kept at office file locations by or for a Federal agency;

"(C) processing of mail by a Federal agency; or

"(D) selection and utilization of equipment and supplies associated with records and copying;

"(5) the term 'records disposition' means any activity with respect to—

"(A) disposal of temporary records no longer necessary for the conduct of business by destruction or donation;

"(B) transfer of records to Federal agency storage facilities or records centers;

"(C) transfer to the National Archives of the United States of records determined to have sufficient historical or other value to warrant continued preservation; or

"(D) transfer of records from one Federal agency to any other Federal agency;

"(6) the term 'records center' means an establishment maintained and operated by the Administrator or by another Federal agency primarily for the storage, servicing, security, and processing of records which need to be preserved for varying periods of time and need not be retained in office equipment or space;

"(7) the term 'records management study' means an investigation and analysis of any Federal agency records, or records management practices or programs (whether manual or automated), with a view toward rendering findings and recommendations with respect thereto;

"(8) the term 'inspection' means reviewing any Federal agency's records or records management practices or programs with respect to effectiveness and compliance with records management laws and making necessary recommendations for correction or improvement of records management;

"(9) the term 'servicing' means making available for use information in records and other materials in the custody of the Administrator, or in a records center—

"(A) by furnishing the records of other materials, or information from them, or copies or reproduction thereof, to any Federal agency for official use, or to the public; or

"(B) by making and furnishing authenticated or unauthenticated copies or reproductions of the records or other materials;

"(10) the term 'unauthenticated copies' means exact copies or reproductions of records or other materials that are not certified as such under seal and that need not be legally accepted as evidence;

"(11) the term 'National Archives of the United States' means those official records which have been determined by the Archivist of the United States to have sufficient historical or other value to warrant their continued preservation by the Federal Government, and which have been accepted by the Administrator for deposit in his custody;

"(12) the term 'Administrator' means the Administrator of General Services;

"(13) the terms 'executive agency' and 'Federal agency' shall have the meanings given such terms by subsections (a) and (b), respectively, of section 3 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472 (a) and (b)).

"§ 2902. Objectives of Records Management

"It is the purpose of this chapter, and chapters 21, 31, and 33 of this title, to require the establishment of standards and procedures to assure efficient and effective records management. Such records management standards and procedures shall seek to implement the following goals:

"(1) Accurate and complete documentation of the policies and transactions of the Federal Government.

"(2) Control of the quantity and quality of records produced by the Federal Government.

"(3) Establishment and maintenance of mechanisms of control with respect to records creation in order to prevent the creation of unnecessary records and with respect to the effective and economical operations of an agency.

"(4) Simplification of the activities, systems, and processes of records creation and of records maintenance and use.

"(5) Judicious preservation and disposal of records.

"(6) Direction of continuing attention on records from their initial creation to their final disposition, with particular emphasis on the prevention of unnecessary Federal paperwork.

"(7) Establishment and maintenance of such other systems or techniques as the Administrator considers necessary to carry out the purposes of this chapter, and chapters 21, 31, and 33 of this title.";

(2) by striking out section 2904 of such chapter and inserting in lieu thereof the following:

"§ 2904. General Responsibilities of Administrator

"The Administrator shall provide guidance and assistance to Federal agencies with respect to records creation, records maintenance and use, and records disposition. In providing such guidance and assistance, the Administrator shall have responsibility to—

"(1) promote economy and efficiency in the selection and utilization of space, staff, equipment, and supplies for records management;

"(2) promulgate standards, procedures, and guidelines with respect to records management and records management studies;

"(3) conduct research with respect to the improvement of records management practices and programs;

"(4) serve as a clearinghouse for information with respect to records management and as a central source for reference and training materials with respect to records management;

"(5) establish such interagency committees and boards as may be necessary to provide an exchange of information among Federal agencies with respect to records management;

"(6) disseminate information with respect to technological development in records management;

"(7) direct the continuing attention of Federal agencies and the Congress on the burden placed on the Federal Government by unnecessary paperwork, and on the need for adequate policies governing records creation, maintenance and use and disposition;

"(8) conduct records management studies and, in his discretion, designate the heads of executive agencies to conduct records management studies with respect to establishing systems and techniques designed to save time and effort in records management, with particular attention given to standards and procedures governing records creation;

"(9) conduct inspections or records management studies which involve a review of the programs and practices of more than one Federal agency and which examine interaction among the relationships between Federal agencies with respect to records and records management; and

"(10) report to the Congress and to the Director of the Office of Management and Budget each year, at such time or times as he may deem desirable, on the results of the foregoing activities, including evaluations of responses by Federal agencies to any recommendations resulting from studies or inspections conducted by him.";

(3) by striking out sections 2906 and 2907 of such chapter and inserting in lieu thereof the following:

"§ 2906. Inspection of Agency Records

"The Administrator of General Services or his designee may inspect the records of any Federal agency and make inspections of the records management practices and programs in such agencies. Officials and employees of such agencies shall give him full cooperation in such inspections. Records, the use of which is restricted by law or for reasons of national security or the public interest, shall be inspected, in accordance with regulations promulgated by the Administrator, subject to the approval of the head of the agency concerned or of the President.

"§ 2907. Records Centers and Centralized Microfilming Services

"The Administrator may establish, maintain, and operate records centers and centralized microfilming services for Federal agencies."; and

(4) by striking out section 2910.

(b) The table of sections for chapter 29 of title 44, United States Code, is amended to read as follows:

"2901. Definitions.
"2902. Objectives of records management.
"2903. Custody and control of property.
"2904. General responsibilities of Administrator.
"2905. Establishment of standards for selective retention of records; security measures.
"2906. Inspection of agency records.
"2907. Records centers and centralized microfilming services.
"2908. Regulations.
"2909. Retention of records.".

AMENDMENT OF CHAPTER 31, TITLE 44, UNITED STATES CODE

Sec. 3. (a) Chapter 31 of title 44, United States Code, is amended—

(1) by striking out ", maintenance," in section 3102 and inserting in lieu thereof "and over the maintenance";

(2) by striking out "2901, 2903–2909" in section 3102(3) and inserting in lieu thereof "2901–2909";

(3) by striking out section 3103 of such chapter and inserting in lieu thereof the following:

"§ 3103. Transfer of Records to Records Centers

"When the head of a Federal agency determines that such action may effect substantial economies or increased operating efficiency, he shall provide for the transfer of records to a records center maintained and operated by the Administrator, or, when approved by the Administrator, to a center maintained and operated by the head of the Federal agency,"; and

(4) by striking out, in the text of section 3107, everything preceding the word "title" and inserting in lieu thereof "Chapters 21, 25, 27, 29, and 31 of this".

(b) The table of sections for chapter 31 of title 44, United State Code, is amended by striking out the item relating to section 3103 and inserting in lieu thereof the following:

"3103. Transfer of records to records centers.".

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 4. (a) Chapter 21 of title 44, United States Code, is amended by striking out "section 3106" each place it appears in sections 2103(4) and 2108 (b) and (c), and inserting in lieu thereof "section 2107".

(b) Chapter 21 of such title is further amended by striking out "or 31" in section 2111(b) and "and 31" in section 2112, and inserting in lieu thereof "31, or 33" and "31, and 33", respectively.

(c) Chapter 33 of such title is amended—

(1) by striking out "; approval by President" in the table of sections item relating to section 3302 and in the heading of such section; and

(2) by inserting "machine readable materials," immediately after "photographs," in section 3301.

EFFECT ON OTHER LAWS

Sec. 5. (a) The provisions of this Act relating to the authority of the Administrator of General Services do not limit or repeal additional authorities provided by statute or otherwise recognized by law.

(b) The provisions of this Act do not limit or repeal the authority or responsibilities of the Joint Committee on Printing or the Government Printing Office under chapters 1 through 19 of title 44, United States Code.

The SPEAKER pro tempore. Is a second demanded?

Mr. THONE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. Randall) will be recognized for 20 minutes, and the gentleman from Nebraska (Mr. Thone) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Missouri (Mr. Randall).

Mr. RANDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is a privilege to be floor manager of H.R. 13828, the Federal Records Management Amendments of 1976, which is being considered under suspension of the rules. Last May, I introduced legislation with the cosponsorship of the distinguished chairman of the full committee, the gentleman from Texas (Mr. Brooks) and the gentleman from Texas (Mr. White)—who I see is here on the floor—the gentleman from Nebraska (Mr. Thone), the ranking minority member of the Government Activities and Transportation Subcommittee, the gentleman from New York (Mr. Horton), and the gentleman from Texas (Mr. Archer). All of us at that time emphasized the need to update and supplement the records management legislation which, it should be pointed out, has not been updated over the past 25 years. There was a need to provide better and more consistent definitions of records management. We are referring to records at the agencies and departments downtown. There was missing from the old or existing legislation any expression of objectives of records management. Nor has there ever been any enumeration of the responsibilities of the Administrator of General Services with respect to records management.

Our bill was supported and joined in, either with identical or related bills, by 71 Members of the House as cosponsors. That legislation was assigned to the subcommittee which I have the honor to chair, the Subcommittee on Government Activities and Transportation.

GAO and GSA came in and both testified that, if this legislation were enacted, there could be savings—note they said "might be," "could be," and "probably would be"—of $150 million. They arrived at that figure by simply saying that the present cost of records management in the Federal Government is $15 billion a year; and, if we could save just 1 percentage point, it would be $150 million.

Like everything else in the past 25 years since the legislation was originally enacted, there have been a lot of changes in that many years. Our legislation is pretty far reaching in its objective. As I suggested, the physical size of the records management problem is something that has been growing. I have a sketch here which, unfortunately, cannot be translated into language, and we do not have any charts. It shows that the volume of records stored in Federal records centers, compared to the Washington Monument, would stand about twice as tall as the monument and would be a cube six times as wide.

Many of the details of the bill I will not take the time to enumerate now. The purpose of our bill is not to change the thrust of the present law but simply to try to establish more effective records management which includes disposition.

I note on the floor at this time the gentleman from Texas, (Mr. WHITE) one of the cosponsors, and I see the other gentleman from Texas (Mr. ARCHER) also present on the other side of the aisle.

Let me be more specific about how the bill will bring about more effective records management. First, as I mentioned, it provides a clear definition of "records management" in terms of the three elements of records management. These are "records creation," "records maintenance and use," and "records disposition." These elements or phases are themselves defined in turn.

Another definition included is the addition of the item "machine readable materials" to the existing definition of "records," in keeping with the advent of the computer era.

Second, the bill, as I have said, presents a clear set of objectives for the Federal records management program—something that is now lacking. The overall goal set out in the new section 2902 is to require the establishment of standards and procedures to assure efficient, effective records management throughout the Federal Government, seven specific goals are stated to insure that a balance is struck between developing efficient, effective records management, and substantive need for Federal records. These objectives will insure that an understanding among agencies as to what is expected, so that agency programs will not be limited to one aspect of records management to the detriment of others.

Third, the new section 2904 specifies, on the basis of prior law and experience, the responsibilities of the administrator in records management. The administrator is responsible generally for providing guidance and assistance to Federal agencies in the areas of records creation, records maintenance and use, and records disposition. Specific responsibilities include promoting economy and efficiency in the selection and utilization of space, staff, equipment, and supplies for records management; promulgating standards, procedures, and guidelines; conducting research; and insuring frequent exchange of information and ideas.

All of those will aid the Administrator of General Services to provide for a clear course of action and the means to achieve records management goals. Of particular significance is the responsibility of the Administrator to direct the continuing attention of Federal agencies and the Congress to the burden placed on the Federal Government by unnecessary paperwork and the need for adequate policies governing records creation, maintenance and use, and disposition. In the past the emphasis has been on one time or special paperwork reduction campaigns. Now the emphasis will be on a systematic approach to records management.

Other new responsibilities permit the Administrator to designate heads of agencies to conduct records management studies, to involve them rather than have GSA independently conduct all studies. Also the Administrator would be able to conduct inspections involving the programs and practices of more than one Federal agency. Such inspections are important because they provide the only means of examining the interactions and relationships among Federal agencies with respect to records management.

Finally, the Congress and OMB are going to be kept better informed on the progress being made in records management. Each year the Administrator will report on Federal agency actions in response to recommendations resulting from inspections or studies conducted. There are other aspects of this legislation, but they are of a technical and conforming nature so I will not take time now to discuss them. They are explained in the House Report No. 94–1426.

H.R. 13828 is a clean bill, revising and simplifying the earlier bills. Inputs into the new bill are from many sides. They include GSA, the Congressional Research Service, the GAO, the Joint Committee on Printing, and the Commission on Federal Paperwork. Our colleague, FRANK HORTON, a cosponsor of the new bill, is as you know chairman of that Commission.

The new bill has the full support and endorsement of GSA and OMB. The bill has benefited from excellent cooperation and assistance on the part of the ranking minority member of both the full committee and the subcommittee, to whom we express appreciation.

The bill does not just provide a better statutory vehicle for executing records management functions of GSA and other Federal agency heads. It also permits the Congress to redeclare its concern. For efficiency and economy in the face of the continuous growth in Federal paperwork. Those for whom that declaration is made should listen to the words of the Government Operations Committee's predecessor during the consideration of the Federal Records Act of 1950. In House Report No. 2747, 81st Congress, the committee said:

> It is well to emphasize that records come into existence, or should do so, not in order to fill filing cabinets or occupy floor space, or even to satisfy the archival interests of this and future generations, but essentially to serve the administrative and executive purposes of the government organization which creates them. There is danger that this simple, self-evident fact may be lost for lack of emphasis. The measure of effective records management should be its usefulness to the executives responsible for accomplishing the substantive purpose of the government organization.

Federal agencies must always keep that commonsense principle in view. I believe H.R. 13828 will bring closer agency adherence to it. Therefore, I strongly urge its enactment.

At this time I yield to the gentleman from Texas (Mr. WHITE) as much time as he may consume.

Mr. WHITE. Mr. Speaker, this subject of the magnitude and cost of the internal management of records of the Federal Government has been a consuming interest of mine since I had the privilege of serving as chairman of the Census and Statistics Subcommittee of the Post Office and Civil Service Committee during the 93d Congress. That position necessarily prompted by special attention to at least one major phase of Government recordkeeping: The Bureau of Census. My continually developing interest into this phase of Government operations led to some in-depth research and some rather startling revelations. For instance, we found that in 1973 the Federal Government produced an almost incomprehensible 7 million cubic feet of new records, and the cost of handling this veritable mountain of paperwork approached $15 billion. In 1974, this cost went up to $16 billion. These figures are unbearable, inexcusable, and completely unjustifiable in themselves, but the real dilemma is represented by the fact that they have relentlessly advanced at the rate of $1 billion per year since 1966 when Federal records management costs were a relatively low $8 billion. Based on these findings, I introduced a records management bill during the 93d Congress which is the precursor to the legislation we are considering today, and which I am most proud to cosponsor with Chairman RANDALL.

It is important to understand that the proposal before us today deals strictly with the management of Federal Government records, and does not necessarily address the crying need to invoke measures to control and reduce the ever-burgeoning Federal paperwork load which is showing every sign of strangling both the private sector and the Government.

Rather, this bill is resigned to control and streamline the management of records accruing to the Federal Government under present regulations, laws, and practices. This end will be accomplished by the simplification of the creation, storage and retrieval of those records; by the prevention of unnecessary records creation and unnecessary records retention; and the development of a continuous program for control of records from their origin to their final disposition. It should be emphasized that the National Archives and records service of GSA—the agency most intimately involved in the implementation of the provisions of this bill—is on record with unreserved approval.

Additionally, many endorsements and no objections that I know of have come from the private sector, including the National Association of Records Executives and Administrators. What this represents, Mr. Speaker, is one small step in the right direction—in the direction of putting the brakes on the frightening upward spiral of Federal spending. Even if this bill results in a savings of only 1 percent in the cost of Federal recordkeeping, and by all accounts this is a most reasonable expectation, then we are talking about eliminating some $160 million instead of adding another $1 billion each year as we have been doing.

Once good habits have been established, these savings will multiply and the benefits will automatically extend to the taxpayers of this country as well as to the Government. I think all of us can agree, if we are listening to our constituents, that we had better start taking these small steps to curb the costs of Government. I am proud of the role I have been privileged to exercise in the development of this legislation and ask the overwhelming support of this body.

Thank you.

Mr. THONE. Mr. Speaker, I rise in support of the Federal Records Management Amendments of 1976 which is designed to clarify, update, consolidate, and supplement the authority and responsibility for records management which is delegated to the Administrator of General Services and to Federal agency heads under the Federal Records Act of 1950.

Many of us have been increasingly concerned during the past several years with the burgeoning proportions of the Federal paperwork blizzard. Not only do commonsense and our constituencies tell us drastic steps must be taken to control it, the 1973 General Accounting Office report entitled, "Ways to Improve Records Practices in the Federal Government," statistically documents its parameters.

Mr. Speaker, it is frustrating to note the citizens of my State of Nebraska paid a total of $1.447 billion in Federal taxes for the year ending June 30, 1973. The General Accounting Office report estimates the Federal Government spent over 10 times that amount in paperwork costs alone during the same period. That $15 billion ballooned from $8 billion only 7 years earlier—1966—and it is 4 times the amount—$4 billion—spent in 1955. It almost defies comprehension that it takes 10 times the amount of Federal taxes paid by Nebraska citizens for Federal paperwork alone. Think of all the better purposes this money could be going for.

In 1973 more than 11.5 million cubic feet of records were in storage in GSA Federal Records Centers. Only one-twentieth of them were estimated to have permanent value. It would take a file drawer stretching from San Francisco to Chicago, New York City to Salt Lake City, or Seattle to Dallas to hold all of these records. Or, we could fill the Washington Monument 11 times and still have records enough to fill it up half again. Millions of dollars will be spent during the next few years to continue to store the records being developed at this astounding rate—without mentioning the cost of developing them. At this rate, without immediate remedial steps, our paperwork blizzard may just become an all-destroying avalanche.

A basic problem in dealing with this insidious threat is that records creation is not particularly interesting. Its solution does not stop wars, reform regulatory agencies, change the course of history, nor halt poverty. But it is important to the consumer, the businessman, the farmer, and the public in general because of the vast sums and frustrating hours they spend creating a large portion of these records. The problem is known, it must be faced, and can be solved.

Further, we must develop a way for the Government bureaucracy to systematically handle the records created. We cannot continue to tolerate the administrative costs of a records maintenance nonsystem which stores everything because something might be needed sometime—but by the time it is, it cannot be found because it is misfiled, buried, or forgotten.

Actually, the Federal Records Act of 1950 was a prophetic act. It was conceived when there were only a few incomplete records management programs in some of these agencies. It represented the best available thinking of the time. Under this law, the Administrator of General Services was given central staff responsibilities for the Federal records management program.

These responsibilities included developing and improving standards, procedures and techniques for better records management and disposition; making surveys and inspections of practices and procedures; and establishing and operating Federal records centers.

The explosive growth of Government and the development of many new technologies involving the creation and handling of records which have speeded the production process, have resulted in a need for changing the emphasis and applying new approaches to records management. After hearings and extensive study by the Government Activities and Transportation Subcommittee, it was clear that though the wholesale replacement of the present act was not necessary, the existing law needed to be modernized for greater effectiveness. Extensive consultation with a large number of people including the authors of bills on the subject introduced in this Congress, the General Services Administration, Congressional Research Service, General Accounting Office, the Joint Committee on Printing, and the Commission on Federal Paperwork resulted in broad consensual agreement on the modernization necessary. On May 17, I joined Messrs. HORTON, ARCHER, RANDALL, BROOKS, and WRIGHT to introduce H.R. 13828, which provides better and more consistent definitions, explicit enumeration of records management objectives, and clarification of the GSA Administrator's responsibilities with respect to records management.

Mr. Speaker, since these changes have already been discussed, let me just say that we believe this bill achieves the needed consolidation and modernization necessary to give the Federal Government records management program a sound basis on which to build as it moves into its second quarter century of service.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Texas (Mr. ARCHER), who introduced one of the early bills in this area.

Mr. ARCHER. Mr. Speaker, I am pleased to be able to join in presenting to the House today the opportunity to pass legislation which offers the potential to save the taxpayers of this Nation $150 million a year.

The Federal Records Management Amendments of 1976 are the result of several years of joint efforts by several Members of Congress, the Government Operations Committee and the executive branch. They represent a determined effort to reform Federal paperwork practices by giving new direction, encouragement, and impetus to the fragmented struggle to implement the Federal Records Act of 1950. I need not explain to the Members of the House the pressing need for legislation such as this proposal. Every Member could cite from his own personal contacts with his constituents examples of how inadequate records management practices have complicated, delayed, and fragmented legitimate activities of our Federal Government.

This legislation is designed to encourage the heads of each of the Federal agencies to establish and maintain an efficient records management system. It accomplishes this mainly by giving the Administrator of the General Services Administration greater authority over Federal records management procedures. The bill provides a very precise definition of the term "records management" and provides outlines for handling all types of Federal records. The legislation details the objectives of our Federal records management policy: the accurate and complete documentation of the policies and transactions of the Federal Government; the control of the quantity and quality of Federal records; the simplification of the methods by which records are created, stored, retrieved, and used; and the preservation and disposal of records. In short, this legislation sets down the guidelines that will be used to carry out a policy of sound records management.

One of the most desirable aspects of this bill is its impact on the overall Federal paperwork burden on the private sector. It includes major provisions dealing with the elimination of all unnecessary forms and reports. This is again an area for reform that is all too apparent to every Member of Congress.

I would like to stress the essential difference between this proposal and its predecessor, the Federal Records Act of 1950. This critical point is that we will be placing a rigid schedule on both the Congress and the President to develop systematic programs to make the bureaucracy more responsive to the needs of the American people—a review of the entire bureaucracy, its paperwork requirements and the burdens which they impose. If we are ever going to cut the cost of Government and the costs borne by the private sector in complying with governmental requirements, this is the place to begin.

I am very much encouraged that this legislation has the blessing of the National Archives Records Service, the Office of Management and Budget and the General Services Administration.

In particular, the cooperation of the GSA is most important since they are the ones basically charged with carrying out the provisions of this bill once it becomes law.

I urge my colleagues to join in supporting H.R. 13828. It represents a systematic, cohesive and bipartisan approach to a pressing national problem. Your vote for this legislation will be a vote from which you will see tangible results.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. THONE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleagues yielding.

Mr. Speaker, I wish to compliment the gentleman from Missouri (Mr. RANDALL), the gentleman from Nebraska (Mr. THONE), and my colleague, the gentleman from Texas (Mr. ARCHER) for their persistence in making sure that this bill finally came to the floor. The House appreciates their making this extra effort to try to reduce and eliminate so much of the unnecessary paper work in Federal Government.

Did I understand my colleague, the gentleman from Texas, to say that it is his estimate that this could result in a saving of up to $150 million a year?

Mr. ARCHER. Mr. Speaker, if the gentleman will yield, that is correct.

Mr. ROUSSELOT. Mr. Speaker, I certainly wish to associate myself with my three colleagues and especially my distinguished colleague, the gentleman from Texas, who has been a long time advocate of many of the concepts of this legislation. Mr. ARCHER, has, along with the gentleman from Nebraska and the gentleman from New York (Mr. HORTON) persisted for some time in trying to make sure that we would have an opportunity to do something constructive in this field.

Is there any possibility we can do more in this field, may I ask my colleagues, or is this basically the first step?

Mr. THONE. Mr. Speaker, let me respond to the gentleman from California (Mr. ROUSSELOT) by saying there is a great deal more we can do in this field. This is the first step, but it is a needed step and a step we have to start with.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, can the gentleman tell us some of the other areas of legislative effort that might be forthcoming in the future on the basis of the studies the committee has undertaken?

Mr. THONE. Mr. Speaker, let me yield to the gentleman from Texas (Mr. WHITE) on that question.

Mr. WHITE. Mr. Speaker, I want to remind the gentleman from California that earlier in the year we passed a bill which the gentleman from New York (Mr. HORTON) and I cosponsored, with a number of others, called the paperwork bill, which is designed to do exactly what the gentleman is seeking to do.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, my colleague, the gentleman from Nebraska, indicated there might be some anticipated additional legislation. May we know what that might be?

Mr. THONE. Mr. Speaker, I will say to the gentleman from California (Mr. ROUSSELOT) that we do not have anything on the drawing board right now. I think we will have to see what our experience is with this act. In my opinion, there is much we can do in this area in the future.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, I appreciate my colleagues, the chairman of the committee, the ranking Republican member, the gentleman from New York (Mr. HORTON), and the subcommittee chairman and the ranking committee member effort to get this job done. We feel, I am sure, as an entire Congress, very grateful for their efforts. We hope that they will continue to pursue with further legislative steps. I am delighted by the estimate of my colleague, the gentleman from Texas (Mr. ARCHER) that the savings could well be about $150 million. I am certainly very grateful, along with many other Members, that this has finally come to fruition.

Mr. THONE. Mr. Speaker, we thank the gentleman from California (Mr. ROUSSELOT) who has been a real watchdog and most helpful on these matters.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Speaker, I rise in support of this legislation. I feel it is a very important piece of legislation. As the chairman of the Paperwork Commission, I feel that this Federal records management amendments bill is very important to get a grasp on management problems and paperwork.

Mr. Speaker, the Federal Records Act of 1950, at the time of passage, was rather revolutionary in its approach to improved "management of Federal records." This act, together with supporting Federal Property Management Regulations, FPMR's, are outgrowths of the Hoover Commissions of 1949 and 1955. General Services Administration, GSA, under the act and through enforcement of regulations, has: Prepared and issued numerous records management handbooks and other guides; originated and conducted workshops and other training; made numerous studies and inspections aimed at improving specific deficiencies; and promoted the retirement of inactive records to low-cost storage facilities. GSA, in their day-to-day efforts, has saved our taxpayers millions of dollars.

Despite the best efforts of GSA and the cooperation of Federal departments, paperwork costs have increased from $5 billion annually at the time of the first Hoover Commission, to a whopping $15 billion or more at present. Such costs, together with State, local, and private industry costs, based upon Federal paperwork requirements, are estimated to exceed $41 billion annually. In addition to the over-riding concern for excessive paperwork costs, there is concern for new office technologies. The sharply increasing use of automatic data processing and office copying equipment are two notable examples. Such paperwork proliferators add to the mountains of material produced each year, much of which finds its way into our files.

As Chairman of the Commission on Federal Paperwork, I have noticed a rather clear dichotomy in Federal treatment of the 1950 act terminology. Some officials interpret the term "records management" as simply a way to collect, arrange, use, and eventually dispose of day-to-day files. Others view the same term as involving the entire "cradle to grave" aspects of records. We believe those who take the "life-cycle" perspective produce the most meaningful results, especially in their success at reducing costs. The fact is most paperwork costs—80 percent—occur in the "creation" aspects of paperwork, that is, forms, reports, correspondence, and directives. H.R. 13828 is essential to a strengthened Government-wide program to make internal paperwork more efficient and less costly and to support Federal efforts to reduce the paperwork burden imposed upon State and local governments, and private industry.

At the outset, H.R. 13828 attacks the problem of records management terminology. The definition supplied calls for a "cradle to grave" approach to records management. Federal agencies will not understand, as a minimum, that records management programs are to be concerned with:

Improved correspondence practices to provide for better letters, fewer copies, and judicious use of preparation shortcuts;

Tightened control of forms, improved design, consolidation and standardization where possible, and greater attention to stocking and distribution;

Better management of reporting to include consideration for greater use of information sharing and exchange, reductions in the volume of reporting, reduced reporting frequencies, and more attention to use of automatic data processing and other techniques;

More attention to the preparation, consolidation, formating, distribution, indexing, filing, updating, et cetera, of policy and procedure directives;

Improved handling of mail to include greater care in selection and use of postage classes, expanded use of labor-saving devices, and improved clerical and messenger operations;

Greater emphasis on the management of files to reduce "can't finds" and overall accumulation of papers, and to speed reference to files through use of innovative information retrieval and other techniques;

Accelerating the movement of inactive records to low-cost storage facilities based upon updated and tightened records disposal schedules; and,

Performance of systems studies to make paper "work" and to dissolve bottlenecks and redtape.

In addition to broadened and updated definitions, the bill provides for a yearly report to the Congress and the Director of the Office of Management and Budget. This feature of the bill causes the GSA Administrator to focus on deficient or recalcitrant records managers on a recurring basis. These reports would be based upon the studies and inspections conducted by GSA's National Archives and Records Service, and would be submitted as part of the effort to assist the agency in question. Only then would the Congress and OMB be asked to exercise appropriate sanctions.

Although the National Archives and Records Service has performed quite well in bringing about half of all inactive Federal records into lower cost storage facilities, there remains much to be done. The Commission has noted that the 1950 act provisions are somewhat cautious in permitting agency heads to transfer their less inactive records to NARS. When we realize NARS storage facility cost less than a dollar per year per cubic foot as opposed to $5 per cubic foot for typical office space, the Commission believe we should be more forceful in bringing NARS and agencies together to accelerate the movement of records to lower cost storage. H.R. 13828 is intended to do this.

In summary, H.R. 13828 takes our efforts to better manage Federal records and to relieve the public of excessive paperwork and costs, far beyond the "weed cutting" stage. The Hoover Commissions, and now our Commission on Federal Paperwork, have noted that a formal Government-wide program is essential to this cause. H.R. 13828, based upon the Federal Records Act of 1950, offers a fresh and expanded definition of the term records management—one which brings continued attention from "cradle to grave." The legislation also brings the continued surveillance of the Congress and the OMB to bear upon the Federal records management activities. Such surveillance is essential to the exercise of our role as legislators and as a stimulating source if and when results are less than they need to be.

Mr. THONE. Mr. Speaker, I yield back the balance of my time.

Mr. RANDALL. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the full committee, the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, I thank the distinguished chairman of the Subcommittee on Government Activities and Transportation of the Committee on Government Operations, the gentleman from Missouri (Mr. RANDALL).

Mr. Speaker, it is regrettable that the distinguished gentleman is retiring. I would say that this legislation is typical of the constructive, helpful attitude that the gentleman from Missouri has had toward making it possible for this country to function in a more efficient way. It is typical of the gentleman's work and I just want to commend the gentleman as a very distinguished and able subcommittee chairman for his efforts.

Mr. Speaker, H.R. 13828, the Federal Records Management Amendments of 1976, updates the Federal Records Management Act of 1950. The amendments delineate the objectives of our Federal records management system and the responsibilities of the General Services Administration in supervising this system.

Since the passage of the original Federal Records Management Act in 1950, we have seen the proliferation of the mimeograph and photocopying machines. These machines have speeded up the reproduction process and resulted in changing the emphases and approaches used in records management. The General Services Administration has an increasingly mammoth area to supervise. This vast increase in the paperwork necessitates amending the Federal Records Management Act.

H.R. 13828 declares that the Administrator of the General Services Administration will guide and assist Federal agencies with respect to records creation, maintenance, use, and disposition. It declares accurate documentation, quality and quantity controls, and prevention of unnecessary paperwork as major objectives of the records management system.

This bill has been carefully reviewed by the Committee on Government Operations. The General Accounting Office and the Archivist of the United States and various Members of Congress testified at a hearing in favor of the bill.

Approval of H.R. 13828 will facilitate the improvement of our Federal records management system to enable us to handle these vast records more efficiently and economically. I urge your support of this bill.

Mr. RANDALL. Mr. Speaker, I know of no opposition to this bill. There were some inquiries made on the floor about what is being done and what remains to be done. We tried to point out that this sets for the first time some clear objectives about records management. What we are really talking about is the vast volume of records downtown for which there have never been any guidelines or any steps for the Congress as to how they are to be disposed of. We set forth seven specific goals to try to strike a balance between efficient, effective disposition, and the continuing substantive need for those records.

Another point that the gentleman from California raised is, what is next. What is coming next will be determined by the reports from GSA which this legislation requires. They are going to have to give us an annual report. They are going to report each year on what they have done, and then what step or steps next to be taken will be determined after the reports begin coming in for the very first time.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. RANDALL. I yield to my good friend from Illinois (Mr. McCLORY), for many years a member of this committee.

Mr. McCLORY. Mr. Speaker, I want to commend the gentleman from Missouri on this legislation. I have had the privilege of serving earlier on the House Committee on Government Operations, and to serve with the gentleman on a subcommittee of the Committee on Government Operations. I certainly want to attest to the excellent quality of legislative service rendered by the gentleman from Missouri.

I had occasion just this past week to be in Kansas City, Mo., attending an important national political convention. On that occasion, the gentleman from Missouri, in his usual gracious way, invited some of his Republican colleagues to his home in Independence, Mo. I think it was a great tribute to the gentleman from Missouri and his wife Margaret that several of his colleagues saw fit to accept his gracious invitation. At this time, I want particularly to commend the gentleman for his statesmanlike service in this body throughout the entire period in which he has served in the House of Representatives.

I want to join with the other Members in commending the gentleman from Missouri on the high quality of service, and express regret at his retirement. At the same time, I wish him and his lovely lady well in the future.

Mr. RANDALL. I thank the gentleman from Illinois.

Mr. Speaker, one final word: What this bill really does, the sum and substance of it, is that the Congress is redeclaring its concern that the Federal agencies apply some industry and imagination to this constant, continual growth of Federal paperwork. It is high time we did something to arrest this growth. Hopefully H.R. 13828 is the answer to the problem. This much I am certain of—this legislation is a step in the right direction.

The SPEAKER pro tempore (Mr. ICHORD). The question is on the motion offered by the gentleman from Missouri (Mr. RANDALL) that the House suspend the rules and pass the bill H.R. 13828.

The question was taken.

Mr. THONE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this vote will be postponed.

GENERAL LEAVE

Mr. RANDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered, H.R. 13828, the Federal Records Management Amendments Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISTRIBUTION OF FEDERAL SURPLUS PROPERTY TO STATE AND LOCAL ORGANIZATIONS

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14451) to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of Federal surplus personal property to the States and local organizations for public purposes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 14451

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) is amended as follows:

(1) Subsection (j) is amended to read as follows:

"(j)(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to transfer, without cost (except for costs of care and handling), any personal property under the control of any executive agency which has been determined to be surplus property to the State agency in each State designated under State law as the agency responsible for the fair and equitable distribution, through donation, of all property transferred in accordance with the provisions of paragraphs (2) and (3) of this subsection. In determining whether the property is to be transferred for donation under this subsection, no distinction shall be made between property capitalized in a working-capital fund established under section 2208 of title 10, United States Code, or any similar fund, and any other property.

"(2) In the case of surplus personal property under the control of the Department of Defense, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities which are of special interest to the armed services, such as maritime academies, or military, naval, Air Force, or Coast Guard preparatory schools. If the Secretary determines that such property is usable and necessary for said purposes, the Secretary shall allocate it for transfer by the Administrator to the appropriate State agency for distribution, through donation, to such educational activities. If the Secretary determines that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph (3) of this subsection.

"(3) Except for surplus personal property transferred pursuant to paragraph (2) of this subsection, the Administrator shall, pursuant to criteria which are based on need and utilization and established after such consultation with State agencies as is feasible, allocate such property among the States, and transfer to the State agency property selected by it for distribution through donation within the State—

"(A) to any public agency for use in carrying out or promoting for the residents of a given political area one or more public purposes, such as conservation, economic development, education, parks and recreation, public health, and public safety; or

"(B) to nonprofit educational or public health institutions or organizations, such as medical institutions, hospitals, clinics, health centers, schools, colleges, universities, schools for the mentally retarded, schools for the physically handicapped, child care centers, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, and libraries serving free all residents of a community, district, State, or region, which are exempt from taxation under section 501 of the Internal Revenue Code of 1954, for purposes of education or public health (including research for any such purpose).

The Administrator, in allocating and transferring property under this paragraph, shall give fair consideration, consistently with the established criteria, to expressions, transmitted through the State agency, of need and interest on the part of public agencies or other eligible institutions within that State.

"(4)(A) Before property may be transferred to any State agency, the chief executive officer of such State shall approve and submit to the Administrator a detailed plan of operation, developed in conformity with the provisions of this subsection, which shall include adequate assurance that the State agency has the necessary organizational and operational authority and capability, including staff, facilities, means and methods of financing, and procedures with respect to: accountability, internal and external audits, cooperative agreements, compliance and utilization reviews, equitable distribution and property disposal, determination of eligibility, and assistance through consultation with advisory bodies and public and private groups. No such plan, and no major amendment thereof, shall be filed with the Administrator until sixty days after general notice of the proposed plan or amendment has been published and interested persons have been give at least thirty days during which to submit comments. The Administrator may consult with iterested Federal agencies for purposes of obtaining their views concerning the administration and operation of this subsection.

"(B)(i) The State plan of operation shall require the State agency to utilize a management control system and accounting system for donable property transferred under this section of the same types as are required by State law for State-owned property, except that the State agency, with the approval of the chief executive officer of the State, may elect, in lieu of such systems, to utilize such other management control and accounting systems as are effective to govern the utilization, inventory control, accountability, and disposal of property under this subsection.

"(ii) The State plan of operation shall require the State agency to provide for the return of donable property for further distribution if such property, while still usable, has not been placed in use for the purpose for which it was donated within one year of donation or ceases to be used by the donee for such purposes within one year of being placed in use.

"(C) Where the State agency is authorized to assess and collect service charges from participating recipients to cover direct and reasonable indirect costs of its activities, the method of establishing such charges shall be set out in the State plan of operation. Such charges shall be fair and equitable and shall be based on services performed by the State agency, including, but not limited to, screening, packing, crating, removal, and transportation.

"(D) The State plan of operation shall provide that the State agency may impose reasonable terms, conditions, reservations, and restrictions on the use of property to be donated under paragraph (3) of this subsection and shall impose such terms, conditions, reservations, and restrictions in the case of any passenger motor vehicle and any item of other property having a unit acquisition cost of $3,000 or more. If the Administrator finds that an item or items have characteristics that require special handling or use limitations, he may impose appropriate conditions on the donation of such property.

"(E) The State plan of operation shall provide that surplus property which the State agency determines cannot be utilized by eligible recipients shall be disposed of—

"(i) subject to the disapproval of the Administrator within thirty days after notice to him, through transfer by the State agency to another State agency or through abandonment or destruction where the property has no commercial value or the estimated cost of its continued care and handling would exceed the estimated proceeds from its sale; or

"(ii) otherwise pursuant to the provisions of this Act under such terms and conditions and in such manner as may be prescribed by the Administrator.

Notwithstanding sections 204 and 402(c) of this Act, the Administrator, from the proceeds of sale of any such property, may reimburse the State agency for such expenses relating to the care and handling of such property as he shall deem appropriate.

"(5) As used in this subsection, (A) the term 'public agency' means any State, political subdivision thereof (including any unit of local government or economic development district), or any department, agency, instrumentality thereof (including instrumentalities created by compact or other agreement between States or political subdivisions), or any Indian tribe, band, group, pueblo, or community located on a State reservation and (B) the term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Virgin Islands, Guam, and American Samoa.".

(2) Subsection (k) is amended—

(A) in the first sentence of paragraph (4), immediately following the word "subsection", by adding ", except with respect to personal property transferred pursuant to subsection (j)";

(B) in subparagraph (4)(C), by inserting "or" immediately after the semicolon;

(C) in subparagraph (4)(D), immediately following the words "armed forces", by striking out "; or" and inserting in lieu thereof a period; and

(D) by striking out subparagraph (4)(E).

(3) Subsection (n) is amended to read as follows:

"(n) For the purpose of carrying into effect the provisions of subsection (j), the Administrator or the head of any Federal agency designated by the Administrator, and, with respect to subsection (k)(1), the Secretary of Health, Education, and Welfare or the head of any Federal agency designated by the Secretary, are authorized to enter into cooperative agreements with State surplus property distribution agencies designated in conformity with subsection (j). Such cooperative agreements may provide for utilization by such Federal agency, with or without payment or reimbursement, of the property, facilities, personnel, and services of the State agency in carrying out any such program, and for making available to such State agency, with or without payment or reimbursement, property, facilities, personnel, or services of such Federal agency in connection with such utilization. Payment or reimbursement, if any, from the State agency shall be credited to the fund or appropriation against which charges would be made if no payment or reimbursement were received. In addition, under such cooperative agreements and subject to such other conditions as may be imposed by the Administrator, or with respect to subsection (k)(1) by the Secretary of Health, Education, and Welfare, any surplus property transferred to the State agency for distribution pursuant to subsection (j)(3) may be retained by the State agency for use in performing its functions. Unless otherwise directed by the Administrator, title to property so retained shall vest in the State agency.".

(4) Subsection (o) is amended to read as follows:

"(o) The Administrator with respect to personal property donated under subsection (j), and the head of each executive agency disposing of real property under subsection (k), shall submit during the calendar quarter following the close of each fiscal year a report to the Senate (or to the Secretary of the Senate if the Senate is not in session) and to the House of Representatives (or to the Clerk of the House if the House is not in session) showing the acquisition cost of all personal property so donated and of all real property so disposed of during the preceding fiscal year. Such reports shall also show donations and transfers of property according to State, and may include such other information and recommendations as the Administrator or other executive agency head concerned deems appropriate.".

SEC. 2. Except to the extent that the Administrator of General Services, in the case of specific items or categories of property, has determined otherwise, no term, condition, reservation, or restriction imposed pursuant to subsection (j)(5) of section 203 of the Federal Property and Administrative Services Act of 1949 (as in effect prior to the date of enactment of this Act), on the use of any item of personal property donated pursuant to subsection (j)(3) or (j)(4) of section 203 prior to the effective date of this Act as provided in section 9(a), shall remain in effect beyond the thirtieth day after such effective date. This section shall not be deemed to terminate any civil or criminal liability arising out of a violation of such a term, condition, reservation, or restriction which occurred prior to such effective date if a judicial proceeding to enforce such liability is pending on such effective date, or is commenced within one year after such date.

SEC. 3. Section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) is amended by adding the following new subsections:

"(d) Notwithstanding any other provisions of law, Federal agencies are prohibited from obtaining excess personal property for purposes of furnishng such property to grantees of such agencies, except as follows:

"(1) Under such regulations as the Administrator may prescribe, any Federal agency may obtain excess personal property for purposes of furnishing it to any institution or organization which is a public agency or is nonprofit and exempt from taxation under section 501 of the Internal Revenue Code of 1954, and which is conducting a federally sponsored project pursuant to a grant made for a specific purpose with a specific termination made: *Provided*, That—

"(A) such property is to be furnished for use in connection with the grant; and

"(B) the sponsoring Federal agency pays an amount equal to 25 per centum of the original acquisition cost (except for costs of care and handling) of the excess property furnished, such funds to be covered into the Treasury as miscellaneous receipts.

Title to excess property obtained under this paragraph shall vest in the grantees and shall be accounted for and disposed of in accordance with procedures governing the accountability of personal property acquired under grant agreements.

"(2) Under such regulations and restrictions as the Administrator may prescribe, the provisions of this subsection shall not apply to the following:

"(A) property furnished under section 608 of the Foreign Assistance Act of 1961, as amended, where and to the extent that the Administrator of General Services determines that the property to be furnished under such Act is not needed for donation pursuant to section 203(j) of this Act;

"(B) scientific equipment furnished under section 11(e) of the National Science Foundation Act of 1950, as amended (43 U.S.C. 1870(e)), where title is retained in the United States;

"(C) property furnished under section 203 of the Department of Agriculture Organic Act of 1944 (16 U.S.C. 580a), in connection with the Cooperative Forest Fire Control Program, where title is retained in the United States; or

"(D) property furnished in connection with grants to Indian tribes as defined in section 3(c) of the Indian Financing Act (25 U.S.C. 1452(c)).

This paragraph shall not preclude any Federal agency obtaining property and furnishing it to a grantee of that agency under paragraph (1) of this subsection.

"(e) Each executive agency shall submit during the calendar quarter following the close of each fiscal year a report to the Administrator showing, with respect to personal property—

"(1) obtained as excess property or as personal property determined to be no longer required for the purposes of the appropriation from which it was purchased, and

"(2) furnished in any manner whatsoever within the United States to any recipient other than a Federal agency,

the acquisition cost, categories of equipment, recipient of all such property, and such other information as the Administrator may require. The Administrator shall submit a report to the Senate (or to the Secretary of the Senate if the Senate is not in session) and to the House of Representatives (or to the Clerk of the House if the House is not in session) summarizing and analyzing the reports of the executive agencies.".

SEC. 4. Section 402(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 512(c)) is amended by striking out "whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so" and inserting in lieu thereof ", whenever the head of the executive agency concerned, or the Administrator after consultation with such agency head, determines that return of the property to the United States for such handling is in the interest of the United States".

SEC. 5. Notwithstanding any other provision of law, and except as the Administrator of General Services may otherwise provide on recommendation of the head of an affected Federal agency, excess personal property acquired by a Federal agency pursuant to the authority of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) and furnished to and held by a grantee of such agency prior to the effective date of this Act (as provided in section 9(b)) under grants made pursuant to programs established by law shall be regarded as surplus property. The Administrator of General Services upon receipt of a certification by the head of an agency that the property is being used by the grantee for the purposes for which it was furnished shall transfer title to the property to the grantee. The grantor agency shall survey Federal property acquired from excess sources in the possession of its grantees and shall notify the Administrator of General Services, not later than two hundred and forty days from the date of enactment of this Act, of those items of property which are being used by each grantee for the purpose for which it was furnished, and those items which are not being used by each grantee. If the property is not being so used, the Administrator shall transfer such property to an appropriate State agency, upon its request, for distribution in accordance with subsection 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)). Property not so transferred shall be otherwise disposed of pursuant to the provisions of that Act.".

SEC. 6. Section 514 of the Public Works and Economic Development Act of 1965 (88 Stat. 1162) is repealed.

SEC. 7. (a) So much of the personnel, property, records, and unexpended balance of appropriations, allocations, and other funds as are, in the judgment of the Director of the Office of Management and Budget, employed, used, held, available, or to be made available in relation to those personal property functions which the Secretary of Health, Education, and Welfare was authorized to perform under section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) immediately prior to the date of enactment of this Act and which under this Act become vested in the Administrator of General Services shall be transferred to the General Services Administration at such time or times as the Director shall direct.

(b) Such further measures and dispositions as the Director of the Office of Management and Budget deems necessary to effectuate transfers referred to in subsection (a) of this section shall be carried out in such manner as the Director shall direct.

SEC. 8. Title VI of the Federal Property and Administrative Services Act of 1949 is amended by adding after section 605 the following new section:

"SEX DISCRIMINATION

"SEC. 606. No individual shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision shall be enforced through agency provisions and rules similar to those already established with respect to racial and other discrimination under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or remove any other legal remedies available to any individual alleging discrimination.".

SEC. 9. (a) Except as provided in subsection (b), the provision of this Act shall become effective on the expiration of the one hundred and eighty day period which begins on the date of enactment of this Act.

(b) The provisions of section 3 of this Act relating to the prohibition on the obtaining of excess personal property by grantees of Federal agencies and of section 5 of this Act relating to the transfer of title to such property to previous grantees shall become effective on the expiration of the three hundred-day period which begins on the date of enactment of this Act.

SEC. 10. Not later than thirty months after the effective date of this Act (as provided in section 9(b)), the Administrator shall submit to Congress a report which covers the two-year period from such effective date and contains (1) a full and independent evaluation of the operation of this Act, (2) the extent to which the objectives of this Act have been fulfilled, (3) how needs served by prior Federal personal property distribution programs have been met, and (4) such recommendations as the Administrator determines are necessary or desirable.

The **SPEAKER** pro tempore. Is a second demanded?

Mr. **FORSYTHE**. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. BROOKS) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the purpose of this bill is to establish an orderly and efficient system for the distribution of excess and surplus Federal property. The bill deals only with personal property, not real property.

For over 25 years the Federal Government has been distributing unneeded Government property to public or nonprofit institutions at both the State and local levels. The basic program enacted in the Federal Property Act of 1949 provides for the donation of surplus property for health, education, and civil defense purposes. Since the enactment of the law, various other programs have added additional eligible donees. It is not the expansion of the eligibility of donees that creates the problem, but rather the haphazard manner in which it has been done. Today, there are more than 28 distribution programs carried out by different agencies, some dispensing excess property and some surplus property. In short, the Government's donation program, which distributes approximately $600 million worth of Federal property each year is fraught with inequities and abuses. The purpose of this bill is simply to replace present chaos with a unified system of management and control.

The fragmentation of the numerous programs has caused conflict, competition, and confusion among the agencies and the property recipients. This situation results in waste, inefficiency, and inequitable distribution. In order to restore the surplus property program to an orderly, efficient, and equitable system. I introduced H.R. 14451, together with Subcommittee Chairman RANDALL, Congressman HORTON, and other members of the Government Operations Committee.

Briefly, this bill places the State surplus property agencies in charge of distributing surplus property again, it broadens the categories of use of such property, and it will lessen the extent to which property can be diverted through the excess distribution system before it is ever declared surplus.

When the Federal Property Act was enacted in 1949, three categories of property were established: Property presently being used by an agency, property excess to the needs of the original agency and available for use by other Federal agencies, and property surplus to the needs of all Federal agencies. It was not intended that any property be distributed to non-Federal Government users prior to its becoming unneeded by any Federal agency and, therefore, surplus. Subsequently, certain special interests have obtained authority to acquire property as excess property before it has been declared surplus. This has had the effect of sidetracking property away from the original purposes of the donation program. This proliferation of preferential donees has caused most of the available property for our schools and hospitals to dry up.

A major problem confronting us today results from a Senate amendment to a public works bill in 1974 which turned the Economic Development Regions' Action Planning Commission into excess property distribution bodies. That provision, which was never considered by the House except in the conference report, gives the Regional Action Planning Commissions the right to distribute unlimited quantities of excess—not surplus—property. This program, which covers only parts of 21 States, has grown during these 2 years to approximately $140 million. It is literally wiping out the other donable property programs.

This bill would restore orderly procedures to the distribution process. The bill does not reduce the number or types of eligible donees. It simply reorganizes the various programs into one system. The bill will give the States a greater role in the handling, distribution, and control of surplus property acquisition and distribution. The bill assures an equitable allocation and distribution of the property. It also requires the General Services Administration to keep track of the entire program and to yearly report to Congress on the program.

This measure has the strong endorsement of the GSA and the OMB has expressed no opposition to it. This bill is a great improvement over the present fragmented system. I urge my colleagues to vote for this measure.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I am pleased to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding.

I would like to compliment the chairman of the committee, the chairman of the subcommittee, and also the gentleman from Missouri (Mr. RANDALL). I think this bill is most useful and valuable. I know that my State has been hoping that this would pass, and I am very happy to be here today to support it.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Speaker, I thank the gentleman for yielding.

Presently the Library of Congress has a number of surplus books which they place on their shelves. They receive surplus books from various military bases, and Members of Congress have selected books from this source and sent them to small libraries throughout their districts.

The SPEAKER pro tempore (Mr. ICHORD). The time of the gentleman from Texas (Mr. BROOKS) has expired.

Mr. BROOKS. Mr. Speaker, I yield myself 1 additional minute.

Mr. WHITE. Mr. Speaker, will the gentleman yield further?

Mr. BROOKS. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Speaker, upon the passage of this bill as an act, would this affect that practice of the Library of Congress making available through the auspices of various congressional offices books for distribution to libraries directly by the Library of Congress?

Mr. BROOKS. Mr. Speaker, I do not believe that this is involved or that it would affect the book distribution system at all.

Mr. WHITE. Mr. Speaker, I thank the gentleman.

Mr. BROOKS. Mr. Speaker, I reserve the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 14451, a bill amending the Federal Property and Administrative Services Act of 1949. The purpose of the bill, as has been explained, is to confer upon the Administrator of General Services the authority necessary to develop and maintain an effective, efficient program for the disposal of unneeded Federal personal property.

Since the adoption of the 1949 law, property which was surplus to the needs of the Federal Government has been available for donation to schools, colleges, universities, hospitals, civil defense units, and other similar organizations. This has enabled them to carry out worthwhile projects they could not otherwise afford. The program was sound conceptually, beneficial to the donees, and represented an economic, efficient use of this unneeded personal property for the Federal Government.

As the program matured, however, others became aware of its value. There have been several broadening statutory amendments. A series of administrative decisions and interpretations have allowed Federal agencies to pick up property at the excess level and "lend" it to their grantees, though it was not taken for the direct or internal use of the acquiring Federal agency. There are now some 28 different property distribution programs in the Government. They are not coordinated, and often interfere with or overlap each other. Frankly, during the past several years, the program has become an insider's game. Those people who understood the complex, chaotic system were able to acquire vast amounts of property. Equally qualified potential donees who did not, were left in the cold.

Clearly, I should add, when we discuss the uses and users, it is not a matter of "good" and "bad" but rather the choice between two "goods." But the system, unfortunately, has not evolved to allow an objective evaluation of competing interests. It is now so riddled with inequities that there are tremendously unfair advantages built in. For example, a 1972 amendment—section 514—to the Public Works and Economic Development Act of 1965, allows Regional Action Planning Commission to procure property at the excess level and transfer it to local entities for economic development purposes. Only 32 States—or parts of States—are encompassed by these commissions. States in Appalachia are not. In some States, municipalities could acquire property while sister communities in the next county could not. This is neither logical nor fair.

The need to consolidate and simplify the many separate, overlapping, uncoordinated activities of Federal agencies for distributing this property is crystal clear. Studies by GAO and ad hoc interagency study groups—composed of specialists representing OMB, NSF, Labor, OEO, DCPA, HEW, Commerce, EPA, SBA, GSA and ACTION—have documented it.

This legislation is an evolutionary effort building on the sound parts of the existing structure. It would restore order, efficiency, and fairness to the system by consolidating and simplifying the separate, overlapping and uncoordinated activities by the various Federal agencies for distributing excess and surplus property to public nonprofit organizations within the States. Further, it will consolidate the various property disposal programs into one system; broaden the purposes to be served and the categories of eligible recipients in the program; in part this insures that all donees who had benefited under the previous programs will continue to be eligible; puts GSA in charge of the Federal side of the program; assures a system incorporating fair allocation and distribution of property; gives States and their Governors more active roles; and requires GSA to constantly monitor the entire program and report yearly to Congress.

Mr. Speaker, the facts are not in dispute. The original section of this law which deals with the disposition of excess/surplus Federal property has become outmoded and full of exceptions which benefit the few to the detriment of others. The purpose of the bill is to strengthen the program, bring order out of this chaos, and to make it possible for deserving organizations and purposes to receive needed property. The bill would restrict excess property, with only minor numerated exceptions, to Federal Government organizations for Federal Government purposes. I personally feel strongly that Federal Government property purchased with Federal tax dollars which is excess to the needs of one agency should be available for other Federal Government use before it is declared surplus to Federal Government needs and used for other public purposes—no matter how deserving—or sold as scrap.

More importantly, under this bill surplus property would be made available to the State and they, under their State plan, would determine the appropriate donee. It is my belief this is far more effective and fairer to local organizations than having a Federal agency make this determination in Washington. Since the bill broadens appropriate surplus property usage to public purposes from the current, "educational, public health, civil defense," the State will be able to donate the property to the public body with the greatest need.

Mr. Speaker, I believe this bill accomplishes the objectives we have discussed. It provides for a fair, equitable system. It is economical and efficient. I commend it to this body.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

I wonder if I might address a question to the chairman of the committee or to the ranking minority member. I am interested in this legislation, specifically in the provision that would permit the GSA to grant excess property for use as hospitals and to donate such excess property to nonprofit medical institutions, schools, and so forth.

I have in mind some excess property in my congressional district that is owned by the VA. The property is part of a VA facility, and a medical school is interested in acquiring this property. There are some complications at the present time because of the requirement to declare the property excess and have it bid on, and it seems that under the existing law the only way to handle this is through a special legislative act.

As I understand it, if we enact this measure, the agency, without bringing a special bill to the Congress, could provide for the transfer to the medical school for its use. Do I understand that correctly?

Mr. FORSYTHE. As I understand the legislation, actually it would now move from excess property through a stage within the Federal Government to surplus property, and then it can be transferred, as the gentleman indicated. Therefore, my understanding would be that this would help in that very situation.

Mr. McCLORY. And this would permit the transfer to be taken care of administratively without a special measure?

Mr. FORSYTHE. My answer would be yes.

Mr. McCLORY. Mr. Speaker, I thank the gentleman.

Mr. KINDNESS. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Ohio.

Mr. KINDNESS. As I understand the legislation, it deals with personal property only and not real property; is that correct?

Mr. FORSYTHE. That is correct.

Mr. KINDNESS. Thus, the question of the gentleman from Illinois (Mr. McClory), I believe, related to real property; is that correct?

Mr. FORSYTHE. All right. If the gentleman is talking about real property, it is not under this program; it is only personal property.

Mr. KINDNESS. Mr. Speaker, I thank the gentleman.

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time.

Mr. BROOKS. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. Randall), the chairman of the subcommittee.

Mr. RANDALL. Mr. Speaker, I thank the gentleman for yielding.

I want to take just a moment or two to try to clarify a few definitions.

A question was raised on the other side of the aisle as to whether this bill applied to personal property or real estate. It applies only to personal property.

Also, there has been a question which should be clarified in the minds of the Members with respect to exactly what personal property we are talking about. We are talking basically about donable surplus property. That means property donable by the Federal Government.

We have, of course, both excess and surplus property. Excess is what is not needed by a particular agency. It is only excess to that agency. Next, we have surplus property, which is surplus to all of the departments and agencies that would ordinarily have a need for that.

Mr. Speaker, a point that I think we have overlooked here involves the fair and equitable distribution of this property.

The gentleman from Texas (Mr. Brooks) in his remarks in chief referred to the legislation and excess property programs which involve the Economic Development Administration, EDA, and the Regional Action Planning Commissions. The subcommittee, after it held hearings and listened to about 20 witnesses, found that there had been some deficiencies and inequities in two or three areas, particularly Four Corners region. We sent out some staff people. We found property transferred by various Federal agencies in these regions—trucks, moving stock, and other types of equipment—sitting in a fenced-in lot with the weeds growing up around them, showing the property had not been used at all for a long period.

Situations such as this is what we are trying to avoid by this legislation; we want everybody to have an equal chance, throughout all of the 50 States. EDA and other economic development areas are not going to be hurt. They are going to have their share just the same as the other areas. Everybody is going to be on an equal footing; and the preference that some areas enjoy is going to be taken care of.

In a few words, Mr. Speaker, that is the merit of this legislation.

Let me point out that we are not talking about motor vehicles alone. This bill will include construction equipment, supplies, building materials, electronic, scientific, and technical equipment, even clothing and recreational equipment and even some aircraft and small boats.

Mr. Speaker, the point I want to emphasize—and I hope we will not have a single vote against this bill—is that those who may believe that they are going to lose all their present preference should know that they are simply going to lose any special privilege to get most of the good property to the exclusion of others. They are going to be put on an equal basis with the other States and areas.

A lot more could be said about this, Mr. Speaker, but I want to take just a moment to pay high compliment to a staff member of the subcommittee, Quin Romney.

Mr. Speaker, no one starts out to enact legislation of this kind without stepping on some toes. About the only folks we had in our corner when we started out on this legislation was a group known as State Agencies for Surplus Property. The folks downtown did not like it very well. GSA was not quite happy, nor was OMB. However, with hard work day after day and week after week Quin Romney by calling those agencies and saying, "Here is what we are proposing," was able to make the point that we were proposing something that was equitable and fair. We even won over some of the opponents, who finally realized that those who received preference would receive no worse than equal treatment if the bill became law. Therefore, Mr. Speaker, a lot of credit goes to the faithful staff, and to Mr. Romney in particular, whom I am privileged to salute at this time.

Mr. Speaker, let me now give some background.

For many years the Government has permitted Federal agencies to provide personal property not directly needed by Federal agencies to local governments and other organizations which serve public purposes.

These magnanimous efforts have multiplied. But they are scattered, uncoordinated, and uneven. Waste and unfairness result. Congress needs to act now to provide more order and more equitable distribution. This is the central purpose of H.R. 14451.

As chairman of the Government Activities and Transportation Subcommittee of the Committee on Government Operations, I presided over 2 long days of hearings last year and more than 20 witnesses. The testimony and the documents presented show beyond doubt how much we need to systematize and streamline the way our Federal Government every year distributes large amounts of valuable, usable property for use by non-Federal entities. It is estimated that property costing the Government $600 million is distributed annually.

We are not talking about junk or worthless hand-me-downs. Most of the property is, of course, used, but much is new. As I mentioned, it consists of equipment and supplies of all kinds. Non-Federal users have found such property to be of great help over the years. Local public services have been expanded and local tax revenues conserved. The benefits of the various programs need to be continued. The bill before us will do this. It does not eliminate benefits. It enlarges and expands them, while making their delivery more efficient and more fair.

This property is valuable and must be treated accordingly. But proper handling and treatment are complicated activities.

It would be a mistake to compare assistance through personal property transfers to assistance through money grants or loans. With property, there are many variables, not just as to kind. The right piece of property for the right user must be found, inspected, selected, transported, repaired, preserved, and accounted for. Size, condition, geographic location, availability of parts, and manuals differ. All these, plus the difficult problem of accommodating competing needs, are just a few of the considerations putting a special burden on the Federal agency that distributes the property and on the recipient as well.

Our hearings demonstrated a problem and also its root cause. It is that the distribution of property for local use is being done through nearly 30 separate programs, independently operated by different agencies—all essentially doing the same thing. The lack of coordination, of equitable allocation and distribution, and of supervision to assure both need and use has created a classic case of inefficiency and duplication. This adds up to unfairness for some and waste for all.

The seriousness and difficulty of the problem began to emerge in July of 1972, when the Department of HEW halted the practice of the Office of Education to lend excess property to its grantees. A report to the Office of Education from the Deputy Assistant Secretary for Grants and Procurement Management declared that the Office of Education's records for Government property on loan did not comply with statutory and regulatory requirements. It added that some 15,000 documents representing millions of dollars in property acquisition value were "bundled" according to State and just filed away; furthermore, current fiscal general ledger accounts did not exist for this property. The Department of HEW, to its credit, had spotted the weaknesses and taken action. Yet HEW and GSA are still trying to straighten out the records problem for property distributed before the halt.

I cite this example, Mr. Speaker, not to point the finger at the agency in question. Actually, HEW's Secretaries, then and now, are to be commended for acting promptly and remaining firm despite considerable local pressure. I merely wish to illustrate the inherent difficulty for agencies that are not designed and staffed to carry on large-scale property management and disposal operations. Other agencies that distribute excess property have similar problems. Aside from HEW and EPA, however, I do not believe any other agency has halted the distribution of excess property to its grantees.

The problem has grown and has been exposed. A 1974 report by an 11-agency ad hoc study panel shows the problem. The 1975 report by the GAO shows the problem. Our hearing testimony shows the problem. A follow-up field study by GAO and subcommittee staff shows the problem. The facts stand out starkly in the printed hearing. And there are pictures to show and describe examples.

But, Mr. Speaker, there is an even more fundamental issue. Even if the various Federal agencies that sponsor excess property programs were to hire more people, tighten their procedures, and put their houses in better order, we would still have a hodge-podge of Federal programs trying to do essentially the same thing, that is, furnish property not directly needed by Federal agencies to local entities for public purposes. The duplication and overlap would still exist. We would still have a "nonsystem" whereby property is tagged and taken by each agency largely by luck or individual enterprise. Do we have today a process to determine from State to State, and within each State, relative need and ability to use? The answer is unfortunately, we do not.

The most recent property distribution program, and now far the biggest, is the one being carried out by the seven separate regional action planning commissions under section 514 of the Public Works and Economic Development Act. They provide property by loan or outright grant to local entities for economic development within the regions.

Mr. Speaker, I was shocked to learn that one of our neediest areas, Appalachia, does not qualify under the law for this generous program. Nor do many other areas where economic development is lagging. The uneven and uncoordinated nature of the present maze of programs is evident even among the regional commissions themselves. The committee report contains an appendix which shows how certain regions are benefiting far beyond others without any apparent relationship to population.

My own State of Missouri is in one of these economic development regions. It is active in the regional property program and has received many benefits from it. Yet, I am at a loss to understand how or why, in one region, Arizona, New Mexico, and Colorado should have received property costing respectively, $15.3 million, $14.1 million, and $11.9 million during fiscal year 1976; whereas in a neighboring region, Missouri, for example, should have received only $3.9 million, or Louisiana $2 million, or Kansas $2.2 million. In fact, one entire region in the Upper Great Lakes Area received only $3.3 million in property for fiscal year 1976.

There are probably several reasons for these disparities. But I suspect one is that the States and regions getting the most property are the most aggressive, have good staffs, and hire experienced people, such as screeners who sweep bases throughout the county and "freeze" property for their recipients. To me, all this is just a variation of what in the area of Government grant assistance has come to be known as "grantsmanship." Again, the flaw in the present arrangement is that there is no way to measure relative needs and effect equitable allocation and distribution.

Mr. Speaker, we must try to do away with the random nature and unfair effect of the Government's great and beneficial property sharing enterprise. This bill, H.R. 14451, is a solid step in that direction. It is a step on tested ground because we are not undermining or destroying anything. We are moving forward carefully, with the best systems, techniques, and experts we have. Furthermore, we will continue to use existing organizations within the States in a Federal-State partnership.

The potential public benefits of local assistance through property are too promising to allow substantial nonuse or underuse. The new system we proposed in H.R. 14451 is carefully designed to reduce waste and increase the depth and extent of the benefits for all our Nation's areas and localities to enjoy. We cannot forget that they all helped pay for this property in the first place.

Mr. Speaker, the situation is now critical. Some property programs and some areas flourish. Others are being starved out of existence or unfairly denied. The problems will not simply go away. This is an excellent bill, carefully drafted, revised, and considered to meet the crisis. Action is imperative. I strongly urge passage today of H.R. 14451 and its early enactment.

Mr. Speaker, I yield back the balance of my time.

Mr. JOHNSON of California. Mr. Speaker, I appreciate this opportunity to express my support for legislation designed to make Federal surplus personal property available to units of State and local government. The Goverment Operations Committee is to be congratulated for its foresight in this area, and for drafting this fine legislation, which is designed to expand the field of recipients eligible to receive Federal surplus personal property. Futhermore, this legislation would consolidate all the surplus donation programs under the General Services Administration, making for more efficient and economical operation.

It was my privilege to introduce the bill, H.R. 3593, which would provide for the donation of Federal surplus personal property to State and local public park and recreation units. I am pleased that the bill before the House today has incorporated this idea and expanded upon it.

Present statutory authority exists for donation of Federal surplus personal property for the purpose of aiding education, public health, civil defense, and public airport development. The legislation we are considering would expand these categories to include public safety, parks and recreation, conservation, economic development, and Indian assistance.

With continually increasing demands being placed on State and local governments, and with the need to stretch the taxpayer's dollar more and more, these governments are turning to the Federal Government for assistance. Even the much used matching grants programs are beyond the reach of many local governments, because city budgets are so tight.

This legislation would provide State and local governments with a new opportunity to improve their programs. By finding new uses for surplus Federal equipment and supplies, these units of government will be able to relieve the Federal Government of the burden of them and take the supplies and equipment and continue their productivity by employing them in local programs and uses. In this day and age of increasing demands that Federal money be used efficiently, this legislation provides a means to assure that maximum use is made of any Federal equipment or supplies.

As the Representative of one of the most rural and scenic parts of the State of California, I am often called upon by local park and recreation departments of our small communities for assistance in finding needed supplies and equipment for their programs. Unfortunately, I am frequently unsuccessful, because the communities cannot afford to purchase the materials. Donation is out of the question because of existing Federal laws. It is particularly distressing when these departments are familiar with excess equipment available at nearby military installations, Forest Service headquarters, or similar Federal service areas. Enactment of this legislation would make this surplus material available to those people who could put it to the best possible use.

Again, Mr. Speaker, let me express to you and my colleagues my strong support for this legislation. It will provide much needed assistance to local governmental agencies and will not cost the Federal taxpayer anything.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill previously under consideration, S. 3435 and the bill presently under consideration, H.R. 14451.

The SPEAKER pro tempore (Mr. ICHORD). Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS), that the House suspend the rules and pass the bill H.R. 14451, as amended.

The question was taken.

Mr. RANDALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

EMERGENCY MEDICAL SERVICES AMENDMENTS OF 1976

Mr. ROGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12664) to revise and extend the provisions of title XII of the Public Health Service Act relating to emergency medical services systems, and for other purposes, as amended.

The Clerk read as follows:

H.R. 12664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Emergency Medical Services Amendments of 1976".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. Paragraphs (4) and (5) of section 1201 are amended to read as follows:

"(4) The term 'section 1521 State health planning and development agency' means the agency of a State designated under section 1521(b)(3).

"(5) The term 'section 1515 health systems agency' means a health systems agency designated under section 1515, and the term 'health systems plan' means a health systems plan referred to in section 1513(b)(2).".

SEC. 3. Section 1202(d)(3)(A) is amended to read as follows: "(A) with each section 1515 health systems agency whose health systems plan covers (in whole or in part) such area, and".

SEC. 4. Section 1203(c) is amended by—

(1) striking out in paragraph (3) "June 30, 1976" and inserting in lieu thereof "September 30, 1979"; and

(2) adding at the end the following new paragraph:

"(6) Reports of the results of each establishment and initial operation project assisted under this section after September 30, 1976, shall be submitted to the Secretary and the Interagency Committee on Emergency Medical Services at such intervals as the Secretary may prescribe, and a final report of such results shall be transmitted to the Secretary and such Committee not later than one year from the expiration of the last year for which a grant was made or contract entered into under this section for such project.".

SEC. 5. Effective with respect to grants made or contracts entered into under section 1204 of the Public Health Service Act from appropriations for fiscal years beginning after September 30, 1976, subsection (b) of section 1204 is amended to read as follows:

"(b)(1) Each grant or contract for a project under this section shall be made for the project's costs of expansion and improvement in the year for which the grant or contract is made. If a grant or contract is made under this section for a project for an emergency medical services system, the Secretary may make one additional grant or contract for that project if he determines, after a review of the first nine months' activities of the applicant carried out under the first grant or contract, that the applicant is satisfactorily progressing in the expansion and improvement of the system in accordance with the plan contained in his application (pursuant to section 1206(b)(4)) for the first grant or contract.

"(2) Subject to section 1206(f)—

"(A) the amount of the first grant or contract under this section for an emergency medical services system project may not exceed (i) 50 per centum of the expansion and improvement costs (as determined pursuant to regulations of the Secretary) of the system for the year for which the grant or contract is made, or (ii) in the case of applications which demonstrate an exceptional need for financial assistance, 75 per centum of such costs for such year; and

"(B) the amount of the second grant or contract under this section for a project for a system may not exceed (i) 25 per centum of the expansion and improvement costs (as determined pursuant to regulations of the Secretary) of the system for the year for which the grant or contract is made, or (ii) in the case of applications which demonstrate an exceptional need for financial assistance, 50 per centum of such costs for such year.

"(3) Reports of the results of any expansion and improvement project assisted under this section shall be submitted to the Secretary and the Interagency Committee on Emergency Medical Services at such intervals as the Secretary may prescribe, and a final report of such results shall be transmitted to the Secretary and such Committee not later than one year from the expiration of the last year for which a grant was made or contract entered into under this section for such project.".

SEC. 6. Section 1205(a) is amended by inserting "and enter into contracts with" before "public".

SEC. 7. Section 1206 is amended by—

(1) amending subsection (b)(3)(D) to read as follows:

"(D) the—

"(i) section 1521 State health planning and development agency of each State in which the service area of the emergency medical services system for which the application is submitted will be located, and

"(ii) section 1515 health systems agency whose health system plan covers (in whole or in part) the service area of such system,

have had not less than thirty days (measured from the date a copy of the application was submitted to the agency by the applicant) in which to comment on the application;";

(2) striking out "(A)" in subsection (b)(4)(B)(i) and inserting in lieu thereof "(C)" and striking out in subsection (b)(4)(C)(iii) "and" after "number 911," and inserting before the semicolon at the end thereof a comma and "and (IV) will have the capability to communicate in the language of the predominant population groups in the system's service area which have limited English-speaking ability"; and

(3) by striking out paragraph (2) of subsection (f) and by striking out "(1)" after "(f)".

SEC. 8. Section 1207 is amended by—

(1) striking out "and" after "1974," and inserting after "1975" the following: ", $35,000,000 for the fiscal year ending June 30, 1976, $5,083,000 for the period beginning July 1, 1976, and ending September 30, 1976, $40,000,000 for the fiscal year ending September 30, 1977, and $50,000,000 for the fiscal year ending September 30, 1978";

(2) striking out "for the fiscal year ending June 30, 1976, there are authorized to be appropriated $70,000,000" and inserting in lieu thereof ", there are authorized to be appropriated $60,000,000 for the fiscal year ending September 30, 1979";

(3) striking out "two" in subsection (b) and inserting in lieu thereof "five"; and

(4) striking out paragraphs (3) and (4) of subsection (a).

SEC. 9. (a) Subsection (a) of section 1209 is amended to read as follows:

"(a) The Secretary shall establish an Interagency Committee on Emergency Medical Services. The Committee shall coordinate and provide for the communication and exchange of information between all Federal programs of grants and contracts for activities which relate to emergency medical services. The administrative unit established within the Department of Health, Education, and Welfare under section 1208 shall, through the Committee—

"(1) evaluate the adequacy and technical soundness of all Federal programs and activities relating to emergency medical services,

"(2) study on a continuing basis the roles, resources, and responsibilities (including adequacy, technical soundness, and redundancy) of all Federal agencies involved in the provision of grants and contracts for emergency medical services, and

"(3) make recommendations to the Secretary respecting the administration of the program of grants and contracts under this part (including the making of regulations for such program).

Such unit shall report to the Congress the results of the study made under paragraph (2). The first such report shall be made not later than nine months after the date of the enactment of the Emergency Medical Services Amendments of 1976 and subsequent reports shall be made each year after the first report is made."

(b) Section 1209(b) is amended by striking out "the National Academy of Sciences,".

SEC. 10. Title XII is amended by (1) inserting after the heading for the title the following: "PART A—ASSISTANCE FOR EMERGENCY MEDICAL SERVICES SYSTEMS", (2) striking out "this title" each place it occurs in sections 1201 through 1210 and inserting in lieu thereof "this part", and (3) inserting after section 1210 the following:

"PART B—BURN INJURIES

"PROGRAMS RELATING TO BURN INJURIES

"SEC. 1221. (a) The Secretary may support (by grant or contract) the establishment, operation, and improvement of, and conduct programs to (1) demonstrate the treatment and rehabilitation of individuals injured by burns, (2) conduct research in the treatment and rehabilitation of such individuals, or (3) provide training in such treatment and rehabilitation and in such research.

"(b) No grant or contract may be made or entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be submitted in such form and manner and contain such information as the Secretary may require. In considering applications under this section, the Secretary shall give priority to application for programs which will provide services within a geographical area which are not currently being adequately provided.

"(c) For purposes of carrying out subsection (a) of this section, there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1977, $10,000,000 for the fiscal year ending September 30, 1978, and $15,000,000 for the fiscal year ending September 30, 1979.".

SEC. 11. (a) The Secretary of Health, Education, and Welfare shall conduct a study to identify the categories of patients which should be included in a uniform reporting system used to evaluate the effectiveness of emergency medical service systems in reducing death and disability. Not later than twelve months after the date of the enactment of this Act, the Secretary shall report to the Congress the results of such study. Such report shall include such recommendations for legislation relating to such a uniform reporting system as the Secretary determines is appropriate.

(b) The Secretary, acting through the Interagency Committee on Emergency Medical Services, shall conduct a study to evaluate the effectiveness of Federal programs of assistance for communication systems of public safety agencies and to determine the feasibility of encouraging joint and coordinated Federal funding of communications systems to insure integrated response capabilities to medical emergencies. Not later than twelve months after the date of the enactment of this Act, the Secertary shall report to the Congress the results of such study and recommendations for such legislation as may be necessary to insure such response capabilities.

The SPEAKER pro tempore. Is a second demanded?

Mr. CARTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida, (Mr. ROGERS) and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Florida, Mr. ROGERS.

Mr. ROGERS. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration, H.R. 12664.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS. Mr. Speaker, I am pleased to present to this body H.R. 12664, the Emergency Medical Services Act Amendments of 1976.

This legislation is essential for the successful continuation and expansion of the existing program, initiated under the Emergency Medical Services Systems Act of 1973. The 1973 EMSS Act authorized programs of grants and contracts for feasibility studies and planning, establishment and initial operation, and expansion and improvement of emergency medical systems. It established requirements for EMS systems receiving such Federal assistance to insure that the most comprehensive and well-integrated EMS systems possible would be planned and established. In addition, it authorized programs of grants and contracts for research in emergency medical techniques, methods, and delivery, and provided for the training of individuals in the delivery of such services.

Mr. Speaker, since the program has been in operation it has resulted in the training of approximately 30,350 EMS professionals and 6,000 emergency medical technicians. To date, 235 regional EMS systems have received financial assistance from the program. Of these 235 systems, 125 have received grants for feasibility studies and planning under section 1202 of the act, 83 have received grants for establishment and initial operation under section 1203 of the act, and 27 have received grants for expansion and improvement under section 1204 of the act. The population being served by these planning grants is estimated at 87.5 million, with 77 million persons being served by the grants for establishment and expansion of EMS systems.

The Subcommittee on Health and the Environment was impressed with examples of the EMS program's success, including substantial cost savings to patients. For example, serious spinal cord injury, which was once viewed as a hopeless condition, is now being treated in Illinois by rapid evacuation to a specialty care center with approximately 62 percent of the victims returned to active employment within 6 months, at a total estimated savings of $3 million in health services costs. The Maryland trauma center estimated that 750 lives of accident victims were saved as a result of the use of helicoptors in their program. The rural EMS program in Charlottesville, Va., estimated that the actual death risk from acute heart attacks has decreased some 26 percent for all persons under the age of 70 since the development of their prehospital care system. Arkansas reported that during the first four months of 1974, 45 life threatening poisonings were averted; and the rate of infant mortality in New Jersey has decreased by 58 percent and in San Antonio, Tex., by 50 percent due to improvements in their EMS systems.

Although these figures and percentages testify remarkably in support of the present EMS program, it is estimated that nearly 15 to 20 percent of the deaths that still occur due to traumatic injury and heart attack could be averted by further improvements in EMS systems. This means approximately 60,000 additional lives every year, and billions of dollars in economic costs.

At present, emergency medical services consist of many special health care units servicing various geographic areas either separately or in coordination with a nearby hospital. Although substantial progress has been made under the existing program, the ultimate goal of providing a national, contiguous network of comprehensive emergency medical services has not yet been reached. The goal of establishing 300 contiguous, financially self-sufficient regional EMS systems can be met by fiscal 1985, at an approximate cost of $486 million. The actual funding level for the program has been substantially lower than that necessary to achieve this goal.

Of the 300 projected EMS systems needed for national coverage, 65 have not received any financial assistance under the 1973 EMS Act. An additional 125 planned systems have not received assistance for establishment and initial operation, and only eight systems have received their second year of assistance for expansion and improvement. In fact, if the program is continued and the funding level remains relatively constant at the level in the President's 1976 budget request, it is estimated that this goal will not be achieved until 1996.

If the program is funded at the authorization level contained in the committee bill, this goal could be achieved in 1985 without increasing the 1980–82 authorization levels above the 1979 authorization level and with substantially lower authorization levels for 1983–85.

The Subcommittee on Health and the Environment was also impressed by the magnitude of the burn problem in this country. Witnesses testified that approximately 2 million people are injured by burns annually, 70,000 of whom require hospitalization. On the basis of these figures alone, there is a clear need to improve the delivery of burn care on a national scale.

H.R. 12664, the committee-reported bill, provides for a revision and 3-year extension of the EMS program and of the Federal program relating to burn injuries. It contains total authorizations of $200.083 million for fiscal years 1977, 1978, and 1979 to revise and extend EMS planning, initial operation, improvement, research and training grants, and to revise and extend the Federal authority, currently provided by section 19 of the Federal Fire Prevention and Control Act of 1974, for the establishment, operation, and improvement of burn injury treatment, rehabilitation, research and training programs. The authorizations for these programs totaled $70 million in fiscal 1975 and $83 million in fiscal year 1976. The comparable total authorization in H.R. 12664 is $50 million for fiscal 1977, $65 million for fiscal 1978, and $80 million for fiscal year 1979.

The Committee does not anticipate that the enactment of H.R. 12664 will have any substantial adverse impact on inflation for the following reasons. The $170 million authorized for the 3-year extension of the existing EMS program is actually $5 million less than the authorization for the first 3 years of the program under existing law.

The total proposed EMS authorization for fiscal 1977 is $30 million less than the comparable fiscal 1976 authorization under existing law. The proposed authorization levels have been reduced to be consistent with actual budget spending and with the projected increased growth of the program necessary to carry individual projects through the various stages of development required under the act. These levels include modest increases to offset the effects of inflation on the program.

As EMS programs improve they decrease both the amount and degree of illness and injury which must be treated and the necessary cost of that treatment. It has been estimated that it costs about $1 million to maintain a patient who has sustained brain damage after cardiac arrest or paralysis after spinal cord injury because of substandard or delayed initiation of definitive care which could be provided by an effective EMS system. The total authorization of $30 million for burn injury programs is modest considering the need for specialized burn care facilities and improved burn care in general hospitals. It has been estimated that if all severe and critical burn injuries could be treated in appropriate, specialized burn care facilities, this could result in as much as a 50-percent reduction in inpatient days, representing an estimated annual hospital and medical cost reduction of as much as $100 million.

Mr. Speaker, I particularly want to commend the activity of the gentleman from New Jersey (Mr. Florio) who has been a prime sponsor and a leading advocate of this program, and who has done yeoman service; the gentleman from Kentucky (Mr. Carter) who is the ranking minority member on the subcommittee and whose interest has been demonstrated over the years in health matters, and who has again done his usual outstanding job in supporting and bringing to the floor this type of legislation. I also wish to thank the gentleman from West Virginia (Mr. Mollohan) and his staff for their assistance in developing this legislation. He has certainly been a leader in this field and has pointed up the need for this legislation, I think, so dramatically to the Members of this House. Lastly I wish to thank the gentleman from North Carolina (Mr. Preyer) and others on the subcommittee, joined as well by the members of the full committee, including the gentleman from West Virginia (Mr. Staggers) and the gentleman from California (Mr. Van Deerlin).

I might say, too, that the gentleman from New York (Mr. Ottinger) has been most interested in the burn treatment provisions of the legislation. We think this is effective legislation which has a direct impact on the safety and welfare of all our constituents and which will save lives, so I would urge that all Members join in supporting it.

Mr. ROGERS. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. Florio) who, as I mentioned, is a prime sponsor of this legislation.

Mr. FLORIO. Mr. Speaker, I am pleased to have authored H.R. 12664, the Emergency Medical Services Amendments of 1976.

In 1973, the Congress recognized that a major deficiency in the health system of many communities was the inability to respond immediately to an emergency medical crisis. In response to this need, the Congress enacted Public Law 93–154, the Emergency Medical Services System Act.

Since enactment of this legislation, more than 200 planning, initial operation, and expansion grants have been made to EMS regions across our country. Although this program has only been operational for a little over 2 years, reports from the field indicate that it is having the type of impact this body envisioned at the time of its creation.

My own State of New Jersey has benefited greatly from the support this program has enjoyed. Having successfully completed requirements under an EMS planning grant, New Jersey has joined over 100 other emergency medical services regions in applying for initial operation support. Extension of this legislation is essential if these areas are to begin servicing their constituencies with comprehensive and coordinated emergency medical care.

The legislation before you today will extend these needed authorities. Under this measure, 1,202 planning grants providing moneys for feasibility studies and planning of emergency medical services systems will be authorized through fiscal year 1977. Initial operation and expansion and improvement grants will, in contrast, be extended through fiscal year 1979. This difference in extension authority will assure that those EMS regions which receive planning assistance will be eligible for initial operation and expansion support before the act expires. In addition, this legislation will authorize second-year expansion and improvement assistance to EMS regions at 25 percent Federal matching levels. This provision is viewed as a positive mechanism where emergency medical services regions may receive just enough last-year Federal assistance to better enable them to continue operations independent of Federal subsidy.

Finally, this legislation provides authorizations through fiscal year 1979 for the establishment and operation of burn treatment centers providing for the training of burn care personnel and research in the treatment and rehabilitation of burn injury victims.

I would just like to conclude by taking this opportunity to thank not only the gentleman from Florida (Mr. Rogers) and the gentleman from Kentucky (Mr. Carter) but also, the gentleman from West Virginia (Mr. Mollohan) and particularly the gentleman from New York (Mr. Ottinger) who have been very instrumental in assisting in the development of this legislation.

Mr. MOFFETT. Mr. Speaker, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding.

I would like to commend the subcommittee, and the gentleman from New Jersey for the work he has done on this bill. I think the bill has some very worthy goals and in fact has been doing some good. I have a couple of questions that relate to my particular district, and I imagine to the districts of some of the other Members. I have no specific knowledge of the act's impact in other areas, but I would like to mention two areas, particularly, first, the impact on cities and towns in my area with regard to the dollar amounts they need and their inability, at this point at least, to acquire that money. For example, the city of Bristol, Connecticut, has been doing its job with station wagons revamped to include beds and other equipment. Under the act now they are being forced to put these out of commission, and they will need entirely new equipment, which may be because of the stringent interpretation of this in our particular State—I am not sure. But that is No. 1: the dollar impact there.

No. 2, in the rural areas, in my district I have a lot of these tiny towns like Morris, Connecticut, and New Milford, Connecticut, where we are losing volunteers in these places because of the increased training requirements. We have had factory workers and farmers who have run these ambulances.

I have raised this question with the distinguished Chairman of the subcommittee before, as the gentleman recalls, but the problem still persists as far as I can tell in that they claim in these towns that they are finding the factory workers and farmers and others who have traditionally manned these vehicles are now saying, "With 80 hours of training required, we are simply not going to do it."

I would hate to see this act result in a decrease in volunteerism in these particular areas. I wonder if the gentleman would respond.

Mr. FLORIO. Yes; certainly. Responding to the last point first, the experience according to Dr. David Boyd, the Director of the Office of Emergency Services, has been that there has been no fall off in interest of volunteers. In my area the volunteers are very proud of their increased efficiency and we are being commended for the opportunity given them to take part in these programs.

The requirements in the statute are very general. The specifics to implement those requirements are in many instances implemented by the regulating agency and by the regions themselves. Initially there is a planning application and that provides for some local control. In this instance, as I understand it, the gentleman's regional area is the entire State. In my State there are four regions. But the initial applications they would make include many requirements the people want to impose on themselves. That responds to the gentleman's first point as well, as far as the quality of the equipment.

Mr. MOFFETT. Will there be anything forthcoming as far as funding?

Mr. FLORIO. The second part of the program provides for initial funding of the operation. The region comes to the agency for the money in its application. Without this law there will be no money because in fact the program has expired.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support this legislation, H.R. 12664, the Emergency Medical Services Amendments of 1976, because this program has been very helpful to the people throughout this great Nation of ours.

This bill extends and revises the Federal program of assistance relating to emergency medical service systems established in 1973. It also revises and extends the Federal program of assistance relating to programs for research on burns and treatment of burns. If we look at the record we find that each year 2 million people are burned or suffer seriously from burns, and 70,000 require treatment. So I think this would be quite an addition to provide assistance in research and treatment for burn centers throughout the country. Although we already have some burn centers, I feel we do not have enough of them.

Under the 1973 EMS Act, HEW has funded more than 200 planning and implementation grants from 1973 until the present time. In my own State of Kentucky we have 9 EMS regions which have been designated and are now under development. We are fortunate to have four areas served by military assistance and safety traffic networks which provide emergency helicopter rescue services. In the mountainous areas of Kentucky, in the mining areas where we have disasters, this means of assistance in particular, is extremely helpful. If we have people who are injured seriously and need to be evacuated to hospitals in Louisville or Lexington, the helicopter service may well be lifesaving.

I was intrigued by the questions and answers of my good friends, the gentleman from New Jersey and the gentleman from Connecticut, as to whether this program would diminish volunteerism. I want to state to the House we have rescue squads now which are training people. These rescue squads are springing up throughout our country and have trained personnel. They are very proud of what they can do and they are extremely active and also extremely helpful.

Progress has been made in many areas, but the work is not completed. Only with a fully implemented and coordinated network of emergency medical systems can we have a truly effective program. It has been estimated that a fully operating system could result in a saving of 60,000 lives and billions of dollars in economic costs each year.

The number of heart victims who have been picked up by emergency medical squads illustrates the success of this program. Twenty-six percent fewer of them have died as a result of the EMS system of emergency aid.

Infant mortality in the State of my good friend, the gentleman from New Jersey, has been reduced 58 percent, and by 50 percent in San Antonio through the use of emergency medical treatment.

Mr. Speaker, certainly I urge that we approve this legislation so that the goal of an effective EMS network can be achieved.

This legislation addresses the very real problem of burn injury, as I have stated. I think this provision is extremely necessary. At the present time there are very few burn centers in this country. Less than 100 hospitals are capable of providing specialized burn care. There is a clear need to improve the delivery of burn care on a national scale. I believe it was our good friend, the gentleman from California, who mentioned this, brought it to our attention, and who was a strong supporter of it.

This legislation authorizes the Secretary of HEW to initiate a demonstration effort in burn injury care through grants and contracts for treatment and rehabilitation of individuals injured by burns. The Secretary may also support research and training efforts in this important area. This bill authorizes a total of $200 million for 3 years and of that amount $170 million is for the emergency medical systems program and $30 million is for the burn program.

Mr. Speaker, the intent of the EMS program is to develop systems which will provide early and effective intervention in the treatment of critical medical conditions, to reduce disability and to save human lives. I urge favorable consideration of this legislation to extend the program.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from West Virginia (Mr. MOLLOHAN), who has been a real leader in getting action on the emergency medical services program.

Mr. MOLLOHAN. Mr. Speaker, I rise in vigorous and wholehearted support of H.R. 12664.

Last summer, I introduced H.R. 8212 to amend and extend the Emergency Medical Services Systems Act of 1973, and I am gratified that a great deal of that proposal has been incorporated by the committee into the bill before us today.

I am particularly pleased to note that the committee has agreed with suggestions to clarify and simplify the administrative mechanism whereby applicants seek funds to train personnel in emergency medical techniques.

This process has been muddled and confused since the implementation of the 1973 law began, primarily because the authority for EMS training was placed in title 7 of the Public Health Service Act while the remainder of the EMS program was placed under a new title 12.

What this has meant is that applicants seeking to fulfill the EMS training mission spelled out in title 12 have had to prepare separate training applications and submit them to a separate part of HEW—even though the training requirement was mandated by title 12 and despite the fact that there has been no title 7 EMS training authority since fiscal year 1974.

Naturally, this has resulted in confusion, consternation and undue added expense and delay for groups all over the country who have been seeking assistance for training as a part of overall EMS development.

The committee in its report has dealt forcefully with this problem and has provided a remedy that should prove highly satisfactory to all concerned with EMS training as an integral part of emergency medical services development.

Rectification of this problem has been possible because the distinguished chairman of the Health Subcommittee, Mr. Rogers, and his able subcommittee colleagues were highly sympathetic to it and devised a reasonable solution. I compliment them for their wisdom and affirmative action.

Mr. Speaker, I will not take further time to extol the many virtues of this bill or the EMS program. Others before me have eloquently discussed its vital importance. I would only add that I believe the emergency Medical Services Systems Act is the best bargain we have going for us today in the Federal Health Establishment, and I urge my colleagues to support this measure.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, as I said earlier, I am in support of what the subcommittee has done.

What I would like to know is if there is any assurance, if there is any indication that voluntarism with respect to the rural areas and medical services is dramatically dropping off, that we could do something about it and take some action.

Mr. ROGERS. Yes; I would share that concern, if that were to be the trend. I have not heard of that as being the situation. It has not been exhibited in any of the areas we have looked at.

I might say that I find the contrary to be true, because as EMS volunteers become more competent and an esprit de corps has been built up in those vicinities where they have entered into training, they become very proud and become a part of an effective EMS system. Of course, that is the purpose of the legislation. It is not going to do any good, even in the gentleman's own community if we simply put untrained people in a truck or ambulance and send them to the scene of an emergency because the victims do not receive adequate help. They die on the side of the road or en route to a medical facility and that is what brought this legislation into being. I know the gentleman supports this legislation.

Mr. MOFFETT. I do support the legislation. All I am saying is that perhaps there is an analogy to what has happened with doctors where we have more specialization, and one might say more competence, but the distribution problem is greater than it has ever been, and people cannot find a doctor. I would hate to see the situation where we could say that we had the competence, but there is no service because the volunteers have decided that they cannot go through with the training.

Mr. ROGERS. Over 50 percent of the EMS funds are going into the rural areas, and in fact the program has been a salvation for them because of the lack of adequate emergency medical services facilities and personnel in most rural areas.

Mr. MOFFETT. I thank the gentleman.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I would state that this bill does contain an authorization for training of emergency medical technicians. The sad thing about it is that many of the people who have been discussed, who have been so eager to help on a voluntary basis, have loaded people up with spinal cord injuries, and as a result they have been injured for the rest of their natural lives. Because we have trained administrators to handle these people, there has been a saving of 70 percent of those who have had spinal cord injuries. This, in itself, makes the bill worthwhile.

Mr. ROGERS. I thank the gentleman.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Speaker, I rise in support of the Emergency Medical Services Amendments of 1976.

Mr. Speaker, the Emergency Medical Services Systems Act of 1973 was enacted to provide comprehensive and integrated emergency health care to previously unattended rural areas, to improve specialized treatment of heart attack, burn and trauma victims, and to initiate a health care education program.

The act provides grants consisting of approximately 5 years of seed money for the planning, establishment, and improvement of emergency systems in 300 regions throughout the United States.

In the 3 years of the program's existence, more than 30,000 emergency medical services professionals and 6,000 technicians have received training assistance. All over the country, reports indicate that emergency medical services have lowered the mortality and morbidity rates connected with traumatic injuries and heart attacks. The Maryland trauma center alone estimated that the lives of 750 accident victims were saved by helicopters deployed by the region's emergency medical services system.

An additional 15 to 20 percent of the deaths attributed to traumatic injury and heart attack could, it is estimated, be prevented by improving emergency medical services. The Emergency Medical Services Amendments of 1976 (H.R. 12664) provide for emergency medical services in areas presently lacking them and afford further assistance to existing systems.

Specifically, H.R. 12664 extends authorizations for grants and contracts in areas of planning, initial operation, expansion and research totaling $170,083 million for the transition quarter and fiscal years 1977–79, and creates a new authorization of $30 million for burn injury programs.

As a means of reducing human suffering and death at a cost well below that of corrective health care, I strongly support the Emergency Medical Services Amendments of 1976.

Mr. LEGGETT. Mr. Speaker, almost 3 years ago, in November 1973, we enacted into law, over the objections of our then President, a program the importance of which for the Nation's health system far transcends its cost. Public Law 93–154 authorized less than $200 million for a 3-year period for a variety of emergency medical services programs. Yet Mr. Nixon insisted, in vetoing our first EMS bill, E. 504, not only that it cost too much, but also that it was an unwarranted Federal intrusion in what is properly a matter for State and local jurisdictions. We ultimately enacted a second bill, S. 2140, despite his objections. And I believe the speciousness of those two assertions is even clearer now than it was in 1973, if that is possible.

The bill before us today, H.R. 12664, would extend the EMS program for another 3 years, as well as strengthen it, at almost the same funding level—$200 million—as that authorized for the first 3 years. I submit that, with the payoff in lives saved that EMS has delivered, this is a highly cost-effective program. And beyond that EMS has saved both patients and governments hundreds of millions of dollars by eliminating the need for more costly treatment and recovery periods.

I believe the experience of the last 2 years has also clearly disproved the contention that the EMS function is best left to State and local governments. There is no such thing as local emergency medical treatment. There is only good treatment and bad treatment. I see no reason why the Nation's EMS system should be broken up by what are for this purpose arbitrary State boundaries and local jurisdictional lines. I agree with our committee that our "ultimate goal is to provide a national, contiguous network of comprehensive integrated emergency medical services."

We have made real progress toward the establishment of such a network, but there is still much to be done. There are estimates that we need at least 300 contiguous regional EMS systems to attain the goal of an effective nationwide network.

A look at the current picture shows how far we have to go in EMS development. Since the beginning of this program, 235 regions have sought and received assistance. Planning has begun on the establishment of EMS systems in 125 regions. Another 83 have seen the start of initial operation of an EMS system. But only 27 of our regions have reached the stage of expanding and improving an ongoing system.

It is estimated that 77 million of our people are served by EMS systems that are in some stage of operation. An additional 87 million live in regions where EMS planning has begun. The rest of our population is not being served by our EMS program at all.

Our committee believes we can and should reach the goal of establishing 300 contiguous EMS systems by 1980. I agree. Such a program would cost almost $500 million. H.R. 12664 would provide a modest but growing level of funding for EMS system planning, operation, and expansion. Funding would increase from $40 million in fiscal year 1977 to $60 million in fiscal year 1979. And if we maintain the higher funding level through fiscal 1982, it should be possible to meet our national goal by 1985.

Permit me to say a word about another aspect of the bill that is of particular interest—the burn injury program. This is an area of especial need in the EMS context, because many geographic areas do not have either specialized burn treatment facilities or adequate burn care programs in hospitals. More research on the treatment and rehabilitation of burn victims is also clearly needed. Thus I find the new burn treatment and research program established by the bill, with funding rising from $5 million in fiscal year 1977 to $15 million in fiscal 1979, to be particularly appropriate.

To conclude, let me reiterate that, while we can take pride in the success of this program to date, this is no time to rest on our laurels. We must continue to look to the future. This bill will enable us to do so. I urge my colleagues to support it.

Mr. WAXMAN. Mr. Speaker, in 1973, the Congress enacted the Emergency Medical Services Systems Act (Public Law 93-154). Since the authorization of appropriations for the 1973 EMS law expired on June 30, 1976, I strongly urge my colleagues to support H.R. 12664. This bill extends the authorities and authorizations for much needed emergency medical services.

While it may be somewhat premature to accurately determine and precisely evaluate the long range impact of the emergency medical services systems program, we have been able to document notable achievements of several operational EMS systems. Charlottesville, Va., estimated that 12 lives are being saved annually in the 30 to 69 range. New Jersey reported a 58-percent decrease in infant mortality attributable to the EMS program. The Maryland Trauma Center projected that 750 lives have been saved due to the efforts of the center. Arkansas reported that 45 life threatening poisonings were averted during the first 4 months of 1974. These are but a few of the noteworthy examples of the public health service rendered by EMS programs.

At the present time, there are approximately 209 regional EMS systems extending medical services on an emergency basis. The 1973 EMS Act projected the need for establishing 400 contiguous, financially self-sufficient regional EMS systems. In order to effectively establish a national EMS capacity, continued Federal support is necessary and desirable. Members of the committee have been assured that, with Federal assistance, the goal of establishing 400 contiguous, financially self-sufficient regional EMS systems can be achieved by fiscal 1983.

This legislation, also, addresses the need for assistance programs for the construction and operation of burn facilities. Burn injuries require specialized therapies and specialized facilities for burn treatment and rehabilitation. In addition to authorizing appropriations for such assistance programs, this legislation requires that the Secretary give priority to applications for burn facilities programs in geographical areas where burn treatment and rehabilitation services are not currently being adequately provided.

As we continue to debate whether or not there is a need for a more effective commitment to the enactment of a national health insurance program, we should not diminish our Federal support for programs which provide much needed emergency medical services. Where possible the Federal Government should provide incentives for preventive health care. Yet, in our efforts to be cost-effective, we should not be derelict in our obligations to meet the medical needs of individuals who are victims of life-threatening circumstances.

Clearly, we have an obligation to support medical care service programs which will meet emergency situations.

The objectives of this legislation are consistent with Federal initiatives for the development of a comprehensive network of EMS systems and the avowed Federal commitment to a more equitable and uniform distribution of medical services and health care resources. Therefore, I rise in support of H.R. 12664, and I urge my colleagues to do the same.

Mr. MURPHY of New York. Mr. Speaker, we are considering today under suspension of the rules the Emerengy Medical Services Amendments of 1976. The purpose of this legislation is to revise and extend the emergency medical services system for 3 more years.

Since 1973, the assistance programs provided by the Emergency Medical Assistance Act have been vital to the overall improvement of emergency medical services throughout the country. The continuation and expansion of these programs alone is sufficient to warrant the passage of these amendments; however, there is another vital reason to enact this legislation as quickly as possible: its provision which authorizes funds for burn treatment programs.

Congress has demonstrated its concern for burn treatment research in 1974 with the enactment of the Federal Fire Protection and Control Act. We authorized $5 million for fiscal year 1975 and $8 million for fiscal year 1976 to initiate burn treatment programs within the National Institutes of Health, but the funds were never appropriated. Today, Congress again has the opportunity to authorize funds—$30 million within the next 3 years, for the Secretary of Health, Education, and Welfare to conduct and support programs for the treatment of burn victims.

As a cosponsor of legislation expressly designed to establish national burn treatment centers, I could not be more emphatic in my support for, and my belief that funds for this purpose are desperately needed in this country. In my own city of New York, which is the most densely populated city in the Nation, there is not even one adequate burn treatment unit. The best the city's medical facilities can provide is ad hoc burn treatment until the victim can be transported, at considerable financial and physical expense, to some distant facility.

The lack of adequate burn treatment facilities in this Nation is all the more difficult to justify in light of the fact that the United States has the worst record in the world for per capita fire deaths and injuries. In addition, on a relative basis within the country, firefighting is by far the most hazardous occupation—15 percent higher than the next most dangerous profession. Combine this condition with the aggravated fire hazards of major metropolitan areas and there is no rational reason to delay implementation of Federal burn treatment programs.

I have been advised of several plans to establish burn treatment centers in New York City. They are good proposals, presented by medical professionals, and are worthy of enactment but they need funds.

One such proposal was submitted for my review by the Tri-Boro Association of Directors of Surgery. This association includes all the hospitals in the boroughs of Brooklyn, Queens, and Staten Island. The proposal carries with it the complete cooperation of practicing community surgeons and local academicians. The sole objective of this group is to improve the quality of patient care, education, and research.

The Tri-boro proposal, in short, calls for a burn treatment network in the boroughs of Brooklyn, Queens, and Staten Island composed of a burn treatment center in Brooklyn and satellite units in Queens and Staten Island. I am submitting the core of the proposal for the Record to illustrate the number of factors which must be considered with even the most preliminary stages of burn treatment programs.

I include the following:

Proposal for a Burn Network for the Triboro Areas of Brooklyn, Queens, and Staten Island

(Presented by Triboro Association of Directors of Surgery)

OBJECTIVES

1. To establish a Burn Network for Brooklyn, Queens and Staten Island, designed to carry out the highest quality standards for burn care and ultimate rehabilitation.

2. To reduce the mortality, morbidity and disability from burns.

3. To train professionals and paraprofessionals in the special needs of burn care.

4. To educate the community in prevention and on site emergency care.

5. To carry out the investigation of newer modalities of prevention, triage, diagnosis and treatment.

6. To collect, collate and exchange data and carry out ongoing communications with other burn centers.

DEFINITIONS

1. Burn Program: An in-hospital program to care for burns by an experienced physician. No specialized facilities.

2. Burn Unit: A burn unit is conducted in a general hospital with a specially equipped area for the treatment of burns.

3. Burn Center: A specially constructed independent unit capable of providing intensive burn patient care. This center must be adjacent to a major medical center where coordinated consultation from all disciplines is available. The Burn Center will control Burn Programs and Burn Units in its catchment area and set the standards for quality care. It is also responsible for computerized data collection and collation and obligated

to carry out research in prevention, diagnosis and treatment. It must train competent personnel for the management of burns. It will be responsible to exchange data and maintain liaison with other Burn Centers to evaluate new methods of management recommended by such centers. It will be responsible for setting up cooperative studies under appropriate controls. It will also be responsible for plans for major burn disasters.

4. Burn Network: Burn Center plus burn units plus burn Programs. Primary authority vested in Burn Center.

INTRODUCTION

Severe burn victims who survive must undergo a long period of hospitalization and even longer periods of reconstrucitve surgery. They are often disabled from carrying out their primary occupations and may become public charges. The effect on their immediate and surrounding families is difficult to measure. Aside from the dollar cost of these usually innocent victims of a boon to civilization, the emotional impact is great and the amount of pain and suffering cannot be quantitated.

NEED

The triboro area of Brooklyn, Queens and Staten Island represents an area of less than 250 square miles, populated by almost 5 million people. (1970 Census—Brooklyn—2.6 million; Queens—1.97 million; Staten Island—.295 million).

The burn hazard in this area is high because of:

1. Dense population: greater than 37,000 people per square mile in Brooklyn; 18,000/square mile in Queens; 15,000/square mile in Staten Island; as against 58.5/square mile for the United States.
2. Areas of large numbers of substandard houses, some of which still utilize gas heaters.
3. A subway system with smoke inhalation hazards.
4. Areas of industry with potential fire hazard.
5. Two major airports.
6. A major seaport.
7. A large number of underprivileged who often cannot afford appropriate care.
8. Delay in Fire Department arrival during heavy traffic periods.
9. Summer resort areas—4th of July Burns.
10. Oil storage areas.
11. Large number of patients with psychiatric histories being housed in foster homes.
12. Large number of nursing homes and health related facilities.
13. High hazard of electric burns.
14. City problems with child abuse burns.

PROPOSAL

1. To build a Burn Network to cover the triboro area of Brooklyn, Queens, and Staten Island, which will include a Burn Center at Downstate/Kings County Medical Center and three Burn Units; one in Queens, one in Brooklyn, and one in Staten Island, and a series of burn programs in strategic areas.
2. Equip same center.
3. Attract and train personnel.
4. Obtain adequate transportation facilities (ambulance, helicopter).
5. Coordinate with Fire Department in a computerized program for triage and early admission.

LOGISTICS

From the tip of Staten Island (Tottenville) to the most distant tip of Queens is less than 38 miles with Kings County Hospital geographically almost in the middle, leaving less than 20 air miles from the most distant point to the Burn Center.

With a Burn Center at Downstate Medical Center/Kings County Hospital, Burn Units in Staten Island, Brooklyn and Queens, and Burn Programs strategically placed, a patient in Brooklyn and Queens will never be more than five miles from a Burn Facility and in Staten Island no more than six miles.

BACKGROUND

As noted, Brooklyn and Queens, representing the western portion of Long Island, are physically contiguous entities. With the building of the Verrazano Bridge, Staten Island also became a proximate neighbor of Brooklyn. The Kings County Hospital Center has, both traditionally and by its central location, been a major trauma center which will qualify under rules shortly to be promulgated by the American College of Surgeons as a comprehensive trauma hospital. Moreover at Kings County Hospital Center, trauma has been formalized by the establishment, in 1957, of a Trauma Service as an independent division within the Department of Surgery.

A six-bedded Burn Unit was completed by renovation during the "crash program" at Kings County Hospital Center in June, 1972. It is the only Burn Unit in Brooklyn, Queens and Staten Island area, and is one of three in New York City, all of which are under the aegis of the New York City Health and Hospitals Corporation. The Burn Unit at the Kings County Hospital Center last year treated more than 1,100 burns, 160 of them major burns.

RATIONALE

For the population of five million people in this area, the yearly burn incidence is estimated to be in excess of 50,000 cases. The hospitalization rate is estimated at more than 1,500 with an average stay of 18 days or approximately 27,000 in-hospital days per year. A Burn Center of fifty beds with three satellite Burn Units with a total of twenty-six beds and adequate burn programs would provide a sufficient number of beds to cover the need. (Appendix A).

The number of burns estimated would lead to approximately 200,000 days of disability. (27,000 in hospital; 45,000 in bed at home; 128,000 of restricted activity, which at a modest estimate of loss of $40 per day, per wage earner, is $8,000,000 per year.) The hospital and medical cost is approximately $6,750,000 per year giving a total of $14,750,000 hard cost without adding loss of income to associated family which must care for the patient or home nursing or housekeeping personnel. Admittedly, our current management of burns is substandard. One infection can extend care for long periods of time and cause extensive rehabilitation problems. If, as has been reported, under optimum care, disability days could be cut 50%, this would result in a hard dollar saving of $7,375,000 per year, this would more than justify the initial investment for the Burn Network. These figures, of course, are only estimates.

What about the support of the Unit? Can it be self sustaining? Can it generate sufficient funds?

There is good evidence that the cost of operation of burn unit, or burn centers, is similar to that of any intensive care unit. The third-party payers would undoubtedly be willing to reimburse adequately since these units would reflect a 50% decrease in bed census for burns. Burns do not occur on a regular basis and we must look forward to periods of under-utilization. An empty hospital bed staffed by highly specialized personnel is one of the most expensive health care deficiencies. This negative economic factor can be largely overcome by providing utilization of these beds for elective plastic surgical procedures on burns and other cases where possible. Reconstructive surgery in the late stage of burn treatment does have some degree of electivity and the postoperative stay is often long.

SPECIFICS

Although the details of construction of a Burn Center is beyond the scope of this proposal, certain basic specifics deserve mention:

1. Patient care beds with complete ICU type monitoring for at least one-quarter of the acute care beds and full respiratory care facilities as well as monitoring for an additional 10%.

2. Adequate isolation of the entire facility both in personnel and in atmosphere. The former is achieved by "sally port" type communication with changing rooms for personnel in the corridors that connect the Burn Institute with the main hospital. It is also through these communication areas that the supplies, linens and food is brought into the Burn Center obviating the necessity for self contained laundry supply and kitchens in this separate facility.

Atmosphere isolation is achieved through the use of air conditioning of the entire unit with high efficiency particle filtration (HEPF used for secondary atmospheric cleansing).

3. Separate operating rooms both for burn debridement and grafting as well as for major non-burn injuries in burn patients that require operation. This will be a complete operating suite with two major operating rooms with complete facilities for neurosurgical, thoracic, abdominal and ophthalmologic work as well as two minor operating rooms primarily for debridement, skin graft and other reconstructive procedures.

4. A separate emergency admitting area which can be used both for the immediate care and resuscitation of the major burn victims as well as for care of the minor burn and followup care of these burns as well as major burns following hospital discharge.

5. Clinical laboratories—Bacteriological laboratories, as well as one facility for biochemical studies are necessary for the clinical care of patients. Research space, especially for immunological research must be provided since one of the objectives of any Burn Center demands basic as well as clinical study of better methods in burn patient management.

6. Similarly, space must be provided for computer remote terminals as well as lecture, study, and office space for the full-time physician staff that will staff this area.

7. Separate X-ray facilities are not necessary since most necessary studies can be accomplished using modern portable units. An image intensifier in the Operating Room is necessary to facilitate the placement of catheters and for fracture work and an automatic X-ray processing unit must also be provided.

8. Hydrotherapy, rehabilitation and occupational therapy facilities are needed as an integral portion of the Burn Center. Rehabilitation is essential even in the early stages of acute burn care to minimize secondary reconstruction.

As stated, the actual architectural design of the Center is beyond the scope of this proposal but there are many units of a similar nature both in the United States and in Europe which can serve as models and reference is made to Dr. Feller's volume on "Planning and Designing a Burn Facility".

The procurement of patients into the Center and the funding of care in the Center are of lesser concern than the procurement of a full-time Director who would be available in sufficient time to enable his particular philosphy of burn patient care to be incorporated in the architectural design of the newly built unit. Since burn patients, especially major burn patients, represent a drain on the general hospital facilities, there would be little objection (and many cheers) from the hospital administrators within the Brooklyn, Queens, and Staten Island community. The Fire Department, moreover, would welcome a well outfitted modern facility with the Falentsand Equipment that are not available to its personnel in many of the smaller voluntary hospitals.

There is no doubt that the establishment of a Burn Center itself will generate patient referral. The Emergency Medical Services Ambulance System of New York City, as well as the voluntary ambulances are occasionally confused about the emergent or diagnostic nature of other trauma—such consideration would never occur with a burn patient and there would be a logical confluence of patients at this Center. Major burns, moreover, may qualify under the supplementary act to the Medicare legislation providing for disaster medical insurance for certainly no common entity is as costly as the treatment of major burns. The cost of maintaining a Burn Center may, in large part, be offset by the Federal Government from funds for patient care.

All of the above provide sufficient reasons for a Burn Center Network to be built on the grounds of the Kings County Hospital Center. It is rational, necessary and will pay dividends in better care of the burn patient and better training of and research stimulation for the physician interested in such injuries.

TRANSPORTATION

A computerized triage system is documented in Appendix B. Although ambulance transportation would care for the greatest number of cases, there are instances where helicopter transportation may be life-saving as in heavy traffic situations or in situations of inaccessibility, such as in the recent Kennedy Airport crash. An arrangement with New York City Police Helicopter Service would improve utilization of this service which is usually present for observation at burn disasters. Police personnel could be trained at the Burn Center in emergency care and triage.

Proposals such as this one should receive the consideration and funds necessary to make its implementation a reality.

Congress has recognized the need for the promotion of such burn treatment programs, qualified citizens have obviously spent a good deal of time researching and writing effective proposals. I urge you to enact this legislation and once again authorize funds for what has been a largely ignored but most serious aspect of health care, the treatment of severe burns.

Mr. DRINAN. Mr. Speaker, I rise to express my strong support of the Emergency Medical Services Amendments of 1976, H.R. 12664. This absolutely vital legislation will go a long way toward assuring the best possible emergency care for the tens of millions of Americans stricken by sudden illness and injury each year. I commend the gentleman from Florida (Mr. ROGERS) and his subcommittee for their excellent work in putting together the bill before us.

I might point out that there has been some concern expressed—especially in light of a recent GAO report—on the best means of assuring a smooth transition toward complete State and local financial support of completed EMS systems. The legislation passed by the Senate contained fairly restrictive requirements for cash matching and advance commitments of support, and I should acknowledge that the House subcommittee has rightfully addressed this issue in a more flexible manner.

Mr. Speaker, for many Americans, the only noticable impact of comprehensive Emergency Medical Services—EMS—planning has perhaps been the procurement of a new town ambulance, or possibly the establishment of a special "911" emergency number. It is truly unfortunate that more people have not been able to fully appreciate the revolutionary improvements which have taken place in this area of health care delivery over the last several years—many thousands of individuals owe it their lives.

Just a few short years ago, the primary objective of emergency medical care was to get injured or suddenly ill persons to a hospital as quickly as possible—whatever the nature or seriousness of their condition. This philosophy was reflected in the prevalence of low-slung, poorly equipped ambulances—often doubling as police cruisers or hearses—which were attended by individuals with nothing more than standard first aid training.

Mr. Speaker, times are really beginning to change, and recent experience has clearly shown that prompt medical care at the scene of accident or illness can save an extraordinary number of lives. Among heart attack victims alone—which account for more than 350,000 prehospital deaths each year—more than 15 percent, or 50,000 lives, could be saved with upgraded EMS systems. Among accidental deaths, literally 15 to 20 percent of the 100,000 annual victims could be saved through improved services. In total, it is estimated that a comprehensive network of EMS systems could actually prevent more than 100,000 needless deaths each year.

In order to understand the basis for this strong emphasis on prehospital emergency care—and especially the need for a major Federal role to assist in the development of State, regional, and local EMS systems—it is helpful to examine a few specific program elements which contribute to advances in EMS delivery, such as updated personnel training programs and procurement of new ambulances. As I attempt to highlight the critical importance of support for improved emergency medical services, I take a great deal of pride in pointing to the great achievements which have been made in my own Commonwealth of Massachusetts.

In the recent past, when the role of ambulances was seen primarily as a means of emergency transportation, there was understandably little emphasis placed on the training of ambulance attendants. The job was seen as merely loading a patient onto a stretcher without surveying their condition, and getting them to a hospital quickly without providing any significant attention to their medical problems.

Mr. Speaker, the critical mistake which we allowed ourselves to perpetuate was to view ambulance service as a means of getting individuals to an emergency health care system, rather than letting it serve as an integral component of such a system. It is a conceptual error which—however understandable—has resulted in a needless degree of suffering, disability, and even death. It also represents a long-term planning deficiency which was significantly addressed by the landmark Emergency Medical Services Systems Act of 1973, and which stands to be even further corrected by the legislation before us today.

This inattention to prehospital emergency care has historically been so pervasive that ambulance teams have sometimes been unwilling or unable to coordinate their responsibilities with doctors and other health professionals at the scene of emergencies. In some situations, the careful efforts of trained individuals to evaluate injuries and stabilize a patient's condition have been thwarted by the arrival of a gung-ho ambulance crew intent on flopping the patient on a stretcher and rushing off to a hospital. In a more serious situation, a critical heart patient once died while ambulance attendants argued with a physician insistent on providing continued resuscitation.

Fortunately, the public is beginning to learn that there is much more to modern emergency medical care than fast ambulances and well-equipped hospitals. One of the significant achievements which has taken place under the auspices of the Emergency Medical Services Systems Act of 1973 has been the training of a new component of the health delivery team—emergency medical technicians—EMT's.

An EMT is trained to systematically evaluate and respond to medical problems at the scene of an emergency, so that in a vast majority of cases a patient's condition may be stabilized before they are actually transported to a hospital. Foremost among the EMT's abilities is cardiopulmonary resuscitation—CPR—which provides a continued blood flow for patients in cardiac arrest until they arrive at a hospital for advanced treatment. I should point out, Mr. Speaker, that this relatively basic procedure—which is now being taught to the public through the American National Red Cross—could save many thousands of lives each year if adequate numbers of lay individuals were properly trained.

The basic 83 hour EMT course, which may often include presentations by specialized physicians, provides comprehensive instruction in CPR, airway maintenance and artificial respiration, control of severe bleeding, emergency childbirth, proper use of ambulance equipment, transportation and handling of patients, and many other specific skills needed to care for individuals with emergent medical problems. The curriculum also includes background in anatomy, physiology and medical theory, so that the EMT is capable of promptly evaluating and managing a wide range of specific situations and recognizing priorities in treatment. Finally, to help insure that the EMT will play a coordinated role as part of the health delivery team, course participants are required to spend a minimum number of hours of supervised observation in a hospital emergency department.

As an example of the significant achievements in training which have been achieved under the EMS Systems Act of 1973, I draw your attention to the Commonwealth of Massachusetts, where the number of registered EMT's has increased from none in 1971, to 6,371 in May of 1976. Although it is estimated that the State will need 9,000 EMT's to meet existing health needs, Massachusetts now has the highest number of nationally registered EMT's in the country in proportion to population.

Though many of the Commonwealth's gains may attribute to its own EMS law enacted in 1973, such a rapid increase in the number of trained personnel would simply not have been possible without Federal assistance. Almost 25 percent of Massachusett's Federal grant money for fiscal 1976—or $300,000—was devoted to EMT training alone, allowing limited State moneys to be targeted to developing other vital components of its planned EMS system.

Mr. Speaker, this serves as an instructive example of a situation where Federal EMS funding is of critical importance to States which have made their own fiscal commitments to increase the effectiveness of emergency medical services. Though the actual standards for EMT training, testing and reregistration have been promulgated at the State level—a greatly needed flexibility which exists under the national EMS program—the lack of meaningful Federal funding would simply have meant less courses, slower program implementation, and the continuation of less-than-adequate emergency health care in the United States.

As basic EMS training program elements are successfully planned and implemented, it will be possible to devote more attention to advanced instruction and the creation of new roles within the emergency health care delivery system. As any example, Massachusetts has set basic first aid standards for "first responders"—such as policemen and firemen—who are most likely to be arriving early at the scene of accidents. States such as Vermont have taken the initiative to develop their own EMT curriculums and testing standards, rather than relying on national certifying organizations. Additionally, once adequate numbers of EMT's are trained and registered, they can be given special instruction in advanced topics such as intravenous therapy, extraction of patients from automobiles, and emergency vehicle handling.

In the near future, more States will want to establish standards for EMT-paramedics—advanced health professionals working in the field under direct communication with an emergency department—so that more sophisticated care may be rendered to cardiac patients, victims of major trauma, and other persons with critical medical problems.

Mr. Speaker, the possibilities for constructive program improvements are only as limited as the desire of State EMS planners and providers to deliver more comprehensive emergency health care. I advise my colleagues that judging by the great accomplishments which have already been achieved through hard work in Massachusetts and other States, there is truly a long way we can go.

In another major program area, a great many of the revolutionary changes in emergency medical care are reflected in transportation, as well as in training. Since ambulances serve to provide continuity in prehospital care, and must accommodate the coordinated activities of several EMT's, it is no longer acceptable to rely on sleek or multipurpose vehicles with little functional space. The major problems, Mr. Speaker, is that cities and towns that would like to invest in modern ambulances pursuant to a statewide EMS plan often do not have the fiscal resources to do so on their own.

In addition to providing generous headroom and floor space for both patients and attendants, a modern ambulance must include convenient storage space for scores of medical supplies and individual pieces of equipment. Additionally, basic lifesaving procedures such as CPR can simply not be properly performed in a low-ceilinged vehicle—a situation which highlights the pressing need to replace outdated ambulances as quickly as possible.

In view of the fact that unequipped modern ambulances cost between $16,000 and $24,000 each, Mr. Speaker, the need for State and Federal assistance to local communities is especially clear. The Commonwealth of Massachusetts has already taken a leadership role in this area, and is backed by grassroots community support which provides literally $4.20 in local matching funds for every dollar of Federal support. In my congressional district alone, four communities have been granted 50 percent State matching funds for the purchase of ambulances, though more than two communities had to be turned down for this program for every three who applied.

Mr. Speaker, this is yet another instructive example of a situation where despite considerable financial support for EMS at both the State and local level, it is simply not possible to construct adequate emergency medical services systems without a greater degree of Federal support. Despite the fact that Massachusetts EMS planners carefully documented the need for a minimum $2.3 million Federal grant for fiscal 1976, the amount awarded was only a bare $1.3 million.

Though Massachusetts has been able to achieve exceptional results considering its minimal level of Federal EMS funding, I wonder if we can honestly say the same for communities elsewhere in the country without such a statewide legislative mandate, and without such progressive statewide support. I assure my colleagues that the question facing us is rather simple: can we afford a modest fiscal commitment to provide the best possible emergency care for all Americans? For anyone who has personally confronted a heart attack situation, serious injury or any other medical emergency, the answer—I believe—is self-evident.

In view of the truly commendable EMS planning which has been taking place in Massachusetts—and the vast degree of death and disability which could be prevented through such programs nationwide—it is truly appalling that the Ford administration has proposed the elimination of categorical EMS grants in favor of unrestricted block health payments to States. It is even more unconscionable that despite President Ford's professed support for improved EMS, his actions have revealed a commitment to the Federal program which is flimsy at best, and irresponsible at worst.

Not only have Executive budget requests for EMS grants funding been well below the level authorized by Congress, but actual grant awards have never been made up to their full amount of appropriation. In fiscal 1975 alone, qualified grant applications totaled $74 million—a figure which was almost three times the President's budget request, greater than the level authorized, and almost twice the final amount appropriated. Though it has been estimated that a national network of financially self-sufficient EMS systems could be developed by 1985 for about $486 million, at President Ford's spending level this goal will have to be postponed for 11 additional years until 1996.

Mr. Speaker, how do we possibly explain to the American people that we cannot afford a modest, 10-year health delivery program which costs about the same as one prototype B-1 bomber? What do we say to the more than 50,000 Americans whose death from heart attack next year could be prevented by adequate prehospital medical care? How do we tell rural communities with enthusiastic rescue squads that we are proud of what they are doing, but do not have enough money to assist in EMT training or the purchase of a modern ambulance?

The answer, quite simply, is that we should never have to make excuses for the adequacy of health care delivery in the United States. In asking my colleagues in the House to join me in support of the legislation before us, I stress the fact that a modest fiscal commitment in this area will have an enormous impact in expediting the development of modern EMS systems to serve cities and towns across the country.

Mr. Speaker, it is high time that we reassert our commitment to provide progressive medical services for all American citizens. This is a responsibility which the administration has deftly avoided, and one which the Congress must firmly accept. I urge the passage of H.R. 12664.

Mr. OTTINGER. Mr. Speaker, I strongly support the Emergency Medical Services Act before us today and have particular interest in the burn injury program which the Subcommittee on Health and the Environment has added to the bill. That section is a direct result of legislation which I introduced along with 38 other Members, and I want to express my appreciation to my colleagues, Chairman ROGERS and the members of his subcommittee, for the great interest and care which they have taken in the problem of burn treatment, and the action they have taken to begin to meet the inadequacies that now exist in this area.

Various national projections suggest that between 75,000 and 130,000 persons are hospitalized annually with burn injuries. The incidence of death due to those injuries has been estimated at 12,000 people every year. The seriousness of this problem is emphasized by estimates that approximately 90 percent of those patients do not receive the quality of care which they require because of the shortage of specialized facilities and skilled, experienced personnel.

That I have to speak in terms of "projections" and "estimates" points to one of the significant problems which we face in dealing with burn injuries: Our knowledge of the incidence and severity of burn injuries is very inadequate. A task force established under the auspices of HEW concluded that—

> There are no systems available at the present time which accurately identify either the incidence of burns requiring hospitalization or the severity of such burns.

On a national level the general magnitude of the problem is evident, but we are not in a position to define the problem on a local or regional basis, which will be necessary to improve the local delivery of burn care.

Nationwide, there are only 12 burn centers, and of the 6,000 general hospitals in the United States, fewer than 100 of them provide specialized burn care. There is also a woefully inadequate number of trained personnel.

The dual approach implied by this legislation, and the accompanying report, is a good one. Not only should this program provide an accuarte survey of need upon which to expand burn care networks, but, in addition it will begin to meet the immediate problem of increasing the availability of treatment.

At present, the distribution of specialized burn centers is sparse and haphazard, depending on the availability of an interested physician and of the large amounts of capital necessary to construct and operate a specialized facility. As a result many areas of the Nation, the New York City metropolitan area being the one with which I am most familiar, are grossly underserved.

The seriousness of this situation is shown by two accidents which occurred in my own district in Westchester County, N.Y.: In the first, a 12-year-old boy with a 65-percent body burn had to wait almost 3 weeks before he could be admitted to the Shriners Burn Institute in Cincinnati; in the second, a 53-year-old man who suffered an 80-percent body burn waited a day and a half before he was transported by ambulance to a facility in Philadelphia. In both of these cases, as in most serious burn situations, special care is a matter of survival.

Great credit is due to the Westchester firefighters led by Robert Bogart and Jack Williams for instigating and working hard for this provision—and for establishment of a burn care center in Westchester.

The legislation which we are considering, authorizing $30 million for starting burn treatment programs over a 3-year period, is a significant step in the direction of adequate care for all burn victims. Increased support for research and the training of personnel will go hand in hand with the increased access to treatment and the development of a data base to achieve that goal. I commend the committee for its work and strongly urge support for this bill.

Mr. ROGERS. Mr. Speaker, I yield back the balance of my time.

Mr. CARTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Rogers) that the House suspend the rules and pass the bill H.R. 12664, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate bill (S. 2548) to revise and extend the authorizations of appropriations in provisions of title XII of the Public Health Service Act relating to emergency medical services systems, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Emergency Medical Services Amendments of 1976".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

Sec. 2. Paragraphs (4) and (5) of section 1201 are amended to read as follows:

"(4) The term 'section 1521 State health planning and development agency' means the agency of a State designated under section 1521(b)(3).

"(5) The term 'section 1515 health systems agency' means a health systems agency designated under section 1515, and the term 'health systems plan' means a health systems plan referred to in section 1513(b)(2).".

Sec. 3. Section 1202 is amended by—

(1) striking out all after "feasibility of" in subsection (a) and inserting in lieu thereof "and (2) planning (A) the establishment and operation, or (B) the expansion and improvement, or (C) both, of an emergency medical services system.";

(2) striking out "If" in subsection (b) and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, if";

(3) inserting after paragraph (1) (as redesignated by clause (2) of this subsection (b) the following new paragraph:

"(2) The Secretary may also make a second grant or contract under subsection (a) respecting an emergency medical services system with respect to which a grant or contract described in paragraph (1) has been made, when he determines that such grant is necessary (A) to assist an entity in planning for expansion and improvement of such system in connection with an application for an initial year of support under section 1204, (B) to assist a State to update a statewide plan, or (C) prior to October 1, 1976, to assist an entity in planning to meet the new requirements added to sections 1203 and 1204 by the Emergency Medical Services Amendments of 1976."; and

(4) amending subsection (d)(3)(A) to read as follows: "(A) with each section 1515 health systems agency whose health systems plan covers (in whole or in part) such area, and".

Sec. 4. Section 1203 is amended by—

(1)(A) inserting at the end of subsection (c)(2) the following new sentence: "A second grant or contract may not be made under this section unless the entity submits with an application for assistance under this section (A) copies of formal resolutions or proclamations of the executive or legislative governing bodies in the local jurisdictions included in the system's service area (i) pledging each such jurisdiction's support and cooperation with the regional, or statewide, emergency medical services system, and (ii) providing assurances of financial support in the year subsequent to that for which financial assistance is sought which in the aggregate will maintain the system at a level equal to that sought in the application; and (B) assurances, accompanied by specific plans indicating step-by-step achievement (including assurances from private and volunteer organizations, associated with and involved in the operation and delivery of emergency medical services, of continued participation and support of the system), of compliance with each of the requirements of section 1206(b)(4)(C) by the conclusion of the maximum period for support for an emergency medical services system under this part.";

(B) striking out in subsection (c)(3) "June 30, 1976," and inserting in lieu thereof "September 30, 1979,";

(C) inserting in subsection (c)(4)(A) "and in each case no less than 25 per centum of the non-Federal share shall be in cash, and the grant or contract shall provide that such amount shall be made available to the regional entity responsible for administering the operation of the system for use in defraying operating costs or otherwise to carry out the administration of the system;" after "year;"; and

(D) inserting in subsection (c)(4)(B) before the period a semicolon and "and in each case no less than 50 per centum of the non-Federal share shall be in cash, and the grant or contract shall provide that such amount shall be made available to the regional entity responsible for administering the operation of the system for use in defraying operating costs or otherwise to carry out the administration of the system"; and

(2) inserting at the end thereof the following new subsection:

"(6) Reports of the results of each establishment and initial operation project assisted under this section shall be submitted to the Secretary and the Interagency Committee on Emergency Medical Services at such intervals as the Secretary may prescribe, and a final report of such results shall be transmitted to the Secretary and such Committee not later than one year from the expiration of the last year for which a grant or contract was made under this section for such project.".

Sec. 5. Section 1204 is amended by—

(1) amending subsection (b) to read as follows:

"(b)(1) Each grant or contract for a project under this section shall be made for the project's costs of expansion and improvement of a system in the year for which the grant or contract is made. Except as provided in paragraph (3)(C), if a grant or contract is made under this section for a system, the Secretary may make one additional grant or contract for that system if he determines, after a review of the first nine months' activities of the applicant carried out under the first grant or contract, that the applicant is satisfactorily progressing in the expansion and improvement of the system in accordance with the plan contained in his application (pursuant to section 1206(b)(4)) for the first grant or contract.

"(2) Subject to section 1206(f)—

"(A) the amount of the first grant or contract under this section for an emergency medical services system may not exceed (i) 50 per centum of the expansion and improvement costs (as determined pursuant to regulations of the Secretary) of the system for the year for which the grant or contract is made, or (ii) in the case of applications which demonstrate an exceptional need for financial assistance, 75 per centum of such costs for such year; and in each case no less than 25 per centum of the non-Federal share shall be in cash, and the grant or application shall provide that such amount shall be made available to the regional entity responsible for administering the operation of the system for use in carrying out the expansion and improvement of the system; and

"(B) the amount of the second grant or contract under this section for a project for a system may not exceed (i) 25 per centum of the expansion and improvement costs (as determined pursuant to regulations of the Secretary) of the system for the year for which the grant or contract is made, or (ii) in the case of applications which demonstrate an exceptional need for financial assistance, 50 per centum of such costs for such year; and in each case no less than 50 per centum of the non-Federal share shall be in cash, and the grant or application shall provide that such amount shall be made available to the regional entity responsible for administering the operation of the system for use in carrying out the expansion and improvement of the system.

"(3) (A) No grant or contract may be made under this section unless the entity submits with an application for assistance under this section (i) copies of resolutions or proclamations of the executive or legislative governing bodies in the local jurisdictions included in the system's service area (I) attesting to their endorsement and support of a specific forecast and detailed financial plan demonstrating the system's ability to carry out and maintain the level of expanded or improved activity to be achieved under such grant or contract, and (II) pledging each such jurisdiction's support and cooperation with the regional, or statewide, emergency medical services system, and (ii) assurances, accompanied by specific plans showing step-by-step achievement (including assurances from private and volunteer organizations, associated with and involved in the operation and delivery of emergency medical services, of continued participation and support of the system), of compliance with each of the requirements of section 1206(b) (4) (C) by the conclusion of the maximum period for support for an emergency medical services system under this part.

"(B) A second grant or contract may not be made under this section unless the entity submits with an application for assistance under this section evidence of substantial progress in the legislative or executive processes in the local jurisdictions included in the system's service area toward providing the requisite budgetary support to carry out the forecast and detailed financial plan submitted under subparagraph (A) of this paragraph with the application for a first year of support under this section.

"(C) Prior to October 1, 1976, the Secretary may make a third grant under this section to an eligible entity to assist such entity to achieve the capacity for self-sufficiency required by amendments made to this section by the Emergency Medical Services Amendments of 1976."; and

(2) inserting at the end thereof the following new subsection:

"(c) Reports of the results of any expansion and improvement project assisted under this section shall be submitted to the Secretary and the Interagency Committee on Emergency Medical Services at such intervals as the Secretary may prescribe, and a final report of such results shall be transmitted to the Secretary and such Committee not later than one year from the expiration of the last year for which a grant or contract was made under this section for such project.".

Sec. 6. Section 1205 of such Act is amended by—

(1) inserting in subsection (a) "and enter into contracts with" before "public";

(2) inserting at the end of subsection (a) the following new sentence: "In awarding grants or contracts for research relating to the delivery of emergency medical services in rural areas, emphasis shall be placed on identifying and utilizing techniques and methods to apply the results of such research to improve the delivery of emergency medical services in such areas.";

(3) inserting at the end of subsection (c) the following new sentence: "Such reports shall contain recommendations and a plan of action for applying the results of research to improve the delivery of emergency medical services."; and

(4) inserting at the end of such section the following new subsection:

"(d) No regulation, guideline, funding priority, application form, grant, or contract shall be established or made under this section without the concurrence of the identifiable administrative unit required under section 1208.".

Sec. 7. Section 1206 of such Act is amended by—

(1) inserting at the end of subsection (b) (1) the following new sentence: "Notwithstanding any other provision of this part, no applicant shall receive more than a total of five years of grant or contract support under this part, not including a second planning and feasibility grant or contract under section 1202(b) (2)."

(2) amending subclauses (i) and (ii) of subsection (b) (3) (D) to read as follows:

"(i) section 1521 State health planning and development agency of each State in which the service area of the emergency medical services system for which the application is submitted will be located, and

"(ii) section 1515 health systems agency whose health systems plan covers (in whole or in part) the service area of such system,";

(3) amending subsection (b) (4) by—

(A) inserting in subparagraph (B) (i) a comma and "or the total period of eligibility for assistance under section 1203 or 1204, whichever is applicable" after "application is made";

(B) inserting after subparagraph (b) (ii) the following new division:

"(iii) If an applicant submits an application for a grant or contract under section 1203 or 1204 and demonstrates to the satisfaction of the Secretary the inability of the applicant, due to the extreme financial distress of one or more of the governmental entities for the local jurisdiction or jurisdictions comprising the substantial portion of the system's service area, or to the dependence of such jurisdictions on the provision of services through voluntary activities, to meet, in whole or in part, the new cash non-Federal share requirements added to sections 1203(e) (4) and 1204(b) (2) by the Emergency Medical Services Amendments of 1976, such new requirements shall not apply to the extent of such demonstrated inability.";

(C) striking out in subparagraph (C) (iii) the comma and "and" after "number 911" and inserting in lieu thereof "or an appropriate alternative coordinated emergency telephone procedure,"; and inserting before the semicolon at the end thereof a comma and "(IV) will have the capability to communicate with individuals having auditory and other sensory handicaps and in the language of the predominant population groups with limited English-speaking ability in the system's service area, and (V) makes maximum use of communications equipment and systems made available under the authorities of the Highway Safety Act (23 U.S.C. 402; 80 Stat. 718, as amended) and title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3731 et seq.; 87 Stat. 197 et seq.)";

(D) inserting in subparagraph (C) (iv) (I) "and shall make maximum use of vehicles made available under the authorities of such Highway Safety Act," after "equipment";

(E) inserting in subparagraph (C) (x) "all feasible" before "transfer";

(F) striking out in subparagraph (4) (C) (xi) "standardized" and inserting in lieu thereof "coordinated"; and

(G) amending subparagraph (4) (C) (xiii) to read as follows:

"(xiii) provide (I) capacity for periodic and objective review and evaluation of the extent and quality of the emergency health care services provided in the system's service area (including consideration of management performance, process measures, and patient outcomes), and (II) for submission to the Secretary of the reports of any such review and evaluation and the data collected to carry out this requirement;";

(4) repealing subsection (b) (5);

(5) (A) striking out in the first sentence of subsection (e) "title VII" and inserting in lieu thereof "section 301 or title IV or VII"; and

(B) striking out in clause (1) of such subsection "1207" and inserting in lieu thereof "1207(a)"; and

(6) inserting in subsection (f) (2) "(A) has" after "applicant", and inserting before the period a comma and "or (B) has demonstrated to the satisfaction of the Secretary that the filing of such an application would be futile or unreasonably burdensome".

Sec. 8. Section 1207 is amended by—

(1) (A) striking out in subsection (a) (1) "and" before "$60,000,000" and inserting before the semicolon a comma and "$70,000,000 for the fiscal year ending June 30, 1976, $5,083,000 for the period beginning July 1, 1976, and ending September 30, 1976, $50,000,000 for the fiscal year ending September 30, 1977, and $70,000,000 for the fiscal year ending September 30, 1978"; and

(B) striking out in subsection (a) (1) all after "section 1203 and 1204," and inserting in lieu thereof "there are authorized to be appropriated $75,000,000 for the fiscal year ending September 30, 1979.";

(2) amending subsection (a) (4) (A) to read as follows:

"(A) not more than 10 per centum of such sums shall be made available only for grants and contracts under section 1202 (relating to feasibility studies and planning) for such fiscal year, and";

(3) redesignating clauses (A) (as so amended) and (B) in subsection (a) (4) as (B) and (C), respectively;

(4) striking out in clause (B) (as so redesignated) "75" and inserting in lieu thereof "not more than 75";

(5) striking out in clause (C) (as so redesignated) "25" and inserting in lieu thereof "not more than 45";

(6) inserting at the end of subsection (a) the following new paragraph:

"(5) Of the sums appropriated under paragraph (1) for the fiscal year ending September 30, 1977, and the succeeding fiscal year, at least 5 per centum but not more than 10 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1202 for such fiscal year, and of the sums appropriated under paragraph (1) for the fiscal year ending September 30, 1977, and the succeeding two fiscal years, not more than 70 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1203 for such fiscal year, and not more than 45 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1204 for such fiscal year."; and

(7) striking out in subsection (b) "two" and inserting in lieu thereof "five".

Sec. 9. Section 1208 is amended to read as follows:

"ADMINISTRATION

"SEC. 1208. (a) The Secretary shall administer the program of grants and contracts (except for grants and contracts under section 1205) authorized by this part through an identifiable administrative unit specializing in emergency medical services within the Department of Health, Education, and Welfare.

"(b) Such administrative unit shall—

"(1) be responsible for collecting, analyzing, cataloging, and disseminating all data useful in the development and operation of emergency medical services systems, including data derived from reviews and evaluations of emergency medical services systems assisted under sections 1202, 1203, and 1204;

"(2) publish suggested criteria for collecting necessary information from, and for evaluation of, projects funded under this title;

"(3) concur in the regulations, guidelines, funding priorities, application forms, grant awards, and contracts with respect to the research program under section 1205 and the training program under section 776;

"(4) be consulted in advance of the issuance of regulations, guidelines, and funding priorities for research and training related to emergency medical services carried out under any other authorities of this Act;

"(5) provide technical assistance and monitoring with respect to grant and contract activities under sections 1202, 1203, and 1204; and

"(6) provide for periodic independent evaluation of the effectiveness and coordination of programs carried out under this part and section 776.

"(c) Not less than 7 per centum of the funds appropriated each year under section 1207(a)(1) shall be set aside for administration (including salaries of all unit personnel), data gathering and dissemination, technical assistance, monitoring, and independent evaluation, and to provide support for the interagency committee established under section 1209, but in no event shall more than $3,000,000 be so set aside.".

SEC. 10. Section 1209 is amended by—

(1) inserting in subsection (a) "(1)" after "(a)" and inserting at the end of such subsection the following new paragraph:

"(2) Not later than July 1, 1977, the Interagency Committee on Emergency Medical Services shall—

"(A) develop and publish (i) a coordinated, comprehensive Federal emergency medical services funding and Federal resource-sharing plan (designed to enhance the effectiveness of Federal programs of assistance for emergency medical services and related activities, including communication and transportation systems of public safety agencies, and to promote the maximum feasible joint and coordinated Federal funding and operation of such programs and systems in order to establish integrated response capabilities to medical emergencies, including a report with respect thereto containing any recommendations for legislation as may be necessary to insure such response capabilities), and (ii) a coordinated description, to be disseminated to all participating and other relevant Federal agencies' regional offices and fund recipients, of sources of Federal support for the purchase of vehicles and communications equipment as well as for training activities;

"(B) develop and publish recommended uniform standards of quality and health and safety with respect to all equipment (including communications and transportation equipment) and training related to emergency medical services; and

"(C) with the Secretary, utilizing all authorities available to him, take all feasible steps to encourage States to reinforce, through appropriate actions, the minimum quality and health and safety standards recommended by the Committee pursuant to clause (B)."; and

(2) striking out in subsection (e) "section 1203 or 1204" and inserting in lieu thereof "section 1202, 1203, and 1204".

SEC. 11. Section 776 is amended by—

(1) amending subsection (a) by—

(A) inserting "hospitals and" after "with";

(B) inserting after "entities" a comma and "or a State, a unit of general local government, or any other public entity which has established an emergency medical services system or given adequate assurances that it will establish such a system which meets the requirements of section 1206(b)(4) and (except with respect to the training of basic emergency medical technicians) which has entered into a contract or other agreement with an appropriate educational entity for the training program in question,"; and

(C) inserting "(1)" after "including", and by inserting a comma and "and (2) program development and training of physicians in emergency medicine" after "services";

(2) redesignating subsection (e) as (g) and amending such subsection (as so redesignated) by—

(A) inserting "(1)" after "(g)";

(B) inserting before the period at the end thereof a comma and "and each of the next five fiscal years"; and

(C) inserting after paragraph (1) (as redesignated by clause (A)) the following new paragraph:

"(2) Of the funds appropriated under paragraph (1) for any fiscal year—

"(A) if the amount appropriated does not exceed $6,600,000, the Secretary shall obligate an amount not to exceed $1,250,000 or 20 per centum of the amount appropriated, whichever is the lesser, or

"(B) if the amount appropriated exceeds $6,600,000, the Secretary shall obligate $1,250,000 plus 50 per centum of the sums appropriated above that amount.

to assist in program development and training of physicians in emergency medicine."; and

(3) inserting after subsection (d) the following new subsections:

"(e) No regulation, guideline, function, priority, application form, or training grant shall be established or made under this section without the concurrence of the administrative unit required under section 1208(a).

"(f) To the maximum extent practicable, the Secretary shall establish a uniform funding cycle to facilitate applications for grants and contracts under title XII and under this section and to facilitate coordinated funding priorities and emphases between programs carried out under such authorities.".

SEC. 12. Title XII is further amended by—

(1) inserting "PART A—ASSISTANCE FOR EMERGENCY MEDICAL SERVICES SYSTEMS" after the heading for the title;

(2) striking out "this title" each place it appears in section 1201 through 1210 and inserting in lieu thereof "this part"; and

(3) inserting after section 1210 the following new part:

"PART B—BURN INJURIES

"SEC. 1221. (a) The Secretary may conduct and make grants to and enter into contracts with public or private non-profit entities and, with respect to research, enter into contracts with public or private entities and individuals, for the support of programs for the establishment, operation, and improvement of activities to (1) demonstrate the effectiveness of various modalities of treatment and rehabilitation of individuals injured by burns, (2) carry out research in the treatment and rehabilitation of such individuals, or (3) provide training in such treatment and rehabilitation and in such research.

"(b) No grant or contract may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be submitted in such form and manner and contain such information as the Secretary may require. In considering applications under this section, the Secretary shall give priority to applications for programs which (1) will provide services within a geographical area in which services are not currently being adequately provided and (2) are in or accessible to the service areas of an emergency medical services system meeting the requirements of section 1206(b)(4).

"(c) For purposes of carrying out subsection (a), there are authorized to be appropriated $3,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, and $6,000,000 for the fiscal year ending September 30, 1979.".

SEC. 13. Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare is authorized to vest title to equipment purchased with contract funds under the seven contracts for emergency medical services demonstration projects entered into in 1972 or 1973 under section 304 of the Public Health Service Act (as in effect at the time the contracts were entered into) in the contractors or their subcontractors without obligation to the Government or on such other terms as the Secretary considers appropriate.

SEC. 14. The Secretary of Health, Education, and Welfare shall conduct studies to identify the categories of patients which should be included in a uniform reporting system used to evaluate the effectiveness of emergency medical services systems and burn programs supported under title XII of the Public Health Service Act in reducing death and disability. Not later than eighteen months after the date of enactment of this Act, the Secretary shall report to the Congress the results of such studies. Such report shall include such recommendations for legislation relating to such a uniform reporting system as the Secretary determines is appropriate.

SEC. 15. The amendments made by this Act to the Public Health Service Act shall be effective on July 1, 1976, except for sections 2, 3, 4(1)(B), 8, 10, 12, 13, and 14 which shall be effective upon enactment.

SEC. 16. Section 3(j)(2) of the National Arthritis Act of 1974 (Public Law 93–640; 88 Stat. 2221) is amended to read as follows:

"(2) The Commission shall cease to exist on December 31, 1976.".

SEC. 17. Section 208 of the Public Health Service Act is amended by adding at the end thereof the following new subsection:

"(h)(1) The Secretary may, under such rules and regulations as he may prescribe, pay for—

"(A) the cost of preparing and transporting to their former homes in the United States or to places not more distant, the remains of civilian or commissioned personnel of the Service who are citizens of the United States and of the members of their families who may die abroad or while in travel status;

"(B) the cost of treatment of an illness or injury, which requires hospitalization or similar treatment, incurred by civilian or commissioned personnel of the Service who are citizens of the United States while such personnel are located abroad;

"(C) that portion of the cost of treatment of each illness or injury, which requires hospitalization or similar treatment, incurred by dependents, while located abroad, of those civilian or commissioned personnel of the Service, who are citizens of the United States, stationed abroad, that exceeds $35 per day and up to a maximum of one hundred and twenty days of treatment for such illness or injury, except that such maximum limitation shall not apply whenever the Secretary, on the basis of professional medical advice, shall determine that such illness or injury clearly is caused by the fact that such dependent is or has been located abroad;

"(D) those travel expenses of civilian or commissioned personnel of the Service who are citizens of the United States or their dependents, who require medical care for illness or injury, incurred while stationed abroad in a locality where there is no qualified person or facility to provide such care, to transport such persons to the nearest locality where suitable medical care can be obtained. If any such personnel or dependents are too ill to travel unattended, or in the case of dependents too young to travel alone, the Secretary may also pay the round trip travel expenses of an attendant or attendants.

"(2) The Secretary may enter into agreement with the Department of State to carry out the provisions of subparagraph (1).".

MOTION OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROGERS moves to strike out all after the enacting clause of the Senate bill, S. 2548, and to insert in lieu thereof the provisions of H.R. 12664, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to revise and extend the provisions of title XII of the Public Health Service Act relating to emergency medical services systems, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 12664) was laid on the table.

A resolution (H. Res. 1431) was laid on the table.

TIJUANA RIVER FLOOD CONTROL PROJECT

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14973) to provide for acquisition of lands in connection with the international Tijuana River flood control project, and for other purposes.

The Clerk read as follows:

H.R. 14973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of Public Law 89–640 (80 Stat. 884) is amended by striking out section 2 in its entirety and substituting in lieu thereof the following new section:

"SEC. 2. Pursuant to the agreement concluded under the authority of section 1 of this Act, the United States Commissioner is authorized to construct, operate, and maintain the portion of the 'International Flood Control Project, Tijuana River Basin,' assigned to the United States, and there is hereby authorized to be appropriated to the Department of State for use of the United States section the sum of $10,800,000 for construction costs of such project, as modified, based on estimated June 1976 prices, plus or minus such amounts as may be justified by reason of price index fluctuations in costs involved therein, and such sums as may be necessary for its maintenance and operation, except that no funds may be appropriated under this Act for the fiscal year ending on September 30, 1977. Contingent upon the furnishing by the city of San Diego of its appropriate share of the funds for the acquisition of the land and interests therein needed to carry out the agreement between the United States and Mexico to construct such project, the Secretary of State, acting through the United States Commissioner, is further authorized to participate financially with non-Federal interests in the acquisition of said lands and interest therein, to the extent that funds provided by the city of San Diego are insufficient for this purpose.".

The SPEAKER pro tempore. Is a second demanded?

Mr. WINN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. FASCELL) will be recognized for 20 minutes and the gentleman from Kansas (Mr. WINN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that the chairman of the full committee and all other Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, I rise in support of H.R. 14973 to amend Public Law 89–640, implementing an agreement between the United States and Mexico for the joint construction of an international flood control project for the Tijuana River at the border just south of San Diego, Calif.

This bill amends the law by authorizing the appropriations necessary to construct, operate and maintain the U.S. portion of the project, as modified, and by authorizing the acquisition of lands in connection with the project.

As reported by the International Relations Committee, H.R. 14973 contains the full amount requested by the executive branch. It would allow the United States to begin construction of a modified flood control project that is acceptable to both Mexico and the United States. It authorizes a sum of $10.8 million to construct the project and such sums as are necessary to participate in land acquisition, estimated to cost the Federal Government $1.6 million. The total cost, then, is $12.4 million, which is below the amount originally authorized for construction alone. H.R. 14973 further specifies that no funds may be appropriated during either the transition quarter or fiscal year 1977, thus making it unnecessary to seek a budget waiver as required by the Congressional Budget Act of 1974.

Also, the bill restates the existing authorization of such sums as may be necessary for the maintneance and operation of the project, estimated at $45,000 a year.

In 1964 the city of San Diego asked the International Boundary and Water Commission to plan and construct an international flood control project for the Tijuana River in the United States and Mexico to provide coordinated concrete-lined channel works and levees in each country. As originally conceived and authorized in Congress, the project was to provide flood protection for practically the entire Tijuana River Valley—approximately 4,800 acres—so that these lands could be developed for urban, commercial and recreational uses. The city, assured of supporting California State funds, offered to pay the cost of acquiring all the necessary lands and of making the necessary relocations, estimated at $1.9 million, and to assume 17.8 percent, or an estimated $2.25 million of the total construction cost. Thus, San Diego and the State of California together proposed to contribute more than $4 million to the project. The Federal Government was to have contributed $12.6 million for construction plus the annual amounts required for maintenance.

Mexico began construction in August 1972 and has completed all work which can be completed prior to initiation of construction in the United States.

The United States has not begun construction of the part of the project in the United States because, subsequent to the April 1971 issuance of a draft environmental impact statement prepared by the Corps of Engineers, serious concerns arose in State agencies and local authorities that park lands, natural wet lands and overflow areas of the Tijuana Valley should be preserved in their natural state. In December 1971 the city of San Diego asked that all work be suspended until it could review its land use plans for the Tijuana River Valley.

In October 1972 the city of San Diego asked the U.S. section of the International Boundary and Water Commission to provide alternative plans that would essentially eliminate the concrete-lined channel and satisfy its revised land use goals, the environmental concerns and the international obligation to Mexico. The U.S. section presented alternatives, one of which was selected by the city. This alternative, called a minimum plan, would be in accord with the city's more recent land planning to retain practically all of the Tijuana Valley in the U.S. as an open space area for agriculture, a natural preserve, and parks. It would provide the minimum works in the United States required to give Mexico the same degree of protection from floodwaters as would the original plan.

The city of San Diego, Calif., in resolutions passed by the city council, formalized the selection of the minimum plan and requested that the U.S. section proceed toward its construction. These resolutions have been submitted to the Subcommittee on International Political and Military Affairs.

The minimum plan was also presented to the Mexican Commissioner of the International Boundary and Water Commission and approved by him.

A further delay was encountered when the city of San Diego advised that, with the minimum plan, the benefits to the city were so reduced from the original plan that it could not justify the total costs of lands needed, estimated to amount to about $3.8 million. The city's position is that major benefits of the plan accrue to the Federal Government in fulfillment of the international agreement and only a small part of the benefits accrue to flood protection for the city of San Diego. The city further points out that construction of the minimum plan of works in lieu of the original plan of works will save the Federal Government an estimated $15.4 million at current prices.

The city of San Diego states that even with financial assistance from the State of California, it can and should only participate in the cost of the lands required, including related works, to the extent of about $2.2 million. This amount consists of $0.6 million pledged by the city, an additional $0.2 million for relocation costs, and approximately $1.4 million recommended by the Governor in his budget for the State of California for the year beginning July 1, 1976. There remains, then, an estimated $1.6 million needed to cover the cost of lands which must be acquired to complete the project. H.R. 14973 makes provision for the Federal Government to participate with the State of California and the city of San Diego in acquiring this land and is necessary to allow completion of the project, as now modified, in order to fulfill our commitment to Mexico.

H.R. 14973 was jointly referred to both the Committee on International Relations and the Committee on Public Works and Transportation. Public Works has no objection to the consideration by the full House of the bill as reported by the Committee on International Relations. The text of a letter from the distinguished chairman of the Public Works Committee appears in the report of the International Relations Committee.

Mr. Speaker, there are disputes among local interests concerning the relative desirability of the modified project over the project as originally approved by Congress. As stated in the report of the Committee on International Relations, the committee does not intend to pass judgment on the relative merits of the differing local positions or to preclude possible construction of further local flood control projects in the Tijuana River area so long as they are consistent with U.S. obligations to Mexico.

Mr. Speaker, the Federal Government has an obligation to the Government of Mexico to implement this agreement which was made a decade ago. Even though the U.S. Government does not usually acquire land for the construction of domestic flood control projects, it is warranted in this instance because the major part of the project costs is to fulfill this international obligation and because the recommended project's allocation of costs reasonably represents the allocation of benefits among the Federal, State, and local governments. I therefore urge approval of H.R. 14973.

Mr. WINN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise on behalf of H.R. 14973 and in support of the comments of the distinguished chairman of the International Political and Military Affairs Subcommittee, Mr. FASCELL. I would like to make a brief comment or two about this legislation.

The history of the effort to bring flood control to the lower Tijuana Valley is a long one by now. It began in 1944 when the original treaty was concluded with Mexico. By the time we got around to legislating completion of the American portion of the project, events had overtaken us. Costs have gone up and the public's idea of what is an acceptable and useful approach to the problem changed considerably. By this point we are in the position of having our international obligations run afoul of local and domestic concerns within the United States.

As my colleague has said, Mr. Speaker, by modifying the originally planned flood control project, we can complete our part of the joint effort to control floods in the Tijuana River Valley. This will permit the fulfillment of an international obligation and wrap up a loose end in our relations with Mexico. Because the subcommittee and the committee have been assured that the abbreviated American plan will satisfy the Mexican Government, we believe that this enabling legislation should move ahead. We should then be able to see our end of the arrangement completed much sooner and much more economically. I might add, Mr. Speaker, that the minority leadership of the Public Works Committee has no problem with this legislation as reported by the International Relations Committee.

While the international aspect of this matter is relatively simple, the domestic side has proved more complex. The subcommittee heard considerable testimony from many people and different local governments, and will have on the record quite a chronicle of local contention. While I do not believe it is in our purview to attempt a resolution of the local issues raised by the change in the project, we at least have permitted an airing of those issues.

Clearly, a border project of this sort is an exercise in political sociology, and will affect the lives and property of many individuals. In my estimation we can contribute most toward the local situation by acting speedily, but without prejudice to any further construction that may be deemed desirable at a later date. I urge my colleagues to act favorably on this legislation.

I include the following:

CHRONOLOGY OF EVENTS LEADING TO THE INTRODUCTION OF H.R. 14973: TIJUANA RIVER FLOOD CONTROL PROJECT

1944: U.S. and Mexico sign Treaty for Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande.

1964: City of San Diego requests International Boundary and Water Commission to begin a project for the Tijuana River in the United States and Mexico.

1966: P.L. 89-640 passed authorizing an agreement with Mexico, for a joint flood control project for Tijuana River, with specific authorization of $12.6 million for U.S. portion.

1967: Agreement with Mexico providing for concrete channels 5.5 miles long in U.S. and 2.7 miles long in Mexico.

1971: Mexico begins construction of its portion of flume.

1971: Environmental impact statement by Corps of Engineers issued, with subsequent reaction against project. December, 1971—San Diego asks delay.

1972: City of San Diego requests International Boundary and Water Commission (IBWC) to prepare alternate plans.

1976: Mexican Border Commissioner approves alternative plans including "Minimum Plan" as fulfilling the Treaty Agreement. April 7.

1976: Corps of Engineers and IBWC report to City of San Diego with various alternatives including "Minimum Plan". June 7, 1976.

1976: City of San Diego formally selects the Minimum Plan and subsequently reduces its financial commitment.

1976: July 1, 1976—H.R. 14645 introduced and after Subcommittee action, brought to floor of House on August 24, 1976 as H.R. 14973.

Cost of Tijuana River flood control project

[In millions]

ORIGINAL PLAN

Federal Appropriation for construction, 1966	$12.60
City of San Diego/California land and relocation	1.90
Construction	2.25
Total*	16.75

*Maximum, some federal funds were to have been for annual maintenance.

REVISED PLAN

Federal appropriation for construction	$10.80
Land acquisition	1.60
Federal total	12.40
City of San Diego/California land relocation	2.20
Total	14.60

COMPARISON OF COST OF PLANS IN 1976 DOLLARS

Original plan	$27.80
"Minimum plan"	12.40
Savings	15.40

Mr. FASCELL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. VAN DEERLIN.)

Mr. VAN DEERLIN. Mr. Speaker, I thank the subcommittee for moving this legislation so expeditiously.

This bill refers to a law which was passed 10 years ago. It was introduced by a new, young, energetic—I was going to say virile—Congressman from San Diego, to deal with a problem caused by a river which flows from the United States into Mexico and back into the United States in my congressional district. To deal with a constant flood menace, the Army Engineers concluded that a concrete-lined channel extending from the point where the river enters from Mexico, all the way to the sea—a distance of nearly 6 miles—was the best solution.

The local entity responsible for providing the land right-of-way for the project was and is the city of San Diego. About 5 years ago the city, under a new administration, decided that concrete-lined channels are not ecologically sound and that it wished to change this project into a series of dikes and dissipater ponds which will contain flood waters without the necessity of a concrete channel.

Meanwhile, as the subcommittee chairman has noted, on the Mexican side work was undertaken on a conventional concrete-lined channel which provided, in effect, an urban renewal project for Tijuana. On their side, the work has been completed. There has been understandable doubt among Mexicans about the valid intentions of the United States, which 10 years ago undertook by treaty and by international agreement to provide a completed channel to protect both the Mexican side and the American side of the border.

I am sure that if we pass this bill today with a resounding two-thirds vote, the Senate will move quickly to get the project back on the track. It is going to cost less money than the original concrete-lined channel would have cost, and it will remove a longstanding bone of contention between the United States and Mexico.

Mr. Speaker, I enthusiastically urge the passage of this bill.

Mr. WINN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to add in my comments that both the gentleman from California (Mr. VAN DEERLIN) and our colleague, the gentleman from California (Mr. BARRY GOLDWATER, JR.) appeared before the committee and wholeheartedly endorsed this project.

Mr. MORGAN. Mr. Speaker, I rise in support of H.R. 14973, which provides the necessary authorization for the United States to complete its part of an international flood control project for the Tijuana River.

This project was agreed to by the United States and Mexico in 1967 and stems from a treaty entered into by the two countries in 1944.

As the sponsor of the bill, Mr. FASCELL, has pointed out, Mexico has already finished its part of the project and awaits completion of the United States part.

The revised plan for the United States part of the project has the approval of the Mexican Government and the city of San Diego. It should be implemented as rapidly as possible in order to fulfill our international obligations to Mexico and to prevent possible flood damage to areas on both sides of the border.

Mr. Speaker, I would like to take this opportunity to thank the distinguished chairman of the Committee on Public Works and Transportation, the Honorable BOB JONES, for his cooperation in facilitating action on this legislation.

As noted in the report accompanying the bill, the Committee on Public Works and Transportation, to whom H.R. 14973 was jointly referred, has no objection to the bill's consideration on the floor as reported by the Committee on International Relations.

Mr. Speaker, I urge the adoption of H.R. 14973.

Mr. GOLDWATER. Mr. Speaker, it gives me a great deal of pleasure to rise in support of H.R. 14973, the Tijuana River flood control project.

During the course of my activities relating to the incarceration of American citizens in Mexican jails, I became aware of the uncompleted status of the Tijuana River project. In discussions with Mayor Fernando Marcus Arci of Tijuana, it was brought to my attention that failure of the United States to live up to its treaty obligations in regard to this project has become a sore point with various Mexican officials.

With this point in mind I, therefore, support H.R. 14973 for the following reasons:

First. The Tijuana River project is not simply a domestic issue, but is an international project. The United States has a commitment to Mexico and must fulfill its international obligations. Further delay can only show total U.S. neglect to its international treaties.

Second. Presently there is no flood control protection in the surrounding Tijuana areas. The existing channel which has been built by Mexico extends up to the U.S. border and stops. If flooding were to occur today property on the U.S. border would be totally vulnerable to uncontrollable floods, and Mexico would be in fact subjected to backwash floodings. Further delay can only result in the loss of property and even in lives.

Third. Compared with the proposed cost of the original plan the modified flood control project will result in a large savings in Federal funds. By adopting the modified plan, the estimated savings in cost to the Federal Government could run as high as $15 million.

With the joint cooperation and compromise of representatives from the city of San Diego, the State of California, the Corps of Engineers, the U.S. Water and Boundary Commission and LIONEL VAN DEERLIN's office I feel that the Committee on International Relations has developed an efficient, safe, and economically sound proposal. I am also pleased that I had the opportunity to work with several of the groups directly involved, in order to help find an effective solution to this problem.

The adoption of this bill would be a cogent solution to the stalemate that has plagued this project since 1967, while resolving the equivocal situation which has harassed U.S. citizens living near our border for so many years.

The United States cannot continue to abuse its international obligations and endanger relations with our border countries. H.R. 14973 allows for an alternative means for the United States to fulfill its international commitments. I strongly urge support of this bill.

Mr. WINN. Mr. Speaker, I have no further requests for time.

Mr. FASCELL. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. McFALL). The question is on the motion offered by the gentleman from Florida (Mr. FASCELL) that the House suspend the rules and pass the bill H.R. 14973.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING THE FEDERAL-AID HIGHWAY ACT

Mr. HOWARD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15116) to amend the Federal-Aid Highway Act of 1976 to provide an obligation limitation for fiscal year 1977.

The Clerk read as follows:

H.R. 15116

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal-Aid Highway Act of 1976 (Public Law 94-280) is amended by adding at the end thereof the following new section:

"OBLIGATION LIMITATION

"SEC. 156. (a) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs for fiscal year 1977 shall not exceed $7,200,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, the special urban high density traffic program under section 146 of title 23, United States Code, and the special bridge replacement program under section 144 of title 23, United States Code.

"(b) Notwithstanding the limitation contained in subsection (a) of this section, the Secretary shall not in any way control—

"(1) the rate of obligation of such limitation by allocation of such limitation or in any other manner; and

"(2) by priority or otherwise, programs or projects eligible for Federal financial assistance from those funds for such programs and projects which are subject to such limitation, if such programs or projects are otherwise eligible for such assistance under title 23, United States Code, or any other applicable provision of law.

"(c) The Secretary shall submit to Congress, not later than the first week of each calendar month which begins after the date of enactment of this section, and before October 1, 1978, a report on the amount of obligation by State for Federal-aid highways and the highway safety construction programs during the preceding calendar month, the cumulative amount of obligation by State for fiscal year 1977, and the balance as of the last day of such preceding month, of the unobligated apportionment of each State by fiscal year.".

The SPEAKER pro tempore. Is a second demanded?

Mr. SHUSTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. HOWARD) and the gentleman from Pennsylvania (Mr. SHUSTER) will each be recognized for 20 minutes.

The Chair now recognizes the gentleman from New Jersey (Mr. HOWARD).

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Public Works and Transportation today commends to the House the bill (H.R. 15116), to provide an obligation limitation of $7.2 billion for fiscal year 1977, on all Federal-aid highway and highway safety construction programs, except for the section 125 emergency relief program, the special bridge replacement program, and the special urban high density traffic program, and to prescribe procedures for administering the obligation limitation.

This bill is a safeguard to assure that the administration of the Federal-aid highway program will conform to congressional intent with a ceiling on obligations during fiscal year 1977. It would achieve this by providing program direction to the Department of Transportation, preventing undue control of the program through administrative discretion with respect to rate of obligations, priority among programs and projects and otherwise. Thus, it would assure that the program function and projects be approved in accordance with law precisely as at present, provided only that the obligation ceiling not be exceeded.

This bill is fully consistent with the conference report on H.R. 14234, the Transportation Appropriations Act of 1977, which was signed by the President on August 14 and is now Public Law 94–387.

As the Members will recall, during original floor action on the Transportation Appropriations Act on June 28, the House rejected the $7.2 billion limitation which had been included in the bill at the behest of the administration and others. The Senate bill contained a similar limitation, and the conference committee reported back to their respective Houses on August 3 in technical disagreement on the matter.

During consideration of the conference report, a separate vote on the motion to recede and concur in the limitation in the Senate bill carried, in effect reversing the earlier House position.

This is where we stand today, Mr. Speaker. The Transportation Appropriations Act contains a limitation and a proviso that the limitation not take effect if separate legislation containing an obligation limitation on the highway program is enacted by September 30, 1976.

H.R. 15116 is such legislation, and I know of no Member of this body who opposes what we are attempting to do. The bill gives statutory expression to congressional intent embodied in the legislative history of the Appropriations Act that imposition of an obligation ceiling not lead to such administrative manipulation as disrupted the program during the practice of impoundment.

Because of the time constraint in the Appropriations Act of enacting this legislation by September 30, 1976, floor action on this bill must necessarily be fast. It is for this reason that this bill is being brought to the floor under suspension of the rules.

Yesterday, the committee received a letter from the Secretary of Transportation detailing his concerns about the legislation, specifically as it relates to procedures for administering the obligation limitation. The Secretary's letter reinforces our conviction that the ultimate goal of the Department of Transportation and OMB is to transfer control of this vital program downtown and out of the hands of Congress.

Three weeks ago, in their efforts to get Congress to enact obligation controls, the administration was telling us that they had no intention of exercising undue control over the program. They assured us, as did their congressional supporters, that the highway laws would be allowed to function as Congress intended.

Now, however, we hear a different tune. Now that we have a ceiling, the Secretary is asking for more administrative flexibility to do exactly what we all feared—that is to exercise undue control over this vital program.

The administration is not being consistent on this matter, Mr. Speaker, and they simply cannot have it both ways. Rather than take a hands-off approach and administer the program on a first-come-first-served basis, the administration, we now discover, has intended all along to allocate the obligation limitation among the States, perhaps prioritized as to program, in a manner to control the rate of obligation—in effect, to hold back certain States and programs which otherwise would be allowed to proceed. This approach could even have a dampening effect on the program to the point that the obligation limitation for the fiscal year might not be reached because of administration interference. This is the real danger of the administration approach, and, for this reason alone, it should be rejected.

There are other problems with their approach which need to be discussed in the past, congressional funding priorities as to States and individual programs were distorted by the executive branch by almost every method imaginable. Funds were released quarterly; there were extra releases, yearly releases, special allocations, rescissions, year-end reallocations, allocations to regions, allocations for certain programs and purposes, only to mention a few.

Some allocations were made on the basis of relative apportionment factors; some were made on the basis of readiness to proceed; and some were made on a combination of factors.

On more than one occasion States were required to emphasize certain programs and deemphasize others. One set of instructions to the States actually prohibited spending for three programs which Congress had approved and for which Congress had made funds available. One of the programs was a regular ongoing program which had been in the law for several years—economic growth center development highways.

Given this history, you can understand why State highway administrators have been grinding their teeth over their inability to plan their programs intelligently. And, we in Congress certainly cannot give them any assurance that the same thing will not happen if this bill fails.

Mr. Speaker, we should pass this bill. First-come-first-served is the fairest way to administer an obligation ceiling. It reduces the potential for program manipulation and slow down by the executive branch; it fosters the fastest possible rate of obligations; and it allows States to proceed with their programs at their own pace unencumbered by excessive administrative controls.

Three weeks ago, when the committee was arguing against obligation limitations in the appropriations bill, we made the argument that obligation limitations could be administered to work to the disadvantage of States which, because of seasonal variations, normally plan to obligate funds late in the fiscal year. We now find the administration is attempting to use our argument against us to support their own position on this bill. Well, I can only wish them the same success with that argument that we enjoyed.

The fact is, Mr. Speaker, there are no totally reliable and consistent regional patterns as to when the States obligate their funds if there are no controls. In fact, some Northern States can and do obligate funds year round. In fact, much design work, plan preparation and contract letting can and does occur during the winter months. Furthermore, for those States which choose to obligate funds later in the fiscal year because of the timing of their State and local government processes, seasonal variations, or any other reason, the shift of the beginning of the Federal fiscal year to October 1 should allow them to obligate funds more competitively under the first-come, first-served arrangement.

I should also point out the fact that State plans and industry capability suggest an obligation level not much greater than the obligation limitation now on the books. Although it is doubtful that any State will be harmed by a first-come, first-served approach, it is reassuring that both the chairman of the Budget Committee and the chairman of the Transportation Appropriations Subcommittee have indicated a willingness to consider additional funding for the program during fiscal year 1977 if the current limitation proves to be insufficient to meet State needs. We, of course, concur in their positions and commend them.

Mr. Speaker, the final point in the Secretary's letter concerns the possibility that the language in the bill might actually preclude him from exercising discretionary authority over programs which are authorized as discretionary programs by the Congress. To allay any fears in this regard, I quote from the committee report on page 2:

> Other funds in Federal-aid to highways authorization legislation are allocated by the Secretary or, as in the case of the priority primary system, distributed at his discretion. This authority of the Secretary is expected to continue in the same manner as in the past.

In summary, Mr. Speaker, the Secretary's letter clearly reveals the true motives of DOT and OMB—and that is to shift control of this vital program from the Congress to the executive branch. We commend H.R. 15116 to the House for its favorable consideration and urge its adoption.

Mr. DUNCAN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Speaker, I want to congratulate the distinguished chairman of the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation for responding so promptly to the proviso in the transportation appropriation bill; and I think that with a couple of questions, which I am sure the gentleman can answer, there will be no objection to this.

I understand that section (a) of this bill is, while not in identical language, substantially the same as the language of the provisions which the House approved in the conference report on the transportation appropriation bill, including the amount and the exceptions thereto; is that correct?

Mr. HOWARD. The gentleman is correct.

Mr. DUNCAN of Oregon. I understand further that sections (b) and (c) are intended to give administrative instructions to the Department of Transportation for the reasons the gentleman so adequately outlined and that there is nothing in sections (b) or (c) or in any other part of the bill or in the committee report itself which would cause this limitation amount to be automatically eliminated or automatically extended for any reason whatsoever; is that correct?

Mr. HOWARD. The gentleman is correct. Any change in the limitation would have to come from separate future legislation passed by the House. There is nothing in this bill to in any way change the amount of money being put under the limitation, as was the case in the transportation appropriation bill several weeks ago.

Mr. DUNCAN of Oregon. Therefore, if the States or local units of government are able to obligate funds at a rate which the chairman anticipates or at a rate faster than I anticipate, that alone would not automatically extend the limitation; it would be subject to further action by this Congress; is that correct?

Mr. HOWARD. The gentleman is absolutely correct.

Mr. DUNCAN of Oregon. Mr. Speaker, I thank the gentleman and I support the bill.

Mr. HOWARD. Mr. Speaker, I thank the gentleman from Oregon for his questions.

Mr. SHUSTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 15116.

This bill, Mr. Speaker, is a simple one and in full compliance with the proviso contained in section 317 of the Department of Transportation appropriations bill, adopted by this body on August 3, 1976.

You will recall that section 317 imposed a $7.2 billion ceiling on obligations under the trust fund financed highway and safety construction programs, with three exceptions. This ceiling, it was argued, was an essential element in an orderly budgetary procedure that would preclude unforeseen obligations in the present fiscal year resulting in unanticipated outlays in future fiscal years. This method of budgetary control was supported by the Appropriations Committee, the Budget Committee, the administration, OMB, and ultimately the House and Senate.

During floor debate on the ceiling, concern was expressed by members of the authorizing committee that such a ceiling would necessarily grant to the Secretary and OMB the powers to exercise broad discretion over carrying out congressional priorities. It would, in effect, permit the unacceptable practice of executive impoundment by creating a condition whereby the Secretary could either favor one program over another in releasing obligational authority to the States, or he could regulate the rate of obligations by releasing obligational authority quarterly or only in the proportion that the ceiling bears to the agregate.

Because of the unique nature of highway construction programs this could result in a severe distortion of the highway programs in many States. A controlled rate of obligations could leave many northern States, with short construction seasons, completely out in the cold. Additionally, since the various States proceed at various rates in obligating funds under various categories, because of a number of factors including the availability of State matching funds and delays caused by environmental considerations, funding one program at the expense of another could result in severe, costly disruptions in State programs and priorities.

It was clearly established in colloquies between members of the Authorizing and Appropriations Committees that congressional priorities should remain intact, and the ceiling should not be interpreted as granting to the Secretary or OMB any discretion they do not now enjoy. The House report on the appropriations bill contained a similar statement.

However, because of the House rule which prohibits legislating in an appropriations act, the intent of the Congress could not be given statutory standing. That is why the proviso appears in section 317 of the DOT appropriations act, and that is the fundamental purpose of the legislation before us now.

Mr. Speaker, H.R. 15116 simply restates the intent of this body in statutory terms. It gives program direction to the Secretary completely consistent with congressional priorities and prevents manipulation of authorized programs by either the Secretary or OMB.

I hasten to add that the objective of this legislation is not a reflection on the Secretary. Indeed, Secretary Coleman has performed in remarkable fashion in carrying out congressional mandates and has been a model of cooperation with the Congress. I have no reason to doubt that his high quality leadership will continue for at least another 4 years.

But the experience of the administration during past periods of impoundment is all too vivid in my memory. Previous executive impoundment practices severely disrupted many State programs and distorted congressional priorities. Thus, the safeguards contained in this bill are designed to reaffirm the intent of the Congress in law, so that the question of program manipulation can be buried once and for all.

Mr. Speaker, another important feature of this bill is the periodic reporting requirement. Floor debate on the ceiling made very clear that if the $7.2 billion limitation is insufficient to accommodate the needs and capabilities of the States, the Appropriations Committee would agree to raise the ceiling. With monthly reports from FHWA on the rate of obligations by the States, the Congress will be able to identify the projected annual obligational rate and determine from that whether or not the $7.2 billion ceiling can be reached.

The program direction contained in this bill, Mr. Speaker, does nothing more than give statutory standing to the intent of this House, as expressed on the floor, and the intent of the Appropriations Committee, as expressed in its report on the DOT appropriations bill. This is a simple, honest, straightforward bill, Mr. Speaker, and I urge its adoption.

Thank you, Mr. Speaker.

Mr. JONES of Alabama. Mr. Speaker, I come before the House today to urge your support for the bill, H.R. 15116.

My good friend and colleague from New Jersey (Mr. HOWARD) has explained clearly to us the purpose and intent of this bill, and I appreciate his hard work on it. But there is one thing that I think needs to be emphasized even more strongly since I believe it is the key issue before us today, and that is that this Congress cannot afford to allow the Secretary of Transportation to possess excessive discretionary authority over our highway programs.

This Congress has always recognized the critical need not just for an adequate highway system, but for a superior highway system, and has authorized the programs necessary to insure such a fine system. Where necessary, the Secretary of Transportation was given certain discretionary authority to supervise and approve projects, and I have no quarrel with that.

But, and this is the most important point, Mr. Speaker, the ceiling which is being placed on obligation authority from the highway trust fund carries with it the danger that, in keeping within that ceiling, the Secretary of Transportation will be able to wield excessive discretionary authority over our vital highway programs. This bill seeks to redress that problem by giving specific program direction to the Secretary to insure that he cannot subvert the will of this Congress by manipulating highway programs away from the priorities which we have established.

Mr. Speaker, our Federal highway program is too important to allow needless tinkering by those downtown who may not agree with our sense of priorities. This bill will prevent that manipulation, insure that the programs and projects will be approved in accordance with existing law, and allow continued progress on our fine highway system.

Mr. SIKES. Mr. Speaker, I support H.R. 15116, to amend the Federal-Aid Highway Act of 1976 to provide an obligation limitation for fiscal year 1977. This measure provides a safeguard to assure that the administration of the Federal-aid highway program will conform to congressional intent within a ceiling on obligations during fiscal year 1977—not to exceed $7.2 billion. It requires the Secretary of Transportation to inform Congress the amount of obligations by State on the various programs, the cumulative totals of such obligations, and the amount of unobligated apportionments. The bill given statutory expression to congressional intent embodied in the legislative history of Public Law 94-387, that imposition of an obligational ceiling not lead to administrative manipulation as such that which disrupted the program during the practice of executive impoundment.

The need for legislation stems from a combination of factors: The statutory mechanism provided for financing the Federal-aid highway program; the complex and protracted nature of the process for bringing highway construction projects to fruition; current status of the program; congressional budgetary considerations, and the history of program manipulation under executive impoundment.

Most of the funds authorized in prescribed amounts in Federal-aid highway authorizations are apportioned among the States by the Secretary according to formulas set forth in law.

Once apportioned, funds are immediately available for obligation on a project-by-project basis, with the Federal Government assuming the contractural obligation to pay its share upon approval of plans, specifications, and estimates for a given project.

Funds apportioned are available for obligation for 4 fiscal years prior to lapse in the case of noninterstate funds, or reapportionment in the case of interstate funds. Thus, at any given time, depending on State programs in the various categories, funds authorized for as many as 4 fiscal years are being obligated.

Mr. Speaker, this legislation is important to the State of Florida and all other States with major highway construction programs. State and local governments should be able to plan and carry out the Federal-aid highway program without undue interference and manipulation by Federal agencies. Otherwise, a systematic and orderly highway program simply cannot be implemented. This bill is designed to provide for a minimum of interference by the Federal Government which was the original intent of the Congress. I urge my colleagues to join in support of this legislation.

Mr. HOWARD. Mr. Speaker, I have no further requests for time.

Mr. SHUSTER. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from New Jersey (Mr. Howard) that the House suspend the rules and pass the bill H.R. 15116.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EMERGENCY LEASE AND TRANSFER OF TOBACCO ALLOTMENTS

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15068) to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina.

The Clerk read as follows:

H.R. 15068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 316 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b) is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any provision of this section, when as a result of drought, flood, damage due to excessive rain, hail, wind, tornado, or other natural disaster, the Secretary determines (1) that one of the counties hereinafter listed has suffered a loss of 10 per centum or more in the number of acres of tobacco planted, and (2) that a lease of such tobacco allotment or quota will not impair the effective operation of the tobacco marketing quota or price support program, he may permit the owner and operator of any farm within Clarendon, Colleton, Darlington, Horry, Williamsburg, Florence, and Marion Counties, South Carolina, and Cook, Berrien, Lanier, and Lowndes Counties, Georgia, which has suffered a loss of 10 per centum or more in the number of acres of tobacco planted of such crop to lease all or any part of such allotment or quota to any other owners or operators in the same county, or other counties within the same State, for use in such counties for the year 1976 on a farm or farms having a current tobacco allotment or quota of the same kind. In the case of a lease and transfer to an owner or operator in another county pursuant to this subsection, the lease and transfer shall not be effective until a copy of the lease is filed with and determined by the county committee of the county to which the transfer is made to be in compliance with this subsection.".

The SPEAKER pro tempore. Is a second demanded?

Mr. WAMPLER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. Jones) and the gentleman from Virginia (Mr. Wampler) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from North Carolina (Mr. Jones).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is called the emergency lease and transfer of tobacco allotments. The present Tobacco Control Act provides that leasing can be exchanged between one or more farmers only in a given county. It cannot be leased across county lines, this applies in any State producing tobacco of the flue cured variety.

It cannot be released across county lines in any State that produces tobacco of this variety. From time to time we have to come before Congress to ask for relaxation of this regulation due to a disaster which has occurred where the farmers in a given county were not able to produce their allotment but do need the right to transfer their right to sell to adjoining or other counties, and that is all this bill does. It does not cost the Federal Government 5 cents, nor does it increase the production of tobacco. It merely gives relief to some hard-pressed farms in South Carolina, and Georgia, I might add. I hope that the House will concur in suspending the rules and pass the bill.

Mr. DAVIS. Mr. Speaker, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from South Carolina.

Mr. DAVIS. I thank the gentleman for yielding.

I would only comment that this bill is only a 1-year piece of legislation that would allow the transfer of allotments across county lines in South Carolina and Georgia. This year in South Carolina, and especially in Colleton County which is in this bill, in my district we had an excessive amount of rainfall which cut the tobacco production back to only about 40 percent of what the allotment was. This would allow an allotment transfer over county lines so that the farmer can maintain a little bit of income this year without having a total loss. Also it would allow those who overproduced in other areas to take up the slack of those who were not able to produce because of the rain.

Mr. SPEAKER, I would like to thank the gentleman from North Carolina (Mr. Jones) and the gentleman from Washington (Mr. Foley) of the Committee on Agriculture for bringing this legislation up in such an expeditious manner. I hope it will be passed with an overwhelming vote.

Mr. JONES of North Carolina. I thank the gentleman from South Carolina. I would like to add by way of emphasis that this is, indeed, emergency legislation for the selling season, which will end in about 30 to 60 days in the area affected. Again let me say that this applies only to the 1976 crop and is not permanent legislation.

Mr. Speaker, I reserve the remainder of my time.

Mr. WAMPLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 15068, a bill which will provide emergency allotment lease and transfer of tobacco allotments or quotas for 1976. The provisions of the bill would apply in certain disaster areas — counties — in South Carolina and Georgia.

Under current legislation, there is a prohibition against the transfer of allotments across county lines. The bill would assist producers of tobacco in certain counties who have incurred damage to their tobacco crop from inclement weather or other natural disaster conditions. I am sure I need not remind you that this is one of the driest years that many parts of our country have encountered in a considerable period of time. In others there has been excessive rainfall.

I should point out to you that this bill amends section 316 of the Agricultural Adjustment Act of 1938 and affects the lease and transfer for all kinds of tobacco except burley, cigar binder, dark air-cured, fire-cured and Virginia sun-cured tobacco.

As Assistant Secretary Feltner noted in his letter of August 19, 1976, indicating the USDA does not oppose passage of this bill:

> In August, 1973, P.L. 93–80 authorized disaster transfers of 1973 flue-cured tobacco allotments and quotas for specified counties in Georgia and South Carolina. Similar legislation was enacted in October 1974, for specified counties in North Carolina.

Thus, it would appear that there is ample precedent for this legislation.

Also, I might add the Congressional Budget Office advised Chairman Foley on August 11, 1976, that—

> It appears that no additional cost to the government would be incurred as the result of enactment of this bill.

Mr. Jones has set forth how this bill would be implemented, if enacted, and to whom it would apply. As he has advised you, it is narrow in its application, entails no cost, and would be in effect only for the 1976 crop year.

Accordingly, I urge your support of this simple and small, yet important, measure so as to give some relief to certain farmowners and operators who have suffered a disaster.

Mr. MATHIS. Mr. Speaker, I rise in support of H.R. 15068. This bill is an emergency measure designed to assist producers of tobacco in certain counties in South Carolina and Georgia who have incurred damage to their tobacco crop from inclement weather or other natural disaster conditions.

H.R. 15068 authorizes the Secretary of Agriculture to permit the lease and transfer of tobacco acreage allotments across county lines in 1976 in seven named counties in South Carolina and four named counties in Georgia, if he determines that as the result of a natural disaster one of the counties has suffered a loss of 10 percent or more in the number of acres planted and that the lease and transfer would not impair the effective operation of the tobacco marketing quota or price support program. Under current legislation, there is a prohibition against the transfer of allotments across county lines.

The bill would apply only to owners and operators of a farm which has suffered a loss of 10 percent or more in the number of acres of tobacco planted. Under this provision, a farm would be considered as having suffered a loss of 10 percent or more in the number of acres planted if as the result of a disaster the yield of the farm is reduced by at least 10 percent below the expected production on the planted acres for the farm. Transfers could be made of all or any part of the allotment or quota and would have to be made to a farm in the same or any other county within the same State and to a farm having a current tobacco allotment or quota of the same kind of tobacco.

The counties covered by the bill are Clarendon, Colleton, Darlington, Horry, Williamsburg, Florence, and Marion Counties, S.C.; and Cook, Berrien, Lanier, and Lowndes Counties, Ga.

This bill would provide assistance to affected farmers in the listed counties for the 1976 crop only. The provision amends section 316 of the Agricultural Adjustment Act of 1938 and affects the lease and transfer for all kinds of tobacco except Burley, Cigar binder—types 54 and 55, dark Air-cured, Fire-cured, and Virginia Sun-cured tobacco which are covered by other provisions of the act.

Mr. Speaker, H.R. 15068 is a noncontroversial measure. It has bipartisan support and passed the committee by an overwhelming vote. It does not increase Government costs in any manner whatsoever. The Congressional Budget Office agrees with this assessment.

I urge my colleagues to join me in support of this legislation which is so urgently needed by producers in the affected areas of South Carolina and Georgia.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from North Carolina (Mr. Jones) that the House suspend the rules and pass the bill H.R. 15068.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that the title of the bill be amended to add the words "and Georgia" immediately after "South Carolina."

Through error, "Georgia" was omitted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The title was amended so as to read: "To provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1976 in certain disaster areas in South Carolina.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 15068, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TERMINATION OF OVERSEAS PRIVATE INVESTMENT CORPORATION INSURANCE IN CERTAIN CIRCUMSTANCES

Mr. NIX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14681) to provide for termination of investment insurance and guaranties issued by the Overseas Private Investment Corporation in any case in which the investor makes a significant payment to an official of a foreign government for the purpose of influencing the actions of such government, as amended.

The Clerk read as follows:

H.R. 14681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 237 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(1) (1) The Corporation shall issue such regulations and take such other steps as are necessary to provide for the termination of any insurance or reinsurance issued under this title which is applicable to any investor with respect to a project if the Corporation determines in accordance with paragraph (2) that such investor or any agent of such investor—

"(A) has offered, paid, or agreed to pay any significant amount of money or has offered, given, or promised to give anything of significant value to an individual who is an official of a foreign government or instrumentality thereof for the purpose of inducing that individual to use his influence within such foreign government or instrumentality to affect any decision or other action of such foreign government or instrumentality with respect to such project;

"(B) has paid or agreed to pay any significant amount of money or has given or agreed to give anything of significant value to any person knowing or having reason to know that all or a portion of such moneys or thing of value will be offered, given, or promised, directly or indirectly, to any individual who is an official of a foreign government or instrumentality thereof for the purpose of inducing that individual to use his influence within such foreign government or instrumentality to affect any decision or other action of such foreign government or instrumentality with respect to such project; or

"(C) has paid or agreed to pay any significant amount of money or has given or agreed to give anything of significant value to any foreign political party or official thereof or any candidate for foreign political office for the purpose of inducing that party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect any decision or other action of such foreign government or instrumentality with respect to such project.

"(2) (A) If the Corporation has reason to believe that an investor or an agent of an investor has taken any action described in subparagraphs (A), (B), or (C) of paragraph (1), the Corporation shall initiate proceedings to determine whether such action was taken. If the Corporation determines that such action was taken, then any insurance or reinsurance issued under this title, which is applicable to the investor with respect to the project in conjunction with which the action was taken shall be cancelled as of the end of the fifteenth day following the date on which notice of such determination is mailed to the investor.

"(B) Regulations pursuant to this subsection shall be issued in accordance with section 553 of title 5, United States Code. Determinations under this subsection shall be made on the record after notice and opportunity for a hearing in accordance with section 553 of such title. Determinations under this subsection shall constitute final agency action and may be appealed by any person adversely affected thereby to the United States Court of Appeals for the District of Columbia, or for the circuit in which the person resides or has his principal place of business, for review in accordance with chapter 7 of such title.".

(b) The amendment made by subsection (a) shall not apply to actions taken prior to the effective date of the regulations issued pursuant to such amendment. Such regulations shall be issued and shall become effective not later than 90 days after the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. WHALEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. Nix) and the gentleman from Ohio (Mr. Whalen) each will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. Nix).

Mr. NIX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 14681 was introduced by Mr. SOLARZ and cosponsored by Congressmen WHALEN and myself. It was favorably reported by the subcommittee, then favorably reported out by voice vote of full committee.

The Overseas Private Investment Corporation, known by the acronym OPIC, has as its major function the issuance of political risk insurance against expropriation of investor assets by foreign governments.

Significant payments, gifts, and/or bribes establish an environment where the risk of expropriation is increased.

Therefore, it is the committee's belief that it is helpful to supply OPIC with the authority to diminish the prospect of expropriation by cancelling insurance coverage before expropriation occurs rather than waiting for the act of expropriation with its resulting damage.

The damage from incidents of expropriation increases the costs of premiums to unacceptable levels, strains our foreign relations and threatens the health of American business in foreign countries, since expropriations spread to many countries when they occur in one.

The present law, based on the OPIC standard contract, permits the agency to refuse to issue insurance policies in doubtful cases and to refuse to pay expropriation claims when expropriation has been "provoked." OPIC witnesses consider payments, gifts and offers of the same, provocation sufficient in circumstances to be determined by them, as a basis for denying a claim.

The present state of the law creates a doubt as to whether or not an investor policyholder has obtained insurance coverage when he pays his premiums if payments have been made either as bribes or as the result of extortion to foreign officials.

SECTIONAL ANALYSIS

Subsection (l)(1) of the bill provides that OPIC shall issue regulations requiring the automatic termination of insurance coverage applicable to a specific project if the corporation determines that:

First. The investor has offered, paid or agreed to pay or give anything of significant value to a foreign official for the purpose of inducing that individual to use his influence with his government to affect any decision or action of that government with respect to a specific project;

Second. Has offered, paid or agreed to pay or give anything of significant value to an intermediary, having reason to believe that such person will directly or indirectly attempt to influence a foreign public official to use that person's influence with a foreign government to affect any decision or act of that government;

Third. Has offered, paid, or agreed to pay or give anything of significant value to any foreign political party, party official or candidate in order to affect a foreign government decision or act, with respect to a specific insured project.

Paragraph 2(a) requires that in cases where the corporation has reason to believe that any of the described actions have occurred, the corporation shall begin proceedings to determine the facts. If the corporation determines that such action was taken then any insurance or reinsurance issued under this title in conjunction with the project involved shall be canceled at the end of the 15th day following the date on which notice was mailed to the investor.

Paragraph 2(b) provides "due process" protections for investors subject to proceedings. Regulations issued pursuant to the bill shall be issued in accordance with 5 U.S.C. 553 and determinations shall be made on the record after notice and the opportunity for a hearing in accordance with 5 U.S.C. 554. In addition all determinations as to individual cases are appealable by the person adversely affected to the U.S. Court of Appeals for the District of Columbia, or to the U.S. circuit court of appeals where such person resides or has his principal place of business. Thus the Administrative Procedure Act is specifically made applicable.

Finally, subsection (b) makes the provisions of the bill in relation to proceedings applicable to actions taking place after the issuance of regulations and such regulations shall be issued and be effective not later than 90 days after enactment.

In conclusion, the International Relations Committee supports this legislation because it believes that an organization which has assets of $397 million and which issued $1.2 billion in insurance coverage in 1975 cannot afford to ignore the storm raised by allegations and evidence of bribery and extortion on an international scale. The agency cannot pretend that its 700 policyholders can ignore the conditions which affect all international business.

Mr. Speaker, there is no opposition to this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. WHALEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 14681. This measure requires termination of Overseas Private Investment Corporation insurance in cases where OPIC has determined that client firms have made or attempted to make improper payments overseas in connection with their insured projects.

This legislation meets head on a fundamental issue in a carefully defined area, the issue of business improprieties in the developing-nation investment context. The U.S. Government, rocked by payments scandals in recent years, must lead the way both in setting an example and in demanding sound business practices for our long-term economic health. We can ill-afford to have our Government programs, such as OPIC insurance, stigmatized by association with bribery or corrupt practice.

I would like to stress several things about this bill. First, it has been conscientiously rewritten several times over the course of the last year to meet specific objections, and therefore represents a bipartisan effort. Second, all references to domestic or foreign law have been removed to avoid awkward legal and diplomatic tangles, and the final version sets up a policy framework rather than detailed guidelines. Third, the contract termination would affect only the specific country and project involved. This makes it absolutely clear that companies are not being "penalized" for their activities. Rather, the insurance termination is a necessary dissociation of the U.S. Government from the impropriety, and the company is still eligible for insurance in any other situation but the one in which it was compromised. Fourth, explicit provision has been made for due process appeals of OPIC determinations that improper payments have been made or offered.

In view of these and other advantages of the bill, I urge my colleagues to support enactment of H.R. 14681.

Mr. NIX. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York (Mr. SOLARZ), the author of this legislation.

Mr. SOLARZ. Mr. Speaker, I will be brief, but I would be remiss in my obligations if I did not take this opportunity to pay tribute to the chairman of the full committee, the gentleman from Pennsylvania (Mr. MORGAN), and the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. NIX), and the ranking minority member of the subcommittee, the gentleman from Ohio (Mr. WHALAN) for their constructive and creative leadership in shepherding this bill through the legislative process.

This is, as the distinguished chairman of the subcommittee noted, my first bill. And I think it is fair to say that without the wise understanding and sympathetic support of these gentlemen it would not have been possible to have brought it to the floor of the House.

Mr. Speaker, this legislation is based on a very fundamental and important assumption which is that agencies of the U.S. Government should not insure corporations which are engaged in paying bribes to foreign officials. It seems to me that we have a moral obligation, as well as a political interest, in prohibiting practices which are both corrupt and counterproductive. Whatever the private advantages of illegal payments to foreign officials may be to the corporations which engage in them, I think they are far outweighed by the public disadvantages to the foreign policy of our own country, if and when they are disclosed.

Mr. Speaker, in the last several months a number of agencies of our own Government, including the IRS and the SEC and the other body in this Congress, have attempted to deal with this problem by passing new legislation and promulgating revised regulations.

I think we have a responsibility to act as well. This bill is by no means a panacea. Obviously, it will not eliminate the problem of bribery. But it is a significant step forward in the right direction, and it is a new beginning of which I think we can be proud.

Mr. NIX. Mr. Speaker, I have no further requests for time.

Mr. WHALEN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. MCFALL). The question is on the motion offered by the gentleman from Pennsylvania (Mr. NIX) that the House suspend the rules and pass the bill H.R. 14681, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to provide for termination of investment insurance issued by the Overseas Private Investment Corporation in any case in which the investor offers or makes a significant payment to an official of a foreign government for the purposes of influencing the actions of such government.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NIX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TETON DAM DISASTER ASSISTANCE ACT OF 1976

Mr. FLOWERS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 3542) to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin Federal reclamation project in Idaho, and for other purposes, as amended.

The Clerk read as follows:

S. 3542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that without regard to the proximate cause of the failure of the Teton Dam, it is the purpose of the United States to fully compensate any and all persons, for the losses sustained by reason of the failure of said dam. The purposes of this Act are (1) to provide just compensation for the deaths, personal injuries, and losses of property, including the destruction and damage to irrigation works, resulting from the failure on June 5, 1976, of the Teton Dam in the State of Idaho, and (2) to provide for the expeditious consideration and settlement of claims for such deaths, personal injuries, and property losses.

SEC. 2. All persons who suffered death, personal injury, or loss of property directly resulting from the failure on June 5, 1976, of the Teton Dam of the Lower Teton Division of the Teton Basin Federal reclamation project which was authorized to be constructed by the Act of September 7, 1964 (78 Stat. 925), shall be entitled to receive from the United States full compensation for such death, personal injury, or loss of property. Claimants shall submit their claims in writing to the Secretary, under such regulations as he prescribes, within two years after the date on which the regulations required by section 5 are published in the Federal Register. Claims based on death shall be submitted only by duly authorized legal representatives.

SEC. 3. (a) The Secretary of the Interior, or his designee for the purpose, acting on behalf of the United States, is hereby authorized to and shall investigate, consider, ascertain, adjust, determine, and settle any claim for money damages asserted under section 2. Except as otherwise provided herein, the laws of the State of Idaho shall apply: *Provided,* That determinations, awards, and settlements under this Act shall be limited to actual or compensatory damages measured by the pecuniary injuries or loss involved and shall not include interest prior to settlement or punitive damages.

(b) In determining the amount to be awarded under this Act the Secretary shall reduce any such amount by an amount equal to the total of insurance benefits (except life insurance benefits) or other payments or settlements of any nature previously paid with respect to such death claims, personal injury, or property loss.

(c) Payments approved by the Secretary under this Act on death, personal injury, and property loss claims, shall not be subject to insurance subrogation claims in any respect under this Act but without prejudice under other laws as provided in subsection (f).

(d) The Secretary shall not include in an award any amount for reimbursement to any insurance fund for loss payments made by such company or fund.

(e) Except as to the United States, no claim cognizable under this Act shall be assigned or transferred.

(f) The acceptance by the claimant of any award, compromise, or settlement under this Act, except an advance or partial payment made under section 4(c), shall be final and conclusive on the claimant, and shall constitute a complete release of any claim against the United States by reason of the same subject matter. A release shall not, however, prevent an insurer with rights as a subrogee under its own name or that of the claimant from exercising any right of action against the United States to which it may be entitled under any other laws for payments made to the claimant for a loss arising from the subject matter.

(g) Any claim for damages which may be payable in whole or in part by a claimant's insurer, shall not be paid by the Secretary unless and until the claimant provides written proof that the insurer has denied the claim or has failed to approve or deny such claim within six months of its presentment, and the claimant assigns to the United States his rights against the insurer with respect to such claim. Upon the acceptance of any payment or settlement under this Act, the claimant shall assign to the United States any rights of action he has or may have against any other third party, including an insurer.

SEC. 4. (a) In the determination and settlement of claims asserted under this Act, the Secretary shall limit himself to the determination of—

(1) whether the losses sustained directly resulted from the failure of the Teton Dam on June 5, 1976;

(2) the amounts to be allowed and paid pursuant to this Act; and

(3) the persons entitled to receive the same.

(b) The Secretary shall determine and fix the amount of awards, if any, in each claim within twelve months from the date on which the claim was submitted.

(c) At the request of a claimant, the Secretary is authorized to make advance or partial payments prior to final settlement of a claim, including final settlement on any portion or aspect of a claim determined to be logically severable. Such advance or partial payments shall be made available under regulations promulgated by the Secretary under section 5, which regulations shall include, but not be limited to, provisions for such payments where the Secretary determines that to delay payment until final settlement of the claim would impose a substantial hardship on such claimant. When a claimant pursues a remedy as provided for in section 9 of this Act, he shall be permitted to retain such advance or partial payments under a final court decision on the merits.

(d) Payments may be made for compensation for direct investments made in on-farm structural facilities in anticipation of service from the Teton Reservoir to the extent that such facilities are unuseable or are diminished in value by the denial of such service.

SEC. 5. Notwithstanding any other provision of law, the Secretary shall within fifteen days after the enactment of this Act promulgate and publish in the Federal Register, final regulations and procedures for the handling of the claims authorized in section 2 of this Act. The Secretary shall also cause to be published, in newspapers with general circulation in the State of Idaho, an explanation of the rights confered by this Act and the procedural and other requirements imposed by the rules of procedure promulgated by him. Such explanation shall be in clear, concise, and easily understandable language. In addition, the Secretary shall also disseminate such explanation concerning such rights and procedures, and other data helpful to claimants, in the State of Idaho, by means of brochures, pamphlets, radio, television, and other media likely to reach prospective claimants.

SEC. 6. The claims program established by this Act shall, to the extent practicable, be coordinated with other disaster relief operations conducted by other Federal agencies under the Disaster Relief Act of 1974 (42 U.S.C. 5121) and other provisions of law. The Secretary shall consult with the heads of such other Federal agencies, and shall, as he deems necessary, consistent with the expeditious determination of claims hereunder, make use of information developed by such agencies. The heads of all other Federal agencies performing disaster relief functions under the Disaster Relief Act of 1974 and other Federal authorities are hereby authorized and directed to provide the Secretary, or his designee, such information and records as the Secretary or his designee shall deem necessary for the administration of this Act.

SEC. 7. In order to expedite the repair and restoration of irrigation facilities damaged as a direct result of the failure of the Teton Dam, the Secretary is authorized and directed to enter into agreements with the owners of such facilities to finance the repair or reconstruction thereof to the standards and conditions existing immediately prior to the failure of Teton Dam, either by direct payment or through construction contracts administered by the Bureau of Reclamation to the extent the cost of repairs or construction are not covered by insurance. The cost of such repairs or reconstruction shall be nonreimbursable.

SEC. 8. At the end of the year following approval of this Act and each year thereafter until the completion of the claims program, the Secretary shall make an annual report to the Congress of all claims submitted to him under this Act stating the name of each claimant, the amount claimed, a brief description of the claim, and the status or disposition of the claim including the amount of each administrative payment and award under the Act.

SEC. 9. (a) An action shall not be instituted in any court of the United States upon a claim against the United States which is included in a claim submitted under this Act until the Secretary or his designee has made a final disposition of the pending claim. A pending claim may be withdrawn from consideration prior to final decision upon fifteen days written notice, and such withdrawal shall be deemed an abandonment of the claim for all purposes under this Act. After withdrawal of a claim or after the final decision of the Secretary or his designee on a claim under this Act, a claimant may elect to assert said claim or institute an action thereon against the United States in any court of competent jurisdiction under any other provision of applicable law, and upon such election there shall be no further consideration or proceedings on the claim under this Act.

(b) Any claimant aggrieved by a final decision of the Secretary under this Act may file within sixty days from the date of such decision with the United States District Court for the District of Idaho a petition praying that such decision be modified or set aside in whole or in part. The court shall hear such appeal on the record made before the Secretary. The filing of such an appeal shall constitute an election of remedies. The decision of the Secretary incorporating his findings of fact therein, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

(c) Except to the extent otherwise herein provided, nothing in this Act shall be construed to prevent any claimant under this Act from exercising any rights to which he may be entitled under any other provisions of law.

(d) Attorney and agent fees shall be paid out of the awards hereunder. No attorney or agent on account of services rendered in connection with each claim shall receive in excess of 10 per centum of the amount paid in connection therewith, any contract to the contrary notwithstanding. Whoever violates this subsection shall be fined a sum not to exceed $10,000.

SEC. 10. For the purposes of this Act, the term "persons" means any individual, Indian, Indian tribe, corporation, partnership, company, municipality, township, association or other non-Federal entity.

SEC. 11. If any particular provision of this Act, or the application thereof to any person or circumstance, is held invalid, the other provisions of this Act shall not be affected thereby.

SEC. 12. There are hereby authorized to be appropriated such funds as may be required to carry out the purposes of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. KINDNESS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Alabama (Mr. FLOWERS) and the gentleman from Ohio (Mr. KINDNESS) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Alabama (Mr. FLOWERS).

Mr. FLOWERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, S. 3542 provides comprehensive authority for the settlement of claims arising as the direct result of the failure of the Teton Dam on June 5, 1976, for the administration of that program by the Secretary of the Interior.

On June 5, 1976, at about 12 noon the Teton Dam was breached and water surged through an opening of the dam. The waters flooded portions of five counties in Idaho. It was reported that 11 persons are known dead and estimates as to damages range from $500 million to $1 billion. At a hearing on this bill and companion House bills H.R. 14328, H.R. 14367, and H.R. 14547 before the Judiciary Committee's Subcommittee on Administrative Law and Governmental Relations on June 30, 1976, the witness in behalf of the Department of the Interior described the Teton Dam as a principal feature of the Teton Basin project which was intended to provide supplemental irrigation for more than 110,000 acres of farmland in the Upper Snake River Valley and power from two 10,000-kilowatt hydroelectric generators.

This bill would provide an expedited procedure and express statutory authority for the payment of compensation to cover claims for personal injury, loss of life, or damage to or loss of real or personal property resulting from the flooding without regard to the cause of the failure of the dam. It would require the Secretary of the Interior to administer the settlement of claims and to prescribe and publish such rules and procedures as would be necessary and proper to carry out the provisions of the act.

In section 9, the bill would also authorize the Secretary, through direct payments or through construction contracts administered by the Bureau of Reclamation, to accomplish repair or reconstruction of irrigation systems and facilities damaged by the flooding to the extent such costs are not covered by insurance. The Secretary would make annual reports to the Congress on claims settlements under the program. S. 3542 also authorizes the appropriation of such funds as might be required to carry out the purposes of the bill.

At the hearings on the bill, an effort was made to ascertain the potential cost of a program of this magnitude, and the committee has referred to a number of sources to obtain an indication of such costs. In the estimate of costs received by this committee from the Congressional Budget Office, it is pointed out that the authorization level includes compensation for personal injury, loss of life, for property loss and farm damage, business interruption, damage to irrigation works, and administrative costs. Property loss and farm damage includes loss of crops, fertile land, and livestock; and damage of railroad equipment, private homes, businesses, and farm equipment. The costs reported to this committee; that is, $198.9 million for fiscal year 1977, $99.5 million for fiscal year 1978, and $33.1 million for fiscal year 1979, are based on an estimate derived by the Bureau of Reclamation and represents claims already paid, as well as the estimate of future claims. Specifically, compensation for personal injury is based on the average amount of claims already settled by the Bureau of Reclamation, as well as an estimate of 125 people injured. Compensation for loss of life is based on claims received by the Bureau of Reclamation for five deaths by drowning as a result of the dam collapse.

The cost total also includes permanent repairs to the irrigation works, but not repair of the dam itself. The estimate also assumes that none of the damage is covered by private insurance. Amounts received by claimants in the form of insurance payments would be deducted from payments under its provisions and insurance subrogation claims would not be paid under the specific provisions of the bill.

In S. 3542, it is stated that Congress finds that it is the purpose of the United States to compensate for the losses resulting from the dam's failure "* * * without regard to the proximate cause of the failure of the Teton Dam, * * *".

The amendments recommended by the committee reflect suggestions made in the course of the hearing on the bill as well as as matters brought to the attention of the subcommittee by the Departments of Justice and Interior subsequent to the hearing. An effort has been made in these amendments to clarify the provisions of the bill and to make a number of technical amendments.

At the hearings, the witness representing the Department of Interior expressed concern about the term "resulting" as referring to claims based upon damages, injuries, or deaths resulting from the collapse of the dam. To clarify the meaning of the term, the word "directly" was inserted so that the claims cognizable under the act will be those based on deaths, personal injuries or property damage "directly resulting" from the collapse of the dam. Parallel amendments are made in sections 4 and 7.

The bill in subsection (d) of section 3 bars the inclusion in any award under the act of any amount for reimbursement to an insurance fund for loss payments by an insurance company or fund. The committee has recommended a conforming amendment to section 7 so that payment for repairs or restoration of irrigation facilities authorized by the section may only be made to the extent the cost of repairs or construction are not covered by insurance. These provisions, as well as those requiring any assignment to the United States of any rights to unpaid insurance claims where awards are paid by the United States, assume that insurance companies should pay claims based on deaths, injuries, or damage based on policies covering such risk. However, it is not intended that insurance companies will be barred of any rights of subrogation provided in their insurance contracts which may be enforced under other statutes. This is recognized in the committee amendment to subsection (f) of section 3 which insures that releases by claimants under this act will not bar such rights of subrogation.

In common with some other claims statutes—such as the Military Claims Act, 10 U.S.C. 2733—the bill provides for advance or partial payments in cases where a delay until final payment of the full amount due would impose an undue hardship on the claimant. The language of section 4(c) as amended by the committee also makes it clear that a severable portion or aspect of a claim can also be paid prior to complete adjudication of a claim.

The provisions of section 9(a) are revised by a committee amendment. It is provided that an action shall not be instituted in any court of the United States upon a claim against the United States which is included in a claim submitted to the Secretary of the Interior under the provisions of this bill until the Secretary has made final disposition of the pending claim. The amended subsection would permit the withdrawal of a pending claim upon 15 days written notice, and when he makes such a withdrawal, the claimant is to be held to have abandoned that claim for all purposes under the provisions of this bill.

After such withdrawal and abandonment, the claimant may elect to assert a claim against the United States under any other provision of applicable law or to institute an action against the United States in any court of competent jurisdiction based upon the same personal injury, death, or property damage. The amended subsection expressly provides that upon such election, there shall be no further proceedings on a claim under the provisions of this bill. This provision will permit an election to proceed under any other statutes providing for claims against the United States, including the tort claims provisions of title 28, United States Code.

Also included is an amendment which was suggested as a result of a review of the bill and formulated after consultation with the Committee on Interior and Insular Affairs and, in particular, that committee's Subcommittee on Water and Power Resources. This amendment is intended to clarify the authority provided in section 7 of the bill and provides that the authority to repair or construct irrigation facilities will be limited to repairs or construction which will restore the facilities "to the standards and conditions existing immediately prior to the failure of Teton Dam."

As has been indicated, the committee received testimony and advice from both the Department of Interior and the Department of Justice concerning this bill. Subsequent to the hearing on the bill, on August 4, 1976, the Department of Justice submitted a report on the bill which made a number of suggestions which have been reflected in committee amendments to the bill. In that report the Department referred to the fact that claims authority for the payment of claims of the type covered by this bill was included as a part of the Public Works bill, H.R. 14236, which was approved on July 12, 1976 as Public Law No. 94-355. It was further noted that implementing regulations were published in the Federal Register on July 14, 1976.

The Public Works bill authority was discussed in the course of the hearings on this bill, and the committee was furnished with copies of the proposed regulations while the subcommittee was considering the bill. This committee has concluded that this bill provides the basis for a fair and workable claims program. It is felt that it is consistent with the authority already provided, but that it treats the matter of claims settlement in a more comprehensive and legislatively defined manner. Accordingly, it is recommended that the amended bill be considered favorably.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is legislation (S. 3542) that aims at responding to the human problems created by the collapse of the Teton Dam in Idaho, without making a premature and unnecessary determination with regard to the question of legal fault.

Under this measure, the Secretary of the Interior is authorized to provide compensation for wrongful death, personal injury, and losses of real and personal property which resulted from failure of the dam. However, importantly, this legislation contains no admission of legal liability on the part of the United States with respect to this disaster. Rather, the Members of this House present this special claims program as being in the nature of a large "ex gratia" payment to the victims of this disaster. We will leave to the courts a determination as to whether or not the Federal activities with respect to this project fall under the "discretionary function" exemption in the Federal Tort Claims Act. 28 United States Code, section 26(a).

When our subcommittee began its hearings on this legislation, I was concerned about the scope of liability being assumed by the United States under this proposal. I am pleased that awards will be made under this authorization only where it can be demonstrated that the injury or loss "directly resulted" from the collapse of the dam. Furthermore, section 3(g) requires an assignment to the United States of any right of action against a third party—including insurers—with respect to any claim settled under this program. The Secretary of the Interior has complete discretion with respect to the validity of a given claim. Insurance companies are not permitted to be claimants under this bill but, in fairness, their subrogation rights are retained. Finally, section 9 of this legislation makes it clear that potential plaintiffs can still go to court under any applicable statute, should they choose to do so. But such a decision amounts to a waiver of any rights under this special claims statute.

The members of the Administrative Law Subcommittee and the staff have worked closely with officials at both the Justice Department and the Bureau of Reclamation in drafting this legislation. We have also worked closely with the members of the Idaho delegation and, in particular, I want to thank my colleagues Congressman GEORGE HANSEN and Congressman STEVEN SYMMS for their assistance in this matter. They have very effectively represented the innocent parties in this unfortunate situation.

This is legislation which recognizes a moral, not legal, responsibility on the part of our Government to people who live in the five-county disaster area. This properly can be viewed as emergency legislation and in fairness to those businessmen, farmers, and others, I urge that the House of Representatives suspend the rules and pass S. 3542.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, the area of the Teton Dam disaster is totally within my district. The only thing that kept this collapse from being a much greater catastrophe, as far as human suffering is concerned, was because it did happen in the mid-part of the day, when nearly everyone concerned could be warned to leave the area in time. Thus, despite the great loss of property, which can be restored, very few lives were lost.

I compare, of course, the loss of lives in the Teton flood to a more recent tragedy in Colorado in which many times more lives were lost with far less property damage. However, the Colorado calamity happened at night with little warning.

This shows how much more human suffering can happen when people are not able to be warned and directed properly. The Colorado disaster showed some five times the normal flow of the stream, amounting to some 25 billion gallons per day. The Teton Dam disaster resulted in an 80-billion-gallon flow in about 1 hour. So I think we can see the difference in the magnitude of the two. The estimates have shown that the Teton disaster figure could reach in property damage somewhere in the neighborhood of $1 billion.

We are already paying reparations under existing legislation, but I believe this legislation is necessary in order to more completely assure that the victims of this disaster, which was not an act of God or of nature but was the result of a failure of a Federal building project, are compensated. I think it is entirely proper that we make every effort to restore these valiant people to the position which they were in prior to the time that this disaster occurred. Certainly their own efforts and that of thousands of volunteers from hundreds of miles around entitle them to equally just and humane treatment by this Government. I can assure you that the Government is still getting off easy because of such things as the hundreds of thousands of man-hours of labor and hundreds of thousands of contributed meals which were given by private sources with no desire for compensation.

Mr. Speaker, I, of course, very much appreciate the efforts of my colleagues here in the House and I especially commend the gentleman from Alabama (Mr. FLOWERS), who has been so very kind, under situations of duress and at a time when many other pieces of legislation were pressing, as to handle this legislation with dispatch. There was indeed a problem because the legislation which came to the committee which was passed by the other body was not nearly as complete as necessary and we had to do a great amount of work in the field and with the agencies concerned to bring it up to a level where it would provide the desired full restitution.

I think this has been done now, and even though it does not solve every problem, it does provide substantially for most situations which could be anticipated. Those problems that are not solved by this legislation will have to be handled separately as they arise and I'm sure we will find continued cooperation in doing so.

Mr. Speaker, I again want to thank the chairman of the subcommittee and all those members and the staff of the Judiciary Committee who had so much to do with bringing this legislation to the floor at this timely date. This, plus the great help of my colleague from Idaho, Steve Symms, Congressmen Leo Ryan and Gilbert Gude and key members of the Government Operations, Public Works, and Interior Committees have shown the compassion, cooperation, and effectiveness of Congress in the best possible light. Certainly in terms of travel to the stricken area and involvement in securing this legislation the Members of this body have established an admirable record. I am sure I speak for the people of Idaho in expressing our deepest gratitude and strongly urging the approval of this vitally needed legislation. I am confident that the groundwork has been laid for early Senate acceptance of the major provisions of this House version.

Mr. FLOWERS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would like to respond to the comments of the gentleman from Idaho (Mr. Hansen) and thank him for his generous words. I, too, recognize the severity of the damage to his constituents in the five-county area. The subcommittee shared that recognition, and it was for this reason that we were very anxious to get this matter on the floor.

The gentleman from Idaho (Mr. Hansen) certainly did represent his constituents well in every aspect of the contact work, and he responded with all the needed information that was requested by the staff. I wish to compliment him for his part in securing passage of this legislation.

Mr. KINDNESS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Moorhead).

Mr. MOORHEAD of California. Mr. Speaker, I rise in support of S. 3542.

A large part of the State of Idaho has been seriously damaged because of a flood that was not a natural flood but one that was caused by miscalculations on the part of the Federal Government and on the part of people who were acting for the Federal Government. It is vitally important that these victims regain the strength that this area is capable of showing, and that these individuals are able to be restored to their farms and to their lands and to their homes as rapidly as possible.

The Federal Government will get back much of the money that we may put into this area through income taxes and through other forms of resources that the whole Nation needs if we can get these people back on their feet as rapidly as possible.

This legislation enables the Federal Government to adjust the claims that may arise in this area as quickly as possible and to give the people the money they need to restore their farms, their homes, and their businesses, and so that they can once more become a part of the productive force of America.

Mr. Speaker, this is a good piece of legislation. It is one that will help strengthen this area and our whole country. It is one by which our Federal Government, because it is involved as the cause of the disaster, owes a responsibility and a means of providing a solution. I ask for an aye vote for the legislation.

Mr. KINDNESS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. Flowers) that the House suspend the rules and pass the Senate bill S. 3542, as amended.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR THE APPOINTMENT OF GEORGE WASHINGTON TO THE GRADE OF GENERAL OF THE ARMIES OF THE UNITED STATES

Mr. HÉBERT. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 519) to provide for the appointment of George Washington to the grade of General of the Armies of the United States.

The Clerk read as follows:

H.J. Res. 519

Whereas Lieutenant General George Washington of Virginia commanded our armies throughout and to the successful termination of our Revolutionary War;

Whereas Lieutenant General George Washington presided over the convention that formulated our Constitution;

Whereas Lieutenant General George Washington twice served as President of the United States of America; and

Whereas it is considered fitting and proper that no officer of the United States Army should outrank Lieutenant General George Washington on the Army list: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for purposes of subsection (b) of this section only, the grade of General of the Armies of the United States is established, such grade to have rank and precedence over all other grades of the Army, past or present.

(b) The President is authorized and requested to appoint George Washington posthumously to the grade of General of the Armies of the United States, such appointment to take effect on July 4, 1976.

The SPEAKER pro tempore (Mr. McFall). Is a second demanded?

Mr. BEARD of Tennessee. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. Hébert) will be recognized for 20 minutes, and the gentleman from Tennessee (Mr. Beard) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Louisiana (Mr. Hébert).

Mr. HÉBERT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. Biaggi), the sponsor and author of this legislation.

Mr. BIAGGI. Mr. Speaker, as the author of this resolution, I proudly rise to request the support of all my colleagues for my effort to posthumously bestow upon George Washington the rank of general of the armies of the United States. Passage of my resolution would certainly be a milestone for this historic, Bicentennial Congress.

There can be very little disagreement with the statement that the contributions of George Washington to this Nation were both numerous and unparalleled. George Washington served as the first commander of our Armed Forces. Under his leadership, this Nation won its independence and right to exist as a sovereign and free Nation. George Washington's later accomplishments as presiding officer of the constitutional convention and as the first President of the United States, certainly were fundamental to the early success of the American Nation. His legacy of service and love of country has endured throughout our 200 year history.

Yet despite the outstanding military accomplishments of Washington on this Nation's behalf, he has never been recognized as the Nation's highest ranking military officer. This is an honor I feel he richly deserves, and is the basis for my introducing House Joint Resolution 519. Only from July 2, 1798, until his death in December of 1799, did Washington enjoy the distinction of being this Nation's highest ranking military official, as lieutenant general and commander of the Army. The passage of time has eroded this distinction and today a number of military men outrank George Washington, a fact of history which we can at long last correct with the passage of my resolution.

On March 3, 1799, the fifth Congress of the United States, on the last day of their third session, passed legislation designating George Washington as general of the armies of the United States. Washington's name would have been submitted to the Senate for approval in the next session due to convene in December of that year. Unfortunately, however, Washington died on December 14, before any action could be taken. The rank was made null and void with the passage of the Military Reorganization Act 1802.

In the late 19th and early 20th centuries, eight military leaders were awarded the rank of general of the army, a rank superior to Washington's. But the most recent and direct precedent for this action was set in 1919, when Congress bestowed upon Gen. John J. Pershing the rank of general of the armies of the United States which was then and remains today, the highest military rank in the United States. My resolution would allow George Washington to join with General Pershing as our highest military official.

As we consider this legislation today, we should be especially mindful that we are in the midst of our Bicentennial Year, a time when we should pay special tribute to those Americans who made it possible for us to be the great free Nation and people we are today. Already, this

Bicentennial Congress has passed legislation to honor such outstanding Americans as Thomas Jefferson and Robert E. Lee, whose citizenship was restored posthumously. These are legislative accomplishments which will also never be duplicated and, I might say, have established precedents.

The history of my resolution bears some attention. My introduction of House Joint Resolution 519 was prompted by a request from a veterans group in my congressional district. The language is basically that suggested by them. It is significant on the occasion of our 200th anniversary, that this country and this Congress have not become so large that they cannot respond to the requests of individuals for action by their representatives in Government. This is government of the people as envisioned by our Founding Fathers and defended by George Washington.

My resolution has gained the swift and overwhelming approval of the investigations subcommittee and the full House Armed Services Committee. It enjoys wide support among veterans groups and other patriotic organizations. Hundreds of others have written to me to indicate their support as well.

House Joint Resolution 519 seeks to honor in a very special fashion, a truly outstanding and legendary American military hero and statesman, George Washington. This Founding Father surely gave more to his country than he has thus far received. Considering that George Washington valued his military positions equally with his position as President, no higher tribute or belated debt of gratitude could be paid to this exemplary American than to bestow upon him the rank of general of the armies of the United States.

It would be highly appropriate for this Congress to pass this resolution during the Bicentennial Year. This Nation's entire Bicentennial celebration is made up of a series of gestures, small in themselves, but which collectively create a spirit of patriotism important to all Americans. Let us make another lasting contribution to this memorable year.

At this time I would like to express my deepest appreciation to two of the most distinguished Members of the House, Hon. EDWARD HÉBERT, chairman, of the Subcommittee on Investigations, and Hon. MELVIN PRICE, chairman of the Armed Services Committee for the expeditious manner in which they allowed House Joint Resolution 519 to be reported to the full House. Their assistance was invaluable and passage of the resolution would be a personal tribute to these outstanding Americans.

Mr. HÉBERT. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, I would like to thank the chairman, the gentleman from Louisiana (Mr. HÉBERT) for his graciousness in allotting me this time. I feel very badly about the prospect of speaking against George Washington, particularly during the Bicentennial Year but, Mr. Speaker, I do think there are times, especially for a legislative body, when the best thing to do is to exercise restraint and moderation. This bill can only be characterzied as superfluous and unnecessary. George Washington's reputation is so solid and so substantial that no persuasive reason exists at this late date for House action to gild this historical lily.

Mr. Speaker, when this matter came before the House Committee on Armed Services a short time ago, I said in impromptu comments that such action was equivalent to having a drunken house painter touch up the works of Michelangelo.

I might add to that, and my chairman will appreciate it, it is like the Pope offering to make Christ a Cardinal.

To give George Washington an extra star is not going to enhance his place in history. It is not going to enhance our place in history. Indeed, if the House does show restraint and turns aside from this minor exercise in excess we might even enhance the House just a little bit.

George Washington's high place in American history is assured. We should, therefore, in my judgment, leave well enough alone. Even if we did promote George Washington, such action would not necessarily make him No. 1 technically, the reason is that there is a tangle of historical and language ambiguities which indicate that Gen. John Pershing may have been given a similar grade.

I do not mean to say that the author of the bill and its supporters are not serious, I believe it is likely that many people, however, would prefer the Congress to be more serious in its work. Congress is enduring enough criticism, justified and unjustified, as it is so why give the critics ground for more support at our expense?

Quite frankly, Mr. Speaker, this is not a time for a legislative frolic and a detour. I urge rejection of the joint resolution.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. NEDZI. I will be glad to yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, to begin with, this is not a frolic, this is not trivia, this is in response to a recognized veterans group that obviously is concerned about this matter and by virtue of this concern have an interest in this process.

If the gentleman would like to delineate and evaluate all of the legislation that we pass, then I suggest that the gentleman look back at some of the research grants that we have made here, where we have moneys to research the sexual life of the tse tse fly, and the mountings of cats, or whichever at cost to the taxpayer. This bill does not cost a solitary penny.

Mr. NEDZI. The gentleman is putting this legislation in that category, not I.

Mr. BIAGGI. No, the gentleman is the one. When we talk about the legislative process let us talk about what we did for Robert E. Lee, we restored his citizenship, if the gentleman will recall, and there was just one vote against it and it was not the gentleman's vote. I do not know that that changed history too much but, let us not forget the year we are in, it is the Bicentennial Year. This legislation would hardly have been introduced or suggested at any other time in our history. The same thing in the case of Thomas Jefferson. The fact is it is part and parcel of all of the patriotic gestures that have been made by our Government, by the States, and by people all over the Nation. This is not inconsistent with the Spirit of the Bicentennial season.

Mr. NEDZI. Mr. Speaker, let me say that I recognize what the gentleman from New York intended to do by supporting this legislation. I am merely submitting that the gentleman is not doing it. I think the Congress will come off looking like a bunch of jokers after this is passed. I can predict the editorials that we are going to see around the country, and they are not going to be in our support.

It is not going to be in strong support. There is a substantial difference between the situation of Robert E. Lee and the situation here. I think what we did for Robert E. Lee was a demonstration of unity and support, something that the Nation direly needs, but George Washington certainly does not need an extra star from us at this point in history.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BEARD of Tennessee. Mr. Speaker, I urge passage of this legislation.

Mr. KINDNESS. Mr. Speaker, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

I would like to address a question, if I might, to the gentleman from Michigan (Mr. NEDZI). The point was made in the gentleman's remarks that there is some ambiguity about whether there may have been a similar honor bestowed upon General Pershing following World War I. Is that a correct restatement of the gentleman's statement?

Mr. NEDZI. If the gentleman will yield, I have here a decision of the Comptroller General of the United States, volume 4, dated July 1, 1924, to June 30, 1925. It reads as follows:

> It thus appears that the office of general was first created in 1799 by the title of "General of the Armies of the United States"; that is was revived in 1866 as "General of the Army of the United States"; and that it was again revived in 1919 by the title of "General of the Armies of the United States." That it is one and the same office, that of general, is unquestioned.

That is a quote from the Comptroller General's statement.

I might state to the gentleman that the term "General of the Armies" is the title which is used in the legislation before us today.

Mr. KINDNESS. I thank the gentleman. I was told when I was a child that George Washington was first in war, first in peace, and first in the hearts of his countrymen. I believed that then; I believe it today; and I will always believe it. But I would hate to see us create an ambiguity with respect to putting something on paper that may or may not be very clearly honoring someone whom we all intend to honor.

Mr. BEARD of Tennessee. Mr. Speaker, I yield back the remainder of my time.

Mr. HÉBERT. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Speaker, I am delighted to see the Committee on Armed Services has brought out this joint resolution enabling the Congress to give George Washington the rank and recognition he has been denied all these years.

The 94th Congress, first in the hearts of its countrymen, owes it to America to undertake the difficult task of rehabilitating the luster and prestige of George Washington, whose image is so low in the public mind and public press. No matter how much it hurts, no matter what the sacrifice, we must allow some of the high esteem in which the Congress is held to be transferred to the benighted George. By our bold act today, we are elevating the late Mr. Washington to a military position behind only William D. Leahy, Ernest J. King, Chester W. Nimitz, and William F. Halsey. Their ranks are similar, but they all have seniority—and we all know how much that means.

Unfortunately, while my heart is wholly with the substance of this legislation, the procedure under which it is brought up compels me to vote against it. The legislation is being brought up under a procedure which prohibits any amendment. It seems to me that this legislation would have been an ideal vehicle under which to correct not only the injustice to George Washington, but also a host of other injustices. I had hoped to offer an amendment on behalf of my former constituent, Nathan Hale, who perished of acute tension at the hands of the British enemy on September 22, 1776, and apparently never received a Purple Heart. This Congress certainly should have done something for his image, too.

Mr. Speaker, I yield back the remainder of my time.

Mr. HÉBERT. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I would like to ask a question of the author or the gentleman handling the bill on the floor. Actually what rank are we giving George Washington? Is it four stars, five stars, or six stars?

I know in the committee we had some problems as to actually what rank this would be, and I think it should be clear as to what rank we are actually bestowing on General Washington.

Mr. HÉBERT. In the committee discussions the gentleman will remember that was a matter that was left open to discussion, and it was brought out as a matter of fact that General Pershing, while a general of the Army, was a four-star general, but my understanding was he was entitled to five stars, the same as the people who received the five stars in World War II, that is of the Army, Navy, and Air Force, and that this particular legislation entitles General Washington to six stars. However, I am not stating that authoritatively as far as the author of the bill in response to the legislation.

However I must make one comment, following the attitude of my friend, the gentleman from New York (Mr. PIKE). The gentleman must know that Washington of course was first in war, first in peace, and first in the hearts of his countrymen, but he married a widower.

Mr. MONTGOMERY. Mr. Speaker, let us make General Washington a six-star general. If we are going to promote him let us make it clear it is six stars.

Mr. PIKE. Mr. Speaker, I wish the gentleman from Louisiana would correct his statement. I do not believe that Washington married a widower. I believe he married a widow and I would hate the RECORD to reflect he married a widower.

Mr. HÉBERT. Not having as much education in that field of physical education as the gentleman from New York, I stand corrected.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. HÉBERT) that the House suspend the rules and pass the joint resolution, H.J. Res. 519.

The question was taken.

Mr. NEDZI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from Michigan (Mr. NEDZI) withdraw his point of order that a quorum is not present?

Mr. NEDZI. Mr. Speaker, I withdraw my point of order.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 7929, H.R. 8046, H.R. 10155, H.R. 10902, H.R. 13828, H.R. 14451, and H.J. Res. 519.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

INTEREST ON CORPORATE DEBT TO ACQUIRE ANOTHER CORPORATION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill (H.R. 7929), as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill, H.R. 7929, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 38, not voting 37, as follows:

[Roll No. 646]

YEAS—356

Abdnor
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Butler
Byron
Carr
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hayes, Ind.
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J
Patterson, Calif.
Pattison, N.Y.
Paul
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen

Railsback
Randall
Rees
Regula
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—38

Allen
Ambro
Bedell
Bennett
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Conyers
Dellums
Drinan
du Pont
Evans, Colo.
Evans, Ind.
Florio
Gonzalez
Harkin
Harrington
Hawkins
Hechler, W. Va.
Holtzman
Koch
Krebs
LaFalce
Metcalfe
Miller, Calif.
Mitchell, Md.
Moss
Mottl
Myers, Pa.
Rangel
Reuss
Schroeder
Seiberling
Simon
Vanik
Weaver
Yates

NOT VOTING—37

Abzug
Adams
Boland
Bolling
Chisholm
Conlan
de la Garza
Eckhardt
Esch
Evins, Tenn.
Gilman
Green
Hays, Ohio
Heinz
Hinshaw
Holt
Howe
Jones, Okla.
Jones, Tenn.
Karth
Lehman
Lundine
Mink
Mollohan
Moorhead, Pa.
Peyser
Riegle
Risenhoover
Sisk
Smith, Iowa
Spence
Steelman
Steiger, Ariz.
Symms
Walsh
Waxman
Young, Alaska

The Clerk announced the following pairs:

Mr. Sisk with Mr. Heinz.

Ms. Abzug with Mr. Conlan.

Mrs. Chisholm with Mr. Eckhardt.

Mr. Boland with Mrs. Holt.

Mr. Smith of Iowa with Mr. Gilman.

Mr. Waxman with Mr. Esch.

Mr. de la Garza with Mr. Jones of Oklahoma.

Mr. Adams with Mr. Evins of Tennessee.

Mr. Howe with Mr. Karth.

Mr. Lehman with Mr. Mollohan.

Mr. Lundine with Mr. Walsh.

Mrs. Mink with Mr. Symms.

Mr. Jones of Tennessee with Mr. Steelman.

Mr. Moorhead of Pennsylvania with Mr. Peyser.

Mr. Green with Mr. Hays of Ohio.

Mr. Riegle with Mr. Steiger of Arizona.

Mr. Risenhoover with Mr. Spence.

Messrs. HARKIN, BEDELL, MILLER of California, KOCH, ALLEN, REUSS, and GONZALEZ changed their vote from "yea" to "nay."

Mr. BRECKINRIDGE and Mr. RUSSO changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) (3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

EXCLUSION FROM INCOME OF RENTAL VALUE OF PARSONAGE FURNISHED TO SURVIVING SPOUSE OF MINISTER

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 8046, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 8046, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 359, nays 32, answered "present" 2, not voting 38, as follows:

[Roll No. 647]

YEAS—359

Abdnor
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carter
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hayes, Ind.
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Ohio
Mills
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Pepper
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Price
Prichard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—32

Burlison, Mo.
Carr
Collins, Tex.
Conyers
Dellums
Drinan
Fish
Gude
Harrington
Hawkins
Hechler, W. Va.
Holtzman
Ichord
Koch
LaFalce
McDonald
Milford
Miller, Calif.
Mitchell, Md.
Moss
Mottl
Nix
Obey
Pike
Rangel
Reuss
Rosenthal
Schroeder
Seiberling
Solarz
Wiggins
Wirth

ANSWERED "PRESENT"—2

Bedell
Edgar

NOT VOTING—38

Abzug
Adams
Boland
Bolling
Chisholm
Conlan
de la Garza
Eckhardt
Esch
Evins, Tenn.
Gilman
Green
Hays, Ohio
Heinz
Hinshaw
Holt
Howe
Jones, Okla.
Jones, Tenn.
Karth
Lehman
Lundine
Mink
Mollohan
Moorhead, Pa.
Peyser
Riegle
Risenhoover
Sisk
Smith, Iowa
Spence
Steelman
Steiger, Ariz.
Symms
Vanik
Walsh
Waxman
Young, Alaska

The clerk announced the following pairs:

Mr. Sisk with Mr. Karth.

Ms. Abzug with Mr. Conlan.

Mrs. Chisholm with Mr. Esch.

Mr. Boland with Mr. Evins of Tennessee.

Mr. de la Garza with Mr. Hays of Ohio.

Mr. Moorhead of Pennsylvania with Mr. Peyser.

Mr. Waxman with Mr. Gilman.

Mr. Risenhoover with Mrs. Holt.

Mr. Lehman with Mr. Heinz.

Mr. Lundine with Mr. Spence.

Mrs. Mink with Mr. Young of Alaska.

Mr. Jones of Tennessee with Mr. Vanik.

Mr. Eckhardt with Mr. Steiger of Arizona.

Mr. Green with Mr. Walsh.

Mr. Howe with Mr. Riegle.

Mr. Jones of Oklahoma with Mr. Risenhoover.

Mr. Mollohan with Mr. Symms.

Mr. Smith of Iowa with Mr. Steelman.

Mr. EDGAR changed his vote from "yea" to "present."

Mr. ST GERMAIN changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TAX TREATMENT OF CERTAIN INCOME OF POLITICAL ORGANIZATIONS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 10155, as amended.

The clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill, H.R. 10155, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 134, nays 261, not voting 36, as follows:

[Roll No. 648]

YEAS—134

Addabbo
Alexander
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bergland
Biaggi
Blanchard
Blouin
Brademas
Breaux
Brodhead
Brooks
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, Phillip
Carney
Carr
Cederberg
Chappell
Clancy
Clay
Collins, Ill.
Conable
Corman
Cotter
Daniels, N.J.
Davis
Dent
Diggs
Dingell
Duncan, Oreg.
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fary
Fascell
Flood
Ford, Mich.
Fraser
Gaydos
Giaimo
Gibbons
Gradison
Hannaford
Harkin
Harrington
Harris
Hayes, Ind.
Helstoski
Hicks
Holland
Howard
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jordan
Ketchum
Keys
Landrum
Leggett
Long, Md.
McCollister
McEwen
McFall
Madden
Mann
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Minish
Morgan
Murphy, N.Y.
Murtha
Myers, Pa.
Nedzi
Nix
Nolan
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Pickle
Price
Rangel
Rees
Rhodes
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Runnels
Ryan
Santini
Schneebeli
Simon
Solarz
Stanton, James V.
Stark
Steiger, Wis.
Stephens
Stokes
Stuckey
Thompson
Traxler
Treen
Ullman
Vander Jagt
Vander Veen
Vigorito
Waggonner
Wilson, Bob
Wolff
Yatron
Young, Tex.
Zablocki

NAYS—261

Abdnor
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bevill
Biester
Bingham
Boggs
Bonker
Bowen
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burlison, Mo.
Burton, John
Butler
Byron
Carter
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conte
Conyers
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Emery
English
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Fisher
Fithian
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hawkins
Hechler, W. Va.
Heckler, Mass.
Hefner
Henderson
Hightower
Hillis
Holtzman
Horton
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Martin
Mathis
Matsunaga
Mazzoli
Michel
Miller, Calif.
Miller, Ohio
Mills
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Myers, Ind.
Natcher
Neal
Nichols
Nowak
O'Brien
Pepper
Perkins
Pettis
Pike
Poage
Pressler
Preyer
Prichard
Quie
Quillen
Railsback
Randall
Regula
Reuss
Richmond
Rinaldo
Roberts
Robinson
Rogers
Rose
Roush
Rousselot
Roybal
Ruppe
Russo
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Staggers
Stanton, J. William
Steed
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Tsongas
Udall
Van Deerlin
Vanik
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Young, Fla.
Young, Ga.
Zeferetti

NOT VOTING—36

Abzug
Adams
Boland
Bolling
Chisholm
Conlan
de la Garza
Eckhardt
Esch
Evins, Tenn.
Gilman
Green
Hays, Ohio
Hébert
Heinz
Hinshaw
Holt
Howe
Jones, Okla.
Jones, Tenn.
Karth
Lehman
Lundine
Mink
Mollohan
Peyser
Riegle
Risenhoover
Sisk
Smith, Iowa
Spence
Steelman
Steiger, Ariz.
Symms
Waxman
Young, Alaska

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Conlan.

Mr. Adams with Mr. Esch.

Ms. Abzug with Mr. Gilman.

Mrs. Chisholm with Mr. Hays of Ohio.

Mr. Boland with Ms. Holt.

Mr. Lehman with Mr. Eckhardt.

Mrs. Mink with Mr. Jones of Oklahoma.

Mr. Lundine with Mr. Heinz.

Mr. Smith of Iowa with Mr. Karth.

Mr. Sisk with Mr. Riegle.

Mr. Risenhoover with Mr. Peyser.

Mr. Mollohan with Mr. Evins of Tennessee.

Mr. Waxman with Mr. Spence.

Mr. de la Garza with Mr. Young of Alaska.

Mr. Green with Mr. Steiger of Arizona.

Mr. Hébert with Mr. Symms.

Mr. Howe with Mr. Steelman.

Mrs. BOGGS, Messrs. FITHIAN, DANIELSON, CARTER, FUQUA, LUJAN, D'AMOURS, WHITE, RICHMOND, PREYER, WRIGHT, STRATTON, SKUBITZ, LAFALCE, HALEY, MOORE, SHRIVER, McKINNEY, CHARLES WILSON of Texas, KREBS, BEARD of Rhode Island, ST GERMAIN, HORTON, HUTCHINSON, JOHNSON of Pennsylvania, DERRICK, DOWNEY of New York, Mrs. FENWICK, Messrs. KOCH, YOUNG of Georgia, BEDELL, McCLOSKEY, POAGE, SCHEUER, PEPPER, TSONGAS, CONTE, FISHER, MOAKLEY, JOHNSON of Colorado, ROSE, MATSUNAGA, and SEBELIUS changed their votes from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. MILLER of Ohio. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Ohio. Mr. Speaker, was the last vote a 15-minute vote or a 5-minute vote, since it took 21 minutes?

The SPEAKER. It was a 5-minute vote, but it took longer because of the many changes of votes.

Mr. MILLER of Ohio. I thank the Speaker.

TAX TREATMENT OF SECURITIES ACQUIRED FOR BUSINESS REASONS AND NOT AS AN INVESTMENT

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 10902, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspended the rules and pass the bill, H.R. 10902, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 39, not voting 36, as follows:

[Roll No. 649]

YEAS—356

Abdnor
Addabbo
Alexander
Allen
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Butler
Byron
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kazen
Kelly
Ketchum
Keys
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—39

Anderson, Calif.
Armstrong
Brown, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Collins, Tex.
Conyers
Crane
Danielson
Dellums
Dent
Dingell
Eshleman
Gonzalez
Gude
Johnson, Colo.
Kastenmeier
Kemp
Kindness
Krueger
Levitas
McClory
McDonald
Metcalfe
Miller, Ohio
Moss
Mottl
Paul
Quillen
Rangel
Rogers
Rosenthal
Staggers
Stokes
Wilson, C. H.

NOT VOTING—36

Abzug
Adams
Boland
Bolling
Chappell
Chisholm
Conlan
de la Garza
Eckhardt
Esch
Evins, Tenn.
Gilman
Green
Hays, Ohio
Heinz
Hinshaw
Holt
Howe
Jones, Okla.
Jones, Tenn.
Karth
Lehman
Lundine
Mink
Mollohan
Peyser
Riegle
Risenhoover
Sisk
Smith, Iowa
Spence
Steelman
Steiger, Ariz.
Symms
Waxman
Young, Alaska

The Clerk announced the following pairs:

Mr. Mollohan with Mr. Esch.
Mr. Waxman with Mr. Evins of Tennessee.
Mr. Smith of Iowa with Mr. Hays of Ohio.
Mr. Sisk with Mr. Conlan.
Mr. Jones of Oklahoma with Mrs. Holt.
Mr. Jones of Tennessee with Mr. Gilman.
Mrs. Chisholm with Mr. Karth.
Ms. Abzug with Mr. Howe.
Mr. Boland with Mr. Peyser.
Mr. Chappell with Mr. Heinz.
Mr. de la Garza with Mr. Riegle.
Mr. Lehman with Mr. Spence.
Mr. Lundine with Mr. Steiger of Arizona.
Mrs. Mink with Mr. Risenhoover.
Mr. Green with Mr. Steelman.
Mr. Adams with Mr. Young of Alaska.
Mr. Eckhardt with Mr. Symms.

Messrs. REUSS, BENNETT, WIGGINS, FLORIO, WALSH, and FORD of Michigan changed their vote from "nay" to "yea."

Mr. BELL changed his vote from "present" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FEDERAL RECORDS MANAGEMENT AMENDMENTS OF 1976

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 13828.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. RANDALL) that the House suspend the rules and pass the bill H.R. 13828, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 394, nays 0, not voting 37, as follows:

[Roll No. 650]

YEAS—394

Abdnor
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.

Pattison, N.Y.
Paul
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Prichard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—37

Abzug
Adams
Boland
Bolling
Chappell
Chisholm
Conlan
de la Garza
Eckhardt
Esch
Evins, Tenn.
Gilman
Green
Hays, Ohio
Heinz
Hinshaw
Holt
Howe
Jones, Okla.
Jones, Tenn.
Karth
Lehman
Lundine
Mink
Mollohan
Passman
Peyser
Poage
Riegle
Risenhoover
Sisk
Smith, Iowa
Spence
Steelman
Steiger, Ariz.
Waxman
Young, Alaska

The Clerk announced the following pairs:

Ms. Abzug with Mr. Conlan.
Mr. Risenhoover with Mr. Steelman.
Mr. Adams with Mr. Esch.
Mrs. Chisholm with Mr. Gilman.
Mr. Boland with Mr. Steiger of Arizona.
Mr. Chappell with Mr. Eckhardt.
Mr. Jones of Oklahoma with Mr. Young of Alaska.
Mr. Jones of Tennessee with Mrs. Holt.
Mr. Lundine with Mr. Sisk.
Mrs. Mink with Mr. Howe.
Mr. Mollohan with Mr. Evins of Tennessee.
Mr. Smith of Iowa with Mr. Karth.
Mr. Waxman with Mr. Riegle.
Mr. Lehman with Mr. Passman.
Mr. de la Garza with Mr. Heinz.
Mr. Green with Mr. Hays of Ohio.
Mr. Peyser with Mr. Spence.

Mr. MOSS and Mr. MYERS of Indiana changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISTRIBUTION OF FEDERAL SURPLUS PROPERTY TO STATE AND LOCAL ORGANIZATIONS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 14451, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS), that the House suspend the rules and pass the bill H.R. 14451, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 340, nays 51, answered "present" 1, not voting 39, as follows:

[Roll No. 651]

YEAS—340

Addabbo
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Hefner
Henderson
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Martin
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Obey
O'Hara
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Paul
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Roberts
Robinson
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—51

Abdnor
Alexander
Beard, R.I.
Breaux
Brinkley
Buchanan
Carney
Cleveland
Crane
D'Amours
Davis
Derrick
Dingell
Drinan
English
Flynt
Fountain
Ginn
Hammerschmidt
Hansen
Hébert
Heckler, Mass.
Helstoski
Howard
Hubbard
Jarman
Jenrette
Jones, N.C.
Lujan
McDonald
Mann
Mathis
Meeds
Miller, Ohio
Mineta
Moore
Moorhead, Calif.
Natcher
Oberstar
O'Neill
Rhodes
Roe
Rousselot
Runnels
St Germain
Steed
Stuckey
Symms
Thornton
Treen
Young, Fla.

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—39

Abzug
Adams
Boland
Bolling
Chappell
Chisholm
Conlan
de la Garza
Eckhardt
Esch
Evins, Tenn.
Gilman
Green
Hays, Ohio
Heinz
Hinshaw
Holt
Howe
Jones, Okla.
Jones, Tenn.
Karth
Leggett
Lehman
Lundine
Mink
Mollohan
O'Brien
Passman
Peyser
Poage
Riegle
Risenhoover
Sisk
Smith, Iowa
Spence
Steelman
Steiger, Ariz.
Waxman
Young, Alaska

The Clerk announced the following pairs:

Mr. Adams with Mr. Esch.
Mr. Jones of Tennessee with Mr. Young of Alaska.
Mr. Boland with Mr. Spence.
Mrs. Chisholm with Mr. Conlan.
Mr. Chappell with Mr. Sisk.
Mr. Lehman with Mr. Steiger of Arizona.
Mrs. Mink with Mr. Evins of Tennessee.
Mr. Smith of Iowa with Mr. Peyser.
Mr. Waxman with Mr. O'Brien.
Ms. Abzug with Mr. Riegle.
Mr. de la Garza with Mr. Gilman.
Mr. Green with Mr. Karth.
Mr. Jones of Oklahoma with Mr. Steelman.
Mr. Leggett with Mr. Mollohan.
Mr. Passman with Mrs. Holt.
Mr. Risenhoover with Mr. Hays of Ohio.
Mr. Howe with Mr. Heinz.
Mr. Eckhardt with Mr. Lundine.

Messrs. HOWARD, RHODES, ALEXANDER, MOORHEAD of California, OBERSTAR, MINETA, and SYMMS changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR THE APPOINTMENT OF GEORGE WASHINGTON TO THE GRADE OF GENERAL OF THE ARMIES OF THE UNITED STATES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution, House Joint Resolution 519.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. HÉBERT) that the House suspend the rules and pass the joint resolution, House Joint Resolution 519.

The question was taken.

RECORDED VOTE

Mr. NEDZI. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 275, noes 107, answered "present" 8, not voting 41, as follows:

[Roll No. 652]

AYES—275

Abdnor
Addabbo
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashbrook
Badillo
Bafalis
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Blanchard
Boggs
Bowen
Brademas
Breaux
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Collins, Ill.
Collins, Tex.
Corman
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Haley
Hall, Ill.
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hayes, Ind.
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Hubbard
Hutchinson
Hyde
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Kazen
Kelly
Koch
Krueger
Lagomarsino
Latta
Leggett
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McDade
McDonald
McFall
McKinney
Madden
Madigan
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Nix
Nolan
Nowak
Oberstar
O'Neill
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Richmond
Rinaldo
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Skubitz
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stephens
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Tsongas
Vander Jagt
Vigorito
Waggonner
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Bedell
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Bingham
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Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Clay
Cleveland
Cohen
Conable
Conte
Cornell
Coughlin
Dellums
Dingell
Dodd
Drinan
Edwards, Ala.
Flynt
Ford, Mich.
Forsythe
Fountain
Giaimo
Gibbons
Guyer
Hagedorn
Harrington
Hawkins
Hechler, W. Va.
Holtzman
Horton
Howard
Hughes
Hungate
Ichord
Jacobs
Jeffords
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Kemp
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LaFalce
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Lent
McCloskey
McEwen
McKay
Maguire
Martin
Michel
Mikva
Miller, Calif.
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Mitchell, Md.
Moffett
Moss
Myers, Pa.
Nedzi
Obey
O'Brien
O'Hara
Ottinger
Pattison, N.Y.
Paul
Pike
Pritchard
Rangel
Rees
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Roberts
Rosenthal
Roush
Ryan
Sarasin
Scheuer
Schroeder
Seiberling
Sharp
Simon
Stark
Steiger, Wis.
Stokes
Stuckey
Thompson
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Vander Veen
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Green
Hays, Ohio
Heinz
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Jones, Tenn.
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Mink
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Peyser
Poage
Riegle
Risenhoover
Sisk
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Spence
Steed
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Steiger, Ariz.
Ullman
Waxman
Young, Alaska

The Clerk announced the following pairs:

Ms. Abzug with Mr. Young of Alaska.
Mr. Sisk with Mr. Peyser.
Mr. Chappell with Mr. Hays of Ohio.
Mrs. Mink with Mrs. Holt.
Mr. Mollohan with Mr. Conlan.
Mr. McCormack with Mr. Eckhardt.
Mr. Lundine with Mr. Esch.
Mr. de la Garza with Mr. Heinz.
Mr. Conyers with Mr. Jones of Oklahoma.
Mr. Green with Mr. Karth.
Mr. Jones of Tennessee with Mr. Passman.
Mr. Steed with Mr. Howe.
Mr. Ullman with Mr. Evins of Tennessee.
Mr. Waxman with Mr. Riegle.
Mr. Lehman with Mr. Steelman.
Mr. Brooks with Mr. Risenhoover.
Mr. Boland with Mr. Steiger of Arizona.
Mr. Adams with Mr. Spence.
Mrs. Chisholm with Mr. Smith of Iowa.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR AGREEING TO THE SENATE AMENDMENT TO THE BILL H.R. 8532 WITH AN AMENDMENT

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1462 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1462

Resolved, That upon the adoption of this resolution the bill (H.R. 8532) to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes, with the Senate amendments, thereto, be, and the same is hereby, taken from the Speaker's table to the end (1) that the Senate amendment to the text of the bill be, and the same is hereby, agreed to with an amendment as follows: in lieu of the matter proposed to be inserted by the Senate, insert as one amendment in the nature of a substitute the combined texts of H.R. 8532, H.R. 13489, and H.R. 14580 as passed by the House; and (2) that the Senate amendment to the title of the bill be, and the same is hereby, agreed to.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1462 provides for taking H.R. 8532, to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, with the Senate amendments thereto, from the Speaker's table, to the end that the House agree to the Senate amendment to the text of the bill, with an amendment providing for the insertion as one amendment in the nature of a substitute the combined texts of H.R. 8532, H.R. 13489, and H.R. 14580.

The consolidation of the three measures which have been adopted by the House individually but which have been acted upon in the Senate in one bill would permit consideration of all three bills in one conference.

H.R. 8532 was called "Antitrust Parens Patriae Act" because it would permit State attorneys general to bring suits on behalf of citizens in their capacity as "parent of the State"—an ancient legal concept. This bill was passed in the House on March 18.

H.R. 13489 amends the Antitrust Civil Process Act of 1962 to provide the Antitrust Division of the Justice Department with additional authorities during investigations of possible civil violations of the Federal antitrust laws. It was passed in the House under suspension of the rules on August 2.

H.R. 14580 amends the Clayton Antitrust Act by establishing premerger notification and waiting requirements for corporations planning very large mergers and acquisitions; and directs the courts to give top priority to motions for preliminary injunctions to block mergers. It passed by House also under suspension of the rules on August 2.

House Resolution 1462 provides also for amending the title of the omnibus bill. The amendment changes the title to the Hart-Scott Antitrust Improvements Act of 1976.

Mr. Speaker, supporters of this legislation include consumer and labor groups, and the National Association of State Attorneys General. I urge adoption of House Resolution 1462 so that the two bodies may come to agreement on these measures.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as explained by the gentleman from Florida, the purpose of this resolution is to facilitate going to conference on several bills dealing with antitrust legislation.

It provides that upon the adoption of House Resolution 1462, H.R. 8532, with Senate amendments, be taken from the Speaker's table and "that the Senate amendment to the text of the bill be, and the same is hereby agreed to with an amendment as follows: in lieu of the matter proposed to be inserted by the Senate, insert as one amendment in the nature of a substitute the combined texts of H.R. 8532, H.R. 13489, and H.R. 14580 as passed by the House; and (2) that the Senate amendment to the title of the bill be, and the same is hereby, agreed to."

Mr. Speaker, H.R. 8532 is a bill to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions. It has become known as the Antitrust Parens Patriae Act, H.R. 13489 deals with Antitrust Civil Process Act amendments. H.R. 14580 deals with premerger notification. All three of these bills have been previously passed by the House, as separate bills. This rule allows the three to be combined, in order to facilitate a conference with the Senate on their version of H.R. 8532.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 8532, TO IMPROVE AND FACILITATE THE EXPEDITIOUS AND EFFECTIVE ENFORCEMENT OF THE ANTITRUST LAWS

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8532) to improve and facilitate the expeditious and effective enforcement of the antitrust laws, and for other purposes, with the House amendment to the Senate amendment thereto, insist on the House amendment to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? The Chair hears none, and appoints the following conferees: Messrs. Rodino, Brooks, Flowers, Sarbanes, Seiberling, Ms. Jordan, Messrs. Mezvinsky, Mazzoli, Hughes, Hutchinson, McClory, Railsback, and Cohen.

REQUEST FOR PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit tomorrow afternoon during proceedings under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I would like to ask the gentleman, what is the great necessity for this?

Mr. SEIBERLING. If the gentleman will yield, there has been a copyright bill that the subcommittee of the Committee on the Judiciary has been working on for many, many months, and it is about ready to come out. I think it is in the interests of all concerned to try to get that bill out before the end of the session, and we expect to be working on it tomorrow.

Mr. ROUSSELOT. Further reserving the right to object, cannot the committee handle the work during the morning, like the rest of us?

Mr. SEIBERLING. If the gentleman will yield, we intend to sit during the morning hours. But we woulld like to try to get this bill out so that the House might have an opportunity to work on it.

Mr. ROUSSELOT. Mr. Speaker, I am constrained to object, and I do object.

The SPEAKER. Objection is heard.

APPOINTMENT OF CONFEREES ON H.R. 366, PUBLIC SAFETY OFFICERS BENEFITS ACT OF 1976

Mr. EILBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 366) to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. Rodino, Eilberg, Sarbanes, Seiberling, Railsback and Fish.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1977

Mr. NATCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 15193, making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1977, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Florida (Mr. Young) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 15193, with Mr. Fuqua in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent apreement, the gentleman from Kentucky (Mr. Natcher) will be recognized for 30 minutes, and the gentleman from Florida (Mr. Young) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. Natcher).

Mr. NATCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at this time we submit for your approval the annual District of Columbia appropriations bill for fiscal year 1977.

As chairman of the Subcommittee on the District of Columbia Budget, it is a distinct honor for me to serve with all of the members of this subcommittee. On our subcommittee we have Mr. Giaimo of Connecticut, Mr. Young of Florida, Mr. Stokes of Ohio, Mr. Kemp of New York, Mr. McKay of Utah, Mr. Burgener of California, Mr. Burlison of Missouri, Mr. Alexander of Arkansas, Mrs. Burke of California, and Mr. Wilson of Texas. Mr. Chairman, all of these members are outstanding Members of the House of Representatives, Mr. Young of Florida, the ranking minority member of our subcommittee, has performed yeoman service in carrying out the duties of his assignment.

The budget as submitted is supposed to be in balance but it is submitted contingent upon the passage of certain legislation which now appears to be right controversial and probably impossible to enact. Since this is the situation, this budget would then be out of balance over $50 million and therefore this would be the 13th consecutive year the Congress has been presented a budget for the District of Columbia that is out of balance.

The District of Columbia under this bill will have a total of $1,481,897,100 available for the fiscal year 1977. About 50 percent or $738,915,600 of the total is from Federal funds.

The Federal payment for fiscal year 1977 that we recommend is $270 million. This is a $10-million reduction in the amount requested. The water and sewer payments under this bill total $2,707,000, for Federal loans for capital outlay the bill recommends a total of $100 million. In addition, Mr. Chairman, the District of Columbia will receive $26 million for revenue sharing and Federal grants for the different departments of the District government will total some $340,208,600.

The District of Columbia at this time has some 723,000 people. When you compare the amount of the District budget for the fiscal year 1977 with the budgets of the 50 States you will find that here in our Nation's Capital we have a per-capita expenditure that is considerably higher than in a great many of the States.

The 1977 budget was received on June 2, 1976, and hearings started on June 8, 1976. We concluded our hearings on June 18, 1976.

The home rule legislation authorized a Federal payment beginning with the fiscal year 1977 of $280 million. The Federal payment for fiscal year 1976 was $248,948,700. The Federal payment that we recommend in this bill is the highest Federal payment ever recommended for our Nation's Capital.

As of April 30, 1976, the District government owed the Federal Treasury about $1.1 billion and this will go up to $1.3 billion in September of 1976.

In September of 1976 the per-capita debt for the District of Columbia will rise to $1,762. The New York City indebtedness totals some $1,767 per capita. The indebtedness owed by the District of Columbia has reached the point now where this is an extremely serious matter. For a number of years now we have made reductions in the District's budget and time after time have admonished the city officials to reduce spending.

In the District of Columbia we have unfunded pension plans for police and firemen and the pension plan for our teachers is only partly funded. The total unfunded liability as of this time is some $1.8 billion.

The amount of $56,600,000 for future pay raises during the latter part of this year is not provided for in this budget. Additional Metrorail subsidy is not provided for in this bill and both of these items were to be paid from income received from pending legislation which may not be enacted.

In this bill we recommend 39,101 permanent authorized positions which is 1,170 less than the total of 40,271 authorized for 1976. We provide for 457 new positions. Most of these positions are for staffing new facilities and for additional personnel which is essential at this time. One hundred seventy new positions will be used for staffing new schools and additions. Two hundred seventy-five new positions are funded for the Department of Human Resources and this includes 99 new positions for Forest Haven. We have 49 new positions for three drug treatment centers and we restore the funds for the 105 police officers cut by the District government.

An appropriation of $128,046,100 is recommended for 1977 for the Metropolitan Police Department and this will support 5,290 positions composed of 4,575 police officers, 621 civilians, and 94 cadets. The committee has restored 105 police officer positions and $901,600 to the base to prevent the compulsory separation of incumbents in those jobs and a further reduction in the strength of the Police Department. Further, Mr. Chairman, we do not concur in the transfer of five legal counsel positions and related funds from the Police Department to the Office of the Corporation Counsel as proposed in the budget. An increase of $3,100,000 for relief payments and payments to beneficiaries has been approved which will provide for a total of $40,217,300 for that purpose in fiscal year 1977.

We recommend the sum of $26,936,000 for the Washington Metropolitan Area Transit Authority. Of this amount the sum of $25,803,600 will go for Metrobus and $1,132,400 for Metrorail.

We recommend the sum of $3,762,300 for school transit subsidy.

For public safety, which includes police, firemen, courts, Department of Corrections, and National Guard, we recommend the sum of $247,160,400.

One of the main reasons, Mr. Chairman, why we refuse to go along with a reduction in the Metropolitan Police Department of 105 officers is due to the fact that in 1975, here in our Nation's Capital, we had 279 murders. Further, we had 56,894 major felony cases during that year and certainly these figures do not justify a reduction in the Metropolitan Police Force.

For public schools we recommend a total of $205,761,800. This is only $1,626,300 less than the amount requested and is due mainly to slippage in the opening of certain new schools.

This is the largest amount ever recommended for the District of Columbia public school system. The enrollment for 1977 will decrease about 1,185 below the 1976 figure. For 1974 and 1975 we had an average decrease in the number of pupils totalling 4,100. Mr. Chairman, the per-capita expenditure for our District of Columbia public school system is $1,797.

For education generally in the District of Columbia, we recommend $245,287,700. This is $7,961,800 more than 1976 and is $2,005,500 less than the amount requested.

For recreation, we recommend $17,674,400. For human resources, we recommend $267,955,800. For transportation, we recommend $25,810,900. For environmental services, we recommend $69,078,000. For capital outlay we recommend $35,794,700 which is $81,911,800 less than 1976.

Mr. Chairman, again I want to call your attention to our concern over the cost of government at all levels, the Federal Government, State governments, and county and city governments, and especially the financial problems that many of the large cities are encountering. Of particular concern is the District's growing debtload at a time when the city's population continues to decline.

Mr. Chairman, we make recommendations in this budget which provide for a reduction in Federal funds of $24,187,000 and $9,215,800 in District of Columbia funds. Mr. Chairman, the rapid rail transit system which our committee started under construction in the year 1969, is having difficulties. As you will recall Mr. Chairman, the system was changed from a 25-mile rapid transit system to a system which will now contain 100.2 miles. When finally authorized for the 98-mile system, Congress was advised by those who are now in charge of constructing this system that it would cost $2.5 billion.

At that time I informed these officials that I believed that it would cost between $4 and $5 billion. Each year when they appeared still maintaining that they could build this system for the overall amount of $2.98 billion which was the final amount authorized, I, on each occasion, informed them that they should simply tell the truth about the cost of the system because it would cost at least $5 billion. Now after several years have passed, those in charge of constructing the system and the city officials admit that this system will cost $5.2 billion and this, of course, exceeds the authorization. Instead of the figure that is now in use, this system will exceed the $5 billion and will ultimately cost at least $6 billion. No part of the $1.2 billion of bonds that are to be issued will be retired by the Washington Metropolitan Area Transit Authority. These bonds in order to be sold had to be guaranteed by the Federal Government and the Federal Government in the end will have to retire the bonds. This will be in addition to the Federal Government's share of costs of this system.

The committee recommends $80,839,100 for the repayment of principal and interest on money borrowed from the Federal Treasury to finance the District's capital improvements program. Due to the uncertainty as to when the city will be able to issue bonds and notes on the commercial market, the committee has not approved the sum of $4 million requested for payment of principal and interest costs and other costs relating to the issuance of general obligation bonds and short term notes.

A total of $16,245,000 is recommended for police, firemen, and teacher pay raises. Language in the bill provides the Mayor with authority to transfer these funds to the appropriations for the fiscal year 1977 from which these employees are properly paid.

Mr. Chairman, we recommend this bill to the Committee and respectfully request that the bill be accepted as reported.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from Kentucky (Mr. NATCHER), the distinguished chairman of the subcommittee, the members of the subcommittee and the members of the staff have all done a good job in preparing another District of Columbia bill. Despite the fact that this is only the second budget under home rule, I think the city is getting a pretty good grasp on the budgetary process, and we were not delayed nearly so long this year as we have been in the past.

Mr. Chairman, I am not going to take a lot of time because we would be repeating many of the things we said just a few weeks ago when we took up and passed the fiscal year 1976 bill. However, I would like to call attention to several points. One is the Federal payment of $270 million which is included in this bill.

Mr. Chairman, I just wish to point out

to the Members of the Committee that 10 years ago the Federal payment was only $58 million, and 10 years before that it was only $20 million.

Therefore, in the last 20 years, the Federal Government's contribution to the District of Columbia has increased considerably.

Despite that and despite the fact that the population of the District is being reduced every year, we have another problem which I think we need to pay close attention to, and that is the per capita debt.

The per capita debt in the District of Columbia for this fiscal year is $1,762 a person. That is up $302 or 21 percent from what it was last year. That $1,762 is only $5 per capita less than the per capita debt of New York City.

Mr. Chairman, one of the most serious problems facing the city is the mounting District debt. As I have stated before, New York City is not unique in its financial problems. To illustrate again how closely the District of Columbia is flirting with financial disaster, Washington's per capita debt of $1,460 per person in fiscal year 1976 has risen to $1,762 per person, an increase of 21 percent in just 1 year. New York's per capita debt is $1,767 per person. The District debt will increase to $1.3 billion by September 30, 1976. This is particularly alarming since it is estimated that by 1981 Washington's debt load is expected to almost double, while the city's population continues to decline. This problem must be addressed by both the city and the Congress, in order to reverse the path we are following.

Another serious problem—the District does not have a funded pension plan for policemen and firemen and the teachers' plan is only partially funded. The unfunded liability for these pension plans is approximately $1.8 billion and it is expected to increase to $16.8 billion by the year 2010, at which time it is estimated pension payments for policemen and firemen will be approximately 110 percent of the payroll. For example, the police budget for salaries in fiscal year 1977 is $72,703,000, total payments to pensions for fiscal year 1977 is $40,217,300—which is 55 percent of the budget for salaries. In fiscal year 1976 it was 44 percent, an 11-percent increase in 1 year. The firemen's budget for salaries in fiscal year 1977 is $24,549,600. Compare the funds for pensions which is $16,549,900 and we find it comes to 67 percent of the salary budget. In fiscal year 1976 it was 65 percent, an increase of 2 percent in 1 year. The city government and the Congress must address this problem so the men and women who put their lives on the line daily are guaranteed the retirement benefits they were promised.

A GAO audit showed that some 80,000 residents of the District of Columbia did not file an income tax return for their District taxes between 1966 and 1971. These delinquent taxes, approximately $15 million, if collected, would certainly help to decrease the city's growing debt. The Director of the Department of Finance and Revenue estimates that unless additional personnel are hired to assist the department in collecting delinquent taxes the amount of uncollected taxes will increase from the present $15 million to an estimated $18 million by the end of fiscal year 1977. GAO recommended that the department follow up on all mismatches, those who have filed a Federal return but not a District return.

The city needs to rely more on the Federal-State exchange program as one of their basic techniques for discovering individuals who are liable for D.C. income tax. This mismatch system is one sure way of detecting those not filing. I strongly urge the District to heed these recommendations of the GAO report. If more manpower is needed to collect these taxes then so be it, but I think the work can be done better and more efficiently with those on the payroll now.

Another item I wish to address is the District's use of reprograming. Considerable improvement has been made in this area and warrants special recognition to the District government for that improvement. In fiscal year 1975 there were a total of 104 reprograming requests—in fiscal year 1976 the figure had dropped to 56 requests. The subcommittee hopes that in fiscal year 1977 this figure will again drop and reprograming will be used only in cases of emergency rather than as an everyday event.

The final area of concern to me is the number of employees in various offices of the District government. An employment ceiling is contained in this bill—35,250 which is an increase of 250 over the level proposed in the budget but 4,369 below the 1976 level. In the D.C. Office of the Corporation Counsel there are a total of 172 personnel employed full time to handle the legal problems associated with the District. My concern is the number of lawyers, a total of 105 lawyers. In comparison to other cities with a population of 723,000 people this is a rather alarming number of lawyers to handle the city's legal problems. There are also 17 lawyers employed in other agencies of the city government—totaling 122 lawyers employed full time by the District of Columbia. An increase for the Office of the Corporation Counsel was denied by this subcommittee.

In conclusion, I think the committee has done an outstanding job. We have reduced the budget in areas where we could without reducing service to the people of the District of Columbia. I urge my colleagues to support this bill.

Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Chairman, I thank the gentleman from Florida (Mr. YOUNG) for yielding.

I want to take a very brief moment to commend both the gentleman from Kentucky (Mr. NATCHER), the chairman, and the ranking member, the gentleman from Florida (Mr. YOUNG), and all the members of the subcommittee for recognizing and responding to one very critical area of need. I refer to the Forest Haven home for the mentally retarded, for those persons residing in the District of Columbia.

This bill contains $1 million in new and additional money for the care of the retarded at Forest Haven; and it means, in more practical terms, 118 new positions out there.

Mr. Chairman, $1 million in a budget here of about $1 billion perhaps is not all that much money; but we must remind ourselves that it took a lot of taxpayers a lot of time to earn the money to pay the taxes to do this. However, I am sure, Mr. Chairman, that these taxpayers would not begrudge 1 cent of this particular additional money. It will result in better care for the retarded who live there, and their care presently is substandard. It will be a real morale boost to the families and to the staff out there.

Again, Mr. Chairman, I want to commend the subcommittee for recognizing this need, and I thank my colleague, the gentleman from Florida (Mr. YOUNG) for yielding.

Mr. NATCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Chairman, I thank the gentleman for yielding.

I want to take just 10 seconds, first of all, to say again that I am impressed at the thoroughness and the real capability which the chairman and the subcommittee have shown with regard to this bill. I know the time constraints they were under, and I realize how hard they had to work to expedite the process.

I would just like to extend my personal compliment to the chairman for the wonderful job that he has done.

Mr. NATCHER. Mr. Chairman, I thank the gentleman from Virginia.

Mr. HARRIS. Mr. Chairman, I note that the Federal payment to the District of Columbia in this bill is $270 million. How does that compare to the current year? Is that a substantial increase?

Mr. NATCHER. That is a substantial increase.

For the fiscal year 1976 the Federal payment was $248,948,700 and we are recommending $270 million for 1977 in this bill. As the gentleman well knows, under the home rule legislation the authorization for the Federal payment provides $280 million for fiscal year 1977. I want to say to the gentleman from Virginia and to the members of the committee that this is the highest Federal payment ever recommended to the House.

Mr. HARRIS. I thank the chairman for his response. I noted in the summary that the committee provided for an employment level of 35,250. Just from my own experience in local government that seems like a very high employment level. Is there any particular reason why the employment level is so high in the District?

Mr. NATCHER. I would say to the gentleman from Virginia, as the gentleman well knows, in our subcommittee we have talked to District officials considerably each year about the number of people employed by the city of Washington. The total authorized in this bill is 39,101. This is a reduction of 1,170 from the fiscal year 1976 level. I say to the gentleman that this is good. Of this total only 35,250 positions can be filled at any one time. An employment ceiling limits the total to that level and we have only funded that number.

Mr. HARRIS. It certainly represents some progress. It seems to me, though, that additional progress in that area is still needed. I wonder whether the chairman would comment in regard to that?

Mr. NATCHER. There is improvement. The 1977 budget as presented to the committee provided a reduction of 1,337 positions. This budget, unless some additional legislation is enacted, as the gentleman I am sure is aware, could be out of balance $56 million. The city submitted a budget based on the assumption that certain legislation would be enacted. As the gentleman knows, that legislation probably will not be enacted, and unless additional revenues are found there may be a need to reduce the number of personnel in the District of Columbia Government. I agree with the gentleman from Virginia that 39,101 employees is high. I am hoping the number can be decreased, and I think the Mayor is trying to do something about this situation. I think Mayor Washington is trying to be a good Mayor, he is trying to do a good job. I hope the Mayor is able to reduce personnel during fiscal year 1977 as well as in the 1978 budget.

The concern of the gentleman from Virginia is certainly very meritorious and I want to commend him for his interest in the District of Columbia government, not only in the bill that we present today, but as a member of the Committee on the District of Columbia. The gentleman always does a fine job.

Mr. HARRIS. I thank the chairman for these responses. I do have some concern as to the budget being predicated on the enactment of a tax bill which had been prohibited by previous legislation of this body. It seems strange to me for the District of Columbia to present a budget predicated on such a tax bill. Does the District of Columbia intend to do this in the future?

Mr. NATCHER. I would say to the gentleman from Virginia that I would hope not. The city submitted a budget that depended upon legislation to be enacted by the Congress in the amount of some $56 million, but, even in any amount, that is not a good procedure. I hope that when future budgets are submitted they are not contingent upon the passage of legislation which in all probability will not be enacted.

Mr. HARRIS. I certainly agree with the chairman, I appreciate his response.

Mr. NATCHER. Again I want to thank the gentleman from Virginia, Mr. Chairman, for the observations he has made.

Mr. YOUNG of Florida. Mr. Chairman, I would like to further respond to the gentleman from Virginia and tell the gentleman that I think he has a very valid concern about the number of employees. Just to cite one example, in the Office of the Corporation Counsel, there are 105 attorneys. There are 17 other attorneys in other agencies in the District of Columbia. That comes to a total of 122 attorneys in the District of Columbia.

The county that I represent in the great State of Florida, which has more people than the District of Columbia, if we were to pool all of the legal talent, State's attorneys, district attorneys, whatever they might be, put them together, they would not come up to a third of the number of attorneys that the District of Columbia has. I have a real question about what these attorneys are doing down there. I think this is indicative of the question the gentleman is raising.

Mr. ANNUNZIO. Mr. Chairman, if the gentleman would yield, the number of attorneys in the District of Columbia was mentioned and is that number required because they have been working so long and so late, into the late hours of the night trying to figure out whether we in the Congress have immunity?

Mr. YOUNG of Florida. Mr. Chairman, I will respond to the gentleman that during the hearings I attempted to find out from the Director of the Corporation Counsel's Office, and in fact inquired, as to what his day looked like, and he advised me that his speechmaking schedule kept him very busy.

Mr. ANNUNZIO. I thank the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the remainder of my time.

Mr. NATCHER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill? If not, are there any amendments?

Mr. NATCHER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FUQUA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15193) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1977, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks, and to include extraneous matter, on the bill just passed, H.R. 15193.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY FOR DESIGN OF METALLURGY RESEARCH CENTER

Mr. YATES. Mr. Speaker, I call up the resolution (H. Res. 1428) disapproving the proposed deferral of budget authority for the design of a metallurgy research center to be established on the Fort Douglas Military Reservation, Utah—deferral number D76-110—and ask unanimous consent that it be considered in the House.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution as follows:

H. RES. 1428

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $688,430 for Mines and minerals, Bureau of Mines, to design a replacement metallurgy research center to be established on the Fort Douglas Military Reservation, Utah (deferral number D76–110), as transmitted by the President to the Congress on May 13, 1976, under section 1013 of the Impoundment Control Act of 1974.

The SPEAKER. The gentleman from Illinois is recognized.

Mr. YATES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill comes with the unanimous approval of the Committee on Appropriations. It proposes that a deferral by the Office of Management and Budget in the amount of $688,430 be disapproved. The amount was appropriated originally for the design of a replacement facility for the Salt Lake City, Utah, Metallurgy Research Center administered by the Bureau of Mines in the Interior Department. The funds were appropriated originally in support of the passage of Public Law 8–87. Under the language of that act, I quote:

> The Secretary of the Interior is authorized and directed to establish, equip, operate, and maintain a metallurgy research center on approximately 35 acres of land located on the Fort Douglas Military Reservation, Utah, which facility will serve as a replacement facility for that now located on the campus of the University of Utah, Salt Lake City, Utah.

The University of Utah has testified before the committee that the present facility which is located in the center of the campus is complicating an already severe space problem. For that reason, Mr. Speaker, the committee recommends that the deferral be disapproved.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GUARANTEED STUDENT LOAN AMENDMENTS OF 1976

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1433 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1433

Resolved, That upon the adoption of this resolution it shall be in order to consider section 401 of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, the bill (H.R. 14070) to extend and amend part B of title IV of the Higher Education Act of 1965, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said amendment for failure to comply with sections 303 (a) and 401(b) of the Congressional Budget Act of 1974 (Public Law 93–344) are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution makes in order the consideration of the bill (H.R. 14070) to extend and amend provisions of the Higher Education Act of 1965 relative to the guaranteed student loan program.

This is a 1-hour open rule. It provides for the committee amendment in the nature of a substitute, now printed in the bill, to be considered as an original bill for the purpose of amendment.

The rule protects the bill and the committee amendment from points of order under section 401 of the Budget Act. The points of order would otherwise prevent consideration of the bill and the committee substitute.

The entitlement problem in the original bill is resolved in the substitute and the entitlement problem contained in the substitute is expected to be resolved by a floor amendment to be offered by the committee.

If the House agrees to these committee recommendations, the bill shall pass the House in a form that would have required no waiver of section 401. As a result, the Committee on Budget indicated that it had no objection to a waiver.

The final issue dealt with in the rule is a waiver of section 303(a) of the Budget Act which provides that it shall not be in order to consider certain classes of legislation—including entitlement authority—until adoption of the first concurrent resolution on the budget for the fiscal year in which the entitlement provisions shall first take effect.

As floor manager, I feel compelled to point out that this is not a routine waiver. The Budget Act establishes, in the Senate, an elaborate procedure whereby a specific vote must occur before legislation in violation of section 303(a) may be considered. The act relies, in the House, on the unqualified authority of the Committee on Rules to recommend to the House a resolution concerning the order of business.

While the Budget Act makes it clear that this is not a step to be taken lightly, nevertheless it does provide a specific procedure for waiver recognizing that waivers shall, on occasion, be necessary and appropriate. The Committee on Education and Labor has argued that the bill (H.R. 14070) is such a case. With the concurrence of the Committee on Budget, the Committee on Rules has, therefore, voted to present to the House a resolution which would make consideration of the bill in order notwithstanding section 303(a).

The bill makes significant revisions in the guaranteed student loan program. This is a highly complex program; 15,000 lenders and 9,000 postsecondary education institutions participate. Because of the size and compexity of the program it is necessary to make revisions sufficiently in advance to allow participating lending and educational institutions to deal with the modifications.

The chairman of the Committee (Mr. PERKINS) notes that lenders have begun to drop out of the program and that the bill provides sufficient incentives to keep them in the program but that sound planning and program administration require the legislative approach taken in H.R. 14070.

Mr. Speaker, I am aware of only two major issues of controversy—the income level for eligibility for interest subsidies and a provision which would limit the right of students to seek discharge of education loans in bankruptcy. It is my understanding that both issues will be addressed by amendments under the 5-minute rule. Under the rule both amendments are in order as, for that matter, is any germane amendment.

Mr. Speaker, the resolution provides a fair and orderly procedure for floor consideration of the bill and I urge its adoption.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Massachusetts has explained, House Resolution 1433 provides for the consideration of H.R. 14070, a bill to extend and amend part B of title IV of the Higher Education Act of 1965, and for other purposes. The resolution waives the provisions of section 401 of the Congressional Budget Act of 1974, which deals with bills providing new spending authority, and provides an open rule with 1 hour of general debate. Upon the adoption of the resolution, it will be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor as an original bill for the purpose of amendment.

Section 303(a)(4) of the Congressional Budget Act prohibits this House from considering any bill, resolution, or amendment, which provides new entitlement authority to become effective during a fiscal year prior to the adoption of the first concurrent resolution on the budget for that year.

Section 3 of the bill creates entitlements containing new spending authority which would become effective before October 1, 1976. Section 401(b)(1) of the Budget Act provides that such entitlements shall be out of order unless they become effective on or after the first day of the fiscal year which begins in the calendar year in which the bill is reported.

All points of order against the committee amendment for failure to comply with sections 303(a) and 401(b) of the Congressional Budget Act of 1974 will be waived.

Mr. Speaker, the Committee on Education and Labor has included two provisions in this bill which have caused administration opposition to H.R. 14070 and which have prompted two members of the committee to compose amendments which I strongly support. The first provision raises the Federal insurance rate for State agencies and private guarantors to 100 percent from the current 80-percent rate. The gentleman from Minnesota, the ranking minority member of the committee (Mr. QUIE), will ask that the reinsurance rate be altered so that 100-percent Federal reinsurance would be available if a State agency's default rate is less than 3 percent, 90 percent reinsurance would apply for a default rate between 3 and 7 percent, and defaults over 7 percent would be reinsured at a rate of 80 percent.

The second questionable provision raises the income level for an automatic interest subsidy from $15,000 adjusted income to $20,000 in fiscal year 1977 and $25,000 in 1978. This one provision alone will increase the cost of the program by about $253 million annually within the next 5 years. The gentleman from Illinois (Mr. ERLENBORN), will offer an amendment to lower the interest subsidy income limit back down to the present $15,000.

Mr. Speaker, I believe that it is essential that these two amendments be adopted, and I urge my colleagues to join with me in support of them and the rule which makes them in order.

Mr. Speaker, I have no requests for time and I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. O'HARA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14070) to extend and amend part B of title IV of the Higher Education Act of 1965, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. O'HARA).

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Oregon (Mr. DUNCAN) as Chairman of the Committee of the Whole, and requests the gentleman from Missouri (Mr. BURLISON) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 14070, with Mr. BURLISON of Missouri (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Michigan (Mr. O'HARA) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. QUIE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. O'HARA).

Mr. O'HARA. Mr. Chairman, I yield myself 14 minutes.

Mr. Chairman, H.R. 14070 is a bill to amend and extend the guaranteed student loan program. The bill is a product of a long series of hearings, extending over 3 years, and of intensive examination of this most complex and largest of the student financial aid programs.

Before I say anything more about the bill itself, I want to extend my personal thanks to my distinguished colleagues from New Jersey (Mr. THOMPSON), from Indiana (Mr. BRADEMAS), Minnesota (Mr. QUIE), and, in particular, to the distinguished gentleman from Illinois (Mr. ERLENBORN), who contributed substantially to the development of the legislation we are bringing to this floor. H.R. 14070 represents a very impressive bipartisan achievement, and will provide, whatever the decisions on the few unresolved questions, a much needed shot in the arm for the loan program.

Let me briefly discuss what H.R. 14070 does to the guaranteed loan program we now have in operation.

First, we have sought to encourage the creation of new State guarantee agencies, and secondly, we have sought to limit, to some extent, the role of schools as originators of loans.

A brief description of the structure of the program is necessary to explain the first of these sets of changes.

In about half of the States, including New York, Illinois, Pennsylvania, New Jersey, and others, student loans are guaranteed by State agencies. The U.S. Office of Education's role in these loans is limited to paying the lender the in-school interest on eligible loans and a special allowance on all loans, and to reinsuring the state agency up to 80 percent of the default claims made by those agencies.

In the other half of the States, where no guarantee agencies have been created, student loans are guaranteed individually by the U.S. Office of Education whose function, in addition to those it performs in the "agency states," is to pay lenders their claims when defaults occur.

The committee's finding, after 3 years of hearings and investigations, is clear. The State agencies do a better job than the U.S. Office of Education in the area of guaranteeing individual loans, paying claims, and monitoring the behavior of lenders.

That half of the program in which the U.S. Office of Education serves as the direct insurer of individual loans, known as the Federal insured loan program, or appropriately enough, FISL, is suffering from a clear case of diseconomy of scale. It is and always will be easier for a State agency to manage the loans in a given State than it will be for USOE, even acting through its regional offices, to manage loans in several States.

When this program was first established by the Congress in 1965, it was the clear and stated intention of the law to encourage the States to set up guarantee agencies, and to allow the FISL option to function only temporarily until the States did so. Some States already had agencies, many of the rest proceeded to establish them, and then the growth in State agencies stopped about where it is now. State legislatures in some States saw the utility of creating viable loan programs, and did what had to be done to make them effective. In other States, however, it seemed to legislators or Governors or whoever made the decision, that they could have the benefits of the FISL program without going to the slight expense of the establishment of a guarantee agency.

To encourage the State legislatures to act, we have done several things.

First, under present law, a State guarantee agency only receives 80 percent reinsurance on its default claims, while lenders who loan under FISL get 100 percent direct insurance on their claims—when, that is, they finally get around to getting anything at all.

H.R. 14070 provides that as long as a State agency continues to experience a 7 percent default rate or less—7 percent being the approximate State average now—it will receive 100 percent reinsurance on its claims. When, under the committee bill, the State agency's default rate goes over 7 percent, the reinsurance figure will go back to 90 percent—still 10 percent above the present figure, but less than a "free ride."

In addition to the reinsurance language, we have proposed giving new State agencies some advances which will allow them to pay off early claims until Federal reinsurance payments and their own collections mechanism bring them to the point where they can operate on a revolving fund basis.

We have also provided an administrative allowance of 1 percent of the total amount of loans guaranteed in a given year, of which at least one-fourth must be utilized by the State agency to provide field services for eligible lenders, and to promote commercial lender participation in the program.

Finally, the bill allows State agencies to retain 30 percent of the amounts they collect from students who have gone into default, and on whose behalf the State has paid a default claim to the lender. The State may now retain 20 percent of such collections, but must return the balance to USOE. We increase this to 3 percent, but the States are required to utilize these funds solely to enhance State collection efforts, and to document those efforts.

The creation of a State agency is not the only alternative to leaving one's students to the shaky hands of FISL. The Commissioner of Education is directed by this bill to consider the utilization of private, nonprofit guarantee agencies, such as the United Students Aid Fund, to serve as guarantee agencies where the State has not created any. The bill does not require the Commissioner to go to the private agency where the State has not acted, but where such an agency applies, the Commissioner is required within 90 days to act one way or the other on such an application, and to advise the appropriate committees in either House of his disposition of such applications. The Commissioner's ability to say yes or no is unimpaired by this provision of the law. But, he must make some kind of decision on such applications.

Finally, the Commissioner's existing statutory duty to encourage the creation of State agencies is made more explicit, and he is directed to draw up a plan to encourage States to create such agencies, report to the Congress within 90 days of the enactment of this legislation on that plan, and report again by September 30, 1977, on his success. There has been virtually no serious activity on the part of USOE to carry out this statutory mandate in the years since 1965, and the committee believes that it is high time that duty was carried out, whether or not it will threaten the "turf" of USOE bureaucrats.

Much of the default rate, and most of the true scandals, arise in situations where the institution who fixes the education price, and receives the educational revenues, also arranges for the educational financing. Like the used-car lot, the student loan system puts a premium on telling the would-be consumer of educational services:

"Don't worry about the price. Sign here, and you can pay for it later."

Students are worried about prices, and they are right to be worried. And the States and the schools who want to divert that worry through the anesthetic of "easy credit" are not doing students a service.

Bankers have, at least, one saving grace. When a banker is asked for a loan, he looks at it with a pretty beady eye, and tries to see if the borrower can handle the loan. He does not do this from any particular altruism. It is his business to collect on the loans he makes, and it is emphatically not his business to make loans to people who simply are not going to be able to handle them when they come due. The banker does not try to kid his borrower into thinking he is getting a gift.

It is also the business of schools and States who make loans to try to collect them, and they go about that business with great vigor. But it is also their business to try to persuade the borrower to take out the loan, and pay over the initial proceeds to the school.

For this reason, H.R. 14070 tries to put some restrictions on the activities of schools and States as originators of loans.

Schools may only loan to 50 percent of their own undergraduate students.

States may only lend to 50 percent of the undergraduate students in attendance at schools in that State.

Loans made by these unregulated lenders, while subject to the same $2,500 dollar limit the law makes applicable to all lenders, must also be no more that 50 percent of the total cost of education, and, where a loan is made by a school to a first-year student and exceeds $1,500, it must be made in at least two installments.

Finally, and perhaps most significantly, the bill provides that before a student may borrow the first time from a school lender, he must at least go to a commercial lender and be refused. The required documentation of that visit is severely limited by the bill. The student need only go to one commercial lender. And the document he brings to the school need not give any data other than the name and address of the lender, the name of the student, the date he asked for a loan and the fact it was rejected. The lender need not explain why, and the Commissioner is given no authority whatsoever to require any additional information from the lender.

Some school lenders have opposed this requirement on the grounds that it would be "inconvenient for the bankers" to have to provide students with this documentation. Mr. Chairman, I have a letter from the American Bankers' Association which endorses the documentation concept, and the letter was written at a time when the proposed requirement was rather broader than it is now.

The documentation requirement, like a similar requirement that the proceeds of a loan be paid in checks, which must be endorsed by the student, and accompanied by a clear statement that the student understands the terms and obligations of the loan, is intended to make sure that the student knows he is, in fact, getting a loan; that he is not the lucky beneficiary of a generous gift from his alma mater or his State government, but has been given a loan, which he will have to repay with interest.

It is our belief that when the student knows what he is getting into, and still enters into that obligation, he is far less likely to go into default when the loan comes due than he is if, 4 years and 9 months after he enters school, he is suddenly told for the first unmistakable time, that he owes the lender the money.

There are, of course, other causes of the default rate. Unemployment is a major source of involuntary default, and the bill allows students and lenders, if both agree, to enter into a 1-year moratorium on repayment while the student borrower is unemployed and seeking work.

In those cases where abuses of the loan program involve actual criminal behavior, specific criminal penalties have already been provided under the provisions of H.R. 12851, an earlier bill amending the Higher Education Act generally, but applicable to this program in their full vigor.

I will not assert, Mr. Chairman, that this bill will eliminate default, or totally end abuses of the guaranteed student loan program. I am sure that a few schools, a few other lenders, and a few students will manage to find ways to abuse the program which we have not anticipated, or will simply violate this law and continue to do some of the things they have done in the past. But this bill does address itself to the most flagrant abuses, and to those which, under present law, are virtually risk-free.

Abuse and default—which are far from synonymous terms—are not the only problems of the guaranteed loan program, nor does the sluggishness of the Office of Education and the absence of State guarantee agencies in half of the States complete the catalog.

Some lenders are reluctant to participate in the program for the most natural possible reason—because they find the yield inadequate.

Under the present law, the student either pays, or has paid for him while in school, a flat interest rate of 7 percent, and the Office of Education establishes each quarter a "special allowance" which can go as high as 3 percent, and pays that additional amount on each and every loan. Thus the yield can go—and has gone, on one or two occasions in the life of the program—as high as 10 percent. For most of the life of the act, however, the special allowance has been substantially lower than the 3 percent permissible, and it has been moved up and down at the discretion of the Secretary of HEW in a manner which lenders have found very disconcerting. Not only has the Secretary been somewhat arbitrary in setting the special allowance figure, but he has been dilatory in doing so, and in making the payments once the rate is set.

The administration sought to "cure" these problems in a manner which we have learned to expect. They proposed raising the interest rate that students had to pay from 7 to 8 percent. "Then," they said, "with the 3 percent special allowance, lenders will be sure of 11 percent." Well, since the Secretary has almost never paid the full 3 percent special allowance, the administration's proposal would not, of course, have even begun to assure lenders of an 11 percent yield. Students would have been charged more, but lenders would have been assured of no benefit.

H.R. 14070 goes at it another way. We take the heavy quarterly burden of deciding on the special allowance away from the Secretary, and we tie it to the market rate for 91-day Treasury bills. A lender will know, to the penny, what the special allowance will be each quarter and it will vary only with market conditions. The "flexibility" the present law gives to the Secretary so he can play budget games with the allowance will be ended. The lender may not get substantially more than he is getting now—though the bill allows the special allowance to go as high as 5 percent—but he will know for certain what he is getting, and the student will not have to pay additional interest.

Present law limits undergraduate students to loans not in excess of $2,500 per year—less under some State programs and to an aggregate indebtedness of $7,500. Graduate and professional students are permitted to enter into an aggregate indebetedness of $10,000. The bill retains the existing limits for undergraduates, but allows graduate students to borrow up to $15,000, and to borrow as much as $5,000 in any 1 year.

Finally, the bill seeks to bring the eligibility figure for interest subsidy up to date.

Under present law, a student is entitled to have his interest paid by USOE while he is in school and for 9 months thereafter, if he is in need of that subsidy. "Need" is assumed by present law in the case of any family whose adjusted family income is below $15,000 and who is borrowing less than $2,000, while students who come from families with higher incomes or are borrowing more than $2,000 may establish need through the customary "need analysis" system.

While the law suggests that these income figures and needs determinations only relate to the eligibility for interest benefits, we have found that for all practical purposes, a student who cannot qualify for interest benefits is not going to get a loan.

H.R. 14070 seeks to increase the income level at which need for interest subsidy, and therefore, eligibility for a loan, will be established to $20,000 in the coming academic year, and $25,000 thereafter.

The committee's reasoning in this matter is explained fully in the committee report. Let me quote:

> The Congress has long been aware of the need to raise benefit levels to compensate for inflation. We have approved annual increases in social security, SSI, and child nutrition benefits. We approved adjustments twice each year for food stamps. Now the Congress must provide some minimal level of protection for the eligibility for higher education aid from the ravages of inflation. Between school year 1964–65 and school year 1974–75, tuition and fees charged by public institutions rose by 98.4 percent while those charged by nonpublic institutions surged by 118.8 percent. The medium family income in current dollars rose by only 95.4 dollars between 1964 and 1974, falling behind the rate of increase in public tuition and fees by 3 percent and being outstripped by nonpublic tuition and fees increases by 23.4 percent. We should also be very aware that between 1967 and March of 1976 the purchasing power of a dollar declined by 40.3 percent. The Consumer Price Index during that same period rose by 67.5 percent. To keep pace with that rate of inflation, the interest subsidy eligibility level should have risen from $15,000 to $25,025.

I have taken more than I would have liked, Mr. Chairman, but the guaranteed student loan program is a very complex one, about which there are few simple answers and fewer simple questions. It is a program under which, in 10 years, over 8 million students have borrowed over $8 billion, the overwhelmingly largest part of which has gone to the purchase of educational services, and is being paid back. The abuses in this program have caught the public's attention, and have occupied a large part of the committee's time. But the real story of this program is its success—its demonstration that we can safely invest public money in the education of our fellow citizens and expect that money to be returned over and over again—not only in loan repayments, but in a better educated, more responsible Nation.

The program has problems, and this bill addresses most of them. It almost certainly addresses those problems imperfectly, but without these amendments, I believe the loan program may be in very serious trouble.

I urge their enactment.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I thank the gentleman for yielding, particularly on this one point.

As the gentleman well knows, I, along with 28 cosponsors, introduced legislation to attempt to have the Office of Education pay the banks promptly in regard to these loans. This has been one of the big problems as far as getting private lenders interested in participating, and when we have cases where payments are 5 to 6 months late, we have difficulty in interesting a bank.

Mr. O'HARA. Mr. Chairman, the gentleman from Maryland is absolutely correct. I want to give the gentleman from Maryland the credit for being perhaps the first Member to propose a remedy for that, and that remedy has been placed in this bill. We have adopted the very excellent suggestion made by the gentleman from Maryland with respect to requiring the Office of Education to act more promptly on these default claims and requiring the payment of interest on claims that are not acknowledged within a certain period of time.

Mr. GUDE. Mr. Chairman, will the gentleman yield further?

Mr. O'HARA. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I thank the gentleman, and I would like to commend him as the distinguished chairman of the subcommittee for his persistent efforts to bring this bill to the floor. I also commend the great wisdom of the committee in considering the guaranteed student loan program separately from other student financial assistance. This is a great step forward.

I would also like to commend the committee on raising the income levels under which students would be eligible for programs.

Mr. O'HARA. I thank the gentleman for his perceptiveness on that item. I hope we will have his active help and support on that matter when we read the bill for amendments.

Mr. GUDE. Mr. Chairman, I thank the gentleman for yielding.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I understand from reading the committee report—and I compliment the chairman because I know that this is not the easiest area in which to legislate—but from reading the committee report I understand there are about 20 States that are what are called agency States; is that correct?

Mr. O'HARA. It is 26, I believe.

Mr. GONZALEZ. All right.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. O'HARA) has expired.

Mr. O'HARA. Mr. Chairman, I yield myself 2 additional minutes.

Mr. GONZALEZ. Will the gentleman yield further?

Mr. O'HARA. I yield to the gentleman from Texas.

Mr. GONZALEZ. To continue, Mr. Chairman, the effective date of this act, if approved, would be October 1 of this year. In many States, including my State of Texas which is not, strictly speaking, an agency State, the legislature will not be meeting until next year. As I understand it, the effect of this would be adverse in the amount of about $8 million in what otherwise might be available for student loans to the students of Texas; is that correct?

Mr. O'HARA. No, that is not correct. I want to assure the gentleman from Texas with respect to that. This bill in no way cuts back on the availability of loans to any State, whether it is an agency State or not.

As a matter of fact, by expanding the number of people eligible for the subsidy and, in effect, eligible for loans, we make sure that the program can be a somewhat larger program everywhere.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I thank the gentleman for yielding.

He knows that we do have a very severe problem in our State. We have been notified by the Office of Education that unless we sign a compliance agreement, they are going to cut funds across the board through all of the State.

Originally, it was just going to be those schools in default. The difference in the amount of money might be something between $26 million and $19 million or approximately that. That is not just a piece of information. I guess one would call it a threat. Therefore, we do have a very serious problem in our State.

Mr. O'HARA. This legislation, though, I might say to the gentleman, does nothing to create nor to affect the gentleman's problem. The gentleman's problem is here and now, and it has nothing to do with this bill, which has not yet even been voted on by the House.

Mr. PICKLE. However, if the Office of Education enforces this so-called compliance rule, it is here and now; and it means that we are going to be about $6 million shy.

Mr. O'HARA. I know, but the bill does not affect the gentleman's problem one way or the other.

Mr. PICKLE. In any event, the Office of Education is doing it.

Mr. QUIE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill before us today, H.R. 14070, incorporates many provisions which my colleague from Illinois, Mr. ERLENBORN, and I have advocated for inclusion in the guaranteed loan program. Regrettably, however, the legislation also contains three additional provisions which by their inclusion make the current bill unacceptable. At the appropriate time we will offer amendments to correct what we believe are the inadequacies of the committee bill.

I would like to point out that the bill does contain a number of important reforms. One of those major reforms is the provision dealing with bankruptcies involving student loans. Another provision would for the first time tie the special allowance rate to a fixed money market indicator, specifically 91-day Treasury bills. A third provision adopts the concept advocated by the gentleman from Maryland (Mr. GUDE) by requiring that the Commissioner pay interest on any claims submitted to him which are not acted upon within 30 days. Several other provisions are directed toward providing some flexibility in the program in the hopes that with that flexibility lenders and borrowers will be able to arrange terms and avoid defaults in the program.

A number of amendments are directed at the strengthening of participation by State guarantee agencies. The record clearly indicated that these agencies do a far better job of administering the program than the Federal Government. Default claims submitted by State agencies are from one-third to one-fourth the rate of those in the direct Federal program. By including these inducements it is the hope of the committee that the 24 States which do not now have agencies will establish them. The provisions which deal with State agencies include those to provide an administrative cost allowance, permit the retention of actual collection costs, and create a system of advances for revolving fund purposes.

Regrettably, the bill goes one step beyond what is required by also increasing the reinsurance rate from 80 to 100 percent except in instances where the default rate exceeds 7 percent annually when it will be at a 90 percent reinsurance rate. This provision is not well conceived, and we will have an amendment to deal with its effects at the appropriate time.

The other amendment which gives us great concern is the one which increases the level below which an automatic interest subsidy is granted from the current $15,000 adjusted income to $20,000 in fiscal year 1977 and $25,000 in fiscal year 1978. That one provision will increase the cost of the program by $34 million next year, by $180 million in fiscal year 1979, and by an incredible $250 million in 1981. The total 5-year cost for this single provision is $788 million—more than three-fourths of a billion dollars. I have long supported the growth of Federal assistance to provide grants and work-study funds for postsecondary education. I continue to support that objective. However, there is no way that we can continue to provide adequate funding for grants and work-study if we are forced to spend an additional $253 million a year to subsidize loans, many of which will go to children from families well able to pay the Federal subsidy. Again, at the proper time we will present an amendment to deal with this issue.

Since we expect to be going to conference on this and related education legislation in the near future, there is some urgency to acting on this legislation. However, that urgency should not force us into making unsound decisions at the expense of the Federal Treasury.

In addition to the provisions which I have just highlighted, the bill also includes a great many other improvements in the program which I believe will meet many of the criticisms which have been directed at the guaranteed student loan program. The committee bill does require that in those cases where a private organization acts in place of a State insurance agency, that organization must establish an office within the State and encourage lender participation in the program. This provision is designed to insure that where the State chooses to designate a private agency, that agency will perform in much the same manner as the State would have if the State had chosen to exercise its option.

With respect to students attending institutions in foreign countries, the bill requires that the financial statement normally required from an institution of higher education will be provided by either the commissioner or the State agency. This provision will assure that much of the confusion which has surrounded the computation of costs at foreign institutions will be removed and those provisions will be standardized.

All institutions of higher education are required to notify the lender within 60 days after the student graduates, withdraws from school, or fails to enroll for a subsequent term. This provision is in accordance with a recommendation made in a recent evaluation of the GSL program by the RMC Research Corporation.

With respect to the size of loans, the bill provides that for a freshman, a loan may not be made in excess of $1,500 unless that loan is paid in installments. Again, this is in line with recommendations and evaluations of the program which have shown that a vast majority of those students who eventually default in the program do not complete one academic year. By requiring multiple disbursement of the loan, if the student does not complete that year he or she will be liable for a much smaller repayment than if the entire proceeds of the loans were disbursed in the first instance.

Although the aggregate loan limit for undergraduate students remains at $7,500, the maximum aggregate for graduate and professional students has been increased from $10,000 to $15,000. The yearly maximum has been increased for those students from $2,500 to $5,000. The law is further changed to require that when a check is written for the proceeds of a loan, the student must endorse that check and that the student must be clearly informed of the terms and conditions of his loan. This provision is designed to eliminate instances in which the students claim that they were not aware that they were receiving a loan or where loans were paid by the lender to the educational institution without the student's apparent knowledge.

It should be pointed out here that this provision as well as the provision dealing with multiple disbursements and the section requiring that schools advise lenders of the names and addresses of the students when they leave school are all aimed at dealing in some way with the default problem.

Another provision which it is hoped will provide some relief in instances where students have difficulty in meeting their repayment obligation, there is a section that permits the borrower and lender to negotiate repayment terms. That would permit repayment of less than $30 per month.

The bill also includes a 1-year moratorium on repayment, again to be agreed upon by both borrower and lender in cases where the borrower is unemployed. It should be emphasized here that this is a one-time 1-year provision and that if the borrower remains unemployed to the end of that period of time, the lender does not have the flexibility to continue this moratorium. One of the criticisms which has been directed at the program regards educational institutions which serve as lenders. To meet those objections, the bill requires that home study schools may not serve as lenders and that other educational institutions which do so must employ at least one person as a full-time financial aid officer. In addition, the Commissioner of Education may establish other criteria to insure that educational institutions are able to discharge their responsibilities as lenders.

Finally, the bill makes some significant changes in the special allowance rate which has been in effect since 1969. Under the old law the Secretary of HEW had discretion in establishing a special allowance rate each fiscal quarter. The uncertainty of what his action would be, combined with the fact that on the average those rates were announced 6 to 8 weeks after the close of a quarter, have combined to discourage lender participation. The bill before us provides a formula for determining the special allowance each quarter. Under section 438 the special allowance will be equivalent to 3.5 percent less than the bond equivalent rate for 90-day Treasury bills sold during each fiscal quarter. The establishment of this formula for determining the special allowance should give lenders assurance that they will receive a fair return and that they will know the size of that return immediately upon the close of each quarter. From correspondence which I have received from the Bank of America, the largest lender in the program, I am convinced that this is a very major factor in maintaining lender interest and participation in the program.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, the bill before us, as the gentleman from Minnesota (Mr. QUIE) has noted, includes several commendable amendments. I want to thank the gentleman from Michigan (Mr. O'HARA) for all of the effort that he has put into this bill, and the long hearings by our subcommittee starting early last year. It has been a very difficult time for our subcommittee to gather all of the information necessary to come up with some of the solutions that I think were very necessary to help the guaranteed student loan program.

If we prevail with some additional amendments, which the gentleman from Minnesota (Mr. QUIE) and I will be offering at the proper time, the total package then will be an excellent bill and will deserve the unanimous support of the House.

I would like to direct the attention of my colleagues to a few of the sections of the bill. The bill does contain an amendment to provide that students may not dispose of their loans through bankruptcy proceedings for a 5-year period after leaving school. This amendment was adopted in the face of statistics which indicated an alarming growth in the use of bankruptcy laws to escape legitimate obligations. Research compiled by the Congressional Research Service shows that bankruptcies involving student loans in 1975 increased 56 percent over the previous year. During that same period nonbusiness bankruptcies increased only 33 percent. In individual States we find that last year's bankruptcies involving student loans increased 120 percent in Pennsylvania and 88 percent in Wisconsin. The inclusion of this amendment should have a salutary effect in dealing with this problem.

Another amendment which I offered provides that the Commissioner of Education may utilize private collection agencies, State student loan insurance agencies, or State guarantee agencies for the recovery of defaulted loans. This provision is merely permissive. It does not compel their use but would, if utilized, greatly strengthen the Commissioner's ability to improve on the collection of these defaulted loans under the Federal program.

A third amendment which I believe is very important to the stability of the program is the provision that ties the special allowance rate to the rate for 91-day Treasury bills. One of the many complaints from the financial community with respect to the program has been the uncertainty of the special allowance rate. This provision will do much to eliminate this anxiety.

Mr. Chairman, another amendment that I will offer is one that will allow decentralization of the administration of the guaranteed student loan program. This is actually being carried out now in a decentralized fashion but there is a question as to whether it can properly be done under the current law. The law we passed in 1974 says the Office of Education may not delegate these authorities of the Office of Education to regional offices of the Office of Education. In other words, the administration of the program might, under the interpretation of the 1974 law, require that it be carried on here from Washington to assure uniformity in administration. My amendment will allow these activities to be handled in the regions but under regulation of the Commissioner for uniformity.

The Office of Education seeks authority to continue the delegation that they have engaged in to the regional offices for these functions, reviewing applications for loan insurance and issuing certificates of insurance. This is dealing with lenders and with State agencies and can best, in my opinion and the opinion of the Office of Education, be handled at the regional level. Also processing claims for insurance payments under the program in the event of a defaulted loan made either by an educational institution or by a financial institution, we believe the regional offices are in a better position to handle the processing of the claims for insurance.

Lastly, taking into account certain collection activities, I think it should be obvious that collection of the defaulted loans could best be handled from the regional offices rather than from Washington.

Mr. Chairman, the bill also provides for a change in the family income figure for the subsidization of interest during the in-school period. At the present time under the law families with incomes of $15,000, but adjusted by a formula provided for in the law, are automatically entitled to the payment of the 7 percent interest for the student loan during the period that the student is in school, and for certain periods thereafter such as periods of service in the armed services of the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIE. Mr. Chairman, I yield 3 additional minutes to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding the additional time.

The bill would change the present law by increasing the family adjusted income from $15,000 to $20,000 in the first step, and to $25,000 in the second step. By the time we reach the second step of $25,000 family income when adjusted by the formula in the law, that would really mean an actual gross family income of some $30,000 or $31,000. It would mean that approximately 90 percent of the families in the United States would be entitled automatically to a subsidy for in-school interest for these loans. It might seem like a small amount in individual cases, but put together in the aggregate over a period of years, this adds up to hundreds of millions of dollars of additional subsidy.

I will at the proper time offer an amendment that will retain the $15,000 family income figure for the automatic subsidy. Understand that at the $15,000 figure adjusted by the formula in the current law, that means an actual family income of some $20,000. In addition, any family that has actual hardship can receive the subsidy even though their income exceeds this amount.

I am very obviously aware of the need for this. My sister has a family of some six children who will be in college all at the same time next year—four in college and two in law school next year. They are all at very high-tuition institutions. A family like this, of course, should receive the subsidy during the period of the in-school interest payments, even though their income might exceed the limits in the current law.

So in trying not to impose a hardship on anyone but to be realistic, we should limit the amount of income that a family can have and still receive a subsidy. We should not extend the in-school subsidy almost universally.

Mr. Chairman, basically this is a good bill. As I say, I think the gentleman from Michigan (Mr. O'HARA) deserves a good deal of credit for the work that he and our subcommittee have put into this bill. The gentleman from Minnesota (Mr. QUIE) and I hope that amendments that we have announced that we will offer will be accepted by the House, and the bill should then be universally supported.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MICHEL. Mr. Chairman, I am pleased to see that we are continuing to consider legislation which will tighten up the supervision of the guaranteed student loan program. As you all know, when the House passed the Higher Education Amendments of 1976 in May, it included a provision taken from the Student Aid Abuse Act which I introduced last fall. That provision places stiff criminal penalties for abuses of Federal student assistance programs. Persons found guilty of embezzling, misapplying, stealing, or obtaining by fraud, false statement or forgery any of the funds of the program can be fined up to $10,000 and imprisoned up to 5 years.

A number of investigations have documented the serious situation which exists today and which makes such tough provisions necessary. There is substantial fraud and abuse in the student aid programs and the victims of this fraud are the taxpayers of the United States. So while I am pleased that we adopted my provision on criminal penalties, I think we can go still futher in controling program abuses. Consequently, I support the provisions in this bill which would prohibit students from filing bankruptcy less than 5 years after the start of the repayment period, thus wiping out their student loan repayment requirement.

I also favor the provision requiring students to endorse their check and to sign a notice stating that he accepts the obligation to repay the loan under the specified terms. It is also appropriate to require that a school notify a lender when a student leaves school and that the student must keep his loan holder informed as to his current address. I was also glad to see that freshman could not receive lump sum payments, but will receive their loans in installments.

These efforts to tighten the program provisions go along with my own activities in this area. At the same time, however, I am greatly concerned about several other provisions in this particular piece of legislation. Unfortunately, the provision increasing the automatic eligibility limit for the interest subsidy to an adjusted family income of $20,000 for the next fiscal year, and $25,000 for subsequent fiscal years, above the present $15,000 limit, is unwarranted, and I would hope this could be changed before the bill is voted upon. Otherwise, I will have serious reservations about supporting this proposal.

Mr. O'HARA. Mr. Chairman, I yield 4 minutes to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, H.R. 14070 is a bill which extends the guaranteed student loan program through fiscal year 1980. This program was first established in 1965 to make loans available to students so that they could pay for their education at thousands of colleges and vocational schools across the United States. Since then, over 8 million students have borrowed over $8 billion under the program.

In addition to proposing the extension of the guaranteed loan program beyond its expiration date of September 30, H.R. 14070 contains a number of important and necessary modifications in the structure and administration of the program.

As my colleagues know, the guaranteed loan program is not without its problems, and this legislation has been very carefully designed to significantly reduce or eliminate these difficulties.

Mr. Chairman, at this point I wish to compliment the distinguished chairman of our Postsecondary Education Subcommittee, JIM O'HARA. There probably is not a program under the jurisdiction of the Committee on Education and Labor which is as complex, comprehensive and controversial as the guaranteed loan program.

Chairman O'HARA has exercised great leadership and patience in putting together a balanced and constructive approach to the many issues and problems which have been identified. The finished product before us reflects a deep and sensitive understanding of the program, its goals, and the problems now confronted by commercial lenders, students and their parents, and State guarantee agencies.

Members of the committee on both sides of the aisle are to be complimented also for their work on this legislation.

In addition to proposing the extension of the guaranteed loan program beyond its expiration date of September 30, H.R. 14070 proposes a number of important modifications in the program.

I should like to briefly discuss the major thrusts of the legislation which are three in number.

The first of these are provisions in the bill to curb abuses and hold down costs. I know that members of the committee are familiar with the high default rates now being experienced. H.R. 14070 addresses these as follows:

First. Eliminates home study schools as eligible lenders;

Second. Provides greater flexibility in loan repayment terms, including an unemployment moratorium;

Third. Requires that students endorse their loan checks and be put on notice of their responsibilities as borrowers;

Fourth. Permits multiple disbursements of all loans to student borrowers;

Fifth. Requires the Commissioner and State guarantee agencies to provide lenders with better preclaim assistance;

Sixth. Requires that students provide State agencies and lenders with names and addresses when they leave school.

Mr. Chairman, many of the abuses in the program have occurred in situations where schools are operating as lenders.

Accordingly, in addition to the above provisions, H.R. 14070 contains new additional requirements and limitations for schools as lenders:

First. A school lender may not make loans to more than 50 percent of its undergraduate student body;

Second. A school may not lend to a student unless the student can demonstrate that he has been unable to obtain a student loan from a commercial lender;

Third. If a first time borrower requests a loan from a college or university which exceeds $1,500, then that loan must be paid out in multiple disbursements; and

Fourth. A school may not make a loan that amounts to more than 50 percent of a student's cost of education.

The second major thrust of the legislation is the strengthening and encouragement of State guarantee agencies. There are presently 26 States which have their own guarantee agencies. In these States the State initially guarantees a loan made to a student with the Federal Government reinsuring the State's guarantee.

All the evidence before our committee indicates that the State agency programs are far more efficient and economical than the Federal program which is operating in the remaining States. Accordingly, H.R. 14070 proposes incentives to the States for the continuing existing State agency programs and for the establishment of such programs in States where there is now only the Federal program.

These provisions include:

First. The authorization of advances to the States to create or strengthen revolving funds to pay insurance claims;

Second. An administrative allowance of 1 percent of the loan guaranteed each year by a State;

Third. The retention by the States of up to 30 percent of collections on defaulted loans;

Fourth. A mandate to the Commissioner of Education to encourage creation of State agencies; and

Fifth. The equalization of Federal reinsurance to State guarantee agencies with the Federal program.

This latter provision, Mr. Chairman, is very important. Presently, there is a disincentive for the creation and continuation of State guarantee agencies. The proposal in H.R. 14070 will eliminate that disincentive while at the same time encouraging efficient and effective and responsible State administration.

Finally, Mr. Chairman, the third major thrust of the bill is to encourage greater lender participation. These provisions include a 4-year extension of the program thereby giving it stability and continuity.

A new method of calculation for the special allowance payment which is made on all loans is authorized. The bill adds certainty and timeliness to the special allowances which will be set automatically each quarter to yield 3.5 percent above the interest rate on 91-day Treasury bills.

Much of the lenders' dissatisfaction with the insured loan program relates to the Commissioner of Education's failure to pay on a timely basis claims, the special allowance and interest benefits. H.R. 14070 requires that the Commissioner of Education pay interest on any such late payments.

Most importantly, there is proposed an increase in the income level for automatic eligibility for interest subsidy payments. Under existing law, if a student is from a family with an adjusted family income of $15,000 or less, that student automatically qualifies for interest subsidy benefits.

The time has long passed for timely adjustment in that factor to take into account inflationary pressures. A very important fact to be considered in connection with this issue is that lenders are very reluctant to make loans to students who do not qualify automatically for interest subsidy payments.

Accordingly, H.R. 14070 raises that income factor to $20,000 on October 1 of this year and $25,000 on October 1 of 1977.

Mr. Chairman, as my colleagues know, this feature of the bill is under attack. Those who wish to delete it complain that 90 percent of all families will qualify for automatic interest subsidy payment. They obviously therefore infer that this is something bad and something new. Well, it is not something bad, and as we review the record, it is not something new. The $15,000 criteria now in the law has been in the law since 1965 when 92.4 percent of all families had gross incomes below $15,000. Mr. Chairman, this is obviously a change that should have been made a long time ago—not one which should be questioned today.

Mr. O'HARA. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I thank the chairman of the committee for yielding and granting me this time.

First, I commend the chairman for the effort he made in bringing forth this bill and the work he has rendered to the Congress and to the American people over the years as a leading member of this committee. We have had no stronger Member in the Congress than the gentleman from Michigan and I would want to make that plain.

As I think the House knows, we have a particular problem in our State which is a direct loan State. We have been served a notice by the Office of Education that because of the high default rate in some of our schools they are going to withhold a considerable amount of money in the student loan program. At first it was to be just applied to the schools that had a high default rate, but apparently they have broadened that to say it would cut across all our schools and universities in the State of Texas. HEW has already done this in New Mexico. Apparently, beginning in Texas, and New Mexico, HEW is trying to cut back student loans for certain institutions with high default rates.

In Texas this simply means the black colleges and universities will be the institutions that are hurt. In other words, the Office of Education, in my opinion, is trying to punish the schools with the high default rates but in the process is denying opportunities to a particular segment of the population.

Now, the gentlewoman from Houston, Texas (Ms. JORDAN) and I are going to offer an amendment tomorrow that, in effect, will say that we think it will address the default rate question without cutting back on the amount available for student loans. In effect, it would allow the lender to require a cosignor for loans affiliated with the school having a 10-percent default rate. Such a requirement would make a student doubly diligent about repaying the loan. So the amendment we intend to offer would address the problem of the high default rate without denying the black student the opportunity or the right to attend a black college or State university.

Now, I have sent the Members a copy of the amendment and it will be printed in the RECORD. For this evening it will suffice to say they have a copy.

It is not an approach that we are happy about offering in the sense we think it would be answering all the problems; but either we have to adopt an amendment like this, which would permit a cosigner, or else we will allow the Office of Education to say we are going to cut back on these loans and hurt the black colleges and universities.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PICKLE) has expired.

Mr. O'HARA. Mr. Chairman, I yield the gentleman from Texas 1 additional minute.

Mr. PICKLE. Mr. Chairman, it is either we go the route of the Office of Education and give them authority to cut back these funds, or else we allow the schools in the future to say that they may require a cosigner where they think it is important. We think that will go a long way toward cutting the default rate, not immediately, but in time to come, because that student knows it is a loan that someone else has put his name on.

Mr. Chairman, this amendment is agreebale to the black universities and colleges in that form. They have asked for it and I think it is commendable that they have taken this progressive step. We have either to do that or gradually this same edict is going to spread out through the Nation and it will hurt the country more than it has.

Mr. Chairman, I thank the gentleman for yielding.

Mr. O'HARA. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, first of all, I would like to join my other colleagues in paying tribute to the gentleman from Michigan (Mr. O'HARA) who voluntarily is leaving this body at the end of this year. If I were to name 10 outstanding Members of the House of Representatives in my brief experience here, certainly one of those 10 would be the gentleman from Michigan (Mr. O'HARA). The gentleman's contribution has been a distinctly solid one.

Mr. Chairman, I think the bill that is before us is another step forward. There can be arguments about what the income limitations should be. There can be arguments on the bankruptcy area, where I may tomorrow differ with my colleague from Michigan and try to preserve the bill as it is in that respect; but fundamentally, we are taking another step forward. We are saying that if this Nation is to move ahead, we have to take advantage of our greatest resource and that is our young people. I believe that this does that.

Mr. Chairman, I hope that the time will come when I can stand in this body and vote for something similar to the GI bill which we had after World War II, only applying it not just to veterans, but to everyone. This is the basic approach taken by most nations in the world today and we have not moved in that direction.

It is very interesting that the GI bill after World War II, under which some of my colleagues today probably got their education, has paid back in direct tax dollars to those who were beneficiaries about $6 to every $1 we paid to them.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. O'HARA. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. SIMON. The GI bill was conceived originally as a gift to veterans, and nothing more. It turned out to be an investment in our own prosperity. The economic growth has been many times that 6, and the benefits to the Nation from this bill will be many times that small additional expenditure that is being asked.

I think it is a fine step forward, and I am pleased to support the bill.

Mr. THOMPSON. Mr. Chairman, this year the guaranteed student loan program will enable more than 1 million loans, totaling nearly $1.5 billion, to be made to students. This program is one of the major sources of money assisting students to attend a college or university.

Perhaps the day will come when we get our priorities in the proper order:

When we open wide the door of educational opportunity to all regardless of background or income;

When we provide lifelong learning opportunities;

When we give the highest preference to public investment in the intellectual development and enrichment of our citizens; and

When we realize that the Nation benefits from an educated citizenry at least as much as the educated individual benefits.

When that new day arrives we will stop shifting a progressively larger share of the costs of education on to the student in the form of loans. We will provide more adequate grant assistance. But prior to that new day, which I believe will at least dawn this November, this loan program will remain an essential source of the funds students need to pursue their education.

This bill takes important strides to insure the fairness, efficiency, and stability of the guaranteed student loan program.

The program operates by providing incentives primarily to commercial lenders. They must be induced, not commanded, to make educational loans to students. The bill provides that the interest rate they receive will reflect the general price of money in the economy. Lenders will be assured a fair return.

Lenders tend to get in the program and stay in the program in the 24 States with guarantee agencies. These agencies provide the best service.

In addition, compared to the States where the Federal Government insures the loans directly, without the intermediary of a State agency, the States with the guaranty agencies have an excellent record of default prevention and collection. The bill strengthens the State guarantee agencies, most importantly by providing these agencies with 100 percent reinsurance on defaulted loans, provided that their performance remains at its current high level. It is also our hope that this bill will encourage more States to create guarantee agencies. This is the one proven technique to both maintain adequate participation by lenders and to hold down defaults.

In addition to strengthening the State agencies, the bill incorporates other changes to curb abuses and defaults. For example, students must be put on early notice of their responsibilities as borrowers and the schools must provide lenders with the names and addresses of students when they leave school.

I recommend that my colleagues read the committee report which describes in detail all of the changes which we propose. We have not just given this program a cosmetic touchup. We have gone beyond fine tuning. This bill represents a major overhaul. It is the product of intense study and thorough debate in the committee. I would hope that the House will reject any amendments that strike at the basic structure of the carefully wrought package of changes proposed in the bill. This engine will not work with a Ford carburetor.

I commend my good friend from Michigan (Mr. O'HARA) for his leadership on this bill and his perseverance and commitment to mastering a difficult subject. The gentleman from Illinois (Mr. ERLENBORN) and the gentleman from Minnesota (Mr. QUIE) also made their usual constructive contributions.

I urge my colleagues to support the bill, and I am proud to be one of its cosponsors.

Mrs. MINK. Mr. Chairman, I rise in support of H.R. 14070, the Guaranteed Student Loan Amendments of 1976.

Mr. Chairman, the guaranteed student loan program deserves our strong support. It is the only Federal program of student financial assistance which is available to all students regardless of income. While eligibility for all other Federal student aid programs depends on financial need, any student is eligible for a guaranteed student loan as long as the student can find a bank, credit union, savings and loan association, or other participating lending institutions willing to make him the loan. Only the interest subsidy portion of this law carries an income criteria.

Because many students from middle class families are generally precluded from obtaining grants due to their family income, the guaranteed student loan program remains their only major source of financial assistance to continue their higher education. This program is therefore a significant and necessary part of our financial aid programs.

The bill as reported by the Committee on Education and Labor extends the guaranteed student loan program through fiscal year 1980 and makes a number of improvements in its operation. I am especially pleased that H.R. 14070 continues the Federal insured loan program of direct Federal insurance in those States with no State guarantee agency. In these "FISL" States, the U.S. Office of Education serves as the guarantee agency. To encourage States to create State guarantee agencies, the bill provides various incentives for their establishment.

Among the incentives for the creation of State guarantee agencies is a provision in the bill which increases the reinsurance rate for loans made by State agencies from 80 to 100 percent unless defaults in that State exceed 7 percent in any 1 year. This provision will provide equity in reimbursement for State agencies since the reinsurance rate in FISL States is currently 100 percent. If a State's default rate for the year reaches 7 percent, the reimbursement rate will be 90 percent. The degree of Federal reinsurance of State losses is thus placed on a performance basis to require States to continue their present performance that is keeping their average default rate at 7 percent—half of the FISL rate. States which establish new guarantee agencies subsequent to enactment of this bill are assured of 100 percent reinsurance for the first 5 years.

H.R. 14070 also increases the amount a student can borrow under the program. For undergraduate students, the bill retains the existing $2,500 loan limit per academic year and the existing $7,500 aggregate ceiling. Graduate and professional students' aggregate loan limits are increased from the present $10,000 to $15,000 for undergraduate and graduate years of study combined.

H.R. 14070 also increases the family income level for automatic eligibility for subsidized loan under which the Government pays the interest on the loan during the period the student is in school. Under current law, students from families with adjusted family incomes of $15,000 and who are borrowing no more than $2,000 are automatically eligible for subsidized loans. H.R. 14070 increases the adjusted family income to $20,000 in fiscal year 1977 and to $25,000 in subsequent years.

I am pleased to cosponsor an amendment with will strike section 439A from the bill. This section would prohibit the discharge of student loans in bankruptcy for the first 5 years of their repayment. I believe this provision is highly discriminatory for it singles out one class of borrowers, namely students. As it has been stated, there is no evidence to suggest any differences in the behavior of student loan borrowers as compared to other borrowers or that students are utilizing the Bankruptcy Act more than anyone else. Since the General Accounting Office has been requested to conduct a study on this particular issue, it is only reasonable that we wait for the results of this study. It would be ill-advised for the Congress to legislate before any factual data are in. As one who voted against the adoption of this provision during committee consideration of this bill, I urge my colleagues to likewise vote for the amendment to strike section 439A.

Mr. Chairman, the guaranteed student loan program is designed to help every student by providing him with the financial assistance to continue his higher education. H.R. 14070 is a bill which improves the structure of the current program by maximizing services to students while minimizing the possibility of abuse. I hope my colleagues will join me in supporting H.R. 14070.

Mr. DON H. CLAUSEN. Mr. Chairman, in 1971 I had the great honor of working closely with the distinguished gentleman from Illinois (Mr. ERLENBORN), a member of the House Education and Labor Committee, on legislation which we coauthored to create the Student Loan Marketing Association—Sally Mae.

This program is now in full operation and is presently expanding its services as a secondary market and warehousing facility for student loans which are insured by the Federal Government, a State or nonprofit private insurer.

We were highly optimistic that this program would fulfill a real national need, alleviating the growing burden of college tuition for middle-income families allowing many more highly deserving and motivated students to continue their educations. In my view, this goal is being met and I commend my colleague, Mr. ERLENBORN, and members of the House Education and Labor Committee for their diligent work in overseeing this program and for their willingness to recognize those areas in need of strengthening and improvement.

It is crucial to the survival of the program that current rumors regarding default rates and bankruptcies be clarified to avoid a "panic situation" and to allow reasonable and responsible steps to be taken to minimize the possibility of abuse.

The basic concept behind the student loan program is a sound one. It permits each and every student to have a personal equity in his or her own education and an investment in his or her future. While a number of students have been unable to accept the responsibilities involved in taking out a loan and repaying it, I am confident that the majority of young people today fully recognize the value of an education and what it will mean in terms of future earnings and that these students will not misuse the program.

I strongly support the student loan program and the improvements made in it by this legislation.

Mr. ST GERMAIN. Mr. Speaker, during our debate on and discussion of H.R. 14070, guaranteed student loan amendments, I would certainly hope that my colleagues would bear in mind that there are some shortcomings in the student loan program which are not addressed in this legislation but which do require our attention.

I am speaking of the frauds and abuses of the student loan program which have occurred and continue to occur with consequences that can only prove detrimental to both our taxpayers and the valuable operations of these loans programs.

Therefore, I am hopeful that a bill, H.R. 14760, introduced by my distinguished colleague, Mr. FOUNTAIN, which I have joined as a cosponsor, will come before this body in the near future. This bill addresses itself particularly to the need to establish an Office of Inspector General within HEW so that these abuses and frauds, perpetrated by some to the extreme disadvantage of all concerned, may be contained.

Mr. O'HARA. Mr. Chairman, I have no further requests for time.

Mr. QUIE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 14070

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Guaranteed Student Loan Amendments of 1976".

Mr. O'HARA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DUNCAN of Oregon, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the bill (H.R. 14070) to extend and amend part B of title IV of the Higher Education Act of 1965, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. O'HARA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the general debate on the bill H.R. 14070.

The SPEAKER pro tempore. (Mr. MCFALL). Is there objection to the request of the gentleman from Michigan?

There was no objection.

FURTHER LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I have asked for this time in order to give the schedule.

Mr. Speaker, the schedule for tomorrow, when we meet at 12 o'clock noon, is to conclude consideration of H.R. 14070. We will then go to consideration of H.R. 14578, Federal reclamation projects, under an open rule, with 1 hour of debate. That will be followed by consideration of H.R. 15194, public works employment appropriations for fiscal year 1977.

If we complete those measures early, we will continue along with the remainder of the program as it is on the schedule. However, we think that is probably as far as we will be able to go tomorrow.

Then on Thursday, we will bring up the supplemental security income amendments as the first item of the day.

TRANSKEIAN INDEPENDENCE

The SPEAKER pro tempore (Mr. MCFALL). Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, in light of the recent events in South Africa, I believe that Members of the House of Representatives and the Senate will read with interest the following summary of the booklet, "South Africa's Bantustans: What Independence for the Transkei?" The summary was written by the author of the booklet, Alexander Kirby.

In this connection, the Central Committee of the World Council of Churches, at a meeting in Geneva, Switzerland, on August 18, 1976, which, as a member of the committee, I attended, adopted a resolution on the Transkei.

The summary of the booklet and the resolution follow:

SOUTH AFRICA'S BANTUSTANS: WHAT INDE-

(By Alexander Kirby)

TRANSKEIAN INDEPENDENCE

The Transkei is to be declared independent on 26 October, 1976, the first of South Africa's ten Bantustans to be so designated. It contains about 1.7 million people in three separate areas, but on independence its *de jure* population will instantly leap to about three million, as all Xhosa-speaking Africans (except those assigned to the neighbouring Ciskei Bantustan) will be declared Transkeian citizens (by the South African Government, not by the Transkeian Government). The Transkei is a test case for the whole Bantustan policy: if it does not gain international recognition, it is unlikely that any of the other nine will do so. That policy is both the logical outcome and the very embodiment of apartheid: it involves the granting of national independence to over 75 percent of South Africa's population in about 12.4 percent of the country's total land area, and it must be seen against the background of the brutal and wholesale repression and denial of black rights—civil, economic, political and human—in "white" South Africa.

There has been no popular demand for independence from the Transkei itself. The demand has come from Chief Minister Kaiser Matanzima and his party. Matanzima has maintained his grip on the people with the powers given him by Proclamation 400, passed in 1960 and in force to this day: it maintains a state of emergency, allows for indefinite detention without trial, and denies Africans the right to freedom of speech, assembly and movement.

Matanzima recently detained many of the Transkeian opposition, and he has created a police state which faithfully mirrors its big white brother, through his adoption of most of South Africa's own legal machinery of repression. He claims that Transkeians do want independence, but a survey carried out by one Johannesburg Afrikaans newspaper and reported in the *Rand Daily Mail* (5 May 1976) showed four out of six Transkeians questioned rejecting independence. Matanzima has said that "the only practical difference independence will make to the average Transkeian citizens is that they will carry Transkei passports instead of Republican passes".

ECONOMIC BENEFIT FOR SOUTH AFRICA

An independent Transkei will benefit white South Africa in two ways. Economically, it will continue to function as a reservoir of cheap black labour (official South African Government figures showed that in 1971 there were nearly six times as many men away from the Transkei working as migrants as there were in paid employment within the Bantustan). White South Africa is dependent upon the evil migratory labour system: Professor G M E Leistner, writing in *South African Dialogue* (McGraw-Hill, 1972) stated that African workers constituted 65% of the total labour force of the "white" economy.

The Transkei itself will have to continue to depend upon migratory labour: average annual income in the four largest Bantustans (which includes the Transkei) in 1974 was R84 (= approximately $97), and about half of this was provided by migrant workers. Few African countries have a lower average annual income, and in fact even this figure is dropping fast with the rapid increase in the Transkei's population, an increase caused chiefly by the endorsement out of "white" South Africa of Africans whose claims to remain there are not accepted by the white Government. Poverty is cruel: a 1972 survey found that 75–80% of the children examined at two Transkeian hospitals were suffering from malnutrition.

In the 1950s the Tomlinson Commission estimated that the South African Government would need to spend about R208 million on development during the first decade of the Bantustan policy. From 1956 to 1961, a period for which the Government had announced a budget of R73.2 million for this purpose, it actually spent R13.5 million. The 1975–76 South African budget provided R385 million for all Bantustan expenditure (much of it in fact has to go on the purchase of "white" land for the consolidation of the Bantustans), while the country's four provinces received R1,253 million and a further R948 million were spent on defence. Expenditure on the Bantustans in that fiscal period actually amounted to 5.9% of the national budget.

The *Rand Daily Mail* aptly described the Bantustans (18 August 1973) as "a chain of labour reservoirs where people are held in a state of compulsory unemployment until the white economy wants them". Yet that white economy has been built by African sweat. The Transkei is part of Africa's richest nation, one of the wealthiest in the First World, yet it is now to be thrust among the hopeless cases of the Third World.

POLITICAL BENEFIT FOR SOUTH AFRICA

Politically, an independent Transkei will benefit white South Africa no less significantly. For Pretoria will be able to claim that it has met black demands for full rights by granting independence. This superficially plausible claim ignores the fact that the price to the Transkeians of obtaining independence within one insignificant fraction of their country is their abandonment for all time of any claim to a share in the rest of South Africa and in the wealth which their labour and their lives have bought (it also ignores the fact that Matanzima appears certain to prevent the exercise even in the Transkei of African rights: Dr. Verwoerd might well have had him in mind when he said in 1962: "I have confidence in the mass of our Bantu, with the exception of a small group of agitators . . . We are trying to establish well-disposed little black neighbouring States . . . ").

White South Africa will claim that an independent Transkei is the vindication of its policy of separate development, that it is the final emergence of apartheid with a human face. The Transkei will find that Matanzima's acceptance of independence in its name has obliged it to sell its birthright for a mess of pottage.

THE STRATEGY OF SOUTH AFRICA

Central to Pretoria's strategy is its insistence that the Transkeians are to be allowed no choice whatsoever in the matter of their independence. The white Parliament has unilaterally decreed that independence, and—in direct contrast to the process of decolonisation over the last two decades—it is also insisting that independence will be both universal and compulsory. This is unequivocally shown by its *diktat* that on 26 October all Transkeian citizens will automatically lose their South African citizenship and will thus become foreigners in all but a tiny part of the land of their birth. Many citizens of the new state were born in other parts of South Africa and have never so much as seen the Transkei. A Bill published by the South African Government on 26 May 1976 defined the categories of people who are Transkeian citizens and will cease to be South Africans.

They include those living in the Bantustan; those born there; illegitimate children of Transkeian mothers, who may be living in "white" South Africa; Africans who are not members of another homeland and who speak Xhosa (or Sotho, a minority group in the Transkei); and "every South African citizen who is not the citizen of another homeland and is not a citizen of the Transkei in terms of other definitions but who is related to a person in the previous category or is culturally or otherwise associated with any members or part of this category".

Describing this as "one of the most controversial Bills ever laid before Parliament", the *Cape Argus* accurately commented: "If the Government, having granted the Transkei independence, then gives rights outside the Transkei, in 'white' South Africa, to those Xhosas who refuse to become Transkei citizens, its policy will be in tatters, and most of its rationale for the establishment of the independent Bantustans will have collapsed".

White South Africa is bound to insist on compulsory independence for the Transkei if it is to achieve its twin aims of safeguarding its supply of cheap labour and at the same time achieving the highest possible degree of physical separation of black from white. But it is that insistence which gives the lie to white claims to be responding disinterestedly to a popular demand for independence, and which shows independence for what it is: a spurious form of decolonisation, not granted to but forced upon the colonised, on the terms and in the interests of the coloniser.

The independence in store for the Transkei therefore embodies apartheid both in its practical effects and in its implicit purpose. More fundamentally than either of these, it is in its very essence an encapsulation of the apartheid doctrine, because it is based on the theory that the black population of South Africa consists of a number of "tribes" or "nations" (terms never used in connection with any section of the white population) which are racially determined (an official publication of Pretoria's Department of Information in 1968 wrote that "the labour essential to industrial growth is drawn from eight separate and distinct Bantu nations, each speaking a different language and having its own customs, each jealous of its own identity".)

In apartheid South Africa there is far more that unites black people—of whatever cultural or linguistic heritage they are the heirs—than there is to divide them: the Bantustan policy is the instrument of the division which the whites believe they must effect in order to safeguard their own supremacy and survival, and it is nothing other than an attempt to divide and rule black South Africa. The irony is that the very solidarity of South Africa's blacks which the whites seek thus to fragment is itself the creature of apartheid.

In a South Africa which had grown sufficiently to abandon the closed system of apartheid black people would see their interests as subsumed within the wider community, and while they would not tolerate white supremacy they would not question white survival as equals. South Africa's tragedy is that, ultimately, it is apartheid itself which alone threatens white survival.

OPPOSITION TO THE BANTUSTAN POLICY

Despite the obvious and major obstacles to free expression inside South Africa, there is opposition to the Bantustan policy there. It has been consistently expressed over the last two decades by the liberation movements, the Pan-Africanist Congress and the African National Congress (South Africa). These are now banned organizations, with their leaders imprisoned. The Black Renaissance Convention, the South African Students' Organization and the Black People's Convention (many of whose members were detained during August 1976 as the uprising which began in Soweta in June spread to the Cape) have continued that opposition, as have such individuals as Mrs. Winnie Mandela, wife of the imprisoned Nelson Mandela.

Opposition from outside South Africa has come from the liberation movements external representatives, from the Organisation of African Unity (which has stated that it "resolutely reaffirms free Africa's total rejection of apartheid and all its manifestations, including any so-called 'independent homelands' within South Africa . . .", and has called on "all United Nations Member States to desist from establishing any contacts with the homeland 'leaders' . . ."), and from the United Nations General Assembly, in resolution No. 2671 (XXV) of 8 December 1970 and again in resolution No. 3411 D (XXX) of 28 November 1975.

Rejection of the Bantustans and of Transkeian independents was also expressed (on 22 May 1976) by the International Seminar on the Eradication of Apartheid and in Support of the Struggle for Liberation in South Africa (the seminar was sponsored by the UN Special Committee against Apartheid, in consultation with the OAU). The Seminar also noted that "the General Assembly [of the UN] had decided that the racist regime of South Africa is illegitimate and has no right to represent the people of South Africa and that the national liberation movements are the authentic representatives of the overwhelming majority of the South African people."

CONCLUSION

In it implicit purpose, its certain effect, and in its essential concept, the independence about to be forced upon the Transkei is an expression of apartheid and a major step towards cementing its grip upon all the people of South Africa. Recognition by the world of the Transkei as truly independent would be a recognition of apartheid. It would accept the fantasy that South Africa is a multi-national state, and would push still further into the future the day when it will become a multi-racial state in which people of all races enjoy equality of rights, of duties and of dignity. It would accept the emergence before long of a South Africa with no black citizens at all.

Mr. Speaker, the resolution to which I earlier referred follows:

RESOLUTION ON THE TRANSKEI

(Adopted by World Council of Churches Central Committee; Geneva, Switzerland August 18, 1976)

On 26 October 1976 the South African Government intends to declare the Transkei "independent", the first of South Africa's Bantustans to be so designated. This would be the "national home" of all Xhosa-speaking Africans in the country, with the exception of those deemed to belong to the Ciskei Bantustan. The Transkei's present population of about 1.7 million people would in theory swell to around three million when all those obligated to assume its citizenship were included.

The concept which underlies the creation of the "independent" Transkei (and of the other nine Bantustans, each destined for notion of supposed "tribal" or "national" eventual "independence") is based on the identities which are racially determined. It creates artificial divisions within the African population and between them and other South Africans. It is rooted in the doctrine of apartheid. In theory and in practice the Bantustans encapsulate apartheid, and their recognition as "independent" entitles would clear the way for the emergence of a South Africa with no black citizens at all.

The South African Government is insisting that on "independence" all Transkeian citizens, many of whom were born in urban South Africa and have never seen the Transkei, shall surrender their South African citizenship and become citizens of the Transkei alone. They will thus be obliged to surrender against their will for all time any share in by far the greater part of the wealth which has been created through their labour and in the space of their own country. Therefore, the political function of the "independent" Transkei would be to serve as the first of the enclaves within which the African people would be allowed in principle to exercise their civil rights on condition that they abandon their birthright.

The underdevelopment and overpopulation of the Transkei mean that it will be forced to continue to depend upon the evil system of migratory labour in order to avoid even more desperate poverty. This dependence dovetails neatly with the dependence of the white South African economy on an abundant supply of cheap black labour, and so the economic function of the "independent" Transkei would be to serve as a labour reservoir.

The Xhosa-speaking people had expected to enjoy full political rights within South Africa. They oppose the exchange of their South African citizenship for citizenship of the Transkei. They had no say in the unilateral decision of the white Parliament to create the Bantustans and to deprive them of their rights as citizens of South Africa.

The Central Committee of the World Council of Churches, recalling that the WCC has on many occasions declared its opposition to apartheid and to racism as being contrary to the Gospel and incompatible with the nature of the Church of Christ and violating basic Human Rights, therefore:

Condemns the deceptive manoeuvre of the South African Government to perpetuate and consolidate apartheid by the creation of the so-called "independent" Transkei, by which these three million South Africans will be made foreigners in their own country;

Condemns any other policy which would further isolate and divide the African population;

Calls on member churches of the WCC to expose the evil of the Bantustan policy;

Recommends in this connection to member churches for their study and for further dissemination of information the booklet, South Africa's Bantustans: What Independence for the Transkei?, published by the Programme to Combat Racism of the WCC;

Calls on member churches to urge their Governments to oppose the Bantustan policy, to withhold recognition of the Transkei as an independent State and to have no direct or indirect diplomatic, commercial or other relations with the Transkei, or any other activity which could imply recognition; and

Expresses its solidarity with and compassion for the Xhosa-speaking people as they struggle for the legitimate rights of all Africans in South Africa.

LIBERATING PARAPLEGICS FROM WHEELCHAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota, Mr. FRENZEL is recognized for 60 minutes.

Mr. FRENZEL. Mr. Speaker, there is now hope for an eventual cure for the 200,000 victims of spinal cord injuries and other neurological diseases. Scientists are now becoming increasingly optimistic about the possibility of spinal cord regeneration. Until very recently, regeneration of the central nervous system was considered hopeless.

This spring I convened the second annual meeting of scientists, lay leaders, and Members of Congress concerned with this problem. The purpose of this luncheon was to discuss the progress of spinal cord regeneration made to date and explore future plans.

Representatives from leading universities and research centers, the National Paraplegia Foundation, and Paralyzed Veterans of America were among the 120 individuals in attendance. We were especially honored to have with us visiting Soviet scientists in this field, Dr. Levon A. Matinian, chief, Laboratory of Neuroendrocrinology, Orbeli Institute of Physiology, Armenian Academy of Sciences, Yerevan, Armenian SSR; Prof. Veniamin M. Ugryumov, director, Polenov Neurosurgical Research Institute, Leningrad, U.S.S.R.; Prof. Evgeniy I. Babychenko, head of the chair of neurosurgery, Saratov Medical Institute, Saratov, U.S.S.R.; and Dr. Vyacheslav Stepanov, counselor of medicine, Soviet Embassy, Washington, D.C. The Soviet Union has made remarkable progress in central nervous system regeneration and the presence of these eminent scientists made our luncheon a great success.

Hope now exists for the eventual cure of central nervous system disorders which will eventually liberate paraplegics from their wheelchairs. For that reason, it is important that scientists, lay persons, and legislators join in a united effort to assure continuation of the necessary research.

Mr. Speaker, because I consider this luncheon so important for all paraplegics, I would like to share the speakers' remarks with my colleagues.

Our first speaker, Dr. Donald B. Tower, is the Director of the National Institute of Neurological and Communicative Disorders and Stroke, the Federal agency charged with leading the basic research:

AN INTERIM REPORT ON PROGRESS AND PLANS ON THE NINCDS ADVISORY COUNCIL SUBCOMMITTEE RECOMMENDATIONS FOR RESEARCH ON GROWTH AND REGENERATION IN THE CENTRAL NERVOUS SYSTEM

(By Donald B. Tower, Director, NINCDS)

Mr. Frenzel has asked me to bring you up to date with respect to the recommendations developed by the *ad hoc* subcommittee of the NINCDS Advisory Council in the area of research on growth and regeneration in the central nervous system. Let me say how much all of us appreciate Bill Frenzel's interest and efforts in arranging these luncheons as a forum for so many of us concerned with the problems of paraplegia and the paraplegic.

As many of you know, the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS), which I am privileged to direct, has as its mission the promotion and support of research and research training for the hundreds of disorders of the human nervous system that today afflict nearly 50 million Americans. These range from stroke and injuries to the head and spinal cord—among the leading causes of death and disability in this country—to such disorders as deafness, cerebral palsy, epilepsy, multiple sclerosis, Parkinson's disease, muscular dystrophy, and a whole host of genetic, degenerative and other diseases affecting the nervous system. These represent some of the most chronic and disabling afflictions of man and cost this country $20 billion annually for medical care alone. In a distressingly large number of the neurological and communicative disorders, we still do not know the cause, we lack adequate means for definitive screening or early diagnosis, and we have no specific therapy or effective preventive measures. Thus, our efforts must focus on fundamental research in the neurosciences to advance and expand our knowledge of the functioning of the brain, spinal cord, nerves and muscles, so that we can understand the reasons for these various disorders.

This is precisely the situation we face in the context of spinal cord injury, paraplegia and the questions of regeneration and restoration of function after damage to the central nervous system. In absolute numbers, paraplegics in the United States comprise a relatively small proportion of the total NINCDS constituency—less than 200,000 out of nearly 50 million—but paraplegia is one of the most disabling disorders with which we are confronted, and its prevalence in our youth and young adults is especially serious. Moreover, the problem of paraplegia—the disconnection or disruption of nerve circuits between the higher centers in the brain and the limbs and bodily organs (such as the bladder)—is an important and challenging problem.

For years neuroscientists and clinicians have accepted the traditional teaching that the transected spinal cord cannot regrow and reconnect—in other words there can be no central regeneration, despite the fact that peripheral nerves (in arms and legs) can and do regrow and reestablish functional recovery after injury or sectioning. Clearly, if we could induce central nerve fibers and tracts to do the same we might restore function to the paraplegic's paralyzed limbs and reverse or modify the sequelae of stroke, multiple sclerosis and the like. Let me reemphasize this point. Even as we focus on paraplegia, our dollars invested in basic research to solve the problems of restoring spinal cord function in these patients may, in fact, pay off manyfold by providing additional solutions to the sequelae of other disorders like stroke or multiple sclerosis. It is this multiplier effect or cascade phenomenon—the ability to utilize a relatively few dollars to acquire new knowledge which may solve a great many different clinical problems—that makes investments in fundamental neuroscience research so worth while.

Many of you already know part of the story. Investigators in different fields, over the past decade or two, have uncovered evidence that the old dogma of no central regeneration might be incorrect. Consequently in 1974 the NINCDS Advisory Council created an *ad hoc* Subcommittee under the chairmanship of one of its members, Dr. Sidney Carter (of New York City), to ascertain the current status and future potential of regeneration in the central nervous system, so that the NINCDS could be advised how best to proceed. Under the auspices of the subcommittee, a series of four workshops were held under the respective Chairmanships of Drs. Sylvio Varon (of San Diego), Stanley Appel (Durham, N.C.), Frederick Kerr (of Rochester, Minn.) and Mr. Alan Reich (of McLean, Va.) at which the various major aspects of the problems of growth, development and regeneration in the central nervous system were discussed in depth. I was able to attend each of these workshops and can assure you that they were exceptionally successful and stimulating. In addition the subcommittee commissioned additional position papers by Drs. Lloyd Guth (of Bethesda, Md.) Bernice Grafstein (of New York City), Richard Sidman (of Boston) and John Kurtzke (of Washington), including reports on the previous history of regeneration research and on the incidence and prevalence of spinal cord injury. These reports and papers were presented in June 1975 to the Advisory Council of the National Institute of Neurological and Communicative Disorders and Stroke, and subsequently they were published, in September 1975, as a supplement to the journal, *Experimental Neurology* (vol. 48, number 3, part 2), with wide distribution by the NINCDS.

The recommendations by the *ad hoc* subcommittee on growth and regeneration in the central nervous system to the NINCDS Advisory Council fall into three categories. Firstly, there are eight high priority research areas identified. Very simply these are addressed to the mechanisms and factors involved in growth, establishment, and maintenance of functional connections among nerve cells—the communications network—in the spinal cord and brain. The second set of recommendatitons comprises five that deal with training needs to provide the additional manpower needed to fully implement such research. And the third group of four recommendatitons addresses problems of planning and coordination.

Circumstances beyond our control have delayed implementation of most of the recommendations until relatively recently. The FY 1976 appropriation was not available until February of this year, and even then has permitted funding of approved grants at only about 30 percent of the total approved.

Nevertheless, at each meeting of our Advisory Council, pending research grant applications in the areas of central growth and regeneration are identified for special consideration. As an example the program project for the support of Dr. Richard Sidman's research team at the Children's Hospital Medical Center in Boston was handled in this way, and I am pleased to report that it has been funded and is now active. The outlook for FY 1977 (beginning in October 1976) promises to be a bit better. Thus, by stimulating our best scientists to recognize the importance and opportunities in this research field—and by giving their applications detailed, special attention, the research recommendations of the NINCDS Advisory Council Subcommittee are now being implemented.

Each of the areas where increased needs for research manpower were identified—immunology, cell biology, developmental biology, neuropathology—has been specifically designated by the NINCDS for research training support both as individual research fellowships and as institutional fellowship (training grant) awards. However, the uncertainties over whether there would be a training program at the NIH has delayed our implementation. Authorization for our training programs in FY 1976 passed the Congress only a few days' ago. We hope to have an appropriation for training in the next several weeks. Although it is obviously too late to accomplish much in the current fiscal year, we expect the new appropriations schedule of the Congress to permit proper implementation of these rseearch training efforts in the next fiscal year beginning October 1, 1976.

One specific recommendation dealt with our intramural regeneration research program in the NINCDS laboratories at Bethesda. Many of you know that Dr. Lloyd Guth, who was in charge of this program, left last year to head the Department of Anatomy at the University of Maryland. Although he continues an active collaboration with the remaining NINCDS staff, his departure has been a setback to our plans in this regard. However, Dr. Thomas Chase, our Director of Intramural Research, has made recruitment of an outstanding investigator in regeneration research his top priority. In addition, we have laid plans for strengthening this regeneration research program with better laboratory facilities. Staffing will remain a problem as long as current personnel ceilings restrict our recruitment to key professionals. Dr. Chase and I agree wholeheartedly with the Subcommittee's view that there must be a strong training and research focus for regeneration research in the NINCDS intramural program at Bethesda.

With respect to the recommendations for planning and coordination let me simply state our recognition of responsibility to adhere to the principles enunciated in those four recommendations. In the recent reorganization of our extramural programs, a special subprogram on central growth and regeneration has been designated in our Stroke and CNS Trauma Program. This will provide a focal point to deal with coordination and planning, especially information exchange, lay participation and budget projections. Moreover we have just initiated an NINCDS Office of Program Planning and Evaluation to provide appropriate resource support for such program areas.

Before concluding, let me summarize briefly our current funding of research grants and contracts in spinal cord injury and neural growth and regeneration:

Type of project:	Number of projects	Fiscal year 1976, millions of dollars
Spinal cord injury:		
Clinical research centers	6	$2.166
Program projects	1	0.237
Research grants	22	1.135
Research contracts	3	0.280
Subtotal	31	3.818
Growth and regeneration:		
Program projects	5	2.203
Research grants	62	4.075
Subtotal	67	6.278
Grand total	98	10.096

Please note that the figures include estimates for grants for which the 1976 award has not yet been made. Training and intramural research funds are not included in the above tabulations. The FY 1976 data represent a doubling from the level of support five years' ago, and within the resources available to the NINCDS represents, I believe, a very creditable effort.

Clearly much remains to be done. It would be unfortunate if a too optimistic view were to be inferred from what I have said. Despite the experimental evidence for regeneration of central nerve fibers, for collateral sprouting and the like, we still must prove that these are not simply local cell-to-cell phenomena of little functional significance, and that long nerve tracts from brain centers to the lower spinal cord way-stations can indeed not only regenerate after cord section but re-establish the correct functional connections. We appear to still be a long way from achieving even this goal. There is a special responsibility that all of us in this room and in the biomedical research community as a whole must keep constantly in mind, namely, to be very sure of our facts before publicizing new or promising leads or advances.

Thank you, Bill Frenzel and all the rest of you for an opportunity to share with you a glimpse of the NINCDS program. Spinal cord injury, paraplegia, central growth and regeneration are clearly priority research areas. If we work together on this commitment I am confident progress will continue and move us ever closer to our goal of a definitive solution for the problem of paraplegia.

Dr. William Windle is a research professor retired from Denison University. He is a former Institute member and world renowned neurophysiologist, author and world leader in spinal cord regeneration research:

REMARKS BY DR. WINDLE, MAY 20, 1976

Congressman Frenzel, Doctor Tower, ladies and gentlemen: I am pleased to add words of welcome to our Soviet Colleagues on behalf of neuroscientists of the United States whose investigations of central nervous regeneration and the paraplegia problem are mutually of interest. We hope sincerely that the visit of Drs. Babychenko, Matinian & Ugryumov who are returning my visit to their institutes, will lead to closer ties and eventually to opportunities for working together in each other's laboratories and clinics towards solution of the increasingly urgent problem of spinal cord trauma.

Whether nerve fibers in a severed spinal cord can regenerate was debated for more than a century. We in the United States demonstrated in the 1950s that they can. However, the regenerative process in our experimental animals did not continue to the stage of functional restitution. Formation of dense scar tissue strangled the delicate new growth of nerve fibers before they could achieve functional connections. One of the great contributions by our Soviet friends is the prevention of scar-tissue formation by enzymatic means. I am pleased to tell Dr. Matinian that inhibition of scars with the enzyme trypsin has been confirmed by Dr. Pettegrew in our laboratory.

The problem of central nervous regeneration is well on the way toward solution, but there is another major problem that we face today. How often does severance of a human spinal cord occur? More frequently fracture dislocations of vertebrae produce concussion or contusion of the spinal cord, leaving many or most of the nerve fibers intact. Edema soon appears, and with it swelling of the spinal cord tissues results in blocking nerve impulses, and a state of paraplegia or (quadraplegia) ensues. It has been shown experimentally that even slight swelling of the tissues within the unyielding spinal-cord membrane, the pia mater, impairs function and can produce paralysis. On the other hand, the spinal cord can be incised surgically, for example to remove a tumor, without inducing permanent paralysis. In view of this, should not the pia mater of the human spinal cord be incised immediately after a concussion? This is but one of the several clues to prevention of the devastating aftermath of spinal trauma.

The problem is not insolvable. It is urgent that we in the United States join you and others in the Soviet Union to resolve the dilemma of our paraplegic citizens and to go onward in an all-out effort to *Help Them Walk Again*.

Dr. Warren Huber is the Director of the Neurology Service of the Veterans Administration which is also involved in spinal cord regeneration research:

VETERANS ADMINISTRATION REGENERATION RESEARCH

(By Warren V. Huber, M.D.)

It was just about a year ago that Dr. Thomas Newcomb, Assistant Chief Medical Director for Research and Development in the Veterans Administration (VA), and I, as representatives of the Chief Medical Director, had the privilege of attending a luncheon, similar to the one today, hosted by Congressman Frenzel. That luncheon meeting, too, was devoted to considering how the disabling effects of spinal cord injury might be overcome or reduced.

Subsequent to that luncheon and stemming directly from the impetus provided by the discussions that took place, and recognizing that recent advances in the study of regeneration of damaged central nervous system neurones held potentially important implications for the development of new therapies in the treatment of spinal cord injury, Dr. Newcomb appointed a panel of neuroscientists to consider the clinical aspects of growth and regeneration in the nervous system, and the appropriateness of initiating additional VA research efforts in that field. The panel also was asked to advise mechanisms by which such VA entries into this area might be implemented.

The panel, which consisted of Dr. Stanley H. Appel, Professor of Medicine (Neurology) and Professor of Biochemistry, and Chief of the Division of Neurology in the Department of Medicine at Duke University Medical Center; Dr. Robert Efron, Medical Investigator in Neurology at the VA Hospital, Martinez, California, and Clinical Professor of Neurology, University of California Medical Center at Davis; Dr. Alain B. Rossier, Professor of Spinal Cord Rehabilitation in the Department of Orthopedic Surgery of Harvard Medical School and Chief, Spinal Cord Injury Service, VA Hospital, West Roxbury, Massachusetts; Dr. Jose P. Segundo, Professor of Anatomy at the Center for the Health Sciences, University of California at Los Angeles; and Dr. Richard Sidman, Bullard Professor of Neuropathology at Harvard Medical School, met at Bar Harbor, Maine, in August, 1975. After due deliberation the panel concluded that the VA has perhaps more than any other health care delivery system a major stake in the promotion of research in this aspect of the neurosciences. The panel recognized that, although the knowledge of the regeneration capacity of the central neural tissue was in its infancy and that new discoveries might not be found for clinical application for an uncertain period of time, nevertheless, it was highly appropriate—indeed, mandatory—for the VA to begin to play a role in this research area.

The panel felt that if agents are found which are effective in modifying the usual posttraumatic course in experimental animals it would be directly pertinent to explore them in relation to the clinical management of acute spinal cord injuries in humans. The major aims would be (1) to reverse the inexorable pathological sequence of changes after injury, and (2) to prevent further deterioration in the hours and days immediately following the initial trauma.

In this regard it should be noted that the VA is one of the largest organized providers of spinal cord injury care in the United States. There are at present 18 VA hospitals with Spinal Cord Injury Centers, geographically distributed across the country, where sophisticated clinical care is being provided. These centers, and especially those that will be restructured to provide the acute care required by an individual immediately following injury to the spinal cord, provide an unique opportunity for applying new techniques for reducing the morbidity from such trauma as they become available. To further this course the Administrator of Veterans Affairs, upon the recommendation of the Chief Medical Director, recently appointed Dr. Emanuele Mannarino, a skilled neurosurgeon, to head up the VA's spinal cord injury program.

Although the panel on clinical aspects of growth and regeneration in the nervous system recognized that the medical care delivered in the VA Spinal Cord Injury Centers is generally the best presently available, it also recognized that existing medical techniques are palliative and are addressed exclusively to ameliorating the physical disabilities of the patient and to providing rehabilitative support. The panel felt that there needed to be a sustained and active effort to apply the fruits of recent basic science research on neural growth and regeneration to the spinal-cord-injured patient.

The panel believed that the availability of the large VA population of patients with central nervous system damage represented an opportunity to facilitate the development of therapeutic modalities. It noted that in addition to the centers dedicated to the treatment of spinal cord injury there is a large corps of highly skilled neurologists, neurosurgeons, and other clinical specialists within the VA health care facility system involved in the care of patients with damage to the central nervous system. The panel believed that the VA has in large degree the clinical expertise to implement any program on the regeneration of nervous tissue in man.

Although the VA medical research program in the past 25 years has made significant contributions to virtually all areas of the basic neurosciences, few of the recent advances in the study of central nervous system growth and regeneration stem from VA-sponsored research and the VA's present contribution to the active field of research in growth and regeneration of neural tissue is admittedly low. This deficiency of VA research in the area of growth and regeneration is not a consequence of any effort on the part of the VA Medical Research Service to discourage such investigation. It is simply that applications for research support in these areas have not been submitted. Steps actively are being taken to correct this, and one of these steps, which was strongly recommended by the panel and will be implemented, relates to contributing to the development of physician-investigators in the basic neuroscience disciplines—individuals who subsequently will be capable of mounting research programs of more direct clinical application in the field of central nervous system regeneration. Because of the close affiliations that exist between many VA health care facilities and university medical centers, an unusual opportunity presents for a close clinical-basic science interrelationship. It is hoped that through the association of VA Acute Spinal Cord Injury Centers and the basic science departments of affiliated universities, laboratory and clinical investigations will be developed, some of which will be directed towards regeneration, as well as towards the clinical management of the problems of the spinal cord injured.

In the meantime, the VA Medical Research Service will continue to collaborate with the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS) in supporting activities of mutual interest—in this instance in the area of spinal cord regeneration. As an example, the VA Medical Research Service is providing part of the support for the Fourth Biannual Conference on Regeneration in the Central Nervous System, to be held in Hollywood, Florida, on May 31–June 1–2, 1976, under the sponsorship of the National Paraplegia Foundation. Previous conferences in this series had been supported in part by the NINCDS. A close liaison is maintained between the neurological research programs of the two agencies and you may be assured that every effort will be made to see that no worthwhile neuroscience research endeavor related to regeneration in the central nervous system fails for lack of support.

Dr. Lloyd Guth is the former head of the Central Nervous System Regeneration of the Neurology Institute. He is now Chairman of the Department of Anatomy at the University of Maryland, is an eminent research scientist and former editor of the Journal of Experimental Neurology:

CURRENT APPROACHES IN BASIC PARAPLEGIA RESEARCH

(By Lloyd Guth, M.D.)

It gives me great pleasure to have been invited to speak to you about strategic approaches to paraplegia research. I spent 21 years at the National Institutes of Health before I took my present university position. While there, I was the head of a section on Neuronal Development and Regeneration in the Laboratory of Neurochemistry. The chief of that laboratory was none other than Dr. Donald B. Tower, consequently you can readily see that Dr. Tower has had a clear interest in the subject of regeneration research long before he became Director of the National Institute of Neurological and Communicative Disorders and Stroke (National Institutes of Health).

I think that the developments at the University of Maryland are typical of those in other universities, and I will therefore describe our present activities as exemplifying nationwide scientific strategies. I will use this example to show how state, federal, and private sectors are cooperating to aid the scientists in their research efforts.

Dean Dennis of the University of Maryland School of Medicine has provided facilities for the establishment of a large-scale, interdisciplinary laboratory that will be devoted exclusively to paraplegia research. This Laboratory of Paraplegia Research is jointly directed by me and by Dr. Edson X. Albuquerque, who is the Chairman of the Department of Pharmacology. The research of the laboratory is funded by grants from the National Institutes of Health and by very generous research and fellowship funds from the Paralyzed Veterans of America. The funds from the Paralyzed Veterans of America have been used largely for the support of four postdoctoral fellows who are engaged in paraplegia research that is being supervised by Dr. Albuquerque and me. Predoctoral students are also being trained by us in various aspects of paraplegia research. In this way we can both perform the essential research while training the future generation of scientists and thus ensure the continuation of basic paraplegia research in the coming decades.

Although our interdisciplinary research laboratory has been in operation for less than one year, important discoveries have already been made. Professor Albuquerque's division has developed new animal models of spastic paralysis and of flaccid paralysis. Furthermore, as in human paraplegia, in some models the paralysis is transient and in others it is permanent. These types of paralysis have been produced not by mechanical injury to the spinal cord but by pharmacological agents whose precise metabolic action is known. By studying drug-induced paraplegia we can ascertain the role of neuronal and glial metabolism in the generation of paraplegia and in the recovery from paraplegia. The actions of these drugs are so precisely reproducible that we can also study methods of speeding the recovery from transient paraplegia. Dr. Albuquerque already has completed some investigation indicating that the degree and duration of paralysis can be significantly improved by various treatments.

Anatomical research in the Laboratory of Paraplegia Research has also been quite productive. To prepare tissues by conventional methods for microscopical study requires several weeks between the time of removal of the spinal cord and the time the slide is finally completed. It is of course difficult to perform research efficiently under such conditions. Furthermore, the type of fixative that is used for the staining of one element (e.g. neurons) often does not permit the staining of other cells (e.g. glia). Thus we would have to examine spinal cords from four separate animals in order to evaluate the changes in the neurons, in the myelin sheaths, in the glial cells, and in the enzymatic activities of the tissue. Our Paraplegia Research Laboratory has now developed a method of preparing the spinal cord so that contiguous sections from the same specimen can be stained to reveal neurons, nerve fibers, glia cells, connective tissue scar, astrocytic scar, enzymes of energy metabolism, enzymes of nerve transmission, and enzymes involved in cell degradation. These methods will be applied to the analysis of the experimental models developed by Professor Albuquerque, and we will easily be able to complete in days observations that would have heretofore required months of work.

At the Laboratory of Paraplegia Research we are very appreciative of the research support of the National Institutes of Health, of the research and fellowship support of the Paralyzed Veterans of America, and of the general support of the University of Maryland. In my opinion, each of these groups, representing the federal, the private and the state sectors, are doing a splendid job of helping the basic scientist in his quest for the knowledge that will eventually liberate the paraplegic from his wheelchair. And I would especially like to thank Mr. Frenzel for having brought together so many concerned parties and for demonstrating that our elected representatives are cognizant of this problem and are doing their utmost to facilitate our scientific endeavors.

Mr. Alan Reich is a former president of the National Paraplegia Foundation and former Deputy Assistant to the Secretary of State. Mr. Reich is presently Special Assistant to the Secretary of the Department of HEW and a lay leader in this field:

TOWARD LIBERATING PARAPLEGICS FROM THEIR WHEELCHAIRS

(By Alan A. Reich)

It seems appropriate in the presence of our distinguished Soviet guests to recall an old Russian proverb,—"all problems yield to patience and persistence." It is an alliteration in Russian, as it is in my rather free translation into English. I would propose extending it in the context of our concern today—a cure for paraplegia—to focus also on "perspective and priorities." In fact, my remarks might be paraphrased "patient but persistent paraplegics propose proper perspective and priorities."

First. A brief historical perspective. Prior to World War II, there were few paraplegics (the term also takes in quadriplegics.) They simply did not survive. Medical science and the commitment of numerous people (including many here today) have made it possible for paraplegics to live and accommodate to wheelchair living. Rehabilitation has facilitated an increasingly normal existence and opportunity for personal fulfillment. In our nation especially there has been an environment of encouragement for this process. Then in 1970, the same year science redefined the word "impossible" by landing a man on the moon, scientists gave new hope to paraplegics. At a conference in March of that year sponsored by the National Paraplegia Foundation in Palm Beach, Florida they overturned the old dogma that central nervous system regeneration was impossible. For the first time a group of neuroscientists declared, "the problem should no longer be considered hopeless; it is amenable to solution through basic research." This scientific validation provided hope for paraplegics and challenge for the world's scientists.

Patient paraplegics are persisting. Continuing to build on this hope, next week the National Paraplegia Foundation will sponsor its fourth biennial, International Neuroscientific Conference on central nervous regeneration. Its purpose, like its predecessors'; is to advance science toward eventually liberating paraplegics from their wheelchairs. Others too are beginning to push; they include the U.S. Government's Nation Institute of Neurological and Communicative Disorders and Stroke, the Veterans Administration, the Paralyzed Veterans of America and the U.S. Congress—all well represented here today. There is need for leadership to achieve the necessary cooperation among these groups, public interest, public visibility, and commitment of resources. The priority needed is leadership.

Because, according to scientists, the research effort required will take time, we must have a long-range perspective. As one paraplegic said to me, "the harder we work on the problem, the sooner I can get out of my wheelchair." It will take work on the part of paraplegics as well as scientists. No longer can we allow the fear of raising false expectations to be an excuse for doing nothing. Paraplegics are realists, but they want and hope for continuing commitment and application to the job at hand. The time is past when paraplegics inquiring about cure-oriented research can be put off by learned descriptions of "paraplegia research" in general. All the research on better facilities, devices, rehabilitation and surgical techniques, epidemiology, etc. is important; in fact it is vital and should be encouraged and expanded. But paraplegics deserve in return for their patience, persistence and support of science straight answers clearly distinguishing these areas of research from that aimed at a cure eventually liberating paraplegics from their wheelchairs. Paraplegics are not interested in research *per se;* they are keenly interested in the very human *results* of research.

The basic research effort must go on in parallel with other research whose purpose is better accommodation to the affliction. It is not a matter of one or the other; both are necessary. It is not unlike working on improvements to the iron lung *while* developing the Salk Vaccine. People ask how we can afford such a dual approach. My reply is how we can *not* afford it? The recent NINCDS Task Force report estimated annual world-wide savings from a CNS research breakthrough might approximate $20 billion. In addition to the 150,000 American paraplegics and their counterparts throughout the world, scientists point to many more sufferers of other neurological disorders who would benefit from such a breakthrough. While the potential economic savings, are enormous the potential savings in human suffering are incalculable. In view of this potential payoff, I find myself in complete agreement with the paraplegics and scientists concerned who point out the current $5 million annual CNS regeneration research commitment of the U.S. Government is woefully inadequate!

One must be sympathetic with scientists who appeal for perspective on their need for freedom of inquiry. Freedom is essential to the free flow and development of ideas; only in such an environment will basic science flourish. But scientists also are motivated by compassion and the desire to improve the condition of their fellow man.

We also must recognize how complex is this area of science. A scientist easily could spend his entire life on this problem without finding the answer. There must be mutual understanding on both sides. Paraplegics must respect the scientific approach, while scientists must appreciate the more urgent perspective of paraplegics. There must be continuing, purposeful, and realistic dialogue between the two communities. It can only advance the day of an eventual cure.

Congressman Frenzel, on behalf of all of us you have brought together today and the millions who couldn't make it, please accept our thanks! We are grateful for your concern and for your leadership! From our perspective, you've got the proper priorities!

SUPPORT FOR THE B-1

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, the most recurring theme around the Congress these days is increase social programs and cut defense. This is a dangerous doctrine. While I fully subscribe to the theory that all expenditures, including defense, must be carefully scrutinized and unnecessary projects should be scuttled or delayed, we must not lose sight of the fact that national security is still the overriding responsibility of the Federal Government. It is far more important that we be secure than that we give food stamps to additional groups, needy or not. It is far more important that we maintain our free system against the Communist challenge than any other social issue. It will not matter if we clean up the environment, lick the problem of crime in our cities, and successfully turn away from inflation and recession toward full employment if we are militarily weak and subject to Communist blackmail or conquest.

Anyone who thinks the Communists have changed has his head in the sand. They have moved ahead in many areas where we formerly had military superiority. I made a speech on February 1, 1972, entitled "How the U.S. Lost Military Superiority." I will be glad to send it to anyone who has doubts. I have not had to retract one statement.

Let me quote again something I said in 1972:

> The only viable national strategy is to regain and retain a clearly superior strategic capability. . . . The road to peace has never been through appeasement, unilateral disarmament or negotiation from weakness. The entire recorded history of mankind is precisely to the contrary. Among the great nations, only the strong survive.

Now we see one more area where many Americans want to cut military spending. I am referring to the B-1 bomber. Any new military project is fair game. Of course, it will cost a great amount of money. Of course, there are critical choices, chances of error and changing technology. The answer is very clear; if there are chances of error, it is in our national interest to have those chances of error on the side of being more powerful rather than being second rate.

If our country were ever attacked, the very people and groups who now attack our Military Establishment with such delight would be the first to charge that they had been criminally irresponsible in not providing for our security. The time to provide for security is now, when the cold war is not hot, rather than when we are on the brink of war. No one wants war but history proves we must be strong to maintain peace.

Hitler started World War II when he thought he could win quick easy victories because the West was disarmed under the influence of the Kellogg-Briand Pact and the London and Washington naval disarmament treaties. The umbrella-carrying officials of 1939 naively thought that we had moved from an age of confrontation to a new age of negotiation. The negotiations at Munich, however, only convinced Hitler that England and France were too weak to resist and whetted his appetite to devour other countries.

The manned bomber has not been shown by any test to be outmoded. Bombers of the B–1 category are and will continue to be for the foreseeable future our most important strategic weapon. The present fleet of B–52's have been nothing short of fantastic but we cannot expect the Strategic Air Command to depend on them indefinitely. Many critics of the B–1 say we should merely upgrade them. This is a poor option.

Former SAC Comdr. Bruce K. Holloway has put the case the way I believe it to be:

> The bomber is the only strategic system which can be applied across the spectrum from show of force (as in the Cuban crisis), to jungle combat (as in Vietnam), to conventional conflict (as in Korea), to nuclear holocaust and post-attack conditions.

The B–1 is ready for production to withhold production funds in order to delay a decision until next year would add costs to the program and would be a mistake. Most of those arguing for delays are opposed to the B–1 and are seeking another chance next year to kill it.

The role of the B–1 is for penetration and destruction of deep inland targets that are both heavily defended and hardened to withstand all but extremely accurate weapon placement. It has been designed for rapid escape from an airfield under attack. Its reaction time is half that of the B–52 and the aircraft itself is "hardened" against the effects of nuclear explosions. The B–1 will carry the most advanced electronic countermeasure and other penetration aids to enable it to survive in a hostile environment. Its payload will be almost twice that of the B–52. Also, because it is manned the B–1 can react to unanticipated events, both from a threat situation as well as bomb damage assessment.

The Arms Control and Disarmament Agency has had the following to say on the B–1:

> The B–1 can be expected to enhance the US deterrent capability in the 1980's by its improved survivability, increased flexibility applied to a variety of missions and roles (especially limited nuclear contingency options), and a lesser sensitivity to future Soviet offensive and defensive threats. Improved accuracy in the delivery of a range of nuclear weapon types and yields could be expected to reduce unintended collateral damage and fatalities.

From every standpoint, I believe we must proceed with the B–1 bomber. As I pointed out in 1972, we should have placed the B–1 in production at that time. Inflation costs continue to be critical. Delay will make it that much worse. Overall defense expenditures on adjusted dollars have remained fairly constant in the last 15 years, even down some. The defense of our country is no place to cut.

On the keel of the nuclear aircraft carrier that bears the name of President Dwight Eisenhower are his great words:

> Until war is eliminated from international relations, unpreparedness for it is well nigh as criminal as war itself.

TREASURY SECRETARY LAW AND ORDER WORDS NOT MATCHED BY DEEDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, in recent months, I have placed before the Congress and the public a record which plainly shows an utter disdain by the Treasury Department for one of its major responsibilities: law enforcement. Bold words and glittering generalities have been accompanied by massive inaction against organized and white-collar crime:

The narcotics traffickers tax program has been terminated despite strong congressional support.

The Treasury Department has refused to collect hundreds of millions of dollars in gambling taxes in cases turned over to Treasury by the Justice Department.

Drastic budget cuts and fund diversions have reduced the number of agents assigned to investigate tax evasion by narcotics traffickers, gamblers, and other racketeers by one-third.

Severe restrictions have been placed on the use of confidential funds to purchase information about tax cheaters who keep no books and records.

An important tool in tracing money laundering and illegal income was lost when the secret bank account question was removed from tax returns by the administration.

Treasury Department cooperation with the Justice Department Organized Crime Strike Forces has been curtailed.

Today, I would like to report on still another area of Treasury Department inaction in the field of law enforcement: The failure to pursue the fraud committed by giant corporations.

The Internal Revenue Service program to deal with huge corporations, with geographically disbursed books and records, is the coordinated examination—large case—program. The program includes approximately 1,200 corporations with gross assets in excess of $250 million. A team of several Internal Revenue agents per corporation conduct these types of audits.

The corporations involved in the Securities and Exchange Commission and media disclosures of bribes or similar improper payments were virtually all within the large case audit program. The coverage of these corporations is 100 percent. That is, each corporation in this program is audited every year. I have written Secretary Simon and Commissioner Alexander several times since March 1, 1976, seeking an explanation for the failure of the Internal Revenue Service to uncover these frauds. Thus far, they have not furnished a satisfactory explanation.

Well over 100 U.S. corporations have acknowledged to the SEC that they had paid overseas or domestic bribes. Over a year ago, the IRS told Congress that at least 50 large corporations had been identified as being under investigation for claiming possible illegal deductions. Yet, not one of these cases has to date been referred by Treasury to the Justice Department for prosecution. Worse yet, Secretary Simon admitted to me in a letter dated June 3, 1976, that the IRS has not yet even asserted civil fraud penalties against these corporations.

I am not yet certain whether there is a failure in the structure of the large case program. I am certain that there is a failure of will.

An example of Secretary Simon's lack of support for his own agency's law enforcement program is well illustrated by an action which he took late last year. It involves Mr. Robert D. Rowan, a convicted tax evader, who was appointed and reappointed to serve on an honorary board of the Treasury Department.

Last year, the Government prosecuted and obtained the first criminal conviction of a major corporation and its officers in a tax case. The Fruehauf Corp., its chairman of the board, William E. Grace, and its president, Robert D. Rowan, were indicted and convicted of conspiring to defraud the Treasury of $12.3 million in Federal excise taxes. Both the corporate officers were fined and received jail sentences. In addition, the corporation was fined and back taxes and interest will be assessed. The fraud was uncovered as a result of a confidential source and not as a result of the large case audit program.

This should have been a victory in which the Treasury Department took pride. Instead, the victory was tarnished by Secretary Simon who treated a convicted felon, Mr. Rowan, as a person worthy of honor and respect.

In 1970, a Federal grand jury indicted Mr. Rowan, Mr. Grace, and the corporation itself. It alleged that they and two unindicted coconspirators had conspired to defraud the Treasury of $12.3 million in Federal excise taxes between 1956 and 1965, the years of Mr. Rowan's stewardship of Fruehauf's financial affairs.

Mr. Rowan served as controller of the Fruehauf Corp. in 1955 and had risen to the position of vice president, finance, by 1965. In his positions with Fruehauf, Rowan was responsible for the accounting, tax and recordkeeping procedures of the corporation. Mr. Rowan was accused of having been an originator of a fraudulent, complex pricing and accounting scheme which included a fake wholesale price structure and nonexistent extra service charges to wholesalers. He and the others, the grand jury said, helped Fruehauf evade a substantial part of its excise tax liability by using a system of deceptive invoices.

Last year the Fruehauf Corp., Mr. Rowan and Mr. Grace were convicted of tax fraud after a 50-day-long trial. U.S. District Court Judge Thomas P. Thornton found that Mr. Rowan "willfully and unlawfully participated in the plan to evade a substantial part of Fruehauf Corp.'s excise tax liability by employing the deceptive invoicing procedures." According to Judge Thornton, Mr. Rowan "willfully and unlawfully conspired to defraud the United States by impeding, impairing, obstructing, and defeating the lawful governmental functions of the Internal Revenue Service of the Treasury Department of the United States in the ascertainment, computation, assessment, and collection of Federal manufacturers' excise taxes."

In late 1974, while the recommendation for prosecution was under consideration by the Government, Secretary Simon appointed Mr. Rowan chairman of a Detroit area U.S. Industrial Payroll Savings Committee. As the name suggests, the committee promotes the sale of Government savings bonds among workers at Detroit area industrial plants—including Fruehauf's—through the same payroll deduction mechanism by which their Federal income taxes are withheld. Even after Mr. Rowan was convicted, in a Treasury initiated prosecution, Treasury Secretary Simon reappointed Rowan as chairman of the savings bond committee.

It is fitting that the honorary position afforded Mr. Rowan was the chairmanship of an industrial payroll savings bond committee. Tax cheating, which the Treasury Department investigates and prosecutes, is a form of adding to the Nation's debt. The sale of Government savings bonds, which the Treasury Department promotes, is a means by which many ordinary citizens underwrite that debt. Mr. Rowan and his corporation stole from the Treasury and then asked the workers to make up the loss by loaning some of their hard earned wages to the Government.

I find it reprehensible that Secretary Simon has so little regard for his agency's law enforcement program that he would appoint a convicted felon to an honorary board. The criminal statutes that are within Secretary Simon's jurisdiction to enforce are the very laws that Mr. Rowan deliberately violated in the biggest corporate tax evasion conviction in history.

Secretary Simon's action is a slap in the face to our law enforcement officials. It is a clear and unmistakeable signal to career Treasury employees that further efforts against major corporations will not be encouraged. They have gotten the message. The result is the failure of the large case audit program to uncover fraud committed by the giant corporations.

ETHIOPIA CONTINUES TO INTERN POLITICAL PRISONERS WITHOUT PROSPECT OF A FAIR TRIAL

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Wisconsin (Mr. ASPIN) is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, the military Government of Ethiopia continues to intern a number of political prisoners without any prospect of a fair trial on the horizon.

The situation was most thoroughly described in an article February 8th in the Observer of London by Mr. Colin Legum.

I believe that the Government of the United States should use its considerable leverage with the Government of Ethiopia to help persuade it to initiate fair trials for all political prisoners.

The executive branch always argues that arms sales are advantageous, because they give us leverage with foreign governments. Our sales to Ethiopia fiscal year 1976 have totaled $109.4 million. If this leverage truly exists, then we should use it to help persuade the Government of Ethiopia to grant fair and speedy trials to political prisoners.

I have written to the Department of State to urge our Government to begin exerting additional pressure on Ethiopia to initiate fair and speedy trials for the prisoners involved.

I have also written to Mr. Sean McBride, an executive of Amnesty International which is a leading international group that seeks justice for all prisoners regardless of their political persuasions.

The Observer article, my letter to the State Department, and my letter to Mr. McBride follow:

JULY 20, 1976.

Mr. ROBERT MCCLOSKEY,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. MCCLOSKEY: I am writing to you today concerning the imprisonment of a number of Ethiopians by the military government in that country.

I hope that you could provide me with specific information on the number of all political prisoners in Ethiopia today and the lengths of their internment. In addition, I am interested in learning the Department of State's assessment of the conditions in which they are being held and what trials, if any, are planned.

I understand that on several occasions the government of the United States has made specific representations to the government of Ethiopia that we believe that political prisoners should be given a speedy and fair trial. Apparently, our efforts with the government of Ethiopia have not gone beyond mere representations. Thus far, in fiscal year 1976 we have sold Ethiopia $92.6 million worth of arms and granted credits for another $15.8 million worth, or a grand total of $109.4 million worth of weaponry.

In view of our longstanding arms relations with Ethiopia and numerous other connections with that country, I hope that the government of the United States would begin exerting additional pressure on the government of Ethiopia to conduct fair and speedy trials.

The argument is often made by the executive branch that arms sales provide the government of the United States with "leverage." If this is true, we surely should have some leverage with the Ethiopians and should be able to pursuade them to conduct speedy and fair trials of all political prisoners.

Thank you very much for your cooperation in this matter.

Sincerely,

LES ASPIN,
Member of Congress.

AUGUST 2, 1976.

SEAN MCBRIDE,
Amnesty International,
New York, N.Y.

DEAR MR. MCBRIDE: I am writing to you today to request that Amnesty International investigate the plight of political prisoners in Ethiopia.

I am enclosing an article from February 8th's 1976 *Observer* by Colin Legum which describes the continued imprisonment and mistreatment of political prisoners in Ethiopia.

I have always greatly admired the work of Amnesty International and believe that it is one international organization that can help ease the plight of political prisoners regardless of their political persuasions.

I am enclosing a copy of a letter which I have sent to the United States Department of State urging my government to begin exerting additional pressure on Ethiopia to initiate fair and speedy trials for the prisoners involved.

Thank you very much for your consideration in this matter.

Respectfully,

LES ASPIN,
Member of Congress.

A ROYAL FAMILY

(By Colin Legum)

The late Emperor Haile Selassie's family are, quite literally, being allowed to rot in a prison appropriately named Alem Bekagne. It means "Finished with the World."

It holds 17 members of the royal family, aged from 14 to 73. They have been in custody for over 16 months. No specific charges have been made against them, and there are no prospects of a trial.

Among them are mothers of young children, whom they have not seen for a long time. Some are widows of men shot in the Bloody Saturday massacre of November 1974. Some have their husbands also in prison or in exile, so that their children are practically orphaned.

The "royals" are only one small group of Ethiopia's political prisoners, who now far exceed the numbers held during Haile Selassie's reign. Nobody knows for sure how many there are, but they certainly run into thousands. Although a few hundred have been released over the past year, many more have been arrested.

Their physical conditions are mostly scandalous—despite a recent promise of decent treatment from the Minister of Interior. Ethiopia's prisons have always been notoriously bad.

The only political prisoners who have tolerable physical conditions are the 100–200 former members of the Imperial Establishment held in the underground cellars of an ancient palace. This group also includes prominent academics and Marxist revolutionaries who, having originally supported the Dergue, have now joined their opponents.

Among the charges levelled against the late Emperor by the Dergue (Ethiopia's Provisional Military Administration Committee) was that he imprisoned his opponents without trial and was 'vengeful' towards them. Yet it would be hard to imagine anything more vengeful than the treatment now being meted out to the Emperor's family and to others regarded as 'enemies of the revolution.'

The oldest of the royal prisoners is Princess Yeshashe-Work Yilma, now 73 and a diabetic. There are doubts about how much longer she can survive prison life.

Princess Seble Desta, one of the most dynamic members of the old Establishment has not seen her three young children since her arrest last year, when her youngest child was only six months old. Her husband, the Dejazmatch Kassa Wolde-Mariam, a former chancellor of the Addis Ababa University, was arrested at the same time.

Princess Zuriash-Work Gebre Igyiabhase, now in her sixties is the widow of Ras Asrate Kassa, the former chairman of the Crown Council and an adversary of the Emperor. He was shot on Bloody Saturday. She is in prison with two of her daughters—Rebecca, now 24, and Mimi, 18. Three of her sons are in a different prison—Mulugeta, 25, Kassa, 18, and Wond-Wossen, 16.

One young woman prisoner, recently—and inexplicably—released, told friends: 'All I wished for in prison was death, and all I still desire is to die to expunge the memory of what we have been through.'

One of the Emperor's grand-daughters, Princess Mary Abebe, did succeed in killing herself in prison. She was in her late thirties and had three boys under the age of 10. Her father was shot on Bloody Saturday.

Princess Sophia Desta has suffered a serious mental breakdown. At least one other prisoner has begun to show serious signs of psychiatric disorder.

The 40-year-old Princess Egigayehu Asfa Wossen is described by a friend who saw her six months ago as 'scratching herself to death.' She has always suffered from a serious skin allergy which needed constant care even under the best conditions.

The physical and emotional strains of prison life have seriously worsened her condition. She has six children between the ages of eight and 19. Her husband is under police surveillance in the distant Wollega province.

Two of the Emperor's grand-daughters are probably being held as hostages for their husbands, both of whom are prominently associated with the opposition Ethiopian Democratic Union.

Princess Aida Desta is the 48-year-old wife of Ras Mangesha Seyyoum. She had been in ill-health for 15 years before her arrest. She has a 12-year-old daughter in Addis Ababa and four sons in London and Canada.

Princess Ruth Desta, also 48, is the wife of General Nega Tegegne, one of the leaders of the opposition to the Dergue.

When the royal prisoners were first arrested at the time of the Emperor's dethronement in September 1974, the Dergue justified their action on the ground that they needed protection from the "vengeance of the people." This argument can hardly be sustained any longer, since the few members of the royal family who are not in prison have never been molested.

Their families submit that a more humane way of 'protecting' the royal prisoners would be to allow them to go into exile.

The Dergue, however, claims that it may wish to prosecute some of the royal prisoners. They have mentioned especially Princess Tenagne-Work, the former Emperor's oldest daughter who was his special confidante. But no steps have been taken to arraign her.

When the royal prisoners were first arrested they were detained under reasonable conditions in the village of the Duke of Harar, but they were suddenly moved six months ago to an ordinary prison for criminals.

Their nightly terrors are rats and bedbugs. All suffer continuously from infected throats because of the conditions of the primitive sanitary arrangements.

Their only privilege—which they share with all other unconvicted prisoners—is that their families are allowed to provide them with their meals, but these are handed in at the prison gates.

Concern about the fate of the Dergue's prisoners is not just about the fate of the royals but about all those held without trial. The special feature of the treatment of members of the royal family, however, is that they appear to have been singled out for a nasty kind of vengeance which is deeply offensive to the traditional Ethiopian code of *chewa*—the sense of what constitutes decent and proper behavior.

Royals in Prison "For Safety"

(By Colin Legum)

Ethiopia's military rulers, the Dergue, say they will not release any of the 17 royal prisoners—members of the late Emperor Haile Selassie's family—because of fears that people will seek to "wreak vengeance on them."

Details of the prison agony of the royal family were first given in an article published in The Observer two weeks ago. I have now received answers to written questions put to the Dergue when I was in Ethiopia over a month ago.

Their spokesman, Major Yacob Gebre-Egghziabher, Minister of Information and National Guidance, says in one reply that the prisoners "are happy where they are" and that they are "well accommodated."

Although it is no secret that they are held in the Addis Ababa prison known as "Finished with the World," Major Yacob describes them as being under protective custody in a "camp."

He adds: "You must understand the psychology of the Ethiopian masses. It is not the Government but the people who seek to wreak vengeance on them. So it is in their own interest that they should remain where they are for the time being."

He says nothing about a suggestion that the royal prisoners might be allowed to go into exile.

Major Yacob claims—contrary to my first-hand information—that "whenever children want to visit their parents, special permission is granted."

Replying to questions about trials for the thousands of prisoners in the country, Major Yacob says that special and district tribunals meet almost every day. "Trials are fair and open. The courts want to expedite the trials, but seldom get the co-operation of some detainees."

The Father's Sins * * *

The policies and behaviour of the late Emperor Haile Selassie and his Imperial Establishment offer no justification for the callously inhumane way in which members of the Ethiopian royal family—including young boys and girls and one very old lady—are being treated in prison.

Their treatment is especially offensive because the present Ethiopian military regime appears to be holding wives and children responsible for the behaviour of the old nobility. International concern about the policy of the regime should not be confined to the treatment of the royal family. The condition of the thousands of other political prisoners in the country also causes grave anxiety. A regime seeking world approval for its efforts to eradicate the undemocratic system maintained by Haile Selassie ought to be more careful for its own reputation.

THE CAPTIVE NATIONS AND OUR BICENTENNIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in practically all major cities of our Nation the 1976 Captive Nations Week was successfully and memorably observed. The Statue of Liberty rally in New York was, of course, the most outstanding. But in Boston, Buffalo, Philadelphia, Chicago, Los Angeles, New Orleans and others citizens assembled to conduct the 18th observance of Captive Nations Week and to express their Bicentennial spirit in the direction of all of the captive nations in Central Europe, within the Soviet Union, in Asia and in the Caribbean. They manifested well the purposes of this now traditional annual observance, which are, briefly, first, to remind our own people that their freedom and national independence are not free gifts but rights to be preserved and fought for, second, to show that the best way to achieve this is through compassion, concern and strategy toward the over 1 billion members of mankind who have lost their independence under the heels of Soviet Russian and Red Chinese totalitarian imperio-colonialism, and third, to let the captors of the captives know that we are steadfast and unswerving in all of this as a free people and Nation, perpetually confirming its own right to national freedom and independence.

As further evidence of the progressive fulfillment of these and other purposes of Captive Nations Week, I direct the attention of my colleagues to the proclamation by Gov. Michael S. Dukakis of Massachusetts, a report on the Boston observance, news items and other data in the Pilot, the Boston Herald American, the Jamaica Plain Citizen and other papers, as well as a captive nations plank, proposed earlier to the Democratic Party platform and later to the Republican, and a commentary in the International Digest:

A Proclamation, 1976

Whereas: The week of July 18–24, 1976, is observed nationally as "Captive Nations Week" in accordance with Public Law 86–90; and

Whereas: The Captive Nations of ARMENIA, BYELORUSSIA, ESTONIA, LATVIA, LITHUANIA, UKRAINE, and others, today find themselves in a situation which strongly parallels that from which these United States of America liberated themselves two hundred years ago; and

Whereas: This Nation's tradition of leadership in matters of independence and democracy has been a steady beacon of hope for the Captive Nations under Russian Communist domination; and

Whereas: Immigrants from the Captive Nations and their descendants shared significantly in the defense and building of the Commonwealth of Massachusetts and of the United States of America from the Revolutionary War onwards; and

Whereas: By their commitment to the National Independence of the Captive Nations—ARMENIA, BYELORUSSIA, ESTONIA, LATVIA, LITHUANIA, UKRAINE, and others—these Americans have heightened the appreciation of the blessings and liberty and self-determination among their fellow citizens;

Now, therefore, I, Michael S. Dukakis, Governor of the Commonwealth of Massachusetts, do hereby proclaim July 18–24, 1976 as Captive Nations Week and urge all citizens of the Commonwealth to take appropriate recognition of this observance.

Captive Nations Week Observed in Boston

(By Orest Szczudluk)

The week of July 18–24, 1976, was designated as "Captive Nations Week" in Massachusetts by Governor Michael S. Dukakis. Referring to the American Bicentennial, the proclamation stated that "Captive Nations of Armenia, Byelorussia, Estonia, Latvia, Lithuania, Ukraine, and others, today find themselves in a situation which strongly parallels that from which these United States of America liberated themselves two hundred years ago." It also added that Americans from the Captive Nations "by their commitment to the National Independence of the Captive Nations—Armenia, Byelorussia, Estonia, Latvia, Lithuania, Ukraine, and others—have heightened the appreciation of the blessings and liberty and self-determination among their fellow citizens."

This year's observance was sponsored by Ukrainian, Lithuanian and Latvian Central Organizations in Metropolitan Boston. Governor Dukakis signed the proclamation on June 30, in the presence of Ukrainian, Lithuanian and Latvian representatives. The

Boston UCCA was represented by: Konrad Husak, president; Orest Szczudluk, vice president; Mrs. Maria Walzer and Mrs. Tania D'Avignon.

PRAYERS IN CATHOLIC CHURCHES

On Sunday, July 18, 1976, priests of the Boston Catholic Archdioces included in the Prayers of the Faithful "a remembrance of those suffering persecution throughout the world." Prayers were requested by His Eminence Humberto Cardinal Madeiros, Archbishop of Boston, according to a news item in THE PILOT, Archdiocesen weekly of July 16, 1976. All priests received a press release, which detailed the purpose of the CNW and current situation in captive countries in Eastern Europe.

Arranged by the Boston Chapter of the Ukrainian Congress Committee of America, representatives of Ukrainian, Lithuanian and Latvian Organizations visited Cardinal Madeiros on June 11 and asked him for assistance in the observance of this year's CNW. The Boston UCCA was represented by: Very Rev. Peter Chirko, pastor of Christ The King Ukrainian Catholic Church, Mrs. Maria Walzer and Walter Tutka.

ON TELEVISION

On July 21, the "Bob Hilton Show" on Channel 7, WNAC–TV, between 12:30 and 1:00 PM, included a short program dedicated to the 18th observance of the CNW. Orest Szczudluk, chairman of this year's CNW Committee, informed viewers about captive nations in the Russian colonial empire, their struggle for freedom and the purpose of the CNW to enlist the support of the American people, U.S. Government and Congress for freedom and self-determination of all captive peoples. Mrs. Maria Walzer demonstrated the preparation of Ukrainian "varenyky." In the studio audience were many Lithuanians, Latvians and Ukrainians, who were dressed in their national folk costumes.

IN BOSTON PRESS

Special emphasis was placed in informing the public about captive nations through "letters to the editor" in many Boston newspapers.

Boston Herald American of July 23 published a letter under the heading "Freedom of 'captives' urged" The letter was written by Konrad Husak, Boston USSA president. It pointed out that captive nations are the thorn in the Russian communist empire.

On July 22, South Boston Tribune, Jamaica Plain Citizen, Hyde Park Tribune, Dorchester Argus-Citizen and Mattapan Tribune carried a letter under the heading "Captive Nations Week Held in Support of Liberty." The letter was signed by Orest Szczudluk, Boston UCCA vice president. Also West Roxbury Transcript and Roslindale Transcript of July 28 published a lengthy article under the heading "Mark observance of 'Captive Nations Week.' " "On this 18th observance of the CNW, let us urge our Government and Congress not only show concern for captive peoples, but also demand that Moscow accords the non-Russian captive world—Ukraine, Lithuania, Latvia, Estonia, Byelorussia, Armenia, and others—the right of self-determination and national independence," stated the letter in part.

On July 18, "The Ukrainian Radio Hour" in Boston on Radio Station WUNR, under the direction of Mr. John Kezmur, informed listeners about the CNW observance. Mrs. Chritine Sahan Zommers read Governor Dukakis proclamation and reminded listeners about the plight of captive peoples in the Russian colonial empire for freedom and independence.

[From The Pilot, Mass., July 16, 1976]

Captive Nations Week

The annual observance of "Captive Nations Week" will take place July 18 through July 25.

Cardinal Medeiros has suggested that parish priests of the Boston Archdiocese include in the Prayers of the Faithful a remembrance of those suffering persecution throughought the world.

[From Boston Herald American, July 23, 1976]

Freedom of "Captives" Urged

The Soviet Union is attempting to present itself to the world as a "peace-lover" and defender of the rights of colonial peoples to freedom and independence. Soviet Russian maneuvers in Angola and in other African and Asian countries are well known.

This is, of course, plain hypocracy. The Soviet Union is the biggest Russian colonial empire in the present-day world. It enslaves many once free and independent nations such as Ukraine, Armenia, Lithuania, Latvia and others. Over 50 percent of the population in the Soviet Union consists of non-Russian captive peoples. Moscow also controls the satellite countries in Central Europe and Asia.

The week of July 18–24 is observed as "Captive Nations Week" in the nation. Its purpose is to enlist the support of the American people, the U.S. government and Congress for freedom and self-determination of all captive peoples.

In his "Captive Nations Week" proclamation on July 2, President Ford stated, "The United States supports the aspiration for freedom, independence and national self-determination of all peoples. We do not accept foreign domination over any nation."

On this 18th observance of the "Captive Nations Week," we cannot limit ourselves just to statements. We urge the President and Congress to incorporate statements on self-determination and liberty for captive nations in our day-to-day foreign policy and use it effectively at all diplomatic levels.

Captive nations in Central and Eastern Europe are the thorn in the Russian Communist empire. We must demand that Moscow accord the non-Russian captive world the right of self-determination and national independence.

Konrad Husak,
President, Ukrianian Congress Committee of America.

[From the Jamaica Plain (Mass.) Citizen, July 22, 1976]

"Captive Nations Week" Held In Support of Liberty

To the Editor:

The week of July 18–24, is observed in the nation and in Massachusetts as "Captive Nations Week." President Gerald R. Ford and Governor Michael S. Dukakis have issued special proclamations in which they urged "rededication to the aspirations of all peoples for self-determination and liberty."

Captive Nations Week was established by Congress in 1959, under Public Law 86–90. It acknowledged the necessity of supporting freedom and national independence to peoples subjugated by Communist Russia. It enumerated following colonial and satellite nations: Ukraine, Latvia, Lithuania, Estonia, Byelorussia, Armenia, Georgia, Turkestan, Cossackia; also: Poland, Hungary, Czechia, Slovakia, Romania, and others.

The Soviet government has been continuously violating the national, human and religious rights of the capitive peoples of Ukraine, Armenia, Lithuania, Latvia, Estonia, Byelorussia, and others. Moscow has put hundreds of freedom fighters from subjugated nations into jails and concentration camps for demanding freedom for their respected peoples, as provided in the U.N. Resolution on Granting Independence to Colonial Countries and Peoples and in the U.N. Universal Declaration on Human Rights. However, Moscow cannot eradicate the captive peoples' determination for freedom and national independence.

In a special "Captive Nations Week" proclamation on July 2, 1976, President Ford stated: "The world should know that we stand for freedom and independence in 1976 just as we stood for freedom and independence in 1776. The United States supports the aspirations for freedom, independence and national self-determination of all peoples. We do not accept foreign domination over any nation."

On this 18th observance of the "Captive Nations Week," let us urge our Government and Congress not only show concern for captive peoples, but also demand that Moscow accords the non-Russian captive world—Ukraine, Lithuania, Latvia, Estonia, Byelorussia, Armenia, Georgia, Idel-Ural, Turkstan, Cossackia, and others—the right of self-determination and national independence.

Orest Szczudluk,
Vice President, Ukrainian Congress, Committee of America, Boston Chapter.

[From the West Roxbury (Mass.) Transcript, July 28, 1976]

Mark Observance of "Captive Nations Week"

President Gerald R. Ford and Massachusetts Governor Michael S. Dukakis have designated by special proclamations the week of July 18–24, as "Captive Nations Week" in the nation and in the Commonwealth respectively. They urge "rededication to the aspirations of all peoples for self-determination and liberty."

The purpose of the "Captive Nations Week" is to remind Americans that many once free and independent nations of Central and Eastern Europe are held captive in the Russian colonial empire or are controlled by Moscow. Captive nations are: Ukraine, Lithuania, Latvia, Estonia, Armenia, Georgia, Byelorussia, Azerbaijan, Turkestan, Cossackia and others. Countries whose liberties have been taken away by communist rule are: Poland, Czechia, Slovakia, Romania, Hungary, and many other countries.

Continuous flow of news from the Russian colonial empire attests to the fact that captive nations and satellite states are restless and continue their irrepressible struggle for freedom and national independence. Thousands of Ukrainian, Lithuanian, Latvian, Armenian, Estonian, Georgian, Jewish patriots and dissidents have been jailed by the Soviet Russian government for demanding free expression, free speech, release of all political prisoners, freedom of religion, free movement of people, and other national and civil liberties.

The 18th observance of the "Captive Nations Week" is marked befitingly just three weeks after July 4, when Americans observed the Bicentennial of American Independence. This Bicentennial spirit was noted in President Ford's "Captive Nations Week" proclamation on July 2: "As we celebrate our Bicentennial it is important that we let the world know that America still cares, that the torch in the Statue of Liberty still burns brightly. The world should know that we stand for freedom and independence in 1976 just as we stood for freedom and independence in 1776. The United States supports the aspirations for freedom, independence and national self-determination of all peoples. We do not accept foreign domination over any nation. We reaffirm today this principle and policy."

"On this 18th observance of the "Captive Nations Week," let us urge our Government and Congress not only to show concern for captive nations, but also demand that Moscow accords the non-Russian captive world—Ukraine, Lithuania, Latvia, Estonia, Armenia, Byelorussia, Georgia, and others—the right of self-determination and national independence," a spokesman for the Ukrainian Congress Committee said.

[From the South Boston Tribune, July 22, 1976]

LETTERS TO THE EDITOR

WEST ROXBURY, MASS.,
July 14, 1976.

Editor of the Tribune:

The week of July 18–24, 1976 is observed in Massachusetts and in the nation as "Captive Nations Week." President Gerald R. Ford and Governor Michael S. Dukakis have issued special proclamations.

The purpose of the "Captive Nations Week" is to remind Americans that many once free and independent nations of Central and Eastern Europe are held captive in the Russian colonial empire or are controlled by Moscow.

During this week, we also manifest our support for the aspirations of the captive peoples under Russian Communist domination to regain freedom and independence and become equal members of the world community of free nations.

Captive nations are: Ukraine, Lithuania, Latvia, Estonia, Armenia, Beylorussia, Georgia, Azerbaijan, Turkestan, Cossackia, and others. Countries whose liberties have been taken away by communist rule are: Poland, Czechia, Slovakia, Romania, Hungary, and others.

Continuous flow of news from the Russian colonial empire attest to the fact that captive nations are restless and continue their irrepressible struggle for freedom and national independence.

Thousands of Uranian, Lithuanian, Latvian, Estonian, Armenian, Georgian, patriots and dissidents have been jailed by the Soviet government for demanding free expression, free speech, release of all political prisoners, freedom of religion, free movement of people and other national and civil liberties.

The 18th observance of the "Captive Nations Week" is marked befittingly just three weeks after July 4, when Americans observed the Bicentennial of American Independence.

This bicentennial spirit was noted in President Ford's proclamation on July 2: "As we celebrate our Bicentennial it is important that we let the world know that America still cares, that the torch in the Statue of Liberty still burns brightly. The world should know that we stand for freedom and independence in 1976 just as we stood for freedom and independence in 1776.

"The United States supports the aspirations for freedom, independence and national self-determination of all peoples. We do not accept foreign domination over any nation. We reaffirm today this principle and policy."

On this 18th observance of the "Captive Nations Week" let us urge our Government and Congress not only to show concern for captive peoples, but also demand that Moscow accords the non-Russian captive nations of Ukraine, Lithuania, Latvia Estonia, Armenia, Byelorussia, Georgia, and others, the right of self-determination and national independence.

OREST SZCZUDLUK,
Chairman, 1976 Captive Nations Week Committee.

REPUBLICAN NATIONAL CONVENTION PLATFORM: PLANK ON THE CAPTIVE NATIONS

(Proposed by Dr. Levi E. Dobiansky, Chairman, National Captive Nations Committee)

The over two dozen captive nations in the communist world constitute a continuing reality which, even for our own security, we cannot ignore. Their invincible aspiration for restored national independence from the imperial rule of both Soviet Russian and Red China partakes of the same essence as that of our American Revolution and its Declaration of Independence which we are celebrating in this Bicentennial. Our independence was uniquely from an earlier empire; their sought-for independence is from the Soviet Russian and Red Chinese Empires. We unqualifiedly uphold the principles enunciated in the Congressional Captive Nations Week Resolution (Public Law 86–90) and true to our own national tradition and in the furtherance of fundamental human rights and international morality, support all of the captive nations in Central Europe, within the Soviet Union, Asia and the Caribbean in their indomitable quest for national independence from imperial communist domination.

[From the International Digest, July 1976]

U.S. CELEBRATED CAPTIVE NATIONS WEEK THIS MONTH

Proclamations, parades, rallies and religious services will mark the 18th celebration of Captive Nations Week from July 18–24.

The highlight of the festivities will actually occur one week early on Sunday, July 11th with a "Bicentennial Salute to the Captive Nations" on Statue of Liberty Island in New York City Harbor.

The co-sponsors of the Salute will be the National Captive Nations Committee, an ACWF member, and the AFL–CIO. Scheduled to speak at the Rally are Sen. James Buckley of New York, Congressman Daniel Flood of Pennsylvania, James Delaney of New York, Mario Biaggi of New York and AFL–CIO President George Meany.

Dr. Lev Dobriansky, chairman of the National Captive Nations Committee and ACWF first vice president, described the Bicentennial Salute as a "demonstration to the world that the U.S. has not forgotten the millions of people behind the Iron and Bamboo Curtains who do not enjoy the liberty and freedom that Americans do."

ASSISTANCE FOR COMMERCIAL FISHERMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, tomorrow House and Senate conferees will meet to begin consideration of H.R. 10612, the Tax Reform Act of 1976. I would like to take this opportunity to alert Members of the House to three provisions of the Senate bill which are of great importance to a very special group of individuals in Oregon, and the Nation itself.

I am referring to our commercial fishermen.

Today some 5,000 men and women in Oregon owe their livelihoods to fishing. Yet the industry is facing one of the most difficult periods in recent history. Competition by foreign fleets together with an absence of sound management practices have threatened to seriously deplete fish stocks off Oregon's coast and the coasts of other States.

The three measures which I urge support for are not the whole answer. But they will help. As they are explained in a recent letter to my colleague and committee chairman (Mr. ULLMAN) I would like to insert that letter in the RECORD at this point. It is my sincere hope that the House conferees will recognize the need for these measures and join in this effort to make them part of our tax reform act.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 24, 1976.

Hon. AL ULLMAN,
Chairman, Ways and Means Committee,
The Capitol.

DEAR MR. CHAIRMAN: This letter is to urge you and the conferees for H.R. 10612 to accept three provisions of the Senate bill which are of vital interest to the commercial fishermen of Oregon, and the nation as a whole.

Of these three, perhaps the most important is Section 1207 which concerns the treatment of "certain individuals employed in fishing." Specifically, this section permits boat crewmen to continue to consider themselves "self-employed" for federal tax purposes if their pay is a share of the boat's catch, if their employment on the boat is "intermittent", and if the operating crew of the boat "normally consists of fewer than six individuals."

Mr. Chairman, you undoubtedly are aware of the unfortunate situation which has led to this amendment. For years, boat crewmen who substantially met these criteria were permitted to consider themselves self-employed for federal tax purposes. Then the Supreme Court decided the Internal Revenue Service could consider these fishermen regular employees for such purposes. Armed with this new authority, the IRS not only demanded that boatowners withhold taxes for current crewmen but also began requiring many boatowners to pay back taxes or prove that former employees had themselves made these payments. In a few cases, the potential assessments were so great that the owners faced bankruptcy.

Treating boat crewmen as employees in the same way as other workers makes no sense at all. You and I both know that crews are often "pick-up" crews—consisting of fishermen who work sporadically or who crew for several operators during the course of each season. The Senate Finance Committee has correctly pointed out that under such circumstances, it is exeremely difficult for a boat operator "to keep the necessary records to calculate his tax obligations as an employer and equally difficult for him to withhold the appropriate taxes for payment."

For these reasons, Mr. Chairman, I urge the Committee to accept Section 1207.

I also urge the Commtitee to accept Section 1313 of the Senate bill which would broaden the definition of agriculture to include marine resources. Congress long ago recognized the contributions which farm organizations make to our society by offering them tax exempt status. In view of the equally significant contributions made by our nation's fishermen, I ask the Committee to extend these same benefits to them at this time.

Finally, I urge the Committee to accept Section 808 of the Senate bill which would extend the Capital Construction Fund provisions of the Merchant Marine Act to all commercial fishing vessels over two net tons.

These provisions will go a long way toward helping the commercial fishing industry in our country and the many men and women whose livelihood depends on that industry. If I can be of further assistance to you, I hope you will not hesitate to let me know.

With kindest regards,

Sincerely,

LES AUCOIN,
Member of Congress.

CONGRATULATIONS TO MEXICO'S PRESIDENT-ELECT JOSE LOPEZ PORTILLO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. REES) is recognized for 5 minutes.

Mr. REES. Mr. Speaker, I am sure that

all Members of Congress join me in extending our congratulations to Mexico's President-elect, José López Portillo. On July 4, the Mexican electorate gave López Portillo an overwhelming vote of confidence. As the candidate of Mexico's preponderent party, the Instutional Revolutionary Party—PRI—President-elect López Portillo faced no serious opposition. His appeal was so widespread, however, that Mexico's two other recognized political parties both adopted López Portillo as their own candidate.

I feel a particular affinity toward Mexico, and a fondness for its people. Prior to my entry into politics, I was an exporter of farm machinery to Mexico, and in recent years I have been privileged to work with Mexico's very competent Ambassador to the United States, His Excellency Dr. Jose Juan de Olloqui in efforts to further good relations between our two countries. Through a first-hand knowledge of Mexico and its leaders, I am confident that President-elect López Portillo will continue Mexico's steady march of progress which serves as an example and model to the developing world.

President-elect López Portillo, who rose from a strictly middle class background, will assume the Mexican Presidency on December 1. His experience and credentials combine an education in law, teaching experience in political science and government, and wide range of assignments for a succession of Mexican administrations culminating in his appointment to serve as Minister of Finance under the Echeverria administration.

López Portillo has taken a prudent and even-handed approach to both domestic and international policy issues. His campaign was characterized by a conciliatory air. Prior to his election, López Portillo engaged in a strenuous 9-month campaign effort, covering Mexico state by state, meeting with party leaders, conferring with business groups, and exchanging views with labor leaders, professional people, and numerous delegations of workers and farmers. Since López Portillo had overwhelming support before he had even begun his campaign, such exhaustive efforts reflect his desire to learn, from those most directly and immediately affected, about Mexico's basic social and economic problems and potential solutions to those problems.

He has sought to shift the public focus away from rhetoric toward the specifics of practicable solutions to complex problems. He has argued: "Putting the blame on one another will not solve our problems. Let us join forces and work toward progress, to solve our problems. Blaming the situation on employers, the government, the workers, or the farmers will lead us nowhere but toward division."

While serving as Finance Minister, he sought to hold the line on government expenditures, making spending cuts in a variety of areas. As a result of policies such as these, Mexico's serious inflation was substantially diminished. Today Mexico's economy continues to gain strength through his leadership.

López Portillo has recognized the importance of maintaining a fluid world trading system and a climate of equity and partnership with regard to foreign investment. Mexico has been a familiar and significant trading partner of the United States. The United States is the No. 1 buyer of Mexican goods and the No. 1 supplier to the Mexican economy. I believe that Mexico's new President shall seek to build on that relationship.

The transfer of power is the most crucial time for a democracy. The recent election of López Portillo reaffirms Mexico's position as the pre-eminent democracy in Latin America. He has pledged that under his new administration, Mexico will remain free and democratic:

> I will not let anyone take my freedom away. I do not accept dictatorship of any kind, not even that of the working class, as a goal for Mexico. I acknowledge only the rule of government by law in its generality, universality, and equality . . . .

I ask Congress to join me in congratulating and saluting a new world leader of great vision. I look forward to the breadth of his accomplishment.

MOTION TO INSTRUCT POSTAL CONFEREES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker. I have just received word that the Senate has acted on the postal reform bill and that it rejected a substitute offered by Senator Hollings of South Carolina to include my amendment to the House-passed bill that will require the Postal Service to come to Congress annually for an authorization and an appropriation, as well as an amendment approved by the House to require that the Postmaster General and his chief deputy be appointed by the President and confirmed by the Senate.

The evidence is overwhelming that the Washington postal establishment has failed; that the Postal Service since reorganization has not worked; and that only by accountability to the Congress and the people will it be rescued from collapse.

Accordingly, I have advised the Speaker of the House of Representatives that I intend to offer a motion tomorrow, Wednesday, to instruct the House conferees to insist on these two accountability provisions contained in the House bill when the conference is convened.

The motion to instruct is as follows:

MOTION TO INSTRUCT POSTAL CONFEREES

Mr. Alexander moves that the Managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 8603, be instructed to insist upon (1) section 2(a) and section 2(c) of such bill as passed the House; (2) section 2401(b) (1) of title 39, U.S. Code, as added by section 2(b) of such bill as passed the House; and (3) section 16 of such bill as passed the House.

FEEDING AT THE COMPANY TROUGH

(Mr. ROSENTHAL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROSENTHAL. Mr. Speaker, eminent nutritionists have traded their independence for the food industry's favors.

This conclusion was reached following a study by my office and the Center for Science in the Public Interest—CSPI—a Washington-based, nonprofit public interest group, of potential conflicts of interest involving academic authorities on nutrition.

The study found that nutrition and food science professors at Harvard, at the Universities of Wisconsin, Iowa, and Massachusetts, and at many other prominent universities work closely and often secretly with food and chemical companies. Professors sit on the boards of directors, act as consultants, testify on behalf of industry at congressional hearings, and receive industry research grants. Many professors with corporate links also serve as "university" representatives on Federal advisory committees.

A comprehensive report based on this study was released August 15, and I am inserting it in the Record today because these findings are of such great importance. The report is titled "Feeding at the Company Trough."

The close links between ostensibly unbiased professors and the food industry are shocking. The heightened consumer awareness in recent years has led press and public alike to rely on the academic community for objective analyses of controversial consumer problems. Unfortunately, many professors have developed extensive ties with the same industries of which they are asked to be objective analysts.

> One can only come to the conclusion that industry grants, consulting fees and directorships are muzzling, if not prostituting nutrition and food science professors.

Declared Dr. Michael Jacobson, codirector of CSPI, on publication of the study.

Harvard's department of nutrition, one of the most influential in the Nation, is bound up with corporate ties, according to the study. The chairman, Dr. Fredrick Stare, is on the board of directors of Continental Can Co., a major food packaging firm, and has testified in recent years at congressional and FDA hearings on behalf of Kellogg, Nabisco, Carnation Milk, the Cereal Institute, the Sugar Association, and the Pharmaceutical Association. The Harvard department has received funds from Amstar—sugar—Corp., Beatrice Foods, Coca Cola, Kellogg, Gerber, Oscar Mayer, and many other companies. Industry donations totaled approximately $2 million from 1971 to 1974.

The report cites a Kellogg-sponsored study conducted at Harvard School of Dental Medicine which appeared designed in such a way as to show no link between sugar-coated cereals and tooth decay. Nevertheless, the cereal industry has balleyhooed it in a press release headed "Scientific Studies Prove Cereals Don't Cause Cavities, Are Vital to Nation's Diet" without revealing Kellogg's sponsorship. The Harvard-Kellogg study was later criticized in letters to the

Journal of the American Dental Association—where it originally appeared—as being "weak" and "unacceptable on any reasonable scientific and epidemiological grounds."

The University of Wisconsin's Food Research Institute, according to the report, is ensnared in a web of corporate connections. The institute received $635,390 in 1975 from such companies as Kellogg, Nestle, Campbell, Kraftco, and General Mills. Dr. E. M. Foster, the head of the institute, is on the board of directors of Stange Co., which manufactures artificial colorings. The report charges that Foster has been a staunch defender of food additives and a vociferous opponent of consumer groups. Foster was recently named as the university representative to an important U.S. Department of Agriculture advisory committee.

According to the Rosenthal-CSPI report, two of the most influential professors in the area of infant feeding are Drs. Lloyd Filer and Samuel Fomon, both of the University of Iowa. Filer was until 1975 chairman of the Food and Nutrition Board of the National Academy of Sciences, and Fomon is the nutrition consultant to HEW's Office of Maternal and Child Health. Filer, who was medical director for an infant formula manufacturer for over a decade, received $17,308 between 1970–74 as a consultant to industry. Fomon consults for formula companies and receives grants from Gerber, the three major American formula manufacturers, the National Dairy Council, and Nestle—the major European maker of infant formula. Such influence may account for the Federal Government's apparent lack of concern over the high sugar content of many commercial baby foods and the national trend from breast feeding to bottle feeding.

> The public desperately needs professors who are outspoken, objective critics of the food industry.

Said Dr. Jacobson of CSPI.

> Industry spends billions every year to promote its products, many of which contribute to the high toll of heart disease, bowel cancer, tooth decay, obesity and diabetes. These diseases cost the public billions every year, yet there are only a few professors who are willing to speak out.

The report notes:

> It is difficult to know the extent to which professors' philosophies have been molded by industrial grants and honoraria. But an even more serious consequence than creating a professional advocate is the gag-effect of company money. Intimate working relationships between professors and executives inevitably lead to friendships, sympathy and reluctance to alienate future sources of grants or job possibilities for one's self or one's students. Developing ties to industry causes one to overlook problems, rationalize faults and defend policies.

Because nutrition professors speak out frequently to influence both public thinking and public policies, the public has a right to know what possible biases the professors may have. At the very least, professors should disclose their links to industry when they testify at hearings or speak to reporters. It is now almost impossible to get this information. Universities should require professors to file regular public reports containing this kind of information.

A University of Minnesota professor of public affairs, cited in the report, offered one possible solution to the potential conflict of interest.

> At a minimum, I think that a listing of each faculty member's outside activities should be maintained in the departmental office and that this file should be open to any and all that wish to look at it.

Said Dr. Dean Abrahamson.

> It should include all outside activities, amounts of time spent, and payment (if any) received.

The report recognizes the value of having industry invest money in academic research, but suggests that potential biases should be eliminated by channeling the money through a nonprofit, public interest group before it gets to the professors. The group would be composed largely of consumer leaders and scientists free from industry ties.

The report follows:

Feeding at the Company Trough

(By BENJAMIN ROSENTHAL,[1] Michael Jacobson,[2] and Marcy Bohm [2])

"Whose bread I eat, his song I sing," was Senator Sam Ervin's downhome way of describing the biases that can develop when money changes hands. Senator Ervin was talking about politicians, but the thought applies equally well to professors. The turgid prose of the University of Wisconsin's pamphlet on Faculty Rights and Responsibilities waxes eloquent in describing the independence of a scholar:

"In serving a free society the scholar must himself be free. Only thus can he seek the truth, develop wisdom and contribute to society those expressions of the intellect that ennoble mankind. The security of the scholar protects him not only against those who would enslave the mind but also against anxieties which divert him from his role as scholar and teacher."

Despite such ringing platitudes and well-intentioned aims, many professors are, quite frankly, on the take, an extensive survey by the authors reveals.

The heightened consumer awareness in recent years has led press and public alike to rely on the academic community for objective analyses of controversial consumer problems. Unfortunately, many professors have developed extensive ties with the same industries of which they are asked to be objective analysts. Such ties range from providing one-shot advice to accepting long-term research grants, from representing companies at Congressional hearings to maintain consultant relationships and even serving on trade association committees and boards of directors. Biases can also develop indirectly—through fraternization with industrial executives at conventions and scientific meetings, by conducting seminars at corporate headquarters, or by pursuing industry contacts to help graduate students obtain jobs.

The field of nutrition and food science are typical. The songs many nutrition professors sing indicate that the bread they eat is baked by Ralston-Purina, Quaker Oats, Gerber, Pillsbury, General Foods, or other corporate giants.

The quality of the American diet has been the subject of numerous Congressional hearings, documentaries and exposés. Americans are worried by the mounting evidence that our foods contribute to such widespread health problems as diabetes, tooth decay, obesity, allergies, heart disease, constipation, and bowel cancer. In fact, one nutrition expert from the University of California estimated that diet-related illnesses cost consumers $30 billion annually.

The high-fat, high-sugar, low-fiber content of the American diet has been identified as a major factor in hundreds of thousands of deaths annually. The chemical additives which saturate our foods have often been found dangerous. For example, the pesticides 2, 4, 5–T (birth defects), DDT, aldrin, and dieldrin (cancer) have all been banned from food crops. Cobalt, used to stabilize beer foam, was finally banned in 1965 after killing dozens of heavy beer drinkers. Violet No. 1 food dye (cancer), DEPC (cancer), and some uses of sodium nitrite (cancer) have also been banned in the past decade.

Despite the compelling need for experts who can examine the food industry with a critical eye, the nutrition and food science communities have fallen under the $200-billion industry's influence. At our most prominent universities, eminent nutritionists have traded their independence for the food industry's favors. A recent survey of nutrition and food science departments conducted by Congressman Benjamin Rosenthal (D.-N.Y.) and the Center for Science in the Public Interest, a Washington-based public interest organization, has concluded that eminent nutritionists have prostituted their professional independence to curry the favor of the food magnates.

Harvard University's Department of Nutrition, one of the most prestigious in the country, is riddled with corporate influence. One need go no further than the front door for the the first indication: a wall plaque thanking General Foods for funding the research facilities. From there, one should proceed to the annual "Treasurer's Financial Report to the Board of Overseers of Harvard College." The 1973 report (1971, 1972, and 1974 are similar) lists as donors to the Department of Nutrition the Amstar (sugar) Corporation, Beatrice Foods, Carnation Company, Coca-Cola, Continental Can Company, Gerber Products, International Sugar Research Foundation, Kellogg Company, Kraftco (cheese), Oscar Mayer & Co., Miles Laboratories, Monsanto, Nutrition Foundation, The Sugar Association, and more than a dozen other food industry giants, plus a smattering of drug companies. The food industry provided approximately $2 million from 1971 to 1974.

Dr. Frederick Stare, who has conducted respected studies on heart disease, has been chairman of the Nutrition Department at Harvard since it was founded in 1942. If a chairman—particularly one around for over three decades—can be presumed to influence his department's philosophy, Stare's influence certainly encourages goodwill toward corporations. Harvard's working relationship with industry has been a sound financial investment for Stare and the department, judging from the plethora of corporate grants it has received. Stare has been on the board of directors of Continental Can Company, a major food packaging firm, for twelve years.

He has, moreover, testified in recent years at Congressional and FDA hearings on behalf of Kellogg, Nabisco, Carnation Milk, the Cereal Institute, the Sugar Association, and the Pharmaceutical Manufacture Association. Although Stare's widely syndicated newspaper column notes his Harvard affiliation, it makes no mention of his food industry connections. His columns and articles in defense of sugar and food additives have neglected to disclose his intimate ties to the sugar and chemical industries. Women's Wear Daily, for example, interviewed Stare who declared that "most people could healthily double their sugar intake daily." His advice contradicts one of the few accepted nutritional principles, namely, that Americans eat far too much sugar. In a recent column, Stare tried to dispel the food-additive controversy. "Is there any reason for concern about food chemicals? . . . The answer is no."

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[1] Member of Congress.

[2] Center for Science in the Public Interest.

Stare has refused to disclose to the authors of this report the companies which currently employ him. When asked whether his corporate ties cast a shadow on his pronouncements, Stare maintained, "I really honestly feel I have not reduced my credibility." In the three years after Stare told a Congressional hearing on the nutritional value of cereals that "breakfast cereals are good foods," the Harvard School of Public Health received approximately $200,000 from Kellogg, Nabisco and their related corporate foundations.

Yet Frederick Stare is not the most well-known member of the Harvard nutrition department; that honor has been Jean Mayer's (he was recently named President of Tufts University). Mayer has repeatedly voiced his concern over food industry advertising and the quality of the American diet. He has assisted consumer advocacy groups as well as the Senate Select Committee on Nutrition and Human Needs, which deserves credit for alerting the public to nutrition matters. Nevertheless, Mayer, like Stare, has lent his prestige to food and chemical companies.

For the past five years Dr. Mayer has been on the board of directors of Monsanto, which manufactures food flavorings, preservatives (such as sodium benzoate and sorbic acid), pesticides, fertilizer and other food industry chemicals. Mayer has since 1972 also served on the board of directors of Miles Laboratories, which makes food flavorings and other additives, imitation meat substitutes, and even synthetic fruit bits. Mayer has a syndicated nutrition column comparable to Stare's. Its byline, too, noted the Harvard affiliation while neglecting the corporate ones.

Even the University of Wisconsin, which declares that "the scholar must himself be free," ensnared in a web of corporate connections. The University's Food Research Institute received $635,390 in 1975 from dozens of food, packaging, and drug companies and trade associations. Among the benefactors were Kellogg ($20,000), McDonald's ($20,000), Nestle ($20,000), Campbell ($20,000), Kraftco ($20,000), General Mills ($10,000), and the Institute of Shortening and Edible Oils ($60,000). Twenty thousand dollars a year seems to be the basic membership fee. This money supports research projects at the Institute as well as at several other departments in the university.

The Director of the Food Research Institute is Dr. E. M. Foster. Foster, responding to our survey, noted his membership in Consumers Union (i.e., he subscribes to the magazine *Consumer Reports*), but neglected to mention his membership on the board of directors of the Stange Corporation since 1972. Stange is a leading manufacturer of flavorings, colorings, spices, and other food ingredients.

Foster's scorn of consumer advocates is consonant with industry's; he believes that consumer advocates "hold the uncompromising view that industry and the regulatory agencies are in league to rip off the consumer, and they are determined to change matters through restrictive legislation. The chief tools of these self-styled consumer advocates, and they use them well, are exaggeration and facts taken out of context. . . . The make-up of the new Congress promises more success for these forces than they have had in the past. Thus a vigorous educational campaign designed to get the truth to the people and their representatives in federal and state governments may be the only way to stave off a disastrous flood of legislation that will actually be detrimental to the consumer. We in the Food Research Institute shall continue to do all we can in the interest of truth and sanity."

Foster, recently named to a U.S. Department of Agriculture advisory committee (as the sole university representative), has charged that consumer activists "have complicated and confused the decision-making process," which has long been dominated by corporate giants.

One of Foster's colleagues is Dr. Alfred E. Harper, chairman of the Department of Nutritional Sciences, another department to which the Food Research Institute funnels grants. Harper also heads a National Academy of Sciences committee which meets every five years to determine "recommended dietary allowances" of vitamins, minerals, and protein. He has supplemented his income by consulting for G. D. Searle Company (which produces drugs and some food additives) for up to $10,000 per year, Procter and Gamble (the giant soap and detergent manufacturer that also produces Folger's coffee, Pringles, and Jif peanut butter), McGaw Laboratories, Abbott Laboratories, General Mills, and Pillsbury. Harper had held a faculty chair sponsored by General Foods at M.I.T., and when he moved to Wisconsin, the $50,000 support went along with him. Harper acknowledged under oath at an FDA hearing that he receives about 20 per cent of his income from consultant fees.

The public receives most of its information on food problems from newspaper reports and TV and radio interviews which quote consumer advocates, industry spokesmen, and seemingly unbiased professors. Yet few reporters inquire into corporate ties which might bias the judgments or philosophy of the professors they cite.

Professor Paul Kifer, head of the Department of Food Science and Technology at Oregon State University, was referred to in one article as "a top food expert." Kifer assured the readers: "Don't worry about food additives. There has never been a single proven case of humans being hurt from eating normal quantities of food containing additives." Leaving aside the many persons who are severely allergic to food additives (one young boy who was sensitive to peanuts died a few years ago after eating ice cream that contained a little peanut butter), Kifer's statement is still highly misleading. The concern is not so much that additives will kill on the spot, but that they contribute to cancer and other problems that show up only after many years.

It is impossible to link a particular death to a food additive consumed long before. That people should indeed worry about food additives is suggested by the FDA's ban on at least 25 apparently-safe food additives over the last six decades. A number of pesticides (such as DDT) and other "incidental" additives also have been banned. The story failed to mention that Kifer was a "food expert" at Ralston-Purina, a major agribusiness and grain conglomerate for almost 16 years before moving to Oregon State. He now receives an annual honorarium from Ralston-Purina and serves on an advisory board of the U.S. Brewers Association.

Professor Fergus Clydesdale of the Nutrition and Food Science Department at the University of Massachusetts (Amherst) is a frequent public defender of the food industry. At a convention of vending industry executives, Clydesdale declared that "There are no such things as junk foods, scientifically they don't exist. . . . There is nothing wrong with any product you people sell, nothing." In an article entitled "Nutrition Experts Cite Information Foul," Clydesdale wrote: "In order to supply wholesome, high quality food in today's over-populated, urbanized world, nearly all foods must be processed and preserved." Clydesdale has defended the use of sodium nitrite as a preservative in baby food—a practice which not even baby-food producers defend.[3] Sadly, food science professors are sometimes stauncher and less responsible defenders of the food industry than industrial representatives themselves.

Clydesdale consults for the Carnation Co. and the National Automatic Merchandising Association, the vending industry trade association. The vending machines which are over-populating the world preclude nutritious choices, since coffee and soda pop comprise 60 per cent of all vended food, with candy, gum, and other non-nutritious items comprising another 20 per cent. Clydesdale's resume also notes: "Informal counselling to several major food industries, as well as major [artificial] color equipment manufacturers. Work in close cooperation with several food industries who are currently funding research in the color and chemical area."

Professor Theodore Labuza of the University of Minnesota's Department of Nutrition and Food Science has said: "Let's face it, the food industry has to make a profit, otherwise it will not be able to keep providing us with food." In order to help the companies, Labuza has sold his services to General Mills, Searle Biochemics (a drug company), Pillsbury, Hunt-Wesson, and Quaker Oats.

Both Clydesdale and Labuza were reluctant to disclose to the authors their current outside affiliations. Instead, each referred the probe to university administrators. Inquiries to the university department heads met with equal evasiveness. Professor Caldwell, head of the University of Minnesota's Department of Food Science and Nutrition, remarked, "All continuing consulting or retainer agreements at this university must be disclosed to and approved by its central officers and are public information obtainable from the University." Requests to University President C. Peter Magrath and others, however, proved fruitless. (Caldwell, it might be noted, worked for 19 years for Quaker Oats Company before forsaking his position as director of research.)

Professor R. V. Lechowich, head of the Department of Food Science and Technology at Virginia Polytechnic Institute, was another department head who refused to disclose his corporate connections. Lechowich brushed off questions by stating that, "Since control of conflicts of interest are exercised, the request for names of firms and consulting fees are not pertinent to the question." Professor Bernard Schweigert, chairman of the Department of Food Science and Technology at the University of California-Davis, also refused to disclose any information. He is, however, known to serve on the board of directors of Universal Foods, a manufacturer of specialty products and a leading importer of gourmet and fancy processed foods. What Lechowich, Schweigert and other corporate consultants realize is that secret review of conflicts of interests is tantamount to no review at all. Bringing the industry-academe nexus into the open would be the most reliable way of discouraging corporate cooptation.

Rivaling direct payments to professors as a source of bias are research grants funneled through the department. Although industry spends far more on advertising than on academic research, it does dispense millions of dollars in grants to hundreds of professors. Food and chemical companies donate research funds to professors directly, as well as through their conduit, the Nutrition Foundation. Because government is the largest supporter of university research, industry support usually amounts to only a fraction of a department's budget. Nevertheless, industrial grants are often substantial and they become more crucial to some departments as the Federal government reduces its science budget.

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[3] Sodium nitrite is a problem because it can react with other food ingredients to form nitrosamines. Tiny amounts of nitrosamines have caused cancer in laboratory animals. A moderate number of baby foods used to contain added nitrite.

The University of Massachusetts' Department of Food Science and Nutrition, for example, receives more than one-third of its research funds from industry. The Department of Pediatrics at the University of Iowa—a major research center for infant nutrition—receives approximately twenty per cent of its research support from companies, including Gerber and infant formula manufacturers. The Harvard School of Public Health's Department of Nutrition receives a substantial percentage of its research budget from industry, but declines to disclose the exact amount.

Any grant will induce a certain amount of gratitude from the recipient and discourage him from being a major critic of the donor—particularly if there is a chance for a second grant. Predictably, industry-financed studies generally support that industry's interests.

Harvard's reputation was invoked in defense of breakfast cereals in 1974, when two researchers at the School of Dental Medicine published a paper purporting to show that pre-sweetened cereals do not contribute to tooth decay. Later that year, when consumer groups criticized high-sugar breakfast cereals in a petition filed with FDA, the Cereal Institute (a trade association) praised the Harvard study in a press release headed "Scientific Studies Prove Cereals Don't Cause Cavities, Are Vital in Nation's Diet." Not unexpectedly, the association hid the fact that Kellogg Company helped finance the study. The study, moreover, was designed in such a way that tooth decay caused by sugar-coated cereals never could be detected. So unreliable was the study that other dental specialists wrote to the Journal of the American Dental Association, where the Harvard-Kellogg study was published, to attack it. Dr. Herschel Horowitz, of the National Institute of Dental Research, wrote that "As it stands, the report is weak and the conclusions are not justified." Dr. Howard Greene wrote, "I found the Glass and Fleisch article to be unacceptable on any reasonable scientific or epidemiological grounds."

The shaping of public policy by professors who have ties with industry goes far beyond teaching and interviews. Many professors of nutrition, food science and toxicology have been appointed to public or private committees that advise the government and issue public statements that receive wide publicity.

The Office of Maternal and Child Health in the Department of Health, Education and Welfare is the only government agency concerned with infant nutrition. The Office publishes a few poorly-distributed pamphlets on infant care and feeding. Its influence on infant feeding patterns is nil compared to the role of baby food and formula manufacturers. The three baby food companies (Gerber, Heinz, Beech-Nut) and three formula companies (Ross, Mead-Johnson, Abbott) sponsor full-page ads in magazines read by new mothers, send salesmen to visit doctors, offer free formula to hospitals and new mothers, and place free promotional materials in government-funded clinics. The comparative impact of the government and industry efforts can be judged by noting that only 25 per cent of American babies are breast fed for more than a week, and that supermarkets stock dozens of high-sugar baby foods (some up to 44 per cent of the calories being provided by added sugar). The Office of Maternal and Child Health's scientific advisor is Dr. Samuel Fomon, a widely respected expert on infant nutrition.

It is possible that some of Fomon's lack of zeal in getting HEW to inform women about breast feeding and to exercise greater control over the composition of baby foods is attributable to the grants and consulting fees which he and his laboratory at the University of Iowa receive from Gerber, Mead-Johnson, Wyeth, Nestle, Ross Lab, and CPC International (Mazola margarine, Skippy peanut butter, etc.).

The Food and Nutrition Board is one of the most influential advisory committees. It issues authoritative reports on nutrition and food safety under the imprimatur of the National Academy of Sciences—National Research Council, a quasi-governmental agency established by Congress. According to Ralph Nader, "The Academy can be considered the preeminent forum through which individual scientists, acting as responsible citizens and rendering their best professional judgments, can have a significant impact on major technological events."

As a key advisor to the Federal government, one would expect the Academy to avoid potential conflicts of interest by limitate ties. However, the composition of the Food Protection Committee of the Board indicates that potential conflicts-of-interest are of little concern to it. Several members serve simultaneously as professors and corporate consultants or directors. Various other members of the NAS-NRC food committees work for food and chemical companies full-time.

In the late 1960s, MSG (monosodium glutamate), a common flavoring, was alleged to cause severe burning sensations and other painful symptoms and was later shown to cause brain damage in young mice. The FDA contracted with the Academy to investigate the evidence. Yet the special seven-member committee appointed by the Food Protection Committee to study MSG had close ties to industry.

The chairman of the MSG committee, Iowa Pediatrics Professor Lloyd Filer, admitted that members of his research team had recently received grants from International Minerals and Chemicals Corporation (IMC), the major producer of MSG (it makes Accent), and Gerber Products Company, which had used MSG in baby foods until public pressure forced it to stop. Approximately 20 per cent of Filer's research funds come from industrial sources. Filer currently consults for a variety of companies and received more than $17,000 between 1970 and 1974 for his services. He declines to disclose the names of the companies for which he consults. Filer had, in addition, been the medical director of Ross Laboratories, an infant formula manufacturer, for twelve years.

Two other committee members also had done research for interested parties. Lloyd Hazelton, founder of the Hazelton laboratory, had been hired by IMC to conduct MSG studies. George Owen, professor of pediatrics at the Children's Hospital in Columbus, Ohio, published an unrelated study supported entirely by Gerber.

Phillip Boffey, author of an exposé of the political and corporate pressures which undermine the Academy's objectivity (*Brain Bank of America*), has described the Academy's response to the partisanship of these committee members:

"Filer defends these relationships by pointing out that the Committee needed knowledgeable experts and that there are few proficient food scientists who have not, at one time or other, received research support from the food industry. However, even the Academy's own staff later acknowledged that Filer should probably not have been asked to serve as chairman of the panel, though it defended Filer's probity and saw no reason why he should not serve as a member of the Committee."

Filer was subsequently selected to chair the Food and Nutrition Board, a position he held until 1975.

The final report on MSG, quoting both Filer's and Hazelton's research, concluded that MSG was safe. But the Committee did note:

"The risk associated with using MSG in foods for infants is extremely small. The committee cannot find, however, that the usage confers any benefit to the child, and therefore recommends that MSG not be added to foods specifically designated for infants."

Washington University Psychiatry Professor John Olney, the principal investigator in studies indicting MSG as a health hazard, has expressed his concern about the Academy panel's objectivity to the Senate Select Committee on Nutrition and Human Needs when it held a hearing on MGS safety. As Dr. Olney put it, "It becomes very difficult to be objective when you are appointed as a chairman of a subcommittee and at the same time are receiving monies supporting your activities from the very industries whose interests are being reviewed."

Senator Charles Percy also expressed concern about Dr. Hazelton's conflict of interest after the doctor testified on behalf of the Grocery Manufacturers of America, the food industry's major lobbying group. Percy commented:

"He is judge and jury. Regardless of his objectivity and his competence, it appears there is a conflict of interest. Aren't there enough scientists in the United States so that we would be able to select a panel which would render a very important judgment that would be beyond reproach so far as any lack of objectivity is concerned? I am not impugning his integrity which is of the highest. But it is very hard to justify having people serve on a panel who have been in the employment of the very companies that are making products that they are called forth to judge."

Members of NAS-NRC committees and consultants are asked to submit a routine statement listing potential sources of bias. Yet the Academy has no criteria for deciding whether a conflict of interest actually exists. The statements are never made public; the public is simply asked to place their faith in a nebulous and historically-ineffective process.

The FDA has called upon the NAS-NRC frequently in recent years to evaluate food additives. But FDA bypassed the Academy for its most extensive consulting job, a complete review of several hundred long-used additives. Dr. Albert Kolbye, then deputy director of FDA's Bureau of Foods and a participant in the decision, later explained: "We thought we could better avoid potential conflicts of interest." The project was termed the "GRAS review," since the additives were categorized "Generally Recognized As Safe." In 1969 this category included cyclamate, saccharin, caffeine, MSG, brominated vegetable oils, as well as salt, sugar, pepper and hundreds of other chemicals. Instead of consulting the NAS-NRC, FDA contracted with the Federation of American Societies for Experimental Biology (FASEB) to manage the review. FASEB is a group of six nonpolitical scientific societies. Its members do little government work and are generally university researchers.

Consumer groups convinced the FDA that FASEB should invite knowledgeable scientists, nominated by consumer groups, to serve on the committee. The consumer groups sought to place on the committee at least one expert with whom they had developed a working relationship and could openly confer. Unfortunately, after months of haggling, FASEB invited only one of four nominees, Dr. Joshua Lederberg. Dr. Lederberg declined because he would have had to fly to Washington twice a month from the

Stanford School of Medicine. Dr. Eugene Hess, director of FASEB, later contended that the other three nominees were not invited because "identifiable advocates are a bad idea."

FASEB does at least require a detailed statement from each member of the review panel regarding potential conflicts of interest. But the usefulness of those statements is dubious. FASEB once convened a committee to discuss artificial flavorings, for example, without having reviewed several of the financial discolsure statements because the scientists had submitted them only hours before the meeting.

According to Director Hess, FASEB has developed no criteria by which to evaluate potential conflicts of interest. He said FASEB relies on committee members to disqualify themselves when corporate affiliations may lessen their objectivity. Hess maintains that advising an industry which has a special interest in the substance being reviewed does not constitute a conflict of interest, if the advice is not relevant to that particular substance. He insists that conflict of interest does not exist unless the professor holds a "significant and controllable financial interest" in a company—"about 10 per cent or more of a corporation's stock." For a company the size of Kellogg, this would amount to about $67 million worth of stock.

Hess believes that any disclosure of conflict-of-interest statements would be an invasion of privacy—regardless of the report's impact on public policy. "The public," Hess contends, "isn't qualified to make those subtle distinctions" regarding conflicts of interest. Strict standards or disclosure might deter the most qualified experts from serving on a review committee, Hess claims, because "the top ten per cent consult for industry."

Although Hess refuses to make the conflict-of-interest statements public, he has agreed to a compromise. In order to give the public some idea of the GRAS committee's potential biases, Hess has released the commercial affiliations of committee members, without identifying particular individuals.

Of the eleven members of the Committee, five had connections with the following companies or trade associations involved with GRAS substances: Ortho Manufacturing, American Cyanimid, Olin, CPC International, Certified Color Manufacturers' Association, Thomas Lipton Company, Miles Laboratories, J. E. Underwood, and A. E. Staley.

Each of those five consultants assured Hess that "these consultantships in no way relate to the GRAS substances." Nevertheless, Hess announced that each member is polled as individual GRAS substances are considered, "and if a possible conflict should have developed, is asked to remove himself from the Committee while the substance is under consideration." Apparently, this is how "identifiable advocates" of industrial interest are eliminated.

A more equitable method for dealing with possible biases is to counterbalance them. If several members of a monitoring group have industrial affiliations, then it should also include persons with consumer affiliations. FASEB has yet to adopt that concept, and, on the basis of its recent performance, is unlikely to do so in the future.

Individuals who work with such organizations as NAS or FASEB on government contract jobs become, in effect, public employees. Their affiliations must be carefully scrutinized to assure unimpaired judgments. These individuals should be willing to disclose such information as professional consultantships when public policy is involved. Such a sacrifice does not seem to be an undue infringement of privacy where the decision rendered affects millions of lives.

In sharp contrast to the pervasive and multifarious links between professors and industry, professional associations with consumer groups are rare. Of the eighteen professors responding to our survey who noted any association with consumer groups, half of the links consisted of token involvement, such as subscribing to *Consumer Reports* or belonging to Common Cause. Receiving *Consumer Reports* entails rather less influence than serving on a corporate board of directors or receiving a $15,000 industrial grant. One professor, eager to demonstrate his tie to a consumer group, recalled that he once received a letter from someone on the Consumers Union staff.

While a great many professors work closely with industry, only a small minority of professors has shown a deep commitment to working with citizens groups. Samuel Epstein, for instance, a pharmacology professor at Case-Western Reserve, has long worked with citizen groups and Congressional committees on problems related to food additives and environmental pollutants. Joan Gussow, chairperson of the Nutrition Education Department at Columbia Teachers College, has been especially critical of junk-food advertising aimed at young children and has worked closely with Action for Children's Television. Frances Larkin, head of the University of Michigan's nutrition department, helped students form the Food Action Coalition and organize the Nation's most active Food Day activity in 1975. Nutrition professor Eleanor Williams of the University of Maryland has worked with both student and citizen activities.

The professorial practice of maintaining ties with industry is an old one which is certain to continue. It provides important information and support to companies while supplementing professors' salaries. At the same time, it impinges on professors' commitment to their students and their allegiance to professional objectivity.

Some professors who moonlight for industry, such as Stare and Clydesdale, defend industry and attack consumer activists so vehemently that they have become known as food-industry apologists. It is difficult to know the extent to which their philosophies have been molded by industrial grants and honoraria. But an even more serious consequence than creating a professional advocate is the gag-effect of company money. Intimate working relationships between professors and executives inevitably lead to friendships, sympathy, and reluctance to alienate future sources of grants or job possibilities for oneself or one's students. Pediatric nutritionists, for example, have been singularly uncritical and close-mouthed about high-sugar baby food desserts and the switch from breast feeding to canned formula. One probable reason for this silence is the grants and supplies given by baby food and formula manufacturers to researchers in the field. Developing ties to industry causes one to overlook problems, rationalize faults and defend policies.

As long as collaboration with industry continues to be viewed by the academic community as ethical and respectable, it is important that the public know about potential sources of bias. When professors are in a position to influence public policy, by speaking to the press or sitting on advisory committees, this information is vital. In such matters, respect for individual privacy must yield to society's right to know. When interviewing professors about matters that may affect a corporation or industry, reporters should routinely inquire into that professor's industrial ties.

A more active and formal policy is appropriate for government advisory committees. When the members of a committee are announced, corporate ties should also be listed. A less suitable policy would be disclosure—as Dr. Hess of FASEB has done—of how many professors have ties with which companies, naming the businesses, but not the members. This approach would provide the public with necessary information regarding conflicts of interest, while completely respecting the privacy of the professors.

Some administrators who were interviewed, such as Dr. Hess, seemed to believe simply that potentially-biased professors should not be allowed to serve on official committees, such as one reviewing food additive safety. The problem here is determining exactly what constitutes a conflict of interest. Does ownership of 5,000 General Foods shares pose a threat to objectivity? What about one share of stock? What about a graduate fellowship from a concern which manufactures or uses a food additive that the committee will evaluate? Instead of drawing narrow distinctions, it is far more sensible to presume that a professor with any past food or chemical company associations may suffer from pro-industry bias. That viewpoint should be balanced by persons with a pro-consumer bias, indicated perhaps by nomination of public interest organizations.

If a policy of openness with regard to professorial conflicts of interest were adopted, the disclosures might initially shock the public and make it suspicious of every connection. But frank discussion would gradually lead to a more sophisticated attitude. People will come to realize that serving on a board of directors or consulting for a company does not necessarily destroy a professor's sense of judgment, but could in fact lead to greater corporate responsibility and public control over the businesses which affect our lives.

Dr. Dean Abrahamson, professor of public affairs at the University of Minnesota, has offered his own prescription to discourage conflicts of interests:

"At a minimum I think that a listing of each faculty member's outside activities—whether recurring or not—should be maintained in the departmental office and that this file should be open to any and all that wish to look at it. It should include all outside activities, amounts of time spent, and payment (if any) received. It should also include all grants and contracts that support either that faculty member, staff and students. To maintain such a record, and update it, would not be a particular burden. When a copy of the record is requested, it would not be unreasonable to follow the example of federal agencies and to make a charge for providing a copy."

The Center for Law and Economic Studies, based at the Columbia University Law School, is one of the few academic institutions to adopt such a guideline. The Center's statement of policy stipulates:

"Participants in the Center's research studies are required to disclose their past, present or anticipated consultant or other relationships, whether or not compensated, with special interest groups, labor unions, corporate entities and other institutions which may have positions on particular issues of concern to the Center in its work. They must also disclose any significant financial interests which may bear upon these issues."

New mechanisms are needed to ensure industrial research support without impairing the professor's objectivity. One alternative is establishment of a non-profit, public interest group to "launder" contributions before they reach the university. Industry would contribute money to a central pool; professors would apply for grants, as they do to the government. Funds would be dispensed by a panel composed of scientists without industry ties, consumer leaders, and a few industry representatives. The group would use a small part of the pool to develop priorities and criteria for giving grants.

Tight connections between the academic community and industry bode ill for responsible corporate practices, a safe food supply, and vigorous investigations. Industry has impressive resources with which to communicate its opinions to the public, particularly through publications and advertising. Society needs the academic community's help in offsetting this powerful advantage. Professors should examine current practices with a critical eye, cooperating with citizens groups and speaking out publicly when problems are unearthed. The rewards for this, of course, are psychological rather than financial. But for the sake of healthy debates and healthy bodies, we can only hope that some food science professors will choose this recipe for action.

CORPORATE CONNECTIONS OF SELECTED FOOD SCIENCE AND NUTRITION PROFESSORS

Name, University, Industry, and Other Positions

Aaron Altschul: Georgetown University Medical School. Has consulted for Miles Laboratories, A. E. Staley (soybean processor), Thomas Lipton, J. E. Underwood (owns MSG manufacturer). Recently resigned from SCOG[1], consultant to AID.

Richard Barnes: Cornell University, Division of Nutrition Sciences. Mead Johnson Co. (infant formula), a division of Bristol-Myers (annual retainer of $6,000). Food and Nutrition Board of the National Academy of Sciences, Committee on Nutrition, Brain Development, and Behavior.

Elwood Caldwell[2]: University of Minnesota Department of Food Science and Nutrition. Worked at Quaker Oats for 19 years; refused to disclose current industry ties.

Dena Cederquist: Michigan State University, Department of Food Science and Human Nutrition. Director, Gerber baby foods.

Fergus Clydesdale: University of Mass. Nutrition and Food Science Department. Consultant to National Automatic Merchandising Association (vending machine industry); informal consulting to several major food industries; Carnation Co.

Lloyd Filer: University of Iowa Department of Pediatrics. Formerly medical director of Ross Laboratories (1955–65), a manufacturer of infant formula; received $17,308 between 1970–74 as a consultant to industry. Chairman of Food and Nutrition Board until 1975.

Samuel Fomon: University of Iowa Department of Pediatrics. Retained by CPC International (Skippy, Mazola); research grants from Gerber, Mead Johnson, Ross Laboratories, Nestle, Wyeth Lab., National Dairy Council; occasional consultant to formula companies. SCOGS; consultant to HEW's Bureau of Community Health Services; Office of Maternal & Child Health.

E. M. Foster[2]: University of Wisconsin, Food Research Institute. Director, Stange Co. since 1972 (manufacturer of artificial food colorings). Former chairman, Committee on Food Protection of the Food and Nutrition Board; university representative on USDA's Advisory Committee on Regulatory Programs.

Helen Guthrie: Penn State University Nutrition Program. Director, Nabisco. Food and Nutrition Board.

Alfred E. Harper: University of Wisconsin, Department of Nutrition Sciences. Consulted for Searle Co., Procter & Gamble, General Mills, Pillsbury, Ross Laboratories, McGaw Lab. Has consulted for FAO, NIH, AID; former chairman of Food and Nutrition Board.

Lavell Henderson: University of Minnesota Department of Biochemistry. Consulted for Procter & Gamble, Eli Lilly, DuPont; testified on behalf of Cereal Industry at Congressional Hearing (expenses paid by General Mills). Food and Nutrition Board; chairman, Committee on Nutritional Misinformation.

Theodore Labuza: University of Minnesota Department of Food Science & Nutrition. Consulted for General Mills, Searle Biochemics, Pillsbury, Hunt-Wesson, Quaker Oats—pet food division.

Gilbert Leveille[2]: Michigan State University, Dept. of Food Science and Human Nutrition. Consultant for a number of companies ($3,000–$4,000 per year). Food and Nutrition Board, vice-chairman.

Jean Mayer: Harvard School of Public Health, Dept. of Nutrition (now President of Tufts University). On boards of directors of Miles Laboratories (since 1970), Monsanto (since 1972). Food and Nutrition Board.

Bernard Schweiger[2]: University of California, Davis, Dept. of Food Science and Technology. Director of Universal Foods (Red Star yeast, pretzels, etc.); consultant. Food and Nutrition Board, Committee on Food Protection and Committee on GRAS List Survey.

Fredrick Stare[2]: Harvard School of Public Health, Dept. of Nutrition. Director of Continental Can Co.; has consulted or testified at government hearings on behalf of Kellogg, Nabisco, Cereal Institute, Sugar Association, Carnation Milk, Pharmaceutical Manufacturers Association.

Charles Whitten: Wayne State University Children's Hospital of Michigan. Director of Gerber Products, Inc. Food and Nutrition Board, Committee on Nutritional Misinformation.

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[1] Special Committee on GRAS substances, a committee evaluating the safety of certain food chemicals. The Committee was convened by the Federation of American Societies for Experimental Biology (FASEB).

[2] Department head.

NOT A TIME TO DISREGARD CRIMES COMMITTED BY THE NORTH KOREANS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I am cosponsoring legislation in the House concerning the continuing acts of aggression and brutality committed by the North Koreans in the DMZ over the years which culminated in the atrocity last week wherein two American officers were axed to death and others seriously injured.

The North Koreans have persistently relied upon a policy of violence, highlighted by such incidents as the Pueblo affair in January 1968, the destruction of an American EC–121 aircraft and all personnel aboard in April 1969, the machinegun ambush of an American troop transport in the DMZ in October 1969, and the 1974 boobytrap slayings of U.S. and ROK personnel who discovered the illegal North Korean tunnels under the DMZ.

It is time for the United States to let the Peoples Republic of Korea know in no uncertain terms that we have reached the limit of our tolerance.

The resolutions condemn the continuing brutal acts of North Korea against American and ROK personnel and expresses the regrets of the House of Representatives to the survivors of Capt. Arthur G. Bonifas and 1st Lt. Mark T. Barrett. The measure calls on the President to place the threat to peace created by the DMZ killings on the agenda of the United Nations organization and to seek responsible action there.

These actions should not close the book on the latest incident. The American people strongly resent the manner in which irresponsible nations are able to violate international law and the laws of common decency in their actions against our country and our people. America is big enough and strong enough. We should also be tough enough to protect our own interests.

MORE DISCUSSION ON THE NEED TO ESTABLISH A COMMISSION TO STUDY THE RESULTS OF COMPULSORY BUSING TO ACHIEVE RACIAL BALANCE IN THE PUBLIC SCHOOLS AND OTHER QUESTIONS ON PUBLIC EDUCATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in January of this year, I introduced H.R. 11613, a bill to establish a commission to study the results of compulsory busing to achieve racial balance in the public schools and other questions on public education.

The commission I proposed would have 13 members, 11 to be appointed by the chief judge of each Federal judicial circuit and 2 by the Chief Justice of the U.S. Supreme Court. Although the panel would be appointed by Federal judges in order to obtain an impartial body, it was not my intention that all the commissioners be lawyers, only that each be fair, impartial, and able to evaluate the mass of data and testimony available on the subject of school busing to achieve racial balance.

The commission would be asked to answer 10 questions about school busing to achieve racial balance and related matters. One of the primary foci of the investigation would be to answer this question: "What has been the impact of compulsory racial integration, achieved through a busing or other means, on the quality of education and other social goals?"

Many of us have been concerned for some time that a great deal of time, effort, emotion, litigation, and expense has been devoted to requiring integration plans in various school districts, but little has been done to examine some of the underlying assumptions about the necessity of imposing plans which attempt to end de facto school segregation. No reasonable person would ask for a return to a system that permitted dual, legally segregated school systems, and I certainly oppose such systems. Until a thorough examination of the assumptions and facts can be made, I am not even asking for an end to school busing for racial balance.

I am simply calling for a debate about the reasons we are busing schoolchildren in order to obtain certain racial balances. If such school busing is supposed to lead to desirable educational results, I would like to have my proposed commission compile the evidence and tell us so. If such compulsory busing does not lead to quality education, but does have other desirable societal benefits, I would like to have the commission evaluate the evidence and draw those conclusions. Until such an independent body provides the answers to these questions, we are only reacting emotionally to a complex problem.

I would ask the commission to answer these 10 questions:

First. What are the fundamental goals of racial integration of our educational systems, and how effective have been the various methods to achieve them?

Second. What are the standards that should be used in evaluating the quality of education in our schools?

Third. What has been the impact of compulsory racial integration, achieved through busing or other means, on the quality of education and on other social goals?

Fourth. What has been the impact of measures other than busing taken by communities to achieve the goals of racial balance among schools, and have these methods been more or less effective than busing in meeting educational and social goals?

Fifth. What has been the impact of the effort to insure racial balance among schools on school enrollment, on violence and discipline problems, and on the reported movement of middle-class families from central city areas?

Sixth. Has the effort to insure racial balance in school systems had a positive effect in promoting the goal of a racially integrated society or has it intensified racial divisions within the community?

Seventh. What has been the effect of differing allocations of resources—Federal, State, and local—among and within school districts on the quality of education, and to what extent does the taxing method—for example, local property tax versus general appropriations—affect these disparities?

Eighth. Are there any important educational or social values to be gained by maintaining a commitment to the so-called neighborhood school?

Ninth. What disparities, if any, exist in the training, experience, and qualifications of teachers assigned to schools whose pupils are predominantly white, black, Puerto Rican, Mexican American, Indian, or any other race?

Tenth. What are the effects, if any, of the racial balance or imbalance of the teaching staff on the educational program of a racially balanced or imbalanced school? What are the problems of maintaining a racially integrated teaching staff in a racially imbalanced school?

I have asked a number of educational and legal experts as well as members of the community for their opinions on my proposal, and I have received a variety of answers. Some of those who commented were unwilling to support my proposal because they would accept no justification for compulsory schoolbusing for racial purposes. Others who commented were unwilling to see a commission delve into the issues I raise, because they were equally committed in favor of such schoolbusing and did not favor an inquiry into the effect of compulsory racial balances on the quality of education. All I have asked for is a rational inquiry into the available evidence concerning the effects of establishing compulsory racial balances in the schools.

Recently I received the comments of Ewald B. Nyquist, the New York State commissioner on education, which I am appending. I was pleased to see that the commissioner's staff report sees as one of the strengths of the proposed commission that—

> There is a need to determine the psychological, sociological and educational impact of desegregation.

This is basically the purpose of my commission, and I am happy to see that the commissioner favors this purpose.

The weaknesses identified by Commissioner Nyquist's staff indicate a misreading of the proposal. In spite of the staff's inference, the commission would not necessarily be composed of lawyers as opposed to educators, sociologists, or psychologists. In any event the commission will solicit the views of all these experts in determining what to conclude and to recommend. A second objection is that the Federal courts would be placed in a position of endorsing the commission report: To the contrary, once the appointments are made, the commissioners would act independently of the courts.

A third objection appears to center on the interference by Congress in judicial decisions on desegregation. The fact is that Congress is already involved in this issue, but without the benefit of the facts this commission will give us. The President has proposed legislation to restrict the courts' power in ordering schoolbusing, and this is only one of a number of proposals and amendments which the Congress will be considering this session and next, and until some conclusion is reached.

The fourth objection to my proposal is that it addresses questions about the effects on quality education of busing for racial balance as opposed to the effects on education of schoolbusing in general. If there were a national controversy over schoolbusing in general, as opposed to schoolbusing for purposes of racial balance, the commission could, of course, look into it.

I am mystified that Commissioner Nyquist's staff does not realize that compulsory schoolbusing for racial purposes is the main question about which we need information. In any event, the commission would be free to make an investigation necessary concerning schoolbusing in general, if these effects were found to be important in determining the quality of education.

I was also interested to learn that the commissioner of education himself recently withdrew his own school busing order, in the case of two New York City high schools, one in Queens and one in Brooklyn. After having ordered the integration of these schools, the commissioner withdrew his order, acknowledging the possibility of damaging "the integrated status" of other schools by pursuing the plan to integrate these two schools. In formulating a lasting policy, I think the New York State Education Commission could use the advice my proposed commission would provide.

I recently read a synopsis of the busing dilemma, written by Thomas Sowell, a fellow at the Center for Advanced Study in Behavioral Sciences at Stanford, Calif,. in the New York Times magazine, of August 8, 1976. I would like to quote his description of the busing dilemma:

> The really crucial assumption behind involuntary busing is that some tangible benefit will result—presumably to black children, but, one would hope, to white children as well, and to the cause of racial understanding and mutual respect. The hard evidence does not support any of these assumptions. One can select isolated pieces of data to support the assumptions, but at least as much evidence can be found showing declining academic performances, lower self-esteem by black children and greater racial antagonism on the part of both black and white children after busing is imposed.
>
> Busing is not a policy but a crusade. For a policy, one can ask, "Does it work?" "At what cost?" "What is the human impact?" For a crusade, the relevant questions are: "Whose side are you on?" "Is your courage failing?" "Can we dishonor the sacrifices of those who went before by turning back now?" The last thing a crusader wants to hear is cost-benefit analysis. And if the crusader is a white liberal whose own children are in private schools, his courage knows no bounds.
>
> One of the last refuges of those who admit the sorry academic and social record of involuntary busing is the so-called "hostage" theory of integration. According to this view, the only chance black children have for getting a fair share of educational resources is to be mixed in with white children, so that discrimination is thwarted. This assumes that it is easier for courts to control racial "balance"—in the face of "white flight"—than to control dollars and cents paid from a central fund. It also assumes a greater educational effect from differences in per-pupil expenditures than existing studies substantiate.
>
> Finally, there is the simple vested interest of civil-rights lawyers and leaders who have a heavy personal stake in pursuing the courses of action that brought them success and prominence in the past. There is nothing peculiar in this. It is, in fact, all too human. Generals have long been known for fighting the last war. In view of history, it may be too much to expect any organization to stop on a dime and then head off in another direction in high gear. But it is not too much to expect the rest of us to be able to see when a given approach has made its contribution, served its purpose and become counterproductive. We certainly need not repeat the mistake of Vietnam by sacrificing the younger generation to spare leaders the embarrassment of losing face.

I thought Mr. Sowell's analysis was particularly acute, and I was, of course, interested to see this point of view taken by a scholar who is also black.

I was also interested to hear the remarks of the distinguished Congresswoman from Texas, Representative BARBARA JORDAN, on the television news program "Meet the Press," May 30, 1976. In answer to the question whether busing was accomplishing anything or doing any good for black or white children, Representative JORDAN replied:

> I believe if we had the figures to show the result, that busing would have minimal effect on the education the child receives, the reading, the writing and the arithmetic. I am not positive but I think the figures would substantiate that. But the good effect, the value, has been much more than the three Rs, improvement in equipment, improvement in the structure, the school building, more facilities, more attention, a consciousness that

here we have a group of students who are going to a school and they have an entitlement to a kind of educational quality which is the three Rs, but much more than that.

Apparently even some of the supporters of busing concede that establishing a particular racial balance does not insure better quality education. Wiping out the vestiges of segregation—inadequate books, supplies, classrooms, teachers, et cetera—are the important goals. I believe that most of the opponents of busing, will concede that equality of the bricks and mortar of education, such as school facilities, teachers, class size, books, and supplies, among all schools in any area can and must be achieved. So can the removal of all legal obstacles to school attendance or placement that would discriminate by race, religion, sex, or nationality. But the involuntary transfer of children from one neighborhood to another, to satisfy statistical needs and to counter de facto neighborhood patterns, to me requires some hard proof that there are real benefits to be realized by the children involved. I will continue to support busing, while I wait for that evidence, but I believe we should get at the facts.

I think we should heed the warning of Thomas Sowell, before we proceed further without adequately assessing where we have been:

> The grand delusion of contemporary liberals is that they have both the right and the ability to move their fellow creatures around like blocks of wood—and that the end results will be no different than if people had voluntarily chosen the same actions. It is essentially a denial of other people's humanity. It is a healthy sign that those assigned these subhuman roles have bitterly resented it, though it may ultimately prove a social and political catastrophe if their anger at judicial and bureaucratic heavy-handedness finds a target in blacks as scapegoats.

I append a copy of the correspondance I received from Commissioner of Education Nyquist:

ALBANY, N.Y.,
July 28, 1976.

HON. EDWARD I. KOCH,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: You asked me to provide a review and reaction to your proposal which appeared in the May 17, 1976, Congressional Record. My staff has prepared an analysis that appears as follows:

A. Digest of the Proposal

B. Indications of Strengths Should the Proposed be Enacted

C. Indications of Weaknesses

D. Some Questions Regarding the Probable Impropriety of Judicial Directions for Educational Matters

E. Our General Reaction

I trust that this information will be helpful to you as you consider next steps.

Faithfully yours,

EWALD B. NYQUIST.

ANALYSIS OF CONGRESSMAN KOCH'S PROPOSAL REGARDING DESEGREGATION

A. DIGEST OF THE PROPOSAL

The basic proposal is that legislation be enacted to establish a 13 member Commission to "take testimony across the country on all the paramount factual issues involved in achieving racial balance in schools and the means of effecting it in particular by busing." Eleven of the Commission members would be appointed by chief justices of the eleven Federal Circuits and the other two by the Chief Justice of the United States Supreme Court. The Commission would make its final report to the Congress no later than 12 months from the time it began its work. Congressman Koch has submitted ten questions with the feeling that these would constitute the basic areas. of concern for the Commission.

B. INDICATIONS OF STRENGTHS SHOULD THE PROPOSAL BE ENACTED

In considering the concerns expressed by Congressman Koch in making the proposal, the following are some strengths if such Commission were created.

1. There is a need to determine the psychological, sociological and educational impact of desegregation.

2. There is a need for sustained high level judicial involvement in the area of school desegregation.

3. There is a need for congressional awareness and concern regarding school desegregation and related problems.

C. INDICATIONS OF WEAKNESSES

On the other hand, should the proposal be acted upon favorably, there are some concerns that must be viewed as weaknesses. They are:

1. This Commission does not make provisions for educational concerns to be in the hands of educators. Instead, these concerns are in the hands of jurists with educators playing only supportive roles that have not been identified.

2. The Chief Federal Circuit Judges would (seemingly) have to give their support to Commission appointees, thus raising the question of objectivity in subsequent decisions related to desegregation.

3. The Commission will serve the purpose of enabling the Congress to exert undue influence over judicial decisions involving educational matters (desegregation) to a much greater extent than in other matters of judicial concern such as civil rights, sex desegregation, employment, and welfare, where specific legislation does not make direct provisions for congressional action.

4. The Commission would have to make a determination of the effects of busing for quality education involving integration as compared to busing for quality education in general.

D. SOME QUESTIONS REGARDING THE PROBABLE IMPROPRIETY OF JUDICIAL DIRECTIONS FOR MATTERS

Of the ten questions that have been identified by Congressman Koch as the basic issues, eight of those questions relate directly to educational concerns, and there is some questions with regard to the propriety of these issues being pursued by jurists instead of educators. These are questions 1, 2, 3, 4, 5, 8, 9, and 10 (see attachment).

Question number 6 is obviously a question that should be placed in the hands of the sociologists and the psychologists. While the psychologists and sociologists can relate their findings and impressions to the Commission members, it seems to be somewhat improper that people from these professions could only serve as consultants and staff associates. It would appear then only question number 7 would be a vaild question for effective Commission study and reaction, as the Commission membership is proposed.

E. OUR GENERAL REACTION

We are of the opinion that the Commission, while well intended, would be more a conciliatory gesture to lessen the political consequences than a service to education that would make desegregation easier. If the Commission report to Congress would result in the enactment of legislation that would establish parameters for educational integration, the purpose of the Commission could at least be justified. However, since the basis of American public education is local support and local control, it is difficult to see how Federal control over this phase of educational activity would be consistent with the overall Federal role in elementary and secondary education.

Furthermore, it would appear that this Commission would permit education to be used as a vehicle in which legislation-judical conflict would be heightened to the point that desegregation just might create more confusion in the present than it has in the past.

We feel that Congressman Koch's ideas could be appropriately used to improve the existing legislation regarding desegregation if he could help to more clearly refine Title VII of the Emergency School Aid Act to the point of providing more categorical Federal assistance to school districts that wish to explore the possibility of desegregation; to school districts that wish to do impact studies regarding desegregation; to school districts that wish to plan for desegregation; to school districts that are in the act of desegregating; to school districts that have desegregated; and to organizations and entities that can provide supportive service subsequent to desegregation related needs, interests, concerns and problems.

Some of the objectives of his proposal could be achieved by including such desegregation-related issues in provisions of current Federally-funded programs.

In conclusion, we feel that the proposed commission would have a negative impact upon the educational process. While there are some positive overtones, the inherent negativism outweighs the positive aspects by far.

RESEARCH INVOLVING ANIMALS IN EXPERIMENTATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have, on several occasions, discussed the research project involving animal experimentation undertaken by the American Museum of Natural History. My concern has been and is that animal experimentation be conducted under humane conditions for a worthy scientific purpose to further human and animal health and welfare and that where practical and possible nonanimal substances be employed in lieu of animal experiments. I am not an antivivasectionist and do not agree with those who would end all animal experiments, because I know that had we not had experiments on monkeys, we would not have discovered the polio vaccine, to cite just one illustration. But I think it reasonable to inquire into particular experiments where questions concerning their scientific worthiness or raison d'etre are raised.

It is in this vein, that I have approached this project involving experimentation on cats to determine their hyper and hyposexuality.

I think it helpful to those interested in the subject to see the correspondence that I have had with the National Institute of Health which funds this project. That correspondence follows:

AUGUST 16, 1976.

DR. DONALD S. FREDRICKSON,
Director, National Institutes of Health,
Bethesda, Md.

DEAR DR. FREDRICKSON: I am deeply concerned over the experimentation, funded by the National Institutes of Health, which is taking place at the American Museum of Natural History in New York City.

I have learned, through the enclosed series of correspondence with Secretary Mathews, that NIH is investigating the grant now. It is my understanding that the experimentation at the Museum has been going on for more than 20 years, and has been funded by the National Institutes of Health for the last five years. What I would like to know is what, if any, direct scientific benefits, either to humans or animals, have been derived from the continuing experimentation.

I would appreciate it if you would provide me with an analysis of the scientific results which have emerged from the experiments.

Thank you for your assistance.

Sincerely,

EDWARD I. KOCH.

AUGUST 20, 1976.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in reply to your letter of August 4, 1976 regarding Dr. Lester Aronson's research project on "Behavioral Effects of Selected Denervation" which is supported by a grant from the National Institute of Child Health and Human Development (NICHD) awarded to the American Museum of Natural History. This research has been supported for 15 years since 1961 for a total cost to the National Institutes of Health (NIH) (including overhead of $412,143. Annual costs have varied from a low of $12,000 in the third year to the current rate of $36,117 for direct research costs. Because of Dr. Aronson's scheduled retirement, the Museum has advised me that it will not apply for renewal of the grant when current support ends in August of 1977.

Through its Center for Population Research, the NICHD provides funds for biomedical and behavioral research related to reproduction and problems of human population groups. A major aim of this research is the acquisition and application of the knowledge required to enable men and women to regulate their fertility and to prevent, cure or alleviate infertility and reproductive diseases. While the research is aimed at the solution of human population problems, most of the experiments must be performed on lower animals because the risk involved can rarely be determined to be acceptable for human experimentation. Included among the factors involved in the choice of experimental animal, e.g., rabbit, monkey, rat, mouse, cat, cow, sheep, dog are: 1) similarity of the animal's system or physiological process to that of the corresponding human parameter; 2) prior research on the animal and availability of background information; 3) availability and cost of the animals; 4) facilities available for their maintenance; and 5) the investigator's familiarity with the laboratory animal.

Dr. Aronson is a pioneer in the development of procedures for the quantitative evaluation of sexual behavior. He has published more than 90 articles in scientific journals most of which have addressed the manner and extent to which reproductive functions are controlled by the nervous system. In his research on cats Dr. Aronson has investigated the roles of the brain, peripheral nerves, sex hormones, and environment in the control of reproductive functions. This research is considered to be significant because of its contributions to the knowledge of reproductive functions required for the development of safe, efficacious, acceptable and inexpensive measures for the regulation of fertility, the alleviation of infertility and the prevention or cure of reproductive diseases and disorders.

Dr. Aronson's research project was approved for support on the basis of NIH reviews of his grant application for scientific merit and relevance by the Experimental Psychology Study Section and the National Advisory Child Health and Human Development Council, respectively. The care and welfare of Dr. Aronson's laboratory animals were reviewed recently by the United States Department of Agriculture, the American Society for the Prevention of Cruelty to Animals, and a team of reviewers from the NIH. In all cases, both the American Museum of Natural History and Dr. Aronson were found to be in full compliance with applicable laws, regulations and standards governing the care, welfare and utilization of laboratory animals in research projects.

I have enclosed copies of the latest New York Times article on the subject and the report of our site visit to the American Museum of Natural History on August 5, 1976. Please let me know if you require additional information regarding this matter.

Sincerely yours,

WILLIAM A. SADLER, Ph.D.,
Chief, Population and Reproduction Branch, Center for Population Research, National Institute of Child Health and Human Development.

REPORT OF A SITE VISIT TO THE AMERICAN MUSEUM OF NATURAL HISTORY, NEW YORK, N.Y., AUGUST 5, 1976

An NICHD review group conducted a site visit at the American Museum of Natural History in New York City on August 5, 1976. The site visit team consisted of two consultants, Dr. Richard Griesemer from the Oak Ridge National Laboratory and Dr. T. C. Jones from Harvard University, and Dr. William Sadler from the NICHD. The site visitors reviewed the research project on "Behavioral Effects of Selected Denervation" which is supported by NICHD grant HD 00348 awarded to the American Museum of Natural History. Dr. Lester Aronson is named in the application as the principal investigator of the research project and Ms. Madeline Cooper is listed as associate investigator.

ADMINISTRATION

At the beginning of the site visit, the reviewers interviewed Dr. Jerome Rozen, Jr., Deputy Director for Science at the Museum and Mr. Charles A. Weaver, Deputy Director for Administration. Dr. Thomas D. Nicholson, Director of the Museum, could not be present at the meeting because of a long-standing prior commitment. In his opening statement to the reviewers, Dr. Rozen presented a brief overview of the Museum's scientific program including the staff, research departments and research areas. The Museum has approximately 45 curators, each of whom has a Ph.D., and 100 research associates. Included among the research departments of the Museum are: Animal Behavior, Anthropology, Entomology, Fossil and Living Invertebrates, Herpetology, Ichthyology, Mammalogy, Ornithology, and Vertebrate Paleontology. The research departments are devoted primarily to: 1) research within their respective purviews; 2) care and collection of specimens, and 3) participation in the Museum's exhibits.

After completion of the general review of scientific activities of the Museum, Dr. Rozen was interviewed in regard to the Department of Animal Behavior, and its Director and Curator Dr. Lester R. Aronson. Dr. Rozen stated that the Department of Animal Behavior is somewhat atypical because it is the only Department with an NIH grant and the only one at the Museum in which research is conducted on live mammals. In Dr. Rozen's view, the research conducted by Dr. Aronson is important because of its implications for evolutionary biology and possible contributions to human health problems.

The reviewers inquired about the institutional responsibility for Dr. Aronson, his Department of Animal Behavior and the local Animal Welfare Committee. Dr. Rozen replied that Dr. Aronson reports to the "Administration" comprised of Dr. Thomas Nicholson, Director, Mr. Weaver, and himself. Dr. Aronson and Dr. Ethel Tobach were cited as the only curators of the Department of Animal Behavior. Ms. Cooper was identified as a Research Fellow. It appears that the local Animal Welfare Committee neither reports to Dr. Rozen nor to any other component of the Museum except the Department of Animal Behavior.

Dr. Rozen reported that the Museum's animal welfare practices have been reviewed recently on two occasions by the American Society for the Prevention of Cruelty to Animals, by the United States Department of Agriculture, and by the NIH Animal Welfare Office. It was stated that, in each case, the Museum was found to be in full compliance with existing standards.

CARE OF ANIMALS

According to Dr. Aronson and records examined by the reviewers, the cats used in the experiments are purchased from licensed dealers. Newly purchased animals are held for at least one week in an area separated from all other cats. During the quarantine period, sick animals are treated under the direction of the consulting veterinarian. Individual record cards are maintained on each cat. Each card includes the number and description of the animal, name and address of the supplier, and health and treatment notes. The facility contained sixty cats and eight rabbits on the date of the site visit. Cats are kept individually in large cages equipped with a resting shelf, food and water pans, and two litter boxes. Some wooden cages are still in use but most are of fiberglass construction. Cages are cleaned daily and were in sanitary condition on the date of this inspection. The rooms in which animals are kept were constructed many years ago but are maintained in a clean and orderly condition. The diet for the cats consists of commercial dry cat food mixed with some canned dog food and milk. All of the cats present and examined on this date were in excellent physical condition with glossy hair coats and good coverings of fat and flesh.

The cats were responsive to the presence of people and came to the front of their cages to be stroked. Obviously all were used to being handled, were gentle and in apparent good health. Disease problems were reportedly minimal. Sick cats have been treated in accordance with directions obtained by telephone from the consulting veterinarian. In the event of serious illness, cats are taken to the veterinary hospital. The veterinarian visits the laboratories infrequently. Animals are vaccinated against panleukopenia upon receipt. Occasionally, urolithiasis is recognized among the males that may eventually lead to the sacrifice of the affected animals. Euthanasia is performed by an overdose of intraperitioneally administered Nembutal.

Rabbits are maintained in nine large stainless steel cages which have a source of water and of food. The rabbits are in healthful condition, are fed on rabbit pellets and their cages are maintained in a sanitary condition.

REVIEW OF RECORDS

Records of research involving the use of cats were reviewed by the site visitors. Those made available were: 1) a daily log of disease diagnosis and administration of drugs for either experimental or therapeutic purposes; 2) individual animal data record cards on which all treatments are listed chronologically; 3) an inventory record of restricted drugs; 4) cat inventory forms from the dealers from whom the cats were purchased; and 5) Federal and State inspection records. Examination of the records revealed that all records required by law and by NIH policy are being kept properly. The data in the daily log are duplicated on the individual animal data cards. The latter are comparable in detail to the records kept by most veterinarians to describe the disease status and treatments of laboratory animals. They are not as detailed as those where the diseases themselves are being studied but were judged adequate for the type of experiments being conducted and for the well being of the cats. When questioned about entries in the daily log and the individual data cards, the investigators were able to satisfactorily explain variations in dosages of drug and to justify dosage levels and choice of drugs.

From examination of the inventory of restricted drugs and from questioning, it was determined that the amounts and types of drugs used in the laboratory were commensurate with those needed to prevent pain and control disease as claimed. This record was properly kept and had been presented for the approval of the USDA inspector. Dealer forms and identification tags accompanying newly purchased cats were in order and were properly disposed of when cats were sacrified at the end of their series of experiments.

Records shown to the reviewers revealed that animal care and facilities have been inspected regularly by the U.S. Department of Agriculture The most recent inspections were made on 10/17/75, 1/8/76, 5/26/76, and 7/23/76. No significant complaints or recommendations were made except one regarding a faulty fan in the rabbit room. The fan has been repaired. According to the USDA inspection made on 5/26/76 by Dr. L. Arthur DeFrati, Jr., the animal care and facilities were reported to be without deficiencies and maintained under "very good conditions." The USDA inspection made on 7/23/76 also failed to reveal any deficiencies and led to the statement: "Conditions excellent, no evidence of mistreatment." Inspections have also made by the State of New York, most recently on 6/20/72, 6/5/74, and 6/10/75. The facilities and animal care were approved as satisfactory (the highest rating on the form) each time. The New York Department of Health issued a certificate of approval for the use of living animals to the laboratory on 6/30/76. Additional records showed two site visits by the ASPCA on 5/11/76 and 7/16/76 with satisfactory results.

EXPERIMENTAL PROCEDURES

The site visitors did not observe experimental surgery in progress. They did, however, examine the equipment and surgical laboratory and question the investigators at length about the details of anesthesia, surgical procedures including brain surgery, and surgical aftercare. The investigators appeared knowledgeable and no fault was found with the methods said to be used. The investigators have received informal instruction from physicians and veterinarians about experimental surgery and even though veterinarians are not present during surgery, the reviewers found no evidence of improper performance of surgical procedures. Three photographs taken of brain surgery in progress revealed a properly draped surgical site and gloved and gowned surgeons. Examination of six cats that had had brain surgery revealed skin incisions healed or healing by first intention with no evidence of complications at surgical or systemic sites. Postsurgical care included the use of a thermostatically controlled warm box. The anesthetics used are appropriate for the purpose and are used in proper amounts. The investigators stated that they have conducted no experiments that interfere with hearing or sight and will not do so. They state further that they have not and do not intend to produce septal lesions in the brain that might make the cats difficult to handle.

CONCLUSIONS

(1) The experimental conditions are satisfactory and the care of the cats is excellent. Cats are kept in roomy, clean cages, and are obviously treated kindly and well. Surgical procedures are conducted under aseptic conditions with adequate anesthesia and health problems are properly attended. There was no evidence that painful procedures are carried out without proper anesthesia;

(2) Dr. Aronson's research project on "Behavioral Effects of Selected Denervation" appears to have been prosecuted in full compliance with applicable state and federal laws and regulations governing the care and utilization of laboratory animals;

(3) The Museum's Animal Welfare Committee appears to have fulfilled the requirements of the NIH Animal Welfare Office, but the site visit team noted that the Committee is under the control of the Department of Animal Behavior in that its members are appointed by the Chairman of the Department; and

(4) The reviewers found no reason to question the quality of the NIH reviews conducted prior to the award of Dr. Aronson's research grant. The scientific research appears to have been carried out in the manner proposed.

RECOMMENDATIONS

The Museum's animal care program could be improved by the inclusion on their Animal Welfare Committee of members from outside the Department of Animal Behavior. If qualified individuals can not be found in other Departments, the possibility of recruiting someone from another New York institution should be considered. Reports of the regular meetings of the animal welfare committee should be transmitted to the Museum Director as well as to NIH.

SITE VISIT TEAM

Richard Griesemer, D.V.M., Ph.D., Program Manager, Cancer and Toxicology Program, Biology Division, Oak Ridge National Laboratory, Oak Ridge, Tennessee 37830.

T. C. Jones, D.V.M., Associate Director, Harvard University, New England Regional Primate Research Center, Southborough, Massachusetts 01772.

William A. Sadler, Ph.D., Chief, Population Research, National Institute of Child Health and Human Development, Bethesda, Maryland 20014.

SALUTE FOR A GREAT ALL-TIME-ALL-AMERICAN: VIC HANSON

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, I would like to take this brief time to share with you some observations about a great athlete and great American from Central New York, Vic Hanson. His contribution to the youth of our area as a model sportsman has done much to bring distinction to Syracuse University, just as his conduct in personal and professional life has taught that the lessons of the sporting life are good preparation for the real life of adulthood and lifetime careers.

Thus, I share some of the highlights of this man who many in our community hold in high regard, because of his great leadership and reputation as an athlete, and who many praise because of his off-the-field followthrough with courage and manly grace.

Syracuse University has produced many outstanding athletes in its 106-year history, but none more outstanding or for better reasons than Victor Arthur "Vic" Hanson.

A gallant sportsman, All-Time-All-American, great coach, and one of the finest gentlemen ever to grace the university and our city of Syracuse, Vic Hanson has won a permanent place of love and honor in the hearts of his fellow citizens.

Vic Hanson was born in Watertown, N.Y., July 30, 1903. His parents moved to Syracuse when Vic was seven. He attended Delaware Elementary School and Central High. In high school he excelled in basketball, baseball, and football. He helped Central take home the State basketball championship, scoring 33 points out of 37 in the final game. He graduated from Central with 10 letters. In 1922, Vic entered St. John's Military Academy, later named the Manlius School, where he won four letters in his first year in track, football, basketball, and baseball. His record at that school was never equalled.

Vic Hanson might have brought his All-American prowess to Penn State or Yale but those fine institutions did not have the persuasive help of Dr. A. H. Kallet, Manlius coach, who in his wisdom, advised Vic to enter Syracuse University. He did and captained the freshman basketball quintet to an undefeated season. He also captained baseball and football. As a 146-pound sophmore end he was the only soph to make the varsity. He was captain of basketball in his junior year, captained the baseball varsity, and was captain of football in his senior year. Vic Hanson was awarded nine varsity letters, the highest number ever given at the university. He was named All-American end in his final year as an undergraduate and later Grantland Rice named him to the All-Time-All-American basketball team. After graduation Vic played pro basketball for the Cleveland Rosenblums, tried out with the New York Yankees, played minor league ball and started his own Eastern League pro basketball team.

In 1926, Vic Hanson returned to his alma mater as assistant football coach under Lew Andreas.

Vic made 1927 a memorable year by appearing with Dorothy Helen Burns at the altar of St. John the Evangelist Church in Syracuse where, before a star-studded crowd of friends and well wishers, the Reverend Jeremiah W. McCarthy made them man and wife.

Vic Hanson became head football coach at Syracuse University on January 1, 1931, and guided the Orange team for seven seasons. These were exciting years when Syracuse University was entering "big time" football. Victories and defeats shared his years as head coach. Syracuse's arch rival on the gridiron was Colgate University at Hamilton, N.Y. After the Colgate games Vic's feelings were probably best expressed by the late Adlai Stevenson's words:

> I'm too old to cry but it hurts too much to laugh.

In 1953, additional national recognition came to Victor Hanson when the Helms Athletic Foundation named him the greatest All-Time-Amateur Athlete in New York State.

After his coaching years Vic's career continued in the insurance business. Personal victories and defeats came. But for Vic Hanson no defeat could be lasting. His will to win; his great courage overcame defeat and have served as lasting examples to countless others through the years.

Many times since his days on "Piety Hill" Vic has been honored by players, coaches, alumni, and his fellow townsmen. At one such affair Marty Glickman, himself a former Syracuse University football star and Olympic track competitor, described Vic Hanson with these words:

> His intense will-to-win, his flaming competitive spirit, and above all, his fierce loyalty to his players was unequalled.

Vic Hanson's brilliant career is alive today in the hearts of his thousands of friends of all ages. His games as player and coach are topics of conversation wherever sports fans gather.

We would all agree, in the words of Harry Marley, Vic's longtime friend, that Vic Hanson exemplifies the "courage, honor, and humility" that are the greatest things of life.

SUCCESSES OF ONEIDA LTD.

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, I would like to take this opportunity to share with my colleagues two excellent articles which appeared in the August 22, Washington Post. The first article outlines the unique qualities and successes of Oneida Ltd., which is located in my congressional district in central New York State. Founded in the middle of the 19th century, Oneida Ltd. moved to central New York in 1848, where it has grown to be the Nation's largest producer of stainless steel flatware. Of particular significance, however, is the existing threat to the survival of Oneida. Competition from foreign importers has grown tremendously in recent years, and the large influx of stainless steel flatware is having an adverse impact on Oneida.

From this point of view, it is interesting to note the second article which appeared on the same page of the Washington Post, outlining the trade and monetary policies of the Japanese Government. As one of the leading exporters of stainless steel flatware, the policies of Japan warrant our special attention in connection with the continued growth and success of Oneida Ltd. I am inserting both articles in the RECORD for your consideration.

As you consider these articles, I would like to take the opportunity of reminding you of the Dear Colleague sent from my office on August 19. The stainless steel flatware industry has been operating under a tariff rate quota since 1971. That quota is set to expire on September 30, unless the President acts to extend it. That decision is currently under consideration, and final action could come any day. I once again urgently request that you contact the President and request the extension of the current tariff rate quota on stainless steel flatware.

ONEIDA: EXPERIMENT DIES, BUT THE COMPANY THRIVES

(By William H. Jones)

ONEIDA, N.Y.—The sentiments expressed by the board chairman and president of Oneida, Ltd., Pierrepont T. Noyes, are not the usual ones heard in America's corporate heirarchy.

Some examples, from a recent interview at Oneida's university-like headquarters here:

"It's awfully late to preserve the free enterprise system, even though Americans are conservative capitalists in their inner guts. The unions basically are very conservative... they're not socialists by a long shot. But they are threatening the capitalist system ... they don't spread the wealth much, a very essential thing."

"Growth of government will continue. The more people you have, you must have more controls. There's a body of wrong-thinking people in any group that makes central control necessary."

"Something bothers the life out of me—we are training so many people who can't wait to dismantle any protection society (as a whole) has ... part of a movement coming on for 30 years ... some day there won't be many people left to pay taxes."

"We are going to some form of socialism ... I'm afraid we've peaked (in terms of) venture spirit. I don't know where we are in terms of Gibbons' Rome ... We are very hard to handle as a nation, very homogeneous in our desires, rich and poor, and spread out. We want to have the pleasures others have, people don't want their lifestyles changed."

Many business people shudder at such thoughts and continue to express optimism that there will be less government some day soon, that the free market system can survive in competition with increasingly aggressive world socialism and that America will come to grips with the growing division between its relatively rich and vast middle class, residents of suburban or rural areas and primarily white, and its urban poor, mostly from minority races.

The Oneida chairman's outlook is spoken from a rural sector of the country—Central New York State, with dozens of small towns and cities housing various industries and surrounding farmlands producing hay, oats, corn and dairy products.

More important, Noyes speaks from a family and business background that includes one of this nation's few serious attempts at an economic system other than capitalism. Oneida, Ltd., today's the country's largest manufacturer of stainless steel flatware, was founded as an experiment in communism during the middle of the 19th Century.

The founder of the old commune here, in fact, was Noyes' grandfather, the Rev. John Humphrey Noyes. The initial members of the Oneida Community gathered at the Noyes home in Putney, Vt., to practice their religious and social theories—based on the minister's teachings that the second coming of Jesus Christ had taken place in the first century after his death, that the millennium already had arrived, and that it no longer was possible to follow old paths of alternate sinning and repentance.

The new command was: Sin no more, repent no more, and so regulate your lives as to eliminate that worst of all evils—selfishness—according to a description of Oneida's history by Constance Robertson.

With other Vermonters turned off by such heresy, Noyes brought his followers—most of them from New England—to central New York in 1848. A large new home for the entire community was constructed and all personal property was sacrificed to the benefit of all, based on a belief that "the perfect life could exist only where there was complete spiritual equality."

The communal spirit extended even to marriage and a group-family developed. Members of the commune canned fruits and vegetables, made traps and chains, traveling bags, straw hats, mop sticks and sewing silk. They sold their products to keep solvent and also started to make silver knives, forks and spoons. The community population expanded to more than 300.

Walter D. Edmonds, who chronicled the Oneida community's first century, wrote: "As far as possible the men and women shared equally in the work of barns and fields and of pantries and kitchens ... men, confronted by a term of household chores, began to invent labor-saving devices."

Thus, 40 years before such things came into general use and more than a century before the Women's Liberation movement began sending men back to the kitchen, Oneida's laundry and kitchen was equipped with washing machines, dish washers, a machine for paring apples and another for washing vegetables.

"In assigning work, they tried to eliminate possible feelings of discrimination by rotating jobs ... the Oneida Community had a fundamental belief in the dignity of work ... all classes of work were made equally honorable. A man who did his work well received the same recognition and respect whether he was a kitchen assistant or a factory superintendent," Edmonds wrote.

This ideal world didn't last long, however, and that probably says as much about human nature as it does about competing economic systems. The founder's grandson, who now heads a corporation traded on the New York Stock Exchange instead of a commune, commented: Human beings "have to have a reward of some kind" in order to be productive.

Oneida's communal existence lasted until 1880. The society was based at Mansion House, an imposing building still standing across the road from the current company's headquarters, which had sleeping apartments and such community facilities as reading rooms and "Children's House," where from birth to 12 years old, children lived, played and were educated. They saw their own parents a couple of times a week.

Personnel problems were handled in a system called "mutual criticism," open meetings with peers where dissatisfied members or persons proving to be an irritant listened as others assessed his or her good and bad points.

With founder Noyes aging and with renewed attacks on the Oneida commune from other clergy nearby, members voted unanimously to end their experiment. Assets were placed in a new stock corporation to carry on the various Oneida businesses, which became known primarily as "Oneida Silversmiths." All members and children were given a share in the firm, and its business operations continued without interruption.

Historian Edmonds noted that, in spite of their theories of communal sharing, the Oneida members always believed in competition, starting with games for children. Perhaps, he wrote, founder Noyes saw an ultimate breakup of the experiment down the road and realized that the children would have to be prepared to use a competitive spirit in a different America.

And, when many of the older children went on to college, they brought back to Oneida teachings and ideas hostile to the principles under which they had been raised. The corporation-oriented community that supplanted the old commune, however, continues to this day to display some of the old principles of sharing and equality in the last quarter of the 20th Century.

The current chairman—whose father was

educated in the commune and who is credited with providing the leadership that made Oneida a success in the capitalist world—noted that management attitudes here are quite different than in the nation's large corporations. "There are pleasant working conditions, physically and mentally. My door is always open, and people from all over the company stop in," Pierrepont Noyes said.

Oneida, Ltd., operates a complete recreation program for its employees, including a city facility and a lake resort. The firm owns an 18-hole golf course for its employees (its first course, with three holes, opened in 1896 as the earliest company golf facility in the nation for workers).

By choice, Oneida workers do not belong to unions. Their wage scales are relatively good in the industry and they receive some benefits from the company that unionists would describe as paternalistic.

Most important, Noyes and others agree, no one makes a big profit on the business of Oneida, Ltd. The guiding management philosophy always has been to pay high wages (to workers) and relatively low salaries (to the managers). Noyes' father made sure that no one could own more than 2 per cent of the stock earlier in this century, before wider public trading began. One takeover attempt in recent years was soundly defeated.

There never has been a big controlling group of stockholders and today the firm really is publicly owned, with about 40 per cent remaining in the hands of Central New York residents, many descendants of commune members. About 2,500 people now work for the company, which had record jobs of 4,500 during World War II in military production.

"There's a tremendous cohesion here, loyalty of the working people," Noyes stated. At the same time, he said, stockholders don't take "near enough an active role," with little questioning or challenges to management at the annual meetings.

Throughout the existence of Oneida, its survival has been threatened, and today's environment is no different. Currently, one worry of Oneida officers is competition from overseas firms who have been sending large quantities of stainless steel products to the U.S. market.

Although silverplate was an Oneida specialty until the 1940s, stainless flatware now accounts for about 75 per cent of Oneida annual sales volume. The company still manufactures and sells (through its own sales force in the U.S., Canada and England) silverplated, gold electroplated and sterling silver flatware; silverplated and pewter holloware (trays, serving dishes, candlesticks); jewelry and other emblem insignia. Flatware is sold in more than 260 patterns, and some of the newer stainless products carry the appearance of sterling.

Although most customers are individual consumers at various retail outlets that carry the Oneida line, the company also does a big volume from institutions, such as Holiday Inns and other hotel or restaurant chains.

In the years from 1968 to 1974, imports of stainless steel flatware from Japan, Taiwan and Korea increased from 16.2 million dozen to 33.2 million dozen, which amounted to 60 per cent of the U.S. stainless flatware market.

Concluding that if you can't beat the importers, you should join them, Oneida itself went into the stainless import business in the late 1960s, bringing in flatware from Asia and selling it as a wholesaler under a different brand name and at cheaper prices; the import business now accounts for about 8.6 per cent of annual flatware stainless sales. Earlier this year, President Ford turned down an industry bid to extend certain import restrictions in the flatware sector.

Noyes also is seeking to diversify his firm so its fortunes won't rise and fall so directly in proportion to new family formations. "The corporation has to make money so it can't be tied to just knives, forks and spoons," he said. Oneida is looking at possible acquisitions of related firms in the "tabletop business," and recently announced an agreement to buy Camden Wire Co., a Camden, N.Y., manufacturer of copper wire with annual sales of about $50 million, for about $14 million.

The basic strength of Oneida, Noyes said, is based in its well-known name and reputation, plus an "industrial marketing system."

In the year ended Jan. 31, Oneida earned $2.7 million ($1.67 a share) on sales of $92 million and paid dividends of 76 cents a share. Reflecting the recession months early in 1975, the sales volume was down from $100 million the previous year and earnings were off from $2.9 million ($1.81).

"The world is not going to hell. It all changes, but so what? The changes in my life have been gigantic," he said, recalling earlier days when he started out as a salesman for the firm, and days when Oneida had its own company store, a coal company, and when the board chairman was also superintendent of the local schools.

U.S. Irritation at Japanese Policies Growing

(By Hobart Rowen)

Five years ago, on Aug. 15, 1971, President Nixon startled the world with his "New Economic Policy, ending the convertibility of the dollar with gold, and imposing a 10 per cent surcharge on imports and a wage-price freeze.

To Japan, the "Nixon Shock" was enormous. Its huge trade surplus with the United States, a result not only of industrial genius but in part traceable to a substantially undervalued currency, was a major reason for the dramatic new American program.

Eventually, although the import surcharge—outside the scope of normal and friendly international behavior—was abandoned, the Japanese yen was revalued as part of a general new alignment of currencies.

Now, five years later, a repeat of the same scenario is beginning to be played out, with signs of growing irritation between the U.S. and Japan. Having recovered from the blow of a fourfold increase in oil prices (through brilliant management of the domestic economy), Japan now is running the largest trade surplus of the postwar period.

According to a new international report on the Japanese economy, the surplus with the rest of the world skyrocketed from $1.4 billion in 1974 to $5 billion in 1975, and to an annual rate of $11 billion so far this year. That tops the former record of a Japanese trade surplus of $8 billion in 1971, the one that aroused her competitors' ire.

As for trade with the United States, Japanese exports in the first half of 1976 are up 40 per cent, producing a surplus of $1.6 billion.

For the year as a whole, unless the trend abates, Japan can look forward to a $5 billion surplus with this country, or even larger than the 1971 figure of $4 billion.

Now, no one in the Washington establishment is proposing anything as crude as the 10 per cent import charge dreamed up by former Treasury Secretary John Connally, a self-confessed bull in the international china shop. But as President Ford quietly conveyed to Prime Minister Takeo Miki at the Puerto Rico economic summit, the Japanese yen is not rising against the dollar despite the very favorable trade balance.

Clearly, U.S. officials believe that Japan is manipulating the price of the yen to keep it cheap, contrary to international agreements which call for letting currencies float. Brookings Institute economist C. Fred Bergsten observes that this pattern is unsustainable: "The artificially cheapened Japanese goods displace domestic production in the United States, thereby creating American unemployment and cutting the profits of American companies," Bergsten says. "Indeed, the Japanese objective is to export Japanese unemployment to the United States."

The problem, of course, is that a cheaper yen not only cuts into U.S. domestic and exports markets but similarly affects most countries in Europe. It means that Japanese-manufactured goods such as cars and TV sets—which already have the appeal of proven quality and performance—get an extra competitive edge on the price side.

For example, Japan is making dramatic inroads into the Middle East and the Sino-Soviet markets. Japanese manufacturers, probing for business opportunities, increased their exports to the Middle East by 65.1 per cent in 1975.

What happens is that protectionist pressures become irresistible, as they did in 1971. The danger, then, is that there is an overreaction—like the import surcharge.

From its artificially cheap and original postwar level of 360 yen to the dollar (designed to promote recovery), the yen was upvalued to 308 to the dollar at the time of the December 1971 Smithsonian Agreement, which realigned all major currencies, and to 265 to the dollar in February 1973, the second dollar devaluation.

Japanese officials would like to see the yen stabilize at 300 to the dollar, which the U.S. and Europe regard as too cheap. After a visit from Treasury Under Secretary Edwin H. Yeo to bring some quiet pressure on the Japanese, the monetary authorities appear to have accepted a rate of 290 yen to the dollar—not a true market rate, but the strongest level of the yen compared to the dollar in about a year.

What this all points up is that the loose system of flexible exchange rate relationships now in vogue needs reinforced international surveillance. A timely report last week chartered by the Trilateral Commission, and written by Bergsten, makes this point. Without waiting another year for ratification of amended articles to permit this, the International Monetary Fund should immediately create some workable machinery along these lines at the Manila annual meeting in October.

MIAMI'S TRIPLE CROWN BROADCASTER

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I would like to call to the attention of our colleagues an article in the June 14, 1976, issue of Broadcasting magazine which profiles the outstanding career of Mr. Eugene M. Strul, a very distinguished broadcaster in my area. Mr. Strul is the news director of station WCKT–TV in Miami, which has been the recipient of the highest awards in broadcast journalism. I would like to share this profile with all who read this Record and I include it at this point:

National Attention Is on Strul's Local Operation

Gene Strul and his news department at WCKT(TV) Miami have been on a hot streak this year, winning a triple crown of sorts in news broadcasting: Peabody, Sigma Delta Chi and National Headliner awards. Those honors will be added to the 152 others the department has picked up in the 19 years Mr. Strul has been in charge.

Not that Gene Strul wears his medals on his chest. He concedes the awards are "fine," but he stresses that the main mission of his department is to provide Miami-area viewers with a well balanced package of news, documentaries and editorial comment.

Mr. Strul, at 49, has spent virtually his entire professional career in broadcast journalism. He began in radio in 1947 with a station that was run on a shoestring and now he heads a large staff with the latest in electronic gadgetry.

Mr. Strul is low on flamboyance and high on diligence, seriousness and persistence. One close associate said, "Gene is not one for dramatics. He works hard and goes after a story with dogged stubbornness. He's a taskmaster, but he's hard on himself as well as his colleagues. And they respect him and even like him."

Miami has been home to Eugene Meyer Strul for 40 years. His family moved there from Brooklyn when he was 9 and he's never been seriously tempted to leave. Early in his broadcast career, he recalls, he discussed news opportunities in the North "but for some reason or other they didn't materialize." He pauses for a moment, and confesses, "It's funny, I really don't even like the sunshine very much."

As a youngster, Mr. Strul was preoccupied with reading and writing. At 13, he and two young friends published their own neighborhood newspaper, the *Miami-American,* which reached a circulation of 2,000. In high school, he edited the campus newspaper and also served as a sports writer for the *Miami News*. Following graduation in 1945, he served in the U.S. Army briefly—and again he was editor of the camp newspaper.

Following his discharge from the Army in 1946, Mr. Strul embarked briefly on a freelance writing career. His articles were published in *This Week* magazine, the *Philadelphia Inquirer,* the *Christian Science Monitor* and various Miami newspapers. During this period he enrolled at the University of Miami, restricting himself to journalism courses.

In 1947, at the recommendation of Howard Smith, a Pulitzer Prize-winning reporter for the *Miami News*, Mr. Strul landed a job as a reporter for WIOD(AM) Miami. He was the station's first street reporter. "We had no tape recorders in those days," he says. "We covered a story, wrote it and delivered it on the air."

After a year and a half as a reporter he was named news director of the station. He remained in that post until 1956 when he shifted to television as assignment editor and newsproducer at WCKT. In 1957, he was promoted to news director of the NBC–affiliated station.

Reporting to Mr. Strul are the hard news, documentary and sport units. He is a staunch advocate of on-the-scene coverage and this philosophy extends beyond Miami and Florida. From time to time the station has sent crews to the Soviet Union, Latin America, Cuba, Israel, Great Britain and the islands of the Caribbean.

"It's an on-and-off situation because expenses are high," he says. "But in any instance, we only take on stories that can be localized."

WCKT carries over two hours of news per day. This covers periods from 12:30–1 p.m., 6–7 p.m., 11–11:30 a.m. and two-to-five-minute cut-ins on NBC–TV's "*Today*" program.

Mr. Strul is high on investigative reporting and stories of this type are carried regularly within news programs and occasionally as fullblown documentaries. The station has tackled as investigative reporting projects such issues as phony auto repairs, discrimination in housing, crime and police involvement, and slum clearance programs.

Mr. Strul is convinced that TV journalism must accentuate investigative journalism. "You hear a lot about investigative reporting, but most of it is routine reporting," he says. "It's hardly the kind that shakes up a community.

"I also feel there is a lack of strong commentary on the air. Most of the commentary talks in generalities. You must name names and place the blame where it belongs. Richard Whitcomb is our news commentator and I appear on this segment too from time to time."

Because of his involvement with commentary and news coverage, Mr. Strul avoids membership in municipal and community groups and organizations. "It's better to be on the outside so you'll have no reluctance if you have to be critical," he says.

The advent of electronic news gathering provides a boost to TV coverage, he believes, but, he stresses, "it is important not to overplay gadgets." He points out that WCKT has an ENG unit and has a second one on order, but adds:

"We try not to fall into the trap of using the ENG for the sake of using it. We have a rule: A story must be very important before we'll break into another story. We have used ENG on fast-breaking stories like a major fire or a shoot-out in which police officers were killed."

Though station managers may disagree, Mr. Strul believes that television networks do need extra time for their evening newscasts.

"I see the longer newscast coming," he says, "but I'm not sure whether it should 15 or 30 minutes longer. I would hope, however, that networks would use the added time to do some hard-hitting investigative reporting. With the clout that networks have, solid reportage on key issues would make television so much more important than newspapers."

Mr. Strul used to work six or seven days a week, but now limits himself to a five-day stint, starting at about 8 a.m. and running through 7:15 p.m. Outside of his job, his main interest is his family and he is proud of his three children. Rick is a graduate electrical engineer pursuing his master's degree in business administration at the University of Miami; Gary is a graduate of the U.S. Naval Academy, and recently completed training as a flight officer at Pensacola, Fla., and Eileen was a June graduate of Florida International University, where she majored in music and science.

GREECE'S DODECANESE ISLANDS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I was surprised to learn today that the Prime Minister of Turkey, Mr. Demirel, recently rebuked a journalist for referring to the Dodecanese Islands as "Greek islands." According to the Turkish daily Hurriyet of August 19, he said:

> They are not Greek islands. Do not call them this way. You should say Aegean islands.

I am astonished at this implied threat to the Dodecanese Island territory of Greece since I played a part in restoring these islands to Greece at the end of World War II. In fact, many years later a former colleague of ours, William Anderson of Tennessee, brought me back a picture taken in front of a street sign saying "Claude Pepper Street," which I learned has been given my name in recognition of my part in seeing that these islands were returned to Greece.

In view of the Turkish invasion of Cyprus, an implied threat to the Dodecanese Islands is very disturbing. It can only increase Greek fears of hostile Turkish intentions in the Aegean Sea area. That concern is strongly expressed in the statement the Greek Minister of Foreign Affairs, Mr. Dimitri Bitsios, made before the United Nations Security Council on August 12. I include that statement in the RECORD at this point:

> Mr. President, I should like to thank you sincerely for your kind words of welcome.
>
> The Greek Government has asked for an urgent meeting of the Security Council, on the basis of Article 35 of the Charter, in view of the dangerous situation created for peace and security in the Eastern Mediterranean as a result of arbitrary and provocative acts by Turkey against Greece. The explanatory memorandum of the Greek Mission gives abundant evidence substantiating fully Turkey's violation of my country's sovereign rights and throws ample light on Turkish behaviour and relevant acts. Therefore, I shall go straight into the essence of the issue.
>
> I shall of course give you first the background of our dispute with Turkey on the continental shelf of the Aegean. But the one thing I want to state at the very outset is that it is not my intention to ask the Security Council to take a decision on our legal dispute, for Greece has already seized the International Court of Justice in The Hague with this matter. My intention is to denounce the activities of Turkey which jeopardize peace and security in the Eastern Mediterranean and to ask the Council to call upon Turkey to cease them.
>
> I come now to the facts. While consultations were still going on with a view to finding the best way of solving our dispute on the continental shelf, Turkey on 6 August dispatched the research ship Sismik-I into the Aegean in order to carry out seismic explorations of certain areas of the continental shelf that Greece is entitled to consider as belonging to it. Turkey made this decision cold-bloodedly and in spite of repeated warnings both from us and from other parties to the effect that the delimitation of the continental shelf can best be achieved through peaceful procedures rather than through faits accomplis. The Council is well aware that the situation in the area is already heavy and fraught with danger because of the Turkish invasion of Cyprus, which is still continuing. Although Turkey knew this very well, it did not hesitate to add this new provocation and to take upon itself the heavy responsibility of a confrontation between the two countries.
>
> I now come to the history of our dispute, in order to lay before the Council the untiring efforts of the Greek Government to convince the Turkish Government that our dispute must be solved peacefully.
>
> It is an irrefutable fact that international order and the general principles of law, as sanctioned by international conventions, treaties and custom, stipulate that there can be no distinction whatsoever between the continental and the insular components of a State as regards its entitlement to a continental shelf. This has been enshrined in article I, subparagraph (b), of the Geneva Convention of 1958 on the Continental Shelf. According to the 1969 judgment of the International Court of Justice on the North Sea case, this article of the Geneva Convention of 1958 codified pre-existing international customary law binding all States signatory and non-signatory to the Convention. It is no coincidence that the same fundamental rule is contained in paragraph 128 of the revised single negotiating text of the Conference on the Law of the Sea. It is not necessary to go

into a lengthy analysis in order to demonstrate the reasons why the international community is holding fast to these rules. For, otherwise, the door would be opened for arbitrary acts by such States as might think themselves capable of imposing their will on others unilaterally.

I submit that this is exactly the situation that Turkey has tried to create vis-a-vis Greece, because, without prior notification the Turkish Government, through a unilateral decision published in the official Turkish Gazette of 1 November 1973, granted to the Turkish Petroleum Company permits for exploration and exploitation on the continental shelf of the Aegean covering also the continental shelf of seven Greek islands. Taking international law into its own hands, the Turkish Government sought, through these concessions, to deny any continental shelf to these Greek islands. It is characteristic of Ankara's intentions that, by granting concessions to the west of the Greek islands, it sought to enclave them in a zone of exclusive Turkish economic interests and disrupt the unity of the Greek State.

The Greek Government, by its Note Verbale of 7 February 1974, denounced the Turkish action, reserved its full sovereign rights on the continental shelf and the subsoil adjacent to the coast of the above-mentioned islands and expressly stated that it could not recognize the validity of the Turkish Government's action to grant exploration permits over continental shelf areas appertaining to Greece.

The Turkish Government replied that, according to geomorphological studies of the sea-bed of the Aegean Sea, the Greek islands situated near the Anatolian coasts do not possess a continental shelf of their own and that all continental shelf in that area ought to accrue to Turkey. It offered to negotiate on that basis.

The Turkish Government thus tried to substantiate the view that the Greek islands float or sit on some kind of sea bed that has been specifically assigned to Turkey. The Council no doubt realizes that if such views were to acquire any currency in international practice, the map of the world would have to be redrawn according to the fancy of individual States.

The Greek Government replied that it was open to negotiations but on the basis of the rules of positive international law.

Between 29 May and 1 June 1974, the Turkish Government dispatched into the area the hydrographic vessel Candarli of the Turkish Navy under the escort of a fleet of 32 warships and under cover of the Turkish Air Force, to carry out magnetometric exploration of the continental shelf.

I leave it to the members of the Council to appreciate whether the method employed by Turkey was the proper one in order to inaugurate a peaceful and constructive negotiation.

On 18 July 1974, the Turkish Government published in the official Turkish Gazette a new decision, whereby it granted new exploration permits en bloc to the Turkish Petroleum Company, again to the west of other Greek islands and over their continental shelf.

The Greek Government lodged a further vigorous protest against these new flagrant violations by Turkey of the sovereign rights of Greece and declared that Greece did not recognize any validity of the Turkish Government's actions. The Turkish Government rejected this protest and, inter alia, claimed that "the unique geographical configuration and geological structure of the Aegean are accepted facts."

May I ask, "accepted" by whom, for what purpose and by virtue of what international law?

At this stage, it became clear that no common juridical basis could be found between the two parties for the settlement of the dispute, or, in order to be more accurate, no juridicial basis at all could be perceived as regards the Turkish positions. Consequently, the Greek Government in its efforts to solve the matter by peaceful means, proposed officially on 27 January 1975, that it be referred to the International Court of Justice, "as befits two neighbouring countries and fellow Members of the United Nations Organization".

This was in line with United Nations resolution 2625 (XXV) of 24 October 1970, containing the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States, later included in the Final Act of the Conference on Security and Co-operation in Europe signed at Helsinki.

I feel fully justified in saying that the initiative taken by the Greek Government has been highly appreciated by all members of the international community.

The Turkish Government accepted this proposal in principle and later reiterated its acceptance in the joint communiqué issued after the meeting in Brussels on 31 May 1975 of the Prime Ministers of the two countries.

However, repeated meetings of our two delegations with a view to narrowing the dispute and defining the legal issues to be submitted to the Court proved frustrating. It soon became apparent that the Turkish Government was not really interested in settling the issues at hand but sought rather to prolong the discussions indefinitely.

Still, the Greek Government played the game, firmly but patiently. For, as a responsible member of the international community, Greece took the view that it owed it to itself and to the general welfare and peace to leave no avenue unexplored that could lead to the elimination of a dispute in an area that was already rife with danger and tension. As already stated, in the midst of these negotiations the Turkish Government dispatched the vessel Sismik–I to carry out seismic explorations in areas which Greece is entitled to consider as belonging to its continental shelf. The sailing of the vessel was heralded by threatening statements warning against any attempt to impair its mission. And this mission was officially described as aiming at the discovery of oil deposits. The areas of the violations are indicated in detail in the protest note of the Greek Government to the Turkish Government which has already been circulated to the members of the Security Council. This situation is rendered more dangerous by the fact that even the second phase of the research of Sismik–I has not been completed, new violations are taking place while further phases have already been announced. The Turkish Prime Minister clearly stated the day before yesterday that these exploratory activities will continue as originally scheduled, in spite of any protest from Greece. I wish to stress this point particularly, because it is easy to imagine how the tension will be increasing in the coming days and weeks. The presence in the area of naval and air force units of the two countries should also be borne in mind. Under these circumstances, a mere accident might suffice to lose control of the situation. I do not think it is necessary for me to insist on this point in order to show how dangerous the situation really is.

Turkey claims that the areas that are now being explored by the Turkish research vessel Sismik–I are contested areas and that therefore the question of violating Greek sovereign rights does not even arise, because such rights do not exist in contested areas. I shall not refer to the opinions of eminent jurists who make nonsense of this Turkish argument. And I shall not use them because, as I stated at the very outset, I am not asking the Security Council to decide on our legal argument.

The question that the Security Council will have to decide is whether these activities are provocative and constitute a danger to peace. For us, the areas where Sismik-I is operating are not contested. They are part of the Greek continental shelf. But even if one were to accept the Turkish theory about "contested areas", Turkey would still be in the wrong because even in contested areas one is not permitted to present faits accomplis while negotiations are still on, unless one wishes to perpetrate a provocation with incalculable consequences. Turkey also claims that the tests carried out are of a scientific nature, when it is common knowledge that seismic tests fall clearly under article 2 of the 1958 Geneva Convention.

Turkey finally claims that Greece has also explored these areas. When, several years ago, Greece did explore the continental shelf west of its islands—I repeat, west of its islands—in the Aegean, no dispute had arisen with Turkey. And I am calling on the Turkish representative to inform us whether Greece has ever committed any provocative act after the emergence of the dispute. From whatever angle one looks at recent events, the inescapable fact remains that Turkey decided coldly to jeopardize peace in the area while the crisis created by the Turkish invasion of Cyprus in the summer of 1974 is still unsettled.

Many are the opportunities offered by Greece to Turkey for the peaceful settlement of our dispute. They are not confined to our proposal that the matter be referred to the International Court of Justice. When, after having originally accepted this proposal, Turkey started to procrastinate and when dark clouds started gathering over the Aegean, the Greek Prime Minister proposed to the Prime Minister of Turkey the conclusion of a pact on the non-use of force. But Mr. Demirel answered that we ought to solve our differences first and sign the pact later. As if a pact on the non-use of force is required between two countries that have solved all their differences. This refusal by Turkey to accept the Karamanlis proposal is a significant indication of its intentions.

Our last-minute effort is characteristic in this respect. When the Greek Ambassador in Ankara handed in, last Monday, our second note of protest against the activities of Sismik-I, he said to his Turkish interlocutor, on our instructions:

"Greece would not like to be compelled to have recourse to the international procedures that are available to her. If Sismik-I ceases its activity we shall be able to resume our negotiations."

Unfortunately, the Greek Ambassador was speaking to deaf ears. Turkey rejected this last opportunity too. This is the reason why it is necessary that it should now hear from the Security Council that it must suspend its provocative acts. The United Nations was not in time to stop the tragedy of Cyprus. It can now prevent a new tragedy in the Aegean. It is in this hope that Greece brings the matter before the Security Council.

MINING-IN-PARKS BILL—PRESERVING GLACIER BAY

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SEIBERLING. Mr. Speaker, when S. 2371, the bill to prohibit new mineral entry in the National Park System, reaches the floor of the House in the near future, I intend to introduce an amendment to reinstate all of Glacier Bay National Monument, Alaska, within the provisions of the bill.

Last fall I introduced the original bill—H.R. 9799—to ban mining in our national parks. The public outpouring in support of the bill was enormous. People were shocked to learn that mining is still allowed in six of the nearly 300 units in the National Park System.

The Senate-passed version of the bill, S. 2371, made a number of improvements in the details of the legislation, including provisions to more closely regulate existing mining. It was this bill that the House Interior Committee acted on.

Both my bill and the Senate-passed version included all of Glacier Bay. The legislation would have protected all valid existing rights. The bills would not have prohibited the mining of existing claims in Glacier Bay, but would have stopped the staking of new claims in the future.

At present, anyone with a pick and shovel—or, more likely, a bulldozer—can go into Glacier Bay and stake a claim. To compound the problem, the archaic mining laws under which these claims are being staked gives the owner a patented claim not only the right to the minerals but actual title to the land itself.

The House Interior Committee voted overwhelmingly—34 to 5—to favorably report S. 2371. However, by a close vote—22 to 19—the committee adopted an amendment that would exclude the western coast of Glacier Bay from the provisions of the bill. The proponents of the amendment brandished the argument that America's "mineral independence" would be somehow threatened by the inclusion of the western coast of Glacier Bay—the most mineralized portion of the monument—in the bill.

They chose to ignore the fact that the bill would not have affected any valid existing rights in the monument. At present there are 270 unpatented and 20 patented claims in Glacier Bay. The bill would not have prohibited the mining of these claims. None of the existing claims have yet been mined, yet they contain ample supplies of nickel should America need them. Nickel deposits in Glacier Bay are estimated by the Interior Department to be less than 1 percent of the Nation's total nickel deposits.

Those who would omit the western coast of Glacier Bay from the bill have also ignored the monument's other values and the very reason why it was preserved in the first place. Glacier Bay is a pristine and stupendously beautiful example of our Nation's glacial past. It is the only de facto coastal wilderness along the Gulf of Alaska which is free from incompatible activities. It is the only wild, completely protected sea/land interface within the entire Pacific Rim, from the tip of the Aleutians to Baja, Calif.

The minerals in Glacier Bay will always be there, if our Nation should need them. But a wilderness, once destroyed, can almost never be reborn.

Mr. Speaker, all of Glacier Bay must be protected, for the benefit of present and future generations. I urge my colleagues to support my amendment.

ALTERNATIVES TO BUSING FOR SCHOOL DESEGREGATION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SEIBERLING. Mr. Speaker, today the U.S. Commission on Civil Rights is releasing its latest report on desegregation of the Nation's public schools. The report, entitled "Fulfilling the Letter and Spirit of the Law," is an evaluation of school desegregation in a variety of school districts throughout the country.

The report concludes that substantial progress is being made in the desegregation of our public schools. The Commission points out that for every Boston and Louisville, there are dozens of other communities where desegregation is proceeding without major incident.

However, the Commission states firmly that "much work remains to be done before equal educational opportunity can become a reality." One of the Commission's recommendations to the Congress is to provide Federal funds "to assist in the construction of new schools and additions to existing ones when such construction will maximize desegregation and lessen the need to increase student transportation for desegregation."

Congressman WHALEN and I have introduced a bill to provide construction funds for this precise purpose. The bill, titled the School Integration Innovation Act of 1976 (H.R. 14365), would amend the Emergency School Aid Act to provide funds for the construction and operation of magnet schools, neutral zone site schools, and educational parks. These concepts have all been tried in many areas of the country with some degree of success, but at present there is no Federal financial support for them.

Magnet schools, and the other projects authorized by H.R. 14365, are not a panacea for school desegregation. They will not do away with the need for court-ordered busing where courts find that busing is necessary to desegregate a school system. But these projects do provide some additional ways to help achieve school desegregation. And in some instances, they may reduce the need for court-imposed busing, a plus which I think would be welcomed by everyone. But essentially, the appeal of magnet schools, when they work, is that they help to desegregate a school system naturally while improving the educational opportunities of students in the system. And that to me is a key issue facing us today.

The Subcommittee on Elementary, Secondary, and Vocational Education, chaired by the Honorable Carl Perkins, held a very productive hearing on H.R. 14365 on August 5, and I recommend that any of my colleagues who are interested in this issue review the testimony presented that day by Dr. Paul Briggs, superintendent of public schools in Cleveland, Ohio, where they have had extensive experience with magnet schools.

Mr. Speaker, I might point out that as far back as 1967, the Civil Rights Commission, in a report on ways to eliminate racial isolation, recommended a program of "substantial financial assistance to provide for construction of new facilities and improvement in the quality of education in all schools." Congress did not heed their advice at that time. But now that the Commission has renewed their recommendation, I hope that Congress will act favorably on it within the near future.

MILITARY MANPOWER STRENGTH ASSESSMENT AND RECRUITING RESULTS FOR FISCAL YEAR 1976

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, preliminary results show the total active strength of the four military services at the end of fiscal year 1976 was 2,081,900. This was 99.8 percent of the June objective of 2,087,100. All of the military services except the Marine Corps, essentially met or exceeded their strength objective. The Marine Corps achieved 98.2 percent of their strength objective of 196,000. The Marine Corps strength shortfall was attributed to the institution of early discharge programs for marginal performers in fiscal year 1976. Actual strength and service objectives for fiscal year 1976 are shown below along with a table showing high school graduate or equivalent enlistments:

ACTIVE MILITARY STRENGTH, END OF JUNE 1976 (PRELIMINARY)

[In thousands]

Service	Objective	Actual	Percent of objective
Army	782	779	+99
Navy	525	525	100
Marine Corps	196	192	98
Air Force	584	585	100
DOD total[1]	2,087	2,082	+99

[1] Numbers may not add due to rounding.

HIGH SCHOOL GRADUATE OR EQUIVALENT, ENLISTMENTS NONPRIOR SERVICE, MEN AND WOMEN

	April–June (fiscal year)				Fiscal year			
	Number		Percent of total		Number		Percent of total	
	1975	1976	1975	1976	1975	1976	1975	1976
Service:								
Army	35,600	29,500	78	62	122,200	115,500	66	64
Navy	20,800	17,900	87	85	73,500	78,100	75	84
Marine Corps	10,400	8,800	85	72	34,200	35,500	59	67
Air Force	18,200	15,900	95	95	68,700	69,500	91	96
DOD total[1]	85,000	72,000	84	74	298,800	298,600	72	75

[1] Numbers may not add due to rounding.

It is noted that the total number of enlistees with average and above average mental ability—mental categories I–III—enlisted in the fourth quarter of fiscal year 1976 was less than the total number recruited in the fourth quarter of fiscal year 1975. For the fourth quarter of fiscal year 1976 they represented about 94 percent of the enlistees while in the corresponding quarter in fiscal year 1975 95 percent of the enlistees were in the upper three mental categories. However, even though the total number of enlistees recruited in fiscal year 1976 in the upper three categories was less than the number recruited in fiscal year 1975, they represented 95 percent of the total number of enlistees as compared to 93 percent in fiscal year 1975.

MENTAL CATEGORY I–III ENLISTMENTS, NONPRIOR SERVICE, MEN AND WOMEN

	April–June (fiscal year)				Fiscal year			
	Number		Percent of total		Number		Percent of total	
	1975	1976	1975	1976	1975	1976	1975	1976
Service:								
Army	43,000	43,600	94	91	166,000	166,800	90	93
Navy	21,000	20,200	88	96	92,500	89,100	93	95
Marine Corps	12,200	11,900	99	96	55,800	49,700	97	97
Air Force	19,100	16,700	+99	+99	75,300	72,600	+99	+99
DOD total [1]	93,300	92,500	96	94	389,600	378,200	93	95

[1] Numbers may not add due to rounding.

It was also announced that the 48,400 men and women recruited in June amounted to 102 percent of the total objective of 47,300. The 422,100 men and women recruited in fiscal year 1976 was 2,000 above the services objectives, while the 104,500 men and women recruited during the fourth quarters of fiscal year 1976 was 99 percent of the services objectives. Although the Navy missed its recruiting objective by 5 percent during the fourth quarter of fiscal year 1976, it achieved its June end strength objective. Each of the services met or exceeded its recruiting objective for fiscal year 1976. This is shown in the following table.

ENLISTED ACCESSIONS

[All sources]

	June 1976			April–June 1976		Fiscal year 1976	
	Objective	Actual	Percent	Actual	Percent objective	Actual	Percent objective
Service:							
Army	24,700	25,200	102	51,700	101	192,900	100
Navy	10,200	10,400	102	23,100	95	102,100	100
Marine Corps	5,700	6,000	105	12,800	101	53,100	100
Air Force	6,700	6,800	101	17,000	101	74,000	101
DOD total [1]	47,300	48,400	102	104,500	99	422,100	100

[1] Numbers may not add due to rounding.

You will note that each of the services, except the Air Force, registered a decrease in the proportion of high school graduate—including general equivalency diplomas—enlistees during the fourth quarter of fiscal year 1976 as compared to the fourth quarter of fiscal year 1975. However, for the entire fiscal year 1976 the 75 percent high-school-graduate rate was an improvement over the 72 percent rate achieved in fiscal year 1975. Each of the services except Army showed an increase in the proportion of fiscal year 1976 high school graduates when compared to fiscal year 1975 recruiting results. The Army recruited 64 percent high school graduates in fiscal year 1976 compared to 66 percent high school graduates in fiscal year 1975.

Black enlistments accounted for 17 percent of all non-prior-service enlistees in fiscal year 1976, lower than in fiscal year 1975. The black proportion of enlistees in the fourth quarter of fiscal year 1976 was higher than the black proportion of new enlistees in the corresponding period of fiscal year 1975. Women continued to account for about 8 percent of all non-prior-service enlistees.

The total Selected Reserve strength at the end of May was below the strength totals at the end of April.

BLACKS AND WOMEN AS A PERCENT OF NONPRIOR SERVICE ACCESSIONS

	Blacks April–June (fiscal year)				Women April–June (fiscal year)			
	1975	1976	1975	1976	1975	1976	1975	1976
Army	21	27	23	24	9	8	11	9
Navy	7	11	10	9	7	6	7	6
Marine Corps	16	17	19	16	3	3	2	3
Air Force	11	11	15	10	13	12	13	12
DOD total [1]	15	20	18	17	8	8	9	8

[1] Numbers may not add due to rounding.

SELECTIVE RESERVE STRENGTH

	End strength, May 1976 (preliminary)	Average strength (fiscal year)	
		1976 through May	1976 authorized
Army National Guard	366.5	380.6	400.0
Army Reserve	199.6	213.9	219.0
Navy Reserve	97.6	98.4	106.0
Marine Corps Reserve	29.8	31.3	32.5
Air National Guard	90.7	92.9	94.4
Air Force Reserve	47.4	49.8	51.8
DOD total	831.6	866.8	904.1

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. **Gilman** (at the request of Mr. **Rhodes**), for today, on account of representing President Ford at the funeral of Maj. Arthur G. Bonifas.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. **Erlenborn**) to revise and extend their remarks and include extraneous material:)

Mr. **Frenzel**, for 60 minutes, today.

Mr. **Ashbrook**, for 30 minutes, today.

(The following Members (at the request of Mr. **Simon**) to revise and extend their remarks and include extraneous material:)

Mr. **Gonzalez**, for 5 minutes, today.

Mr. **Annunzio**, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.
Mr. Aspin, for 5 minutes, today.
Mr. Harrington, for 5 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. AuCoin, for 5 minutes, today.
Mr. Rees, for 5 minutes, today.
Mr. Alexander, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Rosenthal, and to include extraneous matter notwithstanding the fact that it exceeds four pages of the Congressional Record and is estimated by the Public Printer to cost $1,144.

Mr. Horton, to revise and extend his remarks on the Senate bill (S. 3435), Privacy Protection Study Commission.

Mr. Michel, following the remarks of Mr. Erlenborn in the Committee of the Whole today on guaranteed student loan amendments of 1976.

(The following Members (at the request of Mr. Erlenborn) and to include extraneous matter:)

Mr. Crane.
Mr. Steiger of Wisconsin in two instances.
Mr. Forsythe.
Mr. Gilman.
Mr. Armstrong.
Mr. McKinney.
Mr. Rhodes.
Mr. Broomfield.
Mr. Pressler.
Mr. Frey.
Mr. Abdnor.
Mr. Derwinski in three instances.
Mr. Brown of Ohio.
Mr. du Pont.

(The following Members (at the request of Mr. Simon) and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Yatron.
Mr. Rosenthal in five instances.
Mr. Chappell.
Mrs. Schroeder.
Mr. Vanik in three instances.
Mr. Moakley.
Mrs. Burke of California.
Mr. Aspin in 10 instances.
Mr. Hamilton.
Mr. Hungate.
Mr. Roush.
Mr. Downing of Virginia.
Mr. Breckinridge.
Mr. Udall in six instances.
Mr. Scheuer.
Mr. Rangel.
Mr. McDonald in five instances.
Mr. Mineta.
Mr. McCormack.
Mr. Bingham in 10 instances.
Mr. Murphy of New York.
Mr. Edgar in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 393. An act to provide for the study of certain lands to determine their suitability for designation as wilderness in accordance with the Wilderness Act of 1964, and for other purposes; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. SIMON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 50 minutes p.m.), the House adjourned until tomorrow Wednesday, August 25, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3856. A letter from the Deputy Chief of Naval Material (Procurement and Production), transmitting a report covering the 6 months ended June 30, 1976, on Navy research and development procurement actions of $50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

3857. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report of actions taken on recommendations contained in the report of the President's Labor-Management Committee dated, May 31, 1975, entitled "Electric Utilities," pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3858. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report of actions taken on recommendations contained in the final report of the National Advisory Council on Supplementary Centers and Services, dated June 25, 1975, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3859. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors-designate Francois M. Dickman, T. Frank Crigler, Davis Eugene Boster, and Graham A. Martin, and their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

3860. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles to Iran (transmittal No. 7T–11), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3861. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Israel (transmittal No. 7T–13), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3862. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Israel (transmittal No. 7T–14), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3863. A letter from the Corporation Agent, Legion of Valor of the U.S.A., Inc., transmitting the financial statement of the organization for the year ended April 30, 1976, pursuant to section 14(b) of Public Law 84–224 and section 3 of Public Law 88–504; to the Committee on the Judiciary.

3864. A letter from the Chairman, U.S. Civil Service Commission, transmitting the 53d and 54th annual reports of the Board of Actuaries of the Civil Service Retirement System, showing the status of the retirement system as of June 30, 1973, and June 30, 1974, respectively, pursuant ot 5 U.S.C. 8347 (f); to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 1489. A resolution providing for the consideration of H.R. 14578. A bill to authorize various Federal reclamation projects and programs, and for other purposes (Rept. No. 94–1433). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1490. A resolution waiving certain points of order against H.R. 15194. A bill making appropriations for public works employment for the period ending September 30, 1977, and for other purposes (Rept. No. 94–1434). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DENT (for himself, Mrs. Boggs, and Mr. Long of Louisiana):

H.R. 15237. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND (for himself, Mr. Anderson of Illinois, Mr. Broyhill, Mr. Coughlin, Mr. Downey of New York, Mr. Duncan of Oregon, Mr. Fuqua, Mr. Ginn, Mr. Jenrette, Mr. Jones of Oklahoma, Mr. LaFalce, Mr. Mann, Mr. Murphy of New York, and Mr. Pattison of New York):

H.R. 15238. A bill to require the Federal Communications Commission to increase the channels available for use in the citizens radio service; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK:

H.R. 15239. A bill to authorize the acquisition of lands, easements, rights-of-way, and complete relocations associated with Canyons 1 and 2 at Wenatchee, Wash.; to the Committee on Public Works and Transportation.

H.R. 15240. A bill to authorize hydrographic surveys of the Columbia River from Richland, Wash., to Grand Coulee Dam; to the Committee on Public Works and Transportation.

By Mr. MOAKLEY:

H.R. 15241. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide that employees of any prime sponsor who are employed to carry out the provisions of such act shall be assured of benefits at the same levels and to the same extent as other employees of that prime sponsor, and of working conditions and promotional opportunities neither more nor less favorable than such other employees enjoy; to the Committee on Education and Labor.

H.R. 15242. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for national service life insurance by certain persons who have attained age 65; to the Committee on Veterans' Affairs.

By Mr. MYERS of Pennsylvania:

H.R. 15243. A bill to strengthen Federal nepotism laws as they pertain to Members and employees of the Congress, and for other purposes; jointly, to the Committees on Post Office and Civil Service, and House Administration.

By Mr. SYMINGTON (for himself, Mr. Burlison of Missouri, Mr. Bolling, Mr. Ichord, Mr. Hungate, and Mr. Clay):

H.R. 15244. A bill to clarify and reaffirm the intent of Congress with respect to the transmission and sale of electric power and energy generated or purchased in the southwestern power area; to the Committee on Interior and Insular Affairs.

By Mr. TALCOTT:

H.R. 15245. A bill to amend the Local Public Works Capital Development and Investment Act of 1976 relating to periods of unemployment; to the Committee on Public Works and Transportation.

By Mr. THOMPSON (for himself, Mr. Perkins, Mr. O'Hara, Mr. Brademas, Mr. Ford of Michigan, Mr. Clay, Mr. Biaggi, Mr. Frey, and Mr. Miller of California):

H.R. 15246. A bill to amend the Service Contract Act of 1965 to provide that all employees, other than bona fide executive, administrative, or professional employees, shall be considered to be service employees for purposes of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. BEARD of Tennessee (for himself, Mr. Archer, Mr. Bauman, Mr. Derwinski, Mr. Patterson of California, and Mr. Winn):

H.R. 15247. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Education and Labor.

By Mr. DODD:

H.R. 15248. A bill to provide for the continuance of quality customer service rendered by the communications industry, at just and reasonable prices; to the Committee on Interstate and Foreign Commerce.

By Mrs. FENWICK (for herself, Mr. Patterson of California, Mr. Won Pat, Mr. Rees, Mr. Boland, Mr. Lagomarsino, Mr. Van Deerlin, Mr. Badillo, Mr. Howe, Mr. Frenzel, Mr. Breckinridge, and Mr. Solarz):

H.R. 15249. A bill to permit the enlistment of Vietnamese and Cambodian refugees into the Armed Forces of the United States under certain circumstances; to the Committee on Armed Services.

By Mrs. FENWICK (for herself, Mr. Patterson of California, Mr. Regula, Mr. Won Pat, Mr. Rees, Mr. Boland, Mr. Lagomarsino, Mr. Van Deerlin, Mr. Badillo, Mr. Howe, Mr. Frenzel, Mr. Breckinridge, Mr. Koch, and Mr. Solarz):

H.R. 15250. A bill to authorize the changing of the status of refugees from Indochina from that of a parolee to that of a permanent resident alien; to the Committee on the Judiciary.

By Mr. GUDE (for himself, Mr. Breckinridge, Mr. Byron, Mrs. Chisholm, Mr. Clay, Mr. Cohen, Mr. Corman, Mr. Duncan of Tennessee, Mr. Eilberg, Mr. Emery, Mr. Flood, Ms. Keys, Mr. Koch, Mr. Lehman, Mr. Maguire, Mr. Mathis, Mr. Miller of California, Mr. Rinaldo, Mr. Rodino, Mr. Santini, Mr. Simon, Mrs. Spellman, Mr. Stark, and Mr. Won Pat):

H.R. 15251. A bill to amend the Federal employee health insurance provisions of title 5, United States Code, to require that notice and hearing be provided before the effective date of any reduction of health benefits or any exclusion of any type of provider of health services; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California:

H.J. Res. 1053. A resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mrs. BURKE of California (for herself, Mr. Addabbo, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Boland, Mrs. Chisholm, Mr. Clay, Mr. Cleveland, Mr. Conte, Mr. Corman, Mr. de Lugo, Mr. Diggs, Mr. Downey of New York, Mr. Eilberg, Mrs. Fenwick, Mr. Flood, Mr. Ford of Michigan, Mr. Fuqua, Mr. Grassley, Mr. Haley, Mr. Harrington, Mr. Hawkins, Mr. Hayes of Indiana, Ms. Holtzman, and Mr. Howard):

H.J. Res. 1054. A resolution to designate March 13 to 19, 1977, as "National Community Health Week"; to the Committee on Post Office and Civil Service.

By Mrs. BURKE of California (for herself, Ms. Keys, Mr. Krebs, Mr. Krueger, Mr. Matsunaga, Mr. Mazzoli, Mr. Melcher, Mr. Mitchell of Maryland, Mr. Patterson of California, Mr. Pepper, Mr. Richmond, Mr. Rodino, Mr. Rosenthal, Mr. Sarbanes, Mr. Scheuer, Mr. Simon, Mrs. Spellman, Mr. Stark, Mr. Waxman, and Mr. Whitehurst):

H.J. Res. 1055. A resolution to designate March 13 to 19, 1977, as "National Community Health Week"; to the Committee on Post Office and Civil Service.

By Mr. McDADE:

H.J. Res. 1056. A resolution designating the third week of September of 1977 as "National Rehabilitation Week"; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Florida:

H.J. Res. 1057. A resolution authorizing the President to proclaim the week beginning October 3, 1976, and ending October 9, 1976, as "National Volunteer Firemen Week"; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland (for himself, Mr. Rose, Ms. Keys, Mr. Harkin, Ms. Holt, Mr. Ottinger, Mr. McHugh, Mr. Bergland, Mr. Breckinridge, Mr. Badillo, Mr. Sarbanes, Mr. Vigorito, Ms. Chisholm, Ms. Spellman, Mr. Flood, Mr. Cleveland, Mr. Moffett, and Mr. Stark):

H. Con. Res. 717. A resolution expressing the sense of Congress respecting action by the Consumer Product Safety Commission against defective home canning lids; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Nichols, Mr. Sikes, Mr. Guyer, Mr. Hyde, Mr. Spence, Mr. Archer, Mr. Holland, Mr. Charles Wilson of Texas, Mr. Stratton, Mr. Brodhead, Mr. Beard of Rhode Island, Mr. Lagomarsino, Mr. Carney, Mr. Peyser, Mr. Lehman, Mr. Risenhoover, Mr. Jenrette, Mr. Gilman, Mr. Maguire, Mr. McDonald Mr. Flood, Mr. Hannaford, and Mr. Ginn):

H. Con. Res. 718. A resolution expressing the sense of Congress that the President take steps to place on the agenda of the United Nations Organization the threat to the peace created by the murder of two American Army officers by members of the North Korean Armed Forces; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Frenzel, Mr. Dan Daniel, Mr. Kemp, Mr. Patterson of California, Mr. Hefner, Mr. Won Pat, Mr. Miller of Ohio, Mr. Pepper, Mr. Carter, Mr. Pickle, Mr. Buchanan, Mr. Randall, Mr. Zablocki, Mr. Patten, Mr. Gonzalez, Mr. Lujan, Mr. Preyer, Mr. Hughes, Mr. Delaney, Mr. Thompson, Mr. Madden, Mr. Price, and Mr. Snyder):

H. Con. Res. 719. A resolution expressing the sense of Congress that the President take steps to place on the agenda of the United Nations Organization the threat to the peace created by the murder of two American Army officers by members of the North Korean Armed Forces; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Satterfield, Mr. Fuqua, Mr. Gibbons, Mr. Wydler, Mr. Rostenkowski, Mr. Levitas, Mr. Cohen, Mr. Eilberg, Mr. Stephens, Mr. Slack, Mrs. Heckler of Massachusetts, Mr. Myers of Indiana, Mr. Bafalis, Mr. Fascell, Mr. Quie, Mr. Mann, Mr. Riegle, Mr. Scheuer, Mr. Annunzio, Mr. Yatron, Mr. Roe, and Mr. Derwinski):

H. Con. Res. 720. A resolution expressing the sense of Congress that the President take steps to place on the agenda of the United Nations Organization the threat to the peace created by the murder of two American Army officers by members of the North Korean Armed Forces; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Nichols, Mr. Broomfield, Mr. Sikes, Mr. Kindness, Mr. Guyer, Mr. Hyde, Mr. Spence, Mr. Archer, Mr. Holland, Mr. Charles Wilson of Texas, Mr. Stratton, Ms. Lloyd of Tennessee, Mr. Hagedorn, Mr. Brodhead, Mr. Beard of Rhode Island, Mr. Lagomarsino, Mr. Carney, Mr. Peyser, Mr. Lehman, Mr. Hechler of West Virginia, Mr. Ambro, Mr. Risenhoover, and Mr. Jenrette):

H. Res. 1482. A resolution condemning the treacherous acts of North Korea; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Gilman, Mr. Maguire, Mr. McDonald of Georgia, Mr. Flood, Mr. Hannaford, Mr. Ginn, Mr. Frenzel, Mr. Miller of Ohio, Mr. Dan Daniel, Mr. Kemp, Mr. Hefner, Mr. Won Pat, Mr. Patterson of California, Mr. Pepper, Mr. Carter, Mr. Pickle, Mr. Poage, Mr. Buchanan, Mr. Randall, Mr. Zablocki, Mr. Thompson, Mr. Patten, and Mr. Gonzalez):

H. Res. 1483. A resolution condemning the treacherous acts of North Korea; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Lujan, Mr. Madden, Mr. Preyer, Mr. Hughes, Mr. Delaney, Mr. Price, Mr. Snyder, Mr. Satterfield, Mr. Fuqua, Mr. Gibbons, Mr. Wydler, Mr. Rostenkowski, Mr. Cohen, Mr. Eilberg, Mr. Levitas, Mr. Stephens, Mr. Slack, Ms. Heckler of Massachusetts, Mr. Myers of Indiana, Mr. Bafalis, Mr. Fascell, Mr. Quie, and Mr. Mann):

H. Res. 1484. A resolution condemning the treacherous acts of North Korea; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Riegle, Mr. Scheuer, Mr. Annunzio, Mr. Yatron, Mr. Roe, and Mr. Derwinski):

H. Res. 1485. A resolution condemning the treacherous acts of North Korea; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Nichols, Mr. Sikes, Mr. Guyer, Mr. Hyde, Mr. Spence, Mr. Archer, Mr. Holland, Mr. Charles Wilson of Texas, Mr. Stratton, Ms. Lloyd of Tennessee, Mr. Hagedorn, Mr. Brodhead, Mr. Beard of Rhode Island, Mr. Lagomarsino, Mr. Carney, Mr. Peyser, Mr. Lehman, Mr. Flood, Mr. McDonald of Georgia, Mr. Risenhoover, Mr. Jenrette, Mr. Gilman, and Mr. Maguire):

H. Res. 1486. A resolution instructing the Committee on Armed Services to study and report on the murder of two American Army officers by members of the North Korean armed services; to the Committee on Rules.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Hannaford, Mr. Ginn, Mr. Frenzel, Mr. Dan Daniel, Mr. Kemp, Mr. Hefner, Mr. Won Pat, Mr. Patterson of California, Mr. Pepper, Mr. Carter, Mr. Pickle, Mr. Buchanan, Mr. Randall, Mr. Zablocki, Mr. Thompson, Mr. Patten, Mr. Gonzalez, Mr. Lujan, Mr. Preyer, Mr. Hughes, Mr. Madden, Mr. Snyder, and Mr. Satterfield):

H. Res. 1487. A resolution instructing the Committee on Armed Services to study and report on the murder of two American Army officers by members of the North Korean armed services; to the Committee on Rules.

By Mr. MURPHY of New York (for himself, Mr. Charles H. Wilson of California, Mr. Fuqua, Mr. Gibbons, Mr. Wydler, Mr. Rostenkowski, Mr. Cohen, Mr. Levitas, Mr. Eilberg, Mr. Stephens, Mr. Slack, Ms. Heckler of Massachusetts, Mr. Myers of Indiana, Mr. Bafalis, Mr. Fascell, Mr. Quie, Mr. Mann, Mr. Riegle, Mr. Scheuer, Mr. Annunzio, Mr. Yatron, Mr. Roe, and Mr. Derwinski):

H. Res. 1488. A resolution instructing the Committee on Armed Services to study and report on the murder of two American Army officers by members of the North Korean armed services; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

446. The SPEAKER presented a memorial of the Congress of Micronesia, relative to the American Bicentennial, which was referred to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FLOOD:

H.R. 15252. A bill for the relief of Marieta Bulaoy Tolentino; to the Committee on the Judiciary.

By Mr. HANLEY:

H.R. 15253. A bill for the relief of Ruben P. Din; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

552. By the SPEAKER: Petition of the Midwestern Governors' Conference, Pierre, S. Dak., relative to energy conservation in agriculture; to the Committee on Agriculture.

553. Also, a petition of the Midwestern Governors' Conference, Pierre, S. Dak., relative to energy conservation in buildings; to the Committee on Banking, Currency and Housing.

554. Also, a petition of the Midwestern Governors' Conference, Pierre, S. Dak., relative to energy education; to the Committee on Education and Labor.

555. Also, a petition of the Southern Legislative Conference of the Council of State Governments, Austin, Tex., relative to OSHA Regulations and Agriculture; to the Committee on Education and Labor.

556. Also, a petition of the Southern Legislative Conference of the Council of State Governments, Austin, Tex., relative to States and Federal revenue sharing; to the Committee on Government Operations.

557. Also, a petition of the Midwestern Governors' Conference, Pierre, S. Dak., relative to distribution of Federal funds; to the Committee on Government Operations.

558. Also, a petition of the National Association of Secretaries of State, Austin, Tex., relative to the electoral process; to the Committee on House Administration.

559. Also, a petition of the Midwestern Governors' Conference, Pierre, S. Dak., relative to the National Health Planning and Resources Development Act of 1974; to the Committee on Interstate and Foreign Commerce.

560. Also, a petition of the National Association of Secretaries of State, Austin, Tex., relative to the Voting Rights Act of 1965, as amended; to the Committee on the Judiciary.

561. Also, a petition of the Midwestern Governors' Conference, Pierre, S. Dak., relative to the Federal Disaster Assistance Act, as amended; to the Committee on Public Works and Transportation.

562. Also, a petition of the Southern Legislative Conference of the Council of State Governments, Austin, Tex., relative to bridge inspection; to the Committee on Public Works and Transportation.

563. Also, a petition of the Midwestern Governors' Conference, Pierre, S. Dak., relative to ERDA budget modification policy; to the Committee on Science and Technology.

564. Also, a petition of the Midwestern Governors' Conference, Pierre, S. Dak., relative to estate taxes; to the Committee on Ways and Means.

565. Also, a petition of the Southern Legislative Conference of the Council of State Governments, Austin, Tex., relative to adjustments of inheritance tax exemptions; to the Committee on Ways and Means.

566. Also, a petition of the Southern Legislative Conference of the Council of State Governments, Austin, Tex., relative to exploration and development of energy resources; jointly, to the Committees on Interior and Insular Affairs, Merchant Marine and Fisheries, and Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 8911

By Mr. HARRIS:

(Amendment to the amendment in the nature of a substitute.)

Strike out section 12 (beginning on page 12, line 9, and ending on page 12, line 23) and insert in lieu thereof the following:

"VALUATION OF INDIVIDUAL'S HOME FOR PURPOSES OF RESOURCES TEST

"Sec. 12. Section 1613(a)(1) of the Social Security Act is amended by striking out ', to the extent that its value does not exceed such amount as the Secretary determines to be reasonable'."

Page 12, line 14, after the word " 'value' " insert the following: ", and inserting 'for the region in which it is located' after 'reasonable'.".

By Mr. KETCHUM:

Strike out section 12 (appearing on page 12, lines 9 through 23, of H.R. 15080) and insert in lieu thereof the following:

"VALUATION OF INDIVIDUAL'S HOME FOR PURPOSES OF RESOURCES TEST

"Sec. 12. Section 1613(a)(1) of the Social Security Act is amended by striking out ', to the extent that its value does not exceed such amount as the Secretary determines to be reasonable'."

H.R. 13636

My Ms. HOLTZMAN:

Page 17, immediately after line 24 insert the following new section:

"GRANTS TO COMBAT HIGH FEAR CRIMES IN HIGH CRIME AREAS

"Sec. 109. (a) Title I of such Act is amended by inserting immediately after part E the following:

" 'PART F—GRANTS TO COMBAT HIGH FEAR CRIMES IN HIGH CRIME AREAS

" 'Sec. 476. It is the purpose of this part to encourage and enabled areas characterized by high incidence of violent crimes and burglary to develop and implement programs and projects to reduce and prevent crimes such as murder, nonnegligent manslaughter, forcible rape, aggravated assault, robbery, and burglary.

" 'Sec. 477. The Administration shall make grants under this part to units of general local government or any combinations of such units which make application in accordance with the requirements of this part and which are identified by the Administration as having a high incidence of crimes such as those listed in section 476 and a special and urgent need for Federal financial assistance.

" 'Sec. 478. In order to receive a grant under this part a unit of general local government or combination of such units shall submit an application to the Administration in such form and containing such information as the Administration shall require. Such application shall set forth a plan to reduce the incidence of crimes such as those listed in section 476 and such plan shall—

" '(1) provide for the administration of such grant by the grantee in keeping with the purposes of this part;

" '(2) set forth specific goals for the reduction of any or all of such crimes; and

" '(3) comply with the requirements of paragraphs (13), (15), (16), (17), and (20) of section 303(a).

The limitations and requirements contained in the unnumbered paragraph in section 306 (a) shall apply, to the extent appropriate, to grants made under this part.

" 'Sec. 479. (a) The Administration shall give special emphasis, in allocating funds among units of general local government or combinations thereof under this part, to (1) the incidence of crimes such as those listed in section 476 within such unit or combination, (2) the population of such unit or combination, (3) the likely impact of the programs or projects for which funding is sought on the incidence of such crimes within such unit or combination, and (4) the capacity of such unit or combination to administer a grant effectively and in accordance with the requirements of this part.

"'(b) Upon receipt of an application under this part, the Administration shall notify the State planning agency of the State in which the applicant is located of such application, and afford such State planning agency a reasonable opportunity to comment on the application with regard to its conformity to the State plan and whether the proposed programs or projects would duplicate, conflict with, or otherwise detract from programs or projects within the State plan.'

"(b) Parts G, H, and I of such Act are redesignated as parts H, I, and J, respectively.

"(c) Section 520 of such Act is amended by adding at the end thereof the following: 'From the amount appropriated in the aggregate for the purposes of this title such sums shall be allocated as are necessary for the purposes of part F, but such sums shall not exceed $25,000,000 for the period July 1, 1976 through September 30, 1976, and $50,000,000 for each of the fiscal years enumerated above, and shall be in addition to funds made available for those purposes from other sources.' ".

Renumber succeeding sections accordingly.

By Mr. **KOCH**:

On page 6, insert immediately after line 3 the following new subsection (c) and redesignate succeeding subsections accordingly:

"(c) Section 301(d) of such Act is amended by inserting immediately after the second sentence the following: 'The limitations contained in this subsection may be waived when the Administration finds that such waiver is necessary to encourage and promote innovative programs designed to improve and strengthen law enforcement and criminal justice.'."

By Mr. **MYERS** of Pennsylvania:

Page 29, line 20, immediately after "title", insert the following: "No money authorized to be appropriated by this title shall be made available for the interstate transportation or out-of-State sustenance of persons held in custody and convicted of armed robbery, homicide (other than involuntary manslaughter), rape, or an analogous crime under applicable State law as determined by the Administration, if such transportation or sustenance is for the purpose of facilitating participation in an athletic event in a State other than the State in which such person is so held".

By Mr. **GRASSLEY**:

Page 2, line 15, strike the period and insert a colon and the following language: "*Provided*, That none of the funds in this Act shall be used to pay any Member of the House of Representatives, Delegate to the House of Representatives, or the Resident Commissioner from Puerto Rico, at an annual rate of pay which is in excess of the annual rate of pay in effect with respect to such individual on September 30, 1976."

Page 3, line 4, strike the period and insert a colon and the following language: "*Provided*, That none of the funds in this Act shall be used to pay the majority leader or minority leader of the House of Representatives, or the Speaker of the House of Representatives, at an annual rate of pay which is in excess of the annual rate of pay in effect with respect to such individual on September 30, 1976."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of August 23, 1976, page 27239:

H.R. 14870. July 27, 1976. Merchant Marine and Fisheries. Establishes an Office of Maritime Affairs Coordinator in the Executive Office of the President to promote the development of the United States merchant marine.

H.R. 14871. July 27, 1976. Ways and Means. Amends the Internal Revenue Code to allow individuals a tax credit equal to one half the amount paid for health insurance premiums up to a maximum credit of $250.

H.R. 14872. July 27, 1976. Interstate and Foreign Commerce. Directs the Federal Communications Commission to take such steps as may be necessary to increase the channels available for use in the citizens radio service to 46 channels.

H.R. 14873. July 27, 1976. Judiciary. Grants a Federal charter to the World War I Overseas Flyers, Incorporated.

H.R. 14874. July 27, 1976. Ways and Means. Authorizes any individual who has attained the age of 65 to take a nonrefundable tax credit under the Internal Revenue Code, for a percentage of the amount of real property taxes or rent constituting real property taxes paid or accrued by the taxpayer during the taxable year.

H.R. 14875. July 27, 1976. Science and Technology. Establishes a National Earthquake Hazards Reduction Conference.

Enumerates the duties of the Conference, including (1) the formulation of a national program to develop capabilities for earthquake hazards reduction, (2) the establishments of means for disseminating earthquake prediction information and technical assistance (3) the coordination of earthquake and related hazard research programs, and (4) the establishment of an earthquake prediction board.

H.R. 14876. July 27, 1976. Science and Technology. Directs the President to establish (1) a National Earthquake Hazard Reduction Program, (2) an Office of Earthquake Hazard Reduction, (3) a National Advisory Committee on Earthquake Hazard Reduction, and (4) an Earthquake Prediction Evaluation Board.

Specifies the duties of the Office of Earthquake Hazard Reduction, including the development of an Earthquake Hazard Reduction Program plan.

Enumerates the Federal agencies to be assigned responsibilities in, and details the elements of, the Earthquake Hazard Reduction Program.

Directs the Earthquake Prediction Evaluation Board to monitor prediction methods and issue earthquake predictions.

H.R. 14877. July 27, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce.

Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14878. July 27, 1976. Banking, Currency and Housing; Interstate and Foreign Commerce; Science and Technology. Amends the Energy Policy and Conservation Act to establish a program of voluntary standards and certification for energy-conserving products for use in buildings. Authorizes financial assistance to eligible State energy conservation programs in accordance with Federal criteria. Amends the Energy Conservation and Insulation of Buildings Act, the National Housing Act, and the Small Business Act to authorize additional assistance for energy conservation measures.

Establishes an Energy Extension Service in the Energy Research and Development Administration. Authorizes additional programs designed to increase use of energy efficient systems in commercial, residential, industrial, agricultural, and governmental sectors.

H.R. 14879. July 27, 1976. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to eliminate age limitation with respect to the requirement that all personal actions affecting employees or applicants for employment in Federal agencies, the U.S. Postal Service, or the District of Columbia government be taken without regard to such employees' or applicants' age.

H.R. 14880. July 27, 1976. Ways and Means. Amends the Internal Revenue Code of 1954 and the Social Security Act to include within the meaning of the term "fee" for the purpose of determining an individual's self-employment income, any commissions received by an individual for collecting taxes for the State or a political subdivision thereof.

H.R. 14881. July 27, 1976. Ways and Means. Amends the Tariff Schedules of the United States to limit the importation of mushrooms.

H.R. 14882. July 27, 1976. Veterans' Affairs. Provides that recipients of veterans' pensions and dependency and indemnity compensation shall not have the amount of such pension or compensation reduced because of cost-of-living increases in monthly social security benefits or railroad retirement annuities.

H.R. 14883. July 27, 1976. Ways and Means. Directs the Secretary of Health, Education, and Welfare to pay all costs of any State or local government welfare or public assistance program.

H.R. 14884. July 27, 1976. International Relations. Prohibits the use of any U.S. funds for assistance to, or for the benefit of, any nation which is the subject of a Presidential suspension order under the Aviation Act of 1958 because such nation was determined to be aiding or abetting a terrorist group which uses the illegal seizure of aircraft as an instrument of policy.

H.R. 14885. July 27, 1976. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to establish a minimum 1 year period with respect to a Presidential suspension of the right of air carriers to engage in transportation to or from countries which are determined to be aiding or abetting aircraft hijackers or with other countries which engage in transportation with such a country. Sets forth criminal penalties for violation of such a suspension order.

H.R. 14886. July 27, 1976. Government Operations. Amends the Presidential Transition Act of 1963 to authorize appropriations for the purpose of providing facilities and services to the President-elect and Vice President-elect and the former President and Vice President during the transfer of administrations.

H.R. 14887. July 27, 1976. Ways and Means. Amends the Internal Revenue Code to prohibit interest on tax in cases where a taxpayer received erroneous assistance from the Internal Revenue Service with respect to such tax.

H.R. 14888. July 27, 1976. Ways and Means. Amends the Internal Revenue Code to allow as a credit sums paid for tuition to an institution of higher education by a taxpayer for himself, his spouse or a dependent. Allows individuals a credit for charitable contributions to institutions of higher education.

H.R. 14889. July 27, 1976. Ways and Means. Amends the Tariff Schedules of the United States to limit the importation of mushrooms.

EXTENSIONS OF REMARKS

DR. RICHARD H. LIBBY—HONORARY MAYOR OF SAN PEDRO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. ANDERSON of California. Mr. Speaker, for the past 12 months, Dr. Richard H. Libby, D.D.S., has served as the honorary mayor of San Pedro. When he steps down from that office on August 29, he will have completed a year in an office that is highly sought after and deeply respected—despite the fact that it offers no pay, no compensation for time spent, and no governmental authority.

What it does offer is a chance to help out charitable organizations, to meet with a wide range of people, and the honor of recognition by members of one of the most unique communities in the greater Southern California area.

San Pedro is officially a part of the city of Los Angeles, located on the edges of Los Angeles Harbor. However, its isolated location far from the rest of the city, combined with a rich heritage from several ethnic backgrounds, has made the residents of San Pedro consider themselves a distinct and separate community.

Thus, to be chosen honorary mayor of San Pedro is not to assume an empty title. It is a sign of respect by a community that is proud of its self-awareness and assured of its identity. Dr. Libby has been an outstanding community leader in San Pedro for many years, and his tenure as honorary mayor has enhanced both his own reputation and that of the city of San Pedro.

Richard Libby was born in Philadelphia on July 22, 1940. After attending the University of California at Berkeley from 1957–59, he received his B.S. and D.D.S. from the University of California Medical Center in San Francisco in 1963.

After serving in the U.S. Navy's Dental Corps from 1963 to 1966, Dr. Libby entered the private practice of dentistry in San Pedro. He has been engaged in that practice ever since, and has used his tremendous energy and talents on behalf of the San Pedro and harbor area communities.

He has been an active member of the San Pedro Jaycees; serving on the board of directors, and as president, chairman of the board, and State director. He was awarded a life membership in the organization in 1974.

In addition, Dr. Libby has been an active member of the San Pedro Chamber of Commerce, sitting on the board of directors from 1970 to 1975. He is also a member of the board of directors for the Harbor Area Retarded Children's Foundation, San Pedro, and the San Pedro-Palos Verdes Chapter of the American Red Cross. Dr. Libby also belongs to the Lions International San Pedro Chapter.

Professionally, Dr. Richard Libby has had an outstanding career. A member of the American, California, and southern California Dental Associations, he was an Assistant Professor of Dentistry at the University of California at Los Angeles from 1966 to 1974.

Dr. Richard H. Libby is a man who has consistently displayed outstanding talent and leadership in his professional life and in his community activities. My wife, Lee, joins me in taking this opportunity to congratulate him not only for his tenure as honorary mayor of San Pedro, but for his many activities on behalf of community improvement and charitable causes.

SEMINAR OF LBJ AND JFK LIBRARY—TOWARD NEW HUMAN RIGHTS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. PICKLE. Mr. Speaker, last night Mrs. Lyndon B. Johnson announced that a 4-day symposium will be held in Austin, Tex., next month to discuss and evaluate the domestic programs of the New Frontier and the Great Society.

Mrs. Johnson made the announcement at a news conference in Washington along with Senators HUBERT HUMPHREY and EDWARD KENNEDY, civil rights leader Mr. Clarence Mitchell, Ms. Esther Peterson, Assistant Secretary of Labor under Presidents Kennedy and Johnson, and Mr. Joseph Califano, Jr., former aide to President Johnson.

The symposium, entitled "Toward New Human Rights," will be held September 12 through 16 and will be jointly sponsored by the Lyndon Baines Johnson Library, the John F. Kennedy Library, and the University of Texas at Austin.

This gathering will be very significant. For the first time, the leaders of the Kennedy and Johnson years will come together to look at themselves and the social programs they initiated. It will bring together those who have studied the programs, those who were responsible for writing the programs and those who have worked with the programs.

In announcing the symposium, Mrs. Johnson said:

> Lyndon would have welcomed this. He never thought of the Great Society as laws cut in stone. Many of us look back on those years as a great laboratory in which many good minds were searching for new ways to correct old ills. Now, a decade later, whatever can be discovered about the successes—or the failures—that came out of the laboratory should, it seems to me, be a substantial contribution to the 1970's and beyond.

Among the many issues which will be explored at this symposium, the participants will try to decide which programs worked, which were ill-conceived, which should be strengthened and which should be discontinued.

Scholars from across the Nation will present detailed papers evaluating the successes and failures of major social programs of the two administrations: Manpower, poverty, health, and medical care, housing and community development, education, and civil rights.

Each paper will be followed by a panel discussion with the panelists being men and women who have dealt with the programs on different levels. They will include Members of Congress, current and former administration officials, Governors, mayors, and representatives of universities.

Participating in the symposium will be my distinguished colleagues, the Honorable AUGUSTUS HAWKINS of California and the Honorable HENRY REUSS of Wisconsin, along with former Congresswomen, the Honorable Edith Green of Oregon and the Honorable Martha Griffiths of Michigan.

Secretary David Matthews, of the Department of Health, Education, and Welfare, will speak at the symposium along with former Secretaries Wilbur Cohen and Caspar Weinberger.

Other participants include Gov. Wendell Anderson of Minnesota, Mayor Maynard Jackson of Atlanta, and Mayor Thomas Bradley of Los Angeles.

Mr. Speaker, I urge my colleagues to take note of this important symposium to explore the movement toward a "new human rights" that was envisioned by Presidents Kennedy and Johnson. By studying our past achievements and shortcomings, perhaps we can find new and better solutions to those problems which still face our society.

CAPITALIST VERSUS MAOIST SEISMOLOGY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. BROWN of California. Mr. Speaker, the recent news accounts about earthquakes in China have exposed many Americans to the elaborate procedures that the Chinese use to predict earthquakes and reduce earthquake hazards. The continuing series of earthquakes have resulted in additional proof that the Chinese can predict earthquakes, although not with absolute certainty or perfect reliability. Nevertheless, the Chinese do have a vigorous program in earthquake prediction and hazards reduction which has intrigued Western seismologists.

The United States has no comparable program. This deficiency can be corrected in the very near future if a bill now pending before the full House is enacted. The bill, S. 1174, the Earthquake Hazards Reduction Act of 1976, was originally introduced by Senator ALAN CRANSTON, who succeeded in gaining Senate passage some months ago. The House Committee on Science and Technology, to which S. 1174 was referred, considered this bill, and several bills including ones offered by Representative JOHN BURTON and Representative CHARLES MOSHER. The Science Committee amendments to S. 1174 represent a compromise between Representative MOSHER's bill and the Senate-passed bill that is probably better than either bill was alone. This legislation could result in the savings of thousands of lives if the Chinese example is applicable to the United States.

A recent article in Science magazine described the Maoist approach to seismology, which is quite different from the approach of Western scientists. Among the main differences is the use of amateurs to aid in making scientific observations, and committees to make predictions and determine the appropriate preventive measures. As the article points out, the capitalist system and the American political system are not as amenable to the Maoist approach. S. 1174 does not try to duplicate the Chinese approach, but instead tries to use a more traditional Western approach.

The article follows:

[From the Science Magazine, Aug. 20, 1976]

CHINESE EARTHQUAKES: THE MAOIST APPROACH TO SEISMOLOGY

With unusual shrewdness for Occidentals, a nine-member delegation of American earthquake specialists visited China last month to learn about Chinese earthquake programs—and then left the country shortly before two highly destructive quakes shook a region northeast of Peking. The demonstrated ability of the Chinese to predict major quakes, as well as to take precautionary measures, has become a subject of fascination in the American seismology community, where earthquake prediction is barely coming into its own (*Science*, 7 May).

Of course the Americans did not leave China because they believed a major quake would occur—in fact, the Chinese failed to predict the quakes of Richter magnitude 8.2 and 7.9 that devastated the industrial city of Tanshan on 28 July. But, while there, the Americans studied several events: a long-term prediction that was in effect for the Tangshan-Tientsin region; the successful prediction of a pair of magnitude 6.9 quakes which struck in Yunan province last 29 May; and the successful prediction of a magnitude 7.4 quake which struck Liaoning province on 4 February 1975. Thus, the Americans have filled out their picture of Chinese earthquake prediction. Frank Press of the Massachusetts Institute of Technology, a geophysicist who was not on the delegation but who has widely publicized the Chinese achievements, says that such an understanding "is the most important thing that can be done for American earthquake programs."

As practiced in China, seismology fits the Maoist ideal of a "people's science." It utilizes thousands of amateurs; yet its leading professionals can compete with their counterparts in the West. The goal of prime importance to the Chinese government is to apply seismology to reduce the horrendous toll of human life and industry due to earthquakes which China has suffered throughout her history. (The most devastating disaster on record, for example, was the great Shensi earthquake of 1556, which killed 820,000 people.) Ideologically, another goal is to fight so-called "reactionary" myths and superstitions which surround earthquakes—one widely held belief, for example, equates the occurrence of great quakes with the passing of dynasties.

C. Barry Raleigh of the U.S. Geological Survey, who led the nongovernment delegation,* explains that the Chinese seem to be working with the same set of hypotheses about the causes of earthquakes that Westerners use. The Chinese were early adherents of plate tectonics; they cite the theory that the India plate is pushing against the Asia plate under the Tibetan Plateau to explain the high seismicity of Yunan, which is on the eastern edge of the plateau, next to the Burmese border. (Chinese enthusiasm for plate tectonic theory may have a political component, however. Soviet geology has been a bastion of resistance to plate tectonic concepts, and Chinese scientists are known to have no wish to emulate their Soviet rivals.) Tectonic explanations have been less useful in explaining why the northeast region of the country (including both the Liaoning and Tangshan regions) are so seismically active.

The Chinese make general predictions about the seismicity of an area much the way Americans do. They plot the amount of energy recently released by ground motion against long-term averages. But, in contrast to American practice, the labor of making field observations is divided between professionals and "barefoot scientists," or amateurs. Professionals survey minute changes in ground elevation with laser-ranging devices which may be better than American ones. Professionals measure relative changes in the local magnetic field and sample radon levels in water. Amateurs, who may number in the tens of thousands, measure changes in the electrical resistivity of the ground, observe wells for level changes and bubbling, and note animal behavior which could signal tremors in the earth. Animal observations are not made in the United States.

When signs point to an area as prone to have future earthquakes, such as the Yunan and Liaoning provinces, the Chinese authorities order construction of local seismic observatories, manned by professionals, to gather and correlate more information. Public education campaigns are launched. American experts were favorably impressed by the movies the Chinese show to the public explaining what earthquakes are and how to prepare for them. With all their general information, the regional networks make long-term predictions. In the cases of Yunan and Liaoning earthquakes, the official public warnings were sounded only when foreshocks began occurring—in one case only 25 minutes before the quake. No single set of indicators seems to be used as the criterion for issuing evacuation warnings, however; and the Chinese told the Americans of case histories of 4 other, small quakes which had no foreshocks but were successfully predicted and evacuated. There were no foreshocks before the first Tangshan quake and, as far as is known, no mass evacuation order preceded it.

The emphasis on human observation has paid off in providing genuinely new information. A trained seismologist, for example, gave the Americans a convincing account of an "earthquake light" which illuminated the night sky during one quake. Americans say that reports of such lights have been made elsewhere—but never have been so well documented. Raleigh explains that the electrical discharge represented by an earthquake light may build up before the quake; measurements of such a buildup could possibly serve as a predictor of a coming shock.

Nevertheless, Raleigh and other experts find aspects of Chinese seismology something of a mystery. It is not clear to them exactly what the Chinese define as a "prediction," since predictions of different kinds can be made by regional observatories, street or factory committees, and higher political councils. These different councils have considerable autonomy in making predictions. The track record for successful predictions is blurred still further by the frequent statement that many predictions have proved false—but on this sensitive point the Chinese are inscrutable, refusing to give details.

Western observers have been impressed with the willingness of Chinese leaders to order evacuations in advance of earthquakes and the seriousness with which people react to such warnings. Some of this behavior, says Ralph H. Turner, of the University of California at Los Angeles, a sociologist on the delegation, is attributable to the Chinese leaders' freedom from lawsuits and insurance claims—issues that trouble disaster warning policies in capitalist countries. The Peoples' Liberation Army, which has been highly efficient in offering relief after earthquakes, is in general more involved in civilian life than are Western armies—it helps with harvests, for example.

Turner notes other reasons for the acheivements of the Chinese, however. In China, the job of evaluating precursor information and making a warning is delegated to many groups: street committees, factory committees, brigade committees, provincial governments, and councils in Peking. Sociologists have established that, regardless of culture, people in groups tend to make riskier decisions than people acting as individuals. This "risk shift" could be occurring in China when these groups gather to decide what to do.

By contrast, he says, "the American experience is that it is very hard to get public officials to issue warnings and take fairly radical decisions." President Ford's decision that a swine flu epidemic might occur this fall and must be guarded against with an expensive vaccination program is the exception, not the rule. As with Ford's swine flu decision, when a warning is issued, the burden of proof lies entirely with the individual leader. "One guy makes a decision, and there is a whole cage of hungry lions out there waiting to get him if he's wrong," Turner says of the United States.

Moreover, the Chinese take such warnings of earthquakes more seriously because in the "people's science" so many individuals are already involved. Thousands of amateurs are watching for signs of an imminent quake and discussing it with others. Thus, says Turner, when the prediction is finally issued there is less tendency to put the blame on someone else if it is wrong. "So it's not like a guy from Caltech suddenly making a prediction based on something he's found in his laboratory."

By contrast, "Western scientists tend to be rather aloof and regard the amateur as a nuisance instead of an extension of his capability. That aloofness has bred a certain amount of understandable mistrust of scientists on the part of amateurs and the public."—DEBORAH SHAPLEY

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*The delegation was sponsored by the Committee on Scholarly Communication with the People's Republic of China of the National Academy of Sciences.

LITTLETON COMMUNITY JAZZ ENSEMBLE

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. ARMSTRONG. Mr. Speaker, I would like to commend the Littleton Community Jazz Ensemble today—both for their musical excellence and their outstanding performance as goodwill ambassadors of American youth.

The Littleton Community Jazz Ensemble was formed early in 1976 and is composed of 18 musicians, primarily from Littleton, Colo. Their ages range from 15 to 18, and all are high school students. Gary Brady, a music instructor at Littleton High School, has been the director and guiding light of the group.

The talented jazz ensemble was named the best band at the 15th annual Reno International Jazz Festival last March, beating out 125 other high school groups from across the country with the highest point total ever recorded at the Reno competition.

Because of this outstanding performance, the young jazz artists were invited to the student competition at the professional International Jazz Festival at Montreux, Switzerland. The Littleton ensemble was the only high school group ever invited . . . as well as the youngest student group in the history of the festival. Although they completed against 10 university bands, the Littleton musicians placed fourth.

Montreux was so taken by both their abilities and their enthusiasm that they were invited to play two additional concerts in Montreux outside the competition.

In addition, the West German National Television Network invited the Littleton Community Jazz Ensemble to appear in Frankfurt on a nationwide telecast. The Germans are attempting to work out arrangements with the State Department in the meantime.

The Littleton band has also been invited to the 1977 New Orleans Jazz Festival next April, and has a tentative appearance planned for the "Today" show.

According to Gary Brady, the director, the best feature has been the youths' work as "goodwill ambassadors. They did a magnificient job in representing the youth of Colorado and the Nation wherever they went."

So I would like to commend this outstanding group of young Americans for their musical achievements . . . and their representation of what is best in America in spirit, enthusiasm, and dedication.

KHADDAFY AND AMIN

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. DERWINSKI. Mr. Speaker, it is obvious that one of the major stumbling blocks to peace in the Middle East is the policy of radical Arab leaders typified by Libyan dictator Khaddafy. The New World, the Chicago Archdiocese Catholic newspaper, most accurately, I believe analyzes Khaddafy's negative role in the Middle East in an August 13, 1976 editorial.

KHADDAFY AND AMIN

We hear quite a bit about "Big Daddy" Idi Amin, president of Uganda, but relatively little about Muammar Khaddafy of Libya. Yet Khaddafy is much more important, much more influential, much more dangerous, and probably has been the influence that has turned Uganda into practically an Islamic state. Uganda has a Christian population of about 50% Catholic and Protestant, only 6% to 8% Mohammedans, with the rest animist. But Amin is Mohammedan, and he has turned his country toward Mohammedanism.

Competent observers from Africa have long claimed that Khaddafy had literally "bought" the Amin regime with Libya's rich oil revenue, and events seem to bear that out.

The situation in Uganda is now critical. Uganda's university is in a state of chaos due to Amin. A Kenya report says leading faculty members have quit, students have been killed or disappear under mysterious circumstances, and secret police keep the campus in a state of paranoia.

The report said: "In a country where soldiers shoot first and never ask questions and where an iron-clad discipline is imposed on the populace, Uganda students tread carefully. Nevertheless, the grumbling is ominous. A mass student demonstration in Kampala to protest the shooting of one of their colleagues was the first open defiance on a large scale of any of President Amin's decrees."

Now the army is beginning to turn against Amin. The continuing unrest among Amin's military may indicate more serious trouble for him.

Khaddafy, in the meantime, has not been idle. He has practically turned Libya into a haven for terrorists. It is reported his interest in and financing of terrorists is worldwide, and that he is training a broad terrorist network, from the Middle East to Africa and Europe in an effort to unite Arab countries into a radical Islamic union. Khaddafy is viewed as unpredictable, even by other Arab leaders, but his influence, financed by oil revenue, is backed by much military equipment.

However, there are hopeful signs that some of the other Arab leaders, now deeply concerned by his actions, may take steps to lessen Khaddafy's influence—which might bring about a greater likelihood for peace in the Middle East.

MAJOR COST SAVINGS AVAILABLE THROUGH HOME DIALYSIS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. VANIK. Mr. Speaker, on August 11, 1976, Dr. Belding H. Scribner, one of the world's foremost authorities on kidney diseases and renal dialysis, testified before the Council on Wage and Price Stability in San Francisco.

Dr. Scribner has brilliantly pointed out that literally billions of dollars could be saved the medicare trust funds over the coming decades if we would take vigorous action now to encourage patients to undertake kidney dialysis at home rather than in treatment centers and hospitals.

The Ways and Means Oversight Subcommittee, which I chair, has been working on problems in the end-stage renal disease medicare program for over a year. While the subcommittee may have slightly different cost and saving estimates, I wholeheartedly agree with the doctor's assessment of the potential savings of home dialysis as well as the gains to patients who successfully undertake dialysis at home.

Members of the subcommittee and I have introduced legislation, H.R. 14804, designed to encourage home dialysis and kidney transplantation wherever and whenever possible. I am hopeful that the enactment of this legislation will result in many of the savings described by Dr. Scribner.

I would like to enter the doctor's statement in the hearing record at this point. It is an outstanding statement on how literally billions of dollars can be saved in the years ahead:

STATEMENT BY BELDING H. SCRIBNER, PREPARED FOR A HEARING OF THE U.S. GOVERNMENT COUNCIL ON WAGE & PRICE STABILITY, SAN FRANCISCO, AUGUST 11, 1976

Any person or group interested in the problem of controlling health care costs should take a long look at the one-half billion dollar government program to treat patients with end stage kidney disease.

Experience to date with this new program initiated by an act of Congress in November 1972 should serve as a stern warning to everyone that until effective methods of cost control are devised, any further expansion of government financed health care programs, especially huge ones like those currently before the Congress, are doomed to become economic disasters, that could bankrupt the whole health care system.

The reason the End Stage Kidney Program, which supports dialysis and transplantation through Medicare, is such an important lesson is because it would have been relatively easy to build in cost control provisions when the program was established. Yet no really effective measures were set up and as a result, in fiscal 1977, just beginning, we will spend at least $150 million more on artificial kidney treatment than is realy necessary. Why? Because nearly 80% of the 25,000 dialysis patients in this program are treated in hospitals and outpatient clinics, instead of in their own homes. The figure should be closer to 40% outpatients and 60% at home, which would cut the cost by $150 million or more this coming year. (This $150 million figure is based on cost of $25,000/pt/yr for outpatient care, and $10,000/pt/yr for home care.)

Since this issue of outpatient vs. home dialysis (artificial kidney treatment) is central to my discussion, let me provide some background information on this controversial point.

The world's first outpatient artificial kidney center opened its doors in Seattle in January 1962. It was so small and the demand for treatment was so great that the County Medical Society set up a patient selection process which became notorious around the world as the Seattle Life & Death Committee, vividly portrayed in the November 9, 1962 issue of Life Magazine by Shana Alexander. Naturally, the pressures became enormous to abolish the selection process, and by 1964 a full size kidney center had been built—in a one story structure, which was constructed so that a 2nd story could be added when the Center filled up, as everyone knew it would. The important point is that this 2nd story never was added, because about the time the Center was reaching its capacity our research team at the University of Washington was perfecting the first fully automatic home dialysis machine. Simultaneously, the financial situation at the Seattle Kidney Center had become so desperate that the Board of Trustees seriously considered stopping all new admissions, since the additional cost might jeopardize the survival of the 40 patients already in the Center. As a result, and over the objectives of the doctors at the Kidney Center, the Board of Trustees decided to gamble with human life on the University of Washington's new, unproved home artificial kidney system, because it was much less expensive than care in the outpatient center and offered the huge advantage of unlimited capacity without any further expansion of the Kidney Center. What the

Board said in effect was: "Put all your new patients on home dialysis or they will die."

This landmark decision set the precedent for dialysis activities in the Pacific Northwest that still is being followed. Greater than 85% of patients in Western Washington State are on home dialysis and in Eastern Washington the figure is nearly 100%. In contrast, right here in California the figure approaches 100% outpatient care in many areas. It wasn't always that way. The very first dialysis patients in the San Francisco Bay Area actually were on home dialysis, having been trained in our program in Seattle. For a while most of the rest of the country followed the trend set in the Pacific Northwest, and as a result the percentage of patients on home dialysis in the United States rose steadily, reaching a peak of around 40% in about 1971. Then two things happened. A group of very moneywise doctors on the East Coast got together with some smart businessmen and figured out that selling outpatient artificial kidney treatments might become a very profitable business, which indeed it has, because soon after that the Congress made patients with end stage kidney disease unique by covering them under Medicare.

That Medicare has made the artificial kidney business very profitable as indicated by the rapid expansion of the largest purveyor of commercial dialysis, an outfit called National Medical Care. Its common stock recently began trading on the prestigious New York Stock Exchange (a sign of enormous and solid growth). These shares currently are trading near their all-time high. I suspect that this company and others in the business operate a very effective lobby in Washington, D.C. opposing the ideas to be set forth below.

As a result of all these developments, the percentage of patients on home dialysis in the U.S. has fallen from 40% in 1971 to 21% in 1976 while the dialysis population has increased five-fold.

If home dialysis were really a second-rate form of treatment, that would be one thing; however, for most patients home dialysis actually gives superior results when measured in terms of rehabilitation and patient satisfaction. Two general principles of caring for the chronically ill are important to this issue of institutional (outpatient) versus home care.

1. When a choice is available, most chronic illness always is better treated in the home rather than in an institution. The great improvement in the attitude of the patients with tuberculosis, when they were able to get out of the sanitarium by virtue of the drugs, is an example of the tremendous importance of home versus institutional care. The progress being made in mental health care is another example.

2. The more responsibility the patient has for his own welfare, the better. The patient goes into an outpatient dialysis center, puts his arm out and says, "Treat me". The center has the responsibility for his care, whereas at home, the patient himself has the basic responsibility for his own well-being. By accepting this responsibility the patient who is on home dialysis really understands what is going on. He isn't afraid of the machine. He knows how to handle emergencies. He is comfortable with his treatment, whereas many center patients are literally terrified of the artificial kidney machine.

The psychosocial advantages of home over institutional care can be expressed in another way. In the July 1976 issue of the *Western Journal of Medicine,* Jonsen writes the following: "All chronic illness fosters dependence and interferes with the essence of human life—purposefulness. Chronic illness causes the patient to deflect from his set and spontaneous purposes and imposes upon him the foreign purposes of fighting debility and rearranging his life. The best treatment of any chronic illness is the one which minimizes dependence and fosters a restoration of normal, purposeful behavior." Home dialysis is better than outpatient dialysis because it minimizes these dependent feelings engendered by "life on the machine" that are so strongly reinforced by three visits each week to an outpatient dialysis center.

Obviously, there are some disadvantages to home dialysis. The workload is considerable. It's time consuming to set up an artificial kidney machine, and clean it up afterwards. The treatment does place undue stress on certain types of patients and their families. It is particularly hard on families with small children on dialysis, but the recent introduction into the home of a new technic called peritoneal dialysis is a great step forward in solving the problem of stress with children.

Space is a big problem in many parts of the world, especially in ghetto areas; the machine does take up space. One obvious solution is that it is a lot cheaper to relocate the family than it is to keep the patient on in-center dialysis. Another approach originated in Mississippi, where Dr. John Bower has had excellent success in setting up dialysis trailers in the parking lots of schools and local hospitals, and letting the patients come into these trailers and do their own dialysis without professional assistance.

In my view, these disadvantages are relatively minor when set against the advantages of being in the home:

1. Evening or overnight operation of dialysis facilities are almost essential for rehabilitation. Most outpatient dialysis programs operate during the daytime and effectively preclude patient rehabilitation.

2. A patient on home dialysis can be independent. He can schedule his dialysis to suit his own style of living. He doesn't have to be tied to a fixed schedule in the center.

3. Travel time to the Center is eliminated and this can often amount to more time saving than is lost in setting up and cleaning the dialysis equipment at home.

4. As discussed previously the long term psychosocial advantages of dialysis at home are enormous.

So, on balance, the advantages far outweigh the disadvantages for most patients, if they were really given a good option. Unfortunately, often they are not because the present system is faulty and strongly motivates in the direction of in-center dialysis.

There are many causes of failure of home dialysis and many tragic examples of how it doesn't work. They all stem from a poor organization, and a poor approach to the problem. Good overall support is essential—a 24 hour machine repair service, social service, visiting nurses. A patient training program, of high quality, is absolutely essential. Recently we have put the training program on videotape, which is far superior to personal instruction. Now it is very easy to train patients and there's no excuse for not having good training.

Most important to the success of home care is the attitude of the physician himself. Some physicians are really afraid to delegate authority to their patients. They literally fear that home dialysis won't work, and when that fear is transmitted to the patients, it is impossible to convince them of the benefits of home dialysis.

Then there's this business of conflict of interest. If the physician also happens to own the dialysis center, he's pretty interested in keeping that center full, and the motivation is pretty small to get the patients home. When the motivation is reversed patients usually will choose home dialysis. Great Britain, which as everyone knows is nearly bankrupt, has recognized the cost savings inherent in home dialysis and has restructured its program to favor home care. As a result, in the same period that home dialysis dropped from 40% to 20% in the U.S. the percentage rose from 50% to 70% in Britain.

What can be done to reverse the trend toward expensive outpatient dialysis in the United States? Here are some suggestions—which will be vigorously opposed by many kidney doctors—especially those who own outpatient kidney centers. These suggestions will require legislative action for implementation—

1. The law currently provides that Medicare pay 80% of the cost of dialysis, whether in-center or at home. However, in actual practice the remaining 20% seldom is collected from the patient as long as he remains an outpatient in the center. However, if he tries to go on home dialysis, he becomes personally responsible for the 20% payment which, of course, becomes a powerful deterrent to home dialysis. The law should be changed so that 100% of the cost of home dialysis is covered by Medicare. In addition, the cost of such expensive items as heparin and I.V. fluids, presently excluded from home care coverage, must be covered.

2. Medicare paperwork, which the outpatient center is equipped to handle, becomes a major deterrent to home dialysis, since the patient has great difficulty learning to cope with it. The system must be changed so that this unnecessary burden is removed from the home dialysis patient.

3. For home dialysis patients—the 60–90 day waiting period should be eliminated and Medicare payments should begin the day the patient starts home training.

4. If the patient chooses to re-use his dialyzer (artificial kidney), approximately $4,000/yr will be saved. This important cost-saving should be used to encourage home dialysis by making these funds avaliable to the patient. The patient could either use the funds for other purposes or could hire a dialysis helper and cut down the work load on himslef and his family.

5. The funding formula under Medicare should be changed as follows:

(a) 100% of all home care costs funded by Medicare

(b) 50% of any additional costs funded by Medicare—the balance to be generated by private insurance and/or State and Local funds.

Suggestion No. 5 obviously represents a radical departure from current federal health care funding policy. However, it should not be dismissed lightly. Not only would it be a powerful deterrent to further expansion of outpatient dialysis programs, but it would set an important national precedent aimed at returning the decision making process back to the State and Local level. As a result, if certain regions of the country wanted to opt for the more expensive outpatient type dialysis, they would have to pay half the additional cost without imposing this burden on other regions such as the Pacific Northwest, I feel confident, will continue to support the concept that home dialysis not only is cheaper, but better.

UPS TOO SUCCESSFUL, RATE HIKE TRIMMED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. CRANE. Mr. Speaker, let us imagine that there are two companies competing in the parcel post delivery system. Company "A" operates a private, efficient, well run, fiscally sound and profitable system. Company "B" is subsidized by the Government, fiscally unsound, inefficient, and less than dependable. You are given a choice as to which company will deliver your packages. Well, if you are the U.S. Government you will probably choose the private company, "A", over the Government's, "B", to deliver your packages. Why? The Government Service Administration, a U.S. housekeeping agency, can tell you. The Federal Government has been urged, and, in fact, prefers to use the less expensive, private commercial parcel carriers, such as United Parcel Service, to the U.S. Postal Service.

Ironically enough, the Government also prefers to continue subsidizing the delivery of packages of the U.S. Postal Service and, indirectly penalizes the too successful, private firms, such as the United Parcel Service. I would like to share the following article with my colleagues, that appeared in the Washington Star, Thursday, August 5, 1976:

UPS Too Successful, Rate Hike Trimmed

(By Stephen M. Aug)

United Parcel Service operates such an efficient, well-run, profitable system that it is unable to win a 5 percent rate increase from the Interstate Commerce Commission.

A three-commissioner board decided unanimously the other day that UPS, which operates a nationwide small-package delivery service, is entitled to a rate increase of only 3 percent.

In rejecting the UPS request for 5 percent, the ICC said not only does the company not need an increase, but because it has no competition, "regulatory restraints become even more essential."

The ICC wouldn't agree with the UPS argument that it competes in most areas primarily with the U.S. Postal Service's parcel post operation and, to an lesser degree, with other trucking companies. "While Parcel Post and other regulated motor carriers do provide the public with small shipment service," the commissioners said, "their operations are so diversified that they cannot in most cases provide the service at rates which are competitive with those of the UPS carriers."

UPS, which asked for the increase late last year to become effective Jan. 4, 1976, said that without the higher revenues the company's "operating ratio"—the percent of revenues spent on operations, considered a measure of efficiency—would rise to 97.2 from the 90.1 of last year. But with the higher revenues, the ratio would rise only to 92.6. The company said other large trucking firms achieve operating ratios well below 90.

UPS said that last year system-wide it had revenues of $1.527 billion and expenses of $1.375 billion. The ICC recalculated the figures, however, and said UPS earned $161,183,046 last year on revenues of $1,628,238,376 and expenses of $1,467,055,330. The company said it is faced with expiration this year and costs will rise as a result.

The higher rates were opposed by several groups of small shippers as well as several Florida fruit-grower associations and the state citrus department. About two million gift fruit packages are shipped annually from Florida between October and May, much of it by UPS. Over the past five years, in fact, the percentage of Florida fruit parcels sent via UPS has risen from 22.8 to 57.

The ICC noted that UPS last increased rates in January 1975. Since then, the ICC said, business has increased "tremendously and, despite rising costs, (UPS has) maintained what must be described as a sound financial condition."

The commission predicted that this year, barring lengthy labor difficulties, "there is no evidence indicating" that business will not continue to increase and no evidence that, even without a rate increase, UPS "will not maintain a relatively sound financial position."

By ICC predictions, UPS will have revenues of about $1.72 billion this year and a return on its investment of 16.5 percent even without the proposed 5 percent increase. With the increase, however, the ICC said revenues would move up to about $1.8 billion and return on investment would be 28.5 percent, which the ICC said is "extremely high."

HAMILTON SUPPORTS FARM LEGISLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. HAMILTON. Mr. Speaker, as this report is prepared, the future of the most important bill in the 94th Congress for farmers—the bill to increase the exemption on estates to lessen the taxes on family farms—is uncertain.

But, the 94th Congress has acted to help the farmer in other significant ways.

Bills already enacted are these:

First, extension for 3 years of research and education efforts to aid rural development and small farm extension.

Second, establishment of a project to improve consumer information and marketing efforts of beef producers.

Third, extension of the Federal pesticide control law through March 1977 and tightening of congressional review of proposed pesticide regulations.

Fourth, revision of the Emergency Livestock Credit Act to permit a 90-percent loan guarantee—previously the maximum was 80 percent—to extend the repayment period from 5 to 10 years, and to increase the maximum loan from $250,000 to $500,000.

Fifth, authorization of emergency loans to farmers who suffer loss due to a natural disaster.

Bills still in the legislative process of interest to farmers include:

First, the bill to alter the estate and gift tax law to increase the exemption level on certain farms in order to lessen the tax burden now incurred upon inheriting a family farm.

Second, a proposal to establish a National Commission on food costs, pricing, and marketing.

Third, provision for official standards for and means of inspecting and weighing grain at export locations.

Fourth, authorization for the Secretary of Agriculture to provide information and assistance to encourage direct marketing of food from farmers to consumers.

Fifth, an exemption for farms employing 10 or fewer persons from the requirements of the Occupational Safety and Health Act (OSHA).

These bills have had my support. I will continue to press for the passage of the increased estate tax exemption, and for other legislation beneficial to the family farmer.

CHECKING CONGRESSIONAL VETOES

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, Congress is increasingly including in the legislation it approves provisions allowing the House and/or Senate to veto rules and regulations established by executive departments and agencies. This is a questionable practice and one susceptible to abuse.

The Justice Department has wisely requested the courts to rule on the constitutionality of the legislative veto. My hope is that this action will serve to curtail the prevailing tendency toward this procedure.

The Washington Post, in an August 18 editorial, cited the example of the complicated mine safety bill passed recently by the House. The bill:

Among other things, directed the Secretary of Labor to decide dozens of issues, from toxic substances standards in mines to how long corporate records should be kept. The bill set forth, at a wearisome length, just how those secretarial judgments should be reached. Then the House, by tacking on a legislative-veto clause, reserved to itself the power to override that whole careful set of procedures for whatever arbitrary of capricious reason it might have. That is not a sensible way to operate. It amounts to trying to pass the buck—without letting go of it.

The Post editoral did an excellent job of outlining why the congressional veto procedure must be checked. I commend it to your attention.

The editorial follows:

Checking Congressional Vetoes

The Justice Department has performed a useful service by asking the courts to rule on the constitutionality of the legislative veto, one of this Congress' favorite tools for keeping bureaucrats in line. Under this procedure, Congress puts in a law some language that allows the House and Senate, or sometimes either house alone, to veto rules and regulations issued by an executive agency pursuant to the law. The device, while not new, has become increasingly common and controversial as legislators have stepped up their efforts to control what they like to refer to as the "runaway bureaucracy." President Ford has just vetoed a pesticide bill because Congress had added such a clause.

No matter what one may think of the wisdom or literary style of federal regulations these days, there is no question that the people who write the rulebooks have attained enormous power. The constitutional question has to do essentially with what kind of power this is. Legislators maintain that that rulemaking is quasi-legislative work which Congress has delegated and should be able to review and disapprove. The executive branch argues, on the other hand, that writing regulations is an administrative job which Congress may override only by enacting another law through the standard procedures. The separation-of-powers arguments can get very murky. It is clear, however, that there are particular constitutional questions about the plans that allow a single house of Congress to exercise veto power.

The Justice Department has chosen to pursue this issue by joining Ramsey Clark, former Attorney General and Senate candidate from New York, in challenging the one-house veto in the campaign finance law. From a procedural standpoint that is not the easiest vehicle to use. It does, however, put the question of administrative independence in especially sharp relief, because Congress insisted on its veto clause largely to retain influence over the regulation of congressional campaigns.

Even if the Supreme Court should decide that the legislative veto is permissible, there are several reasons why it should not become routine. Endless quibbling over details of rules could only distract legislators from the broader policy-making and oversight that are their proper tasks. Congressional second-guessing on rules would also make the process of implementing laws even more tedious than it already is. Moreover, the veto could easily become another weapon for interest groups and legislators with special peeves; as Rep. William A. Steiger (R-Wis.) noted the other day, the potential for "mischief, pressure and wrongdoing" is immense.

Finally, Congress' enthusiasm for this veto power is a sign of weakness, not strength. It reflects legislators' unwillingness to choose between deciding on the details of policies and delegating those decisions to the agencies. The other day, for instance, the House passed a complicated mine safety bill which, among other things, directed the Secretary of Labor to decide dozens of issues, from toxic substances standards in mines to how long corporate records should be kept. The bill set forth, at a wearisome length, just how those secretarial judgments should be reached. Then the House, by tacking on a legislative-veto clause, reserved to itself the power to override that whole careful set of procedures for whatever arbitrary or capricious reason it might have. That is not a sensible way to operate. It amounts to trying to pass the buck—without letting go of it.

PRAISE FOR PRESIDENT FORD

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. RHODES. Mr. Speaker, I note that the majority leader issued a press release on the anniversary of President Ford's assuming office in which he said that Mr. Ford opposes, denies, and uses the word no.

This is true. He has opposed the reckless spending, the Great Society program failures, the disregard for the taxpayers, the waste and ripoffs that have become the hallmark of Mr. O'Neill's party in Congress.

Yes, Mr. Ford has denied the power-grabbers, the expansionists and those who believe that Government should run business and interfere with the private lives of the individual.

He has said no. Mr. Ford has said no to inflation, the lodestar of Democrat fiscal policy. He has said no to higher deficits which result in higher tax burdens for the American people. He has said no to unreasonable regulations and to senseless, directionless spending.

Mr. O'Neill however is talking through his fedora when he discusses the coming elections. The Democrat platform is full of peanut pie in the sky. The Democrat ticket is too. The American people are not going to buy either of them, or the sorry record of this Congress which, by the way, has racked up $130 billion in Federal deficit spending since 1973. America needs a President with the courage to say no to the wastrels in Congress. We have one.

By his vetoes, he has saved the taxpayer over $13 billion. Americans will give him an overwhelming vote of confidence in November.

THE LENINGRAD AGREEMENT

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. DOWNING of Virginia. Mr. Speaker, on July 16, 1976, the United States and the Soviet Union signed a memorandum agreement in Leningrad that constituted a significant breakthrough for the U.S. merchant marine industry, and, indirectly, for our defense transportation structure.

A key role in bringing about the agreement was played by the honorable Karl E. Bakke, chairman of the Federal Maritime Commission. Chairman Bakke traveled to Leningrad and worked diligently to effect the agreement which, if honored, should help bring the United States back into the forefront of the world's ocean industries.

In that connection, Mr. Speaker, I would like to take this opportunity to share with my colleagues some recent remarks made by Chairman Bakke regarding the objectives and long-term effects of this vital agreement.

I am certain my colleagues will find Chairman Bakke's views as timely and enlightening as I did.

The remarks follow:

REMARKS BY THE HONORABLE KARL E. BAKKE

I'm delighted to be with you today. And I think it fitting that my first address concerning the Memorandum Agreement executed in Leningrad on July 16 should be before the National Defense Transportation League. Although the agreement deals with ocean cargo rates and liner conference membership of Soviet carriers, resolution of current problems in those areas should contribute significantly to stability in this country's ocean trades, hence to viability of U.S. and other non-Bloc carriers in those trades. Our defense transportation infrastructure cannot help but benefit from these results.

However, I want to stress that the Leningrad Agreement is not intended to deal with strategic or logistical considerations, which are beyond both the jurisdiction and the competence of the FMC. Rather, it represents an effort to establish a competitive environment in which commercial solutions to commercial problems in our liner trades can be worked out by the carriers themselves, rather than by government fiat.

At the outset, it may be helpful to mention some of the background leading up to the Leningrad Agreement.

It is a matter of record that the Soviet merchant marine has been expanding at a tremendous rate. Twenty years ago, its carrying capacity was twelfth in world ranking. Today, it ranks second in number of ships and seventh in terms of deadweight tonnage. Last year, the Soviet merchant marine carried 200 million metric tons of cargo. Participation of Soviet carriers in non-Bloc crosstrades is also growing dramatically, with no signs of abatement. Indeed, the Soviet Union's current 5-year plan contains allocation of resources for an impressive increase in merchant tonnage, and there are indications that this new tonnage may well be further augmented by acquisition of used vessels from other countries (several have already been purchased), and perhaps even from construction outside the 5-year plan.

Clearly, the aggregate of Soviet merchant tonnage is already in significant excess of what is needed for its bilateral and interior trade—and that excess will continue to grow, at least in the near and medium term. I think we can safely assume that the Soviets will not keep these vessels tied to a dock or in mothballs. They are going to seek out cargo in crosstrades with ever-increasing frequency and capacity. And it doesn't take a crystal ball to see a considerable amount of that tonnage finding its way into crosstrades that have the U.S. on one end or the other.

If one accepts these hypotheses, and I think it is difficult not to, then the ultimate question to be answered is, very simply, "Under what terms and conditions will the Soviets operate in the U.S. liner trades—ours or theirs?"

From virtually the first day of assuming office as Chairman of the FMC last November, I have been hearing a litany of complants from U.S. and foreign carriers about two recurring problems in our liner trades—first, rebates and other malpractices, and second, the "bargain basement" rate policies of certain independent carriers, principally the Soviets. To one not wise in the sophisticated complexities of the liner business, the mechansm for dealing with these problems seems to be readily at hand—a strong and effective conference system. Although the best way to curb malpractices is for the carriers not to engage in them in the first place, a strong self-policing mechanism can certainly be helpful in tipping the scale towards second thoughts when a conference member is beset by temptation. As for malpractices or predatory pricing by an independent, there certainly seems to be merit in seeking to deal with such problems by inducing that carrier into conference membership.

Having heard no voices raised in serious opposition, I have been preaching, as an article of faith, the virtues of the conference system as a common denominator for action to stabilize our liner trades. I'm sure many, if not all, of you have heard or read my comments on this subject. And I must say I have received a most gratifying degree of support within the industry for that approach.

Thus, it seems to me that the Leningrad Agreement is a logical—indeed, an essential—step towards dealing with the reality of increasing Soviet presence in the U.S. ocean trades on our terms. In other words, I believe conference membership by Soviet carriers to be the most workable commercial solution to what is essentially a commercial problem.

It should be stressed, however, that the agreement does not have the status or dignity of a treaty, an executive agreement, or a contract under either domestic or international law. Rather, the agreement is an understanding concerning guiding principles in a matter of mutual concern, reached between two interested government agencies. Each party has pledged to use its "good offices" in order to achieve certain stated objectives consistent with those principles.

Let us examine those objectives more closely. First, Soviet carriers will raise, where necessary, and maintain ocean cargo rates at a level not lower than the lowest rate actually used for the same commodity by a responsible non-Soviet carrier in the particular trade involved. Second, Soviet carriers will actively pursue membership, on equitable terms and conditions for all member carriers, in liner conferences covering the U.S. North Atlantic and Pacific ocean cargo trades.

With what appears now to be a reasonable chance of achieving those objectives, we are, I hope, on the threshold of stability in these trades, with cooperation rather than confrontation, reasonable certainty rather than potential chaos, and a structure of ocean cargo rates that will better reflect the legitimate economic interests of carriers, shippers and consumers. The key to success is a good faith effort by both sides to be guided by the spirit of the Leningrad Agreement in the two-step process contemplated.

The first step, that of raising rates, is uniquely within the control of the Soviet carriers, and the unilateral action that will satisfy this undertaking will, of course, also signal good faith at the outset. In my discussions in Europe following announcement of the agreement, it was clear that some of those with whom I spoke had scrutinized this provision word by word with painstaking care, much as a gemologist studies the refraction patterns of a diamond prior to cleaving. I commend them for their semantic diligence, but they missed the point. Upward adjustment of rates pursuant to the agreement is to be undertaken as an interim measure only, since ultimate conference membership will, perforce, make the conference tariff applicable to Soviet rates. Therefore, while a great many "what ifs" can readily be postulated, to do so is to lose sight of the forest for the trees.

We should begin seeing some activity soon in response to this upward rate adjustment undertaking, since we are about to forward to the Soviet Ministry of Merchant Marine the first installment of data that will indicate, on a commodity and trade basis, exactly where and by what amount rate increases will be required. Follow-on data of the same nature will be forwarded, as it is developed, for appropriate action—with due regard, of course, for some instances where a legitimate contract rate will have to be permitted to run its course.

I contemplate also that the Soviet carriers will enter negotiations promptly with the conferences involved, without waiting until the "Phase I" rate actions are completed. I expect all carriers involved, both Soviet and non-Soviet, to enter those negotiations in a spirit of cooperation and with an open mind, since that is the standard upon which the agreement is based.

Some concern has been expressed, both here and abroad, that the Leningrad Agreement has resulted in demise of the "controlled carrier" bill, and if, as those who express such concern expect, the Soviets do not abide by the terms of the agreement, we will be left without any recourse at all in the face of predatory competition by Soviet carriers in our ocean trades. With all due respect to the scoffers, the skeptics and the hand-wringers, who undoubtedly are sincere in their belief that I've been rolled by the Russians, I don't see the scenario developing that way.

The controlled carrier legislation is by no means dead. Rather, the Congress has merely suspended active consideration of that bill, contingent upon demonstrable progress within a reasonable period of time towards implementation of the terms of the agreement. Absent such progress, I have absolutely no doubt that the Congress will return quickly to action on the bill. Indeed, I will be among the first to recommend that course. I have not the slightest reluctance to admit that I "got took," if the fears of those who are critical of the agreement on that score are borne out, and to acknowledge that a legislative solution is needed after all. If I were concerned about "image," I would never have stuck my neck out in the first place.

As a matter of fact, I am reasonably certain that failure by the Soviets to pursue the undertakings stated in the agreement will result in amendments to make the bill even more stringent than it now is. At the very least, the proponents of "soft line" legislation—or of no legislation at all—will find themselves with a serious credibility problem. And that includes the Soviets.

In this connection, Art Novacek, President of the recently formed Morflot America Shipping Inc., commented before the Oakland World Trade Club on July 28 that—

". . . to expect Fesco or any other Soviet line to compete on equal terms even with other nonconference lines is something which simply cannot happen overnight."

He went on to ask, rhetorically—

"How can Fesco immediately bring their rates into line with others in the trade until positive results have been clearly demonstrated in the elimination of malpractices by conference and non-conference lines alike?"

Those statements reflect, I hope, no more than unfamiliarity with both the letter and the spirt of the Leningrad Agreement. I am comforted somewhat by Mr. Novacek's acknowledgement that—

". . . we at Moram have received no specific instructions from our principals as to what actions if any are to be taken by our company."

I am further comforted by the fact that the Soviet carriers are not in any event looking to Mr. Novacek for their instructions. As he said:

"We are . . . agents and do not completely manage the services we represent."

I dwell on Mr. Novacek's remarks for only one reason. They exemplify the kind of communication problems that are inevitable when one introduces new concepts into any relationship, particularly one of a commercial nature. Undoubtedly, others will arise, on both sides. It is important, therefore, that caution be exercised in drawing invidious inferences or conclusions about motivations or intent.

Fortunately, there is an objective standard for measuring each of the Soviet undertakings in the Leningrad Agreement—action. I can assure you, no one will be keeping a closer eye than the Commission on progress under the agreement—and on the good faith of all upon whom that progress is contingent.

VOTING RECORD OF CONGRESSMAN JONATHAN B. BINGHAM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. BINGHAM. Mr. Speaker, over the past several weeks I missed two rollcall votes. I wish to record here what my position would have been had I been recorded as voting:

Rollcall No. 454, motion to adopt Miller amendment to H.R. 14232—cutting HEW appropriation by 5 percent; "no."

Rollcall No. 604, motion to pass H.R. 4634, re firefighters' workweek, "yea."

DIVESTITURE AN UNWISE COURSE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. FORSYTHE. Mr. Speaker, congressional and public interest in the divestiture of oil companies is a result of the past oil embargo which created petroleum shortages and an overall mistrust of big business.

I do not believe, however, that one can automatically categorize all big businesses as being bad for our economy and I would not label the oil industry in such a manner.

Opponents of big oil companies believe that oil companies are highly concentrated in all phases of petroleum production, thus enabling them to limit the size and scope of their competition as well as enabling them to dictate price levels for the industry.

The fact is, however, that the oil industry is less concentrated, on an average, than the manufacturing industry. While the top four oil companies control 33 percent of the U.S. refinery output, the top four motor vehicle producers control 92 percent of their industry's output.

I have found that the proponents of divestiture believe that the oil industry is, besides being highly concentrated, forcing the independent gasoline sellers out of the market and, due to their high degree of vertical and horizontal integration, monopolizing the industry's competition.

Again, research shows that these concerns are not substantiated by the evidence. In the first instance, the concerns of divestiture proponents that the major oil companies' share of gasoline sales are increasing at the expense of the independents in the industry is, by even the Federal Trade Commission's and the Federal Energy Administration's evidence, unfounded. Indeed, there has been little evidence that suggest that gas sales are being dominated by the major oil companies. Instead, quite the reverse has been found in that gasoline sales have been dominated by the independent marketers.

Perhaps the major reason for divestiture is a belief that the degree of vertical integration in the major oil companies is stifling competition. It must be noted, however, that vertical integration is not an illegal practice. It is a standard practice aimed at obtaining a high degree of efficiency.

The case is also made that vertical integration is monopolistic and that divestiture of the major oil companies would result in a drop in prices. But evidence does not support this theory. In fact, academic studies have shown that all phases of the oil industry are more competitive on an overall average than other industries. Also, since even the most concentrated oil firm is not entirely self-sufficient, there is still plenty of room for lively competition.

To say, therefore, that divestiture, aimed at vertical disintegration, would create more competition is to assume that there is not a healthy amount of competition already present. Again, studies have shown that there are many more industries with higher degrees of concentration than the oil industry.

Another major reason for divestiture, say its proponents, is that when these companies move into other areas of energy, a process called horizontal integration, they try and undermine attempts at finding alternative energy sources. Why would the major oil companies try and undermine their stranglehold on the energy market, question the proponents of divestiture.

As I have already stated, however, the major oil firms are not highly concentrated and still must purchase crude oil from foreign markets at high prices. It seems fairly clear that companies would want to seek out alternatives that they could profit by.

Even if horizontal integration was prevalent in the major oil industries—in fact, only 33 percent of the petroleum industry is horizontally concentrated as opposed to 39 percent of the manufacturing industry—we could still realize greater advantages from the combined technological knowledge of various energy related companies than disadvantages.

Divestiture, then, is, I feel, an unwise course to embark on. It is the result of political pressures against big business without concern for the effects on our economy. Various economic study panels point to a 7-year loss in our GNP of approximately $63.5 billion and an addition to our already swelled unemployment figures of 200,000 to 300,000 people per year until 1983 when the growth on our GNP will be sufficient enough to erase this added unemployment.

More importantly, divestiture of the major oil companies is patently unnecessary. The major oil companies have not been shown to run a monopoly. They have not been shown to be forcing independents out of the market, and lastly, divestiture would sharply decrease the efficiency of the oil industry and send it into a state of confusion resulting in indeterminable wastes, delays, and costs of our energy supplies.

A GOLDEN ANNIVERSARY IN SCOUTING

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. YATRON. Mr. Speaker, on August 29, Boy Scout Troop 91 of Frackville, Pa., sponsored by St. Peter's United Church of Christ, will celebrate its 50th year in scouting.

Also celebrating a very special anniversary is Walter Bradbury, nicknamed "Scotty", who is celebrating his 50th year in scouting.

Scotty Bradbury was one of the original scouts when Troop 91's charter was renewed by St. Peter's Church in 1926 and maintained ever since.

In 1937 Scotty assumed the Scoutmaster's duties and has served in that capacity without interruption. Scoutmaster Bradbury also has the distinction of being Frackville's first Eagle Scout, an honor which he achieved in 1931. He also received scouting's highest award to a layman, "The Silver Beaver."

Scouting instills the high ideals of citizenship and individual achievement. I join the Frackville community and the entire Sixth Congressional District in offering St. Peter's United Church of Christ, Troop 91 and Walter Bradbury my most sincere and heartiest congratulations.

REPORT ON CONFERENCE AT SOVIET EMBASSY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. ROSENTHAL. Mr. Speaker, on August 12, Congressman ROBERT F. DRINAN and I met with officials at the Soviet Embassy to discuss the persecution of Jews in the Soviet Union. We bore a petition, signed by 91 Congressmen, calling on Secretary Leonid Brezhnev to free Jewish "Prisoners of Conscience" and allow them to emigrate to Israel. The petition was written by Jews inside the Soviet Union and smuggled to the West, where a campaign is under way to append 1 million signatures.

Although the Embassy staff had previously indicated that we would be denied entrance, Mr. DRINAN and I were admitted and allowed to meet with two Soviet envoys. They were obviously familiar with the petition, but refused to accept or even look at it.

The two officials, denouncing the petition as "crudely worded" and "an insult" to the Soviet Union, contended that it interfered in Soviet internal affairs. They expressed surprise that Members of Congress would join in such an appeal. The envoys claimed that their Government would never interfere in American affairs by protesting, for example, the high rate of unemployment in the United States.

Mr. DRINAN and I insisted that Soviet religious persecution was so longer an internal affair, since the Helsinki accord had made it a matter of worldwide concern. By subscribing to international guarantees of human rights, the Soviet Union had opened itself to outside scrutiny. We added that the Soviet Union and other nations should feel free to comment on civil liberties in the United States.

The envoys went on to discuss with us the substance of our appeal. They claimed that the Soviet Union did not discriminate against Jews, and that outsiders were attempting to gain special treatment for them. They cited as an example the 1970 Leningrad trials, in which Jews trying to escape from the Soviet Union were convicted for airplane hijacking. Because this incident was similar to other hijackings, the officials claimed, the Jews involved deserved the standard punishment.

Congressman DRINAN and I pointed out, to the contrary, that the Leningrad trials were politically-inspired and hinged on unproven allegations of a "Jewish plot." We stressed that by denying people freedom of movement, the Soviets were violating key provisions of the Helsinki accord.

Mr. Speaker, the behavior of the two envoys convinced me that Soviet officials are extremely sensitive to public pressure, especially when it comes from the Congress. The petition campaign, and the presence of several reporters outside the Embassy gates, visibly disturbed the officials. The exposure of Soviet anti-Semitism is a matter of serious concern to the regime.

It is clear, Mr. Speaker, that public protests are useful in easing Soviet repression of dissidents, Jews and other minorities. The petition made the Kremlin and the world aware that a fourth of the House of Representatives strongly objects to Soviet persecution of Jews. Such continued expressions of our concern are vital if we are to gain Soviet compliance with the Helsinki accord.

The text of my letter to Secretary Brezhnev transmitting the petition follows:

AUGUST 12, 1976.

His Excellency, LEONID BREZHNEV,
First Secretary, CPSU,
The Kremlin,
Moscow, U.S.S.R.

YOUR EXCELLENCY: Congressman Robert F. Drinan and I attempted earlier today to deliver to the Soviet Embassy a petition for transmittal to you. It is signed by 91 members of the House of Representatives and calls on the Soviet Union to respect the Helsinki Accord by releasing from prison and granting exit visas to Jews jailed for seeking to emigrate. The signatories represent all areas of our nation and both political parties, as well as most members of the Committee on International Relations and all six House members of the United States Commission on Security and Cooperation in Europe.

As the petition indicates, Members of Congress are deeply concerned over the treatment of Jews by the Soviet government. As officials involved in determining future economic and political relations between our countries, we shall note with interest your response to this plea for fundamental human rights for Soviet Jews.

Since the staff of your embassy refused to accept the petition. I am mailing it to you in the hope that you will give it your fullest consideration.

With best wishes.

Sincerely,

——— ———.

PERSONAL EXPLANATION

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. DU PONT. Mr. Speaker, August 23 I had to return to Delaware on business and missed a recorded vote in the House. Had I been present, I would have voted "no" on rollcall No. 643.

LITTLE HOPE FOR RIGHTS IN INDIA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mrs. SCHROEDER. Mr. Speaker, for the last two issues, I have inserted in the RECORD two articles on political repression in India by Prof. Ved Nanda, professor of international law at the University of Denver. I would like today to round out the series with a final editorial on the curtailment of rights in India.

[From the Rocky Mountain News, Sunday, June 27, 1976]

LITTLE HOPE FOR RIGHTS IN INDIA

(By Ved P. Nanda)

On the first anniversary of Indira Gandhi's dictatorship, friends and well-wishers' of India find little hope for the restoration of civil and political rights there in the near future.

Even those who had initially described the "emergency" as an aberration and had predicted that it would be short-lived now concede that events have proven them wrong, for there seems to be no end in sight for repressive governmental measures.

The first anniversary of the loss of democracy in free India (India became independent in 1947) seems an appropriate time to reflect on questions such as: What significant changes have taken place in India in the past year? What are the immediate and long-term effects of these changes? Will democracy return to India in the foreseeable future?

The June 26 editions of the daily newspapers in India this year compared with last year will show notable differences on the Indian political scene:

The opposition parties so vocal last year in demanding Indira Gandhi's resignation have been silenced, their voices muffled, most of their leaders either in jail or underground.

The once lively and often irreverent commentaries which were considered the hallmark of Indian journalism have disappeared, thanks to stringent and ruthless government censorship.

The only events considered newsworthy today are those which center around Indira Gandhi, her son Sanjay, and her faithful followers in the ruling Congress party.

Truly significant political events have received scant attention in the Indian press since last June 26. Shackled by censorship, newspapers failed to highlight:

A country-wide passive resistance movement (Satyagraha) launched by the united opposition in defiance of the government's ban on demonstrations, which sent 60,000 to 75,000 volunteers to Indian jails.

The number of "detainees" under the government's repressive laws and ordinances, and the number of volunteers who courted arrests to protest the government policies. The total number has been estimated by impartial observers to be between 100,000 and 150,000.

Torture and mistreatment of prisoners and "detainees" in police stations and jails, already verified by independent observers, and reported to the Secretary General of the United Nations.

Harassment of families and friends, and confiscation of property of those associated with opposition political parties.

Numerous efforts on the part of former associates of Indira Gandhi's father, Jawaharlal Nehru, and Mahatma Gandhi (no relation) to persuade her to "enter into a dialogue" with the opposition political parties. All these efforts have thus far proved futile because of lack of interest on the part of Indira Gandhi.

That national elections scheduled to be held last March were postponed, and constitutional amendments have been adopted which drastically curtail human rights and seriously undermine the role of the judiciary. Further constitutional changes, presently under consideration, would strengthen the already too powerful executive branch of the government and, for all practical purposes, institutionalize the "emergency."

Those justifying Indira Gandhi's dictatorship contend that democracy is a luxury which a poor country such as India, with a high percentage of illiteracy, can ill afford. Notwithstanding the embarrassing images it conjures of Mussolini's days, Indira Gandhi's competency in making trains run on time is offered to prove that because of the "emergency," people are more disciplined today.

The so-called economic and social reforms attributed by the government to the "emergency" have only superficial relationship to the country's basic needs—to remove poverty and gross inequities. The much-publicized 20-point economic program—Indira Gandhi's "New Deal"—has offered little more than very attractive slogans to the strata of society suffering from the humiliation of poverty—the slum dweller, the unemployed, the small farmer, and the agricultural laborer.

Although crops were bountiful, inflation was halted, some agricultural prices even fell, and India built a 20-million-ton buffer stock of grains, credit is owed to timely monsoons, not to the imposition of the "emergency."

Strikes and bonuses in the industrial sector are outlawed. This has pleased the industrialists, who are getting richer and are sharing their riches with the ruling Congress party by making huge contributions to designated charities which serve as the conduit to the Congress party coffers.

Two recent events show the arbitrary use of power run amok, reportedly under Sanjay's direction. The first was a slum clearing operation, which uprooted thousands of poor in Delhi and Bombay. Forcibly loaded into trucks, their huts razed, these people were "rehabilitated" at a distance of 20 to 30 miles away from the city, far away from the source of their livelihood. There were demonstrations and protests, but in the absence of any effective political opposition, the government had its way.

The second event occurred last spring when groups of men, including some newlyweds, in a Moslem neighborhood in Delhi were herded into trucks for compulsory sterilization. Riots broke out, the police fired shots, killing and wounding dozens. The government was eventually compelled to rethink its policy.

How have the "emergency" and the subsequent changes affected the people in India?

Initially, people living in the cities, especially those who are politically active, were stunned by the suddenness of the events. Fear was widespread, but not long lasting. By the end of December, when I left India after a three-week visit, the "emergency" no longer elicited fear. Instead, it was considered by most people as an unnecessary nuisance.

A majority of the people in villages are apathetic. Ever since 1947 when India became independent, villagers were never given a chance to be active participants in decisionmaking by the ruling Congress party which has been continuously in power.

The greatest hazard of Indira Gandhi's actions lies in settling into molton forces which she or her successor may not be able to control.

For example, the Indian military forces which have so far maintained a nonpolitical stance may seek to emulate the role of the armed forces in many developing countries in Asia, Africa and Latin America.

If discipline is the key word, who, after all, is more disciplined than the military? In addition, the military will have a ready-made rationale for a takeover, the one used by Indira Gandhi herself—maintenance of security and stability in India. To halt the free flow of information, to outlaw and silence political opposition, all that is needed is brute, naked force. But, once democracy is stifled and human rights crushed, it is an uphill task to re-establish democratic traditions. That is why the imposition of the "emergency" by Indira Gandhi is an unforgivable act.

In the long run, however, she may have unwittingly performed a valuable service for India. The tragedy of India has demonstrated the need for an ever-vigilant populace which cherishes individual freedom, values human rights, and will tolerate no encroachment on these rights.

She has also shown the need to build strong democratic traditions and institutions in India, a task the ruling Congress party has completely ignored.

The most promising prospect on India's political horizon is the merger of various non-Marxist political parties into a united party. It could offer a viable alternative to the ruling Congress party if and when elections are held.

Any discussion of India's return to democracy is highly speculative. At present, India has to be described as a police state. Indira Gandhi is not likely to give up power voluntarily. The political opposition in India is mobilizing public opinion to force Gandhi to enter into a dialogue with the opposition.

The underground in India is reportedly gathering momentum. It has pledged to remain nonviolent. It is willing to make sacrifices to achieve its goal of the restoration of democracy in the first instance, to be followed by the implementation of a reform program it has recently outlined.

Silence on the part of those who care for individual freedom and liberty and human dignity is often considered a license by the oppressor. India's friends abroad cannot afford to be silent. And international public opinion, while admittedly fragile, can play a most useful role in putting pressure on Indira Gandhi's government to relent to halt and even reverse the current use of repressive policies.

BOB SIEVERS, A REMARKABLE MAN

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. ROUSH. Mr. Speaker, I would like to extend my congratulations to Mr. Bob Sievers, who is celebrating his 40th anniversary at WOWO radio in Fort Wayne, Ind. Bob and I have been friends for many years, even before I became the Congressman for the Fourth District in Indiana.

We have participated in many civic activities together, and I have found Bob well-representative of the people he serves. In many respects Bob's job is similar to mine. His job is to meet the needs of his listening audience. He has done this and has done it well for 40 years. I find that he knows the feelings of many of us in the heartland of America. Bob is aware of our feelings and needs and expresses them through his particular medium, which happens to be radio.

I wish I could be with him on Thursday to help celebrate his anniversary. I do thank him for the contributions he has made, and wish him the very best as he continues his service at WOWO.

THE INSTITUTE FOR POLICY STUDIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. McDONALD. Mr. Speaker, the Institute for Policy Studies—IPS—is a consortium of Marxist New Leftists pushing for a socialist America by a variety of tactics. One tactic involves a sort of lobbying or subversion from the top by which the institute attempts to gain influence in Congress through seminars for staff aides and direct contacts with legislators. Another tactic involves attempting to break down the political and economic fabric of society into community-based collectives which would own and operate all property and resources in an area. IPS fellow Milton Kotler and the Alliance for Neighborhood Government project are organizing along those lines.

The Institute for Policy Studies has never discounted the role of violence and terrorism in what it terms "social change." In the 1960's and 1970's, the institute numbered among its staffers—"fellows" is IPS' term—known contacts of the terrorist Weather Underground such as Andrew Kopkind and Robert "Bo" Burlingham, the Algerian terrorist Cheriff Guellal, assorted Castroites like the propagandist Saul Landau, and other revolutionaries such as Eqbal Ahmad.

That the institute devised and circulated the scenario for the 1971 May Day disruptions which attempted to blockade the streets and shut down the Government. IPS currently has among its leading "fellows" an admitted Communist Party, USA, member, Paul Jacobs; Roberta Salper is a member of the Central Committee—U.S. Zone—of the Castroite Communist Puerto Rican Socialist Party and PSP leaders have openly supported the terrorist FALN which evidence indicates is the armed branch of the PSP; and Tariq Ali, head of the Trotskyist Fourth International's British section, the international Marxist group, which is working closely with the Trotskyist Saor Eire terrorist gang in Ireland.

Barrons, the national business and financial weekly, has begun a very well-researched series of articles on the Institute for Policy Studies and its subsidiaries by David Kelley. Mr. Kelley incisively reveals the semantic subterfuges used by the institute to camouflage its Marxist orientation. Part one of his article (Barron's, August 23, 1976) follows:

For Socialist Alternatives—A Radical Think Tank Is Working Within the System

(By David Kelley)

From an office in Washington, D.C., the Vietnam Moratorium of 1969 was organized by a 26-year-old New Leftist named Sam Brown, who spent the summer planning the demonstrations that erupted in Washington and other cities that fall. Today, Mr. Brown occupies a different office, and engages in another kind of planning: he is Treasurer of the State of Colorado.

What is a 'Sixties radical doing in a post like that? Why did he abandon political confrontation for the intricacies of finance? The answer lies in the altered character of the Left. Brown's transformation from activist to accountant illustrates a major change in direction which the Movement, in the past half decade, has undergone.

From cases like this, it is often supposed that the New Left is going respectable. There is a measure of truth to the view. Since the end of the Vietnam war, attention has largely shifted to issues of the domestic economy. And the new society which the left envisions is being sought, not through confrontation or revolution, but through piecemeal changes in institutions. They are working within the system, often at the state and local level—in pursuit, apparently, not of communism or socialism, but of "alternatives."

CHANGE IN STRATEGY

This change in strategy, however, tends to obscure an underlying continuity in purpose, which is still to bring about a socialist society, with community ownership and control of all resources. It also obscures the kind of power which the Left now can deploy, inside the system, to achieve its goal.

The Movement has no head, but it does have a center: the Institute for Policy Studies, a Washington, D.C., research organization. IPS serves as a source of funds, and a clearing-house of ideas, for a network of organizations across the country; it numbers many well-known academics among its friends and Fellows; it boasts frequent contact with the more liberal members of Congress. Paul Dickson, author of *Think, Tanks,* called it "the Movement's Establishment." A staffer at a sister organization in Cambridge, Mass., describes it as "a Left public policy old-boy network."

The Institute was founded in 1963 by Marcus Raskin and Richard Barnet, who have been co-directors ever since. Its purpose, according to an early brochure, was "to carry on research on key problems of public policy and American civilization under conditions permitting close contact with the policy-making process."

SERVED ON GOVERNMENT STAFFS

Among the latter was the fact that many at the Institute—including Raskin, Barnet, Senior Fellow Arthur Waskow, and other Fellows—had served on Congressional and Executive staffs. Richard Kaufman, Associate Fellow of the Institute, simultaneously held down a job as staff economist for the Joint Economic Committee in Congress.

The Institute's activities covered a broad range. Raskin had served as aide to McGeorge Bundy on the staff of the National Security Council; Barnet had worked for the U.S. Arms Control & Disarmament Agency; correspondingly, a heavy emphasis at IPS was defense policy and national security.

Community economic development was, and remains, of particular concern to the Institute, as the centerpiece of what it calls decentralized socialism. Thus, in 1968–69, IPS Fellow Gar Alperovitz headed a task force "to devise new strategies of regional development based on the concept of the people of a region as a body corporate, able to own, develop, and hold industry on behalf of all the people." The Institute also worked with the Office of Economic Opportunity, then in its heyday, on community organizing.

ANTI-WAR DEMONSTRATIONS

Members also participated in the activism of the day. Waskow regularly took part in anti-war and other demonstrations; he helped plan the demonstrations at the Democratic National Convention in 1968. When the "Chicago 7" were indicted for conspiring to incite to riot, Institute members Raskin, Waskow, Alperovitz, Paul Goodman, and Christopher Jencks joined the Committee to Defend the Conspiracy. In November 1960, co-director Richard Barnet spoke in Hanoi condemning U.S. "aggression" in Vietnam.

Things are quieter today. True, channels between the respectable and the violent Left remain open. For example, Tariq Ali is a Fellow of the Institute's overseas branch, the Transnational Institute; he is also a member of the United Secretariat of the Trotskyite Fourth International, which maintains contacts with terrorist groups worldwide. (An Argentine affiliate, the ERP, has committed a number of kidnappings and assassinations; Argentine police allege that $100,000 from one ransom was given to Livio Maitan of the United Secretariat.) In an interview on the Canadian Television network, Ali kept an open mind about using violence: "I would say that this is largely a tactical question, depending precisely on the degree of opposition we encounter in our struggle for socialism."

At home, co-director Raskin is a member of the Advisory Board of the Organizing Committee for the Fifth Estate, a radical group organized to counter the intelligence services; last fall, for example, its publication *Counterspy* published lists of CIA agents, one of whom was murdered shortly thereafter in Athens.

USHERING IN A NEW SOCIETY

Moreover, the goal, as Dickson described it, remains that of "ushering in the new society (and) doing what it can to hasten the demise of the present one." But the means, by and large, are peaceful.

As Raskin explained in an interview: "There are three basic modes that one would follow at this point in transformation (of society). One is the development of places like the Institute, that would turn out ideas, planning, practices. . . ." Contrary to the pragmatists of other schools of thought, Raskin emphasizes the power of ideas: "This country and modern nations run on ideas to a large extent." As a consequence, the Institute's theoretical products—made possible by grants from the Ford Foundation, the Stern Fund, DJB Foundation and others—are its most important tools for change.

Moreover, Raskin told us, the Left must put its ideas into practice in small-scale, local experiments. Finally, "on the political level, you have to develop a sense that there are groups within the organized political structure—Congress or the Executive—who are interested in such ideas. Otherwise no real political transformation can occur."

On the level of ideas, IPS and affiliated groups have turned out a profusion of books, studies and articles, as well as a 227-page draft prospectus for an *Encyclopedia of Social Reconstruction,* and a quarterly journal, *Working Papers* (published by the Center for the Study of Public Policy, an offshoot of IPS). From this material, together with interviews, one may draw the outlines of political philosophy.

What makes the New Left new, as opposed to the old Left, is its pursuit of decentralization. In traditional Marxist theory, the process of production is viewed as collective, on the sole ground that cooperation is involved. Because the process is collective, goes the theory, society as a whole should own and control the means of production, and distribute the product equally. The old Left held that this should be done through the national government.

In practice, however, nationalization of a whole economy creates a massive bureaucracy. Besides crippling the economy, the bureaucracy frustrates the original goal of the Left: collective planning and decision-making. A bureaucracy, after all, is run from the top.

Instead of concluding that a full-scale economy could not be be run collectively, and turning to the free market, the New Left concluded that collectivism would not work for a whole economy. It embraced smaller economic units in which such an approach might work.

Thus, in the past decade, radicals have campaigned against big business and big government alike, under the banner of "participatory democracy." The key word—participation—had a double meaning. For many on the Left, participation in the life of a group, in discussion and collective action, is an end in itself, an expression of what they see as the individual's dependence on the group.

APPLYING IT TO EDUCATION

In an IPS essay, Raskin dramatized this principle of dependence by applying it to education: "'Cheating' should be encouraged in the Universities. We must clarify the obvious, that none of us learns alone, thinks and acts and creates without others participating . . . knowledge and learning is (sic) not a privatistic activity."

Participatory democracy is also seen as a means of reaching collective decisions about the use of economic resources. As Raskin put it, the goal is to "use the productive wealth of the society for the people in the best possible way. And the way you define the best way is through dialogue and through modes of community participation and organization, on the ward level, on the village level, on the city level."

That doesn't happen in Russia. Nor can it happen in any unit the size of a nation. Hence, for the New Left, the goal is a radically decentralized economy, in which everyone can literally come together—and participate.

However decentralized, the economic units in New Left ideology are not the individuals of capitalist theory, but communities. Indeed, the purpose of decentralization is precisely to make socialism work. As Alperovitz himself put it in a 1972 essay, the goal is to maintain "*both* the socialist vision *and* the decentralist ideal."

LARGE-SCALE TECHNOLOGY

Another motive for decentralized socialism is the New Left's campaign against large-scale technology. The old Left, claiming that socialism is better suited than capitalism to such technology, boasted that socialist states would soon outpace their capitalist competitors in the growth of heavy industry. The Soviet Union starved its people for decades trying to prove the point.

But all this has changed for the New Leftists, who are pushing what Ayn Rand has described as the "anti-Industrial Revolution." The sins of technology, as they see it, are many. Most widely publicized is the claim that technology spawns massive pollution and wastes scarce natural resources, evils which they insist cannot be cured by technology itself. Behind these charges is another, more basic: that advanced technology is too complex for everyone to understand and make decisions about; it requires specialization. There is a feeling in the literature that people can't cope with the present scale of things; even a trace of paranoia that corporations deliberately "mystify" their technological operations to keep the populace in awe. Whatever the reasons, the result is the same. Decentralization is seen as the only way to guarantee simpler technology and keep out large-scale industry.

So much for the abstract vision; the chief work of the Institute has been to spell it out in more detail, so that concrete steps can be taken toward realizing it. Most importantly, the Institute has sought ways to strengthen local community government, and to expand its powers over local economic activity.

Under the aegis of the Office of Economic Opportunity, the federal poverty program in the 'Sixties spawned the concept of community development corporations (CDCs). These are private, non-profit organizations, often led by radicals; they are designed to provide economic services to members of a community, and in theory are open to all who wish to join. CDCs have received millions in aid from OEO and the Model Cities program.

IPS Fellow Milton Kotler suggested, in his *Neighborhood Government* (1969), that such corporations could expand their powers to the point at which they function as governments. In particular, he recommended that they be given the power to tax; to regulate business within the boundaries of the neighborhood they serve; and to acquire property by eminent domain. In this way, miniature socialist states could grow within the existing political structure.

Hand-in-hand with this political aim, the Institute also is trying to find "alternative," small-scale technologies to replace today's complex industries. IPS Associate Fellow Karl Hess, for example, has come up with a number of ideas, from plastic-bodied electric cars to urban trout farms.

The *Encyclopedia* prospectus contains an extreme, but revealing, sketch of a local energy system. "We look forward to the time when communities within a region will produce energy for the people at little or no cost. . . . The energy will be produced and disseminated through small-scale technology. . . . The people in each community will understand everything about their energy system. . . . We simply would have got rid of most of the extra high-voltage wires strung around the country; closed up the coal mines, oil and gas fields; taken down oil refineries and much of the petrochemical establishment."

MITIGATE THESE INFLUENCES

For the moment, however, self-sufficiency of this sort is seen as impossible; local economies are too much influenced by wider forces in the national and world economies. The task of finding national policies to mitigate these influences has been taken up especially by Alperovitz.

After leaving IPS in 1969 to found a sister organization, the Cambridge Institute, Alperovitz returned to Washington three years ago to form the Exploratory Project for Economic Alternatives, of which he and Jeff Faux, a former OEO official, are co-directors. EPEA is funded by a consortium of foundations—the John Hay Whitney and the Stern Fund are major sources with the Rockefeller Foundation and a group of smaller radical foundations also contributing—and its purpose is a long report on economic trends in the next 25 years.

According to Alperovitz, these trends will radically alter the economy, and they call for national planning to deal with them. Unlike liberal planners, however, he wants the national plan to arise organically from local community plans, based on community perceptions of their own priorities.

In a background paper for a National Democratic Issues Conference last November, Faux and Alperovitz recommended, among other things, federal allocation of credit; worker and community representation on corporate boards; and the use of public job programs, such as those in the Humphrey-Hawkins bill now before Congress, which not only would give everyone a right to a job, but also would allow the federal government to create employment in communities that are losing it.

Of these approaches, the most important for the long run is public allocation of capital, which has become a key objective of the New Left. The focus is understandable. Despite a myriad of government regulations, the driving forces of the economy are still private decisions on the investment of privately owned capital. As a result, the system basically remains one of production for profit and employment by voluntary contract—two features opposed by the Left, which favors production by and for the group.

Conversely, the most effective way to eliminate private enterprise without open force is to starve it of capital. Toward this end, the Left has conceived and launched a variety of measures at the state and local, as well as the national, levels to increase government control of capital.

CHIEF OBSTACLE

The chief obstacle to decentralized socialism, in all these areas, is the large corporation; much of the literature is a catalog of its alleged evils. The basic complaint is that the corporation is run by private individuals, with private purposes, though its effects are society-wide.

In a paper described as a "management briefing" for the American Management Associations, IPS co-director Barnet claimed that "having amassed such power that whole communities are dependent upon it, the global corporation is not just another piece of private property. It is a social institution and should be treated as one."

At the heart of the claim is the belief, often stated, that corporations wield enormous economic power, with coercive effects on workers and consumers. Evidence for the belief is harder to come by. Against the corporations' defense that they are governed ultimately by consumer choices in the market, for example, Barnet cites only "a growing feeling among Americans that goods are becoming shoddier . . . and that there is very little that the consumer can do about it."

Another charge against the corporation, emphasized by Alperovitz, is that it is based inherently on growth—it "must operate to push sales and consumption and resource use as its inherent dynamic"—in a world he feels is running out of resources.

MUST BE CURTAILED

A final shortcoming of the large corporation is its control of capital, inasmuch as the bulk of investment capital exists in the form of retained corporate earnings. Such private control, says Leonard Rodberg in an essay for an IPS study requested by a group of House Democrats, is incompatible with the health of society, and must be curtailed. "One can imagine many different ways of asserting public control over the uses of private capital, ranging from regulation . . . to taxation . . . to outright nationalization."

As another step against the corporation, Barnet recommends (in his book *Global Reach*) mandatory disclosure, not only to the federal government but also to any local government where plants are located. "The books of global corporations—that is to say *all* sets—ought to be public documents." And the Institute seconds the motions popularized by Ralph Nader, such as public and worker representation on corporate boards, and federal chartering of larger companies (Barron's, May 24).

Other alternatives are less direct. "Another approach to controlling corporate power—complementary to Nader's legal strategy," writes Derek Shearer in *Working Papers* "is to set up countervailing public economic power in the form of competitive public enterprise." Such enterprises, favored by the Left for their own sake, also serve to shrink the capital available to private firms; and they can use legal privileges, such as tax exemption, to put competitive pressures on the private sector.

TO SAVE A LIFE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. HUGHES. Mr. Speaker, once again this year two residents in my congressional district have been selected by the American National Red Cross to receive its highest award—the Red Cross Certificate of Merit and accompanying pin—for utilizing the volunteer training they have received to save a life at one of our south Jersey beach resorts.

My congratulations and highest commendation to Patrolmen Pasquale R. LaRosa and Ralph L. McCann, both from Sea Isle City, N.J., for the recognition they so richly deserve. The certificate bears the original signatures of the President of the United States, Honorary Chairman, and Frank Stanton, chairman of the American National Red Cross. The award presentation is being arranged by the Cape May County Chapter of the American National Red Cross in Cape May.

On August 13, 1975, Patrolmen LaRosa and McCann, trained in Red Cross first aid, were among the officers summoned to investigate a possible drowning at Strathmere Beach. Upon arriving at the beach, they encountered a body at the water's edge and assisted in removing the victim from the water. The two officers then participated in attempts to resuscitate the victim and succeeded in sustaining his life during the entire time from their appearance at the scene to their arrival at the hospital. Without doubt, the persistent efforts of Patrolmen LaRosa and McCann were responsible for saving the life of the victim until medical help could be obtained.

The recitation of their heroic efforts, detailed to me by Mr. George M. Elsey, president of the American National Red Cross, does, indeed, exemplify "the highest ideals of the concern of one human being for another who is in distress." I am proud to take this moment to share with the many readers of the CONGRESSIONAL RECORD this display of appreciation to Patrolmen LaRosa and McCann.

THE RESCUE AT ENTEBBE: A LESSON TO BE PONDERED

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. BROOMFIELD. Mr. Speaker, once every so often in the course of human events, something occurs that epitomizes the very best and the very worst that mankind has to offer. Such an event occurred on July 4, 1976, when an heroic band of Israelis in a brilliant and incredible display of daring, intelligence, determination, and self-sacrifice rescued 100 Jewish hostages that were being held by fanatical kidnapers at the airport in Entebbe, Uganda.

Israel's Prime Minister Rabin put it best when he termed it "an act that will be remembered in story and legend for centuries to come." Adding to the impact upon this country of this unbelievable episode was the fact that it occurred on the 200th anniversary of an American Declaration of Independence that expressed a concern for the basic human rights that underscored the courageous deeds at Entebbe.

Over the past few weeks, countless words have been uttered and written about the unprecedented Entebbe operations, but none so aptly captured the import of this brave chapter in Israeli history as those delivered in a recent sermon by Rabbi Irwin Groner of Congregation Shaarey Zedek in Southfield, Mich. Consequently, Mr. Speaker, I respectfully request your permission to insert at this point in the RECORD, the body of Rabbi Groner's address for the benefit and attention of my colleagues:

SERMON BY RABBI IRWIN GRONER, JULY 17, 1976, PINCHAS

Having been away from the city for the last two weeks, I have not had occasion to speak with you about the dramatic episode involved in the rescue of 100 Jewish hostages in Uganda. I take that opportunity this morning. I believe that this story is becoming a saga of the Jewish people like the tales of valor of the Maccabees of old, like the stories of Jewish heroism in the Warsaw ghetto in our generation. Therefore, it is incumbent upon us, as both a privilege and a responsibility, to recount and rehearse this event of Jewish bravery.

It took place on the 200th anniversary of American Independence, on July 4, at the Entebbe Airport in Uganda. It is important to note the conditions that prevailed before the rescue.

Israel was alone in its concern and distress. The highjacked plane belonged to the French government, but that government was lethargic and timed in its efforts. There were no meetings of the Security Council. There was no expression of outrage by African nations. There were no urgent appeals by moral leaders to the international community. There was no statement by the Vatican. Indeed, the institutions of international law and justice did not demonstrate any activity in the interest of freeing the captives.

It had already become apparent that the government of Uganda had aided the highjackers. It had also become apparent that the demands for the release of the prisoners were unreasonable.

We note that no demands of kidnapers can ever be considered reasonable or just. But, at least, in the beginning there was some reason to believe that once the terms had been met, the kidnapers would release the hostages. But with each passing day, the demands became increasingly outrageous.

Those to be released in exchange for the Israelis were terrorists imprisoned in several countries. I mention the name of one of them to indicate the terrible dilemma the government of Israel faced. He was Kozo Akomoto. In case you may have forgotten, he was of that group that massacred 27 Puerto Rican pilgrims in the airport at Lod a couple of years ago. What became evident was that even an exchange of such murderers would not free the Israelis, because the skyjackers could not be trusted. Rumors had circulated that President Amin sought to collect as much as $1 million for each hostage from the government of Israel.

What was particularly painful to us, as Jews, was the manifestation of an anti-Semitism both blatant and vicious. Although the passengers came from diverse countries, and although the requests for the exchange of hostages were directed to Israel, France, Germany, Kenya and Switzerland, the principal objective was Israeli and Jewish passengers. One of the group released in advance by the terrorists was a woman who was born in Algeria, and whom the terrorists did not recognize as being Jewish. She spoke of the moment when her group was permitted to go free while the Israelis remained behind. She described how the chief terrorist read off a list of names: "As he rolled off the first four or five names, we realized, from the Hebrew consonants of the first names, that these were Israelis." And then a shattering awareness entered her consciousness. Who was reading the list? One of the two Germans aboard the plane. As he pronounced the names with a heavy German accent, this increased the eerie feeling, she said. "We all felt as if we were reliving a nightmare which was taking us back to the Concentration Camps of the Second World War, as people at the call of their names picked up their luggage and walked out." Once more, the horrendous scene of Germans threatening with pistols the lives of innocent people whose only crime is that they are Jews.

Those were the conditions that obtained until the morning of July 4. While the details of the raid itself are not all known, much has been officially told. "It was an act of bravery that will be remembered in story and legend for centuries to come," said Prime Minister Rabin. It was a remarkable fusion of daring, intelligence and courage. In less than 24 hours, an operation was planned that was without precedent in military history. A great deal of information has already been released: The flight of some 2600 miles from Tel Aviv to Entebbe; the precautions that were used to keep casualties at a low rate; the element of surprise; the lightning-like speed; the secrecy; the risks that were undertaken; the assumption of responsibility by Israel alone for this operation; the concern and care for the wounded; the remarkable feat of coordination and timing that was so brilliantly executed.

The reaction in Israel was ecstatic. Excitement, exultation, and the intoxicating feelings of victory and liberation united the nation. Everywhere one saw singing, dancing, embracing, weeping, and offering "L'Chaim." The word on everyone's lips was "Nes"—

miracle. The flood of emotion that swept through the airport when the freed hostages arrived soon flowed throughout the length and breadth of the land. The frustration and bitterness in the hearts of Israelis since the Yom Kippur War had suddenly been answered by this dramatic and stirring act of valor.

International reaction was significant and revealing. President Ford expressed "great satisfaction that the passengers were saved and a senseless act of terrorism was thwarted." I believe that this act of rescue was of great symbolic meaning to America. The heroism, determination, and sacrifice expressed by Israel are qualities greatly valued and highly respected by the American people. These values are the expression of a vigorous democracy and they resonate with the American heart and spirit.

Other reactions by other countries were less favorable. One would expect that throughout Western Europe, and indeed throughout the entire civilized world, there would have been great relief that these international brigands and pirates were overcome, and that innocent people were released and freed. But that was not the case. The Soviet Union denounced Israeli action as another manifestation of Zionist aggression and the violation of Uganda's sovereignty. Of course the Soviet Union is a great expert on preserving the sovereignty of other nations. We can learn a great deal about the Soviet Union's desire to preserve territorial integrity and national rights by consulting the countries of Hungary, Czechoslovakia, or Poland. They will offer meaningful testimony about the international morality of their powerful neighbor to the East.

The governments of Great Britain and Germany commended the Israelis. The government of France was extremely cautious in issuing its statement, to such a degree that one was not sure to where the sympathies of that government indeed did lie. The African bloc condemned Israel, and Mexico, without even being asked, issued a statement in support of the Arab position.

It is a painful fact that there are 37 countries in the U.N. that comprise the Moslem group, the Arab bloc. There are 17 countries which constitute the Soviet bloc. Therefore, when these two groups agree on any position or statement, they quickly command a majority within the General Assembly. What emerges from this consideration is the unique position of a Jewish State vis-a-vis the other nations of the world, the singular status that Israel occupies in the International arena.

We note with sadness that the Zionist vision was not achieved. The goal of Zionism, the idea of classical Zionism, was to explain the Jew as someone just like everyone else. The hope was that once we would have a Jewish State, this would normalize the heretofore abnormal Jewish condition. The creation of a Jewish State would mean that that State would maintain its national life, have relationships with other countries, and protect its national interests in the same manner as other states. That was the hope.

The reality is totally otherwise. Israel is not a state like all other states. It is, as many people have pointed out, the "Jew" among the nations. If Israel was treated in the United Nations like other states, like Albania or Nepal, then we could say that the Zionist ideal had been achieved. Actually, Israel is treated as the corporate incarnation of that dangerous element called "the Jew." Israel is the pariah state.

Sorrow is mingled with the outpouring of joy and jubilation. We are saddened as we reflect upon those who were killed: the three hostages; Mrs. Bloch, who is presumed dead; the brilliant commando leader, and Yonatan Netanyahu.

There is sadness, too, for the others who were killed. They, too, were victims. They were victims of forces of hatred; they were victims of international duplicity. Had there not been a rejection of responsibility by many nations in connection with Israel's right to existence, this highjacking would never have occurred.

But at the same time that we mourn the fallen, we affirm the joy and celebration of this victory. We offer gratitude unto the Almighty who led our people from darkness unto light, and from captivity unto deliverance. We offer appreciation for the courage of Israel's soldiers who, in the words of Prime Minister Rabin, "risked their lives in the fulfillment of their duty as Jews and human beings" and who are "an example and a source of pride to all of us."

May the enduring import of this story be remembered not only by us, the Jewish people, but also by all who value freedom. Let justice be executed in the halls of the United Nations. Let there be heard the voices of decency and morality. Let those who speak in terms of national sovereignty be mindful of the sovereignty of one of the smallest states in the family of nations. That country, the Land of Israel, continues its historic task of inspiring all the families of the earth with its vision of greatness.

It is for this reason (as well as others) that the relationship between Israel and the Diaspora must continue to be strong, reciprocal, and mutually supportive. Let us not be deluded into thinking of ourselves as just another state. Let us be true to our own unique Jewish memories, to our singular Jewish vision, to the strength of our shared Jewish heritage. We are, in the Biblical phrase, "a people that dwells alone."

However, it is important for us not to perceive of ourselves as isolated and alienated. Despite what governments say, the attitude of freedom-loving people around the world supports, commends, and admires Israel. I quote from two members of the British Parliament. One said, "The raid has done more for the rule of law than the United Nations has done in ten years." Another stated, "Israel's refusal to bow the knee to tinpot tyrants and her resolute defense of her democratic values is a lesson to all of us in the West."

Today, we read the Torah portion of Pinchas. Pinchas occupies a special place in Biblical literature. He is daring and courageous, a man moved by great moral passion. When the forces of darkness and lawlessness threatened the life of the people, it was the heroism and daring of Pinchas that restored national security and welfare in the days of Moses. That spirit of bravery and daring took place in Entebbe on July 4. What was the reward granted to Pinchas? Moses, speaking in the name of God, states: "I shall grant unto him my Covenant of Peace."

The inner meaning of that passage intimates that there can be no peace without power. Pinchas symbolizes and exemplifies the power that can rescue and redeem, the power that can provide deliverance and safety to our people. Let us not ignore this truth now or in the future. What made possible the rescue of the hostages was the strength of Israel's military forces. The motto that was repeated everywhere, the banner that was borne aloft in Israel, stated "Kol Kavod L'zahal." We and the Israelis affirm the respect and honor merited by the capabilities and excellence of Israel's defense forces.

SOVIET DAY OF SHAME

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. DERWINSKI. Mr. Speaker, during our recess, the eighth anniversary of the brutally led Soviet invasion and occupation of Czechoslovakia was sadly remembered by those American citizens of Czech, Slovak, and Ruthenian descent and by all those who value the aspirations and rights of peoples to determine their own destiny.

On August 21, 1968, a day which has been appropriately called the "Soviet Day of shame," Russian troops dealt the final deathblow to the liberalization that was developing in that small country. Although a Soviet satellite for 21 years prior to this invasion, Czechoslovakia has always maintained a degree of self-government. Thus, this Soviet military occupation only violated the sovereignty of Czechoslovakia.

In addition, the Soviet Union violated international law by this illegal act of unprovoked aggression and shocked the United Nations Charter.

The continued presence of Soviet troops even today is a continuing violation against the right of a small country for self-determination and self-destiny.

Therefore, I join with the millions of freedom loving people throughout the world in supporting the people of Czechoslovakia in their effort to achieve the withdrawal of Soviet troops. May they some day regain the freedom that was once theirs.

THE BALANCE(S) OF POWER: IV (III) — STRATEGIC DEFENSIVE BALANCE

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. BRECKINRIDGE. Mr. Speaker. Having once been a hotly debated issue after World War II, and during the 1960's civil defense has again surfaced as a topic of controversy. It reappears amid the discussions of possible new strategies being proposed by the Department of Defense.

In January, 1974, the then Secretary of Defense James R. Schlesinger announced the intention of the United States to develop long-range ballistic missiles of unprecedented accuracy. Because such weapons would have a relatively small error radius their yield would not have to be as large to be effective against military targets such as land-based offensive missiles. Thus, the Department of Defense raised the possibility of a limited nuclear war, with counterforce* strikes (that is, against the opponent's offensive force), coupled with a program of civil defense to ensure a minimal level of civilian casualties.

To continue my discussion of the Strategic Defensive Balance in my series on the "Balance(s) of Power," I wish to insert two different viewpoints regarding

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*See Part III, May 12, 1976, pp. 13735 *Congressional Record*, Part III (i), May 20, 1976, pp. 14994 *Congressional Record;* Part III (ii), June 2, 1976, pp. 16320 *Congressional Record;* Part III (iii), June 17, 1976, pp. 19052 *Congressional Record;* Part III (iv), June 23, 1976, pp. 20143 *Congressional Record.*

civil defense in this context as expressed in an article, "Civil Defense in Limited War—A Debate: Have Recent Developments in Strategic Weapons Given Us Reason to Look at Civil Defense in a New Context?" that appeared in the May 13, 1976, part II—main edition of Physics Today.

Sidney D. Drell argues in the viewpoint that follows that the price of civil defense is too high in relation to the degree of protection it buys. Arthur A. Broyles and Eugene Wigner, having taken the opposite viewpoint, will argue in part IV (iv) in the Monday, August 30, 1976, CONGRESSIONAL RECORD that civil defense can be effective as a defense against a nuclear attack.

Sidney D. Drell is deputy director of the Stanford Linear Accelerator Center. The text is adapted from his testimony presented on September 18, 1975, to the U.S. Senate Foreign Relations Committee, Subcommittee on Arms Control, International Law and Organization.

The article follows:

BALANCE(S) OF POWER

The strategic doctrine of "limited nuclear counterforce strikes" has been revived in the United States during the past few years. This return to a policy that was discarded more than a decade ago is accompanied by a renewed interest in extensive and organized civil-defense programs, which would require massive relocation and evacuation of populations during crises. Official government statements during the past two years allege that this combination offers the prospect of low levels of fatalities and casualties resulting from the immediate blast, thermal, radiation and subsequent radioactive fallout effects. In particular the former Secretary of Defense, James R. Schlesinger, in the Annual Defense Department Report for FY 1976 stated that "Relocation of the population from high risk areas near key military installations and the protection of the rest of the population against fallout could reduce nationwide fatalities due to fallout from a limited Soviet counterforce attack to relatively low levels well under 1 million—provided that the people in the communities that would be most exposed by fallout from such an attack make effective use of the shelters available."

The conclusion drawn from these claims and analyses is that limited nuclear war may be palatable and need not escalate to the level of an all-out nuclear exchange, which would cause unimaginable horror. In fact, on 11 September 1974, Secretary Schlesinger testified to a subcommittee of the US Senate Committee on Foreign Relations that "the likelihood of limited nuclear attacks cannot be challenged on the assumption that massive civilian fatalities and injuries would result."

Because the basis for this change in strategic doctrine is the relatively low fatality level, we must examine not only the total civil-defense implications of this doctrine but also the assumptions about the nature and effectiveness of the weapons used in the attack.

Civil defense in the larger context of an all-out nuclear strike against population centers will not concern us here, not only because it is not being proposed at present but also because most who have studied the financial and societal costs, not to mention the technical challenges, of such a program have concluded that it is not practical. But how practical and how effective is civil defense in a limited counterforce context?

The resurgence of the doctrine of limited nuclear counterforce has been spurred by progress in weapons technology—in particular, the development of accurate and reliable MIRV's (multiple independently targetable reentry vehicles), which enable a single missile to attack several different targets with high accuracy. These MIRV's can selectively attack hardened military targets such as underground silos containing the fixed land-based ICBM forces and at the same time can cause relatively low casualty levels. Indeed this combination of factors forms the basis for the military value and strategic credibility that are claimed for such an attack.

Of course the effect of weapons against both military targets and civilians depends critically on such factors as the numbers and yields of incoming warheads, their height of burst and the level and extent of civil-defense protection. One example described by Secretary Schlesinger in his Senate testimony envisioned an attack against all the fixed ICBM's—1000 Minutemen and 54 Titan missiles—with a single one-megaton warhead incident on each silo and with the warhead fuzed to detonate in air at the optimum height of burst. The attack would result, he claimed, in fewer than 800,000 dead and 800,000 injured or ill from radioactive fallout.

The fatality levels for such an attack are calculated by making certain assumptions about the civil-defense protection provided in terms of the protection factors of various shelters. These numbers are the reciprocals of the fraction of radiation that penetrates the shelter. Thus the existing civil-defense program requires that, for a shelter space to be identified as such and stocked, it must have a protection factor of 50–100. That is, it must shield against all but 1–2% of the radioactive fallout. This factor is equivalent to a dirt cover of approximately two feet or a concrete wall of about 16 inches. By comparison, a single-story residence has a protection factor of three, and a residential basement, a factor of 25.

In the attack described by the Secretary, the Department of Defense assumed that for 30 days roughly 35% of the US population remained in designated shelters with protection factors of 50–100, that 20% sought residential-basement protection and that the remaining 45% were protected by the average residential protection factor of 3. These calculations were stopped after this thirty-day period and thus do not include the final 6% of the fallout nor the long-range effects.

However, the Secretary did not describe the military effects of this attack, which was designed to cause such low civilian casualty levels. Straightforward calculations show that the nuclear attack assumed in the above calculations would destroy well under one half of our fixed ICBM force if carried out by missiles with the targeting accuracies projected for the Soviet ICBM force. This conclusion follows even if we assume that the Soviet missile systems have a perfect 100% reliability, which is surely a gross overestimate, particularly when you recall that we are talking of a massive attack coordinated in time so that all 1054 US ICBM silos are hit essentially simultaneously. I can see no practical military value to such an attack. On the contrary it would surely invite lethal retaliation.

In response to these and other DOD calculations on collateral civilian damage related to counterforce attacks, the Senate Foreign Relations Committee in September 1974 asked Congress's Office of Technology Assessment to review the DOD analyses. A panel convened by OTA for this purpose raised questions about the sensitivity of the DOD analyses to various assumptions, including a range of possible weather conditions, civilian protection factors and parameters of the incoming attack. The DOD responded with more calculations, which showed that the expected fatalities are indeed very sensitive to the nature of the attack and can vary by large factors. In particular, the DOD now finds that fatalities in the range of 10 to 20 million will result from prompt effects and fallout alone if the attack is delivered by the nuclear weaponry of today or of the near future and is designed to destroy the majority of the attacked ICBM force. (DOD calculations illustrate fatalities as a function of the percentage of ICBM silos destroyed. Even at the highest level a healthy retaliatory force of some 210 ICBM's would remain as well as all the SAC bombers and missile submarines).

Predictions are subject to such uncertainties as the weather and winds at the time of attack, and are sensitive to the degree of civil-defense protection and to the ability to provide medical care to the ill or injured. Nevertheless, one can clearly not contemplate an effective strategic attack designed to decimate our ICBM force in terms of casualty levels of one million civilians, but rather must consider it in terms of upwards of tens of millions, even assuming extensive protection of the population.

THE PRICE OF CIVIL DEFENSE

The most recent DOD reports also make clear that civil defense would be a central element of our policy of flexible response, with emphasis on limited nuclear counterforce. Indeed the justification for the civil defense budget was expressed in the report for FY 1976 largely in terms of its role as a necessary adjunct of our policy emphasis on flexible response. The DOD report also argues that we must have the same population-evacuation options as the Soviet Union for two reasons:

"to be able to respond in kind if the Soviet Union attempts to intimidate us in time of crisis by evacuating population from its cities," and

"to reduce fatalities if an attack an our cities appears imminent."

This position marks a major shift in emphasis of the civil-defense program since the 1974 Annual DOD Report, when it was largely justified by Secretary of Defense Elliott Richardson to help recovery from peacetime disasters. I personally endorse this previous objective and furthermore I support the existing program of identifying and stocking shelters as a prudent insurance program against a wide range of incidents, including the accidental launch of nuclear weapons, a severe nuclear-reactor accident or natural disasters such as hurricanes. However, a comprehensive civil-defense program involving both sheltering and evacuating the population on a very large scale is a different thing. Undoubtedly it can be demonstrated to have a great lifesaving potential in the event of a nuclear attack against specific military targets. But the issue is in essence an issue of the price one has to pay for a civil-defense program in relation to the degree of protection one buys against specified attacks. What price in our priorities, values and style as a society? What price in dollar costs?

Investment in a civil-defense program could, as one function, protect the population from the blast, thermal and radiation effects in the immediate vicinity of a nuclear explosion—roughly within a radius of four miles for a blast of one megaton. Such protection against the close-in effects is either impossible or tremendously costly.

Another function of civil defense is to reduce casualties from fallout generated at distances well beyond several miles. This effect of dangerous fallout levels, extending many hundreds of miles downwind from nuclear explosions, plus the long-range effects of radioactive contamination to extensive areas, differentiates nuclear war from all other previous experience. The range and extent of the threat to life of radioactive fallout depends critically on many factors including the height of burst, that is, whether or not the fireball from an explosion near Earth's surface scoops up and spreads an enormous cloud of radioactive debris); the fraction of fission yield in the bomb design and the weather.

The biological effect of fallout is measured in terms of the standard dosage unit of the roentgen-equivalent mammal (the rem). Whole-body exposures to less than 100 rems cause blood changes but no disabling illness. Experience following the Hiroshima and Nagasaki blasts shows that doses of 100 to 200 rems cause a certain amount of illness including fatigue and perhaps some nausea, but are rarely fatal. However, levels of about 450 rems of whole-body exposure can cause severe illness and produce a 50% fatality rate. This scale is the basis for assessing how much protection must be provided for an effective civil defense.... An unsheltered person as far away as several thousand miles downwind from an attacked missile field or military base would be exposed to an expected 600 rems.

The time scale of the radioactive fallout is also of great importance in considering protection. For how long a period of time after an explosion must one be sheltered from fallout in order to survive? For typical burst altitudes in the atmosphere a human body totally and completely shielded from fallout during the first hour immediately following a nuclear explosion will still receive 45%, or almost half, of the total fallout if exposed thereafter. Twenty percent of the total dose is deposited after the first day, and a person emerging after four weeks of complete protection from fallout will still be subject to 6% of the total dosage. The decrease in rate of fallout follows a $1/T^{1.2}$ law, and evidently the required time scale for protection is measured in weeks.

This discussion of fallout effects shows the required physical parameters of civil-defense shelters. Few dispute the technical facts concerning the means to protect large populations for one to four weeks after an attack from the physical effects of blast, fire, radiation and fallout. However, major social parameters and costs are also involved because identified shelter spaces and evacuation plans do not by themselves make an effective civil-defense program, in my judgment. A total system must be organized and interwoven extensively into civilian life through training programs, rehearsals, and volunteer activities. The pre-attack shelter organization envisioned by the 1962 Office of Civil Defense Guide planned that a shelter accommodating 100 civilians would require an operating cadre of 25, of which 10–12 would need prior training. This number constitutes 10% of the sheltered or 20% of the adult population.

To recruit the required large cadre of trained personnel the government would have to look beyond existing community safety personnel such as policemen and firemen. Perhaps the military reservists and National Guard units could play a central role in organization and training, but they would still have to rely on a large functioning organization involving a much larger number of trained civilians.

One task of trained personnel would be to operate communications systems over large distances in order to deal with shortages of food, water and medical supplies. They would also have to know how to use radiation dosimeters, because in the immediate post-attack period the fallout levels can vary greatly from one locale to another. Like the snow, radioactive debris accumulates where driven, depending on wind and weather conditions as well as on the location and shadows of tall buildings. Local pockets of relative safety may exist amid areas with lethal levels of radioactivity. Finally the trained cadre would have to provide leadership in the long period of extreme social duress after the attack and would have to reestablish requisite services for a society with a large proportion of ill and injured citizens.

Beyond the training of these special leaders, the plans for massive population relocation and evacuation out of high-risk areas near the possible counterforce target system require a heightened level of public awareness and concern, and a willingness to rehearse the evacuation plans. Without them, surely a chaos spawned by panic will ensue at the time of implementation. How can one draw public attention, much less commitment, to such plans without "overselling" them by a sustained escalation of apprehensions from the mood of today *vis-a-vis* the dangers of nuclear exchange between the US and the Soviet Union? Is not such an escalation of apprehensions more to be feared than desired as the US and Soviet Union move further from the brink of a nuclear conflict due to misunderstanding, misapprehension or mistake and strive mutually at SALT for a more stable nuclear balance at lower levels of nuclear armaments? Indeed one of the lessons of the civil-defense shelter exercises in 1961 and 1962 was that the large expenditures for civil defense and the general dislocations accompanying a major shelter program could only be sold to the American public by presenting the very real threat of nuclear war.

STRATEGY

Consideration of civil defense as an element of strategy has been given renewed importance by the new emphasis on fighting a limited nuclear war. This policy changes our nuclear doctrine of the past decade, which has been dominated by the recognition that once a nuclear weapon is detonated on US or Soviet territory there would be substantial probability that nuclear exchanges could not be terminated before both nations were destroyed and the casualties numbered hundreds of millions. The new strategic doctrine raises the issue of whether this unpleasant "balance of terror" and mutual hostage relationship might be changed by the adoption of new tactics and the development and purchase of new weapons for fighting limited nuclear wars at acceptably low casualty levels. I believe such a policy would cause the following deleterious effects:

Harm to strategic stability. The development of a new missile force designed specifically as hard-silo killers would fuel concern on both sides about the vulnerability of the fixed ICBM's to a preemptive first strike. It would emphasize the importance of striking first and could thereby destabilize a crisis situation. Furthermore the development and rehearsal of civil-defense plans involving evacuation and relocation of large populations could be viewed with alarm by an opponent as preparation for executing a first strike.

Harm to SALT talks. The development and testing of the required new missiles will create pressures against quantitative reductions in the numbers of strategic forces and against such verifiable qualitative restraints as missile test-flight quotas and limits on the rate of deployment of new systems that would slow down the pace of progress in the arms race.

Waste of resources. The plans justified by this year's rhetoric may materialize into the multibillion-dollar weapons systems of the next decade unless the rationale behind them is rejected.

Shift of values. Implementation of an extensive civil-defense system through massive training will affect the priorities of our society and will require heightened concern about nuclear war, which would counter the progress that has been made toward reduced international tensions.

Finally, what will prevent the eventual escalation of an initially limited nuclear war to an all-out nuclear holocaust? Once nuclear weapons are used in war at all it will be very difficult, if not impossible, to verify yields, sizes, numbers and types of the nuclear explosions on both sides. However, the one technically unambiguous fact is whether or not nuclear weapons have been used at all. Therefore it is wisest for the US to adopt as a national policy the highest possible nuclear threshold. We should maintain a gap between nuclear and non-nuclear warfare that is as clear and wide as possible, and resist the temptation to develop doctrines and civil-defense programs that understate, on dubious technical and strategic premises, the collateral damage and the casualty levels of nuclear conflict.

CHANGING THE CHARTER

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. McKINNEY. Mr. Speaker, yesterday the House of Representatives acted on two District bills which would effect the first changes in the Home Rule Act in this Congress. I support one reluctantly because it is necessary for the continued flow of the District's fiscal affairs and adamantly oppose the second because it breaks faith unnecessarily with what I consider to be a strong commitment by the Federal Government and this Congress to responsible local government for the District of Columbia.

H.R. 14971 provides the District with the authority to borrow from the Treasury to finance its capital works projects. The Home Rule Act envisioned no necessity for continued borrowing from the Treasury because under section 743 of the Charter, the District was provided the authority to offer general obligation bonds to finance its capital debt. Last fall, the District prepared to enter the market with a small exploratory offering to refinance existing Treasury debt at a considerable saving in interest. At that time the other body approved, hastily in my judgment, a resolution of disapproval against the bond offering. Although this resolution was defeated virtually unanimously by the House District Committee, the bond offering was effectively killed.

Further barriers to the private market were created by the Arthur Anderson report on the District's financial management deficiencies requested by the Senate District Committee. This report led to the authorization of a financial management system overhaul and an independent audit in 1979 by a House-Senate conference early this month. The necessity for straightening out these systems stems not from a lack of responsibility on the part of the District government, but from the 100-year-old mismanagement of the District's financial affairs by Congress. In essence, the District is caught in a "Catch–22". It cannot go to the private market at least until the completion of the system's overhaul in 1979, and yet its authority to borrow from the U.S. Treasury has lapsed. This legislation does not do the District any favors. Interest payments on Treasury debt are much higher than on tax free municipal bonds. The cost of the Congress mismanagement will come out of the pockets of the District taxpayer. However, in order to maintain a stable debt structure until the completion of the system's overhaul, the District must be able to borrow from the Treasury.

While H.R. 14971 is a modification of the Home Rule Charter made necessary by Congress mismanagement, H.R. 12261, although well intentioned, is a leap away from the concept of Home Rule. The District government can only exercise responsible local authority if it has the ability to legislate in all areas of local interest. I can think of few subjects of more interest to the citizens of the District and to their elected representatives than the criminal laws of the District of Columbia. To continue to deny the Council the authority to legislate in this area on the assumption that the Council is not responsible enough to exercise that authority correctly is not only patronizing, but self-fulfilling. Responsible government rests on accountability and Congress is not accountable to the citizens of the District of Columbia.

The chairman of the House District Committee to his credit believes he has a personal commitment to the House to insure that this prohibition on the Council's authority to legislate criminal law remains until the Law Revision Commission has completed its work. However, I must disagree that this House has such a commitment. The prohibition against the Council changing the criminal code titles of the D.C. Code was not in the original House version of the Home Rule Act, but was included only during the conference with the Senate. At that time, it was argued that, because of the complex nature of the criminal code, authority should pass gradually to the Council so that the Council would be completely skilled in the legislative process when that authority was finally granted. However, there is evidence in the legislative history of that conference to suggest that the continuation of this prohibition was not necessarily tied to the completion of the Law Revisions Commission's work, but simply to the creation of such a commission to begin the arduous task of modernizing the District of Columbia Code. Certainly this was my understanding of the House concession to the other body in conference. In fact, there is no mention of a Law Revision Commission nor authorization of its existence in the Home Rule Act.

Despite the passing of authority to modify the criminal code to the Council this January, the Congress has special veto authority over legislation in this area. The normal congressional veto process for Council bills requires the passage of a resolution of disapproval in both Houses of Congress. For Council acts modifying the criminal code titles 22, 23, and 24, disapproval by only one House is necessary. Beyond this, the Congress, as always, retains the authority to legislate in any area of District affairs.

Opposition to home rule on the grounds that the local legislature would act irresponsibly in regards to the Federal interest has been ungrounded, in my opinion. In the short span of the Council, local legislation has received considered and rational judgments on matters of crucial local and Federal concern. A prime example of this was the controversy concerning the extension of an extremely high unincorporated business franchise tax to professionals which many saw as unfair. The threat of a veto by Congress convinced the Council to compromise and lower the effective rate of the tax. As regards the fiscal affairs if this city, I have found the Council to act more responsibly than Congress ever did. In short, I do not think the Federal interest or the criminal code is in any danger from this Council, and if it was, Congress has the necessary authority to step in. I am sorry that my colleagues did not defeat H.R. 12261.

THE THIRD CENTURY OF THE AMERICAN REPUBLIC

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. PICKLE. Mr. Speaker, one of the great benefits from our Bicentennial was the opportunity it gave for meaningful oratory.

I think all of us here in the Congress put our best effort forward on that day.

Speeches noting our 200th Birthday, discoursing on the meaning, and pondering our future, rang out in the wooded hamlets of Maine, and echoed back on the sunny beaches of Waikiki.

Many of us, however, overlooked the fact that we Americans were practicing our oratory in other countries on July 4. In some ways, these inspired remarks may have been our best gift on our own birthday.

Austin's Charles Black honored a distinguished audience in The Hague, Netherlands. The Yale Sterling Professor of Law again demonstrated his acute sense of observation, analysis, and justice in his remarks.

Mr. Speaker, I would like to share these remarks by placing them in the Record:

The Third Century of the American Republic

When it was about this time of day here at The Hague, on July 4, 1776, it was about noon in Philadelphia. Americans like to talk everything out, and the Continental Congress was after three days still locked in debate over the verbal details of an utterance already resolved upon. Hours later, while this town slept through a silent Dutch night of the eighteenth cenutry, punctuated perhaps by time-telling bells or the night-watch's cry, the debate in Philadelphia, which had gone into the evening there, closed at last. A certain motion was put and carried, and a process of signing was begun and completed. When the Hague began to stir the next morning, with the sounds of walking, and vendors' voices in narrow streets, something new had come into the world.

That new nation is not yet very old. Since a good many people live past a hundred years, it is certain that a few now living were born before the last person died who had been born before the United States of America came into being. That is the age of our nation—two human lives, very long to be sure, but well within the range of normality. To put it another way, since the fathering of children by men past 60 is not even very unusual, it is nearly certain that the world of the living, right now, holds persons whose grandfathers were not only alive on July 1776, but old enough to have read of the Declaration. It is not the hours, yet, to judge at all of the place in history of the United States—any more than the year 1266 A.D. would have been a good year in which to sum up the meaning in history of the English kingdom reorganized and given a new start in 1066, by William the Conqueror.

The title I have given my speech tells its own story. You and I may be—indeed we must be—interested in history, the inexhaustible fountain of political wisdom, but we are concerned above all, for "ourselves and our Posterity", with the next American century. About that century we can today only make forecasts based on trends we think discernible.

I have to give one early warning. In the first part of my talk, I shall speak of certain trends in American life which seem to me wholly good in themselves. In what comes later, I shall state what I believe to be the critical and as yet not adequately faced threat to all the good hopes we hold. Please keep this in mind as I speak; if you do not, the affirmative things I shall begin with may seem expressions of a nearly idiotic optimism, more suitable to a flag-waving rally than to an occasion calling for a "decent respect for the opinions of mankind." Before I am through, you will see that my vision of America is, in the touching phrase of Keats, one of trembling hope—realistic certainly in its tremblings, realistic too, I think, in its hope.

I would begin by saying that my own being here on such an occasion and in such a role can tell you something important about the United States of America. I am a man who, insofar as he is known at all, must be known as being, in age as in youth, of a political persuasion fundamentally different from that of our President and most of those in his party. I do not mean by this that I am a Democrat rather than a Republican, although that is true. I mean that I am known, if at all, as somone who perceives political and above all economic justice quite differently from the manner in which these things are perceived among the prevalent party in our Executive Branch today. This fact is not hidden. Yet the persons in charge of these things—either knowing this or, as is far more likely and far more significant, not even thinking to look into the matter—have warmly invited me to address you on this great day, in some sense on behalf of the United States of America, though saying exactly what I as a private citizen see fit to say.

This fact, as a single fact, speaks for itself. Nor is the widest suggestion it can convey a false one. We Americans have up to this point, within human limits and with some bad passages, made good on our promise of freedom of expression—both of expression explicitly political and of expression only implicitly political, if it is political at all—freedom of opinion and freedom in way of life. There can never be enough freedom, as there can never be enough charity, but we can truthfully say not only that our freedom is in health but, even more importantly, that it seems to be growing healthier all the time.

When I spoke to European audiences in the summer of 1970, one of our long, hot summers of student revolt and urban rioting, I was often asked the question, "Is the United States a suppressive country?" I always replied that, since all societies practice some degree of suppression, the answer to the question must be a relative one, and that the only way to establish a scale of measurement for this relative judgment must be to ask, "What country, in the history of the world, has ever endured so much and so bitterly expressed dissent with as little suppressive reaction as we have seen in the United States in the last two years?" No questioner ever attempted an answer. There is no such country. Some suppression there was, and some tragic incidents in no way excusable. But in overwhelming part, we kept to the path of moderation and tolerance.

We have moved now into quieter waters. And in these latest years has come, I think, an even steadier spirit of acceptance—easy and habitual acceptance—not only for political opinions but, as I have said, for ways of life. Taboos of all sorts—the old and cruelly irrational taboos of a parochial frontier—have been and are falling. Such trivial and vital things as (for one example of each) the length of one's hair and the practice of family planning, were in my own youth subject to constricting pressures in large parts of society. Today—with those exceptions which always have to be allowed for in the real world—freedom as to these and thousands of other such matters is simply taken for granted.

I am speaking today principally of our third century, and of course I cannot know whether this now strong and clearly visible trend of continuing liberation will go on. But on every reckoning of probability it seems likely that it will. No ominously threatening counterpressures are felt. That is the most any country can say of any of its desires and yearnings for times to come.

In this sense, then, we have kept our promise to the world. We unfurled the flag of liberty, and that flag is flying more proudly today than ever before. It shows no signs of drooping.

Freedom was our promise in 1776, but black slavery was our heritage. What can I tell you of our painful progress toward racial justice? A great part of my own life's work as lawyer and writer has gone into this effort, and I know whereof I speak. It would be, quite simply, a lie for me to say to you that all is well. But I can honestly say to you that the progress that has been made, particularly in our South, has been stupefying, quite outside the limits of the rationally expectable.

The Austin, Texas of my boyhood was a beautiful and highly civilized Southern city. But you never saw a black in any other than a menial occupation. Black intellectuals there were, but they kept to themselves, for their very existence was looked on as a mixture of a joke and an affront. Black people went to the back doors of white people's houses. It was obligatory that they be called by their first names. Segregation was absolute, from the maternity ward to the cemetery. Black people moved with docility to sit in the back of the trolley-car, in a special section reserved for them—in this and in hundreds of other ways being forced to act out through every day a charade betokening their unfitness to be part of the general life of the community. Their political power was zero. No black was ever found on a jury, though many sat in the prisoner's seat. Lynching did sometimes occur, and was always there in the background; I well remember that one had to be careful in expressing one's disapproval of lynching, for lynching was seen, rightly, as the indispensable ultimate weapon of a frankly and wholly racist regime.

A couple of years ago, I happened to be describing these bad old times to a group of young people, black and white, in a public place in Austin, my old home. As I spoke, I noticed they were growing restless, and were exchanging puzzled looks. Suddenly I realized why. They didn't believe me. They thought I was putting them on. And I laughed inwardly, not in amusement but in the triumph of a footsoldier in a victorious army, whose enemy has been so obliterated that its very existence is not believed in.

Of course the picture is not everywhere as good as that. But the trend is steeply upward, and there is no reason to think it will be reversed.

To have made a promise of freedom two hundred years ago, and to stand today in an era of continually expanding freedom—to have started with one of the worst systems of slavery in history, and to stand today where one can hardly see the unvenerated ruins of the old unashamedly racist system—these achievements would in themselves be, and are, grounds for hope, even if we had not meanwhile found time and strength for such enterprises as coming with the help that was needed, even by people of your sacrificial courage, to combat with you the obscenity of Hitler—now also nearly unbelievable.

Why, then, is the hope a trembling hope? The answer is applicable alike to our pride in freedom and to our pride in our progress against racism. The answer is poverty. As freedom has opened road after road, poverty has continued so to hobble many of us that the beckoning roads cannot be trod. As the overt humiliations of racism have begun and so largely completed their exit, black people remain, on the whole, poorer than others, very many of them too poor to walk through any of the doors that have opened.

I think you know that I am not talking about a poverty comparable say, to, that found in parts of Africa. Total destitution is rare in America, as it is, of course, with you. We are not dealing with mass starvation. But far, far too many of our people—disgracefully many in so rich a nation—are living at a level of subsistence which makes largely irrelevant, to them, the existence of a freedom and an equality they have not the means to enjoy.

The "American Dilemma" used to be found in the fact of overt and raw racism confronting the abiding presence of an ideal of equality. Our dilemma now is the contradiction between that same abiding ideal and the fact of a poverty which, at its worst, makes mockery of all formal equality and all formal freedom.

We may hope then, but we must hope in anxiety. Our task is plain. We must return for inspiration to our beginning, and realize that the philosophers of our Revolution, following after John Locke, were right when they saw property as of an importance making it suitable to be mentioned along with liberty—if by "property" we mean a secure enjoyment of the means of a decent material life. The possession of property, so defined, is indispensable to the enjoyment of every kind of equality, and of all liberty—indispensable to "the pursuit of happiness". We will live in a state of quite unacceptable self-contradiction until we begin, at least, to address this master-problem with a suitable seriousness, and with the resolve to go on, decade after decade, until the task is accomplished.

So that is how we start our third century—with freedom much grown and still growing, with our old devil of overt racism nearly exorcised, but with the unfulfilled obligation so to restructure our dealings with the material base of life as to make these blessings valuable to all of us. After such accomplishments, who could not have hope? In the face of such a task, who would not tremble?

I have said nothing so far about our recent turmoils around the Presidency. Such catastrophies of character can happen to any nation; in our case, we took care of the matter, in pain but on the whole with dignity. I think we came out of the experience a little wiser, a little more aware of the infinite possibilities, for lowness as well as for nobility, in human nature. I have said nothing yet about the agonizing war in Viet Nam; whatever may be the final word of history on that war, it now seems to almost all of us to have been a bleak national wickedness, into which we all but sleepwalked. I think we have waked. I think we have firmly learned, among other things, two important truths—that we as well as others are capable if inexcusable wrong, and that the power of the United States, though it can and should remain—or, if you like, again become—a force for good in the world, is far from sufficient for controlling the whole world's destiny. We have learned what it means to lose, and to deserve to lose. We have fully grown up.

Above all, we have learned, out of these recent events, one thing of an importance transcending all other lessons. We have at last located the enemy. Catherine the Great was much disturbed by the Declaration of Independence, and would have brought about our defeat if she could have done so. Hitler detested us and all our ideas and goals. In these people across the sea, and in many others, we have thought to have located the enemy. Now we know better—infinitely better. We have learned, as all peoples must if they are not to be lost, that the wiliest, the most pertinacious enemy to all hopes and to all our dreams is ourselves. That is a bitter lesson, but no one even so much as guesses what wisdom may be until that bitter lesson is learned.

Out of these experiences, and above all out of this insight, has come a great national sorrow. The most important and the most heartening thing about our third century is just that sorrow. If I could stand here today and tell you that we have no sorrow about the past, and no anxiety about the future, then you would have to conclude that there was no hope for us, that or moral force had been quite spent in our first two centuries. But what I have to tell you is that we are a people in sorrow, and that we face our third century with anxiety. And therefore hope is possible. Hope is born of sorrow. Not surprisingly, this thought came to me, for utterance on this occasion, on last Easter Day, but the truth of Easter is perennial and eternal, and manifests itself in all things.

We are then, sorrowful, and so we can be filled with hope. Our country contains thousands, indeed millions of people—in politics and elsewhere—who feel this sorrow, and so are willing to work and to give toward the fulfilment of this hope. Their proportion amongst us is probably at least as great as the proportion, in 1776, of dedicated believers in the doctrines of the Declaration of Independence.

I will not then say that I have faith that our third century will move us much closer to the working of our ideals into life. The object of faith ought not to be anything of human making—not even a nation. Faith is not faith if it can be disappointed by anything that happens. I will say rather that I have hope—hope solidly rooted, as hope must be among humankind, in sorrow.

We are sometimes apologetic about our national anthem—partly because it is rather hard to sing, but mostly because overt patriotism embarrasses us. I have never partaken of this feeling. Our national anthem is a noble poem that tells of a flag that stayed in place through darkness and doubtful battle—a symbol, surely, possessing beauty and power. "The rockets' red glare, the bombs bursting in air, gave us proof through the night that our flag was still there." We have lately, as many times in the remoter past, been through darkness and doubtful battle. But the very battle has lit up the flag. We are a people who could go to war in Viet

Nam—but we are also a people who could first tolerate and then in overwhelming numbers join a protest against that war which forced its abandonment. We are a people who could make a fearful mistake in our choice of a President—but we are a people who could at last close ranks, without regard to party, to demand and in the end virtually to compel the departure from office of the person mistakenly chosen. Earlier on, we were a people who could practice a raw and undisguised racism—but we were a people among whom protest against that racism never died, but grew and grew, until at last the old inveterate evil limps mortality wounded. Through all darkness, there has been enough light, arising out of the very clash of battle, for us to see that our flag was still there.

There will be other darkness, other battles, in our third century. Nor can we anticipate that, at the end of that century, equality and freedom will have been unproblematically blended and reconciled, and that every one of us will be secure in the indispensable material base—the property base—to the enjoyment of these. But we can hope, on the solid ground of experience and even with good cheer, that our battles, even if not easily or entirely won, will not have been wholly lost, and that our flag will still be there.

In this hour, then—the two hundredth anniversary of those last long moments of anxious debate in Philadelphia—I speak to you my own belief that, when The Hague—seat of government of one of our most steadfast friends among nations—wakes tomorrow morning to greet the third American century, that century should be and will be seen as one in which our country, richer in dearly bought self-knowledge, chastened by sorrow, can still worthily carry its part of the hope of earth.

REVIEW OF PAY SCALES UNDERWAY AT SOCIAL SECURITY

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. VANIK. Mr. Speaker, the Ways and Means Oversight Subcommittee has been studying the administration of certain social security programs. In particular, we have been concerned about the quality of social security computer utilization and excessive administrative costs.

I wrote to Social Security Commissioner James B. Cardwell on July 1 expressing concern about several recent Civil Service Commission studies which indicated that many social security positions in the computer operations sections, may be "overclassified"—that is, receiving too high a pay scale for the type of work involved.

Commissioner Cardwell wrote to me on August 11th stating:

> During the past year, we have undertaken our regular position classification reviews as well as our special personnel evaluation surveys in order to place even greater emphasis on ensuring proper classification. In addition, we are about to implement a new review of one-third of all SSA positions each year, with the total review to be completed by September 30, 1979. This effort will assist us in our commitment to the continuation in SSA of a sound position management system . . .
>
> In way of conclusion, I think it fair to say that while our own intensified efforts coupled with those of the Department and the CSC are proving helpful in identifying and remedying misclassifications, such efforts also suggest that the problems are not very widespread. We will, of course, continue to diligently pursue these undertakings and take appropriate corrective actions wherever needed.

With over 80,000 social security employees, however, even a few percent of overclassified positions would mean millions of dollars improperly paid out of the hard-pressed trust funds. In addition, while it was unclear what action had been taken, the data provided by the Commissioner indicates that social security's personnel office:

> . . . as part of its continuing program of internal personnel management surveys, reviewed the Bureau (of Data Processing) in 1974 and identified several classification problems.

These problems involved a finding of apparent misclassification in 509 positions, with upgrading or promotions probable in 24 positions and downgrading or lower pay scales suggested in 419 positions.

Despite the Commissioner's statement to me that the problem of overclassification is not very widespread the data provided in the attachments to his letter indicate serious problems. In addition, the data supports the finding of a recent General Accounting Office report that computer personnel are paid more at the Baltimore Social Security Headquarters than are comparable workers in nearby Maryland companies which process medicare claims for the government.

It appears that a great deal of work remains to be done to ensure a minimization of administrative overhead costs and a maximization of benefits to social security participants.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
SOCIAL SECURITY ADMINISTRATION,
Baltimore, Md., August 11, 1976.

Hon. CHARLES A. VANIK
Chairman, Subcommittee on Oversight, Committee on Ways and Means, U.S. House of Representatives, Washington, D.C.

DEAR MR. VANIK: This is in response to your letter of July 1, 1976, in which you asked what the Social Security Administration is doing to guard against overgrading of positions. I certainly share your interest in ensuring the proper classification of positions in the Federal service and I am committed, I assure you, to the principle of sound position management. As a matter of fact, it is because of my interest in the subject that we have recently intensified our efforts in this area.

During the past year, we have undertaken our regular position classification reviews as well as our special personnel evaluation surveys in order to place even greater emphasis on ensuring proper classification. In addition, we are about to implement a new review of one-third of all SSA positions each year, with the total review to be completed by September 30, 1979. This effort will assist us in our commitment to the continuation in SSA of a sound position management system.

As CSC's Commissioner Hampton mentioned in his recent letter to you, their audit of our Albuquerque Data Operations Center did result in a number of recommendations for downgrading. It should be kept in mind that the Albuquerque facility was the first "stand alone" data entry installation that SSA put into place, and consequently our grade and organization determinations could not be based upon any precedent. We have worked very closely with the CSC staff in developing a viable approach to resolving the problems, and since their report, we have reorganized the facility and downgraded a number of positions. As a result, the Dallas Regional Office of the CSC recently approved our proposal and withdrew their earlier directives on downgradings except for one position.

You also inquired about the CSC's very recent personnel management evaluation reports on our Mid-America (Kansas City) and Mid-Atlantic (Philadelphia) Program Service Centers. The report on the Mid-America PSC indicates that the classification review included 45 audits and 20 documentary reviews, with a total coverage of 288 employees. Of this total, the CSC initially recommended downgrading of 17 positions, or 5.90 percent of the positions reviewed. Subsequently, the standards used to evaluate two of the 17 positions were revised, and as a result, the two positions were determined to be properly graded. Thus, the percentage of downgrades in relation to the total number of audited positions in Kansas City represented about 5.2 percent. A variety of actions are being taken to rectify the situation with respect to the 15 misclassified positions: three are being abolished, one is being downgraded, and the 11 remaining positions are being redescribed in an effort to set forth more accurate duties and position functions. I should point out that the CSC report to the Director of the Mid-America PSC acknowledged that a "relatively small number of positions (were) found incorrectly classified . . . ."

The recent CSC report on the Mid-Atlantic PSC (Philadelphia) included findings on 15 desk audits/supervisory reviews, and a total audit and review coverage of 308 employees. Of this total, only nine were recommended for downgrade (2.92 percent). Actions with respect to these positions are being considered.

As concerns our Bureau of Data Processing, in which you expressed special interest, I might note that the Bureau contains about 10,600 full-time permanent employees, most of whom work in our Baltimore locations. About 1,850 of these are dispersed in our three data operations centers. Thus, BDP represents only about 14 percent of SSA's total workforce. Further, the great majority of employees (close to 80 percent) are in lower grade positions, GS-7 and below. Our personnel office, as part of its continuing program of internal personnel management surveys, reviewed the Bureau in 1974 and identified several classification problems. A list of their findings, and actions taken to date, are reflected in the enclosed case listing.

In way of conclusion, I think it fair to say that while our own intensified efforts coupled with those of the Department and the CSC are proving helpful in identifying and remedying misclassifications, such efforts also suggest that the problems are not very widespread. We will, of course, continue to diligently pursue these undertakings and take appropriate corrective actions wherever needed.

Sincerely yours,
JAMES B. CARDWELL,
Commissioner of Social Security.

Enclosure.

STATUS REPORT

The following is a status report on actions taken, and pending, in response to the Classification Case Listing, Personnel Evaluation Report on Bureau of Data Processing (1974).

Classification case listing

Position, Findings, and Status

1. Management Technician, GS-344-11, PD No. 2005, Corres. Survey Section. Questions grade, series and title. Position description has been rewritten; series and title, corrected; grade sustained.
2. Chief, Accounting Branch, GS-301-12, PD No. 21135S, Accounting Branch. Grade appears too high. Position is frozen temporarily, pending complete implementaion of reorganization of Office of Program Operations, and further evaluation of the need for the position in relation to our overall manpower utilization plan.
3. Chief, Control Section, GS-301-11, PD No. 20537S. Grade appears too high. Position is frozen temporarily, pending complete implementation of reorganization of Office of Program Operations, and further evaluation of the need for the position in relation to our overall manpower utilization plan.
4. Rimbursement Projects Officer, GS-301-13, PD No. 22538. Position description may be inaccurate. Position is frozen temporarily, pending complete implementation of reorganization of Office of Program Operations, and further evaluation of the need for the position in relation to our overall manpower utilization plan.
5. Budget Analyst, GS-560-12, PD No. 21570, Resources Branch. Position description for some incumbents does not reflect group leader duties. Position is frozen temporarily, pending complete implementation of reorganization of Office of Program Operations, and further evaluation of the need for the position in relation to our overall manpower utilization plan.
6. Budget Analyst, GS-560-12, PD No. 21565, Resources Branch. Position description for some incumbents does not reflect group leader duties. Position is frozen temporarily, pending complete implementation of reorganization of Office of Program Operations, and further evaluation of the need for the position in relation to our overall manpower utilization plan.
7. Staff Development Officer, GS-301-13, PD No. 21622S; Staff Development Specialist, GS-301-12, PD No. 21623, GS-301-9, PD No. 22297, Personnel Management and Training Branch. Series and position description may be inaccurate. Position is frozen temporarily, pending complete implementaion of reorganization of Office of Program Operations, and further evaluation of the need for the position in relation to our overall manpower utilization plan.
8. Supervisory ADP Training Specialist, GS-301-13, PD No. 21624S; ADP Training Specialist, GS-301-12, PD No. 21625, Personnel Management and Training Branch. Series may be inaccurate. Position descriptions have been rewritten; series and titles corrected; grade sustained.
9. Supervisory Management Specialist, GS-301-13, PD No. 21666S; Management Specialist, GS-301-12, PD No. 22045, GS-301-11, PD No. 21668, Personnel Management and Training Branch. Series and position descriptions may be inaccurate. Position descriptions have been rewritten; series and titles corrected; grade sustained.
10. Administrative Specialist, GS-341-12, PD No. 21793, Administrative Management Branch. Series, grade and position description may be inaccurate. Position description has been rewritten; series and title corrected; grade sustained.

The Division of Personnel and the Bureau of Data Processing should undertake a joint program to determine if the positions in the organizational entities noted below can be restructured.

Item and Status

In the Services Branch, 326 General schedule positions with an average grade of 3.51, apparently were misclassified. Proper classification would result in a change of 324 positions having an average grade of only 2.41. This would include the downgrading of 273 positions. Review resulted in transfer of the Services Branch out of BDP to the Office of Management and Administration's Office of Operating Facilities. Positions have been frozen pending (a) receipt of CSC's new classification standards applicable to many of the positions in question, and (b) implementation of organizational changes.

In the Computer Operations Branch, 50 positions with an average grade of 7.80 apparently were misclassified. Proper classification could result in a change to an average grade of only 6.75. This would include the downgrading of 44 positions. Review resulted in transfer of the Computer Operations Branch out of BDP to the Office of Management and Administration's Office of Data Development. Further action planned as necessary, after completion of changes to organization and job responsibilities of this office.

In the EDP Operation Systems Branch, 133 positions with an average grade of 7.71 apparently were misclassified. Proper classification would result in the downgrading of 102 positions, upgrading 24 positions, resulting in an average grade of 7.10. 74 positions have been reaudited and determined to be supportive of their current classification. Others will be reaudited during our 3-year plan.

In the Enumeration and Identification Branch (Night Shift), determine if current position descriptions reflect the work actually being performed. This Branch is being abolished; virtually all employees have been reassigned.

THE RUSSIANS GO ALL OUT FOR NUCLEAR POWER

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. McCORMACK. Mr. Speaker, the August 2 edition of Business Week carried an article entitled "Why The Russians Go All Out For Nuclear Power" and points out in a subheadline that the Russians plan to have nuclear energy dominate electric energy production in that country by the year 2000. In addition, the Russians are developing an export capability for nuclear power plants and nuclear fuel which will, in the future, include nuclear breeder plants. This will place the Russians in a competing position with France, Germany, England, and Japan in world nuclear markets, including breeder plants. All these nations, except perhaps Japan, are ahead of the United States in commercialization of breeder plants.

All this emphasizes the need for the United States to establish a more aggressive role in attempting to prevent the proliferation of nuclear weapons capability among nations not now possessing it. It is essential that our Government recognize the fact that, in response to the energy crisis, almost every nation in the industrialized world is turning to nuclear energy, and that this Nation must undertake aggressive policies and obtain enforceable agreements to control the enrichment of uranium and the reprocessing of nuclear fuel under such conditions that the opportunity for fabrication of nuclear weapons is minimized, or, if possible, prevented altogether.

I submit the article from Business Week for the consideration of my colleagues in the House and to draw their attention and the attention of the general public to the fact that the international exploitation of nuclear energy is an existing reality which can neither be ignored nor prevented by unilateral action within the United States.

The text of the article is as follows:

WHY THE RUSSIANS GO ALL-OUT FOR NUCLEAR POWER

The mind boggles at the thought: There, where the rivers Volga and Don pinch together like the neck of an hourglass, Soviet workers strung along a serpentine assembly line nearly 6 mi. long crank out nuclear reactors like so many Model T Fords. Huge cranes plop the factory-assembled units onto barges. Tugs then pull them up the Volga system to sites all over the European Soviet Union, or down the Don and through the Azov, Black, and Mediterranean Seas on their way to the world's markets.

However improbable it may seem, a plan to build just such an assembly plant—the Soviets have dubbed it "Atommash," which is a synthesis of the Russian words for "atomic machines"—has been certified by the Kremlin. And Atommash is just the beginning. For while atomic power seems to be faltering somewhat in the U.S., the Russians have made a command decision to go nuclear.

Right now Russia has only about 6,000 megawatts of nuclear capacity, almost all of it west of the Ural Mountains, where most of the population lives and works and where conventional fuel supplies are running perilously low. By 1980 the Kremlin hopes to have an additional 15,000 Mw. on line, representing some 20% of all new power plant construction during the next five years. Then, in the 1980s, 1,000-Mw. reactors will start rolling out of the mammoth Atommash plant at a rate of three to four a year. Eventually the plant is even supposed to make fast breeders, the alchemic reactors that create nuclear fuel even as they consume it. If all goes according to plan, mass-produced nuclear power will dominate electricity production in the Soviet Union by the end of the century. *Top priority.* In the past such grandiose Soviet schemes have often gone awry. The giant Kama River truck factory, for example, which is akin to the Atommash plant in both scope and design, is now two years behind in construction. And, in fact, Atommash has already run into some snags. Recently, authorities complained that the builders were being held up by the designers, who have been late in delivering blueprints. But nobody doubts that Atommash will be built, and it will probably be finished closer to deadline than other such projects because the Kremlin has placed top priority on it. "The 25th Party Congress said we would get first production from Atommash in 1978 and would start building the second stage before 1980," says Mikhail F. Taryelkin, the 47-year-old director-designate of the Atommash plant. "And when they say it in the Congress," he adds, "you'd better do it."

When completed, the complex of three factories and one high-rise office building will cover 1,600 acres. The main assembly plant, ½ mi. long, more than ¼ mi. wide, and 150 ft. high, will house 62 bridge cranes that can lift 12,000 tons each. To handle its output, a special port and dock will be built at Volgodonsk. And a new town is already being laid out to accommodate the Atommash complex, its 16,000 workers, and their families.

The current standard nuclear reactor in the Soviet Union is a 440-Mw. pressurized water reactor, made at the Izhorsk plant just south of Leningrad. When Atommash starts up late in the decade, it will produce 1,000-Mw. units, or *millioniki*, as the Russians refer to them. Eventually, claims Taryelkin, the plant may be set up to produce even bigger units, because previous constraints on very large reactors—chiefly the inability of the railroads to ship them—will no longer exist.

The impact that all these nuclear power plants will have on the Soviet energy system will be substantial. With Atommash, the Soviets will not have to transport nearly so much oil and gas from their remote Siberian deposits, which they would rather preserve for chemical feedstocks. Atommash may also enable the Russians to confine coal-burning power stations to locations east of the Urals, where most of their coal lies. The plant will also free more fossil fuels for export.

Exporting reactors. The foreign implications of the push for nuclear energy are less apparent, however. Officially, the Soviet Union is opposed to proliferation and was one of the nuclear-powered countries that recently met in London to discuss ways of checking the spread of nuclear technology. But that does not mean that the Soviets, like their Western counterparts, will refuse to sell reactors, or the enriched uranium to fuel them, to other countries. Indeed, in a recent magazine article, Deputy Foreign Trade Minister Vladimir S. Alkhimov singled out the export of uranium enrichment services as "a new big feature" guaranteeing "high hard-currency value return." The Russians have already commissioned Soviet-made reactors in East Germany, Rumania, and Bulgaria and have sold units to other satellite countries as well. Moreover, Finland bought Soviet reactors for its Loviisa station, that nation's first nuclear power plant. Now, from all signs, the Russians seem to be ready to move into the Third World.

Does this make the Soviets potentially serious competitors of General Electric Co., Westinghouse Electric Corp., and other Western reactor makers? "Let's wait and see how long it takes them to develop a market," says an American power equipment salesman in Moscow. Though he is confident that Western manufacturers can retain their dominant position for a long time, he does not discount the inroads that the Russians might eventually make, "especially with Eastern bloc nations cooperating on manufacture," he says.

The decision to build Atommash, while dramatic, does not shock Western nuclear scientists, who, after all, have seen the Soviet Union achieve most of the world's commercial "firsts" in nuclear power. Russia was the first country to start up a nuclear power station (at Obninsk, in 1954), the first to permanently hook a fast breeder into an electric grid (at Shevchenko, in 1973), and the first to maintain a controlled thermonuclear reaction for as long as 1/10th of a second (with the Tokomak-10 device in Moscow, which achieved the feat in March). And, as with Atommash, the Russian achievements seem to stem more from determination than from superior expertise. Says one American scientist who was involved in a Soviet-U.S. exchange program: "The Soviets rush to hardware, building a little one right away and, if it works, building a bigger one; while Americans study and iron out design first, then build."

The Soviets' juggernaut approach can be seen in their efforts to commercialize breeder reactors, which have yet to reach the demonstration stage in the U.S.—and some say never will because of technical, environmental, and economic problems. Ignoring such normally inhibiting factors, the Russians started up the 350-Mw. breeder at Shevchenko, on the Caspian Sea, in mid-1973. Almost immediately the reactor broke down when faulty welds in the steam tubing allowed water to react with the surrounding sodium coolant. Last year the crippled reactor operated at one-third of capacity. Scientists who recently visited the installation say it is now operating at two-thirds of capacity, with the intense heat produced from the fission reaction used to desalt water though not necessarily to generate electricity. . . .

Observers speculate that Russian engineers, in their typical build-now, fret-later fashion, will select the simpler tank-type reactor as the breeder of choice sometime this year or next. "They talk about breeders as a stop-gap until fusion comes along," says one Western expert based in Moscow. "But it looks more and more as if they are going to develop a complete enough breeder program to serve as a backstop if fusion is delayed into the mid-2000s." . . .

SUPPLEMENTAL SECURITY INCOME AMENDMENTS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. PICKLE. Mr. Speaker, yesterday I proposed two amendments that were printed in the CONGRESSIONAL RECORD at pages 27238–27239, to H.R. 8911, supplemental security income amendments. The first amendment pertains to the eligibility of the spouse where the wife or husband is institutionalized and the remaining spouse is trying to make ends meet at home. This is designed to remedy the situation where one spouse will have to be institutionalized and the joint income from SSI will be counted toward the cost of care by the institution, leaving the spouse at home with very little money to live on. In addition, a substantial portion of any social security payments which are payable to the institutionalized spouse will also be counted as income toward the cost of care and will not be available to the spouse at home. In some situations, the couple has had to obtain a divorce so that each will get benefits individually and the person at home will not have his or her income attributed to the cost of care for the institutionalized spouse.

The proposed amendment would allow the couple to be deemed individuals for purposes of determining SSI benefits amounts from the time one of them is institutionalized. According to HEW, cost is expected to be minimal.

The other amendment pertains to cost-of-living adjustments in amount of certain excludable income and is intended to insure that a person receiving both SSI and social security does not become ineligible for SSI when the social security cost-of-living increases are given. An unfortunate situation occurs when an individual receiving $1 or $2 in SSI gets an increase in social security benefits which is greater than the SSI increase causing that person to lose eligibility for SSI and perhaps medicaid.

Current SSI law required that earned and unearned income from other sources be counted in determining an applicant's eligibility for SSI, with the exception that $20 per month of such income—such as social security benefits, annuities, rent, and interest, et cetera—is excluded in determining eligibility. The amendment would increase the $20 exclusion by the percentage of the social security cost-of-living increase to preclude making such a person ineligible insofar as Federal benefits are concerned.

PROGRESS ON ENERGY, SLOWLY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. DERWINSKI. Mr. Speaker, I have long emphasized to Members of the House my concern over the lack of practical energy legislation emanating from the Congress.

Ever since the energy crisis was thrust upon us by the Arab oil boycott during the 1973 Arab-Israeli war, we have had much rhetoric but little progress in this Democrat-controlled Congress.

The Chicago Daily News properly makes point in their editorial, "Progress on Energy, Slowly," which appeared in their August 14-15 edition:

PROGRESS ON ENERGY, SLOWLY

Congress has taken a few small steps toward stemming energy waste in the United States and promoting use of domestic resources. As part of a bill extending the life of the Federal Energy Administration, the government is seeking to impose energy-saving standards on new buildings and encourage homeowners to weatherize by offering tax breaks, loans and grants.

The bill also lifts a few more of the government's controls on oil prices. But the measure before President Ford does not go nearly far enough in freeing domestic oil production from price controls and thus encouraging fuller development of U.S. oil.

The bill would lift price controls on oil coming from certain sources that account for only an estimated 10 to 15 per cent of domestic production. Another provision would have the effect of raising by several percentage points the annual increase in the price of all crude oil produced in the United States. While these increases will prompt oil companies to squeeze more out of existing wells, they are insufficient stimuli for finding and developing new sources.

It is hard to imagine what it will take for Congress to recognize that only by lifting all oil-price controls will the United States reap the full benefit of its oil reserves and have the wherewithal to develop alternate sources to guard against the day when those reserves run dry. That action could be inflationary if taken all at once. But the alternative is to keep this country—its economy and its national security—at the mercy of the Organization of Petroleum Exporting Countries cartel.

The Arab-led OPEC oil embargo of 1973 and 1974 and the fourfold increase in oil prices showed the industrial West the perils of energy dependence. Yet that dependence continues to grow. By the end of this year imported oil will account for an estimated 41 per cent of U.S. consumption, compared to 23 per cent in 1970 and 37 per cent in 1975. That will amount to a $35 billion drain on the U.S. economy.

Even if the increase in U.S. dependence is stemmed, the dollar drain could grow. Saudi Arabia's oil minister, Shiek Ahmed Zaki Yamani, says that OPEC will take oil prices up a notch come 1977.

Saudi Arabia has checked its overreaching brothers in the past, with the help of the reduction in worldwide oil demand stemming from economic downturn. But Western economies are reversing themselves and sending oil demand soaring.

With the energy bill just passed, Congress nudged the United States toward energy self-sufficiency and release from the international oil squeeze. That is welcome. But a shove would have been better than a nudge.

MSGR. FRANCIS McELLIGOTT

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. RUSSO. Mr. Speaker, saying "thank you" can be a simple act of common courtesy spoken automatically and unthinkingly. But, in contrast, the expression of this sentiment can speak volumes and be one of the most eloquent and heartfelt gifts one human being conveys to another.

To be appreciated, to be acknowledged for one's deeds or words, is a moving experience. How sad that we don't take the time more often to say "thank you."

Out in Chicago this evening, however, at least one group is taking care of that common oversight. They are saying "thank you" in a grand way to a person who has contributed immeasurably to their church and community. Msgr. Francis McElligott will be feted at a dinner, commemorating his 10-year anniversary as pastor of St. John Fisher Church.

Rev. Thomas A. Mulcrone of the Church explained the event in his letter to me:

> During these ten years, Msgr. has made significant contributions not only to our parish but also to our neighborhood. He is a member of the Beverly Area Planning Assoc. and the Homeowners Federation and has always taken an active part in helping to keep the Beverly-Morgan Park area a strong and vibrant community. In order to show our appreciation to Msgr. for all that he has done during his pastorate here, we are going to have a surprise party for him on August 24th.

I know it will be a splendid occasion for Monsignor McElligott, as well as for those who have recognized the contributions of this fine man and are now taking the time to commend him for his efforts. When those closest to you, who share your life and observe your actions, say "thank you," their words ring deep and true.

Monsignor McElligott clearly has asked, as all of us must, "What wilt thou have me do, O Lord?" and his response has been to serve as a faithful servant, with all those privileged to know him reaping the benefits of his commitment.

It is truly fitting that a man blessed with a richness of spirit and generosity, should be so honored, and I know my colleagues join with me in congratulating him. As an 18th century English novelist observed:

> There cannot be a more glorious object in creation than a human being replete with benevolence, meditating in what manner he may render himself most acceptable to the Creator by doing good to his creatures.

NUCLEAR PROLIFERATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. BINGHAM. Mr. Speaker, this country is in desperate need of a coordinated policy for the containment of nuclear proliferation. Figures released earlier this year by the Senate Government Operations Committee indicate that in the so-called lesser developed countries alone, 350 reactors will be operating by 1990. These reactors will have the potential to produce enough plutonium to make about 10 atomic bombs per day.

As an excellent summary of the proliferation crisis carried in this morning's New York Times noted, "the administration's position is based on the assumption that the nuclear cat is already out of the bag . . . the idea is to use the advantage the United States possesses as a fuel supplier to promote the sale of American nuclear powerplants. This would provide a commercial advantage as well as the opportunity to impose stringent safeguards on all nuclear facilities in the buyer's country." The danger of such a position is that the United States may be tempted to compete with our least-responsible competitors in the export of nuclear hardware.

The next administration must surely have near the top of its list of priorities the compelling need to overhaul our nuclear export policy before we completely throw in the towel for the antiproliferation fight. I look forward to working with my colleagues here in the House on this effort and commend to their attention the Times article, as well as a July 30 piece from the New York Daily News, entitled "40 Nations To Have A-Bomb by 1985: Ford," which follow:

Conflict Continues Over U.S. Effort to Halt Spread of Nuclear Weapons

(By Leslie H. Gelb)

Washington, Aug. 22.—The Ford Administration is engaged in protracted and intricate negotiations with more than a dozen nations to prevent the spread of nuclear weapons. At the same time, critics of these efforts have become more vocal, charging that the Administration's nonproliferation diplomacy is too little and too late.

At stake is whether the present nuclear weapons club, consisting of the United States, the Soviet Union, Britain, France and China, and perhaps India and Israel, is going to be enlarged.

Secretary of State Henry A. Kissinger recently traveled to Iran and Pakistan to try to persuade the leaders of these countries not to buy certain nuclear power facilities that could be used to make a nuclear bomb. He has been having similar talks with other potential buyers, such as Brazil, South Korea and Argentina, and with the suppliers—West Germany, France, Britain, the Soviet Union, Canada and Japan.

Administration officials working on the problem do not evince great optimism about the ultimate outcome, but they do point to progress in heading off the nuclear trend in South Korea and Iran.

As a backdrop, the arms control community, joined by a number of members of Congress, has kept up a drum beat of criticism. Most notably, Senator Abraham A. Ribicoff, Democrat of Connecticut, who is chairman of the Senate's Government Operations Committee, has been seeking to use the committee's powers under the Export Reorganization Act to prod the Administration.

It is Mr. Ribicoff's belief, shared by a number of his colleagues, that there is a good chance of preventing enlargement of the nuclear weapons club if only the Administration will attach stiffer terms to American nuclear exports.

THE BACKGROUND

The treaty to prevent the spread of nuclear weapons, known popularly as the nonproliferation treaty, entered into force in 1970, and there are now more than 100 participating nations. In the treaty, states possessing nuclear weapons pledged not to help others to gain a nuclear capability, and states without nuclear weapons promised not to acquire them. The International Atomic Energy Agency, which is based in Vienna, was designated to monitor all nuclear activities in the states that had no nuclear weapons.

The treaty has some significant loopholes, including the right of a signer to renounce participation upon giving 90 days' notice and the right to carry on any nuclear activity short of actual manufacture of a nuclear weapon.

In May 1974, India, one of the many key nations that did not sign the treaty, exploded a nuclear device fashioned from resources and made in facilities provided in part by Canada and the United States. The explosion brought home to official Washington—as previous protests from arms control advocates had not—the link between the export of nuclear technology and facilities for peaceful purposes and the possible spread of nuclear weapons.

Three facts were responsible for this link. First, the United States no longer had a monopoly on the export of nuclear facilities and technology; other countries also could sell.

Secondly, the high price of oil and other fossil fuels, made nuclear energy an attractive alternative, and many countries now wanted to buy nuclear power plants.

Third, because of the increased demand for uranium to fuel these power plants and because the United States and the Soviet Union, now the sole exporters of enriched uranium, had not increased output to meet this demand, there was a shortage of nuclear fuel. Thus many countries wanted to buy reprocessng and uranium-enrichment facilities to produce their own fuel.

The United States does not export these facilities, but other countries do, and that is the problem. Weapons-grade nuclear material can be produced in them.

Almost all of the more than 400 nuclear power plants either operating, under construction or planned in almost 40 countries, are light water reactors. These reactors can be fueled by uranium enriched to less than 1 percent, far below the requirements for a nuclear bomb. They can also be fueled by weapons-grade plutonium chemically reprocessed from the spent fuel of a nuclear power plant.

As sweeteners for sales of nuclear power plants at about $1 billion each, *France* has agreed to provide *Pakistan* with a reprocessing plant and *West Germany* has promised to sell *Brazil* an uranium enrichment facility. The United States also continues to sell India fuel for its nuclear reactor, despite the Administration's acknowledgment that India diverted materials from previous sales to carry out its nuclear explosion.

Administration officials and critics agree that the goal is to prevent the sale of reprocessing and enrichment facilities: the issue is how. More specifically, the issue is whether and how to use the sale of nuclear fuel—the one area of exports where the United States still is dominant—to stop the sale of these facilities or to get strong safeguards against the diversion of weapons-grade fuel from these facilities to the production of nuclear bombs.

ADMINISTRATION VIEW

The Administration's position is based on the assumption that the nuclear cat is already out of the bag, that with the passing of the American monopoly and the widespread availability of nuclear technology and materials, many countries can now produce nuclear weapons if they are determined to do so. Thus the Administration has emphasized safeguards, not prevention.

The Administration has specifically rejected any idea of a unilateral embargo, or a bilateral embargo with the Soviet Union, on the sale of nuclear fuel for power plants as a means of preventing the sale of reprocessing and enrichment plants. Two reasons were given for this: a reluctance to work with Moscow against allies of the United States and a desire to avoid raising questions about the reliability of the United States as a long-term supplier of nuclear fuel.

The idea is to use the advantage the United States possesses as a fuel supplier to promote the sales of American nuclear power plants. This would provide a commercial advantage as well as the opportunity to impose stringent safeguards on all nuclear facilities in the buyer's country.

At the same time, the Administration has had some success in persuading suppliers to impose tougher safeguards against the diversion of fuel from peaceful power facilities to bombs. All suppliers now reportedly insist on inspection of facilities by the International Atomic Energy Agency.

In at least one instance where the Administration felt it had leverage to prevent a sale, it used the leverage. Thus, South Korea was dissuaded from buying a reprocessing plant from France when it was pointed out that completion of the sale would by law lead to a cutoff of American military sales to Seoul.

In all cases, the Administration has pressed home to the purchaser the point that reprocessing plants are highly uneconomical.

OPPOSITION VIEW

Mr. Ribicoff and others have argued that once a country has a reprocessing or enrichment facility in its territory, no safeguards are adequate. Mr. Ribicoff would favor an embargo on fuel sales to all suppliers and buyers of reprocessing and enrichment plants.

Specifically, Mr. Ribicoff wants the Administration to take a tougher stand on the proliferation issue before the United States' virtual monopoly as a fuel supplier comes to an end. By the mid-1980's a number of other countries will be able to provide low-grade uranium for power plants and enriched uranium and plutonium that could be used for bombs.

In the meantime, and in order to make his plea more acceptable to other supplier countries, he has proposed a market-sharing plan for the sale of nuclear power plants. The details of this plant are sketchy, but the idea is to work out a way for each supplier to gain some of the huge profits available from the sale of power plants without trying to gain a competitive advantage by offering to sell reprocessing and enrichment facilities as well.

THE OUTLOOK

The Administration and its critics seem to be moving toward a compromise approach that might also be acceptable to buyers.

The idea is to foster multinational reprocessing and enrichment plants as a substitute for nationally owned and operated plants. In return for not building their own plants, nations would be assured a reliable supply of uranium from the multinational plants. Iran has reportedly agreed to this kind of approach, and efforts are under way to persuade Pakistan.

In the last analysis, it may be that the United States will have little influence over a nation's decision to build a nuclear bomb. The list of non signers of the nonproliferation treaty shows that local and regional conflicts and rivalries remain a dominant consideration. The nonsigners include India, Pakistan, Israel, Saudi Arabia, China and Taiwan, Brazil and Argentina.

Interested parties in the United States are doing what they feel they can to postpone the day of reckoning, hoping but not expecting that such a day will never come.

Forty Nations to Have A-Bomb by 1985: Ford

(By Frank Jackman)

WASHINGTON, July 29.—President Ford warned today that by 1985 almost 40 countries are expected to have enough plutonium from their nuclear power reactors to make atomic bombs. And this does not include nations who may acquire nuclear weapons directly from others.

A world of many nuclear-weapon states could become extremely unstable and dangerous, the President said in a report to Congress prepared by the U.S. Arms Control and Disarmament Agency.

Today, he said, about 20 countries have both the technical competence and the materials to design and build nuclear weapons, and six have done so. Besides the United States, they are Russia, mainland China, Britain, France and India.

While the report did not list the 20 countries on the threshold of nuclear capability, officials make no secret that this group include: Canada, West Germany, East Germany, Israel, Iran, Italy, South Africa, Japan, Switzerland, Sweden, Brazil, Argentina, and possibly Egypt and Pakistan.

EMPHASIZE TIGHT CONTROLS

India's entry into the nuclear club in May 1974 brought a major reappraisal of U.S. policy to guard against the spread of nuclear technology, with the emphasis now on tighter controls on nuclear supplies and the training of foreign scientists in the U.S.

Ford said all countries supplying nuclear fuel, equipment and techniques should impose International Atomic Energy Agency safeguards and should also:

Prohibit any nuclear explosions, peaceful or otherwise.

Insist on measures to prevent theft of nuclear materials or sabotage.

Impose the same conditions if the equipment or materials are sold or transferred to other nations.

LIST U.S. STEPS

Ford said the United States was taking a number of steps of its own, including refusing to supply plants or technology for fuel enrichment, barring the export of heavy water or technology to produce this vital ingredient for atomic weapons, and requiring that spent fuel from U.S.-supplied reactors—which can be used over and over again—be returned.

One of the problems in the spread of nuclear weapons, the report said, was that a civilian power plant can start a country down the road to making A-weapons, even if the country does not intend to go that route when it signs the contract for the reactor. In general, a 1,000-megawatt reactor has the potential for providing material for a score of nuclear weapons each year.

COL. HARRY L. SUTTON, JR.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. ANDERSON of California. Mr. Speaker, on August 21, a change of command ceremony was held at Fort MacArthur in San Pedro, Calif. Col. Harry L. Sutton was leaving the old fort to assume his new duties at the Pentagon as Chief of the European Division under the Joint Chiefs of Staff. However, the ceremony was more than a military protocol; it gave the people of the harbor area a chance to bid farewell to a man who, in a relatively short period of time, had become a vital and respected member of the community.

Born in Stroudsburg, Pa., on November 28, 1928, Harry Sutton received his commission in September of 1950 as a second lieutenant. A graduate of the Citadel, where he majored in history, Col. Sutton has completed the field artillery transition course, the artillery and missile advanced course, and attended the Command and General Staff College, and the Canadian National Defense College.

Prior to his arrival at Fort MacArthur on July 17, 1975, Colonel Sutton served tours of duty in Europe, Korea, Canada, the Canal Zone, Vietnam, Hawaii, and various parts of the United States.

Among the decorations he has received are the Army Commendation Medal with three Oak Leaf Clusters; the Air Medal; the Bronze Star; the Legion of Merit; and the Meritorious Service Medal with Oak Leaf Cluster.

While commander of Fort MacArthur, Colonel Sutton found time to be active in community and service organizations in the Los Angeles and Harbor areas. He was a member of the San Pedro, Torrance, and Long Beach Chambers of Commerce. Colonel Sutton also served as a board member of the Association of the United States Army, the Los Angeles Federal Executive Board, and the American Defense Preparedness Association. He was also an active member of the San Pedro Rotary Club.

Colonel Sutton's wife, Darcy, is an accomplished artist, whose paintings have been displayed in art museums and exhibits. They have two children: George, a college student in Hawaii, and Margaret, also attending college in Dallas, Tex.

When he arrived at Fort MacArthur, Colonel Sutton inherited a post that had been cut back drastically in size, and that was apparently destined for an eventual phaseout by the Department of the Army. Despite this, his leadership and inspiration kept morale high, and the fort continued to function as an active and valuable unit. The harbor area community, which has over the years developed a fondness and appreciation for the fort, also found this highly competent individual to be a rock of stability. We welcomed his active involvement in community affairs, and he will be missed as he assumes his new duties.

Although we were sorry to see him leave, Col. Harry L. Sutton, Jr., will bring that same high level of performance to his new position in the Pentagon. It is quite a step up from his former duties.

My wife, Lee, joins me in congratulating Colonel Sutton on his new job as chief of the European Division under the Joint Chiefs of Staff, and we wish him the best of luck in his future career.

CAMP PENDLETON MARINE AIDS MENTALLY RETARDED CHILDREN

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. MOAKLEY. Mr. Speaker, one of my constituents, Pfc. Robert W. Rumbel of Norwood, Mass., currently with the U.S. Marine Corps, spends his spare time in a most worthwhile way. Pfc Rumbel works with mentally retarded children. The Oakland Tribune, Oakland, Calif., and the Pendleton Scout have published articles which focus on Pfc Rumbel's activities. I would like to share those articles with you at this time. I am sure that you will agree that Pfc Rumbel is a credit to his family, his community and the service of his country. I am certain that this is just one example of the fine caliber of young men who are joining the Armed Forces today.

The article follows:

CAMP PENDLETON MARINE AIDS MENTALLY RETARDED CHILDREN

CAMP PENDLETON.—One Marine here feels that working at the Vista Development Center for mentally handicapped children is a great way to spend his liberty.

Private First Class Robert W. Rumbel, a Radar Operator with Marine Air Control Squadron Seven (MAC-7) first got involved working with the children when his Human Relations group visited the school.

"It surprises you at first, but after two or three visits it becomes second nature. We are just trying to show people that the kids are not outcasts of society, but people who need a little understanding and encouragement," PFC Rumbel said.

He is a member of the North County Association of Retarded Youth. The association is a group of young people who organize activities and raise money for recreational equipment.

The City of Vista recently donated a building that is being converted into a recreation center by the association with a ribbon cutting ceremony to be held September 26.

PFC Rumbel is from Norwood, Massachusetts and worked in a convalescent home before entering the Marine Corps.

"The students are just like the older people in the convalescent home. They appreciate you taking the time to say "good morning to them," PFC Rumbel said.

PFC Rumbel attends meetings for the youth group every Tuesday night to discuss ideas or problems of the students.

"The only problem I have is transportation," Rumbel said, "but usually someone will either give me a ride or I'll catch the bus. I'm fortunate in a way that the center is so close, because if it's necessary, I could walk."

PFC Rumbel joined the Marine Corps in October 1974 for four years and hopes to continue working at the center while stationed here.

"I find this to be the most rewarding thing that's happened to me. It gives me a chance to get involved in something worthwhile," PFC Rumbel said.

THE EIGHTH ANNIVERSARY OF THE CZECHOSLOVAKIAN INVASION

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. BROWN of Ohio. Mr. Speaker, over 8 years ago, on July 30, 1968, I wrote the following words in a press release concerning the tense situation in Czechoslovakia at that time:

> Czechoslovakia, defying the Soviet Union, is the focus of world attention again as it was in 1938 when it was Hitler's target. New Czech leaders are seeking freedom to liberalize the hard Communist line imposed by the Russians. As an important member of the Warsaw Pact, Czechoslovakia presents a serious dilemma for the Soviets. The whole world watches the drama unfolding in that little country and waits to see if Russia will intervene with troops, as it did in Hungary in 1956, or will reluctantly accede to some of the freedom developments. If the latter occurs, perhaps we are seeing a new turn in the history of man's eternal quest for freedom and liberty.

As we all know, only 3 weeks after I wrote these words, my hopes for the freedom of Czechoslovakia were proven to be in vain, for 8 years ago last week, in the early-morning hours of August 21, 1968, over 200,000 Warsaw Pact troops, acting on orders from the Kremlin, invaded and occupied the small nation of Czechoslovakia, the homeland of the Czech and Slovak peoples.

The Soviet invasion and occupation of Czechoslovakia constituted the violation of several key principles of international law incorporated into the Charter of the United Nations. The invasion of August 21, 1968, and the subsequent occupation: First, violated the sovereignty of a member state of the United Nations—article 2, section 1; second, violated article 2, section 4 of the charter, which prohibits the use of military force in the relations between individual members of the United Nations; third, violated the principle of self-determination of peoples—article 1, section 2; fourth, was in conflict with article 2, section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state; and fifth, was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

Despite these flagrant violations of the United Nations Charter, the United Nations did not take any formal action calling for the withdrawal of the Warsaw Pact Forces from Czechoslovakia. When the United Nations General Assembly opened its 23d annual session on October 1, 1968, Secretary General U Thant declined to suggest a resolution to this effect, saying that he could detect only some "disquiet and insecurity" in the unfortunate country of Czechoslovakia. However, the Secretary General's evaluation of the situation could not have been further from the truth. The freedom-loving people of Czechoslovakia did not willingly or even passively accept the invasion and occupation of their country. When the first news of the Soviet invasion reached the people of Prague on the morning of August 21, Czechs of all ages poured into the streets, shaking their fists at the Soviet tanks and cursing the Soviet troops. Others were not satisfied with symbolic resistance. Many young people, wielding homemade fire bombs, set several of the Soviet tanks on fire. Throughout the country, clandestine radio stations, until they were discovered and destroyed by the invasion forces, continued to broadcast the news of the invasion and attempted to somehow lend the people some degree of courage and hope in their moment of anguish. A message sent by the Czechoslovakian airline office in Prague to several foreign airlines best sums up the sentiments of the people of Czechoslovakia on the morning of August 21: "Urgently request your immediate help. Our country is occupied against the will of the people. Our citizens are being killed, our cultural monuments are being destroyed. Please help us to keep our freedom." The help, as we all know, did not come on that morning in August of 1968, and it has not come since then. Neither the United Nations, nor anyone else, took positive action to help the Czechs preserve their freedom and independence. Today, 8 years later, the situation remains the same.

On this eighth anniversary of the "Soviet Day of Shame," I would ask that the members of this House and the people of our Nation pause in rememberance of that fateful day and join with me, at a time when we are celebrating 200 years of our own freedom, in offering our support in thought and prayer to the people of Czechoslovakia in their continuing efforts to end the occupation of their country and thus become, once again, a free people.

IMPROVING FREE ENTERPRISE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. ABDNOR. Mr. Speaker, in recent weeks it has been my privilege to share with my colleagues the thoughts of some South Dakota young people on how the free enterprise system can be improved so it can continue to thrive. These essays are the prizewinners from a contest sponsored by the South Dakota Stockgrowers Association.

Today, I would like to present the ideas of Randy Holmquist of Reliance, S. Dak.:

HOW THE FREE ENTERPRISE SYSTEM CAN BE IMPROVED

(By Randy Holmquist, Reliance S. Dak.)

Before I give some improvements to the free enterprise system I will explain and define it.

The free enterprise system is where the means of production are privately owned and controlled, each person is free to make his own decisions in economic life, and each man's income is close to what his labor and other resources produce.

The free enterprise system works on the principle of supply and demand. This means that the product can be produced and priced according to its movement on an open competitive market. The free enterprise market is characterized by large numbers of informed buyers and sellers who act rationally on the basis of their information to maximize their own well-being. No one participant in the market is supposed to be large enough to change the quantity produced or exchanged. In theory, no monopolistic powers are permitted.

The three essential ingredients of the free enterprise system are competition, private property, and freedom of managerial decision. Price and profit are the great forces attracting new firms to high paying activities and force out firms from unprofitable lines.

Next I will discuss some problems and improvements of the free enterprise system.

The greatest danger to the free enterprise system is the threat of war. Even when nations against the free enterprise system do not defeat us in war, the stresses and strains of war make it difficult for this economic system to work efficiently. In an emergency people may be tempted to make drastic changes in the economic system even though there is no proof that any other system is better suited to either war or peace than free enterprise.

To improve this situation the United States should mind its own business and not become engaged in other small wars. We should only spend our money on our own national defense, not on other countries defense. We can no longer afford to be the policeman for the whole world. We should tend to our own affairs so the military expense will be less. Military expense is our major tax and it should be cut down in this way. This will make more money available for economic growth.

There are also problems of monopoly. Monopoly is where a person or company fixes prices. Open competition for a market is not possible where a monopoly exists, and competition is an essential ingredient of the free enterprise system.

Monopoly is the one area where the government must watch. No person or company should be allowed to control any segment of the economy. Those monopolies which are necessary such as public service, telephone, light, power, transportation, radio, and television must be regulated and made accountable to the public.

The free enterprise system is greatly affected by inflation and deflation. Inflation is always one of the results of war because more weapons are manufactured which means less goods are available. People bid higher prices for less goods which causes inflation. Then the government attempts to control inflation by wage and price controls. This does not allow the free enterprise system to work efficiently.

Deflation begins when the war ends and no more weapons are produced. More consumer goods are produced than necessary. This leads to unemployment and less building and growth leading to depression.

If we do not engage in wars and the government does not control the economy, such as wages and prices, there won't be such wild flucuations of prices. This should make the economy run steady and inflation will not be such a problem.

Taxation is another problem that we have in the free enterprise system. All types of taxes do some damage to the system. When too many taxes are levied it tends to destroy the incentive system of the free enterprise economy. Most taxes are necessary, but we should get away from unnecessary taxes.

I believe the best way to improve our present free enterprise system is a return of our people to personal integrity. We need people taking pride in their jobs and their personal achievements. Workers willing to work more hours for more pay rather than less hours for more pay. Personal pride in our jobs instead of dependence on welfare and government give away programs. We must realize that we cannot get something for nothing. There is no such thing as a free lunch.

All people must feel pride in our country and our free enterprise system. Improvement of the system can come only through dedication. Dedication starting with our people and continuing all the way through our political system, from all electorial senators and representatives on up to the president.

The elected of the people must again serve the people and not their own personal interests. A return to integrity here is a must.

There must be less waste in government. Budgets must be trimmed of unnecessary programs and duplications.

Above all the government must not tax those who will work to support those who won't work.

The government should attempt to provide new job opportunities and self help programs for the poor and unemployed rather than government doles. This would be better because the people would have a part in their own improvements. It should be remembered that the best government is the least government.

We must cut the percentage of the people working for the government. The government payroll is much to large.

The free enterprise system has proven itself over the years to be the best system yet devised for a people and nation.

It will continue to be the best if the people will support it and believe in it. The future of the free enterprise system depends on whether the majority of us will be willing to accept the features that make this system work, and maintain the conditions necessary for it to work properly.

FAIR CHANCE—NOT MORE POVERTY PROGRAMS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. COLLINS of Texas. Mr. Speaker, America needs to give the fellow at the bottom of the ladder a fair chance instead of more programs and slogans. The way Congress deals with the problem of the poor and disadvantaged is to pass more laws, spend more money, and create more bureaucrats to head more programs. This approach is a sellout for those it is supposed to help. Poverty is big business for the executives who advise and administer.

I recently read one of the most penetrating articles on the liberal approach to poverty. It was written by a self-described black conservative. Thomas Sowell of Stanford, Calif., is a scholar who also has common sense. This rare combination is reflected in the article he wrote for the August 8 New York Times Magazine. Read this key section:

Championing the disadvantaged is not only an inspiration but an occupation. To be blunt, the poor are a gold mine. By the time they are studied, advised, experimented with and administered, the poor have helped many a middle-class liberal to achieve affluence with Government money. The total amount of money the Government spends on its "antipoverty" efforts is three times what would be required to lift every man, woman and child in America above the official poverty line by simply sending money to the poor. Obviously, there are a lot of middlemen who get theirs: administrators, researchers, consultants, staffers, etc. These are the army of people who "take care" of the poor in a variety of ways. Such caretakers are the modern equivalent of the missionaries who came to do good and stayed to do well. It is no accident that the highest income counties in the United States are in the suburbs of Washington, D.C.

Sowell says he represents millions of other black Americans who feel as he does. Congress would be well-advised to sit up and listen to this fine man.

REFORM THE CRIMINAL JUSTICE SYSTEM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. RANGEL. Mr. Speaker, the test of of any democracy is its system of justice. Many Americans justifiably saw the Watergate affair as a marvelous example of the American judicial process at work, but unfortunately have since forgotten the problems that continue to plague our criminal justice system. Our courts rarely hear cases involving Presidents and Vice Presidents. Rather, their daily business is predominantly concerned with the trials of the indigent and often, the ignorant. It is for this reason that we must remain vigilant in our effort to safeguard the rights of those that our justice system aims at protecting.

The following article by Samuel A. Welcome, from the August 7, 1976 edition of the New York Amsterdam News provides a useful summary of some steps which could be taken to reform a problem-ridden system. I recommend it to the attention of my colleagues:

THE HYPOCRISY OF THE CRIMINAL JUSTICE SYSTEM

(By Samuel A. Welcome)

Dishonesty and moral breakdowns spread even to the Campuses, where cheating has become a way of life. West Point and the Naval Academy are being undermined with unprecedented cheating scandals.

The philosophy of athletics has now radically changed (with great influence of Vince Lombardi) from "It matters not to win or lose but how you play the game," to "Winning isn't everything; it's the only thing."

With the latter philosophy prevalent, there's no room for second place. Whereas I favor a competitive society, fairness and brotherhood should get more emphasis than winning at all costs. There is on many occasions too high a price to pay for winning. and concomitantly, repression and suppression of civil liberty is too high a price to pay for the possibility of safer streets. Communist China and Russia have safe streets but this result is at the cost of freedom and liberty.

It can't be effectuated at the cost of the loss of an independent judiciary. During "Watergate" it was the independent courts that saved America when the other institutions procrastinated in indecision. If the judiciary participate in vigilante concepts and do any less than total justice they will fail, and ultimately America will fall. Unfortunately, I see a breach in the resolve of some of my colleagues that probably occurs as a result of a lowering of morale and a decrease in supportive personnel at a time when there are greater demands for productivity. There must be caution. American courts are not assembly lines. Justice must be paramount and undiluted. There are enough flaws in our system—let's not create more of them. There was a time that the President was looked upon as a father figure—honorable, benevolent, kind and protective. There was a time when all of us believed that the Director of the FBI was infallible and a true guardian of the rights of the people against the underworld; certainly not a disposer of incriminating evidence. There was a time when everyone respected a judge and never questioned his or her integrity. There was a time when the cop on the beat was admired, respected, and feared instead of suspected and maligned.

These feelings must be brought back into our everyday lives and experiences but must earn their way back by deeds, not rhetoric.

FALLIBLE BEINGS

Somehow, the general public, must not look upon our leaders as Gods but as fallible human beings, susceptible of weaknesses, but hopefully dedicated to providing us with a better quality of life in a pragmatic world. The leaders, on the other hand, must learn not to promote the unattainable but deliver the "accessible."

We must not tell defendants they will be rehabilitated in jail when there are neither the facilities nor money available for rehabilitation. We must all face the fact that jail sentences are mainly to give the general public a rest from violent and anti-social behavior and for what deterrent potential is inherent in its impact. Even the fortunate prisoners who learn a trade while incarcerated can't look forward to being absorbed into the labor force with 9 per cent to 10 per cent unemployment and a much larger percentage underemployed in New York. The labor union chieftains are not going to sit still for felons to get first choice of jobs in the existing economic climate.

OUR PRIORITIES

Our priorities are imbalanced:

(1) We should not pass an anti-loitering for prostitution bill since it is, in the opinion of many (the writer included), unconstitutional and would be a drain on an overworked-under-staffed Police Department, prosecutor's office, and court system.

(2) We should not spend over $100 billion for military hardware, most of which will be obsolete before it is paid for. We have enough weapons to destroy the world a dozen times over. It is more important to improve the quality of life than to have the newest in military hardware and have an ill-educated, unhealthy, and deprived citizenry.

(3) We should not get involved in prostitution pornography, fornication, adultery, and obscenity prosecutions which are basically the function of private tastes and morals not an urgent matter of state business or preoccupation.

(4) Drug arrests should be limited to the ers" should be arrested only when they are direct conduits to the "wholesalers."

(5) The Bar Association, including the Association of the Bar of the City of New York, should encourage the prestigious law firms to stop giving lip service to the problems of proper representation for the indigent and contribute some of the great legal talent available in the corporate and estate fields to the representation of the poor in A and B felonies to supplement, if not replace, the Legal Aid and the 18-B panels.

The Legal Aid and 18-B panels can handle the motions, hearings, C, D, and E felonies, and misdemeanors. In this way we could take a page out of the British system, where the great legal talents are rotated during the year in such a way that the poor charged with serious felonies (where the penalties can be 25 years to life, and even death, can avail themselves of the best legal talent.

Nothing short of an all-out effort that is pervasive will solve America's moral, ethical, and legal problems of the waning years of the Twentieth Century.

Hypocrisy, neglect, indifference, and evasion will mean America will lose its unique potential to be the greatest and most successful democratic experiment in the history of mankind.

BERNARD G. SEGAL RECEIVES AMERICAN BAR ASSOCIATION MEDAL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. UDALL. Mr. Speaker, on August 11, Philadelphia attorney Bernard G. Segal received the American Bar Association medal, highest award given by the 208,000-member organization. The award was presented by ABA President Lawrence E. Walsh during the association's annual meeting in Atlanta.

The medal is awarded for "innovative contribution to American jurisprudence, that is, the search of the American people for true and universal justice."

Mr. Segal is one of the great men in the American Bar. In both his public and private career he has been an ardent champion of human rights.

I am honored to know Bernie Segal as a friend and privileged to have this opportunity to join with his many friends and colleagues in saluting his lifetime of contribution to the legal profession.

I would like to insert in the CONGRESSIONAL RECORD the text of Mr. Segal's award by Judge Walsh.

CITATION FOR AWARD OF THE AMERICAN BAR ASSOCIATION GOLD MEDAL TO BERNARD G. SEGAL

(Presentation by President Lawrence E. Walsh at the Association's Annual Dinner)

Former President Bernard G. Segal could be described, as one of his predecessors was, as the "head and heart of the Bar", but he has been more than that. Many innovations in education, government, judicial administration, and other fields bear his stamp. He has labored in a multitude of ways to help us pass Lord Moulton's test: "The measure of a civilization is the degree of its obedience to the unenforceable".

He is one of the nation's leading trial and appellate lawyers, welcomed in all the country's courts. Many, including the Supreme Court, have drafted him to serve on important advisory committees. His friend, the late William A. Schnader, as Pennsylvania Attorney General, found his assistance so invaluable that, when he left office, he brought him back with him to the famous Philadelphia firm which he now heads.

He has been a great leader of the organized Bar in the City, State and Nation. There is Supreme Court authority that no lawyer in our time has done more to improve the legal profession and that he brought the American Bar Association to new levels as a spokesman for the profession.

He has done much to preserve the vital independence of the Bench and Bar, keystones of our legal system. Strong Chairman for six years of the Federal Judiciary Committee of the A.B.A. (which he still advises), he raised the prestige of its work and helped to insure its permanence. For years he has led the fight for better judicial salaries, methods of selecting judges and judicial administration generally, through the American Judicature Society, the Institute of Judicial Administration and many others. As President of the American College of Trial Lawyers he has underlined the importance of oral advocacy. A long-time leader in the American Law Institute, now its first Vice President, he has helped to shape its fine work. No organization in the legal profession has been unaffected by his activities.

He has been a leading force in expanding legal aid, encouraging governmental recognition that provision of justice to the poor is as important as medical aid. When the civil rights movement in the South met violent repression in 1963, President Kennedy drafted him to become Co-Chairman of the Lawyers Committee on Civil Rights. He encouraged the Bar not to shirk its duty to protect constitutional rights.

In the World Peace Through Law movement, he has been a strong force for international peace, justice and understanding. His selection last year for the "World Lawyer Award" attests his contributions.

Life Trustee of the University of Pennsylvania, he has served the University and its law school with wisdom and strength. He has been widely honored for his contributions to education here and in Israel.

The quality of the human being transcends his accomplishments. Warm, compassionate, imaginative, wise, bold and fearless in support of the great values, with a phenomenal memory, he carries over his love for a dear family to his love of friends and for the entire human family.

Bernard Segal's life (with many more years to go) is already an embodiment of President Choate's vision laid before the Chicago Bar in 1898:

> "Let us magnify our calling. Let us be true to these great occasions, and respond with all our might to these great demands, so that when our work is done, of us at least it may be said that we transmitted our profession to our successors as great, as useful, and as spotless as it came to our hands."

The American Bar Association is proud to confer on Bernard G. Segal the most distinguished honor within its power to bestow—the American Bar Association Medal—for conspicuous and unsurpassed service to the cause of American jurisprudence, to the maintenance of freedom, to the protection of the poor and friendless and to the search for peace and justice.

CBS'S "SALANTED" NEWS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. McDONALD. Mr. Speaker, Americans rely on the mass media for accurate information on which to base their decisions and policies. Inaccurate or distorted news reporting is the field of the propagandist, not the journalist. This problem affects not only the press, but the broadcast media which because of the compression of news may be even more prone to distorted reporting.

The News Division of CBS under Richard S. Salant has been repeatedly revealed by Accuracy in Media, the Institute for American Strategy, and responsible critics of TV news to be distorting what is actually taking place in its broadcasts. The editorial comments of Robert M. Bleiberg, editor of Barron's, on CBS's "Salanted" news follow:

"SALANTED" JOURNALISM—HENCEFORTH THE FOX WILL BE GUARDING THE CHICKENS

(By Robert Bleiberg)

"We cannot help but admire a man who defends his principles and sticks to his guns. Last Tuesday evening Richard S. Salant, president of the News Division of the Columbia Broadcasting System, gave a nationwide television audience a demonstration of doggedness which, in other circumstances, might well have commanded our respect. Under fierce attack from Congress and the White House for airing the controversial documentary, 'The Selling of the Pentagon,' Mr. Salant refused to give an inch. Perhaps with an eye on the clock—the 11–12 p.m. slot, while not exactly prime time, is still too valuable to waste—the CBS executive took no more than a moment or so to rebut 'only a few' of the critics' charges; however, he assured his viewers, 'We have an answer for every one . . .' Then, boldly switching to the offensive, the head of CBS News asserted: 'We are proud of 'The Selling of the Pentagon.' . . . We are confident that when passions die down, it will be recognized as a vital contribution to the people's right to know.' "

As chronicled in Barron's (March 21, 1971) more than half a decade ago, that might have been Richard Salant's—so to speak—finest hour. Ever since, "Pentagon"-wise, it's been downhill all the way. In striking contrast to the publicity splash which accompanied Salant's television debut, the company's promised (and long-delayed) reply was quietly inserted into the Congressional Record a number of months later by a friendly lawmaker. Instead of the thoroughgoing rebuttal advertised on television earlier, it conceded that five points of criticism were to some extent well taken; regarding a dozen or more other points in dispute, the refutation by CBS struck knowledgeable observers as unconvincing the weak. Subsequently, Martin Mayer, the noted author, summed up the ugly episode as an attempt to defend the indefensible. Finis to it was written—in our book, at any rate—at the 1975 Academy Awards dinner. There the Oscar-winning producers of a documentary film, one of whom wrote and produced "The Selling of the Pentagon" for CBS, read a message of greetings from the Communist camp.

For the CBS executive, nonetheless, the passing years have brought their days of glory. Mr. Salant served with distinction on a task force named by the Twentieth Century Fund to weigh the feasibility of creating a body to act as a kind of watchdog of the communications media; late in 1972, it unanimously recommended establishment of the National News Council, which began functioning the following summer. Last week the President of CBS News was elected to membership. "The National News Council is fortunate, indeed, to have a person of Mr. Salant's professional ability and integrity," so the Council Chairman declared in making the announcement, "join in its efforts to serve the public interest in preserving freedom of communication and advancing accurate and fair reporting of news."

FDR once staffed the fledgling Securities & Exchange Commission on the theory that it takes a thief to catch a thief: from that cynical point of view, one might applaud the appointment. Perhaps a better analogy is that of the fox put to guarding the chickens. For in terms of biased and slanted (or, as it has come to be called, "Salanted") video journalism, the National News Council has gone straight to the top. In our 1971 critique of CBS, we cited a persistent pattern of network inaccuracy and distortion, "the thrust of which has tended to be violently against what most of the country would regard as its basic interests, institutions and values," dating back to the early 'Sixties (Salant became head of CBS News in 1961.)

Since then others, notably TV Guide's Edith Efron, Edward Jay Epstein, the Institute for American Strategy and Accuracy in Media, have convincingly documented similar charges. (Of a total of 86 complaints brought before the National News Council, 15 by our rough count involved CBS Television. All but one were dismissed.) Nonetheless, over the past 18 months or so, CBS has broadcast demonstrably distorted pictures of Castro's Cuba, detente, the veterans' bonus march of the early 'Thirties and what it crudely and unfairly titled "The American Way of Cancer." Early this month, in a scathing appraisal of network reporting on the issue of Proposition 15 in California (Barron's, June 7), Miss Efron concluded: "CBS Evening News was the most aggressive in its anti-nuclear coverage."

Slant and bias aside, CBS for years has been seeking to black out Vanderbilt University, which, via a non-profit body, the Television News Archive, records and distributes at a modest fee to researchers, journalists and scholars tapes of TV news (not entertainment) broadcasts. (The U.S. District Court in Nashville, ruling that substantive legal issues have been raised, has just rejected Vanderbilt's motion to dismiss.) Among other things, CBS argues that the "CBS Evening News With Walter Cronkite" is, in effect, an unpublished motion picture, and as such is entitled to protection under the copyright law. Be that as it may—we've never seen TV journalism so baldly labelled show biz, and by those who presumably should know—CBS has plainly done its best (or worst) to ride roughshod over the First Amendment, which guarantees freedom of speech, to say nothing of the people's right to know. Curious credentials, all in all, for a watchdog of the press.

But then the National News Council is a curious watchdog. "After three years of lacklustre performance, media opposition and virtual invisibility," a recent issue of MORE magazine stingingly observed, "the National News Council is out of money and out of steam—and likely to sink into the obscurity of journalism textbooks." Not without a fight. Most of the wherewithal to finance its operations through the next fiscal year already has been forthcoming from the clutch of foundations which originally funded it. Moreover, at the urging of an independent Evaluation Committee, NNC has opted to grow more aggressive. Instead of waiting for someone to file a complaint, it henceforth may move on its own. And, in a naked bid for greater visibility, it has opened its ranks to hitherto-excluded members from the national media, notably Richard Salant.

If greater exposure is the name of the game, the ploy has succeeded. However, in our view at least, the cost has been prohibitively high. As a member of the Council, Mr. Salant reportedly won't sit in judgment on his own organization's alleged transgressions; to judge by the complaint statistics cited above, that at the outset will limit his usefulness. Perhaps more to the point, the record suggests his presence on the Council can scarcely enhance its reputation for accuracy and fairness. During the Sixties, Walter Cronkite aired an interview with President Kennedy, the result of which, according to White House Press Secretary Pierre Salinger, "was a partial distortion of JFK's opinion of President Diem (of South Vietnam) . . . President Kennedy spoke of his respect and sympathy. . . . When the film was shown to the public, only the unfavorable Presidential remarks remained . . ." Prior to the Republican convention the following year, CBS News struck again. According to Sen. Barry Goldwater, Daniel Schorr (whose latest claim to fame is his leaking of the secret Pike Report on the CIA) "took it upon himself to put out a news report to portray the idea that I was trying to forge links with far-rightist, neo-Fascist groups in Germany. Schorr dealt heavily in false facts which neither he nor CBS newsmen in this country made any attempt to check with my office."

Year by year the pattern has persisted. In 1974 the Institute for American Strategy, backed by a team of outside scholars, did an exhaustive study of CBS news coverage of national defense and related issues during 1972–73. Among other things, it found that CBS News down-played or omitted key Soviet military advances. It also cast the nation's armed forces in a glaringly negative light—"The steady viewer would have learned nothing about the basic missions of the U.S. Army, Navy and Air Force, but he would have learned a great deal about illicit drugs, black marketing, racism, sexism, demoralization and mutiny." More recently, in the wickedly titled "American Way of Cancer," Dan Rather paraded all the discredited canards about DES and DDT, among other allegedly harmful substances, in a one-sided presentation which ignored the evidence to the contrary. And in a documentary on the bonus march, CBS—as the National News Council concluded—"led the viewers to believe that the troops (headed by General Douglas MacArthur and Major Dwight D. Eisenhower) killed the two marchers. CBS itself notes that in retrospect it would have been better to have stated that the marchers were killed two hours earlier by the police. . . . We believe that in the circumstances CBS should have exercised greater care."

In the NNC case cited above, CBS—in sharp contrast to its unyielding posture on "Selling of the Pentagon"—has shown some faint willingness to respond to criticism. The same may be said of its stance in the Vanderbilt dispute. At first it asked the court to order the university to surrender its video tapes, which, so plaintiff's unguardedly said, might be erased. Since then, it has yielded to the point of making royalty-free licenses available—under stiff provisos and restrictions—to schools and to the National Archives. However, such concessions were made reluctantly and long after the litigation began, and, of course, may be revoked at will. A start, perhaps—but far too soon to let the sinner take the pulpit.

THE DECLARATION

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. MINETA. Mr. Speaker, throughout the celebration of America's Bicentennial, we have all heard and read many words reflecting on this great event—words which encourage all of us to reexamine and reaffirm those values on which our country was founded.

Recently, one of my constituents, Mrs. Marjorie Theroux, sent me a recording of the words written by her son, Gary Theroux, and his friend, Bob Gilbert. This recording first appeared as a radio editorial in Los Angeles on April 17, 1976, and made a strong impression on its listeners. I wish to submit for the RECORD a copy of the stirring words of "The Declaration" for all of us to consider as part of our Bicentennial reflections:

THE DECLARATION

Two hundred years ago, the fathers of our republic met in Independence Hall, Philadelphia. Gathered were fifty men, with differing occupations—lawyers, farmers, businessmen, an inventor, a schoolteacher—yet bound by one single, overwhelming belief. A belief that foremost among the transcendent values of man is the individual's right to use his God-given free will, and that the sole purpose of government is to protect that freedom through the preservation of internal order, provision for national defense, and the administration of justice. Those fifty assembled were well aware that when government ventures beyond those rightful functions, it accumulates powers which tend to threaten individual liberty. On that historic day, those men did openly and defiantly declare, under the threat of death, their full and complete independence from the autocratic rule of the British Crown. Upon signing that declaration, those representatives of thirteen desultory colonies stood on their own, yet together, and established a United States of America.

Two hundred momentous, incredible years have passed, and America has grown from a rebellious upstart, into the strongest, most successful, and inspiring civilization of all time. Nowhere else on the face of this earth can you find the spirit of laissez faire—power to the people—more evident than right here.

Stand up, American, on your own two feet, American, because that's what made our country great! Remember the cornerstones of our nation—courage, ingenuity, self-reliance, and a determined unity against domination. Seven generations of Americans now entrust you with the precious, hard-earned gift of freedom, now yours to pass on to your children. Guard it well, for today, at this very moment, less than one-fifth of the world's population still enjoys the liberty to write, speak and vote as they please. Yet, in our own last election, barely over half the eligible Americans even bothered to show up at the ballot box. So many of us are so wrapped up in enjoying the fruits of freedom that we neglect to make sure the bounty will be there tomorrow. Despite such warnings as tight job markets, rising prices and dwindling supplies, a tragic number of us have no interest, or even any concept of current legislation, assuming that somehow "big government" will always know best, and will do our thinking for us. Many Americans are so blase about their own future, and the future of their children that they vote for slick journalism and bumper stickers, and not their own convictions. Do you know that if you asked them about their congressman, they couldn't even tell you his name!

As we move into our third century of progress, let us keep from merely celebrating symbols and slogans. Let us instead always keep in mind the belief upon which this nation was founded—that every American has the sovereign right to live his life in any manner he may choose, as long as he does not tread on the equal rights of his neighbor. Let us reaffirm our commitment to make the ideals of liberty and justice for all more than mere words on paper, and let us not once forget the American Dream—that one day, all mankind, everywhere, will be free. That's the legacy born to us in the founding of our nation, two hundred years ago.

RESPONSE TO THE HUNGRY

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. SYMINGTON. Mr. Speaker, the St. Louis Post Dispatch recently printed the inspiring testimony of our distinguished colleague, the Honorable ROBERT F. DRINAN of Massachusetts, on the "Right to Food" bill. As a former Deputy Director of the Food for Peace program under President Kennedy, I have a particular interest in the healing power of food and the role America has in this area. All of us deeply concerned with the problem of world hunger should applaud Father DRINAN for his insight and initiative.

I would like to share this article with my colleagues, who I am sure will find it of interest. I respectfully include this article in the RECORD:

RESPONSE TO THE HUNGRY—CONGRESSIONAL MEASURE WOULD MAKE FOOD NATION'S TOP PRIORITY

(Testimony by Representative ROBERT F. DRINAN of Massachusetts Before Subcommittee On International Resources, Food and Energy)

As a member of Congress, a co-sponsor of House Concurrent Resolution 393, the Right to Food Resolution, and a member of the Board of Directors of Bread for the World, I have a deep and growing concern over the prospects of adequately coping with the world hunger situation during the remainder of this century.

The Right to Food Resolution constitutes a foundation for a national policy recognizing the right of all persons to food and a nutritionally adequate diet. This resolution is an expression of Congress' concern over the deplorable conditions existing in this country and throughout the world with respect to hunger and starvation. Most importantly, this resolution is a sincere and realistic effort to promote the expansion of the United States' contribution to coping with world hunger.

The Department of Agriculture and various organizations have opposed this resolution on the grounds that it is irresponsible and threatens our own economic well-being. A look at the available statistics on hunger and starvation, however, belies that contention.

Last year, the United Nations Food and Agriculture Organization estimated that 15,000 people die of malnutrition daily; over 460,000,000 people alive today have permanent physical impairments directly attributable to malnutrition. These shocking figures are an unfortunate commentary on this country's inadequate efforts to alleviate hunger and malnutrition throughout the world.

In recent years, we have been adversely affected by numerous factors contributing to world hunger. World food production and food reserves have been diminished by adverse weather conditions in many nations, especially in those poorer nations which cannot bear the increased burden of poor harvests and depleted reserves.

To further compound environmental problems, population growth in the poorer nations continues to mount at uncontrollable rates. A circular pattern is created as families bear more children in an attempt to counteract the debilitating effects of malnutrition on their ability to produce food, namely, high rates of infant mortality and death during the early years of adulthood. These additional family members, of course, must be nourished by additional food.

In light of these circumstances, we need desperately to begin formulating broad, long-term plans for solving the problem of world hunger and starvation. What we have failed to confront in the past, and what we continue to overlook, is the extreme sense of urgency with which these problems must be attacked. The most outstanding example of this lack of responsiveness is the current status of action resulting from the 1974 World Food Conference resolution. That resolution promised the development of a well-co-ordinated program for organizing a world food reserve system. But to this date, efforts to establish the "Global Information and Early Warning System" have been virtually nonexistent.

It is not that the United States lacks the technology or the resources needed to accomplish great things in the area of world hunger. Quite frankly, all we lack is the courage and the willingness to sacrifice. We are faced with a situation which demands the transcendence of political and military objectives; a situation which demands that we place humanitarian concerns above all else. Unless we act, millions will continue to starve. That fact should inspire us to make the type of long-term commitment embodied in the proposed resolution. We should be courageous enough to act swiftly upon that commitment.

I can think of no other nation as capable of rising to such a challenge. The United States, as the wealthiest nation in the world and its greatest food producer, has a moral responsibility to do all that we can to stop starvation. It is unconscionable that in 1975 we gave less than one quarter of 1 per cent of our Gross National Product in total foreign assistance. The time has come for a vast reordering of our priorities to reflect our awareness of the suffering of untold millions of human beings throughout the world and our determination to alleviate that suffering.

The Right to Food Resolution before the Subcommittee is merely an expression of opinion by he Congress; its enactment will not in itself prevent a single person from starving. Yet as an indication of our resolve and determination to confront this universal problem, it is an important first step. I urge the subcommittee to act favorably and promptly upon H. Con. Res. 393.

We are here for two purposes: (1) to express alarm at official foot-dragging by the Administration on the crucial issue of world hunger; and (2) to appeal to the Congress for passage of a resolution, now being considered in public hearings, that would acknowledge the right of every person to a nutritionally adequate diet.

We do not for a moment overlook the responsibility that other nations have regarding world hunger. At the same time we recognize that the United States is in a uniquely favorable position to help mobilize a truly global effort against hunger.

Recently in Rome, at a meeting of the World Food Council, it was reported that unless nations make much more comprehensive common efforts, the world is headed for a global food disaster by 1985. The World Food Council has called attention to the fact that food and fertilizer aid to the poorest countries has lagged behind goals, that the world has yet to agree on a global system.

CONCERNING RESEARCH AND DEVELOPMENT ASPECTS OF THE TOXIC SUBSTANCES CONTROL ACT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. BROWN of California. Mr. Speaker, I have strongly supported the concept of the Toxic Substance Control Act passed yesterday by the House and wish to congratulate my colleague from New York (Mr. MURPHY) for his leadership on it. I know that many on the Committee on Interstate and Foreign Commerce have worked long hours on this bill for several years, and I hope that a successful House-Senate conference will quickly reward their efforts. This will undoubtedly become a landmark piece of legislation in the protection of human health, and Mr. MURPHY of New York and his committee colleagues should be proud to have brought it to passage.

I would like to say just a word concerning the research efforts needed to support the regulatory aspects of this measure. Mr. MURPHY of New York was kind enough yesterday to offer on my behalf a brief amendment to the research section of the committee bill. I am gratified that the amendment was accepted. As you all know, the House Science and Technology Committee has jurisdiction over research and development in environmental matters, and in exercising this jurisdiction we have instituted a careful annual review and annual budget authorization of the research program of the Environmental Protection Agency, as well as holding oversight hearings on environmental research throughout the Federal Government. The Subcommittee on Environment and the Atmosphere, which I am privilged to chair, has carried out these activities on behalf of the full committee.

A number of aspects of our work have pointed toward the importance of the Toxic Substances Control Act. As just one example, we held in November of 1975 extensive hearings on the "Costs and Effects of Chronic Exposure to Low-Level Pollutants in the Environment." A key aspect of this work focused on human and ecological health effects, and a large component of that area hinged on the consequences of chemicals being dispersed in air, water, and food. In addition to the expert testimony of witnesses in 7 days of hearings, we had the benefit of an excellent exploration of the research needs by the Library of Congress, and the suggestions and reviews of more than 35 professional societies and other groups which were invited to contribute scientific analyses of the problem.

The consensus on issues related to the hazards of chemicals proliferating in our environment was overwhelmingly strong. There was a consistent call for more attention to the effects and quantities of chemicals being manufactured. Several specific points related to research needs were stressed. First is the need for a general chemical health effect screening program, on both new chemicals as well as ones already being manufactured in large quantities. An obvious corollary to this is the need for development of faster, less expensive and more accurate health screening methodology. Similarly, the need for a capability to measure and monitor toxic substances in air, water, and food was repeatedly cited, along with the related need for methods to do this inexpensively and rapidly. One of the barriers to perfecting these testing and monitoring techniques was often cited to be a lack of basic understanding of the nature and mechanism of toxicity of the various chemicals.

Attention to these various research backup needs was the purpose of the amendment I proposed. In principle EPA's broad mandate for protecting environmental health gives it authority to work in all the areas mentioned above. In practice, in our annual budget review, we have found very little EPA effort and resources devoted to the needed toxic substance research. We have been told that plans for research in this area had to await passage of the legislation we are considering today—even though some of the questions which caused controversy and delay concerning the regulatory aspects of this legislation could have been answered by a proper research program some years ago. The apparent reluctance to provide EPA with resources to develop the proper research base in this area is the reason I stressed the research needs in my amendment.

I commend the Interstate and Foreign Commerce Committee's attention to data gathering and screening technique development in the research sections 10 and 27 which they put into the committee bill. I agree also with their clear intent to mobilize the basic science expertise and resources of the National Institutes of Health in this area. My own amendment adds only stress on the importance of toxic substances research support for the regulatory rule of EPA. My amendment, briefly, asks the EPA Administrator to coordinate his own work in chemical screening techniques with that of the Secretary of Health, Education, and Welfare, and requires attention to monitoring technology and the crucial dissemination of the results to the State and local authorities who often provide the first alerts concerning toxic materials in the environment.

I believe that adding these points of emphasis to this legislation helps make clear to EPA the importance my own subcommittee places on this research. I must add that I include no special funding for the activities the amendment highlights, because I expect our subcommittee to look closely at this area in

EPA's budget submission next year. We will then be able to judge the adequacy of their program in light of the needs identified here today and in other contexts, and to authorize the appropriate levels in the event that the budget submission does not appear to meet the needs.

JEWISH FAMILY WHO APPLIED FOR EMIGRATION 12 YEARS AGO, STILL DENIED VISA

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. FREY. Mr. Speaker, Mrs. Nira Stein, chairperson of the Soviet Jewry Committee in Maitland, Fla., has long been active in working on behalf of Soviet Jewish families who have been forcibly separated by the Soviet Government by allowing some members of a family to emigrate while denying exit visas to the other members of the family.

Mrs. Stein has provided me a copy of her recent telephone transcript from Moshe Eidelman who applied over 5 years ago for his exit visa. I would also like to share with my colleagues an update on Dr. and Mrs. Emanuel Neifach who applied for exit visas over 12 years ago.

The above mentioned items follow:

My dear Nira—there is very bad news on my behalf. You know, after eight months of waiting, I was refused . . . and they told me it is one more year for me to wait. The reason is the same reason it was before, there is no reason at all . . . that I am acquainted with secrets and top state secrets. Its the same as I am sitting here, the same it was five years ago . . . I and also my wife is to wait one year more. Well, they can say one year, they can say five years, ten years. It is the same because I do not believe them any more . . .

May I dictate you a letter I want to write to all the 32 members of the European Helsinki conference, and of course of the Human Rights. All the addresses you may choose by yourself, I want to write everybody possible. My biography you know.

"I am sixty years now and during the war I was imprisoned in Germany in some camps for four years. All my relatives and parents were murdered, beastly murdered . . . my wife also, all her relatives and parents were murdered. We have our only daughter and her family in Israel. And my wife, during the war she was a nurse in a war hospital for the wounded at the front. I was a captain on a merchant ship. On the 25th of March '71, I left my job as a captain of the merchant ship and on June '71 I left the Latvian shipping company due to bad health. February '72 I was for the first time denied my exit visa for Israel and an employee of the KGB in Riga informed me that I must wait for three years due to my regime as a former captain on a merchant ship. In April '71 (?) I was officially informed by the KGB that I am to wait for the permission to leave five years from the day I left the shipping company. In May '75, after my many complaints to the Soviet authorities, I was invited to the KGB where I was officially informed in the name of the governing body that at the beginning of 1976 I shall get my exit visa. On the 3rd of December 1975 I gave in my papers in the OVIR of Riga and informed about it to the KGB, and once more was assured that at the beginning of the year my exit visa will be granted. After eight months of waiting I was told by the OVIR in Riga that there is one year more for me to wait. I was never acquainted with any secrets and especially not with state secrets. The performance of my official duty as a captain I really was acquainted with different events on Soviet merchant ships as,

First, different kind of damages and accidents with Soviet ships at port, at sea, and in foreign ports.

Second, different accidents with members of the crew, and other events.

Those information were never of a secret, only there was nothing printed about it in the newspapers in the Soviet Union. And many of them (events) were even published abroad, but if admitted that I was once acquainted with some secrets, that involuntarily arises the question, why had I to wait more than five years to communicate them if I could do it when I was with my ship abroad while those secrets were fresh problems at the time.

Obviously, there was of no consideration the fact that using this period of five and a half years, those secrets could be transmitted through my relatives and many friends who left the country. Why is it that I only and only myself am to do it. It looks like a farce and a comedy, if it would not be of such a tragedy for me. Of course, some new terms, new reasons, new promises may be told me, but I shall not believe them and reject them beforehand. Of course, I understand and fully realize that because of my complaints and my persistence to emigrate, all kinds of punitive sanctions with all sorts of heavy consequences may be used against me. But, despite all this I shall start fighting for my rights to emigrate, for my rights to reunite with my only daughter, with my relatives and friends."

I myself have written such letters myself to the KGB in Moscow, to the Minister of Interior in Moscow, to the KGB here (Riga). I am writing everywhere, but all my letters will come back to the OVIR and I shall be refused as it was before. Tomorrow I have a meeting at the KGB where I want to meet some of the persons who promised me and who told me that he is authorized by the authorities to tell me that at the beginning of the year 1976 I shall be let out. And I want to see the person and I want to hear all those reasons what it did arrive after my promise . . . It is one year or five years, I don't believe them any word because they promised me already three years and five years and if they don't fulfill their promises why is there reason that in a year I shall get my visa, what is the reason that in two years or in five years. It is a lie and a shame that I am living in such a country and I have worked for it all my life.

I am interested that such letters should go also to newspapers in countries who are now questioning the Helsinki Agreement. It is right or it is a bluff, you know, and this is one example that nothing is being done, nothing is being helped nowheres. There is no help, no promise. I don't know what will happen with me, but I am going as far as possible notwithstanding nothing. And I'll go to Moscow and I'll make trouble, and try to do everything. Or they will put me in prison or in a asylum as they are doing. I don't know what will happen but I am fighting up the last, because it was the last drop who told me it is a lie and it is a shame and there is nothing to be listened . . . I told them if I am a hostage, so I will never get out because there will always be problems between the buying of wheat in the States, or money to lend or something to do, and Jews shall always be hostages to pay for everything of this kind. At first I was told there is a month or two to wait, there was something to arrange. Afterwards I was told one or two weeks more, you know, you phoned me and I told you the same. Last time I was told you have to wait one or two days, there is just a question to be solved. It was only a matter to push the time, and I got a birthday present when I was sixty, just on the eve, I was told that I have one more year to wait . . .

The question about letters, you know no people in prison are getting any more letters from the relatives here. I don't know why, it is a new rule maybe. I don't know what happened in Montreal in the Olympiad, maybe there is something wrong with the gold medals . . . but people don't get letters. I'm not sure that the phone here will be in the same position as it is today, and it was why I was dictating you this letter—the cry of my heart because I am not sure next time we'll be able to speak.

UPDATE ON THE NEIFACH FAMILY'S VISA PROBLEMS

This is to bring you up to date on the Neifach family and ask your help in their behalf.

As you undoubtedly know, Maria, now known as Miriam arrived safely in Israel on Purim Eve and had a baby daughter, Ruth, at Haddassah Hospital. Coincidentally it was Alexander & Miriam's wedding anniversary. Alexander has attended classes at Hebrew University and has passed his crucial examination and there is a strong hope that he will find employment at the University in the Fall.

Miriam, now that Ruth is 4 months old, is attending intensive ulpan course and will work at the University also in the near future. As you know, she already has her PhD.

As to Dr. & Mrs. Neifach. In June they re-applied for visa, and as you know, this is their 12th year of waiting. Up until 1976, the obstacle was explained as their son's (Albert) occupation. This of course is unrealistic for two reasons. First, why was Alexander allowed to leave and second, the Neifachs are medical people and have no knowledge of Albert's type of work. Early in 1976 they were told that the real reason is Dr. Neifach's former rank and graduation from a military medical school. He graduated 49 years ago at age 17 and retired from service 25 years ago, having served his country at the front lines during WW II and received many honors for saving the lives of his countrymen as well as allied forces.

I recently received a letter from them advising that now again their son, Albert, is an obstacle even though he has been away from home for 18 years and that the obstacle did not exist for Alexander even though Alexander has knowledge of mathematics and electricity and would have an understanding of Albert's work if they would have been dishonest to discuss same; therefore, why should it be an unsurpassable obstacle for the parents.

Tamar and Emanuel are asking us to get an article in the newspapers about their case and have the article sent to Albert's office at the following address:

The Scientific-Industrial Union
Kzasnaja Zaria
Leningrad, USSR

I do not understand how this can help, but she writes "this is the address. Do not be surprised. It is for the best of all concerned."

Please attempt to do this favor for them. If you would not mind, please send me a copy as well so I can advise her when I phone her who has sent articles and from where.

Please do this as quickly as possible as everyday is a lifetime for them as they wait for the phone to ring, afraid to go too far from home if the OVir should try to call them. At their beautiful ages of 70 and 69 they deserve the happiness of being in our homeland, Israel together with their son and grandchild.

It may interest you to know, that Tamar's mother is buried in Jerusalem and her sister lives in Tel-Aviv, Alexander in Jerusalem.

I will be glad to furnish any information I can that I may have overlooked. Also, if you have any messages you wish passed to them I will gladly do same. About a month ago they received for the first time my most recent letter. Prior to that the only written communication they received from me was my greeting on the red signature cards to their letters.

Please keep me informed as to any correspondence or whatever communication you might have had with them recently so that together we can more effectively help them obtain their freedom.

STATEMENT OF JOHN M. MURPHY ON THE FLOOR OF THE HOUSE ON THE INTRODUCTION OF THREE RESOLUTIONS ON KOREA

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. MURPHY of New York. Mr. Speaker, the latest acts of murder on the part of North Korea's Kim Il Sung demands the immediate attention of the Congress and the American people. While the civilized world seeks peace not only in South Korea, but in all nations, the Communist Government of North Korea continues its policy of unfettered violence and butchery under the guidance of the totally irrational "Madman of Korea."

I repeat: The sin is murder, plain and simple. For 23 years, there has been a rather tenuous "truce" between the North and South. Yet during those years, more than 1,000 people have died, including 49 Americans, in such incidents which defy reason.

There is no war, yet men die.

Peace negotiations continue for 23 years, yet men still die.

Both sides plead for reunification, yet men die.

While the North Koreans criticize "imperialist maneuvers to provoke war in Korea" at the Sri Lanka Summit Conference of Unaligned Nations, at the very same moment their heavily armed storm troopers in jackboots axe murder American soldiers on a peaceful work detail.

Mr. Kim's message that the event was "regretful" is, to say the least, insufficient and unacceptable. The American people, allied with South Korea throughout a bloody war and through 23 years since then, deserve much more than a brief note of regret for the continued murder of our men.

To that end, I am offering a series of resolutions to the Congress.

First, of course, is an official condemnation of North Korea for these senseless and brutal acts of perfidy and murder. I can imagine no reasonable explanation for these events, except the continued threats by North Korea that they will invade the South to destroy in war what they have been unable to achieve in peace. This resolution also expresses the deepest sympathies and condolences of the Congress to the families and loved ones of the slain. American soldiers. There can be no more valiant deed than to give one's life to his country for a just cause; but there can be no greater grief and sorrow than for the loss of a loved one in such a senseless act as this.

My second resolution calls upon the House of Representatives to instruct its Armed Services Committee to conduct a full and complete investigation of the incident, and to report to the House and to the American people its findings and its recommendations for further action by the U.S. Government.

My third resolution would make known the urgent need for these latest acts of North Korean brutality, as well as the entire history of such unprovoked violence within the demilitarized zone, to be brought to the agenda of the United Nations for appropriate action from that international forum.

Last Wednesday's attacks were not the first such cowardly attacks, nor will they be the last. On June 30, 1975, Maj. William D. Henderson was permanently crippled by a kick in the throat as the result of an unprovoked assault in the DMZ. Five U.S. troops were murdered when their truck was mined and they were machinegunned, and a U.S. naval officer and a young South Korean marine officer were blown up by North Korean booby traps in a tunnel the North Korean's were burrowing under the demilitarized zone in preparation for a repeat of their 1950 assault on the South.

This latest in a series of vicious assaults is a direct counterpoint to those in the U.S. Congress and the news media who have bleated over the plight of the North Koreans who they claim are merely trying to unify their divided country.

I fully agree with the New York Times editorial of August 23, 1976, which concluded:

> . . . Pyongyang's latest brute display of unpredictable aggressiveness underscores the continuing need for a strong and patient United States presence, preferably under United Nations auspices, until North Korea's leaders abandon their persistent dream of military conquest and sit down to negotiate a final peace settlement.

I urge all of my colleagues to read the editorial, and I ask that it be printed at the end of my remarks today. I especially urge those Members who have called for U.S. troop withdrawals from South Korea and expressed hope that a "contrite" Democratic Peoples Republic of Korea would act in good faith in any attempts to reunite the two Koreas.

By acts such as the DMZ murders, it is obvious that any unification will be brought about by brute force and that these mad dog acts of perfidy and murder by the proteges of the international gangster—North Korea's Kim Il Sung—would go on unabated. It is a matter of record that he has already murdered and banished hundreds of thousands of his own people in the North who disagree with him.

I fully agree with the assessment of our Defense Intelligence Agency that the attack is part of an orchestrated effort by the North Koreans aimed at the world press to focus attention on the DMZ and on the United States-Republic of Korea position on the withdrawal of U.S. troops. It is also timed to coincide with the U.S. political campaign and the upcoming debate on the subject.

I hope the entire Congress will take heed of the events of August 18, 1976, in the DMZ and give this and other similar behavior thought when they are asked to dissolve the United Nations command, to remove the American forces from South Korea and to cut off aid to a country that is a friend and an ally and in obvious need of the strength—military and spiritual—of the United States of America.

I feel the above justifies support for the first part of my first resolution, the denunciation of the Democratic Peoples Republic of Korea. The second part should need no explanation, an expression of sympathy for the survivors of Maj. Arthur G. Bonifas and 1st Lt. Mark T. Barrett.

Our sympathies should go to the families of the American troops who were killed and assaulted. They join the 163,000 Americans who were killed and wounded in the Korean conflict and those who have been murdered by similar acts in the DMZ since the so-called ceasefire of 1953.

My second resolution goes to the safety of our men in the DMZ. I have already asked Defense Secretary Rumsfeld that all steps possible be taken to protect the lives of troops and civilians in and around the DMZ from acts of murder, assault, kidnaping, harassment, infiltration, and destruction that are common occurrences perpetrated by a brutal North Korean regime that is completely devoid of the human qualities of honor, dignity, and respect for life that one normally expects from a civilized nation.

It is only right that the House of Representatives conduct its own investigation of what is happening to our troops on this last frontier of freedom. I am convinced this investigation is necessary after having interviewed three combat infantry officers who have recently returned to the United States from yearlong tours of duty with the U.S. Army's joint security area force near Panmunjom, in Korea. I will not identify the officers to protect them from official reprisal. The following is part of what I was told by the officer returnees:

U.S. troops are handpicked for assignment to the so-called JSA on the basis of height and physique. Personnel officers look for officers and men in the 6-foot-3-inch to 6-foot-5-inch range, and one recent assignment of a former West Point boxer illustrates the need for special qualifications among the permanent troop complement.

Current procedures at the truce talk site call for U.S. troops to carry unloaded weapons, the returnees say. But that precaution is meaningless, since the U.S. ammunition facility is well out of the area, and hence inaccessible in the face of an actual shootout at the site. The officers say that a careful cross-examination of U.S. officials under oath will probably reveal that the troops involved in the ax incident were unprepared to defend themselves with weapons in the event of any attack by the North Koreans.

The returnees were astounded to learn that the U.S. reaction force which is supposed to be within sight of the work party did not come to the aid of the victims of the attack. The reaction force is usually armed with M–16 rifles and clubs.

According to the U.S. officers, the JSA contingent is specifically directed to assume a "turn the other cheek" posture in the face of North Korean provocations. While the officers say they can appreciate the political utility of such a policy, they also stated to me that it is "criminally negligent to place U.S. troops in immediate danger without a reasonable prospect of self-defense."

According to the officers, U.S. positions at the site are within full view of the North Koreans, while the Communist positions are obscured by trees. The North Korean practice has been to use a truck to block access to the trees in the past.

One of the officers said that morale among Americans at the Panmunjom site had to be "as low as you can go. The guys say that the weak-kneed politicians are risking our lives on some far out theory that you can deal rationally with the North Koreans." Alluding to treatment of the *Pueblo* crew and the Korean war POW's, the officers said that "it is pretty well established in everyone's mind over there that these guys—the North Koreans—behave like animals."

Let me cite a gruesome case that cries out for such an investigation by the Congress:

On a Saturday in October of 1969 elements of the North Korean People's Army—the "Inman gun"—attacked a 1¼-ton U.S. Army truck inside the demilitarized zone itself, south of hill Texas, a prominent terrain feature well known to many American GI's. The American truck carried four American soldiers who had been engaged in the routine resupply of an American position in the zone.

The North Koreans executed a roadside ambush in broad daylight and executed the U.S. troops with automatic weapons. They then delivered individual coups d'grace with 9-mm Tokarev pistols before stripping the bodies. When U.S. relief forces arrived on the scene it was necessary to use grappling hooks to overturn the corpses since North Koreans often emplace pressure-type booby traps under corpses to create so-called "secondary casualties" among medical evacuation personnel.

At that time U.S. forces were arrayed along the DMZ itself, conducting daily patrols in their sectors. One of the American patrols intercepted the North Korean ambushers, and the ensuing fight proved conclusively that the American soldiers were unsure of just what the "tactical rules of engagement" were. Upon first sighting the Communist troops one of the young infantrymen stood up, identified himself, and challenged the North Koreans in compliance with the standing rules of daylight engagement. Gunfire was exchanged with the startled North Koreans firing the first shots.

The only helpful result of this lamentable episode occurred when one of the attackers dropped a blood-soaked GI flak jacket—taken from one of those GI's murdered on the truck—during the firefight, providing gruesome evidence for U.N. negotiators to deposit on the truce table at Panmunjom, later that week.

My third resolution calls on the President to place this whole issue on the agenda of the United Nations organization. I must admit I have been warned such action would be fruitless. But I cannot conceive that that organization could overlook such a heinous crime—The threat to world peace caused by this atrocity dictates that the United Nations come to grips with the problem of a rampaging Kim Il Sung and a recalcitrant, belligerent North Korea. The North Koreans are continually utilizing all of the propaganda techniques known to men to vilify and attack the United States with no reason. The United States now has abundant reason to take these brutal, barbaric acts of violence to the major world organization established to keep world peace.

North Korea's true nature has been exposed.

Until North Korea turns from a mass-produced society of automated savages they cannot be trusted and their words should fall on deaf ears among intelligent men in the free world.

Mr. Speaker, the resolutions are offered separately, so that each might receive appropriate and speedy consideration and execution. Each resolution addresses a topic of urgent importance, and I urge that each be acted upon immediately.

The resolutions referred to above and the New York Times editorial of August 23, 1976, follow:

[From the New York Times, Aug. 23, 1976]

MEASURED RESPONSE

Three days after North Korean guards brutally assaulted and killed two American officers supervising a tree-pruning operation in the demilitarized zone, allied forces returned Friday and cut down the tree, which had been obstructing the view of a United Nations Command post.

This symbolic gesture was backed by a show of military power sufficient to discourage any further North Korean interference and to evoke a belated apology of sorts from Pyongyang. It did not—as nothing could—adequately make amends for the lives lost as a result of North Korea's calculated barbarism. Nevertheless, the measured allied response drives home the essential message that the United States will not be bullied or otherwise driven from fulfilling its role as guardian of the 23-year Korean armistice; and it did so without additional loss of life and without unnecessarily exacerbating an already tense situation.

The incident of the tree strongly reinforces the conclusion reached by last week's "nonaligned" conference in Colombo that a "grave" threat of new conflict exists in Korea. But the evidence in no way supports the conference's incredibly myopic conclusion that the provocation is all on the allied side and that the danger of war would be removed by dissolution of the United Nations Command and withdrawal of American forces.

On the contrary, Pyongyang's latest brute display of unpredictable aggressiveness underscores the continuing need for a strong and patient United States presence, preferably under United Nations auspices, until North Korea's leaders abandon their persistent dream of military conquest and sit down to negotiate a final peace settlement.

H. RES. 1482

Whereas during the past 23 years, 49 Americans and 1,000 Republic of Korea Armed Forces personnel have lost their lives, in addition to many more that have been wounded in the Korean Demilitarized Zone; and

Whereas the wanton murders of Major Arthur G. Bonifas and First Lieutenant Mark T. Barrett on Wednesday, August 18, 1976, represent the culmination of a long series of North Korean violations of the armistice agreement; and

Whereas this long series of heinous, unprovoked, and utterly unjustified acts has continued in an attempt to intimidate the United States of America and the Republic of Korea into surrendering to the continuing demands of the North Korean government; and

Whereas the North Koreans have persistently relied upon a policy of violence, highlighted by such incidents as the Pueblo Affair in January 1968, the destruction of an American EC–121 aircraft and all personnel onboard in April 1969, the machinegun ambush of an American troop transport in the Demilitarized Zone in October 1969, and the 1974 booby-trap slayings of United States and Republic of Korea personnel who discovered the illegal North Korean tunnels under the Demilitarized Zone; and

Whereas a brutal, unprovoked and permanently damaging attack was made on Major William D. Henderson, United States Army, on June 30, 1975, at Panmunjom: Now, therefore, be it

Resolved, That (a) the House of Representatives condemns North Korea for its continued acts of treachery culminating in the brutal axe murders of two American officers and the wounding of five others; and

(b) the Speaker of the House of Representatives should make known the sincere regrets of the House to the wives and children and other survivors of Major Bonifas and Lieutenant Barrett.

H. RES. 1486

Resolved, That the Committee on the Armed Services is instructed to make a study of the murder by members of the North Korean Armed Forces serving as guards at Panmunjom of two American Army officers attached to the United Nations Command, and other recent North Korean violations of the Armistice Agreement.

SEC. 2. Not later than January 3, 1977, the

American society. The FmHA contribution undergirds other resources for maintaining a sound structure of family-farm agriculture, for expanding other lines of rural employment, and for improving housing and public facilities needed to support an acceptable standard of living in the rural community. The Agency's objective to help the people of rural areas realize goals of achievement that they set for themselves.

Recently, the President signed the Department of Agriculture Appropriation Bill for fiscal year 1977, which increases farm ownership and other agriculture assistance loans by $150 million over this year, and signed PL 94–305, which makes it clear that the SBA shall provide financial assistance to small agricultural enterprises which cannot obtain financial assistance on reasonable terms from non-Federal sources. This latter action makes the SBA business loan and disaster loan programs available to help farmers to finance growth and modernization, to rehabilitate property damaged by natural disasters and to comply with certain health, safety and environmental statutes and regulations.

Finally, the Administration is supporting enactment of H.R. 14641, a bill which substantially increases the Farmers Home Administration loan limits for farm operating and ownership loans, and expands eligibility to include family farm partnerships and corporations.

D. *Conservation (Topsoil preservation, shelterbelts, etc.)*—

Answer: The wise use of our soil, water, timber, and wildlife resources is vital if we are to feed, clothe, and house ourselves and to provide for future generations. Our soil and water resources are basic to the health and strength of our country. During this Administration, we have strengthened relations with State and local governments to give more responsibilities to local units of government such as the local conservation districts which function so ably to protect our soil and water resources.

The President agrees that our Nation must continue to utilize good land use and conservation measures to protect our productive lands for us now and in the future.

E. *Housing*—

Answer: The Administration's housing policy for small towns and rural areas, as well as for urban and suburban neighborhoods, is to facilitate the development of housing in the private market. Direct Federal assistance is also provided for low-income families to enable them to obtain decent housing and suitable living environments. Three major Federal agencies—the Farmers Home Administration in the USDA, HUD, and the VA—administer housing programs which assist rural families of modest means gain access to ownership or rental of adequate housing. Although HUD is often depicted as an "urban" oriented agency 20–25 percent of its subsidized housing assistance is earmarked for non-metropolitan areas by law. In furtherance of this mission, the President recently signed the USDA Appropriations Bill for fiscal year 1977, which provides for over $3.7 billion in housing loans and grants—an increase of $500 million from the fiscal 1976 appropriated level.

F. *Rural Water Systems*—

Answer: The program administered by FmHA aids rural Americans to obtain access to a safe and reliable water supply. The Administration's program emphasizes expansion of existing systems to keep pace with progress and opportunity for advancement in rural areas.

G. *Estate Tax Revision*—

Answer: The President strongly believes in the need to provide estate and gift tax relief to family farms and small businesses, and the Administration has proposed three major changes in the present estate tax laws which would benefit farmers and small business. These are (1) raising the exemption level on all estates from $60,000 to $150,000, (2) granting a complete interspousal exemption on all estates—i.e., estates bequeathed to a spouse would no longer be taxed—and (3) giving certain estates largely attributable to family farms and other closely-held businesses an extended, low interest tax payment period. Specific features of the bill containing the above provisions as well as other proposals pertaining to changes in the estate and gift tax are currently being considered by the House Ways and Means Committee and by the Senate (in connection with the pending tax reform bill). Thus, instead of raising the dollar exemption, a tax credit has been proposed which would have a similar end effect on reducing the Federal estate tax from present levels. Exact details for implementing a deferral, or extension of the time allowed for the payment of estate taxes also is under discussion.

However, regardless of the exact form that such legislation may eventually take, the Administration is supporting changes that will ease the tax load on the estates of farmers and small business owners.

H. *Rural Post Offices*—

Answer: The President has been extremely concerned about the growing fiscal deficit of the United States Postal Service. He has, moreover, resisted efforts to return the burden of subsidizing the mail to the taxpayer, insisting instead that users should pay for mail service. Therefore, while the President understands the historic social role of rural post offices, his Administration has supported the efforts of the Postal Service to insure efficiency and reduce costs, including the closing of some small postal facilities which serve only a limited number of families, provided that comparable service can be delivered by other Postal Service facilities.

In conclusion, I have enclosed a copy of the Third Annual Report of the Secretary of Agriculture to the Congress, *Rural Development Goals*. This report discusses considerations involved in assessing rural development goals/progress; presents status reports on rural employment, income, population, housing, and community services and facilities; and reports on Federal program activities in fiscal year 1975 that have an impact in these five goals areas. It details many of the Administration policies on rural, small town, and small business development requested in question 3 of your letter.

Considerable progress in rural development has been made in this Administration. In the past few years, a new assistant secretariat for rural development was created and a new agency, the Rural Development Service, was organized to continue assistance on a daily basis for thousands of rural communities annually. Rural development activities of the U.S. Department of Agriculture alone are illustrated by the following facts (however consider fully when reviewing these accomplishments that some 80 percent of the Executive Branch program funds going to rural America each year are from departments and agencies other than the Department of Agriculture). Indicators of accomplishments are, for example (by fiscal year):

Approved farm loans increased from $667 million in 1969 to over $1.8 billion in 1976, about 270 percent of the 1969 level.

Farmers Home Administration approved rural housing loans increased from $498 million during 1969 to over $2.5 billion in 1976, 500 percent to the 1969 level.

Water and sewer approved loans and grants increased from $189 million in 1969 to $590 million in 1976, 300 percent of the 1969 level.

Other essential community facility loans rose from $50 million in 1974 (the first year of program operation) to $170 million in 1976, 340 percent of the earlier figure.

Business and industrial approved loans and grants increased from $210 million in 1974 (the first year of program operations) to $282 million this fiscal year, 134 percent of the 1974 figure.

In the electric utility and telephone programs administered by the Rural Electrification Administration, the increase in levels of assistance is even more remarkable. For example:

Total electric loans in 1969 were $345 million. In 1976, they totaled about $2 billion (including the guaranteed loan program), about 600 percent of the 1969 level.

Telephone loans, including direct and guaranteed loans by the Rural Telephone Bank, increased from a 1969 level of $125 million to a 1976 level of almost $700 million, 560 percent of the 1969 amount.

In addition, during FY 1974, USDA personnel assisted with nearly 190,000 rural development projects and conducted 44,000 surveys and feasibility studies. The staff convened and conducted nearly 100,000 workshops, conferences, and meetings for rural development interests and assisted with approximately 130,000 more such training sessions.

The population migration out of rural America to our urban centers witnessed in the 1960's has reversed. In the first three years of this decade, we have witnessed a shift in the previous trend and reliable demographers now estimate that a net of about 350,000 people annually are leaving the cities (metropolitan areas) and moving into rural America (nonmetropolitan areas). This migration to rural areas includes counties which are not adjacent to urban areas. Those rural counties, during the 1970–73 period, showed a 3.7 percent population growth while metropolitan areas grew by just 2.9 percent. For the 1970–76 period, net manufacturing jobs grew two percent in nonmetropolitan areas as compared with a 1.0 percent decrease in metropolitan areas. Net construction jobs increased by 21.5 percent in nonmetropolitan areas as compared with a 7.5 percent decrease in metropolitan areas.

While new jobs are vital for growth in rural America, changes in other aspects of rural life are also important. For example, during the two decades from 1950 to 1970 the number of occupied housing units that were substandard declined more rapidly in nonmetropolian than in metropolitan areas—a decline of 68 percent as compared with 61 percent. During 1973 and 1974, the number of new housing units built per 1,000 households was greater in nonmetropolitan areas than in metropolitan areas.

All this is to indicate that decisive progress has and is being made to further develop the great rural areas of our Nation.

I hope that this provides you with a satisfactory answer for the questions which you have asked. Should you desire more information, please let me know.

Best regards,
Sincerely,
PAUL C. LEACH,
Associate Director, Domestic Council.

WILL FUTURE GENERATIONS HAVE NATIONAL FORESTS?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. BROWN of California. Mr. Speaker, the House Agriculture Subcom-

Committee on the Armed Services shall transmit a report to the House containing a detailed statement of the findings of the committee, based on the study conducted pursuant to the first section of this resolution, together with recommendations for such legislation or other action as it deems appropriate. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

H. CON. RES. 718

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress the President take such steps as may be necessary to place the threat to the peace created by the murder of two American Army officers attached to the United Nations Command by members of the North Korean Armed Forces serving as guards at Panmunjom, and other recent North Korean violations of the Armistice Agreement, on the agenda of the United Nations Organization.

FORD POLICY ON RURAL AREAS

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. PRESSLER. Mr. Speaker, I include the attached copy of the answer that President Ford's staff prepared to my letter of May 26, 1976, which asked for a definition of all Presidential candidates "rural/small town/small business" policy in the CONGRESSIONAL RECORD:

THE WHITE HOUSE,
Washington, D.C., July 30, 1976.

Hon. LARRY PRESSLER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PRESSLER: This is a reply to your letter of May 26, 1976, concerning the attitude of the Ford Administration on international agricultural trade and on rural, small town and small business policy. In particular you asked about the Administration's policy in three broad areas. The responses to your questions are as follows:

1. What is your policy on international agricultural trade? What steps would you take to give agricultural imports/exports the same treatment our industrial exports receive? Would you use food as a foreign policy tool? Would you consider creating a "food cartel" against the Arab oil cartel?

Answer: Since nearly one acre in three of American cropland produces food for export, United States policy on international agricultural trade must provide strong support for our general United States farm policy. At home, the President believes in a market-oriented farm program—one in which the farmer can earn a good income from the market place without financial assistance from the Government. A market-oriented farm program is one in which farmers make their decisions on how much to produce and what to produce according to the direction of prices and not the direction of the government. Such a policy results in the most efficient use of our agricultural resources at the least cost to the taxpayer. The same principles must apply in international agricultural trade. The United States is now engaged in multilateral trade negotiations in Geneva aimed at the elimination of export subsidies, reduction of tariffs, and the removal of trade barriers. The American position in these discussions is that agricultural and industrial products should be considered together, rather than separately, so that agriculture will not be short changed.

As he has said on a number of occasions, the President does not intend to use food as a coercive foreign policy tool. A food cartel, apart from the loss of sales it would imply, could not be operated in the same way as the oil cartel. Food production cannot be turned on and off like oil production, nor could it be enforced easily against the Arabs alone. However, at the same time, food is important in foreign policy. It is an international language—a common concern around the world. Our leadership as an efficient food producer helps the United States to build peaceful bridges to other nations. Efficient production and trade based on comparative advantage are an effective force for peaceful, stable relations among nations.

2. Will you appoint a family farmer as your Secretary of Agriculture? In international trade agreements that affect agriculture, will the Secretary of Agriculture be given the same negotiating power that the Secretary of State and the Treasury now enjoy?

Answer: The next Agriculture Secretary might well be a family farmer, but no President should prematurely restrict his future Cabinet choices. Earl Butz, as Secretary of Agriculture, is doing a tremendous job on behalf of farmers and the Nation. Any man chosen to be Secretary of Agriculture must have the background, experience and ability to deal with a wide range of difficult problems in domestic and international agriculture.

In the area of international trade, the Secretary of Agriculture already enjoys negotiating power comparable to that of the Secretaries of State and Treasury. Under the Trade Act of 1974, the responsibility for trade negotiations is given to the Special Representative for Trade Negotiations. In the performance of his duties, the Special Representative consults with the Secretaries of Agriculture, Commerce, Treasury, and State, as well as other departments. Consequently, the Secretary of Agriculture has a very strong voice in this area.

It is also important to note that the President, in order to insure the Secretary of Agriculture a primary role in agricultural policy making, established a new Agricultural Policy Committee on March 5, 1976. The Secretary of Agriculture is chairman of the Committee. Other members include Cabinet officers and senior White House advisers. The Committee was formed to consolidate agricultural policy making under one group reporting directly to the President. The Committee's responsibilities includes both domestic and international issues. The Agricultural Policy Committee replaced the International Food Review Group, which was chaired by the Department of State, and the Economic Policy Board Food Committee, co-chaired by the Departments of State and Treasury. The Secretary of Agriculture is also a full member of the East-West Trade Board which oversees U.S. policy making in this important field of international trade.

3. What are your policies on rural, small town and small business development—specifically in the following areas:

A. *Business Development—*

Answer: In guaranteeing loans for business and industrial development, the Farmers' Home Administration ("FmHA") helps to save and create new employment thereby improving the economic and environmental climate in rural areas. The President supports this effort to promote business development in non-urban areas.

In addition, the Small Business Administration ("SBA") provides much of its assistance to smaller businesses in rural America. The President strongly supports the SBA and is committed to the continued health and vigor of small business. In a February 12, 1976, statement the President said:

"At a time when we so urgently need increased private job creation, I am particularly impressed by the fact that our 9.4 million small business firms employ about 55 percent of the private sector labor force in this country and produce about 48 percent of our gross business product. The continued growth and prosperity of this vital sector is critically important if we are going to generate the expanding number of private, productive jobs required in the coming years.

"The Small Business Administration was created in 1953, during the Eisenhower Administration to provide small businessmen with advice and assistance and to promote the interests of the small business community. The intent of this legislation was to 'aid, counsel, assist and protect . . . the interests of small business concerns in order to preserve competitive enterprise as the basis for economic well-being and the security of the Nation." The SBA is the primary instrument of the Federal government in promoting the important interests of the small business community. I supported the creation of SBA in 1953 and strongly support it today. As evidence of this commitment, my fiscal year 1977 budget requests an increase of 33 percent in the SBA's major loan guarantee program. This will increase the ability of the SBA to assist in financing the many small businesses which cannot obtain needed financing in commercial markets.

"In addition to supporting the work of the SBA, my Administration is taking a variety of actions to foster a strong small business community. Of paramount importance, of course, is our effort to achieve sustained economic growth without inflation by moderating the increases in Federal spending and by reducing our budget deficit. To also provide additional funds for business investment and growth. I have proposed a permanent extension of the corporate surtax exemption and the 10 percent investment tax credit currently in effect and have also called for a reduction in the maximum corporate tax rate from 48 to 46 percent."

B. *Transportation—*

Answer: The Administration has proposed a comprehensive Rural Transportation Assistance Program in a highway bill that would consolidate several existing programs and give State and local governments increased program flexibility. (See page 101, Third Annual Report on the Secretary of Agriculture to the Congress, *Rural Development Goals*, which is enclosed with this letter).

Moreover, the President has made two important transportation regulatory reform proposals which will be very helpful to rural areas: (1) The Administration's proposed Aviation Act of 1975 will yield major benefits to the nation's air travelers. It will be especially important to small communities who have suffered a continuous erosion in the availability of air service, largely because of the presently overly restrictive regulatory system; and (2) the proposed Motor Carrier Reform Act will improve service to small communities by relaxing regulatory restrictions on entry and pricing which currently make small community freight unattractive to some carriers.

C. *Credit—*

Answer: The Administration favors efforts by FmHA to supplement credit available from the private sector and wants to assure that resources will be provided for a balance of growth between rural and urban sectors of mittee on Forests has completed markup of legislation on national forest management. The full Agriculture Committee will consider this reported bill this week.

As you know, I have been actively involved in this markup, being a member of the subcommittee. I was very disappointed with the final legislation reported by that body. Many points of concern to citizens and foresters around the country were left unaddressed or merely touched upon with a general sentence or two.

The timber industry is understandably pleased with the bill because the provision in the Senate version regarding a sustained yield management policy, a provision which caused the industry great concern, was deleted from the House Agriculture Subcommittee bill, H.R. 15069. I considered this one of the most crucial parts necessary in any legislation, for a policy of sustained yield will insure that future generations will be able to enjoy the many uses of our national forests. By removing such a provision we effectively encourage more rapid liquidation of our forests.

The following news article, which I would like to insert in the Congressional Record, summarizes the timber industry's reasons for fighting a sustained yield policy as presently mandated by the Senate bill. Oregon and the other Pacific Northwest States, will have much to lose if this provision is not included in the full committee's final legislation. I urge my colleagues to familiarize themselves with the facts contained in this article. The issue will probably come up again.

The article follows:

[From the Eugene Register-Guard (Eugene, Oreg.), June 10, 1976]

IT WOULD PROTECT OLD GROWTH—REAL OBJECTION TO BILL DISCLOSED

(By Dan Wyant)

SALEM.—The real reason the forest products industry isn't happy with present clear-cutting legislation in Congress was disclosed to a group of Oregon legislators here Wednesday.

An industry spokesman said passage of the bill would destroy the chance of a quick liquidation of remaining old growth timber stands in the West—which is a way to boost the timber supply for a short period of time.

John Crowell, an executive for the Louisiana Pacific Corp. in Portland, said that while the bill would permit clear-cutting—an industry objective—it would also put into law the U.S. Forest Service's present policy of "nondeclining even-flow management" of public timber.

That means the Forest Service won't cut down more timber in any one year than it can grow, in order that the nation will be assured a supply of timber in perpetuity.

If the provision remains in the compromise bill, Crowell said, it would preclude the possibility of a rapid liquidation of old growth timber stands in the Pacific Northwest.

He argued that the Forest Service should "utilize remaining old growth over the next 30 to 40 years—and take advantage of the growing capacity of the land" with new stands of faster-growing young trees.

But to do that, he said, the Forest Service would have to abandon its even-flow concept by cutting more timber than it was growing for several decades.

Timber is in short supply in Western Oregon and Western Washington because private timber owners have been doing just that—and there will be a gap before new stands of mature timber are ready for harvest.

Crowell was one of a series of speakers who briefed the Legislative Interim Committee on Natural Resources Wednesday on forest related problems and issues.

He said the forest products industry has several objections to compromises written into the bill that's currently before Congress—but the main objection is to the inclusion of non-declining, even-flow management as a congressional directive to the Forest Service.

Earlier, another speaker, Glen Jorgenson, head of timber management for the Pacific Northwest region of the U.S. Forest Service in Portland, told the legislators that even now a Forest Service study is exploring alternatives to the non-declining even flow concept.

He said the "non-declining" part of the policy means the Forest Service can't alter its computations to decrease its annual allowable harvest, but it can increase the harvest if it can show that it is achieving greater forest yields through better management.

He was asked by one of the legislators, Rep. D. E. Jones, a Republican cattle rancher from Ione, why the Forest Service clings to its concept of sustained yield harvest.

"Mainly because of the conservation ethic," Jorgenson told him. "It just doesn't seem fair for one generation to take more than its share of timber from the forests—and leave less for the next generation."

Under questioning by Rep. Grattan Kerans, D-Eugene, Jorgenson said Forest Service timberland production in Oregon and Washington could be boosted from the current annual allowable cut of 4.3 billion board feet to 5 billion or even 6 billion board feet per year, provided enough capital investment were made to intensify forest management.

The Forest Service has long been saying it has the capacity for greater annual allowable cuts—given the funds to grow more timber.

But Jorgenson said his agency believes it would be wrong to announce increases in annual timber sales unless it has the money in hand to bring about greater future yields.

He said the region has a current backlog of 300,000 acres of unstocked timberlands and some 400,000 to 500,000 acres of young trees that need to be thinned to attain their maximum growth.

Jorgenson said a "wild estimate" of the cost to put the forest lands in intensive management is $50 million a year, a sum that would require about a 25 percent increase in the region's annual budget. The additional timber would yield about $100 million per year in added revenues at today's timber prices, he said.

Timber sale revenues go to the federal government's general budget and to counties in lieu of taxes, so the additional investment funds would have to come from congressional appropriations, he noted.

John Beuter, the Oregon State University forestry professor who directed the highly publicized study on the state's declining timber supply in Western Oregon, was another of the speakers.

Rep. Nancie Fadeley, D-Eugene, asked him if his projections are even more pessimistic in light of the Mapleton Ranger District's contention that some 20 per cent of the district's steep mountainsides shouldn't be cut at all because of landslide problems.

Mapleton Ranger Phil Wickham has proposed that timber cutting be banned on high-risk slide areas and estimates a 10 to 15 per cent reduction in annual harvest if the policy is adopted.

Beuter projects that Lane County will have a timber deficit from about 1980 through the year 2000 if current allowable harvests remain the same on public lands and if private timber owners try to make up the balance from their own lands.

Beuter told Mrs. Fadeley his calculation was based on harvest projections provided to him by the Forest Service and other timber land managers. If the cutback for coastal erosion wasn't in the data provided him, then it would mean an additional shortfall of timber, he said.

But on the other hand, Beuter said, some of the other timber managers may have been overly pessimistic in their harvest projections, so the actual yield may even out.

ED APPLING, JR., 100 YEARS YOUNG

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 24, 1976

Mr. GONZALEZ. Mr. Speaker, Sunday, while I was home in the 20th Congressional District of Texas, I had the pleasure of helping my good friend, Ed Appling, Jr., observe his 100th birthday.

While the States were celebrating their centennial and attempting to reunite, and the reconstruction period was finally over, Ed was born to his parents, Emily and Ed Appling, Sr., at Luling, Tex., on August 22, 1876.

Ed has now achieved one of the greatest desires of mankind—he has reached his 100th birthday in very good shape. He is alert, sharp, and certainly not feeble.

Most of all he has a spirit that is as alive in him today as it was throughout his lifetime. He enthusiastically anticipates tomorrow—he realistically reminisces yesterday—and he accepts today as a challenge for what it holds in store.

This is the true American spirit—the spirit of 1876 and the spirit of 1976. Ed Appling, Jr., has been endowed with this true American quality.

Mr. Speaker, I want to share with you and my colleagues the San Antonio Express account of the celebration of the 100th birthday of my good friend, Ed Appling, Jr., as follows:

HUGS, KISSES MARK BIRTHDAY OF MAN, 100

(By Michael Quintanilla)

"Come on over here sweetheart and give this old man a kiss—I'm 100 years young today."

"Sweetheart" was one of about 200 people who gathered around Ed Appling Jr. to squeeze, kiss, hug and convey warm birthday wishes on his 100th birthday Sunday.

The three-hour party was held at Holy Redeemer Hall where tributes to Appling were made by U.S. Rep. Henry B. Gonzalez, former Mayor W. W. McAllister and a host of friends and associates.

Appling was born August 22, 1876 in Luling where he grew up on a farm and attended a rural public school with his four brothers and seven sisters.

TWO MILE WALK

"I remember walking those two miles every day. After a while it didn't seem so long, but we children sure did have a lot of fun going and coming," the lone survivor of the family said.

When he was 13 years old, his mother died and Appling had to quit school to help his family.

"Those were hard times, but they were also the best of times. But I knew my duty and I did it. Then I didn't feel guilty when I went out courting the girls. I used to love to square dance," Appling remembered.

Married at 22. Appling and his wife, Pinkie, had one son, Oscar, who died in 1950. Pinkie died two years later after a happy 69 years of marriage.

MOVED TO SAN ANTONIO

Appling moved to San Antonio in 1907 and started working for Prager Hardware Co. as a wood stove repairman.

In 1969 he became a night attendant at the Gibbs Building where he remained employed until 1917 when he was inducted into the Army.

After his discharge, he became an attendant with the Central Branch of the YMCA where he worked until 1939.

It was at that time that Appling became a custodian at City Hall when Maury Maverick Sr. was mayor. He remained there 13 years.

FOND MEMORIES

"I have fond memories of Maury Maverick Sr. when I started working there. I'm so glad to see his wife here today," Appling said. Mrs. Maverick came from Austin to pay tribute to the former City Hall employee.

In 1952 Appling retired due to his wife's illness. Since then Appling has lived alone, taking an interest in some gardening and routine household chores.

"I never wanted to leave that house when my wife died. I built that house and moved in it. I cook for myself, I clean it and garden it," he said.

Appling said he attributes his longevity to three things: "I believe in and follow the teachings of the Lord. I lived for my wife and family and now I work for my church and my community."

Appling holds membership in the Alamo City Chamber of Commerce, the Board of Managers of the Alamo Branch of the YMCA, the local NAACP and the Board of Stewards of St. Paul United Methodist Church.

In his 100 years, Appling has seen two world wars, the Great Depression, the coming and going to several presidents, the birth of the Atomic Age, the emergence of the Civil Rights movement, assassinations of national leaders and more events Appling says are too numerous to mention.

But Appling talks less about the great events that shaped the world in the past 100 years than about the great events that shaped his world during the past century.

Those, after all, are the ones he understands best.